

Soybean

NCDEX Aug Soybean edged higher mainly on short covering from the lower levels. Prices are still under pressure due to disappointed meal exports figures and good monsoon rains in the soybean bowl in [Madhya Pradesh](#). As per SOPA, press release, the arrivals of soybean improved during June to 4.5 lt compared to Apr and May. Overall, arrivals this season is 89.25 lt compared to 75 lt last year.

As per data released by SEA, soy meal exports provisionally down by 82.5% in June to 18,185 tonnes compared to last year. Similarly, exports for 1st quarter (Apr-Jun) are down by about 55% to 1.12 lt compared to 2.5 lt last year. Government hike minimum support price by 9% or 311 rupees to 3,710 per 100 kg for 2019/20 which also helps to increase acreage this year. As per farm ministry, acreage under soybean is 16.75 lakh ha so far, up from 2.75 l hac from previous week but down about 65% from last year acreage of 48.42 lakh ha. In the 3rd advance estimates, government increased production forecast of soybean to 137.43 lt (Vs 109.33). USDA kept soybean output forecast unchanged at 109 lt in 2019/20 however down 5.2% compared to last year.

CBOT soybean closed higher futures closed higher on Thursday as USDA lowered the production of US soybean to 104.6 million tonnes, down 7.4% this months and 15.4% lower than last year production. USDA Export Sales report tallied old crop soybean sales at 132,163 MT for the week of 7/4. That was a 9-week low and down 16.7% yr/yr.

Outlook

Soybean futures expected to trade sideways due to expectation of improving sowing progress in central India due to fast progress of monsoon rains. Moreover increasing import duty for edible oil will support oilseed prices. However, declining meal exports may put extra pressure on Oilseeds as the sowing season progressing.

RMseed (Mustard seed)

NCDEX Aug Mustard jumps higher due to fresh buying tracking improved physical demand and diminishing arrivals. The demand for rape meal is slowed down at higher prices. As per SEA, Rape meal exports also down 23% to 2.5 lt during the first quarter of 2019/20 compared to 3.2 llast year. For June, rape meal exports are provisionally kept at 54,250 tonnes, down by more than 40% on year. As per data released by MOPA, with the new season arrivals is just above 50 lt, about 32.50 lt of mustard is crushed since March. In June 6.5 lt is crushed, unchanged from last year.

The reports of nil imports of rapeoil for third consecutive month in May keep domestic crush demand intact. In its 3rd adv estimates, mustard production revises higher to 87.82 lt from 83.97 lt in 2nd estimate. USDA maintain export forecast of rapemeal to 9 lt and output in 2019/20 at 77 lt (Vs 80 lt) in its monthly report.

Outlook

Mustard futures expected to trade sideways and looking to consolidate above 3900 levels as with steady demand for exports of rape meal. However, good demand for mustard oil and slowing supplies in physical market may support prices.

Market Highlights – Oilseeds

	Unit	Last	Prev day	WoW	MoM	YoY	% Change
Soybean Spot- NCDEX - Indore	R/100 kg	3613	0.72	-2.19	-3.99	-0.11	
Soybean- NCDEX Aug'19	R/100 kg	3598	0.50	-1.51	-1.67	-0.20	
Soybean CBOT- Nov'19	US\$/lb	917	0.49	#N/A	3.41	4.95	
RM Seed Spot- NCDEX	MYR/Tn	4062	0.29	-0.45	0.29	-3.29	
RM Seed- NCDEX ug'19	R/100 kg	3925	0.49	-0.83	-0.23	-4.38	
Rapeseed-WCE	CAN \$/Tn	448	0.45	-0.36	-1.62	-14.35	

Price Chart –Soybean

NCDEX Aug'19



Price Chart –Rmseed

NCDEX Aug'19



Source: Reuters

Refine Soy Oil

Refined Soy Oil futures jumps higher on Thursday due to fresh buying initiated by market participants from the lower levels. It is expected that India might hike import duty on palm oil to restrict imports of cheap edible oil but no decision taken in the budget. **In a fortnightly notification**, government cut tariff rate for soyoil to \$697 for 1st half of July from 709 dollar earlier. According to monthly report released by SEA, Soyoil imports down 41.6% to 2.32 lt in May compared to 3.97 lt last year same month. Overall, imports are lower by 1.31% for the first 7 months (Nov-May) of OY 2018/19 at 14.69 lt on year.

Soy oil imports were down for the second consecutive month in May compared to last year while the import of refine palm oil increase 38% on year since November. As per latest SEA, edible oil stocks are at 22 lt as on 1st June, down compared to 26.62 lt last year same time.

