

## Executive Summary

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Soybean, soy meal and RM seed rebound on renewed buying to meet the fresh edible oil and meal demand. Besides, higher international soybeans with better Chinese buying remained supportive for the oilseeds market.

### **Soy meal:**

- ❖ Soy meal rebound on expected rise in overseas and domestic demand during the month under review. However, the demand remained lower than the expected at both the front.
- ❖ The overseas meal demand slightly improved m-o-m but it remained significantly lower compared to the same period last year.
- ❖ Further, the domestic meal demand too slightly suffered with the concern of the outbreak of bird-flu in some parts of Kerala.
- ❖ The domestic soy meal demand increases with the rise in poultry consumption in winter which keeps the soy meal market stable. Further, overseas meal demand gets shifted to India with increased pace in the soybean crushings.
- ❖ However, global supply pressure and weakness in crude in conjunction with subdued Malaysian palm oil limited the upside in domestic soy meal.
- ❖ India's soy meal shipments in October 2014 rose as compared to September'14 but it was 84% lower than the same period last year.
- ❖ The market is waiting for the oilmeal export figures in November. India exported about 503,269 MT of soy meal in November 2013.

### **Soybean:**

- ❖ Soybean posted gains on fresh seasonal demand from solvent extractors and supplies declining towards the end of the month from its recent peak.
- ❖ The solvent extractors and stockists are covering their stocks for their crushing needs in future and to meet soy meal exports/forward booking obligations. Weak soy meal export sales and lower soy oil prices limited the gains in the beans with widening crush margin.
- ❖ The domestic soybean supplies continued to ease from its peak, the daily average arrivals of Madhya Pradesh fell to 2.4 - 2.5 lakh bags which were between 4.5 – 5 lakh bags initially during the month, Nov.

- ❖ Further, the concern regarding plantings and crop prospects in South America has eased with improved moisture conditions in several growing areas in the region. The soybean plantings Argentina is complete by 44.8% of the total estimated but still behind above 1.0 Mn ha from same period last year.

**RM Seed:**

- ❖ RM seed regained on supportive buying from millers and the stockists to meet the fresh seasonal mustard oil demand. The seed witnessed some losses in October due to cautious buying but it moved up in November with active millers buying during the period.
  - ❖ The mustard oil consumption improves as the weather temperature dips in the key consuming region with increased consumption of snack and fries.
  - ❖ India's mustard seed planting is in full swing but it is lagging 4.7% compared to the same period last year and. We expect India's total area under RM seed to be near previous season, which was 71.4 lakh hectares.
  - ❖ However, weakness in Malaysian palm oil followed by fall in crude mineral oil and lower exports limited the gains in the RM seed.
  - ❖ In an another forecast by James Fry, Malaysian crude palm oil may drop to 1,740 ringgits per tons next year, if Brent crude slides to \$60 a barrel as weak crude oil may dent the palm demand which can be used as a biofuels. Moreover, Malaysian crude palm oil is expected to average 2,235 ringgit (\$661) per tons in 2015 if Brent is at \$80 a barrel and to drop to 1,985 ringgit if Brent is at \$70, which will eventually pressure the domestic RM seed.
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## International Highlights

