# Wheat Monthly Research Report

Contents

**Market Dynamics:** (Back to Table of Contents)

**Price Trend:** *All India average monthly prices for wheat decrease by 1.59 percent from Rs 1963.09 in Jan -2021 to Rs 1931.88 per qtl in Feb -2021. Average price in Feb -2021 was lower by 12.69 percent compared to Rs 2212.74 per quintal registered in Feb-2020. Prices are expected to remain steady to slight firm from here due to high export demand and arrival of new crop begin.*

**AW Production Estimate for Rabi 2021:** *Agriwatch has preliminary estimated the production for 2021 is 104 MMT compared to 103.21 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 124.13 MMT in 2020-21 to 129.88 MMT this year.*

**FoB/CiF Quotes:** *Indian FoB quote is hovering at between $253.65-262.85 per tonne in the month of February. Against it, Ukraine, France, U.S and Australia were offering wheat at $284-$300, $222.75-$243, $276.74-286.98 and $248.38-262.05 per tonne respectively. Indian FoB quote is based on local prices.*

**Export:** *India exported 4 lakh tonnes of Wheat at an average FOB of $263 per tonnes in January. Total export in MY 2020-21 was registered around 1.2 million tonnes. The exports have picked up because the low prices domestically have made Indian Wheat competitive due to good demand from neighboring countries. Exports will increase on an average compared to last year.*

**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:** *The demand is emerging back after the central government stopped giving free wheat from Nov 30, 2020. Trades in the south are getting better through rail rakes, and the demand will be likely to continue in the new season. The export trade in wheat is good. Given the rain forecast again in February, the market may respond with higher prices if there are any reports of substantial damage to wheat crop going ahead. High export demand in the international market is also supporting the domestic market. In such a situation, the wheat price is expected to trade steady or firm.*

**Weather Update:** *Maximum temperatures are above normal by 3-5°C over most parts of Western Himalayan Region; by 2-4°C over most parts of northwest India and some parts of Central, East and West India. Maximum temperatures are in the range of 35-39°C over most parts of Gujarat state, Maharashtra; at a few places over West Rajasthan, southwest Madhya Pradesh, south Chhattisgarh, Odisha, Tamil nadu, Puducherry & Karaikal and Kerala & Mahe; at isolated places over Gangetic West Bengal and Coastal Karnataka.*

**E-Auction:** *The government has sold 470915 tonnes of wheat in OMSS through E-Auctions in the month of February '21 which is 136106 tonnes lower compared to last month. Till now; no rakes have been sold. Sale of wheat to bulk consumer is 360390 tonnes and sale of Wheat to state Govt. 110525 tonnes.*

**Procurement Target:** *Government has fixed wheat procurement target at 42.73 MMT for 2021-22 which is higher by 3.74 MMT. Last year government was unable to complete its procurement target. For the marketing year 2020-21, procurement is completed at 38.99 MMT in September 20.*

**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. 1797 respectively.*

***India's Wheat Balance Sheet For 2020-21:*** (Back to Table of Contents)

| | **Wheat MY Runs From April To March (Figures in MMT)** | **2020-21** | **2021-22** |
|---|---|---|---|
| **A** | **Carry in** | **20.92** | **25.84** |
| **B** | Production | 103.21 | 104 |
| **C** | Imports | 0.00 | 0.00 |
| **D** | **Total Availability (A+B+C)** | 124.13 | **129.84** |
| **E** | Consumption | 96.99 | 97.30 |
| **F** | Exports | 1.30 | 1.00 |
| **G** | Total Usage (E+F) | 98.29 | 98.30 |
| **H** | **Carry out (D-G)** | **25.84** | **31.84** |
| **I** | Av Monthly Consumption | 8.08 | 8.11 |
| **J** | Stock to Month Use | 3.20 | 3.93 |
| **K** | Stock to Consumption Ratio | 0.03 | 0.04 |

*Agriwatch Wheat Production Estimate for Marketing Year 2020-21

## Supply-Demand Highlights:

*As per Agriwatch estimates, production will be around 104 MMT compared to 103.21 MMT last year. Production will be higher this year due to increased yields and area. Total availability increased to 129.84 MMT from 124.13 MMT in MY 2021-22.*

*Carry out is expected to be around 31.84 MMT for 2021-22 compared to 25.84 MMT for 2020-21. The domestic availability of wheat is good. Prices are likely to trade steady to slight firm. Good domestic availability will ensure that there is no unexpected surge in prices.*

*Stock in the central pool as of 1st February'21 stood at 318.31 lakh tonnes higher by 7.72% compared to last month. This quantity is higher by around 4.60% 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 and international market.*

## Domestic Market Highlights:

*According to the Union Secretary, Department of Food & Public Distribution, A total quantity of 427.363 lakh tonnes wheat has been estimated for procurement during the forthcoming RMS 2021-22 which is 9.56 per cent more than the 389.93 lakh tonnes procured during RMS 2020-21. Wheat is a major rabi (winter-sown) crop. Harvesting starts from end of this month but picks up pace from April.*

*As per trade sources, India has exported around 4 lakh tonnes Wheat in the month of Janury-2021 at an average FOB of $263 per tonnes, higher this year and the major destinations were Bangladesh, Sri Lanka, Qatar and Nepal. Exports are likely to be at higher side as other countries are providing wheat at higher prices. High export will be going to support the domestic market in near term.*

*As per trade source, Uttar Pradesh & Bihar: After pollination, the ripening stage begins in Uttar Pradesh and Bihar. The crop is in the ripening stage (soft dough stage), where the high temperature will not affect much. The late sowing wheat crop in both states is still in the milking stage, where the high temperature will affect the granule and make them thin, which will affect the production. Production will depend on the temperature of the next ten days. At present, it is difficult to say how much production will decrease. In Madhya Pradesh and Gujarat the* *harvesting and Arrival started in Mandis, so the high temperature will not affect the crop, no major damage reported so far, and the crop is in good condition.*

