AGRIWATCH

Wheat Weekly Research Report
19th Apr-2021

Wheat Weekly Research Report

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Wheat Domestic Market Fundamentals

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All India's weekly average prices increase by 2.22 percent to Rs. 2064.98 per quintal during the week ended 23rd Apr 2021. Wheat average prices were ruling at Rs 1973.95 per quintal during 16th–23rd Apr 2020, which is higher by 4.61 percent from the current week last year. Due to the arrival of new crops in mandis, demand from the upcoming marriage season, and increased export demand makes wheat trade steady to slightly firm in coming weeks.

The government has procured 121.71 lakh tonnes of wheat as of 18 April in the new procurement season. The procurement has started in all major producing states.

Amid the second wave of Covid-19 and localized lockdown announced by some states have requested the Centre to consider releasing free food grains, similar to last year. if the government allocates wheat this year also then prices may move beneath from current level.

Rajasthan has achieved a new record of wheat procurement. According to the state government, in the last 12 days, 1 lakh MT of wheat has been purchased from the farmers. The government said that in view of the Corona crisis many new initiatives have been taken this time.

Haryana Government on Monday halted the wheat procurement process in 18 mandis of six districts of the state as these were full of procured wheat which was yet to be sent for storage, leading to a space crunch. The process in these mandis will remain suspended for the next 24 hours, as arrangements are being made to set up additional procurement centres. The state government has instructed farmers not to bring their crop to mandis till these centres are functional.

As per the interactions with farmers 60-70% of wheat was harvested before bad weather hit the area. Color and shine of 30-40% crop standing in the field got deteriorated, which would lead to 30-40% losses on selling price for farmers. Secondly, logging due to rain increased the labour cost for harvest since logged and wet wheat on field cannot be harvested by thresher or combine harvester. Due to harvesting of wet wheat its grain temperature increases, which leads to allocation of less rates to farmers.

As per trade sources, India has exported around 3.98 lakh tonnes Wheat in the month of March-2021 at an average FOB of $268 per tonnes, higher from previous month and the major destinations were Bangladesh, Malaysia, Oman, 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. 1915 respectively.

Weather Outlook: During the next 24 hours, light to moderate rains may occur over Arunachal Pradesh, Assam, Kerala, southern coast of Karnataka and parts of Andaman and Nicobar Islands. Rainfall is also possible at one or two places in these states. Light rains are expected over Sikkim, rest of North East India, Chhattisgarh and parts of interior Tamil Nadu.

Light dusty thunderstorm is possible at one or two places in western parts of Rajasthan. Rain and thunderstorms are likely to increase over the Western Himalayas. Hail activities may occur at one or two places in Himachal Pradesh, Jammu and Kashmir and parts of Uttarakhand. Cloudy thunderstorms and dust storms are possible with light rain in parts of Punjab, Haryana, Delhi, North and West Rajasthan as well as West Uttar Pradesh.

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Wheat Weekly Export

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A week-on-week Exports	*Quantity in MT*	*Average FoB ($/T)*
01-07 Feb-2021	100299.59	227.49
08-14 Feb-2021	137297.24	235.12
15-21 Feb-2021	76424.96	251.16
22-31 Feb-2021	56876.80	254.71
Total	**370709.71**	**236.06**