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- ❖ The global production of soybeans has been raised by 1.3 Mn T to 309.1 Mn T, 24.3 Mn T, by Oil World, above last season – Oil World.
- ❖ Crushings of 3 major oilseeds in EU exceeded expectations and reached 11.15 Mn T in July/Sept 2014 – Oil World.
- ❖ In Brazil the moisture situation has improved in many soybean growing areas and the concern of plantings and crop prospects in South America eased from earlier. However, Argentina's soybean plantings were still 1.2 Mn ha behind last year as of Nov 20 - Oil World.
- ❖ As per reports of Oil World, EU total imports of palm oil surged to an all-time high 7.1 Mn T in Oct/Sept 2013/14.
- ❖ Brazilian and Argentine soybean plantings has made a good progress but are still delayed from it's normal. Unusually dry conditions now reported from several producing regions. It is still early, but the situation must be monitored.
- ❖ China is expected to import around 4.47 million metric tons of soybean (tonnes) to ports in November, state the Ministry of Commerce in its latest report. Meanwhile, the ministry pegged the October soybean purchases at 3.32 million tonnes.
- ❖ Malaysia's palm oil inventories at the end of Oct. rose 3.7% to 2,166,453 tonnes against 2,090,001 tonnes at the end of September, figures released by Malaysian Palm Oil Board. Exports of Malaysian palm oil products in the month of Oct. declined 1.4 % to 1.61 million tonnes, the MPOB said. Crude palm oil production declined 0.2% to 1.89 million tonnes.
- ❖ India imported 11.62 million tonnes of edible oil during Sep-Oct 2013/14 compared to 10.68 million tonnes during the same period previous season, stated the Solvent Extractors' Association(SEA).
- ❖ India's 2013/14 soyoil imports stood at 1.95 Mn T against 1.09 Mn T in 2012/14 season. Palm oil purchases were slightly lower at 7.29 Mn T against 8.29 Mn T last season. Sunflower oil imports were recorded at 1.51 Mn T against 0.97 Mn T in 2012/13.
- ❖ As per Oil World, the global supplies of palm oil is expected to rise by only 2.2 Mn T in Oct/Sept 2014/15, which is down from an average annual growth of 3.9 Mn T in the past 3 seasons.
- ❖ Falling South American soybean shipments are raising the global dependence on the USA in Sept/Febr 2014/15. South American soybean exports are estimated to have fallen to 1.1-1.2 Mn T in October – Oil World.
- ❖ China's soybean import is estimated to 73.5 Mn T in Oct/Sept 2014/15 by the Oil World.
- ❖ Argentina is expected to seed 20.6 million hectares with soybeans in the 2014/15 season.
- ❖ Informa has raised its soybean yield estimate to 48.5 bushels per acre from 46.5, and raised its production forecast to 4.017 billion bushels from 3.857 billion. The firm calculated harvested area for soybeans at 82.880 million acres. The projection compared to the U.S. Department of Agriculture's September forecasts for a soybean crop of 3.913 billion bushels with a yield of 46.6 bushels per acre.
- ❖ For soybeans, Lanworth too has raised its forecast for the U.S. yield to 47.1 bushels per acre, versus 47.0 bushels per acre in the previous estimate, and estimated soybean production at 3.880 billion bushels, up from 3.873 billion previously.

- ❖ Brazil's crop supply agency Conab forecast a record 2014/15 soybean crop of between 88.83 million tonnes and 92.41 million tonnes in its first forecast of the season. Besides, Argentina's farmers are expected to plant from 20.6 million to 20.9 million hectares with soybeans this year, up from 20.2 million hectares in the previous season.
  - ❖ As per Oil World, the monthly soybean requirements in the US are expected to surge to 12-13 Mn T in October and further to 14 Mn T in November.
  - ❖ As per Abiove, Brazil's soybean crop for 2014/15 is estimated at 91 million tons and exports forecast at 48 million tons. As per Oil World, oilseed production may rise to 519.7 million tons, up 4.31 percent from 2013-1. The total oilseeds production includes 310.80 million tons of soybean, 68 million tons of rapeseed, 41.4 million tons of sunflower seed and rests others.
  - ❖ The total oilmeals consumption of five N. African countries in 2014/15 is estimated at 6.2-6.3 Mn, which has more than doubled within 10 years.
  - ❖ India's import requirements of vegetable oils are set to increase to a new high of 12.2 Mn T in 2014/15, as reported by Oil World.
  - ❖ Oil World has estimated a combined soya meal imports of 8 key countries in Southeast Asia at a record 16.6 Mn T next season, which is up 1.4 Mn T on the year.
  - ❖ As per Agroconsult, Brazil is likely to produce 95.1 million tons of soybeans in 2014-15, up 1 million tons from previous estimates. Moreover, Argentina soybean crop output for 2014-15 seen at 56.6 millions tons.
  - ❖ The palm oil production in Malaysia is estimated to reach a record 19.7 million tons to 19.9 million tons. Further, Indonesia's output is likely an all-time high of 30.5 million tons or more this year. Production is estimated by Dorab Mistry, Director at Godrej International Ltd. Both the countries account for 86% of world total supplies.
  - ❖ Germany's winter rapeseed output is estimated at 5.8 million tonnes in 2014, up from 5.7 million tonnes in 2013, German farmer's association, DBV said.
  - ❖ Oil World has estimated the Canadian canola crop at 14.7 Mn T in 2014 which is considerably below the record 17.96 Mn T last year.
  - ❖ EU-28 rapeseed outturn has turned out higher than expected there is an upward revision to 23.5 Mn T. EU rapeseed exports are also improving.
- In Jan/Dec 2014 Brazil's soya oil shipments are seen falling to a 14-year low of only 1.28 Mn T to accommodate the higher domestic demand of the biodiesel industry – Oil World.

