

Executive Summary

The domestic soybean, meal and mustard seed prices improved during the week in review. Fresh demand in oilseeds from solvent extractors after sluggish activity in the cash markets ahead closing of finance year and festivities including, Holi and Good Friday, helped in boosting the oilseeds and meal prices.

The soybean rose due to the renewed buying and higher quotes for the beans after key mandis re-opened which either remained closed or featured dull trade activity for a couple of weeks ahead closing of finance year.

Further, the soybean supplies already fell with the traders shifting in wheat trade with the commencement of its harvest in the major growing regions.

The short-supplies lead to the decline in the bean stock with the solvent extractors subsequently leading to fresh demand in the same at higher quotes once the cash markets resumed in the first week of finance year. Active buying in the bean was featured during the period.

Besides, soy meal featured gains on weak supplies in soybean which limited the crushings to meet the domestic and overseas exports commitments during the period.

India's soy meal exports have slowed down, but their shipments are consistent. Iran, Japan, Thailand and France remained the consistent and major buyers in last several months.

Further, mustard/rapeseed prices witnessed mild gains on buying interest from millers after mandis reopened which remained closed in the last couple of weeks in March. The seed prices firmed-up despite the supplies improved compared to previous week, which was exception for supplies to fall owing to the festivities, Holi and Good Friday.

The mustard seed harvesting is in full swing in the key growing regions of Rajasthan, Uttar Pradesh, Madhya Pradesh, Haryana and Punjab. Though the supplies will increase further, but the active buying will push up the seed prices in near future.

Expected ease in the palm oil inventories in Malaysia, better Chinese buying in soybean, active buying in mustard/rapeseed in domestic cash markets and likely rise in edible oil demand will remain bullish factors lending support to the domestic oilseeds and meal prices in near-term.

International Highlights

- ❖ Buenos Aires Grains Exchange has reported that there have been interruptions in soybean harvesting due to rainfall in Argentina's south and central grains belt over the past week. It also stated that Argentine farmers have harvested 9.1 per cent their 2012-13 soybean crop so far.
- ❖ Informa Economics has increased its estimate for Argentina's 2012-13 crop to 52 million tons, from 51 million tons previously, but has decreased its figure for Brazil's soy crop to 83.25 million tons from 84.5 million tons.
- ❖ Goldman Sachs has lowered their 3-month price outlook for soybeans to \$13.50 a bushel, down from \$14. The bank also cut their 6 and 12-month outlook to \$12.50 from prior estimates of \$13.
- ❖ Malaysian Palm Oil Board will issue March stocks and production data on Wednesday. The exporters say March output was probably flat at 1.29 million-1.30 million tons and stocks in the Malaysia likely to ease between 5% and 9% to around 2.21 million tons-2.31 million tons as exports rose to 1.41 million tons.
- ❖ As per Chinese government, China's palm oil stocks at major ports seen 60,000 tons less than the level a week ago to 1.19 million tons; while, the level is 1 lakh tons less than the record at the beginning of March.
- ❖ Oil World has suggested that the worst of the shipment delays in the Brazilian ports may be over for now. The analyst expects exports to pick up from here on out which could help ease the tight global supply. It was also reported that a couple cargos of soybeans were shipped out of Argentina at the end of March to China.
- ❖ As per Brazilian trade ministry, Brazil's soybean exports rose to 35.4 lakh tons in March as compared with 9.59 lakh tons last month. However, soybean exports have fell by 16.5 per cent, which was 42.4 lakh tons in the same month a year earlier.
- ❖ IMEA has reported that the soybean harvest in the Brazil's Mato Grosso state, the country's biggest soybean grower, is likely to be 23.6 million metric tons, down from a previous forecast of 24.1 million tons due to a dry spell followed by rain at harvest time. The state's soybeans harvest was 92.6 per cent harvested as of March 21, up from 85.2 per cent a week earlier and compared with 94.4 per cent of the harvest completed a year ago.

Oil Meal Prices at Key Spot Markets:
Soy DOC Rates at Different Centers

Centers	Ex-factory rates (Rs/ton)		
	05.04.2013	29.03.2013	Parity To
Indore (MP)	35500-36000	33500	Gujarat, MP
Kota	36000	33500	Rajasthan, Del, Punjab, Haryana
Akola	36200	33500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	-	34500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	38000	34500	Andhra, AP, Kar, TN
Dhulia/Jalna	36000	35000	Mumbai, Maharashtra
Nagpur (42/46)	36500	34000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	38500-39000	35000	Local and South
Solapur	38000	35000	Local and South
Bundi	36000	33500	-

Soy DOC at Port

Centers	Port Price	
	05.04.2013	29.03.2013
Kandla (FOR) (INR/MT)	36000	34050
Kandla (FAS) (USD/MT)	656	626

