



Wheat Weekly Research Report

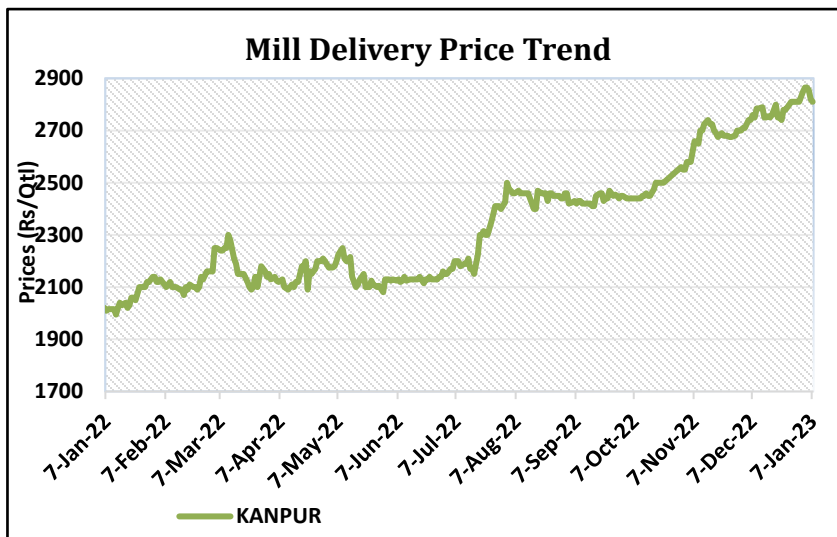
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Wheat Domestic Market Fundamentals

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Steady to slight 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 at same pace as 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.



According to the latest data, farmers have sown wheat in 332.16 lakh ha till January 6 of the current rabi season of the 2022-23 crop year (July-June) against 329.88 lakh ha during the same period last year. Higher coverage was reported from Rajasthan (2.52 lakh ha), Uttar Pradesh (1.69 lakh ha), Maharashtra (1.20 lakh ha), Gujarat (0.70 lakh ha), Chhattisgarh (0.63 lakh ha), Bihar (0.44 lakh ha), West Bengal (0.10 lakh ha), Jammu & Kashmir (0.06 lakh ha) and Assam (0.03 lakh ha), it added.

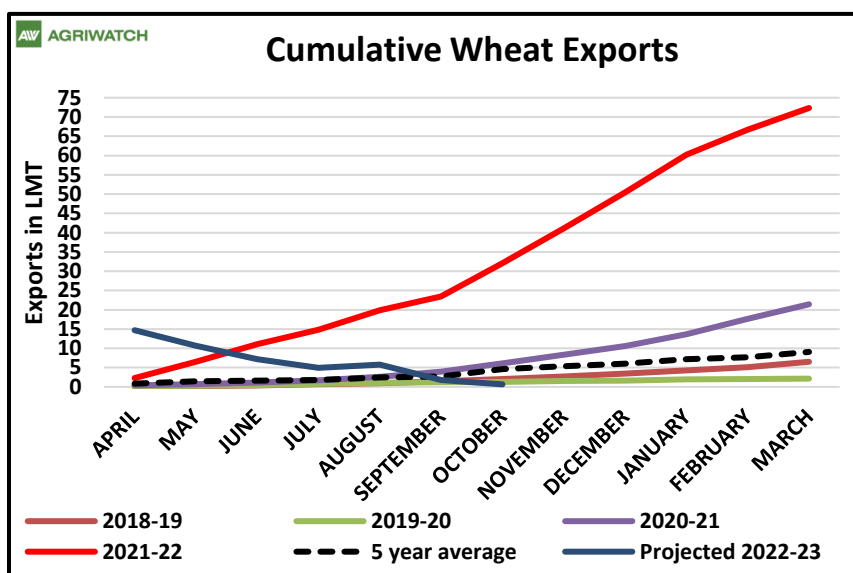
In South India, millers are in wait and watch situation that whether Government will release stock in OMSS or not. There is less demand in Southern India as millers have enough stock till Feb.

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. If the weather conditions remain favorable then there is possibility that in coming marketing year production is likely to be good which give hope that Government may reconsider Exports.



