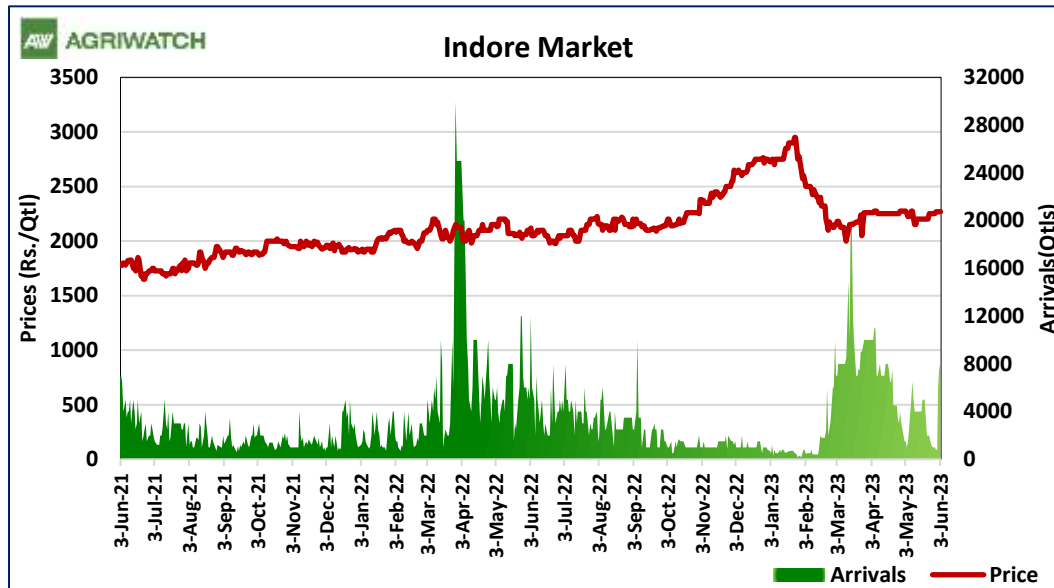


# Wheat Weekly Research Report

## 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**



- Good demand from miller's side pushes the domestic prices on higher side during week under review in all the major Wheat cash markets. In Indore market prices were at Rs.2270 per quintals higher by Rs.20 per quintals as compared to previous week. AgriWatch expects that prices are likely to follow uptrend till there is any intervention from Government's side.
- As per the latest data by FCI, A total of about 13.02 LMT Wheat was distributed in April month which was down by 63.90% as compared to the same period last year. Out of the total under the NFSA scheme was 12.78 LMT, under other welfare schemes was 0.20 LMT, and under OMSS minute quantity of Wheat was distributed.

#### Procurement for RMS 2023-24:

As on **24/05/23** total of **261.78 LMT** Wheat has already been procured so far which is up by **43%** as compared to same period in previous year.

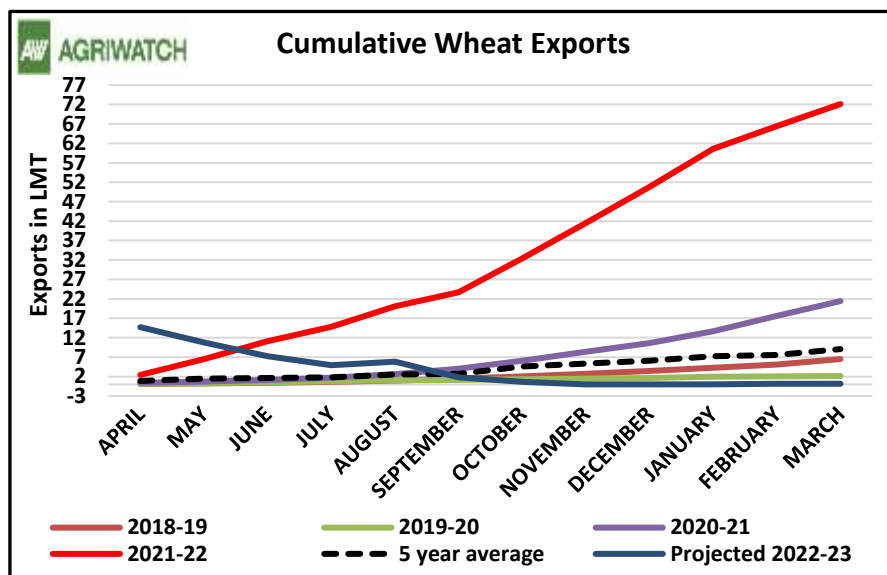
#### State-wise Procurement:

State	Fig. in LMT
Punjab	121.26
Haryana	63.17
M.P.	70.97
U.P.	2.12
Rajasthan	4.21
Others	0.05
<b>All India Total (As of 24th May, 2023)</b>	<b>261.78</b>

**Outlook:** AgriWatch predicts that the Wheat domestic market will experience firm prices in the coming week due to a scarcity in domestic supply. The prices are expected to remain slightly higher as farmers and small traders retain their stocks, while flour millers procure at increased rates.

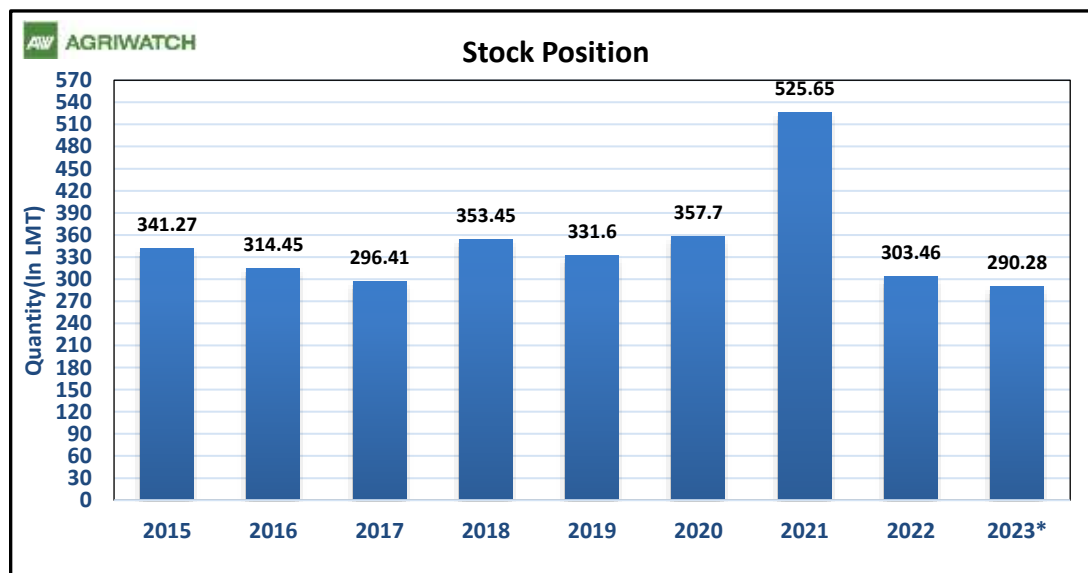
### Export:

Currently, Wheat Export has been restricted.



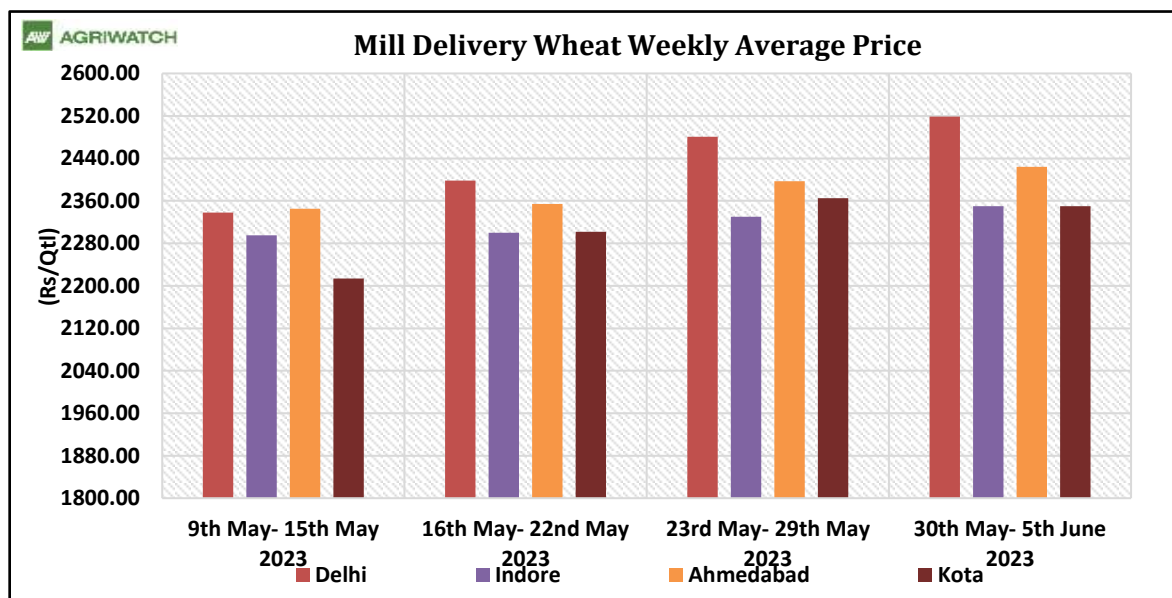
**Trade Call:** There is no NCDEX trading currently.

