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Summary

Soybean Most active Nov contract at NCDEX took a bearish trend in the last week as the truce between US and China is being witnessed as a setback to potential exports of India's soymeal to China. Interestingly Spot Market though has remained at and above the crucial level of 3400 indicating firm crush demand as crushers continued to crush heavily to meet their exports commitments. Thus the last week was under the influence of bears and which has led to the unexpected fall and has breached most of the key support levels. The arrivals are still not very high as compared to last year and thus we are still sticking to our estimate of nearly 104 lakh tons. Dec remains crucial both for arrivals and exports and thus is pivotal in the assessment of production and as well as how soon we are going to exhaust the exportable surplus. of then The production estimates has been in the range of 102 to 115 lakh tons with one lobby saying production in the range of 102 to 104 lakh tons whereas the other lobby keeping production between 111 to 118 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. 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. Govt has reported record 19 lakh tons of arrivals whereas SOPA has reported 15 lakh bags. Market is in wait and watch position thus a prolonged consolidation is expected in coming weeks. Soymeal exports to Bangladesh have been nil but other origins exports has been better as compared to last year over competitive parity of Indian soymeal. Iran too imported 55 thd tons in Nov and another 1.45 lakh tons is expected to be shipped. Bangladesh sooner or later is going to start taking Indian soymeal which they haven't due to limited rake availability and Bangladesh Imported heavily US soybean at bargain price. Rapeseed stocks offloading are still not fast enough to offload its stocks entirely at the end of this year. However falling edible oil prices has restricted the demand of mustard oil as spreads widened between Mustard and soft oils. The sowing is leading against last year sowing pace and thus has kept the trading sentiments on bearish side. NAFED still holds nearly lakh tons of Mustard with three months for the season to end. Sowing as at last year pace and has thus diminished the hopes of record acreages over higher MSP and good profit realization over Chana this season. Overall soybean and Mustard is expected to trade in range bound manner.

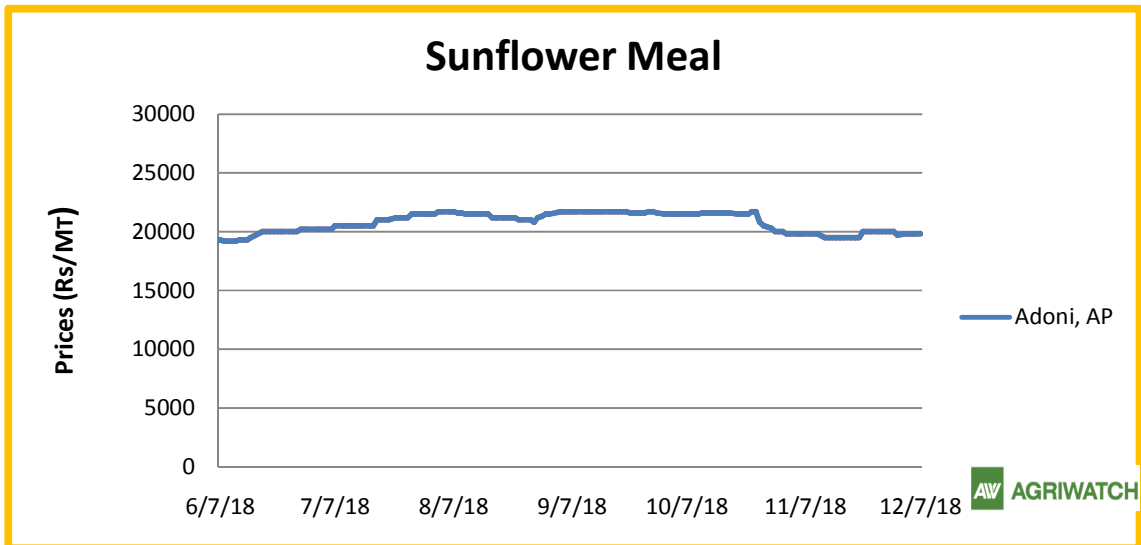
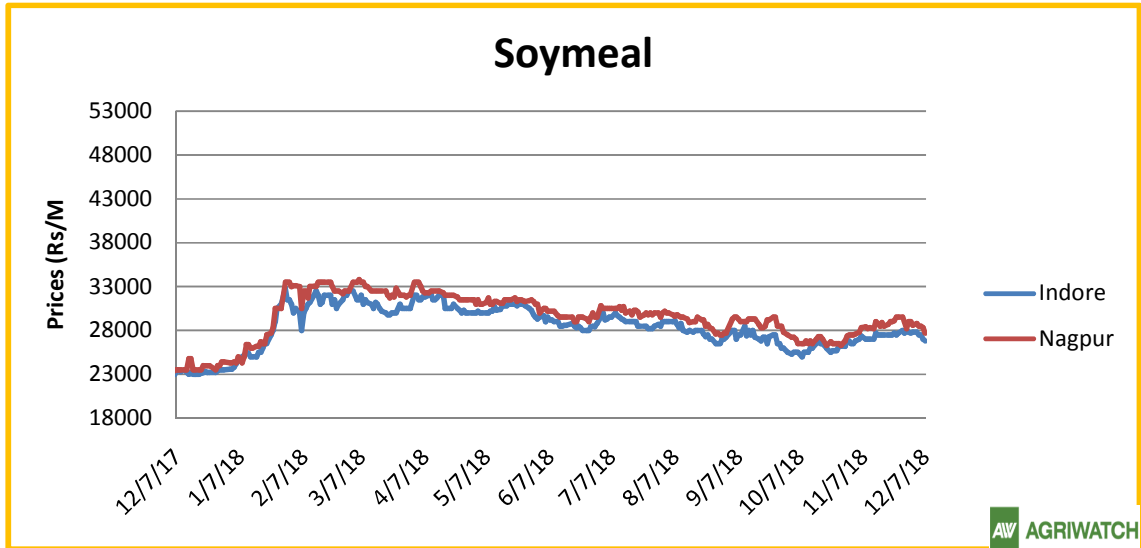
Overall maize cash markets traded firm during the week and are likely to trade firm ahead due to high demand of industrial feed makers and stockists amid low stock availability of good quality material as crop of Bihar is almost over and even 50-60% M.P crop has been traded. There would be shortage of good quality material after the end of December till the new rabi crop arrival expected in the month of March which is also expected to be less, due to low rainfall, less soil moisture and fall armyworm affect. Nizamabad, Kamareddy, Medak, Warangal (U) (R), Nirmal, Karimnagar and Mahabubabad districts are affected by fall armyworm. Demand from Nepal and Bangladesh is also supporting to Bihar market. Considering the all above mentioned facts, Agriwatch expects maize could trade firm in the coming weeks.

