

Executive Summary

Soybean and meal and rapeseed-mustard fell on weak global cues and sluggish buying during the week under review.

The MPOB report was more of bearish with reports of higher stock, improved production and imports but better exports in May'15. The USDA's monthly WASDE report of May remained bearish with improved availability of soy products.

IMD's forecast of weaker monsoon at 88% of Long Period Average from 93% of LPA and gains in crude has limited the losses in Indian oilseeds during the week under review.

Soy meal:

- ❖ The domestic soy meal declined tracking losses in international benchmark, CBOT, followed by bearish global supply scenario during the week under review.
- ❖ Weakness in Malaysian palm oil and CBOT soy complex is attributed to the bearish monthly supply and demand reports by Malaysia and USDA. The buyers refrained from the market ahead of the reports released on 10 Jun. 15.
- ❖ As discussed earlier, record 2014/15 soybean production in US and South America has increased the global availability of soy meal at much competitive price at which the meal of Indian origin is not available.
- ❖ The soy meal prices of US, Brazil and Argentina remained competitive even in previous season. Hence, India's soy meal exports suffered not only this season but it was weak even previous year.
- ❖ India's monthly soy meal exports in the month of May witnessed gains y-o-y, after several months, showing an increase by 71% over the same period last year.
- ❖ The egg sales along with exports to Gulf/Arabian countries from Tamil Nadu, the largest poultry producing state, have dropped as they get eggs at competitive prices from France and Switzerland. But the chicken prices rose followed by the bird mortality rate due to heat wave, about 17 million birds have been killed in May due to hot weather.
- ❖ India's rapeseed meal exports fell from 2011 and China's rapeseed meal imports declined as well after the ban.
- ❖ China proved to be the largest rapeseed meal buyer of Indian origin.

- ❖ The India's poultry unit owners and cattle feed manufactures continued to cover their stocks in rapeseed-mustard oil cake and soy meal, followed by rise in seasonal supply at lower prices, remained supportive for the oil meal market.
- ❖ India's soy meal shipment during May, 2015 was 14,045 tons as compared to 8,221 tons in May, 2014 showing an increase by 70.85% over the same period of last year.
- ❖ Of total oil meal shipments in May, soy meal comprised of 14,045 tonnes, rapeseed meal (35,188 tonnes), rice bran extraction (2,500tonnes) and castor seed meal was (31,487 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 Competitive prices in US, and South American meal followed by record supply scenario.*
- ❖ *The soy meal prices are likely to feature range-bound movement with weak bias followed by improved supply scenario in near-term.*
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Soybean:

- ❖ The domestic soybean featured losses on weak global scenario and sluggish buying in the domestic cash market.
- ❖ The market was expecting bearish monthly USDA's World Agriculture Supply Demand Estimate report but the MPOB's data was even more bearish for the oils and fats market, which was released just before USDA's data. The reports worked as catalyst in pressuring the soybean market.
- ❖ In the IMD's Operational 2nd stage long range Forecast for the 2015, Southwest monsoon rainfall is likely to be 88% of the Long Period Average (LPA) compared to the previous forecast of 93% of the LPA.
- ❖ In a major development, the monsoon has set in the Coastal Konkan region of Maharashtra with heavy rains over Mumbai and adjoining districts. Improving the farmer's hope of precipitation in Vidarbha where they are gearing up for the soybean plantation.
- ❖ The farmers of Vidarbha, Maharashtra, feel that the soybean planting will begin at the end of June or early July after land preparation which is only possible after one or two spells of rains for adequate soil moisture. The delay is estimated by 20 - 25 days from its usual.

