

Wheat Domestic Fundamentals:

Punjab has started the exercise of procuring 130 lakh tonnes of wheat in the coming two months. To limit crowding and ensure social distancing, the government is inviting a limited number of farmers through coupons, with permission to sell up to 50 quintals of wheat at their closest grain market. On the first day, only 6,290 coupons were issued in the entire state, followed by 17,995 coupons for Thursday and 41,337 coupons for Friday. The number of coupons will go up to 70,000 per day, depending on space in the markets and pace of harvest arrival. Each coupon allows sale of 50 quintals. The procurement agencies have been asked by the state government to ensure payment to farmers within 48 hours of procurement of their crop.

A 75,000-metric-ton consignment of Indian wheat heading for Afghanistan has arrived at Iran's south eastern port of Chabahar to be delivered to the destination country through land borders. The consignment is comprised of 203 20-metric-foot containers that have been shipped from Kandla Port in eastern India.

The MP government is targeting a procurement of 10 MMT of wheat but wants to make arrangements for 11.5 MMT as this year more inflows are expected with private trading adversely affected by the lockdown. The shortage of labour at procurement centres and the shortage of HDPE bags used in the process will be two concerns in the procurement process.

Harvesting of wheat is gathering momentum in Bihar and it is expected to be completed in the next 10 days. The major wheat producing districts of Bihar are Patna, Nalanda, Bhojpur, Buxar, Rohtas, Muzaffarpur and Sitamarhi.

There could be shortage of wheat flour in the coming days amid supply disruptions following lockdown in the country. Flour millers who process wheat to make atta, maida and suji are operating at 25 -30% of their normal capacity due to labour issue and less supplies of wheat. Though India expects a bumper wheat production this season, harvesting is being delayed following lockdown in the country. How much wheat will be harvested and how much will be officially procured from the farmers will be clear in the coming weeks.

India will be exporting around one lakh tonnes of wheat to Afghanistan and Lebanon under government to government (G2G) arrangement. The country is expecting a record wheat production of 106.21 MMT this year. Despite surplus production, Indian wheat is out of global market due to higher price. But government has been exporting wheat to African and Asian countries on humanitarian ground under G2G arrangement. Nafed has been asked to export 50,000 tonnes to Afghanistan and 40,000 tonnes to Lebanon through diplomatic route according to official sources at the agriculture department.

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.

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.

All India weekly average prices declined by 1.23 percent to Rs. 1987.15 per quintal during the week ended 15th April 2020. Wheat average price were ruling at Rs 2011.99 per quintal during 01-08 April 2020. As compared to prices in the week 09-15 April 2019, the prices are lower by 0.80 percent. Prices are expected to trade steady to weak amid lock down in the country. As per the latest update, wheat markets remain closed following lock down in the country amid spread of Covid -19.

International Market Update:

According to USDA, Indonesia's wheat imports will decline to 10.8 MMT in 2019 -20 compared to the previous estimates of 11 MMT. The decline in imports reflects lower wheat flour for food consumption as result of the COVID-19 pandemic.

On April 10, USDA reported China purchased 55,000 MT of HRW for delivery in 2019/20 and 110,000 MT of HRW for delivery in 2020/21.

According to USDA, 62% of the country's winter wheat is in good to excellent condition compared to 60% last year. Texas winter wheat ratings rose 6% on the week to 62% good to excellent. Arkansas SRW ratings gained 4% and 48% of the crop is in good to excellent condition. Oklahoma HRW ratings increased 3% on the week and 73% of the crop is in good to excellent condition.

USDA now expects the United States will export 10.3 MMT of HRW, 7.48 MMT of HRS, 2.59 MMT of SRW, 5.31 MMT of white wheat, and 1.09 MMT of durum. U.S. HRW, HRS and durum exports will be greater than 2018/19, if realized.

European Union (EU) soft (non-durum) wheat exports, as of April 6, are up 66% on the year at 24.8 MMT. According to Reuters, French soft wheat shipments outside the EU for the month of March reached their highest level since 2010 as exporters continued to meet high export demand despite logistical challenges caused by the COVID-19 epidemic.

