

# Oilmeal Weekly Research Report

## Contents

- ❖ Executive Summary
- ❖ Outlook – Cash Market
- ❖ AW Oilseeds Index
- ❖ International Highlights
- ❖ Planted Area
- ❖ Soybean – Domestic & International
- ❖ Soy meal
- ❖ Technical Analysis - Soybean
- ❖ Rapeseed - Mustard
- ❖ RM Seed Supply, Rajasthan
- ❖ Technical Analysis – RM Seed
- ❖ Annexure – Prices etc.

## Executive Summary

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Soybean, meal and rapeseed-mustard fell in tandem on slack in buying in the cash market on bearish kharif oilseeds supply outlook this season.

The domestic soybean crop is in good health with some exception in low lying areas of Madhya Pradesh and Rajasthan where heavy rains in recent days have hit the yield mildly.

In Maharashtra the crop needs rain due to moisture stress.

There are no reports of severe crop damage across the key growing belts. The crop is in blooming stage across the key growing belts.

The four day Pro Farmer crop tour has reported bumper soybean crop prospects across the US Midwest. It has reported above average soybean yield in few states like Minnesota.

The fall in the rapeseed-mustard consecutive three week as buyers refrained from the market in anticipation of further fall in the prices.

The domestic soybean and meal are expected to feature range-bound movement with weak bias on expectation higher soybean production prospects.

We feel the rapeseed-mustard prices will rebound on fresh demand in rapeseed-mustard oil in coming days.

## Outlook – Cash Market

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**Outlook - Soybean (Spot, Indore):** Expectation of higher domestic soybean crop this season, weak soy meal exports, higher inventories in edible oils, expected record US soybean production and lower crude will pressurize the domestic soybean to some extent. The prices are expected to feature range bound movement and witness 3500 – 3600 levels (Indore, Plant basis).

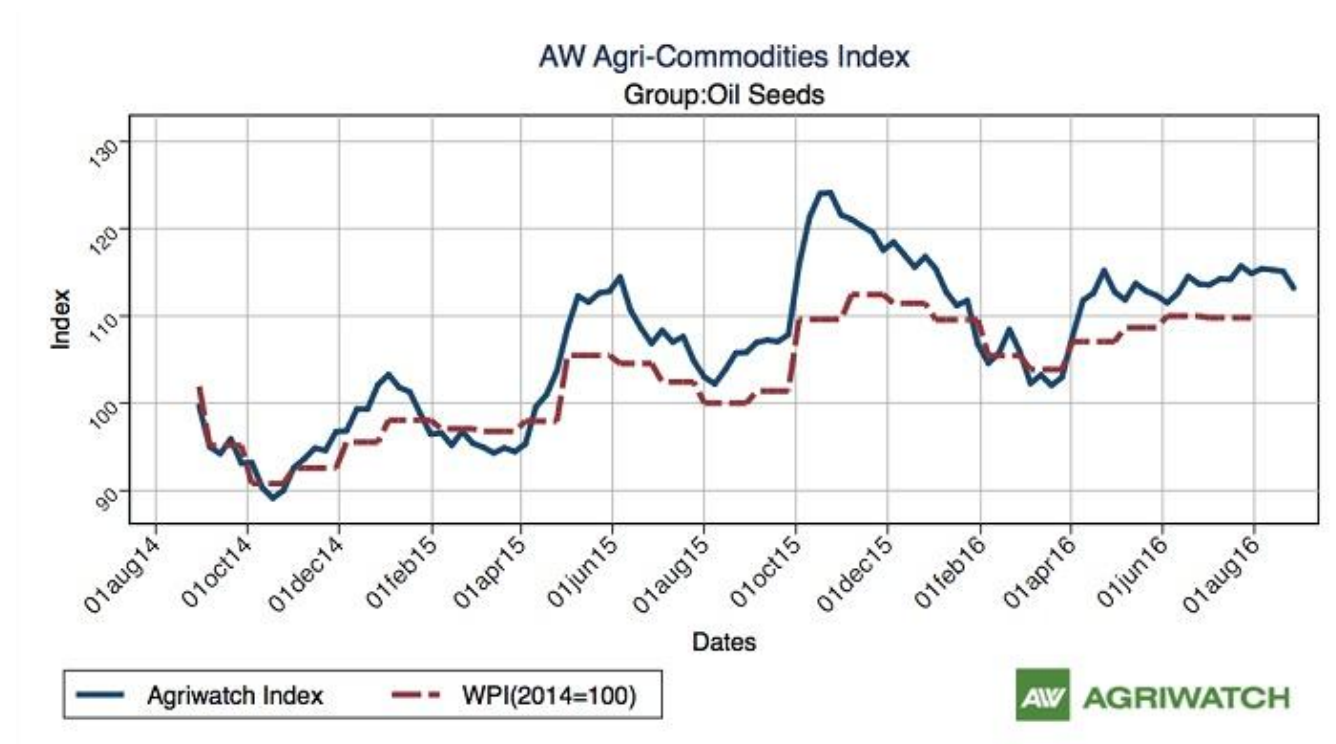
**Outlook – Soy meal:** Expectation of higher crushing on likely good soybean production on better distribution of seasonal rainfall in the key soybean domestic regions and weak soy meal exports is restricting gains in the domestic soy meal. Indian meal exporters are advised to explore new markets and aggressively try to regain the lost markets of peak exports season especially traditional South and Far-East Asian destinations including Japan in the upcoming season. The domestic meal prices are likely to feature range bound movement with weak bias in near-term. Soy meal, Indore is expected to be in the range of 31500 – 32,000/MT levels during the week.