- ❖ US soybean planting is underway and some fields need to be replanted due to excessive moisture in previous week, which eventually had hampered the planting pace in recent days.
- ❖ Crude oil, WTI- NYMEX, is above US \$ 60 per barrel but below recently tested US \$ 63 per barrel.
- ❖ China is estimated to import a record 77.5 million tonnes of the soybean, 4.5 million tonnes of rapeseed in 2015/16 (Oct-Sept), a surge of 5.5% from the previous year, according to USDA attaché in China. China's MY15/16 vegetable oil imports are expected to improve to 8.28 million tons, up by 5.9% from the previous year.
- ❖ The Argentine government raised its soybean production for the 2014/15, soybean harvest by 1 million tonnes to 60 million tonnes, last week.
- ❖ *Improved palm oil shipments from Malaysia, strength in crude, better Chinese buying and good buying support in the domestic market will keep the bean prices stronger. But improved edible oil imports and disparity in soybean crushings and lower soy meal export sales of Indian origin will limit the gains.*

RM Seed:

- ❖ RM seed fell on weak global cues, after it rallied in previous weeks. However, the gravity of fall of the seed prices was lower than the soybean due to lower domestic RM seed production.
- ❖ The fall is witnessed primarily due to the bearish monthly MPOB data. India's rapeseed-mustard closely follows Malaysian palm oil.
- ❖ In the MPOB report, Malaysian palm oil ending stock unexpectedly came higher than expected despite robust increase exports. The ending stocks of May were reported higher by 2.51% m-o-m from 2,189,479 tons to 2,244,524 tons.
- ❖ The rise in ending stock is primarily due to greater than expected rise in production. Palm oil production rose by 6.92% from 1,693,424 tons to 1,810,692 tons while exports rose by 37.32% from 1,175,248 tons to 1,613,566 tons.
- ❖ Besides, Malaysian palm oil imports stood higher by 113.67% from 34,277 to 73,241 tons. The prices are hovering above 2250 Ringgit across all the contracts of CPO at BMD.

- ❖ The rise in palm oil shipments from Malaysia and Indonesia was mainly ahead of Ramadan which limited the losses in CBO.
- ❖ Further, China is expected to place the rapeseed meal of Indian origin after it has lifted the ban imposed in 2011. This will once again push up the India's rapeseed prices up in coming days.
- ❖ *Better buying in newly harvested seed by the millers and the stockists will boost the seed prices in near to medium-term. Besides, falling Malaysian palm oil inventories with better palm oil exports will lend additional support to the seed prices. However, Malaysia's decision of cancellation on imposing export duty on palm oil may limit the gains.*

International Highlights

- ❖ US soybean planting is reported at 79% by 7Jun which is slightly below 5 year average of 81% and also below from 86% during the same period last year. Soybean emergence is reported at 64% slightly higher than 5 year average of 63% and below from 68% during the same period last year. Further, about 69% is under good to excellent condition which was 74% during the same period last year. The factors have turned-up slightly bullish for the international soybean for short-term.
- ❖ China is estimated to import a record 77 million tons of the oilseed in 2015/16 (Oct-Sept), a surge of 5.5% from the previous year, according to an official published report.
- ❖ China, imported 5.31 million tons of soybeans in April, up 18.3 percent from 4.49 million tons in March. Figures from the General Administration of Customs of China showed imports of vegetable oils in April were 520,000 tons, up 44.4 percent from the previous month.
- ❖ India imported 1.11 million tons of vegetable oils in April, which was 1.06 million tons in March, according to market participants. The vegetable oils import rose during the period due to higher demand of palm oil. India imported 725, 088 tons of palm oil in April, around 6.3% higher when compared to the exports in previous month, said Solvent Extractors' Association of India (SEA).
- ❖ Oil World has revised the global oilseeds production upward by 3.5 Mn T from a month earlier, mainly on account of Argentine soybeans.

- ❖ The scraping of the export tax on crude palm oil in May will give Malaysian producers and exporters a clear advantage over their Indonesian counterparts. Malaysia had imposed 4.5% export tax on crude oil in April since a long exemption from September'14.
- ❖ 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.
- ❖ 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.
- ❖ As per Oil World, Indonesia palm oil production is seen at 32.4 million tons for 2014-15 v/s 30.5 million tons last year and Malaysian palm oil production is 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 is seen at USD 770 /T and USD 750/T respectively.
- ❖ Oil World has estimated that, 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.
- ❖ 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.
- ❖ 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 at 73.5 Mn T in Oct/Sept 2014/15 by the Oil World.
- ❖ The total oil meals 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 soy 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.
- ❖ 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 to be at 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.
- ❖ Brazil's 2014/15 soybean production is forecasted at 94 million tons, unchanged from a May estimate, by crop analysts FCStone International.
- ❖ Brazil's analyst Abiove raised its estimate for the recent harvested 2014/15 soy crop to 93.06 million tons from the last forecast of 92.69 million tons.
- ❖ AgRural, Brazilian analyst, has estimated Brazil's 2014-15 soybean crop to 93.8 million tons from 93.3 million tonnes earlier. The production is record high, despite late plantings due to stress followed by dry weather initially.
- ❖ Brazil based analyst Safras & Mercado forecasts 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.
- ❖ 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.

