

Wheat Domestic Fundamentals:

Weak sentiments were seen in benchmark markets of Kanpur and Indore. In Indore, the prices fell by 1.08 % and in Kanpur the prices fell by 1.78%.

Government procurement stood at 18.5 MMT which is 15-year low procurement. The previous low was 11.8 MMT during 2007-08. Though it will be the first time when the fresh procurement will be less than 19 MMT which was available during the start of MY. We are expecting that the low procurement will create a major concern for the available domestic stocks and the prices are expected to trade firm in coming days.

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.

As per trade sources, 47,000 MT of wheat vessel OCEAN FUTURE is loading at Kandla Port since 09th May 2022. And 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.

International Market Update:

CBOT wheat futures were little changed as rating of the U.S. winter crop was slightly improved keeping a lid on prices. CBOT Wheat rose quarter of a cent to \$10.93 per bushel. The USDA rated 29% of the U.S. winter wheat crop in good to excellent condition, up by 2 points from the previous week and a bigger improvement than most analysts had expected, but still among the lowest ratings on record for this point in the year.

Pakistan has approved import of 3 MMT of wheat and decided to continue relief package for two more months – May and June 2022. The relief package will provide wheat flour at the subsidized rate of Pakistani rupee 800 for 20kg bag.

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 of 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
			10-May-22	09-May-22	
Delhi	Lawrence Road	Mill Delivery	2300	2315	-15
	Narella	Mill Quality Loose	2200	2190	10
	Nazafgarh	Mill Quality Loose	2200	2190	10
Gujarat	Rajkot	Mill Delivery	2460	2450	10
	Ahmedabad	Mill Delivery	2500	2450	50
	Surat	Mill Delivery	2530	2500	30
	Dhrol	Mill Quality Loose	2340	2320	20
M.P.	Indore	Mill Delivery	2300	2325	-25
	Bhopal	Mill Quality Loose	2100	2080	20
Rajasthan	Kota	Mill Quality Loose	2275	2225	50
		Mill Delivery	2425	2325	100
U.P.	Kanpur	Mill Delivery	2210	2250	-40
	Mathura	Mill Quality Loose	2210	2250	-40
	Kosi	Mill Quality Loose	2290	2240	50
	Hathras	Mill Quality Loose	2170	2170	Unch
	Aligarh	Mill Quality Loose	2150	2150	Unch
Punjab	Khanna	Mill Quality Loose	2200	2100	100
	Ludhiana (Jagraon)	Mill Delivery	2150	2150	Unch
Haryana	Sirsa	Mill Delivery loose	2125	2125	Unch
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	2200	2100	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	2125	2100	25
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	2550	2510	40
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	2560	2520	40

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			10-May-22	09-May-22	
Gujarat	Rajkot	Lokwan	2600	2500	100
M.P.	Indore	Lokwan	2350	2400	-50
	Bhopal	Lokwan	2400	2400	Unch
	Bina	Sarbati 306	-	-	-
	Sehore	Sarbati	3500	3800	-300
	Vidisha	Sarbati	3790	4000	-210
Rajasthan	Kota	LokwanBilty	2475	2425	50
	Baran	Lokwan	2550	2650	-100

Wheat Arrivals in Key Centres:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			10-May-22	09-May-22	
Delhi	Lawrence Road	Mill Delivery	10000	10000	Unch
	-rella	Mill Quality Loose	5000	7000	-2000
	-zafgarh	Mill Quality Loose	500	600	-100
Gujarat	Rajkot	Mill Quality Loose	1500	1800	-300
	Dhrol	Mill Quality Loose	400	123	277
M.P.	Indore	Mill Quality Loose	5000	5000	Unch
Rajasthan	Kota	Mill Quality	30000	45000	-15000
U.P.	Kanpur	Mill Quality Loose	5000	2500	2500
	Mathura	Mill Quality Loose	1500	800	700
	Kosi	Mill Quality Loose	2000	2000	Unch
	Hathras	Mill Quality Loose	1250	1200	50
	Aligarh	Mill Quality Loose	500	300	200
Punjab	Khan-	Mill Quality Loose	2500	10000	-7500
	(Ludhia-)Jagraon	Mill Quality Loose	100	50	50
Harya-	Sirsa	Mill Quality Loose	2000	1000	1000
	Hodal	Mill Quality Loose	500	500	Unch
	Bhiwani	Mill Quality Loose	5000	10000	-5000
	Kar-l	Mill Delivery	500	700	-200
	Panipat	Mill Quality Loose	500	300	200

Wheat (CBOT) Future Price: 09.05.2022					
Contract Month	Open	High	Low	Close	Change
22-May	1084	1086	1081.5	1083.25	-13.75
22-Jul	1120.75	1135	1090	1092.75	-15.75
22-Sep	1122	1135	1092.25	1095.5	-14.25
22-Dec	1124	1136.25	1096.25	1100.5	-11.75
23-Mar	1121	1133.75	1097.75	1102.75	-10
23-May	1116.5	1116.5	1085.5	1090.75	-10

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