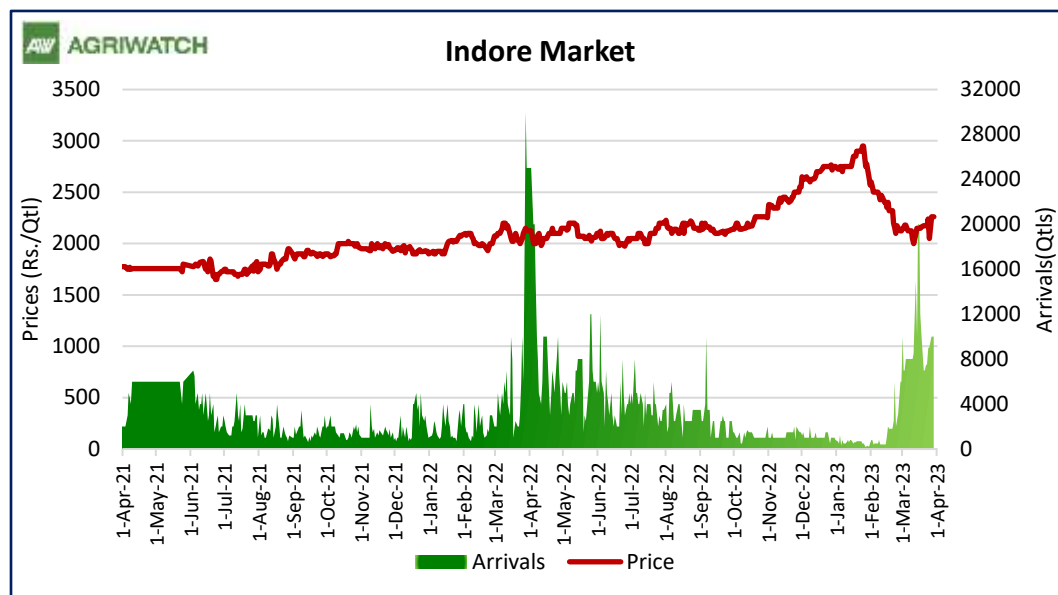


# Wheat Weekly Research Report

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Wheat Domestic Market Fundamentals
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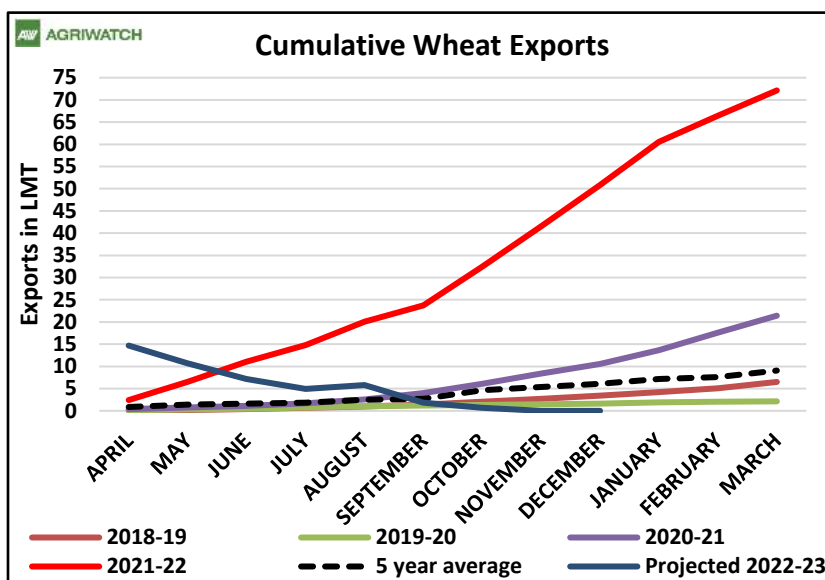
- Amid festivals and financial year ending, markets of M.P and Gujarat remain closed during past week. While on the other hand, new crop arrivals have started in U.P, Bihar and in Rajasthan, and the quantities have increased which pressurized the domestic prices. Unfavorable weather at the end of week in major states like Gujarat, U.P, Haryana, and Punjab, could have an impact that will be known in a few days.
- During week under observation loose wheat in Indore remained stable while in Mathura prices were low at Rs.2050 per quintals down by 14.93% as compared to previous week amid increase in arrivals.
- Procurement has started in some districts of M.P and as of 27th March, around 10,727 metric tonnes of wheat had been procured, which is up by 7.27% as compared to previous year.
- Central Government has modified procurement norms and it states: “Luster loss wheat containing up to 10% without any value cut followed by relaxation from 10% to 80% with 1/4th of one full value cut on flat basis of MSP 2023-24 of wheat in the entire State of Madhya Pradesh.”
- Wheat procurement norms for M.P.
  - Luster loss up to 10 % - No value cut.
  - Luster loss from 10to 80 %- 25% value cut from MSP.

