

Executive Summary

Soybean and meal and rapeseed-mustard witnessed losses during the week under review, primarily on weak global factors.

Greece crisis and fall in the crude by 8% pressured the oilseeds during the week under review. However, few short-term bullish news towards the end of the week limited the losses.

The soybean planting is progressing and nearing completion in India as well as in US, however the weather concern remained has hit the planting pace.

Soybean:

- ❖ The domestic soybean could not sustain at higher level and fell once again on weak international factors during the week under review.
- ❖ The fall in benchmark, CBOT, soybean followed by Greece crisis and fall in crude by 8% pressured domestic soy during the week under review.
- ❖ The USDA monthly demand and supply reports was unexpectedly bearish. The market was expecting US to lower the US soybean yield due to incessant rains in US Midwest, which was not done. However, the MPOB data on demand and supply was bullish with reports of lower inventories and fall in production and higher palm oil exports.
- ❖ The South American soybean exports fell seasonally to about 0.96 million tonnes in June, revealing the the buyers were slightly cautious in placing the orders during the period.
- ❖ As discussed, the US soybean planted area for 2015 is estimated at a record high 85.1 million acres, up by 2% from last year. Area for harvest, at 84.4 million acres, is also up by 2% from 2014 and will be record high, if realized. Record high planted acreage is estimated in Kentucky, Minnesota, Ohio, Pennsylvania, and Wisconsin.
- ❖ The soybean planting in India is progressing ahead with likely rise in the area this year.
- ❖ India's actual seasonal rainfall from 1 June to 10 July 2015 is reported at 245.8 mm compared to 251.8 mm normal and the departure stood at - 2%.
- ❖ Chinese imports of soybeans are likely to reach 9.2 – 9.5 million tonnes in July which is much higher when compared to monthly average of 5.5 – 6 million tonnes.

- ❖ *Higher edible oil imports, lower soy meal shipments will pressurize the domestic soybean market and bearish global soybean supply scenario. However, recent rains in the US Midwest have hurt the remaining soybean planting in the region. This will limit any sharp fall in near-term in addition to better Chinese buying.*

Soy meal:

- ❖ The domestic soy meal fell in tandem with soybean, pressured by weak global factors during the period under review.
- ❖ Further, continued weak soy meal export sales of India followed by offers at competitive price by South America remained bearish for domestic meal.
- ❖ India's oil meal shipment in June fell by 34% compared to the same period last year to 137, 571 tonnes.
- ❖ Of India's total oil meal shipments in Jun, soy meal comprised of 2,098 tonnes, rapeseed meal (56,139 tonnes), rice bran extraction (2,200 tonnes) and castor seed meal was (77,134 tonnes).
- ❖ India's soy meal shipment during June, 2015 was 2,098 tons as compared to 2,637 tons in June, 2014 showing a decrease of 20.41% over the same period of last year.
- ❖ On a financial year basis, the soy meal export during April'2015 to June'2015 is 34,160 tons as compared to 86,741 tons in the same period of previous year showing a decrease of 60.61%.
- ❖ During current Oil year, (October – September), total soy meal exports during October 2014 to June, 2015 is 5,83,788 tons as against 20,51,322 tons last year, showing a decrease by 71.54%.
- ❖ India's soy meal exports commitments continued to remain weak and are not expected to pick-up due to increased global supply scenario led by record soybean production in the key growing areas. This eventually increased the global soy meal supplies at competitive price compared to meal of Indian origin.
- ❖ We expect the domestic soy meal consumption by the poultry industry to rise in coming days, with the likely increase in poultry consumption as the monsoon gripped the whole of India.
- ❖ Considering the current global scenario, we feel, India may not be able to regain its market which it lost last season due to Competitive prices in US, and South American meal led by record supply scenario.
- ❖ The soy meal prices are likely to feature range-bound movement with weak bias due to 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 (Jul. – Aug. delivery) was quoted between Rs 31,000 – 33,000/MT compared to Rs 37,500 – 39,000/MT during the same period last year.*

RM Seed:

