

Wheat Weekly Research Report

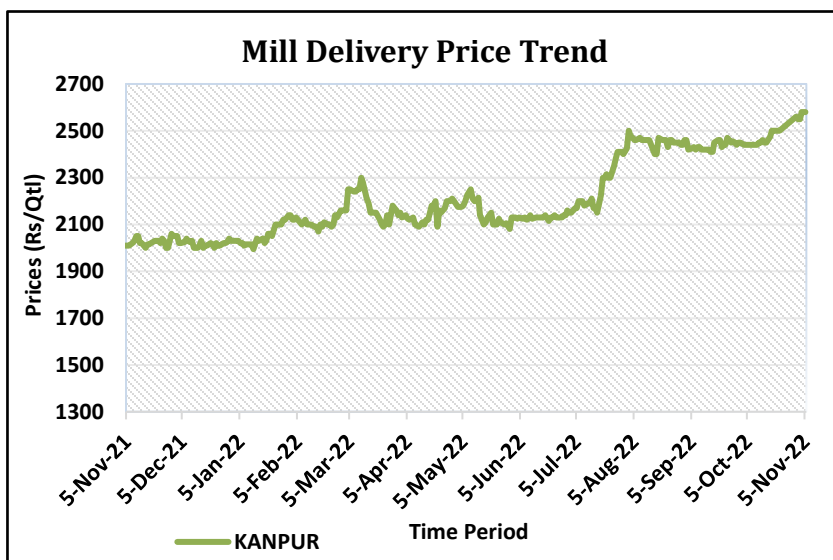
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Wheat Domestic Market Fundamentals

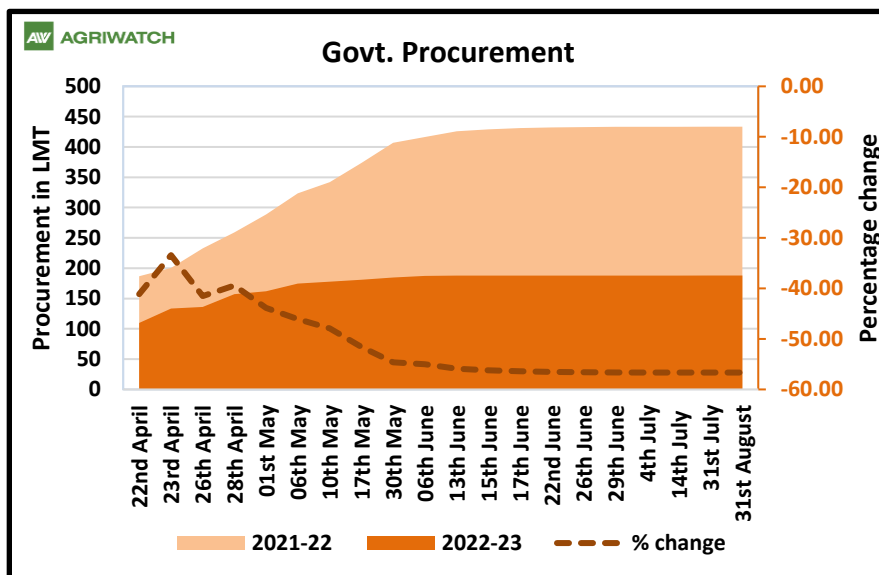
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During the Week under review, Firm sentiments were observed in major Wheat cash markets amid good demand of Wheat and its products coupled with shortage of quality crop. In benchmark Kanpur market mill delivery prices rose by Rs.80 per quintals to Rs.2580 per quintals as compared to previous week. AgriWatch expects that prices may remain on firm trend until unless there will be no intervention by Government.

