

Executive Summary

Soybean, meal and rapeseed-mustard recovered in tandem primarily on supportive buying and gains in international crude during the month under review. The buyers are anticipating prices to move up in the same after they remained lower for quite a long time in recent months. Aggressive buying in rapeseed-mustard, by millers and the stockists, is witnessed in the cash market.

Soybean:

- ❖ The domestic soybean extended previous gains on buying support, forecast of 2015 Southwest monsoon rains below normal this season and surge in crude remained supportive for the soybean market.
- ❖ The domestic soybean prices jumped by 10% in cash market during the month, which is a big gain witnessed in a month, since last couple of months.
- ❖ The buyers are ready to cover their stocks at higher quotes in anticipation of further rise in the bean prices in coming days.
- ❖ In the IMD's Operational long range Forecast for the 2015 Southwest monsoon rainfall is likely to be 93% of the Long Period Average (LPA) with a model error of $\pm 5\%$. The deficiency probability is forecast at 33% while 35% below normal. The event is likely to hit the soybean area, production and yield this season, as the kharif oilseeds crops are rainfed.
- ❖ The state government of Maharashtra has lifted the stock limit from oilseeds on the recommendation of the Center.
- ❖ China's soybean purchases are now gaining momentum and expected to be up in April/June 2015. Recently, the Chinese imports eased due to supply hurdle in South America followed by port worker's and trucker's strike.
- ❖ *Rising crude, better Chinese buying and good buying support in the domestic market will push up the bean prices. But improved edible oil imports and disparity in soybean crushings and lower soy meal export sales of Indian origin will limit the gains.*

Soy meal:

- ❖ Soy meal improved on buying support and short-term bullish global and domestic factors during the month in review. Gains in crude and supply disruptions from South America will lend support to the meal prices at higher levels.
- ❖ Further, the ban on poultry products from Kerala is expected to be lifted in next couple of weeks. Tamil Nadu had imposed the poultry ban in November last year, sourced from Kerala, due to outbreak of bird flu in three districts of the state including Alappuzha, Kottayam and Pathanamthitta, when several thousand birds were culled at the time of outbreak in the state.
- ❖ The decision will boost the poultry production, thus leading to increase in the soy meal demand for poultry feed production.
- ❖ But, the reports of return of bird flu in India mainly in Telangana and Manipur have hit the poultry consumption mainly in urban areas. The consumption has been largely affected in urban areas but it is stable in rural areas. The chicken sales in Hyderabad fell as much as 80%. The culling of poultry fowls in affected areas of Manipur had begun since 20 April.
- ❖ The poultry unit owners continued to cover their stocks in rapeseed-mustard oil cake and soy meal followed by rise in seasonal supply at lower prices, remained supportive for the oil meal market.
- ❖ However, India's soy meal exports continued to remain weak and it was recorded 80% lower y-o-y in the month of March'15.
- ❖ 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 soy meal prices will continue to gain in near-term tracking firmness in crude and domestic buying.*

RM Seed:

- ❖ RM seed continued edged-up on supportive buying and gains in the international oils and fats benchmark. Rising crude in the international market remained supportive factor for the seed market.
 - ❖ The millers and the stockists are the major buyers who are covering their stocks for future. The medium and long-term outlook for rapeseed-mustard remains stronger owing to the lower seed production this season.
 - ❖ Fall in planted area under seed this season and unprecedented rains in February and March which negatively hit the potential yield potential are the factors attributed for the lower seed production.
 - ❖ The harvesting of the seed is complete and the arrivals across the key market centers have rose.
 - ❖ The seed supplies across the major mandis are at its peak with progressive harvesting and the daily all India arrivals is reported around 5.0 lakh bags a day. However, the all India will not be able to surpass or reach the previous year's high of 7 lakh bags a day yet, which were witnessed at the end of March 2014.
 - ❖ Malaysia will once again slash its crude palm oil export tax to zero for the month of May against 4.5 percent in April. Malaysia had imposed 4.5% export tax on crude palm oil for April, ending the period of duty-free exports starting in Sept 2014.
 - ❖ The step will give Malaysian producers and exporters a good advantage over their Indonesian counterparts. Once again the exemption of export duty by Malaysia and Indonesia will make the availability of palm oil cheaper for India which will subsequently weigh on the RM seed prices.
 - ❖ *Aggressive buying in newly harvested seed by the millers and the stockists in will boost the seed prices in near to medium-term. However, Malaysia's decision of cancellation on imposing export duty on palm oil may weigh on the seed prices.*
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International Highlights