Source: Trade

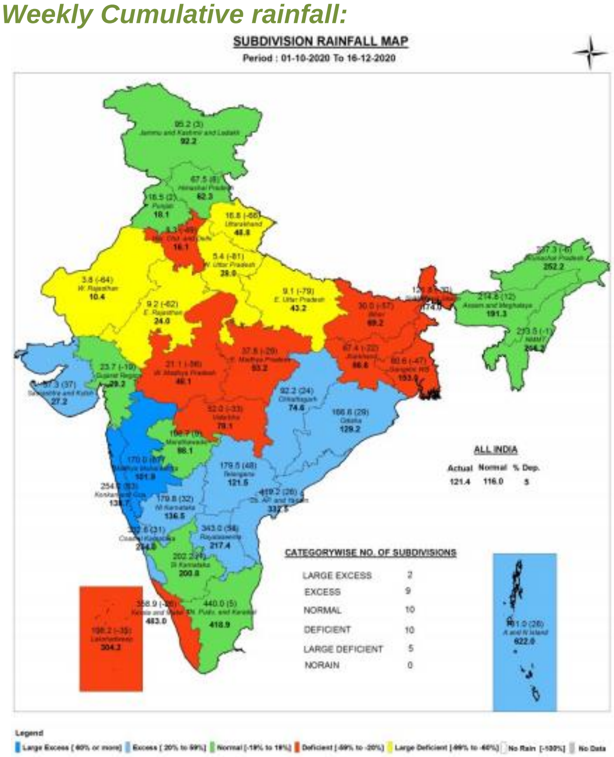
Wheat Import

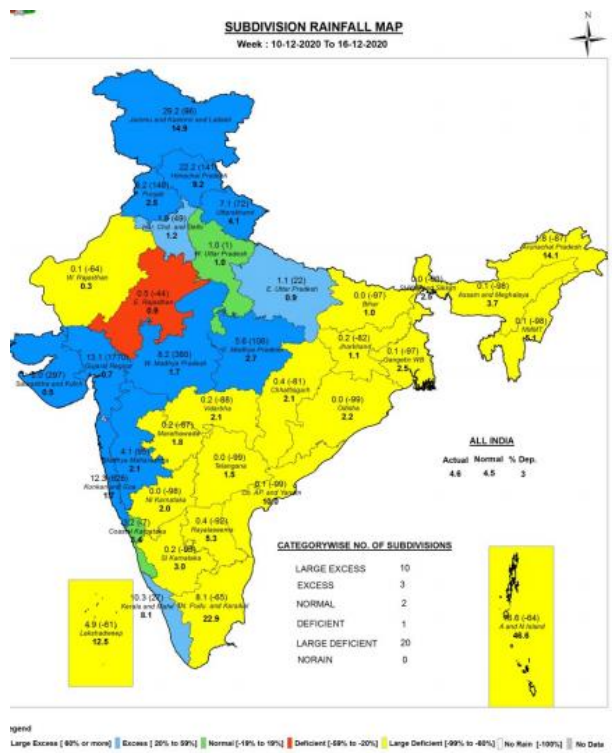
Date	*Origin*	*Port*	*Quantity in MT*
Oct-2020	Australia, UK	Tuticorin	4.0
	Mexico		2.3
	Total		6.38

Source: Traders
No Import in the month of Feb.

Monsoon

Weekly Cumulative rainfall:





Source: IMD

Wheat Weekly Average Price Chart

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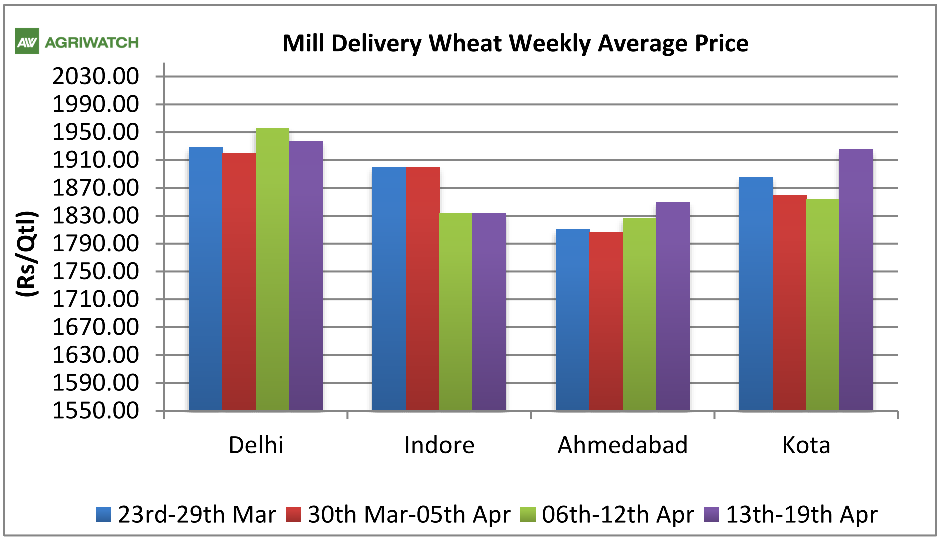
Wheat's average mill delivery prices remained firm in all market except Delhi, in the week ending during 13th–19th Apr 2021. Some of the markets are closed due the spread pf Covid - 19.