Outlook:

In the coming week, prices are likely to remain in the range of Rs.2000-2200 per quintals, while if unfavorable weather conditions continues then prices may go beyond the range. On the other hand, procurement has also started in some major states and increase in prices beyond MSP will hamper the same. Globally, prices are anticipated to move on higher side as Russia is likely to announce export ban on Wheat.

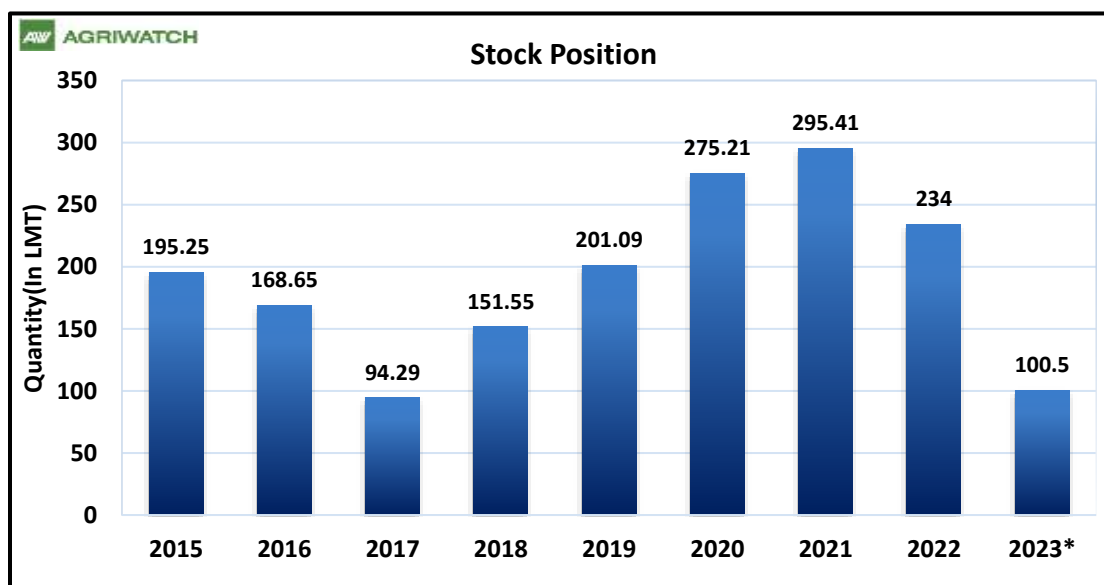
### Export:

As per government records, between April and January, the total wheat exports amounted to 46 lakh metric tonnes (LMT), with a value of Rs. 115,805.40 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).



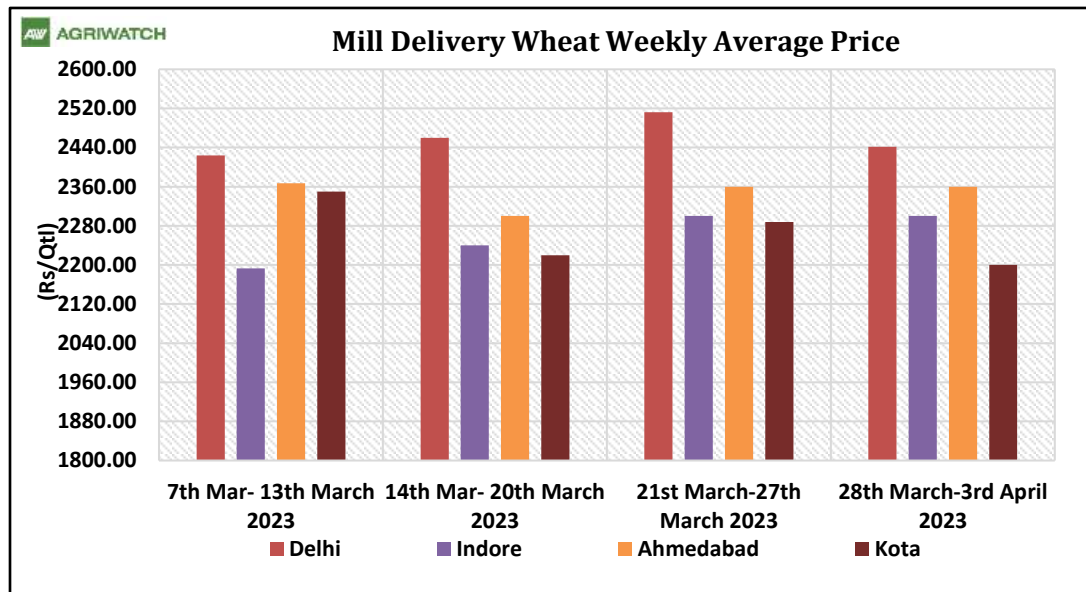
**Trade Call:** There is no NCDEX trading currently.

