

Agri-Fundamentals

Soybean

NCDEX Soybean Oct futures closed higher yesterday, its third consecutive day rise on reports of lower than expected production in new season due to lower acreage and irregular rains. The condition of the standing crop is improving in MP and Maharashtra because of recent rains. However dry spells during prime pod filling period hit the growth of the plant and size of the seed. The total area under soybean has declined this year due to a fall in acreage in Madhya Pradesh, the largest producer, because of poor rains in the state so far.

As per the agri ministry data, India's soybean acreage was at 10.5 million ha as on last week, down 8.2% 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 Tuesday for a fourth straight session, pressured after the U.S. Department of Agriculture surprised analysts by raising its U.S. soy yield estimate. The USDA in a monthly report raised its U.S. soybean yield estimate to 49.9 bushels per acre, up from 49.4 in August and above the average analyst expectation of 48.8. The USDA said private exporters sold 132,000 tonnes of U.S. soybeans to unknown destinations for 2017/18 delivery.

RMseed (Mustard seed)

Mustard Oct futures continue to close lower for the sixth consecutive day on Tuesday as market participants initiated profit booking due to week physical demand. However, there is an anticipation of good demand from the oil millers in coming weeks on anticipation of good crushing demand on reports of good data for 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-July down 23% to 1.94 lt in current oil year compared to 2.55 lt in the previous year.

Outlook

Soybean futures are expected to trade on sideways to higher on improved physical demand from oil mills and lower acreage in the country but expectation of new season arrivals may pressure prices.

Mustard seed futures expected to trade sideways to higher on anticipation of some technical recovery. Moreover, expectation of good demand for crushing for the winter demand coupled with reports of crop damage in warehouses in Gujarat and Rajasthan may support prices.

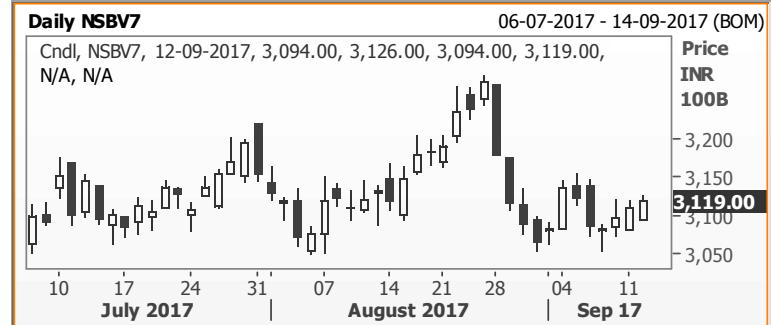
Technical Levels

Contract	Unit	Support	Resistance
Soybean NCDEX Oct'17	₹/qtl	3070-3090	3140-3160
Mustard NCDEX Oct'17	₹/qtl	3760-3780	3820-3840

Market Highlights – Oilseeds

	Unit	Last	Prev day	WoW	MoM	YoY	% Change
Soybean Spot- NCDEX - Indore	R/10 kg	3061	0.26	-0.87	3.41	-10.16	
Soybean- NCDEX Oct'17	R/10 kg	3119	0.26	-0.16	0.26	-1.98	
Soybean-CBOT Nov'17	USc/lb	951	-0.99	-1.86	-2.34	-2.21	
RM Seed Spot- NCDEX	MYR/Tn	3950	-0.37	-0.70	2.51	-18.97	
RM Seed- NCDEX Oct'17	R/10 kg	3803	-0.58	-1.71	1.74	-19.52	
Rapeseed-WCE	CAN \$/Tn	484	-0.27	-2.57	-5.24	5.86	

Price Chart –Soybean



Price Chart –Rmseed



Source: Reuters

Refine Soy Oil

Refined Soy Oil Oct futures closed higher on Tuesday tracking good physical demand. 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 for the first half of September by government.

The government raised the base import price of crude soyoil by \$17/tonnes to \$835/tonnes according to a notification from the Central Board of Excise and Customs. Recently, Ministry of Commerce raised import duty on crude and refined oil to 15% and 25 % from 7.5% and 15% earlier.

