

Oilmeals Weekly Research Report

Contents

- ❖ **Executive Summary**
- ❖ **Outlook – Cash Market**
- ❖ **Sowing Status – Kharif Oilseeds 2019-20**
- ❖ **Weather Forecast and Current Status**
- ❖ **Soybean – Domestic & International**
- ❖ **Soy meal- – Domestic & International**
- ❖ **Technical Analysis - Soybean**
- ❖ **Rapeseed - Mustard**
- ❖ **Technical Analysis – RM Seed**
- ❖ **Annexure – Prices etc.**

Executive Summary

Weak tone are witnessed in Oilseeds complex in this week amid mixed pace of arrivals. Soybean prices declined due to less demand of millers and crushers. Millers are likely to buy Nafed's mustard stocks to fulfill its regular requirements due to lower price quote as compared to mandies prices. Stockiest are also releasing their mustard stocks at the current level in fear of fall in prices further once new crop arrivals will start in Feb month. Traders expect mustard seed prices between 4300/qrtl to 4500/qrtl in Rajasthan markets in Jan month end in hope of ample supplies of this season. Weakness in oil markets, and less demand in poultry and fisheries markets will put more pressures in oilseeds complex.

Mustard sowing area in the current week is 68.98 lakh hectares as on 16th Jan 2020 lower against 69.29 lakh hectares areas in corresponding week of 2019. Crop is 55 to 85 days old and is in flowering to pod development stage. However, short duration matured crop is in maturity stage. Rainfall received during 2nd week of Jan`20 was beneficial for the crop. Incidence of sucking pest has been reported by the field and same is below economic threshold level. Overall crop condition is normal. Acreage of Mustard in the current season is lower against 2018-19. Mustard crop major growing states are Rajasthan, Madhya Pradesh, and Uttar Pradesh and Haryana state. In Rajasthan, traders expect total 2 to 5% lower mustard sowing area as mustard area may shift to garlic and wheat crop due to good price hike in last season compared to mustard seed prices. Recent rainfall will also support to increase yield of wheat and garlic crop compared to mustard crop. In Baran and Kota district, sowing is likely to be lower by 20%. While in Alwar, Bharatpur district, it is likely to be equal like 2018 season. However, sowing area may increase nearly 2 to 5 % in Ganganagar districts due to good water availability.

As per recent released data of Ministry, the total area under Oilseeds is reported higher by 0.1 lakh hectares to 79.26 lakh hectares as on 16th Jan 2020 against 79.17 lakh hectares in the previous year in the corresponding period of time. There is a drop-in sowing of Mustard seed to 68.98 lakh hectares lower by 0.30 lakh hac. against 69.29 lakh hectares in last year. Total covering area of groundnut stood at 4.54 lakh hectares higher against 4.20 lakh hectares in last year. Safflower has been planted on 0.61 lakh hectares higher from last year record i.e.0.42 lakh hectares. Sunflower has been planted on 0.97 lakh hectares lower against 1.06 lakh hectares last year. Sesame has been planted on 0.51 lakh hectares lower from last year. Linseed has been planted on 3.31 lakh hectares lower against 3.36 lakh hectares in last year.

Agriwatch estimates 8.74 million tonnes of Soybean output in India for 2019-20 season which is sharply down by 42.73% against 12.59 million tonnes in 2018-19 despite covering 1.02% higher soybean area in this year due to bad weather condition. Rains in MP came when harvest has ongoing and crop was damaged to the extent of 20% in the Malwa region. Damage was 30-35% in Neemuch, Mandsaur, Nagada and Janora and 10-15% in Indore, Dewas and Ujjain. Soybean seed was damaged and quality of soybean was inferior. The size of seed was small and quality of seed was bad. Some crop was damaged while drying in some areas. Rains came in Maharashtra when harvest was in progress. Crop damage is 5% of the total while 10% of area was affected in which damage was 50%. Waterlogging was the main reason for damage which led to seed damage and bad quality of the seed due to fungus. Vidharba reported higher damage with losses as high as 50% of the crop damaged in 20% of the area. Akola reported major damage. Latur, Solapur and Beed reported 10% damage while Parbani, Nanded and Hingoli reported 15% damage to the crop.

Soybean and Mustard seed prices may trade in steady to weak tone on poor demand of buyers.

