



Wheat Weekly Research Report

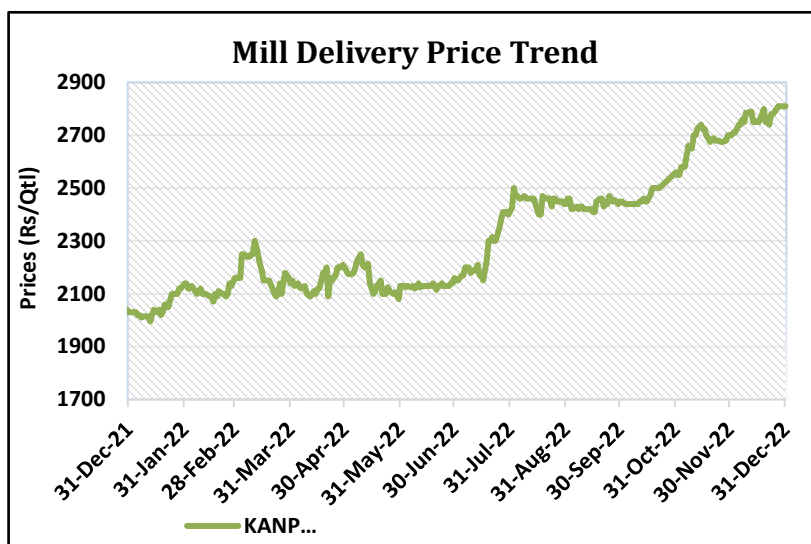
Table of Contents

- ❖ **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

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

Firm sentiments were observed in major Wheat cash markets during week under review. In benchmark Kanpur market prices were on higher side and traded at Rs.2810 per quintals during the period which is down by 1.07% from Rs.2780 per quintals in previous week. Prices were supported by shortage of quality arrivals in domestic market. HAFED releases two tender for the sale of Wheat commercially from Haryana and Madhya Pradesh. Release of these tenders give little hope about the OMSS release. Agriwatch expects that prices are likely to follow steady to firm sentiments in coming days and are likely to go downward if Government release 20-30 LMT of Wheat in OMSS.



As per a recent update by the Agriculture Ministry, Wheat sowing is up by almost 3.59% as compared to the same period the previous year. The total area sowed till 30/Dec/22 reached 325.10 lakh hectares which is up as compared to 313.81 lakh hectares in the previous year. As per officials, sowing is almost complete. Less than 1% of the area under wheat is likely to come from UP, where sowing will be done in January after harvesting of the cane crop.

As per latest data by FCI, A total of about 20.15 LMT Wheat was distributed under all welfare schemes in November month which was down by 48.97% as compared to same period last year. Out of the total under PMGKAY scheme was 7.34 LMT, under other welfare schemes was 1.78 LMT and under NFSA 11.02 LMT of Wheat was distributed.

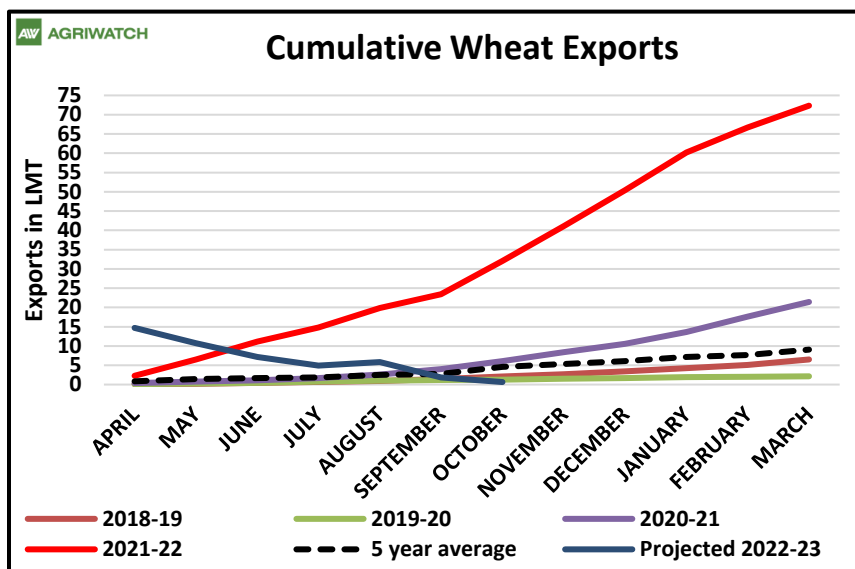
State-wise Procurement Progress 2022-23

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. Wheat exports rose by 29.29% to \$1.50 billion during April-November 2022 as compared to \$1.17 billion during the same period in the previous year, as per the latest

