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## Summary

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Soybean Most active Dec contract at NCDEX made multi week high in the last week on speculative buying and later found sharp correction. The week was towards bears from the Muhrat trading and continued to weaken till Friday making lower lows in every session consecutively for three days. Spot Market remained continued to remain in tight range and tested previous high of INR 3350 per quintal in Indore for plant delivery. With record Oct arrivals the production estimates is expected to remain above 104 lakh tons. We have still kept our production at 104 lakh tons. SOPA has given it first estimated of production at 114.87 lakh tons. Many traders has been opined that the SOPA production figures are overestimated and production should be in the range of 105-110 lakh tons.

Daily and weekly arrivals has achieved its maximum. The daily arrivals are recording in between 12 to 15 lakh bags. The daily arrivals should range in between 9 to 10 lakh bags on an average continuously till Nov and which is going to confirm the production of above 110 lakh tons. Such arrivals has resulted in Oct arrivals to record 19 lakh tons which is a record for the Oct month. The arrivals is expected to be higher in the OND quarter due to the BBY and NAFED procurement program. Thus with estimates of higher production and higher probability of arrivals the OND quarter arrivals should record all-time high. Future market has remained volatile but spot market has remained more or less in range. Soymeal exports pace in the Oct-Dec quarter is going to determine how soon we are going to dispose most of the surplus soymeal produced.

At soymeal front, 2 lakh tons of soymeal has been booked by Iran which is going to be dispatched In Nov. SOPA has reported export of 1.6 lakh tons of soymeal whereas SEA has reported just .34 lakh tons in its provisional estimates. In any case the soymeal exports in Oct month is not very high to bring any aggressive rallies in Soybean complex. Indian soymeal remained competitive in the market and more enquiries in the coming weeks is expected. Soybean crushers are finding good margin for the second consecutive year over higher soy oil and soy meal prices in Oct-Nov month. Demand from poultry farmers is going to increase as the farmers is going place higher number of chicks to meet coming rise in winter demand.

CBOT Soybean traded on weaker note on a bearish Nov WASDE report but recovered later in the week. USDA has lowered the crop number but upward revised the 2018-19 US end stocks which is an all-time high. Market has remained under the impression of positives coming out from proposed meeting of Trump with Xi later in the month in G20 meeting scheduled to held on 29<sup>th</sup> Nov. Exports sales has remained poor and which is resulting downwards revision of US exports number for the 2018-19. Brazilian soybean sowing is at are record high and is well above the average pace of sowing. With such event Brazil is able to ship its soybean from Jan onwards and thus is again a blow to US soybean as China has to wait only for till Dec to start getting soybean from Brazil and continue to ignore US. Argentina sowing of soybean is also leading against their average pace of sowing. Critical for soybean market is the 90% probability of development of an El Nino in Dec month as assessed by NOAA.

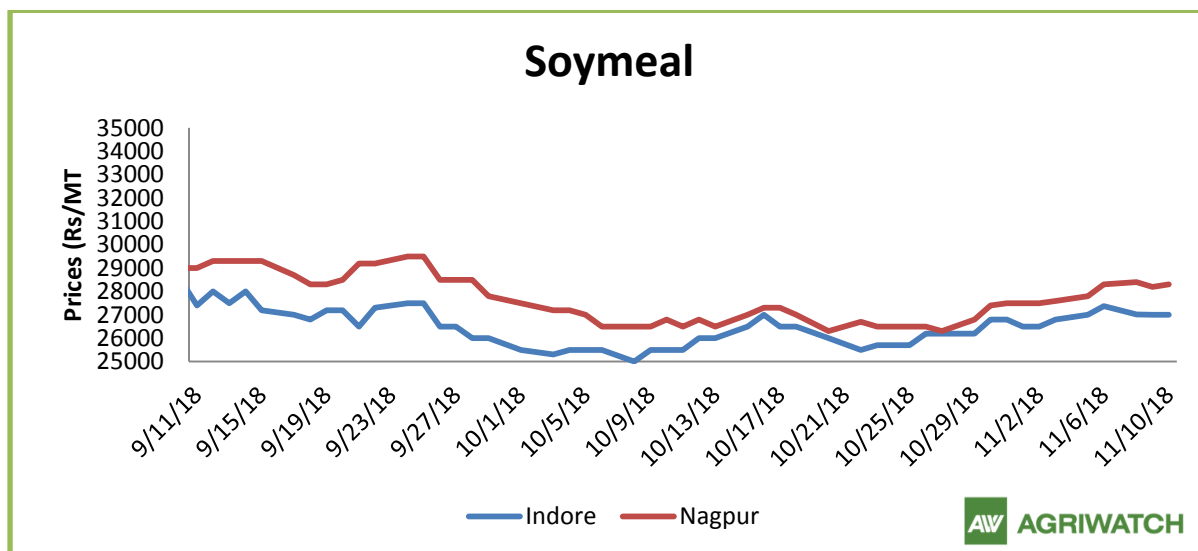
Rapeseed stocks offloading are still not fast enough to offload its stocks entirely at the end of this year. The ongoing rapeseed/Mustard sowing has slowed down after initial rapid advancements and is below last year as well as 5 year average. Thus expectations of record acreages this season is slowly evaporating. We are still estimating the acreages to be around 68.5 lakh hectares and more clarity will come in the third week of November on acreages number. Rapeseed arrivals have been high y-o-y as farmers are enjoying good price. Next round of rise in crushing demand is expected to happen from Mid Nov onwards to meet peak Winter demand which is expected to help Mustard prices to gain towards last highs. Sowing is at a decent pace and we can expect a record acreage this season.

Overall soybean and Mustard is expected to trade in range bound manner.

