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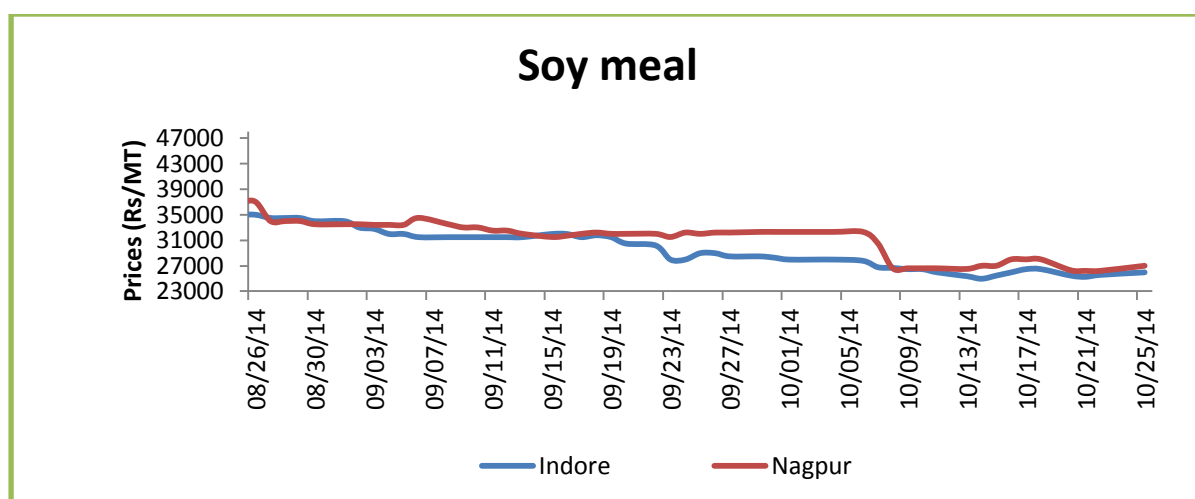
Summary

