

Oil Meal Weekly Research Report

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Executive Summary

The weekly average prices of Soybean Indore plant prices went marginally down by 0.10% to INR 5,684/ Qtl. as compared to 5,690/qtl. previous week amid good demand from crushers and low arrivals.

The weekly average prices of Indore soymeal too went up by 1.1% to INR 41,133/MT as compared to last week at INR 40,700/MT amid good export demand.

During the week under review, Jaipur RM seed weekly average prices went marginally down by 0.6% to INR. 7,067/qtl amid stock limit removal, improved mustard oil prices on good demand.

During the week under review, Rajkot Groundnut weekly average bold prices went up by 1.2% at INR 6,017/Qtl. amid new kharif crop arrivals in the market.

Outlook – Cash Market

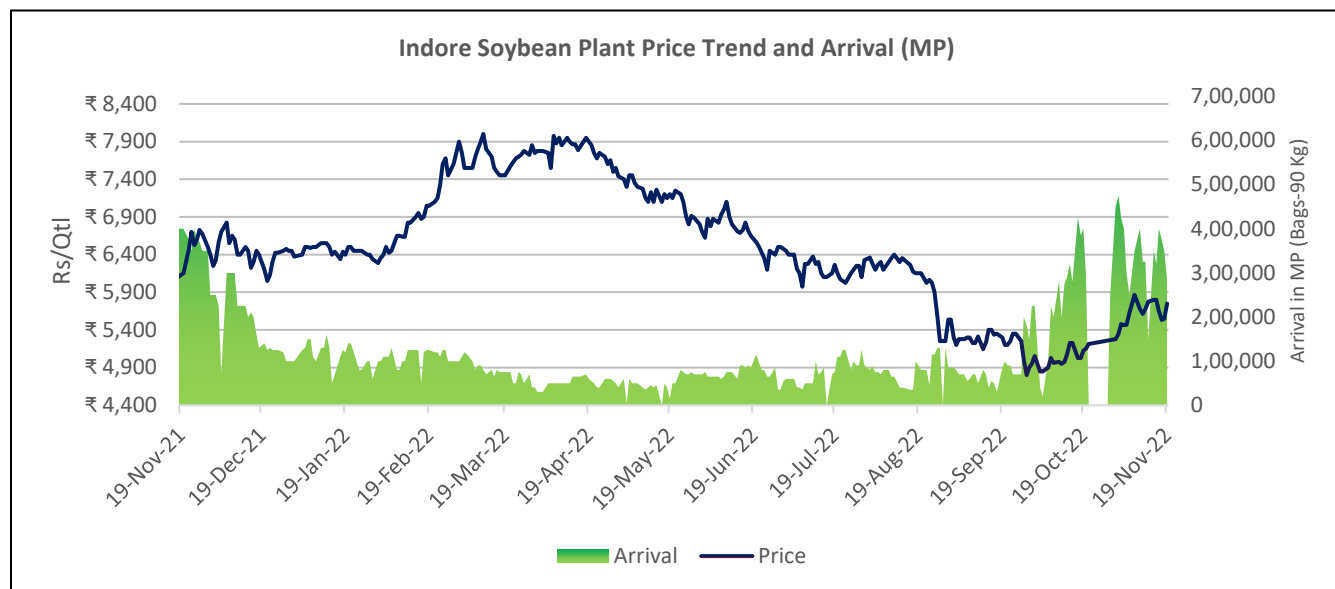
Outlook - Soybean (Spot Indore): In the coming week, soybean plant prices are expected to trade sideways with upward bias. The prices (Indore, Plant basis) are expected to feature in the price band of 5,500-5,800 levels in the near term.

Outlook – Soy meal:

The soy meal prices (Indore) are likely to trade sideways amid revive in export demand. Soy meal Indore prices are likely to trade in the range of 40,000 – 43,000/MT.

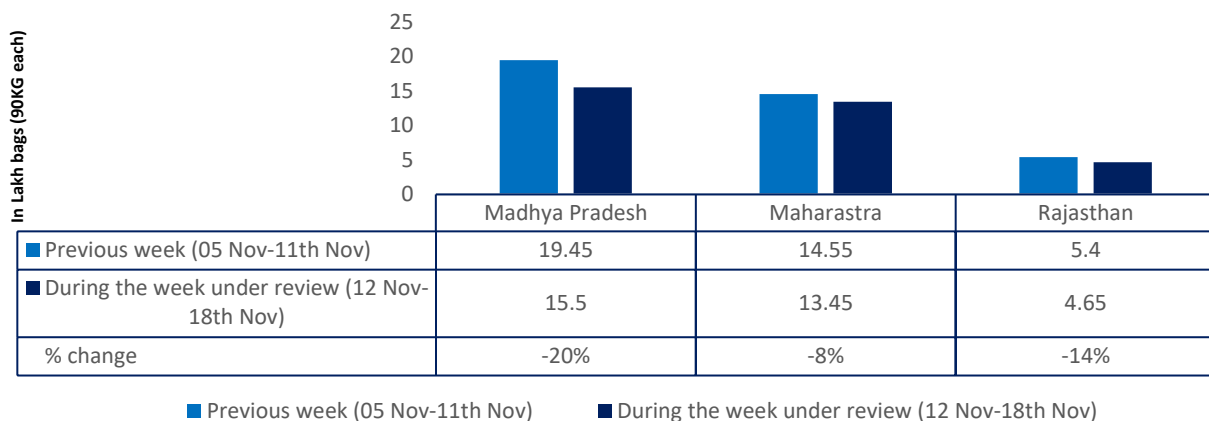
Outlook - Rapeseed-Mustard (Spot, Jaipur basis): Rapeseed-Mustard is expected to trade rangebound with downward bias. The seed prices are likely to trade in the range between 6,800 –7,200/Qtl. in the short-run.

