

Wheat Domestic Fundamentals:

As per the latest update wheat cash market is likely to trade range –bound to firm in the near -term. In Punjab, around 3% crop loss is expected in the wheat growing regions following recent rains and hailstorm. However exact crop loss will be clear in the coming days. Price of wheat has mostly increased during last few days due to a rise in demand as consumers are stocking up amid fear of supply disruptions in the country following the outbreak of Corona virus. In Rajasthan prices firmed up as stockists have almost exhausted their stock and new crop arrival will be delayed by 2-3 weeks following recent rainfall.

The governments of Uttar Pradesh, Delhi, Kerala, Rajasthan, Karnataka and Punjab have already decided to deliver free rations in advance to poor and vulnerable sections such as daily wagers, rickshaw pullers and the like. According to official estimates, the stock of food grain (wheat and rice) as on March 10, 2020 was 58.49 MMT, much more than required as a buffer in normal times.

According to the second advance estimate released by the State of Punjab, wheat production is estimated to decline to 17.9 MMT in 2019-20 (Jul-Jun) compared with 18.3 MMT in the previous year.

As per market sources, wheat stock in central pool as on 1st March'20 stood at 275.21 lakh tonnes down by 9.37% compared to last month. This quantity is higher by around 36.86% compared to last year for the same month. Government has already applied import duty on wheat to curb imports and provide support to domestic prices. Therefore, government has abundant supplies this year to tackle any unexpected rise in wheat prices by selling more quantity in open market.

The Uttar Pradesh government has set a wheat procurement target of 5.5 MMT for the coming 2020-21 rabi marketing season at the minimum support price of Rs.1925/Qtl. Of the total target of 5.5 MMT, the Food Corporation of India (FCI) will directly procure 150,000 tonnes, while the remaining wheat would be purchased by the various state government agencies, which would set up 5,000 procurement centres across UP. The bulk of 2.5 MMT and 0.5 MMT would be procured by the UP Cooperative Federation Limited (UPCFL) and UP Cooperative Union (UPCU) respectively. The procurement would start from April 1 and continue for the successive two and half months till June 15, 2020. The procurement would not stop during this period even if the seasonal target is achieved during the meantime.

As per Uttarakhand government, Minimum Support Price (MSP) of Wheat has been hiked by Rs. 65 to Rs. 1,925 per quintal from 1,860 per quintal.

As per Govt. sources the second crop forecast of India is projected to produce a record 106.2 MMT of wheat crop in 2019-20 because of favourable weather conditions and improve crop yields. Wheat output is expected to go up by 2.5% in the crop year, which is expected to reach 291.9 MMT in 2019-20 from 285.2 MMT last year.

As per latest update, area sown until 31st January-20 is 336.18 lakh hectares compared to 299.30 lakh hectare in the previous Rabi season. The normal area is 305.58 lakh hectares. Acreage under wheat has increased in the states of Madhya Pradesh, Gujarat, Maharashtra and Rajasthan till date.

All India weekly average prices declined by 0.01 percent to Rs. 2029.67 per quintal during the week ended 23rd March 2020. Wheat average price were ruling at Rs 2029.78 per quintal during 09-15 March 2020. As compared to prices in the week 16-23 March 2019, the prices are higher by 1.58 percent. Prices are expected to trade steady to weak in coming days amid new crop arrival in the market. There could be some recovery in between following increase in retail demand amid fears of supply disruptions in the coming days. With the outbreak of corona virus, there could some supply disruptions in the near –term.

International Market Update:

According to USDA, winter wheat conditions fell slightly in Kansas where 46% of the crop is now in good to excellent condition. Colorado winter wheat conditions fell 13% week-over-week and 46% of the crop is in good to excellent condition. In Oklahoma, 67% of the winter wheat is in good to excellent condition, up significantly from last week. In Texas, winter wheat conditions are up 10% on the week and 36% of the crop is in good to excellent condition.

Despite an increase in domestic wheat production in Egypt, import of the grain continues as consumption rises, according to a Global Agricultural Information Network report from the US Department of Agriculture (USDA). Egypt's wheat production for the marketing year 2020-21 is forecast to increase by 1.5% to 8.9 MMT. The country's consumption of wheat is also anticipated to rise 1% to 20.1 MMT amid increase in population. Imports for the 2020-21 market year are forecast at 12.85 MMT, a slight increase of 0.4% compared with the previous year.

