

Wheat Domestic Fundamentals:

Due to the Ukraine and Russian war, there is high possibility that countries from South Asia, South East Asia would be dependent on India for the requirement of wheat. India's exports are going to be higher and there is high possibility of price inflation that can be seen in the month of March. The prices can be seen stabilizing in April month once the arrivals starts in major producing states of Punjab, Uttar Pradesh.

Indian wheat is receiving huge demand from international markets. In most of the places, rakes are being filled for transporting the stocks for exports. In Banaras, wheat is being loaded at Rs. 2150 -2200 per quintal, however there is low arrivals in the market as a result it is expected that in coming days the prices can reach Rs. 2400 per quintal.

The Punjab government will impose a district-wise limit for wheat procurement which is scheduled to start on April 1. The government would restrict wheat procurement to 131 lakh tonne in the rabi season, similar to last rabi marketing season of 2021. However, the state food department is making arrangements for 135 lakh tonne and has sought a CCL of ₹29,500 crore, offering a minimum support price of ₹2015 per quintal.

As per trade sources, 57,500 MT of wheat vessel INCE TOKYO is loading at Kandla Port since 23rd February 2022. And 54,500 MT of wheat vessel INCE KARADENIZ was expected to arrive at Kandla Port on 01st March 2022. And 27,500 MT of wheat vessel ZULFIKAR is expected to arrive Kandla Port on 03rd March 2022.

International Market Update:

CBOT wheat jumped over 6% on 04th March to hit their daily trading limit while European futures set a new record due to deepening fears that Russia's invasion of Ukraine will cause massive disruption to export supply from the Black Sea region. The share prices are also sliding due to news of fire at Ukrainian nuclear power plant. The most-active wheat contract on CBOT ended the overnight trading session up by its 75-cent daily limit at \$12.09 per bushel, a new 14-year high. So far this week the contract is up 40%. The demand for wheat on the physical market is skeptical, as buyers face delivery defaults for Black Sea origins. Ukrainian ports are closed and operators are reluctant to trade Russian wheat in the face of Western financial sanctions, buyers are trying to find alternatives.

Egypt is finding it difficult to find alternative supplies after the Ukraine war disrupted its major source of grain. It is currently in turmoil, receiving no bids at its February tender for deliveries between April 13-26. Australia is one option for Egypt to look at for alternative supplies, but while Indian wheat is cheap on the world stage but there is little export capacity to process new business until at least the end of April.

The wheat prices are increasing drastically in both consuming and producing markets globally. A constant surge is seen in wheat prices and is trading near an all-time high in the US markets. Argentina, also has seen prices at a 14-year high. Chinese prices also jumped up above 3,000 yuan per tonne. There is an opportunity for Indian wheat because in global prices there is a surge of almost 30 percent in the last two weeks, which is unusual for a commodity like wheat. Too much exports from Indian market doesn't sound healthy and can lead to inflation domestically.

The Ukraine and Russian war have halted the wheat flows from the Black Sea region as a result buyers are starting to consider forward contracts for Australian grains as far out as the third quarter. Though satisfying demand in the near term is a challenge for Australia with export capacity limited and shipping slots fully booked for months. With the black sea situation creating added pressure, buyers are driven to purchase positions much further out.

Argentina government would set up a mechanism to control domestic wheat prices and temper food inflation. The price mechanism would remain in place until the end of January 2024 and would focus on prices of domestic sales of wheat flour and dry pasta. The mechanism transfers 800,000 tonnes of wheat to the domestic market to guarantee supply and achieve price stabilization of these key products.

