

Wheat Monthly Research Report

Contents

- ❖ Wheat Market Dynamics
- ❖ AW Cereal Index
- ❖ Wheat Quarterly Balance Sheet
- ❖ Supply Demand & Domestic Market Highlights
- ❖ Acreage
- ❖ Procurement
- ❖ Wheat Price Trend
- ❖ Export & Import
- ❖ Monthly Central Pool Stock & WPI
- ❖ Monthly Average Spot Prices
- ❖ Spot Prices at Various Centers
- ❖ Monthly Arrival
- ❖ MSP Vs Mill Delivery
- ❖ Technical Analysis
- ❖ International Wheat Market Summary
- ❖ Global Wheat Average FoB
- ❖ Indicative Freight Quotes
- ❖ Global Policy Developments
- ❖ Spot/Forward Prices at Black Sea
- ❖ IGC
- ❖ USDA Balance Sheet
- ❖ CBOT: Futures/Comparison/Trend
- ❖ FoB Quotes & International Outlook

Market Dynamics:

[\(Back to Table of Contents\)](#)

Price Trend: All India average monthly prices for wheat decreased by 6.67 percent from Rs 1882.08 in Nov -2020 to Rs 1764.38 per qtl in Dec -2020. Average price in Dec -2020 was higher by 25.79 percent compared to Rs 2219.5 per quintal registered in Dec-2019. Prices are expected to improve from here due to high export demand and end of free distribution scheme.

AW Production Estimate for Rabi 2020: Agriwatch has pegged production at 103.20 MMT compared to 97.00 MMT last year. Production is higher this year due to better yields and higher area compared to last year. Total availability is likely to increase from 116.67 MMT in 2019-20 to 124.12 MMT this year. In comparison, as per the fourth advance estimate, India likely produced 107.59 MMT of wheat compared to 103.60 MMT in previous year. The total food grain production is estimated by the Ministry at record 295.67 MMT compared to 285.21 MMT last year.

FoB/CiF Quotes: Indian FoB quote is hovering at between \$234.15-245.62 per tonne in the month of December. Against it, Ukraine, France, U.S and Australia were offering wheat at \$254-\$260, \$202.75-\$212.50, \$276.74-280 and \$212.38-241.05 per tonne respectively. Indian FoB quote is based on local prices.

Export: India exported 1.85 lakh tonnes wheat at an average FOB of \$238 per tonnes in November'20. Total export in MY 2019-20 was registered around 8 lakh tonne. The exports have picked up because the low prices domestically have made Indian Wheat competitive. Export is likely to increase in the coming months as Indian traders have already signed many deals with Bangladesh and Afghanistan.

Import: As per trade sources, India has imported 6380 tonnes of Australian wheat during the month of October'20. The government has increased import duty from 30 percent to 40 percent to reduce imports and provide support to domestic sellers. Imports are expecting to be low this year due to adequate domestic availability, low prices, and the increase in import duty. The imported wheat is currently of high-quality wheat, which is getting used for research purposes.

Supply-Demand: Supply of FAQ is good as ample stock is available in the domestic market after three consecutive good production years. FCI has procured 38.99 MMT in 2020-21, which is higher by 4.85 MMT compared to MY 2019-20. Demand from south Indian millers is good after the end of the free distribution scheme. There is also a widespread export demand for Indian wheat in the international market. As a result, its demand is expected to be good in the coming month.

Weather Update: Due to interaction between the above Western Disturbance and lower level easterlies from Bay of Bengal, scattered to fairly widespread rainfall accompanied with thunderstorm/hailstorm at isolated places likely over Punjab, Haryana, Chandigarh & Delhi, north Rajasthan, West Uttar Pradesh and northwest Madhya Pradesh during the month of January, 2021. Weather likely to be dry over remaining parts of the country. Heavy rainfall likely at isolated places over Punjab in first two week of January.

E-Auction: The government has sold 92480 tonnes of wheat in OMSS through E-Auctions in the month of December '20 which is 17900 tonnes lower compared to last month. Till now, no rakes have been sold. Sale of wheat to bulk consumer is 48680 tonnes and sale of Wheat to state Govt. 43800.

Procurement Target: Government has fixed wheat procurement target at 40.70 MMT for 2020-21. Last year government surpassed its procurement target of 32 MMT and procured 35.5 MMT. For the marketing year 2020-21, procurement is completed at 38.99 MMT in September.

Outlook & Recommendation: Wheat market is expected to trade steady to slightly firm in coming month.

Trade Call: Stakeholders should trade in January contract taking care of lower and upper price tag of Rs. 1822 respectively.

India's Wheat Balance Sheet For 2020-21:

[\(Back to Table of Contents\)](#)

	Wheat MY Runs From April To March (Figures in MMT)	2019-20	2020-21
A	Carry in	19.67	20.92
B	Production	97.00	103.21
C	Imports	0.00	0.00
D	Total Availability (A+B+C)	116.67	124.13
E	Consumption	95.50	96.99
F	Exports	0.25	0.82
G	Total Usage (E+F)	95.75	97.81
H	Carry out (D-G)	20.92	26.32
I	Av Monthly Consumption	7.96	8.08
J	Stock to Month Use	2.63	3.26
K	Stock to Consumption Ratio	0.03	0.03

*Agriwatch Wheat Production Estimate for Marketing Year 2020-21

Supply-Demand Highlights:

As per Agriwatch estimates, production, was around 103.21 MMT compared to 97 MMT last year. Production was higher this year due to increase in both yields and area. Total availability increased to 124.21 MMT from 116.67 MMT in MY 2019-20.

Carry out is expected to be around 26.66 MMT for 2020-21 compared to 20.92 MMT for 2018-19. The domestic availability of wheat is good. Prices are likely to trade steady to firm. Good domestic availability will ensure that there is no unexpected surge in prices.

