

Oil Meal Weekly Research Report

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Executive Summary

The weekly average prices of Soybean Indore plant prices extended previous week loss and went down by 4% to INR 5,957/ Qtl. as compared to 6,234/qtl. previous week amid weak demand from crushers and high ending stock.

The weekly average prices of Indore soymeal too corrected and went down by 5.3% to INR 47,416/MT as compared to last week at INR 50,083/MT amid weak soymeal export demand and squeeze in crush margin.

During the week under review, Jaipur RM seed weekly average prices remained sideways and went marginally down by 1% to INR. 6,887/qtl amid weak demand from crushers.

During the week under review, Rajkot groundnut bold prices went up at INR 6,539/Qtl. amid lag in acreage and good demand.

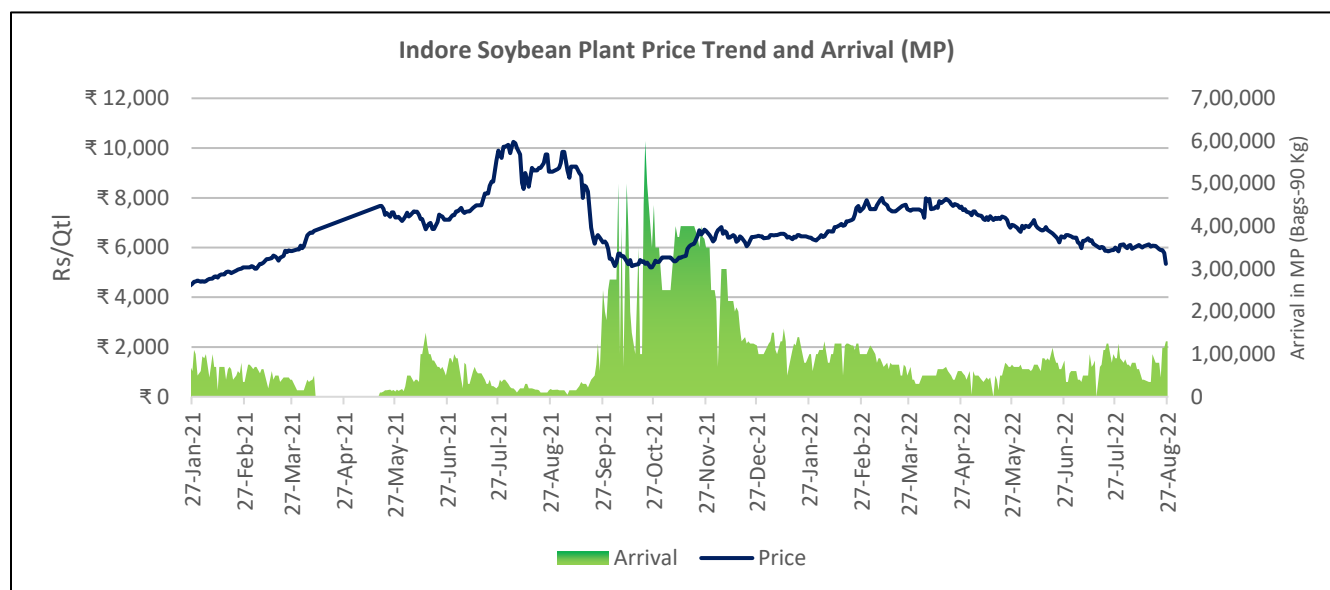
Outlook – Cash Market

Outlook - Soybean (Spot Indore): *In the coming week, soybean prices are expected to trade weak bias amid weak demand from crushers and high ending stock. The prices (Indore, Plant basis) are expected to feature range bound movement in the price band of 5,200-5,500 levels in the near term.*

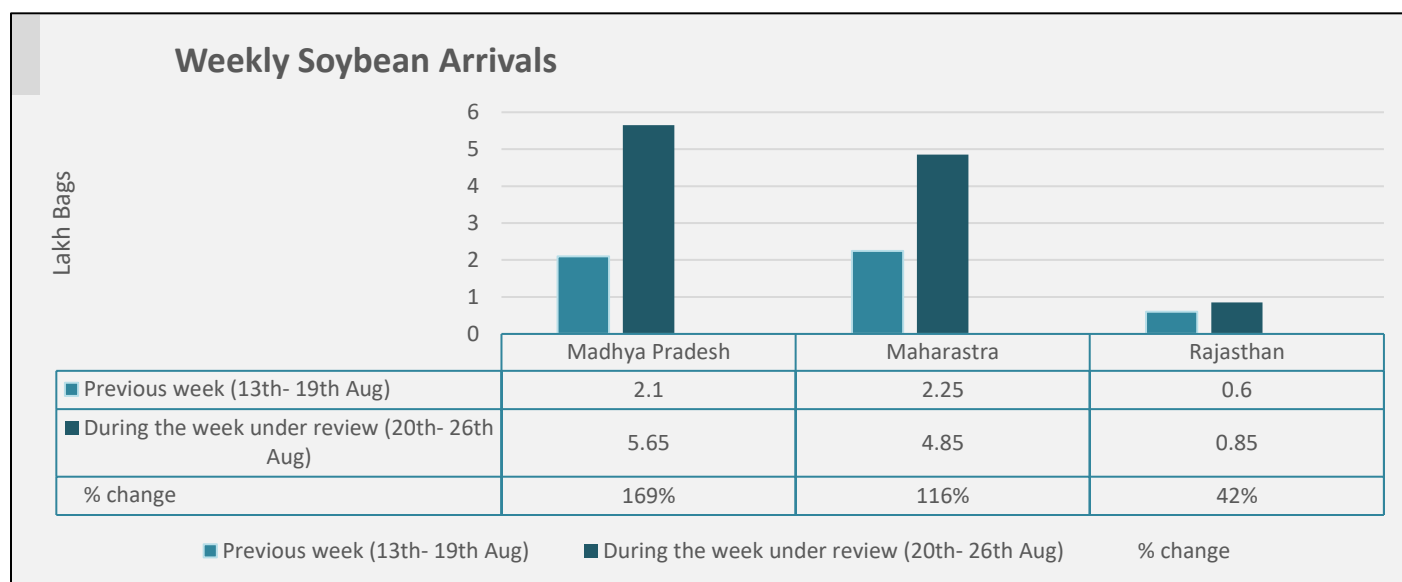
Outlook – Soy meal:
The soy meal prices (Indore) are likely to trade with weak bias tracking GM Soymeal import and sluggish soymeal export demand. Soy meal Indore prices are likely to trade in the range of 42,000 – 45,000/MT.

