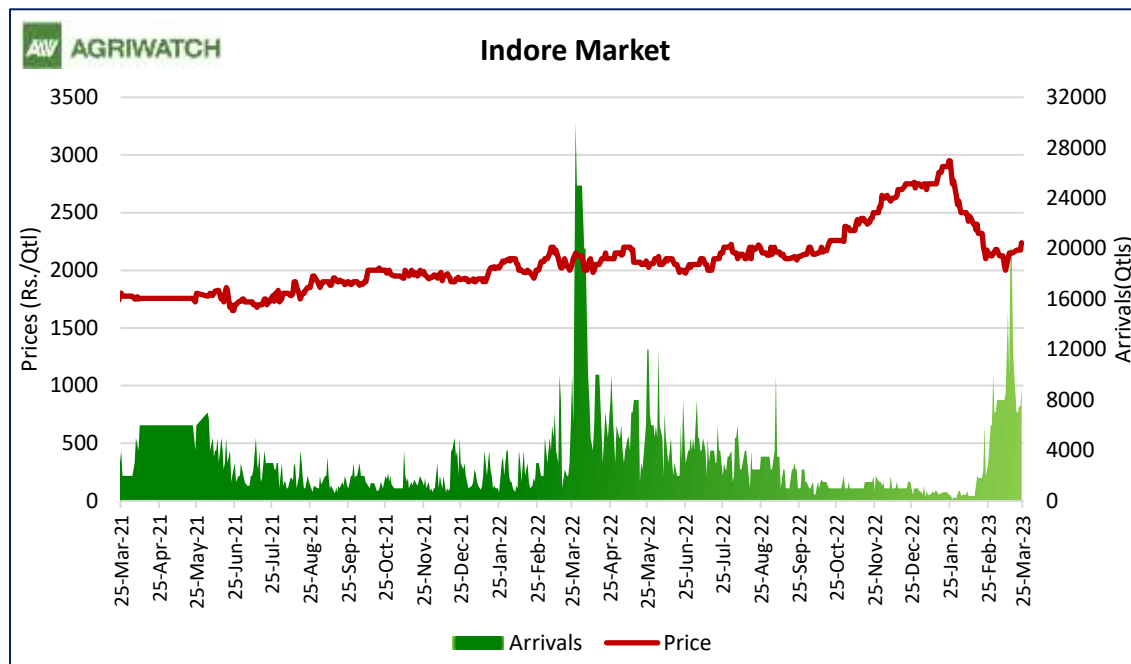


Wheat Weekly Research Report

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


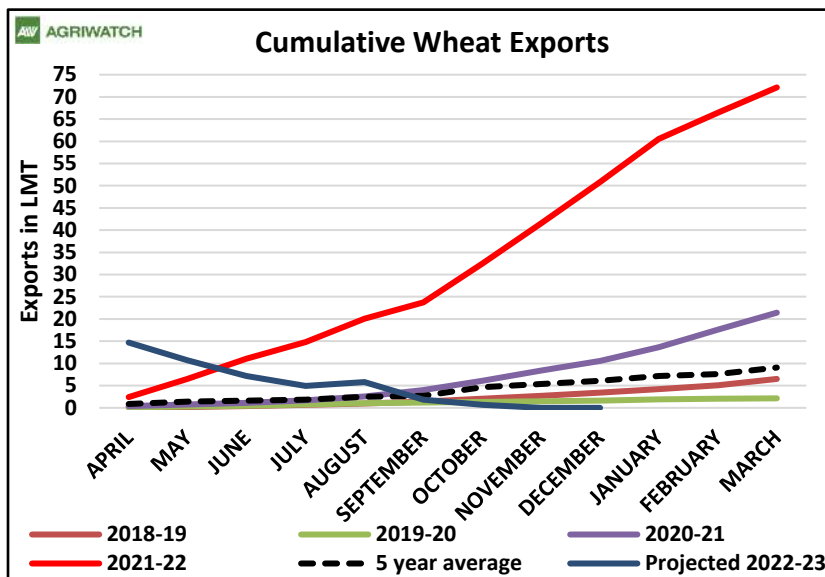
- Over the past few days, there has been continuous rainfall and hailstorm in several districts of Uttar Pradesh, Rajasthan, and Madhya Pradesh. Unfortunately, the crop in Madhya Pradesh has suffered significant quality losses, particularly the premium variety of wheat, which has been discolored, leading to a decrease in its quality. Moreover, the stormy winds have caused the standing crop to fall in the fields. According to the IMD alert, heavy rainfall with hailstorms is likely to occur in Rajasthan, Punjab, Haryana, and U.P. in the next 2-4 days, which may further extend the damage percentage and push up the prevailing wheat prices in the domestic market.
- During week under observation loose wheat in Indore were traded at Rs.2240 per quintals up by Rs.80 per quintals as compared to previous week amid decline in number of arrivals affected by heavy rainfall in markets.
- On procurement part, Government may likely to give bonus over MSP so that farmers would get more benefit for their produce. Center has set a target to procure around 300 LMT Wheat this year.

