

Oilseeds Domestic Fundamental

- Steady to firm trends are witnessed in Soybean complex on Thursday on firm demand locally. RM seeds showed weak trends due to poor demand. NCDEX soybean and RM seed futures rose up sharply from the beginning and ended at higher side.
- As per state agriculture department of Gujarat, groundnut yield is likely to increase up to 1800kg/ha due to good rainfall compared to last year 1085kg/ha due to scanty rains. Sowing and rainfall pattern of 2019-20 is similar to 2016-17 and 2017-18, the estimated production could reach 28-30 lakh tonnes in the current year with favourable weather conditions. Higher prices at the end of the season last year and government procurement at the MSP promoted more farmers to cultivate groundnut this year.
- As per the sources, India's soybean output is seen rising this year, on increase in acreage and copious rains in the key growing regions of Madhya Pradesh, Rajasthan. Soybean production will be higher this year and we expect it to be at least around 14 million tonnes. Farmers in MP and Rajasthan have planted more area while the area has shrunk in Maharashtra. However, last week, SOPA maintained that there was no widespread or excessive damage to the crop from excess rains. The harvesting of the early maturing varieties will begin by September 20-25 and full-scale harvesting will be from October 15.
- As per USDA recent release estimates, soybean production for marketing year 2019/20 (Oct.-Sept.) is revised lower to 10.5 million metric tons (MMT) on 11.2 million hectares. The national average yield will settle below last year's level due to concerns over prevailing weather conditions. During the period of heavy rainfall in the second week of August, short-duration cultivars were in their reproductive stage (full flowering and pod development) and susceptible to both biotic and abiotic stress. Late planted and long-duration soybean cultivars may benefit from recent heavy rainfall activity, if excessive rains do not continue. The proportion of late-planted soybeans may be slightly higher than usual due to the late monsoon and extended planting window through July.
- As per USDA, the latest planting report indicates that kharif groundnut were planted on 3.5 million hectares compared to 3.6 million hectares planted last season. Post estimates that both winter and summer planting of groundnuts will likely be normal. During the current season, an additional 85,000 hectares came from Gujarat, Maharashtra, Tamil Nadu, and Madhya Pradesh, but 42 percent of the net decline reported from Andhra Pradesh, Karnataka, Rajasthan, Odisha, and other states.

Oilseeds International Fundamentals

- CBOT Soybean future closed at lower side on Wednesday due to declined export sales.
- As per USDA, During the week (Aug 30 -sept-5th, 2019) Net sales of US for the 2019/2020 marketing year, which began September 1, totaled 1,172,200 MT. Increases were reported for Mexico (644,300 MT, including decreases of 1,800 MT), unknown destinations (150,000 MT), Thailand (84,900 MT), South Korea (58,200 MT, including 63,000 MT switched from unknown destinations and decreases of 5,000 MT), and the Netherlands (56,400 MT, including 60,000 MT switched from unknown destinations and decreases of 3,600 MT). Reductions were primarily for Canada (20,000 MT). A total of 1,934,300 MT in sales were carried over from the 2018/2019 marketing year, which ended August 31. Exports for the period ending August 31 of 581,800 MT brought accumulated exports to 46,770,300 MT, down 17 percent from the prior year's total of 56,350,000 MT. The primary destinations were China (341,100 MT, including 68,200 MT late reporting), Egypt (64,300 MT), Saudi Arabia (53,400 MT), Spain (51,100 MT), and Japan (27,400 MT). Exports for September 1-5 totaled 476,000 MT, with China (206,000 MT), South Korea (60,200 MT), the Netherlands (56,400 MT), Mexico (48,800 MT), and Italy (21,200 MT) being the primary destinations.
- As per the sources, EU's production down by almost 3 million tonnes and industrial demand remaining robust despite the lower availabilities, EU imports will reach a record level of 6.1 million tonnes this year, with record flows from Ukraine and Canada.
- As per the latest update from USDA, China soybean production is estimated at 17.1 MMT on higher-than-expected area. Most industry sources forecast the crop at 17 MMT or above. Encouraged by subsidies favoring soybean production, farmers have increased planted area; the subsidy has been particularly effective in Northeast provinces. Weather has been favorable as slightly higher yields are expected.
- Soybean imports for 2019/20 (Oct. to Sep.) are forecast to be the lowest in five years; significant declines in swine inventories have lowered feed demand and domestic crush margins. Although FAS Beijing projects demand falling year-over-year, some Chinese sources believe imports will be higher in 2019/20. From October 2018 to July 2019, imports were down over fifteen percent from the previous year, and the quantity of U.S. soybeans was less than a quarter of the previous years level.
- As per the sources, Ukraine has exported 1.8 million tonnes of oilseeds since the start of the current MY 2019-20 against 1.2 million tonnes of oilseeds over the same period of the last marketing year.
- As per Commodity brokerage INTL FC Stone late Wednesday raised its forecast of the US 2019 soybean yield to 48.3 bushels per acre, from its Aug. 1 figure of 47.2. The US soybean production at 3.661 billion bushels, down from 3.743 billion previously, reflecting a smaller harvested acreage figure from last month.
- As per the sources, China's customs said on Thursday that it has allowed imports of soybean meal, rapeseed meal, sunflower meal and sugar beet pulp from Russia. Exporters of these animal feed ingredients must be inspected and approved by Russian authorities and also registered with the Chinese regulator. The trade move came after China approved more soybean, wheat and barley imports from Russia, as a festering Sino-U.S. trade war curbed American agricultural shipments.
- Outlook:** The Indore (Plant Delivery) prices are expected to trade in the range of 3800 to 3850 in coming day. Mustard (42%) spot prices are likely to trade in the range of 4180 and 4210 per quintal ahead of a day.

