

Executive Summary

Soybean and meal declined on bearish domestic and global factors while rapeseed-mustard edged-up strong fundamentals during the week under review.

Better than expected rains over the soybean growing region in India remained pressurizing factor for domestic bean. But wet soy field in US mid-west limited the losses in benchmark soybean. Better palm oil exports from Malaysia and Indonesia remained supportive for domestic rapeseed-mustard.

Soybean:

- ❖ The domestic soybean extended losses primarily on better than expected advancement of the seasonal rains, monsoon, towards the soybean growing region, during the week under review.
- ❖ Considering the current scenario, as the delay is not severe, if the monsoon advances at the current pace, the domestic soybean planting will not be hit in coming days.
- ❖ The soybean planting has commenced in Maharashtra and Madhya Pradesh and it is gaining momentum. Rajasthan is yet to start sowing, as farmers were waiting for rain spells which was experienced during the week.
- ❖ However, distribution pattern of the seasonal rains will be a decisive factor in crop development and yield potential.
- ❖ India's actual rainfall for the period 01.06.15 to 19.06.15 is recorded at 93% which is above the normal 84.6% while departure is reported at 10%. Currently, the rains are adequate for soybean planting across the key growing regions.
- ❖ US soybean planting is reported at 87% by 14 Jun which is slightly below 5 year average of 90% and also below from 91% during the same period last year.
- ❖ Argentina's recently harvested 2014/15 soybean crop is estimated at 61 million tonnes by the agriculture ministry, raising its previous forecast of 60 million tonnes.
- ❖ Crude oil, WTI- NYMEX, is hovering around US \$ 60 per barrel and currently at 59.97 which had recovered to US \$ 63 per barrel a couple of weeks back.
- ❖ *Better than expected seasonal rains, higher edible oil imports, lower soy meal shipments, fall in Ramadan palm oil demand and sluggish crude remained bearish for the beans. However, increased soil*

moisture in the US mid-west has hurt the soybean planting and the crop condition which has limited the fall in the beans. Consistent Chinese buying will keep the bean prices stronger too.

Soy meal:

- ❖ The domestic soy meal fell in tandem with soybean followed by weak domestic and overseas demand during the week under review.
- ❖ Better than expected advancement of monsoon and adequate rains last week in the key soy growing regions remained bearish for the meal too.
- ❖ The global soy product supplies scenario including soy meal is expected to remain bearish this season due to record bean production in US and South America.
- ❖ India's soy meal export sales remained weak in the current and last season due to competitive South American soy meal prices.
- ❖ Overall, the domestic meal consumption fell in recent weeks. But, the meal prices have fell in recent weeks too.
- ❖ India's monthly soy meal exports in the month of May witnessed gains y-o-y, after several months, showing an increase by 71% over the same period last year. But, the exports in May were below 5 year average of 10,62,65 MT.
- ❖ A large number of feed manufacturers in South-East Asian countries are aggressively looking to import soy meal at the competitive price.
- ❖ China is expected to place orders for rapeseed meal in coming weeks to give boost in the meal exports.
- ❖ India's soy meal shipment during May, 2015 was 14,045 tons as compared to 8,221 tons in May, 2014 showing an increase by 70.85% over the same period of last year.
- ❖ *The soy meal prices are likely to continue range-bound movement with weak bias followed by improved supply scenario in near-term.*

RM Seed:

- ❖ RM seed edged-up on buying support in the cash market and positive news on palm oil exports from Malaysia and Indonesia.
- ❖ However, the Ramadan demand is over and the palm oil shipments from Malaysia and Indonesia have much reduced from previous weeks, yet the exports from Malaysia and Indonesia are in positive zone from same period last month.
- ❖ According to SGS, Malaysia's June 1-15 palm oil exports rose by 6.7% at 782,854 tons (733,613). European Union imported 152,300 tons (133,930), China 149,770 tons (196,735), India 148,800 tons (162,280), Pakistan 22,300 tons (31,500) and United States 21,650 tons (23,800). Values in bracket imply values of last month.
- ❖ Tight domestic rapeseed-mustard supplies and strong demand from crushers remained bullish for the seed market.
- ❖ 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 1,371,662 tonnes (1,033,550 tonnes) of vegetable oils in May 2015, increase of 33%. Edible oil import was 1,358,688 tonnes (1,022,004 tonnes) in May 2015, rise of 33%. Values in brackets represent values in the same period last year.
- ❖ Further, China is expected to place the rapeseed meal of Indian origin after it has lifted the ban imposed in 2011. This will once again push up India's rapeseed prices in coming days.
- ❖ The all India seed arrivals are gradually falling and they were reported total of about 8,40,000 bags during the week under review compared to about 98,50,00 bags previous week. In Rajasthan the supplies too were reported lower at about 5,15,000 bags compared to about 5,90,000 bags previous week.
- ❖ *The outlook for rapeseed-mustard remains stronger for medium and long-term owing to the tight supplies due to lower production this season. Tight supplies in seed, better Malaysian palm oil exports and China's renewed demand in rapeseed meal of Indian origin will lend support to the rapeseed-mustard prices at higher level. But, higher Malaysian palm oil stock and improved palm oil production will pressurize the domestic seed market.*

