Wheat Monthly Research Report

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Market Dynamics: (Back to Table of Contents)

Price Trend: *All India average monthly prices for wheat surged by 1.19 percent from Rs 2029.01 in May -2020 to Rs 2053.19 per qtl in June -2020. Average price in June -2020 is higher by 3.34 percent compared to Rs 1984.76 per quintal registered in June-2019. Prices are expected to improve from here as festive season is about start from July and demand for wheat products will start increasing. Prices are likely to trade steady to firm.*

AW Production Estimate: *Agriwatch has pegged production at 103.20 MMT compared to 97.00 MMT last year. Production is higher this year due to better yields and higher area compared to last year. Total availability is likely to increase from 116.67 MMT in 2019-20 to 124.12 MMT this year.*

Export: *At export front, prevailing market conditions are not in favour of Indian exporters due to huge price gap. The difference is around $38-39 per tonne from Black Sea Region. Russia/Ukraine is offering wheat at $198.64/197.73 per tonne on FoB basis while Indian FoB at Kandla port comes to $248.17 per tonne. India exported 43.88 thousand tonne wheat in June'20. Total export in MY 2018-19 was registered around 2.26 lakh tonne.*

Import: *As per trade sources, there was no import reported in month of May, India has imported 199.94 tonnes of Australian wheat during the month of March'20. At import front, government has increased import duty from 30 percent to 40 percent to reduce flow of imports and provide support to domestic prices. Imports are expected to be low this year due to good domestic availability and increase in import duty. The imported wheat is solely for the purpose of mixing to improve the overall quality of wheat.*

FoB/CiF Quotes: *Indian FoB quote is based on local price. There is no export in bulk volume currently. Indian FoB quote is hovering between $234.69-252.22 per tonne. Against it, Ukraine, France, US and Australia were offering wheat at $194-$202, $201.81-$213.57, $198.74-218.10 and $223.04-254.06 per tonne respectively. Wheat prices in international markets noticed firm tone in June'20.*

Supply-Demand: *Supply side for FAQ is likely to be good as ample stock is available in domestic market due to three consecutive good production years. Government has procured 38.83 MMT in MY 2019-20 higher by 6.6 MMT compared to MY 2018-19. Demand from south Indian millers is good after application of 40% import duty. With disparity on import front demand from mills increased for local wheat.*

Wheat Third Advance Estimate: *As per third advance estimate, India is likely to produce 107.20 MMT of wheat compared to 103.60 MMT in previous year. The total food grain production is expected at record 295.67 MMT compared to 285.21 MMT last year. Wheat prices are expected to witness steady to firm tone due to upcoming festive season, starting from mid-July.*

E-Auction: *Government has sold 1236300 tonnes of wheat under OMSS in june'20. State government and bulk consumers bought 804600 tonnes and 1130300 tonnes of wheat respectively. In the month of Mayl'20 government has sold 9850 tonnes in the second tender against offered quantity of 4972878 tonnes. The reserve price of wheat under OMSS has been reduced to Rs 2,135/quintal for fair average quality (FAQ) and to Rs 2,080/quintal for lower quality. The benchmark price was Rs 2,245/quintal for the January-March period of 2019-20. Selling continues so as to storage space could be created for other crops due from Aug onward.*

Procurement Target: *Government has fixed wheat procurement target at 40.70 MMT for 2020-21. Last year government surpassed its procurement target of 32 MMT and procured 35.5 MMT. For the marketing year 2020-21, procurement is completed at 38.83 MMT in June.*

Outlook & Recommendation: *Wheat market is expected to trade range bound steady to firm in coming weeks.*

Trade Call: *Market participants are advised to sell wheat at 1895 levels for a target of 1795 with a stop loss at 1955 on closing basis.*

India's Wheat Quarterly Balance Sheet For 2020-21:

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	Wheat MY Runs From April To March (Figures in MMT)	2019-20	2020-21
A	**Carry in**	**19.67**	**20.92**
B	Production	97.00	103.21
C	Imports	0.00	0.00
D	**Total Availability (A+B+C)**	**116.67**	**124.13**
E	Consumption	95.50	96.50
F	Exports	0.25	0.20
G	Total Usage (E+F)	95.75	96.70
H	**Carry out (D-G)**	**20.92**	**27.43**
I	Av Monthly Consumption	7.96	8.04
J	Stock to Month Use	2.63	3.41
K	Stock to Consumption Ratio	0.03	0.04

**Agriwatch Wheat Production Estimate for Marketing Year 2020-21*

Supply-Demand Highlights:

As per Agriwatch production estimate is likely to be around 103.21 MMT compared to 97.00 MMT last year. Production is higher this year due to increase in yield and area. Total availability is likely to increase to 124.12 MMT from 116.67 MMT in MY 2019-20.

Carry out is expected to be around 27.42 MMT for 2020-21 compared to 20.92 MMT for 2018-19. Domestic availability of wheat is good. Prices are likely to trade range –bound to weak. Good domestic availability will ensure that there are no unexpected surge in prices.

As per market sources, wheat stock in central pool as on 1st June'20 stood at 558.25 lakh tonnes higher by 35.92% compared to last month. This quantity is higher by around 19.90% compared to last year for the same month. Government has already applied import duty on wheat to curb imports and provide support to domestic prices. Therefore, government has abundant supplies this year to tackle any unexpected rise in wheat prices and demand by selling more quantity in open market.

Domestic Market Highlights:

In the ongoing corona pandemic crisis, government agencies have procured a record 388.34 lakh tons of wheat from farmers till June end. which is nearly seven lakh tons more than in the corresponding period last year. This year, Madhya Pradesh has contributed the largest quota of wheat for the Central pool at 129.34 lakh tons, followed by Punjab where government agencies have procured 127.11 lakh tons of wheat from farmers. As per the FCI data on wheat procurement till June, in the current rabi marketing year 2020-21, government agencies across the country have procured 388.34 lakh tons of wheat, which is 11.66 per cent more than in the corresponding period last year.

The distribution of free wheat grain under the Pradhan Mantri Gareeb Kalyan Anna Yojana is extended till November end in which 80 crore people to get free ration for five more months. The eligible beneficiaries will receive 5kg of food grains till November. 5 kgs of wheat or rice will be given free of cost to the poor, As the prime reason behind the extension of the PMGKAY, would be seeing a number of upcoming festivals. India currently holds about 100 million tonnes of food grain in its stock, while the buffer stock norm for July 1 is 41 million tonnes. This is after the provision of additional food grains for the last three months. So, there is no shortage of food grains as per the latest statement of minister for Consumer Affairs, Food and Public Distribution.

According to the Govt. FCI, which buys grain from farmers at a state-set guaranteed price of Rs.1925, has bought a record 38.83 million tonnes of wheat, a government statement showed. Last year, the FCI procured 34.13 million tonnes of wheat. It now looks like that we'll end up buying 40.5 to 41 MMT this year. In 2012, the FCI bought a-record 38.18 million tonnes of wheat, exposing stocks to rot.

