

## Executive Summary

---

Soybean and meal declined on weak global cues while rapeseed-mustard posted gains on short supplies, during the month under review.

There are no reports of moisture stress, disease or pest attack in the standing soybean crop. However, heavy rains in Gujarat followed by excess soil moisture have increased the concern in groundnut crop.

The soybean will continue to remain under pressure on bearish global supply scenario and lower crude in near-term.

## Outlook – Cash Market

---

**Outlook - Soybean (Spot, Indore):** Soybean prices are expected to feature range-bound weak-tone followed by higher global supply scenario and lower crude and weak soy meal export sales from India. The prices are likely to be in the band of 2800 – 3000 levels (Indore, Plant basis) during the month, Aug. The prices remained within the price band of 3250 – 3630 during the month in review.

**Outlook – Soy meal:** India's soy meal prices continued to remain under global supply pressure. Competitive meal price in South America has led to demand shift to the region and Indian meal exports are badly hit. Indian meal exporters are advised to aggressively explore the lost markets of last season especially traditional South and Far-East Asian destinations and Iran. The domestic meal prices are likely to feature range bound movement with weak bias in near-term. FOR, Kandla (Aug. – Sep. delivery) is expected to witness Rs. 26,000 – 28,000/MT levels during Aug. They remained between Rs. 28,800 – 32,000/MT during Jul.

**Outlook - Rapeseed-Mustard (Spot, Jaipur basis):** In spot, the RM seed is expected to feature range-bound movement with firm-bias on short supplies. However, weakness in Malaysian palm oil will limit the gains. The seed prices are likely to be between 4550 – 4630 levels during the week. They were between 4520 – 4655 levels during the month under review.

## International Highlights

---

- ❖ Argentina's crushing units crushed a record 18.5 million tonnes of soybeans in the first 6 months of the year, 0.9% more than in the same period last season, the Agricultural Ministry.
- ❖ In the US soybean crop progress report, as on 02 Aug, about 81% of the crop is blooming which is slightly lower than the 5 year and last year average of 83% and 84% respectively. About 54% of the crop is reportedly in pod formation stage which is higher than 5 year average of 49%, but in line with last year. 63% of the crop is in good to excellent condition as against 71% during the same period last year.
- ❖ European Commission has slashed monthly forecast for 2015 EU rapeseed crop to 20.7 Mln T from 21.7 Mln T in June.
- ❖ USDA has kept the soybean exports unchanged at 48.31 million tonnes since its first forecast for the year 2015/16 MY in May. This is despite the sluggish new-crop exports.
- ❖ The members of the NOPA, US, crushed 142.47 mln bu of soybean in June which is 20% higher compared to the same period last year, which surpassed the previous June record of 141.583 million bushels, set in 2007.
- ❖ The General Administration of Customs of China said that the country imported 8.09 Mn T of soybeans in June 2015 which is up 32.0% from 6.13 Mn T in May.. China bought 690,000 tonnes of vegetable oil in June which is up 46.8% from May.
- ❖ USDA forecast the 2015/16 US soybean harvest at 3.885 billion bushels (Source: USDA).
- ❖ US soybean ending stocks for 2015/16 were estimated at 425 million bushels, down from 475 million a month ago. The average analyst estimate was 370 million bushels (Source: USDA).
- ❖ USDA in its monthly supply and demand report pegged old-crop U.S. soybean ending stocks at 255 million bushels, down from 330 million bushels a month ago and less than the 287 million bushels expected by market watchers. The government raised its estimate of both soybean exports and crush by 15 million bushels (Source: USDA).
- ❖ Brazil exported 9.81 million tonnes of soybeans in June, compared to 9.34 million tonnes in May and 6.89 million tonnes a year ago, the trade ministry said.

