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# Oilseeds Weekly Research Report

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## Executive Summary

Soybean, soy meal and rapeseed-mustard edged-up tracking gains in the international benchmark, CBOT, and BMD.

Brazil's crop conditions are poorer than it was thought earlier. Several analysts lowered the Brazil's 2015/16 crop forecast, below 100.0 million tonnes, which remained bullish for the market during the week.

Further, mild recovery of crude from below US \$ 35/bbl to above US \$ 37/bbl lent some support the market.

Besides, lower than expected India's 2015/16 rapeseed production lent support to the seed prices at higher levels.

Soybean, meal and rapeseed-mustard are expected to feature range-bound movement with weak bias on forecast of rains in Brazil's key soybean growing states, weakness in crude, lower soy meal exports from India, higher edible stocks with India after huge imports and approaching new rapeseed-mustard marketing season, in near-term.

## Outlook – Cash Market

**Outlook - Soybean (Spot, Indore):** Soybean prices are expected to feature range-bound movement with weak-bias. Weak soy meal exports, higher edible oil inventories, higher global supply scenario and weakness in crude will remain the negative factors in near-term. The prices are expected to feature mild losses and witness 3750 – 3850 levels (Indore, Plant basis).

**Outlook – Soy meal:** Competitive meal price in South America has led to demand shift to the region and Indian meal exports were badly hit last season. Indian meal exporters are advised to explore new markets and aggressively try to regain the lost markets of peak exports season especially traditional South and Far-East Asian destinations and Iran. The domestic meal prices are likely to feature range bound movement in near-term. Soy meal, Indore is expected to witness Rs. 33,000 – 33,500/MT levels during the week.

**Outlook - Rapeseed-Mustard (Spot, Jaipur basis):** In spot, the RM seed is expected to feature range-bound movement with weak-bias ahead new marketing season, besides higher Malaysian and Indonesian palm oil stocks will continue to pressure the market. The seed prices are likely to be between 4925 – 5000; levels during the week.

## International Highlights

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- ❖ About half of the standing soybean crop in the Brazil's largest growing state of Mato Grosso has damaged due to incessant rains. The Reuters study showed about 20% of the planted area was in "very bad" condition, while 23 percent was in "bad" condition.
- ❖ According to Indonesia Palm Oil Association (GAPKI), Indonesia's palm and palm kernel oil exports fell in November by 9.4 percent at 2.385 MMT from 2.61 MMT in October 2015. Top buyers were India at 506,390 tons (679,380 tons), China at 436,910 tons (378,970 tons), European Union at 418,050 tons (324,990 tons), Pakistan at 158,950 tons (129,960 tons), Bangladesh at 165,210 tons (99,960 tons) and Middle East at 165,210 tons (172,410 tons). Values in brackets are figures of October 2015.
- ❖ In the National Oilseed Processors Association, NOPA, December report, the US soybean crush is reported lower than expected. This is despite the record soybean harvest during the month.
- ❖ NOPA reported that its members processed 156.134 million bushels of soybean in November, down from 158.895 million during October. Lowest November crush since 2011.
- ❖ Franca Junior has lowered its forecast for Brazil's 2015/16 soybean crop to 97.9 million tonnes from 101.1 million in its previous estimate.
- ❖ Brazil is expected to export 55 million tonnes of soybean in 2015/16 higher compared to 53.8 million tonnes forecasted in October by Abiove.
- ❖ FCStone has slashed Brazil's soybean production estimate for 2015/16 to 98.9 million tonnes from 100.45 million previously. The reduction is due to the dry weather conditions in the Northeast.
- ❖ Informa has raised Brazil's soybean production for 2015/16 to 101.4 million tonnes from 101.0 million in its previous estimate.
- ❖ Celeres too has raised their 2015/16 projections for Brazil's production to 101.9 million tonnes from 97.1 million tonnes earlier.
- ❖ Brazil's newly planted soybean crop is hit by the rust fungus and the incidences nearly doubled, compared to the previous season mainly due to heavy rains in the South caused by El Nino. About 73 incidences have been reported in Southern States of Rio Grande do Sul and Parana compared to 43 incidences during the corresponding period last year.