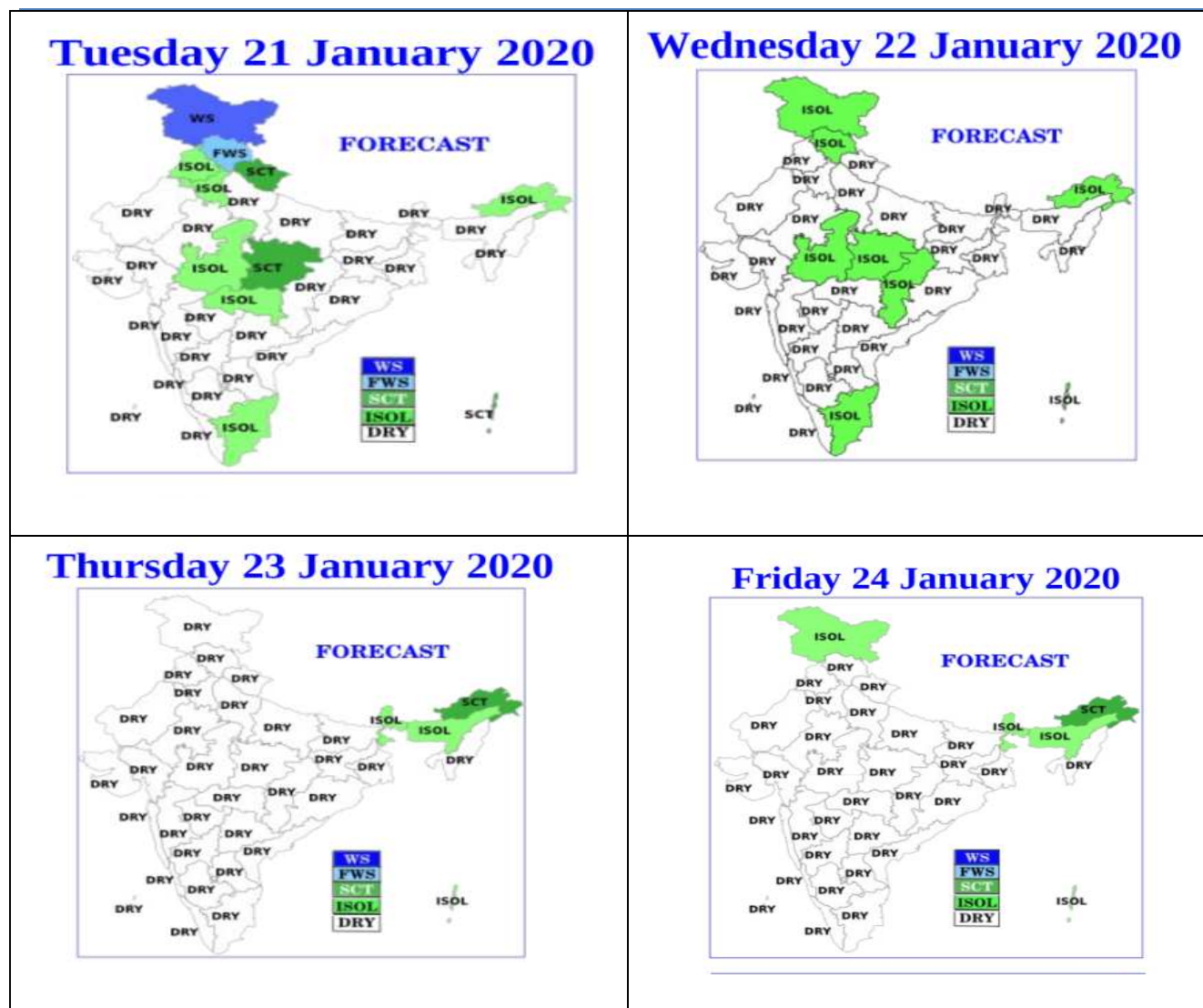
Outlook – Cash Market

Outlook-Soybean (Spot, Indore): Soybean Indore plant prices closed on lower side after poor demand. Prices may decline in next week in expectation of weak demand of millers due to weak demand of soyoil. Prices are likely to trade in the range of 4150 to 4250 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. Soybean import in Jan month may weigh on soybean prices.

Outlook –Soy meal (Spot, Indore): Soymeal prices closed lower side on weak demand of south based traders. Prices may trade steady to weak in the coming days. Prices are also being driven by global market's outlook and may trade between Rs.34000 to 34500/MT in Indore market. Exporters are remain less active in the market.

