



Oil Meal Weekly Research Report

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Executive Summary

The weekly average prices of Soybean Indore plant prices went down by 2.4% to INR 5,507/ Qtl. as compared to 5,642/qtl. previous week amid weak demand.

The weekly average prices of Indore soymeal went down by 1.3% to INR 42,000/MT as compared to last week at INR 42,766/MT amid subdued demand.

During the week under review, Jaipur RM seed weekly average prices went down by 3.16% to INR. 6,157/qtl amid weak demand from crushers on disparity in crushing and higher production expectation.

During the week under review, Rajkot Groundnut weekly average bold prices declined and went down by 3.78% at INR 6,254/Qtl. amid rebound in arrivals.

Outlook – Cash Market

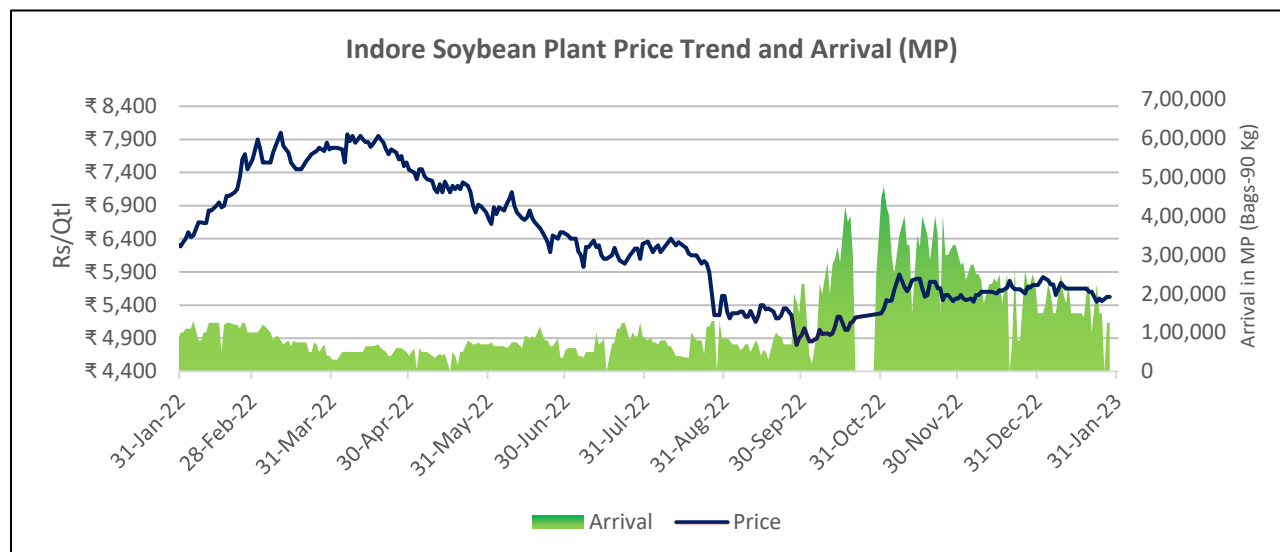
Outlook - Soybean (Spot Indore): In the coming week, soybean plant prices are expected to trade sideways amid subdued demand from crushers. The prices (Indore, Plant basis) are expected to feature in the price band of 5,300-5,600 levels in the near term.

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.

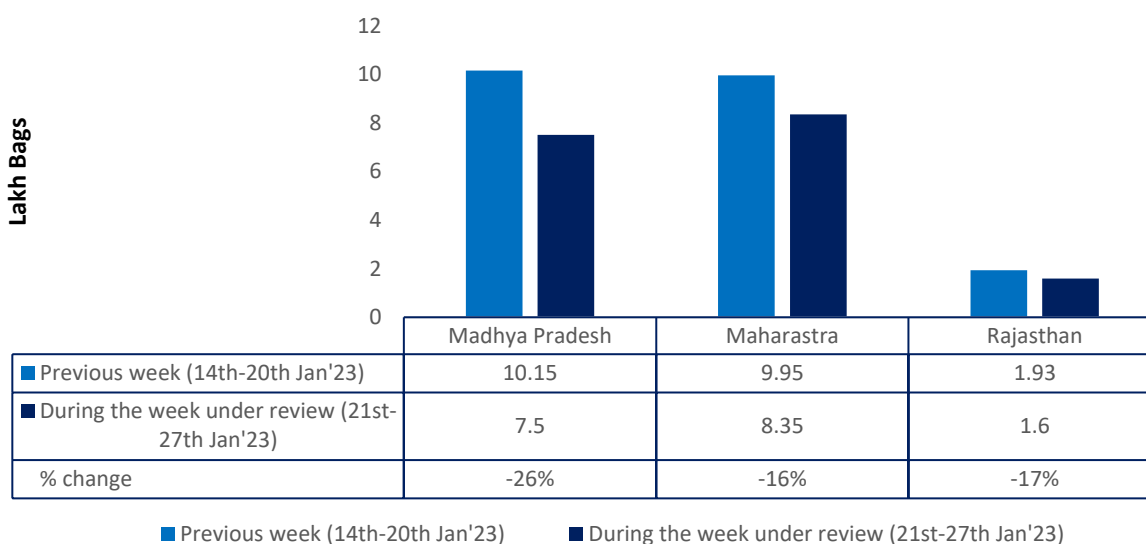
Outlook - Rapeseed-Mustard (Spot, Jaipur basis): Rapeseed-Mustard is expected to trade rangebound with weak bias amid higher production expectation and weak demand from millers due to disparity. The seed prices are likely to trade in the range between 5,900 –6,100/Qtl. in the short-run.