Stock in the central pool as of 1st December'20 stood at 367.54 lakh tonnes higher by 9.64% compared to last month. This quantity is higher by around 4.29% compared to last year for the same month. The government has already applied import duty on wheat to curb imports and provide support to domestic prices. Therefore, the government has abundant supplies this year to tackle any unexpected rise in wheat prices and demand by selling more quantity in the open market.

Domestic Market Highlights:

As per the latest update, the area under wheat has increased marginally by 3.63% to 325.35 lakh hectares so far in the ongoing 2020-21 Rabi season from 313.95 lakh hectares in the year-ago same period. The overall trend of Rabi sowing progress is excellent, with increased area coverage recorded due to favourable weather. Lesser area reported in states like Punjab, Rajasthan, Uttar Pradesh and Karnataka

Considering the sowing in wheat, the wheat planting in Rajasthan is estimated to be 20% less. Due to the good price of the Chana and mustard, farmers have planted these crops instead of wheat. The prices of wheat reduced to Rs. 1,450 from Rs. 1,500 per quintal to the farmers, compared to the mustard price of mustard-gram and above Rs. 5,000 to Rs. 6,000 at one stage.

In Gujarat, traders have suffered a huge loss in the South deals this year and many payments of wheat have not been paid. As a result, in the new season, traders will deliver more in the export trade than in the south.

Wheat WPI has increased from 147.4 in October -2020 to 147.9 in November-2020. Monthly wheat inflation has increased by 0.33 percent in November-2020 compared to previous month.

According to the market sources, Indian traders are expected to export around 40,000 tonnes of wheat to Bangladesh at \$210-\$220 per tonnes FOB soon. More exports to Bangladesh are likely this financial year as prices of wheat in India have become more competitive in the past few months. Last month, Indian traders signed deals with their counterparts in Bangladesh to export around 200,000 tonnes of wheat. Higher exports from India will give support to domestic prices.

As per trade sources, India has imported around 6380 MT in the month of October-2020, first time since March-2020. The quantity in October-2020 was imported at an average FOB of \$ 304.90 per tonne.

Current Sowing Status 2020-21:

State Wise Wheat Sowing in Lakh Hectares					
State	Normal area (2021)	2019	2020	2021	% Change 2021 vs. 2020
Bihar	21.25	20.85	17.54	19.87	13.28
Chhattisgarh	1.05	1.35	1.19	1.6	34.45
Gujarat	9.62	8.07	12.31	12.73	3.41
Haryana	25.45	25.16	24.66	25.15	1.99
Himachal Pradesh	3.31	3.5	3.4	3.4	0.00
J&K	2.95	2.44	1.98	2.45	23.74
Jharkhand	1.84	1.87	1.67	2.11	26.35
Karnataka	1.76	1.5	1.97	1.69	-14.21
Madhya Pradesh	57.55	60	75.05	85.37	13.75
Maharashtra	10.21	5.69	7.64	9.23	20.81
Punjab	35.08	35.02	35.01	35	-0.03
Rajasthan	29.89	28.25	31.73	28.86	-9.05
Uttar Pradesh	97.87	99.13	94.61	92.52	-2.21
Uttarakhand	3.38	3.45	3.24	3.25	0.31
West Bengal	2.45	1.05	1.8	1.91	6.11
Others	0.35	NA.23	0.08	0.08	0.00
All-India	303.27	299.68	313.95	325.35	3.63

Source: Ministry of Agriculture

About 325.35 lakh ha area coverage has been reported compared to last year (313.95 lakh ha). Thus 11.40 lakh ha more area has been covered compared to the previous year. The higher area is reported from the states of Madhya Pradesh (10.32 lakh ha), Bihar (2.33 lakh ha), Maharashtra (1.59 lakh ha), Haryana (0.49 lakh ha), Jammu & Kashmir (0.46 lakh ha), Jharkhand (0.44 lakh ha), Gujarat (0.42 lakh ha), Chhattisgarh (0.41 lakh ha), West Bengal (0.13 lakh ha), Assam (0.03 lakh ha) and Uttarakhand (0.01 lakh ha). Less area is reported from the States of Rajasthan (2.87 lakh ha), Uttar Pradesh (2.10 lakh ha), Karnataka (8.27 lakh ha), and Punjab (0.01 lakh ha).

Final Wheat Procurement RMS 2019-20 (Source: FCI)

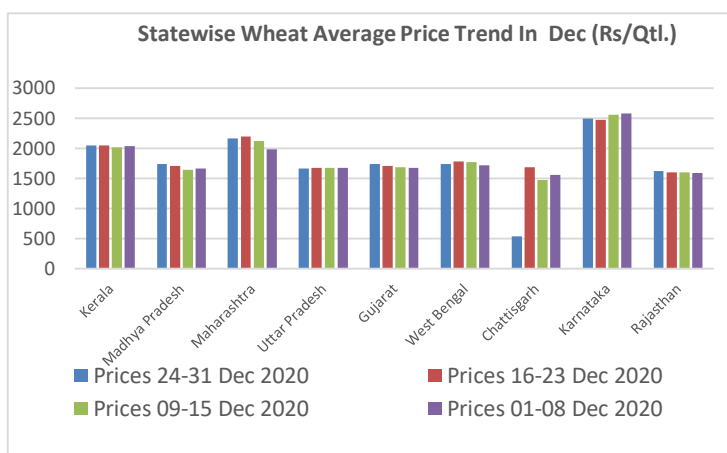
[\(Back to Table of Contents\)](#)

State/UTs	Procurement as of September-2020 (Figures in LMT)		
	FCI (A)	State Agency (B)	Total (A+B)
Punjab	14.20	112.94	127.14
Haryana	6.70	67.28	73.98
Uttar Pradesh	1.34	34.43	35.77
Madhya Pradesh	0.00	129.35	129.35
Bihar	0.00	0.05	0.05
Rajasthan	16.29	5.96	22.25
Others	0.14	1.15	1.29
All-India	38.67	351.16	389.83

Monthly Average Price Comparison:

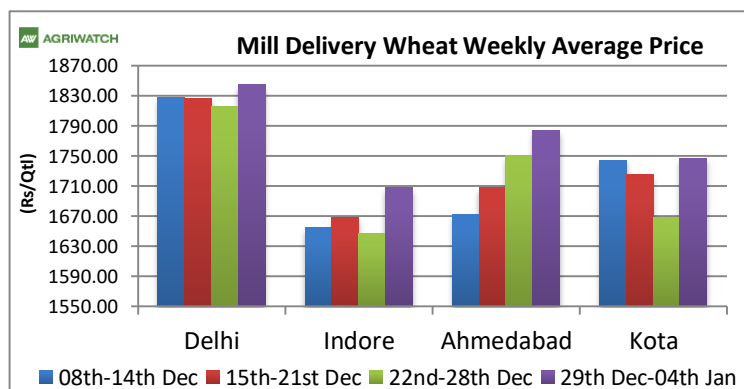
[\(Back to Table of Contents\)](#)

India's average monthly prices for wheat decreased by 6.67 percent from Rs. 1882.08 in November - 2020 to Rs. 1764.38 per quintal in December -2020. The slowdown in the wheat market is over, and the price is expected to improve gradually. The central government has stopped giving free Wheat, so the surplus supply in Wheat has now reduced, and the demand for mills is slowly coming to the fore. There's also widespread export demand for Indian Wheat recently, which supports domestic prices in January too. Agriwatch expects that Wheat would trade steady to slightly firm due to continuous demand from the south mills and export markets. Besides, the decrease in arrivals would also support the market.



Mill Delivery Wheat Weekly Average Price Movement at key Spot Market:

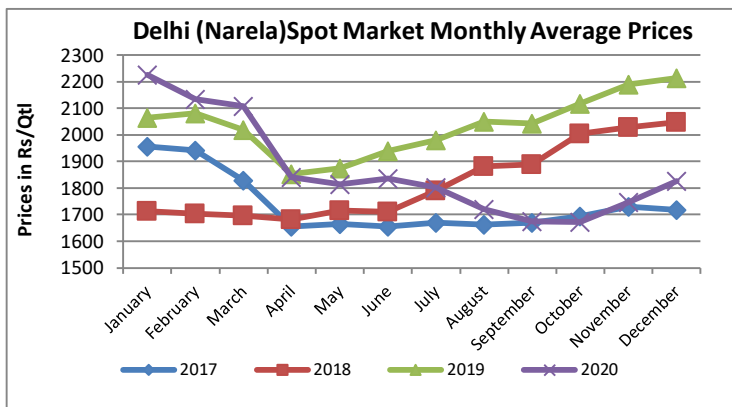
Wheat's average mill delivery prices remained high in all states in the week ending during 29thDec 2020 - 04th Jan 2021. Markets had shown firm movement in prices last week and are likely to trade steady to firm in upcoming weeks. At present, there is a very low possibility of price drop in wheat due to high export and demand from private companies and less cultivation in states like Gujarat and Rajasthan.



Wheat Delhi Average Monthly Price:

The wheat spot market Delhi (Narela) average price increased from Rs 1746.31 per quintal in Nov-2020 to Rs 1826.92 per quintal in Dec-2020. Prices are likely to touch Rs 1825-1875 per quintal in the Narela market in the upcoming weeks.

The prices increased by 4.62 percent compared to last month and decreased by 17.48 percent compared to the corresponding month last year. Arrivals in Narela have decreased by 45.13 percent quintal from 8750 quintals in Nov to 5250 quintals in the month of Dec-2020.



Wheat Exports:

According to the latest update, India exported around 1.85 lakhs tonne wheat in the month of November-2020. It is around 39 thousand tonnes higher compared to the export quantity (1.46 thousand tonnes) in Oct-2020.

The overall conditions for Indian wheat export is now favourable, and export opportunity is here as parity comes in favour of India now.

An export volume would increase in the coming months as prices in the domestic market ruling lower which can elevate the demand in the international market. The recent price in China is \$ 350 per tonne and the wheat export price in India is \$260. Russia has been applying export tax of \$30.40 per ton on wheat exports since February 15, due to which the Indian wheat demand will also increase.

Year/Month	Wheat Export (Lakh Tonnes)	Average FoB (\$/T)	CBOT Average Quotes (\$/MT)
Apr-14-Mar-15	2924	279.96	230.37
Apr-15-Mar-16	666	294.88	179.9
Apr-16-Mar-17	265	338.38	157.04
Apr-17-Mar-18	322	NA	162.36
Apr-18-Mar-19	226	389.15	185.15
Apr-19-Mar-20	207.58	451.42	186.86
20-May	0.41	NA	187.31
20-Jun	0.38	174.26	192.76
20-July	0.40	136.13	197.11
20-Aug	0.64	142.56	200.39
20-Sep	1.11	252.87	203.46
20-Oct	1.46	262.24	223.34
20-Nov	1.85	238.40	219.53
Total 2019-20(000T)	207.58	451.42	186.86

Source: DGCIS/Private Traders

Wheat Import:

India has imported 6.38 thousand tonnes of wheat in October, first time since the month of Mar-2020. Before this India has imported 0.19 thousand tonnes of wheat in Feb-20. Imports are expected to remain at the lower side this year due to good domestic availability.

FoB quote in the Black Sea region is hovering around \$252.00 per tonne in Russia 254.50 per tonne and \$254.93 per tonne in Ukraine. The United States and France are also providing wheat at \$.86 per tonne and Euro 87.93 per tonne. The government has increased import duty from 30% to 40% to curb imports and provide support to domestic prices.