### Central Pool Stock Position:



\*Till February 16th, 2023

As depicted from the above chart, the Central Pool Wheat stock was recorded at 100.50 LMT as of March 16<sup>th</sup>-2023, which is the lowest since 2017 during the same time. However, it remains higher than the buffer norms of 74.60 LMT as of 1<sup>st</sup> April, up by 34.71%. Last time the lowest level was seen in 2017 at 94.29 LMT. As of 16<sup>th</sup> Mar. 2023, most of the stocks are being held in states of M.P and Punjab with 55.34 LMT and 7.81 LMT wheat, respectively.



Source: Agriwatch

Mixed sentiments were observed in mill delivery prices of Wheat cash markets. In Kota and Delhi new crop arrival have pressurized the prices down while Ahmedabad and Indore prices were on same pace as market remain closed due to festivities and March ending.

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
	1-Apr-23	25-Mar-23	2-Mar-23	2-Apr-22		
Indore	2150	2187	2232	2126	1.13	-1.69
Delhi	2345	2500	2405	2252	4.13	-6.20
Kanpur	2200	2353	2350	2132	3.19	-6.50
Rajkot	-	2350	2225	2300	-	-
Kota	2300	2350	2400	2297	0.13	-2.13

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
			1-Apr-23	31-Mar-23	25-Mar-23	1-Mar-23	2-Apr-22
Delhi	Lawrence Road	Mill Delivery	2310	2480	2515	2400	2240
	Narella	Mill Quality	2100	2100	2525	Closed	2060
	Nazafgarh	Mill Quality	2150	2125	-	Closed	2080
Gujarat	Rajkot	Mill Delivery	Closed	Closed	2250	2150	2250
	Ahmedabad	Mill Delivery	Closed	Closed	2380	2350	2400
	Surat	Mill Delivery	Closed	Closed	2450	2420	2425



	Dhrol	Mill Delivery	-	-	-	2355	2505
M.P.	Indore	Mill Delivery	Closed	Closed	2240	2270	Closed
	Bhopal	Mill Quality	Closed	Closed	Closed	2200	Closed
Rajasthan	Kota	Mill Quality	2050	2000	2060	2250	2075
		Mill Delivery	2200	2200	2250	2350	2225
U.P.	Kanpur	Mill Delivery	Closed	Closed	2270	2200	2130
	Mathura	Mill Quality	2050	2060	2410	2250	2060
	Kosi	Mill Quality	2050	2025	2425	2240	1980
	Hathras	Mill Quality	2450	2550	2325	-	2050
	Aligarh	Mill Quality	2070	2070	2400	-	2040
Punjab	Khanna	Mill Quality	2260	2220	-	2150	2130
	Ludhiana (Jagraon)	Mill Delivery	2150	2150	2150	2300	-
Haryana	Sirsa	Mill Delivery	2250	2250	2240	2150	2100
	Hodal	Mill Delivery	-	-	-	-	-
	Bhiwani	Mill Quality	2200	2200	2400	2325	2200
	Karnal	Mill Delivery	-	-	-	-	-
	Panipat	Mill Quality	2420	2450	2451	2250	-
Tamil Nadu	Chennai	Mill Quality	2550	2550	2550	3100	2500
	Madurai	Mill Quality	2607	2700	2700	3200	2700
	Coimbatore	Mill Quality	2607	2750	2750	3250	2750
Bihar	Khagariya	Mill Delivery	2200	2200	2300	2200	2050
	Muzaffarpur	Mill Delivery	2200	2200	2250	2100	2000

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

Particulars	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: 82.18 as on 31.03.2023)

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

- The state-owned grain purchasing agency of Turkey has commenced its international tender to acquire milling wheat, having already purchased approximately 1 million metric tonnes (LMT). The agency is expected to purchase a total of 6.95 LMT through the tender. The wheat is required to be shipped during two distinct time frames: May 18th to June 16th, and June 12th to July 10th.



