

Wheat Weekly Research Report

Table of Contents

- ❖ **Review and Outlook**
- ❖ **Export/Import**
- ❖ **Weather**
- ❖ **Weekly Price Change**
- ❖ **Stocking Norms**
- ❖ **FOB Quotes**
- ❖ **NCDEX Wheat Contracts**
- ❖ **Wheat Technical Analysis**
- ❖ **Spot Price at NCDEX Delivery Centers**
- ❖ **Domestic Outlook and Spot Prices**
- ❖ **Progressive Sowing**
- ❖ **International Wheat Market**
- ❖ **IGC**
- ❖ **CBOT Future Contract**
- ❖ **CBOT Trend**
- ❖ **International FOB Trend**
- ❖ **International Weekly Outlook**

Wheat Domestic Market Fundamentals**(Back to Table of Contents)**

All India's weekly average prices increased by 1.92 percent to Rs. 2003.65 per quintal during the week ended 23rd Mar 2021. Wheat average prices were ruling at Rs 2055.39 per quintal during 16th–22nd Mar 2020. Due to upcoming demands from Multinational private companies, Wedding season and crop damage by unseasonal rains It is unlikely that any slowdown in the wheat market and prices will increase for a longer period.

The arrival of Wheat has increased in Indore, Ujjain, and Bhopal Mandis of Madhya Pradesh. Presently, Wheat is being sold up to an average of 7000 quintals per day, while farmers are also getting better prices. The arrival of new Wheat has started in Mandi for the last 20 days. Other varieties of Wheat, including Sharbati, Lokvan, are also coming on sale. Due to this, the figure has reached beyond seven thousand quintals

As per the ministry's data, wheat crop has been harvested in 64.96 lakh hectares, 21 per cent of the estimated total cultivated area of 315.77 lakh hectares during the rabi season of the 2020-21 crop year (July-June).

Because of the Covid-19 spike in the state, the Punjab government will kick-start the wheat procurement operations from April 10. The decision to delay the procurement was taken at a Covid review meeting, the department needed more time to make arrangements to ensure safe procurement amid the surge in Covid cases. While Haryana to start wheat procurement from April 1.

FCI has made the following changes in wheat procurement policy. The moisture content decreased from 14% to 12%, foreign matter content has decreased from 0.75% to 0.50% and damage wheat content decreased from 4% to 2%. So that wheat can be exported.

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.

Haryana state government will start the procurement of wheat from April 1. If a transporter does not lift the crop from the market in 48 hours, then a fine will be imposed on him.

As per sources, the Agriculture Department Rain, coupled with hailstorms and strong winds that lashed the Haryana, Punjab, and Rajasthan on Tuesday night, caused damage to Wheat's standing crop. It will also disturb the harvesting in Madhya Pradesh and will lower the quality of Wheat. Due to which price me slight increase from the current level.

As per trade sources, India has exported around 4 lakh tonnes Wheat in the month of January-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

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

Trade Call: Stakeholders should trade in January contract taking care of lower and upper price tag of Rs. 1823 respectively.

Weather Outlook: Clouds started becoming active after late evening yesterday, raining over West and North Rajasthan parts in the night. Now early morning Clouds also affect parts of Haryana, Punjab, and East Rajasthan, lightning even to Central and East Haryana, East Punjab. Rains have started, clouds are now continuously forming in these areas.

Wheat Weekly Export

(Back to Table of Contents)

A week-on-week Exports	Quantity in MT	Average FoB (\$/T)
01-07 Jan-2021	2080478.10	227.49
08-14 Jan-2021	33929.50	235.12
15-21 Jan-2021	4105470.19	251.16
22-31 Jan-2021	3519064.45	254.71
Total	400089	236.06

