

Executive Summary

Soybean, meal and rapeseed-mustard extended previous gains on better buying in cash market and recent gains in international crude during the week under review. The market participants are anticipating prices to get stronger in coming days after they remained lower for quite a long time in recent months. Continued buying in rapeseed-mustard, by millers and the stockists, is witnessed in the cash market.

Soybean:

- ❖ The domestic soybean continued uptrend primarily on buying support and bullish near-term global factors during the week under review.
- ❖ Strengthening crude, which eventually pushed up the benchmark, CBOT, remained bullish factors for the domestic beans too.
- ❖ Forecast of 2015 Southwest monsoon rains below normal this season and surge in crude remained supportive for the soybean market.
- ❖ The domestic soybean prices jumped in last couple of weeks in cash market during the week, which is a big gain witnessed in a week, since last several weeks.
- ❖ The buyers are ready to cover their stocks at higher quotes in anticipation of further rise in the bean prices in coming days.
- ❖ Farmers in China could reduce the soybean acreage in 2015/16 by 15% due to uncertainty over the new subsidy.
- ❖ This is the sixth straight annual drop in China's soybean acreage which will subsequently increase the China's soybean imports which already accounts for 65% of the world traded volume.
- ❖ The soybean harvesting in Argentina is underway and dry weather is leading to the increase in the harvesting pace. About 45% of the Argentine soybean is expected to have been harvested this week.
- ❖ *Rising crude, better Chinese buying and good buying support in the domestic market will push up the bean prices. But improved edible oil imports and disparity in soybean crushings and lower soy meal export sales of Indian origin will limit the gains.*

Soy meal:

- ❖ Soy meal moved up in tandem with soybean with buying support in anticipation of further rise in the meal prices during the week under review. Stronger crude and supply disruptions from South America will continue to lend support to the meal prices at higher levels.
- ❖ Though CBOT soy complex has surged in recent days, supporting the domestic soy complex but reports of bird flu in Iowa, US, has lead to uncertainty in their soy meal usage. The event is reported to have strike nearly 10 million bird in the state. If the gains in the CBOT soy meal are limited, it will negatively affect the Indian meal prices.
- ❖ Further, the ban on poultry products from Kerala is expected to be lifted in a week. Tamil Nadu had imposed the poultry ban in November last year, sourced from Kerala, due to outbreak of bird flu in three districts of the state including Alappuzha, Kottayam and Pathanamthitta, when several thousand birds were culled t the time of outbreak in the state.
- ❖ The decision will boost the poultry production, thus leading to increase in the soy meal demand for poultry feed production.
- ❖ But, the reports of return of bird flu in India mainly in Telangana and Manipur have hit the poultry consumption mainly in urban areas. The consumption has been largely affected in urban areas but it is stable in rural areas.
- ❖ The poultry unit owners continued to cover their stocks in rapeseed-mustard oil cake and soy meal followed by rise in seasonal supply at lower prices, remained supportive for the oil meal market.
- ❖ However, India's soy meal exports continued to remain weak and it was recorded 80% lower y-o-y in the month of March'15.
- ❖ India's near and medium-term fundamentals remain bearish for domestic soy meal mainly due to weak international prices with higher global soy supply scenario and lower crude. The competitive S. American soy meal price compared to India's, remained negative factor for domestic meal.
- ❖ *The soy meal prices will continue to gain in near-term tracking firmness in crude and domestic buying.*

RM Seed:

- ❖ RM seed witnessed uptrend, successive fourth week, on supportive buying. Lower than expected domestic rapeseed-mustard crop and strength crude in the international market remained supportive factor for the seed market.

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

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

- ❖ The seed supplies across the major mandis are at its peak with most of the farmers offloading their produce aggressively and the daily all India arrivals is reported around 5.0 lakh bags a day. However, the all India seed arrivals remained lower compared to previous season during the corresponding period last year-2014.

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

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

- ❖ Shipments of Malaysian palm oil products for April fell 5.5% to 1,077,114 tonnes from 1,140,355 tonnes shipped during March, cargo surveyor Societe Generale de Surveillance reported at the end of the month April.

