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# Oilseeds Monthly Research Report

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## Executive Summary

Soybean featured steady to slightly weak tone on sluggish buying while rapeseed-mustard fell on supply pressure in the key cash markets. However, soy meal witnessed firm tone during the month under review.

However, the prices of bean, meal and rapeseed-mustard posted good gains towards the end of the month or last week of March supported by gains in the international oils and fats markets, including CBOT and BMD.

The CBOT soybean is around five-month high primarily on technical buying and short-covering and meal, rose highest since March, recently.

Strength in Malaysian palm oil in recent days lent spillover support to the domestic rapeseed-mustard. Harvesting of the seed is under progress in Sri Ganganagar.

However, higher soybean supply scenario from South America, lower soy meal exports from India, higher edible oil stocks with India after huge imports will limit the gains in bean and meal, in near-term. Besides, rapeseed-mustard is expected to gain on falling supplies from its peak in near-term.

## Outlook – Cash Market

**Outlook - Soybean (Spot, Indore):** Soybean prices are expected to feature range-bound movement, sharp gains are ruled out. Bumper South American soybean supply prospects, weakness in crude, higher edible oil inventories in India, weak soy meal exports from India will continue to pressure the market in near-term. The prices are expected to feature range-bound movement and witness 3800 – 4100 levels (Indore, Plant basis).

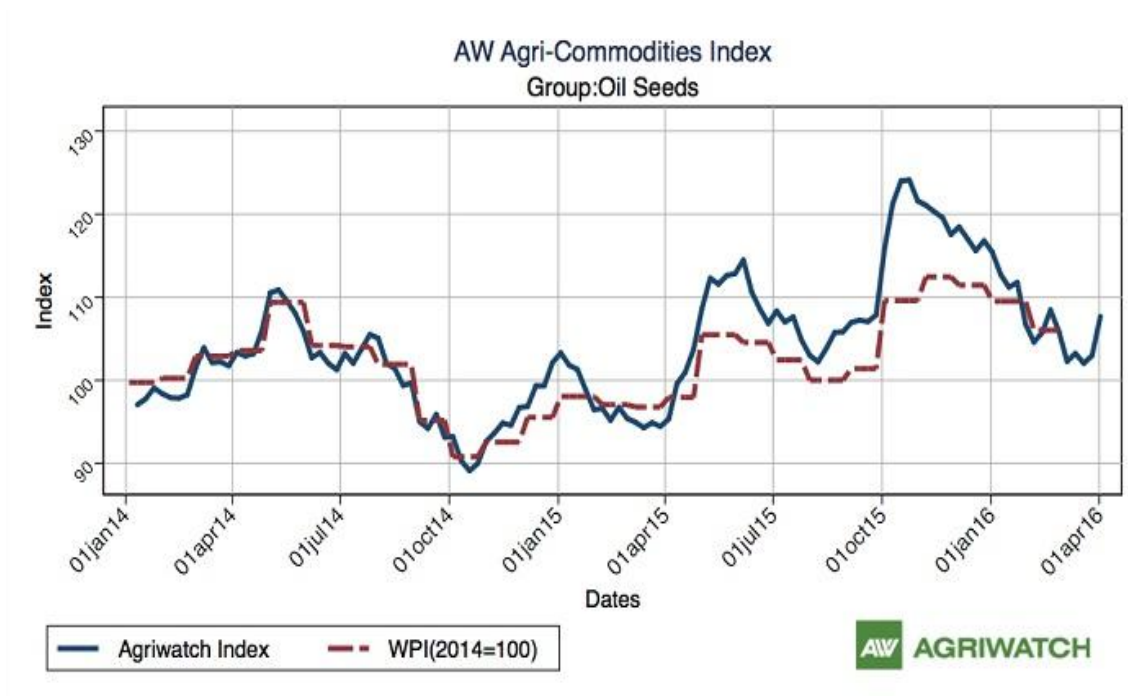
**Outlook – Soy meal:** Recent gains in international soy meal pushed up the domestic meal prices towards the end of March. However, weak meal exports from India followed by competitive soy meal price in South America and demand shift to the region will keep the soy meal prices under pressure. Indian meal exporters are advised to explore new markets and aggressively try to regain the lost markets of peak exports season especially traditional South and Far-East Asian destinations and Iran. The domestic meal prices are likely to feature range bound movement in near-term. Soy meal, Indore is expected to be in the range of Rs. 34,800 – 37,000/MT levels during the month.