- ❖ Ukraine's soybean harvest is expected to increase by 30% to 4.92 million tonnes while sunflower seed production is likely to increase by 6% to 12 million tonnes, said UkrAgroConsult.
- ❖ This will certainly increase the sunoil supplies, like in 2013 and bean exports from the country in 2016.
- ❖ According to Indonesian Palm Oil Board, Indonesia's palm oil output in 2016 will be at 33 MMT, 5.00 lakh tons lesser than previously estimated 33.5 MMT due to El Nino. Current year output forecast is at 31.5 MMT. El Nino conditions in Indonesia will continue till December.
- ❖ According to Indonesia Palm Oil Association, Indonesia's 2016 palm oil production has been estimated at 31-31.5 MMT v/s 32.5 MMT in 2015 down due to El Nino.
- ❖ China's soybean purchases in December could rise to 8 million to 8.5 million tonnes. These are projections by China National Grain and Oils Information Center (CNGOIC) and Cofeed.
- ❖ Argentina's area under soybean is likely to be at 19.8 million hectares in 2015/16 season, which is 1% lower than the last season. The area is estimated by Buenos Aires Grains Exchange.
- ❖ However, Rosario grain exchange had estimated 20.5 million hectares up from their previous season's estimate of 20.2 million hectares.
- ❖ As per Rosario grains exchange, Argentina's 2015/16 area coverage under soybean is expected to be at 20.5 million hectares from 20.2 million hectares in the corresponding period last year.
- ❖ European Commission has slashed monthly forecast for 2015 EU rapeseed crop to 20.7 Mln T from 21.7 Mln T in the previous forecast. This is mainly due to dry weather; which will increase the dependency on soy and palm oil.

## Sown Area – *Rabi* Oilseeds, India

In the official *Rabi oilseeds* planting report, by the Ministry of Agriculture, (week ending 18 Dec. 2015), the total coverage area under *Rabi* oilseeds is reported at 69.2 lakh hectares, down 5.8% from 73.43 lakh ha in the corresponding period of last year. Of the major oilseeds, rapeseed-mustard sowing is reported down by 7% at 59.37 lha compared to 63.67 lha during the corresponding period of last year. Groundnut at 2.88 lha vs 3.28 lha, safflower at 1.03 lha vs 0.85 lha, sunflower at 2.53 lha vs 2.32 lha, sesamum 0.32 vs 0.54 and Linseed at 2.48 lha vs 2.40 lha during the same period last year.

### State wise Area Covered under Kharif Oilseeds for Week Ending as on 18 Dec. 2015

State	Area in Lakh Hectares													
	Rapeseed/Mustard		Groundnut		Safflower		Sunflower		Sesamum		Linseed		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Andhra Pradesh	0.00	0.00	0.38	0.36	0.00	0.01	0.06	0.20	0.05	0.22	0.00	0.00	0.57	0.87
Arunachal Pradesh	0.30	0.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.30	0.28
Assam	1.96	2.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.96	2.82
Bihar	1.10	1.22	0.00	0.00	0.00	0.00	0.02	0.02	0.00	0.00	0.32	0.12	1.44	1.36
Chhattisgarh	0.92	0.98	0.02	0.03	0.04	0.04	0.02	0.01	0.02	0.02	0.38	0.41	1.44	1.53
Gujarat	1.79	1.91	0.00	0.00	0.00	0.06	0.00	0.00	0.00	0.00	0.00	0.00	1.93	2.02
Haryana	5.50	5.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.50	5.25
Himachal Pradesh	0.04	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.02
J&K	0.31	0.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.31	0.29
Jharkhand	0.73	0.69	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.07	0.09	0.80	0.79
Karnataka	0.00	0.00	0.42	0.55	0.50	0.33	2.13	1.76	0.00	0.00	0.06	0.04	3.13	2.70
Kerala	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

