

Wheat Weekly Research Report

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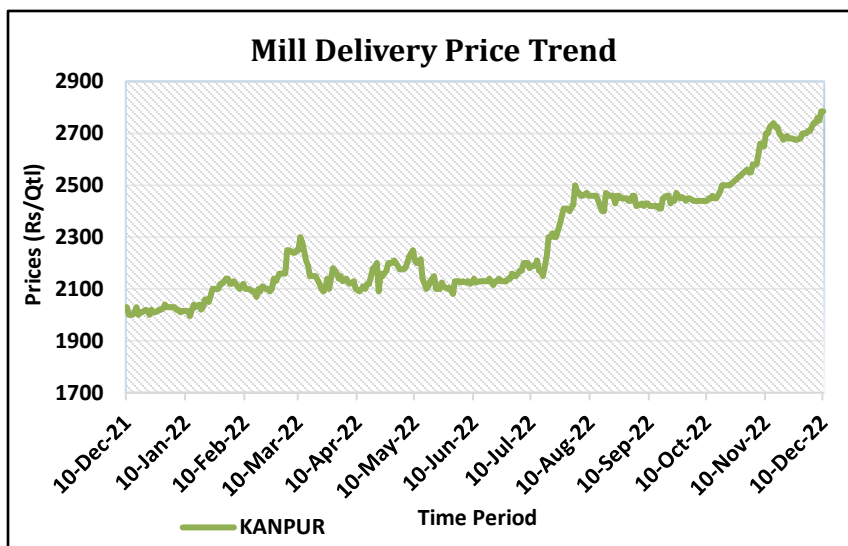
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Wheat Domestic Market Fundamentals

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Firm sentiments were observed during week under review. In benchmark Kanpur market prices were on upper side and traded at Rs.2785 per quintals during the period which is up by 2.76% from Rs.2710 per quintals in previous week. There is good seed demand going on in the market coupled good demand for Wheat products due to ongoing marriage season. AgriWatch expects prices are likely to get affected if there is release of 2-3 MMT stock in

OMSS and there are rumors going on that PMGKAY scheme is likely to get revoked after December.



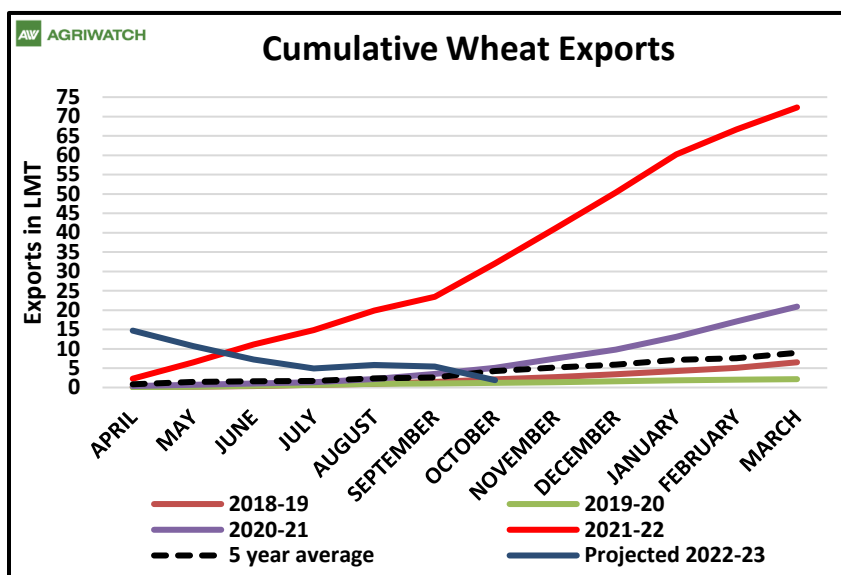
As per a recent update by the Agriculture Ministry, Wheat sowing is up by almost 25.43% as compared to the same period the previous year. The total area sowed till 9-Dec-22 reached 255.76 LMT which is up as compared to 203.90 LMT in the previous year. In Gujarat and MP about 60% of sowing is completed and the rest by end of December. In Punjab, CRI (Crown Root Initiation) stage is going on and first irrigation is already given to the crop which is expected to be given after 20-25 days of sowing.

