

Oilmeals Weekly Research Report

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Executive Summary

Firm tone are featured in oilseeds complex during this week after less supplies. Farmers and traders are expecting further price hike especially in Soybean and mustard physical market. In Soybean complex, ITC, Olam, Cargil are the major buyers and buying actively in MP and Maharashtra states. NAFED's procurement activities and lower crop estimates of this season may support soybean prices to increase in long run. Soybean prices increased almost 15% during last two month after a projections of less crop size of this year and strong demand of millers and stockiest. Traders expect remain bullish trend in soybean complex until the arrivals of the new oilseed crops of mustard in March 2020 which may affect overall edible oil segment and ease prices. NCDEX future prices of Soybean and Mustard increased after buying activities of speculators. CBOT prices declined amid weak exports sales data of the week.

As per Skymet, India may get lower Soybean crop of this season and expect total 12.15 million tonnes lower by 12% against last year record on account of heavy rains during post monsoon season. Rainfall have damaged the soybean crop mainly in MP state when the crop was at flowering to pod formation. The poor pod formation could not produce good quality of seeds. Yield suffered around 50 to 70% crop loss in Indore, Ujjain, Neemuch, Mandsaur, Jhabua, which are major districts of MP. Few of districts like Sehore, Dewas, Ashok Nagar, Guna, Dhar, Vidisha and Rajgarh have suffered yield losses to the tune of 30-50 per cent. While other districts have suffered around 10 to 20 % yield damage. Maharashtra has also suffered major Soybean crop loss due to heavy rainfall.

As per recent released data of Ministry, the total area under Oilseeds is reported lower by 1 lakh hac. to 65.05 lakh hectares as on 6th Dec. 2019 against 66.10 lakh hectares in the previous year in the corresponding period of time. There is a drop-in sowing of Mustard seed to 59.12 lakh hectares lower by 1.1 lakh hac. against 60.24 lakh hectares in last year. Total covering area of groundnut stood at 2.43 lakh hectares slightly higher against 2.15 lakh hectares in last year. Safflower has been planted on 0.31 lakh hectares lower against 0.29 lakh hectares in last year. Sunflower has been planted on 0.65 lakh hectares lower against 0.86 lakh hectares last year. Sesame has been planted on 0.27 lakh hectares higher against 0.26 lakh hectares last year. Linseed has been planted on 2.07 lakh ha lower against 2.12 lakh ha last year.

As per 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 and RMseed complex may trade in steady to firm zone after less supplies.

