Wheat Weekly Research Report
10th May-2021

Wheat Weekly Research Report

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Wheat Domestic Market Fundamentals

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All India's weekly average prices decreased by 2.88 percent to Rs. 2041.35 per quintal during the week ended 15th May 2021. Wheat average prices were ruling at Rs 2025.37 per quintal during 09th–15th May 2020, which is higher by 0.79 percent from the current week last year. Due to imposed of PMGKAY scheme for May-June and ongoing procurement, wheat is likely to trade steady to slightly weak in coming weeks.

According to Government, total wheat procurement has reached 323.67 lakh tonne until May 6 of the 2021-22 rabi marketing season (April-March), up from 216 lakh tonne year-ago period. About 32.21 lakh farmers have already benefited from the ongoing rabi marketing season, procurement operations with MSP value of Rs 63,924.56 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 95% of its total expected procurement of 13 million tonnes (130 lakh metric tonnes) of the crop in just 26 days this year till May 5, data released by the state government showed. This, the data further shows, is 7% more than the procurement made last year in the same number of days. The Centre on Monday said wheat procurement rose over 70 per cent to 292.52 lakh tonnes so far in the ongoing 2021-22 rabi marketing season, benefitting about 28.80 lakh farmers.

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 Haryana government has decided to stop the procurement of wheat in all mandis/procurement centres in view of the lockdown in the state from May 3-9 to check exponential surge in Covid-19 cases. "During lockdown, no procurement of wheat will be initiated in any mandis/procurement centres of the state and no gate pass shall be issued (to the farmers) for the same, an official statement said here on Sunday. As of 09th May Haryana crosses its wheat procurement target by 2 Lakh MT, which was 80 Lakh MT.

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 rangebound in the coming week.

Trade Call: Stakeholders should trade in January contract taking care of lower and upper price tag of Rs. 1906 respectively.

Weather Outlook: The weather has become dry in the northwestern state of the country. No weather activity is expected over Punjab, Haryana, Delhi, Uttar Pradesh, and Rajasthan till 27 or 28 April. Light rain activities may occur over Punjab, Haryana, and northern parts of western Uttar Pradesh and on April 29. Hot day ahead for Delhi, mercury may again climb up to 40 degrees.

Wheat Weekly Export

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A week-on-week Exports	Quantity in MT	Average FoB ($/T)
01-07 Mar-2021	34262.39	227.49
08-14 Mar-2021	127740.53	235.12
15-21 Mar-2021	188541.43	252.16
22-31 Mar-2021	49771.26	254.71
Total	**398709.53**	**238.06**

