

# Oilseeds Weekly Research Report

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## Executive Summary

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Soybean and meal posted gains in tandem in line with higher international oils and fats market during the week under review. However, rapeseed-mustard fell on favourable weather which will improve the crop condition.

The soybean surged at benchmark, CBOT to a four-week high during the week with forecast of more rains during soybean harvesting while BMD CPO featured gains with easing Malaysian palm oil stock.

However, sluggish crude, record production of beans in the key producing countries limited the gains.

The domestic crop prospects of rapeseed-mustard have slightly improved with dip in weather temperature and rains over few key growing belts.

Soybean, meal and rapeseed-mustard are expected to feature range-bound movement with weak bias on Brazil's improved crop condition, weakness in crude, lower soy meal exports from India, higher edible oil stocks with India after huge imports and approaching new rapeseed-mustard marketing season, in near-term.

## Outlook – Cash Market

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**Outlook - Soybean (Spot, Indore):** Soybean prices are expected to feature range-bound movement with weak-bias. Weak soy meal exports, forecast of beneficial rains in Brazil, higher edible oil inventories, higher global supply scenario and weakness in crude will continue to pressurize the market in near-term. The prices are expected to feature mild losses and witness 3650 – 3750 levels (Indore, Plant basis).

**Outlook – Soy meal:** Competitive soy meal price in South America has led to demand shift to the region and Indian meal exports were badly hit last two seasons. Indian meal exporters are advised to explore new markets and aggressively try to regain the lost markets of peak exports season especially traditional South and Far-East Asian destinations and Iran. The domestic meal prices are likely to feature range bound movement in near-term. Soy meal, Indore is expected to witness Rs. 33,500 – 34,000/MT levels during the week.

**Outlook - Rapeseed-Mustard (Spot, Jaipur basis):** In spot, the RM seed is expected to feature losses with arrivals of toria and upcoming new marketing season. Besides higher Malaysian and Indonesian palm oil stocks will continue to pressure the market. The seed prices are likely to be between 4550 – 4600; levels during the week.

## International Highlights

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- ❖ Informa Economics, private analytics, has slashed the US 2016 soybean plantings to 84.537 million acres, from 85.3 million projected in its previous forecast. US cultivators planted 83.2 million acres of soybeans in 2015, according to USDA.
- ❖ China the largest soybean importer is expected to purchase 2 million tonnes more in 2015/16 at 80 million tonnes, up 2.1% compared to 2014/15 on likely higher crushing demand in the new marketing season, said China National Grain and Oils Information Center.
- ❖ Safras & Mercado, Brazilian analyst, has slashed its forecast for Brazil's 2015/16 soybean crop by 561,000 tonnes, citing losses in the Northeast and in parts of top growing state Mato Grosso due to dry weather. Safras & Mercado's production estimates are still record crop of 99.8 million tonnes which is lower 0.56% from the December forecast of 100.4 million tonnes.
- ❖ Lanworth, US crop forecaster has projected Brazil's 2015/16 soybean production to a record 103.0 million tonnes just after Conab, the Brazil government's crop supply agency, reduced its projections citing dry weather in top soy growing belts in November and December.
- ❖ Conab, the Brazil government's crop supply agency, has slashed Brazil's 2015/16 soybean production forecast to 102.1 million tonnes from 102.5 million projected in December.
- ❖ AgRural, Brazilian consultancy, has slashed its forecast for the 2015/16 soybean crop to 98.7 million tonnes from 99.7 million citing incessant irregular rains over the major soybean growing states including Mato Grosso, Maranhao, Tocantins, Piaui and Bahia.
- ❖ Franca Junior has lowered its forecast for Brazil's 2015/16 soybean crop to 97.9 million tonnes from 101.1 million in its previous estimate.
- ❖ Brazil is expected to export 55 million tonnes of soybean in 2015/16 higher compared to 53.8 million tonnes forecasted in October by Abiove.
- ❖ FCStone has slashed 1 million tonnes of their forecast for Brazil's 2015/16 soybean crop to 97.8 million tonnes followed by initial losses on yield output due to dry weather condition in the key soybean growing areas in November and December.
- ❖ However, Informa has kept its Brazil's soybean forecast of 2015/16 unchanged at 101.4 million tonnes.

