

Executive Summary

Soybean and meal featured gains in tandem with rapeseed-mustard primarily on better buying and supportive international oils and fats benchmark – CBOT and BMD.

IMD's recent forecast of weaker monsoon at 88% of Long Period Average from 93% of LPA remained bullish for Indian oilseeds during the week under review.

Soybean:

- ❖ The domestic soybean witnessed gains tracking firm CBOT soybean and IMD's bullish 2nd stage long range South West monsoon rainfall.
- ❖ In the IMD's Operational 2nd stage long range Forecast for the 2015 Southwest monsoon rainfall is likely to be 88% of the Long Period Average (LPA) compared to the previous forecast of 93% of the LPA.
- ❖ The advent of seasonal rains over the soybean growing region decides the timing of the soybean planting in India, which usually begins in the second half of Jun.
- ❖ India's soybean planting intention is expected to be near previous season which was about 110.22 lakh hectares and to note that the 2014 area under bean was already 9.8% lower than the 2013.
- ❖ US soybean planting is reported at 71%, by 31 May, which is slightly above 5 year average of 70% but lower from 75% during the same period last year. Soybean emergence is reported at 49% slightly higher than 5 year average of 45% and above 46% during the same period last year. The factor is bearish for the international soybean for short-term.
- ❖ Crude oil, WTI- NYMEX, have skid after testing US \$ 63.62 per barrel and it is currently under US \$ 60.
- ❖ China is estimated to import a record 77 million tonnes of the oilseed in 2015/16 (Oct-Sept), a surge of 5.5% from the previous year, according to an official published report.
- ❖ The Argentine government raised its soybean production for the 2014/15 soybean harvest by 1 million tonnes to 60 million tonnes, last week.
- ❖ *Improved palm oil shipments from Malaysia, strength in crude, better Chinese buying and good buying support in the domestic market will keep the bean prices stronger. 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 rebound in sync with soybean tracking gains in CBOT soy meal and forecast of weaker monsoon followed by prediction of 90% chance of El-Nino in the Northern Hemisphere this season.
- ❖ Weak and erratic distribution of seasonal rains will negatively hit the soybean yield subsequently leading to lower domestic soy meal production this season.
- ❖ However, bumper 2014/15 soybean production in US and South America has increased the availability of soy meal at competitive price at which the meal of Indian origin is not available.
- ❖ The G3 soy meal prices remained competitive since last season, hence, India's soy meal export sales continued to remain weak over a year.
- ❖ India's monthly soy meal exports in May witnessed gains y-o-y, after several months, showing an increase by 71% over the same period last year.
- ❖ We expect India's rapeseed-mustard meal exports to increase in coming months with China's decision of lifting ban on the meal sourced from India which was imposed three years back in 2011 on traces of malachite green.
- ❖ The India's poultry unit owners and cattle feed manufactures 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.
- ❖ *India's soy meal shipment during May, 2015 was 14,045 tons as compared to 8,221 tons in May, 2014 showing a increase by 70.85% over the same period of last year.*
- ❖ *Of total oilmeal shipments in May, soy meal comprised of 14,045 tonnes, rapeseed meal (35,188 tonnes), ricebran extraction (2,500tonnes) and castorseed meal was (31,487 tonnes).*
- ❖ *On a financial year basis, the export during April 2015 to May 2015 is 32,062 tons as compared to 84,104 tons in the same period of previous year showing a decrease of 61.88%.*
- ❖ *During current Oil year, (October – September), total exports during October 2014 to May, 2015 is 5,81,689 tons as against 20,48,685 tons last year, showing a decrease by 71.60%.*
- ❖ *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 with firm bias in near-term.

