

Wheat Domestic Fundamentals:

As per sources, 60,500 MT of wheat vessel NEW GALAXY is loading at Kandla Port since 13th January 2022. And 55,000 MT of wheat vessel BULK VENUS is loading at Kandla port since 12th January 2022. Also, 55,000 MT of wheat vessel NAVDHENU PURNA is loading at Kandla Port since 09th January 2022. And 60,500 MT of Wheat vessel CHRISTINA is loading at Kandla Port since 10th January 2022. And 52,500 MT of wheat vessel MEGHNA PARADISE is loading at Kandla Port since 06th January 2022.

Food ministry has approved a policy which encourage the private players to bid for construction of 249 silos with close to 11 million tonnes (MT) wheat storage capacity for the Food Corporation of India (FCI). The silos will be built across 12 states, including Punjab, Haryana, Madhya Pradesh, Maharashtra, Haryana and Kerala, over the next four to five years through the Public-Private Partnership (PPP) model with an estimated investment of Rs 9,200 crore.

India has exported around 8.58 lakh tonnes of wheat during the month of December 2021 at an average FOB of \$314.95 per tonne as per trade sources. Bangladesh remains the largest importer of Indian wheat with 2.90 lakh tonnes followed by Sri Lanka with 1.15 lakh tonnes of imports. The fall is mainly due to lower imports from Bangladesh and Philippines. Due to shortage of trucks and covid restrictions the exports were lower to Bangladesh while Philippines shifted the market to Australia owing to better proximity.

As on 21st January 2022, area sown to wheat fell by 1.25 percent to 340.83 lakh hectare in the current rabi season from 345.14 lakh hectare the previous year during the corresponding period. The acreage was down mainly due to acreage shift from wheat to mustard in the states of Rajasthan, Punjab, Uttar Pradesh.

International Market Update:

Algeria's move to halt imports of French wheat will create a hefty surplus stock of wheat for France and will help the rival countries to break French wheat dominance in Algeria. India's highly competitive price can help enter the Algerian market but chances of shifting from France to Argentina is more probable in case of Algeria due to better proximity and bumper production there.

As of 17th January, Ukraine's wheat exports for the Marketing Year 2021-22 were 28% higher year on year at 16.3 million metric tonnes (MMT). Wheat exports from Ukraine have gathered momentum over the past few months, as neighbouring Russia increased its export taxes. However, the pace has slowed down to some extent, with the ongoing tensions between Russia and Ukraine. The export prices remain highly uncompetitive for both Russia and Ukraine and that can be helpful for Indian wheat which still remains highly competitive.

Russia's floating export duty fell by \$1.70 per tonne from previous week and will be taxed at \$95.80 per tonne from January 21 to February 1. From Feb. 15 to the end of the Marketing Year on June 30, an additional constraint on exporters will come from the government's wheat export quota, which was announced in December at 8 MMT. The wheat export price stood at \$330 per tonne this week lower than previous week due to fall in the export duty price.

Soft wheat exports from the European Union in the 2021-22 season had reached 15.32 million tonnes as of January 16th. European Union exports have impacted as Algeria, a major market of French wheat has started shifting to other sources of wheat.

Jordan is believed to have made no purchase in an international tender to buy 120,000 tonnes of milling wheat which closed on 18th January. A new tender is expected to be issued in coming days closing on February 1.

In US, excessively warm temperatures and dry weather are impacting this year's wheat harvest in Oklahoma. Over 94% of the state is experiencing some level of drought and the state needs rain between now and April to make a difference in the wheat crop. If there is a deficit rainfall, we can see a major fall in the production which was already seen in the previous year.