*Maharashtra government estimates its agricultural production in which Wheat production is likely to be 17.85 lakhs MT. In Madhya Pradesh will start its Wheat procurement from March 22.*

*According to 2nd Government estimate, India is likely to harvest a record 109.24 million tonnes of wheat this year, the agriculture ministry said, further boosting stocks at government granaries that are fast running out of storage space due to more than a decade of bumper production. Wheat output in India, the world's second-biggest producer, is expected to go up by 1.3% in the crop year to June 2021, the Ministry of Agriculture and Farmers' Welfare said in its second crop forecast for 2020-21. Whereas Agriwatch estimates its wheat production estimate for MY 2020-21 will be 104 MMT.*

*According to USDA latest report, India MY 2020-21 Wheat export forecast is raised 1.75 Million MT. Most wheat exports are destined for neighbouring Bangladesh, Nepal, Sri Lanka, with smaller quantities to Middle Eastern countries.*

*Wheat WPI has increased from 147.9 in November-20 to 147.3 in December-20. Monthly wheat inflation has decreased by 0.41 percent in December -2019 compared to the previous month and increased by 12.49 percent from December-19.*

*As per market experts, bumper production seems on the card despite lower area in Rajasthan, Punjab, Uttar Pradesh, Gujarat, and Uttrakhand. According to the Agriwatch preliminary estimate, this year, there will be a record wheat production. Wheat production during Rabi 2021-22 is estimated at 106 MMT as good condition, which is 1.70% higher than last year's production of 103.21 MMT. Production of wheat is expected to increase, followed by higher acreage amid an increase in Madhya Pradesh and Maharashtra. Secondly, prolonged cold waves and winter rainfall in certain states have contributed to the rise in wheat yield.*

*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.*

*Export demand in wheat is expected to be good. Depending on the state of the price in the global market, there will be export trade and the market will depend on it. In Rajasthan, the old stock of wheat is no longer left, the same stock is left which is normal.*

*In Kota, the price of mill quality wheat is running around Rs. 1750-1850. Currently the price is stable at present due to loading problem at Kandla port, lack of space in the warehouse, but as export demand comes out, there will be a recovery from this price and there will be a rise of Rs. 100 to 150 per quintal.*

*As per the latest update, wheat sowing is almost end. The area under wheat has increased marginally by 2.85% to 346.36 lakh hectares so far in the ongoing 2020-21 Rabi season from 336.43 lakh hectares year-ago same period. Rabi sowing progress's overall trend is excellent, with increased area coverage recorded due to favourable weather. Thus, 9.93 lakh ha more area has been covered compared to last year.*

*Madhya Pradesh has increased its wheat procurement target for this rabi season to 125 lakh metric tonnes, a year after recording the highest wheat procurement of almost 130 LMT last year, as against a target of 100 lakh metric tonnes. The central Indian state now accounts for 8.30 lakh metric tonnes of the 9.93 lakh metric tonnes increase in the area under wheat crop for this year's procurement season.*

## Final Sowing Status 2021-22:

(Back to Table of Contents)

| State Wise Wheat Sowing in Lakh Hectares | | | | | |
|---|---|---|---|---|---|
| **State** | **Normal area (2021)** | **2019** | **2020** | **2021** | **% Change 2021 vs. 2020** |
| **Bihar** | 21.25 | 22.88 | 22.71 | 22.299 | **-1.81** |
| **Chhattisgarh** | 1.05 | 1.68 | 1.88 | 2.01 | **6.91** |
| **Gujarat** | 9.62 | 8.07 | 13.95 | 13.66 | **-2.08** |
| **Haryana** | 25.45 | 25.16 | 24.9 | 25.21 | **1.24** |
| **Himachal Pradesh** | 3.31 | 3.0 | 3.4 | 3.4 | **0.00** |
| **J&K** | 2.95 | 2.43 | 2.21 | 2.5 | **13.12** |
| **Jharkhand** | 1.84 | 2.15 | 2.11 | 2.31 | **9.48** |
| **Karnataka** | 1.76 | 2.04 | 1.96 | 1.89 | **-3.57** |
| **Madhya Pradesh** | 57.55 | 60 | 79.68 | 87.98 | **10.42** |
| **Maharashtra** | 10.21 | 5.6 | 10.71 | 11.64 | **8.68** |
| **Punjab** | 35.08 | 35.2 | 35.16 | 35.1 | **-0.17** |
| **Rajasthan** | 29.89 | 28.25 | 33.14 | 32.62 | **-1.57** |
| **Uttar Pradesh** | 97.87 | 99.13 | 99.05 | 99.04 | **-0.01** |
| **Uttarakhand** | 3.38 | 3.45 | 3.48 | 3.27 | **-6.03** |
| **West Bengal** | 2.45 | 1.02 | 2.52 | 1.88 | **-25.40** |
| **Others** | NA.35 | NA.23 | 0.09 | 0.1 | **11.11** |
| **All-India** | **303.27** | **300.35** | **336.42** | **346.35** | **2.95** |

