

Agri-Fundamentals

Soybean

Soybean May futures close the week down by more than 4% as market participants liquidate their buying positions on anticipation of steady demand due to ample available stocks in the country. As per Agmarknet, arrivals of soybean during Apr 1-25 is 2,32,853 tonnes while during in Mar it was about 2,83,644 tonnes during same time frame. As per latest SEA data, Soymeal exports from the country jumped by 137% to 916,306 tonnes in 2016/17 Vs 387,298 tonnes during last financial year 2015/16, however, m/m the exports have declined to 107,059 tonnes in Mar compared to 207,977 tonnes in Feb 2017.

CBOT soybean futures fell supported by a round of short-covering after CFTC data showed speculators had placed their largest bearish bet on the commodity in more than a year. Moreover, wet fields across the U.S. Midwest threatening to add further delays to the already slow pace of planting. U.S. farmers had seeded 10% of their soy acreage, compared with five-year average of 7%.

Refine Soy Oil

Refined soy oil futures recovers on Friday after steeply fall in the previous day as government increase the tariff value for crude soyoil for the first half of May. Government base import price of crude soyoil was increased by \$10 to \$780 per tonnes. There is still weak trend in the International markets. Moreover, good domestic supplies and steady demand is pressurizing prices. As per SEA data, soy oil imports for March down more that 28.5% Y/Y to 2.3 lt and down 8.7 lt m/m.

Crude Palm oil

CPO Futures on MCX closed with little gain on Friday tracking Malaysia futures and bargain buying seen from the lower levels. The government cut the base import prices of Crude palm oil by \$22 per tonne and RBD palmolein by \$17 per tonne for first half of May. Moreover, last week rupee hit its strongest level in 25 month results into cheap palm oil imports.

Malaysian palm oil closed slightly higher on Friday and traded mostly flat due to pending the release of data and ahead of a long weekend. The market will be closed today for a public holiday. However, prices closed lower on week on reports of lower exports during April 1-25 period due to lower demand from India compared to last month. Market participants are expecting that end-stocks could rise further during April and dampen benchmark palm oil prices.

Outlook

We expect Soybean prices expected to trade sideways to higher from the lower levels. The supplies have been lower while there is good demand from the crushers. The prices of Ref Soy oil and CPO may trade sideways to lower on expectation of record oilseed crop. Moreover, adequate supplies and cheap imports is keeping the prices under control but increasing domestic demand may keep prices supported.

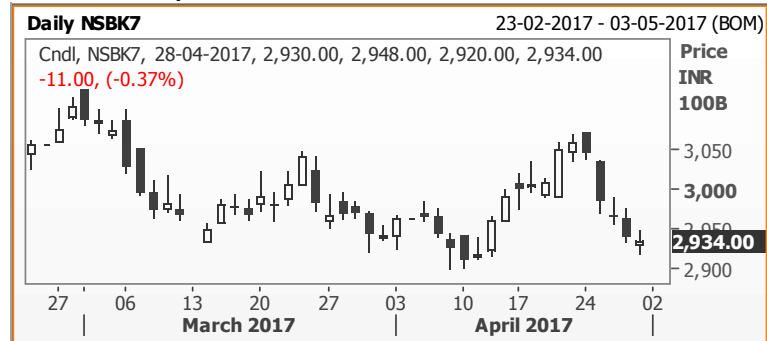
Technical Levels

Contract	Unit	Support	Resistance
Soybean NCDEX May'17	₹/qtl	2860-2900	2965-2990
Ref Soy Oil NCDEX May'17	₹/qtl	602-605	613-619
CPO MCX May'17	₹/qtl	483-487	496-499

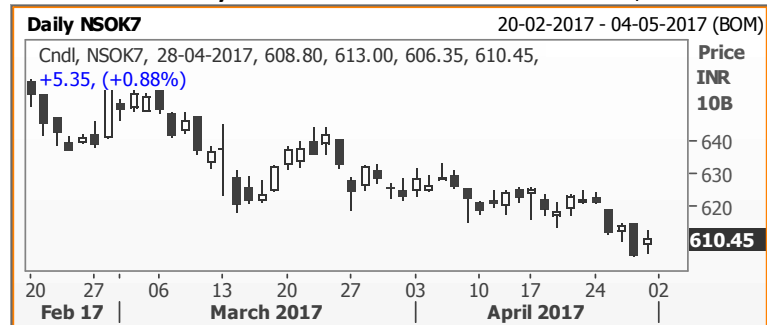
Market Highlights – Oils and Oilseeds

	Unit	Last	Prev day	WoW	MoM	YoY	% Change
Soybean Spot- NCDEX	₹/qtl	3077	-0.36	-0.97	1.85	-24.36	
Soybean- NCDEX May'17	₹/qtl	2934	-0.20	-4.02	-0.41	-24.58	
Soybean-CBOT Jul'17	USc/Bsh	970	1.40	-0.47	-1.75	-7.65	
Ref Soyoil Spot - Mumbai	₹/10 kgs	607.5	-0.41	-0.41	-3.42	-4.3	
Ref Soy oil- NCDEX May'17	₹/10 kgs	610.5	0.73	-1.86	-2.45	-4.2	
Soybean Oil- CBOT- Jul'17	USc/lbs	31.71	-0.78	-1.40	-1.80	-1.5	
CPO-Bursa Malaysia - Jun'17	MYR/T	2508	0.08	-0.87	-5.68	-2.6	
CPO- MCX – Apr'17	₹/10 kg	488.9	0.33	-0.59	-1.29	-5.7	

