

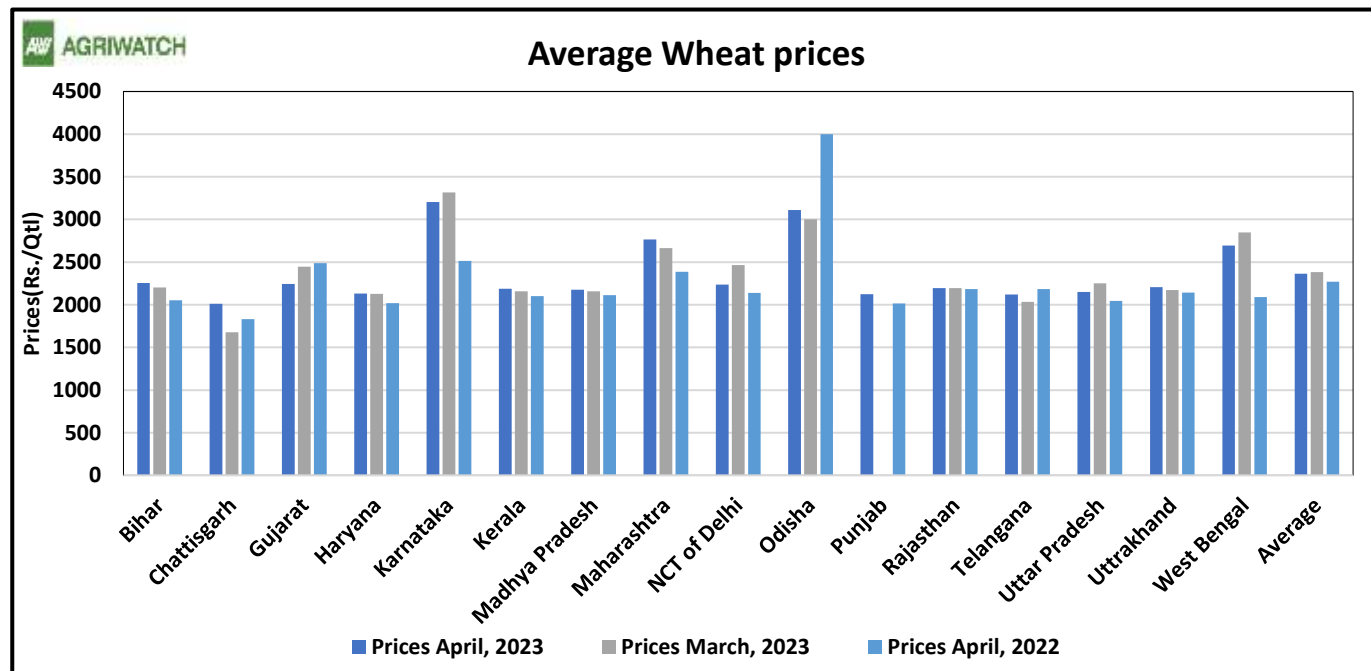
# Wheat Monthly Research Report

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Market Dynamics:

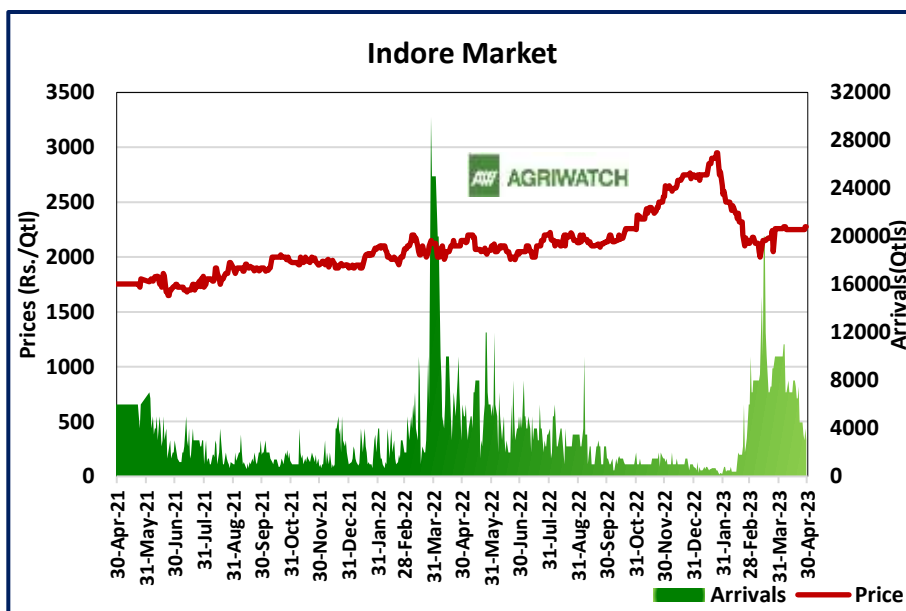
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Price Trend:



Overall countries average decline as compared to previous month amid increase in new crop arrivals during month under observation. Capital of country witnessed decline in prices due to pressure built by arrivals. While in major Wheat procuring states prices were steady or slightly higher as compared to previous month. Average prices were down by 0.31% as compared to previous month.

Average monthly prices in benchmark Indore market were traded on higher side as compared to previous month amid ongoing procurement in state. Average prices were traded at Rs.2256.20 per quintals which were high by 4.31% as compared to Rs.2162.88 per quintals in previous month.



