Oilmeals Weekly Research Report

Contents

Executive Summary

Mixed trend are featured in Oilseeds complex on mixed sentiments during this week. Soybean prices are remain under pressures due to weak demand of traders and stockiest. Plants are buying soybean to fulfill their requirements only. Farmers hold almost 40 to 55% of soybean seed of this season while traders have good stockpiles and hold above 60%. Some of farmers may release their stock in full speed during 20th Feb to 10th March so that they can focus on wheat new crops arrivals. While, some of farmers may release their soybean stocks during May or June in expectation of price hike from the current level. New mustard crop will commence to arrive in physical market in Feb month which will weigh on mustard seed prices.

As per source, state government has extended the date to sell farmers' groundnut stock to Nafed upto Feb 19, 2020 at MSP. Farmers are happy as prevailing prices in mandies are still quoting lower form MSP prices. Nafed has bought total 1.51 lakh tonnes of groundnut in Rajasthan so far at MSP level i.e. Rs. 5090 per quintal. The oilseed is being procured at around 180 centers across the state. Total 65845 farmers has been benefited. As per trader, groundnut prices may be under pressure if the government will curb on groundnut exports. As per Farm ministry, Groundnut output for Kharif season in 2019-20 will reach at 6.3 million tonnes higher against 5.4 million tonnes in last season.

As per recent released data of Ministry, the total area under Oilseeds is reported slightly higher by 0.05 lakh hectares to 79.66 lakh hectares as on 24th Jan 2020 against 79.61 lakh hectares in the previous year in the corresponding period of time. There is a drop-in sowing of Mustard seed to 69.24 lakh hectares lower by 0.22 lakh hac. against 69.45 lakh hectares in last year. Total covering area of groundnut stood at 4.60 lakh hectares higher against 4.33 lakh hectares in last year. Safflower has been planted on 0.62 lakh hectares higher from last year record i.e.0.42 lakh hectares. Sunflower has been planted on 1.01 lakh hectares lower against 1.09 lakh hectares in last year. Sesame has been planted on 0.53 lakh hectares lower from last year i.e.0.60 lakh hac. Linseed has been planted on 3.33 lakh hectares lower against 3.42 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, Mandsaurm, 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.

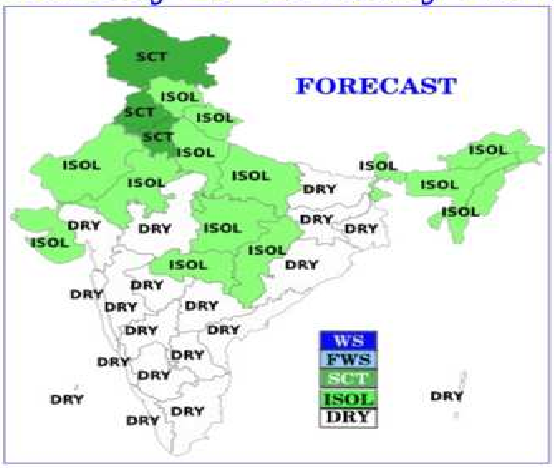
Soybean and Mustard seed prices may trade in steady to weak tone on poor demand.

Outlook – Cash Market

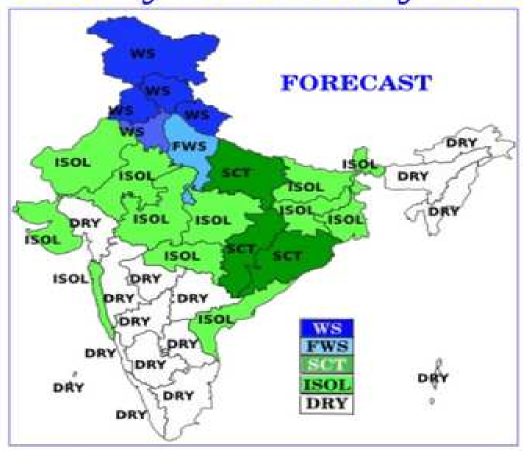
Outlook-Soybean (Spot, Indore): *Soybean Indore plant prices closed on lower side after poor demand. Prices may decline in next week in expectation of weak demand of millers due to weak demand of soyoil. Prices are likely to trade in the range of 4000 to 4150 in next week. The market sentiments are now depending on the stocks to be carried over to the next marketing year, buyers demand & weather condition and Kharif crop size estimates.*
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.32800 to 33500/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 firm trend on good demand of millers. However, prices may decline in coming week in expectation of less demand against good supplies. Prices are likely to trade in the range of 4350 to 4450 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 improve in expectation on speculating buying activities at exchange.*