Source: Trade

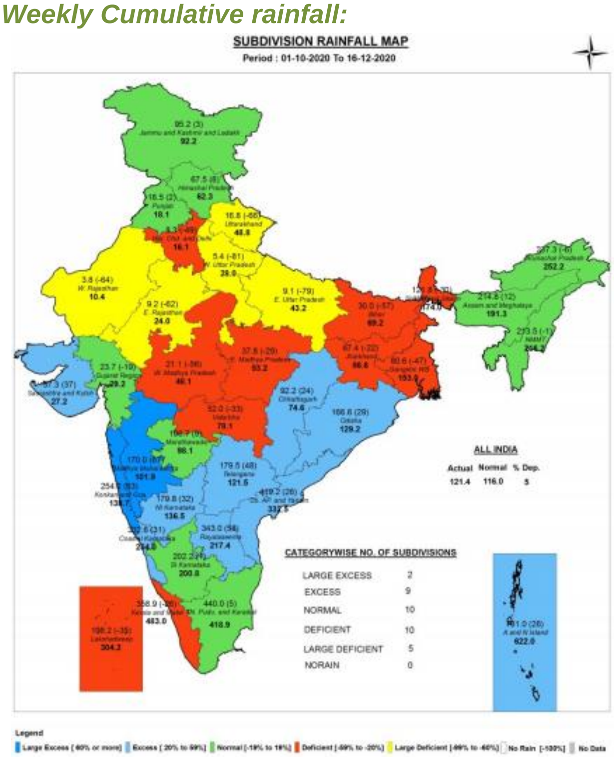
Wheat Import

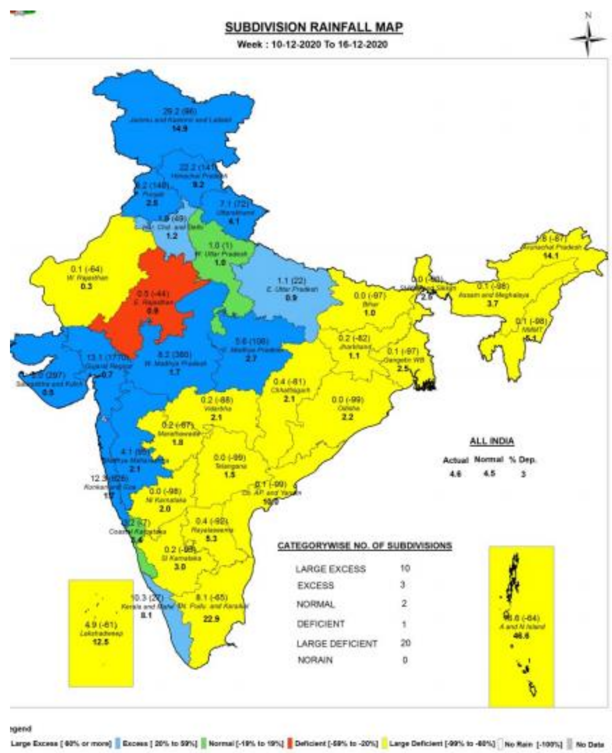
Date	Origin	Port	Quantity in MT
Oct-2020	Australia, UK	Tuticorin	4.0
	Mexico		2.3
	Total		6.38

Source: Traders
No Import in the month of Mar.

Monsoon

Weekly Cumulative rainfall:





Source: IMD

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Wheat Weekly Average Price Chart

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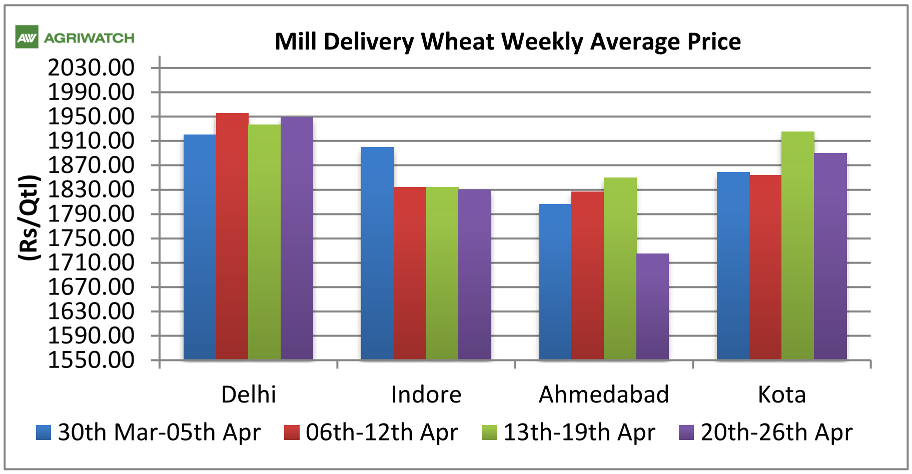
Wheat's average mill delivery prices remained closed in all markets in the week ending during 04th–10th May 2021. Most of the markets are closed due to the lockdown and spread of Covid -19.

Markets had shown weak movement as expected 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 rang-bound in upcoming weeks.



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 2021-22

State/UTs	Procurement as of 30th April-2021 (Figures in LMT)		
	FCI (A)	State Agency (B)	Total (A+B)
Punjab	11.74	116.92	128.66
Haryana	6.50	74.26	80.76
Uttar Pradesh	0.54	19.57	20.11
Madhya Pradesh	0.00	94.89	94.89
Bihar	0.00	0.21	0.21
Rajasthan	8.30	3.38	11.68
Others	0.28	1.36	1.64
All-India	**27.36**	**310.59**	**337.95**

AGRIWATCH

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FOB Quote for Wheat at Kandla

