

## Executive Summary

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Soybean and rapeseed-mustard edged-lower on weak buying and supply pressure while soy meal witnessed gains on fresh buying during the month under review.

### **Soybean:**

- ❖ The soybean featured mild losses on weak buying and bearish international factors during the period under review. Higher global soybean scenario this season and lower crude continued to pressure the market.
- ❖ Need based buying is more prevalent in the market and there are no reports of aggressive buying due to disparity in crush margin and lower than available capacity utilization of the crushing units.
- ❖ The domestic oilseeds market is under continued pressure from international benchmark, CBOT, soybean which is at almost 2-year low, expanding South American soybean harvest and reports of higher 2015/16 US soybean planting, lower crude and ongoing harvesting in rapeseed-mustard in India.
- ❖ Increased edible oil imports and lower soy meal export sales of Indian origin followed by disparity in crushing the beans kept the bean prices under pressure for long.
- ❖ In the latest production estimates in April, Argentina's 2014/15 soybean production is estimated at 58.5 million tonnes, the Buenos Aires Grains Exchange.
- ❖ Informa Economics has forecasted 2014 Brazil soybean outturn at 93.0 million tonnes, up 500,000 from previous forecast-trade.
- ❖ The harvesting in South America is underway and picking up the pace with favorable weather, however recent protest by truckers and port workers in these countries disrupted the supplies to the importing countries.
- ❖ Consistent Chinese and likely increase in their buying remained supportive to the market to some extent.
- ❖ *The domestic soybean prices will continue to remain under global supply pressure, lower crude and India's weak soy meal export sales with disparity on crushing the bean, though mild gains in cash market can't be ruled out with export duty on crude palm oil in effect from April and likely increased buying in the global market.*

**Soy meal:**

- ❖ Soy meal edged-up with fresh buying activity in the cash market during the month under review. The poultry unit owners and poultry feed manufacturers are covering their stocks in rapeseed-mustard oil cake and soy meal followed by rise in seasonal supply at lower prices, remained supportive for soy meal market.
- ❖ In the press release SOPA has welcomes new foreign trade policy 2015-2020. Dr. Davish Jain has specially welcomed the export incentives announced to help exports of oil meals, especially soy meal, which has gravely suffered in the last year because of factors beyond the exporter's control.
- ❖ India's near and medium-term fundamentals remain bearish for domestic soy meal mainly due to weak international prices with higher global soy supply scenario and lower crude. The competitive S. American soy meal price compared to India's, remained negative factor for domestic meal.
- ❖ The market is waiting for the India's soy meal export figures in March. India's soy meal exports once again fell in February by 65% Y-o-Y and 71% in the current oil year.
- ❖ The domestic soy meal demand has been already hit due to recent incidents of bird flu in some parts of Kerala, affecting poultry production in several other parts of South India where there are highest number of poultry units, and poultry is the largest consuming industry of soy meal in India.
- ❖ Exports of Soybean meal during February, 2015 was 64,515 tons as compared to 1,83,551 tons in February, 2014 showing a decrease by 64.85% over the same period of last year.
- ❖ On a financial year basis, the export during April'2014 to February'2015 is 5,99,818 tons as compared to 26,08,698 tons in the same period of previous year showing a decrease of 77%.
- ❖ Iran, Indonesia and Myanmar remained the top 3 buyers of Indian soy meal in February 2015.
- ❖ Considering the current scenario, we feel that India may not be able to regain the lost market this season which it lost last season due to prices competitive in US, and South American meal followed by record supply scenario.
- ❖ *The soy meal prices are likely to feature range-bound movement with firm bias in near-term.*