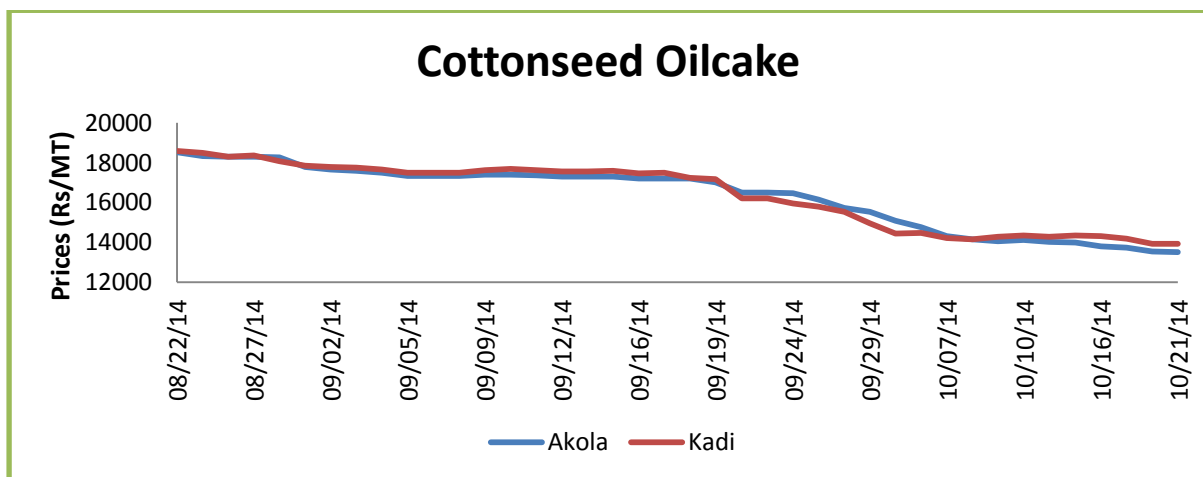
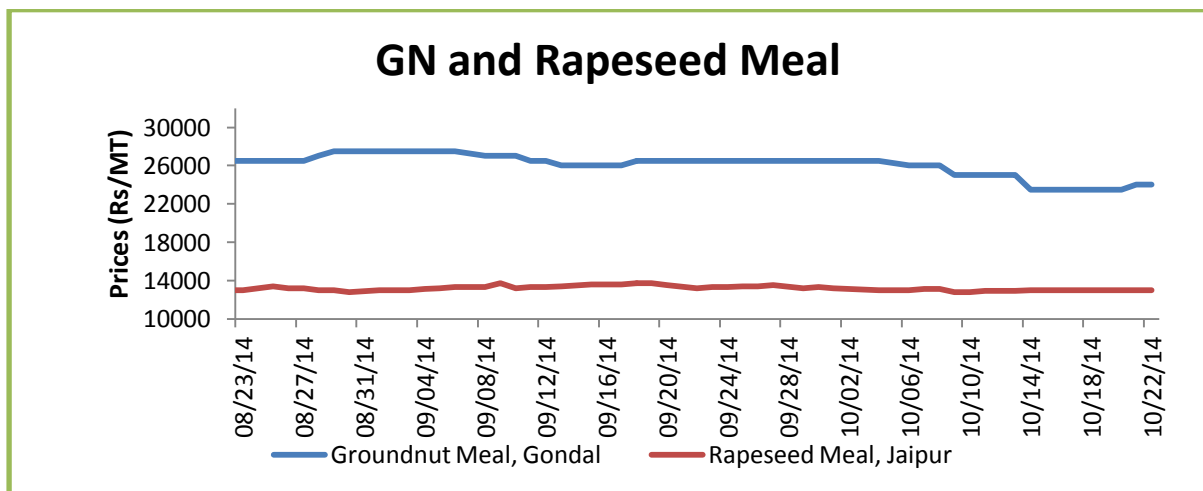
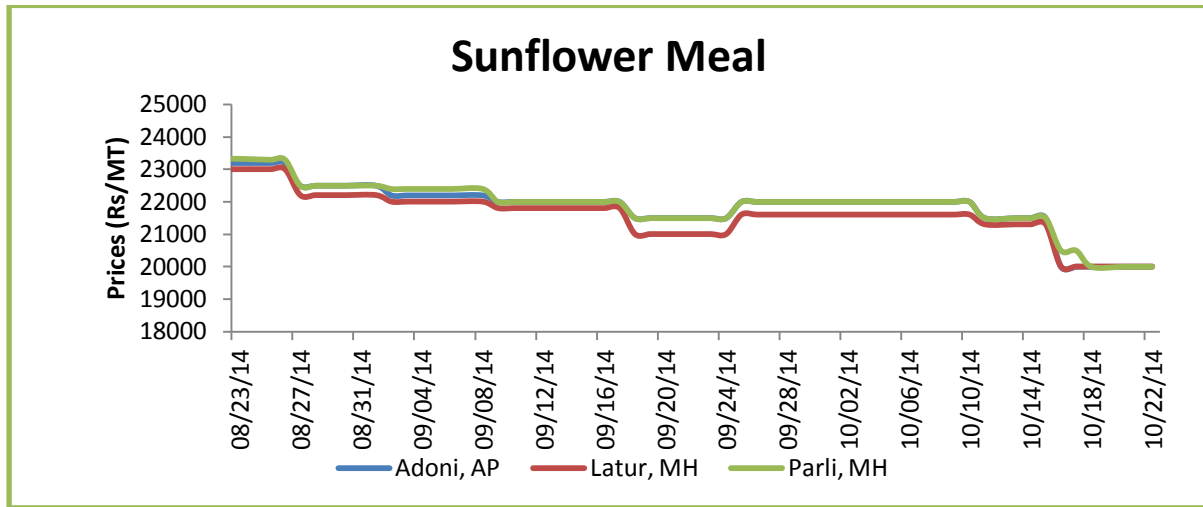
The grain and soybean markets remained closed for festivities during the week under review. The sentiments remain intact (weak) for the short-term on bearish supply scenario.

