

Wheat Domestic Fundamentals:

In domestic market, the prices fell today in most of the major mandis. The prices are expected to stay in the same range in coming days as new crop arrivals have already started.

With the ongoing issue between Russia and Ukraine, many countries are finding other alternatives for wheat. Indian wheat is on high demand due to its highly competitive prices. Ending stocks for this Marketing Year is considered to be lower and higher export demand can seriously create an inflation of wheat prices in domestic market in future.

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

Wheat prices gained 2 percent in CBOT. The most-active wheat contract on the CBOT was up 2% at \$8.20 per bushel, after hitting its highest since January 25th at \$8.27 per bushel. The wheat market is being supported by tensions between leading exporters Russia and Ukraine.

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: *Isolated to scattered light/moderate rainfall very likely over Bihar, Jharkhand, Odisha and West Bengal & Sikkim; scattered to fairly widespread rainfall over Arunachal Pradesh, Assam & Meghalaya and Nagaland, Manipur, Mizoram & Tripura during 24th to 26th February with thunderstorm & lightning activity over the region on 25th February, 2022.*

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			22-Feb-22	21-Feb-22	
Delhi	Lawrence Road	Mill Delivery	2270	2275	-5
	Narella	Mill Quality Loose	2100	2100	Unch
	Nazafgarh	Mill Quality Loose	2125	2120	5
Gujarat	Rajkot	Mill Delivery	2060	2075	-15
	Ahmedabad	Mill Delivery	2165	2170	-5
	Surat	Mill Delivery	2240	2240	Unch
	Dhrol	Mill Quality Loose	2140	2355	-215
M.P.	Indore	Mill Delivery	2060	2060	Unch
	Bhopal	Mill Quality Loose	1930	1950	-20
Rajasthan	Kota	Mill Quality Loose	1975	1980	-5
		Mill Delivery	2125	2130	-5
U.P.	Kanpur	Mill Delivery	2100	2100	Unch
	Mathura	Mill Quality Loose	2060	2050	10
	Kosi	Mill Quality Loose	2060	2045	15
	Hathras	Mill Quality Loose	2020	2060	-40
	Aligarh	Mill Quality Loose	2080	2100	-20
Punjab	Khanna	Mill Quality Loose	2050	2060	-10
	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	2050	Unch
	Muzaffarpur	Mill Delivery	-	-	-
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	-	-	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			22-Feb-22	21-Feb-22	
Gujarat	Rajkot	Lokwan	2150	2150	Unch
M.P.	Indore	Lokwan	2200	2250	-50
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	-	-	-
Rajasthan	Kota	LokwanBilty	2100	2105	-5
	Baran	Lokwan	2200	2180	20

Wheat Arrivals in Key Centres:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			22-Feb-22	21-Feb-22	
Delhi	Lawrence Road	Mill Delivery	5000	5000	Unch
	Narella	Mill Quality Loose	80	50	30
	Nazafgarh	Mill Quality Loose	30	20	10
Gujarat	Rajkot	Mill Quality Loose	1200	1400	-200
	Dhrol	Mill Quality Loose	91	134	-43
M.P.	Indore	Mill Quality Loose	1800	1200	600
Rajasthan	Kota	Mill Quality	3000	3500	-500
U.P.	Kanpur	Mill Quality Loose	800	900	-100
	Mathura	Mill Quality Loose	50	100	-50
	Kosi	Mill Quality Loose	600	400	200
	Hathras	Mill Quality Loose	300	200	100
	Aligarh	Mill Quality Loose	300	200	100
Punjab	Khanna	Mill Quality Loose	300	600	-300
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	Unch
Haryana	Sirsa	Mill Quality Loose	400	400	Unch
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	150	50	100
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 21.01.2022					
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	806.75	-0.25
23-Mar	804	822	801.75	810	-0.5

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