**Outlook - Rapeseed-Mustard (Spot, Jaipur basis):** Recovery after the recent correction can't be ruled out. Likely strong miller's buying to meet the fresh mustard oil demand during monsoon and upcoming festivities will push up the seed prices. The seed prices are likely to be between 4900 – 4950; levels during the week.

## AW Oilseeds Index – 14 August 2016

The Agriwatch Agri Commodities Index fell 1.33% to 117.15 during the week ended August 27, 2016 from 118.73 during the previous week, led by sharply lower pulses prices. The base for the Index and all sub-Indices is 2014 (= 100).

In the commodity group sub-index, Oilseeds Index stood at 113.21 (-1.65%) week-on-week.



"Agriwatch has recently launched its AW Agri Commodity Indices to enable organizations access independent Indices to track and use to benchmark their purchases and sales. The Indices are based on the daily prices in the key benchmark markets for each commodity that AW has been covering for the past decade. The indices include an Aggregate Index, Category Indices and individual commodity indices. The weekly indices are free to access on our website [www.agriwatch.com](http://www.agriwatch.com). The daily indices are available on subscription. Please contact for more details."

## International Highlights

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- ❖ The US soybean crop is reported to be setting pod at 89% compared to 85% during the corresponding period last year and 5 year average.
- ❖ About 72% of the newly planted US soybean crop is under good to excellent conditions which is up from 63% during the same period last year, reported in the US crop progress report dated 21 August 2016.
- ❖ Pro Farmer has projected US soybean production at a record 4.093 billion bushels, considering an average yield of 49.3 bushels per acre after the recent crop tour; this is above USDA's August WASDE - outlook for a 4.060 billion bushels production with an average yield of 48.9 bushels per acre.
- ❖ In the June USDA acreage report, US soybean planted area for 2016 is estimated at a record high 83.7 million acres, up 1 percent from last year. Area for harvest, at 83.0 million acres, is also up 1 percent from 2015 and will be a record high if realized. Record high planted acreage is estimated in Michigan, Minnesota, New York, North Dakota, Ohio, Pennsylvania, and Wisconsin.
- ❖ The Argentina's government has raised its 2015/16 soybean crop to 58 million tonnes from its previous forecast of 57.6 million tonnes followed by faster than expected recovery of area considered lost to floods hit area in Argentina.
- ❖ Rosario Gains Exchange have revised its forecast for Argentina's 2015/16 soybeans up to 55.3 million tonnes from 55 million tonnes previously. This is despite severe crop damage after flood in April.
- ❖ Argentina has lost around 3.7 – 4.0 million tonnes of soybean due to flood and storm in April. Besides, an additional 1 million tonnes have been reported in quality damage, reported a concerned government official. In the official figure Argentina's soybean production is estimated to decline to 57.6 million tonnes from 61.4 million tonnes.
- ❖ INTL FC Stone has slashed the Brazil's 2015-16 production by 1 million tonnes to 96.5 million tonnes, in its recent. Besides, Informa has lowered the Brazil's and Argentina's 2015/16 soybean production from 100.5 vs 100.1 mln t and 55.0 vs 59.5 mln t respectively.
- ❖ Abiove has trimmed Brazil's 2015/16 soybean crop to 96.6 million tonnes (during Feb. – Jan.) from 97.3 million projected earlier. It has lowered Brazil's soybean exports estimate to 53 million tonnes from 53.8 million tonnes Brazil had shipped 54.3 million tonnes in previous season.

