



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 1.12% to INR 5,638/Qtl. as compared to 5,575/qtl. previous week amid good demand.

The weekly average prices of Indore soymeal traded with weak bias at INR 42,800/MT as compared to last week at INR 44,500/MT amid revive in export demand.

During the week under review, Jaipur RM seed weekly average prices went up by 0.37% to INR. 6,738/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 2.21% at INR 6,350/Qtl. amid shrink in arrivals and good export demand.

Outlook – Cash Market

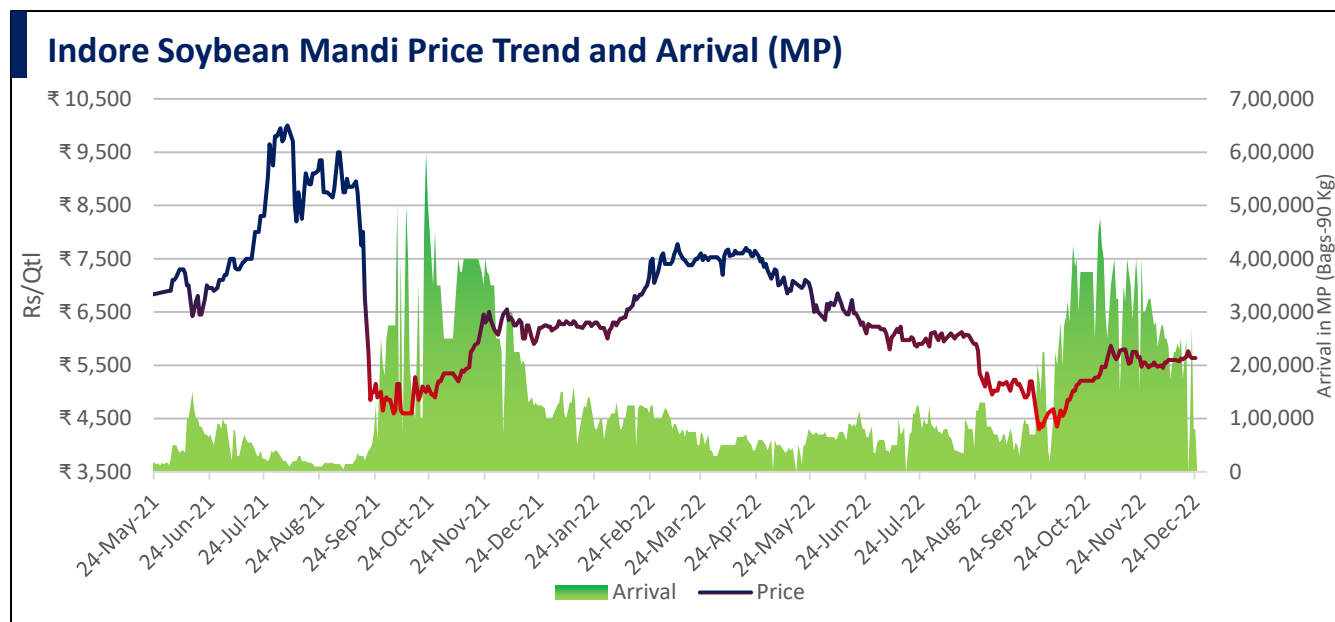
Outlook - Soybean (Spot Indore): In the coming week, soybean plant prices are expected to trade sideways with firm bias. The prices (Indore, Plant basis) are expected to feature in the price band of 5,300-5,600 levels in the near term.

Outlook – Soy meal:

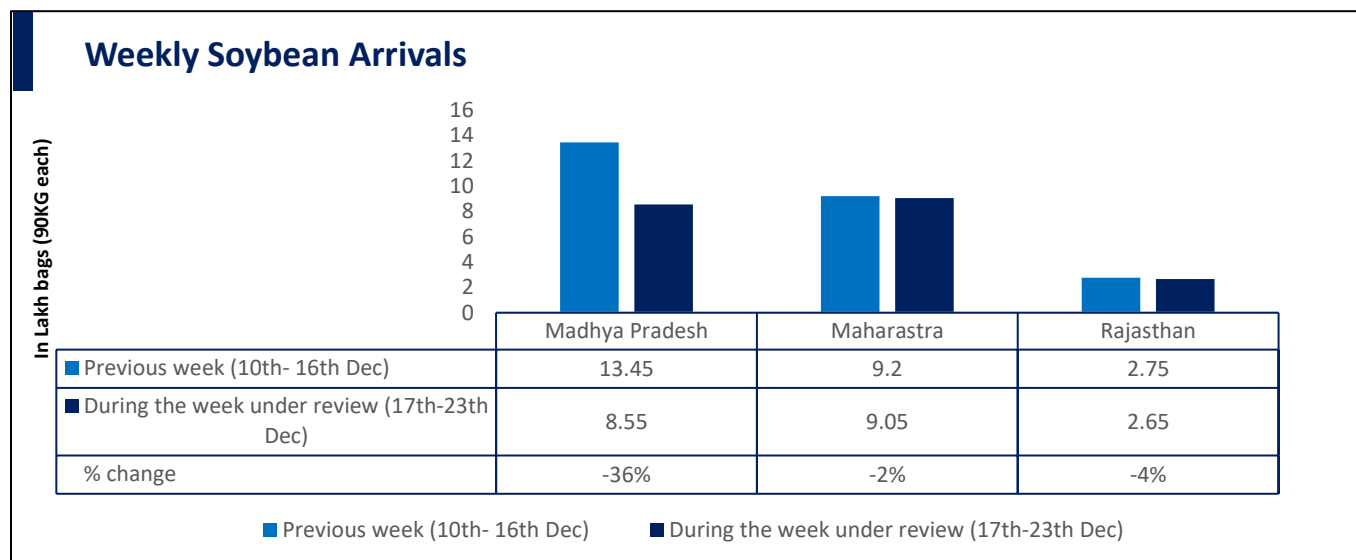
The soy meal prices (Indore) are likely to trade sideways in tandem with soybean prices. Soy meal Indore prices are likely to trade in the range of 42,000 – 45,000/MT.