State-wise Procurement Progress 2022-23

State/UTs	2021-22	2022-23	Change (Y-O-Y)
Punjab	132.22	96.45	-27.05
Haryana	84.93	41.86	-50.71
Uttar Pradesh	56.41	3.36	-94.04
Madhya Pradesh	128.16	46.03	-64.08
Rajasthan	23.4	0.10	-99.57
Others	8.32	0.12	-98.56
All-India	433.44	187.92	-56.64

*Source- 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 that there are chances of revocation of PMGKAY scheme further which means that there are possibilities of release around 2-3 MMT of stock under OMSS by Government. This may cap the rising domestic prices in coming days as the notification from Government side for confirmation arrives. On global front, FOB prices are expected to be on down side in coming as there is expectation of bumper crop by Australia and US.

Trade Call: There is no NCDEX trading currently.

Wheat Weekly Export

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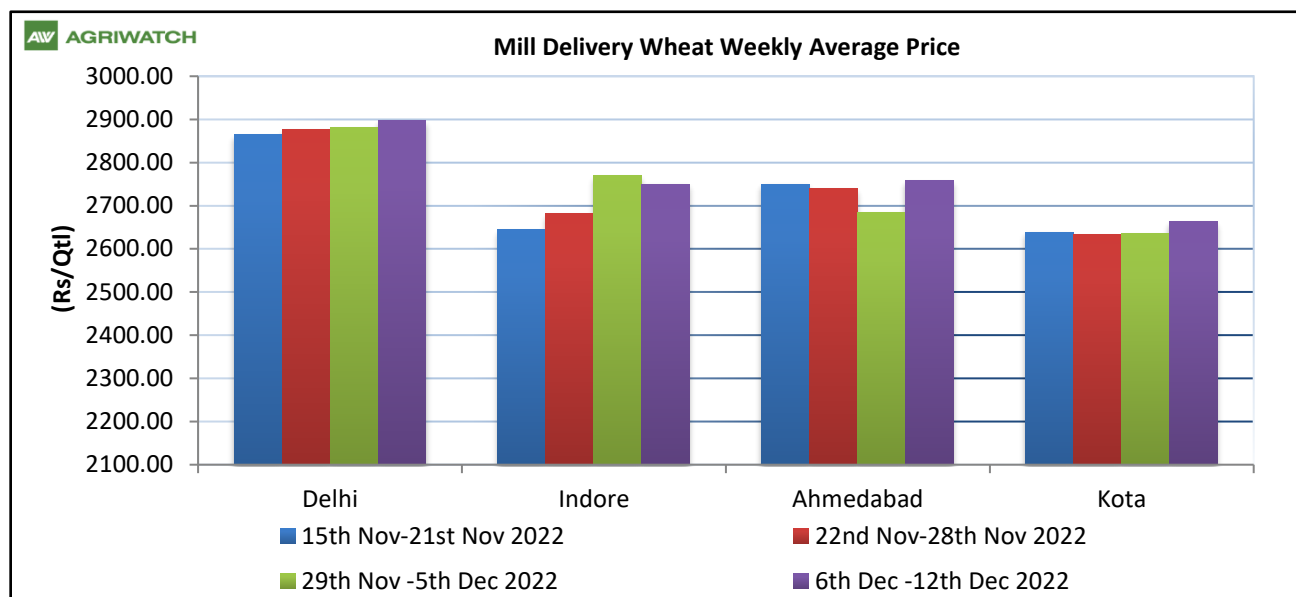
A week-on-week Exports	Quantity in MT	Average FOB (\$/TONNE)
01-08 October -2022	24975.94	231.05
09-15 October -2022	92085.91	338.87
16-23 October -2022	75354.68	179.34
24-31 October -2022	25	363.50
Total	192441.53	280.31

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 in Indore delivery prices were on down side amid arrival of low-quality arrivals.

