

**Agri-Fundamentals**

**Soybean**

**NCDEX Soybean** futures closed higher on Monday on technical buying from the lower levels. Prices are still trading at lower levels as soybean arrivals have peaked. As per Agmarknet data, the arrivals in 1-10 Nov increased to 5.34 lt compared to 4.6 lt last year for same time. Arrivals since October in 2017 is about 17 lt as compared to 15 lt last year same period. Good demand for soy meal exports kept the prices supported last week. Total exports of soy oilmeal in the first seven months of the fiscal started April is almost 5 times higher to 5.37 lakh tons compared to 1.07 lakh tons last year.

**U.S. soybean futures fell to a one-month low on Monday due to improving crop weather in South America and technical selling.** Widespread rains in northern Brazil are expected to boost crop prospects in the world's top soybean exporting country. However, dry conditions will delay soy planting in neighboring Argentina. The USDA reported export inspections of U.S. soybeans in the latest week at 2.087 mt, in line with trade expectations but down from this same week a year ago, when weekly inspections totaled 2.785 mt.

**RMseed (Mustard seed)**

Mustard Dec futures closed with some gain on Monday on short covering by the market participants as open interest dropped by 2360 tonnes (or 236 lots). However, due to winter demand the prices have been stabilized above Rs. 3,900 per quintals.

**As per rabi sowing report from the government, the area under mustard as on 10 Nov 2017 is little lower than last year's acreage at 37 lakh ha. The area planted in Madhya Pradesh crossed 5 lakh ha compared to 60,000 ha last year as farmers switched from rain-dependent crops to mustard after poor rains in the state while in Rajasthan, the largest producing state, the acreage dropped by 27.5% to 10 lakh ha compared to 16.3 lakh ha last year.** Support price for mustard in 2017-18 rose by 8.1% on year to 4,000 rupees per 100 kg.

According to data compiled by Mustard Oil Producers Association of India, country is still holding about 20 lakh tonnes of mustard from the last year as it is estimated that millers have crushed about 48 lt last year against the marketable surplus of 67.8 lt.

**Outlook**

**Soybean futures** are expected to trade sideways to higher due to good demand at lower prices but higher arrivals from new season crops may keep the prices sideways. The demand for new season crop is steady as import duty is not raised by the government.

**Mustard seed futures** expected to trade sideways on anticipation of good physical uptake by oil mills on expectation of good winter demand for crushing. Moreover, higher stocks with the oil mills and good start to rabi sowing can keep the prices steady.

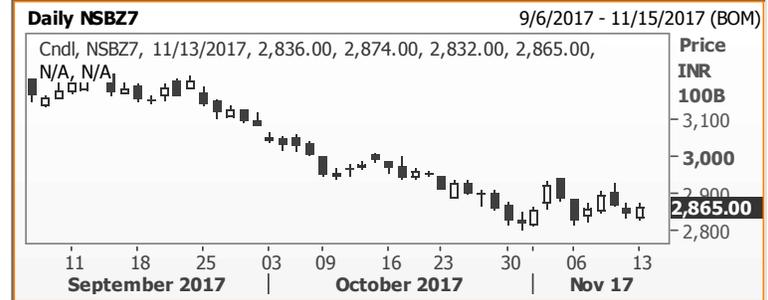
**Technical Levels**

Contract	Unit	Support	Resistance
Soybean NCDEX Dec'17	₹/qtl	2780-2820	2900-2940
Mustard NCDEX Dec'17	₹/qtl	3910-3940	4000-4030

**Market Highlights – Oilseeds**

	Unit	Last	Prev day	WoW	MoM	YoY	% Change
<b>Soybean Spot- NCDEX - Indore</b>	R/10 kg	2760	-0.29	-0.40	-3.90	-7.54	
<b>Soybean- NCDEX Dec'17</b>	R/10 kg	2865	0.46	1.13	-3.47	-8.71	▲
<b>Soybean CBOT- Nov'17</b>	USc/lb	974	-1.29	-1.99	-0.18	-1.54	
<b>RM Seed Spot- NCDEX</b>	MYR/Tn	3994	0.14	0.12	2.42	-15.46	▲
<b>RM Seed- NCDEX Dec'17</b>	R/10 kg	3969	0.13	0.08	2.37	-14.97	▲
<b>Rapeseed-WCE</b>	CAN \$/Tn	#N/A	#N/A	#N/A	#N/A	#N/A	▲

