

Wheat Monthly Research Report

Contents

- ❖ Wheat Market Dynamics
- ❖ AW Cereal Index
- ❖ Wheat Quarterly Balance Sheet
- ❖ Supply Demand & Domestic Market Highlights
- ❖ Acreage
- ❖ Procurement
- ❖ Wheat Price Trend
- ❖ Export & Import
- ❖ Monthly Central Pool Stock & WPI
- ❖ Monthly Average Spot Prices
- ❖ Spot Prices at Various Centers
- ❖ Monthly Arrival
- ❖ MSP Vs Mill Delivery
- ❖ Technical Analysis
- ❖ International Wheat Market Summary
- ❖ Global Wheat Average FoB
- ❖ Indicative Freight Quotes
- ❖ Global Policy Developments
- ❖ Spot/Forward Prices at Black Sea
- ❖ IGC
- ❖ USDA Balance Sheet
- ❖ CBOT: Futures/Comparison/Trend
- ❖ FoB Quotes & International Outlook

Market Dynamics:

[\(Back to Table of Contents\)](#)

Price Trend: All India average monthly prices for wheat surged by 1.94 percent from Rs 2053.14 in June -2020 to Rs 2093.85 per qtl in July -2020. Average price in July -2020 was lower by 30.29 percent compared to Rs 2100.02 per quintal registered in July-2019. Prices are expected to improve from here as festive season is about start from Aug 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: On the export front, prevailing market conditions are not in favour of Indian exporters due to huge price gap. The difference is around \$38-40 per tonne from Black Sea Region. Russia/Ukraine is offering wheat at \$203.64/203.43 per tonne on FoB basis while Indian FoB at Kandla port comes to \$247.17 per tonne. India exported 38.63 thousand tonne wheat in July'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 July (?), India had last imported 199.94 tonnes of Australian wheat during the month of March'20. The 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 \$240.69-253.22 per tonne. Against it, Ukraine, France, US and Australia were offering wheat at \$193-\$209, \$178.81-\$192.57, \$214.74-242.10 and \$229.04-244.06 per tonne respectively. Wheat prices in international markets noticed firm tone in July'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 38.97 MMT in MY 2019-20 higher by 6.6 MMT compared to MY 2018-19. After the free wheat distribution till November the demand from south Indian millers is not 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 likely produced 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 May'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 38.97 MMT in July.

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:

[\(Back to Table of Contents\)](#)

	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:

FCI has procured a record 38.97 MMT of wheat so far this season and it may end up buying 40.5 to 41 MMT this year. FCI currently has 558.25 MMT wheat in central pool stock in June.

According to FCI, Tenders were invited for Sale Of FAQ Wheat Under OMSS(d) Through E Auction In Respect Of Karnataka and West Bengal State. Tenders were also invited for MTF cum financial bid notice for sale of wheat under OMSS(d) through e-auction (e-17) to empanelled bulk consumer traders of any region with FCI and to state govt. S/ uts for stocks lying at various depots of Madhya Pradesh region.

FCI aims to promote increased purchases by private buyers under OMSS, which came down to nil in June. The FCI has run out of storage facilities and needs to offload the excess stock. The wholesale market price of wheat is less than the central agency's rate. Under OMSS, the FCI currently sells 'Grade A' wheat at Rs 2,135/quintal and the 'Grade B' at Rs 2,080/quintal. However, these rates are significantly higher than the current market prices of Rs 1,850-1,920/quintal. Under the scheme can be reduced to Rs 1,640/quintal for 'Grade A'. Flour millers have advised it to lower the rate at which wheat is sold for open market operations, by Rs 500 a quintal, saying the move will help it to earn around Rs 16,000 crore in revenues.

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.

Previous Updates:

Madhya Pradesh over took 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

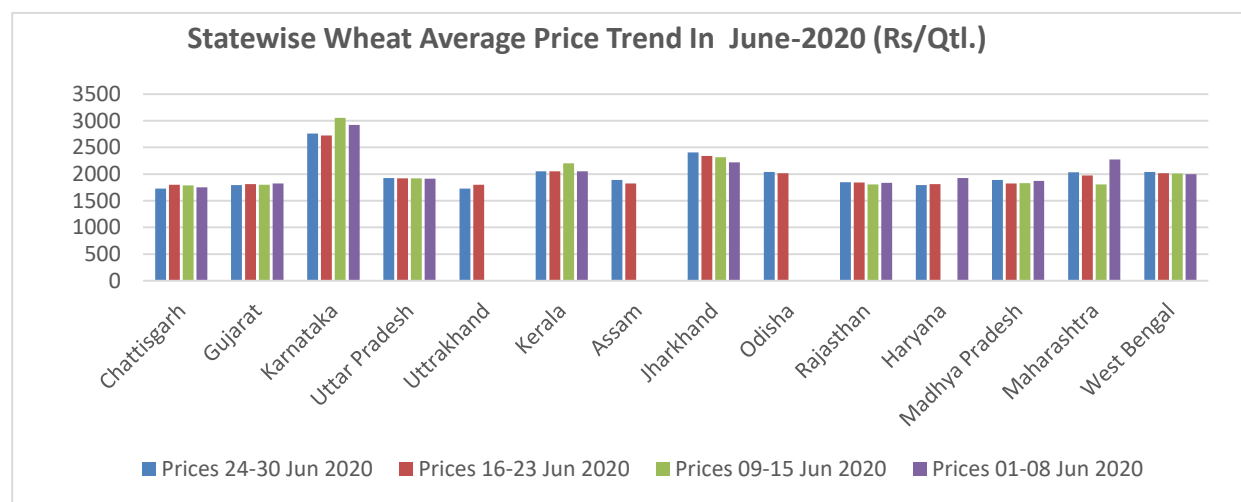
Source: Ministry of Agriculture

Wheat Procurement RMS 2019-20 (Source: FCI)

