Wheat Weekly Research Report

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Wheat Domestic Market Fundamentals

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During the week of July 24 to 31, 2021, the weekly average price in India declined by 0.81 percent to Rs. 1939.5 per quintal against Rs. 1955.44 per quintal in the previous week. Wheat average prices also decreased by 17 percent from Rs. 2339.25 per quintal in last year during the same period of time. Prices are declining due to weak local demand and the end of the season's procurement activity. The government's procurement are completed in India now and the imposition of the PMGKAY program until November 2021 will put downward pressures in wheat markets in the near future.

Wheat procurement for the Rabi marketing season 2021-22 is completed now in India's various states. Wheat was procured in excess of 433.32 LMT, a record high compared to 387.4 LMT in previous seasons. With MSPs of Rs.85,581,02 crore, the current RMS procurement operations have already benefited over 49.16 lakh farmers. This season's procurement volume is also bigger than the previous four years record. According to FCI, there were approx. 19,036 wheat procurement centers during the rabi marketing season of 2021-22.

This Rabi season, government procured 132.10 LMT of wheat from Punjab, higher from MP's procurement record of 128.08 LMT in 2021-22.However, it was procured lower at 127.14 LMT from Punjab compared to 129.42 LMT in MP during 2020-21.

In the month of June, India exported 4.10 lakh tonnes of wheat lower against 4.96 lakh tonnes in May 2021. Indian wheat has declined in June month due higher FOB price. According to the DGCIS data, India exported 2.28 Lakh tonnes in the current fiscal year as of April 2021. In 2020-21 fiscal year, the country exported total 20.80 lakh tonnes.

As per ministry third estimates, India is likely to produce higher Wheat crop in 2020-21. The country may produce 108.75 million tonnes in this season which is higher by 0.89% from 107.86 from last year record amid good monsoon rain last year.

Punjab Government and agencies have procured 132.10 lakh metric tonnes of wheat, 2 lakh metric tonnes more than the target set by the state, with more than 9.5 lakh farmers receiving over Rs 23,000 crore directly into their bank accounts. It was the first time in Punjab that farmers were paid directly instead of through arhtiyas or middlemen.

The government procurement agencies in Haryana have procured total 84.93 LMT consisting 6.94 LMT by FCI and 77.99 LMT by state agency. Expecting bumper produce this year, the government had increased the procurement target.

The Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) which was announced in 2020, is being re-implemented given the worsening situation due to the sever impact of Covid-19. Govt. has extended its time period till November 2021 to provide 5-kg additional food grains for free to PDS beneficiaries under the NFSA. This time, they are not providing pulses under this scheme.

Outlook & Recommendation: Wheat cash market is expected to trade range bound with firm bias in the coming week.

Trade Call: There is no NCDEX trading currently.

Weather Outlook: - Current activity of Intense wet spell over Central and adjoining plains of Northwest India (West Madhya Pradesh and East Rajasthan) likely to continue till 4th August. Reduced rainfall activity over Peninsular India and adjoining Eastcentral India, Maharashtra and Gujarat state likely to continue during next 4-5 days.

Wheat Weekly Export

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A week-on-week Exports	Quantity in MT	Average FoB ($/T)
01-08 June-2021	102906	319.71
09-15 June-2021	77306	291.53
16-22 June-2021	64606	315.14
23-30 June-2021	165333	307.29
Total	**410151**	**308.41**

