Wheat Weekly Research Report

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Wheat Domestic Market Fundamentals

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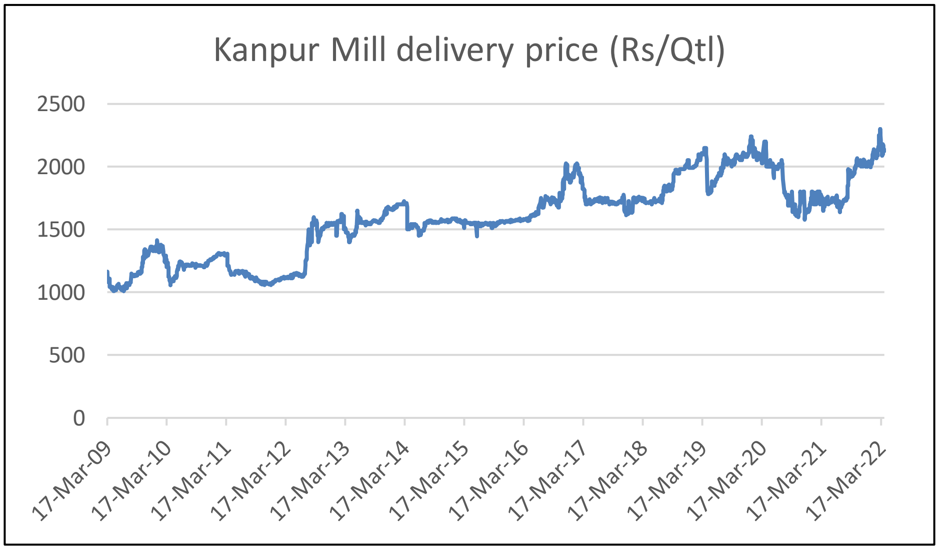
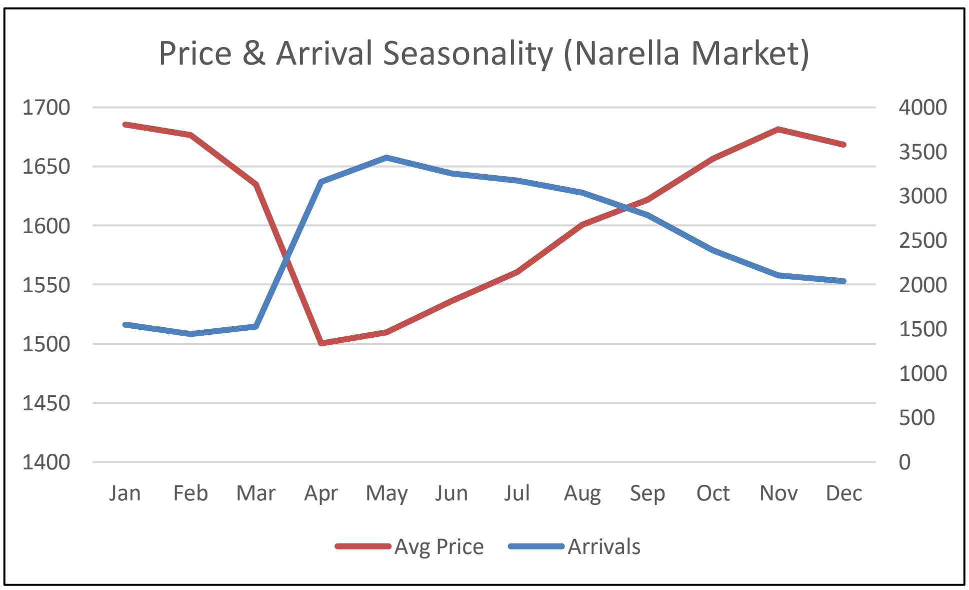
During the week of April 01 to 08 2022, , the weekly average price remains steady to slightly firm compared to the previous week. The prices were up by 1.36 percent.



