Wheat Monthly Research Report

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

Price Trend: *All India average monthly prices for wheat increased by 1.03 percent from Rs 1978.9 in Apr-2021 to Rs 2000.8 per qtl in May -2021. Average price in May -2021 was lower by 0.65 percent compared to Rs 2013.89 per quintal registered in May-2020. Prices are expected to remain steady to weak from here. Strong export demand will give support to the market, and allocation of PMGKAY for May and June will lead prices to fall slightly from here.*

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 $247.79-251.49 per tonne in the month of May'21. Against it, Ukraine, France, U.S and Australia were offering wheat at $255-$290, $219.75-$244, $252.74-258.98 and $263-268.05 per tonne respectively. Indian FoB quote is based on local prices.*

Export: *India exported 2.96 lakh tonnes of Wheat at an average FOB of $295 per tonnes in April'21. The exports have picked up because the low prices domestically have made Indian Wheat competitive due to good demand from neighbouring 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 low due to increased container prices, and another hand, demand from private companies, is good, giving support to the market. The export trade in wheat is good. Given the rain forecast again in April, the market may respond with higher prices if there are any reports of substantial damage to the wheat crop going ahead. Increased export demand in the international market is also supporting the domestic market. In such a situation, the wheat price is expected to trade steady to slightly firm.*

Weather Update: *A dust storm followed by rain hit several Punjab Tuesday night areas affecting standing crops over 11,645 hectares in at least four districts. The storm is likely to hit crop yield in the affected area by 2 to 3%. According to the Department of Agriculture, the districts where the crop has been affected are Ludhiana, Fatehgarh Sahib, Bathinda, and Mohali. This damage is to crop covering 0.33% of the total area under wheat in Punjab, said the report. In Ludhiana, the damage is the maximum around 6,275-hectare area under wheat the yield might be affected by 1 to 1.5%in this area.*

E-Auction: *The government has sold 281990 tonnes of Wheat in OMSS through E-Auctions in the month of March '21, which is 188925 tonnes lower compared to last month. Till now, no rakes have been sold. The sale of Wheat to the bulk consumer is 1260 tonnes, and Wheat's sale to the state Govt. 280730 tonnes. Since April 20, the total quantity of Wheat is sold through OMSS is 2532506 tonnes till now. Total Allocation for two months PRADHAN MANTRI GARIB KALYAN ANNA YOJANA - MAY & JUNE 37.54 lakh MT.*

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 July contract taking care of lower price tag of 1770 and upper price tag of Rs. 1980 respectively.*

India's Wheat Balance Sheet For 2021-22:

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	Wheat MY Runs from April To March (Figures in MMT)	2020-21	2021-22
A	**Carry in**	**20.92**	**25.21**
B	Production	103.21	104
C	Imports	0.00	0.00
D	**Total Availability (A+B+C)**	124.13	**129.21**
E	Consumption	96.99	97.30
F	Exports	1.93	1.00
G	Total Usage (E+F)	98.92	98.80
H	**Carry out (D-G)**	**25.51**	**30.41**
I	Av Monthly Consumption	8.08	8.11
J	Stock to Month Use	3.12	3.75
K	Stock to Consumption Ratio	0.03	0.04

*Agriwatch Wheat Production Estimate for Marketing Year 2021-22

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 129.21 MMT from 124.13 MMT in MY 2021-22.

Carry out is expected to be around 30.41 MMT for 2021-22 compared to 25.51 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 April stood at 273.04 lakh tonnes lower by 7.57% compared to last month. This quantity is higher by around 10.54% 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 procurement for Rabi 2021-22 has started smoothly in the procuring states of Haryana, U.P., M.P., Rajasthan, and Gujarat.

In May'21, most of wheat markets were closed following a lockdown in the country amid the spread of Covid -19. An acute shortage of labour and transportation following country-wide lockdown to halt the spread of the coronavirus outbreak resulted in a delay in wheat crop harvesting. Most of the farmers faced a shortage of manpower as the migration of laborers. Late harvests mean lower yields, reduced returns, and a smaller window to plant next season's crops, as well as leaving crops vulnerable to rain and hailstorms

According to Government, total wheat procurement has reached 411.1 lakh tonne until June 2 of the 2021-22 rabi marketing season (April-June), up from 273.04 lakh tonne year-ago period. About 44.43 lakh farmers have already benefited from the ongoing rabi marketing season, procurement operations with MSP value of Rs 81.196 crore,' the ministry added. Procurement of wheat -- the main rabi (winter) crop -- is continuing smoothly in Punjab, Haryana, Uttar Pradesh, Madhya Pradesh, Rajasthan, Uttarakhand, Chandigarh, Himachal Pradesh, Delhi, Gujarat, Jammu & Kashmir, and Bihar

*Punjab, the highest contributor of wheat to the Central pool over the years (barring 2020**),** has already purchased 13 million tonnes (132.10 lakh metric tonnes) of the crop till June 2, 2021, data released by the state government showed. This, the data further shows, it is higher than the procurement made last year in the same number of days.*

The government procurement agencies in Haryana have procured total 84.93 LMT consisting 6.94 LMT by FCI and 77.99 LMT by state agency. Expecting bumper produce this year, the government had increased the procurement target.