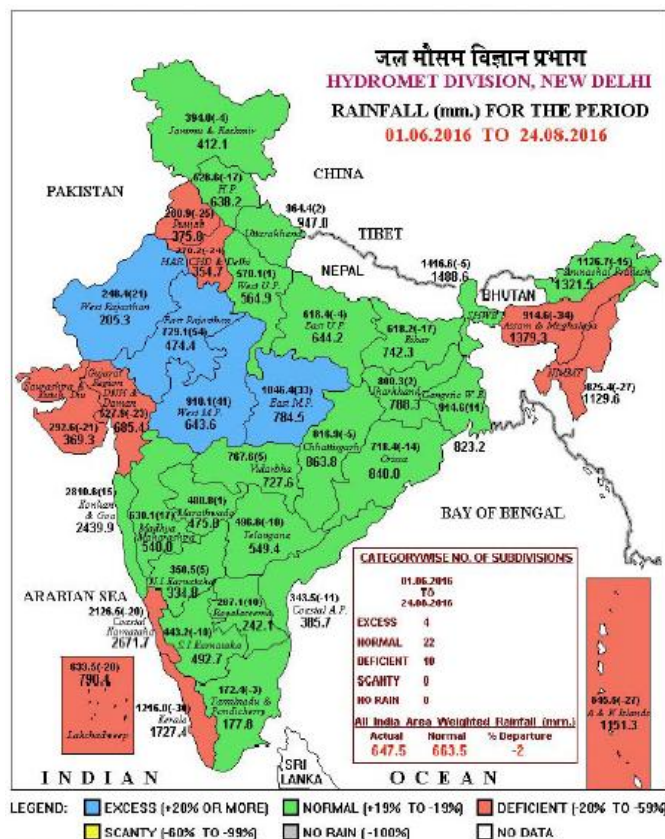
- ❖ Informa Economics has lowered its forecast for US 2016 soybean planting to 84.0 million acres from its previous estimate of 85.23 million acres. However, the area is higher compared to 82.7 million acres planted in 2015.
- ❖ World supplies of soybeans are likely to increase sharply by 19 Mn T in 2015/16, despite a global prospective production decline by 3 Mn T, leading to another above-average increase in soybean crushings, reports Oil World.
- ❖ Agroconsult has projected Brazil's 2016/17 area under soybean higher by 600,000 hectares. The consultant has projected Brazil's 2015/16 soybean production at 101.7 million tonnes in its final estimate.
- ❖ Conab, the Brazil government's crop supply agency, has raised Brazil's 2015/16 soybean crop to a record 101.18 million tonnes, which is up from 100.93 million tonnes from its previous estimate in February followed by increase in planted area and yields.
- ❖ FCStone has increased Brazil's 2015/16 soybean production forecast to 98.6 million tonnes from 98 million tonnes in its previous estimates.
- ❖ Again, Informa has raised its forecast for Brazil's 2015/16 soybean production in its monthly report to 101.3 million tonnes from 100.5 million tonnes last month.
- ❖ However, it has lowered Argentina's 2015/16 soybean production forecast to 59.0 million tonnes from 60.0 million tonnes in February.
- ❖ Brazil's Congress has passed a bill that will increase the country's biodiesel blend from its current 7% to 10% over the next three years.
- ❖ AgRural has increased its forecast for Brazil's 2015/16 soybean to 99.7 million tonnes from 98.7 million after beneficial rains.
- ❖ Rosario Grains Exchange has raised Argentina's 2015/16 soybean production forecast to 59 million tonnes from 58.5 million tonnes in its earlier estimates. The increase is due to the higher than expected yield in the major growing belts.
- ❖ CRF reported that Argentina's soybean production is nearing last year's record of around 61 million tonnes. It also projected Paraguay 2015/16 soybean production at record 9.7 million tonnes which is above USDA's estimate of 8.8 million tonnes.

