

Sugar production dips 10% between October-January on lower output in Maharashtra

Agricultural sector highlights:

- Global cotton prices at 6 month high on strong exports
- Global food prices near 2 year high in January: FAO
- Basic customs duty on cashew hiked from 30% to 45%
- Malaysia's palm oil exports increase 8.1% in January: ITS
- US wheat prices at highest levels since August on good export sales

Market Highlights

Daily Price Analysis						
Expiry	Open	High	Low	Close	Prev Cl	% Change
FEB	3,998	3,999	3,958	3,968	3,990	-0.55
MAR	4,045	4,050	4,010	4,021	4,042	-0.52
APR	4,091	4,091	4,065	4,084	4,091	-0.17
MAY	4,134	4,134	4,134	4,134	4,140	-0.14

Spread Matrix

Spread Analysis					
	PRICE	FEB	MAR	APR	APR
SPOT	3,922	46	99	162	212
FEB	3,968	-	53	116	166
MAR	4,021	-	-	63	113
APR	4,084	-	-	-	50
MAY	4,134	-	-	-	-

Stock position as on 1st Feb on NCDEX Warehouses

Location	Valid Stock	In Process	Unit
Bhabhar	377	281	MT
Deesa	1285	547	MT
Kadi	3395	836	MT
Patan	5896	2428	MT
Total	10953	4092	MT

Outlook

Castor seed may trade on a mixed note. Huge carryover stocks and easing liquidity crunch may boost arrivals in the spot markets, pressurizing prices at higher levels. However, Expectations of lower output coupled with good demand may support prices at lower levels.

Castor Seed

Overview

Castor seed futures corrected on Thursday on profit taking at higher levels and settled 0.55% lower. Lower castor seed meal exports added to the downside. Prices gained over the last couple of days on lower output expectations this year coupled with tight supplies in the spot markets. There is good demand for castor oil exports.

Prices in Rajkot traded around 3610 while prices in Gondal traded around 3580. Prices in Deesa traded around Rs. 3200-3765 while prices in Harij traded around 3775-3815. (Source: Agriwatch)

India exported 28.3 thousand tonnes of castorseed meal in December '16 compared with 41.45 thousand tonnes in November.

Sowing of castor seed stood at 8.4 lakh hectares compared with 11.08 lakh hectares during the corresponding period last year.

The Ministry of Agriculture released 1st Advance Estimates for 2015-16, wherein it has estimated castor seed output at 17.31 lakh tonnes compared with 16.5 lakh tonnes last year.

Total stocks on NCDEX accredited warehouses stand at 15,045 mt out of which 10,953 mt are valid stocks while the remaining 4,092 mt are in process.

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Market Highlights

Daily Price Analysis						
Expiry	Open	High	Low	Close	Prev Cl	% Change
FEB	20,640	20,900	20,630	20,780	20,570	1.02
MAR	20,900	21,080	20,800	20,960	20,740	1.06
APR	21,070	21,270	21,000	21,150	20,950	0.95
MAY	21,240	21,390	21,220	21,320	21,090	1.09

Spread Matrix

Spread Analysis					
	PRICE	FEB	MAR	APR	APR
SPOT	20,680	100	280	470	640
FEB	20,780	-	180	370	540
MAR	20,960	-	-	190	360
APR	21,150	-	-	-	170
MAY	21,320	-	-	-	-

Stock position as on 1st Feb on NCDEX Warehouses

Location	Valid Stock	In Process	Unit
Rajkot	4100	700	Bales
Kadi	2300	0	Bales
Mundra	3900	0	Bales
Jalna	800	0	Bales
Yavatmal	1000	0	Bales
Total	12100	700	Bales

respectively.

Prices in Rajkot (BT cotton) traded at Rs. 4505-5905/qtl while Bhatinda traded at Rs. 4560/maund. (Source: Agriwatch)

The Ministry of Agriculture released 4th Advance Estimates for 2015-16, wherein it has estimated cotton output at 301.47 lakh bales compared with 348.05 lakh bales last year.

Total stocks on MCX accredited warehouses stand at 12,800 bales out of which 12,100 bales are valid stocks while 700 bales are in process.

Outlook

Cotton may trade on a positive note. Positive sentiments in the overseas markets, lower arrivals and demand for good quality crop may support prices. However, higher output expectations may cap sharp gains. Profit taking may be seen towards end of the week at higher levels.

Cotton

Overview

Cotton Feb futures gained for the third consecutive day on Thursday tracking sharp gains in the overseas markets coupled with tight supplies and settled 1.02% higher. Prices gained over the last few days on good demand from millers, procurement by CCI, tight domestic supplies and good demand from China. Higher output expectations and lower off capped sharp gains.

Cotton Association of India pegged output 1% up at 34.1 mn bales compared with 33.7 mn bales last year. It had earlier forecast output at 34.6 mn bales. Cotton Advisory Board has forecast 2016-17 output 3.8% up at 35.1 mn bales. Favorable climatic conditions have led to higher output expectations this year.

Sowing of cotton stood 11.58% lower at 102.55 lakh ha v/s 115.98 lakh ha during the corresponding period last year.

Cotton futures on ICE settled 0.59% higher on Thursday taking cues from positive export sales data coupled with fund buying and buying pressure ahead of March contract fixation policy. Good demand from mills also supported prices. WASDE report forecast higher US output and larger end stocks also pressurized prices earlier.

