

## Executive Summary

---

Steady to weak sentiments featured in the domestic oilseeds and meal cash markets during the week in review. Soybean featured steady tone, soy meal and rapeseed/mustard seed declined during the period.

Soybean remained flat on lackluster buying in cash markets followed by weak soy meal export sales and lower domestic meal off-take. Fall in supplies failed to lend upward support to the bean prices. Special margin of 10% in the soybean future contracts (May, Jun, Jul) on long has even discouraged the future participants on buying and heavy sell-off featured after the announcement of the margin, for effective from 30 April 2013.

Besides, Chinese cancellation of US soybean and expectations for increased US planted acreage in the 2013/14 crop year remained negative factors for the beans.

The weak supplies followed by slow farmer selling have eventually slowed-down in the domestic crushings and the crushing units are running at below their capacity. The soybean crushers have to struggle to cover the stock needed for their daily crushing as per their unit crushing capacity, hence operations of crushing units are off and on.

However, we feel the soybean prices are likely to boost with the fresh wedding demand in edible oils.

Soy meal prices extended losses consecutive third week on weak export sales and poor domestic off-take by the poultry feed manufactures. This is due to sluggish domestic poultry demand. Besides, the prices of other key feed ingredients like Bajra, Maize, mustard de-oiled cake, DCP, MBM, DRB continued to remain under pressure, consequently supporting the fall in soy meal.

Further, sluggish soy demand from China followed by bird-flu concern and competitive South American soy meal prices compared to the meal of Indian origin remained negative factors for the domestic soy meal.

But, preference for meal of Indian origin (non-GMO), trade, logistic and freight advantage will continue to support shipments in the same and limit downward potential in near-term.

Mustard seed edged lower on weak buying by the millers at the current price and in anticipation of fall in the seed prices, during the week in review. Sluggish mustard oil demand despite auspicious wedding dates and fall in BMD CPO remained negative factors for the mustard seed.

The seed supplies from Sri Ganganagar have increased in past couple of weeks, though week-on-week supplies in Rajasthan fell due to poor off-take.

Further, Malaysia's April Palm Oil Exports fell 5.6% and reported at 1.29 Mln by SGS. Better rival soybean crop prospects in South America and rising CPO output in Southeast Asia provide the catalyst for the downturn in palm oil.

However, renewed wedding demand in the edible oils is likely to lend upward support to the seed prices.

Soybean oil featured a steep premium to palm oil in the world market and with Argentina crush picking up; export demand may slow further for the US, pressuring the CBOT soy complex.

Renewed edible oil demand and steady meal demand from feed industry is likely to push up the oilseeds in near-term. Besides, easing Malaysian palm oil inventories will prove positive factor for domestic oils and fats market in near-term.

# International Highlights

- ❖ As per Safras & Mercado, Brazil's 2012-13 soybean harvest has advanced to 94 percent of the estimated area as on 26 April 2013 from 86 percent in the previous week. Harvesting is over in the top producing state of Mato Grosso. The farmers have reportedly sold 66 percent of their soybean crop. Shipments are picking up pace as logistical hurdles are easing in the Brazilian ports.
- ❖ Malaysian palm oil products export for April fell 4.3 percent to 13.1 lakh tons from March. Better buying witnessed from Indian and European buyers. India and subcontinents imports 285,270 tons in April, up 37 percent from last month – ITS.
- ❖ World production of rapeseed and canola likely to increase by 1.6 Mn T in 2013/14, as reported by Oil World.
- ❖ Argentine soya oil exports figures are expected to be boosted to at least 530 Thd T in April and to probably 600 Thd T in May. India, China and Iran are considered to be the potential buyers.
- ❖ Sales of soybeans from Brazil's 2012/13 crop have behind previous year which have reached 66 percent of the expected harvest, reported Safras & Mercado, down from 75 percent of the crop a year ago. The harvesting pace slowed due to the port workers strike in previous month, which eventually hit the logistics.