- ❖ However, according to the estimates by the government agency, Argentina's 2015/16 soybean production is estimated near 60 MMT which is below last year production of 61.4 MMT.
- ❖ China is forecast to import 85 million tonnes of soybeans in 2016/17, up from the previous season, however, higher inventories is expected to limit the rise in buying.
- ❖ China National Grain and Oils Information Center (CNGOIC), said in the IGC grain conference that the country's soybean imports were expected to reach 82 million tonnes in the 2015/16 year on an October-September season compared to 78.35 million tonnes during the corresponding period in 2014/15.
- ❖ Global palm oil production will fall by almost 3.00 million tons in September 2016. Indonesia's palm oil output estimate is cut by 1.2 million tons. Malaysia's palm oil production estimate is cut by 1.5 million tons to 18.4 million tons. Consumers will get relief from July 2016. Palm oil stock buildup will possibly start from September 2016.

## IMD Monsoon Forecast and Current Rainfall Status

In the IMD's Operational 2<sup>nd</sup> stage Long Range forecast for the 2016:

- Rainfall over the country as a whole for the 2016 southwest monsoon season (June to September) is most likely to be **above normal** (>104% to 110% of long period average (LPA).
- Quantitatively, monsoon season rainfall for the country as a whole is likely to be 106% of the long period average with a model error of  $\pm 4\%$ .
- Region wise, the season rainfall is likely to be 108% of LPA over North-West India, 113% of LPA over Central India, 113% of LPA over South Peninsula and 94% of LPA over North-East India all with a model error of  $\pm 8\%$ .
- The monthly rainfall over the country as whole is likely to be 107% of its LPA during July and 104% of LPA during August both with a model error of  $\pm 9\%$ .
- However, recently the IMD has revealed that the rainfall will be normal and not above normal this season.



The event should boost the yield and subsequently production this season, as the *kharif* oilseeds are rain-fed.

# Soybean

The domestic soybean continued downtrend on expectation of higher 2016/17 production and supply prospects. Besides, expectation of record US soybean production too remained negative for the domestic market.

The soybean crop in low lying areas of Madhya Pradesh and Rajasthan is affected due to recent heavy rains over the key growing belts in these states. The productivity is expected to be negatively affected in these areas. But the overall damaged or affected area is not huge.

Overall the crop is in a good condition across the key growing belts of Madhya Pradesh, Maharashtra and Rajasthan, the crop is mostly blooming.

The crop in Madhya Pradesh and Rajasthan needs sunny days for better health while the crop in Maharashtra needs rains due to moisture stress.

There are no reports of widespread disease or pest infestation in the crop with some exceptions in Marathwada, Maharashtra where green larvae have infested the crop in few small pockets. Heavy rains and long dry spells lead to infestation in crop.

The plant size of the crop varies from 3.5 – 4.5 feet long and it is in blooming around 90% in Madhya Pradesh and about 35% in Maharashtra.

The overall rainfall over Madhya Pradesh, Maharashtra and Rajasthan is still reportedly normal and above normal in various key belts.

IMD in its weekly Southwest monsoon progress report India's actual rainfall fell and was reported at 647.5 mm against the normal 663.5 mm and departure stands at -2%, till 24 August 2016.

In West Madhya Pradesh, the departure of Southwest monsoon has improved to normal by +41%, actual rains is reported at 910.1 mm vs 643.6 mm normal till 24 August 2016 by IMD. Vidarbha reported the departure of +5%, actual rains 757.6 mm vs 727.6 mm normal. Marathwada reported the departure of +1% with actual rains of 480.8 mm vs 475.8 mm, East Rajasthan reported a departure of +54% with actual rains 729.1 mm vs 474.4 mm normal.

Better seasonal/monsoon rains this season is expected to boost the soybean production.

The area coverage under soybean, as on 26th August, is reported slightly higher at 113.0 lakh hectares which is down 1% compared to 114.17 lakh hectares at the corresponding period last year.

| <b>Crop</b>           | <b>As on 26 Aug. 2016</b> | <b>As on 26 Aug. 2015</b> | <b>% Chg.</b> |
|-----------------------|---------------------------|---------------------------|---------------|
| Groundnut             | 43.84                     | 34.71                     | 26.3          |
| Soybean               | 113.00                    | 114.17                    | -1.0          |
| Sunflower             | 1.52                      | 0.90                      | 68.9          |
| Sesamum               | 13.58                     | 15.96                     | -14.9         |
| Others                | 6.73                      | 8.84                      | -23.9         |
| <b>Total Oilseeds</b> | <b>178.67</b>             | <b>174.58</b>             | <b>2.3</b>    |

The total sown area under *kharif* oilseeds, as on 26th August, has surpassed the previous year's level which is up by 2.3% at 178.67 lakh hectares compared to 174.58 lakh hectares during the corresponding period last year.