<b>Madhya Pradesh</b>	6.19	6.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.17	1.07	7.36	7.53
<b>Maharashtra</b>	0.00	0.00	0.00	0.00	0.45	0.37	0.15	0.14	0.01	0.01	0.14	0.17	0.83	0.76
<b>Odisha</b>	0.65	0.75	0.57	0.34	0.00	0.00	0.02	0.03	0.15	0.18	0.05	0.14	1.48	1.48
<b>Punjab</b>	0.04	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.18	0.25
<b>Rajasthan</b>	23.82	26.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	23.84	26.42
<b>Tamil Nadu</b>	0.00	0.00	0.42	0.75	0.00	0.00	0.04	0.03	0.09	0.09	0.00	0.00	0.57	0.89
<b>Telengana</b>	0.00	0.00	0.98	1.16	0.03	0.03	0.04	0.08	0.00	0.01	0.00	0.00	1.05	1.29
<b>Uttar Pradesh</b>	10.93	11.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.19	0.31	11.12	11.67
<b>Uttarakhand</b>	0.17	0.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.17	0.18
<b>West Bengal</b>	4.66	4.68	0.09	0.09	0.00	0.00	0.05	0.06	0.01	0.01	0.03	0.04	4.85	4.91
<b>Others</b>	0.26	0.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.00	0.00	0.13
<b>All-India</b>	<b>59.37</b>	<b>63.67</b>	<b>2.88</b>	<b>3.28</b>	<b>1.03</b>	<b>0.85</b>	<b>2.53</b>	<b>2.32</b>	<b>0.32</b>	<b>0.54</b>	<b>2.48</b>	<b>2.40</b>	<b>69.20</b>	<b>73.43</b>

## Soybean

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The domestic soybean rebound tracking gains in the international benchmark, CBOT, and fall in the supplies in the key domestic cash markets, during the week under review.

The crushers were ready to buy the beans at the higher quotes to cover their stocks ahead festive weekend. Need base buying is featured in the domestic market.

However, persistent disparity on crushing the bean followed by weak soy meal exports and huge edible oil imports at competitive prices leading to higher inventories at Indian ports limited the gains.

There are no signs of fresh or renewed overseas demand which is already multi-year low. Competitive meal prices at the international market compared to the India's attributed to the improved global soybean supply scenario and lower crude remained negative factors for the domestic soybean market.

Hand to mouth crushing is featured by the solvent extractors, to meet the domestic soy meal and other soy products needs like soy milk, nuggets and soy flour.

Crushing bean continued to be unviable for several crushing players including the international giants due to weak soy meal exports commitments and lower international soy product prices. The major crushing giants still refrained from aggressive crushing in Madhya Pradesh, Maharashtra and Rajasthan and the crushing units are running at much lower crushing capacity (below 30%) and some are even closed.

ITC had buying interest in Dewas, Ujjain, Mandsaur and Neemuch at Rs 3780/Qtl, while ADM had selling interest in soybean from Dewas, Khandwa and Mandsaur on as is where is basis during the week.

The major buyers in Madhya Pradesh are as follows: SSA Mandideep, Cargill, ADM, Adani, Bansal, Khandwa Oil, Ruchi, Agrawal Neemuch, Betul Oil, Prakash, Bajrang, Prestige, Ambuja, Prakash, Sitashri, Divya Jyoti, AV Agro, Rama Sitashri Vippy, Kriti, Mahakali, Mahalaxmi, Dhanuka, Khyati, Premier, Dhan Laxmi, ITC, Dhanuka Soy, Indian Solvent (ABIS), Advantage Overseas and have quoted the bean between Rs. 3630 – 3850 a quintal (10-2-2 specification) for Dewas and Mandsaur delivery during the week.

