

Oil Meal Weekly Research Report

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Executive Summary

The weekly average prices of Soybean Indore plant prices remained sideways and went marginally up by 0.21% to INR 5,081/ Qtl. as compared to 5,071/qtl. previous week amid lacklustre activity by traders due to festivals.

The weekly average prices of Indore soymeal too remained sideways and went marginally down by 0.13% to INR 38,100/MT as compared to last week at INR 38,150/MT amid weak export demand.

During the week under review, Jaipur RM seed weekly average prices extended previous week gains and went up by 1.6% to INR. 6,719/qtl amid improved mustard oil prices and good demand in festivals.

During the week under review, Rajkot groundnut bold prices declined by 2% at INR 5,881/Qtl. amid new crop arrivals.

Outlook – Cash Market

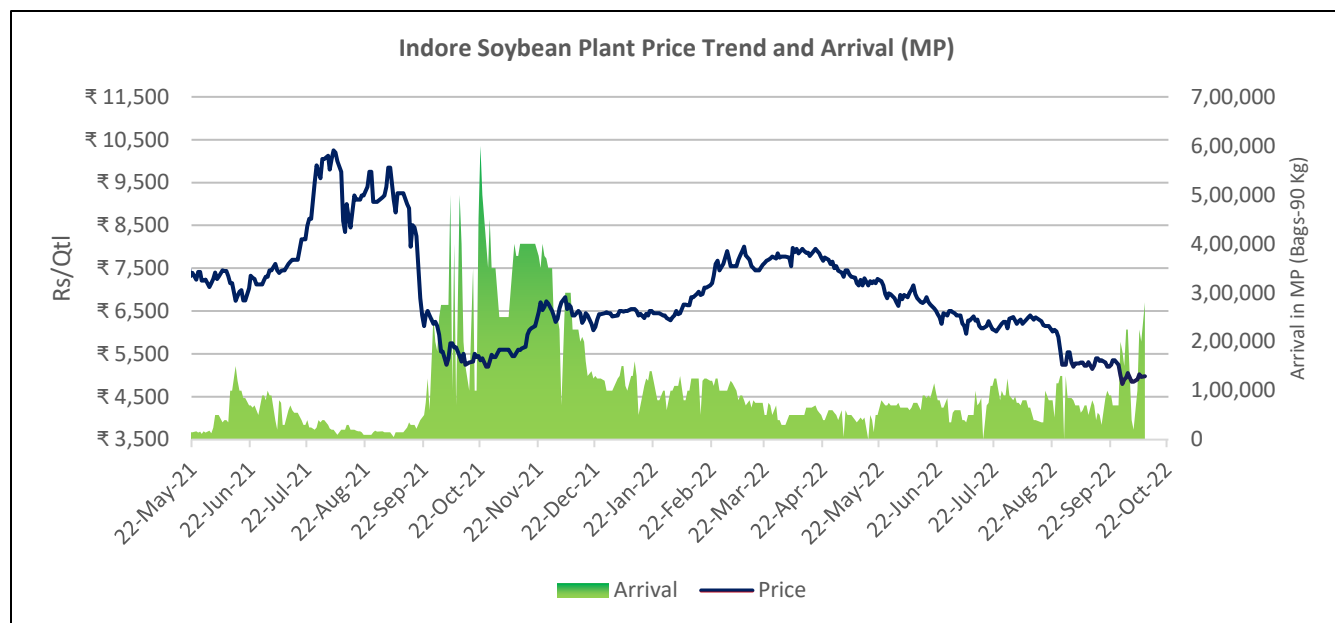
Outlook - Soybean (Spot Indore): *In the coming week, soybean prices are expected to trade continue rebound amid decline in moisture content. The prices (Indore, Plant basis) are expected to feature range bound movement in the price band of 4,800-5,200 levels in the near term.*

Outlook – Soy meal:

The soy meal prices (Indore) are likely to trade with weak bias amid weak export demand. Soy meal Indore prices are likely to trade in the range of 37,000 – 40,000/MT.

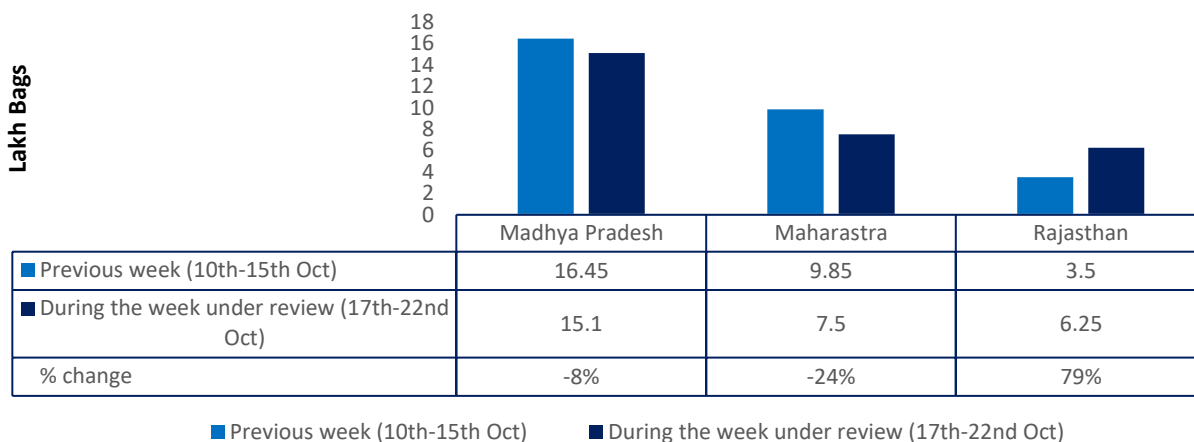
Outlook - Rapeseed-Mustard (Spot, Jaipur basis): *Rapeseed-Mustard is expected to trade range bound with firm bias on improved mustard oil prices and demand in festival. The seed prices are likely to trade in the range between 6,600 – 6,800/Qtl. in the short-run.*

Soybean



During the week under review, Soybean indore Plant prices remained sideways and went marginally up by 0.21% to INR 5,081/ Qtl. as compared to 5,071/ qtl. previous week amid improved soy oil prices, good demand at lower level. Demand from plants is very good in Rajasthan due to controlled moisture / good quality even plants in MP are also buying from Rajasthan.