Source: Trade

Wheat Import

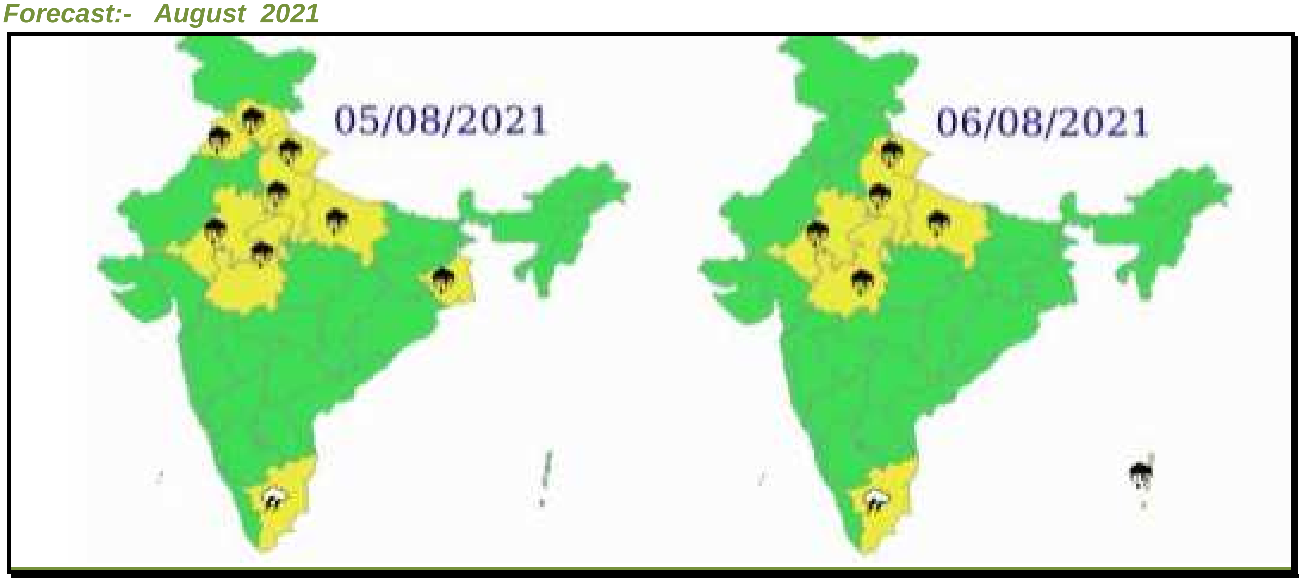
Date	Origin	Port	Quantity in MT
Oct-2021	Australia, UK	Tuticorin	4.0
	Mexico		2.3
	Total		6.38

Source: Traders
No Import so far.

Monsoon:-

Probability rainfall forecast:

Forecast:- August 2021



Source: IMD

Wheat Weekly Average Price Chart

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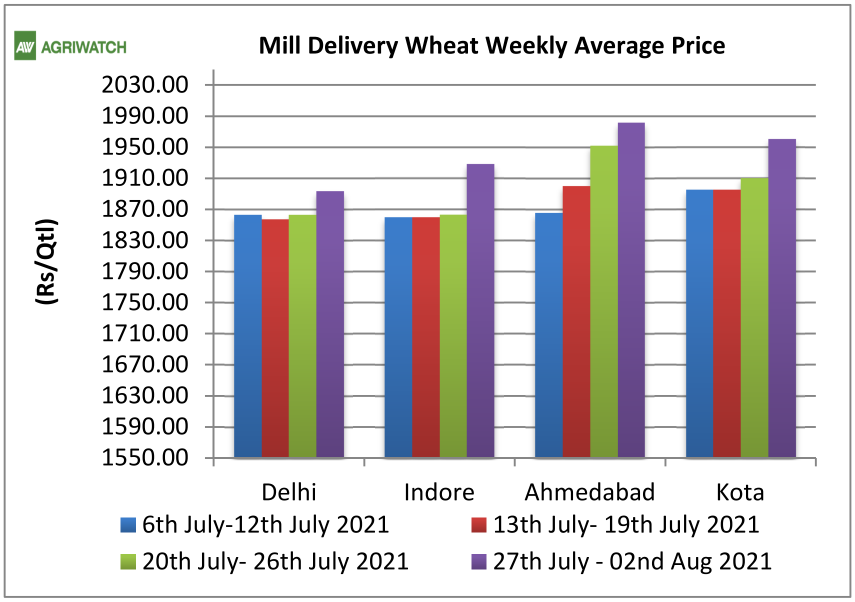
Wheat prices extended gain across the Wheat markets in the week between July 27th and 2nd August, 2021, on good demand against less in local markets against supplies.

Market prices in Ahmedabad increased amid good demand of retailers and millers.

