

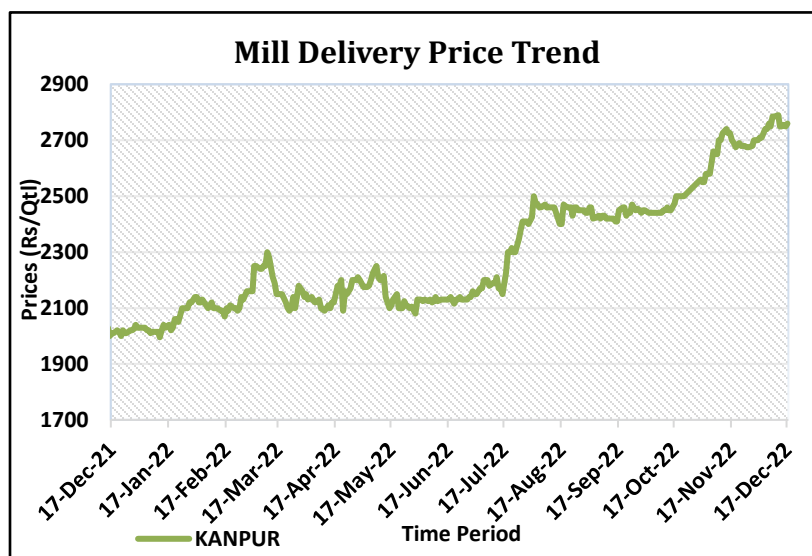
Wheat Weekly Research Report

Table of Contents

- ❖ **Review and Outlook**
- ❖ **Export/Import**
- ❖ **Weather**
- ❖ **Weekly Price Change**
- ❖ **Stocking Norms**
- ❖ **FOB Quotes**
- ❖ **Spot Price at NCDEX Delivery Centers**
- ❖ **Domestic Outlook and Spot Prices**
- ❖ **Progressive Sowing**
- ❖ **International Wheat Market**
- ❖ **IGC**
- ❖ **CBOT Future Contract**
- ❖ **CBOT Trend**
- ❖ **International FOB Trend**

Wheat Domestic Market Fundamentals
[\(Back to Table of Contents\)](#)

Mixed sentiments were observed in major Wheat cash markets during week under review. In benchmark Kanpur market prices were on slight down side and traded at Rs.2760 per quintals during the period which is down by 0.89% from Rs.2785 per quintals in previous week. There is fear going on among the stockiest about holding stock or releasing stock as there are chances of stock release in OMSS. While in some markets prices were on higher side amid shortage of arrivals in respective markets.



As per a recent update by the Agriculture Ministry, Wheat sowing is up by 2.97% as compared to the same period the previous year. The total area sown till 16-Dec-22 reached 286.50 LMT which is up as compared to 278.25 LMT in the previous year. In Gujarat and MP sowing is almost completed with an increase of about 25% in both states and in MP farmers have switched from Garlic to Wheat. Good sowing prospects rose hope for good production in coming year sowing on higher note leads to ample production if favorable weather conditions persist there in Feb-March.

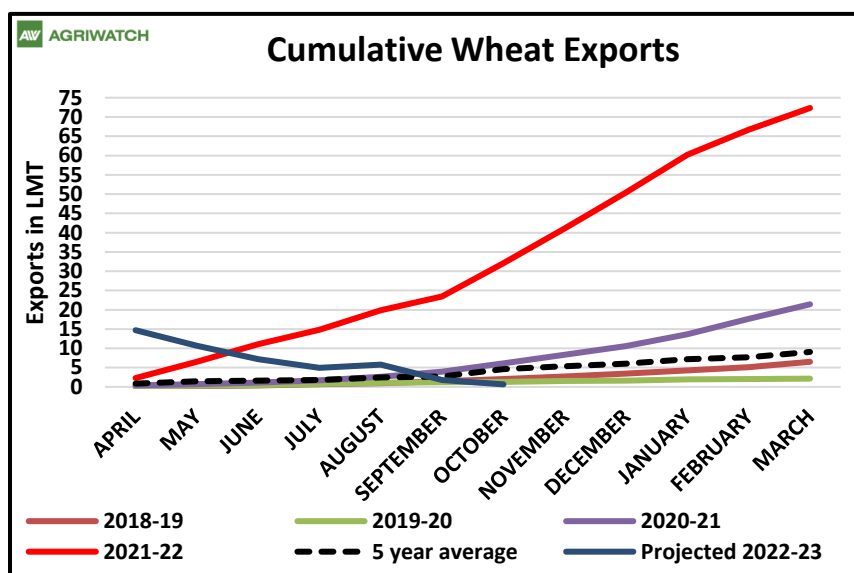
Meanwhile, as per trade sources, there are some concerns due to higher day temperature in NW and Central India. Reportedly wheat is in germination stage, while higher day temperature is adversely affecting the tillering and sprouting of crop and due to the given conditions crop is prone to turn to yellowish color. In Gujarat the rest of the sowing activities around (20 to 25 %) have disturbed due to high day temperature (36 Degree Celsius). The same condition is emerging in Indore region of M.P.