- ❖ US Soybean planted area for 2015 is estimated at a record high 85.1 million acres, up 2 percent from last year. Area for harvest, at 84.4 million acres, is also up 2 percent from 2014 and will be record high, if realized. Record high planted acreage is estimated in Kentucky, Minnesota, Ohio, Pennsylvania, and Wisconsin.
- ❖ Germany's 2015 winter rapeseed crop is expected to decline by 20% from a year earlier to 4.99 million tonnes.
- ❖ China is estimated to import a record 77 million tons of the oilseed in 2015/16 (Oct-Sept), a surge of 5.5% from the previous year, according to an official published report.
- ❖ Oil World has revised the global oilseeds production upward by 3.5 Mn T from a month earlier, mainly on account of Argentine soybeans.
- ❖ As per Oil World, Indonesia palm oil production is seen at 32.4 million tons for 2014-15 v/s 30.5 million tons last year and Malaysian palm oil production is 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 is seen at USD 770 /T and USD 750/T respectively.
- ❖ Oil World has estimated Argentina's shipments of vegetable oils 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.
- ❖ Oil World has raised the global production of soybeans by 1.3 Mn T to 309.1 Mn T, 24.3 Mn T, 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 at 73.5 Mn T in Oct/Sept 2014/15 by the Oil World.
- ❖ The total oil meals 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.
- ❖ 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 to be at 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 the world total supplies.
- ❖ Brazil's 2014/15 soybean production is forecasted at 94 million tons, unchanged from a May estimate, by crop analysts FCStone International.
- ❖ Brazil's analyst Abiove raised its estimate for the recent harvested 2014/15 soy crop to 93.06 million tons from the last forecast of 92.69 million tons.
- ❖ AgRural, Brazilian analyst, has estimated Brazil's 2014-15 soybean crop to 93.8 million tons from 93.3 million tonnes earlier. The production is record high, despite late plantings due to the dry weather initially.
- ❖ Brazil based analyst Safras & Mercado forecasts the 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.
- ❖ 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 by 4.31 percent from 2013-14. The total oilseeds production includes 310.80 million tons of soybean, 68 million tons of rapeseed, 41.4 million tons of sunflower seed and rest others.
- ❖ 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 is seen at 56.6 million tons.

- ❖ Argentina's 2014/15 soybean crop is forecasted at a record 60.8 million tons by the Buenos Aires Grains Exchange, increasing its last estimate of 60.0 million tons.
- ❖ The Argentine government raised its soybean production for the 2014/15 soybean harvest by 1 million tons to 60 million tons.

**Oilseed Prices at Key Spot Markets:**

Commodity / Centre	Prices (Rs/Qtl)				Change
<b>Soybean</b>	<b>31-Jul-15</b>		<b>30-Jun-15</b>		
	<b>Low</b>	<b>High</b>	<b>Low</b>	<b>High</b>	
Indore –Plant	3250	3310	3500	3580	-270
Indore–Mandi	3150	3210	3375	3500	-290
Nagpur-Plant	3300	3325	3450	3550	-225
Nagpur – Mandi	3150	3250	3200	3400	-150
Latur – Mandi	3200	3470	3200	3600	-130
Kota-Plant	3250	3300	3500	3550	-250
Kota – Mandi	3200	3250	3300	3400	-150
Bundi-Plant	3200	3250	3450	3500	-250
Bundi-Mandi	3150	3200	3450	3500	-300
Baran-Plant	3150	3200	3450	3500	-300
Baran-Mandi	3100	3125	3400	3500	-375
Bhawani Mandi Jhalawar–Kota-Plant Delivery	3250	3275	3525	3550	-275
Jhalwar-Mandi	3150	3250	3400	3450	-200
<b>Rapeseed/Mustard</b>					
Jaipur-(Condition)	4590	4595	4585	4590	5
Alwar-(Condition)	4375	4400	4350	4400	Unch
SriGanganagar-(Non-Condition-Unpaid)	4060	4080	4000	4050	30
New Delhi–(Condition)(New Crop)	4380	4400	4410	4420	-20
Kota-Non-(Condition)	3950	4100	3900	4000	100
Agra-(Condition)	4900	4950	4900	4925	25
Neewai	4250	4300	4250	4290	10
Hapur (UP)(New Crop)	4500	4525	4600	4625	-100
<b>Groundnut Seed</b>					
Rajkot	990	990	930	930	60
<b>Sunflower Seed</b>					
Gulbarga	NA	NA	NA	NA	-
Latur	NA	NA	NA	NA	-
Sholapur(New Crop)	3350	3400	3300	3350	50
<b>Sesame Seed</b>					
Mumbai (White98/2/1	7800	7800	8350	8350	-550

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
		July,15	June,15	
<b>Soybean</b>				
	Madhya Pradesh	992000	1570000	<b>-578000</b>
	Maharashtra	330000	269000	<b>61000</b>
	Rajasthan	390000	236700	<b>153300</b>
	Bundi (Raj)	3150	2585	<b>565</b>
	Baran (Raj)	25400	34600	<b>-9200</b>
	Jhalawar (Raj)	18420	15900	<b>2520</b>
<b>Rapeseed/Mustard</b>	Rajasthan	986000	2410000	<b>-1424000</b>
<b>*Soybean: 1 bag = 90 kg; RM Seed: 1 bag = 85 kg</b>				