Price Chart –Soybean



Price Chart –Ref Soy Oil



Price Chart –Crude Palm Oil



Source: Reuters

Sugar

Sugar Futures fell last week due to higher availability of sugar in the domestic market as government extends curbs on holding of sugar stocks by six months for the sugar dealers and traders. As per USDA, India's sugar production in marketing year (MY) 2017/18 (Oct-Sept) is expected to increase by 18% to 25.8 mt. Uttar Pradesh will be the largest producer of sugar in India, followed by Maharashtra. As per trade sources, Maharashtra's sugarcane acreage in 2017-18 (Jul-Jun) is likely to rise 29% on year to 900,000 ha.

Raw sugar futures on fell to a one-year low last week as traders eyed an improving 2017-18 crop outlook. The market was weighed by the prospect of a global surplus in the upcoming 2017-18 season (October/September), as the EU liberalizes its sugar production policy to boost output and regain its place as a net-sugar exporter for the first time in over a decade. As per industry group UNICA, Brazil's center-south sugar output in the first half of April was up sharply from the second half of March.

Outlook

We expect sugar prices to trade sideways to lower on expectation of balanced demand and supply levels in the physical market. However, reports of higher sugar production in UP and announcement of duty free imports of raw sugar may keep the prices steady.

Technical Levels

Contract	Unit	Support	Resistance
Sugar NCDEX May'17	₹/qtl	3600-3630	3690-3710

Cotton / Kapas

Cotton futures on MCX continue to be under pressure on Monday on reports of higher supplies this season through imports due to strong rupees. Moreover, as per Care ratings, cotton production in India may higher by 4% in 2016/17 compared to last year. The domestic cotton arrivals in the first 25 days in April are higher by 59% on year at 2.32 lakh tonnes (lt) compared to 1.46 lt last year, as per Agmarknet data. As per CAI, the arrivals during March 2017 are higher than that of the corresponding month during last year.

ICE cotton futures edged up in thin trading on Monday supported by good rains in Texas which will be beneficial for cotton sowing. As per CFTC, speculators raised their net long position in cotton in the week to April 25, by 10,429 contracts to 95,359. Weekly export sales data from the USDA showed net upland sales totaled 115,500 running bales for the previous week, down 49% from the week before and the lowest level since late September.

Outlook

We expect cotton futures to trade down on reports of higher stock levels in the country coupled anticipation of higher sowing acreage in the country next year. Moreover, lower exports prospects and higher imports keeping prices under pressure. Poor to average response to state auction in China may support world cotton prices but rapid sowing progress in the US will further pressurize world cotton prices.

Technical Levels

Contract	Unit	Support	Resistance
Kapas NCDEX April '18	₹/20 kgs	960-970	990-1015
Cotton MCX May'17	₹/bale	20300-20500	21100-21300

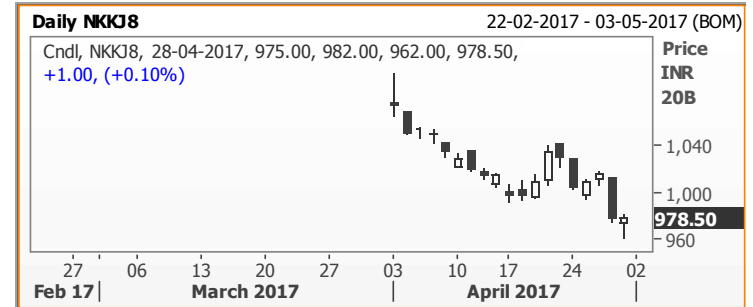
Market Highlights - Sugar & Cotton

	Unit	Last	Prev. day	WoW	MoM	YoY	% Change
Sugar M- NCDEX May'17	₹/qtl	3659	0.19	-2.06	-2.82	8.06	
ICE-Europe Sugar No 5- Aug'17	\$/tonne	459.5	2.93	-2.50	-3.61	-4.50	
ICE-US Sugar No 11-Jul'17	Usc/lbs	16.13	4.54	-2.30	-4.78	-0.49	
NCDEX Kapas Apr '18	₹20 kgs	978.5	0.05	-5.05	-5.96	11.09	
MCX Cotton May'17	₹/Bale	20720	-0.48	-2.44	-1.89	18.70	
ICE Cotton Jul '17	USc/Lbs	78.87	1.17	-0.58	1.64	22.55	
Cotton ZCE	Yuan/t	15440	-0.83	-0.58	3.83	28.73	

