

## Agri-Fundamentals

### Soybean

**NCDEX Soybean Oct** futures closed plunge more than 2.5% on Monday tracking lower International prices and pressure by the arrival of new season soybean. As per Agmarknet data, soybean arrivals during the first 25 days is pegged at 2.28 lakh tonnes compared to 1.99 lakh tonnes in August for the same period.

As per the agri ministry data, India's soybean acreage was at 10.6 million ha as on last week, down 7.7% from a year ago. The fall in overall acreage has been led by a decline in area under the crop in Madhya Pradesh--the largest producer--because of poor rains in the state so far this monsoon season.

**CBOT November futures fell on Monday on seasonal pressure as the soybean harvest expands in the US Midwest, and on forecasts for welcome rains in the next 10 days in soy areas of Brazil, where farmers are preparing to plant.** The USDA indicated that US soybeans were 10% harvested as of Sunday, vs. the average of 12%. Soybean condition ratings were up 1% for good to excellent. Export Inspections report showed soybean exports of 1.03 MMT, 10.59% ahead of last week and more than 2.6 times larger than a year ago. Soybean shipments YTD are 33.39% above last year.

### RMseed (Mustard seed)

Mustard Oct futures continue to trade lower on absence of physical demand by the oil millers coupled with good carryover stocks from last season. There is an anticipation of good demand from the oil millers in coming weeks on good crushing demand because of improved mustard meal exports in first 5 month of FY 2017/18.

Country exported 216,258 tonnes mustard meal during this period which is 122% higher on year. India's mustard meal exports for the month of July also rose 56.4% on year to 50,649 tonnes as per SEA data. As per SEA recent data, mustard oil imports for period Nov-Aug down 21% to 2.40 lt in current oil year compared to 3.00 lt in the previous year.

As per data compiled by Mustard Oil Producers Association of India, Oil mills across the country crushed 450,000 tn of mustard seed in August, down over 18% from the previous month.

### Outlook

**Soybean futures** are expected to trade on sideways to down on reports of new season arrivals coupled with improved physical demand from oil mill. Lower acreage in the country and improved prices of edible oil may support prices.

**Mustard seed futures** expected to trade lower on weak physical demand and higher carryover stocks. It is expected that there will good demand for crushing in the winter.

### Technical Levels

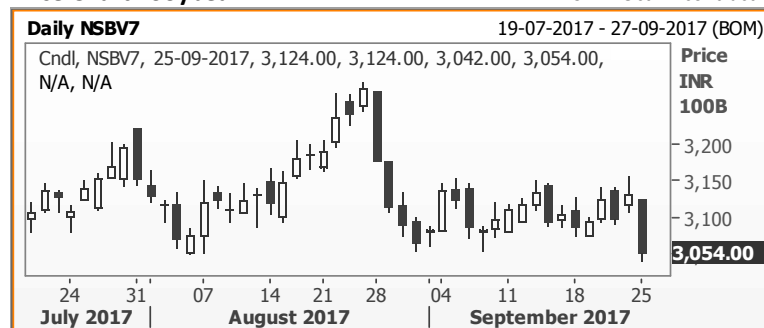
Contract	Unit	Support	Resistance
Soybean NCDEX Oct'17	₹/qtl	2990-3030	3080-3120
Mustard NCDEX Oct'17	₹/qtl	3670-3700	3750-3770

## Market Highlights – Oilseeds

	Unit	Last	Prev day	WoW	MoM	YoY
<b>Soybean Spot- NCDEX - Indore</b>	R/10 kg	3040	-1.65	-1.84	-3.09	-4.79
<b>Soybean- NCDEX Oct'17</b>	R/10 kg	3054	-2.52	-1.13	-5.77	-5.30
<b>Soybean-CBOT Nov'17</b>	US\$/lb	971	-1.32	0.36	3.54	2.75
<b>RM Seed Spot- NCDEX</b>	MYR/Tn	3919	-0.16	-0.38	-0.52	-20.02
<b>RM Seed- NCDEX Oct'17</b>	R/10 kg	3730	-0.37	-0.98	-3.27	-17.24
<b>Rapeseed-WCE</b>	CAN \$/Tn	495	0.10	1.10	-2.50	5.97

### Price Chart –Soybean

NCDEX Oct'17 contract



### Price Chart –Rmseed

NCDEX Oct'17 contract



Source: Reuters

## Refine Soy Oil

Refined Soy Oil Oct futures closed lower on Monday on profit booking by the market participants after surged higher last week. However, in spot the prices jumped by more than 1% on good physical demand in coming festival season and reports of lower imports on soyoil in the country. As per the data released by SEA, Aug crude soyoil import down 13% at 289,746 tn vs 333,599 tn yr ago, while Nov-Aug crude soyoil import also down 22% to 2.74 mln tn vs 3.49 mln tn yr ago.