As per market sources, wheat stock in central pool as on 1st June'20 stood at 558.25 lakh tonnes high by 35.92% compared to last month. This quantity is higher by around 19.90% compared to last year for the same month. Government has already applied import duty on wheat to curb imports and provide support to domestic prices. Therefore, government has abundant supplies this year to tackle any unexpected rise in wheat prices by selling more quantity in open market.

Previous Updates:

Madhya Pradesh takes over Punjab in wheat procurement for rabi season 2020-21. The state has procured 127 lakh tonne or 33 percent of the total procured wheat by all the states of the country. Wheat procurement in Madhya Pradesh has increased by 74 percent as compared to last year's 73.69 lakh tonne at the minimum support price.

Sowing Status:

State Wise Wheat Sowing in Lakh Hectares					
State	**Normal area (2020)**	**2018**	**2019**	**2020**	**% Change 2020 vs. 2019**
Bihar	20.96	23.27	22.87	22.71	**8.35**
Chhattisgarh	1.05	1.85	1.68	1.82	**73.33**
Gujarat	10.92	10.76	8.07	13.95	**27.75**
Haryana	25.35	25.26	25.16	24.90	**-1.78**
Himachal Pradesh	3.39	3.6	3.50	3.40	**0.29**
J&K	2.96	2.93	2.44	2.21	**-25.34**
Jharkhand	1.76	2.31	1.87	2.12	**20.45**
Karnataka	1.88	2.09	1.50	1.97	**4.79**
Madhya Pradesh	57.27	53.16	60.00	79.68	**39.13**
Maharashtra	10.74	9.4	5.69	10.71	**-0.28**
Punjab	35.06	35.1	35.02	35.08	**0.06**
Rajasthan	29.75	30.2	28.25	33.15	**11.43**
Uttar Pradesh	97.48	98.67	99.13	99.05	**1.61**
Uttarakhand	3.42	3.58	3.45	3.48	**1.75**
West Bengal	2.89	1.36	1.05	1.76	**-39.10**
Others	0.20	0.75	0.23	0.11	**-45.00**
All-India	**305.58**	**304.29**	**299.68**	**336.18**	**10.01**

Source: Ministry of Agriculture

Wheat Procurement RMS 2019-20 (Source: FCI)

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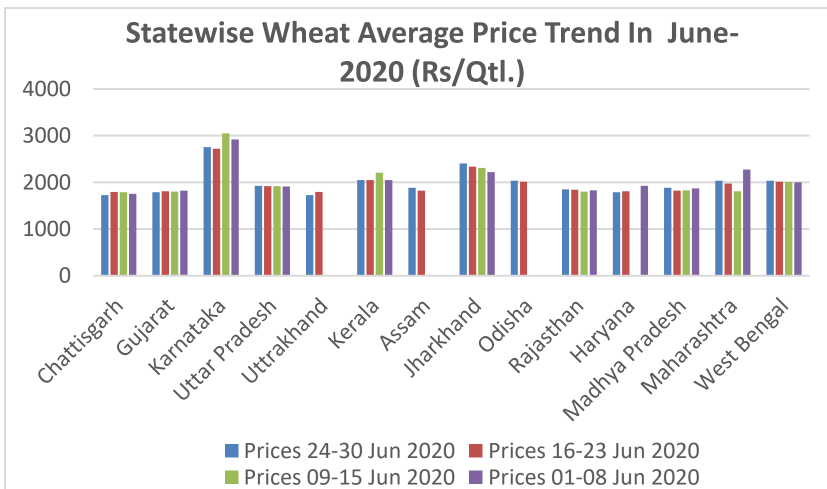
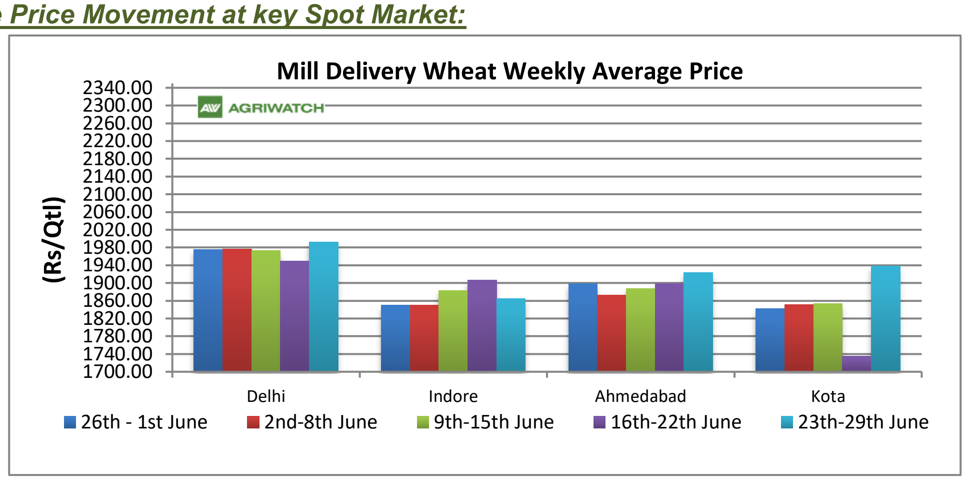
State/UTs	Procurement as on 29th June-2020 (Figures in LMT)		
	FCI (A)	State Agency (B)	Total (A+B)
Punjab	14.19	112.93	127.12
Haryana	6.70	67.28	73.98
Uttar Pradesh	1.33	33.80	35.13
Madhya Pradesh	0.00	129.35	129.35
Bihar	0.00	0.05	0.05
Rajasthan	15.79	5.83	21.62
Others	0.14	0.78	0.89
All-India	**38.15**	**350.19**	**388.34**

Monthly Average Price Comparison:



All India average monthly prices for wheat increased by 1.19 percent from Rs 1986.74 in May -2020 to Rs 2029.01 per quintal in June -2020. Average prices remained mostly weak in all states of Gujarat, Chattisgarh, Uttarakhand, Madhya Pradesh, Assam and Rajasthan. Prices are likely to notice weak to firm tone due to higher demand after lockdown and festive season in the country. However small technical recovery can be expected in between. Official procurement of wheat is completed. Furthermore, with progression of season demand is likely to increase as no import parity will leave traders and millers dependent on domestic wheat only. Traders are advised to sell on any recovery.