In Nizamabad, most of the material arriving in open market is of low quality; around 7-8% grain is damaged and small in size and contains moisture up to 14%. In Andhra Pradesh, farmers are not releasing their good quality material in to the market on the expectation of increase in price.

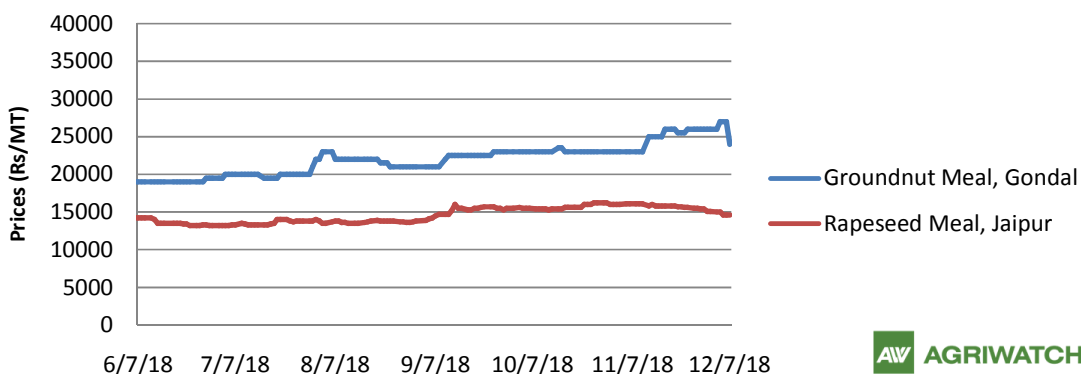
All India weekly average prices of wheat decreased by 2.31 percent to Rs. 2103.35 per quintal during the week ended 30th November 2018. Wheat average price were ruling at Rs 2153.17 per quintal during 16-23 November 2018. As compared to prices in the week 24-30 November 2017, the prices

are firm by 10.25 percent. Prices are expected to remain firm in coming days due to good domestic demand and low imports.

