

Wheat Domestic Fundamentals:

On Sunday, Bangladesh with Bhutan signed its maiden Preferential Trade Agreement (PTA) to boost bilateral trade between the two countries. Meanwhile, 34 Bhutanese products that will get duty-free access to the Bangladeshi market include wheat or meslin flour, homogenized wheat bran preparations.

As per latest update, area sown until 04th November-20 is 204.41 lakh hectares compared to 202.72 lakh hectare in the same period of previous year Rabi season. Which is higher by 1.69%. The normal area is 303.28 lakh hectares.

In Indore, Madhya Pradesh, mill-quality Wheat prices rose, despite weak demand from bulk buyers such as stockists and restaurants, because of a fall in supply, traders said. Arrivals were pegged at 4,000 bags (1 bag = 100 kg), down from 6,000 bags on Saturday. In Jaipur, Rajasthan, prices rose because of low supply, traders said. Arrivals were pegged at 1,000 bags against 1,200 bags on Saturday. Due to High export, the Wheat market is bullish as retail demand increases in physical markets as the government's PMGKAY scheme for free food of public distribution system ended in November 30, which is unlikely to continue further.

Indian traders have signed two deals to export around 200,000 tonnes of wheat to Bangladesh. According to market sources, The traders are exporting wheat at \$210-\$220 per tonnes, FOB, and \$250-\$260 per tonnes, free on board, under the two deals in the coming few weeks. The export price of Indian wheat has been falling as domestic prices have weakened over the past few months.

Over 46 lakh hectares of wheat sowing have been complete in Madhya Pradesh after favorable conditions for the state's rabi crops. This year, the target for sowing rabi crops has been increasing by about 2 lakh hectares. The agriculture minister said sowing of wheat was completed in 46.74 lakh hectares area till November 23, almost 10 lakh hectare more than last year when the farmers could complete wheat sowing only in 37.27 lakh hectares of land.

The Wheat market saw a deep impact of the rumor, according to which the Central Government has extended the period of free grain distribution till March 2021 under the Public Distribution System (PDFS), which leads price down on Wednesday. Similarly, the scheme is coming to an end in November 2020 and still, there's no official confirmation from the government so far.

According to traders, Wheat prices rose in Indore as supply declined. Arrivals will gradually dry up as most stockists have already offloaded in bulk before Diwali, said traders. Arrivals of wheat were pegged at 5,000 bags (1 bag = 100 kg), as against 6,000 bags the previous day. Prices of the food grain also rose in Jaipur because of lower arrivals, traders said. Arrivals were estimated at 2,000 bags, down from 3,000 bags on Saturday.

According to Government, Wheat stored in the Punjab and Haryana needs to shift out to make space for rice. These two states particularly have huge wheat stocks, and all of them cannot be moved out to the existing CAP (covered and plinth). So we are planning to ask some states to create more storage space, "It has become necessary for the Centre to move the Wheat as FCI has a high surplus of Wheat in the central pool. As of Oct 1, the government's Wheat stocks were at 43.70 MMT.

As per trade source, India has Import around 6380 MT in the month of October-2020 after March-2020. The quantity in October-2020 was imported at an average FOB of \$ 304.90 per tonnes.

International Market Update:

Ukraine has exported 21.08 million tonnes of grain so far in the season, which runs from July 2020 to June 2021, the economy ministry said on Friday. That is 11.3% lower than exports for the same period of the previous season because of lower corn and wheat sales amid a weaker harvest. Exports of wheat have declined to 11.83 million tonnes from 13.15 million tonnes.

Brazil has extended a tariff-free quota for wheat imported from outside the Mercosur trade bloc for another year, leaving the door open to other grain exporters as forecasts for this year's crop in neighboring Argentina continue to be revised lower.

Zimbabwe expects to harvest 190 000 MT of wheat, the highest in the ten years, as the Govt. seeks to reduce its import bill. However, they would still import wheat as the local crop cannot make quality bread due to the conditions in which the cereal is grown and is suitable only for making biscuits.