- ❖ 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 is seen at 56.6 million tons.
- ❖ Argentina's 2014/14 soybean crop is forecasted at a record 60.8 million tons by the Buenos Aires Grains Exchange, increasing its last estimate of 60.0 million tons.
- ❖ The Argentine government raised its soybean production for the 2014/15 soybean harvest by 1 million tons to 60 million tons.

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

Centres	Ex-factory rates (Rs/ton)		
	12-June-15	5-June-15	Parity To
Indore (MP)	33500	35100	Gujarat, MP
Kota	34000	35000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	34500	36200	Mumbai, Maharashtra
Nagpur (42/46)	35000	35500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	35300	36200	Andhra, AP, Kar ,TN
Latur	34300	36500	-
Sangli	35000	36300	Local and South
Sholapur	35000	36000	Local and South
Akola	34700	35200	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Hingoli	35200	36100	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Bundi	33000	35300	-

Soy DOC at Port

Centers	Port Price	
	12-June-15	5-June-15
Kandla (FOR) (INR/MT)	34000	35600
Kandla (FAS) (USD/MT)	531	557

International Soy DOC

Argentina FOB USD/MT	11-Jun-15	4-Jun-15	Change
Soybean Pellets	352	348	4
Soybean Cake Flour	352	348	4
Soya Meal	360	356	4
Soy Expellers	360	356	4

Sunflower (DOC) Rates

Centers	Ex-factory rates (Rs/ton)		
	12-Jun-15	5-Jun-15	Change
Adoni	21400	21400	Unch
Khamgaon	NA	NA	-

Parli	21600	21600	Unch
Latur	21000	21000	Unch

Groundnut Meal (Rs/MT)	12-Jun-15	5-Jun-15	Change
Basis 45%, Saurashtra	28000	28500	-500
Basis 40%, Saurashtra	25000	25500	-500
GN Cake, Gondal	27500	28000	-500

Mustard DOC/Meal	12-Jun-15	5-Jun-15	Change
Jaipur (Plant delivery)	16400	17000	-600
Kandla (FOR Rs/MT)	17300	17700	-400
Sri Ganganagar	2035	2080	-45

Summer Groundnut Outturn to Fall by 52% in Gujarat - IOPEC

The groundnut outturn in Gujarat is projected lower by 52% in a recent survey by the Indian Oilseeds & Produce Export Promotion Council (IOPEPC). The survey was jointly conducted with the Junagadh Agricultural University as Gujarat is the largest producer of groundnut during summer.

IOPEPC production estimates are higher than the trader's projection. Groundnut output this summer is estimated to be about 91,966 tonnes as against 193,258 tonnes in 2014 by IOPEC which was projected around 75,000-78,000 tonnes this season by trade participants.

The covered area under groundnut crop was lower by 45% cent during summer 2015 at 49,300 hectares compared to 89,500 hectares in 2014.

Further, yield output was hit due to lower than the needed irrigation by several farmers in the region.

IOPEC also found that the farmers were unable to get the quality seed for planting this season and had to go for GG2 and J11 varieties. The recommended ones are TG-37 and TPG41.

The demand for India's groundnut, is growing overseas. India exported around 646,114 tonnes of groundnut from April 2014 to February 2015 which was 509,515 tonnes in the same period 2013-14.

IMD Monsoon Forecast

In the IMD's Operational 2nd stage long range Forecast for the 2015, Southwest monsoon rainfall is likely to be 88% of the Long Period Average (LPA) compared to the previous forecast of 93% of the LPA with a model error of $\pm 4\%$. The deficiency probability is forecast at 66% while 27% below normal.