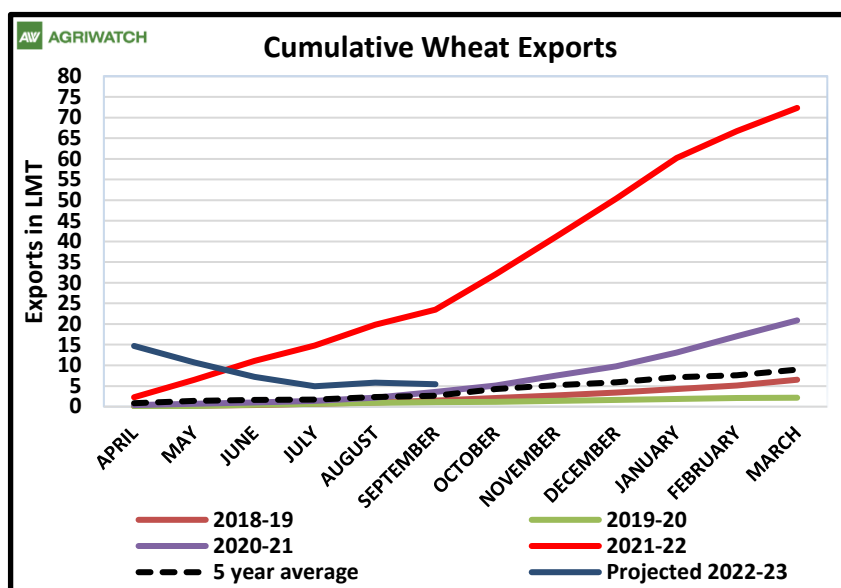


According to recent update by the Ministry of Agriculture, wheat is sown more actively this Rabi season. As of November 4th, 2022 Wheat is sown under 0.75 million hectares which is up by over 436% from corresponding period last year. According to sources, farmers in Rajasthan, Gujarat, and Madhya Pradesh may switch from rival crops like gram and garlic and vegetable crop to Wheat. This season given the higher prices of Wheat throughout the season and currently also, motivating farmers to bring more acre under Wheat cultivation this Rabi 2022.

Procurement is over now. As of August 31st, procurement number stood at 187.92 LMT down by 56.64% as compared to previous year and lowest since 2010 due to low Wheat stock in Central pool of FCI.



Total Wheat export number till September stood at 48.74 LMT which is up by 107.75% during same time period in previous year. As per trade sources, in September almost 5.40 LMT of Wheat exported to other nations. Out of which around 3 LMT exported to Bhutan and 2 LMT exported to Bangladesh.



Outlook & Recommendation: AgriWatch expects prices to rise in coming weeks due to good demand in domestic market coupled with supply shortage. The prices will remain in this trend till the Government doesn't intervene. On the other hand, on global level prices are likely to rise as the supply side got affected as Russia suspends Black Sea exports. While in US, France and Argentina good weather conditions keep check on prices over there.

Trade Call: There is no NCDEX trading currently.

