

Wheat Domestic Fundamentals:

All India's weekly average prices increased by 10.55 percent to Rs. 1962.67 per quintal during the week ended 08th Feb 2021. Wheat average prices were ruling at Rs 2317.41 per quintal during 01st–08th Feb 2020. It is unlikely that any slowdown in the wheat market and prices will increase for a longer period. Prices will remain high as the wheat crop is expected to decrease this year.

The wheat crop is expected to be good this year. The standing crop is getting cold at present, and due to the favorable environment, the harvest will be good in Gujarat. The sowing has been reduced, but there will not be a very big decline. The wheat price is hovering from ₹ 1810 to 1820, which has increased recently. There is no circumstance to see the price going below ₹ 1800 in the coming days. If the amount is too low, then the market can go down.

Prices will go up in the wheat market in the long term, but this year the major basis has been on the fluctuation of Chicago futures. In the new season, wheat exports are expected to go from 10 lakh tonnes to 40 lakh tonnes. The export of wheat will remain the same throughout the year.

FCI has stocked up to 3 million tonnes of URS quality, which is in Punjab - Haryana but will run out in two months. After that, the market can improve.

In Kota, the price of mill quality wheat is running around Rs. 1750. Currently, the price is stable at present due to loading problems at Kandla port, lack of space in the warehouse, but as export demand comes out, there will be a recovery from this price, and there will be a rise of Rs. 100 to 150 per quintal. Export demand in wheat is expected to be good. Depending on the global market price, there will be export trade, and the market will depend on it. In Rajasthan, the old stock of wheat is no longer left. The same stock is left, which is normal.

The Uttar Pradesh government has increased the MSP for wheat to Rs 1975 per quintal. In a way, this year, Rs 50 has been increased more than the MSP of last year. Government procurement of wheat in Uttar Pradesh is going to start from April 1.

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.

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.

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.

International Market Update:

On Jan. 26, the Russian government announced it would increase the country's wheat export tax from €25/MT to €50/MT for March 1 to June 30 deliveries in an attempt to secure domestic food supplies and stabilize domestic prices. "We hope in the near future the price situation will stabilize and we will be able to switch to a permanent mechanism of export duties," Minister of Economic Development Maxim Reshetnikov said after the government approved the tax increase.

According to Reuters, China imported a record 8.38 MMT of wheat in calendar year (CY) 2020, up 40% from 2019. Domestic Chinese corn prices remain high. "We will continue to buy alternatives [for feed] including imported corn, wheat and barley," said a manager with a major feed and pig producer in southern China. As of Jan. 14, Chinese imports of U.S. wheat total 2.45 MMT, more than 12 times greater than this time last year.

Wheat Futures Contact: NCDEX Price							Date: 01.02.2021 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
21-Feb	-	-	-	-	1819				
21-Mar	-	-	-	-	1824				
21-Apr	-	-	-	-	1830				

Wheat Daily Prices and Arrivals on 01st Feb-2021

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			1-Feb-21	30-Jan-21	
Delhi	Lawrence Road	Mill Delivery	1965	1970	-5
	Narella	Mill Quality Loose	1820	1820	Unch
	Nazafgarh	Mill Quality Loose	1820	1825	-5
Gujarat	Rajkot	Mill Delivery	1850	1850	Unch
	Ahmedabad	Mill Delivery	1890	1950	-60
	Surat	Mill Delivery	1925	1970	-45
	Dhrol	Mill Quality Loose	1765	NR	-
M.P.	Indore	Mill Delivery	1850	1825	25
	Bhopal	Mill Quality Loose	1680	1660	20
Rajasthan	Kota	Mill Quality Loose	1700	1680	20
		Mill Delivery	1825	1805	20
U.P.	Kanpur	Mill Delivery	1730	1750	-20
	Mathura	Mill Quality Loose	1765	1765	Unch
	Kosi	Mill Quality Loose	1820	1800	20
	Hathras	Mill Quality Loose	1810	1820	-10
	Aligarh	Mill Quality Loose	1790	1760	30
Punjab	Khanna	Mill Quality Loose	1750	1750	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1800	1800	Unch
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1880	1880	Unch
	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	1900	1800	100
	Muzaffarpur	Mill Delivery	1800	1800	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
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Centre	Market	Variety	Prices (Rs/Qtl)		Change
			1-Feb-21	30-Jan-21	
Gujarat	Rajkot	Lokwan	1925	1925	Unch
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	1900	1900	Unch
	Bina	Sarbati 306	2600	2600	Unch
Rajasthan	Kota	Lokwan Bilty	1970	1950	20
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			1-Feb-21	30-Jan-21	
Delhi	Lawrence Road	Mill Delivery	6500	5000	1500
	Narella	Mill Quality Loose	200	150	50
	Nazafgarh	Mill Quality Loose	150	100	50
Gujarat	Rajkot	Mill Quality Loose	1300	900	400
	Dhrol	Mill Quality Loose	81	NR	-
M.P.	Indore	Mill Quality Loose	4000	1500	2500
Rajasthan	Kota	Mill Quality	7500	6000	1500
U.P.	Kanpur	Mill Quality Loose	800	400	400
	Mathura	Mill Quality Loose	250	260	-10
	Kosi	Mill Quality Loose	400	800	-400
	Hathras	Mill Quality Loose	225	300	-75
	Aligarh	Mill Quality Loose	250	200	50
Punjab	Khanna	Mill Quality Loose	500	500	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	300	Unch
	Hodal	Mill Quality Loose	30	60	-30
	Bhiwani	Mill Quality Loose	500	500	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi		1-Feb-21	30-Jan-21	Change
Atta (50kg) Ordinary		1050	1100	-50
Maida Grade 1 (50KG)		0	NA	-
Suji (50kg)		1270	1300	-30
Chokar (50 kg)		0	NA	-
Chokar (34 kg)		0	NA	-

Chakki Atta (50kg)	1080	1100	-20
Chakki Atta (50kg) Special	0	NA	-
Chakki Atta (90kg) Superfine	0	NA	-
Chakki Atta (50kg) Superfine	0	NA	-

Wheat (CBOT) Future Price: 29.01.2021

Contract Month	Open	High	Low	Close	Change
Mar-21	646.25	664.75	643.00	663.00	+16.00↑
May-21	647.00	664.25	643.75	662.50	+15.00↑
Jul-21	631.50	644.25	629.00	643.00	+11.50↑
Sep-21	629.25	642.25	628.00	641.50	+11.25↑
Dec-21	634.00	645.50	631.75	644.75	+10.75↑
Mar-22	639.50	649.00	636.50	649.00	+10.25↑

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