## MSP of Kharif Oilseeds Increased, Soy Raised to Rs. 2600/Qtl

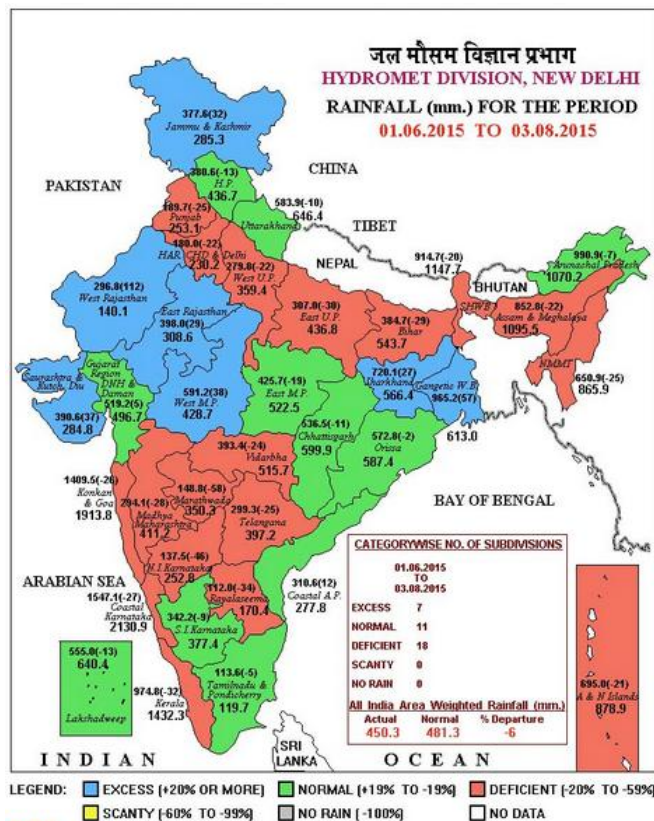
The Cabinet Committee on Economic Affairs has given its approval for the Minimum Support Prices (MSPs) for Kharif Crops of 2015-16 season. The decision is based on recommendations of Commission for Agricultural Costs and Prices (CACP) for the Price Policy for Kharif Crops for the Marketing Season 2015-16.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

The MSP of soybean is raised by Rs. 40/qtl from previous season to Rs2600/qtl, Groundnut by Rs 30/qtl to Rs 4030/qtl, sunflower and niger seed by Rs 50/qtl to Rs 3800/qtl and Rs 3650/qtl respectively. The MSP of sesamum is increased by Rs 100/qtl to Rs 4700/qtl.

## IMD Monsoon Forecast

In the IMD's Operational 2<sup>nd</sup> stage long range Forecast for the 2015, Southwest monsoon rainfall is likely to be 88% of the Long Period Average (LPA) compared to the previous forecast of 93% of the LPA with a model error of  $\pm 4\%$ . The deficiency probability is forecast at 66% while 27% below normal.

The event may hit the yield and subsequently production this season, as the kharif oilseeds are rain-fed.





## Sown Area – *Kharif* Oilseeds, India

In the official *kharif oilseeds* planting report (week ending 30 Jul. 2015), the total coverage area under *Kharif* oilseeds is reported at 148.5 lakh hectares, up 9.5% from 135.6 lakh ha same period last year. Of the major oilseeds, soybean sowing is reported up by 11.2% at 106.34 lha compared to 95.66 lha during the same period last year. Groundnut at 29.05 lha vs 26.28 lha, sunflower at 0.57 lha vs 1.18 lha, sesamum 10.99 vs 10.3 and castor at 1.21 lha vs 2.04 lha during the same period last year.

<b>Crop</b>	<b>As on 30 Jul 2015</b>	<b>As on 30 Jul 2014</b>	<b>% Change</b>
Groundnut	29.05	26.28	<b>10.5</b>
Soybean	106.34	95.66	<b>11.2</b>
Sunflower	0.57	1.18	<b>-51.7</b>
Sesamum	10.99	10.30	<b>6.7</b>
Niger	0.35	0.13	<b>169.2</b>
Castor	1.21	2.04	<b>-40.7</b>
<b>Total Oilseeds</b>	<b>148.51</b>	<b>135.59</b>	<b>9.5</b>

(Area in lakh hectares) Source: GOI

## Soybean

---

The domestic soybean further declined tracking weak international oils and fats market and awaited rains in soybean growing areas after a month-long dry spell during the month under review.

