
Oilmeals Monthly Research Report

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Executive Summary

Mixed trends are continued in Oilseeds complex during April month on mixed sentiments in the markets. At APMC (Nagpur Agriculture Produce Marketing Committee), Soybean price improved after good demand of local crushing plants. Ups and downs trends are featured in Rapeseed markets after less supplies. NCDEX prices of Soybean and Mustard closed down as speculators have cut their holdings on higher output estimates and normal monsoon forecast of IMD. The RMSeed market is mainly being driven by crop arrivals and local crushers & stockiest demand and Nafed procurement activities. CBOT prices closed down on weak global sentiments.

As per IMD, India may get average monsoon rains this year which may support to higher farm and economic growth in Asia's third-biggest economy, where half of the farmland have no irrigation facilities. Monsoon rains are expected to be average or normal rainfall between 96 percent to 104 percent of a 50-year average of 89 centimeters for the entire four-month season beginning June.

USDA expects India's oilseeds production higher by 8% in 2019/20 in expectation of normal weather condition. Higher oilseeds supply may increase oilseeds meal production by 5.5% to 18 million tonnes. It projects oil meals exports at 3.2 million tonne with an increase of 10% in normal market condition and competitive pricing.

The Soybean Processors Association of India has requested to ban the import of genetically modified (GM) de-oiled cake (DOC) in India. It expects that India has already imported 2 lakh tonnes of GM oilcake in the last few weeks. India normally exports DOC to overseas countries. India had shipped 20 lakh tonnes of DOC in previous year. It placed Soybean estimates at 114.83 lakh tonnes in 2018/19 which is higher from 83.5 lakh tonnes in last year record. It reported meals production at 45.36 lakh tonnes in the current season higher against 40.50 lakh tonnes a year ago. India exported 15.26 lakh tonnes of DOC till March 2019 higher from 10.44 lakh tonnes in March 2018. Iran was the major buyer and bought almost 2 to 3 lakh tonnes of DOC. So far, farmers and small stockiest hold around 40 to 50 lakh tonnes of remaining oilseeds.

At international front, CBOT soybean July contract prices at this week, settled down on account of weak U.S. exports and ample global supplies of oilseeds. Farmers of U.S. Midwest are planning to shift corn area towards Soybean acres due to rainy weather. U.S. & China trade negotiations are the remain major factor to change the direction of CBOT market. As per sources, U.S. and China held one meeting in China in this week and likely to meet again in Washington next week to resolve ongoing trade war. Higher crop harvest in South America, higher soybean crop estimates in Brazil, rising African swine fever in China may decline CBOT prices in coming days. Soybean crop condition in Argentina has improved due to good weather condition in the country. Harvest has started and is above last year and 5-year average. US reported record stocks of soybean in the country due to weak demand from China and record crop in 2018/19.

Overall soybean may trade in steady to lower side on higher crop estimates and normal monsoon forecast. Mustard is also expected to go down on higher crop estimates.

Outlook – Cash Market

Outlook - Soybean (Spot, Indore): Soybean Indore plant showed mixed trend on mixed sentiments. We expect steady to weak trend in coming days ahead of higher crop estimates and normal monsoon forecast by IMD. Prices are likely to trade in the range of 3600 to 3720 in May month. The market sentiments are now depending on the surplus bean stocks to be carried over to the next marketing year and millers and exporters demand. As we move to July contract, NCDEX soybean is likely to trade in weak zone due to lack of buyers' interests on weak sentiments.

Outlook – Soy meal (Spot, Indore): Meal prices is expected to remain sideways and potential remains to decline as the exports has not been enough and International meal prices are not bullish enough. As the domestic demand declines in coming months as we move to summer, domestic price is expected to fall in fear of ample availability.

Outlook - Rapeseed-Mustard (Spot, Jaipur basis): Weak local demand is weighing in the RM seed market. Supplies are also less as prevailing prices are very low. Farmers and traders are in wait and watch condition. However, Nafed has already started to procure in most of its key markets so far at MSP which may support RM Seed prices from any major fall. Higher crop estimates and normal monsoon forecast will be the main factor to pull down prices in coming days.

Weather Forecast (For Kharif Oilseeds)

Weather Forecast

Sunday 05 May 2019



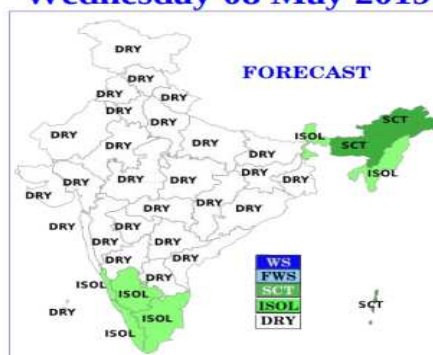
Monday 06 May 2019



Tuesday 07 May 2019



Wednesday 08 May 2019



The Cyclonic Storm 'FANI' (pronounced as 'FONI') over Gangetic West Bengal moved further east-northeastwards with a speed of about 25 kmph in last 06 hours, weakened into a Deep Depression and lay centred at 0830 hours IST of 4th May, 2019 over Bangladesh and adjoining Gangetic West Bengal near Latitude 23.6°N and Longitude 88.8°E, about 40 km eastnortheast of Krishnanagar (West Bengal). It is very likely to move northeastwards and weaken further into a Depression over Bangladesh during next 06 hours.

The cyclonic circulation over south Rajasthan & adjoining Gujarat persists and now extends upto 1.5 km above mean sea level.

Rabi Oilseed Sowing Progress

| Rabi Oilseeds Sowing as on 22.02.2019 | | | | | | |
|---------------------------------------|-------------|--------------------------------|---------|---------|------------------|---------------------------|
| | Normal Area | Average Area Sowing as on Date | 2017-18 | 2018-19 | % Change (Y-o-Y) | % Average Area as on Date |
| Rapeseed & Mustard | 61.25 | 67.76 | 67.06 | 69.37 | 2.3 | 1.6 |
| Groundnut | 7.85 | 6.67 | 6.27 | 4.81 | -1.5 | -2.0 |
| Safflower | 1.62 | 1.08 | 0.81 | 0.45 | -0.4 | -0.6 |
| Sunflower | 3.68 | 2.80 | 1.75 | 1.14 | -0.6 | -1.7 |
| Sesamum | 3.04 | 0.85 | 0.70 | 0.79 | 0.1 | -0.1 |
| Linseed | 2.93 | 3.56 | 4.02 | 3.48 | -0.5 | -0.1 |
| Total Oilseed (Nine) | 80.36 | 83.42 | 80.98 | 80.40 | -0.6 | -3.0 |

Soybean

Soybean prices closed in mixed phase on mixed sentiments in the market. Ups and downs pace of arrivals have been noticed in market. Some of traders and stockiest are releasing their stocks in fear of higher stocks availability.

