

# Oilmeal Weekly Research Report

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## Executive Summary

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Soybean and meal posted gains on good buying support and gradual ease in the bean supplies from recent peak. However, rapeseed-mustard fell pressured by the peak new soybean and other *kharif* oilseed supplies.

The domestic soybean harvesting is almost complete more than 98% complete in the key growing belts.

The soybean supplies are strong but have fallen from its peak witnessed a fortnight back. The moisture content in the bean too has reduced with clear weather and reduction in the soil moisture.

Improved soy meal exports enquiries primarily from South-East Asian countries at the current level will remain supportive for the bean in the medium-term.

Further, the groundnut harvest is picking up the pace in the key growing belts. Better *kharif* oilseeds production will limit the gains in the oilseeds in near to medium-term.

However, CBOT soybean fell reversing from 2 months high on profit booking.

The domestic soybean and meal are expected to feature range-bound movement with firm bias on expectation of fresh *kharif* oilseeds demand from stockists and solvent extractors.

Further, the rapeseed-mustard continued to be under pressure primarily on new soybean crop supplies and on expected rise in the *kharif* oilseeds production this season. However, it witnessed some gains towards the end of the week. We expect the seed to recover on improved demand from millers, to meet the winter mustard oil demand in lean season.

## Outlook – Cash Market

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**Outlook - Soybean (Spot, Indore):** *The soybean prices have improved as expected but they are under pressure on new crop supplies. We feel the prices have bottomed out and are hovering around the lowest levels. However, expectation of higher domestic soybean crop this season, weak soy meal exports, forecast of record US soybean production will pressurize the domestic soybean to some extent. The prices are expected to feature range bound movement and witness 2,950 – 3,150 levels (Indore, Plant basis).*

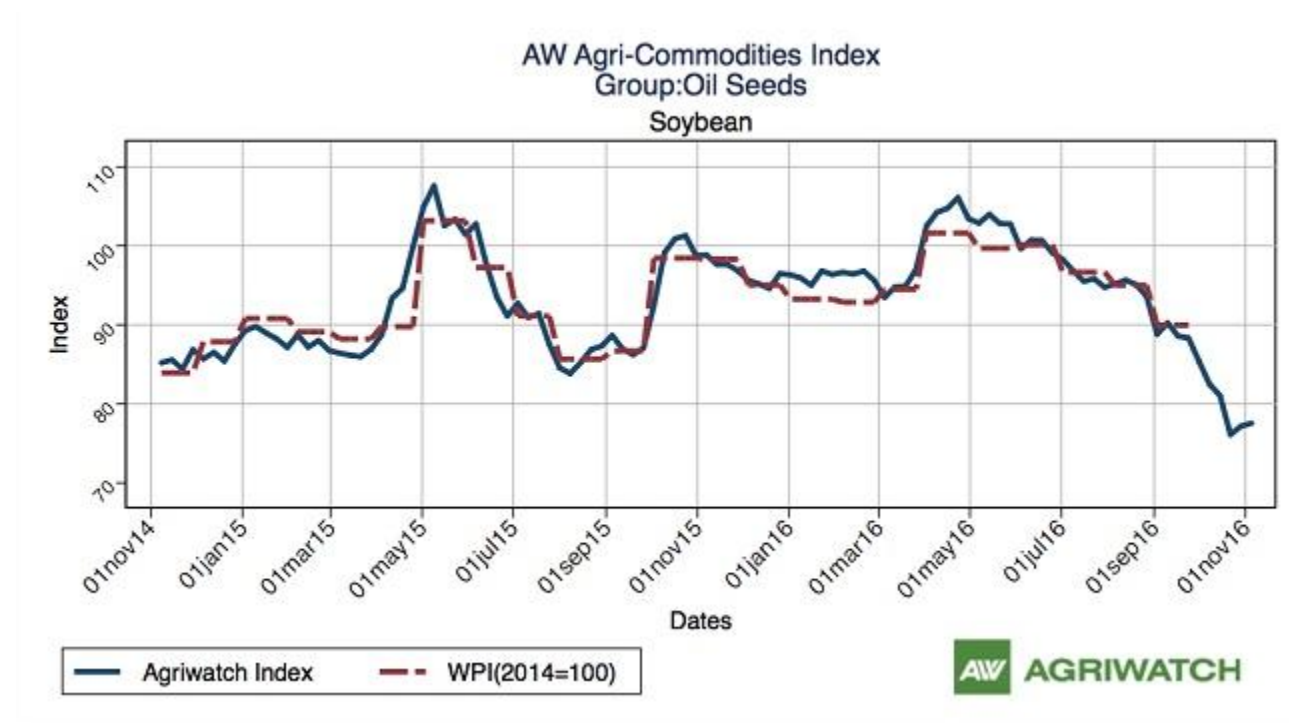
**Outlook – Soy meal:** *Soy meal witnessed mild gains in sync with soybean. Expectation of higher crushing on likely good soybean production on better distribution of seasonal rainfall in the key soybean domestic regions and weak soy meal exports is limiting the gains in the domestic soy meal. Indian 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 firm-bias in near-term. Soy meal, Indore is expected to be in the range of 24,500 – 25,500/MT levels during the week.*

