

Oil Meal Weekly Research Report

Contents

- ❖ Executive Summary
- ❖ Outlook – Cash Market
- ❖ Soybean – Domestic & International
- ❖ Soy meal
- ❖ Technical Analysis - Soybean
- ❖ Rapeseed - Mustard
- ❖ RM Seed Supply, Rajasthan
- ❖ Technical Analysis – RM Seed
- ❖ Annexure – Prices etc.

Executive Summary

The weekly average prices of Soybean Indore plant eased by 2.58% to INR. 7,625/qtl during the week under review. Prices were in the range of INR. 7,500-7,748/qtl during the period. In the coming week soybean prices likely to remain weak on Soymeal import decision by the Government.

The weekly average prices of Indore soymeal too went down by 4.6% to INR 57,416/MT as compared to last week at INR 60,166/MT tracking Soymeal import decision by government.

Despite correction in Soymeal prices, net crush margin remained positive on account of firm Soy oil prices.

RM seed prices went up by 1.3% during the period and is expected to trade with firm bias on Indonesia's palm oil export ban

Soybean Production Estimates: Fig. In Lakh tonnes

India's Soybean Production	2021-22	2020-21	% Change
Ministry of Agriculture	131.16	128.97	2%
Agriwatch	117.2	104.5	12%
USDA	119	104.5	14%

As per Agriwatch, India's 2020-21 Soybean production is estimated at 117.2 Lakh tonnes 15% up as compared to previous year. Agriwatch has revised down Soy production to 117.2 Lakh tonnes as compared to previous estimate at 120 Lakh tonnes. Whereas USDA and Government has estimated at 119 and 131.16 Lakh tonnes respectively.

Outlook – Cash Market

Outlook - Soybean (Spot, Nagpur): In coming week, soybean prices are expected to remain weak on Soy meal import. The prices (Indore, Plant basis) are expected to feature range bound movement in the price band of 7,3 – 7,500 level in the near term.

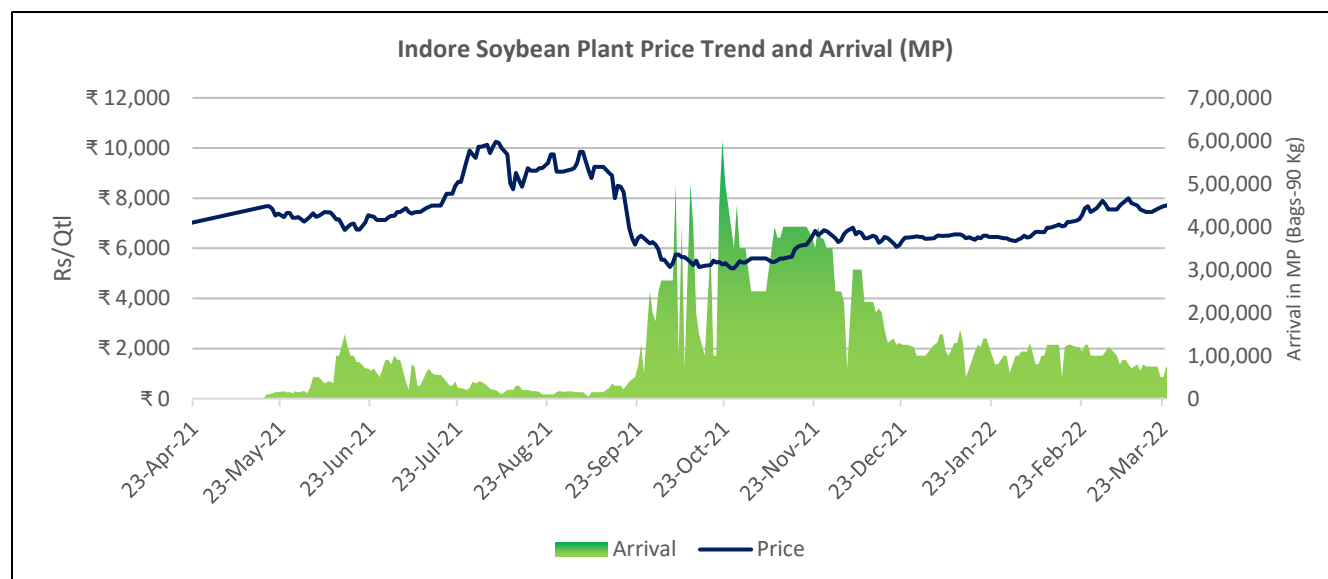
Outlook – Soy meal:

The soy meal prices (Indore) are likely to trade with weak bias tracking Soymeal import. Soy meal Indore prices is likely to trade in the range of 50,000 – 55,000/MT.