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 in 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

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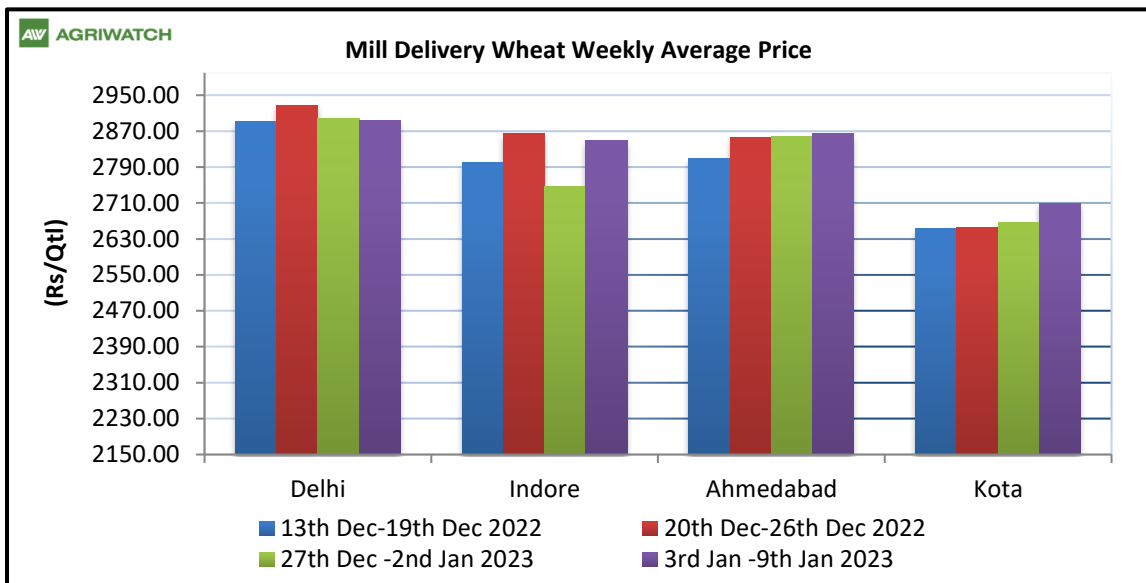
| A week-on-week Exports | Quantity in MT | Average FOB (\$/TONNE) |
|------------------------|------------------|------------------------|
| 01-08 October -2022 | 24975.94 | 231.05 |
| 09-15 October -2022 | 92085.91 | 338.87 |
| 16-23 October -2022 | 75354.68 | 179.34 |
| 24-31 October -2022 | 25 | 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 Wheat cash markets. The prices in most of the markets were on higher side amid shortage of arrivals in domestic market.

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 | 2755 | 2743 | 2682 | 2035 | 35.38 | 0.44 |
| Delhi | 2899 | 2897 | 2895 | 2190 | 32.37 | 0.07 |
| Kanpur | 2810 | 2780 | 2695 | 2060 | 36.41 | 1.08 |
| Rajkot | 2650 | 2650 | 2550 | 2069 | 28.08 | 0.00 |
| Kota | 2650 | 2685 | 2620 | 2115 | 25.30 | -1.30 |