**RM Seed:**

- ❖ RM seed witnessed losses on surge in the seasonal supply in the seed and lackluster trade activity during the month under review. Both, the buyers and the seller refrained from the physical market in anticipation of further fall in the seed prices.
- ❖ However, the buying towards interest the end of the month, March, among millers/crushers limited the losses.
- ❖ The unseasonal rains in February and March have hit the seed yield and lower the estimated production.
- ❖ The harvesting in Uttar Pradesh is over and it is also complete in most of the parts of Rajasthan, it is progressing in Haryana and Punjab.
- ❖ Agriwatch has forecasted India's 2015/16 rapeseed-mustard at 5.9 million tonnes, after damage caused due to unseasonal rains in Feb. – Mar. '15.
- ❖ Malaysian palm oil edged-up with the news of surge in palm oil exports in March.
- ❖ Malaysia has imposed 4.5% export tax on crude palm oil in April, ending the period of duty-free exports starting in Sept 2014. Malaysia and Indonesia had exempted export duty from palm oil making it much cheaper for India.
- ❖ Malaysia's step will make the import slightly dearer for India, which had been importing at lower price since long, which may boost the soy prices to some extent.
- ❖ Exports of Malaysian palm oil products for March increased to 14.8% to 1,140,355 tonnes from 993,376 tonnes shipped during February, cargo surveyor Societe Generale de Surveillance on 31 March 15. India's rapeseed-mustard closely tracks Malaysian palm oil and it is expected to improve in near-term.
- ❖ Overall, India's edible oil imports remained higher in previous months, which have lead to severe crisis to domestic solvent extractors owing to disparity on crushing the seed and bean.
- ❖ *Increasing seasonal arrivals of the rapeseed-mustard with harvesting in full swing and exemption of export duty by Malaysia and Indonesia on palm oil will pressure the seed price in near-term. However, renewed demand by the solvent extractors and Malaysia's decision on imposing export duty on palm oil may push up the seed price further.*

## International Highlights

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- ❖ In the latest production estimates in April, Argentina's 2014/15 soybean production is estimated at 58.5 million tonnes, the Buenos Aires Grains Exchange said on 01 April'15, raising its previous estimate of 57 million tonnes considering higher yield.
- ❖ Informa Economics has forecasted 2014 Brazil soybean outturn at 93.0 million tonnes, up 500,000 from previous forecast-trade.
- ❖ Brazil's 2014/15 soybean harvesting is in full swing and the production is forecast to total a record 94.4 million tonnes, compared with a previous forecast of 95 million tonnes by Safras & Mercado.
- ❖ Argentine growers have harvested about 5% of this year's soy, with high yields in the central farm belt compensating for flood damage in northern region - Rosario grains exchange. Argentina's crop range from 56 to 60 million tons v/s 53.4 million tons last season. Mixed soybean yield reported from Brazil and soybean harvesting have been 60 percent completed.
- ❖ Argentina's Rosario grains exchange maintained its forecast for the 2014/15 soy harvest at 58 million tonnes, citing higher yield potential would compensate for flood damage in parts of country's grains belt.
- ❖ Allendale has estimated U.S. farmers to increase 2015/16 soybean plantings to a record 86.052 million acres with likely reduced sowing of corn, if realized, it would exceed last year's record plantings of 83.701 million acres.
- ❖ The Argentina's government expects a 2014/15 soy crop record-high at 58 million tonnes, just above the 57 million tonnes forecast by the Buenos Aires Grains Exchange. The figures are the revised estimates of Rosario Grain Exchange raising its previous production estimate for 54.5 million tonnes. Recent rains are cited as the reason for boost in yield and eventually the production.
- ❖ As per Oil World, Indonesia palm oil production seen at 32.4 million tons for 2014-15 v/s 30.5 million tons last year and Malaysia palm oil production seen at 19.4 million tons for 2014-15, down one million tons from last year. Moreover, CPO (at Rotterdam) and RBD palmolein (FOB Malaysia) prices for 2015 seen at USD 770 /T and USD 750/T respectively.
- ❖ EU-28 crushings of rapeseed rose above expectations and touched a record 13.5 Mn T in July/Dec 2014, as reported by Oil World.
- ❖ On the production front, combined crude palm oil output from Malaysia and Indonesia is expected to rise to 51.1 million tons in 2015 v/s 49.2 million tons last year.
- ❖ Brazil's 2014/15 soybean production is estimated at 92.3 million tonnes by Abiove in the new forecast in Feb., which is up 1.6 million tonnes from its previous estimate of 91.9 million tonnes.
- ❖ The shipments and the volume of Argentine soybeans in 2015 are expected to be similar to December's estimate at 48 million tonnes, said Abiove.
- ❖ The consolidated soya oil shipments of the US, Argentina, Brazil and Paraguay increased by 2% to 2.1 Mn T in Oct/Jan 2014/15, as reported by Oil World.
- ❖ The surge in G-4 soybean shipment by 2.4 Mn T in Sept/Jan 2014/15 indicates record global demand (Source: Oil World).
- ❖ Brazil based analyst Safras & Mercado forecast a 2014/15 Brazilian soybean output at 95.0 million tonnes, down from 95.9 million tonnes estimated in December.

