Wheat Weekly Research Report
03rd Jan-2022

Wheat Weekly Research Report

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Wheat Domestic Market Fundamentals

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During the week of January 01 to 08, 2021, the weekly average price in India was up by 1.99 percent at Rs. 2158.21 per quintal against Rs. 2116.07 per quintal the previous week. Also, wheat average prices increased by 11.62 percent from Rs. 1933.46 per quintal same time last year. On the 03rd December the price of wheat in Kanpur market for mill delivery was Rs. 2030 per quintal which is 0.50% higher than Rs. 2020 per quintal the previous month. The market is not moving with high movements as the demand remains on lower side with low buyers available for purchase due to the festive holidays.

As of 31st December, wheat sowing was done in 325.884 lakh hectares down by 3.230 lakh hectares from 329.114 lakh hectares the previous year during corresponding period. In Madhya Pradesh, sowing was done in around 89.760 lakh hectares up by 0.560 lakh hectares from 89.200 lakh hectares the previous year as per ministry of agriculture. The sowing is almost completed in Punjab and other northern states.

As per sources, 8.97 lakh tonnes of wheat were exported from India during the month of November 2021 at an average FOB of $320.67 per tonne. Bangladesh continues to be the largest importer of Indian wheat with 4.45 lakh tonnes followed by Philippines with 1.56 lakh tonnes of wheat.

During the week ending 31st December, approximately 0.33 MT of wheat was sold by FCI which is up by 22.22 percent from 0.27 lakh tonnes during the week ending at 24th December. In Punjab, 0.19 MT of wheat was sold against 0.14 MT sold the previous week.

As per sources, 51,305 MT of Wheat vessel AP DRZIC is loading at Kandla Port since 24th December 2021. Also, 45,000 MT of wheat vessel ASI M is loading at Kandla Port since 27th December 2021. And 5,000 MT of wheat vessel MEGHNA ROSE is loading at Kandla Port since 31st December 2021. Also, 4,000 MT of wheat vessel ABDULLATIF is waiting for loading at Kandla Port since 28th December 2021. And 12,000 MT of wheat vessel VTC OCEAN is waiting for loading at Kandla port since 27th December 2021. Also, 33,000 MT of wheat vessel BANGLAR SAMRIDDHI is expected to arrive at Kandla Port on 01st January 2022. And 60,500 MT of wheat vessel CHRISTINA is expected to arrive at Kandla Port on 01st January 2022. And 52,500 MT of wheat vessel MEGHNA PARADISE is expected to arrive at Kandla Port on 01st January 2022. Also, 70,000 MT of wheat vessel SEAWIND is expected toarrive at Mundra Port on 22nd December 2021.

Outlook & Recommendation: As per sources, tender for wheat has been made for gandhidham delivery by Bhopal, Indore and Ahmedabad based traders and the enquiry will happen after 10th January. As a result any major movement in the price is expected after 10th January and till then we can expect mix bias movement in price.

Trade Call: There is no NCDEX trading currently.

Weather Outlook: Scattered to fairly widespread light/moderate rainfall very likely over Punjab, Haryana, Chandigarh & Delhi, north Rajasthan, West Uttar Pradesh and West Madhya Pradesh during 04th to 06th January. Isolated heavy rainfall is very likely over Punjab on 05th January. Isolated thunderstorm activity accompanied with Hailstorm very likely over over Punjab, Haryana and Rajasthan on 05th January.

Wheat Weekly Export

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A week-on-week Exports	Quantity in MT	Average FoB ($/T)
01-08 Nov-2021	*102766.099*	*326.7238388*
9-15 Nov-2021	*357157.7151*	*316.9045161*
16-23 Nov-2021	*268247.3431*	*320.7547705*
24-30 Nov-2021	*168684.8616*	*318.6101718*
Total	**896856.0189**	***320.669386***

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.

