

**Soybean**

**NCDEX Jul Soybean** slipped more than 1.2% on Wednesday due to expectation of higher planting and sufficient forward stocks in the physical market. Moreover, slow down in soymeal exports is also a worry. As per SEA, country export only export 40,000 tonnes of soy meal in May down 41.4% y/y. Moreover, for Apr-May period, India shipped out about 58,470 tonnes of soybean meal down 59% compared to last year.

However, monsoon rains will be very crucial in next two weeks as sowing is slow. As per farm ministry, acreage under soybean was 37,000 ha so far, lower than 75,000 ha from a year ago. Soybean arrivals for the Oct-May period pegged at 84.75 lt, up by 19.4% on year as per SPOA report. Until April, country crushed about 67.8 lt of soybean compared to 60.5 lt last year. In the 3<sup>rd</sup> advance estimates, government increased production forecast of soybean to 137.43 lt (Vs 109.33 last year).

USDA in its monthly report forecast output at 109 lt in 2019/20, down 5% compared to last year.

**CBOT Soybean edged lower on Wednesday due to profit booking from three-month high** but fall was limited on forecasts for wet conditions in the U.S. Midwest which will further slow planting progress.

**Outlook**

Soybean futures expected to trade sideways to lower due to reports of higher carryover stocks and acreage this season. Moreover, increase edible oil imports and declining meal exports will put extra pressure on Oilseeds as the sowing season approaching.

**RMseed (Mustard seed)**

**NCDEX July Mustard closed almost unchanged on Wednesday due to steady demand from the mills and higher stocks.** The demand for rapemeal is slowed down at higher prices. As per SEA, export of rapemeal in May is provisionally kept at 19,500 tonnes, down 89% on year.

However, reports of nil imports of rapeoil for third consecutive month in May keep domestic crush demand intact. In its 3<sup>rd</sup> adv estimates, mustard seed & rapeseed production is revise higher to 87.82 lt from 83.97 lt in 2<sup>nd</sup> estimate. Nafed expected to procure about 20 lt at MSP from various states. USDA maintain export forecast of rapemeal to 9 lt this month after raise it last month from 6.5 lt. **USDA expects rapeseed output in 2019/20 at 77 lt (Vs 80 lt last year) in its monthly report.**

**Outlook**

Mustard futures expected to trade sideways to lower due to technical selling and pressure on other oilseed crops due to increase in imports of refine palm oil. Steady demand and diminishing supplies in physical market may support prices from lower levels.

**Market Highlights – Oilseeds**

	Unit	Last	Prev day	WoW	MoM	YoY
% Change						
<b>Soybean Spot- NCDEX - Indore</b>	R/100 kg	3757	-0.74	-0.37	-2.84	6.52
<b>Soybean- NCDEX Jul'19</b>	R/100 kg	3596	-1.26	-1.86	-4.13	9.71
<b>Soybean CBOT- Jul'19</b>	US\$/lb	903	-1.12	2.88	9.92	-2.59
<b>RM Seed Spot- NCDEX</b>	MYR/Tn	4077	-0.14	0.42	2.66	0.47
<b>RM Seed- NCDEX Jul'19</b>	R/100 kg	3918	0.10	-0.05	-0.73	0.03
<b>Rapeseed-WCE</b>	CAN \$/Tn	456	-1.09	-0.44	2.78	-11.95

**Price Chart –Soybean**

NCDEX Jul'19



**Price Chart –Rmseed**

NCDEX Jul'19



Source: Reuters

**Refine Soy Oil**

**Refined Soy Oil futures** edged lower on Wednesday due to profit booking after it climb to contract high in the previous session. We have seen declining imports of edible oil for the second consecutive month compared to last year while stocks also lower compared to last year by 17%. **In a fortnightly notification**, government kept tariff rate unchanged for soyoil at 709 dollar for 2nd half of June but increase CPO tariffs. As per latest SEA press release, edible oil stocks are down to 22 lt as on 1<sup>st</sup> June compared to 26.62 lt last year same time.