[\(Back to Table of Contents\)](#)

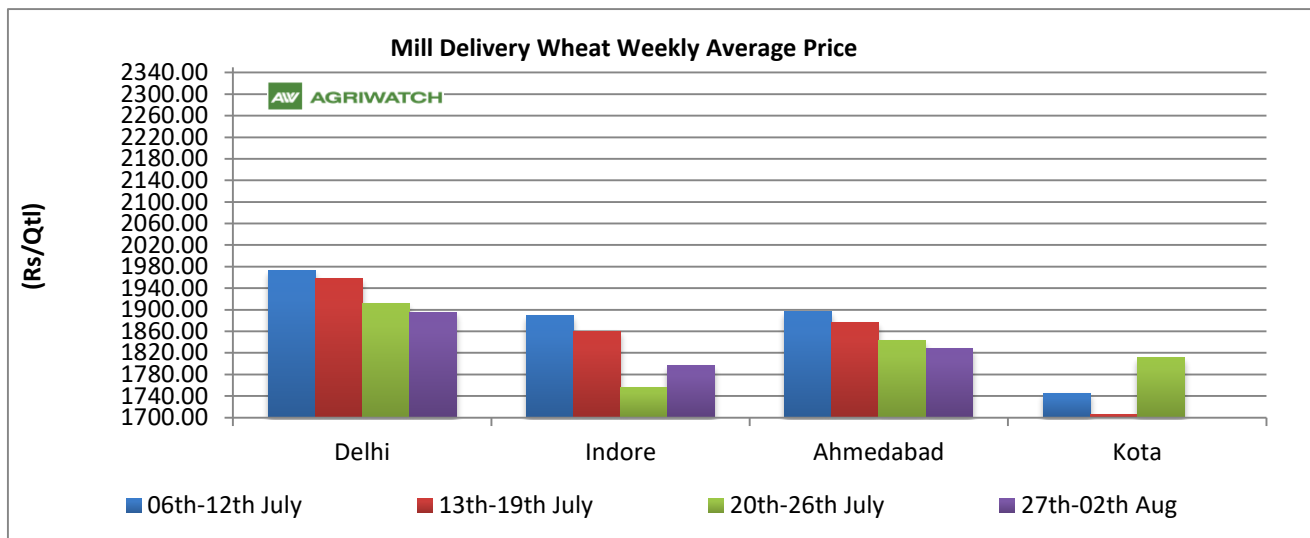
State/UTs	Procurement as on 27 th July-2020 (Figures in LMT)		
	FCI (A)	State Agency (B)	Total (A+B)
Punjab	14.19	112.93	127.12
Haryana	6.70	67.28	73.98
Uttar Pradesh	1.34	34.19	35.77
Madhya Pradesh	0.00	129.35	129.35
Bihar	0.00	0.05	0.05
Rajasthan	16.27	5.93	22.20
Others	0.14	1.11	1.28
All-India	38.64	351.11	389.75

Monthly Average Price Comparison:



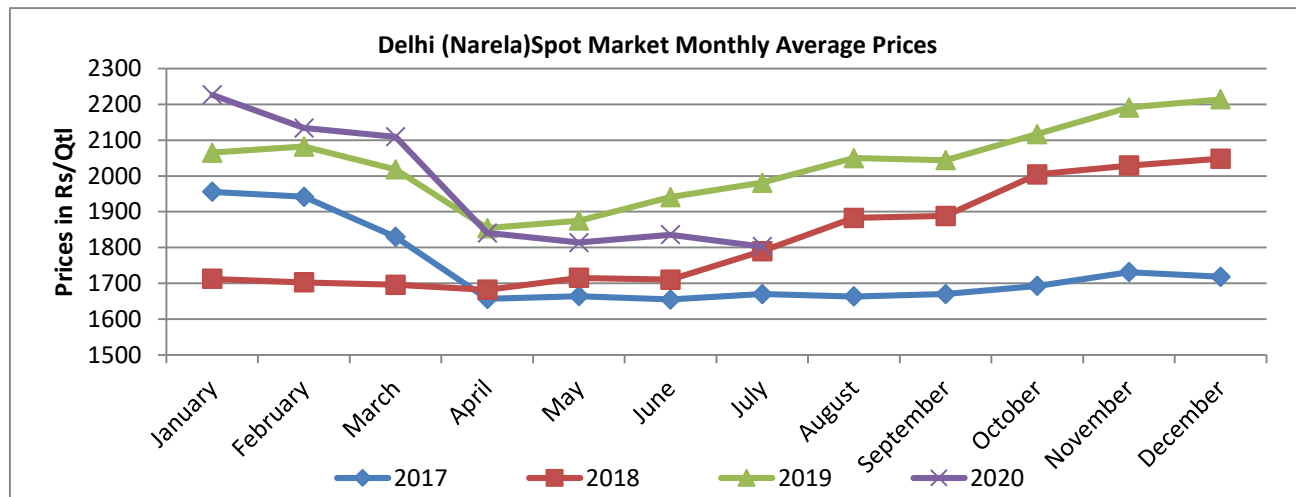
All India average monthly prices for wheat increased by 1.19 percent from Rs 1986.74 in May -2020 to Rs 2029.01 per quintal in June -2020. Average prices remained mostly weak in all states of Gujarat, Chattisgarh, Uttarakhand, Madhya Pradesh, Assam and Rajasthan. Prices are likely to notice steady to firm tone due to higher demand after lockdown and festive season in the country. However small technical correction 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: [\(Back to Table of Contents\)](#)



