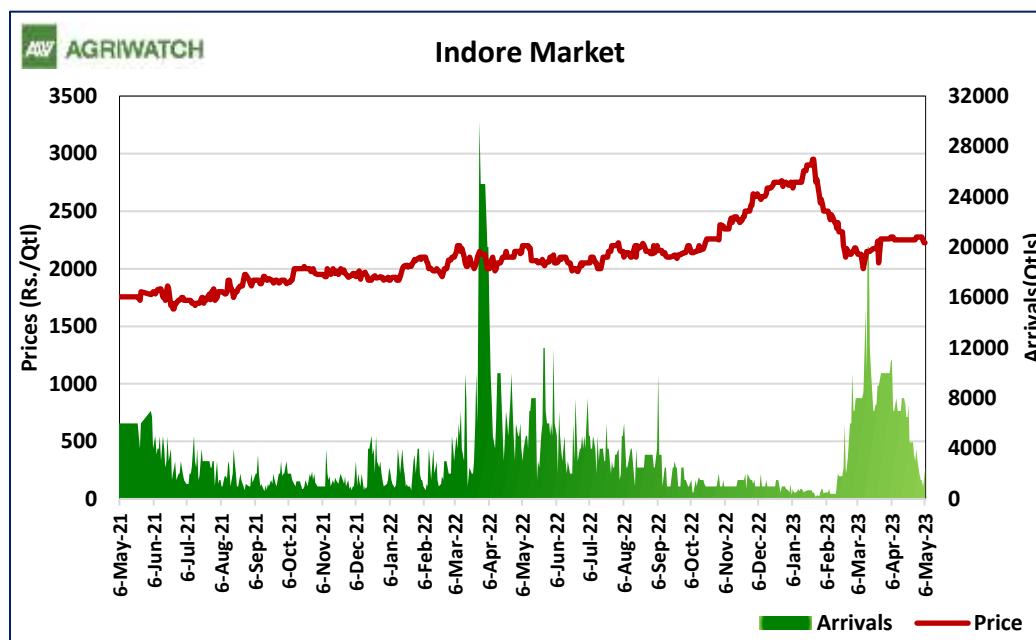


# Wheat Weekly Research Report

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- The major cash markets of wheat exhibited mixed sentiments during the reviewed week. In Indore and other markets in Madhya Pradesh, prices decreased by Rs.20-25 per quintal due to a scarcity of high-quality wheat. Conversely, in Uttar Pradesh, heavy rainfall and a decrease in arrivals led to an increase in prices compared to the previous week.
- As on 07/05/23 a total of **246.56** LMT Wheat has already been procured so far which is up by **40.67%** as compared to same period in previous year. This has already surpassed the total procurement of 188 LMT in the last season.

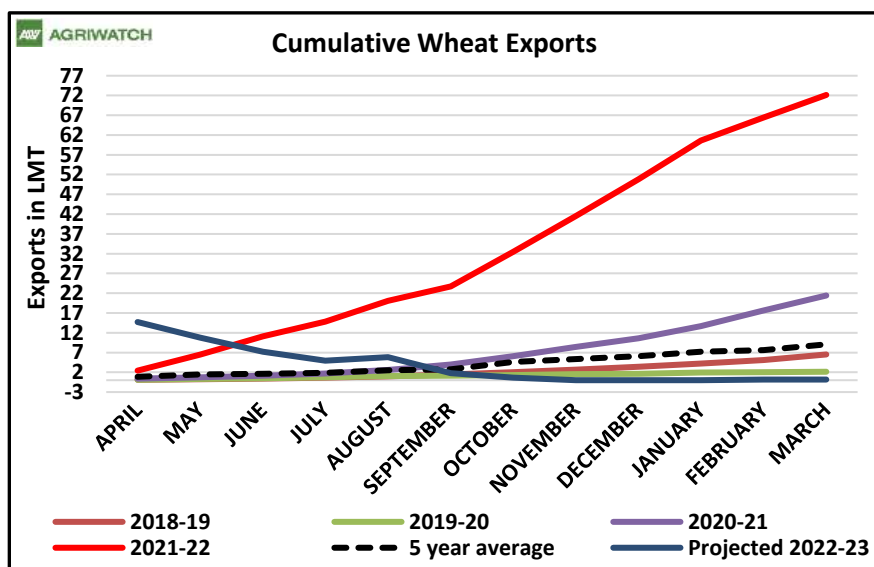
Wheat State-wise Procurement for RMS 2023-24:

State	Fig. in LMT
Punjab	117.31
Haryana	61.55
M.P.	63.80
U.P.	1.54
Rajasthan	2.32
Others	0.04
All India Total (As of 7 <sup>th</sup> May, 2023)	246.56

**Outlook:** Prices are likely to stay in a limited range in the upcoming week, supported by an improved procurement volume this year. However, there is a potential risk from unfavorable weather conditions that could adversely affect the quality of the stock in the mandis. To address this concern, the government may consider implementing stock limits and declarations to alleviate supply constraints in the coming months. At a global level, fluctuations in prices will continue to be influenced by weather conditions and uncertainty surrounding the extension of the corridor deal. These factors are likely to play a crucial role in determining the direction of global prices.

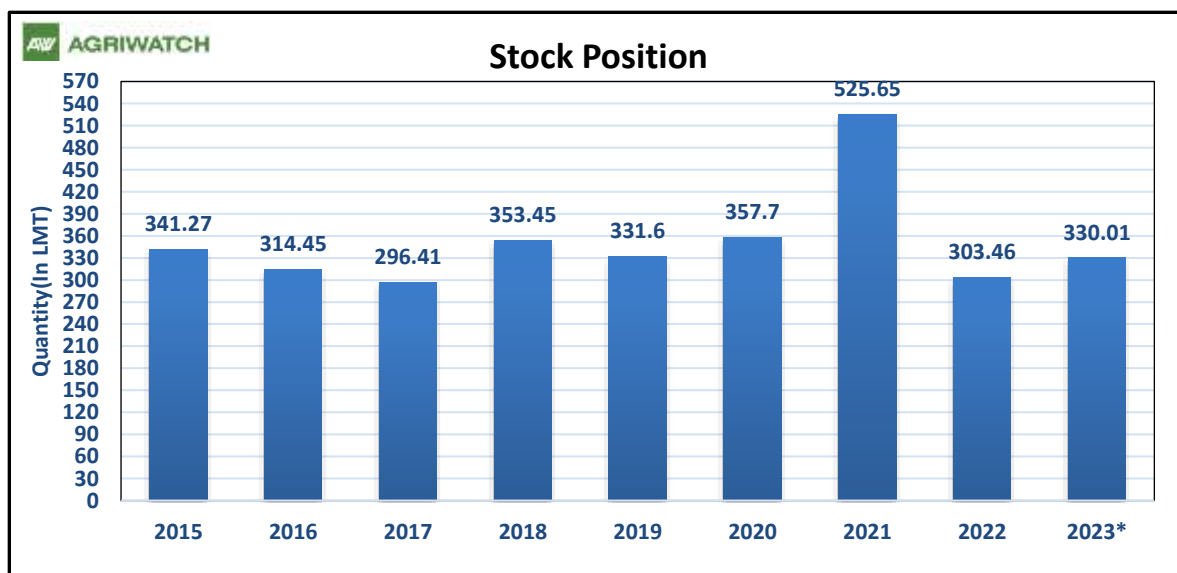
### **Export:**

Currently, the export of wheat is restricted and the government has decided to uphold these limitations until the requirements accomplished for state reserves.