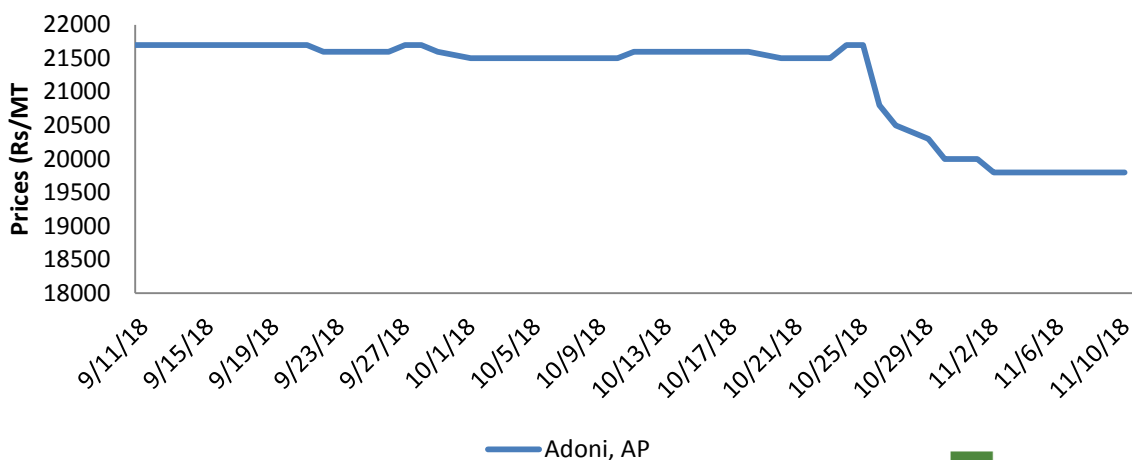
Overall steady to slightly firm sentiments witnessed in major maize cash markets. However, it could trade steady to range bound in the near term amid high demand and supply in to the market. Currently, in each state, prices are varying as per the quality parameter like moisture, percent of damaged grain and grain size which are all discounting factors; In Nizamabad region of Telangana, arrival contain moisture up to 16% and around 10-12% grain is damaged and small in size. In Kurnool region, large grain size quality contains moisture up to 18%. In rayalseema, medium grain size quality contains moisture up to 16%. Small grain size quality with less moisture is also arriving into the market. Last week, traders of A.P have bought the medium grain quality at Rs. 1550 per quintal from the Madhya Pradesh and further looking to buy the best quality material from Madhya Pradesh region. Besides, demand of industrial feed makers and stockists amid Government procurement in Telangana and Bhavantar Yojna in M.P, being supportive to maintain the maize prices. In Karnataka, trade sources revealed that there is less chance of procurement by Government. In Telangana, government is actively procuring maize; hence arrivals in open markets are low. Most of the material arriving in open market is of low quality that falls outside the parameters fixed by the government for procurement.

All India weekly average prices of wheat decreased by 1.01 per cent to Rs. 2040.39 per quintal during the week ended 08th November 2018. Wheat average price were ruling at Rs 2061.27 per quintal during 24-31 October 2018. As compared to prices in the week 01-08 November 2017, the prices are firm by 8.09 per cent. Prices are expected to remain firm in coming days due to good domestic demand and low imports.

