

**Wheat Domestic Fundamentals:**

**Government has banned the exports of all type of wheat stating food security concern as a major reason. Though government has made transitional arrangement for those who have issue irrevocable letter of credit (ICLC) on or before 13<sup>th</sup> May. Also, government has stated that the export of wheat will be done to the countries where the government of that country requests Indian government for wheat.**

**With the export ban, the price trend has reversed. The CBOT wheat prices are shooting up while domestic wheat prices have crashed by Rs. 100 per quintal in most of the benchmark market.**

**Punjab and Haryana government has revised the shriveled grain norms for the procurement from earlier 6% to 18%.**

**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:**

**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.**

**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
			14-May-22	13-May-22	
Delhi	Lawrence Road	Mill Delivery	2250	2340	-90
	Narella	Mill Quality Loose	2150	2165	-15
	Nazafgarh	Mill Quality Loose	2160	2170	-10
Gujarat	Rajkot	Mill Delivery	2300	2550	-250
	Ahmedabad	Mill Delivery	2400	2510	-110
	Surat	Mill Delivery	2450	2550	-100
	Dhrol	Mill Quality Loose	2465	2380	85
M.P.	Indore	Mill Delivery	2200	2310	-110
	Bhopal	Mill Quality Loose	2050	2100	-50
Rajasthan	Kota	Mill Quality Loose	2150	2250	-100
		Mill Delivery	2300	2400	-100
U.P.	Kanpur	Mill Delivery	2140	2215	-75
	Mathura	Mill Quality Loose	2150	2230	-80
	Kosi	Mill Quality Loose	2240	2215	25
	Hathras	Mill Quality Loose	2150	2170	-20
	Aligarh	Mill Quality Loose	2100	2160	-60
Punjab	Khanna	Mill Quality Loose	2125	2120	5
	Ludhiana (Jagraon)	Mill Delivery	2230	2230	Unch
Haryana	Sirsa	Mill Delivery loose	2100	2190	-90
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	2200	2350	-150
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-
Tamil Nadu	Chennai	Mill Quality	2550	2600	-50
	Madurai	Mill Quality	2607	2657	-50
	Coimbatore	Mill Quality	2607	2657	-50
Bihar	Khagariya	Mill Delivery	2200	2250	-50
	Muzaffarpur	Mill Delivery	2150	2200	-50
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	-	2600	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	-	2610	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			14-May-22	13-May-22	
<b>Gujarat</b>	Rajkot	Lokwan	2350	2600	<b>-250</b>
<b>M.P.</b>	Indore	Lokwan	2400	2400	<b>Unch</b>
	Bhopal	Lokwan	2400	2400	<b>Unch</b>
	Bina	Sarbati 306	-	-	-
	Sehore	Sarbati	Closed	3600	-
	Vidisha	Sarbati	Closed	3500	-
<b>Rajasthan</b>	Kota	LokwanBilty	2350	2450	<b>-100</b>
	Baran	Lokwan	2320	2400	<b>-80</b>

**Wheat Arrivals in Key Centres:**

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			14-May-22	13-May-22	
<b>Delhi</b>	Lawrence Road	Mill Delivery	7000	8000	<b>-1000</b>
	-rella	Mill Quality Loose	3000	3000	<b>Unch</b>
	-zafgarh	Mill Quality Loose	500	500	<b>Unch</b>
<b>Gujarat</b>	Rajkot	Mill Quality Loose	1500	1800	<b>-300</b>
	Dhrol	Mill Quality Loose	109	69	<b>40</b>
<b>M.P.</b>	Indore	Mill Quality Loose	8000	7000	<b>1000</b>
<b>Rajasthan</b>	Kota	Mill Quality	25000	35000	<b>-10000</b>
<b>U.P.</b>	Kanpur	Mill Quality Loose	1000	5000	<b>-4000</b>
	Mathura	Mill Quality Loose	1500	2000	<b>-500</b>
	Kosi	Mill Quality Loose	2500	4000	<b>-1500</b>
	Hathras	Mill Quality Loose	300	600	<b>-300</b>
	Aligarh	Mill Quality Loose	500	1000	<b>-500</b>
<b>Punjab</b>	Khan-	Mill Quality Loose	4000	6000	<b>-2000</b>
	(Ludhia-)Jagraon	Mill Quality Loose	10	50	<b>-40</b>
<b>Harya-</b>	Sirsa	Mill Quality Loose	1000	1000	<b>Unch</b>
	Hodal	Mill Quality Loose	100	50	<b>50</b>
	Bhiwani	Mill Quality Loose	200	500	<b>-300</b>
	Kar-l	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 13.05.2022					
Contract Month	Open	High	Low	Close	Change
22-May	1172.75	1198.5	1158.5	1177.5	-1.25
22-Jul	1176.75	1201.25	1162.25	1181	-0.75
22-Sep	1180.75	1205.75	1167	1185	-1.5
22-Dec	1179.75	1204	1167	1182.5	-4.25
23-Mar	1161.25	1186.5	1150	1161	-8.75
23-May	1097	1120.5	1088	1098.75	-7.5

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