In previous week, soybean edged-lower on supply pressure followed by soybean harvesting gaining momentum in the key growing states. The bean supplies substantially increased in recent days and the old crop stocks have been fully cleared with rising new supplies.

Dull trade activity featured in soy meal during the week on festivities. Soy meal continued to feature losses in tandem with soybean and mustard seed during the week under review. The sentiments remain intact (weak) for short-term.

Trend – Raw Material, Feed





Source: AgriWatch

Executive Summary

The grain and oilseeds markets remained closed for festivities during the week under review. Soybean, soy meal and RM seed prices remained near previous week's level.

Soybean:

- ❖ Soybean remained weak on supply pressure followed by soybean harvesting gaining momentum in the key growing states. The bean supplies substantially increased in recent days.
- ❖ The new crop supplies have gained momentum in Madhya Pradesh, Maharashtra and Rajasthan. The daily arrivals in Madhya Pradesh have surged 3.5 to 4.0 lakh bags compared to 1.5 – 2.0 lakh bags previously.
- ❖ The harvest of US soybean crop as on Oct 12 is complete by 40% by the date which is lower than the 5 year average of 53%. Dropping leaves is reported at 91% which is at par with 5 year average. The crop is 73% in good to excellent condition. The weather in the US mid-west continues to be favourable for the crop left for harvesting, adding bears to the fundamental.
- ❖ The USDA's October'14 monthly World Agriculture Supply and Demand report was bearish as it once again increased the US soybean yield to 47.1 bushels per acre from 46.6 bu per acre in September which eventually increased the US soybean production to 3.927 billion bushels from 3.913 bbu estimated on September report.

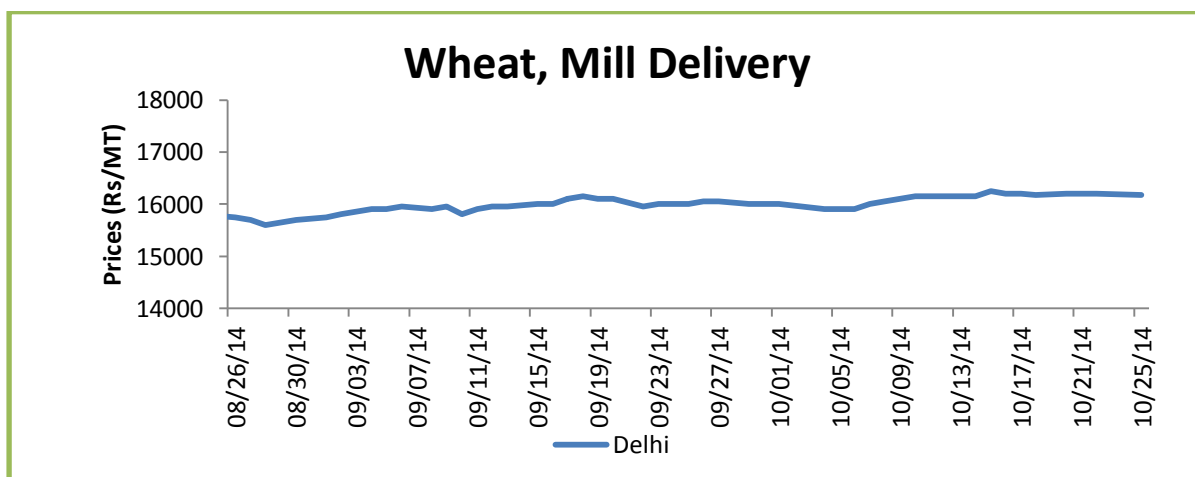
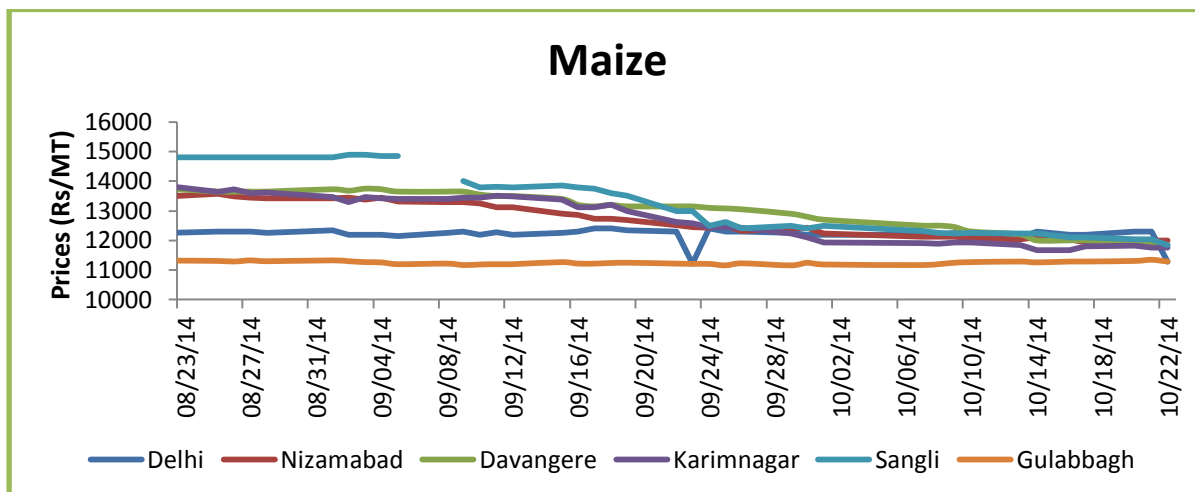
Soy meal:

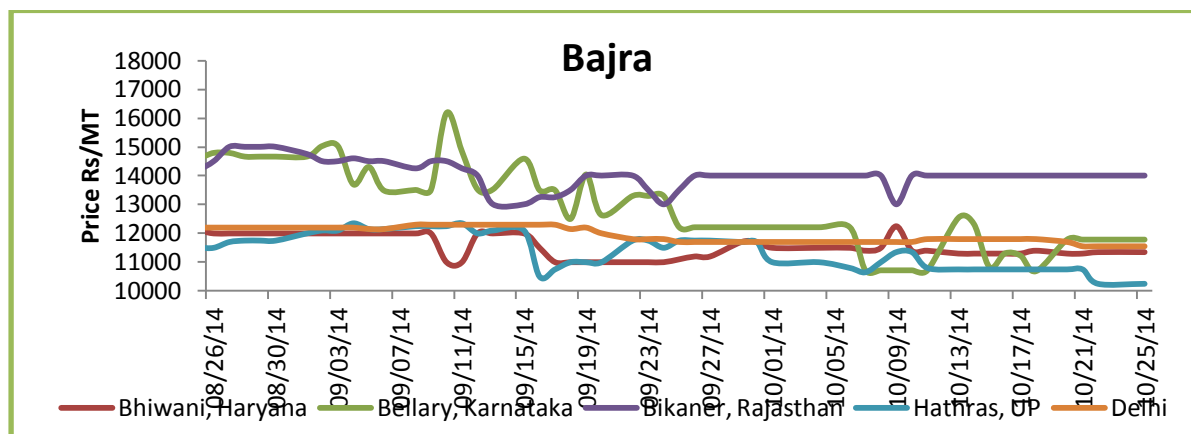
- ❖ Soy meal witnessed losses in tandem with soybean and mustard seed during the week under review.
- ❖ Sharp fall in India's soy meal shipments during the season 2013-14 and season's lowest exports in September continued to pressure the domestic meal market.
- ❖ Likely rise in the global soy meal supplies in 2014/15 season with surge in soybean production in US and expected rise in planting in Brazil and Argentina kept the meal under pressure.
- ❖ The domestic soybean crushing is picking up the pace with rising new crop supplies which will eventually lead to the increase in soy meal supplies in coming days.
- ❖ Iran, France and Sri Lanka remained the key buyers of Indian soy meal during the season.
- ❖ As discussed earlier that the soy meal price spread between Argentina and India has narrowed second consecutive month which was wider for quite a long time owing to the competitive Argentine meal prices as compared to India's.
- ❖ India's oilmeal shipments declined by 73% to 82,749 tonnes in September this year which was recorded at 3,01,717 tonnes in the corresponding period last year.