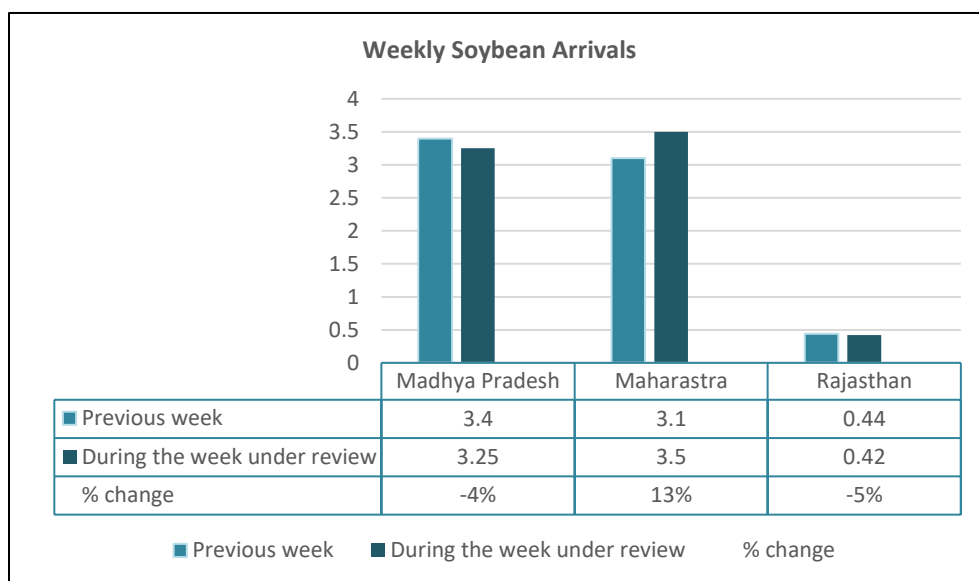
Outlook - Rapeseed-Mustard (Spot, Jaipur basis): Rapeseed-Mustard is expected trade range bound with firm bias amid palm oil export ban by Indonesia. The seed prices are likely to trade in the range between 7,300 – 7,600/Qtl. in the short-run.

Soybean

During the week, Soybean Indore plant weekly average prices went down on Government decision to allow Soy meal import. Prices eased by 2.58% to INR. 7,625/mt. The Ministry of Consumer, Food and Public Distribution, will allow import of GM soya meal for balance quantity of 5.50 lakh tonnes out of the estimated 12 lakh metric tonnes of August 2021 till 30 September 2022, reviewing the imported quantity and domestic prices at regular intervals. Necessary clearances etc. should be obtained by Animal Husbandry and Dairying Department and DGFT notification can take care of operational aspects, with the effect of this, soybean is likely to trade with weak bias.

