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# Oilseeds Monthly Research Report

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## Executive Summary

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Soybean, rapeseed-mustard and soy meal posted gains in sync primarily supported by strength in the international oils and fats market during the month-April under review.

Multiple bullish factors like excessive rains in Argentina's soybean growing belt, technical buying at CBOT, strength in Brazilian Real, which eroded the competitiveness of Brazilian soybean, weakness in US dollar and some gains in crude remained supportive to the oilseeds and meal.

Besides, active buying in rapeseed-mustard by the solvent extractors and stockists to cover their stock in association with surge in Malaysian palm oil remained bullish for the seed.

The domestic oilseeds and meals are expected to get stronger in coming weeks on newly bullish developments in the international market lead by weather concerns, currency, crude, Chinese buying and fresh reports of South American soybean crop damage and active domestic buying in rapeseed-mustard.

## Outlook – Cash Market

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**Outlook - Soybean (Spot, Indore):** Soybean prices are vulnerable to correction after a continued rally, and will featured range bound movement with firm bias in May. Crop damage in Argentina, technical buying in recent days and some strength in crude will add to some more bulls. But weakness in US dollar, higher edible oil inventories in India, weak soy meal exports from India will cap the gains in near-term. The bean prices are expected to feature range-bound movement with firm bias and witness 41,00– 43,00 levels (Indore, Plant basis).

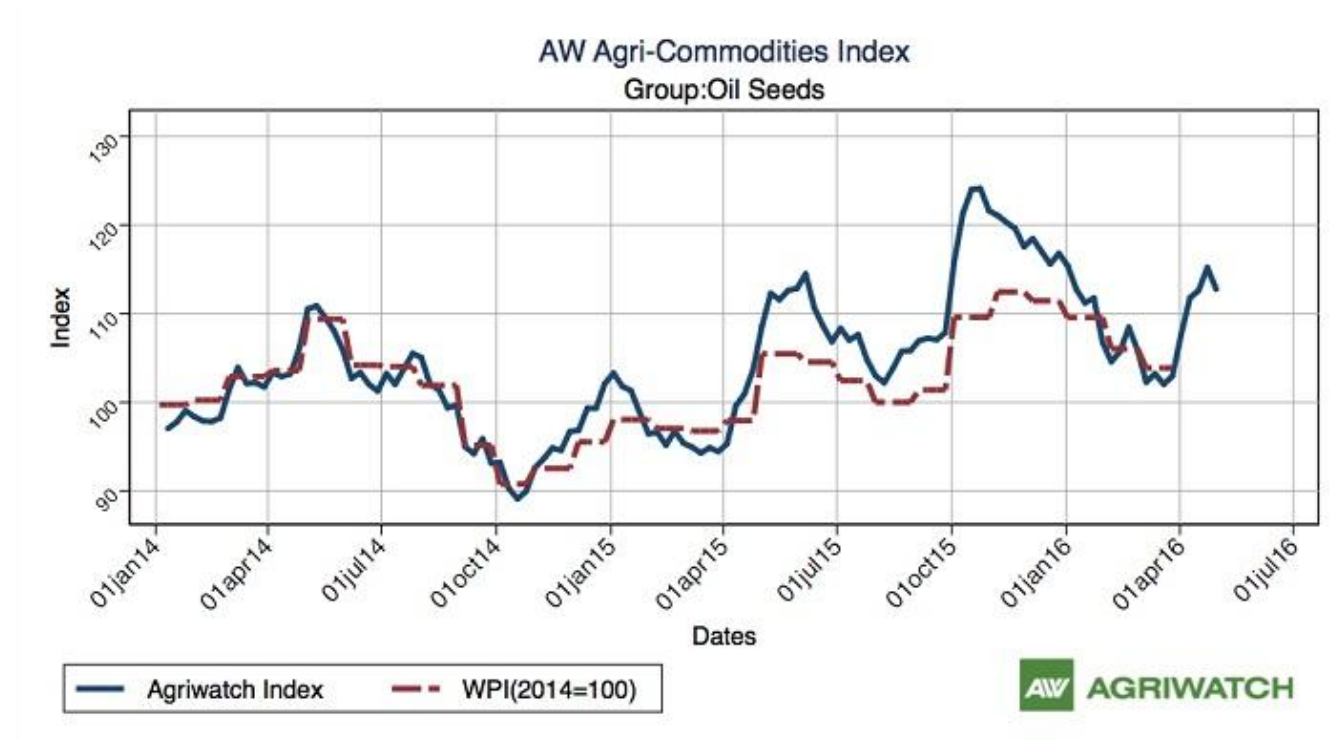
**Outlook – Soy meal:** Recent rains in Argetina's soy growing belts have disrupted the global meal supplies and have pushed up the prices of meal. However, weak meal exports from India followed by competitive soy meal price in South America and demand shift to the region will limit the gains. Indian 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. 37,000 – 39,800/MT levels in May.