RM Seed:

- ❖ RM seed continued to post gains on better buying, falling supplies and surge in BMD CPO during the week under review.
- ❖ Fall in seed production this season and reports of higher palm oil exports from Malaysia and Indonesia ahead Ramadan remained positive for the seed.
- ❖ Further China's decision of lifting the ban on rapeseed meal of Indian origin worked as catalyst in boosting the domestic RM seed prices.
- ❖ 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 fall in output is due to the yield loss owing to unseasonal rains in Feb. and Mar. this season.
- ❖ Shipments of Malaysian palm oil products for May increased by 44.7% to 1,553,281 tonnes from 1,073,482 tonnes shipped during April, cargo surveyor Intertek Testing Services reported on 1 Jun 2015.
- ❖ Malaysian palm oil inventories are likely to fall in May, with rising palm oil exports above 40% which is the biggest monthly rise in 8-1/2 years.
- ❖ *Better buying in newly harvested seed by the millers and the stockists will boost the seed prices in near to medium-term. Besides, falling Malaysian palm oil inventories with better palm oil exports will lend additional support to the seed prices. However, Malaysia's decision of cancellation on imposing export duty on palm oil may limit the gains.*

International Highlights

- ❖ Brazil's 2014/15 soybean production is forecasted at 94 million tonnes, unchanged from a May estimate, by crop analysts FCStone International.
- ❖ US soybean planting is reported at 71% by 31 May which is slightly above 5 year average of 70% but lower from 75% during the same period last year. Soybean emergence is reported at 49% slightly higher than 5 year average of 45% and above 46% during the same period last year. The factor is bearish for the international soybean for short-term.
- ❖ Brazil's analyst Abiove raised its estimate for the recent harvested 2014/15 soy crop to 93.06 million tonnes from the last forecast of 92.69 million tonnes.
- ❖ Argentina's 2014/14 soybean crop is forecasted at a record 60.8 million tonnes by the Buenos Aires Grains Exchange, increasing its last estimate of 60.0 million tonnes.
- ❖ The Argentine government raised its soybean production for the 2014/15 soybean harvest by 1 million tonnes to 60 million tonnes.
- ❖ China is estimated to import a record 77 million tonnes of the oilseed in 2015/16 (Oct-Sept), a surge of 5.5% from the previous year, according to an official published report.
- ❖ China, imported 5.31 million tonnes of soybeans in April, up 18.3 percent from 4.49 million tonnes in March, figures from the General Administration of Customs of China showed. Imports of vegetable oils in April were 520,000 tonnes, up 44.4 percent from the previous month.
- ❖ India imported 1.11 million tons of vegetable oils in April, which was 1.06 million tons in March, according to market participants. The vegetable oils import rose during the period due to higher demand of palm oil. India imported 725, 088 tons of palm oil in April, around 6.3% higher when compared to the exports in previous month, said Solvent Extractors' Association of India (SEA).
- ❖ 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.

- ❖ 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.
- ❖ 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.
- ❖ 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 Malsyain 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 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	5-Jun-15		29-May-15		
	Low	High	Low	High	
Indore –Plant	3850	3950	3850	3910	40
Indore–Mandi	3750	3850	3725	3830	20
Nagpur-Plant	3800	3825	3800	3850	-25
Nagpur – Mandi	3600	3800	3600	3750	50
Latur – Mandi	3770	3825	3900	4000	-75
Kota-Plant	3850	3950	3950	4000	-50
Kota – Mandi	3800	3900	3850	3900	Unch
Bundi-Plant	3800	3825	3800	3850	-25
Bundi-Mandi	3600	3750	3600	3800	-50
Baran-Plant	3850	3900	3850	3900	Unch
Baran-Mandi	3600	3700	3700	3800	-100
Bhawani Mandi Jhalawar–Kota-Plant Delivery	3800	3850	3800	3850	Unch
Jhalwar-Mandi	3750	3800	3750	3800	Unch
Rapeseed/Mustard					
Jaipur-(Condition)	4615	4620	4560	4565	55
Alwar-(Condition)	4300	4350	4300	4350	Unch
SriGanganagar-(Non-Condition-Unpaid)	4000	4050	4050	4100	-50
New Delhi–(Condition)(New Crop)	4480	4500	4350	4400	100
Kota-Non-(Condition)	4100	4150	4000	4100	50
Agra-(Condition)	4850	4900	4850	4900	Unch
Neewai	4200	4250	4225	4250	Unch
Hapur (UP)(New Crop)	4625	4675	4550	4600	75
Groundnut Seed					
Rajkot	910	910	880	880	30
Sunflower Seed					
Gulbarga	NA	NA	3100	3250	-
Latur	NA	NA	3000	3300	-
Sholapur(New Crop)	3500	3550	3450	3500	50
Sesame Seed					
Mumbai (White98/2/1)	8650	8650	8450	8450	200

