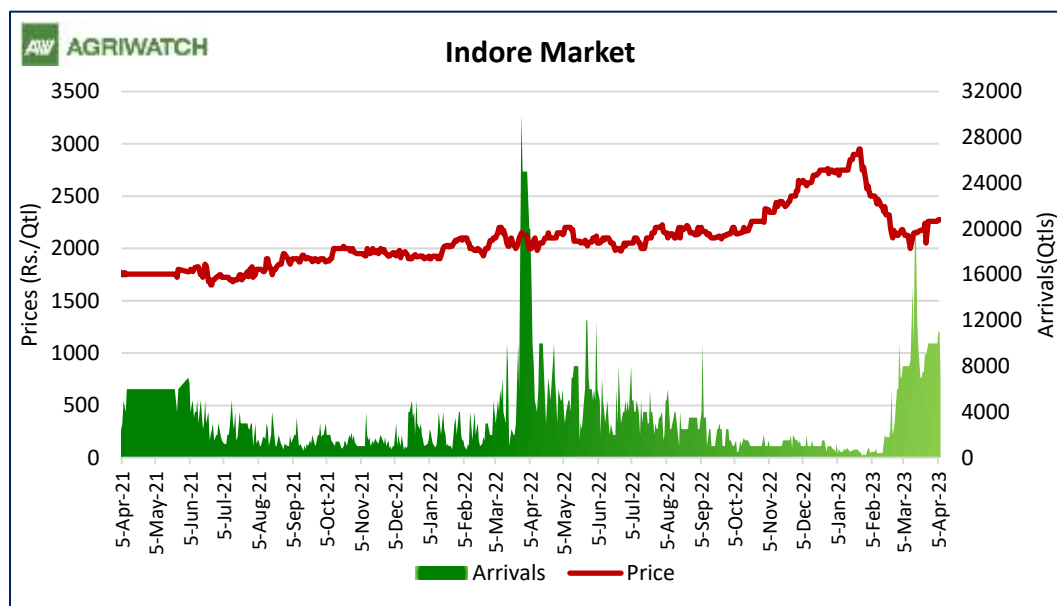


# Wheat Weekly Research Report

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**Wheat Domestic Market Fundamentals**
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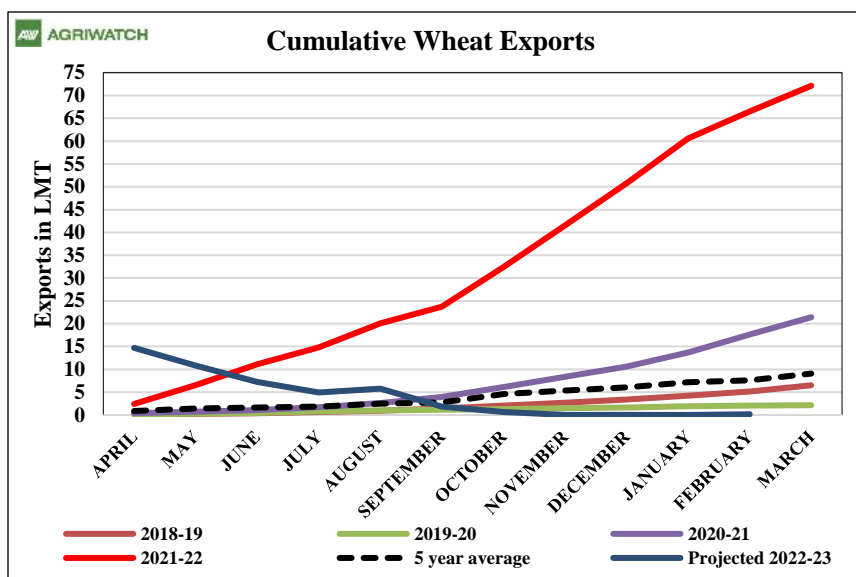
- While most of the markets remain closed amid festivities, good quality arrivals coupled with speeding up of procurement keeps markets on slight firmer side during week under review. In Indore market prices were traded at Rs.2275 per quintals up by Rs.15 per quintals as compared to previous week.
- As of April 6th, 2023, the total amount of wheat procurement has reached 7 LMT, which is significantly higher compared to the 2 LMT during the same period last year. Most of the contribution came from Madhya Pradesh, with Haryana and Uttar Pradesh following closely behind.
- AgriWatch has revised its estimate for wheat production to 102.90 million metric tons, which is lower than its earlier projection of 104.24 million metric tons. The decrease in production is attributed to adverse weather conditions such as unseasonal rain and hailstorms.