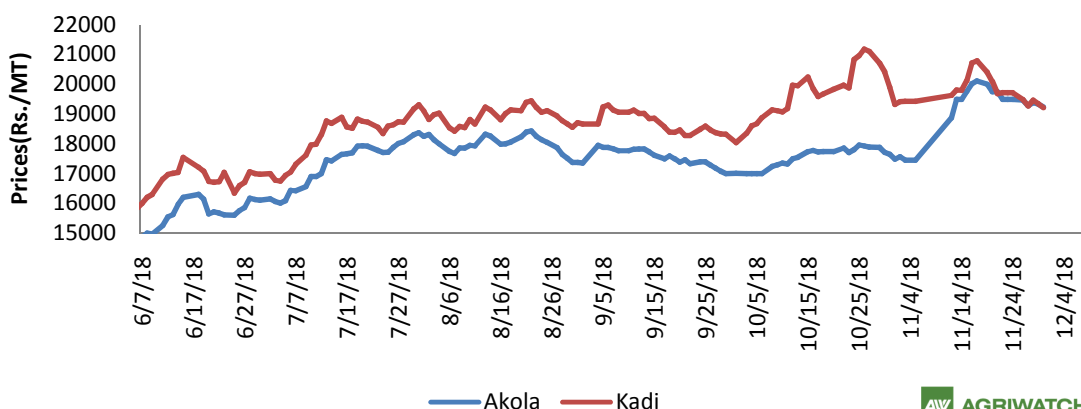
Trend – Raw Material, Feed



GN and Rapeseed Meal



Cottonseed Oilcake



Source: AgriWatch

Soybean

Domestic Market Indian soybean crush demand remained high as the crushers continued to ship their meal in international market in the peak exports quarter. Further the crushing by integrated poultry farmers are high as they have pulled up their socks to feed the poultry chicks which is going to make available for the peak demand during New Year celebrations. The spot market thus has found support at 3400 whereas as the US and China has shown signs of truce in the G20 meet the future market took bearish trend. However the pace of soymeal is so far so good as compared to the India's exportable surplus. The arrivals are not too high to indicate any production over 110 lakh tons despite of the BBY and NAFED procurement of Soybean. This is indicating that in the period when the govt interventions is still in course the arrivals are not too high which can be assessed for the soybean production to be less than what SOPA has estimated. In Jan SOPA can lower their production estimates whereas SEA can remain unchanged. The market is now looking for Dec arrivals and Dec soymeal exports. The OND exports pace is going to determine the potential rally in Indian soybean market. However there will be little support from international market and thus the Jan prices can shot up but later as the south American crop hits market the NCDEX prices is expected to start falling again. South

American crop is faring well. The domestic soybean prices are likely to be in tight range in the domestic market. International Market In the G20 Summit held in Buenos Aires, Argentina a lot of positives is coming out of it from US and China over easing tensions between Beijing and Washington. Trump has agreed upon leaving tariffs on \$200 billion worth of product at the 10% rate, and not raise it to 25% at this time from Jan 1. On the other hand China will agree to purchase a not yet agreed upon, but very substantial, amount of agricultural, energy, industrial, and other product from the United States to reduce the trade imbalance between our two countries. Further China agreed to start purchasing agricultural product from our farmers immediately. No additional tariffs will be imposed after January 1 and negotiations between the two sides will continue. Both parties agree that they will endeavor to have this transaction completed within the next 90 days. If at the end of this period of time, the parties are unable to reach an agreement, the 10% tariffs will be raised to 25%. The fundamentals are still bearish and still the shipments has to undergo on a large scale to restrict ballooning US stocks. Nevertheless there is good chances that in Dec WASDE report US is going to be a bearish one with US Stocks to be upward revised further as the Two major months has gone with limited US Soybean shipments Oilseeds Weekly Report 10 Dec 2018 7 to US and filling that gap will be difficult with port infra remaining constrain. Further clarity over new tariff and net premium discounts of other origins also remaining factor to judge the potential exports to China. The promises have yet to materialize and the US stock projections have to tighten for any reversal in trend.