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

International Highlights

- ❖ Oil World has revised the global oilseeds production upward by 3.5 Mn T from a month earlier, mainly on account of Argentine soybeans.
- ❖ The scrap of the export tax on crude palm oil in May will give Malaysian producers and exporters a clear advantage over their Indonesian counterparts. Malaysia had imposed 4.5% export tax on crude oil in April since a long exemption from September'14.
- ❖ Since January Argentine soya oil export prices have fell by 15-20%, since January this year which has led to the boost in price competitiveness mainly vis-a-vis palm oil – Oil World.
- ❖ India's vegoil imports showed a continued rise which surged by 27% to 1.06 million tonnes in March'15.
- ❖ AgRural, Brazilian analyst, has estimated Brazil's 2014-15 soybean crop to 93.8 million tonnes from 93.3 million tonnes earlier. The production is record high, despite late plantings due to stress followed by dry weather initially.
- ❖ The U.S. Department of Agriculture expects world soy stocks to hit a record-high 89.5 million tonnes by the end of the 2014-15 season. USDA has estimated the global soybean production at a record 315.1 million tonnes for this season.
- ❖ Argentine growers have completed the harvest above 5% of this year's soy, with high yields in the central farm belt compensating for flood damage in northern region - Rosario grains exchange. Argentina's crop range from 56 to 60 million tons v/s 53.4 million tons last season. Mixed soybean yield reported from Brazil and soybean harvesting have been 60 percent completed.
- ❖ Brazil's 2014/15 soybean harvesting is in full swing and the production is forecast to total a record 94.4 million tonnes, compared with a previous forecast of 95 million tonnes by Safras & Mercado.
- ❖ Allendale has estimated U.S. farmers to increase 2015/16 soybean plantings to a record 86.052 million acres with likely reduced sowing of corn, if realized, it would exceed last year's record plantings of 83.701 million acres.
- ❖ The Argentina's government expects a 2014/15 soy crop record-high at 58 million tonnes, just above the 57 million tonnes forecast by the Buenos Aires Grains Exchange. The figures are the revised estimates of Rosario Grain Exchange raising its previous production estimate for 54.5 million tonnes. Recent rains are cited as the reason for boost in yield and eventually the production.
- ❖ As per Oil World, Indonesia palm oil production seen at 32.4 million tons for 2014-15 v/s 30.5 million tons last year and Malaysia palm oil production seen at 19.4 million tons for 2014-15, down one million tons from last year. Moreover, CPO (at Rotterdam) and RBD palmolein (FOB Malaysia) prices for 2015 seen at USD 770 /T and USD 750/T respectively.
- ❖ Oil World has estimated, Argentina's shipments of vegetable oils are expected to improve by approximately 0.6 Mn T this season.
- ❖ EU-28 crushings of rapeseed rose above expectations and touched a record 13.5 Mn T in July/Dec 2014, as reported by Oil World.
- ❖ On the production front, combined crude palm oil output from Malaysia and Indonesia is expected to rise to 51.1 million tons in 2015 v/s 49.2 million tons last year.

- ❖ Brazil's 2014/15 soybean production is estimated at 92.3 million tonnes by Abiove in the new forecast in Feb., which is up 1.6 million tonnes from its previous estimate of 91.9 million tonnes.
- ❖ Brazil based analyst Safras & Mercado forecast a 2014/15 Brazilian soybean output at 95.0 million tonnes, down from 95.9 million tonnes estimated in December.
- ❖ Brazil's Agriculture Ministry's crop supply agency Conab has estimated its 2014/15 soybean production at record 95.8 million tonnes, higher than the USDA. It also said Brazil is expected to export a record 49.6 million tonnes of the soybean, which is sharply higher from the 45.6 million tonnes estimated to be exported during the current season.
- ❖ The global production of soybeans has been raised by 1.3 Mn T to 309.1 Mn T, 24.3 Mn T, by Oil World, above last season – Oil World.
- ❖ As per Oil World, the global supplies of palm oil is expected to rise by only 2.2 Mn T in Oct/Sept 2014/15, which is down from an average annual growth of 3.9 Mn T in the past 3 seasons.
- ❖ China's soybean import is estimated to 73.5 Mn T in Oct/Sept 2014/15 by the Oil World.
- ❖ As per Abiove, Brazil's soybean crop for 2014/15 is estimated at 91 million tons and exports forecast at 48 million tons. As per Oil World, oilseed production may rise to 519.7 million tons, up 4.31 percent from 2013-1. The total oilseeds production includes 310.80 million tons of soybean, 68 million tons of rapeseed, 41.4 million tons of sunflower seed and rests others.
- ❖ The total oilmeals consumption of five N. African countries in 2014/15 is estimated at 6.2-6.3 Mn, which has more than doubled within 10 years.
- ❖ India's import requirements of vegetable oils are set to increase to a new high of 12.2 Mn T in 2014/15, as reported by Oil World.
- ❖ Oil World has estimated a combined soy meal imports of 8 key countries in Southeast Asia at a record 16.6 Mn T next season, which is up 1.4 Mn T on the year.
- ❖ As per Agroconsult, Brazil is likely to produce 95.1 million tons of soybeans in 2014-15, up 1 million tons from previous estimates. Moreover, Argentina soybean crop output for 2014-15 seen at 56.6 millions tons.
- ❖ The palm oil production in Malaysia is estimated to reach a record 19.7 million tons to 19.9 million tons. Further, Indonesia's output is likely an all-time high of 30.5 million tons or more this year. Production is estimated by Dorab Mistry, Director at Godrej International Ltd. Both the countries account for 86% of world total supplies.
- ❖ Germany's winter rapeseed output is estimated at 5.8 million tonnes in 2014, up from 5.7 million tonnes in 2013, German farmer's association, DBV said.
- ❖ Oil World has estimated the Canadian canola crop at 14.7 Mn T in 2014 which is considerably below the record 17.96 Mn T last year.
- ❖ EU-28 rapeseed outturn has turned out higher than expected there is an upward revision to 23.5 Mn T. EU rapeseed exports are also improving.

Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	1-May-15		24-Apr-15		
	Low	High	Low	High	
Indore –Plant	3900	3975	3850	3940	35
Indore–Mandi	3825	3950	3775	3875	75
Nagpur-Plant	4000	4050	3900	3950	100
Nagpur – Mandi	3750	3950	3700	3800	150
Latur – Mandi	3690	4000	3700	3975	25
Kota-Plant	4100	4120	3950	4000	120
Kota – Mandi	3980	4080	3850	3950	130
Bundi-Plant	3900	3950	3850	3900	50
Bundi-Mandi	3800	3850	3700	3750	100
Baran-Plant	3950	4000	3850	3875	125
Baran-Mandi	3800	3850	3600	3800	50
Bhawani Mandi Jhalawar–Kota-Plant Delivery	3950	4000	3900	3950	50
Jhalwar-Mandi	3900	3925	3850	3875	50
Rapeseed/Mustard					
Jaipur-(Condition)	4015	4020	3940	3945	75
Alwar-(Condition)	3700	3750	3700	3750	Unch
SriGanganagar-(Non-Condition-Unpaid)	3600	3625	3350	3400	225
New Delhi–(Condition)(New Crop)	3850	3900	3800	3825	75
Kota-Non-(Condition)	3600	3700	3475	3550	150
Agra-(Condition)	4350	4375	4250	4300	75
Neewai	3700	3750	3450	3500	250
Hapur (UP)(New Crop)	3950	4000	3950	4000	Unch
Groundnut Seed					
Rajkot	900	900	870	870	30
Sunflower Seed					
Gulbarga	2850	3310	2850	3210	100
Latur	3000	3510	3175	3400	110
Sholapur(New Crop)	3450	3450	3350	3350	100
Sesame Seed					
Mumbai (White98/2/1	8100	8100	8700	8700	-600

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 Arrivals in Key Centers:

Commodity	Centre	Arrivals in Bags/Qtl		Change
		Week End 25th April to 01th May 2015	Week End 18th to 24th April 2015	
Soybean				
	Madhya Pradesh	240000	235000	5000
	Maharashtra	6800	55000	-48200
	Rajasthan	89000	97000	-8000
	Bundi (Raj)	800	700	100
	Baran (Raj)	1250	500	750
	Jhalawar (Raj)	5300	4300	1000
Rapeseed/Mustard	Rajasthan	1490000	1710000	-220000

Progress of Sown Area – Rabi Oilseeds, India

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

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

(Area in lakh hectares) Source: GOI

Soybean

The domestic soybean continued uptrend primarily on buying support and bullish near-term global factors during the week under review.

Strengthening crude, which eventually pushed up the benchmark, CBOT, remained bullish factors for the domestic beans too.

Forecast of 2015 Southwest monsoon rains below normal this season and surge in crude remained supportive for the soybean market.

The domestic soybean prices jumped in last couple of weeks in cash market during the week, which is a big gain witnessed in a week, since last several weeks.

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

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

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

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

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

The soybean harvesting in Argentina is underway and dry weather is leading to the increase in the harvesting pace. About 45% of the Argentine soybean is expected to have been harvested this week.

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

As expected, the Brazil's soybean exports have slowed as the Brazilian truck drivers have resumed the strike, demanding minimum freight rates. The truckers have blocked two federal roads at four points in the top soybean growing state of Mato Grosso, disrupting the soybean supplies to ports.