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 compared to last year same period. USDA in its monthly report revised higher the consumption to 50 lt in 2018/19 compared to 49 lt in previous month estimates. Consumption will increase to 52 lt in 2019/20.

**Outlook**

We expect Ref Soy oil to trade sideways to lower due to weakness in domestic soybean prices and improving imports of edible may also put pressure on prices in coming weeks.

**Crude Palm oil**

**MCX CPO edged higher on Wednesday tracking firm Malaysian palm oil prices.** The prices increase sharply this week due to increase in tariff value for CPO. For 2<sup>nd</sup> half of June, tariff value for CPO and RBD Palmolein increased by 11 and 7 dollar to 525 and 562 dollar per ton. Currently, CPO prices are about 18-20% down on year due to weak international prices and higher imports. **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 is expected to jump by 20% on year to 105 lt due to sharp fall in the prices and lower tariff values. According to SEA monthly press release, Import of Crude palm oil down 19.2% on year in April at 4.50 lt while import of RBD palmolein up by about 13.7% to 2.38 lt due to lower prices in the international markets.

**Malaysian palm jumped more than 1% on Wednesday on expectation of better exports data.** Malaysian palm oil exports for June 1-20 may be better compared to earlier periods. Malaysia's Southern Peninsular Palm Oil Millers Association reported a 26.4% drop in production on Monday which also helped boost prices.

**Outlook**

CPO futures expected to trade sideways to higher in coming days due to increase in tariff values. Drop in edible oil stocks in ports will also support edible oil prices.

**Market Highlights – Edible Oils**

		% Change					
	Unit	Last	Prev day	WoW	MoM	YoY	
Ref Soyoil Spot - Mumbai	R/10 kgs	744.7	-0.10	0.38	0.61	0.8	
Ref Soy oil- NCDEX Jul'19	R/10 kgs	739.2	-0.57	0.62	1.87	3.8	
Soybean Oil- CBOT- Jul'19	USc/lbs	28.37	0.14	2.94	4.22	-5.9	
CPO-Bursa Malaysia - Sep'19	MYR/T	2046	1.19	3.96	-2.48	-12.3	
CPO- MCX – Jun'19	R/10 kg	518.0	0.19	4.67	-1.95	-18.6	

**Price Chart –Ref Soy Oil**

NCDEX Jul'19



**Price Chart –Crude Palm Oil**

MCX May'19



Source: Reuters

## Chana

**NCDEX Jul** Chana continue to fall this week on profit booking by the market participants as government resumed disposal of stocks in Maharashtra and Madhya Pradesh. Majority of stock is with the government agencies. In 2018/19, chana output forecast revised slightly lower at 100.90 lt in 3<sup>rd</sup> advance estimate compared to 103.2 lt in 2<sup>nd</sup> advance estimated by Government. Currently, chana attract 60% import duty since Mar 2018 which restricted imports. Chana, imports are 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.

### Outlook

Chana futures will trade sideways to lower in coming days as government agencies holding major portion of Chana may auction to stabilize prices near MSP. However, stocks with physical traders diminishing amid lower imports and high consumption may support prices if it drops below MSP.

### Cotton / Kapas

**MCX Jun cotton** fell 0.05% on Wednesday after 5 sessions of positive to close at 21,880 rupees per bale. There is slow start to sowing progress this season as monsoon progress is slow. As per farm ministry report, acreage under cotton was 15.32 lakh ha so far, lower than 17 lakh ha from a year ago. Recently, CAI has projected cotton exports at 46 lakh bales (Vs 69) due to higher prices and smaller crop size.

The Cotton Advisory Board, estimated (provisional) cotton production this season (Oct 2018 to Sep 2019) to be 337 lakh bales of 170 kg each. Import of cotton in the 2018-2019 cotton season is expected to be 22 lakh bales, almost seven lakh bales higher compared with the previous season.

