

Wheat Weekly Research Report

Table of Contents

- ❖ **Review and Outlook**
- ❖ **Export/Import**
- ❖ **Weekly Price Change**
- ❖ **Stocking Norms**
- ❖ **FOB Quotes**
- ❖ **Spot Price at NCDEX Delivery Centers**
- ❖ **Domestic Outlook and Spot Prices**
- ❖ **International Wheat Market**
- ❖ **IGC**
- ❖ **CBOT Future Contract**
- ❖ **International FOB Trend**
- ❖ **US Wheat Futures Mar-23**
- ❖ **Container Freight Index**

Wheat Domestic Market Fundamentals

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

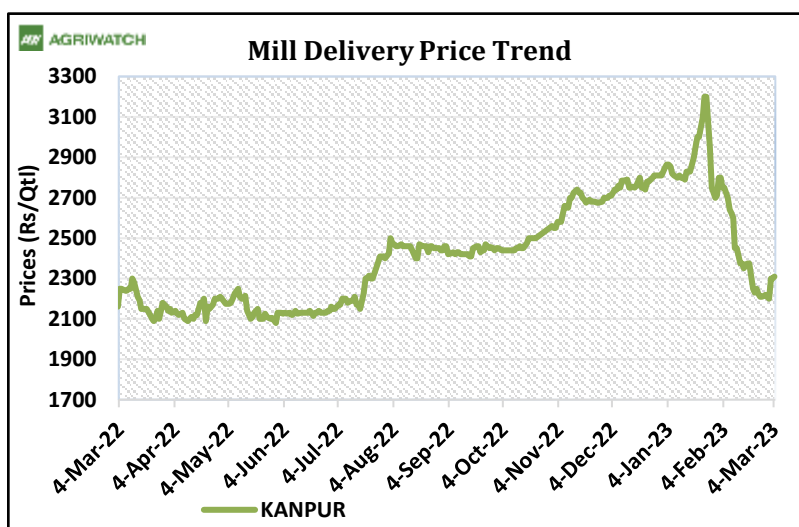
- Steady to slightly firm sentiments were observed during the week under review. Amid good quality arrivals and less buyer's interest in recent e-auction keeps prices steady in major Wheat cash markets.

- In the fourth e-auction conducted by FCI, a total of approximately 5.40 LMT was sold to 1049 bidders across 23 states. The average selling price for all of India, calculated as a weighted average, was Rs. 2193.82

per quintal against the average reserve price of Rs. 2137.04 per quintal. With the latest auction, the cumulative quantity sold reached around 23.47 LMT, which is about half of the overall allocation of 45 LMT.

- In the Kanpur benchmark market, loose wheat was traded at Rs.2310 per quintal up by Rs.90 per quintal amid a shortage of arrivals in the respective market.

- AgriWatch expects that in coming weeks prices are likely to remain range bound amid a shortage of arrivals in U.P and Bihar states while remaining supported by an increase in new crop arrivals in M.P. and Gujarat followed by Rajasthan.



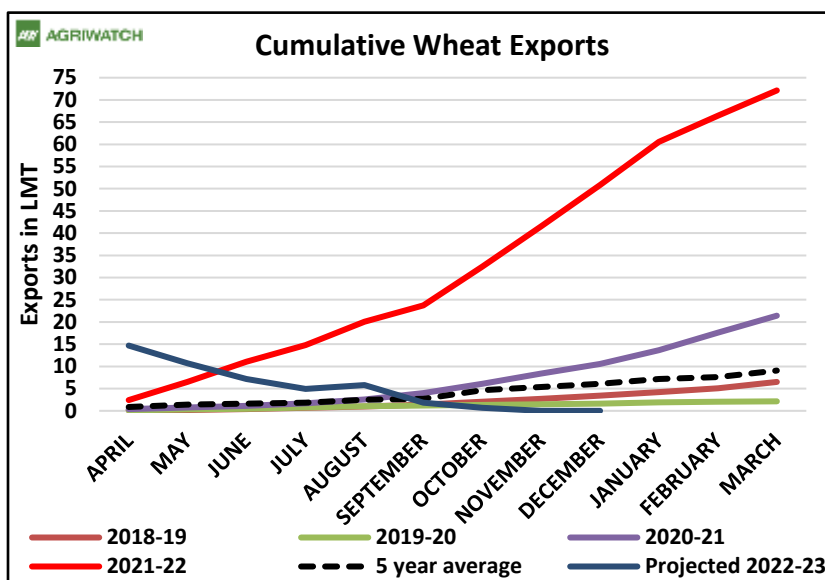
State-wise Procurement Progress 2022-23

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

Export:

According to government data, between April and December, a total of approximately 46 lakh metric tonnes (LMT) of wheat worth Rs.1.15 lakh had been exported to various countries. However, trade sources indicate that only around 350 metric tonnes (MT) of wheat were exported in January. AgriWatch has predicted that wheat exports in February will likely be around 0.70 LMT. Based on an analysis of previous months' export figures, we have revised our estimated total



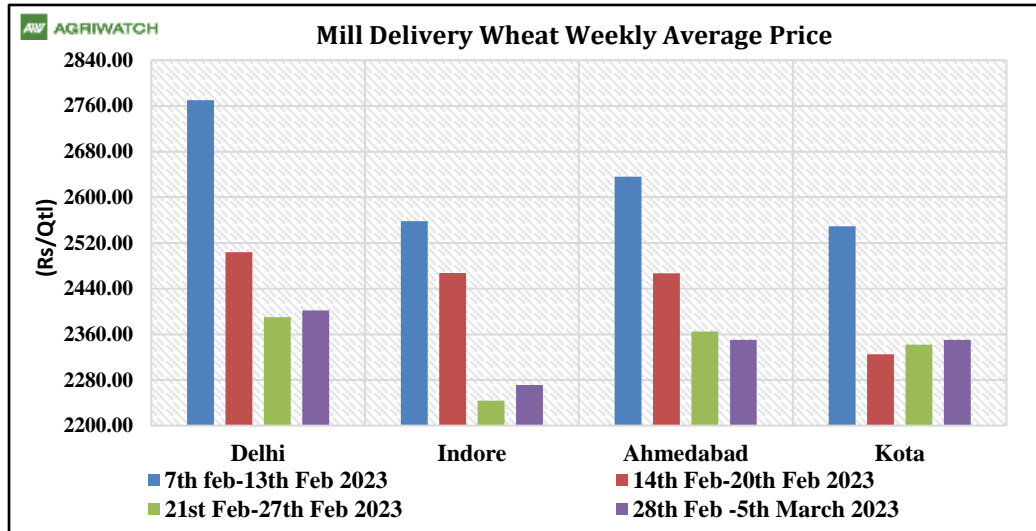
wheat exports to 4.70 million metric tonnes (MMT), considering the small quantities exported so far.

Outlook: In the coming weeks, there would be increase in new crop arrivals in districts of Rajasthan also which may pressurize the domestic prices while on the other hand, less buyer's interest for OMSS should keep the prices on slightly higher side in states with late sowing. Forementioned factors will balance the domestic prices and prices are likely to follow sideways trend. AgriWatch predicts that, considering these factors, prices are likely to remain stable in the upcoming weeks. Moreover, the competitive nature of Russia on a global scale is expected to impact other countries.

Trade Call: There is no NCDEX trading currently.

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						



Mixed sentiments were observed in mill delivery prices of Wheat cash markets. Good quality arrivals in Indore and Kota markets keeps prices on slight higher side.

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-Feb-23	17-Feb-23	25-Jan-23	24-Feb-22		
Indore	2300	2424	2992	2080	10.58	-5.12
Delhi	2405	2566	3217	2253	6.75	-6.27
Kanpur	2275	2400	3162.5	2110	7.82	-5.21
Rajkot	2225	2350	2900	2102	5.85	-5.32
Kota	2405	2462	2948	2100	14.52	-2.32

Domestic Market Weekly Outlook:

(Back to Table of Contents)