**Oil Meal Prices at Key Spot Markets:**

**Soy DOC Rates at Different Centers**

Centers	Ex-factory rates (Rs/ton)		
	29-Nov-14	31-Oct-14	Parity To
Indore (MP)	29000	28500	Gujarat, MP
Kota	29500	28500-29000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	30000	27400	Mumbai, Maharashtra
Nagpur (42/46)	31000	30700	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	30400	28100	Andhra, AP, Kar, TN
Latur	30500	30500	-
Sangli	31000	28300	Local and South
Sholapur	29500	31200	Local and South
Akola	29000	29500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	29800	27100	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	29000	29000	-

**Soy DOC at Port**

Centers	Port Price	
	29-Nov-14	31-Oct-14
Kandla (FOR) (INR/MT)	31475	30000
Kandla (FAS) (USD/MT)	506	489

**International Soy DOC**

Argentina FOB \$/MT	28-Nov-14	30-Oct-14	Change
Soybean Pellets	440	457	-17
Soybean Cake Meal	440	457	-17
Soybean Meal	448	465	-17
Soy Expellers	448	465	-17

**Sunflower (DOC) Rates**

Centers	Ex-factory rates (Rs/ton)		
	29-Nov-14	31-Oct-14	Change
Adoni	19800	20200	-400
Khamgaon	NA	NA	-
Parli	20000	20500	-500
Latur	19700	20200	-500

#### Groundnut Meal

Groundnut Meal (Rs/MT)	29-Nov-14	31-Oct-14	Change
Basis 45% O&A, Saurashtra	26000	26000	Unch
Basis 40% O&A, Saurashtra	23000	23000	Unch
GN Cake, Gondal	25500	26000	-500

#### Mustard DOC/Meal

Mustard DOC	29-Nov-14	31-Oct-14	Change
Jaipur (Plant Delivery)	15500	13300	2200
Kandla (FOR)	16500	14300	2200
Sri Ganganagar	1870	1645	225

## Progress of Sown Area – Rabi Oilseeds, India

In the official *rabi oilseeds* planting report (week ending 27 Nov 2014), the area coverage under *Rabi* oilseeds is reported at 65.08 lakh hectares, down 7.3% from 70.22 lakh ha during the same period last year. Of the major oilseeds, rapeseed/mustard seed sowing is reported down by 4.7% at 58.17 lha compared to 61.05 lha during the same period last year. Groundnut at 2.02 lha vs 2.38, safflower at 0.61 lha vs 1.22 lha, sunflower at 1.90 lha vs 2.89 lha, sesamum 0.26 vs 0.35, linseed 1.56 lha vs 2.0 lha during the same period last year.

Crop	As on 27 Nov 2014	As on 27 Nov 2013	% Change
Rapeseed/Mustard	58.17	61.05	-4.7
Groundnut	2.02	2.38	-15.1
Safflower	0.61	1.22	-50.0
Sunflower	1.90	2.89	-34.3
Sesamum	0.26	0.35	-25.7
Linseed	1.86	2.00	-7.0
Others	0.26	0.33	-21.2
<b>Total Oilseeds</b>	<b>65.08</b>	<b>70.22</b>	<b>-7.3</b>

(Area in lakh hectares) Source: GOI

## Soybean

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Soybean posted gains on fresh seasonal demand from solvent extractors and supplies declining towards the end of the month from its recent peak.

The solvent extractors and stockists are covering their stocks for their crushing needs in future and to meet soy meal exports/forward booking obligations. Weak soy meal export sales and lower soy oil prices limited the gains in the beans with widening crush margin.

The domestic soybean supplies continued to ease from its peak, the daily average arrivals of Madhya Pradesh fell to 2.4 - 2.5 lakh bags which were between 4.5 – 5 lakh bags initially during the month, Nov.

Further, international soybean market remained supportive for the domestic bean during the month under review. The US soybean exports inspection remained strong in previous weeks which remained supportive. Besides, China is expected to boost its soybean buying in coming weeks to cover its state inventories. Its imports were lower in October.

Further, the concern regarding plantings and crop prospects in South America has eased with improved moisture conditions in several growing areas in the region. The soybean plantings Argentina is complete by 44.8% of the total estimated but still behind above 1.0 Mn ha from same period last year.

As per Buenos Aires Grains Exchange, Argentina's soybean planting is complete by 44.8% of the expected sowing area as on 27 Nov. 2014.

Brazil is expected to harvest record soybean in 2015 estimated between 88.83 – 91 million tonnes (by Abivove and Conab), despite dry weather, all time high plantings. The Brazil's soybean harvesting is likely to get delayed by 20-25 days this season due to the delay in planting followed by dry weather.

Normally Brazil's soybean harvesting commences in February and in Argentina it begins in March, both are expected to harvest late for delayed planting, this will be bullish factor for short period.

The domestic soybean will remain under pressure on bearish global supply scenario and weakness in crude oil. Any sustained recovery in crude oil will lend support to the bean to some extent.

