

Soybean

NCDEX Soybean edged higher on Monday due to short covering from lower levels to close at 3,712 rupees per 100 kg. We have seen downtrend in prices last week due to lower demand for crushing on expectation of improving edible oil imports. As per latest SOPA press release, soybean arrivals for the Oct-Apr period pegged at 81 lt, up by 21.8% on year. Until April, country crushed about 62 lt of soybean compared to 55.5 lt last year for same period. As SEA, soy meal exports are revised higher to 13.58 lt, up 14.3% in 2018/19. SEA revised March 2018 exports figures to 2.15 lt which is highest single month exports in last 26 months. USDA in its monthly report forecast output at 109 lt in 2019/20, down 5% compared to last year. Lower crude soybean oil stocks at port may support soybean prices but lowering of tariff on edible oils and lower soy oil in international market pressurize soybean.

CBOT Soybean closed lower on Tuesday as a media report that the Trump is considering large aid payments for soy farmers which may expand planting of the crop this season. President Trump is considering \$2/bu trade aid for soybeans, though no other details or official announcements have been made. In a weekly U.S. Department of Agriculture report that showed farmers had seeded just 19% of their intended soybean acreage as of May 19. The five-year average is 47%.

Outlook

Soybean futures expected to trade sideways in coming days due to lower physical demand by the oil mills. However, higher production and increase edible oil imports will put extra pressure on Oilseeds at higher levels.

RMseed (Mustard seed)

NCDEX Jun Mustard traded in a range and close little lower at 3,901 rupees per 100 kg. Currently, prices are consolidating near 3,900 levels on hopes of meal demand coming from China after US imposed fresh tariff. Moreover, reports of nil imports of rapeseed for second consecutive month in April keep domestic crush demand higher. Nafed expected to procure about 20 lt at MSP from various states. USDA increase export forecast of rapemeal to 9 lt from 6.5 lt due to likely exports to China with larger crop and crush.

As per SEA, export of rapemeal in 2018/19 is sharply increased to 10.94 lt (Vs 6.64 lt last year) while for march revised higher to 93,110 tonnes from 50,964 tonnes. However, provisional exports were down about 3.5% y/y in April at 94,462 t compared to 97,891 t last year. **USDA** revised higher its production forecast for 2018/19 by 21% to 80 lt (Vs 61 lt) in its monthly report.

Outlook

Mustard futures expected to trade sideways to higher on steady demand for meals. However, heavy supplies of new season mustard crop and reports of procurement by the states might keep prices in a range.

Market Highlights – Oilseeds

	Unit	Last	Prev day	WoW	MoM	YoY	% Change
Soybean Spot- NCDEX - Indore	R/100 kg	3847	0.87	0.05	0.34	2.97	
Soybean- NCDEX Jun'19	R/100 kg	3712	0.43	-1.56	-1.67	-0.48	
Soybean CBOT- Jul'19	US\$/lb	822	-1.17	-1.14	-6.11	-17.39	
RM Seed Spot- NCDEX	MYR/Tn	3988	0.09	0.93	2.91	0.32	
RM Seed- NCDEX Jun'19	R/100 kg	3901	-0.10	0.08	1.72	-1.09	
Rapeseed-WCE	CAN \$/Tn	442	0.00	0.82	1.05	-16.94	

Price Chart –Soybean

NCDEX Jun'19



Price Chart –Rmseed

NCDEX Jun'19



Source: Reuters

Refine Soy Oil

Refined Soy Oil June futures edged higher for the second consecutive session due to bargain buying and improving physical demand. Cut in tariff by government by 1% and reports of sufficient stocks at port and higher in pipeline is keeping prices below 750 levels. Edible oil in pipeline is highest as on 1st May since October last year.

In a fortnightly notification, Government cut tariff value of crude soy oil by 7 dollar to \$689 per tn for the 2nd half of May.

According to monthly report released by SEA, Soyoil imports down 6% to 2.48 lt in April compared to 2.65 lt last year same month. Overall, imports are higher by 13.3% for the first half of OY 2018/19 (Nov-Apr) at 12.37 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 higher as International edible oil prices starting to pick up from the lower levels. However, weakness in domestic soybean prices and improved imports of edible may put pressure on prices in coming weeks.

Crude Palm oil

MCX May CPO edged lower on Tuesday tracking weakness in Malaysian CPO to close at 519 rupees per 100 kg. Currently, CPO prices are about 20% down on year due to higher stocks, weak international prices and higher imports.