International Highlights

- ❖ US soybean planting is reported at 87% by 14 Jun which is slightly below 5 year average of 90% and also below from 91% during the same period last year. Soybean emergence is reported at 75% slightly lower than 5 year average of 77% and below from 81% during the same period last year. Further, about 66% of the crop is under good to excellent condition which was 73% during the same period last year. The factors have turned-up slightly bullish for the international soybean for short-term.
- ❖ China is estimated to import a record 77 million tons of the oilseed in 2015/16 (Oct-Sept), a surge of 5.5% from the previous year, according to an official published report.
- ❖ China, imported 5.31 million tons of soybeans in April, up 18.3 percent from 4.49 million tons in March. Figures from the General Administration of Customs of China showed imports of vegetable oils in April were 520,000 tons, 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 scraping 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.
- ❖ 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 is seen at 32.4 million tons for 2014-15 v/s 30.5 million tons last year and Malaysian palm oil production is seen at 19.4 million tons for 2014-15, down one million tons from last year. Moreover, CPO (at Rotterdam) and RBD palmolein (FOB Malaysia) prices for 2015 is seen at USD 770 /T and USD 750/T respectively.
- ❖ Oil World has estimated that, 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.
- ❖ 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 at 73.5 Mn T in Oct/Sept 2014/15 by the Oil World.
- ❖ The total oil meals consumption of five N. African countries in 2014/15 is estimated at 6.2-6.3 Mn, which has more than doubled within 10 years.
- ❖ India's import requirements of vegetable oils are set to increase to a new high of 12.2 Mn T in 2014/15, as reported by Oil World.
- ❖ Oil World has estimated a combined soy meal imports of 8 key countries in Southeast Asia at a record 16.6 Mn T next season, which is up 1.4 Mn T on the year.
- ❖ The palm oil production in Malaysia is estimated to reach a record 19.7 million tons to 19.9 million tons. Further, Indonesia's output is likely to be at an all-time high of 30.5 million tons or more this year. Production is estimated by Dorab Mistry, Director at Godrej International Ltd. Both the countries account for 86% of 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.
- ❖ Brazil's 2014/15 soybean production is forecasted at 94 million tons, unchanged from a May estimate, by crop analysts FCStone International.
- ❖ Brazil's analyst Abiove raised its estimate for the recent harvested 2014/15 soy crop to 93.06 million tons from the last forecast of 92.69 million tons.
- ❖ AgRural, Brazilian analyst, has estimated Brazil's 2014-15 soybean crop to 93.8 million tons from 93.3 million tonnes earlier. The production is record high, despite late plantings due to stress followed by dry weather initially.
- ❖ Brazil based analyst Safras & Mercado forecasts 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.
- ❖ 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 2013-14. The total oilseeds production includes 310.80 million tons of soybean, 68 million tons of rapeseed, 41.4 million tons of sunflower seed and rests others.
- ❖ As per Agroconsult, Brazil is likely to produce 95.1 million tons of soybeans in 2014-15, up 1 million tons from previous estimates. Moreover, Argentina soybean crop output for 2014-15 is seen at 56.6 million tons.
- ❖ Argentina's 2014/14 soybean crop is forecasted at a record 60.8 million tons by the Buenos Aires Grains Exchange, increasing its last estimate of 60.0 million tons.
- ❖ The Argentine government raised its soybean production for the 2014/15 soybean harvest by 1 million tons to 60 million tons.

