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Summary

Soybean Most active Dec contract at NCDEX continued to remain volatile for the second week. Marker speculators seem to be manipulating the market but the spot prices remained unaffected which has kept the sharp rallies in NCDEX under check. The week again started with sharp rise and followed by consecutive bearish trade. The Dec contract has failed to breach the resistance level and couldn't able to set the trend.

Spot Market remained continued to remain in tight range but reached 5 week high before pulling back to 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.

The daily arrivals are recording in between 7 to 9 lakh bags. With such arrivals pace the Nov arrivals should not reach beyond 15 lakh tons. Arrivals between 12-14 lakh bags are expected to be a fair estimate. The arrivals are 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. 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 are going to increase as the farmers is going place higher number of chicks to meet coming rise in winter demand.

Rapeseed stocks auction are still not fast enough to offload its stocks entirely at the end of this year. Further as NAFED has halted daily auction in Rajasthan stocks at the end of season could remain in between 3-4 lakh tons. Thus the stock situation is going to remain tight in Dec-Jan months. 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 of Mustard Oil 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.

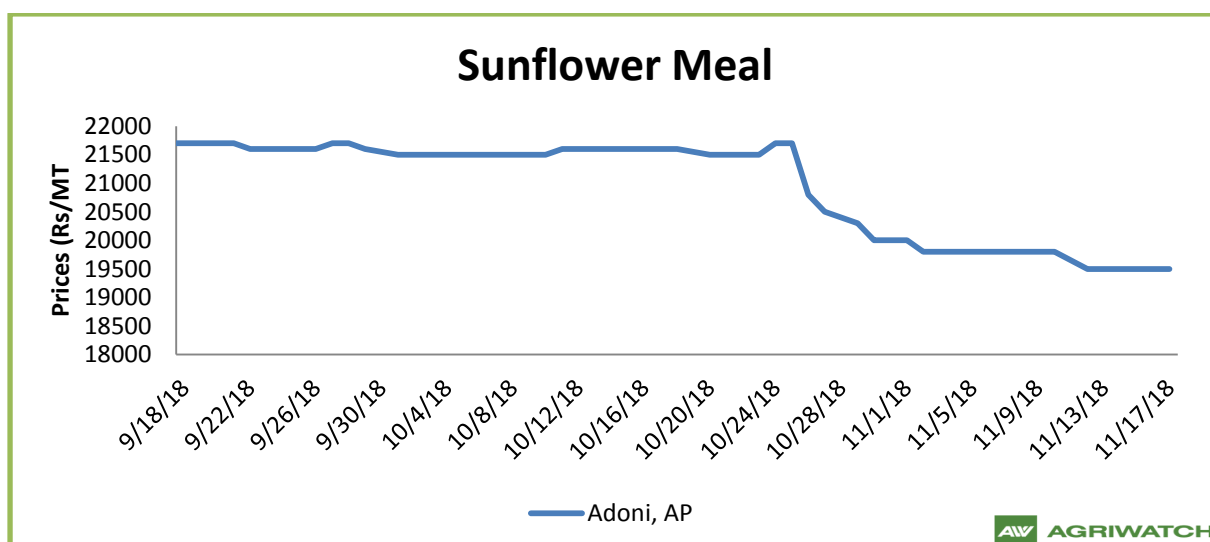
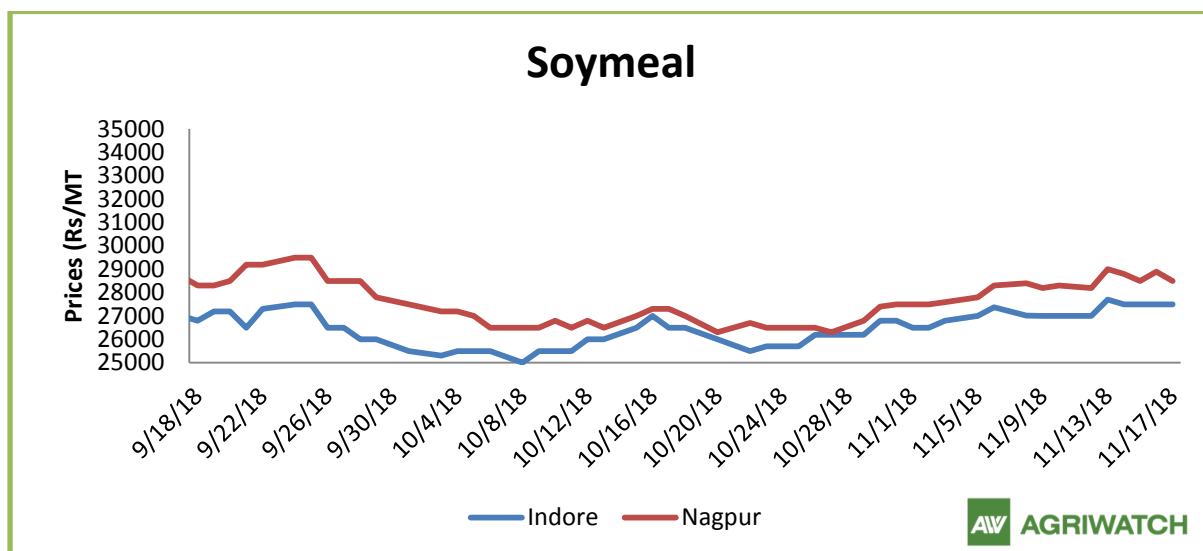
Overall soybean and Mustard is expected to trade in range bound manner.