**Outlook - Rapeseed-Mustard (Spot, Jaipur basis):** In spot, the RM seed harvesting is almost complete and the seed supplies are near their seasons high. Strength in Malaysian palm oil prices and likely fall in the supplies from its peak in April will push the seed prices up in near-term. The new seed prices are likely to be between 4165 – 4300; levels in April.

## AW Oilseeds Index - 3 Apr. 2016

The Agriwatch Agri Commodities Index rose 2.33% to 105.08 during the week ended Apr 2, 2016 from 102.69 during the previous week. The base for the Index is 2014 (= 100).

The Oilseeds Index rose by +4.57% week-on-week.



## International Highlights

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- ❖ Informa Economics has lowered its forecast for US 2016 soybean planting to 84.0 million acres from its previous estimate of 85.23 million acres. However, the area is higher compared to 82.7 million acres planted in 2015.
- ❖ World supplies of soybeans are likely to increase sharply by 19 Mn T in 2015/16, despite a global prospective production decline by 3 Mn T, leading to another above-average increase in soybean crushings, reports Oil World.
- ❖ Agroconsult has projected Brazil's 2016/17 area under soybean higher by 600,000 hectares. The consultant has projected Brazil's 2015/16 soybean production at 101.7 million tonnes in its final estimate.
- ❖ Rosario Grains Exchange has raised its forecast for Argentina's 2015/16 soybean production to 59 million tonnes from 58.5 million tonnes in its earlier estimates. The increase is due to the higher than expected yield in the major growing belts.
- ❖ AgRural has increased its forecast for Brazil's 2015/16 soybean to 99.7 million tonnes from 98.7 million after beneficial rains received by the country in recent days.
- ❖ The Global Feed Survey 2016 by Alltech has reported that the global feed (bird and animal) production increased by 1.5% in 2015 on faster growth in poultry. The survey estimates feed production at 995.5 million tonnes which indicates 14% rise since Alltech's previous survey in 2011. The analysis of five-year trends pointed to growth predominantly from the pig, poultry and aqua feed sectors in the Africa, Middle East, Latin American and Europe.
- ❖ Informa has raised its forecast for Brazil's 2015/16 soybean production in its monthly report to 101.3 million tonnes from 100.5 million tonnes last month.
- ❖ However, it has lowered Argentina's 2015/16 soybean production forecast to 59.0 million tonnes from 60.0 million tonnes in February.
- ❖ According to cereal exporters association of Brazil-ANEC, Brazil is estimated to export 57 MMT of soybean in 2016. Most of the shipments will be from new northern ports, exporting 4.00 MMT higher than last year.
- ❖ China's crushing industry is expected to grow by 10% in 2016 to a capacity of 179 million tonnes. The capacity increased by 4% to 162 million tonnes in 2015.

- ❖ China imported around 78.36 million tonnes of soybean previous season, i.e. between October and September; it is expected to import 82 – 84 million tonnes this season. The projected growth of 2.1 percent is the lowest since 2011/12 as the country's overall economy is slowing.
- ❖ FCStone increased Brazil's 2015/16 soybean production forecast to 98.6 million tonnes from 98 million tonnes in its previous estimates.
- ❖ AGR Brasil has slightly raised its 2015/16 soybean forecast of Brazil to 100.6 million tonnes from 100.5 million.
- ❖ Lanworth, US crop forecaster has projected Brazil's 2015/16 soybean production to a record 103.0 million tonnes just after Conab, the Brazil government's crop supply agency, reduced its projections citing dry weather in top soy growing belts in November and December.
- ❖ Conab, the Brazil government's crop supply agency, has raised its estimate for Brazil's 2015/16 soybean crop to a record 101.18 million tonnes, which is up from 100.93 million tonnes from its previous estimate in February followed by increase in planted area and yields.
- ❖ Franca Junior has lowered its forecast for Brazil's 2015/16 soybean crop to 97.9 million tonnes from 101.1 million in its previous estimate.
- ❖ Brazil is expected to export 55 million tonnes of soybean in 2015/16 higher compared to 53.8 million tonnes forecasted in October by Abiove.
- ❖ Celeres has raised their 2015/16 projections for Brazil's production to 101.9 million tonnes from 97.1 million tonnes earlier.
- ❖ EU soybean purchases are seen increasing to 14.6 Mn T this season and crushings may improve by 1.0 Mn T to a multi-year high of 15.0 Mn T.
- ❖ Indonesia's palm oil output in 2016 will be at 33 MMT, 5.00 lakh tons lesser than previously estimated 33.5 MMT due to El Nino. Current year output forecast is at 31.5 MMT, Indonesian Palm Oil Board.
- ❖ Indonesia's 2016 palm oil production has been estimated at 31-31.5 MMT v/s 32.5 MMT in 2015 down due to El Nino, Palm Oil Association.