International Soy DOC

Argentina FOB \$/MT	05.04.2013	29.03.2013	Change
Soybean Pellets	-	461	-
Soybean Cake Meal	-	461	-
Soybean Meal	-	469	-
Soy Expellers	-	469	-

Sunflower Meal Rates

Centers	Ex-factory rates (Rs/ton)		
	05.04.2013	29.03.2013	Change
Adoni	19900	19300	600
Khamgaon	19600	19100	500
Parli	19900	19300	600
Latur	19600	19100	500

Groundnut Meal

Groundnut Meal	05.04.2013	29.03.2013	Change
Basis 45% O&A, Saurashtra	30000	29000	1000
Basis 40% O&A, Saurashtra	28500	26000	2500
GN Cake, Gondal	31000	29500	1500

Mustard DOC/Meal

Mustard DOC/Meal	05.04.2013	29.03.2013	Change
Jaipur (Plant Delivery)	14300	13400	900
Kandla (FOR)	15000	14200	800
Sri Ganganagar	665	660	5

Oilseed Prices at Key Spot Markets:

Commodity	Centre	Prices (Rs/Qtl)		Change
Soybean		05.04.2013	29.03.2013	
	Indore –Plant	4000-4050	3650-3700	350
	Indore –Mandi	3850-3980	3500-3625	355
	Nagpur-Plant	3900	3650-3775	125
	Nagpur – Mandi	3750-3850	-	-
	Kota-Plant	4000	3650-3700	300
	Kota – Mandi	3900-3950	-	-
	Bundi-Plant	4000	3725	275
	Bundi-Mandi	3975	3600-3625	350
	Baran-Plant	3800	3750	50
	Baran-Mandi	3750	3600	150
	Bhawani MandiJhalawar– Kota Plant Delivery	4025	3750-3775	250
	Jhalawar-Mandi	3950	3600-3650	300
Rapeseed/Mustard	Jaipur – C	3520-3525	3435-3440	85
	Alwar – C	3425-3430	3350	80
	SriGanganagar(NC)	2840	2750	90
	Delhi– C	3500	3420-3425	75
	Kota	3200-3250	3150	100
	Neewai	3500	3400	100
	Hapur (UP)	3425	3375	50

Groundnut Seed	Rajkot	1040	990	50
	Junagarh	-	-	-
Sunflower Seed	Gulbarga		-	
	Latur	3600-3750	3600-3750	Unch
	Solapur	3600-3750	3550-3700	50
Sesame Seed	Mumbai (White98/2/1 FM)	10650	10450	200

Soybean Prices are in INR/Qtl. Mandi prices – Loose, Mustard Seed Prices are in INR/Qtl.C – Condition (42%),

*Groundnut seed inRs/20 kg, Sunflower Seed in Rs/Qtl

Oilseed Arrivals in Key Centers:

Commodity	Centre	Arrivals in Bags/Qtl		Chg
Soybean		Week End (05/04/2013)	Week End (29/03/2013)	
	Madhya Pradesh	165000	205000	-40000
	Maharashtra	210000	50000	160000
	Rajasthan	77000	10000	67000
	Bundi (Raj)	1700	500	1200
	Baran (Raj)	4900	4000	900
	Jhalawar (Raj)	3900	1600	2300
Rapeseed/Mustard	Rajasthan	1565000	580000	985000
*Sum Arrivals during the week.				

Crop Progress, India

In the last official planting report, the *rabi* oilseeds planting was reported ahead previous year's pace, as on 28 Mar 2013. Overall, the oilseeds planting were reported up by just 0.2 per cent.

Of the major *rabi* oilseeds crop rapeseed/mustard seed planting stood up by around 2.5 per cent at 67.53 lha compared to 65.9 lakh hectares during the same period last year. Groundnut planting was reported down by 2.2 per cent at 10.88 lakh hectares compared to 11.12 lha, sunflower planting was up by 13.6 per cent at 5.34 lha compared to 4.7 lha during the same period last year.

Area in lakh hectares

Crop	As on 28 Mar 2013	As on 28 Mar 2012	% Change
Rapeseed/Mustard Seed	67.53	65.9	2.5
Groundnut	10.88	11.12	-2.2
Safflower	1.53	1.95	-21.5
Sunflower	5.34	4.7	13.6
Sesamum	2.64	2.71	-2.6
Linseed	3.38	4.3	-21.4
Other Oilseeds	0.69	1.13	-38.9
Total Oilseeds	92.0	91.8	0.2

Source: GOI

However, linseed, sesamum and safflower planting continued to lag behind compared to the previous year.

Soybean

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Further, the soybean supplies already fell with the traders shifting in wheat trade with the commencement of its harvest in the major growing regions.

