

Wheat Domestic Fundamentals:

The result of the e-auction of wheat dated 23rd February 2022 includes around 100 metric tonne (MT) of wheat was sold against the same bided quantity in Jammu and Kashmir. In Himachal Pradesh, around 800 MT of wheat was sold against the same bided quantity. In Punjab 24,850 MT of wheat was sold against the bided 25,100 MT quantity of wheat. In Haryana 200 MT of wheat was sold against the same bided quantity.

As per trade source estimates, 55,200 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.

International Market Update:

Volatility in wheat prices is continuing due to the tensions undergoing between Russia and Ukraine. The export prices of wheat have risen both in Russia and Ukraine. On February 22nd, the prices of 12.5% protein Russian wheat were at \$312 per tonne, while 11.5% protein Ukrainian wheat prices were at \$306 per tonne, both up \$3 day on day. Demand for wheat remained weak in the Black Sea region amid the tensions, while buyers are inquiring about the food grain from alternative origins, like Romania and Germany. Buying interest remained very limited after the escalation of tensions. Although the weather conditions are favorable in key producing regions in both countries.

During June 1st to February 21st, Ukraine exported 17.8 MMT of wheat, up by 34% on the year. Ukraine shipped out 16.6 MMT of wheat in MY 2020-21. However, since tensions emerged in the region, Ukraine's pace of exports has declined. In January, the average weekly exports declined to around 200,000 MT from the weekly average of nearly 400,000 MT in December. The tension between Ukraine and Russia is escalating and it is expected that the pace of wheat exports from Ukraine to remain slow in the coming weeks. For Russia, too, the momentum of shipments is expected to be poor as buyers are uncertain about the trade prospects in the region. Between June 1st and February 17th, Russia had shipped out 25.2 MMT, lower by 24% over the year.

As per USDA's February report, condition ratings for winter wheat declined during February in Kansas and Oklahoma, USDA rated 26% of the Kansas winter wheat crop in good to excellent condition as of February 20th, which is down from 30% in its previous monthly report released on January 24th. In Oklahoma, only 9% of the state's wheat was rated good to excellent, which is down from 16% the prior month. Wheat ratings also declined in South Dakota, but improved in Colorado and Montana.

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 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.

Weather Outlook: Fairly widespread to widespread light/moderate rainfall/snowfall very likely over Jammu-Kashmir-Gilgit-Baltistan-Muzaffarabad & Himachal Pradesh during next 24 hours and scattered rainfall/snowfall for subsequent 03 days and isolated/scattered rainfall/snowfall over Uttarakhand during next 4 days. Isolated thunderstorm & lightning activity very likely over the region during next 24 hours. Isolated heavy rainfall/snowfall also likely over Jammu-Kashmir-Ladakh-Gilgit-Baltistan-Muzaffarabad on today, the 23rd February. Isolated light rainfall very likely over Punjab, North Haryana & Chandigarh and West Uttar Pradesh during next 4 days; and over Delhi and East Uttar Pradesh on 25th & 26th February, 2022.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-Feb-22	22-Feb-22	
Delhi	Lawrence Road	Mill Delivery	2280	2270	10
	Narella	Mill Quality Loose	Closed	2100	-
	Nazafgarh	Mill Quality Loose	Closed	2125	-
Gujarat	Rajkot	Mill Delivery	2075	2060	15
	Ahmedabad	Mill Delivery	2180	2165	15
	Surat	Mill Delivery	2240	2240	Unch
	Dhrol	Mill Quality Loose	2330	2340	10
M.P.	Indore	Mill Delivery	2080	2060	20
	Bhopal	Mill Quality Loose	1925	1930	-5
Rajasthan	Kota	Mill Quality Loose	1975	1975	Unch
		Mill Delivery	2125	2125	Unch
U.P.	Kanpur	Mill Delivery	2090	2100	-10
	Mathura	Mill Quality Loose	2035	2060	-25
	Kosi	Mill Quality Loose	2050	2060	-10
	Hathras	Mill Quality Loose	2100	2020	80
	Aligarh	Mill Quality Loose	2025	2080	-55
Punjab	Khanna	Mill Quality Loose	2060	2050	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
			23-Feb-22	22-Feb-22	
Gujarat	Rajkot	Lokwan	2175	2150	25
M.P.	Indore	Lokwan	2250	2200	50
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	-	-	-
Rajasthan	Kota	LokwanBilty	2100	2100	Unch
	Baran	Lokwan	2170	2200	-30

Wheat Arrivals in Key Centres:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			23-Feb-22	22-Feb-22	
Delhi	Lawrence Road	Mill Delivery	5000	5000	Unch
	Narella	Mill Quality Loose	Closed	80	-
	Nazafgarh	Mill Quality Loose	Closed	30	-
Gujarat	Rajkot	Mill Quality Loose	1300	1200	100
	Dhrol	Mill Quality Loose	78	91	-13
M.P.	Indore	Mill Quality Loose	1500	1800	-300
Rajasthan	Kota	Mill Quality	3500	3000	500
U.P.	Kanpur	Mill Quality Loose	900	800	100
	Mathura	Mill Quality Loose	100	50	50
	Kosi	Mill Quality Loose	400	600	-200
	Hathras	Mill Quality Loose	100	300	-200
	Aligarh	Mill Quality Loose	100	300	-200
Punjab	Khanna	Mill Quality Loose	500	300	200
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	Unch
Haryana	Sirsa	Mill Quality Loose	300	400	-100
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	100	150	-50
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 22.01.2022					
Contract Month	Open	High	Low	Close	Change
22-Mar	815	846.25	803	844.25	47.25
22-May	823.75	854	810.75	852.5	48.5
22-Jul	818.75	849	807.75	847.5	46.75
22-Sep	820.75	849.25	808.75	847	44.5
22-Dec	820.75	851	812	849.5	42.75
23-Mar	825.5	851.75	816.25	850.75	40.75

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