

Oilseeds Weekly Research Report

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Executive Summary

Mostly firms' trends are witnessed in Oilseeds complex during this week supported by good demand despite higher pace of arrivals at major trading centers. Buyers and sellers are actively participating in the market supported by dry weather conditions in this week. In Soybean complex, stockiest are more active in expectation of further price hike. Soybean crops harvesting is almost finished in India. The quality of Soybean seeds has improved now and reporting almost 80% of good quality beans arrivals in mandis. Mustard seed prices rose amid good demand of regular buyers ahead of less crop availabilities. NAFED procurement process of Soybean and lower crop estimates of this season may support Soybean prices to rise in long run. NCDEX future prices of Soybean and Mustard declined on profit booking phase of the market. CBOT prices settled lower this weekend because of uncertainty for trade deal in U.S. and China.

As per IMD, an active Western Disturbance and its interaction with remnant of Very severe Cyclonic Storm "MAHA" caused largely excess rainfall over most of the sub- divisions of northwest India, in result, rainfall was 849% above Long period Average (LPA) over northwest India during last week (07 to 13 November, 2019). In coming week (14 to 20 November 2019), Cumulatively, above normal rainfall very likely over Jammu & Kashmir, Himachal Pradesh, Punjab and West Rajasthan; normal over Uttarakhand & Arunachal Pradesh; below normal rainfall likely over south Peninsular India and Andaman & Nicobar Islands and no weather over remaining parts of the country. Recent rainfall has damaged highly Kharif crops of India.

Rabi crop sowing has been started now in India. As per recent released data of Ministry, the total area under Oilseeds is reported lower by 1.2 lakh hac. to 46.12 lakh hectares as on 15th Nov. 2019 against 47.36 lakh hectares in the previous year in the corresponding period of time. There is a drop-in sowing of Mustard seed to 43.09 lakh hectares lower by 0.9 lakh hac. against 44.02 lakh hectares in last year. Total covering area of groundnut stood at 1.40 lakh hectares higher against 1.20 lakh hectares in last year. Safflower has been planted on 0.13 lakh hectares slightly higher against 0.14 lakh hectares in last year. Sunflower has been planted on 0.50 lakh hectares lower against 0.57 lakh hectares last year. Sesame has been planted on 0.18 lakh hectares higher against 0.1 lakh hectares last year. Linseed has been planted on 0.71 lakh ha against 1.25 lakh ha last year.

As per sources, total 10,713.40 hectares of soybean area has been damaged in Nagpur region on account of heavy rainfall in October month. At many places, farmers had harvested soybean crop and had spread the same in the open for drying up. However, untimely rains soaked the harvested crop and the soybean has started rotting. The soybean still in the field has developed sprouts. Excess rainfall has damaged total 54.22 lakh hectares in Maharashtra. Soybean crops have damaged widely in Madhya Pradesh and Maharashtra. In Madhya Pradesh, it has been reported that kharif crops have been damaged on about 60 lakh hectares. Similarly, in Maharashtra, standing crops have been damaged on over 13 lakh hectares. In Karnataka, crops have been affected on over 9 lakh hectares.

Soybean complex may trade in steady to higher side on lower crop estimates in coming days. RM Seed prices may increase amid good demand against less supplies.