## Oil Meal Prices at Key Spot Markets:

### Soy DOC Rates at Different Centers

Centers	Ex-factory rates (Rs/ton)		
	03.05.2013	26.04.2013	Parity To
Indore (MP)	33800-34500	35500	Gujarat, MP
Kota	34000-34400	36000	Rajasthan, Del, Punjab, Haryana
Akola	34500	36000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	35700	36000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Nanded/Latur	36000	37400	Andhra, AP, Kar, TN
Dhulia/Jalna	35000	37000	Mumbai, Maharashtra
Nagpur (42/46)	36000	36500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	36000	37200-37500	Local and South
Solapur	36000	37000	Local and South
Bundi	34500	35200	-

### Soy DOC at Port

Centers	Port Price	
	03.05.2013	26.04.2013

Kandla (FOR) (INR/MT)	35000	36000
Kandla (FAS) (USD/MT)	649	663

**International Soy DOC**

Argentina FOB \$/MT	03.05.2013	26.04.2013	Change
Soybean Pellets	474	474	Unch
Soybean Cake Meal	474	474	Unch
Soybean Meal	482	482	Unch
Soy Expellers	482	482	Unch

**Sunflower Meal Rates**

Centers	Ex-factory rates (Rs/ton)		
	03.05.2013	26.04.2013	Change
Adoni	19700	19700	Unch
Khamgaon	19000	19000	Unch
Parli	19500	19500	Unch
Latur	19200	19200	Unch

**Groundnut Meal**

Groundnut Meal	03.05.2013	26.04.2013	Change
Basis 45% O&A, Saurashtra	28000	31000	-3000
Basis 40% O&A, Saurashtra	26000	29000	-3000
GN Cake, Gondal	30000	31000	-1000

**Mustard DOC/Meal**

Mustard DOC/Meal	03.05.2013	26.04.2013	Change
Jaipur (Plant Delivery)	13500	14000	-500
Kandla (FOR)	14600	14900	-300
Sri Ganganagar	615	635	-20

**Oilseed Prices at Key Spot Markets:**

Commodity	Centre	Prices (Rs/Qtl)		Change
Soybean		<b>03.05.2013</b>	<b>26.04.2013</b>	
	Indore –Plant	3900-4000	4080-4150	<b>-150</b>
	Indore –Mandi	3825-3925	3950-4060	<b>-135</b>
	Nagpur-Plant	3800-3850	4000	<b>-150</b>
	Nagpur – Mandi	3650-3800	3925	<b>-125</b>
	Kota-Plant	3925-3950	4150	<b>-200</b>
	Kota – Mandi	3800-3850	4025	<b>-175</b>
	Bundi-Plant	3900	4125	<b>-225</b>
	Bundi-Mandi	3850	4080	<b>-230</b>
	Baran-Plant	3900-3925	4000	<b>-75</b>
	Baran-Mandi	3850	-	-
	Bhawani MandiJhalawar– Kota Plant Delivery	3900	4125	<b>-225</b>
	Jhalawar-Mandi	3800-3850	4050	<b>-200</b>
Rapeseed/Mustard	Jaipur – C	3415-3420	3495-3500	<b>-80</b>
	Alwar – C	3300	3400	<b>-100</b>
	SriGanganagar(NC)	2910	2980	<b>-70</b>
	Delhi– C	3325	3400	<b>-75</b>
	Kota	3000-3050	3000-3100	<b>-50</b>
	Agra - C	3600	3725	<b>-125</b>
	Neewai	3350	3400	<b>-50</b>
	Hapur (UP)	3350	3400	<b>-50</b>
Groundnut Seed	Rajkot	960	990	<b>-30</b>
Sunflower Seed	Gulbarga	-	-	-
	Latur	3000-3450	3600-4050	<b>-600</b>
	Solapur	3650-3750	3700-3825	<b>-75</b>
Sesame Seed	Mumbai (White98/2/1 FM)	10100	10550	<b>-450</b>

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 (03/05/2013)	Week End (26/04/2013)	
	Madhya Pradesh	205000	142000	+63000
	Maharashtra	85000	150000	-65000
	Rajasthan	36000	29000	+7000
	Bundi (Raj)	950	1000	-50
	Baran (Raj)	3000	3000	Unch
	Jhalawar (Raj)	2200	1400	+800
Rapeseed/Mustard	Rajasthan	1260000	1405000	-145000
*Sum Arrivals during the week.				