Source: Trade

Wheat Import

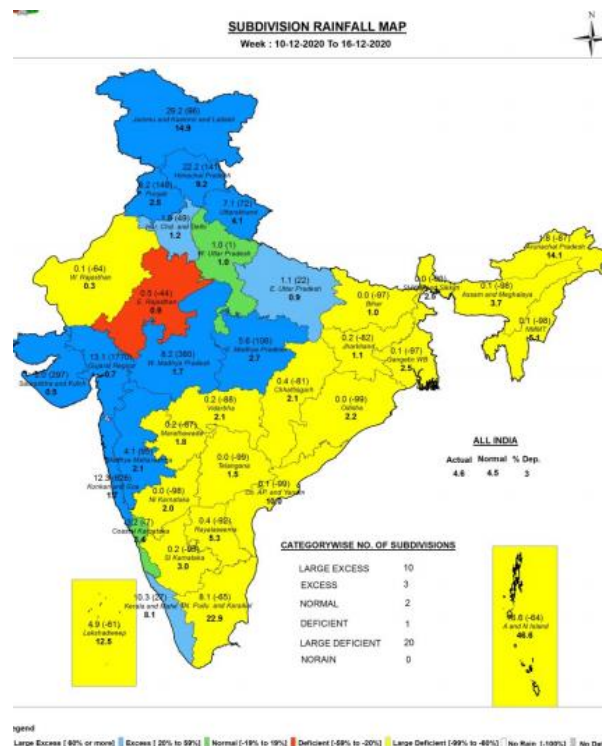
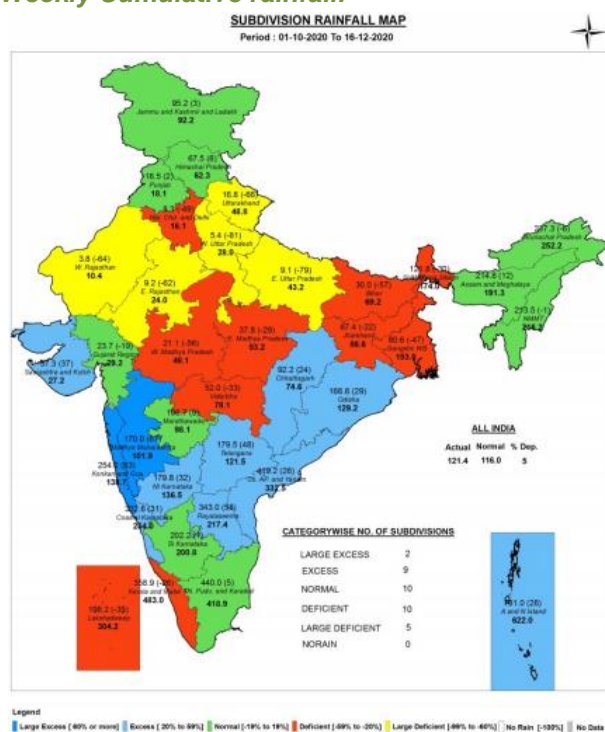
Date	Origin	Port	Quantity in MT
Oct-2020	Australia, UK	Tuticorin	4.0
	Mexico		2.3
	Total		6.38

Source: Traders

No Import in the month of Dec.

Monsoon

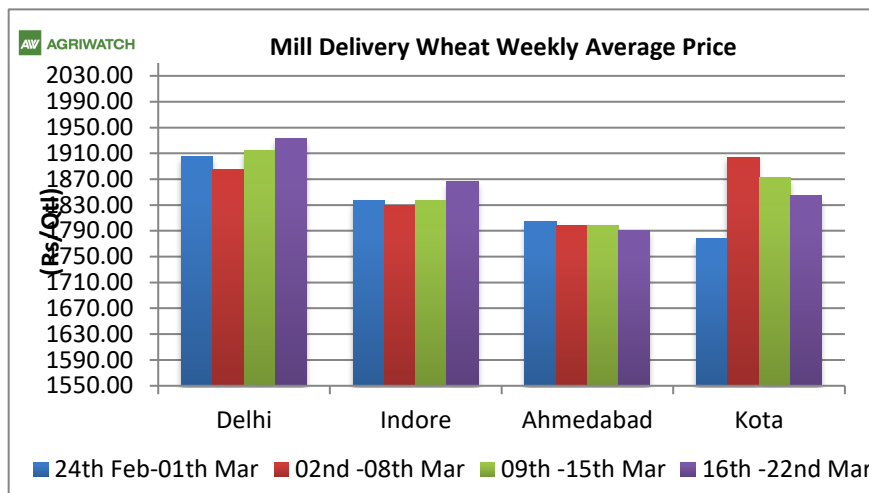
Weekly Cumulative rainfall:



Source: IMD

Wheat Weekly Average Price Chart
[\(Back to Table of Contents\)](#)

Wheat's average mill delivery prices remained high in Delhi, Indore and Ahmedabad except kota, in the week ending during 16th – 22nd Mar 2021. Markets had shown firm movement in prices last week due to loss by rain. Wheat is likely to trade slightly firm in upcoming weeks. The weather conditions in northern India are likely to have a pronounced influence on wheat prices. In case there is significant damage to the crop from untoward weather conditions, the prices may rise from the current level.