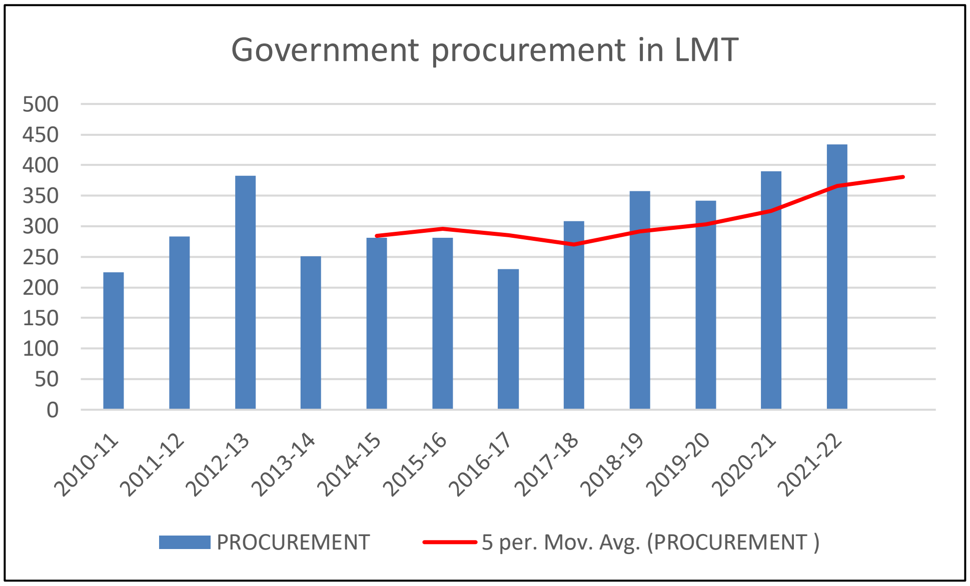
On 6th April, the price of Mill delivery in Kanpur market was at Rs. 2130 per quintal down by 1.39 percent compared to Rs. 2160 per quintal the previous week. The arrivals in UP has increased which is pressurizing the prices on downside.

In Rajasthan, the procurement of wheat has started in 389 purchasing centers and the procurement will continue till June 10th.



In Kota, the procurement has already started from March 15th. In Punja, wheat is expected to arrive after April 8th or 9th and proper procurement is expected to start from April 10th onwards. Since the wheat has not dried properly and the farmers want to take at least another week to harvest it, the arrival may be a little slow.

In most parts of Haryana, the officials are rejecting the wheat crop from the farmers due to high moisture content in the harvested crop. Currently wheat crop under 12% moisture content is only allowed while most of the crop arriving in the market is having 16-17% of the moisture. This is mainly due to harvesting of crops through combine harvester.



Agriwatch anticipate that there will be significant decline in the yield of wheat crop in Gujarat. Reportedly, major decline is expected in Saurashtra where yield is likely to fall by 20 percent while all over Gujarat the yield is likely to down by 5-10 percent as per preliminary estimates.

Furthermore, sources attributed that due to increase in temperature, the yield in Uttar Pradesh is expected to fall by 3-5% compared to previous year and it may drive the prices on higher side in coming weeks. The late sown crops will be suffering maximum from the rise in temperature and early summer.

Outlook & Recommendation: The wheat is expected to trade steady to slightly weak in coming weekas the free ration scheme has been extended and also the arrivals are picking up the pace.

Trade Call: There is no NCDEX trading currently.

Weather Outlook: There was high temperature reported in parts North India which is likely to cause reduction in yield in many parts of Northern India.

Wheat Weekly Export

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A week-on-week Exports	Quantity in MT	Average FoB ($/T)
01-08 Feb-2022	97912.64	331.12
9-15 Feb-2022	193472.56	331.73
16-23 Feb-2022	48174.54	359.68
24-28 Feb-2022	25492.70	425.13
Total	**365052.43**	**353.47**

Source: Trade

Wheat Import

Date	Origin	Port	Quantity in MT
April to Dec-2021	Australia, UK	Tuticorin	51.06
	Mexico, USA		3.00
	Total		54.06

Source: Apeda\’

Weather: -

Weather forecast:

Forecast: - April 2022

Source: IMD

![AGRIWATCH]

