



# 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 0.72% to INR 5,550/ Qtl. as compared to 5,519/ qtl. previous week amid subdued demand.

The weekly average prices of Indore soymeal went up by 3% to INR 44,633/MT as compared to last week at INR 43,333/MT amid subdued demand.

During the week under review, Jaipur RM seed weekly average prices went down by 0.35% to INR. 5,971/qtl amid weak demand from crushers on disparity in crushing and new crop arrivals.

During the week under review, Rajkot Groundnut weekly average bold prices went up by 3.90% at INR 6,885/Qtl. amid shrink in arrivals and good demand.

## Outlook – Cash Market

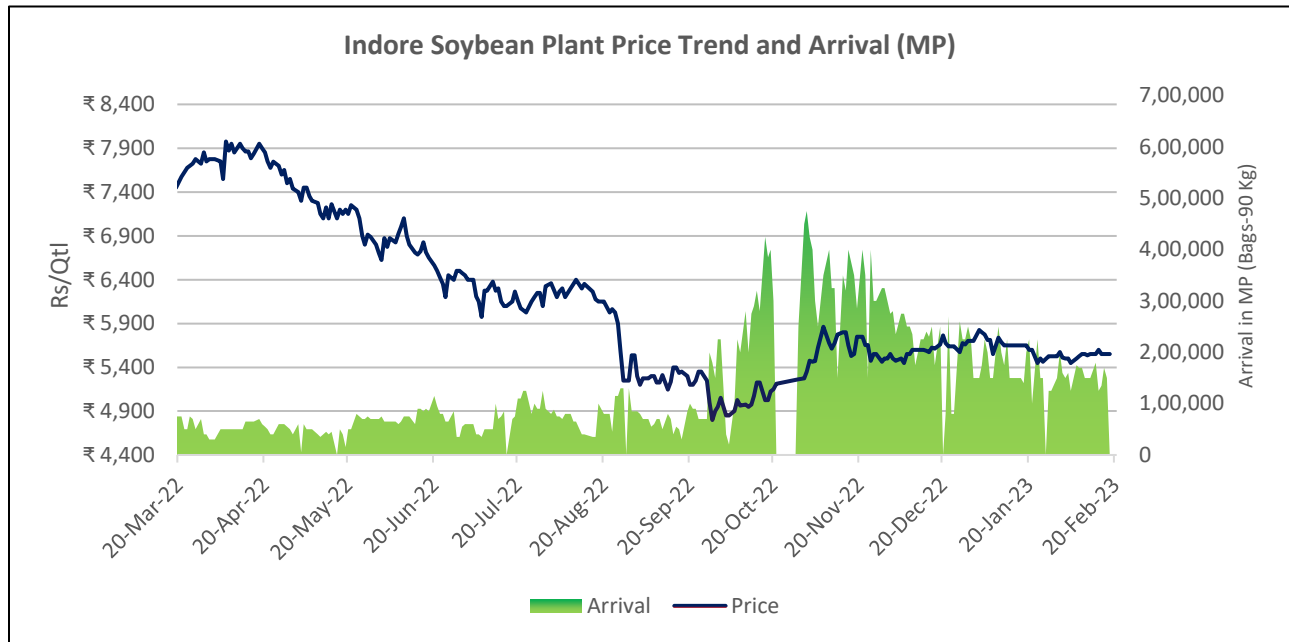
**Outlook - Soybean (Spot Indore):** *In the coming week, soybean plant prices are expected to trade sideways amid subdued demand from crushers. The prices (Indore, Plant basis) are expected to feature in the price band of 5,400-5,600 levels in the near term.*

**Outlook – Soy meal:**

*The soy meal prices (Indore) are likely to trade with firm bias on revive in demand. Soy meal Indore prices are likely to trade in the range of 42,000 – 46,000/MT.*