On 16th April 2019, Nafed sold total 395 MT of Soybean K-18 at Rs.3687/ quintal in Telangana market. Nafed holds remaining 145.70 MT of Soybean K-18 stocks including the available balance of Telangana (137.97 MT), Maharashtra (1.63 MT), Rajasthan (6.11 MT). Total 19620.88 MT of Soybean K-18 has been procured by Nafed in last season where it has sold total 19475.17 MT so far.

Concern over upcoming Kharif season has started increasing due to uncertainty on monsoon rains on account of emerging El-nino condition. Various agencies have expressed its concerns over emerging El-nino pattern, which may disturb normal rainfall in India this year. Going by various agencies conclusion, there is a possibility of 10% lower rain fall of LPA this year. However, IMD is yet to conclude over monsoon rainfall. As of now, there is lower chances of El-nino as reported by IMD. Monsoon rainfall is very important for Kharif oilseeds sowing and lower rainfall, if materialized, may hamper kharif production in upcoming season too.

In the second advanced estimates, ministry expects higher Indian Soybean crop (Kharif) at 136.89 lakh tonnes for 2018/19 season against 113.90 lakh tonnes in 2017/18. Normal rainfall at the maturity stage of crop improved yield of crop. The estimates are higher than 2016/17 crop size i.e. 131.59 lakh tonnes.

As per Agriwatch estimates, soybean production in the current Kharif season is expected to be 105 lakh metric tonnes compared to 98.1 lakh metric tonnes in the previous season. Higher soybean production will curb any major rally in the market. However comfortable carry-in stocks and record soybean crop in U.S. Midwest will continue to be the limiting factor.

The total sown area under Rabi oilseeds, as on 22nd February 2019, is lower compared to the previous year's level which is down by 0.58% at 80.40 lakh hectares compared to 80.98 lakh hectares during the corresponding period last year.

As per SOPA, Soybean production of India may rise by 38% to 11.48 million tons this year against 8.36 million tonnes in last year record as supported by better yield, favorable weather condition in the major soybean crop growing states like Madhya Pradesh, Maharashtra and Rajasthan. Soybean acreage rose to 10.48 million hectares compared to 10.16 million hectares in the last season. Average yield jumped by 29 per cent to 1059 kg per hectare for the current harvesting season from 823 kg per hectare in the previous season. Soybean production in Madhya Pradesh may inch up by 41% to 5.92 million tonnes for the current season from 4.2 million tonnes last year. Total yield in the state is estimated to rise by 30.5 per cent to 1094 kg per hectare for the current season from 838 kg from the previous season.

The domestic soybean prices are likely to notice in steady to weak tone.

International:

Farmers in U.S. have planted 3% of total Soybean crop acres of the country so far. The pace is lower by 5% than last year record and 6% from 5 year average due to wet field conditions. Farmers of Louisiana and Mississippi (state of U.S.) have planted 24% & 20% respectively of their Soybean acres. As per recent USDA released data, Farmers in U.S. may plant 5% lower Soybean to 84.6 million acres in 2019/20 compared to previous year record i.e. 89.2 million acres. In Mississippi state of U.S., farmers are in view to shift soybean area to cotton crop. While, farmers will not reduce their soybean acres in Kansas state.

As per Germany's oil and protein plants association, farmers in U.S. may plant total soybean at 34.3M ha with a decline of 2M against previous year. Most of the farmers in U.S. holds an ample stock of soybean on farms at 36.6M tonnes as of 1st March 2019 which is higher by 50% during the same period of time in previous year.

During this week (April 19 to 25, 2019), US sold 47% lower Soybean to 313,400 MT for 2018/2019 from the previous week. It is lower by 61% from the prior 4-week average. Increases were reported for China (136,400 MT, including 133,000 MT switched from unknown destinations), the Netherlands (64,000 MT, including 66,000 MT switched from unknown destinations and decreases of 2,000 MT), Germany (63,300 MT), South Korea (59,300 MT, including 56,000 MT switched from unknown destinations) and Egypt (55,000 MT). Reductions were reported for unknown destinations (242,100 MT) and Burma (100 MT). For 2019/2020, net sales of 23,500 MT were for Thailand (10,000 MT), Malaysia (10,000 MT), and Japan (3,500 MT). Exports of 597,300 MT were up 43 percent from the previous week, but down 10 percent from the prior 4-week average. The destinations were primarily to China (136,400 MT), Japan (77,800 MT), the Netherlands (64,000 MT), Germany (63,300 MT), and South Korea (59,700 MT).

As per USDA report, China may import higher Soybean in 2019/20 in expectation of higher meal demand as chicken, cattle, and aquaculture production is likely to go up to meet rising consumer demand for alternative animal proteins. China may buy total Soybean at 91.5 MMT tonnes in MY 19/20 higher from this year estimates i.e. 88 MMT. The projection is also higher than 94.1 MMT in 2017/18.

According to Conab, Brazil's soybean output may stand at 113.83 Million tonnes in 2018/19 followed by higher yield at 3182 kg/Ha. The forecast is slightly higher from its previous forecast at 113.45 in March 2019. Total Soybean exports of Brazil is projected lower at 70 million tonnes in the current season against 83.60 Million Tonnes in 2017/18.

As per NOPA released data, Soybean crushing has been increased in U.S. at 170.01 million bushels in March 2019 against 154.49 million bushels in February 2019. However, it is lower from 171.85 million bushels in March 2018. Soyoil stocks raised at 1.76 billion pounds in March 2019 compared to previous month record i.e. 1.75 billion pounds however lower from 1.946 billion pounds in March 2018.

As per AgRural, farmers in Brazil completed 88% Soybean harvesting of this season higher from previous year record i.e. 85%. It forecasts soybean production of Brazil at 114.6 million tonnes this year higher from 112.9 million tonnes in a previous forecast supported by beneficial rainfall returned in February and March which has improved yields.

European Union bought total Soybean lower by 10 % to 11.8 million tonnes of Soybean in the 2018/19 (Started from July to April 21) against previous year record during the same period of time. However, it imported lower Soymeal by 10% to 13.6 million tonnes in 2018/19 compared to last year record.

According to Celeres, Brazil may harvest 115.8 million tonnes in 2018/19 higher from its previous estimates i.e. 113.8 million tonnes. Sources expect Soybean crop size of Argentina at 55.9 million tonnes in 2018/19 higher from previous year record.