RM Seed:

- ❖ RM seed witnessed losses pressured by the soybean on surge in new bean supplies and bearish global outlook in near-term.

- ❖ The monthly Malaysian Palm Oil Board data was bearish with increased report of palm oil inventories from previous month, another major pressurizing factor.
- ❖ Malaysia's palm oil inventories by the end of September surged to 1.8 percent to 2,089,859 tonnes against 2,053,175 tonnes at the end of August, reported by Malaysian Palm Oil Board this week.
- ❖ The increase in inventories in the world's second-largest palm oil producer was above the market expectations for end-stocks to hold steady near a more than one-year high of 2.05 million tonnes.
- ❖ Further, Indonesia is likely to keep its export tax on crude palm oil at zero for November to give the market a boost and curb inventories. Meanwhile, Malaysia has already exempted the export taxes on crude palm oil from September until the end of December. These steps will make the availability and imports of palm oil cheaper in the international market.





Source: Agriwatch (Prices: Maize-Industrial/Feed Grade. Wheat-Mill Delivery: Narela Market, Delhi)

Steady to slightly firm sentiments witnessed in major spot markets of maize during the week under review. Prices of maize decreased in Sangli while it traded firm in Shimoga, Gadag, Nizamabad and Khanna and it traded almost unchanged in Delhi, Nizamabad, Ludhiana last week.

However, sentiment remains unchanged (weak) as most of the time, markets of maize were closed due to Diwali festival. In Nizamabad, new crop contain 14-19% moisture while in Davangere, it contain around 20-22% moisture.

As per IBIS data, exports of corn were reported around 0.0081 million tons for the period of Oct 13 to Oct 19, 2014 mainly to Nepal, Malaysia, Singapore and Sri Lanka.

In Gulabghat mandi, maize traded down by Rs.35 per quintal to Rs. 1100 per quintal as compared to last week. Maize is moving towards Kolkata at Rs. 1275-1280 per quintal on delivered basis sourced from Naugachia region of Bihar.

Higher moisture contain around 20 to 22 percent keeps traders/buyers away from any active buying at this point of time. However, pick up in arrival is expected by the end of October. Lower demand in local market, better carry in stock and major buyer's wait and watch strategy would restrict market to trade lower. Overall sentiment remains weak at this point of time.

In Delhi, hybrid maize traded up by Rs. 10 per quintal to Rs 1250-1260 per qtl. as compared to last week, sourced from U.P. Sources revealed that maize could trade steady to weak in the near term.

As per USDA, U.S accumulated corn export figures reached to 56,33,428 metric tons for the 2014-15 marketing year. Exports of 6,76,700 MT reported by U.S to Mexico (194,400 MT), Colombia (111,100 MT), Japan (106,900 MT), Venezuela (64,000 MT), and Peru (50,500 MT) for the period October 10-16, 2014.

As per the latest crop progress report released by USDA, 93% crop of corn has matured, same from the last year but below by 1% from the last 5 year average period. Besides, 31% crop has been

harvested, below 7% from last year and 22% from the last 5 year average period. 74% corn crop is in good to excellent condition as of 19th October, 2014, same from the last week but higher by 14% from last year.

Outlook

Feed prices are expected to trade steady as no major change in feed ingredients prices during last week.

Spreads

Maize Average Weekly spread with Bajra

Week	Nov'13	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14	May'14	Jun'14	July'14	Aug'14	Sep'14	Oct'14
1	237.5	205.0	127.0	132.5	129.0	160.0	109.0	-0.83	-17.0	27.0	0.00	59.0
2	233.0	192.5	135.0	134.0	146.0	162.5	83.0	-20.0	25.0	20.0	-3.00	62.0
3	223.3	160.0	122.0	107.0	141.0	161.0	28.0	-62.0	30.0	8.0	6.00	93.0
4	207.5	153.0	145.0	134.0	155.0	158.0	20.0	-65.0	42.5	-0.8	63.0	
5		152.0					5.0		30.0		60.0	

*Market Center: Delhi. Maize – loose price. Maize prices less Bajra

As the table depicts, in Delhi spot market, maize spread with bajra traded firm as maize traded firm with the decrease in prices of bajra during last week. We expect that both commodities could trade steady to weak in the near term and keep maize spread with bajra intact as compared to last week.

