

# Oilseeds Weekly Research Report

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## Executive Summary

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Soybean, meal and rapeseed-mustard witnessed losses on expectation of higher domestic soybean and other kharif oilseeds production. Besides, soy meal exports from India continued to be weak.

The domestic soybean crop is under development phase and it is in good condition, in the key growing belts. The crop is in blooming stage, and needs rain in Maharashtra, after a dry spell of 15 in most of the parts days. However, adequate soil moisture is reported in Madhya Pradesh and Rajasthan.

Forecast of record US soybean production for the upcoming season remained bearish for the international as well as the domestic bean.

The fall in the rapeseed-mustard consecutive second week is witnessed as prices reached overbought region making them vulnerable for correction, after continued rally in previous weeks.

We feel the rapeseed-mustard prices will rebound on festive mustard oil demand.

The domestic soybean and meal are expected to feature range-bound movement with weak on expectation higher soybean production prospects.

Rapeseed-mustard will rebound near to medium-term, on miller's demand to meet the upcoming mustard oil demand.

## Outlook – Cash Market

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**Outlook - Soybean (Spot, Indore):** Likely higher domestic soybean crop this season, weak soy meal exports, higher inventories in edible oils, expected record US soybean production, lower crude will pressurize the domestic soybean to some extent. The prices are expected to feature range bound movement and witness 3500 – 3600 levels (Indore, Plant basis).

**Outlook – Soy meal:** Expectation of higher crushing on likely good soybean production on better distribution of seasonal rainfall in the key soybean domestic regions and weak soy meal exports is restricting gains in the domestic soy meal. 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 including Japan in the upcoming season. The domestic meal prices are likely to feature range bound movement with weak bias in near-term. Soy meal, Indore is expected to be in the range of 31500 – 32,000/MT levels during the week.

**Outlook - Rapeseed-Mustard (Spot, Jaipur basis):** Recovery after the recent correction can't be ruled out. Likely strong miller's buying to meet the fresh mustard oil demand during monsoon and upcoming festivities will push up the seed prices. The seed prices are likely to be between 5080 – 5130; levels during the week.

## AW Oilseeds Index – 14 August 2016

The Agriwatch Agri Commodities Index edged up 0.17% to 119.14 during the week ended August 13, 2016 from 118.94 during the previous week led by firm edible oils. The base for the Index and all sub-Indices is 2014 (= 100).

In the commodity group sub-index, Oilseeds Index stood at 115.28 (-0.12%) week-on-week.



"Agriwatch has recently launched its AW Agri Commodity Indices to enable organizations access independent Indices to track and use to benchmark their purchases and sales. The Indices are based on the daily prices in the key benchmark markets for each commodity that AW has been covering for the past decade. The indices include an Aggregate Index, Category Indices and individual commodity indices. The weekly indices are free to access on our website [www.agriwatch.com](http://www.agriwatch.com). The daily indices are available on subscription. Please contact for more details."

## International Highlights

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- ❖ The US soybean crop is reported to be blooming at 95% which is up from 92% during the corresponding period last year and also up from 5 year average of 93%. About 80% soybean is setting pod which is up from 76% during the corresponding period last year and also up from 5 year average of 75%.
- ❖ Also about 72% of the newly planted US soybean crop is under good to excellent conditions which is up from 63% during the same period last year, reported in the US crop progress report dated 14 August 2016.
- ❖ In the June USDA acreage report, US soybean planted area for 2016 is estimated at a record high 83.7 million acres, up 1 percent from last year. Area for harvest, at 83.0 million acres, is also up 1 percent from 2015 and will be a record high if realized. Record high planted acreage is estimated in Michigan, Minnesota, New York, North Dakota, Ohio, Pennsylvania, and Wisconsin.
- ❖ The Argentina's government has raised its 2015/16 soybean crop to 58 million tonnes from its previous forecast of 57.6 million tonnes followed by faster than expected recovery of area considered lost to floods hit area in Argentina.
- ❖ Rosario Gains Exchange have revised its forecast for Argentina's 2015/16 soybeans up to 55.3 million tonnes from 55 million tonnes previously. This is despite severe crop damage after flood in April.
- ❖ Argentina has lost around 3.7 – 4.0 million tonnes of soybean due to flood and storm in April. Besides, an additional 1 million tonnes have been reported in quality damage, reported a concerned government official. In the official figure Argentina's soybean production is estimated to decline to 57.6 million tonnes from 61.4 million tonnes.
- ❖ INTL FC Stone has slashed the Brazil's 2015-16 production by 1 million tonnes to 96.5 million tonnes, in its recent. Besides, Informa has lowered the Brazil's and Argentina's 2015/16 soybean production from 100.5 vs 100.1 mln t and 55.0 vs 59.5 mln t respectively.
- ❖ Abiove has trimmed Brazil's 2015/16 soybean crop to 96.6 million tonnes (during Feb. – Jan.) from 97.3 million tonnes projected earlier. It has lowered Brazil's soybean exports estimate to 53 million tonnes from 53.8 million tonnes Brazil had shipped 54.3 million tonnes in previous season.