Crude Palm oil

MCX CPO closed higher for the 4th consecutive day on Tuesday tracking firm International prices. The prices were also supported due to increase in tariff value for Crude palm oil and higher demand for coming festival season coupled with higher import duty also supports prices. Recently government raised import duty on crude palm oil to 15% from 7.5%, and on refined palm oil to 25% from 15% but higher stocks in the country is having bearish impact.

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 rebounded on Tuesday after initial profit taking to record a second straight session of gains, as the market anticipated positive data from the United States Department of Agriculture (USDA). Cargo surveyor Intertek Testing Services said exports of Malaysian palm oil products for Sept. 1-10 rose 6.9 percent from a month earlier

According to the Malaysian Palm Oil Board (MPOB) data Malaysian palm oil stocks at end-August rose 8.8 percent to 1.94 million tonnes from the previous month. Output fell by 0.9 percent to 1.81 million tonnes.

Outlook

We expect **Ref Soy oil** to trade sideways on expectation of technical selling by the market participants but good physical demand due to coming festival season and increase in tariff value may support prices. However, higher stocks in the domestic market are keeping the prices in check.

CPO futures may trade higher on anticipation of firm international prices. Moreover, good festive demand and higher import duty for edible oil may also support domestic prices. However, higher stocks levels may keep prices sideways.

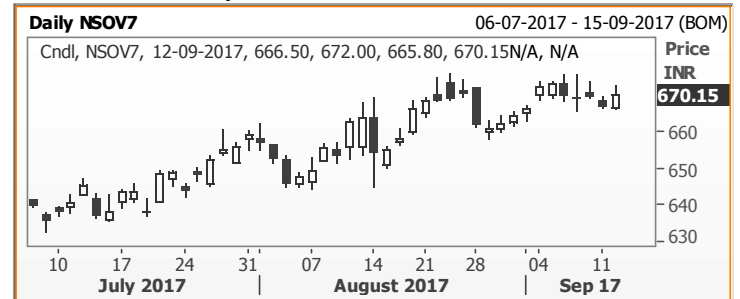
Technical Levels

Contract	Unit	Support	Resistance
Ref Soy Oil NCDEX Oct'17	₹/qtl	662-666	673-676
CPO MCX Sep'17	₹/qtl	530-535	544-548

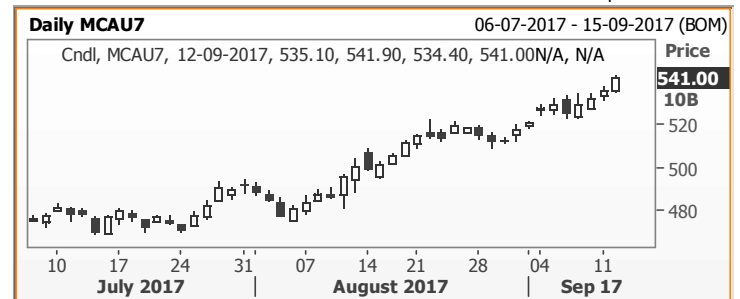
Market Highlights – Edible Oils

	Unit	Last	Prev day	WoW	MoM	YoY	% Change
Ref Soyoil Spot - Mumbai	R/10 kgs	675.0	0.75	1.50	6.72	5.1	
Ref Soy oil- NCDEX Oct'17	R/10 kgs	670.2	0.47	-0.42	2.53	-0.2	
Soybean Oil- CBOT- Dec'17	USc/lbs	35.19	0.11	-0.71	1.91	11.7	
CPO-Bursa Malaysia - Oct'17	MYR/T	2829	0.96	2.24	7.57	-0.1	
CPO- MCX – Sep'17	R/10 kg	540.6	0.99	2.39	10.96	-6.6	

Price Chart –Ref Soy Oil



Price Chart –Crude Palm Oil



Source: Reuters

Sugar

Sugar Futures closed unchanged on Tuesday but the trend is looking positive on anticipation of good festival demand and reports that country may see tight supplies despite a 20% rise in output expected in 2017-18 (Oct-Sep), as ending stocks are seen tumbling to multi-year lows. Moreover, imposing stock limits on sugar mills government is likely to allow import of 300,000 tn of raw sugar at 25-30% import duty.