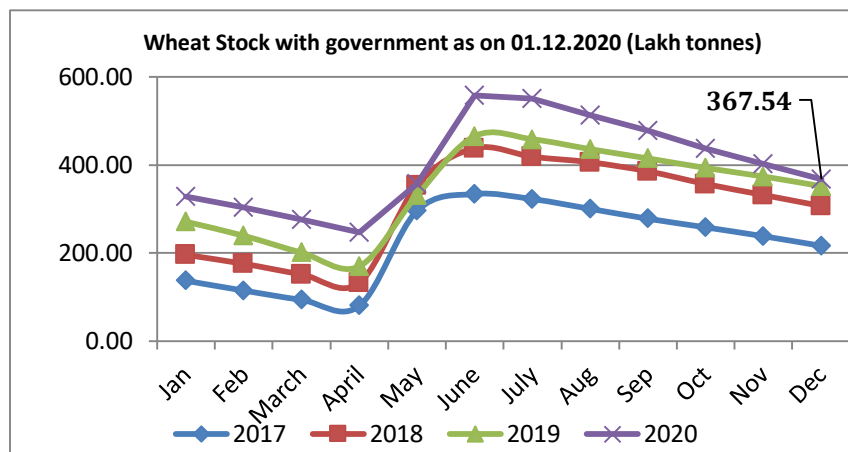
Source: DGCIS/Private Traders

Year/Month	Wheat Import (In Thousand Tonne)	Average CiF (\$/T)	CBOT Average Quotes (\$/MT)
Apr-16-Mar-17	5957.79	220.13	157.04
Apr-17- Mar18	1616.97	NA	162.36
Apr-18- Mar19	1.00	239.52	185.15
Apr-19- Mar-20	500.81	229.51	185.35
20-Apr	NA	NA	198.98
20-May	NA	NA	187.31
20-Jun	NA	NA	192.76
20-July	NA	NA	197.11
20-Aug	NA	NA	200.39
20-Sep	NA	NA	203.46
20-Oct	0.06	NA	223.34
20-Nov	NA	NA	219.53
Total 2019-20 (000T)	1.801	174.26	185.35

Wheat Stock with the Government

Wheat stock in government's warehouses on 01.12.2020 was around 367.54 lakh tonnes. It is lower by 8.80 % from Nov-2020. Stock in the central pool as of 01st Dec is higher by 4.49 percent compared to last year for the same month. The government has increased its procurement target to 38.83 MMT for MY 2019-20 from 34.10 MMT last year.

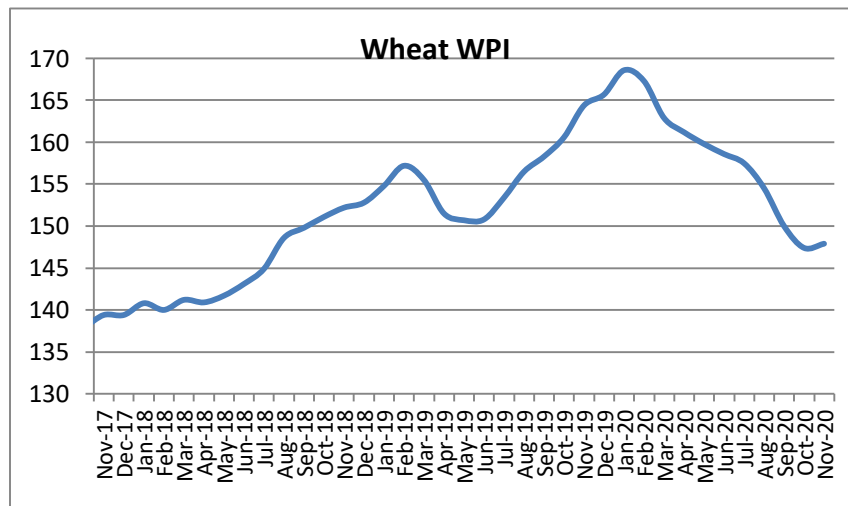
The government has cut the reserve price for Lustreless wheat procured in 2019-20 (Apr-Mar) by nearly 12% to 1,840 rupees per 100 kg from 2,080 rupees earlier to push out old stock



Wheat Inflation:

Wheat WPI has increased from 147.4 in Oct-2020 to 147.9 in Nov-2020. Monthly wheat inflation has increased by 0.33 percent in Nov-2020 compared to the previous month. As compared to Nov-2019 wheat WPI has increased by around 11.51 percent. Wheat WPI is expected to stay steady to slightly firm in the coming month. Food grains WPI increased by 0.44 in Nov-20 to 158.8 Compared to Oct-20.

Weight: 1.02823, base year-2011-12=1000.



[\(Back to Table of Contents\)](#)

Month/Year	2016	2017	2018	2019	2020
Jan	134.1	151.3	140.8	154.8	168.6
Feb	134.1	149.3	140	157.8	167.3
Mar	134.1	142.9	141.2	155.5	162.9
Apr	132.9	141	140.9	151.5	162.5
May	134.5	137.5	141.7	150.7	159.8
Jun	136.5	136.1	143.1	150.8	158.6
Jul	137.9	136.3	144.9	153.4	157.5
Aug	139.1	137.1	148.6	156.5	154.52
Sep	140	137.6	149.8	158.3	150
Oct	140.8	138	151.1	160.6	147.4
Nov	147.9	139.4	152.2	4.4	147.9
Dec	152.3	139.4	152.8	165.7	

Monthly Average Spot Prices At Various Market(Rs/Quintal)					
Month	Delhi	Indore	Kota	Rajkot	Chennai
Dec-21	2273.6	2252.38	2152.71	2221	2462.5
Jan-21	2290.6	2302.62	2250.21	2291.8	2585.42
Feb-21	2209.1	2170.65	2141.52	2176.67	2510.67
Mar-21	2184.41	1972.5	2016.18	1783.52	2350
Apr-21	1964.16	1972.5	1729.33	1772.27	2350
May-21	1966.92	1972.5	1837.89	1813.07	2350
Jun-21	1973.26	1885.76	1745.38	1799.4	2350
Jul-21	1976	1883.2	1877.7	1821.04	2179
Aug-21	1856.73	1770.23	1752.1	1695.83	2044.73
Sep-21	1821.37	1729.66	1680	1621.88	2000
Jun-21	1973.26	1885.76	1745.38	1799.4	2350
Jul-21	1976	1883.2	1877.7	1821.04	2179
Aug-21	1856.73	1770.23	1752.1	1695.83	2044.73
Sep-21	1821.37	1729.66	1680	1621.88	2000
Oct-21	1824.23	1666.42	1726.4	1664.61	1956
Nov-21	1869.32	1734.21	1751.25	1692.75	1987.5
Dec-21	1826.92	1676.04	1717.82	1694.2	1991.3