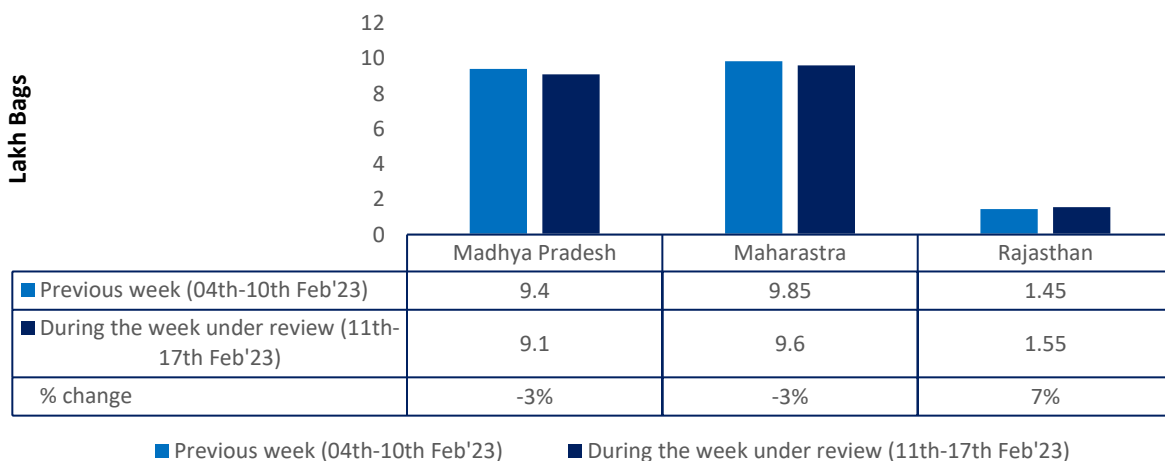
**Outlook - Rapeseed-Mustard (Spot, Jaipur basis):** *Rapeseed-Mustard is expected to trade rangebound with weak bias amid higher production expectation and weak demand from millers due to disparity. The seed prices are likely to trade in the range between 5,800 –6,100/Qtl. in the short-run.*

### Soybean



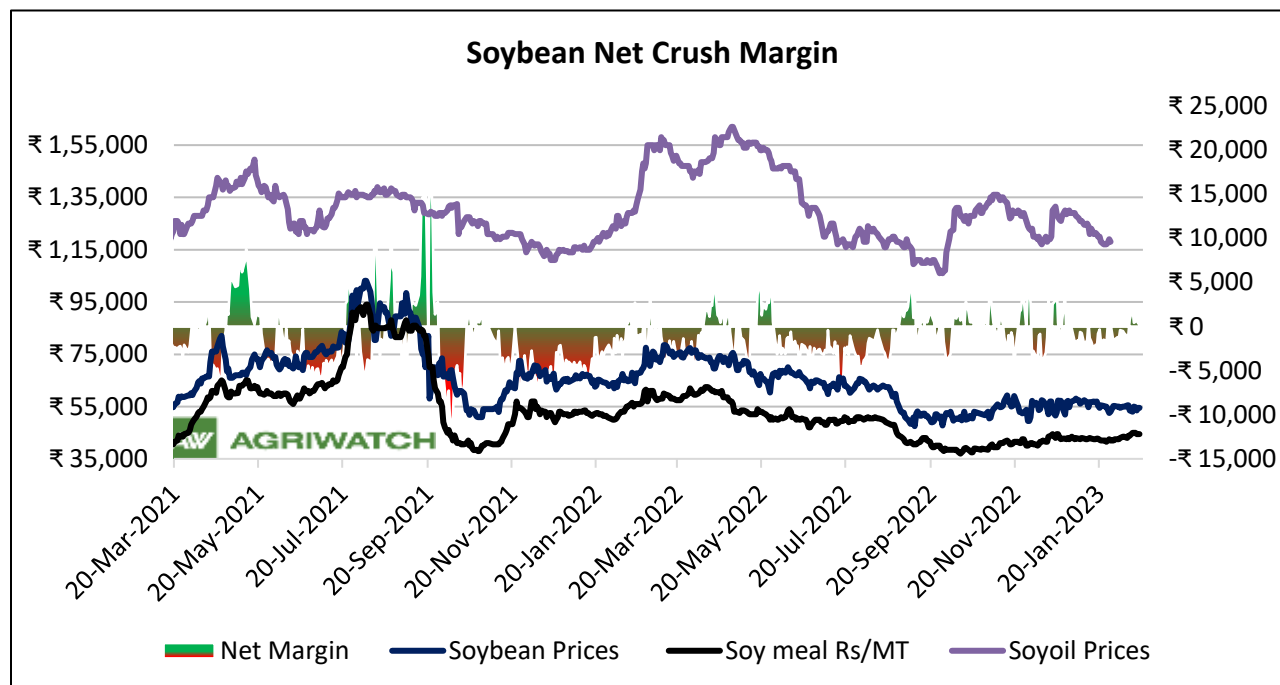
During the week under review, Soybean indore plant prices remained sideways and went marginally up by 0.72% to INR 5,550/ Qtl. as compared to 5,519/ qtl. previous week. Despite shrink in arrivals, prices remained sideways due to weak demand from crushers. During the week the market made a high of INR 5,550/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 marginally by 3% to 9.1 Lakh bags Vs 9.40 Lakh bags previous week. In Maharashtra arrivals recorded low to 9.60 Lakh bags vs 9.85 Lakh bags last week. In Rajasthan the arrivals recorded up to 1.55 lakh bags Vs 1.45 Lakh bags previous week.

