Agri-Fundamentals

Soybean

NCDEX Soybean Oct futures closed little higher on Wednesday on technical rebound after trading lower in last two trading sessions. However, there is restricted upside due to 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.

U.S. soybean futures closed higher on Wednesday on technical buying and higher export demand for U.S. soybeans. The U.S. Department of Agriculture through its daily reporting system said private exporters sold 132,000 tonnes of U.S. soybeans to China for delivery in the 2017/18 marketing year that began Sept. 1. The USDA is expected to show 1.8-2.2 mt in Thursday's Export Sales report that will be 6.2 mt for 2017/18 versus 3.6 mt last year.

RMseed (Mustard seed)

Mustard Oct futures recorded highest single day jump in more than one month on Wednesday due to reports of good physical demand by the oil millers. However, the gain was restricted due to higher stocks levels with the traders. Moreover, country's top mustard producing state, Rajasthan, has set a target of 37.7 lakh tonnes production in 2017-18 (Jul-Jun), 4.3% lower from the output a year ago.

There are 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 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. M**ustard seed futures** expected to trade sideways to higher due to rebound in physical demand form the oil mills. It is expected that there will be good demand for crushing in the winter. However, higher carryover stocks can keep the prices under pressure

Technical Levels

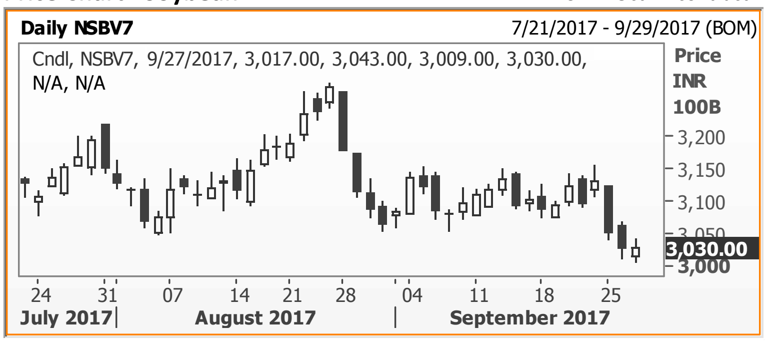
Contract	Unit	Support	Resistance
Soybean NCDEX Oct'17	₹/qtl	2980-3010	3060-3090
Mustard NCDEX Oct'17	₹/qtl	3710-3725	3780-3810

Market Highlights – Oilseeds

	Unit	Last	Prev day	WoW	MoM	YoY
			% Change			
Soybean Spot- NCDEX - Indore	R/10 kg	3008	-0.10	-2.08	-4.66	-4.96
Soybean- NCDEX Oct'17	R/10 kg	3030	0.03	-3.04	-4.69	-2.48
Soybean-CBOT Nov'17	USc/lb	966	0.21	-0.46	2.58	2.12
RM Seed Spot- NCDEX	MYR/Tn	3948	0.59	0.41	-0.36	-18.25
RM Seed- NCDEX Oct'17	R/10 kg	3766	0.80	-0.32	-1.93	-14.99
Rapeseed-WCE	CAN $/Tn	493	0.14	-0.04	-1.85	6.14

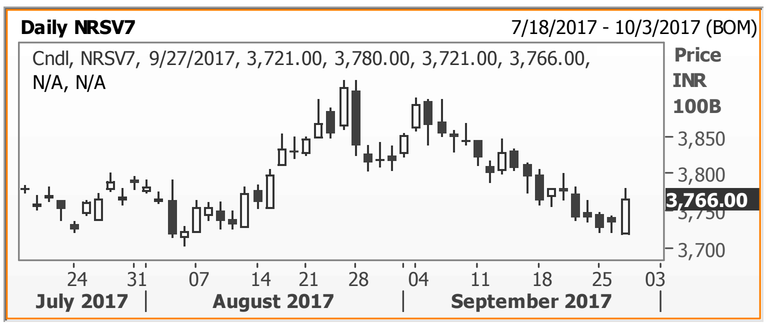
Price Chart –Soybean

NCDEX Oct'17 contract



Price Chart –Rmseed

NCDEX Oct'17 contract



Source: Reuters

Refine Soy Oil

Refined Soy Oil Oct futures closed lower on Wednesday tracking weak international prices. However, in spot the prices jumped by 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 Wednesday 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 is supporting the prices despite higher stocks in the country. 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.

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 ended slightly lower on Wednesday tracking overnight losses in soyoil on the Chicago Board of Trade. Palm oil also pressured after the U.S. Environmental Protection Agency said it was seeking comments on a proposal to reduce biodiesel blending requirements into the domestic fuel supply. However, weakness in local currency is supporting the prices.

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).

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.