Mill Delivery Wheat Weekly Average Price Movement at key Spot Market:



Average mill delivery prices of Wheat remained high except in Indore, during 23th -2th June 2020. Markets are open in the country after following lockdown. Market is likely to trade steady to firm in upcoming week. Harvesting of the new crop and official procurement of the wheat has already completed. Government completed his procurement target of 40.7 MMT this season. ***Wheat Delhi***

Average Monthly Price:

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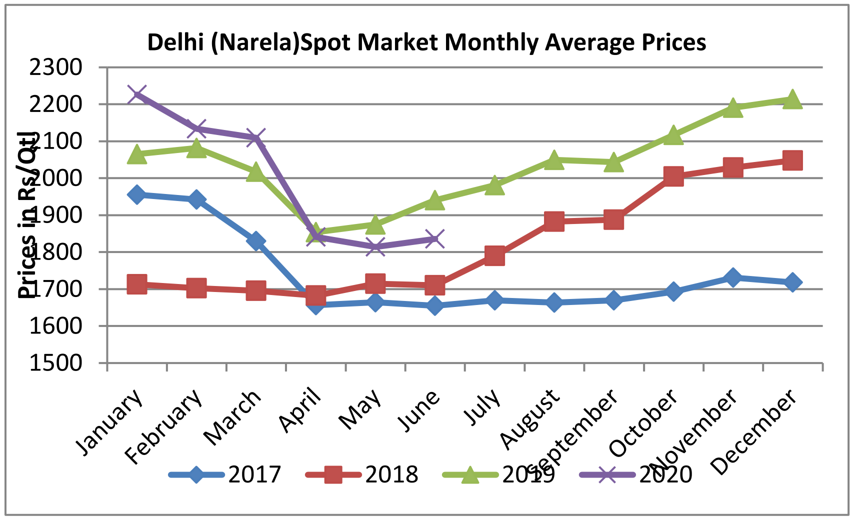
Wheat spot market Delhi (Narela) average price increases from Rs 1814.09 per quintal in May-2020 to Rs 1835.90 per quintal in June-2020. Prices are likely to touch Rs 1800-2000 per quintal in Narela market in upcoming weeks.

The prices are increased by 1.20 percent compared to last month and firm by 5.71 percent compared to corresponding month last year. Arrivals in Narela have declined by 450 quintal 1472.72 quintal May to 1022.72 quintal in the month of June-2020.



Wheat Exports:

According to latest update, India exported around 41.5 thousand tonne wheat in the month of May-2020.

It is around 3.02 thousand tonnes lower compared to export quantity (43.15 thousand tonne) in Apr-2020. Overall condition for Indian wheat export is not favourable and export volume would remain low in coming months.

Export volume would increase but not much as prices in domestic market still ruling higher and other exporting countries are offering wheat at cheaper price ($20 to $39 per tonne lower from domestic price) with assured quality and delivery schedule. Huge gap between prices continue to affect wheat export from India.

Source: DGCIS/Private Traders

Year/Month	Wheat Export (Lakh Tonnes)	Average FoB ($/T)	CBOT Average Quotes ($/MT)
Apr-14 to Mar-15	*29.24*	*279.96*	*230.37*
Apr-15 to Mar-16	*6.66*	*294.88*	*179.9*
Apr-16 to Mar-17	*2.65*	*338.38*	*157.04*
Apr-17 to Mar-18	*3.22*	*NA*	*162.36*
Apr-18 to Mar-19	*2.26*	*389.15*	*185.15*
19-May	9.73	333.26	168.68
19-Jun	6.13	375.13	192.83
19-Jul	23.57	363.97	186.19
19-Aug	17.02	314.51	174.70
19-Sep	10.64	373.12	175.46
19-Oct	11.96	304.90	186.03
19-Nov	21.40	298.15	186.75
19-Dec	18.31	286.37	197.88
20-Jan	25.85	305.64	207.58
20-Feb	11.15	312.07	201.42
20-Mar	8.48	722.48	198.98
20-Apr	43.8	136.52	187.31
20-May	41.5	109.70	192.6
Total 2019-20(000T)	249.54	332.30	185.72

Wheat Import:

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India imported around 5.02 lakh tonne wheat during MY 2015-16. In 2017-18 MY India imported 1.6 MMT compared to around 6 MMT in last MY 2016-17.

India has imported 0 tonnes of wheat during the month of May-2020. Prior to this India has imported 0.19 thousand tonnes of wheat in Feb-20. Imports are expected to remain at lower side this year due to good domestic availability.

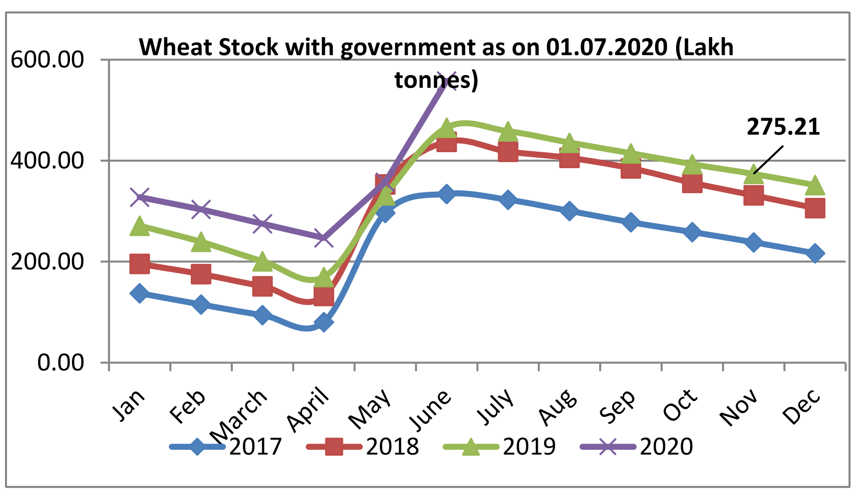
FoB quote in Black Sea region are hovering around $203.00 per tonne in Russia and $198.00 per tonne in Ukraine. United States and France are also providing wheat at $245.17 per tonne and Euro 190.75 per tonne. Government has increased import duty from 30% to 40% in order to curb imports and provide support to domestic prices.

Source: DGCIS/Private Traders

Year/Month	Wheat Import (In Thousand Tonne)	Average CiF ($/T)	CBOT Average Quotes ($/MT)
Apr-18 to Mar-19	*1.00*	*239.52*	*185.15*
19-Apr	0.49	378.05	165.43
19-May	0.00	NA	168.68
19-Jun	0.00	NA	192.83
19-Jul	0.00	NA	186.19
19-Aug	0.00	NA	174.70
19-Sep	0.59	326.42	175.46
19-Nov			
19-Dec			
20-Jan	0.12	373.74	207.58
20-Feb	0.60	281.63	201.42
20-Mar	0.19	935.29	198.98
20-Apr	NA	NA	NA
Total 2019-20	1.801	339.96	185.72