## Soybean

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Steady to slightly weak sentiments featured in the domestic soybean on dull trade activity during the month under review.

However, the bean prices signaled strength supported by the gains in the international benchmark, CBOT, in the last week of the month.

Few stockists and the farmers are keen in offloading the beans at the current prices which has breached 4000 level at the domestic benchmark, Indore.

While some are awaiting prices to move up further at the time of seeding/planting, to offload the bean.

Need buying is featured in the cash market to meet the domestic meal and oil demand in the cash market.

But, we rule out any aggressive buying in the domestic cash market during the whole season due to poor soy meal exports and cheaper edible imports leading to disparity on crushing the beans followed by lower bean production.

Expected record soybean production in South America has made their soy product prices competitive in the market affecting India's meal exports, further negatively affecting the crush margin.

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

***The domestic soybean prices will continue to feature range bound movement with firm bias supported by short-term gains in the international soybeans. However, lower soy meal exports, increased edible oil imports at attractive prices, lower crude and bearish global supply scenario will once again pressure the market in coming days.***

### International:

The international soybean at benchmark, CBOT, rallied during the month under review and has hit highest since Oct. 22 in the first week of April. This is due to multiple factors including weaker US dollar, short covering, technical buying, strength in soy and palm oils.

The USDA has projected US 2016 soybean planting lower at 82.2 million acres slightly below 82.7 million acres estimated planting in 2015.

This is in contrary to the Informa Economics estimates which had lowered its forecast for US 2016 soybean planting to 84.0 million acres from its previous estimate of 85.23 million acres. However, the area is higher compared to 82.7 million acres planted in 2015.

The USDA has also raised US soybean stocks. Soybeans stored in all positions on March 1, 2016 totaled 1.53 billion bushels, up 15 percent from March 1, 2015. Soybean stocks stored on farms are estimated at 728 million bushels, up 19 percent from a year ago.

Off farm stocks, at 803 million bushels, are up 12 percent from last March. Indicated disappearance for the December 2015 – February 2016 quarter totaled 1.18 billion bushels, down 1 percent from the corresponding period a year earlier.

The U.S. Department of Agriculture has reported that the US solvent extractors crushed 4.64 million tons of soybean during February compared to 4.81 million tons during January. The USDA reported that the country's soy meal inventories at the end of February up at 330,057 tons compared to 368,063 tons in January. Crude soy oil inventories are reported at 1.880 billion pounds at the end of February compared to 1.725 billion pounds at the end of January

However, the National Oilseed Processors Association (NOPA) has reported that US processors have crushed 146,181 thousand bushels of soybean in February 2016, down 3% from 150,453 thousand bushels in January 2015 and from 146,970 thousand bushels in February 2015.

Agroconsult has projected Brazil's 2016/17 area under soybean higher by 600,000 hectares. The consultant has projected Brazil's 2015/16 soybean production at 101.7 million tonnes in its final estimate.

Conab, the Brazil government's crop supply agency, has raised Brazil's 2015/16 soybean crop to a record 101.18 million tonnes, which is up from 100.93 million tonnes from its previous estimate in February followed by increase in planted area and yields.

FCStone has increased Brazil's 2015/16 soybean production forecast to 98.6 million tonnes from 98 million tonnes in its previous estimates.

Again, Informa has raised its forecast for Brazil's 2015/16 soybean production in its monthly report to 101.3 million tonnes from 100.5 million tonnes last month.

However, it has lowered Argentina's 2015/16 soybean production forecast to 59.0 million tonnes from 60.0 million tonnes in February.

Brazil's Congress has passed a bill that will increase the country's biodiesel blend from its current 7% to 10% over the next three years.