**Outlook - Rapeseed-Mustard (Spot, Jaipur basis):** In spot, the RM seed prices are likely to take some correction after a sharp rise in the seed prices after strong spot buying. However, likely strength in Malaysian palm oil and further buying in the cash market by stockists and crushers to cover their stocks will keep the seed prices higher compared to the previous year in near to medium-term. The new seed prices are likely to be between 4500 – 4700; levels in May.

## AW Oilseeds Index – 01 May 2016

The Agriwatch Agri Commodities Index rose a modest 0.35% to 111.62 during the week ended Apr 30, 2016 after a sharp rise during the previous four weeks. The Index ended at 111.23 during the previous week. The base for the Index and all sub-Indices is 2014 (= 100).

The Oilseeds Index stood at 112.76 which fell by -2.12% week-on-week.



"Agriwatch has recently launched its AW Agri Commodity Indices to enable organizations access independent Indices to track and use to benchmark their purchases and sales. The Indices are based on the daily prices in the key benchmark markets for each commodity that AW has been covering for the past decade. The indices include an Aggregate Index, Category Indices and individual commodity indices. The weekly indices are free to access on our website [www.agriwatch.com](http://www.agriwatch.com). The daily indices are available on subscription. Please contact for more details."

## International Highlights

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- ❖ Abiove, the Brazil's vegetable oils association has kept the Brazil's soybean production forecast unchanged at record 99.7 million tonnes. It has estimated Brazil's soybean exports at 55.3 million, unchanged from its March estimate.
- ❖ 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.
- ❖ 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.
- ❖ AgRural has increased its forecast for Brazil's 2015/16 soybean to 99.7 million tonnes from 98.7 million after beneficial rains.

- ❖ Rosario Grains Exchange has raised Argentina's 2015/16 soybean production forecast to 59 million tonnes from 58.5 million tonnes in its earlier estimates. The increase is due to the higher than expected yield in the major growing belts.
- ❖ CRF reported that Argentina's soybean production is nearing last year's record of around 61 million tonnes. It also projected Paraguay 2015/16 soybean production at record 9.7 million tonnes which is above USDA's estimate of 8.8 million tonnes.
- ❖ However, according to the estimates by the government agency, Argentina's 2015/16 soybean production is estimated near 60 MMT which is below last year production of 61.4 MMT.
- ❖ China is forecast to import 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.

## Soybean

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The domestic soybean fell as expected after a continued rally in the market supported by firm international market in recent days.

The fall is primarily due to the persistent weak domestic fundamentals associated with poor soy meal exports from India and cheaper edible oil exports. This is despite gains in the international soybean during the week in review.

The average weekly bean prices fell by 4% at the benchmark, Indore, compared to the previous week. However, losses are expected to be limited by strong international market for near-term.

Besides, we feel fresh demand in beans for seeding close to the monsoon should boost in the bean prices. Prediction of better monsoon (106% of LPA) will boost the soybean planting intention for 2016/17 in India.

Mixed views witnessed among the stockists and the cultivators. There are some who are keen on selling the produce at the current levels while others would retain it for some more time in anticipation of further rise in the prices with the demand in beans for seeding in coming weeks.

We rule out any aggressive buying due to poor soy meal exports and cheaper edible imports leading to disparity on crushing the beans followed by lower bean production.

