

Oilseeds Domestic Fundamentals

- Cash oilseeds gained on speculative market. NCDEX Soybean traded two ways on tussle between market fundamentals and market speculations. Mustard however traded low on continued bearish sentiments emanating from decent progress of standing crop.
- Soybean is witnessing rally for the season on market speculation though fundamentals doesn't seem to be supportive enough. A 10% export incentives has kept the Indian soymeal market competitive enough but didn't result in robust exports. Currently the premium of Indian soymeal has increased to \$56 and thus there will be limited demand for spot bookings. India however is going to continue exports for forward bookings. Any further rally in bean and meal prices is going to erode the present competitiveness and thus Indian bean and meal has limited leverage from the MEIS scheme.
- Under such scenario, with bean production anything above 100 lakh tons and seasonal exports with current pace seasonally adjusted shouldn't go above the 12 lakh tons market and we can expect the season end stock swelling to 10 lakh tons. All depends on domestic industry now which is witnessing good demand on good broiler prices. Sun meal imports have also restricted and thus will result in increased demand of soymeal.
- The present rally seems to be seasonal and as the CBOT comes under bearish grip due to seasonal rise in the supplies of bean coming from the SA countries Indian bean is also expected to fall under such influence. Current CBOT prices don't reflect the fundamentals as the global stocks are all time high.
- There is forecast if two WD hitting India till next week. Hopefully we get some rains which is going to add more bearishness in the market. Mustard Feb and Jan contract has been trading below 3900 which has resulted in basis reaching to more than 200 points. A basis correction is expected as Jan contract deliveries near in.

Oilseeds International Fundamentals

- Chicago soybean futures was trading sideways in the early trade today. CBOT Jan contract closed southwards in the yester trade as the market discounted the weekly exports inspection report.
- The Official statements out of the 3 days of meetings between US and Chinese representatives, indicate that some progress has been made. However, an actual agreement has not taken shape. It feels like all the cards are on the table, which is a sign that both sides would like to find some type of middle ground. The talking heads tend to feel that accomplishing this feat is possible in the 90 day window that was agreed upon by Trump and Xi in late November.
- In Brazil. Precip is forecasted to be limited and offer above average temps for the next 10 days. Some longer term forecasts better precip in late Jan. The bulk of the rest of the country expects favorable conditions. CONAB will release their next production estimate on Friday morning. The average trade estimate is roughly 118 MMT. Given subpar growing conditions in NC and NE areas, many in the trade look for 4 to 5% YoY decline to 115 to 116 MMT.
- **Outlook:** Soybean (plant delivery) prices are likely to feature loss in coming days. The Indore (Plant Delivery) prices are expected to start trading in the range of 3350 to 3600 in coming days. Mustard (42%) spot prices are expected to remain in between 4050 and 4150 per quintal in coming days.



| Soybean | | | | | | | | | |
|----------|--------|--------|------|------|---------|--------|--------|--------|--------|
| Contract | +/- | Open | High | Low | Close | Volume | Change | OI | Change |
| Jan-19 | -19 | 3570 | 3599 | 3534 | 3559 | 22470 | -7440 | 27990 | -7460 |
| Feb-19 | -9 | 3610 | 3653 | 3582 | 3612 | 66200 | -1990 | 203700 | 2840 |
| Mar-19 | -12 | 3656 | 3699 | 3630 | 3658 | 16350 | 5500 | 75660 | 3710 |
| Mustard | | | | | | | | | |
| Jan-19 | -56 | 3894 | 3907 | 3850 | 3850 | 8670 | -2740 | 8690 | -4080 |
| Feb-19 | -40 | 3908 | 3922 | 3870 | 3878 | 16950 | | 19740 | |
| Apr-19 | -9 | 3967 | 3987 | 3959 | 3966 | 1680 | | 3740 | |
| Soybean | | | | | Mustard | | | | |
| Basis | 16 | | | | Basis | 280 | | | |
| Spread | | | | | Spread | | | | |
| | Feb-19 | Mar-19 | | | | Feb-19 | Apr-19 | | |
| Jan-19 | 53 | 46 | | | Jan-19 | 28 | 88 | | |
| Feb-19 | | 99 | | | Feb-19 | | 116 | | |

| Soybean Stock Position & Fed: | | | | |
|-------------------------------|-----------|------------|-----------|-----------|
| Stocks | Demat | In-Process | Total | FED |
| | 09-Jan-19 | 09-Jan-19 | 09-Jan-19 | 09-Jan-19 |
| Akola | 34890 | 202 | 35092 | 34676 |
| Indore | 23826 | 359 | 24185 | 24026 |
| Kota | 32991 | 141 | 33132 | 34291 |
| Sagar | 1337 | 30 | 1367 | - |
| Nagpur | 501 | 0 | 501 | 502 |

| Rapeseed Stock Position & Fed: | | | | |
|--------------------------------|-----------|------------|-----------|-------|
| Stocks | Demat | In-Process | Total | FED |
| | 09-Jan-19 | 09-Jan-19 | 09-Jan-19 | ##### |
| Sri Ganganagar | 0 | 0 | 0 | 0 |
| Bharatpur | - | - | - | - |
| Bikaner | 0 | 0 | 0 | 0 |
| Kota | 2973 | 1937 | 4910 | 2973 |
| Jaipur | 403 | 0 | 403 | 403 |
| Alwar | 2429 | 0 | 2429 | 2428 |
| Hapur | - | - | - | - |

