

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 Contract: NCDEX Price							Date: 22.09.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-Oct	0	-	-	-	1756				
20-Nov	0	-	-	-	1761				
20-Dec	0	-	-	-	1766				

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
			22-Sep-20	21-Sep-20	
Delhi	Lawrence Road	Mill Delivery	1830	1825	5
	Narella	Mill Quality Loose	1670	1675	-5
	Nazafgarh	Mill Quality Loose	1660	1670	-10
Gujarat	Rajkot	Mill Delivery	1600	1600	Unch
	Ahmedabad	Mill Delivery	1680	1675	5
	Surat	Mill Delivery	1740	1735	5
	Dhrol	Mill Quality Loose	1550	NA	-
M.P.	Indore	Mill Delivery	1700	1680	20
	Bhopal	Mill Quality Loose	1570	1550	20
Rajasthan	Kota	Mill Quality Loose	1530	Closed	-
		Mill Delivery	1650	Closed	-
U.P.	Kanpur	Mill Delivery	Closed	Closed	-
	Mathura	Mill Quality Loose	Closed	Closed	-
	Kosi	Mill Quality Loose	Closed	Closed	-
	Hathras	Mill Quality Loose	Closed	Closed	-
	Aligarh	Mill Quality Loose	Closed	Closed	-
Punjab	Khanna	Mill Quality Loose	1720	1700	20
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1695	1685	10
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1680	1670	10
	Karnal	Mill Delivery	NA	NA	-

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

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			22-Sep-20	21-Sep-20	
Gujarat	Rajkot	Lokwan	1800	1775	25
M.P.	Indore	Lokwan	2200	2100	100
	Bhopal	Lokwan	1680	1650	30
	Bina	Sarbati 306	2350	2350	Unch
Rajasthan	Kota	Lokwan Bilty	1870	Closed	-
	Baran	Lokwan	NA	Closed	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			22-Sep-20	21-Sep-20	
Delhi	Lawrence Road	Mill Delivery	4000	5000	-1000
	Narella	Mill Quality Loose	350	250	100
	Nazafgarh	Mill Quality Loose	300	150	150
Gujarat	Rajkot	Mill Quality Loose	900	1100	-200
	Dhrol	Mill Quality Loose	111	NA	-
M.P.	Indore	Mill Quality Loose	2200	2000	200
Rajasthan	Kota	Mill Quality	4000	Closed	-
U.P.	Kanpur	Mill Quality Loose	Closed	Closed	-
	Mathura	Mill Quality Loose	Closed	Closed	-
	Kosi	Mill Quality Loose	Closed	Closed	-
	Hathras	Mill Quality Loose	Closed	Closed	-
	Aligarh	Mill Quality Loose	Closed	Closed	-
Punjab	Khanna	Mill Quality Loose	400	700	-300
	(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	400	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	22-Sep-20	21-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: 22.09.2020					
Contract Month	Open	High	Low	Close	Change
Dec-20	576.50	578.25	550.50	554.75	-20.25↓
Mar-21	583.50	585.25	558.50	563.00	-19.75↓
May-21	587.75	589.25	563.75	568.25	-18.50↓
Jul-21	582.75	584.75	561.75	567.00	-15.75↓
Sep-21	587.25	588.50	567.00	572.50	-14.25↓
Dec-21	594.00	596.00	576.00	581.50	-13.25↓

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