- ❖ RM seed fell on cautious buying led by weak international oils and fats market during the period under review.
- ❖ Fall in Malaysian palm oil, BMD CPO; during the week remained the pressurizing factor for the RM seed too. However, the underlying seed fundamentals remain strong as the supplies are tight this season.
- ❖ The all India seed arrivals are gradually falling and they were reported at a total of about 5,85,000 bags during the week under review compared to about 5,90,000 bags previous week. In Rajasthan the supplies too were reported lower at about 3,00,000 bags during the week compared to about 3,20,000 bags previous week.
- ❖ Malaysia's Palm oil ending stocks for June 2015 was at 2,151,287 tons (2,248,577 tons), down 4.33 percent from May 2015. Trade estimates estimated Malaysia's Palm Oil ending stocks at 2.12 million tons. Production for June was at 1,763,928 tons (1,810,709 tons), down by 2.58 percent from May 2015. Exports were higher by 5.19 percent at 1,697,256 tons (1,613,566 tons). Imports were higher by 8.40 percent at 79,396 tons (73,241 tons). Values in brackets are figures of May 2015.
- ❖ China's rapeseed oil reserve policy is reported to be dismantled in 2015-16, according to the International Grains Council.
- ❖ Under this program the Chinese government was buying rapeseed from Chinese farmers since 2009 at prices much higher than international prices.
- ❖ The rapeseed is crushed and the meal is sold immediately while the oil is placed into strategic reserves.

- ❖ IGC estimates that the Chinese government has piled up stock of about six million tonnes of rapeseed oil, which has become costly to maintain.
- ❖ It expects the Chinese government to sell 600,000 tonnes of that oil into the marketplace in 2015-16, which could reduce the amount of canola purchased by the world's largest importer of the product.
- ❖ Tight supplies in seed, overall 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

- ❖ USDA forecast the 2015/16 US soybean harvest at 3.885 billion bushels (Source: USDA).
- ❖ US soybean ending stocks for 2015/16 were estimated at 425 million bushels, down from 475 million a month ago. The average analyst estimate was 370 million bushels (Source: USDA).
- ❖ USDA in its monthly supply and demand report pegged old-crop U.S. soybean ending soybean stocks at 255 million bushels, down from 330 million bushels a month ago and less than the 287 million bushels expected by market watchers. The government raised its estimate of both soybean exports and crush by 15 million bushels (Source: USDA).
- ❖ US soybean planting is reported at 96% by 05 Jul which is lower than the 5 year average of 100% and also lower compared to 100% during the same period last year. Soybean emergence is reported at 93% lower than 5 year average of 97% and which is also below the 97% during the same period last year. Further, about 21% is blooming which is at par with the 5 year average and below the 22% compared to last year. The crop is in 63% good to excellent against 72% during the same period last year. The factors have turned-up slightly bullish for the international soybean for short-term.
- ❖ Brazil exported 9.81 million tonnes of soybeans in June, compared to 9.34 million tonnes in May and 6.89 million tonnes a year ago, the trade ministry said.
- ❖ US soybean stocks as of June 1 were reported at 625 million bushels, up from 405 million bushels a year earlier. The quarterly usage figure of 701 million bushels was the fourth biggest ever for the period.