Outlook:

As per AgriWatch, it is expected that prices will remain stable in the upcoming weeks, but if the weather continues to be unfavorable, they may go beyond the current range. Farmers have started restricting sales due to the anticipated increase in losses which may push the price on higher side. The procurement process starting in major states like M.P, Rajasthan and Punjab next month may also have an impact on domestic prices, potentially driving them beyond the current range. Globally, prices are anticipated to decrease due to abundant supply and strong competition from the Black Sea region crop.

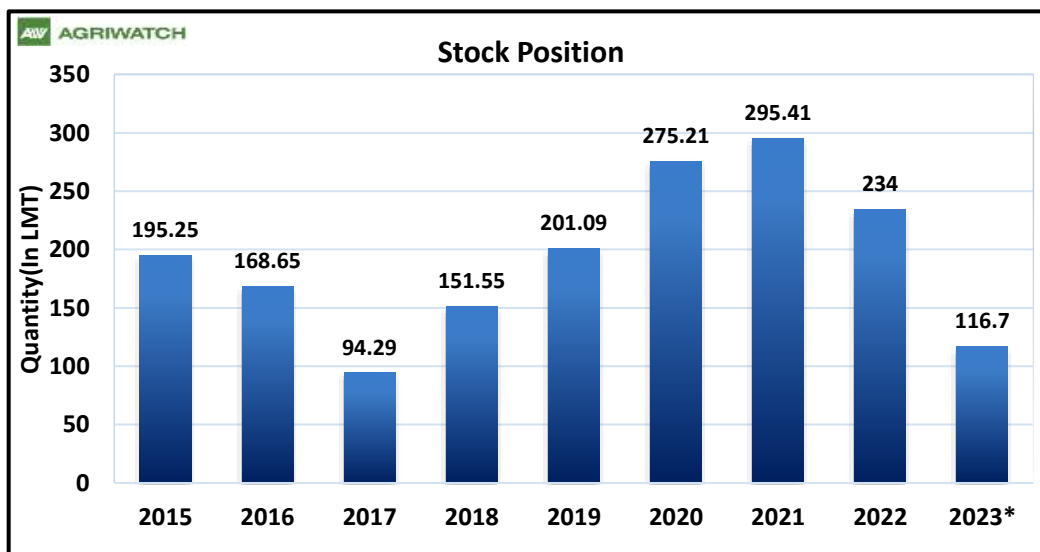
Export:

As per government records, between April and January, the total wheat exports amounted to 46 lakh metric tonnes (LMT), with a value of Rs. 115805.40 crore. In January, only a small quantity of 75 MT was exported. Taking into account the small quantities exported thus far, the estimated total wheat exports for the season stand at 4.70 million metric tonnes (MMT).