Wheat Weekly Export

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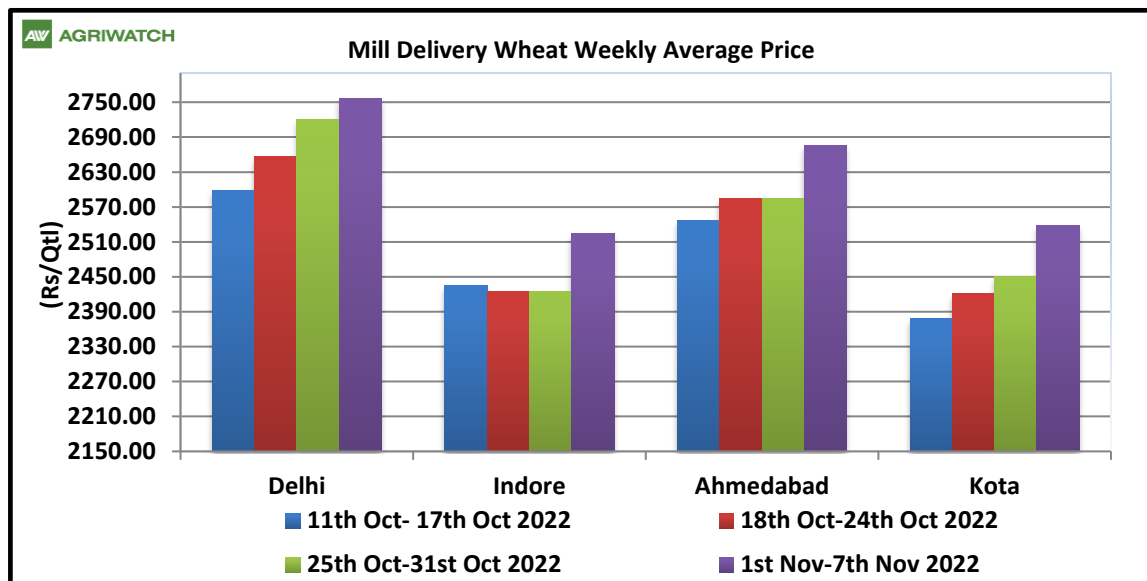
A week-on-week Exports	Quantity in MT	Average FOB (\$/TONNE)
01-08 September-2022	224642.75	331.06
9-15 September -2022	120657.15	343.29
16-23 September -2022	106847.85	350.15
24-31 September -2022	87483.08	333.17
Total	539630.84	340.70

Source: Trade

Wheat Import

Date	Origin	Port	Quantity in MT
April to Feb. 22	Australia, UK	Tuticorin	51.06
	Mexico, USA		3.00
	Total		54.06

Source: APEDA

Wheat Weekly Average Price Chart
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Mill delivery prices were traded on higher side in major Wheat cash markets amid good demand due to good domestic demand and supply shortage.

Wheat and Rice Stocking Norms

<u>Wheat Stock Norms</u>						
Fig. In Lakh Tonne	Operational Stock			Strategic Reserve		Grand Total
	Rice	Wheat	Total	Rice	Wheat	
As on						
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						

State-wise Procurement Progress 2022-23

State/UTs	Procurement in LMT (as on 31.08.2022)
Punjab	96.45
Haryana	41.86
Uttar Pradesh	3.36
Madhya Pradesh	46.03
Rajasthan	0.10
Others	0.12
All-India	187.92

International Weekly Outlook:

On improved weather conditions in US, France and Argentina as little rainfall ease drought which ultimately improve the crop conditions. This ultimately push down the FOB prices While in Australia depreciation in dollar keeps the FOB on lower side. In India little appreciation in rupee coupled with high domestic prices keeps FOB prices on higher side.

Indicative FOB Quotes:					
Wheat FOB	Variety	Current Week	Week Ago	Month Ago	% Change over Prev. Week
		3-Nov-22	27-Oct-22	6-Oct-22	
USA (Chicago)	2srw	375	383	396	-2.09
France	FCW3	337	342	347	-1.46
Argentina	ASW	413	420	420	-1.67
Russia	SRW	315	315	335	-
India	FAQ	319.98	313.79	301.12	1.97
Australia	ASW	356.58	359.68	341.25	-0.86

Spot Price at NCDEX Delivery Centers:

Spot prices of wheat at NCDEX Delivery Centers						
NCDEX SPOT	Current Week	Week Ago,	Month Ago,	Year Ago,	% Change over prev. Year	% Change over prev. Week
	5-Nov-22	31-Oct-22	6-Oct-22	6-Nov-21		
Indore	2590	2576	2400	2165	19.63	0.54
Delhi	2733	2699	2546.8	2050	33.32	1.26
Kanpur	2590	2540	2450	2015	28.54	1.97
Rajkot	2515	2500	2325	2100	19.76	0.60
Kota	2527	2495	2325	2122	19.09	1.28

Domestic Market Weekly Outlook:

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Spot Market Price:							
Centre	Market	Variety	Prices (Rs/Qtl)				
			Current Week	Yesterday	Week Ago,	Month Ago,	Year Ago,
			5-Nov-22	3-Nov-22	29-Oct-22	6-Oct-22	6-Nov-21
Delhi	Lawrence Road	Mill Delivery	2800	2750	2710	2565	Closed
	Narella	Mill Quality Loose	2600	2550	2525	2380	Closed
	Nazafgarh	Mill Quality Loose	2620	2550	2500	2375	Closed
Gujarat	Rajkot	Mill Delivery	2525	2510	Closed	2360	Closed
	Ahmedabad	Mill Delivery	2685	2675	Closed	2480	Closed
	Surat	Mill Delivery	2755	2730	Closed	2540	Closed
	Dhrol	Mill Delivery	2560	2450	2405	2315	Closed
M.P.	Indore	Mill Delivery	2525	2525	Closed	2425	Closed
	Bhopal	Mill Quality Loose	2400	2400	2350	2250	-
Rajasthan	Kota	Mill Quality Loose	2400	2400	2350	2200	Closed
		Mill Delivery	2550	2550	2500	2350	Closed
U.P.	Kanpur	Mill Delivery	2580	2580	Closed	2440	Closed
	Mathura	Mill Quality Loose	2460	2425	2430	2345	Closed
	Kosi	Mill Quality Loose	2550	2525	2490	2350	Closed
	Hathras	Mill Quality Loose	2650	2650	2500	2500	Closed
	Aligarh	Mill Quality Loose	2460	2460	2430	2420	Closed
Punjab	Khanna	Mill Quality Loose	2450	2430	Closed	2260	Closed
	Ludhiana (Jagraon)	Mill Delivery	2300	2300	2300	2250	-
Haryana	Sirsa	Mill Delivery loose	2515	2470	2450	2260	1940
	Hodal	Mill Delivery	-	-	Closed	-	-
	Bhiwani	Mill Quality Loose	-	-	2515	2330	2060
	Karnal	Mill Delivery	-	-	-	-	-
	Panipat	Mill Quality Loose	2625	2625	2615	2425	-
Tamil Nadu	Chennai	Mill Quality	2925	2925	2850	2700	Closed
	Madurai	Mill Quality	2982	3025	2950	2800	Closed
	Coimbatore	Mill Quality	2982	3075	3000	2850	Closed
Bihar	Khagariya	Mill Delivery	2650	2650	2625	Closed	1900
	Muzaffarpur	Mill Delivery	2525	2525	2530	2500	2000

International Market Update:

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Buenos Aires Exchange forecast Argentina wheat production at 15.2 MMT.

As per Ukraine's Agriculture Ministry 13.4 MMT of grains shipments had done till 2 November which is down by 32% from last year. Out of the total grains 5.1 MMT is Wheat only which is down by 60% as compared to previous year.

IKAR Consultancy estimated that Russian 2022-23 Wheat crop is likely to be around 101 MMT out of which 50 MMT is of exportable supply.

Ukraine Winter Wheat sowing is 87% complete but the area has decreased as compared to the previous year as more than 50% of the area is occupied by the Russian army. As per the latest data by the agriculture ministry about 3.5 million hectares have been sown as of Nov. 1 compared with 6.1 million hectares on the same date in 2021. As most of the area is occupied by the Russian army, they said currently only 3.8 million hectares of sowing area are left.

As per the USDA Crop Progress report, only about 28% of the U.S. Winter Wheat crop is in good condition while the rest of it is in worst condition due to ongoing drought. In Kansas, Oklahoma, and Texas the percentage varies as 22%, 11%, and 4% respectively.

Iraq purchased about 1.50 LMT of Wheat in a tender. State grain's buyer of Iraq had purchased 1.50 LMT of Hard Wheat which is expected to be of Canadian, Lithuania and Australian Origin. It is expected that about 0.50 LMT share has believed to be from each country.

