

Wheat Domestic Fundamentals:

On Monday, India Government hiked the minimum support price of wheat by Rs 50 per quintal to Rs 1,975 per quintal to encourage farmers to increase crop cultivation. The decision was taken at a meeting of the Cabinet Committee on Economic Affairs chaired by Prime Minister and Agriculture Minister announced it in Lok Sabha.

All India's weekly average prices decreased by 15.74 percent YoY to Rs. 1788.49 per quintal during the week ended 23rd Sep 2020. Wheat average prices were ruling at Rs 2122.49 per quintal during 16th Sep-23rd Sep 2019. As compared to prices in the last week, 9th-15th Sep 2020, the prices are low by 3.73 percent. The wheat market has stabilized, but prices are unlikely to rise till Dusshera & Diwali festival. But the prices of wheat seem to have hit bottom, and unlikely to drop further.

As per FCI food grains stock, 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.

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.

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.

The government has sold 60830 tonnes of wheat in OMSS through E-Auctions in the third week of September'20. Till now; no rakes have been sold. Sale of wheat to bulk consumer 10830 and sale of Wheat to state Govt. 50000.

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 Grains Exchange, Argentine wheat was refreshed by rains on the Pampas grains belt last week but remained in need of more moisture if yields are to recover from a months-long dry spell.

Wheat Futures Contact: NCDEX Price							Date: 21.09.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-Aug	0	-	-	-	1756				
20-Sep	0	-	-	-	1762				
20-Oct	0	-	-	-	1767				

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
			21-Sep-20	19-Sep-20	
Delhi	Lawrence Road	Mill Delivery	1825	1790	35
	Narella	Mill Quality Loose	1675	1680	-5
	Nazafgarh	Mill Quality Loose	1670	1670	Unch
Gujarat	Rajkot	Mill Delivery	1600	1610	-10
	Ahmedabad	Mill Delivery	1675	1700	-25
	Surat	Mill Delivery	1735	1750	-15
	Dhrol	Mill Quality Loose	NA	1545	-
M.P.	Indore	Mill Delivery	1680	1715	-35
	Bhopal	Mill Quality Loose	1550	1600	-50
Rajasthan	Kota	Mill Quality Loose	Closed	1500	-
		Mill Delivery	Closed	1625	-
U.P.	Kanpur	Mill Delivery	Closed	1640	-
	Mathura	Mill Quality Loose	Closed	1630	-
	Kosi	Mill Quality Loose	Closed	1680	-
	Hathras	Mill Quality Loose	Closed	1625	-
	Aligarh	Mill Quality Loose	Closed	1625	-
Punjab	Khanna	Mill Quality Loose	1700	1705	-5
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1685	1690	-5
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1670	1665	5
	Karnal	Mill Delivery	NA	NA	-

	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	Closed	2000	-
	Madurai	Mill Quality	Closed	2057	-
	Coimbatore	Mill Quality	Closed	2057	-
Bihar	Khagariya	Mill Delivery	1900	1750	150
	Muzaffarpur	Mill Delivery	1800	1775	25
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			21-Sep-20	19-Sep-20	
Gujarat	Rajkot	Lokwan	1775	1850	-75
M.P.	Indore	Lokwan	2100	2000	100
	Bhopal	Lokwan	1650	1700	-50
	Bina	Sarbati 306	2350	2400	-50
Rajasthan	Kota	Lokwan Bilty	Closed	1850	-
	Baran	Lokwan	Closed	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			21-Sep-20	19-Sep-20	
Delhi	Lawrence Road	Mill Delivery	5000	5000	Unch
	Narella	Mill Quality Loose	250	300	-50
	Nazafgarh	Mill Quality Loose	150	150	Unch
Gujarat	Rajkot	Mill Quality Loose	1100	1500	-400
	Dhrol	Mill Quality Loose	NA	995	-
M.P.	Indore	Mill Quality Loose	2000	2500	-500
Rajasthan	Kota	Mill Quality	Closed	8000	-
U.P.	Kanpur	Mill Quality Loose	Closed	500	-
	Mathura	Mill Quality Loose	Closed	400	-
	Kosi	Mill Quality Loose	Closed	250	-
	Hathras	Mill Quality Loose	Closed	200	-
	Aligarh	Mill Quality Loose	Closed	300	-
Punjab	Khanna	Mill Quality Loose	700	500	200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	400	300	100
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	21-Sep-20	19-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: 19.09.2020					
Contract Month	Open	High	Low	Close	Change
Dec-20	542.00	557.25	537.25	556.25	+14.25↑
Mar-21	551.00	565.00	546.25	564.00	+13.25↑
May-21	556.25	569.50	551.50	568.75	+12.50↑
Jul-21	555.75	567.75	550.50	567.25	+11.50↑
Sep-21	560.00	573.25	556.50	572.50	+11.00↑
Dec-21	568.25	582.50	566.75	581.75	+10.25↑

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