Oil Meal Weekly Research Report

Contents

Executive Summary

The weekly average prices of Soybean Indore plant continued trading weak and eased by 4% to INR. 6,777/qtl during the week under review. Prices were in the range of INR. 6,350-6,650/qtl during the period. In the coming week soybean prices likely to remain weak on Soymeal import.

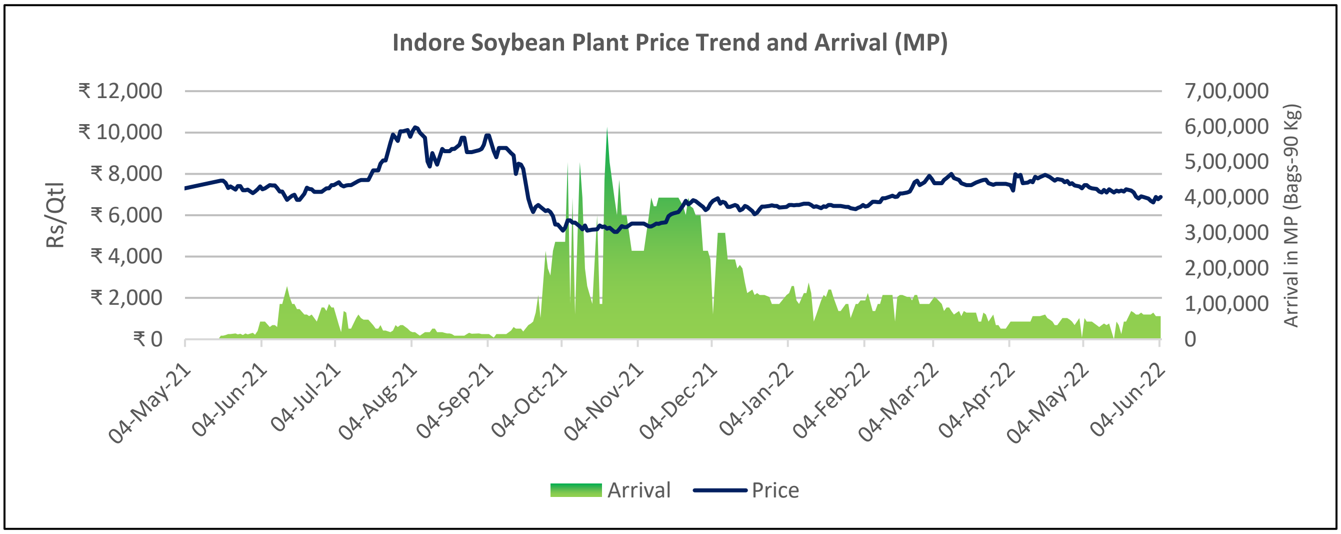
The weekly average prices of Indore soymeal too went down by 2.8% to INR 51,333/MT as compared to last week at INR 52,833/MT tracking Soymeal import.

Jaipur RM seed prices went down by 3.3% to INR 6,883/ Qtl amid edible oil import tariff cut by the government.

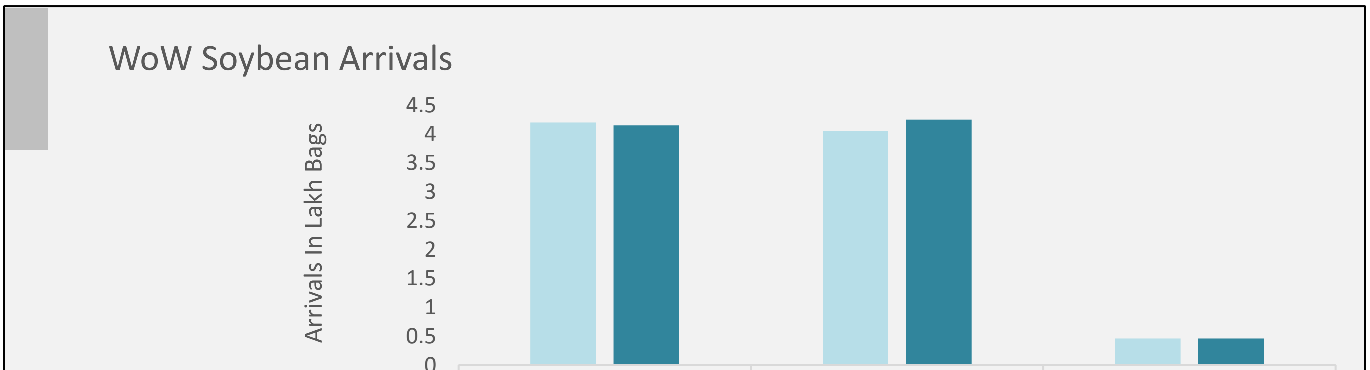
Outlook – Cash Market

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 6,800 – 7,100 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 48,000 – 55,000/MT.*
Outlook - Rapeseed-Mustard (Spot, Jaipur basis)*: Rapeseed-Mustard is expected to trade range bound with weak bias amid edible oil import tariff cut.The seed prices are likely to trade in the range between 6,800 –7,100/Qtl. in the short-run.*

Soybean



Duirng the week under review, Soybean indore plant prices continued to trade with weak sentiment on Soymeal import and soy oil import tariff cut. Indore plant weekly average prices eased by 4% to INR. 6,777/qtl. as compared to 7,027/qtl.