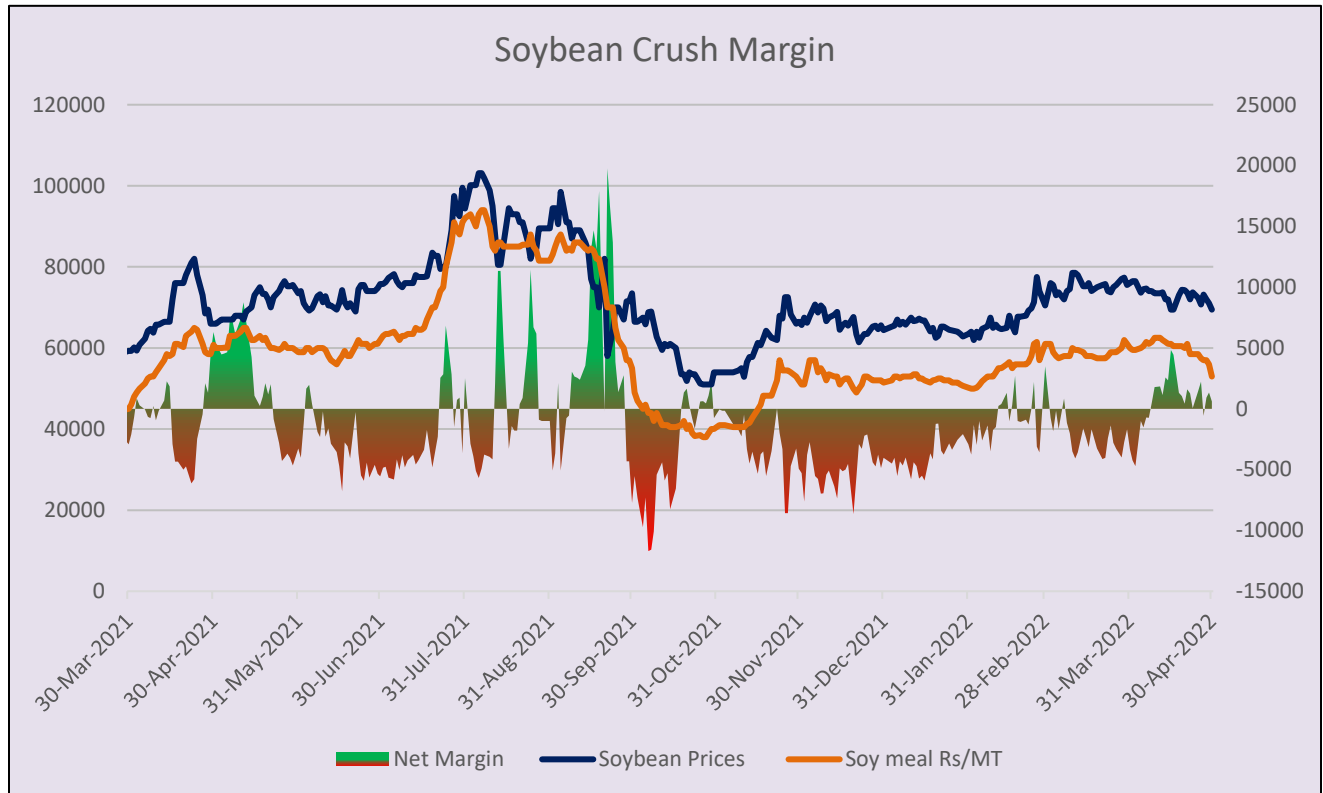


This week, the total arrival in MP stood at 3.25 Lakh bags Vs 3.4 Lakh bags last week. In Maharashtra arrivals stood at 3.5 Lakh bags Vs 3.1 Lakh bags last week and in Rajasthan the arrivals stood at 0.42 Lakh bags Vs 0.44 Lakh bags previous week. This week arrivals recorded low in MP and Rajasthan, whereas in Maharashtra arrivals remained up by 13%.



Soybean Crush Margin-

Soybean net crush margin remained positive during the week under review. Weekly average soybean net crush margin decreased to INR 899/MT as compared to INR. 1678/ MT previous week amid correction in meal prices and improved soy oil prices. If Soymeal prices further declines, crush margin may squeeze in coming days.



International: This week, CBOT Soybean MAY futures remained volatile amid palm oil export ban by Indonesia and went marginally down by 0.45% to \$17.08/ bushel.

According to USDA latest planting report USA Soybean sowing progress stood at 3% Vs 7% previous year and 5% five year average.