- ❖ The scrap of the export tax on crude palm oil in May will give Malaysian producers and exporters a clear advantage over their Indonesian counterparts. Malaysia had imposed 4.5% export tax on crude oil in April since a long exemption from September'14.
- ❖ Since January Argentine soya oil export prices have fell by 15-20%, since January this year which has led to the boost in price competitiveness mainly vis-a-vis palm oil – Oil World.
- ❖ India's vegoil imports showed a continued rise which surged by 27% to 1.06 million tonnes in March'15.
- ❖ AgRural, Brazilian analyst, has estimated Brazil's 2014-15 soybean crop to 93.8 million tonnes from 93.3 million tonnes earlier. The production is record high, despite late plantings due to stress followed by dry weather initially.
- ❖ 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.
- ❖ Argentine growers have completed the harvest above 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.
- ❖ 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.
- ❖ 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.
- ❖ Oil World has estimated, Argentina's shipments of vegetable oils are expected to improve by approximately 0.6 Mn T this season.
- ❖ EU-28 crushings of rapeseed rose above expectations and touched a record 13.5 Mn T in July/Dec 2014, as reported by Oil World.
- ❖ On the production front, combined crude palm oil output from Malaysia and Indonesia is expected to rise to 51.1 million tons in 2015 v/s 49.2 million tons last year.
- ❖ 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.

- ❖ 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.
- ❖ 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 soy meal imports of 8 key countries in Southeast Asia at a record 16.6 Mn T next season, which is up 1.4 Mn T on the year.
- ❖ As per Agroconsult, Brazil is likely to produce 95.1 million tons of soybeans in 2014-15, up 1 million tons from previous estimates. Moreover, Argentina soybean crop output for 2014-15 seen at 56.6 millions tons.
- ❖ The palm oil production in Malaysia is estimated to reach a record 19.7 million tons to 19.9 million tons. Further, Indonesia's output is likely an all-time high of 30.5 million tons or more this year. Production is estimated by Dorab Mistry, Director at Godrej International Ltd. Both the countries account for 86% of world total supplies.
- ❖ Germany's winter rapeseed output is estimated at 5.8 million tonnes in 2014, up from 5.7 million tonnes in 2013, German farmer's association, DBV said.
- ❖ Oil World has estimated the Canadian canola crop at 14.7 Mn T in 2014 which is considerably below the record 17.96 Mn T last year.
- ❖ EU-28 rapeseed outturn has turned out higher than expected there is an upward revision to 23.5 Mn T. EU rapeseed exports are also improving.

Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	28-Apr-15		31-Apr-15		
	Low	High	Low	High	
Indore –Plant	3925	4000	3375	3450	550
Indore–Mandi	3850	3950	Closed	Closed	-
Nagpur-Plant	3950	4000	3400	3400	600
Nagpur – Mandi	3700	3900	Closed	Closed	-
Latur – Mandi	3800	4060	Closed	Closed	-
Kota-Plant	4000	4050	Closed	Closed	-
Kota – Mandi	3825	4020	3300	3350	670
Bundi-Plant	3950	4000	3250	3300	700
Bundi-Mandi	3850	3900	3375	3380	520
Baran-Plant	3850	3900	Closed	Closed	-
Baran-Mandi	3600	3750	Closed	Closed	-
Bhawani Mandi Jhalawar–Kota-Plant Delivery	4025	4050	Closed	Closed	-
Jhalwar-Mandi	3900	3950	Closed	Closed	-
Rapeseed/Mustard					
Jaipur-(Condition)	4025	4030	3710	3715	315
Alwar-(Condition)	3750	3800	3550	3550	250
SriGanganagar-(Non-Condition-Unpaid)	3600	3625	Closed	Closed	-
New Delhi–(Condition)(New Crop)	3850	3875	3575	3600	275
Kota-Non-(Condition)	3600	3700	3200	3400	300
Agra-(Condition)	4300	4350	4000	4000	350
Neewai	3750	3800	3475	3475	325
Hapur (UP)(New Crop)	3950	4000	3700	3700	300
Groundnut Seed					
Rajkot	880	880	890	890	-10
Sunflower Seed					
Gulbarga	NA	NA	2845	2950	-
Latur	3251	3480	Closed	Closed	-
Sholapur(New Crop)	3450	3450	3300	3300	150
Sesame Seed					
Mumbai (White98/2/1	8200	8200	8400	8400	-200