**Production Estimates for the crop year 2022-23:**

- After analyzing survey data AgriWatch had revise down its production estimate for 2022-23 at 102.90 MMT decline as compared to previous estimate of 104.24 MMT.
- In the latest WASDE March Report, USDA have increased the 2022-23 India's Wheat production to 1040 LMT up by 0.97% as compared to previous year.
- While as per advance estimate of Government production is likely to be around 1121.82 up by previous year production of 1077.42 LMT.

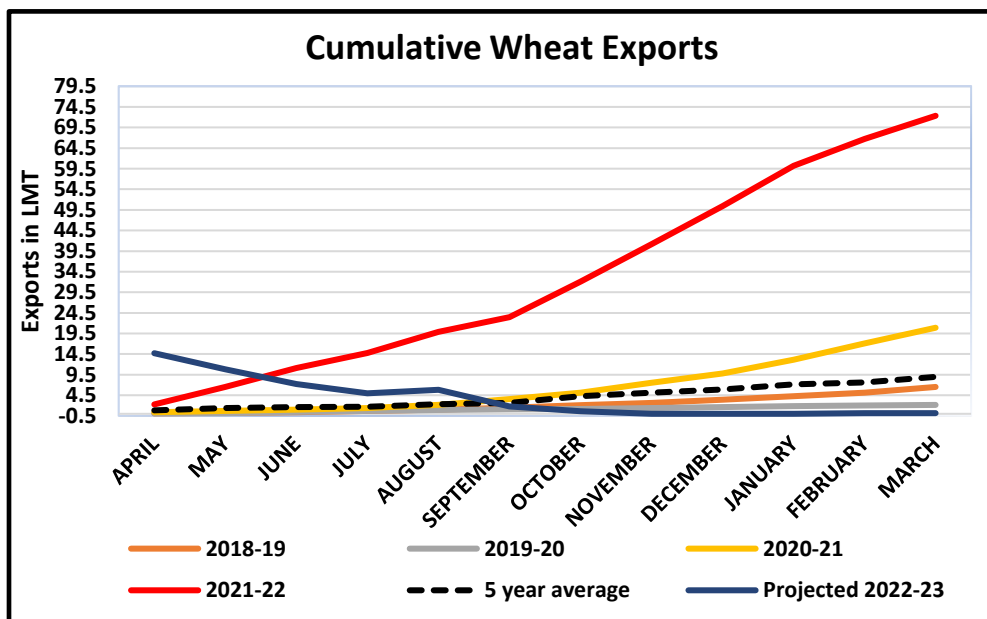
**Production Estimates (LMT):**

	2021-22	2022-23 (Advance Estimate)
<b>GOI</b>	1077.42	1121.82
<b>AgriWatch</b>	977.6	1029.00
<b>USDA</b>	1030	1040

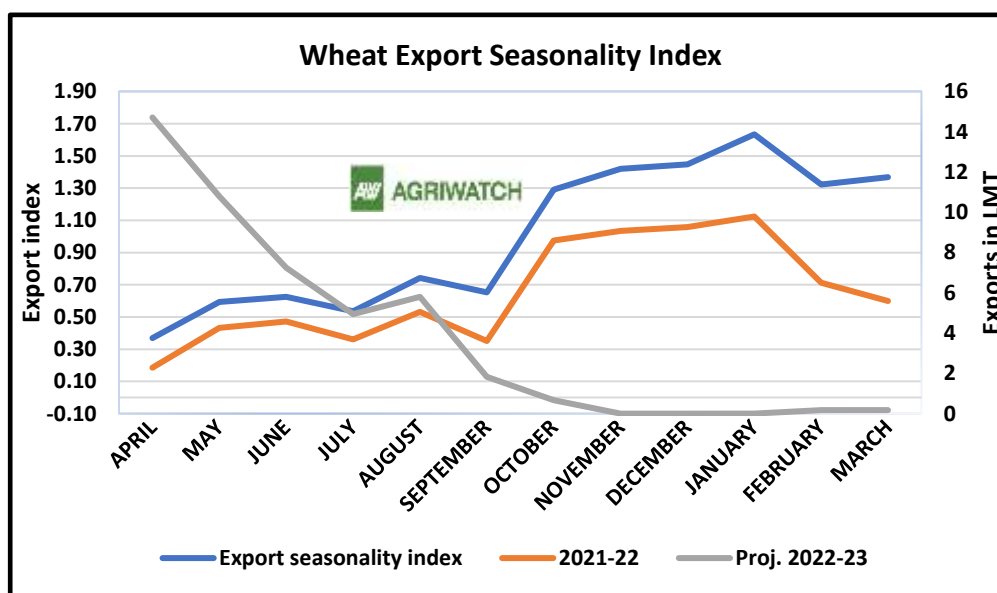
**BALANCE SHEET:**

	Crop year	2021-22	2022-23
	Wheat MY Runs from April To March (Figures in MMT)	2022-23	2023-24*
<b>A</b>	<b>Carry in</b>	<b>18.90</b>	<b>10.96</b>
<b>B</b>	Production	97.76	102.90
<b>C</b>	Imports	0.00	0.00
<b>D</b>	<b>Total Availability</b>	<b>116.66</b>	<b>113.86</b>
<b>E</b>	Exports	4.70	0.40
<b>F</b>	Consumption	101	101
<b>G</b>	Total Usage	105.70	101.40
<b>H</b>	<b>Carry out</b>	<b>10.96</b>	<b>12.46</b>
<b>K</b>	<b>Stock to Use Ratio</b>	10.37	12.29

Export:



As per recent data given by Government total of 0.17 LMT wheat has been exported in February month. While as per trade sources, 0.17 LMT wheat has been exported in March month with primary recipient Nepal at a cost of \$350 per tonnes. With these total exports reached **46.31 LMT**, down by 35.80% as compared to previous year.