The soybean supplies continued to fall week-on-week and are quite lower compared to the corresponding period last year attributed to the fall in India's soybean production.

The domestic soybean prices are likely to feature range bound movement with weak-bias on bearish global and domestic scenario in upcoming weeks.

### **International:**

Overall, the soybean at international benchmark, CBOT, improved on Brazil crop concern followed by dry weather with lowered estimates of Brazilian soybean. The situation of the countries crop is poorer than it was initially thought, by several government and private analysts.

Informa Economics, private analytics, has slashed the US 2016 soybean plantings to 84.537 million acres, from 85.3 million projected in its previous forecast.

US cultivators planted 83.2 million acres of soybeans in 2015, according to USDA.

About half of the standing soybean crop in the Brazil's largest growing state of Mato Grosso has damaged due to incessant rains. The Reuters study showed about 20% of the planted area was in "very bad" condition, while 23 percent was in "bad" condition.

Only 32 percent of the crop is in "good" or "excellent" condition, with 25 percent in "regular" condition. IMEA has cut its estimate for the Mato Grosso harvest to 28 million tonnes, a reduction of 1 million tonnes compared to the previous estimate in August, last week.

AGR Brasil has slightly raised its Brazil's 2015/16 soybean forecast to 100.6 million tonnes from 100.5 million.

However, the consultant pointed that the dry weather condition in the Center West region will negatively hit the soybean yield potential which will cap the possibility of Brazil's soybean production of 104 million tonnes estimated by the agency earlier.

"Only a climate catastrophe could put the current crop below 95-96 million tonnes. The chances of that are almost none," said Pedro Dejneka, head of AGR Brasil.

A large portion of the Brazil's standing crop was reeling under soil moisture and crop damage is inevitable.

Surprisingly, forecast of beneficial rains over key growing regions of Brazil relieved the growers and it further pressured the CBOT soybean towards the end of the week.

The global supplies of soybean would still be ample even if Brazil's soybean crop outturn falls by 3 – 5 million tonnes from the private estimates,

Brazil is expected to export 55 million tonnes of soybean in 2015/16 up compared to 53.8 million tonnes forecasted in October by Abiove.

Franca Junior has lowered its forecast for Brazil's 2015/16 soybean crop to 97.9 million tonnes from 101.1 million in its previous estimated.

Brazil's 2015/16 soybean production was lowered and was estimated between 96 to 99 million tonnes by various agro-consultants. Brazil will produce record soybean in 2015/16 season.

The weather in Argentina is favourable contrary to the situation in Brazil. Lower than expected farmer's selling in Argentina has lent support to the international soybean during the week.

China's soybean imports are increasing sizably in the Oct/Dec quarter. As discussed earlier, China's soybean purchases in December could rise to 8 million to 8.5 million tonnes. These are projections by China National Grain and Oils Information Center (CNGOIC) and Cofeed.

*Forecast of rains in Brazil's soybean growing region, lower crude, Argentina's currency move and export tax policies on grains, higher inventories of edible oils at Indian ports, poor soy meal shipments from India will keep the soybean prices under pressure in near-term.*



## Soy meal

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Soy meal edged-up in tandem with soybean on lower than expected Brazil's soybean production. The gains were primarily supported by short-term international factors.

However, the domestic meal fundamentals remain weak followed by weak exports from India due to demand shift of the overseas buyers to South America.

But continued and steady domestic meal demand remained slightly positive for the market. The domestic demand is mainly from poultry and poultry feed manufacturing units.

The soy meal prices continued to be at premium in the key crushing/producing centers of Maharashtra over the centers of Madhya Pradesh, which used to be vice-versa sometimes back. This is due to the proximity to South India where the poultry units are concentrated. At Sholapur it was quoted at Rs 35,200/MT compared to Rs 33,200/MT in Indore, Friday.

There is a freight advantage for the South-Indian poultry units from Maharashtra over Madhya Pradesh.

