



Oil Meal Weekly Research Report

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Executive Summary

The weekly average prices of Soybean Indore mandi prices remained stable and went up by 0.95% to INR 5,391/Qtl. as compared to 5,340/qtl. previous week amid good demand.

The weekly average prices of Indore soymeal too went up by 4.8% to INR 42,700/MT as compared to last week at INR 40,750/MT amid revive in export demand in the market.

During the week under review, Jaipur RM seed weekly average prices went down by 0.6% to INR. 6,704/qtl amid weak demand from crushers on disparity in crushing.

During the week under review, Rajkot Groundnut weekly average bold prices remained bullish and went up by 2.6% at INR 6,118/Qtl. amid shrink in arrivals and good export demand.

Outlook – Cash Market

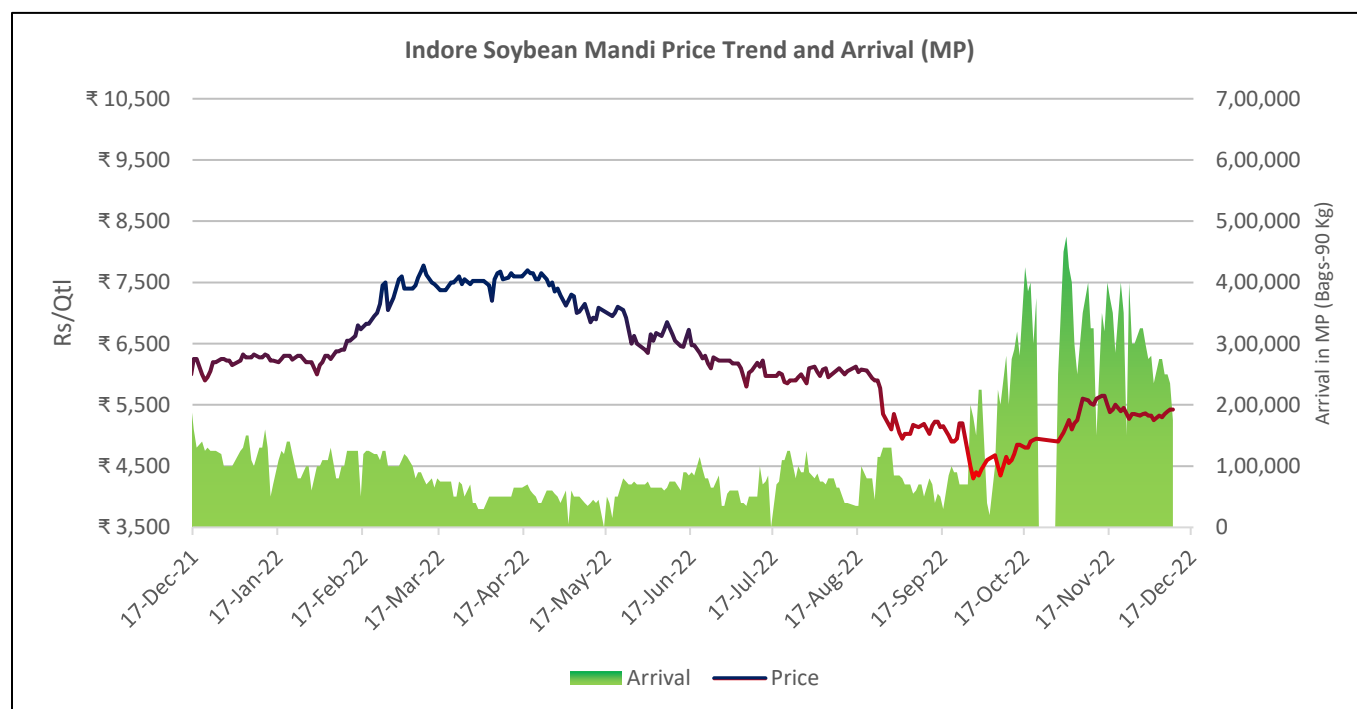
Outlook - Soybean (Spot Indore): In the coming week, soybean plant prices are expected to trade sideways with firm bias. The prices (Indore, Plant basis) are expected to feature in the price band of 5,300-5,600 levels in the near term.

Outlook – Soy meal:

The soy meal prices (Indore) are likely to trade sideways in tandem with soybean prices. Soy meal Indore prices are likely to trade in the range of 42,000 – 45,000/MT.

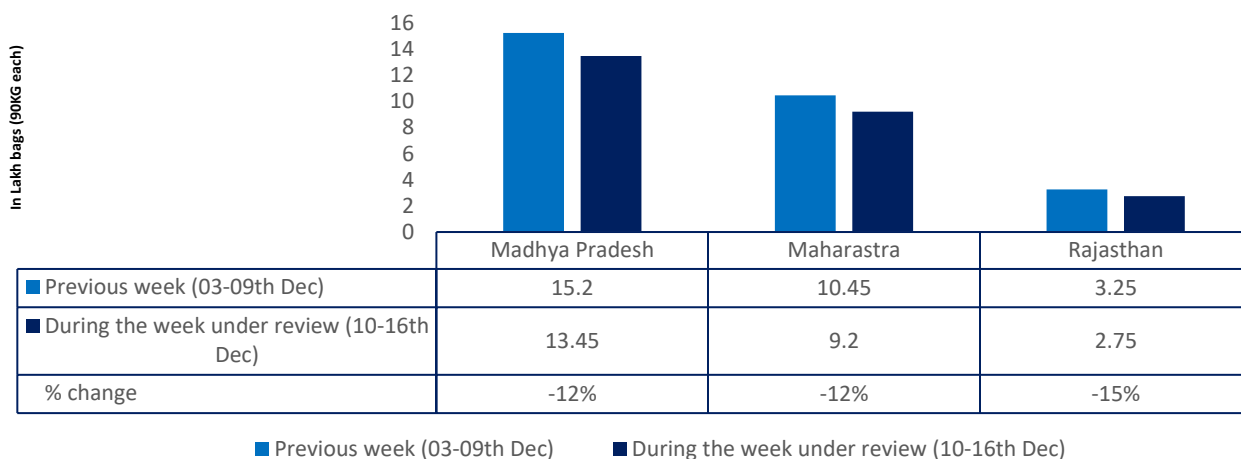
Outlook - Rapeseed-Mustard (Spot, Jaipur basis): Rapeseed-Mustard is expected to trade rangebound with weak bias. The seed prices are likely to trade in the range between 6,400 – 6,700/Qtl. in the short-run.

