Wheat Weekly Research Report

Table of Contents

Wheat Domestic Market Fundamentals

(*Back to Table of Contents*)

All India's weekly average prices decreased by 0.60 percent to Rs. 1871.86 per quintal during the week ended 15th Dec 2020. Wheat average prices were ruling at Rs 2201.76 per quintal during 09st - 15th Dec 2019. The wheat prices are unlikely to drop much further because the PMGKY has been discontinued. .

As per latest update, area sown to wheat, has increased marginally by 2.46% to 254.73 lakh hectares so far in the ongoing 2020-21 rabi season from 248.44 lakh hectares in the year-ago period. The overall trend of rabi sowing progress is excellent with increased area coverage recorded.

According to traders, Prices of Wheat in the Indore were steady as both demand and arrivals fell. Arrivals were pegged at 5,000 bags (1 bag = 100 kg) from 7,000 bags on Monday, In Jaipur, too, prices were unchanged due to subdued supply and a decline in demand from bulk buyers. Arrivals were pegged lower at 1,500 bags against 1,700 bags on Monday. However, the outlook is bullish as retail demand from end consumers is likely to pick up as the government's scheme to provide free food grain to beneficiaries of the public distribution system ended in November.

The government has asked the three key wheat-procuring states to create 8 MMT temporary 'covered, and plinth' storage, one of the officials said. Punjab has been asked to add 4.0 million tonnes of space, while Haryana and Uttar Pradesh will add 3.0 million tonnes and 1.0 million tonnes, respectively.

The government has sold 3390 tonnes of wheat in OMSS through E-Auctions in the First week of December '20. No rakes were sold. State Government bought 9250 tonnes of wheat, and there's no purchase by bulk consumers respectively.

Indian FoB quote is hovering around $236.04 per tonnes while Russia, Ukraine, France, US and Australia are offering wheat at $255.05, $254.40, Euro 88.29, $261.90 and $253.28 per tonnes respectively. India has exported around 5.6 lakh tonnes of wheat this year and it is expecting that it will export around 7-8 lakh tonnes in the coming weeks as Indian traders have already signed two deals with Bangladesh in which they will export 200,000 tonnes of wheat.

Outlook & Recommendation: *Wheat cash market is expected to trade steady to firm in the coming week.*

Trade Call: *Stakeholders should trade in September contract taking care of lower and upper price tag of Rs. 1773 respectively.*

Wheat Weekly Export

(Back to Table of Contents)

A week on week Exports	Quantity in MT	Average FoB ($/T)
01-07 Oct-2020	36679.36	317.84
08-14 Oct-2020	40993.25	276.59
15-21 Oct-2020	56507.35	298.78
22-31 Oct-2020	13935.09	155.77
Total	**148313.08**	**262.24**