Wheat Stock with the Government

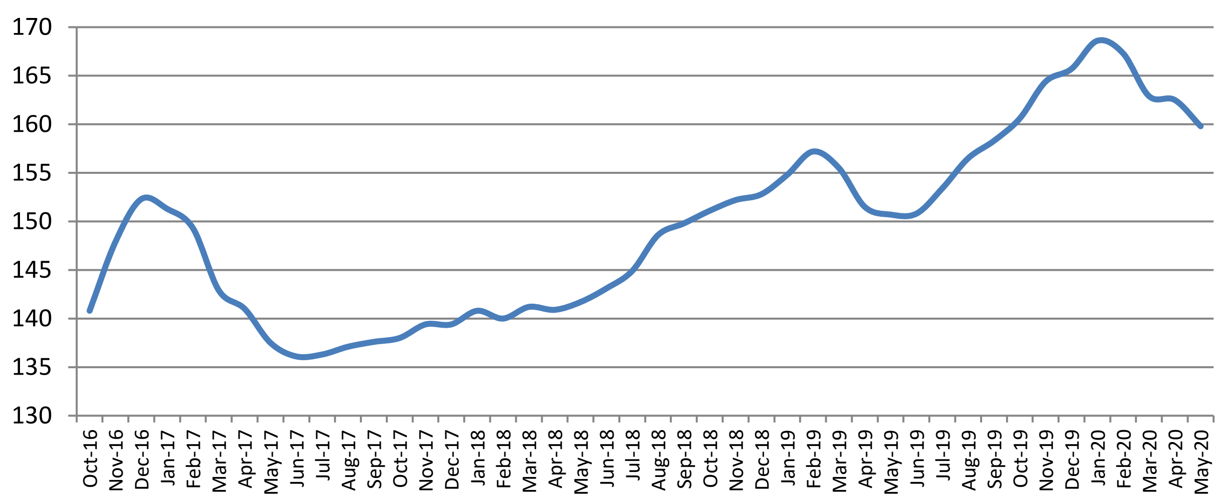
Wheat stock in government's warehouses on 01.07.2020 was around 558.25 lakh tonnes. It is higher by 35.92 % from May-2020. Stock in central pool as on 01st June'20 is higher by 19.90 percent compared to last year for the same month. Government has procured around 34.10 MMT of wheat in MY 2019-20. Government has increased its procurement target to 38.83 MMT for MY 2019-20.



The reserve price of wheat under OMSS has been reduced to Rs 2,135/quintal for fair average quality (FAQ) and to Rs 2,080/quintal for lower quality. The benchmark price was Rs 2,245/quintal for the April-June period of 2019-20. When the OMSS scheme was announced in April last year, the government had fixed reserve price of wheat for each quarter during FY20. The objective was to liquidate more wheat with minimum losses. Reduction has been made to make space for the procurement of the new crop. According to trade sources, about 1.7 MT of wheat has been sold under OMSS, however official data showed it was less than a million tonne until November 28, 2019.

Wheat Inflation: (Back to Table of Contents)

Month/Year	2016	2017	2018	2019	2020
Jan	134.1	151.3	140.8	154.8	168.6
Feb	134.1	149.3	140.0	157.8	167.30
Mar	134.1	142.9	141.2	155.5	162.90
Apr	132.9	141.0	140.9	151.5	162.50
May	134.5	137.5	141.7	150.7	159.80
Jun	136.5	136.1	143.1	150.8	
Jul	137.9	136.3	144.9	153.4	
Aug	139.1	137.1	148.6	156.5	
Sep	140.0	137.6	149.8	158.3	
Oct	140.8	138.0	151.1	160.6	
Nov	147.9	139.4	152.2	164.4	
Dec	152.3	139.4	152.8	165.7	



Wheat WPI has decreased from 162.5 in April-2020 to 159. in May-2020. Monthly wheat inflation has declined by 2.6 percent in May-2020 compared to previous month. As compared to May-2019 wheat WPI has increased by around 0.07 percent. Wheat WPI is expected to stay steady to weak in coming month. Food grains WPI declined by 5.9 in February-20 to 154.90 compared to January-20. Weight: 1.02823, base year-2011-12=100

Monthly Average Spot Prices

Monthly Average Prices At Various Market(Rs/Quintal)					
Month	**Delhi**	**Indore**	**Kota**	**Rajkot**	**Chennai**
19-Mar	2092.08	1965.94	1964.78	1924.72	2242.39
19-Apr	1940.42	1861.18	1828.64	1865.65	2168.18
19-May	1954.81	1957.12	1978.46	1967.78	2278.85
19-Jun	2011.2	1972.63	1973.7	1952.17	2310.87
19-Jul	2084.07	2065.58	1997.59	2012.2	2312.96
19-Aug	2149.4	2147.73	2076.59	2102.89	2395.45
19-Sep	2155.6	2152.73	2060	2095.65	2366.25
19-Oct	2213.96	2194.55	2128.1	2132.5	2358.33
19-Nov	2267	2236.8	2157.2	2220.38	2430
19-Dec	2273.6	2252.38	2152.71	2221	2462.5
20-Jan	2290.6	2302.62	2250.21	2291.8	2585.42
20-Feb	2209.1	2170.65	2141.52	2176.67	2510.67
20-Mar	2184.41	1972.5	2016.18	1783.52	2350
20-Apr	1964.16	1972.5	1729.33	1772.27	2350
21-May	1966.92	1972.5	1837.89	1813.07	2350
21-Jun	1973.26	1885.76	1745.38	1799.40	2350