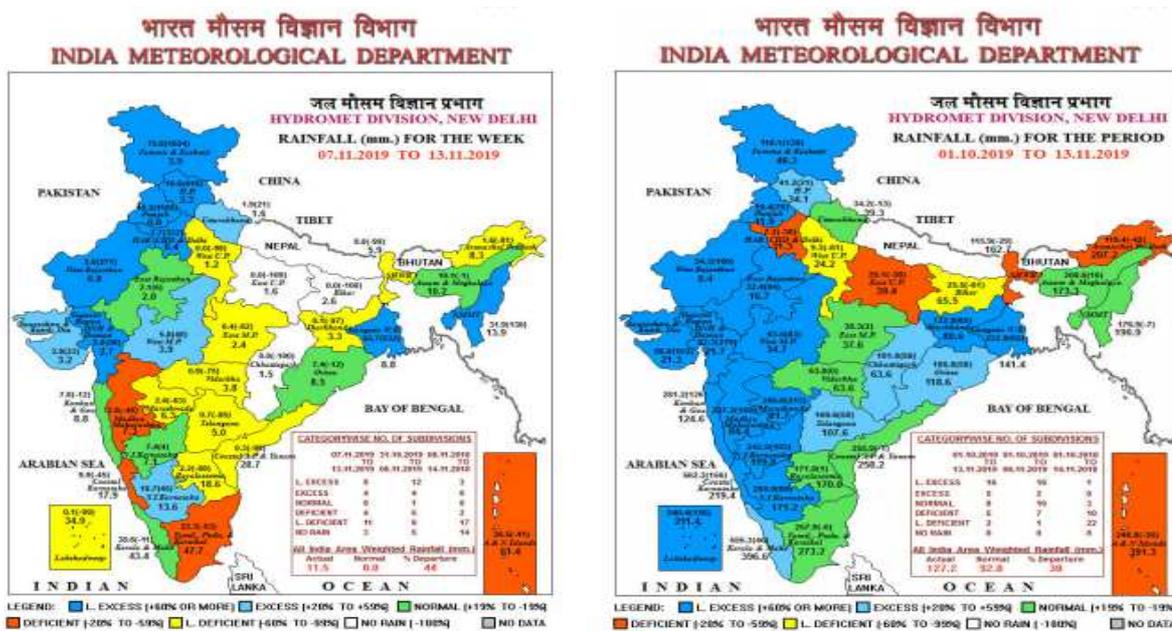
Outlook – Cash Market

Outlook-Soybean (Spot, Indore): Soybean Indore plant prices are remained on higher side on lower crop estimates of this season. Prices may increase in expectation of less supplies in coming week. Prices are likely to trade in the range of 3910 to 4080 in next week. The market sentiments are now depending on the stocks to be carried over to the next marketing year, buyers demand & weather condition and Kharif crop size estimates and Nafed's procurement.

Outlook –Soy meal (Spot, Indore): Soymeal prices closed lower side due to less demand. Prices may trade steady to weak tone in the coming days in expectation of dull demand of exporters. Prices are also being driven by domestic soybean prices and global market's outlook and may trade between Rs.31500 to 32000/MT in Indore market. Exporters are less active in the market.

Outlook-Rapeseed-Mustard (Spot, Jaipur basis) Mustard seed prices at Jaipur market increased on less supplies. Prices may trade in steady to firm tone in coming week on good local demand against less supplies. Prices are likely to trade in the range of 4400 to 4500 in next week. Nafed is likely to start disposal of Mustard seed soon which may weigh on prices. NCDEX future prices of RM Seed may decline as sellers may be more active on higher levels.

Weekly Weather Report



Seasonal Rainfall Scenario (01 October to 13 November, 2019) For the country as a whole, cumulative rainfall during this year's post- monsoon season up to 13 November, 2019 is above LPA by 38%. Details of the rainfall distribution over the four broad geographical regions of India are given below:

Weekly Rainfall Scenario (07 to 13 November, 2019)

| Regions | Actual Rainfall (MM) | Normal Rainfall (MM) | % Departure from LPA |
|-----------------------------------|----------------------|----------------------|----------------------|
| Country as a whole | 127.2 | 92.0 | 38% |
| Northwest India | 43.5 | 27.2 | 60% |
| Central India | 118.2 | 61.4 | 93% |
| South Peninsula | 261.4 | 204.3 | 28% |
| East & Northwest India | 142.1 | 143.0 | -01% |

Weekly rainfall Scenario (01 October to 13 November, 2019)

| Regions | Actual Rainfall (MM) | Normal Rainfall (MM) | % Departure from LPA |
|-----------------------------------|----------------------|----------------------|----------------------|
| Country as a whole | 11.5 | 8.0 | 44% |
| Northwest India | 19.0 | 2.0 | 849% |
| Central India | 3.6 | 4.5 | -20% |
| South Peninsula | 11.7 | 23.3 | -50% |
| East & Northwest India | 13.5 | 7.6 | 78% |

Source: IMD

Rabi Oilseed Sowing Status

| Rabi Oilseeds Sowing as on 15.11.2019 (In lakh Hectare) | | | | | | |
|---|-------------|------------------------|-------|-------|----------------|-------------------------|
| | Normal Area | Normal area as on date | 2019 | 2018 | Change (Y-o-Y) | % change of normal area |
| Rapeseed & Mustard | 60.48 | 46.94 | 43.09 | 44.02 | -3.9 | -0.9 |
| Groundnut | 7.76 | 1.76 | 1.40 | 1.20 | -0.4 | 0.2 |
| Safflower | 1.41 | 0.39 | 0.13 | 0.14 | -0.3 | 0.0 |
| Sunflower | 2.92 | 1.29 | 0.50 | 0.57 | -0.8 | -0.1 |
| Sesamum | 3.12 | 0.18 | 0.10 | 0.0 | 0.0 | 0.1 |
| Linseed | 2.99 | 1.34 | 0.71 | 1.25 | -0.6 | -0.5 |
| Others | 0.14 | 0.13 | 0.11 | 0.09 | 0.0 | 0.0 |
| Total-Oilseeds (Nine) | 78.82 | 52.00 | 46.12 | 47.36 | -5.9 | -1.2 |

Soybean

Domestic Market

Soybean prices rose at most of trading centers during this week on good demand of retailers, stockiest and traders. Arrivals are likely to increase further in market as farmers may bring new crops in full pace due to higher prevailing prices. Soybean prices may trade in steady to firm tone in expectation of good demand. Nafed's procurement activity and lower crop estimates of this season may support prices to rise.

As on 14th Nov.2019, Nafed has procured total 581 MT of Soybean from various trading centers of Telangana farmers. Total 4515 MT has been procured so far from 2607 farmers. The State government has requested the Centre to increase the quantity of procurement of the Soybean crop produced in Telangana than the approved quota since the market price has been ruling below the minimum support price of ₹3,710 per quintal. Centre has agreed to procure 58,608 tonnes about 30.2% of the estimated production, of Soybean.

