Wheat Weekly Research Report

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Wheat Domestic Market Fundamentals

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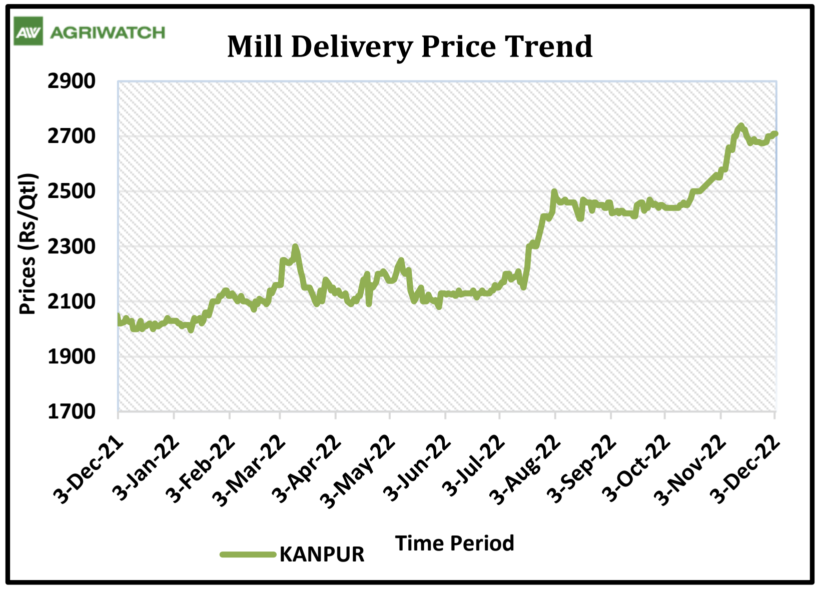
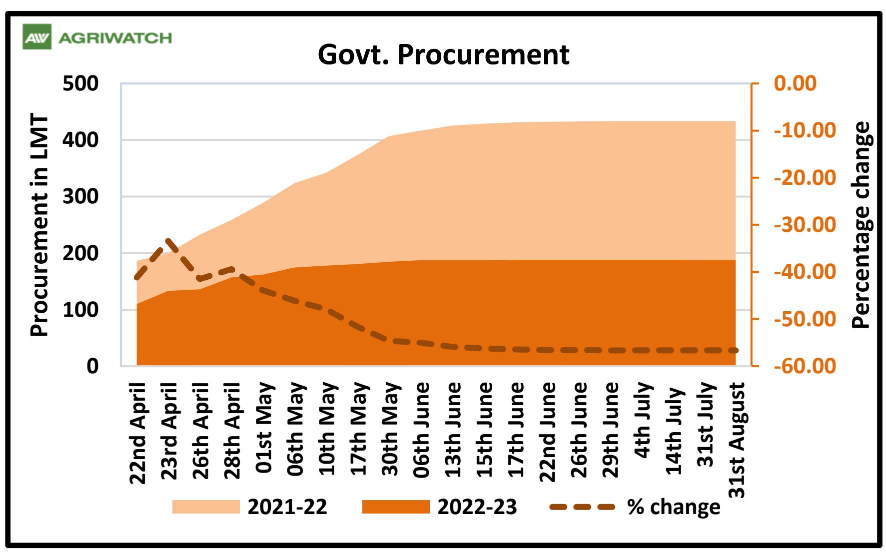


