

### Wheat Domestic Fundamentals:

**Steady tone was witnessed in Wheat physical markets on Wednesday** in India. Wheat prices were steady at Uttar Pradesh, Madhya Pradesh and Punjab. Prices were steady in Delhi at Rs. 1980/q.

**On Friday, the Uttar Pradesh government issued directions to start wheat procurement from April 1.** This year, the state government fixed the Minimum Support Price (MSP) at Rs 1975 per quintal, Rs 50 more than that of the last year. Chief Minister said, "Arrangements for the safety of wheat at purchasing centers and storage warehouses must be ensured, and the farmers should get benefits of the MSP at any cost." "The wheat farmers be given the facility of online registration in the same manner that sugarcane farmers were given. The purchasing agencies with a bad record should be kept out of consideration for work while making new policies." he further added. The state government will also geo-tag purchasing centres and storage warehouses. The government has also given directions to facilitate wheat procurement through biometric authentication this year.

**All India's weekly average prices decreased by 4.38 percent to Rs. 1775.39 per quintal during** the week ended 31<sup>st</sup> Jan 2021. Wheat average prices were ruling at Rs 2222.11 per quintal during 24<sup>th</sup> –31<sup>st</sup> Jan 2020. The wheat prices are unlikely to drop and is going to be steady to firm in coming weeks due to high export demand. Prices are likely to trade steady to slightly firm.

**As per the latest update, the area under wheat has increased marginally by 3.03% to 345.14 lakh hectares** so far in the ongoing 2020-21 Rabi season from 334.68 lakh hectares year-ago same period. Rabi sowing progress's overall trend is excellent, with increased area coverage recorded due to favourable weather. Thus, 10.46 lakh ha more area has been covered compared to last year.

**Wheat WPI has increased from 147.9 in November-20 to 147.3 in December-20.** Monthly wheat inflation has decreased by 0.41 percent in December -2019 compared to the previous month and increased by 12.49 percent from December-19.

**As per trade sources, India has exported around 1.54 lakh tonnes in the month of December-2020** at an average FOB of \$238.06 per tonnes, higher this year and the major destinations were Bangladesh, Sri Lanka, Nepal and Malaysia. Exports are likely to be at higher side as other countries are providing wheat at higher prices. High export will going to support the domestic market in near term.

**The US Department of Agriculture (USDA) on Tuesday upped** its forecast of Indian wheat exports for 2020-21 (July-June) to 1.8 million tonnes (MMT), as against its earlier estimate of one MMT. That would be the highest ever in the last six years.

**As per market sources, wheat stock in the central pool as of 1st January'21** stood at 342.90 lakh tonnes down by 7.18% compared to last month. This quantity is lower by around 4.35% compared to last year for the same month. The government has abundant supplies this year to tackle any unexpected rise in wheat prices by selling more quantity in the open market and through high exports.

**There is a widespread export demand for Indian wheat recently.** By the end of January, if exports are taken into consideration, then the export of 1 million tonnes of wheat will be done this year. After March, the new season will start, then there is a possibility of exporting about 2 million tonnes of wheat, most of which is expected from Gujarat.

### International Market Update:

**Wheat prices rose in most major exporting countries since last month's WASDE** due to the Russia export tax and stronger prices for corn and soybeans. Australia prices strengthened on stronger demand in Southeast Asia in lieu of less exportable supplies in Russia with its export restraints. The major exporters are currently all quoting prices within a very narrow range.

**Russia has formally approved a higher wheat export tax** starting on March 1, Reuters reported, to counteract a rise in domestic food prices caused by the coronavirus (COVID-19) pandemic. The government approved a €50 (\$61) per tonne wheat export tax starting from March 1 to June 30 compared to the €25-per-tonne tax set for Feb. 15 to March 1. A barley and corn export tax is set at €10 per tonne and €25 per tonne, respectively, from March 15 to June 30.

**Bangladesh's state grains buyer has issued another international tender** to purchase 50,000 tonnes of milling wheat, traders said on Monday. The deadline for submission of price offers is Jan. 25, they said. Bangladesh has issued a series of wheat tenders in past weeks. A previous tender from Bangladesh for 50,000 tonnes of wheat had closed on Jan. 4. Other tenders also for 50,000 tonnes of wheat close on Jan. 12 and Jan. 18.