Soybean



During the week under review, Soybean indore Plant prices remained flatted and went marginally down by 0.10% to INR 5,684/ Qtl. as compared to 5,690/qtl. previous week amid good demand at current level from crushers and rebound in soymeal export demand. So far this month, Indore soybean prices are up by 9% and more than 20% up from current season's low of 4800.

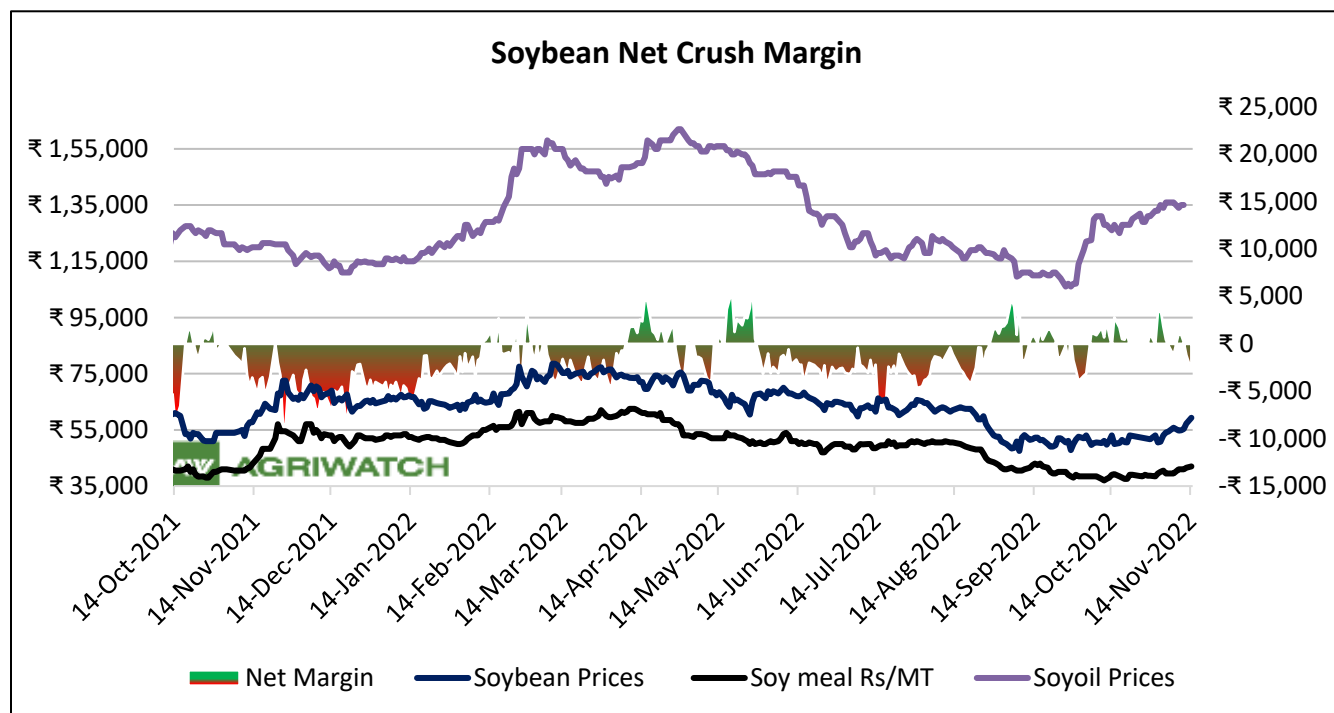
Weekly Soybean Arrivals



During the week under review, the total arrival in MP recorded low by 20% to 15.5 Lakh bags Vs 19.45 Lakh bags previous week. In Maharashtra too arrivals declined to 13.45 Lakh bags vs 14.55 Lakh bags last week. In Rajasthan the arrivals recorded low to 4.65 lakh bags Vs 5.4 Lakh bags previous week. Arrivals continued to shrink, as farmers are reluctant to offload their stocks in anticipation of better prices in future.

Soybean Crush Margin-

Soybean net crush margin became negative amid decrease in Soy oil prices, during the week under review, weekly average soybean net crush margin declined to INR -1385/ MT as compared to previous week at INR 162/MT.


International Update:

During the week under review, (CBOT Soybean Jan'22 Expiry) extended previous week correction and went down by 1.50% to \$ 14.28/bushel, However, so far this month market is marginally up by 0.62%. Correction in CBOT Soy oil and Palm oil weighed on CBOT Soybean prices.

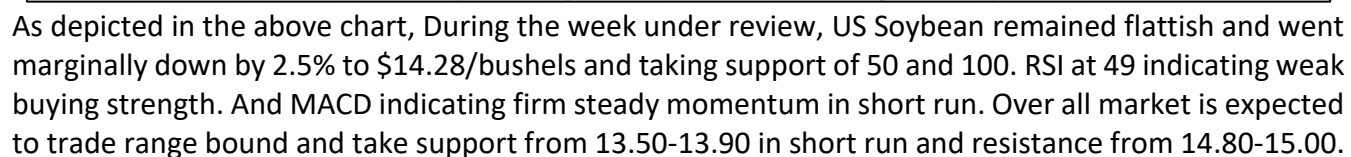
According to USDA Nov'22 report, 2021-22 Soy production estimate for India was kept unchanged at 11.5 million tonnes as compared to previous month estimates, However last year it was 11.9 MMT. US soy production increased slightly to 120.70 MMT as compared to previous month's estimate of 118.26 MMT while last year it was 117.37 MMT.

However, Argentina's 2022-23 soy production estimate was slashed by 0.5 MMT to 49.5 MMT Vs 51 MMT previous month estimates and previous year at 43.9 MMT, Brazil soy production kept unchanged at 152 MMT compared to 144 MMT previous month estimates while last year it was 127 MMT.