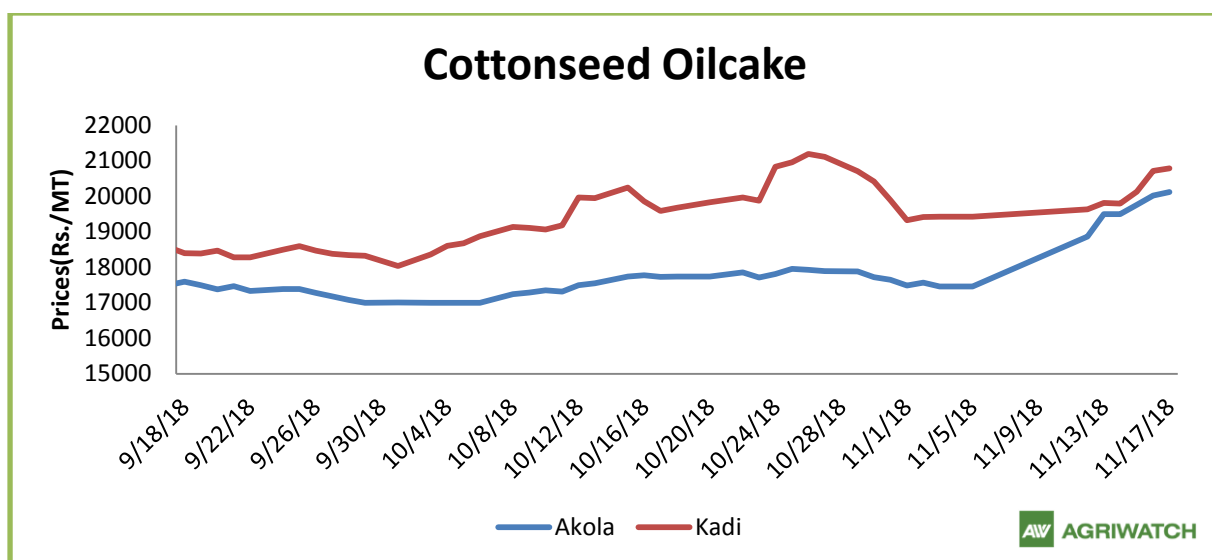
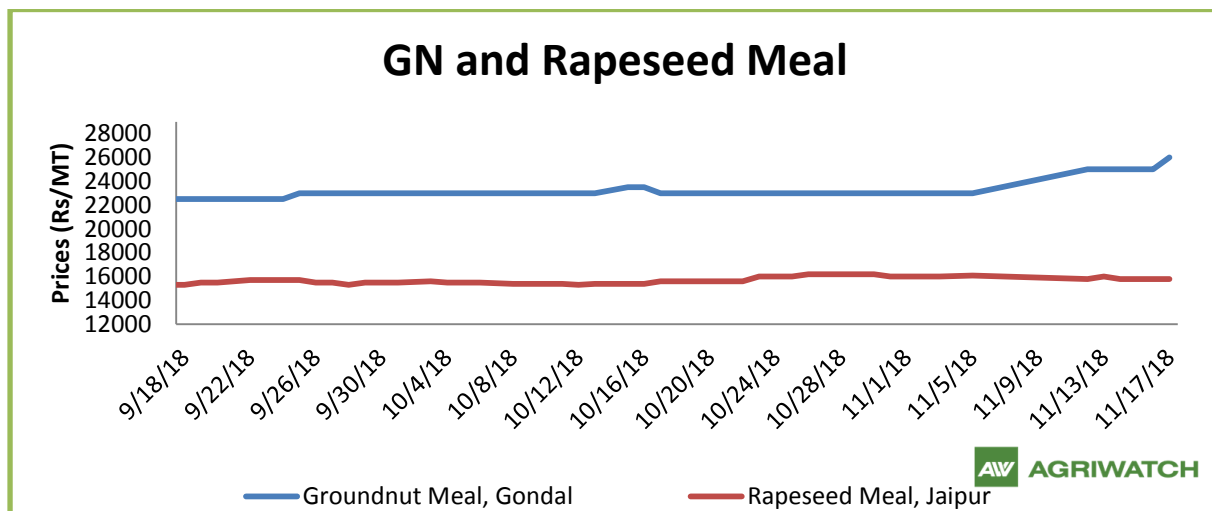
Overall steady to slightly firm sentiments witnessed in major maize cash markets and are likely to trade steady to slightly firm in the near term too despite crop arrival pressure as demand of industrial feed makers and stockists amid Government procurement in Telangana being supportive to maintain the maize prices. Besides, In Telangana, government is actively procuring maize; hence arrivals in open markets are low. As per trade source, Telangana government has procured around 1.5 lakh ton 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 Davangere region of Karnataka, prices are being supportive due to high rainfall. Besides, expectation of increase