USDA revised higher domestic consumption to 50 lt for 2018/19 compared to 49 lt in its monthly report. Consumption forecast to increase to 52 lt in 2019/20.

Outlook

We expect Ref Soy oil may trade sideways to lower good monsoon progress and cut in tariff value. However, it may turn positive if there is any increase in import duty to support domestic refineries and farmers.

Crude Palm oil

MCX CPO recovers on Thursday after hitting its lowest levels in current year to close at 497.40 rupees per 10 kg due to bargain buying and taking clues form International prices. Currently, CPO prices are about 18-20% down on year due to weak international prices and higher import prospects. For 1st half of July, tariff value for CPO and RBD Palmolein cut by 17 and 22 dollar to 508 and 540 dollar per ton. **Palm oil stocks at port increased to 6.2 lt as on 1st June compared to 5.55 lt last month.** According to USDA, India's palm oil imports in 2018/19 (Nov-Oct) are expected to jump by 20% on year to 105 lt due to weak International prices. According to SEA monthly press release, Import of CPO up 32.2% on year in May to 4.40 lt while import of RBD up by 135% to 3.71 lt.

Malaysian palm oil closed higher due to firm soy oil prices in Cbot and stronger ringgit. A stronger ringgit, palm's currency of trade, makes the edible oil more expensive for foreign buyers. Malaysian palm oil production was down by about 9% m/m in June as per data released by MPOB.

Outlook

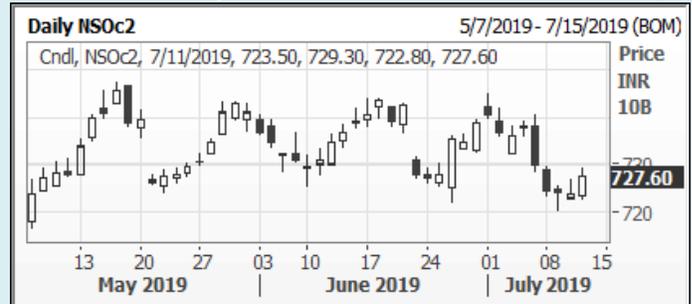
CPO futures expected to trade sideways to lower due to higher stocks in the port and expectation of higher imports in coming months coupled with lower Malaysian price. However, any import duty hike by the government may support palm oil prices.

Market Highlights – Edible Oils

		Unit	Last	Prev day	WoW	MoM	YoY
Ref Soyoil Spot -							
Mumbai	R/10 kgs	733.9	-0.43	-1.54	-0.58	-3.5	
Ref Soy oil- NCDEX							
Jul'19	R/10 kgs	727.6	0.54	-1.40	1.48	-2.7	
Soybean Oil- CBOT-							
Dec'19	USc/lbs	28.65	0.32	#N/A	2.84	-0.9	
CPO-Bursa Malaysia -							
Sep'19	MYR/T	1941	0.21	-0.46	-3.29	-14.3	
CPO-MCX-Jul'19	R/10 kg	497.4	0.85	-3.04	-0.96	-21.3	

Price Chart –Ref Soy Oil

NCDEX Aug'19



Price Chart –Crude Palm Oil

MCX Jul'19



Source: Reuters

Chana

NCDEX Chana trading in a range this week and closed lower on Thursday due to balance supply and demand situation. Improvement in demand in physical market may support price but there is ample supplies in physical market. NAFED is still holding more than 12.8 lakh tonnes of chana from last season and procured about 7.75 lakh tonnes this season compared to more than 23 lakh tonnes last season. As per govt data, chana imports increase by 212% in April compared to last year at 24,600 tonnes. Currently, chana attract 60% import duty since Mar 2018 which restricted imports. However, imports were down 84% to 1.86 lt in 2018/19 (Apr-Mar) compared to 9.81 lt last year, while exported are about 2.28 lt compared to 1.28 tonnes last year. In 2018/19, chana output forecast revised slightly lower at 100.90 lt in 3rd advance estimate compared to 103.2 lt in 2nd advance estimated by Government.

Outlook

Chana futures will trade sideways as government agencies holding major portion of Chana. Moreover, good stocks with physical traders due to higher production this year are pressurizing the prices. Procurement of chana at MSP by NAFED is slow and may pick up in coming weeks.

