

Wheat Domestic Fundamentals:

In domestic markets, wheat is showing firm trend in major markets. In Indore mandi, the loose wheat is trading at Rs 2175 per quintal compare to Rs. 2100 the previous week. Though the prices have become steady since last few days. Because of huge increase in prices, the processing industry is demanding government to restrict the exports in order to control the prices.

We expect, India's exports to reach 10 MMT in the upcoming 2022-23 MY. For the current season it is expected to be around 7-8 MMT. For the coming 2 months, India's exports are expected to be 4-5 MMT as currently India is the only country where harvesting is ongoing. Indian wheat is compared with Russia wheat due to its taste and texture and making it complete substitute.

FCI has decided to discontinue the practice of storing wheat in uncovered facilities from September 2022 to improve storage facility and ensure direct transfer of grains from procurement centers to the states for public distribution. Out of 98 MMT capacity to store the wheat, around 19 MMT of wheat are stored in open where it cannot be stored for more than 6 months.

In several markets of Uttar Pradesh, the prices of mill quality wheat fell by Rs. 100 to Rs. 150 per quintal. Despite fall in the prices, we expect the prices to trade firm for more 1-2 weeks before the new arrivals start in Uttar Pradesh, Punjab, Haryana and Rajasthan. Though there is huge export demand, the supply chain has been disrupted badly and internal logistics still act as bottlenecks for the exports from India.

International Market Update:

Egypt earlier was seeking wheat from alternate sources but now Egypt PM stated that Egypt will not buy wheat cargoes before the end of 2022. They will receive Russian wheat cargo in March which was contracted prior to the conflict. They are targeting to purchase 5.5 MMT of locally produced wheat.

Britain's wheat imports have slowed in January and is expected to continue below last season's pace. Wheat imports for the month totalled 112,585 tonnes, down from 199,777 tonnes in December. Denmark was the largest supplier in January, shipping 51,553 tonnes followed by Germany with 24,666 tonnes. Cumulative imports since the start of the 2021-22 season, began on July 1, 2021 totaled 1.18 million tonnes, down from 1.60 million in the same period a year earlier. Canada remains Britain's largest supplier so far in the 2021-22 season with shipments of 296,079 tonnes. Imports are expected to fall this season as the wheat harvest totalled 14.02 million tonnes last summer, an increase of 45.2% from the previous year.

The Moroccan wheat has been affected by the prolonged drought which has been the worst since last 30 years. Ukraine and Russia were the major exporter of wheat to Morocco. Morocco received 0.55 MMT of wheat from Ukraine from an order of 0.6 MMT covering November-February months. It is expected that Morocco spending on wheat subsidy will increase by 15 percent from last year to \$410 million. Morocco is diversifying its wheat imports and is looking for wheat from France, Brazil, Argentina, Poland, Germany and Lithuania.

The Australian wheat prices and CBOT wheat was moving with a similar trend until the outbreak of Russia-Ukraine war where despite a huge increase in the CBOT wheat futures, the Australian wheat prices didn't rose to that limit. It is because that despite good export demand, the wheat is not exported due to several bottlenecks like lack of containers, disruptions in supply chain and labor challenges. The prices remain steady.

Tunisia has received lowest offer of \$491.68 per tonne CIF from an optional origin supply for the international tender to purchase 125,000 tonnes of durum wheat. Offers are still being considered and no purchase has yet been reported. It is Tunisia's second international tender for soft wheat issued this week as importers struggle with the impact of surging wheat prices.

Algeria has purchased around 600,000 to 700,000 tonnes of optional-origin milling wheat in an international tender on 9th March, the estimates of the purchase price were still around \$485 per tonne CIF. In its last soft wheat tender reported on February 17th, Algeria purchased about 700,000 tonnes at around \$345.50 to \$346.50 per tonne CIF. Since then, global wheat prices have surged to 14-year highs.

In France, an estimated 92% of French soft wheat crops were in good or excellent condition by March 7, which is down from 93% a week earlier but up from a year earlier rating of 88%. And durum wheat similarly saw slight declines in their weekly ratings but conditions remained favorable, with 88% of crops rated as good or excellent.