Abiove have projected Brazil's 2015/16 soybean production at a record 99.7 million tonnes, which is up 1% from previous month's forecast of 98.5 million tonnes.

Abiove expects Brazil to export about 55.3 million tonnes of soybean during the season which is up from 54.5 million tonnes estimated in February.

AgRural has increased its forecast for Brazil's 2015/16 soybean to 99.7 million tonnes from 98.7 million after beneficial rains received by the country in recent days.

Rosario Grains Exchange has raised Argentina's 2015/16 soybean production forecast to 59 million tonnes from 58.5 million tonnes in its earlier estimates. The increase is due to the higher than expected yield in the major growing belts.

CRF reported that the Argentina's soybean production is nearing last year's record of around 61 million tonnes. It also projected Paraguay 2015/16 soybean production at record 9.7 million tonnes which is above USDA's estimate of 8.8 million tonnes.

However, according to the estimates by the government agency, Argentina's 2015/16 soybean production is estimated near 60 MMT which is below last year production of 61.4 MMT.

China is forecast to import 83 million tonnes of soybean in 2015/16 up 6% from 78.35 million tonnes previous season, compared to USDA's forecast of Chinese import of 80 million tonnes. This is due to the higher demand for animal feed.

China's soybean imports increased by 5.9% to 4.51 million tonnes due to Chinese Lunar New Year in February compared to the corresponding period last year. The figures are above expectations of 4 million tonnes.

However, China's soy imports fell by 20.3% in February from 5.66 million compared to January 2016, reported in the countries custom data.

China's edible oil imports were reported at 400,000 tonnes in February up 14.8% compared to the corresponding period last year but lower by 32.6% compared to January.

China's soybean imports are estimated to set yet another record at 82 Mn T in 2015/16 and forecast to reach 84.5 Mn T in 206/17, reported by USDA attaché in China.

Oil World has said, that the global stocks of soybeans are seen increasing by 3 Mn T to a new high of around 90 Mn T this season, approximately 28.5% of annual consumption.

*Technical buying, strength in soy and palm oils in the international market will push up the soybean prices for short-term. However, South American soybean harvest, lower crude, higher inventories of edible oils at Indian ports, poor soy meal shipments from India will limit the gains in near-term.*



## Balance Sheet – Soybean, India

*Fig. in MnT*

Soybean (Fig in Mn T) MY-Oct.-Sep.			Q3	Q4	Q1	Q2
	2014-15E	2015-16F	Oct-Dec'15 F	Jan-Mar'16 F	Apr-Jun'16 F	July-Sep 16 F
Carry In	0.32	0.23	0.23	3.83	2.12	1.13
Production	9.50	9.00	9	0	0	0
Imports	0.00	0.00	0	0	0	0
Total Availability	9.83	9.23	9.23	3.83	2.12	1.13
Processing/Crushing	9.60	9.00	5.15	1.46	0.49	0.40
Exports & Direct Consumption	0.00	0.00	0.25	0.25	0.00	0.00
Seeding/Retained for Sowing	0.00	0.00	0	0	0.5	0.5
Total Usage	9.60	9.00	5.4	1.71	0.99	0.9
Carry Out	0.23	0.23	3.83	2.12	1.13	0.23
Monthly Use	0.80	0.75				
Stock/Consumption Ratio	0.02	0.03				
Stock to Month Use Ratio	0.28	0.30				

Source: Agriwatch

- **Trade Observations: Need based buying is featured in soybean due to lower soy meal exports and higher edible oil inventories at Indian ports. The new crop supplies are gradually falling in the key cash markets.**
- We have revised down projection and pegged India's 2015-16 soybean production to 9.0 million tonnes from 11 million in preliminary estimate. This is due to the fall in potential yield output due to erratic/deficient rains during vegetative and flowering stage. Last year's soybean production is estimated at 9.5 million tonnes.
- The total availability for crushing stands at 7.5 million tonnes which translates the domestic availability of meal to 6 million tonnes and soy oil at 1.35 million.

## Soy meal

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Soy meal continued upward movement on supportive international and domestic market during the week under review.

The international soy meal, CBOT, has hit highest since Jan. 22 during the week. Besides, continued better demand from poultry farmers and feed manufacturers proved supportive for the meal.