### Soybean Crush Margin-



Soybean net crush margin marginally improved during the week under review as oilmeal prices improved. Weekly average soybean net crush margin for the period of 11th -17th Feb is in parity at INR 921/ MT as compared to previous week at INR -821/MT.

### International Update:

#### 2022/23 Brazil Soybeans 17% Harvested vs. 24% Last Year

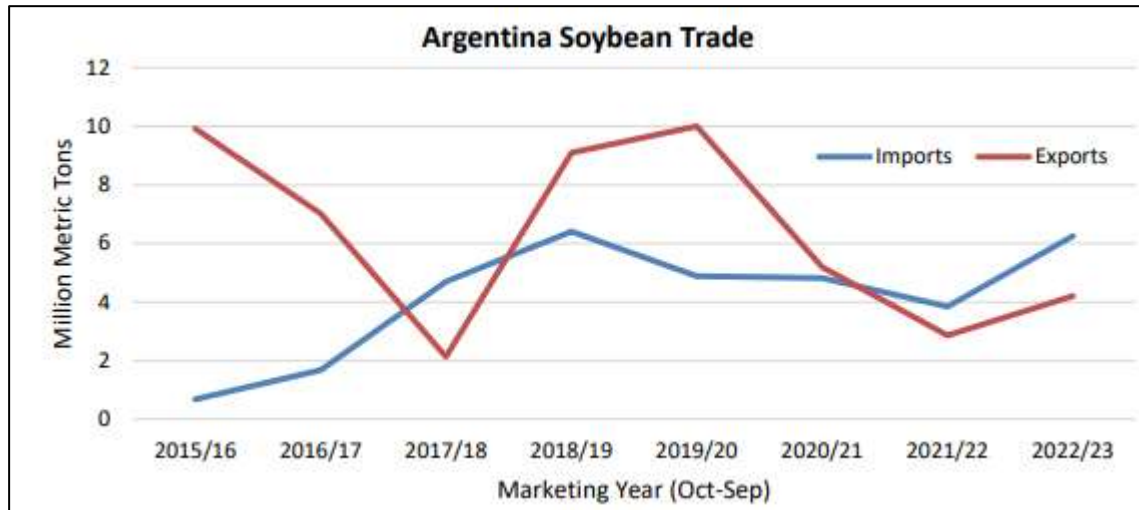
AgRural, on Monday reported that Brazilian farmers harvested 17% of the planted soybean area in the 2022/23 cycle as of last Thursday, representing an increase of eight percentage points from the previous week.