Moreover, recently soy oil the prices have been supported by weak rupees and increase in import tax coupled with higher tariff value for the crude soy oil in September when government increase import tariff by \$33. For the second half of September, the government raised the base import price of crude soyoil by \$16/tonnes to \$851/tonnes.

## Crude Palm oil

**MCX CPO** closed lower on Monday due to profit booking at higher levels. The prices were on uptrend due to increase in tariff value for Crude palm oil and higher import duty. Weak rupees too supported higher prices. The base import price of refined, bleached and deodorised palm oil has been increased by \$49 a tn to \$750 a tn and that of crude soyoil has been raised by \$16 a tn to \$851 per tn. Recently government raised import duty on crude palm oil to 15% from 7.5%, and on refined palm oil to 25% from 15%.

According to SEA release, during November-August period, crude palm oil import increased to 50.82 lakh tonnes from 46.70 lakh tonnes during the same period of the previous oil year.

Malaysian palm oil futures fell 1.5 percent to their lowest in more than a month on Monday, tracking weakness in soyoil on the Chicago Board of Trade (CBOT) and as demand from top consumers China and India weakened.

China and India stocked up this month for mid-Autumn and Diwali festivities in October, which typically see higher consumption of the tropical oil. Malaysia's palm oil shipments during Sept. 1-25 rose 16.1 % from a month earlier, according to cargo surveyor data from Intertek Testing Services (ITS). Palm is likely to drop further due to continued weakness in CBOT soyoil and gains in the local currency which makes palm oil more expensive for foreign currency holders.

## Outlook

We expect **Ref Soy oil** to trade sideways due to higher tariff values and good physical demand due to coming festival season. However, higher stocks in the domestic market may keep the prices in check.

**CPO futures** may trade sideways on technical selling however, good festive demand and higher import duty for edible oil may keep the prices supported. Higher stocks levels due to higher imports may keep prices sideways.

## Technical Levels

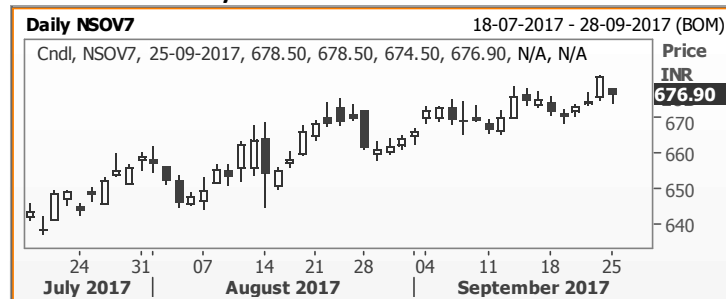
Contract	Unit	Support	Resistance
Ref Soy Oil NCDEX Oct'17	₹/qtl	671-674	680-683
CPO MCX Sep'17	₹/qtl	538-541	546-549

## Market Highlights – Edible Oils

	Unit	Last	Prev day	WoW	MoM	YoY	% Change
Ref Soyoil Spot - Mumbai	R/10 kgs	670.0	1.13	0.00	0.00	0.8	
Ref Soy oil- NCDEX Oct'17	R/10 kgs	676.9	-0.69	0.70	1.17	3.7	▲
Soybean Oil- CBOT- Dec'17	USc/lbs	34.01	-0.61	-1.22	-2.99	2.7	
CPO-Bursa Malaysia - Nov'17	MYR/T	2691	#N/A	-4.06	-1.72	-7.2	
CPO- MCX – Sep'17	R/10 kg	543.5	-0.26	-0.69	5.74	6.2	

