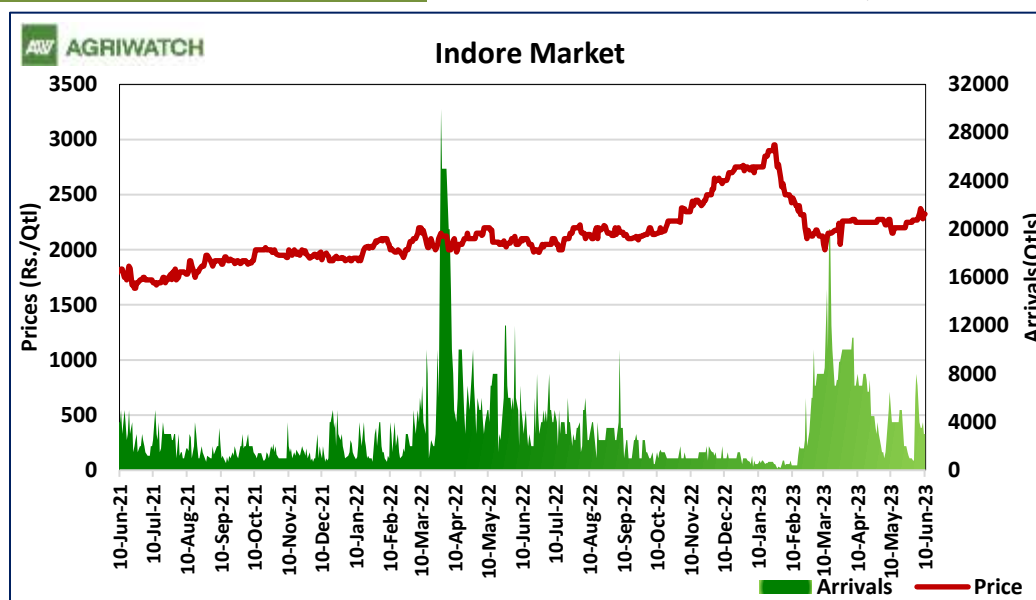


# Wheat Weekly Research Report

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- Mixed sentiments were observed during week under review in major Wheat cash markets. Demand from miller's side coupled with scarcity of supply pushed the prices up in Gujarat and other states while in Kota and Delhi rumor of OMSS release pressurized the domestic prices. In Indore benchmark market average weekly prices increased by 3% as compared to previous week and traded at Rs.2330.83 per quintal.
- There is a possibility of the government releasing some of its stock of wheat into the open market starting in July in an effort to tackle the increasing prices. It is expected that the reserve price will be set at Rs. 2350 per quintal, while the current prices in the mandi are around Rs. 2300 per quintal.

#### Procurement for RMS 2023-24:

As on **04/06/23** total of **261.96** LMT Wheat has already been procured so far which is up by **40%** as compared to same period in previous year.

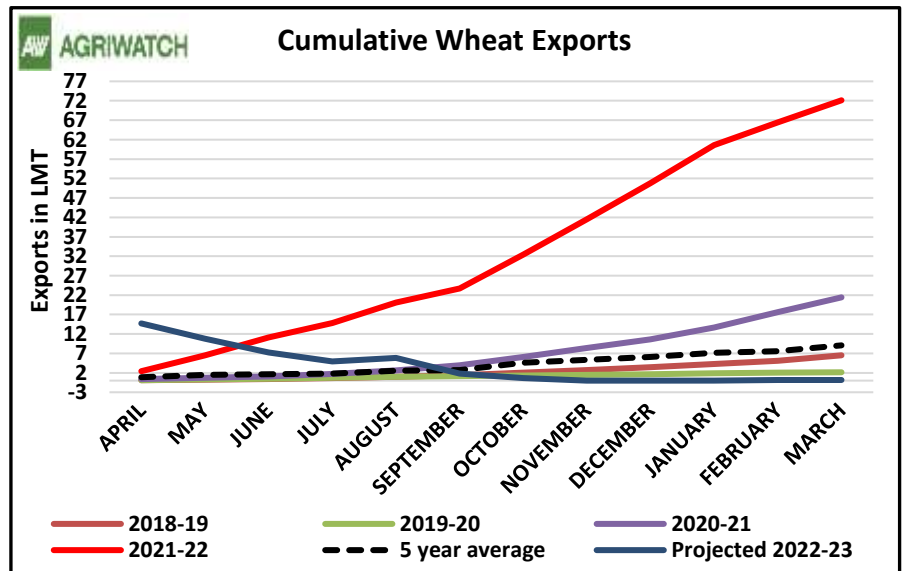
#### State-wise Procurement:

State	Fig. in LMT
Punjab	121.26
Haryana	63.17
M.P.	70.97
U.P.	2.18
Rajasthan	4.33
Others	0.05
<b>All India Total (As of 4th June, 2023)</b>	<b>261.96</b>

**Outlook:** AgriWatch expects that the Wheat domestic market is expected to display a mixed sentiments in the upcoming week. Rumor regarding OMSS (Open Market Sale Scheme) may exert downward pressure on prices. However, there is anticipated strong demand from millers and limited supply, which could result in increase of prices.

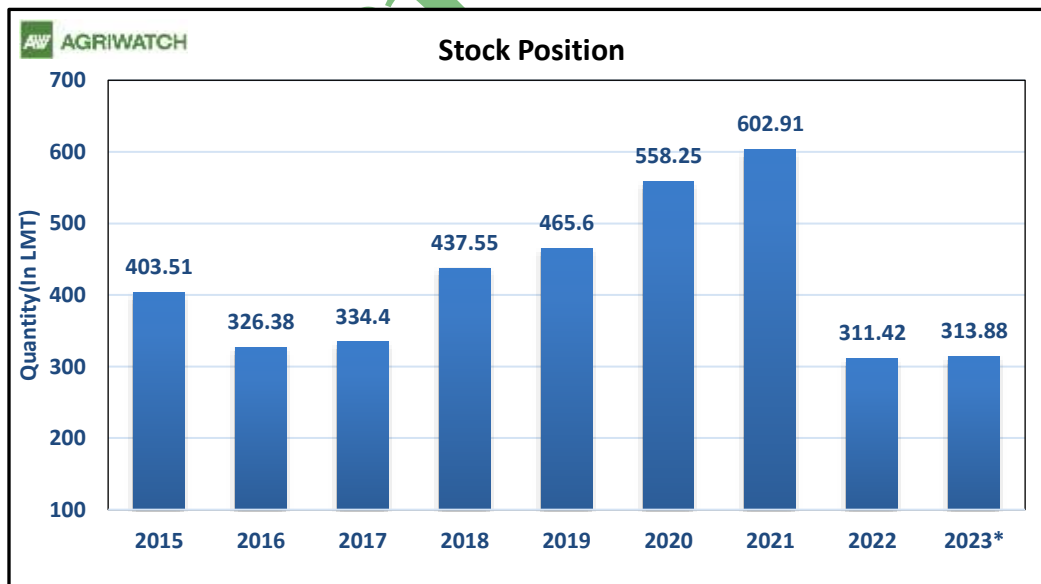
**Export:**

Currently, Wheat Export has been restricted.



