

Wheat Domestic Fundamentals:

As per trade sources, India has exported around 1.85 lakh tonnes in the month of November-2020 at an average FOB of \$468.24 per tonnes, higher this year and the major destinations were Bangladesh, Sri Lanka, Nepal and UAE. Exports are likely to be at higher side as other countries are providing wheat at higher prices. High export will going to support the domestic market in near term.

According to senior government official, the farm ministry will send a Budget proposal for its flagship National Mission on Edible Oils of 50 bln rupees a year to the finance ministry, If the proposal got approved, then it will be used to promote oilseed cultivation and incentivize farmers to shift to oilseed crops from other remunerative crops; under the mission, the government aims to provide subsidy on good quality seeds and fertilizers to farmers and also soft loans to the processing industry. It will focus on growing more oilseeds like mustard, groundnut in Punjab, Haryana, and Uttar Pradesh, the leading wheat growers. The focus will also be on setting up around 150 oilseed hubs to produce high-yielding, drought-tolerant, and short duration seed varieties. Which is surely going to affect the area of wheat in future.

According to traders, Prices of Wheat rose in Indore today due to increased bulk demand before Christmas amid steady arrivals of the food grain, traders said. Arrivals were pegged steady at 3,000 bags (1 bag = 100 kg). In Jaipur, wheat prices rose as bulk demand increased while arrivals were steady, traders said. Arrivals were largely unchanged at 1,500 bags. The outlook is bullish as retail demand is likely to pick up with the government's scheme to provide free food grain to public distribution system beneficiaries having ended in November..

In this rabi season, the area under wheat sowing has decreased in Jhansi (U.P), while pulses and oilseeds have increased. It is believed that the attitude of farmers has changed due to lack of water. Pulses and oilseeds consume less water than wheat.

With the farmers protesting at the Delhi/NCR borders against the three new farm laws, wheat cultivation back home in their States of Punjab, Haryana, and Rajasthan has taken a hit in the current rabi season. States like Madhya Pradesh and Maharashtra, from where not many farmers have participated in the protests, have sown more wheat or rabi crops this year.

As per latest update, area sown to wheat, has increased marginally by 2.53% to 254.73 lakh hectares so far in the ongoing 2020-21 rabi season from 248.44 lakh hectares in the year-ago period. The overall trend of rabi sowing progress is excellent with Increased area coverage has been recorded.

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.

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:

US wheat futures edged higher on Tuesday, as prices rebounded from a 3% decline marked in the previous session, amid expectations of stronger demand for US supplies after leading exporter Russia moved to limit exports.

World wheat prices remained firm this month, mostly due to dry weather impacting the start of the growing season in the Northern Hemisphere and unfavorable production conditions in Argentina. Strong global export demand drove further price spikes in Canada, European Union, Russia, and the United States, demonstrated by robust export sales reports this month. Concerns about the rise in COVID-19 infections worldwide and recent rains in Russia and the U.S. Plains softened price increases more recently.

Australian numbers updates from local analysts wheat crop expectations rise to 35 MMT. Australia in October 2020 exported only 367.6 thousand MT of Wheat, which is 17% less than in September and the worst October export since 2007.

Wheat Futures Contact: NCDEX Price							Date: 19.12.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-Dec	NA	-	-	-	1728				
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 19th-Dec-2020

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			19-Dec-20	18-Dec-20	
Delhi	Lawrence Road	Mill Delivery	1830	1840	-10
	Narella	Mill Quality Loose	1720	1720	Unch
	Nazafgarh	Mill Quality Loose	1700	1700	Unch
Gujarat	Rajkot	Mill Delivery	1720	1720	Unch
	Ahmedabad	Mill Delivery	1760	1765	-5
	Surat	Mill Delivery	1815	1815	Unch
	Dhrol	Mill Quality Loose	1610	1565	45
M.P.	Indore	Mill Delivery	1700	1700	Unch
	Bhopal	Mill Quality Loose	1520	1500	20
Rajasthan	Kota	Mill Quality Loose	1625	1600	25
		Mill Delivery	1750	1725	25
U.P.	Kanpur	Mill Delivery	1660	1660	Unch
	Mathura	Mill Quality Loose	1625	1620	5
	Kosi	Mill Quality Loose	1600	1640	-40
	Hathras	Mill Quality Loose	1590	1580	10
	Aligarh	Mill Quality Loose	1600	1600	Unch
Punjab	Khanna	Mill Quality Loose	1600	1600	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1750	1750	Unch
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1730	1740	-10
	Karnal	Mill Delivery	NA	NA	-

	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2000	1950	50
	Madurai	Mill Quality	2057	2007	50
	Coimbatore	Mill Quality	2057	2007	50
Bihar	Khagariya	Mill Delivery	1900	1900	Unch
	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
			19-Dec-20	18-Dec-20	
Gujarat	Rajkot	Lokwan	1825	1850	-25
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	1800	1750	50
	Bina	Sarbati 306	2400	2400	Unch
Rajasthan	Kota	Lokwan Bilty	1975	1950	25
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			19-Dec-20	18-Dec-20	
Delhi	Lawrence Road	Mill Delivery	5000	5000	Unch
	Narella	Mill Quality Loose	200	300	-100
	Nazafgarh	Mill Quality Loose	100	100	Unch
Gujarat	Rajkot	Mill Quality Loose	1500	1000	500
	Dhrol	Mill Quality Loose	985	1175	-190
M.P.	Indore	Mill Quality Loose	2500	2000	500
Rajasthan	Kota	Mill Quality	3000	7000	-4000
U.P.	Kanpur	Mill Quality Loose	500	300	200
	Mathura	Mill Quality Loose	300	500	-200
	Kosi	Mill Quality Loose	200	500	-300
	Hathras	Mill Quality Loose	100	150	-50
	Aligarh	Mill Quality Loose	400	300	100
Punjab	Khanna	Mill Quality Loose	500	500	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	50	100	-50
	Bhiwani	Mill Quality Loose	300	200	100
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	19-Dec-20	18-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: 18.12.2020					
Contract Month	Open	High	Low	Close	Change
Mar-21	599.75	610.00	598.50	608.75	+10.25↑
May-21	600.50	611.00	599.75	609.75	+10.00↑
Jul-21	595.75	605.00	594.50	604.00	+9.00↑
Sep-21	597.75	607.50	597.00	606.50	+9.50↑
Dec-21	605.25	614.50	603.75	613.50	+9.75↑
Mar-22	612.75	620.25	610.75	620.25	+10.00↑

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