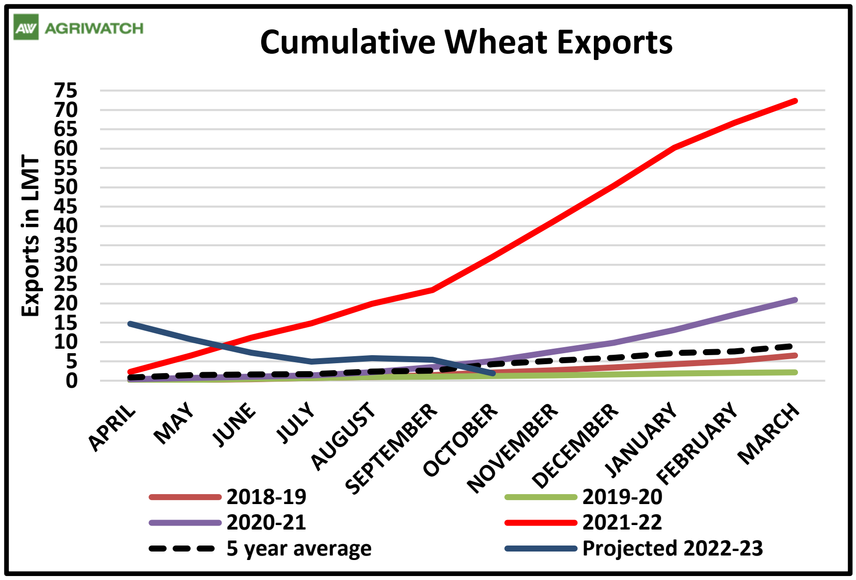
Mixed sentiments were observed during week under review. In benchmark Kanpur market prices were on upper side and traded at Rs.2710 per quintals during the period which is up by 1.30% from Rs.2675 per quintals in previous week. There is fear going on in the market that Government may intervene to check the raising prices or may impose the stock limit which is keeping the market participants away from the market.Reportedly, good demand for processed products in the market amid ongoing marriage season coupled with good seed demand, restricting fall in prices.

Meanwhile, according to the recent update from the Ministry of Agriculture, as of December 2nd, 2022 the total sown area under wheat reached 21.1 million hectares up by 5.4% from same period last year. According to sources, in Punjab, Rajasthan, Gujarat, and Uttar Pradesh, farmers may shift some area of gram and vegetable crops to Wheat. In Gujarat and Rajasthan, 60-70% of sowing is already completed and rest is likely to complete by coming week. There is an expectation of increase of 30% sowing area in Gujarat, as per trade sources.

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.



As per trade sources, in October total of about 1.92 LMT Wheat is exported to other countries on G-2-G basis. Most of the Wheat has exported to Bhutan only from the Jaigaon port of country. Till now from April to October around 50.64 LMT of Wheat had exported. At ports, about 4.20 LMT of Wheat stock is present out of which companies want to sell only 0.78 LMT at the prevailing prices. AgriWatch expects that about 2 LMT is likely to export in November.



Outlook & Recommendation: AgriWatch expects prices to follow uptrend until there is any intervention from Government. There are some options available for Government like stock limit, cut import duty and avoid extension of welfare schemes if prices increase further. On global level, if unfavorable weather conditions persist further, it may affect the prices in coming weeks also.

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 October -2022	24975.94	231.05
09-15 October -2022	92085.91	338.87
16-23 October -2022	75354.68	179.34
24-31 October -2022	25	363.50
Total	**192441.53**	**280.31**

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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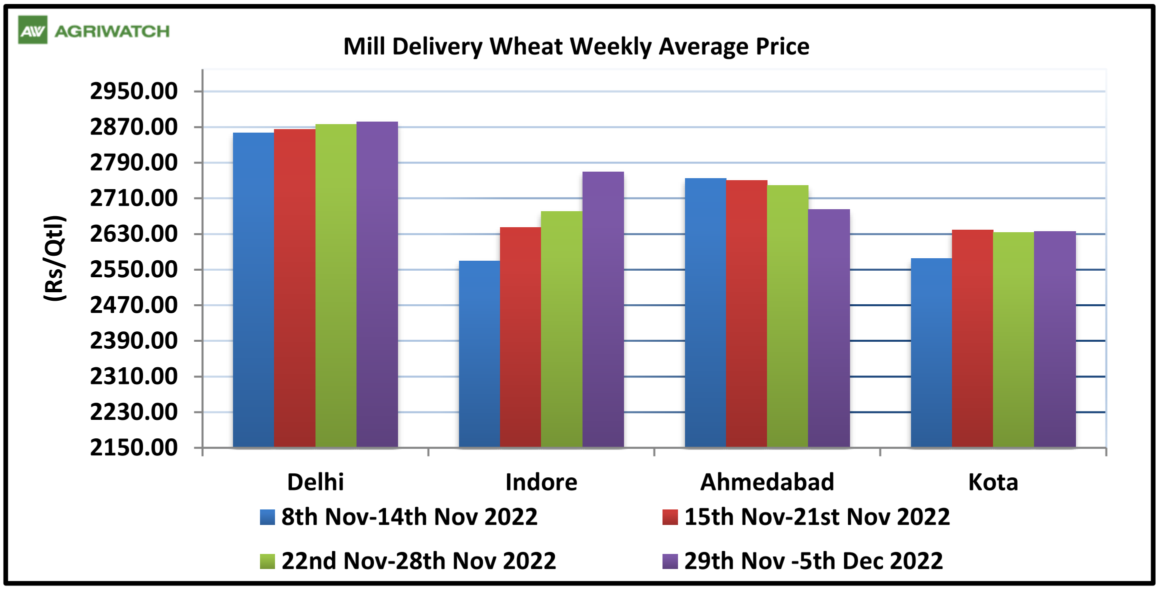

