

**Wheat Domestic Fundamentals:**

**As arrivals in most of the mandis have stopped in Punjab, the procurement is not happening and as result mandis are getting closed. Most of the mandis is likely to be closed by today. Due to fall in the yield, government have procured 96 LMT and private traders have bought 6 LMT out of total arrivals of 102 lakh tonnes, a fall of 33 lakh tonnes as a total of 135 lakh tonnes was expected.**

**As per ministry of commerce, The Centre will send trade delegations to Morocco, Tunisia, Indonesia, the Philippines, Thailand, Vietnam, Turkey, Algeria and Lebanon for exploring possibilities of boosting wheat exports from India. This is expected to create new markets for Indian wheat. Though Indonesia is one of the importers on Indian wheat, it generally imports wheat from Ukraine during the July month.**

**As on May 10<sup>th</sup>, wheat procurement stood at 178.01 Lakh MT (LMT) which is down by 47.92% from 341.72 LMT procured during previous year. The procurement in Punjab stood at 94.69 LMT. It is unlikely that the procurement in Punjab would cross 100 LMT.**

**We estimate production in Punjab to be 15.79 MMT and considering the procurement by government and private traders, we expect that farmers are still holding 30-35% stocks in anticipation of further increase in prices. Normally, the farmer retention in wheat varies between 10-15%. We anticipate that government may impose stock limit in order to stabilize the market price and bring the wheat stocks into domestic market. And this could weaken the prices.**

**As per trade sources, 57,000 MT of wheat vessel JAG RADHA is loading at Kandla Port since 10<sup>th</sup> May 2022. 47,000 MT of wheat vessel OCEAN FUTURE is loading at Kandla Port since 09<sup>th</sup> May 2022. And 55,500 MT of wheat vessel BULK CASTOR is loading at Kandla Port since 03<sup>rd</sup> May 2022. And 55,000 MT of wheat vessel MANA is loading at Kandla Port since 07<sup>th</sup> May 2022. And 36,600 MT of wheat vessel OMINIA is loading at Kandla Port since 06<sup>th</sup> May 2022.**

**International Market Update:**

**CBOT Wheat futures rose after USDA issued its first world estimate for 2022-23 crop season. Futures for the new crop for September delivery traded in Chicago rallied as high as \$12 a bushel, up by 8 per cent on the week, before easing slightly. Euronext wheat futures also traded at a two-month high of €411.50 per tonne.**

**As per USDA, wheat output for China is expected to fall by 1.4 % to 135 MMT. The production in Argentina, Australia and EU is likely to be lower compared to last year. However, the wheat crop in Russia is likely to be 80 MMT, higher than previous year production but still lower than Russia's own estimate of 87 MMT.**

**USDA is forecasting a 2022-23 harvest of 21.5 MMT, down by 35 percent from last year and 23 percent below the five-year average. It is in line with pre-USDA report estimate which is forecasting 21 MMT. The fighting is ongoing and that a large part of the country's wheat production comes from areas of eastern Ukraine where the conflict is most intense, as a result the real production figures are likely to be lower than the current crop cover might suggest. The USDA is forecasting a 21 percent reduction in wheat harvested area and an 18 percent drop in yields in Ukraine.**

**Due to Canada's crop being hit by drought in 2021-22, some of the importers have been hit. Canada harvested 19 MMT of non-durum wheat last fall, which is 34 percent drop from the previous year. China and Indonesia are the two markets that were the hardest hit. Sales to China through the first seven months of the crop year were 529,000 MT, which is 1.25 MMT drop from the same period a year ago. Indonesia has imported 599,000 MT of Canadian wheat in that same time frame, down by 713,000 MT from a year ago.**

**Russian wheat export prices rose slightly last week due to low trade during an official holiday in Russia and higher wheat prices in CBOT. Prices for wheat with 12.5% protein content for supply in May from Black Sea ports were up by \$5 to \$385-395 FOB at the end of last week. Russia exported 440,000 tonnes of grains last week, compared with 780,000 tonnes a week earlier.**

**Taiwan has purchased an estimated 40,000 MT of milling wheat to be sourced from the United States in a tender which closed on 13<sup>th</sup> May 2022. The purchase involved a range of different wheat types in one consignment for shipment from the U.S. Pacific Northwest coast between June 26 and July 10. The purchase included US spring wheat of 14.5% protein content bought at \$530.57 per tonne FOB.**

**Algeria is believed to have purchased a total of around 450,000 MT of optional-origin milling wheat in an international tender this week. The purchase was said to have been made at around \$466 per tonne CNF.**