**Outlook - Rapeseed-Mustard (Spot, Jaipur basis):** *The seed witnessed losses during the week, but signaled gains towards the end of the week. Likely renewed buying by miller's, to meet the seasonal and fresh mustard oil demand for upcoming winter demand will push up the seed prices. The seed prices are likely to edged-up and witness the levels between 4720 – 4790; levels during the week.*

## AW Oilseeds Index – 06 November 2016

The Agriwatch Agri Commodities Index eased for the fourth straight week, declining 0.81% to 114.30 during the week ended Nov 5, 2016 from 115.24 during the previous week. The base for the Index and all sub-Indices is 2014 (= 100). The Index is now at its lowest since the week ending June 11, 2016 when it had closed at 113.62.

In the commodity group sub-index, Oilseeds Index stood at 102.30 (+0.82%) 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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- ❖ USDA weekly crop progress report has revealed that harvesting is complete by at 87% lower compared to 91% during the corresponding period last year but up from 85% from 5 year average, reported on 31 October 2016.
- ❖ Brazil's soybean planting has reached 52.5 percent as on November 4, 2016 compared to 42.3 percent in corresponding period last year and 48.7 percent (5-year average).
- ❖ Informa Economic has raised its forecast of US 2016 soybean productivity to 52.4 bushels per acre in November from 51.6 bpa estimated in October.
- ❖ Informa has projected 2016 US soybean production at 4.353 billion bushels up from 4.3 billion bushels projected previous month.
- ❖ FCStone has raised its forecast for US 2016 soybean productivity to a record 52.8 bushels per acre from 52.5 in its October report.
- ❖ Further, FCStone has raised its US 2016 soybean production estimate to 4.386 billion bushels 4.357 billion bushels projected in October.
- ❖ In the USDA Quarterly grain stock report, released on September 30, the US soybean stocks were reported at a five-year high of 197 million bushels for old crop soybeans stored in all positions on 1 September 2016.
- ❖ On farms stocks totaled at 41.6 million bushels, down 16% from a year ago. Off-farm stocks totaled at 155 million bushels, down 10% from September 2015. Analysts were expecting soybean stocks of 201 million bushels.
- ❖ 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 crop tour.
- ❖ Abiove has forecast Brazil's 2017 soybean production at record 101.3 million tonnes compared to 96 – 98 million tonnes estimated for 2016 by various agencies. Abiove has estimated the Brazil will be able to export 57 million tonnes of soybean in 2017.
- ❖ Brazil's soybean output growth is projected at average 4.1% per year in next 10 years and soybean output is expected surpass 140 million tonnes by 2025 by FCStone.

- ❖ Argentine government has postponed a tax slash premeditated for next marketing year on exports of soy and its products. The country is reeling into economic slump and dependent of the fiscal revenue.
- ❖ 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.
- ❖ 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 Brazil's 2015-16 production by 1 million tonnes to 96.5 million tonnes, in its recent report. Besides, Informa has lowered 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.
- ❖ 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. 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.

## Soybean

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The domestic soybean extended previous week's gain after steep fall in previous weeks. However, new crop supply pressure has limited the gains.

The soybean harvesting is complete but the farmers are reluctant to sell their produce at the current lower prices.

Further, stockists and the solvent extractors are actively participating in the market to cover their stock for future.

Improved export enquires for forward booking at the current levels will lend support to the bean in medium-term.

The new crop bean have slightly edged-up and was quoted between Rs 2,900/quintal to Rs 31,00/quintal at Indore depending on the quality and moisture.

