



TRANSGRAPH
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commodity market mentors

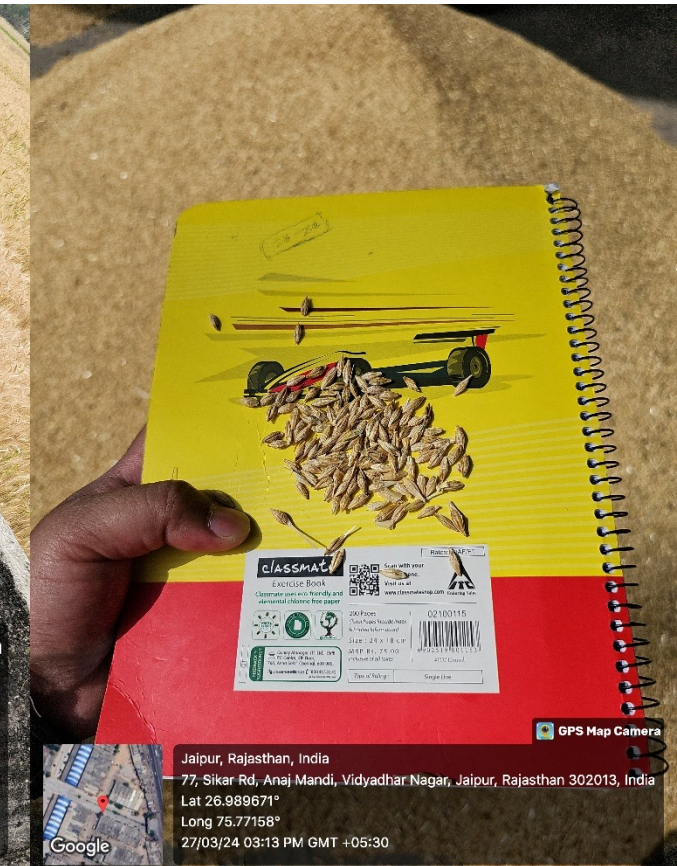


Mapping the Market Thought of Oil Meals & Feed Grains

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17th May 2024
Hotel Ramee Grand, Pune





❖ Barley crop harvesting was underway in Rajasthan and is most likely to be completed by Apr'24. Most of the crops are in good conditions with better quality grains compared to the previous year which was affected by rains during harvesting period.

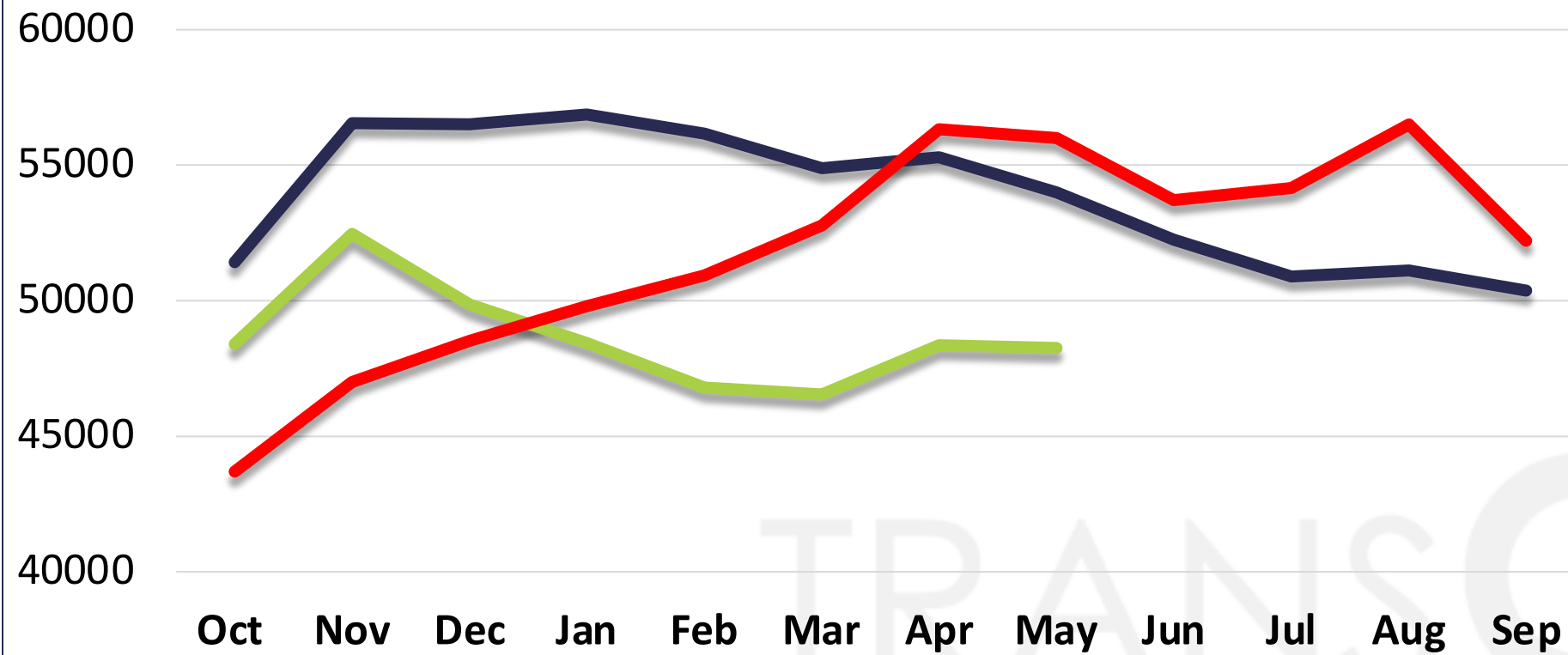


India Oil Meals

Nature Of Domestic Oilseeds Prices

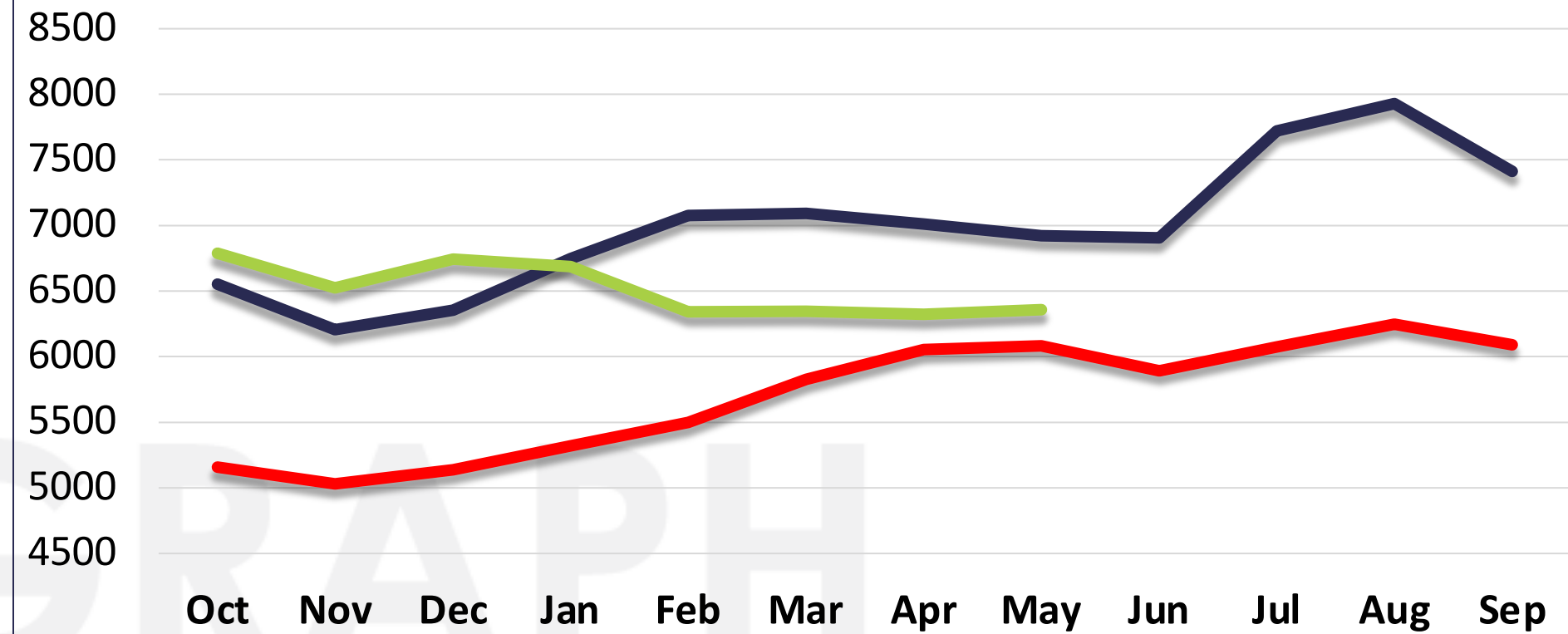
Soybean Price Trend - Indore (INR/T)

— 2022-23 — 2023-24 — 5 Yrs Avg



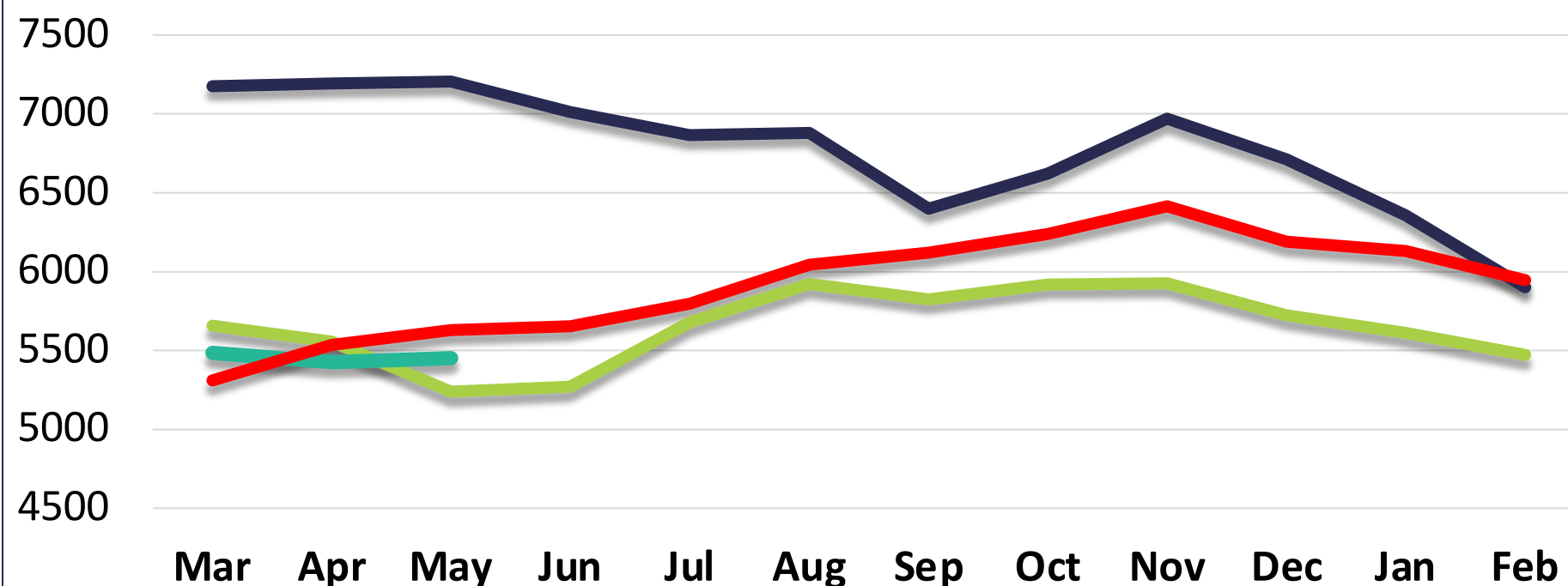
Groundnut seed Price Trend - Jamnagar (INR/Qtl)

— 2022-23 — 2023-24 — 5 years Avg



Mustard seed Price trend - Jaipur (INR/Qtl)

— 2022-23 — 2023-24 — 2024-25 — 5 years Avg

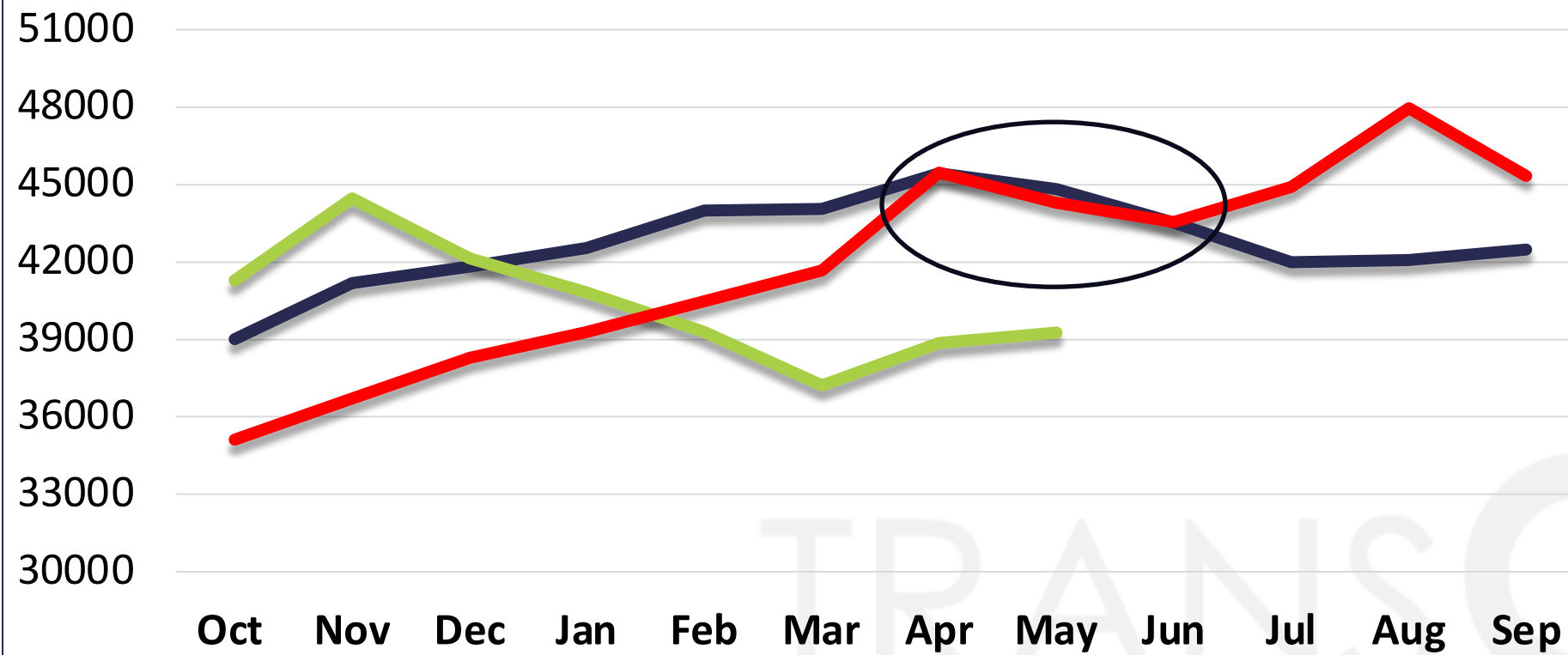


- Soybean prices are expected to remain in consolidation to weaker zone due to unfavourable crush margins for the crushers. Higher imports of edible oils at cheaper price and lower meal export prospects is the key reason.
- Aggressive mustard procurement at MSP by NAFED and short supply in spot markets is expected to keep the prices supportive.

Seasonal Drop Is Expected To Be In Soymeal Prices

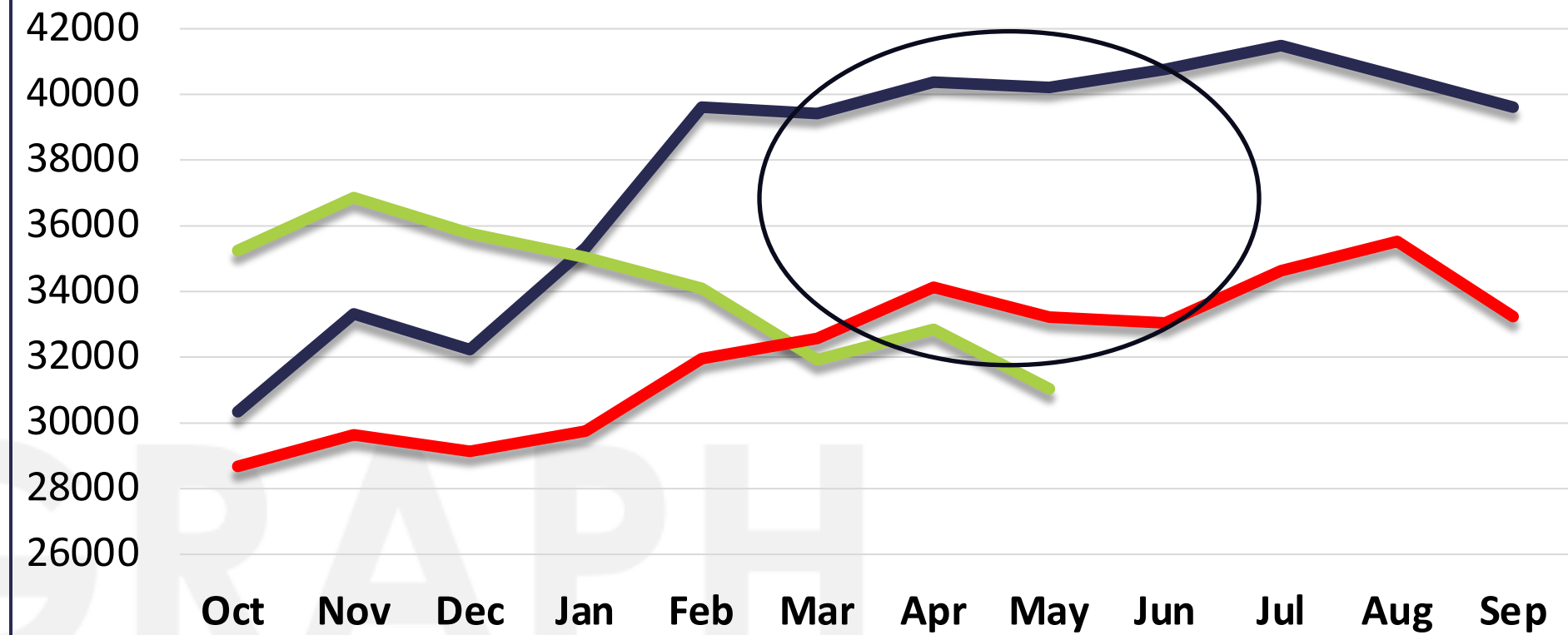
Soymeal Price Trend - Indore (INR/T)

— 2022-23 — 2023-24 — 5 Yrs Avg



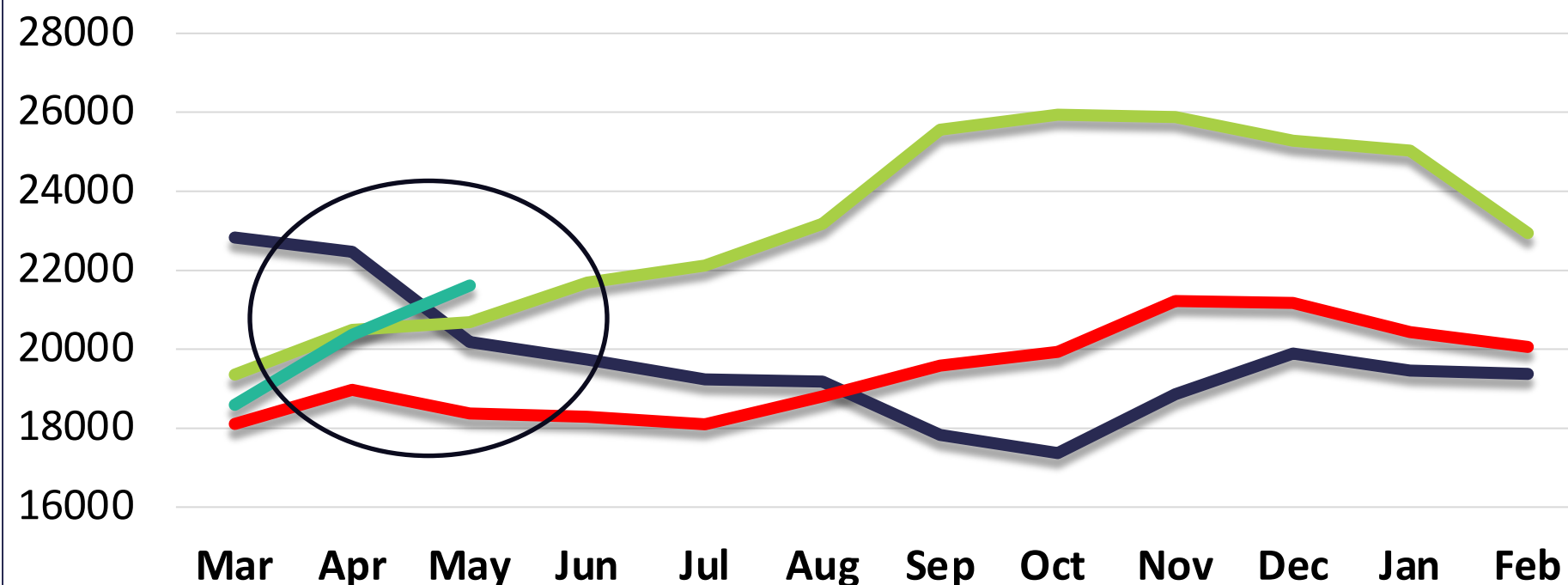
Groundnut cake - Jamnagar (INR/T)

— 2022-23 — 2023-24 — 5 Yrs Avg



Mustard meal - Jaipur (INR/T)

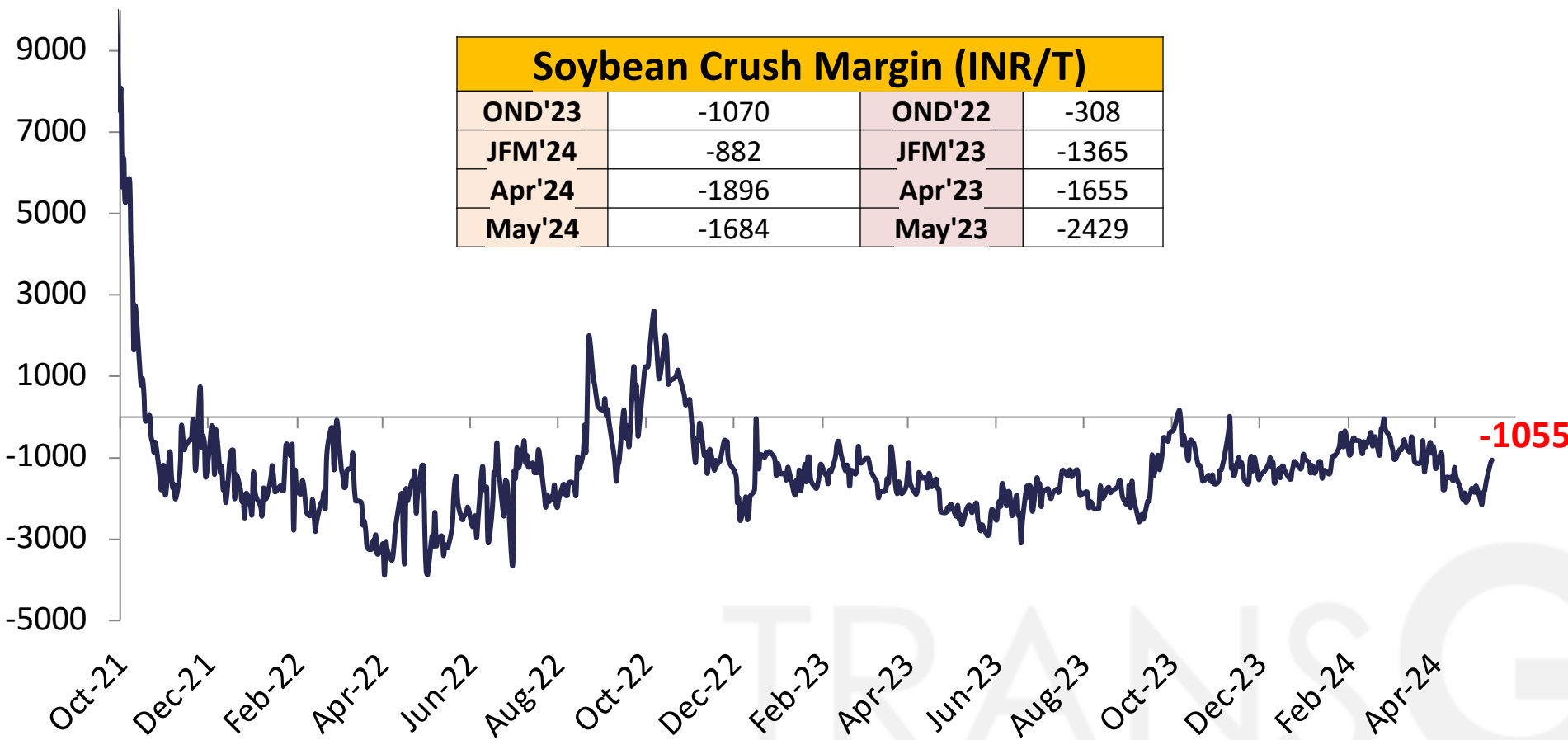
— 2022-23 — 2023-24 — 2024-25 — 5 Yrs Avg



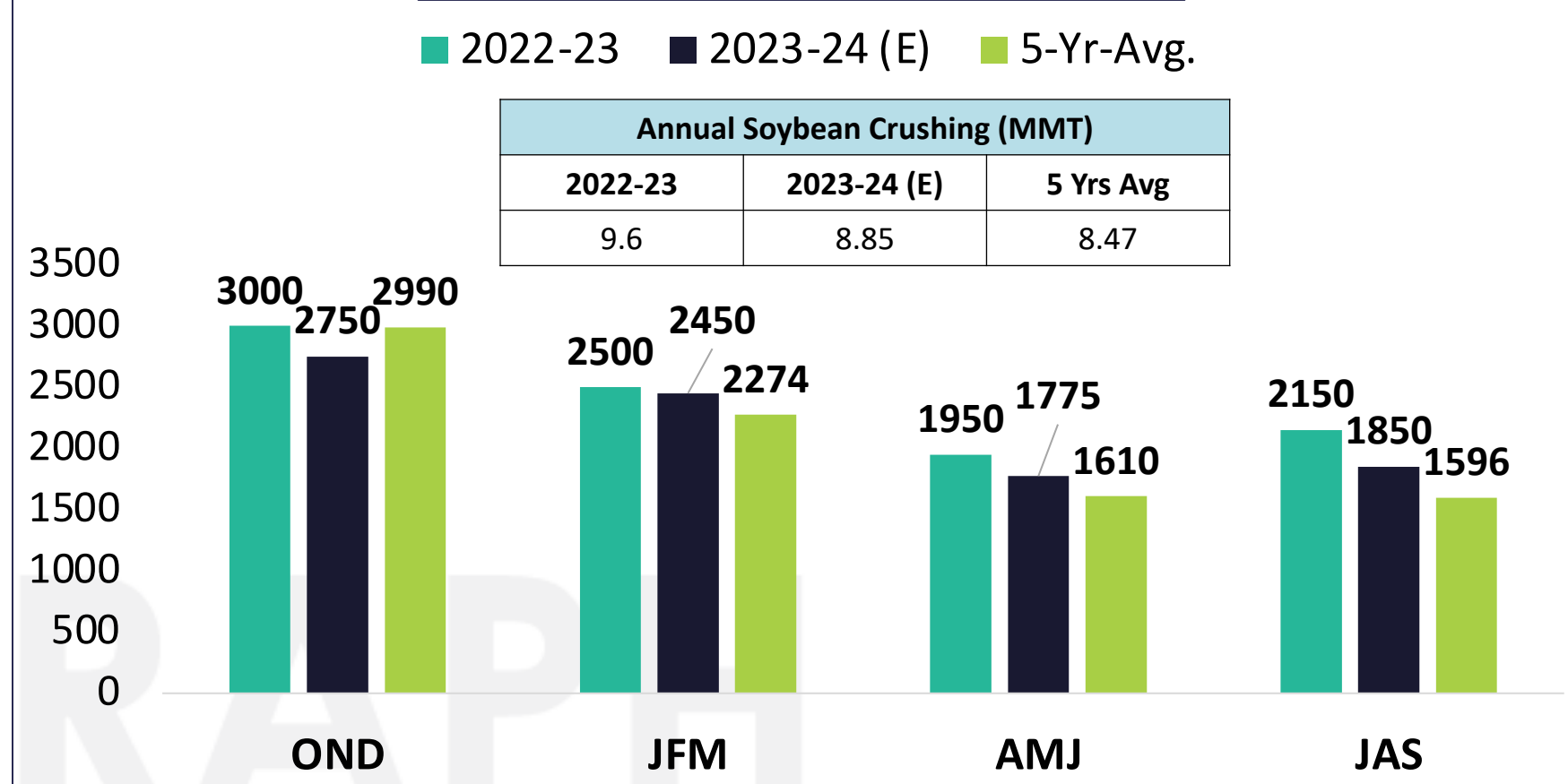
- Seasonal drop (AMJ) is expected to be in the soymeal prices due to lower domestic demand from poultry industry ahead summer. Meanwhile, reduction in meal export opportunities from India amid ample supply from Arg to keep the Indian market bearish.
- Gradual decline in the mustard crush and decent meal export prospects to keep the mustard meal prices supportive in the coming months.

Drop In Soymeal Production Owing To Negative Crushing Margin

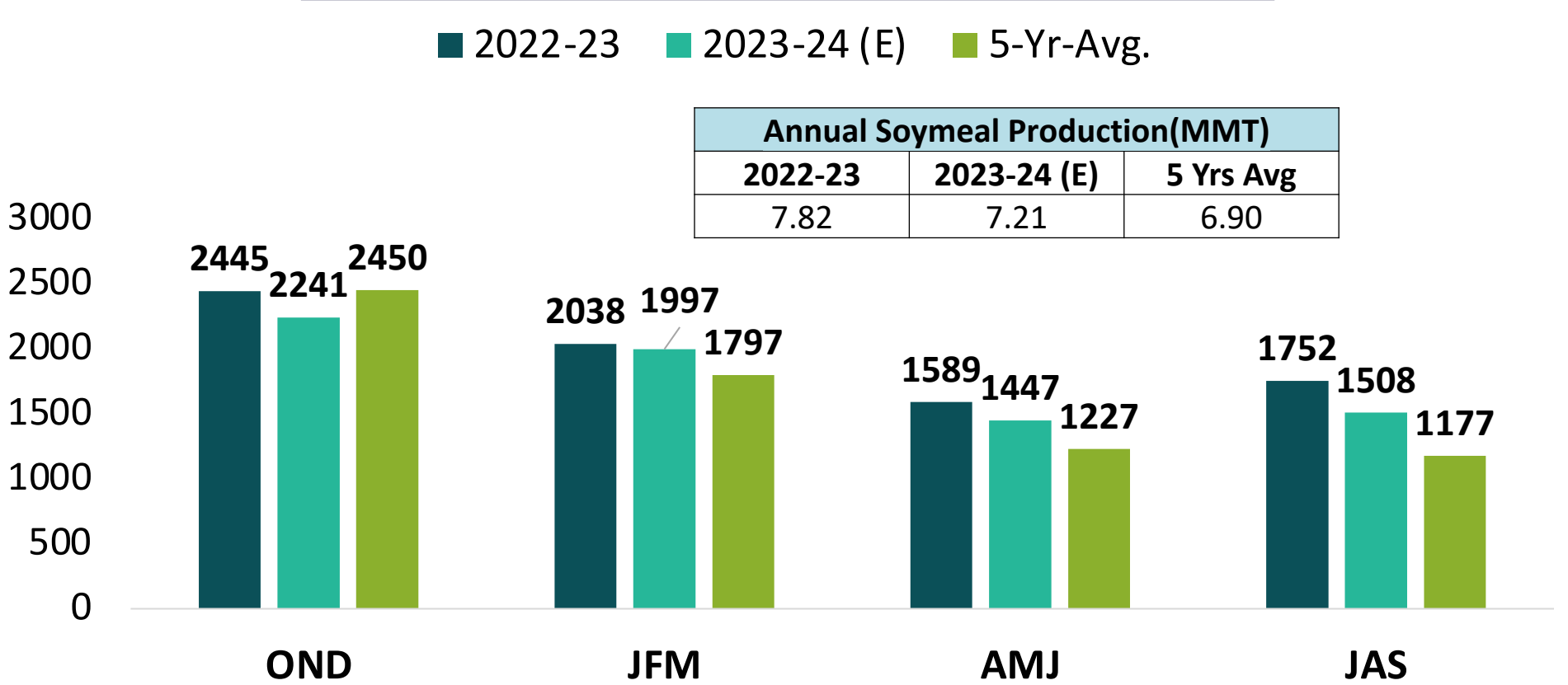
Soybean Crush Margin at Indore (INR/MT)



Quarterly Soybean Crush (KMT)



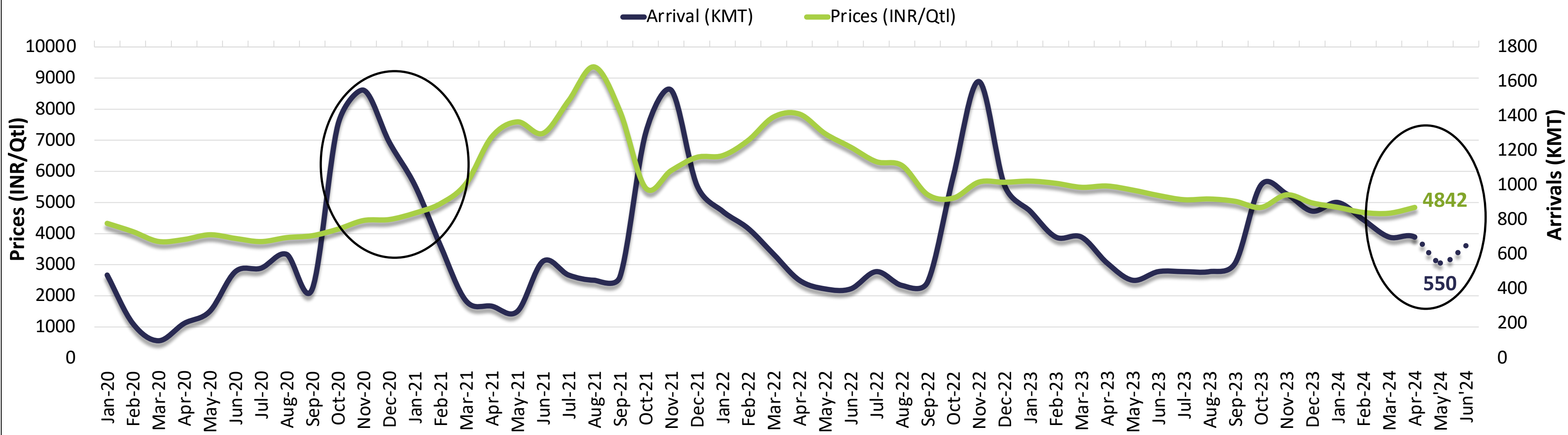
Quarterly Soy Meal Production Trend (KMT)



- Soybean crush and meal production during AMJ'24 is anticipated at 1.77 MMT and 1.45 MMT lower 9% YoY due to negative crushing margins. Moving ahead, crush margins remained under negative territory amid weakness in the oil and meal prices because of subdued demand.
- Lower domestic demand of poultry industry owing to summer and absence of any major festival.

Fair Correlation Between Soybean Arrivals & Prices

Correlation b/w Soybean Arrivals and Prices



- During AMJ'24, Soybean arrivals are expected at 1900 KMT higher 27% versus 1500 KMT previous year at the same time. Although farmers are expected to off-load the produce ahead start of sowing season. Govt. will announce the revised soybean MSP for next MY in the coming weeks. Expectation of increasing MSP price from INR 4600/Qtl to INR 4900/Qtl would support the domestic spot market prices in the broader term whereas subdued demand of oil and meal is likely to keep the prices under pressure in near further.
- During Apr'24, Average Soybean Indore prices are at INR 4842/Qtl lower 12% versus INR 5530/Qtl previous year at the same time due to decrease in soymeal exports and domestic demand.