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 6,600 – 6,800/Qtl. in the short-run.

Soybean

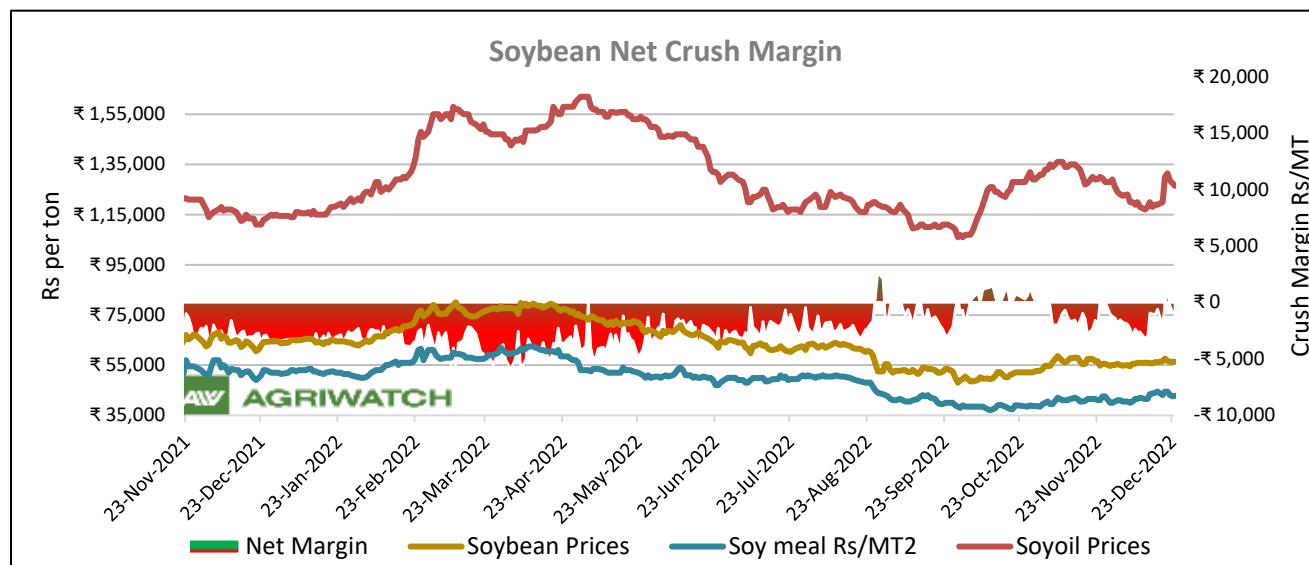


During the week under review, Soybean indore mandi prices remained stable and went up by 1.12% to INR 5,638/Qtl. as compared to 5,575/qtl. previous week amid shrink in arrivals. During the week the market made a high of INR 5,550/Qtl. Stock limit removal, good demand from crushers and rebound in Soymeal export demand pushed Soybean prices more than 26% up from current season low of INR 4300 levels and 0.69% up month till date.



During the week under review, the total arrival in MP continued to shrink and recorded down by 36% to 8.55 Lakh bags Vs 13.45 Lakh bags previous week. In Maharashtra too arrivals went down to 9.05 Lakh bags vs 9.2 Lakh bags last week. In Rajasthan the arrivals recorded low to 2.65 lakh bags Vs 2.75 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 17th -23rd December is in disparity at INR -472/ MT as compared to previous week at INR -1969/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