Wheat and Rice Stocking Norms

Wheat Stock Norms						
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						

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	2695	2662	2650	2050	31.46	1.24
Delhi	2897	2893	2835	2186	32.53	0.14
Kanpur	2780	2702	2700	2015	37.97	2.89
Rajkot	2562	2550	2550	2130	20.28	0.47
Kota	2600	2600	2575	2131	22.01	-

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,
			10-Dec-22	8-Dec-22	3-Dec-22	10-Nov-22	11-Dec-21
Delhi	Lawrence Road	Mill Delivery	2900	2895	2905	2860	2200
	Narella	Mill Quality Loose	2800	2725	2840	2650	2070
	Nazafgarh	Mill Quality Loose	2800	-	-	2700	2060
Gujarat	Rajkot	Mill Delivery	2600	2560	2530	2540	2100
	Ahmedabad	Mill Delivery	2790	2760	2730	2750	2170
	Surat	Mill Delivery	2830	2810	2770	2830	2240
	Dhrol	Mill Delivery	2875	2705	2835	2800	2000
M.P.	Indore	Mill Delivery	2750	2800	2750	2600	2055
	Bhopal	Mill Quality Loose	Closed	2600	2600	2500	1940
Rajasthan	Kota	Mill Quality Loose	2525	Closed	2480	2425	2000
		Mill Delivery	2675	Closed	2630	2575	2150
U.P.	Kanpur	Mill Delivery	2785	2750	2710	2700	2000
	Mathura	Mill Quality Loose	2720	2715	2710	2480	1955
	Kosi	Mill Quality Loose	2705	2700	2640	2600	2010
	Hathras	Mill Quality Loose	2750	2700	2700	2700	1975
	Aligarh	Mill Quality Loose	2730	2720	2650	-	1920
Punjab	Khanna	Mill Quality Loose	2620	2630	2625	2450	1900
	Ludhiana (Jagraon)	Mill Delivery	2700	2650	2600	2300	-
Haryana	Sirsa	Mill Delivery loose	2630	2625	2575	2565	2025
	Hodal	Mill Delivery	-	-	-	-	-
	Bhiwani	Mill Quality Loose	2700	2680	2700	2660	2080
	Karnal	Mill Delivery	-	-	-	-	-
	Panipat	Mill Quality Loose	2750	2745	2760	2735	-
Tamil Nadu	Chennai	Mill Quality	3100	3100	3100	2900	2500
	Madurai	Mill Quality	3157	3200	3200	3000	2600
	Coimbatore	Mill Quality	3157	3250	3250	3050	2650
Bihar	Khagariya	Mill Delivery	2900	2900	2800	2750	2000
	Muzaffarpur	Mill Delivery	2800	2800	2800	2600	-

FOB & CIF Quote for Wheat at Kandla

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	At Kandla
Mill delivery (Rajkot)	25600
Freight charge	550
Misc. Charges (port handling)	650
FOB (at Kandla Rs/T)	26800
FOB value in \$ for FAQ	325.72
Freight Charges (US \$/ton) to Dubai	40
Insurance @ 0.1% (\$/MT)	0.33
CIF to Dubai (value in \$ for SRW)	365.72

(INR value: 82.28 as on 08.12.2022)

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
		8-Dec-22	1-Dec-22	10-Nov-22	10-Dec-21		
USA (Chicago)	2srw	331	341	361	338	-2.07	-2.93
France	FCW3	334	339	340	326	2.45	-1.47
Argentina	ASW	397	407	411	318	24.84	-2.46
Russia	SRW	320	320	315	333	-3.90	-
India	FAQ	325.72	327.79	330.64	289.74	12.42	-0.63
Australia	ASW	335	336.34	361	-	-	-0.40

International Market Update:

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On export front, Sovecon expecting Russia's July-December Wheat exports is likely to be around 22.9 million tonnes which supposed to be up by 2% as compared to previous year and almost equal to the average of past five years. They further added total grain exports for season is likely to be around 56.1 million tonnes, includes 43.7 million tonnes of Wheat

UGA Ukrainian grain traders, Ukrainian Wheat exports down to 1.58 million tonnes in November from 1.98 million tonnes in October.

As per Ukraine's Agriculture Ministry, they had exported around 18.3 MMT of grains in 2022-23 which is decline by 29.90% from 26.1 MMT exported during the same period previous year. This volume included around 6.9 MMT of Wheat, 9.8 MMT of corn and 1.5 MMT of Barley. They added that 51 MMT of grains might be harvest during this year which down from 86 MMT in previous year, mainly because of Russian invasion.