Improved and drier weather forecast in US Midwest has improved the soy crop prospect which was reeling under excess moisture conditions in last 2 months. The factor proved bearish for the international soybean during the period.

Weaker crude, which fell below US \$50/barrel (WTI Nymex) and currently hovering at US \$ 44.8/ barrel remained another negative factor for the bean.

Further, most of India's soybean growing regions have received adequate rains and there are no reports of severe moisture stress except in *Marathwada, Maharashtra* where the rains are reported to be deficit by -51%. However, crop in *Vidharba* is reported to be good with just -8% the conditions are considered to be normal there.

The crop is under development stage, mostly in flowering stage, no disease or pest attack reported yet. There are no reports of moisture stress in *Malwa* - MP, *Hadoti* - East Rajasthan, but the crop is under moisture stress in *Marathwada* – Maharashtra as discussed above.

India's soybean planted area in 2015 will be higher as compared to 2014.

In our opinion, India's area under soybean this season is likely to reach 115 lakh hectares. India's 2014/15 soybean planting was 110.22 lakh hectares which was lower by 9.8% than in 2013.

India's actual seasonal rainfall from 1 June to 31 July 2015 is reported at 430 mm compared to 453 mm normal and the departure stood at -5%.

Central India received rainfall at 471.4 mm compared to 489 mm normal while the actual rainfall in Northwest is reported at 319mm vs 287 mm normal.

In the US soybean crop progress report, as on 02 Aug, about 81% of the crop is blooming which is slightly lower than the 5 year and last year average of 83% and 84% respectively.

About 54% of the US crop is reportedly in pod formation stage which is higher than 5 year average of 49%, but in line with last year. 63% of the crop is in good to excellent condition as against 71% during the same period last year.

Pakistani importers have purchased about 66,000 tonnes of soybeans from Argentina this week and will crush domestically to reduce import bill on soy meal and oil.

The purchases from Argentina are for November delivery.

Argentina's crushing units crushed a record 18.5 million tonnes of soybeans in the first 6 months of the year, 0.9% more than in the same period last season, the Agricultural Ministry.

Argentina's 2014-15 soybean production is estimated to set a record 60.8 million tonnes.

The country produced 3.6 million tonnes of Soy oil in the first half of the year, 3.5% more than the same period last year, and soymeal production was up 0.4% at 13.9 million tonnes.

The major importers of Argentine Soy oil is India, which in 2014 bought 37.3% of the 4.2 million tonnes produced, while the key buyer of Argentine soymeal is Vietnam, which bought 8.8% of the 26.8 million tonnes produced.

Chinese imports of soybeans are likely to reach 9.2 – 9.5 million tonnes in July which is much higher when compared to monthly average of 5.5 – 6 million tonnes. China's overseas purchases of soybeans in June increased to the second-highest monthly level on record at 6.66 million tonnes, up 22.9% on the year.

Brazil has exported 9.81 million tonnes of soybeans in June, compared to 9.34 million tonnes in May and 6.89 million tonnes a year ago; showing that the imports are better than same period last year.

*Higher edible oil imports, lower crude and soy meal shipments, bearish global soybean supply scenario and improved weather conditions in US will continue to pressurize the domestic soybean in near and medium-term. However, better Chinese buying and expected loss in US soybean crop will limit the losses in near-term.*

## Balance Sheet – Soybean, India

Fig. in MnT

Oil Year (Oct-Sep)	2011-12	2012-13	2013-14	2014-15	2015-16
<b>Carry In</b>	<b>0.37</b>	<b>0.40</b>	<b>0.32</b>	<b>0.32</b>	<b>0.23</b>
<b>Production</b>	<b>12.00</b>	<b>12.50</b>	<b>10.00</b>	<b>9.50</b>	<b>11.05</b>
Imports	0.00	0.00	0.00	0.00	0.00
<b>Total Availability</b>	<b>12.37</b>	<b>12.90</b>	<b>10.33</b>	<b>9.83</b>	<b>11.28</b>
Crush	11.97	12.58	10.00	9.60	11.00
Exports	0.00	0.00	0.00	0.00	0.00
Total Usage	11.97	12.58	10.00	9.60	11.00
<b>Carry Out</b>	<b>0.40</b>	<b>0.32</b>	<b>0.32</b>	<b>0.23</b>	<b>0.28</b>
Monthly Use	1.00	1.05	0.83	0.80	0.92
Stock/Consumption Ratio	0.03	0.03	0.03	0.02	0.03
Stock to Month Use Ratio	0.40	0.31	0.39	0.28	0.30

