

**Wheat Domestic Fundamentals:**

**Due to lack of demand, this time the price of wheat has been reduced from Rs 200 to 250 per quintal at the minimum support price in the Uttar Pradesh mandis.** The big reason for this is wholesalers are assuming the distribution of food grains to the ration card holders twice a month during the Corona period. He says the demand for wheat in the market has come down and prices have come down. Normally, after the procurement season of wheat every year, the market used to increase its rate, but this time the trade is showing the opposite. The price of wheat in the mandi reached much lower than the minimum support price announced by the state government at Rs 1925 per quintal. The main reason for this is the lack of demand for wheat in the market. Currently, the rate of wheat in the market is 1650 to 1725 rupees per quintal.

**Despite the lowering of wheat prices in UP, MP, Rajasthan, the demand for low-moisture wheat in the mills of Delhi, NCR has increased.** Due to this, prices of 13-13.50 per cent low moisture content rose by Rs 10 per quintal to Rs 1820/1825 and 9.50-10 per cent to Rs 1835 per quintal and even up to 1840 rupees were paid by some mills.

**All India weekly average prices decreased by 11.22 percent YoY to Rs. 1887.44 per quintal during the week ended 07<sup>th</sup> Sep 2020.** Wheat average prices were ruling at Rs 2125.92 per quintal during 1<sup>st</sup> Sep-7<sup>th</sup> Sep 2019. As compared to prices in the last week 24<sup>th</sup>-31<sup>st</sup> Aug 2020, the prices are firm by 1.60 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 25<sup>th</sup> Aug – 31<sup>st</sup> 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:**

**The 2020 U.S. HRW and SRW harvests are officially complete and preparations for the 2021 crop have now begun.** The PNW SW harvest made strong progress this week on favorable field conditions. Farmers in Washington have harvested 88% of the expected SW crop. Idaho's SW crop is 94% harvested and Oregon's SW harvest is now complete.

**According to Agritel, a European agriculture consultancy, French soft (non-durum) wheat production is expected to fall 25% on the year to 29.5 MMT following an overly wet fall in 2019 and an extremely dry growing season throughout 2020.** The consultancy believes the drop in production could result in a 40% decrease in French soft wheat exports in marketing year 2020/21.

**According to Ukrainian grain traders union UGA said the country's 2020 wheat crop output at 26.6 million tonnes.** Ukraine is likely to export 17.5 million tonnes of wheat, in the 2020/21 season.

**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.

Wheat Futures Contract: NCDEX Price							Date: 07.09.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-Aug	0	-	-	-	1767				
20-Sep	0	-	-	-	1773				
20-Oct	0	-	-	-	1779				

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

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			7-Sep-20	5-Sep-20	
Delhi	Lawrence Road	Mill Delivery	1850	1830	20
	Narella	Mill Quality Loose	1650	1650	Unch
	Nazafgarh	Mill Quality Loose	1600	1630	-30
Gujarat	Rajkot	Mill Delivery	1620	1620	Unch
	Ahmedabad	Mill Delivery	1700	1700	Unch
	Surat	Mill Delivery	1750	1750	Unch
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Delivery	Closed	Closed	-
	Bhopal	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality Loose	1550	1560	-10
		Mill Delivery	1675	1685	-10
U.P.	Kanpur	Mill Delivery	1700	Closed	-
	Mathura	Mill Quality Loose	1630	Closed	-
	Kosi	Mill Quality Loose	1730	Closed	-
	Hathras	Mill Quality Loose	1620	Closed	-
	Aligarh	Mill Quality Loose	1630	Closed	-
Punjab	Khanna	Mill Quality Loose	1725	Closed	-
	Ludhiana (Jagraon)	Mill Delivery	0	NA	-
Haryana	Sirsa	Mill Delivery loose	1730	1730	Unch
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	1610	1600	<b>10</b>
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
<b>Tamil Nadu</b>	Chennai	Mill Quality	2000	2000	<b>Unch</b>
	Madurai	Mill Quality	2057	2057	<b>Unch</b>
	Coimbatore	Mill Quality	2057	2057	<b>Unch</b>
<b>Bihar</b>	Khagariya	Mill Delivery	1850	1850	<b>Unch</b>
	Muzaffarpur	Mill Delivery	1590	1600	<b>-10</b>
<b>FOR</b>	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			7-Sep-20	5-Sep-20	
<b>Gujarat</b>	Rajkot	Lokwan	1775	1775	<b>Unch</b>
<b>M.P.</b>	Indore	Lokwan	Closed	Closed	-
	Bhopal	Lokwan	Closed	Closed	-
	Bina	Sarbati 306	Closed	Closed	-
<b>Rajasthan</b>	Kota	Lokwan Bilty	1800	1800	<b>Unch</b>
	Baran	Lokwan	NA	NA	-

**Wheat Arrivals in Key Centers:**

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			7-Sep-20	5-Sep-20	
<b>Delhi</b>	Lawrence Road	Mill Delivery	6000	5000	<b>1000</b>
	Narella	Mill Quality Loose	500	400	<b>100</b>
	Nazafgarh	Mill Quality Loose	500	300	<b>200</b>
<b>Gujarat</b>	Rajkot	Mill Quality Loose	1400	1300	<b>100</b>
	Dhrol	Mill Quality Loose	NR	NR	-
<b>M.P.</b>	Indore	Mill Quality Loose	Closed	Closed	-
<b>Rajasthan</b>	Kota	Mill Quality	6000	4000	<b>2000</b>
<b>U.P.</b>	Kanpur	Mill Quality Loose	1000	Closed	-
	Mathura	Mill Quality Loose	450	Closed	-
	Kosi	Mill Quality Loose	200	Closed	-
	Hathras	Mill Quality Loose	300	Closed	-
	Aligarh	Mill Quality Loose	500	Closed	-
<b>Punjab</b>	Khanna	Mill Quality Loose	400	Closed	-
	(Ludhiana)Jagraon	Mill Quality Loose	0	NA	-
<b>Haryana</b>	Sirsa	Mill Quality Loose	300	300	<b>Unch</b>
	Hodal	Mill Quality Loose	50	30	<b>20</b>
	Bhiwani	Mill Quality Loose	500	400	<b>100</b>

	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	7-Sep-20	5-Sep-20	Change
Atta (50kg) Ordinary	NA	NA	-
Maida Grade 1 (50KG)	NA	NA	-
Suji (50kg)	NA	NA	-
Chokar (50 kg)	NA	NA	-
Chokar (34 kg)	NA	NA	-
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: 07.09.2020					
Contract Month	Open	High	Low	Close	Change
<b>Sep-20</b>	542.00	544.00	539.00	539.75	-3.50↓
<b>Dec-20</b>	553.50	556.25	546.50	550.25	-3.00↓
<b>Mar-21</b>	562.25	564.25	555.25	558.75	-3.00↓
<b>May-21</b>	566.75	568.25	559.50	563.50	-2.50↓
<b>Jul-21</b>	563.00	565.50	557.75	561.50	-2.00↓
<b>Sep-21</b>	568.50	570.25	563.00	566.75	-1.25↓

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.