India's 2016 soybean production is projected around 11.5 million tonnes by Agriwatch which is higher than 9 million tonnes.

In the USDA's WASDE October report India's soybean production forecast are kept unchanged at 9.7 million tonnes from September. However, in the USDA – FAS grain report, the US attaché in India had projected India's 2016/17 soybean production at 11.5 million tonnes up from it's previous forecast of 11 million.

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 range-bound movement with firm bias on expectation of fresh buying by the solvent extractors. However, higher soybean production this season, weak soy meal export sales will pressure the bean market in near-term.***



**International:**

The CBOT soybean fell on profit taking from a two-month high and newly harvested record soybean supply pressure.

However, the fall was limited and supplies were offset by the strong Chinese demand for US soybean, which remained supportive in recent days.

At CBOT, November contract soybean prices fell to US \$ 9.73/bushel and finally settled at US \$ 9.81/bushel compared to US \$ 10.0/bushel last week.

The soybean harvesting in US is underway it is in full swing and slightly lagging and close to the 5 year average.

USDA weekly crop progress report has revealed that harvesting is complete by at 87% lower compared to 91% during the corresponding period last year but up from 85% from 5 year average, reported on 31 October 2016.

Net US weekly soybean export sales stood at 2,514,100 MT for 2016/2017--a marketing-year high--were up 28 percent from the previous week and 34 percent from the prior 4-week average. Increases were reported for China (2,069,200 MT, including 613,000 MT switched from unknown destinations and decreases of 29,900 MT), Germany (151,700 MT), Thailand (139,900 MT, including 128,000 MT switched from unknown destinations), Mexico (130,200 MT, including decreases of 9,100 MT), and Saudi Arabia (69,400 MT, switched from unknown destinations).

Reductions were reported for unknown destinations (363,200 MT). For 2017/2018, net sales of 60,000 MT were reported for Spain. Exports of 2,932,600 MT--a marketing-year high--were up 7 percent from the previous week and 48 percent from the prior 4-week average. The primary destinations were China (2,087,700 MT), Germany (151,700 MT), Thailand (142,000 MT), Mexico (113,700 MT), and Saudi Arabia (69,400 MT).

Informa Economic has raised its forecast of US 2016 soybean productivity to 52.4 bushels per acre in November from 51.6 bpa estimated in October.

Informa has projected 2016 US soybean production at 4.353 billion bushels up from 4.3 billion bushels projected previous month.

U.S. September soybean crush fell to 129.405 million bushels from 131.822 million bushels in August, down by 1.8 percent m-o-m. Crush of soybean in September 2015 was 126.704 million bushels, according to National Oilseed Processors Association (NOPA).

In the October US World Agriculture Supply and Demand Report the US soybean yield is raised to 51.4 bushels per acre from 50.6 bushels in its September report. This has raised the US soybean production further to a record 4,269 million bushels from 4,201 million projected earlier.

ANEC, Brazilian grain export association has slashed its forecast for the country's 2016 soybean export for 52 million tonnes against 57 million tonnes in 2015 season.

However, ANEC expects Brazil's 2017 soybean exports to reach 53 million tonnes.

FCStone has raised its forecast for US 2016 soybean productivity to a record 52.8 bushels per acre from 52.5 in its October report.

Further, FCStone has raised its US 2016 soybean production estimate to 4.386 billion bushels 4.357 billion bushels projected in October.

Brazil's soybean planting has reached 52.5 percent as on November 4, 2016 compared to 42.3 percent in corresponding period last year and 48.7 percent (5-year average). Planting in Mata Grosso has reached 82 percent, higher than 70.2 percent average during this period. In second highest producing state of Parana, planting has reached 73 percent, higher than 72 percent average. Third highest soybean state planting is 9 percent compared to 14.4 percent due to heavy downpour in recent days, reported Safras & Mercado.

Brazil's soybean planting are well ahead of schedule in most parts of the country. In contrast, Argentine soybean planting is lagging behind due to excessive wet weather.

Weather conditions are forecast to improve in South America in a couple of weeks. Much needed moisture is expected to arrive in central Brazil while drier conditions are expected in extreme wet conditions in Argentine areas. This will boost the ongoing soybean planting.

Further South American soybean and meal exports remained weaker than expected in October. Brazil's soybean exports itself fell to 1.0 Mn T and soy meal exports halved from a year ago to 0.72 Mn T, in October.