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## Balance Sheet – Soybean, India

Fig. in MnT

Oil Year (Oct-Sep)	2010-11	2011-12	2012-13	2013-14	2014-15 (*F)
Carry In	1.12	0.37	0.40	0.32	0.32
Production	10.10	12.00	12.50	11.00	11.20*
Imports	0.00	0.00	0.00	0.00	0.00
<b>Total Availability</b>	<b>11.22</b>	<b>12.37</b>	<b>12.90</b>	<b>11.33</b>	11.53
Crush	10.85	11.97	12.58	10.50	11.00
Exports	0.00	0.00	0.00	0.00	0.00
Total Usage	10.85	11.97	12.58	10.50	11.00
Carry Out	0.37	0.40	0.32	0.82	0.52
Monthly Use	0.90	1.00	1.05	0.88	0.92
Stock/Consumption Ratio	0.03	0.03	0.03	0.08	0.05
Stock to Month Use Ratio	0.41	0.40	0.31	0.94	0.57

Source: Agriwatch

- **Trade Observations: Feeble supplies and weak domestic crushing followed by cheaper edible oil imports remained pressurising factor for the bean. About 90% of the seeds have been offloaded in the market during the season.**
- We peg India's 2014-15 soybean production at 11.2 Mln T in our preliminary projection.
- In 2013-14 India could produce only 11 Mln T as yield was badly hit in Madhya Pradesh and some parts of Rajasthan followed by incessant rains in the region. This is despite the rise in area by 14% over the year 2012.
- We expect 2013/14soybean crush above 10.5million tons. India's soy meal prices have to compete with the meal prices of South America, which will eventually make the crushing more viable depending onits exports.

## Soy meal

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Soy meal rebound on expected rise in overseas and domestic demand during the month under review. However, the demand remained lower than the expected at both the front.

The overseas meal demand slightly improved m-o-m but it remained significantly lower compared to the same period last year.

Further, the domestic meal demand too slightly suffered with the concern of the outbreak of bird-flu in some parts of Kerala.

The domestic soy meal demand increases with the rise in poultry consumption in winter which keeps the soy meal market stable. Further, overseas meal demand gets shifted to India with increased pace in the soybean crushings.

However, global supply pressure and weakness in crude in conjunction with subdued Malaysian palm oil limited the upside in domestic soy meal.

India's soy meal shipments in October 2014 rose as compared to September'14 but it was 84% lower than the same period last year.

The market is waiting for the oilmeal export figures in November. India exported about 503,269 MT of soy meal in November 2013.

India's soy meal export sales suffered during the 2013-14 season and witnessed a sharp fall after the weak season for soybean due to lower bean production. India's total soy meal exports in the previous season (Oct 2013/ Sep 14) were just 2.01 Mn T against 3.45 Mn T in 2012/13.

India's soy meal prices have to be attractive in order to boost the exports unlike during 2013/14 season. Iran, France, Indonesia, Greece and Sri Lanka remained the key buyers of Indian soy meal during the season.

Top 3 buyers of Indian soy meal in October were also Iran, Indonesia and Sri Lanka.

Narrowing price spread is a positive signal for India with India's meal prices getting competitive over Argentina and expectation of buyers diverting back with the harvest of new soybean crop in late October.

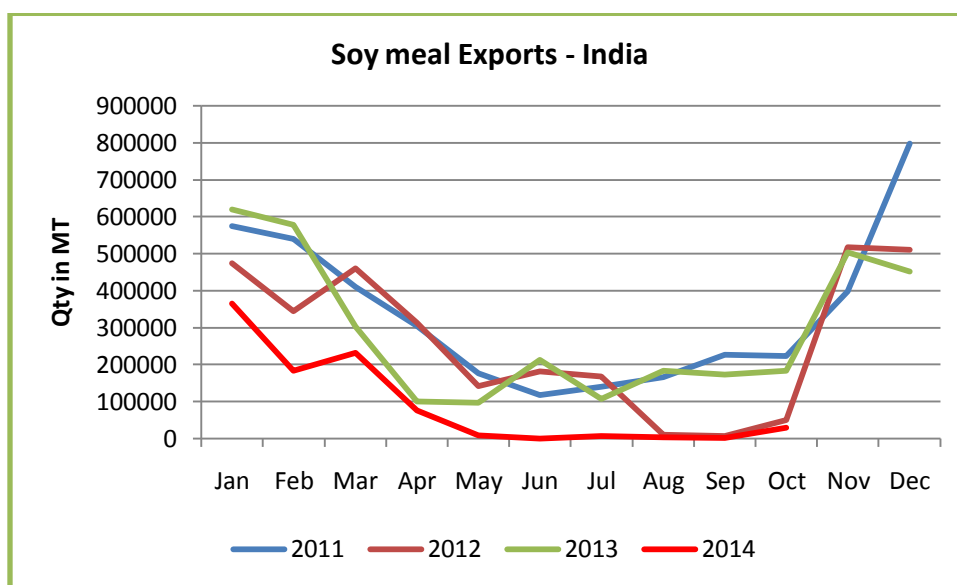
India's oilmeal shipments in October more than doubled from a September to 218,307 tonnes due to increase in rapeseed meal exports to South Korea and Thailand.