Source: Trade

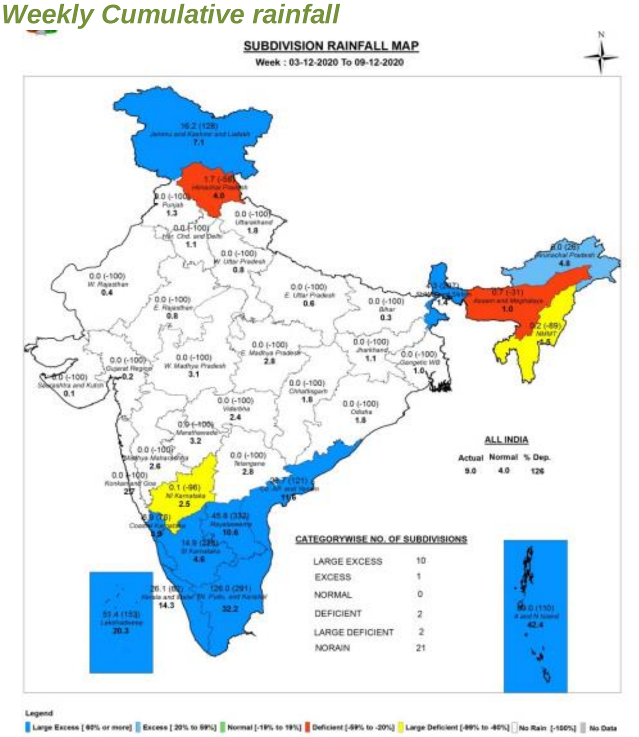
Wheat Import

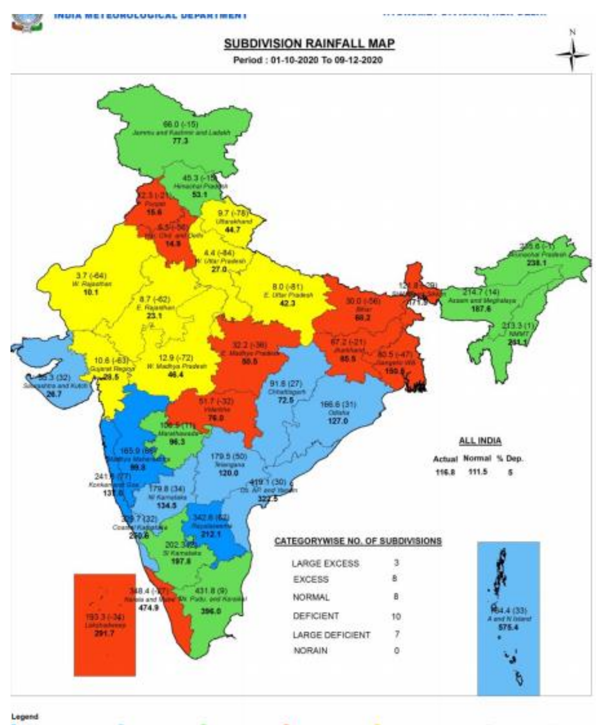
Date	Origin	Port	Quantity in MT
Oct-2020	Australia, UK	Tuticorin	4.0
	Mexico		2.3
	Total		6.38

Source: Traders

Monsoon

Weekly Cumulative rainfall



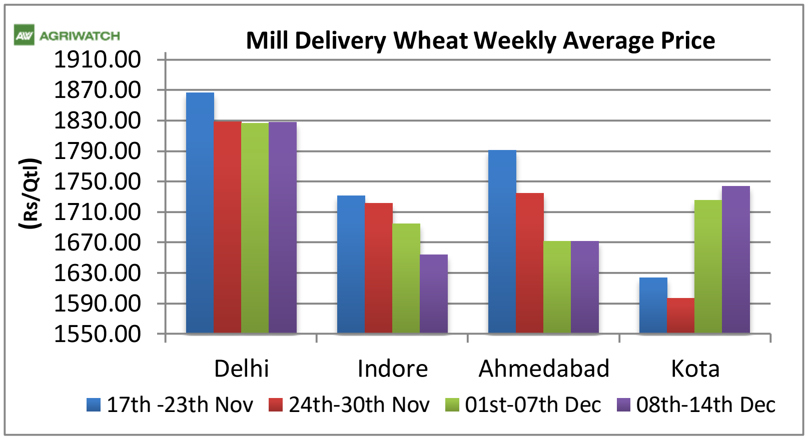


Source: IMD

Wheat Weekly Average Price Chart

(Back to Table of Contents)

Wheat's average mill delivery prices remained high in all states except Indore, in the week ending 14th Dec 2020 compared to previous week. Markets had shown steady movement in prices last week and are likely to trade steady to firm in upcoming weeks. The extension of the free wheat scheme has come to end on November 30, within the next week, the arrival of free wheat will reduce in the mandis, and demand from mills is expected to improve further. In such a situation, the current price of wheat is expected to rise.