Maize Average Weekly spread with Jowar

Week	Nov'13	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14	May'14	Jun'14	July'14	Aug'14	Sep'14	Oct'14
1	487.5	450.0	357.0	318.0	269.0	-101.0	-604.0	-	-	-785.0	-781.6	-669.0
2	492.0	460.0	317.0	293.0	342.0	-145.0	-615.0	-940.0	-902.0	-768.0	-773.0	-760.0
3	471.6	436.0	310.0	201.0	354.0	-141.0	-966.0	-	-902.0	-896.0	-873.0	-547.0
4	450.0	446.0	320.0	245.0	207.0	-240.0	-1078.0	-	-727.5	-781.0	-795.0	
5	370.0		422.0					-	-740.0		-770.0	

*Market Center: Delhi. Maize – loose price. Maize prices less Jowar

As the table depicts, maize spread with jowar traded firm as jowar traded down during last week. We expect that jowar could trade steady in the near term and keep maize spread with jowar in the negative zone.

Maize Average Weekly spread with Barley

Week	Nov'13	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14	May'14	Jun'14	July'14	Aug'14	Sep'14	Oct'14
1	237.5	185.0	127.0	158.0	102.5	180.0	144.0	47.0	-95.0	-128.0	-112.0	-122.5
2	231.0	187.5	143.0	135.0	137.0	217.5	85.0	0.0	-88.0	-102.0	-117.0	-100.0
3	216.7	157.0	150.0	102.5	144.0	258.0	61.0	-68.0	-71.0	-112.0	-109.0	-147.0
4	189.2	171.0	170.0	143.0	163.0	208.0	87.0	-80.0	-107.5	-109.0	-105.0	
5		155.0					78.0		-140.0		-110.0	

*Market Center: Delhi. Maize – loose price. Maize prices less Bajra

As the table depicts, in Delhi spot market, maize spread with barley traded down as barley traded firm vs. maize during last week. We expect that barley could trade steady in the near term and keep maize spread with barley down as compared to last week.

Maize Average Weekly spread with Wheat

Week	Nov'13	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14	May'14	Jun'14	July'14	Aug'14	Sep'14	Oct'14
1	-132.5	-186.2	-160.0	-176.0	-175.0	-55.0	-57.5	-182.5	-277.0	-240.0		-309.0
2	-150.0	-175.0	-166.0	-177.0	-109.0	17.5	-122.5	-222.5	-246.0	-270.0	-269.0	-306.0
3	-205.0	-187.0	-191.0	-221.0	-120.0	6.0	-173.0	-306.0	-302.0		-312.5	-318.0
4	-205.8	-126.0	-197.0	-177.0	-26.0	-36.0	-169.0	-301.0	-252.0		-288.0	
5		-131.0					-173.0		-240.0		-297.5	

*Market Center: Delhi. Maize – loose price. Maize prices less Wheat

As the table depicts, maize spread with wheat decreased as wheat traded firm vs. maize during last week. We expect that wheat could trade steady to slightly firm in the near term and keep maize spread with wheat down during next week.

Annexure

Oil Meal Prices at Key Spot Markets:

Soy DOC Rates at Different Centres

Centres	Ex-factory rates (Rs/ton)		
	22-Oct-14	17-Oct-14	Parity To
Indore (MP)	25500-25600	26500	Gujarat, MP
Kota	26000	26500	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	28200	2800-28500	Mumbai, Maharashtra
Nagpur (42/46)	26200	27500-28000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	NA	28500	Andhra, AP, Kar, TN
Latur	28000	28400	-
Sangli	28200	29100	Local and South
Sholapur	28000	28800	Local and South

Akola	26500	27500	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	NA	28300	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	26500	26500	-