According to the seasonality index graphic above, this year is referred to as an "abnormal year" because the export trend is entirely different from previous years.

Wheat Procurement RMS 2023-24 (Source: FCI)

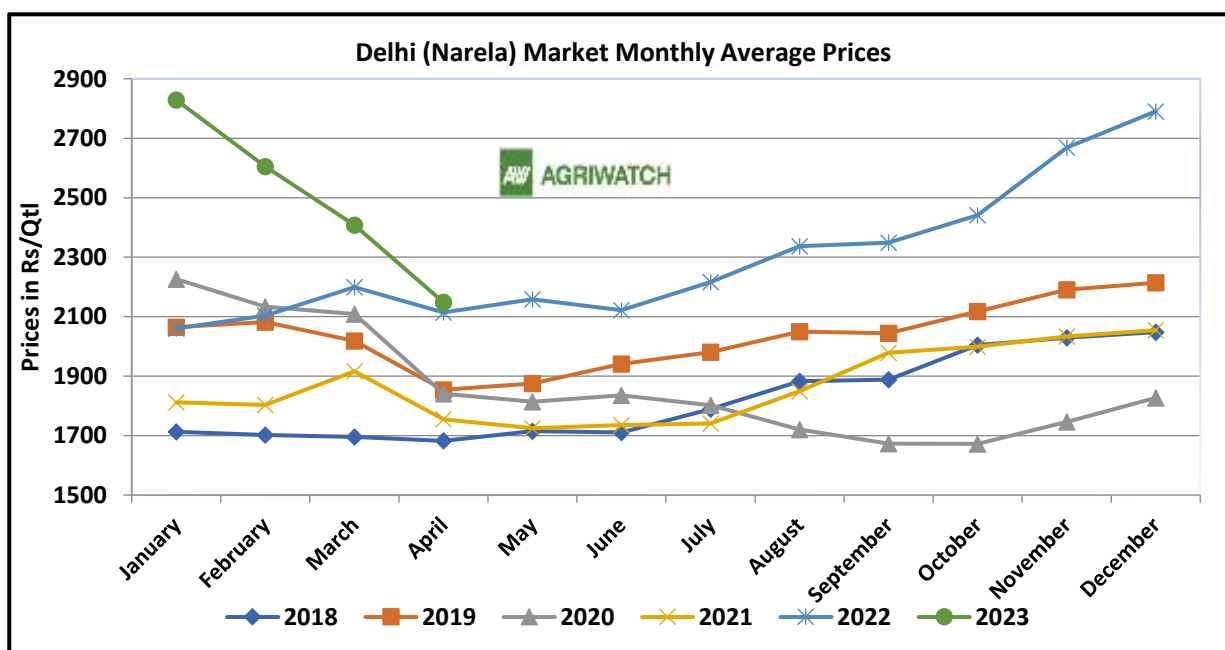
State/UTs	Procurement in LMT (as on 05.05.2023)
<b>Punjab</b>	114.20
<b>Haryana</b>	60.30
<b>Uttar Pradesh</b>	1.40
<b>Madhya Pradesh</b>	62.00
<b>Rajasthan</b>	1.80
<b>Others</b>	0.07
<b>All-India</b>	<b>239.77</b>

Outlook:

In coming month steady to slightly firm trend is likely to be followed in domestic market. Stock holding by farmers, active buying by stockiest coupled with ongoing procurement are the major factors which may likely to keep market on a stable to slight firm pace in May month. For Global market, prices are dependent on corridor deal and weather conditions.

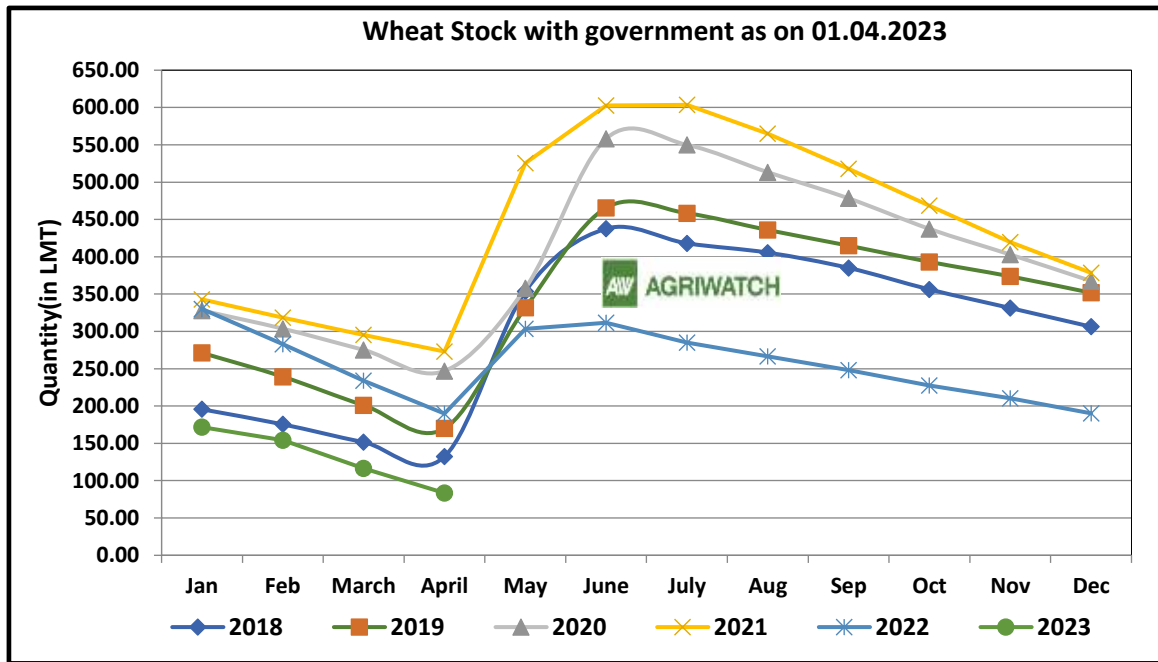
Trade Call: There is no trading at NCDEX for wheat.