- ❖ Soybean planted area for 2015 is estimated at a record high 85.1 million acres, up 2 percent from last year. Area for harvest, at 84.4 million acres, is also up 2 percent from 2014 and will be record high, if realized. Record high planted acreage is estimated in Kentucky, Minnesota, Ohio, Pennsylvania, and Wisconsin. USDA will redo its fresh acreage survey in August.
- ❖ Germany's 2015 winter rapeseed crop is expected to decline by 20% from a year earlier to 4.99 million tonnes.
- ❖ 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 by 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 by 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 import of vegetable oils 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 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 of 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 Oil World by 1.3 Mn T to 309.1 Mn T, 24.3 Mn T, 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 the world total supplies.
- ❖
- ❖ EU-28 outturn of rapeseed has ended 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 given the dry weather initially.
- ❖ Brazil based analyst Safras & Mercado forecasts the 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.
- ❖ 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 by 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 2014/15 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	10-Jul-15		3-Jul-15		
	Low	High	Low	High	
Indore –Plant	3475	3525	3550	3630	-105
Indore–Mandi	3360	3450	3380	3480	-30
Nagpur-Plant	3450	3500	3600	3650	-150
Nagpur – Mandi	3350	3450	3200	3400	50
Latur – Mandi	3200	3580	3380	3670	-90
Kota-Plant	3500	3500	3550	3600	-100
Kota – Mandi	3480	3480	3500	3550	-70
Bundi-Plant	3450	3500	3550	3600	-100
Bundi-Mandi	3450	3450	3500	3550	-100
Baran-Plant	3425	3450	3500	3550	-40
Baran-Mandi	3350	3400	3350	3440	-40
Bhawani Mandi Jhalawar–Kota-Plant Delivery	3500	3500	3550	3600	-100
Jhalwar-Mandi	3450	3450	3500	3550	-100
Rapeseed/Mustard					
Jaipur-(Condition)	4580	4585	4585	4590	-5
Alwar-(Condition)	4400	4425	4300	4350	75
SriGanganagar-(Non-Condition-Unpaid)	4080	4100	4000	4050	50
New Delhi–(Condition)(New Crop)	4280	4280	4400	4425	-145
Kota-Non-(Condition)	3900	4050	4000	4100	-50
Agra-(Condition)	4900	4900	4900	4925	-25
Neewai	4200	4200	4200	4250	-50
Hapur (UP)(New Crop)	4480	4500	4600	4625	-125
Groundnut Seed					
Rajkot	980	980	940	940	40
Sunflower Seed					
Gulbarga	2824	3215	NA	NA	-
Latur	NA	NA	NA	NA	-
Sholapur(New Crop)	3450	3450	3400	3450	Unch
Sesame Seed					
Mumbai (White98/2/1	8100	8100	8250	8250	

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 4th July to 10th July 2015	Week End 27th June to 3rd July 2015	
Soybean				
	Madhya Pradesh	320000	432000	-112000
	Maharashtra	30000	35000	-5000
	Rajasthan	72000	70500	1500
	Bundi (Raj)	1000	550	450
	Baran (Raj)	9800	6000	3800
	Jhalawar (Raj)	4400	4800	-400
Rapeseed/Mustard	Rajasthan	260000	320000	-60000

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

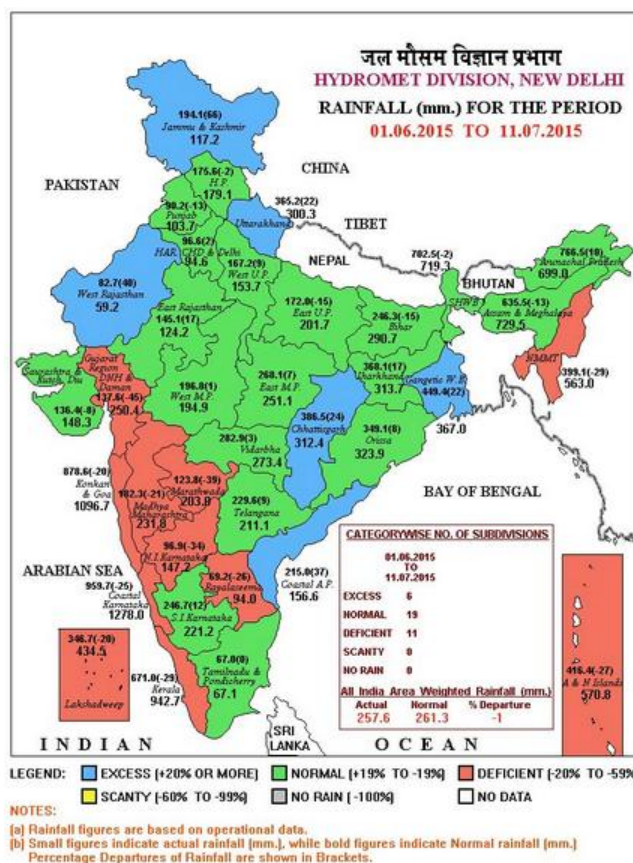
The Cabinet Committee on Economic Affairs has given its approval for the Minimum Support Prices (MSPs) for Kharif Crops of 2015-16 seasons. The decision is based on recommendations of Commission for Agricultural Costs and Prices (CACP) for the Price Policy of Kharif Crops for the Marketing Season 2015-16.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

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

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.



