

Executive Summary

Soybean and meal edged-up on renewed local buying in the cash market while rapeseed-mustard fell on sluggish buying activity. Again, bearish supply scenario and lower crude remained limiting factors. We expect the RM seed to rebound and witness upward movement after the local supplies hit the peak.

Soy meal:

- ❖ Soy meal edged-up in tandem with soybean with fresh buying activity in the cash market during the week under review.
- ❖ In the press release SOPA has welcomes new foreign trade policy 2015-2020. Dr. Davish Jain has specially welcomed the export incentives announced to help exports of oil meals, especially soy meal, which has gravely suffered in the last year because of factors beyond the exporters control. We are confident that soy meal exports will gain the lost ground and contribute significantly to India's foreign trade. We now look forward to working closely with Ministry of Commerce and Industry in our efforts to revitalize India's soy meal exports.
- ❖ Recent purchases in rapeseed-mustard oil cake and soy meal by the poultry units remained supportive for the meal market. The poultry units have shown interest in purchasing rapeseed-mustard oilcake as the prices are competitive with the newly harvested crushings of the mustard seed.
- ❖ *The soy meal prices are likely to feature mild gains in near-term.*

Soybean:

- ❖ The soybean featured gains third consecutive week on local buying and weak supplies in the physical market. The interested buyers, mainly the solvent extractors were ready to quote slightly higher due to substantial fall in the bean supplies ahead fiscal year-end closing formalities.
- ❖ However, need based buying is more prevalent in the market and there are no reports of aggressive buying due to disparity in crush margin and lower than available capacity utilization of the crushing units.
- ❖ The domestic oilseeds market is under continued pressure from international benchmark, CBOT, soybean which is at almost 2-year low.
- ❖ Increased edible oil imports and lower soy meal export sales of Indian origin followed by disparity in crushing the beans kept the bean prices under pressure for long.

- ❖ Oil World has revised the global soybean production upwards to 312.8 Mn T for 2014/15. This is up sharply by 31.0 Mn T.
- ❖ The slowing-down of Chinese soybean imports in February and March is marked as temporary and primarily due the South American export delays.
- ❖ China imported 4.26 million tonnes of soybeans in February, down 38.1% from 6.88 million tonnes in January, as reported by the General Administration of Customs of China. China bought 230,000 tonnes of vegetable oils in February, down 48.9% from the previous month.
- ❖ China is estimated to have imported 3.33 million metric tons (tonnes) of soybean delivered to ports in March, this is higher than the previous forecast of 2.93 million tonnes, the Ministry of Commerce (MOC) said in the latest report.
- ❖ The ministry also projected the Chinese soybean purchases would reach 2.74 million tonnes in April.
- ❖ *The domestic soybean prices will continue to remain under global supply pressure, lower crude and India's weak soy meal export sales with disparity on crushing the bean, though mild gains in cash market can't be ruled out with export duty on crude palm oil in effect from April and likely increased buying in the global market.*

RM Seed:

- ❖ RM seed witnessed losses on lackluster trade activity during the week under review. Both, the buyers and the seller refrained from the physical market in anticipation of further fall in the seed prices fall in supplies and the fiscal year-end closing formalities.
- ❖ Besides, the market remained under new crop supply pressure in recent days, but buying interest among millers/crushers limited the losses.
- ❖ The unseasonal rains in February and March have hit the seed yield and lower the estimated production.
- ❖ The harvesting in Uttar Pradesh is over and it is also complete in most of the parts of Rajasthan, it is progressing in Haryana and Punjab.
- ❖ The all India seed arrivals fell due to fiscal year closing formalities and reported at 9,55,000 bags during the week under review compared to 27,25,000 bags previous week. In Rajasthan the supplies were negligible which were 17,00,000 bags previous week.