Source: Agriwatch

Monthly Price Comparison of Spot Markets

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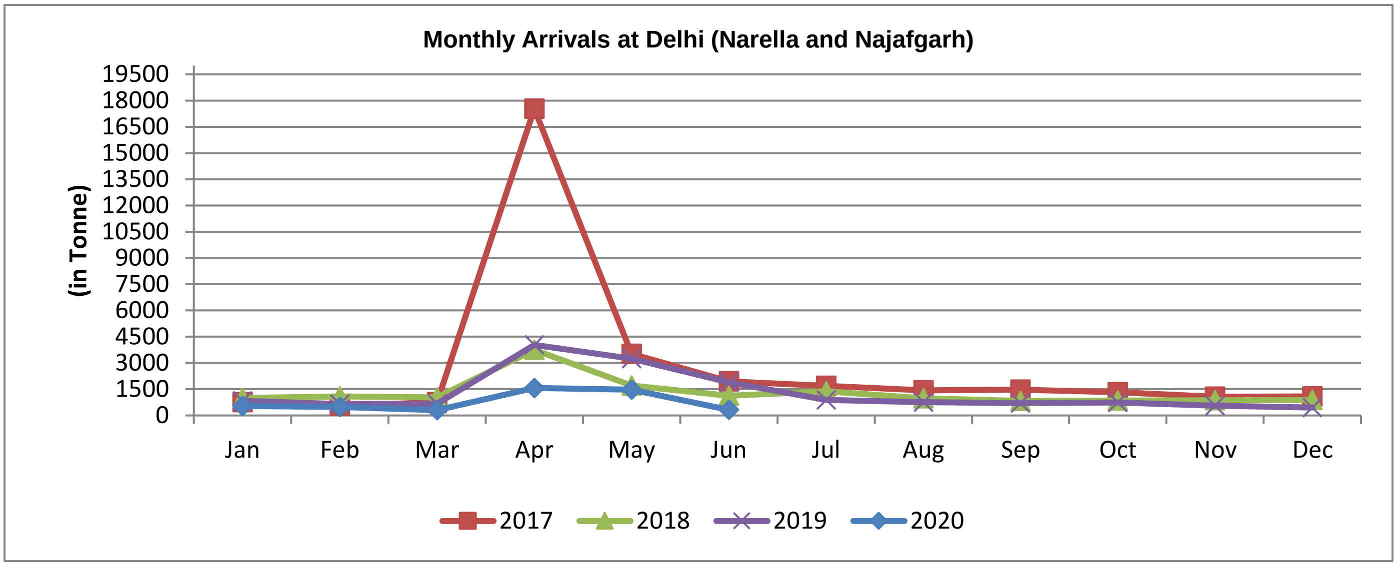
Spot Market Price:							
Centre	Market	Variety	Prices (Rs/Qtl.)				
			Today	Yesterday	Week Ago	Month Ago	Year Ago
			05-Jul-20	04-Jul-20	29-Jun-20	06-Jun-20	06-Jul-19
Delhi	Lawrence Road	Mill Delivery	0	1995	1990	1975	2035
	Narella	Mill Quality Loose	0	1870	1870	1815	1950
	Nazafgarh	Mill Quality Loose	0	1810	1800	NA	1930
Gujarat	Rajkot	Mill Delivery	0	1810	1840	1780	1940
	Ahmedabad	Mill Delivery	0	1875	1920	1880	2040
	Surat	Mill Delivery	0	1925	1960	1940	2080
	Dhrol	Mill Delivery	0	NA	NA	0	1860
M.P.	Indore	Mill Delivery	0	1925	1900	1900	2020
	Bhopal	Mill Quality Loose	0	1750	1800	1750	1850
Rajasthan	Kota	Mill Quality Loose	0	1770	1760	1710	1850
		Mill Delivery	0	1880	1870	1850	1960
U.P.	Kanpur	Mill Delivery	0	2000	2020	2000	1930
	Mathura	Mill Quality Loose	0	1820	1850	1800	1810
	Kosi	Mill Quality Loose	0	1850	1820	1830	1925
	Hathras	Mill Quality Loose	0	1800	1800	1850	1825
	Aligarh	Mill Quality Loose	0	1820	1800	1800	1860
Punjab	Khanna	Mill Quality Loose	0	1800	1800	1925	1930
	Ludhiana (Jagraon)	Mill Delivery	0	NA	NA	0	0
Haryana	Sirsa	Mill Delivery loose	0	1870	1875	1920	1940
	Hodal	Mill Delivery	0	NA	NA	0	0
	Bhiwani	Mill Quality Loose	0	1600	1700	1900	1950
	Karnal	Mill Delivery	0	NA	NA	0	0
	Panipat	Mill Quality Loose	0	NA	NA	0	0
Tamil Nadu	Chennai	Mill Quality	0	2150	2150	2150	2300
	Madurai	Mill Quality	0	2300	2300	2250	2475
	Coimbatore	Mill Quality	0	2350	2350	2300	2525
Bihar	Khagariya	Mill Delivery	0	2000	2000	2000	2000
	Muzaffarpur	Mill Delivery	0	1870	1950	1925	1850



Monthly Arrivals at Delhi:

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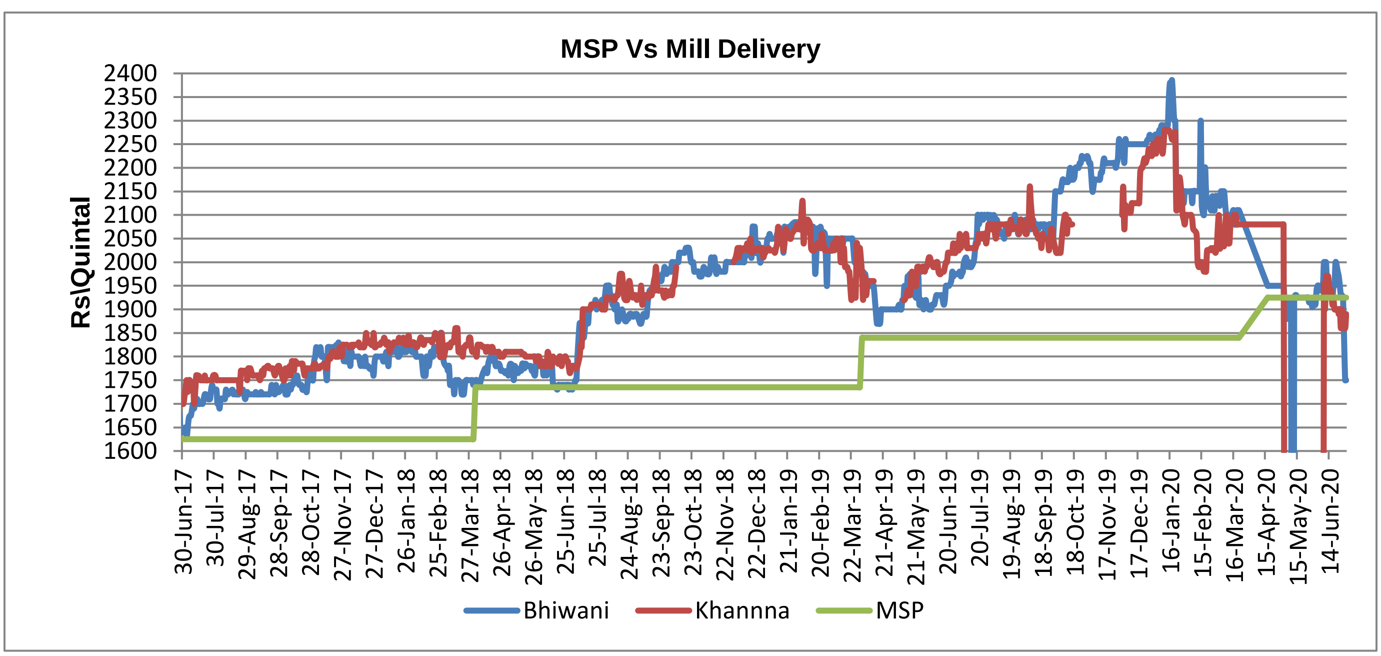
Arrivals in Delhi region (Narela and Najafgarh) declined to 1472 tonnes in May-2020 compared to 313 tonnes in June-2020. Currently wheat market begins opening after following lockdown in the country amid spread of Covid -19.

Domestic Outlook:

Wheat cash market is expected to trade range -steady to firm in July-20 under normal conditions with some recovery in between.

MSP Vs Mill Delivery Prices:

As of now mill delivery prices in Lawrence road, Karnal and Khanna market are above MSP and are likely to move steady to weak in coming weeks.



Government increased minimum support price (MSP) of wheat from Rs 1840 per quintal in 2019-20 to Rs 1925 per quintal in 2020-21. As the chart depicts mill delivery prices remained above MSP during MY 2019-20.

Government has procured 38.83 MMT in MY 2020-21 compared to 35.7 MMT in MY 2019-20. In the previous season government surpassed its procurement target and procured 35.5 MMT.