**Outlook:**

In the upcoming week, prices are expected to stay steady or slightly increase due to a strong pace of procurement this year. While new crop arrivals in other states are anticipated to commence next week, prices are expected to remain within their current range. On a global scale, prices are projected to rise because of Russia's anticipated announcement of an export ban on wheat, and the less-than-optimal rating of US wheat.

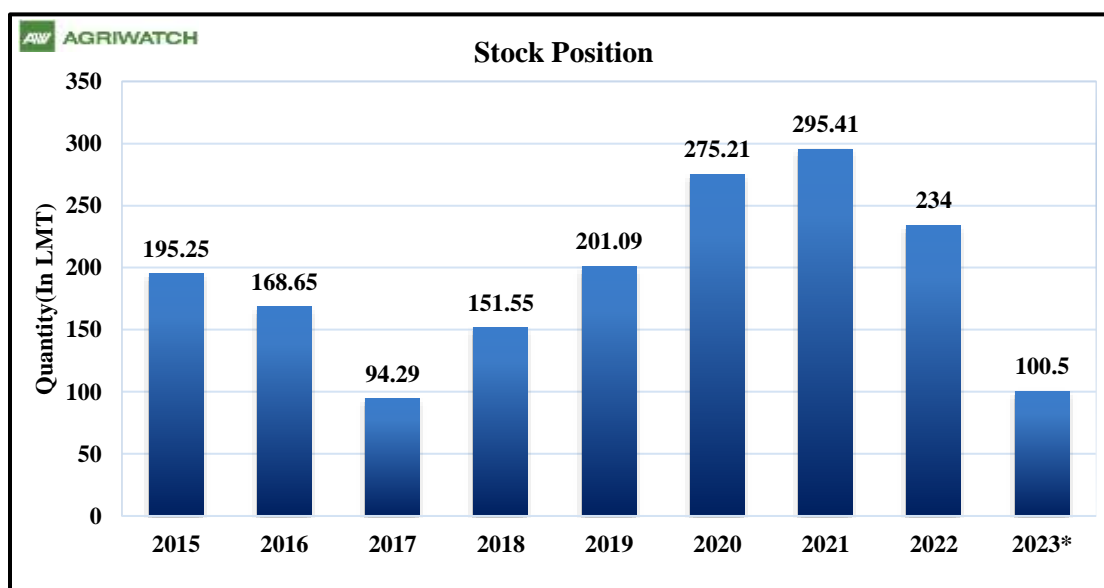
### Export:

Trade sources have reported that the total amount of wheat exported in February is approximately 0.18 LMT, with the majority of the exports going to Nepal. This brings the total wheat exports to 46.15 LMT, which is a 30.57% decrease compared to the same period last year when the total was 66.47 LMT.



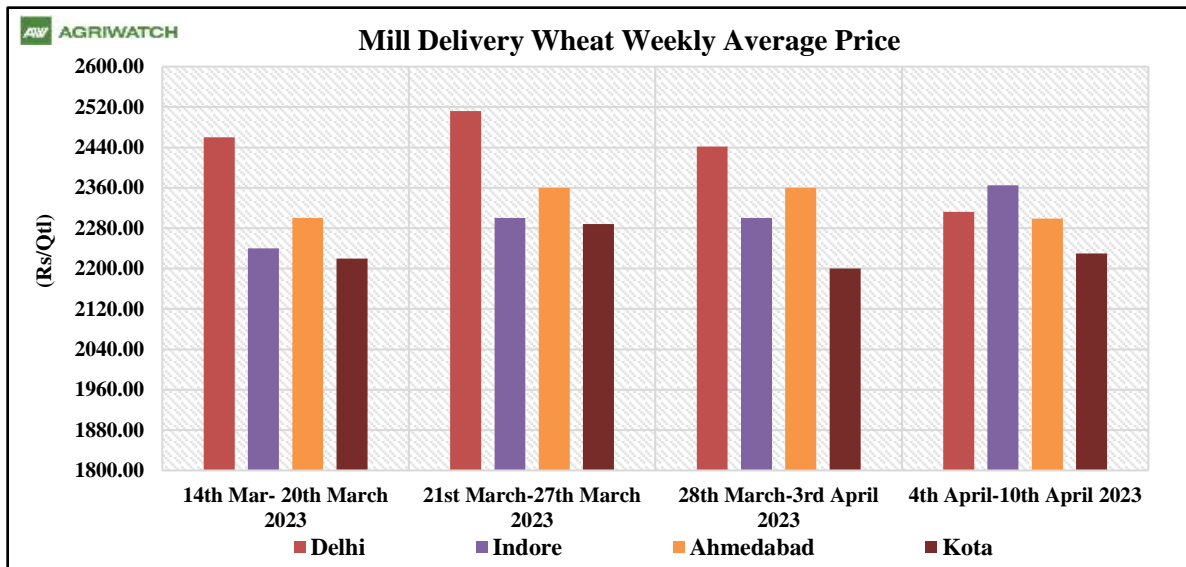
Trade Call: There is no NCDEX trading currently.