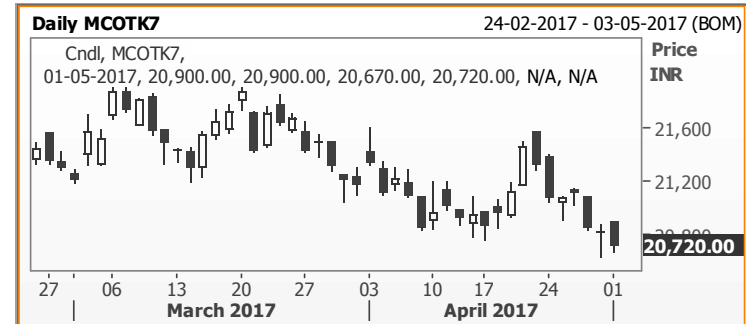
Price Chart – Sugar M



Price Chart – Kapas-NCDEX



Price Chart – Cotton- MCX



Source: Reuters

Spices (Jeera & Turmeric)

Jeera May futures closed higher last week on anticipation of better export prospects in coming months. Recently, Gujarat Agriculture Department in its 3rd advance estimates for 2016/17 has revised down the production estimates to 2.12 lt, down 4% from its 2nd estimates and almost 11% compared to last year production of 2.38 lt. The arrivals have been lower during April compared to March. As per Agmarknet data, about 30,901 tonnes of jeera arrived compared to 43,831 in previous month. On the export front, country the exports increase by 32.7% to 1,01,188 tonnes in first 10 month of marketing year 2016/17 as per the data release by Dept of commerce, GOI.

NCDEX Turmeric prices continue to fell last week as fresh selling is observed due to steady demand despite lower arrivals in the physical market. The trend is little up on lower arrivals and steady increase in demand at lower levels. Turmeric arrivals in the country lower in April to 92,964 tonnes compared to 1,35,887 tonnes during March, as per the Agmarknet data. On the export front, country exported about 89,704 tonnes during April-Jan period, up by 28.3% compared to last year exports of 69,870 tonnes, as per government data. There are expectations of improved demand in coming weeks as prices are lower.

Outlook

We expect **Jeera** futures to trade higher on expectation good physical demand and higher exports in coming months. Profit booking at higher levels may be possible. **Turmeric** may recover on expectation of good demand in the physical market as prices have been lower this season. The supplies have been lower due to lower prices and there is some increase in demand which may keep the prices supported.

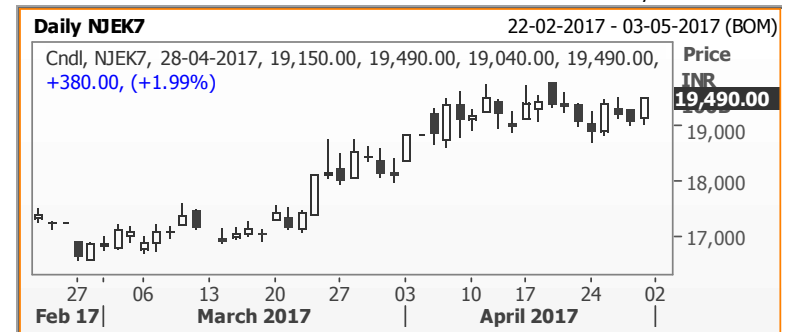
Technical Levels

	Unit	Support	Resistance
Jeera NCDEX May'17	₹/qtl	19000-19200	19600-19850
Turmeric NCDEX May'17	₹/qtl	5920-6000	6160-6245

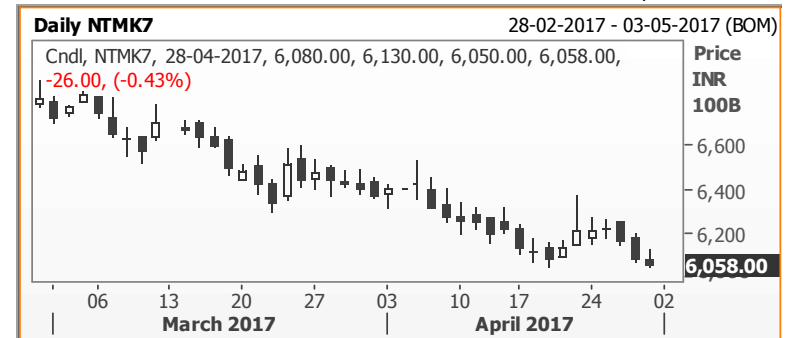
Market Highlights - Spices

	Unit	Last	Prev	WoW	MoM	YoY	% Change
Jeera Spot- NCDEX	₹/qt	18990	0.11	0.56	5.35	8.35	
Jeera- NCDEX May'17	₹/at	19490	1.99	2.04	7.26	19.94	
Turmeric Spot- NCDEX	₹/qt	5790	-1.03	-1.19	-6.21	-33.68	
Turmeric- NCDEX May'17	₹/at	6058	-0.43	-2.54	-5.46	-29.13	

Technical Chart – Jeera



Price Chart – Turmeric



Source: Reuters

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