For 2nd half of May, tariff value for CPO and RBD Palmolein cut by 23 and 26 dollar to 522 and 556 dollar per ton which is lowest tariff rate in 2019. **According to USDA monthly report, India's palm oil imports in 2018/19 is expected to jump by 20% on year to 105 lakh tonnes 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 closed nearly 2% down on Tuesday on concern that May output would be higher than expected. Flat or rising stocks from April to May, however, could add to already high inventory levels which are pressurizing prices. Meanwhile, Malaysian palm oil shipments for May 1-20 rose between 5.6% and 13% compared with the same period last month. Data from the MPOB last Friday showed April output fell 1.4% from the previous month to 1.65 mt.

Outlook

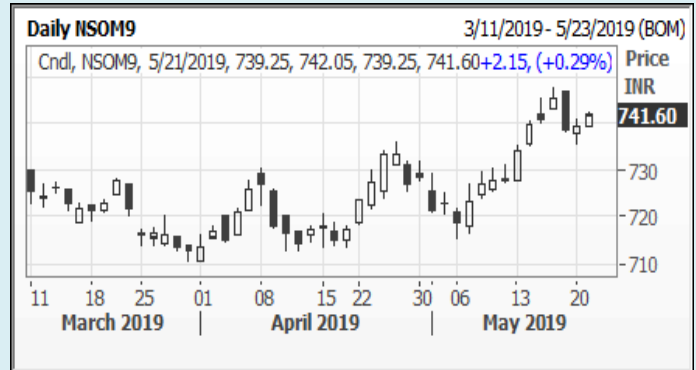
CPO futures expected to trade sideways to lower due to weak international prices. Moreover, lower tariff value and higher import figures are bearish sign. Higher edible oil stocks by 20% compared to last year ports is also pressurizing prices of edible oil.

Market Highlights – Edible Oils

	Unit	Last	Prev day	WoW	MoM	YoY	% Change
Ref Soyoil Spot - Mumbai	R/10 kgs	744.5	0.59	1.77	0.98	-1.6	
Ref Soy oil- NCDEX Jun'19	R/10 kgs	741.6	0.30	0.26	1.92	-1.3	
Soybean Oil- CBOT- Jul'19	USc/lbs	27.14	-1.31	0.52	-4.34	-12.3	
CPO-Bursa Malaysia - Aug'19	MYR/T	2057	-1.95	2.14	-5.21	-15.0	
CPO-MCX – May'19	R/10 kg	519.4	-1.12	-1.20	-4.57	-20.0	

Price Chart –Ref Soy Oil

NCDEX Jun'19



Price Chart –Crude Palm Oil

MCX May'19



Source: Reuters

Chana

NCDEX Jun Chana continue to trade higher on Tuesday to close at contract high of 4,684 rupees per 100 kg. The demand is coming from the stockists as the stocks are going down due to limited auctions from the government agencies. In 2018/19, chana output forecast at 103.2 Lt in 2nd advance estimated by Government, down 8% on year due to 10% less area. Currently, chana attract 60% import duty since Mar 2018 which restricted imports. Chana, imports are down 84% to 1.71 Lt in 2018/19 (Apr-Feb) compared to 11.25 Lt last year, while exported are about 2.1 Lt compared to 89,316 tonnes last year.

Outlook

Chana futures will trade higher in coming days as stocks with physical traders diminishing amid lower imports and high consumption. Moreover, government agencies is holding major portion of chana which will be auction at or above MSP of 4,600 rupees per 100 kg.

Cotton / Kapas

MCX cotton closed lower on Tuesday to close at 21,250 rupees per bale but the trend ins up on improving demand after prices falls last week. Moreover, reports of below normal monsoon also supporting prices. Recently, CAI has projected cotton exports at 46 lakh bales compared to 69 lakh bales last year due to higher prices and smaller crop size. With the lower exports and higher imports the closing stock as on September 30, 2019 may increase from 13 lakh bales is estimated by the CCI's Cotton Crop Committee.

USDA in its latest monthly report states that India will be back to number one position in 2019/20 season with projected production of 28.5 million bales. In the current season we see higher imports of about 31 lakh bales due to higher domestic prices there will. In April, cotton prices increased to highest levels in 2019 but now correcting on expectation on higher stocks in as exports have been down.