Wheat and Rice Stocking Norms

<u>Wheat Stock Norms</u>						
Fig. In Lakh Tonne	Operational Stock			Strategic Reserve		
	Rice	Wheat	Total	Rice	Wheat	Grand Total
As on						
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						

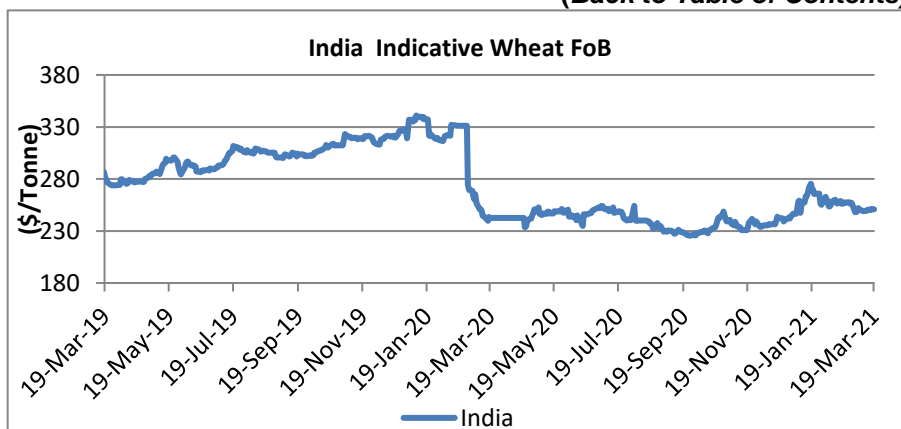
Final Procurement RMS 2019-20

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

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 due to widespread demand from neighboring countries. 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 \$245-\$265 per tonnes.



Indicative FOB Quotes:

Wheat FOB	Variety	Today	Week Ago	Month Ago	Year Ago	% Change over Prev. Year
		22-Mar-21	15-Mar-21	18-Feb-21	23-Mar-20	
USA (Chicago)	2srw	285.00	289.00	283.00	254.84	11.83
France	FCW3	240.25	267.92	284.17	209.77	14.53
Australia	ASW	0.00	248.71	253.50	236.64	-100.00
Russia	SRW	290.00	284.00	284.00	204.00	42.16
India	Fob	0.00	250.21	257.73	NA	#VALUE!

International Weekly Outlook:

Wheat prices rose in most major exporting countries since last month's WASDE amid the implementation of Russia's export policies and concerns with winter wheat conditions in the United States and Black Sea, combined with strong import demand from several major markets. Most major exporter quotes are trading within a narrow range, though over the past month Argentine quotes have fallen, reflecting abundant supplies after its recent harvest. Despite new supplies also available in Australia, quotes there have trended up on strong demand from Asian markets.

	19/03/2021	05/03/2021	05/03/2021	19/02/2021
Black Sea Mill Wheat 12.5% FOB Pmax. (\$/T)	271	281.5	283.5	282
Black Sea Mill Wheat 11.5% FOB Pmax. (\$/T)	271	281.5	283.5	281