Soybean



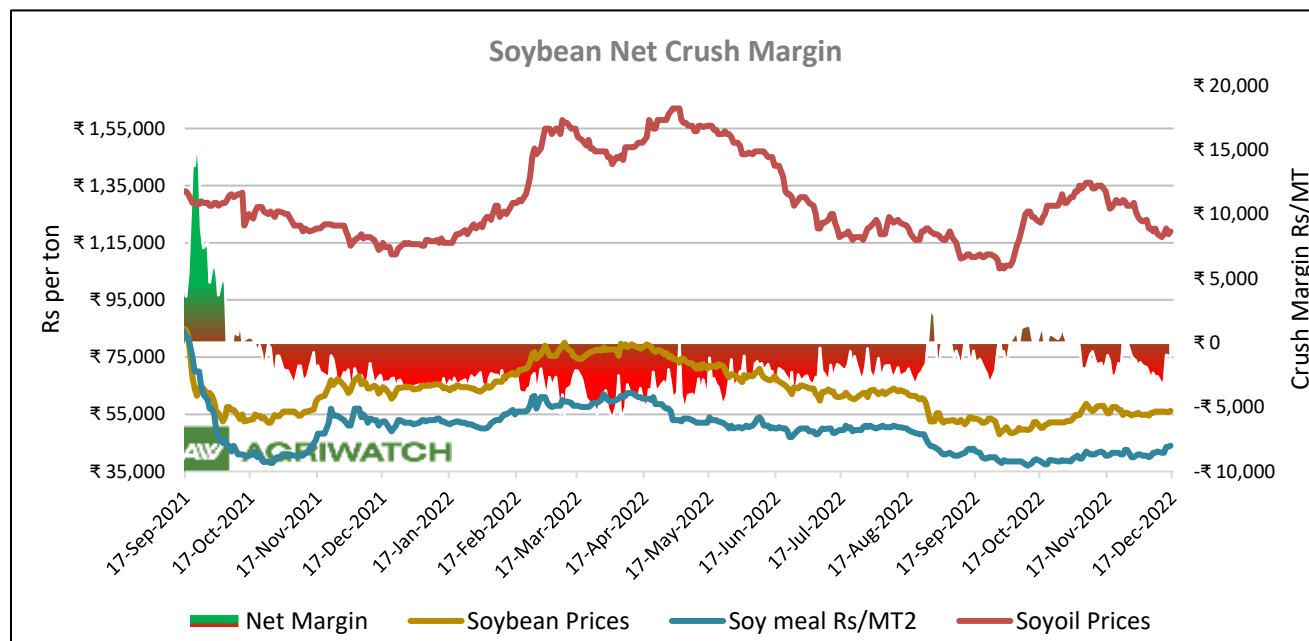
During the week under review, Soybean indore mandi prices remained stable and went marginally up by 0.95% to INR 5,391/ Qtl. as compared to 5,340/ qtl. previous week. During the week the market made a high of INR 5,425/Qtl. While Stock limit removal, good demand from crushers and rebound in Soymeal export demand pushed Soybean prices more than 26% up from current season low of INR 4300 levels and 1% up month till date.

Weekly Soybean Arrivals



During the week under review, the total arrival in MP continued to shrink and recorded down by 12% to 13.45 Lakh bags Vs 15.2 Lakh bags previous week. In Maharashtra too arrivals went down to 9.2 Lakh bags vs 10.45 Lakh bags last week. In Rajasthan the arrivals recorded low to 2.75 lakh bags Vs 3.25 Lakh bags previous week. Peak arrivals is over now and is likely to continue shrink in upcoming weeks too.

Soybean Crush Margin-



Soybean net crush margin declined during the week under review as seed prices improved slightly up. While, oil prices traded sideways. Weekly average soybean net crush margin for the period of 10th -16th December is in disparity at INR -1969/ MT as compared to previous week at INR -2323/MT.

International Update:

According to USDA Dec'22 report, 2021-22 Soy production estimate for India was increased to 12 million tonnes as compared to previous month estimates at 11.5 MMT, However last year it was 11.9 MMT. US soy production kept unchanged at 118.26 MMT as compared to previous month's estimate, while last year it was 121.52 MMT. During the week under review, CBOT Soybean futures (Nov expiry) declined by 3.15% to \$14.83/bushel amid U.S. Department of Agriculture (USDA) increased estimate of global ending stocks, though strong exports and South American weather concerns underpinned the market.