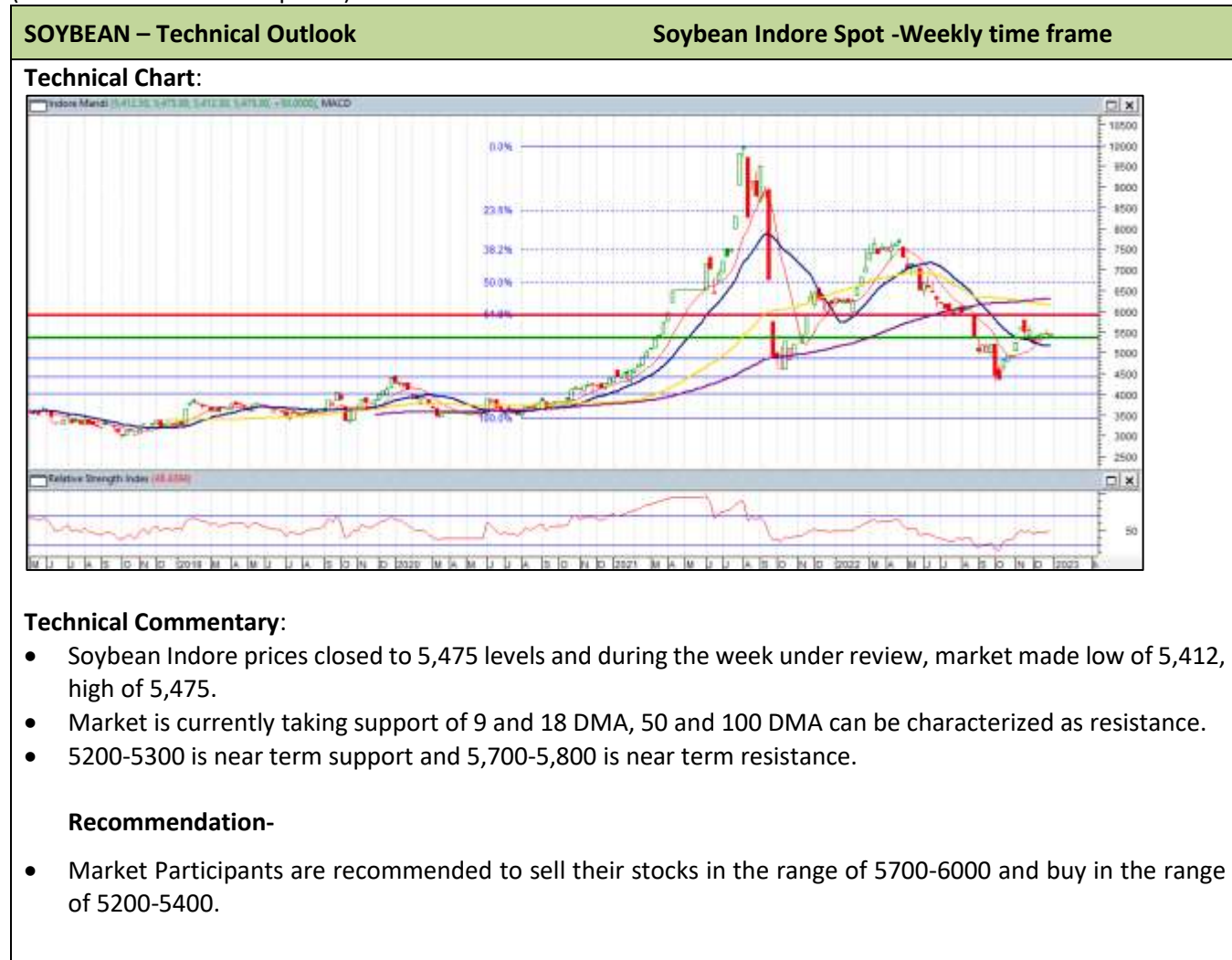
US Soybean futures



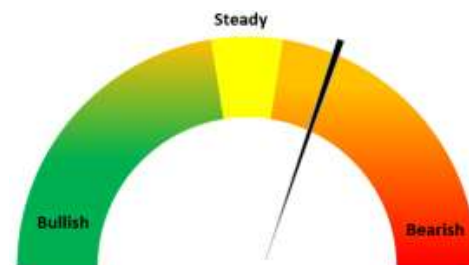
As depicted in the above chart, During the week under review, US Soybean remained sideways and went marginally down by 0.07% to \$14.79/bushels and taking support of 9, 18 and 100 DMA and 50 DMA can be characterized as resistance. RSI at 52 indicating firm buying strength. And MACD indicating firm momentum 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 15-15.30.

Technical Analysis (Domestic market)

(Based on Indore Mandi prices)

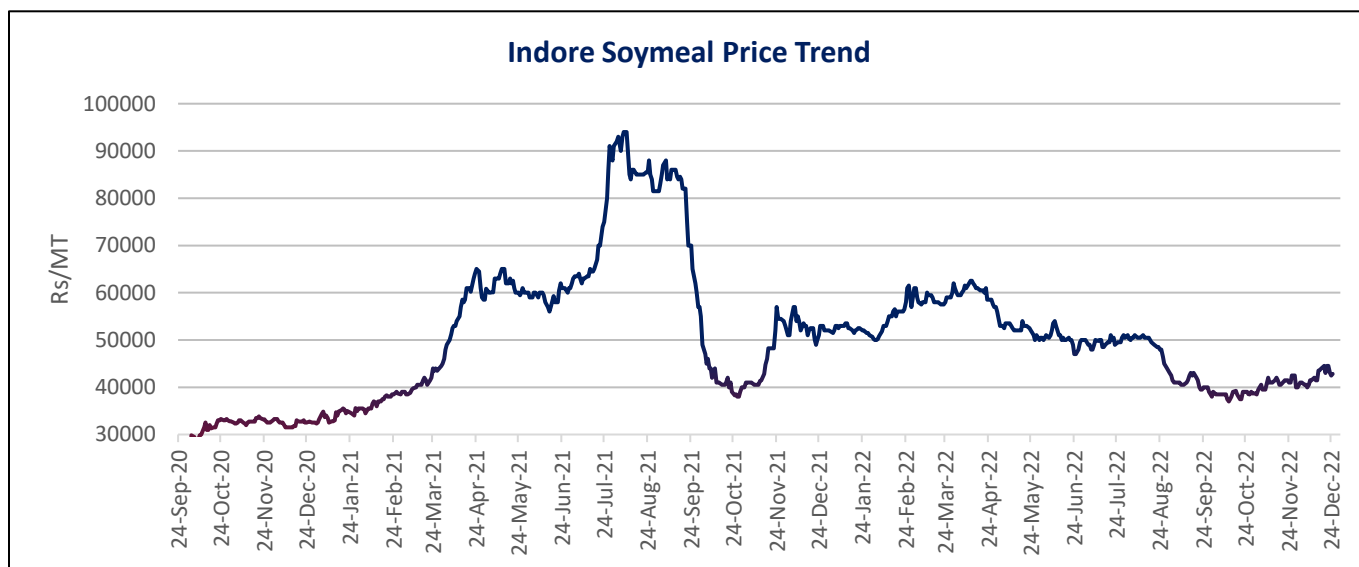


Soybean Price Outlook for coming week: Indore Soybean mandi prices are currently trading at INR. 5,425/qtl. and are expected to trade range bound in the range of INR 5,200-5,800 in short run.