## Rabi Sown Area - Oilseeds, 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
Lineed	3.38	4.3	-21.4
Other Oilseeds	0.69	1.13	-38.9
<b>Total Oilseeds</b>	<b>92.0</b>	<b>91.8</b>	<b>0.2</b>

Source: GOI

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

## Soybean

---

Soybean remained flat on lackluster buying in cash markets followed by weak soy meal export sales and lower domestic meal off-take. Fall in supplies failed to lend upward support to the bean prices. Special margin of 10% in the soybean future contracts (May, Jun, Jul) on long has even discouraged the future participants on buying and heavy sell-off featured after the announcement of the margin, for effective from 30 April 2013.

Besides, Chinese cancellation of US soybean and expectations for increased US planted acreage in the 2013/14 crop year remained negative factors for the beans.

The weak supplies followed by slow farmer selling have eventually slowed-down in the domestic crushings and the crushing units are running at below their capacity. The soybean crushers have to struggle to cover the stock needed for their daily crushing as per their unit crushing capacity, hence operations of crushing units are off and on.

However, we feel the soybean prices are likely to boost with the fresh wedding demand in edible oils.

## Soy meal - FAS Kandla Vs FOB Argentina (Spread)

---

Soy meal prices extended losses consecutive third week on weak export sales and poor domestic off-take by the poultry feed manufactures. This is due to sluggish domestic poultry demand. Besides, the prices of other key feed ingredients like Bajra, Maize, mustard de-oiled cake, DCP, MBM, DRB continued to remain under pressure, consequently supporting the fall in soy meal.

Further, sluggish soy demand from China followed by bird-flu concern and competitive South American soy meal prices compared to the meal of Indian origin remained negative factors for the domestic soy meal.

But, preference for meal of Indian origin (non-GMO), trade, logistic and freight advantage will continue to support shipments in the same and limit downward potential in near-term.

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 35,000-36,000/MT compared to 29,000-30,450/MT during the same period last year.

Week	FAS, Soy meal Kandla	FOB, Soy meal Argentina	Avg.*Spread
<b>27 Apr – 03 May</b>	627	481	<b>146</b>
<b>20 – 26 Apr</b>	-	475	-

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

There were no FAS, soy meal – Kandla quotes in the absence of any fresh deals during the week. The average weekly soy meal price spread between FAS Kandla and FOB Argentina stood at US at \$146/MT compared to US \$132/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.*

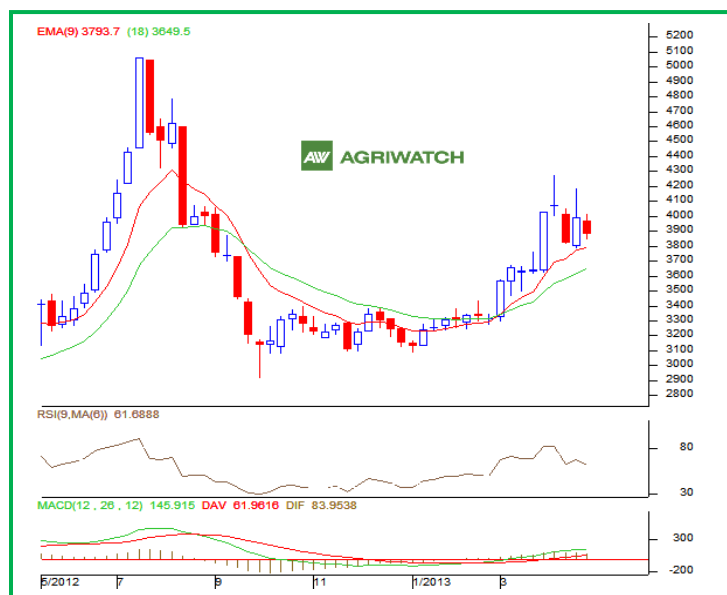
**Recommendation:** *The domestic soy meal is under pressure followed by competitive South American soy meal prices with harvesting picking up in the region. However, continued soy meal exports will lend support to some extent. The Indian meal exporters are advised to aggressively market their meal to 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.35,000-36,000/MT.*