Record soybean production in G3 countries including US, Brazil and Argentina 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 are expected to rebound after the correction and get strong stronger in coming weeks. Likely demand in beans for seeding ahead monsoon, additional losses in Argentina's bean, strengthening of Brazilian Real, and***

***will extent some more losses, as correction on bearish domestic fundamentals including lower soy meal exports, increased edible oil imports at attractive prices, lower crude bearish domestic fundamentals but strength in the international soybean and likely fresh domestic demand in bean for seeding will limit the losses in near-term.***

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**International:**

The international soybean at benchmark, CBOT, posted gains after a small correction. The market once again surged after correction with news of rains in US mid-west and some gains in the crude during the week under review.

The international soybean prices are still 9 month high. The May CBOT soybean hit high at US \$ 10.37 per bushel but settled at US \$ 10.21 per bushel at the end of the week in review.

US soybean planting is 8% complete as on 1 May 2016 which is down from 10% in the corresponding period last year, but up from 5 year average of 6%.

Unusually heavy rains in Argentina early April have left about 5 million tonnes of the country's soybean crop affected by fungi and disease, leading growers to sell the bean at a discount. This additional loss in Argentine soybean and supply concerns remained supportive to the international soybean.

Several international agri consultants have started revising the Argentina's 2015/16 soybean production downwards.

In yet other major event, US soybean planting is 3% complete as on 24 April 2016 which is marginally up by 1% compared to the same period last year and again up 1% from 5 year average.

US soybean processors crushed higher than expected soybean in March, the second-busiest March on record, said National Oilseed Processors Association. The association said its members processed 156.690 million bushels of soybean in March, up from 146.181 million during February.

In March 2015, the NOPA members crushed 162.822 million bushels.

The US soyoil stocks as of March 31 stood at 1.859 billion lbs, estimated by NOPA. The inventories were 1.420 billion lbs during the same period last year and 1.792 billion at the end of February.

US soy meal shipments increased to 779,100 tons in March from 686,999 in February. In March 2015, monthly soy meal exports totaled 757,165 tons.

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

Further, heavy rains have damaged the harvest of around 5% of Argentina's soybean and could cause further damage if rains extend into next few days.

The Argentina's government said 3.3 million tonnes of beans are already lost and the Buenos Aires Grains Exchange is expected to reduce its harvest forecast.

Heavy rainfall in Argentina continued to delay soybean harvesting, causing concern over crop losses and hurting inland transportation.

Global soybean crushings are increasing to compensate the production losses in palm oil, sending the soya oil share to an almost 4-year high of 39.3%, reports the 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.

Soybean production will probably have to be revised downward in Brazil and Argentina. This is due to the heavy rains in major growing areas of Argentina.

China's March soybean imports were up 35.3% to 6.1 million tonnes vs 4.51 million tonnes in February. This is a record import for the March month of the year due on improved hog breeding margins.

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 stated, 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.

*Soybean prices are expected to remain strong on technical buying, South American supply concern after heavy rains in Argentina, better US crushings, strength in soy and palm oils will push the soybean prices up for short-term. However, forecast of clear weather in Argentina, record 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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Firm sentiments witnessed in the domestic soy meal on spillover support from international benchmark, CBOT which hit highest since mid July. The May CBOT soy meal hit US \$ 3.367 per short ton and settled at US \$ 3.321 per short ton during the week under review.

The domestic soy meal prices have rallied in recent days and have witnessed a substantial gain of about 11% in a month. But they stood almost flat during the week in review.

However, India's soy meal shipments continued to be weak and it is multi-year low which registered a fall of about 99% in March, primarily on India's uncompetitive prices compared to the South American meal.

Concerns of domestic poultry production with challenges like hot weather, lower wholesale egg prices may negatively hit the domestic soy meal demand.

At Dhule and Nanded, Maharashtra, soy meal was quoted at Rs 39,700/MT compared to Rs 38,700/MT in Indore, M P. and Rs 38,500/MT in Kota, Rajasthan in the last week of April.

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 the soy meal exports figure by India for the month of April.

**India exported 3,87,000 tons soy meal in FY 2015-16, registering a decline of 74% over previous FY 2014-15, when soy meal exports were 14,68,000 tons.**

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

**The fall in exports is due to noncompetitive 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.

The international soy meal market is seriously concerned about the severe disruptions of harvesting and transportation caused by inundated fields and roads in central Argentina.

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.