India's soy meal prices are unlikely to get competitive to South American meal prices due to higher productivity in soybean in S. America and improved demand shift towards the region.

India has already lost international market in non-GM soy meal and the supplies are surplus in the domestic market with weak exports.

The overseas buyers of Indian soy meal in November were limited to just 5 countries including Thailand, Indonesia, Kuwait, Africa and New Zealand in November 2015.

Few countries have started importing soybean to crush at their home and minimize the import bill on soy products like meal and oil, doing so is viable to some, who even export the surplus meal in the vicinity. Pakistan is one such example.

India's export enquiries continued to be poor and the data reveals that the meal exports in November were quite low.

***India's November 2015 oilmeal exports fell by 41% at 112,081 tonnes from 189,032 tonnes during the corresponding period last year.***

***During April – November, India's oilmeal shipments fell by two-fifths to 895,646 tonnes compared to 1,452,105.***

***India's export of soy meal during November, 2015 was just 8,909 tons compared to 110,806 tons in November, 2014 showing a decrease of 92% over the corresponding period of last year: SEA***

***On a financial year basis, the export during April'2015 to November'2015 is 55,889 tons compared to 250,904 tons in the corresponding period of previous year showing a decrease of 78%.***

The demand shift to South America for meal due to the attractive offer price compared to India is the major reason for the decline in the meal exports.

*Considering the bearish global supply scenario, we feel, India may not be able to regain the market it lost last season due to competitive prices in South American and China's.*

*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 has lost the ground owing to much higher soy meal price of Indian origin compared to the South American meal. Iran, Japan, Europe, Thailand, Vietnam, Indonesia and South Korea were the major destinations for Indian soy meal exports, whose demand shifted to South America.*

India's Y-o-Y soy meal prices, Indore, are lower. Soy meal export price, Indore was quoted higher between Rs 33,000 – 34,000/MT compared to Rs 28,500 – 29,500/MT during the corresponding period last year.

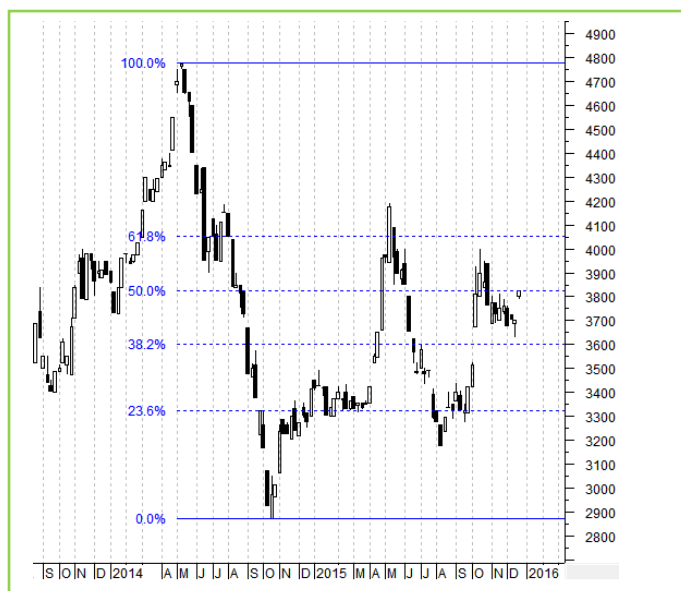
The soy meal prices will feature range-bound movement with weak bias on sluggish exports from India and bearish global supply scenario Win near -term.

## Technical Analysis:

### NCDEX Soybean Futures



### Soybean Spot, Indore



\*Note: Daily Chart

### Support & Resistance NCDEX Soybean – Jan. contract

S1	S2	PCP	R1	R2
3636	3510	3807	4093	4201

- Soybean edged-up on buying support during the week.
- Prices closed below 9-day EMA.
- RSI and stochastic are rising in neutral region.
- MACD is rising in the positive territory.
- The prices are expected to feature losses in the coming week.
- Trade Recommendation (NCDEX Soybean – Jan.) Week: **SELL** Below 3900. Levels: T1 – 3800; T2- 3750, SL - 3960.

