

Wheat Domestic Fundamentals:

As of 04th February, wheat sowing has been 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. 2050 per quintal compared to Rs. 2080 per quintal the previous week. The prices start showing weak trend in the market. The arrivals have started of new crop in Gujarat and also good arrivals are seen in Indore market which has weakened the prices. 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. 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.

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.

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.

International Market Update:

In USA, wheat prices were down since late December 2021 and have bounced up and down so far in the new year. The ongoing tension between Russia and Ukraine is a big factor which adds volatility and uncertainty to wheat market. Another factor in the significant volatility is commercial futures. The managed money funds take quick profits that pressure the market. However, market appears to be bullish primarily because of ongoing weather challenges. Moisture is needed to put the winter wheat crop on a good footing, which means the weather will remain a driver in the wheat market. And Railroad performance is another obstacle as, since December, railroad logistics have slowed down. All grain shipments during the week ending January 15 were 11 percent lower than in 2021. Weekly rail traffic was down seven percent compared to last year.

Soft wheat exports from the European Union in the 2021-22 season that started in July had reached 16.92 MMT by February 6. France has exported 4.97 MMT of soft wheat so far in 2021-22, ahead of Romania's 4.64 MMT and Germany's 1.98 MMT. Algeria was still the leading destination for EU soft wheat with 2.58 MMT, while China and Egypt had imported 1.64 MMT.

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 tonne 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.

Weather Outlook: Scattered light/moderate rainfall/snowfall over Jammu, Kashmir, Ladakh, Gilgit-Baltistan & Muzaffarabad and fairly widespread to widespread rainfall/snowfall over Himachal Pradesh and Uttarakhand likely on 09th February. Isolated thunderstorm & lightning also likely over Himachal Pradesh and Uttarakhand on 09th February, 2022.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			09-Feb-22	08-Feb-22	
Delhi	Lawrence Road	Mill Delivery	2280	2280	Unch
	Narella	Mill Quality Loose	Closed	2080	-
	Nazafgarh	Mill Quality Loose	Closed	2100	-
Gujarat	Rajkot	Mill Delivery	2060	2050	10
	Ahmedabad	Mill Delivery	2130	2125	5
	Surat	Mill Delivery	2200	2190	10
	Dhrol	Mill Quality Loose	2280	2160	120
M.P.	Indore	Mill Delivery	2200	2200	Unch
	Bhopal	Mill Quality Loose	1950	1925	25
Rajasthan	Kota	Mill Quality Loose	1960	1975	-15
		Mill Delivery	2110	2125	-15
U.P.	Kanpur	Mill Delivery	2120	2110	10
	Mathura	Mill Quality Loose	2060	2050	10
	Kosi	Mill Quality Loose	2080	2085	-5
	Hathras	Mill Quality Loose	2120	2125	-5
	Aligarh	Mill Quality Loose	2080	2080	Unch
Punjab	Khanna	Mill Quality Loose	1970	1940	30
	Ludhiana (Jagraon)	Mill Delivery	-	-	Unch
Haryana	Sirsa	Mill Delivery loose	2070	2070	Unch
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	2150	2150	Unch
	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	2050	Unch
	Muzaffarpur	Mill Delivery	-	-	-
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	-	-	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			09-Feb-22	08-Feb-22	
Gujarat	Rajkot	Lokwan	2150	2150	Unch
M.P.	Indore	Lokwan	2250	2200	50
	Bhopal	Lokwan	2100	2100	Unch
	Bina	Sarbati 306	-	-	-
Rajasthan	Kota	LokwanBilty	2085	2100	-15
	Baran	Lokwan	2200	2150	50

Wheat Arrivals in Key Centres:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			09-Feb-22	08-Feb-22	
Delhi	Lawrence Road	Mill Delivery	5000	5000	Unch
	Narella	Mill Quality Loose	Closed	150	-
	Nazafgarh	Mill Quality Loose	Closed	50	-
Gujarat	Rajkot	Mill Quality Loose	1000	700	300
	Dhrol	Mill Quality Loose	41	27	14
M.P.	Indore	Mill Quality Loose	1000	1200	-200
Rajasthan	Kota	Mill Quality	2500	3000	-500
U.P.	Kanpur	Mill Quality Loose	700	900	-200
	Mathura	Mill Quality Loose	50	100	-50
	Kosi	Mill Quality Loose	100	350	-250
	Hathras	Mill Quality Loose	250	200	50
	Aligarh	Mill Quality Loose	100	150	-50
Punjab	Khanna	Mill Quality Loose	600	300	300
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	Unch
Haryana	Sirsa	Mill Quality Loose	300	300	Unch
	Hodal	Mill Quality Loose	60	50	10
	Bhiwani	Mill Quality Loose	300	200	100
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 08.01.2022					
Contract Month	Open	High	Low	Close	Change
22-Mar	771.25	782	754	778.75	10
22-May	777.5	786.75	761	784	8
22-Jul	772.5	780.25	756.25	777	6.5
22-Sep	773.5	781.5	759	777.75	5.25
22-Dec	779	785.5	764.5	782.25	4.75
23-Mar	782.25	789	768.75	786.5	4.25

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