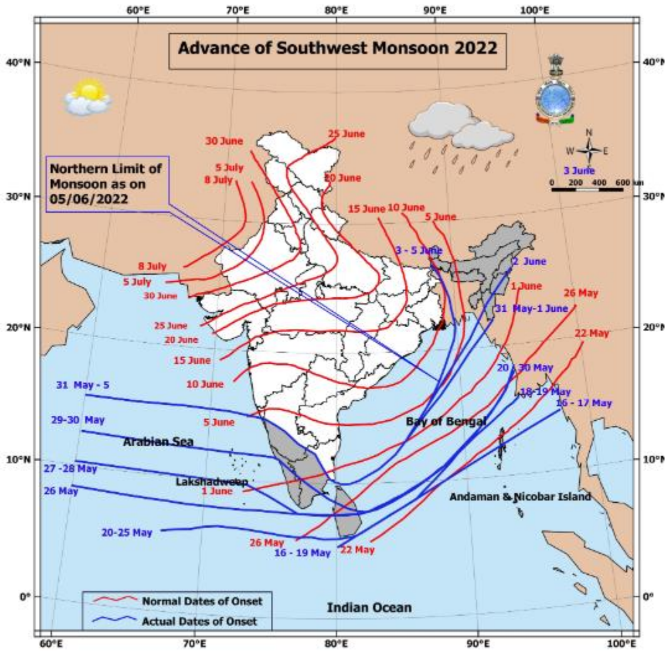


	Madhya Pradesh	Maharastra	Rajasthan
Arrivals in previous week (21st to 27th May)	4.2	4.05	0.46
Arrivals This week (28th to 03rd June)	4.15	4.25	0.46

Arrivals in previous week (21st to 27th May) Arrivals This week (28th to 03rd June)

This week, the total arrival in MP stood at 4.15 Lakh bags Vs 4.2 Lakh bags last week. In Maharashtra arrivals stood at 4.25 Lakh bags Vs 4.05 Lakh bags last week and in Rajasthan the arrivals remained stable at 0.46 lakh bags. Farmers are expected to release stocks for kharif sowing in upcoming weeks.

Weather Updates-First week since onset of rain season leaves rainfall deficit of 29% over South Peninsula.



According to IMD, Monsoon may scale up over South Peninsula from Tuesday.