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

Oilseed Arrivals in Key Centers:

Commodity	Centre	Arrivals in Bags/Qtl		Change
		Week End 30th May to 05th June 2015	Week End 23th to 29th May 2015	
Soybean				
	Madhya Pradesh	320000	280000	40000
	Maharashtra	60000	65000	-5000
	Rajasthan	30200	47500	-17300
	Bundi (Raj)	710	750	-40
	Baran (Raj)	3000	2300	700
	Jhalawar (Raj)	4300	3200	1100
Rapeseed/Mustard	Rajasthan	840000	940000	-100000

Summer Groundnut Outturn to Fall by 52% in Gujarat - IOPEC

The groundnut outturn in Gujarat is projected lower by 52% in a recent survey by the Indian Oilseeds & Produce Export Promotion Council (IOPEPC). The survey was jointly conducted with the Junagadh Agricultural University as Gujarat is the largest producer of groundnut during summer.

IOPEPC production estimates are higher than the trader's projection. Groundnut output this summer is estimated to be about 91,966 tonnes as against 193,258 tonnes in 2014 by IOPEC which was projected around 75,000-78,000 tonnes this season by trade participants.

The covered area under groundnut crop was lower by 45% cent during summer 2015 at 49,300 hectares compared to 89,500 hectares in 2014.

Further, yield output was hit due to lower than the needed irrigation by several farmers in the region.

IOPEC also found that the farmers were unable to get the quality seed for planting this season and had to go for GG2 and J11 varieties. The recommended ones are TG-37 and TPG41.

The demand for india's groundnut is growing overseas. India exported around 646,114 tonnes of groundnut from April 2014 to February 2015 which was 509,515 tonnes in the same period 2013-14.

IMD Monsoon Forecast

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

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

Soybean

The domestic soybean witnessed gains tracking firm CBOT soybean and IMD's bullish 2nd stage long range South West monsoon rainfall.

In the IMD's Operational 2nd stage long range Forecast for the 2015 Southwest monsoon rainfall is likely to be 88% of the Long Period Average (LPA) compared to the previous forecast of 93% of the LPA.

The distribution of pattern of monsoonal rain is more important for the planting and development of soybean crop. If the monsoon is erratic the event will hit the soybean yield and subsequently production this season, as the kharif oilseeds are rain-fed.

The advent of seasonal rains over the soybean growing region decides the timing of the soybean planting in India, which usually begins in the second half of Jun.

India's soybean planting intention is expected to be near previous season which was about 110.22 lakh hectares and to note that the 2014 area under bean was already 9.8% lower than the 2013.

Besides, India's soybean will closely track the international benchmark, CBOT, and influencing factors like crude.

US soybean planting is underway and both planting and emergence are higher than 5 year average during the same period, which is due to favourable weather, initially, for planting and crop development. Weather in US mid-west needs to be closely monitored which will influence the CBOT in coming days.

But the planting delayed it slowed later. Planting delays in US soybean was due to wet soil after recent precipitation in mid-west and forecast of more rains is a subject of concern.

US soybean planting is reported at 71%, by 31 May, which is slightly above 5 year average of 70% but lower from 75% during the same period last year. Soybean emergence is reported at 49% slightly higher than 5 year average of 45% and above 46% during the same period last year. The factor is bearish for the international soybean for short-term.

Crude oil, WTI- NYMEX, have skid after testing US \$ 63.62 per barrel and it is currently under US \$ 60.

In Argentina, the strike settlement with the crushing working has been made and much of China's demand is presently met from South America.

China is estimated to import a record 77 million tonnes of the oilseed in 2015/16 (Oct-Sept), a surge of 5.5% from the previous year, according to an official published report.

The Argentine government raised its soybean production for the 2014/15 soybean harvest by 1 million tonnes to 60 million tonnes, last week.

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Soy meal

Soy meal rebound in sync with soybean tracking gains in CBOT soy meal and forecast of weaker monsoon followed by prediction of 90% chance of El-Nino in the Northern Hemisphere this season.

Weak and erratic distribution of seasonal rains will negatively hit the soybean yield subsequently leading to lower domestic soy meal production this season.