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.

The Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) which was announced in 2020 for three months till July, is being re-implemented given the worsening situation due to the second wave of Covid-19. Govt. will provide 5-kg additional food grains for free to PDS beneficiaries under the PMGKAY for two months -- May and June. This time, they are not providing pulses under this scheme. The government has procured 258.74 lakh tonnes of wheat till 28 April 2021 so far.

Final Sowing Status 2021-22:

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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**

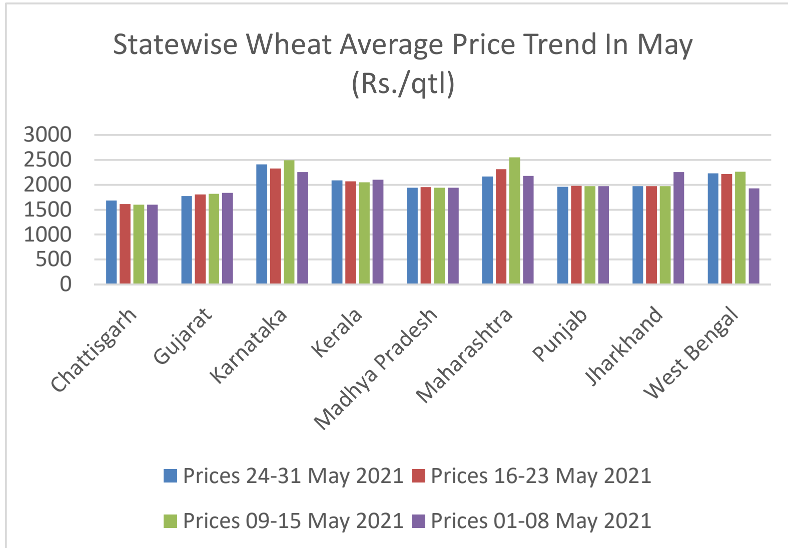
Source: Ministry of Agriculture

Ongoing Wheat Procurement RMS 2021-22 (Source: FCI)

State/UTs	**Procurement as of 2nd June-2021 (Figures in LMT)**		
	FCI (A)	**State Agency (B)**	**Total (A+B)**
Punjab	12.19	119.91	132.10
Haryana	6.94	77.99	84.93
Uttar Pradesh	1.08	40.83	41.91
Madhya Pradesh	0.00	128.08	128.08
Bihar	0.00	1.95	1.95
Rajasthan	13.85	5.84	19.69
Others	0.87	1.94	2.46
All-India	**34.58**	**376.54**	**411.12**

Monthly Average Price Comparison:

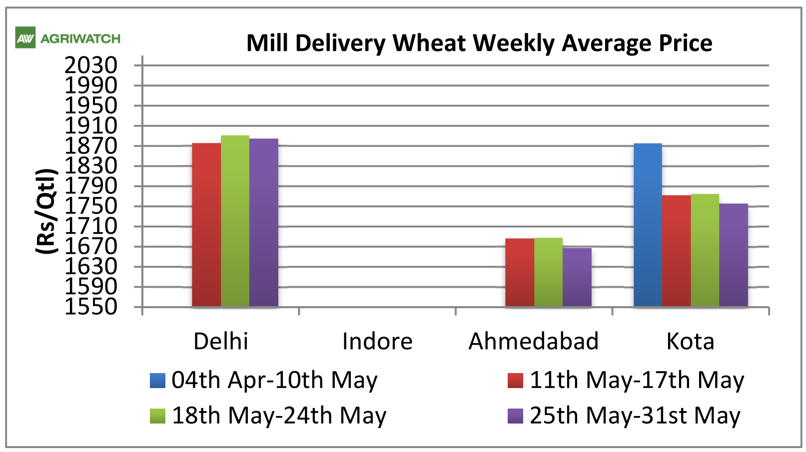
India's average monthly prices for wheat increased by 1.03 percent from Rs. 1980.42 in April - 2021 to Rs. 2000.8 per quintal in May-2021. The slowdown in the wheat market is started now, and the price is expected to weaken gradually. The crop harvest is completed, and the government procurement of Wheat is at the peak. The central government has started giving free Wheat for May and June. There's also widespread export demand for Indian Wheat recently, which supports domestic prices in June too. Agriwatch expects that Wheat would trade steady to slightly weak due to free allocation.