in demand could also keep price at the high side. South feed makers are purchasing maize from M.P due to its quality and price parity.

All India weekly average prices of wheat increased by 3.60 per cent to Rs. 2113.76 per quintal during the week ended 15th November 2018. Wheat average price were ruling at Rs 2040.39 per quintal during 01-08 November 2018. As compared to prices in the week 09-15 November 2017, the prices are firm by 11.20 per cent. Prices are expected to remain firm in coming days due to good domestic demand and low imports.

Trend – Raw Material, Feed





Source: AgriWatch

Soybean

Soybean arrivals have been recorded at 7.5 lakh bags which is drastically low from the week before Diwali. Farmers offloaded their stocks to fetch some money for the festivals. Usual per day arrivals in this month is 7 to 9 lakh bags per day. Mustard all India arrivals has been at 1.4 lakh bags.

Rajasthan state co-operative marketing federation limited (RAJFED) are buying soybean and groundnut in the state and more than Rs 31 crore have been transferred directly to the bank accounts of the farmers via online mode. The number of such farmers is 2,956. In the state, the purchase of soybean is being done since October 11 while groundnut is being bought since October 16. For purchasing these crops 295 centers across the state have been set up by the department of cooperatives and more than 3 lakh farmers had got them registered for the purchase of these crops. About 1.7 lakh farmers of groundnut had registered online.

Gujarat government has announced Rs 110 bonus to farmers over and above the Rs 4,890 MSP per quintal declared by the Centre for 2018-19 kharif season. The responsibility of procurement has

been shifted from the co-operative to Food and Civil Supplies Department. The state will set up 122 procurement centers across the state, and will start procuring groundnut from farmers from November 15. Procurement will be done under the price support scheme (PSS) of the Central government.

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 Williams shipping Agent, Exports from Brazil, are expected to surpass 80 million tonnes in 2018.

According to Agribrazil, Brazil soybean exports is expected to reach 83 million tonnes on strong Chinese demand, up from 68 million tonnes last year.