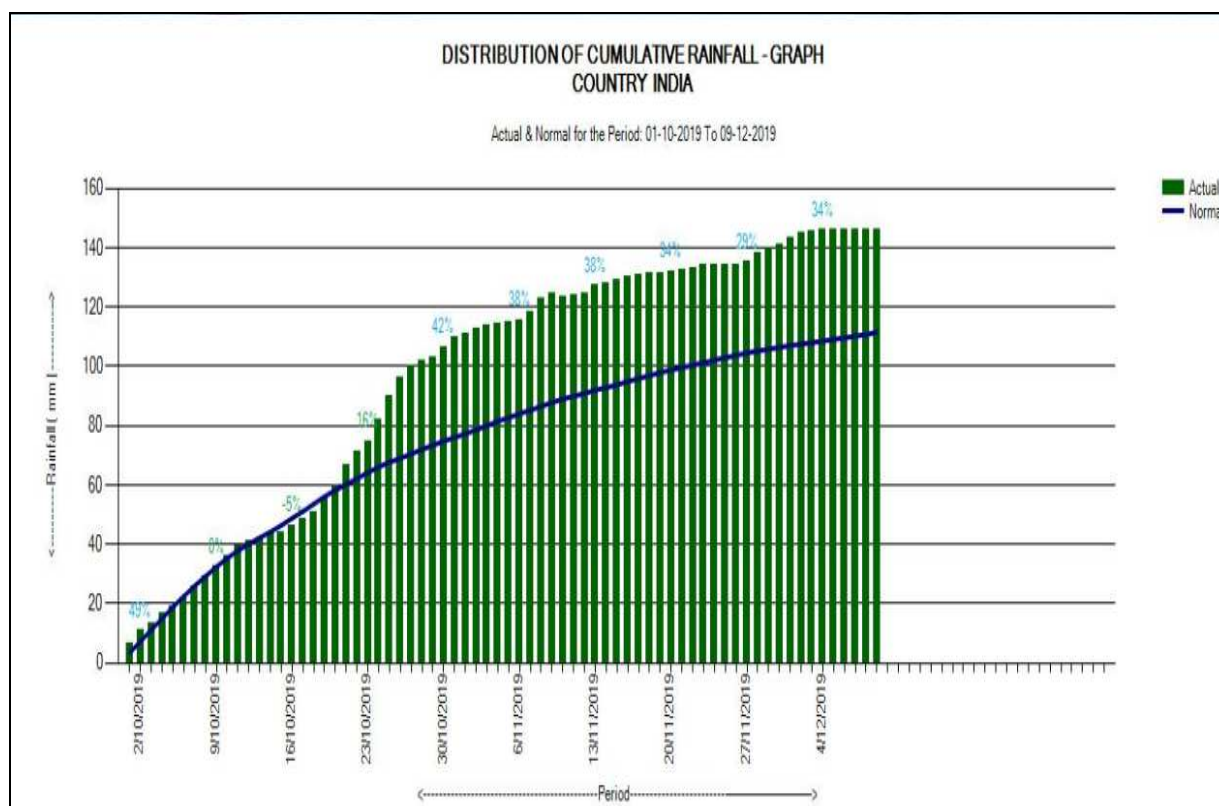
Outlook – Cash Market

Outlook-Soybean (Spot, Indore): Soybean Indore plant prices closed on higher side after less supplies. Demand may continue as buyers want to fulfill regular requirement for crushing. Prices are likely to trade in the range of 4100 to 4300 in next week. The market sentiments are now depending on the stocks to be carried over to the next marketing year, buyers demand & weather condition and Kharif crop size estimates and Nafed's procurement.

Outlook –Soy meal (Spot, Indore): Soymeal prices closed higher side supported by price hike in soyoil and global markets. Prices may trade steady to firm in the coming days. Prices are also being driven by global market's outlook and may trade between Rs.32000 to 33500/MT in Indore market. Exporters are less active in the market.

Outlook-Rapeseed-Mustard (Spot, Jaipur basis) Mustard seed prices at Jaipur market showed firm trend amid mixed pace of arrivals. Prices may trade in steady to weak tone in coming week in expectation of less demand at higher price level. Prices are likely to trade in the range of 4450 to 4550 in next week. Nafed is likely to start disposal of Mustard seed soon which may weigh on prices. However, NCDEX future prices of RM Seed may increase in expectation of buyer's interests at exchange.

Weekly Weather Report



The Western Disturbance as a cyclonic circulation extending upto mid-tropospheric levels over eastern parts of Iran and adjoining Afghanistan persists. It is likely to affect north Indian region from the night of 10th December, 2019. Under its influence an induced cyclonic circulation is likely to form over southwest Rajasthan & adjoining Pakistan on the night of 11th December, 2019.

Associated with an active Western Disturbance over north Indian region which is likely to move east northeastwards during 13-14th, the wet-spell likely to continue over Western Himalayan Region till 14th December and over Punjab, Haryana, Chandigarh & Delhi, West Uttar Pradesh, north Rajasthan and north Madhya Pradesh, East Uttar Pradesh & Bihar on 13-14th December.

Slight fall in minimum temperatures (1-2°C) over Punjab, Haryana and Uttar Pradesh during next 2 days. No large change in minimum temperatures over rest parts of the country during the same period.

Rabi Oilseed Sowing Status

Rabi Oilseeds Sowing as on 06.12.2019 (In lakh Hectare)				
	Normal Area	2019	2018	Change (Y-o-Y)
Rapeseed & Mustard	60.48	59.12	60.24	-1.1
Groundnut	7.76	2.43	2.15	0.3
Safflower	1.41	0.31	0.29	0.0
Sunflower	2.92	0.65	0.86	-0.2
Sesamum	3.12	0.27	0.26	0.0
Linseed	2.99	2.07	2.12	0.0
Total-Oilseeds (Nine)	78.82	65.05	66.10	-1.0

Soybean

Domestic Market

Soybean prices closed on higher side during this week after less supplies at various trading centers. Arrivals are likely to decline further in market as farmers and traders may hold their crops in expectation of more price hike. Soybean prices may trade in steady to firm tone after good buying activities. Nafed's procurement activity and lower crop estimates of this season may support prices.

As on 5th Dec.2019, Nafed has procured total 47 MT of Soybean from various trading centers in Telangana. Total 10659.46 MT has been procured so far from 3731 farmers.

Crop harvesting is almost completed. Continuous heavy rainfall received during monsoon season has severely damaged the crop in Rajasthan and Madhya Pradesh. Incidence of sucking pest and yellow mosaic virus has been observed in the field. Overall crop condition is below normal and yield is expected to be below normal. As per traders, total 20 to 25% soybeans are damaged in MP state majorly in the districts of Ratlam, Mandsaur and Neemuch. Traders expect Soybean production in India at 85 lakh tonnes for 2019/20 due to heavy crop loss in MP& Rajasthan.