Abiove has forecast Brazil's 2017 soybean production at record 101.3 million tonnes compared to 96 – 98 million tonnes estimated for 2016 by various agencies.

Abiove has estimated that Brazil will be able to export 57 million tonnes of soybean in 2017.

In a major event Brazil's 2016/17 soybean planting has commenced and it is 1.2% complete by September 22.

Conab, Brazil's agricultural statistics agency has reported that the country's 2017 soybean production could increase to 104 million tonnes from 95.5 million tonnes in drought hit year 2016.

FC Stone has projected Brazil's 2016/17 soybean production at 101.85 million tonnes compared to 95.4 million tonnes in 2015/16.

Brazil's soybean cultivators are unlikely to increase the area in soybean in the new season due to the tight credit followed by severe slowdown in the economy in decades and the likely erratic weather, said FCStone.

The Brazilian farmers are likely to plant 33.56 million hectares (82.9 million acres) with soybean in 2016/17 which will be an increase of just 315,000 hectares, up 0.9%, compared to 2015/16.

The soybean outturn is expected to touch 101.85 million tonnes, considering the average productivity of 2015/16, when production could only reach 95.42 million tonnes due to drought.

Brazil has exported 3.82 million tonnes of soybean in August against 5.16 million tonnes during the corresponding period last year and 5.79 million tonnes in July 2016.

Argentina's 2016/17 soybean area is seen down at 20.4 million hectares. The soybean yield is expected 3% lower than the normal at 2.77 tonnes per hectares and eventually production is projected at 54.3 million tonnes.

Argentina is expected to produce 53 Mn T of soybeans in 2016/17 compared to 56 Mn T in 2015/16. Argentina's area under soybean is expected to fall to 19.6 million hectares from 20.1 million hectares in 2015/16. Fall in area under soybean is due to postponing of lifting export taxes on soybean and soybean products until

2018. Area will shift towards corn and wheat where export duties were slashed to zero when the current president took the office, said Buenos Aires Grains Exchange.

Argentina postpones its decision to slash the soy export taxes for this year and 2017. The Argentine government has decided to ease the tax by 0.5% per month from January 2018 to December 2019, stated the President Mauricio Macri early this week.

Macri had already cut the export tax from 35% to 30% in December shortly after Macri was elected as President and taking over the office.

Argentina's soybean crushings are reportedly falling primarily due to the reserved farmer selling and poor soy meal shipment from the country.

Argentine government has postponed a tax slash premeditated for next marketing year on exports of soy and its products. The country is reeling into economic slump and dependent of the fiscal revenue.

China's September soybean imports fell by 6.3% to 7.19 million tonnes from 7.67 million tonnes in August, reported General Administration of Customs of China.

China's 2016/17 soybean imports growth are expected to slow down on higher state reserve or inventories and increase in China's soybean production this season..

China's soybean production is up 13% to 13.1 million tonnes, highest in last 5 years, reported by China National Grain and Oils Information Center (CNGOIC).

China's soybean imports slowed down due to its higher state soy inventories.

Oil World is considering that US exporters will increase shipments to China by 4 Mn T in next six months.

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

Paraguay's area under soybean is expected to increase in 2016/17 due to favourable soy prices and expected better returns also production is forecast up at 8.6 million tonnes compared to 6.4 million tonnes last season.

*The international soybean prices are expected to feature range bound movement with firm bias on better export demand for US soybean and rising crude. However, harvest pressure and forecast of record US soybean production will limit the gains.*

*Besides, expected higher soybean crop on better monsoon this season in India and 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 witnessed mild gains supported by improved exports enquiries at the current price level, which sharply slumped in recent weeks.

Besides, fresh seasonal domestic buying will support the soy meal prices in near-term but the meal prices are unlikely to post sharp gains so as to keep the exports window open for forward booking for some more time.

Further, India's soy meal export remained dull in recent years and we feel it is expected to recover as the meal prices witnessed sharp fall in previous weeks, making Indian meal prices slightly competitive to international meal market, which continued to be remain uncompetitive for long.

Higher domestic soybean demand in 2016/17 will eventually increase the soybean crushing which will further increase the availability in soy meal in the new season.

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 too fell in the international market on harvesting pressure and expected record US soybean production, projected by various agencies including Pro Farmer, USDA, FCStone and after their survey for US soy and corn productivity.

The December CBOT soy meal remained witnessed losses and settled at US \$ 309.0 per short ton compared to US \$ 317.5 per short ton last week.