India's soy meal exports improved to 29071 tonnes in October from 868 tonnes a month ago, the Solvent Extractors' Association of India. Of total oilmeal shipments in October, soy meal comprised of 29,071 tonnes, rapeseed meal (13,33,93 tonnes), ricebran extraction (31,25 tonnes) and castorseed meal was 52,718 tonnes.

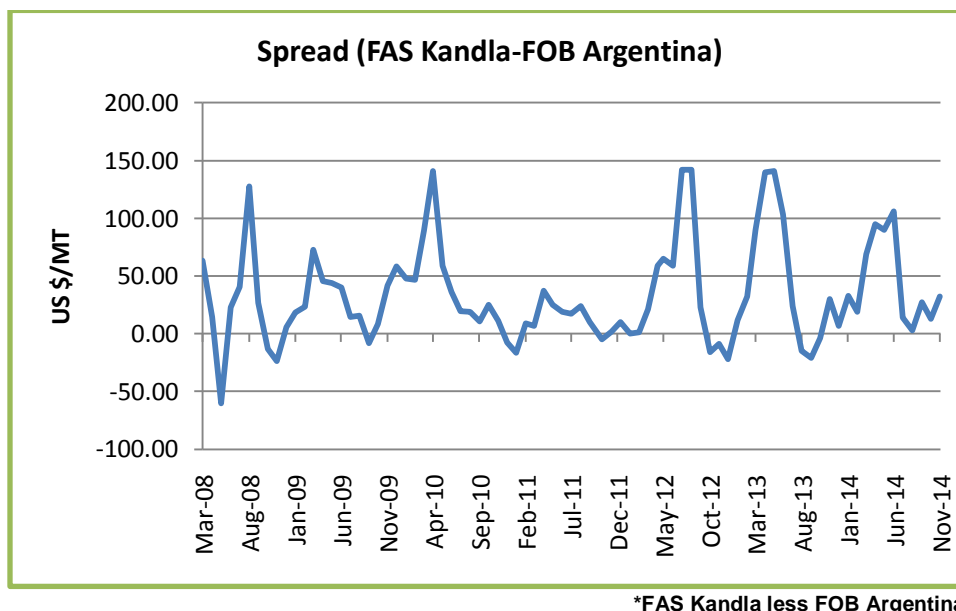
We feel the major international buyers will shift towards India after rise in seasonal supplies with improved soybean crushing making meal prices competitive in coming days. India's soy meal export is expected to pick-up in 2014/15 season.

The soy meal prices are likely to feature range bound movement followed by US support gains on improved Chinese buying from US and with the rise in benchmark CBOT soy product prices.

*Preference of the soy meal of Indian origin mainly by the South-East countries due to logistic and freight advantage and demand for non-GMO meal will continue to lend support to the domestic soy meal. Iran, Japan, Europe, Thailand, Vietnam, Indonesia and South Korea could be seen as the major destinations for Indian soy meal exports.*



India's Y-o-Y soy meal prices declined. Soy meal export price, FOR Kandla (Jan – Feb delivery) was quoted between Rs 29,500 – 32,000/MT compared to Rs 34,700 – 36,500/MT during the same period last year.



The average monthly soy meal price spread between FAS Kandla and FOB Argentina again widened in Nov. and was recorded at US \$32/MT in Nov. 2014 compared to US \$13/MT in Oct. 14. Argentine soy meal export prices are still lower as compared to the India's. Notably, India's soy meal exports are at the optimum levels during the period, October through January. (\*Spread - FAS Kandla less FOB Argentina). India's exports window is open and we expect India's meal prices to further get competitive with the rise in soybean crushing in near-term.

Soymeal	Nov 2014	Oct 2014	Nov 2013
FOB – Argentina	452	427	527
FAS – Kandla	484	440	557

**Recommendation** The India's soy meal prices are getting competitive with improved new soybean crushings, Indian meal exporters are advised to aggressively explore the lost markets last season especially traditional South and Far-East Asian destinations and Iran. India has just entered into the period of higher exports considering seasonality. The domestic meal prices are likely to feature steady to firm tone during in near-term. FOR, Kandla (Jan– Feb delivery) is expected to feature range bound movement with firm bias and the quotes will range between Rs. 31,000 - 32,000/MT levels during the month.