Soy Meal Quarterly Balance Sheet

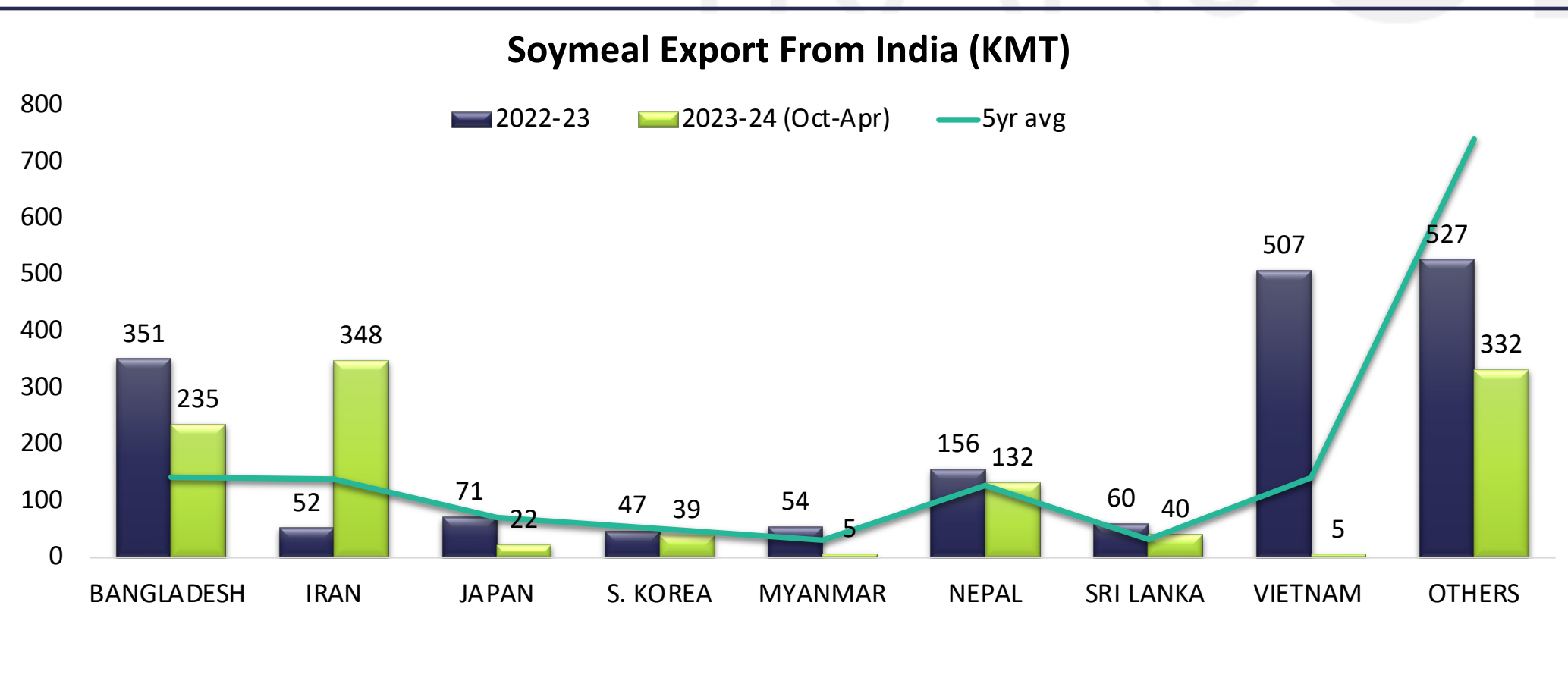
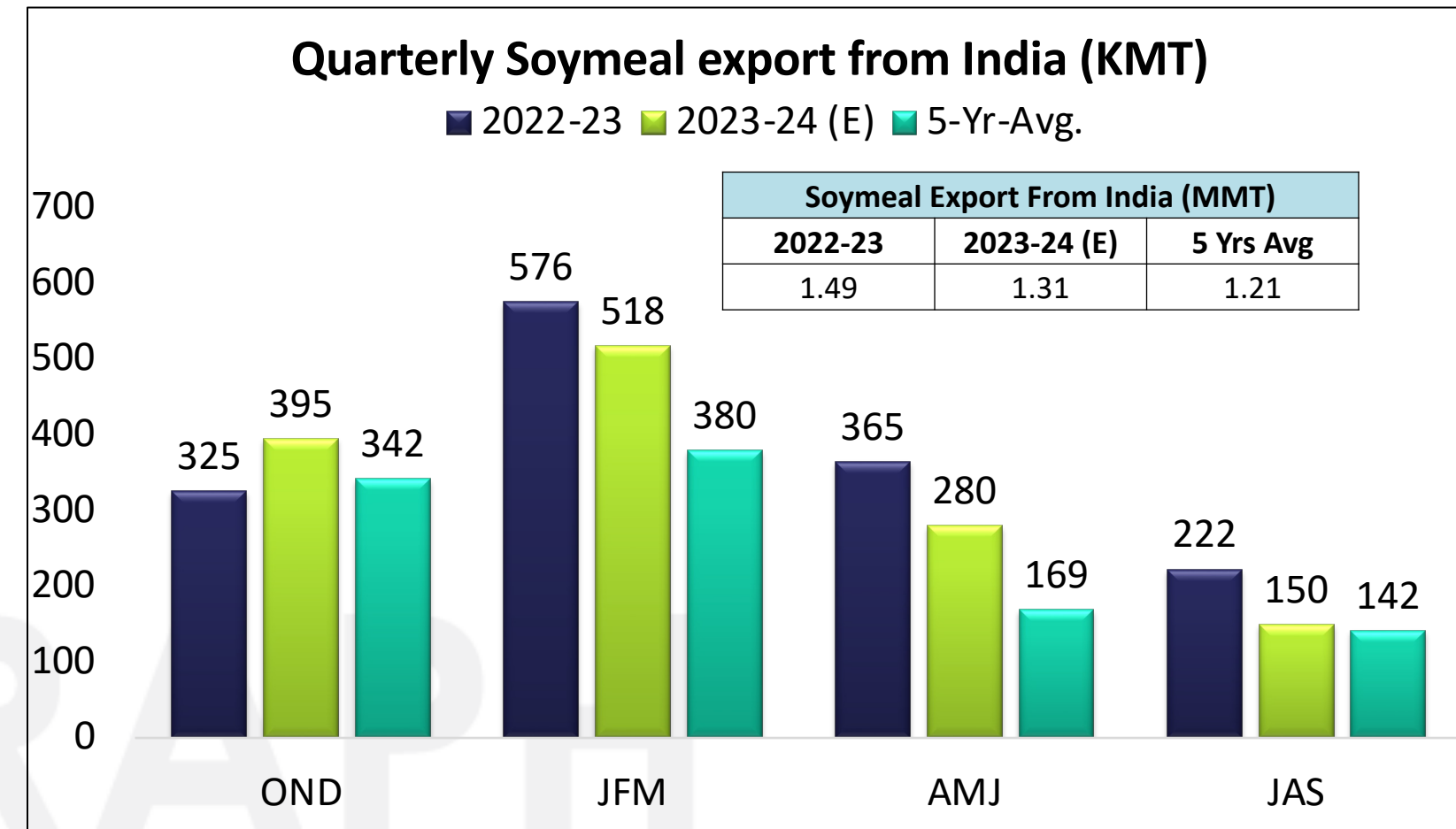
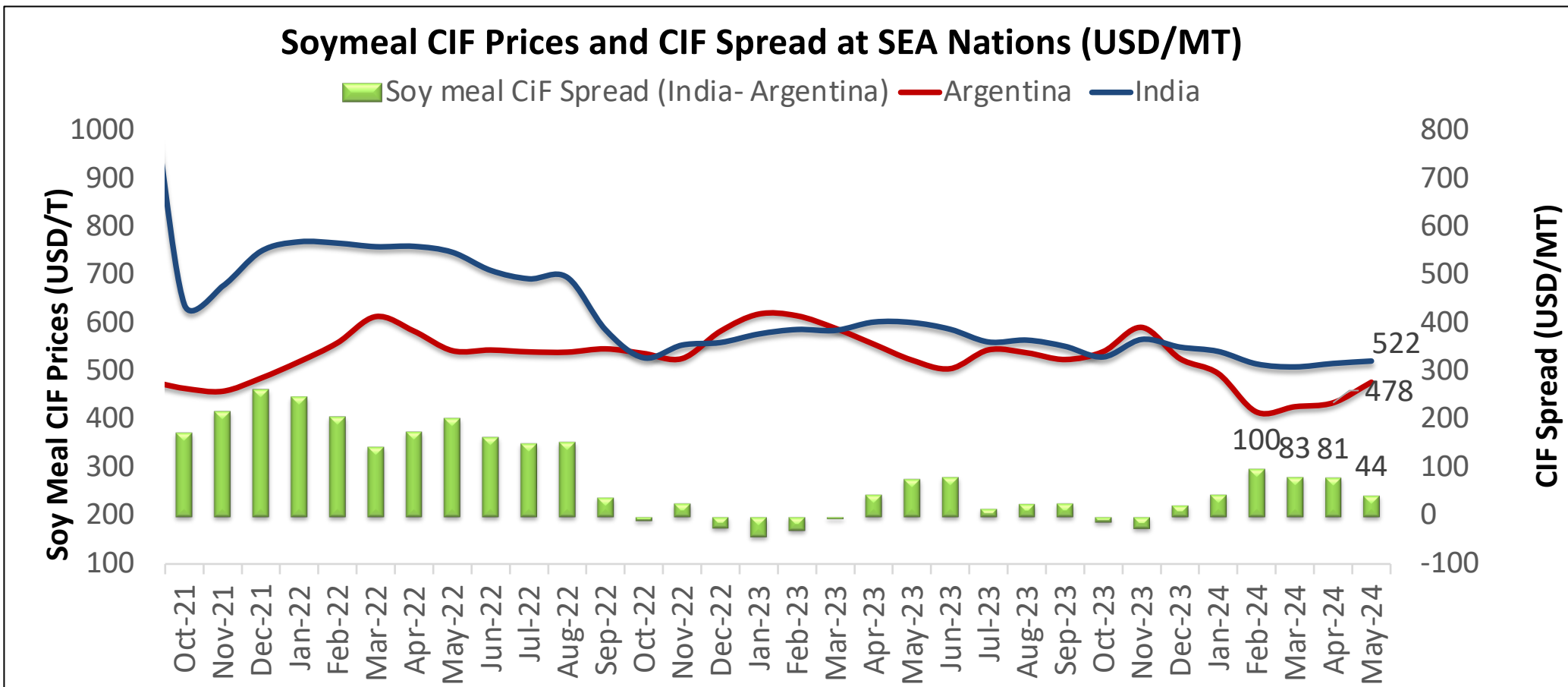
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Soy Meal Quarterly Balance Sheet (KMT)

Attributes	2022-23				2023-24 (E)				2022-23-Annual	2023-24-Annual	% Change Y-o-Y
	OND	JFM	AMJ	JAS	OND	JFM	AMJ	JAS			
Beginning Stocks	482	624	389	282	421	445	322	277	482	421	-13%
Production	2445	2038	1589	1752	2241	1997	1467	1508	7824	7213	-8%
Imports	2	4	3	9	8	9	13	12	18	42	132%
Total Supply	2930	2665	1982	2044	2670	2450	1802	1797	8324	7676	-8%
Export	325	576	365	222	395	518	250	150	1488	1313	-12%
Domestic Consumption	1980	1700	1335	1400	1830	1610	1275	1435	6415	6150	-4%
Total Demand	2305	2276	1700	1622	2225	2128	1525	1585	7903	7463	-6%
End Stocks	624	389	282	421	445	322	277	212	421	212	-50%

- Soymeal production during AMJ'24 is estimated to be lower 9% YoY to 1.45 MMT owing to unfavorable crushing margins coupled with lower demand. Meanwhile, seasonal domestic demand (AMJ) for soymeal from the poultry industry is expected to be lower owing to summer and absence of any major festival.
- Soymeal end stocks by the end of Jun'24 is anticipated to be around 277 KMT lower 2% YoY. Tightness in the stocks of soymeal is expected to restrict any major drop in the prices but decline in the demand to cap the major upside in the prices.

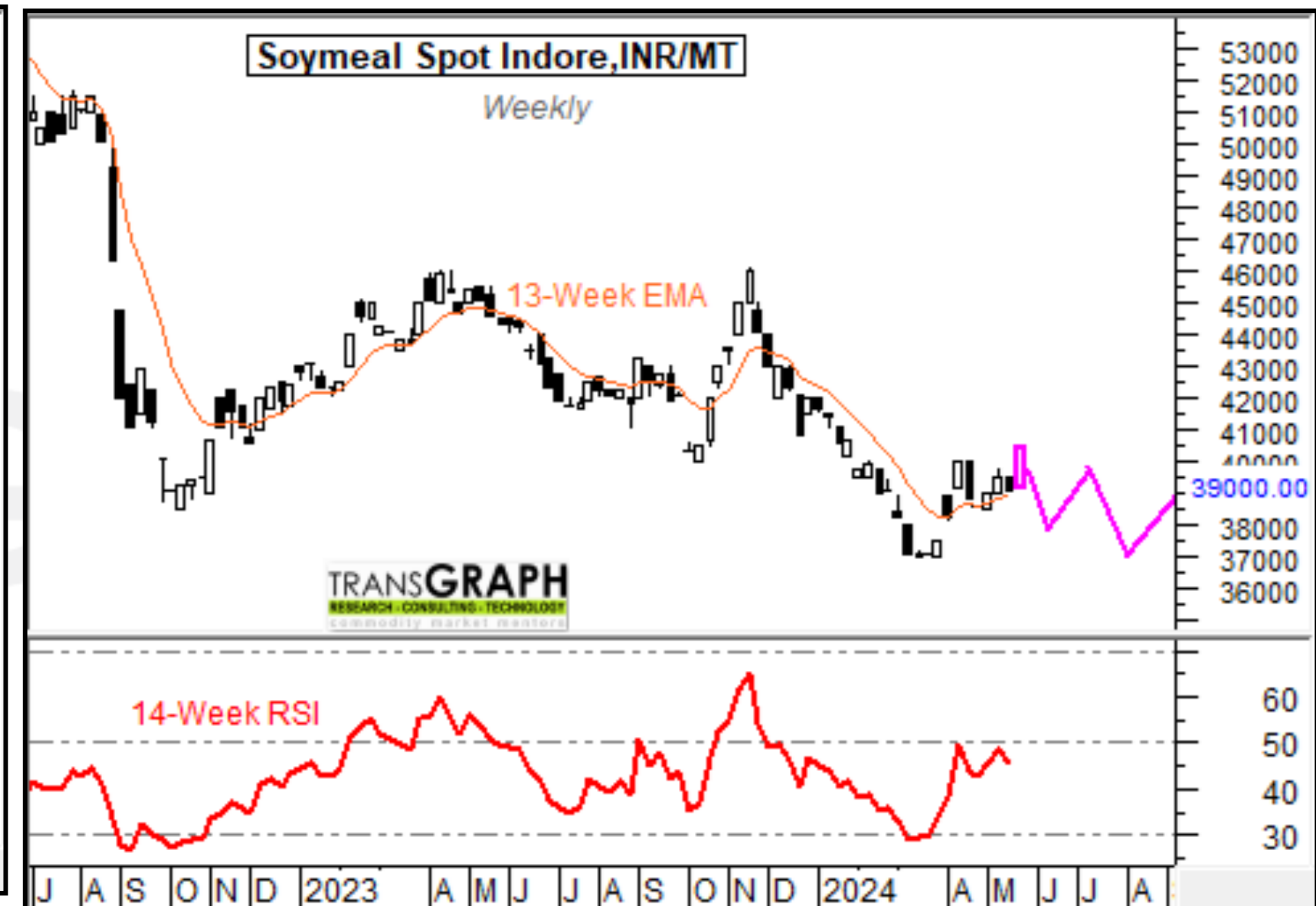
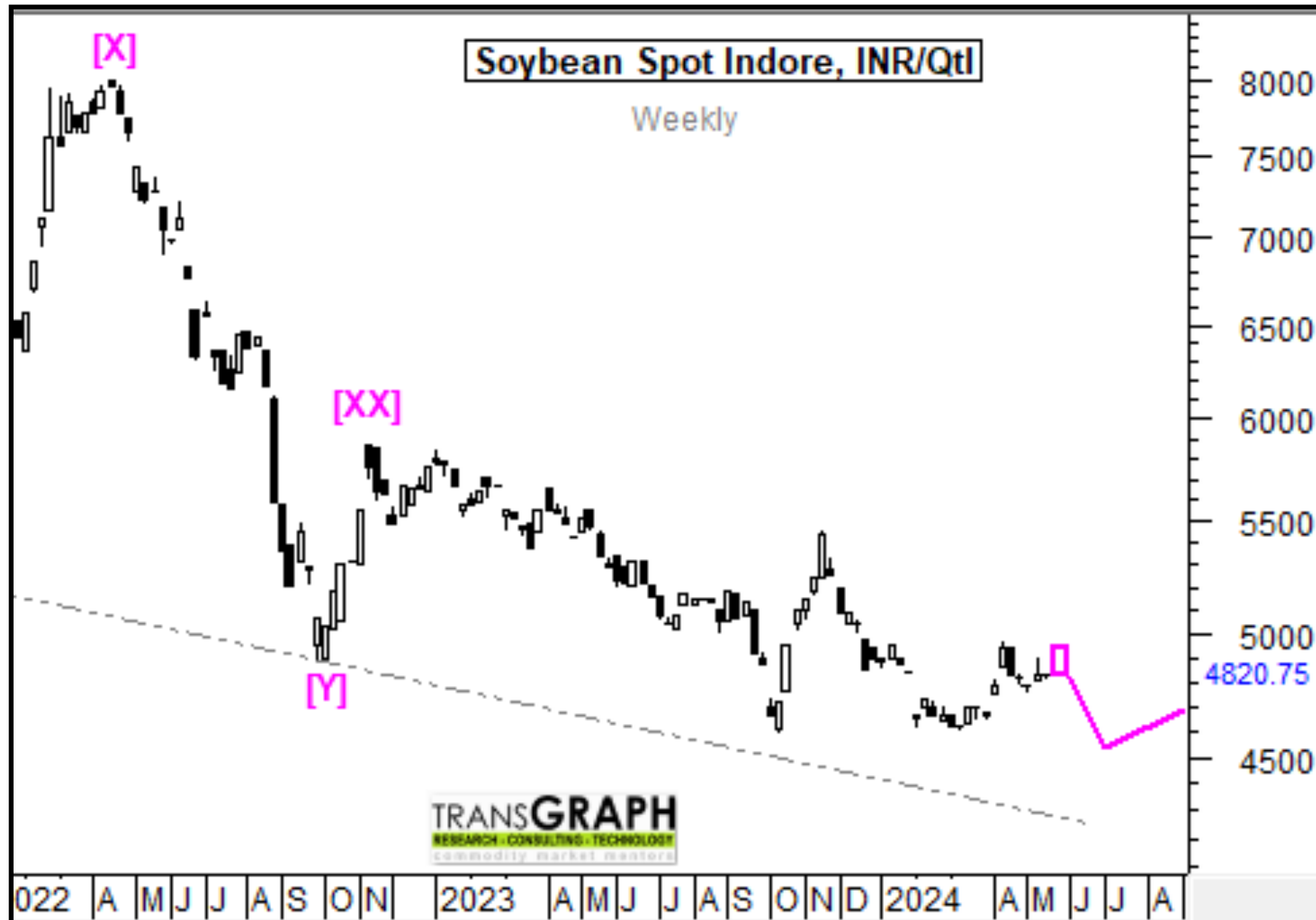
Soymeal Export From India During AMJ'24 To Drop 64% YoY



- Currently, Indian soy meal CIF prices are at a premium of USD 75/T versus Argentina at SEA nations.
- Soymeal export from India to Iran and UAE is higher as replaced the Argentina due to lower availability at the origins.
- Broader term, spread is expected to widen amid ample supply from Argentina.
- During AMJ'24, India soy meal export is estimated to be lower 23% YoY to 280 KMT. For the entire MY 2023-24 (Oct-Sep), soy meal export from India is estimated to be ~1.31 MMT lower 10% YoY.

Soybean Spot Indore, INR/Qtl

Soymeal Spot Indore, (INR/MT)



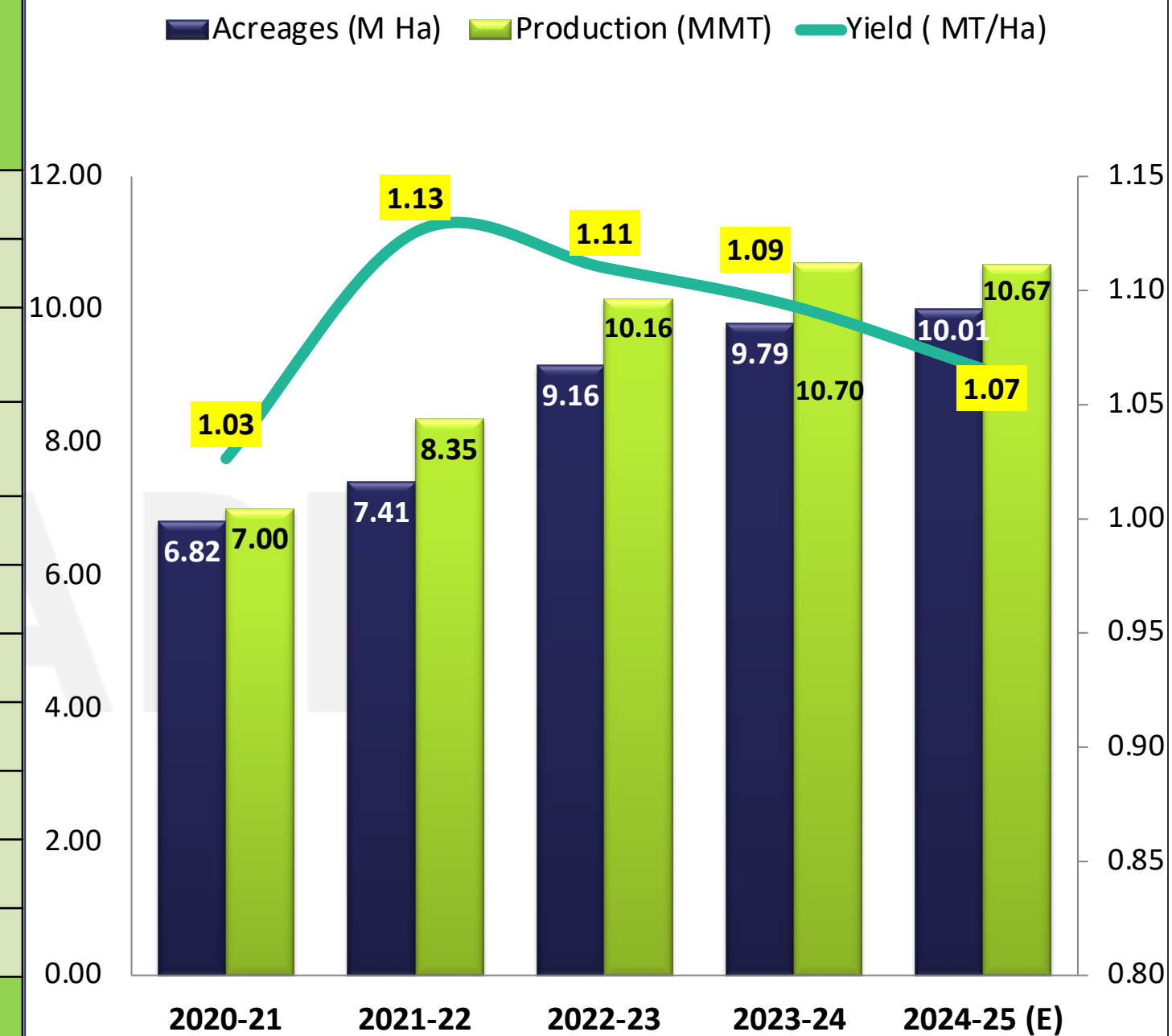
Soybean Indore prices are likely to hold below INR 4950 on any recovery and retreat lower towards INR 4600 in the coming couple of months, ahead of any notable recovery in the subsequent months.

Soymeal Indore prices are likely to hold below INR 40000 on any recovery and retreat lower towards INR 37000 in the coming couple of months, ahead of any notable recovery in the subsequent months.

Indian Mustard Acreage, Yield & Production Estimates

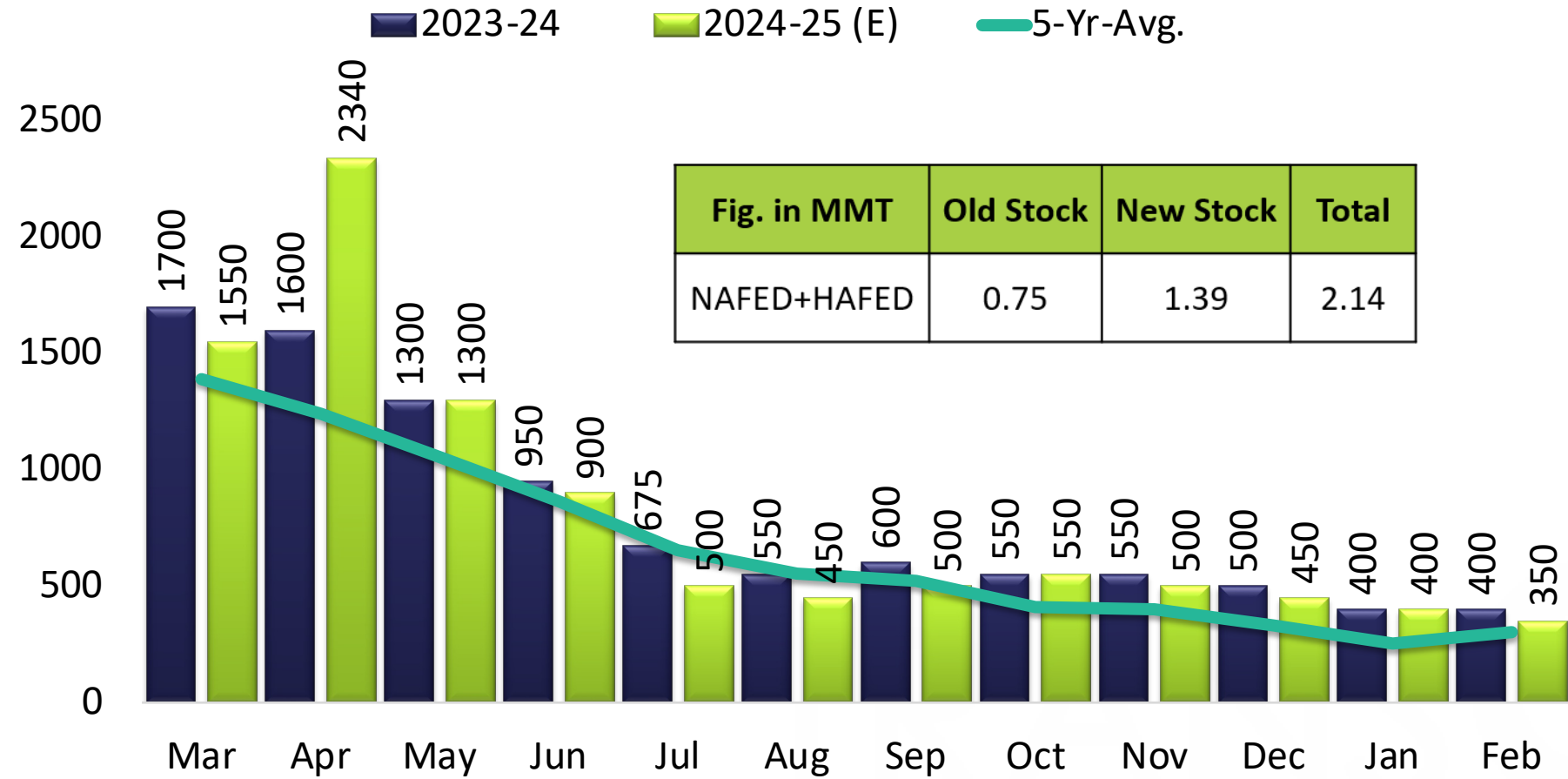
States	Acreage (M Ha)		YoY Change	Yield (MT/Ha)		YoY Change	5-Yr Avg Yield	Production (MMT)		YoY Change
	2023-24	2024-25 (P)		2023-24	2024-25 (P)			2023-24	2024-25 (P)	
Rajasthan	3.97	3.77	-5%	1.35	1.31	-3%	1.35	5.36	4.93	-8%
Haryana	0.73	0.76	4%	1.03	1.03	0%	1.25	0.75	0.78	4%
Madhya Pradesh	1.40	1.40	0%	0.69	0.69	0%	0.78	0.97	0.97	0%
Uttar Pradesh	1.33	1.76	33%	1.01	0.99	-2%	0.99	1.34	1.75	30%
Punjab	0.04	0.05	33%	0.77	0.78	1%	0.77	0.03	0.04	34%
Bihar	0.19	0.27	45%	1.15	1.12	-2%	1.08	0.21	0.30	42%
West Bengal	0.66	0.69	4%	0.85	0.84	-1%	0.80	0.56	0.58	3%
Gujarat	0.31	0.28	-9%	1.40	1.37	-2%	1.52	0.43	0.38	-11%
Assam	0.33	0.33	-1%	0.74	0.74	0%	0.71	0.25	0.25	-1%
Jharkhand	0.39	0.35	-11%	1.17	1.15	-2%	1.15	0.46	0.40	-12%
Others	0.44	0.36	-19%	0.78	0.81	3%	0.82	0.34	0.29	-16%
All India	9.79	10.01	2.3%	1.09	1.07	-3%	1.09	10.70	10.67	-0.3%

India Mustard Seed Acreage, Yield and Production

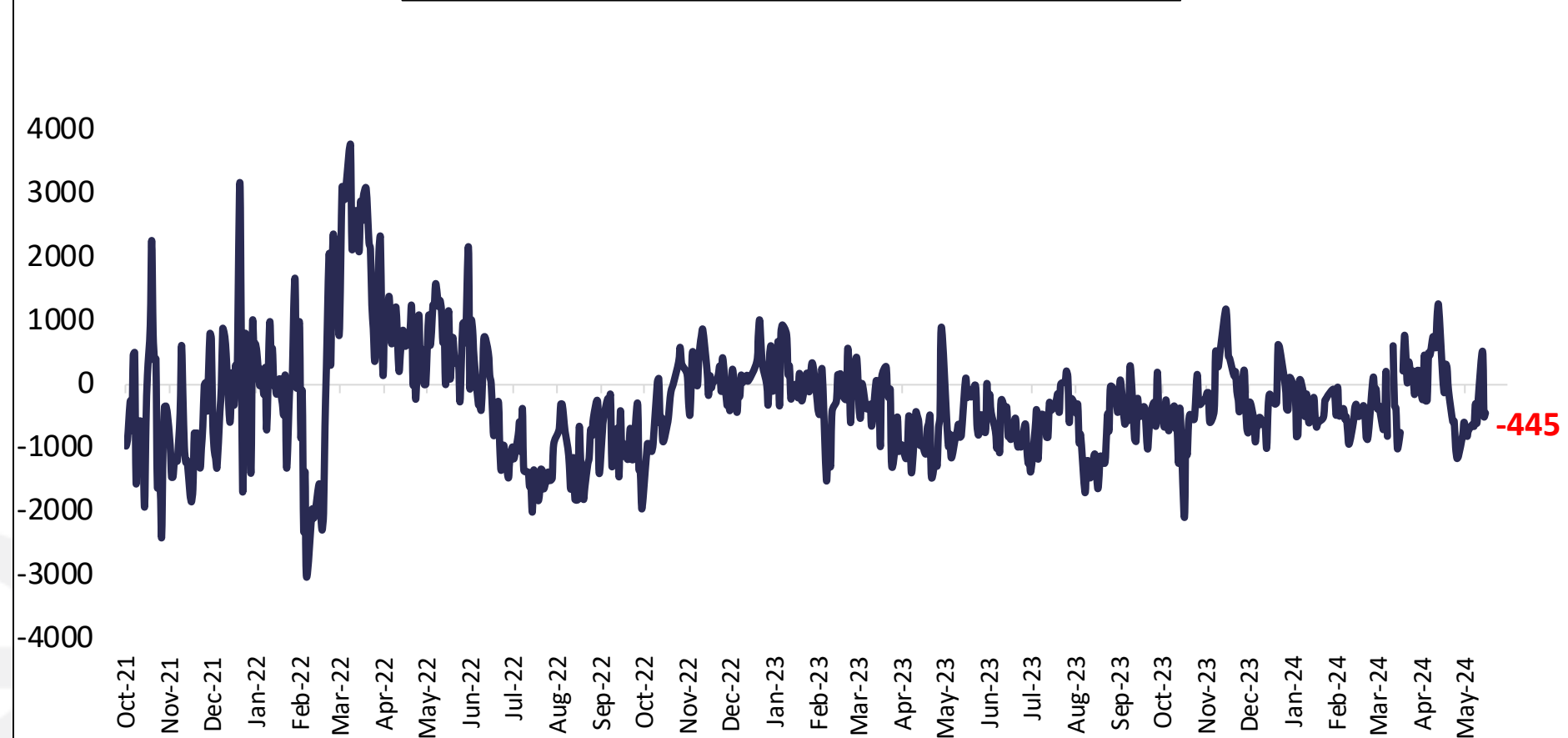


- For MY 2024-25 (Mar-Feb), India mustard yield has pegged lower 3% YoY to 1.07 MT/Ha due to adverse weather conditions.
- Meanwhile, rise in acreage by 2.3% YoY to compensate the losses in the mustard production.

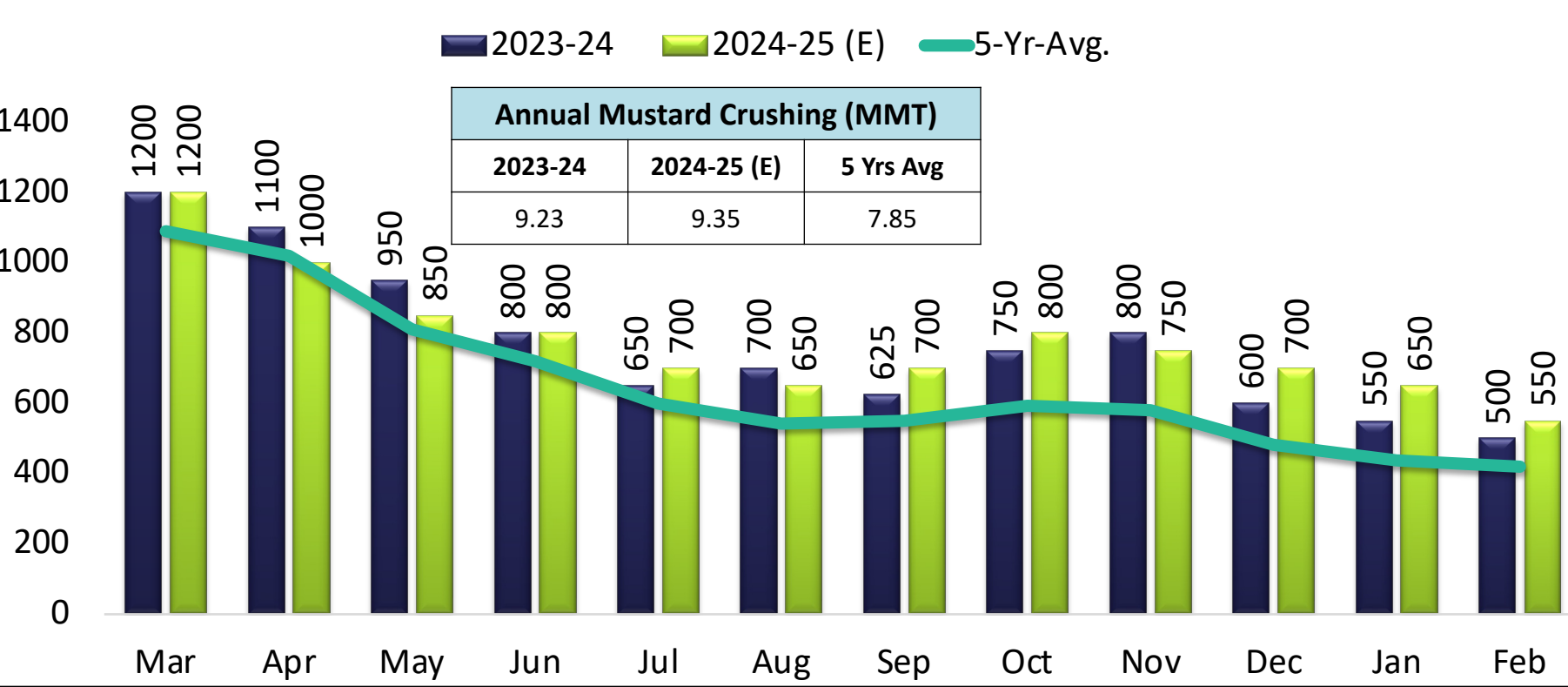
Monthly Mustard Arrivals (KMT)



Mustard Crush Margin at Jaipur (INR/MT)

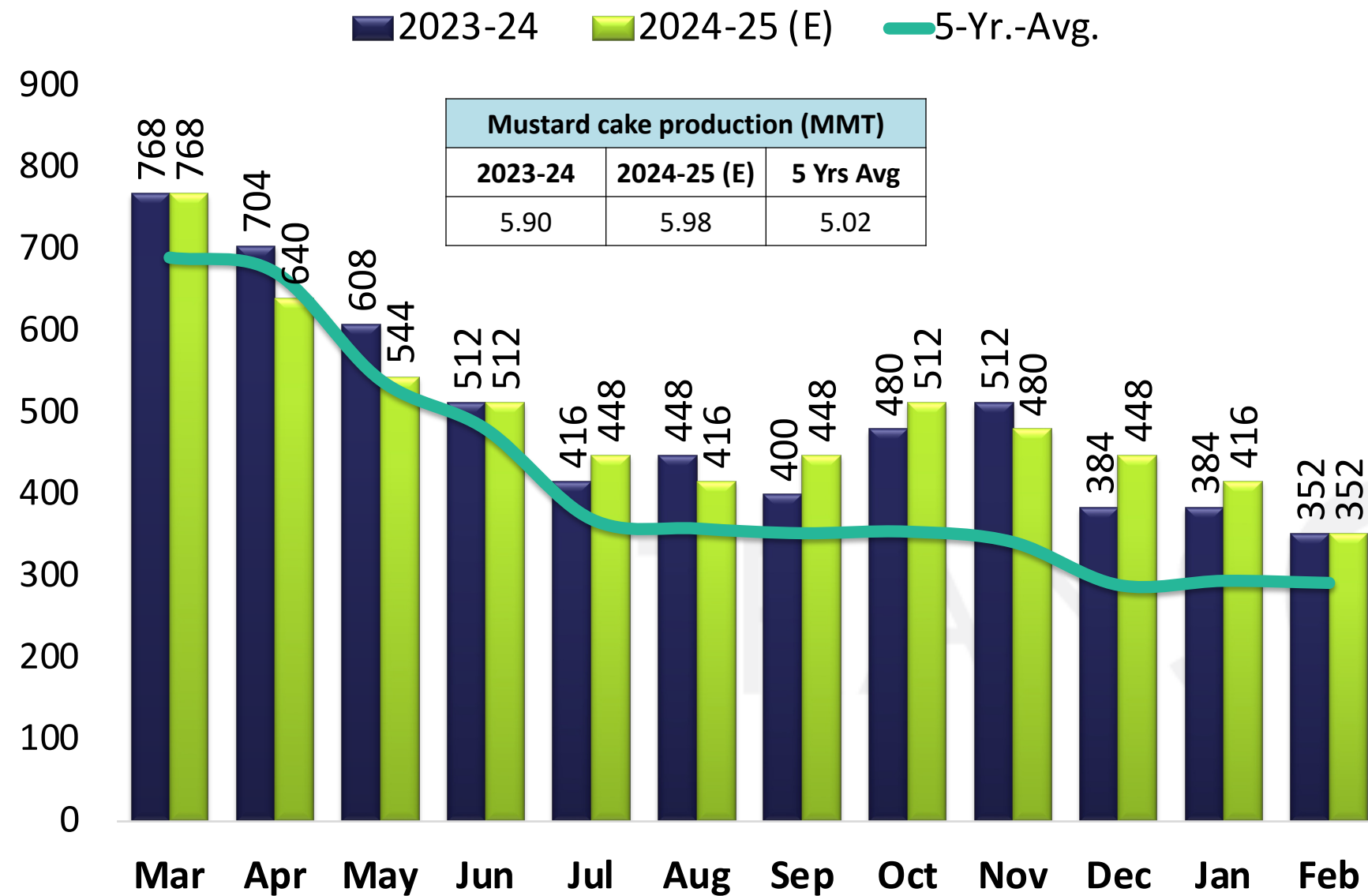


Monthly Mustard Seed Crush (KMT)

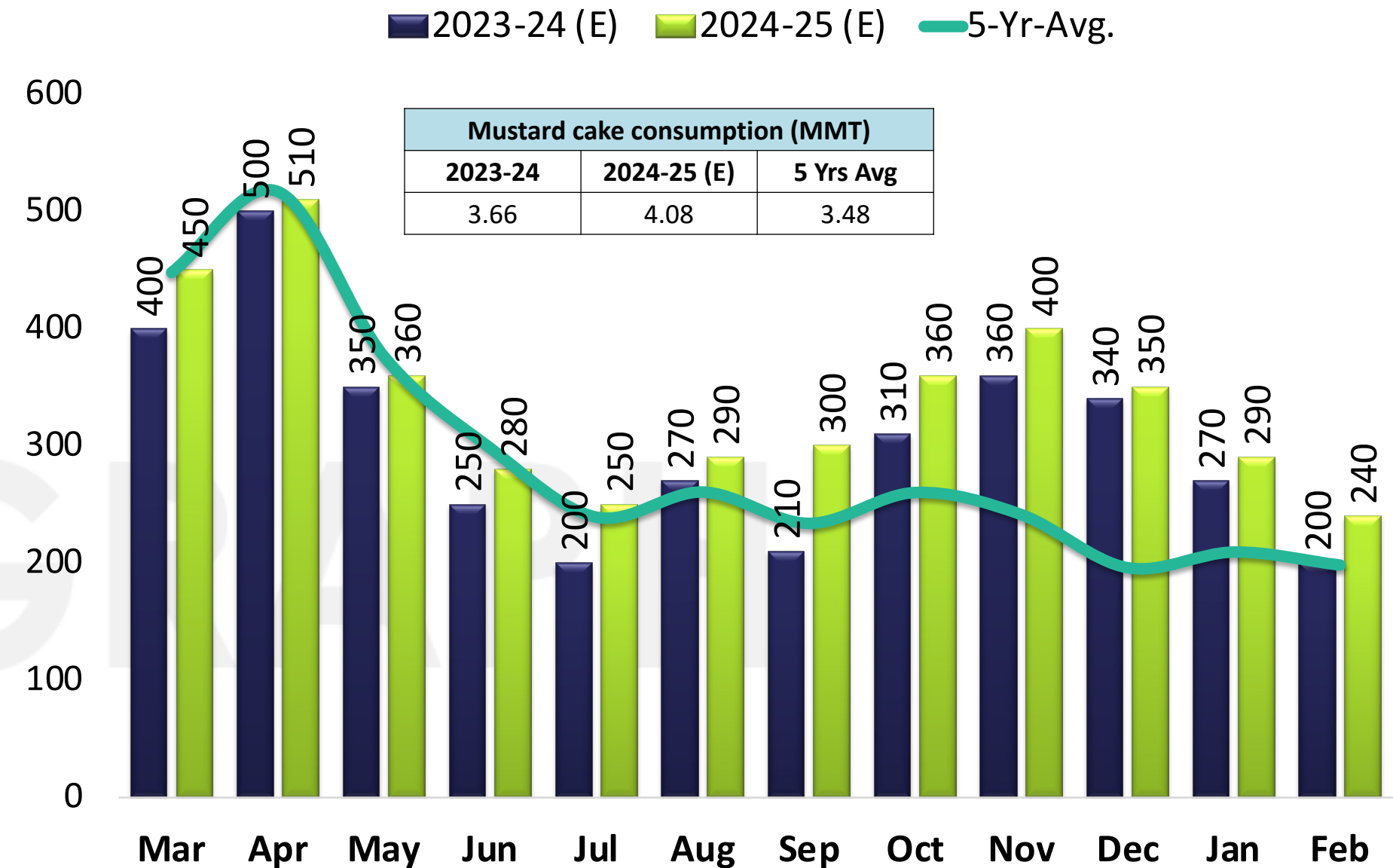


- During AMJ'24, mustard seed arrivals are anticipated to be around 4.69 MMT higher 22% YoY on the back of aggressive procurement by NAFED at MSP. During Apt'24, NAFED and HAFED, procured ~1.39 MMT of total mustard additional from the market arrivals.
- May'24 avg of mustard margins are negative at INR 434/T. Mustard seed crush margins have turned negative due to sharp increase in the seed prices. Broader term, mustard crush margins to squeezed due to stable mustard seed prices whereas higher edible oils supplies and lower mustard meal export to keep the oils and cake prices under pressure.
- **Mustard crushing during AMJ'24 is expected to decline 7% YoY to 2.65 MMT.**

