

Wheat Domestic Fundamentals:

As per sources, 60,500 MT of Wheat vessel CHRISTINA is loading at Kandla Port since 10th January 2022. And 55,000 MT of wheat vessel BULK VENUS is loading at Kandla port since 12th January 2022. Also, 55,000 MT of wheat vessel NAVDHENU PURNA is loading at Kandla Port since 09th January 2022. And 60,500 MT of wheat vessel NEW GALAXY is loading at Kandla Port since 13th January 2022. And 52,500 MT of wheat vessel MEGHNA PARADISE is loading at Kandla Port since 06th January 2022.

Food ministry has approved a policy which encourage the private players to bid for construction of 249 silos with close to 11 million tonnes (MT) wheat storage capacity for the Food Corporation of India (FCI). The silos will be built across 12 states, including Punjab, Haryana, Madhya Pradesh, Maharashtra, Haryana and Kerala, over the next four to five years through the Public-Private Partnership (PPP) model with an estimated investment of Rs 9,200 crore.

As per trade sources, India has exported around 8.58 lakh tonnes of wheat during the month of December 2021 at an average FOB of \$314.95 per tonne. Bangladesh remains the largest importer of Indian wheat with 2.90 lakh tonnes followed by Sri Lanka with 1.15 lakh tonnes of imports. Yemen has also imported a significant amount 1.06 lakh tonnes of wheat from India during December. The exports are 0.38 lakh tonnes lower than the November month when around 8.96 lakh tonnes were exported. The fall is mainly due to lower imports from Bangladesh and Philippines. Due to shortage of trucks and covid restrictions the exports were lower to Bangladesh while Philippines shifted the market to Australia owing to better proximity.

As on 14th January 2022, area sown to wheat fell by 1.25 percent to 336.48 lakh hectare so far in the current rabi season from 340.74 lakh hectare the previous year during the corresponding period. Wheat has been sown in 90.54 lakh hectare in Madhya Pradesh down by 1.14 lakh hectares, 94.55 lakh hectare in Uttar Pradesh down by 1.89 lakh hectare, 35.02 lakh hectare in Punjab down by 0.20 lakh hectares, 23.87 lakh hectare in Haryana down by 1.34 lakh hectares and 31.00 lakh hectare in Rajasthan up by 1.96 lakh hectares so far in the ongoing season. The acreage was down mainly due to acreage shift from wheat to mustard.

International Market Update:

As per Buenos Aires Grain Exchange, during 2021-22 wheat season, Argentina produced a record 21.8 million tonnes of the grain, breaking the country's previous all-time high harvest of 19 million tonnes in the 2018-19 crop year. The national average yield was 3.44 tonnes per hectare and 21.9 percent higher than the previous season and 11.5 percent higher than the average over the last five years. This is expected to impact India's exports as even the middle east and north African countries are shifting towards Latin American countries.

Syria needs to import more than 1.5 million tonnes of wheat with majority from Russia. Syria's crop was hit by low rainfall last year adding pressure on an economy already hit by ten years of internal conflict, U.S. sanctions, a lack of funds to finance imports and the COVID-19 pandemic. Many countries have started providing wheat to Syria as a humanitarian measure including China.

Soft wheat exports from the European Union in the 2021-22 season had reached 15.32 million tonnes as of January 16th. European Union exports have impacted as Algeria, a major market of French wheat has started shifting to other sources of wheat.

China has resumed sales of state-owned wheat, with 506,568 MT selling at auction on January 5. The stocks were reportedly from the 2014 and 2015 seasons. The auction was only open to wheat flour-milling companies and sold at an average price of Australian dollar \$590 per tonne. This is the second auction of state wheat reserves since the 2021 wheat harvest, with 891,938 MT selling to both flour millers and stockfeed consumers in October. This is sold at an average price of Australian dollar \$515 per tonne, which was actually lower than the domestic cash market at the time.

Euronext wheat rose on Monday after recovering from Friday's three-month low. Friday's fall was fuelled by talk that Algeria overlooked French supplies. The loss of French market share added to concern over lagging European Union exports in the face of strong competition from South American and Australian supplies. Still attractive French prices were continuing to draw interest from feed wheat importers in Asia. India's wheat is also facing much competition from Australian wheat as they are expecting a bumper production despite unseasonal rainfall and concern over quality issues.