update given by the commerce ministry. As per the data given, most of the Wheat has been exported to Bangladesh this year followed by Sri Lanka and UAE.



Outlook & Recommendation: AgriWatch expects prices will follow steady to firm trend in coming days as there are chances of OMSS after HAFED release tender for 1.42 LMT of Wheat in open market. There are rumors going on in the market that about 2-3 MMT is likely to be release by Government. On global level, if the war going on Russia-Ukraine worsens further may impact the global prices in coming days. Weather conditions are also not in favor of crop in international market.

Trade Call: There is no NCDEX trading currently.

Wheat Weekly Export

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

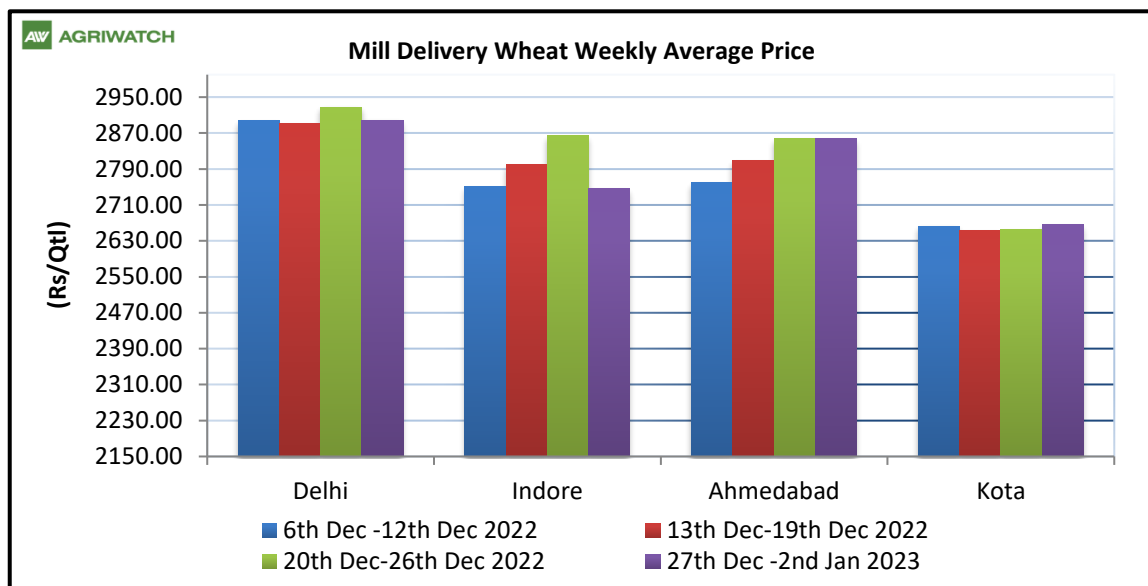
A week-on-week Exports	Quantity in MT	Average FOB (\$/TONNE)
01-08 October -2022	24975.94	231.05
09-15 October -2022	92085.91	338.87
16-23 October -2022	75354.68	179.34
24-31 October -2022	25	363.50
Total	192441.53	280.31

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


Decline in domestic demand keeps little check on delivery prices coupled with shortage of arrivals in the market keeps mill delivery prices on higher side in few domestic markets.