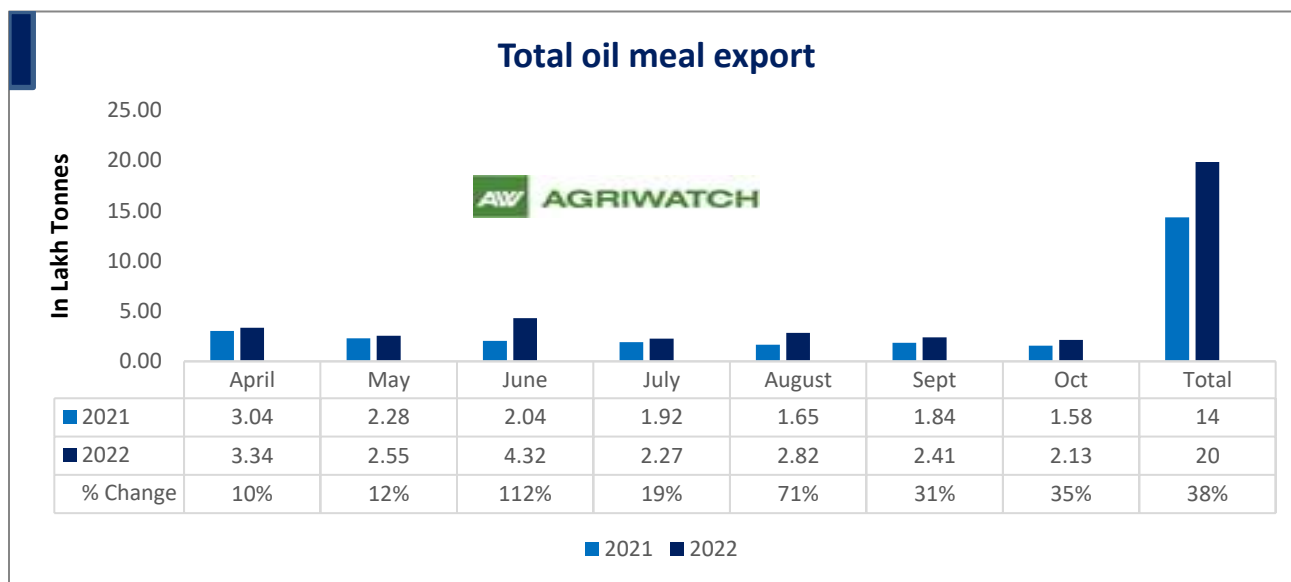


Soybean Mandi Price Outlook (INR./Qtl)	Previous week 10th Dec'22- 16th Dec'22	Week under review 17th Dec'22- 23rd Dec'22	Next week 24th Dec'22- 30th Dec'22
Weekly Average Price	5,280-5,500	5,370-5,575	5,300-5,600

