

Agri-Fundamentals

Soybean

NCDEX May Soybean settled lower for the third successive day on Wednesday on concern about demand from the feed industry and normal monsoon prediction by IMD which encourage stockists to sell old crops. Moreover, demand from the poultry feed manufacture has declined due to lower demand during the summer season. Millers are unsure about increase demand for meal exports as the Govt. is taking up the issue with China to remove restrictions on Indian soymeal trade. However, as per SOPA, India is likely to export 90,000 tonnes soymeal in April, down around 20% from 111,800 tn a year ago, mainly due to less demand from major importers. The arrivals in the physical market have been higher during first 15 days in April at 1.27 lt compared to 1.24 lt last year for same period.

CBOT May Soybean futures closed lower on Wednesday amid profit-taking and trade tensions with China. China's Ministry of Commerce (MOC) announced Tuesday that it will impose provisional anti-dumping measures on grain sorghum imported from the U.S. starting on Wednesday. Argentina is reportedly importing soybeans from Brazil in order to sustain their historical shipping pace for soybean meal. The Brazil soybean crop is estimated at 115.7 mt by analysts with Celeres vs. the USDA's 115 mt. As per the USDA monthly report, world soybean production was reduced by nearly 6.1 million tonnes (mt) while global soybean ending stocks are lowered by 3.6 mt from last month to stand at 90.8 mt.

RMseed (Mustard seed)

Mustard May futures continue its downtrend on Wednesday on concern over sufficient stocks in the domestic market. Prices are under pressure due to higher stocks with the farmers and oil mills. As per SEA data, the export of rape oilmeals during March 2018 is provisionally reported at 23,499 tons compared to 52,071 tons in Feb 2018, i.e. down by 55%. However, exports have been 162% higher at 5.62 lt for the FY 2017/18 compared to previous year's export volume of 2.14 lt. The USDA's Foreign Agriculture Services in its latest report pegs mustard output in India to fall 9% on year to 64 lt in 2017-18 (Oct-Sep) because of lower acreage. Oil mills have crushed 800,000 tn of mustard seed in March, more than double from last month, according to data compiled by the Mustard Oil Producers Association of India.

Outlook

Soybean futures are expected to trade sideways to lower on mixed fundamentals of higher tariff value for soyoil and improved demand for crushing. However, normal rains in the coming monsoon season may have bearish impact on prices.

Mustard futures expected to trade down on anticipation of further technical correction. However, on good physical demand due to government procurement of new season may keep the prices steady.

Technical Levels

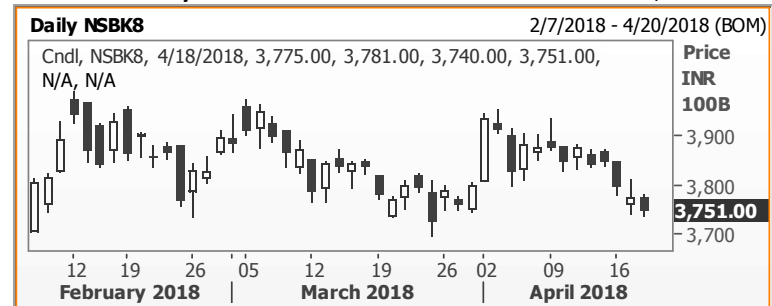
Contract	Unit	Support	Resistance
Soybean NCDEX May'18	₹/qtl	3680-3720	3810-3850
Mustard NCDEX May'18	₹/qtl	3800-3840	3920-3960

Market Highlights – Oilseeds

	Unit	Last	Prev day	WoW	MoM	YoY	% Change
Soybean Spot- NCDEX - Indore	R/10 kg	3796	0.34	-2.22	-0.18	22.97	
Soybean- NCDEX May'18	R/10 kg	3751	-0.66	-3.27	-2.42	26.64	▲
Soybean CBOT- May'18	USc/lb	1042	-0.41	-0.57	0.10	10.12	
RM Seed Spot- NCDEX	MYR/Tn	3916	0.41	-0.58	-4.30	1.59	
RM Seed- NCDEX May'18	R/10 kg	3888	-0.61	-1.94	-7.65	2.21	▲
Rapeseed-WCE	CAN \$/Tn	526	0.71	0.57	0.84	2.77	