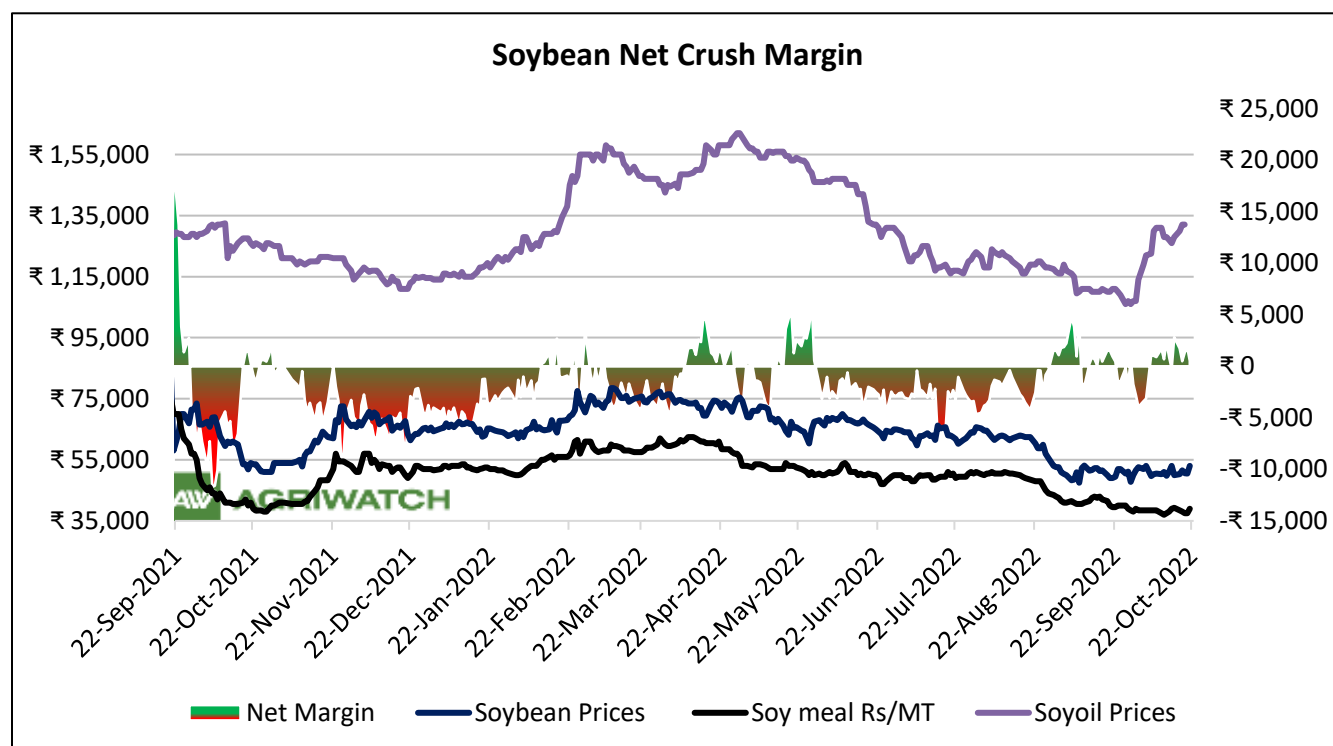
Weekly Soybean Arrivals



This week, the total arrival in MP recorded low by 8% to 15.1 Lakh bags Vs 16.45 Lakh bags previous week. In Maharashtra arrivals recorded low to 7.5 Lakh bags vs 9.85 Lakh bags last week. In Rajasthan the arrivals went up to 6.25 lakh bags Vs 3.5 Lakh bags previous week. In Rajasthan, arrivals is good as there is good demand from plants due to controlled moisture / good quality.

Soybean Crush Margin-

Soybean net crush margin remained on positive note amid firm soy oil and meal prices, during the week under review, weekly average soybean net crush margin improved to INR 1,178/ MT as compared to previous week at INR 1,305/MT.


International Update:

During the week under review CBOT Soybean (Nov'22 expiry) remained volatile and went up by 0.85% to \$13.95 a bushel. International soy oil prices too traded with upward sentiment for the last week in review. Rising crude oil prices supported the Soy oil prices as its demand for biodiesel also swells up. USDA in its latest report lowered the soybean yield at 49.8 bushels per acre (bpa), that is lower than 50.5 bpa last year and the trade expectation of 50.6, lowering more than 3% US soybean production to 4.3 billion bushels from last year. CBOT soybean and Soy oil took support of the above news along with lower water level in Mississippi River, which is hindering exports.

USA Soybeans Harvesting progress			
October 16, 2021	October 9, 2022	October 16, 2021	2017-2021 Average
58%	44%	63%	52%

Argentina Soybeans Planting progress		
2022-23	2021-22	2017-2022 Average
17%	26.3%	31.1%

China, largest soybean importer, bought 7.17 MMT in AUG22, -25% vs AUG 21 (9.49m), -9% vs JUL22 (7.88m), lowest imported quantity since 2014 for a month of August, decline explains by deteriorated demand of domestic market due to continuous lockdowns & negative crush margins.

The NOPA monthly update showed 165.5 million bushels were cru shed in August from 158.8 million last year and compared with trade expectations for 166.1 million bushels. Soybean oil stocks came in at 1.565 billion pounds from 1.668 billion last year. That is the lowest since June 2021 and below the average survey estimate of 1.651 billion pounds