Source: Agriwatch

- **Trade Observations: The buying remains dull due to weak soy meal exports commitment and eventually fall in crushing.**
- In our preliminary estimate we have pegged India's 2015-16 soybean production at 11.05 Mln T.
- We have downward revised India's 2014-15 soybean production at 9.5 Mln T in our final production estimates.
- We expect 2015/16 soybean crush above 12.5 million tons. India's soy meal prices have to compete with the meal prices of South America in 2015/16 also.

## Soy meal

---

The domestic soy meal continued downward trend in association with soybean. Weaker crude, improved weather conditions for soy and dull export sales remained negative factors for the meal.

Favourable weather in soybean growing areas of US and India restricted the upside.

The domestic demand is steady with steady demand in poultry products.

India's soy meal export figures are expected to be lower even in July as the overseas soy meal demand of Indian origin continues to be dull and the shipments remained significantly lower this season.

Demand shift to South America for meal due to the attractive offer price compared to India remained negative for India's soy meal shipment especially in last two seasons. Forward booking continues to be weak and discouraging.

Iran and Pakistan have started importing soybean to reduce their import bill on soy meal and soy oil. They are processing the bean to get meal and oil in their own country.

The market is awaiting India's soy meal export figure of July, which in our opinion will be discouraging

As reported earlier, India's oil meal shipment in June fell 34% compared to the same period last year to 137, 571 tonnes.

Of the total oil meal shipments of India in Jun, soy meal comprised of 2,098 tonnes, rapeseed meal (56,139 tonnes), rice bran extraction (2,200 tonnes) and castor seed meal was (77,134 tonnes).

India's soy meal shipment during June, 2015 was 2,098 tons as compared to 2,637 tons in June, 2014 showing a decrease by 20.41% over the same period of last year.

On a financial year basis, the soy meal export during April'2015 to June'2015 is 34,160 tons as compared to 86,741 tons in the same period of previous year showing a decrease of 60.61%.

During current Oil year, (October – September), total soy meal exports during October 2014 to June, 2015 is 5,83,788 tons as against 20,51,322 tons last year, showing a decrease by 71.54%.

We expect the domestic soy meal consumption of the Poultry Industry to rise in coming days, with the likely increase in seasonal poultry consumption. This will limit any sharp fall in the meal price. The underlying soy meal fundamentals remain weak for the season.

The soy meal exports from Argentina have improved in recent weeks after the logistics hurdles followed by strike in previous months, which had disrupted the meal shipments from the country during the month.

India's rapeseed meal exports are expected to growth in coming days with Chinese buying. China has already identified 5 rapeseed-mustard crushing plants of India for rapeseed-mustard meal imports.

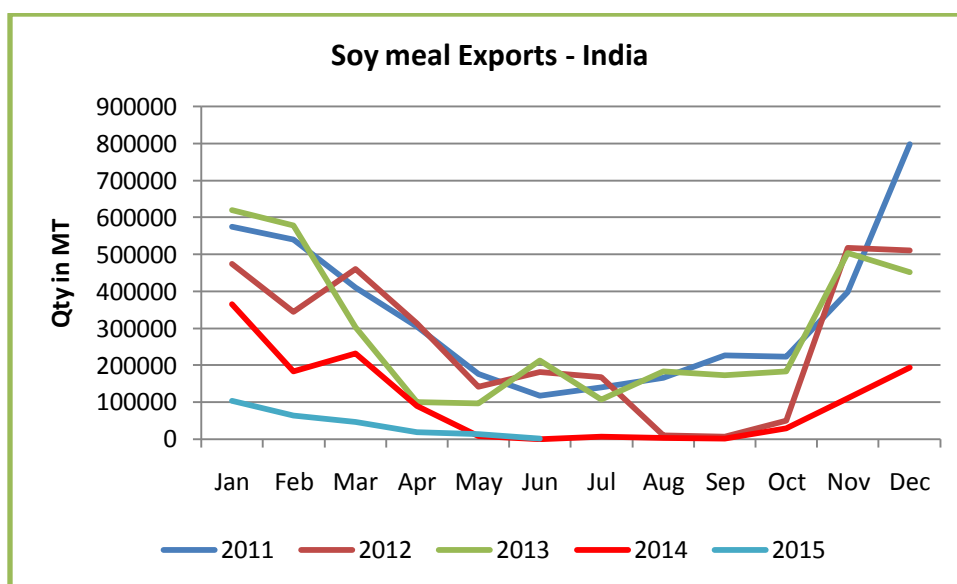
Chinese imports of rapeseed meal are estimated at 150,000 tonnes during 2015/16 (June/May), which is lower by 25% from a year ago (imported from other countries). China's demand is projected around 10.8 million tonnes for the year, according to a CNGOIC estimate.