According to EC, European Union soybean imports in the 2018/19 season that started on July 1 totaled 4.6 million tonnes by Nov. 11, up 4 percent from 4.5 million a year earlier. EU 2018/19 soymeal imports had reached 6.2 million tonnes, down 17 percent from a year-earlier 7.4 million.

According to Ukrainian Ministry of Agriculture, Ukraine has almost completed 2018's sunflower harvest at 13.6 million tonnes compared with 11.7 million tonnes in 2017. Ukraine's 2018 soybean harvest near end at 4.3 million tonnes versus 3.5 million tonnes in 2017.

In South America, soybean sowing pace is recorded higher as compared to average sowing pace. In Argentina Sowing has been completed in 9.4 % which is higher by 6.9% y-o-y. In Brazil sowing has been completed in 70% of the intended area as compared to 57% of average sowing pace.

According to NOAA, the chances of El Nino evolving this Dec has been increased to 90% as compared to previous month forecast of 70%.

Soy meal

CBOT soymeal remained sideways even soybean rallied in the week as the soymeal stocks has started rising in US.

Another vessel of 34 thd tons is waiting for berthing for soymeal exports. In Nov bulk exports can rise upto 1.5 to 2 lakh tons. Container shipments are also going to rise in this month.

Rapeseed - Mustard Seed

The all India weekly seed supplies were reported 8.6 lakh bags as compared to 1.25 lakh bags in the previous week. The supplies were 10.45 lakh bags in the same time frame last year.

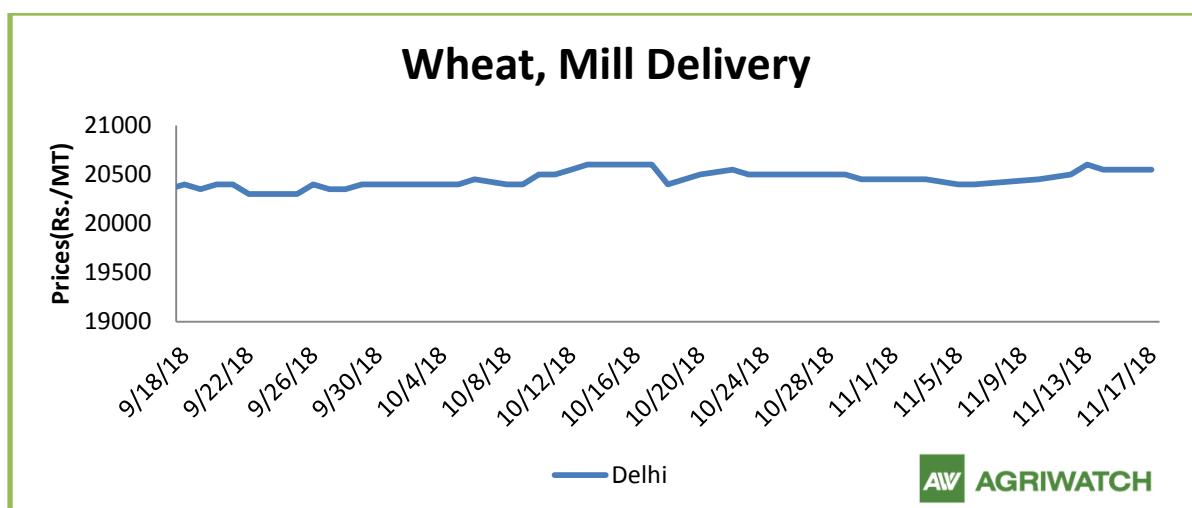
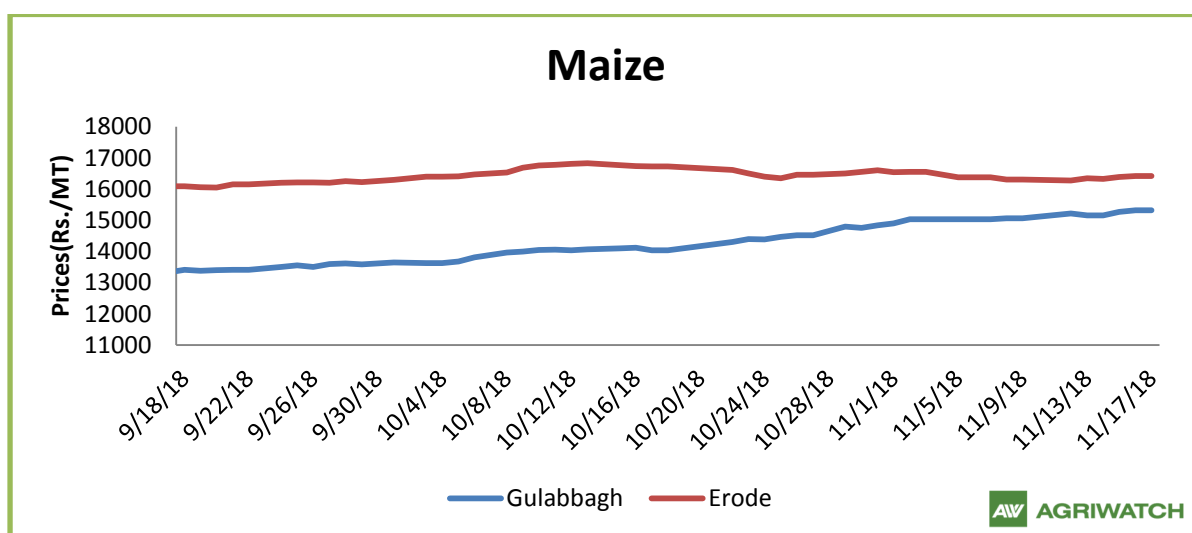
The spot price continued to remain sideways as the market lacks direction.