- ❖ Informa Economics has lowered its forecast for US 2016 soybean planting to 84.0 million acres from its previous estimate of 85.23 million acres. However, the area is higher compared to 82.7 million acres planted in 2015.
- ❖ World supplies of soybeans are likely to increase sharply by 19 Mn T in 2015/16, despite a global prospective production decline by 3 Mn T, leading to another above-average increase in soybean crushings, reports Oil World.
- ❖ Agroconsult has projected Brazil's 2016/17 area under soybean higher by 600,000 hectares. The consultant has projected Brazil's 2015/16 soybean production at 101.7 million tonnes in its final estimate.
- ❖ Conab, the Brazil government's crop supply agency, has raised Brazil's 2015/16 soybean crop to a record 101.18 million tonnes, which is up from 100.93 million tonnes from its previous estimate in February followed by increase in planted area and yields.
- ❖ FCStone has increased Brazil's 2015/16 soybean production forecast to 98.6 million tonnes from 98 million tonnes in its previous estimates.
- ❖ Again, Informa has raised its forecast for Brazil's 2015/16 soybean production in its monthly report to 101.3 million tonnes from 100.5 million tonnes last month.
- ❖ However, it has lowered Argentina's 2015/16 soybean production forecast to 59.0 million tonnes from 60.0 million tonnes in February.
- ❖ Brazil's Congress has passed a bill that will increase the country's biodiesel blend from its current 7% to 10% over the next three years.
- ❖ AgRural has increased its forecast for Brazil's 2015/16 soybean to 99.7 million tonnes from 98.7 million after beneficial rains.
- ❖ Rosario Grains Exchange has raised Argentina's 2015/16 soybean production forecast to 59 million tonnes from 58.5 million tonnes in its earlier estimates. The increase is due to the higher than expected yield in the major growing belts.
- ❖ CRF reported that Argentina's soybean production is nearing last year's record of around 61 million tonnes. It also projected Paraguay 2015/16 soybean production at record 9.7 million tonnes which is above USDA's estimate of 8.8 million tonnes.

