

Wheat Domestic Fundamentals:

According to the trade source, the lack of rain and increased temperature in day time can affect the yield of wheat. Low temperature and rain are required in this stage.

In Madhya Pradesh, registration for procurement of wheat is currently in progress, which will run till February 20. All arrangements are being made in the state for timely procurement of crop in the interest of farmers. Wheat will be procured from March 22 in Indore and Ujjain divisions in MP and from April 1 in the remaining divisions. Around 4529 procurement centres are being set up across the state.

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.

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:

Russia on Feb. 4 confirmed it will impose a "floating tax" on its wheat and other grain exports starting June 2. The move adds to the trade measures earlier taken by the government, including an export quota that will come into effect from Feb. 15. There's very low chance that Indian wheat export will get boost because Russia will export anyway even cheaper than expected and Russian farmer will pay duty (mostly), there's no chance for Egypt, Turkey, Bangladesh etc.

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

Wheat Futures Contract: NCDEX Price							Date: 08.02.2021 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
21-Feb	-	-	-	-	1815				
21-Mar	-	-	-	-	1820				
21-Apr	-	-	-	-	1826				

Wheat Daily Prices and Arrivals on 08th Feb-2021

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			08-Feb-21	06-Feb-21	
Delhi	Lawrence Road	Mill Delivery	1985	1975	10
	Narella	Mill Quality Loose	1830	1830	Unch
	Nazafgarh	Mill Quality Loose	1810	1800	10
Gujarat	Rajkot	Mill Delivery	1820	1825	-5
	Ahmedabad	Mill Delivery	1885	1880	5
	Surat	Mill Delivery	1930	1930	Unch
	Dhrol	Mill Quality Loose	1725	1785	-60
M.P.	Indore	Mill Delivery	1740	1725	15
	Bhopal	Mill Quality Loose	1640	1630	10
Rajasthan	Kota	Mill Quality Loose	1670	1700	-30
		Mill Delivery	1800	1825	-25
U.P.	Kanpur	Mill Delivery	1740	1770	-30
	Mathura	Mill Quality Loose	1745	1740	5
	Kosi	Mill Quality Loose	1800	1800	Unch
	Hathras	Mill Quality Loose	1790	1800	-10
	Aligarh	Mill Quality Loose	1800	1800	Unch
Punjab	Khanna	Mill Quality Loose	1760	1760	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	1860	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	1900	Unch
	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
			08-Feb-21	06-Feb-21	
Gujarat	Rajkot	Lokwan	1925	1925	Unch
M.P.	Indore	Lokwan	1900	1900	Unch
	Bhopal	Lokwan	1800	1800	Unch
	Bina	Sarbat 306	NR	2600	-
Rajasthan	Kota	Lokwan Bilty	1950	1950	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			08-Feb-21	06-Feb-21	
Delhi	Lawrence Road	Mill Delivery	6500	5000	1500
	Narella	Mill Quality Loose	400	300	100
	Nazafgarh	Mill Quality Loose	100	50	50
Gujarat	Rajkot	Mill Quality Loose	1500	1100	400
	Dhrol	Mill Quality Loose	91	54	37
M.P.	Indore	Mill Quality Loose	3000	2000	1000
Rajasthan	Kota	Mill Quality	5000	3000	2000
U.P.	Kanpur	Mill Quality Loose	700	500	200
	Mathura	Mill Quality Loose	500	300	200
	Kosi	Mill Quality Loose	800	500	300
	Hathras	Mill Quality Loose	150	300	-150
	Aligarh	Mill Quality Loose	500	200	300
Punjab	Khanna	Mill Quality Loose	500	600	-100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	300	Unch
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	500	400	100
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi			08-Feb-21	06-Feb-21	Change
Atta (50kg) Ordinary			NA	NA	-
Maida Grade 1 (50KG)			NA	NA	-
Suji (50kg)			NA	NA	-
Chokar (50 kg)			NA	NA	-
Chokar (34 kg)			NA	NA	-

Chakki Atta (50kg)	NA	NA	-
Chakki Atta (50kg) Special	NA	NA	-
Chakki Atta (90kg) Superfine	NA	NA	-
Chakki Atta (50kg) Superfine	NA	NA	-

Wheat (CBOT) Future Price: 06.02.2021

Contract Month	Open	High	Low	Close	Change
Mar-21	647.25	650.50	633.00	637.50	-10.75↓
May-21	649.75	652.75	636.50	641.25	-9.50↓
Jul-21	632.25	635.25	623.00	628.00	-5.00↓
Sep-21	632.50	633.50	622.50	627.75	-4.50↓
Dec-21	636.25	639.25	628.50	634.00	-3.50↓
Mar-22	643.75	644.50	634.00	639.75	-3.50↓

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