Mixed sentiments were observed in Mill delivery prices of major Wheat cash markets during week under review. In all major Wheat cash markets prices were traded on higher side amid good demand while due to elections in Gujarat Ahmedabad market was closed and average prices were traded on lower side.

Wheat and Rice Stocking Norms

Wheat Stock Norms						
Fig. In Lakh Tonne	Operational Stock			Strategic Reserve		Grand Total
As on	Rice	Wheat	Total	Rice	Wheat	
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:

As little easiness has seen in Australian weather and depreciation of dollar pressurize the Australian FOB by 4.99% as compared to previous week. While in US and Argentina drought conditions persists and decline the prices by 3.58% and 1.19% respectively amid quality decline issues. Good export demand keeps Russian and France FOB up by 0.63% and 0.59% respectively as compared to previous week.

		Indicative FOB Quotes:					
Wheat FOB	Variety	Current Week	Week Ago	Month Ago	Year Ago	% Change over Prev. Year	% Change over Prev. Week
		1-Dec-22	24-Nov-22	3-Nov-22	3-Dec-21		
USA (Chicago)	2srw	350	363	383	357	-1.96	-3.58
France	FCW3	343	341	342	346	-0.87	0.59
Argentina	ASW	414	419	420	319	29.78	-1.19
Russia	SRW	320	318	315	345	-7.25	0.63
India	**FAQ**	331.78	333.62	313.79	294.60	12.62	-0.55
Australia	ASW	344.38	362.47	359.68	-	-	-4.99

Spot Price at NCDEX Delivery Centers:

Spot prices of wheat at NCDEX Delivery Centres						
NCDEX SPOT	Current Week	Week Ago,	Month Ago,	Year Ago,	% Change over prev. Year	% Change over prev. Week
	3-Dec-22	28-Nov-22	3-Nov-22	4-Dec-21		
Indore	2676	2669	2593	2075	28.96	0.26
Delhi	2892	2855	2728	2200	31.45	1.30
Kanpur	2640	2650	2550	2025	30.37	-0.38
Rajkot	2550	2575	2500	2137	19.33	-0.97
Kota	2600	2600	2500	2140	21.50	-