Wheat and Rice Stocking Norms

Wheat Stock Norms						
Fig. In Lakh Tonne	**Operational Stock**			**Strategic Reserve**		
As on	**Rice**	**Wheat**	**Total**	**Rice**	**Wheat**	**Grand Total**
1st April	115.80	44.60	160.40	20.00	30.00	210.40
1st July	115.40	245.80	361.20	20.00	30.00	411.20
1st October	82.50	175.20	257.70	20.00	30.00	307.70
1st January	56.10	108.00	164.10	20.00	30.00	214.10
Buffer Norms w.e.f. 01.07.2017						

Final Procurement RMS 2019-20

State/UTs	**Procurement as of Oct-2020 (Figures in LMT)**		
	FCI (A)	**State Agency (B)**	**Total (A+B)**
Punjab	14.20	112.94	127.14
Haryana	6.69	67.31	74.00
Uttar Pradesh	1.34	34.43	35.77
Madhya Pradesh	0.00	129.42	129.42
Bihar	0.00	0.05	0.05
Rajasthan	16.29	5.96	22.25
Others	0.14	1.15	0.91
All-India	**38.66**	**351.26**	**389.92**

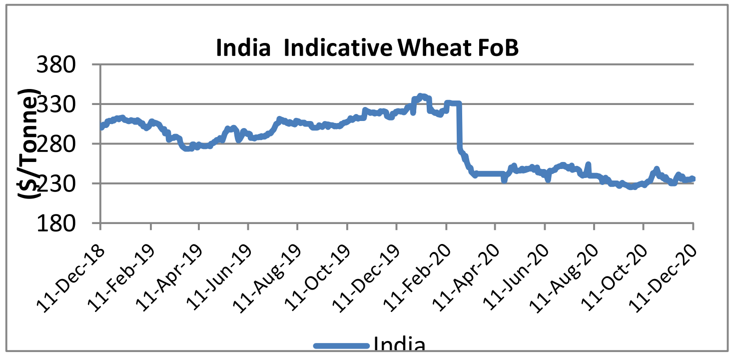
Wheat Weekly Research Report
14th Dec-2020

FOB Quote for Wheat at Kandla

(Back to Table of Contents)

The wheat FoB quote in India noticed a steady tone in the past week. The overall condition for Indian wheat export remains favorable, and exports continue from India. .

Wheat FoB quotes for Kandla are likely to witness steady to firm tone in the coming weeks and likely to hover in the range of $230-$250 per tonne. Furthermore, Indian traders have signed two deals to export around 200,000 tonnes of wheat to Bangladesh. The traders are likely to export wheat at $250-$260 per ton, free on board, under the two deals in coming weeks. Exporters believe more shipments will go to Bangladesh in this financial year as prices have weakened past few months



Indicative FOB Quotes:

Wheat FOB	Variety	Today	Week Ago	Month Ago	Year Ago	% Change over Prev. Year
		11-Dec-20	4-Dec-20	12-Nov-20	12-Dec-19	
USA (Chicago)	2srw	261.00	0.00	0.00	239.60	8.93
France	FCW3	256.29	250.26	250.14	203.02	26.24
Australia	ASW	225.00	218.30	233.28	224.45	0.25
Russia	SRW	255.00	255.00	256.00	207.50	22.89
India	Fob	236.00	235.32	233.15	321.12	-26.51

International Weekly Outlook:

Despite strong global demand, wheat prices fell slightly in most major exporting countries since last month's WASDE due to larger supply projections. Australia's production forecast was revised further upwards by ABARES following news of an improving harvest, Canada edged up it's 2020 production estimate and an expected rebound in France's 2021 wheat crop harvest all weighed on prices. Furthermore, news of Russia possibly raising it's yet to be announced grain export quota for the spring contributed to dampening global prices. Argentine prices, meanwhile, continued trending upwards following further estimates of lower 2020/21 production due to drought.

