

Wheat Domestic Fundamentals:

Mixed sentiments were seen in benchmark markets of Kanpur and Indore. In Indore, the prices were unchanged while in Kanpur the prices were up by 1.12%.

As per DoCA, all-India average retail price of wheat flour was at Rs 32.78 per kg on May 7th. This is 9.15% higher than Rs. 30.03 per kg a year ago. The price on Saturday was the highest in Port Blair (Rs 59/ kg) and lowest (Rs 22/ kg) in West Bengal's Purulia. Inflation is running higher for items that are purchased frequently, which has a big impact on consumer expectations.

Wheat procurement in Punjab by private players has crossed 6% which is all time high. Till now, around 101.50 LMT of wheat has been procured and 5.98 LMT of wheat has been procured by private players. The private players are paying the wheat for Rs. 2150 per quintal. In Malwa region, the wheat procurement by private players stood at 71% of the total crop purchased by the traders.

If the government restricts wheat exports, we can expect that neighboring countries like Bangladesh, Nepal and Sri Lanka will be the most impacted nation.

Wheat procurement in Haryana fell by nearly 50 per cent even. The wheat yield has been impacted due to early onset of summer and intense heatwave. The procurement is down to half of last year. So far, the agencies have procured 41 lakh MT against 85 lakh MT last year, while just over 4 lakh MT has been procured by private players after payment of market fee.

The Centre has announced that it would procure only 19.5 MMT of wheat in 2022-23, which is about 56 percent less than the target decided for this year. It was also announced that government procurement of wheat in Punjab would stop from May 5 due to lesser amount of wheat reaching the mandis or wholesale markets.

As per trade sources, 55,500 MT of wheat vessel BULK CASTOR is loading at Kandla Port since 03rd May 2022. And 55,000 MT of wheat vessel MANA is loading at Kandla Port since 07th May 2022. And 36,600 MT of wheat vessel OMINIA is loading at Kandla Port since 06th May 2022. And 28,000 MT of wheat vessel PVT HN is loading at Kandla Port since 05th May 2022. And 52,500 MT of wheat vessel V STAR is loading at Kandla Port since 06th May 2022.

International Market Update:

Wheat acreage in Australia is expected to fall in upcoming MY 2022-23 (October-September) due to rising input costs. Drop in wheat acreage may also lead to decline in output and exports. The reduction is due to a rise in fertilizer, diesel, and chemical prices. It is anticipated that wheat acreage to range around 12.6 million-12.9 million hectares. In MY 2021-22, Australia's wheat acreage was around 13.03 million hectares. The Australian Crop Forecasters has forecasted MY 2022-23 wheat acreage at 12.7 million hectares, down 4% on year from 13.3 million mt.

In Pakistan, flour crisis is ongoing with the government locking up the wheat amid a shortage in the open market. Flour mills had reduced the procurement of wheat and milling fearing a possible fall in its prices. There is also a risk of a flour crisis if the gap between supply and demand increases. Despite increase in prices, the availability remains highly unstable.

Egypt has harvested more than 700,000 feddans (1 feddan=1.08 acre) of local wheat since the start of this harvest season on April 1. Last month country has made 1.1 billion Egyptian pounds (\$59.69 million). Egypt targets the planting of 1.075 million feddans of rice in 2022-2023, which would achieve self-sufficiency.

Australia and New Zealand has approved use and sale of GMO wheat from Argentina. Argentina has produced 21.8 MMT of wheat in 2021-22, though a slight reduction in production is expected in coming season due to unfavorable season.

Ukraine's 2022 wheat harvest is likely to be near to last year's level of more than 32 MMT. Ukraine sowed 6.5 million hectares of winter wheat for the 2022 harvest but as per sources some of the area couldn't be harvested due to Russian invasion.