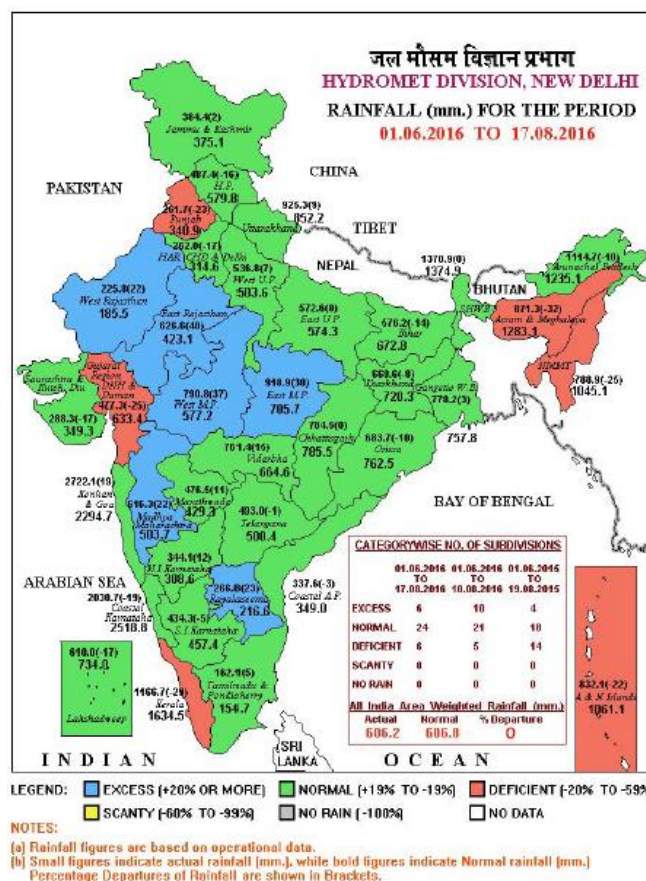
- ❖ However, according to the estimates by the government agency, Argentina's 2015/16 soybean production is estimated near 60 MMT which is below last year production of 61.4 MMT.
- ❖ China is forecast to import 85 million tonnes of soybeans in 2016/17, up from the prior season, however, higher inventories is expected to limit the rise in buying.
- ❖ China National Grain and Oils Information Center (CNGOIC), said in the IGC grain conference that the country's soybean imports were expected to reach 82 million tonnes in the 2015/16 year on an October-September season compared to 78.35 million tonnes during the corresponding period in 2014/15.
- ❖ Global palm oil production will fall by almost 3.00 million tons in September 2016. Indonesia's palm oil output estimate is cut by 1.2 million tons. Malaysia's palm oil production estimate is cut by 1.5 million tons to 18.4 million tons. Consumers will get relief from July 2016. Palm oil stock buildup will possibly start from September 2016.

## IMD Monsoon Forecast and Current Rainfall Status

In the IMD's Operational 2<sup>nd</sup> stage Long Range forecast for the 2016:

- Rainfall over the country as a whole for the 2016 southwest monsoon season (June to September) is most likely to be **above normal** (>104% to 110% of long period average (LPA).
- Quantitatively, monsoon season rainfall for the country as a whole is likely to be 106% of the long period average with a model error of  $\pm 4\%$ .
- Region wise, the season rainfall is likely to be 108% of LPA over North-West India, 113% of LPA over Central India, 113% of LPA over South Peninsula and 94% of LPA over North-East India all with a model error of  $\pm 8\%$ .
- The monthly rainfall over the country as whole is likely to be 107% of its LPA during July and 104% of LPA during August both with a model error of  $\pm 9\%$ .

The event should boost the yield and subsequently production this season, as the *kharif* oilseeds are rain-fed.





## Soybean

The domestic soybean fell primarily on expectation of higher 2016/17 crop harvest compared to the previous season.

The crop is reportedly in a good condition across the key growing belts of Madhya Pradesh, Maharashtra and Rajasthan, with some exception in the low lying areas of Madhya Pradesh where heavy downpour in few pockets during the week have raised the crop concern.

However, rains are needed in key soy growing belts in Maharashtra as dry spell for last 15 days have lead to moisture stress.

There are no reports of widespread disease or pest infestation in the crop with some exceptions in Marathwada, Maharashtra where green larvae have infested the crop in few small pockets.

The plant size of the crop varies from 3 - 3.5 feet long and it is in blooming around 65% in Madhya Pradesh and about 30% in Maharashtra.

The overall rainfall over Madhya Pradesh, Maharashtra and Rajasthan is reportedly higher than the normal rains.

IMD in its weekly Southwest monsoon progress report has reported India's actual rainfall at 606.2 mm against the normal 606.8 mm and departure stands at 0%, till 17 August 2016.

In West Madhya Pradesh, the departure of Southwest monsoon has improved to normal by +37%, actual rains is reported at 790 mm vs 577.2 mm normal till 17 August 2016 by IMD. Vidarbha reported the departure of +15%, actual rains 761.4 mm vs 664.6 mm normal. Marathwada reported the departure of +11% with actual rains of 476.5 mm vs 429.3 mm, East Rajasthan reported a departure of +48% with actual rains 626.6 mm vs 423.1 mm normal.

Better seasonal/monsoon rains this season is expected to boost the soybean production.