Technical Analysis

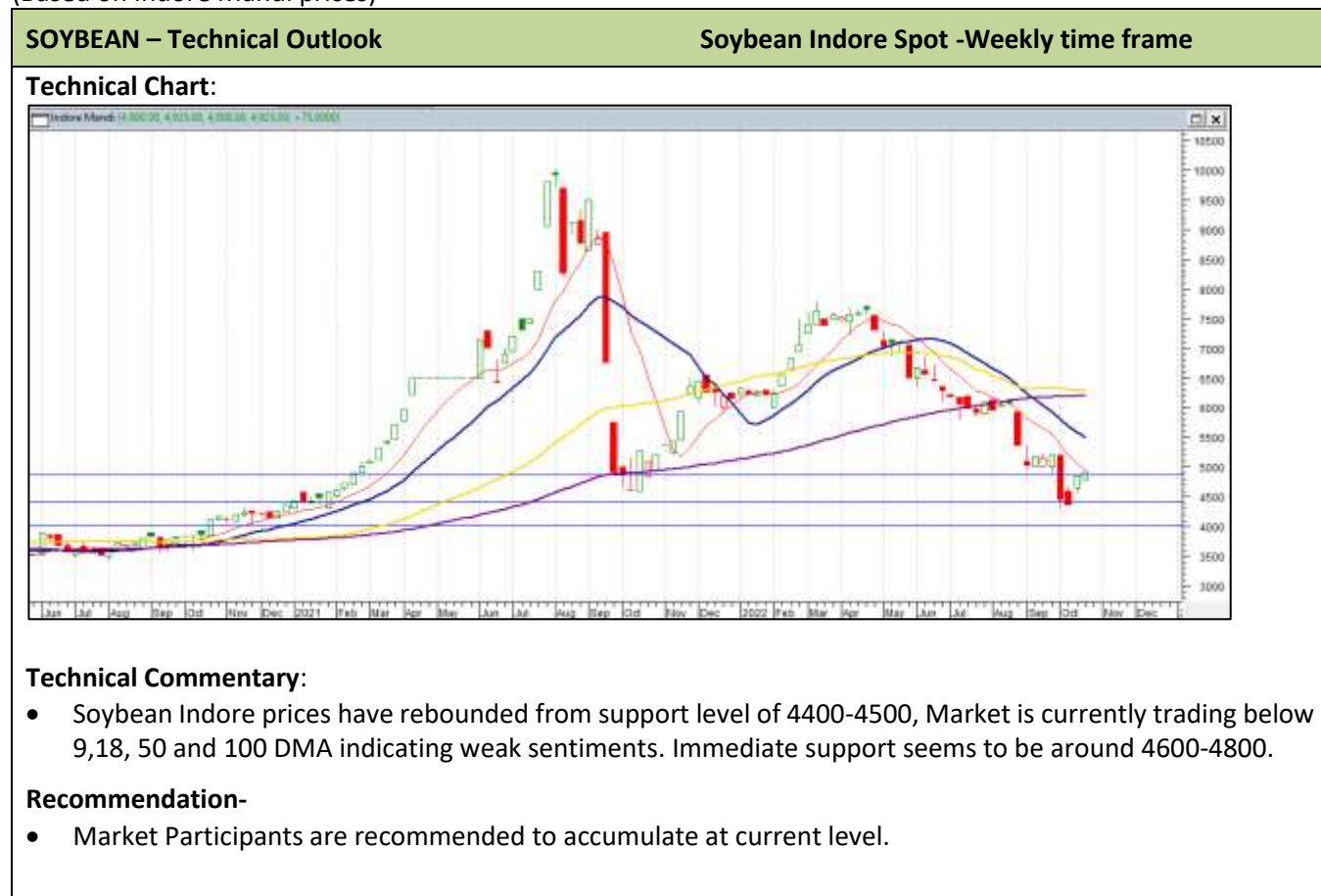
US Soybean futures



As depicted in the above chart, US Soybean moving in sideways pattern, and trading above 9,18 and 50 and 100 DMA. RSI at 45 indicating weak buying strength. And MACD indicating weak momentum in short run. Over all market is expected to trade range bound and take support from 1350-1390 in short run and resistance from 1480-1500.

Technical Analysis (Domestic market)

(Based on Indore Mandi prices)

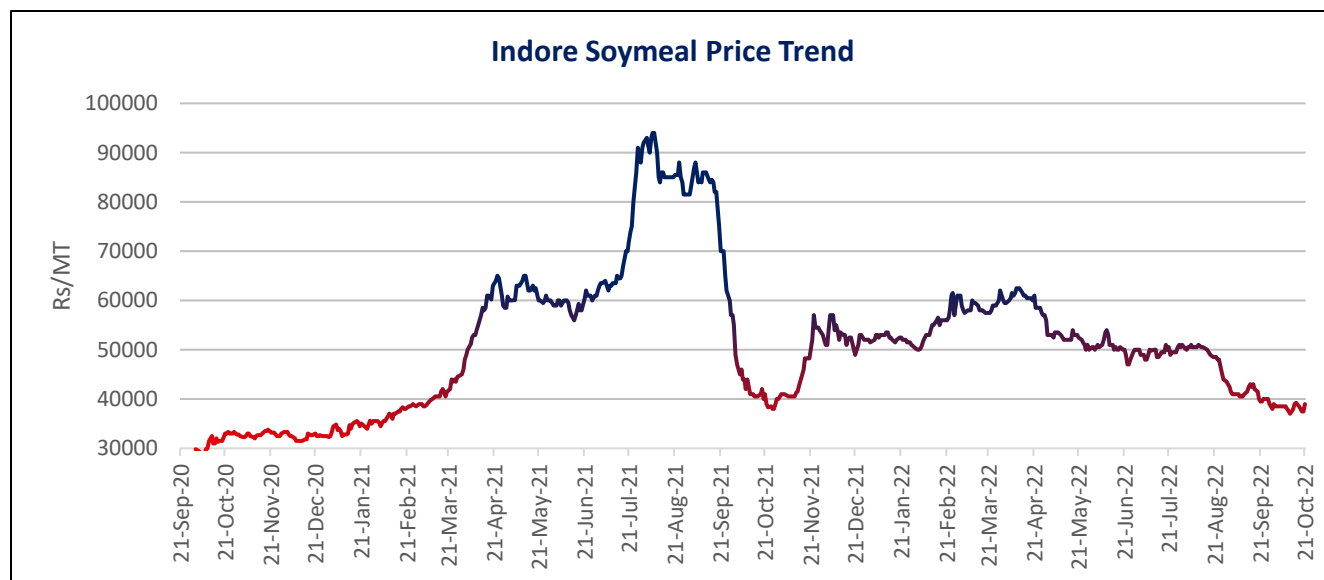


Soybean Price Outlook for coming week: Indore Soybean mandi prices are currently trading at INR. 4,925/qrtl. and are expected to rebound from current level, However, heavy arrivals after festivals may put some pressure on prices.

