

**I've got to keep breathing because tomorrow the sun will rise. Who knows what the tide could bring?**

### MARKET HIGHLIGHT

Global peanut production in 2018/19 is forecast down nearly to 44.6 million tons. Argentina, India, China, and the United States are likely to remain the primary exporters. U.S. exports are projected to decline 8 percent, mainly on slowing demand from China as its 2018/19 crop is projected at a new record. The European Union will remain the world's largest importer, followed by Indonesia.

## Stagnant market with almost zero 'x' factors

**Market Trend:** ❶ Market data provide little evidence that local market prices of crops proliferate once the harvesting season ends, disproving the notion that traders tend to artificially surge prices once the arrivals recede. Government intervention through minimum support price, is not very effective, prices shown fluctuations during and after the harvesting period. General economic conditions and global commodity prices impact local market prices, much more than traders' cartels. The domestic prices of groundnut have moved up, in tandem with the international prices that have firmed up.



❷ National Agricultural Cooperative Marketing Federation of India Ltd (NAFED) started auctioning groundnut it procured in Gujarat. It allows millers to crush the oilseeds on job work basis to supply oil through the public distribution system.

It has allowed crushing of 0.1mn tonnes of groundnut stored in Nafed warehouses across Gujarat. This is on trial basis as for the first time in India, groundnut is being processed under price support scheme. Oil millers have informed that they face tough competition from African countries and China in the export market.

❸ Indian processors have awaited long period for it's home market to surge since the bullish trend of peanut in India skipped for almost 2months. So they have started procuring peanuts from Mozambique and other African regions to sustain in the price sensitive market like Indonesia.

❹ Import markets: Vietnam – Buyers have sufficient stock in their hand and local crop continue to arrive in the markets. Demand is weak with the continual fall in price. Buyers expecting market will go down further due to higher supply and lower demand.

Philippines – Confectionary factories and overall demand towards peanut is lower due to the summer season and then most of them are in vacations. Furthermore, the BDO market have sufficient stock of peanuts.

Netherlands – The warehouses stock up peanut to the maximum hence the market have not shown import requirements. US, China & Indian peanuts stocks expected ranges between 65,000 to 75,000 MT in warehouses.

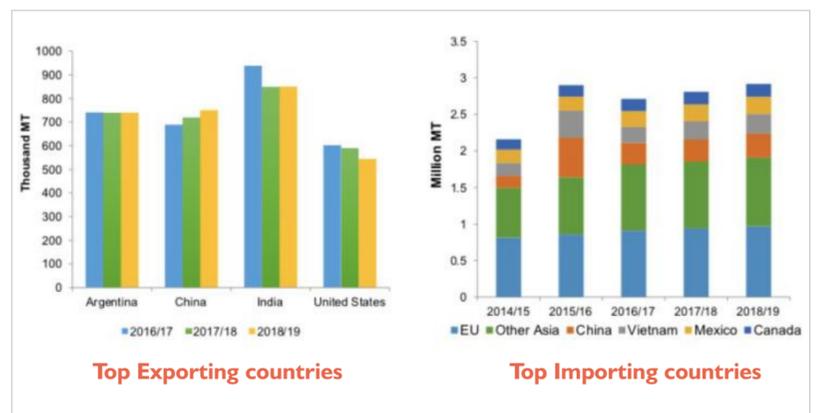


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## PEANUT PRICE BEST QUOTES MARKET TREND UPWARD

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“...shifting crop target to cotton instead of peanut could brew a bullish run...”

### Indian Peanut Market:

In 2017/18, India had a record-high peanut yield that is unlikely to be duplicated this year. Even with a modest area increase, a reduced Indian yield would lower its 2018/19 peanut crop by 500,000 tons to 6 million.

For the past 2month Indian peanut market was sluggish with the Gujarat bunch crop and the bullish sentiment in the market can be expected post Ramadan festival and with the new crops from South India will add to it. Southwest monsoon brings about 70-75% of India's annual rainfall and therefore it is of high significance to sway commodity prices in coming months. The arrival of Southwest monsoon coincides with the commencement of kharif season in India. The kharif season generally begins in India in June and ends in October even as there are variations according to area and crops sown. The expectation of a normal monsoon with higher production prospects, and a shifting crop target to cotton instead of peanut could brew a bullish run for the peanut market. God Speed India!

“...arrival quantity of the imported peanut kernel trends to be reduced...”

### International Peanut Market:

**USA:** South Georgia peanut farmers concerned by heavy rains. Only 65 percent of the 2018 Georgia peanut crop has been planted. The forecast of more heavy rain on young, already soaked plants, has farmers concerned. Some growers are now wait to see and if they can finish planting, mostly at least another one week.

**Argentina:** Positive news weather is settling down to allow proper harvesting. Negative point is that after the rainy period of at least 20 days on the dugged 70 per cent of the crop, farmers and shellers are realizing now the quality issues.

**China:** The price of the imported peanut kernel is changed according to the domestic price. Now the arrival quantity of the imported peanut kernel trends to be reduced, mostly it is the oily peanut kernel from Senegal. For other countries, because their price is higher. The domestic market can't accept it. The arriving quantity is less. The close price of the oily peanut from Senegal in Pingxiang and Dongxing port of Guangxi Province is at about 5,500 to 5,700 RMB.

**South Africa:** The latest official crop estimates of 88'000 metric tons production, local peanut experts foresee much less total output and talking about numbers below 60'000 metric tons. Yields on the dryland fields seem to be far below the expected 1'300 kg but more likely between 500 kg and 1'000 kg. Yields on irrigation are normal but not excessive.