The area coverage under soybean, as on 19th August, is reported slightly higher at 112.82 lakh hectares which has surpassed the previous year's figure of 112.77 lakh hectares at the same period last year.

<b>Crop</b>	<b>As on 19 Aug. 2016</b>	<b>As on 19 Aug. 2015</b>	<b>% Chg.</b>
Groundnut	43.29	33.68	<b>28.5</b>
Soybean	112.82	112.77	<b>0.0</b>
Sunflower	1.44	0.82	<b>75.6</b>
Sesamum	13.08	15.49	<b>-15.6</b>
Others	4.86	5.73	<b>-15.2</b>
<b>Total Oilseeds</b>	<b>175.49</b>	<b>168.49</b>	<b>4.2</b>

The total sown area under *kharif* oilseeds, as on 19<sup>th</sup> August, has surpassed the previous year's level which is up by 4.2% at 175.49 lakh hectares compared to 168.49 lakh hectares during the corresponding period last year.

India's total area under soybean in 2015 was 116.4 lakh hectares which was higher by 5.8% from 2014.

We expect India's area under soybean in 2016 to be near 2015 level at 116 lha.

The major buyers in Madhya Pradesh are as follows: Amrit Mandsaur, Ambika Joara, ABIS Rajnandgaon, Laxmi Solvex, Sanwariya – Itarasi, SSA Mandideep, Bansal, Khandwa Oil, Ruchi, Agrawal Neemuch, Betul Oil, Prakash, Bajrang, Prestige, Ambuja, Prakash, Sitashri, Divya Jyoti, Avi 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 on weak-bias. Expectation of higher soybean production this season, weak soy meal export sales and higher edible oil imports will pressure the bean market in near-term.***

## International:

The international soybean witnessed gains on strong demand for US soybean; gains in the soyoil futures after NOPA reported supplies tighter than expected and strength in crude oil during the week in review.

Gains in crude from below US \$ 45/bbl to above US \$ 49/bbl remained positive indeed.

The US soybean crop is under development phase and it is under better conditions.

The US soybean crop is reported to be blooming at 95% which is up from 92% during the corresponding period last year and also up from 5 year average of 93%. About 80% soybean is setting pod which is up from 76% during the corresponding period last year and also up from 5 year average of 75%.

Also about 72% of the newly planted US soybean crop is under good to excellent conditions which is up from 63% during the same period last year, reported in the US crop progress report dated 14 August 2016.

In the US weekly export sales report, the net sales of soybean were reported at 177,900 MT for 2015/16 and down 26% from the previous week and 29% from the prior 4-week average. Increases were for China with imports of 337,400 MT, including 312,000 MT switched from unknown destinations.

In the August USDA demand and supply report, the US soybean production for 2016/17 is forecast at 4,060 million bushels, up 180 million due to increased yields which is pegged at 48.9 bushels per acre, up 0.9 bushels above last year's record.

The U.S. season-average soybean price for 2016/17 is forecast at US \$8.35 to US \$9.85 per bushel, down 40 cents on both ends of the range.

In the report, the global soybean outturn is projected at a record 330.4 million tons, up 4.5 million.

U.S. July soybean crush fell to 143.715 million bushels from 145.050 million bushels in June, down by 1 percent m-o-m. Crush of soybean in July 2015 was 145.227 million bushels, National Oilseed Processors Association (NOPA).

FCStone has projected US 2016 soybean production at 4.054 billion bushels, which will be a record production, with estimated yield of 48.8 bushels per acre.

Informa Economics has forecast U.S. 2016 soybean production at 3.89 billion bushels with a yield of 46.9 bushels per acre.

Brazil's 2016/17 soybean area is forecast at 33.54 million hectares, up 1% from 2015/16. Further, Brazil's 2016/17 soybean production is forecast at record 100.6 million tonnes, up from 95.6 million tonnes recorded in 2015/16 by AgRural.

Brazil's 2016/17 (Feb. – Jan.) soybean exports are estimated to ease by 1% to 52.5 million tonnes according to the report by Safras & Mercado.

Safras had forecasted Brazil's 2016/17 soybean crop production at 103.4 million tonnes, up from 97.15 million tonnes projected for this season.