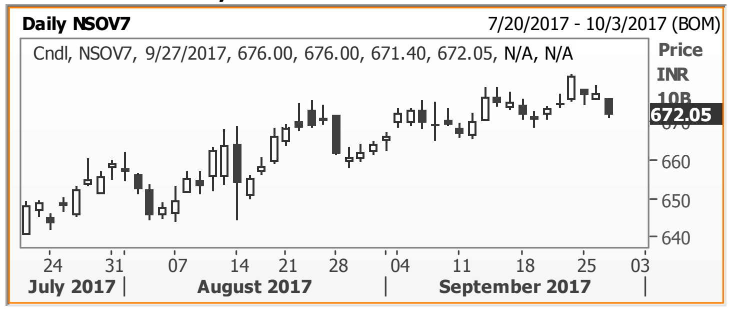
Technical Levels

Contract	Unit	Support	Resistance
Ref Soy Oil NCDEX Oct'17	₹/qtl	665-668	676-680
CPO MCX Sep'17	₹/qtl	543-545	550-552

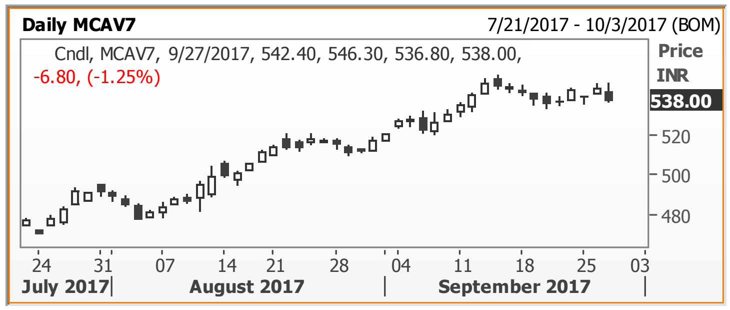
Market Highlights – Edible Oils

	Unit	Last	Prev day	WoW	MoM	YoY
			% Change			
Ref Soyoil Spot - Mumbai	R/10 kgs	675.0	0.37	0.00	1.50	2.1
Ref Soy oil- NCDEX Oct'17	R/10 kgs	672.1	-0.75	-0.19	1.54	2.8
Soybean Oil- CBOT- Dec'17	USc/lbs	33.22	-0.69	-4.84	-4.98	1.8
CPO-Bursa Malaysia - Nov'17	MYR/T	2747	-0.07	-0.83	0.33	0.0
CPO- MCX – Oct'17	R/10 kg	538.0	-1.05	0.37	4.36	5.5

Price Chart –Ref Soy Oil NCDEX Oct'17 contract



Price Chart –Crude Palm Oil MCX Oct'17 contract



Source: Reuters

Sugar

Sugar Futures closed unchanged on news that the production in the country will jump 24% in 2017/18 to 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 extended losses to a three-month low on Wednesday on prospects for much-needed rain in top grower Brazil. Moreover, according to UNICA, Mills in Brazil's Centre-South region produced 3.13 mt of sugar in the first fortnight of September, up 29.2% from 2.42 mt produced a year ago.

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 for the fifth consecutive session on Wednesday on reports of lower than expected domestic production forecasted by the government. However, arrival of new season cotton is pressurizing prices. 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 edged lower on Wednesday on good crop progress and strong dollar but traded in narrow range ahead of a weekly report on U.S. export sales. The U.S. Department of Agriculture's weekly crop progress report on Monday showed 60% of the crop was in good or excellent condition as against 48% for the corresponding week a year earlier.

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 of lower than expected crop size and improved exports demand for Indian. However, expectation of good production and carryover stocks for the next season may keep domestic prices steady during the arrival seasons.

Technical Levels

Contract	Unit	Support	Resistance
Kapas NCDEX Apr '18	₹/20 kgs	848-858	870-876
Cotton MCX Oct'17	₹/bale	18200-18400	18700-18900

Market Highlights - Sugar & Cotton

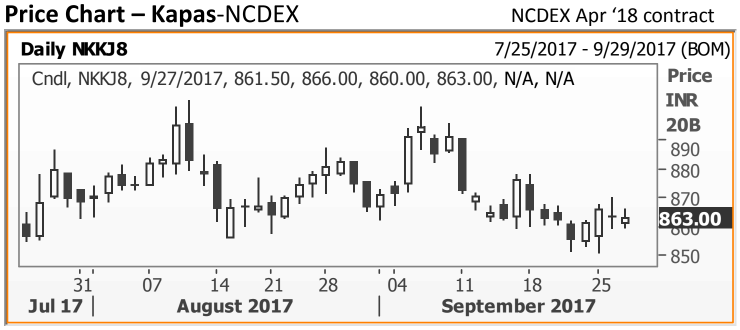
	Unit	Last	Prev day	WoW	MoM	YoY
			% Change			
Sugar M- NCDEX	R/qtl	3700	0.0	0.0	-0.2	8.2
ICE-Europe Sugar No 5- Mar'18	$/tonne	362.6	0.0	-4.5	#N/A	-40.8
ICE-US Sugar No 11- Oct'17	$/tonne	13.08	-1.0	-7.0	-8.6	-43.8
NCDEX Kapas Apr '18	R/20 kgs	863	-0.12	0.06	-2.04	-0.17
MCX Cotton Oct'17	Rs/Bale	18580	0.27	0.81	-0.27	-4.86
ICE Cotton Dec '17	Usc/Lbs	68.65	-0.15	-0.87	-1.69	0.76
Cotton ZCE	Yuan/ton	15320	-0.94	-1.07	-0.03	0.59