	11/12/2020	27/11/2020	20/11/2020	16/11/2020
Black Sea Mill Wheat 12.5% FOB Pmax. ($/T)	252.5	252.5	252.5	253
Black Sea Mill Wheat 11.5% FOB Pmax. ($/T)	252.5	252.5	251.5	253.5

NCDEX Wheat Contracts

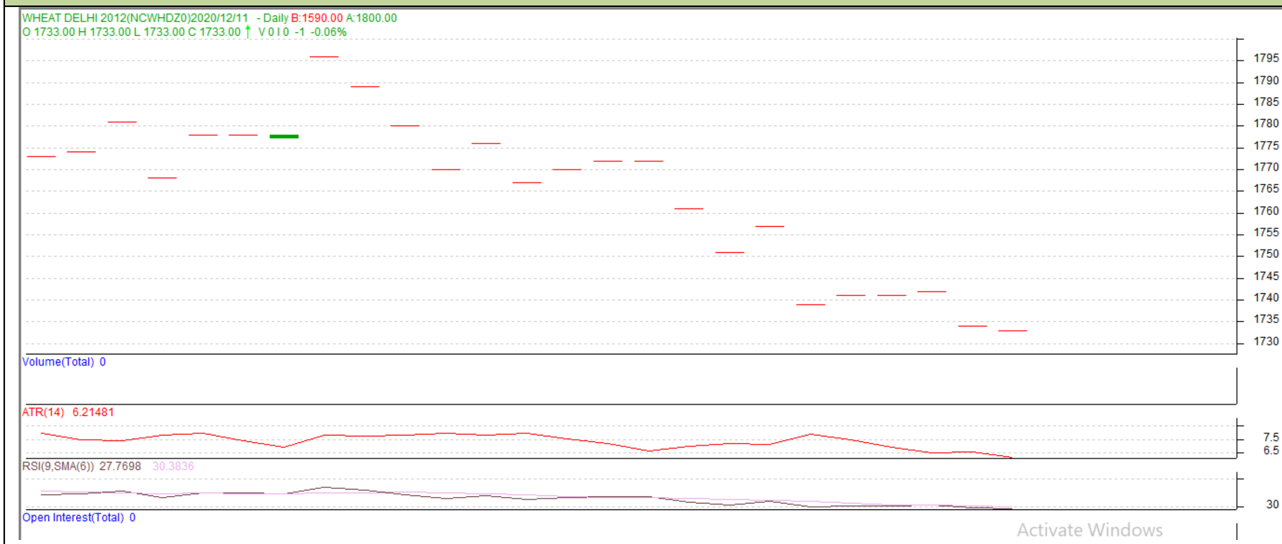
Wheat Futures Contact: NCDEX Price — **Date: 14.12 .2020**

Contract Month	+/-	Open	High	Low	Close	Volume	Change From previous day	Open Interest	Change From previous day
20-Dec		-	-	-	1734				
21-Jan		-	-	-	2249				
21-Feb		-	-	-	2206				

Wheat Technical Analysis:

(*Back to Table of Contents*)

Wheat- Technical outlook	**Contract Expiry: 20th December, 2019**



Technical Commentary:

- Increase in price denotes wait interest in the market.
- RSI is increasing in neutral region.
- Prices closed below 9 and 18 Day EMAs.

Strategy: Stay away.

Intraday Supports & Resistances			**S1**	**S2**	**PCP**	**R1**	**R2**
Wheat	NCDEX	Dec	-	-	-	-	-
Pre-Market Intraday Trade Call*			**Call**	**Entry**	**T1**	**T2**	**SL**
Wheat	NCDEX	Dec	WAIT	1733	-	-	-

*Do not carry forward the position until the next day.