Soybean



During the week under review, Soybean indore plant prices remained bearish and went down by 2.4% to INR 5,507/ Qtl. as compared to 5,642/qtl. previous week. Despite shrink in arrivals, prices went down due to weak demand from crushers. During the week the market made a high of INR 5,600/Qtl. Soybean prices are trading more than 28% up from current season low of INR 4,300 levels.

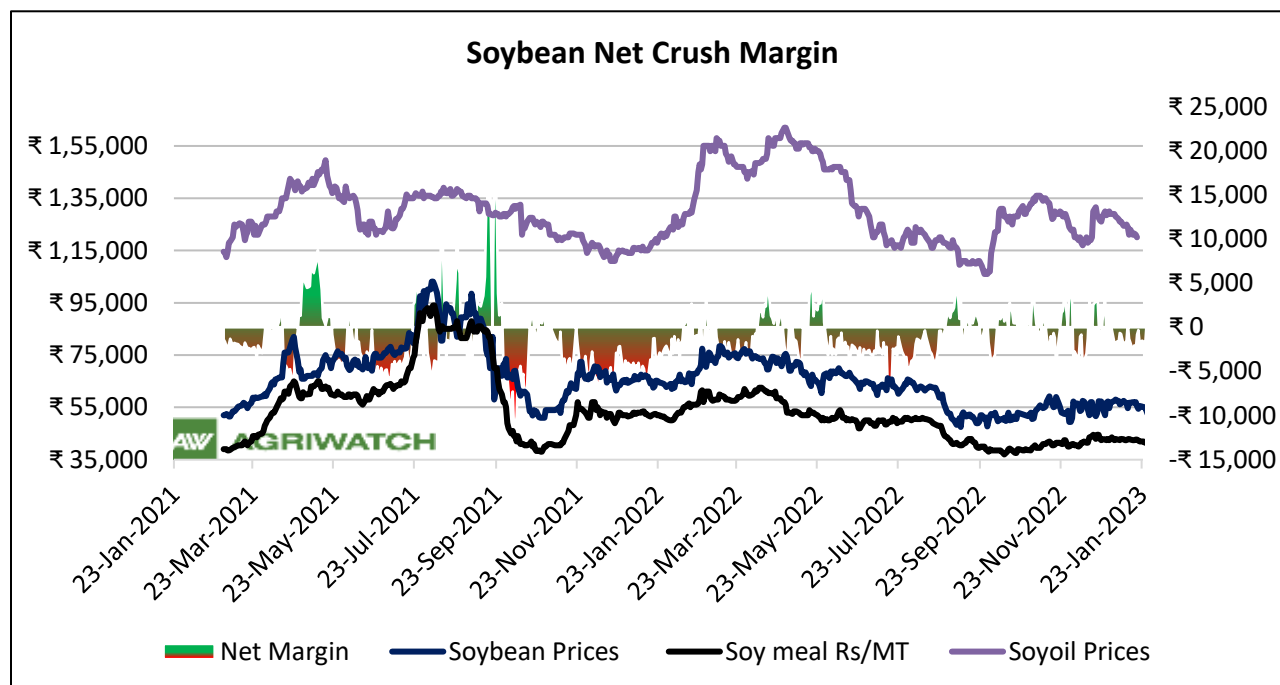
Weekly Soybean Arrivals



During the week under review, the total arrival in MP declined by 26% to 7.5 Lakh bags Vs 10.15 Lakh bags previous week. In Maharashtra arrivals went down to 8.35 Lakh bags vs 9.95 Lakh bags last week. In

Rajasthan the arrivals recorded low to 1.93 lakh bags Vs 2.05 Lakh bags previous week. Arrivals shrank as farmers are reluctant to offload their stock on current levels.

Soybean Crush Margin-



Soybean net crush margin declined during the week under review as oil prices declined. Weekly average soybean net crush margin for the period of 21st -28th January is in disparity at INR -1188/ MT as compared to previous week at INR -1685/MT.

International Update:

2022/23 Brazil Soybeans 1.8% Harvested vs. 4.7% Last Year

The Brazilian soybeans were 1.8% harvested late last week compared to 4.7% last year and 3.4% average. However, in Mato Grosso, leads the way with 5.9% of the soybeans harvested compared to 13.3% last year and 9.1% average.

The Buenos Aires Grain Exchange stated that 98.8% of the soybean crops for the 2022/23 season have been planted, which is less than last year's 100% and the average of 99.9%. The quality of the crops is rated with 54% as poor/very poor, 39% fair, and 7% good/excellent, an increase of 4% from the previous week.

