

Oilseeds Domestic Fundamentals

- Cash oilseeds market remained mixed with limited price action today. NCDEX Soybean lost the gains on Iran tender, losing on the same ground. NCDEX mustard however traded sideways.
- **Market grapevine is indicating that Iran hasn't took the Indian soymeal in the latest tender resulting in last hour selling. Iran booked Brazilian soymeal at \$377 per ton CNF Iran port.**
- As the current spell of rains is half over there has been very limited reports of crop damages due to hailstorm however some patches has witnessed crop dislodging due to heavy rains. According to tradesmen and mustard crusher's current spell of rains is going to improve the yield and the chances of recording y-o-y higher yield is better this season. Mustard crop has been further found beneficial temperature range with limited fog which helped in rapid crop development. Current spell of rains is going to bring chilly weather which is also beneficial as it will restrict abrupt rise in temperature which results immature ripening of crops.
- There has been reports of crop dislodging in Mathura and farmers are expecting yield to decline by 10-15%.
- New Mustard crop has hit the Baran market and was expected as the sowing was early in Rajasthan. Traders are saying about bumper crop this season. Usually the new crop starts arriving from second week of Feb. From here onwards there is just 15-20 days left we can witness rising arrivals of new crop and thus price is expected to remain under pressure. Further weather development has to be taken care of from Feb onwards.
- Soybean market took positive cues from Iran's SLAL global tender for importing 2 lakh tons of soymeal and thus the market is thinking that the requirement is going to be fulfilled by India given the restriction Imposed by US on banking and shipping companies doing business with Iran. India has upper hand as India can facilitate through Indian currency and also has been some relief till March. **Latest news states that Iran booked the meal from Brazil.**
- On the long term outlook for soybean, for Indian soybean to Inch high CBOT has to give support as the Indian soybean potential to rise by its own fundamentals has exhausted and further upward push has to come from international market.
- As India is eyeing export of 4.5 lakh tons of soymeal in FY 2018-19 and 3LT has been already exported to Iran by Dec thus to meet the target 1.5 LT has to be exported which is expected to be covered by mid of Feb.
- For KMS Oct-Sep Soybean meal has been exported to a tune of 1.1 lakh tons OND and thus by mid of season India is expected to export nearly 2.6 LT of soymeal which Iran will compensate, the loss of exports to Bangladesh. Post mid of 2018-19 Soybean season, it should be noted that US will again force India to put a trade sanction on Iran after the expiry of the grace period. In this period prospects of soymeal exports to Iran has to be evaluated given the fact Iran has already a contingency plan to bypass US restriction by doing barter trade with India with Iran's bank opening its banking facility branch in Mumbai to facilitate transaction in Indian rupee.
- Indian soymeal premium has gained towards \$89 per ton over Argentinean meal with Indian meal bullishness producing the premium rather than Argentinean meal bearishness. Such premiums is going to result very limited bookings of Indian soymeal for forward as well as spot market. Other than Iran the exports is expected to fall from March months onwards as Indian soymeal exports against forward booking is over.
- Arrivals in MP after the expiry of BBY window has taken a set back and thus daily arrivals has fallen on an average by 50%. Prior week average arrival was 2.15 lakh bags whereas last two days arrivals is just 50 thd bags and 70 thd bags respectively.
- NAFED has procured 5.65 LT as on 21st Jan 2018, of groundnut and there seems to be no stopping of the process. NAFED auctioned 5562 tons of Mustard on Monday in the price range of 3755 to 3608 per quintal. Stocks available is 2.49 lakh tons. 1.5 lakh tons of mustard has been auction in Jan month. At this pace by end of Jan stocks might be just 2 LT and at the beginning of season might be under 1 LT.

Oilseeds International Fundamentals

- CBOT soymeal has gained past week over positive development with China.
- Reports late last week that China was offering to up imports of US goods to tune of \$1 trillion dollars over the next 6 years and wipe out most of trade gap

- Soybean inspections are running 39.6% behind last year vs. USDA forecasting exports to decline near 11%. The US government shutdown has reached 32 days. The USDA did temporarily open some FSA offices to process loan checks and besides Federal Grain Inspectors still reporting weekly inspections, grains lack that fresh daily input it needs to sustain any rallies.
- Outlook:** Soybean (plant delivery) prices are likely feature sideways trade in coming days. The Indore (Plant Delivery) prices are expected to start trading in the range of 3650 to 3850 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
Feb-19	-75	3880	3915	3775	3790	102490	31950	165700	-9120
Mar-19	-70	3925	3950	3820	3835	41020	8980	106840	5980
Apr-19	-69	3979	3983	3870	3881	6640	-3980	47840	1920
Mustard									
Feb-19	-1	3910	3938	3906	3914	16030	330	17010	-2000
Apr-19	-5	3962	3974	3946	3952	6780	630	11880	-80
May-19	0	3979	3980	3977	3979	0	-20	180	0
Soybean					Mustard				
Basis	10				Basis	191			
Spread					Spread				
	Feb-19	Mar-19				Apr-19	May-19		
Feb-19	45	46			Feb-19	38	27		
Mar-19		91			Apr-19		65		