As per SOPA recent released data, Soybean arrivals is registered at 12 lakh tonnes in October month lower from 21 lakh tonnes in last year in same month and also lower of 4 years record due to less supplies. India has shipped total 0.20 lakh tonnes in Oct month less than 0.24 lakh tonnes in last year. Planters, Traders and Farmers held 75.64 lakh tonnes of Soybean stocks so far of this season. India has crushed total 6.50 lakh tonnes in Oct 2019 lower from 9.50 lakh tonnes in previous year during the same month. India may produce total 89.84 lakh tonnes in 2019/20 season. SOPA expects carry over stock from last year at 1.70 lakh tonnes and 1.54 lakh tonnes for carry forward in next year. Imports of India are likely to stand at 3 lakh tonnes. Retained for sowing will be at 12 lakh tonnes while direct consumption is estimated at 2 lakh tonnes. Exports for 2019/20 may record at 1.50 lakh tonnes and crushing is estimated at 77.50 lakh tonnes. Soymeal production of the country is likely to stand at 62.78 lakh tonnes. Carry over stock of Soymeal is estimated at 1.59 lakh tonnes and 1.37 lakh tons of carry forward stocks. While export sea and land may stand at 10 lakh tonnes. Domestic consumption of

Soymeal (Food) is estimated at 5.50 lakh tonnes and 47.50 lakh tonnes for Feed. In October month, India has exported total 0.50 lakh tonnes of Soymeal lower against 1.31 in Oct 2018 on lower overseas demand.

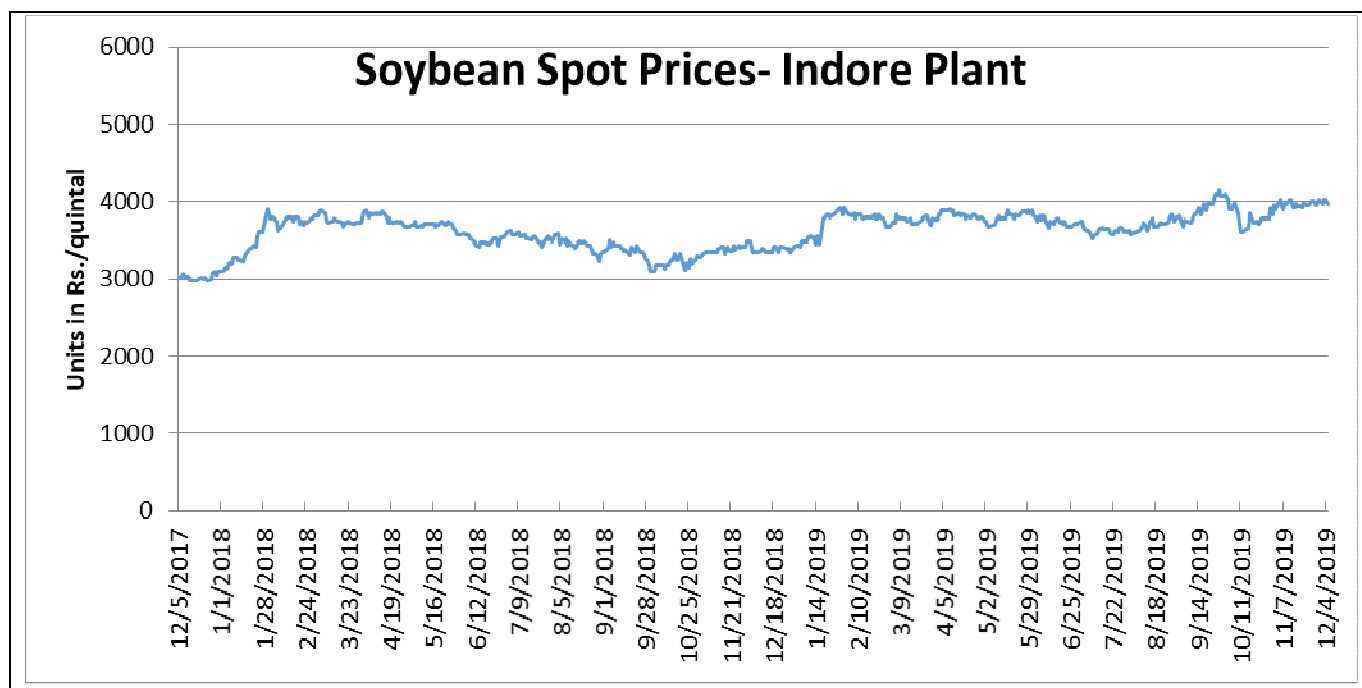
As per recent updates of SOPA, India may harvest 17.7 per cent lower Soybean crop at 89.9 lakh tonnes in 2019 against 109.3 lakh tonnes in 2018. The major Soybean producing states like Gujarat, Karnataka, Madhya Pradesh may harvest lower Soya crop by 30 per cent to 0.86 lakh tonnes, 7.1 per cent to 2.69 lakh tonnes, 31.1 per cent to 40.10 lakh tonnes respectively against last year record.