- ❖ Celeres has raised their 2015/16 projections for Brazil's production to 101.9 million tonnes from 97.1 million tonnes earlier.
- ❖ EU soybean purchases are seen increasing to 14.6 Mn T this season and crushings may improve by 1.0 Mn T to a multi-year high of 15.0 Mn T.
- ❖ Ukraine's soybean harvest is expected to increase by 30% to 4.92 million tonnes while sunflower seed production is likely to increase by 6% to 12 million tonnes, said UkrAgroConsult.
- ❖ This will certainly increase the sunoil supplies and bean exports from the country in 2016, like in 2013.
- ❖ According to Indonesian Palm Oil Board, Indonesia's palm oil output in 2016 will be at 33 MMT, 5.00 lakh tons lesser than previously estimated 33.5 MMT due to El Nino. Current year output forecast is at 31.5 MMT.
- ❖ According to Indonesia Palm Oil Association, Indonesia's 2016 palm oil production has been estimated at 31-31.5 MMT v/s 32.5 MMT in 2015 down due to El Nino.
- ❖ Argentina's area under soybean is likely to be at 19.8 million hectares in 2015/16 season, which is 1% lower than the last season. The area is estimated by Buenos Aires Grains Exchange.
- ❖ As per Rosario grains exchange, Argentina's 2015/16 area coverage under soybean is expected to be at 20.5 million hectares from 20.2 million hectares in the corresponding period last year.

## Sown Area – *Rabi* Oilseeds, India

In the official *Rabi oilseeds* planting report, by the Ministry of Agriculture, (week ending 15 Jan. 2016), the total coverage area under *Rabi* oilseeds is reported at 74.91 lakh hectares, down 4.1% from 77.90 lakh ha in the corresponding period of last year. Of the major oilseeds, rapeseed-mustard sowing is reported down by 3.3% at 62.87 lha compared to 64.99 lha during the corresponding period of last year. Groundnut at 3.98 lha vs 4.89 lha, safflower at 1.07 lha vs 0.95 lha, sunflower at 2.83 lha vs 2.69 lha, sesamum 0.49 vs 0.75 and Linseed at 2.87 lha vs 3.04 lha during the same period last year.

### State wise Area Covered under Kharif Oilseeds for Week Ending as on 15 Jan. 2016

*Area in Lakh Hectares*

State	Rapeseed/Mustard		Groundnut		Safflower		Sunflower		Sesamum		Linseed		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Andhra Pradesh	0.01	0.00	0.70	0.55	0.00	0.01	0.13	0.31	0.07	0.31	0.00	0.00	1.02	1.26
Arunachal Pradesh	0.30	0.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.30	0.28
Assam	2.06	3.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.06	3.07
Bihar	1.23	1.22	0.00	0.00	0.00	0.00	0.03	0.02	0.00	0.00	0.37	0.33	1.63	1.57
Chhattisgarh	1.21	1.30	0.09	0.09	0.06	0.07	0.05	0.03	0.02	0.02	0.47	0.56	1.94	2.11
Gujarat	1.86	1.93	0.00	0.00	0.00	0.06	0.00	0.00	0.00	0.00	0.00	0.00	2.06	2.14
Haryana	5.80	5.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.80	5.25
Himachal Pradesh	0.04	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.03
J&K	0.31	0.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.31	0.29
Jharkhand	1.79	0.80	0.00	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.25	0.20	2.05	1.01
Karnataka	0.00	0.00	0.43	0.61	0.50	0.35	2.13	1.88	0.00	0.00	0.06	0.05	3.14	2.91
Kerala	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

<b>Madhya Pradesh</b>	6.23	6.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.17	1.14	7.40	7.77
<b>Maharashtra</b>	0.00	0.00	0.00	0.00	0.47	0.40	0.17	0.16	0.01	0.01	0.16	0.18	0.90	0.83
<b>Odisha</b>	0.84	1.01	0.74	0.91	0.00	0.00	0.06	0.05	0.22	0.25	0.08	0.19	1.99	2.45
<b>Punjab</b>	0.40	0.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.54	0.30
<b>Rajasthan</b>	24.25	26.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	24.26	26.42
<b>Tamil Nadu</b>	0.00	0.00	0.81	1.28	0.00	0.00	0.05	0.06	0.12	0.13	0.00	0.00	1.00	1.48
<b>Telengana</b>	0.00	0.01	1.02	1.28	0.03	0.05	0.05	0.10	0.01	0.02	0.00	0.00	1.12	1.48
<b>Uttar Pradesh</b>	11.22	11.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.19	0.32	11.41	11.74
<b>Uttarakhand</b>	0.18	0.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.18	0.18
<b>West Bengal</b>	4.76	4.74	0.19	0.17	0.00	0.00	0.14	0.09	0.01	0.02	0.05	0.05	5.22	5.09
<b>Others</b>	0.38	0.13	0.00	0.00	0.00	0.00	0.02	0.00	0.02	0.00	0.06	0.00	0.00	0.13
<b>All-India</b>	<b>62.87</b>	<b>64.99</b>	<b>3.98</b>	<b>4.89</b>	<b>1.07</b>	<b>0.95</b>	<b>2.83</b>	<b>2.69</b>	<b>0.49</b>	<b>0.75</b>	<b>2.87</b>	<b>3.04</b>	<b>74.91</b>	<b>77.79</b>