Outlook-Rapeseed-Mustard (Spot, Jaipur basis) Mustard seed prices at Jaipur market showed weak trend in absence of crushers and millers demand. Prices may decline in coming week in expectation of less demand against good supplies. Prices are likely to trade in the range of 4300 to 4450 in next week. Nafed is likely to start disposal of Mustard seed soon which may weigh on prices. NCDEX future prices of RM Seed may decline in expectation on selling pressures.

Weekly Weather Report



- Dense to very dense fog very likely in some parts over Punjab, Haryana, and Uttar Pradesh and Dense fog in isolated parts over Uttarakhand, north Rajasthan, North Madhya Pradesh, Sub-Humalayan West Bengal and Bihar during next 2 days. Due to likely prevail of strong low level westerly winds from 23rd January, dense fog unlikely in most parts of north and central India from 22nd-23rd night morning.
- Cold day conditions very likely in isolated parts over Punjab, Haryana and Madhya Pradesh during next 24 hours and improve thereafter.

Rabi Oilseed Sowing Status

Rabi Oilseeds Sowing as on 16.1.2020 (In lakh Hectare)				
	Normal Area	2019-20	2018-19	Change (Y-o-Y)
Rapeseed & Mustard	60.48	68.98	69.29	-0.31
Groundnut	7.76	4.75	4.20	0.3
Safflower	1.41	0.61	0.42	0.2
Sunflower	2.92	0.97	1.06	-0.1
Sesamum	3.12	0.51	0.57	-0.1
Linseed	2.99	3.31	3.36	-0.04
Total-Oilseeds (Nine)	78.82	79.26	79.17	0.1

Soybean

Domestic Market

Soybean prices closed on lower side in this week despite less arrivals. Soybean prices may trade in steady to weak tone on less buying activities of millers, stockiest and traders in fear of further more price fall in the market. Soybean import activities in Jan month will put more pressures on prices.

Nafed has procured total 10677.68 MT so far including 10651.45 MT in Telangana states, 4.33 MT in Maharashtra VCMF and 26.23 MT in MAHAFFPC.

Soybean Crop harvesting of Kharif season is now 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, 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.

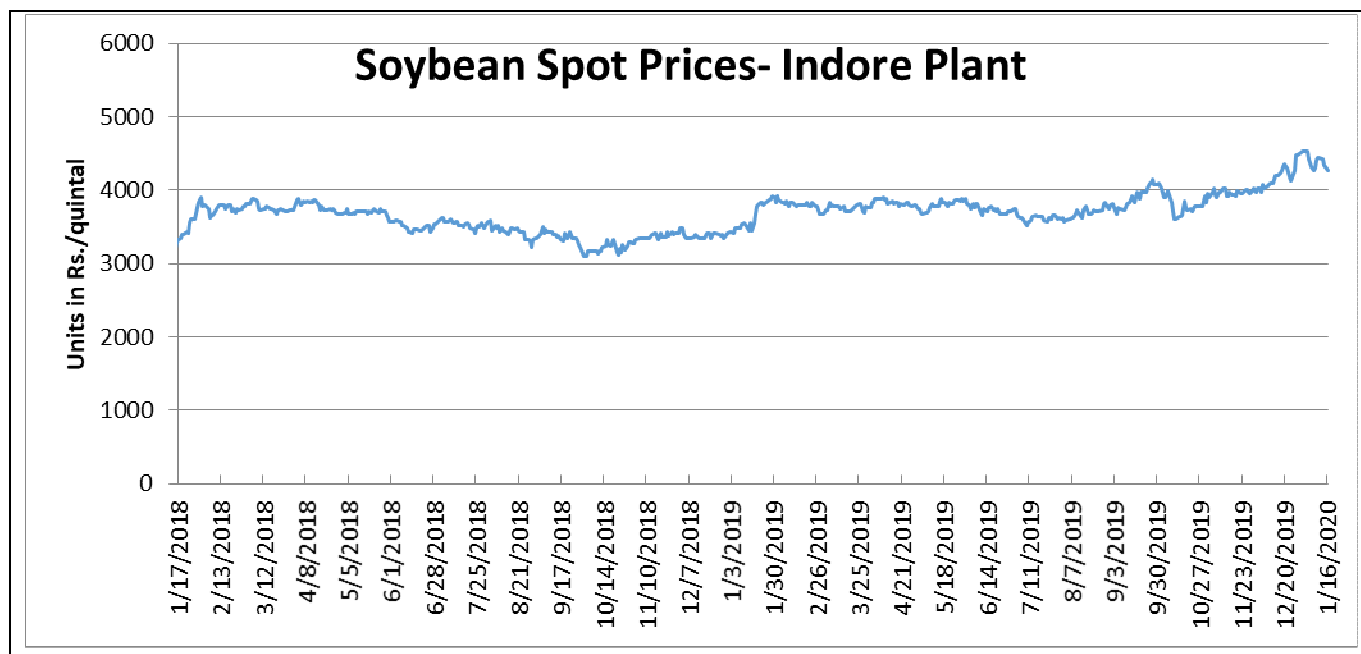
As per recent updates of SOPA, India may harvest 17.7 per cent lower Soybean crop at 89.9 lakh tonnes in 2019 against 109.3 lakh tonnes in 2018. The major Soybean producing states like Gujarat, Karnataka, Madhya Pradesh may harvest lower Soya crop by 30 per cent to 0.86 lakh tonnes, 7.1 per cent to 2.69 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 futures prices declined due to uncertainty about China's soybean buying activities as agreed upon in Phase 1 trade deal.

