

Wheat Domestic Fundamentals:

For the kharif season of 2019-20, FCI has reduced the reserve selling price of URS (Under relaxed specifications) wheat from 2080 to 1840. This has led to Increasing their cost of wheat also, the flour mills have reduced the purchase. Even if they are buying, they're doing so, on a reduced price. On the other hand, the stockist have started selling wheat as the government has a huge amount of wheat stock.

In the domestic market flour and refined flour have weak purchase by 25%. Corona virus has severely impacted the market. In the current week the price of wheat at Delhi reduced by Rs.40 resulting in the actual price being Rs.1865/1870 per quintal. The daily arrival of 4000 to 5000 wheat sacks,. As for now, increase in wheat will be less but it may increase during the festival of Diwali.

The Karnataka government has asked the Center for surplus wheat and said that because of the labour coming from different states, the amount of wheat may be less.

The government has achieved a record procurement of wheat and rice in the 2019-20 season. It has procured 38.97 million tonnes of wheat, which is the highest so far although a little short of the target and it may end up buying 40.5 to 41 MMT this year. FCI currently has 558.25 MMT wheat in central pool stock in June.

PMGKAY will be given a discount of up to 30th November and the market price of wheat is stuck in the quagmire due to the discussion of old wheat by FCI. Flour and refined flour demand also declined. At present, the rise in wheat is expected to increase, due to the release of market demand around Diwali. The Karnataka government demanded additional grain from the center and said that there may be a shortage of grains due to the Karnataka workers from different states.

According to FCI, Tenders are invited for Sale Of FAQ Wheat Under OMSS(d) Through E Auction In Respect Of Karnataka and West Bengal State. Tenders were also invited for MTF cum financial bid notice for sale of wheat under OMSS(d) through e-auction (e-17) to empanelled bulk consumer traders of any region with FCI and to state govt. S/ uts for stocks lying at various depots of Madhya Pradesh region.

The FCI is considering cutting the base price of lustre-lost wheat sold under the open market sale scheme by nearly 12% to clear excess stock from the central pool. FCI is likely to reduce the price for lustre-lost wheat to 1,840 rupees per 100 kg from the current price of 2,080 rupees. The cut in the base price is being considered after the finance ministry asked Food Corp to look at options to increase off take under the open market sale scheme in view of overflowing stocks. Food grain stocks with the FCI as on Jul 1 were at 55.01MMT of wheat.

As the government looks to liquidate its mounting stocks of wheat, flour millers have advised it to lower the rate at which wheat is sold for open market operations by Rs 500 a quintal, saying the move will help it to earn around Rs 16,000 crore in revenues. This is assuming that six million tonnes of wheat are liquidated after the price cut by way of domestic demand Food Corporation of India (FCI), the largest holder of wheat in India, also has direct control at which products such as atta, biscuits etc are available to the average consumer, particularly those outside the ambit of the public distribution system.

International Market Update:

USDA reported that the new crop U.S. HRW harvest was 74% complete, moving well ahead of last year's pace. Over the next week, weather is expected to be favourable for crop development and harvest. South Dakota reported exceptionally good yields and high protein.

The spring wheat crop was 90% headed as of July 20. Crop conditions held steady as farmers hope for hot dry weather over the next few weeks to aid in protein development. Harvest for early planted fields is expected to begin in the next 10 to 14 days.

The International Grains Council (IGC) cut 5.6Mt from its 2020/21 global wheat production forecast. At 762.0MMT the global wheat crop would still be 12.1MMT above a trimmed demand prediction and a notably smaller surplus than the 16.2MMT forecast last month. EU-27 down 2.8MMT to 125.6MMT, USA down 1.5MMT to 49.6MMT, Russia down 1.0MMT to 78.0MMT and Argentina down 0.6MMT to 20.4MMT.