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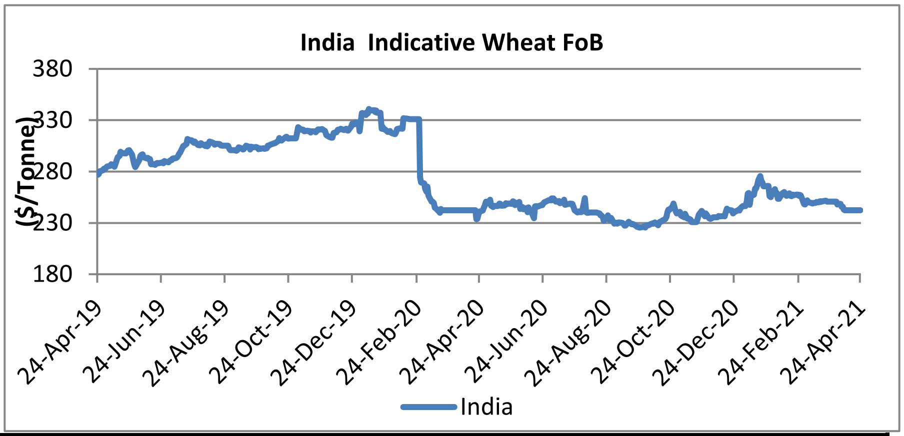
The wheat FoB quote in India noticed a steady tone in the past week. Mostly market is closed in domestic market. The overall condition for Indian wheat export remains favorable, and exports continue from India due to widespread demand from neighboring countries.
Wheat FoB quotes for Kandla are likely 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
		10-May-21	3-May-21	7-Apr-21	11-May-20	
USA (Chicago)	2srw	330.00	305.00	283.00	246.25	34.01
France	FCW3	304.00	289.00	193.00	193.50	57.11
Australia	ASW	266.00	266.00	0.00	253.46	4.95
Russia	SRW	265.00	265.00	0.00	208.00	27.40
India	Fob	Closed	245.75	245.75	246.46	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.

	18/04/2021	03/04/2021	26/04/2021	19/04/2021
Black Sea Mill Wheat 12.5% FOB Pmax. ($/T)	277	246	246	245
Black Sea Mill Wheat 11.5% FOB Pmax. ($/T)	273	245	244	244

NCDEX Wheat Contracts

Wheat Futures Contact: NCDEX Price									Date: 10.05.2021
Contract Month	+/-	Open	High	Low	Close	Volume	Change From previous day	Open Interest	Change From previous day
21-May	-	-	-	-	1900	-	-	-	-
21-Jun	-	-	-	-	1906	-	-	-	-
21-July	-	-	-	-	1912	-	-	-	-

Wheat Technical Analysis:

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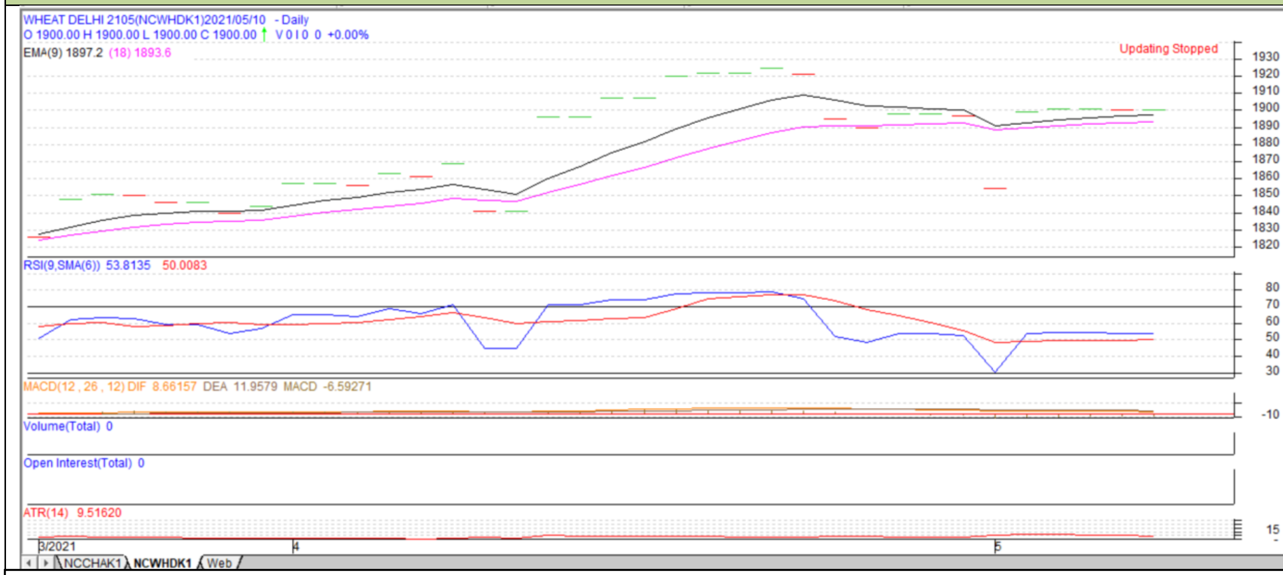
Wheat- Technical outlook | **Contract Expiry: 20th May, 2021**