Oilseed Prices at Key Spot Markets:

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	19-Jun-15		12-Jun-15		
	Low	High	Low	High	
Indore –Plant	3525	3635	3650	3700	-65
Indore–Mandi	3450	3560	3550	3650	-90
Nagpur-Plant	3550	3600	3650	3700	-100
Nagpur – Mandi	3300	3500	3550	3600	-100
Latur – Mandi	3400	3550	3540	3645	-95
Kota-Plant	3550	3550	3700	3750	-200
Kota – Mandi	3450	3500	3600	3650	-150
Bundi-Plant	3500	3550	3550	3600	-50
Bundi-Mandi	3450	3500	3500	3550	-50
Baran-Plant	3550	3600	3650	3700	-100
Baran-Mandi	3400	3500	3550	3600	-100
Bhawani Mandi Jhalawar–Kota-Plant Delivery	3500	3550	3550	3600	-50
Jhalwar-Mandi	3450	3500	3550	3600	-100
Rapeseed/Mustard					
Jaipur-(Condition)	4535	4540	4520	4525	15
Alwar-(Condition)	4200	4250	4300	4350	-100
SriGanganagar-(Non-Condition-Unpaid)	3900	3950	3950	4000	-50
New Delhi–(Condition)(New Crop)	4340	4350	4390	4400	-50
Kota-Non-(Condition)	4000	4100	3900	4000	100
Agra-(Condition)	4750	4800	4850	4875	-75
Neewai	4150	4180	4150	4200	-20
Hapur (UP)(New Crop)	4500	4550	4550	4600	-50
Groundnut Seed					
Rajkot	880	880	925	925	-45
Sunflower Seed					
Gulbarga	NA	NA	NA	NA	-
Latur	NA	NA	NA	NA	-
Sholapur(New Crop)	3500	3550	3550	3600	-50
Sesame Seed					
Mumbai (White98/2/1	8500	8500	8650	8650	-150

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 13th to 19th June 2015	Week End 6th to 12th June 2015	
Soybean				
	Madhya Pradesh	245000	365000	-120000
	Maharashtra	67000	62000	5000
	Rajasthan	79000	43500	35500
	Bundi (Raj)	375	800	-425
	Baran (Raj)	10500	10200	300
	Jhalawar (Raj)	2800	4400	-1600
Rapeseed/Mustard	Rajasthan	515000	590000	-75000

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

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

The MSP of all the kharif oilseeds have been increased.

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

IMD Monsoon Forecast

In the IMD's Operational 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 extended losses primarily on better than expected advancement of the seasonal rains, monsoon, towards the soybean growing region, during the week under review.

According to the IMD's forecast, India is to receive less seasonal rains than the normal this season due to El-Nino and the normal advancement of the monsoon towards the north may be delayed.

Considering the current scenario, as the delay is not severe, and if the monsoon advances at the current pace, the domestic soybean planting will not be hit in coming days.

The soybean planting has commenced in Maharashtra and Madhya Pradesh and it is gaining momentum. Rajasthan is yet to start sowing, as farmers were waiting for rain spells which was experienced during the week.

However, distribution pattern of the seasonal rains will be a decisive factor in crop development and yield potential.

India's actual rainfall for the period 01.06.15 to 19.06.15 is recorded at 93% which is above the normal 84.6% while departure is reported at 10%. Currently, the rains are adequate for soybean planting across the key growing regions.

India's soybean planting intention is expected to be slightly higher by about 5% due to lower planting intentions in cotton, in the state of Maharashtra, the major area is expected to shift to soybean. India's 2014/15 soybean planting was in 110.22 lakh hectares which was already lower by 9.8% than in 2013.

US soybean planting is reported at 87% by 14 Jun which is slightly below 5 year average of 90% and also lower than from 91% during the same period last year.

US soybean emergence is reported at 75% slightly lower than 5 year average of 77% and lower than 81% during the same period last year. Further, about 66% of the crop is under good to excellent condition which was 73% during the same period last year. The factors have turned-up slightly bullish for the international soybean for short-term.

Argentina's recently harvested 2014/15 soybean crop is estimated at 61 million tonnes by the agriculture ministry, raising its previous forecast of 60 million tonnes.

Brazil is likely to reduce the area planted with soybean in coming season for the first time in nearly a decade, due to higher interest rates and a more selective credit market, according to local consultancy Agroconsult.

Crude oil, WTI- NYMEX, is hovering around US \$ 60 per barrel and currently at 59.97 which had recovered to US \$ 63 per barrel a couple of weeks back.

According to USDA attaché in China, the country is estimated to import a record 77.5 million tonnes of the soybean, 4.5 million tonnes of rapeseed in 2015/16 (Oct-Sept), a surge of 5.5% from the previous year,. China's MY15/16 vegetable oil imports are expected to improve to 8.28 million tons, up by 5.9% from the previous year.