Wheat and Rice Stocking Norms

<i>Wheat Stock Norms</i>						
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
	24-Dec-22	19-Dec-22	24-Nov-22	25-Dec-21		
Indore	2735	2699	2686	2023	35.20	1.33
Delhi	2927	2902	2889	2180	34.27	0.86
Kanpur	2840	2780	2710	2020	40.59	2.16
Rajkot	2650	2650	2600	2097	26.37	-
Kota	2643	2647	2600	2100	25.86	-0.15

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,
			31-Dec-22	29-Dec-22	24-Dec-22	1-Dec-22	31-Dec-21
Delhi	Lawrence Road	Mill Delivery	2900	2885	2910	2885	2175
	Narella	Mill Quality Loose	2800	2800	2800	2850	2025
	Nazafgarh	Mill Quality Loose	-	2800	-	2760	2030
Gujarat	Rajkot	Mill Delivery	2660	2660	2670	Closed	2050
	Ahmedabad	Mill Delivery	2860	2850	2850	Closed	2120
	Surat	Mill Delivery	2940	2940	2920	Closed	2200
	Dhrol	Mill Delivery	2740	2745	2740	-	2000
M.P.	Indore	Mill Delivery	2850	2800	Closed	2850	2080
	Bhopal	Mill Quality Loose	2650	2650	Closed	2600	1900
Rajasthan	Kota	Mill Quality Loose	2550	2550	2550	2500	1975
		Mill Delivery	2670	2650	2700	2650	2125
U.P.	Kanpur	Mill Delivery	2810	2810	2780	2700	2030
	Mathura	Mill Quality Loose	-	-	2780	2700	1960
	Kosi	Mill Quality Loose	2680	2680	2700	2625	1980
	Hathras	Mill Quality Loose	2800	2800	2750	2700	1990
	Aligarh	Mill Quality Loose	2760	-	2760	2670	1950
Punjab	Khanna	Mill Quality Loose	2600	2600	2630	2600	1900
	Ludhiana (Jagraon)	Mill Delivery	-	-	-	2600	-
Haryana	Sirsa	Mill Delivery loose	2560	2575	2610	2570	2000
	Hodal	Mill Delivery	-	-	-	-	-
	Bhiwani	Mill Quality Loose	2750	-	2710	2680	2120
	Karnal	Mill Delivery	-	-	-	-	-
	Panipat	Mill Quality Loose	2761	2761	2741	2730	-
Tamil Nadu	Chennai	Mill Quality	3150	3100	3140	3050	2450
	Madurai	Mill Quality	3207	3200	3240	3150	2550
	Coimbatore	Mill Quality	3207	3250	3290	3200	2600
Bihar	Khagariya	Mill Delivery	2600	2600	2700	2900	2100
	Muzaffarpur	Mill Delivery	2750	2750	2800	2800	-

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

	At Kandla
Mill delivery (Rajkot)	26600
Freight charge	550
Misc. Charges (port handling)	650
FOB (at Kandla Rs/T)	27800
FOB value in \$ for FAQ	335.63
Freight Charges (US \$/ton) to Dubai	35
Insurance @ 0.1% (\$/MT)	0.34
CIF to Dubai (value in \$ for SRW)	370.63

(INR value: 82.83 as on 29.12.2022)

International Weekly Outlook:

During week under review, Wheat prices were traded mixed globally. In Russia FOB prices were on down side by 1.29% due to weak currency and higher supply. Due to adverse weather conditions, US FOB up by 1.19% during week under review. While in India amid weak currency prices were traded on down side by 1.36%.

Indicative FOB Quotes:							
Wheat FOB	Variety	Current Week	Week Ago	Month Ago	Year Ago	% Change over Prev. Year	% Change over Prev. Week
		29-Dec-22	22-Dec-22	1-Dec-22	31-Dec-21		
USA (Chicago)	2srw	341	337	341	333	2.40	1.19
France	FCW3	337	331	339	321	4.98	1.81
Argentina	ASW	380	387	407	310	22.58	-1.81
Russia	SRW	307	311	320	-	-	-1.29
India	FAQ	336	340	328	288	16.53	-1.36
Australia	ASW	335	335	336	-	-	-
Ukraine	SRW	275	277	285	-	-	-0.72

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

Russian FOB prices down as compared to previous week amid weak ruble and domestic supply is on higher side. Sea shipping is also on pace after the storms. Grains exports were up by 1.1 MMT from 0.80 MMT in previous week due to improvement in weather conditions, as per Sovecon. For the state stockpile during current marketing year ministry has already bought 3 MMT of grains from the domestic market.

