

Wheat Domestic Fundamentals:

As per sources, 33,000 MT of wheat vessel IKUCHI ISLAND is waiting for loading at Kandla Port since 24th January 2022. And 13,250 MT of wheat is waiting for loading at Kandla Port since 27th January 2022. And 53,000 MT of wheat vessel AKIJ GLOBE was expected to arrive at Kandla port on 30th January 2022. And 31,500 was expected to arrive at Kandla Port on 30th January 2022. And 59,182 MT of wheat vessel BULK VENUS is loading at Kandla port since 21st January 2022.

Himachal is producing an average foodgrain production of 16.75 LMT and is heading towards self-sufficiency ending mainly the dependence from other states. About 4,500 hectares are covered under seed production and the expected production of wheat seed is about 75,000 MT in 2021-22, which is 20,000 MT more than the previous year. Currently, the state takes 25,000 MT to 30,000 MT seeds from neighboring states and if the efforts to increase the self-sufficiency ratio (SSR) succeed, the state will become self-reliant in seed production. Rain in lower areas, particularly in rain-fed places, is beneficial for wheat and other rabi crops. There was scanty rain after the sowing of wheat but rain in January has ended the dry spell, bringing cheer to farmers. The average yield of wheat grown over 3.40 lakh hectares is 20 quintals per hectare and it is expecting that timely rain will help achieve the production target of 6.72 LMT.

As on 28th January 2022, area sown to wheat fell by 1.01 percent to 342.373 lakh hectare in the current rabi season from 345.864 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:

The lowest offer in the international tender from Egypt to buy wheat on 28th January was believed to be \$325.86 a tonne FOB for wheat sourced from France. But with the advantage of cheaper shipping costs from the Black Sea to Egypt, Ukrainian wheat was cheapest in C&F terms including shipping at \$346.89 per tonne. No purchase has been made and the result is expected later on 4th February.

As per sources, Grain trade in the Black Sea region remains largely unmoved by the ongoing tensions between Russia and Ukraine, and grain exports from the region are most likely to remain steady in the near term. With the escalating tensions in the region, wheat prices in Russia and Ukraine have been under pressure since the beginning of January. But due to the uncertainty, some Middle East nations like Iraq are looking at locations other than the Black Sea to source their wheat. Iraq recently bought around 150,000 mt of Australian premium quality wheat. Indian wheat also has a large benefit due to the ongoing issue.

In Punjab, fearing an imminent hike in wheat prices, Pakistan Businesses Forum (PBF) on Friday urged the government to release its stocks to keep the market under control. Almost ten months has passed since the last season's crop. The market has now started to dry out. The wheat was quoted between Rs2,550 and Rs2,650 per maund in Punjab and also in some areas of Sindh too against the officially fixed Rs. 1768.

Turkish grain imports are expected to contract, despite a poor domestic harvest this year, amid steady losses of the lira against foreign currencies, along with rising inflation. There has been a "serious decrease" in Turkey's poultry and cattle production capacity amid financial challenges, which is weighing on the country's long-term animal feed grain imports. As per USDA, Turkey is expected to import 11MMT of wheat in the 2021-22 Marketing Year.

The European Commission on January 27 revised its forecast of European Union soft wheat stocks upward due to sharply increased imports. The wheat stocks are expected to reach 13.3 million tonne at the end of the 2021-22 Marketing Year, a four-year high and increase from its December projection of 12.9 million tonne. The EU's soft wheat imports higher by 500,000 tonne for an overall total of 2 million tonne.

USDA has raised its estimate for Argentina's wheat exports for Marketing Year 2021-22 (December-November) by 32.2% year on year to a record 15.2 MMT. The projection is higher than the USDA's official estimate for Argentina's wheat exports for MY 2021-22 of 13.5 MMT. It is also higher than the Buenos Aires Grain Exchange's estimate of 13.3 MMT.

Weather Outlook: Fairly widespread to widespread light/moderate rainfall/snowfall very likely over Western Himalayan Region during 02nd to 04th February. Isolated hailstorm likely over Jammu division, Himachal Pradesh on 02nd & 03rd February and over Uttarakhand on 03rd & 04th February, 2022.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			31-Jan-22	29-Jan-22	
Delhi	Lawrence Road	Mill Delivery	2285	2285	Unch
	Narella	Mill Quality Loose	2115	2100	15
	Nazafgarh	Mill Quality Loose	2120	2120	Unch
Gujarat	Rajkot	Mill Delivery	2115	2115	Unch
	Ahmedabad	Mill Delivery	2150	2180	-30
	Surat	Mill Delivery	2230	2240	-10
	Dhrol	Mill Quality Loose	2130	NR	-
M.P.	Indore	Mill Delivery	2200	2200	Unch
	Bhopal	Mill Quality Loose	1960	1940	20
Rajasthan	Kota	Mill Quality Loose	2020	2025	-5
		Mill Delivery	2170	2175	-5
U.P.	Kanpur	Mill Delivery	2140	2120	20
	Mathura	Mill Quality Loose	2085	2080	5
	Kosi	Mill Quality Loose	2115	2100	15
	Hathras	Mill Quality Loose	2120	2100	20
	Aligarh	Mill Quality Loose	2070	2070	Unch
Punjab	Khanna	Mill Quality Loose	2000	2000	Unch
	Ludhiana (Jagraon)	Mill Delivery	-	-	Unch
Haryana	Sirsa	Mill Delivery loose	2070	2050	20
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	2160	2130	30
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-
Tamil Nadu	Chennai	Mill Quality	2450	2450	Unch
	Madurai	Mill Quality	2507	2507	Unch
	Coimbatore	Mill Quality	2507	2507	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
			31-Jan-22	29-Jan-22	
Gujarat	Rajkot	Lokwan	2150	2175	-25
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	-	-	-
Rajasthan	Kota	LokwanBilty	2145	2150	-5
	Baran	Lokwan	2200	2250	-50

Wheat Arrivals in Key Centres:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			31-Jan-22	29-Jan-22	
Delhi	Lawrence Road	Mill Delivery	4000	3000	1000
	Narella	Mill Quality Loose	600	100	500
	Nazafgarh	Mill Quality Loose	100	60	40
Gujarat	Rajkot	Mill Quality Loose	700	700	Unch
	Dhrol	Mill Quality Loose	88	NR	-
M.P.	Indore	Mill Quality Loose	4000	2000	2000
Rajasthan	Kota	Mill Quality	3000	2500	500
U.P.	Kanpur	Mill Quality Loose	500	600	-100
	Mathura	Mill Quality Loose	100	150	-50
	Kosi	Mill Quality Loose	300	200	100
	Hathras	Mill Quality Loose	100	70	30
	Aligarh	Mill Quality Loose	200	100	100
Punjab	Khanna	Mill Quality Loose	700	400	300
	(Ludhiana)Jagraon	Mill Quality Loose	0	0	Unch
Haryana	Sirsa	Mill Quality Loose	200	400	-200
	Hodal	Mill Quality Loose	50	80	-30
	Bhiwani	Mill Quality Loose	400	200	200
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 28.01.2022					
Contract Month	Open	High	Low	Close	Change
22-Mar	777.25	793.5	774.75	786.25	9.25
22-May	782.25	797.5	780	791	8.75
22-Jul	772.5	788	772.25	782	8.5
22-Sep	776.25	788	773	782	7.75
22-Dec	777.5	791.25	777	786.5	8
23-Mar	785.5	793.5	784.25	790.75	8.25

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