

### Wheat Domestic Fundamentals:

**In Indore and other regions of Malwa, the new crop arrivals have started. In Indore, the loose wheat is trading at Rs. 1950 per quintal compared to Rs. 1980 the previous week. The price is showing steady to weak tone. In coming week, we expect market to be steady, as new crop arrivals have started and chances of increase in prices seems to be low as higher production is expected in the coming season. In the previous market session, the prices were close to Rs. 1980 per quintal.**

**As per trade source estimates, 55,200 metric tonne (MT) of wheat vessel AMIS WISDOM was expected to arrive at Kandla Port on 14<sup>th</sup> February 2022. And 27,000 MT of wheat vessel OCEAN BRAVE is loading at Kandla Port since 14<sup>th</sup> February 2022. And 57,500 MT of wheat vessel INCE TOKYO was expected to arrive at Kandla Port on 18<sup>th</sup> February 2022.**

**As per Ministry of Agriculture's second advance estimate, wheat production for 2021-22 is estimated at 111.32 million metric tonne (MMT). AgriWatch has preliminary estimated the wheat production to be around 104.66 MMT. The higher production despite lower acreage is due to good yield because of favorable environmental conditions.**

**During the week of February 16 to 21, 2022, the weekly average price in India was up by 4.10 percent at Rs. 2265.04 per quintal against Rs. 2175.75 per quintal the previous week while the wheat average prices had increased by 16.97 percent from Rs. 1936.40 per quintal same time last year.**

### International Market Update:

**Russian wheat export prices fell for a sixth consecutive week last week as the market remained focused on tensions between Moscow and Western countries over Ukraine. It is expected that the freight charges would increase in the coming days with higher insurance premiums and many buyers would also consider other alternatives if the issue escalates. Russian wheat with 12.5% protein content loading from Black Sea ports for supply in late February-early March stood at \$312 per tonne FOB, down \$6 from the previous week.**

**In Pakistan, food imports in this year are expected to exceed USD 10 billion compared to USD 8 billion last year. As per reports, it is expected that this year's wheat crop will be lower than the expected value. Though previous year, Pakistan had a bumper harvest and this year as country's major two wheat import sources, Russia and Ukraine, already in a political tension, it is obvious that Pakistan's wheat grain prices would inflate and same can be seen in the international market.**

**China sold 508,089 metric tonne (MT) of wheat which is 96.64% of the total offer at an auction of state reserves held on February 16th. The average price of the wheat sold was 2,689 yuan (\$425.13) per tonne.**

**To keep bread prices stable, Morocco braces for a surge in the bill of subsidies from 1.3 billion dirhams in a normal year to 3.844 billion dirhams (USD 410 million) expected this year. The international prices jumped to 315 dollars per tonne this year from 290 dollars last year, which was also a year of expensive wheat prices. The geopolitical tensions between Russia and Ukraine are further making the situation worst by casting uncertainty over the market.**

**In USA, the wheat crop condition is impacted by the dry weather, a moderate drought rating in Central Kansas was degraded to severe drought and merged with the severe drought in southwest Kansas. For Nebraska and South Dakota, recent dryness with a lack of snow cover and above-normal temperatures resulted in an increase of abnormal dryness and moderate drought. While the conditions in the areas of Northern and Eastern North Dakota are rated as improving.**

**Generally, Indonesia relies on Ukrainian wheat with 11.5% protein during the second half of the year to meet the demand. But due to the ongoing issue that is prevailing in black sea, Indonesia has started considering Australian wheat considering it as a safe haven after July. Suppliers in Australia are also eager to compete with Black Sea new crop this year as they look to maximize their export program following a record-breaking harvest of 37-38 million mt in marketing year 2021-22. The Australian Premium White wheat index has been on a steady rise since January 24th. The index was at \$350/mt FOB Kwinana at the Asian close on February 16th. Indian wheat can attract Indonesian market due to its highly competitive prices.**