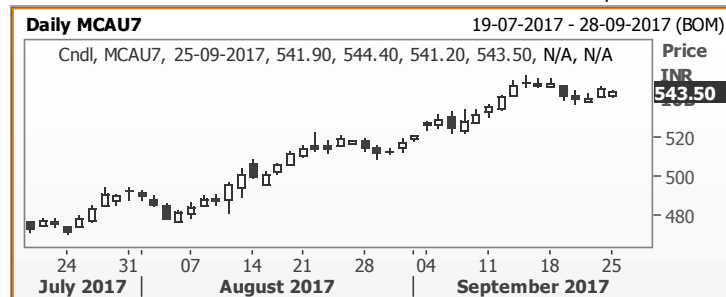
## Price Chart –Ref Soy Oil

NCDEX Oct'17 contract



## Price Chart –Crude Palm Oil

MCX Sep'17 contract



Source: Reuters

## Sugar

Sugar Futures closed unchanged on news that the production in the country will jump 24% in 2017/18 to around 25 mt. The country's sugar output in the ongoing 2016-17 marketing year (October-September) is estimated to be lower at 20.2 mt because of poor rains. India is the world's second biggest sugar producer.

Raw sugar futures on ICE fell to the lowest in nearly five weeks on Monday to settle down 0.29 cent, or 2 percent, at 14.35 cents per lb pressured by forecasts for much-needed rain in top grower Brazil.

### Outlook

Sugar futures may trade sideways on good festive demand, but forecast of higher production and good availability of sugar with the mills may keep the prices steady.

### Technical Levels

Contract	Unit	Support	Resistance
Sugar NCDEX Oct'17	₹/qtl	3650-3680	3720-3740

## Cotton / Kapas

MCX Cotton futures closed higher on Monday tracking positive clues from the international markets. However, arrival of new season cotton have pressurizes prices last week. As per latest data from Agricultural Ministry, the area under cotton across the country was at 122 lakh ha as on last week, up nearly 18.7% on year. Acreage was higher than the normal of 11.49 mln ha for the period, based on the average of last five years.

According to the first advance estimates for 2017-18 released by the government, India's 2017-18 (Jul-Jun) cotton output is pegged at 322.7 lakh bales (1 bale = 170 kg), down 2.5% from 330.9 lakh bales in 2016-17.

**ICE cotton futures jumped 1.5 percent on Monday, ahead of the U.S. Department of Agriculture's weekly crop progress report, and concerns of crop damage in Texas, the top cotton producing state in the United States.** Moreover, ratings came in at 60% good/excellent, down 1% since last week. There has been some adverse weather in West Texas, which is threatening that crop.

Speculators cut their net long position in cotton by 6,019 contracts to 62,786 contracts in the week to Sept. 19, after raising their net long position for three consecutive weeks, the U.S. Commodity Futures Trading Commission (CFTC) data showed on Friday.

### Outlook

Cotton futures are expected trade higher on reports that the exports for Indian cotton may improve as Asian countries started to book consignment for new season crops. However, expectation of good production and carryover stocks for the next season may keep domestic prices under pressure as the season progresses.

### Technical Levels

Contract	Unit	Support	Resistance
Kapas NCDEX Apr '18	₹/20 kgs	845-855	874-885
Cotton MCX Oct'17	₹/bale	18100-18300	18600-18800

## Market Highlights - Sugar & Cotton

	Unit	Last	Prev day	WoW	MoM	YoY
<b>Sugar M- NCDEX</b>	R/qtl	3700	0.0	0.0	2.8	5.4
<b>ICE-Europe Sugar No 5-Mar'18</b>	\$/tonne	370.5	-1.5	-4.0	-4.0	-38.1
<b>ICE-US Sugar No 11-Oct'17</b>	\$/tonne	13.74	-1.7	-4.0	0.5	-39.0
<b>NCDEX Kapas Apr '18</b>	R/20 kgs	866	0.52	0.00	-0.97	-1.70
<b>MCX Cotton Oct'17</b>	Rs/Bale	18470	0.00	-0.38	-0.05	-7.00
<b>ICE Cotton Dec '17</b>	Usc/Lbs	69.46	1.46	-0.06	0.83	0.43
<b>Cotton ZCE</b>	Yuan/ton	15320	0.03	0.62	-0.26	1.96