- ❖ Brazil's Agriculture Ministry's crop supply agency Conab has estimated its 2014/15 soybean production at record 95.8 million tonnes, higher than the USDA. It also said Brazil is expected to export a record 49.6 million tonnes of the soybean, which is sharply higher from the 45.6 million tonnes estimated to be exported during the current season.
- ❖ The global production of soybeans has been raised by 1.3 Mn T to 309.1 Mn T, 24.3 Mn T, by Oil World, above last season – Oil World.
- ❖ India's 2013/14 soybean imports stood at 1.95 Mn T against 1.09 Mn T in 2012/14 season. Palm oil purchases were slightly lower at 7.29 Mn T against 8.29 Mn T last season. Sunflower oil imports were recorded at 1.51 Mn T against 0.97 Mn T in 2012/13.
- ❖ As per Oil World, the global supplies of palm oil is expected to rise by only 2.2 Mn T in Oct/Sept 2014/15, which is down from an average annual growth of 3.9 Mn T in the past 3 seasons.
- ❖ China's soybean import is estimated to 73.5 Mn T in Oct/Sept 2014/15 by the Oil World.
- ❖ As per Abiove, Brazil's soybean crop for 2014/15 is estimated at 91 million tons and exports forecast at 48 million tons. As per Oil World, oilseed production may rise to 519.7 million tons, up 4.31 percent from 2013-1. The total oilseeds production includes 310.80 million tons of soybean, 68 million tons of rapeseed, 41.4 million tons of sunflower seed and rests others.
- ❖ The total oilmeals consumption of five N. African countries in 2014/15 is estimated at 6.2-6.3 Mn, which has more than doubled within 10 years.
- ❖ India's import requirements of vegetable oils are set to increase to a new high of 12.2 Mn T in 2014/15, as reported by Oil World.
- ❖ Oil World has estimated a combined soya meal imports of 8 key countries in Southeast Asia at a record 16.6 Mn T next season, which is up 1.4 Mn T on the year.
- ❖ As per Agroconsult, Brazil is likely to produce 95.1 million tons of soybeans in 2014-15, up 1 million tons from previous estimates.

**Oilseed Prices at Key Spot Markets:**

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	31-Mar-15		28-Feb-15		
	Low	High	Low	High	
Indore –Plant	3375	3450	3340	3390	60
Indore–Mandi	Closed	Closed	3225	3240	-
Nagpur-Plant	3400	3400	3325	3325	75
Nagpur – Mandi	Closed	Closed	3100	3200	-
Kota-Plant	Closed	Closed	3300	3300	-
Kota – Mandi	3300	3350	3200	3300	50
Bundi-Plant	3250	3300	3300	3300	Unch
Bundi-Mandi	3375	3380	3250	3275	105
Baran-Plant	Closed	Closed	3300	3300	-
Baran-Mandi	Closed	Closed	3200	3300	-
Bhawani Mandi Jhalawar–Kota-Plant Delivery	Closed	Closed	3300	3340	-
Jhalwar-Mandi	Closed	Closed	3250	3275	-
Rapeseed/Mustard					
Jaipur-(Condition)	3710	3715	3725	3730	-15
Alwar-(Condition)	3550	3550	3750	3750	-200
SriGanganagar-(Non-Condition-Unpaid)	Closed	Closed	3360	3380	-
New Delhi–(Condition)(New Crop)	3575	3600	3825	3825	-225
Kota-Non-(Condition)	3200	3400	3300	3300	100
Agra-(Condition)	4000	4000	3950	3950	50
Neewai	3475	3475	3350	3350	125
Hapur (UP)(New Crop)	3700	3700	3750	3750	-50
Groundnut Seed					
Rajkot	890	890	840	840	-50
Sunflower Seed					
Gulbarga	2845	2950	2855	3062	-112
Latur	Closed	Closed	2491	3451	-
Sholapur(New Crop)	3300	3300	3350	3350	50
Sesame Seed (Mumbai (White98/2/1 FM)					
	8400	8400	8750	8750	-350