Crop harvesting is almost completed. Continuous heavy rainfall received during monsoon season has severely damaged the crop in Rajasthan and Madhya Pradesh. Incidence of sucking pest and yellow mosaic virus has been observed in the field. Overall crop condition is below normal and yield is expected to be below normal. As per traders, total 20 to 25% soybeans are damaged in MP state majorly in the districts of Ratlam, Mandsaur and Neemuch. Madhya Pradesh received 38% more rainfall than the average since the start of four-month long monsoon season on June 1. Traders expect Soybean production in India at 85 lakh tonnes for 2019/20 due to heavy crop loss in MP& Rajasthan.

As per SOPA recent released data, Soybean arrivals is registered at 12 lakh tonnes in October month lower from 21 lakh tonnes in last year in same month and also lower of 4 years record due to less supplies. India has shipped total 0.20 lakh tonnes in Oct month less than 0.24 lakh tonnes in last year. Planters, Traders and Farmers held 75.64 lakh tonnes of Soybean stocks so far of this season. India has Crushed total 6.50 lakh tonnes in Oct 2019 lower from 9.50 lakh tonnes in previous year during the same month. India may produce total 89.84 lakh tonnes in 2019/20 season. SOPA expects carry over stock from last year at 1.70 lakh tonnes and

1.54 lakh tonnes for carry forward in next year. Imports of India is likely to stand at 3 lakh tonnes. Retained for sowing will be at 12 lakh tonnes while direct consumption is estimated at 2 lakh tonnes. Exports for 2019/20 may record at 1.50 lakh tonnes and crushing is estimated at 77.50 lakh tonnes. Soymeal production of the country is likely to stand at 62.78 lakh tonnes. Carry over stock of Soymeal is estimated at 1.59 lakh tonnes and 1.37 lakh tons of carry forward stocks. While export sea and land may stand at 10 lakh tonnes. Domestic consumption of Soymeal (Food) is estimated at 5.50 lakh tonnes and 47.50 lakh tonnes for Feed. In October month, India has exported total 0.50 lakh tonnes of Soymeal lower against 1.31 in Oct 2018 on lower overseas demand.

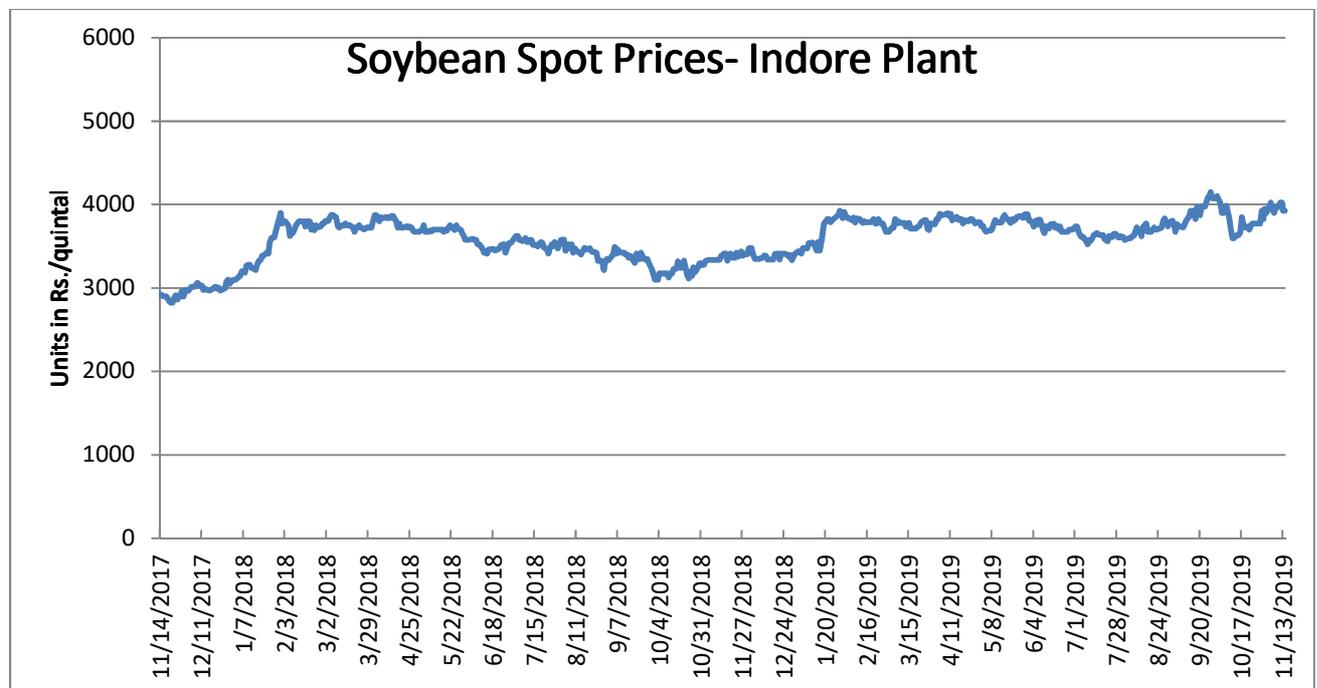
As per recent updates of SOPA, India may harvest 17.7 per cent lower Soybean crop at 89.9 lakh tonnes in 2019 against 109.3 lakh tonnes in 2018. The major Soybean producing states like Gujarat, Karnataka, Madhya Pradesh may harvest lower Soya crop by 30 per cent to 0.86 lakh tonnes, 7.1 per cent to 2.69 lakh tonnes, 31.1 per cent to 40.10 lakh tonnes respectively against last year record.