Spot Market Price:							
Centre	Market	Variety	Prices (Rs/Qtl)				
			Current	Previous	Week Ago	Month Ago	Year Ago
			4-Mar-23	3-Mar-23	25-Feb-23	1-Feb-23	5-Mar-22
Delhi	Lawrence Road	Mill Delivery	2410	2400	2400	2925	2340
	Narella	Mill Quality	2400	2390	2400	Closed	2200
	Nazafgarh	Mill Quality	-	-	-	Closed	2200
Gujarat	Rajkot	Mill Delivery	2150	2150	2150	2650	2400
	Ahmedabad	Mill Delivery	2350	2350	2350	2800	2500
	Surat	Mill Delivery	2425	2400	2450	2850	2525
	Dhrol	Mill Delivery	2410	2240	2640	3200	2340
M.P.	Indore	Mill Delivery	2280	2280	2200	2700	2200
	Bhopal	Mill Quality	2150	2150	Closed	2750	2100



Rajasthan	Kota	Mill Quality	2250	2250	2250	2650	2200
		Mill Delivery	2350	2350	2350	2750	2350
U.P.	Kanpur	Mill Delivery	2310	2300	2220	2800	2250
	Mathura	Mill Quality	2300	2300	2250	2800	2070
	Kosi	Mill Quality	2230	2230	2225	2765	2100
	Hathras	Mill Quality	2350	2350	2380	-	2100
	Aligarh	Mill Quality	2250	2280	2200	2750	2080
Punjab	Khanna	Mill Quality	2150	2180	2260	2500	2070
	Ludhiana (Jagraon)	Mill Delivery	2300	2300	2350	2700	-
Haryana	Sirsa	Mill Delivery	2150	2150	2150	2500	2080
	Hodal	Mill Delivery	-	-	-	-	-
	Bhiwani	Mill Quality	2300	2300	2250	2700	2325
	Karnal	Mill Delivery	-	-	-	-	-
	Panipat	Mill Quality	2350	2350	2300	2500	-
Tamil Nadu	Chennai	Mill Quality	3100	3100	3100	3100	2550
	Madurai	Mill Quality	3157	3200	3200	3200	2650
	Coimbatore	Mill Quality	3157	3250	3250	3250	2700
Bihar	Khagariya	Mill Delivery	Closed	Closed	2500	2700	2250
	Muzaffarpur	Mill Delivery	2100	2100	2100	2700	-

FOB & CIF Quote for Wheat at Kandla**(Back to Table of Contents)**

	At Kandla
Mill delivery (Rajkot)	21500
Freight charge	550
Misc. Charges (port handling)	650
FOB (at Kandla Rs/T)	22700
FOB value in \$ for FAQ	275.69
Freight Charges (US \$/ton) to Dubai	44
Insurance @ 0.1% (\$/MT)	0.28
CIF to Dubai (value in \$ for SRW)	319.69

(INR value: 82.71 as on 03.03.2023)

International Weekly Outlook:

Weak sentiments were observed during week under review in all the major Wheat producing countries. Amid incredibly good supply from Russia export prices were on downside in all the major countries and Indian export prices were slight down amid steady domestic prices.



Indicative FOB Quotes:							
Wheat FOB	Variety	Current Week	Week Ago	Month Ago	Year Ago	% Change over Prev. Year	% Change over Prev. Week
		2-Mar-23	23-Feb-23	2-Feb-23	2-Mar-22		
USA (Chicago)	2srw	307	321	331	444	5.00	-4.36
France	FCW3	301	311	323	405	-25.68	-3.22
Argentina	ASW	358	359	376	407	-12.04	-0.28
Russia	SRW	298	300	309	340	-12.35	-0.67
India	FAQ	276	276	335	307	-10.21	-0.09
Australia	ASW	313	342	324	-	-	-8.52
Ukraine	SRW	273	277	277	335	-18.51	-1.27

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

As per Ukrainian official, Kenya is likely to receive 0.25 LMT of Ukrainian Wheat by the end of next month. They further added by giving confirmation that the loading is now on its final stage at port of Chornomorsk and destination would Mombasa port of Kenya. This will help Kenya which is affected by the serious drought conditions.

State grains buyer of Iraq has believed to bought 2.50 LMT of Australian Wheat. As per European trade sources it is likely to bought at an estimated \$428 per tonnes C&F under trading house Viterra.