Wheat Futures Contract: NCDEX Price							Date: 29.01.2021 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
21-Feb	-	-	-	-	1824				
21-Mar	-	-	-	-	1829				
21-Apr	-	-	-	-	1835				

Spread	Jan-21	Feb-21	Mar-21
Spot Narella	-	-	-
21-Feb	-	0	-
21-Mar	-	-	7
21-Apr	-	-	-

Stocks	Demat	In-Process	Total	EDD
	23.Jan.21	23.Feb.21	23.Mar.21	20.Apr.21
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	-	-	-	-

Wheat Daily Prices and Arrivals on 29<sup>th</sup> Jan-2021

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			29-Jan-21	28-Jan-21	
Delhi	Lawrence Road	Mill Delivery	1980	1980	Unch
	Narella	Mill Quality Loose	1840	1850	-10
	Nazafgarh	Mill Quality Loose	1830	1825	5
Gujarat	Rajkot	Mill Delivery	1825	1800	25
	Ahmedabad	Mill Delivery	1870	1900	-30
	Surat	Mill Delivery	1925	1925	Unch
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Delivery	1840	1865	-25
	Bhopal	Mill Quality Loose	1650	1725	-75
Rajasthan	Kota	Mill Quality Loose	1740	1730	10
		Mill Delivery	1865	1850	15
U.P.	Kanpur	Mill Delivery	1750	1710	40
	Mathura	Mill Quality Loose	1760	1770	-10
	Kosi	Mill Quality Loose	1700	1690	10
	Hathras	Mill Quality Loose	1825	1810	15
	Aligarh	Mill Quality Loose	1750	1780	-30
Punjab	Khanna	Mill Quality Loose	1725	1740	-15
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1785	1785	Unch
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1860	1870	-10
	Karnal	Mill Delivery	NA	NA	-

	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2050	2050	Unch
	Madurai	Mill Quality	2107	2107	Unch
	Coimbatore	Mill Quality	2107	2107	Unch
Bihar	Khagariya	Mill Delivery	1800	1800	Unch
	Muzaffarpur	Mill Delivery	1800	1800	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			29-Jan-21	28-Jan-21	
Gujarat	Rajkot	Lokwan	1900	1900	Unch
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	1900	1925	-25
	Bina	Sarbati 306	2600	2600	Unch
Rajasthan	Kota	Lokwan Bilty	1950	1925	25
	Baran	Lokwan	NA	NA	-

## Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			29-Jan-21	28-Jan-21	
Delhi	Lawrence Road	Mill Delivery	6000	7000	-1000
	Narella	Mill Quality Loose	400	300	100
	Nazafgarh	Mill Quality Loose	150	80	70
Gujarat	Rajkot	Mill Quality Loose	1100	1400	-300
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Quality Loose	3000	2500	500
Rajasthan	Kota	Mill Quality	5000	6500	-1500
U.P.	Kanpur	Mill Quality Loose	700	500	200
	Mathura	Mill Quality Loose	300	600	-300
	Kosi	Mill Quality Loose	850	400	450
	Hathras	Mill Quality Loose	50	200	-150
	Aligarh	Mill Quality Loose	300	250	50
Punjab	Khanna	Mill Quality Loose	500	500	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	400	300	100
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	29-Jan-21	28-Jan-21	Change
Atta (50kg) Ordinary	1100	1100	Unch
Maida Grade 1 (50KG)	NA	NA	-
Suji (50kg)	1300	1300	Unch
Chokar (50 kg)	NA	NA	-
Chokar (34 kg)	NA	NA	-
Chakki Atta (50kg)	1100	1100	Unch
Chakki Atta (50kg) Special	NA	NA	-
Chakki Atta (90kg) Superfine	NA	NA	-
Chakki Atta (50kg) Superfine	NA	NA	-

**Wheat (CBOT) Future Price: 28.01.2021**

Contract Month	Open	High	Low	Close	Change
<b>Mar-21</b>	655.00	664.50	643.50	647.00	-11.25↓
<b>May-21</b>	654.00	664.50	644.50	647.50	-10.25↓
<b>Jul-21</b>	637.75	648.00	630.25	631.50	-9.00↓
<b>Sep-21</b>	636.00	646.25	629.25	630.25	-8.25↓
<b>Dec-21</b>	639.50	650.00	632.75	634.00	-8.00↓
<b>Mar-22</b>	639.50	654.00	637.50	638.75	-8.00↓

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2021 Indian Agribusiness Systems Ltd.