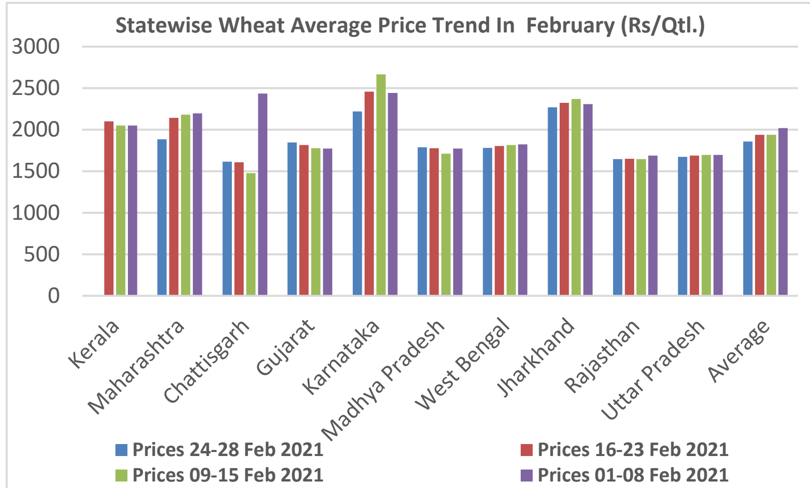
*Source: Ministry of Agriculture*

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

| 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** |

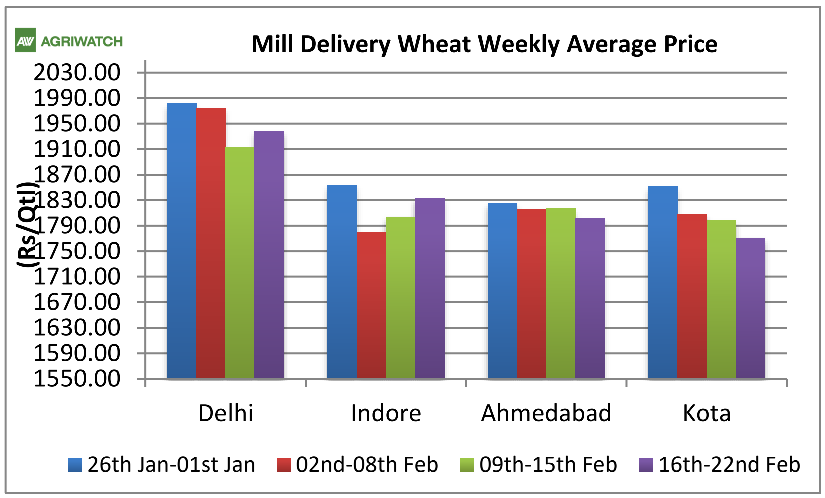
## Monthly Average Price Comparison:

*India's average monthly prices for wheat decreased by 1.59 percent from Rs. 1963.09 in January - 2020 to Rs. 1931.88 per quintal in February -2021. 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 February too. Agriwatch expects that Wheat would trade steady to slightly firm due to continuous demand from the south mills and export markets.*




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

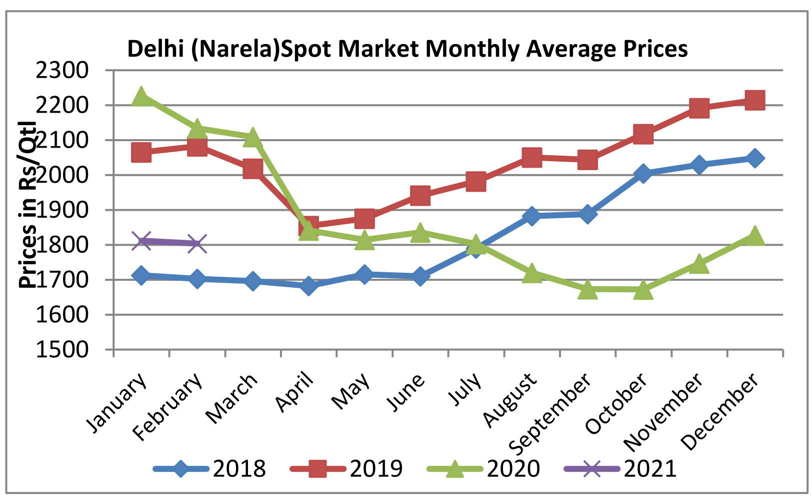
*Wheat's average mill delivery prices remained low in states like Ahmedabad, Kota and high in Delhi, Indore, in the week ending during 16th – 22nd Feb 2021. Markets had shown steady to weak movement in prices last week due to increased area in wheat and are likely to trade slightly firm in upcoming weeks. Until the crop is harvested and marketed, the weather conditions in northern India are likely to have a pronounced influence on the wheat prices. In case there is significant damage to crop from untoward weather conditions, the prices may rise from current level.*




## Wheat Delhi Average Monthly Price:

*The wheat spot market Delhi (Narela) average price decreased from Rs 1811.75 per quintal in Jan-2021 to Rs 1803.42 per quintal in Feb-2021. Prices are likely to touch Rs 1825-1850 per quintal in the Narela market in the upcoming weeks.*

*The prices decreased by 0.46 percent compared to last month and decreased by 15.49 percent compared to the corresponding month last year. Arrivals in Narela have decreased by 16.84 percent quintal from 4750 quintals in Jan to 3950 quintals in the month of Feb-2021*



## Wheat Exports:

*According to the latest update, India exported around 4 lakhs tonne wheat in the month of January-2021. It is around 2.46 lakh tonnes lower compared to the export quantity (1.54 thousand tonnes) in Dec-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.*

**Source: DGCIS/Private Traders**

| 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 |
| **20-Dec** | 1.54 | 238.06 | 240.61 |
| **21-Jan** | 4.00 | 263 | |
| **Total 2019-20(000T)** | 207.58 | 451.42 | 186.86 |

## 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.*

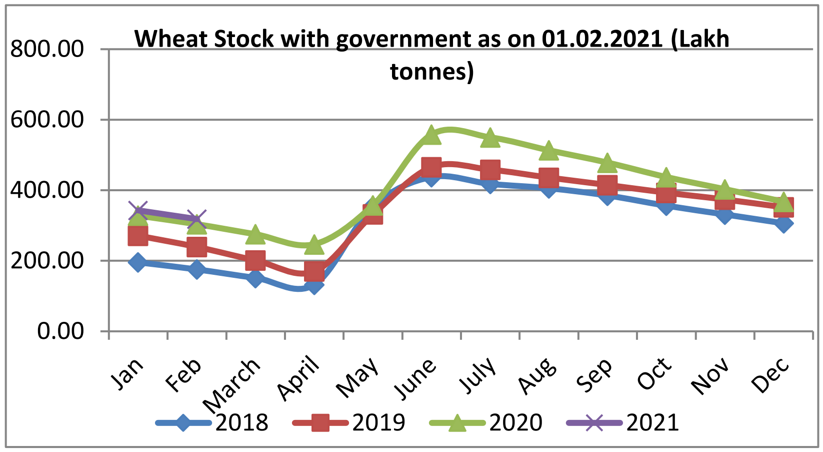
*FoB quote in the Black Sea region is hovering around $252.00 per tonne in Russia 254.50 per tonne and $254.93 per tonne in Ukraine. The United States and France are also providing wheat at $.86 per tonne and Euro 87.93 per tonne. The government has increased import duty from 30% to 40% to curb imports 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 |
| **20-Dec** | NA | NA | 240.61 |
| **Total 2019-20 (000T)** | 1.801 | 174.26 | 185.35 |