Balance Sheet – Soybean, India

| Soybean (Fig in Mn T) MY-Oct.-Sep. | 2018-19F | 2019-20F | Oct-Dec'19F | Jan-Mar'20F | Apr-Jun'20F | July-Sep 20F |
|------------------------------------|----------|----------|-------------|-------------|-------------|--------------|
| Carry In | 0.23 | 0.38 | 0.38 | 4.38 | 2.48 | 1.38 |
| Production | 10.55 | 10.01 | 10.01 | 0 | 0 | 0 |
| Imports | 0.00 | 0.00 | 0 | 0 | 0 | 0 |
| Total Availability | 10.78 | 10.39 | 10.39 | 4.38 | 2.48 | 1.38 |
| Processing/Crushing | 8.40 | 8.40 | 5.76 | 1.65 | 0.60 | 0.50 |
| Exports & Direct Consumption | 1.00 | 1.00 | 0.25 | 0.25 | 0.00 | 0.00 |
| Seeding/Retained for Sowing | 1.00 | 1.00 | 0 | 0 | 0.5 | 0.5 |
| Total Usage | 10.40 | 10.10 | 6.01 | 1.90 | 1.10 | 1.00 |
| Carry Out | 0.38 | 0.29 | 4.38 | 2.48 | 1.38 | 0.38 |
| Monthly Use | 0.87 | 0.84 | | | | |
| Stock/Consumption Ratio | 0.04 | 0.04 | | | | |
| Stock to Month Use Ratio | 0.44 | 0.34 | | | | |

Fig. in MnT
Source: Agriwatch

Soy meal

Soymeal prices are noted continue on downside on poor demand of South based traders. Exporters demand improved in March month however, decline again in April month in fear of ample availability and weak global sentiments. Delay decision on trade negotiations between China and U.S. are affecting domestic Soymeal prices. Prices are not sustaining at higher level due to limited buying enquiries.

As per SEA recent report, India shipped oilmeals up by 0.96% to 263,817 tonnes in March 2019 compared to 261,308 tons in last year record during the corresponding period of time due to improved exports demand. Overall shipments during April 2018 to March 2019 stood 6% higher at 3,205,768 tons against 3,026,628 tons of previous year in the same period of time. Vietnam, South Korea, Thailand, France and Iran were the main buyers of Indian oilmeals. Iran has bought total 5 lakh tonnes of Soybean meal during current year from April 2018 to March 2019 which is significantly higher from 23,000 tons in April 2017 to March 2018, supporting Indian oilmeals markets.

Soymeal exports volume of India is recorded at 193,920 tonnes in March 2019 which is higher than revised exports volume of 132,375 tonnes in February 2019. Overall Soymeal shipments during April 2018 to March 2019 stood at 1,337,215 tonnes amounting total value of Rs. 3830 crores against 1,187,818 tonnes in previous year during the same period of time. However, shipment of Rapeseed meal in March month declined at 50964 tons in March 2019 from 79,643 tonnes of February 2019. However, cumulative exports volume of Rapeseed meal is higher at 1,051,869 tonnes during April 2018 to March 2019 against 663,988 tonnes during the same period of time in previous year supported by major buyers like South Korea, Vietnam and Thailand. Thailand shipped 39.58% higher rapeseed meals to 302,619 tonnes in the current season compared to previous year record.

According to recent WASDE report, Soybean meal production of India is estimated at 7.20 million metric tonnes for 2018/19 higher from previous year record i.e. 6.16 million metric tonnes. Ending stocks is placed at 0.23 million metric tonnes for this year higher from 0.11 million metric tonnes of previous year record.

During the week (April 19 to 25), U.S. sold 76% lower Soybean cake and meal at 79,200MT for 2018/2019 from the previous week. It is also lower by 67% from 4-week average record. Increases were reported for the Philippines (50,200 MT), El Salvador (25,000 MT, including 3,100 MT switched from unknown destinations and 1,900 MT switched from Guatemala), Mexico (19,600 MT, including decreases of 400 MT), Guatemala (7,000 MT, switched from unknown destinations), and Colombia (5,200 MT, including decreases of 2,000 MT). Reductions were primarily for Italy (38,000 MT) and unknown destinations (10,900 MT). For 2019/2020, net sales of 16,500 MT were for El Salvador (15,000 MT) and Canada (1,500 MT). Exports of 225,800 MT were down 24 percent from the previous week and 26 percent from the prior 4-week average. The destinations were primarily to the Philippines (54,000 MT), Denmark (46,500 MT), the Dominican Republic (24,500 MT), Guatemala (23,700 MT), and Panama (17,900 MT).

Indian Soymeal premium quoted higher side by \$143 per ton over Argentinean meal with Indian meal bullishness producing the premium rather than Argentinean meal bearishness. Such premiums may limit bookings of Indian Soymeal for forward as well as spot market.

The soy meal prices are likely to notice seasonal weakness in the May month and prices is expected to remain range-bound after fall.

Soy Meal Export (In Thousand Tons)

| | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|--------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Oct | 405 | 224 | 50 | 183 | 29 | 4 | 31 | 71 | 150 |
| Nov | 443 | 398 | 517 | 503 | 111 | 9 | 98 | 208 | 186 |
| Dec | 611 | 798 | 511 | 451 | 194 | 6 | 241 | 169 | 170 |
| Jan | 575 | 475 | 620 | 364 | 104 | 28 | 155 | 106 | 86 |
| Feb | 540 | 344 | 578 | 184 | 65 | 30 | 208 | 74 | 132 |
| Mar | 411 | 460 | 302 | 232 | 47 | 27 | 107 | 39 | 193 |
| Apr | 305 | 314 | 100 | 76 | 18 | 12 | 124 | 68 | |
| May | 177 | 143 | 98 | 8 | 14 | 10 | 49 | 41 | |
| Jun | 118 | 181 | 214 | 3 | 2 | 18 | 46 | 104 | |
| Jul | 140 | 168 | 107 | 7 | 1 | 12 | 81 | 64 | |
| Aug | 166 | 10 | 184 | 3 | 1 | 11 | 88 | 60 | |
| Sep | 226 | 7 | 173 | 1 | 7 | 12 | 102 | 45 | |
| Total | 4116 | 3521 | 3453 | 2015 | 592 | 180 | 1331 | 1049 | |

Source: SEA

Technical Analysis:

NCDEX Soybean Futures C1 Chart



Soybean Spot, Indore weekly Chart



- The Candlestick depicts weakness in the market on sellers' interests.
- MACD has been in the negative zone and RSI has been inching towards lower in oversold zone.
- Trade Recommendation (NCDEX Soybean –May): **Sell-Below-3676** Levels: Target –T1 3570; T2- 3500, SL –above 3750
- In Reverse case, traders can start buying on above 3750 and can add on positions on every 20 points down.

