

Wheat Domestic Fundamentals:

As per sources, 52,500 MT of wheat vessel BULK MANARA is expected to arrive at Kandla Port on 23rd January 2022. And 60,500 MT of wheat vessel NEW GALAXY is loading at Kandla Port since 21st January 2022. And 59,182 MT of wheat vessel BULK VENUS is loading at Kandla port since 21st January 2022. Also, 55,000 MT of wheat vessel NAVDHENU PURNA is loading at Kandla Port since 19th January 2022.

In Jalandhar district, the wheat available under free ration scheme was found to be of poor quality and rotten. The people have expressed concerns over the bad quality materials. This has made people there to start buying wheat from the markets creating some sort of demand in the market.

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:

In Canada, common wheat exports for the Marketing Year 2021-22 (August-July) were remain sharply lower. From August 1st to January 16th, Canada shipped 5.5 million metirc tonnes (MMT) of common wheat, down nearly 41% from 9.2 MMT in the same period of MY 2020-21. Export prices of Canadian wheat have also seen some volatility in the past two weeks. Despite the recent rally in exports, Canada's wheat prices have fell around 4% on month basis due to the expected tightness in supplies. The fall in exports is mainly due to lower production occurred in Canada.

As per sources, wheat production in Nigeria has crashed by 89.44 percent, dropping from about 350,000 MT annually to as low as 36,943.8 MT in 2021. The rise in the cost of bread and pastries, triggered by the hike in flour price, was due to the low domestic production and high imports of wheat. Due to lower production, we can expect Nigeria to purchase more wheat from international markets. Competitive price of Indian wheat can fetch various tenders from Nigeria though Argentina and EU have a better edge.

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 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.

Weather Outlook: Dense to very Dense fog conditions in night/morning hours very likely in isolated pockets over Punjab & West Uttar during next 2 days; Dense fog conditions in isolated pockets very likely over north Rajasthan and Jharkhand during next 24 hours; over West Bengal & Sikkim on 26th January; over Haryana-Chandigarh-Delhi, East Uttar Pradesh, Bihar, Assam & Meghalaya & Tripura during next 2 days and over Odisha during next 3 days. Cold day to severe cold day conditions very likely in some pockets over West Madhya Pradesh during next 3 days and in isolated pockets over Rajasthan & Gujarat Region during next 24 hours; over Punjab, Haryana-Chandigarh-Delhi and East Madhya Pradesh during next 3 days; and over Uttarakhand, West Uttar Pradesh & Saurashtra & Kutch during next 2 days. Wheat crop needs to be monitored against ground frost as it would damage the growth though fog conditions are beneficial for the crop.

Wheat Daily Prices and Arrivals

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|------------|-------------------------------|---------------------|-----------------|-----------|--------|
| | | | 24-Jan-22 | 22-Jan-22 | |
| Delhi | Lawrence Road | Mill Delivery | 2270 | 2235 | 35 |
| | Narella | Mill Quality Loose | 2070 | 2050 | 20 |
| | Nazafgarh | Mill Quality Loose | 2065 | 2060 | 5 |
| Gujarat | Rajkot | Mill Delivery | 2115 | 2110 | 5 |
| | Ahmedabad | Mill Delivery | 2180 | 2165 | 15 |
| | Surat | Mill Delivery | 2250 | 2260 | -10 |
| | Dhrol | Mill Quality Loose | 2150 | NR | - |
| M.P. | Indore | Mill Delivery | 2160 | 2120 | 40 |
| | Bhopal | Mill Quality Loose | 1980 | 1920 | 60 |
| Rajasthan | Kota | Mill Quality Loose | 2000 | 1980 | 20 |
| | | Mill Delivery | 2150 | 2130 | 20 |
| U.P. | Kanpur | Mill Delivery | 2100 | 2050 | 50 |
| | Mathura | Mill Quality Loose | 2075 | 2060 | 15 |
| | Kosi | Mill Quality Loose | 2050 | 2060 | -10 |
| | Hathras | Mill Quality Loose | 2100 | 2030 | 70 |
| | Aligarh | Mill Quality Loose | 2070 | 2000 | 70 |
| Punjab | Khanna | Mill Quality Loose | 2000 | 1970 | 30 |
| | Ludhiana (Jagraon) | Mill Delivery | - | - | Unch |
| Haryana | Sirsa | Mill Delivery loose | 2040 | 2030 | 10 |
| | Hodal | Mill Delivery | - | - | - |
| | Bhiwani | Mill Quality Loose | 2100 | 2080 | 20 |
| | Karnal | Mill Delivery | - | - | - |
| | Panipat | Mill Quality Loose | - | - | - |
| Tamil Nadu | Chennai | Mill Quality | 2450 | 2500 | -50 |
| | Madurai | Mill Quality | 2507 | 2557 | -50 |
| | Coimbatore | Mill Quality | 2507 | 2557 | -50 |
| Bihar | Khagariya | Mill Delivery | 2150 | 2100 | 50 |
| | Muzaffarpur | Mill Delivery | - | - | - |
| FOR | Kandla (Rajasthan-Rajkot) | Mill Quality | - | - | - |
| | Gandhidham (Rajasthan-Rajkot) | Mill Quality | - | - | - |

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|------------------|--------|-------------|-----------------|-----------|-------------|
| | | | 24-Jan-22 | 22-Jan-22 | |
| Gujarat | Rajkot | Lokwan | 2180 | 2175 | 5 |
| M.P. | Indore | Lokwan | 2300 | 2300 | Unch |
| | Bhopal | Lokwan | 2250 | 2200 | 50 |
| | Bina | Sarbati 306 | - | - | - |
| Rajasthan | Kota | LokwanBilty | 2125 | 2105 | 20 |
| | Baran | Lokwan | 2200 | 2250 | -50 |

Wheat Arrivals in Key Centres:

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|------------------|-------------------|--------------------|---------------------|-----------|--------------|
| | | | 24-Jan-22 | 22-Jan-22 | |
| Delhi | Lawrence Road | Mill Delivery | 3500 | 3000 | 500 |
| | Narella | Mill Quality Loose | 200 | 100 | 100 |
| | Nazafgarh | Mill Quality Loose | 100 | 40 | 60 |
| Gujarat | Rajkot | Mill Quality Loose | 900 | 600 | 300 |
| | Dhrol | Mill Quality Loose | 46 | NR | - |
| M.P. | Indore | Mill Quality Loose | 1000 | 1000 | Unch |
| Rajasthan | Kota | Mill Quality | 2000 | 3500 | -1500 |
| U.P. | Kanpur | Mill Quality Loose | 500 | 700 | -200 |
| | Mathura | Mill Quality Loose | 50 | 150 | -100 |
| | Kosi | Mill Quality Loose | 300 | 200 | 100 |
| | Hathras | Mill Quality Loose | 100 | 200 | -100 |
| | Aligarh | Mill Quality Loose | 100 | 150 | -50 |
| Punjab | Khanna | Mill Quality Loose | 200 | 300 | -100 |
| | (Ludhiana)Jagraon | Mill Quality Loose | - | - | Unch |
| Haryana | Sirsa | Mill Quality Loose | 300 | 200 | 100 |
| | Hodal | Mill Quality Loose | 60 | 100 | -40 |
| | Bhiwani | Mill Quality Loose | 500 | 300 | 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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