**Oilseed Cumulative Arrivals in Key Centres**

Commodity	Centre	Arrivals in Bags/Qtl		Change
		31-Mar-15	28-Feb-15	
<b>Soybean</b>				
	Madhya Pradesh	915000	1510000	<b>-595000</b>
	Maharashtra	422000	545000	<b>-123000</b>
	Rajasthan	437000	435000	<b>2000</b>
	Bundi (Raj)	3275	4000	<b>-725</b>
	Baran (Raj)	8950	9400	<b>-450</b>
	Jhalawar (Raj)	18100	28400	<b>-10300</b>
<b>Rapeseed/Mustard</b>	Rajasthan	4255000	1585000	<b>2670000</b>
<b>*Soybean: 1 bag = 90 kg; RM Seed: 1 bag = 85 kg</b>				

## Progress of Sown Area – Rabi Oilseeds, India

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

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

(Area in lakh hectares) Source: GOI

## Soybean

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The soybean featured mild losses on weak buying and bearish international factors during the period under review. Higher global soybean scenario this season and lower crude continued to pressure the market.

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

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

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

However, prices slightly improved towards the end of the month. The interested buyers, mainly the solvent extractors were ready to quote slightly higher due to substantial fall in the bean supplies ahead fiscal year-end closing formalities.

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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## Balance Sheet – Soybean, India

Fig. in MnT

Oil Year (Oct-Sep)	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Carry In</b>	1.12	0.37	0.40	0.32	0.32
<b>Production</b>	<b>10.10</b>	<b>12.00</b>	<b>12.50</b>	<b>11.00</b>	<b>10.50</b>
Imports	0.00	0.00	0.00	0.00	0.00
<b>Total Availability</b>	<b>11.22</b>	<b>12.37</b>	<b>12.90</b>	<b>11.33</b>	<b>10.83</b>
Crush	10.85	11.97	12.58	10.50	10.50
Exports	0.00	0.00	0.00	0.00	0.00
Total Usage	10.85	11.97	12.58	10.50	10.50
Carry Out	0.37	0.40	0.32	0.82	0.32
Monthly Use	0.90	1.00	1.05	0.88	0.88
Stock/Consumption Ratio	0.03	0.03	0.03	0.08	0.03
Stock to Month Use Ratio	0.41	0.40	0.31	0.94	0.37

Source: Agriwatch

- **Trade Observations:** *The fresh buying has been witnessed after weak buying in last few months; the supplies are lower followed to the absence of aggressive buying due to disparity on crushing the beans and lower soy meal export sales.*
- We peg India's 2014-15 soybean production at 11.2 Mln T in our preliminary projection.
- In 2013-14 India could produce only 11 Mln T as yield was badly hit in Madhya Pradesh and some parts of Rajasthan followed by incessant rains in the region. This is despite the rise in area by 14% over the year 2012.
- We expect 2013/14soybean crush above 10.5million tons. India's soy meal prices have to compete with the meal prices of South America, which will eventually make the crushing more viable depending onits exports.

## Soy meal

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Soy meal edged-up with fresh buying activity in the cash market during the month under review. The poultry unit owners and poultry feed manufacturers are covering their stocks in rapeseed-mustard oil cake and soy meal followed by rise in seasonal supply at lower prices, remained supportive for soy meal market.