## Soybean

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Soybean edged-up primarily tracking gains in the international benchmark, CBOT, and better domestic soy meal demand, during the period under review.

Further, the bean supplies were lower in the key cash market centers during the week compared to previous week.

The seasonal rise in domestic poultry consumption eventually leads in fresh local soy meal demand lending some support to the domestic soy products.

However, overseas demand for Indian soy meal still continues to be poor and the shipments are multi-year low due to the demand shift to South America owing to the competitive meal price and fall in the non-GM meal demand from the traditional buyers like Japan and South East Asian countries in huge volume.

Besides, continued edible oil imports in higher volume and huge stocks at India ports limited the gain in beans.

India's December 2015 edible oil imports too rose by 25.2% y-o-y to 14.07 lakh tons from 11.24 lakh tons in December 2014. Edible oil imports for first two months of the oil year 2015-16 rose by 20.54% y-o-y to 27.40 lakh tons from 22.73 lakh tons in first two months of oil year 2014-15.

The major solvent extractors continued to refrain from aggressive buying and crushing while most of the crushing units are running at much lower crushing capacity and some are closed.

ADM continues to have selling interest in soybean from Dewas, Khandwa and Mandsaur on as is where is basis even this week. ITC was out of the market to buy the bean this week.

The major buyers in Madhya Pradesh are as follows: Amrit Mandsaur, ABIS Rajnandgaon, Laxmi Solvex, Sanwariya – Itarasi, SSA Mandideep, Adani, Cargill, Adani, Bansal, Khandwa Oil, Ruchi, Agrawal Neemuch, Betul Oil, Prakash, Bajrang, Prestige, Ambuja, Prakash, Sitashri, Divya Jyoti, AV Agro, Rama Sitashri Vippy, Kriti, Mahakali, Mahalaxmi, Dhanuka, Khyati, Premier, Dhan Laxmi, Dhanuka Soy, Indian Solvent (ABIS) and Advantage Overseas (10-2-2 specification) for Dewas and Mandsaur delivery during the week.

The domestic soybean prices are likely to feature range bound movement with weak-bias on weak crusher's demand and bearish global factors in upcoming weeks.

### **International:**

The international soybean witnessed range-bound movement with firm bias during the week under review. CBOT soybean climbed to a four-week high on rain forecasts during soybean harvesting in Brazil. However, the gains were restricted by weak Chinese economic data.

There are forecast of more rains in Brazil's center-west in coming days, this will help some newly planted areas to recover the losses due to dry weather in previous months, but at the same time the event has raised much concern for the matured soybean crop ready to be harvested.

Informa Economics has raised its 2016 US soybean planting forecast to 85.23 million acres from 84.537 million in December. This indicates likely record US soybean production in 2016.

Agroconsult has cut its estimate for the Brazil's 2015/16 soybean crop to 99.2 million tonnes from 100.6 million tonnes in October due to irregular rains in top growing state Mato Grosso.

Safras & Mercado, Brazilian analyst, has slashed its forecast for Brazil's 2015/16 soybean crop by 561,000 tonnes, citing losses in the Northeast and in parts of top growing state Mato Grosso due to dry weather. Safras & Mercado's production estimates are still a record crop of 99.8 million tonnes which is lower 0.56% from the December forecast of 100.4 million tonnes.

Lanworth, US crop forecaster has projected Brazil's 2015/16 soybean production at a record 103.0 million tonnes just after Conab, the Brazil's government crop supply agency, reduced its projections citing dry weather in top soy growing belts in November and December.

Conab, has slashed Brazil's 2015/16 soybean production forecast to 102.1 million tonnes from 102.5 million projected in December.