Weather: -
Weather forecast:
Forecast: - January 2022

Source: IMD

Wheat Weekly Average Price Chart

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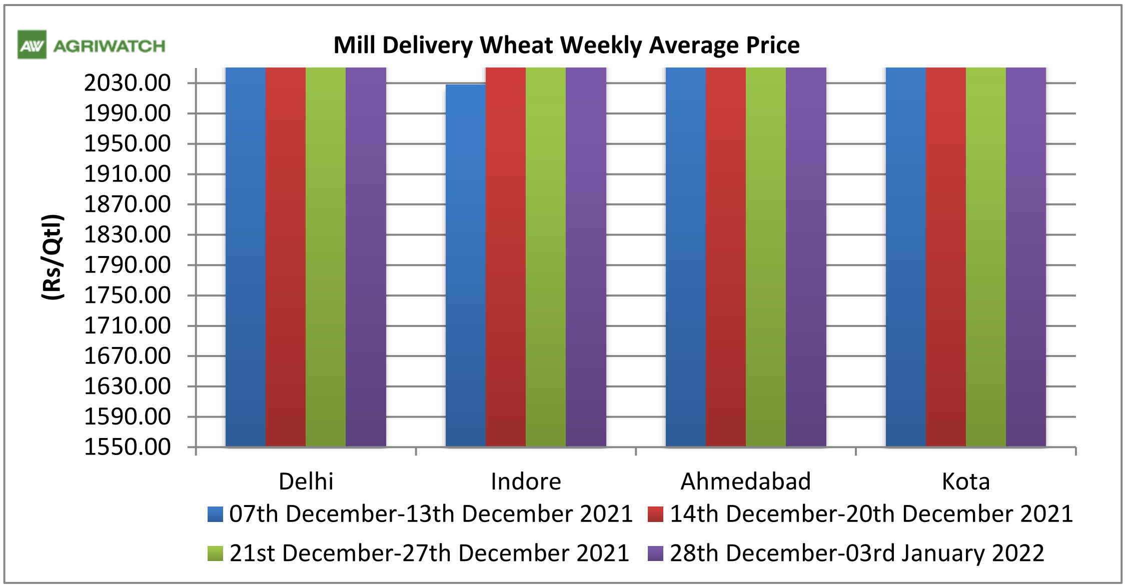

Of the four markets, the prices were on down side for Delhi and Ahmedabad market. The prices in Delhi was slightly down by 0.27 percent and in Ahmedabad, the prices were down by 0.83 percent. In Indore and Kota marke, the prices were showing upward trend. In Indore, the prices were up by 0.34 percent and in Kota, the prices were up by 0.33 percent.

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 of15thJul-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	128.16	128.16

Bihar	0	4.56	4.56
Rajasthan	16.56	6.84	23.4
Others	0.6	3.16	3.76
All-India	**37.69**	**395.63**	**433.32**

FOB & CIF Quote for Wheat at Kandla

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INR Value : 74.396 As On 03.01.2022	At Kandla
Mill delivery (Rajkot)	**20500**
Freight charge	310
Misc. Charges (port handling)	650
FOB (at Kandla Rs/T)	21460
FOB value in $ for FAQ	**288.456**
Freight Charges (US $/ton) to Dubai	36
Insurance @ 0.1% ($/MT)	0.29
CIF to Dubai (value in $ for SRW)	**324.746**

The FOB prices remains highly competitive as the prices were slightly lower in the domestic market. The strenghtening of rupee has also helped in lowering of the price. In coming days, we expect slight increase in the prices of domestic market which would also increase the FOB.

Indicative FOB Quotes:						
Wheat FOB	**Variety**	**Today**	**Week Ago**	**Month Ago**	**Year Ago**	**% Change over Prev. Week**
		31-Dec-21	**24-Dec-21**	**30-Nov-21**	**31-Dec-20**	
USA (Chicago)	2srw	336	349	338.00	-	-3.72
France	FCW3	321	332	329.00	-	-2.71
Argentina	ASW	310	317	316.00	-	-2.21
Russia	SRW	334	336	345.00	-	-0.60
India	Fob	288.01	287.03	296.17	245.00	0.34

International Weekly Outlook:

Prices for all U.S. wheat U.S. Soft Red Winter wheat decreased increased in the week as the trades from Southern hemisphere has been higher compared to Northern hemisphere. As a result the demand has been on downside.

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-Dec-21	25-Dec-21	30-Nov-21	31-Dec-20	
Indore	2021	2023	2049	1673	20.80
Delhi	2175	2180	2215	1826	19.11
Kanpur	2015	2020	2012	1600	25.94
Rajkot	2100	2097	2133	1751	19.93
Kota	2100	2100	2150	1757	19.52