Weather Outlook: Heat Wave conditions very likely in isolated/some pockets over Rajasthan during 08th-12th; North Madhya Maharashtra on 08th & 09th; Vidarbha & West Madhya Pradesh during 09th-12th and over south Haryana-Delhi & south Punjab during 10th-12th May 2022. Fairly widespread to widespread light/moderate rainfall with thunderstorm/lightning/gusty winds very likely over Northeast India during next 5 days. Isolated heavy falls very likely over Arunachal Pradesh during 10th-12th and over Assam-Meghalaya & Mizoram-Tripura during 09th-12th May.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			09-May-22	07-May-22	
Delhi	Lawrence Road	Mill Delivery	2315	2300	15
	Narella	Mill Quality Loose	2190	2180	10
	Nazafgarh	Mill Quality Loose	2190	2180	10
Gujarat	Rajkot	Mill Delivery	2450	2450	Unch
	Ahmedabad	Mill Delivery	2450	2450	Unch
	Surat	Mill Delivery	2500	2500	Unch
	Dhrol	Mill Quality Loose	2320	2340	-20
M.P.	Indore	Mill Delivery	2325	2325	Unch
	Bhopal	Mill Quality Loose	2080	2080	Unch
Rajasthan	Kota	Mill Quality Loose	2225	2250	-25
		Mill Delivery	2325	2350	-25
U.P.	Kanpur	Mill Delivery	2250	2225	25
	Mathura	Mill Quality Loose	2250	2220	30
	Kosi	Mill Quality Loose	2240	2240	Unch
	Hathras	Mill Quality Loose	2170	2125	45
	Aligarh	Mill Quality Loose	2150	2100	50
Punjab	Khanna	Mill Quality Loose	2100	2060	40
	Ludhiana (Jagraon)	Mill Delivery	2150	2150	Unch
Haryana	Sirsa	Mill Delivery loose	2125	2125	Unch
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	2100	2200	-100
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	2050	2050	Unch
Tamil Nadu	Chennai	Mill Quality	2500	2500	Unch
	Madurai	Mill Quality	2557	2557	Unch
	Coimbatore	Mill Quality	2557	2557	Unch
Bihar	Khagariya	Mill Delivery	2150	2150	Unch
	Muzaffarpur	Mill Delivery	2100	2100	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	2510	2510	Unch
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	2520	2520	Unch

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			09-May-22	07-May-22	
Gujarat	Rajkot	Lokwan	2500	2500	Unch
M.P.	Indore	Lokwan	2400	2400	Unch
	Bhopal	Lokwan	2400	2400	Unch
	Bina	Sarbati 306	-	-	-
	Sehore	Sarbati	3800	3600	200
	Vidisha	Sarbati	4000	4000	Unch
Rajasthan	Kota	LokwanBilty	2425	2450	-25
	Baran	Lokwan	2650	2550	100

Wheat Arrivals in Key Centres:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			09-May-22	07-May-22	
Delhi	Lawrence Road	Mill Delivery	10000	6000	4000
	-rella	Mill Quality Loose	7000	5000	2000
	-zafgarh	Mill Quality Loose	600	500	100
Gujarat	Rajkot	Mill Quality Loose	1800	1500	300
	Dhrol	Mill Quality Loose	123	185	-62
M.P.	Indore	Mill Quality Loose	5000	4000	1000
Rajasthan	Kota	Mill Quality	45000	35000	10000
U.P.	Kanpur	Mill Quality Loose	2500	3500	-1000
	Mathura	Mill Quality Loose	800	1200	-400
	Kosi	Mill Quality Loose	2000	2500	-500
	Hathras	Mill Quality Loose	1200	500	700
	Aligarh	Mill Quality Loose	300	300	Unch
Punjab	Khan-	Mill Quality Loose	10000	7000	3000
	(Ludhia-)Jagraon	Mill Quality Loose	50	50	Unch
Harya-	Sirsa	Mill Quality Loose	1000	1000	Unch
	Hodal	Mill Quality Loose	500	500	Unch
	Bhiwani	Mill Quality Loose	10000	6000	4000
	Kar-l	Mill Delivery	700	700	Unch
	Panipat	Mill Quality Loose	300	300	Unch

Wheat (CBOT) Future Price: 06.05.2022					
Contract Month	Open	High	Low	Close	Change
22-May	1098.5	1098.5	1097	1097	1
22-Jul	1102	1127.5	1087.75	1108.5	2
22-Sep	1103.5	1128.5	1089.25	1109.75	2.5
22-Dec	1102.5	1129.5	1090.5	1112.25	4.25
23-Mar	1105.5	1128	1091	1112.75	4.75
23-May	1087.25	1113.75	1083.5	1100.75	1.5

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