

### Wheat Domestic Fundamentals:

**As per market sources, wheat stock in the central pool as on 1st September'20** stood at 478.32 lakh tonnes, down by 7.3% compared to last month. This quantity is higher by around 13.25% compared to the previous year for the same month.

**Wheat is being distributed in the PMGKAY scheme all over India and other schemes in Madhya Pradesh** and other states, due to which the price of wheat has been reduced by Rs 400-500. Usually, wheat prices rise in September, but this time the situation is different. Wheat sales through OMSS also got weakened this season. Wheat markets can be in a prolonged slump environment.

**As per trade source, India has exported around 64.56 thousand tonnes in the month of August-2020.** The quantity in August -2020 was exported at an average FOB of \$ 142.56 per tonne, and the major destinations were Nepal, Bangladesh, Afghanistan, Cambodia, and Jordan. Exports are likely to be at the lower side as other countries can provide quality wheat at competitive prices.

**All India's weekly average prices decreased by 1.58 percent YoY to Rs. 1857.70 per quintal** during the week ended 15th Sep 2020. Wheat average prices were ruling at Rs 2118.24 per quintal during 9<sup>th</sup> Sep-15<sup>th</sup> Sep 2019. As compared to prices in the last week, 1<sup>st</sup>-8<sup>th</sup> Sep 2020, the prices are low by 1.58 percent. The wheat market has stabilized, but prices are unlikely to rise till Diwali. But the price of wheat seems to have hit the bottom, and unlikely to drop further.

**So far as the government continues to distribute free food grains,** the demand for wheat will stay weak, and there is no scope for prices to rise either. The Price of Mill Quality wheat is hovering around between Rs.1650-1750, which may rise by 50-60 Rs. Consumption has also decreased in this season.

**According to traders, Wheat prices rose in Jaipur due to firm demand and a fall in arrivals.** In Jaipur, arrivals were pegged at 1,000 bags (1 bag = 100 kg), compared with 1,200 bags this week. In Indore, wheat prices were unchanged as demand and supply of the food grain were steady. Arrivals were pegged at 3,000 bags at the market.

**Due to good and early rains in the current year, the Kharif sowing began sooner than usual and hence harvesting** should also be early and hence rabi sowing can start earlier too. January 2021, could see the arrivals of the new wheat in Gondal Line and some such centers, which usually start in February.

**Government has sold 3390 tonnes of wheat in OMSS through E-Auctions in the First week of September'20.** No rakes were sold. No purchase by state Government only bulk consumers bought 3390 tonnes of wheat respectively.

**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.

### International Market Update:

**According to GASC, Egypt's state grain buyer bought 235,000 tonnes** of wheat at its latest international purchasing tender on Wednesday. The wheat is of Polish and Russian origin.

**Jordan's state grains buyer purchased 120,000 tonnes of hard milling** wheat sourced from optional origins in a tender that closed on Wednesday. 60,000 tonnes were bought from trading house Ameropa at \$254.50 a tonne c&f for shipment in the first half of November. Another 60,000 tonnes was bought from trading house Aston at \$254.90 a tonne c&f also for shipment in the first half of November.

**Reuters reported that recent precipitation in Argentina has helped revive the country's** drought-stricken wheat crop. "The rains arrived just in time to put a floor under the damage that was being done to wheat yields," said the Buenos Aires Grain Exchange's (BAGE) chief analyst Esteban Copati. However, USDA reduced its Argentinian wheat production forecast from 20.5 MMT in August to 19.5 MMT in September, slightly lower than last year, if realized.

**In its September World Agricultural Supply and Demand Estimates report,** USDA increased its production forecasts for Australia and Canada. Beneficial rainfall over the past several months pulled Australia out of a historic, three-year drought. USDA now forecasts Australian wheat production will reach 28.5 MMT, up 10% from its August prediction and 87% more than the country's 2019/20 output, if realized. Total Canadian wheat production is expected to reach 36.0 MMT, up 6% from USDA's August forecast and up 11% from last year, if realized.