- ❖ The seed supplies will once again increase in second week of April. The all India supplies could not reach the previous year's level of 7 lakh bags yet, which were witnessed at the end of March 2014.
- ❖ Malaysian palm oil edged-up with the news of surge in palm oil exports in March.
- ❖ *Increasing seasonal arrivals of the rapeseed-mustard with harvesting in full swing and exemption of export duty by Malaysia and Indonesia on palm oil will pressure the seed price in near-term. However, renewed demand by the solvent extractors and Malaysia's decision on imposing export duty on palm oil may push up the seed price further.*

International Highlights

- ❖ Argentine growers have completed the harvest above 5% of this year's soy, with high yields in the central farm belt compensating for flood damage in northern region - Rosario grains exchange. Argentina's crop range from 56 to 60 million tons v/s 53.4 million tons last season. Mixed soybean yield reported from Brazil and soybean harvesting have been 60 percent completed.
- ❖ Argentina's Rosario grains exchange maintained its forecast for the 2014/15 soy harvest at 58 million tonnes, citing higher yield potential would compensate for flood damage in parts of country's grains belt.
- ❖ Brazil's 2014/15 soybean harvesting is in full swing and the production is forecast to total a record 94.4 million tonnes, compared with a previous forecast of 95 million tonnes by Safras & Mercado.
- ❖ Allendale has estimated U.S. farmers to increase 2015/16 soybean plantings to a record 86.052 million acres with likely reduced sowing of corn, if realized, it would exceed last year's record plantings of 83.701 million acres.
- ❖ Flooding in some of the soy-growing areas of Argentina including Cordoba, Entre Rios and Santa Fe provinces has become the matter of concern to the government as farmers get ready to start harvesting the 2014/15 crop, the agriculture ministry said this week.
- ❖ The Argentina's government expects a 2014/15 soy crop record-high at 58 million tonnes, just above the 57 million tonnes forecast by the Buenos Aires Grains Exchange. The figures are the revised estimates of Rosario Grain Exchange raising its previous production estimate for 54.5 million tonnes. Recent rains are cited as the reason for boost in yield and eventually the production.
- ❖ Brazilian truck strike has ended and key highway in top soy state Mato Grosso opened after two weeks of protests. 500 trucks had arrived at Brazil's port of Paranagua where recent roadblocks depleted soy stocks.
- ❖ As per Oil World, Indonesia palm oil production seen at 32.4 million tons for 2014-15 v/s 30.5 million tons last year and Malaysia palm oil production seen at 19.4 million tons for 2014-15, down one million tons from last year. Moreover, CPO (at Rotterdam) and RBD palmolein (FOB Malaysia) prices for 2015 seen at USD 770 /T and USD 750/T respectively.
- ❖ Reports by Oil World reveals EU-28 imports of soya meal increased to 5.3 Mn T in Oct/Dec 2014.
- ❖ Oil World has estimated, Argentina's shipments of vegetable oils are expected to improve by approximately 0.6 Mn T this season.
- ❖ EU-28 crushings of rapeseed rose above expectations and touched a record 13.5 Mn T in July/Dec 2014, as reported by Oil World.

- ❖ On the production front, combined crude palm oil output from Malaysia and Indonesia is expected to rise to 51.1 million tons in 2015 v/s 49.2 million tons last year.
- ❖ Brazil's 2014/15 soybean production is estimated at 92.3 million tonnes by Abiove in the new forecast in Feb., which is up 1.6 million tonnes from its previous estimate of 91.9 million tonnes.
- ❖ The shipments and the volume of Argentine soybeans in 2015 are expected to be similar to December's estimate at 48 million tonnes, said Abiove.
- ❖ The consolidated soya oil shipments of the US, Argentina, Brazil and Paraguay increased by 2% to 2.1 Mn T in Oct/Jan 2014/15, as reported by Oil World.
- ❖ The surge in G-4 soybean shipment by 2.4 Mn T in Sept/Jan 2014/15 indicates record global demand (Source: Oil World).
- ❖ Brazil based analyst Safras & Mercado forecast a 2014/15 Brazilian soybean output at 95.0 million tonnes, down from 95.9 million tonnes estimated in December.
- ❖ Brazil's Agriculture Ministry's crop supply agency Conab has estimated its 2014/15 soybean production at record 95.8 million tonnes, higher than the USDA. It also said Brazil is expected to export a record 49.6 million tonnes of the soybean, which is sharply higher from the 45.6 million tonnes estimated to be exported during the current season.
- ❖ 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.
- ❖ 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.
- ❖ China's soybean import is estimated to 73.5 Mn T in Oct/Sept 2014/15 by the Oil World.
- ❖ 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.

Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	2-Apr-15		27-Mar-15		
	Low	High	Low	High	
Indore –Plant	3400	3450	3325	3400	50
Indore–Mandi	Closed	Closed	3200	3300	-
Nagpur-Plant	3300	3350	3300	3350	Unch
Nagpur – Mandi	Closed	Closed	3150	3250	-
Latur – Mandi	Closed	Closed	3026	3350	-
Kota-Plant	3350	3375	3350	3375	Unch
Kota – Mandi	Closed	Closed	3250	3270	-
Bundi-Plant	3400	3400	3325	3350	50
Bundi-Mandi	Closed	Closed	3250	3320	-
Baran-Plant	3300	3300	3350	3400	-100
Baran-Mandi	Closed	Closed	3250	3275	-
Bhawani Mandi Jhalawar–Kota-Plant Delivery	3450	3450	3300	3350	100
Jhalwar-Mandi	Closed	Closed	3250	3300	-
Rapeseed/Mustard					
Jaipur-(Condition)	3745	3760	3700	3705	55
Alwar-(Condition)	3650	3650	3450	3500	150
SriGanganagar-(Non-Condition-Unpaid)	3150	3200	3200	3250	-50
New Delhi–(Condition)(New Crop)	Closed	Closed	3550	3560	-
Kota-Non-(Condition)	Closed	Closed	3100	3350	-
Agra-(Condition)	4050	4050	3900	3950	100
Neewai	3520	3520	3350	3400	120
Hapur (UP)(New Crop)	Closed	Closed	3600	3625	-
Groundnut Seed					
Rajkot	Closed	Closed	880	880	-
Sunflower Seed					
Gulbarga	Closed	Closed	2890	3125	-
Latur	Closed	Closed	3190	3425	-
Sholapur(New Crop)	Closed	Closed	3250	3300	-
Sesame Seed					
Mumbai (White98/2/1)	NA	NA	8500	8500	-

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

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

Oilseed Arrivals in Key Centers:

Commodity	Centre	Arrivals in Bags/Qtl		Change
		Week End 28th March to 2nd April 2015	Week End 21th to 27th March 2015	
Soybean				
	Madhya Pradesh	18000	215000	-197000
	Maharashtra	20000	100000	-80000
	Rajasthan	116000	109000	7000
	Bundi (Raj)	300	825	-525
	Baran (Raj)	400	2100	-1700
	Jhalawar (Raj)	3000	6100	-3100
Rapeseed/Mustard	Rajasthan	50000	1700000	-1650000

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

Centres	Ex-factory rates (Rs/ton)		
	2-Apr-15	27-Mar-15	Parity To
Indore (MP)	30000-30200	29000	Gujarat, MP
Kota	29700-30000	28700	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	31700	29700	Mumbai, Maharashtra
Nagpur (42/46)	31000	29500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	30400	30400	Andhra, AP, Kar, TN
Latur	31500	30300	-
Sangli	31500	30300	Local and South
Sholapur	32000	30800	Local and South
Akola	30600	29200	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	30500	30000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	29700	28500	-

Soy DOC at Port

Centers	Port Price	
	2-Apr-15	27-Mar-15
Kandla (FOR) (INR/MT)	31500	29750
Kandla (FAS) (USD/MT)	507	475

International Soy DOC			
Argentina FOB USD/MT	1-Apr-15	26-Mar-15	Change
Soybean Pellets	367	360	7
Soybean Cake Flour	367	360	7
Soya Meal	375	368	7
Soy Expellers	375	368	7

Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	2-Apr-15	27-Mar-15	Change
Adoni	20600	20200	400
Khamgaon	NA	NA	-
Parli	20800	20400	400
Latur	20400	20000	400

Groundnut Meal (Rs/MT)	2-Apr-15	27-Mar-15	Change
Basis 45%, Saurashtra	26000	25000	1000
Basis 40%, Saurashtra	23000	22000	1000
GN Cake, Gondal	26000	25500	500

Mustard DOC/Meal	2-Apr-15	27-Mar-15	Change
Jaipur (Plant delivery)	15200	14800	400
Kandla (FOR Rs/MT)	15700	15400	300

Progress of Sown Area – Rabi Oilseeds, India

In the official *rabi oilseeds* planting report (week ending 12 Mar. 2015), the area coverage under *Rabi* oilseeds is reported at 84.01 lakh hectares, down 8% from 91.45 lakh ha during the same period last year. Of the major oilseeds, rapeseed/mustard seed sowing is reported down by 8.6% at 65.17 lha compared to 71.32 lha during the same period last year. Groundnut at 8.43 lha vs 8.71 lha, safflower at 0.95 lha vs 1.78 lha, sunflower at 3.19 lha vs 4.40 lha, sesamum 2.26 lha vs 1.12 lha, linseed 3.21 lha vs 3.59 lha during the same period last year.

Crop	As on 12 Mar. 2015	As on 12 Mar. 2014	% Change
Rapeseed/Mustard	65.17	71.32	-8.6
Groundnut	8.43	8.71	-3.2
Safflower	0.95	1.78	-46.6
Sunflower	3.19	4.40	-27.5
Sesamum	2.26	1.12	101.8
Linseed	3.21	3.59	-10.6
Others	0.80	0.53	50.9
Total Oilseeds	84.01	91.45	-8.1

(Area in lakh hectares) Source: GOI

Soybean

The soybean featured gains third consecutive week on local buying and weak supplies in the physical market. The interested buyers, mainly the solvent extractors were ready to quote slightly higher due to substantial fall in the bean supplies ahead fiscal year-end closing formalities.

However, need based buying is more prevalent in the market and there are no reports of aggressive buying due to disparity in crush margin and lower than available capacity utilization of the crushing units.

However, the domestic oilseeds market is under continued pressure from international benchmark, CBOT, soybean which is at almost 2-year low, expanding South American soybean harvest and reports of higher 2015/16 US soybean planting, lower crude and ongoing harvesting in rapeseed-mustard in India.

Increased edible oil imports and lower soy meal export sales of Indian origin followed by disparity in crushing the beans kept the bean prices under pressure for long.

Oil World has revised the global soybean production upwards to 312.8 Mn T for 2014/15. This is up sharply by 31.0 Mn T.

The slowing-down of Chinese soybean imports in February and March is marked as temporary and primarily due the South American export delays.

China imported 4.26 million tonnes of soybeans in February, down 38.1% from 6.88 million tonnes in January, as reported by the General Administration of Customs of China. China bought 230,000 tonnes of vegetable oils in February, down 48.9% from the previous month.

China is estimated to have imported 3.33 million metric tons (tonnes) of soybean delivered to ports in March, this is higher than the previous forecast of 2.93 million tonnes, the Ministry of Commerce (MOC) said in the latest report.

The ministry also projected the Chinese soybean purchases would reach 2.74 million tonnes in April.

In the latest production estimates in April, Argentina's 2014/15 soybean production is estimated at 58.5 million tonnes, the Buenos Aires Grains Exchange said on 01 April'15, raising its previous estimate of 57 million tonnes considering higher yield.

Informa Economics has forecasted 2014 Brazil soybean outturn at 93.0 million tonnes, up 500,000 from previous forecast-trade.

The harvesting in South America is underway and picking up the pace with favorable weather, however recent protest by truckers and port workers in these countries disrupted the supplies to the importing countries.