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

Brazil has exported 2.6 MMT in Nov'22 down from 3.9 MMT in Oct, slightly higher than YoY. China imported the bulk of Brazil's November bean exports (2.1 million mt) while other relevant imports headed to Thailand (172,047 mt), Russia (166,519 mt), Spain (121,000 mt) and Vietnam (92,711 mt). While Russia has been importing larger-

than-normal soybean volumes from Brazil since the beginning of the war with Ukraine, having bought 1.3 million mt of Brazilian beans since January, almost twice as much as it imported during the same period in 2021. The main originations for Brazilian beans exported in November were Mato Grosso (19%) and Rio Grande do Sul (18%) as the latter typically has larger soybean availability in the end of the year compared to other states due to its later planting schedule. Bahia (14%), Goiás (11%) and Paraná (10%) were other relevant origins for Brazilian soybeans in November.

Monthly exports pushed total soybean volumes shipped by the country since January up to 77 million mt, below the 83.4 million mt exported in the same period in 2021.

Technical Analysis

US Soybean futures



As depicted in the above chart, During the week under review, US Soybean remained sideways and went marginally down by 0.25% to \$14.80/bushels and taking support of 9, 18 and 100 DMA. RSI at 52 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 14-14.20 in short run and resistance from 14.80-15.00.

Technical Analysis (Domestic market)

(Based on Indore Mandi prices)

SOYBEAN – Technical Outlook

Soybean Indore Spot -Weekly time frame

Technical Chart:



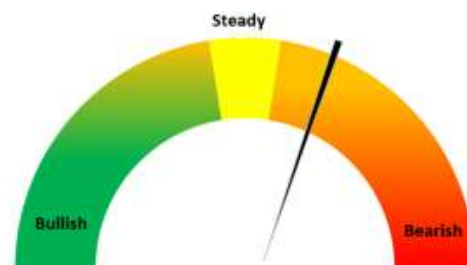
Technical Commentary:

- Soybean Indore prices closed to 5,450 levels and during the week under review, market made low of 5,350, high of 5,450.
- Market is currently taking support of 9 and 18 DMA, 50 and 100 DMA can be characterized as resistance.
- 5200-5300 is near term support and 5,700-5,800 is near term resistance.

Recommendation-

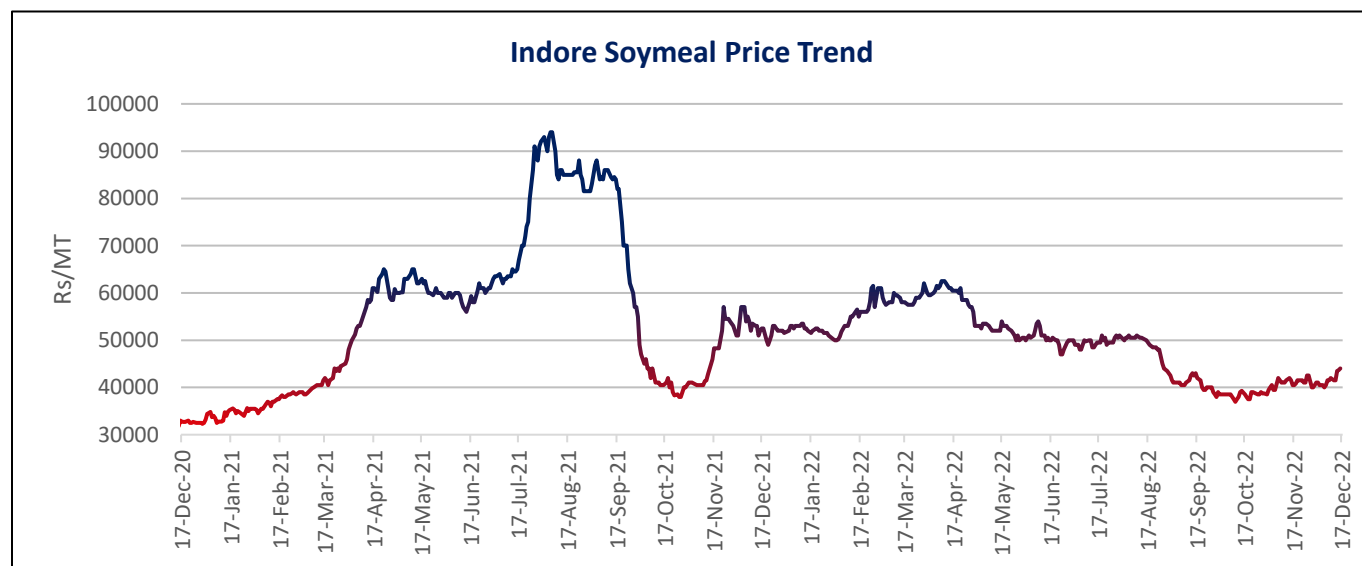
- Market Participants are recommended to sell their stocks in the range of 5700-6000 and buy in the range of 5200-5400.

Soybean Price Outlook for coming week: Indore Soybean mandi prices are currently trading at INR. 5,450/qtl. and are expected to trade range bound in the range of INR 5,200-5,800 in short run.