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, |
| | | | 7-Jan-23 | 5-Jan-23 | 31-Dec-22 | 8-Dec-22 | 7-Jan-22 |
| Delhi | Lawrence Road | Mill Delivery | 2905 | 2890 | 2900 | 2895 | 2200 |
| | Narella | Mill Quality Loose | 2780 | 2750 | 2800 | 2725 | 2070 |
| | Nazafgarh | Mill Quality Loose | - | - | - | - | 2080 |
| Gujarat | Rajkot | Mill Delivery | 2630 | 2625 | 2660 | 2560 | 2100 |
| | Ahmedabad | Mill Delivery | 2870 | 2870 | 2860 | 2760 | 2150 |
| | Surat | Mill Delivery | 2950 | 2950 | 2940 | 2810 | 2240 |
| | Dhrol | Mill Delivery | 2840 | 2775 | 2740 | 2705 | 1870 |
| M.P. | Indore | Mill Delivery | 2900 | 2850 | 2850 | 2800 | 2075 |
| | Bhopal | Mill Quality Loose | 2650 | 2650 | 2650 | 2600 | 1900 |
| Rajasthan | Kota | Mill Quality Loose | 2550 | 2530 | 2550 | Closed | 1950 |
| | | Mill Delivery | 2700 | 2700 | 2670 | Closed | 2100 |
| U.P. | Kanpur | Mill Delivery | 2810 | 2855 | 2810 | 2750 | 2010 |
| | Mathura | Mill Quality Loose | - | 2780 | - | 2715 | 1960 |
| | Kosi | Mill Quality Loose | 2700 | 2700 | 2680 | 2700 | 2000 |
| | Hathras | Mill Quality Loose | 2775 | 2775 | 2800 | 2700 | 2000 |
| | Aligarh | Mill Quality Loose | - | - | 2760 | 2720 | 1960 |
| Punjab | Khanna | Mill Quality Loose | 2600 | 2570 | 2600 | 2630 | 1950 |
| | Ludhiana (Jagraon) | Mill Delivery | - | - | - | 2650 | - |
| Haryana | Sirsa | Mill Delivery loose | 2560 | 2550 | 2560 | 2625 | 2010 |
| | Hodal | Mill Delivery | - | - | - | - | - |
| | Bhiwani | Mill Quality Loose | 2740 | 2725 | 2750 | 2680 | 2070 |
| | Karnal | Mill Delivery | - | - | - | - | - |
| | Panipat | Mill Quality Loose | 2721 | 2710 | 2761 | 2745 | - |
| Tamil Nadu | Chennai | Mill Quality | 3100 | 3100 | 3150 | 3100 | 2450 |
| | Madurai | Mill Quality | 3157 | 3200 | 3250 | 3200 | 2550 |
| | Coimbatore | Mill Quality | 3157 | 3250 | 3300 | 3250 | 2600 |
| Bihar | Khagariya | Mill Delivery | 2600 | 2600 | 2600 | 2900 | 2100 |
| | Muzaffarpur | Mill Delivery | 2800 | 2800 | 2750 | 2800 | - |

FOB & CIF Quote for Wheat at Kandla
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| | At Kandla |
|--------------------------------------|-----------|
| Mill delivery (Rajkot) | 26250 |
| Freight charge | 550 |
| Misc. Charges (port handling) | 650 |
| FOB (at Kandla Rs/T) | 27450 |
| FOB value in \$ for FAQ | 332.16 |
| Freight Charges (US \$/ton) to Dubai | 35 |
| Insurance @ 0.1% (\$/MT) | 0.33 |
| CIF to Dubai (value in \$ for SRW) | 367.16 |

(INR value: 82.83 as on 29.12.2022)

International Weekly Outlook:

During week under review, Wheat prices were traded on downside globally. In Russia FOB prices were on upper side by 0.98% due to good export demand. Due to little depreciation in currency FOB prices were on down side in US during week under review. While in India slight decline in domestic prices keeps FOB prices on lower side. Export demand for France Wheat shifted to Russian wheat keeps FOB for France on down side.

| Indicative FOB Quotes: | | | | | | | |
|------------------------|---------|--------------|-----------|-----------|----------|--------------------------|--------------------------|
| Wheat FOB | Variety | Current Week | Week Ago | Month Ago | Year Ago | % Change over Prev. Year | % Change over Prev. Week |
| | | 5-Jan-23 | 29-Dec-22 | 8-Dec-22 | 5-Jan-22 | | |
| USA (Chicago) | 2srw | 330 | 341 | 331 | 329 | 0.30 | -3.23 |
| France | FCW3 | 326 | 337 | 334 | 320 | 1.88 | -3.26 |
| Argentina | ASW | 373 | 380 | 397 | 309 | 20.71 | -1.84 |
| Russia | SRW | 310 | 307 | 320 | 334 | -7.19 | 0.98 |
| India | FAQ | 332 | 336 | 326 | 290 | 14.41 | -1.03 |
| Australia | ASW | 333 | 335 | 335 | - | - | -0.60 |
| Ukraine | SRW | 283 | 275 | 287 | 334 | -15.27 | 2.91 |

International Market Update:
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Russian Wheat exports for upcoming January month are likely to be around 3.6 MMT. Russia is the world's largest Wheat exporter which is about to harvest a record grain crop of 151 MMT which includes around 102.7 MMT of Wheat, as per preliminary official data.