## Wheat Stock with the Government

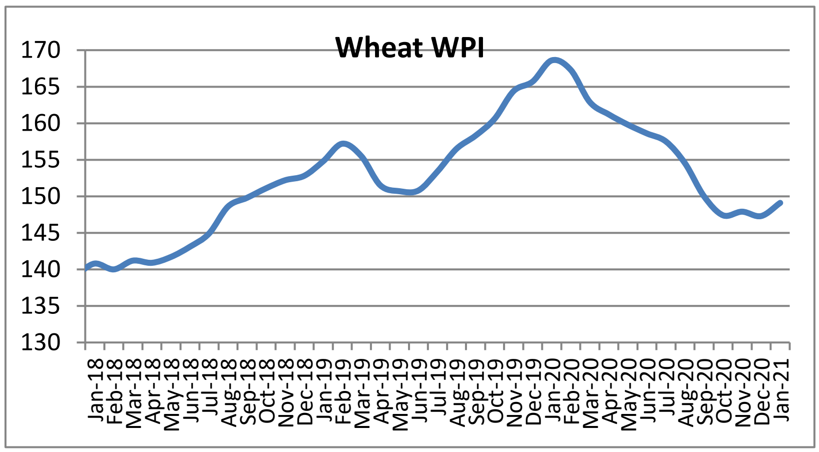
*On 01.02.2021 was around 318.31 lakh tonnes. It is lower by 7.17 % from Jan-2021. Stock in the central pool as of 01st Feb 2021 is higher by 4.82 percent compared to last year for the same month. The government has increased its procurement target to 42.73 MMT for MY 2021-22 from 38.83 MMT last year. 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 147.3 in Dec-2020 to 149.1 in Jan-2021. Monthly wheat inflation has increased by 1.22 percent in Feb-2021 compared to the previous month. As compared to Feb-2019 wheat WPI has increased by around 13.08 percent. Wheat WPI is expected to stay steady to slightly firm in the coming month. Food grains WPI decreased by 0.19 in Feb-21 to 157.2 Compared to Dec-20.*

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




| Month/Year | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|
| **Jan** | 151.3 | 140.8 | 154.8 | 168.6 | 149.1 |
| **Feb** | 149.3 | 140 | 157.8 | 167.3 | |
| **Mar** | 142.9 | 141.2 | 155.5 | 162.9 | |
| **Apr** | 141 | 140.9 | 151.5 | 162.5 | |
| **May** | 137.5 | 141.7 | 150.7 | 159.8 | |
| **Jun** | 136.1 | 143.1 | 150.8 | 158.6 | |
| **Jul** | 136.3 | 144.9 | 153.4 | 157.5 | |
| **Aug** | 137.1 | 148.6 | 156.5 | 154.52 | |
| **Sep** | 137.6 | 149.8 | 158.3 | 150 | |
| **Oct** | 138 | 151.1 | 160.6 | 147.4 | |
| **Nov** | 139.4 | 152.2 | 4.4 | 147.9 | |
| **Dec** | 139.4 | 152.8 | 165.7 | 147.3 | |

| Monthly Average Spot Prices At Various Market(Rs/Quintal) | | | | | |
|---|---|---|---|---|---|
| **Month** | **Delhi** | **Indore** | **Kota** | **Rajkot** | **Chennai** |
| **Feb-20** | 2209.1 | 2170.65 | 2141.52 | 2176.67 | 2510.67 |
| **Mar-20** | 2184.41 | 1972.5 | 2016.18 | 1783.52 | 2350 |
| **Apr-20** | 1964.16 | 1972.5 | 1729.33 | 1772.27 | 2350 |
| **May-20** | 1966.92 | 1972.5 | 1837.89 | 1813.07 | 2350 |
| **Jun-20** | 1973.26 | 1885.76 | 1745.38 | 1799.4 | 2350 |
| **Jul-20** | 1976 | 1883.2 | 1877.7 | 1821.04 | 2179 |
| **Aug-20** | 1856.73 | 1770.23 | 1752.1 | 1695.83 | 2044.73 |
| **Sep-20** | 1821.37 | 1729.66 | 1680 | 1621.88 | 2000 |
| **Jun-20** | 1973.26 | 1885.76 | 1745.38 | 1799.4 | 2350 |
| **Jul-20** | 1976 | 1883.2 | 1877.7 | 1821.04 | 2179 |
| **Aug-20** | 1856.73 | 1770.23 | 1752.1 | 1695.83 | 2044.73 |
| **Sep-20** | 1821.37 | 1729.66 | 1680 | 1621.88 | 2000 |
| **Oct-20** | 1824.23 | 1666.42 | 1726.4 | 1664.61 | 1956 |
| **Nov-20** | 1869.32 | 1734.21 | 1751.25 | 1692.75 | 1987.5 |
| **Dec-20** | 1826.92 | 1676.04 | 1717.82 | 1694.2 | 1991.3 |
| **Jan-21** | 1961.04 | 1836.73 | 1878.12 | 1841.04 | 2010 |
| **Feb-21** | 1935.41 | 1813.18 | 1661.30 | 1811.04 | 2070.83 |