Soybean Prices are in INR/Qtl. Mandi prices – Loose, Mustard Seed Prices are in INR/Qtl.C –Condition (42%), *Groundnut seed in Rs/20 kg, Sunflower Seed in Rs/Qtl

Oilseed Cumulative Arrivals in Key Centres

Commodity	Centre	Monthly Arrivals in Bags/Qtl		Change
		April,15	March,15	
Soybean		845000	915000	-70000
	Madhya Pradesh	335000	422000	-87000
	Maharashtra	434000	437000	-3000
	Bundi (Raj)	3200	3275	-75
	Baran (Raj)	3550	8950	-5400
	Jhalawar (Raj)	21000	18100	2900
Rapeseed/Mustard	Rajasthan	5270000	4255000	1015000
*Soybean: 1 bag = 90 kg; RM Seed: 1 bag = 85 kg				

Soybean

The domestic soybean extended previous gains on buying support, forecast of 2015 Southwest monsoon rains below normal this season and surge in crude remained supportive for the soybean market.

The domestic soybean prices jumped by 10% in cash market during the month, which is a big gain witnessed in a month, since last couple of months.

The buyers are ready to cover their stocks at higher quotes in anticipation of further rise in the bean prices in coming days.

In the IMD's Operational long range Forecast for the 2015 Southwest monsoon rainfall is likely to be 93% of the Long Period Average (LPA) with a model error of $\pm 5\%$. The deficiency probability is forecast at 33% while 35% below normal. The event is likely to hit the soybean area, production and yield this season, as the kharif oilseeds crops are rainfed.

The state government of Maharashtra has lifted the stock limit from oilseeds on the recommendation of the Center.

The limit on oilseeds and pulses were 200 tonnes each in municipal and 80 tonnes elsewhere in the jurisdiction of the state. The trade associations have appreciated the move.

China's soybean purchases are now gaining momentum and expected to be up in April/June 2015. Recently, the Chinese imports eased due to supply hurdle in South America followed by port worker's and trucker's strike.

Farmers in China could reduce the soybean acreage in 2015/16 by 15% due to uncertainty over the new subsidy.

This is the sixth straight annual drop in China's soybean acreage which will subsequently increase the China's soybean imports which already accounts for 65% of the world traded volume.

The soybean harvesting in Argentina is underway and dry weather is leading to the increase in the harvesting pace. Around 40% of the Argentine soybean is expected to have been harvested this week.

Argentina is estimated to harvest a record 59 million tonnes of soybean projected in the latest report by Argentina's agriculture ministry during the week. However, USDA has pegged the production at 57 million tonnes and 58.5 million tonnes by the Buenos Aires Grains Exchange.

As expected, the Brazil's soybean exports have slowed as the Brazilian truck drivers have resumed the strike, demanding minimum freight rates. The truckers have blocked the highways disrupting the soybean supplies to ports.

Brazil's soybean harvesting is nearing completion and most of the stocks are lying on farm.

Rising crude, better Chinese buying and good buying support in the domestic market will push up the bean prices. But improved edible oil imports and disparity in soybean crushings and lower soy meal export sales of Indian origin will limit the gains.

Balance Sheet – Soybean, India

Fig. in MnT

Oil Year (Oct-Sep)	2010-11	2011-12	2012-13	2013-14	2014-15
Carry In	1.12	0.37	0.40	0.32	0.32
Production	10.10	12.00	12.50	11.00	10.50
Imports	0.00	0.00	0.00	0.00	0.00
Total Availability	11.22	12.37	12.90	11.33	10.83
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

Soy meal improved on buying support and short-term bullish global and domestic factors during the month in review. Gains in crude and supply disruptions from South America will lend support to the meal prices at higher levels.

Further, the ban on poultry products from Kerala is expected to be lifted in next couple of weeks. Tamil Nadu had imposed the poultry ban in November last year, sourced from Kerala, due to outbreak of bird flu in three districts of the state including Alappuzha, Kottayam and Pathanamthitta, when several thousand birds were culled at the time of outbreak in the state.

The decision will boost the poultry production, thus leading to increase in the soy meal demand for poultry feed production.

