

Executive Summary

Soybean, meal and mustard seed extended losses on feeble buying during the week in review. Arrivals in soybean and RM seed further declined due to *Mahavir and Hanuman Jayanti* during the period.

Soybean featured steady tone on sluggish buying from solvent extractors in the absence of fresh edible oil and meal demand. All the big buyers refrained from the cash market and no active buying featured in the key soybean markets across major producing states.

Weak soy meal exports and lower domestic off-take continues to remain negative factor for the beans.

Both, buyers and sellers featured dull activity in the physical market. A tug of war is visible between buyers and sellers in the market. Slow selling by the big farmers and stockists is featured in anticipation of higher prices in future while the solvent extractors feel slow buying will subdue the prices from the current levels.

However, with the commencement of auspicious wedding dates, the edible oil demand is likely to pick-up in near-term which will boost the bean prices.

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India's soy meal shipments are losing the market over South American followed by price competitive with soybean harvesting in full swing in the region. Again, Bird flu concern in China is still a negative factor for the meal.

However, preference for meal of Indian origin (non-GMO), trade, logistic and freight advantage will consistently support shipments in the same and limit the losses in near-term.

Rapeseed/mustard seed prices edged lower primarily on dull buying by the millers. However, higher BMD CPO limited the losses during the week. The arrivals in the seed too declined followed by *Mahavir Jayanti*.

Cautious Chinese buying in the palm oil due to better stocks in tandem with higher inventories of edible oils at Indian ports (both worlds' top edible oil consumers) remained discouraging for the seed prices.

Poor economic data out of China and the European Union helped to pressure cash oilseeds markets during the week.

Likely renewed demand in the oilseeds to meet the fresh edible oil demand and to meet the soy meal exports commitments will support the seed and meal prices upwards. Besides, easing Malaysian palm oil inventories will prove positive factor for domestic oils and fats market in near-term.

International Highlights

- ❖ Exports of Malaysian palm oil products for April 1-25 rose 5.2 percent to 1,123,129 tonnes from 1,067,140 tonnes in the March 1-25 period, cargo surveyor Intertek Testing Services, said last week.
- ❖ As per Oil World reports, the fall in crushings resulted in a sharp decline by 3.0 Mn T or 35% in combined Argentine and Brazilian soya meal shipments in Jan/March 2013.
- ❖ Vietnam's consumption of edible oils and of oilmeals have shown impressive growth rates of an average 6-8% in recent years - Oil World.
- ❖ As reported by the Oil World, South American soybean shipments are gaining momentum, they are likely to have reached 9.3 Mn T in April and at least 10.0 Mn T in May.
- ❖ Chinese March imports sharply reduced for soybeans, soya oil and rapeseed meal. But surprisingly higher imports of canola, canola oil and palm oil were recorded.
- ❖ In Argentina the unofficial exchange rate vis-a-vis the US dollar have rose to a new record of AR\$ 8.86, more than 70% above the official exchange rate, which makes it more unattractive for Argentine farmers to sell their crops – Oil World.
- ❖ Weather in North America set to improve in the next 7-10-days, improving the US soybean planting prospects in coming days.
- ❖ Crop forecaster Lanworth said it raised its outlook for 2013/14 U.S. corn and soybean production due to recent rains that boosted yield expectations. Lanworth said it expects soybean production to 3.420 billion bushels up from previous estimates of 3.380 billion.

Oilseed Prices at Key Spot Markets:

Commodity	Centre	Prices (Rs/Qtl)		Change
Soybean		26.04.2013	19.04.2013	
	Indore –Plant	4080-4150	3950-4050	+100
	Indore –Mandi	3950-4060	3825-3950	+110
	Nagpur-Plant	4000	3900-3950	+50
	Nagpur – Mandi	3925	3800-3950	-25
	Kota-Plant	4150	4050	+100
	Kota – Mandi	4025	3950-4000	+25
	Bundi-Plant	4125	3975	+150
	Bundi-Mandi	4080	3950	+130
	Baran-Plant	4000	3975-4000	Unch
	Baran-Mandi	-	-	-
	Bhawani MandiJhalawar– Kota Plant Delivery	4125	4000	+125
	Jhalawar-Mandi	4050	3900-3950	+100
Rapeseed/Mustard	Jaipur – C	3495-3500	3560-3565	-65
	Alwar – C	3400	3400	Unch
	SriGanganagar(NC)	2980	2980	Unch
	Delhi– C	3400	3450	-50
	Kota	3000-3100	3000-3100	Unch
	Agra - C	3725	3800	-75
	Neewai	3400	3450	-50
	Hapur (UP)	3400	3425	-25
Groundnut Seed	Rajkot	990	1020	-30
Sunflower Seed	Gulbarga	-	-	-
	Latur	3600-4050	3600-3950	+100
	Solapur	3700-3825	3650-3850	-25
Sesame Seed	Mumbai (White98/2/1 FM)	10550	10550	Unch