The domestic soy meal prices at Indore, almost flat and quoted between Rs 24,200 – 25,000/MT compared to previous week.

At Latur and Nanded, Maharashtra, soy meal continued downtrend and were quoted at Rs 25,500/MT and Rs 24,700/MT respectively compared to Rs 24,200/MT in Indore and Rs 25,000/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 exports of soy meal and its other value added products during oil year 2015-16 declined by 65% as compared to previous year.***

***Exports of soy meal and its other value added products during current oil year 2015-16 was 2.62 lac tons as compared to 7.51 lac tons in the same period of previous year.***

***The top 10 destinations for export of soy meal and its other value added products during last oil year were Sri Lanka – 34,821 tons, Japan – 28,859, Indonesia – 26,890, Kenya – 24,009, Taiwan – 16,380, USA – 15,056, Korea – 14,112, Thailand – 12,636, Myanmar – 11,846 and Oman – 9,528 tons.***

***On a financial year basis, the export of soy meal and its other value added products during April'2016 to September'2016 is 0.76 lac tons as compared to 2.02 lac tons in the same period of previous year showing a decrease of 62.5%, as reported by SOPA.***

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

G-5 soy meal shipments were at a combined 10.1 Mn T in July/Aug 2016 below the high year ago level, said Oil World.

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 currently lower. Soy meal Indore was quoted lower between Rs 24,200 – 25,000/MT during the week compared to Rs 32,650 – 34,000/MT during the corresponding period last year.

*The soy meal prices are likely to feature range-bound movement with firm-bias on likely fresh buying by the poultry and feed manufacturing industry. However, higher domestic and international soybean production will pressure the market, in near-term.*

## Technical Analysis:

### NCDEX Soybean Futures



### Soybean Spot, Indore



\*Note: Daily Chart

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

S1	S2	PCP	R1	R2
3000	2950	3132	3311	3395

- Soybean fell on selling pressure, during the week.
- Prices closed below 18-day EMA.
- RSI and stochastic are falling in the neutral zone.
- MACD is easing in the negative territory.
- The prices are expected to recover in the coming week.
- Trade Recommendation (NCDEX Soybean – Dec.) Week: **BUY** Above 3030. Levels: T1 – 3130; T2- 3180, SL - 2970.

## Rapeseed - Mustard Seed

The domestic rapeseed-mustard featured losses pressured by new *kharif* oilseeds supplies during the week under review.

Further, slump in the BMD CPO remained negative for the domestic seed market.

However, the seed witnessed some gains towards the weekend. The boost could be a signal towards the winter demand for seed on likely improved demand in mustard oil.

We expect rapeseed-mustard prices to remain under pressure for some more time, till the soybean and other newly *kharif* oilseeds supplies remain strong.

The seed prices at benchmark, Jaipur was quoted between Rs. 4,635 – 4720 per quintal and they are lower than the previous year's level of Rs. 5,315 – 5,425 per quintal witnessed in the corresponding periods last year.

The all India daily arrivals of the seed continued to ease and were reported between 0.50 – 0.60 lakh bags and are lower compared to 0.95 - 1.1 lakh bags during the corresponding period last year.

India's rapeseed-mustard follows the international palm oil as India imports the oil in huge quantities.

The market is waiting for India's October edible oil imports figure. We expect them to be slightly lower year-on – year for likely increase in the domestic oil availability with improved seasonal crushing in *kharif* oilseeds.

India's September edible oil imports rose 8.2 percent y-o-y to 13.77 lakh tons from 12.06 lakh tons in September 2015. Palm oil imports fell by 1.15 percent y-o-y to 7.74 lakh tons y-o-y from 7.83 lakh tons in September 2015. CPO Imports fell 5.2 percent y-o-y to 5.65 lakh tons from 5.96 lakh tons in September 2015. RBD palmolein imports rose 18.5 percent y-o-y to 2.05 lakh tons from 1.73 lakh tons in September 2015.

Soy oil imports rose 46.4 y-o-y to 4.70 lakh tons from 3.21 lakh tons in September 2015. Sunflower oil imports rose by 52.9 percent y-o-y to 1.03 lakh tons from 0.68 lakh ton in September 2015. Rapeseed (Canola) oil imports fell 10.0 percent y-o-y to 0.30 lakh tons from 0.33 lakh tons in September 2015, reported by Solvent Extractor's Association of India.