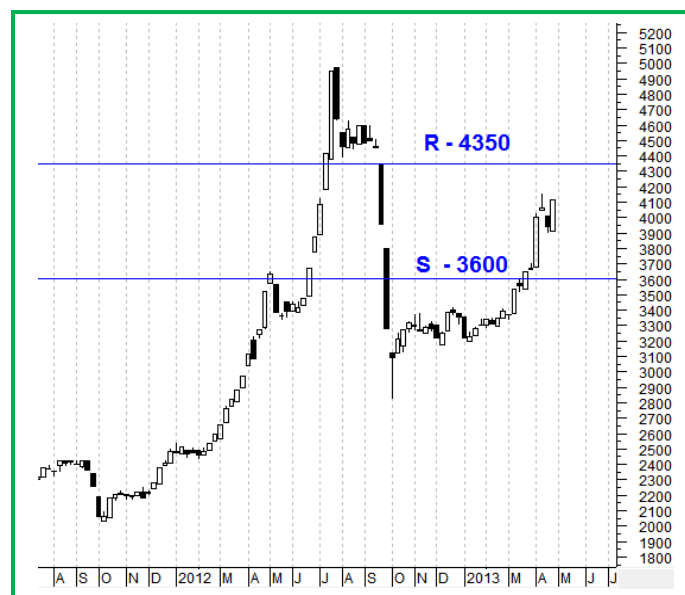
India's soy meal prices will continue to face stiff price competition to South American meal as the harvesting in the region is underway.

## Technical Analysis:

**NCDEX Soybean Futures-Weekly Chart**



**Soybean Spot, Indore**



### Supports & Resistances NCDEX Jun Soybean

S2	S1	PCP	R1	R2
3521	3631	3777.5	3941	4100

- Weekly candlesticks chart pattern indicates side-ways trade in soybean during the week.
- The prices closed above 9-day and 18-day EMA, indicating firm tone in near-term.
- RSI is easing in overbought region while stochastic is easing in neutral zone, supporting the losses.
- Besides, MACD is falling in positive territory.
- Prices are expected to slightly ease during the week.
- **Trade Recommendation (NCDEX Soybean – Jun) – 1 Week:** SELL between 3780—3790 levels. T1 – 3680; T2 –3630 ; SL -3838.