India's total area under soybean in 2015 was 116.4 lakh hectares which was higher by 5.8% from 2014.

We expect India's area under soybean in 2016 to be near 2015 level at 116 lha.

The major buyers in Madhya Pradesh are as follows: Amrit Mandsaur, Ambika Joara, ABIS Rajnandgaon, Laxmi Solvex, Sanwariya – Itarasi, SSA Mandideep, Bansal, Khandwa Oil, Ruchi, Agrawal Neemuch, Betul Oil, Prakash, Bajrang, Prestige, Ambuja, Prakash, Sitashri, Divya Jyoti, Avi Agro, Rama Sitashri Vippy, Kriti, Mahakali, Mahalaxmi, Dhanuka, Khyati, Premier, Dhan Laxmi, Dhanuka Soy, Indian Solvent (ABIS) and Advantage Overseas (10-2-2 specification) for Dewas and Mandsaur delivery during the week.

***The domestic soybean prices are likely to feature losses on expectation of higher soybean production this season, weak soy meal export sales and higher edible oil imports will pressure the bean market in near-term.***

## International:

The international soybean featured losses on record US soybean crop production prospects after Pro Farmer's crop tour in US Midwest.

Chart based selling in bean was witnessed at CBOT which fell, November contract hitting three-week low to US \$ 9.82/bushel which settled at US \$ 9.91/bushel.

Further, The US soybean crop is reported to be setting pod at 89% compared to 85% during the corresponding period last year and 5 year average.

About 72% of the newly planted US soybean crop is under good to excellent conditions which is up from 63% during the same period last year, reported in the US crop progress report dated 21 August 2016.

Pro Farmer has projected US 2016/17 soybean production at a record 4.093 billion bushels, considering an average yield of 49.3 bushels per acre after the recent crop tour; this is above USDA's August WASDE - outlook for a 4.060 billion bushels production with an average yield of 48.9 bushels per acre.

In the US weekly export sales report, the net sales of soybean were reported at 115,100 MT for 2015/16 and down 35% from the previous week and 48% from the prior 4-week average. Increases were for Netherlands with imports of 285,700 MT, including 280,000 MT switched from unknown destinations.

In the latest IGC, report the 2016/17 world soybean outturn is projected to improve by 3% y-o-y, to a record of 325 million tonnes, tied to anticipated area gains and enhanced yields in leading producers. With total consumption seen expanding further on growing demand for soybean products, especially in Asia, global stocks are expected to ease to a three-year low of 31.5 million tonnes.

Traded volumes are likely to reach a fresh high on bigger deliveries to China, with both Brazil and the US each expected to dispatch well in excess of 50 million tonnes.

U.S. July soybean crush fell to 143.715 million bushels from 145.050 million bushels in June, down by 1 percent m-o-m. Crush of soybean in July 2015 was 145.227 million bushels, National Oilseed Processors Association (NOPA).

China is forecast to import 85 million tonnes of soybeans in 2016/17, up from the previous season, however, higher inventories is expected to limit the rise in buying.

China National Grain and Oils Information Center (CNGOIC), said in the IGC grain conference that the country's soybean imports were expected to reach 82 million tonnes in the 2015/16 year on an October-September season compared to 78.35 million tonnes during the same period in 2014/15.

Strong global soybean demand and fall in the South American supplies will boost the US soybean exports in Sep/Feb. 2016/17.

*The international soybean prices are expected to feature range bound movement with weak bias on forecast of record production and weak crude. Besides, expected higher soybean crop on better monsoon this season in India, higher inventories of edible oils at Indian ports, poor soy meal shipments from India will limit any sharp gains in the domestic soybean in near-term.*

## Soy meal

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The domestic soy meal continued downwards move in tandem with soybean on expected higher domestic soy crushings this season after better domestic crop outlook this season.

The domestic soy meal demand from poultry industry remained flat but the exports remained continued to remain weak owing to the competitive soy meal price offer from US and South America.

We expect India's soy meal exports to improve in the new season on expected better 2016/17 soybean crop production leading to higher crushing eventually increasing the meal supplies.

Besides, soy meal witnessed losses in the international market on expected record for US soybean, revealed by Pro Farmer and USDA.

The August CBOT soy meal settled at US \$ 330.0 per short ton compared to US \$ 321.2 per short ton last week.

The domestic soy meal prices at Indore, fell and were quoted between the price bands of 31,000 – 32,000 levels compared to 32,000 – 33,000 previous week.

