

Wheat Domestic Fundamentals:

Prices of Wheat in Indore fell today because of weak demand from bulk buyers such as millers. A fall in supply of the food grain limited the decline in prices. Arrivals were pegged at 1,500 bags (1 bag = 100 kg), as against 1,800 bags on Thursday. Wheat prices in Jaipur were steady, traders said. Arrivals were pegged steady at 1,500 bags (1 bag = 100 kg).

The agriculture department in Himachal Pradesh has reduced the price of wheat seed by two rupees per kg. In 2019, the seed at agricultural centers was sold at Rs 33 per kg. This year, 31 kg is being sold. During the Corona period, the trend towards farming has increased. The agriculture department is in high demand for seeds. For this reason, the department has asked for five hundred quintals more seeds than last year. Out of the total demand of 12 thousand quintal seeds, eight thousand quintal seeds have reached the department. Sale of wheat seeds has started in agricultural centers. Now 4 thousand quintals of seeds are yet to come. Wheat sowing is to begin from October 15.

Changes in the weather system and the prices of crops directly impact the sowing of Rabi. Due to this, the trend of farmers of the Rajasthan state has reduced towards wheat in the last five years. Instead, the trend of farmers has increased towards the production of Gram. Officials of the agriculture department are also putting up mini kits and exhibitions of Gram instead of wheat. Simultaneously, the trend has also changed due to the sowing affected due to the lack of a favourable environment at the time of sowing.

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.

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.

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 11130 tonnes of wheat in OMSS through E-Auctions in the fourth week of September'20. Till now; no rakes have been sold. Sale of wheat to bulk consumer 11300 and sale of Wheat to state Govt. 100000.

International Market Update:

The International Grains Council (IGC) raised its forecast for 2020/21 world wheat production by 1 million tonnes to 763 million tonnes from last year 2019/20. Forecast for production, consumption, and carry overstock remains unchanged, and the Wheat trade is up by 2 million tonnes to 183 million tonnes compared to last month.

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

Wheat Futures Contract: NCDEX Price							Date: 25.09.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-Oct	0	-	-	-	1727				
20-Nov	0	-	-	-	1733				
20-Dec	0	-	-	-	1738				

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 on 26-Sep-2020

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26-Sep-20	25-Sep-20	
Delhi	Lawrence Road	Mill Delivery	1800	1780	20
	Narella	Mill Quality Loose	1660	1670	-10
	Nazafgarh	Mill Quality Loose	1650	1660	-10
Gujarat	Rajkot	Mill Delivery	1600	1600	Unch
	Ahmedabad	Mill Delivery	1640	1640	Unch
	Surat	Mill Delivery	1700	1700	Unch
	Dhrol	Mill Quality Loose	NA	NA	-
M.P.	Indore	Mill Delivery	Closed	Closed	-
	Bhopal	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality Loose	1550	1500	50
		Mill Delivery	1675	1625	50
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	1700	Closed	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1700	1700	Unch
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1670	1660	10
	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	1900	1900	Unch
	Muzaffarpur	Mill Delivery	1790	1790	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26-Sep-20	25-Sep-20	
Gujarat	Rajkot	Lokwan	1800	1800	Unch
M.P.	Indore	Lokwan	Closed	Closed	-
	Bhopal	Lokwan	Closed	Closed	-
	Bina	Sarbati 306	Closed	Closed	-
Rajasthan	Kota	Lokwan Bilty	1900	1900	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			26-Sep-20	25-Sep-20	
Delhi	Lawrence Road	Mill Delivery	6000	10000	-4000
	Narella	Mill Quality Loose	500	600	-100
	Nazafgarh	Mill Quality Loose	300	500	-200
Gujarat	Rajkot	Mill Quality Loose	700	800	-100
	Dhrol	Mill Quality Loose	NA	NA	-
M.P.	Indore	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality	4000	2000	2000
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	Closed	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	300	Unch
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	300	300	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	26-Sep-20	25-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: 25.09.2020					
Contract Month	Open	High	Low	Close	Change
Dec-20	552.25	552.50	543.75	544.25	-5.50↓
Mar-21	559.50	560.00	551.00	551.50	-5.50↓
May-21	564.00	564.75	556.00	556.25	-5.75↓
Jul-21	562.25	563.75	555.50	556.00	-5.00↓
Sep-21	568.50	568.50	561.25	561.75	-4.50↓
Dec-21	576.00	577.00	570.25	571.75	-4.25↓

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