However, hot weather with rising temperature above 40 degrees celsius in the key poultry farming region have raised the concern of the bird health, which has lead to higher mortality rate of the birds.

This will negatively affect the poultry production leading to the fall in the meal demand at domestic front too.

However, the soy meal exports from India continued to be sluggish on non-competitive prices compared to the South American meal prices.

India's oilmeal shipments plunged 74% from the corresponding period last year to 53,866 tonnes in February owing to non-competitiveness of India's soy meal prices compared to South American meal prices.

However, the overseas demand improved by 5.2% in February from January month, said SEA.

At Latur, Maharashtra, soy meal was quoted at Rs 38,000/MT compared to Rs 36,500/MT in Indore, M P. and Rs 35,000/MT in Kota, Rajasthan in the weekend. The meal prices of the various centers of Maharashtra were at premium compared to the centers of Madhya Pradesh. This is due to the freight advantage for the South-Indian poultry units from Maharashtra over Madhya Pradesh.

The market is waiting for India's March 2016 soy meal exports figure.

**India exported 70,822 tons soy meal in FY 2015-16, registering a decline of 89% over previous FY 2014-15, when soy meal exports were 6,46,488 tons.**

**Exports of soy meal during March, 2016 were just 430 tons as compared to 46,670 tons in March, 2015, a fall by 99%.**

**The fall in exports is due to uncompetitive Indian soy meal prices, owing to bumper soybean production in USA, Brazil and Argentina, enabling them to offer soy meal at a much lower price than India.**

**During the first half of the current Oil year i.e. October'15 to March'16, total exports stood at 28,077 tons as against 5,49,627 tons last year, showing a decrease by 94.89%.**

Surprisingly, New Zealand was the only buyer of Indian soy meal in March.

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

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

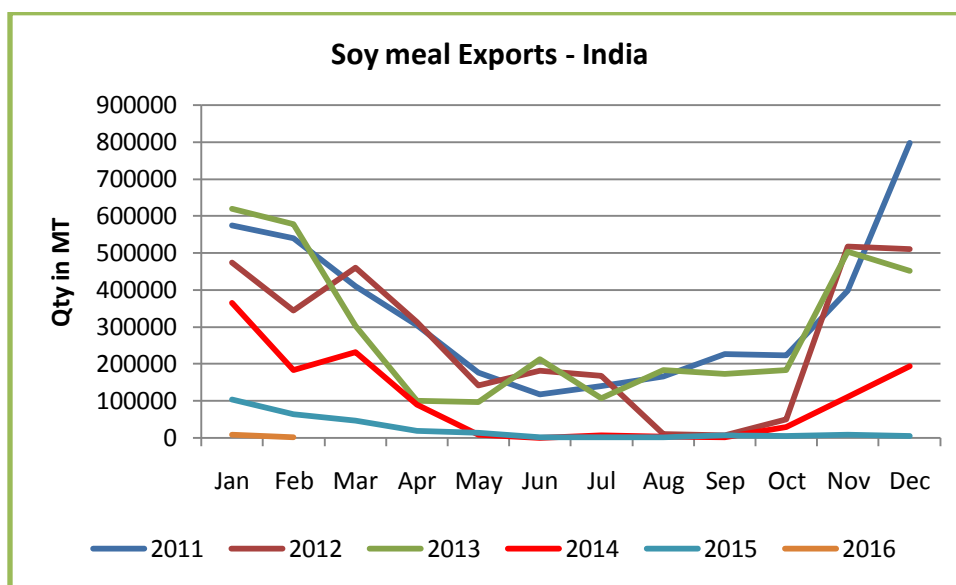
Oil World expects sharp increase in world exports of soy meal by 12% to 31.5 Mn T anticipated in Oct/March 2015/16.

Soy meal prices at the international market are weakening relative to soy oil on improving South American production and export supplies.

*India may not be able to regain the market it lost last season due to competitive prices in South America and China coupled with bearish factors.*

*Preference of the soy meal of Indian origin mainly by the South-East countries due to logistic and freight advantage and demand for non-GMO meal has lost the ground owing to much higher soy meal price of Indian origin compared to the South American meal. Iran, Japan, Europe, Thailand, Vietnam, Indonesia and South Korea were the major destinations for Indian soy meal exports, whose demand shifted to South America.*

*The soy meal prices will feature range-bound movement with firm bias on domestic demand but the gains will be limited due to the weak exports from India and bearish global supply scenario in near –term.*



India's Y-o-Y soy meal prices, Indore, are higher. Soy meal export price, Indore was quoted higher between Rs 32,300 – 36,500/MT during the week compared to Rs 28,300 – 29,500/MT during the corresponding period last year.