According to USDA Feb'23 report, 2022/23, India's Soybean crush is estimated to be at 9.7 MMT as compared to previous year at 9.9 MMT and country's domestic consumption is estimated to be at 6.66 MMT Vs 7.02 MMT previous year. Moreover, Soy meal exports is projected at 1.2 MMT as compared to 0.94 MMT previous year.

According to USDA Feb'23 report, 2021-22 Soy production estimate for India kept unchanged at 12 million tonnes as compared to previous month, however last year it was 11.9 MMT. US soy production kept unchanged at 116.3 MMT as compared to previous month's estimate, while last year it was 121.52 MMT.

However, Argentina's 2022-23 soy production reduced to 41 MMT Vs 45.5 MMT previous month estimates and previous year at 43.9 MMT, Brazil soy production kept unchanged at 153 MMT compared to previous month estimates while last year it was 129.5 MMT.

**Argentine soybean exports have decreased while imports have increased due to the contraction in production**



The continuous reduction in Argentina's soybean production for the second consecutive month has been attributed to the drought and extreme temperatures in the main producing areas. The shrinking production is projected to bring the total supply to five-year lows, leading to a decline in exports and crush.

The difficulty in procuring soybeans due to slow selling by farmers, who are retaining their crops to hedge against inflation and political uncertainty, is another hindrance faced by exporters and crushers. The export forecast has been reduced by 1.5 million tons, with a year-over-year increase in the 2022/23 exports forecast of 3.0 million tons. However, exports during the final 10 months of the marketing year (Dec-Sep) are estimated at 1.2 million tons, which would be the lowest in nearly three decades.

The soybean crush has also decreased by 700,000 tons to 37.3 million (Oct-Sep) due to limited supplies. To counter the reduced domestic supply, crushers are expected to increase imports from Brazil and Paraguay. The imports have been raised to 6.3 million tons, marking the second-highest level in the USDA database

The Rosario Grains Exchange of Argentina (BCR) reduced its forecast for the 2022/23 soybean harvest to 34.5 million tonnes on Wednesday, down from its earlier prediction of 37 million tonnes. This would be the lowest soybean production in the last 14 years.

### Technical Analysis

#### US Soybean futures



As depicted in the above chart, During the week under review, US Soybean declined after three week gains and went down by 0.99% to \$15.27/bushels and taking support of 9, 50 and 100 DMA can be characterized as support while 50 DMA can be characterized as resistance. RSI at 55 indicating firm buying strength. And MACD indicating steady 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:



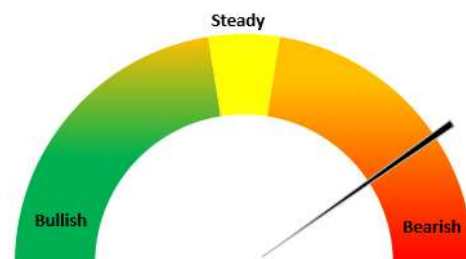
### Technical Commentary:

- Soybean Indore prices closed to 5,550 levels and during the week under review, market made low of 5,500, high of 5,550.
- Market is currently facing resistance of 9, 18, 50 and 100 DMA.
- 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.