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

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

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

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

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

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

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

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

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

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

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

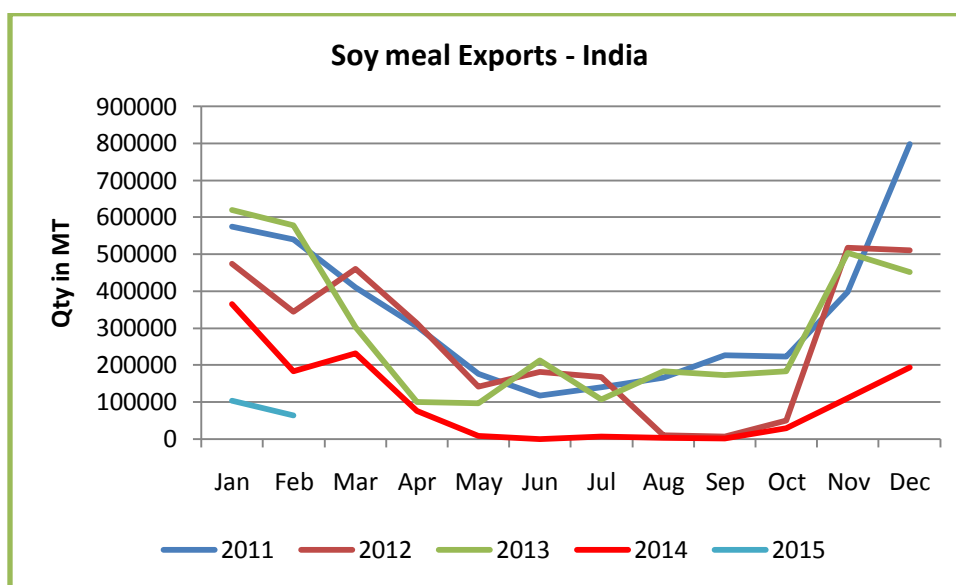
*India's soy meal exports declined to 64,514 tonnes in February from 104,426 tonnes in Jan., the Solvent Extractors' Association of India. Of total oilmeal shipments in Feb., soy meal comprised of 64,514 tonnes, rapeseed meal (62,545 tonnes), ricebran extraction (3380 tonnes) and castorseed meal was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

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

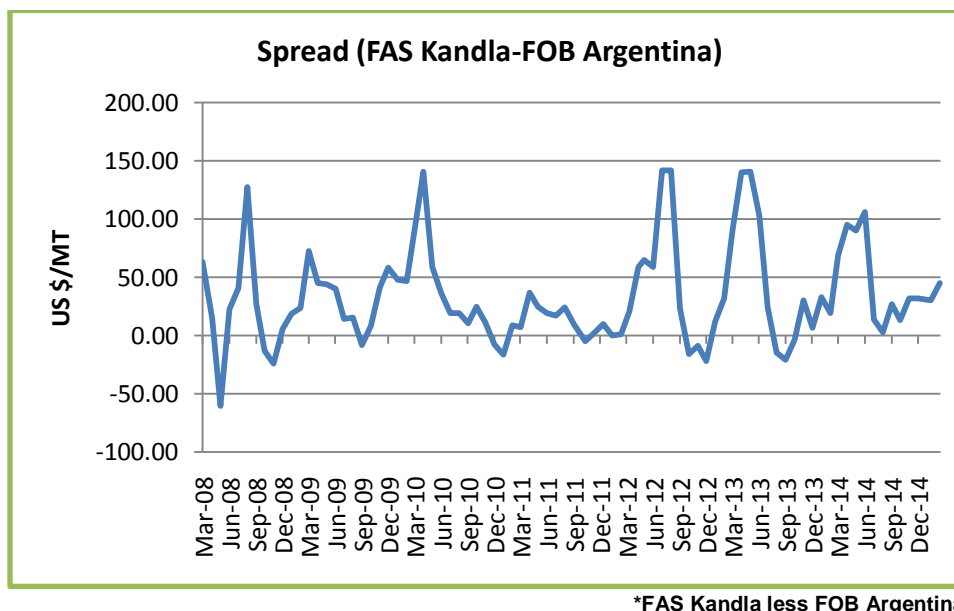
The soy meal prices are likely to feature range-bound movement in near-term.

*Preference of the soy meal of Indian origin mainly by the South-East countries due to logistic and freight advantage and demand for non-GMO meal will continue to lend support to the domestic soy meal. Iran, Japan, Europe, Thailand, Vietnam, Indonesia and South Korea could be seen as the major destinations for Indian soy meal exports.*

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



India's Y-o-Y soy meal prices are lower. Soy meal export price, FOR Kandla (Apr – May delivery) was quoted between Rs 29,125– 31,500/MT compared to Rs 37,950– 38,800/MT during the same period last year.