FCStone has slashed 1 million tonnes of their forecast for Brazil's 2015/16 soybean crop to 97.8 million tonnes followed by initial losses on yield output due to dry weather condition in the key soybean growing areas in November and December.

However, Informa has kept its Brazil's soybean forecast of 2015/16 unchanged at 101.4 million tonnes.

AGR Brasil has slightly raised its soybean forecast of Brazil's 2015/16 to 100.6 million tonnes from 100.5 million.

The global supplies of soybean would still be ample even if Brazil's soybean crop outturn falls by 3 – 5 million tonnes from the private estimates.

Brazil is expected to export 55 million tonnes of soybean in 2015/16 up compared to 53.8 million tonnes forecasted in October by Abiove.

According to cereal exporters association of Brazil-ANEC, Brazil is estimated to export 57 MMT of soybean in 2016. Most of the shipments will be from new northern ports exporting, 4.00 MMT higher than last year. Brazil's largest port (Santos) is running at full capacity and rains in south Brazil on El Nino is expected to slow exports from Sao Francisco do Sul, Rio Grande and Paranagua ports. Shipments of soybean slowed down in December on higher shipments of corn.

Argentina has eased the soybean import policies, said the government, this is a step to boost the exports of Argentina's soy meal livestock feed and soy oil during harvesting period when one third of the processing units are idle.

The measure is in addition to the latest free-market reform introduced by the newly elected government headed by the President Mauricio Macri, easing controls on farm sector.

Earlier government had restricted the soybean imports from the neighboring producing countries like Brazil, Paraguay.



The step is expected to negatively affect the trade volume of grain trading giants like Bunge, Cargill which have presence in these countries.

Argentina's 2015/16 soybean production is estimated near 60 MMT which is below last year production of 61.4 MMT, the estimates are by the government agency.

Argentina has estimated soybean area at 20 million hectares, according to Argentina government. This would mean that production estimate could be revised higher depending on the crop situation.

World's top soy importer, China is expected to import record volumes of the oilseed again this season as crushers take advantage of overseas supplies at attractive price to meet nearly all the demand for protein-rich meals.

China has reportedly imported 9.12 million tonnes of soybean in December 2015, which is the second largest volume in a month pushing total 2015 imports to a record of 81.69 million tonnes.

The imports were up 6.9% compared to the corresponding period last year. China is expected to import more than 82 million tonnes on improving soy meal demand followed by rising hog stocks.

The demand is better than the initial market expectations. China's crushing industry is expected to grow by 10% in 2016 to a capacity of 179 million tonnes. The capacity increased by 4% to 162 million tonnes in 2015.

China imported around 78.36 million tonnes of soybean previous season, i.e. between October and September.

As discussed earlier, that the projected growth of 2.1 percent is the lowest since 2011/12 as the country's overall economy is slowing.

The rise in demand is cited due to higher than expected demand for soy meal due to rise in China's hog stocks.

However, the projected growth of 2.1% is the lowest since 2011/12 due to sluggish Chinese economy.

*Improved soybean crop health in Brazil, lower crude, higher soybean inventories in Argentina and Brazil, higher inventories of edible oils at Indian ports, poor soy meal shipments from India will continue to keep the soybean prices under pressure in near-term.*

## Soy meal

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Firm sentiments featured in the domestic soy meal on better domestic demand during the week under review.

Better domestic meal demand mainly from poultry units and feed manufacturers remained positive for the meal. Seasonal rise in poultry consumption has eventually pushed up the demand, but the gains were limited in likely higher

The domestic poultry consumption increases during winter which eventually pushes up the soy meal demand.

The meal prices of Maharashtra centers continued to be at premium compared to the centers in Madhya Pradesh due to the proximity to South India where the poultry units are concentrated. At Latur and Sholapur, Maharashtra soy meal was quoted at Rs 36,000/MT compared to Rs 33,800/MT in Indore, M P. on Saturday.

There is a freight advantage for the South-Indian poultry units from Maharashtra over Madhya Pradesh.

India's soy meal prices are dearer and are unlikely to get competitive to South American meal prices due to higher productivity in soybean in South America and demand shift towards the region. On the other hand India's soy meal exports continues to be weak on poor overseas demand for non-GM meal of Indian origin.

The overseas buyers of Indian soy meal were limited to Thailand, Kenya, Taiwan, Tanzania, Sri Lanka, Oman, Kuwait, New Zealand and Peru in December.