FCStone has pegged Brazil's soybean exports lower by 2.4% at 53 million tonnes in 2015/16 compared to 54.32 million tonnes in 2014/15. The fall cited due to the surge in the local prices has consequently reduced the competitiveness in the international market.

Informa Economics has slashed Brazil's 2015/16 soybean crop to 98.5 million tonnes from 100.1 million tonnes in May.

Conab has slashed Brazil's 2015/16 soybean crop estimate to 95.57 million tonne from 95.6 million tonnes previously estimated. It has cut the production estimates due to crop damage on hot and dry weather in Northeastern part of the country.

Abiove has trimmed Brazil's 2015/16 soybean crop to 96.6 million tonnes (during Feb. – Jan.) from 97.3 million projected earlier. It has lowered Brazil's soybean exports estimate to 53 million tonnes from 53.8 million tonnes Brazil had shipped 54.3 million tonnes in previous season.

Argentine farmers continued to be reserved sellers making it difficult for soybean processors to cover their soybean stocks.

Argentina's Agriculture Ministry has once again raised the country's 2015/16 soybean production estimate in July to 58.8 million tonnes from 58 million tonnes forecasted earlier.

The increase is cited due to the lower than expected crop damage due to flood. Argentina's soy oil and soy meal shipments are hit due to storm and flooding in the key farm regions, which consequently lead to the boost in US soy exports.

Argentina has shipped 31.2 million tonnes of soybean from March thru July 2016 compared to 36.5 million during the corresponding period in 2015, as reported by the agriculture ministry. It also reported that about 4.02 million

tonnes of soybean were processed in June 2015 which is down by 11% compared to corresponding period last year.

Informa has kept its forecast of Argentina's 2015/16 soybean crop unchanged at 55.0 million tonnes.

Rosario Gains Exchange have revised its Argentina's forecast for 2015/16 soybeans up to 55.3 million tonnes from 55 million tonnes previously. This is despite severe crop damage after flood in April.

Argentina's soybean crop estimates are lowered between 52 million tonnes and 57 million tonnes from about 60 million by several analysts. This is after Argentina lost around 3.7 – 4.0 million tonnes of soybean due to flood and storm in April and additional 1 million tonne reported in quality damage.

The Buenos Aires Grains Exchange has reduced its harvest forecast and pegged Argentina's 2015/16 soybean production at 56 million tonnes.

China is forecast to import 85 million tonnes of soybeans in 2016/17, up from the previous season, however, higher inventories is expected to limit the rise in buying.

China National Grain and Oils Information Center (CNGOIC), said in the IGC grain conference that the country's soybean imports were expected to reach 82 million tonnes in the 2015/16 year on an October-September season compared to 78.35 million tonnes during the same period in 2014/15.

Strong global soybean demand and fall in the South American supplies will boost the US soybean exports in Sep/Feb. 2016/17.

*The international soybean prices are expected to feature range bound movement with weak bias on forecast of record production and weak crude. Besides, expected higher soybean crop on better monsoon this season in India, higher inventories of edible oils at Indian ports, poor soy meal shipments from India will limit any sharp gains in the domestic soybean in near-term.*

## Soy meal

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The domestic soy meal fell pressured by the fall in the soybean on likely higher production for upcoming marketing season.

This will eventually improve the crushing and availability of the soy meal in the new season.

The domestic soy meal demand from poultry is consistently and flat. However, exports remained poor.

We expect India's soy meal exports to improve in the new season on likely better 2016/17 soybean crop production leading to higher crushing eventually increasing the meal supplies.

Further, soy meal featured mild losses in the international market on expected record for US soybean.

The August CBOT soy meal settled at US \$ 330.0 per short ton compared to US \$ 332.5 per short ton last week.

The domestic soy meal prices at Indore, fell and were quoted between the price bands of 32,000 – 33,000 levels compared to 33,000 – 33,500 previous week.

India's soy meal shipments continued to be weak and it is multi-year low, primarily on India's noncompetitive prices compared to the South American meal.

At Latur and Nanded, Maharashtra, soy meal was quoted at Rs 35,200/MT and Rs 34,200/MT respectively compared to Rs 32,000/MT in Indore and Rs 31,900/MT in Kota. The meal prices of the various centers of Maharashtra were at premium compared to the centers of Madhya Pradesh. This is due to the freight advantage for the South-Indian poultry units from Maharashtra over Madhya Pradesh.