Trade Call: There is no NCDEX trading currently.

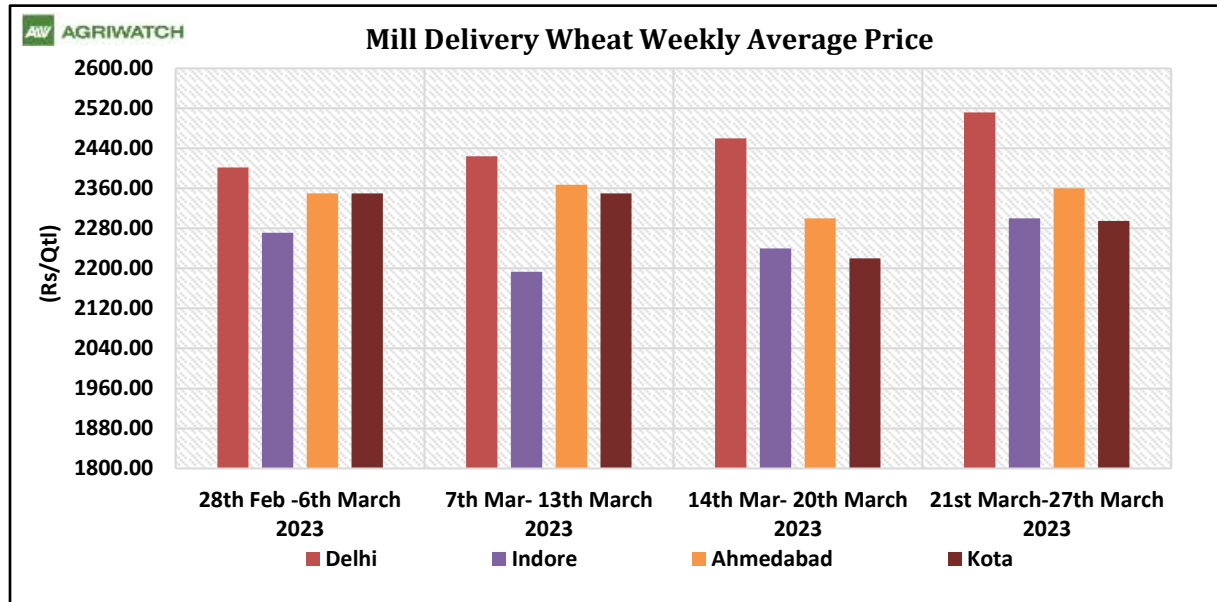
Central Pool Stock Position:



*Till March 1st, 2023,

Source: FCI

As depicted from the above chart, the Central Pool Wheat stock was recorded low at 116.70 LMT as of March 1st-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 1st April, up by **56.43%**. Last time the lowest level was seen in 2017 at 94.29 LMT. As of 1st Mar. 2023, larger stock holding states are M.P and Punjab with 59.91 LMT and 11.03 LMT Wheat, respectively.



Source: Agriwatch

Firm sentiments were observed in mill delivery prices of Wheat cash markets. Quality concerns along keep the prices on higher side due to rainfall along with hailstorms in major producing states.

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
	25-Mar-23	18-Mar-23	23-Feb-23	26-Mar-22		
Indore	2200	2187	2289	2191	0.41	0.59
Delhi	2500	2481	2400	2317	7.90	0.77
Kanpur	2360	2350	2275	2200	7.27	0.43
Rajkot	2350	2312	2237	-	-	1.64
Kota	2400	2432	2387	2300	4.35	-1.32

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
			24-Mar-23	23-Mar-23	17-Mar-23	21-Feb-23	25-Mar-22
Delhi	Lawrence Road	Mill Delivery	2515	2515	2485	2400	2350
	Narella	Mill Quality	2500	2500	2450	2450	2200
	Nazafgarh	Mill Quality	-	-	-	-	2185
Gujarat	Rajkot	Mill Delivery	2250	Closed	2220	2150	-
	Ahmedabad	Mill Delivery	2380	Closed	2300	2300	-
	Surat	Mill Delivery	2430	Closed	2350	2350	-
	Dhrol	Mill Delivery	-	-	-	2460	-