India's export enquiries continued to be poor for future delivery, this indicates the exports are unlikely to recover in near-term.

***India's soy meal exports during December, 2015 was just 5,667 tons as compared to 1,94,012 tons in December, 2014 showing a decrease of 97% over the same period of last year.***

***On a financial year basis, the export during April 2015 to December 2015 is 61,559 tons as compared to 4,31,368 tons in the corresponding period of previous year showing a decrease of 85.73%.***

***During current Oil year, (October – September), total exports during October 2015 to December, 2015 is 18,814 tons as against 3,34,508 tons last year, showing a decrease by 94.37%.***

The demand shift to South America for meal due to the attractive offer price compared to India is the major reason for the decline in the meal exports.

*Considering the bearish global supply scenario, we feel, India may not be able to regain the market it lost last season due to competitive prices in South American and China's.*

*Preference of the soy meal of Indian origin mainly by the South-East countries due to logistic and freight advantage and demand for non-GMO meal has lost the ground owing to much higher soy meal price of Indian origin compared to the South American meal. Iran, Japan, Europe, Thailand, Vietnam, Indonesia and South Korea were the major destinations for Indian soy meal exports, whose demand shifted to South America.*

India's Y-o-Y soy meal prices, Indore, are lower. Soy meal export price, Indore was quoted higher between Rs 33,500 – 34,000/MT compared to Rs 27,500 – 29,000/MT during the corresponding period last year.

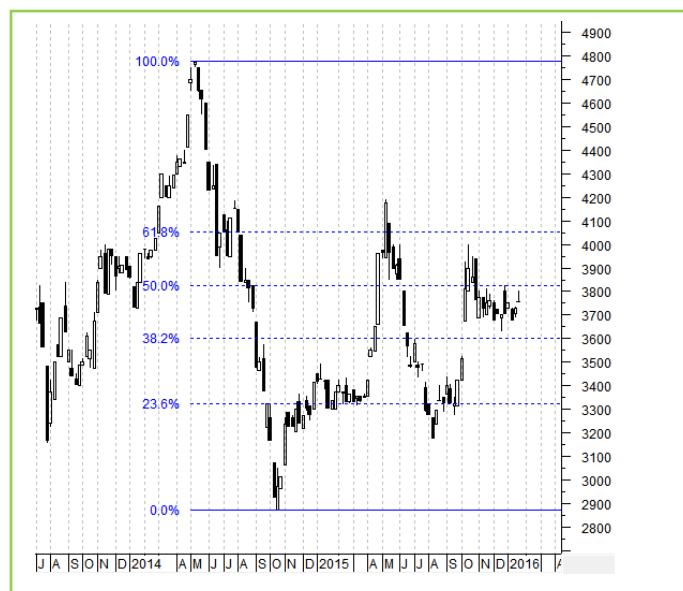
*The soy meal prices will feature range-bound movement with weak bias on sluggish exports from India and bearish global supply scenario in near -term.*

## Technical Analysis:

### NCDEX Soybean Futures



### Soybean Spot, Indore



\*Note: Daily Chart

### Support & Resistance NCDEX Soybean – Feb. contract

S1	S2	PCP	R1	R2
3520	3410	3790	3917	4045

- Soybean featured mild gains during the week.
- Prices closed below 18-day EMA.
- RSI and stochastic are slightly rising in neutral region.
- MACD is falling in the negative territory.
- The prices are expected to feature losses in the coming week.
- Trade Recommendation (NCDEX Soybean – Feb.) Week: **SELL** Below 3890. Levels: T1 – 3790; T2- 3750, SL - 3950.

## Rapeseed - Mustard Seed

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Rapeseed-mustard witnessed losses after weather turned favourable for the standing domestic crop, during the period under review.

The much needed dip in weather temperature and rains over key seed growing bets during the week remained positive for the crop which is mostly under maturity condition.

This has improved the productivity prospect of the crop. Earlier, the weather temperature was higher by about 5 – 6 degrees Celsius in Uttar Pradesh, Madhya Pradesh, Haryana and West Bengal.

We feel the current weather pattern will limit the yield losses, but the production is likely to fall due to overall reduction in the planted area this season.

In the official planting report of the ministry of agriculture, dated 15 Jan. 2016, India's planted area under rapeseed-mustard is reported down by 3.3% at 62.87 lakh hectares compared to 64.99 lakh hectares during the corresponding period last year.