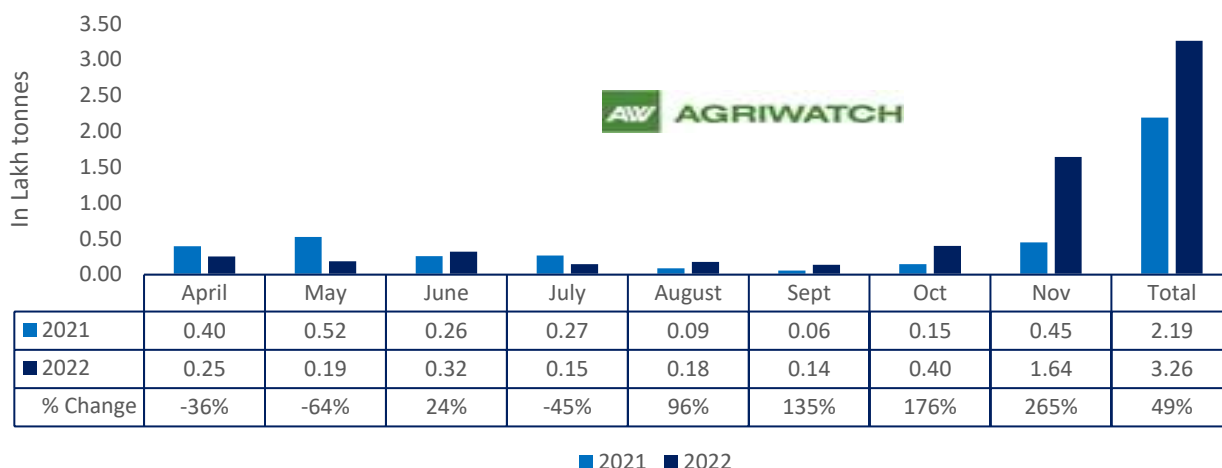
Soymeal



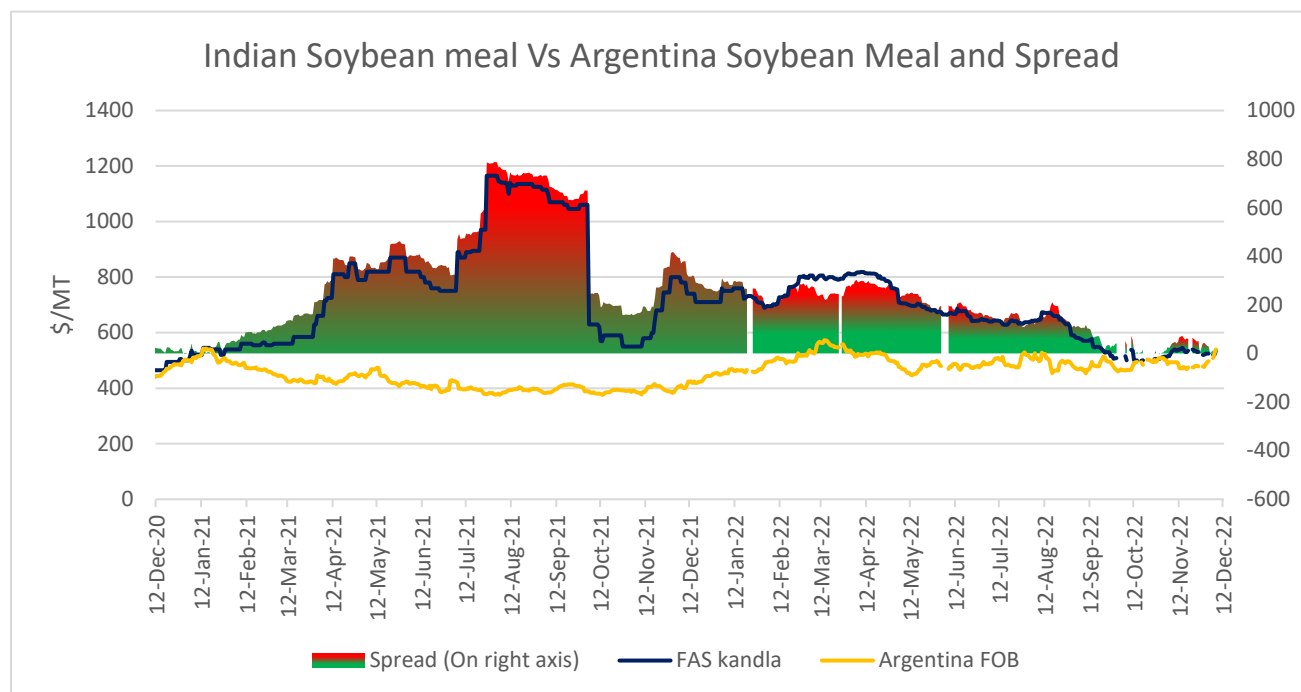
During the week under review, Indore Soymeal prices weekly average prices traded with weak bias and closed at INR 42,800/MT as compared to last week at INR 44,500/ amid revive in slow demand.



Soy meal export

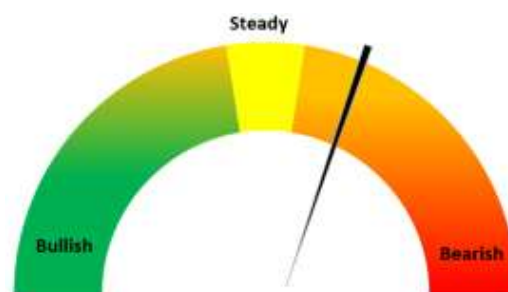


The Solvent Extractor Association monthly update showed Soymeal exports up by 265% to 1.64 Lakh tonnes in Nov'22 Vs 0.45 Lakh tonnes previous year. Soymeal exports went up for the third straight month on good soymeal export demand from south east Asia tracking competitive prices in global markets. Soymeal exports are up by 49% for the period April'22-Nov'22 to 3.26 Lakh tonnes as compared to 2.19 Lakh tonnes previous year same period.



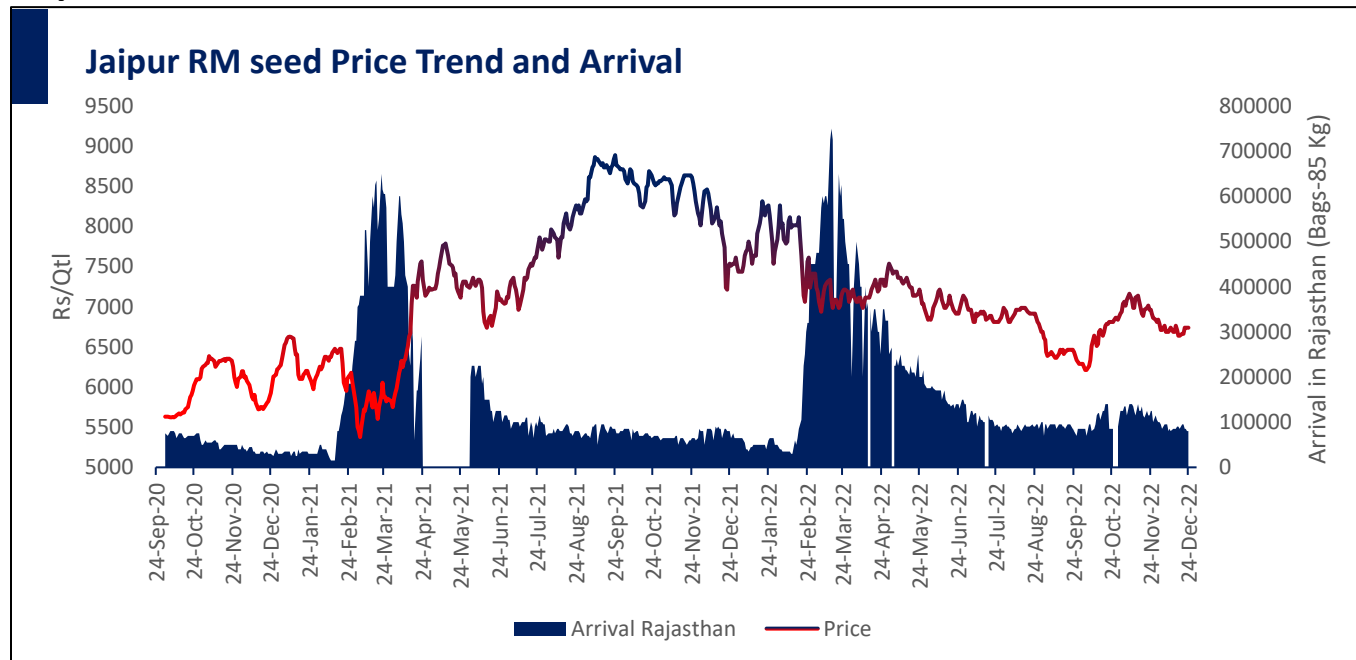
Currently, Indian Soymeal FOB prices trading at \$535/MT, Argentina Soymeal FOB prices trading at \$539/MT and spread stands at \$-4/MT. Decline in Argentine soymeal prices has led to a squeeze in spread. Upon squeeze in spread Indian soymeal export demand is rising and so the prices are improving.