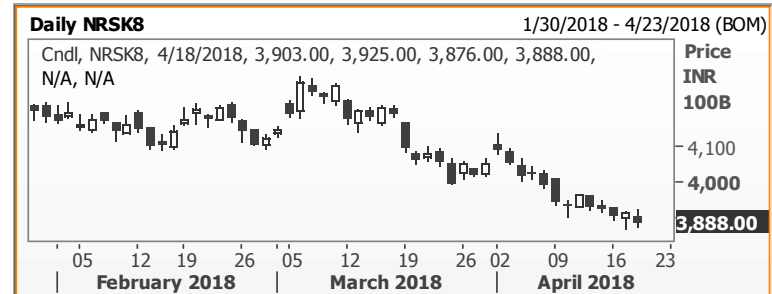
Price Chart –Soybean

NCDEX May'18 contract



Price Chart –Rmseed

NCDEX May'18 contract



Source: Reuters

Refine Soy Oil

Refined Soy Oil Futures corrected due to weak physical demand. Moreover, reports that India's vegetable oil imports rose 3% on year to 11.5 lakh tonnes (lt) in March will have higher stocks in the country. However, soyoil imports during the March dropped 49.9% to 115,102 tons compared to 229,853 tons in the same period a year ago. Stocks of edible oil in ports and pipeline are estimated at 2.11 mt as on Apr 1 compared to 1.91 mt a year ago while lower than 2.197 mt in Feb, data showed.

It traded under pressure last week due to higher domestic stocks and steady physical demand. Government has increased base import prices of all edible oils, according to an official notification. For the second fortnight of April, the base import price of crude soy oil was hiked by \$14 to \$824 per tn. Higher import duty and increase in tariff value during the current calendar year is making imports expensive.

Crude Palm oil

MCX CPO closed slightly higher on Wednesday tracking steady trend in Malaysian palm oil and supported by weaker rupees, which makes imports expensive. CPO has been trading all-time high in April due to jump in oilseed prices in the country following news on removing export restrictions on edible oils from the country. There is good physical demand despite CPO trading at nearly 6 years high. CPO has touched all time high recently due to steady demand higher import duty. The base import price of crude palm oil was increased by \$5 to \$684 a tn for the second fortnight of April. As per SEA latest report, India's crude Palm oil (CPO) imports in March increased by 30.33% compared to same period a year ago despite the govt. imposed higher duty. However, Shipment of RBD palmolein dropped 25.56% to 163,222 tons compared to 219,270 tons last year.

Malaysian palm oil futures closed flat on Wednesday as short covering in the second half of trade helped the market recover from losses. Exports of Malaysian palm oil products for April 1-15 rose 5 to 6% from the corresponding period in March. Malaysia, the world's second largest palm producer and exporter, said it would resume export duties on crude palm oil after four months of tax exemptions and set its crude palm oil export tax at 5% for May, according to the Malaysian Palm Oil Board. Malaysia's palm oil production for April is expected to rise in line with seasonal trend. It last rose 17.2% on-month to 1.57 mt in March, its highest March production since 2000.

Outlook

We expect **Ref Soy oil** to trade sideways due to sufficient stocks in the domestic market however; weak rupees may keep the prices higher.

CPO futures may trade sideways to higher due to weak rupees and tracking firm international prices. Moreover, higher tariff may also support prices.