Markets had shown firm movement in prices last week due to marriage season, private companies, and strong export demand. Wheat is likely to trade steady to slightly strong in upcoming weeks as procurement has started, which is high compare to last year's same period in almost all states.



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						

Procurement RMS 2020-21

State/UTs	Procurement as of 18 April-2020-21 (Figures in LMT)		
	FCI (A)	State Agency (B)	Total (A+B)
Punjab	NA	NA	41.72
Haryana	NA	NA	44.80
Uttar Pradesh	NA	NA	3.04
Madhya Pradesh	NA	NA	28.49
Bihar	NA	NA	0
Rajasthan	NA	NA	2.88
Others	NA	NA	0.73
All-India	NA	NA	**121.71**

FOB Quote for Wheat at Kandla

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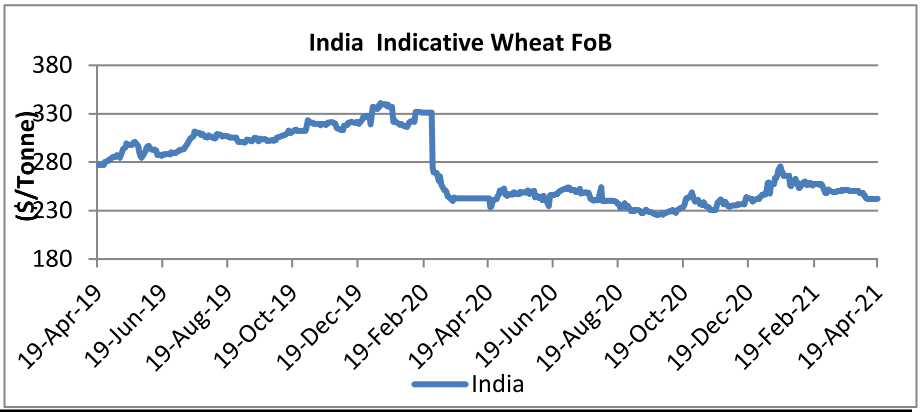
The wheat FoB quote in India noticed a weak tone in the past week. The overall condition for Indian wheat export remains favorable, and exports continue from India due to widespread demand from neighboring countries. Wheat FoB quotes for Kandla are likely to witness steady to firm tone in the coming weeks and likely to hover in the range of $240-$250 per tonnes.



Indicative FOB Quotes:

Wheat FOB	Variety	Today	Week Ago	Month Ago	Year Ago	% Change over Prev. Year
		19-Apr-21	12-Apr-21	18-Mar-21	20-Apr-20	
USA (Chicago)	2srw	256.00	263	283.00	242.23	5.68
France	FCW3	255.00	260	268.07	216.78	17.63
Australia	ASW	266.00	269.5	253.50	256.06	3.88
Russia	SRW	249.00	290	288.00	218.50	13.96
India	Fob	242.28	248.06	NA	Closed	NA

International Weekly Outlook:

Wheat prices fell across all major exporting countries since last month's WASDE with improved winter wheat conditions in several key production regions. Furthermore, some importers are delaying purchases awaiting the upcoming harvest in anticipation of lower new crop prices. The biggest reduction over the past month has been for Russia, where crop prospects have improved and export quotes have eased amid the current export policies, including the announcement of floating taxes for the new crop year. Its quotes are currently the most competitive. EU quotes have also eased and remain slightly above Russia. Argentine quotes have fallen modestly with slowing farmer sales. Australian quotes have edged somewhat lower with new supplies but remain supported by strong demand from Asian markets. Quotes from Canada are currently the highest among major suppliers.