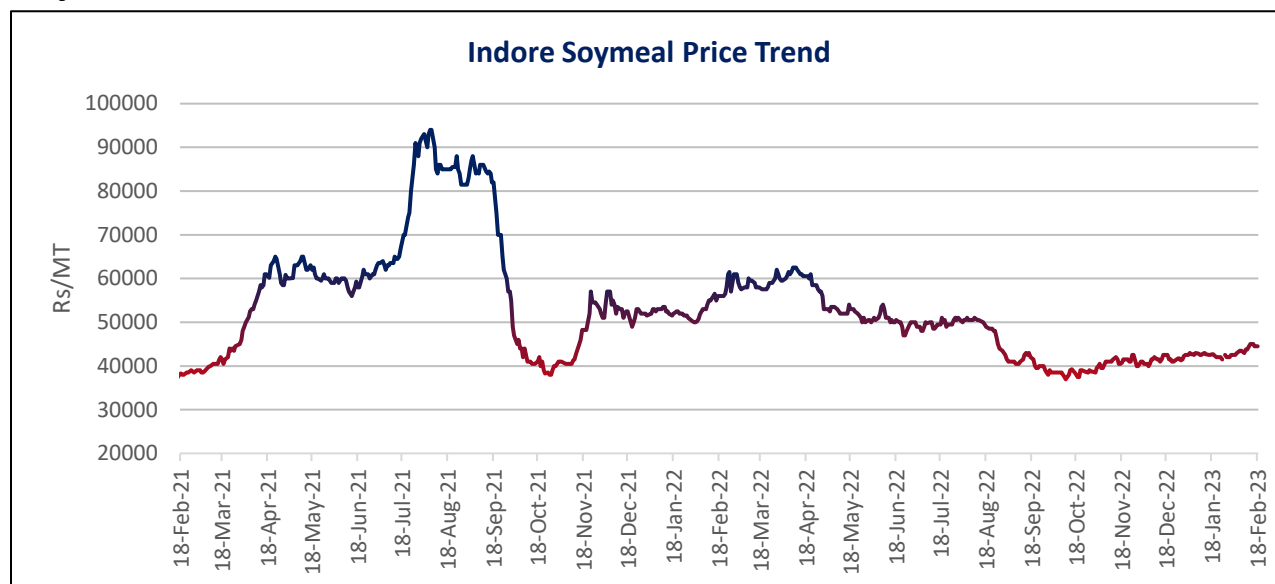
**Soybean Price Outlook for coming week:** Indore Soybean plant prices are currently trading at INR. 5,500/qtl. and are expected to trade range bound in the range of INR 5,200-5,800 in short run.



Soybean Plant Price Outlook (INR./Qtl)	Previous week 04th Feb'23- 10rd Feb'23	Week under review 11th Feb'23- 17th Feb'23	Next week 18th Feb'23- 24th Feb'23
Weekly Average Price	5,450-5,550	5,550-5,600	5,400-5,600



## Soymeal



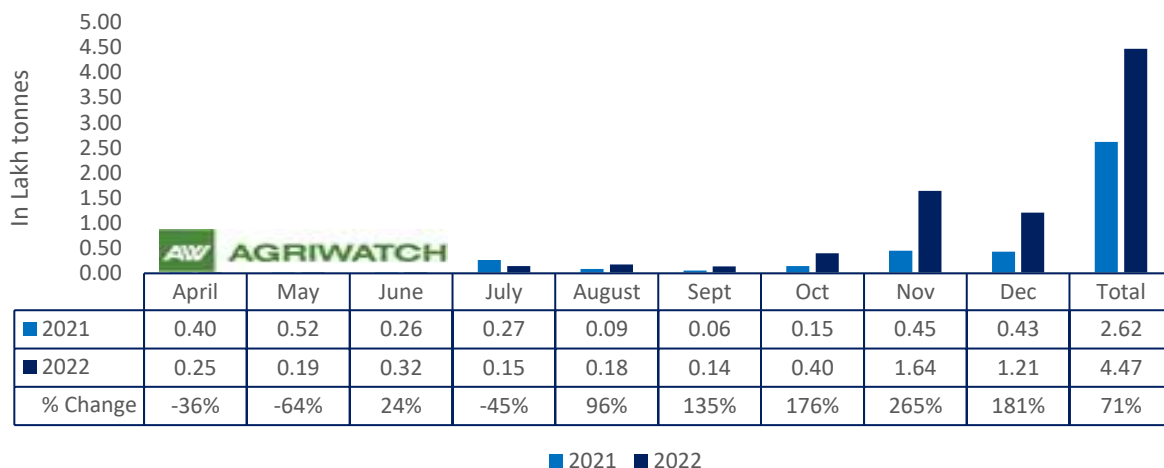
During the week under review, Indore Soymeal weekly average prices extended previous week gains and went up by 3% to INR 44,633/MT as compared to last week at INR 43,333/ amid good demand. Revive in export demand likely to support prices in upcoming weeks.