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

Wheat's average mill delivery prices lower at various trading centres amid good supplies in the markets. Indore centre is remain closed due to the lockdown and spread of Covid -19.

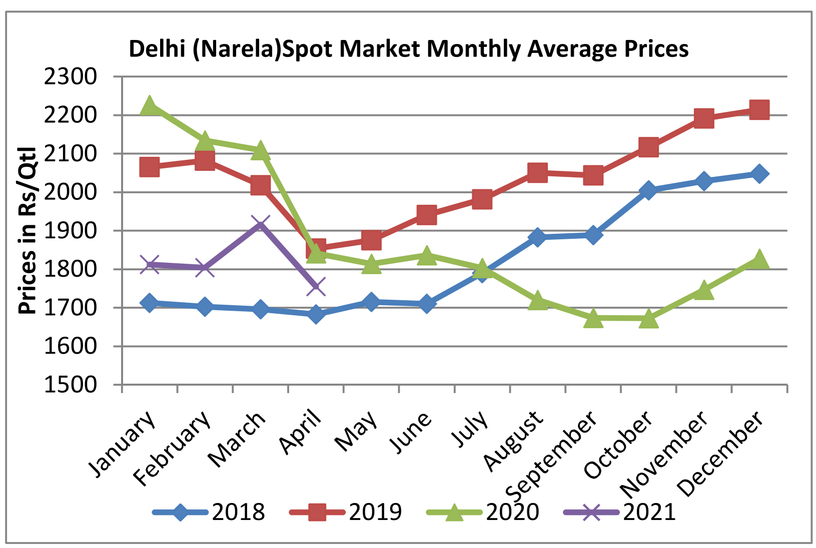
Markets had shown weak movement in prices last week due to imposing the PMGKAY scheme once again—high Procurement from last year and strong demand from the export front. Wheat is likely to trade steady to weak tone in upcoming weeks.



Wheat Delhi Average Monthly Price:

The wheat spot market Delhi (Narela) is remain closed amid lockdown restrictions. Prices are likely to trade in range of Rs 1700-1800 per quintal in the Narela market in the upcoming weeks as markets are likely to open soon.

In April'21, the prices decreased by 8.41 percent compared to last month and decreased by 4.66 percent compared to the corresponding month last year.



Wheat Exports: According to the latest update, India exported around 3.98 lakhs tonne wheat in the month of March-2021. It is around 0.4 lakh tonnes higher compared to the export quantity (3.5 lakh tonnes) in Feb-2021.

The overall conditions for Indian wheat export are 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 $247. 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
Apr-20-Mar-21	1931.00	219.50	214.64
21-Apr-Mar-22			
21-May			
21-Jun			
Total 2021-22(000T)	0	0	0

Source: DGCIS/Private Traders

Wheat Import:

India has imported 6.38 thousand tonnes of wheat in October-2020, 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 $245.00 per tonne in Russia 249.50 per tonne and $254.93 per tonne in Ukraine. The United States and France are also providing wheat at $261 per tonne and 260.93 per tonne. The government has increased import duty from 30% to 40% to curb imports and provide support to domestic prices.

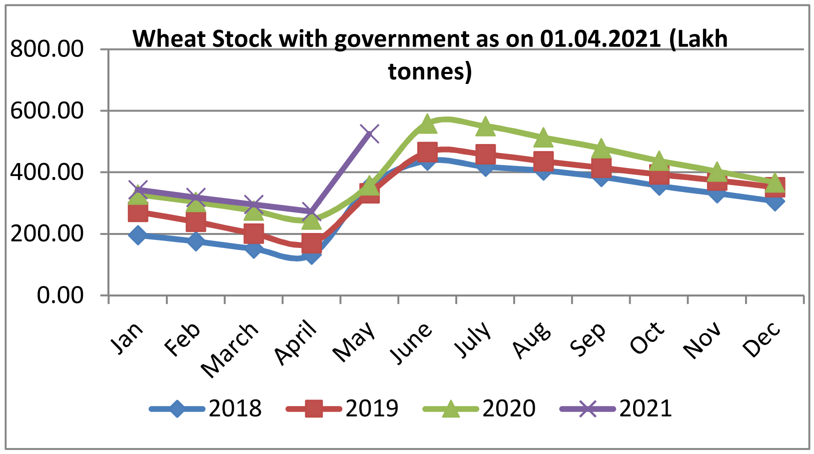
Year/Month	Wheat Import (In Thousand Tonne)	Average CiF ($/T)	CBOT Average Quotes ($/MT)
Apr-16-Mar-17	5957.79	220.13	157.04
Apr-17- Mar18	1616.97	NA	162.36
Apr-18- Mar19	1.00	239.52	185.15
Apr-19- Mar-20	500.81	229.51	185.35
Apr-20-Mar-21	NA	NA	207.05
Apr-21			
May-21			
June-21			
Total 2020-21 (000T)	0	0	0

Source: DGCIS/Private Traders

Wheat Stock with the Government:

On 01.05.2021 was around 525.65 lakh tonnes. It is higher by 92.52 % from Apr-2021. Stock in the central pool as of 01st June 2021 is higher by 46.95 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.