Average mill delivery prices of Wheat remained low, during 27th July - 02nd Aug 2020. As compared to last week Delhi, Ahmedabad and Kota markets show weak movement in prices and it is likely to trade steady to slightly firm in upcoming weeks. Free distribution of wheat till Nov would keep the market moving range bound. Official procurement of the wheat has already completed. The government has procured 38.97 MMT of wheat this season. Government completed his procurement target of 40.7 MMT this season.

Wheat Delhi Average Monthly Price:



Wheat spot market Delhi (Narela) average price increased from Rs 1835.90 per quintal in June-2020 to Rs 1802.72 per quintal in July-2020. Prices are likely to touch Rs 1800-2000 per quintal in Narela market in upcoming weeks.

The prices decreased by 1.81 percent compared to last month and increased by 10.69 percent compared to corresponding month last year. Arrivals in Narela have declined by 214 quintal 1022.72 quintal June to 781.81 quintal in the month of July-2020.

Wheat Exports:

According to latest update, India exported around 38.63 thousand tonne wheat in the month of June-2020.

It is around 2.87 thousand tonnes lower compared to export quantity (41.50 thousand tonne) in May-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 are 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-Mar-15	2924	279.96	230.37
Apr-15-Mar-16	666	294.88	179.9
Apr-16-Mar-17	265	338.38	157.04
Apr-17-Mar-18	322	NA	162.36
Apr-18-Mar-19	226	389.15	185.15
Apr-19-Mar-20	207.58	451.42	186.86
20-May	41.50	NA	187.31
20-Jun	38.63	174.26	192.76
Total 2019-20(000T)	207.58	451.42	186.86

Wheat Import:

[\(Back to Table of Contents\)](#)

India has imported 0 tonnes of wheat since 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.

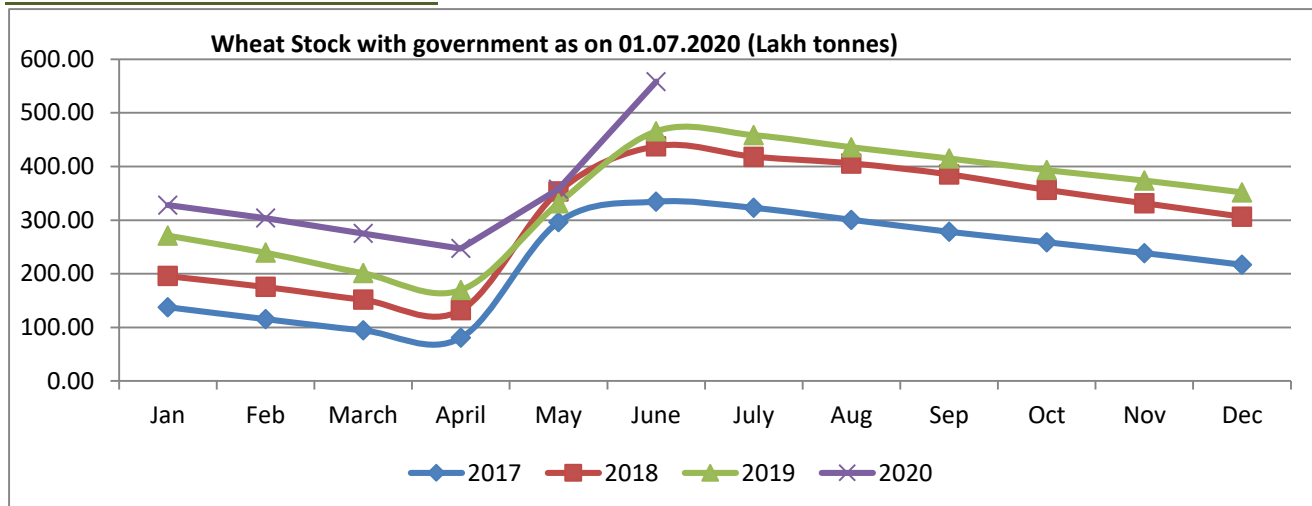
FoB quote in Black Sea region are hovering around \$203.00 per tonne in Russia and \$198.00 per tonne in Ukraine. United States and France are also providing wheat at \$245.17 per tonne and Euro 190.75 per tonne. Government has increased import duty from 30% to 40% in order to curb imports and provide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

Source: DGCIS/Private Traders

Note: No Imports in the month of June and July data is awaited.