NCDEX Wheat Contracts

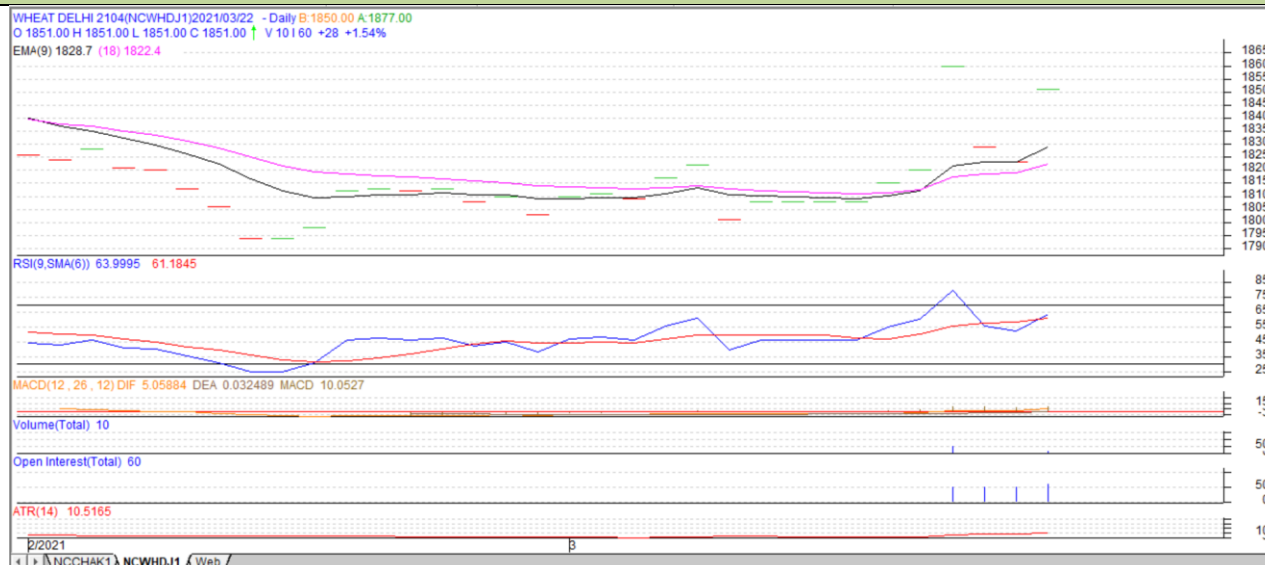
Wheat Futures Contact: NCDEX Price									Date: 22.03.2021
Contract Month	+/-	Open	High	Low	Close	Volume	Change From previous day	Open Interest	Change From previous day
21-Mar	-	-	-	-	1823	-	-	-	-
21-Apr	-	-	-	-	1828	-	-	-	-
21-May	-	-	-	-	1833	-	-	-	-

Wheat Technical Analysis:

(Back to Table of Contents)

Wheat- Technical outlook

Contract Expiry: 20th April, 2021



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	April	-	-	-	-	-
Pre-Market Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	April	WAIT	1823	-	-	-

*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
	22-Mar-21	15-Mar-21	20-Feb-21	21-Mar-20	
Indore	1789	1778	1752	1875	-4.59
Bareilly	#N/A	#N/A	#N/A	0	-
Delhi	1850	1894	1942	2158	-14.27
Khanna	#N/A	#N/A	#N/A	0	-
Kanpur	1700	1730	1750	2005	-15.21
Karnal	#N/A	#N/A	#N/A	0	-
Rajkot	1836	1830	1840	1765	4.02
Kota	1800	1801	1815	2000	-10.00

[Domestic Market Weekly Outlook:](#)
[\(Back to Table of Contents\)](#)