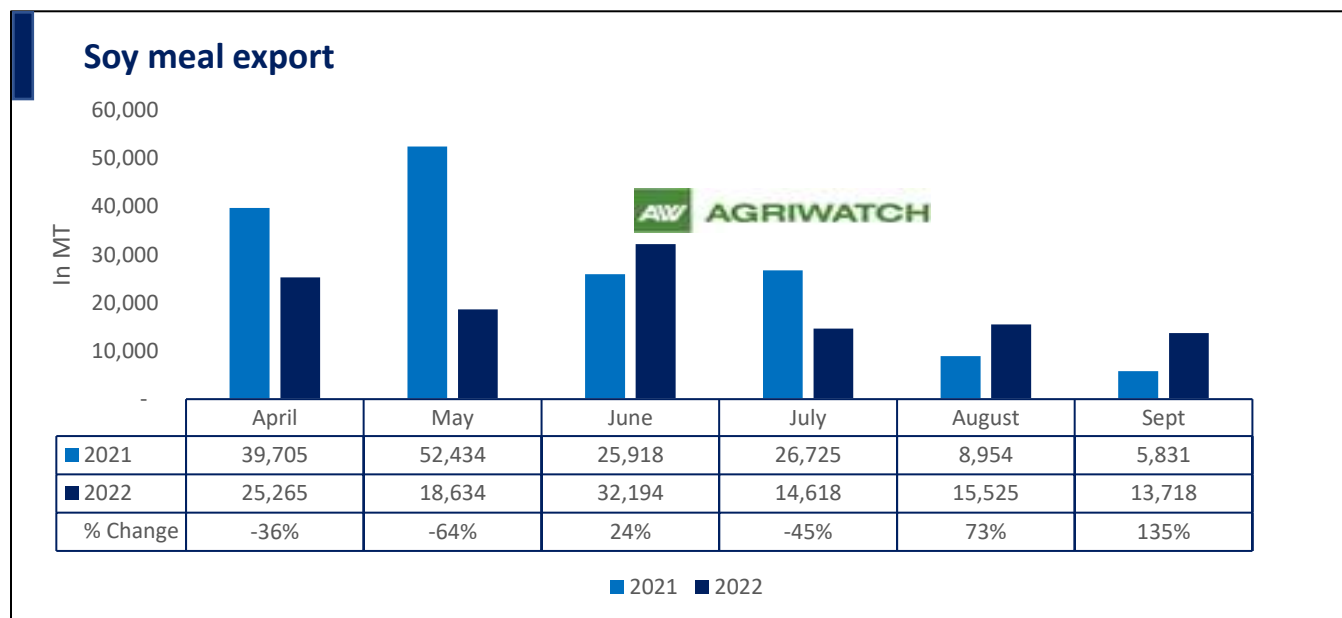


Soybean Mandi Price Outlook (INR./Qtl)	Previous week 10th Oct'22- 15th Oct'22	Week under review 17th Oct'22- 22nd Oct'22	Next week 24th Oct'22- 29th Oct'22
Weekly Average Price	4,550-4,850	4,800-4,925	4,600-4,800

Soymeal

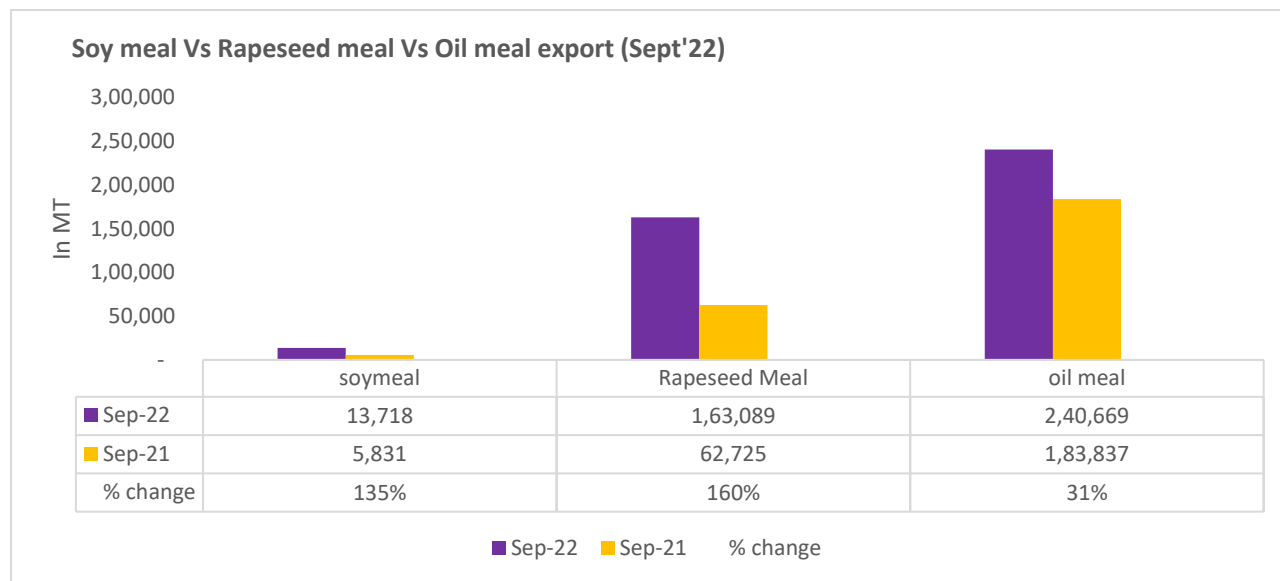
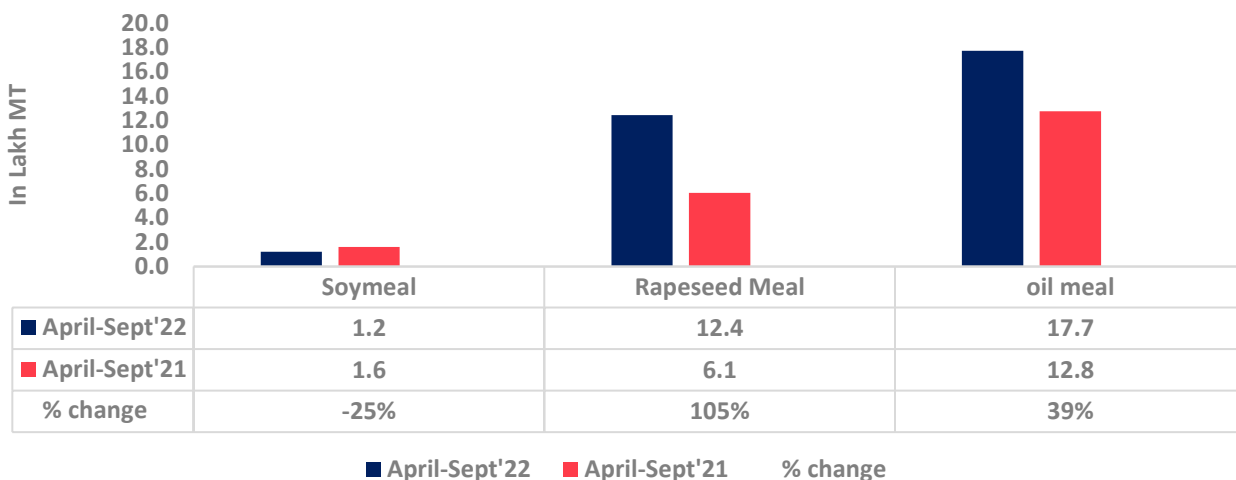


During the week under review, Indore Soymeal prices weekly average prices remained sideways and went marginally down by 0.13% to INR 38,100/MT as compared to last week at INR 38,150/MT in tandem with sideways soybean prices and weak export demand. Overall, the prices quoted at INR 37,500-39,000/MT throughout the week. At Nanded, the weekly average prices declined to INR. 41,166/MT compared to INR. 42,166 MT a week ago. In Kota the meal prices were up at INR. 40,616/MT compared to INR. 39,950/MT previous week.