Weather Outlook: Fairly widespread to widespread rainfall with isolated thunderstorm/lightning activity very likely over Tamil Nadu-Puducherry-Karaikal during 02nd to 06th March; scattered to fairly widespread rainfall with isolated thunderstorm/lightning activity over south Coastal Andhra Pradesh, Rayalaseema & Kerala- Mahe during 04th & 06th March, 2022 likely. Isolated Heavy to Very Heavy rainfall very likely over Tamil Nadu-Puducherry-Karaikal during 03rd to 05th March with Extremely Heavy rainfall on 04th March and isolated heavy rainfall on 06th March. Isolated Heavy rainfall also very likely over South Coastal Andhra Pradesh and Rayalaseema on 04th & 05th March, 2022.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			04-Mar-22	03-Mar-22	
Delhi	Lawrence Road	Mill Delivery	2350	2330	20
	Narella	Mill Quality Loose	2200	2140	60
	Nazafgarh	Mill Quality Loose	2210	2150	60
Gujarat	Rajkot	Mill Delivery	2400	2250	150
	Ahmedabad	Mill Delivery	2400	2280	120
	Surat	Mill Delivery	2450	2320	130
	Dhrol	Mill Quality Loose	-	2255	-
M.P.	Indore	Mill Delivery	2200	2200	Unch
	Bhopal	Mill Quality Loose	2100	2050	50
Rajasthan	Kota	Mill Quality Loose	2100	2050	50
		Mill Delivery	2250	2200	50
U.P.	Kanpur	Mill Delivery	2250	2160	90
	Mathura	Mill Quality Loose	2080	2060	20
	Kosi	Mill Quality Loose	2100	2080	20
	Hathras	Mill Quality Loose	2100	2100	Unch
	Aligarh	Mill Quality Loose	2100	2080	20
Punjab	Khanna	Mill Quality Loose	2050	2100	-50
	Ludhiana (Jagraon)	Mill Delivery	-	-	Unch
Haryana	Sirsa	Mill Delivery loose	2080	2070	10
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	2325	2325	Unch
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-
Tamil Nadu	Chennai	Mill Quality	2500	2500	Unch
	Madurai	Mill Quality	2557	2557	Unch
	Coimbatore	Mill Quality	2557	2557	Unch
Bihar	Khagariya	Mill Delivery	2250	2200	50
	Muzaffarpur	Mill Delivery	-	-	-
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	-	-	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			04-Mar-22	03-Mar-22	
Gujarat	Rajkot	Lokwan	2450	2300	150
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	2300	2150	150
	Bina	Sarbati 306	-	-	-
	Sehore	Sarbati	3600	3500	100
	Vidisha	Sarbati	3550	3600	-50
Rajasthan	Kota	LokwanBilty	2175	2145	30
	Baran	Lokwan	2220	2200	20

Wheat Arrivals in Key Centres:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			04-Mar-22	03-Mar-22	
Delhi	Lawrence Road	Mill Delivery	6000	4000	2000
	Narella	Mill Quality Loose	400	200	200
	Nazafgarh	Mill Quality Loose	60	10	50
Gujarat	Rajkot	Mill Quality Loose	2800	3000	-200
	Dhrol	Mill Quality Loose	-	65	-
M.P.	Indore	Mill Quality Loose	4000	5000	-1000
Rajasthan	Kota	Mill Quality	1500	3000	-1500
U.P.	Kanpur	Mill Quality Loose	500	700	-200
	Mathura	Mill Quality Loose	200	300	-100
	Kosi	Mill Quality Loose	300	400	-100
	Hathras	Mill Quality Loose	100	50	50
	Aligarh	Mill Quality Loose	150	200	-50
Punjab	Khanna	Mill Quality Loose	500	500	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	Unch
Haryana	Sirsa	Mill Quality Loose	400	300	100
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	50	20	30
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 04.03.2022					
Contract Month	Open	High	Low	Close	Change
22-Mar	1124.25	1289	1119	1289	230.5
22-May	1071.5	1134	1070	1134	75
22-Jul	1044.75	1116.25	1043.75	1116.25	75
22-Sep	959.5	1030.75	942.25	1030.75	75
22-Dec	900	967	865	965.75	73.75
23-Mar	872	921	834	921	59.25

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