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-Dec-21	30-Dec-21	24-Dec-21	30-Nov-21	31-Dec-20
Delhi	Lawrence Road	Mill Delivery	2175	2185	2175	2230	1850
	Narella	Mill Quality Loose	2025	2050	2040	2070	1730
	Nazafgarh	Mill Quality Loose	2030	2060	2040	2070	1720
Gujarat	Rajkot	Mill Delivery	2050	2075	2060	2125	1725
	Ahmedabad	Mill Delivery	2120	2150	2160	2180	1780
	Surat	Mill Delivery	2200	2230	2240	2250	1850
	Dhrol	Mill Delivery	2000	2070	1995	2120	0
M.P.	Indore	Mill Delivery	2080	2080	2050	2100	1750
	Bhopal	Mill Quality Loose	1900	1930	1910	1950	1600
Rajasthan	Kota	Mill Quality Loose	1975	1950	1960	2060	1620
		Mill Delivery	2125	2100	2110	2200	1745
U.P.	Kanpur	Mill Delivery	2030	2040	2010	2050	1670
	Mathura	Mill Quality Loose	1960	1975	1955	1990	1625
	Kosi	Mill Quality Loose	1980	2000	1940	1960	1640
	Hathras	Mill Quality Loose	1990	2000	1950	1970	1625
	Aligarh	Mill Quality Loose	1950	1980	1930	1970	1625
Punjab	Khanna	Mill Quality Loose	1900	1900	1940	1900	1620
	Ludhiana (Jagraon)	Mill Delivery	-	-	-	-	-
Haryana	Sirsa	Mill Delivery loose	2000	2000	2000	1940	1750
	Hodal	Mill Delivery	-	-	-	-	-
	Bhiwani	Mill Quality Loose	2120	2110	2015	2060	1750
	Karnal	Mill Delivery	-	-	-	-	-
	Panipat	Mill Quality Loose	-	-	-	-	-
Tamil	Chennai	Mill Quality	2450	2450	2450	2500	2000

Nadu	Madurai	Mill Quality	2507	2550	2550	2600	2200
	Coimbatore	Mill Quality	2507	2600	2600	2650	2250
Bihar	Khagariya	Mill Delivery	2100	2100	2000	2100	1850
	Muzaffarpur	Mill Delivery	-	-	-	2100	1650

Ongoing Rabi sowing 2021-22

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Rabi sowing update (as on 31.12.2021)				
State	**Normal area (2021)**	**2021**	**2020**	**Absolute Change 2021 vs. 2020**
Bihar	21.25	**19.840**	**19.870**	**-0.030**
Chhattisgarh	1.08	**1.071**	1.324	**-0.253**
Gujarat	9.44	**12.022**	12.738	**-0.716**
Haryana	25.32	**23.650**	25.150	**-1.500**
Himachal Pradesh	3.22	**3.400**	3.400	**0.00**
J&K	2.80	**2.404**	2.453	**-0.049**
Jharkhand	1.94	**1.421**	1.933	**-0.512**
Karnataka	1.67	**1.780**	1.900	**-0.120**
Madhya Pradesh	58.65	**89.760**	89.200	**0.560**
Maharashtra	10.20	**8.312**	9.233	**-0.921**
Punjab	35.11	**34.930**	35.170	**-0.240**
Rajasthan	29.49	**31.000**	29.040	**1.960**
Uttar Pradesh	96.89	**91.373**	92.527	**-1.148**
Uttarakhand	3.32	**3.220**	3.250	**-0.030**
West Bengal	2.16	**1.450**	1.700	**-0.250**
Others	0.20	**0.00**	0.000	**0.00**
All-India	**303.06**	**325.884**	**329.114**	**-3.230**

Source: Ministry of Agriculture

International Market Update:

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Russian wheat with 12.5% protein content loading from Black Sea ports for supply in January was quoted at $330 a tonne FOB at the end of last week up by $1 from the previous week.

Winter wheat crops in Ukraine's central regions have been affected by poor weather and are mostly in satisfactory condition. Farmers were unable to sow all of the planned areas with winter wheat for the 2022 harvest due to severe drought in the central regions which includes planting a total of 6.2 million hectares or 94% of the expected area.

Ukraine will consider limiting milling wheat exports in the first half of 2022, with officials expected to decide on the issue in mid-January, but Ukraine grain traders association said Ukraine has enough wheat to ensure its domestic food needs and there is no need to limit exports. The country was able to deliver around 10 million tonnes more wheat by the season's end, including up to 4 million of milling wheat and 6 million of feed wheat.

Grain prices is expected to be more volatile in the global market as high fertilizer prices, forecasts of more wild weather and the threat that China slows its buying loom over the year ahead.

Russia will impose a wheat export quota of 8 million tonnes for the period from Feb. 15 to the end of June. The export quota is intended to reduce Russia's domestic food price inflation and also could force wheat importers to increasingly seek out supplies from other major producers, including the US and Australia.

As per sources, Poor winter weather conditions combined with already-low global inventories could make prices for wheat higher by up to 19%. Europe, Ukraine, and the U.S. face some very unfavorable weather that will create a supply shortage concern globally.