**Price Chart –Soybean**



**Price Chart –Rmseed**



Source: Reuters

## Refine Soy Oil

Refined Soy Oil Dec future fall a little on fresh selling at higher levels in thin trade, the prices have stabilize in last two trading sessions as import duty was not hiked. The current prices are trading at 9 months high due to good intake by the bulk traders on hope that the import hike may happen near future.

Recently, Government hike the tariff value for soy oil by \$15 per ton to \$839 for the first half of Nov also support prices.

Moreover, firm international prices, higher import duty and good demand from the stockists is supporting edible oil prices in India despite higher stocks and good oilseed production.

## Crude Palm oil

**MCX CPO** falls on Monday tracking weak prices of edible oil in International markets. However, the prices are still supported at 10 month high in the futures market on expectation of hike in import duty for edible oil. But, the government did not take any decision on increasing import duty on edible oil for now which slow down the price surge.

For the second first half of Nov, the base import price for crude palm oil and refined, bleached and deodorised palm oil were raised by \$2 and \$3 per tn, respectively. According to SEA release, during Nov-Sep period, crude palm oil import is 57.34 lakh tonnes, up 9.5% from 52.34 It during the same period of the previous oil year.

**Malaysian palm oil futures suffered their sharpest daily decline in over a month, falling for a third consecutive due to weaker performing soyoil on the Chicago Board of Trade (CBOT). A stronger ringgit MYR=, palm's currency of trade, also weighed on the tropical oil.** Gains in the ringgit, palm oil's traded currency, typically makes the edible oil more expensive for foreign buyers.

A weaker export outlook also contributed to the market's decline as the demand for the tropical oil tails off towards the year end as northern hemisphere enters winter, curbing demand from key markets like China and Europe as palm oil solidifies in cold temperatures.

Moreover, MOPA data shows larger-than-expected Malaysian production of the vegetable oil, and slow start to November exports. The cargo surveyor ITS showing exports down 2.5% so far this month, while rival SGS put the rate of decline at 4.8%.

## Outlook

We expect **Ref Soy oil** to trade sideways to lower today on report that government has postpone hike in import duty. Moreover, sufficient edible oil stocks in the country may pressurize prices at higher levels. Weak rupees may support prices.

**CPO futures** may further correct on weak Malaysian palm oil prices. Higher stocks and deferred in import duty hike may help to ease prices.

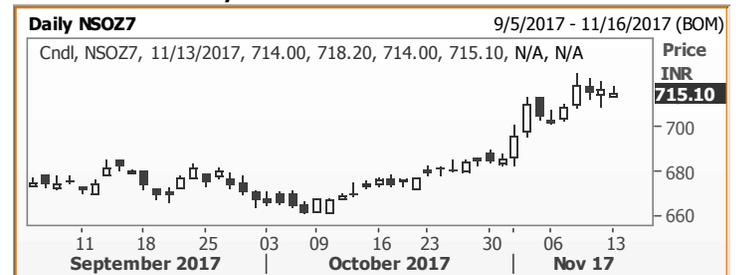
## Technical Levels

Contract	Unit	Support	Resistance
Ref Soy Oil NCDEX Dec'17	₹/qtl	700-707	722-729
CPO MCX Nov'17	₹/qtl	555-560	571-578