***India's export of soy meal and its other value added products during July 2016 is just 12,272 tons compared to 30,688 tons in July 2015 showing a decrease of 60% over the same period of last year.***

***On a financial year basis, the export during April'2016 to July'2016 is 52,906 tons as compared to 1,36,897 tons in the same period of previous year showing a decrease of 61%.***

***During current Oil year, (October – September), total exports during October 2015 to July, 2016 is 2,38,676 tons as against 6,86,525 tons last year, showing a decrease by 65.23%, as reported by SOPA.***

Japan, USA, Myanmar, Kenya and South Korea remained the top buyers of soy meal of Indian origin in July.

Lower exports are mainly due to demand shift to South America. This is mainly due to the attractive offer price compared to India.

Brazil has exported about 1.57 million tonnes of soy meal in June against 1.93 million tonnes and 1.62 million tonnes during the same period last year. The figure reveals slow export pace due rains and disruptions at port.

USDA in its August report said that the US soy meal inventories at the end of June stood at 281,038 tonnes which is down from 343,411 tonnes in May.

Oil world expects world production of soy meal to rise by about 6% to a record 163.8 Mn T in Jan/Sept 2016, allowing exports to improve by 3.2 Mn T or 7% under the lead of Argentina.

*Indian meal prices have to be highly competitive against the South American and China's meal prices to regain the lost markets it lost in previous seasons.*

*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 higher. Soy meal Indore was quoted lower between Rs 32,000 – 33,000/MT during the week compared to Rs 29,500 – 30,100/MT during the corresponding period last year.

*The soy meal prices are likely to feature range-bound movement with weak-bias on likely higher domestic and international soybean production, in near-term.*

## Technical Analysis:

### NCDEX Soybean Futures



### Soybean Spot, Indore



\*Note: Daily Chart

### Support & Resistance NCDEX Soybean - Oct. contract

S1	S2	PCP	R1	R2
3394	3294	3474	3652	3750

- Soybean witnessed fell on selling pressure during the week.
- Prices closed below 18-day EMA.
- RSI and stochastic are falling in the neutral zone.
- MACD is falling in the negative territory.
- The prices are expected to feature losses in the coming week.
- Trade Recommendation (NCDEX Soybean – Oct.) Week: **SELL** Below 3575. Levels: T1 – 3474; T2- 3425, SL - 3635.

## Rapeseed - Mustard Seed

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The domestic rapeseed-mustard fell consecutive second week after prices reached overbought zone making them vulnerable for correction.

However, fresh festive mustard oil demand will rebound in the seed demand by the solvent extractors in the near-term.

Higher crude palm oil posted gains at BMD during the period which limited the gains.

Currently, the seed prices at bench mark, Jaipur are stronger by 12% and are ruling around Rs. 5,060 – 5,080 per quintal compared to Rs. 4,515 – 4,540 per quintal during the corresponding period last year.

The all India daily arrivals of the seed continued to ease and reported between 0.80– 0.85 lakh bags but are higher compared to 5.50 – 7.0 lakh bags during the corresponding period last year.

However, India's edible oil imports fell for consecutive three months.

India's July edible oil imports fell 24.4 percent y-o-y to 11.18 lakh tons from 14.79 lakh tons in July 2015. Palm oil imports fell 27.87 percent y-o-y to 5.70 lakh tons y-o-y from 7.9 lakh tons in July 2015. CPO imports fell by 52.61 percent y-o-y to 3.63 lakh tons from 7.66 lakh tons in July 2015. RBD palmolein imports rose by 11.9 percent y-o-y to 2.07 lakh tons from 1.85 lakh tons in July 2015.

Soy oil imports were marginally down y-o-y to 3.485 lakh tons from 3.49 lakh tons in July 2015. Sunflower oil imports rose by 9.8 percent y-o-y to 1.34 lakh tons from 1.22 lakh ton in July 2015. Rapeseed (Canola) oil imports rose by 112 percent y-o-y to 0.66 lakh tons from 0.31 lakh tons in July 2015, reported by Solvent Extractor's Association of India.