Technical Analysis

US Soybean futures



As depicted in the above chart, During the week under review, US Soybean remained bullish and went marginally up by 0.20% to \$15.09/bushels and taking support of 9, 18 and 100 DMA can be characterized as support. RSI at 54 indicating firm buying strength. And MACD indicating weak momentum in short run. Over all market is expected to trade with firm bias and take support from 14.6-15 in short run and resistance from 15.50-16.00.

Technical Analysis (Domestic market)
(Based on Indore Plant prices)

SOYBEAN – Technical Outlook

Soybean Indore Plant prices -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 5,450, high of 5,525.
- Market is currently taking support of 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-

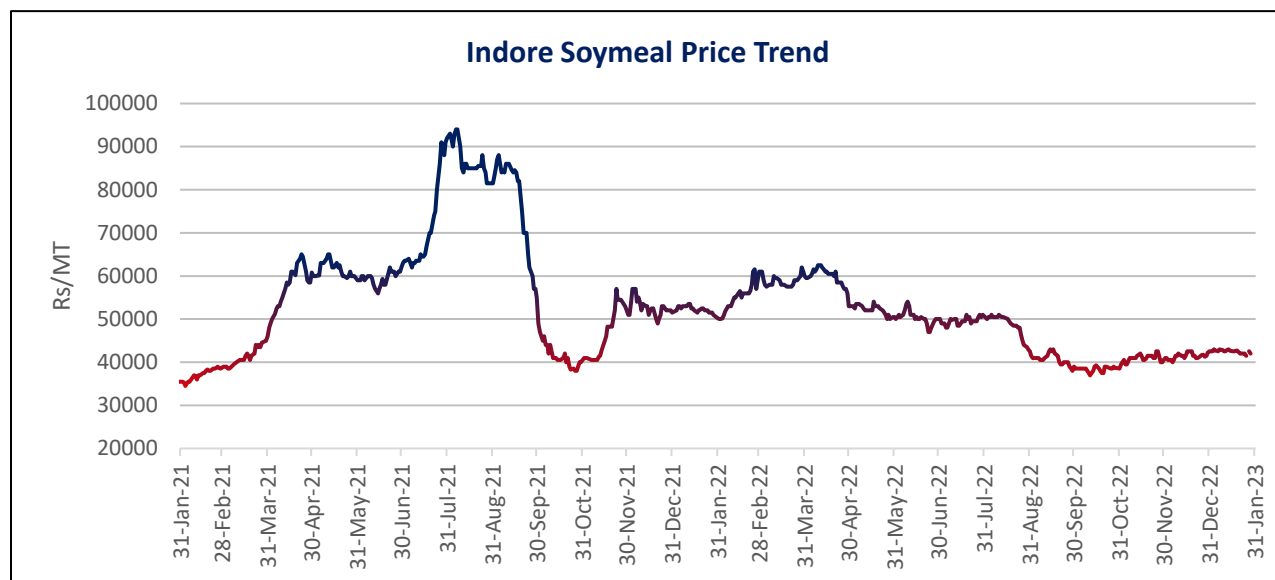
- Market Participants are recommended to sell their stocks in the range of 5700-6000 and buy in the range of 5200-5400.

Soybean Price Outlook for coming week: Indore Soybean plant prices are currently trading at INR. 5,525/qtl. and are expected to trade range bound in the range of INR 5,200-5,800 in short run.



Soybean Plant Price Outlook (INR./Qtl)	Previous week 14th Jan'23- 20th Jan'23	Week under review 21st Jan'23- 27th Jan'23	Next week 28th Jan'23- 03rd Feb'23
Weekly Average Price	5,600-5,650	5,450-5,600	5,300-5,600

Soymeal

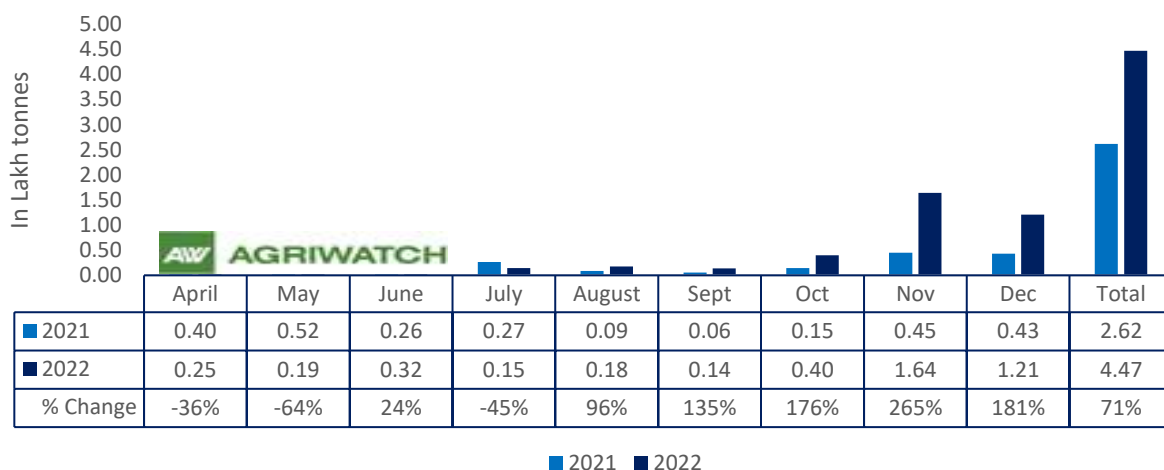


During the week under review, Indore Soymeal weekly average prices traded bearish and went down by 1.3% to INR 42,000/MT as compared to last week at INR 42,566/ amid subdued demand. However, revive in export demand likely to support prices in upcoming weeks.