The U.S. Department of Agriculture expects world soy stocks to hit a record-high 89.5 million tonnes by the end of the 2014-15 season. USDA has estimated the global soybean production at a record 315.1 million tonnes for this season.

Malaysia will impose 4.5% export tax on crude palm oil in April, ending the period of duty-free exports starting in Sept 2014. Malaysia and Indonesia had exempted export duty from palm oil making it much cheaper for India.

But Malaysia's step will make the import slightly dearer for India, which had been importing at lower price since long, which may boost the soy prices to some extent.

Conab – Brazil's government crop supply agency has trimmed its 2014/15 soybean production estimate to 93.3 million tonnes this week from 94.6 million tonnes in February slashing sown area and potential yield output.

Consistent Chinese and likely increase in their buying remained supportive to the market to some extent.

The domestic soybean prices will continue to remain under global supply pressure, lower crude and India's weak soy meal export sales with disparity on crushing the bean, though mild gains in cash market can't be ruled out with export duty on crude palm oil in effect from April and likely increased buying in the global market.

Soy meal

Soy meal edged-up in tandem with soybean with fresh buying activity in the cash market during the week under review.

In the press release SOPA has welcomes new foreign trade policy 2015-2020. Dr. Davish Jain has specially welcomed the export incentives announced to help exports of oil meals, especially soy meal, which has gravely suffered in the last year because of factors beyond the exporters control. Dr. Jain said that, we are confident that soy meal exports will gain the lost ground and contribute significantly to India's foreign trade. We now look forward to working closely with Ministry of Commerce and Industry in our efforts to revitalize India's soy meal exports.

The poultry unit owners are covering their stocks in rapeseed-mustard oil cake and soy meal followed by rise in seasonal supply at lower prices, remained supportive for the meal market.

India's near and medium-term fundamentals remain bearish for domestic soy meal mainly due to weak international prices with higher global soy supply scenario and lower crude. The competitive S. American soy meal price compared to India's, remained negative factor for domestic meal.

There are mixed views on the Argentina's soybean production and crop damage due to heavy rains recently. Heavy rains in February and early March has hit the Argentina's soybean yield, the water is receding though. The government forecast a record soy crop of 58 million tonnes, while Agripac before cutting its forecast to 55.5 million tonnes. The flood damage is expected to reduce the Argentina's soy crop by 1.7% to 4.5% or by 1 million tonnes or 2.5 million tonnes - Agripac. While others feel higher yield will offset the flood damage.

The market is waiting for the India's soy meal export figures in March. India's soy meal exports once again fell in February by 65% Y-o-Y and 71% in the current oil year.

The domestic soy meal demand has been already hit due to recent incidents of bird flu in some parts of Kerala, affecting poultry production in several other parts of South India where there are highest number of poultry units, and poultry is the largest consuming industry of soy meal in India.

The domestic solvent extractors continued to face the crisis followed by wide disparity on crushing the beans and sharp fall in the meal exports from the beginning of the season which is certainly restricting the gains in soy meal.

The overseas soy meal exports eased m-o-m as well as y-o-y this season primarily due to the competitive international meal prices, including the meal of US, Brazil and Argentine origin compared the meal of Indian origin. India's soy meal exports this season are sharply lower as compared to the previous years.

Exports of Soybean meal during February, 2015 was 64,515 tons as compared to 1,83,551 tons in February, 2014 showing a decrease by 64.85% over the same period of last year.

On a financial year basis, the export during April'2014 to February'2015 is 5,99,818 tons as compared to 26,08,698 tons in the same period of previous year showing a decrease of 77%.

During current Oil year, (October – September), total exports during October 2014 to February, 2015 are 5,02,958 tons as against 17,32,404 tons last year, showing a decrease by 70.96%.

Iran, Indonesia and Myanmar remained the top 3 buyers of Indian soy meal in February 2015.

India's soy meal exports declined to 64,514 tonnes in February from 104,426 tonnes in Jan., the Solvent Extractors' Association of India. Of total oilmeal shipments in Feb., soy meal comprised of 64,514 tonnes, rapeseed meal (62,545 tonnes), ricebran extraction (3380 tonnes) and castorseed meal was (51,494 tonnes).

