

**Soybean**

**NCDEX May Soybean fell more than 0.6% to close at 3,755 rupees per 100 kg as market participants book profits on forecast of near normal monsoon forecast by IMD in the afternoon. Moreover, higher imports of edible oil also pressurize oilseed prices in the country.** Last week, the prices have jumped to 9-weeks high of 3,898 due to **good exports figures for soymeal from SEA but now slipped 3%.** As per SEA, soy meal exports in March were provisionally reported at 1.94 lt, up 175% on year while Feb exports revised higher to 1.32 lt from 69,128 tonnes reported last month. Soybean meal exports in FY 2018/19(Apr-Mar) pegged at 13.37 lt, up 12.6% on year while for Oct – Mar period exports are up 31.8% at 9.2 lt. **Soybean arrivals for the Oct-Mar period is pegged at 77 lt, up by 23.2% on year by SOPA.** It expects availability of soybean for crushing, direct use and exports of about 101.8 lt as against 86 lt last year. SEA forecast soybean output at 102.43 lt in 2018/19, up more than 23% y/y.

**CBOT Soybean** closed higher on Monday boosted by optimism over trade talks between the United States and China, and worries about U.S. planting delays. The U.S. soybean crush increased by more than expected in March to the second-largest on record for the month, according to NOPA data. China's soybean imports in March jumped 10% from the previous month, as shipments from both the US and Brazil reached the world's top oilseed buyer, customs data showed. The USDA said private exporters sold 140,000 tonnes of U.S. soybeans to unknown destinations for delivery in the 2018/19 marketing year that began Sept. 1, 2018.

**Outlook**

Soybean futures expected to trade sideways to negative in coming days on concern over higher availability of oilseed in the country and slowing soybean meal exports. Moreover, higher edible oil imports will put extra pressure on Oilseeds.

**RMseed (Mustard seed)**

**Mustard May futures closed lower at 3,791 rupees per 100 kg on Monday due to fresh selling initiated by investors.** Currently, spot mustard prices are lower than soybean because of bumper supplies expected this season. USDA also revised its production forecast by 21% to 80 lt in April monthly report from 66 lt last month. According to latest SEA, Rape meal exports in March is provisionally reported at 50,964 tonnes (Vs 125,000 t), down 59.2% on year as per SEA press release. February meal exports figures revised higher to 79,463 tonnes from 41,728 tonnes. Meal exports crossed 10 lt in FY 2018/19 first time in last 3 years. As per SEA, the mustard seed production will be higher by about 19% this season to over 81 lt due to better climate and higher area. **Nafed is expected to procure about 20 lakh tonnes of mustard at MSP from various states.**

**Outlook**

Mustard futures expected to trade sideways to higher on improving demand for meals despite heavy supplies of new season mustard crop. However, reports of higher procurement by the states will support mustard prices in coming weeks.

**Market Highlights – Oilseeds**

	Unit	Last	Prev day	WoW	MoM	YoY	% Change
Soybean Spot- NCDEX - Indore	R/100 kg	3879	0.00	-0.87	2.56	-0.15	
Soybean-NCDEX May'19	R/100 kg	3755	-0.61	-0.79	0.11	-3.44	▼
Soybean CBOT- May'19	USc/lb	899	0.39	0.00	-0.25	-13.75	
RM Seed Spot- NCDEX	MYR/Tn	3868	0.47	0.47	-1.40	-1.83	▼
RM Seed- NCDEX May'19	R/100 kg	3791	-0.24	0.42	-2.14	-3.12	
Rapeseed-WCE	CAN \$/Tn	456	-0.13	0.09	0.53	-12.50	

**Price Chart –Soybean**

NCDEX May'19



**Price Chart –Rmseed**

NCDEX May'19



Source: Reuters

**Refine Soy Oil**

**Refined Soy Oil closed lower on Monday due to higher imports and low tariff values.** In a fortnightly notification, **Government cut tariff value** of crude soy oil by 18 dollar to \$693 per tn for the 2nd half of April. According to monthly report released by SEA, Soyoil import jumped by 154.5% to 2.92 lt in March compared to 1.15 lt last year same month. Overall, imports are higher by 19.5 for the period of Nov-Mar at 9.88 lt.

USDA reduces domestic consumption forecast of soy oil by 1% to 49 lakh tonnes in April report keeping production and imports unchanged. USDA FAS forecast India soyoil production at 17.22 lt in 2018/19, up by 14.2% forecast by official USDA while Soyoil imports are pegged at 36 lt Vs 34 lt.

**Outlook**

We expect Ref Soy oil to trade sideways to lower due to stronger rupee is keeping imports cheaper. Improved imports of edible may put further pressure on prices in coming weeks.

