

Wheat Domestic Fundamentals:

As of 04th February, wheat sowing was done in 343.26 lakh hectares down by 0.82% from 346.10 lakh hectares the previous year same time. In Punjab, sowing has been completed in 35.02 lakh hectares down by 0.57% from 35.22 lakh hectares the previous year. The acreage was lower mainly due to shifting of acreage from wheat to mustard in Rajasthan, Uttar Pradesh and Haryana. Though, the yield is expected to be higher than previous year due to good weather conditions.

In Indore market, the prices of loose wheat are trading at Rs. 2060 per quintal compared to Rs. 2090 per quintal the previous week. The prices start showing weak trend in the market. The arrivals have started for new crop in Gujarat and also good arrivals are seen in Indore market which has weakened the prices.

With lifting of more wheat from Central pool by the government for OMSS and other schemes, we expect the opening wheat stocks to be around 28 MMT for the month of February. For the January month, the opening stock was around 31.02 MMT.

In coming week, we expect the loose wheat price to trade in the range of Rs. 2050-2100 per quintal for Indore market as we are seeing a weakening trend. After mid-February small batches of new crops is expected which would weaken the market further.

New crop arrivals have started in Gujarat. Currently in Gujarat, Haryana, Rajasthan and Uttar Pradesh, the market is showing weak trend and good arrivals is expected in the markets in coming days.

Madhya Pradesh Government has started the registration of farmers to purchase the wheat at MSP in Indore. Around 35,000 wheat producers are expected to register to sell their crop at MSP value of Rs. 2015 per quintal.

International Market Update:

Iraq is expected to produce 3 MMT of wheat this season. This season's expected wheat production is lower than last seasons. Iraq is a major Middle East grain importer and needs between 4.5 million and 5 million tonnes of wheat a year to supply its massive food rationing programme. We expect more tenders for wheat coming from Iraq in coming days to supply the domestic demand of the country.

French wheat shipments in January hit their lowest since September, while recovering on the year, with good and strong exports to Morocco and declining exports to Algeria. France last month shipped 0.78 MMT of soft wheat to non-EU countries, down from 0.81 MMT in December but up from 0.55 MMT a year ago. Morocco is the largest importer of French soft wheat last month, with shipments of 0.31 MMT. Exports to China remained good, despite edging down on the month, at a combined 0.28 MMT.

The wheat prices in Karachi have witnessed a decrease of Rs. 8 per kg in the last week. The wheat prices continue to decline in Karachi's open market. The commodity is being sold at Rs. 63 per kg after the recent decline of Rs. 2 per kg. Though, the prices of fine flour still remain on higher side.

Russian wheat export prices fell for a fourth consecutive week during last week, similar to global benchmark, and tension between Russia and West has become less of an immediate concern for traders. Russian wheat with 12.5% protein content loading from Black Sea ports for supply in late February-early March stood at \$319 per tonne free on board (FOB) last week, down \$9 from the previous week. Russian wheat exports are down by 41% since the start of the 2021-22 Marketing Season on July 1 because of a smaller crop and an export tax that had been set at \$93.2 per tonne for February 9-15.

South Korea has issued an international tender to purchase up to 130,000 tonne of animal feed wheat. The deadline for submission of price offers in the tender is February 7. The feed wheat is sought for arrival in May and June.

Syria has issued an international tender to purchase and import 200,000 tonne of milling wheat. The deadline for submission of price offers in the tender is February 14. Shipment is sought 60 days after contract award.

Ukrainian winter grain crops sown to 2022 harvest were mostly in good or satisfactory condition as of February 3. Around 91% to 99% of the living plant have good regenerative capacity. Ukraine sown 6.2 million hectares of winter wheat for the 2022 harvest which is almost 94% of the planned area of 6.66 million hectares.