- **Global prices are likely to follow an uptrend in the coming days as talks of the export ban on wheat** and Sunflower oil by Russia is going on in the market. The Russian Agriculture Ministry is considering limiting exports after the heavy fall in international prices. They further considered extending the ban on fertilizers till November.
- **As per European Commission data, EU soft Wheat exports were up by 8% to 22.66 MMT** as compared to same period in previous week. Data shows that maximum wheat was exported from France at 8.70 MMT, followed by Romania with 2.90 MMT and Germany with 2.7 MMT.

### International Weekly Outlook:

Russia's Agricultural Ministry have announced that by keeping in view continuously declining export prices, they may likely to put restriction on export of Wheat. On the other hand, Cargill has also confirmed this by declaring that they will not export Russian Wheat from the start of next marketing year. This news has pushed the international prices on higher side in all the major countries except Australia.

Indicative FOB Quotes:							
Wheat FOB	Variety	Current Week	Week Ago	Month Ago	Year Ago	% Change over Prev. Year	% Change over Prev. Week
		30-Mar-23	23-Mar-23	2-Mar-23	30-Mar-22		
USA (Chicago)	2srw	293	286	307	429	-31.70	2.45
France	FCW3	292	277	301	421	-30.64	5.42
Argentina	ASW	350	335	358	396	-11.62	4.48
Russia	SRW	284	276	298	405	-29.88	2.90
India	FAQ	288	288	276	309	-6.87	-
Australia	ASW	295	303	313	-	-	-2.65
Ukraine	SRW	268	266	273	400	-33.00	0.75

### 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	
				16.02.23	16.03.23
<b>Production</b>	761	774	781	796	801
<b>Trade</b>	185	190	197	197	199
<b>Consumptions</b>	745	771	784	789	789
<b>Carryover stocks</b>	276	279	274	282	286
<b>Y-O-Y change</b>	16	3	-3	7	12
<b>Major Export</b>	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.

