

# Wheat Weekly Research Report

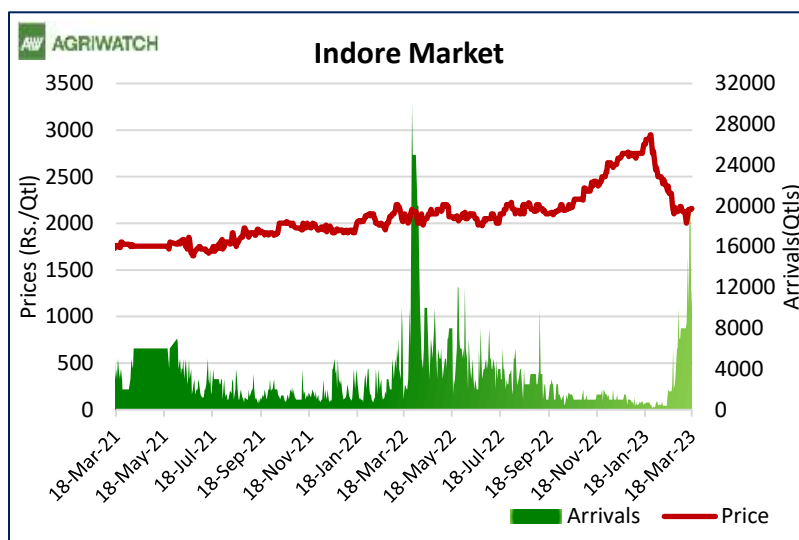
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### Wheat Domestic Market Fundamentals

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- Good quality arrivals of new Wheat in the market, recent rainfall and sixth auction by FCI, are all factors that kept the domestic Wheat prices sideways during the week under observation. Prices were in the range of Rs.2100-2400 per quintals.
- A total of 10.69 LMT has been offered by FCI and approximately 4.91 LMT was sold to 970 bidders across 23 states. The average selling price for all of India, calculated as a weighted average, was Rs. 2214.32 per quintal against the average reserve price of Rs. 2140.32 per quintal. With the latest auction, the cumulative quantity sold reached around 33.77 LMT, against the overall allocation of 45 LMT. Till the 5th auction 28.86 LMT has been sold and out of which 23.30 LMT has already been lifted as of 14.03.23.
- Amid good quality arrivals in Indore market prices were on slightly higher side by Rs.60 per quintals to Rs.2160 per quintals as compared to previous week.
- In a weather update, in Ashta district of M.P due to rainfall from previous day arrivals declined by 8000 quintals within gap of just one trading day. In Vidisha district also strong winds flattened the standing crop. If rainfall persists further for more than 2 days, then this will impact the plant as well as its grains. Hailstorms were also seen in Jaipur (Rajasthan), Sri Ganganagar (Rajasthan) and Botad (Gujarat) districts.