At Latur and Nanded, Maharashtra, soy meal was quoted at Rs 31,700/MT and Rs 33,800/MT respectively compared to Rs 30800/MT in Indore and Rs 30,500/MT in Kota. The meal prices of the various centers of Maharashtra continued to be at premium compared to the centers of Madhya Pradesh. This is due to the freight advantage for the South-Indian poultry units from Maharashtra over Madhya Pradesh.

India's soy meal shipments continued to be weak and it is multi-year low, primarily on India's noncompetitive prices compared to the South American meal.

***India's export of soy meal and its other value added products during July 2016 is just 12,272 tons compared to 30,688 tons in July 2015 showing a decrease of 60% over the same period of last year.***

***On a financial year basis, the export during April'2016 to July'2016 is 52,906 tons as compared to 1,36,897 tons in the same period of previous year showing a decrease of 61%.***

***During current Oil year, (October – September), total exports during October 2015 to July, 2016 is 2,38,676 tons as against 6,86,525 tons last year, showing a decrease by 65.23%, as reported by SOPA.***

Japan, USA, Myanmar, Kenya and South Korea remained the top buyers of soy meal of Indian origin in July.

Lower exports are mainly due to demand shift to South America. This is mainly due to the attractive offer price compared to India.

Brazil has exported about 1.57 million tonnes of soy meal in June against 1.93 million tonnes and 1.62 million tonnes during the corresponding period last year. The figure reveals slow export pace due rains and disruptions at port.

USDA in its August report said that the US soy meal inventories at the end of June stood at 281,038 tonnes which is down from 343,411 tonnes in May.

Oil world expects world production of soy meal to rise by about 6% to a record 163.8 Mn T in Jan/Sept 2016, allowing exports to improve by 3.2 Mn T or 7% under the lead of Argentina.

*Indian meal prices have to be highly competitive against the South American and China's meal prices to regain the lost markets it lost in previous seasons.*

*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 higher. Soy meal Indore was quoted lower between Rs 31,000 – 32,000/MT during the week compared to Rs 28,500 – 30,000/MT during the corresponding period last year.

*The soy meal prices are likely to feature range-bound movement with weak-bias on likely higher domestic and international soybean production, in near-term.*

### Technical Analysis:

#### **NCDEX Soybean Futures**



#### **Soybean Spot, Indore**



\*Note: Daily Chart

#### **Support & Resistance NCDEX Soybean - Oct. contract**

| S1   | S2   | PCP  | R1   | R2   |
|------|------|------|------|------|
| 3200 | 3250 | 3367 | 3600 | 3670 |

- Soybean continued downtrend during the week.
- Prices closed below 18-day EMA.
- RSI and stochastic are falling in the neutral zone.
- MACD is falling in the negative territory.
- The prices are expected to feature losses in the coming week.
- Trade Recommendation (NCDEX Soybean – Oct.) Week: **SELL** Below 3470. Levels: T1 – 3370; T2- 3400, SL - 3530.

## Rapeseed - Mustard Seed

The domestic rapeseed-mustard continued downtrend consecutive third week as the millers refrained from the market, in anticipation of further fall in the seed prices.

Higher domestic *kharif* oilseeds production prospects have pressure the seed market.

But falling weather temperature and upcoming festivities will give in to the rise in mustard oil demand which will eventually improve the millers demand in the seed in coming days.

Further fall in the in the BMD CPO remained negative for the seed.

Currently, the seed prices at bench mark, Jaipur fell compared to previous week but they are still 9% up at Rs. 4,945 – 5,080 per quintal compared to Rs. 4,545 – 4,640 per quintal during the corresponding periods last year.

The all India daily arrivals of the seed continued to ease and reported between 0.70– 0.80 lakh bags but are higher compared to 0.80– 0.85 lakh bags during the corresponding period last year.

However, India's edible oil imports fell for consecutive three months.

India's July edible oil imports fell 24.4 percent y-o-y to 11.18 lakh tons from 14.79 lakh tons in July 2015. Palm oil imports fell 27.87 percent y-o-y to 5.70 lakh tons y-o-y from 7.9 lakh tons in July 2015. CPO imports fell by 52.61 percent y-o-y to 3.63 lakh tons from 7.66 lakh tons in July 2015. RBD palmolein imports rose by 11.9 percent y-o-y to 2.07 lakh tons from 1.85 lakh tons in July 2015.