According to China's General Administration of Customs (CNGOIC), China's Dec soybean imports rose 15.3 percent to 9.54 MMT from 8.28 MMT in Nov 2019. Imports in Dec are 66.80 percent higher than Dec 2018 import of 5.72 MMT. Year to date soybean imports rose 0.5 percent to 88.511 MMT. As per agriculture ministry, soybean import in China may increase in 2020. Total soybean import from U.S. declined in 2019 due to trade war between U.S. and China. The country bought total 88.51 million tonnes soybean in 2019 higher from 88.03 million tonnes in 2018 however lower from 95.53 million tonnes in 2017 before the trade war was broke. African swine fever disease in China has also affected total volume of China's imports.

As per USDA recent released report, U.S. Soybean production for 2019/20 is forecasted slightly higher to 96.84 million tons in January against previous month. Exports of U.S are unchanged at 48.30 million tonnes in this month. U.S crushing is also unchanged at 57.28 million tonnes in Jan. month. Ending stocks of the country is expected lower at 12.91 million tonnes in Jan. month review against 12.92 million tonnes in Dec. Month estimates.

USDA reduced soybean area estimates to 30.36 million hac. for 2019-20 compared to 35.44 million hac. in 2018-19 in its Jan review. Soybean stocks estimate fell due to lowering of soybean crop in US. Soybean crop in US is weakest in years and all the crop parameters are at multi year lows. Soybean crop was below and reported at 96.84 Million tons for 2019-20 lower against 120.51 million tons in previous year due to adverse condition during crop progress.

As per WASDE January report, world oilseed production for 2019/20 is projected at 574.63 million tons in Jan month, unchanged with higher soybean sunflower seed crops offsetting declines for palm kernel, cotton seed and rapeseed. Total oilseeds crushing has been increased at 190,000 tons to 496.69 million tons due to higher crushing estimates in China and Mexico. Ending stocks for the world is kept 1 million tons higher at 112.32 million tonnes against 111.57 million tons in previous year due to higher sunflower seed crop in Russia and reductions in feed, seed and waste consumption for soybeans in Brazil.

During the week (3 to 9 Jan 2020) US sold higher soybeans to 711,500 MT for 2019/2020 from the previous week and 3% from the prior 4-week average. Increases primarily for China (216,600 MT, including 132,000 MT switched from unknown destinations and decreases of 1,000 MT), the Netherlands (197,500 MT, including 190,500 MT switched from unknown destinations and decreases of 400 MT), Egypt (121,000 MT, including 55,000 MT switched from unknown destinations), Mexico (115,800 MT, including decreases of 3,100 MT), and Japan (86,000 MT, including 17,000 MT switched from unknown destinations and decreases of 1,700 MT), were offset by reductions primarily for unknown destinations (377,300 MT). Exports of 1,278,400 MT were up 14 percent from the previous week and 13 percent from the prior 4-week average. The destinations were primarily to China (412,600 MT), the Netherlands (197,500 MT), Pakistan (137,100 MT), Mexico (109,100 MT), and Spain (70,500 MT).

As per recent report of Conab, Brazil may grow 6.3% higher soybean to 122 million tonnes in 2019-20 compared to previous year record as farmers have increased acreage for soybean after supportive weather condition. Sowing is almost finished in Brazil.