## Rapeseed - Mustard Seed

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Rapeseed-mustard edged-up on lower than expected planting and likely decline in India's seed production, during the week under review.

Gains in the BMD CPO lend spillover support to the domestic seed prices too.

The sellers were keen at offloading the seed at the recovered prices. However, we feel the seed prices to feature range-bound movement with weak-bias. Seasonality suggests fall in seed prices during December and January.

This is due to the nearing new crop harvest which is fetched at much lower prices with the start of new marketing season.

India's rapeseed mustard seed crop is under development phase and it is in flowering and pod formation stage. There are no reports of crop damage due to any disease or any abnormal conditions.

Weather will play a vital role in productivity, which is currently normal and conducive in the key growing regions of Rajasthan, Uttar Pradesh, Madhya Pradesh, Haryana and West Bengal. However, there are some reports of crop damage in parts of Alwar, Rajasthan.

There is no weather warning in the major seed growing belt. However, there are forecast, by IMD, of cold wave and ground fog in some of the key producing regions, which is unlikely to negatively affect the standing crop.

In many parts of central and northern India rainfall was at least 60% below normal during Oct 1 – mid Dec.

It is only prolonged fog and cold wave conditions which deteriorate the standing mustard seed crop and currently, both the conditions are under normal level.

In the official planting report of the ministry of agriculture, dated 18 Dec. 2015, India's planted area under rapeseed-mustard is reported down by 7% at 59.37 lakh hectares compared to 63.67 lakh hectares during the corresponding period last year.

*India's total 2014/15 area under rapeseed-mustard stood at 65.17 lakh hectares lower by about 9% from 2013/14 area of 71.0 lakh hectares.*

*We expect 2015/16 area under rapeseed-mustard to near previous year's level of 65.0 lakh hectares as the farmer's planting intentions reduced from initial figures owing to the inadequate soil moisture followed by weak monsoon.*

Normally the early sown crop is harvest towards the end of January but this season it is likely to be delayed by 15 – 20 days due to the late planting owing to the deficient soil moisture.

India exported around 12,845 metric tons of rapeseed extract in November 2015 compared to 39,133 metric tons during the same period last year.

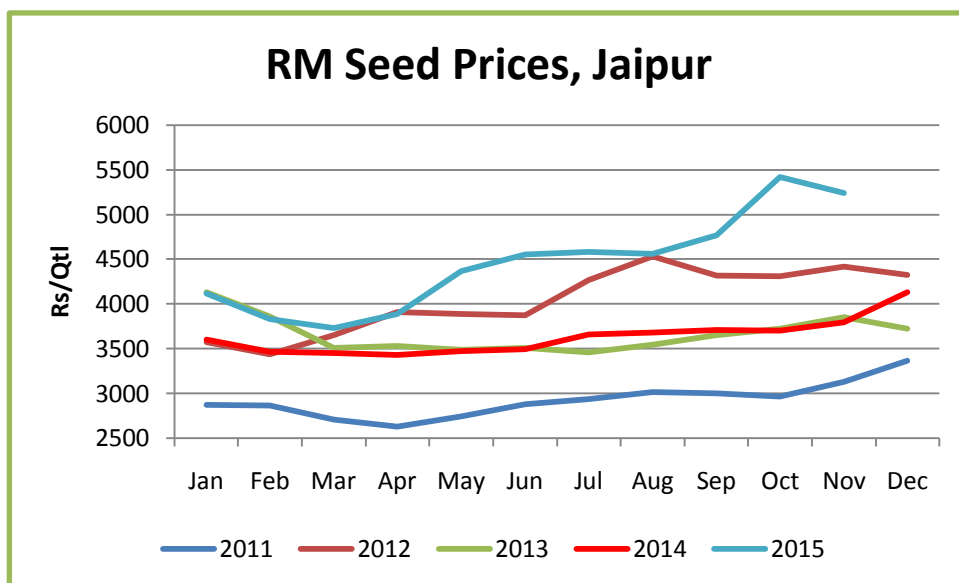
Solvent Extractors Association (SEA) has reported that, India's November 2015 imports of edible oils rose by 14 percent y-o-y, at 13.38 LT compared with 11.49 LT in November 2014. Crude oil to refined oil ratio fell to 83