The short-supplies lead to the decline in the bean stock with the solvent extractors subsequently leading to fresh demand in the same at higher quotes once the cash markets resumed in the first week of finance year. Active buying in the bean was featured during the period.

The soybean prices are likely to gain on improved buying support.

Soy meal - FAS Kandla Vs FOB Argentina (Spread)

The domestic soy meal featured gains on weak supplies in soybean which limited the crushings to meet the domestic and overseas exports commitments during the period.

India's soy meal exports have slowed down, but their shipments are consistent. Iran, Japan, Thailand and France remained the consistent and major buyers in last several months.

Trade inquiries from the big buyers like Iran, Japan and other South-East Asian countries will further lend support the India meal prices. Preference for non-GMO meal, trade and logistic advantages will continue to remain supportive for the Indian meal.

According to the figures of the SOPA, India's Soy meal exports, which constitute the bulk of oilmeal exports, decreased by 30.66% to 3,20,265.370 tonnes in March'13 from 4,61,891.774 tonnes a year earlier.

The annual Soy meal exports in the financial year 2012-2013 (April-March) were 34,33,916.546 tonnes, decreased by 12.28 percent from 39,14,683.205 tonnes a year ago.

During the FY 2012-13 export to Iran registered exceptional growth.

Partially, export of Soybean Meal suffered during Second quarter (Q2) due to poor availability of Soybean & corresponding lower crushing.

During the first half of current Oil year (October – September), exports during October'12 to March'13 were 25,96,838.577 MT as against 27,85,831.205 MT last year or a drop of 6.78%.

The y-o-y fall in the India's soy meal export sales in the month of March is due to the demand shift towards South America owing to their competitive meal prices. This is due to the peak season in South America.

However, India's Y-o-Y soy meal prices have witnessed gains. Soy meal (Apr-May) exports price, FOR Kandla exports was quoted between Rs 33,000-36,000/MT compared to 24,300-24,800/MT during the same period last year.

Week	FAS, Soy meal Kandla	FOB, Soy meal Argentina	Avg.*Spread
30 Mar – 05 Apr	591	439	159
23 – 29 Mar	583	461	122

*FAS Kandla less FOB Argentina (Quotes in US \$)

The average weekly soy meal price spread between FAS Kandla and FOB Argentina stood at US at \$159/MT compared to US \$122/MT a week ago, indicating a widening gap in prices between Indian and Argentine meal prices. *India's soy meal exports is at the optimum levels during the period, October thru January, at the considered spread between Indian vs Argentine meal price between US \$8/MT and US \$15/MT.*

Recommendation: *The domestic soy meal is under pressure followed by competitive South American soy meal prices with harvesting picking up in the region. However, continued soy meal exports will lend support to some extent. The Indian meal exporters are advised to aggressively market their meal to the countries in vicinity including traditional South and Far-East Asian destinations to materialize the freight and logistics advantage. The prices are expected to feature range-bound movement on mixed sentiments.*

FOR, Kandla is likely feature range-bound movement between the price band of Rs.37,000-40,000/MT.

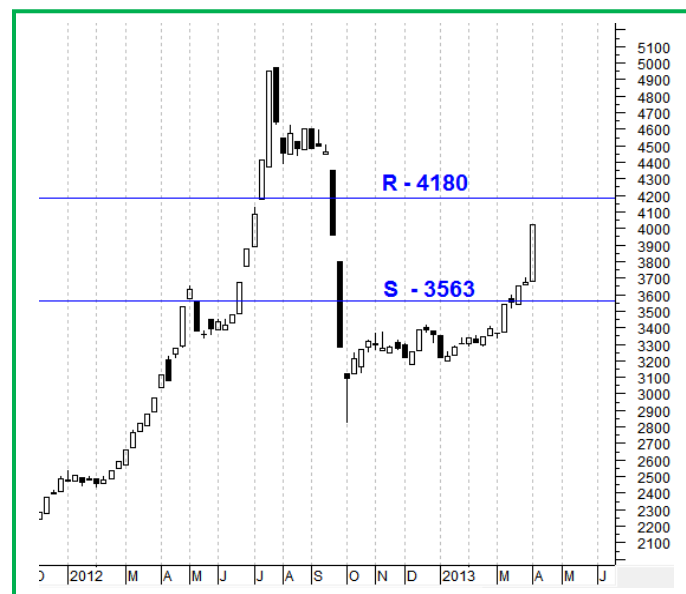
India's soy meal prices will continue to face stiff price competition to South American meal as the harvesting in the region is underway.