CCEA has kept MSP of cotton for medium staple and long staple variety unchanged at Rs. 3860 and Rs. 4160 per qtl

Market Highlights

Daily Price Analysis						
Expiry	Open	High	Low	Close	Prev Cl	% Change
MAR	17,905	18,035	17,700	17,895	17,955	-0.33
APR	17,580	17,730	17,385	17,645	17,645	0.00
MAY	17,655	17,770	17,510	17,655	17,745	-0.51
JUNE	18,000	18,000	17,720	17,810	18,080	-1.49

Spread Matrix

Spread Analysis					
	PRICE	MAR	APR	MAY	JUNE
SPOT	18,500	-605	-855	-845	-690
MAR	17,895	-	-250	-240	-85
APR	17,645	-	-	10	165
MAY	17,655	-	-	-	155
JUNE	17,810	-	-	-	-

Stock position as on 1st Feb on NCDEX Warehouses

Location	Valid Stock	In Process	Unit
Unjha	0	0	MT
Total	0	0	MT

is expected around 43 lakh bags (of 55 kg each), much lower compared with last year.

According to the Spices Board of India, exports of Jeera from India between April-June 2016 stood at 41,000 MT, 55 percent higher compared with 26,529 MT during the corresponding period last year.

Total stocks on NCDEX accredited warehouses stand at 0 mt out of which 0 mt are valid stocks while 0 mt are in process.

Outlook

Jeera may trade on a mixed note. Commencement of arrivals of the early sown new crop may keep prices under downside pressure. Favorable climatic conditions in Gujarat this year may also pressurize prices. However, tight supplies in the physical markets as well as good demand from the overseas markets may support prices at lower levels.

Jeera

Overview

Jeera March futures traded on a mixed note on Thursday. Tight supplies and robust demand from overseas markets supported prices. However, favorable climatic conditions and nearing of harvest period pressurized prices at higher levels and settled 0.33% lower.

Jeera sowing in Gujarat is complete 4.69 percent lower at 2,78,700 ha vs 2,92,400 ha last year.

Prices in Delhi spot declined to Rs. 19,400 for Ganesh variety. Prices in Jodhpur declined to Rs.16,000-17,400. (Source: Agriwatch)

The geopolitical tensions in Syria and Turkey are likely to hit supplies from the exporting nations. Sowing in Gujarat in 2015-16 was up 10.76% higher at 295,400 ha compared with 266,700 ha last year.

Prices gained sharply earlier last year on lower acreage, lower domestic supplies due to record exports and lower carryover stocks. Unseasonal rains damaged the crop leading to further upside in the prices. Output in 2014-15

Market Highlights

Daily Price Analysis						
Expiry	Open	High	Low	Close	Prev Cl	% Change
FEB	3,054	3,077	3,034	3,043	3,044	-0.03
MAR	3,117	3,132	3,090	3,099	3,100	-0.03
APR	3,165	3,186	3,148	3,156	3,155	0.03
MAY	3,243	3,257	3,226	3,231	3,232	-0.03

Spread Matrix

Spread Analysis					
	PRICE	FEB	MAR	APR	APR
SPOT	3,057	-14	42	99	174
FEB	3,043	-	56	113	188
MAR	3,099	-	-	57	132
APR	3,156	-	-	-	75
MAY	3,231	-	-	-	-

Stock position as on 1st Feb on NCDEX Warehouses

Location	Valid Stock	In Process	Unit
Akola	114103	2947	MT
Indore	9067	10	MT
Kota	26923	240	MT
Latur	21978	141	MT
Mandsaur	8784	0	MT
Nagpur	1877	0	MT
Sagar	577	0	MT
Shujalpur	2608	0	MT
Vidisha	708	0	MT
Total	186625	3338	MT

Total stocks on NCDEX accredited warehouses stand at 1,89,963 mt of which 1,86,625 mt are valid stocks while 3,338 mt are in process.

Outlook

Soybean may trade on a mixed note. Arrival pressure, higher output and weak demand from bulk consumers may mount downside pressure on the prices. However, demand from crushers and soya meal export demand may support prices. Lower level buying may also support prices.

Soybean

Overview

Soybean Feb opened higher on Thursday on lower level buying coupled with good demand from the oil and meal crushers. However, prices declined towards the end of the day on arrival pressure and higher output and settled marginally lower 0.03%.

Soybean on CBOT declined 0.06% on Thursday on profit taking. Prices gained earlier this week on good export demand. Prices declined over the last few days on easing concerns in Argentina. WASDE report cut output and ending stocks forecast. USDA monthly report has cut output estimates to 4.307 bn bushels from 4.361 bn in November. There are expectations on higher output in Brazil due to favorable climatic conditions and good crop conditions.

Sowing of soybean stood 1.3% lower at 114.71 lakh ha compared with 116.22 lakh ha last year. SOPA has revised output to 11.4 mn tn compared with 7 mn tn last year.

According to SOPA, Soymeal exports in December 2016 jumped 735.6% to 2,41,256 lakh tonnes compared with 28,870 tonnes in December 2015.

Prices in Indore traded around Rs. 2750-2950. Prices in Kota spot market traded around Rs. 2900-2950. (Source: Agriwatch)

The Ministry of Agriculture released 3rd Advance Estimates for 2015-16, wherein it has estimated soybean 8.92 mn tonnes compared with 9.1 mn tonnes in the 2nd Advance Estimates.

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