

Oilseeds Domestic Fundamentals

- Cash oilseeds market continued to gain for second straight day over the good prospects of soymeal exports been evolving from Iran. NCDEX Soybean gained after bullish sentiments hovering over potential meal exports to Iran. Mustard however traded sideways.
- Soybean is carried by momentum and bulls are right on money. As on 17th Jan no new vessel is has been waiting for the docks for meal exports. Let's see how many is going to arrive in coming days. Till in Jan month nearly 1.3 lakh tons of soymeal has been shipped or about to ship in bulk shipment which itself is indicating y-o-y high exports for Jan month.
- With SEA production number current exports pace is capable of eating away all the exportable surplus by end of Oct-Sep MY. In 2017-18 stocks where tightening as we moved into the second half of 2017-18 MY but was not been supported by international market. Let's see how things is going to unfold post mid of Feb. In NCDEX market price sustain above 3650 level whenever it has breached it and this week closing is indicating the same. Prices can rally to 3850 in coming week.
- Even though Iran has been prospective exports market for India mainly due to the establishment of barter system, Iran continue to buy SA soybean and meal rerouted through Afghanistan. According to sources nearly 30 lakh tons of bean/meal has already arrived Iran post US sanctions.
- The only onus India has the barter system by which India is going to push basmati rice and soymeal in exchange of cude oil imported and thus Iran might try to dispose Indian rupee by buying above mentioned agri commodities.
- In MP Modified BBY will be replaced by actual BBY which is the payment of only the difference amount to the farmers over MSP. The previosu govt policy of flat INR 500 payment per quintal has been replaced by new congress govt.
- NAFED has sold 89.5 thd tons of Mustard in Jan month as on 15th Jan and is the highest for the NAFED for this season in the first 15 months. The auctioned prices are at par with the market rate and thus has found string interest among crushers amidst tapering supplies in the market. Auction on 15th Jan offered prices between 3605 to 3660. Stocks as on the mentioned date is at 3.11 lakh tons with another 1 ½ months for the start of new season. In any case with the expected early of new crop NAFED stocks by end of mar-Feb MY is expected to be around 1.5 to 1.6 lakh tons. Earlier we were expecting that the stocks is expected to be above 3.5 lakh tons.
- Soybean procurement period is over except Telangana. State govt of Rajasthan, Maharashtra and Karnataka has announced the expiry of the period. As on 15th Jan just 19.77 thd tons of soybean has been procured.
- On the other hand groundnut procurement is still going on and as on 15th Jan 5.26 lakh tons of in shell groundnut has been procured. We can also see procurement window closing near soon.

Oilseeds International Fundamentals

- Chicago soybean futures was trading sideways in the early trade today.
- Weaker cash basis at the Gulf indicate China has not been looking for additional beans. Basis values in Brazil are also weaker again today as the spread between US and Brazil has collapsed. There is no USDA reports over the continued US shut down and thus we don't have weekly exports report.
- Weather is mildly supportive beans with Brazil rains light in central and eastern belt but demand is subject with basis in both US and Brazil weaker today. While longer season beans are said to be struggling due to hot and dry weather, harvest is advancing on the early beans. Mato Grosso is near 6% complete with Parana 10% complete.
- Argentina gets an opportunity to dry out a bit in the 1-5 day, but wetter conditions appear in the 6-10 and the 11-15 day outlooks. Temp in Argentina should remain favorable to crop development through the forecast period.
- Chinese officials see a likely rise in hog prices in the second half of the year and are asking farmers to increase production quickly. The Ag Ministry indicated breeding sow population was down 8.3% in December from the previous year and was down for the third month in a row. If China production drops 10% that could mean 5.8 million less head a month.
- Markets is going to remain closed over MLK Jr. Holiday. Wall Street Journal reports behind the scenes discussions may include possible tariff roll back.
- **Outlook:** Soybean (plant delivery) prices are likely feature loss in coming days. The Indore (Plant Delivery) prices are expected to start trading in the range of 3500 to 3800 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	15	3734	3740	3725	3738	8580	5690	7280	5510
Feb-19	59	3775	3815	3758	3812	71370	5530	196880	-4720
Mar-19	61	3800	3859	3800	3850	22810	2440	93780	3390
Mustard									
Jan-19	-15	3840	3875	3840	3860	740	620	1820	-840
Feb-19	-4	3861	3894	3857	3867	11360		20400	
Apr-19	-33	3955	3974	3915	3922	6010		9810	
Soybean					Mustard				
Basis	62				Basis	245			
Spread					Spread				
	Feb-19	Mar-19				Feb-19	Apr-19		
Jan-19	74	38			Jan-19	7	55		
Feb-19		112			Feb-19		62		