Oilseed Prices at Key Spot Markets:

| Commodity / Centre | Prices (Rs/Qtl) | | | | Change |
|---|-----------------|--------|-----------|--------|--------|
| Soybean | 10-Jan-19 | | 09-Jan-19 | | |
| | Low | High | Low | High | |
| Indore –Plant | 3510 | 3580 | 3500 | 3575 | 5 |
| Indore–Mandi | 3200 | 3400 | 3300 | 3450 | -50 |
| Nagpur-Plant | 3550 | 3600 | 3490 | 3540 | 60 |
| Nagpur – Mandi | 3100 | 3528 | 3100 | 3435 | 93 |
| Latur – Mandi | 3270 | 3525 | 3200 | 3555 | -30 |
| Akola – Mandi | 2900 | 3470 | 3380 | 3380 | 90 |
| Kota-Plant | 3500 | 3550 | 3420 | 3480 | 70 |
| Kota – Mandi | Closed | Closed | Closed | Closed | - |
| Bundi-Plant | 3460 | 3520 | 3400 | 3450 | 70 |
| Bundi-Mandi | 3480 | 3500 | 3400 | 3420 | 80 |
| Baran-Plant | 3470 | 3500 | 3400 | 3450 | 50 |
| Baran-Mandi | 3300 | 3450 | 3200 | 3400 | 50 |
| Bhawani Mandi Jhalawar–Plant | 3450 | 3550 | 3420 | 3480 | 70 |
| Jhalwar-Mandi | 3500 | 3520 | 3400 | 3450 | 70 |
| Rapeseed/Mustard | | | | | |
| Jaipur-(Condition) | 4100 | 4105 | 4125 | 4130 | -25 |
| Alwar-(Condition) | 3950 | 4000 | 3950 | 4000 | Unch |
| SriGanganagar-(Non-Condition) | 3500 | 3520 | 3500 | 3520 | Unch |
| New Delhi–(Condition) | 4020 | 4040 | 4050 | 4075 | -35 |
| Kota-(Condition) | Closed | Closed | Closed | Closed | - |
| Agra-(Condition) | NA | NA | 4309.5238 | 4333 | - |
| Neewai-(Condition) | 3740 | 3790 | 3760 | 3810 | -20 |
| Hapur (UP)-(Condition) | 3950 | 4000 | 4000 | 4050 | -50 |
| Groundnut Seed | | | | | |
| Rajkot | #REF! | #REF! | #REF! | #REF! | - |
| Sunflower Seed | | | | | |
| Gulbarga | 3200 | 3550 | 3050 | 3516 | 34 |
| Latur | NA | NA | NA | NA | - |
| Sholapur | 3975 | 4025 | 3975 | 4025 | Unch |
| Soybean Prices are in INR/qtl. (1 bag=90 kg). Mandi prices – Loose, Mustard Seed Prices are in INR/qt (1 bag=85 kg) C – Condition (42%), *Groundnut seed in Rs/20 kg, Sunflower Seed in Rs/qtl. | | | | | |

| Commodity / Centre | Arrivals in Bags/Qtl | | Change |
|-------------------------|----------------------|------------------|--------|
| Soybean | 10-Jan-19 | 09-Jan-19 | |
| Madhya Pradesh | 250000 | 200000 | 50000 |
| Maharashtra | 140000 | 130000 | 10000 |
| Rajasthan | 40000 | 40000 | Unch |
| Bundi (Raj) | 300 | 300 | Unch |
| Baran (Raj) | 1700 | 1200 | 500 |
| Jhalawar (Raj) | 1500 | 1000 | 500 |
| Rapeseed/Mustard | | | |
| Rajasthan | 50000 | 50000 | Unch |
| Alwar | 1500 | 2000 | -500 |
| Sri Ganganagar | 60 | 60 | Unch |
| Kota | Closed | Closed | - |
| Groundnut Seed | | | |
| Rajkot (Gujarat) | #REF! | #REF! | - |
| Sunflower Seed | | | |
| Sholapur (Maharashtra) | 700 | 700 | Unch |

Other Oilseed Prices at Mumbai (INR/100 Kg):

| Oilseeds | 10-Jan-19 | 9-Jan-19 | Change |
|----------------------------------|-----------|----------|--------|
| Groundnut Kernel | 4875 | 4900 | -25 |
| Gr. Bolds 60/70 | 6000 | 5900 | 100 |
| Gr. Javas 60/70 | 7300 | 7200 | 100 |
| Gr Javas 70/80 | 7000 | 6900 | 100 |
| Gr.Javas 80/90 | 6600 | 6500 | 100 |
| KardiSeed 2% Exp Qly | 4450 | 4450 | Unch |
| Sesame White 98/2/1 FM | 12000 | 12000 | Unch |
| Whitish 95/5/FFA/1FM | 11800 | 11800 | Unch |
| Brown 48/2 FFA/4 FM | 10400 | 10400 | Unch |
| Brown 48/3 FFA/4 FM | 10100 | 10100 | Unch |
| Brown 48/4 FM/* No FFA Guarantee | 9500 | 9500 | Unch |
| Sunflower Seed | 4200 | 4200 | Unch |
| Niger Seed (4% FM) | 5600 | 5600 | Unch |



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