Soy oil imports were marginally down y-o-y to 3.485 lakh tons from 3.49 lakh tons in July 2015. Sunflower oil imports rose by 9.8 percent y-o-y to 1.34 lakh tons from 1.22 lakh ton in July 2015. Rapeseed (Canola) oil imports rose by 112 percent y-o-y to 0.66 lakh tons from 0.31 lakh tons in July 2015, reported by Solvent Extractor's Association of India.

India's July edible oil stocks at ports and pipelines was lower by 7.35 percent m-o-m at 21.50 lakh tons from 23.20 lakh tons in June 2016. Stocks of edible oil at ports were at 770,000 tons (CPO 180,000 tons, RBD Palmolein 115,000 tons, Degummed Soybean Oil 330,000 tons, Crude Sunflower Oil 115,000 tons and 30,000 tons of Rapeseed (Canola) Oil) and about 1,380,000 tons in pipelines. India is presently holding 39 days of edible oil requirement on 1st August, 2016 at 21.5 lakh tons compared to 42 days of requirements last month. India's monthly edible oil requirement is 16.5 lakh tons per month.

Malaysia's August 1-25 palm oil exports rose 29.8 percent to 1,316,245 tons compared to 1,013,704 tons in the corresponding period last month. Top buyers were India at 392,416 tons (168,330 tons), European Union at 249,915 tons (217,388 tons), China at 216,550 tons (184,756 tons), United States at 60,385 tons (69,050 tons) and Pakistan at 17,000 tons (30,000 tons). Values in brackets are figures of corresponding period last month, cargo surveyor Societe Generale de Surveillance (SGS).

Malaysia reported surprise fall in July palm oil stocks by 0.23 percent to 1,770,650 tons compared to 1,774,650 tons in June. Production in July rose by 3.48 percent to 1,585,882 tons from 1,532,613 tons in June. Exports in

July rose by 21.24 percent to 1,384,220 tons from 1,141,673 tons in June. Imports in July fell by 34.7 percent to 12,823 tons from 19,636 tons in June, Malaysia Palm Oil Board (MPOB),.

Fall in stocks were primarily due to higher than expected exports and lower than expected production.

In its August report Indonesia's Palm Oil Association (GAPKI) reported that, Indonesia's June palm, palm kernel oil, and biodiesel exports rose by 7.4 percent to 1.89 MMT from 1.76 MMT in May, exports in June 2015 stood at 2.27 MMT. Indonesia exported 1.78 MMT of palm oils excluding biodiesel compared to 1.76 MMT exported in May 2016. Production of palm oil in June was at 2.69 MMT while ending stocks were 1.80 MMT.

Malaysia has kept September export duty on crude palm oil unchanged at 5 percent. Tax is calculated at reference price of 2471.30 ringgit (USD 612.54) per ton. Prices above 2,250 ringgit are taxed with tax starting from 4.5 percent to a maximum of 8.5 percent, reports Malaysian Palm Oil Board (MPOB).

China's July palm oil exports fell 53.73 percent to 332,568 compared to July 2015. Year to date (January 2016-July 2016) palm oil imports fell 31.14 to 2,198,299 tons compared to corresponding period in 2015. Imports from Indonesia in July fell 58.14 percent to 169,474 tons compared to July 2015. Year to date (January 2016-July 2016) palm oil imports from Indonesia imports fell 14.59 percent to 1,389,331 tons compared to corresponding period in 2015. Imports from Malaysia fell 48.04 percent in July to 163,081 tons compared to July 2015. Year to date (January 2016-July 2016) palm oil imports from Malaysia fell 48.47 percent to 803,758 tons compared to corresponding period in 2015, China's General Administration of Customs (CNGOIC).

*Outlook: The rapeseed-mustard is expected to recover after a fall of another 100 points on upcoming fresh demand in mustard oil during monsoon and upcoming festivities.*

## Technical Analysis:

### NCDEX RM Seed Futures



\*Note: Daily Chart

### RM Seed Spot, Jaipur



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

| S1   | S2   | PCP  | R1   | R2   |
|------|------|------|------|------|
| 4450 | 4500 | 4631 | 4888 | 4951 |

- RM seed witnessed sharp fall during the week.
- Prices closed well below 18-day EMA.
- RSI and stochastic are falling in neutral zone.
- MACD is easing in negative territory.
- The prices are expected to feature losses during the week.
- Trade Recommendation (NCDEX Rapeseed-Mustard – Sep.) Week: **SELL** Below 4730. Levels: Target – 4630; T2- 4580, SL - 4890.