Soybean Stock Position & Fed:				
Stocks	Demat	In-Process	Total	FED
	17-Jan-19	17-Jan-19	17-Jan-19	17-Jan-19
Akola	35017	1881	36898	34791
Indore	34537	441	34978	23902
Kota	29229	160	29389	30851
Sagar	1520	122	1642	-
Nagpur	501	0	501	502

Rapeseed Stock Position & Fed:				
Stocks	Demat	In-Process	Total	FED
	17-Jan-19	17-Jan-19	17-Jan-19	#####
Sri Ganganagar	0	0	0	0
Bharatpur	-	-	-	-
Bikaner	0	0	0	0
Kota	6442	220	6662	5939
Jaipur	403	0	403	403
Alwar	1921	0	1921	1921
Hapur	-	-	-	-

Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	18-Jan-19		17-Jan-19		
	Low	High	Low	High	
Indore –Plant	3750	3800	3640	3700	100
Indore–Mandi	3570	3675	3475	3625	50
Nagpur-Plant	3700	3820	3650	3775	45
Nagpur – Mandi	3200	3700	3100	3650	50
Latur – Mandi	3500	3720	NR	NR	-
Akola – Mandi	3300	3585	3000	3575	10
Kota-Plant	3775	3800	3625	3675	125
Kota – Mandi	3530	3675	3450	3600	75
Bundi-Plant	3620	3650	3525	3575	75
Bundi-Mandi	3450	3620	3350	3550	70
Baran-Plant	3700	3750	3650	3700	50
Baran-Mandi	3500	3650	3400	3620	30
Bhawani Mandi Jhalawar–Plant	3675	3750	3650	3730	20
Jhalwar-Mandi	3580	3670	3550	3630	40
Rapeseed/Mustard					
Jaipur-(Condition)	4120	4125	4100	4105	20
Alwar-(Condition)	4000	4050	4000	4050	Unch
Sri Ganganagar-(Non-Condition)	3525	3600	3580	3620	-20
New Delhi–(Condition)	4050	4070	4020	4050	20
Kota-(Condition)	3750	3800	3750	3800	Unch
Agra-(Condition)	NA	NA	NA	NA	-
Neewai-(Condition)	3770	3820	3750	3800	20
Hapur (UP)-(Condition)	4000	4050	4000	4050	Unch
Groundnut Seed					
Rajkot	650	650	880	880	-230
Sunflower Seed					
Gulbarga	3152	3512	3250	3450	62
Latur	NA	NA	NA	NA	-
Sholapur	NA	NA	NA	NA	-
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.					

Oilseed Arrivals in Key Centers:

Commodity / Centre	Arrivals in Bags/Qtl		Change
Soybean	18-Jan-19	17-Jan-19	
Madhya Pradesh	225000	200000	25000
Maharashtra	145000	125000	20000
Rajasthan	50000	40000	10000
Bundi (Raj)	100	300	-200
Baran (Raj)	2000	3000	-1000
Jhalawar (Raj)	2000	2500	-500
Rapeseed/Mustard			
Rajasthan	45000	45000	Unch
Alwar	2000	2000	Unch
Sri Ganganagar	90	50	40
Kota	1400	900	500
Groundnut Seed			
Rajkot (Gujarat)	3250	4400	-1150
Sunflower Seed			
Sholapur (Maharashtra)	NA	NA	-

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

Oilseeds	18-Jan-19	17-Jan-19	Change
Groundnut Kernel	4900	4900	Unch
Gr. Bolds 60/70	5900	5900	Unch
Gr. Javas 60/70	7200	7200	Unch
Gr Javas 70/80	6900	6900	Unch
Gr.Javas 80/90	6500	6500	Unch
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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