IGC Wheat Global Balance Sheet:

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IGC Forecast (Fig-In MMT)	2019-20	2020-21 est.	2021-22 F'cast	2022-23 Proj	
				22.09.22	20.10.22
Production	761	774	781	792	792
Trade	185	190	196	193	192
Consumptions	745	771	778	785	784
Carryover stocks	276	279	282	286	286
Y-O-Y change	16	3	3	6	8
Major Export	62	60	65	70	70

- IGC has projected 2022-23 global wheat production at 792 same as previous estimate of 778 MMT in September. IGC has estimated global wheat production at 781 MMT for 2021-22, similar to April month's estimate.
- The trade projection for 2022-23 is 192 MMT up from previous estimate.
- Consumption has been decreased from previous estimate of 785 MMT to 784 MMT.
- Carryout for 2022-23 is projected at 70 MMT which is quite similar with previous estimate.

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. week
	4-Nov-22	28-Oct-22	4-Oct-22	4-Aug-22	6-May-22	5-Nov-21	
Dec-22	311.46	304.67	331.39	294.65	408.64	286.30	2.23
Mar-23	318.44	311.92	336.26	301.45	408.82	286.85	2.09
May-23	322.30	315.96	338.83	305.22	404.42	283.72	2.01
Jul-23	323.50	316.52	334.06	304.30	383.47	-	2.21
Sep-23	325.70	318.81	332.86	304.76	378.15	-	2.16
Dec-23	328.36	321.75	333.42	306.14	-	-	2.06
Mar-24	328.82	321.93	331.76	-	-	-	2.14
May-24	325.79	319.00	327.63	-	-	-	2.13

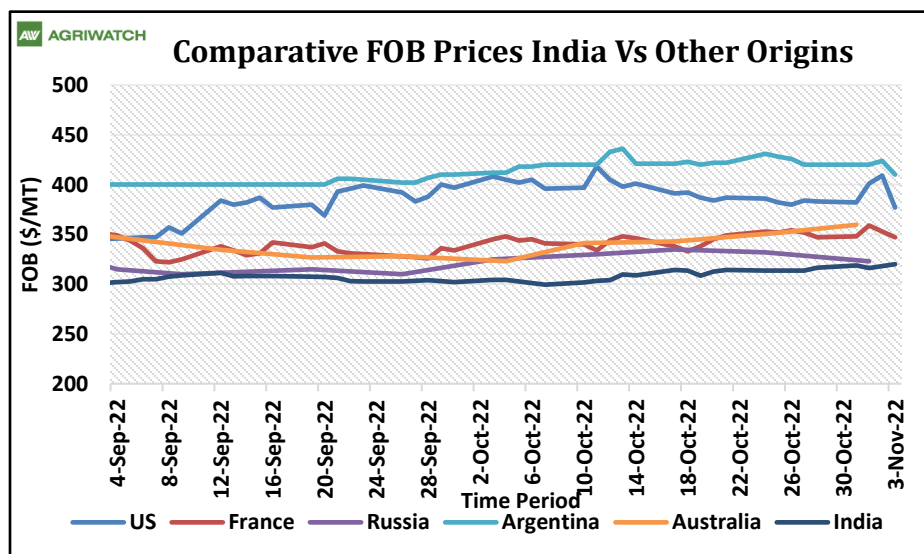
FOB & CIF Quote for Wheat at Kandla
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	At Kandla
Mill delivery (Rajkot)	25000
Freight charge	550
Misc. Charges (port handling)	650
FOB (at Kandla Rs/T)	26200
FOB value in \$ for FAQ	319.98
Freight Charges (US \$/ton) to Dubai	44
Insurance @ 0.1% (\$/MT)	0.31998
CIF to Dubai (value in \$ for SRW)	363.98

(INR value: 81.88 as on 04.11.2022)

International FOB Weekly Price Movement

The Indian wheat FOB prices quoted at \$319.98 per MT. With little appreciation in rupee and high domestic prices keeps FOB on higher side.