Ukraine had exported around 15 MMT of grains because of Black-Sea deal. Total of around 585 grain-loaded ships have already left the Ukrainian ports from August 1st to December 25th.

Egypt GASC (General Authority for Supply Commodities) has booked 0.80 LMT of Russian Wheat. This is likely to be divided into two cargoes each of 0.40 LMT for \$339 per tonnes. This deal is likely to involve supplier Grain Flower. There is no official confirmation from the Government side. Further approvals are needed from the officials.

In a recent weekly report, Buenos Aires Exchange stated that lots of Wheat harvested in the south and center of the capital are showing average yields due to late frosts that occurred in October. They further added that about 91.4% of the crop is already harvested by Wednesday (28/12/22). Currently, their production estimate is around 12.40 MMT which is down as compared to the previous estimate of 20.50 MMT.

IGC Wheat Global Balance Sheet:

(Back to Table of Contents)

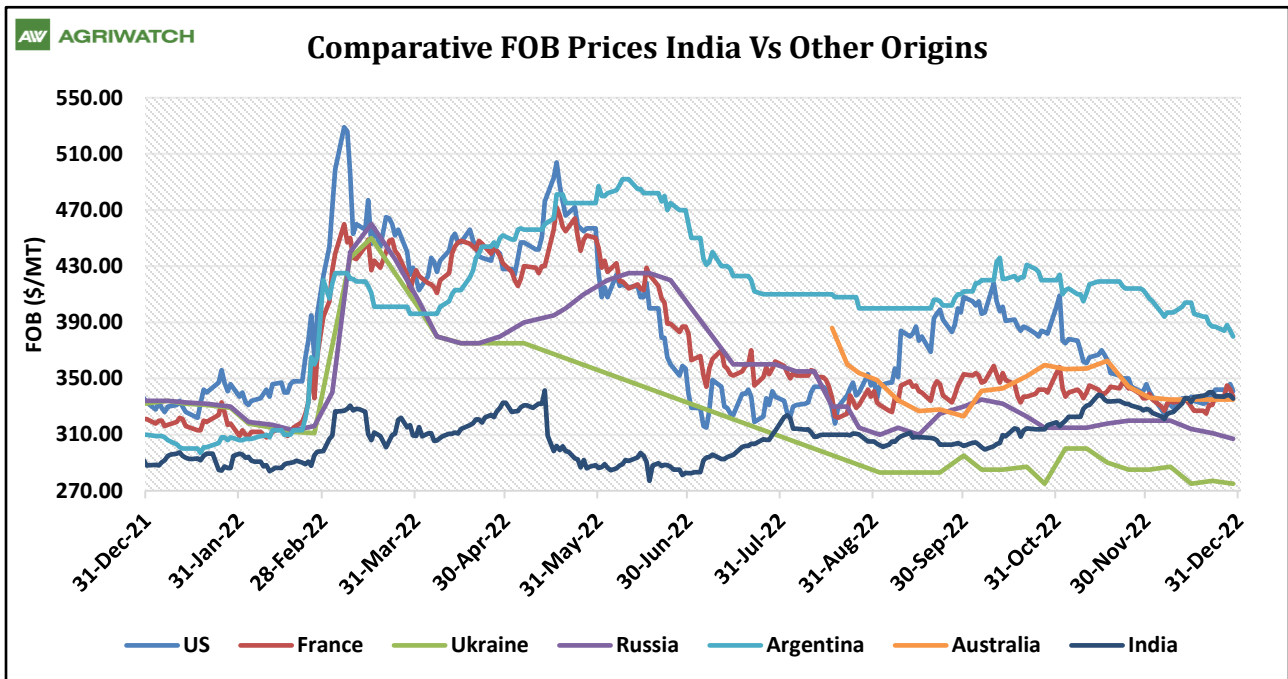
IGC Forecast (Fig-In MMT)	2019-20	2020-21 est.	2021-22 F'cast	2022-23 Proj	
				20.10.22	17.11.22
Production	761	774	781	792	791
Trade	185	190	196	192	192
Consumptions	745	771	778	784	784
Carryover stocks	276	279	282	286	282
Y-O-Y change	16	3	-3	8	7
Major Export	62	60	65	70	66

