

Wheat Domestic Fundamentals:

Demand in wheat products remains weak despite the festive season, so its prices are not improving. According to traders, the wheat business has not yet come out of the recession environment due to limited demand of flour mills as there is a concern about the government's policies.

According to traders, Prices of Wheat were steady in Indore due to a rise in both bulk demand and supply, traders said. Arrivals were pegged at 7,000 bags (1 bag = 100 kg), as against 6,000 bags on Tuesday. In Jaipur, too, prices were flat amid steady arrivals and demand, the traders said. Arrivals were pegged at 5,000 bags.

As per latest update, area sown until 06th November-20 is 16.94 lakh hectares compared to 9.72 lakh hectare in the previous Rabi season. The normal area is 305.58 lakh hectares.

All India's weekly average prices decreased by 11.01 percent to Rs. 1827.84 per quintal during the week ended 15th Nov 2020. Wheat average prices were ruling at Rs 2229.07 per quintal during 09th - 15th Nov 2019. The wheat market has stabilized, and prices are likely to rise in the coming weeks due to festivals and higher export. The wheat prices are unlikely to drop much further because the PMGKY scheme may be discontinued in November as there's no official announcement that it will continue after November, so far.

Sowing of Rabi crops is going on in full swing across the country. Along with this, the government has recently announced good news for the farmers. Rajasthan's state government has decided to provide certified seeds to the farmers of the state at a 50 percent discount from the prescribed rate. For this, preparations have started to sell wheat seeds to reach up to rural service cooperative societies.

According to a Government official, the food ministry has proposed to halve the allocation of free rice and wheat to 2.5 kg per month but keep pulses at 1 kg. The food ministry has suggested tweaks in the free food grain plan, including a reduction in allocations, after the finance ministry indicated it is not keen on extending the scheme beyond November because of the strained fiscal situation. The food ministry has also proposed monthly extensions to the plan after reviewing the budgetary situation

The effect of stopping the wheels of goods trains in Punjab will affect the sowing of wheat. The agriculture department has only 7% Urea and 71% DAP fertilizer stock left. If trains do not run in time, farmers will not get Urea and DAP fertilizer. In such a situation, farmers may face difficulties in sowing wheat this year.

On Sunday, the Punjab government approved Wheat Seed Subsidy Policy-2020-21 of the Agriculture Department to provide certified wheat seed at 50% subsidy to farmers in the Rabi season. A total of 1.85 lakh quintals of certified seed, with Rs 18.50 crore worth of subsidy, will directly benefit approximately 2.5 lakh farmers under the policy.

As the government looks to liquidate its mounting stocks of wheat, flour millers have advised it to lower the rate at which wheat is sold for open market operations by Rs 500 a quintal. It sells its good quality wheat at Rs 2,135 a quintal and luster loss wheat at Rs 2,080 a quintal. Flour millers are demanding a further reduction of Rs 500/quintal in this price as it has not been revised since last December.

International Market Update:

Argentina's wheat harvest is seen at 16.7 million tonnes, slightly down from the previous 17 million tonne estimate due to a prolonged drought, the Rosario Grains Exchange (BCR) said.

Prices of Australian wheat offered in Asia slid this week below Black Sea values for the first time in at least four years, with the country forecast to harvest a near-record crop. Australia Premium White (APW) wheat is being quoted at \$275 a tonne, including (C&F), compared with a similar quality of Black Sea wheat at \$285 a tonne. Price is likely to drop further as the crop looks good. For the first quarter, Asian wheat buyers will shift to Australia because Prices are cheaper, and the quality is good.

In Pakistan, Economic Coordination Committee (ECC) has decided to propose to the Cabinet Rs 1600 as minimum support price (MSP) for wheat crop for fiscal year 2020-2021.

Argentine farmers are expected to harvest 16.8 million tonnes of wheat this season, the Buenos Aires Grains Exchange said in its weekly crop report on Thursday, citing months of dry weather as its reason for cutting its previous 17.5 million tonne estimate. Argentine wheat is harvested in December and January, with most of each crop exported to neighboring Brazil.