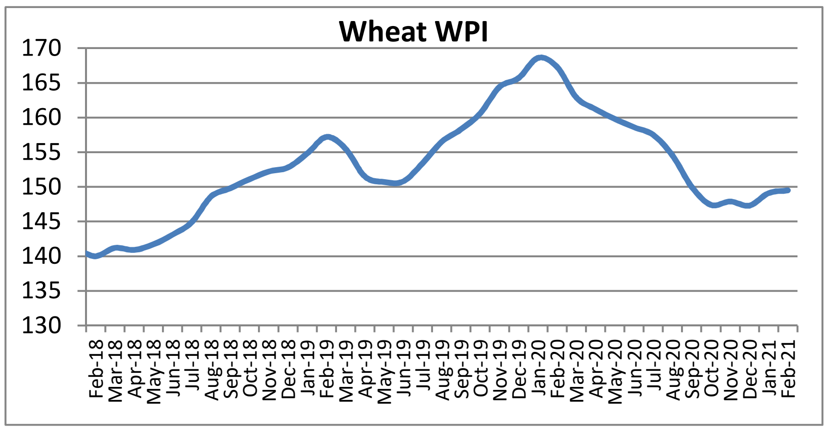
The government has cut the reserve price for Lustreless wheat procured in 2019-20 (Apr-Mar) by nearly 12% to 1,840 rupees per 100 kg from 2,080 rupees earlier to push out old stock.



Wheat Inflation:

Wheat WPI has increased from 149.5 in Feb-2021 to 150.2 in Mar-2021. Monthly wheat inflation has increased by 0.47 percent in Mar-2021 compared to the previous month. As compared to Mar-2020 wheat WPI has increased by around 8.46 percent. Wheat WPI is expected to stay steady to slightly firm in the coming month. Food grains WPI increased by 0.44 in Mar-21 to 158.1 Compared to Mar-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	149.5
Mar	142.9	141.2	155.5	162.9	150.2
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	

Source: Agriwatch

Monthly Price Comparison of Spot Markets:

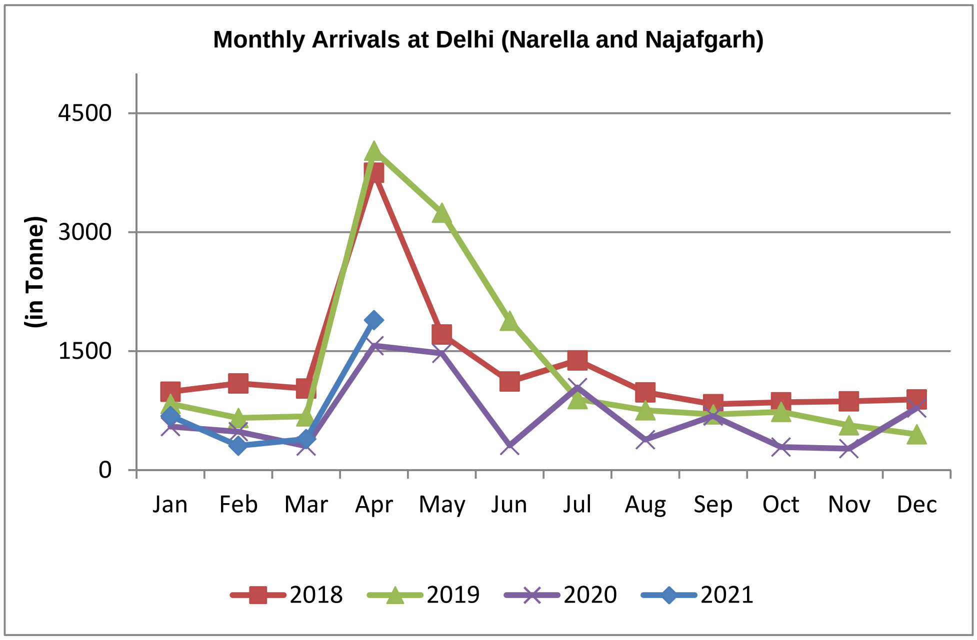
Monthly Average Spot Prices at Various Market (Rs/Quintal)					
Month	**Delhi**	**Indore**	**Kota**	**Rajkot**	**Chennai**
20-Apr	1964.16	1972.5	1729.33	1772.27	2350
20-May	1966.92	1972.5	1837.89	1813.07	2350
20-Jun	1973.26	1885.76	1745.38	1799.4	2350
20-Jul	1976	1883.2	1877.7	1821.04	2179
20-Aug	1856.73	1770.23	1752.1	1695.83	2044.73
20-Sep	1821.37	1729.66	1680	1621.88	2000
20-Jun	1973.26	1885.76	1745.38	1799.4	2350
20-Jul	1976	1883.2	1877.7	1821.04	2179
20-Aug	1856.73	1770.23	1752.1	1695.83	2044.73
20-Sep	1821.37	1729.66	1680	1621.88	2000
20-Oct	1824.23	1666.42	1726.4	1664.61	1956
20-Nov	1869.32	1734.21	1751.25	1692.75	1987.5
20-Dec	1826.92	1676.04	1717.82	1694.2	1991.3
21-Jan	1961.04	1836.73	1878.12	1841.04	2010
21-Feb	1935.41	1813.18	1661.3	1811.04	2070.83
21-Mar	1916.2	1853.8	1872.6	1799.73	2108
21-Apr	1937.66	1833	1869.52	1713	2100
21-May	Closed	Closed	Closed	1765	2072