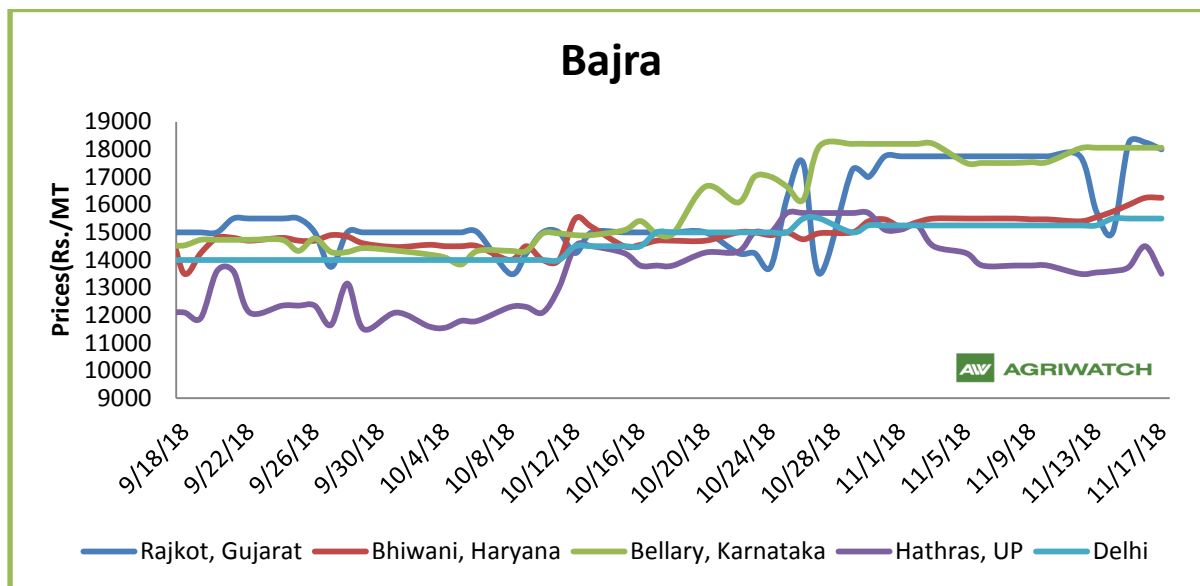
At NCDEX futures, the seed prices at Dec contract closed at INR 4130 Qtl compared to INR 4125/Qtl previous week.

Although Mustard sowing started at a brisk pace but could not able to sustain same momentum and as on 02nd 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.