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	May	-	-	-	-	-
Pre-Market Intraday Trade Call*			**Call**	**Entry**	**T1**	**T2**	**SL**
Wheat	NCDEX	May	WAIT	1906	-	-	-

*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
	10-May-21	3-May-21	10-Apr-21	29-May-20	
Indore	1789	1778	1752	0	NA
Delhi	1850	1894	1942	1970	-6.09
Kanpur	1700	1730	1750	0	NA
Rajkot	1836	1830	1840	0	NA
Kota	1800	1801	1815	1881	-4.31

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
			10-May-21	08-May-21	03-May-21	09-Apr-21	11-May-20
Delhi	Lawrence Road	Mill Delivery	Closed	Closed	Closed	1950	1950
	Narella	Mill Quality Loose	Closed	Closed	Closed	1770	1800
	Nazafgarh	Mill Quality Loose	Closed	Closed	Closed	1810	0
Gujarat	Rajkot	Mill Delivery	Closed	Closed	Closed	1715	1800
	Ahmedabad	Mill Delivery	Closed	Closed	Closed	1825	1900
	Surat	Mill Delivery	Closed	Closed	Closed	1910	1975
	Dhrol	Mill Delivery	NA	0	0	0	0
M.P.	Indore	Mill Delivery	Closed	Closed	Closed	1830	Closed
	Bhopal	Mill Quality Loose	Closed	Closed	Closed	1740	Closed
Rajasthan	Kota	Mill Quality Loose	Closed	Closed	1700	1720	Closed
		Mill Delivery	Closed	Closed	1850	1870	Closed
U.P.	Kanpur	Mill Delivery	Closed	Closed	Closed	1720	2000
	Mathura	Mill Quality Loose	Closed	Closed	Closed	1700	1825
	Kosi	Mill Quality Loose	Closed	Closed	Closed	1750	1850
	Hathras	Mill Quality Loose	Closed	Closed	Closed	1780	1800
	Aligarh	Mill Quality Loose	Closed	Closed	Closed	1740	1825
Punjab	Khanna	Mill Quality Loose	Closed	Closed	1975	Closed	1925
	Ludhiana (Jagraon)	Mill Delivery	NA	0	0	0	0
Haryana	Sirsa	Mill Delivery loose	Closed	Closed	1975	1975	1925
	Hodal	Mill Delivery	Closed	Closed	NA	0	0
	Bhiwani	Mill Quality Loose	Closed	Closed	Closed	1860	NA
	Karnal	Mill Delivery	NA	Closed	Closed	0	0
	Panipat	Mill Quality Loose	NA	Closed	Closed	0	0
Tamil Nadu	Chennai	Mill Quality	Closed	Closed	2100	2100	Closed
	Madurai	Mill Quality	Closed	Closed	2250	2250	Closed
	Coimbatore	Mill Quality	Closed	Closed	2300	2300	Closed
Bihar	Khagariya	Mill Delivery	1700	1700	1700	1800	1900
	Muzaffarpur	Mill Delivery	1600	1625	1625	1680	1900

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 95,600 metric tons (MT) were down 57% from last week's 223,600 MT but in line with trade expectations of 0 MT to 250,000 MT. Year-to-date commercial sales for delivery in 2020/21 total 25.5 million metric tons (MMT), 3% 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.

Pakistan's government announced it will import 4.0 MMT of wheat this year to meet domestic consumption. Wheat and wheat flour prices have doubled over the last three years, and inflation skyrocketed 11.1% in April alone. On April 27, Pakistan's finance minister said the country had enough total wheat stocks to last two and a half weeks. Pakistan imported 3.6 MMT of wheat in the first nine months of the fiscal year. The government estimated 2021/22 wheat consumption at 29.3 MMT.