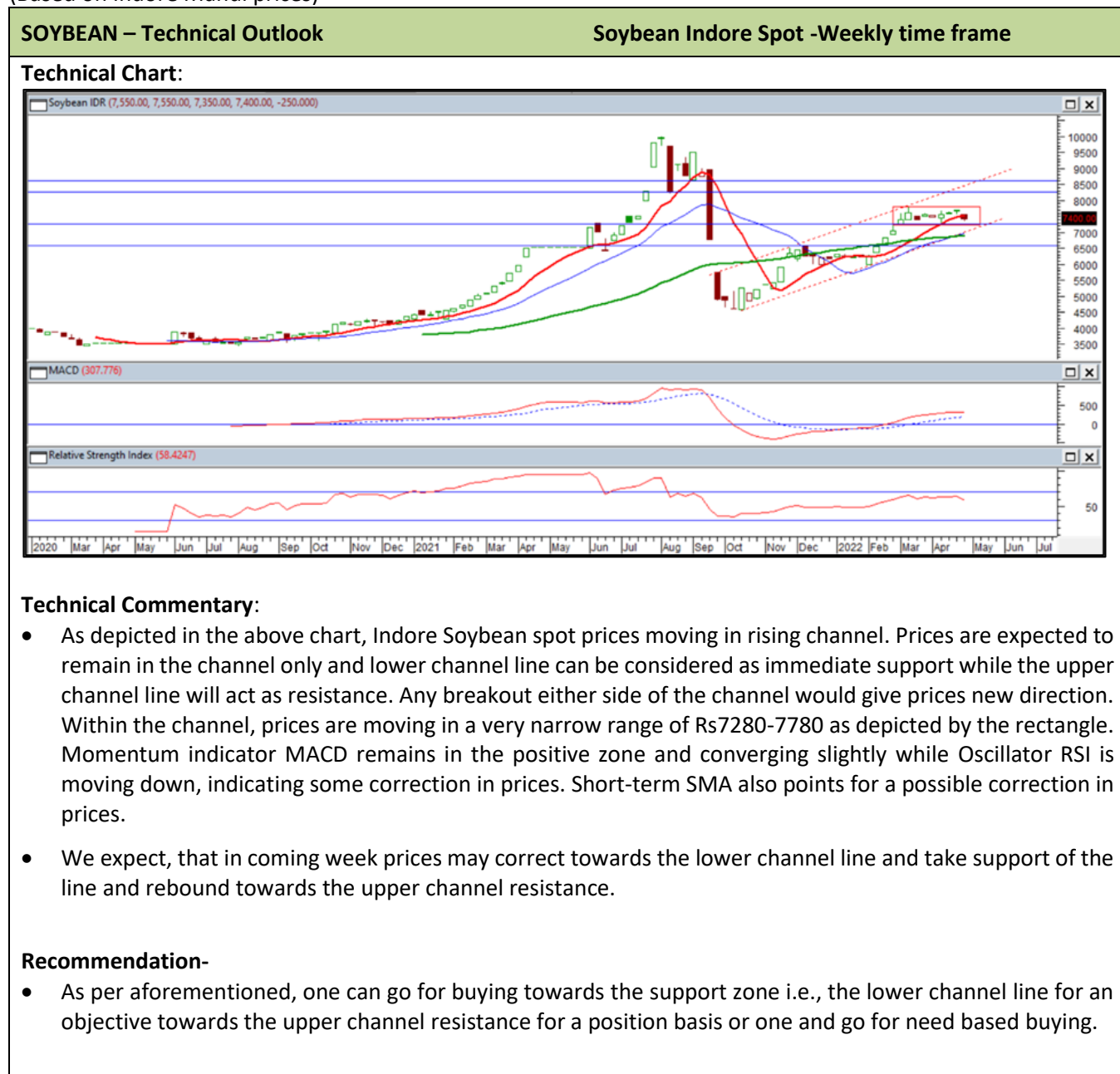
As per recent available data, Brazil's 2021-22 soybean harvesting, is at 87% which is



lower than 90% last year. whereas Argentina's Soybean harvesting stood at 14.4% as compared to 27% previous year. Argentina's harvesting is lagging due to energy crisis in the country.

Technical Analysis

(Based on Indore Mandi prices)



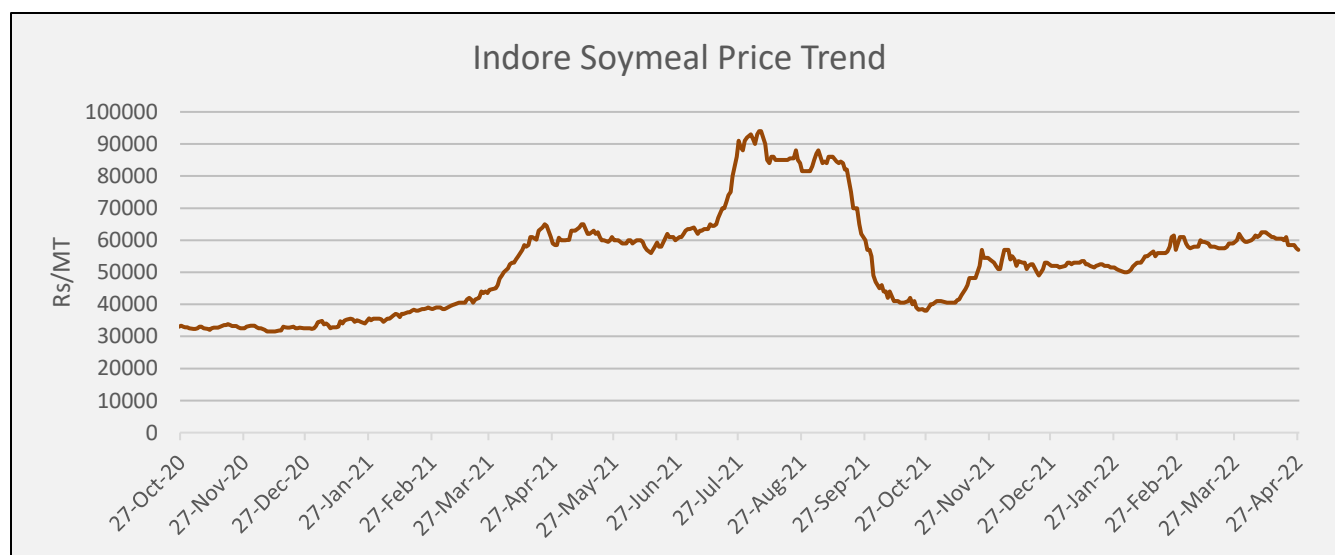
Soybean Price Outlook for coming week: Indore Soybean mandi is currently trading at INR. 7550/mtl. Soybean are expected to trade with weak bias tracking Soy meal import.