**Weather Outlook** Under the influence of a fresh Western Disturbance and its induced cyclonic circulation; scattered to fairly widespread light/moderate rainfall with isolated thunderstorm/lightning very likely over Western Himalayan Region during 22<sup>nd</sup> to 24<sup>th</sup> February, 2022. Isolated light/moderate rainfall also likely over Punjab on 22<sup>nd</sup> February, 2022.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			21-Feb-22	19-Feb-22	
Delhi	Lawrence Road	Mill Delivery	2275	2280	-5
	Narella	Mill Quality Loose	2100	2100	Unch
	Nazafgarh	Mill Quality Loose	2120	2120	Unch
Gujarat	Rajkot	Mill Delivery	2075	2080	-5
	Ahmedabad	Mill Delivery	2170	2180	-10
	Surat	Mill Delivery	2240	2250	-10
	Dhrol	Mill Quality Loose	2355	2315	40
M.P.	Indore	Mill Delivery	2060	2070	-10
	Bhopal	Mill Quality Loose	1950	1925	25
Rajasthan	Kota	Mill Quality Loose	1980	1975	5
		Mill Delivery	2130	2125	5
U.P.	Kanpur	Mill Delivery	2100	2110	-10
	Mathura	Mill Quality Loose	2050	2060	-10
	Kosi	Mill Quality Loose	2045	2050	-5
	Hathras	Mill Quality Loose	2060	2030	30
	Aligarh	Mill Quality Loose	2100	2090	10
Punjab	Khanna	Mill Quality Loose	2060	2000	60
	Ludhiana (Jagraon)	Mill Delivery	-	-	Unch
Haryana	Sirsa	Mill Delivery loose	2070	2070	Unch
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	2300	2300	Unch
	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	2050	2100	-50
	Muzaffarpur	Mill Delivery	-	-	-
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	-	-	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			21-Feb-22	19-Feb-22	
<b>Gujarat</b>	Rajkot	Lokwan	2150	2175	<b>-25</b>
<b>M.P.</b>	Indore	Lokwan	2250	2300	<b>-50</b>
	Bhopal	Lokwan	2200	2200	<b>Unch</b>
	Bina	Sarbati 306	-	-	-
<b>Rajasthan</b>	Kota	LokwanBilty	2105	2100	<b>5</b>
	Baran	Lokwan	2180	2190	<b>-10</b>

**Wheat Arrivals in Key Centres:**

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			21-Feb-22	19-Feb-22	
<b>Delhi</b>	Lawrence Road	Mill Delivery	5000	5500	<b>-500</b>
	Narella	Mill Quality Loose	50	100	<b>-50</b>
	Nazafgarh	Mill Quality Loose	20	10	<b>10</b>
<b>Gujarat</b>	Rajkot	Mill Quality Loose	1400	700	<b>700</b>
	Dhrol	Mill Quality Loose	134	40	<b>94</b>
<b>M.P.</b>	Indore	Mill Quality Loose	1200	1000	<b>200</b>
<b>Rajasthan</b>	Kota	Mill Quality	3500	2000	<b>1500</b>
<b>U.P.</b>	Kanpur	Mill Quality Loose	900	700	<b>200</b>
	Mathura	Mill Quality Loose	100	150	<b>-50</b>
	Kosi	Mill Quality Loose	400	250	<b>150</b>
	Hathras	Mill Quality Loose	200	100	<b>100</b>
	Aligarh	Mill Quality Loose	200	300	<b>-100</b>
<b>Punjab</b>	Khanna	Mill Quality Loose	600	500	<b>100</b>
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	<b>Unch</b>
<b>Haryana</b>	Sirsa	Mill Quality Loose	400	400	<b>Unch</b>
	Hodal	Mill Quality Loose	50	50	<b>Unch</b>
	Bhiwani	Mill Quality Loose	50	100	<b>-50</b>
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 18.01.2022					
Contract Month	Open	High	Low	Close	Change
22-Mar	797.5	812.25	790	797	-1
22-May	804.25	818.75	797	804	-0.75
22-Jul	798.75	815.25	791.5	800.75	0.5
22-Sep	801.75	816	793.25	802.5	0.25
22-Dec	804.5	819.75	798.25	806.75	-0.25
23-Mar	804	821.75	801.75	810	-0.5

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