Till 6 January, around 49.5 MMT of grains had already been harvested by the farmers. Out of total, 20.2 MMT of Wheat had been harvested. 600 ships have already left Ukrainian ports carrying around 16 MMT of agricultural products under UN corridor deal.

Tunisia has purchased around 1 LMT soft wheat in an international tender Thursday. The quantity in question will be delivered in four consignments. It has been purchased at \$381.86 per tonne basis C&F.

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As per latest report by USDA, Wheat export sales stood at 0.47 LMT for the week ended on 29/12/22. It was 3% lower as compared to same period in previous year.

IGC Wheat Global Balance Sheet:

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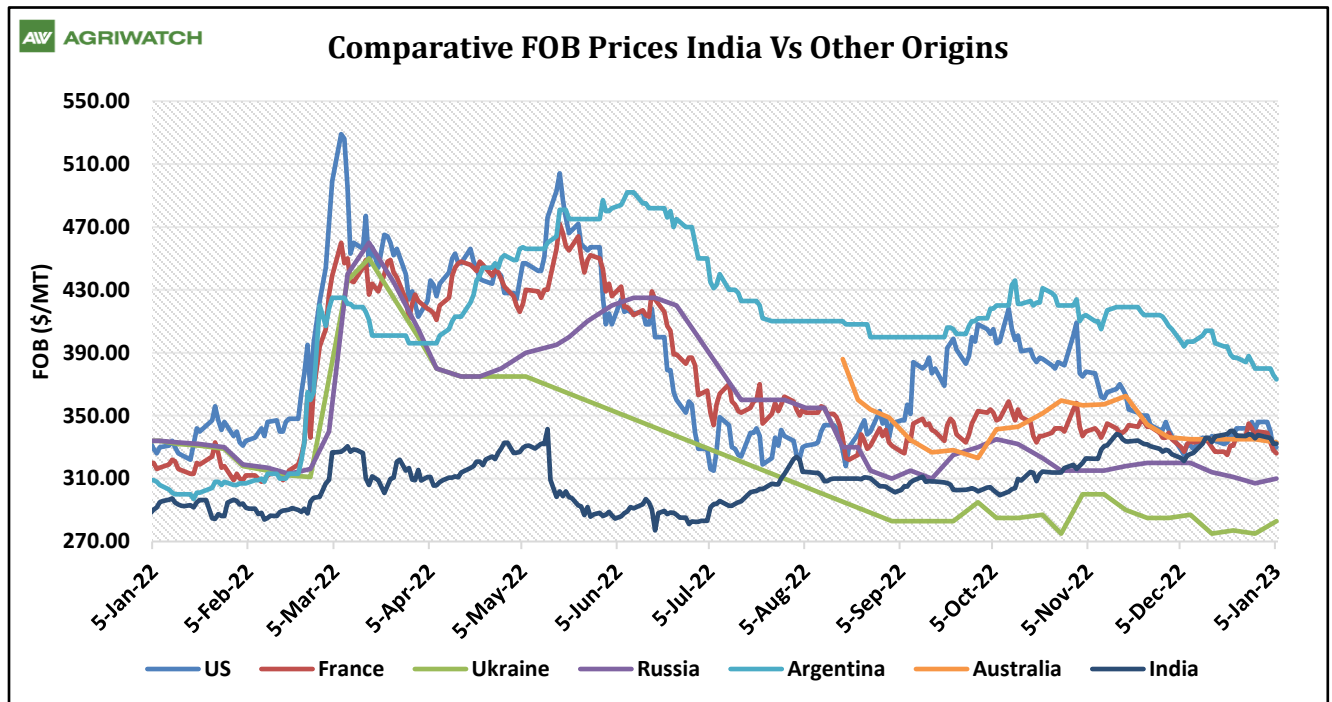
| IGC Forecast (Fig-In MMT) | 2019-20 | 2020-21 est. | 2021-22 F'cast | 2022-23 Proj | |
|---------------------------|---------|--------------|----------------|--------------|----------|
| | | | | 20.10.22 | 17.11.22 |
| Production | 761 | 774 | 781 | 792 | 791 |
| Trade | 185 | 190 | 196 | 192 | 192 |
| 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 |
| | 6-Jan-23 | 30-Dec-22 | 7-Dec-22 | 6-Oct-22 | 8-Jul-22 | 6-Jan-22 | |
| Mar-23 | 273.16 | 290.98 | 275.37 | 328.00 | 337.73 | 279.59 | -6.12 |
| May-23 | 276.10 | 293.46 | 279.13 | 330.84 | 339.29 | 276.19 | -5.92 |
| Jul-23 | 277.85 | 295.02 | 280.60 | 327.45 | 332.96 | 263.33 | -5.82 |
| Sep-23 | 280.69 | 297.41 | 282.99 | 326.99 | 329.56 | - | -5.62 |
| Dec-23 | 285.47 | 301.36 | 286.48 | 328.18 | 327.90 | - | -5.27 |
| Mar-24 | 288.04 | 303.29 | 288.04 | 327.08 | - | - | -5.03 |
| May-24 | - | 302.74 | 287.49 | 322.49 | - | - | - |
| Jul-24 | - | 296.12 | - | - | - | - | - |