Wheat Delhi Average Monthly Price:



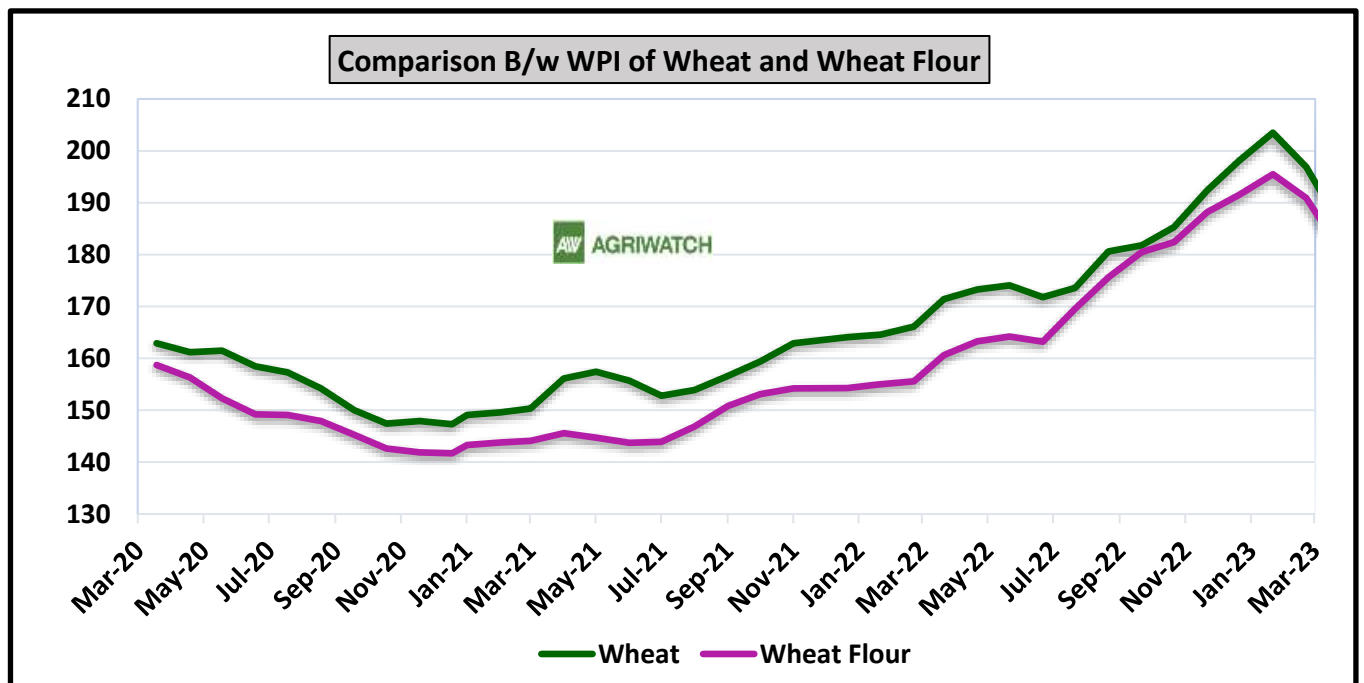
Downward trend observed in Wheat prices during the month under review amid new crop arrivals in market. Spot market prices in Narela were traded on downside in April as compared to previous month. The average price was down by 10.79% to Rs.2148.33 per quintals compared to Rs.2408.26 per quintals in previous month.

Wheat Stocks with the Government:



- ❖ Wheat stocks in government FCI Central Pool as of April 1<sup>st</sup>, 2023, was 83.45 LMT down by 56.06% as compared to same period in previous year.
- ❖ However, it remains higher than the buffer norms of 74.60 LMT as of 1<sup>st</sup> April and up by 11.86%. Last time the lowest level was seen in 2017 at 80.59 LMT. As of 1<sup>st</sup> Apr. 2023, most of the stocks are being held in states of M.P (52.72 LMT).
- ❖ As per the latest data by FCI, A total of about 35.37 LMT Wheat was distributed in March month which was down by 13.56% as compared to the same period last year. Out of the total under the NFSA scheme was 14.92 LMT, under other welfare schemes was 2.14 LMT, and under OMSS 19.77 LMT of Wheat was distributed.

Wheat Inflation:



- Wheat WPI has increased from 196.90 in February 2023 to 187.10 in month under observation. Monthly Wheat inflation has decreased by 4.98 percent in March 2023 as compared to the previous month due to easiness in supply side with the arrivals of new crop in market. While year-on-year basis, the price index has increased by 9.61 percent.

