

Oilseeds Domestic Fundamentals

- Weak trends are witnessed in Oilseed complex today due to increased supplies and lack of demand from the local crushers and ample stocks are available in the physical markets. NCDEX Soybean and RM seed prices declined due to speculators selling pressure. Hike in MSP, expectation of good sowing area may further put pressure on soybean prices.
- According to the ministry of Agriculture, total area sown under all crops by 8th July 2019 is 23.43 million ha. Against 31.96 million ha. last year Which is less by 8.53 million ha. The total area sown during the entire kharif season is around 106.36 million ha. The short fall is mainly due to the drop-in acreage of pulses and oilseeds. The area of pulses is down by 70% while oilseeds is down by 43%, Cotton is down by 16%, Paddy is down by 24%, while the drop-in area of coarse cereals, which includes maize, jowar, ragi and bajra is around 26.5%. However, this can change soon as the government has announced the higher support price and monsoon is now on upswing.
- As per Mustard Oil Producers Association of India, the estimated mustard output in the country at 8.1million tonnes in 2018-19, up from 7.1million tonnes in the previous year. However, this estimate is lower than the 3rd advanced estimate 8.8million tonnes. Totals mustard arrivals in the month of June 705000 tonnes against 1.15 million tonnes in May month out of which 650000 tonnes of mustard seeds in June has been used for crushing, over 13% lower from the May month.
- Government of India has hiked MSP of soybean by Rs 311 per qtl to Rs 3710 per qtl from Rs 3,399 per qtl.
- According to the state agriculture department of Gujarat, as on July 1st 2019, total Kharif sowing in the state is reported as 28.24 lakh hectares about 33% of the three-year normal acreage of 84.76 lakh hectares. Sowing of groundnut saw a sharp jump of 14.35 lakh hectares covers about 63% to the normal sowing area of the crop. However, Pulses are least preferred although the gave good returns last year because of increased monsoon activity, brightened the groundnut and cotton sowing in the state.
- As per sources, due to delayed monsoon at Madhya Pradesh kharif sowing has been slowed down. According to the Regional agricultural department only 45% sowing has completed in Indore division. Total area covered under Indore division is 22 lakh hectares out of which soybean has planted around 3 lakh hectares against 8.55 lakh hectares previous year and cotton has been planted in 3.42 lakh hectares against 5.21 lakh hectares previous year, however sowing will extend until July 1st week, officials are expecting for improvement in sowing activities.

Oilseeds International Fundamentals

- CBOT Soybean July future contract declined on Friday due to ample stocks availability and improved crop condition.
- As per USDA, the Chinese soybean production estimated for 2019-20 is 16.8 million MT up by 5.7% from 2018-19, due to the increased government subsidies, acreage expansion and slightly higher expected yield. However, China imported 42.4 million MT of soybeans during the first 7 months of 2018-19, down by 8.2 million MT compared to same period last year. Imports are estimated to be down from 84 million MT in 2018-19 to 83 million MT in 2019-20.
- During the week (June 21 -June 27, 2019) US sold 867,600 MT for 2018/2019, were up noticeably from the previous week and from the prior 4-week average. Increases were reported for China (607,300 MT, including 68,000 MT switched from unknown destinations and decreases of 4,900 MT), Mexico (66,600 MT, including decreases of 1,100 MT), the Netherlands (63,900 MT, including 60,000 MT switched from unknown destinations), Malaysia (45,000 MT, including 24,000 MT switched from unknown destinations), and Indonesia (43,900 MT, including decreases of 800 MT). Reductions were reported for unknown destinations (54,000 MT) and Egypt (6,000 MT). For 2019/2020, net sales of 161,500 MT were primarily for Taiwan (86,000 MT) and unknown destinations (66,000 MT). Exports of 791,700 MT were up 9 percent from the previous week and 14 percent from the prior 4-week average. The destinations were primarily to China (396,700 MT), Mexico (88,000 MT), Egypt (69,000 MT), the Netherlands (63,900 MT), and Malaysia (46,100 MT).
- As per USDA annual acreage report on 28th June, farmers planted 80.0Million acres of soybean compared to the march forecasts 84.6 million acres, however analysts are expected 84.4 million acres of soybean due to delay in corn planting farmers had boosted their soybean cultivation

Outlook: Weak trends are witnessed in soybean complex today due to lack demand in the market. The Indore (Plant Delivery) prices are expected to trade in the range of 3570 to 3595 in coming day. Mustard (42%) spot prices are likely to trade in the range of 4000 and 4050 per quintal ahead of a day.