Support & Resistance NCDEX Soybean Apr. contract

| May as on 5 th May | | | | |
|--------------------------------|------|------|------|------|
| S1 | S2 | PCP | R1 | R2 |
| 3450 | 3500 | 3676 | 3850 | 3970 |
| July as on 5 th May | | | | |
| S1 | S2 | PCP | R1 | R2 |
| 3500 | 3600 | 3715 | 3887 | 4000 |

Rapeseed - Mustard Seed

Mustard fundamentals are in mixed phase. Supplies are very less in the market as traders and farmers are waiting for good prices. Most of the Markets were closed some of days during this month due to festive season and elections. Traders and other sources expect bumper crop in this season which may curb any major rise in future. However, the procurement at MSP by Nafed may give some relax to traders and farmers.

As per recent ministry report, Rabi Oilseeds crop sowing area in 2018/19 season stood slightly down by 0.6% to 80.40 lakh Ha. in India as compared to 80.98 Lakh Ha. in 2017-18. Currently, farmers have covered total 80.36 lakh Ha. normal area as on 22nd Feb 2019. However, Rapeseed sowing area of this year is recorded higher by 2.3% to 69.37 Lakh Ha. against 67.06 Lakh Ha. in last year.

As on 2nd May 2019, Nafed procured total 17929.66 MT of Mustard R-19 including 12362.93 MT in Rajasthan, 4900.73 MT in MP and 666 MT in Gujarat state of India at MSP value i.e. 4200/ quintal. Nafed has procured total 4.32 lakh tonnes so far including sectioned quantity i.e. 250985 in Haryana also. NAFED has sold all the rapeseed stocks.

MOPA expects mustard crop output at 8.1 million tonnes in 2018/19 which is lower than farm ministry's second advance estimates of 8.4 million tonnes. Farm ministry quoted higher mustard acreage at 6.58 million hac. due to higher minimum support price, better realizations.

In view of NBHC (National Bulk Handling Corporation) Mustard crop size is likely to go up by 0.30% than its last estimate to 8.72 million metric tonne. The figure is also higher by 4.78% over last year record due to favorable weather condition resulting in higher yields in major producing states.

Higher crop estimate for 2018/19 and 2019/20 is affecting to Mustard prices in the domestic markets. Beneficial recent rainfall in India increased the productivity in all key states like Rajasthan, U.P., Bihar, Gujarat, Haryana and West Bengal. We expect higher Mustard crop size for 2018/19 season on improved yield.

Agriwatch estimated rapeseed crop at 7.05 MMT in MY 2018-19. However, new rapeseed crop is estimated above last year due to higher rapeseed sown area and higher yields after a beneficial rainfall at the maturity time period. Rapeseed crop for 2019/20 is forecasted to be 7.6 MMT higher from previous year estimates. This will lead to lower rapeseed prices thereby adversely affecting rapeseed oil prices. SEA projects Mustard seed crop size at 8.5 MT in 2018/19 which is very close to agriculture ministry estimates i.e. 8.4 MT. While, other sources like Central Organization for Oil Industry and Trade keeps its forecast at 8.7 MT for this season.

As per recent SEA released data, Rapeseed mustard production is likely to increase by 19% to 8.5 million tonnes in 2018/19 supported by good weather condition compared to previous year record. Farmers have covered higher areas under planting on account of higher previous year's seed prices. Rapeseed mustard is the main winter-sown oilseed in India. Higher production estimates may limit India to import edible oil from other countries. Good rainfall at flowering and maturity stage helped for better yield. SEA expects higher Rapeseed crop estimates in Rajasthan at 3.37 million tonnes, Madhya Pradesh at 1.01 million tonnes and Uttar Pradesh at 1.49 million tonnes for 2018/19 followed by better yield and higher acreage.

Outlook: The rapeseed-mustard is likely to notice range –bound to weak tone on higher crop estimates.

Balance Sheet – Rapeseed-Mustard Seed, India

(Fig in MnT)

| Rapeseed-Mustard (Fig in Mn T) MY-Feb.-Jan. | 2018-19 | 2019-20 | Feb-Apr | May-Jul | Aug-Oct | Nov-Jan |
|---|---------|---------|---------|---------|---------|---------|
| Carry In | 0.10 | 0.10 | 0.10 | 3.90 | 2.00 | 1.05 |
| Production | 7.05 | 7.60 | 7.60 | 0.00 | 0.00 | 0.00 |
| Imports | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Availability | 7.15 | 7.70 | 7.70 | 3.90 | 2.00 | 1.05 |
| Processing/Crushing | 6.75 | 7.30 | 3.75 | 1.85 | 0.85 | 0.85 |
| Exports | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Retained for Sowing & Direct Consumption | 0.30 | 0.30 | 0.05 | 0.05 | 0.10 | 0.10 |
| Total Usage | 7.05 | 7.60 | 3.80 | 1.90 | 0.95 | 0.95 |
| Carry Out/Ending Stock | 0.10 | 0.10 | 3.90 | 2.00 | 1.05 | 0.10 |
| Monthly Use | 0.59 | 0.63 | | | | |
| Stock/Consumption Ratio | 0.01 | 0.01 | | | | |
| Stock to Month Use Ratio | 0.17 | 0.16 | | | | |

(Source: AgriWatch)

Technical Analysis:

NCDEX RM Seed Futures Daily C1 Chart



RM Seed Spot, Jaipur Weekly Chart



Support & Resistance NCDEX RM Seed – May contract as on 5th May

| S1 | S2 | PCP | R1 | R2 |
|------|------|------|------|------|
| 3520 | 3600 | 3744 | 3878 | 3920 |

Support & Resistance NCDEX RM Seed – July contract as on 5th May

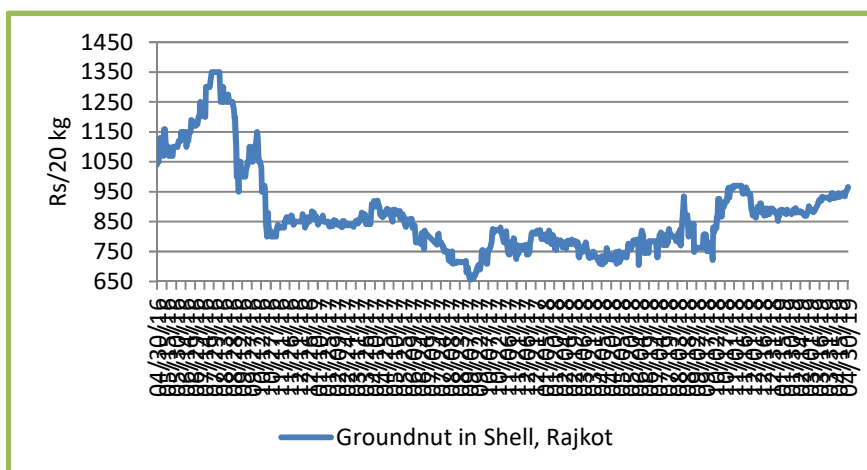
| S1 | S2 | PCP | R1 | R2 |
|------|------|------|------|------|
| 3550 | 3650 | 3785 | 3893 | 3950 |