In the current season, we see higher imports of about 31 lakh bales due to higher domestic prices. As per DGCIS, exports of cotton from India is down by 27% in first 3-months of 2019 compared to last year while imports up by 12%.

**ICE cotton closed higher Wednesday on trade hopes between US and China after Trump agrees to meet Chinese counterpart for extended meeting during the Group of 20 summit.** The U.S. Department of Agriculture (USDA) reported on Thursday that net cotton sales were down 59%, while exports were up 17% for the 2018/19 marketing year. NASS reported that US cotton acres were 89% planted by Sunday, 5% behind the normal pace.

### Outlook

Cotton futures may trade sideways to higher due to slow start to planting season in the country. Moreover, expectation of steady to higher supplies in domestic market due to higher imports and decreased exports may keep supplies at optimum levels. However, forecast of normal monsoon and pick up in sowing in Maharashtra and Gujarat may keep prices under pressure during the sowing season.

## Market Highlights– Chana & Cotton

	Unit	Last	Prev day	WoW	MoM	YoY	% Change
<b>Chana Spot - NCDEX (Delhi)</b>	`/qtl	4163	-0.9	-4.3	-7.5	#N/A	
<b>Chana- NCDEX-Jul'19</b>	`/qtl	4211	-0.7	-4.9	-9.6	25.5	
<b>NCDEX Kapas Apr '19</b>	R/20 kgs	1139.5	0.00	0.00	-2.98	#N/A	
<b>MCX Cotton Jun'19</b>	Rs/Bale	21880	-0.05	2.00	1.72	-4.87	
<b>ICE Cotton Dec'19</b>	Usc/Lbs	67.16	0.51	1.94	1.18	-28.10	
<b>Cotton ZCE</b>	Yuan/ton	13560	3.47	4.27	-2.24	-17.87	

### Price Chart – Chana

NCDEX Jul'19



### Price Chart – Cotton- MCX

MCX May'19



Source: Reuters

## Spices (Jeera)

**NCDEX Jul Jeera slipped 0.80% on Wednesday due to fresh selling initiated** by the market participants. The demand is steady and the supplies in physical market are also sufficient. Exports in March were lower at 23,300 tn compared to 33,450 tn last year, according to DGCIS latest data update. As per Commerce Ministry data release, Jeera exports is up 12% on year in 2018/19 (Apr-Mar) at 179,874 tn compared to 160,500 tn last year. The arrivals have are higher during first 12 days in June at 8000 tn against only 6,600 tn last year. 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 lakh tonnes.

### Outlook

We expect Jeera futures to trade positive and consolidate at current levels of in coming weeks to gauge demand at these levels. Overall exports demand will play a major role in prices movement as availability is good this season.

### Turmeric

**NCDEX Turmeric edged lower on Wednesday and now trading at 8-week lows** on fresh selling by market participants due to higher delivery in the June contract. For June, about 3105 tonnes of delivery allocation is done till 19<sup>th</sup> June against 10 tonnes delivery last year. Improving export demand and forecast of below normal rains in the turmeric growing areas of the country may support prices as season progresses. As per Commerce Ministry, turmeric exports during the month of March, up 25.5% y/y to 13,140 tonnes (Vs 10,473 t). While, turmeric exports in 2018/19 is up by 19.2% compared to last year. 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 under pressure on higher stocks with traders and farmers. Government procurement in some states coupled with improving demand for exports will support price rise.

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## Market Highlights - Spices

	Unit	Last	Prev day	WoW	MoM	YoY	% Change
<b>Jeera Spot-NCDEX -</b>							
Unjha	R/qrtl	17517	0.17	0.23	-1.44	6.25	
Jeera-NCDEX Jul'19	R/qrtl	17270	-0.78	-2.68	-3.84	6.90	
<b>Turmeric Spot-NCDEX</b>							
Turmeric-NCDEX Jul'19	R/qrtl	6350	-0.03	-6.15	-11.68	-12.60	

## Technical Chart – Jeera



## Price Chart – Turmeric



Source: Reuters

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