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 (RGP) said.

Wheat Futures Contract: NCDEX Price							Date: 07.12.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-Dec	NA	-	-	-	1739				
21-Jan	NA	-	-	-	2249				
21-Feb	NA	-	-	-	2206				

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 07th-Dec-2020

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			7-Dec-20	5-Dec-20	
Delhi	Lawrence Road	Mill Delivery	1830	1820	10
	Narella	Mill Quality Loose	1720	1710	10
	Nazafgarh	Mill Quality Loose	1710	1700	10
Gujarat	Rajkot	Mill Delivery	1700	1675	25
	Ahmedabad	Mill Delivery	1765	1750	15
	Surat	Mill Delivery	1825	1800	25
	Dhrol	Mill Quality Loose	1585	1560	25
M.P.	Indore	Mill Delivery	1750	1730	20
	Bhopal	Mill Quality Loose	1620	1600	20
Rajasthan	Kota	Mill Quality Loose	1630	Closed	-
		Mill Delivery	1760	Closed	-
U.P.	Kanpur	Mill Delivery	1660	1640	20
	Mathura	Mill Quality Loose	1660	1600	60
	Kosi	Mill Quality Loose	1650	1600	50
	Hathras	Mill Quality Loose	1580	1580	Unch
	Aligarh	Mill Quality Loose	1590	1590	Unch
Punjab	Khanna	Mill Quality Loose	1640	1620	20
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1750	1750	Unch
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1700	1720	-20
	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	1650	1650	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			7-Dec-20	5-Dec-20	
Gujarat	Rajkot	Lokwan	1825	1825	Unch
M.P.	Indore	Lokwan	2200	2000	200
	Bhopal	Lokwan	2100	2000	100
	Bina	Sarbati 306	2400	2400	Unch
Rajasthan	Kota	Lokwan Bilty	1950	Closed	-
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			7-Dec-20	5-Dec-20	
Delhi	Lawrence Road	Mill Delivery	5000	7500	-2500
	Narella	Mill Quality Loose	300	200	100
	Nazafgarh	Mill Quality Loose	200	100	100
Gujarat	Rajkot	Mill Quality Loose	900	1300	-400
	Dhrol	Mill Quality Loose	116	149	-33
M.P.	Indore	Mill Quality Loose	4000	2000	2000
Rajasthan	Kota	Mill Quality	4000	Closed	-
U.P.	Kanpur	Mill Quality Loose	400	600	-200
	Mathura	Mill Quality Loose	400	200	200
	Kosi	Mill Quality Loose	200	100	100
	Hathras	Mill Quality Loose	150	150	Unch
	Aligarh	Mill Quality Loose	300	300	Unch
Punjab	Khanna	Mill Quality Loose	200	400	-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	200	200
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	7-Dec-20	5-Dec-20	Change
Atta (50kg) Ordinary	1040	1040	Unch
Maida Grade 1 (50KG)	NA	NA	-
Suji (50kg)	1295	1295	Unch
Chokar (50 kg)	NA	NA	-
Chokar (34 kg)	NA	NA	-
Chakki Atta (50kg)	1050	1050	Unch
Chakki Atta (50kg) Special	NA	NA	-
Chakki Atta (90kg) Superfine	NA	NA	-
Chakki Atta (50kg) Superfine	NA	NA	-

Wheat (CBOT) Future Price: 04.12.2020

Contract Month	Open	High	Low	Close	Change
Dec-20	563.75	566.50	563.75	566.50	-5.25↓
Mar-21	585.00	585.50	575.25	575.50	-9.00↓
May-21	587.00	588.75	578.50	578.75	-9.00↓
Jul-21	587.50	588.00	578.50	579.50	-8.00↓
Sep-21	590.75	591.75	582.50	583.75	-7.75↓
Dec-21	598.75	600.75	591.00	592.25	-7.75↓

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