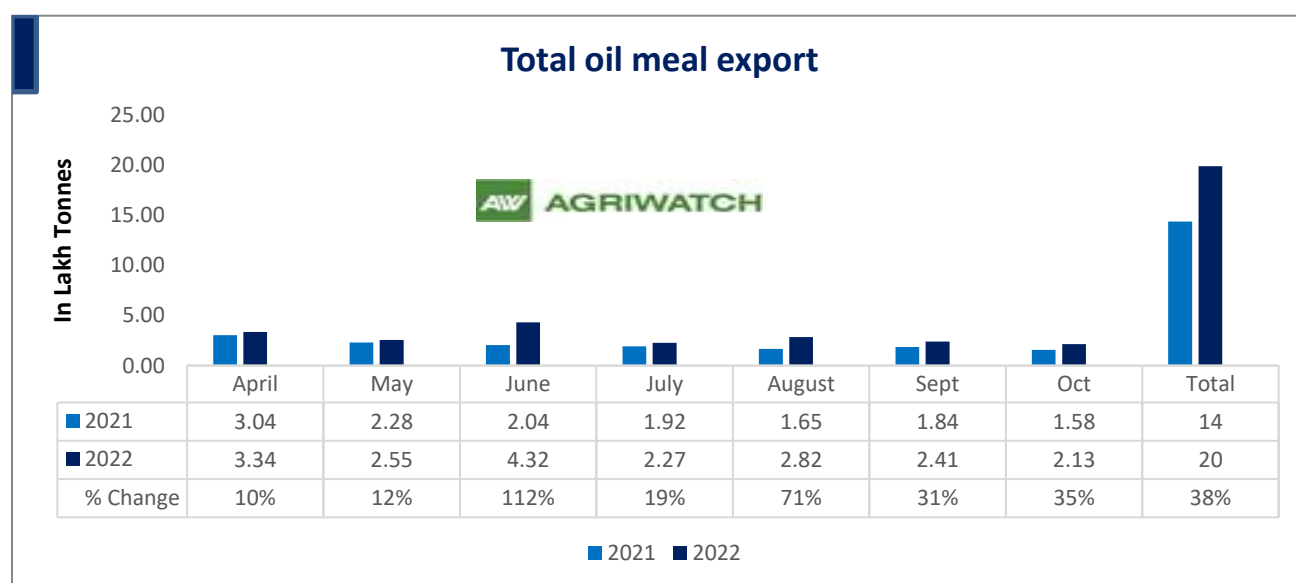


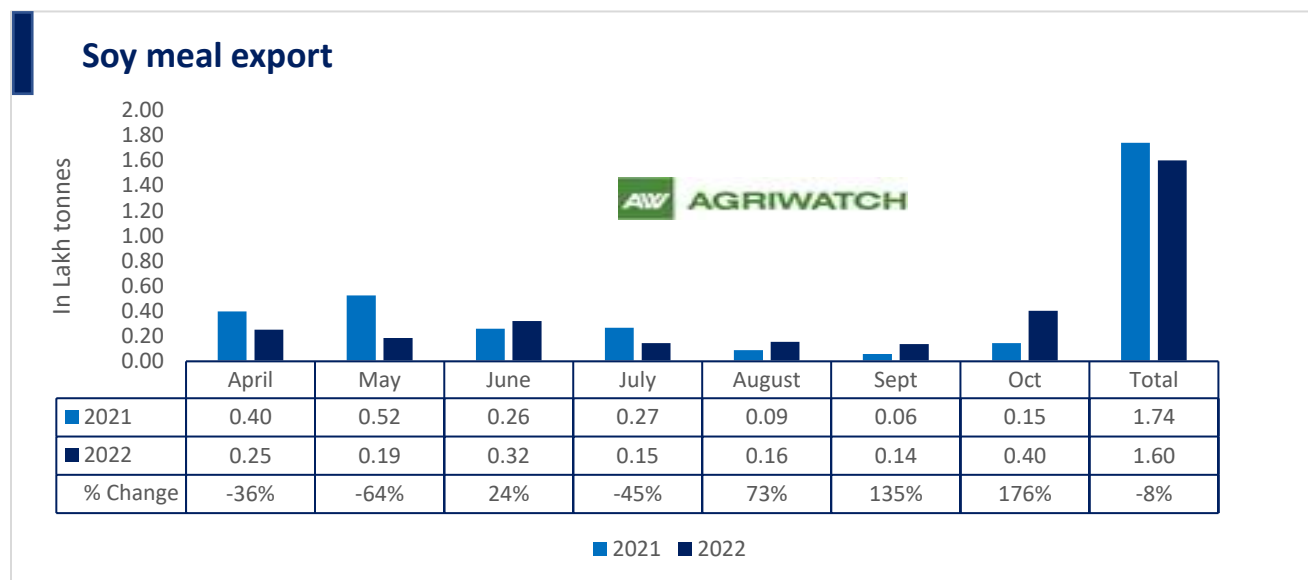
Soybean Mandi Price Outlook (INR./Qtl)	Previous week 03rd Dec'22- 09th Dec'22	Week under review 10th Dec'22- 16th Dec'22	Next week 17th Dec'22- 23th Dec'22
Weekly Average Price	5,325-5,362	5,350-5,425	5,300-5,600