	19/04/2021	12/04/2021	05/04/2021	19/03/2021
Black Sea Mill Wheat 12.5% FOB Pmax. ($/T)	245	230	242	246
Black Sea Mill Wheat 11.5% FOB Pmax. ($/T)	244	230	242	247

NCDEX Wheat Contracts

Wheat Futures Contact: NCDEX Price									Date: 19.04.2021
Contract Month	+/-	Open	High	Low	Close	Volume	Change From previous day	Open Interest	Change From previous day
21-Mar	-	-	-	-	1815	-	-	-	-
21-Apr	-	-	-	-	1820	-	-	-	-
21-May	-	-	-	-	1826	-	-	-	-

Wheat Technical Analysis:

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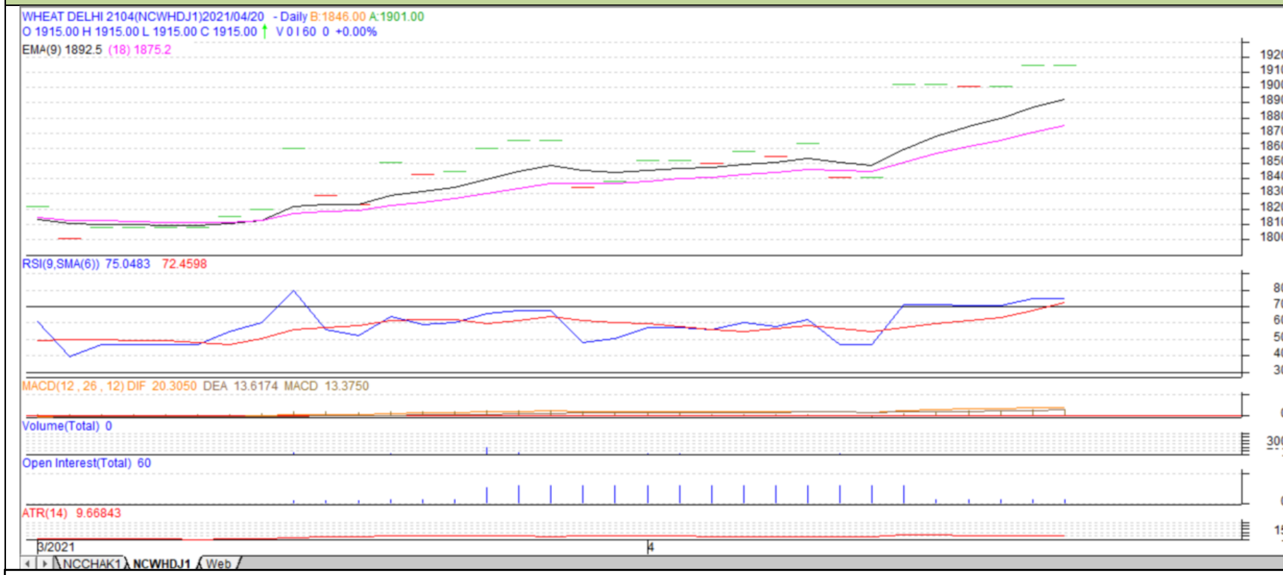
Wheat- Technical outlook	**Contract Expiry: 20th April, 2021**



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**	1915	-	-	-

*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**
	20-Apr-21	**13-Apr-21**	**21-Mar-21**	**20-Mar-20**	
Indore	1789	1778	1752	1875	**-4.59**
Bareilly	NA	NA	NA	NA	-
Delhi	1850	1894	1942	2158	**-14.27**
Khanna	NA	NA	NA	NA	-
Kanpur	1700	1730	1750	2005	**-15.21**
Karnal	NA	NA	NA	NA	-
Rajkot	1836	1830	1840	1765	**4.02**
Kota	1800	1801	1815	2000	**-10.00**

Domestic Market Weekly Outlook:

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Spot Market Price:

Centre	Market	Variety	Prices (Rs/Qtl)				
			Today	Yesterday	Week Ago	Month Ago	Year Ago
			19-Apr-21	17-Apr-21	12-Apr-21	19-Mar-21	20-Apr-20
Delhi	Lawrence Road	Mill Delivery	1940	Closed	1980	1940	1950
	Narella	Mill Quality Loose	1790	Closed	1780	1825	1825
	Nazafgarh	Mill Quality Loose	1825	Closed	1825	1760	1800
Gujarat	Rajkot	Mill Delivery	Closed	Closed	1725	1790	Closed
	Ahmedabad	Mill Delivery	Closed	Closed	1865	1860	Closed
	Surat	Mill Delivery	Closed	Closed	1950	1950	Closed
	Dhrol	Mill Delivery	NA	0	0	0	Closed
M.P.	Indore	Mill Delivery	Closed	Closed	Closed	1880	Closed
	Bhopal	Mill Quality Loose	Closed	Closed	Closed	1800	Closed
Rajasthan	Kota	Mill Quality Loose	1780	Closed	1715	1670	1700
		Mill Delivery	1930	Closed	1865	1820	1825
U.P.	Kanpur	Mill Delivery	1750	Closed	1735	1700	2025
	Mathura	Mill Quality Loose	1725	Closed	1710	1700	1760
	Kosi	Mill Quality Loose	1760	Closed	1750	1780	1850
	Hathras	Mill Quality Loose	1750	Closed	1750	1715	1765
	Aligarh	Mill Quality Loose	1730	Closed	1750	1730	1760
Punjab	Khanna	Mill Quality Loose	1975	1975	1975	1800	1925
	Ludhiana (Jagraon)	Mill Delivery	NA	0	0	0	0
Haryana	Sirsa	Mill Delivery loose	1975	1975	1975	1815	1925
	Hodal	Mill Delivery	NA	Closed	0	0	0
	Bhiwani	Mill Quality Loose	1870	1870	1870	1800	1925
	Karnal	Mill Delivery	NA	0	0	0	0
	Panipat	Mill Quality Loose	1975	1975	1975	0	0
Tamil Nadu	Chennai	Mill Quality	2100	Closed	2100	2100	2150
	Madurai	Mill Quality	2157	Closed	2250	2200	2250
	Coimbatore	Mill Quality	2157	Closed	2300	2250	2300
Bihar	Khagariya	Mill Delivery	1800	1800	1750	1800	1900
	Muzaffarpur	Mill Delivery	1775	1750	1670	1775	1825

Final Sowing Status 2020-21:

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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

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

This week's U.S. wheat commercial sales of 56,600 metric tons (MT) were down 31% from last week's 82,000 MT and in line with trade expectations of 50,000 MT to 200,000 MT. Year-to-date commercial sales for delivery in 2020/21 total 25.1 million metric tons (MMT), 1% lower than last year. USDA expects total 2020/21 U.S. wheat exports will reach 26.8 MMT, 2% higher than last year, if realized

Russia's SovEcon raised its forecast for Russia's 2021 wheat crop by 1.4 MMT to 80.7 MMT on improved crop conditions in the south. The head of SovEcon noted that "wheat entered last winter in the worst shape in a decade." However, healthy precipitation led to a dramatic improvement in recent months.

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.

IKAR, A Russian consultancy forecast Russia's wheat crop in 2021/22 to be 79.8 MMT compared to 78.0 MMT in 2020/21. Exports are predicted at 39.5 MMT.

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.

Ukraine's Winter wheat in Ukraine is 98%in good condition and scientists affiliated with the Ukrainian agrarian academy said they saw no reason to cut the 2021 wheat harvest estimated at 29.5 MMT. APK-Inform, a Ukraine based agriculture consultancy pegged Ukrainian wheat production at 27.5 MMT and wheat exports at 19.8 MMT.

Australian farmers, following their largest ever wheat crop in 2020, are seeing the cost of farm inputs such as fertilizer and machinery climb higher, and supplies may not be available say many growers. Farmers are betting on back-to-back bumper crops. The Australian Bureau of Agricultural and Resource Economics and Sciences predicts wheat production for 2021/22 to be 25.0 MMT, down 25 percent from 2020/21.