India's soymeal exports likely to double in the 2022/23 marketing year, as drought in top exporter Argentina lifted global prices, prompting buyers to turn to the south Asian country like India with cheaper rates. The revival in Soymeal exports has boosted soybean crushing in India and soy oil availability could limit the import of soy oil and palm oil. Exports demand for Indian soymeal has been reviving since it is cheaper than supplies from Argentina. India's soymeal exports in the current marketing year could rise to 15- 20 Lakh tonnes, from 644,000 tonnes a year ago. India's soymeal exports in the first three months of the 2022/23 marketing year, which started on Oct. 1, jumped 223% to 325,409 tonnes, according to trade body the Solvent Extractors' Association of India.

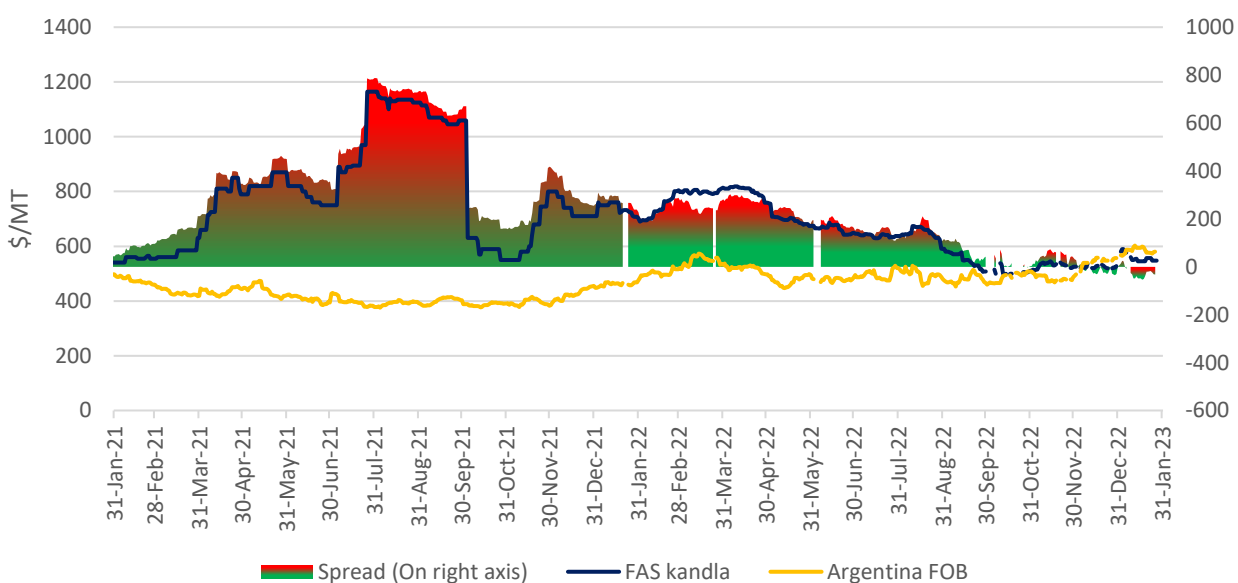
According to USDA Jan'23 report, 2022/23, India's Soybean crush is estimated to be at 9.9 MMT as compared to previous year at 9.5 MMT and country's domestic consumption is estimated to be at 6.94 MMT Vs 7.02 MMT previous year. Moreover, Soymeal exports is projected at 1.2 MMT as compared to 0.66 MMT previous year.

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 fifth straight month on good soymeal export demand from south east Asia tracking competitive prices in global markets. However, in April'22-Dec'22 soymeal exports are up by 71% to 4.47 Lakh tonnes as compared to 2.62 Lakh tonnes previous year same period.

Indian Soybean meal Vs Argentina Soybean Meal and Spread



Currently, Indian Soymeal FOB prices trading at \$548/MT, Argentina Soymeal FOB prices trading at \$580/MT and spread stands at \$-32/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 stable.

Technical Analysis (Domestic market)

(Based on Indore Soymeal prices)

SOYBEAN Meal – Technical Outlook

Soybean Meal Indore Spot -Weekly time frame

Technical Chart:



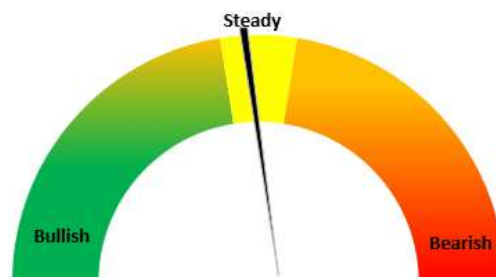
Technical Commentary:

- Soybean Indore prices closed to 42,000 levels and during the week under review, market made low of 41,500, high of 42,500.
- Market is currently taking support of 9 and 18 DMA, 23.6% Fibonacci retracement can be characterized as resistance.
- 40,000 is near term support and 44,000-45,000 is near term resistance.