As per sources, European Union bought total 6.6 million tonnes of Soybean till Dec 22, 2019 (season started on July 1) which is lower by 2% from last year record in Dec.16. EU soymeal imports had reached higher by 15% to 9.3 million tonnes, the year-earlier period, while palm oil imports stood down by 19% to 2.6 million tonnes.

As per NOPA recent data, NOPA members have crushed total 174.81 million bushels of Soybeans in December 2019 which is higher from 164.90 million bushels in November 2019. It is also higher from 171.75 million bushels in December 2018. Crushing is above than the average trade estimate of 171.64 million bushels, based on data gathered by Reuters from 8 analysts. It was also above all trade estimates that ranged from 168.21 million to 174.03 million bushels, with a median of 171.5 million. Soybean oil stocks rose to 1.75 billion pounds at the end of December against 1.44 billion pounds in November month and 1.498 billion pounds at the end of December 2018. Soymeal exports has been reported higher in December 2019 at 902,534 tons against 868,769 tons in November 2019 and 826,404 tons exported in December 2018.

As per sources, Argentina may grow higher soybean crop at 53.6 million tons in 2019/20 supported by stable weather condition. USDA kept unchanged production estimates i.e. 53 million tons in January month report and lower from previous year record. Farmers in country may plant total 18.2 million hectares in this season higher from 17.7 million hectares in last year record. As per ministry report, Argentina has covered 64% soybean planting area as on 12th Dec 2019 which is slightly lower from 66% in last year record and also below from the five years average of 67%.

As per USDA, the soybean planted area in Brazil 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. While, the consultancy expects, total soybean planting area in Brazil at 36.4 million hac.and the production at 120.7 million tonnes in the current season.

China has opened soy meal market for imports from Argentina and Ukraine, in an effort to improve supply of soy meal in the country. Supplies of Argentina meal will start from the harvest of its crop in 2020. China has allowed poultry imports from Europe to tide over shortage of meat in its domestic market. Further, China has allowed cotton meal imports from Brazil and allowed poultry and meat imports from Canada and US to tide over rising domestic meat prices. China has also allowed to import rapeseed meal from Ukrain. It is likely to give permission to import rice bran and palm meal from Thailand.

As per USDA, U.S. Gulf FOB soybean export bids in December averaged \$363/ton, higher \$6 from November. Brazil Paranagua FOB averaged \$369/ton unchanged from November. Argentina Up River FOB averaged \$367/ton, up \$14.

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 tones higher from 74.94 million tonnes in 2018-19.

As per the latest update from USDA, China soybean production is estimated at 18.10 MMT on higher-than-expected area. 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 unchanged from Dec. month. While crushing is forecasted higher at 8.50 million tonnes against 8.45 million tonnes in Dec. month estimates.

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.

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 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.

Soy meal

Weak tone are continued in soymeal complex after limited buying activities of south based traders in the market in this week. As per to Container Corporation of India Ltd (CONCOR), export consignment of soybean derivatives declined to almost half in December 2019 as compared to previous year in the corresponding period of time. Total shipments of soybean derivatives has fallen to 3000 containers during September to December 2019 compared to 3417 containers in last year in the same period of time. A lot of export consignment goes through road directly to the port however volumes was reported lower due to limited supplies and high prices in international market.

During the week (Jan.3-2020 to 9 Jan, 2020) US sold higher soybean cake and meal to 375,200 MT for 2019/2020 from the previous week and prior 4-week average. Increases primarily for the Philippines (100,600 MT), unknown destinations (44,200 MT), Guatemala (38,500 MT), Canada (31,600 MT, including decreases of 300 MT), Mexico (31,300 MT), were offset by reductions for Peru (3,800 MT). Exports of 253,400 MT were primarily to the Philippines (50,200 MT), Peru (49,200 MT), Colombia (37,100 MT), Ecuador (32,600 MT), and Mexico (23,600 MT).

As per USDA, U.S. soybean meal export bids in December averaged \$344/ton, up \$5 from November. Brazil Paranagua FOB averaged \$326/ton, up \$7 from November, and Argentina Up River FOB averaged \$331/ton, up \$12. The U.S. and Brazil FOB soybean price spread has narrowed as Brazil's FOB soybean price averaged 2 percent above U.S. prices, slightly less than 3 percent last month.

As per sopa, total shipment of soymeal has declined over 70% to 1.13 lakh tonnes in oil year October and November 2019 as compared to 4.57 lakh tonnes in previous year record in the same period of time. India shipped total 63,000 tonnes in October 2019 lower against 1.31 lakh tonnes and 50,000 tonnes in November 2019 lower against 3.26 lakh tonnes in previous year during the corresponding period of time. Higher soybean meal prices has affected poultry sector demand. DOC buyers may switch to other alternative meal products due to higher soymeal prevailing prices.