## Annexure

### Oil Meal Prices at Key Spot Markets:

#### Soy DOC Rates at Different Centers

| Centres        | Ex-factory rates (Rs/ton) |           |   |
|----------------|---------------------------|-----------|---|
|                | 26-Aug-16                 | 19-Aug-16 | Parity To   |
| Indore (MP)    | 31000                     | 32000     | Gujarat, MP   |
| Kota           | 31000                     | 31900     | Rajasthan, Del, Punjab, Haryana                     |
| Dhulia/Jalna   | 32300                     | 33700     | Mumbai, Maharashtra                                 |
| Nagpur (42/46) | 32900                     | 34400     | Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN |
| Nanded         | 33800                     | 34200     | Andhra, AP, Kar, TN                                 |
| Latur          | 32300                     | 35200     | -   |
| Sangli         | 33000                     | 33500     | Local and South                                     |
| Sholapur       | 32000                     | 33700     | Local and South                                     |
| Akola          | 32800                     | 34200     | Andhra, Chattisgarh, Orissa, Jharkhand, WB          |
| Hingoli        | 33500                     | 34600     | Andhra, Chattisgarh, Orissa, Jharkhand, WB          |
| Bundi          | 31500                     | 32000     | -   |

#### Soy DOC at Port

| Centers               | Port Price |           |
|-----------------------|------------|-----------|
|                       | 25-Aug-16  | 18-Aug-16 |
| Kandla (FOR) (INR/MT) | 34500      | 35500     |
| Kandla (FAS) (USD/MT) | 514        | 531       |

| International Soy DOC |           |           |        |
|-----------------------|-----------|-----------|--------|
| Argentina FOB USD/MT  | 25-Aug-16 | 18-Aug-16 | Change |
| Soybean Pellets       | 363       | 374       | -11    |
| Soybean Cake Flour    | 363       | 374       | -11    |
| Soya Meal             | 371       | 382       | -11    |
| Soy Expellers         | 371       | 382       | -11    |

| <b>Sunflower (DOC) Rates</b> | <b>Ex-factory rates (Rs/ton)</b> |                  |               |
|------------------------------|----------------------------------|------------------|---------------|
| <b>Centers</b>               | <b>26-Aug-16</b>                 | <b>19-Aug-16</b> | <b>Change</b> |
| Adoni                        | 24000                            | 24000            | Unch          |
| Khamgaon                     | NA                               | NA               | -             |
| Parli                        | 23500                            | 23500            | Unch          |
| Latur                        | 24000                            | 24000            | Unch          |

| <b>Groundnut Meal (Rs/MT)</b> | <b>26-Aug-16</b> | <b>19-Aug-16</b> | <b>Change</b> |
|-------------------------------|------------------|------------------|---------------|
| Basis 45%, Saurashtra         | 28000            | 28500            | -500          |
| Basis 40%, Saurashtra         | 25000            | 25300            | -300          |
| GN Cake, Gondal               | 28000            | 28000            | Unch          |

| <b>Mustard DOC/Meal</b> | <b>26-Aug-16</b> | <b>19-Aug-16</b> | <b>Change</b> |
|-------------------------|------------------|------------------|---------------|
| Jaipur (Plant delivery) | 19200            | 19500            | -300          |
| Kandla (FOR Rs/MT)      | 19700            | 19900            | -200          |
| Sri Ganganagar          | 2340             | 2380             | -40           |

## MSP for 2016/17 Kharif Oilseeds

The Cabinet Committee on Economic Affairs, chaired by the Prime Minister Shri Narendra Modi, has given its approval for Minimum Support Prices (MSPs) for Kharif Crops of 2016-17 season, the MSPs of all the Kharif oilseeds are raised for this season.

The MSP of Yellow Soybean is increased by 6.7% to Rs 2775/Qtl (including Rs 100 bonus) for 2016-17 season from Rs 2600/Qtl in 2015-16, Groundnut -in- shell by 4.7% to Rs 4220/Qtl (including Rs 100 bonus) from Rs 4030/Qtl, Sunflower seed by 3.9% to Rs 3950/Qtl (including Rs 200 bonus) from Rs 3800/Qtl, Nigerseed by 4.8% to 3825/Qtl (including Rs 100 bonus) from Rs 3650/Qtl and Sesamum by 6.4% to Rs 5000/Qtl (including Rs 200 bonus) from Rs 4700/Qtl.

## MSP for 2015/16 Rabi Oilseeds

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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