The average monthly soy meal price spread between FAS Kandla and FOB Argentina has widened in Mar. and was recorded at US \$82/MT in Mar. 2015 compared to US \$45/MT in Feb. 15. Argentine soy meal export prices continued to be attractive as compared to the India's. Notably, India's soy meal exports are at the optimum levels during the period, October through January. (\*Spread - FAS Kandla less FOB Argentina). India's exports window is open but higher global supply scenario will keep the India's meal exports lower this season.

Soymeal	Mar. 2015	Feb. 2014	Mar. 2014
FOB – Argentina	378	414	537
FAS – Kandla	460	459	606

**Recommendation:** India's soy meal prices are under global supply pressure. Indian meal exporters are advised to aggressively explore the lost markets last season especially traditional South and Far-East Asian destinations and Iran. India is into the period of higher exports considering seasonality. The domestic meal prices are likely to feature steady to firm tone during in near-term. FOR, Kandla (Apr. – May. delivery) is expected to rebound and the quotes will be between the range of Rs. 31,000 – 32,500/MT levels during the month. The prices remained within the range of Rs. 29,125 – 31,500/MT during the month.

## Soybean Crush Margin

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Avg Crush Margin – Mar. 2015		Avg Crush Margin – Feb. 2015		Avg Crush Margin – Mar. 2014	
<b>-1167</b>		<b>-1039</b>		<b>-2465</b>	
Min	Max	Min	Max	Min	Max
<b>-1510</b>	<b>-910</b>	<b>-1520</b>	<b>-600</b>	<b>-3700</b>	<b>-1710</b>

The disparity on soybean crushing in March has further widened compared to February month, though it is narrower compared to the same period last year. The widening disparity remained discouraging for the solvent extractors in March. Increasing cheaper edible oil imports and weak soy meal export sales continued to remain negative for crushers.

## Technical Analysis:

### NCDEX Soybean Futures



### Soybean Spot, Indore



\*Daily Chart

### Support & Resistance NCDEX- Soybean Jun. Contract

S2	S1	PCP	R1	R2
3260	3357	3458	3583	3674

- Candlestick chart pattern reveals prices edged-up during the month.
- Prices closed above 18-day EMA.
- MACD is rising in positive territory.
- RSI and stochastic are heading upwards in neutral zone.
- Trade Recommendation (NCDEX Soybean – Jun.) – 1 Month: **BUY** Above 3450. T1 – 3550; T2 - 3650; SL –3420.

**Trade Recommendation soybean spot, Indore basis:** Soybean prices are expected to edge-up on fresh buying in the local market, but lower crude and higher global soybean supply scenario this season will cap the gains. The prices are likely to move up and witness 3450 – 3600 levels (Indore, Plant basis) during the month.

## Rapeseed - Mustard Seed

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RM seed witnessed losses on surge in the seasonal supply in the seed and lackluster trade activity during the month under review. Both, the buyers and the seller refrained from the physical market in anticipation of further fall in the seed prices.

However, the buying towards interest the end of the month, March, among millers/crushers limited the losses.

Agriwatch has forecasted India's 2015/16 rapeseed-mustard at 5.9 million tonnes, after damage caused due to unseasonal rains in Feb. – Mar. '15.

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

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

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

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

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

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

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

Exports of Malaysian palm oil products for March increased to 14.8% to 1,140,355 tonnes from 993,376 tonnes shipped during February, cargo surveyor Societe Generale de Surveillance on 31 March 15. India's rapeseed-mustard closely tracks Malaysian palm oil and it is expected to improve in near-term.

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

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

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

India's area under rapeseed-mustard this season is reported lower by 8.6% at 65.17 lha compared to 71.28 lha previous season. India's area under RM seed was 71.4 lakh hectares in 2013. Lower area and unseasonal rains



in the growing region before the seed harvest will lend support to seed prices at higher levels in medium and long term in domestic RM seed.