Considering the current scenario, we feel that India may not be able to regain the lost market this season which it lost last season due to prices competitive in US, and South American meal followed by record supply scenario.

The soy meal prices are likely to feature range-bound movement in near-term.

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 are lower. Soy meal export price, FOR Kandla (Apr – May delivery) was quoted between Rs 29,250– 31,500/MT compared to Rs 38,500 – 39,100/MT during the same period last year.

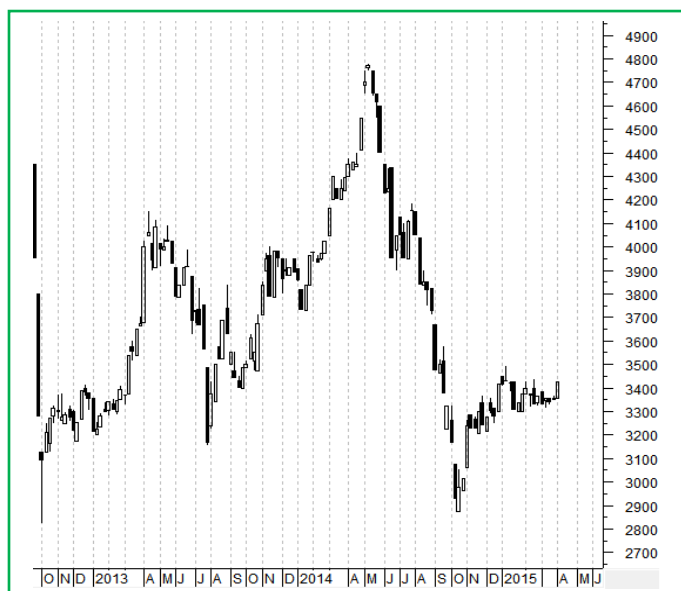
Recommendation: *India's soy meal prices are under global supply pressure. Indian meal exporters are advised to aggressively explore the lost markets last season especially traditional South and Far-East Asian destinations and Iran. India is into the period of higher exports considering seasonality. The domestic meal prices are likely to feature range bound movement with weak bias in near-term. FOR, Kandla (Apr. - May delivery) is expected to feature range-bound movement and the quotes are expected to slightly improve and will in the range of Rs. 30,300 – 30,700/MT levels in the upcoming week. They remained between Rs. 29,250– 30,500/MT during the week.*

Technical Analysis:

NCDEX Soybean Futures



Soybean Spot, Indore



*Note: Daily Chart

Support & Resistance NCDEX Soybean – Apr. contract

S1	S2	PCP	R1	R2
3300	3235	3458	3550	3616

- Soybean prices edged-up during the week.
- Prices closed above 9-day and 18-day EMA.
- RSI and stochastic are rising in neutral region in weekly chart.
- MACD is rising in positive territory.
- The prices are expected to feature gains in the coming week.
- Trade Recommendation (NCDEX Soybean – Apr.) Week: BUY Above 3450. Levels: Target – 3550; T2- 3600, SL -3420.

Trade Recommendation Soybean - Spot: Soybean prices will remain under pressure but may witness mild gain after market witnessed some fresh buying this week. The prices are likely to be in the band of 3400 – 3500 levels (Indore, Plant basis) during the week. The prices remained within the price band of 3300-3450.

Rapeseed - Mustard Seed

RM seed witnessed losses on lackluster trade activity during the week under review. Both, the buyers and the seller refrained from the physical market in anticipation of further fall in the seed prices fall in supplies and the fiscal year-end closing formalities.

Besides, the market remained under new crop supply pressure in recent days, but buying interest among millers/crushers limited the losses.

The unseasonal rains in February and March have hit the seed yield and lower the estimated production.

The harvesting in Uttar Pradesh is over and it is also complete in most of the parts of Rajasthan, it is progressing in Haryana and Punjab.