April French soft wheat exports outside of the **European** Union and UK were the lowest since 2012. French export data shows total 2020/21 French wheat exports are expected to be their lowest in four years. Traders blamed the slow exports on a price rally that made French wheat uncompetitive overseas and dwindling supplies from the poor 2020 French harvest.

Russia's Russian agriculture consultancy IKAR reduced its forecast for Russia's 2021 wheat crop from 81.0 MMT to 79.5 MMT. More than 700,000 hectares (1.7 million acres), around 17 percent of the planted area-primarily in central Russia, has to be replanted following dry conditions during fall planting.

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 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 JulyJune season said the Ukrainian grain trader's union UGA.

Australian The USDA's Foreign Agriculture Service (FAS) forecasted Australia's wheat production in 2021/22 to be 27.0 MMT. The FAS officials in Australia also expect wheat exports at 19.0 MMT, down from 23.0 MMT forecast in 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 Inflation in Argentina has reached 13% in the first quarter of 2021 according to the Argentine Central Bank. The government is weighing an export duty hike on grains to bring in more U.S. dollars and stem inflation. However, market participants warn that a tax hike would just deter greater famer planting, as historic USDA data indicates. The Buenos Aires Grains Exchange (BAGE) in its 2021/22 outlook estimates wheat production to be an all-time high of 19.0 MMT as yield has improved and farmers expanded planted acres.

IGC Wheat Balance Sheet:

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IGC Forecast (Fig- In MMT)	2018-19	2019-20 est.	2020-21 F'cast.	2021-22 proj.	
				25.03.21	29.04.21
Production	732	762	774	790	790
Trade	168	184	189	184	185
Consumptions	740	743	763	778	782
Carryover stocks	260	278	289	304	298
Y-O-Y change	-8	19	11	-	9
Major Export	69	64	65	64	64

- 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 185 MMT. It is 4 MMT lower compared to the estimate for last year and higher by 17 MMT compared to 2018-19.
- Consumption has been increased to 782 MMT for 2021-22. The forecast is higher by 19 MMT compared to 2020-21.
- Carryout for 2021-22 is forecast at 298 MMT compared to an estimate of 289 MMT last year. It is higher by around 20 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
	09-May-21	02-May-21	07-Apr-21	07-Feb-21	05-Nov-20	07-May-20	
May-21	284.18	266.55	226.41	242.30	225.77	193.07	47.19
Jul-21	279.87	263.79	226.32	236.24	223.01	196.01	42.78
Sep-21	280.05	263.79	227.15	235.69	223.65	198.76	40.90
Dec-21	281.15	264.53	229.07	237.52	226.04	205.38	36.90
Mar-22	282.53	266.00	230.82	239.45	227.70	209.42	34.91
May-22	280.05	263.98	230.82	236.33	212.45	212.27	31.93

CBOT May-21

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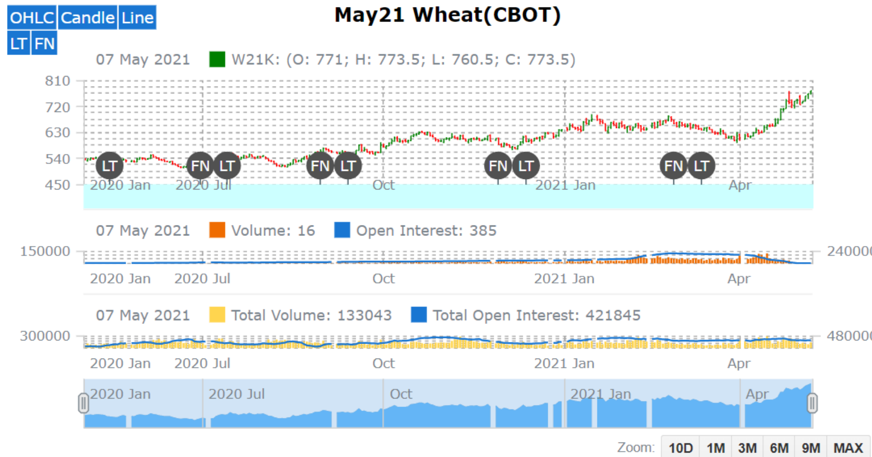
1st Support: 764.83
2nd Support: 756.17
1st Resistance: 777.83
2nd Resistance: 782.17
($ per tonne)

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 $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.