- Mustard daily 1M Continuous chart finding trend line resistance at 3878-3920. Breaching this will shift the overall trend. The trend line forms a strong support and pullback is expected which forms good buying levels. May contract is new crop.
- Trade Recommendation (NCDEX Rapeseed-Mustard – May and July):
Be open for taking shorts at 3744 and anything below it. Any further bearishness in the prices is selling opportunity and add on can be taken. However, any daily close above 3800 will change the trend and hence taking stop loss of 3820 can be good level. Traders are advised to be critical in taking the stop loss as one of two trades can breach the trend line support without changing the trend. Traders can further can exit 50% of their positions at 3640.
A Stop loss 3820 can be used for minimizing the losses.

Sell- Below 3744. Levels: Target – 3680; T2- 3600, SL –3820

Groundnut

Groundnut in Shell auction prices at Rajkot APMC fetched between INR 4520 and 5060 per quintal and likely to increase in the entire month. Groundnut prices on monthly basis is rising on lower crop estimates. The prices have adjusted to the fundamentals and thus have been looking towards Rabi and summer supplies as well as the pace of NAFED procurement. NAFED has closed the auction of groundnut stocks and is probably using as the buffer for the 2018-19 MY. Summer crop is also expected to be low due to poor rains at initial stage. Good Rainfall at maturity stage supported to improve standing crops of Rabi season.



Outlook: Lower Kharif and Rabi crop estimates may support groundnut prices continue to rise in coming weeks as well. However, an aggressive Nafed sale activities may limit major price hike. Thus, the market is poised witness an uptick in prices in coming months. NAFED has started to sale its groundnut stocks of 2017 & 2018 season in the market at MSP price.

Fundamentals:

As on 30th April 2019, Nafed sold total groundnut K-17 & K-18 at 5918 MT and 4593 MT respectively in India. It has disposed total 801082.41 MT of groundnut K-17 and holds remaining balance at 243620.25 MT so far. Additionally, Nafed has sold total 145591.07 MT of groundnut K-18 and holds remaining balance at 557185.73 MT so far. During April 2019, Nafed disposed total groundnut K-17 and K-18 at 43983 MT and 79981 MT respectively higher from previous month record.

As per APEDA data, groundnut shipment reported lower by 3.13% to 488233 MT during April-March 2019 amounting total Rs. 3296 crores as compared to 504038 MT in last year during the same period of time. However, the shipment is higher by 26.290% as compared to 386594 MT in April to February 2019.

According to SEA report, groundnut crop area in India will stand at 40.12 lakh ha. in 2018/19 down from 41.35 lakh ha. in last year. Production and yield are estimated at 37.70 lakh tonnes and 931 kgs/ha. respectively against 52.75 lakh tonnes and 1269 kg s/ha. respectively in previous year record.

We expect AP groundnut crop size at 4.21 lakh metric tonnes for 2018/19 season lower from 2017/18-year crop size i.e. 5.48 lakh metric tonnes on lower sowing area. In 2019/20, we expect crop size higher at 5.53 lakh metric tonnes in expectation of normal monsoon.

In the second advanced estimates, ministry expects lower Indian groundnut crop (Kharif and Rabi) at 69.70 lakh tonnes for 2018/19 season against 82.17 lakh tonnes in 2017/18. Kharif groundnut crop size during 2018-19 is estimated at 54.41 lakh tonnes which is lower by 17.74% than the production of 66.15 million tonnes in

2nd Advance Estimates of 2017-18. Less rainfall at initial stage of crop and lower acreage are the main reason to cut output of Groundnut.

In the second advanced estimates AP has downward revised the Kharif production estimate of GN to 3.29 lakh tons as against 4.05 lakh tons in 1st Advanced estimates. Rabi groundnut production is estimated at 1.49 lakh tons. We expect A.P. Groundnut production (Kharif and Rabi crop) lower at 4.21 lakh tonnes for 2018/19.

Groundnut Exports (In Thousand Tons)

| Groundnut Exports (Includes In Shell, Blanched and Normal Groundnuts (Thousand Tons)) | | | | | | |
|---|---------|---------|---------|---------|---------|---------|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Oct | 21.8 | 21 | 22.9 | 25.8 | 30.4 | 30.4 |
| Nov | 71.1 | 92.6 | 50 | 80.9 | 109.6 | 68.9 |
| Dec | 79.1 | 135.9 | 91.3 | 145.1 | 69.4 | 30.8 |
| Jan | 47.3 | 82.2 | 67.7 | 105.2 | 31.7 | 39.4 |
| Feb | 48 | 54 | 53.7 | 78.8 | 30.7 | 38.6 |
| Mar | 52.6 | 61.7 | 55.7 | 67.5 | 54.8 | 48.8 |
| Apr | 48.6 | 50.4 | 54.5 | 45 | 46.5 | |
| May | 55.2 | 38.6 | 41.3 | 19.1 | 39.6 | |
| Jun | 50 | 30.7 | 58.4 | 25.4 | 40.1 | |
| Jul | 42.7 | 25 | 39.2 | 37.2 | 39.4 | |
| Aug | 40.8 | 35.8 | 16.8 | 30.6 | 35.5 | |
| Sep | 23.8 | 16.1 | 12.2 | 20.1 | 17.1 | |

* Estimated Exports Value

Groundnut Prices in Shell

| Groundnut | | | | | | | |
|------------|------------------------|---------------|----------------|-----------|-----------|-----------|------------|
| Center | Variety | % Change over | % Change over | As on | Month Ago | Year Ago | 2 Year Ago |
| | | Previous year | Previous month | 30-Apr-19 | 28-Mar-19 | 30-Apr-18 | 30-Apr-17 |
| Rajkot | GN in Shell (Rs/20kg) | 31.25 | 3.87 | 966 | 930 | 736 | 736 |
| Saurashtra | GN Seed Kernel (Rs/MT) | NA | NA | NA | NA | NA | NA |