### Trend – Raw Material, Feed

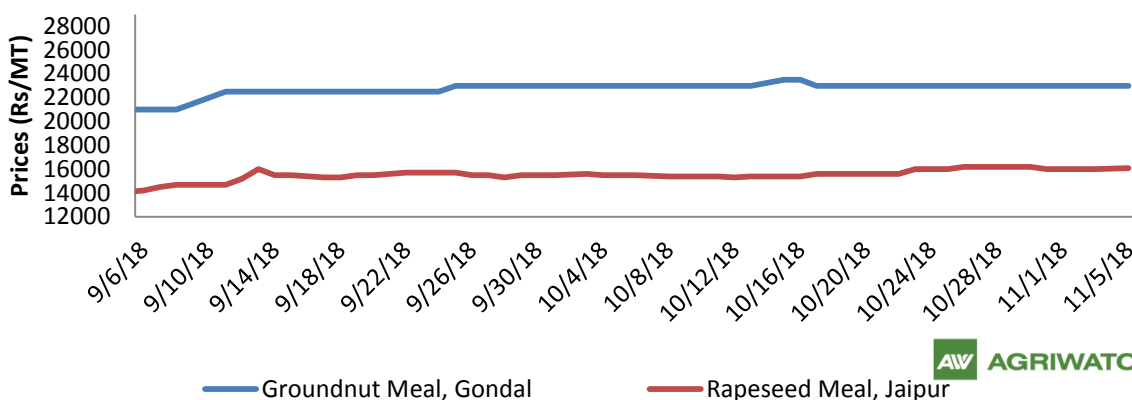


### Sunflower Meal



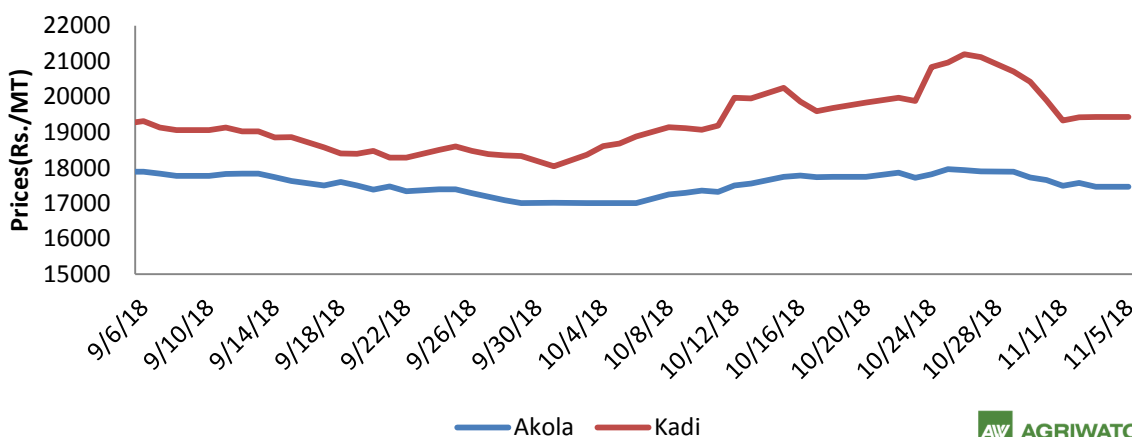
**AW AGRIWATCH**

### GN and Rapeseed Meal



**AW AGRIWATCH**

### Cottonseed Oilcake



**AW AGRIWATCH**

Source: AgriWatch

## Soybean

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In a recent move, US has granted India to waive from Iran sanctions for oil imports till March 2019. The US planned to re-impose oil-related sanctions to Iran from Nov 4. India has been engaged with US and successfully persuaded US in removal of trade sanctions. However the Oil imports is restricted to 1/3rd of the annual Imports.

Plants didn't took soybean for Diwali closure and the last offloading of soybean at maximum plants was till Tuesday. Many plants has already stopped offloading from Sunday. The full revival of crush is expected to happen in next week.

COOIT president has Mr Laxmichand Aggarwal has appealed to the govt to allow INR hedging by registered exporters and importers only as the speculators are driving the currency market.

USDA has upward revised India's production to 110 lakh tons as against 103.5 lakh tons in Oct report.

MP has targeted 16 LT of soybean procurement for the current season under the BBY (Bhavantar Bhugtan Yojana). Registered farmers under the flat BBY can sell soybean under the scheme.

According to AGMARKNET Soybean arrivals has been at 19.4 lakh tons on Oct month as against 13.7 lakh tons last year. Higher arrivals despite of lower carryover stock are indicating towards higher production this year.

MP state govt last year reimbursed the difference between the modal rates and MSP to farmers, up to a limit. Modal rates are the average price at nearby mandis. This year however the state had fixed its payout at up to Rs 500 a quintal to growers of soybean, irrespective of the actual difference between modal rate and MSP.

This is in line with the Centre's latest guidelines (under PM-ASHAA) according to which payout under any price deficiency payment scheme (PDPS) shouldn't exceed 25 per cent of the MSP value of the crop for which it has been started. So, in the case of soybean, the payout to farmers under Bhawantar should not exceed Rs 850 a quintal. The MP government, as noted, has decided to not pay more than 500 a quintal for soybean under Bhawantar. Thus it is not an BBY in its sense but a fixed bhavnatar yojana. MP state finds it difficult in maintaining record and registers, and thus adopted this policy.

***The domestic soybean prices are likely to be in tight range in the domestic market.***

## **International Market**

According to Informa, with a yield of 52.6 vs. USDA at 53.1 bpa, US soybean production is estimated at 4,647 mb or 43 mb below the USDA. September soybean exports were estimated at 119 mb vs. 164 mb the prior year.

According to the latest USDA crop progress report, 83 percent of the soybean crop had been harvested as compared with 72 percent a week ago but below the average pace of 89 percent.

The USDA is going to issue its latest monthly supply-and-demand report on Thursday and expect the USDA to lower its U.S. soybean yield estimate, but raise its forecast of 2018/19 soy ending stocks. The average market expectations for WASDE yield us at 52.9 bushels with market expectations ranging between 53.5 to 52.5 bushels.

The United States and China will hold the top-level diplomatic and security dialogue in Washington on Friday. Further down the month Trump, is expected to meet Xi at the G20 summit in Argentina.

In the USDA Weekly Exports inspection report 1.2 million tonnes of Soybean has been inspected. .

According to latest USDA GAIN report, China's soybean imports and soybean meal consumption are expected to stall in marketing year (MY) 2018/19 due to ongoing trade tensions between the United States and China and an outbreak of African swine fever. The bilateral trade dispute has ignited efforts by China to reduce U.S. soybean imports and slash soybean use for feed, pushing up China's domestic soybean and soybean meal prices and prompting higher than usual sales from the state soybean reserve. Post forecasts China's soybean imports to fall by 9 million metric tons (MMT) to 85 MMT in MY18/19.

Brazil biodiesel manufacturers are suggesting govt to place a 10% export duty on Soybean in order to get more soybean crush in the country which is going to be used in the production of biodiesel. Brazil has recently passed resolution to increase the biodiesel blend mandate by 1% per year from current 10% and upto 15% in the coming 5 years. Further this will also help the domestic crush industry, and tapping exports market of soymeal and Soy Oil. Brazilian crushers are finding it difficult to find the crush margin as soybean prices has shot up as China increased their booking of Brazilian soybean over US soybean after trade spat.

Earlier govt has rejected the requests many times but the new govt is more right winger and since is an anti to China's aggressive economic advance might have if nit a gleam of possibility of introducing exports duty on Brazilian soybean.

US have indicated that they are going to lower the import duty on Argentinean biodiesel. Earlier US has imposed anti-dumping duty on Argentinean Biodiesel on allegations of destroying domestic industry. US is the largest buyer of Argentinean biodiesel. Any rise in Argentinean biodiesel exports can result in higher soybean crush in Argentina.

Sowing in Argentina is at faster rate due to copious rains. Sowing in Brazil has been completed in 60%. Sowing has been ahead of year average and thus analysts are betting on early harvest and thus early start of exports to China. In Mato Grasso sowing has been completed in 89% of area by Nov 2 which is 25% ahead of last year.