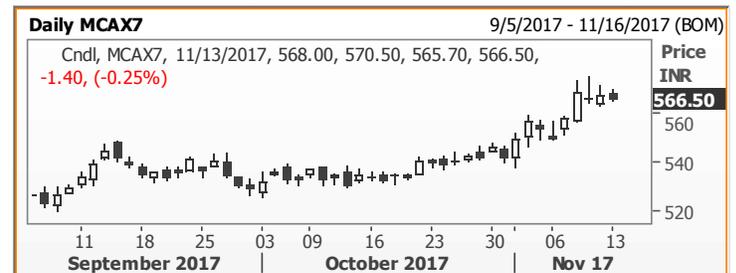
## Market Highlights – Edible Oils

	Unit	Last	Prev day	WoW	MoM	YoY	% Change
<b>Ref Soyoil Spot - Mumbai</b>	R/10 kgs	675.7	0.06	-0.18	3.34	0.9	
<b>Ref Soy oil- NCDEX Dec'17</b>	R/10 kgs	715.1	-0.26	1.84	6.76	0.7	
<b>Soybean Oil- CBOT- Dec'17</b>	USc/lbs	34.33	-1.38	-1.15	3.56	0.4	
<b>CPO-Bursa Malaysia - Jan'18</b>	MYR/T	2761	-1.29	-0.79	2.41	-3.3	
<b>CPO- MCX – Nov'17</b>	R/10 kg	566.5	-0.18	2.89	5.89	5.3	

## Price Chart –Ref Soy Oil



## Price Chart –Crude Palm Oil



Source: Reuters

**Chana**

Chana Dec futures jumped higher and hit upper circuit mainly due to short covering pressured by good start to rabi sowing and higher stock levels in the country. Moreover, government which is sitting on a buffer stock of 18 lakh tonnes is set to dispose of 5 Lt pulses by March next year will put pressure on prices. Hike on import duty on chana is unlikely as prices have already started moving up, however, government is considering allowing export of desi chana with limits on quantity and "the decision is likely to come in a week.

As per government sowing data chana is planted in 47.2 lakh ha as on 10 Nov, up by 43% compared to 33 lakh ha last year. Moreover to encourage farmers to plant more chana, Government increase MSP by 10% to Rs. 4,400 per quintal. According to the target estimate released by government, India's chana production target estimate for 2017-18 is 97.5 mt.

**Outlook**

Chana futures may trade sideways on sufficient stocks and good start to rabi sowing in the country. Hike in import duty in all peas may support prices.

**Technical Levels**

Contract	Unit	Support	Resistance
Chana NCDEX Dec'17	₹/qtl	4700-4770	4920-4990

**Cotton / Kapas**

MCX Cotton Nov futures closed higher on Monday on reports of damage to cotton crops in Vidarbha and start of procurement by CCI in Gujarat at higher prices. Cotton exports from country are expected to affect due to hike in procurement prices in largest producing state of Gujarat. In November, cotton traded sideways in a range on higher than expected cotton production in the country. CCI has started its procurement from Telangana and some parts of Gujarat and estimated to have procured about 62,000 bales at MSP this season. The arrivals in the current season during Oct are about 20.27 lakh bales compared to 18.72 lakh bales last year as per ICC.

**ICE cotton futures edged lower on Monday in light trade, ahead of crop progress data from the USDA. Moreover, higher production estimates but USDA too pressurizes prices.**

All upland cotton 17/18 export sales for the week of November 2 came in at 205,297 RB, which was slightly lower than last week but 21.61% larger than a year ago.

**Outlook**

Cotton futures are expected trade sideways to higher as CCI has already start its procurement in main cotton growing states. Procurement by government will support prices as it increase the demand from the stockists, mills and physical traders. They have a target to procure 100 lakh bales this season. Good demand for kapas may also support cotton prices.