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.

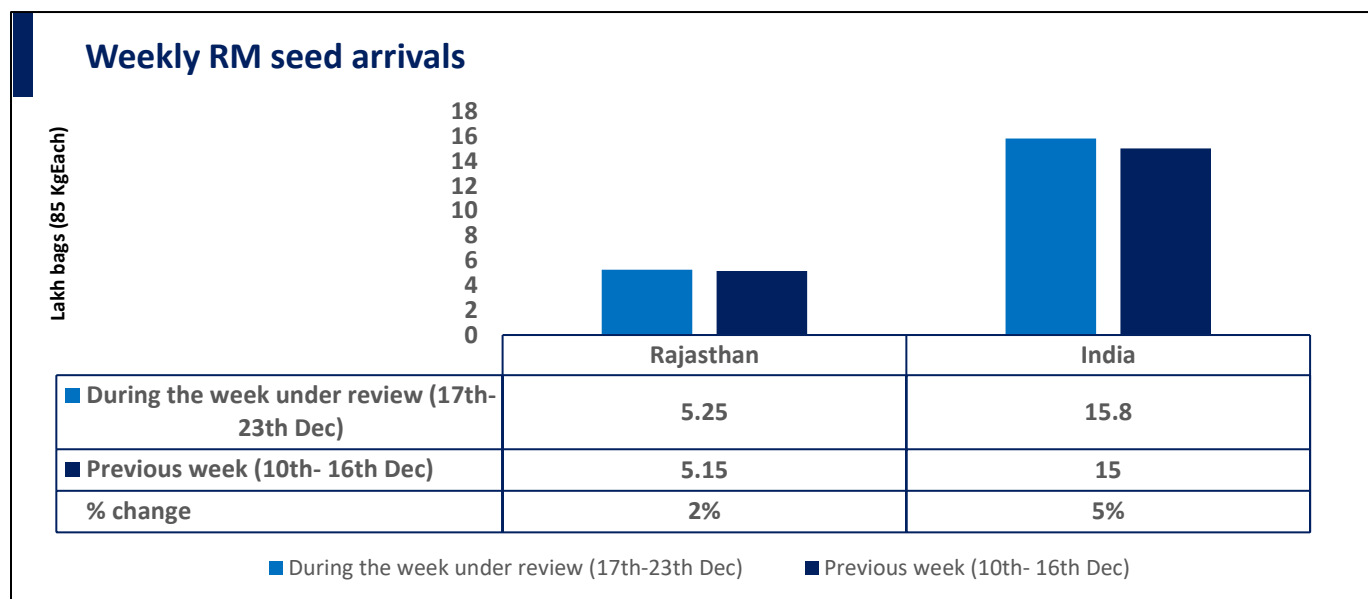


Soymeal Indore Price Outlook (INR./MT)	Previous week 03rd Dec'22- 09th Dec'22	Week under review 10th Dec'22- 16th Dec'22	Next week 17th Dec'22- 23th Dec'22
Weekly Average Price	40,000-41,500	41,500-44,000	42,000-45,000

Rapeseed - Mustard Seed

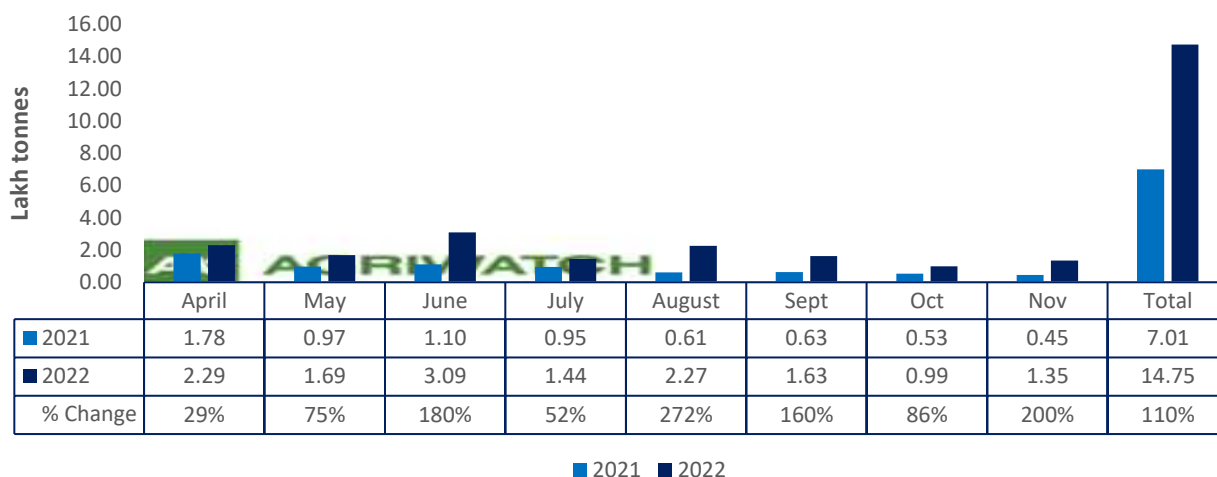


RM seed gained during the week under review. Jaipur RM seed weekly average prices went up marginally by 0.37% to INR. 6,738/qtl as compared to INR. 6,713/qtl previous week. Month till date market is down by 3.58%. So far RM seed has corrected by 6% from previous month high of INR 7,162/Qtl.



