Oilmeals Weekly Research Report

Contents

Executive Summary

Firm trends are witnessed in Oilseed complex during this week supported by strong demand on account of Festive season. Despite in MP market, Soybean Supplies declined as most of madies were closed due to ongoing festive season for four days. Farmers in MP have finished their Soybean crops harvesting of this season. While, in Rajasthan, 70% harvesting has been completed so far. In Maharashtra, harvesting pace is slow due to earlier election activities and late sowing varieties of soybean crop. Farmers may complete all over harvesting up to 10th November. NAFED procurement process of Soybean and lower crop estimates of this season may support Soybean prices from any major fall. NCDEX future prices of Soybean and RM Seed settled higher side the end of the week due to buyers' interests in the market. CBOT prices rose supported by higher U.S. exports Soybean sales of this week and positive progress for trade deal between U.S. & China.

Mustard seed sowing for Rabi season is likely to begin soon in full pace. High water level in most reservoirs will support to increase yield. However, acreage may decline less as sowing is delaying due to recent rainfall in September and October and late harvesting of Kharif crops. Farmers are waiting water to dry up the sowing low lying land. The government expects Mustard seed production at 8.24 MT for 2019-20 lower than last year record. Government has announced Rs. 225 higher MSP of Mustard seed for Rabi 2020-21 season to Rs.4425 against Rs. 4200 in 2019-20.

According to IOPEPC (The Indian Oilseeds and Produce Export Promotion Councils) survey report, India is likely to harvest groundnut crop at 68.60 lakh tons during Kharif 2019 higher against 51.96 lakh tons in previous year. It expects higher groundnut's yields at 1745 Kg/Ha compared to 1336 Kg/Ha for this season. India may harvest bumper Sesame seeds approx. 3.97 lakh tons during Kharif ,2019 as compared to 1.77 lakh tonnes in previous year record due to good rise of yield i.e. 298 Kg/Ha higher from 134 Kg/Ha in last year record. Groundnut seed and oil exports is expected to be high in this season as China is encouraging imports of groundnut oil instead of soybean oil. Relatively, Indian government has approved to bulk export of groundnut oil. Bumper groundnut crop expectation in India and lower crop prospectus in Africa will support Indian exporters to ship higher volume this year.
As per trade body, India may grow 18% lower Soybean crop to 9 million tonnes in 2019 due to excess rainfall at the time of maturity stage. Madhya Pradesh received 44% above average rainfall which resulted water logging and badly affected soybean matured crops. As per SOPA survey, Soybean crops have damaged in Rajasthan and Maharashtra states as well.

As per recent updates of SOPA, India may harvest 17.7% lower Soybean crop to 89.9 lakh tonnes in 2019 against 109.3 lakh tonnes in 2018 on account of heavy rainfall at maturity period of time. The major growing Soybean states like Gujarat, Karnataka, Madhya Pradesh may harvest lower Soya crop by 30% to 0.86 lakh tonnes, 7.1% to 2.69 lakh tonnes,31.1% to 40.10 lakh tonnes respectively against last year record. However, Farmer may get 5.7% higher Soybean to 36.29 lakh tonnes in Maharashtra in the current season.

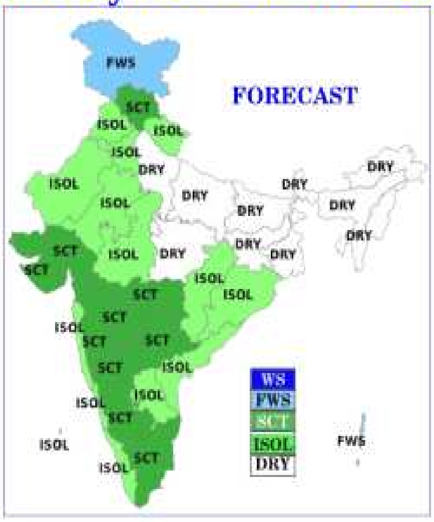
Soybean complex may trade in steady to lower side in coming days. While, RM Seed prices may increase amid good demand against less supplies.

Outlook – Cash Market

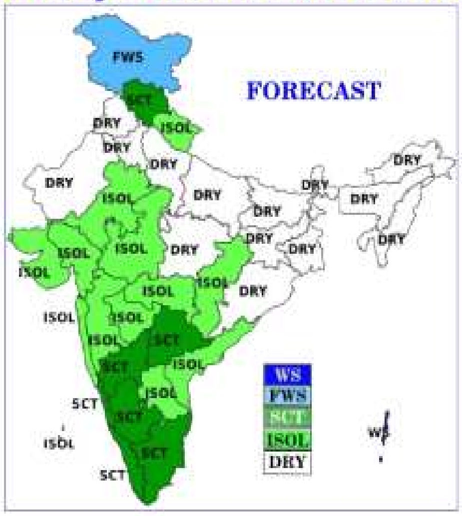
Outlook-Soybean (Spot, Indore): *Soybean Indore plant prices increased supported by robust demand due to festive season. Prices may decline in expectation of heavy new crop supplies in coming week. Prices are likely to trade in the range of 3850 to 3900 in next week. The market sentiments are now depending on the surplus bean stocks to be carried over to the next marketing year, millers demand & weather condition and Kharif crop size estimates, Nafed's procurement.*
Outlook –Soy meal (Spot, Indore): *Soymeal prices closed higher side on improved demand. Prices may trade steady to weak tone in the coming days on less demand of exporters. Prices are also being driven by domestic soybean prices and global market's outlook and may trade between Rs.31000 to 31900/MT in Indore market. Exporters are less active in the market.*
Outlook-Rapeseed-Mustard (Spot, Jaipur basis) *Mustard seed prices at Jaipur market firmed up on good local crushers and retailers demand on festive season. Prices may trade in steady to firm tone in coming week on good local demand against less supplies. Nafed's disposal activities may weigh on prices. Prices are likely to trade in the range of 4410 to 4500 in next week. NCDEX future prices of RM Seed may increase on good buying activities of speculators.*