According to the General Administration of Customs, China's Soybean imports in October fell by 7.4% to 73.18 million tonnes compared to 79.05 million tonnes last year same time frame. Low demand from feed industry amid covid lockdown dipped the soybean demand.

Technical Analysis

US Soybean futures



Technical Analysis (Domestic market)

(Based on Indore Mandi prices)

SOYBEAN – Technical Outlook
Soybean Indore Spot -Weekly time frame
Technical Chart:

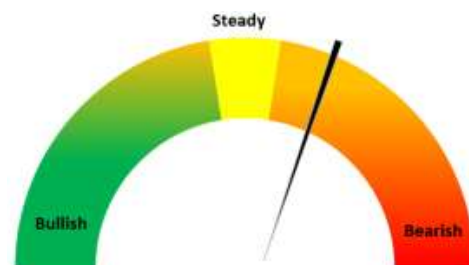
Technical Commentary:

- Soybean Indore prices declined to 5,500 levels and during the week under review, market made low of 5,380, high of 5,800 and closed at 5,500 levels.
- Market is currently trading above 9 and 18 DMA and can be characterized as support. 5400-5500 is near term support.

Recommendation-

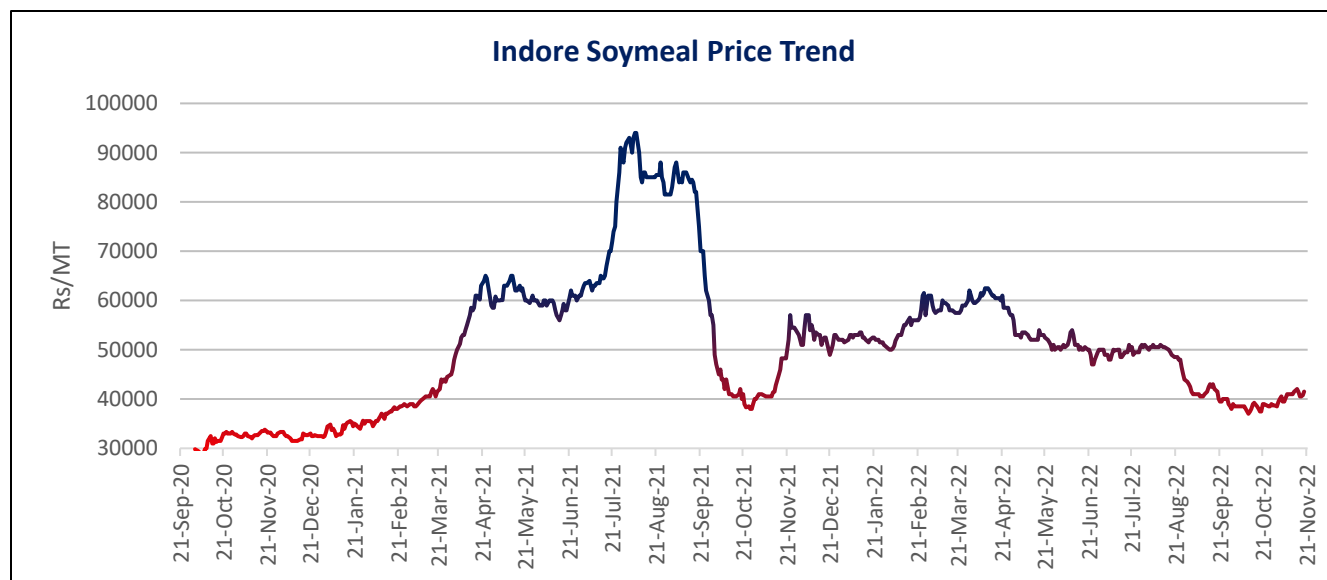
- Market Participants are recommended to sell their stocks in the range of 5700-6000.

Soybean Price Outlook for coming week: Indore Soybean mandi prices are currently trading at INR. 5,425/qrtl. and are expected to trade with weak bias amid profit booking and weakness in oil complex.



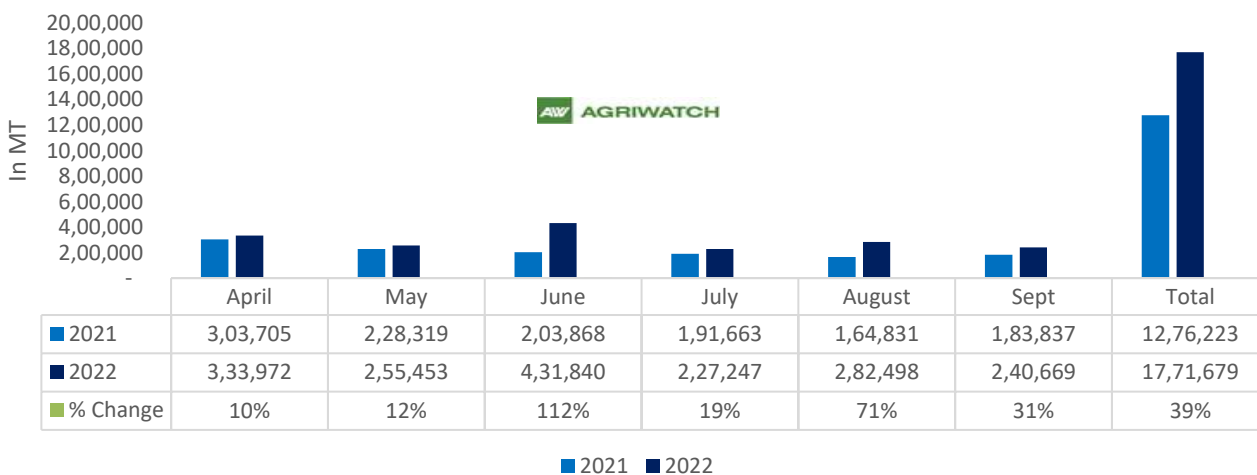
Soybean Mandi Price Outlook (INR./Qtl)	Previous week 05th Nov'22- 11th Nov'22	Week under review 12th- Nov'22- 18th Nov'22	Next week 19 th - Nov'22- 25 th Nov'22
Weekly Average Price	5,250-5,600	5,380-5,650	5,300-5,700