The Mustard crush demand is going to rise from current week onwards. NAFED auction will be important in this period as seasonally prices used to rally and thus any rise in NAFED released has the potential to cushion the same. NAFED is expected to end the RMS with record Mustard stock.

In a recent move, NAFED has suspended the auction of Mustard from immediate effect in Rajasthan till further notice.





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 and are likely to trade steady to slightly firm in the near term too despite crop arrival pressure as demand of industrial feed makers and stockists amid Government procurement in Telangana being supportive to maintain the maize prices. Besides, In Telangana, government is actively procuring maize; hence arrivals in open markets are low. As per trade source, Telangana government has procured around 1.5 lakh ton 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 Davangere region of Karnataka, prices are being supportive due to high rainfall. Besides, expectation of increase in demand could also keep price at the high side. South feed makers are purchasing maize from M.P due to its quality and price parity.

In India, Rabi maize has been sown in around 3.40 lakh hectares as of 16th November, 2018 which is lower than 4.30 lakh hectares during corresponding period last year. In Bihar, maize has been sown in around 0.31 lakh hectares which is lower than 1.05 lakh hectares during corresponding period last year. In Karnataka, it has been sown in around 0.26 lakh an hectare which is lower than 0.62 lakh hectares during corresponding period last year while in Tamilnadu, it has been sown in around 1.35 lakh a hectare which is higher than 0.93 lakh hectares during corresponding period last year. In Telangana, it has been sown in around 0.49 lakh a hectare which is higher than 0.16 lakh hectares during corresponding period last year. As per trade source, in Bihar, maize area is likely to shift towards wheat and mustard.

From the trade point of view, Traders of Hyderabad purchased maize at Rs. 1615 per quintal; sourced from Madhya Pradesh. In Nizamabad, Local starch and cattle feed makers are buying at Rs. 1400-1425 per quintal. Maize is moving to Hyderabad at Rs. 1650 per quintal. Meanwhile, it is moving towards Bangalore at Rs. 1520-1540 per quintal and Nammakal at Rs. 1660 per quintal (Delivered price), sourced from Davangere. In Bihar, maize is moving towards Kolkata at Rs. 1650-1700 per quintal.

Corn on CBOT fall by 2.36 USD/ MT to 144.68 USD/MT for December'18 contract compared to last week due to decrease in export demand for U.S corn.

In U.S, 84% crop of corn has been harvested as of 11th November, 2018, which is higher by 3% compared to corresponding period last year but lower by 3% from the last 5 year average period.

At 1.11 MMT (for the period 2nd November- 08th November, 2018) US corn exports were down by 17.88% from the previous week but up 1 per cent from the previous 4-week average; mainly for the destinations like Mexico (337,900 MT), South Korea (192,400 MT), Japan (160,800 MT), Saudi Arabia (145,300 MT), and Colombia (90,100 MT).

All India weekly average prices of wheat increased by 3.60 per cent to Rs. 2113.76 per quintal during the week ended 15th November 2018. Wheat average price were ruling at Rs 2040.39 per quintal during 01-08 November 2018. As compared to prices in the week 09-15 November 2017, the prices are firm by 11.20 per cent. Prices are expected to remain firm in coming days due to good domestic demand and low imports.

According to latest update, area sown until 15th November'18 is 51.63 lakh hectares compared to 54.28 lakh hectares in the previous Rabi season. Sowing has started in all major wheat producing states. The normal area is 306.26 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.

Wheat WPI has increased from 149.8 in September-2018 to 151.1 in October-2018. Monthly wheat inflation has increased by 0.87 percent in October -2018 compared to previous month. As compared to October -2017 wheat WPI has increased by around 9.49 percent. Wheat WPI is expected to stay steady to slightly firm in coming months.

As per latest update, wheat stock in central pool as on 1st November'18 stood at 331.35 lakh tonnes down by 6.99% compared to last month. This quantity is higher by around 38.93% 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 The stock position as on 01st November'18 is highest in last four years. Therefore, government has abundant supplies this year to tackle any unexpected rise in wheat prices by selling more quantity in open market.

