

Oilseeds Domestic Fundamentals

- Soybean price showed mixed tone amid mixed sentiments in the market. Less millers demand pulled down Soybean prices in Nagpur market. Mustard prices firmed up on good demand. NCDEX prices of Soybean settled down amid short positions by speculators while Mustard seed prices settled higher after buying activities of speculators today.
- As per sources, India is likely to cover higher Soybean planting area in 2019 crop year on account of higher Soybean prevailing prices which prompted farmers to switch from other competing commodities like cotton and pulses. It will be helpful to vegetable oil importers of India as they are buying costly oils from Brazil, Argentina, Indonesia and Malaysia in the current season. It could also help to boost Indian exports of animal feed ingredient soymeal to places such as Bangladesh, Japan, Vietnam and Iran. Domestic soybean prices have gained nearly 14 percent to 3,716 rupees (\$53.31) per 100 kg since the start of the 2018 crop year on Oct. 1, after India raised the duty on importing Soybean oil, palm oil and other cooking oils.
- As per recent forecast of NCML, India may produce oilseeds in the range of 28 to 29.5 million metric tonnes (both Kharif and Rabi season) in 2019/20 in expectation of below normal monsoon. Total oilseeds for 2018/19 was estimated at 31.50 million metric tonnes including 21.25 million metric tonnes of Kharif crop and 10.25 million metric tonne of Rabi crop as per ministry second advanced estimate. Soybean crop size are expected in the range of 10 to 11 million metric tonnes for this year lower by 20 to 27 percent from 13.7 million metric tonnes in 2018/19 estimates in hope of less rainfall. Out of the 50 districts which contribute to around 86 per cent of the total soybean production, 45 districts are in Madhya Pradesh, Rajasthan and Maharashtra, which are vulnerable to below-normal monsoon. Farmers in Maharashtra and Telangana had already shifted its Soybean crop area to Maize and cotton on account of higher profit margin, which may also lower soybean production for 2019/20.

Oilseeds International Fundamentals

- CBOT Soybean July future contract declined after a report that the U.S. Department of Agriculture (USDA) is likely to announce a trade-war aid package for farmers which may support to increase soybean plantings acreage in U.S. U.S. farmers may be paid \$ 2 per bushel to offset losses from the U.S China trade war. It is also expected that the farmers who have not planted corn yet may switch towards Soybean crop area.
- As per recent USDA report, US has completed 19% of its Soybean acres as on 19th May 2019 lower from previous year record i.e. 53%. It is also lower from 47% of average 5-year record as well.
- As per source Rinfinitiv trade flows, China has imported total 7.8 million tons of Soybean in April 2019 from U.S, Brazil & Argentina which is very close to the 3 years average. China may import lower Soybean from these destinations in the range of 6.2- 7.5 million tonnes in May 2019 as compare to 10.4 million tons in previous year record during the corresponding period of time. China imported 2 million tons in April 2019 from U. S higher from 1.8 million tons from 2018 & 2017. However, U.S. Soybean arrivals are likely to decline in May 2019. The trade war between the U.S. and China has cut over 80% of US soybean exports to China so far this market year (September-August). On the other hand, Soybean arrivals of Brazil increased at 5.8 million tons as new crop started hitting in market. However, it is likely to decline and stand in the range of 5.2 to 6.6 million tonnes in May 2019 against 10 million tonnes in May 2018 due to the outbreak of African swine fever and resulting losses in Chinese demand.
- As per USDA, soybean exports inspection of U.S. for the week (16th May 2019) is placed at 497070 tonnes lower from 513,986 due to less demand of overseas buyers. It is also lower than 907202 tonnes in previous year during the same period of time. For marketing year, exports volume is placed lower at 33153354 tonnes against 45659840 tonnes in last marketing year.

Outlook: Soybean (plant delivery) prices are likely to trade in steady to firm tone on improved demand. The Indore (Plant Delivery) prices are expected to trade in the range of 3800 to 3850 in coming day. Mustard (42%) spot prices are expected to trade steady to firm up between 4030 and 4050 per quintal ahead of a day.