India's July edible oil stocks at ports and pipelines was lower by 7.35 percent m-o-m at 21.50 lakh tons from 23.20 lakh tons in June 2016. Stocks of edible oil at ports were at 770,000 tons (CPO 180,000 tons, RBD Palmolein 115,000 tons, Degummed Soybean Oil 330,000 tons, Crude Sunflower Oil 115,000 tons and 30,000 tons of Rapeseed (Canola) Oil) and about 1,380,000 tons in pipelines. India is presently holding 39 days of edible oil requirement on 1st August, 2016 at 21.5 lakh tons compared to 42 days of requirements last month. India's monthly edible oil requirement is 16.5 lakh tons per month.

Malaysia reported surprise fall in July palm oil stocks by 0.23 percent to 1,770,650 tons compared to 1,774,650 tons in June. Production in July rose by 3.48 percent to 1,585,882 tons from 1,532,613 tons in June. Exports in July rose by 21.24 percent to 1,384,220 tons from 1,141,673 tons in June. Imports in July fell by 34.7 percent to 12,823 tons from 19,636 tons in June, Malaysia Palm Oil Board (MPOB),.

Fall in stocks were primarily due to higher than expected exports and lower than expected production.

In its August report Indonesia's Palm Oil Association (GAPKI) reported that, Indonesia's June palm, palm kernel oil, and biodiesel exports rose by 7.4 percent to 1.89 MMT from 1.76 MMT in May, exports in June 2015 stood at



2.27 MMT. Indonesia exported 1.78 MMT of palm oils excluding biodiesel compared to 1.76 MMT exported in May 2016. Production of palm oil in June was at 2.69 MMT while ending stocks were 1.80 MMT.

Malaysia has kept September crude palm oil export duty unchanged at 5 percent. Tax is calculated at reference price of 2471.30 ringgit (USD 612.54) per ton. Prices above 2,250 ringgit are taxed with tax starting from 4.5 percent to a maximum of 8.5 percent, reports Malaysian Palm Oil Board (MPOB),

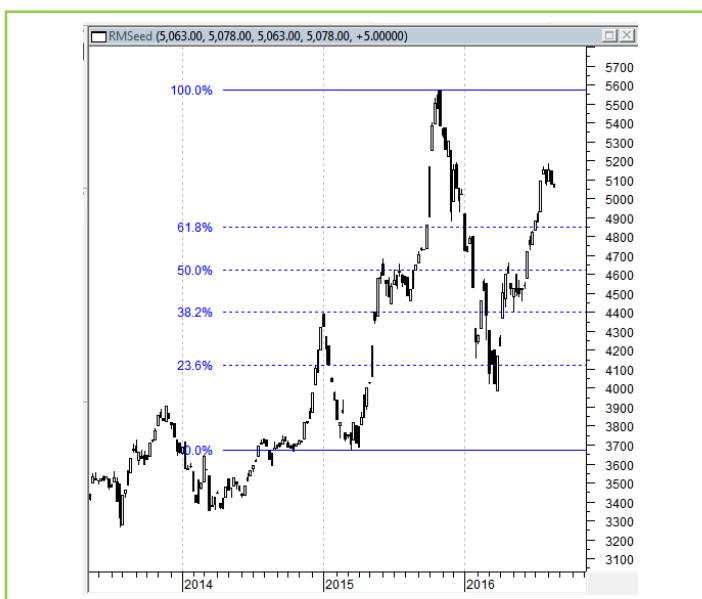
Malaysia's July palm oil exports rose 15.4 percent to 1,283,050 from 1,111,413 tons in June. Top buyers were European Union at 260,908 tons (203,251 tons), China at 225,856 tons (134,675 tons), India at 199,580 tons (195,105 tons), Pakistan at 74,800 tons (69,560 tons) and United States at 41,000 tons (50,000 tons).

Values in brackets are figures of June 2016, reported by the cargo surveyor Societe Generale de Surveillance (SGS).