Soybean Mandi Price Outlook (INR./Qtl)	Previous week 09th-15 th April'22	Week Under review 16th-22nd April'22	Next week 23rd-29th April'22
Weekly Average Price	7,616	7,483	7,100-7,300

Soymeal

The Ministry of Consumer, Food and Public Distribution, will allow import of GM soya mills for balance quantity of 5.50 lakh tonnes out of the estimated 12 lakh metric tonnes of August 2021 till 30 September 2022, reviewing the imported quantity and domestic prices at regular intervals. Necessary clearances etc. should be obtained by Animal Husbandry and Dairying Department and DGFT notification can take care of operational aspects, with the effect of this, soyabean meal is likely to trade with weak bias.

During the week under review, Indore Soymeal traded with weak sentiment tracking Soy meal import decision by the government despite SOPA's urge to the Central government not to allow the import of genetically modified (GM) soyabean meal citing that it will adversely impact the local processors and farmers since the country does not allow cultivation of GM food crops.



The weekly average prices of soymeal went down by 4.6% at INR 57,416/MT as compared to last week at INR 60,166/MT. Overall the prices quoted between INR 56,000 – 58,500/MT throughout the week.

At Latur, the weekly average prices went down to INR. 59,833/MT compared to INR. 62,083/MT a week ago. In Nanded too it declined to INR. 60,500/MT compared to INR. 62,250/MT a week ago. In Kota the meal prices were down at INR. 60,033/MT compared to INR. 62,316/MT previous week.

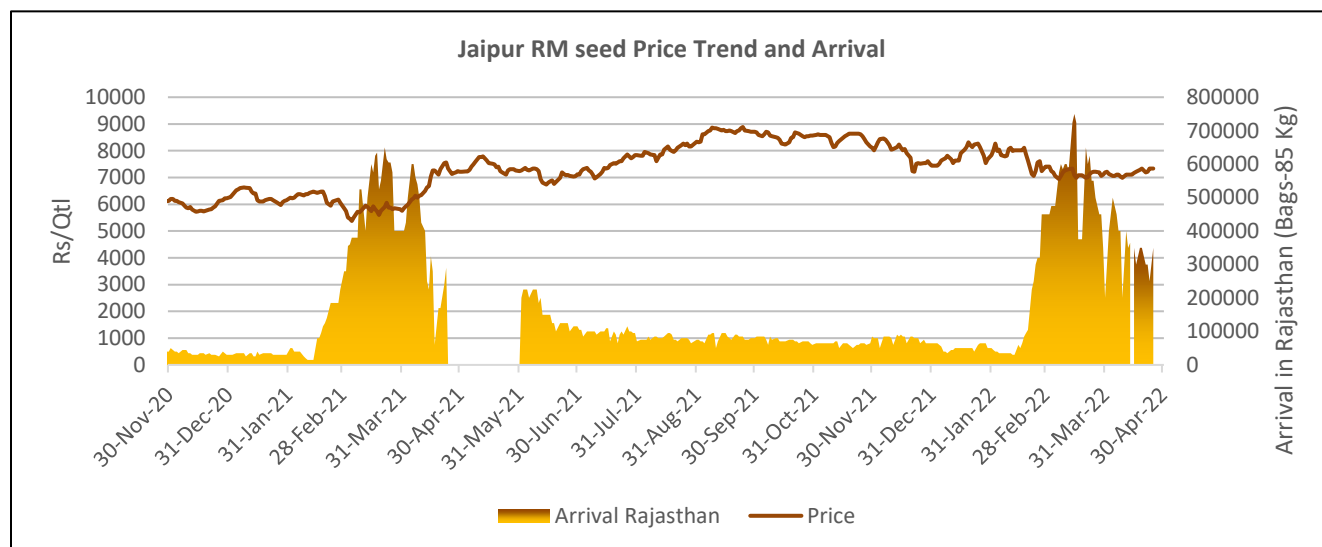
Domestic crushing was already low due to weak soymeal export demand. Upon Soymeal import, domestic crushing likely to slow down due to squeeze in crush margin on decline in Soymeal prices.