Taiwan has bought an estimate of 0.48 LMT of U.S. origin Wheat in an international tender on 1st Mar 23. The shipment is believed to be from Pacific Northwest coast between the period of April 19 and May 3. Further details are as given below:

Quantity (in tonnes)	32,550	9,500	6,925
Type	U.S. dark northern spring Wheat	Hard Red Winter	Soft White Winter
Protein Content	Min. 14.5%	Min. 12.5%	Min. 8.5%
FOB (per tonnes)	\$367.76	\$360.76	\$306.26

IGC Wheat Global Balance Sheet:[\(Back to Table of Contents\)](#)

IGC Forecast (Fig-In MMT)	2019-20	2020-21	2021-22 est.	2022-23 F'cast	
				12.01.23	16.02.23
Production	761	774	781	796	796
Trade	185	190	197	194	197
Consumptions	745	771	784	789	789
Carryover stocks	276	279	274	281	282
Y-O-Y change	16	3	-3	7	7
Major Export	62	60	58	65	64

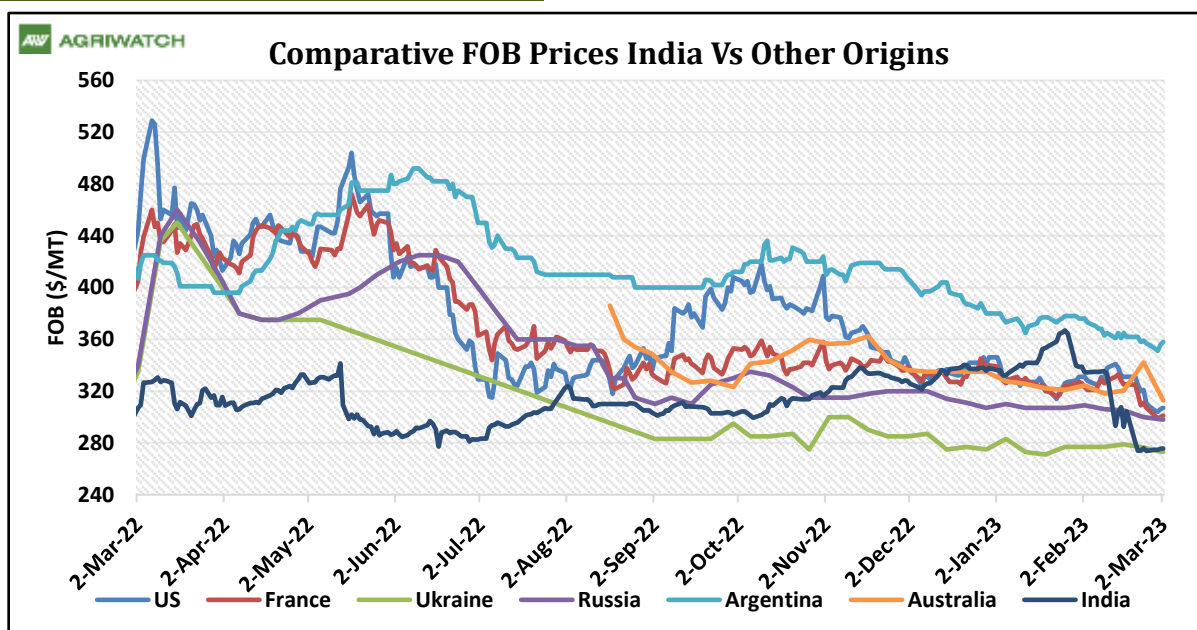
- IGC has up the projected 2022-23 global wheat production at 796 MMT at same pace as in previous estimate.



- The trade projection for 2022-23 is 197 MMT up as compared to previous estimate.
- Consumption is at same pace up as in previous estimate of 789 MMT.
- Carryout for 2022-23 is projected at 282 MMT up by 1 MMT as compared to previous estimate.

CBOT FUTURES CONTRACT:

CONTRACT MONTH	CBOT Futures Prices:(USD/T)						% Change over prev. week
	Current Week 3-Mar-23	Week Ago 23-Feb-23	Month Ago 1-Feb-23	3 Month Ago 30-Nov-22	6 Month Ago 1-Sep-22	Year Ago 3-Mar-22	
Mar-23	255.62	269.76	279.13	292.27	298.05	338.38	-5.24
May-23	260.39	274.54	283.08	296.12	301.64	325.33	-5.15
Jul-23	263.33	276.65	284.00	297.13	302.37	304.57	-4.81
Sep-23	267.28	279.96	286.48	299.43	304.85	-	-4.53
Dec-23	273.16	285.19	291.26	302.83	308.80	-	-4.22
Mar-24	277.48	288.50	294.56	304.30	-	-	-3.82
May-24	278.67	288.50	294.65	302.65	-	-	-3.41
Jul-24	272.98	281.98	289.05	-	-	-	-3.19

International FOB Weekly Price Movement

The Indian wheat FOB prices quoted at \$275.68 per MT. Steady domestic prices keeps export prices on same pace as in previous week.