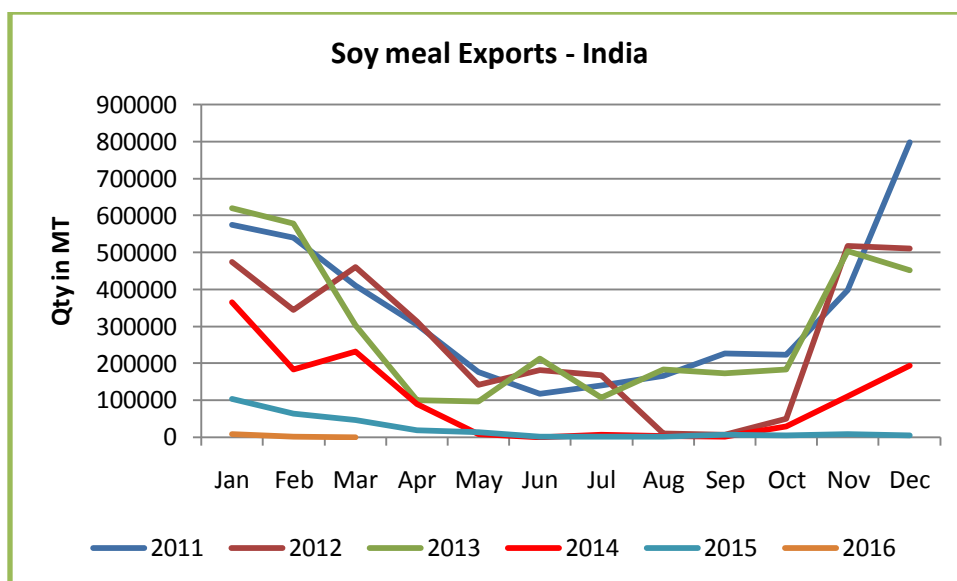
Oil World expects sharp increase in world exports of soy meal by 12% to 31.5 Mn T anticipated in Oct/March 2015/16.

*India may not be able to regain the market it lost last season due to competitive prices in South America and Chinas 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.*

India's Y-o-Y soy meal prices, Indore, are higher. Soy meal export price, Indore was quoted higher between Rs 38,000 – 39,500/MT during the week compared to Rs 32,300 – 33,200/MT during the corresponding period last year.

*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 overall 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 36,300– 39,500/MT during the week compared to Rs 29,500 – 37,800/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	430.1
<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 – Apr. 2016		Avg Crush Margin – Mar. 2016		Avg Crush Margin – Apr. 2015	
<b>-865</b>		<b>-870</b>		<b>-880</b>	
Min	Max	Min	Max	Min	Max
<b>-2390</b>	<b>174</b>	<b>-1325</b>	<b>-320</b>	<b>-1360</b>	<b>-325</b>

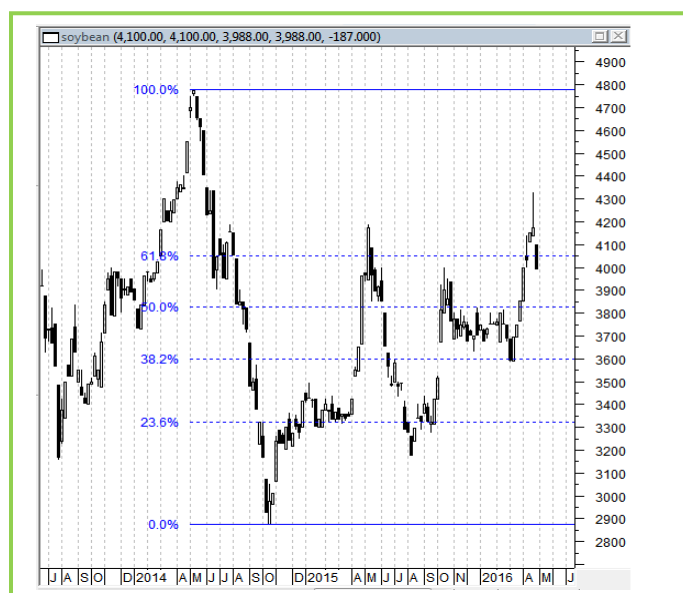
The disparity in soybean crushing in April 2016 has narrowed marginally compared to April 2015. This is successive second month after a long period that the crush margins have narrowed primarily relatively higher gain in soy meal prices, among the three beans, oil and meal. However, higher imports of 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 Jun. Contract

S1	S2	PCP	R1	R2
3910	3818	4038	4400	4500

- Soybean couldn't sustain at higher levels and finally closed below previous month's close.
- 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 – Jun.) – 1 Month: **BUY** Above 3900. T1 – 4200; T2 - 4250; SL –3780.