(Source: AW)

| Soy DOC Rates at Different Centres | | | |
|------------------------------------|---------------------------|-----------|---|
| Centres | Ex-factory rates (Rs/ton) | | |
| | 30-Apr-19 | 30-Mar-19 | Parity To |
| Indore - 45%, Jute Bag | 31000 | 31500 | Gujarat, MP |
| Kota - 45%, PP Bag | 32000 | 33000 | Rajasthan, Del, Punjab, Haryana |
| Dhulia/Jalna - 45%, PP Bag | 32800 | 33200 | Mumbai, Maharashtra |
| Nagpur - 45%, PP Bag | 32600 | 32500 | Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN |
| Nanded | 32800 | 32800 | Andhra, AP, Kar, TN |
| Latur | 33000 | 32500 | - |
| Sangli | 33200 | 32800 | Local and South |
| Solapur | 32300 | 33000 | Local and South |
| Akola – 45%, PP Bag | 31300 | 31500 | Andhra, Chattisgarh, Orissa, Jharkhand, WB |
| Hingoli | 33500 | 33000 | Andhra, Chattisgarh, Orissa, Jharkhand, WB |
| Bundi | 31800 | 32800 | - |

| Soy DOC at Ports | | | |
|-------------------------------------|------------|-----------|--------|
| Centers | Port Price | | |
| | 29-Apr-19 | 29-Mar-19 | Change |
| Kandla (FOR) (INR/MT) | 32700 | 33300 | -600 |
| Kandla (FAS) (USD/MT) | 440 | 435 | -5 |
| CNF Indonesia – Yellow SBM (USD/MT) | 460 | 455 | -5 |

| Rapeseed Meal | 29-Apr-19 | 29-Mar-19 | Change |
|------------------------|-----------|-----------|--------|
| FAS Kandla (USD/MT) | 212 | 212 | Unch |
| FOR Kandla (Rs/MT) | 14800 | 14600 | 200 |
| FOR Mundra (Rs/MT) | 15200 | 15000 | 200 |
| CNF Indonesia (USD/MT) | 232 | 233 | -1 |

| International Soy DOC | | | |
|-----------------------|-----------|-----------|--------|
| Argentina FOB USD/MT | 29-Apr-19 | 29-Mar-19 | Change |
| Soybean Pellets | 306 | 313 | -7 |
| Soybean Cake Flour | 306 | 313 | -7 |
| Soya Meal | 304 | 311 | -7 |
| Soy Expellers | 304 | 311 | -7 |

| Sunflower (DOC) Rates | Ex-factory rates (Rs/ton) | | |
|------------------------------|---------------------------|------------------|---------------|
| Centers | 30-Apr-19 | 30-Mar-19 | Change |
| Adoni | 26300 | 25700 | -400 |
| Khamgaon | Unq | Unq | Unq |
| Parli | Unq | Unq | Unq |
| Latur | Unq | Unq | Unq |

| Groundnut Meal (Rs/MT) | 30-Apr-19 | 30-Mar-19 | Change |
|-------------------------------|------------------|------------------|---------------|
| Basis 45%, Saurashtra | 26000 | Closed | Unq |
| Basis 40%, Saurashtra | 23000 | Closed | Unq |
| GN Cake, Gondal | 26500 | Closed | Unq |

| Mustard DOC | 30-Apr-19 | 30-Mar-19 | Change |
|-------------------------|------------------|------------------|---------------|
| Jaipur (Plant delivery) | 14200 | 14400 | -200 |
| Kandla (FOR Rs/MT) | 14700 | 14700 | Unch |

| Mumbai Oil Meal Quotes: | | | |
|--------------------------------|------------------|------------------|---------------|
| Rs/M.T. | 30-Apr-19 | 30-Mar-19 | Change |
| G.N. Extr (45%) | Unq | Unq | Unq |
| Kardi Extr | Unq | Unq | Unq |
| Undec Cottonseed Exp | 27800 | 26700 | 100 |
| Rice Bran Extr. | Unq | Unq | Unch |
| Sunflower Extr. | 23000 | 23500 | -500 |
| Rapeseed Extr. | Unq | Unq | Unch |
| Soymeal 48% | 32348 | 32870 | -522 |
| Castor Extr. | 5850 | 4050 | 1800 |

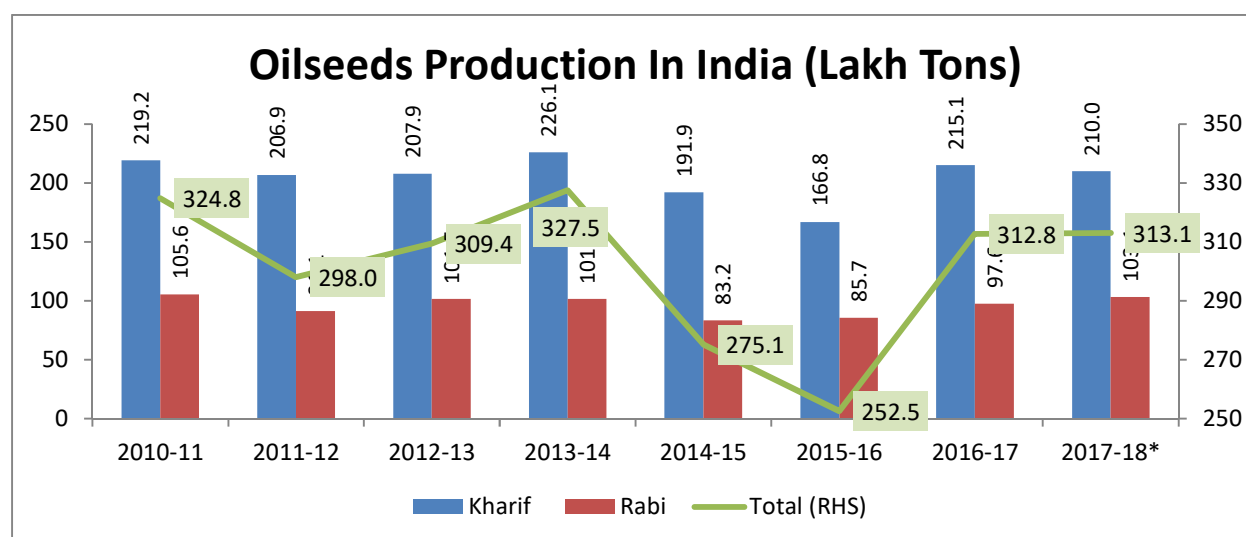
India's Total Oilseeds Production Seen at 315 Lakh Tons in 2nd Adv Est. - GOI (Kharif + Rabi + Summer)

The 2nd Advance Estimates of production of major crops for 2018-19 have been released on 28th February, 2019 by the Department of Agriculture, Cooperation and Farmers Welfare. The assessment of production of different crops is based on the feedback received from States and validated with information available from other sources. Most of the major crops producing states have witnessed normal monsoon rainfall. As a result, the production of oilseeds crops estimates for 2018-19 has witnessed higher than their normal production. Oilseeds production of India is placed higher by 1.6% to 315 lakh tonnes against the production of 298.8 lakh tonnes in 2nd Advance Estimates of 2017-18. The estimated figure is also high by 185 lakh tonnes than the average oilseeds production.

