

Oilseeds Domestic Fundamentals

- Mixed trends are witnessed in Oilseeds complex today due to the mixed sentiments in the market. NCDEX Soybean prices declined due to traders wants to book profits at current level. RM seed prices rose up due to speculators selling pressure. Hike in MSP, expectation of good sowing area may further put pressure on soybean prices.
- According to the trade sources, mills across the country crushed 6.5 lakh MT of mustard seeds in June 2019 which is 13.33 lower than May 2019 crushing of 7.5 lakh MT. Lower crushing is due to lower demand of mustard oil cake and lower arrivals in the domestic mandis. Government of India has hiked MSP of soybean by Rs 311/qt to Rs 3710/qt from Rs 3,399/qt.
- As per sources, India's cotton output is estimated as 36.10 million bales (1 bale=170 kg) for 2019-20 compared to 37 million bales estimated for the previous year. Cotton output in India was impacted last year due to drought in many cotton growing states including Maharashtra, Telangana and Andhra Pradesh. However, this year also due to delayed monsoon, resulted in shifting of kharif crops from cotton to oilseeds due to better price realization and higher MSP. Moreover, cotton is declined by 8% so far and groundnut rose up by 7% so far this season.
- 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.
- 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.

Oilseeds International Fundamentals

- CBOT Soybean July future contract continued rose up Thursday due to declined crop condition.
- As per the sources, Russia completed 2.86 million hectares of soybean planting, 5% up compared to the previous year.
- During the week (June 28th-July 4th, 2019) US sold 132,200 MT for 2018/2019 were down by 84 percent from the previous week and 70 percent from the prior 4-week average. Increases were reported for China (127,800 MT, including 140,000 MT switched from unknown destinations and decreases of 12,200 MT), Indonesia (68,900 MT, including 68,000 MT switched from unknown destinations and decreases of 6,400 MT), the Netherlands (67,900 MT, including 67,000 MT switched from unknown destinations), Germany (63,900 MT), and Japan (52,800 MT, including 26,900 MT switched from unknown destinations and decreases of 1,700 MT). Reductions were reported for unknown destinations (348,700 MT). For 2019/2020, net sales of 129,500 MT were reported for unknown destinations (74,500 MT), Taiwan (38,000 MT), Japan (15,000 MT), and Indonesia (2,000 MT). Exports of 692,400 MT were down 5 percent from the previous week and 6 percent from the prior 4-week average. The destinations were primarily to China (181,600 MT), Japan (97,800 MT), the Netherlands (87,400 MT), Indonesia (79,700 MT), and Mexico (65,100 MT).
- As per USDA, US completed 96% of soybean planting against 88% last week out of which, 90% crop is emerged 53% of the crop condition is good to excellent, 10% is at blooming stage, 32% of the crop is average. However, annual acreage report on 28th June, farmers planted 80.0 Million 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.
- 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.

Outlook: Mixed trends are witnessed in soybean complex today due mixed sentiments in the market. The Indore (Plant Delivery) prices are expected to trade in the range of 3540 to 3580 in coming day. Mustard (42%) spot prices are likely to trade in the range of 4040 and 4070 per quintal ahead of a day.

Soybean Future Price									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jul-19	11	3518	3543	3509	3540	3600	-1830	10760	-1340
Aug-19	21	3580	3606	3578	3601	14150	-4960	71200	-1970
Sept-19	16	3605	3618	3592	3611	2130	-1210	14820	670
Mustard Future Prices									
Jul-19	20	3874	3894	3874	3890	13170	-2840	8240	-7350
Aug-19	19	3905	3928	3905	3925	21110	490	77690	4560
Sept-19	13	3961	3967	3955	3963	1880	250	13050	550
Soybean Basis -40					Mustard Basis-185				
Spread					Spread				
	July-19	Aug-19	Sept-19			July-19	Aug-19	Sept-19	
Jul-19	40				Jul-19	185			
Aug-19		-21			Aug-19		150		
Sept-19			-31		Sept-19			112	