Weather Outlook: Widespread light/moderate rainfall/snowfall accompanied with isolated thunderstorm/lightning/hailstorm very likely over Jammu, Kashmir, Ladakh, Gilgit-Baltistan & Muzaffarabad, Himachal Pradesh & Uttarakhand on 22nd & 23rd and reduce thereafter to isolated/scattered rainfall/snowfall. Fairly widespread/widespread light/moderate rainfall accompanied with isolated thunderstorm/lightning/hailstorm very likely over Punjab, Haryana- Chandigarh-Delhi, Uttar Pradesh on 22nd & 23rd January and reduce thereafter to isolated rainfall. Isolated Heavy rainfall likely over Punjab, Haryana and Northwest Uttar Pradesh on 22nd January.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			22-Jan-22	21-Jan-22	
Delhi	Lawrence Road	Mill Delivery	2235	2250	-15
	Narella	Mill Quality Loose	2050	2050	Unch
	Nazafgarh	Mill Quality Loose	2060	2060	Unch
Gujarat	Rajkot	Mill Delivery	2110	2110	Unch
	Ahmedabad	Mill Delivery	2165	2170	-5
	Surat	Mill Delivery	2260	2260	Unch
	Dhrol	Mill Quality Loose	NR	2180	-
M.P.	Indore	Mill Delivery	2120	2125	-5
	Bhopal	Mill Quality Loose	1920	1925	-5
Rajasthan	Kota	Mill Quality Loose	1980	2000	-20
		Mill Delivery	2130	2150	-20
U.P.	Kanpur	Mill Delivery	2050	2060	-10
	Mathura	Mill Quality Loose	2060	2080	-20
	Kosi	Mill Quality Loose	2060	2060	Unch
	Hathras	Mill Quality Loose	2030	2050	-20
	Aligarh	Mill Quality Loose	2000	2000	Unch
Punjab	Khanna	Mill Quality Loose	1970	1960	10
	Ludhiana (Jagraon)	Mill Delivery	-	-	Unch
Haryana	Sirsa	Mill Delivery loose	2030	2025	5
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	2080	2090	-10
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-
Tamil Nadu	Chennai	Mill Quality	2500	2500	Unch
	Madurai	Mill Quality	2557	2557	Unch
	Coimbatore	Mill Quality	2557	2557	Unch
Bihar	Khagariya	Mill Delivery	2100	2100	Unch
	Muzaffarpur	Mill Delivery	-	-	-
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	-	-	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			22-Jan-22	21-Jan-22	
Gujarat	Rajkot	Lokwan	2175	2175	Unch
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	-	-	-
Rajasthan	Kota	LokwanBilty	2105	2125	-20
	Baran	Lokwan	2250	2250	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			22-Jan-22	21-Jan-22	
Delhi	Lawrence Road	Mill Delivery	3000	3000	Unch
	Narella	Mill Quality Loose	100	150	-50
	Nazafgarh	Mill Quality Loose	40	70	-30
Gujarat	Rajkot	Mill Quality Loose	600	1000	-400
	Dhrol	Mill Quality Loose	NR	65	-
M.P.	Indore	Mill Quality Loose	1000	1200	-200
Rajasthan	Kota	Mill Quality	3500	2500	1000
U.P.	Kanpur	Mill Quality Loose	700	600	100
	Mathura	Mill Quality Loose	150	100	50
	Kosi	Mill Quality Loose	200	150	50
	Hathras	Mill Quality Loose	200	100	100
	Aligarh	Mill Quality Loose	150	200	-50
Punjab	Khanna	Mill Quality Loose	300	500	-200
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	Unch
Haryana	Sirsa	Mill Quality Loose	200	300	-100
	Hodal	Mill Quality Loose	100	100	Unch
	Bhiwani	Mill Quality Loose	300	500	-200
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 21.01.2022					
Contract Month	Open	High	Low	Close	Change
22-Mar	788	791	778	780	-10.25
22-May	793	794.25	782.5	784.75	-8.75
22-Jul	778.25	782.75	770.5	774.25	-7
22-Sep	772.25	782.75	770	775.5	-5.25
22-Dec	778.25	786.5	774.25	779.75	-4.5
23-Mar	781.75	786.25	778	784	-4

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