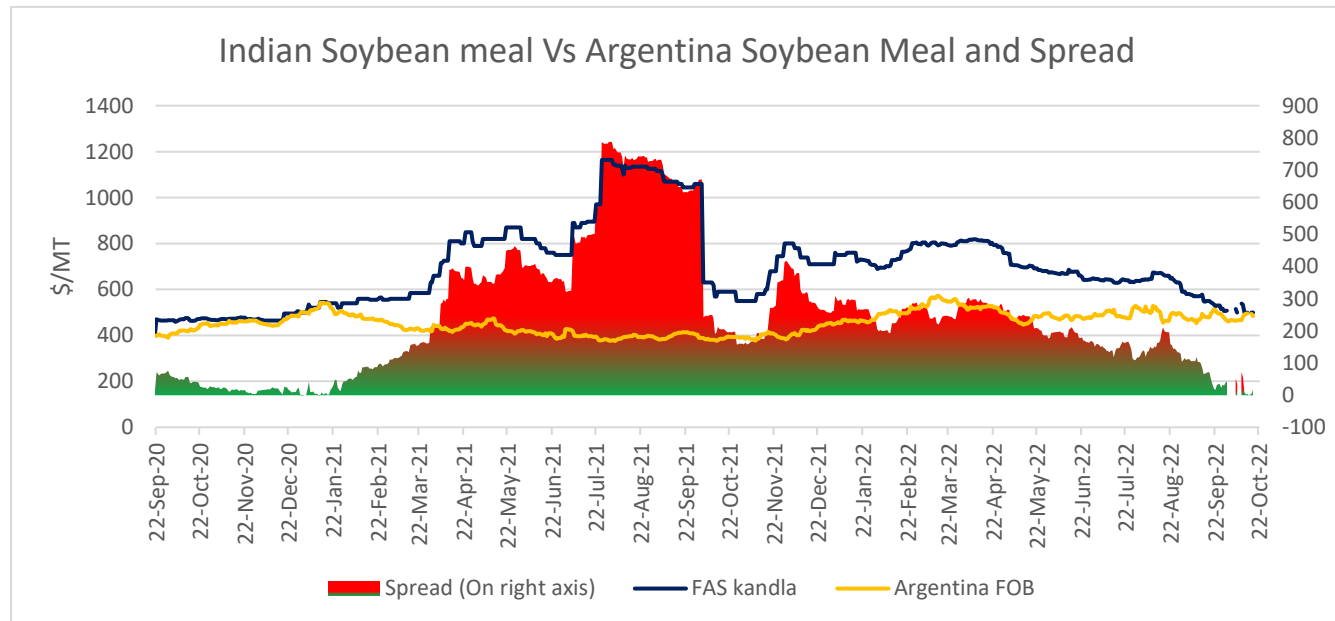


Total oil meal exports in April- Sept'22 went up by 39% to 17.71 Lakh tonnes vs 12.76 Lakh tonnes previous year same period. However, Soymeal exports went down by 25% to 1.21 Lakh tonnes in April-Sept'22 Vs 1.61 Lakh tonnes previous year same period. Soymeal exports went down due to over-priced Indian soymeal in the global markets.

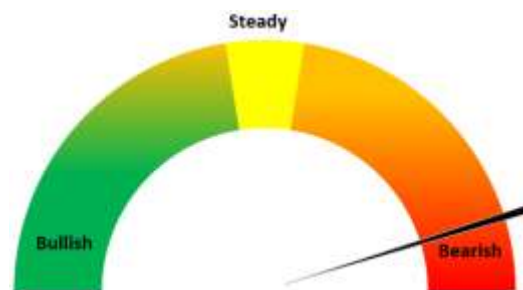
Oil Meal Export April.'22-Sept'22



Currently, Indian Soymeal FOB prices trading at \$500/MT, Argentina Soymeal FOB prices trading at \$484/MT and spread stands at \$16/MT. Decline in Argentine soymeal prices has led to a squeeze in spread. In upcoming weeks, if Indian soymeal prices further become competitive, export demand may revive, and Soybean prices are likely to improve.