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

### **Central Pool Stock Position:**



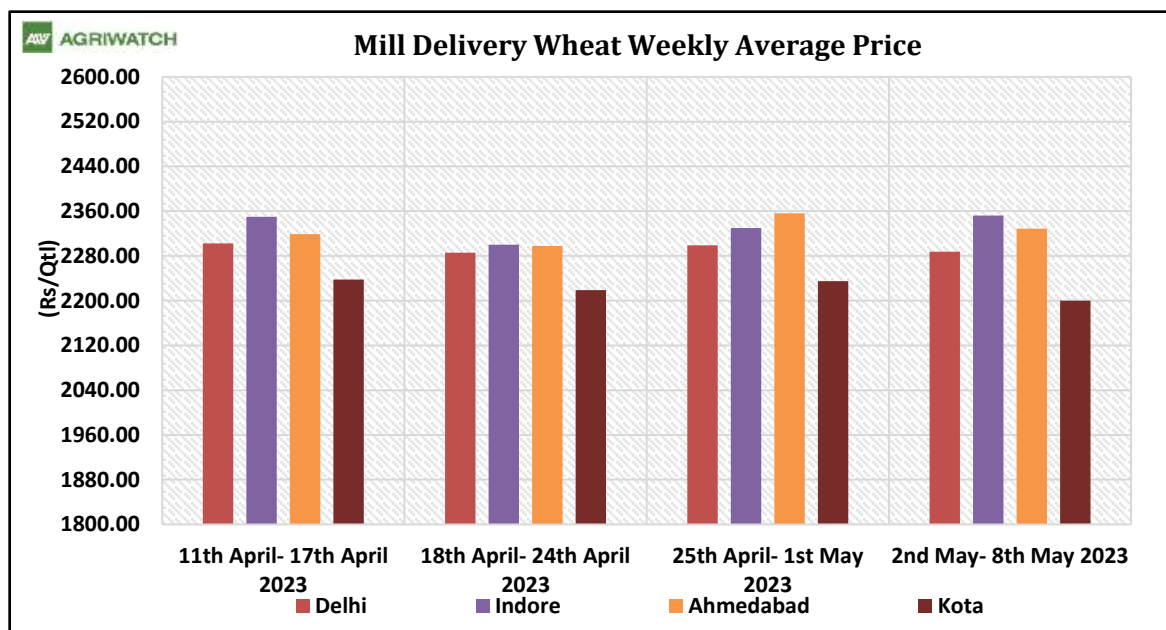
\*Tentative



As depicted from above chart, FCI Central pool stock stood at 330.01 LMT which includes total procurement till May 7<sup>th</sup>, 2023 and stocks in central pool as of 1<sup>st</sup> April 2023. It is higher than buffer norms of 275.80 LMT as of 1<sup>st</sup> July.

### Wheat Weekly Average Price Chart

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Source: Agriwatch

Except Indore, prices were on down in the 3 other centers during week under review due to increase in arrivals in respective markets.

### Spot Price at NCDEX Delivery Centers:

Spot prices of wheat at NCDEX Delivery Centers						
NCDEX SPOT	Today	Week Ago	Month Ago	Year Ago	% Change over prev. Year	% Change over Prev. Week
	5-May-23	27-Apr-23	5-Apr-23	6-May-22		
Indore	2212	2210	2162	2218	-0.27	0.09
Delhi	2298	2295	2320	2301	-0.13	0.13
Kanpur	2225	2215	2200	2185	1.83	0.45
Rajkot	2307	2315	2285	2425	-4.87	-0.35
Kota	2250	2225	2250	2375	-5.26	1.12