Weather Outlook: Light rainfall with thunderstorm & lightning very likely to continue at isolated places over south Konkan & Goa, south Madhya Maharashtra and Telangana on today, the 11th March and decrease thereafter. Isolated light rainfall likely over Coastal & North Karnataka during next 24 hours & over Kerala & Mahe on 14th & 15th and over Tamilnadu during 13th-15th March, 2022.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			12-Mar-22	11-Mar-22	
Delhi	Lawrence Road	Mill Delivery	2390	2400	-10
	Narella	Mill Quality Loose	2250	2270	-20
	Nazafgarh	Mill Quality Loose	2250	2230	20
Gujarat	Rajkot	Mill Delivery	2420	2425	-5
	Ahmedabad	Mill Delivery	2430	2470	-40
	Surat	Mill Delivery	2500	2510	-10
	Dhrol	Mill Quality Loose	2300	2360	-60
M.P.	Indore	Mill Delivery	2275	2280	-5
	Bhopal	Mill Quality Loose	2200	2150	50
Rajasthan	Kota	Mill Quality Loose	2230	2200	30
		Mill Delivery	2380	2350	30
U.P.	Kanpur	Mill Delivery	2280	2300	-20
	Mathura	Mill Quality Loose	2200	2100	100
	Kosi	Mill Quality Loose	2190	2165	25
	Hathras	Mill Quality Loose	2150	2100	50
	Aligarh	Mill Quality Loose	2080	2100	-20
Punjab	Khanna	Mill Quality Loose	2100	2170	-70
	Ludhiana (Jagraon)	Mill Delivery	-	-	Unch
Haryana	Sirsa	Mill Delivery loose	2210	2210	Unch
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	2300	2300	Unch
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-
Tamil Nadu	Chennai	Mill Quality	2550	2550	Unch
	Madurai	Mill Quality	2607	2607	Unch
	Coimbatore	Mill Quality	2607	2607	Unch
Bihar	Khagariya	Mill Delivery	2200	2150	50
	Muzaffarpur	Mill Delivery	-	-	-
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	-	-	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			12-Mar-22	11-Mar-22	
Gujarat	Rajkot	Lokwan	2450	2500	-50
M.P.	Indore	Lokwan	2450	2500	-50
	Bhopal	Lokwan	2350	2350	Unch
	Bina	Sarbati 306	-	-	-
	Sehore	Sarbati	Closed	3510	-
	Vidisha	Sarbati	Closed	3500	-
Rajasthan	Kota	LokwanBilty	2355	2325	30
	Baran	Lokwan	2350	2350	Unch

Wheat Arrivals in Key Centres:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			12-Mar-22	11-Mar-22	
Delhi	Lawrence Road	Mill Delivery	5000	5000	Unch
	Narella	Mill Quality Loose	250	250	Unch
	Nazafgarh	Mill Quality Loose	10	50	-40
Gujarat	Rajkot	Mill Quality Loose	5000	3400	1600
	Dhrol	Mill Quality Loose	65	75	-10
M.P.	Indore	Mill Quality Loose	4000	7000	-3000
Rajasthan	Kota	Mill Quality	4000	3500	500
U.P.	Kanpur	Mill Quality Loose	700	500	200
	Mathura	Mill Quality Loose	200	100	100
	Kosi	Mill Quality Loose	300	400	-100
	Hathras	Mill Quality Loose	50	100	-50
	Aligarh	Mill Quality Loose	250	200	50
Punjab	Khanna	Mill Quality Loose	500	600	-100
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	Unch
Haryana	Sirsa	Mill Quality Loose	700	700	Unch
	Hodal	Mill Quality Loose	25	30	-5
	Bhiwani	Mill Quality Loose	100	100	Unch
	Karnal	Mill Delivery	5000	5000	Unch
	Panipat	Mill Quality Loose	250	250	Unch

Wheat (CBOT) Future Price: 11.03.2022					
Contract Month	Open	High	Low	Close	Change
22-Mar	1035.75	1090	1030.75	1090	16.25
22-May	1082	1126.25	1043.25	1106.5	19.5
22-Jul	1045.5	1088	1006.75	1077.25	32
22-Sep	1007.75	1052.25	970.5	1044.5	35.5
22-Dec	977	1020	932	1014	37
23-Mar	941.25	980.75	902	978	37

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