But, the reports of return of bird flu in India mainly in Telangana and Manipur have hit the poultry consumption mainly in urban areas. The consumption has been largely affected in urban areas but it is stable in rural areas. The chicken sales in Hyderabad fell as much as 80%. The culling of poultry fowls in affected areas of Manipur had begun since 20 April.

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

However, India's soy meal exports continued to remain weak and it was recorded 80% lower y-o-y in the month of March'15.

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 South American soybean harvesting is underway. The global soybean and meal supplies are expected to spurt in near-term with Brazilian soybean harvesting is almost done while it over by 40% in Argentina's where crushing is at full swing.

Though fresh buying in the meal is witnessed in the local cash market., but 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 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.

India exported 6.46 lac tons soy meal in FY 2014-15, registering a decline of 77.25% over previous FY 2013-14, when soybean meal exports were 28.41 lac tons.

Exports of soy meal during March, 2015 was 46,670 tons as compared to 2,32,176 tons in March, 2014 showing a decrease by 80% over the same period last year.

During the first half of the current Oil year i.e. October'14 to March'15, total exports are 5,49,627 tons as against 19,64,581 tons last year, showing a decrease by 72%.

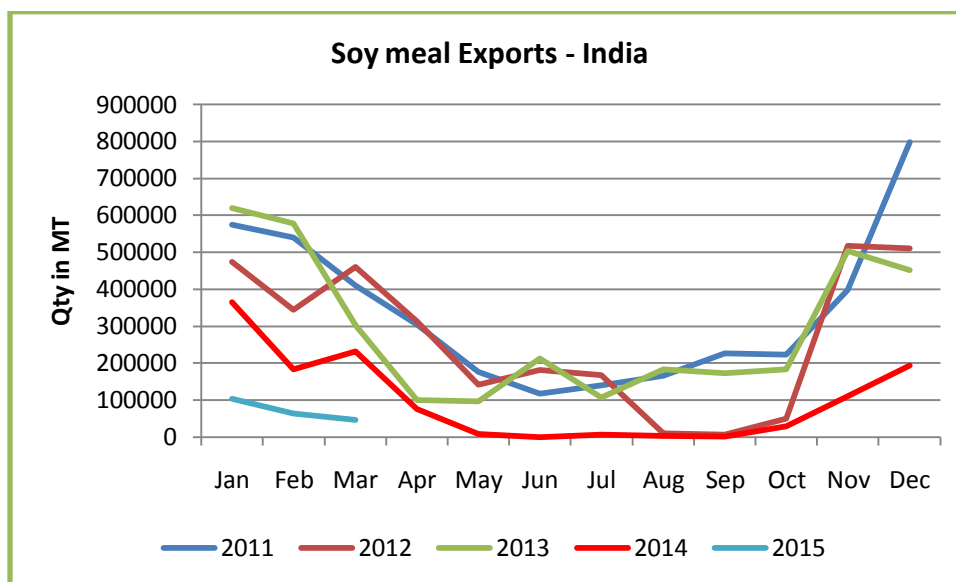
France, Oman and Vietnam remained the top 3 buyers of Indian soy meal in March 2015.

India's soy meal exports declined to 46,670 tonnes in March from 64,514 tonnes in Feb., the Solvent Extractors' Association of India. Of total oilmeal shipments in Mar., soy meal comprised of 45,917 tonnes, rapeseed meal (64,668 tonnes), ricebran extraction (5,200 tonnes) and castorseed meal was (71,575 tonnes).