As per ministry report, All India sowing of soybean stood at 114.24 lakh hectares compared to 113.10 lakh hectares as on 04.10.2019. Sowing of soybean is higher in Madhya Pradesh at 55.16 lakh tonnes against 53.18 lakh tonnes in last year and Rajasthan at 10.61 lakh tonnes compared to 10.46 lakh tonnes in previous year.

As per the First Advance crop estimates 2019-20 of Ministry of Agriculture, Soybean production is estimated at 135.05 lakh tonnes as compared to 137.86 lakh tonnes in 2018-19.

The Ministry of Agriculture has fixed higher Minimum Support Price of Soybean (Yellow) at Rs 3710 per quintal for 2019-20 an increase of Rs 311 from Rs. 3399 per quintal in 2018-19.

The domestic soybean prices are likely to trade in steady to firm tone in coming days.



International Market

CBOT Soybean future closed down after uncertainty for trade deal between U.S. and China. In this week, Chinese commercial crushers have bought up to seven cargoes of American soybeans for December and January shipment on account of competitive US prices against South American prices and good crush margins in China. The deals were made even as up to 2 million tonnes of American cargoes were waiting to offload at ports in China as its stockpiler looked for storage room.

During the week (Nov 1-7) US sold 31% percent lower Soybean to 1,253,000 MT for 2019/20 compared to the previous week and however higher by 41 percent from the prior 4-week average. Increases primarily for China (760,500 MT, including 136,000 MT switched from unknown destinations), unknown destinations (129,200 MT), Egypt (115,300 MT, including 110,000 MT switched from unknown destinations), Germany (56,900 MT), and Spain (54,100 MT, including 50,000 MT switched from unknown destinations), were offset by reductions for the Philippines (46,500 MT). For 2020/2021, total net sales of 3,000 MT were reported for Japan. Exports of 1,274,400 MT were down 18 percent from the previous week and 8 percent from the prior 4-week average. The destinations were primarily to China (693,500 MT), Mexico (131,400 MT), Egypt (115,300 MT), Thailand (79,400 MT), and Germany (56,900 MT).

As per custom report, China has imported 10.7% lower to 6.18 million tonnes in October 2019 compared to 6.92 million tonnes in previous year. It is also lower by 24.6% from 8.2 million tonnes in September 2019. For the first nine months of the year, China bought 70.69 million tonnes of soybeans, down 8.1% from 76.93 million tonnes in the same period last year.

As per Abiove, Brazil is likely to produce total 122.8 million tons in 2020 higher from 117.8 million tonnes in 2019. The country may export total 75 million tonnes lower from 83.26 million tonnes in 2019. Soy processing is forecast at 44 million tonnes higher against 42.9 million tonnes in 2019. Soy crushing may increase in 2020 due to higher biodiesel mix in diesel. However, soy planting area is still lagging behind last year record.

As per Agroconsult, Brazil is likely to ship lower soybean to China at 53 million tonne in 2019/20 against 60 million tonnes in the 2018-19 season in the case of a trade deal between the Asian country and the United States. It expects Brazilian exports to China to fall less if a trade deal is not reached, projecting soybean exports at 57 million tonnes, since the Asian nation is posed to reduce soybean buying overall due to smaller local demand for soymeal after the African swine fever (ASF) crisis. However, U.S may ship more soybean at 20 million tonnes to China in 2019-20 even if a trade deal is not reached compared to 14 million tonnes exported in 2018-19.

As per USDA, Farmers in U.S. have completed total 85% of their soybean harvesting which is lagging from 87% in last year record during the same period of time and 92% of the five-year harvest averages record. However, it is higher from 75% in last week due to supportive weather condition.

As per USDA recent released report, U.S. Soybean production for 2019/20 is forecasted slightly lower to 96.61 million tons in November compared to last month record i.e.96.62 million tons. Exports of U.S is unchanged at 48.30 million tonnes in this month. While, U.S crushing reports stood 57.25 million tonnes lower against 57.69 million tonnes in Oct month. Ending stocks of the country is expected 12.92 million tonnes higher from 12.52 in last month.

As per WASDE report, world oilseed production for 2019/20 is projected at 571.30 million tons in Nov month, down 3.55 million tons from October due to mostly to lower soybean and cottonseed production. Soybean production is projected at 336.6 million tons, down by 2.4 million tons to a 4-year low, mainly reflecting lower production for the United States. Oilseeds crushing estimates is also down by 3.6 million to 494.7 million tons. Ending stocks are increased marginally from the October forecast mainly due to higher soybean stocks in Brazil and the United States partially offset by a 1.1-million-ton reduction in Argentina. Protein meal production is down 2.6 million tons from last month to 337.8 million tons primarily on lower soybean meal production in India. Vegetable oil production declines 1.0 million tons from October mostly due to lower production of soybean, rapeseed, and palm oil. Oil stocks are lowered 570,000 to 19.1 million tons, the lowest in 5 years.

As per sources, European Union bought total 4.4 million tonnes of Soybean till Nov 3,2019 (season started on July 1) which is 2% lower than the volume as shipped on October 28 last year. EU soybean imports had reached higher by 17% to 6.5 million tonnes, the year-earlier period, while palm oil imports stood at 1.8 million tonnes, down 13%.

