

Wheat Domestic Fundamentals:

A total of 201.08 LMT food grains have been allocated for PMGKAY-2 to States and UTs for the 5 months period from July to November 2020. This includes 91.14 LMT wheat and 109.94 LMT rice. A total of 44.08 LMT food grains have been lifted and 23.80 LMT food grains have been distributed by States/UTs. In the month of July 2020, total 23.69 LMT (59%) food grains have been distributed among 47.38 crore beneficiaries (distribution for month of July is still on) by States/UTs. The Government of India is bearing 100% financial burden of approximately Rs. 76,062 crores of PMGKAY-2 scheme. Wheat has been allocated to 4 States and UTs, rice has been allocated to 15 States/UTs and both rice and wheat have been allocated to the remaining 17 States/UTs.

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:

According to economy minister Beirut, Lebanon's main grain silo at Beirut port was destroyed in a blast, leaving the nation with less than a month's reserves of the grain but enough flour to avoid a crisis.

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

Wheat Futures Contract: NCDEX Price							Date: 05.08.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-Aug	0	-	-	-	1883				
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
			05-Aug-20	04-Aug-20	
Delhi	Lawrence Road	Mill Delivery	1880	1880	Unch
	Narella	Mill Quality Loose	Closed	1730	-
	Nazafgarh	Mill Quality Loose	Closed	1710	-
Gujarat	Rajkot	Mill Delivery	1730	1740	-10
	Ahmedabad	Mill Delivery	1820	1830	-10
	Surat	Mill Delivery	1870	1885	-15
	Dhrol	Mill Quality Loose	1655	1640	15
M.P.	Indore	Mill Delivery	1800	1825	-25
	Bhopal	Mill Quality Loose	1750	1700	50
Rajasthan	Kota	Mill Quality Loose	Closed	Closed	-
		Mill Delivery	Closed	Closed	-
U.P.	Kanpur	Mill Delivery	1800	1790	10
	Mathura	Mill Quality Loose	1650	Closed	-
	Kosi	Mill Quality Loose	1750	1750	Unch
	Hathras	Mill Quality Loose	1780	1700	80
	Aligarh	Mill Quality Loose	Closed	1700	-
Punjab	Khanna	Mill Quality Loose	1750	1760	-10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1760	1760	Unch
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1650	1700	-50

	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	2050	2100	-50
	Muzaffarpur	Mill Delivery	1750	1775	-25
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			05-Aug-20	04-Aug-20	
Gujarat	Rajkot	Lokwan	1825	1810	15
M.P.	Indore	Lokwan	2050	2100	-50
	Bhopal	Lokwan	1950	1825	125
	Bina	Sarbati 306	Closed	2350	-
Rajasthan	Kota	Lokwan Bilty	Closed	Closed	-
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			05-Aug-20	04-Aug-20	
Delhi	Lawrence Road	Mill Delivery	4500	4000	500
	Narella	Mill Quality Loose	Closed	600	-
	Nazafgarh	Mill Quality Loose	Closed	100	-
Gujarat	Rajkot	Mill Quality Loose	1200	1400	-200
	Dhrol	Mill Quality Loose	107	135	-28
M.P.	Indore	Mill Quality Loose	3000	800	2200
Rajasthan	Kota	Mill Quality	Closed	Closed	-
U.P.	Kanpur	Mill Quality Loose	600	500	100
	Mathura	Mill Quality Loose	300	Closed	-
	Kosi	Mill Quality Loose	500	300	200
	Hathras	Mill Quality Loose	50	200	-150
	Aligarh	Mill Quality Loose	Closed	500	-
Punjab	Khanna	Mill Quality Loose	500	600	-100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	300	Unch
	Hodal	Mill Quality Loose	100	100	Unch
	Bhiwani	Mill Quality Loose	300	200	100
	Karnal	Mill Delivery	NA	NA	-

	Panipat	Mill Quality Loose	NA	NA	-
--	---------	--------------------	----	----	---

Wheat Products Delhi	05-Aug-20	04-Aug-20	Change
Atta (50kg) Ordinary	NR	1030	-
Maida Grade 1 (50KG)	NR	1150	-
Suji (50kg)	NR	1220	-
Chokar (50 kg)	NR	670	-
Chokar (34 kg)	NR	370	-
Chakki Atta (50kg)	NR	NA	-
Chakki Atta (50kg) Special	NR	NA	-
Chakki Atta (90kg) Superfine	NR	NA	-
Chakki Atta (50kg) Superfine	NR	NA	-

Wheat (CBOT) Future Price: 04 .08.2020					
Contract Month	Open	High	Low	Close	Change
Sep-20	521.00	521.25	507.75	508.25	-12.75↓
Dec-20	530.00	530.00	516.00	516.50	-12.75↓
Mar-21	537.00	537.00	525.25	526.00	-11.25↓
May-21	539.25	539.25	531.00	532.25	-9.50↓
Jul-21	538.75	538.75	533.75	535.25	-6.50↓
Sep-21	544.25	544.25	540.00	541.75	-5.25↓

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2020 Indian Agribusiness Systems Ltd.