Soybean Stock Position & Fed:				
Stocks	Demat	In-Process	Total	FED
	10-Jul-19	10-Jul-19	10-Jul-19	08-Jul-19
Akola	14830	0	15962	16141
Indore	2275	0	2275	2275
Kota	40	0	40	783
Sagar	513	0	513	513
Nagpur	20	0	20	20

Rapeseed Stock Position & Fed:				
Stocks	Demat	In-Process	Total	FED
	10-Jul-19	10-Jul-19	10-Jul-19	08-Jul-19
Sri Ganganagar	2081	0	2081	2283
Bharatpur	-	-	-	-
Bikaner	17110	0	17110	17240
Kota	33163	0	33163	34670
Jaipur	3602	0	3602	3682
Alwar	4886	0	4886	4386
Hapur	-	-	-	-

Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	11-Jul-19		10-Jul-19		
	Low	High	Low	High	
Indore –Plant	3550	3580	3550	3600	-20
Indore–Mandi	3350	3500	3450	3550	-50
Nagpur-Plant	3630	3670	3620	3650	20
Nagpur – Mandi	3400	3600	3300	3600	Unch
Latur – Mandi	3450	3630	3490	3625	5
Akola – Mandi	3300	3500	3200	3590	-90
Kota-Plant	3550	3600	3550	3600	Unch
Kota – Mandi	3550	3575	3500	3550	25
Bundi-Plant	3500	3550	3500	3550	Unch
Bundi-Mandi	3350	3500	3350	3500	Unch
Baran-Plant	3500	3550	3450	3500	50
Baran-Mandi	3450	3475	3400	3450	25
Bhawani Mandi Jhalawar–Plant	3550	3600	3550	3600	Unch
Jhalwar-Mandi	3500	3550	3450	3500	50
Rapeseed/Mustard					
Jaipur-(Condition)	4070	4075	4060	4065	10
Alwar-(Condition)	3850	3925	3900	3950	-25
Sri Ganganagar-(Non-Condition)	3600	3775	3650	3800	-25
New Delhi–(Condition)	3900	3925	3900	3925	Unch
Kota-(Condition)	3500	3550	3550	3575	-25
Agra-(Condition)	4048	4071	4048	4071	Unch
Neewai-(Condition)	3700	3760	3700	3750	10
Hapur (UP)-(Condition)	3900	3925	3900	3925	Unch
Groundnut Seed					
Rajkot	935	1030	925	1025	5
Sunflower Seed					
Gulbarga	NA	NA	3250	3500	-
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	11-Jul-19	10-Jul-19	
Madhya Pradesh	65000	90000	-25000
Maharashtra	60000	60000	Unch
Rajasthan	10000	8000	2000
Bundi (Raj)	10	10	Unch
Baran (Raj)	170	200	-30
Jhalawar (Raj)	1500	1850	-350
Rapeseed/Mustard			
Rajasthan	70000	70000	Unch
Alwar	1000	4000	-3000
Sri Ganganagar	900	1200	-300
Kota	1000	1500	-500
Groundnut Seed			
Rajkot (Gujarat)	190	450	-260
Sunflower Seed			
Sholapur (Maharashtra)	NA	NA	-

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

Oilseeds	11-Jul-19	10-Jul-19	Change
Groundnut Kernel	5400	5550	-150
Gr. Bolds 60/70	8450	8350	100
Gr. Javas 60/70	10200	10100	100
Gr Javas 70/80	9800	9700	100
Gr.Javas 80/90	9500	9400	100
KardiSeed 2% Exp Qly	5000	5000	Unch
Sesame White 98/2/1 FM	10900	10900	Unch
Whitish 95/5/FFA/1FM	10500	10500	Unch
Brown 48/2 FFA/4 FM	9800	9800	Unch
Brown 48/3 FFA/4 FM	9500	9500	Unch
Brown 48/4 FM/* No FFA Guarantee	9200	9200	Unch
Sunflower Seed	4300	4300	Unch
Niger Seed (4% FM)	5600	5600	Unch

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