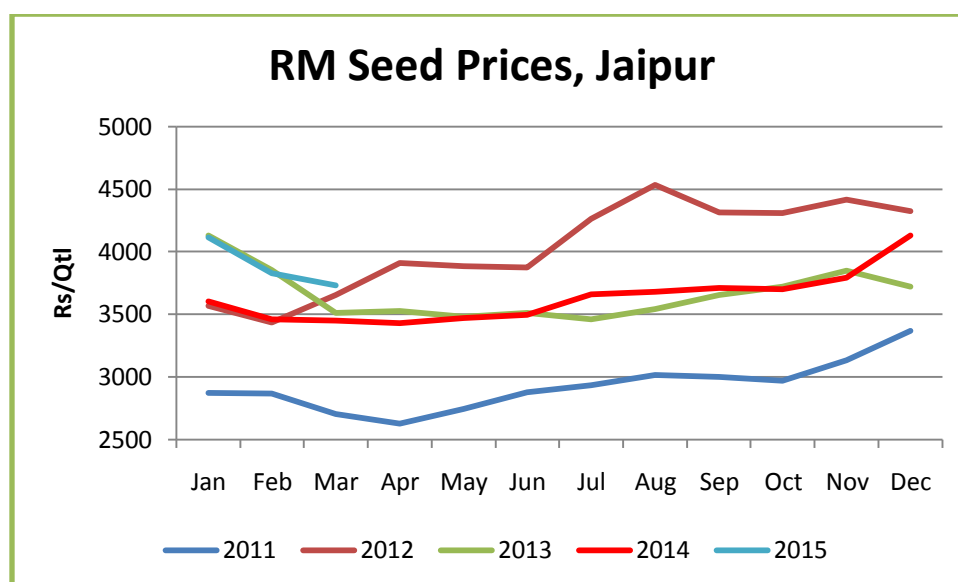
*Increasing seasonal arrivals of the rapeseed-mustard with harvesting in full swing and exemption of export duty by Malaysia and Indonesia on palm oil will pressure the seed price in near-term. However, renewed demand by the solvent extractors and Malaysia's decision on imposing export duty on palm oil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

### RM Seed Supply, Rajasthan

RM Seed Arrivals in Rajasthan in Bags (85 kg each).		
Monthly Arrivals– Mar.	1 Month Ago	Corresponding Period Last Year
42,55,000	15,85,000	63,35,000

*Rising seasonal supplies in seed and exemption of export duty by Malaysia and Indonesia on palm oil will pressure the seed prices in near-term.*

### RM Seed Prices–Jaipur (Rajasthan)



## Balance Sheet – Rapeseed-Mustard Seed, India

(Fig in MnT)

Marketing Year (Mar-Feb)	2011-12	2012-13	2013-14	2014-15	2015-16 (*F)
<b>Carry In</b>	<b>0.75</b>	<b>1.25</b>	<b>0.28</b>	<b>0.20</b>	<b>0.20</b>
Production	7	6.5	7.2	7.74	5.9*
Imports	0	0	0	0	0
<b>Total Availability</b>	<b>7.75</b>	<b>7.75</b>	<b>7.48</b>	<b>7.94</b>	<b>6.10</b>
<b>Crush</b>	<b>6.5</b>	<b>7.47</b>	7.28	7.74	5.90
Exports	0	0	0	0	0
Total Usage	6.5	7.47	7.28	7.74	5.9
<b>Carry Out/Ending Stock</b>	<b>1.25</b>	<b>0.28</b>	<b>0.20</b>	<b>0.20</b>	<b>0.20</b>
Monthly Use	0.54	0.62	0.61	0.65	0.49
<b>Stock/Consumption Ratio</b>	<b>0.19</b>	<b>0.04</b>	<b>0.03</b>	<b>0.03</b>	<b>0.03</b>
Stock to Month Use Ratio	2.31	0.45	0.33	0.31	0.41

(Source: Agriwatch)

- **Trade Observations:** The new crop supplies are rising week-on-week and heading towards the peak. The buying is witnessed to be aggressive to cover the stock by the millers and the stockists.
- We have pegged India's 2015-16 RM seed outturn at 5.9 Mn T. The production fell compared to previous year due to decline in yield potential followed by unseasonal rains in the growing region and fall in sown area by 8.6% (6.52 Mn Ha vs 7.13 Mn Ha).
- The carry-in stands at 0.20 Mn T, this season, which is at par with the previous year level.