Soymeal Price Outlook for coming week: Soybean meal prices are expected to correct from current level tracking Soymeal import decision by government.

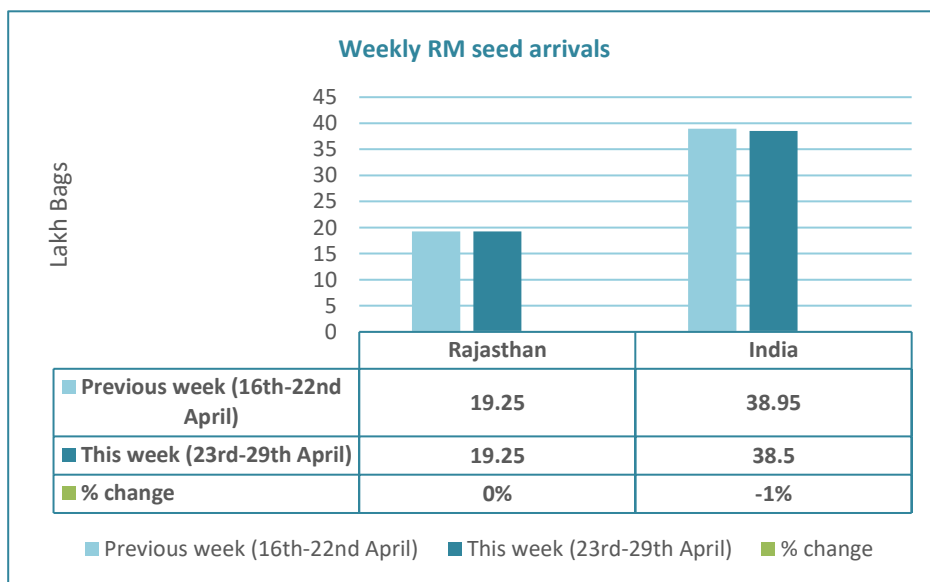
Soymeal Indore Price Outlook (INR./MT)	Previous week 09th-15th April'22	Week Under review 16th-22nd April'22	Next week 23rd-28th April'22
Weekly Average Price	60,166	57,416	50,000-55,000

Rapeseed - Mustard Seed

During the week under review, Jaipur RM seed weekly average prices went up by 1.3% to INR. 7,346/qtl as compared to INR. 7,250/qtl last week. Prices went up on Palm oil export ban by Indonesia coupled with shrinking arrivals. Farmers are holding new crop in anticipation. And may off load to meet their kharif sowing expences in upcoming weeks.



Arrivals remained steady to weak, during the week under review, in Rajasthan, total mustard arrivals were stable at 19.25 Lakh bags. All India arrivals stood at 38.5 Lakh bags Vs 38.95 Lakh bags previous week. Stockiest/ traders are not buying, as they already bought 2000 Qtls of stock limit. Currently there is demand from crushers on firm Mustard oil prices.



In coming week, arrivals is expected to decline and prices may remain inflated. Edible oil complex still remains tight as Canada and Europe reported poor Canola crop in 2021-22 due to crop damage. Ukraine- Russia, largest suppliers of sunflower oil have not been exporting since Feb'22 due to turmoil.

Indonesia's flip-flops in export ban policy have sent global prices into turmoil. Indonesia is the world's biggest producer of palm oil-producing 59% of the global supply. Indonesia's Minister for Economic Affairs Airlangga

Hartarto cleared in a media briefing on 27th April, that Indonesia has widened its export ban and has included Crude Palm Oil (CPO) and Refined Palm Oil (RPO) in addition to Refined Bleached Deodorized Palm Oil (RBDPO) in its new export policy.

India is already facing an edible oil shortfall due to Sunflower oil shortages due to the conflict between Russia and Ukraine, low Soy production in south American countries, low Palm oil availability in the future is likely to inflate the prices of oil basket. Due to ongoing turmoil in oilseed complex, Mustard prices likely to remain inflated.