Year/Month	Wheat Import (In Thousand Tonne)	Average CiF (\$/T)	CBOT Average Quotes (\$/MT)
Apr-16-Mar-17	5957.79	220.13	157.04
Apr-17-Mar-18	1616.97	NA	162.36
Apr-18-Mar-19	1.00	239.52	185.15
Apr-19-Mar-20	500.81	229.51	185.35
20-Apr	NA	NA	198.98
20-May	NA	NA	187.31
20-Jun	NA	NA	192.76
Total 2019-20 (000T)	1.801	174.26	185.35

Wheat Stock with the Government



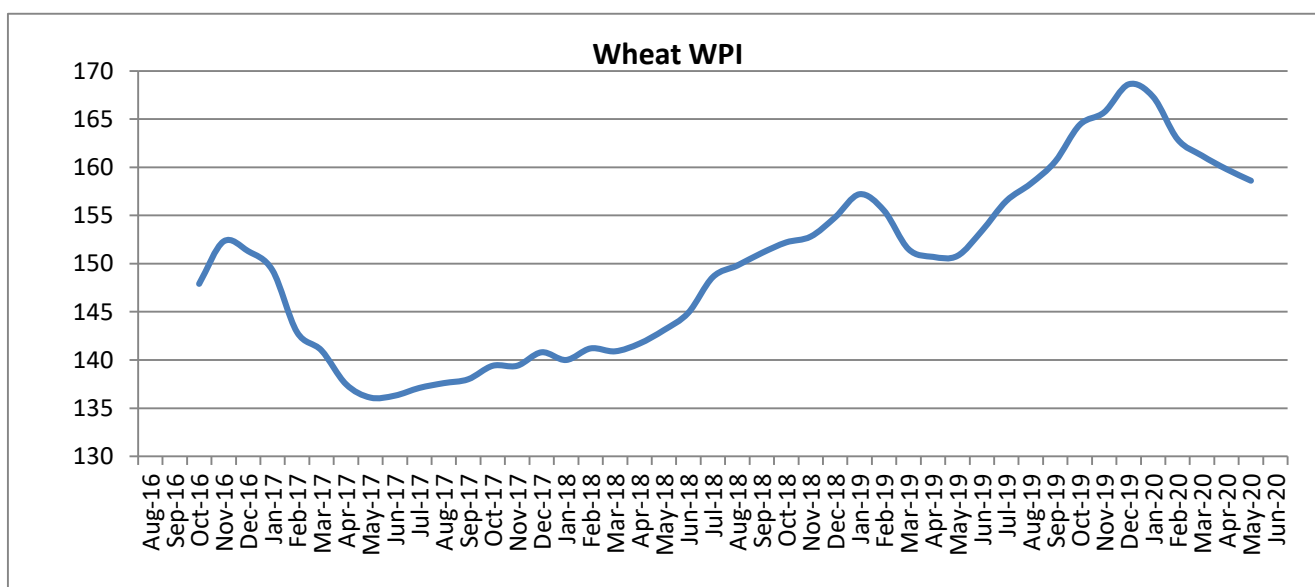
Wheat stock in government's warehouses on 01.07.2020 was around 558.25 lakh tonnes. It is higher by 35.92 % from May-2020. Stock in central pool as on 01st June'20 is higher by 19.90 percent compared to last year for the same month. Government has procured around 34.10 MMT of wheat in MY 2019-20. Government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

NOTE: July data is awaited

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	158.6
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 159.8 in April-2020 to 158.6 in June-2020. Monthly wheat inflation has declined by 0.75 percent in June-2020 compared to previous month. As compared to May-2019 wheat WPI has increased by around 5.17 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-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
20-May	1966.92	1972.5	1837.89	1813.07	2350
20-Jun	1973.26	1885.76	1745.38	1799.40	2350
20-July	1976.0	1883.20	1877.70	1821.04	2179

Source: Agriwatch

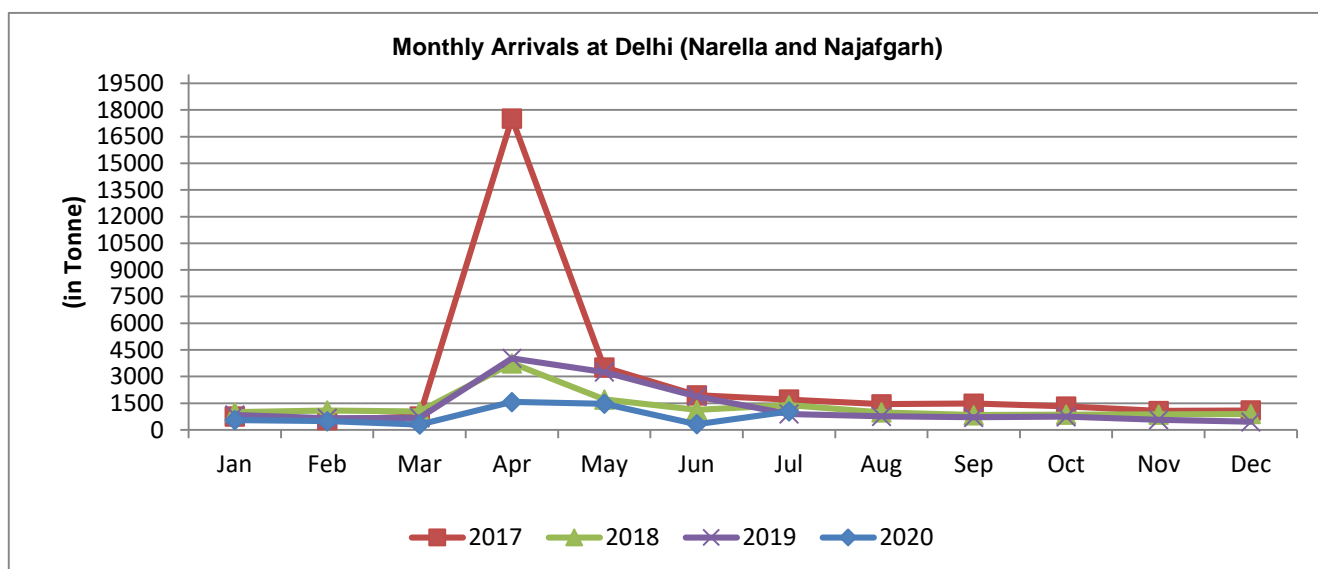
[Monthly Price Comparison of Spot Markets](#)

