

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 38.98 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.

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 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.

Wheat Futures Contract: NCDEX Price							Date: 06.08.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-Aug	0	-	-	-	1838				
20-Sep	0	-	-	-	1844				
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
			06-Aug-20	05-Aug-20	
Delhi	Lawrence Road	Mill Delivery	1890	1880	10
	Narella	Mill Quality Loose	1750	Closed	-
	Nazafgarh	Mill Quality Loose	1730	Closed	-
Gujarat	Rajkot	Mill Delivery	1730	1730	Unch
	Ahmedabad	Mill Delivery	1800	1820	-20
	Surat	Mill Delivery	1850	1870	-20
	Dhrol	Mill Quality Loose	1635	1655	-20
M.P.	Indore	Mill Delivery	1780	1800	-20
	Bhopal	Mill Quality Loose	1750	1750	Unch
Rajasthan	Kota	Mill Quality Loose	1670	Closed	-
		Mill Delivery	1760	Closed	-
U.P.	Kanpur	Mill Delivery	1770	1800	-30
	Mathura	Mill Quality Loose	1650	1650	Unch
	Kosi	Mill Quality Loose	1700	1750	-50
	Hathras	Mill Quality Loose	1700	1780	-80
	Aligarh	Mill Quality Loose	1700	Closed	-
Punjab	Khanna	Mill Quality Loose	1750	1750	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1750	1760	-10
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1700	1650	50

	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2050	Closed	-
	Madurai	Mill Quality	2107	Closed	-
	Coimbatore	Mill Quality	2107	Closed	-
Bihar	Khagariya	Mill Delivery	2050	2050	Unch
	Muzaffarpur	Mill Delivery	1750	1750	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			06-Aug-20	05-Aug-20	
Gujarat	Rajkot	Lokwan	1800	1825	-25
M.P.	Indore	Lokwan	2000	2050	-50
	Bhopal	Lokwan	1950	1950	Unch
	Bina	Sarbati 306	NA	Closed	-
Rajasthan	Kota	Lokwan Bilty	2100	Closed	-
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			06-Aug-20	05-Aug-20	
Delhi	Lawrence Road	Mill Delivery	7000	4500	2500
	Narella	Mill Quality Loose	1000	Closed	-
	Nazafgarh	Mill Quality Loose	100	Closed	-
Gujarat	Rajkot	Mill Quality Loose	1000	1200	-200
	Dhrol	Mill Quality Loose	140	107	33
M.P.	Indore	Mill Quality Loose	2500	3000	-500
Rajasthan	Kota	Mill Quality	1000	Closed	-
U.P.	Kanpur	Mill Quality Loose	400	600	-200
	Mathura	Mill Quality Loose	500	300	200
	Kosi	Mill Quality Loose	500	500	Unch
	Hathras	Mill Quality Loose	300	50	250
	Aligarh	Mill Quality Loose	700	Closed	-
Punjab	Khanna	Mill Quality Loose	100	500	-400
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	300	-100
	Hodal	Mill Quality Loose	100	100	Unch
	Bhiwani	Mill Quality Loose	200	300	-100
	Karnal	Mill Delivery	NA	NA	-

	Panipat	Mill Quality Loose	NA	NA	-
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Wheat Products Delhi	06-Aug-20	05-Aug-20	Change
Atta (50kg) Ordinary	NR	NR	-
Maida Grade 1 (50KG)	NR	NR	-
Suji (50kg)	NR	NR	-
Chokar (50 kg)	NR	NR	-
Chokar (34 kg)	NR	NR	-
Chakki Atta (50kg)	NR	NR	-
Chakki Atta (50kg) Special	NR	NR	-
Chakki Atta (90kg) Superfine	NR	NR	-
Chakki Atta (50kg) Superfine	NR	NR	-

Wheat (CBOT) Future Price: 04 .08.2020					
Contract Month	Open	High	Low	Close	Change
Sep-20	508.25	512.75	506.00	510.75	+2.50↑
Dec-20	516.00	520.00	513.25	517.50	+1.00↑
Mar-21	525.75	529.00	522.25	526.25	+0.25↑
May-21	531.75	535.00	528.25	531.75	-0.50↓
Jul-21	534.25	538.50	531.00	533.75	-1.50↓
Sep-21	508.25	512.75	506.00	510.75	+2.50↑

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