

**Wheat Domestic Fundamentals:**

**Punjab and Haryana governments have decided that the wheat procurements in the two states will continue and the markets will remain open till May 31.**

**Currently, the wheat export ban was prompted by a sharp rise in consumer inflation, which rose to an eight-year high of 7.79%, while food inflation touched 8.38%. Cereal inflation was fairly high at nearly 6%.**

**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.**

**International Market Update:**

**CBOT Wheat futures saw upward trend after India banned exports of the grain. The most-active Chicago Board of Trade soft red winter wheat contract hit its highest on a continuous basis since March 9. CBOT July soft red winter wheat last traded up 57.75 cents at \$12.35 per bushel.**

**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: Due to strong southwesterly winds from Bay of Bengal to northeast & adjoining East India at lower tropospheric levels; Widespread light/moderate rainfall with isolated heavy to very heavy falls very likely over Arunachal Pradesh, Assam-Meghalaya and Sub-Himalayan West Bengal & Sikkim during next 4-5 days. Isolated extremely heavy falls very likely over Meghalaya on 16<sup>th</sup> & 17<sup>th</sup> May. 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
			16-May-22	14-May-22	
Delhi	Lawrence Road	Mill Delivery	2250	2250	Unch
	Narella	Mill Quality Loose	2080	2150	-70
	Nazafgarh	Mill Quality Loose	2100	2160	-60
Gujarat	Rajkot	Mill Delivery	2225	2300	-75
	Ahmedabad	Mill Delivery	2300	2400	-100
	Surat	Mill Delivery	2325	2450	-125
	Dhrol	Mill Quality Loose	2130	2465	-335
M.P.	Indore	Mill Delivery	Closed	2200	-
	Bhopal	Mill Quality Loose	Closed	2050	-
Rajasthan	Kota	Mill Quality Loose	2150	2150	Unch
		Mill Delivery	2300	2300	Unch
U.P.	Kanpur	Mill Delivery	2100	2140	-40
	Mathura	Mill Quality Loose	2125	2150	-25
	Kosi	Mill Quality Loose	2210	2240	-30
	Hathras	Mill Quality Loose	2125	2150	-25
	Aligarh	Mill Quality Loose	2100	2100	Unch
Punjab	Khanna	Mill Quality Loose	2100	2125	-25
	Ludhiana (Jagraon)	Mill Delivery	2250	2230	20
Haryana	Sirsa	Mill Delivery loose	2070	2100	-30
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	2140	2200	-60
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-
Tamil Nadu	Chennai	Mill Quality	2550	2550	Unch
	Madurai	Mill Quality	2607	2607	Unch
	Coimbatore	Mill Quality	2607	2607	Unch
Bihar	Khagariya	Mill Delivery	2250	2200	50
	Muzaffarpur	Mill Delivery	2200	2150	50
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	-	-	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			16-May-22	14-May-22	
<b>Gujarat</b>	Rajkot	Lokwan	2300	2350	<b>-50</b>
<b>M.P.</b>	Indore	Lokwan	Closed	2400	-
	Bhopal	Lokwan	Closed	2400	-
	Bina	Sarbati 306	-	-	-
	Sehore	Sarbati	Closed	Closed	-
	Vidisha	Sarbati	Closed	Closed	-
<b>Rajasthan</b>	Kota	LokwanBilty	2350	2350	<b>Unch</b>
	Baran	Lokwan	2250	2320	<b>-70</b>

**Wheat Arrivals in Key Centres:**

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			16-May-22	14-May-22	
<b>Delhi</b>	Lawrence Road	Mill Delivery	5000	7000	<b>-2000</b>
	-rella	Mill Quality Loose	1500	3000	<b>-1500</b>
	-zafgarh	Mill Quality Loose	200	500	<b>-300</b>
<b>Gujarat</b>	Rajkot	Mill Quality Loose	1500	1500	<b>Unch</b>
	Dhrol	Mill Quality Loose	132	109	<b>23</b>
<b>M.P.</b>	Indore	Mill Quality Loose	Closed	8000	-
<b>Rajasthan</b>	Kota	Mill Quality	30000	25000	<b>5000</b>
<b>U.P.</b>	Kanpur	Mill Quality Loose	2000	1000	<b>1000</b>
	Mathura	Mill Quality Loose	500	1500	<b>-1000</b>
	Kosi	Mill Quality Loose	4000	2500	<b>1500</b>
	Hathras	Mill Quality Loose	400	300	<b>100</b>
	Aligarh	Mill Quality Loose	300	500	<b>-200</b>
<b>Punjab</b>	Khan-	Mill Quality Loose	2000	4000	<b>-2000</b>
	(Ludhia-)Jagraon	Mill Quality Loose	-	10	-
<b>Harya-</b>	Sirsa	Mill Quality Loose	500	1000	<b>-500</b>
	Hodal	Mill Quality Loose	50	100	<b>-50</b>
	Bhiwani	Mill Quality Loose	300	200	<b>100</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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