Spot Market Price:							
Centre	Market	Variety	Prices (Rs/Qtl)				
			Today	Yesterday	Week Ago	Month Ago	Year Ago
			5-May-23	4-May-23	28-Apr-23	5-Apr-23	6-May-22
Delhi	Lawrence Road	Mill Delivery	2285	2285	2300	2340	2300
	Narella	Mill Quality Loose	2170	2170	2150	Closed	2180
	Nazafgarh	Mill Quality Loose	2200	2200	2200	Closed	2180
Gujarat	Rajkot	Mill Delivery	2260	2270	2290	2200	2450
	Ahmedabad	Mill Delivery	2320	2320	2360	2300	2440
	Surat	Mill Delivery	2370	2380	2460	2350	2500
	Dhrol	Mill Delivery	2250	2350	2270	3125	2410
M.P.	Indore	Mill Delivery	2325	2350	2375	2380	2320
	Bhopal	Mill Quality Loose	2125	2150	2150	2000	2040
Rajasthan	Kota	Mill Quality Loose	2050	2050	2050	2060	2200
		Mill Delivery	2200	2200	2225	2200	2350
U.P.	Kanpur	Mill Delivery	2235	2235	2225	2160	2200
	Mathura	Mill Quality Loose	2160	2155	2125	2100	2240
	Kosi	Mill Quality Loose	2100	Closed	2150	2040	2245
	Hathras	Mill Quality Loose	2150	2150	2150	2200	2120
	Aligarh	Mill Quality Loose	2090	Closed	2125	2125	2125
Punjab	Khanna	Mill Quality Loose	2130	2130	2125	2200	2050
	Ludhiana (Jagraon)	Mill Delivery	2240	2240	2240	2150	2150
Haryana	Sirsa	Mill Delivery loose	2125	2125	2125	2200	2125
	Hodal	Mill Delivery	-	-	-	-	-
	Bhiwani	Mill Quality Loose	2060	2050	2100	2200	2200
	Karnal	Mill Delivery	-	-	-	-	-
	Panipat	Mill Quality Loose	2125	2125	2125	2125	2050
Tamil Nadu	Chennai	Mill Quality	2550	2550	2550	2550	2500
	Madurai	Mill Quality	2607	2750	2750	2600	2700
	Coimbatore	Mill Quality	2607	2800	2800	2650	2750
Bihar	Khagariya	Mill Delivery	2260	2260	2300	2200	2150
	Muzaffarpur	Mill Delivery	2220	2220	2250	2150	2100

**FOB & CIF Quote for Wheat at Kandla**
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Particulars	At Kandla
Mill delivery (Rajkot)	22700
Freight charge	550
Misc. Charges (port handling)	650
FOB (at Kandla Rs/T)	23900
FOB value in \$ for FAQ	292.57
Freight Charges (US \$/ton) to Dubai	40
Insurance @ 0.1% (\$/MT)	0.29
CIF to Dubai (value in \$ for SRW)	332.57

(INR value: 81.73 as on 05.05.2023)

**International Market Update:**
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- **Agritel a French consultancy has raised the production estimate for Ukrainian Wheat from 15.04 MMT to 16.34 MMT** amid larger than expected harvest. On the other hand, they have kept yield estimate at 3.8 tonnes per hectare because of negative impact of unfavourable weather and higher production costs.
- **SovEcon has processed Rosstat data which reveals that as of April 1st, the total wheat stocks in Russia** amounted to 27.6 million tonnes, a record-high for the start of Q2. This figure is 79% higher than the five-year average. The reason for the increase in stocks is the record-high wheat harvest and sluggish exports. According to Rosstat, the wheat crop in Russia has been estimated at 104.2 million tonnes, which is 32% higher than the five-year average.
- **The USDA's crop progress report for the week ending on April 30<sup>th</sup> indicates that 25% of winter wheat crops was headed** which was 18% in previous week and 21% in previous year. The report also shows that 55% of the crop is currently in good to fair condition, while 44% was in very poor to poor condition. As for spring wheat, 12% of planting has been completed so far this year, which is lower than the 18% completed during the same period last year.

**International Weekly Outlook:**

Good weather conditions coupled with good supply side keep the prices on down side in major countries during week under review. Rainfall in Australia have maintained good moisture condition for sowing of Winter crop. On the other hand, good supply from Ukraine-Russia pressurizes the prices in respective countries. In India lower domestic prices keep prices on lower side by 0.39% as compared to previous week. While drought conditions in Argentina push prices up by 2.64% in respective country.

Indicative FOB Quotes:							
Wheat FOB	Variety	Current Week	Week Ago	Month Ago	Year Ago	% Change over Prev. Year	% Change over Prev. Week
		4-May-23	27-Apr-23	5-Apr-23	6-May-22		
USA (Chicago)	2srw	263	263	286	447	-41.16	-

France	FCW3	271	269	285	430	-36.98	0.74
Argentina	ASW	350	341	346	456	-23.25	2.64
Russia	SRW	273	275	280	390	-30.00	-0.73
India	FAQ	293	294	283	331	-11.56	-0.39
Australia	ASW	281	286	300	-	-	-1.99
Ukraine	SRW	252	259	264	375	-32.80	-2.70