October raw sugar settled down tracking weak trend in sugar whites. The whites market has been pressured by expectations of a global supply glut, as the European Union inches closer to ending production quotas in October. France forecasting its largest beet crop in 25 years also pressured prices.

Outlook

Sugar futures may trade sideways to higher on good festive demand, tight supplies also reports of no early crushing by Maharashtra mills.

Technical Levels

Contract	Unit	Support	Resistance
Sugar NCDEX Oct'17	₹/qtl	3660-3680	3730-3750

Cotton / Kapas

MCX Cotton futures closed lower on Tuesday tracking weak international prices and higher acreage in the country. Moreover, arrival of new season cotton also pressurizes prices. As per latest data from Agricultural Ministry, The area under cotton across the country was at 121 lakh ha as on last week, up nearly 19% on year. The cotton acreage is higher this year; industry expects cotton output to be sufficient.

In Maharashtra, the largest growing state, acreage of cotton was up 10.6% on year at 42 lakh ha as of Thursday, according to the data. In Gujarat, the second-largest producer, the area was up 10.5% at 26 lakh ha, while in Telangana, cotton has been sown over 18.6 lakh ha, up 48.9%.

ICE cotton futures fell over 4 percent and traded limit down on Tuesday after the U.S. Department of Agriculture (USDA) raised its projections for U.S. and global production for the 2017/18 crop year.

In the USDA report, India, Brazil, and Australian production was raised along with the US. The US production to rose 1.21 million bales to 21.76 bales in 2017. US new crop ending stocks rose 0.2 million bales to 6 million bales. World ending stocks for 2017/18 jumped 2.45 million bales to 92.54 million bales.

Outlook

Cotton futures are expected trade sideways to lower tracking weak trend in International market. Moreover, 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	850-805	880-890
Cotton MCX Oct'17	₹/bale	18200-18400	1800-19000

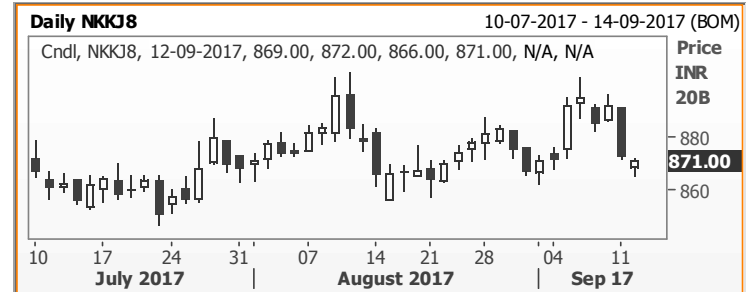
Market Highlights - Sugar & Cotton

	Unit	Last	Prev day	WoW	MoM	YoY	% Change
Sugar M- NCDEX	R/qtl	3710	0.0	0.0	4.4	6.5	
ICE-Europe Sugar No 5- Oct'17	\$/tonne	365.5	-3.1	-3.2	-3.3	-32.3	
ICE-US Sugar No 11- Oct'17	\$/tonne	14.02	-1.9	-0.1	2.8	-30.4	
NCDEX Kapas Apr '18	R/20 kgs	871	-0.23	-2.30	-2.74	-2.08	
MCX Cotton Oct'17	Rs/Bale	18630	-1.06	-3.27	-1.90	-8.14	
ICE Cotton Dec '17	Usc/Lbs	69.11	-4.16	-7.71	-2.81	1.51	
Cotton ZCE	Yuan/ton	15560	-0.16	-1.21	3.11	15.22	

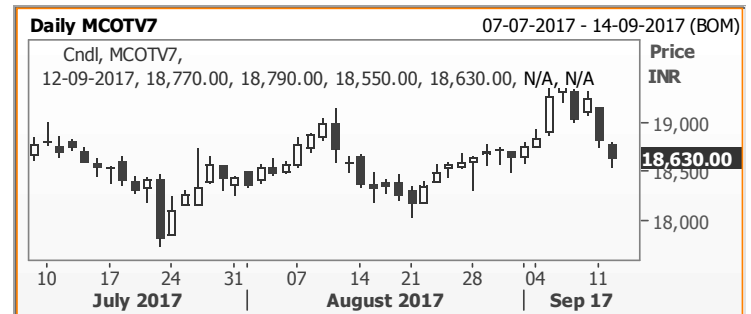
Price Chart – Sugar M



Price Chart – Kapas-NCDEX



Price Chart – Cotton- MCX



Source: Reuters

Spices (Jeera & Turmeric)

NCDEX Jeera for Oct delivery contract closed lower tracking weak physical demand as exports have been lower than anticipated during the first quarter of new financial year 2017/18. Currently, Jeera futures are trading higher by at least 15% compared to last year prices on good demand and lower carryover stocks.