Outlook - Rapeseed-Mustard (Spot, Jaipur basis): *Rapeseed-Mustard is expected to trade range bound with weak bias amid weak demand from crushers. The seed prices are likely to trade in the range between 6,700 – 6,900/Qtl. in the short-run.*

Soybean



During the week under review, Soybean indore plant prices extended previous day loss and went down by 4% to INR 5,957/ Qtl. as compared to 6,234/ qtl. previous week amid weak demand from crushers and high ending stock.



This week, the total arrival in MP rebounded to 5.65 Lakh bags Vs 4.85 Lakh bags previous week. In Maharashtra arrivals recorded up to 4.85 Lakh bags vs 2.25 Lakh bags last week and in Rajasthan too the arrivals went up to 0.85 lakh bags Vs 0.6 Lakh bags previous week.

Soybean Sowing Updates:

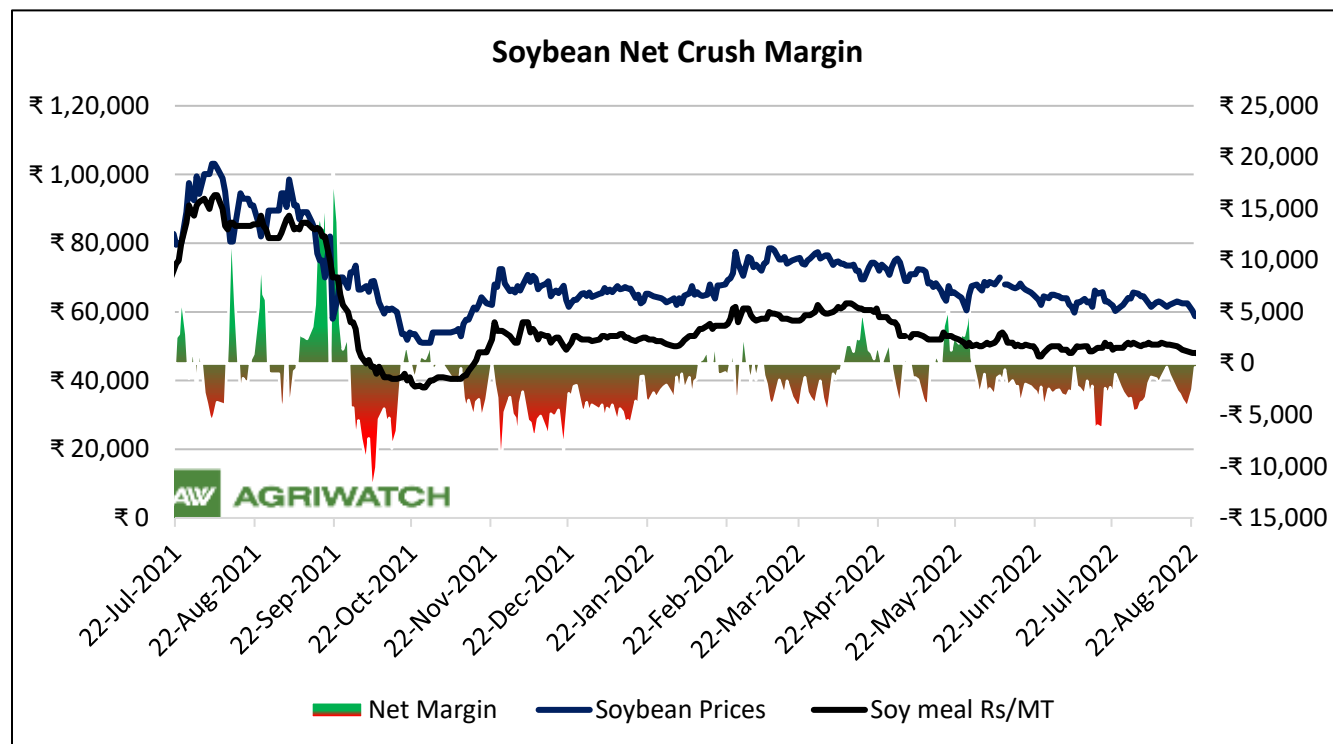
From 1st June'22- 28th Aug'22, cumulative rainfall recorded above average by 20% in Maharashtra, 25% in MP, in Rajasthan cumulative rainfall remained above average at 49%. As on 19th Aug'22 All India Kharif soybean sowing progress is down by 0.6% to 119.83 Lakh hectare as compared to 120.56 Lakh hectare last year in the same period. Agriwatch expects soybean acreage to decline by 5-8% amid acreage shift to cotton and Maize.

State wise Soybean sowing progress as on 26th Aug'22 (Lakh Ha)				
State	2022	2021	% Change	Cumulative Rainfall Departure (%) 1st June to 28th Aug'22
Maharashtra	48.45	45.87	6%	20%
Madhya Pradesh	50.05	55.13	9%	25%
Rajasthan	11.51	10.63	8%	49%
Karnataka	4.36	3.83	14%	31%
Telangana.	1.60	1.41	13%	51%
Others	3.86	3.69	5%	
Total	119.83	120.56	-0.6%	

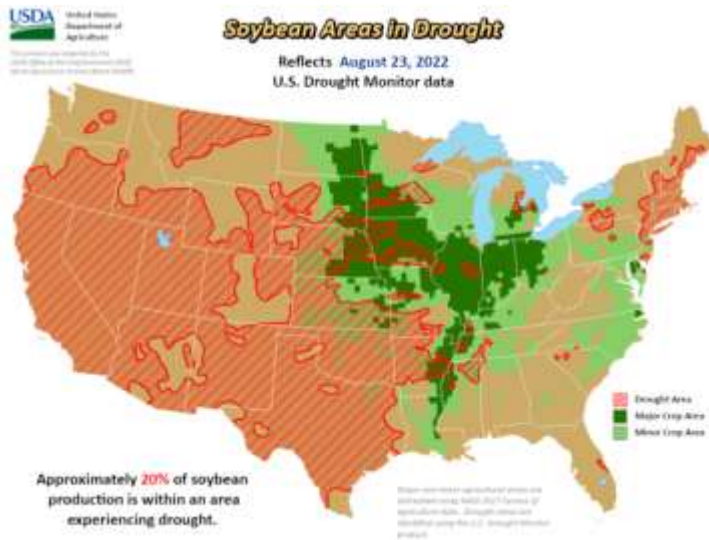
As per sources, multiple crops including soybean have been damaged due to heavy rains, 1 lakh 31 thousand crops in Wardha districts and 1 lakh 22 thousand hectares in Yavatmal district have been affected. 55 thousand hectares in Chandrapur, 33 thousand hectares in Nagpur, 19 thousand hectares in Bhandara, 13 thousand hectares in Gadchiroli, 7 thousand hectares in Buldhana, 72 thousand hectares in Akola, 27 thousand hectares in Amravati, 16 thousand hectares in Hingoli, 3 thousand hectares in Pune district, 2 thousand hectares in Dhule., Nashik, two thousand hectares of crops have been affected.