### Technical Analysis:

#### NCDEX RM Seed Futures



#### RM Seed Spot, Jaipur



\*Daily Chart

#### Support & Resistance NCDEX - RM Seed May Contract

S2	S1	PCP	R1	R2
3288	3323	3411	3550	3658

- The RM seed prices witnessed side-ways movement, during the month.
- RSI and stochastic are rising in neutral region.
- Prices are likely to feature gains during the month.
- Trade Recommendation (NCDEX RM SEED-May.) – 1 Month: **BUY** Above 3405 levels.T1 – 3505; T2 - 3550; SL - 3375.

**Trade Recommendation RM Seed Spot (Jaipur basis):** In spot, the RM seed prices are expected feature gains with aggressive buying the miller and the stockist at the current levels. Besides, export duty on Malaysian palm oil from April will boost CPO leading spillover impact on India's RM seed. Prices of seed are expected to increase and witness the 3750 – 3850 levels during the month, Apr.

## Annexure

### Rabi Sown Area - Oilseeds, India

<b>Crop</b>	<b>Apr 2014</b>	<b>Apr 2013</b>	<b>% Change</b>
Rapeseed/Mustard	71.38	67.48	5.8
Groundnut	10.8	11.01	-1.9
Safflower	1.79	1.5	19.3
Sunflower	4.45	5.33	-16.5
Sesamum	4.54	2.94	54.4
Linseed	3.61	3.38	6.8
Others	0.49	0.69	-29.0
<b>Total Oilseeds</b>	<b>97.06</b>	<b>92.33</b>	<b>5.1</b>

(Area in lakh hectares) Source: GOI

As per the final official *Rabi* oilseeds planting report, the area coverage under *Rabi* oilseeds is reported at 93.01 lakh hectares, up 2.4% from 90.8 lakh ha previous year. Of the major oilseeds, rapeseed/mustard seed sowing is reported up by 6.0% compared to last year.

### Kharif MSP (2014-15)

- ❖ Government has increased minimum support price (MSP) of sunflower seed by Rs 50 to 3750 a quintal, further a hike of Rs 100 on sesamum and nigerseed at Rs 46,00 and 36,00 a quintal respectively. However, the MSP of soybean and groundnut seeds remained unchanged at Rs 2500-60 and Rs 4000 a quintal respectively this season.

### Soy Meal Export (In MT)

	2008	2009	2010	2011	2012	2013	2014	2015
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<b>Jan</b>	521243	521243	240318	574996	474993	619793	364443.7	103934
<b>Feb</b>	375098	375098	220552	540360	344240	577589	183551	64514
<b>Mar</b>	224639	224639	163666	410537	460464	302131	232176	
<b>Apr</b>	539175	100106	60264	305033	313832	100312	75884	
<b>May</b>	326875	77018	60575	176819	142588	97547	8226	
<b>Jun</b>	241508	109923	98400	117600	180987	213564	2636	
<b>Jul</b>	282438	58268	166632	139547	168341	107038	6682	
<b>Aug</b>	205890	127299	176138	165510	10005	183555	2778	
<b>Sep</b>	68443	171955	290868	225921	6525	173381	868	
<b>Oct</b>	88723	219721	404960	223594	49840	182724	29071	
<b>Nov</b>	647400	297340	443488	397659	517103	503269	110806	
<b>Dec</b>	655882	328225	611157	798041	510698	451314	193832	
<b>Total</b>	<b>4177314</b>	<b>2610835</b>	<b>2937018</b>	<b>4075617</b>	<b>3179616</b>	<b>3512217</b>	<b>843874</b>	

Source: SEA

**Highlights of IOPEPC Crop Survey in Gujarat – Rabi crop:** Indian Oilseeds and Produce Export Promotion Council in its rabi crop survey report of groundnut and sesame seed in the state of Gujarat pegged groundnut production of the state at 18,7347 tonnes which planted in 93,200 ha.

The total study area of the council including others stood at 96331 ha and the production along with Gujarat was estimated at 193258 tonnes.

Sesame seed production in the state of Gujarat is pegged at 126,817 tonnes which was planted in 135,700 ha.

The total study area of the council including others stood at 138,075 ha and the production along with Gujarat was estimated at 128,878 tonnes.

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