According to the Nov WASDE report US has downward revised the US yield to 42.1 bushels per acre as against 43.1 bushels in Oct report. However US soybean end stocks has been upward revised to 25.9 million tons as against 24 million tons in Oct estimates. World end stocks has been also upward revised to 112 million tons as against 110 million tons in Oct WASDE report.

USDA has upward revised Brazil exports to 77 million tons from 75 million tons whereas US exports has been downward revised to 51.7 million tons from 56 million tons a month ago.

US crop has been downwards revised to 125.1 million tons from 127.6 million tons.

China imported 6.92 million tons of soybean as reported by Chinese customs 18% high y-o-y but 14% down m-o-m. China has stockpiled Soybean as Brazil moves into lean season and as China is reluctant to buy Chinese soybean, China is trying to hedge its stock position.

According to Australian bureau of meteorology the chance of El Nino in Dec has been 70% which is similar to the NOAA forecast.

China has been aggressively booking rapemeal, rapeseed and sunmeal to combat possible short in supply of soymeal. Ukrainian sunmeal has benefitted mostly by this move as the Ukrainian sunmeal prices has almost doubled with few months.

US soybean net sales of 388,400 MT for 2018/2019 were down 2 percent from the previous week, but up 16 percent from the prior 4-week average. Increases were reported for the Netherlands (140,400 MT, including 136,000 MT switched from unknown destinations), Thailand (80,800 MT, including 70,000 MT switched from unknown destinations), Spain (70,600 MT, including 65,000 MT switched from unknown destinations), Pakistan (69,000 MT, including 66,000 MT switched from unknown destinations), and Bangladesh (60,000 MT, switched from China). Reductions were primarily for unknown destinations (379,500 MT). For 2019/2020, total net sales were reported for Japan (3,000 MT). Exports of 1,136,200 MT were down 14 percent from the previous week, but up 2 percent from the prior 4-week average. The destinations were primarily to the Netherlands (140,400 MT), Mexico (140,200 MT), China (136,100 MT), Argentina (99,300 MT), and Japan (87,100 MT).

According to Baltic and International Maritime Council, Iran has emerged as the biggest buyer of US soybeans in August in the aftermath of trade tensions between China and the US. Iran was able to import higher soybean before the announcement of the unilateral trade sanction on 6th August and thus the pipeline deliveries arrived in the August month. The sanctions though came into force in Nov thus the deliveries are expected to arrive till Oct month.

In Russia according to a preliminary assessment of the regional authorities of the agro-industrial complex, the area under oilseeds increased by 1.3 million hectares, for the first time in Russian history, reaching 13.9 million hectares. The areas under rapeseed increased most noticeably - by 1.5 times (to 1.6 million hectares) and mustard - by 2.2 times (to 0.3 million hectares). Soybean acreages is at 2.9 million hectares and oilseed flax - 0.7 million hectares. Sunflower was planted on a record 8.1 million hectares.

As of October 30, 3.5 million tons of soybean were harvested (in 2017, 2.8 million tons) at a yield of 15.6 c / ha. The crop was threshed from an area of 2.3 million hectares or 81.9% of the harvesting area.

Sunflower threshed from an area of 6.8 million hectares or 84.9% of the harvest area. 10.8 million tons were threshed (in 2017 - 8 million tons), with a yield of 15.9 c / ha (in 2017 - 15.5 c / ha).

Rapeseed is threshed from an area of 1.5 million hectares or 94.4% of the harvest area. 2.1 million tons were threshed (in 2017 - 1.5 million tons), with a yield of 14.3 c / ha.

According to ABIOVE, Brazil's soy processing sector is in talks with Chinese government officials looking for ways to increase soymeal exports to the Asian nation especially after the decision was made to increase the biodiesel mandate by 1% every year which requires more soy oil and hence higher soybean crush.

Brazil's soy industry group Abiove raised its projection on soybean exports this year to 79 million tonnes from 77 million tonnes seen in October. Soybean production has also been upward revised to 120.5 million tonnes in its estimate for the Brazilian 2017/18 crop, from 119.5 million tonnes previously. ABIOVE expects crushing in Brazil to fall next year by 400,000 tonnes to 43.2 million tonnes.

Further ABIOVE revised 2019 soy oil export projection from 800,000 tonnes to 400,000 tonnes, due to expected higher local demand from biodiesel producers since blending is poised to increase next year from 10 percent to 11 percent of diesel composition.

US soybean total export commitments for U.S. soybeans in 2018-19 were down nearly 30 percent on the year. Sales to China were down at 94 percent.

According to the USDA GAIN report, the Chinese government maintains an unknown volume of soybeans in a state reserve, with estimates ranging from 6 million to 8 million tonnes which can last China just over four weeks, at the most, assuming a steady usage pace.

On average, the United States exports about 23 percent of its annual soybean volume in September and October. This year only 15 percent of soybean exported as of USDA's annual target, had been shipped through Nov.

Russian Agriculture Minister Dmitry Patrushev proposed setting up joint soy processing production with China on Russian soil as he met his Chinese counterpart for talks on Thursday, the agriculture ministry said.

Patrushev said Chinese investment in joint production would help Russia increase soy supplies to the Chinese market, the ministry said in a statement.

According to CONAB, Brazil 2018/19 Soybean Crop Seen At Btw 116.770 Million T And 119.266 Million T Versus 119.281 T Million In 2017/18.

### Soy meal

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CBOT soymeal witnessed bounced back sharply after the Trump tweet of easing relationship with China and probable tariff cut by Beijing in the G20 meet in the last week of Nov.

According to SEA, India's oilmeal exports in October fell 58 percent from a year earlier to 84,143 tonnes. Soymeal exports have been reported at 33898 tons as against 71425 tons last year in the same time frame. Exports have been sharp low due to limited stocks available with the exporters in contrast with last year to crush and exports.