Soybean Crush Margin-

Soybean net crush margin continued to remain negative during the week under review. Weekly average soybean net crush margin remained squeezed and improved to INR -1,832/MT as compared to INR. -2,573/MT previous week amid correction in bean prices, soy meal prices too went down but correction in bean prices weighed more on improved crush margin.


International:

According to USDA's latest report, 4% of Soybean crop is in very poor condition as compared to previous week at 3%, 9% is in poor condition unchanged as compared to previous week, fair condition remained unchanged at 30% as compared to previous week, 47% in good condition Vs 48% in previous week and 10% in excellent condition, unchanged as compared to previous week.



Currently in US, 20% of Soybean production is within an area experiencing drought as compared to 24% previous week.

Technical Analysis US Soybean futures



As depicted in the above chart, US Soybean US Soybean facing resistance from 50% fibonacci retracement level and 50 DMA . However market is trading above 9,18, DMA which can be characterized as support. RSI at 51 indicating firm buying strength. And MACD indicating firm momentum in short run. Over all market is expected to trade range bound and take support from 1420-1450 in short run and resistance from 1480-1500.

Technical Analysis (Domestic market)

(Based on Indore Mandi prices)

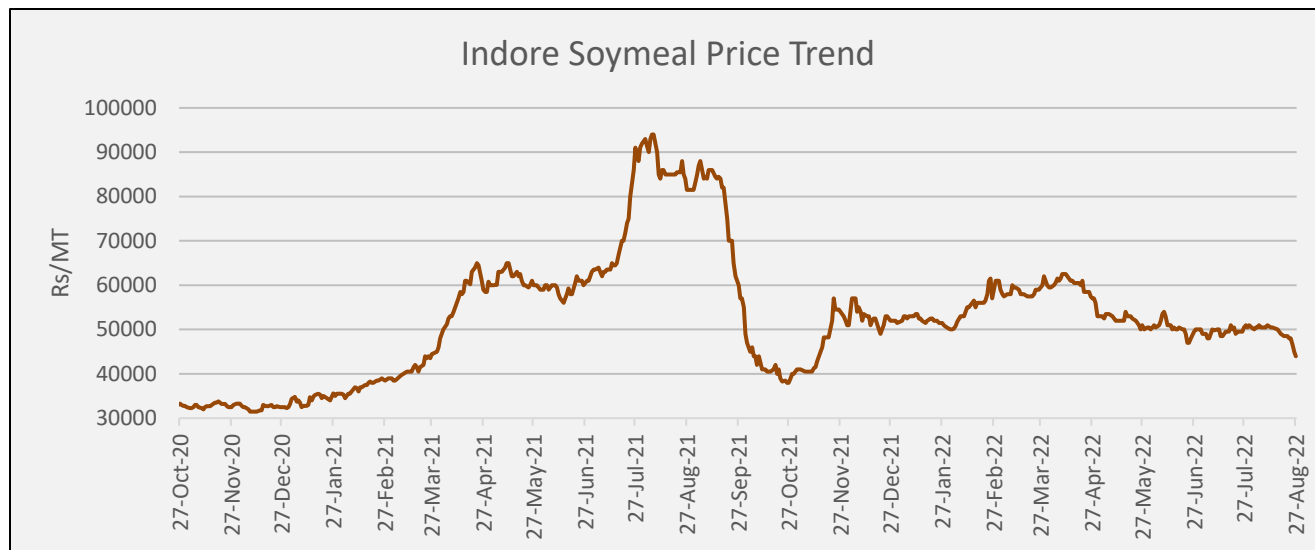


Soybean Price Outlook for coming week: Indore Soybean mandi prices are currently trading at INR. 5,350/qtl. and are expected to trade with weak bias in the coming week amid weak soymeal export demand and subdued demand from crushers and high ending stocks.

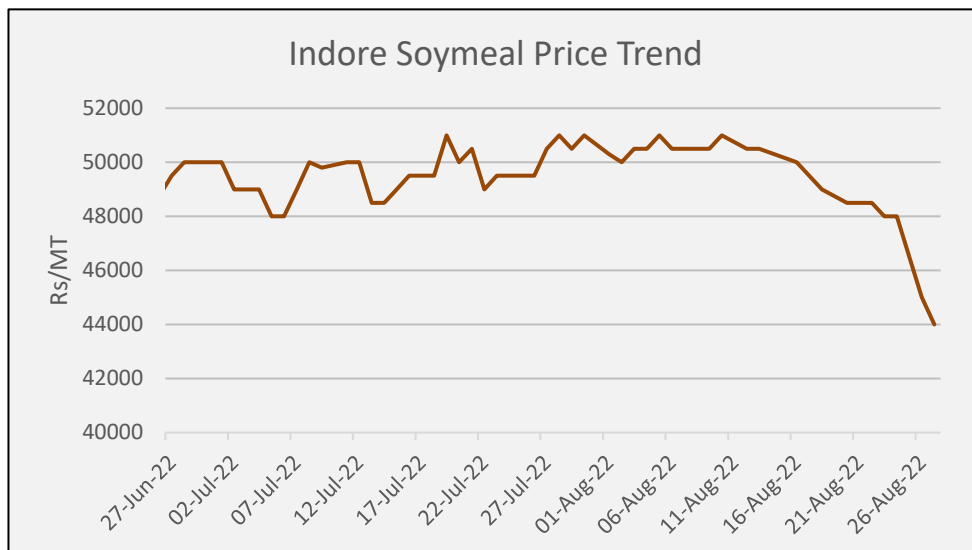


Soybean Mandi Price Outlook (INR./Qtl)	Previous week 13th Aug'22- 19th Aug'22	Week under review 20th Aug'22- 26th Aug'22	Next week 27th Aug'22- 02nd Sept'22
Weekly Average Price	6,035-6,125	5,350-6,063	5,200-5,500