M.P.	Indore	Mill Delivery	2350	Closed	2250	2320	2140
	Bhopal	Mill Quality	2150	Closed	2150	2300	2150
Rajasthan	Kota	Mill Quality	2200	2100	2050	2230	2200
		Mill Delivery	2250	2300	2150	2330	2350
U.P.	Kanpur	Mill Delivery	2325	2325	2315	2230	2140
	Mathura	Mill Quality	2410	2430	2400	2300	2150
	Kosi	Mill Quality	2425	2430	2370	2270	2035
	Hathras	Mill Quality	2550	2500	2500	2450	2100
	Aligarh	Mill Quality	2400	2400	2400	2150	2125
Punjab	Khanna	Mill Quality	2200	2200	2130	2220	2150
	Ludhiana (Jagraon)	Mill Delivery	2150	2150	2150	2600	-
Haryana	Sirsa	Mill Delivery	2215	2215	2170	2150	2120
	Hodal	Mill Delivery	-	-	-	-	-
	Bhiwani	Mill Quality	2400	2400	2325	2250	2210
	Karnal	Mill Delivery	-	-	-	-	-
	Panipat	Mill Quality	2431	2450	2420	2320	-
Tamil Nadu	Chennai	Mill Quality	2550	2550	3100	3100	2500
	Madurai	Mill Quality	2607	2800	3200	3200	2650
	Coimbatore	Mill Quality	2607	2850	3250	3250	2700
Bihar	Khagariya	Mill Delivery	2300	2400	2300	2600	2100
	Muzaffarpur	Mill Delivery	2250	2300	2300	2200	-

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

	At Kandla
Mill delivery (Rajkot)	22500
Freight charge	550
Misc. Charges (port handling)	650
FOB (at Kandla Rs/T)	23700
FOB value in \$ for FAQ	288.15
Freight Charges (US \$/ton) to Dubai	42
Insurance @ 0.1% (\$/MT)	0.29
CIF to Dubai (value in \$ for SRW)	330.15

(INR value: 82.25 as on 23.03.2023)

International Market Update:***(Back to Table of Contents)***

- As per Ukraine's Agriculture Ministry for 2023-24 spring sowing is going on in 10 regions and as of 17 March Wheat has been sowed on total of 26,000 ha area. They further reported that week ending 17th Mar. total of 12.20 MMT has been exported so far down by 33% as compared to previous year.
- As per Customs data given by Chinese Government during January-February total of 3 MMT has been imported so far which is up by 38% as compared to previous year.



- In its weekly report USDA show improvement in crop condition of Wheat crop as compared to previous week in Texas and Kansas region. HRW Wheat is 29% in good/excellent condition in Oklahoma which was 29% in previous week, 23% in Texas and 19% in Kansas. While much of the regions are still experiencing extreme to exceptional drought, as per the drought monitor of US.
- EU MARS crop monitor also reports that Winter crops currently entered spring in fair to good condition in some major parts of Europe.
- According to data given by Russia's statistical Agency, total Feb. grain stocks and leguminous crop were reported at 28.80 MMT which is 49% higher as compared to previous year. Out of Which Wheat stocks were 17.3 MMT up by 58% as compared to previous year.

International Weekly Outlook:

Extension of corridor deal results in decline of prices in all respective countries. USDA show improvement in crop condition in their recent weekly report which pressurize the US export prices amid anticipation of higher supplies. While in India higher domestic prices push the export prices on higher side.