Monthly Price Comparison of Spot Markets

Spot Market Price:							
Centre	Market	Variety	Prices (Rs/Qtl)				
			Today	Yesterday	Week Ago	Month Ago	Year Ago
			5-Jun-21	3-Jun-21	29-May-21	5-May-21	4-Jun-20
Delhi	Lawrence Road	Mill Delivery	1865	1850	1900	Closed	1980
	Narella	Mill Quality Loose	NR	NR	Closed	Closed	1925
	Nazafgarh	Mill Quality Loose	NR	NR	Closed	Closed	NA
Gujarat	Rajkot	Mill Delivery	1740	1740	Closed	Closed	1780
	Ahmedabad	Mill Delivery	1830	1835	Closed	Closed	1860
	Surat	Mill Delivery	1910	1910	Closed	Closed	1930
	Dhrol	Mill Delivery	NA	1750	1650	-	-
M.P.	Indore	Mill Delivery	1870	1850	Closed	Closed	1900
	Bhopal	Mill Quality Loose	1760	1775	Closed	Closed	1750
Rajasthan	Kota	Mill Quality Loose	1800	1800	1750	Closed	1730
		Mill Delivery	1950	1925	1900	Closed	1870
U.P.	Kanpur	Mill Delivery	1750	1730	1725	Closed	2000
	Mathura	Mill Quality Loose	1700	1650	1740	Closed	1780
	Kosi	Mill Quality Loose	1720	1680	1715	Closed	1850
	Hathras	Mill Quality Loose	1690	1670	1680	Closed	1815
	Aligarh	Mill Quality Loose	1700	1650	1750	Closed	1825
Punjab	Khanna	Mill Quality Loose	Closed	Closed	Closed	Closed	1925
	Ludhiana (Jagraon)	Mill Delivery	-	-	-	-	-
Haryana	Sirsa	Mill Delivery loose	1790	1790	1800	Closed	1915
	Hodal	Mill Delivery	-	-	-	-	-
	Bhiwani	Mill Quality Loose	Closed	Closed	Closed	Closed	1925
	Karnal	Mill Delivery	-	-	-	-	-
	Panipat	Mill Quality Loose	-	-	-	-	-
Tamil Nadu	Chennai	Mill Quality	2050	2050	2050	Closed	2150
	Madurai	Mill Quality	2107	2200	2200	Closed	2200
	Coimbatore	Mill Quality	2107	2250	2250	Closed	2250
Bihar	Khagariya	Mill Delivery	1850	1850	1700	1700	2000
	Muzaffarpur	Mill Delivery	1800	1800	1725	1625	1900

Monthly Arrivals at Delhi:

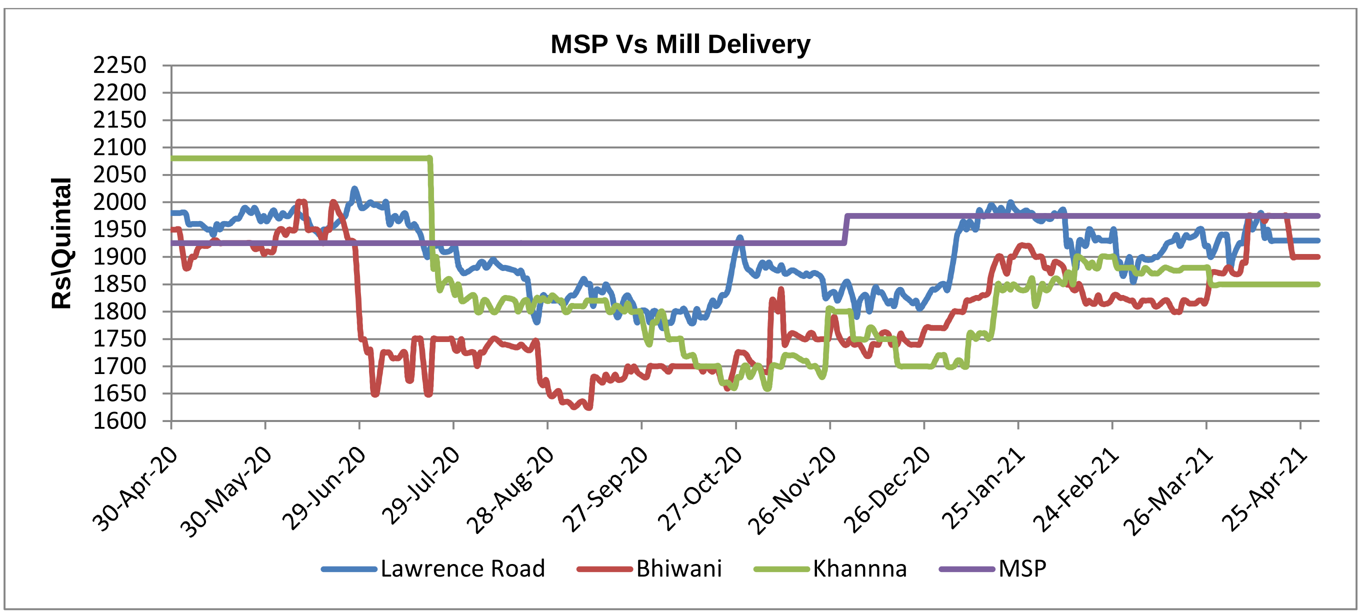
Delhi region (Narela and Najafgarh) are remained closed amid lock down restrictions in May-2021.



Domestic Outlook:

The wheat cash market is expected to trade steady to weak in May-21 amid good supplies after ease in lockdown restrictions.

MSP vs. Mill Delivery Prices:



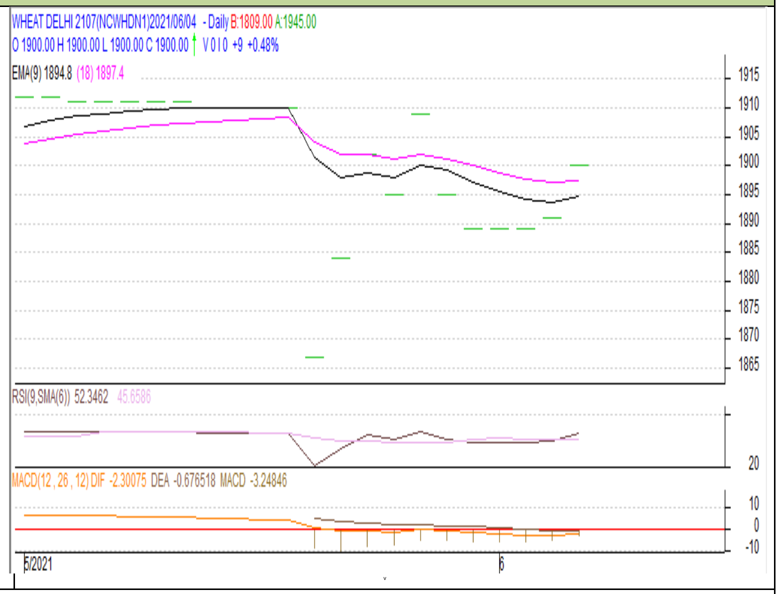
As of now Mill delivery prices in all markets are below MSP due to free allocation by Govt and lockdown. Prices is likely to move steady to slightly weak in the coming month. The government set the minimum support price (MSP) of wheat Rs 1925 per quintal in 2019-20, now Government has increased the price 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:

- 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 steady movement in the market.



Strategy: Stay Away

Intraday Supports & Resistances			**S1**	**S2**	**PCP**	**R1**	**R2**
Wheat	**NCDEX**	**Jul**	-	-	-	-	-
Pre-Market Intraday Trade Call*			**Call**	**Entry**	**T1**	**T2**	**SL**
Wheat	**NCDEX**	**Jul**	**WAIT**	1900	-	-	-

* Do not carry-forward the position next month.