As per USDA, Mexico is now expected to produce 3.275 million tonnes of wheat in 2021-22. Exports are estimated at 850,000 tonnes higher than expected. Ending stocks are estimated at 387,000 tonnes.

China will sell 500,000 tonnes of wheat at auction from state reserves on January 5th 2022. Chinese feed producers took a break on wheat from the state stockpiles during auctions in the last crop year to replace corn, whose prices had soared to record levels.

As per USDA, Russia's wheat production in the marketing year 2021-22 (July-June) is expected to reach 75.5 million mt, while exports could hit 36 million mt. As per sources, Russian wheat has shown high quality, with milling wheat accounting for 86% of the harvested crop so far.

As per Buenos Aires grain exchange, Argentina could harvest more than the currently forecasted 21.5 million tonnes of wheat during 2021-22 as the yields continue to increase than expected. As of now 89.7 percent of the crop have been harvested.

Egypt's state grains buyer bought 300,000 tonnes of wheat in an international tender for shipment February 15 to March 3, 2022. The purchase comprised 60,000 tonnes of French wheat, 180,000 tonnes of Ukrainian wheat and 60,000 tonnes of Romanian wheat.

Jordan's state grain buyer has issued an international tender to buy 120,000 tonnes of milling wheat. The deadline for submission of price offers in the tender is January 5th.

In Pakistan, the ongoing fertilizer shortage has created fears that the country may once again miss its wheat production target. The officials have already set the target at 28.9 million MT up by 6 percent compared to previous year. But this target seems out of the reach as the crop is undergoing major risk due to fertilizer shortage.

IGC Wheat Balance Sheet: ***(Back to Table of Contents)***

IGC Forecast (Fig- In MMT)	2018-19	2019-20	2020-21 est.	2021-22 F'cast	
				21.10.2021	18.11.2021
Production	732	761	773	781	777
Trade	168	185	191	194	196
Consumptions	740	745	771	783	782
Carryover stocks	260	276	278	276	274
Y-O-Y change	-8	16	3		-4
Major Export	69	63	60	54	53

- IGC has estimated global wheat production at 777 MMT for 2021-22, 4 MT down from 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 196 MMT. It is 2 MMT higher compared to the previous estimate and also higher from 2020-21.
- Consumption has been down at 782 MMT for 2021-22. The forecast is higher by 11 MMT compared to 2020-21.
- Carryout for 2021-22 is forecast at 274 MMT compared to an estimate of 276 MMT in previous month. It is lower by around 4 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-Dec-21	24-Dec-21	30-Nov-21	30-Sep-21	30-Jun-21	31-Dec-20	
Mar-22	283.17	299.34	289.24	270.59	243.04	233.94	21.04
May-22	284.46	300.72	291.62	271.69	246.07	236.05	20.51
Jul-22	280.88	296.03	289.14	265.08	247.35	233.39	20.35
Sep-22	281.61	295.57	289.33	265.63	246.89	226.32	24.43
Dec-22	282.90	296.40	290.43	267.65	248.09		-
Mar-23	283.54	296.49	291.07	267.65	212.45		-
May-23	278.86	290.98	286.20				-