ICE cotton settled lower on Tuesday on favorable weather conditions for good pace of cotton planting in South and West Texas, the largest cotton-producing state. The Crop Progress report indicated that 20% of the cotton acres in TX were seeded last week, now at 39%, with GA 61% planted. Those are both ahead of normal. CFTC data on Friday afternoon showed specs in cotton futures and options at their largest reported net short position since Feb 2007 at 24,828 contracts as of Tuesday. Meanwhile, the USDA in its monthly report forecast that the US cotton production in 2019/20 will be largest in 14 year. World cotton production is expected to grow by 6% on year to 125.5 million bales.

Outlook

Cotton futures may trade sideways due to expectation of higher supplies in domestic market increase imports, decreased exports. However, forecast of below normal monsoon and steady demand my keep supporting prices.

Market Highlights– Chana & Cotton

	Unit	Last	Prev day	WoW	MoM	YoY	% Change
Chana Spot - NCDEX (Delhi)	`/qtl	4575	-0.2	3.7	6.1	#N/A	
Chana- NCDEX-Jun'19	`/qtl	4684	0.4	3.6	4.8	29.8	
NCDEX Kapas Apr '19	R/20 kgs	1139.5	-2.98	-2.98	-6.37	#N/A	
MCX Cotton May'19	Rs/Bale	21250	-0.28	1.77	-4.84	2.56	
ICE Cotton Jul'19	Usc/Lbs	67.32	-0.87	0.84	-13.59	-20.83	
Cotton ZCE	Yuan/ton	13695	-0.22	0.74	-11.07	-13.46	

Price Chart – Chana

NCDEX Jun'19



Price Chart – Cotton- MCX

MCX May'19



Source: Reuters

Spices (Jeera)

NCDEX Jun Jeera fell for the third consecutive session due to fresh selling initiated by market participants to close at 17,695 rupees per 100 kg. According to Agmarknet, 28,400 tonnes of Jeera arrived in physical market during 1-20 May 2019 compared to 15,900 tonnes last year same period. However, arrivals have down on month from 65,300 tonnes during first 20 days in April. Jeera exports is up 4.6% on year in February at 10,186 tn compared to 9,736 tn last year while for Apr-Feb period it is up 23.2% at 1.57 lt, compared to last year, according to DGCIS. In March 2019, close to 70,500 tonnes of cumin arrived in physical market. 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.

Outlook

We expect Jeera futures to consolidate at current levels of 17,500-17800 in coming weeks to gauge demand at these levels. Overall exports demand will play a major role in prices movement as availability is good.

Turmeric

NCDEX Jun Turmeric jump more than 2% as market participants covering their shorts on Tuesday to close at 7,280 rupees per 100 kg. This month prices have climb more than 13% to 9-month high reports of improving export demand and below normal rains. Moreover, government procurement and improving export demand also support prices. As per Commerce Ministry, turmeric exports during the month of February, up 5.6% y/y to 8,454 tonnes (Vs 8,006 t). However, for Apr-Feb period exports are up by 17% at 1.19 lt compared to 1 lt 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 positive in coming sessions but higher stocks with traders and farmers is pressurizing prices. Government procurement in some states coupled with improving demand for exports will support price rise.

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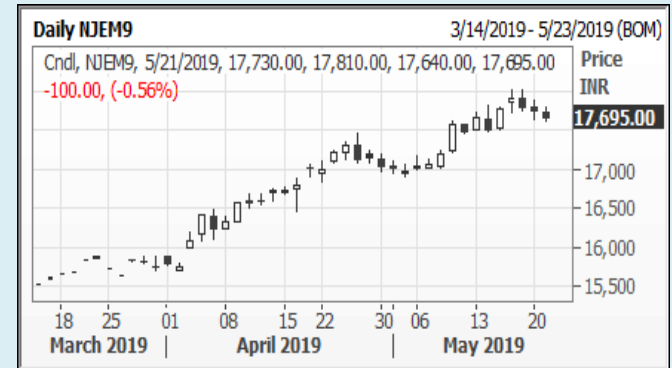
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Market Highlights - Spices

	Unit	Last	Prev day	WoW	MoM	YoY	% Change
Jeera Spot- NCDEX - Unjha	R/qrtl	17717	-0.19	1.65	4.68	10.17	
Jeera- NCDEX Jun'19	R/qrtl	17695	-0.39	1.00	2.79	8.56	
Turmeric Spot- NCDEX	R/qrtl	6748	1.27	3.42	5.66	-9.25	
Turmeric- NCDEX Jun'19	R/qrtl	7280	2.02	8.20	12.73	-0.38	

Technical Chart – Jeera



Price Chart – Turmeric



Source: Reuters

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