Indicative FOB Quotes:							
Wheat FOB	Variety	Current Week	Week Ago	Month Ago	Year Ago	% Change over Prev. Year	% Change over Prev. Week
		23-Mar-23	16-Mar-23	23-Feb-23	24-Mar-22		
USA (Chicago)	2srw	286	299	321	452	5.00	-4.35
France	FCW3	277	293	311	441	-37.19	-5.46
Argentina	ASW	335	354	359	401	-16.46	-5.37
Russia	SRW	276	288	300	435	-36.55	-4.17
India	FAQ	288	284	276	311	-7.25	1.55
Australia	ASW	303	305	342	-	-	-0.66
Ukraine	SRW	266	270	276.5	425	-37.41	-1.48

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	
				16.02.23	16.03.23
Production	761	774	781	796	801
Trade	185	190	197	197	199
Consumptions	745	771	784	789	789
Carryover stocks	276	279	274	282	286
Y-O-Y change	16	3	-3	7	12
Major Export	62	60	58	64	67

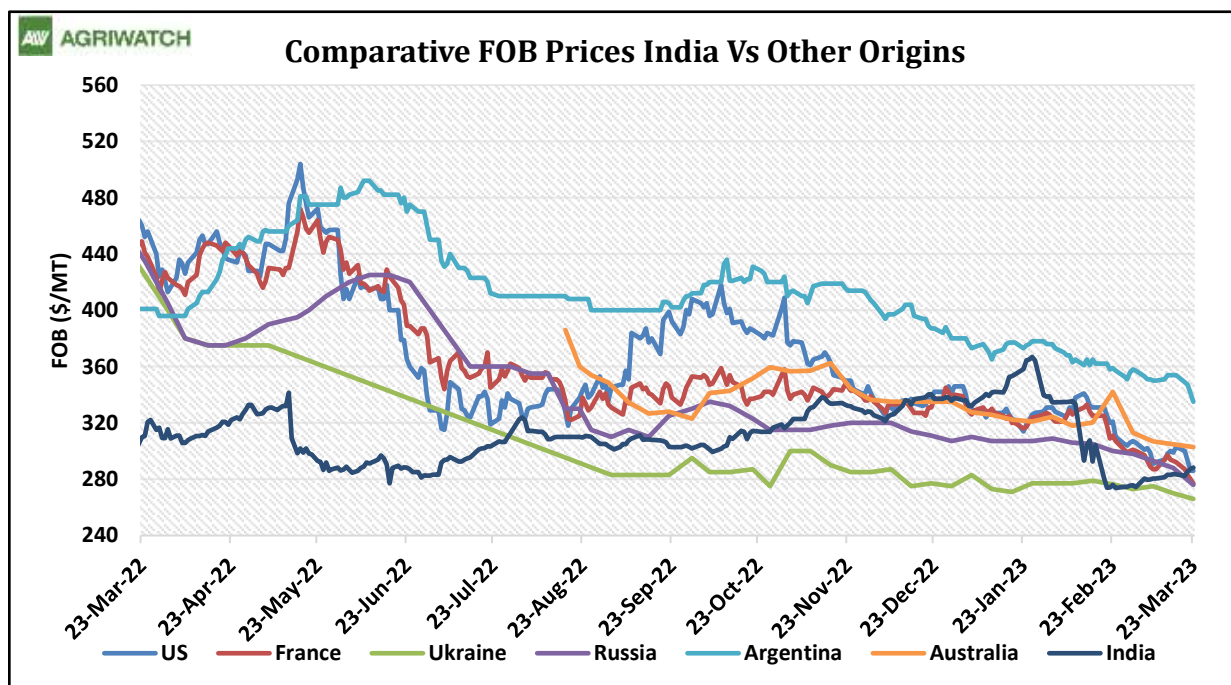
Source: IGC

- IGC has up the projected 2022-23 global wheat production at 801 MMT at same pace as in previous estimate.
- The trade projection for 2022-23 is 199 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 286 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 24-Mar-23	Week Ago 16-Mar-23	Month Ago 22-Feb-23	3 Month Ago 21-Dec-22	6 Month Ago 22-Sep-22	Year Ago 24-Mar-22	
May-23	243.22	256.81	275.55	284.83	340.76	354.91	-5.29
Jul-23	247.63	260.49	277.94	286.39	335.62	329.93	-4.94
Sep-23	251.94	264.07	281.52	288.78	334.70	321.29	-4.59