South Korea's Major Feed mill Group has floated a tender to buy 40,000 tonnes to 60,000 tonnes of soy meal to be sourced from the US, South America or China for Nov. delivery.

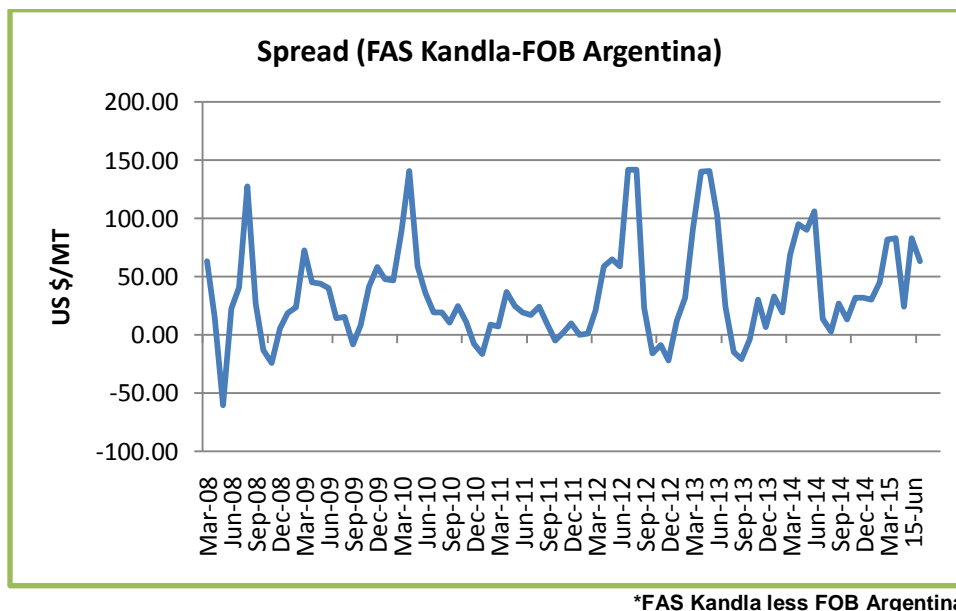
*Considering the current global scenario, we feel, India may not be able to regain the market it lost last season due to Competitive prices in US, and South American meal followed by record supply scenario.*

The soy meal prices are likely to feature range-bound movement with weak bias followed by improved supply scenario 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 was quoted between Rs 29,200 – 33,000/MT compared to Rs 37,250 – 39,750/MT during the same period last year.



The average monthly soy meal price spread between FAS Kandla and FOB Argentina has slightly narrowed in Jul. and was recorded at US \$63/MT in Jul. 2015 compared to US \$83/MT in Jun 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.

<b>Soymeal</b>	<b>Jul. 2015</b>	<b>Jun 2015</b>	<b>Jul. 2014</b>
<b>FAS – Kandla</b>	450	450	476
<b>FOB – Argentina</b>	387	367	462

## Soybean Crush Margin

Avg Crush Margin – Jul 2015		Avg Crush Margin – Jun 2015		Avg Crush Margin – Jul 2014	
<b>-1109</b>		<b>-1066</b>		<b>-1173</b>	
Min	Max	Min	Max	Min	Max
<b>-1559</b>	<b>-605</b>	<b>-2150</b>	<b>-455</b>	<b>-2260</b>	<b>-366</b>

The disparity on soybean crushing in Jul. has widened compared to Jun. month, and it is narrow compared to the same period last year. The widening of the disparity remained discouraging for the solvent extractors in Jul, and the buying was dull during the month. Increasing imports of cheaper edible oil and weak soy meal export sales continued to remain negative for the soy complex.