### Central Pool Stock Position:



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

As depicted from the above chart, the Central Pool Wheat stock was recorded at 290.28 LMT as of May 1<sup>st</sup>-2023, which is the lowest from past nine years. However, it remains higher than the buffer norms of 275.80 LMT as of 1<sup>st</sup> July, up by 5%. Out of total most of the stocks are being held with M.P with 99.18 LMT followed by Punjab with 46.26 LMT and Haryana with 39.78 LMT Wheat.

Wheat Weekly Average Price Chart
[\(Back to Table of Contents\)](#)


Source: Agriwatch

Firm sentiments were observed in all the major markets amid decline in arrivals except in Kota.

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
	2-Jun-23	26-May-23	4-May-23	3-Jun-22		
Indore	2400	2375	2225	2118	13.31	1.05
Delhi	2500	2495	2298	2257	10.77	0.20
Kanpur	2435	2425	2230	2137	13.94	0.41
Rajkot	2350	2350	2320	2137	9.97	-
Kota	2350	2350	2250	2257	4.12	-

*Domestic Market Weekly Outlook:*
*(Back to Table of Contents)*

Spot Market Price:							
Centre	Market	Variety	Prices (Rs/Qtl)				
			Today	Yesterday	Week Ago	Month Ago	Year Ago
			2-Jun-23	1-Jun-23	26-May-23	3-May-23	2-Jun-22
Delhi	Lawrence Road	Mill Delivery	2510	2515	2490	2280	2285
	Narella	Mill Quality Loose	2275	2360	2300	Closed	2130
	Nazafgarh	Mill Quality Loose	2310	2350	2260	Closed	2100
Gujarat	Rajkot	Mill Delivery	2330	2330	2310	2270	2140
	Ahmedabad	Mill Delivery	2430	2430	2425	2335	2305
	Surat	Mill Delivery	2480	2510	2510	2420	2360
	Dhrol	Mill Quality Loose	-	-	-	2490	-
Madhya Pradesh	Indore	Mill Delivery	2350	2350	2350	2380	2210
	Bhopal	Mill Quality Loose	2250	2250	2200	2150	2000
Rajasthan	Kota	Mill Quality Loose	2200	2200	2200	2050	2050
		Mill Delivery	2350	2350	2350	2200	2200
Uttar Pradesh	Kanpur	Mill Delivery	2350	2350	2340	2230	2130
	Mathura	Mill Quality Loose	2370	2370	2350	2155	2090
	Kosi	Mill Quality Loose	2300	2280	2270	2125	2060
	Hathras	Mill Quality Loose	2300	2300	2350	2150	2100
	Aligarh	Mill Quality Loose	2350	2350	2310	2110	2100
Punjab	Khanna	Mill Quality Loose	2130	2135	2135	2125	2040
	Ludhiana (Jagraon)	Mill Quality Loose	2130	2130	2130	2130	2050
Haryana	Dabwali	Mill Quality Loose	2270	2250	2230	-	-
	Hodal	Mill Quality Loose	2200	2200	2200	-	-
	Bhiwani	Mill Quality Loose	-	-	-	-	-
	Karnal	Mill Quality Loose	2235	2225	2200	2125	2000
	Panipat	Mill Quality Loose	2270	2260	2285	2065	2030
Tamil Nadu	Chennai	Mill Quality	2750	2750	2750	2750	2650
	Madurai	Mill Quality	2800	2800	2800	2800	2700
	Coimbatore	Mill Quality	2800	2800	2800	2800	2700
Bihar	Khagariya	Mill Delivery	2425	2425	2375	2250	2025
	Muzaffarpur	Mill Delivery	2400	2400	2325	2200	-