Weekly Weather Report

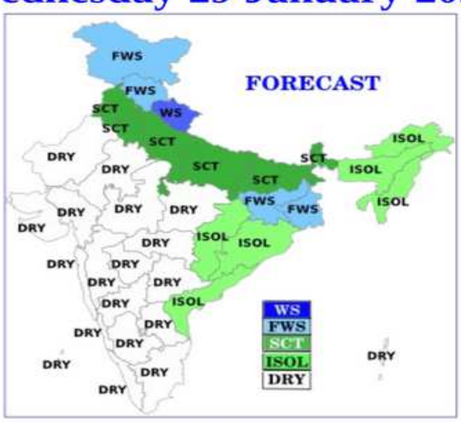
Monday 27 January 2020



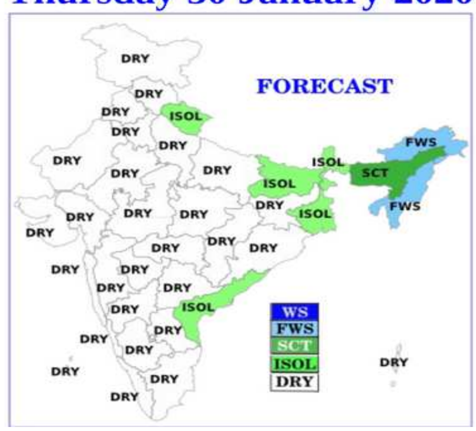
Tuesday 28 January 2020



Wednesday 29 January 2020



Thursday 30 January 2020



Scattered to fairy widespread rain /thunderstorm from 27th January to 29th January over Punjab, Haryana, Chandigarh & Delhi, Uttar Pradesh and isolated to scattered over Rajasthan, North Madhya Pradesh and East India. Thunderstorm accompanied with lightings & hail at isolated places also likely over plains of northwest India from 27th to 29th with maximum intensity on 28th January 2020.

Rabi Oilseed Sowing Status

Rabi Oilseeds Sowing as on 24.1.2020 (In lakh Hectare)				
	Normal Area	2019-20	2018-19	Change (Y-o-Y)
Rapeseed & Mustard	60.48	67.63	69.24	-0.22
Groundnut	7.76	4.60	4.33	0.27
Safflower	1.41	0.62	0.42	0.20
Sunflower	2.96	1.01	1.09	-0.09
Sesamum	3.12	0.53	0.60	-0.08
Linseed	2.99	3.33	3.42	-0.08
Others Oilseeds	0.14	0.34	0.29	0.05
Total-Oilseeds (Nine)	78.85	79.66	79.61	0.05

Soybean

Domestic Market

Soybean prices showed ups and downs trends during this week amid mixed pace of 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.

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 MAHAFPC.

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.