*India's total 2014/15 area under rapeseed-mustard stood at 65.17 lakh hectares lower by about 9% from 2013/14 area of 71.0 lakh hectares.*

*We expect 2015/16 area under rapeseed-mustard to near previous year's level of 65.0 lakh hectares as the farmers' planting intentions reduced from initial figures owing to the inadequate soil moisture followed by weak monsoon.*

The harvesting of *toria*, of mustard family, has commenced which has been additionally pressured the seed market.

However, the harvesting of rapeseed-mustard is expected to be delayed by 15 – 20 days this season, due to the delayed planting this season. Normally the early sown crop is harvested towards the end of January or early February. We expect it by 15 February.

Malaysia's palm oil production could rise to 20.1 MMT in 2016 from 19.96 MMT in 2015. Matured area is expected to influence crude oil production. Matured area will increase by 3 percent, especially in Sarawak, according to the board. Malaysia's output of palm oil in 2015 was 19.96 MMT, up 1.5 percent y-o-y, said Malaysian Palm Oil Board (MPOB).

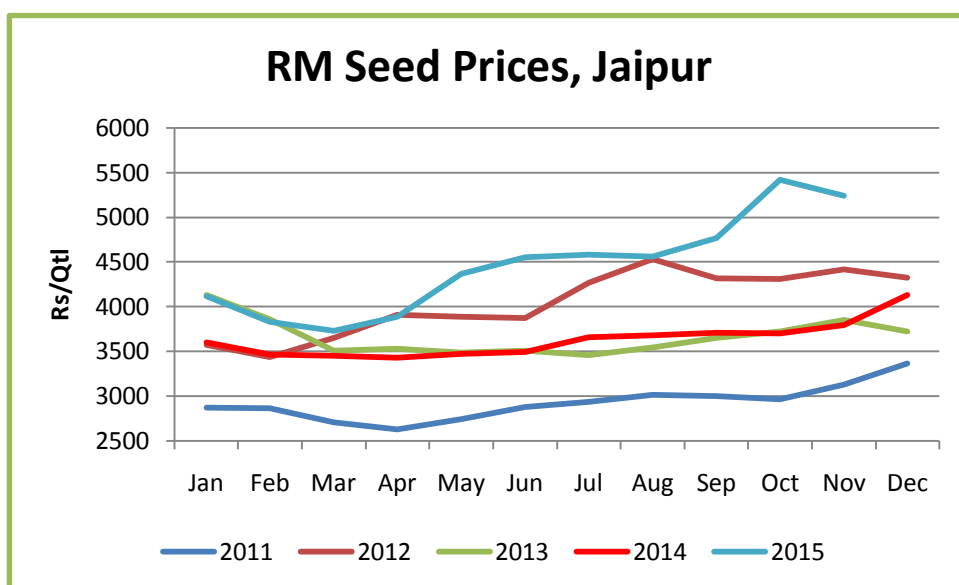
India's December 2015 edible oil imports rose by 25.2 percent y-o-y to 14.07 lakh tons from 11.24 lakh tons in December 2014. Edible oil imports for first two months of the oil year 2015-16 rose by 20.54 percent y-o-y to 27.40 lakh tons from 22.73 lakh tons in first two months of oil year 2014-15.

Soy oil imports rose to 4.91 lakh tons (0.97 lakh tons), up by 406 percent y-o-y. Palm oil imports fell by 6.5 percent y-o-y to 7.88 lakh tons (8.39 lakh tons). Sunflower oil imports fell 46 percent y-o-y to 1.02 lakh tons (1.52 lakh tons). Rapeseed (Canola) oil imports fell by 38.46 percent y-o-y to 0.26 lakh tons (0.36 lakh tons). Values in brackets are figures of December 2014, reports Solvent Extractors Association (SEA).

India's stock at ports and in pipelines rose to 2.51 MMT on 1st January, 2016 from 2.43 MMT on 1st December, 2015. Stocks at ports and in pipelines are at record levels. Stocks at all ports is estimates at 1.11 MMT tons (CPO 0.52 MMT, RBD Palmolein 0.20 MMT, Degummed Soybean Oil 0.25 MMT, Crude Sunflower Oil 0.10 MMT and 0.04 of Rapeseed (Canola) Oil) and around 1.40 MMT in pipelines. Stocks at ports and in pipelines are estimated at 47 days of India's edible oil consumption on 1st January, 2016 v/s 44 days requirement on 1st December, 2015. India's monthly requirement is around 1.6 MMT, reports Solvent Extractors Association (SEA).