## Soybean Crush Margin Forecast for Aug.

Avg Crush Margin – Jul 2015	
<b>-570</b>	
Min	Max
<b>-800</b>	<b>-341</b>

### Technical Analysis:

#### **NCDEX Soybean Futures**



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



\*Daily Chart

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

S1	S2	PCP	R1	R2
2901	2690	3160	3370	3581

- Candlestick chart pattern reveals consecutive 3 months fall in the price.
- Prices closed below 40-day SMA.
- MACD is falling in negative territory.
- RSI and stochastic are easing in neutral zone.
- Trade Recommendation (NCDEX Soybean – Oct.) – 1 Month: **SELL** Below 3170. T1 – 3060; T2 - 2960; SL –3230.



## Rapeseed - Mustard Seed

---

RM seed witnessed gains in July compared to the previous month on supportive buying. However, the gains were restricted due to the losses in Malaysian palm oil and weakness in soybean during the period under review.

The BMD CPO is the key pressurizing factor for the domestic RM seed during the period. Fall in the international CPO is attributed to increase in production and eventually higher inventories and fall in export sales from the major exporter and producing countries like Malaysia and Indonesia remained limiting factors for RM seed. The domestic rapeseed-mustard closely tracks the BMD CPO.

The seed supplies are getting tighter while the demand is witnessed steady to firm. The all India seed arrivals have declined and they were reported at a total of about 18,45,000 bags during the month under review compared to about 39,60,000 bags previous month. In Rajasthan too the supplies were reported lower at about 9,86,000 bags during the month compared to about 24,10,000 bags previous month.

Palm oil demand eased from the key buyers during June, the comparison is with the period when there was *Ramadan* demand.

According to SGS, Malaysia's July 2015 Palm oil exports fell by 9.2 percent to 1,539,583 tons (1,696,096 tons). Top buyers were India 358,200 tons (411,930 tons), China 299,947 tons (272,320 tons), European Union 257,983 tons (360,354 tons), United States 115,104 tons (59,170 tons), Pakistan 30,300 tons, (49,850 tons). Values in brackets are figures of June 2015.

However, the palm oil prices limited the losses with the levy in the exports in the oil by Indonesia. The Indonesian Government has levied US \$50/T on crude and US \$30/MT on processed palm oil with effect from July 16.

As discussed last week, rapeseed output in the European Union is likely to be lower this year, as unusually dry weather has reduced yields and caused crop damage in key producers France and Germany.

The rapeseed harvesting in Germany is gaining momentum but productivity is estimated to be lower by over a fifth followed by heat wave in early July.

Germany is likely to harvest 4.9 million tonnes of rapeseed in 2015 which is down 21.3% from the record production in 2014. This is lower by 81,000 tonnes from the June estimate.

France is expected to produce around 5.1-5.2 million tonnes, which would place France as the top producer this year ahead of Germany. This is despite the drop in French rapeseed crop production by 8% last year.

Further, Poland which is the EU's third-largest rapeseed producer is forecast to produce 15% lower. . It is estimated to produce 2.8 million tonnes. The seed harvesting has begun, though it has been slowed due to rains and storms, recently.

Besides, the rapeseed production of UK is expected to decline to about 2.2 million tonnes this season, down from last season's 2.46 million, this is mainly due to reduction in the seed planted area.

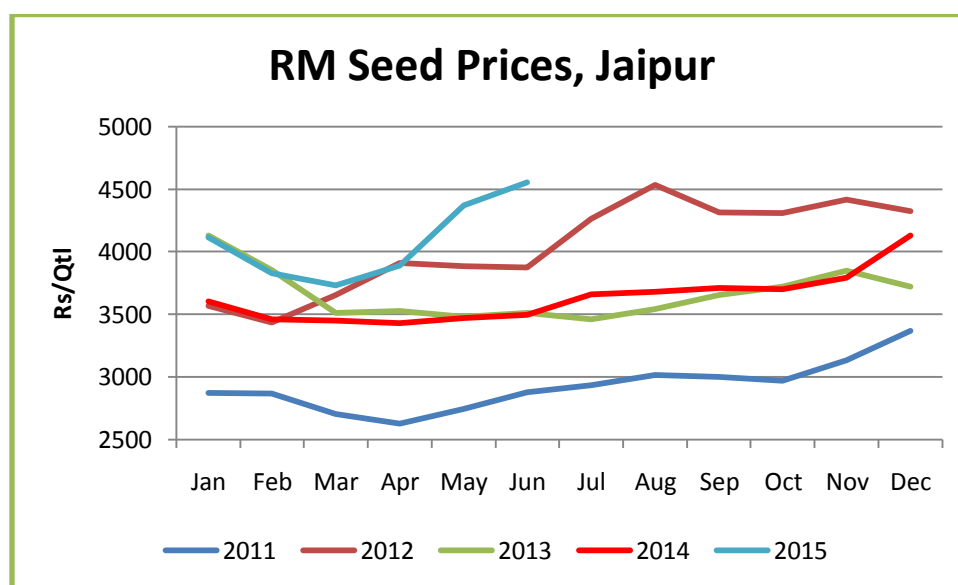
The outlook for domestic rapeseed-mustard remains stronger for medium and long-term owing to the tight supplies due to lower production this season.