| Soybean Future Price | | | | | | | | | |
|-----------------------|--------|--------|--------|------|-------------------|--------|--------|--------|--------|
| Contract | +/- | Open | High | Low | Close | Volume | Change | OI | Change |
| Sept-19 | 43 | 3869 | 3951 | 3838 | 3880 | 3320 | -12300 | 6190 | -620 |
| Oct-19 | 18 | 3703 | 3738 | 3698 | 3709 | 30080 | -7390 | 46420 | -10 |
| Nov-19 | 16 | 3630 | 3674 | 3630 | 3640 | 12240 | -8930 | 37560 | 2530 |
| Mustard Future Prices | | | | | | | | | |
| Sept-19 | 43 | 3897 | 3925 | 3897 | 3925 | 1040 | -21880 | 6080 | -1530 |
| Oct-19 | 14 | 3970 | 4000 | 3961 | 3983 | 14190 | -7140 | 64910 | -290 |
| Nov-19 | 18 | 4014 | 4048 | 4007 | 4032 | 2560 | -4340 | 24330 | 1560 |
| Soybean Basis - -12 | | | | | Mustard Basis-304 | | | | |
| Spread | | | | | Spread | | | | |
| | Sep-19 | Oct-19 | Nov-19 | | | Sep-19 | Oct-19 | Nov-19 | |
| Sept-19 | -30 | | | | Sept-19 | 260 | | | |
| Oct-19 | | 141 | | | Oct-19 | | 202 | | |
| Nov-19 | | | 210 | | Nov-19 | | | 153 | |

Soybean Stock Position & Fed:

| Stocks | Demat | In-Process | Total | FED |
|--------|------------|------------|------------|-----------|
| | 11-Sept-19 | 11-Sept-19 | 11-Sept-19 | 9-Sept-19 |
| Akola | 465 | 0 | 465 | 455 |
| Indore | 40 | 0 | 40 | 40 |
| Kota | 211 | 50 | 261 | 10 |
| Sagar | - | 0 | - | - |
| Nagpur | - | - | - | - |

Rapeseed Stock Position & Fed:

| Stocks | Demat | In-Process | Total | FED |
|----------------|------------|------------|------------|-----------|
| | 11-Sept-19 | 11-Sept-19 | 11-Sept-19 | 9-Sept-19 |
| Sri Ganganagar | 993 | 0 | 993 | 1214 |
| Bharatpur | - | - | - | - |
| Bikaner | 7907 | 0 | 7907 | 7907 |
| Kota | 15484 | 0 | 15484 | 17839 |
| Jaipur | 973 | 0 | 973 | 994 |
| Alwar | 1439 | 0 | 1439 | 1764 |
| Hapur | - | - | - | - |