The all India seed arrivals fell due to fiscal year closing formalities and reported at 9,55,000 bags during the week under review compared to 27,25,000 bags previous week. In Rajasthan the supplies were negligible which were 17,00,000 bags previous week.

The seed supplies will once again increase in second week of April. The all India supplies could not reach the previous year's level of 7 lakh bags yet, which were witnessed at the end of March 2014.

Malaysian palm oil edged-up with the news of surge in palm oil exports in March.

Malaysia has imposed 4.5% export tax on crude palm oil in April, ending the period of duty-free exports starting in Sept 2014. Malaysia and Indonesia had exempted export duty from palm oil making it much cheaper for India.

Malaysia's step will make the import slightly dearer for India, which had been importing at lower price since long, which may boost the soy prices to some extent.

Exports of Malaysian palm oil products for March increased to 14.8% to 1,140,355 tonnes from 993,376 tonnes shipped during February, cargo surveyor Societe Generale de Surveillance on 31 March 15.

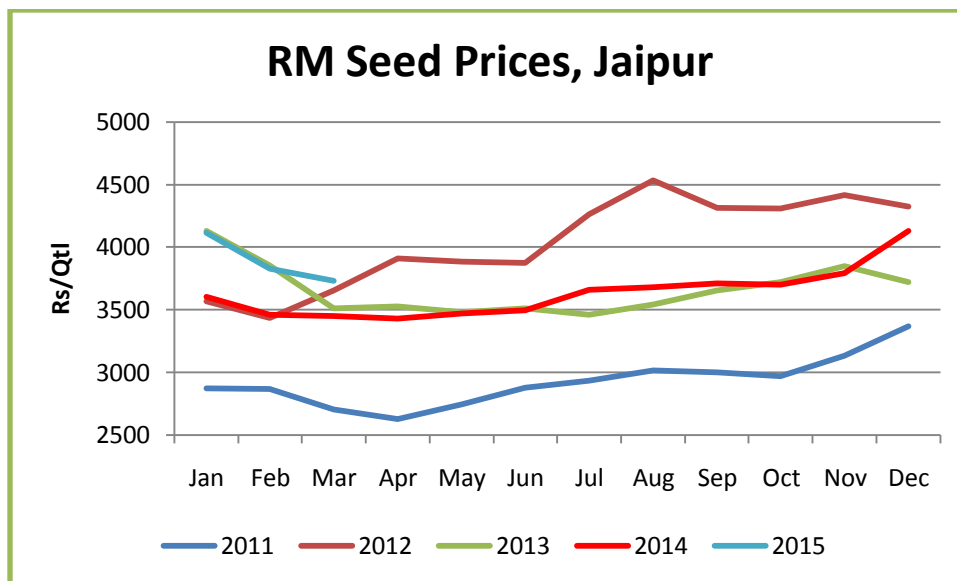
As per Oil World, the Indian rabi (winter) rapeseed crop, which is under harvesting phase is expected to decline by 12%, due to unfavorable weather just before harvesting, this will increase the country's dependence on vegetable oil imports in coming months. This is one other reason for the surge in the seed prices.

Overall, India's edible oil imports remained higher in previous months, which have lead to severe crisis to domestic solvent extractors owing to disparity on crushing the seed and bean.

On the production front, combined crude palm oil output from Malaysia and Indonesia is expected to rise to 51.1 million tons in 2015 v/s 49.2 million tons last year. This is again a bearish factor for India's rapeseed-mustard.

India's area under rapeseed-mustard this season is reported lower over 8.6% at 65.17 lha compared to 71.28 lha previous season. India's area under RM seed was 71.4 lakh hectares in 2013. Lower area is a bullish factor for the domestic RM seed.

Increasing seasonal arrivals of the rapeseed-mustard with harvesting in full swing and exemption of export duty by Malaysia and Indonesia on palm oil will pressure the seed price in near-term. However, renewed demand by the solvent extractors and Malaysia's decision on imposing export duty on palm oil may push up the seed price further.