As per USDA, the U.S. season-average soybean price for 2019/20 is forecast unchanged at \$9.00 per bushel. The soybean meal price is forecast at \$325.00 per short ton, up \$20.00. The soybean oil price forecast is raised 0.5 cents to 30.0 cents per pound. U.S. Gulf FOB soybean export bids in October averaged \$358/ton, up \$22 from September. Brazil Paranagua averaged \$372/ton, up \$10 from September. Argentina Up River FOB averaged \$354/ton, up \$6. U.S. soybean meal export bids in October averaged \$339/ton, up \$9 from September.

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As per USDA forecast, soybean production of Brazil in 2019-20 is projected at 123 million tonnes higher against the previous year 117 million tonnes due to supportive weather condition and unchanged from previous month record. Exports of soybean in 2019-20 is expected to 76 million tonnes higher from 75.85 million tonnes in 2018-19 however lower from 76.50 million tonnes in October month.

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. Total imports of China are estimated at 8.5 million tonnes for 2019/20 season higher from 8.2 million tonnes in Oct. month. While crushing is forecasted at 8.4 million tonnes lower from 8.5 million tonnes in 2018/19.

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Vegetable oil production declines 1.0 million tons from October mostly due to lower production of soybean, rapeseed, and palm oil. Oil stocks are lowered 570,000 to 19.1 million tons, the lowest in 5 years.

As per IGC (International Grain Council), Global soybean output may decline by 18 million tonne to 341 million tonnes due to slight shortfall in U.S Soybean output for this season and lower planting area so far in Brazil.

As per Conab, Brazil may harvest higher Soybean crop by 4.7% to 120.39 Million tonnes in 2019/20 against 115.03 million tonnes in last year. Soybean area in Brazil is likely to stand higher by 1.9% to 36.571 Million Ha. in 2019/20 against 35.874 Million Ha. in 2018/19 season. Brazil may export total 72 Million tonnes in 2019/20 higher from 70 Million tonnes in 2018/2019 however the projected figure is lower from 83.257 million tonnes in 2017/2018. The state of Mato Grosso will increase its soybean acreage by 2.6% to 9.95 million hectares (27.2% of the total) followed by Rio Grande do Sul which will increase 1.0% to 5.83 million hectares (15.9% of the total), Parana will increase 0.9% to 5.48 million hectares (14.9% of the total), Goias will increase 2.0% to 3.54 million hectares (9.6% of the total), and Mato Grosso do Sul will increase 3.4% to 2.95 million hectares (8.0% of the total).

As per sources, Ukraine may export lower soybean by 19.8% to 2 million tonnes in 2019/20 against previous year record. While, it may export higher sunoil by 0.8% to 6.1 million tonnes in 2019/20 from last year record. The country may export 16.7% higher Rapeseed to 2.86 million tonnes in 2019/20 against 2018/19 season.

Soy meal

Soymeal prices declined this week on account of dull demand in the market. Demand in international markets (mainly in South East Asian countries) is very low due to higher domestic prices. As per SOPA, the Directorate General of Foreign Trade (DGFT) has stopped giving 7% MEIS benefit for export of soybean meal with effect from August 1, 2019 and de-activated the web portal for filing of such claims online. As a result exporters are suffering from huge losses.

Soymeal production of the country is likely to stand at 62.78 lakh tonnes. Carry over stock of Soymeal is estimated at 1.59 lakh tonnes and 1.37 lakh tons of carry forward stocks. While export sea and land may stand at 10 lakh tonnes lower output and noncompetitive prices in world market. India had exported total 22 lakh tonnes in last year in 2018-19 season. Domestic consumption of Soymeal (Food) is estimated at 5.50 lakh tonnes and 47.50 lakh tonnes for Feed. In October month, India has exported total 0.50 lakh tonnes of Soymeal lower against 1.31 in Oct 2018 on lower overseas demand.

As per recent report of USDA, India may produce lower Soymeal to 6.4 million tonnes in 2019/20 compared to 7.6 million tonnes in 2018/19 season. The estimate is lower from 7.7 million tonnes in Oct month estimates due to less lower supplies of Soybean in this season. Domestic consumption is forecast at 5.35 million tonnes for this season higher from 5.2 million tonnes in previous year record however it is lower from previous month record i.e. 5.8 million tonnes due to less demand.

As per USDA, the U.S. season-average soybean price for 2019/20 is forecast unchanged at \$9.00 per bushel. The soybean meal price is forecast at \$325.00 per short ton, up \$20.00. The soybean oil price forecast is raised 0.5 cents to 30.0 cents per pound. U.S. Gulf FOB soybean export bids in October averaged \$358/ton, up \$22 from September. Brazil Paranagua averaged \$372/ton, up \$10 from September. Argentina Up River FOB averaged \$354/ton, up \$6. U.S. soybean meal export bids in October averaged \$339/ton, up \$9 from September.