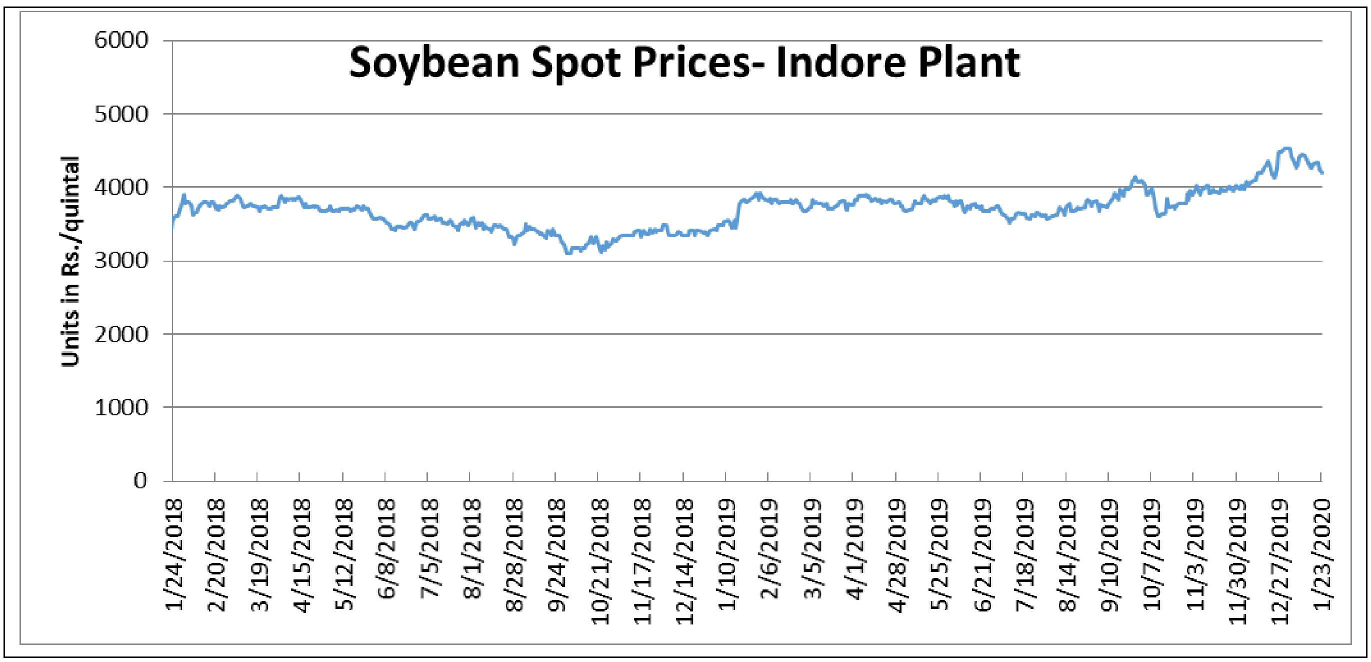
As per recent updates of SOPA, India may harvest 17.7 per cent lower Soybean crop at 89.9 lakh tonnes in 2019 against 109.3 lakh tonnes in 2018. The major Soybean producing states like Gujarat, Karnataka, Madhya Pradesh may harvest lower Soya crop by 30 per cent to 0.86 lakh tonnes, 7.1 per cent to 2.69 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 tones 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 closed down in expectation of higher soybean crop size in South America.

During (10th Jan to 16th Jan, 2020) U.S. sold 23% higher soybean to 790,000 MT for 2019/2020 from the previous week and 59 percent higher from the prior 4-week average. Increases primarily for China (225,900 MT, including 70,000 MT switched from unknown destinations and decreases of 171,300 MT), Mexico (218,900 MT, including 47,500 MT switched from unknown destinations and decreases of 1,500 MT), Egypt (187,500 MT, including 65,000 MT switched from unknown destinations), Vietnam (87,800 MT, including 70,000 MT switched from unknown destinations), and Germany (69,400 MT), were offset by reductions for unknown destinations (256,900 MT). For 2020/2021, net sales of 120,700 MT were for unknown destinations (120,000 MT) and Japan (700 MT). Exports of 1,053,100 MT were down 13 percent from the previous week and 3 percent from the prior 4-week average. The destinations were primarily to China (447,700 MT), Bangladesh (165,200 MT), Mexico (91,700 MT), Vietnam (80,900 MT), and Germany (69,400 MT).

As per AgRural, farmers in Brazil have harvested 1.8% of the soybean area so far this season. Harvesting is majorly done in Mato Grasso which is the largest grain state of Brazil. Farmers are likely to start full pace of harvesting in other states of Brazil in February 2020 on account of planting delay. In last season, farmers had harvested total 6.1% of their soybean filed. AgRural expects total 123.9 million tonnes of soybean harvest in 2019-20.

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 Maxico. 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.

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.

During the week (Jan.10 to 16 Jan, 2020) US sold higher soybean cake and meal by 71% to 641,900 MT for 2019/2020 from the previous week and also higher from prior 4-week average. Increases primarily for the Philippines (184,500 MT), Mexico (82,300 MT, including decreases of 100 MT), Spain (60,000 MT), Germany (55,000 MT), and unknown destinations (33,700 MT), were offset by reductions for the Dominican Republic (300 MT) and Leeward Windward Islands (100 MT). Exports of 231,600 MT were primarily to the Philippines (46,900 MT), Mexico (38,600 MT), Morocco (32,000 MT), Ecuador (31,700 MT), and the Dominican Republic (20,700 MT).

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.

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.