## Soybean Crush Margin

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Avg Crush Margin – Nov 2014		Avg Crush Margin – Oct 2014		Avg Crush Margin – Nov 2013	
<b>-760</b>		<b>-86</b>		<b>-1940</b>	
Min	Max	Min	Max	Min	Max
<b>-1390</b>	<b>-140</b>	<b>-1270</b>	<b>700</b>	<b>-2470</b>	<b>-1030</b>

The disparity on soybean crushing in November has significantly widened compared to October month, though it is narrower compared to the same period last year. The widening disparity remained discouraging for the solvent extractors in November. Improved cheaper edible oil imports and weak soy meal export sales continued to remain negative for crushing.

## Technical Analysis:

### NCDEX Soybean Futures



### Soybean Spot, Indore



\*Daily Chart

### Support & Resistance NCDEX- Soybean Jan Contract

S2	S1	PCP	R1	R2
2748	3047	3343	3529	3712

- Soybean, Dec. contract, witnessed gains on renewed buying.
- Prices closed above 9-day and 18-day EMA.
- MACD is rising in positive territory.
- RSI is rising in overbought region while stochastic is easing in neutral region.
- Trade Recommendation (NCDEX Soybean - Jan) – 1 Month: **BUY** Above 3343. T1 – 3443; T2 - 3500; SL –3283.

**Trade Recommendation soybean spot, Indore basis:** Soybean prices are expected feature range bound movement with firm bias with persistent buying by the millers and the stockists to cover their stocks, during the month. But lower crude will restrict the gains. The prices are likely to remain in the price band of 3300 – 3400 levels (Indore, Plant basis) during the month.

## Rapeseed - Mustard Seed

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RM seed regained on supportive buying from millers and the stockists to meet the fresh seasonal mustard oil demand. The seed witnessed some losses in October due to cautious buying but it moved up in November with active millers buying during the period.

The mustard oil consumption improves as the weather temperature dips in the key consuming region with increased consumption of snack and fries.

India's mustard seed planting is in full swing but it is lagging 4.7% compared to the same period last year and. We expect India's total area under RM seed to be near previous season, which was 71.4 lakh hectares.

However, weakness in Malaysian palm oil followed by fall in crude mineral oil and lower exports limited the gains in the RM seed.

In an another forecast by James Fry, Malaysian crude palm oil may drop to 1,740 ringgits per tons next year, if Brent crude slides to \$60 a barrel as weak crude oil may dent the palm demand which can be used as a biofuels. Moreover, Malaysian crude palm oil is expected to average 2,235 ringgit (\$661) per tons in 2015 if Brent is at \$80 a barrel and to drop to 1,985 ringgit if Brent is at \$70, which will eventually pressure the domestic RM seed.

Mistry kept his forecast that palm oil prices had bottomed out and would reach 2,500 ringgit by March, before climbing higher as inventories shrink to their lowest in June. However, the price gain will depend on Indonesia's biodiesel targets. On the production front, Indonesian palm output may rise to 31.5 million tonnes in 2015 from 30 million tonnes projected for this year, and jump another 2.5-3 million tonnes in 2016 as large areas of oil palm acreage mature.

Exports of Malaysian palm oil products for Nov. 1-25 fell 3.3 percent to 1,098,870 tonnes from 1,136,943 tonnes shipped during Oct. 1-25, cargo surveyor Societe Generale de Surveillance. Indian buyers imported 205,900 tons v/s 204,600 tons compared to same period of last month, the report remained bearish for the domestic RM seed.

India imported record edible oils in 2013/14 due to attractive overseas prices in sunflower, soy and palm oils last season.

India imported 11.62 million tonnes of edible oil during Sep-Oct 2013/14 compared to 10.68 million tonnes during the same period previous season, stated the Solvent Extractors' Association(SEA).

India's 2013/14 soyoil imports stood at 1.95 Mn T against 1.09 Mn T in 2012/14 season. Palm oil purchases were slightly lower at 7.29 Mn T against 8.29 Mn T last season. Sunflower oil imports were recorded at 1.51 Mn T against 0.97 Mn T in 2012/13.

The major source of India's oil imports are Indonesia and Malaysia for palm oil, South America for soyoil; Ukraine and Russia for sunflower oil.