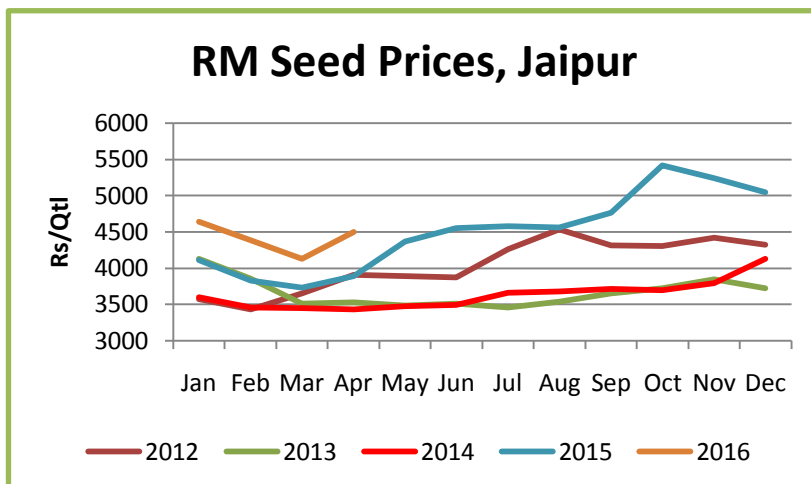
## Rapeseed - Mustard Seed

Rapeseed-mustard extended previous gains primarily on active buying in the seed and strength in Malaysian palm oil during the month under review.

Stockists and the solvent extractors were the key buyers to cover their stocks. The supplies in the seed were in full swing with the harvesting across the key producing belts.

The rapeseed-mustard prices shot up by 12% at benchmark, Jaipur, in April compared to the same period last year.

In April, the seed prices had hit highest at Rs. 4,600 – 4,665 per quintal, 20 April 16, compared to Rs. 3,880 – 3,965 per quintal during the same period last year. Strength in prices is primarily due to the strong demand in the seed.



The seed prices took some correction towards the end of the month, pressured by fall in the Malaysian palm oil but the losses were limited by active domestic buying in the seed.

Besides, the highest recorded all India arrivals in the seed stood around 7.0 lakh bags, in the first week of April, compared to 5.8 lakh during the same period last year.

The supplies are gradually easing from its peak and will continue downtrend as farmers are offloading their newly harvested produce. The all India daily arrivals of the seed were reported between 3.65 – 4.0 lakh bags compared to around 6.4 – 6.5 lakh bags during the corresponding period last month and 4.65 – 5.0 lakh bags during the corresponding period last year.

Agriwatch has kept its India's 2015/16 rapeseed-mustard production estimate unchanged at 5.8 million tonnes.

In the second advance estimate, the Ministry of Agriculture, GOI, has forecasted India's 2015/16 rapeseed-mustard production at 6.83 million tonnes, up from 6.3 million tonnes in 2014/15.

In the advance estimate by department of agriculture, Government of Rajasthan has forecasted Rajasthan's 2015/16 rapeseed-mustard production up by 22% at 3.5 million tonnes compared to 2.87 million tonnes in 2014/15. The department had estimated Rajasthan's 2015/16 RM seed production at 3.49 million tonnes.

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

India imported 3.22 lakh tons of soybean oil in March 2016 v/s 1.91 lakh tons in March 2015, up 68.58 percent y-o-y. In the oil year 2015-16 (November 2015-March 2016) imports of soy oil is reported at 18.96 lakh tons v/s 8.74 lakh tons in corresponding period last oil year, higher by 117 percent y-o-y, said SEA.

India imported 6.43 lakh tons of palm oil in March 2016 v/s 6.82 lakh tons in March 2015, down 6.00 percent y-o-y. In the oil year 2015-16 (November 2015-March 2016) imports of palm oil is reported at 36 lakh tons v/s 35.68 lakh tons in corresponding period last oil year, higher by 1.00 percent y-o-y.