Wheat is projected to trade in a range bound to firm trend in the near term amid firm global cues.

Firmness in international market supported weighing domestic wheat prices. We anticipate range bound to firm trend for next week.



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 15th Jul-2021 (Figures in LMT)		
	FCI (A)	State Agency (B)	Total (A+B)
Punjab	12.2	119.9	132.1
Haryana	6.94	77.99	84.93
Uttar Pradesh	1.39	55.02	56.41
Madhya Pradesh	0	128.09	128.09
Bihar	0	4.56	4.56
Rajasthan	16.56	6.84	23.4
Others	0.6	3.14	3.74
All-India	**37.69**	**395.54**	**433.23**

FOB Quote for Wheat at Kandla

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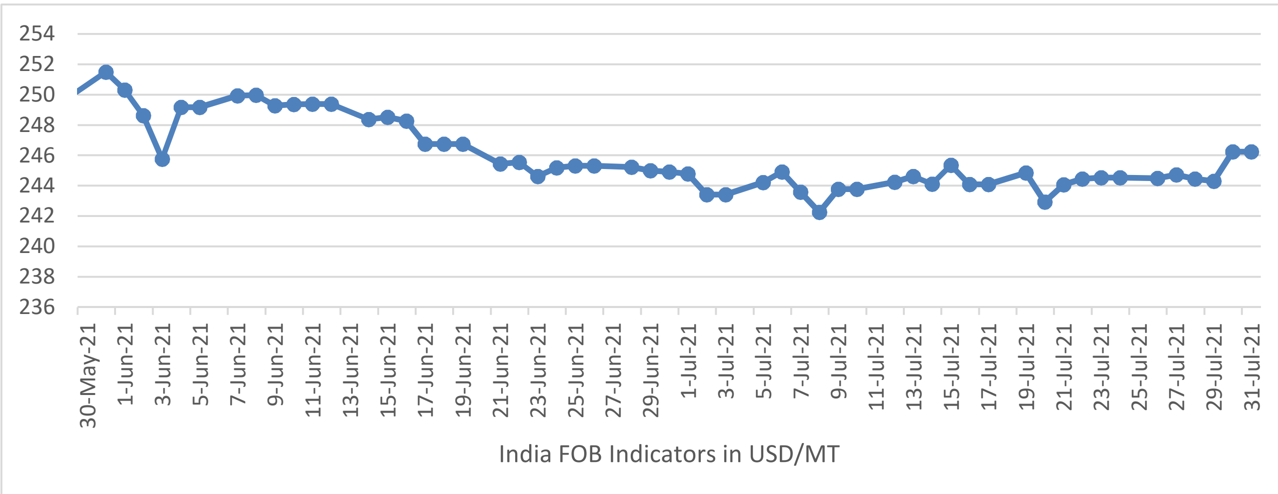
The wheat FoB quote in India noticed a firm tone in the past week. Exporters are active in wheat markets due to improving demand from neighboring countries.
Wheat FoB quotes for Kandla are likely to witness steady to firm tone in the coming weeks and likely to hover in the range of $244.45-$247.20 per tonnes.



Indicative FOB Quotes:						
Wheat FOB	**Variety**	**Today**	**Week Ago**	**Month Ago**	**Year Ago**	**% Change over Prev. Week**
		30-Jul-21	**23-Jul-21**	**30-June-21**	**31-Jul-20**	
USA (Chicago)	2srw	281	300	-	-	**2.66**
France	FCW3	281	277	-	-	**1.44**
Australia	ASW	-	-	-	-	-
Russia	SRW	-	-	-	-	-
India	Fob	246.25	244.53	244.92	240.74	**0.70**

International Weekly Outlook:

Prices for all U.S. wheat classes have increased in this week following firmness in global market. Hard Red Winter (HRW) is higher by 2.66% to $308 on good demand in feed markets compared to last week. Soft Red Winter (SRW) is higher by 2.66% to $281 on good feed demand against last week.