***Source: Agriwatch***

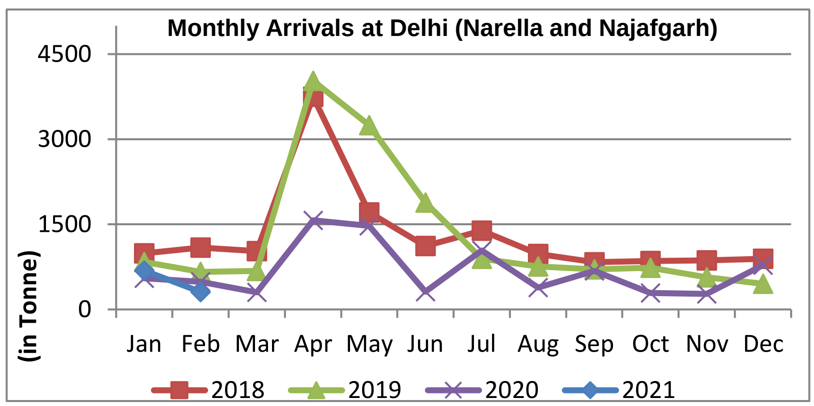
## Monthly Price Comparison of Spot Markets

| Spot Market Price: | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Centre** | **Market** | **Variety** | **Prices (Rs/Qtl)** | | | | |
| | | | **Today** | **Yesterday** | **Week Ago** | **Month Ago** | **Year Ago** |
| | | | **01-Mar-21** | **27-Feb-21** | **22-Feb-21** | **29-Jan-21** | **02-Mar-20** |
| **Delhi** | Lawrence Road | Mill Delivery | 1900 | 1865 | 1930 | 1980 | 2210 |
| | Narella | Mill Quality Loose | 1750 | 1780 | 1780 | 1840 | 2100 |
| | Nazafgarh | Mill Quality Loose | 1700 | 1750 | 1750 | 1830 | 2100 |
| **Gujarat** | Rajkot | Mill Delivery | 1820 | 1810 | 1800 | 1825 | 1875 |
| | Ahmedabad | Mill Delivery | 1865 | 1875 | 1875 | 1870 | 2050 |
| | Surat | Mill Delivery | 1940 | 1940 | 1950 | 1925 | 2075 |
| | Dhrol | Mill Delivery | NR | 0 | 1795 | NR | 2080 |
| **M.P.** | Indore | Mill Delivery | 1800 | 1800 | 1850 | 1840 | 2100 |
| | Bhopal | Mill Quality Loose | 1700 | 1700 | 1675 | 1650 | 2000 |
| **Rajasthan** | Kota | Mill Quality Loose | 1625 | 1640 | 1640 | 1740 | 2000 |
| | | Mill Delivery | 1750 | 1765 | 1765 | 1865 | 2100 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **U.P.** | Kanpur | Mill Delivery | 1760 | 1760 | 1750 | 1750 | 2090 |
| | Mathura | Mill Quality Loose | 1745 | 1745 | 1735 | 1760 | 1990 |
| | Kosi | Mill Quality Loose | 1800 | 1780 | 1720 | 1700 | 2010 |
| | Hathras | Mill Quality Loose | 1640 | 1710 | 1720 | 1825 | 2030 |
| | Aligarh | Mill Quality Loose | 1725 | 1725 | 1740 | 1750 | 2050 |
| **Punjab** | Khanna | Mill Quality Loose | 1780 | 1780 | 1800 | 1725 | 1980 |
| | Ludhiana (Jagraon) | Mill Delivery | NA | NA | 0 | 0 | 0 |
| **Haryana** | Sirsa | Mill Delivery loose | 1810 | 1800 | 1800 | 1785 | 2060 |
| | Hodal | Mill Delivery | NA | NA | 0 | 0 | 0 |
| | Bhiwani | Mill Quality Loose | 1800 | 1800 | 1800 | 1860 | 2090 |
| | Karnal | Mill Delivery | NA | NA | 0 | 0 | 0 |
| | Panipat | Mill Quality Loose | NA | NA | 0 | 0 | 0 |
| **Tamil Nadu** | Chennai | Mill Quality | 2100 | 2125 | 2125 | 2050 | 2450 |
| | Madurai | Mill Quality | 2157 | 2250 | 2250 | 2150 | 2500 |
| | Coimbatore | Mill Quality | 2157 | 2300 | 2300 | 2200 | 2550 |
| **Bihar** | Khagariya | Mill Delivery | 1800 | 1800 | 1800 | 1800 | 2000 |
| | Muzaffarpur | Mill Delivery | 1700 | 1750 | 1800 | 1800 | 2050 |

## Monthly Arrivals at Delhi:

Arrivals in the Delhi region (Narela and Najafgarh) decreased to 309 tonnes in Feb-2021 compared to 684 tonnes in Jan-2021.

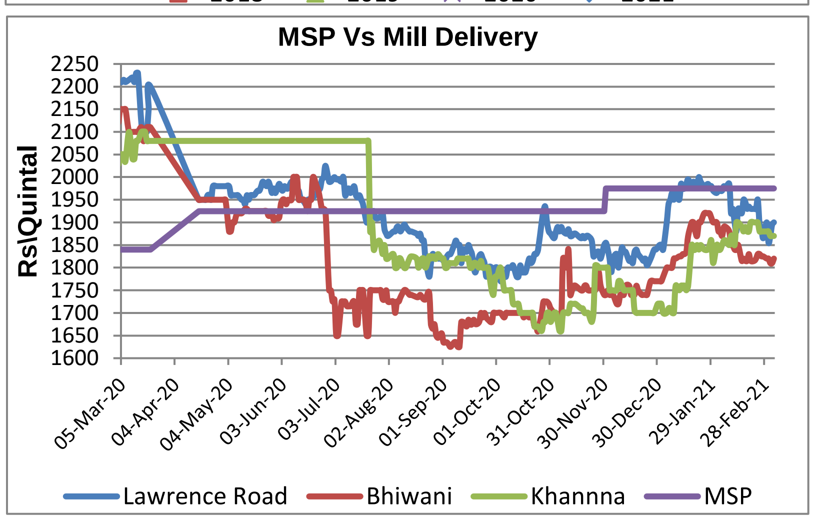



## Domestic Outlook:

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

## MSP vs. Mill Delivery Prices:

As of now Mill delivery prices in in all markets 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 2020-21. As the chart depicts mostly mill delivery prices remained under MSP during MY 2020-21.