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,
			3-Dec-22	1-Dec-22	26-Nov-22	3-Nov-22	4-Dec-21
Delhi	Lawrence Road	Mill Delivery	2905	2885	2840	2750	2210
	Narella	Mill Quality Loose	2840	2850	2700	2550	2070
	Nazafgarh	Mill Quality Loose	-	2760	2700	2550	2050
Gujarat	Rajkot	Mill Delivery	2530	Closed	2570	2510	2125
	Ahmedabad	Mill Delivery	2730	Closed	2720	2675	2180
	Surat	Mill Delivery	2770	Closed	2780	2730	2240
	Dhrol	Mill Delivery	2835	-	2610	2450	2005
M.P.	Indore	Mill Delivery	-	-	2700	2525	Closed
	Bhopal	Mill Quality Loose	-	-	Closed	2400	Closed
Rajasthan	Kota	Mill Quality Loose	2480	2500	2475	2400	2030
		Mill Delivery	2630	2650	2625	2550	2180
U.P.	Kanpur	Mill Delivery	2710	2700	2675	2580	2020
	Mathura	Mill Quality Loose	2710	2700	2730	2425	1990
	Kosi	Mill Quality Loose	2640	2625	2615	2525	2000
	Hathras	Mill Quality Loose	2700	2700	2700	2650	1950
	Aligarh	Mill Quality Loose	2650	2670	2700	2460	1960
Punjab	Khanna	Mill Quality Loose	-	-	2600	2430	1960
	Ludhiana (Jagraon)	Mill Delivery	-	-	2550	2300	-
Haryana	Sirsa	Mill Delivery loose	2575	2570	2575	2470	2000
	Hodal	Mill Delivery	-	-	-	-	-
	Bhiwani	Mill Quality Loose	2700	2680	2620	-	2070
	Karnal	Mill Delivery	-	-	-	-	-
	Panipat	Mill Quality Loose	2760	2730	2725	2625	-
Tamil Nadu	Chennai	Mill Quality	3100	3050	3050	2925	2500
	Madurai	Mill Quality	3157	3150	3150	3025	2600
	Coimbatore	Mill Quality	3157	3200	3200	3075	2650
Bihar	Khagariya	Mill Delivery	2800	2900	2900	2650	2100
	Muzaffarpur	Mill Delivery	2800	2800	2800	2525	2050

International Market Update:

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As per recent USDA progress report, 91% of US Winter crop is already emerged as of 29/11/2022 which is on same pace as in same period previous year. Condition wise 40% of crop is in fair condition which is up as compared to previous week and year also. While 26% crop is in poor to very poor condition.

On export front, soft Wheat exports from the European Union stood at 13.89 million tonnes as of Nov. 27 which is up by 3% from 13.45 million tonnes during same period in previous year as per the data publish by the European Commission. Two weeks ago, it was 10% behind but traders are expecting that exports will boost after talk of large French sales to China.

As per recent report issued by CGC, Canadian Wheat production and its quality have improved as compared to last year's drought-stricken crop. They further mentioned that Canada had grown about 34.7 MMT of Wheat in 2022 up by almost 55% as compared to last year.

As per Sovecon, Russia agriculture ministry had bought 1.94 MMT of grain from the domestic market for the state stockpile during current July-June season. They further added that ministry is planning to buy up to 3 MMT. On sowing front, farmers have planted a total of about 17.7 million hectares which is down as compared to 18.4 million hectares in previous year.

Ukraine will provide 1.25 LMT of Wheat under food humanitarian Programme to three African countries involving Sudan and Yemen. Due to invasion of Russia in Ukraine, affects the supply side for Africa which is already fighting with drought and conflicts. Cabinet of Ukraine ensure the provision of 1.25 LMT of Wheat or Corn to Sudan, Yemen, Kenya and Nigeria.

IGC Wheat Global Balance Sheet:

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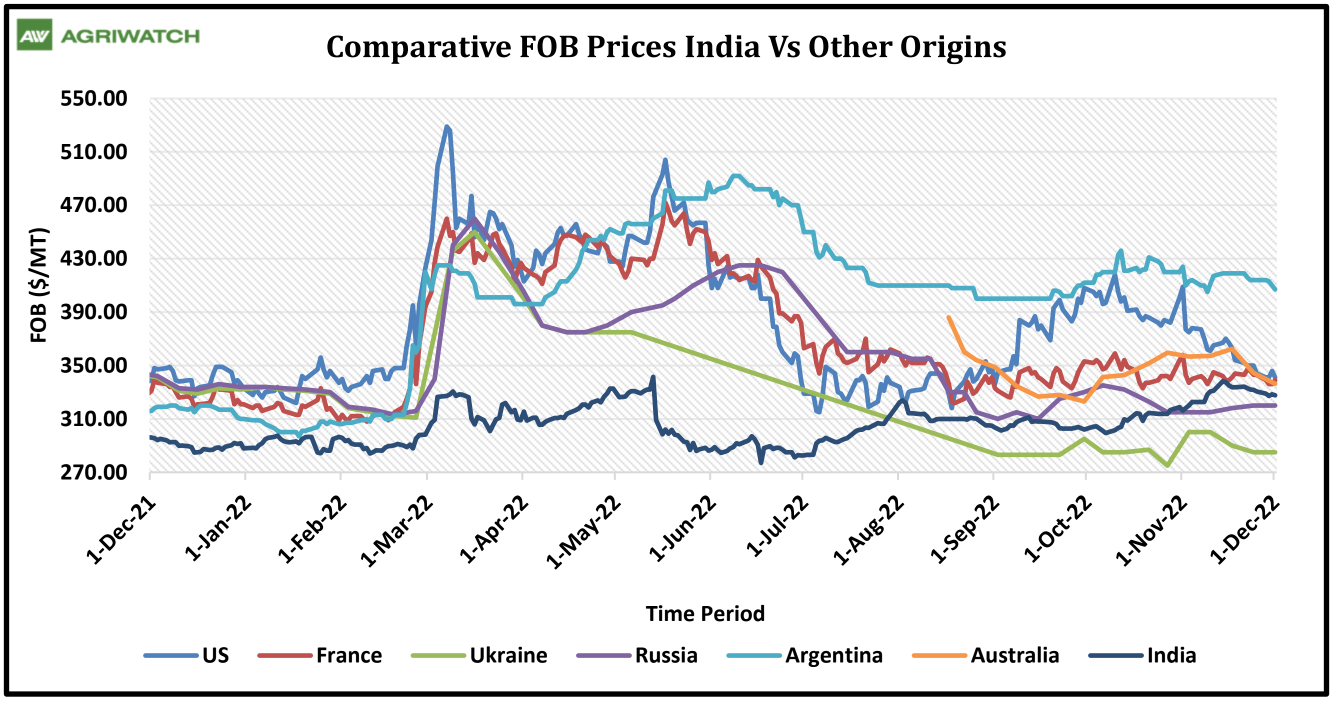
IGC Forecast (Fig-In MMT)	2019-20	2020-21 est.	2021-22 F'cast	2022-23 Proj	
				20.10.22	17.11.22
Production	761	774	781	792	791
Trade	185	190	196	192	192
Consumptions	745	771	778	784	784
Carryover stocks	276	279	282	286	282
Y-O-Y change	16	3	-3	8	7
Major Export	62	60	65	70	66

- IGC has trimmed the projected 2022-23 global wheat production at 791 down from previous estimate of 791 MMT in October mainly because of decline in Argentina's Wheat not so good production estimate due to persisting drought.
- The trade projection for 2022-23 is 192 MMT same as previous estimate.
- Consumption has been in same pace as in previous estimate of 785 MMT.
- Carryout for 2022-23 is projected at 282 MMT down by 4 MMT as compared to previous estimate.

CBOT FUTURES CONTRACT:

CBOT Futures Prices:(USD/T)							
CONTRACT MONTH	Current Week	Week Ago	Month Ago	3 Month Ago	6 Month Ago	Year Ago	% Change over prev. week
	2-Dec-22	25-Nov-22	2-Nov-22	1-Sep-22	3-Jun-22	2-Dec-21	
Dec-22	270.87	284.92	310.82	291.81	390.55	295.76	-4.93
Mar-23	279.59	292.82	317.80	298.05	394.04	296.12	-4.52
May-23	284.09	296.77	320.92	301.64	395.51	291.35	-4.27
Jul-23	286.48	298.24	321.11	302.37	388.80	-	-3.94
Sep-23	289.79	300.72	323.04	304.85	383.01	-	-3.63
Dec-23	294.10	304.30	325.79	308.80	-	-	-3.35
Mar-24	296.31	305.68	325.79	309.90	-	-	-3.06
May-24	296.49	303.84	322.67	-	-	-	-2.42

International FOB Weekly Price Movement



The Indian wheat FOB prices quoted at $327.78 per MT. Low domestic prices keeps FOB prices on down side as compared to previous week.