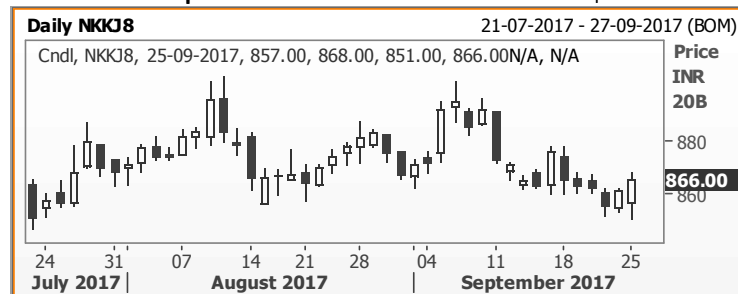
## Price Chart – Sugar M

NCDEX Sugar Weekly



## Price Chart – Kapas-NCDEX

NCDEX Apr '18 contract



## Price Chart – Cotton- MCX

MCX Oct'17 contract



Source: Reuters

## Spices (Jeera & Turmeric)

**NCDEX Jeera** for Oct delivery sharply down on Monday due to profit booking as there is poor demand in physical market. Jeera exports have been lower than anticipated during the first quarter of new financial year 2017/18. However, traders are expecting good physical demand anticipating a diminishing stocks in the physical as well as exchange warehouses.

The arrivals have been lower during the first 25 days of September at 5,713 tonnes compared to 5,851 tonnes in August for same period. India's jeera exports in Jun surged 29.6% on year to 13,503 tn. However, **as per government data, Jeera exports during first quarter in FY 2017/18 (Apr-Jun) is 41,707 tonnes, down 10.8% compared to last year exports volume for the same period.**

Turmeric futures for October delivery closed lower tracking weak physical demand. **As per the data release by government, the exports during the first quarter of FY 2017/18 is down 10% to 33,323 tonnes, compared to last year exports volume for the same period.**

The production estimate of turmeric for 2016/17 is pegged at 11.32 lakh tonnes by government in 3rd advance estimate higher from 9.43 lakh tonnes in 2015/16. For 2017/18, turmeric sowing in Telangana, as on 13th Sep, down 1.5% to 44,956 hectares as compared to last year acreage of 45,633 hectares.

### Outlook

We expect **Jeera** Oct futures expected to trade sideways to higher on technical bounce after steep fall yesterday. Moreover, good physical demand and diminishing stocks may also support prices.

**Turmeric** futures expected to trade sideways on anticipation of good production from turmeric growing areas in Telangana and Karnataka. However, short selling by the market participants may push prices higher but prices looks weak for near month contract.

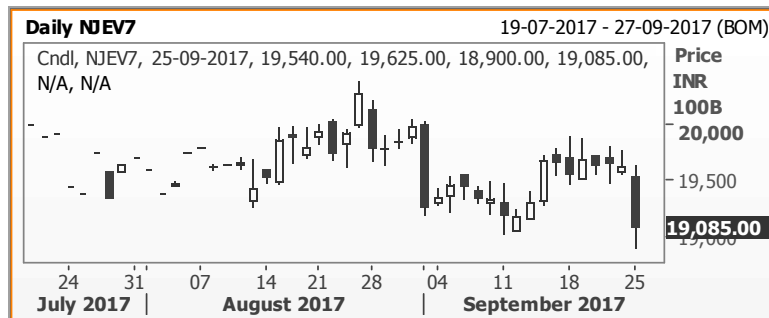
### Technical Levels

	Unit	Support	Resistance
<b>Jeera NCDEX Oct'17</b>	₹/qtl	18500-18800	19400-19700
<b>Turmeric NCDEX Oct'17</b>	₹/qtl	6930-7080	7380-7550

## Market Highlights - Spices

	Unit	Last	Prev day	WoW	MoM	YoY	% Change
<b>Jeera Spot- NCDEX -</b>							
<b>Unjha</b>	R/qtl	19133	-1.54	-0.51	-2.38	7.07	
<b>Jeera- NCDEX Oct'17</b>	R/qtl	19085	-2.75	-2.45	-4.24	14.18	
<b>Turmeric Spot- NCDEX</b>							
<b>Turmeric- NCDEX</b>	R/qtl	7456	-1.53	-2.46	-1.72	0.06	
<b>Oct'17</b>	R/qtl	7208	-2.25	-5.13	-3.17	4.31	

## Technical Chart – Jeera



## Price Chart – Turmeric



Source: Reuters

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