***Wheat Technical Analysis:***

***(Back to Table of Contents)***

| **Wheat – Technical Outlook** | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Technical Commentary:**<br>• A price decrease denotes wait interest in the market.<br>• RSI is in the neutral region.<br>• Prices closed below 9 and 18 Day EMAs.<br>• Candlestick pattern shows a bullish movement in the market. |  | | | | | | |
| **Strategy: Stay Away** | | | | | | | |
| **Intraday Supports & Resistances** | | | **S1** | **S2** | **PCP** | **R1** | **R2** |
| **Wheat** | **NCDEX** | **March** | - | - | - | - | - |
| **Pre-Market Intraday Trade Call*** | | | **Call** | **Entry** | **T1** | **T2** | **SL** |
| **Wheat** | **NCDEX** | **March** | **WAIT** | 1797 | - | - | - |



* 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)

This week's commercial sales of 168,000 metric tons (MT) for delivery in 2020/21, a marketing year low, were down 58% from last week's 399,000 MT and well below trade expectations of 250,000 MT to 700,000 MT. Year-to-date sales of 23.6 MMT are 4% ahead of last year's pace. USDA forecasts total U.S. wheat exports will reach 26.8 MMT in 2020/21, 2% ahead of last year, if realized.

The International Grains Council (IGC) increased its 2020/21 global wheat production estimate by 7.0 MMT on bigger than expected crops in Australia, Russia and Kazakhstan. IGC and USDA estimates are both 773 MMT, 1% more than last year.

**Russia** SovEcon, a Russian agriculture consultancy, reduced its 2021 Russian wheat production forecast from 77.7 MMT in January to 76.2 MMT in February due to unfavorable dryness. "Russia could produce a substantially lower wheat crop in 2021. The main issue is that plants entered the current winter in the worst shape in a decade after an abnormally dry autumn. January was generally favorable for the new winter wheat crop but February weather is not," SovEcon said on Feb. 18.

**Canada's** Ministry of Agriculture predicts the country's wheat production will drop 4% in 2021/22 on lower expected yield and reduced planted area. Total Canadian wheat exports are forecast to fall 5% from 2020/21 to 20.0 MMT.

**China** USDA now forecasts domestic Chinese wheat consumption will reach a record 140 MMT in 2020/21, up 5.0 MMT from the January estimate and 15% higher than the 5-year average on increased feed usage as wheat competes with domestic corn as a cheaper feed staple as Chinese producers work to rebuild hog herds. Chinese wheat imports are expected to reach 10.0 MMT this year, up 86% from 2019/20 and more than double the 5-year average.

**Ukraine** According to Ukraine's Ministry of Agriculture, the country has now exported 13.6 MMT of wheat, 20% behind last year's pace on reduced production due to extremely dry conditions.

**Australia** Argentine wheat harvest was pegged at 53.5pc complete late last week by Bolsa, the Argentine Agricultural Exchange, reporting slightly better yields in recently cut areas but still predicting an overall crop under 17Mt in their estimate.

**France** On Feb 9, the French Ministry of Agriculture increased the country's winter wheat planted area estimate to 12.1 million acres (4.90 million hectares), up 15% from the winter wheat planted area for harvest in 2020 and 1% more than the 5-year average on beneficial planting conditions.

**Argentina** According to AgriCensus, Argentina's monthly grain exports in January 2021 were up 33% from the same period in 2020 after labor strikes were lifted and global prices surged. A total of $2.14 billion of farm products were exported in January, up 27% from December 2020.

**Europe** On Feb. 25, the European Commission (EC) increased its 2020/21 European Union (EU) non-durum wheat export forecast by 1.0 MMT to 27.0 MMT, in line with USDA's estimate. If realized, EU exports would come in 30% lower than last year on significantly reduced production during 2020.

The U.S. Dollar Index increased from last week to close at 90.97.

The Baltic Dry Index increased slightly from last week to close at 1,700.

(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) |
| **20-Mar** | 240.87 | 229.22 | NA | 209.57 | 210.48 | 184.33 | 375.55 |
| **20-Apr** | 237.13 | 234.21 | NA | 224.1 | 222.72 | 193.75 | 257.07 |
| **20-May** | 214.58 | 223.48 | NA | 227.5 | NA | 193.25 | 248.85 |
| **20-Jun** | 208.78 | 217.7 | NA | 197.73 | 198.64 | 190.5 | 237.96 |
| **20-Jul** | 228.82 | 223.55 | NA | 202.22 | 202.61 | 178.5 | 233.83 |
| **20-Aug** | 229.69 | 235.53 | NA | 203.58 | 203.63 | 184.94 | 232.35 |
| **20-Sep** | 260.2 | 246.3 | 245 | 227 | 227.45 | 188.25 | 226.22 |
| **20-Oct** | NA | NA | 254.26 | 248.91 | 248.41 | 204.19 | 224.46 |
| **20-Nov** | 264.3 | 266.3 | 255 | 254.93 | 207.25 | 230.31 | 232.28 |
| **20-Dec** | 279 | 281 | 254 | 256.52 | 256.33 | 208.82 | 226.51 |
| **21-Jan** | 283 | 282 | NA | 289.7 | 292.81 | 210.21 | 253.11 |
| **21-Feb** | 285 | 289 | 254.26 | NA | 287.90 | 230.49 | 254.68 |

***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) |
| **02.03.2021** | 8.67 | 19.1 | 61.66 | 42.60 |
| **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 |