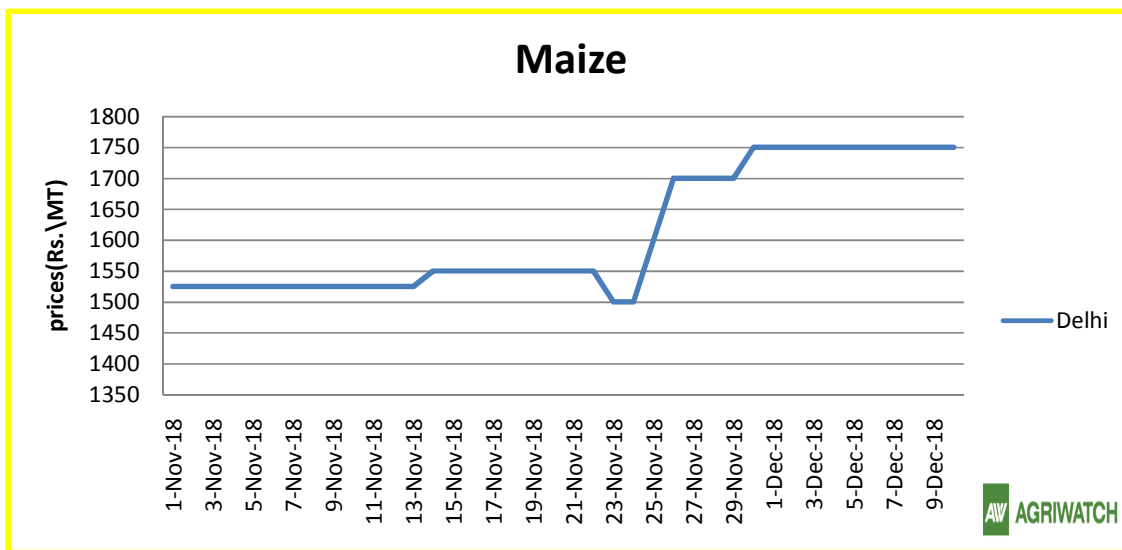
Soy meal

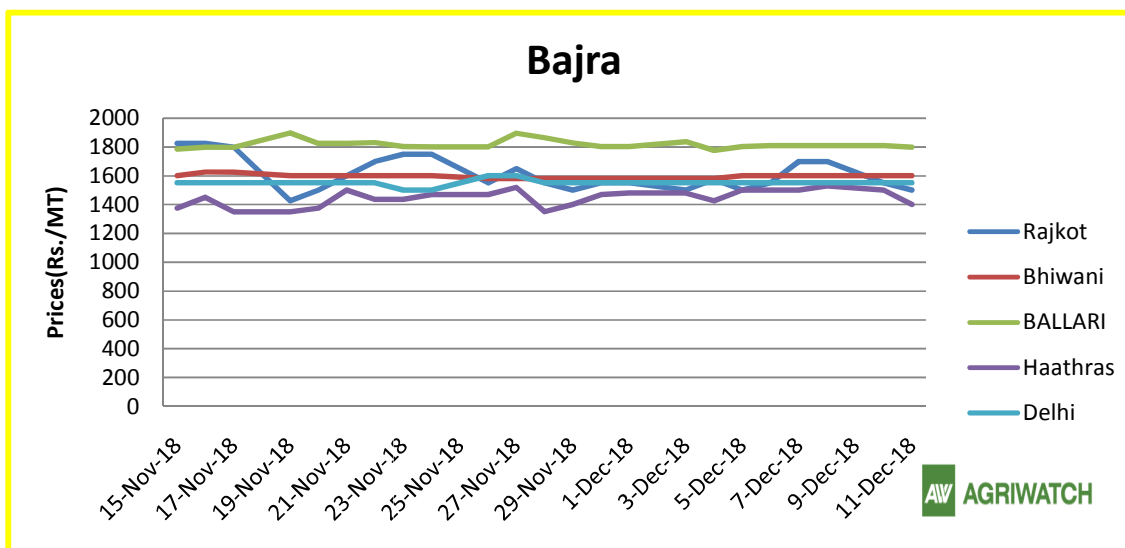
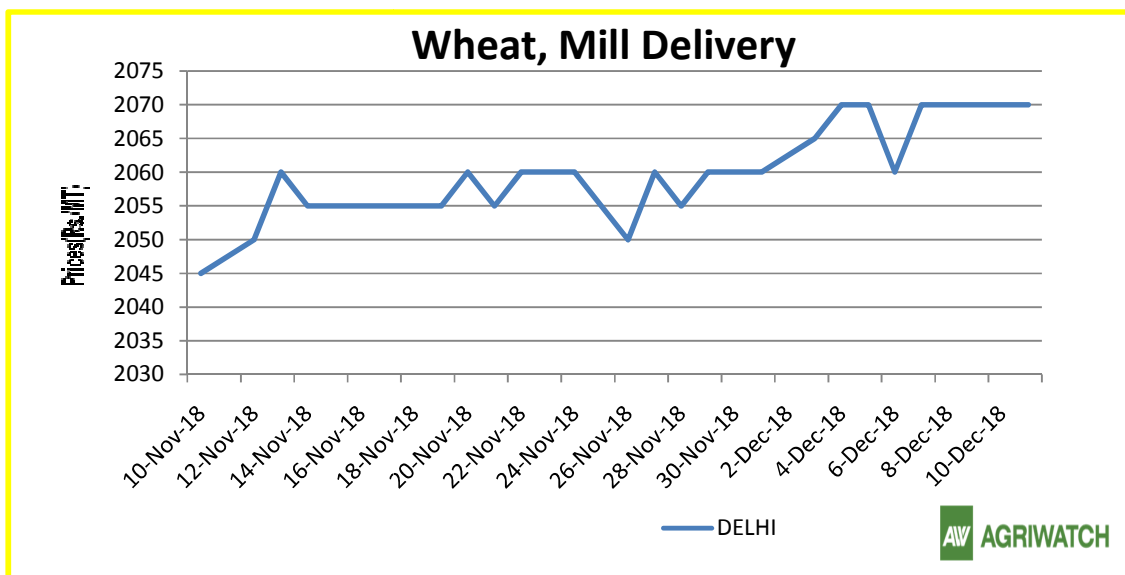
According sources, the Chinese government this week asked the Indian government for a draft of protocol for Indian soybean meal, to be discussed during the GACC visit to India starting December 10. A Chinese trade delegation is coming to India on Dec. 10 to inspect soymeal plants. Earlier China has cleared few soybean plants. According to the Ministry of Commerce/Export Inspection Council of India stated that China will resume import of Rapeseed Meal from India. Five units have already approved by General Administration of Customs of the People's Republic of China, GACC (formerly AQSIQ) and will able to resume the export of Rapeseed Meal to China once their registration with Chinese Ministry of Agriculture (MoA) is done which is cumbersome process and takes a long time. The daily soybean arrivals at this point of time is nearly 1 to 1.5 lakh bags less than the usual pace with the production of 100 lakh tons. However the sudden surge in arrivals before Diwali and then the fall in arrivals has overall compensated the cumulative arrivals figures and thus ND arrivals is y-o-y high. Cumulative arrivals according to govt sources is 30 lakh tons which is higher by 6 lakh tons y-o-y till Nov (MY starting in Oct). SEA has revised the Oct soymeal exports to 1.5 lakh tons as against .38 lakh tons in its provisional estimates which seemed