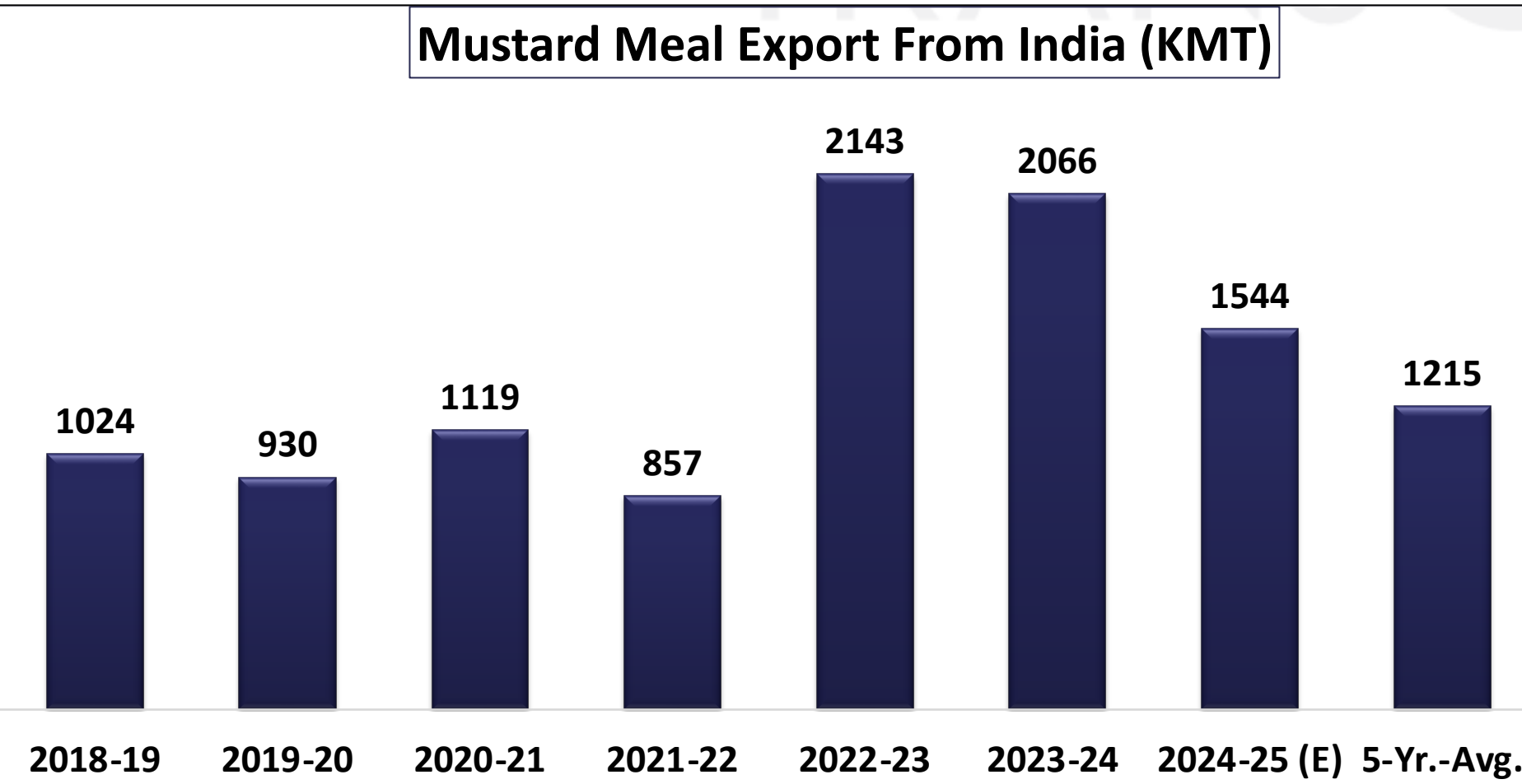
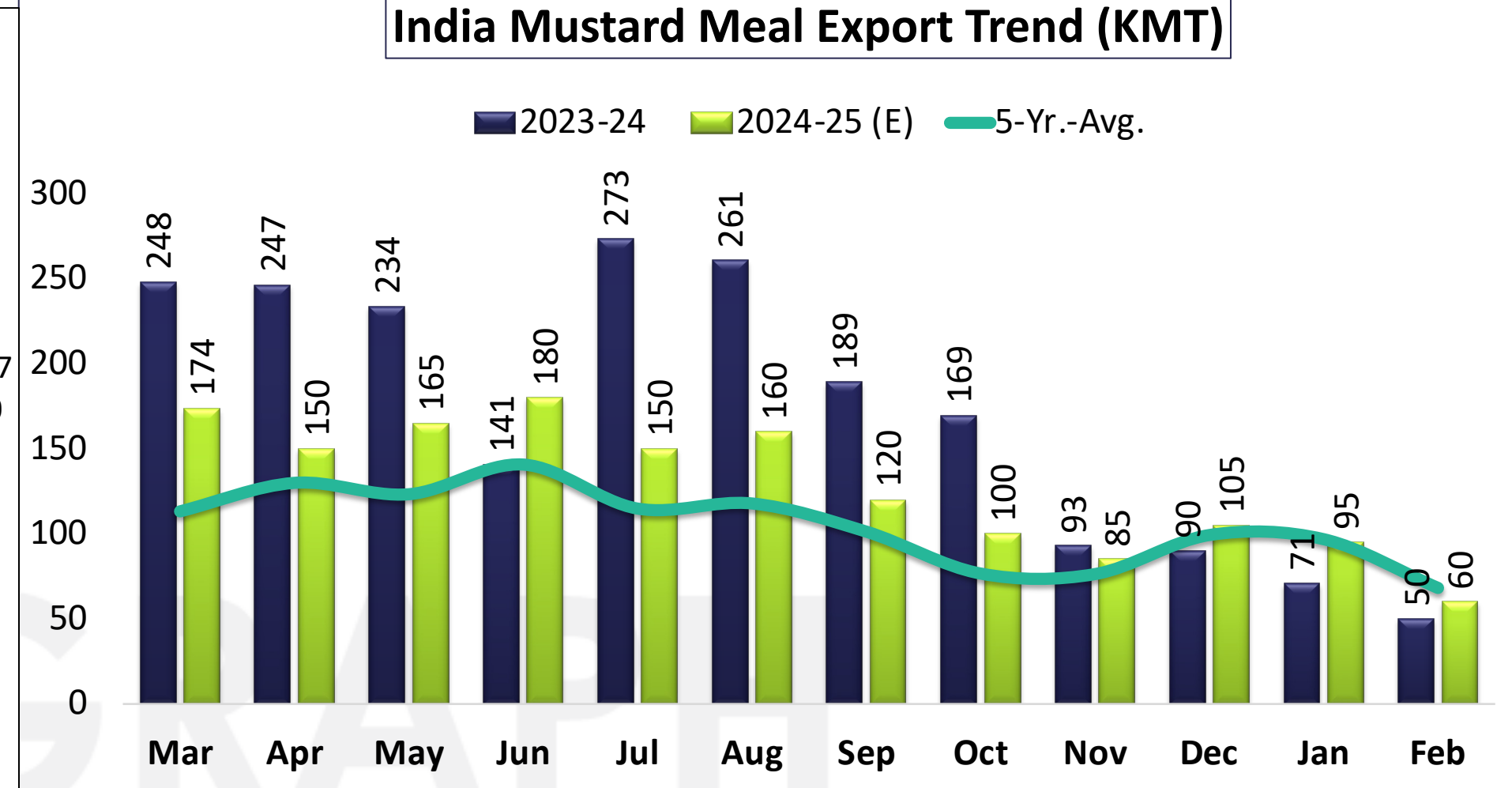
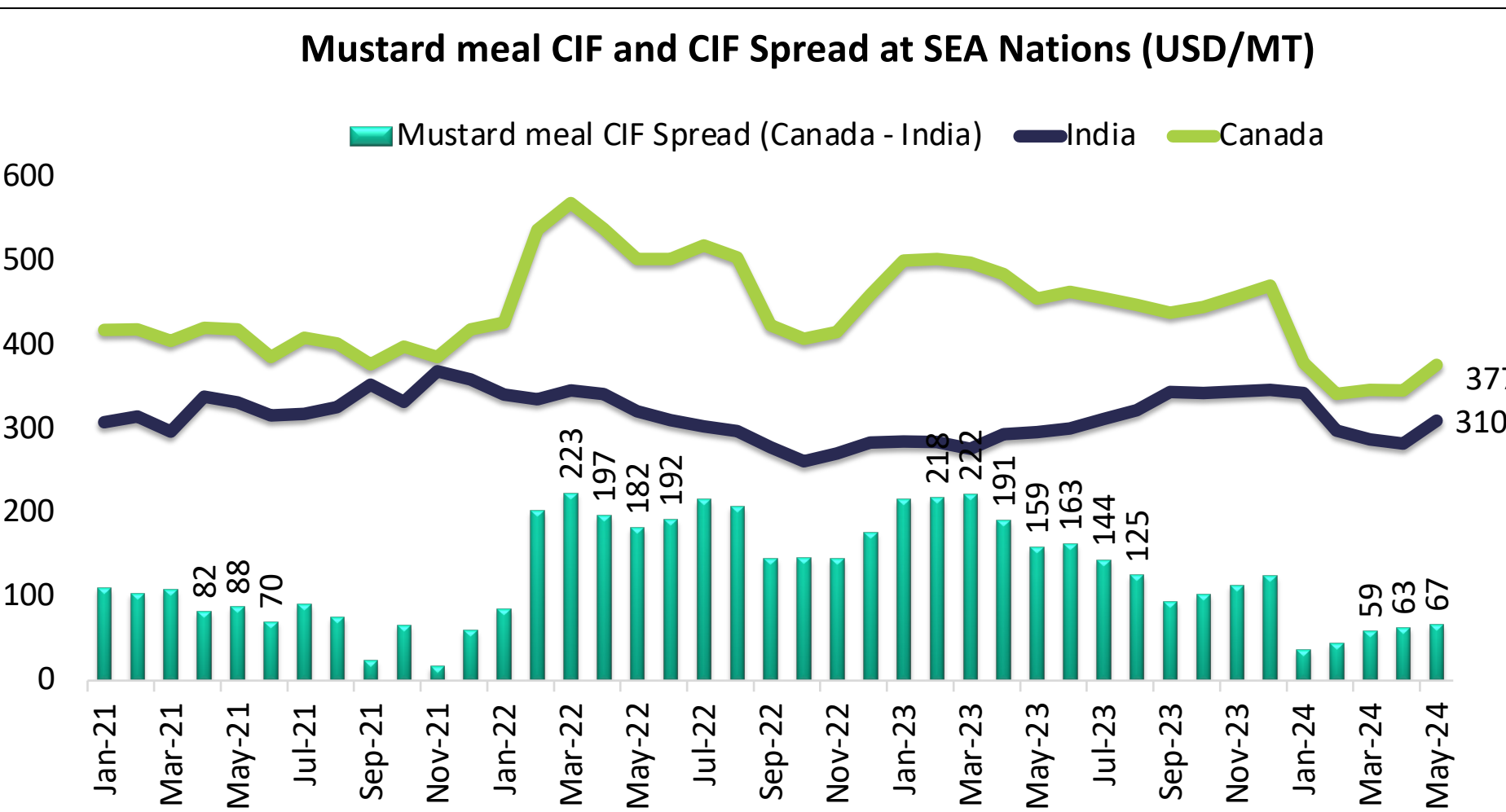
Monthly Mustard Cake Production (KMT)



Monthly Mustard Cake Consumption (KMT)

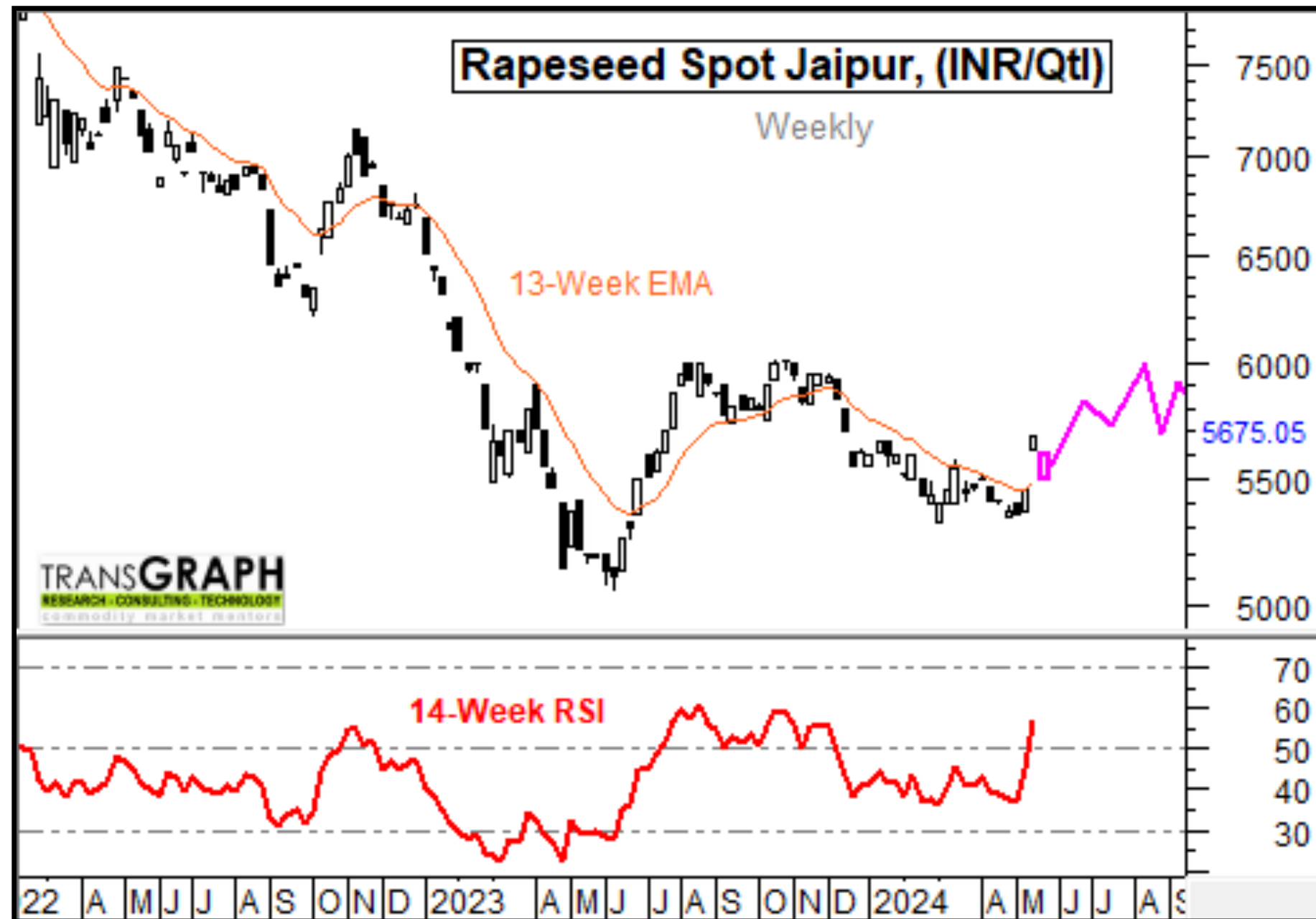


- Mustard cake production during AMJ'24 is anticipated to be lower 7% YoY to 1.7 MMT due to negative crush margins.
- During AMJ'24, domestic mustard cake consumption is estimated to increase 5% YoY to 1.15 MMT owing to attractive demand. Meanwhile, lower supply of cotton cake and narrow spread to attract the mustard demand.



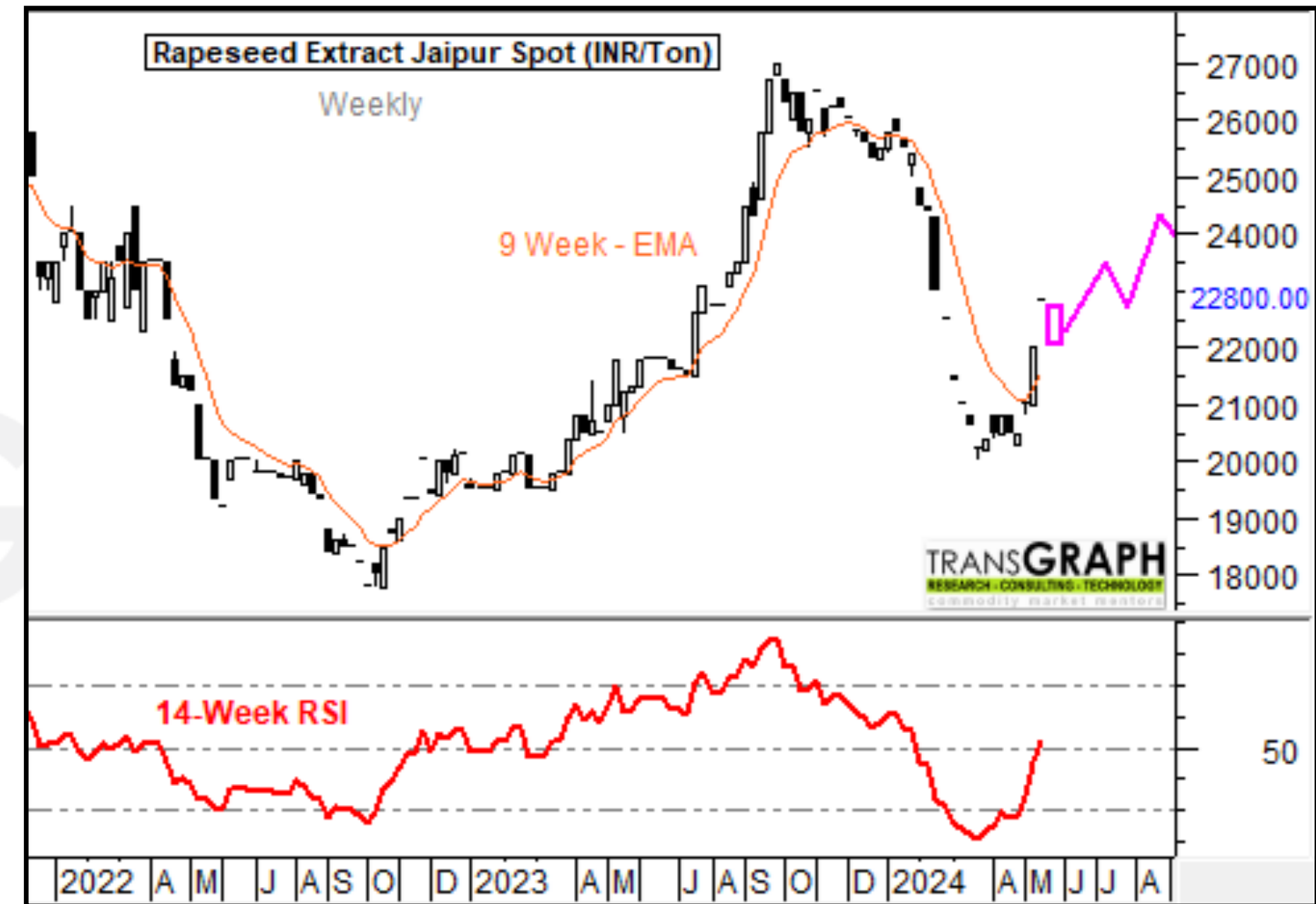
- Currently, Canada canola meal is at premium of USD 77/T versus India at Southeast Asian Nations.
- Moving ahead, Narrow spread and higher availability of Canada canola to keep the RM meal export lower YoY from India.
- During AMJ'24, mustard meal export from India is estimated to be around 0.5 MMT lower 20% YoY however it will be higher 26% than the 5 yrs of avg.
- For the entire MY 2024-25 (Mar-Feb), mustard meal export is anticipated to be around 1.54 MMT lower 25% YoY.

Rapeseed Spot Jaipur, (INR/Qtl)

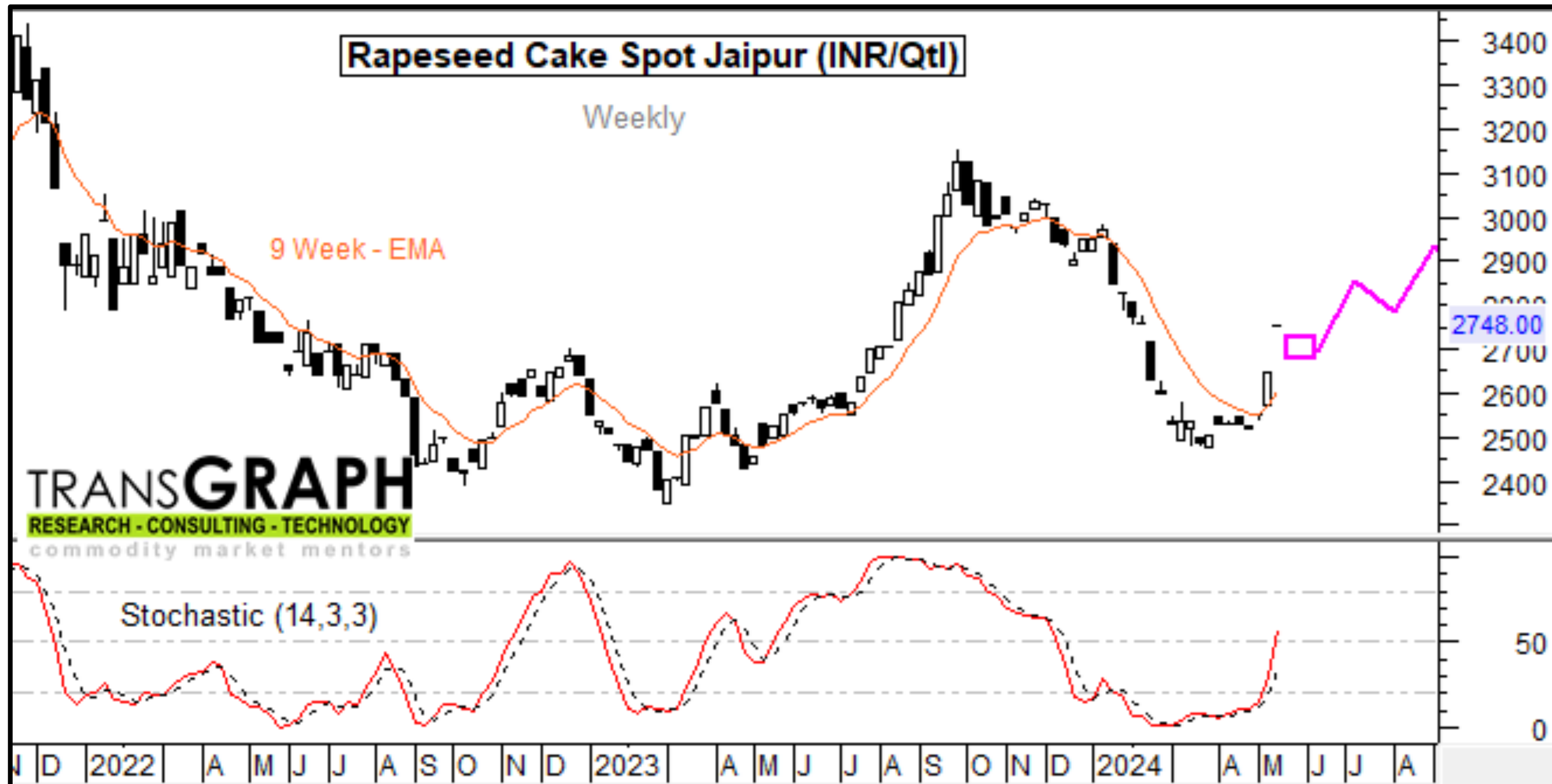


Rapeseed Jaipur prices are likely to hold above INR 5550 on any pullback and extend recovery towards INR 6000 in the coming 3 to 4 months.

Rapeseed Extract Jaipur Spot (INR/Ton)



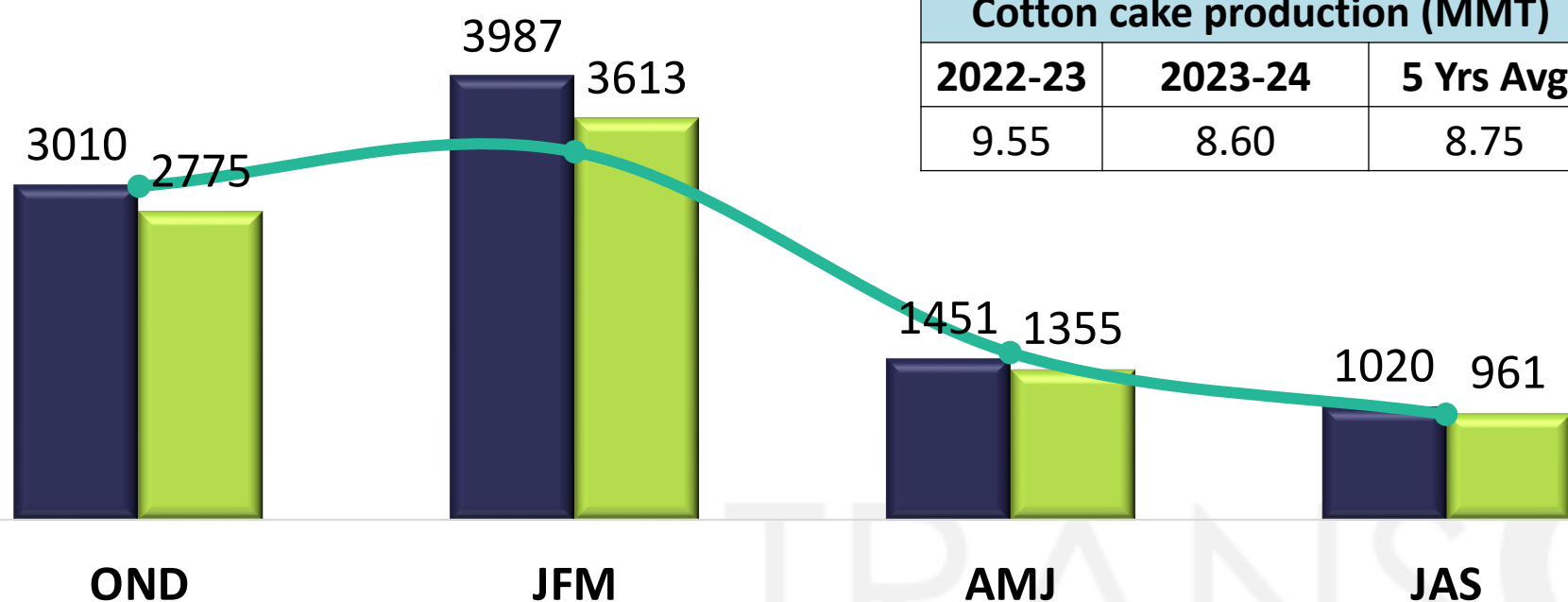
Rapeseed Extract prices are likely to hold above INR 22000 on any pullback and extend recovery towards INR 24300 in the coming 3 to 4 months.



Rapeseed Cake spot Jaipur prices are likely to hold above INR 2670 on any pullback and extend recovery towards INR 2900 in the coming 3 to 4 months.

Cotton Cake Quarterly Production (KMT)

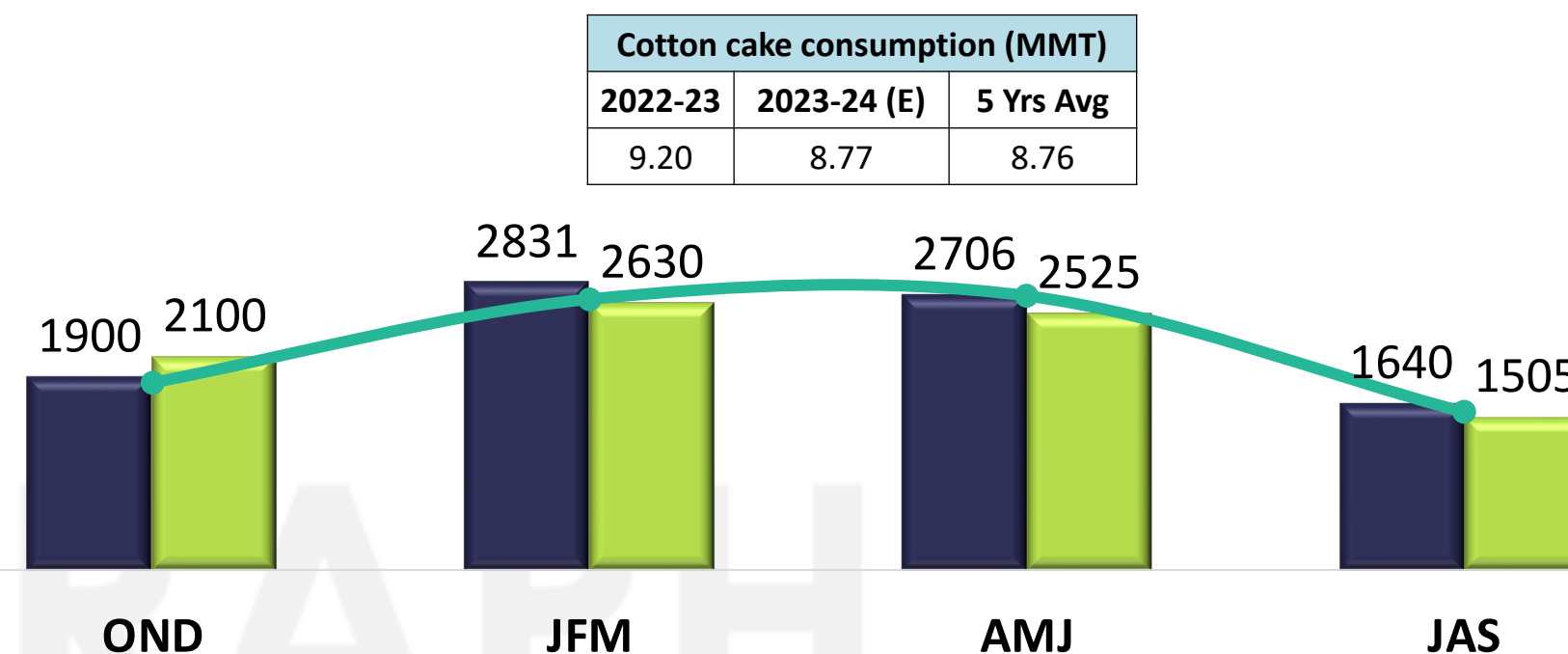
2022-23 2023-24 (E) 5-Yr-Avg.



Cotton cake production (MMT)		
2022-23	2023-24	5 Yrs Avg
9.55	8.60	8.75

Cotton Cake Quarterly Consumption (KMT)

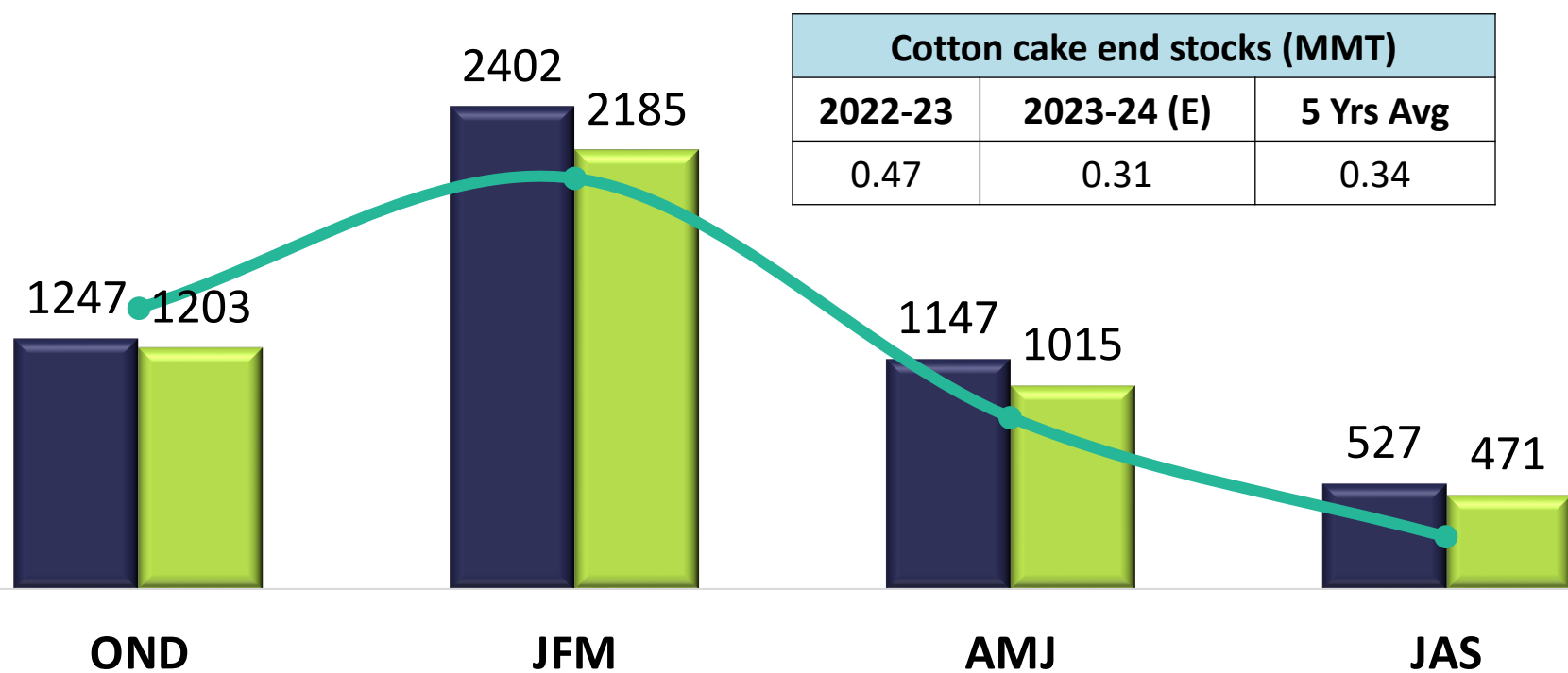
2022-23 2023-24 (E) 5-Yr-Avg.



Cotton cake consumption (MMT)		
2022-23	2023-24 (E)	5 Yrs Avg
9.20	8.77	8.76

Cotton Cake Quarterly End Stocks (KMT)

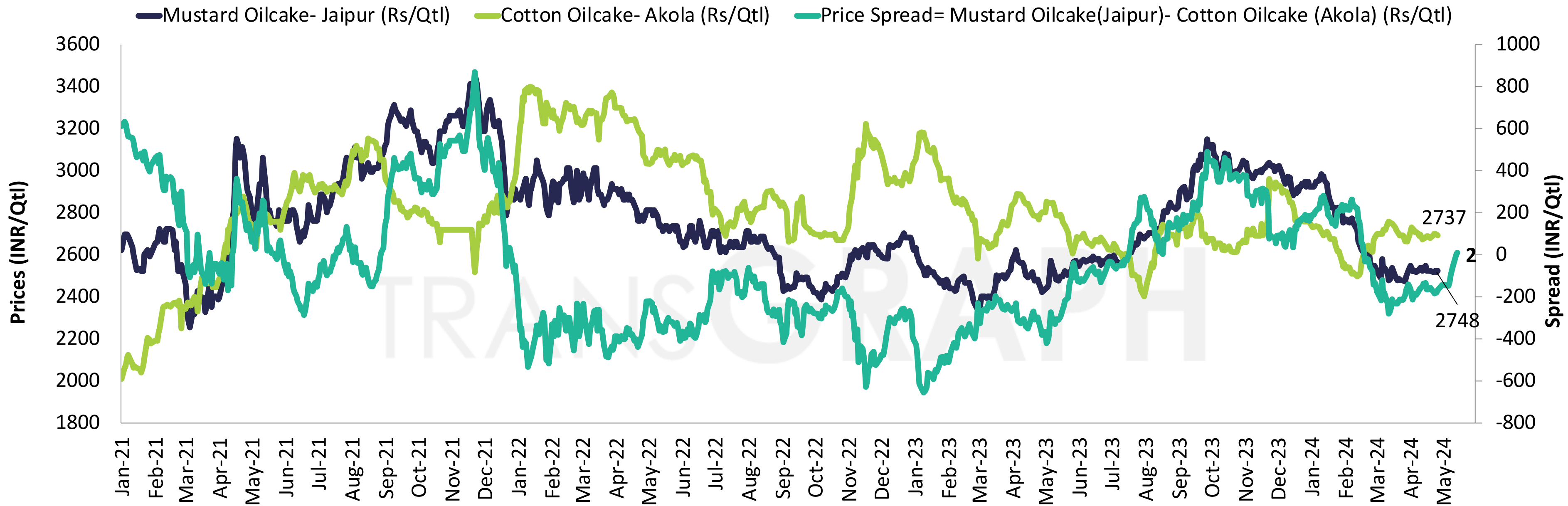
2022-23 2023-24 (E) 5-Yr-Avg.



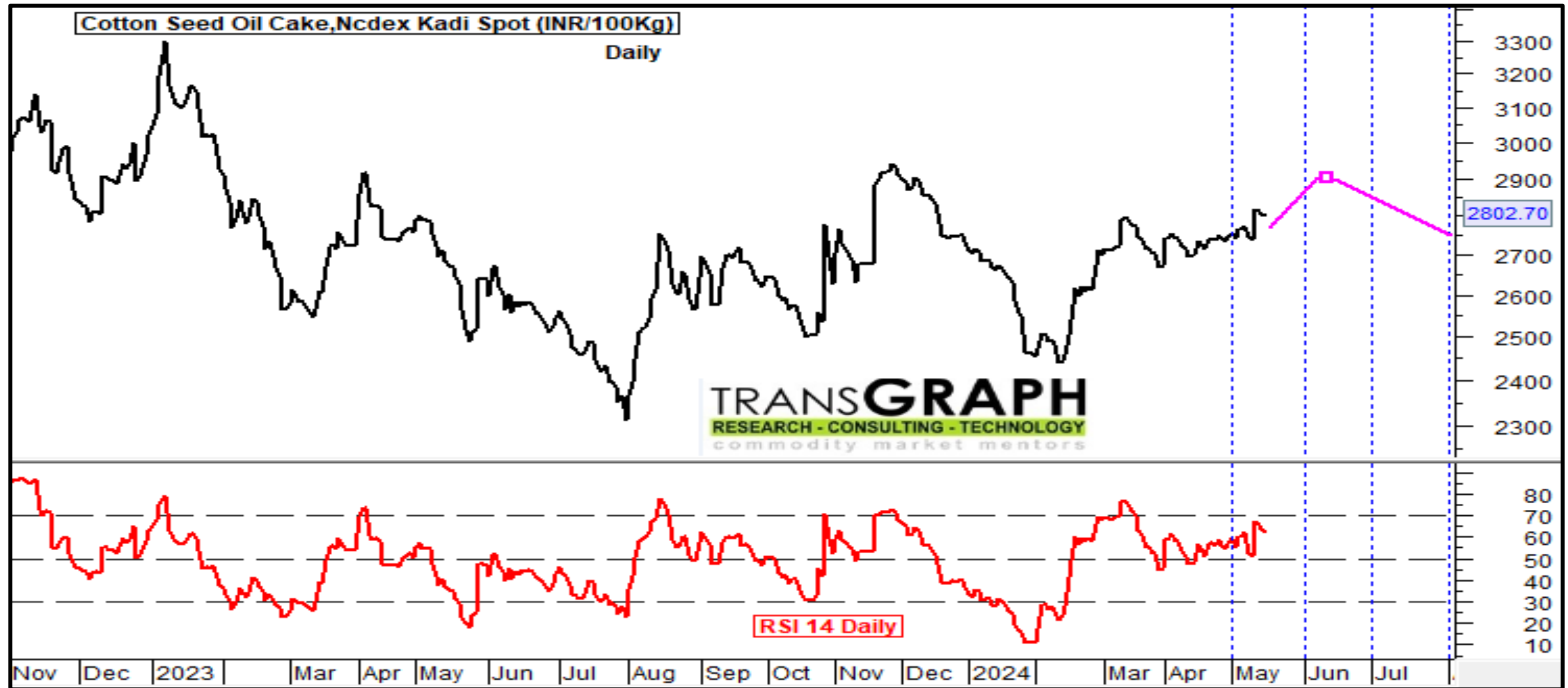
Cotton cake end stocks (MMT)		
2022-23	2023-24 (E)	5 Yrs Avg
0.47	0.31	0.34

- Cotton cake production in AMJ quarter is expected to be lower by 7% YoY to 1.3MMT owing to reduced cotton production this year. The seasonal decline of cotton arrivals and crush is expected to hamper the cotton cake production in the following moths and total production for the MY 2023-24 is forecasted at 8.6 MMT, 8% lower YoY.
- Cotton cake consumption is forecasted to dip slightly YoY to 2.5 MMT in AMJ due to reduced production. Subsequent months may witness a further decline in consumption owing to decreased demand during summer, as other feed grasses are cultivated and there's a slight preference shift towards mustard meal. Total cotton cake consumption is projected to reach 8.7 MMT, in line with the five-year average.
- Cotton cake end stocks expected to see lower at 1 MMT by the end of June'24 owing to lean season and lower production and will likely decline to 471 KMT by the end of Sep'24, 11% lower YoY.

Cottonseed Cake and Mustard Cake Price Trend vs Spread (INR/Qtl)



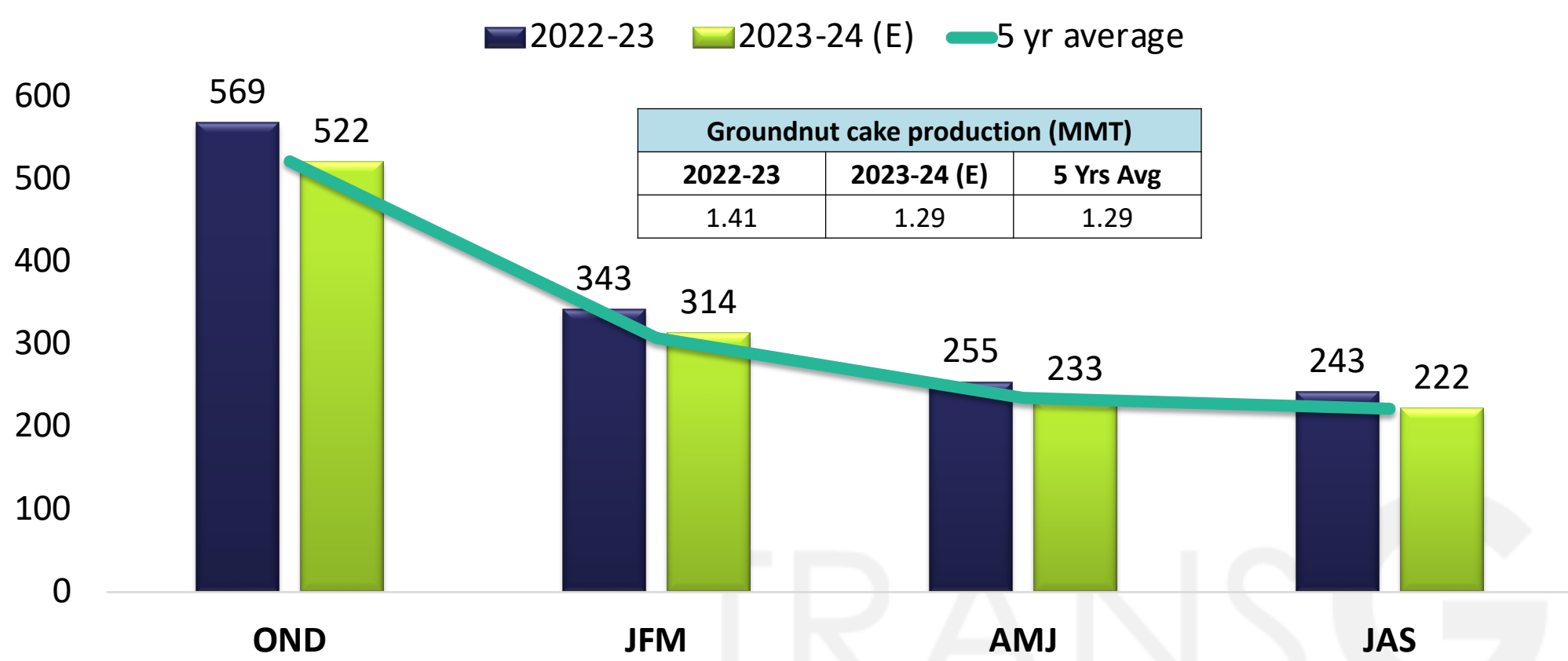
- Mustard cake to share the demand of cotton cake due to narrow price spread. It would cap the major upside in the prices of cotton cake.
- Meanwhile, short supply of cotton cake due to lower production to restrict any steep fall in the cotton cake prices.