percent from 95 percent y-o-y. Palm oil imports were 8.74 LT (7.96 LT), higher by 9.8 percent y-o-y. CPO imports were 6.27 LT (7.13 LT), lower by 12 percent y-o-y. RBD Palmolein was at 2.32 LT (0.56 LT), up by 314 percent y-o-y. Crude Palm Kernel oil was at 0.15 LT (0.28 LT), lower by 46.42 percent y-o-y. Soy oil was at 2.62 LT (1.21 LT), higher by 117 percent y-o-y. Sunflower oil was at 1.78 LT (1.94 LT), lower by 8.24 percent y-o-y. Rapeseed (Canola) oil was at 0.25 LT (0.37 LT), down 32.4 percent y-o-y. Values in brackets are figures of November 2014.

India's edible oil at ports and in pipelines rose to 24.30 LT on 1st December 2015 compared to 23.70 LT on 1st November 2015, higher by 2.47 percent m-o-m. Stocks at ports are estimated at 10.2 LT (CPO 5 LT, RBD Palmolein 1.85 LT, Degummed Soybean Oil 1.55 LT, Crude Sunflower Oil 1.3 LT and 0.5 LT of Rapeseed (Canola) Oil) and about 14.10 LT in pipelines. India is holding stocks equivalent to 46 days of requirement in November 2015, up from 44 days in October 2015. India's monthly requirement is around 16 LT of edible oil for 30 days of stock.

According to Malaysia government, Malaysia has kept palm oil export duty unchanged at zero. Tax is calculated at a reference price of 2,033.94 ringgit (\$472.24) per ton for January. Price above 2,250 ringgit per ton is taxed, starting from 4.5 percent to a maximum of 8.5 percent. Besides, Indonesia too has kept palm oil export duty to zero for January. Both have kept the export tax at zero since September 2014 to ease their palm oil stocks.

According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's December 1-20 palm oil exports fell by 25.1 percent at 744,563 tons v/s 993,943 tons in the corresponding period last month. Top buyers were European Union at 222,005 tons (223,444 tons), India at 112,800 tons (230,700 tons), United States at 70,042 tons (66,905 tons) and China at 20,100 tons (92,900 tons). Values in brackets are figures of corresponding period last month.



However, Central and South America palm oil shipments increased sharply by 17% in Jan/Dec 2015, which clearly indicates the demand diversion from South East Asia to S. America.

According to Societe Generale de Surveillance (SGS), Malaysia's palm oil exports fell by 10.2 percent in November to 1,351,478 tons from 1,504,737 tons in October 2015. Top buyers were European Union at 317,844 tons (267,625 tons), India at 287,590 tons (421,472 tons), China at 164,010 tons (159,700 tons), United States at 82,505 tons (136,134 tons) and Pakistan at 27,000 tons (24,650 tons). Values in brackets are figures of October 2015.

According to Solvent Extractors Association (SEA), India should increase import duty on refined edible oils from 20 percent to 27.5 percent. This will reduce import of refined edible oil due higher duty differential from crude edible oils and refined edible oils from 7.5 percent to 15 percent. Presently duty differential is 7.5 percent (present import duty on crude edible oil is 12.5 percent and 20 percent for refined edible oil).

This should increase the capacity utilization of Indian refiners. At present import of refined edible oils is cheaper than domestic produced edible oils especially RBD palmolein. This has led to surge in imports of RBD palmolein in November. SEA has continuously maintained that duty differential should be 15 percent between crude edible oils and refined edible oils.