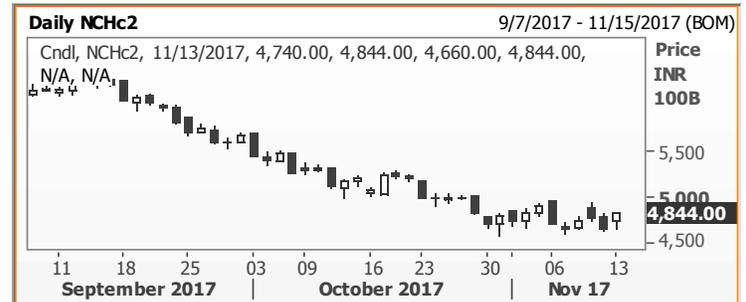
**Technical Levels**

Contract	Unit	Support	Resistance
Kapas NCDEX Apr '18	₹/20 kgs	900-908	923-930
Cotton MCX Nov'17	₹/bale	18000-18200	18600-18800

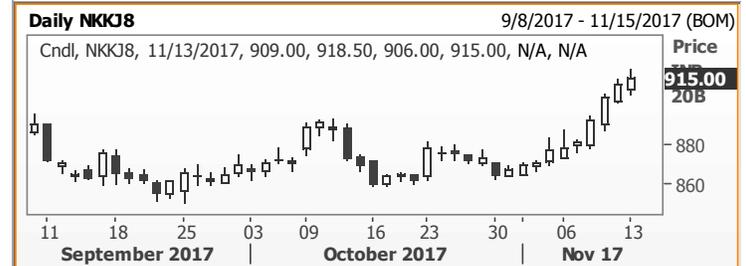
**Market Highlights - Chana & Cotton**

	Unit	Last	Prev day	WoW	MoM	YoY	% Change
<b>Chana Spot - NCDEX (Delhi)</b>	₹/qtl	4838	2.2	-1.6	-5.7	-4.3	
<b>Chana- NCDEX-Dec'17</b>	₹/tonne	4844	4.0	2.6	-5.4	-29.7	
<b>NCDEX Kapas Apr '18</b>	R/20 kgs	915	0.44	4.10	2.87	1.05	
<b>MCX Cotton Nov'17</b>	Rs/Bale	18380	0.82	0.71	-0.49	-4.42	
<b>ICE Cotton Dec '17</b>	Usc/Lbs	68.88	-0.25	0.04	0.22	-2.56	
<b>Cotton ZCE</b>	Yuan/ton	15020	0.13	0.37	-0.10	-2.56	

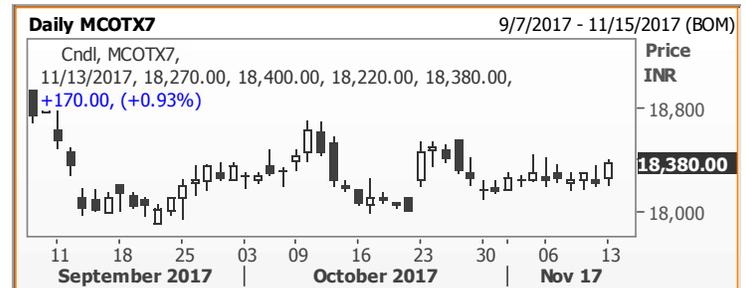
**Price Chart – Chana**



**Price Chart – Kapas-NCDEX**



**Price Chart – Cotton- MCX**



Source: Reuters

## Spices (Jeera & Turmeric)

**NCDEX Jeera** jumps higher on Monday supported by improvement in physical demand. The arrivals have been higher during October this year at 3,760 tonnes compared to 2,130 tonnes last year same period according to Agmarknet data. However, in the second half of Oct the arrivals have been reduced significantly to 963 tons Vs 2,795 tons in the first half. **As per government data, Jeera exports during first five month of FY 2017/18 (Apr-Sep) is 63,085 tonnes, down 2.6% compared to last year exports volume for the same period.** India's jeera exports in Aug increase 46% on year to 13,879 tn. **On the import front, country imported about 1,044 tonnes of jeera during the month of August about 209 percent higher than last year imports.**

**Turmeric Dec futures** closed higher on fresh buying by the market participants on Monday. The prices have been pressurized on reports good supplies from the government auctions. **The export of turmeric is down by 17.4% to 49,186 tonnes for the first 5 month of FY 2017/18 compared to last years' exports.** The arrivals have been lower during October at 7,222 tonnes compared to 10,037 tonnes last year same period according to Agmarknet data.