FAO's updated projections indicate that global wheat production will reach 758.3 million tonnes in 2020, showing

Wheat Futures Contract: NCDEX Price							Date: 04.08.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-Aug	0	-	-	-	1839				
20-Sep	0	-	-	-	1845				
20-Oct	0	-	-	-	1851				

Spread	Jul-20	Aug-20	Sep-20
Spot Narella	-	-	-
20-Aug	-	0	-
20-Sep	-	-	7
20-Oct	-	-	-

Stocks	Demat	In-Process	Total	EDD
	23.Jun.20	23.Jun.20	23.Jun.20	20.Jun.20
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	-	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			04-Aug-20	01-Aug-20	
Delhi	Lawrence Road	Mill Delivery	1880	1870	10
	Narella	Mill Quality Loose	1730	1720	10
	Nazafgarh	Mill Quality Loose	1710	1710	Unch
Gujarat	Rajkot	Mill Delivery	1740	1735	5
	Ahmedabad	Mill Delivery	1830	1840	-10
	Surat	Mill Delivery	1885	1890	-5
	Dhrol	Mill Quality Loose	1640	NR	-
M.P.	Indore	Mill Delivery	1825	Closed	-
	Bhopal	Mill Quality Loose	1700	Closed	-
Rajasthan	Kota	Mill Quality Loose	Closed	Closed	-
		Mill Delivery	Closed	Closed	-
U.P.	Kanpur	Mill Delivery	1790	Closed	-
	Mathura	Mill Quality Loose	Closed	Closed	-
	Kosi	Mill Quality Loose	1750	1830	-80
	Hathras	Mill Quality Loose	1700	Closed	-
	Aligarh	Mill Quality Loose	1700	Closed	-
Punjab	Khanna	Mill Quality Loose	1760	NR	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1760	1790	-30
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1700	1700	Unch

	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	Closed	Closed	-
	Madurai	Mill Quality	Closed	Closed	-
	Coimbatore	Mill Quality	Closed	Closed	-
Bihar	Khagariya	Mill Delivery	2100	2100	Unch
	Muzaffarpur	Mill Delivery	1775	1775	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			04-Aug-20	01-Aug-20	
Gujarat	Rajkot	Lokwan	1810	1820	-10
M.P.	Indore	Lokwan	2100	Closed	-
	Bhopal	Lokwan	1825	Closed	-
	Bina	Sarbati 306	2350	Closed	-
Rajasthan	Kota	Lokwan Bilty	Closed	Closed	-
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			04-Aug-20	01-Aug-20	
Delhi	Lawrence Road	Mill Delivery	4000	3500	500
	Narella	Mill Quality Loose	600	600	Unch
	Nazafgarh	Mill Quality Loose	100	250	-150
Gujarat	Rajkot	Mill Quality Loose	1400	1700	-300
	Dhrol	Mill Quality Loose	135	NR	-
M.P.	Indore	Mill Quality Loose	800	Closed	-
Rajasthan	Kota	Mill Quality	Closed	Closed	-
U.P.	Kanpur	Mill Quality Loose	500	Closed	-
	Mathura	Mill Quality Loose	Closed	Closed	-
	Kosi	Mill Quality Loose	300	1200	-900
	Hathras	Mill Quality Loose	200	Closed	-
	Aligarh	Mill Quality Loose	500	Closed	-
Punjab	Khanna	Mill Quality Loose	600	NR	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	200	100
	Hodal	Mill Quality Loose	100	100	Unch
	Bhiwani	Mill Quality Loose	200	100	100
	Karnal	Mill Delivery	NA	NA	-

	Panipat	Mill Quality Loose	NA	NA	-
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Wheat Products Delhi	04-Aug-20	01-Aug-20	Change
Atta (50kg) Ordinary	1030	1030	Unch
Maida Grade 1 (50KG)	1150	1150	Unch
Suji (50kg)	1220	1220	Unch
Chokar (50 kg)	670	670	Unch
Chokar (34 kg)	370	370	Unch
Chakki Atta (50kg)	NA	NA	-
Chakki Atta (50kg) Special	NA	NA	-
Chakki Atta (90kg) Superfine	NA	NA	-
Chakki Atta (50kg) Superfine	NA	NA	-

Wheat (CBOT) Future Price: 03.08.2020					
Contract Month	Open	High	Low	Close	Change
Sep-20	527.00	528.25	517.00	521.00	-10.25↓
Dec-20	534.50	535.75	525.25	529.25	-9.50↓
Mar-21	541.75	542.75	533.25	537.25	-8.50↓
May-21	545.75	547.00	537.50	541.75	-8.00↓
Jul-21	544.25	545.75	537.00	541.75	-7.25↓
Sep-21	549.00	550.00	543.25	547.00	-7.00↓

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