Wheat Weekly Research Report
11th Apr-2022

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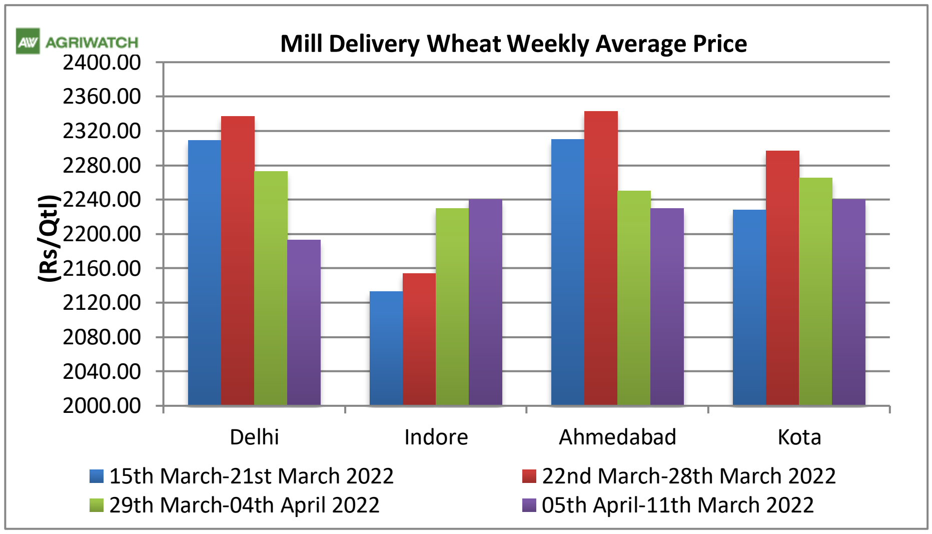
Wheat Weekly Average Price Chart

In all the mandis, the prices were showing steady to weak tone. The prices are expected to trade weak in coming days as well. In Narella mandi, the prices are expected to trade in the range of Rs. 2100-2150 per quintal in coming 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 2022-23

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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	At Kandla
Mill delivery (Rajkot)	**23360**
Freight charge	310
Misc. Charges (port handling)	650
FOB (at Kandla Rs/T)	23460
FOB value in $ for FAQ	307.69
Freight Charges (US $/ton) to Dubai	44
Insurance @ 0.1% ($/MT)	30.77
CIF to Dubai (value in $ for SRW)	**382.46**

(INR value: 75.92 as on 08.04.2022)

The Indian wheat FOB prices quoted at 307.69 per tonne down from last week's 308.86 per tonne. There is high volatility in dollars and rupee and higher arrivals is also pressurizing domestic prices.

Indicative FOB Quotes:						
Wheat FOB	**Variety**	**Current Week**	**Week Ago**	**Month Ago**	**Year Ago**	**% Change over Prev. Week**
		08-Apr-22	**02-Apr-22**	**08-Mar-22**	**08-Apr-21**	
USA (Chicago)	2srw	426	421	529	-	**1.19**
France	FCW3	411	427	447	-	**-3.47**
Argentina	ASW	396	396	421	-	**Unch**
Russia	SRW	380	405	440	-	**-6.17**
India	FAQ	307.69	308.86	328.47	242.28	**-0.38**

International Weekly Outlook:

The US wheat acreage has increased with concern over US wheat crop due to drought. The crop condition is considered very poor and the worst since 1998. The crop in Europe is in good condition compared to previous year thus pressurizing the prices. The Argentina wheat remains steady as Brazil records bumper wheat production and Argentina is expanding wheat crop for the coming season. The shipments towards the Russian ports are still limited with lack of insurance and higher freight costs, and the prices fell.

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
	09-Apr-22	19-Mar-22	09-Mar-22	09-Apr-21	
Indore	2145	2126	2306	1825	17.53
Delhi	2204	2252	2400	1904	15.76
Kanpur	2100	2132	2300	1700	23.53
Rajkot	2295	2300	2427	1750	31.14
Kota	2212	2297	2300	1882	17.53