**Crude Palm oil**

**MCX Apr CPO edged lower on Monday due to weak Malaysian palm oil prices.** India's palm oil imports in 2018/19 is expected to jump about 10% on year to a record high due to sharp fall in the prices. For 2nd half of Apr, tariff value for CPO and RBD Palmolein increase by 11 and 4 dollar to 540 and 573 dollar per ton.

According to SEA monthly update, Import of Crude palm oil down 19.8% on year in Mar to 4.74 lt but RBD palmolein imports surged by more than 91.5% by to 3.13 lt due to reduction in duty difference. According to USDA monthly report in February, palm oil consumption for India is forecast at 10.6 mt, up 16.7% on year.

**Malaysian palm oil fell to their lowest levels in two weeks, on concern over higher stockpiles amid weaker than expected export forecast.** Malaysian palm oil shipments for the first half of April rose 1.5 percent from the corresponding period last month, according to independent inspection company AmSpec Agri Malaysia on Monday. The MPOB data showed that March end-stocks were down only 4.6% from February to 2.92 mt, while output rose 8.3% to 1.67 mt. Data shows, palm oil exports surged by 22.4% in March from February to 1.62 mt. Despite higher exports, the current stocks are 25.6% higher compared to last year same month.

**Outlook**

CPO futures expected to trade lower tracking weak palm oil prices in Malaysia. Further pressure on prices comes from lower tariff value and higher import figures. Higher edible oil stocks by 20% compared to last year ports is also pressurizing prices of edible oil.

**Market Highlights – Edible Oils**

		Unit	Last	Prev day	WoW	MoM	YoY	% Change
Ref Soyoil	Spot	-						
Mumbai		R/10 kgs	740.1	-0.22	-0.78	-1.43	-4.3	
Ref Soy oil-	NCDEX							
May'19		R/10 kgs	722.4	-0.10	-0.27	-1.03	-3.9	
Soybean Oil- CBOT-								
May'19		USc/lbs	28.81	-0.48	-0.79	-3.74	-7.6	
CPO-Bursa Malaysia-								
May'19		MYR/T	2142	-0.93	-3.16	2.44	-9.3	
CPO- MCX – Apr'19		R/10 kg	533.8	-0.09	-1.13	0.19	-16.6	

**Price Chart –Ref Soy Oil**

NCDEX May'19



**Price Chart –Crude Palm Oil**

MCX Apr'19



Source: Reuters

**Chana**

**NCDEX Chana close with little gain on Monday on balanced demand and supply satiation. Futures climb to highest levels in 2019 due to lower carryover stocks with the traders, expensive imports and quantitative restrictions on yellow peas.** Government has extended ban on Chana, tur, Urad and peas till March 2020. It has put quota of restricted imports – 1.5 Lt each for peas, moong and Urad and 2 Lt for tur. Currently, chana attract 60% import duty since Mar 2018 which restricted imports. Higher stocks with the government agencies keeping the prices below MSP. NAFED still has more than 16 Lt of chana procured last year. In 2018/19, chana production forecast at 103.2 Lt in 2<sup>nd</sup> advance estimated by Government, down 8% on year due to 10% less area. Chana, imports are down 85.1% to 1.43 Lt compared to 9.58 Lt last year during 2018/19 (Apr-Jan), while exported are close to 2Lt of chana compared to 68,000 tonnes last year.

**Outlook**

Chana futures expected to trade higher as stocks with physical traders diminishing amid lower imports and high consumption. However, higher crop production for 3<sup>rd</sup> consecutive year may keep prices in control. Reports that NAFED may sell stocks in physical market may have negative impact on prices.

**Cotton / Kapas**

**MCX cotton edged lower on Monday to close at 22,080 rupees per bale on reports of normal monsoon forecast by IMD.** According to USDA attaché report, India 2019/20 cotton output to rise about 7% yr/yr to hit five-year high on higher yields, acreage. Moreover, India is losing cotton export market to Brazil due to higher prices and stronger rupees. CAI trims cotton crop size to 321 lakh bales for 2018/19 season, lowest since 2009-10 which will raise imports and decline exports. **USDA kept production and consumption figures unchanged at 27 and 24.8 million bales respectively but revised down imports and exports by 12.5% and 6.7% respectively.**

**ICE cotton May contract fell over 2 percent to a near one-month low on Monday on expectations of favorable weather conditions in cotton producing regions of the US.** Cotton is technically in over bought region so there was some profit booking. Total export commitments for upland cotton did gain a little ground vs. a year ago last week, now down 12.5%. In their monthly update, ICAC is looking for global cotton consumption to hit an all time high of 27.3 mt in 2019/20. **China approved an additional 800,000 MT import quota for 2019, on top of the 840,000 MT TRQ required by WTO.**