Spot Market Price:							
Centre	Market	Variety	Prices (Rs/Qtl)				
			Today	Yesterday	Week Ago	Month Ago	Year Ago
			22-Mar-21	20-Mar-21	15-Mar-21	19-Feb-21	23-Mar-20
Delhi	Lawrence Road	Mill Delivery	1940	1935	1930	1935	0
	Narella	Mill Quality Loose	1835	1820	1810	1800	0
	Nazafgarh	Mill Quality Loose	1755	1780	1800	1750	0
Gujarat	Rajkot	Mill Delivery	1805	1785	1825	1800	Closed
	Ahmedabad	Mill Delivery	1850	1860	1880	1880	Closed
	Surat	Mill Delivery	1950	1950	1930	1925	Closed
	Dhrol	Mill Delivery	NA	0	0	0	Closed
M.P.	Indore	Mill Delivery	1880	1875	1840	1825	Closed
	Bhopal	Mill Quality Loose	1750	1800	1750	1650	Closed
Rajasthan	Kota	Mill Quality Loose	1700	1680	1730	1630	Closed
		Mill Delivery	1850	1830	1880	1750	Closed
U.P.	Kanpur	Mill Delivery	1710	1700	1765	1800	0
	Mathura	Mill Quality Loose	1700	1715	1720	1750	0
	Kosi	Mill Quality Loose	1775	1750	1730	1800	2090
	Hathras	Mill Quality Loose	1700	1720	1720	1720	0
	Aligarh	Mill Quality Loose	1700	1730	1740	1720	0
Punjab	Khanna	Mill Quality Loose	1750	1800	1800	1800	Closed
	Ludhiana (Jagraon)	Mill Delivery	NA	0	0	0	0
Haryana	Sirsa	Mill Delivery loose	1825	1815	1825	1800	Closed
	Hodal	Mill Delivery	NA	0	0	0	Closed
	Bhiwani	Mill Quality Loose	1850	1815	1800	1815	Closed
	Karnal	Mill Delivery	NA	0	0	0	0
	Panipat	Mill Quality Loose	NA	0	0	0	0
Tamil Nadu	Chennai	Mill Quality	2125	2100	2100	2100	Closed
	Madurai	Mill Quality	2182	2200	2200	2250	Closed
	Coimbatore	Mill Quality	2182	2250	2250	2300	Closed
Bihar	Khagariya	Mill Delivery	1800	1800	1800	1800	Closed
	Muzaffarpur	Mill Delivery	1800	1775	1750	1780	Closed

Final Sowing Status 2020-21:
[\(Back to Table of Contents\)](#)

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



International Market Update:

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

This week's commercial sales of 329,000 metric tons (MT) for delivery in 2020/21 were up 50% from last week's 219,000 MT and on the high end of trade expectations of 150,000 MT to 350,000 MT. Year-to-date sales of 24.1 MMT are 2% 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.

On March 5, the United Nations (UN) Food and Agriculture Organization (FAO) predicted global wheat production in 2021 would reach a record 780 MMT on a return to trendline production in the European Union (EU).

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's U.S. wheat purchases are up 170% compared to last year, and purchases of U.S. white wheat are at a 27-year high. China's grain purchases across the globe have driven prices to record highs. China tripled purchases of Ukrainian barley, driving the price of high-quality Ukrainian milling wheat lower. The EU was forced to lower its export forecast for 2020/21 soft wheat exports after initial Chinese interest dried up.

Ukraine's new agriculture minister said there is no reason to curb crop exports and that Ukraine plays a crucial role in the global supply chain. Despite his remarks, grain traders agreed to a 17.5 MMT export quota for the 2020/21 season, of which approximately 80% has already been sold.

Australian wheat output in 2021 jumped to a record 33.0 MMT, said USDA, up 10% from the February estimate on favorable growing conditions. Australian wheat export is expected to more than double last year's volume at 22.0 MMT, up 56% from the 5-year average, if realized.

France According to French farm office FranceAgriMer, winter wheat conditions in France improved to 88% good to excellent by Feb. 28, up one point on the week and significantly higher than last year's 64% rating, despite warm, dry 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 Stratégie Grains lowered its monthly forecast for soft wheat exports from the European Union (EU) by 900,000 MT to 25.2 MMT after a sharp drop in exports. Prices on the Paris-based Euronext exchange were primarily flat this week, hovering around onemonth lows after failing to drum up demand.

The U.S. Dollar Index increased from last week's 91.98 to close at 91.67.

IGC Wheat Balance Sheet:
[\(Back to Table of Contents\)](#)

IGC Forecast (Fig-In MMT)	2017-18	2018-19	2019-20 est.	2020-21 (Forecast)	
				14.01.2021	25.02.2021
Production	762	733	763	768	773
Trade	176	169	184	187	188
Consumptions	739	739	746	753	756
Carryover stocks	271	265	279	294	294
Y-O-Y change	22	-7	17	15	15
Major Export	83	70	64	63	64