Soymeal



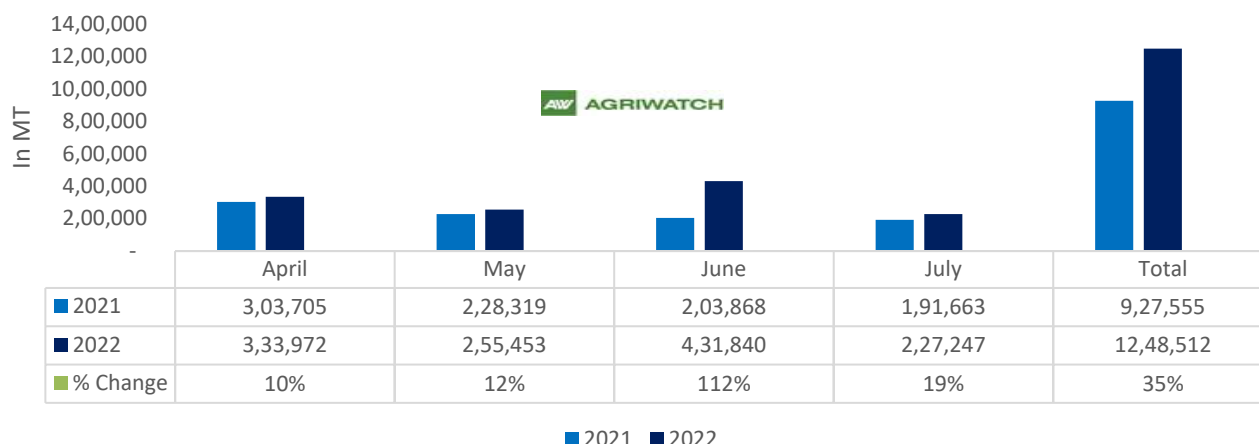
During the week under review, Indore Soymeal prices weekly average prices extended previous week loss and went down by 5.3% to INR 47,416/MT as compared to last week at INR 50,083/MT in tandem with soybean prices. Overall the prices quoted between INR 45,000 – 48,500/MT throughout the week.



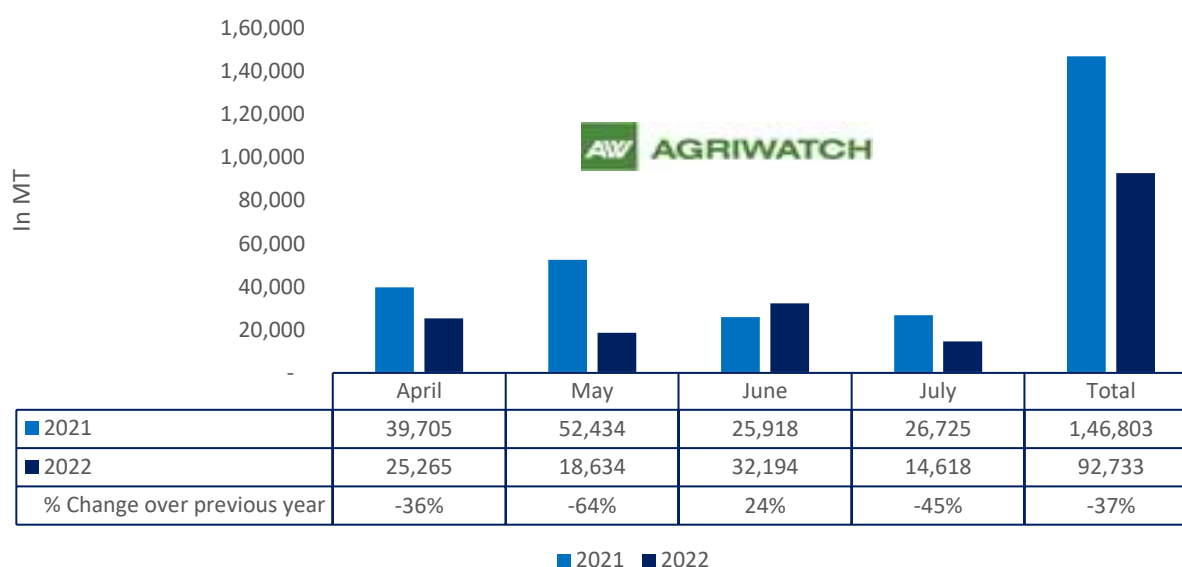
There is a weak domestic demand from poultry industry amid higher prices as compared to competing meals. Additionally, Indian soymeal export demand is also weak in global market due to higher prices as compared to FOB Argentina SBM.

At Nanded, the weekly average prices went down at INR. 53,166/MT compared to INR. 54,375 MT a week ago. In Kota the meal prices were up at INR. 50,383/MT compared to INR. 52,380/MT previous week.