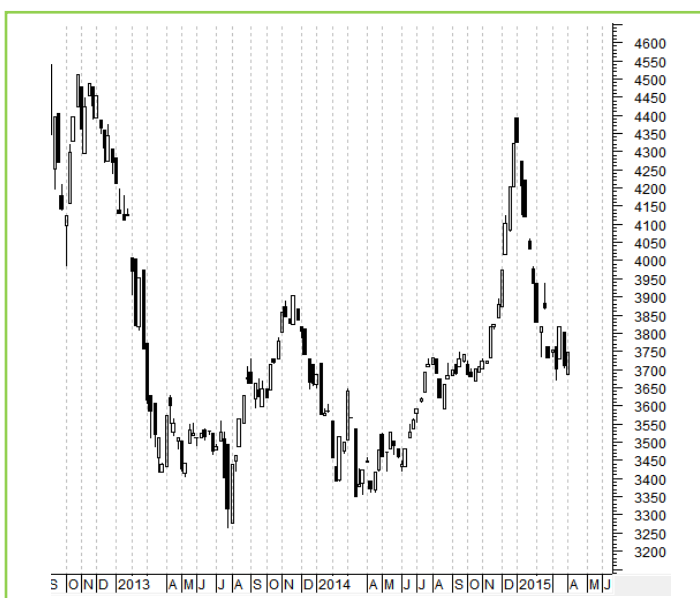
Technical Analysis:

NCDEX RM Seed Futures



*Note: Daily Chart

RM Seed Spot, Jaipur



Support & Resistance NCDEX RM Seed – Apr. contract

S1	S2	PCP	R1	R2
3223	3282	3454	3511	3550

- RM seed prices surged on buying interest in the market.
- Prices closed above 9-day and 18-day EMA.
- RSI and stochastic are rising in neutral zone.
- MACD is moving upwards in positive territory.
- The prices are expected to feature gains in the coming week.
- Trade Recommendation (NCDEX Soybean – Apr.) Week: BUY Above 3450. Levels: Target – 3550; T2-3600, SL -3420.

Trade Recommendation RM Seed Spot (Jaipur basis): In spot, the RM seed continues to be under palm oil and domestic new RM seed supply pressure. Prices of seed are expected to be between 3740 – 3770 levels during the week. They were between 3685 – 3750 levels during the week under review.

Annexure

Progress of Sown Area – Kharif Oilseeds, India

In the official *kharif oilseeds* planting report (week ending 09 Oct 2014), the area coverage under *Kharif* oilseeds is reported at 178.47 lakh hectares, down 8.4% from 194.90 lakh ha previous year. Of the major oilseeds, soybean sowing is reported down by 10% at 110.22 lha compared to 122.20 lha during the same period last year. Groundnut at 37.25 lha vs 43.19, sunflower at 2.05 lha vs 2.43 lha, sesamum 16.31 vs 14.91, niger 2.28 lha vs 2.33 lha and castor at 10.35 lha vs 9.84 lha during the same period last year.

Crop	As on 09 Oct 2014	As on 09 Oct 2013	% Change
Groundnut	37.25	43.19	-13.8
Soybean	110.22	122.20	-9.8
Sunflower	2.05	2.43	-15.6
Sesamum	16.32	14.91	9.5
Niger	2.28	2.33	-2.1
Castor	10.35	9.84	5.2
Total Oilseeds	178.47	194.90	-8.4

(Area in lakh hectares) Source: GOI

Rabi MSP 2014-15

- ❖ The Cabinet Committee on Economic Affairs has approved the Minimum Support Prices (MSPs) for Rabi Oilseeds Crops of 2014-15 season to be marketed in 2015-16 as follows: The MSP of Rapeseed/Mustard is raised by Rs. 50/Qtl to Rs. 3100/Qtl from Rs. 3050/Qtl earlier. For Safflower too it is increased by Rs. 50/Qtl to Rs. 3050/Qtl from Rs. 3000/Qtl in 2013-14.

Kharif MSP

- ❖ 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.

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