### Outlook

We expect **Jeera** futures to trade higher today on reports of improved demand but good supplies in the physical market may pressurize prices. Moreover, diminishing stocks and improvement in export demand for Indian cumin may support prices.

**Turmeric** futures expected to trade higher on technical buying as demand is increase at lower levels. Supplies from the government auctions and arrivals of medium quality supplies may pressurize prices. Steady physical demand and weak exports is also weighing on prices.

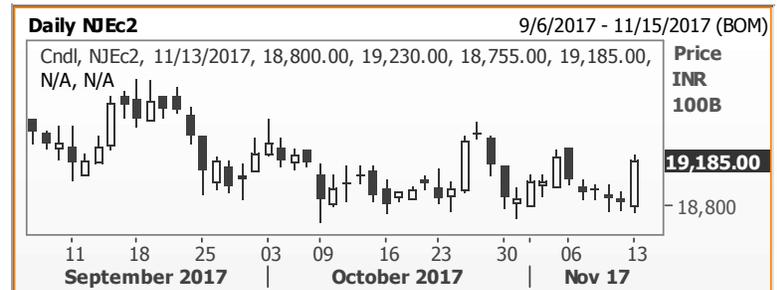
### Technical Levels

	Unit	Support	Resistance
Jeera NCDEX Dec'17	₹/qtl	18600-18900	19400-19700
Turmeric NCDEX Dec'17	₹/qtl	6900-6980	7140-7220

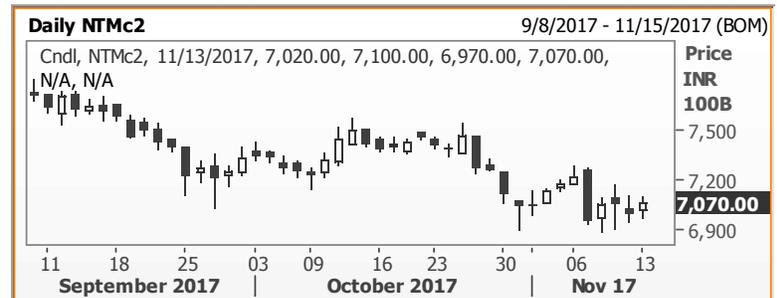
### Market Highlights - Spices

	Unit	Last	Prev day	WoW	MoM	YoY	% Change
<b>Jeera Spot- NCDEX -</b>							
Unjha	R/qtl	18854	0.24	-0.61	0.02	3.48	
Jeera- NCDEX Dec'17	R/qtl	19185	1.75	0.79	0.97	5.48	
<b>Turmeric Spot-NCDEX</b>							
Turmeric- NCDEX	R/qtl	7365	0.34	0.21	-0.91	-1.90	
Dec'17	R/qtl	7070	1.00	-2.08	-5.18	-2.39	

### Technical Chart – Jeera



### Price Chart – Turmeric



Source: Reuters

## Prepared By

**Anuj Gupta**

**Head-Technical Research (Commodity & Currency)**

Anuj.gupta@angelbroking.com

(011) 4916 5954

Angel Commodities Broking Pvt. Ltd.

Registered Office: G-1, Akruti Trade Centre, Rd. No. 7, MIDC, Andheri (E), Mumbai - 400 093.

Corporate Office: 6th Floor, Akruti Star, MIDC, Andheri (E), Mumbai - 400 093. Tel: (022) 2921 2000

MCX Member ID: 12685 / FMC Regn No: MCX / TCM / CORP / 0037 NCDEX: Member ID 00220 / FMC Regn No: NCDEX / TCM / CORP / 0302

**Ritesh Kumar Sahu**

**Research Analyst – Agri-Commodities**

riteshkumar.sahu@angelbroking.com

(022) 2921 2000 (Ext 6165)

**Disclaimer:** The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. The document is not, and should not be construed as an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from "Angel Commodities Broking (P) Ltd". Your feedback is appreciated on [commodities@angelbroking.com](mailto:commodities@angelbroking.com)