**Wheat WPI:**

Month/Year	2019	2020	2021	2022	2023
<b>Jan</b>	154.8	168.6	149.1	164.6	203.5
<b>Feb</b>	157.8	167.3	149.5	166.1	196.90
<b>Mar</b>	155.5	162.9	150.2	171.4	187.10
<b>Apr</b>	151.5	162.5	155.9	172.8	
<b>May</b>	150.7	159.8	157.4	174.0	
<b>Jun</b>	150.8	158.6	156.2	171.8	
<b>Jul</b>	153.4	157.5	153.6	173.6	
<b>Aug</b>	156.5	154.5	153.9	180.6	
<b>Sep</b>	158.3	150	156.7	181.8	
<b>Oct</b>	160.6	147.4	159.4	185.3	
<b>Nov</b>	164.4	147.9	162.9	192.4	
<b>Dec</b>	165.7	147.3	164.1	198.1	

**Wheat Flour WPI:**

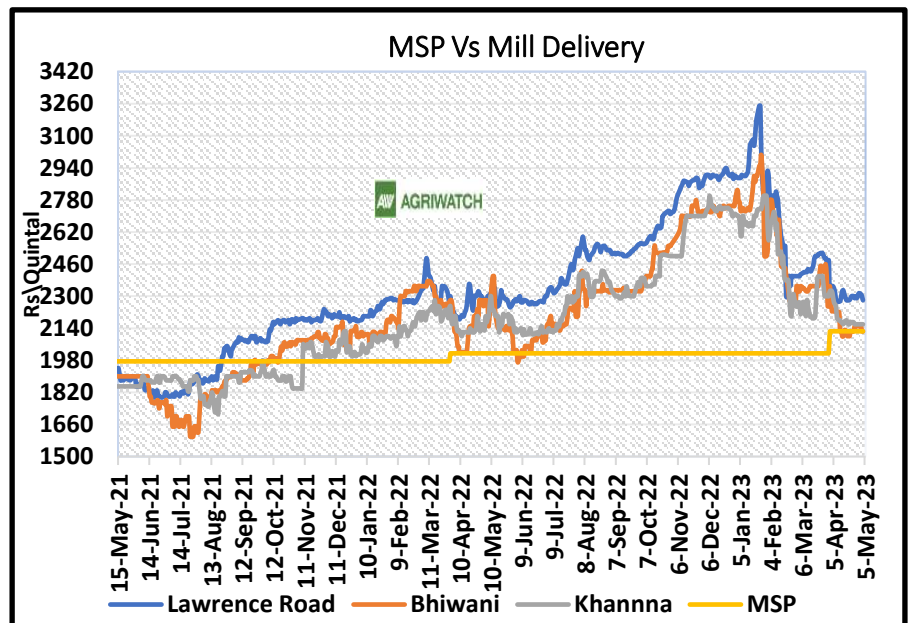
Month/Year	2019	2020	2021	2022	2023
<b>Jan</b>	153.9	160.7	143.3	155	195.5
<b>Feb</b>	155.4	158.6	143.8	155.6	190.9
<b>Mar</b>	154.4	158.7	144.1	160.6	182.1
<b>Apr</b>	151.1	156.3	145.6	163.3	
<b>May</b>	150.5	152.3	144.7	164.2	
<b>Jun</b>	151.2	149.2	143.7	163.2	
<b>Jul</b>	152.8	149.1	143.9	169.6	
<b>Aug</b>	155.3	147.9	146.9	175.6	
<b>Sep</b>	156.1	145.3	150.8	180.5	
<b>Oct</b>	157.3	142.6	153.1	182.4	
<b>Nov</b>	158.7	141.9	154.2	188.2	
<b>Dec</b>	159.1	141.7	154.3	191.5	

Monthly Price Comparison of Spot Markets:

Monthly Average Spot Prices at Various Market (Rs/Quintal)					
Month	Delhi	Indore	Kota	Rajkot	Chennai
22-Jan	2227.92	2115.83	2128.54	2094.58	2458.33
22-Feb	2278.75	2130.00	2145.00	2083.00	2445.00
22-Mar	2347.00	2200.00	2288.00	2328.89	2486.00
22-Apr	2254.62	2260.00	2308.08	2317.29	2508.00
22-May	2283.85	2247.86	2289.00	2300.00	2504.00
22-June	2272.88	2176.92	2172.16	2153.80	2450.00
22-July	2351.76	2250.00	2271.65	2289.96	2546.00
22-Aug	2509.00	2414.00	2334.04	2389.00	2702.10
22-Sep	2505.00	2389.42	2325.00	2340.16	2693.91
22-Oct	2603.00	2443.56	2371.10	2390.21	2744.47
22-Nov	2825.88	2687.63	2587.36	2567.00	2984.37
22-Dec	2900.07	2709.00	2641.07	2609.59	3106.06
23-Jan	3000.09	2800.11	2743.04	2700.28	3106.25
23-Feb	2624.16	2469.43	2549.69	2455.87	3100.00
23-Mar	2446.36	2198.24	2372.90	2293.02	2897.90
23-Apr	2288.63	2196.44	2257.00	2305.00	2560.86

MSP vs. Mill Delivery Prices:

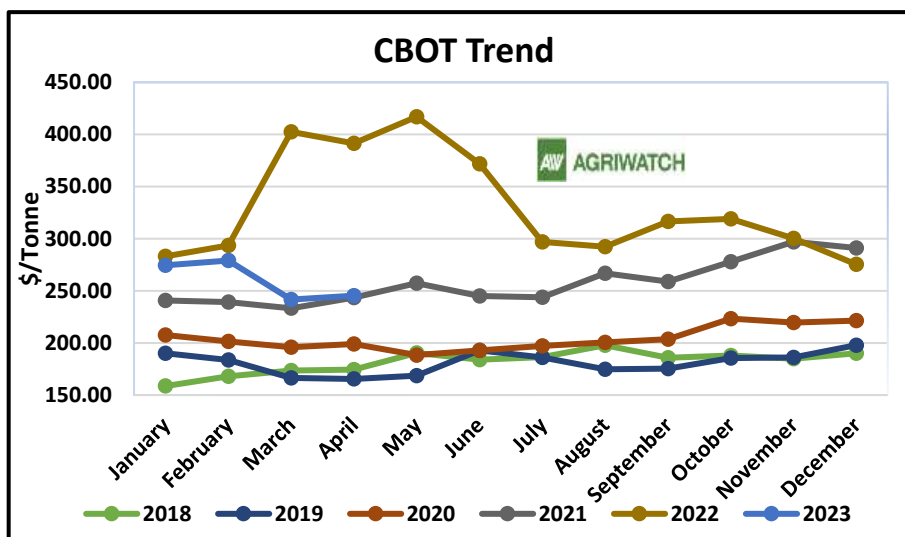
- Due to new crop arrivals prices were traded on lower side in Lawrence Road on the other hand in Khanna and Bhiwani procurement is going on high level which keep the prices in market near about MSP.





### CBOT Trend:

Uncertainty over grain corridor deal amid attack on Kremlin coupled with unfavourable weather conditions in Argentina keep CBOT prices on slightly higher side as compared to previous month.



### CBOT comparison over a period:

CBOT Futures Prices:(USD/T)							
CONTRACT MONTH	Current	Week Ago	Month Ago	3 Month Ago	6 Month Ago	Year Ago	% Change over prev. month
	4-Apr-23	27-Mar-23	6-Mar-23	2-Jan-23	3-Oct-22	4-Apr-22	
May-23	250.57	256.45	260.39	293.46	342.14	353.35	-3.77
Jul-23	255.25	260.67	263.33	295.02	334.70	331.95	-3.07
Sep-23	260.21	264.99	267.28	297.41	332.31	326.16	-2.65
Dec-23	266.92	271.23	273.16	301.36	332.13	-	-2.29
Mar-24	271.23	275.46	277.48	303.29	330.11	-	-2.25
May-24	272.43	276.56	278.67	302.74	-	-	-2.24
Jul-24	266.37	269.30	272.98	296.12	-	-	-2.42
Sept-24	267.01	269.40	-	-	-	-	-

### Monthly Price Comparison of Spot Markets

Spot Market Price:							
Centre	Market	Variety	Prices (Rs/Qtl)				
			Current	Yesterday	Week Ago	Month Ago	Year Ago
			4-Apr-23	3-Apr-23	28-Mar-23	4-Mar-23	5-Apr-22
Delhi	Lawrence Road	Mill Delivery	2350	2350	2490	2410	2200
	Narella	Mill Quality	2250	2250	2500	2400	2050
	Nazafgarh	Mill Quality	2100	2135	-	-	2050
Gujarat	Rajkot	Mill Delivery	2200	2200	Closed	2150	2250
	Ahmedabad	Mill Delivery	2325	2300	Closed	2350	2330
	Surat	Mill Delivery	2400	2350	Closed	2425	2400
	Dhrol	Mill Delivery	3120	2580	-	2410	2245
M.P.	Indore	Mill Delivery	2350	Closed	2300	2280	2250
	Bhopal	Mill Quality	2000	Closed	Closed	2150	2000
Rajasthan	Kota	Mill Quality	2050	Closed	2000	2250	2100
		Mill Delivery	2250	Closed	2200	2350	2250
	Kanpur	Mill Delivery	2150	2200	2350	2310	2125

<b>U.P.</b>	Mathura	Mill Quality	2100	2100	2300	2300	2020
	Kosi	Mill Quality	2110	2080	2200	2230	1985
	Hathras	Mill Quality	2250	2350	2600	2350	2000
	Aligarh	Mill Quality	2125	2125	2200	2250	2020
<b>Punjab</b>	Khanna	Mill Quality	2220	-	2200	2150	2120
	Ludhiana (Jagraon)	Mill Delivery	2150	2150	2150	2300	-
<b>Haryana</b>	Sirsa	Mill Delivery	2210	2210	2250	2150	2100
	Hodal	Mill Delivery	-	-	-	-	-
	Bhiwani	Mill Quality	2200	2200	2400	2300	2080
	Karnal	Mill Delivery	-	-	-	-	-
	Panipat	Mill Quality	2300	2250	2430	2350	-
<b>Tamil Nadu</b>	Chennai	Mill Quality	2550	Closed	2500	3100	2500
	Madurai	Mill Quality	2607	Closed	2650	3200	2700
	Coimbatore	Mill Quality	2607	closed	2700	3250	2750
<b>Bihar</b>	Khagariya	Mill Delivery	2200	2200	2300	Closed	2100
	Muzaffarpur	Mill Delivery	2100	2100	2225	2100	2050