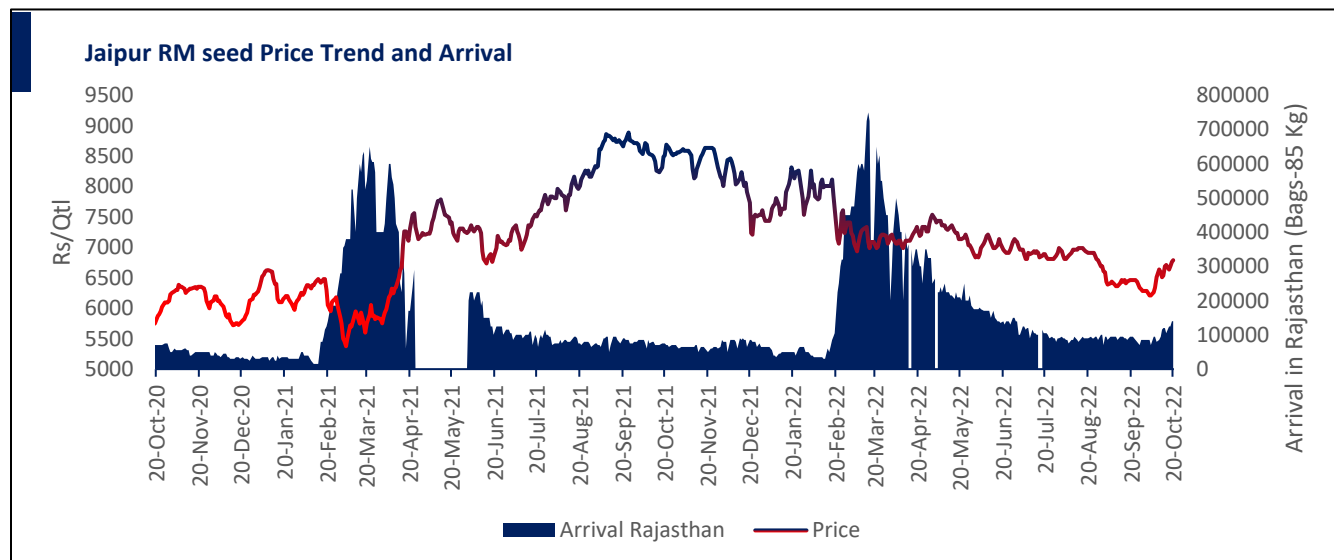


Soymeal Price Outlook for coming week: Soybean meal prices are expected to trade with weak bias tracking weak export demand and correction in soybean prices amid new crop arrival.

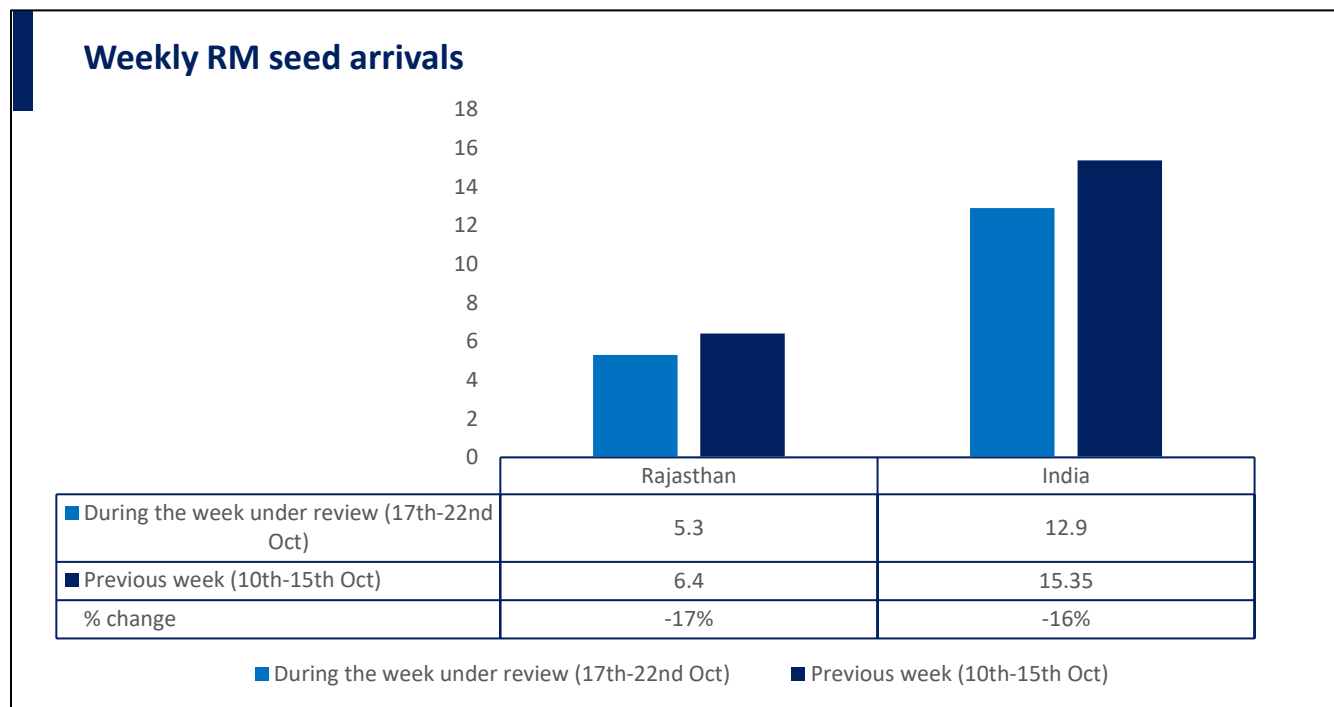


Soymeal Indore Price Outlook (INR./MT)	Previous week 10th Oct'22- 15th Oct'22	Week under review 17th Oct'22- 22nd Oct'22	Next week 24th Oct'22- 29th Oct'22
Weekly Average Price	37,000-39,250	37,500-39,000	37,000-40,000

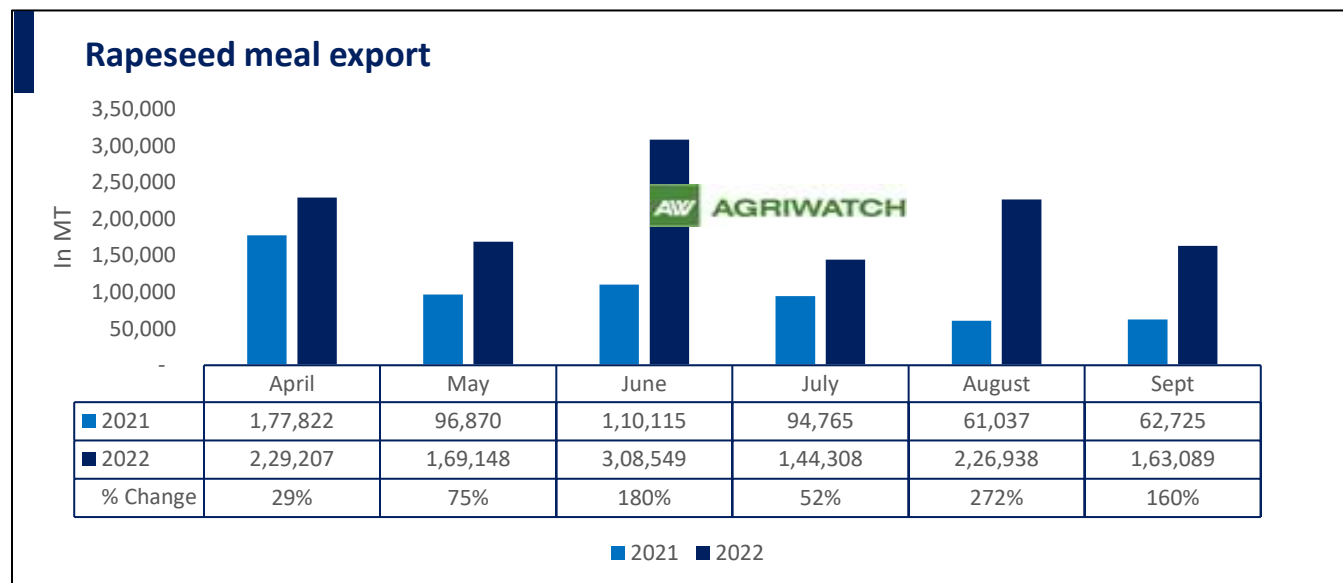
Rapeseed - Mustard Seed



RM seed continued rebounded during the week under review, Jaipur RM seed weekly average prices went up by 1.6% to INR. 6,719/qrtl as compared to INR. 6,613/qrtl previous week amid rebound in Mustard oil and competing oil prices,