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

Spot Price at NCDEX Delivery Centers:

Spot prices of wheat at NCDEX Delivery centers					
NCDEX SPOT	**Today**	**Week Ago**	**Month Ago**	**Year Ago**	**% Change over prev. Year**
	11-Dec-20	**4-Dec-20**	**10-Nov-20**	**12-Dec-19**	
Indore	1673	1657	1705	2200	**-23.95**
Bareilly	NA	0	0	0	-
Delhi	1827	1804	1855	2250	**-18.80**
Khanna	NA	0	0	0	-
Kanpur	1580	1625	1700	2075	**-23.86**
Karnal	NA	0	0	0	-
Rajkot	1705	1804	1766	2180	**-21.79**
Kota	1739	1740	1766	2141	**-18.78**

Domestic Market Weekly Outlook: (***Back to Table of Contents***)

The wheat market is expected to show a steady–bound to firm tone as the free distribution of wheat scheme is now ended in November. Availability in the domestic market is sufficient to meet emerging domestic demand.

Spot Market Price:							
Centre	Market	Variety	Prices (Rs/Qtl)				
			Today	Yesterday	Week Ago	Month Ago	Year Ago
			12-Dec-20	11-Dec-20	5-Dec-20	13-Nov-20	13-Dec-19
Delhi	Lawrence Road	Mill Delivery	1835	1835	1820	1875	2260
	Narella	Mill Quality Loose	1680	1690	1710	1760	2200
	Nazafgarh	Mill Quality Loose	1660	1670	1700	1680	2150
Gujarat	Rajkot	Mill Delivery	1660	1650	1675	Closed	2210
	Ahmedabad	Mill Delivery	1740	1725	1750	Closed	2250
	Surat	Mill Delivery	1780	1775	1800	Closed	2330
	Dhrol	Mill Delivery	1590	1680	1560	0	2380
M.P.	Indore	Mill Delivery	1640	1630	1730	Closed	2250
	Bhopal	Mill Quality Loose	1500	1480	1600	Closed	2125
Rajasthan	Kota	Mill Quality Loose	1600	1625	Closed	Closed	2000
		Mill Delivery	1725	1745	Closed	Closed	2130
U.P.	Kanpur	Mill Delivery	1630	1630	1640	Closed	2080
	Mathura	Mill Quality Loose	1620	1635	1600	1640	2050
	Kosi	Mill Quality Loose	1600	1640	1600	1700	2060
	Hathras	Mill Quality Loose	1600	1580	1580	1620	NA
	Aligarh	Mill Quality Loose	1580	1600	1590	1625	2000
Punjab	Khanna	Mill Quality Loose	1650	1650	1620	Closed	2020
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	0	Closed	0
Haryana	Sirsa	Mill Delivery loose	1740	1740	1750	1750	2140
	Hodal	Mill Delivery	NA	NA	0	0	0
	Bhiwani	Mill Quality Loose	1740	1720	1720	1700	2200
	Karnal	Mill Delivery	NA	NA	0	0	0
	Panipat	Mill Quality Loose	NA	NA	0	0	0
Tamil Nadu	Chennai	Mill Quality	2000	2000	Closed	Closed	2450
	Madurai	Mill Quality	2057	2200	Closed	Closed	2550

	Coimbatore	Mill Quality	2057	2250	Closed	Closed	2600
Bihar	Khagariya	Mill Delivery	1900	1900	1900	Closed	2200
	Muzaffarpur	Mill Delivery	1700	1725	1650	1700	2000

Current Sowing Status 2020-21:

(Back to Table of Contents)

