

Wheat Domestic Fundamentals:

During April- December 2020 period, India's export of Wheat rose to Rs 1,870 crore (252 US\$ Million) against was Rs. 336 crores (48 US\$ Million) reported during the same phase a year back. As per the trend, there is a growth of 456.41% in Rupee term and 431.10 % Dollar terms. The share of export of wheat is 1.84 % in the total export of APEDA scheduled products. The key exports destination for wheat includes Nepal, Bangladesh, United Arab Emirates.

According to the trade source, Due to the sudden change in the weather, the temperature has started increasing gradually. Strong sunlight in the day is making you feel warm. The concern of wheat producing farmers has increased. Similarly, if the temperature increases, wheat production will decline. The late wheat crop will collapse.

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.

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.

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. 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.

Wheat Futures Contract: NCDEX Price							Date: 16.02.2021 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
21-Feb	-	-	-	-	1783				
21-Mar	-	-	-	-	1788				
21-Apr	-	-	-	-	1794				

Wheat Daily Prices and Arrivals on 16.01.2021

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			16-Feb-21	15-Feb-21	
Delhi	Lawrence Road	Mill Delivery	1950	1920	30
	Narella	Mill Quality Loose	1820	1800	20
	Nazafgarh	Mill Quality Loose	1800	1770	30
Gujarat	Rajkot	Mill Delivery	1800	1815	-15
	Ahmedabad	Mill Delivery	1875	1875	Unch
	Surat	Mill Delivery	1920	1920	Unch
	Dhrol	Mill Quality Loose	1735	1735	Unch
M.P.	Indore	Mill Delivery	1860	1850	10
	Bhopal	Mill Quality Loose	1675	1650	25
Rajasthan	Kota	Mill Quality Loose	1620	1625	-5
		Mill Delivery	1750	1750	Unch
U.P.	Kanpur	Mill Delivery	1750	1725	25
	Mathura	Mill Quality Loose	1750	1740	10
	Kosi	Mill Quality Loose	1730	1740	-10
	Hathras	Mill Quality Loose	1660	1660	Unch
	Aligarh	Mill Quality Loose	Closed	1690	-
Punjab	Khanna	Mill Quality Loose	1780	1800	-20
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1800	1800	Unch
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1800	1800	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2100	2100	Unch
	Madurai	Mill Quality	2157	2157	Unch
	Coimbatore	Mill Quality	2157	2157	Unch
Bihar	Khagariya	Mill Delivery	1800	1800	Unch
	Muzaffarpur	Mill Delivery	1775	1775	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			16-Feb-21	15-Feb-21	
Gujarat	Rajkot	Lokwan	1900	1950	-50
M.P.	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	1800	1800	Unch
	Bina	Sarbati 306	2600	2600	Unch
Rajasthan	Kota	Lokwan Bilty	1720	1725	-5
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			16-Feb-21	15-Feb-21	
Delhi	Lawrence Road	Mill Delivery	5500	6000	-500
	Narella	Mill Quality Loose	150	300	-150
	Nazafgarh	Mill Quality Loose	30	100	-70
Gujarat	Rajkot	Mill Quality Loose	1500	1600	-100
	Dhrol	Mill Quality Loose	67	67	Unch
M.P.	Indore	Mill Quality Loose	3000	4000	-1000
Rajasthan	Kota	Mill Quality	500	5000	-4500
U.P.	Kanpur	Mill Quality Loose	500	700	-200
	Mathura	Mill Quality Loose	300	220	80
	Kosi	Mill Quality Loose	300	200	100
	Hathras	Mill Quality Loose	200	200	Unch
	Aligarh	Mill Quality Loose	Closed	500	-
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	100	100	Unch
	Bhiwani	Mill Quality Loose	200	100	100
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat (CBOT) Future Price: 16.02.2021

Contract Month	Open	High	Low	Close	Change
Mar-21	632.50	643.00	632.00	636.75	+3.25↑
May-21	638.50	647.50	636.75	641.25	+2.25↑
Jul-21	627.00	635.75	627.00	630.00	+1.75↑
Sep-21	627.50	634.75	627.00	629.75	+1.50↑
Dec-21	635.75	640.75	633.00	635.75	+1.00↑
Mar-22	641.50	646.00	639.75	641.25	+1.00↑

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