Weekly Weather Report

Saturday 02 November 2019

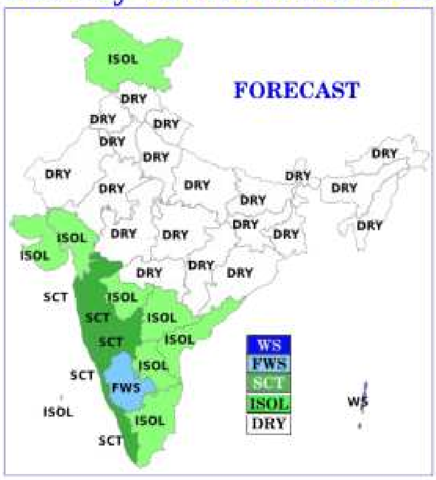


Sunday 03 November 2019



Monday 04 November 2019

Tuesday 05 November 2019



Rain/Thundershowers observed (from 0830 hours IST of yesterday to 0830 hours IST of today): at most places over coastal Karnataka, Kerala, Lakshadweep and Andaman & Nicobar Islands; at many places over Tamilnadu, Puducherry & Karaikal; at a few places over Vidarbha, Telangana, Interior Karnataka and at isolated places over Saurashtra & Kutch, Madhya Maharashtra, Marathawada, Chhattisgarh, Odisha, Rayalaseema, South Konkan & Goa and Coastal Andhra Pradesh.

Kharif Oilseed Sowing Status

Kharif Oilseeds Sowing as on 04.10.2019 (In lakh Hectare)						
	Normal Area	Normal area as on date	2019	2018	Change (Y-o-Y)	% change of normal area
Groundnut	42.43	40.75	39.40	40.49	-1.09	-1.3
Soybean	111.49	112.42	114.24	113.10	1.1	1.8
Sunflower	1.91	1.54	1.12	1.17	0.0	-0.4
Sesamum	17.25	15.77	13.79	14.47	-2.0	-0.7
Niger	2.51	2.13	2.31	2.04	0.3	0.2
Castor	9.69	9.47	9.55	8.89	0.7	0.1
Total Oilseed	185.28	182.09	180.41	180.16	0.3	-1.7

Soybean

Domestic Market

Soybean prices rose at most of trading centers during this week on good demand of retailers, stockiest and traders. Arrivals are likely to increase further in market as farmers may bring new crops in full pace due to higher prevailing prices. Soybean prices may decline in expectation of heavy supplies of new crops. However, Nafed's procurement activity and lower crop estimates of this season may support prices from any major fall.

NAFED has started to procure soybean Kharif 2019 season in Telangana state of India. As on 29th Oct 2019, it has procured total 260 MT from various trading centers of Telangana farmers. Total 1834.35 MT has been procured so far from 1032 farmers. The State government has requested the Centre to increase the quantity of procurement of the Soybean crop produced in Telangana than the approved quota since the market price has been ruling below the minimum support price of ₹3,710 per quintal. Centre has agreed to procure 58,608 tonnes about 30.2% of the estimated production, of Soybean.

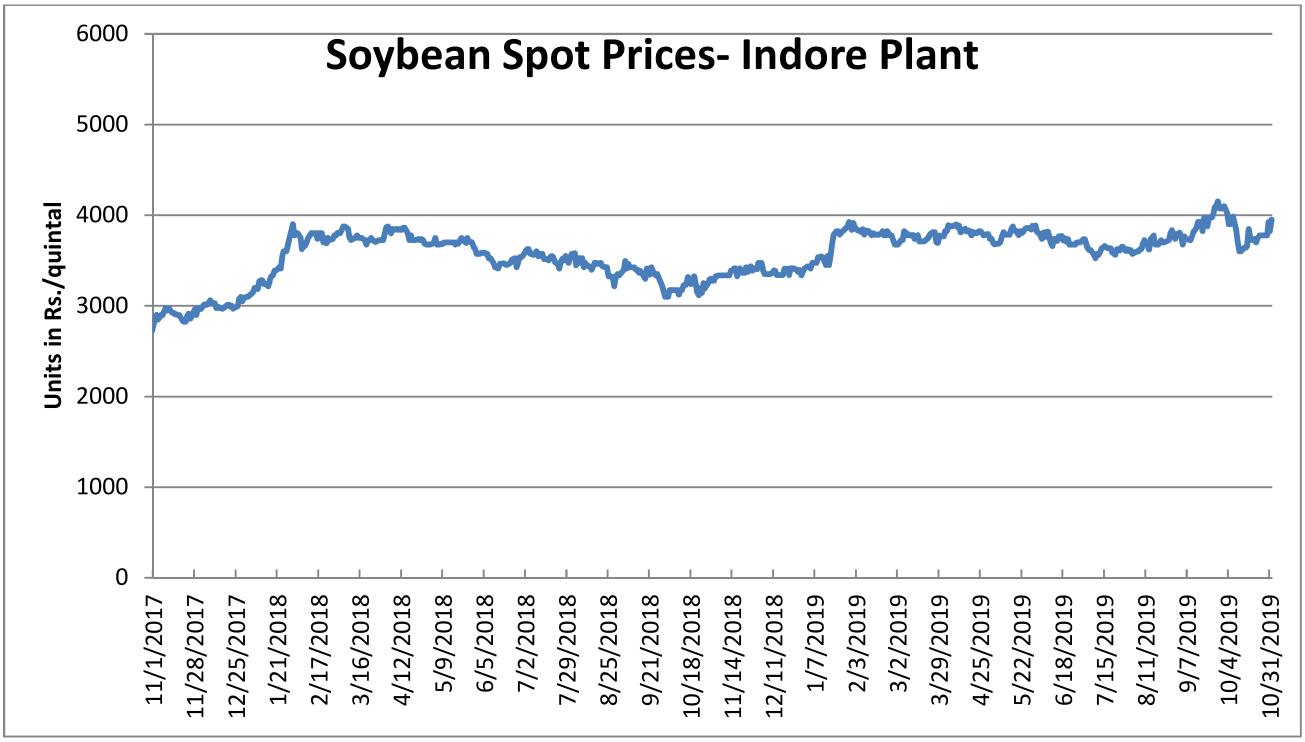
Farmers in MP have completed their Soybean crop harvesting of this season. In Rajasthan, 90% harvesting has been completed. In Maharashtra, harvesting pace is slow and it has been completed up to 70% so far on account of elections activities and rainfall in the last week. Farmers may complete all over harvesting up to 10th November. Water stagnation in MP and Rajasthan may result 20 to 25 % damages of soybean crop of this season. In 2019, Soybean growers have increased area as compared to previous year record. As per traders, total 20 to 25% soybeans are damaged in MP state majorly in the districts of Ratlam, Mandsaur and Neemuch. Madhya Pradesh received 38% more rainfall than the average since the start of four-month long monsoon season on June 1. Traders expect Soybean production in India at 85 lakh tonnes for 2019/20 due to heavy crop loss in MP& Rajasthan.