***Vessel Class: Panamax***

***Source: Reuters***

| Spot Prices Black Sea Region | | | | | |
|---|---|---|---|---|---|
| Date | 03.02.2021 | 03.02.2021 | 30.12.2020 | 02.12.2020 | 30.09.2020 |
| Odessa, FOB($/tonnes) | | | | | |
| **Milling wheat 12.5%** | 280-286 | 280-290 | 254-260 | 250-255 | 250-254 |
| **Milling wheat 11.5%** | 280-286 | 280-290 | 254-260 | 249-255 | 249-253 |
| **Feed wheat** | 267-270 | 267-270 | 246-249 | 238-241 | 217-220 |
| Novorossiysk, FOB($/tonnes) | | | | | |
| **Milling wheat 12.5%** | 283-288 | 280-290 | 254-260 | 252-255 | 253-256 |
| **Milling wheat 11.5%** | 280-286 | 280-290 | 253-259 | 249-255 | 249-253 |
| **Feed wheat** | - | - | - | - | 215-220 |

***Source: Reuters***

| Forward Prices for 2020 Crop Black Sea Region | | | | |
|---|---|---|---|---|
| Origin | Commodity | Delivery period | Price (USD/MT) | |
| | | | 17.02.2021 | 24.02.2021 |
| Russia | **Wheat, 12.5% protein** | Apr | - | - |
| Ukraine | **Wheat, 11.5% protein** | Apr | - | - |
| Ukraine/Russia | **Feed wheat** | Apr | - | - |

***Source: Reuter***

| IGC Wheat Balance Sheet | | | | | |
|---|---|---|---|---|---|
| (Fig. in MMT) | 2017-18 | 2018-19 | 2019-20 est. | 20/21 forecast | |
| | | | | 14.01.2021 | 25.02.2021 |
| Production | 762 | 733 | 764 | **768** | **773** |
| Trade | 176 | 169 | 187 | **187** | **188** |
| Consumptions | 739 | 739 | 752 | **753** | **756** |
| Carryover stocks | 271 | 265 | 295 | **294** | **294** |
| Y-O-Y change | 22 | -7 | 19 | **15** | **16** |
| Major Export | 83 | 70 | 64 | **63** | **64** |

## IGC Balance Sheet Highlight:

- IGC has estimated global wheat production at 773 MMT for 2020-21, 5 MMT higher compared to last month's estimate. According to estimates by IGC the 2019-20 global wheat production was around 763 MMT and 733 MMT for 2018-19.
- The trade estimates for 2020-21 have increased to 188 MMT. It is 34 MMT higher compared to the estimate for last year and higher by 19 MMT compared to 2018-19.
- Consumption has been increased to 756 MMT for 2020-21. The forecast is higher by 3 MMT compared to 2019-20.
- Carryout for 2020-21 is forecast at 294 MMT compared to an estimate of 279 MMT last year. It is higher by around 15 MMT compared to 2019-20.

## USDA Balance Sheet

(Back to Table of Contents)

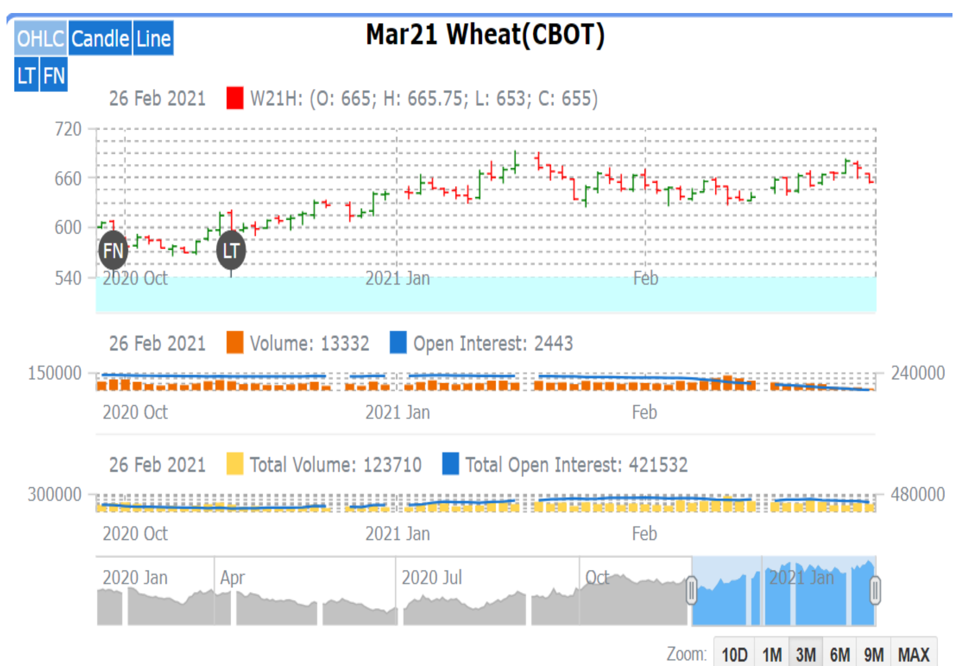
| USDA Global Wheat Balance Sheet: 2020-21 Fig. In Thousand Tonne (As on 10.02.2021) | | | | | | | |
|---|---|---|---|---|---|---|---|
| Country | Opening Stock 2020-21 | Production projected 2020-21 | Domestic Consumption 2020-21 | Import 2020-21 | Export 2020-21 | Ending Stock 2020-21 | Production 2020-21 |
| Argentina | 1722 | 17,200 | 6,050 | 5 | 11,000 | 1,337 | 21000 |
| Australia | 2898 | 26,000 | 8,000 | 500 | 18,000 | 5,098 | 26000 |
| Canada | 5499 | 30,000 | 10,000 | 450 | 26,500 | 4,632 | 34000 |
| China | 1,51,682 | 1,34,250 | 1,40,000 | 10,000 | 1000 | 1,54,932 | 1,36,000 |
| EU | 14300 | 1,35,800 | 1,18,500 | 6000 | 27,000 | 10,600 | 1,39,500 |
| India | 24700 | 1,07,592 | 103,017 | 10,500 | 2,200 | 27,500 | 1,07,180 |
| Pakistan | 1292 | 25,200 | 25,700 | 3000 | 300 | 3,292 | 26100 |
| Russia | 7228 | 85,300 | 41,500 | 500 | 39,000 | 12,528 | 76500 |
| Ukraine | 1148 | 25,500 | 8,100 | 75 | 17,500 | 1,123 | 26500 |
| U S | 27985 | 49,691 | 31,380 | 3300 | 27,000 | 22,755 | 49630 |
| Others | NA | NA | 2,70,828 | 1,66,601 | 22881 | 2887 | 1,26,903 |
| **World total** | **3,00,102** | **7,73,435** | **7,63,954** | **1,90,010** | **1,93,135** | **3,04,217** | **7,69,313** |