Better than expected seasonal rains, higher edible oil imports, lower soy meal shipments, fall in Ramadan palm oil demand and sluggish crude remained bearish for the beans. However, increased soil moisture in the US mid-west has hurt the soybean planting and the crop condition which has limited the fall in the beans. Consistent Chinese buying will keep the bean prices stronger too.

Soy meal

The domestic soy meal fell in tandem with soybean followed by weak domestic and overseas demand during the week under review.

Better than expected advancement of monsoon and adequate rains last week in the key soy growing regions remained bearish for the meal too.

Informa Economics has lowered their projection of US soybean plantings for 2015/16 at 86.76 million acres from 87.185 million acres previously. Informa's estimate was higher compared to the USDA's 84.635 million acres. USDA will release revised planting estimate on June 30.

The global soy product supplies scenario including soy meal is expected to remain bearish this season due to record bean production in US and South America.

India's soy meal export sales remained weak in the current and last season due to competitive South American soy meal prices.

The chicken and egg prices have surged due to heat wave which has killed above 17 million birds in recent weeks.

Overall, the domestic meal consumption fell in recent weeks. But, the meal prices have fell in recent weeks too.

India's monthly soy meal exports in the month of May witnessed gains y-o-y, after several months, showing an increase by 71% over the same period last year. But, the exports in May were below 5 year average of 10,62,65 MT.

A large number of feed manufacturers in South-East Asian countries are aggressively looking to import soy meal at the competitive price.

China is expected to place orders for rapeseed meal in coming weeks to give boost in the meal exports.

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.

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

Of the total oil meal shipments in May, soy meal comprised of 14,045 tonnes, rapeseed meal (35,188 tonnes), rice bran extraction (2,500tonnes) and castor seed 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 Competitive prices in US, and South American meal followed by record supply scenario.

The soy meal prices are likely to continue range-bound movement with weak bias followed by improved supply scenario in near-term.

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

India's Y-o-Y soy meal prices are lower. Soy meal export price, FOR Kandla (Jun – Jul delivery) was quoted between Rs 32,400 – 34,000/MT compared to Rs 39,000 – 40,500/MT during the same period last year.

Recommendation: *India's soy meal prices continued to remain under global supply pressure. Indian meal exporters are advised to aggressively explore the lost markets of last season especially traditional South and Far-East Asian destinations and Iran. The domestic meal prices are likely to feature range bound movement with weak bias in near-term. FOR, Kandla (Jun – Jul delivery) is expected to feature range-bound movement and the quotes are expected to slightly ease and will witness Rs. 32,000 – 33,500/MT levels in the upcoming week. They remained between Rs. 32,400 – 34,000/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
3342	3250	3506	3844	3957

- Soybean continued fall consecutive sixth week.
- Prices closed below 9-day and 18-day EMA.
- RSI and stochastic are easing in neutral region.
- MACD is falling in negative territory.
- The prices are expected to feature losses in the coming week.
- Trade Recommendation (NCDEX Soybean – Aug.) Week: SELL Below 3510. Levels: T1 – 3410; T2- 3380, SL -3570.

Trade Recommendation Soybean - Spot: Soybean prices will remain under pressure on bearish global supply scenario, better advancement of monsoon and weakness in crude, in coming days. The prices are likely to be in the band of 3400 – 3600 levels (Indore, Plant basis) during the week. The prices remained within the price band of 3475 – 3680 during the week in review.

Rapeseed - Mustard Seed

RM seed edged-up on buying support in the cash market and positive news on palm oil exports from Malaysia and Indonesia.

However, the *Ramadan* demand is over and the palm oil shipments from Malaysia and Indonesia have reduced much from previous weeks. Yet the exports from Malaysia and Indonesia are in positive zone from same period last month.

According to SGS, Malaysia's June 1-15 palm oil exports rose by 6.7% at 782,854 tons (733,613). European Union imported 152,300 tons (133,930), China 149,770 tons (196,735), India 148,800 tons (162,280), Pakistan 22,300 tons (31,500) and United States 21,650 tons (23,800). Values in bracket imply values of last month.

Tight domestic rapeseed-mustard supplies and strong demand from crushers remained bullish for the seed market.

The gains in the seed seemed restricted by higher edible oil imports by India in May and the recent MPOB data; Malaysian palm oil ending stock unexpectedly came higher than expected despite robust increase exports. The ending stocks of May were reported higher by 2.51% m-o-m from 2,189,479 tons to 2,244,524 tons.