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

**Central Pool Stock Position:**



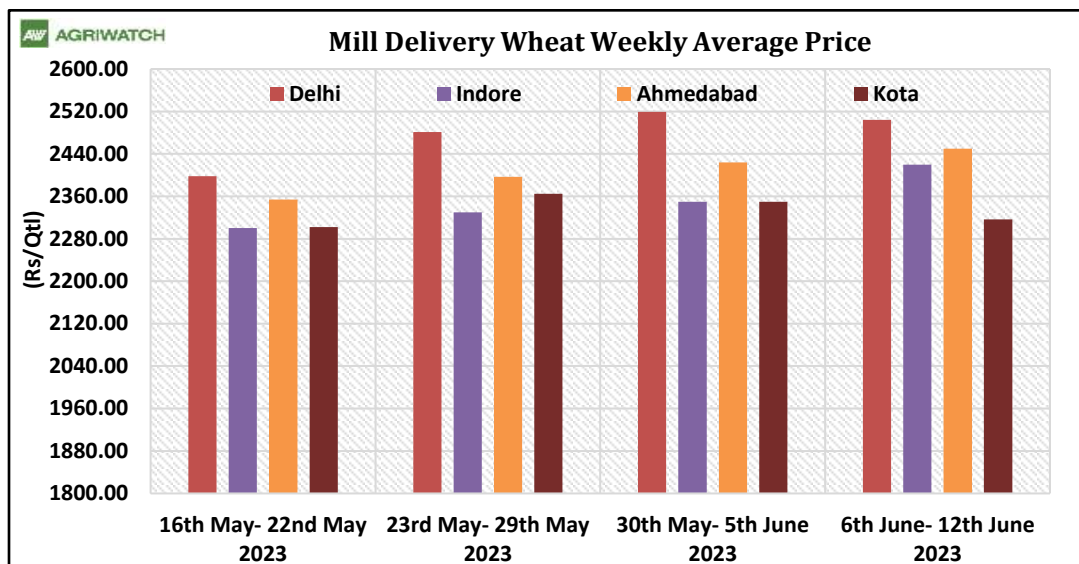
\*Till June 1<sup>st</sup>, 2023

As depicted from the above chart, the Central Pool Wheat stock was recorded at 313.58 LMT as of June 1<sup>st</sup>-2023, which is up by 1% as compared to previous year. However, it remains higher than the

buffer norms of 275.80 LMT as of 1<sup>st</sup> July, up by 14%. Out of total most of the stocks are being held with M.P (106.73 LMT) followed by Punjab with 96.26 LMT and Haryana with 54.64 LMT Wheat.

### Wheat Weekly Average Price Chart

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Source: Agriwatch

Amid good demand from miller's prices were on higher side in Gujarat and Indore while on the other hand, in Kota and Delhi due to the possibility of OMSS releases, prices were down.

### 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
	9-Jun-23	2-Jun-23	11-May-23	10-Jun-22		
Indore	2362	2400	2242	2125	11.15	-1.58
Delhi	2480	2500	2328	2260	9.73	-0.80
Kanpur	2410	2435	2257	2130	13.15	-1.03
Rajkot	2380	2350	2260	2185	8.92	1.28
Kota	2350	2350	2250	2200	6.82	-



Spot Market Price:							
Centre	Market	Variety	Prices (Rs/Qtl)				
			Today	Yesterday	Week Ago	Month Ago	Year Ago
			9-Jun-23	8-Jun-23	2-Jun-23	10-May-23	9-Jun-22
Delhi	Lawrence Road	Mill Delivery	2480	2500	2510	2335	2270
	Narella	Mill Quality Loose	2300	2350	2275	Closed	2125
	Nazafgarh	Mill Quality Loose	2300	2325	2310	Closed	2100
Gujarat	Rajkot	Mill Delivery	2340	2340	2330	2280	2175
	Ahmedabad	Mill Delivery	2450	2450	2430	2350	2315
	Surat	Mill Delivery	2530	2530	2480	2425	2360
	Dhrol	Mill Quality Loose	-	-	-	-	-
Madhya Pradesh	Indore	Mill Delivery	2425	2400	2350	2300	2200
	Bhopal	Mill Quality Loose	2250	2250	2250	2100	2025
Rajasthan	Kota	Mill Quality Loose	2150	2170	2200	2060	2050
		Mill Delivery	2300	2275	2350	2160	2200
Uttar Pradesh	Kanpur	Mill Delivery	2420	2400	2350	Closed	2125
	Mathura	Mill Quality Loose	2360	2330	2370	2155	2080
	Kosi	Mill Quality Loose	2300	2250	2300	2140	2060
	Hathras	Mill Quality Loose	2350	2350	2300	2150	2100
	Aligarh	Mill Quality Loose	2240	2280	2350	2100	2080
Punjab	Khanna	Mill Quality Loose	2170	2170	2130	2130	2035
	Ludhiana (Jagraon)	Mill Quality Loose	2125	2125	2130	2130	2050
Haryana	Dabwali	Mill Quality Loose	2225	2250	2270	-	-
	Hodal	Mill Quality Loose	2200	2200	2200	2125	-
	Bhiwani	Mill Quality Loose	-	-	-	-	-
	Karnal	Mill Quality Loose	2220	2240	2235	2125	2020
	Panipat	Mill Quality Loose	2215	2270	2270	2075	2050
Tamil Nadu	Chennai	Mill Quality	2700	2750	2750	2700	2650
	Madurai	Mill Quality	2750	2800	2800	2750	2700
	Coimbatore	Mill Quality	2750	2800	2800	2750	2700
Bihar	Khagariya	Mill Delivery	2450	2450	2425	2300	2100
	Muzaffarpur	Mill Delivery	2425	2425	2400	2275	-