During the week under review, RM Seed arrivals improved as farmers are offloading old crop ahead of arrival of new crop in the market. Arrivals in Rajasthan recorded at 5.25 Lakh bags as compared to 5.15 lakh bags previous week. All India arrivals went up and stood at 15.8 Lakh bags Vs 15 Lakh bags previous week.

Rapeseed meal export



There is a significant jump in export of rapeseed meal and reported at 14.75 Lakh tons in April'22-Nov'22 compared to 7.01 Lakh tons previous year same period. i.e., up by 110%. And in NOV'22 exports recorded up by 200% to 1.35 Lakh tonnes vs 0.45 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 23 December 2022			
State	2022	2021	% Change
Rajasthan	39.35	35.33	11.39%
Madhya.Pradesh	13.8	10.8	27.78%
Uttar.Pradesh	13.26	13.976	-5.16%
Haryana	7.323	7.563	-3.17%
West.Bengal	6.435	5.6	14.91%
Gujarat	3.022	3.269	-7.56%
Jharkhand	2.772	2.534	9.39%
Assam	2.74	2.855	-4.03%
Others	3.97	3.422	16.01%
Total	92.671	85.348	8.58%

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:

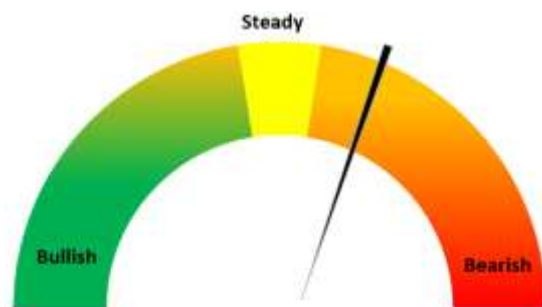


- As depicted in the above chart, market is taking support of 18 DMA, and during the week under review, market closed lower to 6,737, made low of 6,662, high of 6,737.
- Market is trading below 9, 50 and 100 DMA and can be characterized as immediate resistance.
- Immediate support is at 6,600, next support is at 6300 and immediate resistance is at 6,800, next resistance is at 7150.

Recommendation-

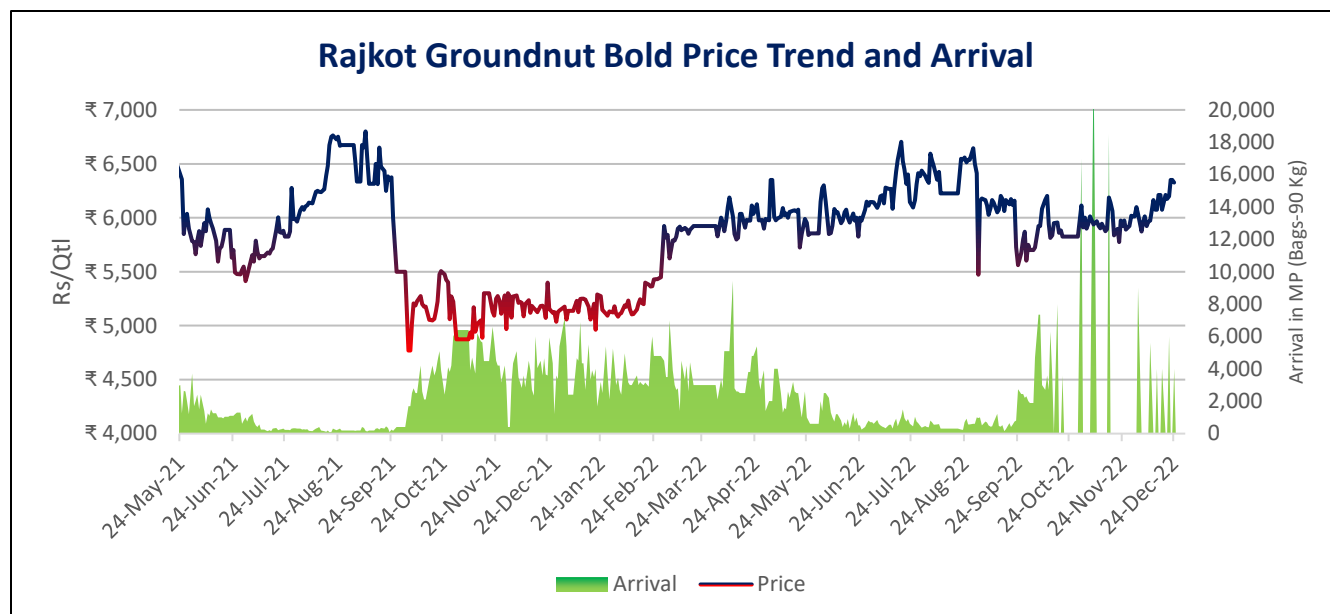
Market participants are recommended to wait for selling in the range of 6900-7200.