Recommendation-

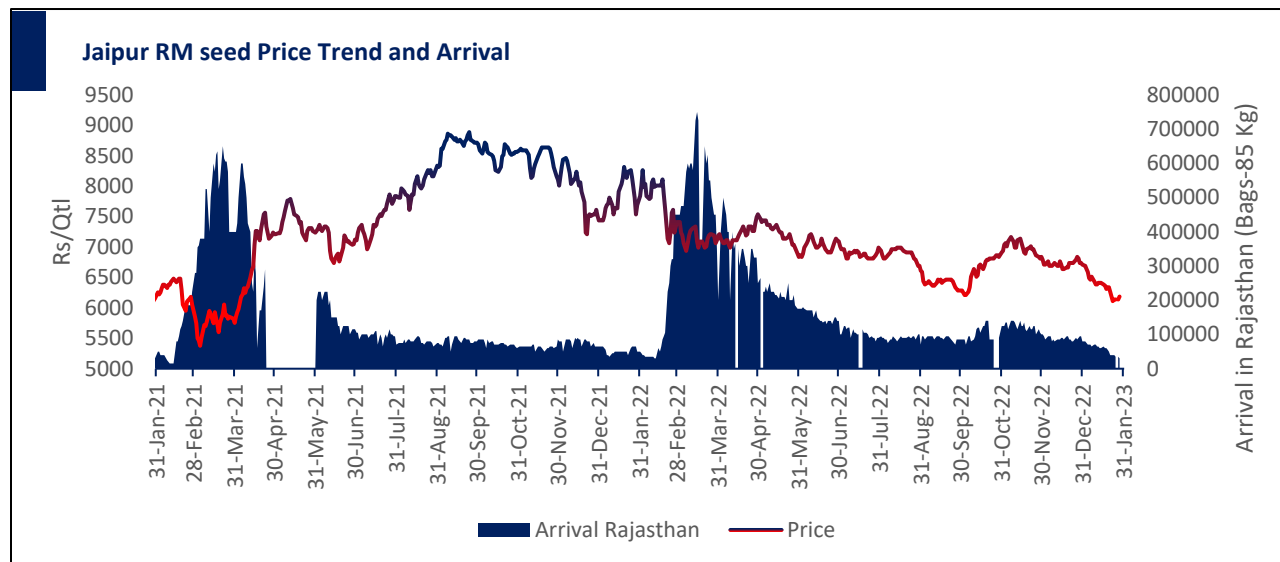
- Market Participants are recommended to sell their stocks in the range of 44,000-45,000.

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

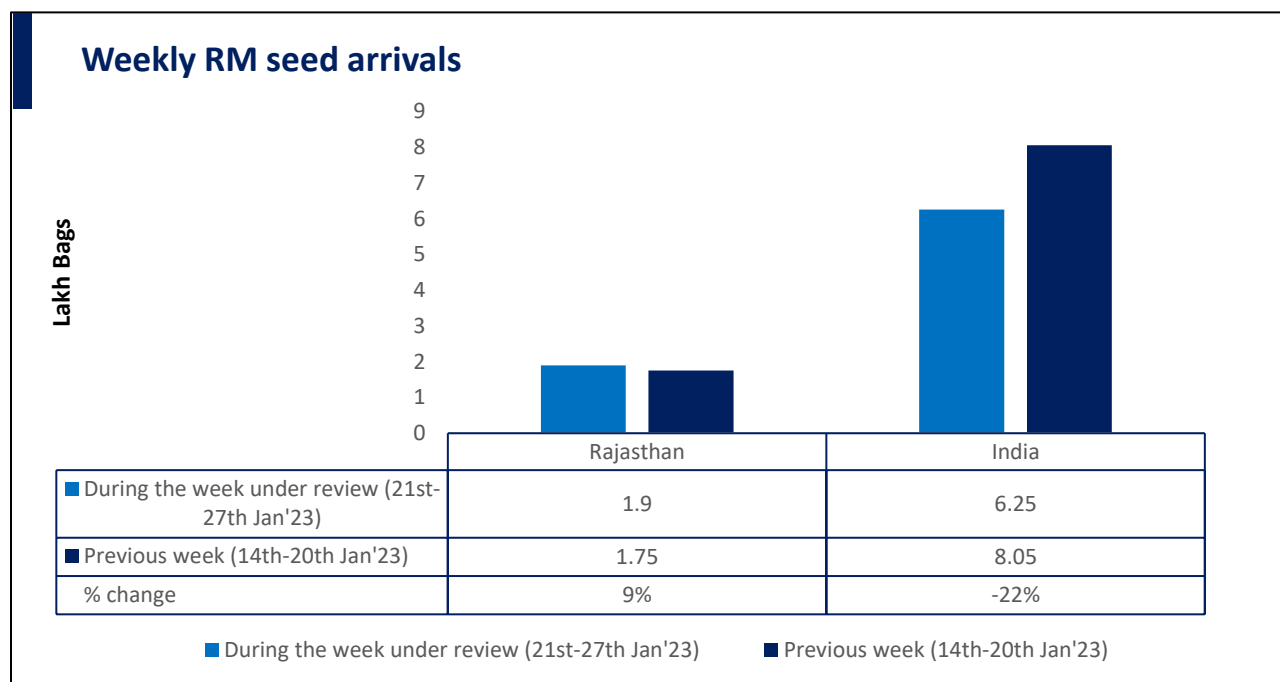


Soymeal Indore Price Outlook (INR./MT)	Previous week 14th Jan'23- 20th Jan'23	Week under review 21st Jan'23- 27th Jan'23	Next week 28th Jan'23- 03rd Feb'23
Weekly Average Price	42,300-42,700	41,500-42,500	42,000-45,000