Soybean Stock Position & Fed:				
Stocks	Demat	In-Process	Total	FED
	22-Jan-19	22-Jan-19	22-Jan-19	22-Jan-19
Akola	38003	1954	39957	36958
Indore	25608	890	26498	25456
Kota	27910	280	28190	29010
Sagar	1642	0	1642	1642
Nagpur	501	0	501	502

Rapeseed Stock Position & Fed:				
Stocks	Demat	In-Process	Total	FED
	22-Jan-19	22-Jan-19	22-Jan-19	22-Jan-19
Sri Ganganagar	0	0	0	0
Bharatpur	-	-	-	-
Bikaner	0	0	0	0
Kota	4916	0	4916	5982



Jaipur	0	0	0	0
Alwar	1921	0	1921	1921
Hapur	-	-	-	-

Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	23-Jan-19		22-Jan-19		
	Low	High	Low	High	
Indore –Plant	3800	3820	3775	3800	20
Indore–Mandi	3600	3800	3700	3825	-25
Nagpur-Plant	3700	3750	3700	3750	Unch
Nagpur – Mandi	3350	3730	3350	3750	-20
Latur – Mandi	3500	3850	3400	3800	50
Akola – Mandi	3300	3730	3150	3755	-25
Kota-Plant	3825	3850	3825	3850	Unch
Kota – Mandi	3620	3725	3575	3700	25
Bundi-Plant	3700	3750	3700	3750	Unch
Bundi-Mandi	3500	3700	3500	3700	Unch
Baran-Plant	3800	3850	3800	3850	Unch
Baran-Mandi	3620	3700	3580	3670	30
Bhawani Mandi Jhalawar–Plant	3725	3800	3725	3800	Unch
Jhalwar-Mandi	3700	3800	3680	3770	30
Rapeseed/Mustard					
Jaipur-(Condition)	4185	4190	4175	4180	10
Alwar-(Condition)	3975	4000	4025	4050	-50
Sri Ganganagar-(Non-Condition)	3500	3550	3500	3540	10
New Delhi–(Condition)	4100	4120	4070	4090	30
Kota-(Condition)	3750	3800	3750	3800	Unch
Agra-(Condition)	NA	NA	NA	NA	-
Neewai-(Condition)	3780	3830	3800	3850	-20
Hapur (UP)-(Condition)	4050	4100	4075	4125	-25
Groundnut Seed					
Rajkot	NA	NA	620	620	-
Sunflower Seed					
Gulbarga	NA	NA	Closed	Closed	-

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	23-Jan-19	22-Jan-19	
Madhya Pradesh	90000	70000	20000
Maharashtra	120000	100000	20000
Rajasthan	60000	45000	15000
Bundi (Raj)	70	90	-20
Baran (Raj)	1300	2000	-700
Jhalawar (Raj)	2200	2000	200
Rapeseed/Mustard			
Rajasthan	40000	40000	Unch
Alwar	2000	1500	500
Sri Ganganagar	25	45	-20
Kota	1300	1000	300
Groundnut Seed			
Rajkot (Gujarat)	NA	3100	-
Sunflower Seed			
Sholapur (Maharashtra)	NA	NA	-

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

Oilseeds	23-Jan-19	22-Jan-19	Change
Groundnut Kernel	4900	4900	Unch
Gr. Bolds 60/70	5950	5950	Unch
Gr. Javas 60/70	7250	7250	Unch
Gr Javas 70/80	6950	6950	Unch
Gr.Javas 80/90	6550	6550	Unch
KardiSeed 2% Exp Qly	4500	4450	50
Sesame White 98/2/1 FM	11500	12000	-500
Whitish 95/5/FFA/1FM	11300	11800	-500
Brown 48/2 FFA/4 FM	10000	10400	-400
Brown 48/3 FFA/4 FM	9600	10100	-500



Brown 48/4 FM/* No FFA Guarantee	900	9500	-8600
Sunflower Seed	4200	4200	Unch
Niger Seed (4% FM)	5400	5600	-200

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.php> © 2019 Indian Agribusiness Systems Ltd.