However, bumper 2014/15 soybean production in US and South America has increased the availability of soy meal at competitive price at which the meal of Indian origin is not available.

The G3 soy meal prices remained competitive since last season, hence, India's soy meal export sales continued to remain weak over a year.

India's monthly soy meal exports in May witnessed gains y-o-y, after several months, showing an increase by 71% over the same period last year.

South Korea's leading feed manufacturer Nonghyup Feed Inc (NOFI) has bought 55,000 tonnes of soy meal which is expected to be sourced from South America, as reported by European trade participants.

The price quoted for the meal was US \$ 377.99/tonne c & f and a US \$1-a-tonne surcharge for additional port unloading for arrival on Oct. 20.

In another consignment South Korea's Korea Feed Association (KFA) has bought 12,000 tonnes of rapeseed meal to be sourced from India.

The meal was quoted at US \$ 299.98/tonne c & f and US \$1.75 a tonne surcharge for additional port unloading for the delivery on July 20.

The KFA also bought additional 50,000 tonnes of soy meal during the last week of May.

The bird flu is still prevalent in South India and the poultry unit owners are cautious in some parts of Kerala and Andhra Pradesh. Reports in other parts of the country off and on negatively affect the poultry production and consumption as well.

We expect India's rapeseed-mustard meal exports to increase in coming months with China's decision of lifting ban on the meal sourced from India which was imposed three years back in 2011 on traces of malachite green.

In a step forward, China and India has signed a sanitary protocol to ensure India's rapeseed meal matches the China's quality standards said China's quality watchdog, the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ).

India's rapeseed meal exports fell from 2011 and China's rapeseed meal imports declined as well after the ban.

China proved to be the largest rapeseed meal buyer of Indian origin.

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

The India's poultry unit owners and cattle feed manufactures 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.

India's soy meal shipment during May, 2015 was 14,045 tons as compared to 8,221 tons in May, 2014 showing a increase by 70.85% over the same period of last year.

Of total oilmeal shipments in May, soy meal comprised of 14,045 tonnes, rapeseed meal (35,188 tonnes), ricebran extraction (2,500tonnes) and castorseed meal was (31,487 tonnes).

On a financial year basis, the export during April 2015 to May 2015 is 32,062 tons as compared to 84,104 tons in the same period of previous year showing a decrease of 61.88%.

During current Oil year, (October – September), total exports during October 2014 to May, 2015 is 5,81,689 tons as against 20,48,685 tons last year, showing a decrease by 71.60%.

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 with firm bias 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 (Jun – Jul delivery) was quoted between Rs 35,750– 36,500/MT compared to Rs 40,500 – 42,500/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 (Jun – Jul delivery) is expected to feature range-bound movement and the quotes are expected to slightly improve and will witness Rs. 36,000 – 36,800/MT levels in the upcoming week. They remained between Rs. 35,750 – 36,500/MT during the week.*

Technical Analysis:

NCDEX Soybean Futures



Soybean Spot, Indore



*Note: Daily Chart

Support & Resistance NCDEX Soybean – Aug. contract

S1	S2	PCP	R1	R2
3750	3640	3870	4204	4309

- Soybean fell consecutive fourth week.
- Prices closed above 9-day and 18-day EMA.
- RSI and stochastic are easing in neutral region.
- MACD is falling in positive territory.
- The prices are expected to feature losses in the coming week.
- Trade Recommendation (NCDEX Soybean – Aug.) Week: SELL Below 3875. Levels: T1 – 3775; T2- 3700, SL -3935.

Trade Recommendation Soybean - Spot: Soybean prices will remain under pressure on bearish global supply scenario and weakness in crude, in coming days. The prices are likely to be in the band of 3900 – 4000 levels (Indore, Plant basis) during the week. The prices remained within the price band of 3850 – 4050 during the week in review.

Rapeseed - Mustard Seed

RM seed continued to post gains on better buying, falling supplies and surge in BMD CPO during the week under review.

Fall in seed production this season and reports of higher palm oil exports from Malaysia and Indonesia ahead *Ramadan* remained positive for the seed.

Further China's decision of lifting the ban on rapeseed meal of Indian origin worked as catalyst in boosting the domestic RM seed prices.

