

Oilseeds Domestic Fundamentals

- Mostly firm trends are witnessed in Oilseeds complex today due to decreased global Oilseeds production estimates, increased the demand from local crushers and south based traders. NCDEX Soybean and RM seed prices rose up due to traders started holding the stocks in expectation of rise in prices. Decreased global Oilseeds production estimates by USDA, may further rises the price in near future.
- 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 e up Thursday due to declined crop condition.
- As per WASDE latest report, Global Oilseed production is estimated at 586.0 million tons, down by 11.7 million tonnes which is mostly on lower soybean production for the United States. Soybean production is also reduced for Canada and Ukraine. Rapeseed production is reduced for the EU, Australia, and Canada. Hot, dry weather during June has reduced yield prospects for the EU. Production is reduced for both Australia and Canada on lower harvested area. Other production changes include lower sunflower seed production for Russia, higher cottonseed production for India, and lower peanut production for the United States. Global oilseed exports for 2019/20 are projected at 175.0 million tons, down slightly from last month. Lower soybean exports for the United States are offset with increases for Brazil, Argentina, and Uruguay. Global oilseed ending stocks for 2019/20 are reduced 10.7 million tons to 119.5 million, mainly on lower soybean stocks for the United States, Argentina, and Brazil.
- As per WASDE latest report, US Soybean production for 2019/20 is projected at 3.845 billion bushels, which is down by 305 million bushels based on lower planted and harvested area in the June 28 Acreage report and on lower projected yields. Harvested area, forecast at 79.3 million acres, which is down by 4.5 million from last month.
- 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).

Outlook: Firm trends are witnessed in soybean complex today due increased demand in the market. The Indore (Plant Delivery) prices are expected to trade in the range of 3610 to 3650 in coming day. Mustard (42%) spot prices are likely to trade in the range of 4080 and 4100 per quintal ahead of a day.

Soybean Future Price									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jul-19	63	3580	3605	3531	3609	3010	-590	8920	-1840
Aug-19	59	3609	3679	3595	3657	24600	10450	67430	-3770
Sept-19	58	3616	3688	3611	3670	6460	4330	14990	170
Mustard Future Prices									
Jul-19	4	3900	3911	3884	3890	7330	-5840	5350	-2890
Aug-19	8	3928	3950	3913	3933	20810	-300	79410	1720
Sept-19	8	3963	3980	3955	3970	1580	-300	13270	220
Soybean Basis - 1					Mustard Basis-195				
Spread					Spread				
	July-19	Aug-19	Sept-19			July-19	Aug-19	Sept-19	
Jul-19	1				Jul-19	195			
Aug-19		-47			Aug-19		152		
Sept-19			-60		Sept-19			115	

Soybean Stock Position & Fed:				
Stocks	Demat	In-Process	Total	FED
	11-Jul-19	11-Jul-19	11-Jul-19	08-Jul-19
Akola	14091	0	14091	16141
Indore	2275	0	2275	2275
Kota	0	40	40	783
Sagar	201	0	201	513
Nagpur	20	0	20	20

Rapeseed Stock Position & Fed:				
Stocks	Demat	In-Process	Total	FED
	11-Jul-19	11-Jul-19	11-Jul-19	08-Jul-19
Sri Ganganagar	2081	0	2081	2283
Bharatpur	-	-	-	-
Bikaner	17039	0	17039	17240
Kota	33163	0	33163	34670
Jaipur	3023	0	3023	3682
Alwar	4376	0	4376	4386
Hapur	-	-	-	-

Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	12-Jul-19		11-Jul-19		
	Low	High	Low	High	
Indore –Plant	3580	3610	3550	3580	30
Indore–Mandi	3400	3550	3350	3500	50
Nagpur-Plant	3630	3670	3630	3670	Unch
Nagpur – Mandi	3210	3460	3400	3600	-140
Latur – Mandi	Closed	Closed	3450	3630	-
Akola – Mandi	Closed	Closed	3300	3500	-
Kota-Plant	3570	3625	3550	3600	25
Kota – Mandi	3575	3600	3550	3575	25
Bundi-Plant	3520	3580	3500	3550	30
Bundi-Mandi	3400	3550	3350	3500	50
Baran-Plant	3530	3570	3500	3550	20
Baran-Mandi	3475	3500	3450	3475	25
Bhawani Mandi Jhalawar–Plant	3600	3650	3550	3600	50
Jhalwar-Mandi	3550	3600	3500	3550	50
Rapeseed/Mustard					
Jaipur-(Condition)	4080	4085	4070	4075	10
Alwar-(Condition)	3900	3950	3850	3925	25
Sri Ganganagar-(Non-Condition)	3600	3800	3600	3775	25
New Delhi–(Condition)	3925	3950	3900	3925	25
Kota-(Condition)	3530	3570	3500	3550	20
Agra-(Condition)	4062	4086	4048	4071	14
Neewai-(Condition)	3740	3800	3700	3760	40
Hapur (UP)-(Condition)	3900	3925	3900	3925	Unch
Groundnut Seed					
Rajkot	930	1030	935	1030	Unch
Sunflower Seed					
Gulbarga	NA	NA	NA	NA	-
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	12-Jul-19	11-Jul-19	
Madhya Pradesh	70000	65000	5000
Maharashtra	50000	60000	-10000
Rajasthan	8000	10000	-2000
Bundi (Raj)	35	10	25
Baran (Raj)	500	170	330
Jhalawar (Raj)	1200	1500	-300
Rapeseed/Mustard			
Rajasthan	70000	70000	Unch
Alwar	2000	1000	1000
Sri Ganganagar	1000	900	100
Kota	500	1000	-500
Groundnut Seed			
Rajkot (Gujarat)	200	190	10
Sunflower Seed			
Sholapur (Maharashtra)	NA	NA	-

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

Oilseeds	12-Jul-19	11-Jul-19	Change
Groundnut Kernel	5400	5400	Unch
Gr. Bolds 60/70	8450	8450	Unch
Gr. Javas 60/70	10200	10200	Unch
Gr Javas 70/80	9800	9800	Unch
Gr.Javas 80/90	9500	9500	Unch
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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