International FOB Weekly Price Movement



The Indian wheat FOB prices quoted at \$332.16 per MT. Domestic prices are on little down side which pressurize the FOB prices also.

US Wheat Futures Dec -22

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1st Support: 722

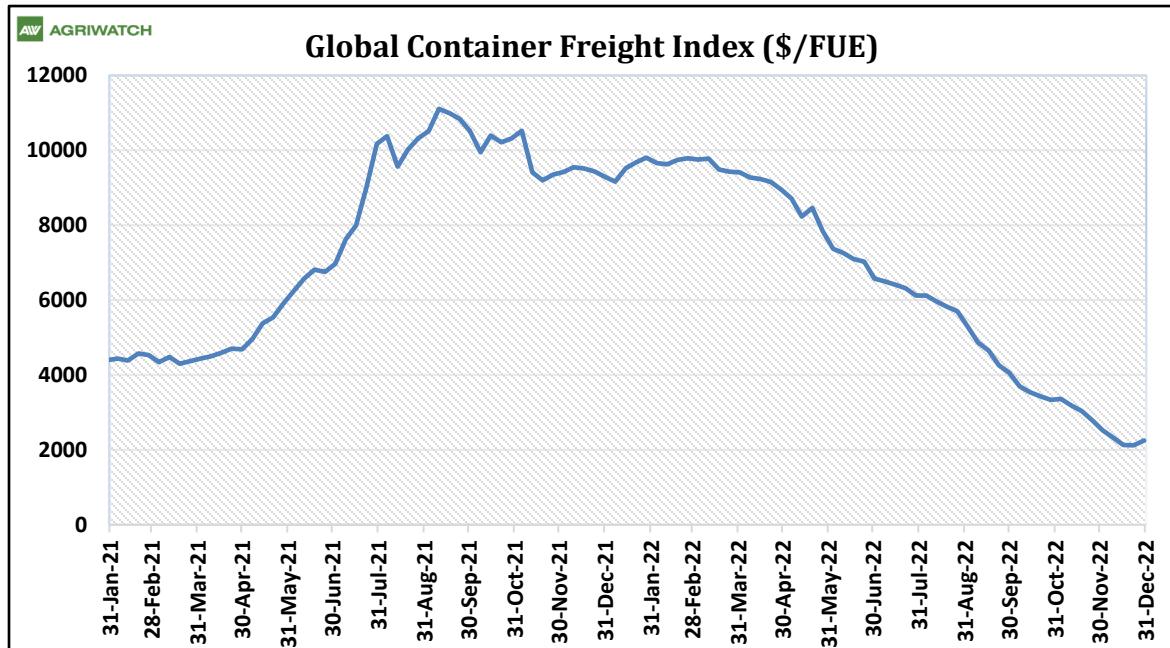
2nd Support: 692

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



Vessels were delay due to bad weather conditions in China. There is little easiness in Covid restrictions in China which led to reduction in availability of labor coupled with bad weather which causes delay at some key hubs. Latest economic data given by US show a decline in consumer spending on goods. Congestion easiness and decline delay of deliverables are the factors which have return the negotiating powers to big retailers which led to lower prices for consumers.

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