5 Day Rainfall Forecast (MORNING)

06-June-2022

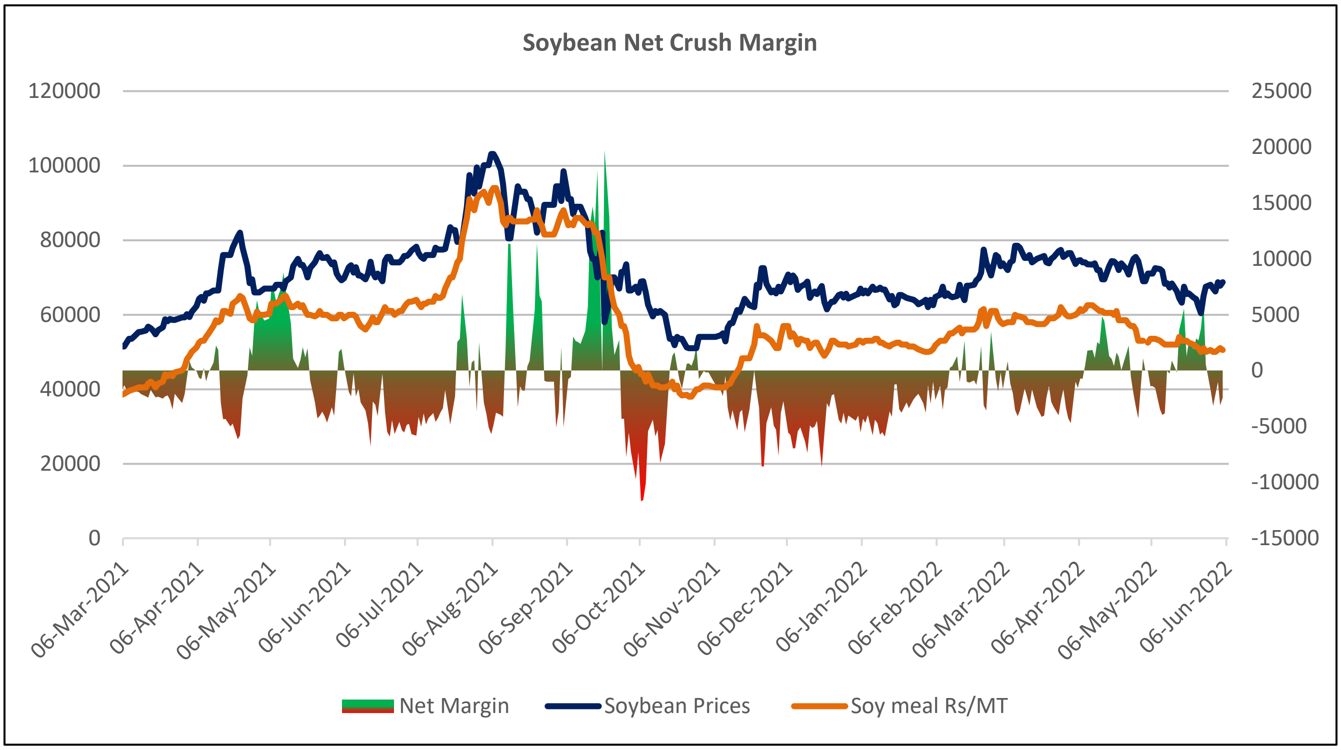
Met-Sub-Division	06-Jun Today	07Jun Tue	08Jun Wed	09Jun Thu	10Jun Fri
1. Andaman & Nicobar Islands	WS	WS	WS	WS	FWS
2. Arunachal Pradesh	WS	WS	WS	WS	WS
3. Assam & Meghalaya	WS	WS	WS	WS	WS
4. N. M. M. & T.	FWS	FWS	WS	WS	WS
5. S.H. West Bengal & Sikkim	WS	WS	WS	WS	WS
6. Gangetic West Bengal	ISOL	SCT	SCT	SCT	SCT
7. Odisha	ISOL	ISOL	ISOL	ISOL	ISOL
8. Jharkhand	ISOL	ISOL	ISOL	ISOL	ISOL
9. Bihar	ISOL	ISOL	SCT	SCT	ISOL
10. East Uttar Pradesh	DRY	DRY	DRY	DRY	DRY
11. West Uttar Pradesh	DRY	DRY	DRY	DRY	DRY
12. Uttarakhand	DRY	DRY	DRY	DRY	ISOL
13. Haryana, Chd & Delhi	DRY	DRY	DRY	DRY	ISOL
14. Punjab	DRY	DRY	DRY	DRY	ISOL
15. Himachal Pradesh	DRY	DRY	DRY	DRY	ISOL
16. J & K and Ladakh	DRY	DRY	ISOL	ISOL	SCT
17. West Rajsthan	DRY	DRY	DRY	DRY	DRY
18. East Rajasthan	DRY	DRY	DRY	DRY	DRY
19. West Madhya Pradesh	DRY	DRY	DRY	DRY	DRY
20. East Madhya Pradesh	DRY	DRY	DRY	DRY	DRY
21. Gujarat Region	DRY	DRY	ISOL	ISOL	DRY
22. Saurashtra & Kutch	DRY	DRY	DRY	DRY	DRY
23. Konkan & Goa	ISOL	ISOL	SCT	SCT	SCT
24. Madhya Maharashtra	ISOL	ISOL	SCT	SCT	ISOL
25. Marathawada	ISOL	ISOL	ISOL	ISOL	ISOL
26. Vidharbha	ISOL	ISOL	ISOL	ISOL	ISOL
27. Chhattisgarh	ISOL	ISOL	ISOL	ISOL	ISOL
28. Coastal A. P. & Yanam	ISOL	ISOL	SCT	SCT	SCT
29. Telangana	ISOL	ISOL	ISOL	ISOL	ISOL
30. Rayalaseema	SCT	SCT	FWS	FWS	SCT
31. T.N.,Puducherry & Karaikal	SCT	SCT	SCT	ISOL	ISOL
32. Coastal Karnataka	SCT	FWS	FWS	WS	WS
33. North Interior Karnataka	SCT	FWS	WS	WS	FWS
34. South Interior Karnataka	FWS	FWS	WS	WS	FWS
35. Kerala & Mahe	FWS	WS	WS	WS	WS
36. Lakshadweep	FWS	WS	WS	WS	WS

% Station Reporting Rainfall

% Stations	Category	% Stations	Category
76-100	Widespread (WS/Most Places)	26-50	Scattered (SCT/ A Few Places)
51-75	Fairly Widespread (FWS/ Many Places)	1-25	Isolated (ISOL)
No Rain	Dry		