The event may hit the yield and subsequently production this season, as the kharif oilseeds are rain-fed.

Soybean

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In a major development, the monsoon has set in the Coastal Konkan region of Maharashtra with heavy rains over Mumbai and adjoining districts, improving the farmer's hope of precipitation in Vidarbha where they are gearing up for the soybean plantation.

The farmers of Vidarbha, Maharashtra, feel that the soybean planting will begin at the end of June or early July after land preparation which is only possible after one or two spells of rains for adequate soil moisture. The delay is estimated by 20 - 25 days from its usual.

Further, the soybean planting in Madhya Pradesh and Rajasthan will depend on the advancement of the monsoon in coming days.

India's soybean planting intention is expected to be slightly higher by about 5% due to lower planting intentions in cotton, in the state of Maharashtra, the major area is expected to shift to soybean. India's 2014/15 soybean planting was in 110.22 lakh hectares which was already lower by 9.8% than in 2013.

US soybean planting is underway and some fields need to be replanted due to excessive moisture in previous week, which eventually had hampered the planting pace in recent days.

US soybean planting is reported at 79% by 7Jun which is slightly below 5 year average of 81% and also below from 86% during the same period last year. Soybean emergence is reported at 64% slightly higher than 5 year average of 63% and below from 68% during the same period last year. Further, about 69% is under good to excellent condition which was 74% during the same period last year. The factors have turned-up slightly bullish for the international soybean for short-term.

Crude oil, WTI- NYMEX, is above US \$ 60 per barrel but below recently tested US \$ 63 per barrel.

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Soy meal

The domestic soy meal declined tracking losses in international benchmark, CBOT, followed by bearish global supply scenario during the week under review.

Weakness in Malaysian palm oil and CBOT soy complex is attributed to the bearish monthly supply and demand reports by Malaysia and USDA. The buyers refrained from the market ahead of the reports released on 10 Jun. 15.

As discussed earlier, record 2014/15 soybean production in US and South America has increased the global availability of soy meal at much competitive price at which the meal of Indian origin is not available.

The soy meal prices of US, Brazil and Argentina remained competitive even in previous season. Hence, India's soy meal exports suffered not only this season but it was weak even previous year.

India's monthly soy meal exports in the month of May witnessed gains y-o-y, after several months, showing an increase by 71% over the same period last year.

The egg sales along with exports to Gulf/Arabian countries from Tamil Nadu, the largest poultry producing state, have dropped as they get eggs at competitive prices from France and Switzerland. But the chicken prices rose followed by the bird mortality rate due to heat wave, about 17 million birds have been killed in May due to hot weather.

Overall, the domestic meal consumption too fell in recent weeks.

A group of animal feed manufacturers in the Philippines has bought about 40,000 tonnes of soy meal be sourced from the US in a tender during the week.

South Korea's leading feed manufacturer Nonghyup Feed Inc (NOFI) has bought 55,000 tonnes of soy meal which is expected to be sourced from South America, as reported by European trade participants.

The price quoted for the meal was US \$ 377.99/tonne c & f and a US \$1-a-tonne surcharge for additional port unloading for arrival on Oct. 20.

In another consignment South Korea's Korea Feed Association (KFA) has bought 12,000 tonnes of rapeseed meal to be sourced from India. The meal was quoted at US \$ 299.98/tonne c & f and US \$1.75 a tonne surcharge for additional port unloading for the delivery on July 20.

The KFA also bought additional 50,000 tonnes of soy meal during the last week of May.

China is expected to place the order's for India's rapeseed-mustard with its decision of lifting ban on the meal sourced from India which was imposed three years back in 2011 on traces of malachite green.

In a step forward, China and India have signed a sanitary protocol to ensure India's rapeseed meal matches the China's quality standards said China's quality watchdog, the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ).

India's rapeseed meal exports fell from 2011 and China's rapeseed meal imports declined as well after the ban.

China proved to be the largest rapeseed meal buyer of Indian origin.