Soymeal



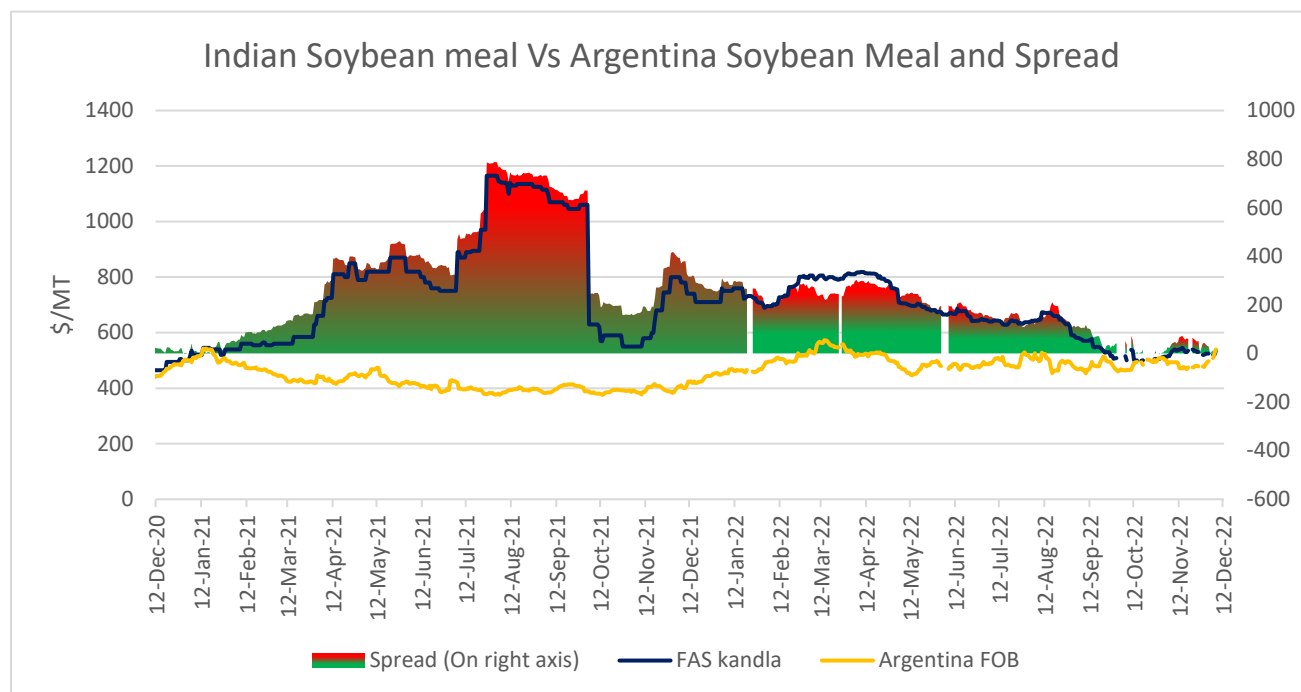
During the week under review, Indore Soymeal prices weekly average prices remained firm and went up by 0.4.8% to INR 42,700/MT as compared to last week at INR 40,750/ amid revive in demand and improved crush margin. So far this month Indore soymeal prices are up by 9%. Overall, the prices quoted between INR 41,500-44,000/MT throughout the week. At Nanded, the weekly average prices went marginally up to INR. 44,666/MT compared to INR. 43,916 MT a week ago. In Kota the meal prices were down at INR. 43,483/MT compared to INR. 42,200/MT previous week.





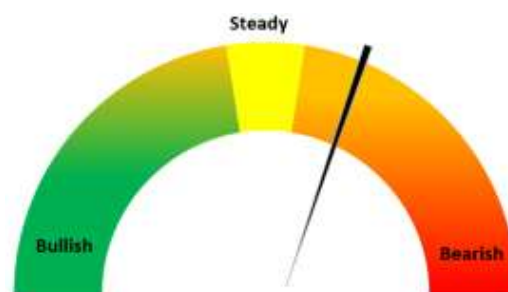
Total oil meal exports in April- Oct'22 went up by 38% to 20 Lakh tonnes vs 14 Lakh tonnes previous year same period. However, Soymeal exports up by 176% to 0.40 Lakh tonnes in Oct'22 Vs 0.15 Lakh tonnes previous month. Soymeal exports went up for the third straight month on good soymeal exort demand 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.



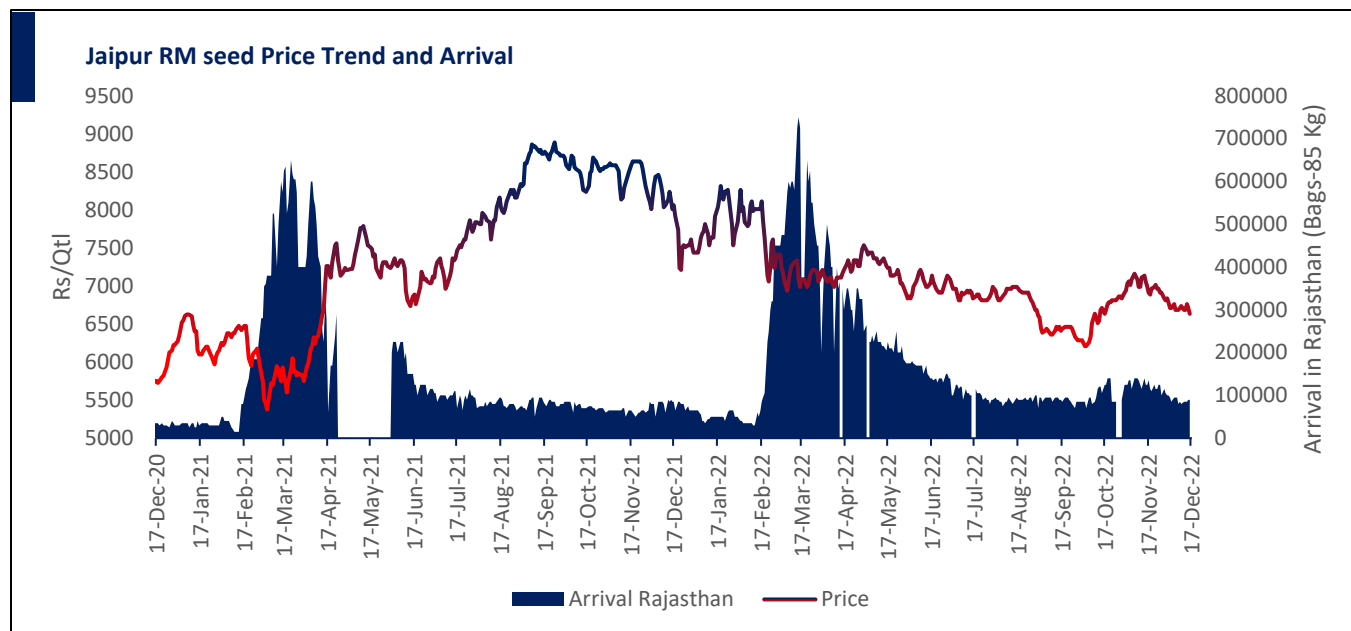
Currently, Indian Soymeal FOB prices trading at \$535/MT, Argentina Soymeal FOB prices trading at \$539/MT and spread stands at \$-4/MT. Decline in Argentine soymeal prices has led to a squeeze in spread. Upon squeeze in spread Indian soymeal export demand is rising and so the prices are improving.