[\(Back to Table of Contents\)](#)

Spot Market Price:							
Centre	Market	Variety	Prices (Rs/Qtl)				
			Today	Yesterday	Week Ago	Month Ago	Year Ago
			05-Aug-20	04-Aug-20	29-Jul-20	07-Jul-20	07-Aug-19
Delhi	Lawrence Road	Mill Delivery	1880	1880	1920	2000	2150
	Narella	Mill Quality Loose	Closed	1730	Closed	1830	Closed
	Nazafgarh	Mill Quality Loose	Closed	1710	Closed	1815	Closed
Gujarat	Rajkot	Mill Delivery	1730	1740	1740	1815	2100
	Ahmedabad	Mill Delivery	1820	1830	1820	1870	2200
	Surat	Mill Delivery	1870	1885	1880	1930	2260
	Dhrol	Mill Delivery	1655	1640	1650	NA	0
M.P.	Indore	Mill Delivery	1800	1825	1800	1900	2160
	Bhopal	Mill Quality Loose	1750	1700	Closed	1780	2100
Rajasthan	Kota	Mill Quality Loose	Closed	Closed	1700	1700	1965
		Mill Delivery	Closed	Closed	1800	1830	2080
U.P.	Kanpur	Mill Delivery	1800	1790	1810	2000	2060
	Mathura	Mill Quality Loose	1650	Closed	1765	1800	1925
	Kosi	Mill Quality Loose	1750	1750	1840	1840	1960
	Hathras	Mill Quality Loose	1780	1700	1730	1790	1940
	Aligarh	Mill Quality Loose	Closed	1700	Closed	Closed	Closed
Punjab	Khanna	Mill Quality Loose	1750	1760	1750	1820	1970
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	NA	NA	0
Haryana	Sirsa	Mill Delivery loose	1760	1760	1800	1860	2035
	Hodal	Mill Delivery	NA	NA	NA	NA	0
	Bhiwani	Mill Quality Loose	1650	1700	1700	1700	2030
	Karnal	Mill Delivery	NA	NA	NA	0	0
	Panipat	Mill Quality Loose	NA	NA	NA	0	0
Tamil Nadu	Chennai	Mill Quality	Closed	Closed	2050	2150	2400
	Madurai	Mill Quality	Closed	Closed	2150	2300	2500
	Coimbatore	Mill Quality	Closed	Closed	2200	2350	2550
Bihar	Khagariya	Mill Delivery	2050	2100	2000	2000	1900
	Muzaffarpur	Mill Delivery	1750	1775	1780	1850	1950

Monthly Arrivals at Delhi:

[\(Back to Table of Contents\)](#)

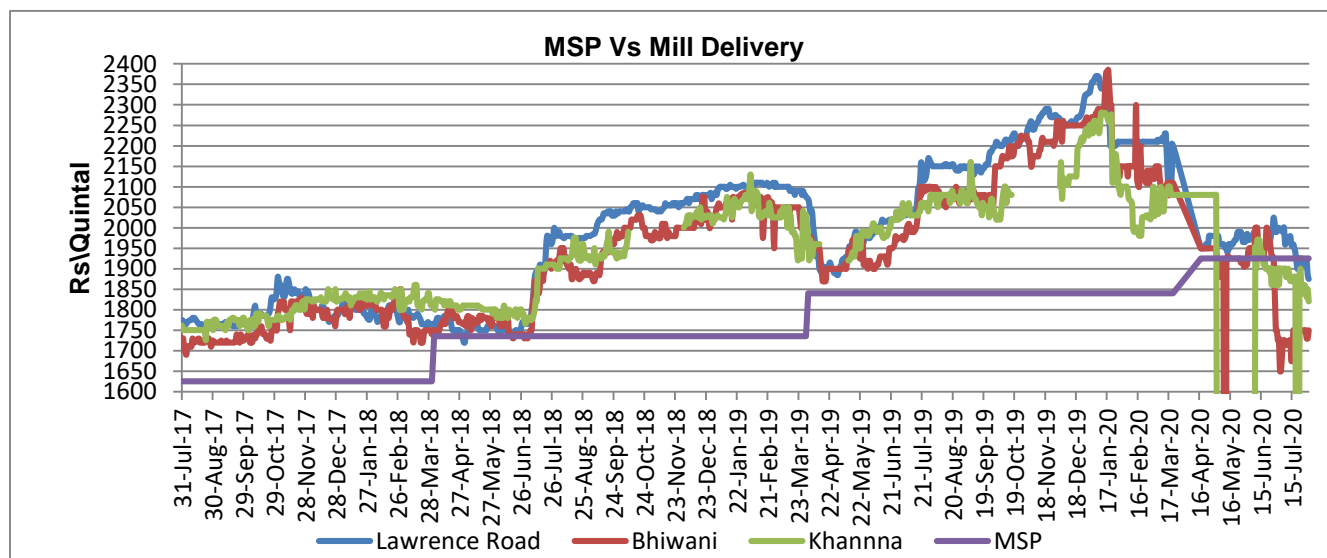


Arrivals in Delhi region (Narela and Najafgarh) increase to 1040 tonnes in July-2020 compared to 313 tonnes in June-2020.