Cotton Seed Oil Cake NCDEX Kadi Spot (INR/100Kg) is likely to hold INR 2770 levels and trade higher towards INR 2875-2900 levels by mid of June'24 and thereafter weaken lower towards INR 2750 levels by the end of July'24.

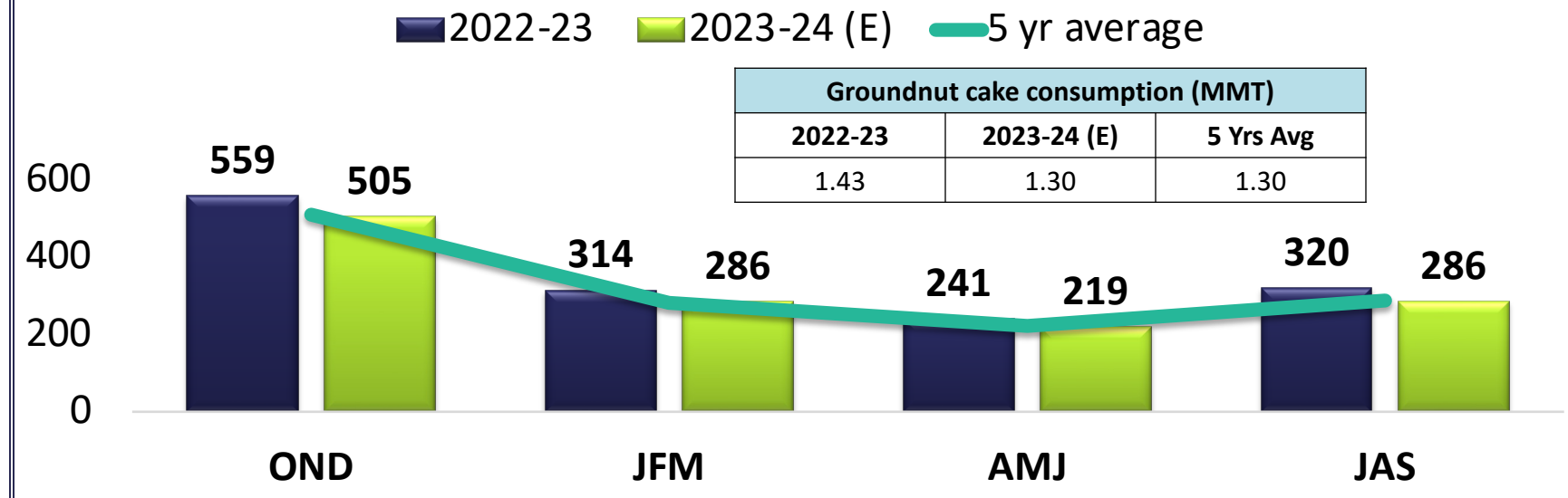
GN Meal Production To Decline by 8% YoY in AMJ'24

Groundnut Meal Production (KMT)



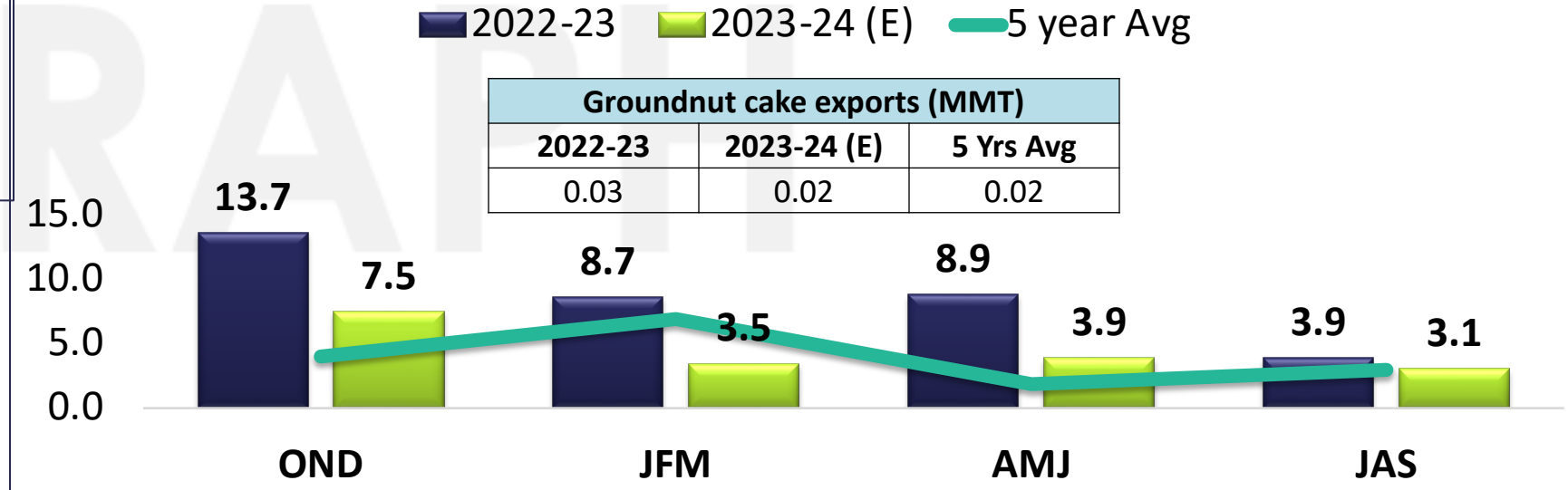
Groundnut cake production (MMT)		
2022-23	2023-24 (E)	5 Yrs Avg
1.41	1.29	1.29

GN Meal Domestic Consumption (KMT)



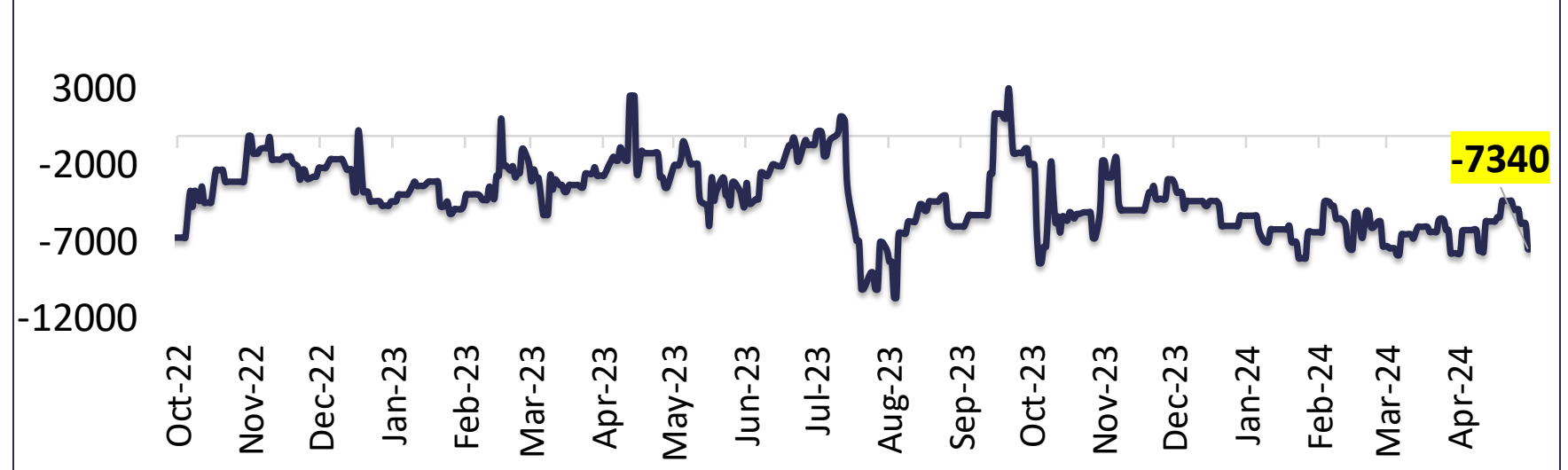
Groundnut cake consumption (MMT)		
2022-23	2023-24 (E)	5 Yrs Avg
1.43	1.30	1.30

GN Meal Exports (KMT)

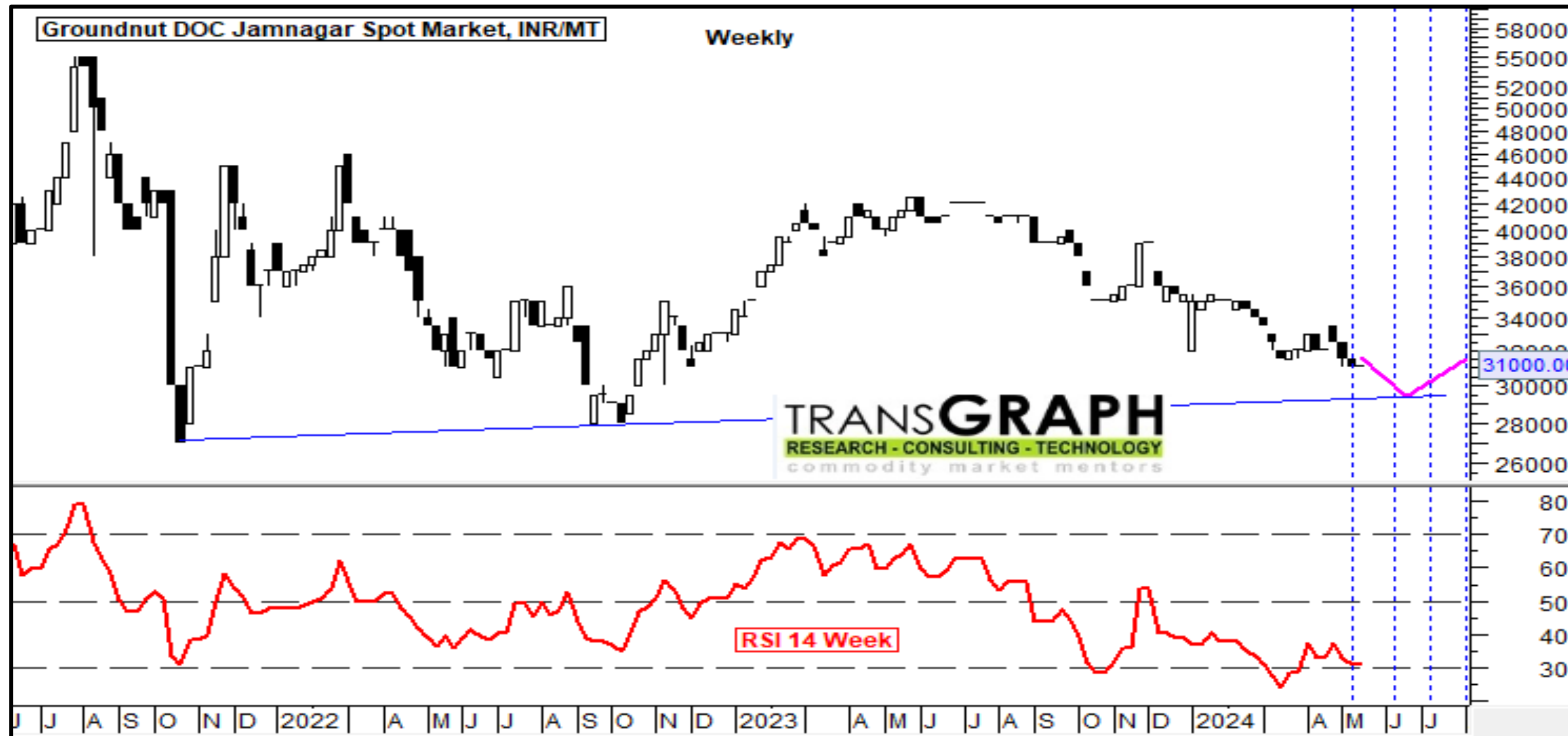


Groundnut cake exports (MMT)		
2022-23	2023-24 (E)	5 Yrs Avg
0.03	0.02	0.02

Net Crush Margins Of Groundnut (INR/MT)



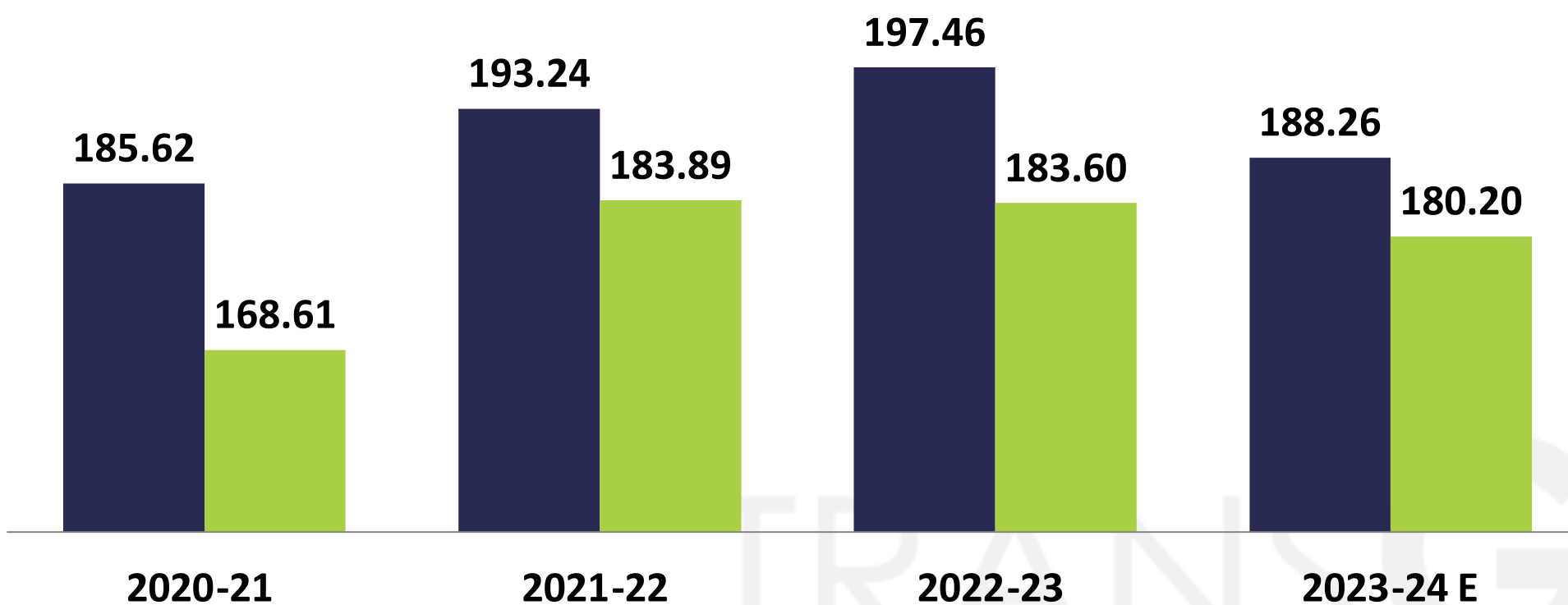
- Groundnut meal production during the AMJ'24 is likely to decline by 35% to 233 KMT produced in the previous quarter.
- Negative crushing margin, lean seed supply and relatively lower meal demand likely to hamper the meal production in the current quarter.
- Groundnut seed crushing margin is currently ruling at INR -7340/T compared to around INR -3300/T during the same period in the previous year. Relatively better seed prices and lower GN oil prices affected the GN seed crushing margin.
- Lower meal export demand and domestic demand likely to keep the GN meal prices on the lower side.



Groundnut DOC Jamnagar Spot prices are likely to initially trade lower towards INR 29500 levels followed by a gradual rise higher towards INR 31000 levels by end of July'24.

India Paddy Scenario in MMT

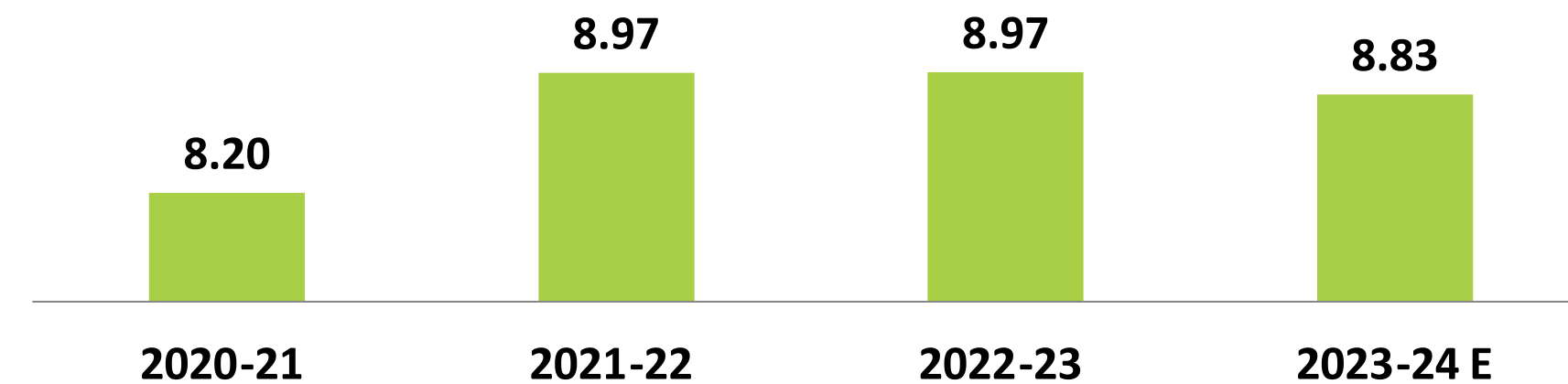
■ Paddy produced (MMT) ■ Net Paddy Remaining for Milling in MMT



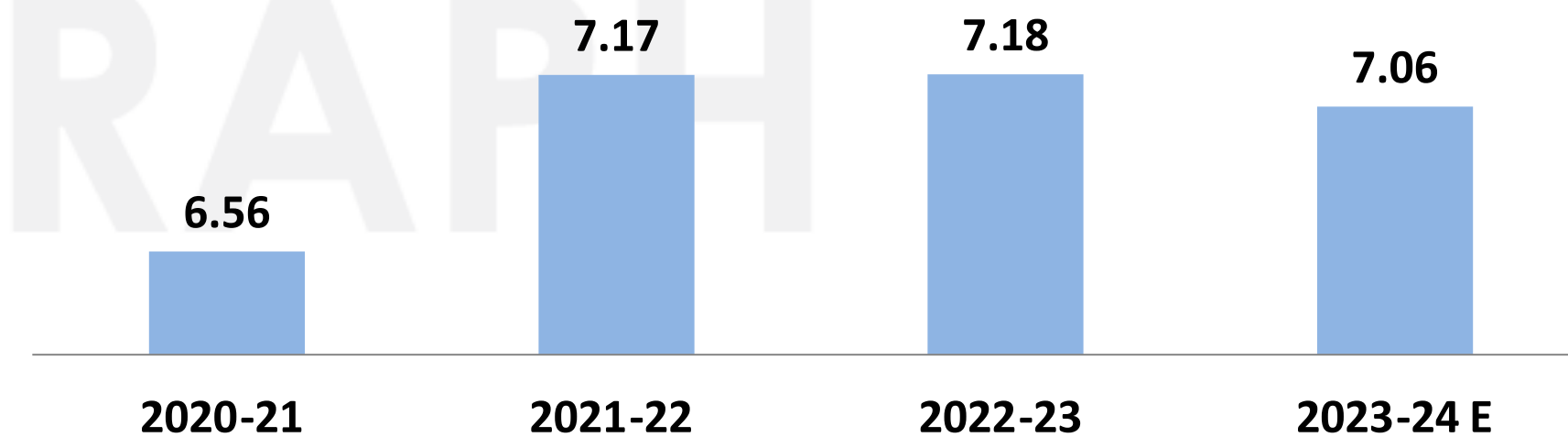
- The paddy production is estimated at 188.26 MMT which is nearly down by 4.7% as kharif and rabi/summer paddy output is estimated to be down by 0.4% and 20.5% y-o-y.
- Meanwhile, paddy likely to be milled during 2023-24 MY is estimated at 180.20 MMT down by 3.40 MMT compared to last year on lower output as well as slow pace initially during the season.
- Subsequently, DORB and RBO output is estimated at 7.06 MMT and 1.473 MMT for 2023-24 MY down by 0.11 MMT and 0.02 MMT y-o-y respectively.
- In Telangana, large unmilled paddy stock from previous year is pushing paddy available for milling this season higher. This is likely to result in higher y-o-y DORB output.

MY- Oct to Sep

Rice Bran used for producing RBO and DORB in MMT

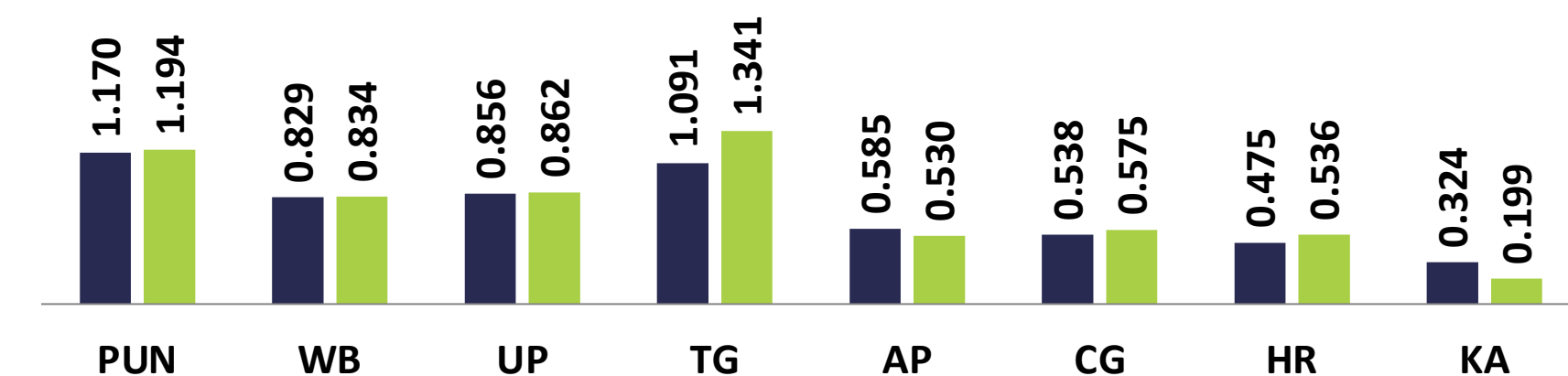


Indian DORB Production in MMT



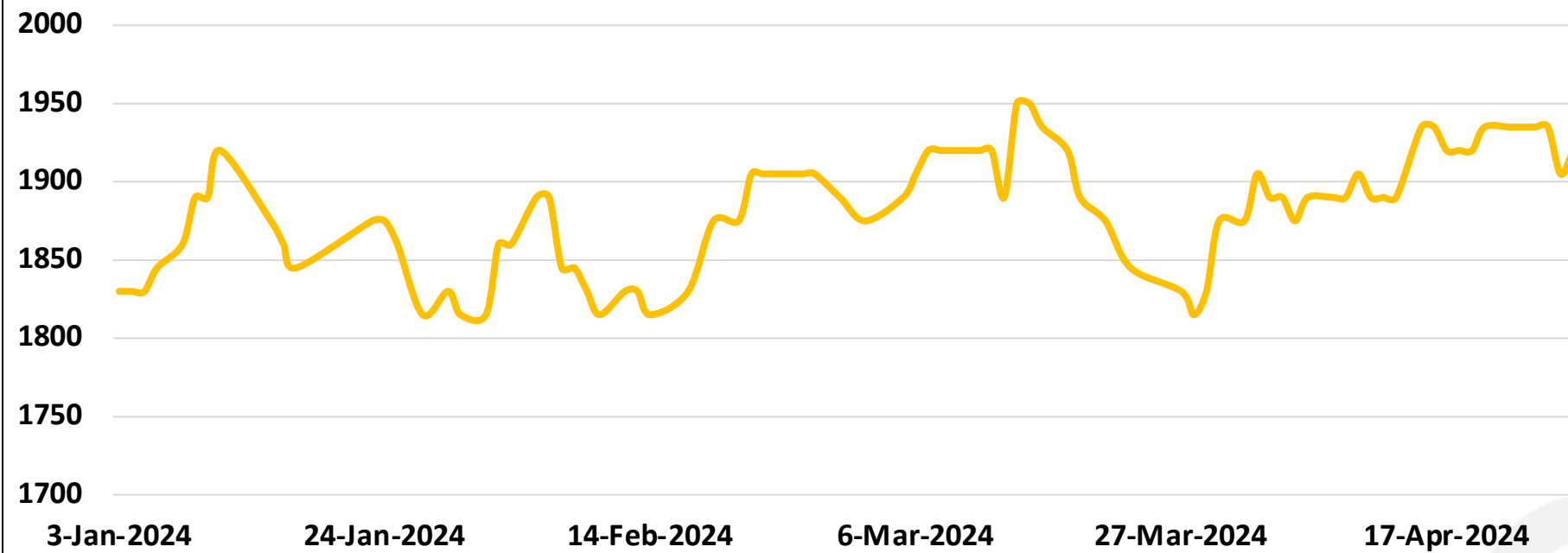
State Wise DORB Production in MMT

■ 2022-23 ■ 2023-24 E

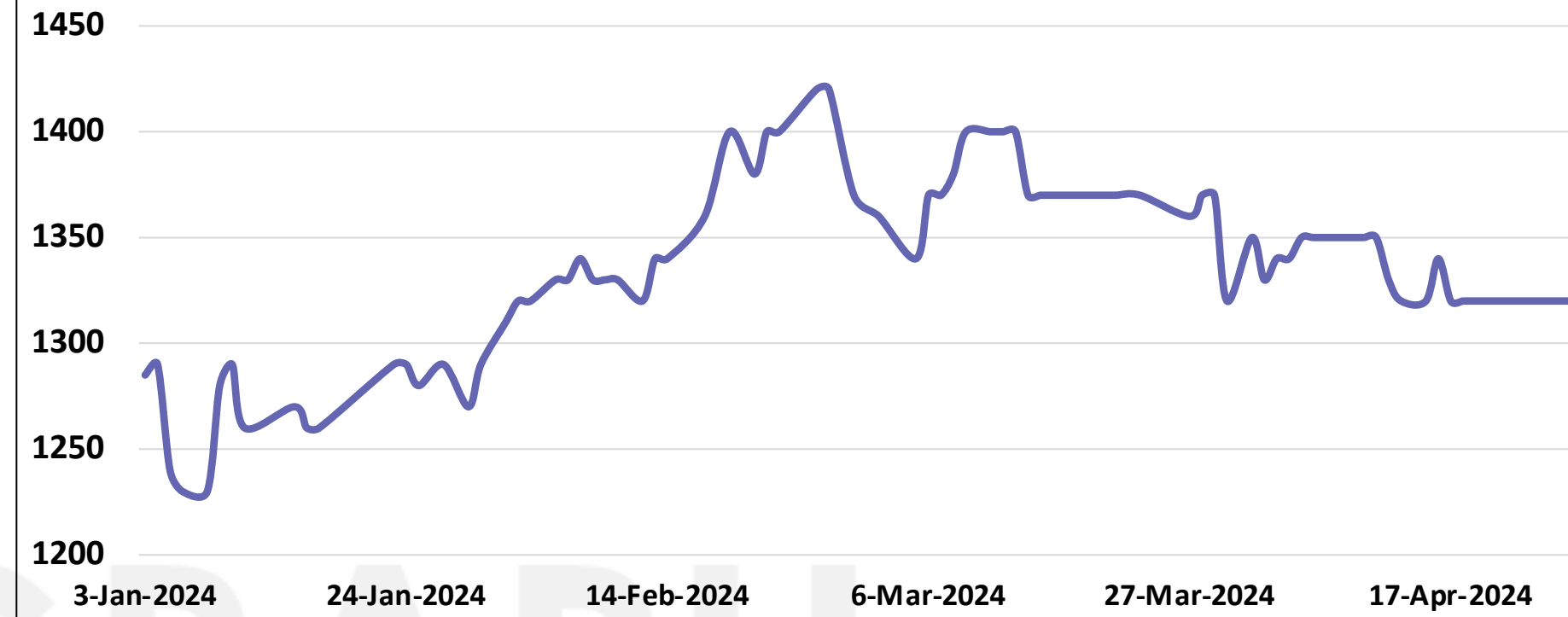


Rice Bran Prices (INR/Qtl)

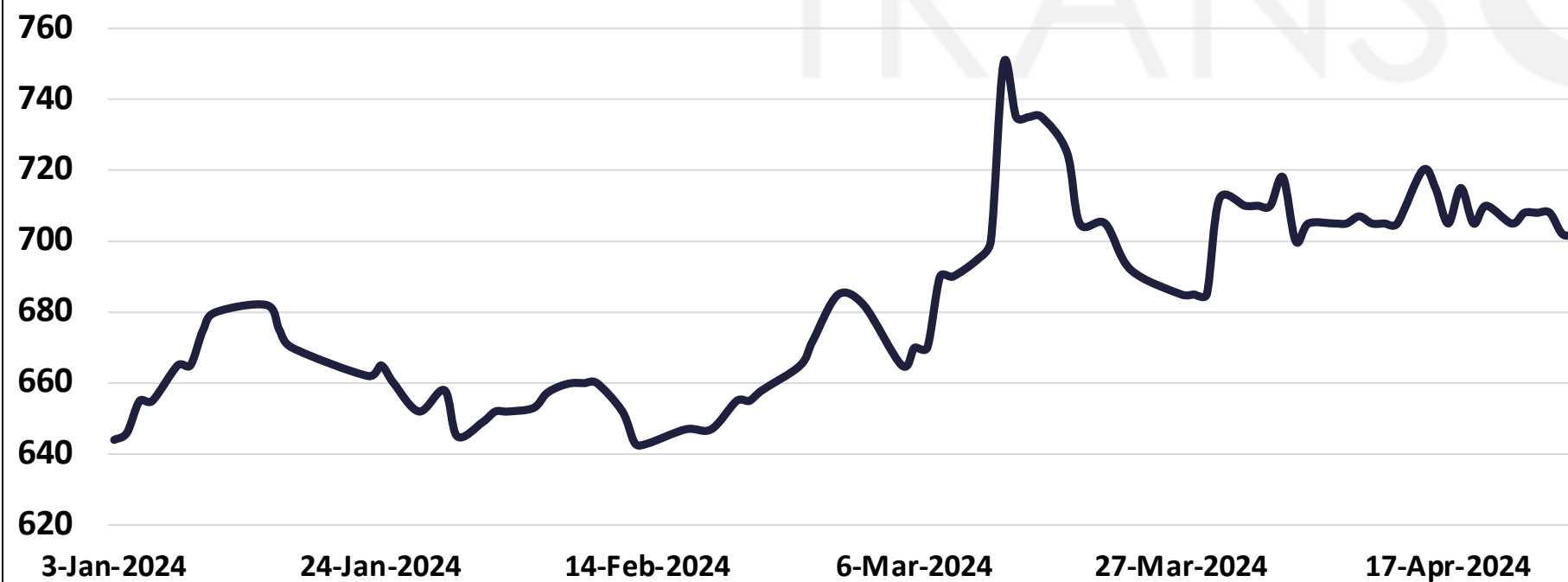
— Raw



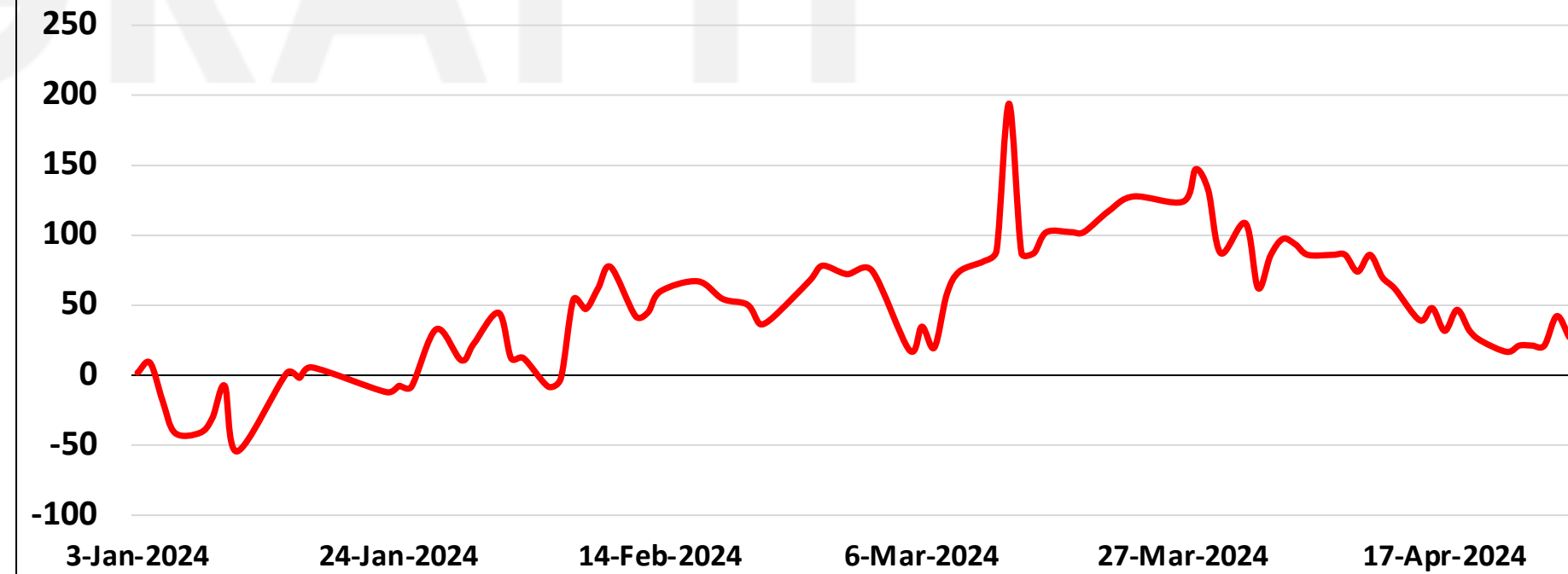
Punjab DORB Prices (INR/Qtl)



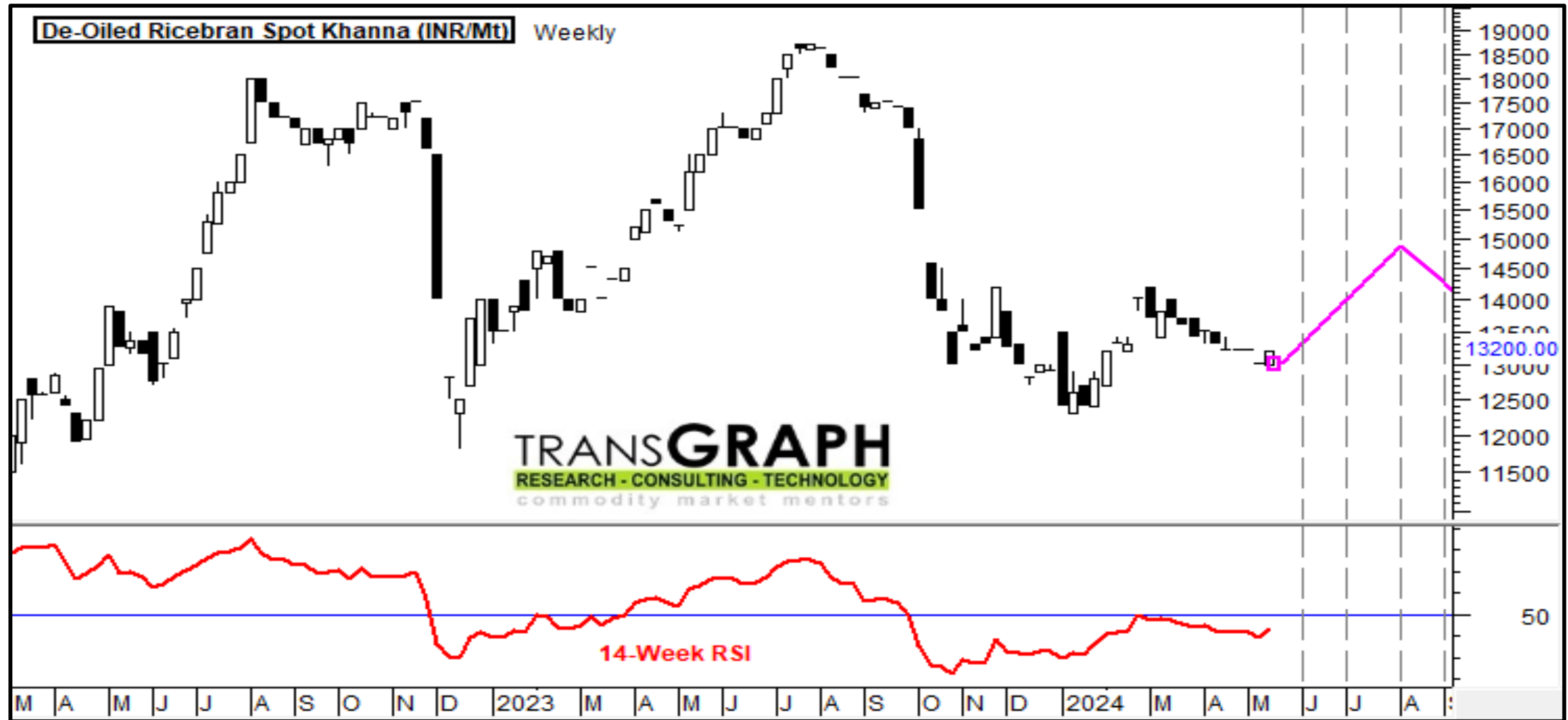
15-20% FFA Crude RBO Punjab in INR/10 Kgs



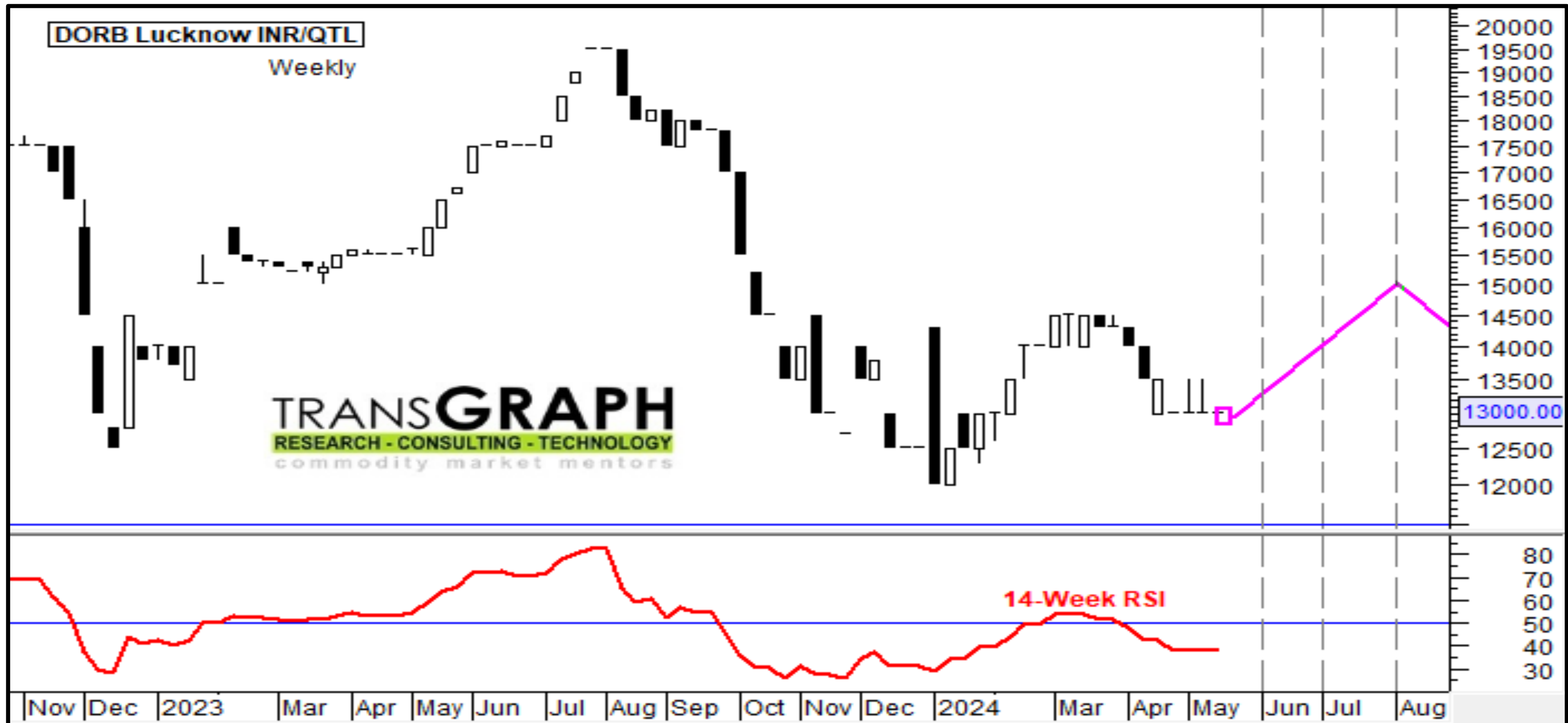
Net realization in INR/Qtl



- The rice bran prices since Jan'24 in Punjab has risen by 5% till Apr'24 whereas 15-20% FFA RBO prices have increased by 9% whereas DORB by 2-3% for the same period. With expectation of RBO prices to soften further, processors could offset the loss by pushing DORB prices higher.