*Outlook: The rapeseed-mustard will rebound after some correction on fresh demand in mustard oil during monsoon and upcoming festivities.*

**Technical Analysis:**
**NCDEX RM Seed Futures**


\*Note: Daily Chart

**RM Seed Spot, Jaipur**

**Support & Resistance NCDEX RM Seed – Sep. contract**

S1	S2	PCP	R1	R2
4710	4635	4834	4920	4988

- RM seed posted gains on buying support during the week.
- Prices closed below 18-day EMA.
- RSI and stochastic are falling in neutral zone.
- MACD is easing in negative territory.
- The prices are expected to feature losses during the week.
- Trade Recommendation (NCDEX Rapeseed-Mustard – Sep.) Week: **SELL** Below 4935. Levels: Target – 4835; T2- 4800, SL - 4995.

## Annexure

**Oilseed Prices at Key Spot Markets:**

Commodity / Centre	Prices (Rs/Qtl)				Change
Soybean	19-Aug-16		12-Aug-16		
	Low	High	Low	High	
Indore –Plant	3575	3660	3675	3750	-90
Indore–Mandi	3350	3600	3600	3650	-50
Nagpur-Plant	3750	3780	3770	3800	-20
Nagpur – Mandi	3200	3550	3300	3550	Unch
Latur – Mandi	3430	3576	3326	3920	-344
Kota-Plant	3500	3600	3600	3675	-75
Kota – Mandi	3400	3500	3500	3600	-100
Bundi-Plant	3400	3550	3480	3600	-50
Bundi-Mandi	3475	3550	3550	3600	-50
Baran-Plant	3450	3550	3500	3600	-50
Baran-Mandi	3200	3475	3350	3525	-50
Bhawani Mandi Jhalawar–Kota-Plant Delivery	3400	3500	3450	3625	-125
Jhalwar-Mandi	3425	3500	3400	3550	-50
Rapeseed/Mustard					
Jaipur-(Condition)	5075	5080	5105	5110	-30
Alwar-(Condition)	4800	4850	4850	4900	-50
SriGanganagar-(Non-Condition-Unpaid)	4250	4350	4300	4400	-50
New Delhi–(Condition)(New Crop)	4930	4935	4900	4950	-15
Kota-Non-(Condition)	4250	4375	4275	4420	-45
Agra-(Condition)	5150	5200	5250	5300	-100
Neewai	4700	4775	4820	4850	-75
Hapur (UP)(New Crop)	4700	4750	4780	4800	-50
Groundnut Seed					
Rajkot	1250	1250	1300	1300	-50
Sunflower Seed					
Gulbarga	3155	3304	3154	3405	-101
Latur	NA	NA	NA	NA	-
Sholapur(New Crop)	3600	3675	3700	3750	-75
Sesame Seed					
Mumbai (White98/2/1	7300	7300	7550	7550	-250

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
		13th Aug to 19th Aug 2016	6th Aug to 12th Aug 2016	
Soybean				
	Madhya Pradesh	100000	145000	-45000
	Maharashtra	62000	84000	-22000
	Rajasthan	50000	46000	4000
	Bundi (Raj)	146	72	74
	Baran (Raj)	4000	9700	-5700
	Jhalawar (Raj)	3100	3350	-250
Rapeseed/Mustard	Rajasthan	160000	210000	-50000

## MSP for 2016/17 Kharif Oilseeds

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The Cabinet Committee on Economic Affairs, chaired by the Prime Minister Shri Narendra Modi, has given its approval for Minimum Support Prices (MSPs) for Kharif Crops of 2016-17 season, the MSPs of all the Kharif oilseeds are raised for this season.

The MSP of Yellow Soybean is increased by 6.7% to Rs 2775/Qtl (including Rs 100 bonus) for 2016-17 season from Rs 2600/Qtl in 2015-16, Groundnut -in- shell by 4.7% to Rs 4220/Qtl (including Rs 100 bonus) from Rs 4030/Qtl, Sunflower seed by 3.9% to Rs 3950/Qtl (including Rs 200 bonus) from Rs 3800/Qtl, Nigerseed by 4.8% to 3825/Qtl (including Rs 100 bonus) from Rs 3650/Qtl and Sesamum by 6.4% to Rs 5000/Qtl (including Rs 200 bonus) from Rs 4700/Qtl.

## MSP for 2015/16 Rabi Oilseeds

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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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