On Monday (5/12/22) Pakistan finance ministry approved the import of 4.50 LMT of Russian Origin Wheat. This will be purchased on a G-2-G basis from February to March period. They further added that the finance minister had approved the offer from Russian firm Prodintorg at \$372 per tonne at Gwadar Port for the shipment period from 1st Feb. 2023 to 31st March 2023. The ECC had also approved the lowest bid from M/s Cereal Crop Trading LLC at \$372/MT for a supply of 1.30 LMT of Wheat to be shipped at Karachi ports in the period from 16th December 2022 to 8th February 2023.

As per Dec. report by ABARES, Production estimate for 2022-23 Australian Wheat stood at 36.56 MMT which is up by 1% as compared to same period in previous year while in comparison with September 2022 month it is up by 13%.

IGC Wheat Global Balance Sheet:

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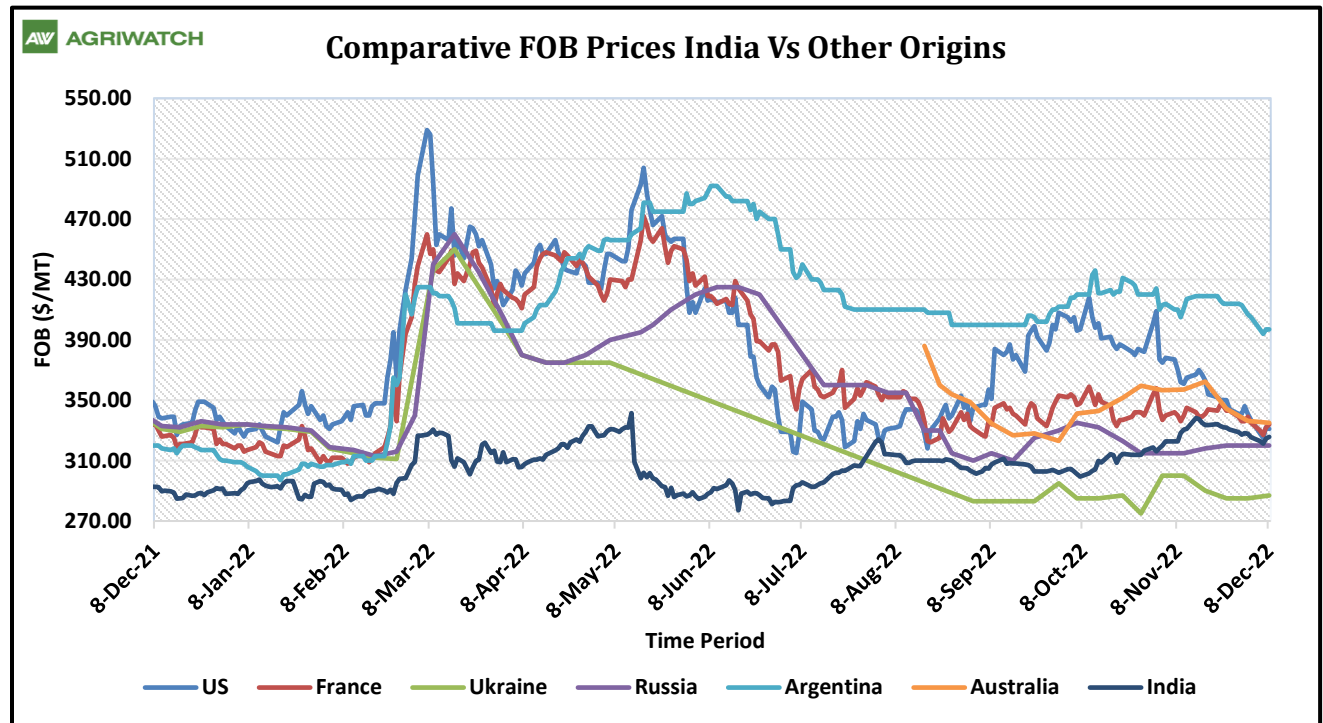
IGC Forecast (Fig-In MMT)	2019-20	2020-21 est.	2021-22 F'cast	2022-23 Proj	
				20.10.22	17.11.22
Production	761	774	781	792	791
Trade	185	190	196	192	192
Consumptions	745	771	778	784	784
Carryover stocks	276	279	282	286	282
Y-O-Y change	16	3	-3	8	7
Major Export	62	60	65	70	66