According to trade source, one vessel (HERMITAGE BRIDGE) is at berth for loading at Kandla port for export of castorseed meal with total capacity of 13,000 tons. One vessel (HERMITAGE BRIDGE) is at berth for loading at Kandla port for export of rapeseed meal with total capacity of 13,000 tons. One vessel (PHC MARITIME) at berth for discharge at Tuticorin port for import of sunflower cake with total capacity of 7,700 tons.

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 unchanged from Nov. month estimates. 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 unchanged from previous month record.

As per recent SEA report, India shipped Oilmeals lower by 79% to 67,562 tons in December 2019 against 324,927 tons in December 2018. The overall export of oilmeals during April-Dec. 2019 is reported at 1,802,434

tons compared to 2,411,248 tons in April-Dec.2018 i.e. down by 25%. 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 by 60% to 469,248 against 292,511 tons.

During April-December 2019, Vietnam imported 228,553 tons of oilmeals (compared to 473,010 tons); consisting of 5316 tons of soybean meal, 144,570 tons of rapeseed meal and 78,667 tons of De-oiled Rice Bran Extraction. South Korea imported 709,312 tons of oilmeals (compared to 578,443 tons); consisting 37,616 tons of soybean meal, 294,758 tons of rapeseed meal and 376,938 tons of castor seed meal. Thailand imported 176,555 tons of oilmeals (compared to 258,400 tons) consisting 155,959 tons of rapeseed meal, 17,581 tons of Rice Bran Extractions and 3015 tons of soybean meal.

During April-December 2019, the export from Kandla is reported at 656,067 tons lower (36%), followed by Mundra handled 588,547 tons (33%), and Mumbai including JNPT handled 130,267 tons (7%) and Kolkata handled 105,786 tons (6%) and Others Ports handled 321,767 tons (18%).

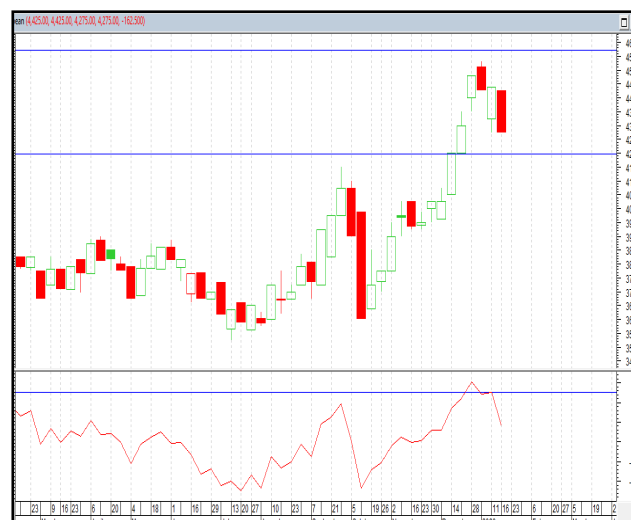
Indian Soymeal premium quoted higher side by \$108 per ton over Argentinean meal with Indian meal bullishness producing the premium rather than Argentinean meal bearishness. Such premiums may limit bookings of Indian Soymeal for forward as well as spot market.

Technical Analysis:

NCDEX Soybean FUTURE



Soybean Spot, Indore



*Note: Daily Chart

Support & Resistance NCDEX Soybean – Feb. Contract

S2	S1	PCP	R1	R2
4000	4051	4198	4296	4346

- Soybean Feb. contract depicts weak trend and likely to find support at 4115 and resistance at 4296
- On the upside, 4296 shall act as immediate resistance followed by INR 4346.
- On the downside, INR 4051 shall act as immediate support followed by 4000.
- Trade Recommendation (NCDEX-Soybean) -**Sell**

Weekly trade call: **Sell** Below-4220 Target – T1-4150; T2-4100, SL – 4280

Soy DOC Rates at Different Centers			
Centres	Ex-factory rates (Rs/ton)		
	16-Jan-20	9-Jan-20	Parity To
Indore - 45%, Jute Bag	34200	35000	Gujarat, MP
Kota - 45%, PP Bag	35500	36700	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	35200	36800	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	35500	37000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	36500	37000	Andhra, AP, Kar, TN
Latur	37500	37500	-
Sangli	36000	36500	Local and South
Solapur	35200	35800	Local and South
Akola – 45%, PP Bag	35500	36500	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	36700	37000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	35300	36500	-