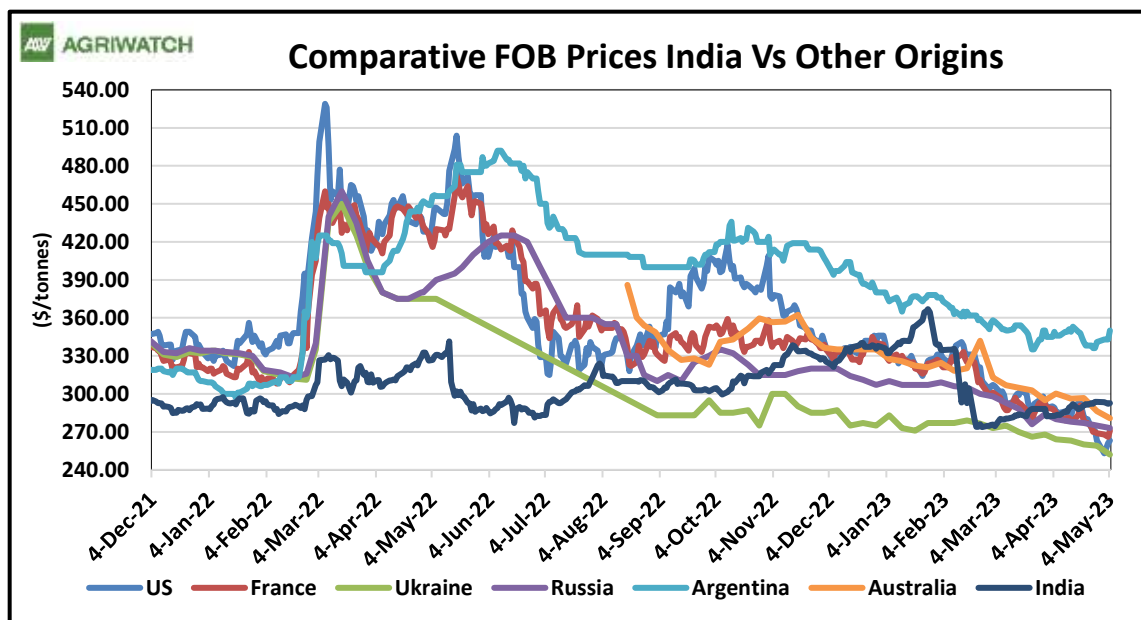
**IGC Wheat Global Balance Sheet:**

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IGC Forecast (Fig-In MMT)	2020-21	2021-22 est.	2022-23 F'cast	2023-24 Projected	
				16.03.23	20.04.23
Production	774	781	803	787	787
Trade	190	197	198	195	193
Consumptions	771	784	793	794	794
Carryover stocks	279	274	284	279	277
Y-O-Y change	2	-3	10	-7	-7
Major Export	58	60	69	58	60

Source: IGC

- IGC has up the forecasted 2022-23 global wheat production at 803 MMT.
- The trade forecast for 2022-23 is 198 MMT in line with increased production numbers.
- Carryout for 2022-23 is forecasted at 284 MMT down by 2 MMT as compared to previous estimate.
- While for 2023-24 IGC has projected production at around 787 MMT which is on same pace as in previous estimate.
- Trade is projected around 193 MMT down as compared to previous estimate.

**International FOB Weekly Price Movement**


Export prices of India were on slightly lower side as compared to previous week due to decline in domestic prices during week under review.

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
	5-May-23	27-Apr-23	4-Apr-23	1-Feb-23	2-Nov-22	5-May-22	
May-23	237.71	225.86	254.06	283.08	320.92	403.86	5.25
Jul-23	242.58	231.19	258.65	284.00	321.11	386.60	4.93
Sep-23	246.71	235.41	263.33	286.48	323.04	381.64	4.80
Dec-23	252.50	241.75	269.95	291.26	325.79	-	4.45
Mar-24	256.26	245.88	274.26	294.56	325.79	-	4.22
May-24	257.73	247.44	275.09	294.65	-	-	4.16
Jul-24	256.90	246.43	269.03	289.05	-	-	4.25
Sep-24	260.39	249.83	-	-	-	-	4.23

Source: MRCI

Technical Analysis (International market)

**US Wheat Futures May -23**



**1<sup>st</sup> Support: 650**

**2<sup>nd</sup> Support: 605**

**1<sup>st</sup> Resistance: 726**

**2<sup>nd</sup> Resistance: 800 (\$ per tonne)**

US wheat futures May23 were down by 0.11% to 660.25, during the week made low at 603.88, high at 663.62 Market is currently trading below 9, 18, 50 and 100 DMA. Indicator MACD and Oscillator is indicating weak momentum. We expect prices to trade with weak bias in coming weeks.





