

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 Contract: NCDEX Price | | | | | | | Date: 02.02.2021 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 |
|------------|---------------------------|---------------------|-----------------|----------|--------|
| | | | 2-Feb-21 | 1-Feb-21 | |
| Delhi | Lawrence Road | Mill Delivery | 1975 | 1965 | 10 |
| | Narella | Mill Quality Loose | 1825 | 1820 | 5 |
| | Nazafgarh | Mill Quality Loose | 1815 | 1820 | -5 |
| Gujarat | Rajkot | Mill Delivery | 1815 | 1850 | -35 |
| | Ahmedabad | Mill Delivery | 1900 | 1890 | 10 |
| | Surat | Mill Delivery | 1925 | 1925 | Unch |
| | Dhrol | Mill Quality Loose | 1790 | 1765 | 25 |
| M.P. | Indore | Mill Delivery | 1830 | 1850 | -20 |
| | Bhopal | Mill Quality Loose | 1650 | 1680 | -30 |
| Rajasthan | Kota | Mill Quality Loose | 1670 | 1700 | -30 |
| | | Mill Delivery | 1800 | 1825 | -25 |
| U.P. | Kanpur | Mill Delivery | 1730 | 1730 | Unch |
| | Mathura | Mill Quality Loose | 1775 | 1765 | 10 |
| | Kosi | Mill Quality Loose | 1800 | 1820 | -20 |
| | Hathras | Mill Quality Loose | 1800 | 1810 | -10 |
| | Aligarh | Mill Quality Loose | 1820 | 1790 | 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 | 1860 | 1880 | -20 |
| | 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 | 1900 | 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 |
|-----------|--------|--------------|-----------------|----------|--------|
| | | | 2-Feb-21 | 1-Feb-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 | 1970 | Unch |
| | Baran | Lokwan | NA | NA | - |

Wheat Arrivals in Key Centers:

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|-----------|-------------------|--------------------|---------------------|----------|--------|
| | | | 2-Feb-21 | 1-Feb-21 | |
| Delhi | Lawrence Road | Mill Delivery | 6000 | 6500 | -500 |
| | Narella | Mill Quality Loose | 300 | 200 | 100 |
| | Nazafgarh | Mill Quality Loose | 150 | 150 | Unch |
| Gujarat | Rajkot | Mill Quality Loose | 1400 | 1300 | 100 |
| | Dhrol | Mill Quality Loose | 91 | 81 | 10 |
| M.P. | Indore | Mill Quality Loose | 3000 | 4000 | -1000 |
| Rajasthan | Kota | Mill Quality | 5000 | 7500 | -2500 |
| U.P. | Kanpur | Mill Quality Loose | 500 | 800 | -300 |
| | Mathura | Mill Quality Loose | 250 | 250 | Unch |
| | Kosi | Mill Quality Loose | 800 | 400 | 400 |
| | Hathras | Mill Quality Loose | 200 | 225 | -25 |
| | Aligarh | Mill Quality Loose | 200 | 250 | -50 |
| Punjab | Khanna | Mill Quality Loose | 500 | 500 | Unch |
| | (Ludhiana)Jagraon | Mill Quality Loose | NA | NA | - |
| Haryana | Sirsa | Mill Quality Loose | 200 | 300 | -100 |
| | Hodal | Mill Quality Loose | 50 | 30 | 20 |
| | Bhiwani | Mill Quality Loose | 300 | 500 | -200 |
| | Karnal | Mill Delivery | NA | NA | - |
| | Panipat | Mill Quality Loose | NA | NA | - |

| Wheat Products Delhi | | 2-Feb-21 | 1-Feb-21 | Change |
|----------------------|--|----------|----------|--------|
| Atta (50kg) Ordinary | | NA | 1050 | - |
| Maida Grade 1 (50KG) | | NA | 0 | - |
| Suji (50kg) | | NA | 1270 | - |
| Chokar (50 kg) | | NA | 0 | - |
| Chokar (34 kg) | | NA | 0 | - |

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

Wheat (CBOT) Future Price: 30.01.2021

| Contract Month | Open | High | Low | Close | Change |
|----------------|--------|--------|--------|--------|---------|
| Mar-21 | 663.50 | 671.00 | 646.00 | 651.00 | -12.00↓ |
| May-21 | 661.75 | 670.25 | 646.50 | 651.75 | -10.75↓ |
| Jul-21 | 643.00 | 649.00 | 628.25 | 633.75 | -9.25↓ |
| Sep-21 | 641.50 | 646.50 | 626.75 | 632.50 | -9.00↓ |
| Dec-21 | 643.75 | 650.00 | 630.50 | 636.00 | -8.75↓ |
| Mar-22 | 649.00 | 653.00 | 635.75 | 641.00 | -8.00↓ |

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