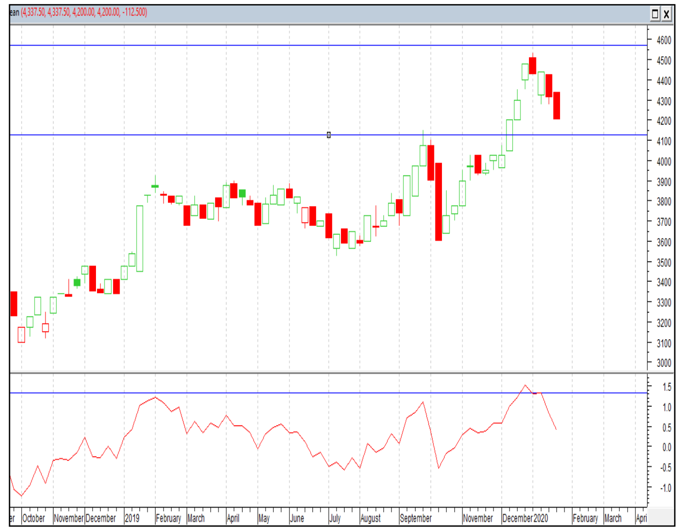
As per recent SEA report, India shipped Oilmeals lower by 79% to 67,562 tons in December 2019 against 324,927 tons in December 2018. The overall export of oilmeals during April-Dec. 2019 is reported at 1,802,434 tons compared to 2,411,248 tons in April-Dec.2018 i.e. down by 25%. This is mainly due to 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 $101 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**
3950	**4020**	**4138**	**4300**	**4350**

- Soybean Feb. contract depicts weak trend and likely to find support at 4020 and resistance at 4300
- On the upside, 4300 shall act as immediate resistance followed by INR 4350.
- On the downside, INR 4020 shall act as immediate support followed by 3950.
- Trade Recommendation (NCDEX-Soybean) -**Sell**

Weekly trade call: **Sell** Below-4150 Target – T1-4080; T2-4050, SL – 4270

Soy DOC Rates at Different Centers			
Centres	**Ex-factory rates (Rs/ton)**		
	23-Jan-20	**16-Jan-20**	**Parity To**
Indore - 45%, Jute Bag	33500	34200	Gujarat, MP
Kota - 45%, PP Bag	34700	35500	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	35200	35200	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	35000	35500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	35500	36500	Andhra, AP, Kar, TN
Latur	35200	37500	-
Sangli	35800	36000	Local and South
Solapur	36400	35200	Local and South
Akola – 45%, PP Bag	34800	35500	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Hingoli	35800	36700	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Bundi	34500	35300	-

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

Rapeseed Meal	**22-Jan-20**	**15-Jan-20**	**Change**
FAS Kandla (USD/MT)	Unq	235	-
FOR Kandla (Rs/MT)	Unq	16000	-
FOR Mundra (Rs/MT)	Unq	16300	-
CNF Indonesia (USD/MT)	Unq	251	-

International Soy DOC			
Argentina FOB USD/MT	**22-Jan-20**	**15-Jan-20**	**Change**
Soybean Pellets	336	337	**-1**
Soybean Cake Flour	336	337	**-1**
Soya Meal	338	334	**4**
Soy Expellers	338	334	**4**

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

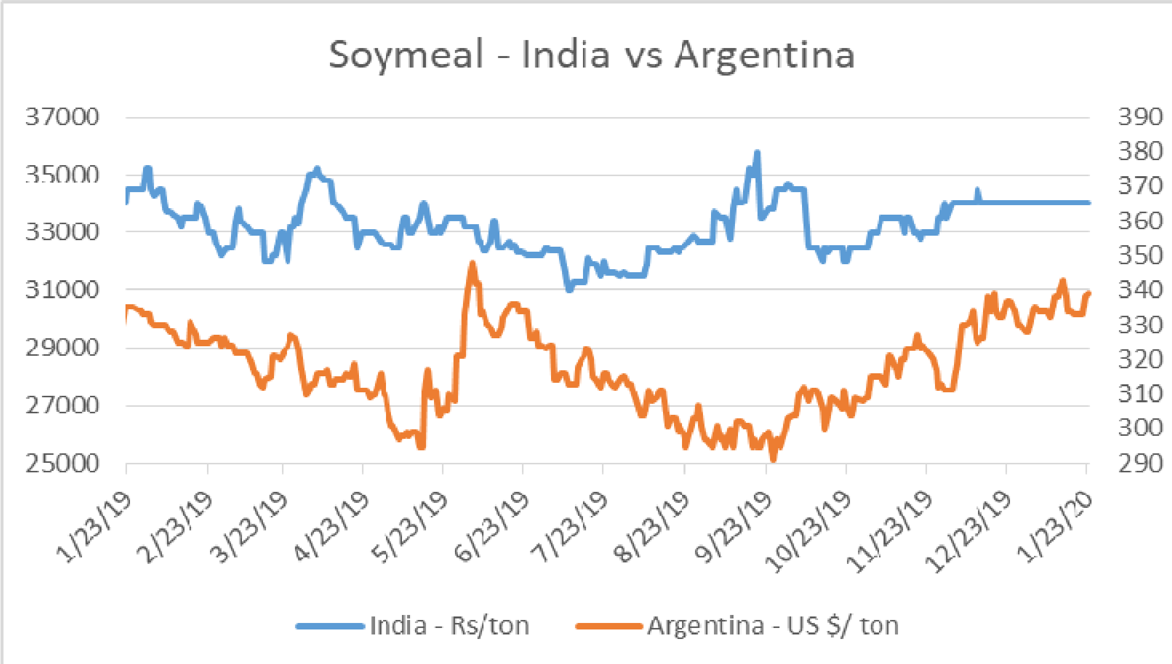
Centers	23-Jan-20	16-Jan-20	Change
Adoni	23800	0	23800
Khamgaon	Unq	Unq	Unq
Parli	Unq	Unq	Unq
Latur	23600	23800	-200