*India's import bill towards edible oils is likely to reach US \$15 billion against US \$9.3 billion in 2013-14 followed by lower kharif oilseeds production, reported by industry body Assocham.*

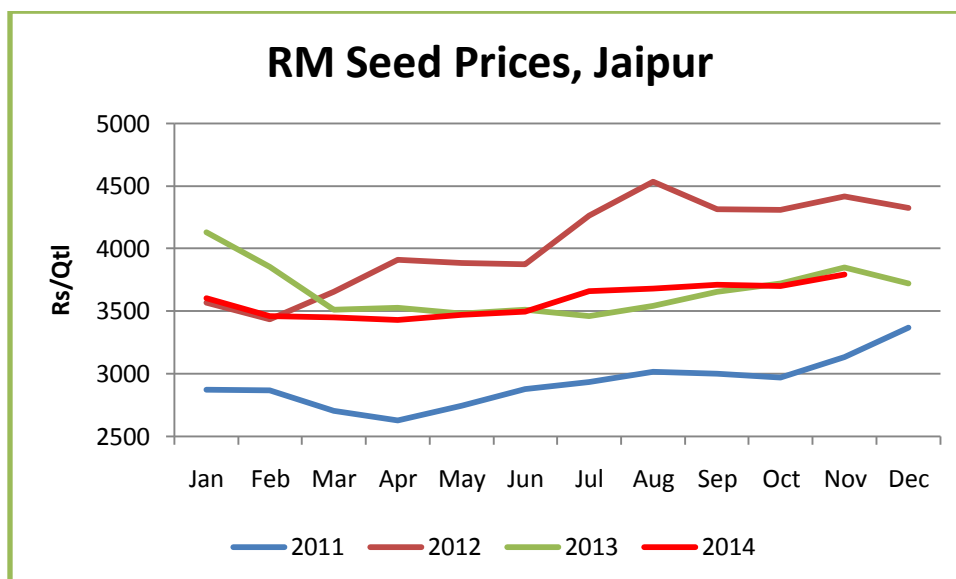
The RM seed will continue to witness gains in coming weeks on improved seasonal demand in mustard oil and falling supplies in the seed.

### RM Seed Supply, Rajasthan

RM Seed Arrivals in Rajasthan in Bags (85 kg each).		
Monthly Arrivals– Nov	1 Month Ago	Corresponding Period Last Year
1,57,5000	1,39,5000	1,416,000

The domestic seed prices are expected to further improve on better buying interest among stockists and millers.

### RM Seed Prices–Jaipur (Rajasthan)



## Balance Sheet – Rapeseed-Mustard Seed, India

(Fig in MnT)

Marketing Year (Mar-Feb)	2009-2010	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Carry In</b>	<b>0.45</b>	<b>0.75</b>	<b>0.75</b>	<b>1.25</b>	<b>0.28</b>	<b>0.20</b>
Production	6.2	6	7	6.5	7.2	7.74
Imports	0	0	0	0	0	0
<b>Total Availability</b>	<b>6.65</b>	<b>6.75</b>	<b>7.75</b>	<b>7.75</b>	<b>7.48</b>	<b>7.94</b>
<b>Crush</b>	<b>5.9</b>	<b>6</b>	<b>6.5</b>	<b>7.47</b>	7.28	7.74
Exports	0	0	0	0	0	0
Total Usage	5.9	6	6.5	7.47	7.28	7.74
<b>Carry Out/Ending Stock</b>	<b>0.75</b>	<b>0.75</b>	<b>1.25</b>	<b>0.28</b>	<b>0.20</b>	<b>0.20</b>
Monthly Use	0.49	0.50	0.54	0.62	0.61	0.65
<b>Stock/Consumption Ratio</b>	<b>0.13</b>	<b>0.13</b>	<b>0.19</b>	<b>0.04</b>	<b>0.03</b>	<b>0.03</b>
Stock to Month Use Ratio	1.53	1.50	2.31	0.45	0.33	0.31

(Source: Agriwatch)

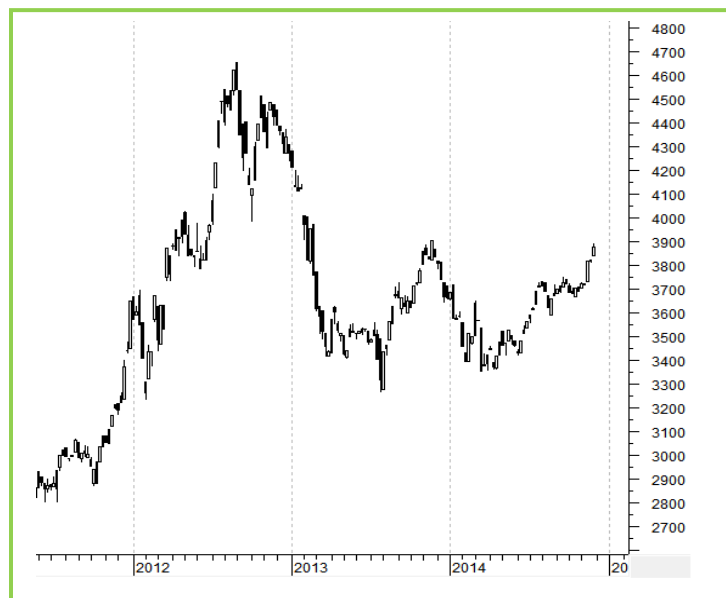
- **Trade Observations: Active buying in RM seed and declining supplies are supportive for the prices. About 55% of the total seed produced is reportedly out in the market by August end. The prices improved as expected with improved and active farmer's selling in recent weeks.**
- We have revised our previous estimate and have pegged India's 2014-15 RM seed outturn at 7.7 Mn T. The production has surpassed the previous season's production followed by higher planted area, 6%, under the seed (7.12 Mn Ha vs 6.72 Mn Ha) and no reports of crop damage due to any adverse weather conditions.
- The carry-in stands at 0.20 Mn T, this season, which is slightly lower than previous year figure, as the crusher's demand remained intact.