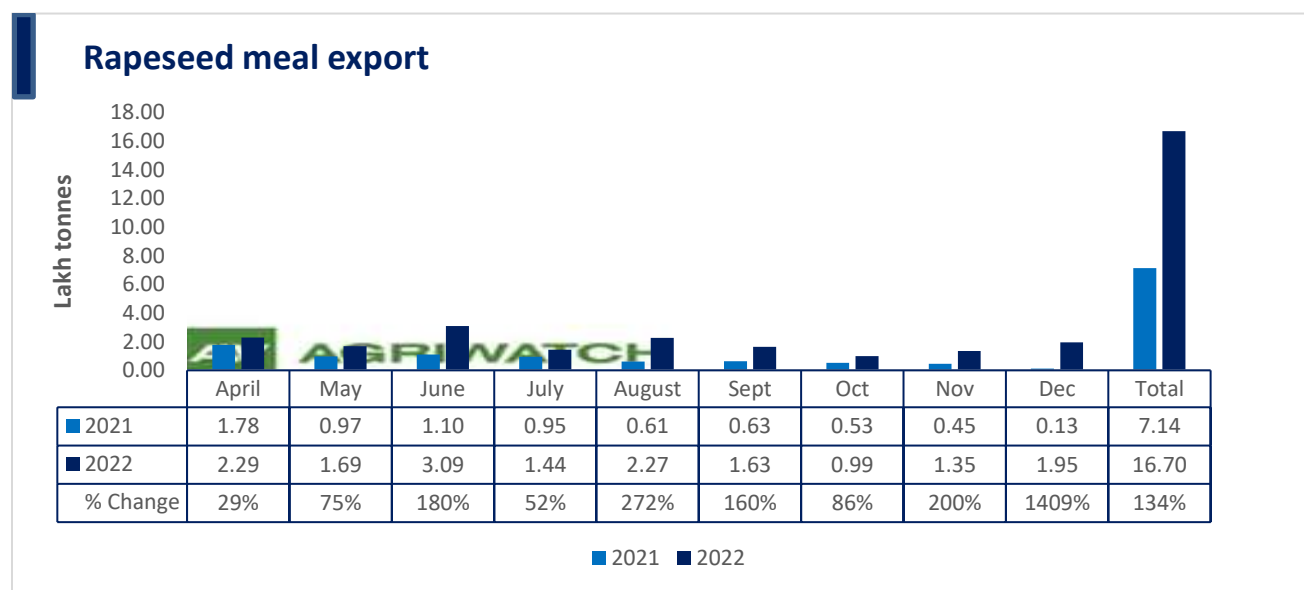
Rapeseed - Mustard Seed



Jaipur RM seed weekly average prices extended previous week loss and went down by 3.16% to INR. 6,157/qrtl as compared to INR. 6,358/qrtl previous week amid higher production expectation and weak demand from millers on disparity. So far RM seed has corrected by more than 14% from previous high of INR 7,162/qrtl.



During the week under review, RM Seed arrivals declined. Arrivals in Rajasthan recorded at 1.9 Lakh bags as compared to 1.75 lakh bags previous week. All India arrivals went down and stood at 6.25 Lakh bags Vs 8.05 Lakh bags previous week.



There is a significant jump in export of rapeseed meal in April'22-Dec'22 and reported at 16.70 Lakh tons compared to 7.14 Lakh tons previous year same period i.e., up by 134%. And in Dec'22 exports recorded up by 1409% to 1.95 Lakh tonnes vs 0.13 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 27 January			
State	2022	2021	% Change
Rajasthan	39.72	35.33	12.43%
Madhya.Pradesh	14.04	11.72	19.80%
Uttar.Pradesh	13.28	14.173	-6.31%
Haryana	7.323	7.563	-3.17%
West.Bengal	6.556	6.09	7.65%
Jharkhand	3.715	3.704	0.30%
Assam	3.336	3.196	4.38%
Gujarat	3.052	3.403	-10.31%
Others	6.148	5.05	21.74%
Total	97.17	90.228	7.69%

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:

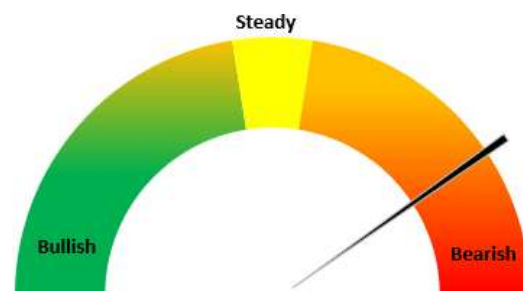


- As depicted in the above chart, during the week under review, market closed lower to 6,140, made low of 6,112, high of 6,138.
- Market is trading below 9, 50 and 100 DMA and can be characterized as resistance.
- Immediate support is at 6,000, next support is at 5,900 and immediate resistance is at 6,500, next resistance is at 6,700.