China continues sales from rapeseed oil reserves to reduce stocks of rapeseed oil estimated at 5.8 MMT, including stocks accumulated in 2009 and 2010. China's efforts to reduce stocks in first half of the year had limited success.

*Outlook: The rapeseed-mustard will continue to feature range-bound movement with weak bias, in near-term, sharp gains are ruled out owing ahead new season, weakness in vegoil complex in the international benchmark, BMD and CBOT and higher edible oil inventories with India will continue to pressure the seed market in near-term.*

## Technical Analysis:

### NCDEX RM Seed Futures



\*Note: Daily Chart

### RM Seed Spot, Jaipur



### Support & Resistance NCDEX RM Seed – Jan. contract

S1	S2	PCP	R1	R2
4357	4300	4579	4765	4887

- RM seed featured mild gains, during the week.
- Prices closed below 18-day EMA.
- RSI and stochastic are rising in neutral zone.
- MACD is rising in negative territory.
- The prices are expected to feature losses during the week.
- Trade Recommendation (NCDEX Rapeseed-Mustard – Jan.) Week: **SELL** Below 4680. Levels: Target – 4580; T2- 4530, SL - 4740.

## Annexure

### Oil Meal Prices at Key Spot Markets:

### Soy DOC Rates at Different Centers:

Centres	Ex-factory rates (Rs/ton)		
	24-Dec-15	18-Dec-15	Parity To
Indore (MP)	33500	32300	Gujarat, MP
Kota	32900	32200	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	34000	33300	Mumbai, Maharashtra
Nagpur (42/46)	33400	33400	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	34500	34500	Andhra, AP, Kar ,TN
Latur	35200	34300	-
Sangli	34800	34800	Local and South
Sholapur	35200	34700	Local and South
Akola	33000	33000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	34200	34200	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	33700	32000	-

### Soy DOC at Port

Centers	Port Price	
	24-Sep-15	18-Sep-15
Kandla (FOR) (INR/MT)	NA	NA
Kandla (FAS) (USD/MT)	NA	NA

International Soy DOC			
Argentina FOB USD/MT	23-Dec-15	17-Dec-15	Change
Soybean Pellets	295	302	-7
Soybean Cake Flour	295	302	-7
Soya Meal	303	310	-7
Soy Expellers	303	310	-7



Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	24-Dec-15	18-Dec-15	Change
Adoni	24000	24300	-300
Khamgaon	NA	NA	-
Parli	24000	24700	-700
Latur	23500	24300	-800

Groundnut Meal (Rs/MT)	24-Dec-15	18-Dec-15	Change
Basis 45%, Saurashtra	29000	28000	1000
Basis 40%, Saurashtra	26000	24700	1300
GN Cake, Gondal	30000	28000	2000

Mustard DOC/Meal	24-Dec-15	18-Dec-15	Change
Jaipur (Plant delivery)	21200	21000	200
Kandla (FOR Rs/MT)	21500	20500	1000
Sri Ganganagar	2555	2475	80

## MSP of 2015/16 Kharif Oilseeds Increased

The Cabinet Committee on Economic Affairs has given its approval for the Minimum Support Prices (MSPs) for Kharif Crops of 2015-16 seasons. The decision is based on recommendations of Commission for Agricultural Costs and Prices (CACP) for the Price Policy of Kharif Crops for the Marketing Season 2015-16. The MSP of all the kharif oilseeds have been increased.

The MSP of soybean is raised by Rs. 40/qtl from previous season to Rs 2600/qtl, Groundnut by Rs 30/qtl to Rs 4030/qtl, sunflower and Niger seed by Rs 50/qtl to Rs 3800/qtl and Rs 3650/qtl respectively. The MSP of sesamum is increased by Rs 100/qtl to Rs 4700/qtl.

## 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.

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