Groundnut Meal (Rs/MT)	23-Jan-20	16-Jan-20	Change
Basis 45%, Saurashtra	28000	29500	-1500
Basis 40%, Saurashtra	26000	27500	-1500
GN Cake, Gondal	29000	28500	500

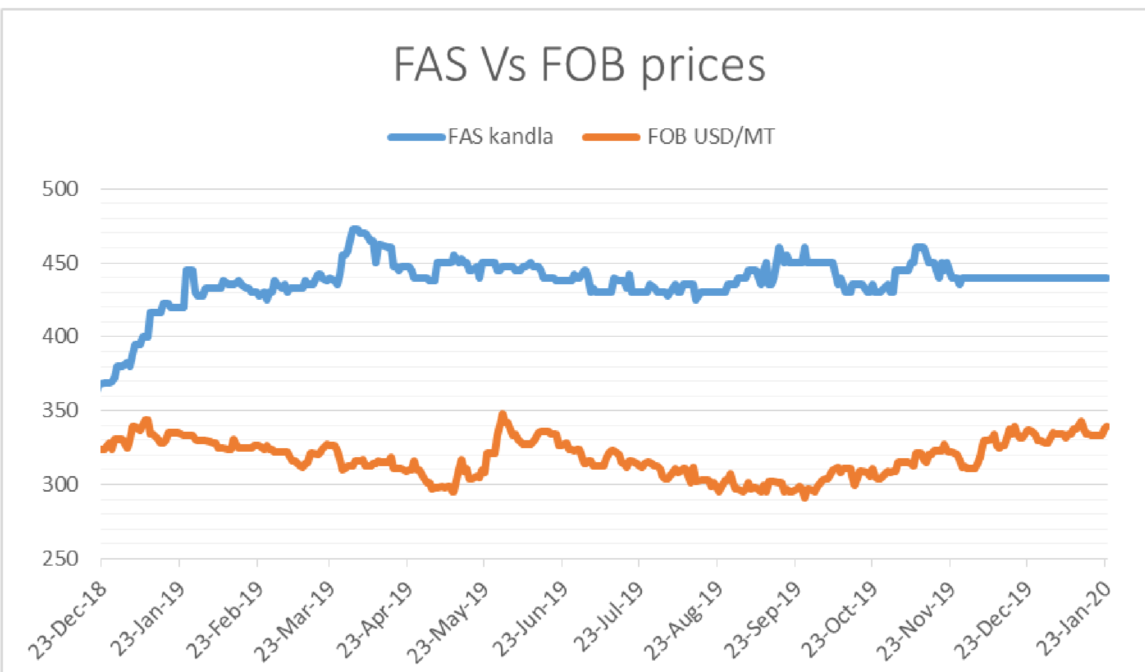
Mustard DOC	23-Jan-20	16-Jan-20	Change
Jaipur (Plant delivery)	15300	15300	Unch
Kandla (FOR Rs/MT)	15700	15800	-100

Mumbai Oil Meal Quotes:			
Rs/M.T.	**23-Jan-20**	**16-Jan-20**	**Change**
G.N. Extr (45%)	26500	28000	-1500
KardiExtr	Unq	Unq	Unq
Undec Cottonseed Exp	22800	23000	-200
Rice Bran Extr.	Unq	Unq	Unq
Sunflower Extr.	21000	22000	-1000
Rapeseed Extr.	Unq	Unq	Unq
Soymeal 48%	34957	35686	-729
Castor Extr.	4750	5000	-250

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



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



Rapeseed - Mustard Seed

RM seed prices closed higher side on improved demand of millers. Arrivals are in mixed pace in the market. At the end of week, mustard closed higher at 4518 per quintal as compared to 4503 per quintal in last week at the benchmark, Jaipur.