FOB & CIF Quote for Wheat at Kandla[\(Back to Table of Contents\)](#)

Particulars	At Kandla
Mill delivery (Rajkot)	23400
Freight charge	550
Misc. Charges (port handling)	650
FOB (at Kandla Rs/T)	24600
FOB value in \$ for FAQ	298.25
Freight Charges (US \$/ton) to Dubai	43
Insurance @ 0.1% (\$/MT)	0.30
CIF to Dubai (value in \$ for SRW)	341.25

(INR value: 82.42 as on 9.06.2023)

International Market Update:[\(Back to Table of Contents\)](#)

- The latest data from FranceAgriMer indicates a further decline in the rating of the French soft Wheat crop due to ongoing dry weather conditions. The dry spell persists across the European Union. Approximately 88% of the crop was classified as good to excellent, a decrease from 91% in the previous week and 93% two weeks ago. The condition of durum Wheat fared even lower, with only 82% considered satisfactory.
- The USDA's crop progress report for the week ending on June 4<sup>th</sup> indicates that 82% of winter wheat crops was headed which was 72% in previous week and 78% in previous year. Around 4% had been harvested already which was 5% in previous year. The report also shows that 66% of the crop is currently in fair to excellent condition, while 34% in very poor to poor condition. As for spring wheat, 93% of planting has been completed so far this year, which is higher than the 81% completed during the same period last year, out of which 76% has already been emerged so far. Out of this 98% crop is fair to excellent condition while only 2% is in poor to very poor condition. So overall, US crop is currently in good condition so far.
- USDA June WASDE increased the production estimate for Russia, India, EU and Ukraine Wheat. Due to this total world supplies increased by 10.80 MMT to 1066.90 MMT. For Russia increase of 3.5 MMT to 85.01 MMT has been estimated after favourable weather conditions in spring. In the case of India, after release of Indian Governments Third Advance Estimates, USDA too increase production estimate by 3 MMT to 113.50 MMT. For EU and Ukraine favourable weather conditions were responsible for increase in production estimate.

### International Weekly Outlook:

The decline in the quality of Wheat crops in France has caused export prices to rise by 1.63% due to supply concerns. Similarly, in Australia, the lack of rainfall has increased worries about the upcoming crop, leading to higher export prices. On the other hand, low demand has resulted in a decrease in Wheat prices in Russia and Ukraine, with declines of 4.17% and 3.48% respectively. In the United States, abundant supplies have put pressure on export prices, resulting in a 0.79% decrease compared to the previous week.

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
		8-Jun-23	1-Jun-23	11-May-23	8-Jun-22			
USA (Chicago)	2srw	250	252	258	417	-40.05	-0.79	-3.10
France	FCW3	250	246	260	419	-40.33	1.63	-3.85
Argentina	ASW	370	378	360	492	-24.80	-2.12	2.78
Russia	SRW	230	240	265	425	-45.88	-4.17	-13.21
India	FAQ	298	298	292	289	3.22	0.16	2.23
Australia	ASW	275	267	275	-	-	2.77	-0.31
Ukraine	SRW	222	230	245	385	-42.34	-3.48	-9.39