Soybean Future Prices (Market were Closed)									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jun-19	-9.00	3707	3729	3700	3703	25540	-3,260	120640	-5040
Jul-19	-5.00	3733	3750	3725	3728	9100	-6,040	33570	3480
Aug-19	-4.00	3772	3781	3761	3761	510	-3,370	9900	290
Mustard Future Prices									
Jun-19	+28.00	3901	3930	3895	3929	31390	5,990	89770	42050
Jul-19	+24.00	3946	3966	3940	3965	12450	3,350	31880	23710
Aug-19	+21.00	3985	4000	3985	4000	520	450	470	1210
Soybean Basis -127					Mustard Basis-101				
Spread					Spread				
	Jun-19	Jul-19	Aug-19			Jun-19	Jul-19	Aug-19	
Jun-19	127				Jun-19	101			
Jul-19		102			Jul-19		65		
Aug-19			69		Aug-19			30	

Soybean Stock Position & Fed:				
Stocks	Demat	In-Process	Total	FED
	21-May-19	21-May-19	21-May-19	21-May-19
Akola	20200	20	20220	20329
Indore	7406	0	7406	7907
Kota	1722	0	1722	1721
Sagar	936	0	936	936
Nagpur	20	0	20	20

Rapeseed Stock Position & Fed:				
Stocks	Demat	In-Process	Total	FED
	21-May-19	21-May-19	21-May-19	21-May-19
Sri Ganganagar	4740	31	4771	4719
Bharatpur	-	-	-	-
Bikaner	20549	182	20731	20417
Kota	36713	31	36744	36713
Jaipur	4059	30	4089	4059
Alwar	4659	0	4659	4659
Hapur	-	-	-	-

Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	20-May-19		18-May-19		
Indore –Plant	3780	3830	3750	3810	20
Indore–Mandi	3650	3780	3650	3850	-70
Nagpur-Plant	3800	3850	3800	3850	Unch
Nagpur – Mandi	3360	3610	3410	3660	-50
Latur – Mandi	NA	NA	NA	NA	-
Akola – Mandi	NA	NA	3350	3645	-
Kota-Plant	3800	3850	3800	3850	Unch
Kota – Mandi	3700	3800	3700	3800	Unch
Bundi-Plant	3800	3850	3790	3840	10
Bundi-Mandi	3630	3750	3590	3740	10
Baran-Plant	3770	3820	3800	3850	-30
Baran-Mandi	3580	3630	3600	3650	-20
Bhawani Mandi Jhalawar–Plant	3670	3770	3650	3750	20
Jhalwar-Mandi	3600	3750	3550	3730	20
Rapeseed/Mustard					
Jaipur-(Condition)	4025	4030	3985	3990	40
Alwar-(Condition)	3900	3950	3850	3900	50
Sri Ganganagar-(Non-Condition)	3625	3785	3625	3785	Unch
New Delhi–(Condition)	3910	3920	3870	3880	40
Kota-(Condition)	3650	3700	3550	3600	100
Agra-(Condition)	4000	4048	3976	4024	24
Neewai-(Condition)	3700	3760	3700	3760	Unch
Hapur (UP)-(Condition)	3900	3950	3850	3900	50
Groundnut Seed					
Rajkot	810	1040	880	1027	13
Sunflower Seed					
Gulbarga	NA	NA	3254	3552	-
Latur	NA	NA	0	0	-
Sholapur	NA	NA	0	0	-
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	22-May-19	20-May-19	
Madhya Pradesh	35000	35000	Unch
Maharashtra	55000	60000	-5000
Rajasthan	10000	10000	Unch
Bundi (Raj)	70	30	40
Baran (Raj)	1700	1300	400
Jhalawar (Raj)	2000	1500	500
Rapeseed/Mustard			
Rajasthan	150000	155000	-5000
Alwar	8000	7000	1000
Sri Ganganagar	1000	2000	-1000
Kota	4000	2000	2000
Groundnut Seed			
Rajkot (Gujarat)	1060	1050	10
Sunflower Seed			
Sholapur (Maharashtra)	NA	0	-

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

Oilseeds	22-May-19	20-May-19	Change
Groundnut Kernel	5250	5400	-150
Gr. Bolds 60/70	7150	7150	Unch
Gr. Javas 60/70	8900	8900	Unch
Gr Javas 70/80	8500	8500	Unch
Gr.Javas 80/90	8200	8200	Unch
KardiSeed 2% Exp Qly	4600	4600	Unch
Sesame White 98/2/1 FM	11100	11100	Unch
Whitish 95/5/FFA/1FM	10500	10500	Unch
Brown 48/2 FFA/4 FM	9600	9600	Unch
Brown 48/3 FFA/4 FM	9400	9400	Unch
Brown 48/4 FM/* No FFA Guarantee	9200	9200	Unch
Sunflower Seed	4450	4450	Unch
Niger Seed (4% FM)	5200	5200	Unch

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