India's rapeseed meal exports fell from 2011 and China's rapeseed meal imports declined as well after the ban.

China proved to be the largest rapeseed meal buyer of Indian origin. The step will certainly lend support to the seed.

The all India seed arrivals have gradually fell and reported total of about 13,40,000 bags during the week under review compared to about 15,10,000 bags previous week. In Rajasthan the supplies were too reported lower at about 8,40,000 bags compared to about 9,40,000 bags previous week.

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 fall in output is due to the yield loss owing to unseasonal rains in Feb. and Mar. this season.

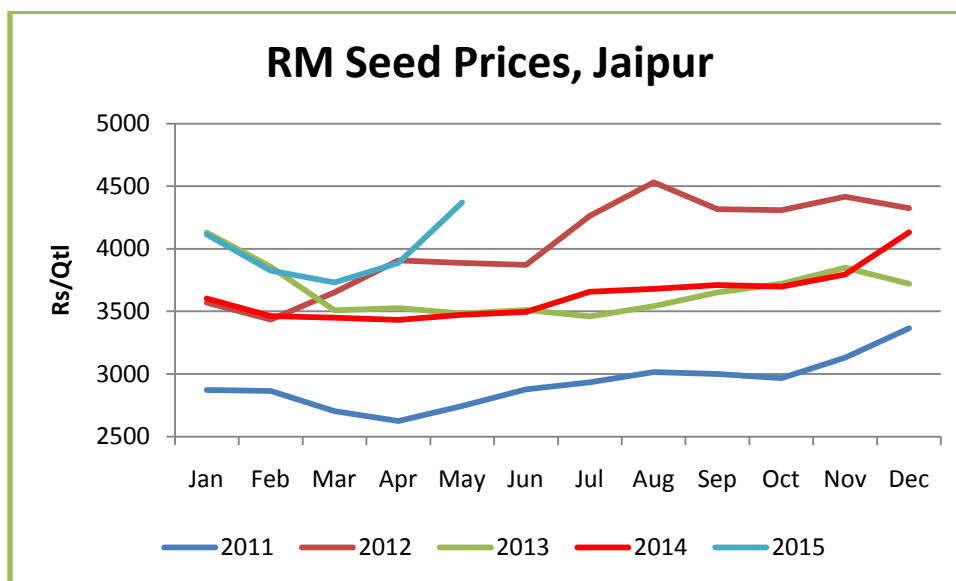
As discussed earlier, the millers and the stockists continued to remain the major buyers who are covering their stocks for future. The medium and long-term outlook for rapeseed-mustard remains stronger owing to the lower seed production this season.

Shipments of Malaysian palm oil products for May increased by 44.7% to 1,553,281 tonnes from 1,073,482 tonnes shipped during April, cargo surveyor Intertek Testing Services reported on 1 Jun 2015.

India imported 1.11 million tons of vegetable oils in April, which was 1.06 million tons in March, according to market participants. The vegetable oils import rose during the period due to higher demand of palm oil. India imported 725, 088 tons of palm oil in April, around 6.3% higher when compared to the exports in previous month, said Solvent Extractors' Association of India (SEA).

Malaysian palm oil inventories are likely to fall in May, with rising palm oil exports above 40% which is the biggest monthly rise in 8-1/2 years.

Better buying in newly harvested seed by the millers and the stockists will boost the seed prices in near to medium-term. Besides, falling Malaysian palm oil inventories with better palm oil exports will lend additional support to the seed prices. However, Malaysia's decision of cancellation on imposing export duty on palm oil may limit the gains.



Technical Analysis:

NCDEX RM Seed Futures



*Note: Daily Chart

RM Seed Spot, Jaipur



Support & Resistance NCDEX RM Seed – Jul. contract

S1	S2	PCP	R1	R2
4048	3926	4243	4400	4500

- RM seed fell on selling pressure.
- Prices closed above 9-day and 18-day EMA.
- RSI and stochastic are easing 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 – Jul.) Week: SELL Below 4245. Levels: Target – 4145; T2- 4100, SL -4305.

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 4600 – 4700 levels during the week. They were between 4570 – 4685 levels during the week under review.

Annexure

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

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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