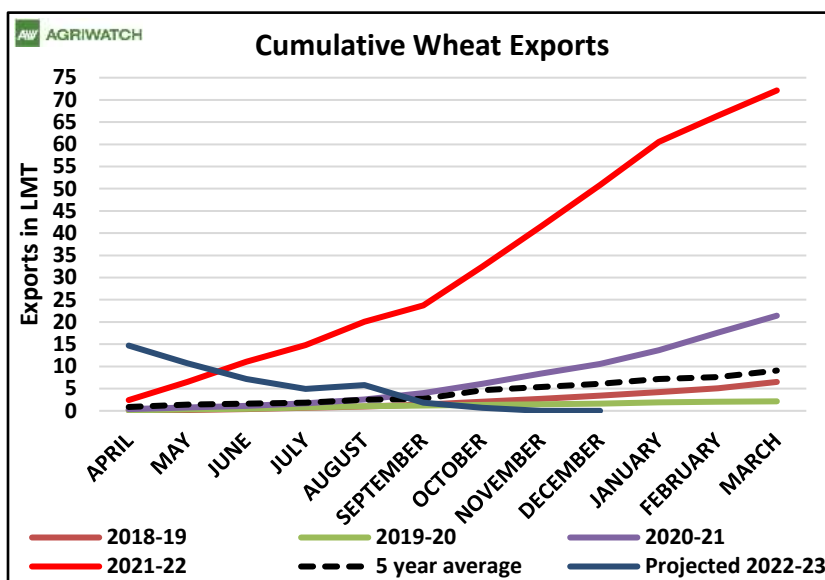


### Outlook:

The prices are expected to continue within a limited range of Rs.2100-2500 per quintals in the upcoming weeks. However, if the unfavorable weather conditions such as rainfall in Rajasthan and M.P persist, the prices may surpass the range. The commencement of procurement in M.P and Rajasthan from the last week of March may also have an impact on the domestic prices and they may go beyond the current range. On a global scale, prices are anticipated to follow a downtrend due to ample supply and intense competition from the Black Sea region crop.

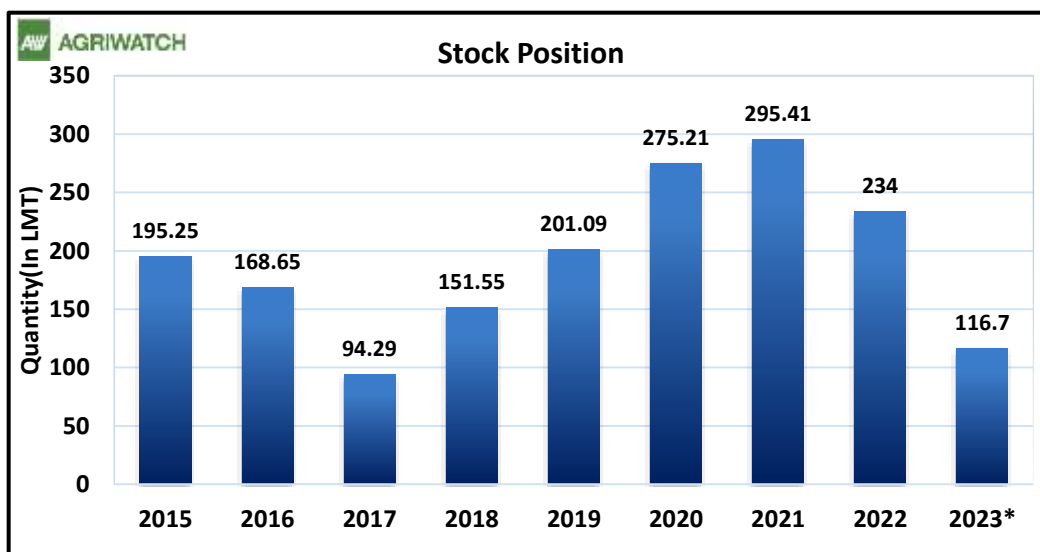
### Export:

According to government data, between April and January, a total of 46 lakh metric tonnes (LMT) of wheat worth Rs.115805.40 crore had been exported. In January minute quantity of 75 MT had been exported. The estimated total wheat exports in the season is now 4.70 million metric tonnes (MMT), including the small quantities exported so far.



**Trade Call:** There is no NCDEX trading currently.

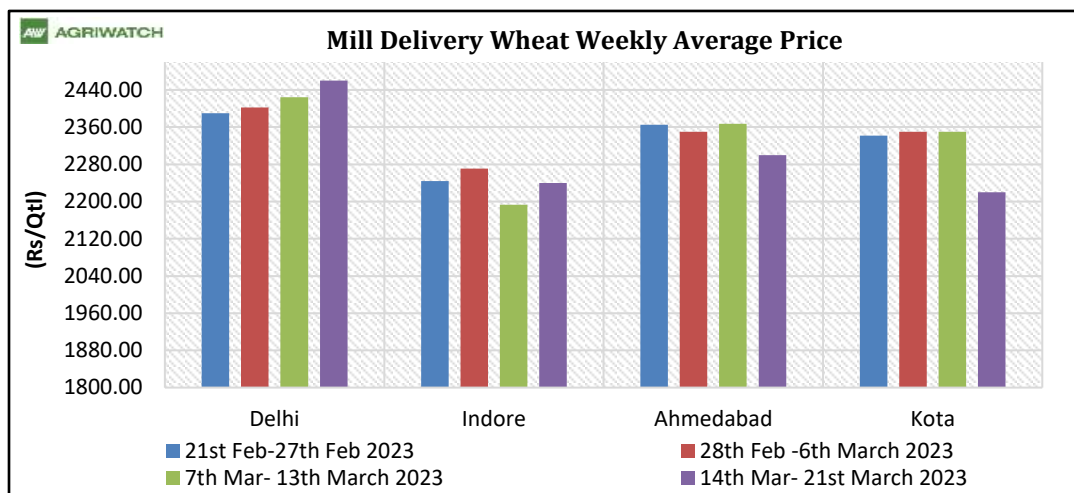
### Central Pool Stock Position:



\*Till March 1<sup>st</sup>, 2023,

Source: FCI

As depicted from the above chart, the Central Pool Wheat stock was recorded low at 116.70 LMT as of March 1<sup>st</sup>-2023, which is the lowest since 2017 during the same time. However, it remains slightly higher than the buffer norms of 74.60 LMT as of 1<sup>st</sup> April, up by 56.43%. Last time the lowest level was seen in 2017 at 94.29 LMT. As of 1<sup>st</sup> Mar. 2023, larger stock holding states are M.P and Punjab with 59.91 LMT and 11.03 LMT Wheat, respectively.



Source: Agriwatch

Mixed sentiments were observed in mill delivery prices of Wheat cash markets. Good quality arrivals in Indore markets keeps prices on slightly higher side while rainfall activity pressurize Mill delivery prices in Kota market.

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
	18-Mar-23	11-Mar-23	16-Feb-23	19-Mar-22		
Indore	2187	2251	2427	2176	0.51	-2.84
Delhi	2481	2412	2600	2287	8.48	2.86
Kanpur	2350	2325	2415	2120	10.85	1.08
Rajkot	2312	2275	2380	2325	-0.56	1.63
Kota	2432	2400	2450	2275	6.90	1.33

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
			18-Mar-23	17-Mar-23	11-Mar-23	15-Feb-23	19-Mar-22
Delhi	Lawrence Road	Mill Delivery	2500	2485	2435	2550	2280
	Narella	Mill Quality	2440	2450	2400	Closed	2150
	Nazafgarh	Mill Quality	-	-	-	Closed	2200
Gujarat	Rajkot	Mill Delivery	2220	2220	2200	2424	2250
	Ahmedabad	Mill Delivery	2300	2300	2350	2450	2320
	Surat	Mill Delivery	2350	2350	2400	2550	2375
	Dhrol	Mill Delivery	-	-	2415	3055	2335
M.P.	Indore	Mill Delivery	2250	2250	2150	2450	2200



	Bhopal	Mill Quality	2175	2150	Closed	2300	2000
Rajasthan	Kota	Mill Quality	2100	2050	2250	2250	2050
		Mill Delivery	2200	2150	2350	2350	2200
U.P.	Kanpur	Mill Delivery	2360	2315	Closed	2350	-
	Mathura	Mill Quality	2400	2400	2250	2350	-
	Kosi	Mill Quality	2360	2370	2400	2450	-
	Hathras	Mill Quality	2500	2500	2350	2500	-
	Aligarh	Mill Quality	2400	2400	2250	2350	-
Punjab	Khanna	Mill Quality	2150	2130	2170	2425	2060
	Ludhiana (Jagraon)	Mill Delivery	-	2150	2300	2700	-
Haryana	Sirsa	Mill Delivery	2175	2170	2160	2325	2140
	Hodal	Mill Delivery	-	-	-	-	-
	Bhiwani	Mill Quality	2325	2325	2300	2400	2240
	Karnal	Mill Delivery	-	-	-	-	-
	Panipat	Mill Quality	2420	2420	2380	2500	-
Tamil Nadu	Chennai	Mill Quality	3100	3100	3100	3100	2400
	Madurai	Mill Quality	3157	3200	3200	3200	2600
	Coimbatore	Mill Quality	3157	3250	3250	3250	2650
Bihar	Khagariya	Mill Delivery	2300	2300	Closed	2600	2100
	Muzaffarpur	Mill Delivery	2300	2300	Closed	2400	-