### Technical Analysis (Domestic market)

#### Wheat-Technical Outlook:

#### Kanpur Market Prices

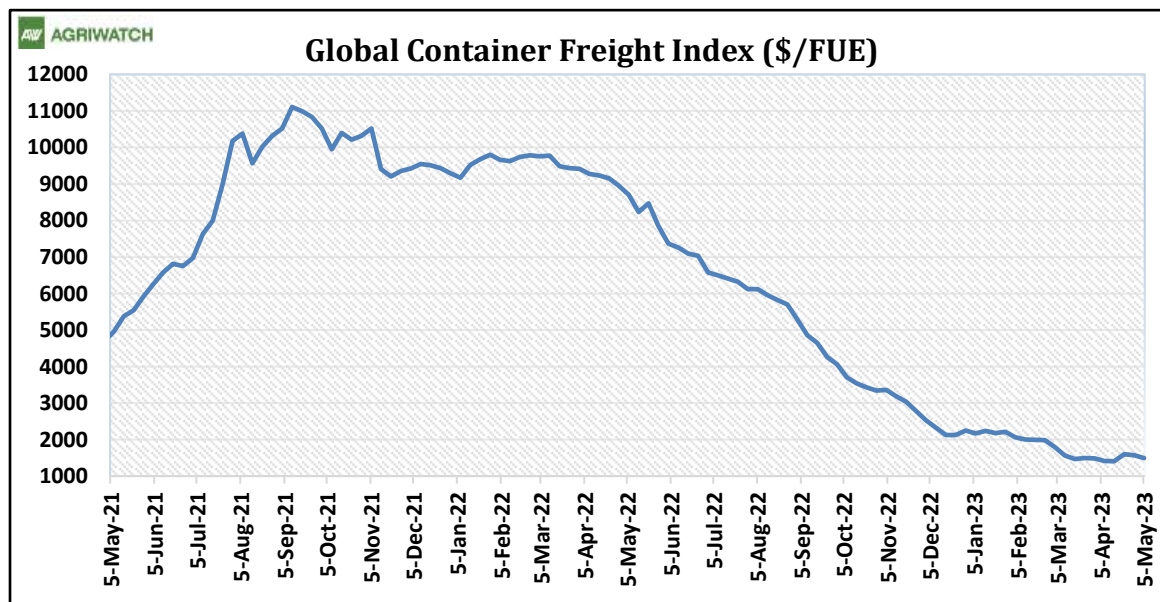
##### Technical Chart



##### Technical Commentary:

- Wheat Kanpur prices up from previous week and make high at 2230, low at 2220 and closes at 2225.
- Market is currently trading below 9, 50 and 18 DMA, taking support from 100 DMA.
- 2130 is near term support and 2300 would be resistance.

### Container Freight Index:



The recent transpacific General Rate Increases (GRIs) were successful in raising spot rates. However, it is worth noting that despite this success, daily rates to the West Coast dropped by 10%

this week. Nonetheless, there were reports of an increase in the number of long-term ocean contracts being finalized last week, which may have been influenced by the GRIs.

According to recent reports, the largest shippers are paying contract rates of around \$1,200/FEU to the West Coast and \$2,200/FEU to the East Coast. Smaller shippers are agreeing to contracts at a slightly higher rate, around \$200-\$300 per container. These contract levels demonstrate a level of confidence that the spot market will not return to the extreme lows seen earlier this year, either due to a rebound in demand or more effective capacity management by carriers.

However, there are differing opinions on whether the freight recession has reached its bottom yet, and when we can expect a rebound in demand. Furthermore, there is ongoing debate on whether various strategies by carriers to offset new capacity entering the market this year will succeed and what impact these measures will have on ocean rates.

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