Wheat Technical Analysis:

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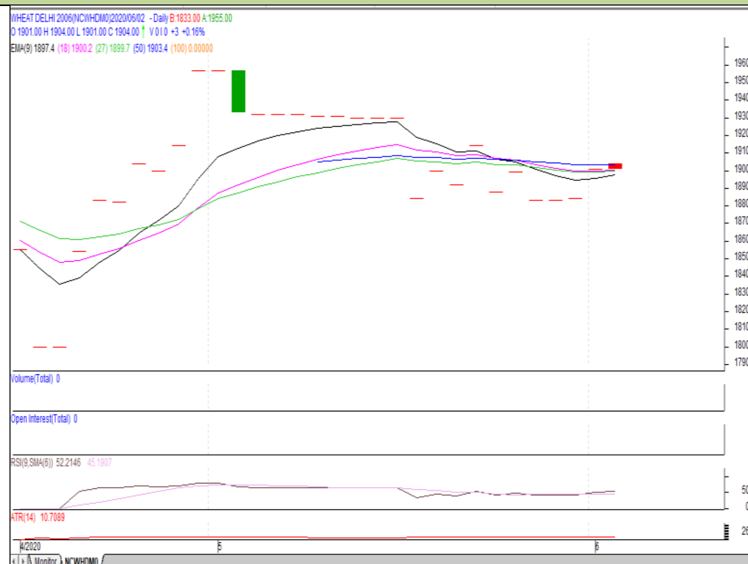
Wheat – Technical Outlook

Technical Commentary:

- Increase in price denotes sell interest in the market.
- RSI is increasing in neutral region.
- Prices closed below 9 and 18 Day EMAs.



Strategy: Sell

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Wheat	NCDEX	July	1876	1866	1884	Wheat	NCDEX
Pre-Market Intraday Trade Call*			**Call**	**Entry**	**T1**	**T2**	**SL**
Wheat	NCDEX	July	**SELL**	1901	1891	Wheat	NCDEX

* Do not carry-forward the position next month.

International Market Dynamics ***(Back to Table of Contents)***

Russian wheat exports will fall in July after a slow start to the harvest *but will rise in later months when there will not be export quotas, The world's largest wheat exporter, which competes with the European Union, Ukraine and others to supply Africa and the Middle East, began harvesting wheat late this year. Yields have been lower so far but are expected to climb. wheat export prices have stabilized as the market examined crop conditions and yield potential. Wheat with 12.5% protein loaded from Black Sea ports with delivery in July was at $202 per tonne at the end of last week, unchanged from the previous week, said SovEcon. New crop wheat for July delivery was up $1 to $200 a tonne. Exports from Russia slowed to the lowest levels in recent years, SovEcon said. Exports were at 134,000 tonnes of wheat last week compared to 305,000 tonnes a week earlier. Total grain exports from July 1-May 28 are down 13% to 35.4 million tonnes. Wheat accounted for 30.2 million tonne*

Ukrainian export wheat prices have risen by $3-$4 per tonne over the past week in response *to expectations of a decrease in the 2020/21 harvest in Ukraine as well as in other exporting countries, APK-Inform agriculture consultancy said on Wednesday. Milling wheat from the new 2020 harvest was quoted at $172-174 per tonne CPT (Carriage Paid To) in small Ukrainian Black Sea ports as of June 3 compared with around $168-170 a week earlier, the consultancy said.* ***2020-21 is forecast to decline by 15% from*** *the previous year due to dryness in key production regions, according to US Department of Agriculture (USDA). The USDA expects wheat production to drop to 24.7 million tonnes in 2020-21 from 29.1 million tonnes in 2019-20. The report also projects an 8% decrease in barley production, to 8.7 million tonnes from 9.5 million tonnes.*

Russia's wheat export prices have stabilized as the market examined crop conditions and yield potential, *Wheat with 12.5% protein loaded from Black Sea ports with delivery in July was at $202 per tonne at the end of last week, unchanged from the previous week, said SovEcon. New crop wheat for July delivery was up $1 to $200 a tonne. Exports from Russia slowed to the lowest levels in recent years, SovEcon said. Exports were at 134,000 tonnes of wheat last week compared to 305,000 tonnes a week earlier. Total grain exports from July 1-May 28 are down 13% to 35.4 million tonnes. Wheat accounted for 30.2 million tonne.*

Wheat for July delivery fell 0.5% to $4.81 1/4 a bushel *on the Chicago Board of Trade Friday as the weather outlook for the U.S. Corn Belt continues to support crop growth.*

China will see a bumper harvest of grains this summer thanks to stable grain *acreage and improved crop yields, the Ministry of Agriculture and Rural Affairs said Monday. Summer grain acreage is 400 million mu (about 26.67 million hectares) this year. As of Monday, 90 percent of summer grains have been harvested. The quality of wheat, which is the mainstay of summer grains, has improved and its yield is expected to rise by 4 kg per mu on average, said Han Changfu, minister of agriculture and rural affairs.*

Ukraine's wheat exports dropped 37% the week of April 18-24 following a record jump *in the previous week, Government officials have said the nation is ready to ban wheat exports if the total exceeds 20.2 million tonnes.*

According to the data. In the current season, which runs July to June*, Exports declined to 215,000 tonnes from 341,000 tonnes Ukraine has already exported 18.8 million tonnes of wheat.*

According wheat forecast for global wheat production in the 2020/21 season, *driven partly by downward revisions for Russia, Ukraine and the European Union. The inter-governmental body cut its global wheat crop forecast by 4 million tonnes to 764 million tonnes, as less than ideal conditions are harming crop prospects in Europe and the Black Sea region. Dry weather has been a concern although there have been some recent* *showers in Ukraine and the European Union, and rains are expected to arrive in Russia's southern regions in early May.*

European Union (EU) soft (non-durum) wheat yields for harvest in 2020/21 *are expected to drop 2% from last year on excessively wet field conditions in France throughout the winter. The European Commission pegged the average EU soft wheat yield at 5.88 MT/hectare (87.5 bu/acre).*

The International Grains Council (IGC) forecasts a record global grains crop of 2.22 billion tons *in 2020/21, up 2% from last year. The council pegged global wheat production at 768 MMT, up from this year's 764 MMT. Global domestic consumption in 2020/21 is estimated at 760 MMT, up from this year's 754 MMT.*

Global Wheat Average FoB

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Month	US SRW2*	US HRW2*	Argentina P1*	Ukraine 12.5%*	Russia 12.5%*	Rouen 11%**	Australia ASW1***	Australia APW2***
Apr-19	202.52	217.15	219.40	223.20	224.08	184.18	301.66	301.16
May-19	206.90	215.77	NA	199.44	200.81	178.74	279.91	277.22
Jun-19	232.30	232.58	203.00	192.72	194.83	179.42	309.67	307.24
Jul-19	219.02	224.77	NA	191.86	193.07	173.88	297.13	288.26
Aug-19	208.18	208.06	NA	190.14	191.80	167.88	295.73	295.45
Sep-19	210.79	208.69	NA	184.36	186.21	165.56	306.95	306.81
Oct-19	221.91	218.82	NA	200.22	202.07	175.70	319.14	320.55
Nov-19	230.54	224.91	NA	206.31	208.02	179.38	319.52	321.81
Dec-19	243.45	233.67	NA	209.86	214.33	183.45	360.55	361.70
Jan-20	255.95	243.89	NA	221.83	226.40	192.79	362.90	363.48
Feb-20	250.69	234.01	NA	218.68	219.45	190.68	365.15	358.40
Mar-20	240.87	229.22	NA	209.57	210.48	184.33	375.55	379.14
Apr- 20	237.13		NA	224.10	222.72		257.07	
May-20	214.58			227.50	NA		248.85	
Jun-20	208.78			197.73	198.64		237.96	