Sown Area – *Kharif* Oilseeds, India

In the official *kharif oilseeds* planting report (week ending 2 Jul 2015), the area coverage under *Kharif* oilseeds is reported at 74.18 lakh hectares, up 403% from 14.72 lakh ha same period last year. Of the major oilseeds, soybean planting is reported up by 1102% at 56.12 lha compared to 4.67 lha during the same period last year. Groundnut at 15.73 lha vs 8.20, sunflower at 0.35 lha vs 0.42 lha, sesamum 1.5 vs 1.09 and castor at 0.42 lha vs 0.34 lha during the same period last year.

Crop	As on 2 Jul 2015	As on 2 Jul 2014	% Change
Groundnut	15.73	8.20	91.8
Soybean	56.12	4.67	1101.7
Sunflower	0.35	0.42	-16.7
Sesamum	1.50	1.09	37.6
Niger	0.06	0.00	
Castor	0.42	0.34	23.5
Total Oilseeds	74.18	14.72	403.9

(Area in lakh hectares) Source: GOI

Soybean

The domestic soybean could not remain at higher level and fell once again on weak international factors during the week under review.

The fall in benchmark, CBOT, soybean led by Greece crisis and fall in crude by 8% pressured domestic soy during the week under review.

The USDA monthly demand and supply reports was unexpectedly bearish as market expected US to lower the US soybean yield followed by incessant rains in US Midwest, which was not done. However, the MPOB data on demand and supply was bullish with reports of lower inventories and fall in production and higher palm oil exports.

The South American soybean exports fell seasonally to about 0.96 million tonnes in June, revealing that the buyers were slightly cautious in placing the orders during the period.

However, the market witnessed some signs of recovery, towards the end of the week, ahead of USDA report which is expected to trim the season's supply and upcoming crop estimates.

Further, forecast of more rains in US Midwest where recent heavy rains flooded soybean fields halted the remaining 4 - 5% planting and pushed up the CBOT soybean prices thus limiting the losses.

US soybean planting is reported at 96% by 05 Jul which is lower than the 5 year average of 100% and also lower compared to 100% during the same period last year.

The soybean emergence is reported at 93% lower than the 5 year average of 97% and which is also below the 97% during the same period last year.

Further, about 21% is blooming which is at par with the 5 year average and lower than 22% compared to last year. The crop is in 63% good to excellent against 72% during the same period last year. The factors have turned-out slightly bullish for the international soybean for short-term.

As discussed, the US soybean planted area for 2015 is estimated at a record high 85.1 million acres, up 2% from last year. Area for harvest, at 84.4 million acres, is also up 2% from 2014 and will be record high, if realized. Record high planted acreage is estimated in Kentucky, Minnesota, Ohio, Pennsylvania, and Wisconsin.

The soybean planting in India is progressing ahead with likely rise in the area this year.

Further, there are fair chances that India's soybean planted area in 2015 will be higher as compared to area under 2014. As per SOPA the area is expected to increase by 7% to 10% to 118 lakh hectares or above.

But the telephonic survey by Agriwatch reveals around 5% increase in India's coverage under soybean due to lower planting intentions in cotton, in the state of Maharashtra, which 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.

India's actual seasonal rainfall from 1 June to 10 July 2015 is reported at 245.8 mm compared to 251.8 mm normal and the departure stood at - 2%.

Central India received rainfall at 247.6 mm compared to 263.7 mm normal while the actual rainfall in Northwest is reported at 143.4 mm vs 126 mm normal. The soy growing belt has been slightly affected due to dry spell for a week or two. The region requires adequate rains for better crop development.

Chinese imports of soybeans are likely to reach 9.2 – 9.5 million tonnes in July which is much higher when compared to monthly average of 5.5 – 6 million tonnes.