*International Market Dynamics*

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- **As per data given by Agricultural Ministry, around 1 million hectares of spring grains in Ukraine** have already been sown as of 21<sup>st</sup> April 2023 as compared 1.53 million hectares in previous year. Out of which spring Wheat has been planted at 1.69 lakh hectares up as compared to 1.64 lakh hectares in previous year.
- **The USDA's crop progress report for the week ending on April 24th indicates that 18% of winter wheat crops was headed which was 10% compared to last year.** The report also shows that 56% of the crops are currently in good to fair condition, while 41% are in very poor to poor condition. As for spring wheat, 5% of planting has been completed so far this year, which is lower than the 12% completed during the same period last year.
- **As per data given by StatsCan Canadian wheat area is forecasted at 26.97 million hectares,** largest since 2001 while up by 6% as compared to previous year. While spring wheat area is forecast at 19.39 million hectares up by 8% as compared to previous year.
- **According to the latest WASDE report, the global wheat outlook for 2022-23 indicates increased supplies and higher consumption, but reduced trade and stocks.** The supply of wheat is expected to increase by 0.7 MMT, reaching 1061.1 MMT, mainly due to higher beginning stocks in Syria and increased production in Ethiopia. Consumption is also expected to rise by 2.9 MMT, reaching 796.10 MMT, driven by high food, residual, and feed use in India and increased feed and residual use in China and the EU.
- **However, exports are expected to decrease by 1.2 MMT, totalling 212.70 MMT, due to lower exports** from the EU, Argentina, and Brazil. Meanwhile, higher exports are anticipated from Russia and Ukraine. China is expected to be the largest importer of wheat in 2022/23, with an import of 12 MMT, particularly from Australia. The ending stocks are projected to be lower by 2 MMT, totalling 265.10 MMT globally, the lowest since 2015/16.
- **Wheat planting has a good start in Australia with better-than-expected rains which** improve soil moisture. Rains in NSW and Victoria states during last two weeks have boosted the soil moisture and likely to be there till May.

- **As per recent update by USDA during the week ended 6/4/23 around 3,35,444 MT Wheat** had been exported so far which is up from 1,68,000 MT in previous week.
- **According to the data provided by Ukraine's Agricultural Ministry, the amount of grain exports** in March has increased significantly compared to the previous year, with a total of 5.3 million metric tonnes (MMT) exported. The cumulative grain exports for the 2022-23 season currently stand at 37.60 MMT, which is lower than the previous year's export figure of 44.90 MMT. Of the total exports, 12.9 MMT was wheat, 22.20 MMT was maize, and 2.30 MMT was barley.
- **According to the latest update from USDA, the proportion of US wheat rated as being in good to excellent condition** is currently at 28%, a decrease from 30% compared to the previous year. The state of Kansas, which is the largest producer of winter wheat, had a rating of only 16%, which is lower than the 32% rating reported in the previous year.
- **According to data from the European Commission, export of soft wheat from the European Union** increased by 6% to 24.20 million metric tonnes (MMT) during the same period in the previous year. The data indicates that France was the leading exporter of wheat, followed by Romania and Germany.

*Global Wheat Average FOB:*

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Global Indicative FoB Quotes								
Month	US SRW2 (USD/MT)	US HRW2 (USD/MT)	Argentina API (USD/MT)	Ukraine 12.5% (USD/MT)	Russia 12.5% (USD/MT)	Australia ASW1 (AUD/MT)	India FOB (USD/MT)	France Grade1 (USD/MT)
<b>Apr-22</b>	433.63	501.33	411.00	385.00	386.67	396.00	316.64	433.33
<b>May-22</b>	440.99	521.41	467.00	-	390.00	401.41	309.75	439.91
<b>June-22</b>	379.89	459.59	479.95	-	423.33	413.44	288.15	408.41
<b>Jul-22</b>	310.87	382.86	425.00	-	365.00	383.00	298.49	355.43
<b>Aug-22</b>	315.50	383.13	407.83	-	333.00	356.74	311.54	340.83
<b>Sep-22</b>	344.45	419.14	402.73	-	320.00	338.50	305.25	337.91
<b>Oct-22</b>	351	438.95	422.43	-	326.25	351.97	307.53	343.95
<b>Nov-22</b>	336.21	422.68	414.68	292.00	317.00	351.86	328.92	339.73
<b>Dec-22</b>	315.85	387.27	394.76	279.80	313.00	335.26	332.88	331.55
<b>Jan-23</b>	313.57	380.36	375.00	276.00	307.00	325.18	346.02	323.77
<b>Feb-23</b>	311.89	394.75	363.75	276.37	303.67	323.55	302.82	318.40
<b>Mar-23</b>	284.19	369.7	349.17	270.04	287	303	283.31	291.22
<b>Apr-23</b>	277.31	377.00	344.95	261.50	277.50	294.30	289.00	279.65