Weather Outlook: Dense Fog Conditions very likely in isolated/some parts in night/morning hours over Punjab, Haryana-Chandigarh-Delhi, Uttar Pradesh, north Rajasthan, Assam-Meghalaya and Nagaland-Manipur-Mizoram-Tripura during next 2 days and over West Bengal-Sikkim & Odisha during next 24 hours.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			08-Feb-22	07-Feb-22	
Delhi	Lawrence Road	Mill Delivery	2280	2280	Unch
	Narella	Mill Quality Loose	2080	2080	Unch
	Nazafgarh	Mill Quality Loose	2100	2080	20
Gujarat	Rajkot	Mill Delivery	2050	2075	-25
	Ahmedabad	Mill Delivery	2125	2150	-25
	Surat	Mill Delivery	2190	2215	-25
	Dhrol	Mill Quality Loose	2160	2240	-80
M.P.	Indore	Mill Delivery	2200	2210	-10
	Bhopal	Mill Quality Loose	1925	1960	-35
Rajasthan	Kota	Mill Quality Loose	1975	2030	-55
		Mill Delivery	2125	2180	-55
U.P.	Kanpur	Mill Delivery	2110	2100	10
	Mathura	Mill Quality Loose	2050	2025	25
	Kosi	Mill Quality Loose	2085	2050	35
	Hathras	Mill Quality Loose	2125	2100	25
	Aligarh	Mill Quality Loose	2080	2100	-20
Punjab	Khanna	Mill Quality Loose	1940	2000	-60
	Ludhiana (Jagraon)	Mill Delivery	-	-	Unch
Haryana	Sirsa	Mill Delivery loose	2070	2080	-10
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	2150	2170	-20
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-
Tamil Nadu	Chennai	Mill Quality	2425	2425	Unch
	Madurai	Mill Quality	2482	2482	Unch
	Coimbatore	Mill Quality	2482	2482	Unch
Bihar	Khagariya	Mill Delivery	2050	2100	-50
	Muzaffarpur	Mill Delivery	-	-	-
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	-	-	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			08-Feb-22	07-Feb-22	
Gujarat	Rajkot	Lokwan	2150	2150	Unch
M.P.	Indore	Lokwan	2200	2300	-100
	Bhopal	Lokwan	2100	2150	-50
	Bina	Sarbati 306	-	-	-
Rajasthan	Kota	LokwanBilty	2100	2155	-55
	Baran	Lokwan	2150	2230	-80

Wheat Arrivals in Key Centres:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			08-Feb-22	07-Feb-22	
Delhi	Lawrence Road	Mill Delivery	5000	6000	-1000
	Narella	Mill Quality Loose	150	250	-100
	Nazafgarh	Mill Quality Loose	50	200	-150
Gujarat	Rajkot	Mill Quality Loose	700	500	200
	Dhrol	Mill Quality Loose	27	31	-4
M.P.	Indore	Mill Quality Loose	1200	700	500
Rajasthan	Kota	Mill Quality	3000	1700	1300
U.P.	Kanpur	Mill Quality Loose	900	1000	-100
	Mathura	Mill Quality Loose	100	300	-200
	Kosi	Mill Quality Loose	350	500	-150
	Hathras	Mill Quality Loose	200	100	100
	Aligarh	Mill Quality Loose	150	100	50
Punjab	Khanna	Mill Quality Loose	300	200	100
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	Unch
Haryana	Sirsa	Mill Quality Loose	300	300	Unch
	Hodal	Mill Quality Loose	50	70	-20
	Bhiwani	Mill Quality Loose	200	400	-200
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 07.01.2022					
Contract Month	Open	High	Low	Close	Change
22-Mar	776	776.5	760	768.75	5.5
22-May	782.75	783.25	767.5	776	6
22-Jul	773	775.5	762.25	770.5	8.75
22-Sep	775.25	775.25	764.25	772.5	9.5
22-Dec	775.75	779.75	769	777.5	10
23-Mar	779.75	784.25	775.25	782.25	10.5

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