Rape meal exports have been reported at 25234 tons almost falling by 3/4th m-o-m but slightly up y-o-y. Last year India exported 22731 tons of rapemeal in the Oct month.



Iranian state-owned animal feed importer SLAL purchased around 200,000 tonnes of soymeal from India in October in directly-negotiated deals for immediate delivery. The purchases as anticipated was over the US sanctions and to ensure there were sufficient supplies in the country. The U.S. sanctions, has complicated even approved trade such as food.

As US sanctioned the banks also for the payments of the cargoes traded market is looking for the options in the payment channels through which trade can be done. The details of the new U.S. sanctions on Iran is yet to come and clarity has to come on which banks sanction has been imposed.

After the August sanction on Oil trade and related business such as shipping, The United States announced a new raft of sanctions on Iran on Monday. The U.S. Treasury Secretary Steven Mnuchin is going to impose unprecedented financial pressure on Iran which includes the sanctions on 50 Iranian banks and subsidiaries, more than 200 persons and vessels in its shipping sector, and targets Tehran's national airline, Iran Air, and more than 65 of its aircraft.

However Europe and China has opposed the reapplication of sanctions. On the other hand Switzerland is in talks with the United States and Iran about launching a humanitarian payment channel to help food and drugs keep flowing to Tehran.

U.S. sanctions permit trade in humanitarian goods such as food and pharmaceuticals, but measures imposed on banks and trade restrictions could make such items more expensive.

According to traders China has ample stocks of soymeal and soybean at their ports and thus China is not in hurry to buy Indian soymeal. A few booking can happen but expectations of huge amount of soymeal exports aren't visible nearby. Iran thus remains crucial for Indian soymeal exports pace.

Soymeal stocks in US have increased and by Sep ends the stocks were high by 38% m-o-m. This has kept the soymeal prices under pressure despite the rise in Soybean prices. Under the influence of which Argentinean soymeal prices doesn't seems to rise aggressively and in repercussion till India is not able to exports is surplus Indian bean complex has very limited potential for any rally in near term.

In the USDA Weekly exports sales report, US Soymeal net sales of 255,100 MT for 2018/2019 were reported for Ecuador (38,200 MT, including decreases of 1,800 MT), Mexico (30,500 MT, including decreases of 3,100 MT), the Philippines (29,100 MT), Colombia (28,300 MT, including 9,000 MT switched from unknown destinations), and Vietnam (27,800 MT). Reductions were primarily for El Salvador (10,000 MT). For, 2019/2020, net sales of 900 MT were reported for Mexico (700 MT) and Canada (200 MT). Exports of 237,600 MT were reported to the Philippines (47,000 MT), Mexico (43,100 MT), Ecuador (31,200 MT), Colombia (30,400 MT), and the Dominican Republic (24,200 MT).

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not able to exports is surplus Indian bean complex has very limited potential for any rally in near term.

Weakness in Argentinean meal has led to widening spreads with Indian meal and is currently at \$27 per ton but good enough to absorb the freight advantage India is having towards the exports destination markets.

Current premium still has the potential for robust exports demand of Indian soymeal. Further prospects of exports to Iran and China have remained bright and Indian exporters have the space to enjoy premium with MEIS in place which can be used effectively in the soymeal trade negotiations.

With higher soy oil prices buoyed by the back to back import duty hike the Indian soybean crush margins are handsome and which has resulted in heavy crushing and also working in full capacity to meet the exports demand.

Demand from broilers and layers farmers is also going to increase the farmers pulling up their socks to meet peak winter demand.

Lower crush of groundnut will result in lower availability of GN meal and thus replacement demand for the Soymeal is going to be high. Moreover the rape meal export is also high and the same applies here also.

As the international sun meal prices was ruling at rock bottom levels India managed to import record sunmeal. In Calendar year 2016 India imported 2.68 lakh tons and in 2017 2.2 lakh tons against just 20 thd tons in 2015. However the imports in 2018 has drastically declined due to the rise in Chinese demand of Ukrainian Sunmeal which has resulted in almost doubling of the Ukrainian Sun meal price especially after US-China trade war.

### Rapeseed - Mustard Seed

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**The all India weekly seed supplies were reported 1.2 lakh bags as compared to 7.85 lakh bags in the previous week. The supplies were 9.95 lakh bags in the same time frame last year.**

The spot price remained sideways in a festival week with limited arrivals and trade.

At NCDEX futures, the seed prices at Dec contract closed at INR 4125 Qtl compared to INR 4158/Qtl previous week.