The estimated production of major Oilseeds during 2017-18 is as under:

Oilseeds – 313.1 Lakhtonnes

- Soybean – 109.34 Lakh Tons
- Groundnut – 91.8 Lakh Tons
- Rapeseed – 83.2 Lakh Tons
- Castorseed – 14.9 Lakh Tons
- Sesame/Sesamum/Gingelly/Til – 7.44 Lakh Tons
- Nigerseed – .75 Lakh Tons
- Sunflower – 1.9Lakh tons
- Linseed - 1.73 Lakh Tons



Source: Ministry of Agriculture

Note: 2017-18 is based on 4th Adv estimates.

Year includes Kharif, rabi and summer (i.e. 2017-18 means kharif harvested in 2017, Rabi in 2018 and summer in 2018 and should not be considered as marketing year)

| Oilseed Wise production in India (Kharif+Rabi) Lakh Tons | | | | | | | | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Oilseed | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Soybean | 127.4 | 122.1 | 146.7 | 118.6 | 103.7 | 85.7 | 131.6 | 109.8 | 136.8 |
| Groundnut (In Shell) | 82.7 | 69.6 | 47.0 | 97.1 | 74.0 | 67.3 | 74.6 | 91.8 | 69.7 |
| Rapeseed & Mustard | 81.8 | 66.0 | 80.3 | 78.8 | 62.8 | 68.0 | 81.0 | 83.2 | 83.9 |
| Castorseed | 13.5 | 23.0 | 19.6 | 17.3 | 18.7 | 17.5 | 13.8 | 15.7 | 11.7 |
| Sesamum | 8.9 | 8.1 | 6.9 | 7.2 | 8.3 | 8.5 | 7.5 | 7.5 | 7.8 |
| Sunflower | 6.5 | 5.2 | 5.4 | 5.0 | 4.3 | 3.0 | 3.0 | 2.1 | 2.3 |
| Linseed | 1.5 | 1.5 | 1.5 | 1.4 | 1.6 | 1.3 | 2.0 | 1.8 | 1.6 |
| Nigerseed | 1.1 | 1.0 | 1.0 | 1.0 | 0.8 | 0.7 | 0.9 | 0.7 | 0.6 |
| Safflower | 1.5 | 1.5 | 1.1 | 1.1 | 0.9 | 0.5 | 1.0 | 0.5 | 0.2 |

Source: Ministry of Agriculture

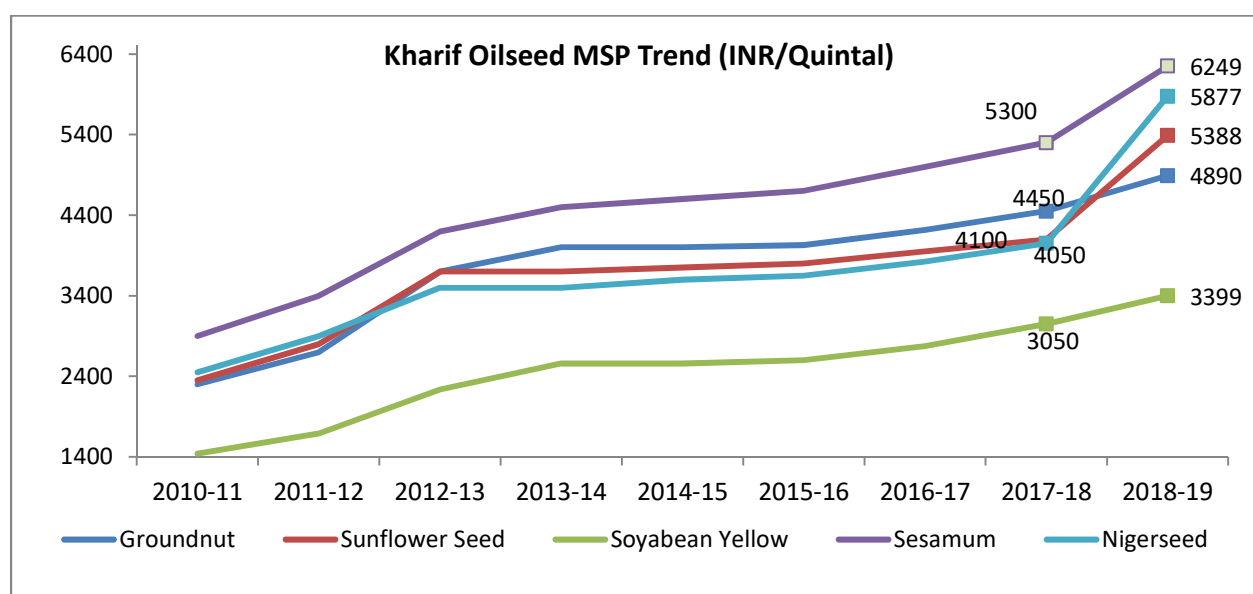
Note: 2018-19 is based on 2nd Adv estimates.

MSP for 2018/19 Kharif Oilseeds

The Cabinet Committee on Economic Affairs, chaired by the Prime Minister Shri Narendra Modi, has given its approval for Minimum Support Prices (MSPs) for Kharif Crops of 2018-19 season, the MSPs of all the Kharif oilseeds are raised for this season.

The MSP of Yellow Soybean is increased by 9.0% to Rs 3325/Qtl for 2018-19 season from Rs. 3050/Qtl (including Rs 100 bonus) in 2017-18, Groundnut -in- shell by 5.2% to Rs 4,680/Qtl from Rs 4,450/Qtl (including Rs 100 bonus), Sunflower seed by 3.7% to Rs 4,250/Qtl from Rs 4,100/Qtl (including Rs 200 bonus), Nigerseed by 5.5% to 4,275/Qtl from Rs 4,050/Qtl (including Rs 100 bonus) and Sesamum by 5.7% to Rs 5,600/Qtl from Rs 5,300/Qtl (including Rs 200 bonus).

Source: MoA, GOI



MSP for 2018/19 Rabi Oilseeds

Centre has increased the MSP of Mustard/Rapeseed by INR 200 from last year and kept it at INR 4200 per quintal. Last year the MSP of Mustard/rapeseed was INR 400 per quintal including bonus of INR 100.

Safflower MSP has been increased to INR 4945 from INR 4100 per quintal of last year. Last year MSP includes a bonus of INR 100 per quintal.