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 latest data given by Government from April till October total of about 45.99 LMT of Wheat had been exported so far. In October only about 0.64 LMT of Wheat had been exported while as trade sources, in November minute quantity of about 350 MT is likely to be exported.



Outlook & Recommendation: AgriWatch expects prices will continue to follow uptrend till the intervention by Government by releasing stock in OMSS. There are rumors going on in the market that about 2-3 MMT is likely to be release by Government and there are chances of modification in PMGKAY scheme. Weather conditions are not in favor of Wheat crop as there is hot weather condition prevailing in the major states, if this persists for coming 10 days, it will impact the grain size. On global level, if the war going on Russia-Ukraine worsens further may impact the global prices in coming days.

Trade Call: There is no NCDEX trading currently.

Wheat Weekly Export

[\(Back to Table of Contents\)](#)

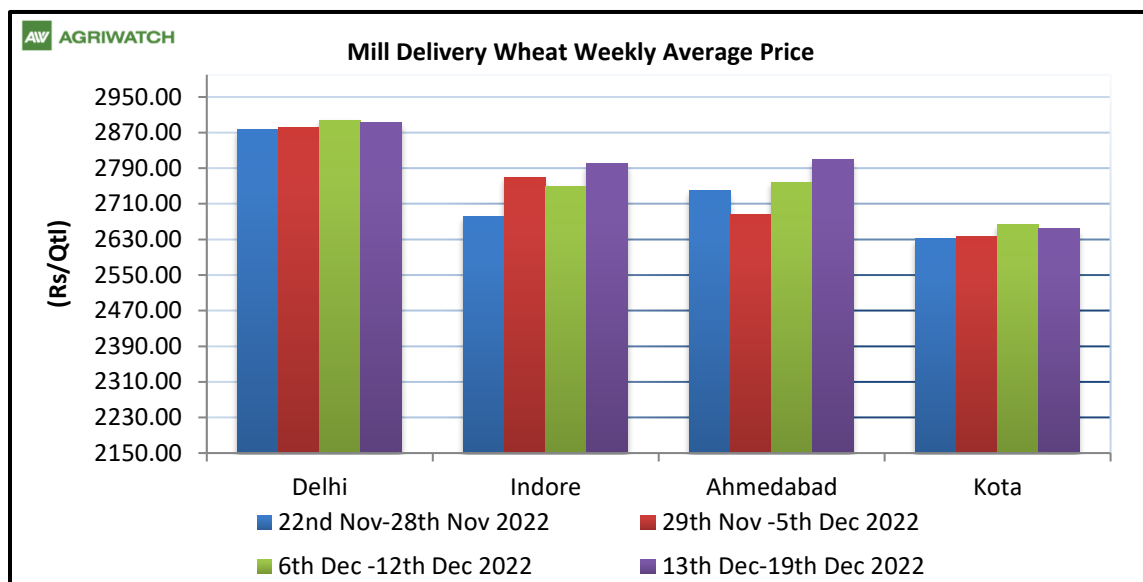
A week-on-week Exports	Quantity in MT	Average FOB (\$/TONNE)
01-08 October -2022	24975.94	231.05
09-15 October -2022	92085.91	338.87
16-23 October -2022	75354.68	179.34
24-31 October -2022	25	363.50
Total	192441.53	280.31

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
[\(Back to Table of Contents\)](#)


Mixed sentiments were observed in Mill delivery prices of major Wheat cash markets during week under review. In Indore and Ahmedabad prices were on higher side amid shortage of arrivals in the market while the fear of release of stock in OMSS by Government keeps the prices on slight down side in Delhi and Kota.