### Central Pool Stock Position:



\*Till March 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

Good quality arrivals in market keeps the prices on higher side in Kota and Indore market while on the other hand increase in arrivals keep prices on downside in Delhi and Ahmedabad.

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
	5-Apr-23	29-Mar-23	6-Mar-23	6-Apr-22		
Indore	2162	2175	2225	2150	0.56	-0.60
Delhi	2320	2451	2435	2222	4.41	-5.34
Kanpur	2200	2240	2300	2145	2.56	-1.79
Rajkot	2285	2350	2250	2280	0.22	-2.77
Kota	2250	2275	2350	2230	0.90	-1.10

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
			8-Apr-23	7-Apr-23	1-Apr-23	9-Mar-23	9-Apr-22
Delhi	Lawrence Road	Mill Delivery	2270	2280	2310	2420	2185
	Narella	Mill Quality	2125	2100	2100	2400	2040
	Nazafgarh	Mill Quality	2030	2070	2150	-	2050
Gujarat	Rajkot	Mill Delivery	2225	2200	Closed	2175	2250
	Ahmedabad	Mill Delivery	2300	2270	Closed	2370	2315
	Surat	Mill Delivery	2370	2350	Closed	2410	2360
	Dhrol	Mill Delivery	2820	2825	-	2465	2275
M.P.	Indore	Mill Delivery	2350	2380	Closed	2225	2260

	Bhopal	Mill Quality	Closed	2100	Closed	2100	2000
<b>Rajasthan</b>	Kota	Mill Quality	2100	2100	2050	2250	2100
		Mill Delivery	2250	2250	2200	2350	2250
<b>U.P.</b>	Kanpur	Mill Delivery	2175	2160	Closed	Closed	2100
	Mathura	Mill Quality	2050	2070	2050	Closed	2020
	Kosi	Mill Quality	1980	2000	2050	2412	2030
	Hathras	Mill Quality	2070	2070	2450	Closed	2020
	Aligarh	Mill Quality	2025	2060	2070	Closed	2030
<b>Punjab</b>	Khanna	Mill Quality	2140	2180	2260	2140	2010
	Ludhiana (Jagraon)	Mill Delivery	2150	2150	2150	2300	-
<b>Haryana</b>	Sirsa	Mill Delivery	2150	2200	2250	2150	2015
	Hodal	Mill Delivery	-	-	-	Closed	-
	Bhiwani	Mill Quality	2200	2200	2200	2300	2000
	Karnal	Mill Delivery	-	-	-	-	-
	Panipat	Mill Quality	2125	2125	2420	2380	-
<b>Tamil Nadu</b>	Chennai	Mill Quality	2550	2550	2550	3100	2500
	Madurai	Mill Quality	2607	2600	2750	3200	2650
	Coimbatore	Mill Quality	2607	2650	2800	3250	2700
<b>Bihar</b>	Khagariya	Mill Delivery	2150	2150	2200	Closed	2100
	Muzaffarpur	Mill Delivery	2080	2080	2200	Closed	2000

### FOB & CIF Quote for Wheat at Kandla

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Particulars	At Kandla
Mill delivery (Rajkot)	22000
Freight charge	550
Misc. Charges (port handling)	650
FOB (at Kandla Rs/T)	23200
FOB value in \$ for FAQ	283.06
Freight Charges (US \$/ton) to Dubai	42
Insurance @ 0.1% (\$/MT)	0.28
CIF to Dubai (value in \$ for SRW)	325.06

(INR value: 81.87 as on 07.04.2023)

### International Market Update:

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- According to the data provided by Ukraine's Agricultural Ministry, the amount of grain exports in March has increased significantly compared to the previous year, with a total of 5.3 million metric tonnes (MMT) exported. The cumulative grain exports for the 2022-23 season currently stand at 37.60 MMT, which is lower than the previous year's export figure of 44.90 MMT. Of the total exports, 12.9 MMT was wheat, 22.20 MMT was maize, and 2.30 MMT was barley.
- According to the latest update from USDA, the proportion of US wheat rated as being in good to excellent condition is currently at 28%, a decrease from 30% compared to the previous

year. The state of Kansas, which is the largest producer of winter wheat, had a rating of only 16%, which is lower than the 32% rating reported in the previous year.