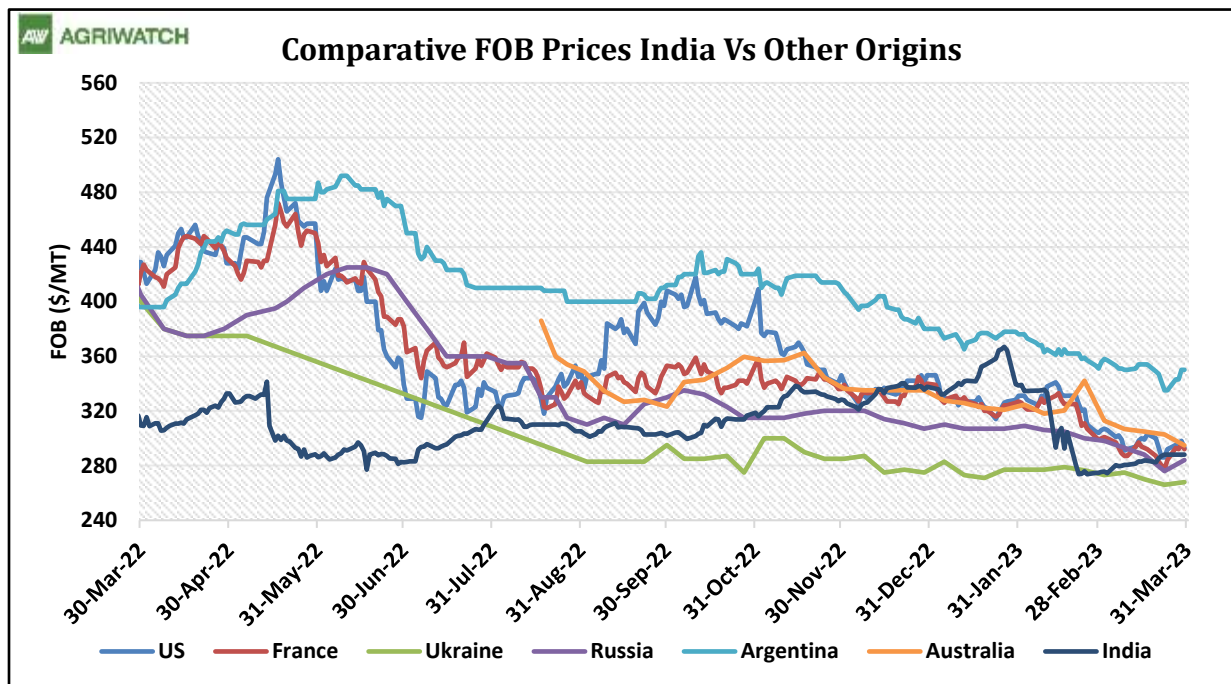


### CBOT FUTURES CONTRACT:

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
	31-Mar-23	23-Mar-23	1-Mar-23	28-Dec-22	29-Sep-22	31-Mar-22	
May-23	254.33	243.22	260.85	291.26	336.08	347.47	4.57
Jul-23	258.83	247.63	263.79	292.54	330.29	326.71	4.53
Sep-23	263.33	251.94	267.74	294.84	328.64	320.46	4.52
Dec-23	269.86	258.01	273.80	299.16	329.19	-	4.59
Mar-24	274.17	262.32	278.12	301.36	326.99	-	4.52
May-24	275.27	263.89	279.13	301.08	-	-	4.32
Jul-24	268.39	257.09	273.25	294.56	-	-	4.39
Sep-24	268.94	257.82	-	-	-	-	4.31

Source: MRCI

### International FOB Weekly Price Movement



Export prices were on same pace as in previous week due to stable domestic prices during week under review.

**US Wheat Futures May -23**
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**1<sup>st</sup> Support: 702**
**2<sup>nd</sup> Support: 653**
**1<sup>st</sup> Resistance: 798**
**2<sup>nd</sup> Resistance: 839 (\$ per tonne)**

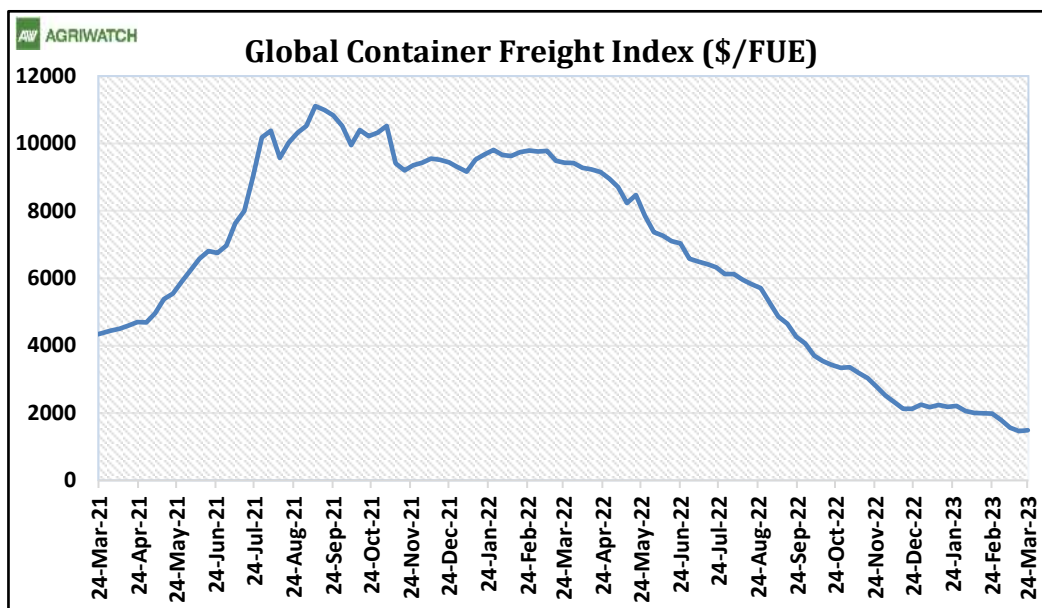
US wheat futures May23 were up by 0.54% to 692.25, during the week made low at 680.40, high at 724. Market is currently trading below 9, 18, 50 and 100 DMA. Indicator MACD and Oscillator is indicating steady momentum. We expect prices to trade with firm bias in coming weeks.

**Technical Analysis (Domestic market)**
**Wheat-Technical Outlook:**
**Kanpur Market Prices**
**Technical Chart:**




**Technical Commentary:**

- Wheat Kanpur prices down from previous week and make high at 2300, low at 2190 and closes at 2200.
- Market is currently trading below 9, 50 and 18 DMA, taking support from 100 EMA.
- 2200 is near term support and 2430 would be resistance.

**Container Freight Index**


Global freight charges increased by 1.92% to \$1492 per foot unit equivalent as compared to previous week. As per some reports, situation is getting back to normal and loaded ships are sailing again which have push the rates slightly higher as compared to previous week. From Chinese ports also reports showing that spot rates are increased on 15 out 21 export routes which shows that in coming month prices are likely to be on higher side.

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