Soy DOC at Ports			
Centers	Port Price		
	15-Jan-20	8-Jan-20	Change
Kandla (FOR) (INR/MT)	Unq	NA	-
Kandla (FAS) (USD/MT)	Unq	NA	-
CNF Indonesia – Yellow SBM (USD/MT)	Unq	NA	-

Rapeseed Meal	15-Jan-20	8-Jan-20	Change
FAS Kandla (USD/MT)	Unq	240	-
FOR Kandla (Rs/MT)	Unq	16500	-
FOR Mundra (Rs/MT)	Unq	16900	-
CNF Indonesia (USD/MT)	Unq	253	-

International Soy DOC			
Argentina FOB USD/MT	15-Jan-20	8-Jan-20	Change
Soybean Pellets	337	334	3
Soybean Cake Flour	337	334	3
Soya Meal	334	334	Unch
Soy Expellers	334	334	Unch

Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)
------------------------------	----------------------------------

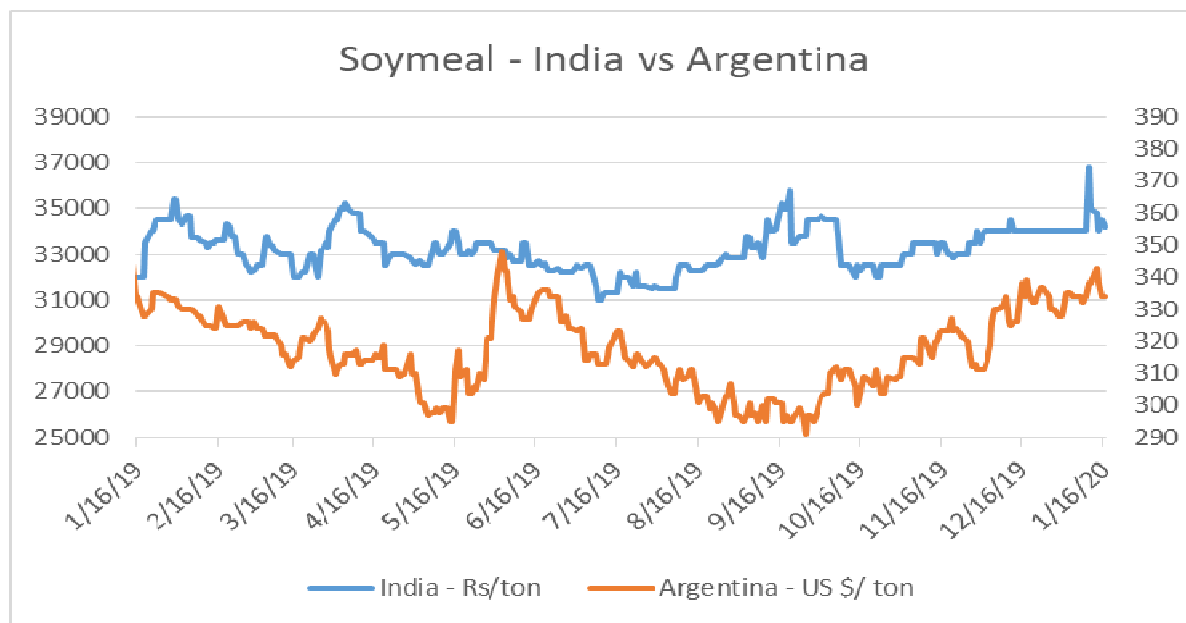
Centers	16-Jan-20	9-Jan-20	Change
Adoni	Unq	NA	-
Khamgaon	Unq	NA	-
Parli	Unq	NA	-
Latur	23800	24000	-200

Groundnut Meal (Rs/MT)	16-Jan-20	9-Jan-20	Change
Basis 45%, Saurashtra	29500	29000	500
Basis 40%, Saurashtra	27500	27000	500
GN Cake, Gondal	28500	28000	500