Domestic Outlook:

Wheat cash market is expected to trade range - steady to firm in Sep-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 below 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 under MSP during MY 2019-20.

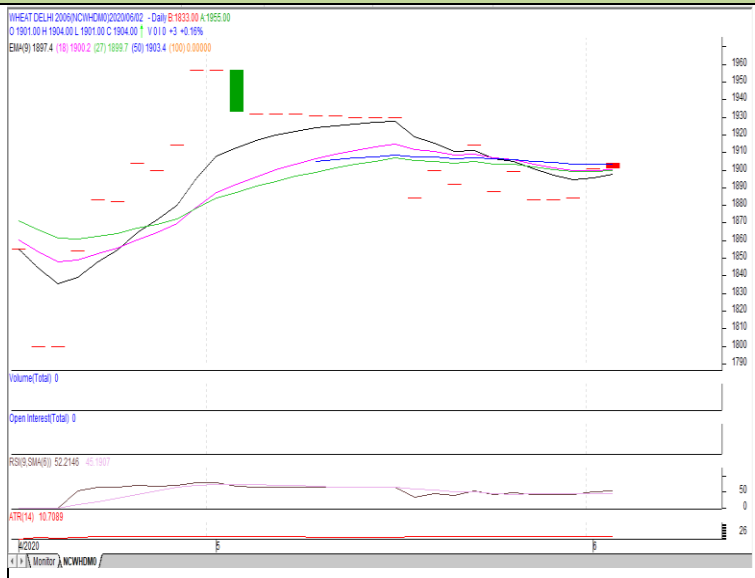
Wheat Technical Analysis:

[\(Back to Table of Contents\)](#)

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	Sept	1876	1866	1884	Wheat	NCDEX
Pre-Market Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	Sept	SELL	1901	1891	Wheat	NCDEX

* Do not carry-forward the position next month.

International Market Dynamics

[\(Back to Table of Contents\)](#)

The Russian wheat harvest is well underway. Data from Russia's Ministry of Agriculture shows that 41.8 MMT of wheat have been harvested so far in 2020/21, slightly ahead of this time last year. So far, the average wheat yield is 53.1 bu/acre (3.57 MT/hectare), down 3% from the same period in 2019.

Between June and July, USDA reduced its Argentinian wheat production forecast by 1.0 MMT to 20.0 MMT as dry weather pressures total wheat planted area at the end of the country's planting season. According to the Buenos Aires Grain Exchange (BAGE), 26% of the Argentina's wheat is in good to excellent condition.

Ukrainian wheat stocks are at a 10-year low of 1.8 MMT after the country exported a record amount in 2019/20. Ukraine exported 20.5 MMT of wheat, up 31% compared to the previous season.

USDA reported that the new crop U.S. HRW harvest was 74% complete, moving well ahead of last year's pace. Over the next week, weather is expected to be favorable for crop development and harvest. South Dakota reported exceptionally good yields and high protein.

According to Agritel, "Abundant autumn rainfall over a large part of the territory made sowing conditions extremely difficult or even impossible", an unusually hot, dry growing season added pressure to the crop. If realized, French soft wheat production would fall 26% from 2019.

The spring wheat crop was 90% headed as of July 20. Crop conditions held steady as farmers hope for hot dry weather over the next few weeks to aid in protein development. Harvest for early planted fields is expected to begin in the next 10 to 14 days.

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.

[Global Wheat Average FoB](#)

[\(Back to Table of Contents\)](#)

Month	US SRW2*	US HRW2*	Argentina P1*	Ukraine 12.5%*	Russia 12.5%*	Rouen 11%**	Australia ASW1***	Australia APW2***
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

[\(Back to Table of Contents\)](#)

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

[\(Back to Table of Contents\)](#)

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

[\(Back to Table of Contents\)](#)

Date	06.08.2020	29.07.2020	22.07.2020	18.06.2020	25.06.2020
Odessa, FOB(\$/tonnes)					
Milling wheat 12.5%	200-206	204-208	201-205	202-206	202-214
Milling wheat 11.5%	199-204	202-207	202-203	198-204	208-212
Feed wheat	-	-	-	-	-
Novorossiysk, FOB(\$/tonnes)					
Milling wheat 12.5%	200-206	205-209	205-208	204-207	210-215
Milling wheat 11.5%	199-204	202-207	202-205	198-204	208-212
Feed wheat	-	-	-	-	-

Source: Reuters

Forward Prices for 2020 Crop Black Sea Region

Origin	Commodity	Delivery period	Price (USD/MT)	
			22.07.2020	29.07.2020
Russia	Wheat, 12.5% protein	Sept-Oct	204-207	205-210
Ukraine	Wheat, 11.5% protein	Sept-Oct	200-203	-
Ukraine/Russia	Feed wheat	Sept-Oct	194-197	-

Source: Reuter

IGC Wheat Balance Sheet (Quantity in MMT)

[\(Back to Table of Contents\)](#)

IGC Forecast (Fig-In MMT)	2016-17	2017-18	2018-19 (Estimate)	2019-20 (Forecast)	
				25.06.2020	23.07.2020
Production	757	762	733	768	762
Trade	177	176	169	180	180
Consumptions	736	739	739	751	750
Carryover stocks	248	271	265	290	288
Y-O-Y change	21	22	-5	16	12
Major Export	79	83	70	65	62

IGC Balance Sheet Highlight:

- IGC has forecast global wheat production to be 762 MMT for 2019-20. Which is less by 5 MMT compared to last month's forecast. 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 750 MMT for 2019-20. The forecast is higher by 11 MMT compared to 2018-19.