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

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

Soy meal

Soy meal moved up in tandem with soybean with buying support in anticipation of further rise in the meal prices during the week under review. Stronger crude and supply disruptions from South America will continue to lend support to the meal prices at higher levels.

Though CBOT soy complex has surged in recent days, supporting the domestic soy complex but reports of bird flu in Iowa, US, has lead to uncertainty in their soy meal usage. The event is reported to have strike nearly 10 million bird in the state. If the gains in the CBOT soy meal are limited, it will negatively affect the Indian meal prices.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

India's Y-o-Y soy meal prices are lower. Soy meal export price, FOR Kandla (May – Jun delivery) was quoted between Rs 38,000 – 39,000/MT compared to Rs 43,000 – 45,500/MT during the same period last year.

Recommendation: *India's soy meal prices are under global supply pressure. Indian meal exporters are advised to aggressively explore the lost markets last season especially traditional South and Far-East Asian destinations and Iran. India is into the period of higher exports considering seasonality. The domestic meal prices are likely to feature range bound movement with weak bias in near-term. FOR, Kandla (Apr. - May delivery) is expected to feature range-bound movement and the quotes are expected to slightly improve and will witness Rs. 38,000 – 39,000/MT levels in the upcoming week. They remained between Rs. 36,500 – 38,000/MT during the week.*

Technical Analysis:

NCDEX Soybean Futures



Soybean Spot, Indore



*Note: Daily Chart

Support & Resistance NCDEX Soybean – Jun. contract

S1	S2	PCP	R1	R2
3875	3790	4070	4239	4337

- Soybean extended previous gain.
- Prices closed above 9-day and 18-day EMA.
- RSI and stochastic are rising in neutral region.
- MACD is rising in positive territory.
- The prices are expected to feature gains in the coming week.
- Trade Recommendation (NCDEX Soybean – Jun.) Week: BUY Above 4065. Levels: Target – 4165; T2- 4200, SL -4005.

Trade Recommendation Soybean - Spot: Soybean prices will edge-up on good buying and rising crude, in recent days. However, the market will under pressure in medium-term on higher supply scenario. The prices are likely to be in the band of 3900 – 4100 levels (Indore, Plant basis) during the week. The prices remained within the price band of 3900 – 4000 during the week in review.

Rapeseed - Mustard Seed

RM seed witnessed uptrend, successive fourth week, on supportive buying. Lower than expected domestic rapeseed-mustard crop and strength crude in the international market remained supportive factor for the seed market.

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

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

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

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

The seed supplies across the major mandis are at its peak with most of the farmers offloading their produce aggressively and the daily all India arrivals is reported around 5.0 lakh bags a day. However, the all India seed arrivals remained lower compared to previous season during the corresponding period last year-2014.

The all India seed arrivals slightly fell and reported total of about 26,30,000 bags during the week under review compared to about 29,50,000 bags previous week. In Rajasthan the supplies were too reported lower at about 14,90,000 bags compared to about 17,10,000 bags previous week.

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

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

Shipments of Malaysian palm oil products for April fell 5.5% to 1,077,114 tonnes from 1,140,355 tonnes shipped during March, cargo surveyor Societe Generale de Surveillance reported at the end of the month April.

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

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

As per MPOB's data, Malaysian palm oil end-stocks rose on m-o-m due to higher production of palm oil in March. Inventories in Malaysia rose 7.02 percent in March to 1.865 million tons against 1.743 tons month ago

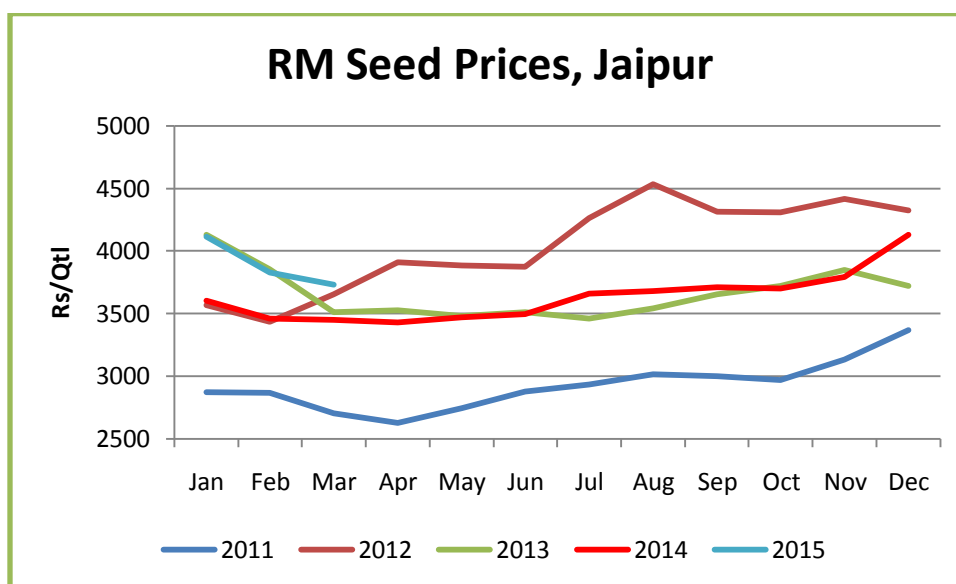
and production of palm oil during March was 1.494 million tons v/s 1.121 million tons last month. The report is bearish for edible oil complex.