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.

As per the First Advance crop estimates 2019-20 of Ministry of Agriculture, Soybean production is estimated at 135.05 lakh tonnes as compared to 137.86 lakh tonnes in 2018-19.

The Ministry of Agriculture has fixed higher Minimum Support Price of Soybean (Yellow) at Rs 3710 per quintal for 2019-20 an increase of Rs 311 from Rs. 3399 per quintal in 2018-19.

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



Source: Agriwatch

International Market

CBOT Soybean future prices declined after weak exports sale report of the week. Good weather condition in South America and lower real currency of Brazil against dollar has made Brazilian soybean cheaper and affected prices.

As per sources, China has bought total 8.28 million tonnes of U.S. soybean in November 2019 which is significantly higher by 54% against last year record i.e. 5.38 million tonnes. The export volume is also higher by 34% from October month record i.e. 6.18 million tonnes. Soybean demand of China was lower due to outbreak of African swine fever and trade war with U.S.

As per source, Argentina may increase soybean acreage by 100,000 hectares in expectation of shift of corn area to soybeans. Farmers are expecting a rise of export taxes of corn after new elected administration in power on December 10th 2019. So far, farmers have finished 1.7% lower soybean planted area to 39% as compared to previous year. However, it is higher by 7.7% from last week record. In southern Argentina 15-30% area have been planted so far while, soybean planting has not yet started in far northern Argentina.

As per Agro consult, Brazil is likely to ship to China between 54 million tons to 59 million tons in 2019/20 lower against 60 million tons in last year. Total shipment of the country may stand between 76.5 million tons to 78 million tons depend on trade war settlement between U.S. and China. Brazil may produce total 124 million tons of soybean in this year higher from 118 million tons in last year.

As per sources, Farmers in Brazil have planted total 77.3% of soybean area as on 22nd Nov. 2019 of this season which is higher by 6% against week supported by good rainfall. However, it is lower from five year average of 80.5% during the same period of time. As per USDA, the soybean planted area is likely to increase by 2% to 37 million hectares for 2019-20 against last year record and soybean production is forecast higher by 5% to 123 million T in normal weather condition as compared to last year.

As per USDA, U.S. has harvested total 94% of soybean at this weekend on 24th Nov 2019 higher from last week record i.e. 91% and similar to last year record however it is remained lower from five-year average record i.e. 97%.

During the week (Nov 22-28) US sold 59% lower soybean to 683,800 metric tons for 2019/2020 against the previous week and 55 percent from the prior 4-week average. Increases primarily for China (298,600 MT, including 198,000 MT switched from unknown destinations and decreases of 11,800 MT), Thailand (89,700 MT, including 68,000 MT switched from unknown destinations), Indonesia (79,200 MT, including 55,000 MT switched from unknown destinations and decreases of 100 MT), Pakistan (66,100 MT), and Saudi Arabia (65,000 MT), were partially offset by reductions primarily for unknown destinations (142,500 MT). Exports of 1,498,100 MT were down 33 percent from the previous week and 10 percent from the prior 4-week average. The destinations were primarily to China (1,022,800 MT), Mexico (80,500 MT), Thailand (80,300 MT), Indonesia (75,500 MT), and Pakistan (66,100 MT).

As per custom report, China has imported 10.7% lower to 6.18 million tonnes in October 2019 compared to 6.92 million tonnes in previous year. It is also lower by 24.6% from 8.2 million tonnes in September 2019. For the first nine months of the year, China bought 70.69 million tonnes of soybeans, down 8.1% from 76.93 million tonnes in the same period last year.

As per NOPA recent data, NOPA members have crushed total 175.39 million bushels of Soybeans in October 2019 which is higher than 152.56 million bushels in September 2019 on account of harvesting period of time. It is also higher from 172.34 million bushels in October 2018. However, crushing margin is lower because of higher soybean prices in U.S. Crushers have faced less competition for beans from exporters. Soybean oil stocks declined to 1.423 billion pounds at the end of October against 1.442 billion pounds in last month and 1.503 billion pounds at the end of October 2018. Soybean exports have been reported higher in October 2019 at 894,817 tons from 844,584 tons in September 2019 and 967,174 tons exported in October 2018.

As per Abiove, Brazil is likely to produce total 122.8 million tons in 2020 higher from 117.8 million tonnes in 2019. The country may export total 75 million tonnes lower from 83.26 million tonnes in 2019. Soy processing is forecast at 44 million tonnes higher against 42.9 million tonnes in 2019. Soy crushing may increase in 2020 due to higher biodiesel mix in diesel. However, soy planting area is still lagging behind last year record.