Wheat Futures Contact: NCDEX Price							Date: 17.04.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-Apr					1855				
20-May					1855				
20-June					1855				

Spread	Apr-20	May-20	June-20
Spot Narella	NA		
20-Apr	-		
20-May		-	
20-June			-

Stocks	Demat	In-Process	Total	EDD
	16.Apr.20	16.Apr.20	16.Apr.20	13.Apr.20
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	-	-	-	-
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 17.04.2020

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			17-Apr-20	16-Apr-20	
Delhi	Lawrence Road	Mill Delivery	1950	Closed	-
	Narella	Mill Quality Loose	1870	Closed	-
	Nazafgarh	Mill Quality Loose	1850	Closed	-
Gujarat	Rajkot	Mill Delivery	Closed	Closed	-
	Ahmedabad	Mill Delivery	Closed	Closed	-
	Surat	Mill Delivery	Closed	Closed	-
	Dhrol	Mill Quality Loose	Closed	Closed	-
M.P.	Indore	Mill Delivery	Closed	Closed	-
	Bhopal	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality Loose	1700	Closed	-
		Mill Delivery	1850	Closed	-
U.P.	Kanpur	Mill Delivery	2000	2000	Unch
	Mathura	Mill Quality Loose	1800	1790	10
	Kosi	Mill Quality Loose	1850	1980	-130
	Hathras	Mill Quality Loose	1790	1800	-10

	Aligarh	Mill Quality Loose	1760	1790	-30
Punjab	Khanna	Mill Quality Loose	Closed	Closed	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1925	1925	Unch
	Hodal	Mill Delivery	Closed	Closed	-
	Bhiwani	Mill Quality Loose	Closed	Closed	-
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2150	Closed	-
	Madurai	Mill Quality	2207	Closed	-
	Coimbatore	Mill Quality	2207	Closed	-
Bihar	Khagariya	Mill Delivery	1900	1900	Unch
	Muzaffarpur	Mill Delivery	1815	1825	-10
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			17-Apr-20	16-Apr-20	
Gujarat	Rajkot	Lokwan	Closed	Closed	-
M.P.	Indore	Lokwan	Closed	Closed	-
	Bhopal	Lokwan	Closed	Closed	-
	Bina	Sarbati 306	Closed	Closed	-
Rajasthan	Kota	Lokwan Bilty	1900	Closed	-
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			17-Apr-20	16-Apr-20	
Delhi	Lawrence Road	Mill Delivery	2000	Closed	-
	Narella	Mill Quality Loose	500	Closed	-
	Nazafgarh	Mill Quality Loose	200	Closed	-
Gujarat	Rajkot	Mill Quality Loose	Closed	Closed	-
	Dhrol	Mill Quality Loose	Closed	Closed	-

M.P.	Indore	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality	20000	Closed	-
U.P.	Kanpur	Mill Quality Loose	1800	1450	350
	Mathura	Mill Quality Loose	25000	25000	Unch
	Kosi	Mill Quality Loose	4000	2000	2000
	Hathras	Mill Quality Loose	800	400	400
	Aligarh	Mill Quality Loose	5000	6000	-1000
Punjab	Khanna	Mill Quality Loose	Closed	Closed	-
	(Ludhiana).Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	500	500	Unch
	Hodal	Mill Quality Loose	Closed	Closed	-
	Bhiwani	Mill Quality Loose	Closed	Closed	-
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat (CBOT) Future Price: 16.04.2020

Contract Month	Open	High	Low	Close	Change
20-May	538.75	545.25	528.00	529.75	-10.50
20-Jul	539.75	544.25	529.00	530.50	-10.00
20-Sep	545.00	548.75	534.25	535.75	-10.25
20-Dec	552.75	556.75	543.25	544.50	-10.00
21-Mar	562.75	563.50	552.00	552.75	-10.00
21-May	561.75	563.75	553.50	554.00	-9.75

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