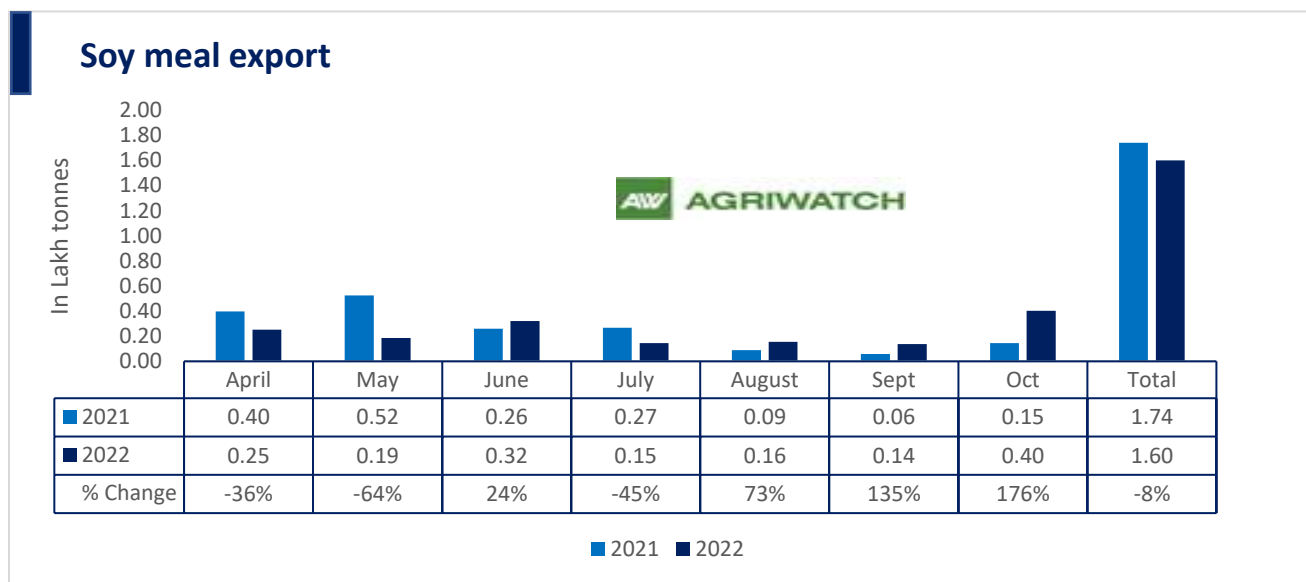
Soymeal



During the week under review, Indore Soymeal prices weekly average prices extended previous week gains and went up by 1.1% to INR 41,133/MT as compared to last week at INR 40,700/ amid rebound in Soymeal export demand. So far this month Indore soymeal prices are up by 6%. Overall, the prices quoted between INR 40,500-42,000/MT throughout the week. At Nanded, the weekly average prices improved to INR. 45,333/MT compared to INR. 44,800 MT a week ago. In Kota the meal prices were up at INR. 43,000/MT compared to INR. 43,300/MT previous week.

