

Wheat Domestic Fundamentals:

Wheat prices in Jaipur fell today due to weak demand from bulk buyers. However, a fall in the prices was limited as supply of the food grain also declined. Arrivals were pegged at 2,000 bags (1 bag = 100 kg), down from 3,000 bags on Wednesday. In Indore, another key market, prices rose due to a decline in arrivals. Arrivals were pegged at 2,000 bags, from 2,500 bags on Wednesday.

All India weekly average prices decreased by 10.62 percent YoY to Rs. 1857.69 per quintal during the week ended 31st Aug 2020. Wheat average prices were ruling at Rs 2078.61 per quintal during 24th June-31st Aug 2019. As compared to prices in the last week 16th-23rd Aug 2020, the prices are firm by 2.40 percent. Prices may go down despite festive season as supply is expected to increase from the central pool at discounted prices. However, free distribution of wheat till Nov would prevent the market from rising significantly.

According to a parliamentary standing committee report presented on Wednesday to Rajya Sabha, India exports only one per cent of its agri products, India exports only 0.2 per cent of its wheat. Committee called for upgrading agri infrastructure, improving efficiency levels in the supply chain and putting emphasis on value addition.

Government has sold 171620 tonnes of wheat in OMSS through E-Auctions in the Fourth week of August'20. No rakes were sold. State government and bulk consumers bought 105280 tonnes and 66340 tonnes of wheat respectively.

Wheat purchase was reduced by wheat flour mills in Madhya Pradesh due to which business remained sluggish. During the current week, the prices of wheat in Madhya Pradesh declined by Rs 25/50. With this downward trend, Indore remained at 1600/2300 rupees, Dewas 1500/2150 rupees, Ujjain 1550/2100 rupees per quintal at the weekend. Currently demand is expected to increase.

The government may continue to levy freight charges on sale of wheat under its open market sale scheme, since it is hopeful of pushing out excess stocks after the recent reduction in the base price of wheat.

Indian FoB quote is hovering around \$236.03 per tonne while Russia, Ukraine, France, US and Australia are offering wheat at \$199.29, \$200.50, Euro 185.88, \$229.90 and \$229.28 per tonne respectively. There is little hope for recovery on the export front this year. However, India is expected to import around up to 4 thousand tonnes in MY 2019-20.

Average mill delivery prices of Wheat remained low, during 25th Aug – 31st Aug 2020 as compared to last week. All markets showed bearish movement in prices and are likely to trade steady to slightly firm in upcoming weeks. Free distribution of wheat till Nov would keep the market moving range bound.

International Market Update:

According USDA's August Crop Production report, total 2020 Montana HRW production may go down 21% to 2.05 MMT on significantly reduced planted area. However, HRW conditions remained strong and the state could see a record average yield per acre, weather permitting.

Russian farmers have harvested 67.4 MMT of wheat as of Aug, 18% ahead of this time last year. According to the country's Ministry of Agriculture, the total average yield is up slightly this year at 53.3 bu/acre (3.58 MT/ha).

Russian wheat export prices steadied last week after a three-week long fall that had been triggered by pressure from the promising new crop, Russian wheat with 12.5% protein loading from Black Sea ports was at \$202 a tonne free on board (FOB) at the end of last week, up \$1 from the week before, agriculture consultancy IKAR said in a note.

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.

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

Wheat Futures Contract: NCDEX Price							Date: 01.09.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-Aug	0	-	-	-	1777				
20-Sep	0	-	-	-	1784				
20-Oct	0	-	-	-	1789				

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	-	-	-	-

Wheat Daily Prices and Arrivals

Wheat (CBOT) Future Price: 01.09.2020					
Contract Month	Open	High	Low	Close	Change
Sep-20	539.25	551.75	538.00	544.25	+5.00↑
Dec-20	548.75	560.25	547.25	552.25	+3.50↑
Mar-21	555.75	567.75	555.75	560.50	+4.00↑
May-21	561.00	571.75	560.25	564.75	+3.75↑
Jul-21	560.75	570.25	560.50	564.50	+3.25↑
Sep-21	568.00	575.25	568.00	569.50	+2.75↑

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