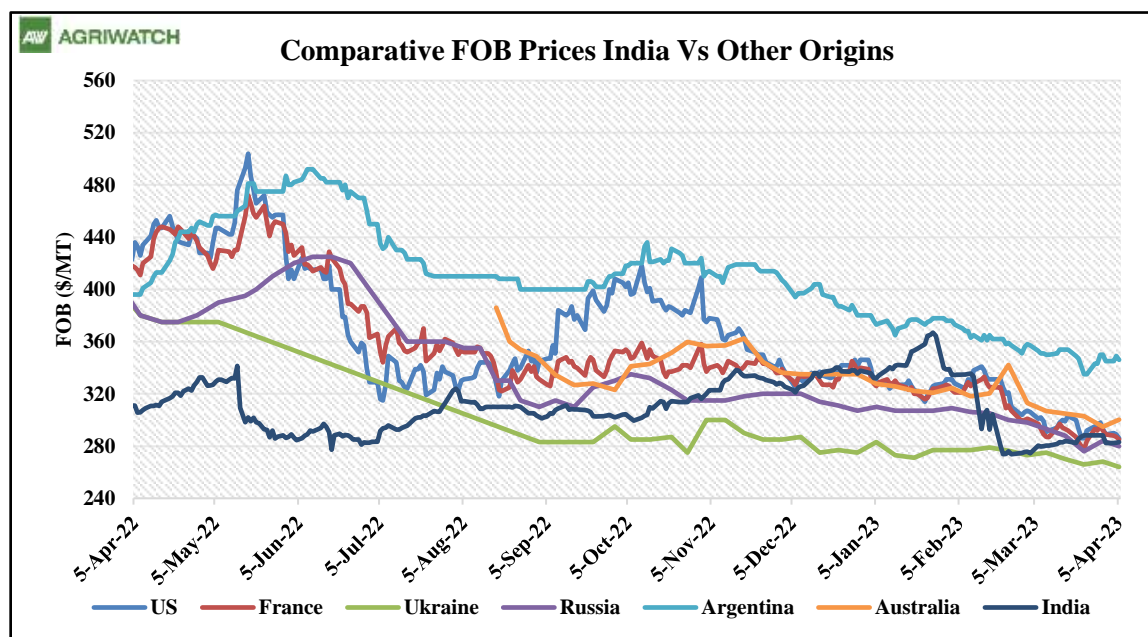
- According to data from the European Commission, export of soft wheat from the European Union increased by 6% to 24.20 million metric tonnes (MMT) during the same period in the previous year. The data indicates that France was the leading exporter of wheat, followed by Romania and Germany.

### International Weekly Outlook:

As Cargill and Viterra announced plans to restrict Russian Wheat from next marketing year, export prices of Russia declined by 1.41% as compared to previous week. In India due to arrival pressure domestic prices were traded on lower side which pressurized the export prices also. On the other hand, good weather conditions in France raises hopes for good crop prospects and pressurize the export prices.

Indicative FOB Quotes:							
Wheat FOB	Variety	Current Week	Week Ago	Month Ago	Year Ago	% Change over Prev. Year	% Change over Prev. Week
		5-Apr-23	30-Mar-23	9-Mar-23	7-Apr-22		
USA (Chicago)	2srw	286	293	291	426	-32.86	-2.39
France	FCW3	285	292	287	411	-30.66	-2.40
Argentina	ASW	346	350	350	396	-12.63	-1.14
Russia	SRW	280	284	293	380	-26.32	-1.41
India	FAQ	283	288	280	306	-7.42	-1.76
Australia	ASW	300	295	307	-	-	1.82
Ukraine	SRW	264	268	275	380	-30.53	-1.49