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

International Market Dynamics

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United States shipped nearly six times the volume of wheat to China in 2020/21 compared to the previous year, with the total nearing 120 million bushels as of press time. U.S. may export higher wheat to China over the next year. In the U.S., winter wheat harvest has been started now. It is still too early to estimate final yields, though timely spring rains in the Central and Southern Plains bode well for yield monitors in the coming weeks. While winter wheat supplies are likely to remain abundant this year, the fate of spring wheat stocks is less certain. USDA reduced 2020/21 wheat usage for human consumption in the May 2021 World Agricultural Supply and Demand Estimates (WASDE) report. U.S. wheat milling rates for flour between January through March 2021 came in at 224.5 million bushels.

Spring wheat plantings are complete this year, with 90% of the crop now emerged. That's up from 80% a week ago and faster than both 2020's pace of 79% and the prior five-year average of 86%.
Spring wheat quality is on its heels, meantime, dropping five points to 38% of the crop rated in good-to-excellent condition.

Russia As per analyst, Russian export prices for the summer's new wheat crop were steady last week due to a stronger rouble amid higher oil prices. Prices for new-crop Russian wheat with 12.5% protein loading from Black Sea ports and for supply at the end of July were $256 a tonne free on board (FOB) at the end of last week, unchanged from the previous week, the IKAR agriculture consultancy said in a note. As per IKAR, Russia may harvest 80 million tonnes of Wheat in 2021. The estimate is higher by 500,000 tonnes from its last given estimates.

China may harvest 5.0 billion bushels of wheat by the end of summer – a new high for the world's largest wheat producer. However, rising Chinese livestock, poultry, and human food demand will consume all of those bushels, plus another 367 million bushels of imports.

China In a statement attributed to two anonymous sources, Reuters reported China may use up to 40.0 MMT of wheat for feed in the 2020/21 crop year displacing corn and soymeal in animal feed. Corn carries a premium to wheat, leading many Chinese feed producers to look for cheaper grain as the country attempts to build back the pig herd culled by African swine fever. Wheat, a high protein grain, is also displacing some soymeal, the main protein source in animal feed.

Canada's According to FAS officials based in Ottawa, Canada's total wheat production will fall 5% in 2021/22 and yields will be close to the 5-year average. Spring wheat production is expected to fall while durum production is expected to increase. Regions of Alberta, Manitoba, and Saskatchewan need significant amounts of precipitation.

Ukraine's Ukraine's wheat harvest is expected to grow by 9.5% to 27.7 MMT this year and wheat exports are boosted to 21.0 MMT for the 2021/22 July-June season said the Ukrainian grain trader's union UGA.

Global Wheat Average FoB

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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	289	282	273	241	287	280	275
21-Mar	282	285	267	240	288	292	283
21-Apr	256	260	261	238	249	255	266

Source: Reuters

Spot Prices Black Sea Region					
Date		03.02.2021	30.12.2020	02.12.2020	30.09.2020
Odessa, FOB($/tonnes)					
Milling wheat 12.5%	242-248	280-286	280-290	254-260	250-255
Milling wheat 11.5%	242-248	280-286	280-290	254-260	249-255
Feed wheat	-	267-270	267-270	246-249	238-241
Novorossiysk, FOB($/tonnes)					
Milling wheat 12.5%	246-250	283-288	280-290	254-260	252-255
Milling wheat 11.5%	246-250	280-286	280-290	253-259	249-255
Feed wheat	-	-	-	-	-

Source: Reuters

IGC Wheat Balance Sheet					
(Fig. in MMT)	2018-19	2019-20 est.	2020-21 F'cast.	2021-22 proj.	
				29.04.21	27.05.2021
Production	732	762	774	790	790
Trade	168	184	191	185	188
Consumptions	740	744	766	782	787
Carryover stocks	260	277	285	298	288
Y-O-Y change	-8	18	7	-	3
Major Export	69	64	63	64	59

IGC Balance Sheet Highlight:

- IGC has estimated global wheat production at 790 MMT for 2021-22, same as compared to last month's estimate. According to estimates by IGC the 2019-20 global wheat production was around 762 MMT and 732 MMT for 2018-19.
- The trade estimates for 2021-22 have increased to 188 MMT. It is 3 MMT higher compared to the previous estimate however lower by 3 MMT compared to 2020-21.
- Consumption has been increased to 787 MMT for 2021-22. The forecast is higher by 21 MMT compared to 2020-21.
- Carryout for 2021-22 is forecast at 288 MMT compared to an estimate of 298 MMT in previous month. It is higher by around 3 MMT compared to 2020-21.