Dec-23	258.01	269.40	286.94	293.00	335.34	-	-4.23
Mar-24	262.32	273.07	290.06	295.02	333.42	-	-3.94
May-24	263.89	273.80	290.06	294.84	-	-	-3.62
Jul-24	257.09	265.91	282.44	288.87	-	-	-3.32
Sep-24	257.82	265.35	-	-	-	-	-2.84

Source: MRCI

International FOB Weekly Price Movement


The Indian wheat FOB prices quoted at \$288 per MT. Slightly higher domestic prices keeps export prices on higher side as in previous week.



1st Support: 703

2nd Support: 658

1st Resistance: 802

2nd Resistance: 850 (\$ per tonne)

US wheat futures May23 were down by 2.94% to 688.50, during the week made low at 654.10, high at 709.12. 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:

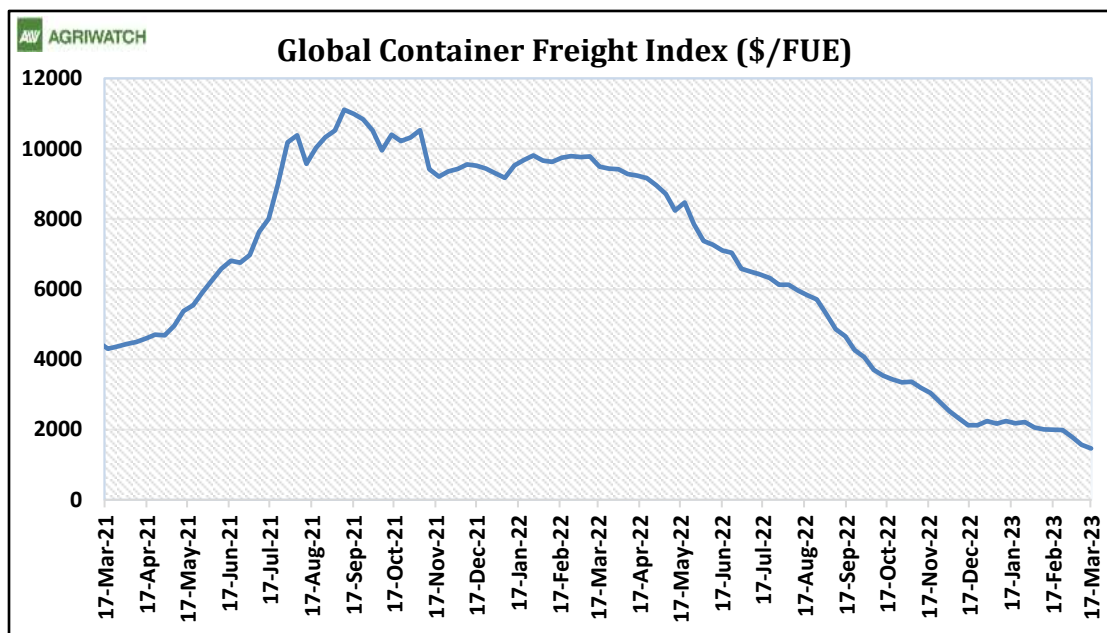
Kanpur Market Prices

Technical Chart:



Technical Commentary:

- Wheat Kanpur prices down from previous week low and make high at 2362, low at 2337 and closes at 2360.
- Market is currently trading below 9, 50 and 18 EMA, taking support from 100 EMA.
- 2241 is near term support and 2460 would be resistance.

Container Freight Index


Global freight charges decreased by 6.70% to \$1463 per foot unit equivalent as compared to previous week. 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.

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.1790