Recommendation-

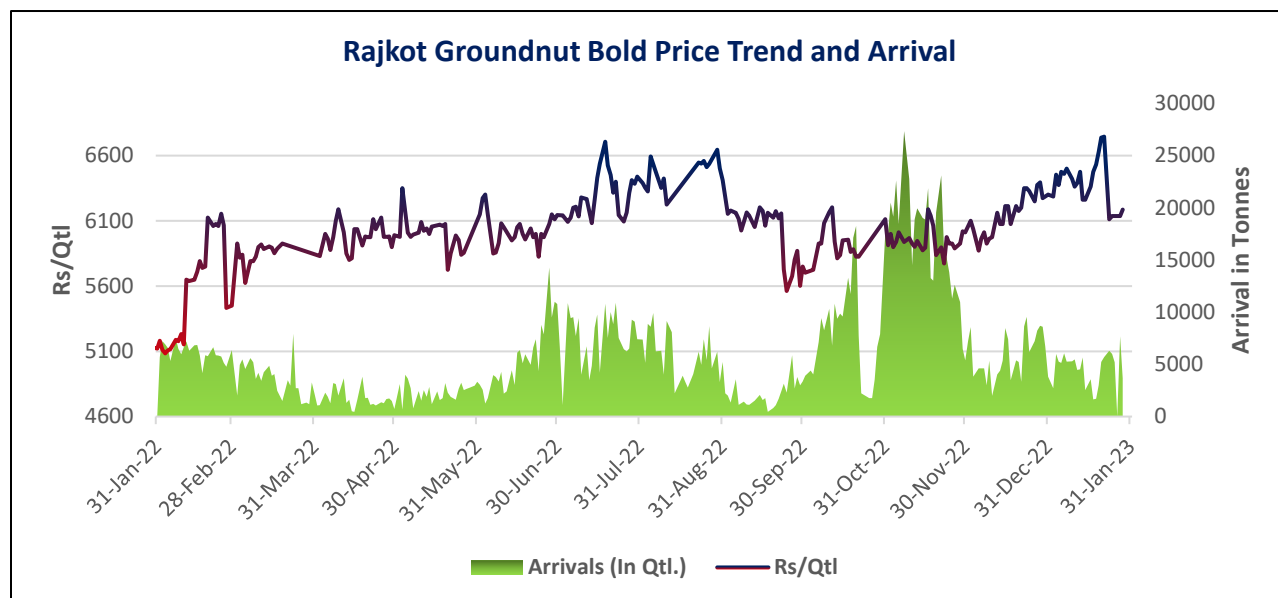
Market participants are recommended to wait for buying in the range of 5900-6200.

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



Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 14th Jan'23- 20th Jan'23	Week under review 21st Jan'23- 27th Jan'23	Next week 28th Jan'23- 03rd Feb'23
Weekly Average Price	6,313-6,388	6,113-6,263	5,900-6,100

Groundnut



During the week under review, Rajkot Groundnut weekly average bold prices declined after previous week gains and went down by 3.78% to INR 6,254/Qtl. as compared to previous week at INR 6,499/Qtl. amid good demand. All India arrivals recorded up by 74% to 0.30 Lakh tonnes as compared to 0.17 Lakh tonnes previous week.

Exports in December stood at 17,444.69 Tonnes compared to the export of 24,914.43 Tonnes in previous month. China's export demand made 97.21% of the total exports at 16,957.125 tonnes. GN oil exports in December declined as China's demand dampened due to resurgence in covid cases. However, on Y-o-Y comparison exports are up by 271%.

Aggressive hoarding pushes Groundnut seed and oil prices up after the abolition of the stock limit

As per the market sources, Stockiest are aggressively hoarding Groundnut (GN) seeds after the abolition of the stock limit on oilseeds and edible oils. GN seed prices are trading near 3 weeks high above Rs 6200/QTL. The revival of export demand from China in November pushed GN oil and seed prices significantly up. GN seed daily average prices for December at the Rajkot market witnessed a jump in prices by 7% from the low of Rs 5872/QTL to a high of Rs 6935/QTL, which closed at Rs 6300/QTL. GN oil in the Rajkot market witnessed a hike in prices by 6.77% from Rs 1500 to Rs 1600/10 Kg. However, the surge in covid cases in China again pushed for covid restrictions which would impact the export demand from India as well. At present, India is exporting GN seed to Bangladesh and South East Asian countries. Crushing of GN seed turned to disparity as seed prices shot up, while oil prices are gradually rising amid weak GN oil export demand due to covid.

For the long term, GN oil and seed market is anticipated to be bullish as GN Kharif production is down due to low acreage and lower yield.