As per ministry report, All India sowing of soybean stood at 114.24 lakh hectares compared to 113.10 lakh hectares as on 04.10.2019. Sowing of soybean is higher in Madhya Pradesh at 55.16 lakh tonnes against 53.18 lakh tonnes in last year and Rajasthan at 10.61 lakh tonnes compared to 10.46 lakh tonnes in previous year.

Announcement of a higher minimum support price (MSP) for MY 2019/20 likely encouraged additional oilseed planting during an extended planting window in anticipation of higher returns, stable yields, and relatively lower crop maintenance compared to cotton. The GOIs MSP announcement claims that farmers receive 1.5 times the production cost of planting a crop.

As per the sources, recovery of monsoon this season in August has pulled down the prices of agricultural commodities during few days on expectations of a recovery in kharif output and favorable climatic condition for the Rabi harvest for 2020. Although crop damages have been reported in few areas due to excess rain. However, for Rabi crops, including mustard seed, good rain in September (as forecast by weather agencies), would provide better soil moisture for sowing. Besides, there are huge procured stocks of mustard seed with government, and the prices Mustard will remain under pressure.

The domestic soybean prices are likely to trade in steady to weak tone in coming days.



International Market

CBOT Soybean future prices rose supported by good exports sales report and positive progress of trade deal between China and U.S. As per sources, the president of both countries will sign a “Phase One” trade deal around Mid-November. Private exporters sold total 132,000 tonnes of U.S. soybeans to China on Friday. As per USDA, China may buy total 6.322 million tonnes of U.S. Soybean for the marketing year (Sep.1 to Aug 31). Since Sept. 1, the beginning of the marketing year, 1.64 million tonnes of U.S. soybeans have been exported to China.

As per USDA, U.S. farmers have harvested soybean crop 62% of their soybean crop, up from 46% a week earlier although below the average pace of 78% at this time of the year. U.S soybean harvest pace is reported lower mainly in North Dakota and Minnesota due to excess rain and an October snowstorm. In Minnesota, farmers have finished 62% soybean crops through Oct.27 lower from with the five-year average of 93%. In North Dakota, farmers have finished only 29% of their soybeans on account of wet conditions that leave the ground too soft to support harvest equipment.

Farmers in Brazil have completed 34% of Soybean planting area lower against 49% in last year record so far of this season. It is also lower from 36% of five years average planting area due to less rainfall. Planting has improved in Brazil especially in the state of Mato Grosso. However, it is still slow in dried areas like south-central Brazil and the states of Parana, Mato Grosso do Sul, Sao Paulo and surrounding areas. Soybean yields in Brazil could still be OK as long as the planting is not delayed past about mid-November. Rainfall volume is the major factor to estimates actual yield of this season.

During the week (Oct 18 -24, 2019) US sold 99% higher Soybean at 943,600 MT for 2019/20 marketing compared to previous week however it is down by 39% from the prior 4- week average. Increases primarily for China (481,000 MT, including 68,000 MT switched from unknown destinations and decreases of 7,100 MT), Germany (135,900 MT, switched from the Netherlands), Thailand (95,400 MT, including 65,000 MT switched from unknown destinations and decreases of 400 MT), Japan (90,400 MT, including 90,700 MT switched from unknown destinations and decreases of 2,100 MT), and Spain (87,500 MT, including 83,000 MT switched from unknown destinations), were partially offset by reductions for unknown destinations (351,500 MT). Exports of 1,723,300 MT were up 25 percent from the previous week and 63 percent from the prior 4-week average. The destinations were primarily to China (536,000 MT), Mexico (207,500 MT), the Netherlands (141,200 MT), Germany (135,900 MT), and Egypt (105,200 MT).

As per sources, European Union bought total 4.25 million tonnes of Soybean till Oct 27,2019 (season started on July 1) which is 2% higher than the volume as shipped on October 21 last year. EU soymeal imports had reached higher by 20% to 6.3 million tonnes, the year-earlier period, while palm oil imports stood at 1.7 million tonnes, down 12%.

As per IGC (International Grain Council), Global soybean output may decline by 18 million tonne to 341 million tonnes due to slight shortfall in U.S Soybean output for this season and lower planting area so far in Brazil.