US Wheat Futures Dec -22
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1st Support: 850

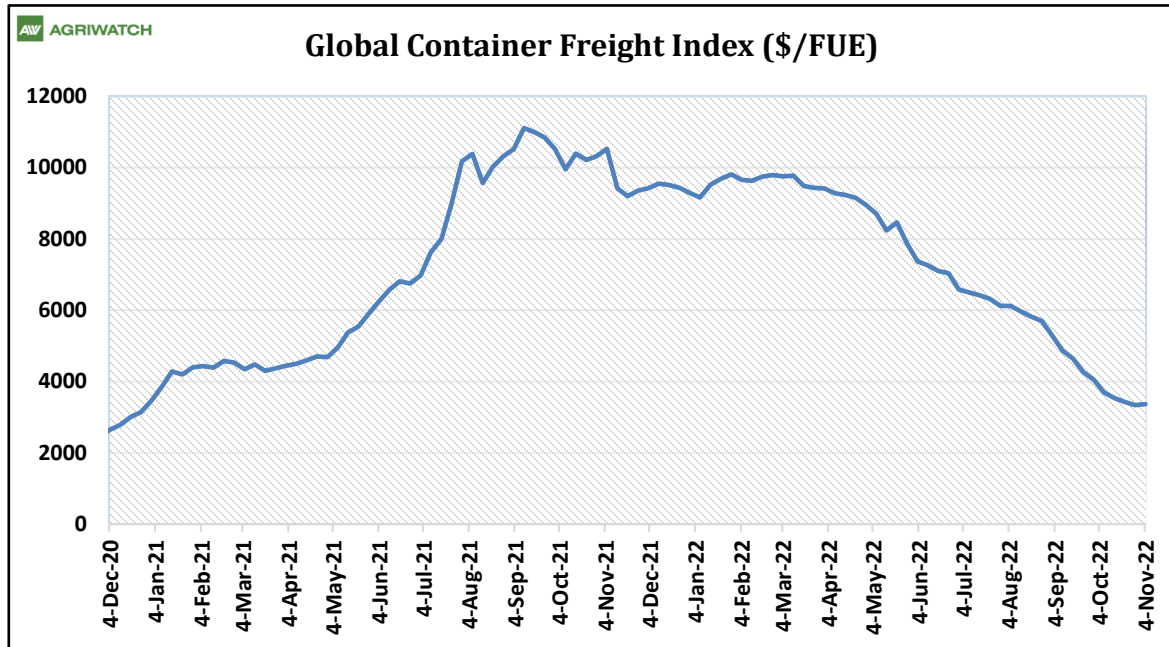
2nd Support: 800

1st Resistance: 950

2nd Resistance: 1000 (\$ per tonne)

US wheat futures Dec22 expiry extended previous week loss and went up by 2.23% to 847.75, during the week made low at 827.75, high at 904.00. Market is currently trading above 9,18,50 DMA, 100 DMA can be characterized as support. Momentum indicator MACD and Oscillator is indicating firm momentum. We expect prices to trade with weak bias in coming weeks.

Container Freight Index



The global container freight index rose by 0.72 percent compared to previous week to \$3364 per foot unit equivalent. There was increase in blank sailings coupled with the reported departure of small carriers from the transpacific lanes which is responsible for falling rates and rising costs which ultimately result in threaten the viability of operations happening in particular area. There is still unresolved West Coast port worker labor dispute which is responsible for demand shifting. Because due to this shift congestion on ports in East Coast ports is increasing now. Same situation is going on in US rail also. Half of the strike was handled by White House intervention but half of the strike is still there. As the November starts and we are moving firmly into the typical cargo peak season, falling volumes and stagnating rates are anticipating that there will not that much of peak in air cargo this year.



AGRIWATCH

Wheat Weekly Research Report **7th November-2022**

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