India mainly imports from Australia and Russia. Wheat prices remained steady to slightly weak in Australia during last week. As of now, Russian wheat with 12.5 percent protein content and Australian premium wheat (APW) is being quoted at \$333 (Rs 24095) per tonne and \$354.50 (Rs 25655) per tonne respectively, after including freight and import duty @30%. Local expenses will further add to cost.

Indian FoB quote is hovering around \$293.87 per tonne. Against it Russia, Ukraine, France, US and Australia are offering wheat at \$221.00, \$221.90, Euro 202.06, \$219.56 and \$246.74 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 to slightly firm as overall feed ingredients prices traded steady to slightly firm 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)		
	15-Nov-18	08-Nov-18	Parity To
Indore (MP)	27500	27020	Gujarat, MP
Kota	27600	26850	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	29000	28500	Mumbai, Maharashtra
Nagpur (42/46)	28500	28400	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	29500	28700	Andhra, AP, Kar ,TN
Latur	30000	29800	-
Sangli	#N/A	28750	Local and South
Sholapur	29200	28300	Local and South
Akola	27800	27500	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Hingoli	29500	29010	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Bundi	27400	26650	-

Soy DOC at Port

Centers	Port Price	
	15-Nov-18	08-Nov-18
Kandla (FOR) (INR/MT)	Unq	28600
Kandla (FAS) (USD/MT)	Unq	396

International Soy DOC			
Argentina FOB USD/MT	15-Nov-18	08-Nov-18	Change
Soybean Pellets	333	334	-1
Soybean Cake Flour	333	334	-1
Soya Meal	332	339	-7
Soy Expellers	332	339	-7
Sunflower (DOC) Rates			
Ex-factory rates (Rs/ton)			
Centers	15-Nov-18	08-Nov-18	Change

Adoni	19500	19800	-300
Khamgaon	Closed	-	-
Parli	Closed	-	-
Latur	Closed	-	-

Groundnut Meal (Rs/MT)	15-Nov-18	08-Nov-18	Change
Basis 45%, Saurashtra	25000	23000	2000
Basis 40%, Saurashtra	22000	20500	1500
GN Cake, Gondal	25000	23000	2000

Mustard DOC/Meal	15-Nov-18	08-Nov-18	Change
Jaipur (Plant delivery)	15800	16100	-300
Kandla (FOR Rs/MT)	16400	16600	-200

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	15-Nov-18	8-Nov-18	15-Oct-18	15-Nov-17	15-Nov-16
Delhi	Hybrid(U.P)	1550	Closed	1450	1325	1600
Davangere	Loose	1450	1450	1500	1300	1460
Nizamabad	Bilty	1500	Closed	1470	1400	1450
Ahmadabad	Feed	1520	Closed	1575	1270	1440
	Starch	1550	Closed	1575	1300	1400

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

	Argentina	Brazil	US	India
FOB	164.37	177.20	164.10	240.92
Cost and Freight	214.37	232.20	224.10	275.92

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	
Total	1210954	276674	455374.1	1408042	669757

Feed Ingredient Prices at a Glance						
Commodity	State	Variety	Centre	15-Nov-18	8-Nov-18	Change
Bajra	Karnataka	Hybrid	Bellary	1806	1754	52
		Hybrid	Bangalore	2250	2250	Unch
Jowar	Karnataka	White	Bangalore	2400	2400	Unch
		White	Bellary	2055	2128	-73
Maize	Karnataka	Yellow	Davanger e	1450	1450	Unch
	Andhra Pradesh	Yellow	Nizamaba d	1500	1475	25
Rice	Haryana	IR8	Karnal	2750	2600	150
		Parmal Raw	Karnal	3350	3200	150
Soy meal	Madhya Pradesh	DOC	Indore	2750	2702	48
	Maharashtra	DOC	Sangli	2930	2875	55
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	1950	1980	-30
	Maharashtra	Ex-factory	Latur	Unq	Unq	-
Mustard	Rajasthan	Plant delivery	Jaipur	1580	Closed	-
Groundnut Meal	Gujarat	GN Cake	Gondal	2500	Closed	-
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	2013	Closed	-
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1976	Closed	-
Note: Prices Rs./Qtl						

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