Production- As per Agriwatch, the production is expected to be 107.1 Lakh tonnes, which is all time high production. Rajasthan's mustard crop production estimated at 45.1 Lakh tonnes, Madhya Pradesh at 11.7 Lakh tonnes, Uttar pradesh at 14.10 Lakh tonnes. It is estimated that 102.5 Lakh tonnes will be crushed, which would translate into 43.05 Lakh tonnes oil and 59.45 Lakh tonnes RM seed DOC production.

According to USDA's April'22 reports India's 2021-22 RM seed production estimated at 108 Lakh tonnes as compared to last year estimates at 85 Lakh tonnes, crushing estimated at 96.50 Lakh tonnes as compared to 75 Lakh tonnes previous year.

As per 2nd Advance estimate released by the Department of Agriculture and Farmers Welfare, RM seed production during 2021-22 is estimated at 114.59 Lakh tonnes vs 102.1 Lakh tonnes last year.

Trade body Central Organization for Oil Industry and Trade (COOIT) has estimated Mustard Rabi 2022 crop at 113 Lakh tonnes marginally up from 110 Lakh tonnes last month, total production includes taramira too. COOIT has estimated mustard crop production in Rajasthan at 51 Lakh tonnes, 17 Lakh tonnes in Uttar Pradesh, 12.5 Lakh tonnes in Madhya pradesh.

ICE canola is trading at all time high on tight global dynamics.

Statistics Canada on Tuesday pegged Canada's 2022 canola plantings at 20.9 million acres, down 7% from last year, 6% below the five-year average and lighter than analyst expectations of 22.1 million.

In Haryana, government agencies have not procured even a single quintal of mustard so far, as private players have offered rates much more than the MSP (Rs 5,050 /qtl).

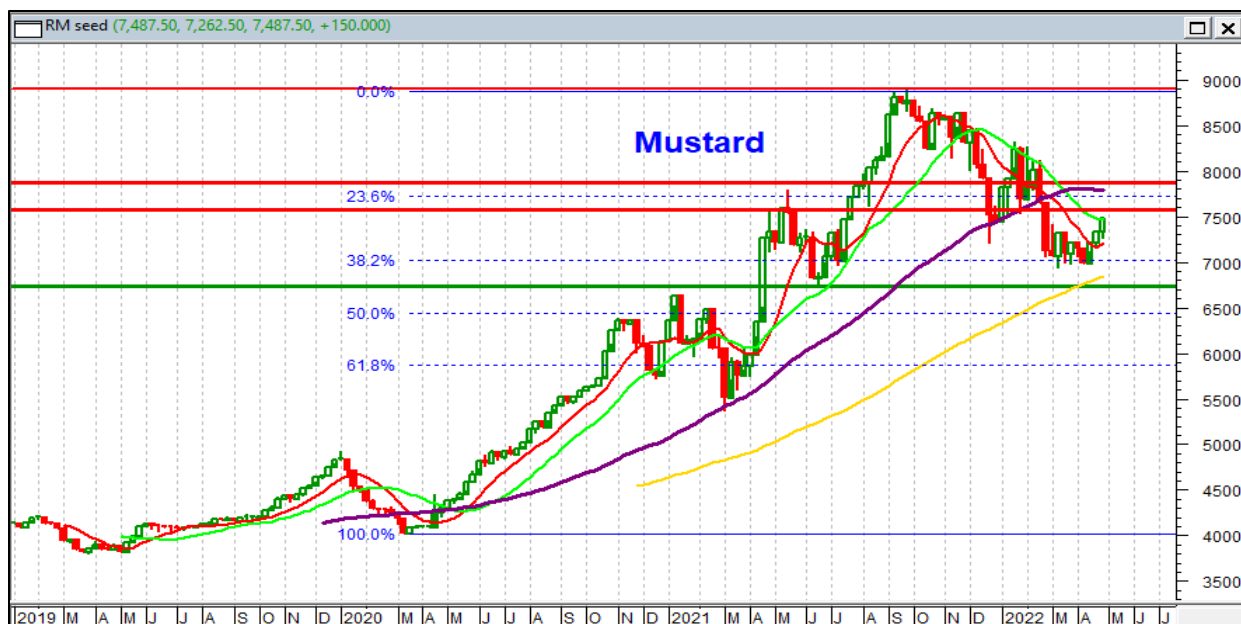
Technical Analysis

(Based on Jaipur Mandi prices)

RM seed – Technical Outlook

RM seed Jaipur Spot -Weekly time frame

Technical Chart:



Technical Commentary:

- This week RM seed prices at Jaipur mandi rebounded from 38.2% Fibanacchi retracement level and went up above 9 and 18 DMA indicating firm momentum. And 100 DMA can be characterized as long term support.
- Imeediate support is at 7180, next support is at 7000 and immediate resistance is at 7570, next resistance is at 7870.