India's September edible oil stocks at ports and pipelines rose 1.95 percent m-o-m at 20.90 lakh tons from 20.50 lakh tons in August 2016. Stocks of edible oil at ports rose to 860,000 tons compared 755,000 tons in August. Stocks of edible oil at ports were 860,000 tons (CPO 260,000 tons, RBD Palmolein 140,000 tons, Degummed Soybean Oil 375,000 tons, Crude Sunflower Oil 70,000 tons and 15,000 tons of Rapeseed (Canola) Oil) and about 1,230,000 tons in pipelines (stocks in pipelines were at 1,300,000 tons in August). India is presently holding 38 days of edible oil requirement on 1st October, 2016 at 20.90 lakh tons compared to 37 days of requirements last month. India's monthly edible oil requirement is 16.5 lakh tons.

Malaysia's October palm oil exports fell 5.1 percent to 1,295,576 tons compared to 1,365,517 tons in September. Top buyers were European Union at 307,685 tons (252,399 tons), India at 189,724 tons (266,080 tons), China at 178,711 tons (217,430 tons), Pakistan at 59,770 tons (61,175 tons) and United States at 41,270 tons (62,324 tons). Values in brackets are figures of last month, cargo surveyor Societe Generale de Surveillance (SGS).

Malaysia kept November crude palm oil export duty unchanged at 6.5 percent. Tax is calculated at reference price of 2865.40 ringgit (USD 689.63) 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).

*Outlook: The rapeseed-mustard is expected to witness gains on upcoming fresh seasonal-winter demand in mustard oil and dwindling seed supplies.*



## Technical Analysis:

### NCDEX RM Seed Futures



\*Note: Daily Chart

### RM Seed Spot, Jaipur



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

S1	S2	PCP	R1	R2
4350	4300	4642	4737	4884

- RM seed surged during the week.
- Prices closed below 18-day EMA.
- RSI and stochastic are heading upwards in the neutral zone.
- MACD is rising in negative territory.
- The prices are expected to feature gains during the week.
- Trade Recommendation (NCDEX Rapeseed-Mustard – Dec.) Week: **BUY** Above 4540. Levels: Target – 4640; T2- 4690, SL – 4400.

## Annexure

### Oil Meal Prices at Key Spot Markets:

### **Soy DOC Rates at Different Centers**

Centres	Ex-factory rates (Rs/ton)		
	4-Nov-16	28-Oct-16	Parity To
Indore (MP)	24200	25000	Gujarat, MP
Kota	25000	25800	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna	24800	25500	Mumbai, Maharashtra
Nagpur (42/46)	24750	25500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	24700	26000	Andhra, AP, Kar ,TN
Latur	25500	25500	-
Sangli	25000	25200	Local and South
Sholapur	25000	26000	Local and South
Akola	24000	25000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	24700	24500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	25000	24500	-

### **Soy DOC at Port**

Centers	Port Price	
	3-Nov-16	27-Oct-16
Kandla (FOR) (INR/MT)	25900	25800
Kandla (FAS) (USD/MT)	388	386

International Soy DOC			
Argentina FOB USD/MT	3-Nov-16	27-Oct-16	Change
Soybean Pellets	333	354	-21
Soybean Cake Flour	333	354	-21
Soya Meal	341	362	-21
Soy Expellers	341	362	-21

<b>Sunflower (DOC) Rates</b>	<b>Ex-factory rates (Rs/ton)</b>		
<b>Centers</b>	<b>4-Nov-16</b>	<b>28-Oct-16</b>	<b>Change</b>
Adoni	18000	17800	200
Khamgaon	NA	NA	-
Parli	17800	18200	-400
Latur	17400	NA	-

<b>Groundnut Meal (Rs/MT)</b>	<b>4-Nov-16</b>	<b>28-Oct-16</b>	<b>Change</b>
Basis 45%, Saurashtra	22500	22500	Unch
Basis 40%, Saurashtra	20500	20500	Unch
GN Cake, Gondal	23000	23000	Unch

<b>Mustard DOC/Meal</b>	<b>4-Nov-16</b>	<b>28-Oct-16</b>	<b>Change</b>
Jaipur (Plant delivery)	18400	18400	Unch
Kandla (FOR Rs/MT)	18700	18800	-100
Sri Ganganagar	2305	2285	20

## MSP for 2016/17 Kharif Oilseeds

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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

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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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