- 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
	30-Dec-22	23-Dec-22	30-Nov-22	29-Sep-22	1-Jul-22	30-Dec-21	
Mar-23	290.98	285.10	292.27	333.60	321.66	286.85	2.06
May-23	293.46	287.49	296.12	336.08	324.51	282.44	2.08
Jul-23	295.02	288.87	297.13	330.29	321.48	267.19	2.13
Sep-23	297.41	291.26	299.43	328.64	319.73	-	2.11
Dec-23	301.36	295.57	302.83	329.19	319.36	-	1.96
Mar-24	303.29	297.78	304.30	326.99	-	-	1.85
May-24	302.74	297.59	302.65	322.49	-	-	1.73
Jul-24	296.12	291.26	-	-	-	-	1.67

International FOB Weekly Price Movement



The Indian wheat FOB prices quoted at \$335.62 per MT. Domestic prices are on upside while depreciation of currency which keeps FOB on slight down side too.

US Wheat Futures Dec -22

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



1st Support: 722

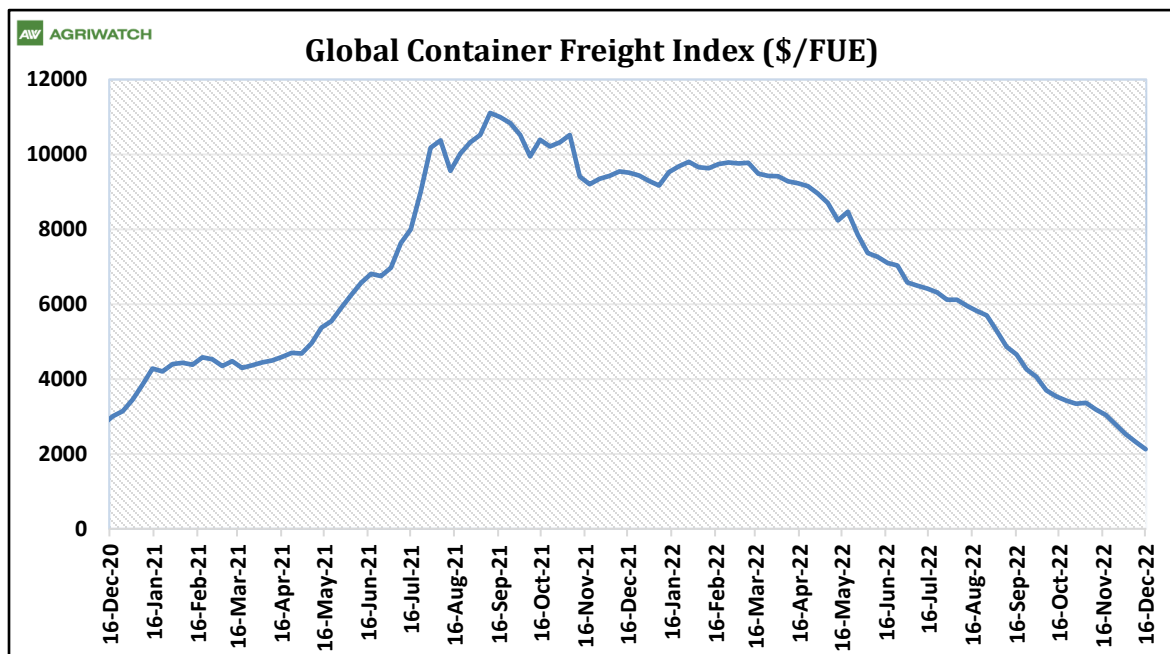
2nd Support: 692

1st Resistance: 850

2nd Resistance: 954 (\$ per tonne)

US wheat futures Mar23 expiry extended previous week gain and went up by 2.06% to 792, during the week made low at 765, high at 799. Market is currently trading below 18, 50 and 100 DMA while getting support from 9 DMA. Momentum indicator MACD and Oscillator is indicating weak momentum. We expect prices to trade with high bias in coming weeks.

Container Freight Index



Due to Christmas holidays, there will be no updates regarding prices fluctuation in the website.

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.