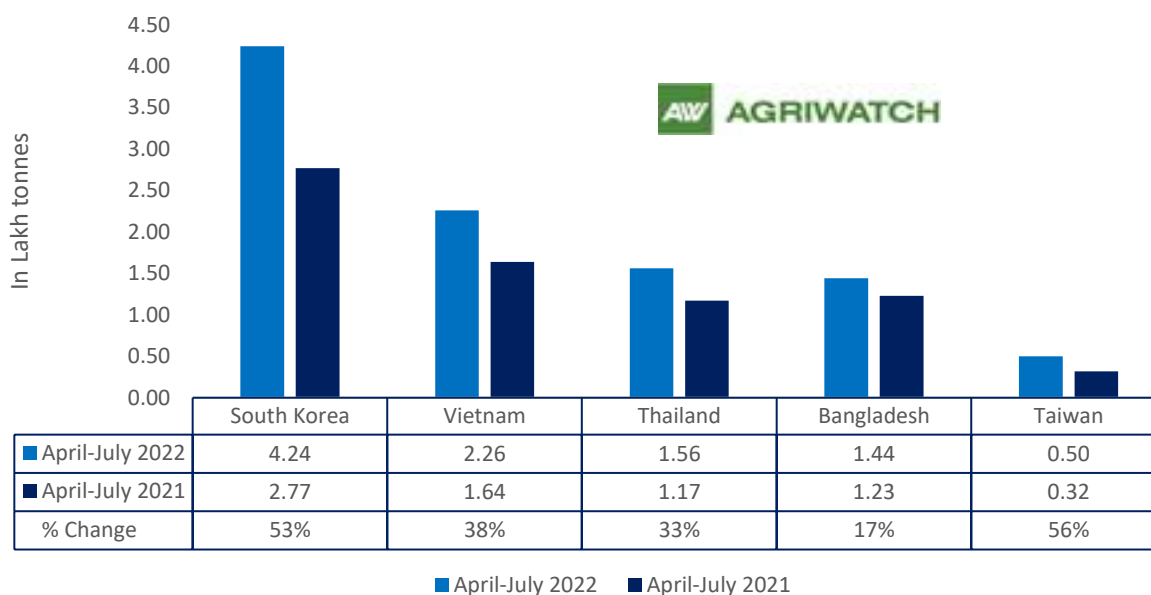
Total oil meal export



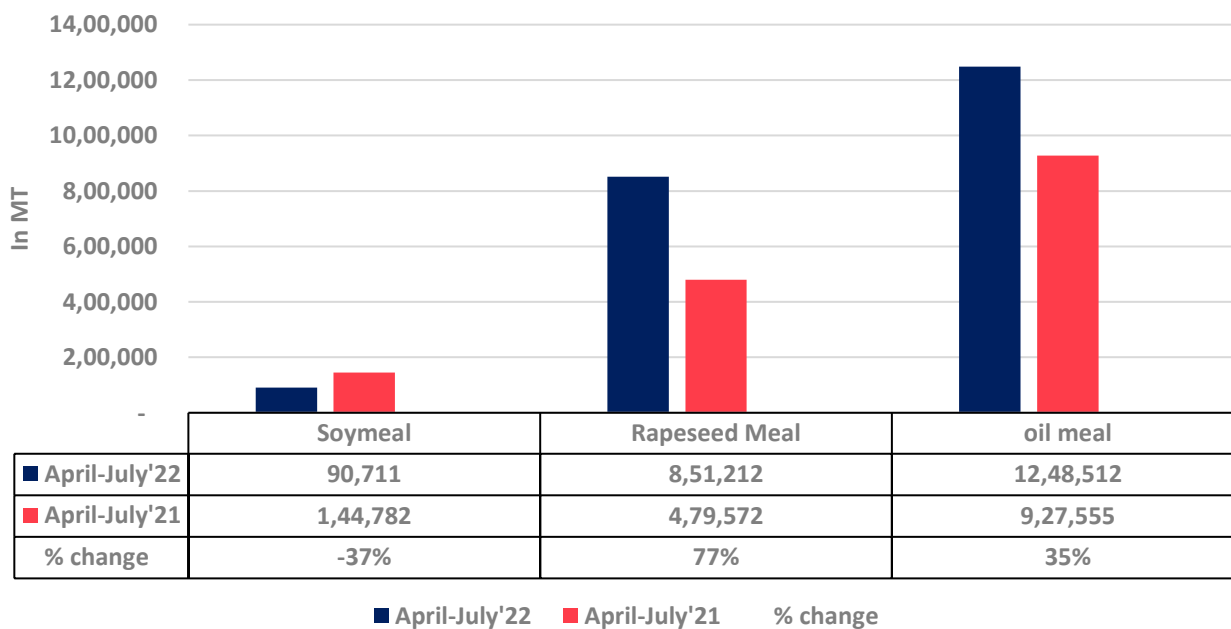
Soy meal export



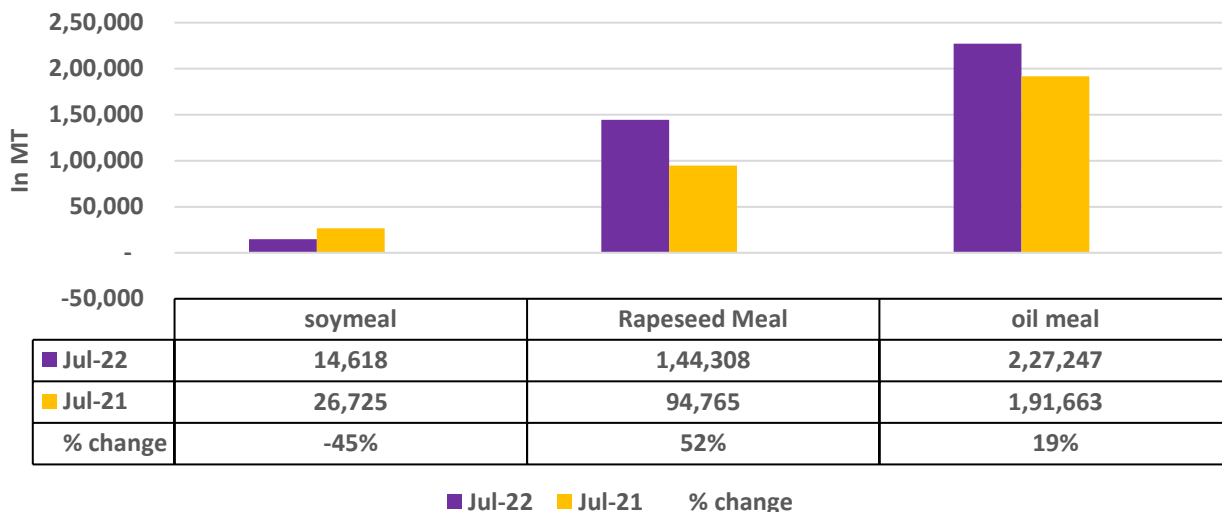
Country wise Oil meal export



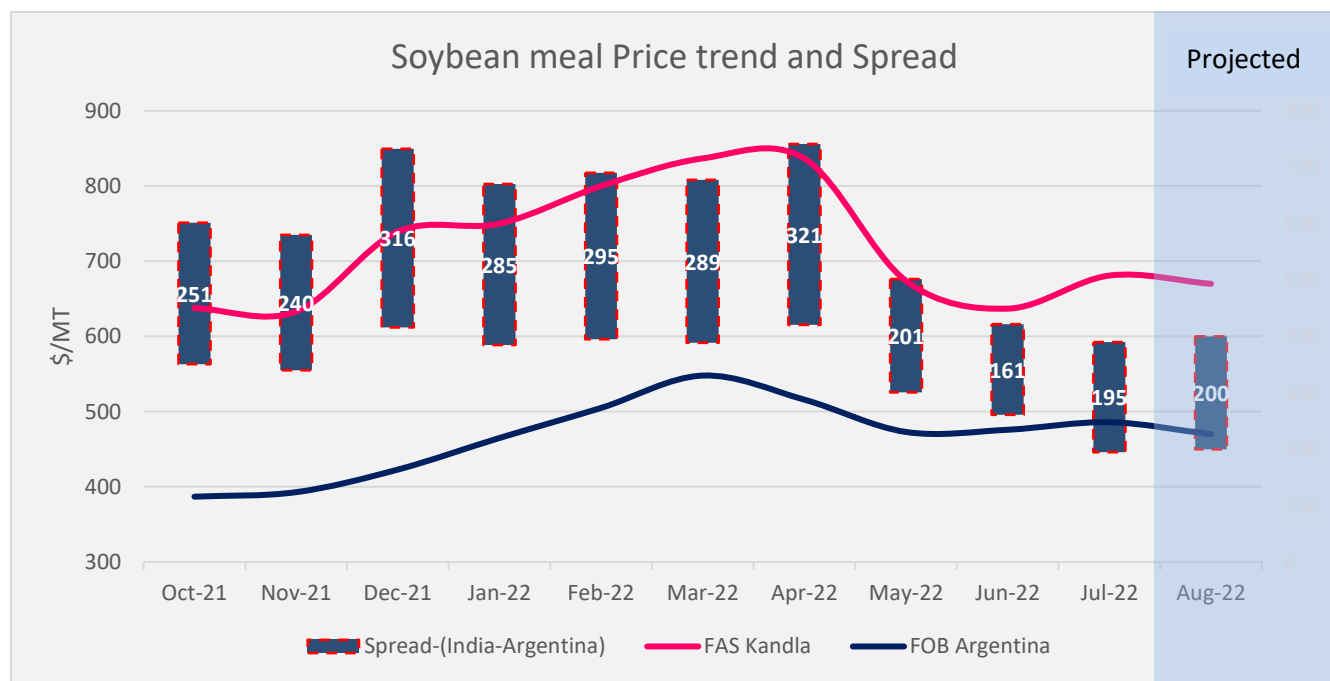
Soy meal Vs Rapeseed meal Vs Oil meal export (April.'22-July'22)