Recommendation-

Market participants are recommended to do need based buying at current levels.

RM seed Price Outlook for coming week: RM Seed is expected to trade firm on the back of Palm oil export ban by Indonesia.

Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 09th-15th April'22	Week Under review 16th-22nd April'22	Next week 23rd-29th April'22
Weekly Average Price	7250	7346	7300-7600

Annexure

	% Change over previous week	Today	Week Ago	Month Ago	Year Ago	
Soy DOC Rates at Different Centers		29-Apr-22	23-Apr-22	29-Mar-22	29-Apr-21	
Centres		Ex-factory rates (Rs/ton)				parity To
Indore - 45%, Jute Bag	-4%	56000	58500	62000	58500	Gujarat, MP
Kota - 45%, PP Bag	-1%	58700	59500	65200	62000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	-2%	60500	62000	63000	65000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	-2%	60000	61000	61000	64000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	0%	60000	60000	63000	63000	Andhra, AP, Kar, TN
Latur	-6%	57000	60500	62500	65000	-
Sangli	-3%	54500	56300	59000	64000	Local and South
Solapur	-3%	54500	56000	58500	62000	Local and South
Akola – 45%, PP Bag	-3%	58000	59500	61000	60000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	-4%	59000	61500	63000	60000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	-1%	58500	59300	65000	61800	-
Soy DOC at Ports						
Centers		Port Price				
		29-Apr-22	23-Apr-22	29-Mar-22	29-Apr-21	
Kandla (FOR) (INR/MT)	-2%	61500	63000	65000	-	
Kandla (FAS) (USD/MT)	-2%	810	825	850	-	
CNF Indonesia – Yellow SBM (USD/MT)	-	-	-	-	-	
Rapeseed Meal		29-Apr-22	23-Apr-22	29-Mar-22	29-Apr-21	
FAS Kandla (USD/MT)	-	310	-	-	-	
FOR Kandla (Rs/MT)	-	22800	-	-	-	
FOR Mundra (Rs/MT)	-	-	-	-	-	
CNF Indonesia (USD/MT)	-	-	-	-	-	

International Soy DOC						
Argentina FOB USD/MT		29-Apr-22	23-Apr-22	29-Mar-22	29-Apr-21	
Soybean Pellets	-	490	-	-	-	
Soybean Cake Flour	-	490	-	-	-	
Soya Meal	-	NR	-	-	-	
Soy Expellers	-	NR	-	-	-	
Sunflower (DOC) Rates		Ex-factory rates (Rs/ton)				
Centers		29-Apr-22	23-Apr-22	29-Mar-22	29-Apr-21	
Adoni	0%	36000	36000	38000	35000	
Khamgaon	-	-	-	-	-	
Parli	-	-	-	-	-	
Latur	0%	35000	35000	37000	34500	
Groundnut Meal (Rs/MT)		29-Apr-22	23-Apr-22	29-Mar-22	29-Apr-21	
Basis 45%, Saurashtra	3%	37000	36000	40000	Closed	
Basis 40%, Saurashtra	3%	33000	32000	36000	Closed	
GN Cake, Gondal	3%	38000	37000	41000	Closed	
Mustard DOC		29-Apr-22	23-Apr-22	29-Mar-22	29-Apr-21	
Jaipur (Plant delivery)	-2%	21600	22000	23000	22800	
Kandla (FOR Rs/MT)	0%	23000	23000	24200	23200	
Mumbai Oil Meal Quotes:						
Rs/M.T.		29-Apr-22	23-Apr-22	29-Mar-22	29-Apr-21	
G.N. Extr (45%)	-3%	37000	38000	41000	44000	
Kardi Extr	-	-	-	-	-	
Undec Cottonseed Exp	0%	36500	36500	37500	32000	
Rice Bran Extr.	-	-	-	-	-	
Sunflower Extr.	-5%	26000	27500	30000	33000	
Rapeseed Extr.	-	-	-	-	-	
Soymeal 48%	-3%	59478	61565	63652	61565	
Castor Extr.	-7%	9150	9850	11150	4850	

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>
© 2022 Indian Agribusiness Systems Limited