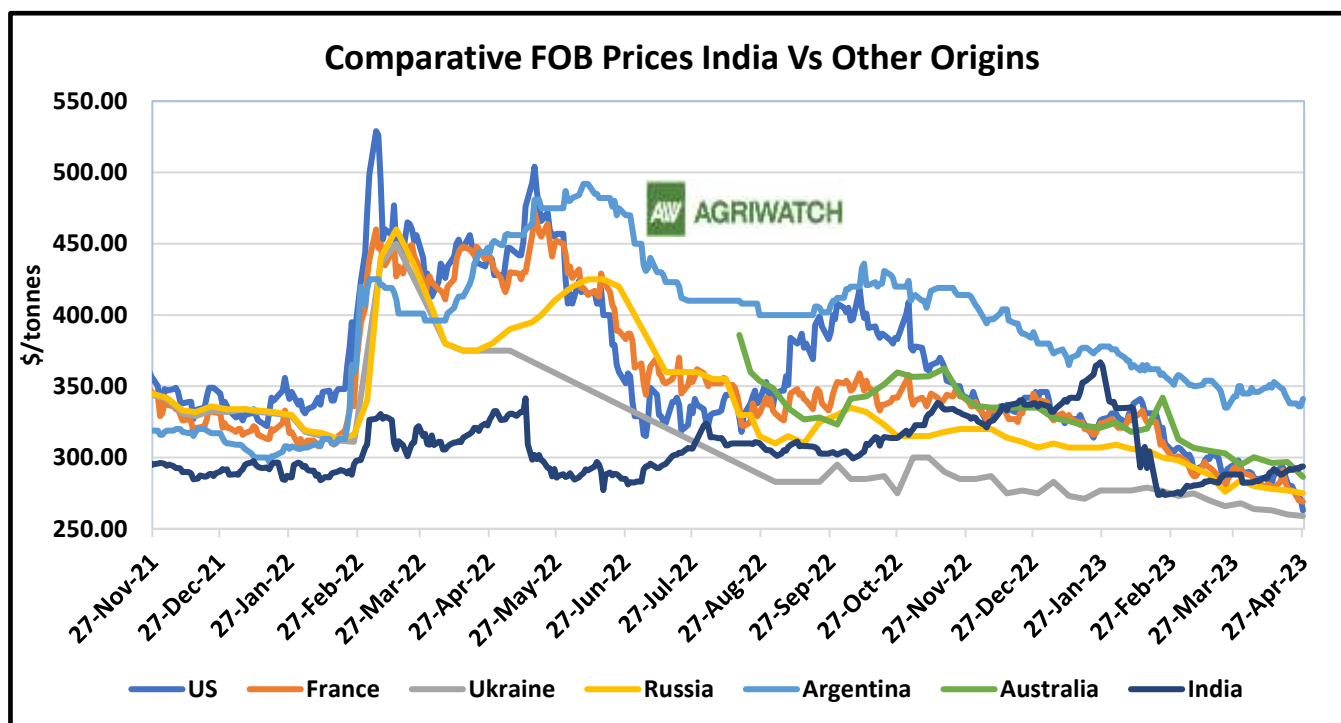
**IGC Balance Sheet Highlight:**

IGC Forecast (Fig-In MMT)	2020-21	2021-22 est.	2022-23 F'cast	2023-24 Projected	
				16.03.23	16.03.23
<b>Production</b>	774	781	803	787	787
<b>Trade</b>	190	197	198	195	195
<b>Consumptions</b>	771	784	793	794	794
<b>Carryover stocks</b>	279	274	284	279	279
<b>Y-O-Y change</b>	2	-3	10	-7	-7
<b>Major Export</b>	58	60	69	58	58

Source: IGC

- IGC has up the forecasted 2022-23 global wheat production at 803 MMT.
- The trade forecast for 2022-23 is 198 MMT in line with increased production numbers.
- Consumption declines as compared to previous estimate of 783 MMT.
- Carryout for 2022-23 is forecasted at 284 MMT down by 2 MMT as compared to previous estimate.
- While for 2023-24 IGC has projected production at around 787 MMT which is on same pace as in previous estimate.
- Trade is projected around 193 MMT down as compared to previous estimate.

**Global Indicative FOB Quotes:**



In all the respective countries export prices were on down side during month under review expect for India. Drought conditions in Argentina were getting worse which affect the quality of crop and prices were down by 2.57% as compared to previous month. While good supply side from France and US keep export prices on down side in respective countries by 7.88% and 10.24% respectively. In case of

Australia good moisture for sowing of next crop led to good production which keep export prices on down side.

[USDA Balance Sheet](#)

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USDA Global Wheat Balance Sheet: 2022-23 Fig. (In Thousand Tonne)						
Country	Opening Stock 2022-23	Production 2022-23	Domestic Consumption 2022-23	Import 2022-23	Export 2022-23	Ending Stock 2022-23
Argentina	1,926	12,550	6,450	5	5,500	2,531
Australia	3,434	39,000	8,500	200	28,500	5,634
Canada	3,663	33,824	9,550	600	25,000	3,537
China	136,759	137,723	146,000	12,000	900	139,582
EU	13,323	134,341	111,000	10,500	35,000	12,164
India	19,500	104,000	107,750	100	5,350	10,500
Pakistan	4,530	26,400	29,200	2,600	600	3,730
Russia	11,088	92,000	44,000	300	45,000	14,388
Ukraine	5,765	21,000	9,000	75	14,500	3,340
U S	19,008	44,902	29,937	3,402	21,092	16,283
Others	53,098	143,276	288,261	176,520	31,269	53,364
<b>World total</b>	<b>272,094</b>	<b>789,016</b>	<b>789,648</b>	<b>206,302</b>	<b>212,711</b>	<b>265,053</b>

Source: USDA

[Technical Analysis \(Domestic market\)](#)

## Wheat-Technical Outlook: Kanpur Market Prices

### Technical Chart:



### Technical Commentary:

- Wheat Kanpur prices down from previous month and make high at 2283, low at 2175 and closes at 2220.

- Market is currently trading below 9, 18 DMA and taking support from 50, 100 DMA.
- 2166 is near term support and 2400 would be resistance.

## Technical Analysis (International market)

### CBOT Futures May-23 Chart:

#### Technical Chart:



**1<sup>st</sup> Support: 655**

**2<sup>nd</sup> Support: 605**

**1<sup>st</sup> Resistance: 950**

**2<sup>nd</sup> Resistance: 800 (\$ per tonne)**

#### Technical Commentary:

During the month under review, market was down by 8.45% to 633.75, and tests its low at 624.25, high at 710.12. As depicted from above chart, market is trading below 9, 18, while getting support from 50 and 100 DMA indicating weak sentiments. RSI is at 39.83 indicating weak buying strength and MACD indicating weak momentum in the near term. We expect in coming month prices to trade up with firm bias to continue.

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