Oilseed Prices at Key Spot Markets:

| Commodity / Centre | Prices (Rs/Qtl) | | | | Change |
|---|-----------------|--------|-----------|------|--------|
| Soybean | 12-Sep-19 | | 11-Sep-19 | | |
| | Low | High | Low | High | |
| Indore –Plant | 3825 | 3850 | 3800 | 3825 | 25 |
| Indore–Mandi | 3700 | 3800 | 3675 | 3775 | 25 |
| Nagpur-Plant | 3790 | 3825 | 3790 | 3825 | Unch |
| Nagpur – Mandi | Closed | Closed | 3380 | 3680 | - |
| Latur – Mandi | Closed | Closed | 3680 | 3775 | - |
| Akola – Mandi | Closed | Closed | 3450 | 3630 | - |
| Kota-Plant | 3825 | 3875 | 3800 | 3850 | 25 |
| Kota – Mandi | Closed | Closed | 3700 | 3750 | - |
| Bundi-Plant | 3770 | 3820 | 3750 | 3800 | 20 |
| Bundi-Mandi | Closed | Closed | 3650 | 3700 | - |
| Baran-Plant | 3680 | 3760 | 3640 | 3730 | 30 |
| Baran-Mandi | Closed | Closed | 3600 | 3650 | - |
| Bhawani Mandi Jhalawar–Plant | 3675 | 3800 | 3650 | 3770 | 30 |
| Jhalwar-Mandi | Closed | Closed | 3600 | 3750 | - |
| Rapeseed/Mustard | | | | | |
| Jaipur-(Condition) | 4180 | 4185 | 4185 | 4190 | -5 |
| Alwar-(Condition) | 3850 | 3900 | 3900 | 3950 | -50 |
| Sri Ganganagar-(Non-Condition) | 3725 | 3850 | 3750 | 3875 | -25 |
| New Delhi–(Condition) | 3970 | 3975 | 3970 | 3975 | Unch |
| Kota-(Condition) | Closed | Closed | 3625 | 3725 | - |
| Agra-(Condition) | 4167 | 4190 | 4167 | 4190 | Unch |
| Neewai-(Condition) | 3700 | 3800 | 3700 | 3800 | Unch |
| Hapur (UP)-(Condition) | 3925 | 3975 | 3925 | 3975 | Unch |
| Groundnut Seed | | | | | |
| Rajkot | 860 | 988 | 850 | 982 | 6 |
| Sunflower Seed | | | | | |
| Gulbarga | Closed | Closed | 3476 | 3675 | - |
| Latur | Closed | Closed | NA | NA | - |
| Sholapur | Closed | Closed | 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-Sep-19 | 11-Sep-19 | |
| Madhya Pradesh | 15000 | 15000 | Unch |
| Maharashtra | 20000 | 20000 | Unch |
| Rajasthan | 5000 | 5000 | Unch |
| Bundi (Raj) | Closed | 6 | - |
| Baran (Raj) | Closed | 300 | - |
| Jhalawar (Raj) | Closed | 700 | - |
| Rapeseed/Mustard | | | |
| Rajasthan | 65000 | 70000 | -5000 |
| Alwar | 1000 | 2000 | -1000 |
| Sri Ganganagar | 1200 | 600 | 600 |
| Kota | Closed | 200 | - |
| Groundnut Seed | | | |
| Rajkot (Gujarat) | 50 | 135 | -85 |
| Sunflower Seed | | | |
| Sholapur (Maharashtra) | Closed | NA | - |

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

| Oilseeds | 12-Sep-19 | 11-Sep-19 | Change |
|----------------------------------|-----------|-----------|--------|
| Groundnut Kernel | Closed | 5300 | - |
| Gr. Bolds 60/70 | Closed | 8450 | - |
| Gr. Javas 60/70 | Closed | 10400 | - |
| Gr Javas 70/80 | Closed | 10000 | - |
| Gr.Javas 80/90 | Closed | 9700 | - |
| KardiSeed 2% Exp Qly | Closed | 5000 | - |
| Sesame White 98/2/1 FM | Closed | 10200 | - |
| Whitish 95/5/FFA/1FM | Closed | 10000 | - |
| Brown 48/2 FFA/4 FM | Closed | 9400 | - |
| Brown 48/3 FFA/4 FM | Closed | 9100 | - |
| Brown 48/4 FM/* No FFA Guarantee | Closed | 8800 | - |
| Sunflower Seed | Closed | 3800 | - |
| Niger Seed (4% FM) | Closed | 5600 | - |

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