Source: Agriwatch

Monthly Price Comparison of Spot Markets

Spot Market Price:							
Centre	Market	Variety	Prices (Rs/Qtl)				
			Today	Yesterday	Week Ago	Month Ago	Year Ago
			5-Jan-21	4-Jan-21	29-Dec-20	7-Dec-20	6-Jan-20
Delhi	Lawrence Road	Mill Delivery	1940	1900	1840	1830	2370
	Narella	Mill Quality Loose	1780	1760	1720	1720	2280
	Nazafgarh	Mill Quality Loose	1760	1730	1715	1710	2225
Gujarat	Rajkot	Mill Delivery	1810	1800	1720	1700	2350
	Ahmedabad	Mill Delivery	1915	1900	1760	1765	2400
	Surat	Mill Delivery	1980	1940	1815	1825	2475
	Dhrol	Mill Delivery	1720	1680	0	1585	2480
M.P.	Indore	Mill Delivery	1825	1730	1740	1750	2450
	Bhopal	Mill Quality Loose	1725	1680	1570	1620	2250
Rajasthan	Kota	Mill Quality Loose	1770	1700	1615	1630	2200
		Mill Delivery	1925	1850	1740	1760	2325
U.P.	Kanpur	Mill Delivery	1700	1670	1660	1660	2230
	Mathura	Mill Quality Loose	1650	1625	1640	1660	2150
	Kosi	Mill Quality Loose	1630	1630	1590	1650	2200
	Hathras	Mill Quality Loose	1700	1650	1625	1580	2250
	Aligarh	Mill Quality Loose	1680	1650	1615	1590	2150
Punjab	Khanna	Mill Quality Loose	1620	1620	1630	1640	2130
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	0	0	0
Haryana	Sirsa	Mill Delivery loose	1750	1750	1750	1750	2170
	Hodal	Mill Delivery	NA	NA	0	0	0
	Bhiwani	Mill Quality Loose	1770	1770	1750	1700	2210
	Karnal	Mill Delivery	NA	NA	0	0	0
	Panipat	Mill Quality Loose	NA	NA	0	0	0
Tamil Nadu	Chennai	Mill Quality	1980	1980	2000	2000	2500
	Madurai	Mill Quality	2037	2080	2200	2200	2600
	Coimbatore	Mill Quality	2037	2130	2250	2250	2650
Bihar	Khagariya	Mill Delivery	1900	1880	1850	1900	2200
	Muzaffarpur	Mill Delivery	1720	1670	1675	1650	2200

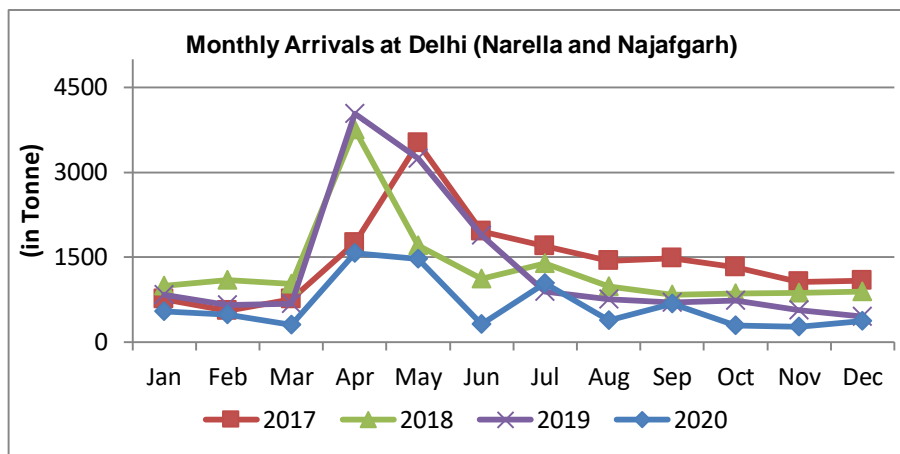
Monthly Arrivals at Delhi:

Arrivals in the Delhi region (Narela and Najafgarh) increased to 372 tonnes in Dec-2020 compared to 273.31 tonnes in Nov-2020.

Domestic Outlook:

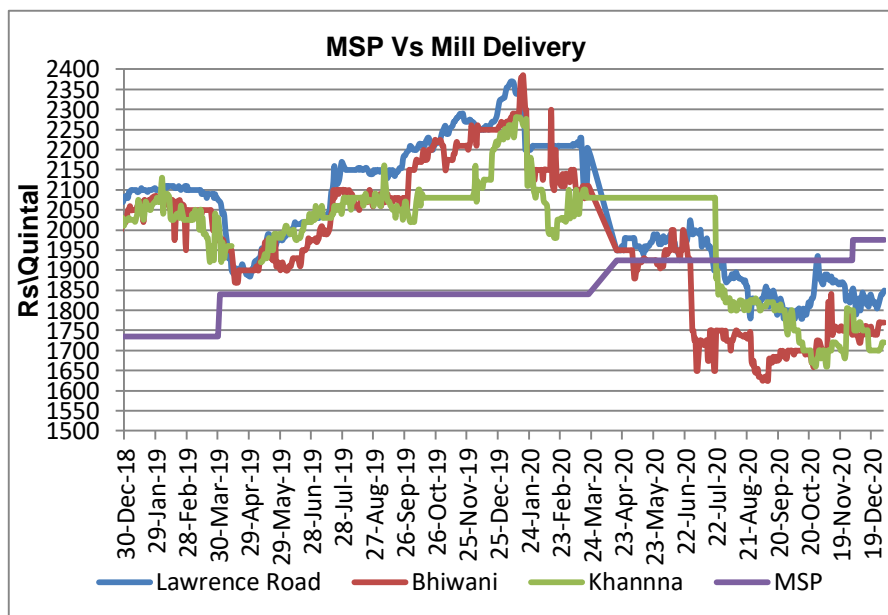
The wheat cash market is expected to trade steady to slightly firm in Jan-21 under normal conditions with some recovery in between.