- Carryout for 2019-20 is forecast at 288 MMT compared to estimate of 265 MMT last year. It is higher by around 23 MMT compared to 2016-17.

USDA Balance Sheet

[\(Back to Table of Contents\)](#)

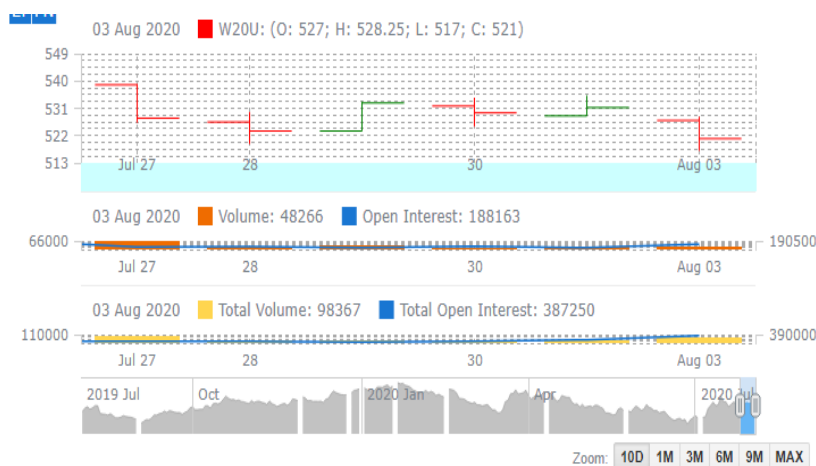
USDA Global Wheat Balance Sheet: 2018-19 Fig. In Thousand Tonne (As on 01.08.2020)							
Country	Opening Stock 2019-20	Production projected 2019-20	Domestic Consumption 2019-20	Import 2019-20	Export 2019-20	Ending Stock 2019-20	Production 2018-19
Argentina	1,692	21,000	6,200	5	14,500	1,997	21,000
Australia	3,540	26,000	7,050	200	17,500	5,190	26,000
Canada	5,463	34,000	9,800	450	24,500	5,613	34,000
China	1,51,155	1,36,000	1,30,000	6,000	1,000	1,62,155	1,36,000
EU	11,821	1,39,500	1,18,300	5,500	27,000	11,521	1,39,500
India	24,000	1,07,180	99,500	25	1000	30,705	1,07,180
Pakistan	1,084	26,100	25,500	100	300	1,484	26,100
Russia	7,279	76,500	40,500	500	36,000	7,779	76,500
Ukraine	1,249	26,500	8,800	75	17,500	1,524	26,500
U S	28,409	49,630	30,345	3,810	25,855	25,649	49,630
Others	61,428	1,26,903	2,70,828	1,66,601	22,881	2,887	1,26,903
World total	2,97,120	7,69,313	7,46,823	1,83,266	1,88,036	3,14,840	7,69,313

Source: USDA

CBOT Futures Sep-20 Chart:

1st Support: 531.67
2nd Support: 523.83
1st Resistant: 545.67
2nd Resistant: 551.83
(\$ 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.