CBOT Dec -21

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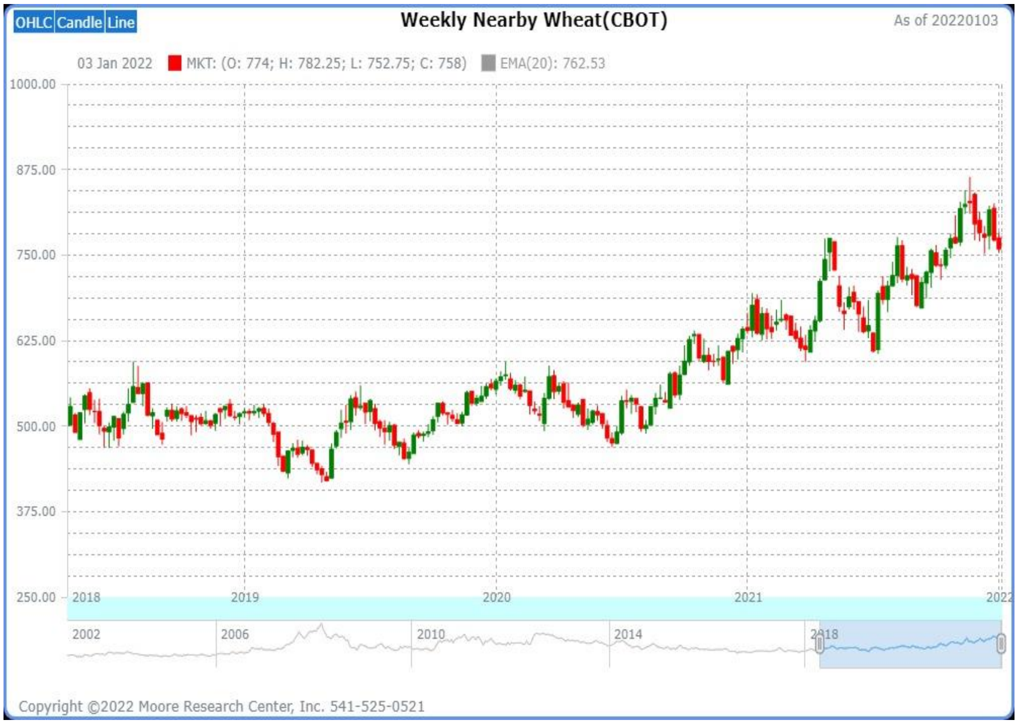
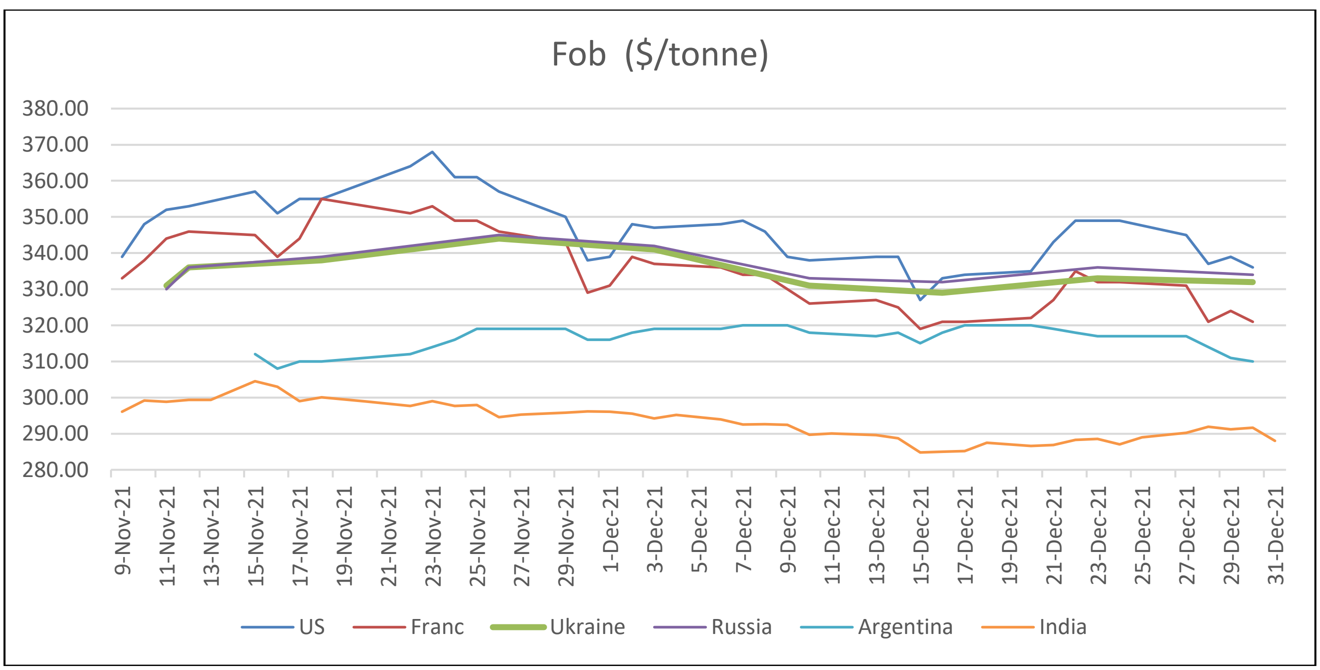
1st Support: 670
2nd Support: 604
1stResistance: 780
2nd Resistance: 850
($ per tonne)



The Dec'21 contract showed bearish trend last week which is driven by lower trade from northern hemisphere as more trade is towards the southern hemisphere countries. We can expect the cbot to trade in range bound to mix bias in coming week as there is the ambiguity in the Australian wheat crop also Argentina wheat is expected to produce good harvest.

International FOB Weekly Price Movement



Indian FoB quote is based on local prices. Indian FoB quote is being quoted at $288.011 per tonne. Indian wheat in domestic market is expected to stay with mix bias in the coming week as the prices can be impacted domestically due to free ration. Worldwide the prices are on lower side due to lower trade happening in major producing nations.