Price Chart – Sugar M

NCDEX Sugar Weekly

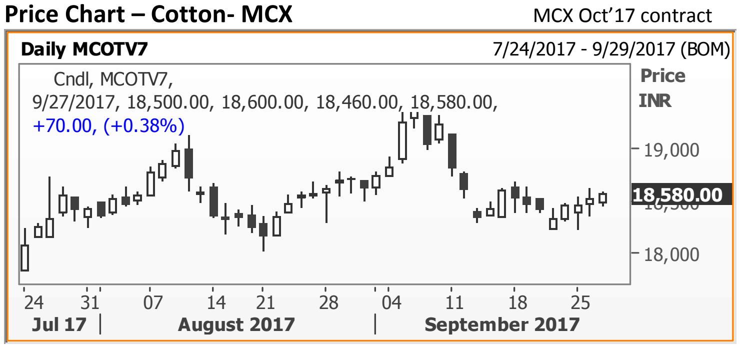
Price Chart – Kapas-NCDEX

NCDEX Apr '18 contract



Price Chart – Cotton- MCX

MCX Oct'17 contract



Source: Reuters

Spices (Jeera & Turmeric)

NCDEX Jeera for Oct delivery closed lower on Wednesday taking clues from the 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 on profit booking after it surged higher in the previous trading session. **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 lower due to weak physical demand and good availability of jeera in physical market. Moreover, reports of diminishing stocks may also support prices in case of improved exports demand which is low at the moment.

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

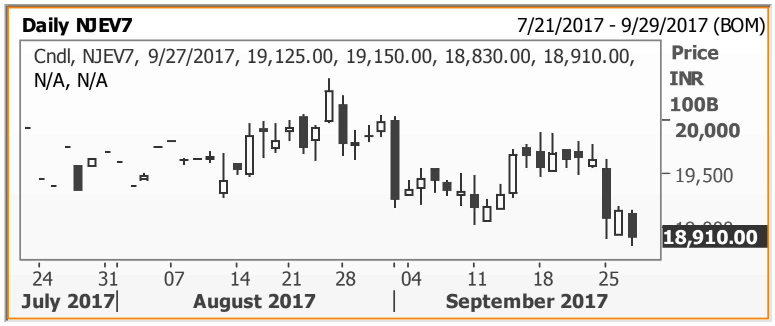
	Unit	Support	Resistance
Jeera NCDEX Oct'17	₹/qtl	18600-18800	19200-19440
Turmeric NCDEX Oct'17	₹/qtl	7092-7154	7294-7372

Market Highlights - Spices

				% Change		
	Unit	Last	Prev day	WoW	MoM	YoY
Jeera Spot- NCDEX - Unjha	R/qtl	18967	-0.38	-1.97	-3.14	5.46
Jeera- NCDEX Oct'17	R/qtl	18910	-1.28	-3.74	-4.47	15.38
Turmeric Spot- NCDEX	R/qtl	7356	-1.08	-3.75	-2.65	-2.73
Turmeric- NCDEX Oct'17	R/qtl	7232	-0.25	-3.11	-2.38	7.24

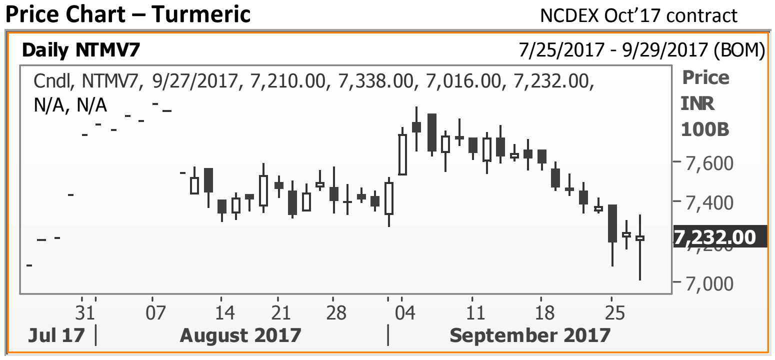
Technical Chart – Jeera

NCDEX Oct'17 contract



Price Chart – Turmeric

NCDEX Oct'17 contract



Source: Reuters

Prepared By

Anuj Gupta
Head–Technical Research (Commodity & Currency)
Anuj.gupta@angelbroking.com
(011) 4916 5954

Ritesh Kumar Sahu
Research Analyst – Agri-Commodities
riteshkumar.sahu@angelbroking.com
(022) 2921 2000 (Ext 6165)

Angel Commodities Broking Pvt. Ltd.

Registered Office: G-1, Ackruti Trade Centre, Rd. No. 7, MIDC, Andheri (E), Mumbai - 400 093.

Corporate Office: 6th Floor, Ackruti Star, MIDC, Andheri (E), Mumbai - 400 093. Tel: (022) 2921 2000

MCX Member ID: 12685 / FMC Regn No: MCX / TCM / CORP / 0037 NCDEX: Member ID 00220 / FMC Regn No: NCDEX / TCM / CORP / 0302