Malaysia and Indonesia have kept the export duty on crude palm oil unchanged at zero for February and considering the current palm oil inventories. In Malaysia the tax is calculated at a reference price of 2,153.74 ringgit (\$489.88) per ton. Prices above 2,250 ringgit per ton will be taxed starting from 4.5 percent to a maximum of 8.5 percent. This is the tenth month since April when export duty on exports of palm oil was kept at zero. Malaysia intends to reduce its swelling stocks of palm oil by reducing the duty to zero.

According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's January 1-20 palm oil exports fell by 10.5 percent at 666,288 tons from 744,563 tons in the corresponding period last month. Top buyers were European Union at 138,563 tons (222,005 tons), India at 102,500 tons (112,800 tons), China at 85,607 tons (20,100 tons), United States at 44,335 tons (70,042 tons) and Pakistan at 17,000 tons (25,000 tons). Values in brackets are figures of the corresponding period last month.



**Outlook:** The rapeseed-mustard will continue to remain under pressure on fall in mustard oil demand, weakness in soybean and higher edible oil stocks at Indian ports after huge imports.

## Technical Analysis:

### NCDEX RM Seed Futures



\*Note: Daily Chart

### RM Seed Spot, Jaipur



### Support & Resistance NCDEX RM Seed – Apr. contract

S1	S2	PCP	R1	R2
3900	3850	4003	4251	4315

- RM seed extended losses, during the week.
- Prices closed below 18-day EMA.
- RSI and stochastic are falling in neutral zone.
- MACD is falling in negative territory.
- The prices are expected to feature losses during the week.
- Trade Recommendation (NCDEX Rapeseed-Mustard – Apr.) Week: **SELL** Below 4100. Levels: Target – 4000; T2- 3950, SL - 4160.

## Annexure

**Oilseed Prices at Key Spot Markets:**

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	22-Jan-16		15-Jan-16		
	Low	High	Low	High	
Indore –Plant	3700	3800	3670	3800	Unch
Indore–Mandi	3650	3750	3500	3700	50
Nagpur-Plant	3750	3800	3700	3750	50
Nagpur – Mandi	3210	3720	3160	3670	50
Latur – Mandi	3400	3841	3350	3839	2
Kota-Plant	3675	3700	3675	3720	-20
Kota – Mandi	3500	3600	3400	3600	Unch
Bundi-Plant	3650	3675	3600	3650	25
Bundi-Mandi	3550	3600	3500	3550	50
Baran-Plant	3600	3700	3725	3750	-50
Baran-Mandi	3450	3570	3400	3620	-50
Bhawani Mandi Jhalawar–Kota-Plant Delivery	3625	3700	3675	3700	Unch
Jhalwar-Mandi	3500	3650	3500	3650	Unch
Rapeseed/Mustard					
Jaipur-(Condition)	4625	4630	4800	4805	-175
Alwar-(Condition)	4300	4400	4400	4500	-100
SriGanganagar-(Non-Condition-Unpaid)	4075	4100	4200	4300	-200
New Delhi–(Condition)(New Crop)	4350	4400	4500	4525	-125
Kota-Non-(Condition)	4100	4300	4100	4150	150
Agra-(Condition)	4800	4900	5000	5050	-150
Neewai	4300	4350	4375	4400	-50
Hapur (UP)(New Crop)	4400	4500	4550	4575	-75
Groundnut Seed					
Rajkot	900	900	910	910	-10
Sunflower Seed					
Gulbarga	3320	3512	3314	3512	Unch
Latur	3500	3851	3200	3884	-33
Sholapur(New Crop)	3800	3825	3725	3750	75
Sesame Seed					
Mumbai (White98/2/1	6000	6000	6100	6100	-100

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
		16th to 22nd Jan 2016	9th to 15th Jan 2016	
Soybean				
	Madhya Pradesh	255000	175000	80000
	Maharashtra	210000	210000	Unch
	Rajasthan	125000	90000	35000
	Bundi (Raj)	1050	500	550
	Baran (Raj)	6900	8000	-1100
	Jhalawar (Raj)	7200	6700	500
Rapeseed/Mustard	Rajasthan	210000	140000	70000

## MSP of 2015/16 Kharif Oilseeds Increased

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/qtl from previous season to Rs 2600/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.

## 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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