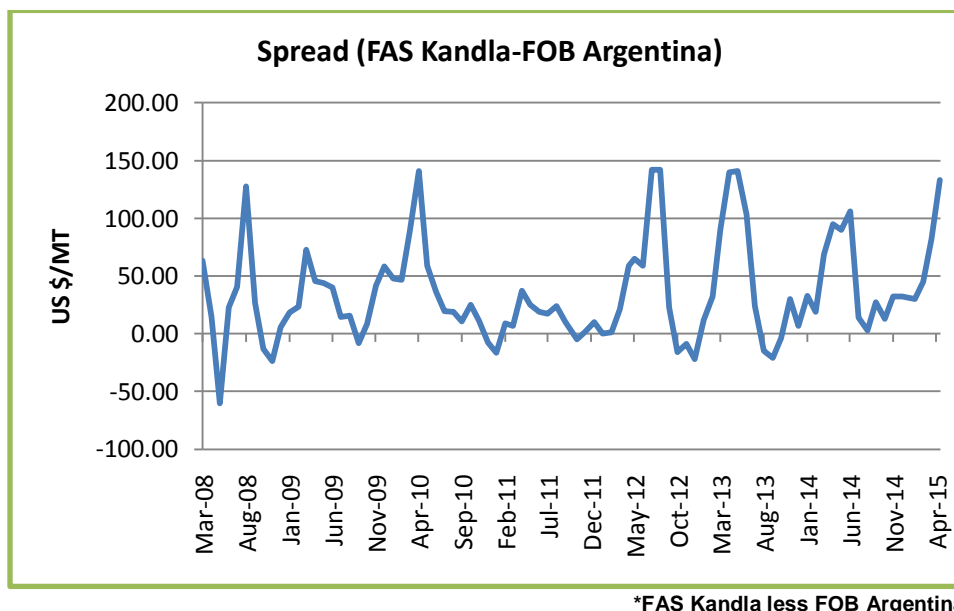
Considering the current scenario, we feel that India may not be able to regain the lost market this season which it lost last season due to prices competitive in US, and South American meal followed by record supply scenario.

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 (May - Jun delivery) surged and was quoted between Rs 30,350 – 38,000/MT compared to Rs 38,800 – 45,500/MT during the same period last year.



The average monthly soy meal price spread between FAS Kandla and FOB Argentina has widened in Apr. and was recorded at US \$133/MT in Apr. 2015 compared to US \$82/MT in Mar. 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, the exports witnessed sharp fall during the period too. (*Spread - FAS Kandla less FOB Argentina). The global supply scenario will continue to keep India's meal exports lower this season.

Soymeal	Apr. 2015	Mar. 2014	Apr. 2014
FOB – Argentina	365	378	525
FAS – Kandla	498	460	620

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 (May - Jun. delivery) is expected to rebound and the quotes will be between the range of Rs. 36,000 – 39,000/MT levels during the month. The prices remained within the range of Rs. 30,350 – 38,000/MT during the month.

Soybean Crush Margin

Avg Crush Margin – Apr. 2015		Avg Crush Margin – Mar. 2015		Avg Crush Margin – Apr. 2014	
-899		-1167		-2357	
Min	Max	Min	Max	Min	Max
-1360	-325	-1510	-910	-3470	-910

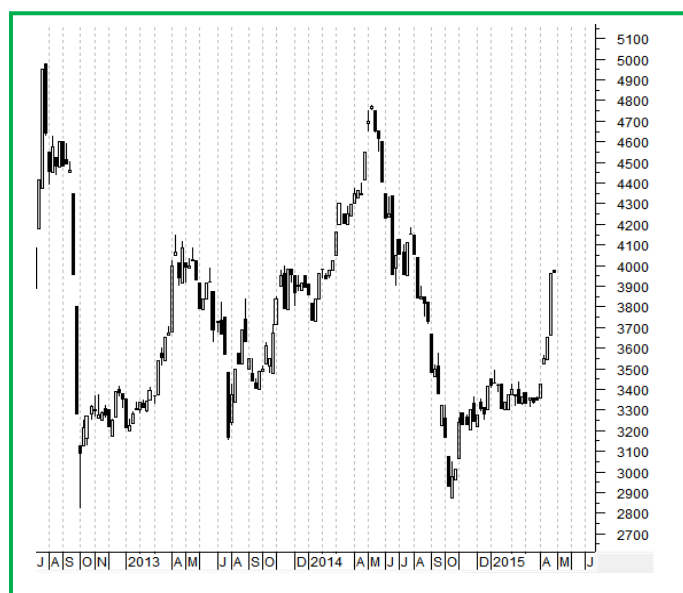
The disparity on soybean crushing in April has narrowed compared to March month, and it is even narrower compared to the same period last year. The narrowing of the disparity remained encouraging for the solvent extractors in April, when they showed buying interest at higher quotes during the period. Increasing imports of cheaper edible oil and weak soy meal export sales continued to remain negative for the soy complex.

Technical Analysis:

NCDEX Soybean Futures



Soybean Spot, Indore



*Daily Chart

Support & Resistance NCDEX- Soybean Jun. Contract

S2	S1	PCP	R1	R2
3215	3640	4063	4567	4992

- Candlestick chart pattern reveals prices rallied during the month.
- Prices closed above 9-day and 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 4055. T1 – 4200; T2 - 4255; SL –3968.

