

Wheat Domestic Fundamentals:

Punjab has contributed around 53% of the total wheat procured for the central pool as over 102 LMT crop had arrived in Punjab mandi's of which 96 LMT was purchased by the government agencies and the remaining over 6 LMT was purchased by private players.

In Haryana, only 40.72 LMT was procured by government compared to 84.93 LMT last year. In UP, the government procurement is just 2.46 LMT against 56.41 LMT last year. In MP, the government procurement is just 42.09 LMT this year against 128.16 LMT last year and in Rajasthan, the government procurement is just 1000 MT against 23.4 LMT last year.

As per NITI Aayog, the price rise in domestic market is inevitable as the international prices are already on higher side. The international wheat prices rose by almost 30-40 % and in case of India the rise is only about 6-7%.

As per sources, India has no immediate plans to lift a ban on wheat exports, but will continue to deal which are done directly with other governments.

As per USDA FAS report, in wheat the yield has reduced by 10-15%, decreasing India's wheat crop for 2022-23 MY at 99 MMT. Under the current market supply situation, India's wheat exports in MY 2022-23 would barely touch upon 6 MMT, compared to MY 2021-22 export of 8.5 MMT and MY 2022-23's initial projection of 10 MMT.

As per sources, Bangladesh has planned to import 10 LMT of wheat from India under the Government-to-Government contract. Earlier, Bangladesh has completed a tender for the import of around 3 LMT of wheat from India out of which 1.5 LMT is being unloaded at the Chattogram port. Annually, Bangladesh has wheat demand for 75 LMT out of which 11 LMT are produced locally and the rest of it is imported.

Currently around 4 ships are waiting at berths for loading of wheat. In Kandla Port, around 190,000 tonnes of wheat are struck for want of fresh approvals and around 1.5-1.6 MMT of wheat is already at the port.

International Market Update:

As per sources, due to too expensive offer, Bangladesh is scrapping an international tender to import 50,000 MT of wheat.

In the international market, Russian wheat exports are likely to fall to 8 LMT against 22 LMT exported in the month of April. The CBOT international prices may see some correction as the harvesting in Northern Hemisphere is providing relief to the depleting global stocks.

As per sources, UK grain production for 2022-23 MY is expected to reach 22.85 MMT, an increase of 450,000 MT from last year and more than 3.8 MMT higher than 2020-21. Wheat production has improved in 2021-22 to 14 MMT from the previous 40-year low wheat crop, but it is still below expectations.

Pakistan is expected to reap around 26.9 MMT of wheat this season against a target of 28.9 MMT. There is an unexpected and early heatwave in mid-March which has shrivelled the wheat grains, also there is poor application of fertilizer (both DAP and urea), either due to unavailability or higher costs, as well as a severe shortage of water also depleted crops.

As per sources, Turkey's wheat production is expected to increase by 17.6 percent this year from 2021 to 20 MMT. During the March month, the production forecast was 20.5 MMT which was reduced to 20 MMT in the latest estimate. Turkey's wheat production was 17 million tons in 2021.

As of last week, with the winter crop being harvested, the yield reduction is expected to be around 50% on the western part of the country. In Oklahoma, despite recent rains, around 65% of the state remains in the moderate drought to exceptional drought category, and heat conditions have also been rated poor to very poor for 47% of the state. The weather predictions also show no end in sight for the extreme drought conditions with one-week to three-month outlooks showing little hope for above average amounts of rainfall. High temperatures are also anticipated over the next two months.

Weather Outlook: Fairly widespread to widespread light/moderate rainfall likely over Sub-Himalayan West Bengal & Sikkim, northeast India, Kerala & Mahe and Islands. Isolated to scattered light/moderate rainfall likely over remaining parts of Peninsular India. Dry weather likely over rest parts of the country.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			28-May-22	27-May-22	
Delhi	Lawrence Road	Mill Delivery	2245	2250	-5
	Narella	Mill Quality Loose	2180	2200	-20
	Nazafgarh	Mill Quality Loose	2060	2060	Unch
Gujarat	Rajkot	Mill Delivery	2135	2125	10
	Ahmedabad	Mill Delivery	2275	2275	Unch
	Surat	Mill Delivery	2330	2325	5
	Dhrol	Mill Quality Loose	2395	2360	35
M.P.	Indore	Mill Delivery	2180	2180	Unch
	Bhopal	Mill Quality Loose	2000	2050	-50
Rajasthan	Kota	Mill Quality Loose	2000	2025	-25
		Mill Delivery	2150	2175	-25
U.P.	Kanpur	Mill Delivery	2105	2100	5
	Mathura	Mill Quality Loose	2100	2120	-20
	Kosi	Mill Quality Loose	2100	2125	-25
	Hathras	Mill Quality Loose	2120	2130	-10
	Aligarh	Mill Quality Loose	2100	2100	Unch
Punjab	Khanna	Mill Quality Loose	2070	2105	-35
	Ludhiana (Jagraon)	Mill Delivery	2200	2200	Unch
Haryana	Sirsa	Mill Delivery loose	2015	2015	Unch
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	2100	2100	Unch
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-
Tamil Nadu	Chennai	Mill Quality	2500	2500	Unch
	Madurai	Mill Quality	2557	2557	Unch
	Coimbatore	Mill Quality	2557	2557	Unch
Bihar	Khagariya	Mill Delivery	2250	2250	Unch
	Muzaffarpur	Mill Delivery	2100	2100	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	-	-	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			28-May-22	27-May-22	
Gujarat	Rajkot	Lokwan	2250	2250	Unch
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	2250	2400	-150
	Bina	Sarbati 306	3500	3600	-100
	Sehore	Sarbati	Closed	3900	-
	Vidisha	Sarbati	Closed	3900	-
Rajasthan	Kota	LokwanBilty	2200	2225	-25
	Baran	Lokwan	2250	2200	50

Wheat Arrivals in Key Centres:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			28-May-22	27-May-22	
Delhi	Lawrence Road	Mill Delivery	7000	6500	500
	-rella	Mill Quality Loose	1500	1500	Unch
	-zafgarh	Mill Quality Loose	500	400	100
Gujarat	Rajkot	Mill Quality Loose	1500	1400	100
	Dhrol	Mill Quality Loose	93	71	22
M.P.	Indore	Mill Quality Loose	6000	7000	-1000
Rajasthan	Kota	Mill Quality	10000	12000	-2000
U.P.	Kanpur	Mill Quality Loose	3000	3000	Unch
	Mathura	Mill Quality Loose	500	700	-200
	Kosi	Mill Quality Loose	1700	2500	-800
	Hathras	Mill Quality Loose	500	800	-300
	Aligarh	Mill Quality Loose	500	1000	-500
Punjab	Khan-	Mill Quality Loose	2000	2000	Unch
	(Ludhia-)Jagraon	Mill Quality Loose	-	-	-
Harya-	Sirsa	Mill Quality Loose	1000	1000	Unch
	Hodal	Mill Quality Loose	200	400	-200
	Bhiwani	Mill Quality Loose	400	500	-100
	Kar-l	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 27.05.2022					
Contract Month	Open	High	Low	Close	Change
22-May	1143.25	1170.25	1133.5	1157.5	14.25
22-Jul	1151.75	1178.75	1142	1166.25	14.25
22-Sep	1157	1185.5	1149.25	1173.5	14.75
22-Dec	1162.25	1187.25	1153.25	1176.75	15
23-Mar	1148.25	1173	1141.5	1166	16.5
23-May	1099.75	1124.25	1094.5	1122	17.5

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