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						

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	2705	2700	2050	30.54	-1.07
Delhi	2894	2901	2835	2175	33.06	-0.24
Kanpur	2762	2755	2675	2000	38.10	0.25
Rajkot	2625	2600	2600	2100	25.00	0.96
Kota	2642	2660	2600	2110	25.21	-0.68



Domestic Market Weekly Outlook:

[\(Back to Table of Contents\)](#)

Spot Market Price:							
Centre	Market	Variety	Prices (Rs/Qtl)				
			Current Week	Yesterday	Week Ago,	Month Ago,	Year Ago,
			17-Dec-22	15-Dec-22	10-Dec-22	17-Nov-22	18-Dec-21
Delhi	Lawrence Road	Mill Delivery	2900	2880	2900	2865	2200
	Narella	Mill Quality Loose	2750	2700	2800	2700	2050
	Nazafgarh	Mill Quality Loose	2850	2800	2800	2700	2040
Gujarat	Rajkot	Mill Delivery	2675	2640	2600	2600	2090
	Ahmedabad	Mill Delivery	2815	2800	2790	2750	2170
	Surat	Mill Delivery	2870	2860	2830	2800	2240
	Dhrol	Mill Delivery	2775	2805	2875	2685	2050
M.P.	Indore	Mill Delivery	2800	2800	2750	2650	2100
	Bhopal	Mill Quality Loose	2650	2650	Closed	2600	1940
Rajasthan	Kota	Mill Quality Loose	2490	2490	2525	2500	2000
		Mill Delivery	2640	2640	2675	2650	2150
U.P.	Kanpur	Mill Delivery	2760	2755	2785	2700	2010
	Mathura	Mill Quality Loose	2760	2700	2720	-	2000
	Kosi	Mill Quality Loose	2670	2680	2705	2590	2000
	Hathras	Mill Quality Loose	2800	-	2750	2750	1970
	Aligarh	Mill Quality Loose	2720	2720	2730	2670	1960
Punjab	Khanna	Mill Quality Loose	2625	2670	2620	2650	1970
	Ludhiana (Jagraon)	Mill Delivery	2650	2650	2700	2400	-
Haryana	Sirsa	Mill Delivery loose	2575	2575	2630	2600	2010
	Hodal	Mill Delivery	-	-	-	-	-
	Bhiwani	Mill Quality Loose	2700	2670	2700	-	2150
	Karnal	Mill Delivery	-	-	-	-	-
	Panipat	Mill Quality Loose	2755	2751	2750	2745	-
Tamil Nadu	Chennai	Mill Quality	3100	3100	3100	3000	2500
	Madurai	Mill Quality	3157	3200	3200	3100	2600
	Coimbatore	Mill Quality	3157	3250	3250	3150	2650
Bihar	Khagariya	Mill Delivery	2650	2750	2900	2900	2000
	Muzaffarpur	Mill Delivery	2750	2725	2800	2750	-

FOB & CIF Quote for Wheat at Kandla
[\(Back to Table of Contents\)](#)

	At Kandla
Mill delivery (Rajkot)	26400
Freight charge	550
Misc. Charges (port handling)	650
FOB (at Kandla Rs/T)	27600
FOB value in \$ for FAQ	333.09
Freight Charges (US \$/ton) to Dubai	35
Insurance @ 0.1% (\$/MT)	0.33
CIF to Dubai (value in \$ for SRW)	368.09

(INR value: 82.86 as on 15.12.2022)

International Weekly Outlook:

During week under review, Wheat prices were traded on higher in mostly all countries. This mainly occurs due to supply concerns as Russia increases its invasion in Ukraine by destroying Odessa port energy source which results complete restriction for supply from respective port. In India, continuous higher domestic prices keep supporting the FOB prices.

Indicative FOB Quotes:							
Wheat FOB	Variety	Current Week	Week Ago	Month Ago	Year Ago	% Change over Prev. Year	% Change over Prev. Week
		15-Dec-22	8-Dec-22	17-Nov-22	17-Dec-21		
USA (Chicago)	2srw	337	331	363	334	0.90	1.81
France	FCW3	330	334	341	321	2.80	-1.20
Argentina	ASW	404	397	419	320	26.25	1.76
Russia	SRW	314	320	318	332	-5.42	-1.88
India	FAQ	333	326	334	285	16.82	2.26
Australia	ASW	335	335	363	-	-	-

International Market Update:
[\(Back to Table of Contents\)](#)

As per recent update by FranceAgriMer, French soft Wheat exports expected to be around 10.30 MMT up from previous estimate of 10 MMT which was projected in last month. This rise mainly done because of high demand for France Wheat from Morocco and China.