All India Arrivals declined during the week under review, in Rajasthan, total mustard arrivals recorded down by 17% to 5.3 Lakh bags as compared to 6.4 lakh bags previous week. All India arrivals recorded down by 16% to 12.9 Lakh bags Vs 15.35 Lakh bags previous week.



There is a significant jump in export of rapeseed meal and reported at 12.43 Lakh tons compared to 6.05 Lakh tons i.e., up by 105%. And in Sept'22 exports recorded up by 160% to 1.63 Lakh tonnes vs 0.62 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.

Rapeseed Mustard Sowing Progress as on 21-Oct-2022 (In Lakh tonnes)			
State	2022	2021	% Change over previous year
Assam	0.004	0.019	-79%
Chhattisgarh	0.007	-	-
Nagaland	0.011	0.038	-71%
Rajasthan	11.906	7.458	60%
Uttar.Pradesh	2.808	3.208	-12%
West.Bengal	0.375	0.07	436%
Total	15.11	10.793	40%

Government has increased the MSP of Rabi Crops for Marketing Season 2023-24, to ensure remunerative prices to the growers for their produce. The absolute highest in MSP has been approved for rapeseed and mustard at Rs.400/-per quintal. For safflower, an increase of Rs.209/- per quintal has been approved.

International-

In 2022-2023, canola seeded area is estimated at 8.7 Mha, down 5% from last year, according to Statistics Canada's seeded acreage survey. Harvested area is expected to be 8.6 Mha, taking into account historical abandonment rates. Based on the five-year average, yields are estimated at 2.14 tonnes per hectare (t/ha), down from 1.4 t/ha last year due to severe drought across the country. Western Canada. Yield estimates are consistent with a variety of unofficial intra-governmental and private sector estimates of yields that range between 2.14 t/ha and 2.26 t/ha.

This mixed outlook is confirmed by weather conditions across western Canada that ranged from slightly dry in the west to above normal humidity, to a delayed harvest in the Eastern Prairies. Ultimately, yields will be determined by growing conditions in the future and by weather and harvest conditions. Environment Canada's three-month outlook for above-normal fall temperatures confirms yields.

Production is expected to reach 18.4 Mt, the seventh highest level on record. By comparison, the mixed production outlook is between 18.4 Mt and 19.4 Mt. and Manitoba 3.0 Mt. The overall supply is forecast to increase significantly from last year to 19.3 Mt, as higher production is tempered by tight carry-in stocks.

Canadian canola use should recover; expected exports increase by nearly 80% to 9.2 Mt, while the domestic crush rate increases to 9.5 Mt from 8.3 Mt last year. Carry-out stocks increase moderately to 0.45 Mt, representing a stocks-to-consumption ratio of 3%. Canola prices are forecast to decline to \$950/t on rail delivery to the Port of Vancouver, down about 10% from the 2021-22 record highs. If those predictions materialize, it will be the second highest price ever for canola.

Technical Analysis

(Based on Jaipur Mandi prices)

RM seed – Technical Outlook

RM seed Jaipur Spot -Weekly time frame

Technical Chart:



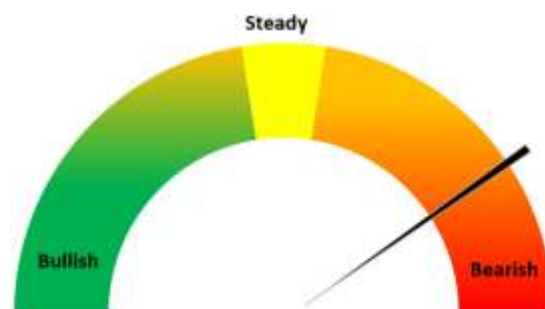
Technical Commentary:

- As depicted in the above chart, market rebounded from support level of 6200-6300 and currently trading above 9 and 18 DMA which can be characterized as support.
- Immediate support is at 6,500, next support is at 6300 and immediate resistance is at 6800, next resistance is at 7000.

Recommendation-

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

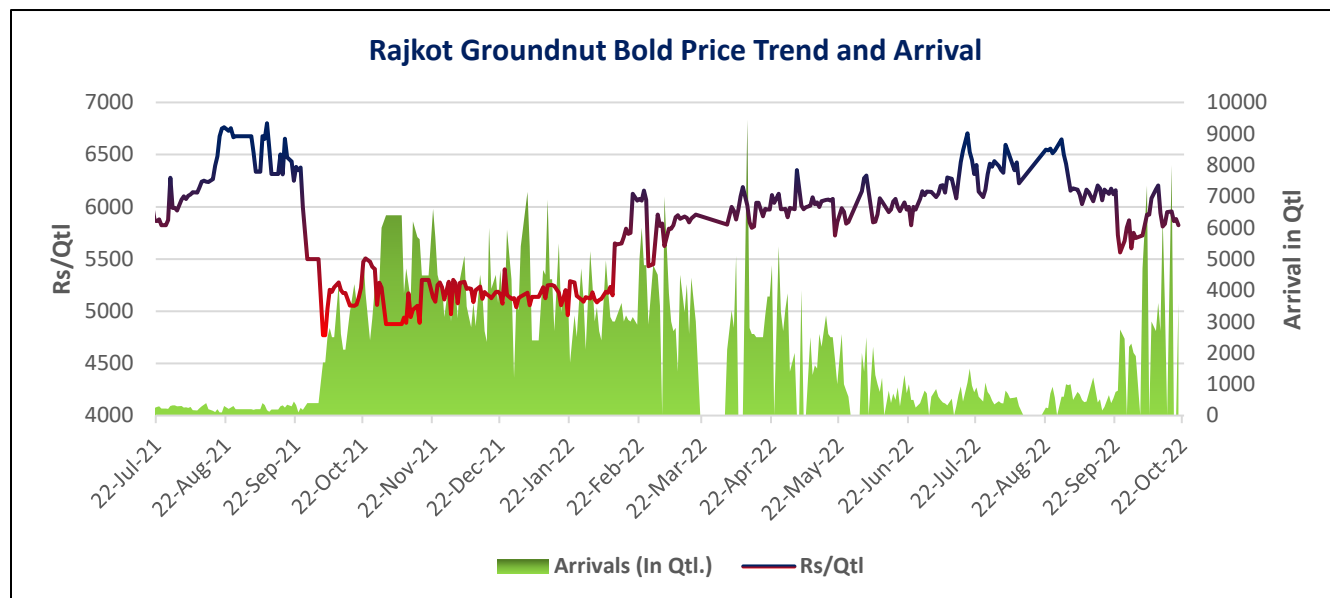
RM seed Price Outlook for coming week: RM Seed is expected to rebound on improved mustard oil prices amid festivals.



Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 10th Oct'22- 15th Oct'22	Week under review 17th Oct'22- 22nd Oct'22	Next week 24th Oct'22- 29th Oct'22
Weekly Average Price	6,513-6,713	6,638-6,788	6,600-6,800

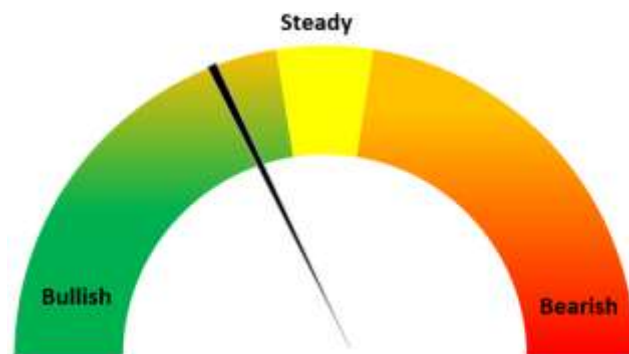
Groundnut

During the week under review, Rajkot Groundnut weekly average bold prices declined by 2% to INR 5,881/Qtl. as compared to INR 5,985/Qtl. previous week amid new crop arrivals. However, firm groundnut oil prices likely to support groundnut seed prices.



According to Solvent Extractor association of India, In Gujarat, the overall groundnut sowing area is down by 10.52 % compared to last year, taken away by cotton and soybean. This year due to excess rain damaged the crop in certain area lead to reduction of yield by 22.18%. The total production is reported at 30.0 lakh MT compared to last year record production of 38.55 lakh tonnes. The last five year average production is about 30.5 lakh tonne. Lower production estimates likely to support Groundnut prices this year.

Groundnut Price Outlook for coming week: Rajkot groundnut bold prices expected to rebound amid firm groundnut oil prices and lower production estimates.



Rajkot Groundnut Bold Price Outlook (INR./Qtl)	Previous week 10th Oct'22- 15th Oct'22	Week under review 17th Oct'22- 22nd Oct'22	Next week 24th Oct'22- 29th Oct'22
Weekly Average Price	5,812-6,202	5,825-5,955	5,800-6,100

Annexure

	% Change over previous week	Today	Week Ago	Month Ago	Year Ago	
Soy DOC Rates at Different Centers		22-Oct-22	15-Oct-22	22-Sep-22	23-Oct-21	
Centres		Ex-factory rates (Rs/ton)				parity To
Indore - 45%, Jute Bag	-1%	39000	39250	39500	38300	Gujarat, MP
Kota - 45%, PP Bag	1%	41500	41200	42000	41000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	2%	43000	42000	44500	41000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	0%	41000	41000	43000	40000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	-3%	41500	43000	44000	41000	Andhra, AP, Kar, TN
Latur	-6%	41500	44000	45000	41000	-
Sangli	-3%	38500	39500	39000	39800	Local and South
Solapur	0%	42500	42500	47000	40300	Local and South
Akola – 45%, PP Bag	-3%	39000	40000	39500	39000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	0%	41500	41500	46000	40500	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	1%	41300	41000	41800	40800	-
Soy DOC at Ports						
Centers		Port Price				
		22-Oct-22	15-Oct-22	22-Sep-22	23-Oct-21	
Kandla (FOR) (INR/MT)	-	-	-	41000	-	
Kandla (FAS) (USD/MT)	-	-	-	550	-	
CNF Indonesia – Yellow SBM (USD/MT)	-	-	-	578	-	

Rapeseed Meal		22-Oct-22	15-Oct-22	22-Sep-22	23-Oct-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		22-Oct-22	15-Oct-22	22-Sep-22	23-Oct-21	
Soybean Pellets	-	503	-	-	-	
Soybean Cake Flour	-	503	-	-	-	
Soya Meal	-	NR	-	-	-	
Soy Expellers	-	NR	-	-	-	
Sunflower (DOC) Rates		Ex-factory rates (Rs/ton)				
Centers		22-Oct-22	15-Oct-22	22-Sep-22	23-Oct-21	
Adoni	-	Closed	35000	35000	25000	
Khamgaon	-	Closed	-	-	-	
Parli	-	Closed	-	-	-	
Latur	-	Closed	34000	34000	24000	
Groundnut Meal (Rs/MT)		22-Oct-22	15-Oct-22	22-Sep-22	23-Oct-21	
Basis 45%, Saurashtra	-	Closed	30000	30000	27000	
Basis 40%, Saurashtra	-	Closed	27000	26000	25000	
GN Cake, Gondal	-	Closed	32000	30500	30000	
Mustard DOC		22-Oct-22	15-Oct-22	22-Sep-22	23-Oct-21	
Jaipur (Plant delivery)	-1%	18000	18200	18200	23500	
Kandla (FOR Rs/MT)	0%	18500	18500	18900	24500	
Mumbai Oil Meal Quotes:						
Rs/M.T.		22-Oct-22	15-Oct-22	22-Sep-22	23-Oct-21	

G.N. Extr (45%)	0%	30000	30000	30000	30000	
Kardi Extr	-	NA	-	-	-	
Undec Cottonseed Exp	-2%	30000	30500	32500	32000	
Rice Bran Extr.	-	NA	-	-	-	
Sunflower Extr.	4%	24000	23000	20500	27000	
Rapeseed Extr.	-	NA	-	-	-	
Soymeal 48%	0%	41217	41217	42000	41739	
Castor Extr.	4%	11350	10900	11450	12450	

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