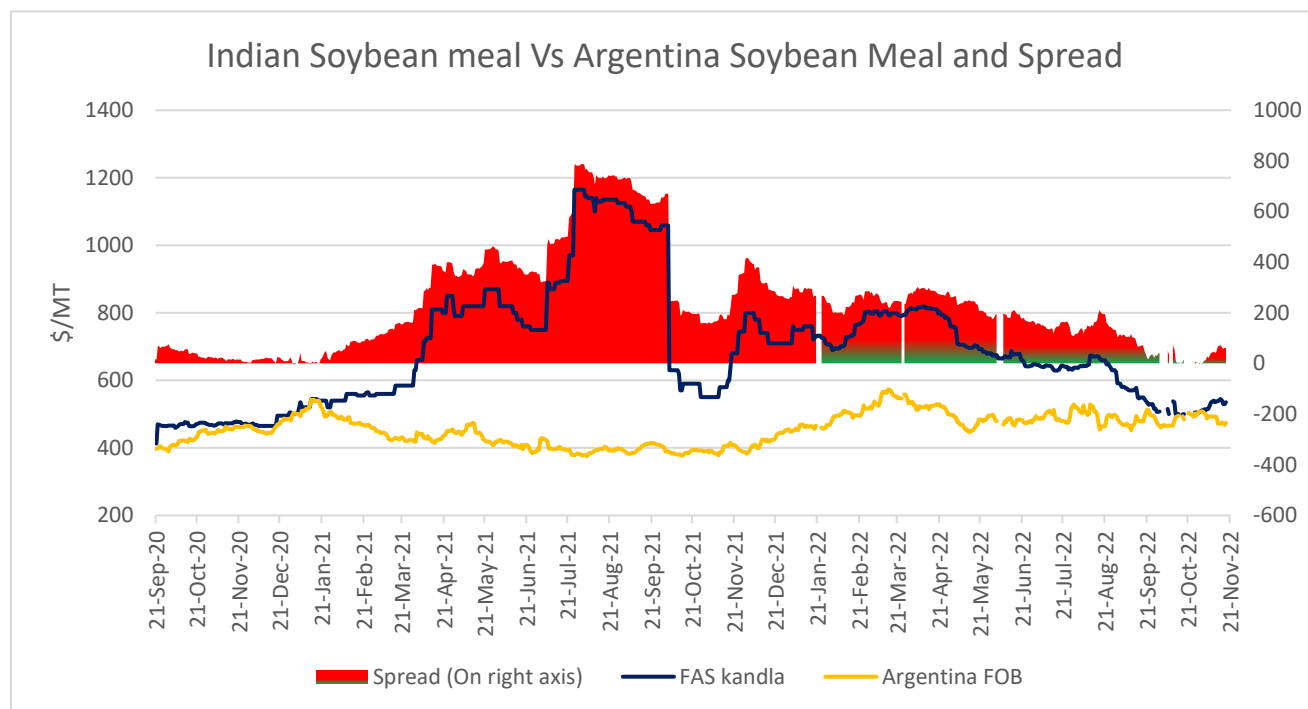
Total oil meal export





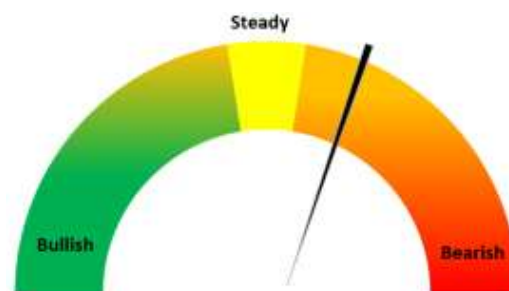
Total oil meal exports in April- Oct'22 went up by 38% to 20 Lakh tonnes vs 14 Lakh tonnes previous year same period. However, Soymeal exports up by 176% to 0.40 Lakh tonnes in Oct'22 Vs 0.15 Lakh tonnes previous month. Soymeal exports went up for the third straight month on good soymeal exort demand from south east Asia tracking competitive prices in global markets. However, in April'22-Oct'22 soymeal exports are down by 8% to 1.60 Lakh tonnes as compared to 1.74 Lakh tonnes previous year same period.

SOPA in its monthly update reported Soybean meal production in Oct'22 up by 24% to 6.43 Lakh tonnes, this compares with 5.19 Lakh tonnes previous year same period. Soymeal production went up in October as crush margin was in parity amid low soybean prices during the month as monthly average net crush margin rendered in Oct'22 at INR 283/MT which ushered up crushing pace.



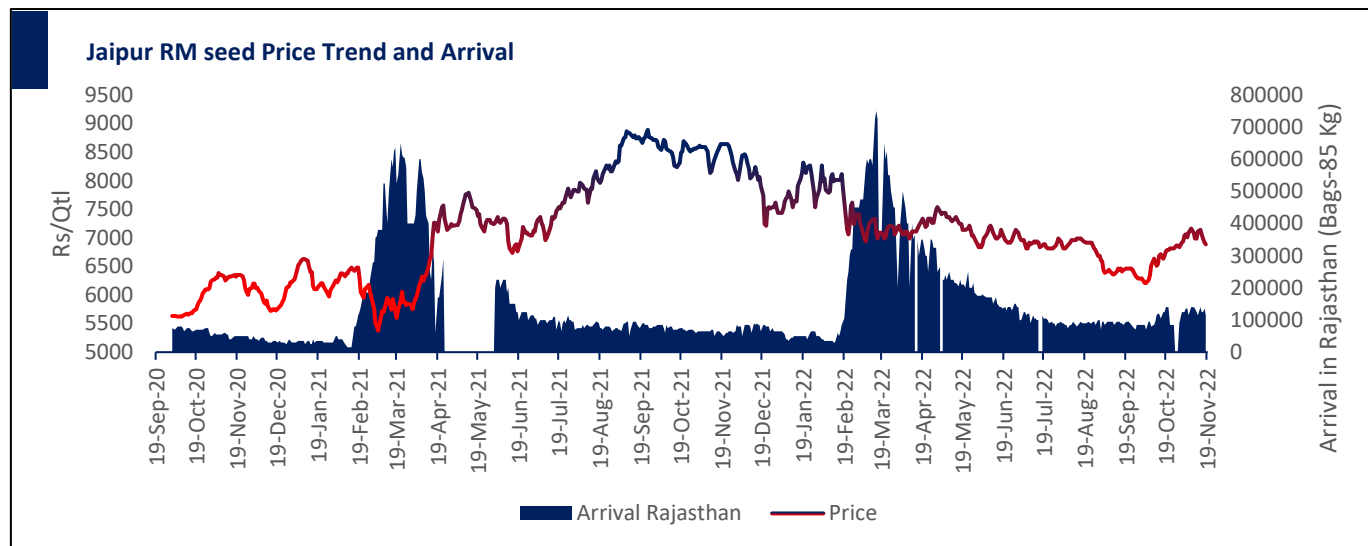
Currently, Indian Soymeal FOB prices trading at \$535/MT, Argentina Soymeal FOB prices trading at \$475/MT and spread stands at \$60/MT. Decline in Argentine soymeal prices has led to a squeeze in spread. Upon squeeze in spread Indian someal export demand is rising and so the prices are improving.

Soymeal Price Outlook for coming week: Soybean meal prices are expected to rebound in tandem with soybean prices. Revive in soymeal export demand too likely to support soymeal prices in upcoming months.