***Source: USDA***

### *CBOT Futures March-21 Chart:*

**1st Support: 650.08**
**2nd Support: 645.17**
**1st Resistance: 662.83**
**2nd Resistance: 670.67**
***($ per tonne)***

*Wheat CBOT March soft red winter wheat down for 3/4 cents at $6.52 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.*



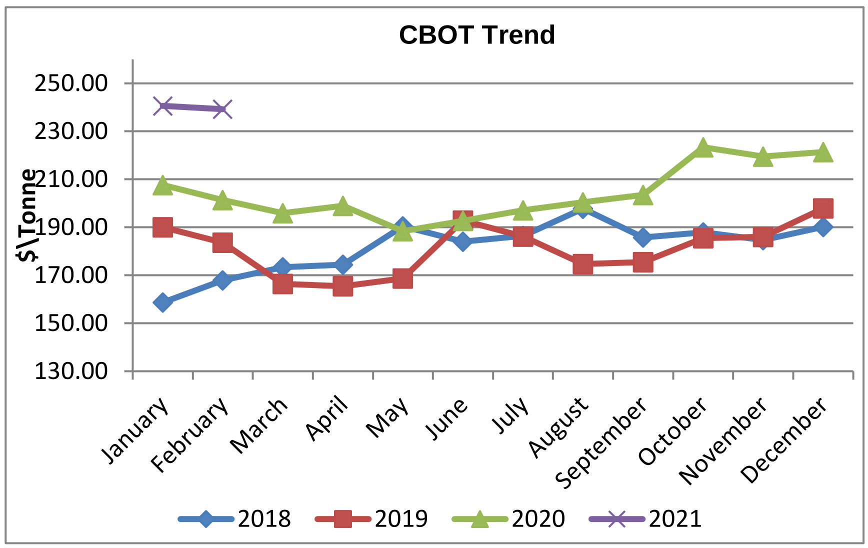
## CBOT comparison over a period of time:

| CBOT Futures Prices:(USD/T) | | | | | | | |
|---|---|---|---|---|---|---|---|
| CONTRACT MONTH | Today | Week Ago | Month Ago | 3 Month Ago | 6 Month Ago | Year Ago | % Change over prev. year |
| | 28-Feb-21 | 21-Feb-21 | 27-Jan-21 | 29-Nov-20 | 27-Aug-20 | 27-Feb-20 | |
| Mar-21 | 240.65 | 239.09 | 241.84 | 222.64 | 204.92 | 194.35 | 23.82 |
| May-21 | 242.58 | 240.83 | 241.66 | 223.84 | 206.30 | 196.93 | 23.18 |
| Jul-21 | 238.81 | 236.33 | 235.32 | 222.92 | 206.30 | 200.69 | 18.99 |
| Sep-21 | 237.43 | 235.78 | 234.58 | 223.65 | 208.13 | 205.38 | 15.61 |
| Dec-21 | 238.81 | 237.80 | 235.87 | 226.23 | 211.71 | 209.42 | 14.04 |
| Mar-22 | 240.46 | 239.54 | 237.62 | 228.61 | 212.45 | 212.27 | 13.28 |

## CBOT Trend: -

*CBOT remains firm in Firm after being weak from Oct under normal conditions as shown in the chart. Wheat firm on positioning ahead of USDA monthly reports and on continued boosted demand of global consumption in china and India, Global production is up this month with a larger crop in Kazakhstan more than offsetting lower crops in Argentina, Pakistan, and South Africa..*

*CBOT average monthly price for February'21 is higher by $ 18.77/tonne compared to last year for the same month and lower by $0.57/tonne compared to January'21.*




| Comparative Month on Month FOB quotes: (Fig in USD/MT) | | | | | | | |
|---|---|---|---|---|---|---|---|
| All prices are for SRW/milling grade | 1st Sep-20 | 1st Oct-20 | 1st Nov-20 | 1st Dec-20 | 1st Jan-21 | 1st Feb-21 | 1st Mar-21 |
| USA | 229.69 | 246.4 | NA | 279 | 279 | 289 | 285 |
| France | 184.94 | 191.86 | 204.19 | 220.25 | 220.25 | 289 | 240.25 |
| Australia | 232.35 | 226.22 | 224.6 | 244.09 | 244.09 | 275 | 246.48 |
| Russia | 203.63 | 227.45 | 248.41 | 280 | 280 | 227 | 290.00 |
| India | 237.46 | 228.39 | 235.35 | 248.25 | 248.25 | 258.72 | 248.09 |

## Global Indicative FoB Quotes:

Indian FoB quote is based on local prices. Indian FoB quote is being quoted at $257.65 per tonne. US and Russian quotes are hovering in the range of $289 and $285 per tonne.

There is a lot of demand for wheat in the international market, and prices are up, due to which the Indian wheat demand will also increase.

The demand for Indian wheat will increase due to Russia's imposition of export duty. Exports will increase on an average compared to last year. Export to the surrounding countries will be good, but it does not seem to be exported in all the countries as Australia Fob prices are low compare to Indian wheat Fob.