unrealistic. In Nov SEA has given provisional estimate of 2.17 lakh tons of soymeal exports which is slightly higher y-o-y. In the ND months the exports has been higher y-o-y but still not enough to eat away the surpluses soon. India needs to at least exports 8-10 lakh tons of meal by Dec end or Mid Jan to tighten the Indian situation. India was able to export 55 thd tons of rapemeal in Nov improving m-o-m but lesser as compared to last year exports considered in the same month. Overall India's rapemeal exports has improved significantly as the prices offered remained very stable and remained well cheap as compared to Soymeal. India this year has able to gain the lost market thus rapeseed crushing season. Bangladesh a key buyer of soymeal from India has not taken any quantity of soymeal on Nov which is may be due to unavailability of railway rakes and /or aggressive buying of US soybean and crushing at overcapacity domestically, given the discounts US soybean enjoyed after the US-China fiasco. Bangladesh used to import 2-2.5 lakh tons of soymeal annually in the Oct –Sep period. Iran however took just 55 thd tons of soymeal out of 2 lakh tons the country booked for immediate delivery. Hopefully the remaining will be get exported in Dec month which may result in Dec exports clocking 3.5 lakh tons or even more. Thus in Oilseeds

Weekly Report 10 Dec 2018 8 such situation we might able to dispose nearly 50% of the surpluses if the production of bean is at 104-105 lakh tons.