[\(Back to Table of Contents\)](#)



MSP vs. Mill Delivery Prices:

As of now Mill delivery prices in Lawrence road, Karnal, and Khanna market are below MSP and are likely to move steady to slightly firm in the coming month. The government set the minimum support price (MSP) of wheat Rs 1925 per quintal in 2019-20, now Government has increased the price from 1925 to 1975 per quintal for 2021-22. As the chart depicts mill delivery prices remained under MSP during MY 2020-21.



Wheat Technical Analysis:

[\(Back to Table of Contents\)](#)

Wheat – Technical Outlook

Technical Commentary:

- A price decrease denotes wait interest in the market.
- RSI is in the neutral region.
- Prices closed below 9 and 18 Day EMAs.
- Candlestick pattern shows a bullish movement in the market.



Strategy: Stay Away

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Wheat	NCDEX	January	-	-	-	-	-
Pre-Market Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	January	WAIT	1822	-	-	-

* Do not carry-forward the position next month.

Note- Due to zero volume, there's no virtual trade in given chart.

International Market Dynamics

[\(Back to Table of Contents\)](#)

USDA forecasts total global wheat consumption in 2020/21 will jump to a record 758 MMT, 1% more than last year and 4% more than the 5-year average on higher feed and residual use in China, Australia and the European Union. December's world wheat ending stocks estimate fell commensurately to 316 MMT, still 5% more than last year and 14% more than the 5 -year average on significantly larger harvests in Canada, Russia and Australia.

Japan's Ministry of Agriculture bought 120,228 tonnes of food-quality wheat from the United States, Canada and Australia in a regular tender. Japan, the world's sixth-biggest wheat importer, keeps a tight grip on imports of the country's second most important staple after rice and buys the majority of the grain for milling via tenders typically issued three times a month.

Ukraine As of Dec. 16. total Ukrainian grain exports are down 14% from this time last year at 23.8 MMT. 12.2 MMT of which is wheat. In October, Ukraine implemented a 17.5 MMT wheat export quota for the 2020/21 marketing year and current sales account for 70% of the quota.

Australia After 2 years of drought and unfavorable growing conditions, Australia wheat production is expected to recover to a near-record crop of 30.0 million tons in the 2020/21 marketing year (Oct/Sep). With larger supplies, exports are projected to surge as well to 20.0 million tons for the local marketing year, more than double the prior year and nearly returning to 2016/17 levels.

Russia According to AgriCensus, the Russian government has officially imposed a €25.0/MT (\$30.6/MT) tax on all wheat exports from Feb. 15 to June 30, 2021 in an effort to stabilize domestic food prices. Russia will export 40.0 MMT of wheat in 2020/21, 16% more than last year and 21% more than the 5-year average.

France FranceAgriMer, France's agriculture office, reported the country's winter wheat farmers made considerable progress last week, 66% of France's soft (non-durum) wheat is now in the ground, up from last week's 45% and in line with the five-year average.

Argentina The Rosario Board of Trade (BCR) forecasts total Argentinian wheat production will fall 15% on the year to 16.5 MMT, the second lowest output in a decade on extreme drought. The Buenos Aires Grain Exchange (BAGE) predicts production will total 16.9 MMT and USDA pegs the 2020/21 harvest at 18.0 MMT.

Europe Stratégie Grains, a French agriculture consultancy, forecasts European Union (EU) soft (non-durum) wheat production will reach 130 MMT in 2021, 9% more than last year on improved planting conditions through fall 2020. The United Kingdom (UK), not included in the EU forecast, is expected to produce 15.0 MMT of soft wheat next year.

Global wheat prices have risen in recent months despite record global stocks. Growth in global stocks has mostly been supported by higher domestic support prices and government stockholding in China and India. China holds more than half of global stocks, representing more than one year's worth of its wheat consumption.

[\(Back to Table of Contents\)](#)

Global Indicative FoB Quotes							
Month	US SRW2 (USD/MT)	US HRW2 (USD/MT)	Argentina P1 (USD/MT)	Ukraine 12.5% (USD/MT)	Russia 12.5% (USD/MT)	Rouen 11% (EUR/MT)	Australia ASW1 (AUD/MT)
Jan-20	255.95	243.89	NA	221.83	226.40	192.79	362.90
Feb-20	250.69	234.01	NA	218.68	219.45	190.68	365.15
Mar-20	240.87	229.22	NA	209.57	210.48	184.33	375.55
Apr-20	237.13	234.21	NA	224.10	222.72	193.75	257.07
May-20	214.58	223.48	NA	227.50	NA	193.25	248.85
Jun-20	208.78	217.70	NA	197.73	198.64	190.50	237.96
Jul-20	228.82	223.55	NA	202.22	202.61	178.50	233.83
Aug-20	229.69	235.53	NA	203.58	203.63	184.94	232.35
Sep-20	260.20	246.30	245	227	227.45	188.25	226.22
Oct-20	NA	NA	254.26	248.91	248.41	204.19	224.46
Nov-20	264.3	266.3	255	254.93	207.25	230.31	232.28
Dec-20	279	281	254	256.52	256.33	208.82	226.51
Source: Reuters							