Soybean Crush Margin-

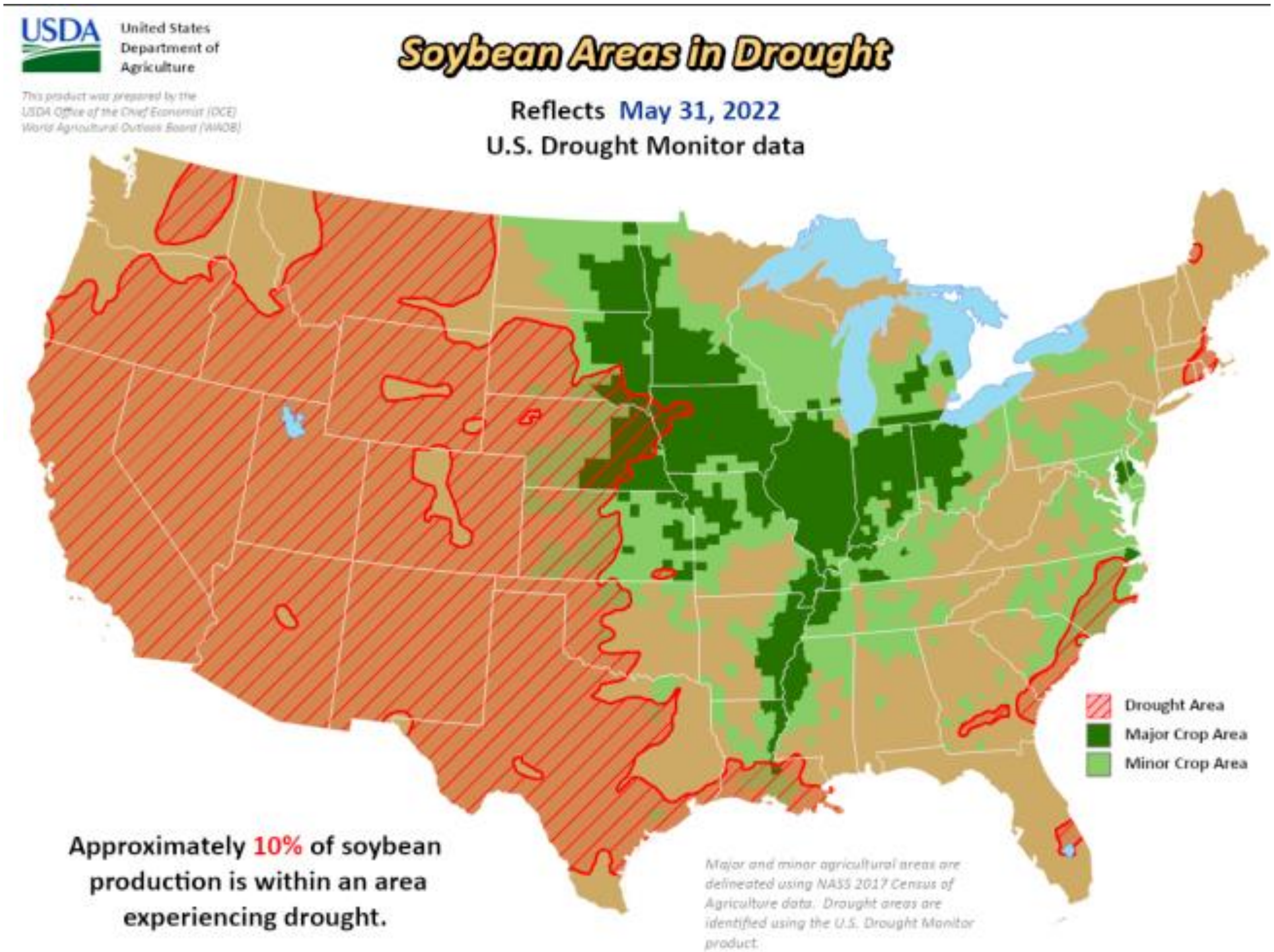
Soybean net crush margin improved during the week under review. Weekly average soybean net crush margin decreased to INR -1,776/MT as compared to INR. 3,365/ MT previous week amid correction in Soy oil prices. We expect weak soy oil prices likely to keep net crush margin tight.



International: This week, CBOT Soybean July futures went down by 1.99% on profit booking.

USDA/NASS US soybean crush for April came in at 180.89 million bushels, which was at the upper end of expectations.

According to USDA latest planting report USA Soybean sowing progress stood at 66% Vs 83% previous year.



Currently in US, 10% of Soybean production is within an area experiencing drought.

USDA Attache in Its May'22 report has estimated India's 2022-23 Soybean production estimate at 11.5 MMT as compared to 11.90 MMT previous year. Brazil's 2022-23 Soybean production is estimated at 149 MMT Vs 125 MMT in 2021-22. However China's 2022-23 Soy crush is estimated at 95 MMT Vs 89 MMT in 2021-22. While China's Soy import is estimated at 99 MMT in 2022-23 Vs 92 MMT in 2021-22.

Technical Analysis

(Based on Indore Mandi prices)

SOYBEAN – Technical Outlook	Soybean Indore Spot -Weekly time frame

Technical Chart:

Technical Commentary:

- As depicted in the above chart, market has taken support from 50% Fibonachhi retracement level. However, Currently trading below 9, 18 and 50DMA, indicating weak sentiments.
- RSI has declined below 49, indicating weak buying strength and MACD also indicating weak momentum.

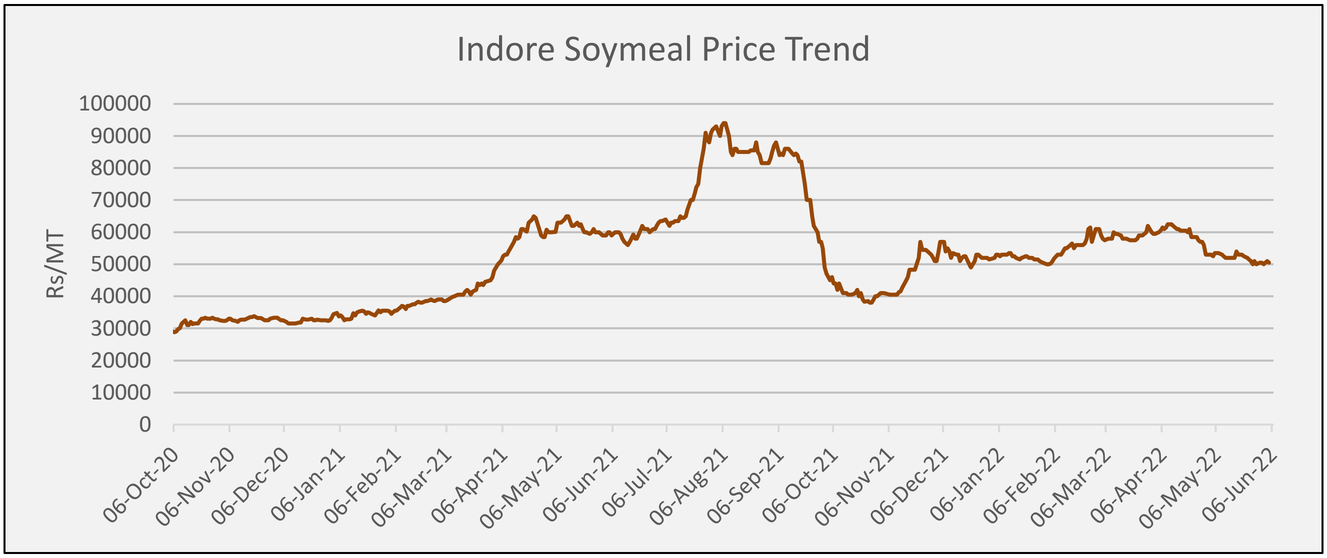
Recommendation-

- Market Participants are recommended for need based buying at current level.