Soy DOC at Port

Centers	Port Price	
	22-Oct-14	17-Oct-14
Kandla (FOR) (INR/MT)	27350	27500
Kandla (FAS) (USD/MT)	447	446

International Soy DOC

Argentina FOB \$/MT	23-Oct-14	16-Oct-14	Change
Soybean Pellets	436	417	19
Soybean Cake Meal	436	417	19
Soybean Meal	444	425	19
Soy Expellers	444	425	19

Sunflower (DOC) Rates

Centers	Ex-factory rates (Rs/ton)		
	22-Oct-14	17-Oct-14	Change
Adoni	20000	20000	Unch
Khamgaon	NA	NA	-
Parli	20500	20500	Unch
Latur	20000	20000	Unch

Groundnut Meal

Groundnut Meal	22-Oct-14	17-Oct-14	Change
Basis 45% O&A, Saurashtra	24500	24000	500
Basis 40% O&A, Saurashtra	21500	21000	500
GN Cake, Gondal	24000	23500	500

Mustard DOC/Meal

Mustard DOC/Meal	22-Oct-14	17-Oct-14	Change
Jaipur (Plant Delivery)	13000	13000	Unch
Kandla (FOR)	14000	14000	Unch

Maize Spot Market Prices (Rs. /Quintal)

Market	Grade	22 Oct,2014	Week Ago	Month Ago	2 Month Ago	Year Ago
Delhi	Hybrid	1250	1250	1240	1220	1420
Davangere	Bilty	1000	NA	1220	1270	NA
Ahmedabad	Feed	1340	1320	1340	1380	1400
	Starch	1320	1320	1300	1300	1340

FOB, C&F – Maize at Various Destinations (USD/ton)

	Argentina	Brazil	US	India (Bihar Origin)
FOB	174.41	178.45	182.28	236.38
Cost and Freight (Thailand)	224.41	233.45	242.28	271.38

Soy Meal Exports (In MT):

Month	2010	2011	2012	2013	2014
Jan	240318	574996	474993	620133	364444
Feb	220552	540360	344240	577589	183551
Mar	163666	410537	460464	320265	232176
Apr	60264	305033	313832	100311	75884
May	60575	176819	142588	97546	8226
Jun	98400	117600	180987	213564	2636
Jul	166632	139547	168341	107038	6682
Aug	176138	165510	10005	183555	2778
Sep	290868	225921	6525	173381	
Oct	404960	223594	49840	182724	
Nov	443488	397659	517103	503269	
Dec	611157	798041	510698	451314	
Total	2937018	4075617	2668918	3512217	876377

Feed Ingredient Prices at a Glance

<u>Commodity</u>	<u>State</u>	<u>Variety</u>	<u>Centre</u>	<u>22-Oct-14</u>	<u>17-Oct-14</u>	<u>Change</u>
Bajra	Karnataka	Hybrid	Bellary	1178	1122	56
		Hybrid	Bangalore	1900	1900	Unch
Jowar	Karnataka	White	Bangalore	2400	2400	Unch
		White	Bellary	1341	1369	-28
Maize	Karnataka	Yellow	Davangere	1000	960	40
	Andhra Pradesh	Yellow	Nizamabad	Closed	1140	-
Rice	Haryana	IR8	Karnal	2000	2000	Unch
		Parmal Raw	Karnal	2400	2400	Unch
Soy meal	Madhya Pradesh	DOC	Indore	2560	2650	-90
	Maharashtra	DOC	Sangli	2820	2910	-90
Sunflower Meal	Andhra Pradesh	Ex-factory	Adoni	2000	2000	Unch
	Maharashtra	Ex-factory	Latur	2000	2000	Unch
Mustard	Rajasthan	Plant delivery	Jaipur	1300	1300	Unch
Groundnut Meal	Gujarat	GN Cake	Gondal	2400	2350	50
Cottonseed Oil Cake	Gujarat	Ex- Mandi	Kadi	1392	1417	-25
Cottonseed Oil Cake	Maharashtra	Ex- Mandi	Akola	1350	1372	-22

Note: Prices Rs/ Qtl

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