

Wheat Domestic Fundamentals:

India is going to benefit from the shifts in global wheat trade as Russia's invasion of Ukraine leaves a major source of wheat supply. The uncertainty caused by the war means that importing nations will be looking to buy wheat from elsewhere. It is expected that India's exports could exceed a record 7 million tons in 2021-22 if the conflict drags on.

Gujarat is about to procure wheat at MSP where registrations start on March 2nd. The government asks farmers to get registered before March 31st. The government will procure wheat directly from farmers at the minimum support price (MSP) for the rabi marketing season 2022.

India may see an increase in wheat exports to Bangladesh, which has been steadily buying more wheat from India. India's exports have historically been to its immediate neighbors in the subcontinent and the Gulf region. Indian wheat has slowly begun to be exported to distant destinations such as Indonesia, the Philippines and South Korea in recent years due to changing trading patterns. Bangladesh bought 60 percent of India's wheat allowed for imports in the current financial year, followed by Sri Lanka (8.1 percent), and the United Arab Emirates (7.3 percent).

The first shipment of 2,500 metric tonnes of wheat sent by India for Afghan people through the land border route as part of a humanitarian aid reached Jalalabad town of Afghanistan on 26th February 2022. The consignment, which was part of the 50,000 metric tonnes that the Indian government has committed to send to the war-torn country, was dispatched on February 22.

Due to the Russia-Ukraine war, many countries are finding alternative for wheat from India. India's ending stock in the central pool is expected to be 23 MMT at the end of March. And huge export demand in coming 2-3 months would create a huge inflation in the prices of wheat.

International Market Update:

CBOT were set for their biggest one-day gain in a decade, as Russia's invasion of Ukraine curbed supplies. Ports in Ukraine have shut down and Russia is facing difficulties in exporting. The most-active wheat contract on the CBOT was up 6.1% at \$9.12 per bushel, after climbing earlier in the session about 8% to \$9.35 per bushel.

Libya's wheat reserves are sufficient for more than a year as confirmed by the ministry, amid global concern due to the Ukrainian crisis. Ukrainian crisis would impact the grain market in the country because it covers only 20% of Libya's wheat imports. Libya consumes one million tons of wheat annually, and import only 200 thousand tons from Ukraine, stock of soft wheat is sufficient for six months, and there will be no crisis in flour.

Odessa Port of Ukraine captured by Russia. The movement of vessels are nil as all the ports from Ukraine side has been closed. Though Russian ports are still operating. Ukraine has asked Turkey to shut the Dardanelles strait in order to block Russian ships and vessels. Turkey has not yet reacted but most of the wheat purchasers are doubtful regarding easy passage of vessels through black sea and hence shifting to other alternate.

China has approved to purchase Russian wheat from all the regions. The approval was done on 24th February. Earlier China has banned the imports of wheat from Russia due to smut fungus infestation. The decision has come after most of the global nations are imposing sanctions on Russia. It is expected that China would be an alternative for Russia to export wheat.

Lebanon is left with only one month's wheat reserves and is facing serious supply issue of wheat as the country imports 60 percent of the wheat from Ukraine. The country's wheat silos were destroyed due to the 2020 Beirut Port explosion and is considering to purchase wheat for affordable price to secure reserves for at least two months. Lebanon is in talks with USA, India, France and other European countries for an alternative to Ukrainian wheat.

Wheat's sharp gains over the past few days highlight that the market sees a high chance of wheat from Russia being largely sanctioned off market. The-most-active Chicago Board of Trade May wheat contract was down 3.4% at \$9.03 per bushel pulling back after peaking at \$9.60 per bushel earlier in the session, its highest since June 2008.

Weather Outlook: Fairly widespread to widespread light/moderate rainfall with thunderstorm, lightning & gusty winds (30-40 kmph gusting to 50 Kmph) very likely over Andaman & Nicobar Islands on 28th February & 01st March. Isolated heavy rainfall also very likely over Nicobar Islands on 28th February, 2022. Fairly widespread light/moderate rainfall with thunderstorm/lightning with isolated Heavy to Very Heavy rainfall very likely over Tamilnadu-Puducherry- Karaikal on 03rd & 04th March, 2022. Isolated heavy falls also likely over Rayalaseema on 04th March, 2022.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			28-Feb-22	26-Feb-22	
Delhi	Lawrence Road	Mill Delivery	2295	2275	20
	Narella	Mill Quality Loose	2150	2100	50
	Nazafgarh	Mill Quality Loose	2130	2125	5
Gujarat	Rajkot	Mill Delivery	2150	2140	10
	Ahmedabad	Mill Delivery	2200	2200	Unch
	Surat	Mill Delivery	2280	2275	5
	Dhrol	Mill Quality Loose	2310	2205	105
M.P.	Indore	Mill Delivery	2150	2185	-35
	Bhopal	Mill Quality Loose	2000	1990	10
Rajasthan	Kota	Mill Quality Loose	2010	1980	30
		Mill Delivery	2160	2130	30
U.P.	Kanpur	Mill Delivery	2160	2130	30
	Mathura	Mill Quality Loose	2060	2050	10
	Kosi	Mill Quality Loose	2055	2050	5
	Hathras	Mill Quality Loose	2100	2030	70
	Aligarh	Mill Quality Loose	2055	2100	-45
Punjab	Khanna	Mill Quality Loose	2030	2040	-10
	Ludhiana (Jagraon)	Mill Delivery	-	-	Unch
Haryana	Sirsa	Mill Delivery loose	2070	2070	Unch
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	2300	2325	-25
	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	2200	2200	Unch
	Muzaffarpur	Mill Delivery	-	-	-
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	-	-	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			28-Feb-22	26-Feb-22	
Gujarat	Rajkot	Lokwan	2200	2200	Unch
M.P.	Indore	Lokwan	2300	2000	300
	Bhopal	Lokwan	2150	2200	-50
	Bina	Sarbati 306	-	-	-
Rajasthan	Kota	LokwanBilty	2135	2105	30
	Baran	Lokwan	2150	2200	-50

Wheat Arrivals in Key Centres:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			28-Feb-22	26-Feb-22	
Delhi	Lawrence Road	Mill Delivery	4000	4000	Unch
	Narella	Mill Quality Loose	60	10	50
	Nazafgarh	Mill Quality Loose	5	10	-5
Gujarat	Rajkot	Mill Quality Loose	2200	1200	1000
	Dhrol	Mill Quality Loose	133	63	70
M.P.	Indore	Mill Quality Loose	2000	3000	-1000
Rajasthan	Kota	Mill Quality	3500	2500	1000
U.P.	Kanpur	Mill Quality Loose	800	700	100
	Mathura	Mill Quality Loose	100	200	-100
	Kosi	Mill Quality Loose	250	100	150
	Hathras	Mill Quality Loose	150	300	-150
	Aligarh	Mill Quality Loose	100	300	-200
Punjab	Khanna	Mill Quality Loose	500	600	-100
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	Unch
Haryana	Sirsa	Mill Quality Loose	400	400	Unch
	Hodal	Mill Quality Loose	50	40	10
	Bhiwani	Mill Quality Loose	50	30	20
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 25.01.2022					
Contract Month	Open	High	Low	Close	Change
22-Mar	923.25	951.25	841.5	843	-83
22-May	930.25	960.75	859.75	859.75	-75
22-Jul	918	942.75	850	850	-75
22-Sep	904.5	926.25	839	839	-75
22-Dec	900	923.25	832.75	835.25	-72.25
23-Mar	904.75	911.25	829.25	830.25	-68.5

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