**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 4000-4100 levels (Indore, Plant basis).



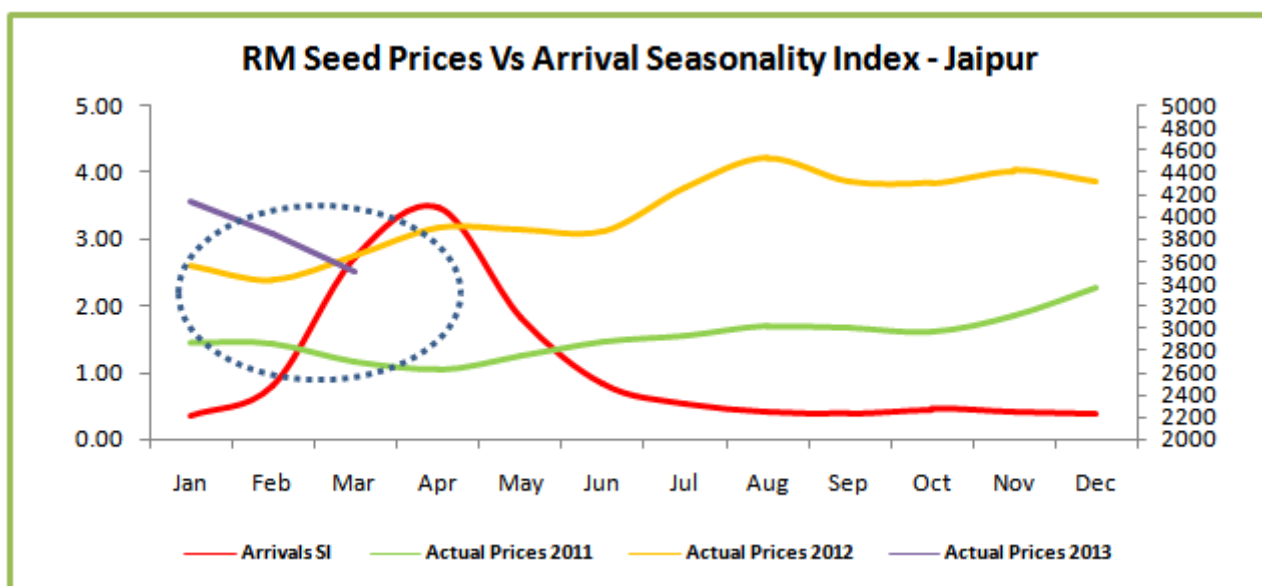
## Rapeseed - Mustard Seed

Mustard seed edged lower on weak buying by the millers at the current price and in anticipation of fall in the seed prices, during the week in review. Sluggish mustard oil demand despite auspicious wedding dates and fall in BMD CPO remained negative factors for the mustard seed.

The seed supplies from Sri Ganganagar have increased in past couple of weeks, though week-on-week supplies in Rajasthan fell due to poor off-take.

Further, Malaysia's April Palm Oil Exports fell 5.6% and reported at 1.29 Mln by SGS. Better rival soybean crop prospects in South America and rising CPO output in Southeast Asia provide the catalyst for the downturn in palm oil.

However, renewed weeding demand in the edible oils is likely to lend upward support to the seed prices.

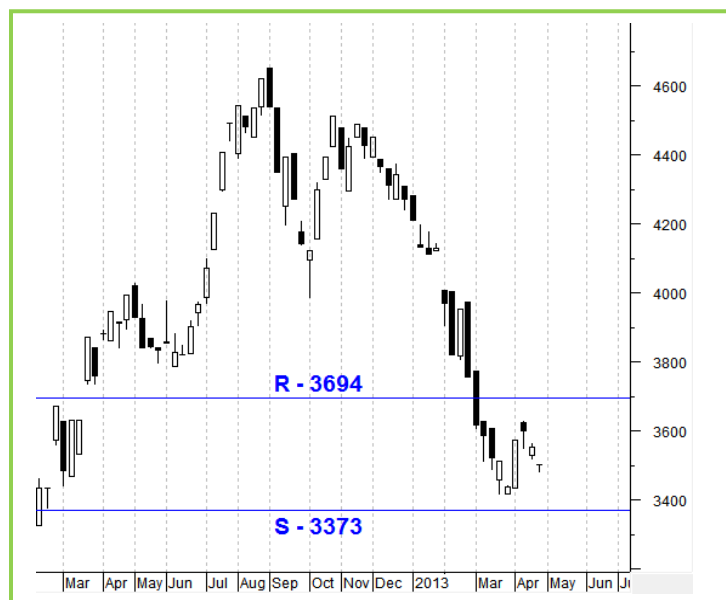


### RM Seed Supply, Rajasthan

RM Seed Arrivals in Rajasthan in Bags (85 kg each).		
Weekly Arrivals	Week Ago	Corresponding Week Last Year
12,60,000	14,05,000	5,10,000

The domestic mustard/rapeseed prices are likely to gain on active buying support 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 Jun RM Seed**

S2	S1	PCP	R1	R2
3338	3486	3635	3719	3804

- Candlestick chart pattern reveals buying interest in the market.
- Prices closed above 9-day and 18-day EMA, indicating firm tone in near and near-term.
- MACD is rising in negative zone.
- RSI and stochastic are rising in neutral region, pointing firm tone in the market.
- **Trade Recommendation (NCDEX RM SEED - Jun) – 1 Week:** BUY between 3620-3630 levels. T1 – 3700; T2 – 3750; SL -3587.

**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 3450–3510 level in near term.

**Disclaimer**

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>  
 © 2013 Indian Agribusiness Systems Pvt Ltd.