During the week (Nov.1-7, 2019) US sold total 345,300 MT for the 2019/2020, primarily for the Philippines (137,900 MT), Colombia (64,100 MT, including 14,500 MT switched from unknown destinations and decreases of 700 MT), Japan (30,900 MT, including decreases of 100 MT), El Salvador (23,500 MT, including decreases of 200 MT), and Panama (13,700 MT), were partially offset by reductions for unknown destinations (4,500 MT), Malaysia (600 MT), and Trinidad (300 MT). For 2020/2021, total net sales of 500 MT were for Japan. Exports of 276,200 MT were primarily to the Philippines (47,800 MT), Guatemala (33,400 MT), Japan (27,600 MT), Mexico (23,900 MT), and Canada (23,700 MT).

As per recent SEA report, India shipped Oilmeals lower by 39% to 105,085 tons in October 2019 against 233,867 tons in September 2018. The overall export of oilmeals during April-Oct. 2019 is reported at 1,392,564 tons compared to 1,732,916 tons in April-Oct.2018 i.e. down by 24%. This is mainly due to disparity in export of oilmeals, specifically soybean meal due to higher MSP of beans which makes the domestic soybean meal expensive in international market compared to other origin. The export of castor seed meal has increased to 301,666(210,371) tons, mainly exported to South Korea.

During April-October 2019, Vietnam imported 192,440 tons of oilmeals (compared to 338,292 tons); consisting of 3668 tons of soybean meal, 124,590 tons of rapeseed meal and 64,182 tons of De-oiled Rice Bran Extraction. South Korea imported 557,510 tons of oilmeals (compared to 472,935 tons); consisting 27,326 tons of soybean meal, 253,523 tons of rapeseed meal and 276,661 tons of castor seed meal. Thailand imported 130,715 tons of

oilmeals (compared to 198,798 tons) consisting 111,367 tons of rapeseed meal, 17,581 tons of Rice Bran Extractions and 1,767 tons of soybean meal.

During April to Oct 2019, the export from Kandla is reported at 518,525 tons lower (37%), followed by Mundra handled 450,064 tons (31%), and Mumbai including JNPT handled 98,394 tons (7%) and Kolkata handled 89,833 tons (7%) and Others Ports handled 235,748 tons (17%).

Indian Soymeal premium quoted higher side by \$130 per ton over Argentinean meal with Indian meal bullishness producing the premium rather than Argentinean meal bearishness. Such premiums may limit bookings of Indian Soymeal for forward as well as spot market.

Technical Analysis:

NCDEX Soybean FUTURE



Soybean Spot, Indore



Note: Daily Chart

Support & Resistance NCDEX Soybean – Dec. Contract

| S2 | S1 | PCP | R1 | R2 |
|------|------|------|------|------|
| 3800 | 3850 | 3968 | 4120 | 4180 |

- Soybean Dec. contract depicts weak trend and likely to find support at 3850 and resistance at 4100
- On the upside, 4100 shall act as immediate resistance followed by INR 4150.
- On the downside, INR 3850 shall act as immediate support followed by 4100.
- Trade Recommendation (NCDEX-Soybean) - **Sell**

Weekly trade call: **Sell** Above-3990 Target – T1-3920; T2- 3860, SL – 4110

Rapeseed - Mustard Seed

RM seed prices increased this week supported by firm in demand of local crushers and traders. Arrivals is lower in this week. Traders and farmers are holding their stocks in expectation further more rise in prices. At the end of week, mustard closed higher at 4438 per quintal as compared to 4388 per quintal in last week at the benchmark, Jaipur.

According to United States Department of Agriculture (USDA) October estimates, India's 2019-20 Rapeseed oil import estimates are revised lower at 1.20 lakh tonnes from 1.25 lakh tonnes in previous year. Domestic consumption lowered to 27 lakh tonnes from 27.30 lakh tonnes in previous year record. Ending stocks have been lowered to 1.44 lakh tonnes from 1.43 lakh tonnes in last year record. India may produce total 77 lakh tones of Rapeseed in 2019/20 lower from 80 lakh tonnes in 2018/19.

High water level in most reservoirs will support to increase yield. However, acreage for Rabi season may decline less as sowing has been delayed due to recent rainfall in October and November and late harvesting of Kharif crops. Farmers are waiting water to dry up the sowing low lying land. The government expects Mustard seed production at 8.24 MT for 2019-20 lower than last year record. Government has announced Rs. 225 higher MSP of Mustard seed for Rabi 2020-21 season to Rs.4425 against Rs. 4200 in 2019-20. As per recent released data, there is a drop-in sowing of Mustard seed to 43.09 lakh hectares lower by 0.9 lakh hac. against 44.02 lakh hectares in last year as on 15th Nov. 2019.

As on 16th Oct 2019, Nafed sold total of 7920 MT of R-19 Mustard seed holdings in Rajasthan, Madhya Pradesh & Haryana markets. It disposed total 87419 MT of Mustard R-19 so far and holds remaining balance at 1001488.76 MT. It is likely to dispose total 7.47 lakh tonnes in next three month following 2.51 in November 2019, 2.50 Lakh tonnes in Dec 19, 2.45 lakh tonnes in Jan 20 from various trading centers of Lucknow, Indore, Jaipur, Chandigarh & Ahmedabad. It may sell total 1938.67 MT in Lucknow, 1.20 lakh tonnes in Indore, 4.35 lakh tonnes in Jaipur, 1.45 lakh tonnes in Chandigarh, 45541.18 MT in Ahmedabad during Nov. Month to Jan 2020.

