

Wheat Domestic Fundamentals:

CBOT wheat slumped by -7% on potential negotiation talk between Russia and Ukraine. Domestic wheat prices too expected to trade with weak bias.

India is set to export 70 lakh tonnes wheat this year as export demand due to Russia Ukraine conflict pushing global wheat prices, Russia Ukraine together account for 30% of world wheat exports.

As per trade sources estimate, around 3.65 LMT of wheat were estimated to be exported from India during the month of February 2022. The exports are lower compared to 9.18 LMT exported in the month of January 2022. Bangladesh emerged as the largest importer of Indian wheat with 0.98 LMT of wheat imports followed by Sri Lanka with 0.96 LMT and Yemen with 0.58 LMT.

As the prices of wheat is much higher than the MSP value of Rs. 2015, the farmers are directly selling the wheat to the traders. The produce is sold immediately and the goods are being sent to the Kandla port for the exports. But the availability of rakes and logistic issue is hindering the trade.

In the coming days we expect the market to trade with mix bias, the export demand is huge which would continue to support the market. But the internal logistic issues and unavailability of proper payment methods would hinder the supply chain.

International Market Update:

CBOT wheat futures rose for second session which is supported by the global wheat supply concerns due to the Russia's attack on Ukraine. The CBOT wheat rose by 0.34 percent to \$11.10 per bushel.

Egypt will receive a total of 189,000 tons of previously contracted wheat in the coming days shipped from Russia, Romania and Ukraine. Egypt has already received 63,000 tons of French wheat on March 8, and a similar amount of Romanian wheat on March 5. It is expected that the existing reserves and wheat from the upcoming harvest will be sufficient to provide subsidized bread until the end of the year to the people of Egypt. Wheat costs in Egypt have risen by a modest 17 percent because of the war as compared to other international markets that witnessed a 48-percent surge in wheat costs. Egypt has a sufficient amount of wheat to last until the end of 2022, and they imposed a three-month export ban on green wheat, cooking oil, and corn.

Russian wheat exports through Black Sea region have resumed though navigation in Azov Sea is still difficult. Russia's black sea region terminals have loaded 4 LMT of wheat last. And currently Russian farmers are refusing previously signed contracts amid huge demand from exporters and domestic buyers. Russia has also limited its exports to some ex-Soviet countries, but the decision has not yet been approved.

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 totalled 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 rise 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.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			16-Mar-22	15-Mar-22	
Delhi	Lawrence Road	Mill Delivery	2350	2325	25
	Narella	Mill Quality Loose	Closed	2150	-
	Nazafgarh	Mill Quality Loose	Closed	2160	-
Gujarat	Rajkot	Mill Delivery	2230	2270	-40
	Ahmedabad	Mill Delivery	2250	2300	-50
	Surat	Mill Delivery	2325	2400	-75
	Dhrol	Mill Quality Loose	2255	-	-
M.P.	Indore	Mill Delivery	2100	2130	-30
	Bhopal	Mill Quality Loose	2050	2100	-50
Rajasthan	Kota	Mill Quality Loose	2100	2100	Unch
		Mill Delivery	2250	2250	Unch
U.P.	Kanpur	Mill Delivery	2150	2190	-40
	Mathura	Mill Quality Loose	2100	2100	Unch
	Kosi	Mill Quality Loose	2200	2200	Unch
	Hathras	Mill Quality Loose	2150	2200	-50
	Aligarh	Mill Quality Loose	2120	2100	20
Punjab	Khanna	Mill Quality Loose	2130	2120	10
	Ludhiana (Jagraon)	Mill Delivery	-	-	-
Haryana	Sirsa	Mill Delivery loose	2130	2125	5
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	2230	2250	-20
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-
Tamil Nadu	Chennai	Mill Quality	2400	2400	Unch
	Madurai	Mill Quality	2457	2457	Unch
	Coimbatore	Mill Quality	2457	2457	Unch
Bihar	Khagariya	Mill Delivery	2100	2100	Unch
	Muzaffarpur	Mill Delivery	-	-	-
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	2350	2340	10
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	2360	2350	10

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			16-Mar-22	15-Mar-22	
Gujarat	Rajkot	Lokwan	2325	2400	-75
M.P.	Indore	Lokwan	2300	2300	Unch

	Bhopal	Lokwan	2250	2300	-50
	Bina	Sarbati 306	-	-	-
	Sehore	Sarbati	3410	3400	10
	Vidisha	Sarbati	3150	3150	Unch
Rajasthan	Kota	Lokwan Bilty	2225	2225	Unch
	Baran	Lokwan	2200	2250	-50

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			16-Mar-22	15-Mar-22	
Delhi	Lawrence Road	Mill Delivery	6000	5000	1000
	Narella	Mill Quality Loose	Closed	150	-
	Nazafgarh	Mill Quality Loose	Closed	10	-
Gujarat	Rajkot	Mill Quality Loose	10000	8000	2000
	Dhrol	Mill Quality Loose	154	-	-
M.P.	Indore	Mill Quality Loose	8000	10000	-2000
Rajasthan	Kota	Mill Quality	4000	5000	-1000
U.P.	Kanpur	Mill Quality Loose	700	600	100
	Mathura	Mill Quality Loose	200	300	-100
	Kosi	Mill Quality Loose	300	300	Unch
	Hathras	Mill Quality Loose	150	50	100
	Aligarh	Mill Quality Loose	30	20	10
Punjab	Khanna	Mill Quality Loose	500	600	-100
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	-
Haryana	Sirsa	Mill Quality Loose	500	500	Unch
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	100	50	50
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 16.03.2022 8:45 PM IST (\$/ Bushel)					
Contract Month	Open	High	Low	Close	Change
May-22	11.57	11.59	10.69	10.69	-85'0 (-7.36%)
Jul-22	11.27	11.29	10.44	10.47	-80'0 (-7.10%)
Sep-22	10.70	10.72	10.00	10.03	-69'0 (-6.44%)
Dec-22	10.15	10.16	9.54	9.58	-59'2 (-5.82%)
Mar-23	9.72	9.72	9.21	9.22	-49'2 (-5.07%)

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