![AGRIWATCH]

Wheat Weekly Research Report
2nd Aug-2021

NCDEX Wheat Contracts

Wheat Futures Contact: NCDEX Price									Date: 31.07.2021
Contract Month	**+/-**	**Open**	**High**	**Low**	**Close**	**Volume**	**Change From previous day**	**Open Interest**	**Change From previous day**
21-Aug	-	-	-	-	1788	-	-	-	-
21-Sep	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-

Wheat Technical Analysis:

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

Technical Commentary:

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

Strategy: Stay away.

Intraday Supports & Resistances			**S1**	**S2**	**PCP**	**R1**	**R2**
Wheat	NCDEX	Aug	-	-	1778	-	-
Pre-Market Intraday Trade Call*			**Call**	**Entry**	**T1**	**T2**	**SL**
Wheat	NCDEX	Aug	WAIT	1778	-	-	-

*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
	31-Jul-21	23-Jul-21	30-June-21	31-Jul-20	
Indore	-	-	-	-	-
Delhi	1872	1848	1800	1885	-0.68
Kanpur	1725	1720	1642	1780	-3.08
Rajkot	1840	1817	1750	1746	5.38
Kota	1889	1874	1861	1842	2.55

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
			31-Jul-21	30-Jul-21	24-Jul-21	30-Jun-21	31-Jul-20
Delhi	Lawrence Road	Mill Delivery	1900	1910	1860	1810	1875
	Narella	Mill Quality Loose	1830	1840	1770	1650	1740
	Nazafgarh	Mill Quality Loose	1825	1830	1725	1630	1720
Gujarat	Rajkot	Mill Delivery	1800	1810	1825	1740	1735
	Ahmedabad	Mill Delivery	1990	1980	1980	1850	1835
	Surat	Mill Delivery	2050	2040	2060	1950	1880
	Dhrol	Mill Delivery	1850	1780	0	1750	1655
M.P.	Indore	Mill Delivery	1945	1945	1885	1875	1780
	Bhopal	Mill Quality Loose	1850	1825	1750	1730	Closed
Rajasthan	Kota	Mill Quality Loose	1825	1825	1740	1780	1725
		Mill Delivery	1975	1975	1900	1900	1850
U.P.	Kanpur	Mill Delivery	Closed	1735	Closed	1725	1790
	Mathura	Mill Quality Loose	Closed	1720	Closed	1640	1775
	Kosi	Mill Quality Loose	Closed	1710	Closed	1650	1840
	Hathras	Mill Quality Loose	Closed	1650	Closed	1650	1725
	Aligarh	Mill Quality Loose	Closed	1640	Closed	1670	1700
Punjab	Khanna	Mill Quality Loose	1800	1800	1800	1780	1750
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	0	0	0
Haryana	Sirsa	Mill Delivery loose	1740	1740	1725	1725	1810
	Hodal	Mill Delivery	NA	NA	0	0	0
	Bhiwani	Mill Quality Loose	1790	1790	1760	1750	1700
	Karnal	Mill Delivery	NA	NA	0	0	0
	Panipat	Mill Quality Loose	NA	NA	0	0	0

Tamil Nadu	Chennai	Mill Quality	2100	2100	2100	2100	2050
	Madurai	Mill Quality	2157	2300	2300	2300	2150
	Coimbatore	Mill Quality	2157	2350	2350	2350	2200
Bihar	Khagariya	Mill Delivery	1850	1850	1700	1750	2000
	Muzaffarpur	Mill Delivery	1825	1825	1700	1750	1775

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:

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Wheat futures on the CBOT fell over the weekend Friday after gaining the day before. Due to concerns about global wheat supply and lower-than-expected yields in a key U.S. growing region, wheat prices have risen to a new high of 2.5 percent on 29th July 2021.

European Union soft wheat exports is kept unchanged at 30 million tonnes for 2021/22 compared to last month. EU union member countries may grow higher soft wheat production for 2021/22 at 127.7 million tonnes, against 125.8 million as estimated in June'21 and 119.4 million tonnes last year.

Argentina's wheat harvest for 2021/22 was destroyed last week, according to sources, due to early morning frosts and persistently low temperatures. So far, 99 percent of Argentina's wheat planting has been completed.