## Soy Meal Export (In MT)

	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Jan</b>	521243	521243	240318	574996	474993	619793	364443.7	103934	7707
<b>Feb</b>	375098	375098	220552	540360	344240	577589	183551	64514	1127
<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	929	-
<b>Aug</b>	205890	127299	176138	165510	10005	183555	2778	768	-
<b>Sep</b>	68443	171955	290868	225921	6525	173381	868	6886	-
<b>Oct</b>	88723	219721	404960	223594	49840	182724	29071	4237	-
<b>Nov</b>	647400	297340	443488	397659	517103	503269	110806	8909	-
<b>Dec</b>	655882	328225	611157	798041	510698	451314	193832	5667	-
<b>Total</b>	<b>4177314</b>	<b>2610835</b>	<b>2937018</b>	<b>4075617</b>	<b>3179616</b>	<b>3512217</b>	<b>843874</b>	<b>276674</b>	<b>7707</b>

Source: SEA

India's soy meal exports are multi-year low due to the demand shift to South America, owing to the competitive meal price of South America over India's.

## Soybean Crush Margin

Avg Crush Margin – Mar. 2016		Avg Crush Margin – Feb. 2015		Avg Crush Margin – Mar. 2015	
<b>-870</b>		<b>-1209</b>		<b>-1167</b>	
Min	Max	Min	Max	Min	Max
<b>-1325</b>	<b>-320</b>	<b>-2055</b>	<b>-360</b>	<b>-1510</b>	<b>-910</b>

The disparity in soybean crushing in March 2016 has slightly narrowed compared to March 2015. This is after a long period that the crush margins have narrowed primarily due to the rise in soy meal prices, among the three beans, oil and meal. However, higher imports of cheaper edible oil and weak soy meal export sales will continue to keep the margins negative.

## Technical Analysis:

### NCDEX Soybean Futures



### Soybean Spot, Indore



\*Daily Chart

### Support & Resistance NCDEX- Soybean May Contract

S1	S2	PCP	R1	R2
3600	3550	4065	4170	4250

- Soybean posted gains on short-covering in the month of March.
- However, prices closed below 40-day EMA.
- MACD is rising in positive territory.
- RSI and stochastic are rising in neutral zone.
- Trade Recommendation (NCDEX Soybean – May) – 1 Month: **BUY** Above 3965. T1 – 4065; T2 - 4115; SL –3905.

## Rapeseed - Mustard Seed

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Rapeseed-mustard fell on new crop supply pressure with harvesting in the key seed growing belts across India during the month in review.

Harvesting of the seed is almost complete in the key growing belts with exception in Sri Ganganagar, where the seed harvesting normally commence late March stretching late April.

The seed supplies in Ganganagar are gradually rising and they are around 50,000 bags in the last week of March.

The stockists and the solvent extractors are the active buyers in recent weeks to cover their stock, in anticipation of higher prices in near term.

The all India arrivals of the seed were recorded highest since the new crop supplies to around 6.65 – 6.8 lakh bags compared to around 1.45 – 2.5 lakh bags last month and 2.25 – 4.15 lakh bags during the corresponding period previous year. The current figures have surpassed previous year's season high of 5.8 lakh bags tested in the second half of April 2015.

Agriwatch has forecasted India's 2015/16 rapeseed-mustard production between 5.5 – 6.0 million tonnes.

In a recent conference on the rabi oilseeds, COOIT has forecasted India's 2016/17 rapeseed-mustard production at 5.8 million tonnes.

BMD CPO (Malaysian palm oil) and edible oil imports determine domestic rapeseed-mustard prices.

Indonesian Palm Oil Association (GAPKI) has reported that Indonesia's palm and palm kernel oil exports rose 9 percent in February to 2.29 MMT from 2.10 MMT in January 2016. Top buyers were India at 428,390 tons (383,650 tons), European Union at 359,730 tons (351,130 tons) and Bangladesh at 115,700 tons (85,940 tons). Values in brackets are figures of January 2016.