Source: Reuters

Indicative Freight Quotes				
Date	PoL: Novorossiysk, PoD: Damietta Freight (USD/MT)	PoL: Novorossiysk, PoD: Jeddah Freight (USD/MT)	PoL: Odessa, PoD: Japan Freight (USD/MT)	PoL: Odessa, PoD: Chittagong Freight (USD/MT)
09.01.2021	7.82	17.41	42.23	30.16
05.11.2020	6.48	16.09	41.60	29.66
03.10.2020	6.61	16.3	43.3	30.74
06.09.2020	8.1	19.9	42.71	37.06
13.08.2020	7.53	19.22	41.52	36.25
20.07.2020	6.57	18.12	41.16	35.97
27.06.2020	5.61	16.47	37.13	32.71
07.06.2020	5.56	16.47	41.33	34.51
14.05.2020	5.65	16.98	41.71	36.05
21.04.2020	6.28	17.68	42.87	37.13
28.02.2020	6.94	18.49	43.22	37.44
17.01.2020	9.11	20.05	39.21	33.91
24.01.2020	8.95	19.96	39.45	34.03
Vessel Class: Panamax				

Source: Reuters

[\(Back to Table of Contents\)](#)

Spot Prices Black Sea Region					
Date	30.12.2020	02.12.2020	30.09.2020	30.09.2020	02.09.2020
Odessa, FOB(\$/tonnes)					
Milling wheat 12.5%	254-260	250-255	250-254	229-233	209-214
Milling wheat 11.5%	254-260	249-255	249-253	229-233	207-213
Feed wheat	246-249	238-241	217-220	-	205-210
Novorossiysk, FOB(\$/tonnes)					
Milling wheat 12.5%	254-260	252-255	253-256	229-233	210-215
Milling wheat 11.5%	253-259	249-255	249-253	218-221	208-214
Feed wheat	-	-	215-220	217-219	-

Source: Reuters

Forward Prices for 2020 Crop Black Sea Region				
Origin	Commodity	Delivery period	Price (USD/MT)	
			25.11.2020	02.12.2020
Russia	Wheat, 12.5% protein	Jan-Feb	252-256	253-256
Ukraine	Wheat, 11.5% protein	Jan-Feb	252-256	-
Ukraine/Russia	Feed wheat	-	-	-

Source: Reuter

IGC Wheat Balance Sheet					
(Fig. in MMT)	2017-18	2018-19	2019-20 est.	20/21 forecast	
				29.10.2020	26.11.2020
Production	762	733	763	764	765
Trade	176	169	184	185	186
Consumptions	739	739	746	751	752
Carryover stocks	271	265	279	291	292
Y-O-Y change	22	-7	17	-	13
Major Export	83	70	64	61	61

IGC Balance Sheet Highlight:

- IGC has estimated global wheat production at 765 MMT for 2020-21, 1 MMT higher compared to last month's estimate. According to estimates by IGC the 2018-19 global wheat production was around 733 MMT and 762 MMT for 2017-18.
- The trade estimates for 2020-21 has increased to 186 MMT. It is 17 MMT higher compared to the estimate for last year and higher by 2 MMT compared to 2019-20.
- Consumption has been increased to 752 MMT for 2020-21. The forecast is higher by 6 MMT compared to 2019-20.
- Carryout for 2020-21 is forecast at 292 MMT compared to an estimate of 279 MMT last year. It is higher by around 13 MMT compared to 2019-20.

USDA Balance Sheet

[\(Back to Table of Contents\)](#)

USDA Global Wheat Balance Sheet: 2018-19 Fig. In Thousand Tonne (As on 01.12.2020)							
Country	Opening Stock 2019-20	Production projected 2019-20	Domestic Consumption 2019-20	Import 2019-20	Export 2019-20	Ending Stock 2019-20	Production 2018-19
Argentina	1692	21000	6200	5	14500	1997	21000
Australia	3540	26000	7050	200	17500	5190	26000
Canada	5463	34000	9800	450	24500	5613	34000
China	1,51,155	1,36,000	1,30,000	6000	1000	1,62,155	1,36,000
EU	11821	1,39,500	1,18,300	5500	27000	11521	1,39,500
India	24000	1,07,180	99500	25	1000	30705	1,07,180
Pakistan	1084	26100	25500	100	300	1484	26100
Russia	7279	76500	40500	500	36000	7779	76500
Ukraine	1249	26500	8800	75	17500	1524	26500
U S	28409	49630	30345	3810	25855	25649	49630
Others	61428	1,26,903	2,70,828	1,66,601	22881	2887	1,26,903
World total	2,97,120	7,69,313	7,46,823	1,83,266	1,88,036	3,14,840	7,69,313

Source: USDA

CBOT Futures March-21 Chart:

1st Support: 637.42

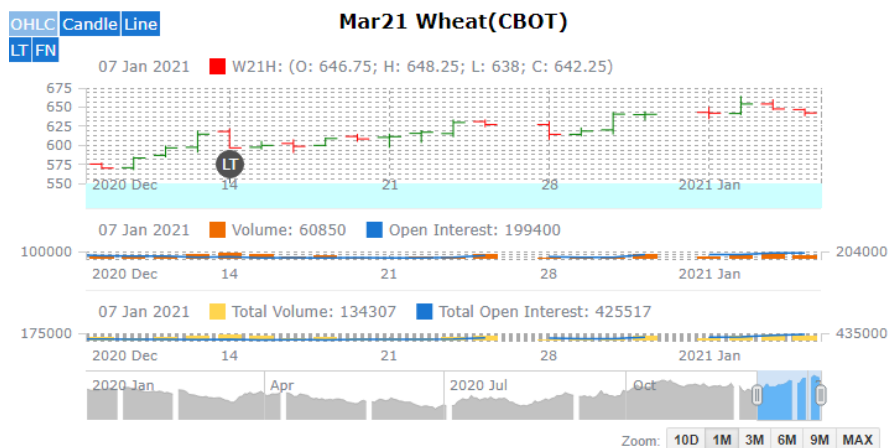
2nd Support: 632.58

1st Resistance: 647.67

2nd Resistance: 653.08

(\$ per tonne)

Wheat CBOT March soft red winter wheat settled up 12-3/4 cents at \$6.29-3/4 per bushel. The Mar'21 contract closed higher by the end of the week and remained steady to firm during the week. Candlesticks pattern denotes a bullish trend in the chart. Both total volume & open interest increased compared to last month, which interprets long build up in the market. We expect wheat prices to remain firm in the coming month.