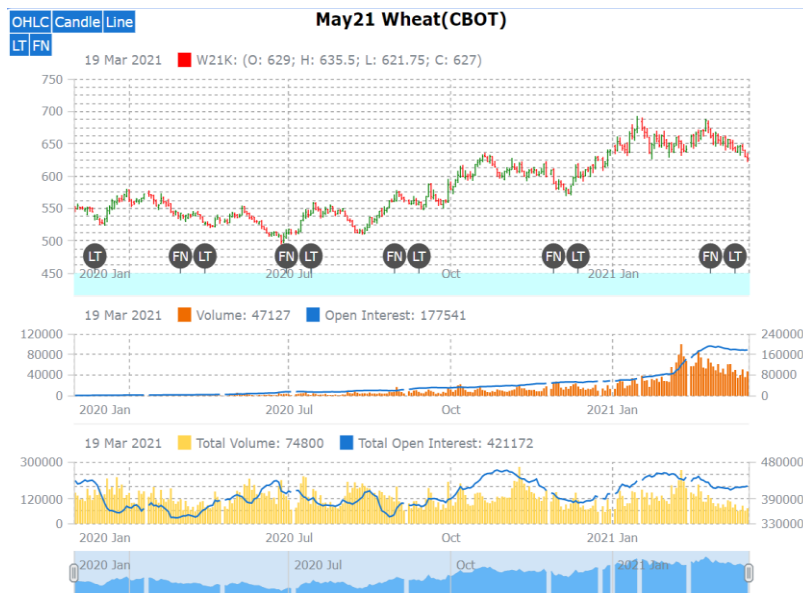
- IGC has estimated global wheat production at 773 MMT for 2020-21, 5 MMT higher compared to last month's estimate. According to estimates by IGC the 2019-20 global wheat production was around 763 MMT and 733 MMT for 2018-19.
- The trade estimates for 2020-21 have increased to 188 MMT. It is 34 MMT higher 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 10 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.

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
	21-Mar-21	14-Mar-21	17-Feb-21	20-Dec-20	17-Sep-20	19-Mar-20	
Mar-21	230.36	236.97	243.40	224.57	207.86	#REF!	#REF!
May-21	227.51	234.03	244.41	224.94	209.60	196.56	15.75
Jul-21	227.60	233.76	238.72	222.64	208.68	195.64	16.34
Sep-21	230.18	235.87	237.89	223.65	210.61	205.38	12.08
Dec-21	232.01	237.71	239.64	226.23	214.01	209.42	10.79
Mar-22	232.20	237.43	241.38	228.71	212.45	212.27	9.39

CBOT Mar-21
[\(Back to Table of Contents\)](#)
1st Support: 637.75
2nd Support: 639.25
1st Resistance: 633.25
2nd Resistance: 630.25
(\$ per tonne)

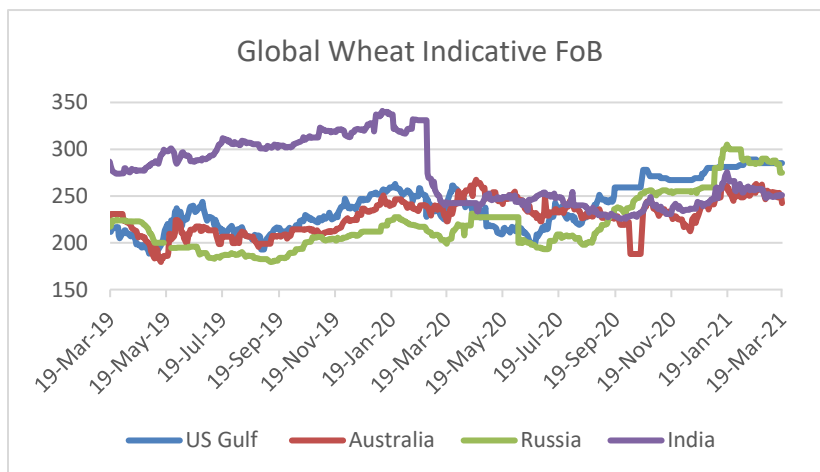
The Mar'21 contract closed lower by the end of the week and remained steady to weak during the week. Candlesticks pattern denotes a steady trend in the chart. decrease in price and decrease in open interest compared to last week, interprets long liquidation in market. We expect wheat prices to remain steady to firm in the coming week.


International FOB Weekly Price Movement

Indian FoB quote is based on local prices. Indian FoB quote is being quoted at \$250.93 per tonne. US and Russian quotes are hovering in the range of \$285 and \$275 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.



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> © 2021 Indian Agribusiness Systems Ltd.