De-Oiled Ricebran Spot Khanna (INR/Mt) prices are likely to initially consolidate holding INR 12900 levels and gradually trade higher towards INR 14900 levels by the end of July'24 and subsequently consolidate towards INR 14300 levels by Aug'24 end.



De-Oiled Ricebran Spot Lucknow (INR/Mt) is likely to initially consolidate holding INR 12800 levels and gradually trade higher towards INR 15000 levels by the end of July'24 and thereafter consolidate towards INR 14250 levels by Aug'24 end.

Balance Sheet Of Major Oilseeds

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Figures in MMT	Soybean (Oct-Sep)			Mustard Seed (Mar-Feb)			Cotton Seed (Nov-Oct)		
	2021-22	2022-23	2023-24 (E)	2022-23	2023-24	2024-25 (E)	2021-22	2022-23	2023-24 (E)
Beginning Stocks	0.34	1.42	1.51	0.24	0.53	1.21	0.16	0.19	0.21
Production	10.20	10.61	9.37	10.16	10.70	10.67	10.45	11.76	10.60
Imports	0.55	0.66	0.65	0.00	0.00	0.00	0.00	0.00	0.00
Seed Residue	1.50	1.50	1.50	0.77	0.80	0.82	0.50	0.50	0.50
Total Supply	9.58	11.19	10.03	9.63	10.43	11.06	10.11	11.45	10.31
Arrivals	8.66	8.95	8.85	9.31	9.78	9.79	10.06	11.28	10.17
Crush	8.05	9.60	8.83	9.10	9.23	9.35	9.92	11.24	10.12
Export	0.11	0.08	0.05	0.00	0.00	0.00	0.00	0.00	0.00
Total Demand	8.16	9.68	8.88	9.10	9.23	9.35	9.92	11.24	10.12
Ending Stocks	1.42	1.51	1.16	0.53	1.21	1.71	0.19	0.21	0.18

Indian Balance Sheet Of Major Oil meals

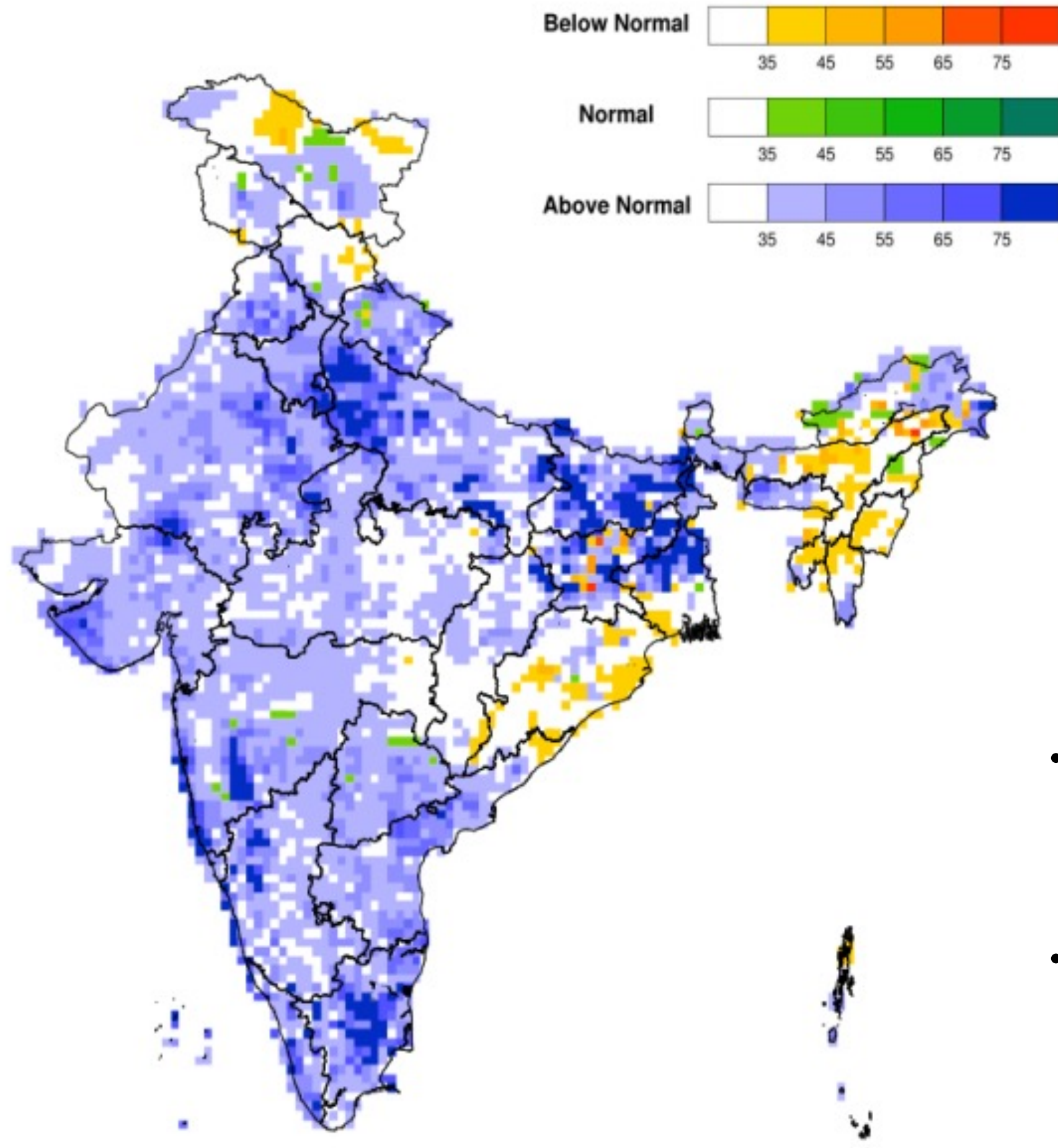
27

Attributes in MMT	Soy Meal (MY Oct-Sep)			Mustard Cake + Meal (MY Mar-Feb)			Cotton Seed Cake MY (Nov-Oct)			Ground Nut Cake (MY Oct-Sep)			DORB (MY Oct-Sep)		
	2021-22	2022-23	2023-24 (E)	2022-23	2023-24	2024-25 (E)	2021-22	2022-23	2023-24 (E)	2021-22	2022-23	2023-24 (E)	2021-22	2022-23	2023-24 (E)
Beg. Stock	0.11	0.48	0.42	0.16	0.09	0.12	0.35	0.13	0.48	0.21	0.15	0.09	0.14	0.16	0.15
Meal Production	6.56	7.82	7.19	5.82	5.90	5.98	8.43	9.55	8.61	1.39	1.41	1.29	7.17	7.18	7.06
Imports	0.65	0.02	0.06	0.00	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.01
Total Supply	7.32	8.32	7.67	5.98	6.00	6.10	8.83	9.68	9.08	1.60	1.56	1.38	7.32	7.34	7.22
Export	0.33	1.49	1.31	2.30	2.22	1.66	0.00	0.00	0.00	0.01	0.03	0.02	0.65	0.51	0.07
Domestic Consumption	6.50	6.42	6.15	3.59	3.66	4.08	8.70	9.21	8.77	1.44	1.43	1.30	6.51	6.69	6.85
Total Demand	6.83	7.90	7.46	5.89	5.88	5.74	8.70	9.21	8.77	1.45	1.46	1.32	7.16	7.20	6.92
Ending Stocks	0.48	0.42	0.21	0.09	0.12	0.36	0.13	0.48	0.31	0.15	0.09	0.07	0.16	0.15	0.30

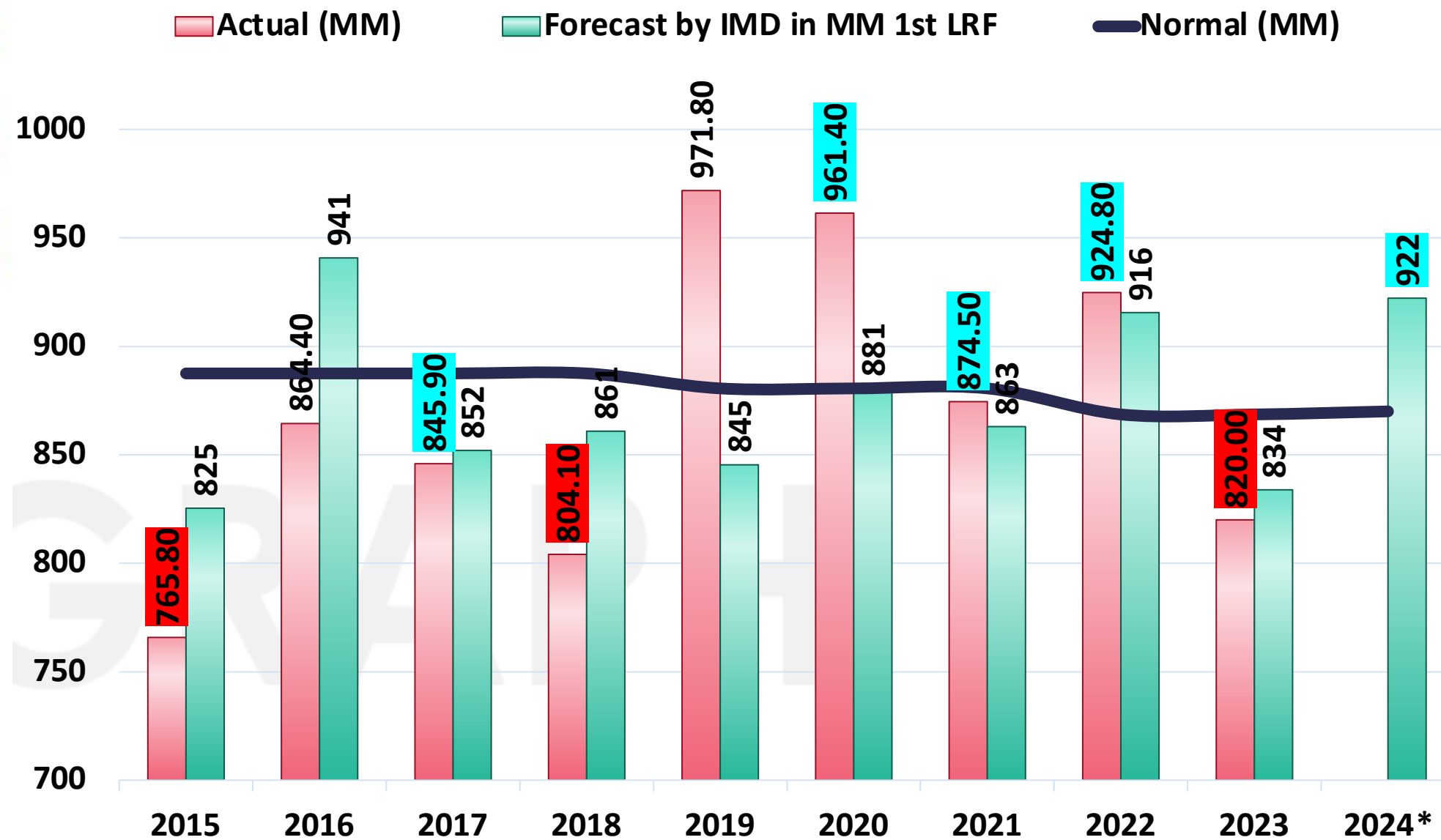


Indian Maize

1st Long Range Forecast for South-West Monsoon 2024 (Jun-Sep)

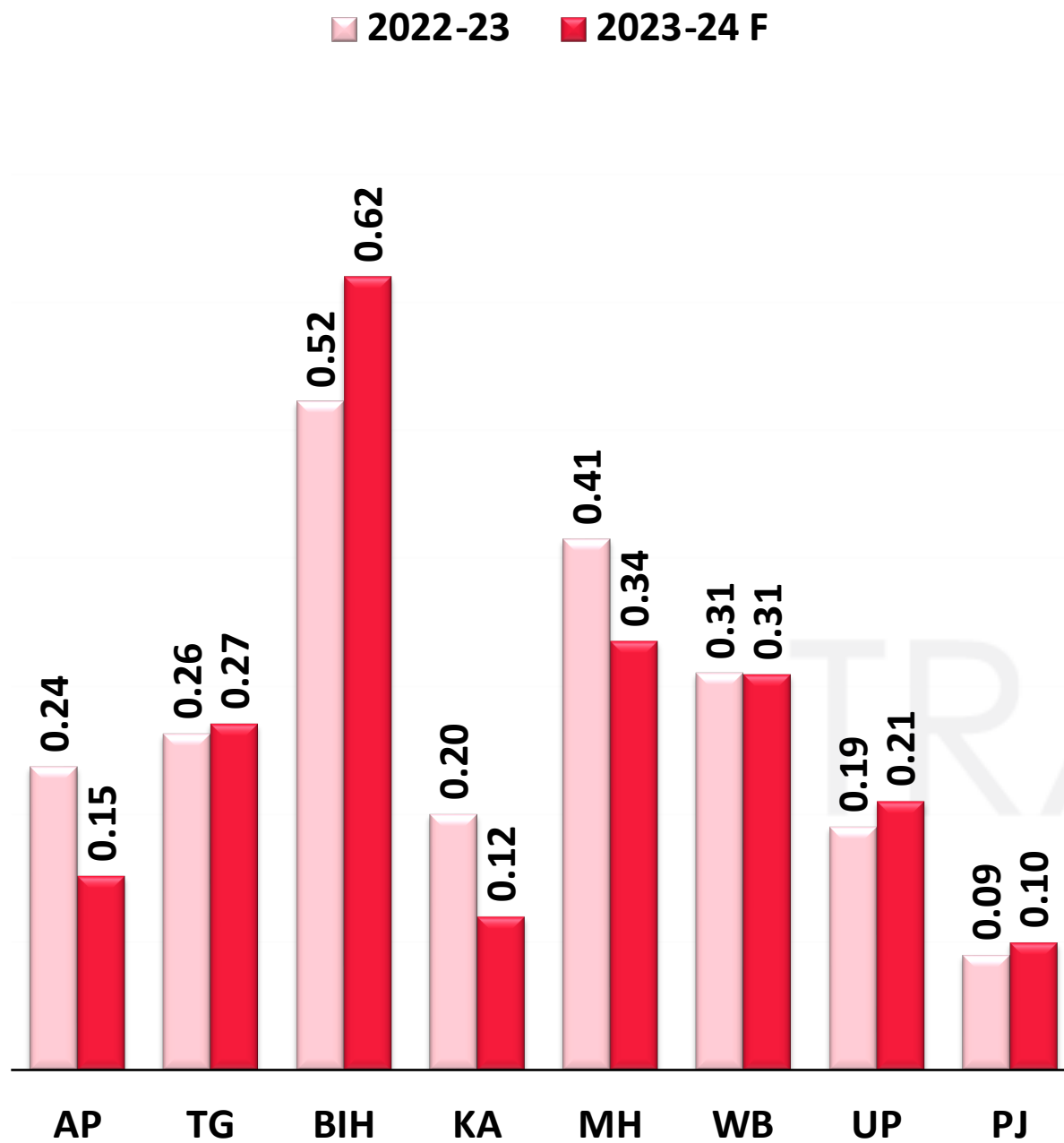


IMD SW Monsoon Forecast Vs Actuals

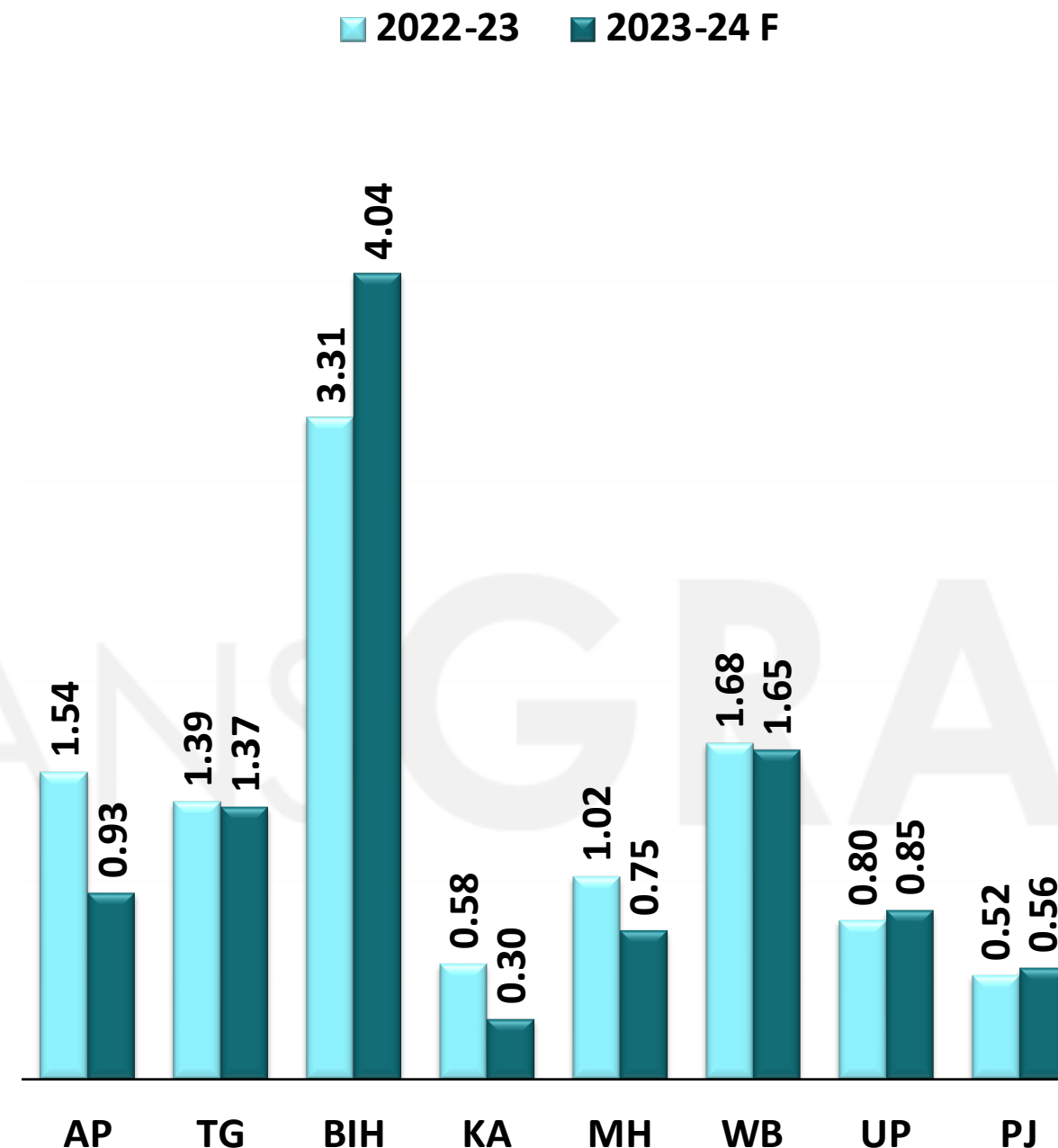


- The 2024 southwest monsoon seasonal (June to September) rainfall over the country is forecasted to be above normal and Quantitatively, projected to be around 106% of the Long Period Average (LPA) of 870 mm.
- With the expectation of transformation of El Nino to La Nina conditions, the Southwest monsoon for 2024 would be mostly above the average levels, providing the relief to drought affected areas, and leading to higher planted acreage of crops for the upcoming season.

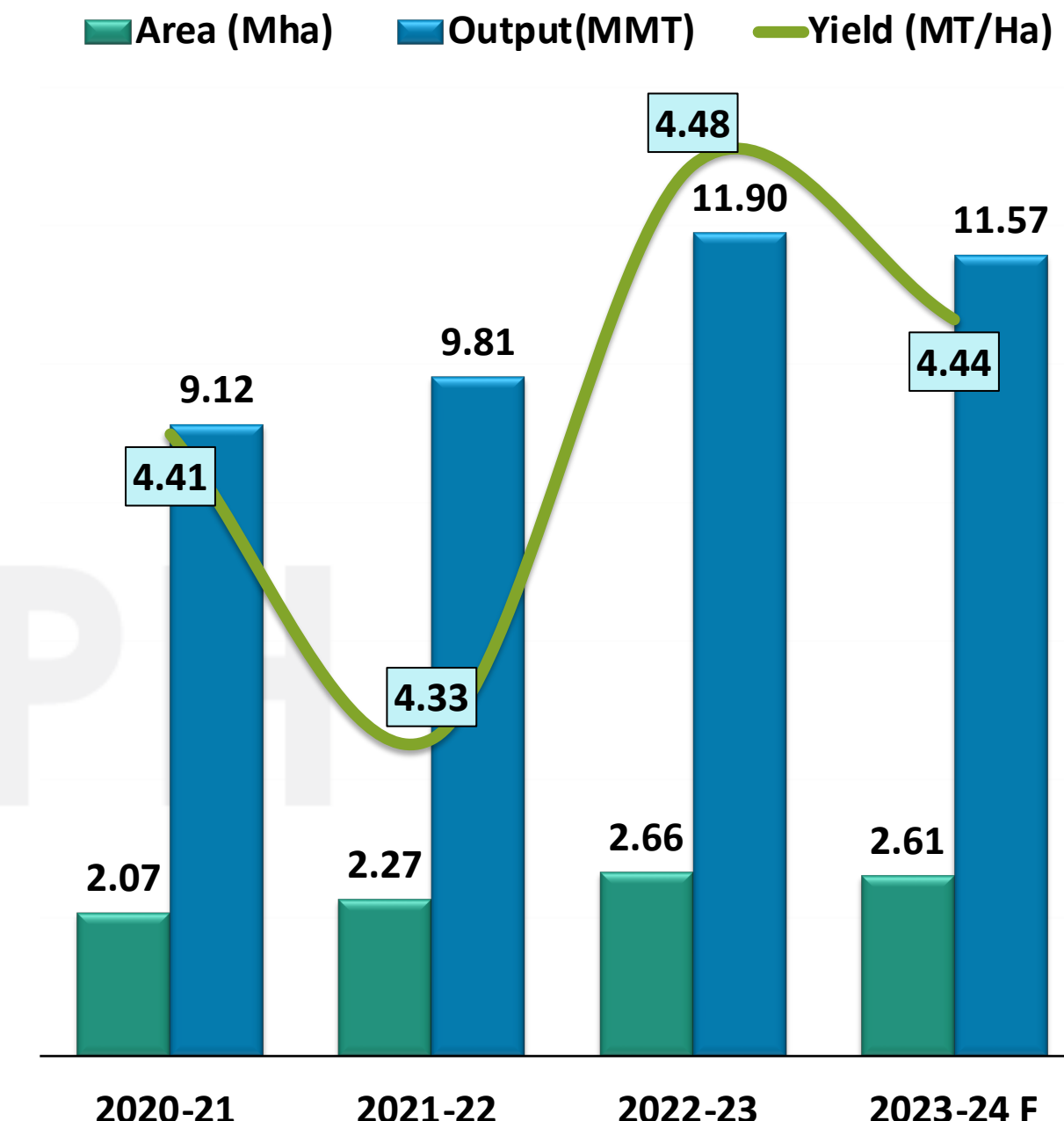
Area - Major States in MHa



Output - Major States in MMT



Area, Yield and Output

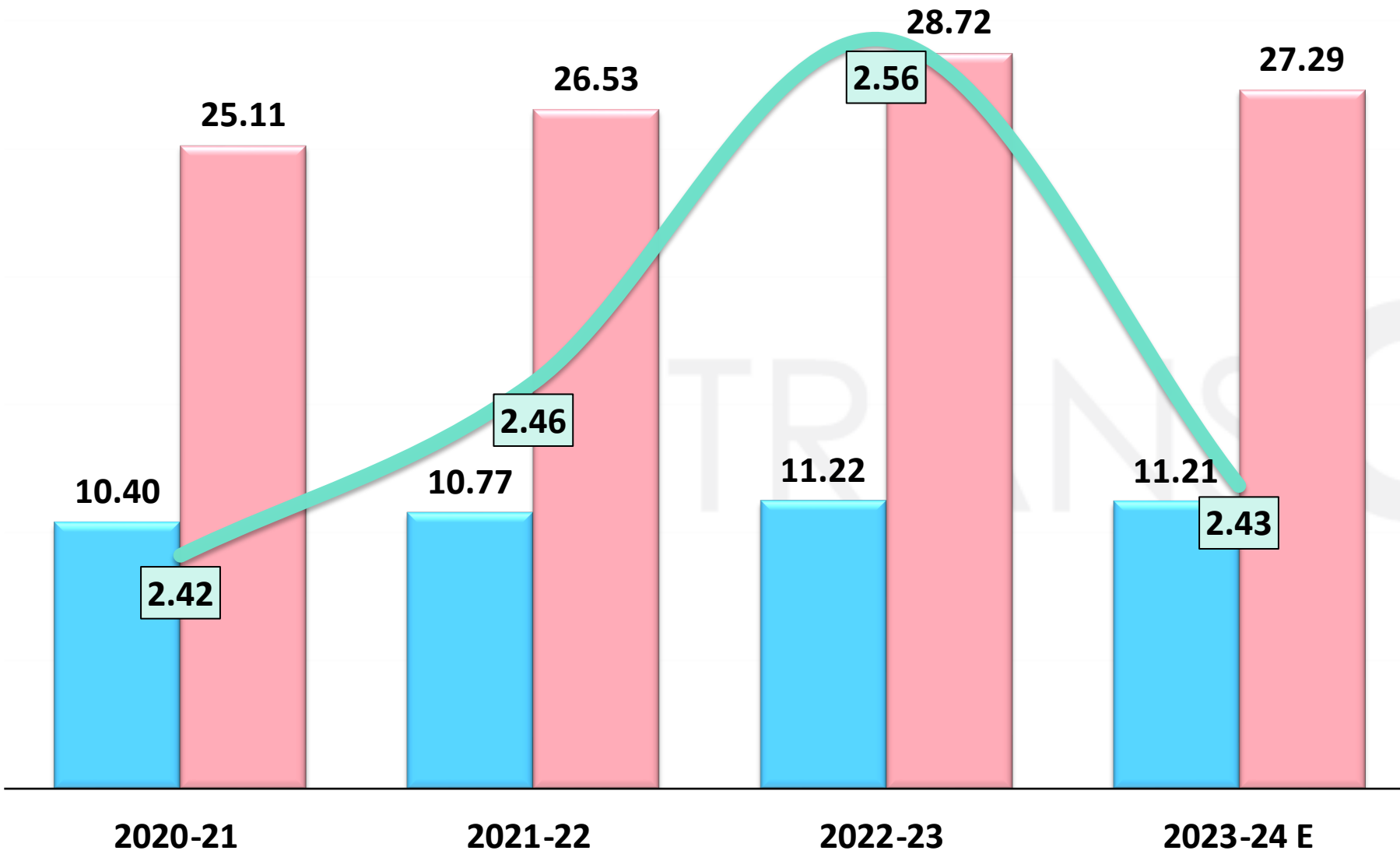


- The rabi and zaid maize production for the current 2023-24 marketing year is anticipated to reach approximately 11.57 MMT, reflecting a 2.7% decrease year-on-year. This decline is attributed to the reduced acreage under rabi maize observed in key states such as Maharashtra and Karnataka.
- However, the 19% increase in acreage of rabi/zaid maize in Bihar has helped offset the major downfall in output, despite lower yields being observed in the majority of states.

Indian Maize AYP

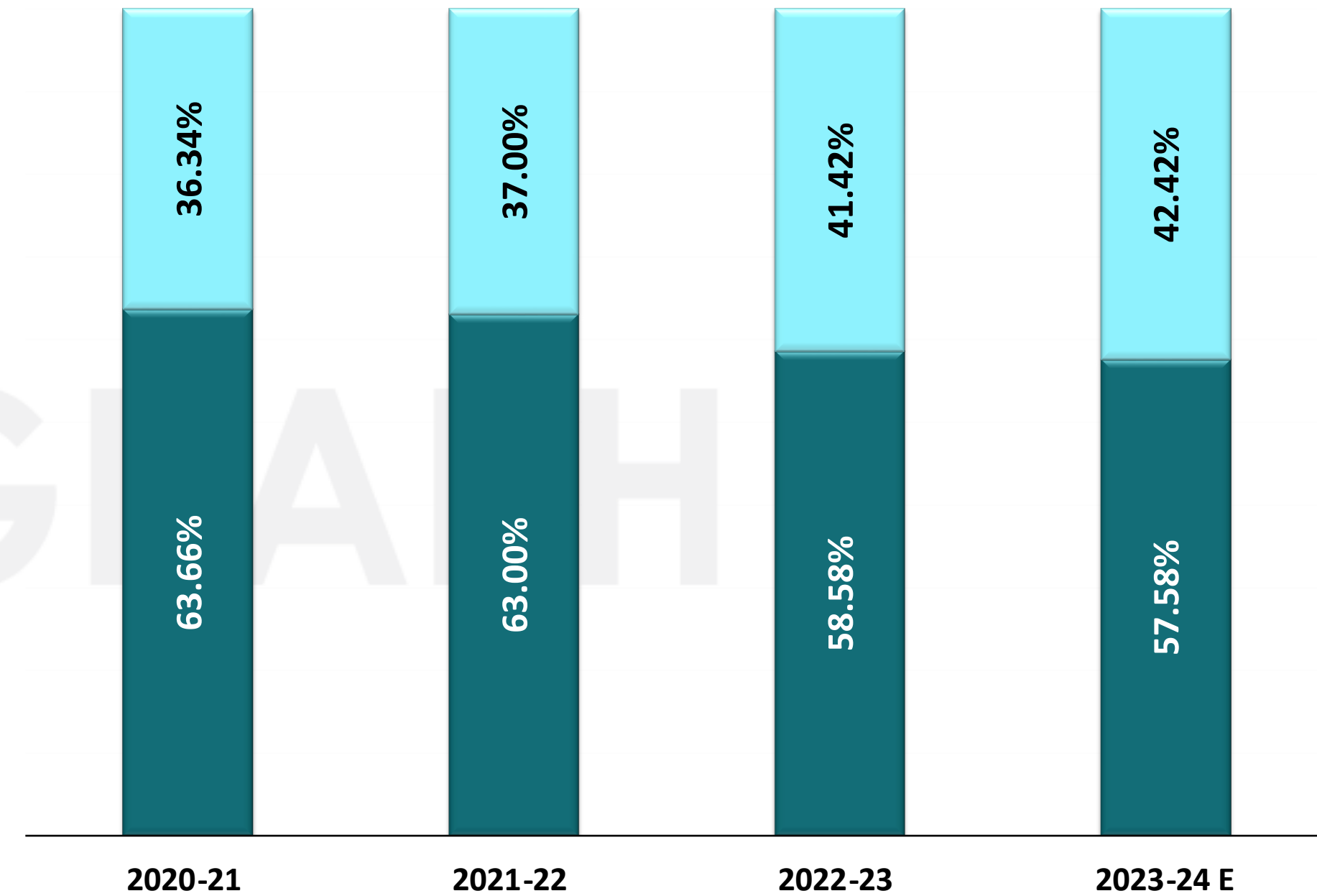
Area (Mha) Output (MMT) Yield (MT/Ha)

MY- Oct to Sep



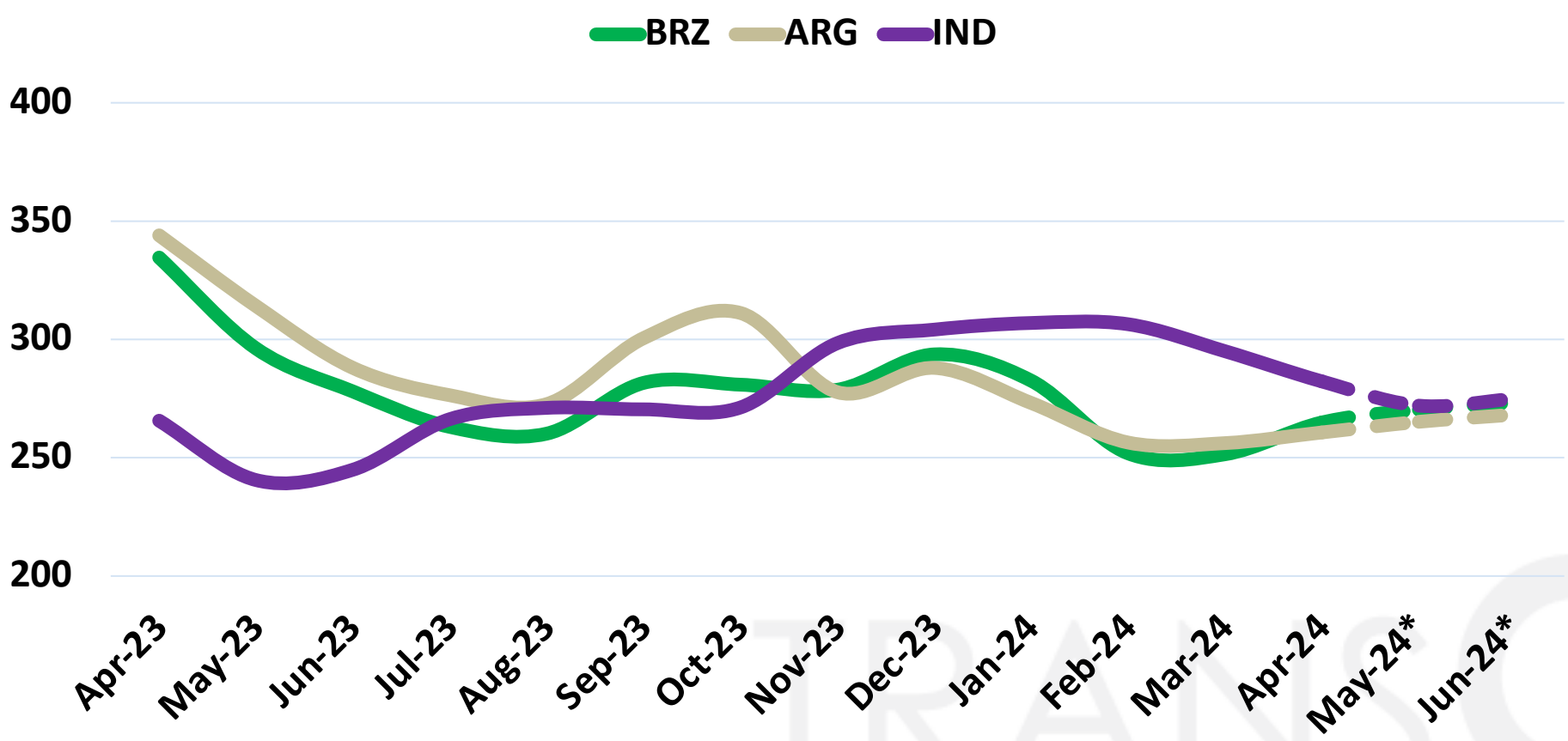
Season Wise Share of Production

Kharif Rabi/Zaid

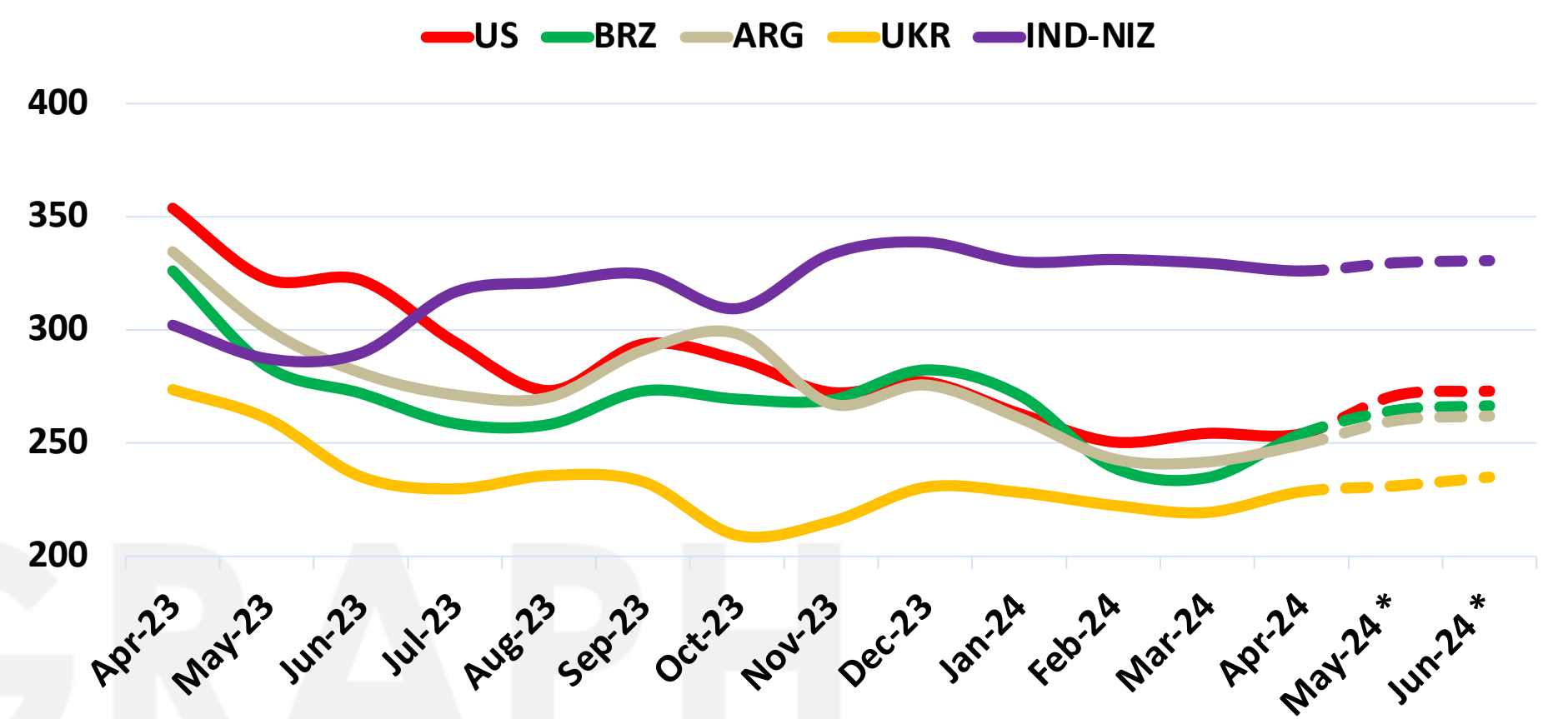


- The increased acreage of maize during the rabi and zaid season, buoyed by price incentives and government agencies' commitment to procure supplies at Minimum Support Price (MSP), has resulted in a marginal upward revision in the production forecast for the 2023-24 marketing year.
- Overall production is still anticipated to decrease by 5% year-on-year for the 2023-24 MY, primarily due to lower yields.