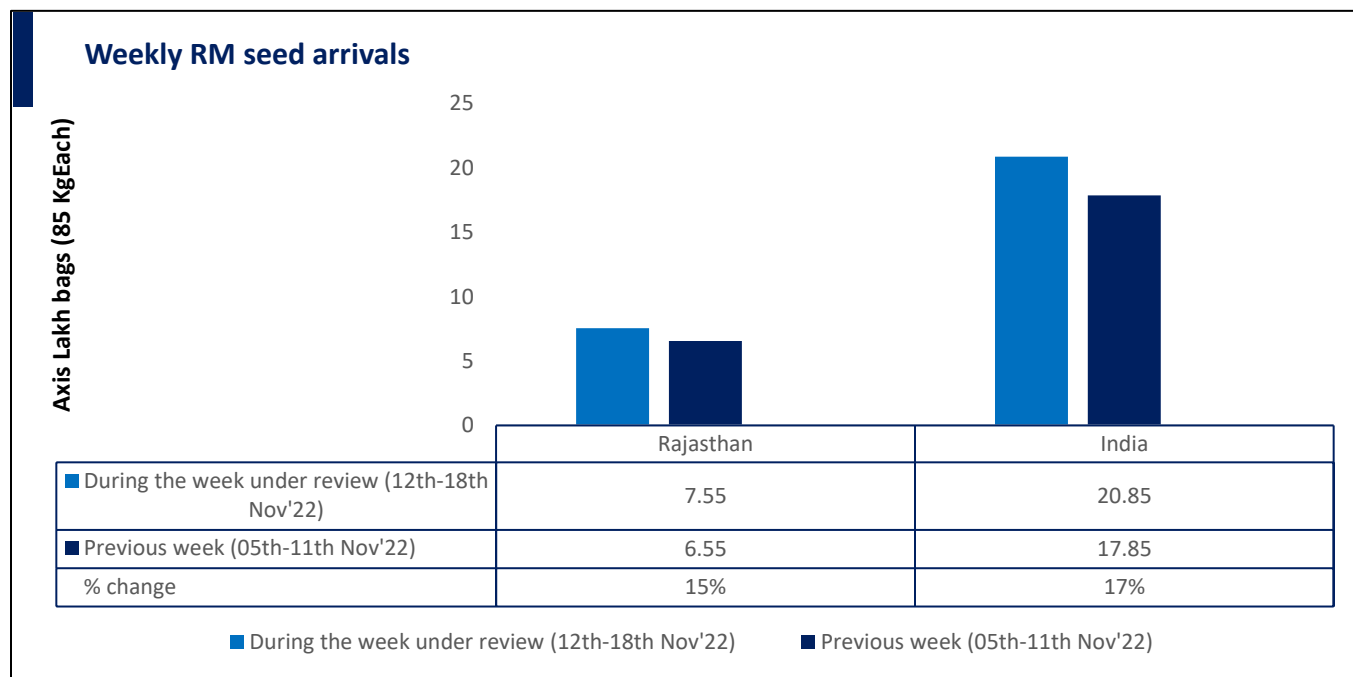


Soymeal Indore Price Outlook (INR./MT)	Previous week 05th Nov'22- 11th Nov'22	Week under review 12th- Nov'22- 18th Nov'22	Next week 19 th - Nov'22- 25 th Nov'22
Weekly Average Price	39,500-42,000	40,500-42,000	40,000-43,000

Rapeseed - Mustard Seed

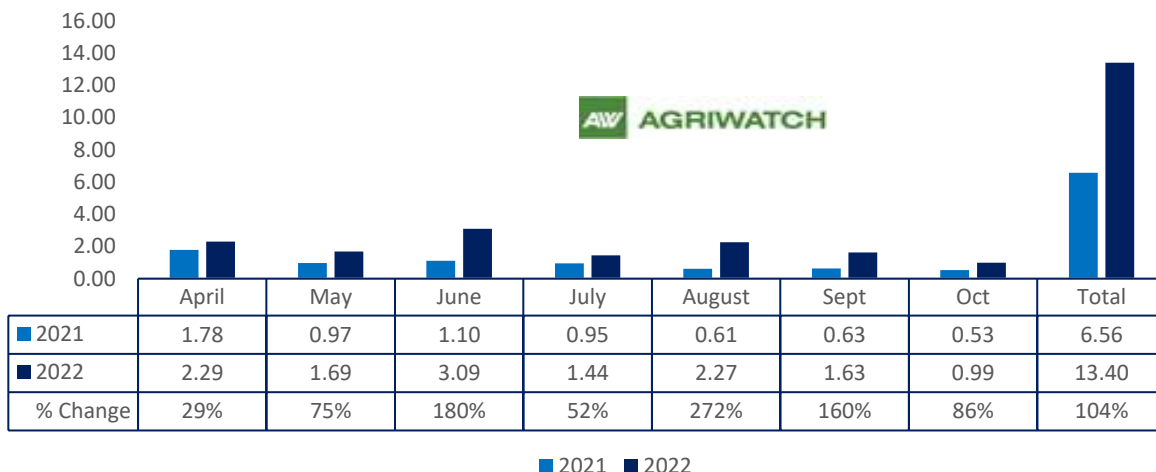


RM seed strengthened during the week under review. Jaipur RM seed weekly average prices remained flattish and went marginally down by 0.6% to INR. 7,017/qtl as compared to INR. 7,063/qtl previous week. Stock limit removal, shrink in arrivals, good Rapeseed meal export demand has pushed RM seed prices at near four month high.



During the week under review, RM Seed arrivals in Rajasthan rebounded after festivals to 7.55 Lakh bags as compared to 6.55 lakh bags previous week. All India arrivals rebounded to 20.85 Lakh bags Vs 17.85 Lakh bags previous week. However, on large time frame RM seed arrivals is shrinking.

Rapeseed meal export



There is a significant jump in export of rapeseed meal in April'22-Oct'22 and reported at 13.40 Lakh tons compared to 6.56 Lakh tons previous year same period i.e., up by 104%. And in Oct'22 exports recorded up by 86% to 0.99 Lakh tonnes vs 0.53 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.