### RM Seed Supply, Rajasthan

RM Seed Arrivals in Rajasthan in Bags (85 kg each).		
Monthly Arrivals– Jul.	1 Month Ago	Corresponding Period Last Year
9,86,000	24,10,000	18,30,000

*Tight supplies in seed, likely fall in the palm oil production in key exporting countries followed by El-nino, and China's renewed demand in rapeseed meal of Indian origin will lend support to the rapeseed-mustard prices at higher level. However, gains will be limited due to the weakness in soy complex.*

### 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)

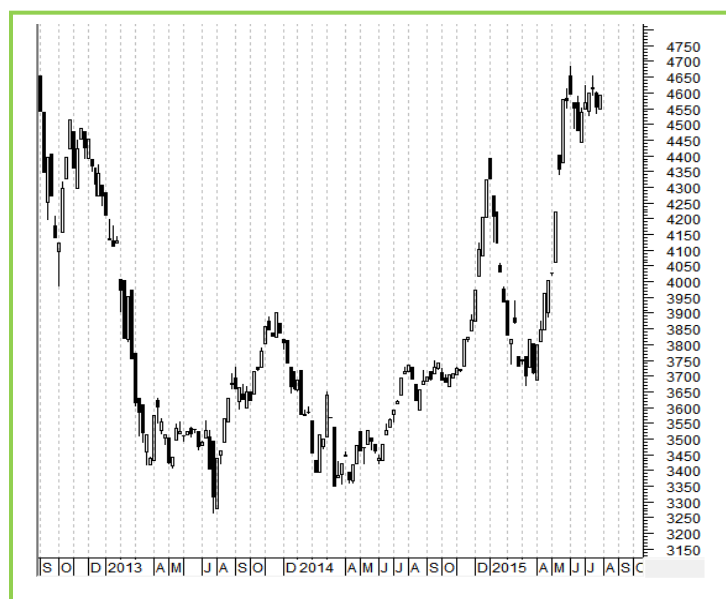
- **Trade Observations:** *The new crop supplies are gradually falling from its peak. The buying is witnessed to be aggressive to cover the stock by the millers and the stockists.*
- We have pegged India's 2015/16 RM seed outturn at 5.9 Mn T, 2015/16 production at 5.9 million tonnes, down by 24% at 7.7 million tonne last season. 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 Oct. Contract

S2	S1	PCP	R1	R2
3849	3982	4232	4498	4623

- The RM seed edged-lower on selling pressure, during the month.
- RSI and stochastic are easing in neutral region.
- Prices are likely to feature losses during the month.
- Trade Recommendation (NCDEX RM SEED-Oct.) – 1 Month: **BUY** Above 4245 levels. T1 – 4345; T2 – 4445; SL - 4185.

## 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.

<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	-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
<b>Total Oilseeds</b>	<b>84.01</b>	<b>91.45</b>	<b>-8.1</b>

(Area in lakh hectares) Source: GOI

## Rabi MSP 2014-15

- ❖ The Cabinet Committee on Economic Affairs has approved the Minimum Support Prices (MSPs) for Rabi Oilseeds Crops of 2014-15 season to be marketed in 2015-16 as follows: The MSP of Rapeseed/Mustard is raised by Rs. 50/Qtl to Rs. 3100/Qtl from Rs. 3050/Qtl earlier. For Safflower too it is increased by Rs. 50/Qtl to Rs. 3050/Qtl from Rs. 3000/Qtl in 2013-14.

## 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 niger seed 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
<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	46670
<b>Apr</b>	539175	100106	60264	305033	313832	100312	75884	18017
<b>May</b>	326875	77018	60575	176819	142588	97547	8226	14045
<b>Jun</b>	241508	109923	98400	117600	180987	213564	2636	2098
<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

**Maharashtra Govt. Lifts the Stock Limit From Oilseeds, April 2015:** 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.

#### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>  
© 2015 Indian Agribusiness Systems Pvt Ltd.