Trade Recommendation soybean spot, Indore basis: Soybean prices are expected to edge-up on improving crush margin followed by better buying in the local market and increase in crude after the second half of April. However, higher global soybean supply scenario this season will cap the gains. The prices are likely to move up and witness 3,900 – 4,200 levels (Indore, Plant basis) during the month.

Rapeseed - Mustard Seed

RM seed continued edged-up on supportive buying and gains in the international oils and fats benchmark. Rising crude in the international market remained supportive factor for the seed market.

The millers and the stockists are the major buyers who are covering their stocks for future. The medium and long-term outlook for rapeseed-mustard remains stronger owing to the lower seed production this season.

Fall in planted area under seed this season and unprecedented rains in February and March which negatively hit the potential yield potential are the factors attributed for the lower seed production.

Agriwatch has pegged India's rapeseed-mustard 2015/16 production at 5.9 million tonnes, down by 24% at 7.7 million tonne last season.

The harvesting of the seed is complete and the arrivals across the key market centers have rose.

The seed supplies across the major mandis are at its peak with progressive harvesting and the daily all India arrivals is reported around 5.0 lakh bags a day. However, the all India will not be able to surpass or reach the previous year's high of 7 lakh bags a day yet, which were witnessed at the end of March 2014.

The all India seed arrivals in April were reported total of about 97,40,000 bags during the month under review compared to about 76,30,000 bags previous month. In Rajasthan the supplies were too reported lower at about 55,30,000 bags compared to about 42,50,0000 bags previous week.

However, Malaysia will once again slash its crude palm oil export tax to zero for the month of May against 4.5 percent in April. Malaysia had imposed 4.5% export tax on crude palm oil for April, ending the period of duty-free exports starting in Sept 2014.

The step will give Malaysian producers and exporters a good advantage over their Indonesian counterparts. Once again the exemption of export duty by Malaysia and Indonesia will make the availability of palm oil cheaper for India which will subsequently weigh on the RM seed prices.

Shipments of Malaysian palm oil products for Apr. 1-20 increased to 8.3% to 706,753 tonnes from 652,837 tonnes shipped during Mar. 1-20, cargo surveyor Societe Generale de Surveillance reported.

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.

Malaysian crude palm oil prices seen lower in the second half of 2015 to an average of ringgit 1,770 (\$487) per tons, if biodiesel demand stay weak. Moreover, palm oil prices will average 2,260 ringgit a ton s in the first half of 2015. On the inventories front, Malaysia palm oi stocks to drop below 1.6 million tons in Q2, says James Fry.

As per MPOB's data, Malaysian palm oil end-stocks rose on m-o-m due to higher production of palm oil in March. Inventories in Malaysia rose 7.02 percent in March to 1.865 million tons against 1.743 tons month ago and production of palm oil during March was 1.494 million tons v/s 1.121 million tons last month. The report is bearish for edible oil complex.

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.

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.

India's vegetable oil imports in March rose to 1062,031 tons (which consist of 1053,034 tons of edible oils and 8,997 tons of non-edible oils) from 866,167 tons in the previous month. Indian buyers imported 616,402 tons of crude palm oil, 51,576 tons of RBD palmolein, 191,150 tons of crude soybean oil and 193,906 tons of other edible oils during March 2015 - SEA.