Export Parity to Bangladesh (CFR - USD/MT)

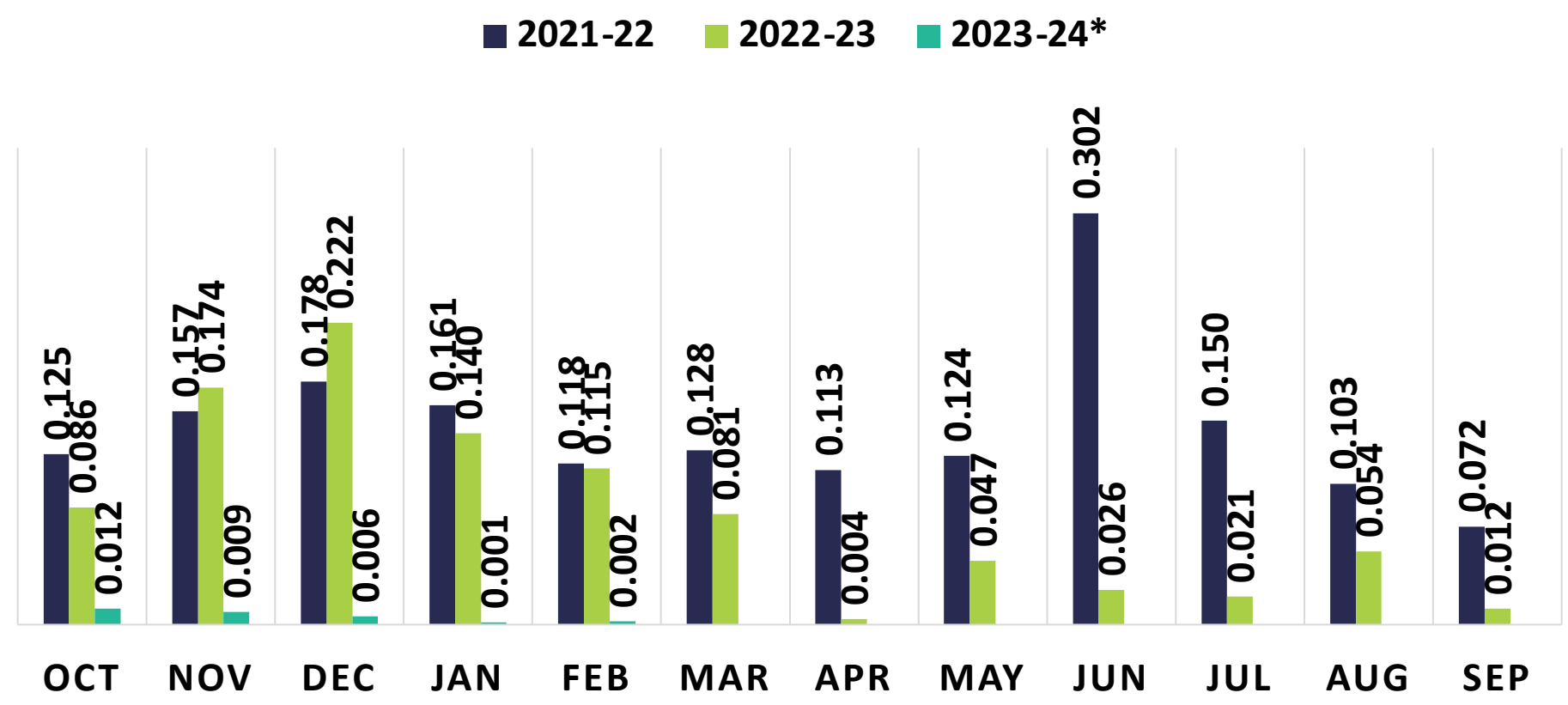


CFR Prices at SEA Region (USD/MT)

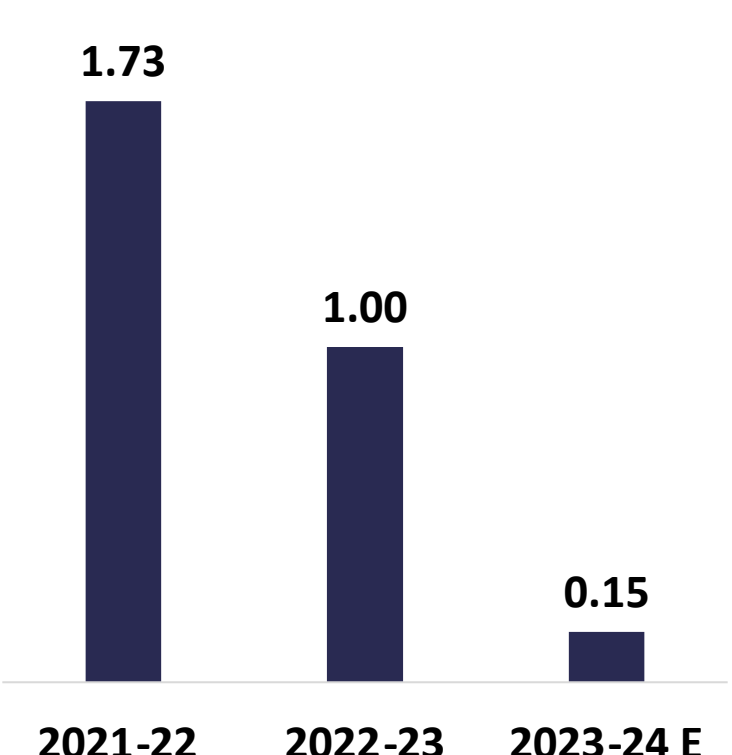


*Projection

India Corn Exports to Bangladesh (MMT)

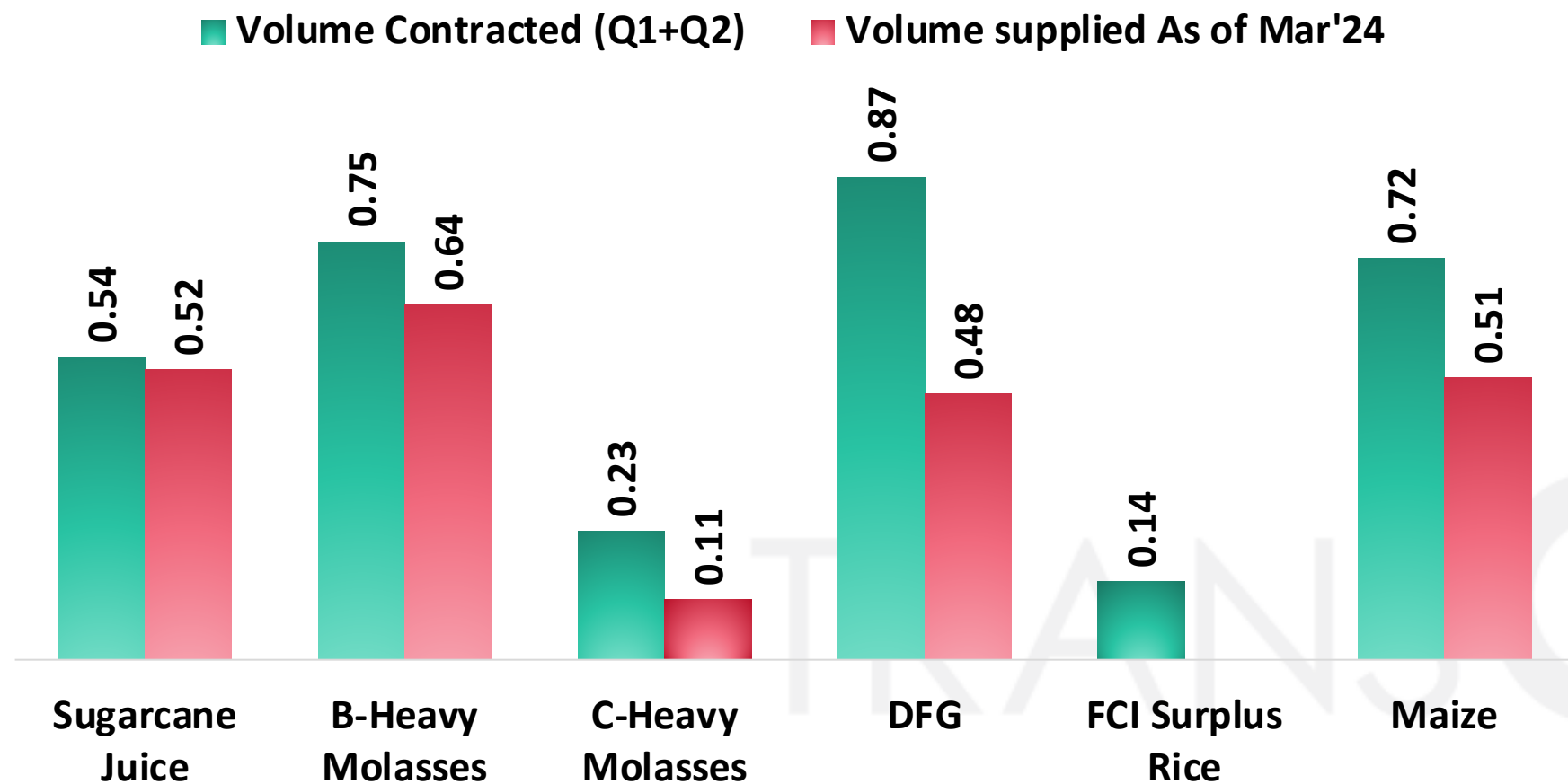


Indian corn exports to Bangladesh (MMT)

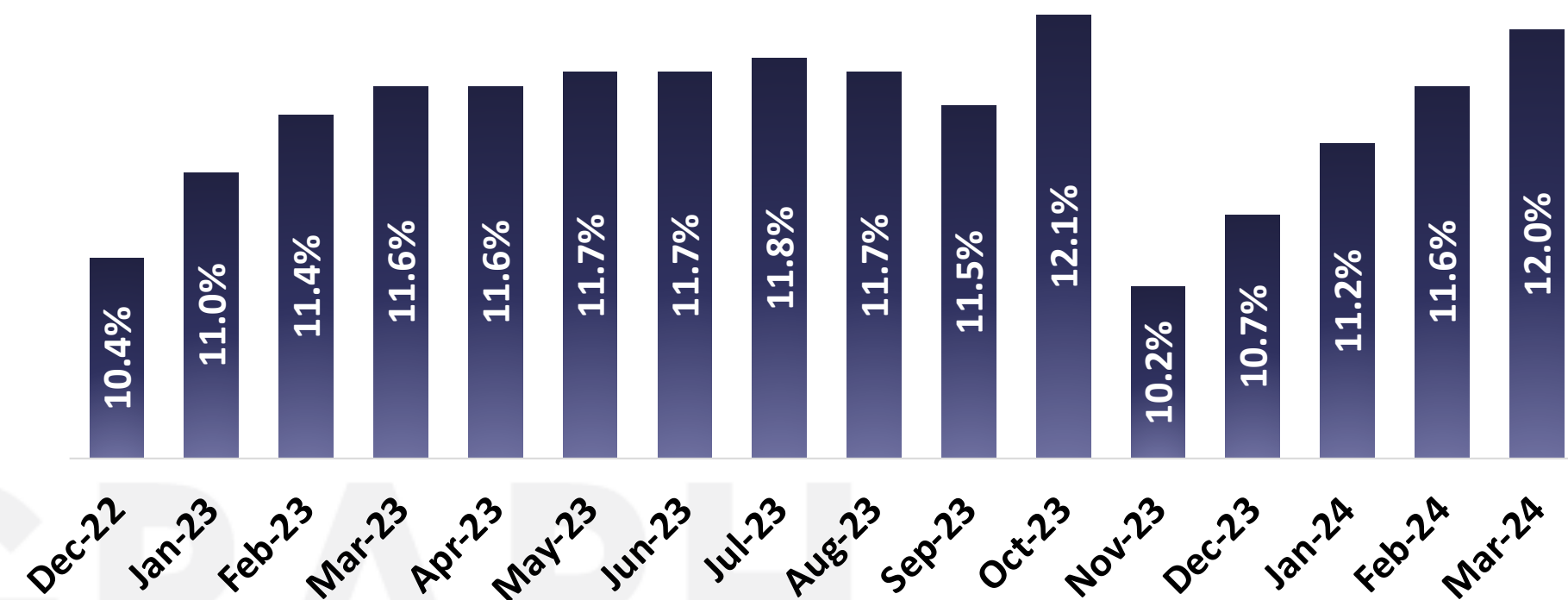


- Indian maize export would continue to be in disparity for SEA nations as US and S. America origin corn are likely to remain the cheaper source
- For Bangladesh, Indian maize exports could be viable during May'24-June'24 period particularly from Bihar due to geographical proximity and lower freight.
- Overall Indian maize exports to Bangladesh is only likely to be 0.15 MMT for 2023-24 MY

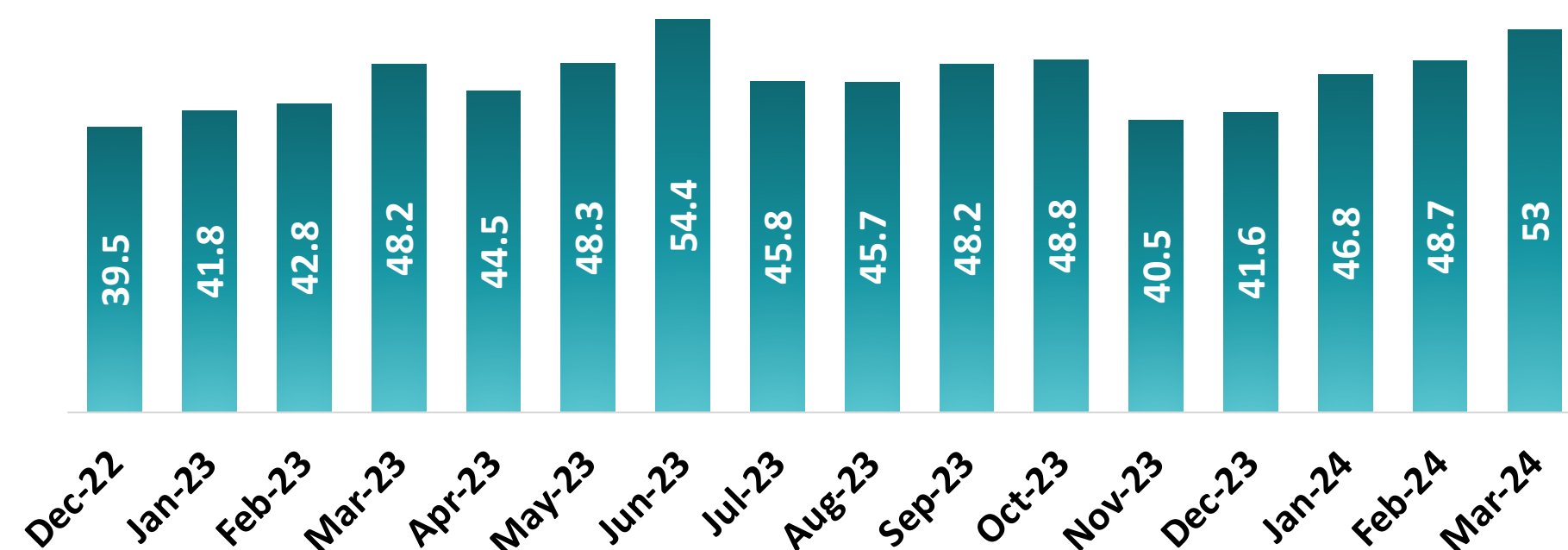
India Fuel Ethanol Contracted and Supplied (Billion Liters)



India Cumulative Fuel Ethanol Blending Rate (%)

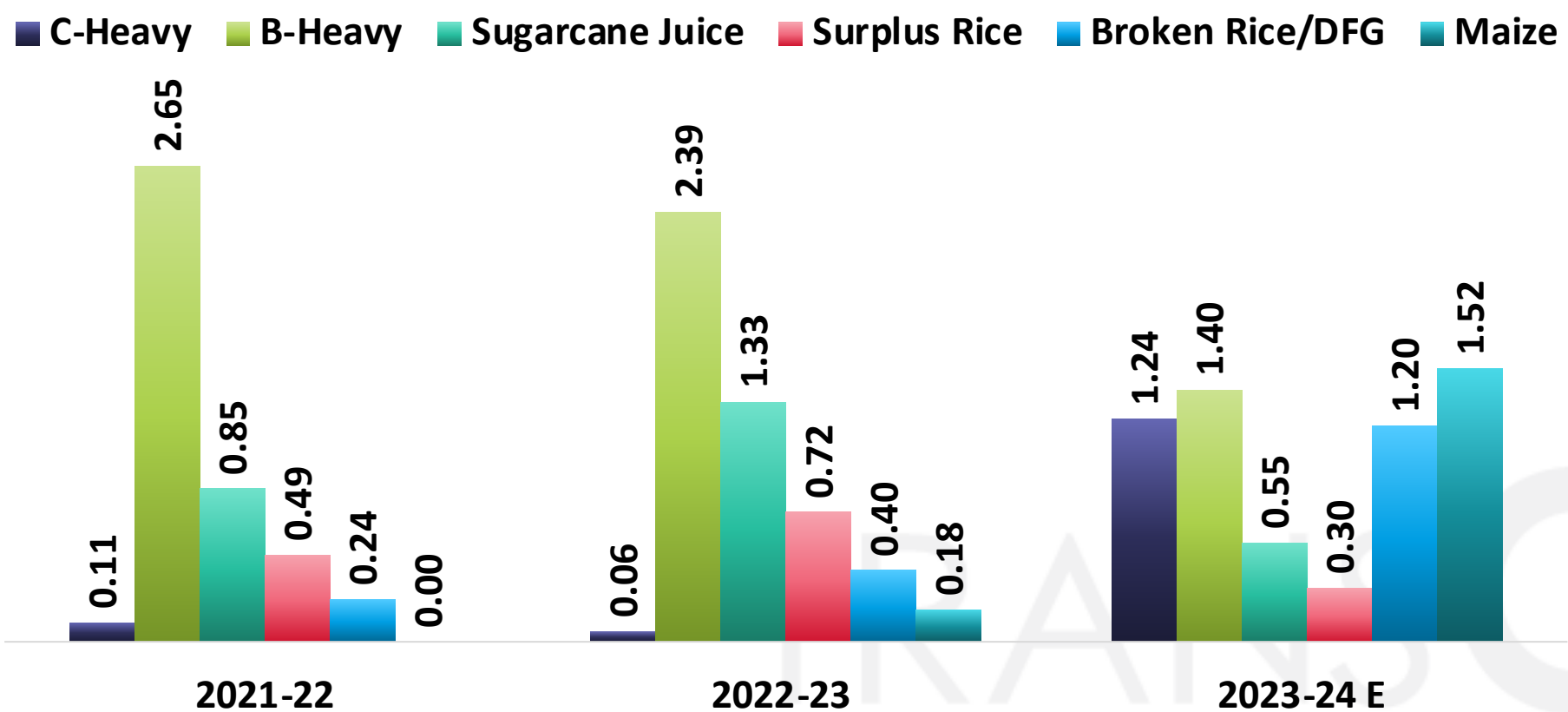


Monthly Volume of Ethanol Blended in India (billion liters)

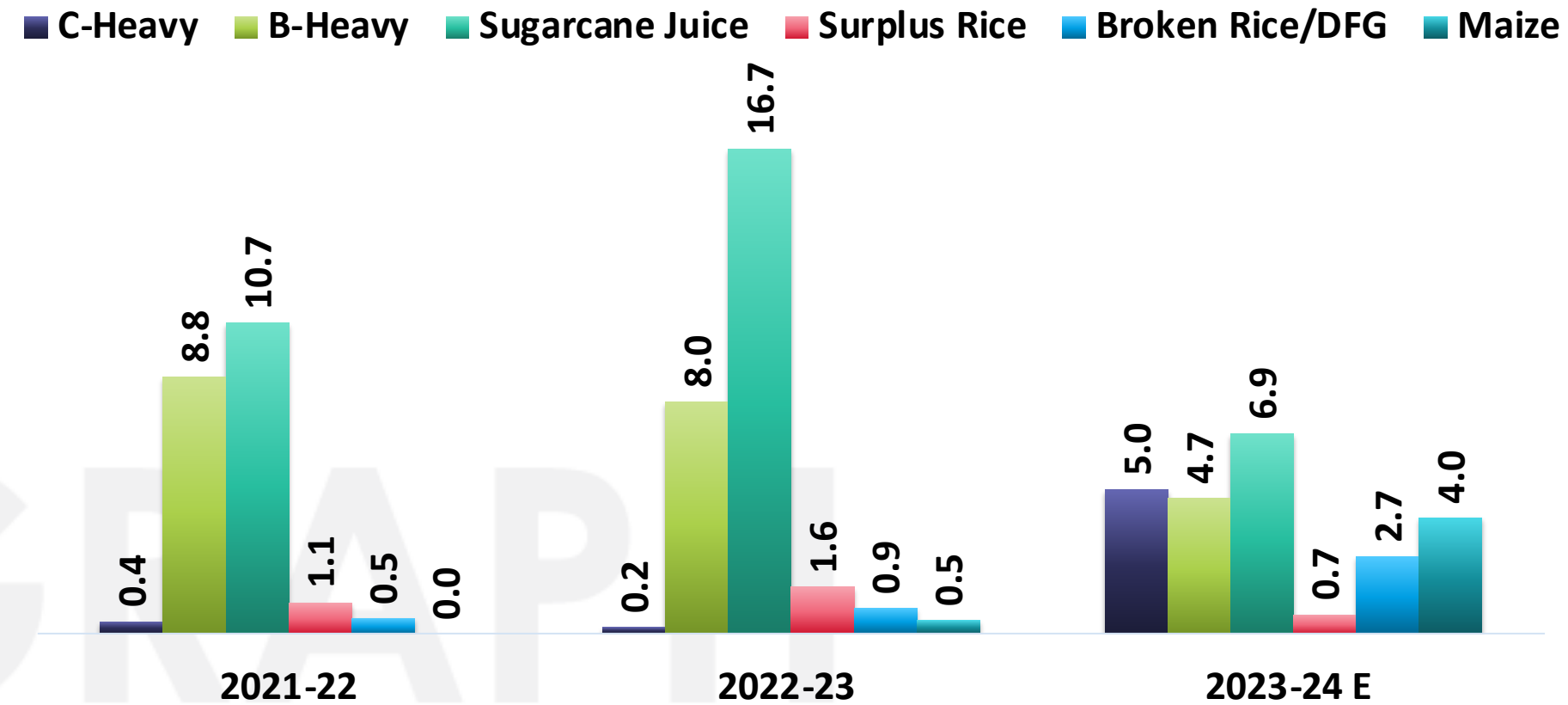


- The current blending target is set at 15% for the 2023-24 ESY, and the cumulative blending achieved by the end of Mar'24 is approx. 12%.
- OMC's have received 2.25 billion liters of ethanol as of Mar'24. Of the total volume supplied to OMCs, while sugarcane-based ethanol constituted up to 1.26 billion liters, grain industry supplied about 0.98 billion liters of ethanol.
- Of the maize-based ethanol supplies of 0.51 is roughly equivalent to 1.34 MMT of maize.

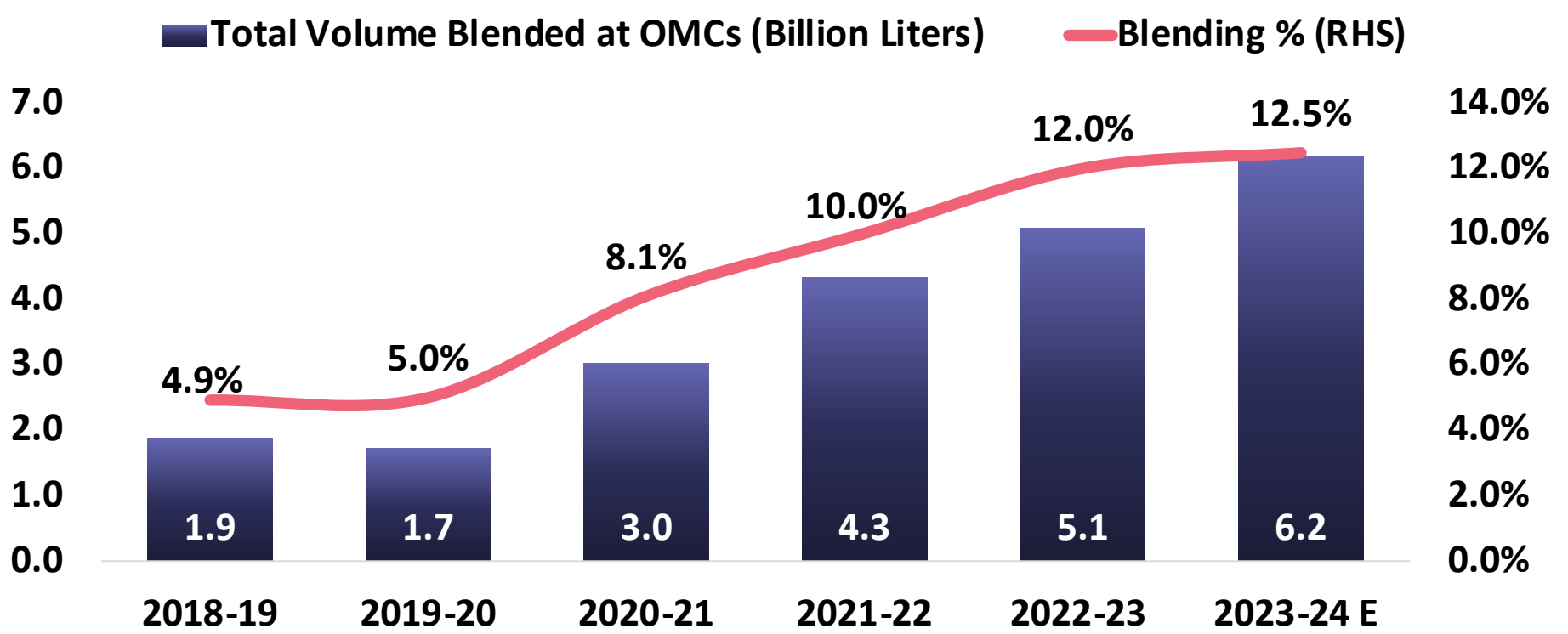
Volume of Ethanol Required to maintain 12.5% Blending from different feedstocks (Billion Liters)



Volume of Feed Stock Required to maintain 12.5% Blending from different feedstocks (MMT)

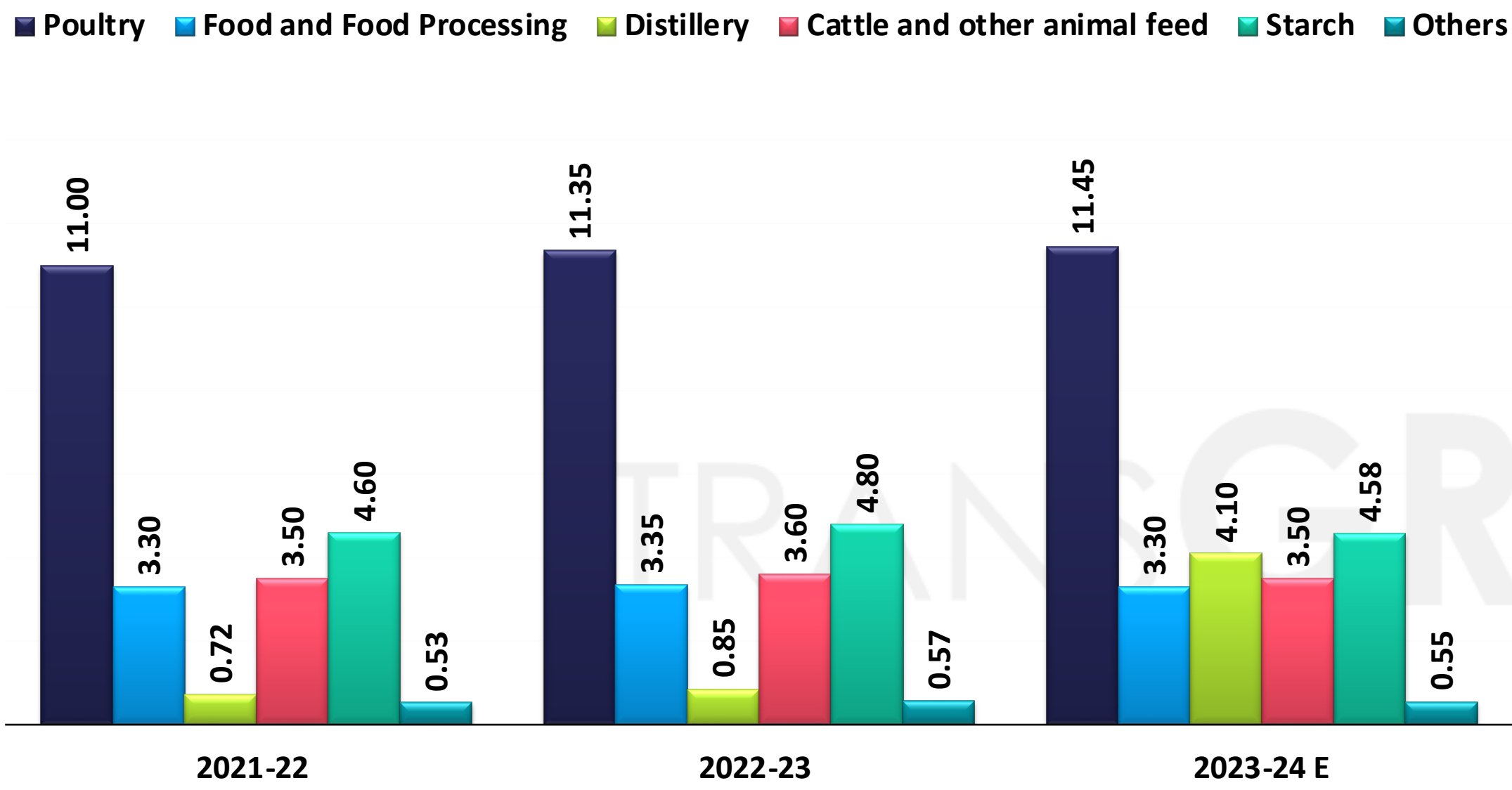


Ethanol Blended at OMCs (billion liters)

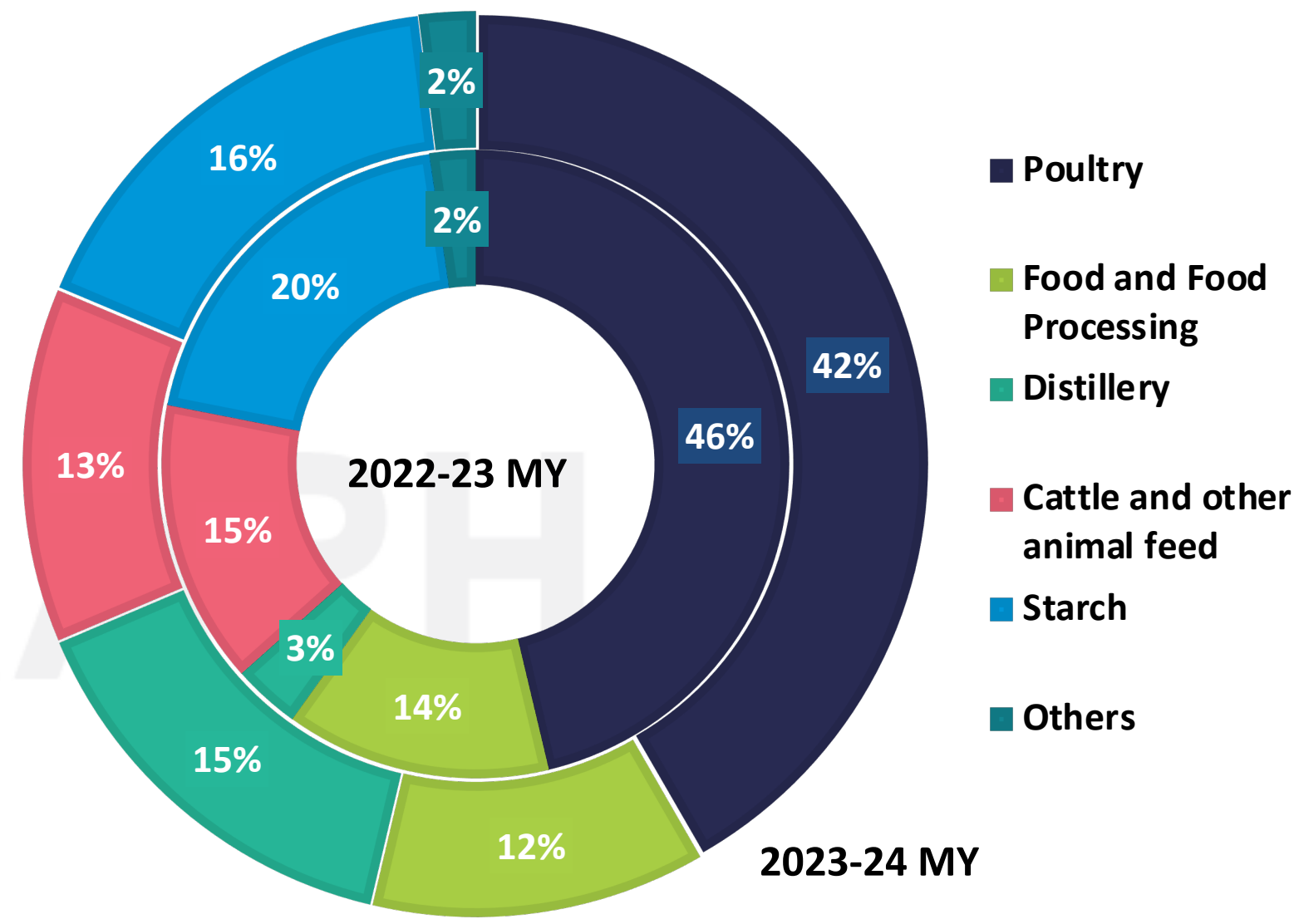


- For the on-going ESY, about 6.2 billion liters of ethanol is forecasted to be blended by OMC's to maintain blending rate above 12%.
- To achieve this, 2.5 MMT of sugar is diverted for ethanol and assuming entire volume of C-heavy molasses-based feedstock will have to be diverted for fuel blending along with 4 MMT of maize, 2.7 MMT of broken rice as well as anticipated 0.7 MMT FCI release after elections.

Maize Demand Break Up in MMT



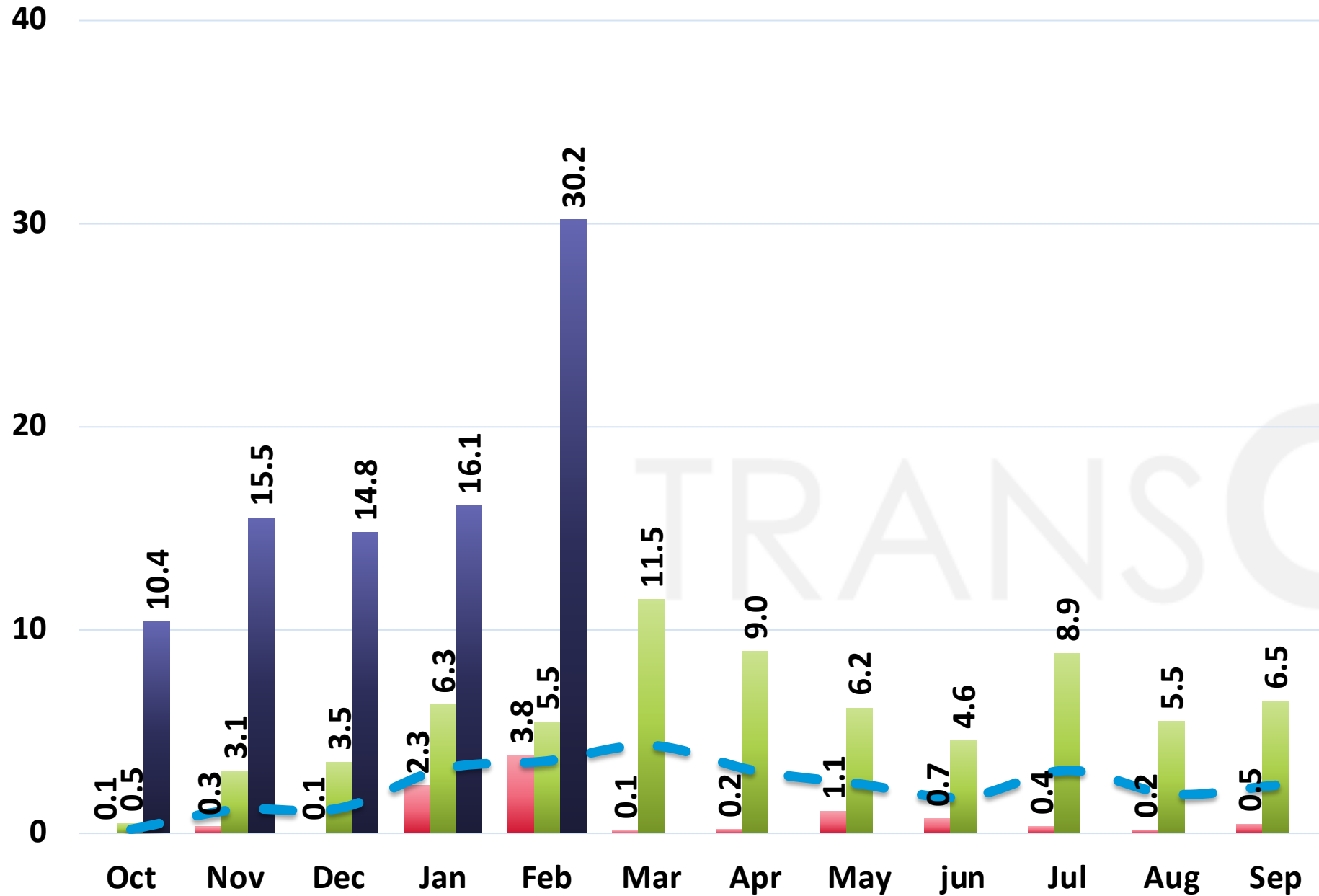
Sector wise share in overall consumption in %



- Amount of maize consumed or diverted towards the distillers are set to increase drastically for the current and upcoming marketing years, as the Government focuses on promoting maize as the primary feed stock to achieve the ethanol blending target of 15% and 20% in during the 2023-24 and 2024-25 ESY, respectively.
- Maize diverted for starch production is set to decrease from 2022-23 MY for the upcoming year, as the disparity for maize starch exports led to import corn under AAS from Ukraine for re-export purpose, reducing the pressure on domestic supplies.
- Exports for the current MY would remain negligible with Nepal as the primary destination, as the availability cheaper global corn supplies erased away the market share of Indian supplies.

