

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:

According to SovEcon, Russia's new permanent wheat export tax may backfire. Russia announced its plans to implement a new floating permanent tax on June 2. The tax will be 70 percent of the difference between the export price and US\$200 per tonne. So if the export price is \$300, that would amount to a \$70 tax. The goal is to bolster domestic supplies of the crop and cool off prices. A permanent floating duty on wheat exports from Russia, which will impose from June 2, may lead to a decrease in wheat production as the new export tax calculation mechanism would be based on market price benchmarks rather than production costs.

Ukrainian soft milling wheat export prices have fallen by \$10-\$11 per tonne over the past week, mainly due to a jump in Russian grain exports ahead of forthcoming exports restrictions, APK-Inform agriculture consultancy said on Monday. Asking prices for Ukrainian-origin 12.5% protein wheat stood at \$280 to \$288 per tonne FOB Black Sea, the consultancy said in a report. Lower quality 11.5% wheat quoted between \$278 and \$286 per tonne

Russia on Feb. 4 confirmed it will impose a "floating tax" on its wheat and other grain exports starting June 2.

Wheat Futures Contact: NCDEX Price							Date: 09.02.2021 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
21-Feb	-	-	-	-	1810				
21-Mar	-	-	-	-	1815				
21-Apr	-	-	-	-	1822				

Wheat Daily Prices and Arrivals on 09.02.2021

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			09-Feb-21	08-Feb-21	
Delhi	Lawrence Road	Mill Delivery	1920	1985	-65
	Narella	Mill Quality Loose	1810	1830	-20
	Nazafgarh	Mill Quality Loose	1800	1810	-10
Gujarat	Rajkot	Mill Delivery	1825	1820	5
	Ahmedabad	Mill Delivery	1890	1885	5
	Surat	Mill Delivery	1930	1930	Unch
	Dhrol	Mill Quality Loose	1720	1725	-5
M.P.	Indore	Mill Delivery	1760	1740	20
	Bhopal	Mill Quality Loose	1650	1640	10
Rajasthan	Kota	Mill Quality Loose	1650	1670	-20
		Mill Delivery	1800	1800	Unch
U.P.	Kanpur	Mill Delivery	1740	1740	Unch
	Mathura	Mill Quality Loose	1740	1745	-5
	Kosi	Mill Quality Loose	1750	1800	-50
	Hathras	Mill Quality Loose	1770	1790	-20
	Aligarh	Mill Quality Loose	1780	1800	-20
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	1825	1860	-35
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2000	2050	-50
	Madurai	Mill Quality	2057	2107	-50
	Coimbatore	Mill Quality	2057	2107	-50
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
			09-Feb-21	08-Feb-21	
Gujarat	Rajkot	Lokwan	1900	1925	-25
M.P.	Indore	Lokwan	1900	1900	Unch
	Bhopal	Lokwan	1800	1800	Unch
	Bina	Sarbati 306	NR	NR	-
Rajasthan	Kota	Lokwan Bilty	1900	1950	-50
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			09-Feb-21	08-Feb-21	
Delhi	Lawrence Road	Mill Delivery	7500	6500	1000
	Narella	Mill Quality Loose	150	400	-250
	Nazafgarh	Mill Quality Loose	100	100	Unch
Gujarat	Rajkot	Mill Quality Loose	1000	1500	-500
	Dhrol	Mill Quality Loose	94	91	3
M.P.	Indore	Mill Quality Loose	2500	3000	-500
Rajasthan	Kota	Mill Quality	3000	5000	-2000
U.P.	Kanpur	Mill Quality Loose	400	700	-300
	Mathura	Mill Quality Loose	250	500	-250
	Kosi	Mill Quality Loose	300	800	-500
	Hathras	Mill Quality Loose	250	150	100
	Aligarh	Mill Quality Loose	300	500	-200
Punjab	Khanna	Mill Quality Loose	500	500	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	500	300	200
	Hodal	Mill Quality Loose	100	50	50
	Bhiwani	Mill Quality Loose	100	500	-400
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat (CBOT) Future Price: 08.02.2021

Contract Month	Open	High	Low	Close	Change
Mar-21	643.00	657.50	642.50	655.75	+14.50↑
May-21	647.75	661.00	647.00	659.50	+13.75↑
Jul-21	634.00	645.25	633.50	643.00	+11.00↑
Sep-21	634.50	643.75	633.25	641.50	+9.75↑
Dec-21	639.50	648.25	639.00	646.50	+9.00↑
Mar-22	645.75	653.00	644.75	651.75	+8.75↑

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