International-

For 2022-2023, canola seeded area is estimated at 8.7 million hectares (Mha), down 4% from last year, with an expected harvested area of 8.6 Mha. Yields are estimated at 2.23 tonnes per hectare (t/ha), while last year drought reduced yields to 1.54 t/ha. Expected production is 19.1 Mt based on satellite imagery and model estimates. By province, Saskatchewan is expected to produce 9.7 Mt of canola, Alberta 6.1 Mt and Manitoba 3.1 Mt. limiting. Total supply is forecast to rise sharply from last year to 20.1 Mt as increased production is constrained by limited carry-in stocks.

Canadian canola use is expected to rebound, with exports expected to rise about 77% to 9.3 Mt and domestic crush volume to increase to 10.0 Mt from 8.6 Mt last year. Carry-out stocks decreased to 0.50 Mt, which will result in a stocks-to-use ratio of 3%.

Technical Analysis

(Based on Jaipur Mandi prices)

RM seed – Technical Outlook

RM seed Jaipur Spot -Weekly time frame

Technical Chart:



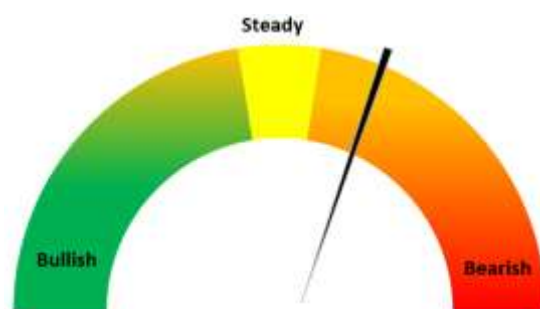
Technical Commentary:

- As depicted in the above chart, during the week under review, market closed lower to 6,962, made low of 6,887, high of 7,137.
- Market is trading above 9 and 18 DMA and can be characterized as immediate support, 50 and 100 DMA can be characterized as resistance.
- Immediate support is at 6,800, next support is at 6700 and immediate resistance is at 7000, next resistance is at 7300.

Recommendation-

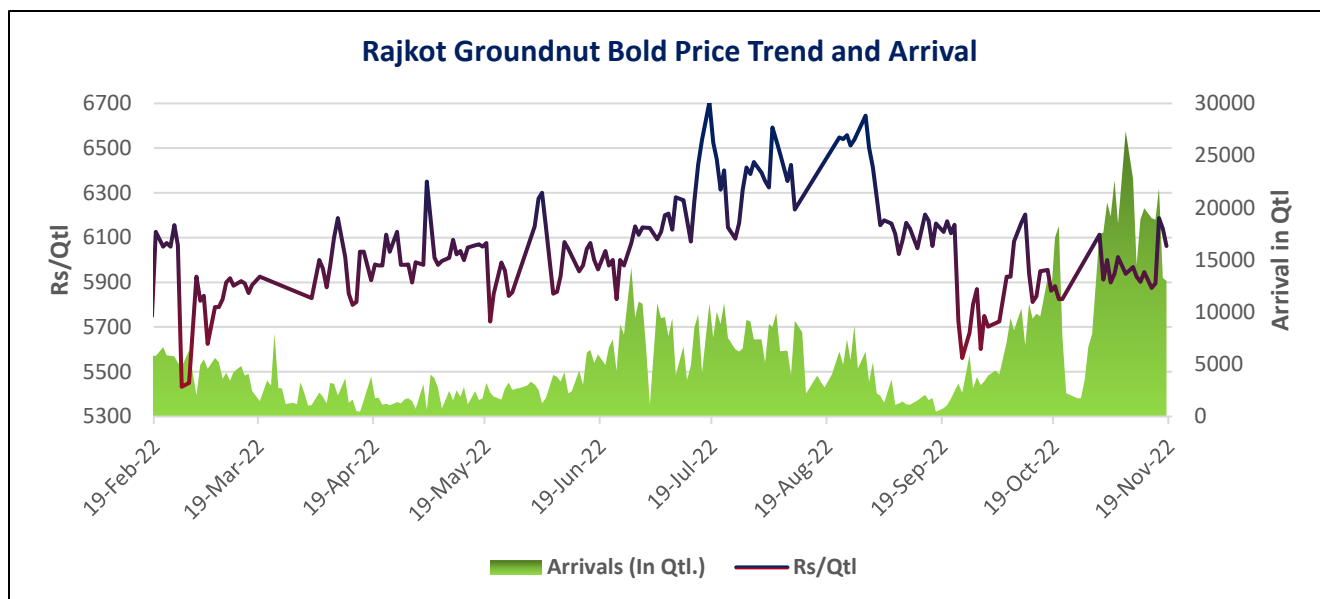
Market participants are recommended to sell at current levels.

RM seed Price Outlook for coming week: RM Seed is expected to trade sideways with slightly weak bias.



Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 05th Nov'22- 11th Nov'22	Week under review 12th- Nov'22- 18th Nov'22	Next week 19 th - Nov'22- 25 th Nov'22
Weekly Average Price	6,988-7,163	6,888-7,138	6,800-7,100

Groundnut



During the week under review, Rajkot Groundnut weekly average bold prices traded sideways and went up by 1.2% to INR 6,017/Qtl. as compared to previous week at INR 5,949/Qtl. despite rise in arrivals. All India arrivals recorded up by 4% to 1.05 Lakh tonnes as compared to 1.01 Lakh tonnes previous week previous week. So far, month till date groundnut prices remained flatted and went marginally down by 0.8%.

In Oct'22 Groundnut oil export demand declined by 49% to 3952.90 tonnes as compared to previous month at 7812.49 tonnes. Weak groundnut oil demand and new crop arrivals weighed on Groundnut prices.