**Weather Outlook: Heat Wave at most places with severe heat wave conditions at isolated places likely over West Rajasthan during 12<sup>th</sup> to 14<sup>th</sup> and heat wave conditions at most places on 11<sup>th</sup> & 15<sup>th</sup> May, 2022. Heat Wave at isolated/at a few places likely over East Rajasthan & West Madhya Pradesh during 11<sup>th</sup> to 15<sup>th</sup> May, 2022. Heat Wave at isolated likely over north Madhya Maharashtra on 11<sup>th</sup>; over West Uttar Pradesh on 14<sup>th</sup> & 15<sup>th</sup>; south Haryana-Delhi, south Punjab during 12<sup>th</sup>-15<sup>th</sup>; East Madhya Pradesh & Vidarbha during 13<sup>th</sup> to 15<sup>th</sup> May, 2022.**

**Wheat Daily Prices and Arrivals**

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			13-May-22	12-May-22	
Delhi	Lawrence Road	Mill Delivery	2340	2330	10
	Narella	Mill Quality Loose	2165	2170	-5
	Nazafgarh	Mill Quality Loose	2170	2180	-10
Gujarat	Rajkot	Mill Delivery	2550	2475	75
	Ahmedabad	Mill Delivery	2510	2515	-5
	Surat	Mill Delivery	2550	2540	10
	Dhrol	Mill Quality Loose	2380	2460	-80
M.P.	Indore	Mill Delivery	2310	2300	10
	Bhopal	Mill Quality Loose	2100	2100	Unch
Rajasthan	Kota	Mill Quality Loose	2250	2200	50
		Mill Delivery	2400	2350	50
U.P.	Kanpur	Mill Delivery	2215	2200	15
	Mathura	Mill Quality Loose	2230	2200	30
	Kosi	Mill Quality Loose	2215	2175	40
	Hathras	Mill Quality Loose	2170	2180	-10
	Aligarh	Mill Quality Loose	2160	2150	10
Punjab	Khanna	Mill Quality Loose	2120	2110	10
	Ludhiana (Jagraon)	Mill Delivery	2230	2230	Unch
Haryana	Sirsa	Mill Delivery loose	2190	2125	65
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	2350	2300	50
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-
Tamil Nadu	Chennai	Mill Quality	2600	2600	Unch
	Madurai	Mill Quality	2657	2657	Unch
	Coimbatore	Mill Quality	2657	2657	Unch
Bihar	Khagariya	Mill Delivery	2250	2200	50
	Muzaffarpur	Mill Delivery	2200	2150	50
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	2600	2560	40
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	2610	2570	40

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			13-May-22	12-May-22	
<b>Gujarat</b>	Rajkot	Lokwan	2600	2600	Unch
<b>M.P.</b>	Indore	Lokwan	2400	2400	Unch
	Bhopal	Lokwan	2400	2400	Unch
	Bina	Sarbati 306	-	-	-
	Sehore	Sarbati	3600	3500	100
	Vidisha	Sarbati	3500	3500	Unch
<b>Rajasthan</b>	Kota	LokwanBilty	2450	2400	50
	Baran	Lokwan	2400	2450	-50

**Wheat Arrivals in Key Centres:**

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			13-May-22	12-May-22	
<b>Delhi</b>	Lawrence Road	Mill Delivery	8000	5000	3000
	-rella	Mill Quality Loose	3000	4000	-1000
	-zafgarh	Mill Quality Loose	500	500	Unch
<b>Gujarat</b>	Rajkot	Mill Quality Loose	1800	1400	400
	Dhrol	Mill Quality Loose	69	87	-18
<b>M.P.</b>	Indore	Mill Quality Loose	7000	7000	Unch
<b>Rajasthan</b>	Kota	Mill Quality	35000	30000	5000
<b>U.P.</b>	Kanpur	Mill Quality Loose	5000	4000	1000
	Mathura	Mill Quality Loose	2000	1500	500
	Kosi	Mill Quality Loose	4000	4500	-500
	Hathras	Mill Quality Loose	600	800	-200
	Aligarh	Mill Quality Loose	1000	700	300
<b>Punjab</b>	Khan-	Mill Quality Loose	6000	7000	-1000
	(Ludhia-)Jagraon	Mill Quality Loose	50	50	Unch
<b>Harya-</b>	Sirsa	Mill Quality Loose	1000	2000	-1000
	Hodal	Mill Quality Loose	50	300	-250
	Bhiwani	Mill Quality Loose	500	2000	-1500
	Kar-l	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 12.05.2022					
Contract Month	Open	High	Low	Close	Change
22-May	1107.75	1174.5	1103.25	1174.5	65.75
22-Jul	1113	1183	1102.75	1178.75	65.75
22-Sep	1117	1187.25	1107.5	1181.75	64.5
22-Dec	1124	1192.5	1113	1186.5	64
23-Mar	1121.75	1192.5	1115.5	1186.75	62.5
23-May	1115.5	1178	1104.25	1169.75	57.75

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