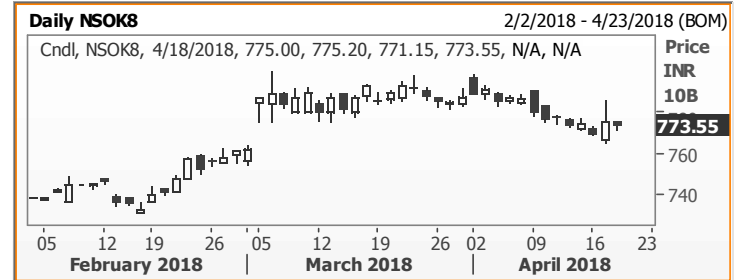
Technical Levels

Contract	Unit	Support	Resistance
Ref Soy Oil NCDEX May'18	₹/qtl	766-771	781-786
CPO MCX May'18	₹/qtl	630-636	646-652

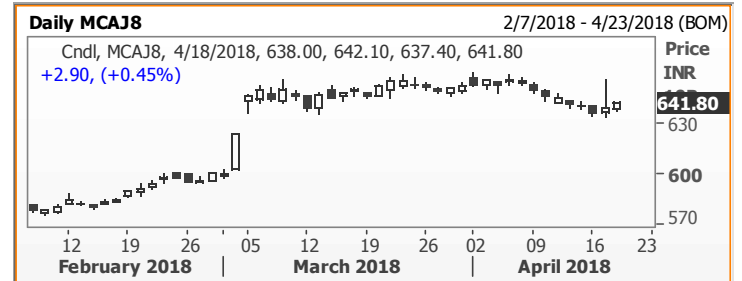
Market Highlights – Edible Oils

	Unit	Last	Prev day	WoW	MoM	YoY	% Change
Ref Soyoil Spot - Mumbai	R/10 kgs	768.2	-0.32	-0.55	0.15	23.9	
Ref Soy oil- NCDEX May'18	R/10 kgs	773.6	-0.26	-0.51	-1.68	21.8	
Soybean Oil- CBOT- May'18	USc/lbs	31.43	0.77	-0.32	-1.97	0.9	
CPO-Bursa Malaysia- May'18	MYR/T	2408	0.00	-0.95	-1.51	-7.3	
CPO- MCX –Apr'18	R/10 kg	641.8	0.42	-0.45	-0.88	26.2	

Price Chart –Ref Soy Oil



Price Chart –Crude Palm Oil



Source: Reuters

Chana

Chana May futures plunge 1.4% on Tuesday on fresh selling by market participants due to higher supplies of Chana in domestic market. **Pulses shipments rose 18% in volume during the April-February 2017-18 period at around 1.34 Lt against the corresponding previous year's 1.13 Lt, per provisional data released by APEDA.** During Apr-Jan period, **India imported about 9.57 Lt of chana up by 38.6% compared the last year imports.** However, the imports have slowed down since December due to duty hike. Government is trying to support prices by removing export restrictions and procuring at MSP. MP gov't announces to procure about 21 lakh tonnes of Chana at MSP of 4,400 per quintal and exclude it from Bhavantar scheme. Earlier, gov't has announced of a 7% duty credit incentive on export of Bengal gram, or desi chana.

Outlook

Chana futures may trade sideways to down on heavy arrivals in physical market. However, lower level buying and reports that MP gov't. going to procure chana at MSP may support prices in coming weeks.

Technical Levels

Contract	Unit	Support	Resistance
Chana NCDEX May'18	₹/qtl	3600-3640	3720-3770

Cotton / Kapas

MCX Cotton closed lower for the second consecutive session on Wednesday to touch more than a two-week low due to profit booking by the market participants. Moreover, forecast of normal monsoon also weighing on prices. Cotton exports from the country are likely to touch 70 lakh bales in 2017/18, up about 27% from the earlier estimate, due to a surge in demand, particularly from China, as Indian cotton is selling at discount. Moreover, expectation of shrinkage of cotton acreage by at least 10-15 lakh ha in coming kharif season in the country due to pest attack also supports prices.