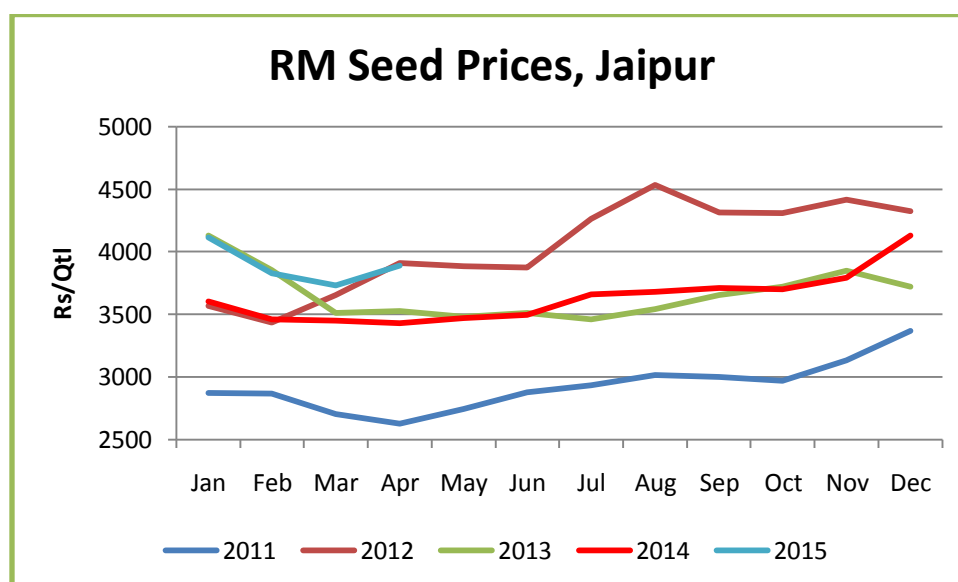
Aggressive buying in newly harvested seed by the millers and the stockists in will boost the seed prices in near to medium-term. However, Malaysia's decision of cancellation on imposing export duty on palm oil may weigh on the seed prices.

RM Seed Supply, Rajasthan

RM Seed Arrivals in Rajasthan in Bags (85 kg each).		
Monthly Arrivals– Apr.	1 Month Ago	Corresponding Period Last Year
49,90,000	42,55,000	65,70,000

Better buying in the seed by the millers/solvent extractors to cover their stocks for future with Maharashtra's decision to lift the stock limit from the oilseeds will boost the trade in the seed and lent support the seed pries at the higher level.

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)
Carry In	0.75	1.25	0.28	0.20	0.20
Production	7	6.5	7.2	7.74	5.9*
Imports	0	0	0	0	0
Total Availability	7.75	7.75	7.48	7.94	6.10
Crush	6.5	7.47	7.28	7.74	5.90
Exports	0	0	0	0	0
Total Usage	6.5	7.47	7.28	7.74	5.9
Carry Out/Ending Stock	1.25	0.28	0.20	0.20	0.20
Monthly Use	0.54	0.62	0.61	0.65	0.49
Stock/Consumption Ratio	0.19	0.04	0.03	0.03	0.03
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 Jun Contract

S2	S1	PCP	R1	R2
3281	3578	3876	4227	4525

- The RM seed witnessed sharp gains, 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–Jun.) – 1 Month: **BUY** Above 3860 levels.T1 – 4050; T2 - 4100; SL - 3746.

Trade Recommendation RM Seed Spot (Jaipur basis): In spot, the RM seed prices are expected to feature gains with aggressive buying the miller and the stockist at the current levels. However, exemption of duty on Malaysian palm oil from May will weigh on CPO prices leading spill-over impact on India's RM seed. Prices of seed are expected to increase and witness the 4000 – 4200 levels during the month, May.

Annexure

Rabi Sown Area - Oilseeds, India

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

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

(Area in lakh hectares) Source: GOI

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
Jan	521243	521243	240318	574996	474993	619793	364443.7	103934
Feb	375098	375098	220552	540360	344240	577589	183551	64514
Mar	224639	224639	163666	410537	460464	302131	232176	46670
Apr	539175	100106	60264	305033	313832	100312	75884	
May	326875	77018	60575	176819	142588	97547	8226	
Jun	241508	109923	98400	117600	180987	213564	2636	
Jul	282438	58268	166632	139547	168341	107038	6682	
Aug	205890	127299	176138	165510	10005	183555	2778	
Sep	68443	171955	290868	225921	6525	173381	868	
Oct	88723	219721	404960	223594	49840	182724	29071	
Nov	647400	297340	443488	397659	517103	503269	110806	
Dec	655882	328225	611157	798041	510698	451314	193832	
Total	4177314	2610835	2937018	4075617	3179616	3512217	843874	

Source: SEA

Maharashtra Govt. Lifts the Stock Limit From Oilseeds: The state government of Maharashtra has lifted the stock limit from oilseeds on the recommendation of the Center.

The limit was imposed on the oilseeds and the pulses by the government as a measure to discourage hoarding by the stockists and the processors which eventually inflates the commodity prices.

The limit on oilseeds and pulses were 200 tonnes each in municipal and 80 tonnes elsewhere in the jurisdiction of the state.

The trade associations feel that the step will ease the trade and farmers will offload their produce at the consistent pace.

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