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	6,600-6,800

Groundnut



During the week under review, Rajkot Groundnut weekly average bold prices traded firm and went up by 2.21% to INR 6,350/Qtl. as compared to previous week at INR 6,212.5/Qtl. amid shrink in arrivals. All India arrivals recorded down by 2% to 0.309 Lakh tonnes as compared to 0.32 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 23 December 2022			
State	2022	2021	% Change
Karnataka	1.52	1.26	20.63%
Telangana.	0.757	1.208	-37.33%
Odisha	0.621	0.293	111.95%
Andhra.Pradesh	0.492	0.379	29.82%
Tamil.Nadu	0.481	0.225	113.78%
Others	0.084	0.054	55.56%
Total	3.955	3.419	15.68%

Technical Analysis

(Based on Rajkot GN Bold Mandi prices)

Groundnut Bold – Technical Outlook

Rajkot -Weekly time frame

Technical Chart:



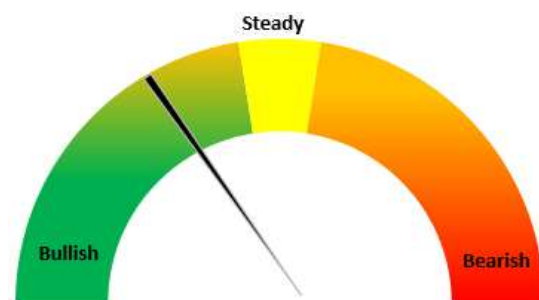
Technical Commentary:

- As depicted in the above chart, during the week under review, market closed higher to 6,327, made low of 6,175, high of 6,350.
- Market is trading above 9, 18, 50 and 100 DMA, and 23.6% Fibonacci retracement level can be characterized as immediate support, 6500 level can be characterized as resistance.
- Immediate support is at 6,200, next support is at 5,850 and immediate resistance is at 6,500, next resistance is at 6,700.

Recommendation-

Market participants are recommended to sell in the range of 6500-6700 and buy in the range of 5800-6000.

Groundnut Price Outlook for coming week: Rajkot groundnut bold prices expected to trade with firm bias amid shrink in arrivals and good export demand.



Rajkot Groundnut Bold Price Outlook (INR./Qtl)	Previous week 10th Dec'22- 16th Dec'22	Week under review 17th Dec'22- 23rd Dec'22	Next week 24th Dec'22- 30th Dec'22
Weekly Average Price	5,890-6,100	5900-6,300	6,000-6,500

Annexure

	% Change over previous week	Today	Week ago	Month Ago	Year Ago	
Soy DOC Rates at Different Centers		24-Dec-22	17-Dec-22	24-Nov-22	24-Dec-21	
Centres		Ex-factory rates (Rs/ton)				parity To
Indore - 45%, Jute Bag	-3%	41200	42500	41000	53000	Gujarat, MP
Kota - 45%, PP Bag	-4%	42800	44500	43000	54700	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	-1%	45000	45500	44500	57000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	-2%	43000	44000	43000	55000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	0%	45000	45000	44000	56000	Andhra, AP, Kar, TN
Latur	0%	44500	44500	46500	57500	-
Sangli	-3%	41800	43000	42000	53000	Local and South
Solapur	8%	46000	42500	42500	55800	Local and South
Akola – 45%, PP Bag	1%	43000	42500	42000	51000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	-2%	44000	45000	44500	54000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	-4%	42600	44300	42800	54500	-
Soy DOC at Ports						
Centers		Port Price				
		24-Dec-22	17-Dec-22	24-Nov-22	24-Dec-21	
Kandla (FOR) (INR/MT)	-	NA	NA	42500	53500	
Kandla (FAS) (USD/MT)	-	NA	NA	530	-	
CNF Indonesia – Yellow SBM (USD/MT)	-	NA	NA	567	-	

Rapeseed Meal		24-Dec-22	17-Dec-22	24-Nov-22	24-Dec-21	
FAS Kandla (USD/MT)	-	-	265	-	265	
FOR Kandla (Rs/MT)	-	-	21000	-	21000	
FOR Mundra (Rs/MT)	-	-	NA	-	NA	
CNF Indonesia (USD/MT)	-	-	288	-	288	
International Soy DOC						
Argentina FOB USD/MT		24-Dec-22	17-Dec-22	24-Nov-22	24-Dec-21	
Soybean Pellets	-	-	553	-	553	
Soybean Cake Flour	-	-	553	-	553	
Soya Meal	-	-	NR	-	NR	
Soy Expellers	-	-	NR	-	NR	
Sunflower (DOC) Rates		Ex-factory rates (Rs/ton)				
Centers		24-Dec-22	17-Dec-22	24-Nov-22	24-Dec-21	
Adoni	0%	37000	37000	35000	30000	
Khamgaon	-	NA	NA	-	-	
Parli	-	NA	NA	-	-	
Latur	-	NA	NA	34000	29000	
Groundnut Meal (Rs/MT)		24-Dec-22	17-Dec-22	24-Nov-22	24-Dec-21	
Basis 45%, Saurashtra	-2%	31500	32000	34000	37000	
Basis 40%, Saurashtra	0%	28500	28500	30000	34000	
GN Cake, Gondal	-4%	33500	35000	35000	38000	
Mustard DOC		24-Dec-22	17-Dec-22	24-Nov-22	24-Dec-21	
Jaipur (Plant delivery)	-1%	20000	20300	19000	23800	
Kandla (FOR Rs/MT)	0%	21000	21000	20300	24900	

Mumbai Oil Meal Quotes:						
Rs/M.T.		24-Dec-22	17-Dec-22	24-Nov-22	24-Dec-21	
G.N. Extr (45%)	0%	31000	31000	32000	37000	
Kardi Extr	-	NA	NA	-	-	
Undec Cottonseed Exp	-2%	32500	33000	34000	32000	
Rice Bran Extr.	-	NA	NA	-	-	
Sunflower Extr.	7%	31000	29000	27000	30000	
Rapeseed Extr.	-	NA	NA	-	-	
Soymeal 48%	-3%	43304	44869	43565	55043	
Castor Extr.	-7%	10450	11250	12650	9850	

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