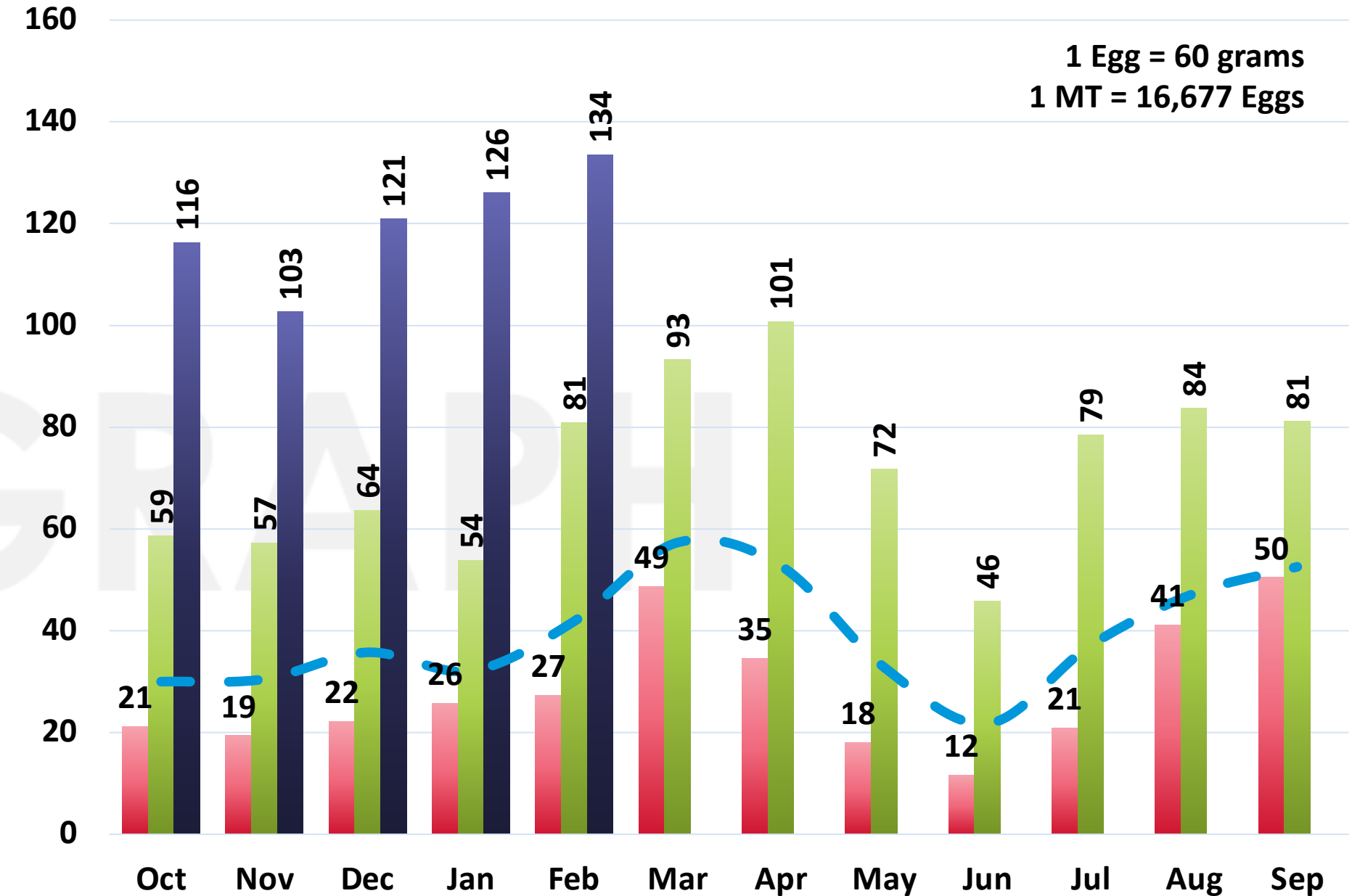
India DDGS Exports in '000 MT

2021-22 2022-23 2023-24 3 Yr. Average



Indian Egg Exports in '000 MT

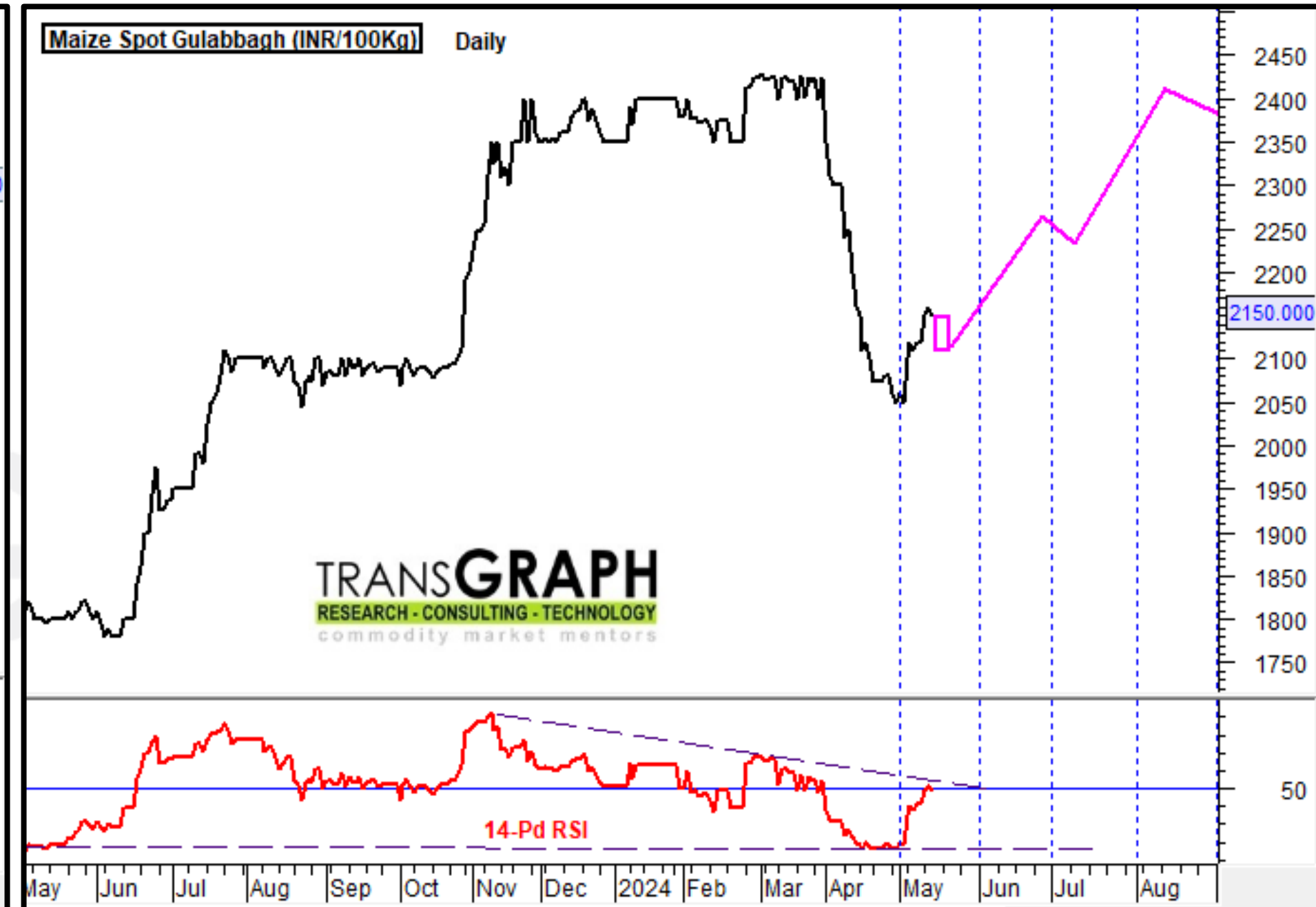
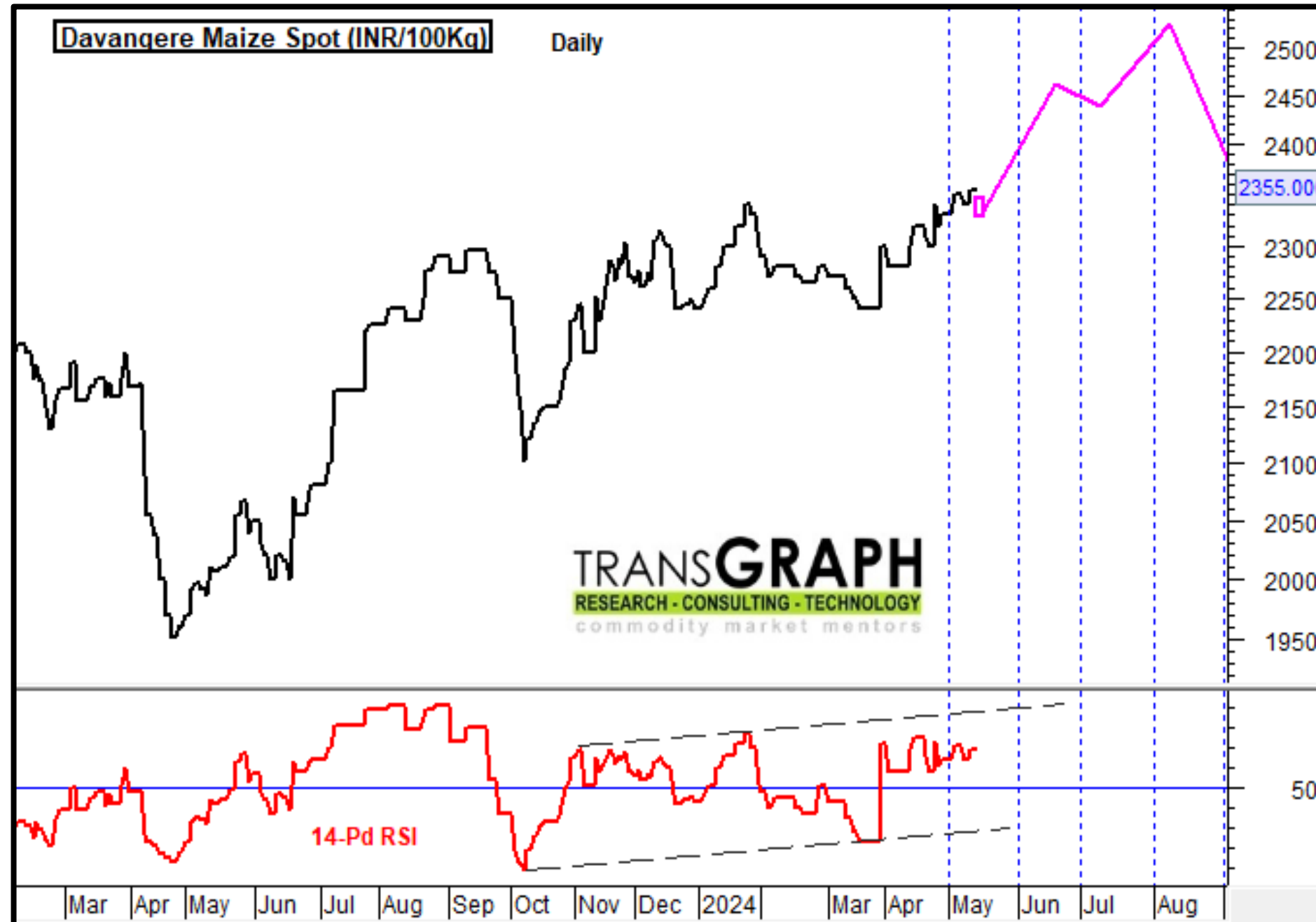
2021-22 2022-23 2023-24 3 Yr. Avg.



- The exports demand for the maize dependent products like Eggs, DDGS, is almost reaching record levels every months as the production of these gets more organized and compartmentalized.
- Increased diversion of Maize and DFG for Ethanol/ENA production has led to increased production of maize based DDGS and Broken rice DDGS, which attracts a huge markets in the SEA regions.
- This increased exports of maize based products could lead to increased demand for maize across various segments in the coming months.

Davangere Spot

Gulabbagh Spot

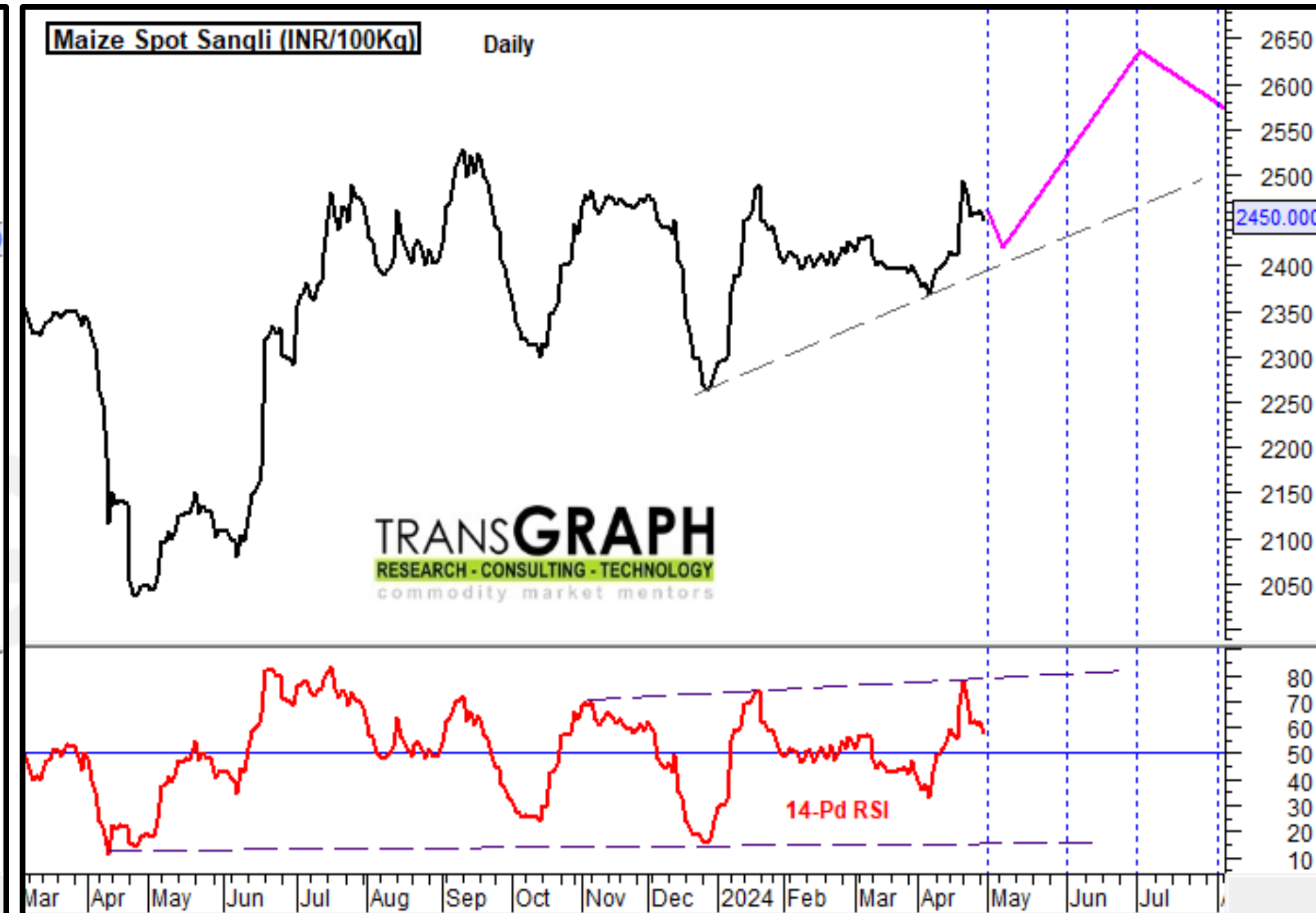
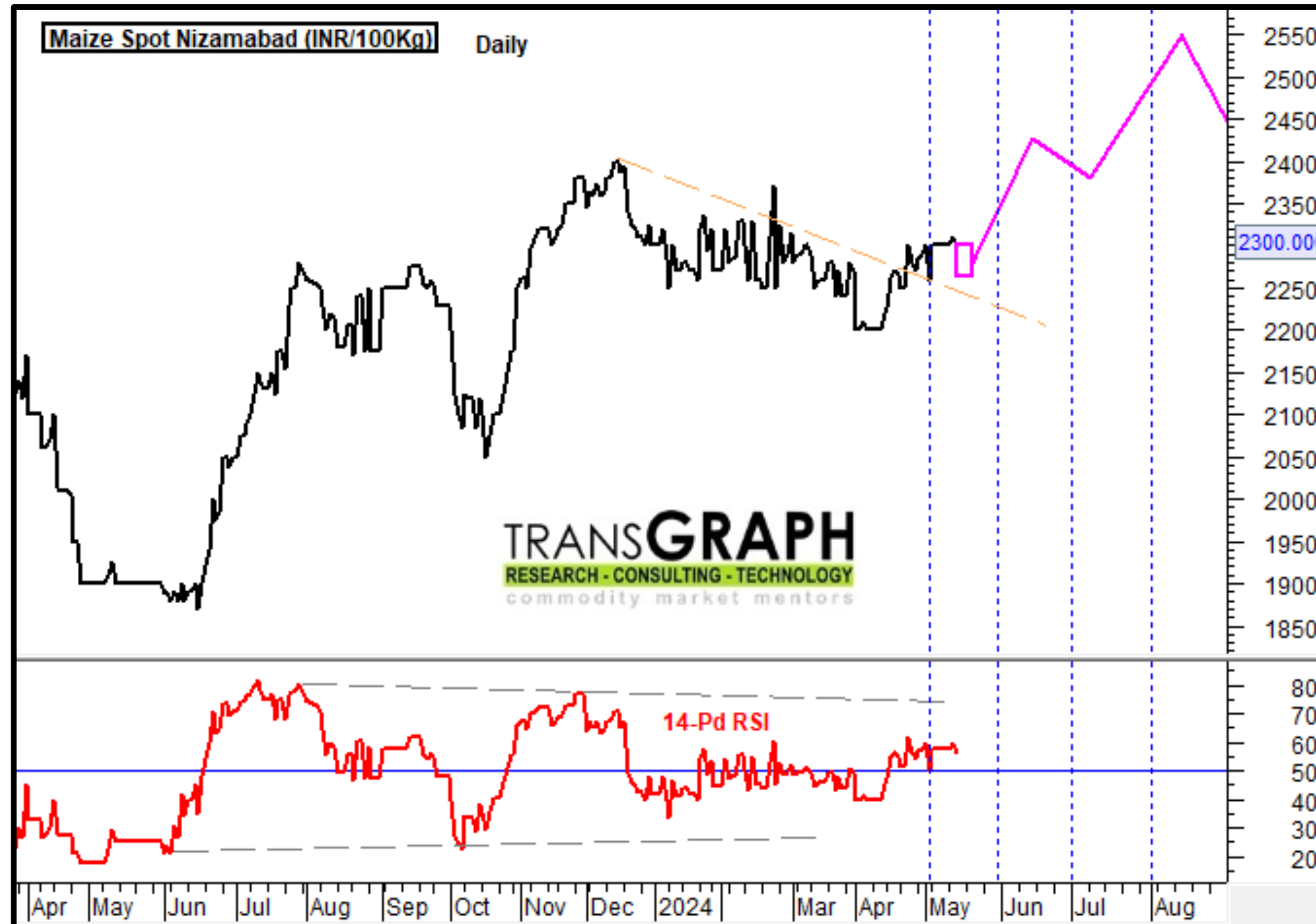


- **Maize spot prices at the Davangere market** is likely to hold above INR 2335 levels on any corrections and trade higher towards INR 2465 levels by mid of June'24 ending followed by a consolidation limiting above INR 2430 levels and thereafter resumption of the trend higher towards INR 2525 levels by mid-Aug '24 and then entering into seasonal correction lower towards INR 2380 by the of Aug'24.

- **Maize spot prices at Gulabbagh Mandi** is likely to hold INR 2110 levels and trade higher towards INR 2270 levels by the end of June'23 followed by INR consolidation holding above INR 2230 levels till early July'24 followed by a rise higher towards INR 2400 levels by mid of Aug'24 followed by consolidation limiting above INR 2390 by the end of Aug'24.

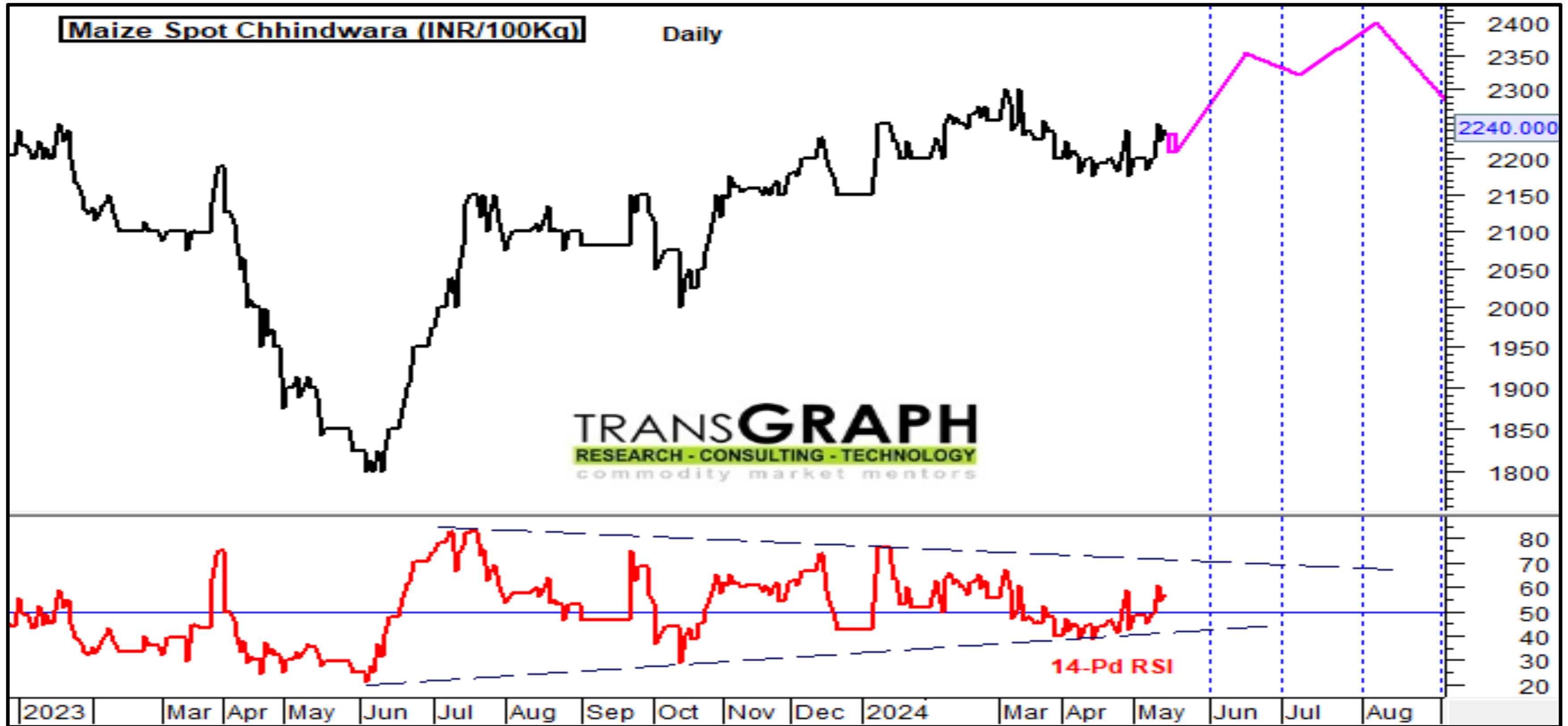
Nizamabad Spot

Sangli Spot



- **Maize spot prices at Nizamabad Mandi** are likely to hold above INR 2255 levels on any corrections and trade higher towards INR 2425 levels by mid of June'24 ending followed by a consolidation limiting above INR 2375 levels and thereafter resumption of the trend higher towards INR 2550 levels by mid Aug'24 and then entering into seasonal correction lower towards INR 2450 levels by Aug'24 end.

- **Maize spot prices at Sangli Market** are likely to hold above INR 2430 levels on any further corrections and trade higher towards INR 2640-2650 levels by mid of June'24 followed by consolidation limiting above INR 2590 levels and resumption of the trend higher towards INR 2700 levels by mid of Aug'24 and then entering seasonal correction lower towards INR 2560 levels by the end of Aug'24.



- **Chhindwara Maize Spot Prices** are likely to hold above INR 2205 levels on any corrections and trade higher towards INR 2350 levels by mid of June'24 ending followed by a consolidation limiting above INR 2325 levels and thereafter resumption of the trend higher towards INR 2400 levels by mid-Aug '24 and then enter into correction lower towards INR 22900 by the of Aug'24.



Indian Feed Grains

Indian Feed Grains Balance Sheet

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In MMT	Maize		Bajra		Jowar		Barley		Broken Rice	
	2022-23	2023-24 E	2022-23	2023-24 E	2022-23	2023-24 E	2023-24	2024-25 E	2022-23	2023-24 E
Beginning stocks	0.16	1.20	0.23	0.71	0.74	0.22	0.13	0.18	0.21	0.27
Production	28.72	27.29	8.53	7.77	3.85	3.94	1.73	1.91	6.98	6.89
Imports	0.00	0.20	0.00	0.00	0.00	0.00	0.14	0.12	0.00	0.00
Total supply	28.89	28.69	8.76	8.48	4.59	4.17	1.99	2.20	7.19	7.16
Exports	3.16	0.60	0.05	0.05	0.03	0.03	0.03	0.02	1.16	0.40
Domestic Demand	24.52	27.48	8.00	8.10	4.34	3.95	1.78	1.91	5.75	6.66
Total Demand	27.69	28.08	8.05	8.15	4.37	3.98	1.81	1.93	6.91	7.06
Ending Stocks	1.20	0.61	0.71	0.33	0.22	0.19	0.18	0.27	0.27	0.10

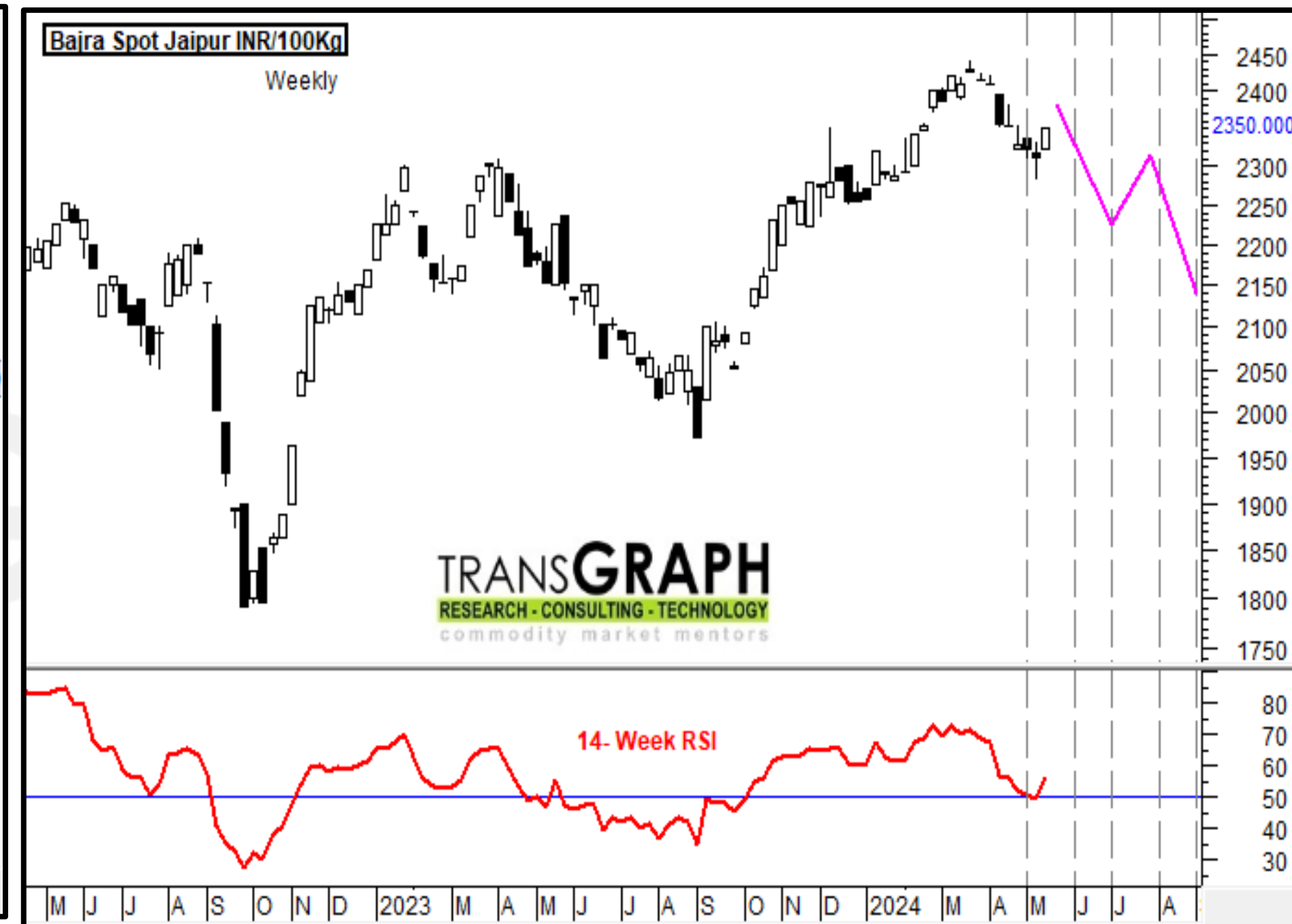
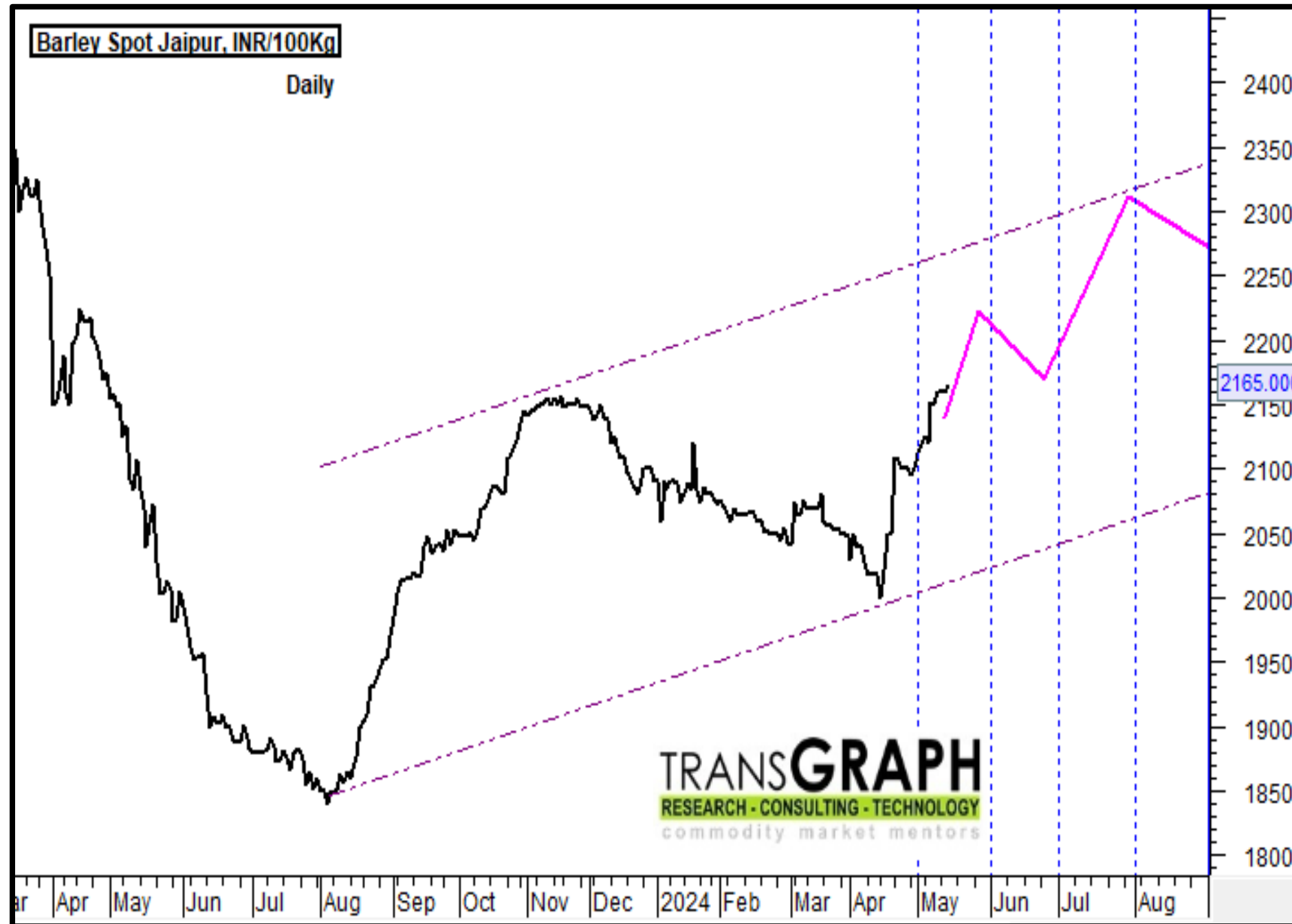
Marketing Year

Oct-Sep = Maize, Bajra , Broken Rice, Jowar

Apr-Mar= Barley

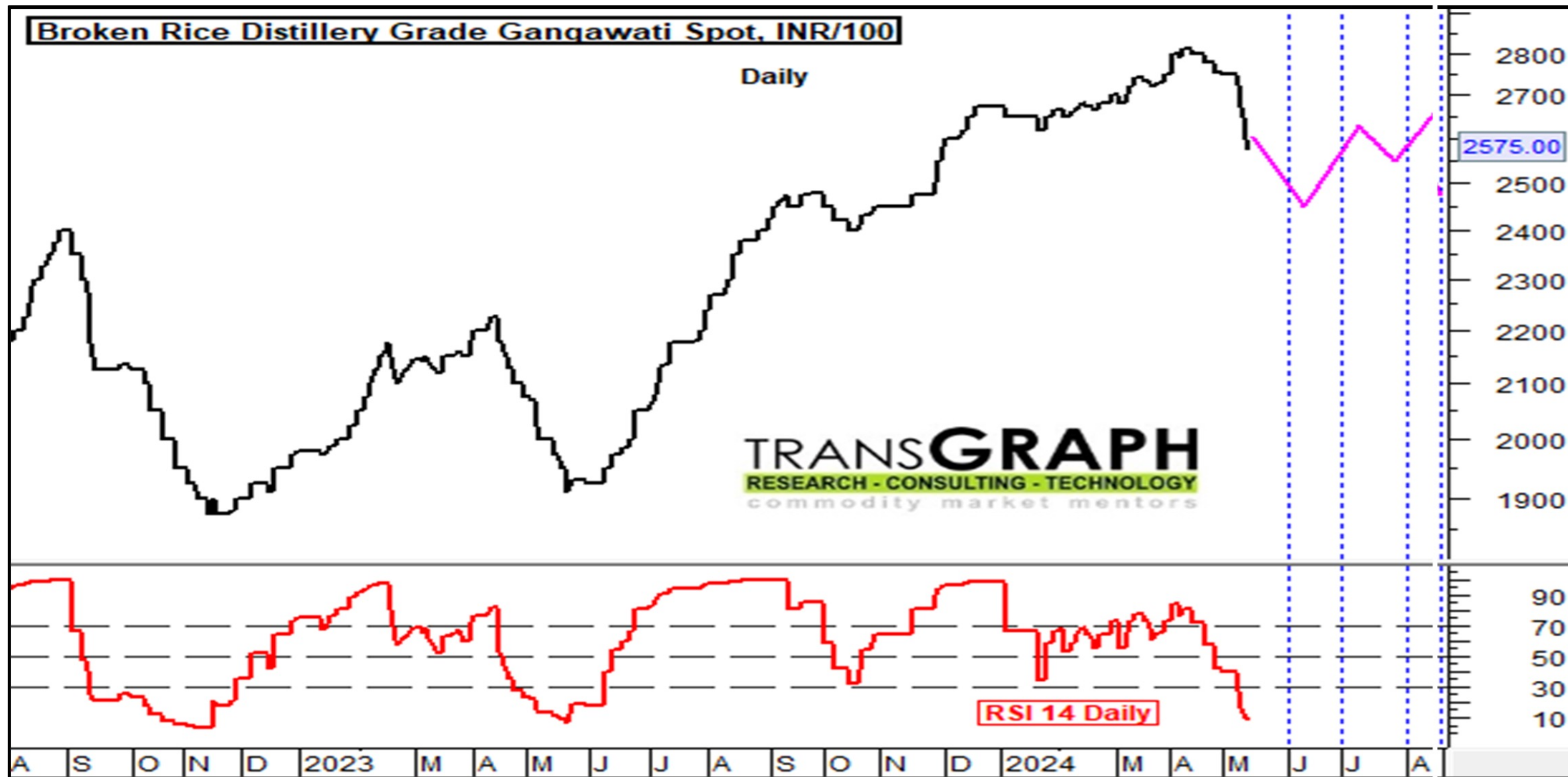
Barley Spot Jaipur, Price Outlook

Bajra Spot Jaipur, Price Outlook



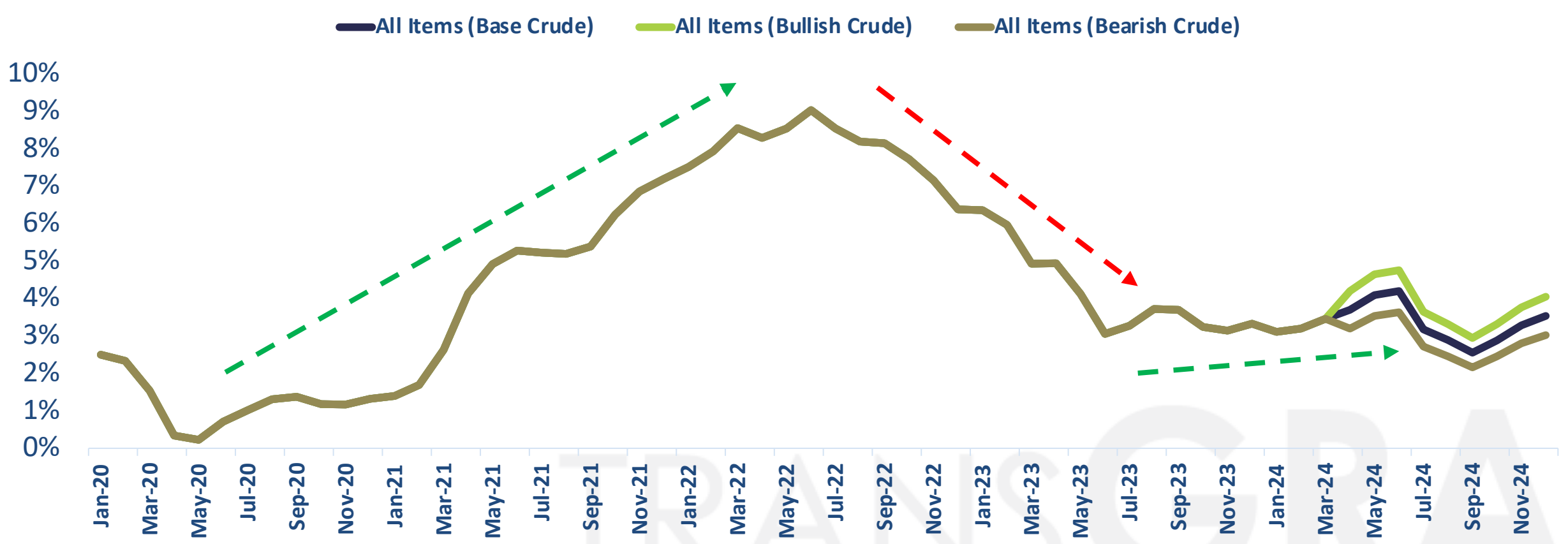
Barley spot prices at Jaipur are likely to hold INR 2140 levels and trade higher towards INR 2225 by early June'24 followed by a consolidation towards INR 2170 levels with a resumption of the trend higher towards INR 2310 levels by July'24 end followed by consolidation lower towards INR 2280 -70 levels by Aug'24 end.

Feed Grade Bajra spot prices at Jaipur are likely to hold below INR 2375 levels and trade lower towards INR 2225 levels by the end of June'24 followed by a rise higher towards INR 2310 levels by the third week of July'24 followed by a fall lower towards INR 2150 by end of Aug'24.



Broken Rice (Distillery Grade) Gangawati (Karnataka) Spot (INR/100Kg) prices are likely to initially trade lower towards INR 2450 levels by mid-June'24 followed by a rise higher towards INR 2630 by early July'24 which is then followed by consolidation limiting above INR 2550 levels in the last week of June'24 followed by rise higher towards INR 2700 levels by end of Aug'24.

US CPI Inflation Projections Under Different Assumption of Global Oil Prices

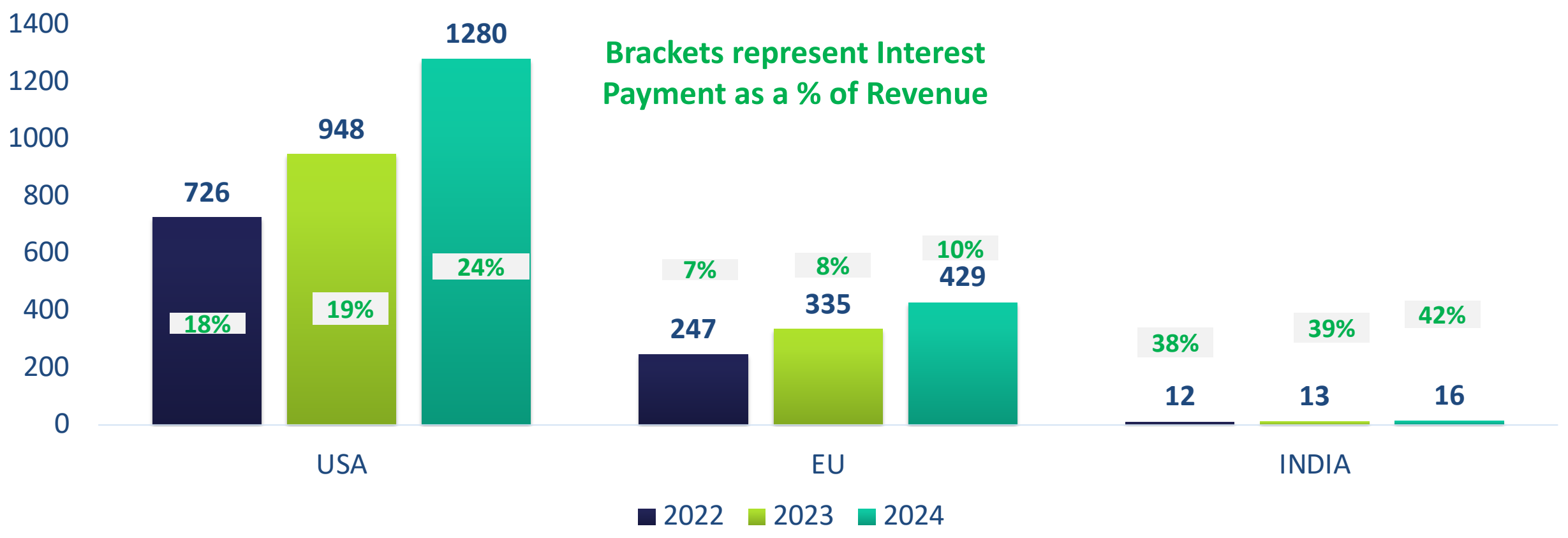


US INFLATION RATE HAS ACCELERATED SINCE H2'23 AVERAGING 3.3% TILL MAR'24.

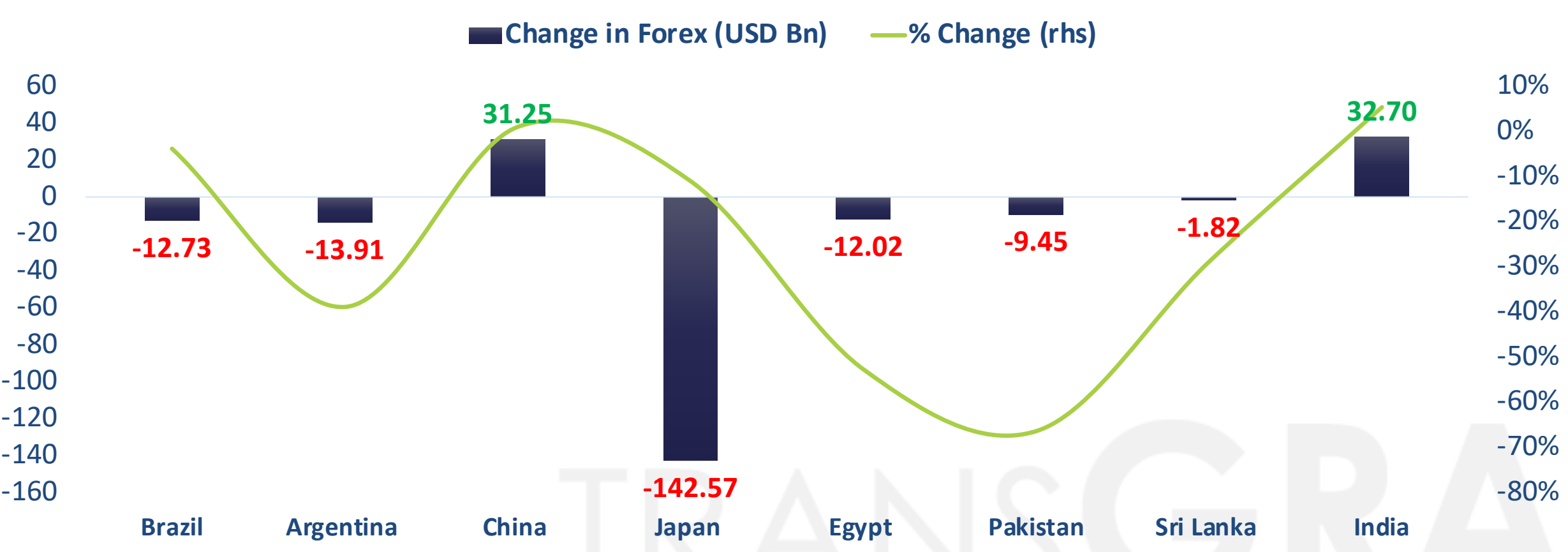
RISING INFLATIONARY PRESSURES, STRONG CONSUMPTION DEMAND GROWTH SUPPORTED BY SOLID JOB CREATION AND WAGE GROWTH HAVE ALL LED TO DELAY IN INTEREST RATE CUTS – FED NOW EXPECTED TO CUT 25 BPS TILL END OF THE YEAR (150 BPS OF RATE CUTS PROJECTED AT 2024 START)

SUBSEQUENTLY, INTEREST PAYMENT BURDEN ON THE EXCHEQUER IS LIKELY TO REMAIN ELEVATED DURING 2024.