RBD palmolein reported sharp rise at 9.77 lakh tons (November 2015-March 2016 v/s 3.03 lakh tons in corresponding period of oil year 2014-15, rise of 222 percent y-o-y.

Crude palm imports in the period (November 2015-March 2016) fell to 25.60 lakh tons from 31.12 lakh tons in the corresponding period last oil year, fall of 21.50 percent y-o-y, said SEA.

India imported 0.27 lakh tons of rapeseed (Canola) oil in March 2016 v/s 0.18 lakh tons in March 2015, higher by 50 percent y-o-y. For oil year 2015-2016 (November 2015 – March 2016) India imported 1.02 lakh tons rapeseed (canola) oil v/s 1.68 lakh tons in corresponding period in the oil year 2014-15, lower by 39 percent y-o-y: SEA.

India imported 1.84 lakh tons of crude sunflower oil during March 2016 v/s 1.61 lakh tons in March 2015, up by 14.3 percent y-o-y. Imports during oil year 2015-16 (November 2015 –March 2016) were reported at 6.70 lakh tons v/s 7.26 lakh tons during the corresponding period in last oil year, down by 7.7 percent y-o-y, said SEA.

Malaysia's April palm oil exports fell by 6.8 percent to 1,088,052 tons from 1,167,775 tons in March. Top buyers were India at 207,000 tons (274,250 tons), European Union at 134,452 tons (166,553 tons), China at 124,368 tons (148,880 tons), United States at 80,015 tons (83,490 tons) and Pakistan at 39,890 tons (22,000 tons). Values in brackets are figures of last month, said cargo surveyor Societe Generale de Surveillance,.

Malaysia has kept export duty on CPO unchanged at 5 percent for May. Tax will be calculated at a reference price of 2,531.53 ringgit (\$649.11) per ton. A price above 2,250 ringgit is taxed starting from 4.5 percent to a maximum of 8.5 percent.

According to Indonesia trade ministry, Indonesia will apply USD 3.00 per ton on export of crude palm oil from May. Tax will be charged above CPO reference price above USD 750 per ton. Indonesia has imposed export duty on CPO since October 2014.

According to Indonesian Palm Oil Association (GAPKI), Indonesia's March palm and palm kernel oil production fell 6 percent to 2.32 MMT from 2.47 MMT in February. Indonesia's stocks of palm oil fell by 21.2 percent to 3.02 million tons in March from 3.66 million tons in February.

Indonesia's palm and palm kernel oil exports fell 24 percent in March to 1.74 MMT from 2.29 MMT in February 2016. Top buyers were India at 429,910 tons (428,390 tons), European Union at 313,060 tons (359,730 tons) and Bangladesh at 62,890 tons (115,700 tons). Values in brackets are figures of February 2016, said Indonesian Palm Oil Association (GAPKI).

The market is waiting for the April MPOB report on palm oil. Malaysia's March palm oil ending stocks fell by 13.14 percent to 18.85 MMT from 2.17 MMT in February. Production rose by 16.94 percent to 1.22 MMT in March from 1.04 MMT in January. Exports rose by 22.95 percent to 1.33 MMT in March from 1.09 MMT in February. Imports of palm oil rose by 10.16 percent to 0.074 MMT in March from 0.068 MMT in February, said palm oil industry regulator Malaysia Palm Oil Board (MPOB).

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: rapeseed-mustard will remain strong in near-term on aggressive buying by the solvent extractors and the stockists to cover their stock.*

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

<b>RM Seed Arrivals in Rajasthan in Bags (85 kg each).</b>		
<b>Monthly Arrivals– Apr.</b>	<b>1 Month Ago</b>	<b>Corresponding Period Last Year</b>
67,85,000	66,55,000	57,80,000