The rise in ending stock is primarily due to greater than expected rise in production. Palm oil production rose by 6.92% from 1,693,424 tons to 1,810,692 tons while exports rose by 37.32% from 1,175,248 tons to 1,613,566 tons.

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 1,371,662 tonnes (1,033,550 tonnes) of vegetable oil in May 2015, increase of 33%. Edible oil import was 1,358,688 tonnes (1,022,004 tonnes) in May 2015, rise of 33%. Values in brackets represent values in the same period last year.

Higher imports is due to zero export duty on palm oil by Indonesia and Malaysia (except April 2015) since October 2014 and less demand of CPO for bio diesel, pushed the export of palm oil to India to reduce swelling stock held by the exporting countries i.e. Indonesian and Malaysia. Due to higher prices of oilseeds and lesser realization of oils and meals domestically, resulted in record imports of vegetable oils into India, said Solvent Extractors' Association of India (SEA).

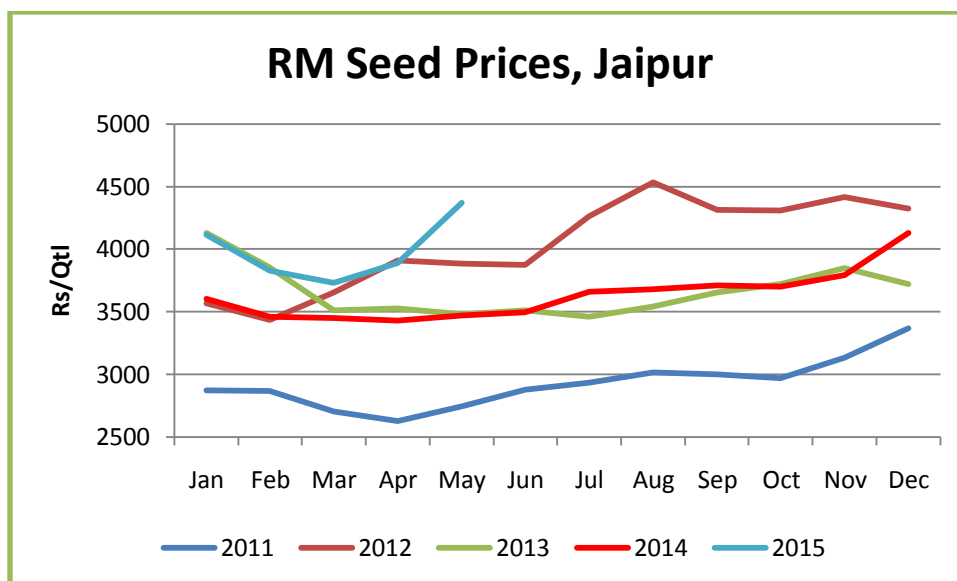
Further, China is expected to place the rapeseed meal of Indian origin after it has lifted the ban imposed in 2011. This will once again push up the India's rapeseed prices in coming days.

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 when exports were on.

The all India seed arrivals are gradually falling and they were reported total of about 8,40,000 bags during the week under review compared to about 98,50,00 bags previous week. In Rajasthan the supplies too were reported lower at about 5,15,000 bags compared to about 5,90,000 bags previous week.

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

Tight supplies in seed, better Malaysian palm oil exports and China's renewed demand in rapeseed meal of Indian origin will lend support to the rapeseed-mustard prices at higher level. But, higher Malaysian palm oil stock and improved palm oil production will pressurize the domestic seed market.



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
3871	3730	4073	4392	4490

- RM seed fell for consecutive third week.
- Prices closed above 9-day and 18-day EMA.
- RSI and stochastic are easing in neutral zone.
- MACD is moving downwards in positive territory.
- The prices are expected to feature losses in the coming week.
- Trade Recommendation (NCDEX Soybean – Jul.) Week: SELL Below 4080. Levels: Target – 3980; T2-3800, SL -4140.

Trade Recommendation RM Seed Spot (Jaipur basis): In spot, the RM seed fell on bearish MPOB data. The seed prices are likely to be between 4530 – 4600 levels during the week. They were between 4535 – 4590 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 Niger seed at Rs 46,00 and 36,00 a quintal respectively. However, the MSP of soybean and groundnut seeds remained unchanged at Rs 2500-60 and Rs 4000 a quintal respectively this season.

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