

**Wheat Domestic Fundamentals:**

**As per the Food Corporation of India report dated 03.08.2020**, FCI currently has 516.54 LMT wheat. Hence, a total of 759.41 LMT food grain stock is available. About 95 LMT food grains is required for a month under NFSA, PMGKAY and other welfare schemes.

**Since the lockdown, about 139.97 LMT food grains have been lifted and transported** through 4999 rail rakes. Total 285.07 LMT food grains have been transported and 13.89 LMT food grains has been transported to the North-Eastern States till 30th June 2020. Since 1st July 2020, 47.71 LMT food grains have been lifted and transported through 1704 rail rakes. Apart from the rail route, transportation was also done through roads and waterways. A total of 91.02 LMT food grains has been transported since 1st July 2020. Total 3.92 LMT food grains have been transported to the North-Eastern States since 1st July 2020.

**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 30<sup>th</sup> 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.

**International Market Update:**

**Bulgaria harvested 4.53 million tonnes of wheat out of 97.6% of sown area, 20% less** when compared with the same period a year ago due to extensive drought, operational data on grain crops from the agriculture ministry showed on Friday.

**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.

| Wheat Futures Contract: NCDEX Price |     |      |      |     |       |        | Date: 08.08.2020 at 5:00 PM |    |                       |
|-------------------------------------|-----|------|------|-----|-------|--------|-----------------------------|----|-----------------------|
| Contract Month                      | +/- | Open | High | Low | Close | Volume | Ch. From previous day       | OI | Ch. From previous day |
| 20-Aug                              | 0   | -    | -    | -   | 1842  |        |                             |    |                       |
| 20-Sep                              | 0   | -    | -    | -   | 1848  |        |                             |    |                       |
| 20-Oct                              | 0   | -    | -    | -   | 1855  |        |                             |    |                       |

| 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 |
|-----------|--------------------|---------------------|-----------------|-----------|--------|
|           |                    |                     | 08-Aug-20       | 07-Aug-20 |        |
| Delhi     | Lawrence Road      | Mill Delivery       | 1880            | 1890      | -10    |
|           | Narella            | Mill Quality Loose  | 1735            | 1740      | -5     |
|           | Nazafgarh          | Mill Quality Loose  | 1730            | 1730      | Unch   |
| Gujarat   | Rajkot             | Mill Delivery       | 1735            | 1735      | Unch   |
|           | Ahmedabad          | Mill Delivery       | 1815            | 1810      | 5      |
|           | Surat              | Mill Delivery       | 1840            | 1850      | -10    |
|           | Dhrol              | Mill Quality Loose  | NR              | NR        | -      |
| M.P.      | Indore             | Mill Delivery       | 1800            | 1780      | 20     |
|           | Bhopal             | Mill Quality Loose  | 1700            | 1700      | Unch   |
| Rajasthan | Kota               | Mill Quality Loose  | 1710            | 1680      | 30     |
|           |                    | Mill Delivery       | 1850            | 1760      | 90     |
| U.P.      | Kanpur             | Mill Delivery       | Closed          | 1770      | -      |
|           | Mathura            | Mill Quality Loose  | Closed          | 1675      | -      |
|           | Kosi               | Mill Quality Loose  | Closed          | 1760      | -      |
|           | Hathras            | Mill Quality Loose  | Closed          | 1700      | -      |
|           | Aligarh            | Mill Quality Loose  | Closed          | 1700      | -      |
| Punjab    | Khanna             | Mill Quality Loose  | 1750            | 1750      | Unch   |
|           | Ludhiana (Jagraon) | Mill Delivery       | NA              | NA        | -      |
| Haryana   | Sirsa              | Mill Delivery loose | 1750            | 1750      | Unch   |
|           | Hodal              | Mill Delivery       | NA              | NA        | -      |
|           | Bhiwani            | Mill Quality Loose  | 1700            | 1700      | Unch   |

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

| Centre           | Market | Variety      | Prices (Rs/Qtl) |           | Change |
|------------------|--------|--------------|-----------------|-----------|--------|
|                  |        |              | 08-Aug-20       | 07-Aug-20 |        |
| <b>Gujarat</b>   | Rajkot | Lokwan       | 1800            | 1800      | Unch   |
| <b>M.P.</b>      | Indore | Lokwan       | 2000            | 2000      | Unch   |
|                  | Bhopal | Lokwan       | 1950            | 1950      | Unch   |
|                  | Bina   | Sarbati 306  | 2300            | 2300      | Unch   |
| <b>Rajasthan</b> | Kota   | Lokwan Bilty | 2150            | 2100      | 50     |
|                  | Baran  | Lokwan       | NA              | NA        | -      |

**Wheat Arrivals in Key Centers:**

| Centre           | Market            | Variety            | Arrivals (Bags/Qtl) |           | Change |
|------------------|-------------------|--------------------|---------------------|-----------|--------|
|                  |                   |                    | 08-Aug-20           | 07-Aug-20 |        |
| <b>Delhi</b>     | Lawrence Road     | Mill Delivery      | 5000                | 6500      | -1500  |
|                  | Narella           | Mill Quality Loose | 1000                | 800       | 200    |
|                  | Nazafgarh         | Mill Quality Loose | 200                 | 100       | 100    |
| <b>Gujarat</b>   | Rajkot            | Mill Quality Loose | 1000                | 1400      | -400   |
|                  | Dhrol             | Mill Quality Loose | NR                  | NR        | -      |
| <b>M.P.</b>      | Indore            | Mill Quality Loose | 1000                | 2000      | -1000  |
| <b>Rajasthan</b> | Kota              | Mill Quality       | 2000                | 3000      | -1000  |
| <b>U.P.</b>      | Kanpur            | Mill Quality Loose | Closed              | 500       | -      |
|                  | Mathura           | Mill Quality Loose | Closed              | 250       | -      |
|                  | Kosi              | Mill Quality Loose | Closed              | 300       | -      |
|                  | Hathras           | Mill Quality Loose | Closed              | 250       | -      |
|                  | Aligarh           | Mill Quality Loose | Closed              | 200       | -      |
| <b>Punjab</b>    | Khanna            | Mill Quality Loose | 500                 | 400       | 100    |
|                  | (Ludhiana)Jagraon | Mill Quality Loose | NA                  | NA        | -      |
| <b>Haryana</b>   | Sirsa             | Mill Quality Loose | 200                 | 200       | Unch   |
|                  | Hodal             | Mill Quality Loose | 100                 | 100       | Unch   |
|                  | Bhiwani           | Mill Quality Loose | 250                 | 200       | 50     |
|                  | Karnal            | Mill Delivery      | NA                  | NA        | -      |

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

| Wheat Products Delhi         | 08-Aug-20 | 07-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: 07 .08.2020 |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|
| Contract Month                         | Open   | High   | Low    | Close  | Change |
| <b>Sep-20</b>                          | 501.25 | 503.75 | 490.50 | 495.50 | -5.75↓ |
| <b>Dec-20</b>                          | 508.50 | 511.00 | 498.50 | 503.50 | -4.75↓ |
| <b>Mar-21</b>                          | 516.50 | 518.75 | 506.50 | 511.75 | -4.75↓ |
| <b>May-21</b>                          | 523.00 | 524.25 | 512.00 | 517.25 | -5.00↓ |
| <b>Jul-21</b>                          | 526.00 | 527.25 | 516.25 | 521.50 | -3.75↓ |
| <b>Sep-21</b>                          | 533.50 | 533.50 | 523.00 | 528.50 | -3.25↓ |

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