Wheat Futures Contract: NCDEX Price							Date: 12.11.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
21-Nov	0	-	-	-	1763				
21-Dec	0	-	-	-	1768				
21-Jan	0	-	-	-	2249				

Spread	Sep-20	Oct-20	Nov-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 12th-Nov-2020

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			12-Nov-20	11-Nov-20	
Delhi	Lawrence Road	Mill Delivery	1870	1870	Unch
	Narella	Mill Quality Loose	1725	Closed	-
	Nazafgarh	Mill Quality Loose	1680	Closed	-
Gujarat	Rajkot	Mill Delivery	1675	1670	5
	Ahmedabad	Mill Delivery	1780	1780	Unch
	Surat	Mill Delivery	1840	1840	Unch
	Dhrol	Mill Quality Loose	NA	1695	-
M.P.	Indore	Mill Delivery	Closed	1750	-
	Bhopal	Mill Quality Loose	Closed	1550	-
Rajasthan	Kota	Mill Quality Loose	1585	1600	-15
		Mill Delivery	1680	1725	-45
U.P.	Kanpur	Mill Delivery	Closed	1725	-
	Mathura	Mill Quality Loose	1640	1680	-40
	Kosi	Mill Quality Loose	1620	1690	-70
	Hathras	Mill Quality Loose	1630	1630	Unch
	Aligarh	Mill Quality Loose	1625	Closed	-
Punjab	Khanna	Mill Quality Loose	Closed	1660	-
	Ludhiana (Jagraon)	Mill Delivery	Closed	NA	-
Haryana	Sirsa	Mill Delivery loose	1750	1750	Unch
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1720	1720	Unch
	Karnal	Mill Delivery	NA	NA	-

	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	1975	1975	Unch
	Madurai	Mill Quality	2032	2032	Unch
	Coimbatore	Mill Quality	2032	2032	Unch
Bihar	Khagariya	Mill Delivery	Closed	1900	-
	Muzaffarpur	Mill Delivery	1700	1700	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			12-Nov-20	11-Nov-20	
Gujarat	Rajkot	Lokwan	1825	1825	Unch
M.P.	Indore	Lokwan	Closed	1900	-
	Bhopal	Lokwan	Closed	1900	-
	Bina	Sarbati 306	Closed	Closed	-
Rajasthan	Kota	Lokwan Bilty	1900	1900	Unch
	Baran	Lokwan	Closed	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			12-Nov-20	11-Nov-20	
Delhi	Lawrence Road	Mill Delivery	4000	5000	-1000
	Narella	Mill Quality Loose	600	Closed	-
	Nazafgarh	Mill Quality Loose	100	Closed	-
Gujarat	Rajkot	Mill Quality Loose	600	900	-300
	Dhrol	Mill Quality Loose	NA	79	-
M.P.	Indore	Mill Quality Loose	Closed	2000	-
Rajasthan	Kota	Mill Quality	5000	6000	-1000
U.P.	Kanpur	Mill Quality Loose	Closed	1000	-
	Mathura	Mill Quality Loose	200	340	-140
	Kosi	Mill Quality Loose	300	210	90
	Hathras	Mill Quality Loose	100	300	-200
	Aligarh	Mill Quality Loose	200	Closed	-
Punjab	Khanna	Mill Quality Loose	Closed	300	-
	(Ludhiana)Jagraon	Mill Quality Loose	Closed	NA	-
Haryana	Sirsa	Mill Quality Loose	200	300	-100
	Hodal	Mill Quality Loose	40	60	-20
	Bhiwani	Mill Quality Loose	300	600	-300
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	12-Nov-20	11-Nov-20	Change
Atta (50kg) Ordinary	1080	1080	Unch
Maida Grade 1 (50KG)	NA	NA	-
Suji (50kg)	1335	1335	Unch
Chokar (50 kg)	NA	NA	-
Chokar (34 kg)	NA	NA	-
Chakki Atta (50kg)	1090	1090	Unch
Chakki Atta (50kg) Special	NA	NA	-
Chakki Atta (90kg) Superfine	NA	NA	-
Chakki Atta (50kg) Superfine	NA	NA	-

Wheat (CBOT) Future Price: 11.11.2020					
Contract Month	Open	High	Low	Close	Change
Dec-20	607.00	613.50	595.50	598.00	-10.50↓
Mar-21	615.25	621.00	603.25	606.00	-10.25↓
May-21	618.00	622.75	605.75	608.50	-10.25↓
Jul-21	612.00	617.25	601.50	604.75	-9.00↓
Sep-21	616.00	619.50	604.50	607.25	-9.25↓
Dec-21	624.00	626.25	612.00	615.25	-8.75↓

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