FOB & CIF Quote for Wheat at Kandla

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	At Kandla
Mill delivery (Rajkot)	25400
Freight charge	550
Misc. Charges (port handling)	650
FOB (at Kandla Rs/T)	26600
FOB value in $ for FAQ	327.79
Freight Charges (US $/ton) to Dubai	40
Insurance @ 0.1% ($/MT)	0.33
CIF to Dubai (value in $ for SRW)	367.79

(INR value: 81.15 as on 01.12.2022)

US Wheat Futures Dec -22

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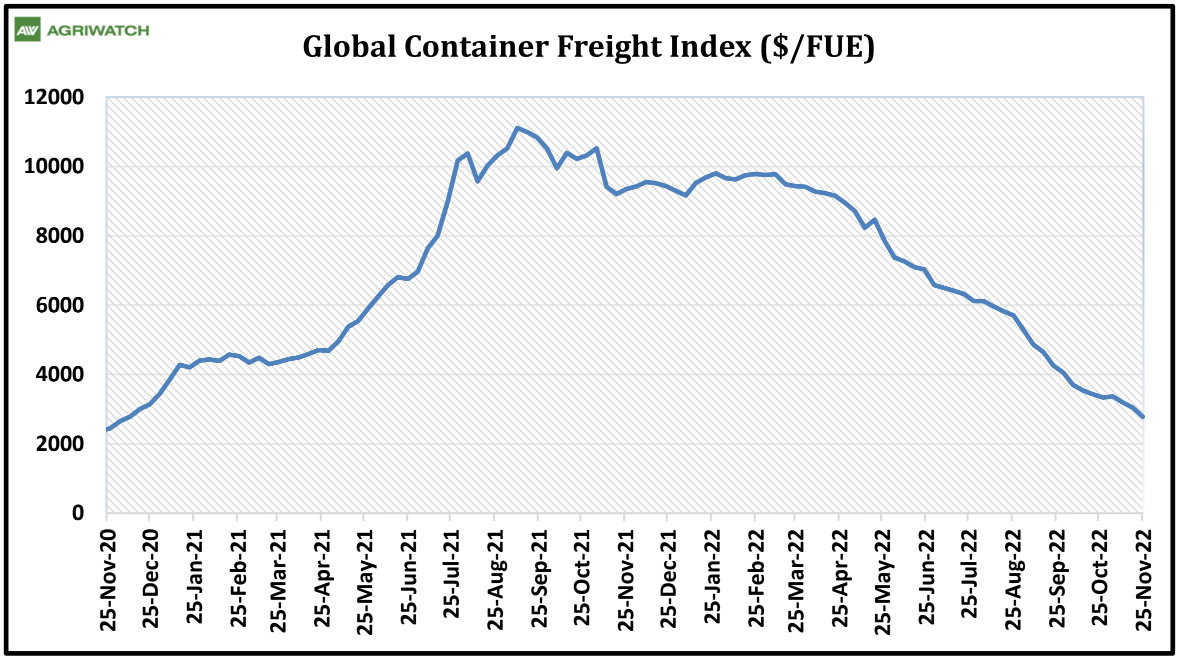
1st Support: 750
2nd Support: 700

1st Resistance: 800
2nd Resistance: 900 <u>($ per tonne)</u>

US wheat futures Dec22 expiry extended previous week loss and went down by 1.86% to 761, during the week made low at 755.75, high at 799.25. Market is currently trading below 9,18,50 and 100 DMA. Momentum indicator MACD and Oscillator is indicating weak momentum. We expect prices to trade with weak bias in coming weeks.

Container Freight Index



The global container freight index is down by 4.55% compared to the previous week to $3040 per foot unit equivalent. Whether there is inflation going on but demand for ocean freight is still following down trend. In order to stabilize rate levels, some carriers are agreed to renegotiate the long-term contracts with the shippers. Falling demand coupled with good efforts by the ports has push the congestion to normal at LA/LB and still there are delays for rail containers. Now, serious congestion is going on among South East and Gulf ports. Strike is still going on in the US as again the contract is rejected by laborers.