### Technical Analysis:

#### NCDEX RM Seed Futures



#### RM Seed Spot, Jaipur



\*Daily Chart

#### Support & Resistance NCDEX - RM Seed Jan. Contract

S2	S1	PCP	R1	R2
3622	3686	3885	4012	4112

- The RM seed prices extended previous gains, during the month.
- RSI and stochastic are rising in neutral region.
- Prices are likely to feature gains during the month.
- Trade Recommendation (NCDEX RM SEED-Jan) – 1 Month: **BUY** Above 3885 levels. T1 – 3985; T2 – 4000; SL – 3825.

**Trade Recommendation RM Seed Spot (Jaipur basis):** In spot, the RM seed prices are expected to improve on supportive buying to cover the stocks by the stockists and the millers. Prices of seed are expected to recover and will be in the range between 3900–4000 levels during the month, Dec.

## Annexure

### Rabi Sown Area - Oilseeds, India

<b>Crop</b>	<b>Apr 2014</b>	<b>Apr 2013</b>	<b>% Change</b>
Rapeseed/Mustard	71.38	67.48	5.8
Groundnut	10.8	11.01	-1.9
Safflower	1.79	1.5	19.3
Sunflower	4.45	5.33	-16.5
Sesamum	4.54	2.94	54.4
Linseed	3.61	3.38	6.8
Others	0.49	0.69	-29.0
<b>Total Oilseeds</b>	<b>97.06</b>	<b>92.33</b>	<b>5.1</b>

(Area in lakh hectares) Source: GOI

As per the final official *Rabi* oilseeds planting report, the area coverage under *Rabi* oilseeds is reported at 93.01 lakh hectares, up 2.4% from 90.8 lakh ha previous year. Of the major oilseeds, rapeseed/mustard seed sowing is reported up by 6.0% compared to last year.

### Kharif MSP (2014-15)

- ❖ Government has increased minimum support price (MSP) of sunflower seed by Rs 50 to 3750 a quintal, further a hike of Rs 100 on sesamum and nigerseed at Rs 46,00 and 36,00 a quintal respectively. However, the MSP of soybean and groundnut seeds remained unchanged at Rs 2500-60 and Rs 4000 a quintal respectively this season.

## Soy Meal Export (In MT)

	2008	2009	2010	2011	2012	2013	2014
<b>Jan</b>	521243	521243	240318	574996	474993	619793	364443.7
<b>Feb</b>	375098	375098	220552	540360	344240	577589	183551
<b>Mar</b>	224639	224639	163666	410537	460464	302131	232176
<b>Apr</b>	539175	100106	60264	305033	313832	100312	75884
<b>May</b>	326875	77018	60575	176819	142588	97547	8226
<b>Jun</b>	241508	109923	98400	117600	180987	213564	2636
<b>Jul</b>	282438	58268	166632	139547	168341	107038	6682
<b>Aug</b>	205890	127299	176138	165510	10005	183555	2778
<b>Sep</b>	68443	171955	290868	225921	6525	173381	868
<b>Oct</b>	88723	219721	404960	223594	49840	182724	29071
<b>Nov</b>	647400	297340	443488	397659	517103	503269	
<b>Dec</b>	655882	328225	611157	798041	510698	451314	
<b>Total</b>	<b>4177314</b>	<b>2610835</b>	<b>2937018</b>	<b>4075617</b>	<b>3179616</b>	<b>3512217</b>	<b>903679.7</b>

Source: SEA

**Highlights of IOPEPC Crop Survey in Gujarat – Rabi crop:** Indian Oilseeds and Produce Export Promotion Council in its rabi crop survey report of groundnut and sesame seed in the state of Gujarat pegged groundnut production of the state at 18,7347 tonnes which planted in 93,200 ha.

The total study area of the council including others stood at 96331 ha and the production along with Gujarat was estimated at 193258 tonnes.

Sesame seed production in the state of Gujarat is pegged at 126,817 tonnes which was planted in 135,700 ha.

The total study area of the council including others stood at 138,075 ha and the production along with Gujarat was estimated at 128,878 tonnes.

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