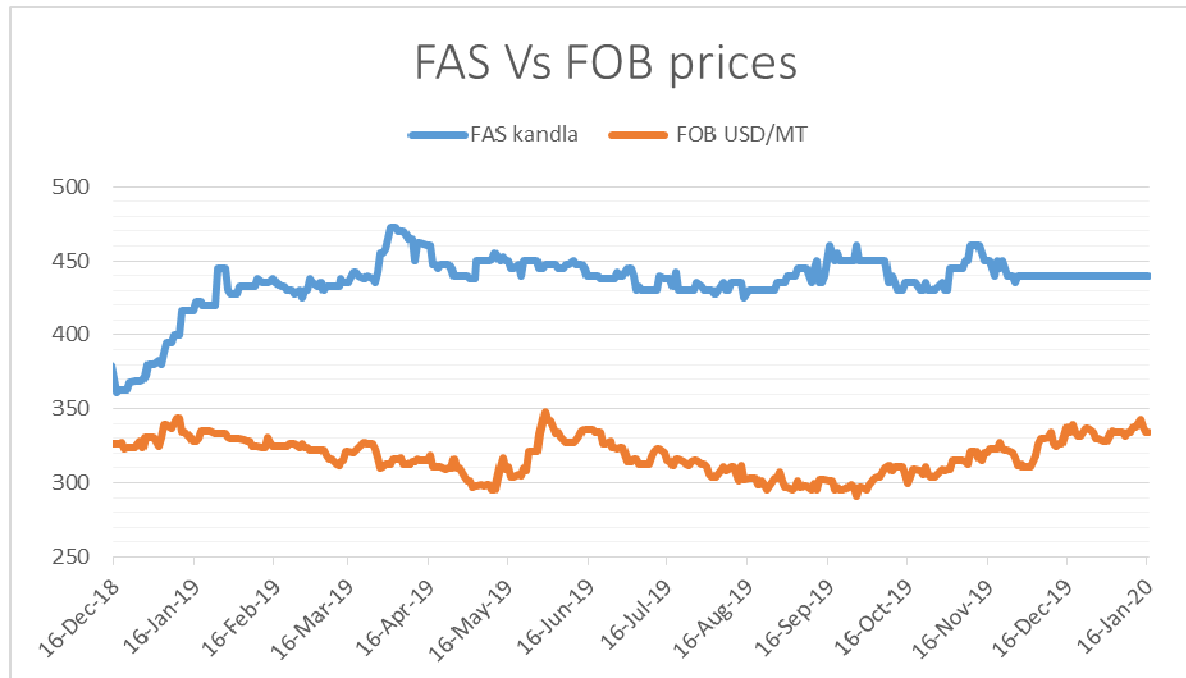
Mustard DOC	16-Jan-20	9-Jan-20	Change
Jaipur (Plant delivery)	15300	16500	-1200
Kandla (FOR Rs/MT)	15800	16500	-700

Mumbai Oil Meal Quotes:			
Rs/M.T.	16-Jan-20	9-Jan-20	Change
G.N. Extr (45%)	28000	28000	Unch
KardiExtr	Unq	NA	-
Undec Cottonseed Exp	23000	23000	Unch
Rice Bran Extr.	Unq	NA	-
Sunflower Extr.	22000	23500	-1500
Rapeseed Extr.	Unq	NA	-
Soymeal 48%	35686	34957	729
Castor Extr.	5000	5450	-450

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



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



Rapeseed - Mustard Seed

RM seed prices closed lower side on weak demand of crushers and millers demand. Arrivals are in mixed pace in the market. At the end of week, mustard closed lower at 4503 per quintal as compared to 4698 per quintal in last week at the benchmark, Jaipur.

As per recent Ministry report, India has covered total 68.98 lakh hac. of Mustard area as on 16th Jan. 2020 which is lower by 0.4 lakh hac. against 69.29 lakh hac, in 2018-19. In Rajasthan, farmers have covered total 25.04 lakh hac. higher against 24.78 lakh hac. followed by 12.24 lakh in Uttar Pradesh, 7.04 lakh hac. in MP, 5.82 lakh hac. in West Bengal, 5.62 lakh hac. in Haryana, 2.70 lakh hac in Jharkhand, 1.72 lakh hac. in Gujarat.

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) December 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



Mustard Spot Jaipur



Support & Resistance NCDEX RM Seed – Feb. Contract				
S1	S2	PCP	R1	R2
4150	4200	4310	4421	4500

- Mustard Feb. contract depicts firmness and further can get support at INR 4200
- Prices have tested the lower level of 4268 in this week.
- Trade Recommendation (NCDEX Rapeseed-Mustard) -**Sell**

Weekly trade call: **Sell** Below – 4346 Target – T1-4300 T2- 4250, SL –4410

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

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>
 © 2017 Indian Agribusiness Systems Pvt Ltd.