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 (26/04/2013)	Week End (19/04/2013)	
	Madhya Pradesh	142000	215000	-73000
	Maharashtra	150000	175000	-25000
	Rajasthan	29000	52000	-23000
	Bundi (Raj)	1000	1100	-100
	Baran (Raj)	3000	4300	-1300
	Jhalawar (Raj)	1400	3200	-1800
Rapeseed/Mustard	Rajasthan	1405000	1670000	-265000
*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
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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Both, buyers and sellers featured dull activity in the physical market. A tug of war is visible between buyers and sellers in the market. Slow selling by the big farmers and stockists is featured in anticipation of higher prices in future while the solvent extractors feel slow buying will subdue the prices from the current levels.

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Soy meal - FAS Kandla Vs FOB Argentina (Spread)

Soy meal prices declined consecutive second week on weak export sales and poor domestic off-take by the poultry feed manufactures. This is due to the fall in the domestic poultry demand. Further, other feed ingredients like Bajra, Maize, DCP, MBM, DRB prices extended losses this in tandem, consequently supporting the fall in soy meal.

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However, preference for meal of Indian origin (non-GMO), trade, logistic and freight advantage will consistently support shipments in the same and limit the losses 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 26,100-28,200/MT during the same period last year.

Week	FAS, Soy meal Kandla	FOB, Soy meal Argentina	Avg.*Spread
20 – 26 Apr	-	475	-
13 – 19 Apr	590	458	132

*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 \$132/MT compared to US \$152/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.36,000-37,200/MT.

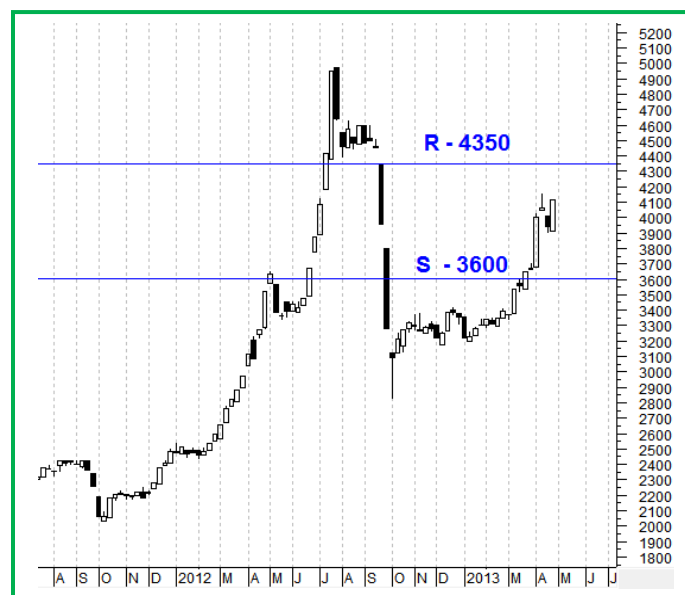
India's soy meal prices will continue to face stiff price competition to South American meal as the harvesting in the region is underway.

Technical Analysis:

NCDEX Soybean Futures-Weekly Chart



Soybean Spot, Indore



Supports & Resistances NCDEX Jun Soybean

S2	S1	PCP	R1	R2
3541	3682	3821.5	3971	4121

- Weekly soybean prices closed above previous week, indicating gains during the week.
- The prices closed above 9-day and 18-day EMA, indicating firm tone in near-term.
- RSI is heading upwards in overbought zone, supporting the gains.
- Besides, MACD is heading easing in positive zone.
- Prices are expected to gain during the week.
- **Trade Recommendation (NCDEX Soybean – Jun) – 1 Week:** BUY between 3810—3820 levels. T1 – 3900; T2 –3950 ; SL -3772.