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
			9-Apr-22	8-Apr-22	2-Apr-22	9-Mar-22	9-Apr-21
Delhi	Lawrence Road	Mill Delivery	2185	2190	2240	2460	1950
	Narella	Mill Quality Loose	2040	2035	2060	-	1770
	Nazafgarh	Mill Quality Loose	2050	2050	2080	-	1810
Gujarat	Rajkot	Mill Delivery	2250	2240	2250	2420	1715
	Ahmedabad	Mill Delivery	2315	2320	2400	2435	1825
	Surat	Mill Delivery	2360	2370	2425	2475	1910
	Dhrol	Mill Delivery	2275	-	2505	2470	-
M.P.	Indore	Mill Delivery	2260	2240	Closed	2300	1830
	Bhopal	Mill Quality Loose	2000	2000	Closed	2300	1740
Rajasthan	Kota	Mill Quality Loose	2100	2080	2075	2200	1720
		Mill Delivery	2250	2230	2225	2350	1870
U.P.	Kanpur	Mill Delivery	2100	2130	2130	2250	1720
	Mathura	Mill Quality Loose	2020	2025	2060	2230	1700
	Kosi	Mill Quality Loose	2030	2010	1980	2200	1750
	Hathras	Mill Quality Loose	2020	2050	2050	2200	1780
	Aligarh	Mill Quality Loose	2030	2040	2040	2200	1740
Punjab	Khanna	Mill Quality Loose	2010	2020	2130	2125	Closed
	Ludhiana (Jagraon)	Mill Delivery	-	-	-	-	-
Haryana	Sirsa	Mill Delivery loose	2015	2015	2100	2200	1975
	Hodal	Mill Delivery	-	-	-	-	-
	Bhiwani	Mill Quality Loose	2000	2000	2200	2350	1860
	Karnal	Mill Delivery	-	-	-	-	-
	Panipat	Mill Quality Loose	-	-	-	-	-
Tamil	Chennai	Mill Quality	2500	2500	2500	2550	2100

Nadu	Madurai	Mill Quality	2557	2650	2700	2650	2250
	Coimbatore	Mill Quality	2557	2700	2750	2700	2300
Bihar	Khagariya	Mill Delivery	2100	2100	2050	2100	1800
	Muzaffarpur	Mill Delivery	2000	2000	2000	-	1680

Ongoing Rabi sowing 2021-22

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Rabi sowing update (as on 04.02.2022)				
State	**Normal area (2021)**	**2021**	**2020**	**Absolute Change 2021 vs. 2020**
Bihar	21.25	**24.21**	**22.99**	**1.22**
Chhattisgarh	1.08	**1.69**	**1.98**	**-0.29**
Gujarat	9.44	**12.50**	**13.66**	**-1.16**
Haryana	25.32	**23.87**	**25.21**	**-1.34**
Himachal Pradesh	3.22	**3.40**	**3.40**	**0.00**
J&K	2.80	**2.48**	**2.50**	**-0.02**
Jharkhand	1.94	**2.26**	**2.31**	**-0.05**
Karnataka	1.67	**1.67**	**1.90**	**-0.23**
Madhya Pradesh	58.65	**91.96**	**87.98**	**3.98**
Maharashtra	10.20	**10.60**	**11.88**	**-1.28**
Punjab	35.11	**35.02**	**35.09**	**-0.07**
Rajasthan	29.49	**31.00**	**32.62**	**-1.62**
Uttar Pradesh	96.89	**97.23**	**99.04**	**-1.81**
Uttarakhand	3.32	**3.22**	**3.27**	**-0.05**
West Bengal	2.16	**1.89**	**1.94**	**-0.05**
Others	0.20	**0.00**	**0.000**	**0.00**
All-India	**303.06**	**343.26**	**346.10**	**-2.84**

Source: Ministry of Agriculture

International Market Update:

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Russia has managed to continue exporting through its Black Sea ports despite the Western sanctions that have complicated trade logistics and payment. Prices for wheat with 12.5% protein content from the Black Sea ports fell last week by $22 to $368 free on board (FOB). The Russian government has also increased the export prices for Aril 13th to 19th by $5.30/tonne to $101.40/tonne. It is likely that the FOB prices will increase making the market highly uncompetitive and chance of reduced exports is likely.

In the domestic market, wheat prices in roubles fell after strong rally in March. Russia's spring grain sowing continues in favourable weather. By March 31 spring grains were planted on 509,000 hectares, against 339,000 hectares a year ago**.** The spring sowing is suggesting good crop for the upcoming spring season easing the ongoing global concerns regarding global wheat supply.

As per USDA, 30% of U.S. winter wheat was in good or excellent condition as of April 3, well below the trade expectation for 40% and 53% year ago. But one silver lining is that U.S. farmers appear to have planted the highest winter wheat acreage in six years, as was revealed last week in USDA's acreage survey. However, if the U.S. winter crop falters, total wheat supplies will remain under pressure.