As per Conab, Brazil may harvest higher Soybean crop by 4.7% to 120.39 Million tonnes in 2019/20 against 115.03 million tonnes in last year. Soybean area in Brazil is likely to stand higher by 1.9% to 36.571 Million Ha. in 2019/20 against 35.874 Million Ha. in 2018/19 season. Brazil may export total 72 Million tonnes in 2019/20 higher from 70 Million tonnes in 2018/2019 however the projected figure is lower from 83.257 million tonnes in 2017/2018. The state of Mato Grosso will increase its soybean acreage by 2.6% to 9.95 million hectares (27.2%

of the total) followed by Rio Grande do Sul which will increase 1.0% to 5.83 million hectares (15.9% of the total), Parana will increase 0.9% to 5.48 million hectares (14.9% of the total), Goias will increase 2.0% to 3.54 million hectares (9.6% of the total), and Mato Grosso do Sul will increase 3.4% to 2.95 million hectares (8.0% of the total.

As per sources, Ukraine may export lower soybean by 19.8% to 2 million tonnes in 2019/20 against previous year record. While, it may export higher sunoil by 0.8% to 6.1 million tonnes in 2019/20 from last year record. The country may export 16.7% higher Rapeseed to 2.86 million tonnes in 2019/20 against 2018/19 season.

As per USDA recent released report, U.S. oilseed production for 2019/20 is forecasted lower by 2.3 million tons at 107.9 million tons from last month with lower soybean, peanuts and cottonseed production partly offset by a higher canola and sunflower seed. U.S. Soybean production is forecast at 3.6 billion bushels, down 83 million, mainly on lower yields. U.S may get soybean yield at 46.9 bushels per acres in 2019/20 which is lower than the projection of September month however it is also lower from 47.2 bushels per acres as projected by Reuter analyst poll. Harvested area is reduced slightly to 75.6 million acres. Soybean supplies for 2019/20 are forecast at 4.5 billion bushels down 175 million on lower production and beginning stocks. With a small increase in soybean crush, ending stocks are projected at 460 million bushels, down 180 million.

As per USDA, the U.S. season-average soybean price for 2019/20 is forecast at $9.00 per bushel, up 50 cents reflecting smaller supplies. The soybean meal price is forecast at $325.00 per short ton, up $20.00. The soybean oil price forecast is raised 0.5 cents to 30.0 cents per pound.

As per USDA forecast, soybean production of Brazil in 2019-20 is projected at 123 million tonnes higher against the previous year 117 million tonnes due to supportive weather condition. Exports of soybean in 2019-20 is expected to 76.50 million tonnes higher from 75.80 million tonnes in 2018-19.

As per the latest update from USDA, China soybean production is estimated at 17.1 MMT on higher-than-expected area. Most industry sources forecast the crop at 17 MMT or above. Encouraged by subsidies favoring soybean production, farmers have increased planted area; the subsidy has been particularly effective in Northeast provinces. Weather has been favorable as slightly higher yields are expected.

As per WASDE report, world oilseed production for 2019/20 is projected at 574.8 million tons, down 4.6 million tons from September on lower soybean, sunflower seed, rapeseed, and peanut production. Soybean production is projected at 339 million tons, down by 2.4 million tons to a 4-year low, mainly reflecting lower production for the United States. Global rapeseed production is forecast lower on reductions for Canada, Australia, the EU, and the United States. Canadian rapeseed production is reduced on lower yield prospects resulting from an unseasonably heavy snow and a season-ending freeze. Other production changes include lower sunflower seed production for Ukraine, lower cottonseed production for Pakistan and Brazil, and higher cottonseed production for India. With lower global oilseed supplies only partly offset by reduced crush, global oilseed stocks are projected at 109.8 million tons, down 4.6 million. Soybeans account for most of the change with lower stocks in the United States only partly offset by increases for Argentina and Brazil.

As per sources, Philippines bought 120,000 tonnes of Soybean in a tender on 25th Oct 2019. The soybeans were expected to be sourced from the United States and were for shipment between January and March 2020.

Soy meal

Soymeal prices rose on improved demand of south based traders during this week. Prices is highly affected by Soybean domestic markets and positive global sentiments.

As per NOPA recent data, NOPA members have crushed total 152.56 million bushels of Soybeans in September 2019 which is lower than 168.08 million bushels in August 2019. It is also lower from 160.77 million bushels in September 2018. Soybean oil stocks increased to 1.442 billion pounds at the end of September lower against 1.401 billion pounds at the end of August 2019 and 1.53 billion pounds at the end of September 2018. Soymeal exports has been reported up in September 2019 to 844,584 tons from 699,212 tons in August 2019 and 785,267 tons exported in August 2018.

During the week (Oct 18 -24, 2019) US sold total 179,100 MT of Soymeal and cakes for 2019/20 marketing primarily for Mexico (80,500 MT), the Dominican Republic (33,600 MT), the Philippines (20,000 MT, including decreases of 100 MT), Burma (16,000 MT), and Canada (12,700 MT), were partially offset by reductions for unknown destinations (12,200 MT), Panama (3,000 MT), and Qatar (1,000 MT). For 2020/2021, total net sales of 400 MT were for Canada. Exports of 147,900 MT were primarily to Colombia (54,600 MT), Mexico (30,000 MT), Italy (25,800 MT), Canada (21,200 MT), and Sri Lanka (4,200 MT).

As per recent SEA report, India shipped Oilmeals lower by 39% to 105,232 tons in September 2019 against 172,423 tons in September 2018. The overall export of oilmeals during April-Sep. 2019 is reported at 1251527 tons compared to 1499049 tons in April-Sep.2018 i.e. down by 17%. This is mainly due to higher price of domestic produce soybean meal. The export of castor seed meal has increased to 301,666(210,371) tons, mainly exported to South Korea.