Rabi Groundnut sowing progress:

Rabi Groundnut			
Area Covered (Lakh Ha) as of 27 January			
State	2022	2021	% Change
Karnataka	1.65	1.38	19.57%
Odisha	0.961	0.602	59.63%
Telangana.	0.865	1.262	-31.46%
Tamil.Nadu	0.792	0.629	25.91%
Andhra.Pradesh	0.719	0.677	6.20%
Others	0.236	0.164	43.90%
Total	5.171	4.699	10.04%

Technical Analysis

(Based on Rajkot GN Bold Mandi prices)

Groundnut Bold – Technical Outlook

Rajkot -Weekly time frame

Technical Chart:



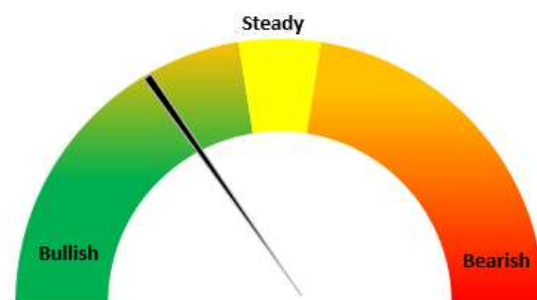
Technical Commentary:

- As depicted in the above chart, during the week under review, market closed higher to 6,780, made low of 6,525, high of 6,780.
- Market is trading above 9, 18, 50 and 100 DMA, and 23.6% Fibonacci retracement level can be characterized as immediate support, 6800 level can be characterized as resistance.
- Immediate support is at 6,400, next support is at 6,200 and immediate resistance is at 6,800, next resistance is at 7,000.

Recommendation-

Market participants are recommended to sell in the range of 6700-7000 and buy in the range of 6200-6500.

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



Rajkot Groundnut Bold Price Outlook (INR./Qtl)	Previous week 14th Jan'23- 20th Jan'23	Week under review 21st Jan'23- 27th Jan'23	Next week 28th Jan'23- 03rd Feb'23
Weekly Average Price	6,363-6,738	6,525-6,745	6,400-6,900

	% Change over previous week	Today	Week Ago	Month Ago	Year Ago	
Soy DOC Rates at Different Centers		27-Jan-23	21-Jan-23	28-Dec-22	27-Jan-22	
Centres		Ex-factory rates (Rs/ton)				parity To
Indore - 45%, Jute Bag	1%	42500	42000	41300	51500	Gujarat, MP
Kota - 45%, PP Bag	1%	43000	42500	43000	53000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	0%	44500	44500	45500	55500	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	-3%	41800	43200	43000	53500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	-1%	43500	44000	45000	54000	Andhra, AP, Kar, TN
Latur	-1%	43500	44000	44500	53500	-
Sangli	-2%	40000	41000	41800	52000	Local and South
Solapur	-1%	44000	44500	46000	51500	Local and South
Akola – 45%, PP Bag	-1%	42000	42500	43000	51000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	-1%	43500	44000	44000	54000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	1%	42800	42300	42800	52800	-
Soy DOC at Ports						
Centers		Port Price				
		27-Jan-23	21-Jan-23	28-Dec-22	27-Jan-22	
Kandla (FOR) (INR/MT)	-	NA	NA	43300	56000	
Kandla (FAS) (USD/MT)	-2%	548	557	535	750	
CNF Indonesia – Yellow SBM (USD/MT)	-	NA	NA	578	0	

International Soy DOC						
Argentina FOB USD/MT		27-Jan-23	21-Jan-23	28-Dec-22	27-Jan-22	
Soybean Pellets	-	580	-	-	-	
Soybean Cake Flour	-	580	-	-	-	
Soya Meal	-	NR	-	-	-	
Soy Expellers	-	NR	-	-	-	
Sunflower (DOC) Rates		Ex-factory rates (Rs/ton)				
Centers		27-Jan-23	21-Jan-23	28-Dec-22	27-Jan-22	
Adoni	0%	36000	36000	37000	30500	
Khamgaon	-	NA	NA	-	-	
Parli	-	NA	NA	-	-	
Latur	-	NA	NA	-	30000	
Groundnut Meal (Rs/MT)		27-Jan-23	21-Jan-23	28-Dec-22	27-Jan-22	
Basis 45%, Saurashtra	3%	35000	34000	31500	37000	
Basis 40%, Saurashtra	6%	33000	31000	28500	32000	
GN Cake, Gondal	3%	37000	36000	33500	38000	
Mustard DOC		27-Jan-23	21-Jan-23	28-Dec-22	27-Jan-22	
Jaipur (Plant delivery)	0%	19500	19500	20000	23000	
Kandla (FOR Rs/MT)	0%	20500	20500	21000	23000	
Mumbai Oil Meal Quotes:						
Rs/M.T.		27-Jan-23	21-Jan-23	28-Dec-22	27-Jan-22	
G.N. Extr (45%)	3%	35000	34000	31000	38000	
Kardi Extr	-	NA	NA	-	-	
Undec Cottonseed Exp	-4%	33500	35000	32500	38000	
Rice Bran Extr.	-	NA	NA	-	-	
Sunflower Extr.	0%	29000	29000	31000	33000	
Rapeseed Extr.	-	NA	-	-	-	

Soymeal 48%	1%	44609	44348	43826	54783	
Castor Extr.	6%	10050	9450	10350	11150	

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