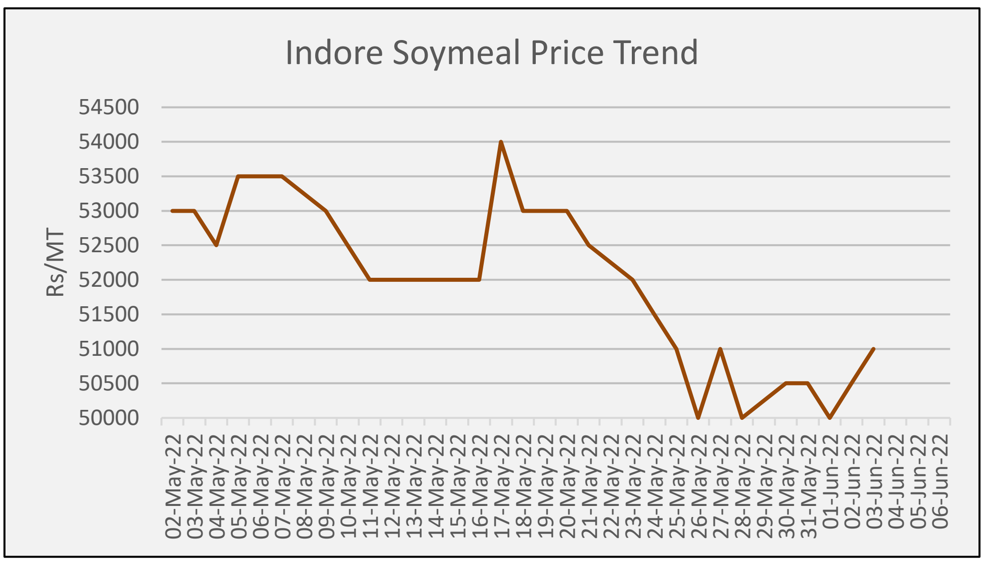
Soybean Price Outlook for coming week: Indore Soybean mandi prices are currently trading at INR. 6,490/qtl. and are expected to trade with weak bias tracking Soy meal import.

Soybean Mandi Price Outlook (INR./Qtl)	Previous week 21st-27th May'22	Week Under review 28th-03rd June'22	Next week 04th June- 10th June'22
Weekly Average Price	6,500-7,100	6,350-6,650	6,300-6,500

Soymeal



During the week under review, Indore Soymeal prices continued trading with weak sentiments tracking Soy meal import. The weekly average prices of soymeal went down by 1.8% at INR 50,416/MT as compared to last week at INR 51,333/MT. Overall the prices quoted between INR 50,000 – 51,000/MT throughout the week.

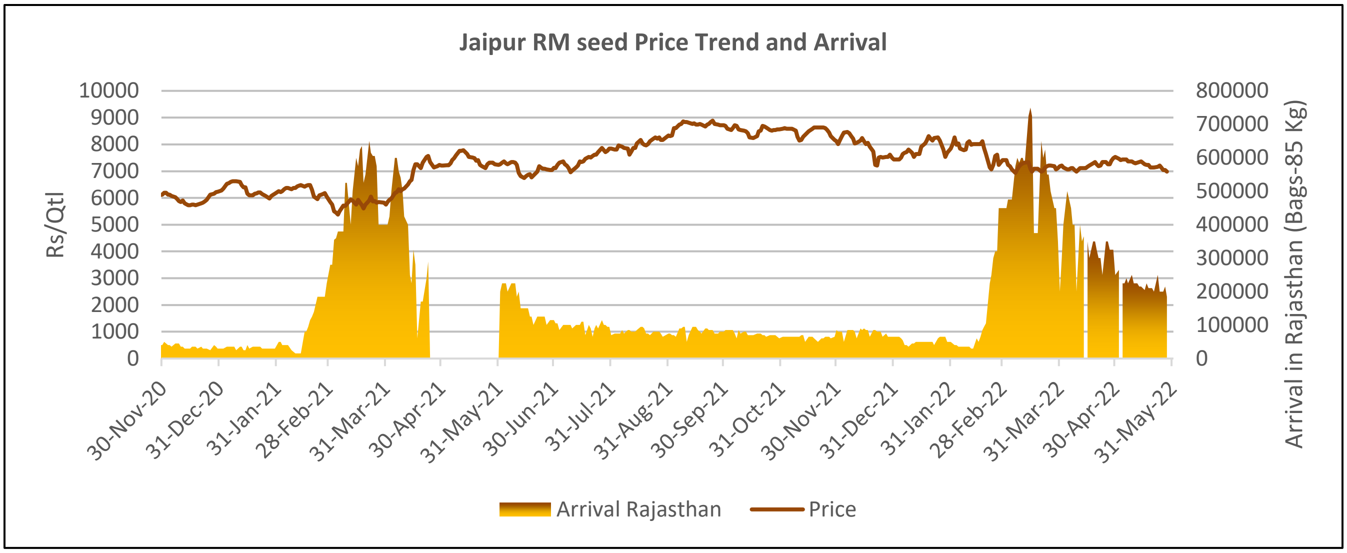


At Nanded, the weekly average prices traded at INR. 52,916/MT compared to INR. 54,916MT a week ago. In Kota the meal prices were down at INR. 54,316/MT compared to INR. 54,683/MT previous week.