During April-September 2019, Vietnam imported 170,705 tons of oilmeals (compared to 293,001 tons); consisting of 3070 tons of soybean meal, 107,183 tons of rapeseed meal and 59,933 tons of De-oiled Rice Bran Extraction. South Korea imported 505,290 tons of oilmeals (compared to 463,145 tons); consisting 23,288 tons of soybean meal, 237,930 tons of rapeseed meal and 244,072 tons of castor seed meal. Thailand imported 125,472 tons of oilmeals (compared to 187,159 tons) consisting 106,342 tons of rapeseed meal, 17,581 tons of Rice Bran Extractions and 1549 tons of soybean meal.

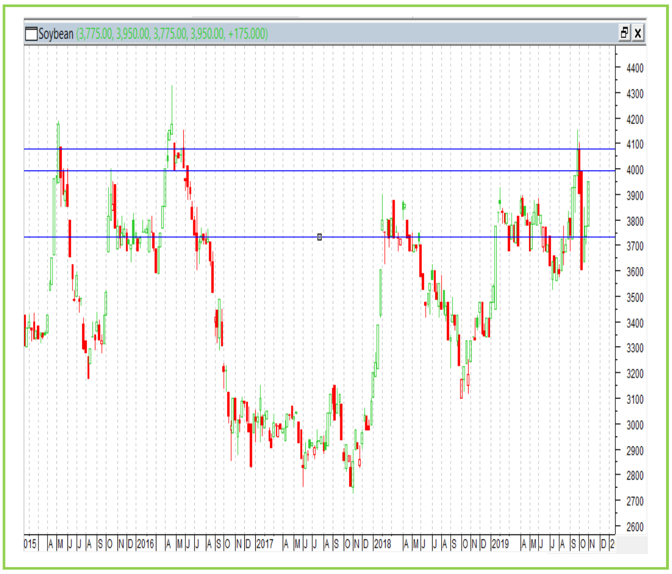
The export from Kandla is reported at 483770 tons lower (39%), followed by Mundra handled 385699 tons (31%), and Mumbai including JNPT handled 88895 tons (7%) and Kolkata handled 85313 tons (7%) and Others Ports handled 207850 tons (17%).

As per recent WASDE report, Soybean meal production of India is estimated remain lower at 7.76 million tons for 2019/20 compared to previous year record i.e. 7.85 million tons. It is higher from 6.16 million tons in 2017/18 season. India may export 1.90 million tons Soymeal in 2019/20 lower from 2.35 million tons as in previous year. Domestic consumption of the country may stand at 5.80 million tons higher from 5.48 million tons in 2018/19.

During Indian Soymeal premium quoted higher side by $124 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.

<u>Technical Analysis</u>:

NCDEX Soybean FUTURE ***Soybean Spot, Indore***

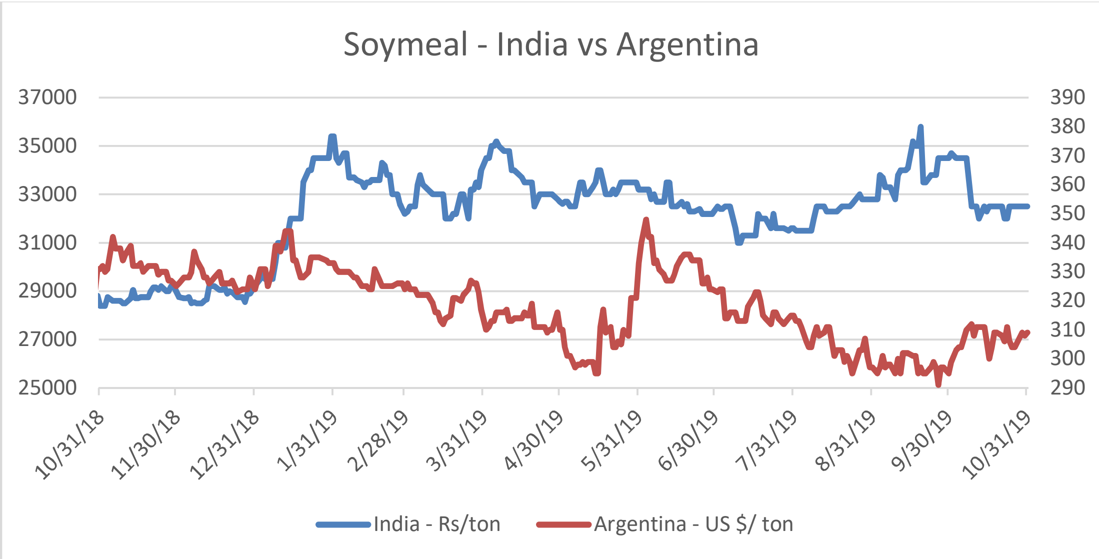


Note: Daily Chart

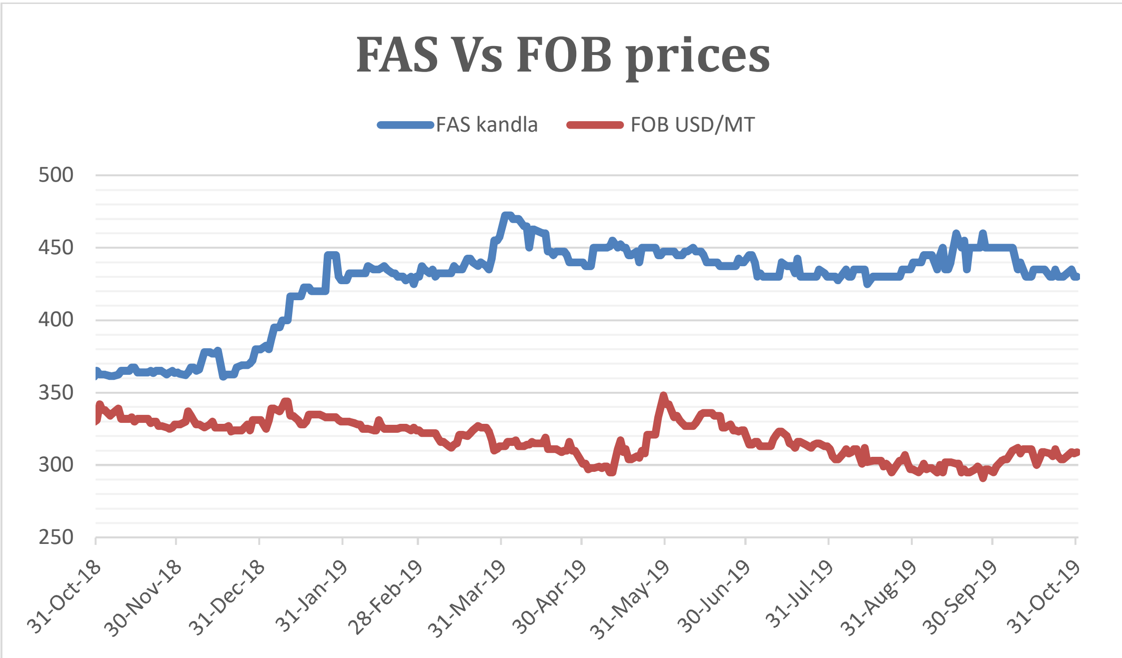
Support & Resistance NCDEX Soybean – Nov. Contract				
S2	S1	PCP	R1	R2
3750	3800	3903	3950	4000

- Soybean Nov. contract depicts weak trend and likely to find support at 3750 and resistance at 3950.
- On the upside, 3950 shall act as immediate resistance followed by INR 4000.
- On the downside, INR 3800 shall act as immediate support followed by 3750.
- Trade Recommendation (NCDEX-Soybean) -**Sell**

Weekly trade call: **Sell** Above-3900 Target – T1-3830; T2- 3800, SL – 3950



FAS SBM, Kandla Vs FOB SBM, Argentina – (US $/tonne)



Soy DOC Rates at Different Centers			
Centres	Ex-factory rates (Rs/ton)		
	1-Nov-19	25-Oct-19	Parity To
Indore - 45%, Jute Bag	32500	31500	Gujarat, MP
Kota - 45%, PP Bag	34200	33500	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	35000	34500	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	33700	33200	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	34300	34000	Andhra, AP, Kar, TN
Latur	34700	34000	-
Sangli	33800	34000	Local and South
Solapur	33400	33000	Local and South
Akola – 45%, PP Bag	33300	32500	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Hingoli	33800	34000	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Bundi	34000	33300	-

Soy DOC at Ports			
Centers	Port Price		
	31-Oct-19	24-Oct-19	
Kandla (FOR) (INR/MT)	Unq	32500	-300
Kandla (FAS) (USD/MT)	Unq	430	Unch
CNF Indonesia – Yellow SBM (USD/MT)	Unq	450	-5

Rapeseed Meal	31-Oct-19	24-Oct-19	
FAS Kandla (USD/MT)	Unq	240	Unq
FOR Kandla (Rs/MT)	Unq	17450	Unq
FOR Mundra (Rs/MT)	Unq	17850	Unq
CNF Indonesia (USD/MT)	Unq	262	Unq

International Soy DOC			
Argentina FOB USD/MT	31-Oct-19	24-Oct-19	
Soybean Pellets	313	308	5
Soybean Cake Flour	313	308	5
Soya Meal	309	306	3
Soy Expellers	309	306	3

Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	1-Nov-19	25-Oct-19	

Adoni	24500	24000	500
Khamgaon	Unq	Unq	Unq
Parli	Unq	Unq	Unq
Latur	Unq	Unq	Unq

Groundnut Meal (Rs/MT)	**1-Nov-19**	**25-Oct-19**	
Basis 45%, Saurashtra	28000	28000	**Unch**
Basis 40%, Saurashtra	26000	26000	**Unch**
GN Cake, Gondal	27000	27000	**Unch**

Mustard DOC	**1-Nov-19**	**25-Oct-19**	
Jaipur (Plant delivery)	17500	Closed	**NA**
Kandla (FOR Rs/MT)	17800	Closed	**NA**

Mumbai Oil Meal Quotes:			
Rs/M.T.	**1-Nov-19**	**25-Oct-19**	
G.N. Extr (45%)	27500	27500	**Unch**
Kardi Extr	Unq	Unq	**Unq**
Undec Cottonseed Exp	33000	37000	**-4000**
Rice Bran Extr.	Unq	Unq	**Unq**
Sunflower Extr.	21500	21000	**500**
Rapeseed Extr.	Unq	Unq	**Unq**
Soymeal 48%	33809	32870	**939**
Castor Extr.	5950	5950	**Unch**

Rapeseed - Mustard Seed

RM seed prices are continued on higher side supported by strong local crushers demand on Diwali occasion ahead of less supplies. At the end of week, mustard closed higher at 4438 per quintal as compared to 4423 per quintal in last week at the benchmark, Jaipur.

As on 16th Oct 2019, Nafed sold total of 7920 MT of R-19 Mustard seed holdings in Rajasthan, Madhya Pradesh & Haryana markets. It disposed total 87419 MT of Mustard R-19 so far and holds remaining balance at 1001488.76 MT. It is likely to dispose total 7.47 lakh tonnes in next three month following 2.51 in November 2019, 2.50 Lakh tonnes in Dec 19,2.45 lakh tonnes in Jan 20 from various trading centers of Lucknow, Indore, Jaipur, Chandigarh & Ahmedabad. It may sell total 1938.67 MT in Lucknow, 1.20 lakh tonnes in Indore, 4.35 lakh tonnes in Jaipur, 1.45 lakh tonnes in Chandigarh, 45541.18 MT in Ahmedabad during Nov. Month to Jan 2020.