Soymeal Price Outlook for coming week: Soybean meal prices are expected to trade sideways with firm bias. Revive in soymeal export demand likely to support soymeal prices in upcoming months.

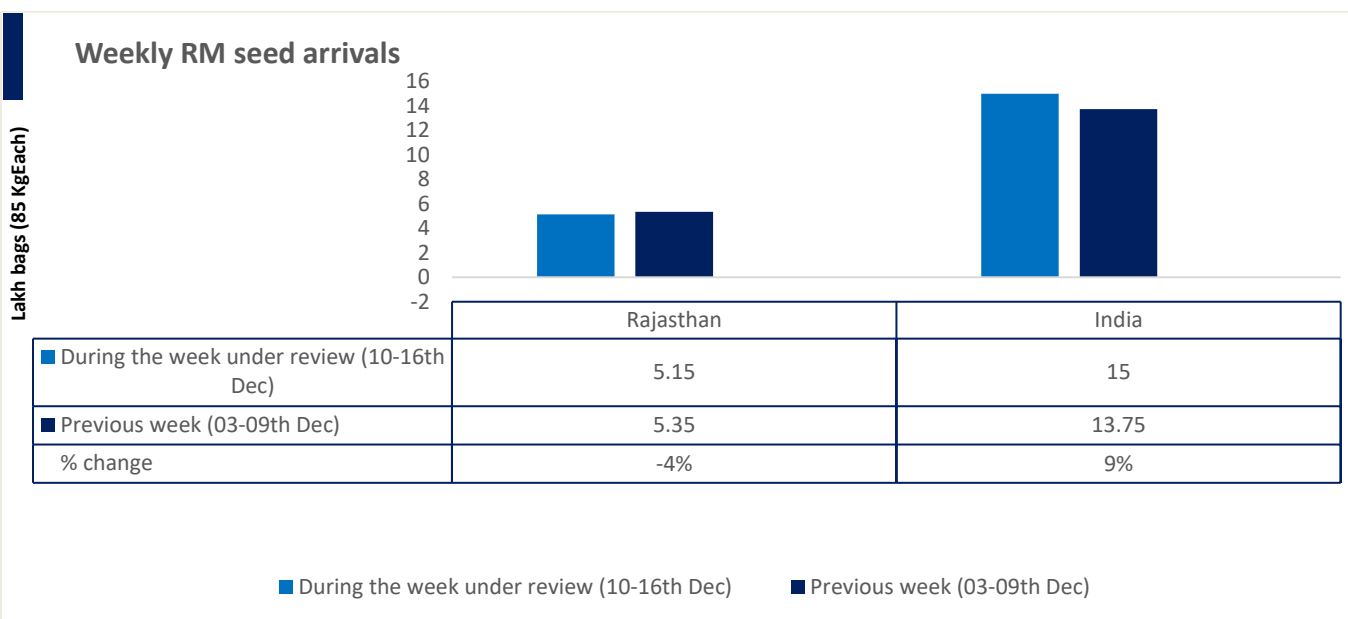


Soymeal Indore Price Outlook (INR./MT)	Previous week 03rd Dec'22- 09th Dec'22	Week under review 10th Dec'22- 16th Dec'22	Next week 17th Dec'22- 23th Dec'22
Weekly Average Price	40,000-41,500	41,500-44,000	42,000-45,000

Rapeseed - Mustard Seed

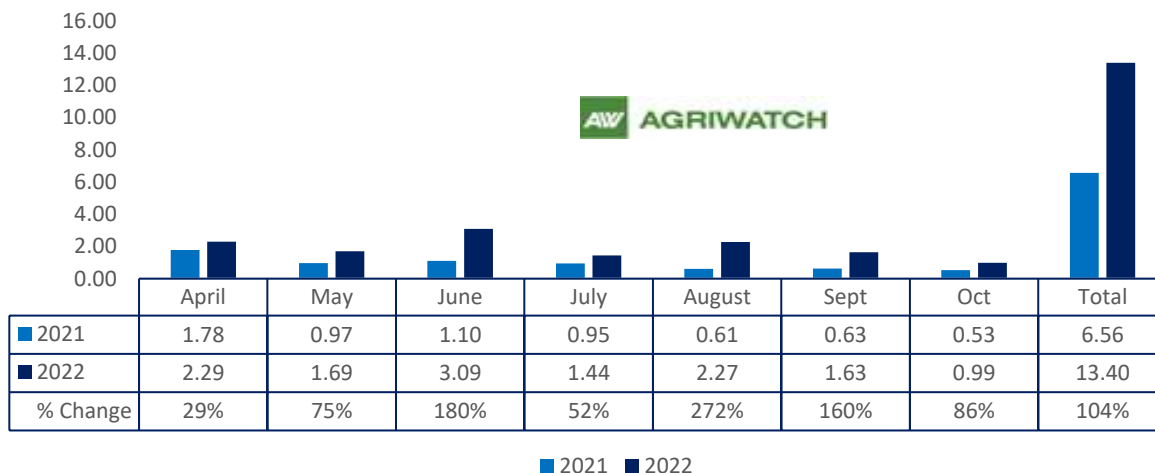


RM seed extended previous week loss during the week under review. Jaipur RM seed weekly average prices went down by 0.6% to INR. 6,704/qrtl as compared to INR. 6,708/qrtl previous week. Weakness in mustard oil and weak demand from crusher on disparity dragged market lower. Month till date market is down by 3%. So far RM seed has corrected by 7.32% from previous month high of INR 7,162/Qtl.



