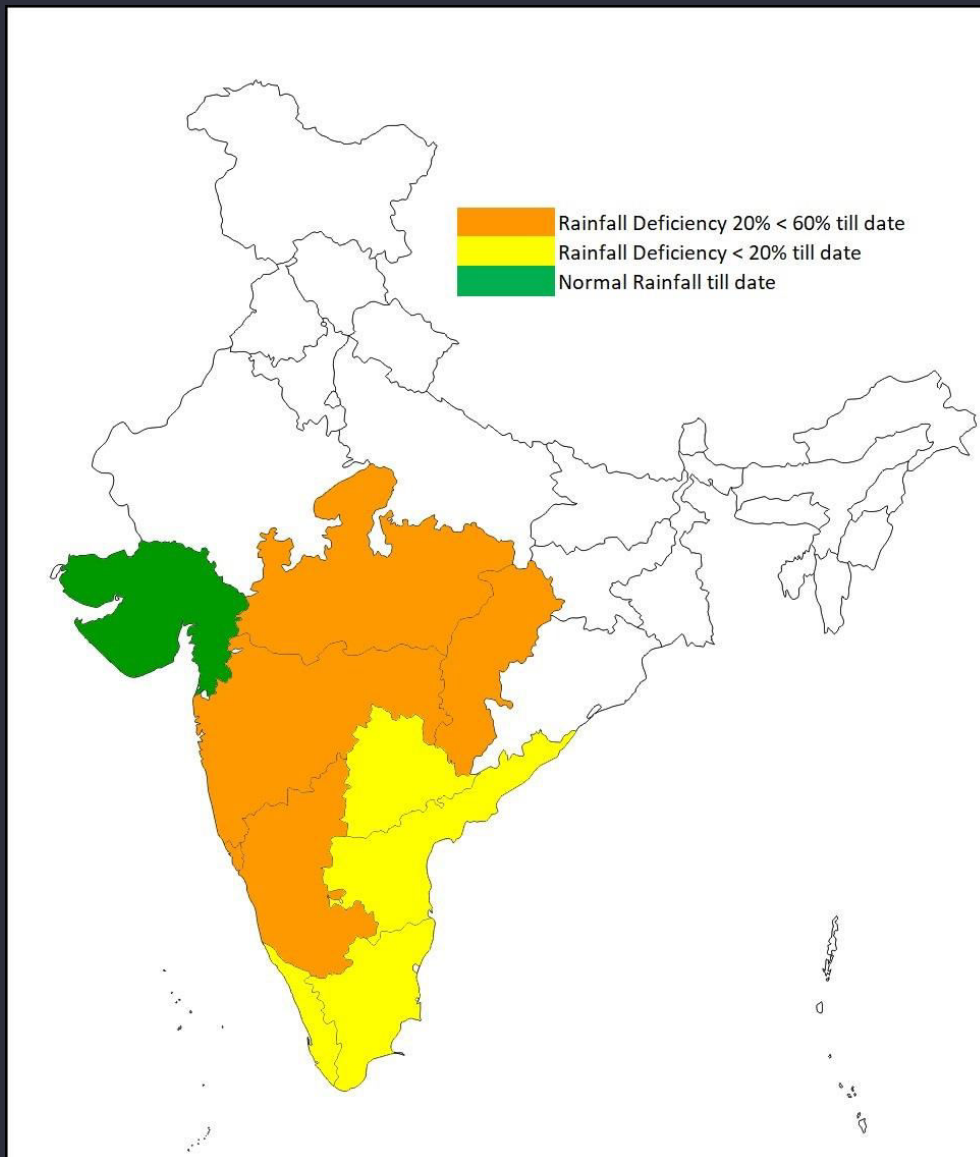


A deficient Monsoon

State of the Rains

For India, in 2019 the overall rainfall deficiency in the first half of June has widened to 43%. The southern states of Kerala, Andhra Pradesh, Telangana and Tamil Nadu are witnessing a deficiency of up to 20% while Karnataka, Maharashtra, Madhya Pradesh and Chhattisgarh see 60% shortage in rainfall. Only Gujarat has seen normal rainfall so far. However, due to cyclone Vayu and low pressure forming there is a high chance of deficient rains this year.



The Crop Effect

Planting of summer-sown crops in India such as soybean rice and corn has been delayed by at least two weeks because of the slow progress of monsoon. Oil seeds such as sesame and soya bean are expected to take the biggest hit.

We expect this to lead to a sharp increase in the price of such basic commodities. It is therefore recommended to buy when prices fall considerably during the arrival of the new crop in October to November for oil seeds.

Weekly price level update

1. **Fenugreek Seeds and Kalunji Seeds** prices increase sharply by an average **of 2.7% and 2.5% respectively on a per KG basis**. Expected to remain at increased level in the coming weeks due to high demand and short supply
2. Ginger levels crashed by approximately **5.5%**. This was also expected on account of subdued local demand on the back of low inventory turnovers and high inventory levels. We expect prices to fall further in the coming week to the tune of up to 2-3%.