ICE May cotton fell for a third straight session on Wednesday amid expectations of rain in Texas - the major cotton-growing region in United States and reports of slowdown in cotton exports. Cotton planting progress in Texas was at 13% completed on Sunday, with the average pace showing 10% planted by this week. The USDA in its monthly report raised its Global cotton production in 2017/18 at 122.2 million bales, 14 percent above last season and the largest production in 5 years. U.S. cotton exports forecast by 200,000 bales, to 15 million bales and cur its U.S. ending stocks to 5.3 million bales from 5.50 million bales. The World ending stock total was cut by 560,000 bales to 88.29 million bales.

Outlook

Cotton futures are expected trade sideways to lower on expectation of some technical corrections after the report of normal monsoon. However, improved cotton exports to China may keep the prices supported above 20,000 levels.

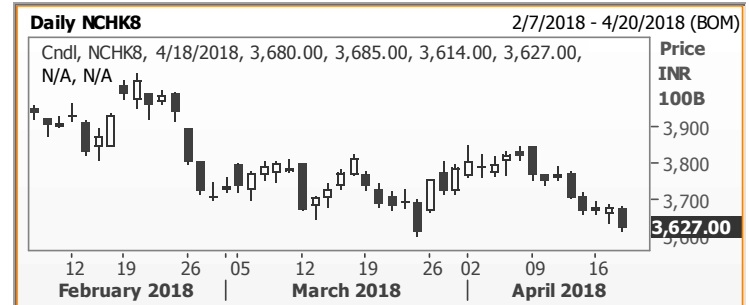
Technical Levels

Contract	Unit	Support	Resistance
Kapas NCDEX Apr '18	₹/20 kgs	870-890	930-950
Cotton MCX Apr'18	₹/bale	20200-20400	20800-21050

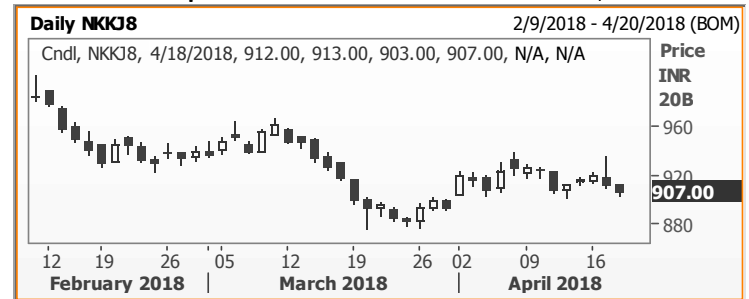
Market Highlights - Chana & Cotton

	Unit	Last	Prev day	WoW	MoM	YoY	% Change
Chana Spot - NCDEX (Delhi)	₹/qtl	3619	0.0	-2.0	-3.5	#N/A	
Chana- NCDEX-May'18	₹/qtl	3627	-1.4	-3.8	-3.9	#N/A	
NCDEX Kapas Apr '18	₹/20 kgs	907	-0.66	-0.11	-2.26	-8.34	
MCX Cotton Apr'18	₹/Bale	20650	-0.39	-0.58	-0.34	-0.43	
ICE Cotton May '18	Usc/Lbs	82.74	-0.47	-1.30	-0.95	7.71	
Cotton ZCE	Yuan/ton	14825	-0.24	-0.13	-1.13	-3.10	

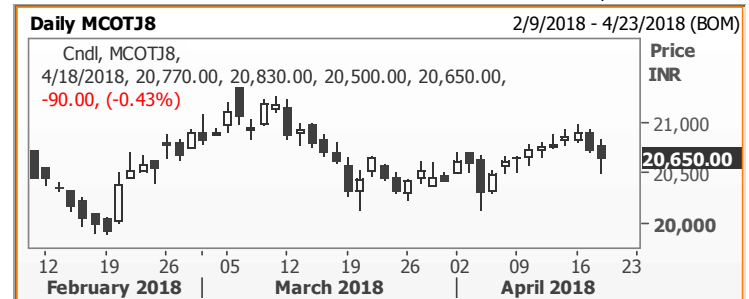
Price Chart – Chana



Price Chart – Kapas-NCDEX



Price Chart – Cotton- MCX



Source: Reuters

Spices (Jeera & Turmeric)