Rabi Groundnut sowing progress:

Rabi Groundnut			
Area Covered (Lakh Ha) as of 18 November 2022			
State	2022	2021	% Change
Andhra Pradesh	0.106	0.078	35.90%
Karnataka	0.89	0.61	45.90%
Tamil Nadu	0.119	0.109	9.17%
Telangana	0.368	1.021	-63.96%
West Bengal	0.007	0.003	133.33%
Others	0.051	0.047	8.51%
Total	1.54	1.87	-17.51%

Technical Analysis

(Based on Rajkot GN Bold Mandi prices)

Groundnut Bold – Technical Outlook

Rajkot -Weekly time frame

Technical Chart:



Technical Commentary:

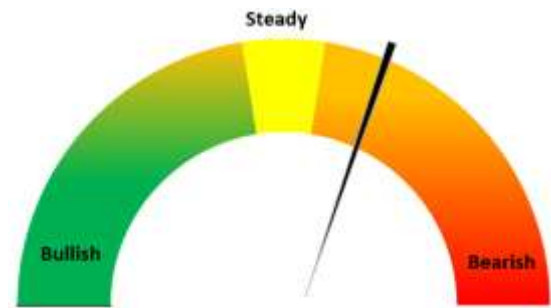
- As depicted in the above chart, during the week under review, market closed lower to 6,838, made low of 5,838, high of 6,188.
- Market is trading above 50 and 100 DMA, and 38.2% Fibonacci retracement level can be characterized as immediate support and 18 DMA , 23.6% Fibonacci retracement level can be characterized as resistance.
- Immediate support is at 5,850, next support is at 5,800 and immediate resistance is at 6,100, next resistance is at 6,200.

Recommendation-

Market participants are recommended to sell in the range of 6100-6200 and buy in the range of 5800-5900.



Groundnut Price Outlook for coming week: Rajkot groundnut bold prices expected to trade sideways with downward bias.



Rajkot Groundnut Bold Price Outlook (INR./Qtl)	Previous week 05th Nov'22- 11th Nov'22	Week under review 12th- Nov'22- 18th Nov'22	Next week 19 th - Nov'22- 25 th Nov'22
Weekly Average Price	5,903-6,013	5,875-6,188	5,850-6,100

Annexure

	% Change over previou s week	Today	Week Ago	Month Ago	Year Ago	
Soy DOC Rates at Different Centers		18-Nov- 22	11-Nov- 22	18-Oct-22	18-Nov- 21	
Centres		Ex- factory rates (Rs/ton)				parity To
Indore - 45%, Jute Bag	0%	40800	41000	38000	48250	Gujarat, MP
Kota - 45%, PP Bag	-2%	42000	43000	40000	49500	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	-1%	44500	45000	42000	52000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	1%	43000	42500	39000	45000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	2%	45000	44000	42500	50000	Andhra, AP, Kar ,TN
Latur	-4%	44500	46500	42000	49500	-
Sangli	4%	41500	40000	38500	42000	Local and South
Solapur	-4%	42500	44500	42500	41500	Local and South
Akola – 45%, PP Bag	0%	42000	42000	38500	42000	Andhra, Chattisgarh, Orissa,Jharkhand , WB
Hingoli	-1%	44000	44500	41500	49500	Andhra, Chattisgarh, Orissa,Jharkhand , WB
Bundi	-2%	41800	42800	39800	49300	-
Soy DOC at Ports						
Centers		Port Price				
		18-Nov- 22	11-Nov- 22	18-Oct-22	18-Nov- 21	
Kandla (FOR) (INR/MT)	0%	43000	43000	40000	53000	
Kandla (FAS) (USD/MT)	-1%	535	538	500	-	

CNF Indonesia – Yellow SBM (USD/MT)	2%	588	577	530	-	
Rapeseed Meal		18-Nov-22	11-Nov-22	18-Oct-22	18-Nov-21	
FAS Kandla (USD/MT)	-	261	-	-	-	
FOR Kandla (Rs/MT)	-	20000	-	-	-	
FOR Mundra (Rs/MT)	-	NA	-	-	-	
CNF Indonesia (USD/MT)	-	286	-	-	-	
International Soy DOC						
Argentina FOB USD/MT		18-Nov-22	11-Nov-22	18-Oct-22	18-Nov-21	
Soybean Pellets	-	475	-	-	-	
Soybean Cake Flour	-	475	-	-	-	
Soya Meal	-	NR	-	-	-	
Soy Expellers	-	NR	-	-	-	
Sunflower (DOC) Rates		Ex-factory rates (Rs/ton)				
Centers		18-Nov-22	11-Nov-22	18-Oct-22	18-Nov-21	
Adoni	0%	35000	35000	35000	27000	
Khamgaon	-	NA	-	-	-	
Parli	-	NA	-	-	-	
Latur	0%	34000	34000	34000	26500	
Groundnut Meal (Rs/MT)		18-Nov-22	11-Nov-22	18-Oct-22	18-Nov-21	
Basis 45%, Saurashtra	-3%	34000	35000	31000	35000	
Basis 40%, Saurashtra	-3%	30000	31000	28000	32000	
GN Cake, Gondal	-3%	35000	36000	33000	35000	

Mustard DOC		18-Nov-22	11-Nov-22	18-Oct-22	18-Nov-21	
Jaipur (Plant delivery)	2%	18600	18300	17900	26000	
Kandla (FOR Rs/MT)	3%	18900	18400	18300	26700	
Mumbai Oil Meal Quotes:						
Rs/M.T.		18-Nov-22	11-Nov-22	18-Oct-22	18-Nov-21	
G.N. Extr (45%)	0%	34000	34000	31000	40000	
Kardi Extr	-	NA	-	-	-	
Undec Cottonseed Exp	0%	35000	35000	30500	28500	
Rice Bran Extr.	-	NA	-	-	-	
Sunflower Extr.	0%	26000	26000	23000	28500	
Rapeseed Extr.	-	NA	-	-	-	
Soymeal 48%	0%	43096	43304	40174	51391	
Castor Extr.	1%	12950	12850	10950	9650	

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