### FOB & CIF Quote for Wheat at Kandla

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	At Kandla
Mill delivery (Rajkot)	22250
Freight charge	550
Misc. Charges (port handling)	650
FOB (at Kandla Rs/T)	23450
FOB value in \$ for FAQ	283.76
Freight Charges (US \$/ton) to Dubai	42
Insurance @ 0.1% (\$/MT)	0.28
CIF to Dubai (value in \$ for SRW)	325.76

(INR value: 82.64 as on 16.03.2023)

### International Market Update:

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- **Russian prices were down by \$5 per tonne to \$288 per tonnes as compared to previous week.** Due to good supply side and beginning of talks for the extension of grain deal prices were pressurized by mentioned factors.
- **Jordan releases new tender to purchase 1.20 LMT of milling Wheat, optional origins are expected.** Last day for submission of price offers is March 21st and it would be done in combinations of 50,000 to 60,000 tonnes. Time period for the shipment is for Sept. 1-15, 16-30 and Oct. 1-15, 16-31.
- **Total Weekly exports for EU Wheat to 2.08 LMT down by 7% as compared to previous week.** With this total MY exports reached 21.54 MMT.



### International Weekly Outlook:

Dry conditions in Argentina and US have impact the potential of Wheat crop resulted in increase of prices amid increase in concern while on the other hand, in Russia and Ukraine good supply and beginning of talks for the extension of grain corridor deal pressurize the prices. In India, good quality arrivals keep prices on higher side 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
		16-Mar-23	9-Mar-23	16-Feb-23	16-Mar-22		
USA (Chicago)	2srw	299	291	331	446	5.00	2.75
France	FCW3	293	287	325	427	-31.38	2.09
Argentina	ASW	354	350	365	411	-13.87	1.14
Russia	SRW	288	293	305	460	-37.39	-1.71
India	FAQ	284	280	293	306	-7.26	1.18
Australia	ASW	305	307	320	-	-	-0.66
Ukraine	SRW	270	275	279	450	-40.00	-1.82

### IGC Wheat Global Balance Sheet:

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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

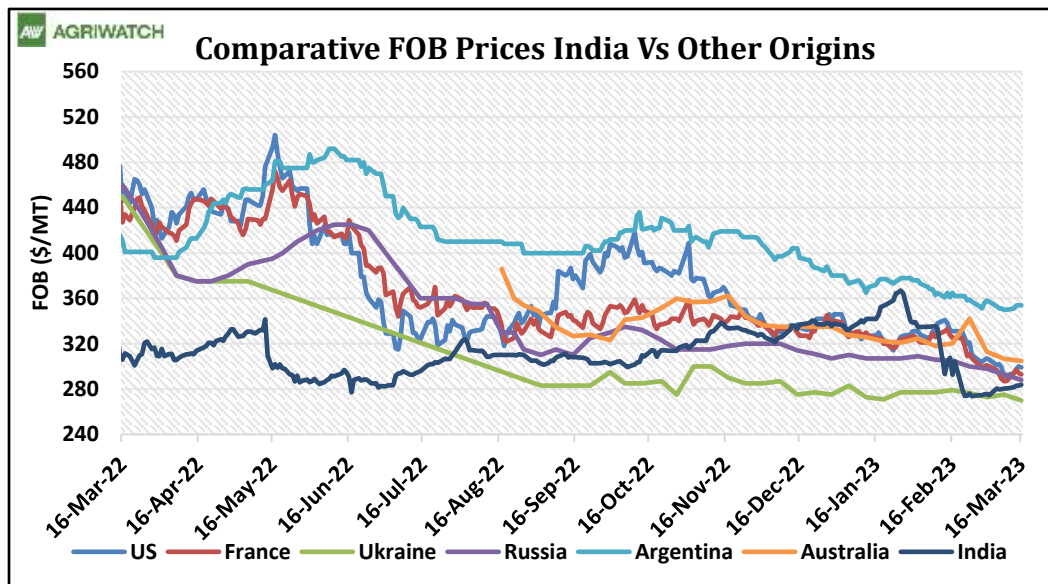
Source: IGC

- 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:

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
	17-Mar-23	9-Mar-23	15-Feb-23	14-Dec-22	15-Sep-22	17-Mar-22	
May-23	261.04	244.60	286.66	278.76	319.45	333.05	6.72
Jul-23	264.34	248.73	288.50	280.69	316.24	308.52	6.28
Sep-23	267.74	253.14	291.81	283.36	316.33	298.42	5.77
Dec-23	272.79	259.11	296.86	287.67	317.98	-	5.28
Mar-24	276.28	263.70	299.89	290.15	316.97	-	4.77
May-24	276.74	265.35	299.61	290.15	-	-	4.29
Jul-24	268.57	259.75	291.90	-	-	-	3.39
Sep-24	267.93	-	-	-	-	-	-

Source: MRCI

International FOB Weekly Price Movement


The Indian wheat FOB prices quoted at \$283.76 per MT. Slightly higher domestic prices keeps export prices on higher side as in previous week.

US Wheat Futures May -23

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**1<sup>st</sup> Support: 703**

**2<sup>nd</sup> Support: 658**

**1<sup>st</sup> Resistance: 802**

**2<sup>nd</sup> Resistance: 850 (\$ per tonne)**

US wheat futures May23 were up by 12.70% to 709.40, during the week made low at 667, high at 712.60. Market is currently trading below 9, 18, 50 and 100 DMA. Indicator MACD and Oscillator is indicating steady momentum. We expect prices to trade with weak bias in coming weeks.





### Technical Analysis (Domestic market)

#### Wheat-Technical Outlook:

#### Kanpur Market Prices

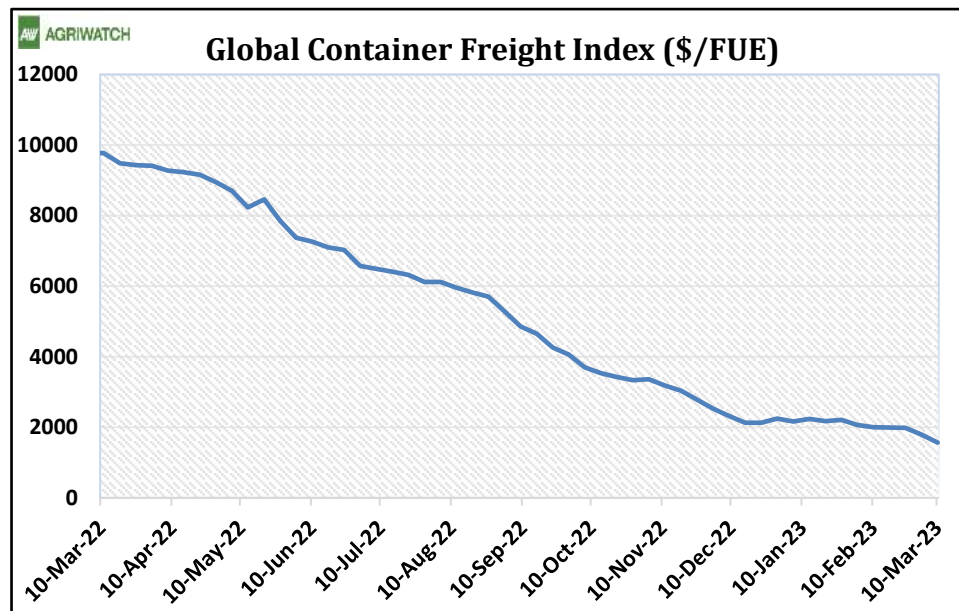
#### Technical Chart:



#### **Technical Commentary:**

- Wheat Kanpur prices down from previous week low and make high at 2225, low at 2200 and closes at 2225.
- Market is currently trading below 9, 50 and 18 EMA, taking support from 100 EMA.
- 2192 is near term support and 2440 would be resistance.



**Container Freight Index**


Global freight charges decreased by 12.40% to \$1568 per foot unit equivalent as compared to previous week. Latest US ocean import data given by National Retail Federation shows that monthly volumes had decline by 14% in February month as compared to previous month and are 26% lower than the previous year. This data indicates that imports were on their lowest since June 2020. Decline in demand coupled with inventories buildup push the prices on downside. But in coming week import volumes are expected to ease out and this will help to push the prices also.

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