Rapeseed - Mustard Seed

The all India weekly seed supplies were reported 6.7 lakh bags as compared to 7.6 lakh bags in the previous week. The spot price weaken w-o-w to flat as the market discounted the planting pace which currently is at the same level as last year. NAFED inability to offload the stocks at brisk pace has kept the supplies in market tight as nearly 5.0 lakh tons of Mustard is locked as on 03rd Dec. With this pace of release there will be still huge stocks locked till Dec as NAFED is able to release nearly 1 lakh tons of Mustard per month. NAFED is instrumental in altering Mustard Supply and Demand as It wants to sell Mustard at least at MSP. Seeking limited response from the crushers in auction the agency is offering Mustard at lower rate as compared to prevailing market prices. At the end of week mustard closed at 4205 per quintal as against INR 4235 per quintal during the corresponding period last year at the benchmark, Jaipur. The area coverage under mustard, as on 06th December 2018, is at the same level as of last last year. The sowing has slowed down this week and the chances of sowing to record higher than last year is slowly diminishing. Under current pace the sown area can fall between 65.5 to 66.5 lakh hectares and the last moment increase in sowing pace only can help in increasing the acreages to 68 lakh hectares or above. NAFED auctioned 5540 tons of Mustard seed on 30th Nov in the price range of INR 3811 to INR 3939 per quintal. Stocks available as on date are at 5.08 Lakh tons. Mustard daily arrivals is ranging in between 1.25 lakh bags to 1.35 lakh bags and is remaining steady in the past weeks. Soybean arrivals on the other hand have been impacted by the Karthik Poornima and is picking pace.





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

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In India, Rabi maize has been sown in around 7.22 lakh hectares as of 30th November, 2018 which is lower than 8.34 lakh hectares during corresponding period last year. In Bihar, maize has been sown in around 2.47 lakh a hectare which is lower than 3.16 lakh hectares during corresponding period last year. In Karnataka, it has been sown in around 0.47 lakh hectare which is lower than 0.74 lakh hectares during corresponding period last year. In Maharashtra, it has been sown in around 0.53 lakh hectares which is lower than 1.14 lakh hectares during corresponding period last year. As per trade source, in Bihar, maize area is likely to shift towards wheat and mustard. In Maharashtra, maize area is likely to shift towards sugarcane. However, in Telangana, Maize sowing for the Rabi season as of 28th Nov'18 reported at 0.66 lakh hectares as compared to 0.36 lakh hectares in the corresponding period last year. Normal area reported 0.42 lakh hectares. It is at vegetative stage. As per Gujarat state govt. data, Maize progressive area of Rabi 2018-19 is 0.49 lakh hectares as on 26-11-2018 which is lower than 0.67 lakh hectares during corresponding period last year. Current year sowing reported slowly due to lower rainfall.

From the trade point of view, In Nizamabad, maize is moving to Hyderabad at Rs. 1650 per quintal. Meanwhile, it is moving towards Bangalore at Rs. 1800 per quintal and Nammakal at Rs. 1800-1850 per quintal (Delivered price), sourced from Davangere. In Bihar, maize is moving towards Kolkata, Neapl at Rs. 1750-1800 per quintal and Rs. 1900 per quintal respectively.

At 1.05 MMT (for the period 16th November- 22nd November, 2018) US corn exports were up 26 percent from the previous week and 4 percent from the previous 4-week average; mainly for the destinations like Mexico (255,400 MT), Colombia (211,900 MT), Japan (207,300 MT), Peru (121,500 MT), and Taiwan (76,300 MT).

In U.S, 94% crop of corn has been harvested as of 25th November, 2018, which is same compared to corresponding period last year but lower by 2% from the last 5 year average period.

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As per trade sources imported wheat from various origins to Chennai port witnessed firm tone in the week. As of now Ukrainian wheat is being quoted at Rs 2140-2150 per quintal. Australian Standard Wheat (ASW) and Australian Premium Wheat (APW) are not available in domestic market. Low imports have led to a fall in stock of imported wheat.

India mainly imports from Australia and Russia. Wheat prices remained steady 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 \$338.00 (Rs 24470) per tonne and \$355.00 (Rs 25720) per tonne respectively, after including freight and import duty @30%. Local expenses will further add to cost. Therefore, there is no import parity as of now from black sea region and Australia.