Chinese imports of rapeseed meal are estimated at 150,000 tonnes during 2015/16 (June/May), which is lower by 25% from a year ago (imported from other countries). China's demand is projected around 10.8 million tonnes for the year, according to a CNGOIC estimate published this week.

The India's poultry unit owners and cattle feed manufactures continued to cover their stocks in rapeseed-mustard oil cake and soy meal, followed by rise in seasonal supply at lower prices, remained supportive for the oil meal market.

India's soy meal shipment during May, 2015 was 14,045 tons as compared to 8,221 tons in May, 2014 showing an increase by 70.85% over the same period of last year.

Of total oil meal shipments in May, soy meal comprised of 14,045 tonnes, rapeseed meal (35,188 tonnes), rice bran extraction (2,500tonnes) and castor seed meal was (31,487 tonnes).

On a financial year basis, the export during April 2015 to May 2015 is 32,062 tons as compared to 84,104 tons in the same period of previous year showing a decrease of 61.88%.

During current Oil year, (October – September), total exports during October 2014 to May, 2015 is 5,81,689 tons as against 20,48,685 tons last year, showing a decrease by 71.60%.

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 Competitive prices in US, and South American meal followed by record supply scenario.

The soy meal prices are likely to feature range-bound movement with weak bias followed by improved supply scenario 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 (Jun – Jul delivery) was quoted between Rs 34,000 – 35,600/MT compared to Rs 39,750 – 40,500/MT during the same period last year.

Recommendation: *India's soy meal prices continued to remain 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. The domestic meal prices are likely to feature range bound movement with weak bias in near-term. FOR, Kandla (Jun – Jul delivery) is expected to feature range-bound movement and the quotes are expected to slightly ease and will witness Rs. 33,800 – 35,800/MT levels in the upcoming week. They remained between Rs. 34,000 – 35,600/MT during the week.*

Technical Analysis:

NCDEX Soybean Futures



Soybean Spot, Indore



*Note: Daily Chart

Support & Resistance NCDEX Soybean – Aug. contract

S1	S2	PCP	R1	R2
3502	3373	3673	4027	4204

- Soybean witnessed sharp fall. This is a fall on consecutive fifth week.
- Prices closed below 9-day and 18-day EMA.
- RSI and stochastic are easing in neutral region.
- MACD is falling in negative territory.
- The prices are expected to feature losses in the coming week.
- Trade Recommendation (NCDEX Soybean – Aug.) Week: SELL Below 3680. Levels: T1 – 3580; T2- 3500, SL -3740.

Trade Recommendation Soybean - Spot: Soybean prices will remain under pressure on bearish global supply scenario and weakness in crude, in coming days. The prices are likely to be in the band of 3550 – 3700 levels (Indore, Plant basis) during the week. The prices remained within the price band of 3650 – 3900 during the week in review.

Rapeseed - Mustard Seed

RM seed fell on weak global cues, after it rallied in previous weeks. However, the gravity of fall of the seed prices was lower than the soybean due to lower domestic RM seed production.

The fall is witnessed primarily due to the bearish monthly MPOB data, India's rapeseed-mustard closely follows Malaysian palm oil.

In the MPOB report, Malaysian palm oil ending stock unexpectedly came higher than expected despite robust increase exports. The ending stocks of May were reported higher by 2.51% m-o-m from 2,189,479 tons to 2,244,524 tons.

The rise in ending stock is primarily due to greater than expected rise in production. Palm oil production rose by 6.92% from 1,693,424 tons to 1,810,692 tons while exports rose by 37.32% from 1,175,248 tons to 1,613,566 tons.

Besides, Malaysian palm oil imports stood higher by 113.67% from 34,277 to 73,241 tons. The prices are hovering above 2250 Ringgit across all the contracts of CPO at BMD.

The rise in palm oil shipments from Malaysia and Indonesia was mainly ahead of *Ramadan* which limited the losses in CBO.

Further, exports of Malaysian palm oil products for Jun. 1-10 increase 1.9% to 473,307 tonnes from 464,520 tonnes shipped during May. 1-10 - cargo surveyor Societe Generale de Surveillance.

Shipments of Malaysian palm oil products for May increased by 44.7% to 1,553,281 tonnes from 1,073,482 tonnes shipped during April, cargo surveyor Intertek Testing Services reported on 1 Jun 2015.