### IGC Wheat Global Balance Sheet:

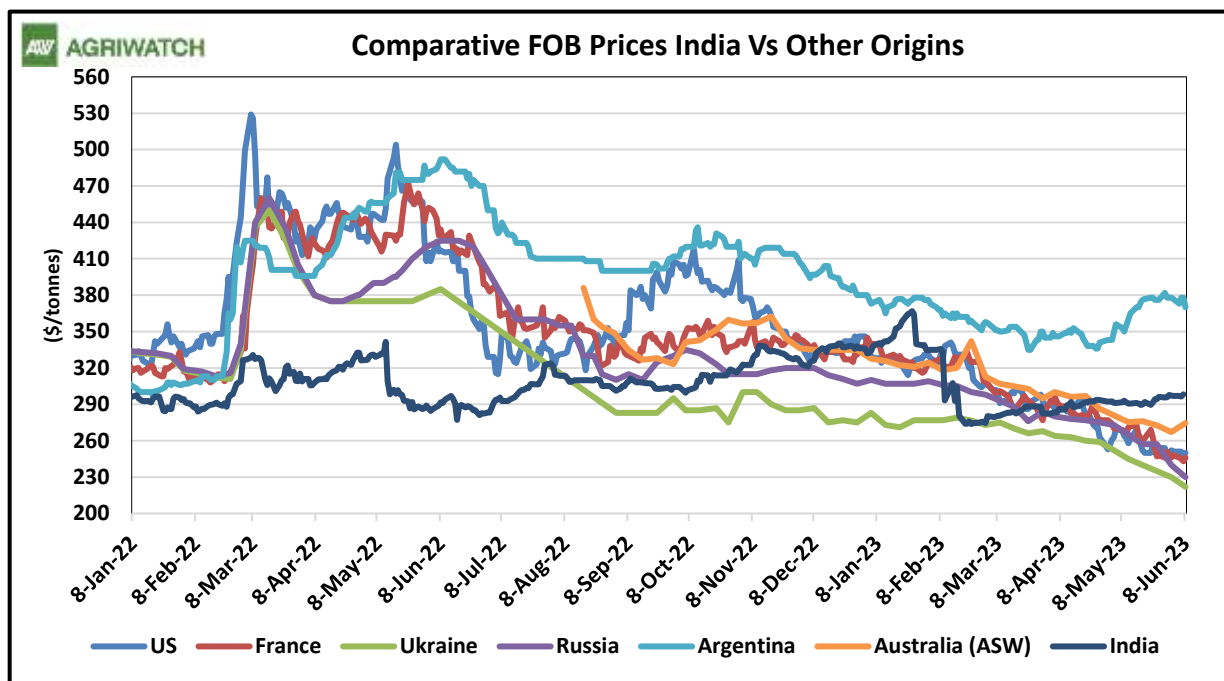
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IGC Forecast (Fig-In MMT)	2020-21	2021-22 est.	2022-23 F'cast	2023-24 Projected	
				20.04.23	18.05.23
Production	774	781	803	787	783
Trade	190	197	200	193	194
Consumptions	771	784	795	794	795
Carryover stocks	279	274	283	277	271
Y-O-Y change	2	-3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

Source: IGC

- The trade forecast for 2022-23 is 200 MMT in line with increased production numbers.
- While increase Consumption as compared to previous estimate of 795 MMT.
- 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.
- Trade is projected around 194 MMT up as compared to previous estimate.

### International FOB Weekly Price Movement:



### CBOT FUTURES CONTRACT:

During week under review, CBOT prices were on higher side amid supply concern as Russia attack Ukrainian dam which results in flooding in major crop areas, along with this crop loss in Henan province of China after heavy rains too support the prices.

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
	9-Jun-23	2-Jun-23	9-May-23	9-Mar-23	7-Dec-22	9-Jun-22	
Jul-23	231.55	227.42	236.42	248.73	280.60	393.58	1.82
Sep-23	235.78	232.29	240.74	253.14	282.99	398.54	1.50
Dec-23	241.75	239.54	247.08	259.11	267.10	403.13	0.92
Mar-24	246.89	245.24	251.30	263.70	288.04	-	0.67
May-24	250.20	248.45	253.60	265.35	287.49	-	0.70
Jul-24	252.13	250.75	254.06	259.75	-	-	0.55
Sep-24	255.71	254.42	257.55	-	-	-	0.51
Dec-24	260.12	258.93	-	-	-	-	0.46

Source: MRCI





Technical Analysis (International market)

**US Wheat Futures July -23**



**1<sup>st</sup> Support: 625**

**2<sup>nd</sup> Support: 603**

**1<sup>st</sup> Resistance: 724**

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

US wheat futures July23 were up by 1.77% to 630, during the week made low at 611.50, high at 647.80. Market is currently trading below 18, 50 and 100 DMA while taking support from 9 DMA. Indicator MACD and Oscillator is indicating weak 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 up from previous week and make high at 2445, low at 2410 and closes at 2420.
- Market is currently trading below 50 and taking support from 9, 18, 100 DMA.
- 2300 is near term support and 2480 would be resistance.
- Prices will go up in coming week in Kanpur by Rs.50 per quintals.

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