State Wise Wheat Sowing in Lakh Hectares

State	Normal area (2020)	2018	2019	2020	2021	% Change 2021 vs. 2020
Bihar	20.96	23.27	22.87	22.71	10.06	-55.70
Chhattisgarh	1.05	1.85	1.68	1.82	0.73	-59.89
Gujarat	10.92	10.76	8.07	13.95	9.1	-34.77
Haryana	25.35	25.26	25.16	24.9	22.04	-11.49
Himachal Pradesh	3.39	3.6	3.5	3.4	3.4	0.00
J&K	2.96	2.93	2.44	2.21	1.63	-26.24
Jharkhand	1.76	2.31	1.87	2.12	1.13	-46.70
Karnataka	1.88	2.09	1.5	1.97	1.37	-30.46
Madhya Pradesh	57.27	53.16	60	79.68	64.97	-18.46
Maharashtra	10.74	9.4	5.69	10.71	4.81	-55.09
Punjab	35.06	35.1	35.02	35.08	33.3	-5.07
Rajasthan	29.75	30.2	28.25	33.15	25.05	-24.43
Uttar Pradesh	97.48	98.67	99.13	99.05	73.46	-25.84
Uttarakhand	3.42	3.58	3.45	3.48	2.86	-17.82
West Bengal	2.89	1.36	1.05	1.76	0.52	-70.45
Others	NA.20	NA.75	NA.23	NA.11	0.24	#VALUE!
All-India	**305.58**	**304.29**	**299.68**	**336.18**	**254.73**	**-24.23**

Source: Ministry of Agriculture
As on 10-12-2020

International Market Update: ***(Back to Table of Contents)***

USDA *This week's commercial sales of 616,000 metric tons (MT) for delivery in 2020/21 were up 38% from last week's 446,000 MT and well above trade expectations of 200,000 MT to 550,000 MT. Year-to-date commercial sales now total 19.1 million metric tons (MMT), 13% ahead of last year's pace.*

USDA forecasts total global wheat consumption in 2020/21 will jump to a record 758 MMT, 1% more than last year and 4% more th an 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.

CBOT March soft red winter (SRW) futures gained 39 cents to end at $6.14/bu. KCBT March hard red winter (HRW) futures added 38 cents to close at $5.18/bu.

China *USDA forecasts China will import 13.0 MMT of corn from all suppliers in 2020/21, nearly double last month's estimate of 7.0 MMT and last year's volume of 7.60 MMT. Increased corn exports to China could continue to limit U.S. export elevation capacity for all agricultural commodities out of the PNW and Gulf.*

Ukraine *Ukraine has said its winter wheat sowing area is likely to fall 9% to 6.1 million hectares in 2020/21 season from around 6.7 million hectares last year due to poor weather conditions. Weather forecasters in September called the weather conditions the worst in 10 years and said only 10% to 15% of Ukraine's arable land was suitable for sowing winter crops for the 2021 harvest due to a severe drought.*

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.*

Russia *According to Reuters, the Russian government is considering imposing a grain export quota and wheat export tax for February to June 2021 deliveries following President Vladimir Putin's public criticism of rising domestic food prices. "We must take concrete measures to effectively stabilize the prices of products that are important for people – in line with the instructions of the head of state," said Prime Minister Mikhail Mishustin on Dec. 10.*

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 *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.*

Europe *As of Nov. 16, European Union (EU) and United Kingdom soft (non-durum) wheat exports total 8.50 MMT, down 22% on the year due to reduced production.*

The U.S. Dollar Index fell from last week's 91.79 to close at 90.71.

IGC Wheat Balance Sheet:

(Back to Table of Contents)

IGC Forecast (Fig-In MMT)	2017-18	2018-19	2019-20 est.	2019-20 (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 has estimated global wheat production at 765 MMT for 2019-20, 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 2019-20 has increased to 186 MMT. It is 17 MMT higher compared to the estimate for last year and higher by 10 MMT compared to 2017-18.*
- *Consumption has been increased to 752 MMT for 2019-20. The forecast is higher by 13 MMT compared to 2018-19.*
- *Carryout for 2019-20 is forecast at 292 MMT compared to an estimate of 265 MMT last year. It is higher by around 27 MMT compared to 2016-17.*