**FOB & CIF Quote for Wheat at Kandla**

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

Particulars	At Kandla
Mill delivery (Rajkot)	23300
Freight charge	550
Misc. Charges (port handling)	650
FOB (at Kandla Rs/T)	24500
FOB value in \$ for FAQ	297.76
Freight Charges (US \$/ton) to Dubai	47
Insurance @ 0.1% (\$/MT)	0.30
CIF to Dubai (value in \$ for SRW)	344.76

(INR value: 82.73 as on 25.05.2023)

**International Market Update:**

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

- **Global prices have rebounded due to the adverse effects of heavy rainfall in China's Henan province**, since China is the world's largest consumer of wheat. This significant weather event has had a profound impact on the wheat crop, as Henan accounts for approximately 28% of China's wheat production. Local reports indicate that an estimated 90% of the wheat has already sprouted, leading to a decrease in local spot prices by 1.5% due to the lower quality supply. In response to this situation, the Ministry of Agriculture is encouraging buyers to acquire sprouted wheat, which can still be utilized for feed or industrial purposes.
- **The USDA's crop progress report for the week ending on May 28<sup>th</sup> indicates that 72% of winter wheat crops was headed** which was 61% in previous week and 71% in previous year. The report also shows that 29% of the crop is currently in fair to excellent condition, while 19% in very poor to poor condition. As for spring wheat, 85% of planting has been completed so far this year, which is higher than the 64% completed during the same period last year.
- **As per Buenos Aires Grain Exchange, heavy rainfall during the past few days across Argentina's main wheat production areas** has improved expectations for the 2023-24 wheat crop. The exchange expects wheat production to rebound to 18 MMT from the drought-ravaged 12.4 MMT crop produced the previous year.

**International Weekly Outlook:**

Depreciation of Australian dollar decline the export prices by 1.99% as compared to previous week. While low demand for Russian Wheat decline prices by 6.61% and same for Ukraine also where prices decline by 2.13%. Higher domestic prices in India push export prices on higher side by 1.17%.

Indicative FOB Quotes:								
Wheat FOB	Variety	Current Week	Week Ago	Month Ago	Year Ago	% Change over Prev. Year	% Change over Prev. Week	% Change over Prev. Month
		1-Jun-23	25-May-23	4-May-23	1-Jun-22			
USA (Chicago)	2srw	252	250	263	408	-38.24	0.80	-4.18
France	FCW3	246	246	271	429	-42.66	-	-9.23
Argentina	ASW	378	376	350	480	-21.25	0.53	8.00
Russia	SRW	240	257	273	420	-42.86	-6.61	-12.09
India	FAQ	298	294	293	287	3.78	1.17	1.78
Australia	ASW	267	273	281	-	-	-1.99	-4.84
Ukraine	SRW	230	235	252	380	-39.47	-2.13	-8.73