Source: Reuters

****Figures in $/Tonne***
***** Figures in Euro/Tonne***
****** Figures in AUD/Tonne***

Indicative Freight Quotes

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Date	Freight($/T)	Freight($/T)	Freight($/T)	Freight($/T)
06.03.2020	8.1	19.9	42.71	37.06
13.03.2020	7.53	19.22	41.52	36.25
20.03.2020	6.57	18.12	41.16	35.97
27.03.2020	5.61	16.47	37.13	32.71
07.02.2020	5.56	16.47	41.33	34.51
14.02.2020	5.65	16.98	41.71	36.05
21.02.2020	6.28	17.68	42.87	37.13
28.02.2020	6.94	18.49	43.22	37.44
17.01.2020	9.11	20.05	39.21	33.91
24.01.2020	8.95	19.96	39.45	34.03
Vessel Class: Panamax	PoL: Novorossiysk, PoD: Damietta	PoL: Novorossiysk, PoD: Jeddah	PoL: Odessa, PoD: Japan	PoL: Odessa, PoD: Chittagong

Source: Reuters

Global Policy Developments

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__Kazakhstan:__ Winter wheat conditions are favourable while spring wheat sowing has finished under generally favourable conditions.

__Ukraine:__ Winter wheat is under generally favourable conditions except for the south where dryness earlier in the season has reduced yield prospects.

__Russia:__ Winter wheat conditions are mixed going into harvest with dryness earlier in the season affecting the south while there are favourable to exceptional conditions further north in parts of the Central and Volga districts. Spring wheat sowing is complete under favourable conditions.

__Canada__: Both winter and spring wheat are under favourable conditions across the country.

__Australia:__ Conditions are generally favourable following close to average rainfall during June, however root zone soil moisture remains below average particularly in parts of Western Australia.

__Brazil:__ The WTO of the introduction of a new SPS measure on imports of wheat (Triticum aestivum) produced in Lithuania, requiring imports to be free from soil and plant residue (G/SPS/N/BRA/1680).

Spot Prices Black Sea Region

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Date	26.02.2020	04.03.2020	11.03.2020	18.03.2020	25.03.2020
Odessa, FOB($/tonnes)					
Milling wheat 12.5%	211-217	208-212	207-210	202-206	202-214
Milling wheat 11.5%	210-216	205-211	204-210	198-204	208-212
Feed wheat	-	-	-	-	-
Novorossiysk, FOB($/tonnes)					
Milling wheat 12.5%	212-217	208-212	208-211	204-207	210-215

Milling wheat 11.5%	210-216	205-211	205-210	198-204	208-212
Feed wheat	-	-	-	-	-

Source: Reuters

Forward Prices for 2019 Crop Black Sea Region

Origin	Commodity	Delivery period	Price (USD/MT)	
			26.02.2020	25.03.2020
Russia	Wheat, 12.5% protein	Mar-Apr	-	-
Ukraine	Wheat, 11.5% protein	Mar-Apr	-	-
Ukraine/Russia	Feed wheat	Mar-Apr	-	-

Source: Reuter

IGC Wheat Balance Sheet (Quantity in MMT)

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IGC Forecast (Fig-In MMT)	2016-17	2017-18	2018-19 (Estimate)	2019-20 (Forecast)	
				28.05.2020	25.06.2020
Production	757	762	733	766	768
Trade	177	176	169	178	180
Consumptions	736	739	739	755	751
Carryover stocks	248	271	265	289	290
Y-O-Y change	21	22	-5	NA	16
Major Export	79	83	70	64	65

IGC Balance Sheet Highlight:

- *IGC has forecast global wheat production to be 768 MMT for 2019-20. According to estimate by IGC for 2018-19, global wheat production was around 733 MMT against 762 MMT for 2017-18, higher by 35 MMT.*
- *Trade forecast for 2019-20 has been increased to 180 MMT. It is 11 MMT higher compared to estimate for last year and higher by 4 MMT compared to 2017-18.*
- *Consumption has been increased to 751 MMT for 2019-20. The forecast is higher by 12 MMT compared to 2018-19.*
- *Carryout for 2019-20 is forecast at 290 MMT compared to estimate of 265 MMT last year. It is higher by around 25 MMT compared to 2016-17.*

USDA Balance Sheet

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USDA Global Wheat Balance Sheet: 2018-19 Fig. In Thousand Tonne (As on 01.04.2020)

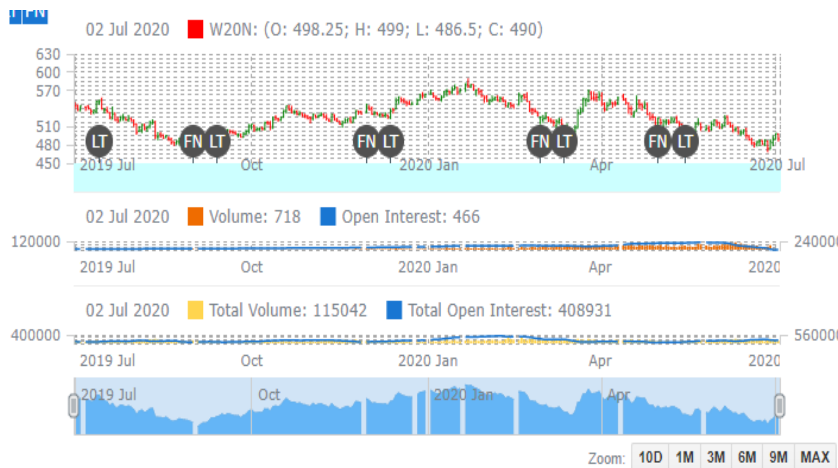
Country	Opening Stock 2019-20	Production projected 2019-20	Domestic Consumption 2019-20	Import 2019-20	Export 2019-20	Ending Stock 2019-20	Production 2018-19
Argentina	1,737	19,500	6,150	10	13,500	1,597	19,500
Australia	4,960	15,200	8,700	550	8,000	4,010	17,298
Canada	6,040	32,350	9,900	500	23,000	5,990	32,201
China	1,39,765	1,33,590	1,28,000	4,000	1,100	1,48,255	1,31,430

EU	10,000	1,54,000	1,26,500	4,800	32,000	10,300	1,36,863
India	16,992	1,03,600	98,000	20	500	22,112	99,870
Pakistan	2,586	25,600	25,400	5	500	2,291	25,100
Russia	7,819	73,610	39,500	475	35,000	7,404	71,685
Ukraine	1,588	29,000	8,900	75	20,500	1,263	25,057
U S	29,386	52,258	31,706	2,858	27,216	25,580	51,306
Others	56,698	1,25,785	2,69,362	1,67,521	22,306	58,336	1,20,972
World total	2,77,571	7,64,493	7,52,118	1,80,814	1,83,622	2,87,138	7,31,282

Source: USDA

CBOT Futures July-20 Chart:

1st Support: 469.00
1st Support: 189.00
2nd Support: 188.00
1st Resistant: 193.00
2nd Resistant: 194.00
($ per tonne)



Wheat CBOT closed at $4.76 per bushel. U.S. wheat net export sales during the week ended 28th May was 2,10,000 tonnes and 87% higher compared to 2,70,000 tonnes last week. This week commercial sale was 5,19,000 MT, 3% up from last week. USDA expects total exports for 2019-20 to be around 25.9 MMT, lower by 2% than 2018-19. U.S. wheat commercial sales to date are 1% ahead of previous year's USDA's final export forecast. CBOT wheat prices closed lower amid profit –booking.