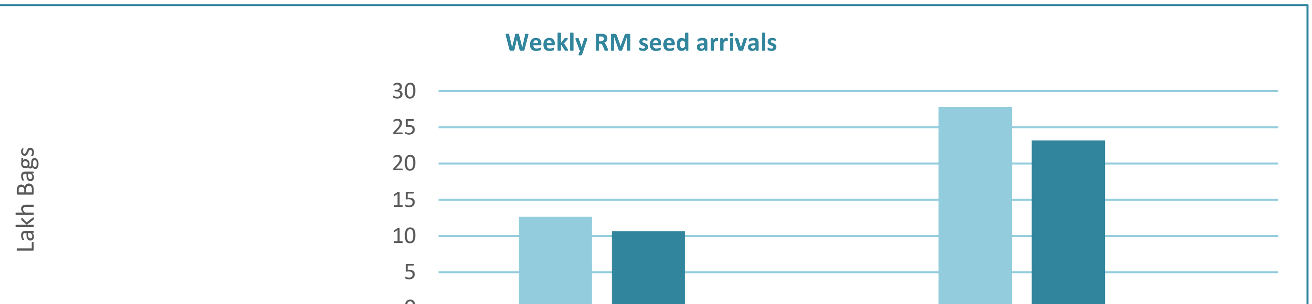
Soymeal Price Outlook for coming week: Soybean meal prices are expected to continue to trade with weak bias tracking Soymeal import decision by government.

Soymeal Indore Price Outlook (INR./MT)	Previous week 21st-27th May'22	Week Under review 28th-03rd June'22	Next week 04th June- 10th June'22
Weekly Average Price	50,000-52,500	50,000-51,000	48,000-53,000

Rapeseed - Mustard Seed



RM seed continued correction this week too, during the week under review, Jaipur RM seed weekly average prices went down by 3.3% to INR. 6,883/qtl as compared to INR. 7,121/qtl last week. Prices went down amid edible oil import tariff cut by the government. Farmers are still holding new crop in anticipation of better prices in future. And may off load to meet their kharif sowing expences in upcoming weeks.



	Rajasthan	India
Arrivals in previous week (21st to 27th May)	12.65	27.8
Arrivals This week (28th to 03rd June)	10.65	23.2
% Change over previous year	-16%	-17%

Arrivals in previous week (21st to 27th May) Arrivals This week (28th to 03rd June) % Change over previous year

All India Arrivals recorded low during the week under review, in Rajasthan, total mustard were recorded lower by 16% at 10.65 Lakh bags. All India arrivals stood at 23.2 Lakh bags Vs 27.8 Lakh bags previous week. Farmers are not willing to sell at discounted price. Most of the stockiest/ traders are not agressively buying, as they already bought 2,000 Qtls of stock limit.

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 3rd Advance estimate released by the Department of Agriculture and Farmers Welfare, RM seed production during 2021-22 is estimated at 117.54 Lakh tonnes Vs 114.59 Lakh tonnes in 2nd advance estimates and 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.

International-

According to Agriculture and Agri-Food Canada's (AAFC), Canada's canola supplies declined from last year by 37% to 14.5 MMT due to drop in carry in stocks by 49% and 35% lower production as a result of last summer's drought. Demand for Canadian canola remains firm on a strong world oilseed crush and high prices for competing oilseeds, vegetable oils and protein meals. Disruption of Black Sea exports of sunflowerseed oil as a result of the Russian invasion of Ukraine is tightening world supplies and supporting world prices. Domestically, processing of canola is estimated to fall to 8.3 Mt, a drop of 20% from last year, while exports are expected to fall by 51% to 5.2 Mt, as commercial buyers outbid exporters for the tight supplies. For the crop year, the major importers of Canadian canola to-date are China, Japan, Mexico and the European Union. Carry-out stocks are forecast to fall by 77% from last year, to a tight 0.40 Mt, for a stock-to-use ratio of 3% versus 8% in 2020-21 and the 5-year average of 13%. Price volatility for canola increased sharply during the past month due to shipping disruptions from the Black Sea Region. For the crop year to- date, Canadian canola prices are estimated at $1,100/t vs $730/t last year and the 5-year average of $556/t. tight stocks.

For 2022-23, the area seeded to canola is expected to decrease by 7% to 8.5 million hectares (Mha) based on Statistics Canada's Seeding Intentions Survey.