**Outlook**

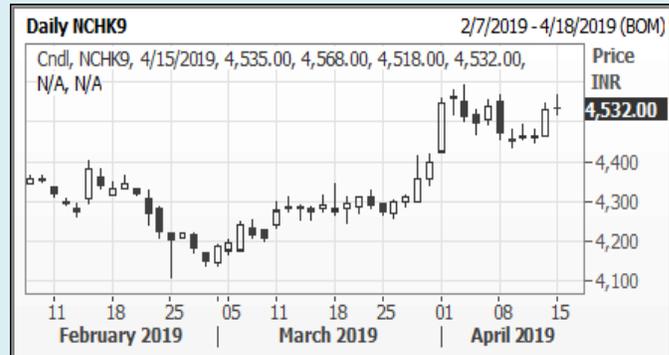
Cotton futures expected to trade sideways to lower bearish USDA monthly report. Moreover, forecast of near normal monsoon also put pressure on cotton prices. However, improving in exports demand from China and increasing domestic demand may support prices. Reports of CCI selling its stock may keep prices in a range.

**Market Highlights– Chana & Cotton**

	Unit	Last	Prev day	WoW	MoM	YoY	% Change
<b>Chana Spot - NCDEX (Delhi)</b>	`/qtl	4422	-0.1	1.7	7.5	#N/A	
<b>Chana- NCDEX-May'19</b>	`/qtl	4532	0.1	1.8	5.9	22.8	
<b>NCDEX Kapas Apr '19</b>	R/20 kgs	1214.5	-0.16	0.45	5.56	#N/A	
<b>MCX Cotton Apr'19</b>	Rs/Bale	22080	-0.81	-0.18	2.65	5.80	
<b>ICE Cotton May'19</b>	Usc/Lbs	76.49	-2.07	-2.05	1.02	-8.12	
<b>Cotton ZCE</b>	Yuan/ton	15545	1.20	1.83	7.62	4.47	

**Price Chart – Chana**

NCDEX May'19



**Price Chart – Cotton- MCX**

MCX Apr'19



Source: Reuters

## Spices (Jeera)

**NCDEX May Jeera futures closed on positive note on Monday amid improving physical and export demand. Despite heavy arrivals, jeera futures climb to 10-week high of 16,610 per 100 kg.** During the first half of April, 45,300 tonnes of Jeera arrived in physical market compared to 23,800 tonnes in March second half and 17,000 tonnes last year same time. India's cumin seed (jeera) output is set to touch 4.16 lakh tonnes for 2019, about 9% higher than the previous year, supported by a sharp jump in production in Rajasthan. Exports of jeera is up 20.8% on year in January at 9,429 tn compared to 7,800 tn last year while for Apr-Jan period it is up 24.75% at 1.46 lt, compared to last year, according to DGCIS.

### Outlook

We expect Jeera futures to trade sideways to positive on mixed fundamentals of heavy supplies and improving demand from the bulk buyers for new season crop. This season there will be higher availability thus exports demand will play a major role in prices movement.

### Turmeric

**NCDEX Turmeric plunge more than 3.4% on Monday to close at 6,384 rupees per 100 kg due to fresh selling by market participants.** Near normal monsoon forecast and higher carryover stocks is putting pressure on turmeric prices. **There is** anticipation of government procurement while improving export demand may support prices. As per Commerce Ministry, turmeric exports during the month of January, down 11.4% y/y to 7,774 tonnes (Vs 8,773 t). However, for Apr-Jan period exports up 18% at 1.10 lakh tonnes compared to 93,350 tonnes last year for the same period. In 2018/19, production is forecast at 11.5 lt in the 1st advance estimates by the government.

### Outlook

Turmeric futures expected to trade sideways to lower due to technical correction. However, new season arrivals and good production prospects will keep prices lower. However, government procurement in some states coupled with good exports will support price rise.

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

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## Market Highlights - Spices

	Unit	Last	Prev day	WoW	MoM	YoY	% Change
Jeera Spot- NCDEX - Unjha	R/qrtl	16622	0.13	0.79	2.08	3.35	
Jeera- NCDEX May'19	R/qrtl	16530	0.30	0.79	4.62	8.94	
Turmeric Spot- NCDEX	R/qrtl	6355	-1.76	-2.80	1.19	-1.80	
Turmeric- NCDEX May'19	R/qrtl	6384	-3.39	-4.46	0.31	-4.00	

## Technical Chart – Jeera

NCDEX May'19



## Price Chart – Turmeric

NCDEX May'19



Source: Reuters

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