As per the Mustard Oil Producers Association of India data, India crushed 13% lower mustard seed to 500,000 tonnes in September 2019 compared to last month record on account of lack luster demand of mustard meal exporters and less arrivals in physical markets. While, it is unchanged from last year record during the same month. In September 2019, total supply of mustard seed was 150,000 tonnes in Rajasthan, 85,000 tonnes in Uttar Pradesh 85,000 and 45,000 tonnes in Madhya Pradesh. Total available stocks with processors, stockiest and state-run agencies stood at 1.6 million tons in September 2019. It pegged total mustard crop output at 8.1 million tonnes in 2018-19 season which is higher from 7.1 million tonnes in last season. The estimated figure is lower than the farm ministry fourth advance estimate i.e. 9.3 million tonnes.

As per Fourth advanced estimates of government, it estimates Mustard seed output at 93.9 lakh tonnes for 2018/19 higher by 9.09 lakh tonnes from 84.3 lakh tonnes in 2017/18. It estimates groundnut crop size at 66.95 lakh tonnes for 2018/19 against 92.53 lakh tonnes.

Technical Analysis:

RM Seed Futures Contract



RM Seed Spot, Jaipur



| Support & Resistance NCDEX RM Seed – Dec. Contract | | | | |
|--|------|------|------|------|
| S1 | S2 | PCP | R1 | R2 |
| 4100 | 4150 | 4263 | 4360 | 4400 |

- Mustard Dec. contract depicts weakness and further can get support at INR 4150
- Prices have tested the lower level of 4239 in this week.
- Trade Recommendation (NCDEX Rapeseed-Mustard) - **Sell**

Weekly trade call: **Sell** Above – 4270 Target – T1-4255 T2- 4200, SL –4300

Oilseed Prices at Key Spot Markets:

| Commodity / Centre | Prices (Rs/Qtl) | | | | Change |
|---|-----------------|------|----------|------|--------|
| | 14-Nov-19 | | 7-Nov-19 | | |
| | Low | High | Low | High | |
| Soybean | | | | | |
| Indore –Plant | 3875 | 3975 | 3850 | 3950 | 25 |
| Indore–Mandi | 3500 | 3950 | 3700 | 3850 | 100 |
| Nagpur-Plant | 3800 | 3850 | 3800 | 3850 | Unch |
| Nagpur – Mandi | 3300 | 3825 | 3010 | 3680 | 145 |
| Latur – Mandi | 3100 | 3730 | NA | NA | NA |
| Akola – Mandi | 2900 | 3750 | 3100 | 3700 | 50 |
| Kota-Plant | 3900 | 3950 | 3900 | 3950 | Unch |
| Kota – Mandi | 3500 | 3850 | 3650 | 3900 | -50 |
| Bundi-Plant | 4000 | 4025 | 3950 | 3975 | 50 |
| Bundi-Mandi | 3700 | 4000 | 3400 | 3900 | 100 |
| Baran-Plant | 3900 | 3950 | 3920 | 3950 | Unch |
| Baran-Mandi | 3800 | 3900 | 3820 | 3860 | 40 |
| Bhawani Mandi Jhalawar–Plant | 4000 | 4050 | 3950 | 4000 | 50 |
| Jhalwar-Mandi | 3800 | 4000 | 3700 | 3950 | 50 |
| Rapeseed/Mustard | | | | | |
| Jaipur-(Condition) | 4435 | 4440 | 3850 | 3950 | 490 |
| Alwar-(Condition) | 4250 | 4300 | 3700 | 3850 | 450 |
| Sri Ganganagar-(Non-Condition) | 4000 | 4100 | 3800 | 3850 | 250 |
| New Delhi–(Condition) | 4150 | 4170 | 3010 | 3680 | 490 |
| Kota-(Condition) | 3900 | 3950 | NA | NA | NA |
| Agra-(Condition) | 4381 | 4429 | 3100 | 3700 | 729 |
| Neewai-(Condition) | 4150 | 4200 | 3900 | 3950 | 250 |
| Hapur (UP)-(Condition) | 4100 | 4150 | 3650 | 3900 | 250 |
| Groundnut Seed | | | | | |
| Rajkot | 750 | 880 | NA | NA | NA |
| Sunflower Seed | | | | | |
| Gulbarga | 3150 | 3650 | 2650 | 3450 | 200 |
| Latur | NA | NA | NA | NA | NA |
| Sholapur | 3950 | 4000 | 3925 | 3950 | 50 |
| 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 |
|-------------------------|----------------------|----------|--------|
| | 14-Nov-19 | 7-Nov-19 | |
| Soybean | | | |
| Madhya Pradesh | 400000 | 275000 | 125000 |
| Maharashtra | 275000 | 200000 | 75000 |
| Rajasthan | 65000 | 70000 | -5000 |
| Bundi (Raj) | 650 | 1800 | -1150 |
| Baran (Raj) | 15000 | 12000 | 3000 |
| Jhalawar (Raj) | 13000 | 11000 | 2000 |
| Rapeseed/Mustard | | | |
| Rajasthan | 60000 | 70000 | -10000 |
| Alwar | 5000 | 6000 | -1000 |
| Sri Ganganagar | 200 | 300 | -100 |
| Kota | 1200 | 1500 | -300 |
| Groundnut Seed | | | |
| Rajkot (Gujarat) | NA | NA | NA |
| Sunflower Seed | | | |
| Sholapur (Maharashtra) | 1500 | 1500 | Unch |