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CBOT comparison over period of time:

CBOT Futures Prices:(USD/T)							
CONTRACT MONTH	Today	Week Ago	Month Ago	3 Month Ago	6 Month Ago	Year Ago	% Change over prev. year
	03-Jul-20	26-Jun-20	05-Jun-20	30-Mar-20	06-Jan-20	05-Jul-19	
Jul-20	180.03	174.15	189.30	205.10	204.64	198.86	-9.47
Sep-20	180.76	174.79	191.14	205.38	207.12	205.38	-11.99
Dec-20	183.61	177.82	194.91	208.22	210.70	209.42	-12.32
Mar-21	186.46	181.04	198.40	210.15	212.45	212.27	-12.16
May-21	512.50	530.00	544.75	542.75	571.00	565.50	159.64
Jul-21	498.75	500.75	542.75	533.25	561.25	576.25	150.58

CBOT Trend:-

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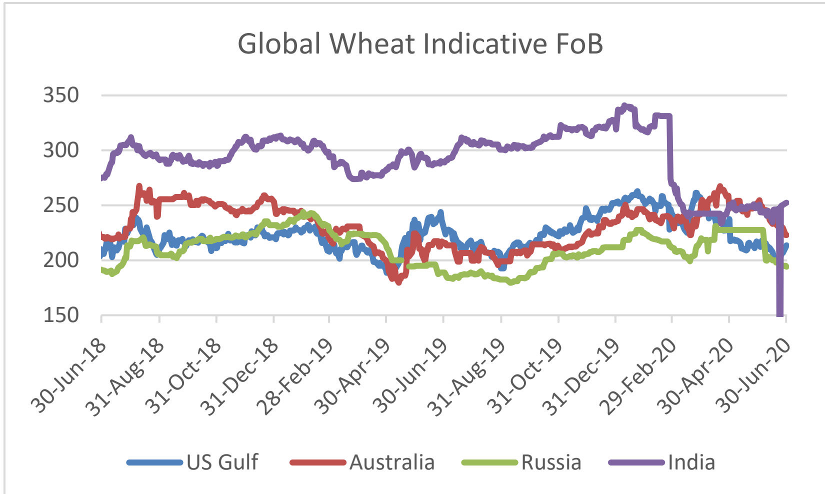
CBOT remains mostly firm from January to June under normal conditions as shown in the chart. However, this year due to outbreak of Covid-19 across several wheat producing countries prices are not following the trend.

CBOT average monthly price for Jun'20 is lower by $ 192.76/tonne compared to last year for the same month and lower by $ 5.45/tonne compared to April'20. USDA estimates production to be around 52.26 MMT in 2019-20 with yields around 3.48 MT/HA compared to 51.30 MMT with yields around 3.20 MT/HA in 2018-19.



Comparative Month on Month FOB quotes: (Fig in USD/MT)

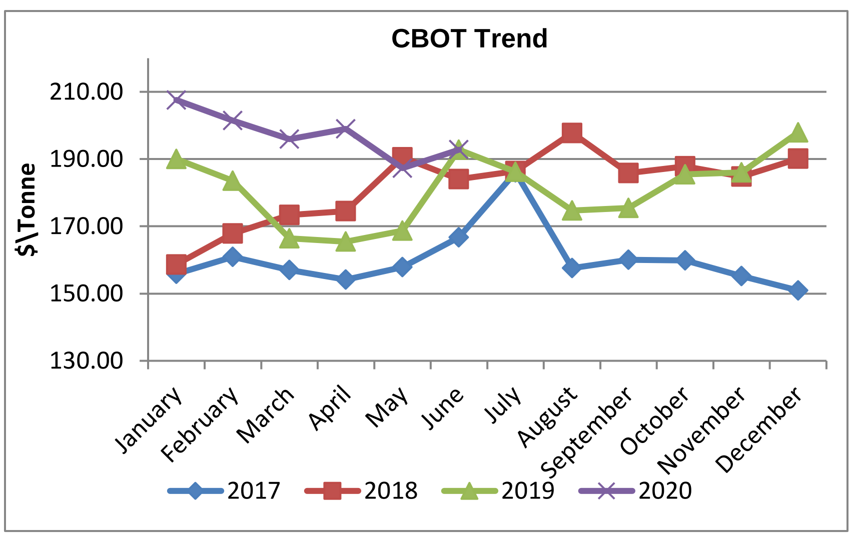
All prices are for SRW/milling grade	2nd Dec-19	2nd Jan-20	3rd Feb-20	2nd Mar-20	1st Apr-20	1st May-20	1st Jun-20	1st July-20
USA	240.70	253.6	253.70	238.20	244.08	237.13	214.58	208.78
France	202.74	NA	187.75	182.25	191.25	195.71	191.67	184.28
Australia	226.46	235.84	242.54	229.14	254.98	257.17	248.84	237.96
Russia	206.00	212	223.00	211.00	218.50	223.00	NA	198.64
India	313.68	337.07	316.47	268.55	NA	241.41	248.17	245.81

Global Indicative FoB Quotes:

Indian FoB quote is based on local price. There is no export in bulk currently. Indian FoB quote is being quoted at $245.81 per tonne.

US and Russia quotes are hovering in the range of $198.74-218.10 and $194.00 -203.00 per tonne respectively. Wheat prices in international markets noticed range-bound to firm tone in last week.

Wheat is expected to trade steady to firm and hover in the range of $200 to $270 per tonne in coming week.



International Outlook:

Global wheat market is expected to trade steady to weak due to ample availability in global market. EU is likely to produce around 156.0 MMT in 2019-20 compared to 137.7 MMT in 2018-19. Russia and Ukraine are likely to harvest 73.6 MMT and 29.00 MMT of wheat in 2019-20 respectively. Production in US is likely to be around 52.30 MMT compared to last year's 51.30 MMT. Australia is likely to produce 15.20 MMT in 2019-20 compared to 17.30 MMT in 2017-18. Argentina is expecting to harvest around 19.8 MMT in 2019-20 compared to 19.5 MMT in 2018-19. Furthermore, Canada is likely to harvest around 32.30 MMT in 2019-20 compared to 32.20 MMT in 2018-19.