Exports of Malaysian palm oil products for March increased to 14.8% to 1,140,355 tonnes from 993,376 tonnes shipped during February, cargo surveyor Societe Generale de Surveillance on 31 March 15.

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

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

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



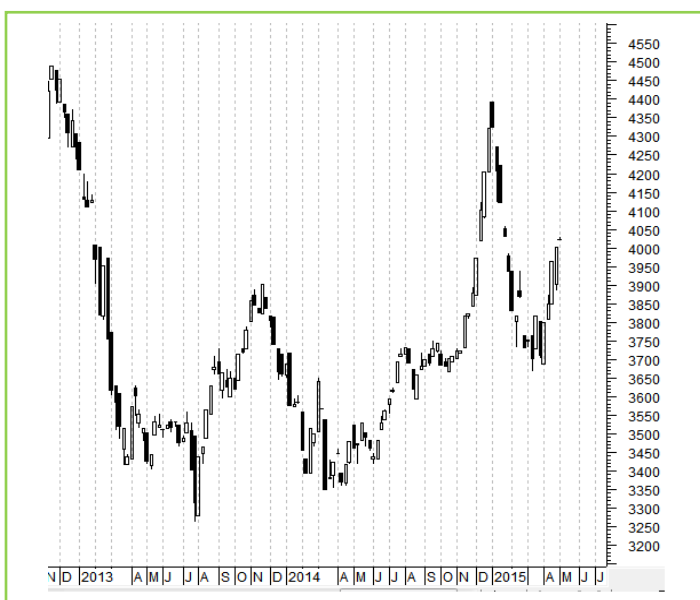
Technical Analysis:

NCDEX RM Seed Futures



*Note: Daily Chart

RM Seed Spot, Jaipur



Support & Resistance NCDEX RM Seed – May. contract

S1	S2	PCP	R1	R2
3582	3516	3795	4000	4100

- RM seed prices edged-up during the week.
- Prices closed above 9-day and 18-day EMA.
- RSI and stochastic are rising in neutral zone.
- MACD is moving upwards in positive territory.
- The prices are expected to feature gains in the coming week.
- Trade Recommendation (NCDEX Soybean – May.) Week: BUY Above 3790. Levels: Target – 3890; T2- 3950, SL -3730.

Trade Recommendation RM Seed Spot (Jaipur basis): In spot, the RM seed surged on better demand from millers and the stockists for new crop crushings. The better buying interest in cash market is expected to keep the seed prices stronger and they are expected to be between 4000 – 4100 levels during the week. They were between 4000 – 4030 levels during the week under review.

Annexure

Progress of Sown Area – Kharif Oilseeds, India

In the official *kharif oilseeds* planting report (week ending 09 Oct 2014), the area coverage under *Kharif* oilseeds is reported at 178.47 lakh hectares, down 8.4% from 194.90 lakh ha previous year. Of the major oilseeds, soybean sowing is reported down by 10% at 110.22 lha compared to 122.20 lha during the same period last year. Groundnut at 37.25 lha vs 43.19, sunflower at 2.05 lha vs 2.43 lha, sesamum 16.31 vs 14.91, niger 2.28 lha vs 2.33 lha and castor at 10.35 lha vs 9.84 lha during the same period last year.

Crop	As on 09 Oct 2014	As on 09 Oct 2013	% Change
Groundnut	37.25	43.19	-13.8
Soybean	110.22	122.20	-9.8
Sunflower	2.05	2.43	-15.6
Sesamum	16.32	14.91	9.5
Niger	2.28	2.33	-2.1
Castor	10.35	9.84	5.2
Total Oilseeds	178.47	194.90	-8.4

(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

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

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