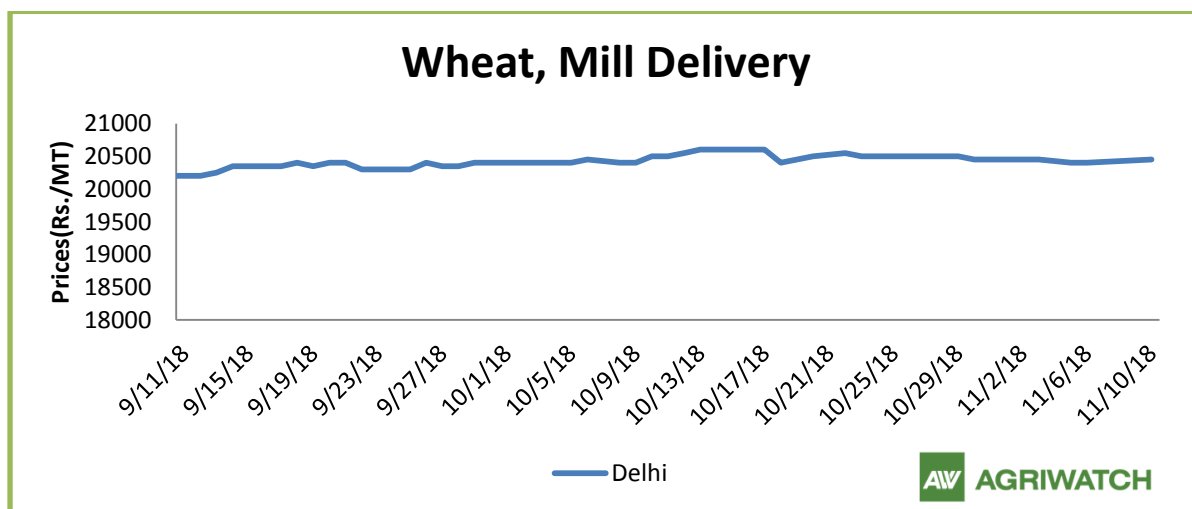
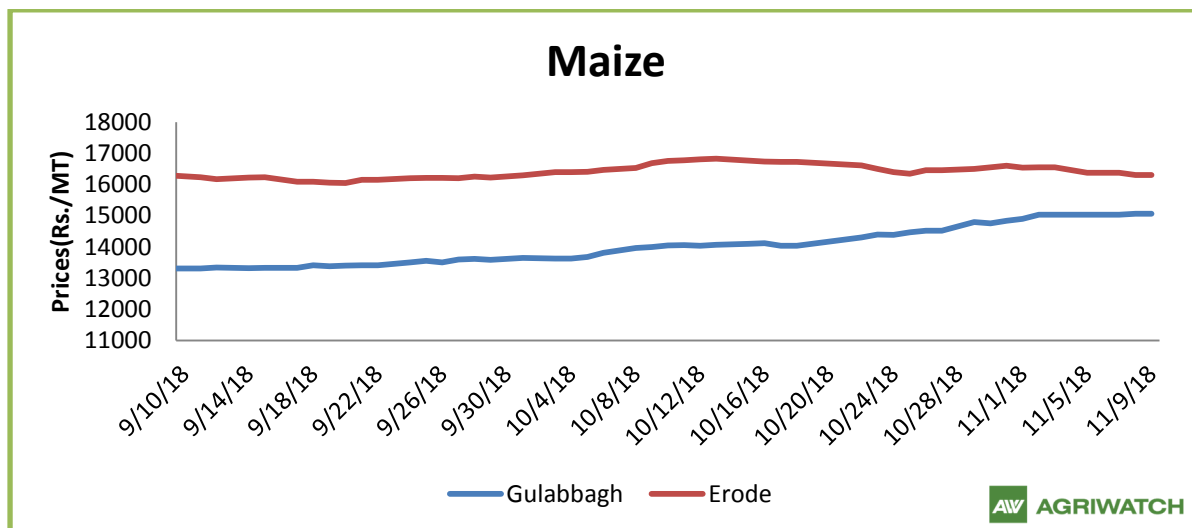
Although Mustard sowing started at a brisk pace but could not able to sustain same momentum and as on 02<sup>nd</sup> Nov 27.84 lakh hectares has been brought under Mustard/rapeseed/Toria against 26.568 lakh hectares last year and 5 year average of 23.522 lakh hectares.

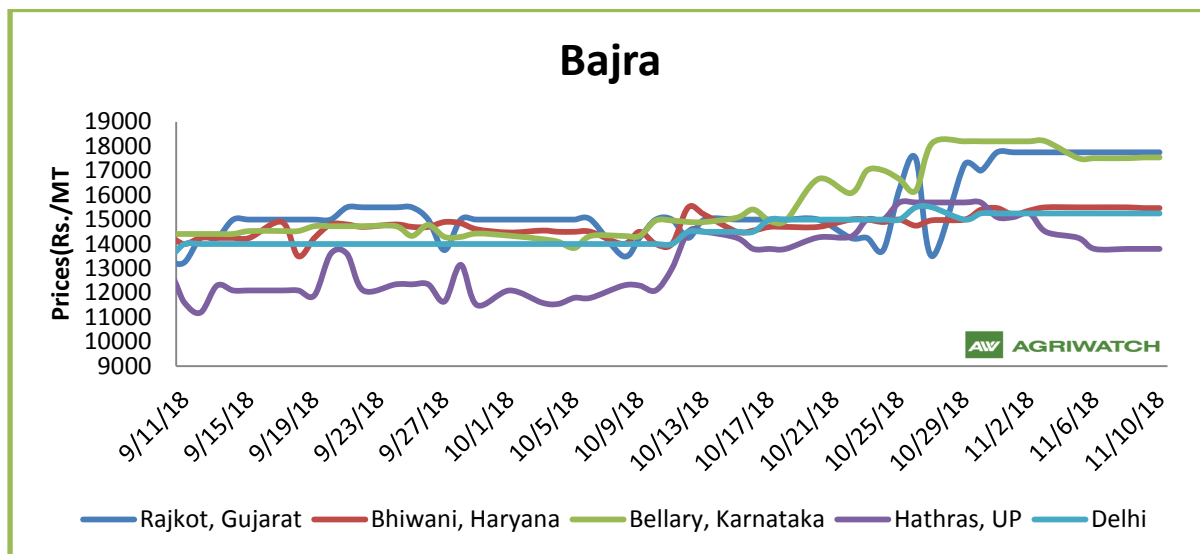
Sowing pace in MP and Haryana is above 5 year average but below last year. Sowing in Rajasthan is well above last year but below 5 year average. Sowing in UP is at par with last year and above year average sowing pace.

Mustard sowing has slowed down and in Gujarat as expected is below 5 year average and also last year. Sowing has been completed in .378 lakh hectares against average of .919 lakh hectares. Sowing in Rajasthan is also slowed down and is below 5 year average of 19.45 lakh hectares and is at 16.314

lakh hectares ahead of last year sowing pace. In Assam and WB also the sowing pace is behind 4 year average. Overall all India sowing has been completed in 34.7 lakh hectares lower as against 5 year average of 39.116 lakh hectares and also lower against last year of 37.053 lakh hectares.