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 USDA recent released report, U.S. Soybean production for 2019/20 is forecasted slightly lower to 96.61 million tons in November compared to last month record i.e. 96.62 million tons. Exports of U.S are unchanged at 48.30 million tonnes in this month. While, U.S crushing reports stood 57.25 million tonnes lower against 57.69 million tonnes in Oct month. Ending stocks of the country is expected 12.92 million tonnes higher from 12.52 in last month.

As per WASDE report, world oilseed production for 2019/20 is projected at 571.30 million tons in Nov month, down 3.55 million tons from October due to mostly to lower soybean and cottonseed production. Soybean production is projected at 336.6 million tons, down by 2.4 million tons to a 4-year low, mainly reflecting lower production for the United States. Oilseeds crushing estimates is also down by 3.6 million to 494.7 million tons. Ending stocks are increased marginally from the October forecast mainly due to higher soybean stocks in Brazil and the United States partially offset by a 1.1-million-ton reduction in Argentina. Protein meal production is down 2.6 million tons from last month to 337.8 million tons primarily on lower soybean meal production in India. Vegetable oil production declines 1.0 million tons from October mostly due to lower production of soybean, rapeseed, and palm oil. Oil stocks are lowered 570,000 to 19.1 million tons, the lowest in 5 years.

As per USDA, the U.S. season-average soybean price for 2019/20 is forecast unchanged at \$9.00 per bushel. 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. U.S. Gulf FOB soybean export bids in October averaged \$358/ton, up \$22 from September. Brazil Paranagua averaged \$372/ton, up \$10 from September. Argentina Up River FOB averaged \$354/ton, up \$6. U.S. soybean meal export bids in October averaged \$339/ton, up \$9 from September.

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 and unchanged from previous month record. Exports of soybean in 2019-20 is expected to 76 million tonnes higher from 75.85 million tonnes in 2018-19 however lower from 76.50 million tonnes in October month.

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. Total imports of China are estimated at 8.5 million tonnes for 2019/20 season higher from 8.2 million tonnes in Oct. month. While crushing is forecasted at 8.4 million tonnes lower from 8.5 million tonnes in 2018/19.

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 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.

Soy meal

Soymeal prices closed with firm tone after strong south based traders demand today. Higher soybean prices of this season have led soymeal products to be more costly.

During the week (Nov.22-28, 2019) US sold 94% lower soybean cake and meal to 181,100 MT for 2019/2020 from the previous week however lower by 19% from the prior 4-week average. Increases primarily for Mexico (33,800 MT), Israel (30,000 MT), Morocco (30,000 MT), Sri Lanka (14,800 MT), and Canada (12,900 MT, including decreases of 700 MT), were offset by reductions for Honduras (2,400 MT) and South Korea (1,000 MT). Exports of 214,300 MT were primarily to the Philippines (48,200 MT), Colombia (34,200 MT), Mexico (30,900 MT), Guatemala (29,300 MT), and Burma (16,600 MT).

Soymeal production of the country is likely to stand at 62.78 lakh tonnes. Carry over stock of Soymeal is estimated at 1.59 lakh tonnes and 1.37 lakh tons of carry forward stocks. While export Sea and land may stand at 10 lakh tonnes lower output and noncompetitive prices in world market. India had exported total 22 lakh tonnes in last year in 2018-19 season. Domestic consumption of Soymeal (Food) is estimated at 5.50 lakh tonnes and 47.50 lakh tonnes for Feed. In October month, India has exported total 0.50 lakh tonnes of Soymeal lower against 1.31 in Oct 2018 on lower overseas demand.

As per recent report of USDA, India may produce lower Soymeal to 6.4 million tonnes in 2019/20 compared to 7.6 million tonnes in 2018/19 season. The estimate is lower from 7.7 million tonnes in Oct month estimates due to less lower supplies of Soybean in this season. Domestic consumption is forecast at 5.35 million tonnes for this season higher from 5.2 million tonnes in previous year record however it is lower from previous month record i.e. 5.8 million tonnes due to less demand.

As per USDA, the U.S. season-average soybean price for 2019/20 is forecast unchanged at \$9.00 per bushel. 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. U.S. Gulf FOB soybean export bids in October averaged \$358/ton, up \$22 from September. Brazil Paranagua averaged \$372/ton, up \$10 from September. Argentina Up River FOB averaged \$354/ton, up \$6. U.S. soybean meal export bids in October averaged \$339/ton, up \$9 from September.

As per recent SEA report, India shipped Oilmeals lower by 64% to 126,128 tons in November 2019 against 353,405 tons in September 2018. The overall export of oilmeals during April-Nov. 2019 is reported at 1,652,599 tons compared to 2,086,321 tons in April-Nov.2018 i.e. down by 21%. This is mainly due to disparity in export of oilmeals, specifically soybean meal due to higher MSP of beans which makes the domestic soybean meal expensive in international market compared to other origin. However, the export of castor seed meal has increased to 431,692 against 275,281 tons.