The arrivals have been lower during the first 10 days of September at 1980 tonnes compared to 3271 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 on NCDEX closed with gains mainly due to short covering by the market participants due to improved rains in Turmeric growing areas during week ending 6th September. **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 6th Sep, down 1.5% to 44,956 hectares as compared to last year acreage of 45,633 hectares.

Outlook

We expect **Jeera** futures expected to trade sideways due to balanced demand supply situations coupled with lower export demand at current price. However, good physical demand and diminishing stocks may support prices.

Turmeric futures expected to trade sideways due to good rains in 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	18800-19000	19400-19600
Turmeric NCDEX Oct'17	₹/qtl	7450-7600	7840-7950

Prepared By

Anuj Gupta
 Head-Technical Research (Commodity & Currency)

Anuj.gupta@angelbroking.com
 (011) 4916 5954

Angel Commodities Broking Pvt. Ltd.

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

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

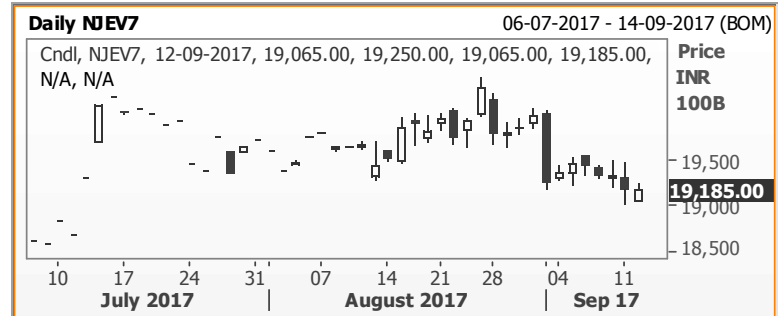
MCX Member ID: 12685 / FMC Regn No: MCX / TCM / CORP / 0037 NCDEX: Member ID 00220 / FMC Regn No: NCDEX / TCM / CORP / 0302

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. The document is not, and should not be construed as an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from "Angel Commodities Broking (P) Ltd". Your feedback is appreciated on commodities@angelbroking.com

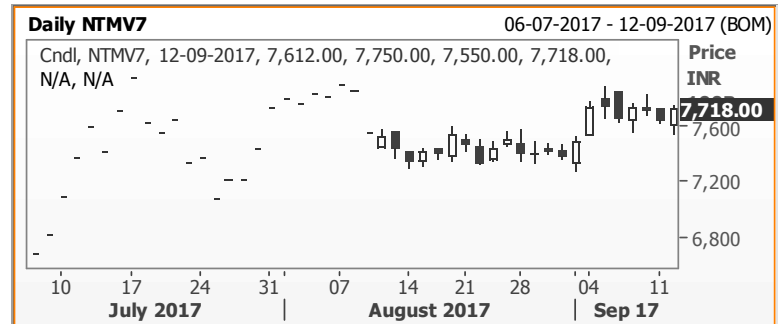
Market Highlights - Spices

	Unit	Last	Prev day	WoW	MoM	YoY	% Change
Jeera Spot- NCDEX -							
Unjha	R/qtl	19154	-0.24	-1.30	-0.48	5.02	
Jeera- NCDEX Oct'17	R/qtl	19185	-0.05	-1.39	-2.32	14.51	
Turmeric Spot-NCDEX							
Turmeric- NCDEX	R/qtl	7761	-0.14	0.97	1.66	4.78	
Oct'17	R/qtl	7718	0.89	-0.44	2.23	11.76	

Technical Chart – Jeera



Price Chart – Turmeric



Source: Reuters