Wheat future December contract closed at Rs 2100 per quintal, higher by Rs 1 per quintal compared to previous week. India wheat imports are at lower side in MY 2018-19. Therefore, demand for wheat will be, to a large extent, dependent on domestically available wheat and prices are likely to stay steady to firm.

According to latest update, area sown until 30th November'18 is 152.97 lakh hectares compared to 156.76 lakh hectares in the previous Rabi season. The normal area is 306.29 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.

Indian FoB quote is hovering around \$308.32 per tonne. Against it Russia, Ukraine, France, US and Australia are offering wheat at \$222.40, \$222.30, Euro 200.75, \$216.70 and \$245.28 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:			
Centres	Ex-factory rates (Rs/ton)		
	7-Dec-18	30-Nov-18	Parity To
Indore (MP)	26800	27700	Gujarat, MP
Kota	27400	28000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	28500	29300	Mumbai, Maharashtra
Nagpur (42/46)	27700	29000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	28700	29500	Andhra, AP, Kar, TN
Latur	29000	29700	-
Sangli	29000	29900	Local and South
Sholapur	28500	30000	Local and South
Akola	27000	27800	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	29000	29800	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	27200	27800	-

Soy DOC at Port		
Centers	Port Price	
	6-Dec-18	29-Nov-18
Kandla (FOR) (INR/MT)	28500	29200
Kandla (FAS) (USD/MT)	401	418

International Soy DOC

Argentina FOB USD/MT	6-Dec-18	29-Nov-18	Change
Soybean Pellets	332	329	3
Soybean Cake Flour	332	329	3
Soya Meal	331	328	3
Soy Expellers	331	328	3
Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	7-Dec-18	30-Nov-18	Change
Adoni	19800	20000	-200
Khamgaon	Unq	Unq	-
Parli	Unq	Unq	-
Latur	Unq	Unq	-
Groundnut Meal (Rs/MT)	7-Dec-18	30-Nov-18	Change
Basis 45%, Saurashtra	24000	25500	-1500
Basis 40%, Saurashtra	22000	23000	-1000
GN Cake, Gondal	24000	26000	-2000
Mustard DOC/Meal	7-Dec-18	30-Nov-18	Change
Jaipur (Plant delivery)	14600	15100	-500
Kandla (FOR Rs/MT)	15100	15500	-400
Sri Ganganagar	1870	1945	-75

Maize Spot Market Prices (Rs. /Quintal)

Maize(Corn)Weekly Prices:						
Market	Grade	6-Dec-18	29-Nov-18	6-Nov-18	6-Dec-17	6-Dec-16
Naugachia	Bilty	1675	1625	Closed	1225	1575
Delhi	Hybrid Maize (U.P.)	1750	1700	1525	1300	1575
Davangere	Loose Price	1550	1500	Closed	1300	1450
Shimoga	Bilty	1580	1500	NA	1200	1450
Ranebennur	Bilty	1650	1630	NA	1200	1470
Bagalkot	Hybrid/Local	1600	1620	NA	1209	1401
Gadag	Local	1566	1600	NA	1140	1379
Nizamabad	Bilty	1550	1510	Closed	1400	1450
Khanna	Bilty	1610	NA	0	1390	1690

Maize(Corn)Weekly Prices:						
Market	Grade	6-Dec-18	29-Nov-18	6-Nov-18	6-Dec-17	6-Dec-16
Sangli	Feed	1710	1697	1525	1260	1450
Ahmedabad	Feed	1700	1750	Closed	1325	1410
	Starch	1850	1750	Closed	1350	1525

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

Indian C&F Rate to Thailand vs. other Countries (\$1= Rs.70.57)				
As on 07.12.2018	Argentina	Brazil	US	India
FOB	172.34	183.20	172.60	250.74
C&F	222.34	238.20	232.60	285.74

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	7-Dec-18	30-Nov-18	Change
Soy meal	Madhya Pradesh	DOC	Indore	2680	2770	-90
	Maharashtra	DOC	Sangli	2900	2990	-90
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	1980	2000	-20
	Maharashtra	Ex-factory	Latur	Unq	Unq	-
Mustard	Rajasthan	Plant delivery	Jaipur	1460	1510	-50
Groundnut Meal	Gujarat	GN Cake	Gondal	2400	2600	-200
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1883	1922	-39
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1891	1924	-33
Note: Prices Rs./ Qtl						

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