As per latest WASDE report, global supplies were expected to be decline by 2.1 MMT due to reduction in production estimate for Argentina and Canada by 3 MMT and 1.2 MMT respectively. While for Australia it is expected to be on upper side by 2.1 MMT to 36.60 MMT as compared to previous estimate.

As per Buenos Aires Grains Exchange weekly report, Argentina Wheat harvest was 42% which was down from 53% in previous year during same period. On crop condition front, 52% crop was in fair to excellent condition down as compared to 97% in previous year during same period.

As per Russia's Agriculture Ministry, Wheat production for 2023 is estimated to be around 80-85 MMT. As per trade sources, there is estimation that total of about 20 MMT Wheat had exported. From total 3.6 MMT had exported to Turkey, 3.1 MMT to Egypt and 1.7 MMT to Iran.

As per Farm ministry of France, there is anticipation of increase of 1.7% to 4.75 million hectares in sowing area for 2023 harvest. They further added that this would also be 0.1% above the average of the past five years. Increased sowing area with favorable growing condition raise the good production prospects for 2023.

IGC Wheat Global Balance Sheet:

(Back to Table of Contents)

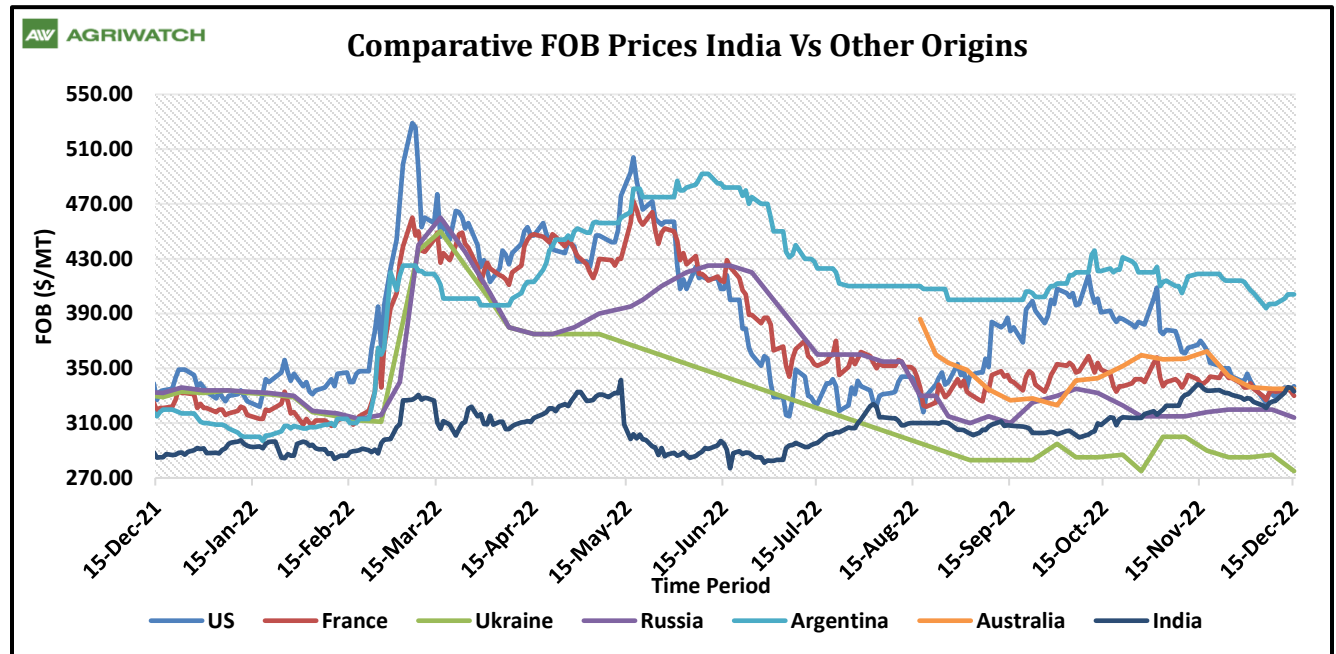
IGC Forecast (Fig-In MMT)	2019-20	2020-21 est.	2021-22 F'cast	2022-23 Proj	
				20.10.22	17.11.22
Production	761	774	781	792	791
Trade	185	190	196	192	192
Consumptions	745	771	778	784	784
Carryover stocks	276	279	282	286	282
Y-O-Y change	16	3	-3	8	7
Major Export	62	60	65	70	66