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

| Oilseeds | 14-Nov-19 | 7-Nov-19 | Change |
|----------------------------------|-----------|----------|--------|
| Groundnut Kernel | 5050 | 5200 | -150 |
| Gr. Bolds 60/70 | 6650 | 6750 | -100 |
| Gr. Javas 60/70 | 8500 | 8600 | -100 |
| Gr Javas 70/80 | 8100 | 8200 | -100 |
| Gr.Javas 80/90 | 7800 | 7900 | -100 |
| KardiSeed 2% Exp Qly | 5350 | 5350 | Unch |
| Sesame White 98/2/1 FM | 10500 | 10500 | Unch |
| Whitish 95/5/FFA/1FM | 10300 | 10300 | Unch |
| Brown 48/2 FFA/4 FM | 10100 | 10100 | Unch |
| Brown 48/3 FFA/4 FM | 9700 | 9700 | Unch |
| Brown 48/4 FM/* No FFA Guarantee | 9500 | 9500 | Unch |
| Sunflower Seed | 4100 | 4100 | Unch |
| Niger Seed (4% FM) | 5500 | 5500 | Unch |

Annexure

India's Total Oilseeds Production Seen at 223.89 Lakh Tons in 1st Adv. Est. - GOI (Kharif)

The first Advance Estimates of production of major crops for 2019-20 have been released on 23rd Sep, 2019 by the Department of Agriculture, Cooperation and Farmers Welfare. The assessment of production of different crops is based on the feedback received from States and validated with information available from other sources. Few the major crops producing states have received good rainfall. As a result, the production of oilseeds kharif crops estimates for 2019-20 has witnessed higher than their normal production. Oilseeds production of India is placed higher by 11.11 lakh tonnes to 223.89 lakh tonnes against the production of 212.78 lakh tonnes in 4th advanced estimates for 2018-19. The estimated figure is also higher by 11.5 lakh tonnes than five years average oilseeds production.

The estimated production of major Oilseeds during 2019-20 is as under:

Oilseeds – 223.89 Lakh tonnes

- Soybean – 135.05 Lakh Tons
- Groundnut – 63.11 Lakh Tons
- Castorseed – 17.37 Lakh Tons
- Sesame/Sesamum/Gingelly/Til – 6.86 Lakh Tons
- Nigerseed – 0.83 Lakh Tons
- Sunflower – 0.67 Lakh tons

MSP for 2019/20 Kharif Oilseeds:

The Cabinet Committee on Economic Affairs, chaired by the Prime Minister Shri Narendra Modi, has given its approval for Minimum Support Prices (MSPs) for Kharif Crops of 2019-20 season, the MSPs of all the Kharif oilseeds are raised for this season. The MSP of Yellow Soybean is increased by Rs.311 from Rs.3399/qt in 2018-19 to Rs.3710/qt in 2019-20, Groundnut is increased by Rs.200 from Rs.4890/qt in 2018-19 to Rs.5090/qt in 2019-20, Sunflower is increased by Rs.262 from Rs.5388/qt in 2018-19 to Rs.5650/qt in 2019-20, Sesamum is increased by Rs.236/qt from Rs.6249/qt in 2018-19 to Rs.6485/qt in 2019-20, Niger seed is increased by Rs.63 from Rs.5877/qt in 2018-19 to Rs.5940/qt in 2019-20.

MSP for 2020/21 Rabi Oilseeds

Centre has increased the MSP of Mustard/Rapeseed by INR 225 from last year and kept it at INR 4425 per quintal. Last year the MSP of Mustard/rapeseed was INR 4200 per quintal including bonus of INR 200. Safflower MSP has been increased by INR 270 to INR 5215 from INR 4945 per quintal of last year. Last year MSP includes a bonus of INR 100 per quintal.

SOPA Soybean Production Estimates Kharif 2019-20 As On 10.10.2019

| SOPA Soybean Estimates Kharif | | | | | | |
|-------------------------------|---------|-------|------------|---------|-------|------------|
| | 2018-19 | | | 2019-20 | | |
| State | Area | Yield | Production | Area | Yield | Production |
| Gujarat | 1.32 | 925 | 1.241 | 1.003 | 858 | 0.861 |
| Maharashtra | 36.39 | 944 | 34.34 | 37.363 | 971 | 36.295 |
| Karnataka | 3.19 | 911 | 2.90 | 3.302 | 816 | 2.694 |
| Madhya Pradesh | 54.1 | 1075 | 58.18 | 51.952 | 772 | 40.107 |
| Chhattisgarh | 1.281 | 865 | 1.108 | 0.742 | 726 | 0.539 |
| Telangana | 1.791 | 877 | 1.571 | 1.783 | 846 | 1.508 |
| Rajasthan | 9.212 | 971 | 8.945 | 9.627 | 681 | 6.56 |
| Others | 1.09 | 955 | 1.041 | 1.841 | 748 | 1.377 |
| Total | 108.4 | 940.4 | 109.3 | 107.6 | 802.3 | 89.9 |

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