Soy meal Vs Rapeseed meal Vs Oil meal export (July'22)

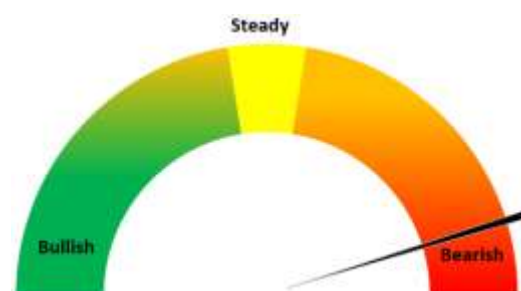


Total oil meal exports in April- July'22 went up by 35% to 12.48 Lakh tonnes vs 9.27 Lakh tonnes previous year same period. However, Soymeal exports went down by 37% to 0.92 Lakh tonnes in April-July'22 Vs 1.46 Lakh tonnes previous year same period. Soymeal exports went down due to over-priced Indian soymeal in the global markets. And during the first four months of the current financial year.



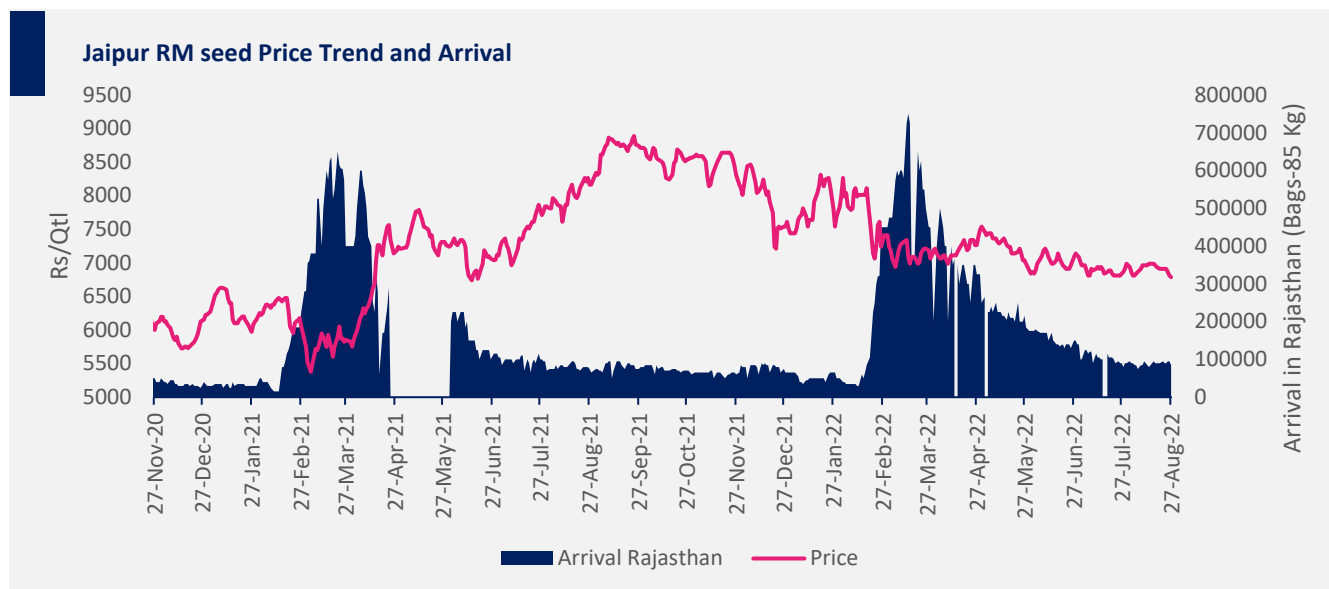
In July'22 SBM FAS Kandla was outpriced by USD 195/MT to FOB SBM Argentina prices. Upon pricy Indian SBM, export demand remained limited. In August we expect Indian SBM to remain outpriced by USD 200/MT.

Soymeal Price Outlook for coming week: Soybean meal prices are expected to trade with weak bias tracking weak export demand and squeeze in crush margin and correction in soybean prices ahead of new crop arrival.

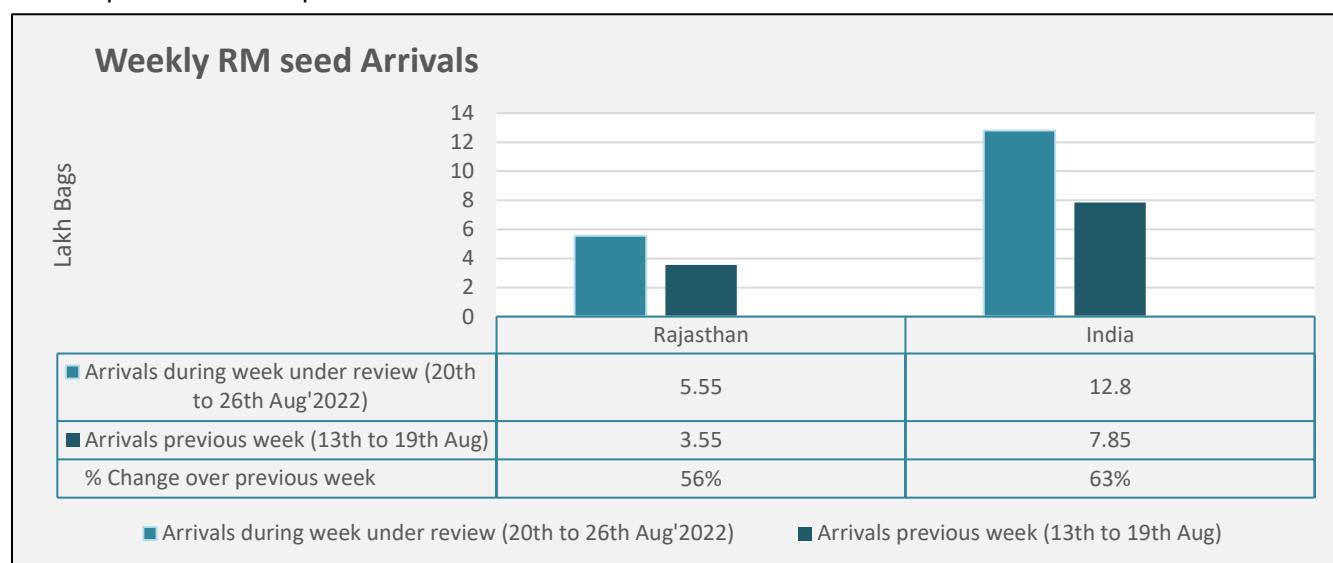


Soymeal Indore Price Outlook (INR./MT)	Previous week 13th Aug'22- 19th Aug'22	Week under review 20th Aug'22- 26th Aug'22	Next week 27th Aug'22- 02nd Sept'22
Weekly Average Price	49,000-50,500	45,000-48,5000	42,000-45,000