China 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.

Brazil has exported 9.81 million tonnes of soybeans in June, compared with 9.34 million tonnes in May and 6.89 million tonnes a year ago; showing that the imports are better than 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.

Higher edible oil imports, lower soy meal shipments will pressurize the domestic soybean market and bearish global soybean supply scenario. However, recent rains in the US Midwest have hurt the remaining soybean planting in the region. This will limit any sharp fall in near-term in addition to better Chinese buying.

Soy meal

The domestic soy meal fell in tandem with soybean pressured, by weak global factors during the period under review.

Further, continued weak soy meal export sales of India led by offers at competitive price by South America remained bearish for domestic meal.

India's oilmeal shipment in June fell 34% compared to the same period last year to 137, 571 tonnes.

Of the total oil meal shipments of India in Jun, soy meal comprised of 2,098 tonnes, rapeseed meal (56,139 tonnes), rice bran extraction (2,200 tonnes) and castor seed meal was (77,134 tonnes).

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On a financial year basis, the soy meal export during April'2015 to June'2015 is 34,160 tons as compared to 86,741 tons in the same period of previous year showing a decrease of 60.61%.

During current Oil year, (October – September), total soy meal exports during October 2014 to June, 2015 is 5,83,788 tons as against 20,51,322 tons last year, showing a decrease by 71.54%.

India's soy meal exports commitments continued to remain weak and are not expected to pick-up due to increased global supply scenario followed by record soybean production in the key growing areas, which eventually increased the global soy meal supplies at competitive price compared to meal of Indian origin.

We expect the domestic soy meal consumption of the Poultry Industry to rise in coming days, with the likely increase in poultry consumption due to the monsoon which gripped the whole of India.

The soy meal exports from Argentina have surged in June after the strike in May which had disrupted the meal shipments from the country during the month.

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

India's rapeseed meal exports are expected see a boost in coming days with China's recent lift in ban from meal of Indian origin. China has identified 5 rapeseed-mustard crushing plants of India for rapeseed-mustard meal imports. This will lend support to the seed prices in cash market.

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

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.

Considering the current global scenario, we feel, India may not be able to regain its market 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 feature 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 (Jul. – Aug. delivery) was quoted between Rs 31,000 – 33,000/MT compared to Rs 37,500 – 39,000/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 (Jul. – Aug. delivery) is expected to witness Rs. 31,500 – 31,800/MT levels in the upcoming week. They remained between Rs. 31,000 – 33,000/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
3310	3100	3501	3878	4027

- Soybean edged-lower on selling pressure in the market.
- Prices closed below 9-day and 18-day EMA.
- RSI is easing in neutral region while stochastic is rising in neutral zone.
- MACD is rising in negative territory.
- The prices are expected to feature gains in the coming week.
- Trade Recommendation (NCDEX Soybean – Aug.) Week: BUY Above 3490. Levels: T1 – 3590; T2- 3690, SL -3430.

Trade Recommendation Soybean - Spot: Soybean prices are expected to feature range-bound movement with weak-bias followed by higher global supply scenario and lower crude. The prices are likely to be in the band of 3600 – 3700 levels (Indore, Plant basis) during the week. The prices remained within the price band of 3400 – 3600 during the week in review.

Rapeseed - Mustard Seed

RM seed fell on cautious buying followed by weak international oils and fats market during the period under review.

Fall in Malaysian palm oil, BMD CPO; during the week remained a pressurizing factor for the RM seed too. However, the underlying seed fundamentals remain strong as the supplies are tight this season.

The all India seed arrivals are gradually falling and they were reported at a total of about 5,85,000 bags during the week under review compared to about 5,90,000 bags previous week. In Rajasthan the supplies too were reported lower at about 3,00,000 bags during the week compared to about 3,20,000 bags previous week.

Malaysia's Palm oil ending stocks for June 2015 was at 2,151,287 tons (2,248,577 tons), down 4.33 percent from May 2015. Trade estimates estimated Malaysia's Palm Oil ending stocks at 2.12 million tons. Production for June was at 1,763,928 tons (1,810,709 tons), down by 2.58 percent from May 2015. Exports were higher by 5.19 percent at 1,697,256 tons (1,613,566 tons). Imports were higher by 8.40 percent at 79,396 tons (73,241 tons). Values in brackets are figures of May 2015.