Soybean Future Price									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jul-19	-67	3590	3594	3525	3530	16930	-360	24340	-5960
Aug-19	-57	3628	3636	3567	3575	25680	2510	78170	5930
Sept-19	-51	3646	3646	3595	3600	4570	610	12750	1700
Mustard Future Prices									
Jul-19	-39	3924	3925	3874	3877	12860	1540	33720	-6120
Aug-19	-40	3953	3953	3895	3903	22570	4720	63940	4740
Sept-19	-44	3969	3969	3931	3933	4380	3930	7340	1870
Soybean Basis -70					Mustard Basis-188				
Spread					Spread				
	July-19	Aug-19	Sept-19			July-19	Aug-19	Sept-19	
Jul-19	70				Jul-19	188			
Aug-19		25			Aug-19		162		
Sept-19			0		Sept-19			132	

Soybean Stock Position & Fed:				
Stocks	Demat	In-Process	Total	FED
	06-Jul-19	06-Jul-19	06-Jul-19	01-Jul-19
Akola	16557	0	16557	17005
Indore	2275	0	2275	3598
Kota	784	0	784	783
Sagar	513	0	513	513
Nagpur	20	0	20	20

Rapeseed Stock Position & Fed:				
Stocks	Demat	In-Process	Total	FED
	06-Jul-19	06-Jul-19	06-Jul-19	01-Jul-19
Sri Ganganagar	2788	0	2788	2788
Bharatpur	-	-	-	-
Bikaner	17312	0	17312	17976
Kota	34670	0	34670	35536
Jaipur	3682	0	3682	3812
Alwar	4386	0	4386	4578
Hapur	-	-	-	-

Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	08-Jul-19		06-Jul-19		
	Low	High	Low	High	
Indore –Plant	3530	3600	3580	3650	-50
Indore–Mandi	3400	3450	3400	3500	-50
Nagpur-Plant	3700	3720	3700	3730	-10
Nagpur – Mandi	3310	3590	3210	3540	50
Latur – Mandi	NA	NA	3650	3685	-
Akola – Mandi	3000	3595	2900	3575	20
Kota-Plant	3720	3740	3800	3850	-110
Kota – Mandi	3600	3650	3700	3750	-100
Bundi-Plant	3600	3650	3700	3750	-100
Bundi-Mandi	3500	3550	3600	3650	-100
Baran-Plant	3560	3600	3650	3700	-100
Baran-Mandi	3500	3540	3600	3670	-130
Bhawani Mandi Jhalawar–Plant	3700	3750	3800	3850	-100
Jhalwar-Mandi	3550	3650	3650	3760	-110
Rapeseed/Mustard					
Jaipur-(Condition)	4060	4065	4065	4070	-5
Alwar-(Condition)	3870	3920	3900	3950	-30
Sri Ganganagar-(Non-Condition)	3450	3685	3570	3720	-35
New Delhi–(Condition)	3850	3900	3880	3930	-30
Kota-(Condition)	3400	3500	3480	3580	-80
Agra-(Condition)	3976	4000	4000	4024	-24
Neewai-(Condition)	3700	3750	3750	3800	-50
Hapur (UP)-(Condition)	3850	3875	3875	3900	-25
Groundnut Seed					
Rajkot	850	1040	855	1100	-60
Sunflower Seed					
Gulbarga	NA	NA	3425	3575	-
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	08-Jul-19	06-Jul-19	
Madhya Pradesh	90000	30000	60000
Maharashtra	70000	45000	25000
Rajasthan	8000	8000	Unch
Bundi (Raj)	20	20	Unch
Baran (Raj)	340	700	-360
Jhalawar (Raj)	600	800	-200
Rapeseed/Mustard			
Rajasthan	80000	70000	10000
Alwar	3000	3000	Unch
Sri Ganganagar	800	1200	-400
Kota	2000	1200	800
Groundnut Seed			
Rajkot (Gujarat)	1260	360	900
Sunflower Seed			
Sholapur (Maharashtra)	NA	NA	-

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

Oilseeds	8-Jul-19	6-Jul-19	Change
Groundnut Kernel	5550	5600	-50
Gr. Bolds 60/70	8350	8350	Unch
Gr. Javas 60/70	10100	10100	Unch
Gr Javas 70/80	9700	9700	Unch
Gr.Javas 80/90	9400	9400	Unch
KardiSeed 2% Exp Qly	4850	4850	Unch
Sesame White 98/2/1 FM	11000	11000	Unch
Whitish 95/5/FFA/1FM	10500	10500	Unch
Brown 48/2 FFA/4 FM	9400	9400	Unch
Brown 48/3 FFA/4 FM	9300	9300	Unch
Brown 48/4 FM/* No FFA Guarantee	9000	9000	Unch
Sunflower Seed	4200	4200	Unch
Niger Seed (4% FM)	5300	5300	Unch

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