The Uzbekistan government said it will buy up to 600,000 tonnes of grain, mainly from neighboring Kazakhstan, to increase its state stockpiles and ensure food security. But the imports would be difficult as Kazakhstan has planned to limit wheat and wheat flour exports until June 15 to 1 MMT and 0.3 MMT respectively and the measure will take effect within two weeks.

IGC Wheat Balance Sheet:

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IGC Forecast (Fig- In MMT)	2018-19	2019-20	2020-21 est.	2021-22 F'cast	
				17.02.2022	17.03.2022
Production	733	762	774	781	781
Trade	168	185	190	197	194
Consumptions	740	746	771	781	778
Carryover stocks	260	275	278	278	281
Y-O-Y change	-8	16	3		3
Major Export	69	63	61	57	63

- IGC has estimated global wheat production at 781 MMT for 2021-22, similar to last month's estimate. According to estimates by IGC the 2019-20 global wheat production was around 762 MMT and 733 MMT for 2018-19.
- The trade estimates for 2021-22 is 19 MMT. It is lower by 3 MMT compared to the previous estimate and also higher by 4 MMT from 2020-21.
- Consumption has been lowered at 778 MMT compared to previous estimate of 781 MMT for 2021-22. The forecast is higher by 7 MMT compared to 2020-21.

- Carryout for 2021-22 is forecast at 281 MMT compared to an estimate of 278 MMT in previous month. It is higher 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
	8-Apr-22	1-Apr-22	8-Mar-22	6-Jan-22	8-Oct-21	8-Apr-21	
May-22	386.32	361.71	472.66	275.46	271.23	234.77	**64.55**
Jul-22	388.80	361.61	439.13	275.09	272.06	227.05	**71.24**
Sep-22	388.16	358.03	404.32	276.38	273.90	227.15	**70.89**
Dec-22	386.78	354.36	371.35	278.40	274.54	0.00	-
Mar-23	383.29	348.39	351.05	279.59	271.88	0.00	-
May-23	377.04	341.41	334.06	279.59	212.45	-	-
Jul-23	348.30	322.12	312.20	-	-	-	-

US Wheat Futures May -22

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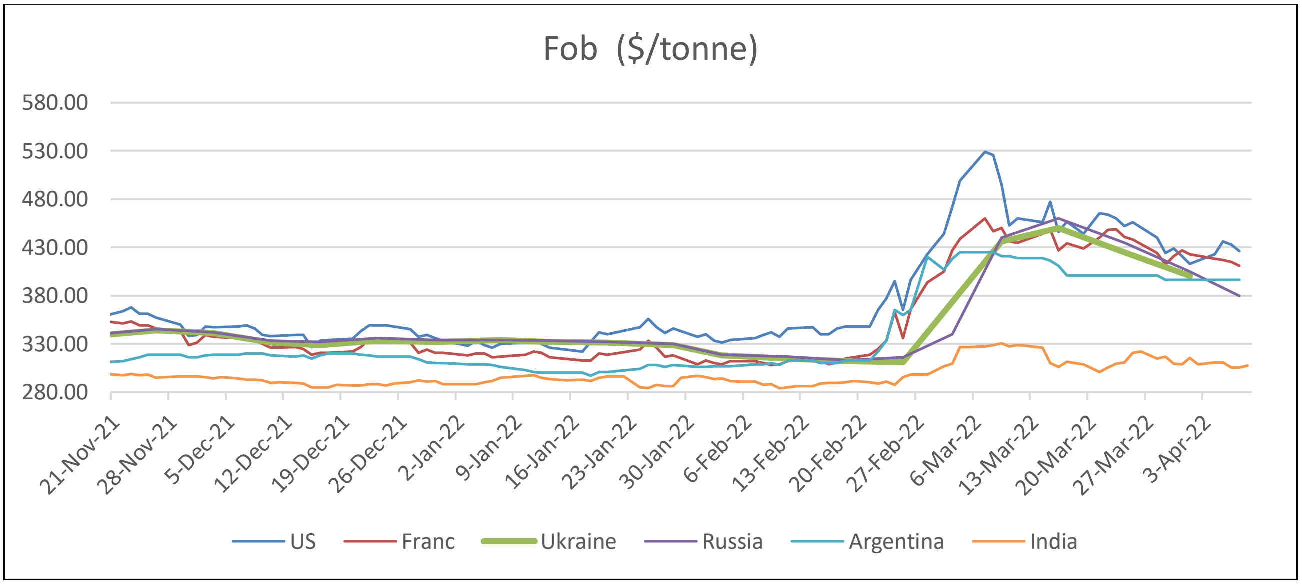
1st Support: 1157.81
2nd Support: 1421.87
1stResistance: 1056.81
($ per tonne)