**According to the Buenos Aires Grain Exchange,** Argentinian wheat was reforecast by rising on the Buenos Aires

Wheat Futures Contract: NCDEX Price							Date: 18.09.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-Aug	0	-	-	-	1743				
20-Sep	0	-	-	-	1749				
20-Oct	0	-	-	-	1754				

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
			18-Sep-20	17-Sep-20	
Delhi	Lawrence Road	Mill Delivery	1800	1830	-30
	Narella	Mill Quality Loose	1700	1700	Unch
	Nazafgarh	Mill Quality Loose	1680	1700	-20
Gujarat	Rajkot	Mill Delivery	1615	1620	-5
	Ahmedabad	Mill Delivery	1705	1705	Unch
	Surat	Mill Delivery	1750	1750	Unch
	Dhrol	Mill Quality Loose	1580	NA	-
M.P.	Indore	Mill Delivery	1700	Closed	-
	Bhopal	Mill Quality Loose	1600	Closed	-
Rajasthan	Kota	Mill Quality Loose	1500	1625	-125
		Mill Delivery	1625	1750	-125
U.P.	Kanpur	Mill Delivery	1700	1800	-100
	Mathura	Mill Quality Loose	1620	1680	-60
	Kosi	Mill Quality Loose	1680	1700	-20
	Hathras	Mill Quality Loose	1625	1650	-25
	Aligarh	Mill Quality Loose	1650	1650	Unch
Punjab	Khanna	Mill Quality Loose	1700	1700	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1705	1725	-20
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1675	1660	15
	Karnal	Mill Delivery	NA	NA	-

	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2000	2000	Unch
	Madurai	Mill Quality	2057	2057	Unch
	Coimbatore	Mill Quality	2057	2057	Unch
Bihar	Khagariya	Mill Delivery	1750	1700	50
	Muzaffarpur	Mill Delivery	1775	1775	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			18-Sep-20	17-Sep-20	
Gujarat	Rajkot	Lokwan	1775	1775	Unch
M.P.	Indore	Lokwan	2000	Closed	-
	Bhopal	Lokwan	1700	Closed	-
	Bina	Sarbati 306	2400	Closed	-
Rajasthan	Kota	Lokwan Bilty	1850	1900	-50
	Baran	Lokwan	NA	Closed	-

#### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			18-Sep-20	17-Sep-20	
Delhi	Lawrence Road	Mill Delivery	15000	9000	6000
	Narella	Mill Quality Loose	700	500	200
	Nazafgarh	Mill Quality Loose	300	200	100
Gujarat	Rajkot	Mill Quality Loose	1700	1500	200
	Dhrol	Mill Quality Loose	173	NA	-
M.P.	Indore	Mill Quality Loose	3000	Closed	-
Rajasthan	Kota	Mill Quality	10000	5000	5000
U.P.	Kanpur	Mill Quality Loose	500	1000	-500
	Mathura	Mill Quality Loose	500	450	50
	Kosi	Mill Quality Loose	250	250	Unch
	Hathras	Mill Quality Loose	150	200	-50
	Aligarh	Mill Quality Loose	500	800	-300
Punjab	Khanna	Mill Quality Loose	600	500	100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	300	-100
	Hodal	Mill Quality Loose	50	40	10
	Bhiwani	Mill Quality Loose	200	300	-100
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	18-Sep-20	17-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: 17.09.2020					
Contract Month	Open	High	Low	Close	Change
<b>Dec-20</b>	542.00	557.25	537.25	556.25	+14.25↑
<b>Mar-21</b>	551.00	565.00	546.25	564.00	+13.25↑
<b>May-21</b>	556.25	569.50	551.50	568.75	+12.50↑
<b>Jul-21</b>	555.75	567.75	550.50	567.25	+11.50↑
<b>Sep-21</b>	560.00	573.25	556.50	572.50	+11.00↑
<b>Dec-21</b>	568.25	582.50	566.75	581.75	+10.25↑

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