- 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
	16-Dec-22	9-Dec-22	16-Nov-22	15-Sep-22	17-Jun-22	16-Dec-21	
Mar-23	276.84	269.76	347.56	316.15	393.76	281.06	2.62
May-23	279.59	273.62	344.90	319.45	395.05	267.28	2.18
Jul-23	281.24	275.27	340.76	316.24	388.53	-	2.17
Sep-23	283.36	277.94	340.03	316.33	384.30	-	1.95
Dec-23	287.49	282.07	341.04	317.98	381.82	-	1.92
Mar-24	289.42	284.74	338.74	316.97	-	-	1.65
May-24	289.51	284.74	332.50	313.76	-	-	1.68
Jul-24	283.17	-	-	-	-	-	-

International FOB Weekly Price Movement



The Indian wheat FOB prices quoted at \$333.09 per MT. Domestic prices are on upside which keeps FOB on higher side too.

US Wheat Futures Dec -22

(Back to Table of Contents)



1st Support: 750

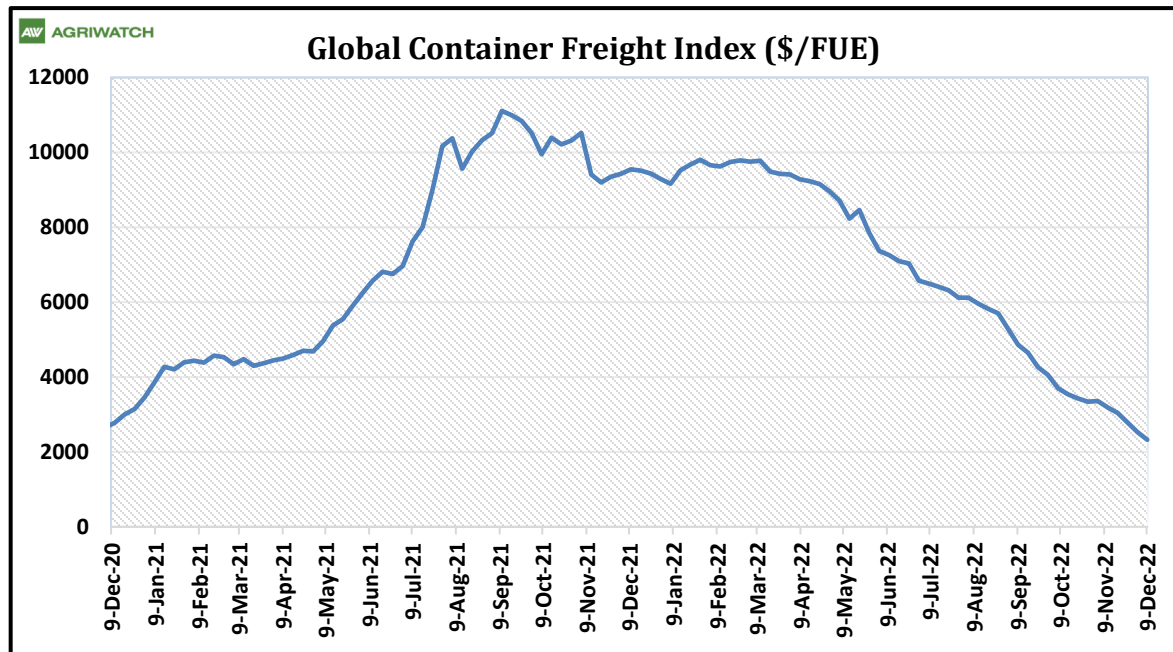
2nd Support: 700

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 8.03% compared to the previous week to \$2325 per foot unit equivalent. Lower demand coupled with easiness in congestion continue to push the prices on down side. Ocean carriers are continuously increasing the number of blank sailings which will be cancelled in the coming weeks. Recent scrap of older vessels is the other indication of excess capacity. Costco decide to cancel its contract which was signed in 2021 by paying \$93 million. Even with these declines, total NRF projects total volume is almost similar to previous year.

Disclaimer:

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2022 Indian Agribusiness Systems Limited.