As per recent Ministry report, India has covered total 69.23 lakh hac. of Mustard area as on 24th Jan. 2020 which is lower by 0.2 lakh hac. against 69.45 lakh hac, in 2018-19. In Rajasthan, farmers have covered total 25.09 lakh hac. higher against 24.77 lakh hac. . Farmers have covered mustard seed area at 12.24 lakh hac. in Uttar Pradesh, 7.04 lakh hac. in MP, 5.87 lakh hac. in West Bengal, 5.62 lakh hac. in Haryana, 2.79 lakh hac in Jharkhand, 1.72 lakh hac. in Gujarat.

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.

High water level in most reservoirs will support to increase yield. However, acreage for Rabi season may decline 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.

As per the Mustard Oil Producers Association of India data, India crushed 550,000 tonnes of mustard seed in December 2019 unchanged from previous month record and it is almost same as in last year during the corresponding period of time. Total supply of mustard in Rajasthan recorded at 100,000 tn in December 2019, 45,000 tn in Uttar Pradesh, and 30,000 tn in Madhya Pradesh. Total available stocks with processors, stockiest and state-run agencies stood at 1.2 million tons in December 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.

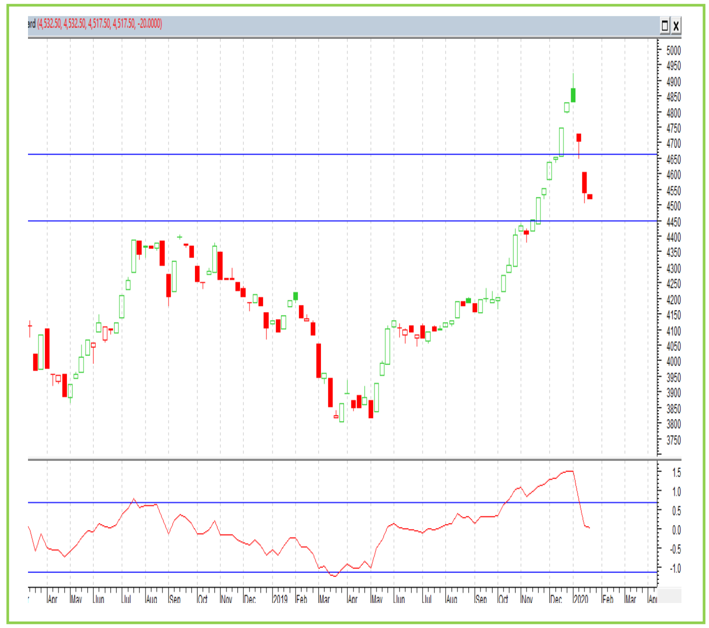
According to United States Department of Agriculture (USDA) January estimates, India may produce total 77 lakh tones of Rapeseed in 2019/20 lower from 80 lakh tonnes in 2018/19. Ending stocks of mustard seed have been lowered to 4.69 lakh tonnes from 5.69 lakh tonnes in last year record. India’s 2019-20 Rapeseed oil production is expected at 25.84 lakh tonnes unchanged from previous year while mustard oil import estimates are revised lower at 1.20 lakh tonnes from 1.25 lakh tonnes in previous year.

As per First advanced estimates of government, it estimates Mustard seed output at 82.37 lakh tonnes for 2019/20 lower by 11.02 lakh tonnes from 93.39 lakh tonnes in 2018/19.

Technical Analysis:

RM Seed Futures Contract

Mustard Spot Jaipur



Support & Resistance NCDEX RM Seed – Feb. Contract				
S1	**S2**	**PCP**	**R1**	**R2**
4090	**4120**	**4215**	**4400**	**4450**

- Mustard Feb. contract depicts firmness and further can get immediate resistance at INR 4400
- Prices have tested the lower level of 4176 in this week.
- Trade Recommendation (NCDEX Rapeseed-Mustard) -**Buy**

Weekly trade call: **Buy** Above – 4200 Target – T1-4290 T2- 4350, SL –4110

Annexure

India's Total Oilseeds Production Seen at 223.89 Lakh Tons in 1stAdv. 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.

SOPA Soybean 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