According to Russia's agriculture ministry, yield of Russia is likely to reduce to 3.45 tonne per hectares as of July 20, 2021 compared to 3.47 hectates in previous year. The department has also set the export duty of wheat at $ 31.4 per tonnes from July 28 to August 3, 2021.

Wheat export prices in **Russia** rose last week due to unfavourable weather condition in key exporting countries. At the end of last week, prices for new-crop Russian wheat with 12.5 percent protein loading from Black Sea ports and for supply in August were $248 per tonne FOB, up $7 from the previous week. Dry weather condition in the country is affecting spring wheat. Spring wheat is being harmed by the country's dry weather. Sovecon, a Russian agriculture consultancy, reduced its prediction for Russia's wheat exports to 37.1 million tonnes in 2021/22.

According to the European Commission, soft wheat exports from the European Union in the 2021/22 season, which began on July 1, had reached 624,574 tonnes by July 25. By the same week in 2020/21, the figure had dropped to 1.24 million tonnes. Spring wheat was graded 9 percent good-to-excellent in USDA weekly condition ratings, down 2 percentage points from a week earlier and 1 percentage point below the average of experts' estimates.

USDA cut U.S. wheat supply in July 2021, lowering domestic usage and export, and lowering ending stocks for 2021/21, which might support an increase in the CBOT price in the near future. In July'21 report, U.S. wheat output for 2021/22 is estimated to be 47.52 MMT, down from 51.66 MMT in June '21 report. Total supplies are expected to be 74.43 MMT, down from 78.24 MMT in the June report. The country's ending stockpiles have decreased to 18.09 MMT from 20.95 MMT in the previous report.

According to a recent report from the National Statistics Bureau, China is expected to produce 134 million tonnes of summer wheat in 2021, up 2% from 2020.However, adverse weather conditions may have an impact on the fresh crop. Heavy rains in portions of the primary producing provinces, including Shandong, Henan, Hebei, and Hubei, impacted the new crop and harmed its quality before and during harvest. While, USDA has projected its production at 136 million tonnes in 2021/22.

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.	
				24.06.2021	27.07.2021
Production	732	761	773	789	788
Trade	168	185	190	191	192
Consumptions	740	745	770	787	787
Carryover stocks	260	276	279	283	280
Y-O-Y change	-8	17	3	-	1
Major Export	69	64	62	60	57

- IGC has estimated global wheat production at 788 MMT for 2021-22, lower by 1 MMT as compared to last month's estimate. According to estimates by IGC the 2019-20 global wheat production was around 761 MMT and 732 MMT for 2018-19.
- The trade estimates for 2021-22 have increased to 192 MMT. It is 1 MMT higher compared to the previous estimate and also higher from 2020-21.
- Consumption has been placed same at 787 MMT for 2021-22. The forecast is higher by 17 MMT compared to 2020-21.
- Carryout for 2021-22 is forecast at 280 MMT compared to an estimate of 283 MMT in previous month. It is higher by around 1 MMT compared to 2020-21.

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
	31-Jul-21	23-Jul-21	30-Jun-21	30-Apr-21	29-Jan-21	31-Jul-20	
Sep-21	258.56	251.30	249.65	269.03	235.69	203.54	27.03
Dec-21	261.96	254.79	251.67	269.21	236.88	206.57	26.81
Mar-22	264.71	257.55	253.87	270.41	238.44	208.96	26.68
May-22	264.44	258.01	254.61	267.38	234.95	-	-
Jul-22	257.55	252.31	252.50	252.86	226.41	-	-
Sep-22	258.28	253.23	253.60	252.86	212.45	-	-
Dec-22	260.21	255.16	-	-	-	-	-

CBOT Sep-21

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1st Support: 700
2nd Support: 690
1st Resistance: 725
2nd Resistance: 740
($ per tonne)

The Sep'21 contract closed higher by the end of the week likely to rise from the current level in coming week. Candlestick's pattern denotes a bullish trend in the chart. Rise in price and open interest compared to last week, interprets firmness in market. We expect wheat prices to 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 $246.25 per tonne.
There is improved demand for wheat in the international market, Indian FOB prices are quoted up following higher international prices. 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.