## 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)

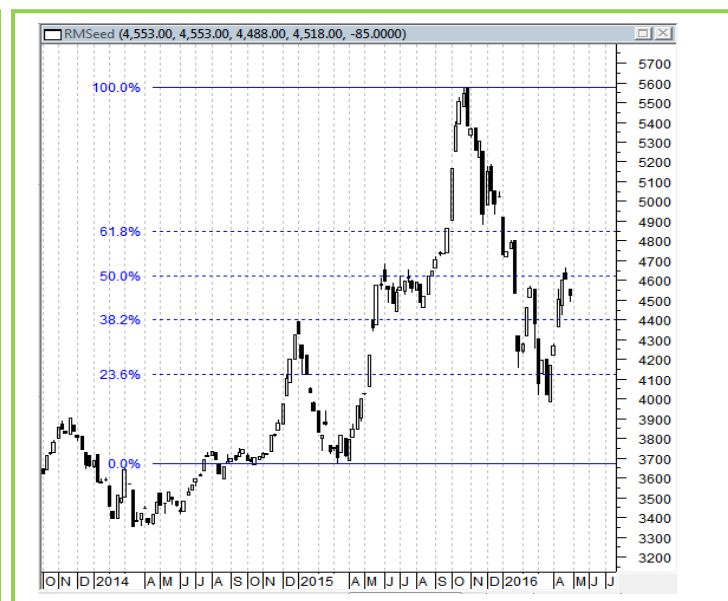
- We have pegged India's 2016/17 Rapeseed-mustard outturn at 5.8 million tonnes, slightly lower by 1% compared to the 2015/16 production at 5.9 million tonnes.
- India's production is below 5 year average of around 7.0 million tonnes. This is mainly due to the fall in sown area in last couple of years.
- **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 Jun. Contract

S1	S2	PCP	R1	R2
4183	3950	4472	4750	4850

- Rapeseed-mustard extended gains on buying support in April.
- Prices closed below 40-day EMA.
- MACD is rising in positive territory.
- RSI and stochastic are rising in neutral zone.
- Trade Recommendation (NCDEX Soybean – Jun.) – 1 Month: **BUY** Above 4400. T1 – 4600; T2 - 4650; SL –4280.

## Annexure

### Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	30-Apr-16		30-Mar-16		
	Low	High	Low	High	
Indore –Plant	3950	4025	3950	4030	-5
Indore–Mandi	3750	3950	3750	3950	Unch
Nagpur-Plant	4200	4250	3680	3800	450
Nagpur – Mandi	3400	3800	3200	3602	198
Latur – Mandi	3900	4175	3700	4060	115
Kota-Plant	3700	3850	4000	4025	-175
Kota – Mandi	3700	3800	3850	3950	-150
Bundi-Plant	3800	3850	3900	3980	-130
Bundi-Mandi	3700	3800	3725	3800	Unch
Baran-Plant	3600	3800	3800	3925	-125
Baran-Mandi	3600	3750	3700	3750	Unch
Bhawani Mandi Jhalawar–Kota-Plant Delivery	3800	3850	3900	4000	-150
Jhalwar-Mandi	3850	3900	3775	3900	Unch
Rapeseed/Mustard					
Jaipur-(Condition)	4515	4520	4215	4220	300
Alwar-(Condition)	4200	4350	3900	4000	350
SriGanganagar-(Non-Condition-Unpaid)	3850	3950	3550	3675	275
New Delhi–(Condition)(New Crop)	4470	4475	4025	4030	445
Kota-Non-(Condition)	4000	4100	3600	3800	300
Agra-(Condition)	4600	4700	4125	4150	550
Neewai	4200	4270	3800	4000	270
Hapur (UP)(New Crop)	4200	4300	3925	3950	350
Groundnut Seed					
Rajkot	1050	1050	930	930	120
Sunflower Seed					
Gulbarga	3450	3595	3350	3550	45
Latur	3400	3700	3451	3651	49
Sholapur(New Crop)	3650	3750	3700	3750	Unch
Sesame Seed					

Mumbai (White98/2/1	6950	6950	6650	6650	<b>300</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
Soybean		<b>Apr,16</b>	<b>Mar,16</b>	
	Madhya Pradesh	889000	642000	<b>247000</b>
	Maharashtra	889000	641000	<b>248000</b>
	Rajasthan	479000	396000	<b>83000</b>
	Bundi (Raj)	5850	5650	<b>200</b>
	Baran (Raj)	18700	21200	<b>-2500</b>
	Jhalawar (Raj)	40800	21350	<b>19450</b>
Rapeseed/Mustard	Rajasthan	6785000	6365000	<b>420000</b>
*Soybean: 1 bag = 90 kg; RM Seed: 1 bag = 85 kg				

## 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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