As per the Mustard Oil Producers Association of India data, India crushed 13% lower mustard seed to 500,000 tonnes in September 2019 compared to last month record on account of lack luster demand of mustard meal exporters and less arrivals in physical markets. While, it is unchanged from last year record during the same month. In September 2019, total supply of mustard seed was 150,000 tonnes in Rajasthan, 85,000 tonnes in Uttar Pradesh 85,000 and 45,000 tonnes in Madhya Pradesh. Total available stocks with processors, stockiest and state-run agencies stood at 1.6 million tons in September 2019. It pegged total mustard crop output at 8.1 million tonnes in 2018-19 season which is higher from 7.1 million tonnes in last season. The estimated figure is lower than the farm ministry fourth advance estimate i.e. 9.3 million tonnes.

As per Fourth advanced estimates of government, it estimates Mustard seed output at 93.9 lakh tonnes for 2018/19 higher by 9.09 lakh tonnes from 84.3 lakh tonnes in 2017/18. It estimates groundnut crop size at 66.95 lakh tonnes for 2018/19 against 92.53 lakh tonnes.

Agriwatch estimated rapeseed crop at 7.1 MMT in MY 2018-19. However, new rapeseed crop for 2019-20 is estimated at 7.9 MMT above last year due to higher rapeseed sown area and yields. This will lead to lower rapeseed prices in future 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. 8.32 MT. While, other sources like Central Organization for Oil Industry and Trade keeps its forecast at 8.7 MT for this season. According to NBHC (National Bulk Handling Corporation) Rabi crop recent report, crop size of Mustard seed is likely to go up by 0.30% than 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.

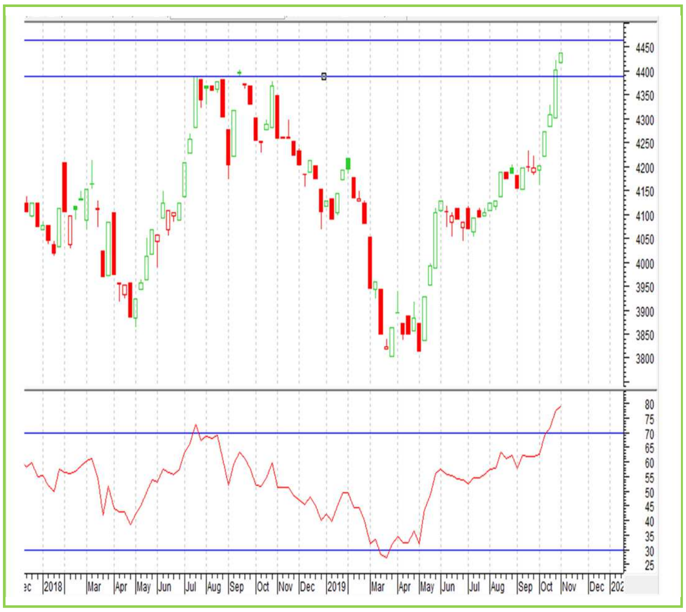
According to United States Department of Agriculture (USDA) September estimate, India’s 2019-20 Rapeseed oil import estimates are revised lower at 1.5 lakh tonnes from 2.0 lakh tonnes in earlier estimate, lower by 33 per cent. Domestic consumption lowered to 27.30 lakh tonnes from 27.80 lakh tonnes in its earlier estimate lower by 1.8 per cent. End stocks have been lowered to 1.44 lakh tonnes from 1.69 lakh tonnes in its earlier estimate, lower by 15.4 per cent.

The area sown with rapeseed for next year's harvest in the European Union will likely fall after dry weather disrupted seeding in a number of countries, the EU's crop monitoring unit MARS said. The rapeseed sowing campaign was mainly hampered in northern France, Germany, Romania, Bulgaria, Hungary and Spain due to low soil moisture levels, along with a rainfall deficit recorded in August and September.

Technical Analysis:

RM Seed Futures Contract

RM Seed Spot, Jaipur



Support & Resistance NCDEX RM Seed – Nov. contract				
S1	S2	PCP	R1	R2
4180	4230	4294	4380	4420

- Mustard Nov. contract depicts weakness and further can get support at INR 4230
- Prices have tested the lower level of 4272 in this week.
- Trade Recommendation (NCDEX Rapeseed-Mustard) - **Buy**

Weekly trade call: **Buy** below – 4260 Target – T1-4320 T2- 4370, SL –4230

Annexure

India's Total Oilseeds Production Seen at 223.89 Lakh Tons in 1st Adv. Est. - GOI (Kharif)

The first Advance Estimates of production of major crops for 2019-20 have been released on 23rd Sep, 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. Few the major crops producing states have received good rainfall. As a result, the production of oilseeds kharif crops estimates for 2019-20 has witnessed higher than their normal production. Oilseeds production of India is placed higher by 11.11 lakh tonnes to 223.89 lakh tonnes against the production of 212.78 lakh tonnes in 4th advanced estimates for 2018-19. The estimated figure is also higher by 11.5 lakh tonnes than five years average oilseeds production.

The estimated production of major Oilseeds during 2019-20 is as under:

Oilseeds – 223.89 Lakh tonnes

- Soybean – 135.05 Lakh Tons
- Groundnut – 63.11 Lakh Tons
- Castorseed – 17.37 Lakh Tons
- Sesame/Sesamum/Gingelly/Til – 6.86 Lakh Tons
- Nigerseed – 0.83 Lakh Tons
- Sunflower – 0.67 Lakh tons

MSP for 2019/20 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 2019-20 season, the MSPs of all the Kharif oilseeds are raised for this season. The MSP of Yellow Soybean is increased by Rs.311 from Rs.3399/qt in 2018-19 to Rs.3710/qt in 2019-20,Groundnut is increased by Rs.200 from Rs.4890/qt in 2018-19 to Rs.5090/qt in 2019-20, Sunflower is increased by Rs.262 from Rs.5388/qt in 2018-19 to Rs.5650/qt in 2019-20, Sesamum is increased by Rs.236/qt from Rs.6249/qt in 2018-19 to Rs.6485/qt in 2019-20, Niger seed is increased by Rs.63 from Rs.5877/qt in 2018-19 to Rs.5940/qt in 2019-20.