Public Interest Burden (USD Billion)



FOREIGN EXCHANGE RESERVES (CHANGE SINCE 2022)



HIGHER INTEREST RATES IN DM ECONOMIES HAVE LED TO FLIGHT OF CAPITAL TO SAFE HAVEN ASSETS

IMPORT-DEPENDENT COUNTRIES SAW SIGNIFICANT REDUCTION IN FX RESERVE LEVELS

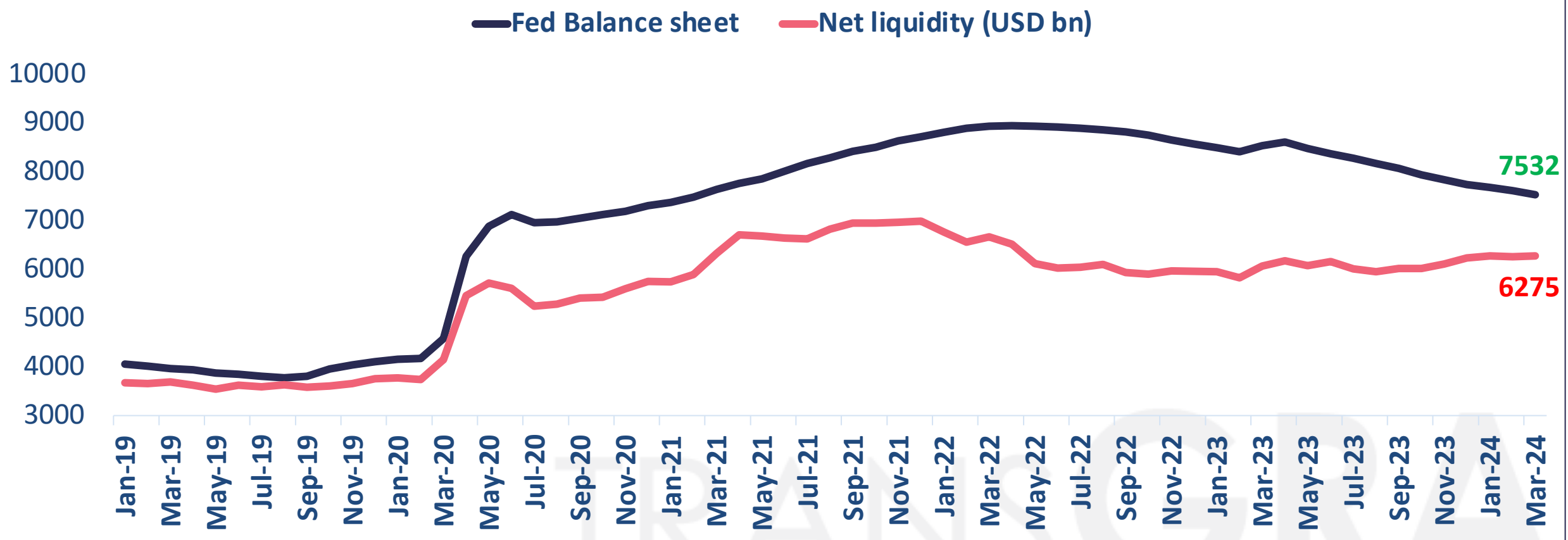
FX CRISIS IN EM ECONOMIES IN RECENT YEARS

EM ECONOMIES UNDER GREATER STRESS IN 2024

Central Bank Policy Rate (%)

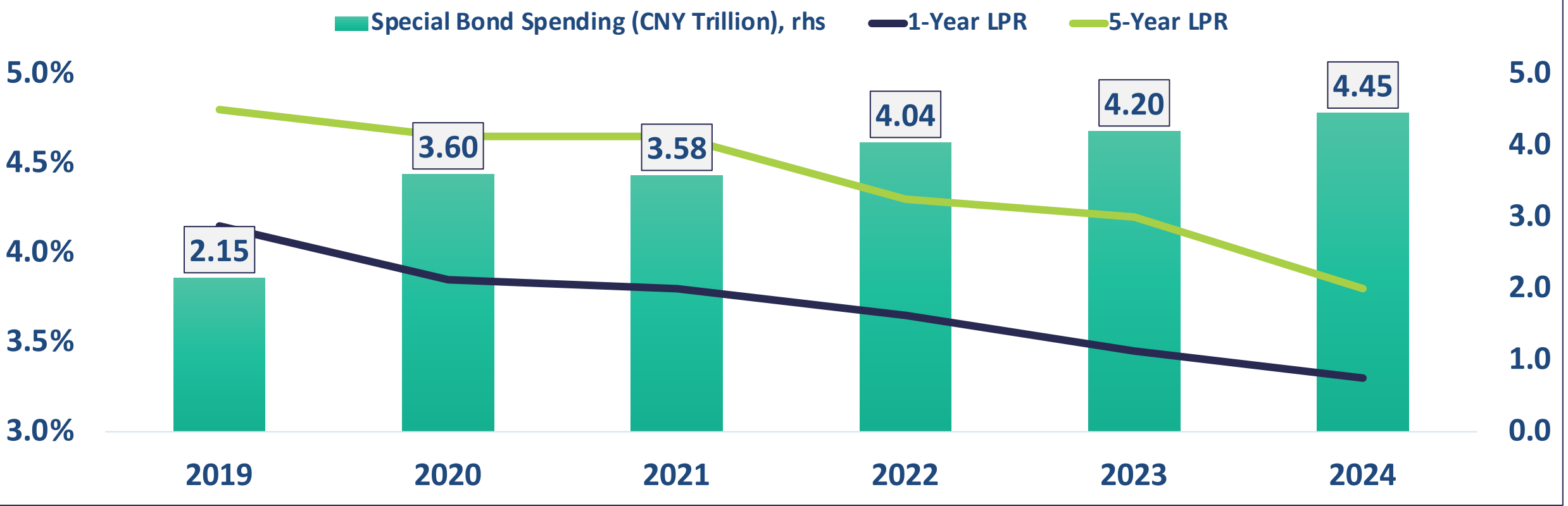
	2019	2020	2021	2022	2023	2024
Brazil	4.5	2.0	9.3	13.8	11.8	10.8
Argentina	55	38.0	40.0	75.0	133	70
China	4.2	3.9	3.8	3.7	3.5	3.5
Japan	-0.1	-0.1	-0.1	-0.1	-0.1	0.1
Egypt	12.3	8.3	8.3	16.3	19.3	27.3
Pakistan	13.3	7.0	9.8	16.0	22	22
Sri Lanka	7.0	4.5	5.0	14.5	9	8.5
India	5.2	4.0	4.0	6.3	6.5	6.5
USA	1.8	0.1	0.1	4.4	5.4	5.4

RISING NET LIQUIDITY IN THE USA DRIVING GROWTH AND RISKY ASSETS



DESPITE QT, US FED NET LIQUIDITY HAS INCREASED BY USD 0.32 TRILLION OVER THE LAST ONE YEAR EVEN AS THE FED BALANCE SHEET FELL BY USD 1 TRILLION.

RATE CUTS AND DEBT-FULLED BOND SPENDING PROPELLING CHINESE GROWTH

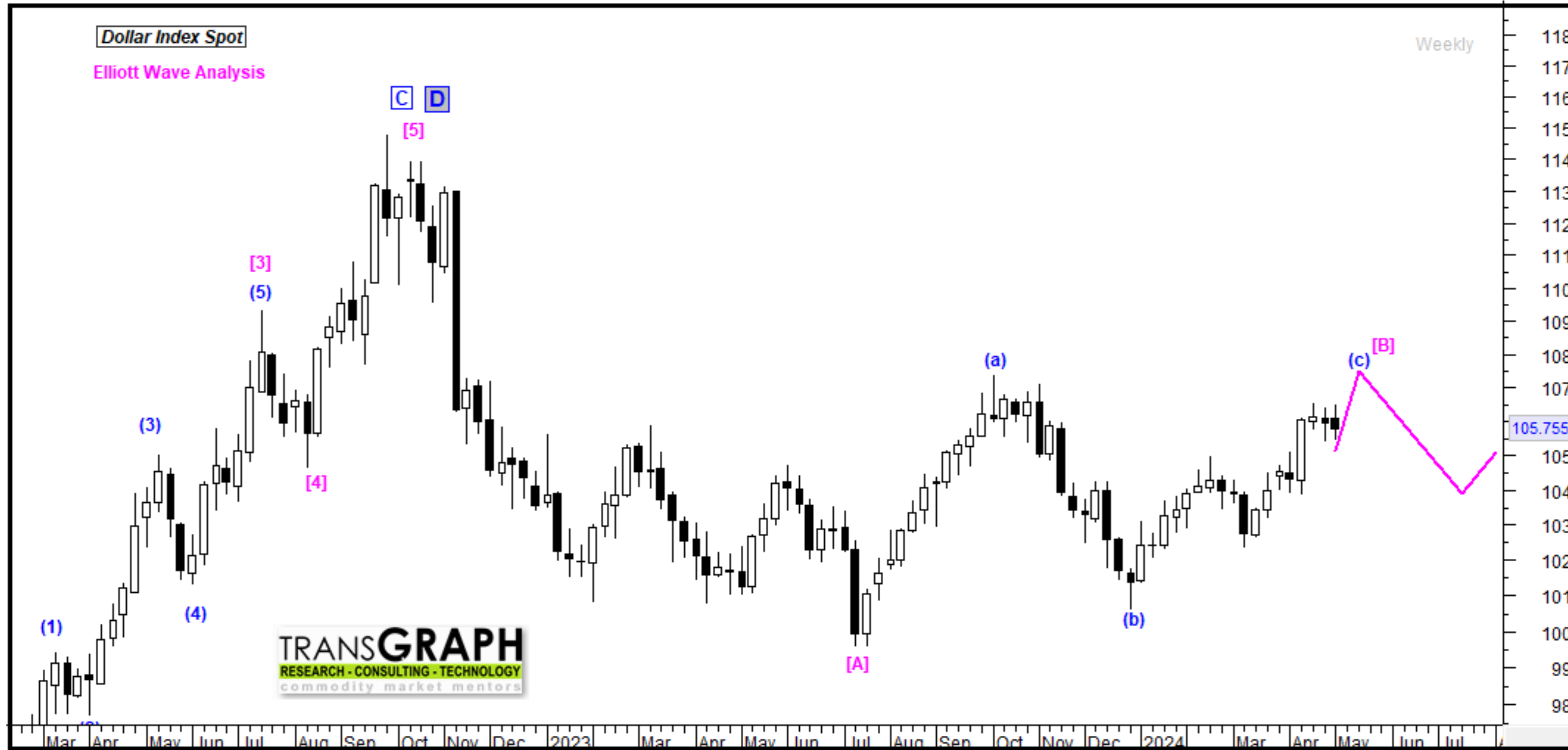


CHINESE LIQUIDITY SUPPORT MEASURES TO ALLEVIATE REAL ESTATE SECTOR CRISIS.

INDUSTRY GROWTH WITH EMPHASIS ON GREEN ENERGY SOURCES OFFSETTING REAL ESTATE SLOW DOWN IN CHINA

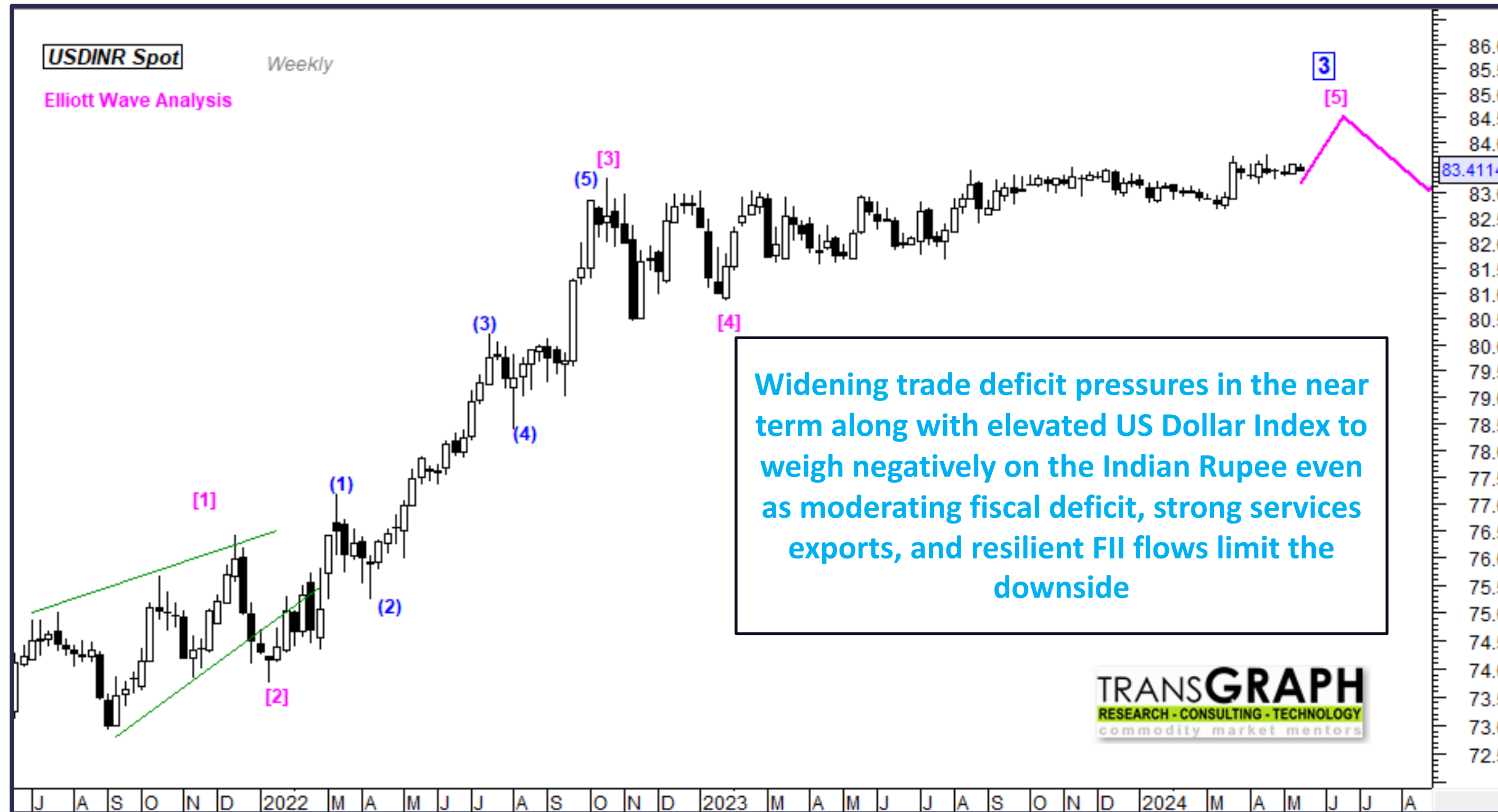
	2019	2020	2021	2022	2023	5-yr Avg	Remarks
China GDP Growth Rate (%)	5.9	2.2	8.4	2.9	5.2	4.9	REAL SECTOR DEGROWTH IS OFFSET BY INCREASING INVESTMENT IN POWER & TRANSPORT.
PV Sales	-9.5	-6.1	6.6	9.7	10.5	10.7	
CV Sales	-1.0	18.7	-6.8	-31.0	22.2	6.1	
NEV Sales	-3.4	13.4	155.8	94.1	39.2	39.2*	INCREASED INFRASTRUCTURE SPENDING WITH SPECIAL BOND ISSUANCE TO TOUCH 4.45 TRILLION YUAN IN 2024.
Growth in Fixed asset Investment	5.7	-4.1	12.8	6.7	3.8	4.9	
Growth in Fixed asset, Real Estate	10.4	-2.3	17.0	-4.1	-6.8	2.5	
Growth in Fixed asset, Power	0.9	11.3	23.5	16.0	25.1	16.4	WHILE THE MARKET ANTICIPATES CHINA'S GDP IN 2024 TO RANGE BETWEEN 4.2% TO 4.6%, THE COUNTRY AIMS TO EXCEED EXPECTATIONS WITH A DOMESTIC TARGET OF 5% GROWTH FOR 2024.
Growth in Fixed asset, Transport	5.4	-7.5	12.6	7.0	10.1	5.5	
Overall retail sales	8.1	-2.9	12.4	-0.8	7.8	4.8	
Industrial output	5.8	3.4	9.3	3.4	4.6	5.3	
Manufacturing PMI (Caixin)	50.2	51.0	50.8	49.1	50.3	50.1	
Trade Balance, USD Billion	371	527	676	883	859	663	

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DXY is likely to test the resistance of 107.4 by 15-May'24 and retreat lower toward 104 by Jul'24

Note: Any sustained move above 107.8 shall negate the expected weakness and turns the sentiments positive for the short term which shall take the Index towards 109.



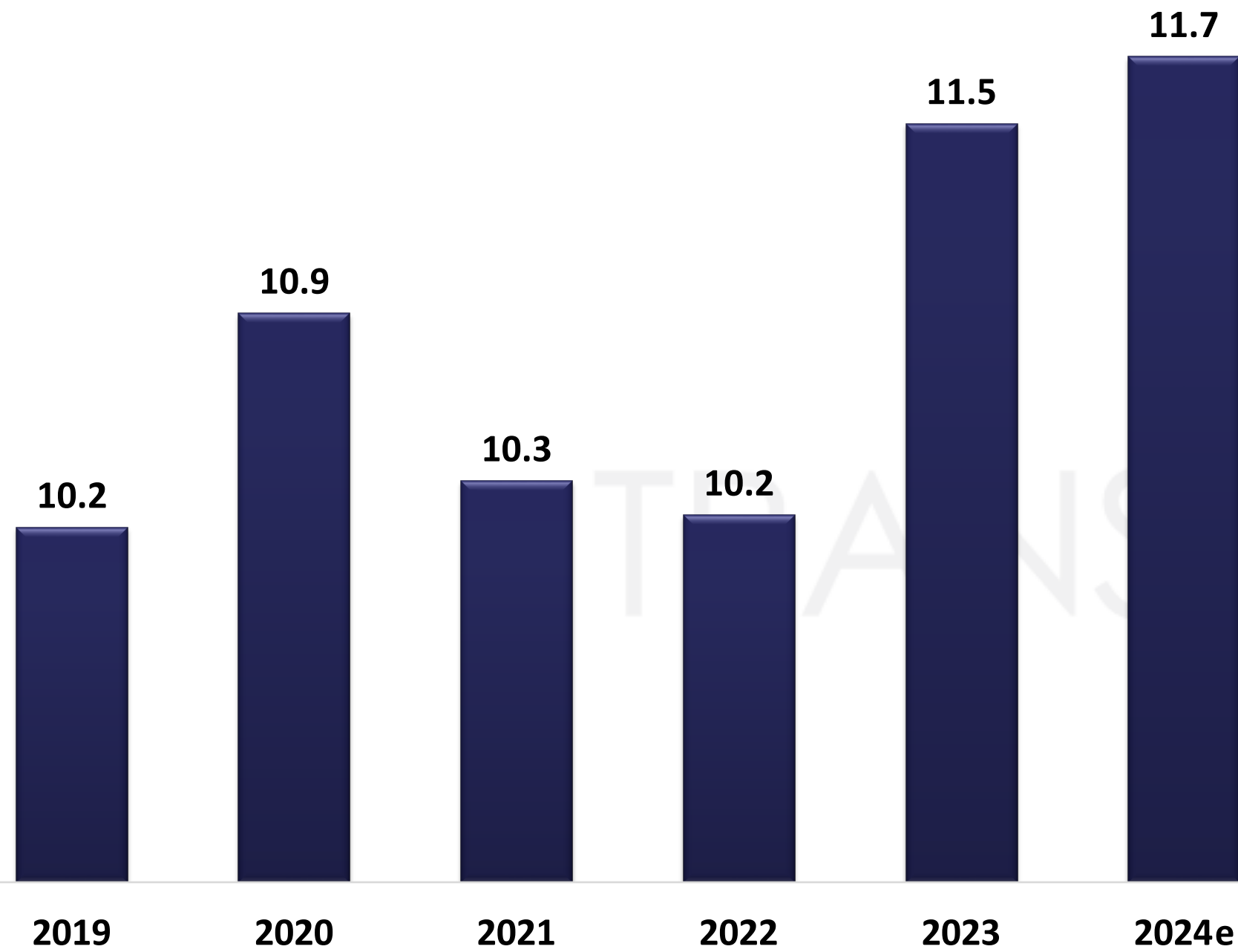
USDINR pair is still unfolding its Primary-Wave-3 and currently progressing higher as part of the same which shall take the pair towards INR 84.3/84.5. Hence, the pair is likely to trade positive and extend the gains towards INR 84.3 by 15-June'24 and retreat lower subsequently towards INR 83 by Aug'24.

Note: Any sustained move below INR 83 shall negate the expected immediate gains and turns the sentiment mixed for the short term.

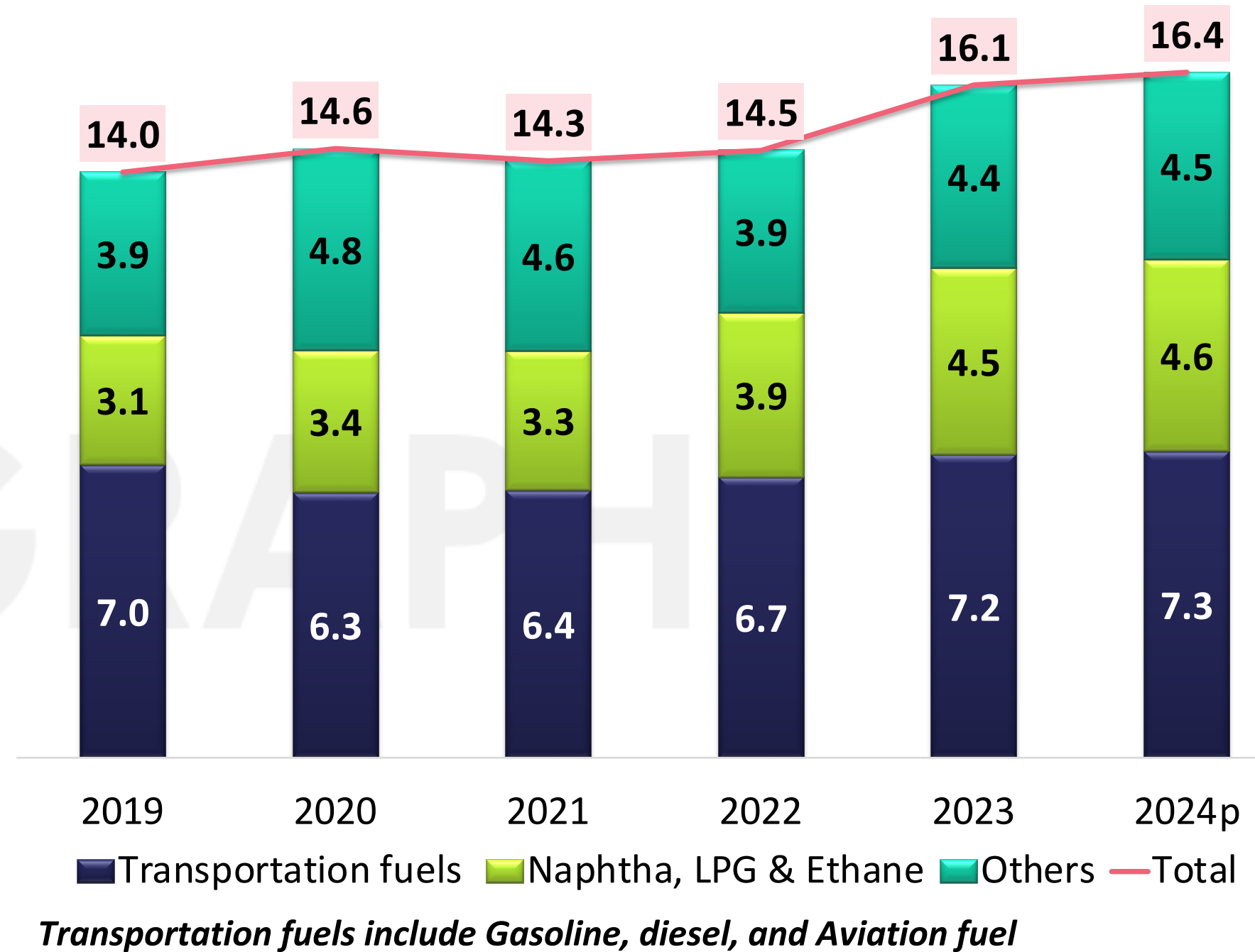
Year	Crude oil supply (MBpd)			Crude Products demand (MBpd)			S&D Balance (MBpd)	Price (Brent crude oil average in USD/bbl)
	OPEC	Non-OPEC	Global supply	OECD	Non-OECD	Global demand		
2022	34.45	65.57	100.01	45.68	53.80	99.48	0.54	99.0
JFM'23	34.85	66.96	101.82	45.08	54.89	99.97	1.85	82.1
AMJ'23	34.36	67.43	101.79	45.70	55.93	101.63	0.16	77.7
JAS'23	33.52	68.46	101.98	46.19	56.57	102.76	-0.78	85.9
OND'23	33.58	68.75	102.33	46.18	56.60	102.78	-0.45	82.9
2023	34.08	67.90	101.98	45.79	56.00	101.79	0.19	82.2
JFM'24	33.68	68.15	101.83	45.19	56.48	101.67	0.16	81.8
AMJ'24e	33.88	68.14	102.02	45.69	56.60	102.29	-0.27	84.0
JAS'24p	34.60	68.83	103.43	45.95	57.00	102.95	0.48	-
OND'24P	34.70	68.58	103.28	46.05	57.15	103.20	0.08	
2024e	34.21	68.43	102.64	45.78	56.75	102.53	0.11	

- Impact of production cuts on [export share](#) is likely to result in Saudi to increase output in JAS 2024 resulting supply growth outpacing demand growth in JAS 2024.
- Overall, prices are likely to remain supported by due to the deficit supply conditions in AMJ 2024 in the short term. However, markets are likely to price in higher supply growth in JAS as we move into June. *Further, OPEC + JMMC meeting will be a key event to watch out in the coming month.*

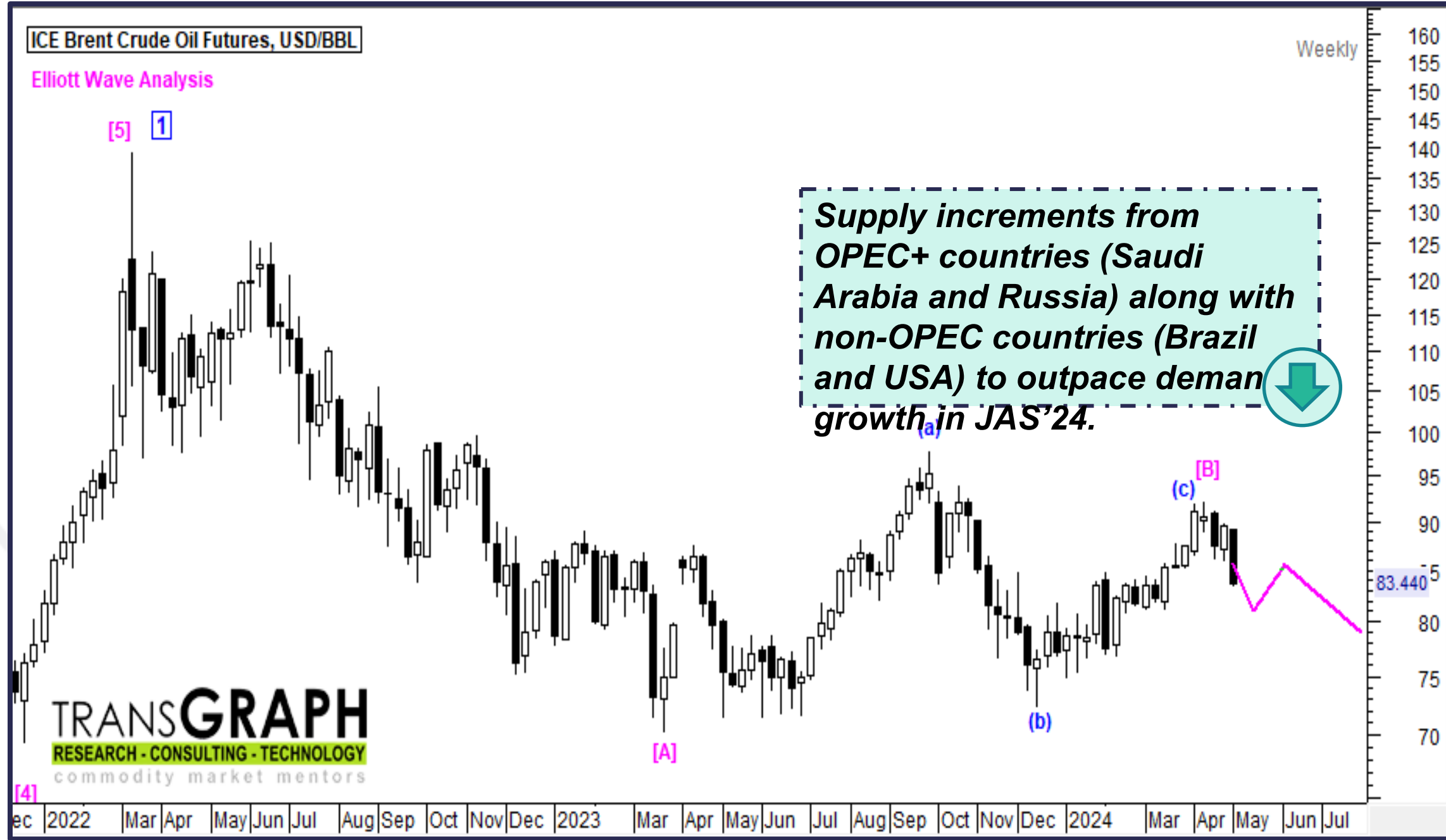
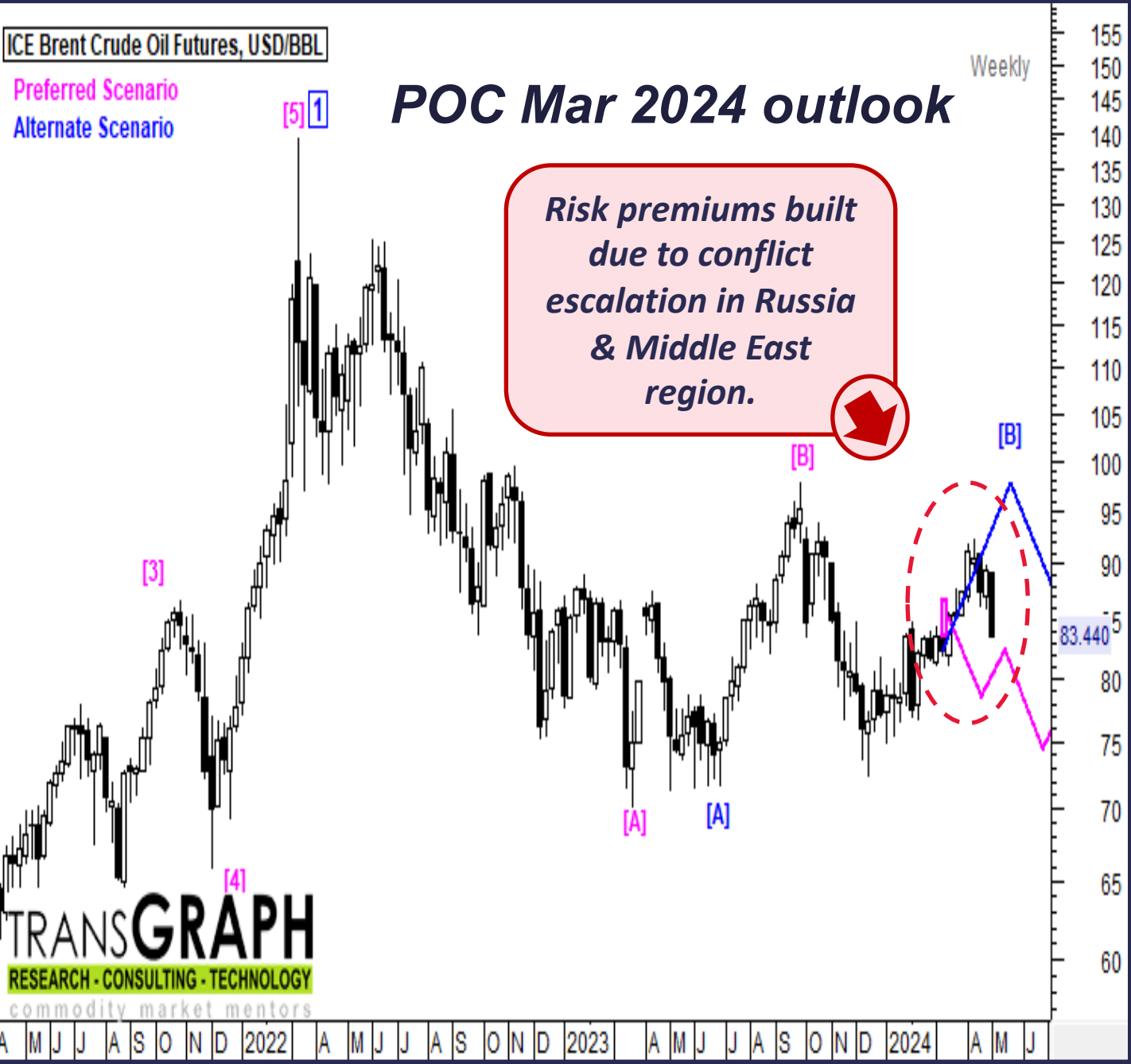
China's crude oil imports (MBpd)



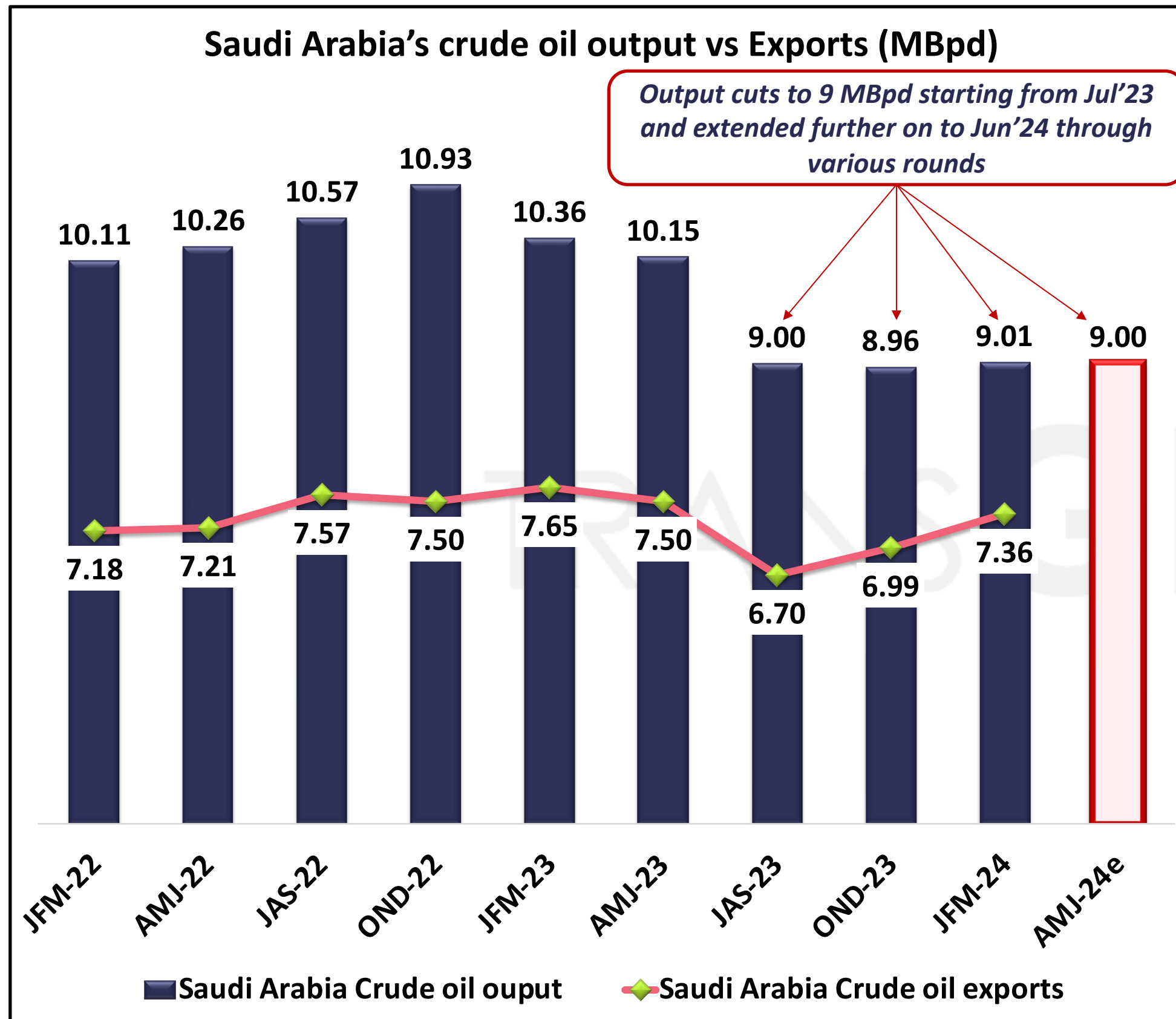
China's crude oil products demand (MBpd)



- China's crude oil demand has witnessed significant growth in 2023 driven by recovery in economic activity after the pullback of COVID containment restrictions.
- Pick in industrial activity is also seen aiding in strong demand growth.



Outlook summary: ICE Brent Crude Oil Futures prices are likely to hold below the resistance of USD 89 on any gains and retreat lower towards USD 79 by Jul'24.



- Crude oil output levels are expected to remain at similar levels of 9MBpd in AMJ'24 as per the latest quotas.
- Previously, Saudi Arabia's crude oil output averaged 10.5 MBpd in JFM'23. Later in 2023, following two rounds of crude oil output cuts as a leading member of the OPEC group, **Saudi's production levels have been reduced by 14.7% to 9.0 MBpd.**
- As a result, their export share on the global front took a major hit. Their crude oil exports remain at low levels of 7.4 MBpd in JFM'24. *With growing global crude oil product demand, Saudi is losing more share than the net decline in export decline.*
- ***With their export levels still being lower YoY, Saudi Arabia is unlikely to announce the extension of deep output cuts post-June 2024, thus putting pressure on prices.***

FEED GRAINS

- Ongoing rabi maize arrivals particularly in Bihar and imports from Myanmar landing at Tuticorin port has weighed on the prices at key spot markets at Bihar.
- At prevailing levels, demand from bulk consumers particularly distilleries are likely to pick up.
- Margins for ethanol manufacturers would be higher at current levels especially with recent decline in DDGS prices. Overall, maize prices are expected to climb up in coming weeks.
- During AMJ'24, on back of summer bajra harvest in Gujarat arrivals are expected to improve before declining during Aug'24. This is likely to weigh on the prices though downside is expected to be limited if Guj Govt buys it at MSP (INR 2500/Qtl).
- Barley output for 2024-25 MY is estimated at 1.91 MMT vs. 1.73 MMT last year despite that overall arrivals in the country were slower compared to last year.
- Better quality than last year, farmers anticipating higher prices and increased demand from stockiest along with bulk consumer especially breweries have supported the gains in prices.
- Meanwhile, narrowing spread with maize could restrict gains and as demand from breweries weans off, barley prices could soften before eventually gaining during July'24.
- The ongoing harvest of rabi maize have soften broken rice prices though lower rabi paddy supplies in Karnataka and demand for ethanol from blending as well as potable segment to remain higher which would limit any major downside from prevailing levels.

OIL MEALS

- During Apr'24, total procurement of mustard seed by NAFED has pegged ~1.39 MMT. Mustard seed crush margin is negative at INR 454/T.
- During AMJ'24, domestic mustard cake consumption is estimated to increase 5% YoY to 1.15 MMT.
- Currently, Canada canola meal is at premium of USD 67/T versus India at Southeast Asian Nations.
- Narrow spread and higher availability of Canada canola to keep the RM meal export lower YoY from India.
- During AMJ'24, mustard meal export from India is estimated to be around 0.5 MMT lower 20% YoY
- Soybean crush during AMJ'24 is anticipated to be 1.77 MMT lower 9% YoY due to lower oil and meal demand.
- Soymeal production during AMJ'24 is estimated to be lower 9% YoY to 1.45 MMT. During AMJ'24, India soymeal export is estimated to be lower 34% YoY to 240 KMT.
- Short supply of cotton cake due to lower production to restrict any steep fall in the cotton cake prices.
- The rice bran prices since Jan'24 in Punjab has risen by 5% till Apr'24 whereas 15-20% FFA RBO prices have increased by 9% whereas DORB by 2-3% for the same period. With expectation of RBO prices to soften further, processors could offset the loss by pushing DORB prices higher.

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