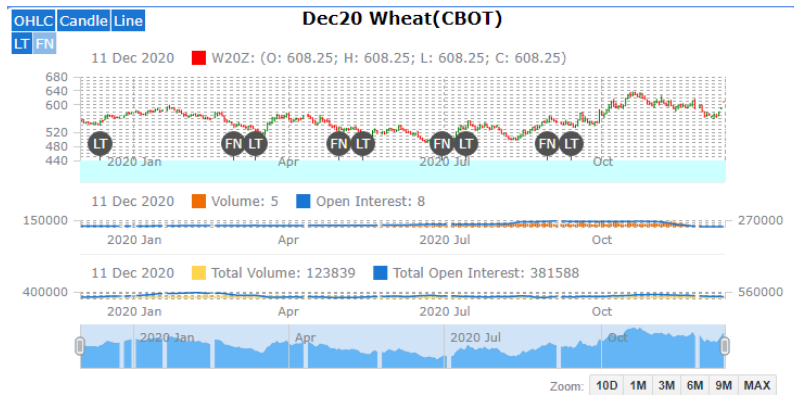
CBOT FUTURES CONTRACT:

CBOT Futures Prices:(USD/T)							
CONTRACT MONTH	**Today**	**Week Ago**	**Month Ago**	**3 Month Ago**	**6 Month Ago**	**Year Ago**	**% Change over prev. year**
	11-Dec-20	**4-Dec-20**	**11-Nov-20**	**4-Sep-20**	**12-Jun-20**	**12-Dec-19**	
Dec-20	223.47	208.13	180.39	198.30	0.00	195.82	**14.12**
Mar-21	225.77	211.44	183.61	0.00	184.43	196.93	**14.65**
May-21	225.58	212.63	186.36	198.30	186.55	199.13	**13.28**
Jul-21	223.20	212.91	188.38	202.16	189.85	193.16	**15.55**
Sep-21	223.93	214.47	189.95	205.28	193.34	196.65	**13.87**
Dec-22	226.13	214.47	192.52	205.28	212.45	198.86	**13.72**

CBOT Dec-20

(Back to Table of Contents)

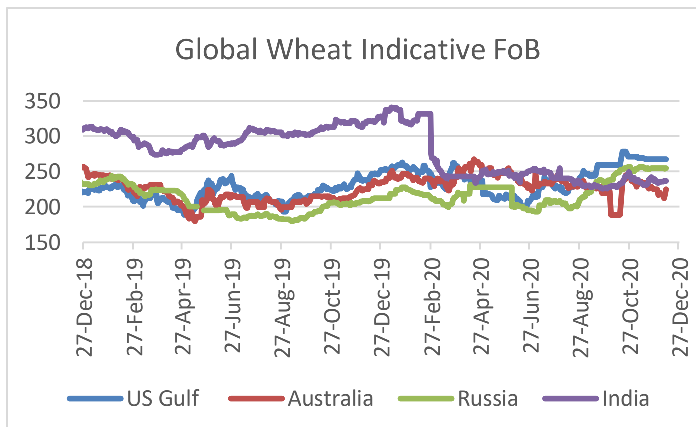
1st Support: 569.42
2nd Support: 560.83
1st Resistance: 582.67
2nd Resistance: 587.33
($ per tonne)



Increasing demand in major consuming countries and imposed limits by exporting countries may keep wheat prices firm in the coming weeks. The chart indicates that the uptrend could continue for a few weeks. Apart from this, continued dry conditions have impacted yield in major exporting countries like Russia, Australia, and Argentina. It remains supportive of the global wheat market in the near term.

International FOB Weekly Price Movement

Indian FoB quote is based on local prices. Indian FoB quote is being quoted at $236.41 per tonne. US and Russian quotes are hovering in the range of $265.20 and $255.84 per tonne. The overall condition for Indian wheat export is now favorable, and export opportunity is here as parity comes in favor of India now.



Agriwatch estimates that India will export around 6 lakh tonnes of wheat this year.

Wheat is expected to trade steady to firm and hovers $230 to $250 per tonne in the coming week.

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. 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 hereof 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 © 2020 Indian Agribusiness Systems Ltd.**