1st Support: 700

2nd Support: 724

1st Resistance: 908

2nd Resistance: 957 (\$ per tonne)

US wheat futures Mar23 were up by 0.53% to 708.75, during the week made low at 702, high at 708.75. Market is currently trading below 9, 18, 50 and 100 DMA. Momentum indicator MACD and Oscillator is indicating steady momentum. We expect prices to trade with weak bias in coming weeks.

Kanpur-Technical Outlook:

Technical Commentary:

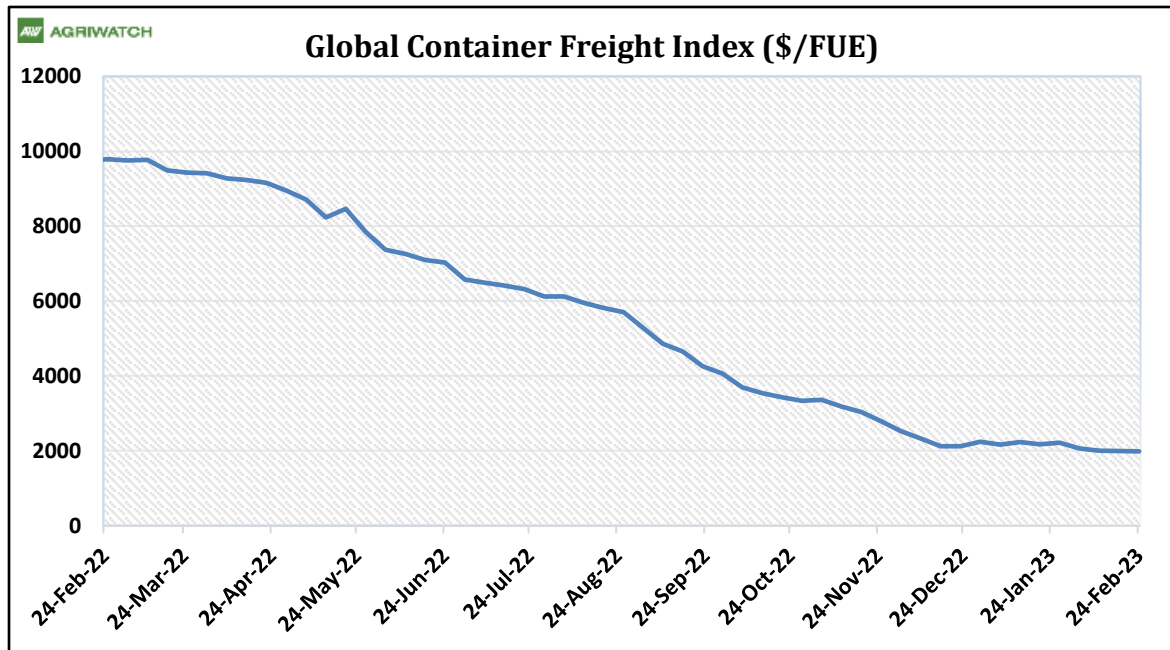


- Wheat Kanpur prices ease out from previous week low and make high at 2350, low at 2300 and closes at 2300.



- Market is currently trading below 9, 50 and 18 EMA, taking support from 100 EMA.
- 2239 is near term support and 2460 would be resistance.

Container Freight Index



The graph shows that The Index has been relatively steady or has experienced a slight decline in the last few weeks. In addition, global freight charges have decreased and are currently trading at \$1984/FEU, a decrease from the previous week. According to Sea Intelligence data, the reduction in volume and congestion has resulted in improved reliability and utilization levels, which have returned to pre-pandemic levels. This has led to a decline in rates.

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> © 2023 Indian Agribusiness Systems Limited.