The wheat future candles are taking support from 9DMA and 18DMA and also moving above 50DMA and 100DMA. The MACD crossover is indicating steady momentum of the trend. The RSI value indicating steady to firm buying strength.

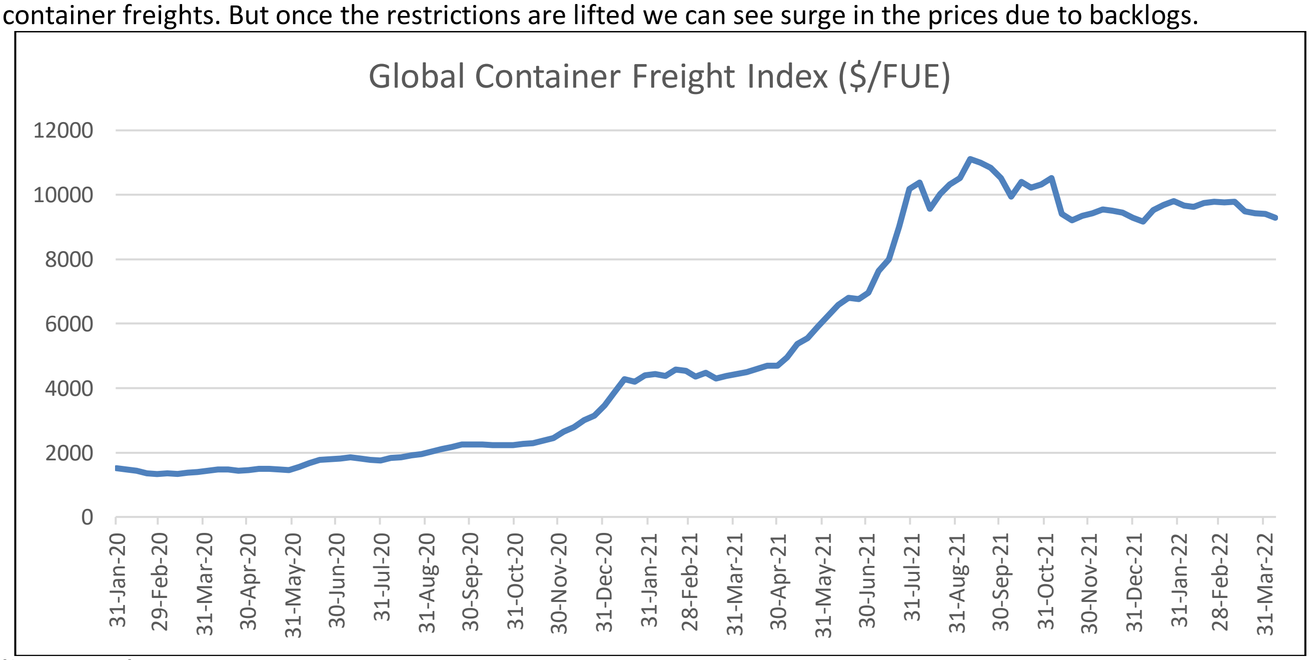
International FOB Weekly Price Movement



Indian FOB is being quoted at $307.69 per tonnes. In coming week as well, we can see Indian FOB to stay weak as the domestic prices are expected to fall though there is huge volatility in Indian rupee and dollar which can reverse the trend.

Container Freight Index

The global freight index fell by 1.44 percent compared to previous week to $9280/FUE. The Shanghai lockdown has continued which is hampering the port operations. Though the ports completely opened, labor shortage is slowing operation, the manufacturing and warehousing is completely closed. This is leading to slight dip in container freights. But once the restrictions are lifted we can see surge in the prices due to backlogs.



(Source : FBX)