MSP for 2020/21 Rabi Oilseeds

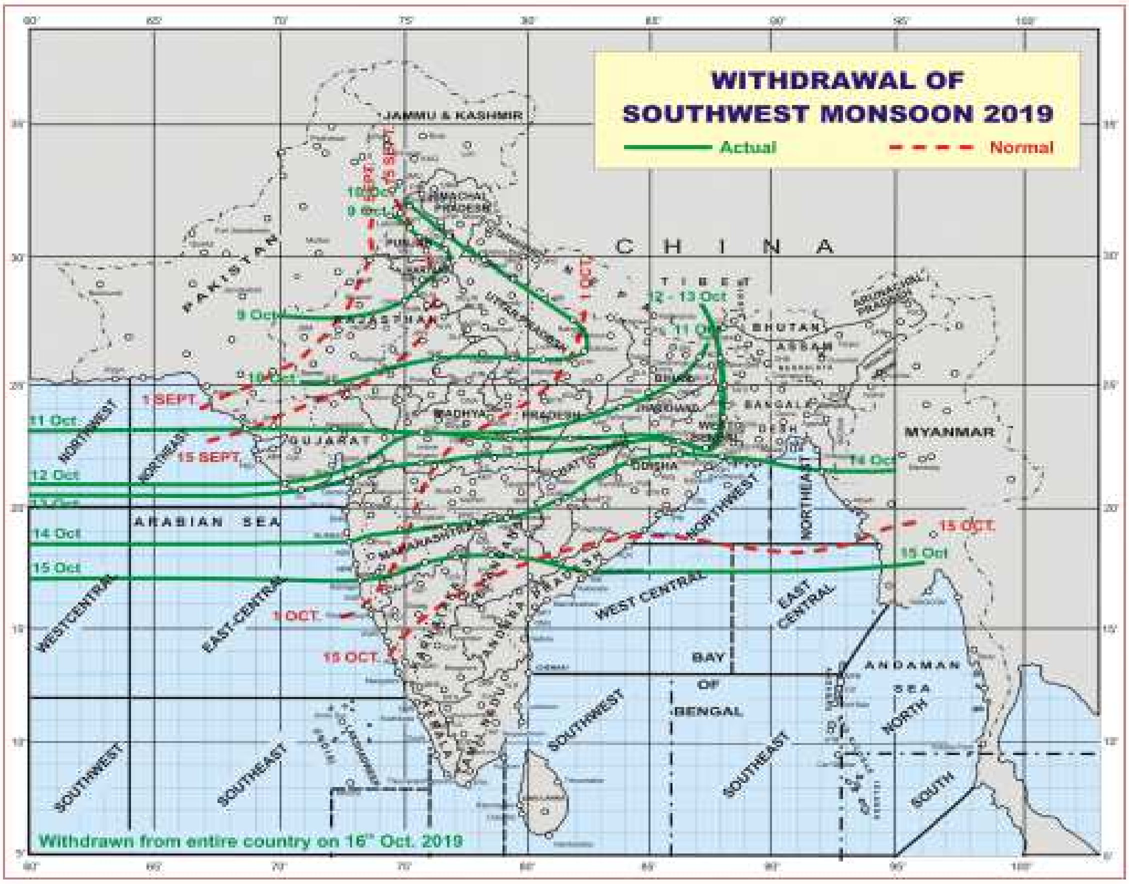
Centre has increased the MSP of Mustard/Rapeseed by INR 225 from last year and kept it at INR 4425 per quintal. Last year the MSP of Mustard/rapeseed was INR 4200 per quintal including bonus of INR 200. Safflower MSP has been increased by INR 270 to INR 5215 from INR 4945 per quintal of last year. Last year MSP includes a bonus of INR 100 per quintal.

SOPA Soybean Production Estimates Kharif 2019-20 As On 10.10.2019

SOPA Soybean Estimates Kharif						
	2018-19			2019-20		
State	Area	Yield	Production	Area	Yield	Production
Gujarat	1.32	925	1.241	1.003	858	0.861
Maharashtra	36.39	944	34.34	37.363	971	36.295
Karnataka	3.19	911	2.90	3.302	816	2.694
Madhya Pradesh	54.1	1075	58.18	51.952	772	40.107
Chhattisgarh	1.281	865	1.108	0.742	726	0.539
Telangana	1.791	877	1.571	1.783	846	1.508
Rajasthan	9.212	971	8.945	9.627	681	6.56
Others	1.09	955	1.041	1.841	748	1.377
Total	108.4	940.4	109.3	107.6	802.3	89.9

Monsoon 2019-IMD Forecast:

The Severe Cyclonic Storm 'Maha' (Pronounced as M'maha) over east central Arabian Sea and adjoining Lakshadweep area moved northwestwards with a speed of 24 kmph during past 06 hours and lay centered at 0830 hours IST of 1st November, 2019 near Latitude 14.8°N and Longitude 71.0°E over east central Arabian Sea about 450 km north-northwest of Aminidivi (Lakshadweep), 460 km north-northwest of Mangaluru (Karnataka) and 310 km south-southwest of Goa. It is very likely to move northwestwards during next 06 hours and thereafter move west-northwestwards till 5th November morning and recurve northeastwards subsequently. It is very likely to intensify into a Very Severe Cyclonic Storm over east central Arabian sea during the next 12 hours.



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