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 4150-4250 levels (Indore, Plant basis).

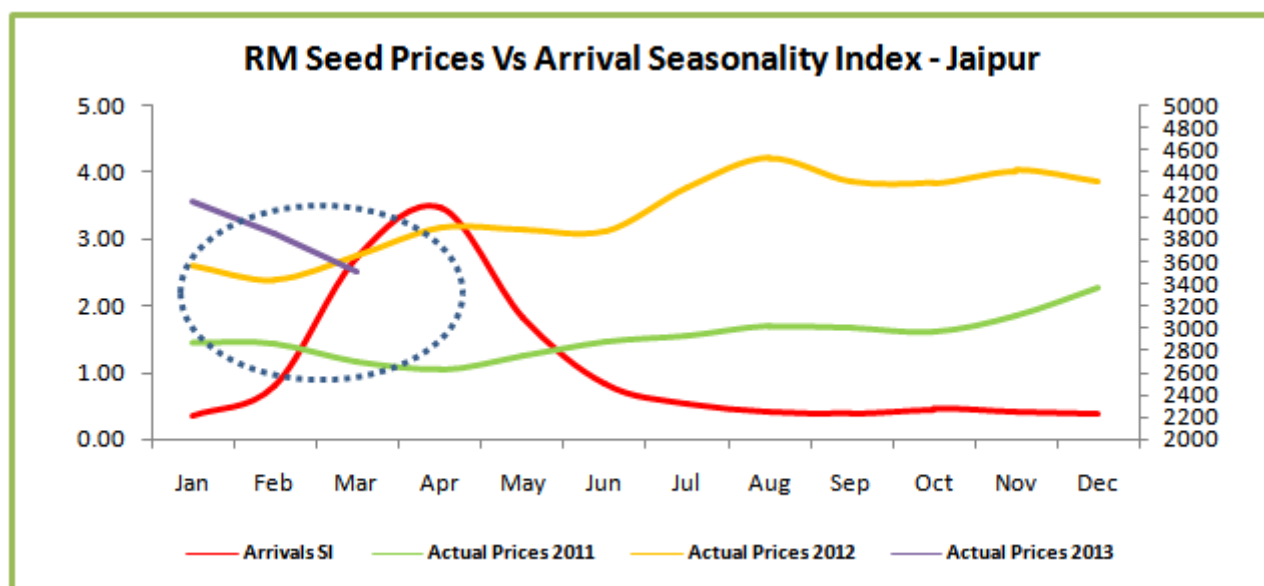
Rapeseed - Mustard Seed

Rapeseed/mustard seed prices edged lower primarily on dull buying by the millers. However, higher BMD CPO limited the losses during the week. The arrivals in the seed too declined followed by Mahavir Jayanti.

Cautious Chinese buying in the palm oil due to better stocks in tandem with higher inventories of edible oils at Indian ports (both worlds' top edible oil consumers) remained discouraging for the seed prices.

Poor economic data out of China and the European Union helped to pressure cash oilseeds markets during the week.

The market participants are eagerly waiting for China to open the rape extract import and looking for the opportunity. Import restrictions from China, after it found traces of malachite green in the rapeseed extract imported by the country in December 2011 have hurt India's rapeseed shipments to a large extent.



RM Seed Supply, Rajasthan

RM Seed Arrivals in Rajasthan in Bags (85 kg each).		
Weekly Arrivals	Week Ago	Corresponding Week Last Year
14,05,000	16,70,000	5,65,000

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
3457	3498	3540	3633	3674

- Doji candle indicate indecision in the market.
- Prices closed below 9-day and 18-day EMA, indicating weak tone in near and medium-term.
- MACD is easing in positive zone.
- RSI and stochastic are easing in neutral region, pointing weak tone in the market.
- **Trade Recommendation (NCDEX RM SEED - Jun) – 1 Week:** SELL between 3540-3550 levels. T1 – 3480; T2 –3430; SL -3578.

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 3510–3570 level in near term.

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