Rapeseed - Mustard Seed

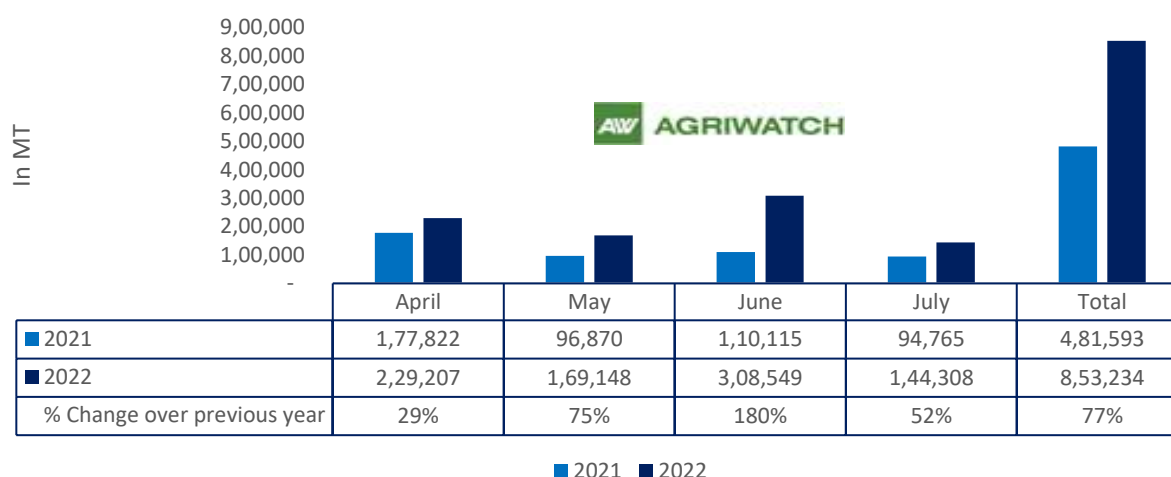


RM seed remained sideways during the week under review, Jaipur RM seed weekly average prices extended previous week loss and went marginally down by 1% to INR. 6,887/qrtl as compared to INR. 6,968/qrtl previous week. Prices remained weak amid weak demand from crushers due to disparity. Farmers are still holding stock in anticipation of better prices in future.



All India Arrivals shrank during the week under review, in Rajasthan, total mustard arrivals recorded up by 56% to 5.55 Lakh bags as compared to 3.55 lakh bags previous week. All India arrivals recorded up by 63% to 12.8 Lakh bags Vs 7.85 Lakh bags previous week.

Rapeseed meal export



There is a significant jump in export of rapeseed meal and reported at 8.53 Lakh tons compared to 4.81 Lakh tons i.e., up by 77%. And in July 22 exports recorded up by 52% to 3.08 Lakh tonnes vs 1.10 Lakh tonnes in the previous year same period. Upon record crop of rapeseed and crushing resulted in the highest processing, availability of rapeseed meal and export. Currently India is the most competitive supplier of rapeseed meal to South Korea, Vietnam, Thailand and other Far East Countries. In Upcoming months too, we expect good exports amid firm demand from South east Asia.

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 is 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-

For 2022-23, the area seeded to canola is estimated at 8.7 million hectares (Mha), down 5% from last year, according to Statistics Canada's seeded area survey. Manitoba seeded 1.34 Mha of canola, Saskatchewan 4.61 Mha and Alberta 2.64 Mha. Canola acreage in Manitoba is slightly lower than previous estimates that were based on Statistics Canada's planting intentions survey while Saskatchewan and Alberta planted acreage slightly larger than original intentions.

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 in down trend and trading below 9,18,50 and 100 DMA indicating weak sentiments.
- 50% Fibonacci retracement level and 100 DMA can be characterized as resistance whereas 61.8% fibonacci retracement level can be characterized as immediate support level.
- Immediate support is at 6,700, next support is at 6500 and immediate resistance is at 7000, next resistance is at 7200.

Recommendation-

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

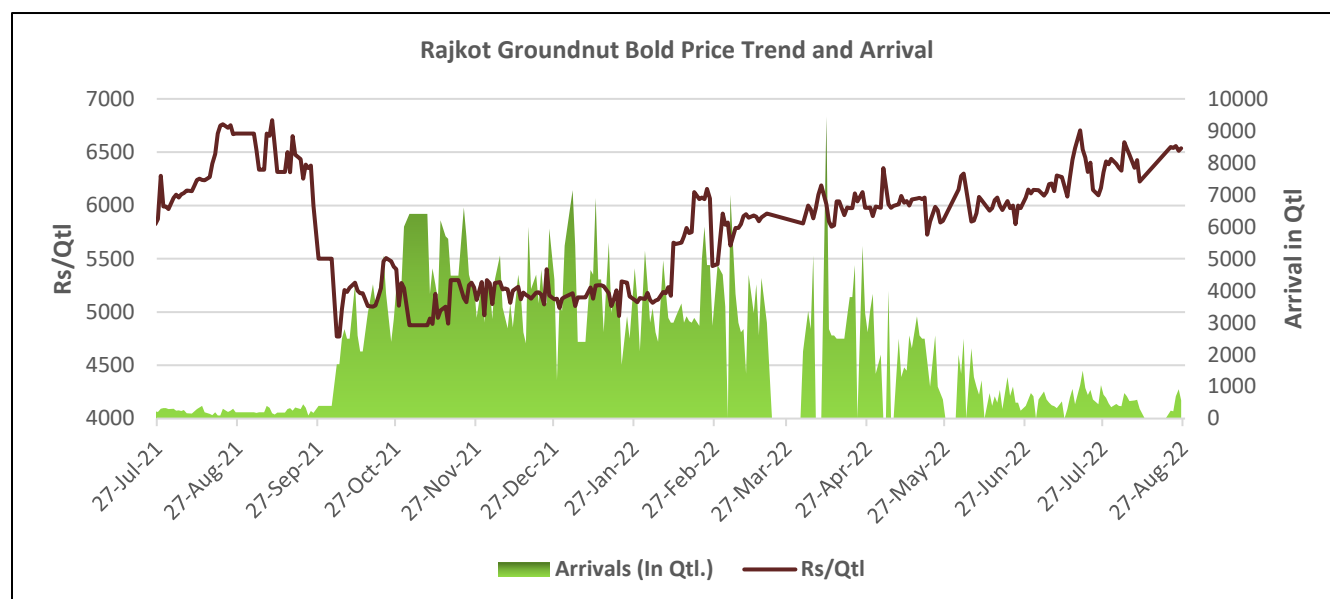
RM seed Price Outlook for coming week: RM Seed is expected to trade range bound with weak bias amid weak demand from crushers on squeeze in crush margin.



Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 13th Aug'22- 19th Aug'22	Week under review 20th Aug'22- 26th Aug'22	Next week 27th Aug'22- 02nd Sept'22
Weekly Average Price	6,938-6,988	6,813-6,913	6,700-6,900

Groundnut

During the week under review, Rajkot Groundnut weekly average bold prices went up at INR 6,539/Qtl. amid heavy arrivals. Prices remained elevated tracking lag in sowing progress, low ending stock and rebound in groundnut oil export demand. All India arrivals recorded down by at 36.70 thousand tonnes as compared to 12.25 thousand tonnes previous week.

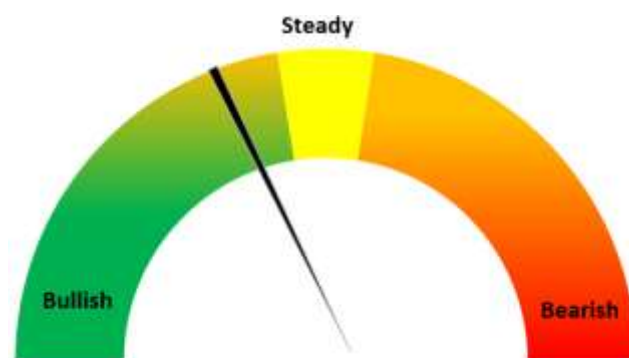


As on 26th Aug'22 All India Kharif Groundnut sowing progress is lagging by 7% to 44.75 Lakh hectare as compared to 48.35 Lakh hectare last year the same period. From 1st June'22 to 29th Aug'22 cumulative rainfall departure recorded up by 33% in Gujarat, 48% in Rajasthan, 31% in Karnataka and 15% in

Statewise Groundnut sowing progress as on 26th Aug'22 (Lakh Ha)				Cumulative Rainfall Departure (%) 1st June to 29th Aug'22
	2022	2021	% Change	
Gujarat	17.01	19.10	-11%	33%
Rajasthan	7.90	7.77	2%	48%
Karnataka	3.65	4.53	-19%	31%
Andhra Pradesh	5.26	6.16	-13%	15%
Others	10.94	10.80	1%	
Total	44.75	48.35	-7%	

Andhra Pradesh. Agriwatch expects Groundnut 2022-23 Kharif sowing acreage is likely to decline by 8-12%. Acreage is likely to shift to cotton on lucrative prices.

Groundnut Price Outlook for coming week: Rajkot groundnut bold prices expected to trade steady to firm amid good domestic demand and decline in acreage.



Rajkot Groundnut Bold Price Outlook (INR./Qtl)	Previous week 13th Aug'22- 19th Aug'22	Week under review 20th Aug'22- 26th Aug'22	Next week 27th Aug'22- 02nd Sept'22
Weekly Average Price	6,369	6,513-6,558	6,300-6,600

Annexure

	% Change over previous week	Today	Week Ago	Month Ago	Year Ago	
Soy DOC Rates at Different Centers		26-Aug-22	20-Aug-22	26-Jul-22	26-Aug-21	
Centres		Ex-factory rates (Rs/ton)				parity To
Indore - 45%, Jute Bag	-7%	45000	48500	49500	84000	Gujarat, MP
Kota - 45%, PP Bag	-7%	47700	51500	52000	85000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	-7%	50000	53500	54500	88000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	-5%	49500	52000	52500	87000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	-3%	52000	53500	55000	90000	Andhra, AP, Kar, TN
Latur	-6%	50500	54000	55000	93000	-
Sangli	-2%	49500	50500	51000	80000	Local and South
Solapur	-4%	49500	51500	51500	76000	Local and South
Akola – 45%, PP Bag	-5%	46500	49000	50000	75000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	-2%	53000	54000	55000	63500	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	-7%	47500	51300	51800	83000	-
Soy DOC at Ports						
Centers		Port Price				
		26-Aug-22	20-Aug-22	26-Jul-22	26-Aug-21	
Kandla (FOR) (INR/MT)	-	51500	NR	54800	-	
Kandla (FAS) (USD/MT)	-	590	-	680	-	
CNF Indonesia – Yellow SBM (USD/MT)	-	NA	-	-	-	

Rapeseed Meal		26-Aug-22	20-Aug-22	26-Jul-22	26-Aug-21	
FAS Kandla (USD/MT)	-	NA	-	-	-	
FOR Kandla (Rs/MT)	-	NA	-	-	-	
FOR Mundra (Rs/MT)	-	NA	-	-	-	
CNF Indonesia (USD/MT)	-	NA	-	-	-	
International Soy DOC						
Argentina FOB USD/MT		26-Aug-22	20-Aug-22	26-Jul-22	26-Aug-21	
Soybean Pellets	-	Closed	-	-	-	
Soybean Cake Flour	-	Closed	-	-	-	
Soya Meal	-	Closed	-	-	-	
Soy Expellers	-	Closed	-	-	-	
Sunflower (DOC) Rates		Ex-factory rates (Rs/ton)				
Centers		26-Aug-22	20-Aug-22	26-Jul-22	26-Aug-21	
Adoni	0%	35000	35000	40000	40000	
Khamgaon	-	-	-	-	-	
Parli	-	-	-	-	-	
Latur	0%	34000	34000	39000	39000	
Groundnut Meal (Rs/MT)		26-Aug-22	20-Aug-22	26-Jul-22	26-Aug-21	
Basis 45%, Saurashtra	-	32000	Closed	31000	54000	
Basis 40%, Saurashtra	-	28000	Closed	28000	50000	
GN Cake, Gondal	-	32500	Closed	32000	55000	
Mustard DOC		26-Aug-22	20-Aug-22	26-Jul-22	26-Aug-21	
Jaipur (Plant delivery)	-3%	19000	19500	19400	21700	
Kandla (FOR Rs/MT)	-3%	19400	20000	20200	23200	
Mumbai Oil Meal Quotes:						

Rs/M.T.		26-Aug-22	20-Aug-22	26-Jul-22	26-Aug-21	
G.N. Extr (45%)	0%	32000	32000	32000	51000	
Kardi Extr	-	-	-	-	-	
Undec Cottonseed Exp	0%	33000	33000	32000	34000	
Rice Bran Extr.	-	-	-	-	-	
Sunflower Extr.	-4%	26000	27000	30000	35000	
Rapeseed Extr.	-	-	-	-	-	
Soymeal 48%	-8%	47478	51391	52696	86608	
Castor Extr.	-7%	12250	13150	11650	7550	

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