France France's farm office FranceAgriMer said this week that it is too soon to estimate the impact of a severe freeze event on grain crops. Temperatures were below zero (32 degrees Fahrenheit) for several nights. Areas in central and southern France were primarily affected.

Argentina Argentine farmers are expected to plant over 7.0 million hectares of wheat in 2021/22, up 4% compared to 2020/21, announced the agriculture ministry. The ministry also predicted that farmers could export as much as 14.0 MMT of wheat in 2021/22.

Europe The European Commission reported that wheat exports were at their lowest volume for the marketing year for the week of April 4 at 174,833 metric tons. Total wheat exports for 2020/21 are estimated at 20.3 MMT, down 23%from last year.

IGC Wheat Balance Sheet:

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IGC Forecast (Fig-In MMT)	2018-19	2019-20 est.	2020-21 (Forecast)		2021-22 proj.
			25.02.21	25.03.21	25.03.21
Production	732	762	773	774	790
Trade	168	184	188	190	184
Consumptions	740	743	756	760	778
Carryover stocks	260	278	294	292	304
Y-O-Y change	-8	19	15	14	12
Major Export	69	64	64	63	64

- IGC has estimated global wheat production at 774 MMT for 2020-21, 6 MMT higher 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 2020-21 have increased to 190 MMT. It is 6 MMT higher compared to the estimate for last year and higher by 22 MMT compared to 2018-19.
- Consumption has been increased to 760 MMT for 2020-21. The forecast is higher by 23 MMT compared to 2019-20.
- Carryout for 2020-21 is forecast at 292 MMT compared to an estimate of 278 MMT last year. It is higher by around 14 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
	19-Apr-21	12-Apr-21	18-Mar-21	18-Jan-21	16-Oct-20	17-Apr-20	
May-21	239.73	230.73	228.52	248.55	228.16	196.01	**22.31**
Jul-21	240.65	231.92	228.43	241.66	223.75	196.10	**22.72**
Sep-21	241.29	232.29	231.00	241.57	224.30	197.94	**21.90**
Dec-21	243.13	234.03	232.93	243.31	226.87	205.38	**18.38**
Mar-22	244.87	235.69	232.93	244.87	227.60	209.42	**16.93**
May-22	243.68	235.04	225.31	242.02	212.45	212.27	**14.80**

CBOT May-21

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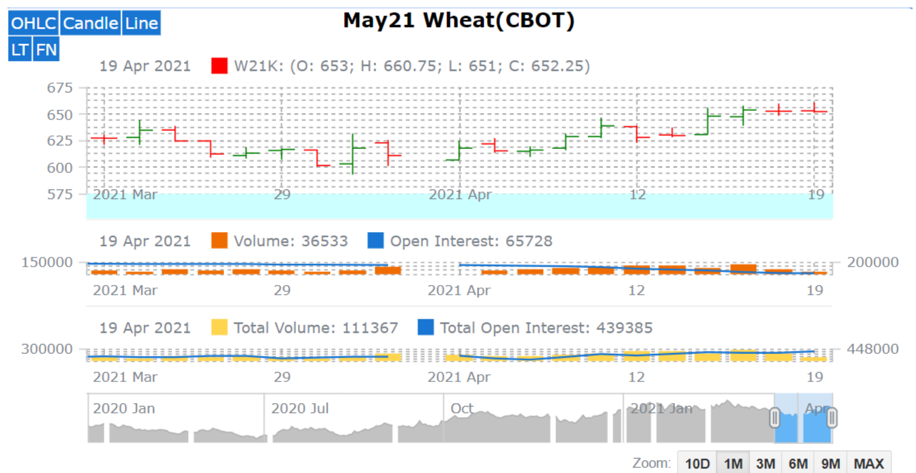
1st Support: 648.58
2nd Support: 644.52
1st Resistance: 658.33
2nd Resistance: 664.42
($ per tonne)



The May'21 contract closed higher by the end of the week and remained steady to firm during the week. Candlestick's pattern denotes a bullish trend in the chart. Increase in price and decrease in open interest compared to last week, interprets weak 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 $242.61 per tonne. US and Russian quotes are hovering in the range of $266 and $248 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.