According to official data, France is now expected to export 12.7 MMT of soft wheat outside of the European Union, 31% more than last year and the highest since 2010/11.

From early July 2019 to March 5, 2020, Russia exported 24.2 MMT of wheat. All Russian grain exports over the same period totaled 28.1 MMT, down 19% on the year. USDA expects Russia will export 35.0 MMT of wheat in 2019/20.

Wheat Futures Contract: NCDEX Price							Date: 23.03.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-Apr	0	1855	1855	1855	1855			10	0
20-May	0	1855	1855	1855	1855				
20-June	0	1855	1855	1855	1855				

Spread	Feb-20	Mar-20	Apr-20
Spot Narella	2125		
20-Apr	-270		
20-May		0	
20-June			0

Stocks	Demat	In-Process	Total	EDD
	20.Mar.20	20.Mar.20	20.Mar.20	20.Mar.20
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	-	-	-	-
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 23.03.2020

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-Mar-20	21-Mar-20	
Delhi	Lawrence Road	Mill Delivery	Closed	2200	-
	Narella	Mill Quality Loose	Closed	2115	-
	Nazafgarh	Mill Quality Loose	Closed	2100	-
Gujarat	Rajkot	Mill Delivery	Closed	1760	-
	Ahmedabad	Mill Delivery	Closed	1860	-
	Surat	Mill Delivery	Closed	1900	-
	Dhrol	Mill Quality Loose	Closed	NR	-
M.P.	Indore	Mill Delivery	Closed	Closed	-
	Bhopal	Mill Quality Loose	Closed	1850	-
Rajasthan	Kota	Mill Quality Loose	Closed	1850	-
		Mill Delivery	Closed	1950	-
U.P.	Kanpur	Mill Delivery	Closed	Closed	-
	Mathura	Mill Quality Loose	Closed	Closed	-
	Kosi	Mill Quality Loose	2090	2085	5
	Hathras	Mill Quality Loose	NA	2050	-

	Aligarh	Mill Quality Loose	Closed	2015	-
Punjab	Khanna	Mill Quality Loose	Closed	Closed	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	Closed	2000	-
	Hodal	Mill Delivery	Closed	NA	-
	Bhiwani	Mill Quality Loose	NR	2070	-
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	Closed	2300	-
	Madurai	Mill Quality	Closed	2357	-
	Coimbatore	Mill Quality	Closed	2357	-
Bihar	Khagariya	Mill Delivery	Closed	1900	-
	Muzaffarpur	Mill Delivery	Closed	2000	-
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	Closed	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	Closed	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-Mar-20	21-Mar-20	
Gujarat	Rajkot	Lokwan	Closed	1800	-
M.P.	Indore	Lokwan	Closed	Closed	-
	Bhopal	Lokwan	Closed	2000	-
	Bina	Sarbati 306	closed	NA	-
Rajasthan	Kota	Lokwan Bilty	Closed	1990	-
	Baran	Lokwan	Closed	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			23-Mar-20	21-Mar-20	
Delhi	Lawrence Road	Mill Delivery	Closed	1500	-
	Narella	Mill Quality Loose	Closed	200	-
	Nazafgarh	Mill Quality Loose	Closed	100	-
Gujarat	Rajkot	Mill Quality Loose	Closed	12000	-
	Dhrol	Mill Quality Loose	Closed	NR	-

M.P.	Indore	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality	Closed	10000	-
U.P.	Kanpur	Mill Quality Loose	Closed	Closed	-
	Mathura	Mill Quality Loose	Closed	Closed	-
	Kosi	Mill Quality Loose	320	240	80
	Hathras	Mill Quality Loose	NA	50	-
	Aligarh	Mill Quality Loose	Closed	150	-
Punjab	Khanna	Mill Quality Loose	Closed	Closed	-
	(Ludhiana).Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	Closed	200	-
	Hodal	Mill Quality Loose	Closed	50	-
	Bhiwani	Mill Quality Loose	NR	300	-
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat (CBOT) Future Price: 20.03.2020

Contract Month	Open	High	Low	Close	Change
20-May	534.50	547.00	533.00	539.25	4.25
20-Jul	532.00	542.25	530.75	535.75	3.25
20-Sep	535.50	543.75	534.00	538.25	2.75
20-Dec	544.75	550.75	542.50	546.75	2.50
21-Mar	551.50	557.75	547.50	554.25	2.75
21-May	546.50	555.00	542.00	552.25	5.50

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