### IGC Wheat Global Balance Sheet:

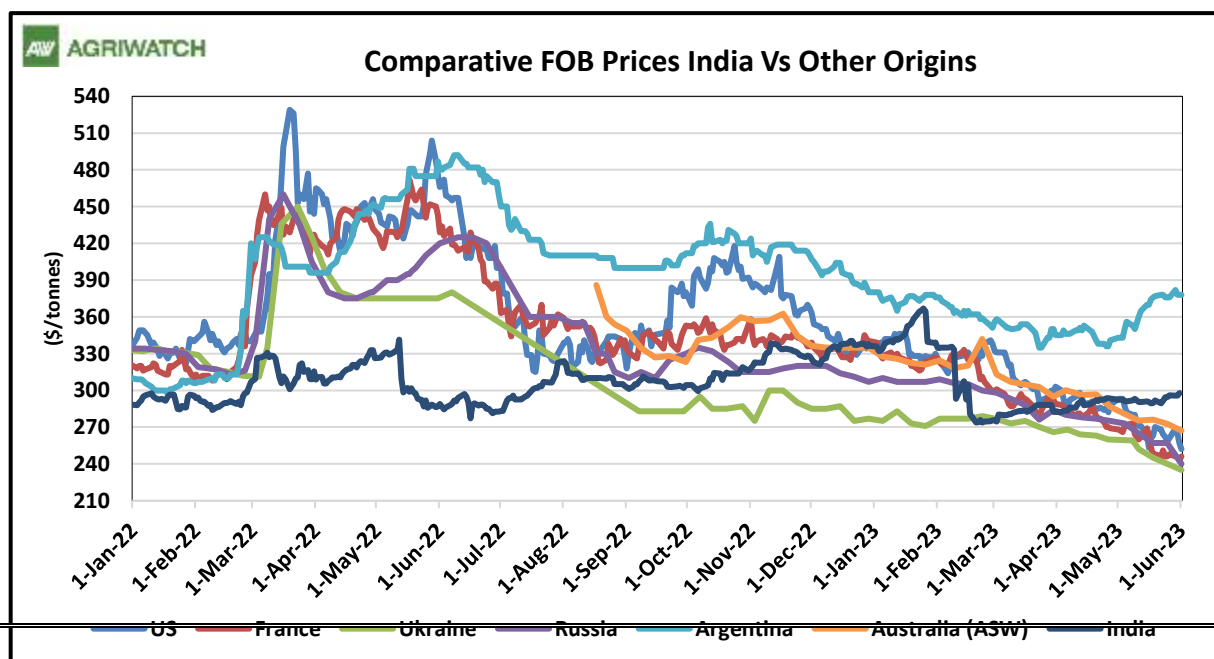
*(Back to Table of Contents)*

IGC Forecast (Fig-In MMT)	2020-21	2021-22 est.	2022-23 F'cast	2023-24 Projected	
				20.04.23	18.05.23
<b>Production</b>	774	781	803	787	783
<b>Trade</b>	190	197	200	193	194
<b>Consumptions</b>	771	784	795	794	795
<b>Carryover stocks</b>	279	274	283	277	271
<b>Y-O-Y change</b>	2	-3	8	-7	-12
<b>Major Export</b>	58	60	68	60	57

Source: IGC

- The trade forecast for 2022-23 is 200 MMT in line with increased production numbers.
- Consumption too has been increased to 795 MMT from 784 MMT previous year.
- Carryout for 2022-23 is forecasted at 283 MMT down by 1 MMT as compared to previous estimate.
- While for 2023-24 IGC has projected production at around 783 MMT which is down as compared to previous estimate, And Trade is projected around 194 MMT up as compared to previous estimate.

**International FOB Weekly Price Movement:**



**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
	2-Jun-23	26-May-23	2-May-23	2-Mar-23	30-Nov-22	2-Jun-22	
<b>Jul-23</b>	224.39	228.61	223.84	264.44	297.13	388.80	<b>-1.85</b>
<b>Sep-23</b>	229.35	233.12	227.97	268.29	299.43	393.03	<b>-1.62</b>
<b>Dec-23</b>	236.51	239.36	234.31	274.17	283.45	397.16	<b>-1.19</b>
<b>Mar-24</b>	242.21	244.32	238.99	278.40	304.30	349.31	<b>-0.86</b>
<b>May-24</b>	245.15	246.80	241.47	279.50	302.65	-	<b>-0.67</b>
<b>Jul-24</b>	247.17	247.54	242.21	273.80	-	-	<b>-0.15</b>
<b>Sep-24</b>	250.57	250.66	246.53	-	-	-	<b>-0.04</b>
<b>Dec-24</b>	253.78	-	-	-	-	-	<b>-</b>

Source: MRCI

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


**1<sup>st</sup> Support: 572**

**2<sup>nd</sup> Support: 600**

**1<sup>st</sup> Resistance: 727**

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

US wheat futures May23 were down by 3% to 619, during the week made low at 573.25, high at 622.50. 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 2435, low at 2400 and closes at 2420.
- Prices have breached the 23.6% Fibonacci retracement level in previous week.
- Market is currently trading below 50 and taking support from 9, 18, 100 DMA.
- 2300 is near term support and 2470 would be resistance.

#### **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