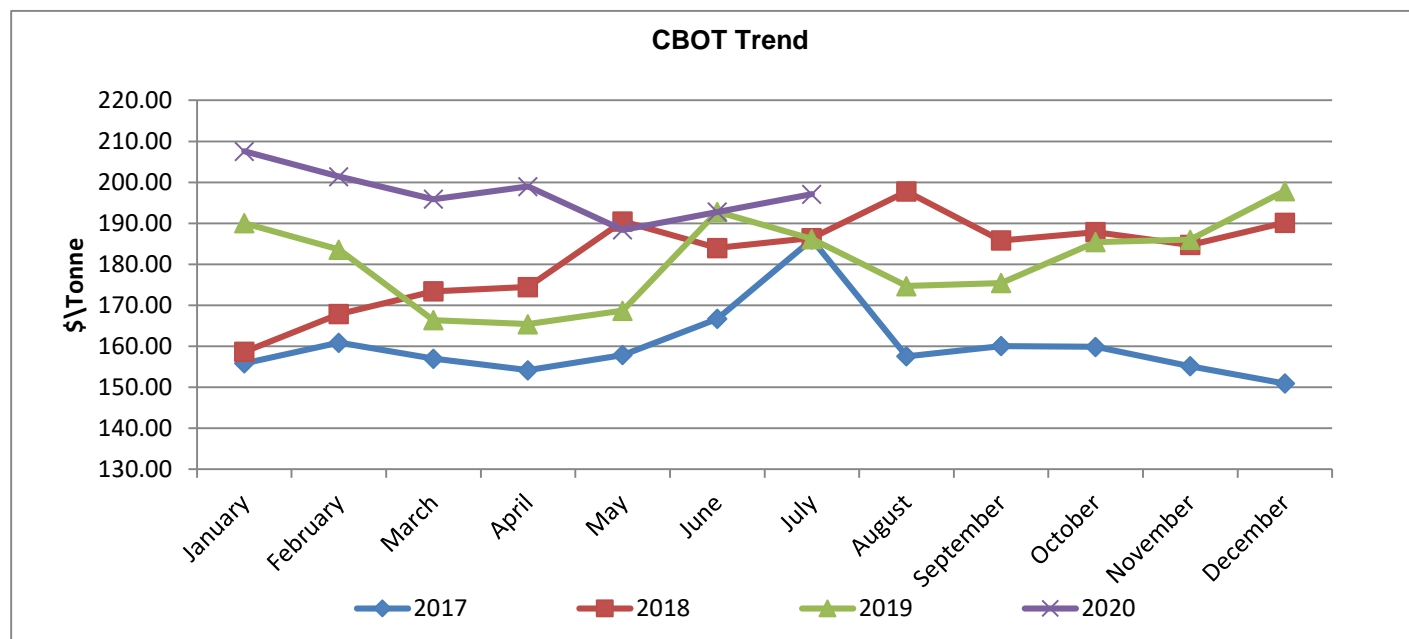


CBOT comparison over period of time:

CBOT Futures Prices:(USD/T)							
CONTRACT MONTH	Today	Week Ago	Month Ago	3 Month Ago	6 Month Ago	Year Ago	% Change over prev. year
	04-Aug-20	28-Jul-20	07-Jul-20	01-May-20	07-Feb-20	06-Aug-19	
Sep-20	531.25	539.50	490.00	521.00	555.50	490.75	8.25
Dec-20	538.75	545.25	492.00	524.75	553.75	491.50	9.61
Mar-21	545.75	551.00	499.75	528.00	553.50	500.50	9.04
May-21	549.75	554.00	507.50	535.75	559.50	506.00	8.65
Jul-21	549.00	550.75	512.50	542.00	568.00	510.00	7.65
Sep-21	554.00	555.25	513.75	542.50	574.75	517.25	7.10

CBOT Trend: -

[\(Back to Table of Contents\)](#)

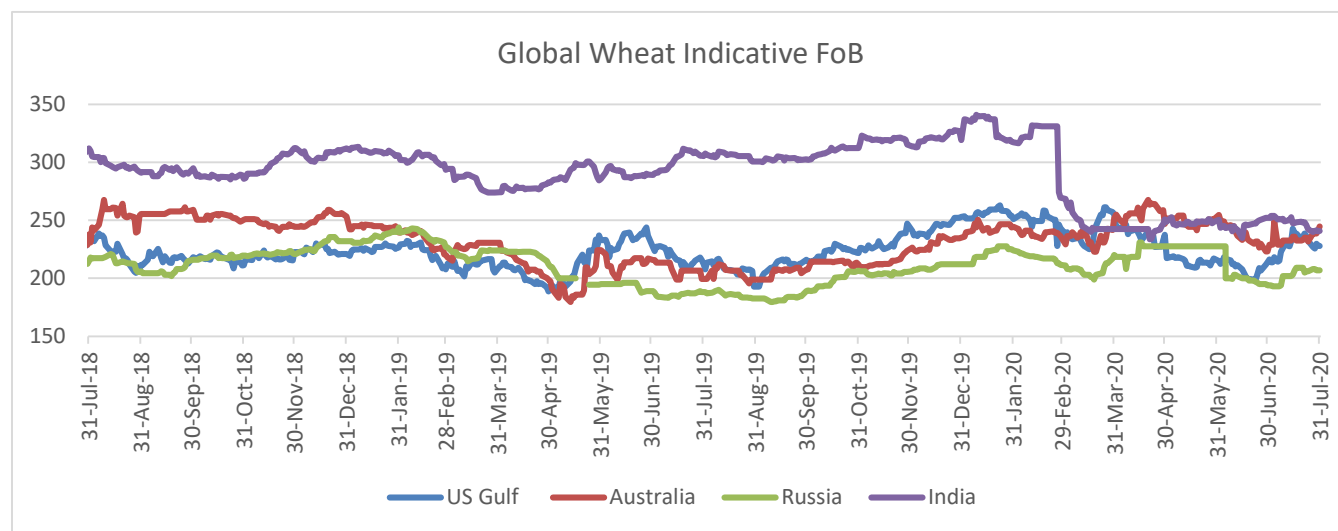


CBOT remains mostly firm from January to July under normal conditions as shown in the chart. However, this year due to outbreak of Covid-19 across several wheat producing countries prices are not following the trend. CBOT average monthly price for July'20 is higher by \$ 2.20/tonne compared to last year for the same month and higher by \$ 5.54/tonne compared to June'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 Jan-20	3rd Feb-20	2nd Mar-20	1st Apr-20	1st May-20	1st Jun-20	1st July-20	1st Aug-20
USA	253.6	253.70	238.20	244.08	237.13	214.58	208.78	228.82
France	NA	187.75	182.25	191.25	195.71	191.67	184.28	188.21
Australia	235.84	242.54	229.14	254.98	257.17	248.84	237.96	233.83
Russia	212	223.00	211.00	218.50	223.00	NA	198.64	202.61
India	337.07	316.47	268.55	NA	241.41	248.17	245.81	247.67

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 \$240.68 per tonne.

US and Russian quotes are hovering in the range of \$225.61 - \$229.86 and \$238.56-\$244.80 per tonne respectively. Wheat prices in international markets noticed range-bound to weak tone in last week. Wheat is expected to trade steady to firm and hover in the range of \$200 to \$250 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.

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