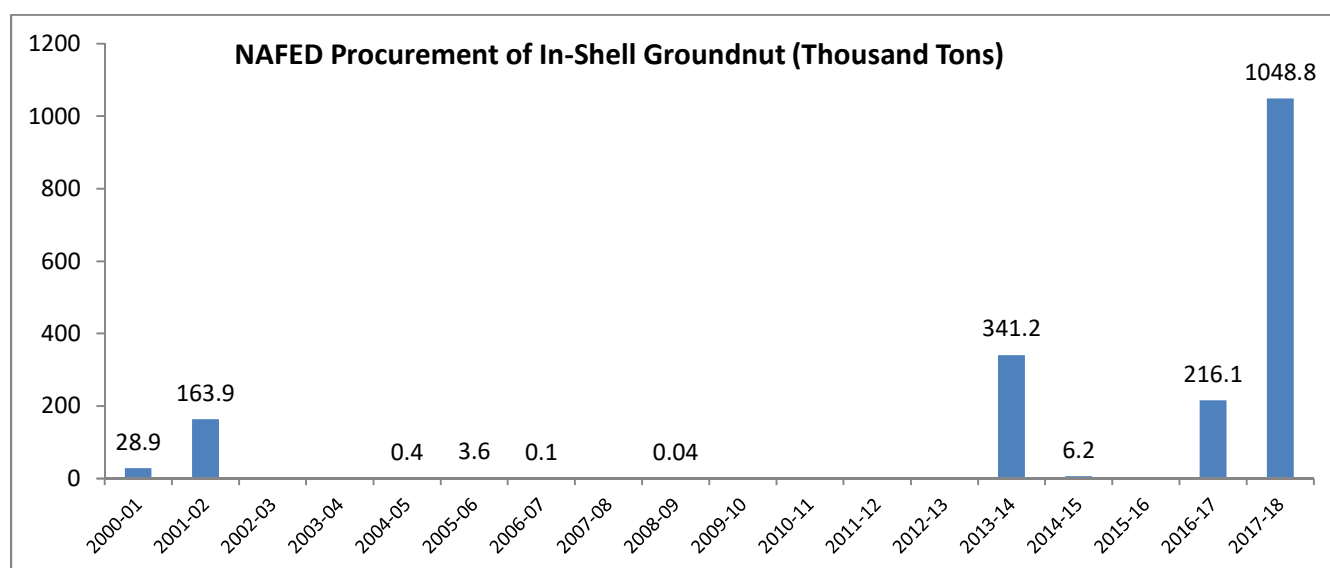
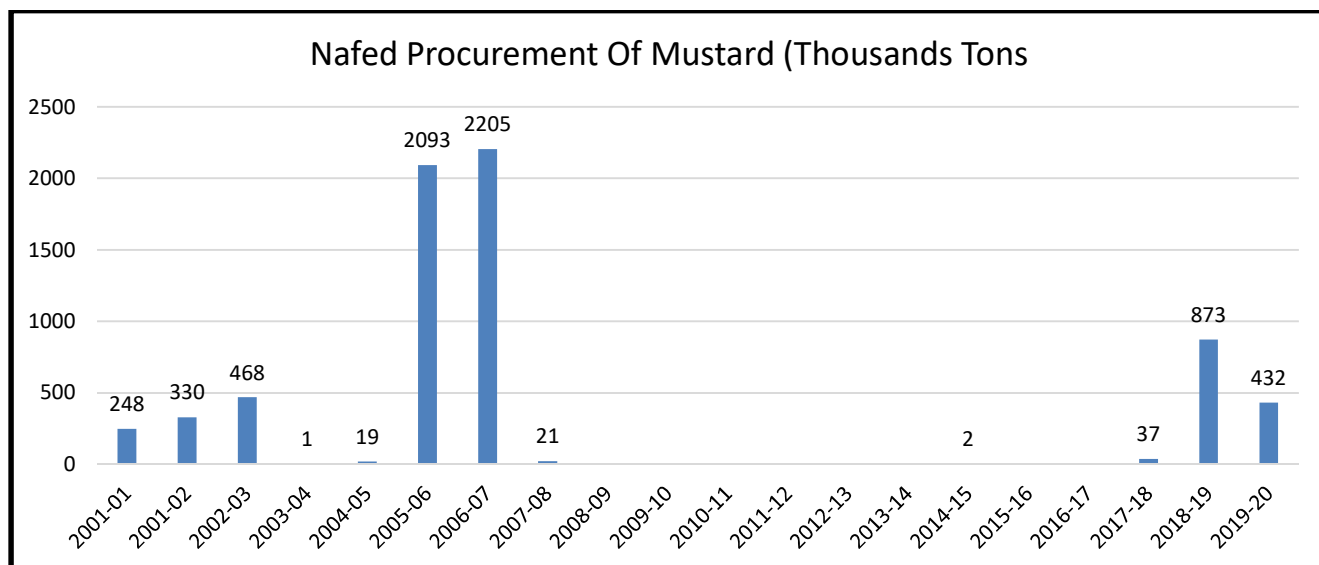
India's Kharif Oilseeds Production 2018-19 2nd Advanced Estimates

The 2nd Advance Estimates of production of major crops for 2018-19 have been released on 28th February, 2019 by the Department of Agriculture, Cooperation and Farmers Welfare. The assessment of production of different crops is based on the feedback received from States and validated with information available from other sources.

Oilseeds – 315 Lakhtonnes

- Soyabean – 136.89 Lakh Tons
- Groundnut – 54.14 Lakh Tons
- Castorseed – 11.77 Lakh Tons
- Sesame/Sesamum/Gingelly/Til – 7.84 Lakh Tons
- Sunflower – 0.98 Lakh ton

NAFED Procurement of Oilseeds (Mustard and Groundnut) Historically



SEA OILSEEDS APY ESTIMATES

| Oilseeds | 2017/18 | | | 2018/19 | | |
|--------------|------------------|------------|--------------------------|------------------|------------|--------------------------|
| | Area (Lakh Hac.) | Yield | Production (Lakh Tonnes) | Area (Lakh Hac.) | Yield | Production (Lakh Tonnes) |
| Groundnut | 40.12 | 931 | 37.7 | 41.58 | 1269 | 52.75 |
| Soybean | 112.5 | 909 | 102.3 | 105.92 | 784 | 83 |
| Sunflower | 1.1 | 636 | 0.7 | 1.37 | 584 | 0.8 |
| Sesame | 13.84 | 170 | 2.35 | 14.19 | 282 | 4 |
| Castor | 7.27 | 1582 | 11.5 | 8.3 | 1754 | 14.43 |
| Niger | 2 | 350 | 0.7 | 2.06 | 340 | 0.7 |
| Total | 176.83 | 884 | 156.25 | 173.42 | 903 | 156.68 |

Source: SEA

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