### International FOB Weekly Price Movement



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

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.
- The trade projection for 2022-23 is 199 MMT in line with increased production numbers.
- Consumption is kept same 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
	6-Apr-23	29-Mar-23	6-Mar-23	3-Jan-23	4-Oct-22	6-Apr-22	
<b>May-23</b>	248.18	258.93	255.43	287.58	338.83	367.95	<b>-4.15</b>
<b>Jul-23</b>	252.77	263.15	258.47	288.96	334.06	342.14	<b>-3.94</b>
<b>Sep-23</b>	257.46	267.28	262.51	291.72	332.86	335.34	<b>-3.68</b>
<b>Dec-23</b>	264.34	273.53	268.57	296.22	333.42	-	<b>-3.36</b>
<b>Mar-24</b>	268.57	277.57	273.07	298.60	331.76	-	<b>-3.24</b>
<b>May-24</b>	269.76	278.31	274.72	-	-	-	<b>-3.07</b>
<b>Jul-24</b>	264.07	270.59	269.49	-	-	-	<b>-2.41</b>
<b>Sep-24</b>	264.80	270.68	-	-	-	-	<b>-2.17</b>

Source: MRCI

Technical Analysis (International market)
**US Wheat Futures May -23**

1<sup>st</sup> Support: 672

2<sup>nd</sup> Support: 653



**1<sup>st</sup> Resistance: 729**

**2<sup>nd</sup> Resistance: 802 (\$ per tonne)**

US wheat futures May23 were down by 2.41% to 675.50, during the week made low at 671.25, high at 710.12. 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 firm bias in coming weeks.

### Technical Analysis (Domestic market)

#### Wheat-Technical Outlook:

#### Kanpur Market Prices

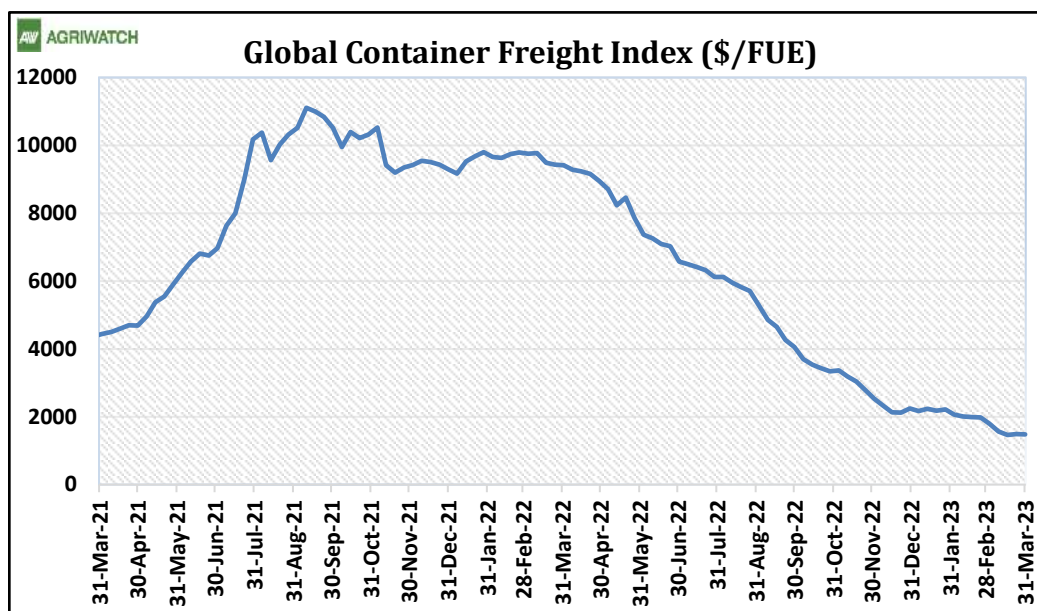
#### Technical Chart:



#### **Technical Commentary:**

- Wheat Kanpur prices down from previous week and make high at 2220, low at 2175 and closes at 2175.
- Market is currently trading below 9, 50 and 18 DMA, taking support from 100 EMA.
- 2171 is near term support and 2400 would be resistance.



**Container Freight Index**


Global freight charges increased by 0.74% to \$1481 per foot unit equivalent as compared to previous week. There has been a decrease in transpacific volumes and rates, which can be attributed to two main factors. Firstly, the pandemic-induced surge in demand for goods has slowed down, resulting in lower shipment volumes. Secondly, many importers had anticipated delays and expected higher consumer demand, so they brought forward many orders into the first half of the previous year. Consequently, they have been gradually reducing their inventories since then. It is commonly believed that when inventories are depleted and there is a potential for consumer demand, the industry tends to enter a phase of replenishing its stocks, leading to an increase in ocean demand and rates. According to certain recent estimates, this rebound in demand was expected to start in March and could surpass the levels seen in 2019.

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