Technical Analysis:

NCDEX Soybean Futures-Weekly Chart



Soybean Spot, Indore



Supports & Resistances NCDEX May Soybean

S2	S1	PCP	R1	R2
3444	3656	3868	4016	4164

- Soybean extended gains consecutive third week.
- The prices closed above 9-day and 18-day EMA, indicating firm tone in near-term.
- Further, RSI and stochastic are rising in overbought region, warranting correction.
- Besides, MACD is heading upwards and positive zone.
- Prices are expected to gain during the week.
- **Trade Recommendation (NCDEX Soybean – May) – 1 Week:** BUY between 3860—3870 levels. T1 – 3950; T2 –4010 ; SL -3822.

Trade Recommendation Soybean Spot: We feel the soybean prices to feature range-bound movement with firm bias in near-term - WEEK. The prices are likely to gain and witness the price between 4000-4200 levels (Indore, Plant basis).

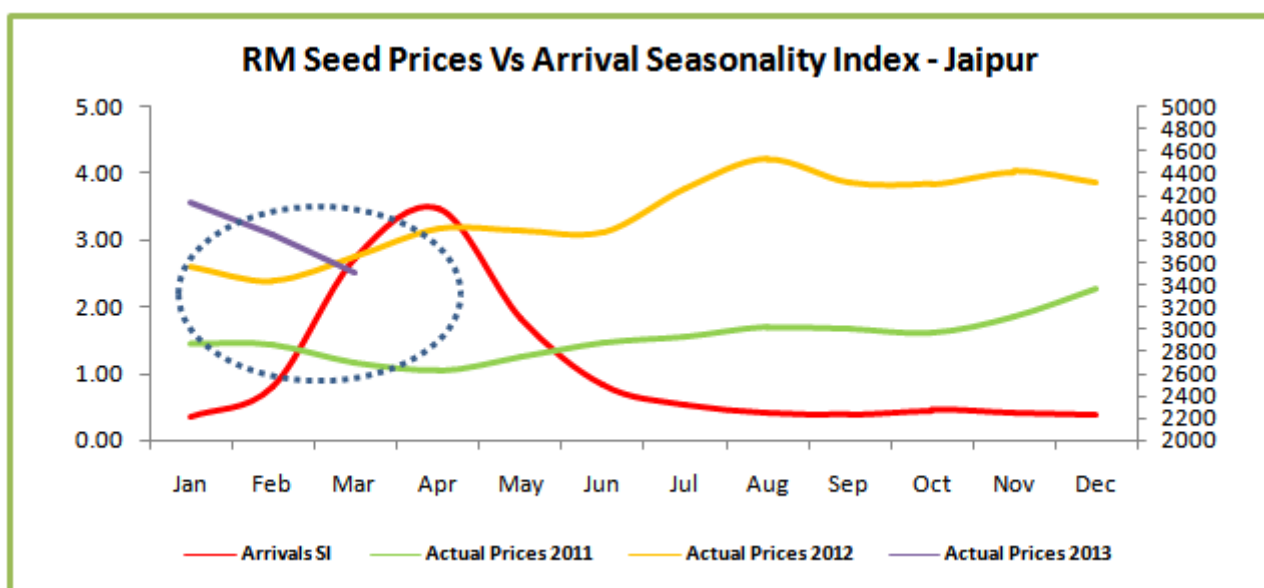
Rapeseed - Mustard Seed

Mustard/rapeseed prices witnessed mild gains on buying interest from millers after mandis reopened which remained closed in the last couple of weeks in March.

The seed prices firmed-up despite the supplies improved compared to previous week, which was exception for supplies to fall owing to the festivities, Holi and Good Friday.

The mustard seed harvesting is in full swing in the key growing regions of Rajasthan, Uttar Pradesh, Madhya Pradesh, Haryana and Punjab.

Though the supplies will increase further, but the active buying will push up the seed prices in near future.



RM Seed Supply, Rajasthan

RM Seed Arrivals in Rajasthan in Bags (85 kg each).		
Weekly Arrivals	Week Ago	Corresponding Week Last Year
15,65,000	5,80,000	8,10,000

The domestic mustard/rapeseed prices are likely to ease further on rising new crop supplies across the cash markets in the key producing regions in near-term.

Technical Analysis:

NCDEX RM Seed Futures



RM Seed Spot, Jaipur



Supports & Resistances NCDEX May RM Seed

S2	S1	PCP	R1	R2
3399	3431	3609	3705	3768

- Candlestick chart pattern featured strong gains during the week.
- Prices closed below 9-day and 18-day EMA, indicating firm tone in near and medium-term.
- MACD is rising in positive zone.
- RSI and stochastic are heading upwards in neutral region, pointing firm tone in the market.
- **NCDEX RM SEED - May) – 1 Week:** BUY between 3590-3610 levels. T1 – 3650; T2 –3700; SL -3575.

Trade Recommendation RM Seed Spot (Jaipur basis): In spot the RM seed prices are expected to feature range bound movement with firm bias, in near term, on fresh buying. The prices are likely improve and are expected to witness 3550–3600 level in near term.

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