India's import of edible oils in February rose by 29 percent y-o-y to 10.94 LT from 8.47 LT in February 2015. However, imports of edible oil in February were down 14.7 percent from January 2015 m-o-m.

Palm oil imports were 6.10 LT (5.09 LT), higher by 19.8 percent y-o-y. Soy oil imports were 3.80 LT (2.42 LT), higher by 57 percent y-o-y. Sunflower oil imports were 0.87 LT (0.63 LT), higher by 38 percent y-o-y. Rapeseed (canola) oil imports were 0.17 LT (0.32 LT), lower by 88 percent y-o-y. Values in brackets are figures of February 2015, reported by SEA.

India's edible oils stocks at ports and pipelines dropped to 23.6 LT in February from 24.55 LT in January 2016, lower by 4 percent m-o-m. Stocks at ports on 1st March 2016 were 9.10 LT (CPO 3.30 LT tons, RBD palmolein 1.70 LT, Degummed Soybean Oil 3.20 LT, Crude Sunflower Oil 0.7 LT and 0.20 LT tons of Rapeseed (Canola) Oil) and 14.5 LT tons in pipelines.

Stock at ports and pipelines were 43 days of India's monthly edible oil use. India typically uses 16.5 LT of edible oil in a month. As on 1st March, 2016 the total stock at ports and pipelines is higher by 3.5 LT tons compared to 1st March, 2015.

India's imports of edible oil in the first four months of oil year 2015-16 (November 2015 to February 2016) were 50.90 LT v/s 42.03 tons in the corresponding period last oil year, higher by 21.1 percent.

According to Malaysia Palm Oil Board (MPOB), Malaysia's February palm oil ending stocks fell by 6.05 percent to 2.17 MMT from 2.30 MMT in January. Production fell by 7.7 percent to 1.04 MMT in February from 1.13 MMT in January. Exports fell by 15.15 percent to 1.09 MMT in January from 1.28 MMT in February. Imports of palm oil rose by 84.44 percent to 0.07 MMT in January from 0.04 MMT in February.

Malaysia palm oil exports rose by 22.2 percent to 1,167,775 tons in March 2015 compared to 955,604 tons in February. Top buyers were India at 274,250 tons (197,150 tons), European Union at 166,553 tons (222,019 tons), China at 148,880 tons (55,155 tons) and United States at 83,490 tons (81,578 tons). Values in brackets are figures of February 2016, said the cargo surveyor Societe Generale de Surveillance (SGS).

Global palm oil production will fall by almost 3.00 million tons in September 2016. Indonesia's palm oil output estimate is cut by 1.2 million tons. Malaysia's palm oil production estimate is cut by 1.5 million tons to 18.4 million tons. Consumers will get relief from July 2016. Palm oil stock buildup will possibly start from September 2016.

*Outlook: The rapeseed-mustard will rebound continue to get supply pressure on newly harvested seed for some more days, however, some gains in soybean will limit the losses in coming days.*

### **RM Seed Supply, Rajasthan**

<b>RM Seed Arrivals in Rajasthan in Bags (85 kg each).</b>		
<b>Monthly Arrivals– Mar.</b>	<b>1 Month Ago</b>	<b>Corresponding Period Last Year</b>
66,55,000	9,94,000	43,05,000

## Balance Sheet – Rapeseed-Mustard Seed, India

(Fig in MnT)

Rapeseed-Mustard (Fig in Mn T) MY-Feb.-Jan.	2015-16	2016-17*F	Feb-Apr	May-Jul	Aug-Oct	Nov-Jan
Carry In	0.20	0.20	0.10	2.92	1.53	0.81
Production	5.90	5.80	5.80	0.00	0.00	0.00
Imports	0.00	0.00	0.00	0.00	0.00	0.00
Total Availability	6.10	6.00	5.90	2.92	1.53	0.81
Processing/Crushing	5.70	5.90	2.93	1.34	0.62	0.61
Exports	0.00	0.00	0.00	0.00	0.00	0.00
Retained for Sowing & Direct Consumption	0.30	0.30	0.05	0.05	0.10	0.10
Total Usage	5.70	5.90	2.98	1.39	0.72	0.71
Carry Out/Ending Stock	0.20	0.10	2.92	1.53	0.81	0.10
Monthly Use	0.48	0.49				
Stock/Consumption Ratio	0.04	0.02				
Stock to Month Use Ratio	0.42	0.20				