USDA Balance Sheet

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USDA Global Wheat Balance Sheet: 2020-21 Fig. In Thousand Tonne (As on 08.05.2021)							
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	6,250	5	10,500	1,607	1,7630
Australia	2898	26,000	8,500	500	19,500	5,598	33,000
Canada	5499	30,000	9,900	550	27,000	4,332	35,183
China	1,51,682	1,34,250	1,50,000	10,500	1000	1,45,432	1,34,250
EU	14131	1,35,800	1,17,500	6000	27,500	10,731	1,35,600
India	24700	1,07,592	103,085	25	2,700	27,300	1,07,860
Pakistan	1292	25,200	25,800	3,600	300	3,792	25,200
Russia	7228	85,300	41,500	500	39,500	12,082	85,354
Ukraine	1148	25,500	8,100	75	17,500	1,123	25,500
U S	27985	49,691	30,686	3,100	27,000	23,177	49,691
Others	NA	NA	2,70,828	1,66,601	22881	2887	1,26,903
World total	**3,00,102**	**7,73,943**	**7,63,954**	**1,92,448**	**1,96,305**	**2,95,523**	**7,76,492**

Source: USDA

CBOT Futures May-21 Chart:

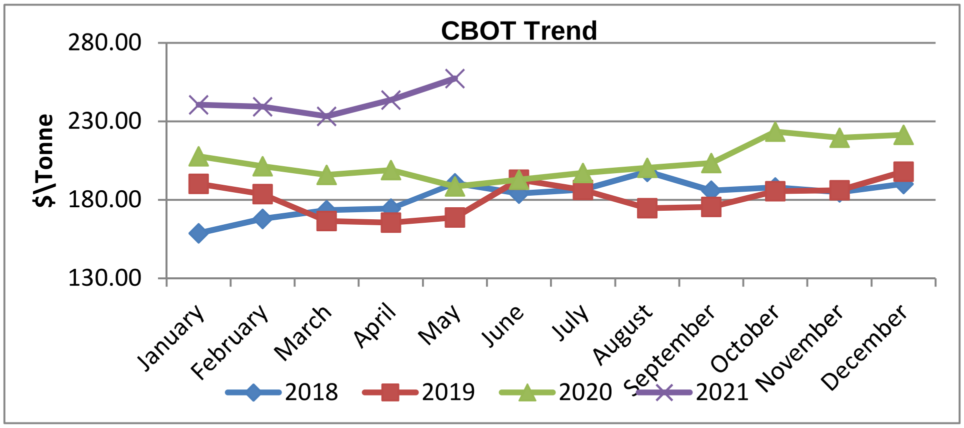
1st Support: 600.20
2nd Support: 500.10
1st Resistance: 750.10
2nd Resistance: 777.20
($ per tonne)

The May'21 contract closed higher by the end of the month of May'21 and remained steady to firm during the month. Candlestick's pattern denotes a bullish trend in the chart. Increase in price and decrease in open interest compared to last month, interprets short covering in market. We expect wheat prices to remain steady to firm in the coming week.

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
	4-Jun-21	28-May-21	4-May-21	4-Mar-21	4-Dec-20	4-Jun-20	
Jul-21	252.68	243.77	267.01	235.50	212.91	200.97	25.73
Sep-21	254.42	245.15	266.92	235.04	214.47	202.44	25.68
Dec-21	257.09	247.90	267.65	236.97	217.59	205.65	25.01
Mar-22	259.57	250.47	269.12	238.81	220.53	205.38	26.39
May-22	259.94	250.75	267.01	238.44	219.34	209.42	24.12
Jul-22	257.91	244.60	251.67	231.09	212.45	212.27	21.51

CBOT Trend: -



CBOT remains firm after being weak from Mar-21 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 more than offsets a reduction in the European Union. Global production is marginally lower as downward revisions for the European Union, Ethiopia, and Japan more than offset a larger crop in Argentina. CBOT average monthly price for May'21 is higher by $36.51/tonne compared to last year for the same month and higher by $5.56/tonne compared to April'21.

Comparative Month on Month FOB quotes: (Fig in USD/MT)							
All prices are for SRW/milling grade	1st Oct-20	1st Nov-20	1st Dec-20	1st Jan-21	1st Feb-21	1st Mar-21	1st Apr-2021
USA	246.4	NA	279	279	289	285	256
France	191.86	204.19	220.25	220.25	289	240.25	255
Australia	226.22	224.6	244.09	244.09	275	246.48	266
Russia	227.45	248.41	280	280	227	290.00	249
India	228.39	235.35	248.25	248.25	258.72	248.09	246.61

Global Indicative FoB Quotes:

Indian FoB quote is based on local prices. Indian FoB quote is being quoted at $246.61 per tonne. US and Russian quotes are hovering in the range of $256 and $249 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.

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.