During the week under review, RM Seed arrivals continued to shrink, in Rajasthan arrivals recorded low to 5.15 Lakh bags as compared to 5.35 lakh bags previous week. All India arrivals went up to 15 Lakh bags Vs 13.75 Lakh bags previous week. Despite shrink in arrivals RM seed prices declined amid weak demand in the market.

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.

Mustard and Rapeseed			
Area Covered (Lakh Ha) as of 16 December			
State	2022	2021	% Change
Rajasthan	38.78	35.143	10.36%
Madhya.Pradesh	13.62	10.8	26.11%
Uttar.Pradesh	13.05	13.743	-5.04%
West.Bengal	6.19	5.35	15.70%
Gujarat	2.985	3.2	-6.72%
Assam	2.694	2.794	-3.58%
Jharkhand	2.099	1.604	30.86%
Chhattisgarh	1.231	0.954	29.04%
Others	9.338	16.402	-43.07%
Total	89.99	89.99	0.00%

International-

Canadian canola utilization is expected to recover, with exports expected to rise about 77% to 9.3 million tonnes (Mt) and domestic crush volume to increase to 10, 0 Mt, compared to 8.6 Mt last year. The export rate to date is 103% over last year according to Canadian Grain Commission data, with shipments to Mexico, China and Japan accounting for 39%, 37% and 17% respectively. % of market share at the end of September. The average oil content of western Canadian canola is currently estimated at 42.7%, based on analysis of 1,369 samples; 94% of Canadian canola is grade No. 1. Carry-out stocks have fallen 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:

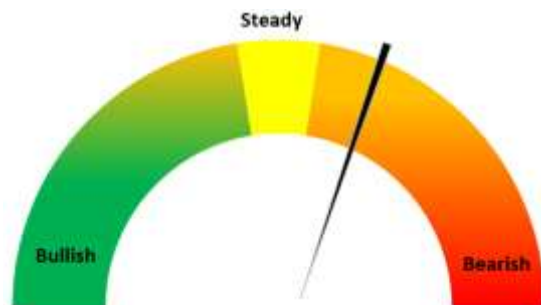


- As depicted in the above chart, market has breached support of 18 DMA, and during the week under review, market closed lower to 6,737, made low of 6,637, high of 6,762.
- Market is trading below 9, 18, 50 and 100 DMA and can be characterized as immediate resistance.
- Immediate support is at 6,500, next support is at 6300 and immediate resistance is at 6,800, next resistance is at 7150.

Recommendation-

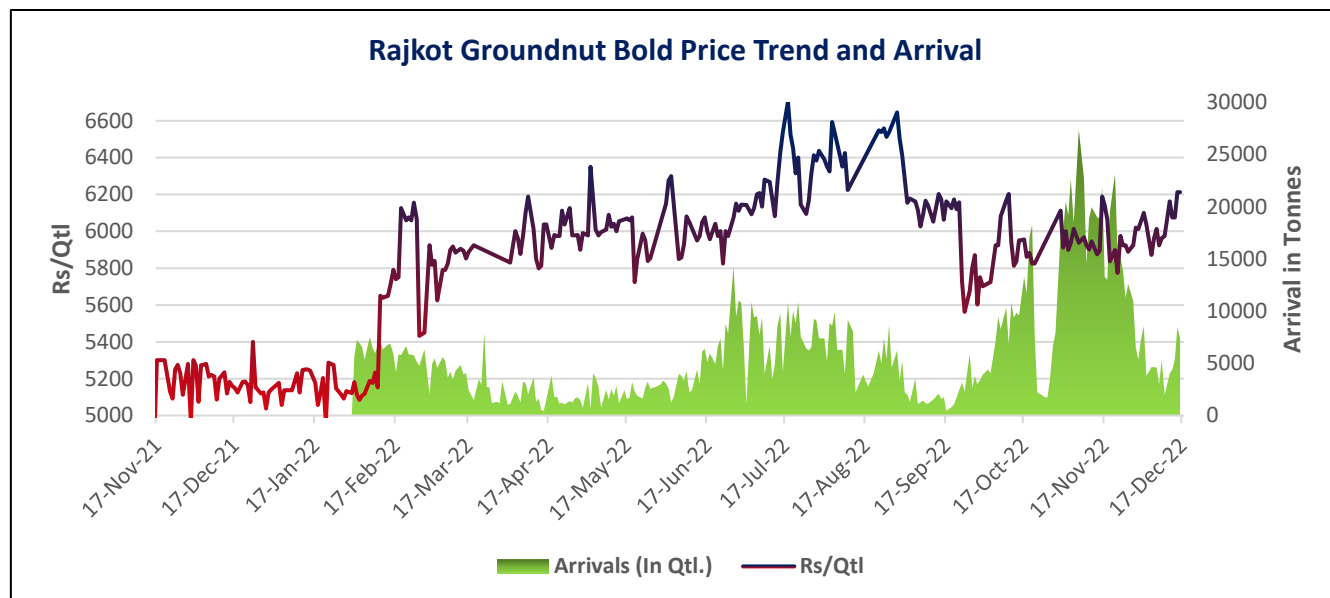
Market participants are recommended to wait for selling in the range of 6900-7200.

RM seed Price Outlook for coming week: RM Seed is expected to trade sideways with weak bias amid weak demand from crushers on disparity.



Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 03rd Dec'22- 09th Dec'22	Week under review 10th Dec'22- 16th Dec'22	Next week 17th Dec'22- 23th Dec'22
Weekly Average Price	6,688-6,763	6,688-6,763	6,400-6,700

Groundnut



During the week under review, Rajkot Groundnut weekly average bold prices traded firm and went up by 2.6% to INR 6,118/Qtl. as compared to previous week at INR 5,962/Qtl. amid shrink in arrivals and good export demand. All India arrivals recorded up by 22% to 0.31 Lakh tonnes as compared to 0.25 Lakh tonnes previous week. GN oil exports in November'22 jumped up sharply as China's demand for Indian groundnut oil revives. Exports in November stood at 24,914.43 Tonnes compared to the export of 3,952.90 Tonnes in previous month. China's export demand made 97.66% of the total exports at 24,331.69 tonnes

Rabi Groundnut sowing progress:

Rabi Groundnut			
Area Covered (Lakh Ha) as of 16 December			
State	2022	2021	% Change
Karnataka	1.52	1.26	20.63%
Telangana.	0.727	1.178	-38.29%
Odisha	0.43	0.214	100.93%
Tamil.Nadu	0.448	0.209	114.35%
Andhra.Pradesh	0.42	0.29	44.83%
Others	0.056	0.025	124.00%
Total	3.601	3.601	0.00%

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 higher to 6,075, made low of 6,075, high of 6,212.
- Market is trading above 9, 18, 50 and 100 DMA, and 38.2% Fibonacci retracement level can be characterized as immediate support, 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 6,200, next resistance is at 6,500.

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 firm bias amid shrink in arrivals and good export demand.



Rajkot Groundnut Bold Price Outlook (INR./Qtl)	Previous week 03rd Dec'22- 09th Dec'22	Week under review 10th Dec'22- 16th Dec'22	Next week 17th Dec'22- 23th Dec'22
Weekly Average Price	5,890-6,100	5,890-6,100	5900-6,300

Annexure

	% Change over previous week	Today	Week ago	Month Ago	Year Ago	
Soy DOC Rates at Different Centers		17-Dec-22	09-Dec-22	17-Nov-22	17-Dec-21	
Centres		Ex- factory rates (Rs/ton)				parity To
Indore - 45%, Jute Bag	2%	42500	41500	40500	52500	Gujarat, MP
Kota - 45%, PP Bag	5%	44500	42500	42500	56000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	1%	45500	45000	44500	58000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	2%	44000	43000	43000	58500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	2%	45000	44000	44000	58000	Andhra, AP, Kar ,TN
Latur	-1%	44500	45000	43500	59000	-
Sangli	1%	43000	42500	42500	54500	Local and South
Solapur	0%	42500	42500	42500	54500	Local and South
Akola – 45%, PP Bag	1%	42500	42000	42000	55000	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Hingoli	1%	45000	44500	43500	57000	Andhra, Chattisgarh, Orrisa,Jharkhand, WB
Bundi	5%	44300	42200	42300	55800	-
Soy DOC at Ports						
Centers		Port Price				
		17-Dec-22	09-Dec-22	17-Nov-22	17-Dec-21	
Kandla (FOR) (INR/MT)	-	-	44000	41500	56000	
Kandla (FAS) (USD/MT)	-	-	550	530	-	
CNF Indonesia – Yellow SBM (USD/MT)	-	-	575	575	-	

Rapeseed Meal		17-Dec-22	09-Dec-22	17-Nov-22	17-Dec-21	
FAS Kandla (USD/MT)	-	260	-	-	-	
FOR Kandla (Rs/MT)	-	20500	-	-	-	
FOR Mundra (Rs/MT)	-	NA	-	-	-	
CNF Indonesia (USD/MT)	-	284	-	-	-	
International Soy DOC						
Argentina FOB USD/MT		17-Dec-22	09-Dec-22	17-Nov-22	17-Dec-21	
Soybean Pellets	-	558	-	-	-	
Soybean Cake Flour	-	558	-	-	-	
Soya Meal	-	NR	-	-	-	
Soy Expellers	-	NR	-	-	-	
Sunflower (DOC) Rates		Ex-factory rates (Rs/ton)				
Centers		17-Dec-22	09-Dec-22	17-Nov-22	17-Dec-21	
Adoni	6%	37000	35000	35000	28000	
Khamgaon	-	NA	-	-	-	
Parli	-	NA	-	-	-	
Latur	-	NA	34000	34000	27000	
Groundnut Meal (Rs/MT)		17-Dec-22	09-Dec-22	17-Nov-22	17-Dec-21	
Basis 45%, Saurashtra	2%	32000	31500	34000	38000	
Basis 40%, Saurashtra	0%	28500	28500	30000	34000	
GN Cake, Gondal	0%	35000	35000	35000	38000	
Mustard DOC		17-Dec-22	09-Dec-22	17-Nov-22	17-Dec-21	
Jaipur (Plant delivery)	4%	20300	19500	19000	23700	
Kandla (FOR Rs/MT)	4%	21000	20200	19200	25000	

Mumbai Oil Meal Quotes:						
Rs/M.T.		17-Dec-22	09-Dec-22	17-Nov-22	17-Dec-21	
G.N. Extr (45%)	0%	31000	31000	34000	39000	
Kardi Extr	-	NA	-	-	-	
Undec Cottonseed Exp	3%	33000	32000	35000	32000	
Rice Bran Extr.	-	NA	-	-	-	
Sunflower Extr.	0%	29000	29000	26000	30000	
Rapeseed Extr.	-	NA	-	-	-	
Soymeal 48%	1%	44869	44609	42783	55304	
Castor Extr.	-8%	11250	12250	13150	9750	

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