(Source: Agriwatch)

- We have pegged India's 2016/17 Rapeseed-mustard outturn at 5.8 million tonnes, slightly lower by 1% compared to the 2015/16 production at 5.9 million tonnes.
- India's production is below 5 year average of around 7.0 million tonnes. This is mainly due to the fall in sown area in last couple of years.
- **Trade Observations: India is an import dependent country in edible oils, hence the oilseeds produced almost gets crushed fully, prices to remain strong in 2016-17 season due to the sharp demand in the seed.**
- India's rapeseed-mustard prices hit all time high at cash market in 2015-16 season to Rs 5,575/Qtl in Jaipur, surpassing the previous high registered in 2012 around Rs 4,653/Qtl, Jaipur basis.



**Technical Analysis:**

**NCDEX RM Seed Futures**



**RM Seed Spot, Jaipur**



\*Daily Chart

**Support & Resistance NCDEX - RM Seed May. Contract**

S1	S2	PCP	R1	R2
3800	3700	4202	4440	4550

- Rapeseed-mustard surged on short-covering in the month of March.
- However, prices closed below 40-day EMA.
- MACD is rising in positive territory.
- RSI and stochastic are rising in neutral zone.
- Trade Recommendation (NCDEX Soybean – May) – 1 Month: **BUY** Above 4100. T1 – 4250; T2 - 4300; SL –4010.

## Annexure

### Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
<b>Soybean</b>	<b>31-Mar-16</b>		<b>29-Feb-16</b>		
	<b>Low</b>	<b>High</b>	<b>Low</b>	<b>High</b>	
Indore –Plant	3950	4030	3650	3725	305
Indore–Mandi	3750	3950	3500	3700	250
Nagpur-Plant	3680	3800	3700	3750	50
Nagpur – Mandi	3200	3602	3200	3650	-48
Latur – Mandi	3700	4060	3400	3820	240
Kota-Plant	4000	4025	3600	3625	400
Kota – Mandi	3850	3950	3200	3600	350
Bundi-Plant	3900	3980	3600	3625	355
Bundi-Mandi	3725	3800	3500	3550	250
Baran-Plant	3800	3925	3500	3650	275
Baran-Mandi	3700	3750	3400	3500	250
Bhawani Mandi Jhalawar–Kota-Plant Delivery	3900	4000	3500	3600	400
Jhalwar-Mandi	3775	3900	3450	3550	350
<b>Rapeseed/Mustard</b>					
Jaipur-(Condition)	4215	4220	4300	4305	-85
Alwar-(Condition)	3900	4000	4050	4100	-100
SriGanganagar-(Non-Condition-Unpaid)	3550	3675	3900	4000	-325
New Delhi–(Condition)(New Crop)	4025	4030	3900	3950	80
Kota-Non-(Condition)	3600	3800	3500	3750	50
Agra-(Condition)	4125	4150	4250	4300	-150
Neewai	3800	4000	3850	4050	-50
Hapur (UP)(New Crop)	3925	3950	3850	3900	50
<b>Groundnut Seed</b>					
Rajkot	930	930	890	890	40
<b>Sunflower Seed</b>					
Gulbarga	3350	3550	3450	3606	-56
Latur	3451	3651	3401	3900	-249
Sholapur(New Crop)	3700	3750	3750	3800	-50
<b>Sesame Seed</b>					

Mumbai (White98/2/1	6650	6650	5800	5800	<b>850</b>
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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
		Mar,16	Feb,16	
<b>Soybean</b>				
	Madhya Pradesh	642000	884000	<b>-242000</b>
	Maharashtra	641000	1175000	<b>-534000</b>
	Rajasthan	396000	500000	<b>-104000</b>
	Bundi (Raj)	5650	4850	<b>800</b>
	Baran (Raj)	21200	35700	<b>-14500</b>
	Jhalawar (Raj)	21350	20600	<b>750</b>
<b>Rapeseed/Mustard</b>	Rajasthan	6365000	994000	<b>5371000</b>
<b>*Soybean: 1 bag = 90 kg; RM Seed: 1 bag = 85 kg</b>				

## MSP of 2015/16 Kharif Oilseeds

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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.

## MSP of 2014/15 Rabi Oilseeds

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

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