Further, China is expected to place the rapeseed meal of Indian origin after it has lifted the ban imposed in 2011. This will once again push up the India's rapeseed prices in coming days.

India's rapeseed meal exports fell from 2011 and China's rapeseed meal imports declined as well after the ban. China proved to be the largest rapeseed meal buyer of Indian origin when exports were on.

The all India seed arrivals are gradually falling and they were reported total of about 98,50,00 bags during the week under review compared to about 13,40,000 bags previous week. In Rajasthan the supplies too were reported lower at about 5,90,000 bags compared to about 8,40,000 bags previous week.

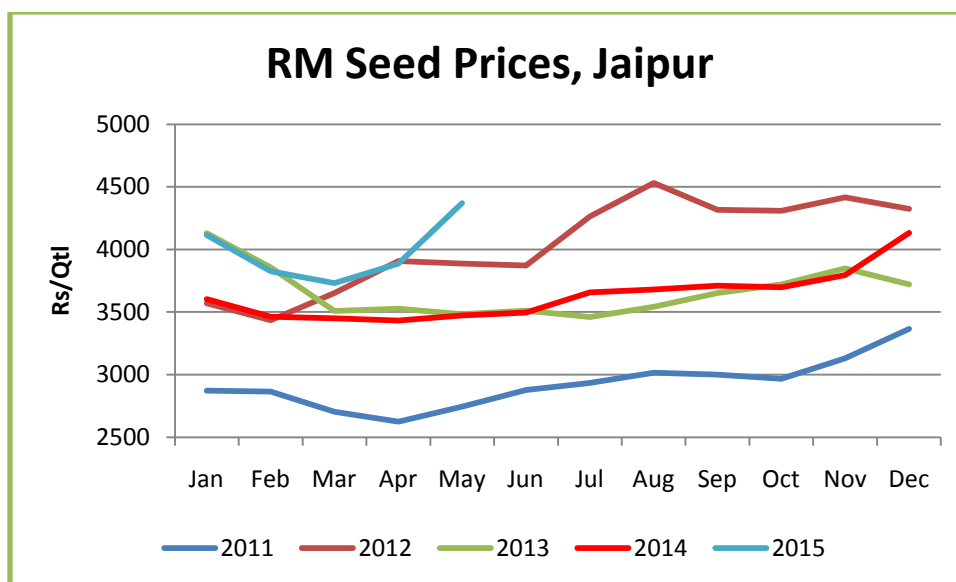
The millers are the major buyers followed by the stockists who are covering their stocks for future.

The medium and long-term outlook for rapeseed-mustard remains stronger owing to the lower seed production this season.

The market is waiting for India's vegoil import figures of May. India imported 1.11 million tons of vegetable oils in April, which was 1.06 million tons in March, according to market participants. The vegetable oils import rose during the period due to higher demand of palm oil. India imported 725, 088 tons of palm oil in April, around

6.3% higher when compared to the exports in previous month, said Solvent Extractors' Association of India (SEA).

Higher Malaysian palm oil stock and improved production palm oil production will pressurize the domestic seed market. But falling seed supplies and China's decision of lifting ban from importing rapeseed meal of Indian origin lend support to the rapeseed-mustard prices at higher level.



Technical Analysis:

NCDEX RM Seed Futures



*Note: Daily Chart

RM Seed Spot, Jaipur



Support & Resistance NCDEX RM Seed – Jul. contract

S1	S2	PCP	R1	R2
4048	3926	4230	4400	4500

- RM seed fell on selling pressure.
- Prices closed above 9-day and 18-day EMA.
- RSI and stochastic are easing 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 – Jul.) Week: SELL Below 4245. Levels: Target – 4145; T2- 4100, SL -4305.

Trade Recommendation RM Seed Spot (Jaipur basis): In spot, the RM seed fell on bearish MPOB data. But the seed prices are likely to rebound on expected fresh buying. The seed prices are likely to be between 4550 – 4650 levels during the week. They were between 4480 – 4595 levels during the week under review.

Annexure

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

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 Niger seed 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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