Cotton / Kapas

MCX Jul cotton edged lower to close at 21,160 rupees per bale on Thursday as USDA increase production forecast for cotton in India by 1.75% this month to 29 million bales while the stocks jump by 17.8% to 8.93 million bales. As per farm ministry report, acreage under cotton in the country was 45.85 lakh ha so far, lower than 54.60 lakh ha from a year ago. Anticipation of improving sowing in Central and Western parts of country after consistent rains in cotton growing states is keeping prices in check. Area in Gujarat under cotton is higher by 64% as in 8-Jul-19 at 18.76 lakh ha compared to 11.44 lakh ha last year. There are reports that the [imports may be lower](#) in 2018/19 cotton year than expected as domestic prices came down. Preliminary data published by the Ministry of Commerce indicates that shipments in the month of April 2019 are 74% lower at 2.11 lakh bales (Vs 8.23) as compared to last year. Government increase MSP for cotton (medium staple) and cotton (long staple), by Rs. 105 per quintal and Rs. 100 per quintal respectively.

ICE cotton fell more than 1% on Thursday due to bearish USDA report showed higher ending stocks for the United States couple with weak export sales. USDA report also shows 4% increase in global ending stocks for 2019/20 this month to 80.4 million bales.

Outlook

Cotton futures may trade sideways due to good sowing progress in Gujarat and Maharashtra, as monsoon rains have been good in last 10 days. In its recent press release, CAI reduces June estimates for cotton crop by 3 lakh bales to 312 lakh bales may reduce supplies further. However, improving imports and decreased exports may keep supplies sufficient till new crop arrives.

Market Highlights– Chana & Cotton

	Unit	Last	Prevday	WoW	MoM	YoY	% Change
Chana Spot - NCDEX (Delhi)	/qtl	4254	-0.3	2.5	-2.2	#N/A	
Chana- NCDEX-Jul'19	/qtl	4298	-0.8	2.0	-3.7	14.5	
NCDEX Kapas Apr '20	R/20 kgs	1121.5	-0.18	-0.13	0.22	#N/A	
MCX Cotton Jul'19	Rs/Bale	21160	-0.75	-1.44	-0.75	-5.62	
ICE Cotton Dec'19	Usc/Lbs	63.08	-1.16	#N/A	-3.01	-26.97	
Cotton ZCE	Yuan/ton	12825	0.94	-4.79	0.39	-14.70	

Price Chart – Chana



Footer

Price Chart – Cotton- MCX



Source: Reuters

Spices (Jeera)

NCDEX Aug Jeera continues its up-trend this week and close at 17,515 rupees per 100 kg due fresh buying by market participants tracking improving domestic demand. Prices have been in a range since last one month due to diminishing export demand and sufficient supplies. As per, Agmarknet data arrivals of jeera in Gujarat is about 5,500 tonnes during 1-10 July compared to 3000 t last year same month. As per Commerce Ministry data release, Jeera exports in April is down by more than 11% on year to 23,300 tonnes. Moreover Jeera exports during first 4-months in 2019 down 14.4% on year to about 66,000 tn compared to 77,000 tn last year for same period. According to third advance estimates by Government, India's cumin seed (jeera) output in 2018/19 is 5 lakh tonnes, down 36.3% than the previous year's production of 7.85 lt.

Outlook

Jeera futures expected to trade sideways due to steady demand from bulk buyers and exporters. Overall exports demand is good which is keeping prices above 17,000 levels.

Turmeric

Turmeric Aug futures close lower on Thursday to close at 6,682 rupees per 100 kg on fresh selling by market participants. Arrival of turmeric at the Erode markets in July declines after prices slipped to 4-month lows last week due to sufficient rains and good carryover stocks. Turmeric exports during the month of April, little down 1.61% y/y to 10,744 tonnes (Vs 10,919 t), as per govt data. While, turmeric exports in first 4-months in 2019, up by 10% to 42,000 tn compared to 38,171 tn. Country exported about 1.33 lakh tonnes of turmeric in FY 18-19 compared to 1.11 lt last year. In 2018/19, production is forecast at 10.77 lt in the 3rd advance estimates by the government.

Outlook

Turmeric futures expected to trade positive due to low level buying. However, it may remain mostly in a range due to sufficient stocks with traders and farmers. Moreover, good progress to monsoon rains in Turmeric growing areas may pressurize prices further as season progresses.

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Market Highlights - Spices

	Unit	Last	Prev day	WoW	MoM	YoY	% Change
Jeera Spot- NCDEX - Unjha	R/qrtl	17407	0.04	0.25	-0.53	-6.71	
Jeera- NCDEX Aug'19	R/qrtl	17515	0.09	1.42	-0.68	-8.05	
Turmeric Spot- NCDEX	R/qrtl	6425	0.06	-0.42	-2.10	-12.77	
Turmeric- NCDEX Aug'19	R/qrtl	6682	-0.36	0.97	-3.75	-17.75	

Technical Chart – Jeera

NCDEX Aug'19



Price Chart – Turmeric

NCDEX Aug'19



Source: Reuters

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