Weather Outlook: Isolated to scattered rainfall very likely over Punjab, Haryana, Chandigarh, Delhi, Uttar Pradesh, north Rajasthan on 21st and increase thereafter with fairly widespread to widespread rainfall very likely over the region during 22nd-23rd January. Isolated to scattered rainfall over Madhya Pradesh during 21st to 23rd January and reduction thereafter. Isolated heavy rainfall likely over Punjab and Haryana on 22nd January.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			19-Jan-22	18-Jan-22	
Delhi	Lawrence Road	Mill Delivery	2230	2225	5
	Narella	Mill Quality Loose	Closed	2050	-
	Nazafgarh	Mill Quality Loose	Closed	2050	-
Gujarat	Rajkot	Mill Delivery	2100	2080	20
	Ahmedabad	Mill Delivery	2165	2160	5
	Surat	Mill Delivery	2250	2250	Unch
	Dhrol	Mill Quality Loose	2150	2110	40
M.P.	Indore	Mill Delivery	2120	2125	-5
	Bhopal	Mill Quality Loose	1930	1930	Unch
Rajasthan	Kota	Mill Quality Loose	1970	1980	-10
		Mill Delivery	2120	2130	-10
U.P.	Kanpur	Mill Delivery	2030	2020	10
	Mathura	Mill Quality Loose	2040	2050	-10
	Kosi	Mill Quality Loose	2000	2020	-20
	Hathras	Mill Quality Loose	2030	2050	-20
	Aligarh	Mill Quality Loose	2000	2000	Unch
Punjab	Khanna	Mill Quality Loose	1980	2000	-20
	Ludhiana (Jagraon)	Mill Delivery	-	-	Unch
Haryana	Sirsa	Mill Delivery loose	2025	2025	Unch
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	2080	2100	-20
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-
Tamil Nadu	Chennai	Mill Quality	2500	2450	50
	Madurai	Mill Quality	2557	2507	50
	Coimbatore	Mill Quality	2557	2507	50
Bihar	Khagariya	Mill Delivery	2100	2100	Unch
	Muzaffarpur	Mill Delivery	-	-	-
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	-	-	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			19-Jan-22	18-Jan-22	
Gujarat	Rajkot	Lokwan	2200	2175	25
M.P.	Indore	Lokwan	2300	2250	50
	Bhopal	Lokwan	2250	2250	Unch
	Bina	Sarbati 306	-	-	-
Rajasthan	Kota	LokwanBilty	2095	2105	-10
	Baran	Lokwan	2200	2190	10

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			19-Jan-22	18-Jan-22	
Delhi	Lawrence Road	Mill Delivery	5500	6000	-500
	Narella	Mill Quality Loose	Closed	200	-
	Nazafgarh	Mill Quality Loose	Closed	100	-
Gujarat	Rajkot	Mill Quality Loose	900	1000	-100
	Dhrol	Mill Quality Loose	120	98	22
M.P.	Indore	Mill Quality Loose	2000	2500	-500
Rajasthan	Kota	Mill Quality	3000	3500	-500
U.P.	Kanpur	Mill Quality Loose	700	1000	-300
	Mathura	Mill Quality Loose	150	125	25
	Kosi	Mill Quality Loose	300	400	-100
	Hathras	Mill Quality Loose	100	30	70
	Aligarh	Mill Quality Loose	100	120	-20
Punjab	Khanna	Mill Quality Loose	600	600	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	Unch
Haryana	Sirsa	Mill Quality Loose	300	300	Unch
	Hodal	Mill Quality Loose	50	40	10
	Bhiwani	Mill Quality Loose	400	300	100
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 18.01.2022

Contract Month	Open	High	Low	Close	Change
22-Mar	742.25	771.5	741.25	769	27.5
22-May	745.75	772.5	744.75	770.25	25.75
22-Jul	737	761.75	737	759.5	22.25
22-Sep	743	762.5	743	760.75	21
22-Dec	745.5	767.25	745.25	765.5	20.25
23-Mar	755.5	769.75	754.5	769.75	19.75

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