- 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
	9-Dec-22	2-Dec-22	9-Nov-22	8-Sep-22	10-Jun-22	9-Dec-21	
Dec-22	261.86	270.87	296.31	304.57	403.41	287.21	-3.32
Mar-23	269.76	279.59	304.12	309.99	407.08	287.77	-3.52
May-23	273.62	284.09	308.34	313.30	408.55	284.00	-3.69
Jul-23	275.27	286.48	310.36	312.11	400.93	-	-3.91
Sep-23	277.94	289.79	313.21	314.04	395.97	-	-4.09
Dec-23	282.07	294.10	316.61	317.34	-	-	-4.09
Mar-24	284.74	296.31	317.62	317.71	-	-	-3.91
May-24	284.74	296.49	315.23	-	-	-	-3.97

International FOB Weekly Price Movement



The Indian wheat FOB prices quoted at \$325.71 per MT. Domestic prices are on upside while FOB prices pressurize by depreciation of currency.

US Wheat Futures Dec -22

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1st Support: 750

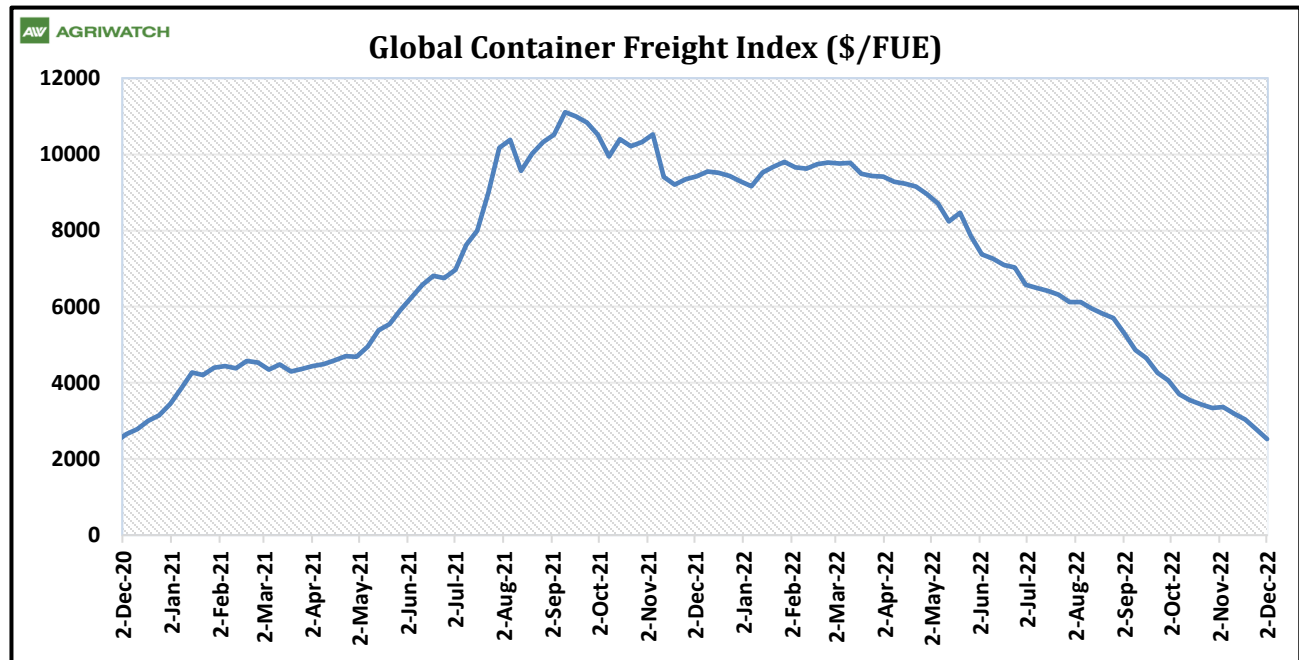
2nd Support: 700

1st Resistance: 800

2nd Resistance: 900 (\$ per tonne)

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 9.26% compared to the previous week to \$2528 per foot unit equivalent. Due to blockage of strike by US Congress the big unwind in ocean logistics had obstructed in past week. Ocean rates fall sharply last week due to easiness in demand and congestion. Asia-US West Coast rates were down by 25% as compared to last week due to accumulation of empty containers at Chinese ports. While Asia- US East Coast rates down by 19%. Due to easiness in fuel prices also results in removal of some pressure on container rates.

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