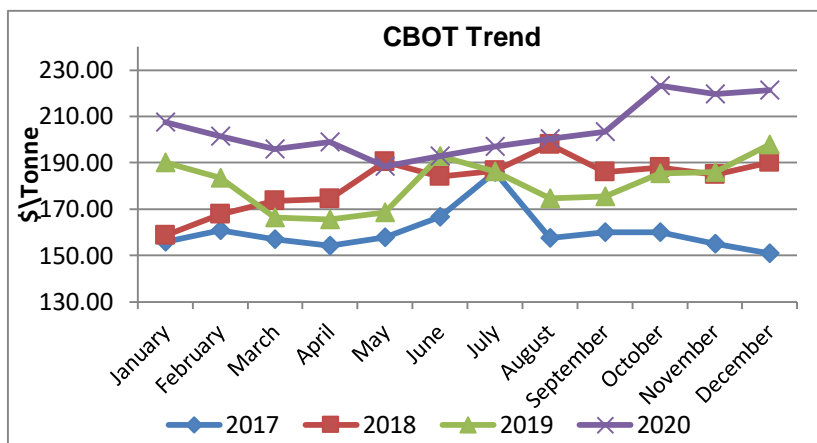
CBOT comparison over a period of time:

CBOT Futures Prices:(USD/T)							
CONTRACT MONTH	Today 2-Dec-20	Week Ago 25-Nov-20	Month Ago 2-Nov-20	3 Month Ago 26-Aug-20	6 Month Ago 3-Jun-20	Year Ago 3-Dec-19	% Change over prev. year
Mar-21	212.36	216.12	180.39	195.46	0.00	194.63	9.11
May-21	216.21	219.15	183.61	0.00	188.11	195.09	10.83
Jul-21	217.23	220.35	186.36	195.46	189.49	197.29	10.10
Sep-21	216.77	219.34	188.38	198.30	193.25	193.16	12.22
Dec-21	218.05	220.26	189.95	201.06	196.83	196.65	10.88
Mar-22	221.08	220.26	192.52	201.06	212.45	198.86	11.18

CBOT Trend: -

CBOT remains firm in December after weak from Oct under normal conditions as shown in the chart. Wheat firm on positioning ahead of USDA monthly reports and on continued concerns about dry weather in key world production areas, including the unexpectedly strong import demand from China & Pakistan.

CBOT average monthly price for December'20 is higher by \$ 7.73/tonne compared to last year for the same month and higher by \$1.85/tonne compared to November'20. USDA estimates production to be around 49.69 MMT in 2020-21 with yields around 3.34 MT/HA compared to 49.63 MMT with yields around 3.48 MT/HA in 2019-20.



Comparative Month on Month FOB quotes: (Fig in USD/MT)

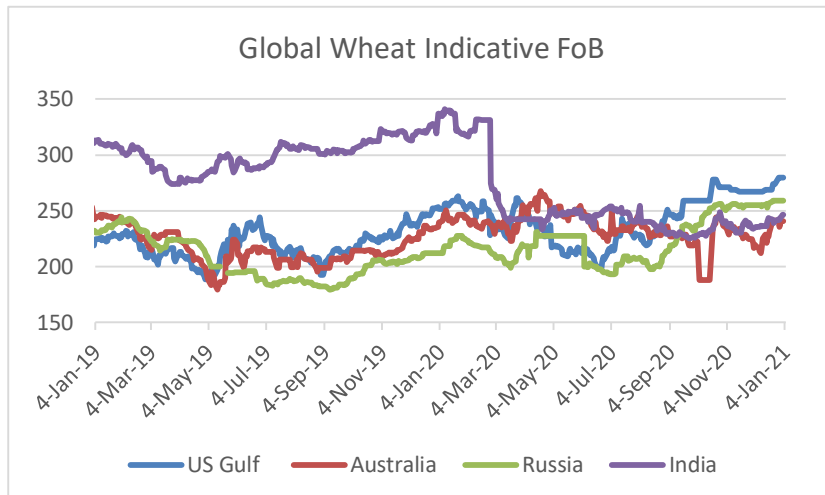
All prices are for SRW/milling grade	1 st July-20	1 st Aug-20	1 st Sep-20	1 st Oct-20	1 st Nov-20	1 st Dec-20	1 st Jan21
USA	208.78	228.82	229.69	246.4	NA	279	279
France	184.28	188.21	184.94	191.86	204.19	220.25	220.25
Australia	237.96	233.83	232.35	226.22	224.6	244.09	244.09
Russia	198.64	202.61	203.63	227.45	248.41	280	280
India	245.81	247.67	237.46	228.39	235.35	248.25	248.25

Global Indicative FoB Quotes:

Indian FoB quote is based on local prices. Indian FoB quote is being quoted at \$244.02 per tonne. US and Russian quotes are hovering in the range of \$280.20 and \$259.75 per tonne.

There is a lot of demand for wheat in the international market, and prices are up. The recent price in China is \$350 per tonne, and India's wheat export price is low. Russia has been applying an export tax of \$30.40 per tonne on wheat exports since February 15, due to which the Indian wheat demand will also increase.

There is a widespread export demand for Indian wheat recently. By the end of this January, if exports are taken into consideration, then the export of 1 MMT of wheat will be done this year. After March, the new season will start, then there is a possibility of exporting about 2 MMT of wheat, most of which is expected from Gujarat.



Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness, and correctness. The use of data and information contained in this report is at your own risk. This document is not, and should not be construed as an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed, or published, in whole or in part, by any recipient here of for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors, and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2021 Indian Agribusiness Systems Ltd