According to MOPA, in Oct month 6 lakh tons of rapeseed has been crushed which has been higher by 33% y-o-y.





**Source: Agriwatch (Prices: Maize-Industrial/Feed Grade. Wheat-Mill Delivery: Narela Market, Delhi)**

Overall steady to slightly firm sentiments witnessed in major maize cash markets. However, it could trade steady to range bound in the near term amid high demand and supply in to the market. Currently, in each state, prices are varying as per the quality parameter like moisture, percent of damaged grain and grain size which are all discounting factors; In Nizamabad region of Telangana, arrival contain moisture up to 16% and around 10-12% grain is damaged and small in size. In Kurnool region, large grain size quality contains moisture up to 18%. In rayalseema, medium grain size quality contains moisture up to 16%. Small grain size quality with less moisture is also arriving into the market. Last week, traders of A.P have bought the medium grain quality at Rs. 1550 per quintal from the Madhya Pradesh and further looking to buy the best quality material from Madhya Pradesh region. Besides, demand of industrial feed makers and stockists amid Government procurement in Telangana and Bhavantar Yojna in M.P, being supportive to maintain the maize prices. In Karnataka, trade sources revealed that there is less chance of procurement by Government. In Telangana, government is actively procuring maize; hence arrivals in open markets are low. Most of the material arriving in open market is of low quality that falls outside the parameters fixed by the government for procurement.

In India, maize has been sown in around 2.471 lakh hectares as of 9th November, 2018 which is higher than 2.052 lakh hectares during corresponding period last year. In Karnataka, maize has been sown in around 0.26 lakh hectares which is lower than 0.43 lakh hectares during corresponding period last year while in Tamilnadu; it has been sown in around 1.30 lakh a hectare which is higher than 0.73 lakh hectares during corresponding period last year. In Telangana; it has been sown in around 0.33 lakh a hectare which is higher than 0.08 lakh hectares during corresponding period last year.

From the trade point of view, In Nizamabad, Local starch and cattle feed makers are buying at Rs. 1400 per quintal. Maize is moving towards Hyderabad at Rs. 1650-60 per quintal. Meanwhile, it is moving towards Bangalore at Rs. 1520-1570 per quintal and Nammakal at Rs. 1620-1650 per quintal (Delivered price), sourced from Davangere. In Bihar, maize is moving towards Kolkata at Rs. 1650 per quintal. Last week, traders of A.P have bought the medium grain quality at Rs. 1550 per quintal from the Madhya Pradesh and further looking to buy the best quality material from Madhya Pradesh region.

As per USDA, U.S corn exports reached 10.60 MMT in the 2018-19 marketing year. At 1.36 MMT (for the period 26<sup>th</sup> October- 01<sup>st</sup> November, 2018) US corn exports were up by 79.51% from the previous week; mainly for the destinations like to Japan (391,600 MT), Mexico (319,100 MT), South Korea (135,600 MT), Taiwan (77,100 MT), and Peru (72,500 MT).

USDA increased its global corn ending stocks estimates by 148.16 MMT to 307.51 MMT for 2018/19 compared to last month for 2018/19. USDA increased its corn ending stock estimates for China by 148.98 MMT to 207.49 MMT for 2018/19 compared to last month. This increase was reflecting in the estimate of USDA as the Chinese government revised its corn stock position. Increase in global corn ending estimates likely to put pressure on international corn market.

In U.S, 76% crop of corn has been harvested as of 4th November, 2018, which is higher by 8% compared to corresponding period last year but lower by 1% from the last 5 year average period.

Corn on CBOT rose by 2.66 USD/ MT to 147.04 USD/MT for December'18 contract compared to last week due to increase in export demand for U.S corn.

All India weekly average prices of wheat decreased by 1.01 percent to Rs. 2040.39 per quintal during the week ended 08th November 2018. Wheat average price were ruling at Rs 2061.27 per quintal during 24-31 October 2018. As compared to prices in the week 01-08 November 2017, the prices are firm by 8.09 percent. Prices are expected to remain firm in coming days due to good domestic demand and low imports.

Trading in wheat was subdued in last week due to diwali holidays. Majority of the spot markets remained closed and are likely to resume normal operations from Monday.

Wheat future November contract closed at Rs 2048 per quintal after increasing by Rs 18 per quintal. Stock of imported wheat from Black sea region and Australia is negligible. Fresh import is also highly unlikely as wheat in domestic market is cheaper compared to wheat imported from Russia, Ukraine or Australia. Furthermore, ample stock is available with government as well as private trade to meet domestic demand.

According to latest update, area sown until 07th November'18 is 15.19 lakh hectares compared to 12.65 lakh hectares in the previous Rabi season. Sowing has started in all major wheat producing states. The normal area is 304.39 lakh hectares. Acreage is expected to be higher this Rabi season due to increase in MSP by Rs 105 per quintal for MY 2018-19.

India mainly imports from Australia and Russia. Wheat prices remained steady to slightly weak in both the countries during last week. As of now, Russian wheat with 12.5 percent protein content and Australian premium wheat (APW) is being quoted at \$332 (Rs 24000) per tonne and \$358 (Rs 25930) per tonne respectively, after including freight and import duty @30%. Local expenses will further add to cost. Whereas wheat mill quality price in Chennai and Coimbatore is ruling around Rs 23800-24000 per tonne and Rs 25000-25400 per tonne respectively.

Indian FoB quote is hovering around \$290.24 per tonne. Against it Russia, Ukraine, France, US and Australia are offering wheat at \$220.38, \$220.63, Euro 200.50, \$218.03 and \$250.94 per tonne respectively. There is little hope for recovery at export front this year. However, India is expected to import around 0.3 million tonnes in MY 2018-19.