According to SGS, Palm oil exports from Malaysia fell by 34.7 percent during 1-10 July to 308,875 tons (473,307 tons). Top buyers were China at 89,227 tons (85,010 tons), United States 35,564 tons (21,650 tons), European Union 31,130 tons (86,400 tons), India 10,500 tons (75,300 tons), Pakistan 5,500 tons (22,300 tons). Values in brackets are figures of same period in last month.

The gains in the domestic seed prices will be limited if the Malaysian palm oil exports continues to be sluggish in future. However, the exports remained good in the month of June.

India's edible oil imports remained stronger in recent months. Higher imports are due to zero export duty on palm oil by Indonesia and Malaysia (except April 2015) since October 2014. Besides, 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. 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).

China's rapeseed oil reserve policy is reported to be dismantled in 2015-16, according to the International Grains Council.

Under this program the Chinese government was buying rapeseed from Chinese farmers since 2009 at prices much higher than international prices.

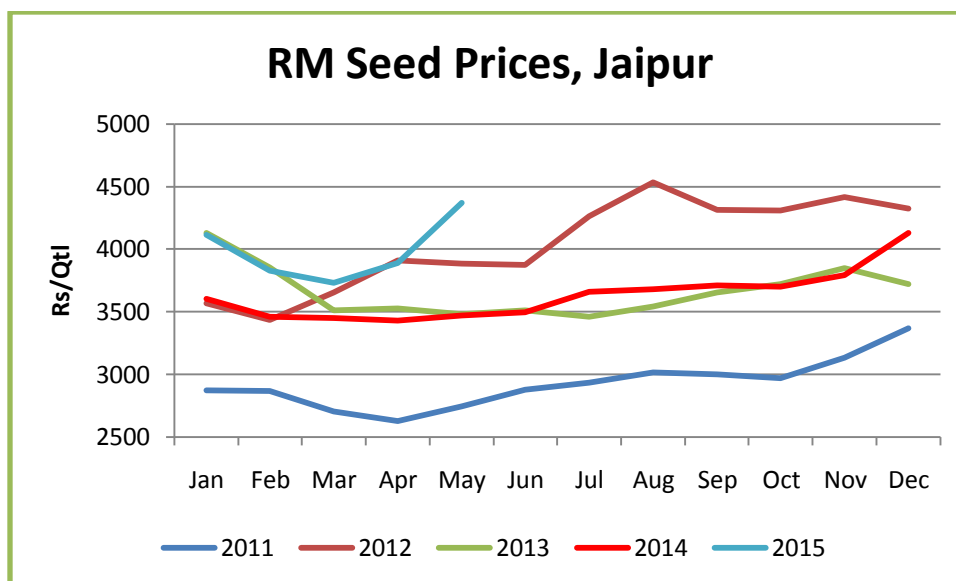
The rapeseed is crushed and the meal is sold immediately while the oil is placed into strategic reserves.

IGC estimates that the Chinese government has stocked up about six million tonnes of rapeseed oil, which has become costly to maintain.

It expects the Chinese government to sell 600,000 tonnes of that oil into the marketplace in 2015-16, which could reduce the amount of canola purchased by the world's largest importer of the product. .

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

Tight supplies in seed, overall 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 – Aug. contract

S1	S2	PCP	R1	R2
3972	3871	4169	4354	4450

- RM seed witnessed side-ways movement.
- Prices closed above 9-day and 18-day EMA.
- RSI and stochastic are flatter 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 – Aug.) Week: BUY Above 4160. Levels: Target – 4260; T2- 4360, SL - 4100.

Trade Recommendation RM Seed Spot (Jaipur basis): In spot, the RM seed is expected to feature range-bound movement on firm bias on bullish domestic supply scenario. The seed prices are likely to be between 4600 – 4700 levels during the week. They were between 4520 – 4585 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

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.

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