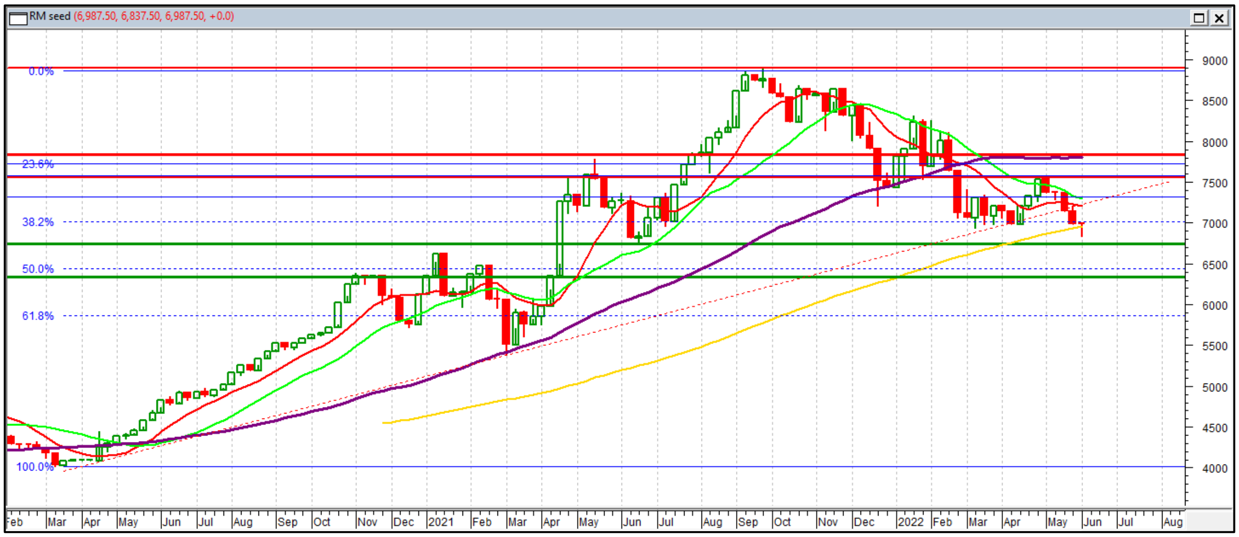
According to USDA Attachae, 2022-23 global rapeseed supplies is projected to rise 10 percent to a record 100.5 MMT as production in Canada recovers from last year's devastating drought. Both global harvested area and production are projected to be records. Reduced carryover, the smallest in nearly 20 years, will necessitate some stock-building in the coming year and provide a measure of price support. Exports are projected to rise significantly above this year's current forecast but will fall short of the 2020/21 record volume as stock building and strong crush recovery in Canada restrict exportable supplies. Global rapeseed crush is forecast to reach a record 75.1 million tons.

Technical Analysis

(Based on Jaipur Mandi prices)

RM seed – Technical Outlook | **RM seed Jaipur Spot -Weekly time frame**

Technical Chart:



Technical Commentary:

- As depicted in the above chart, market is weak and during the week under review, market made low of 6,837 and high of 6,987 and closed at 6,987.
- 38.2% Fibonacchi retracement level and 100 DMA can be characterized as support whereas 23.6% fibonacchi retracement level can be characterized as resistance level.
- Immediate support is at 6,800, next support is at 6,700 and immediate resistance is at 7300, next resistance is at 7500.

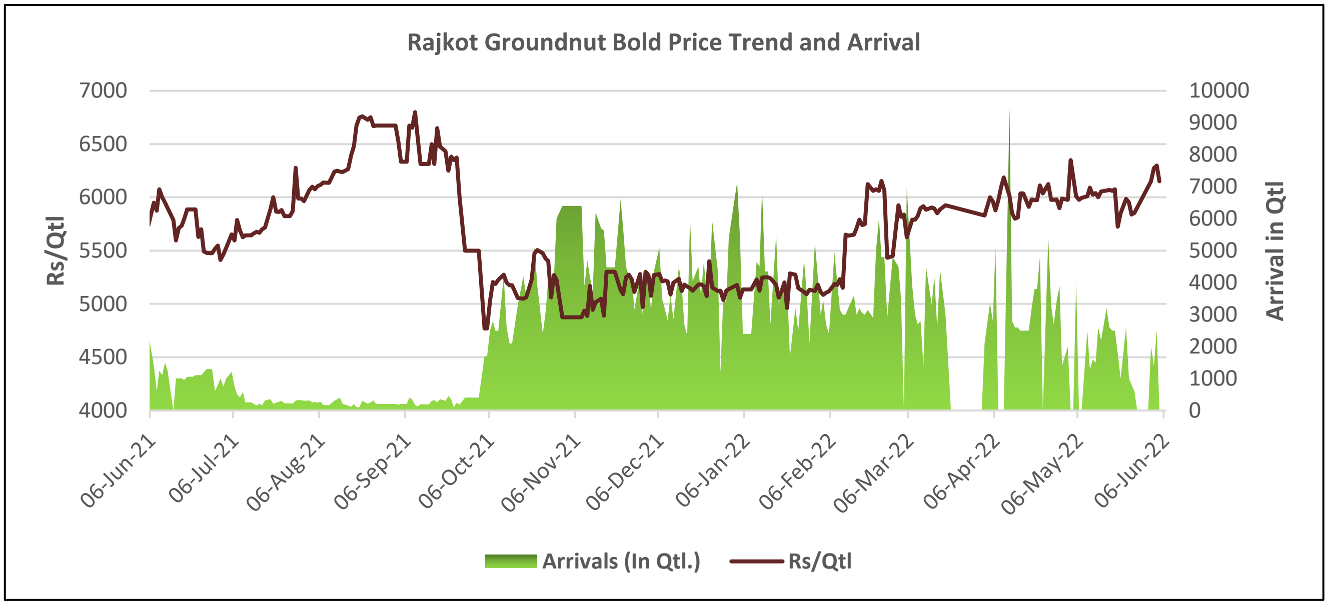
Recommendation-

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 range bound with weak bias amid edible oil import tariff cut by the government.

Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 21st-27th May'22	Week Under review 28th-03rd June'22	Next week 04th June- 10th June'22
Weekly Average Price	7,229	7,121	6,800-7,100

Groundnut



During the week under review, Rajkot Groundnut weekly average bold prices remained firm on good domestic demand and went up by 6% to INR 6,241/Qtl.

Groundnut Price Outlook for coming week: Rajkot groundnut bold prices expected to trade steady to firm on good domestic demand.

Rajkot Groundnut Bold Price Outlook (INR./Qtl)	Previous week 21st-27th May'22	Week Under review 28th-03rd June'22	Next week 04th June- 10th June'22
Weekly Average Price	5,897	6,242	5,800-6,100

Annexure

	% Change over previous week	Today	Week Ago	Month Ago	Year Ago
Soy DOC Rates at Different Centers		**03-Jun-22**	**27-May-22**	**03-May-22**	**03-Jun-21**
Centres		**Ex-factory rates (Rs/ton)**			
Indore - 45%, Jute Bag	0%	51000	51000	53000	60000
Kota - 45%, PP Bag	1%	55000	54700	55000	62000
Dhulia/Jalna - 45%, PP Bag	-1%	53000	53500	57000	65000
Nagpur - 45%, PP Bag	-1%	52000	52500	54000	64500
Nanded	-1%	52500	53000	56000	64000
Latur	-6%	52000	55500	54500	63500
Sangli	-2%	49000	50000	51500	63000
Solapur	3%	51500	50000	53500	61600
Akola – 45%, PP Bag	-1%	50500	51000	53500	62000
Hingoli	-2%	53000	54000	55000	63500
Bundi	1%	54800	54500	54800	61800
Soy DOC at Ports					
Centers		**Port Price**			
		03-Jun-22	**27-May-22**	**03-May-22**	**03-Jun-21**
Kandla (FOR) (INR/MT)	-	NA	NA	56000	-
Kandla (FAS) (USD/MT)	-	NA	NA	740	-
CNF Indonesia – Yellow SBM (USD/MT)	-	NA	NA	-	-
Rapeseed Meal		**03-Jun-22**	**27-May-22**	**03-May-22**	**03-Jun-21**
FAS Kandla (USD/MT)	-	-	-	-	-
FOR Kandla (Rs/MT)	-	-	-	-	-
FOR Mundra (Rs/MT)	-	-	-	-	-

CNF Indonesia (USD/MT)	-	-	-	-	-
International Soy DOC					
Argentina FOB USD/MT		**03-Jun-22**	**27-May-22**	**03-May-22**	**03-Jun-21**
Soybean Pellets	-	-	-	-	-
Soybean Cake Flour	-	-	-	-	-
Soya Meal	-	-	-	-	-
Soy Expellers	-	-	-	-	-
Sunflower (DOC) Rates		**Ex-factory rates (Rs/ton)**			
Centers		**03-Jun-22**	**27-May-22**	**03-May-22**	**03-Jun-21**
Adoni	**-3%**	38000	39000	36000	34000
Khamgaon	-	-	-	-	-
Parli	-	-	-	-	-
Latur	**-3%**	37000	38000	35000	33500
Groundnut Meal (Rs/MT)		**03-Jun-22**	**27-May-22**	**03-May-22**	**03-Jun-21**
Basis 45%, Saurashtra	**-3%**	32000	33000	36000	40000
Basis 40%, Saurashtra	**-4%**	27000	28000	32000	37500
GN Cake, Gondal	**-3%**	33000	34000	37000	41000
Mustard DOC		**03-Jun-22**	**27-May-22**	**03-May-22**	**03-Jun-21**
Jaipur (Plant delivery)	**-2%**	19000	19400	21000	19500
Kandla (FOR Rs/MT)	**-3%**	20300	21000	22300	21000
Mumbai Oil Meal Quotes:					
Rs/M.T.		**03-Jun-22**	**27-May-22**	**03-May-22**	**03-Jun-21**
G.N. Extr (45%)	**-6%**	31000	33000	37000	40000
Kardi Extr	-	-	-	-	-
Undec Cottonseed Exp	**-1%**	34500	35000	36500	31500
Rice Bran Extr.	-	-	-	-	-
Sunflower Extr.	**-2%**	25000	25500	25000	30500
Rapeseed Extr.	-	-	-	-	-

Soymeal 48%	-1%	53843	54260	56087	60500
Castor Extr.	0%	11150	11150	8975	4550

Other Oilseed Prices at Mumbai (INR/100 Kg):

Oilseeds	3-Jun-22	27-May-22	Change
Groundnut Kernel	8150	7950	200
Gr. Bolds 60/70	9000	9100	-100
Gr. Javas 60/70	10100	10200	-100
Gr Javas 70/80	9050	9150	-100
Gr.Javas 80/90	9550	9650	-100
KardiSeed 2% Exp Qly	5400	5500	-100
Sesame White 98/2/1 FM	10000	10000	Unch
Whitish 95/5/FFA/1FM	9800	9800	Unch
Brown 48/2 FFA/4 FM	9400	9400	Unch
Brown 48/3 FFA/4 FM	9100	9100	Unch
Brown 48/4 FM/* No FFA Guarantee	8800	8800	Unch
Sunflower Seed	6800	6800	Unch
Niger Seed (4% FM)	8400	8400	Unch