During April-November 2019, Vietnam imported 212,546 tons of oilmeals (compared to 384,814 tons); consisting of 3782 tons of soybean meal, 134,412 tons of rapeseed meal and 74,352 tons of De-oiled Rice Bran Extraction. South Korea imported 678,171 tons of oilmeals (compared to 566,657 tons); consisting 29,451 tons of soybean meal, 294,964 tons of rapeseed meal and 353,756 tons of castor seed meal. Thailand imported 168,426 tons of oilmeals (compared to 217,143 tons) consisting 148,309 tons of rapeseed meal, 17,581 tons of Rice Bran Extractions and 2536 tons of soybean meal.

During April-November 2019, the export from Kandla is reported at 655,910 tons lower (40%), followed by Mundra handled 509,578 tons (31%), and Mumbai including JNPT handled 114,035 tons (7%) and Kolkata handled 100,315 tons (7%) and Others Ports handled 272,761 tons (17%).

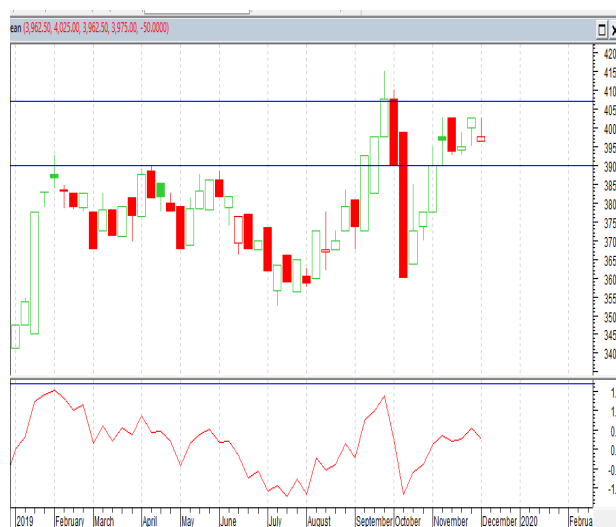
Indian Soymeal premium quoted higher side by \$128 per ton over Argentinean meal with Indian meal bullishness producing the premium rather than Argentinean meal bearishness. Such premiums may limit bookings of Indian Soymeal for forward as well as spot market.

Technical Analysis:

NCDEX Soybean FUTURE



Soybean Spot, Indore



*Note: Daily Chart

Support & Resistance NCDEX Soybean – Dec.Contract

S2	S1	PCP	R1	R2
3920	4000	4114	4250	4350

- Soybean Dec. contract depicts firm trend and likely to find support at 3920 and resistance at 4250
- On the upside, 4250 shall act as immediate resistance followed by INR 4350.
- On the downside, INR 4000 shall act as immediate support followed by 3920.
- Trade Recommendation (NCDEX-Soybean) - **Buy**

Weekly trade call: **Buy** Above-4110 Target – T1-4200; T2-4250, SL – 4080

Soy DOC Rates at Different Centers			
Centres	Ex-factory rates (Rs/ton)		
	5-Dec-19	28-Nov-19	Parity To
Indore - 45%, Jute Bag	32500	31800	Gujarat, MP
Kota - 45%, PP Bag	33200	32800	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	34600	34200	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	33900	32700	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	34200	33500	Andhra, AP, Kar, TN
Latur	34700	35000	-
Sangli	34500	33500	Local and South
Solapur	34300	33700	Local and South
Akola – 45%, PP Bag	32900	31800	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	34200	33500	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	33000	32600	-

Soy DOC at Ports			
Centers	Port Price		
	4-Dec-19	27-Nov-19	
Kandla (FOR) (INR/MT)	Unq	33500	Unq
Kandla (FAS) (USD/MT)	Unq	440	Unq
CNF Indonesia – Yellow SBM (USD/MT)	Unq	480	Unq

Rapeseed Meal	4-Dec-19	27-Nov-19	
FAS Kandla (USD/MT)	Unq	246	Unq
FOR Kandla (Rs/MT)	Unq	17600	Unq
FOR Mundra (Rs/MT)	Unq	18000	Unq
CNF Indonesia (USD/MT)	Unq	263	Unq

International Soy DOC			
Argentina FOB USD/MT	4-Dec-19	27-Nov-19	
Soybean Pellets	320	315	5
Soybean Cake Flour	320	315	5
Soya Meal	319	312	5
Soy Expellers	319	312	5

Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	5-Dec-19	28-Nov-19	

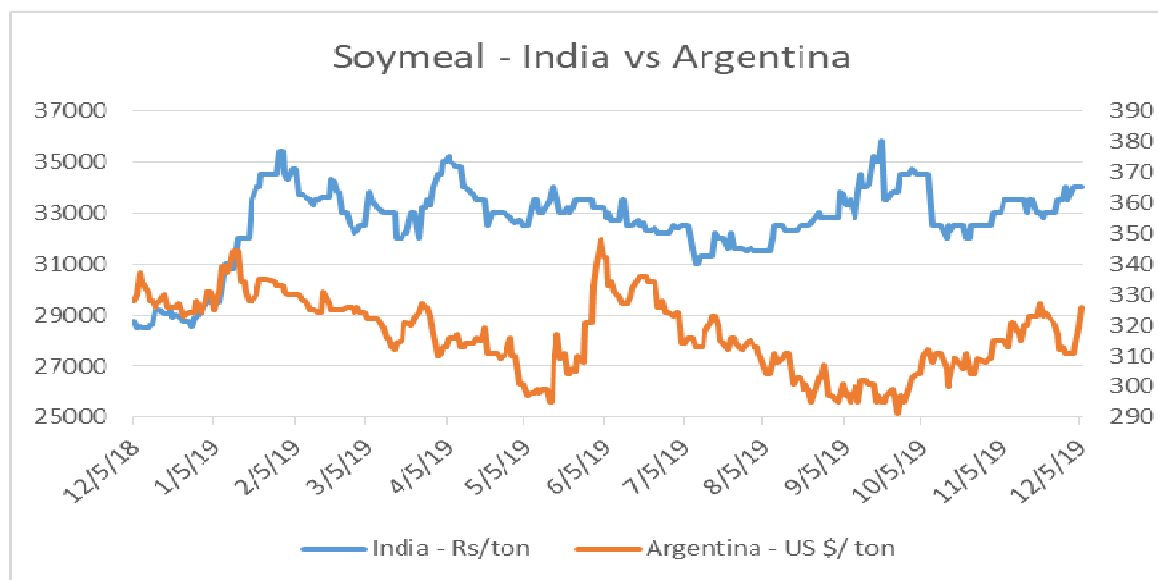
Adoni	24400	24000	400
Khamgaon	Unq	Unq	Unq
Parli	Unq	Unq	Unq
Latur	Unq	Unq	Unq

Groundnut Meal (Rs/MT)	5-Dec-19	28-Nov-19	
Basis 45%, Saurashtra	27500	28000	-500
Basis 40%, Saurashtra	25500	26000	-500
GN Cake, Gondal	28000	29000	-1000

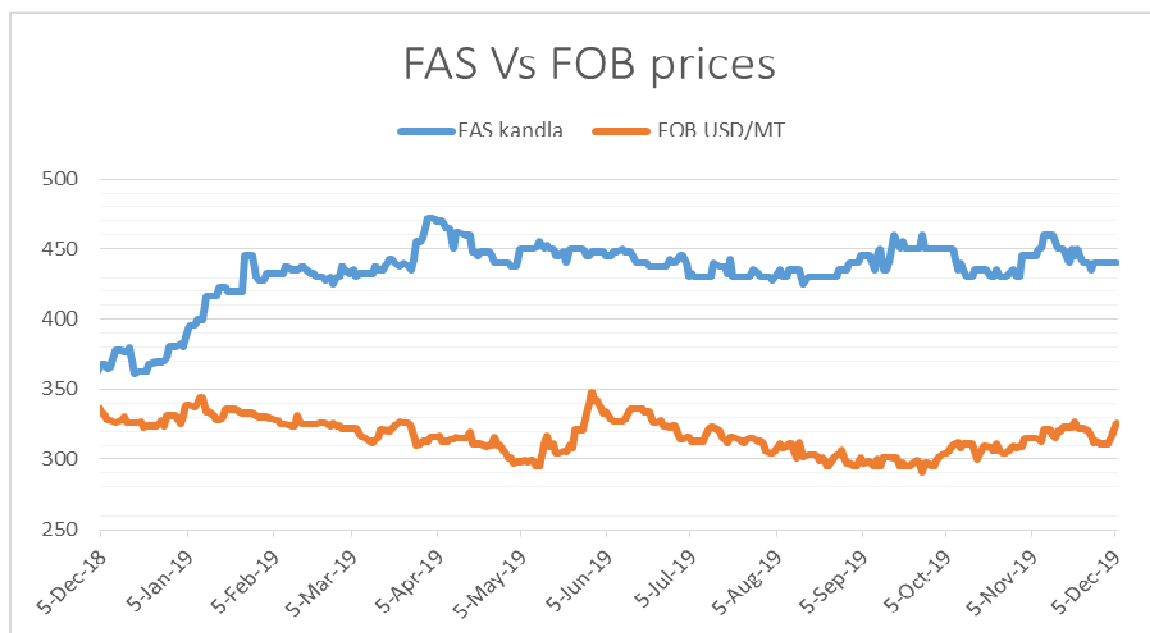
Mustard DOC	5-Dec-19	28-Nov-19	
Jaipur (Plant delivery)	17200	17200	Unch
Kandla (FOR Rs/MT)	17500	17600	-100