Global wheat market is expected to trade steady to slightly firm due to lower production in major producing regions. EU is likely to produce around 136.7 MMT in 2018-19 compared to 151.2 MMT in 2017-18. Russia and Ukraine are likely to harvest 69.50 MMT and 25.50 MMT of wheat in 2018-19 respectively. Production in US is likely to be around 51.3 MMT compared to last year's 47.30 MMT. Australia is likely to produce 16.6 MMT in 2018-19 compared to 21.20 MMT in 2017-18. Argentina is expecting to harvest around 19.1 MMT in 2018-19 compared to 18.5 MMT in

2017-18. Furthermore, Canada is likely to harvest around 31.00 MMT in 2018-19 compared to 30.0 MMT in 2017-18.

**Outlook:** Feed prices are expected to trade steady as overall feed ingredients prices traded mixed during last week.

## Annexure

### Oil Meal Prices at Key Spot Markets:

### Soy DOC Rates at Different Centers

#### Soy DOC Rates at Different Centers

Centers	Ex-factory rates (Rs/ton)		
	08-Nov-18	01-Nov-18	Parity To
Indore (MP)	27020	26500	Gujarat, MP
Kota	26850	26800	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	28500	28300	Mumbai, Maharashtra
Nagpur (42/46)	28400	27500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	28700	28300	Andhra, AP, Kar ,TN
Latur	29800	29000	-
Sangli	N/A	28500	Local and South
Sholapur	28300	28000	Local and South
Akola	27500	28000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	29010	28500	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	26650	26600	-

### Soy DOC at Port

Centers	Port Price	
	08-Nov-18	01-Nov-18
Kandla (FOR) (INR/MT)	Unq	28400
Kandla (FAS) (USD/MT)	Unq	385

International Soy DOC			
Argentina FOB USD/MT	08-Nov-18	01-Nov-18	Change
Soybean Pellets	334	338	-4
Soybean Cake Flour	334	338	-4

Soya Meal	339	342	-3
Soy Expellers	339	342	-3
<b>Sunflower (DOC) Rates</b>	<b>Ex-factory rates (Rs/ton)</b>		
<b>Centers</b>	<b>08-Nov-18</b>	<b>01-Nov-18</b>	<b>Change</b>
Adoni	Closed	20000	-
Khamgaon	Closed	-	-
Parli	Closed	-	-
Latur	Closed	-	-

<b>Groundnut Meal (Rs/MT)</b>	<b>08-Nov-18</b>	<b>01-Nov-18</b>	<b>Change</b>
Basis 45%, Saurashtra	Closed	Closed	-
Basis 40%, Saurashtra	Closed	Closed	-
GN Cake, Gondal	Closed	Closed	-

<b>Mustard DOC/Meal</b>	<b>08-Nov-18</b>	<b>01-Nov-18</b>	<b>Change</b>
Jaipur (Plant delivery)	Closed	16000	-
Kandla (FOR Rs/MT)	Closed	16500	-

#### Maize Spot Market Prices (Rs./Quintal)

Market	Grade	8-Nov-18	1-Nov-18	8-Oct-18	8-Nov-17	8-Nov-16
Delhi	Hybrid(U.P)	Closed	1525	1400	1310	1600
Davangere	Loose	1450	1450	1500	1300	1480
Nizamabad	Bilty	1475	1475	1450	1390	1450
Ahmadabad	Feed	Closed	1525	1570	1300	1410
	Starch	Closed	1550	1590	1330	1400

#### FOB, C&F – Maize at Various Destinations (USD/ton)

	Argentina	Brazil	US	India
<b>FOB</b>	163.88	179.50	166.00	230.94
<b>Cost and Freight</b>	213.88	234.50	226.00	265.94

#### Soy Meal Exports (In MT):

Month	2014	2015	2016	2017	2018
Jan	364444	103934	7707	155160	105678
Feb	183551	64515	1127	207977	73816

Mar	232176	46670	430.1	107059	39209
Apr	75884	18017	12295	124374	68264
May	8226	14046	10400	48900	76026
Jun	2636	2098	17930	45975	104088
Jul	6682	928	12270	80797	63747
Aug	2778	768	10615	87668	59643
Sep	868	6886	12210	102212	45388
Oct	29071	4237	31390	71425	33898
Nov	110806	8909	97750	207630	
Dec	193832	5667	241250	168865	
<b>Total</b>	<b>1210954</b>	<b>276674</b>	<b>455374.1</b>	<b>1408042</b>	<b>669757</b>

Feed Ingredient Prices at a Glance						
Commodity	State	Variety	Centre	8-Nov-18	1-Nov-18	Change
Bajra	Karnataka	Hybrid	Bellary	1754	NA	-
		Hybrid	Bangalore	2250	2250	Unch
Jowar	Karnataka	White	Bangalore	2400	2250	150
		White	Bellary	2128	NA	-
Maize	Karnataka	Yellow	Davanger e	1450	1450	Unch
	Andhra Pradesh	Yellow	Nizamaba d	1475	1475	Unch
Rice	Haryana	IR8	Karnal	2600	2600	Unch
		Parmal Raw	Karnal	3200	3200	Unch
Soy meal	Madhya Pradesh	DOC	Indore	2702	2650	52
	Maharashtra	DOC	Sangli	2875	2850	25
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	1980	2000	-20
	Maharashtra	Ex-factory	Latur	Unq	Unq	-
Mustard	Rajasthan	Plant delivery	Jaipur	Closed	1600	-
Groundnut Meal	Gujarat	GN Cake	Gondal	Closed	Closed	-
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	Closed	1933	-
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	Closed	1749	-
Note: Prices Rs./Qtl						



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