NCDEX Jeera futures settled higher on Wednesday supported by fresh buying initiated by market participants on lower arrivals and anticipation of improve in export and domestic demand in coming weeks. As per Agmarknet data, arrivals of jeera in the country were lower at 15,367 tonnes during 1-15 April compared to 19,265 tonnes last year for the same period. **As per government data, Jeera exports during first 10 month of FY 2017/18 (Apr-Jan) is 114,882 tonnes, up 12.5% compared to last year exports volume for the same period. India's jeera exports in January were down by 9.3% on year to 7,705 tonnes.**

NCDEX Turmeric futures edge higher on Wednesday tracking firm trend in physical market. However, the prices are still suppressed this season on concern about export demand in coming weeks. Forecast of normal monsoon too put pressure on prices. Turmeric prices were down 10 month low in April due to arrival pressure of new season crop and lower export demand. Supplies from the new season turmeric have been higher during March at 83,242 tonnes compared to 76,292 tonnes last year, as per Agmarknet data. **The export of turmeric is down by 14.6% to 88,144 tonnes for the first 10 month of FY 2017/18 compared to last years' exports.**

Outlook

We expect **Jeera** Mar futures may trade sideways to higher on technical selling at higher levels but on anticipation of improved physical demand at lower prices may keep prices supported. However, mixed signals from spot market may keep the prices in a range.

Turmeric Apr futures expected to trade sideways to higher on reports of balanced demand and supply. There is expectation of improved up country and export demands for new season crop may keep prices supportive.

Technical Levels

	Unit	Support	Resistance
Jeera NCDEX May'18	₹/qtl	15500-15850	16300-16550
Turmeric NCDEX May'18	₹/qtl	6570-6660	6890-7000

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

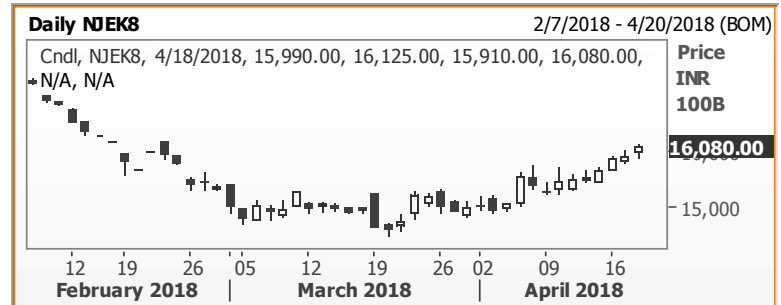
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Market Highlights - Spices

	Unit	Last	Prev day	WoW	MoM	YoY	% Change
Jeera Spot- NCDEX - Unjha	R/qtl	15967	-0.52	0.61	-1.10	-15.96	
Jeera- NCDEX May'18	R/qtl	16080	1.07	3.81	7.52	-19.42	
Turmeric Spot- NCDEX	R/qtl	6633	1.17	3.78	-2.21	13.39	
Turmeric- NCDEX May'18	R/qtl	6798	0.77	1.64	-1.05	11.98	

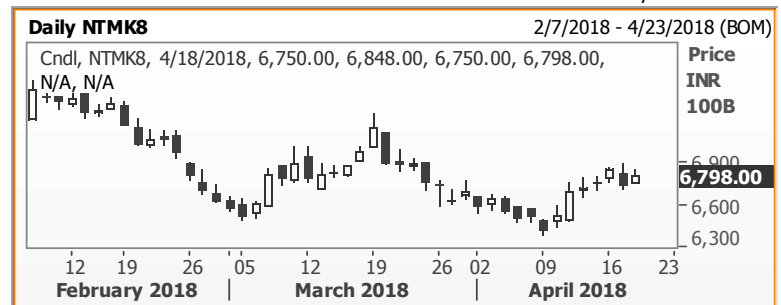
Technical Chart – Jeera

NCDEX May'18 contract



Price Chart – Turmeric

NCDEX May'18 contract



Source: Reuters