Mumbai Oil Meal Quotes:			
Rs/M.T.	5-Dec-19	28-Nov-19	
G.N. Extr (45%)	26500	27000	-500
KardiExtr	Unq	Unq	Unq
Undec Cottonseed Exp	21000	22800	-1800
Rice Bran Extr.	Unq	Unq	Unq
Sunflower Extr.	23500	21500	2000
Rapeseed Extr.	Unq	Unq	Unq
Soymeal 48%	33913	32870	1043
Castor Extr.	5750	5800	-50

Soymeal - India Vs Argentina – (US \$/tonne)



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



Rapeseed - Mustard Seed

RM seed prices closed higher side at most its trading centers after strong crushers demand against mixed pace of arrivals. At the end of week, mustard closed higher at 4589 per quintal as compared to 4518 per quintal in last week at the benchmark, Jaipur.

As per recent Ministry report, India has covered total 59.12 lakh hac. of Mustard area as on 6th Dec. 2019 which lower by 1.1 lakh hac. against 60.24 lakh hac, in 2018-19. In Rajasthan, farmers have covered total 23.16 lakh hac. lower against 22.59 lakh hac. followed by 11.83 lakh in Uttar Pradesh, 6.35 lakh hac. in MP, 3.20 lakh hac. in West Bengal, 1.53 lakh hac. in Gujarat states.

High water level in most reservoirs will support to increase yield. However, acreage for Rabi season may decline less as sowing has been delayed due to recent rainfall in October and November and late harvesting of Kharif crops. Farmers had waited 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 seasons to Rs.4425 against Rs. 4200 in 2019-20.

According to United States Department of Agriculture (USDA) October estimates, India's 2019-20 Rapeseed oil import estimates are revised lower at 1.20 lakh tonnes from 1.25 lakh tonnes in previous year. Domestic consumption lowered to 27 lakh tonnes from 27.30 lakh tonnes in previous year record. Ending stocks have been lowered to 1.44 lakh tonnes from 1.43 lakh tonnes in last year record. India may produce total 77 lakh tones of Rapeseed in 2019/20 lower from 80 lakh tonnes in 2018/19.

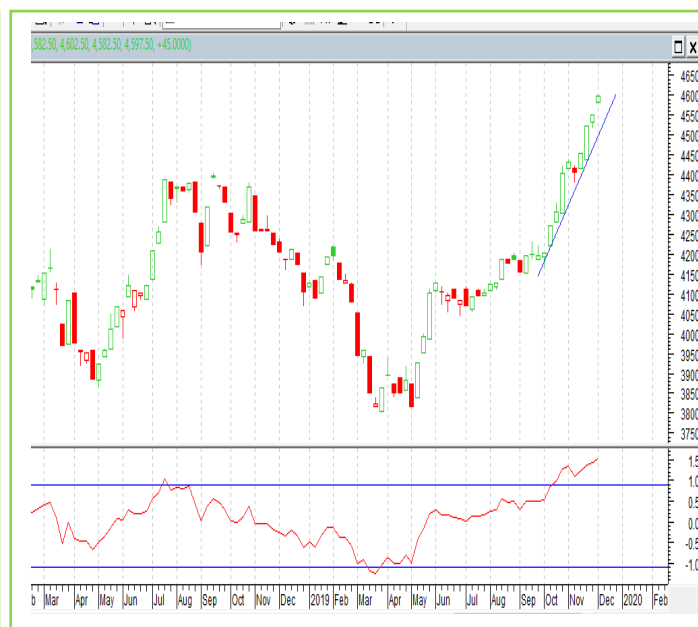
As on 16thOct 2019, Nafed sold total of 7920 MT of R-19 Mustard seed holdings in Rajasthan, Madhya Pradesh & Haryana markets. It disposed total 87419 MT of Mustard R-19 so far and holds remaining balance at 1001488.76 MT. It is likely to dispose total 7.47 lakh tonnes in next three month following 2.51 in November 2019, 2.50 Lakh tonnes in Dec 19, and 2.45 lakh tonnes in Jan 20 from various trading centers of Lucknow, Indore, Jaipur, and 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.

Technical Analysis:

RM Seed Futures Contract RM Seed Spot, Jaipur



Support & Resistance NCDEX RM Seed – Dec.Contract				
S1	S2	PCP	R1	R2
4120	4230	4389	4500	4600

- Mustard Dec. contract depicts weakness and further can get support at INR 4230
- Prices have tested the lower level of 4381 in this week.
- Trade Recommendation (NCDEX Rapeseed-Mustard) -**Sell**

Weekly trade call: **Sell** Above – 4380 Target – T1-4300 T2- 4250, SL –4400

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 Lakhtonnes

- 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.

SOPASoybean Production Estimates Kharif 2019-20 As On10.10.2019

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

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