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 Feb'23 report, 2022/23, India's Soybean crush is estimated to be at 9.7 MMT as compared to previous year at 8.5 MMT and country's domestic consumption is estimated to be at 6.66 MMT Vs 6.28 MMT previous year. Moreover, Soymeal exports is projected at 1.2 MMT as compared to 0.94 MMT previous year.

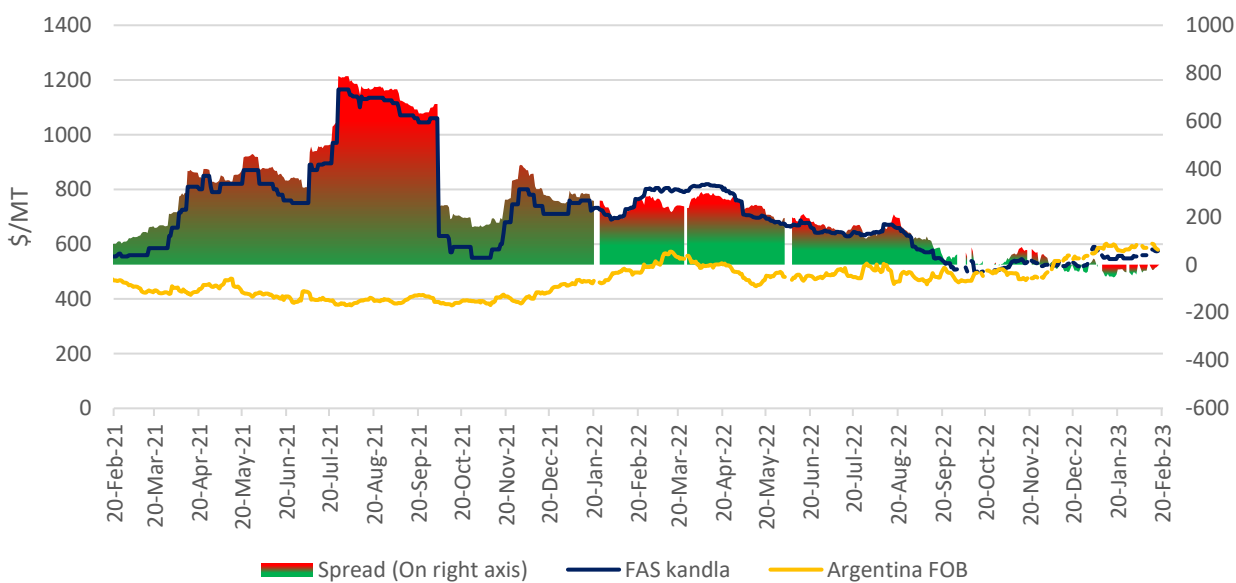


### Soy meal export



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 \$575/MT, Argentina Soymeal FOB prices trading at \$579/MT and spread stands at \$-4/MT. Improved indian 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 and gradually rising.

### Technical Analysis (Domestic market)

(Based on Indore Soymeal prices)

#### SOYBEAN Meal – Technical Outlook

#### Soybean Meal Indore Spot -Weekly time frame

##### Technical Chart:



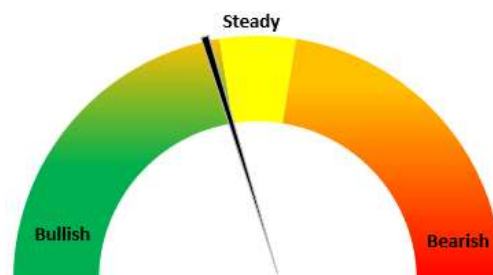
##### Technical Commentary:

- Soybean Indore prices gained for the third straight week and closed to 44,500 levels and during the week under review, market made low of 44,500, high of 45,000.
- Market is currently taking support of 9 and 18 DMA, 23.6% Fibonacci retracement can be characterized as support.
- 42,000 is near term support and 45,000-46,000 is near term resistance.

##### Recommendation-

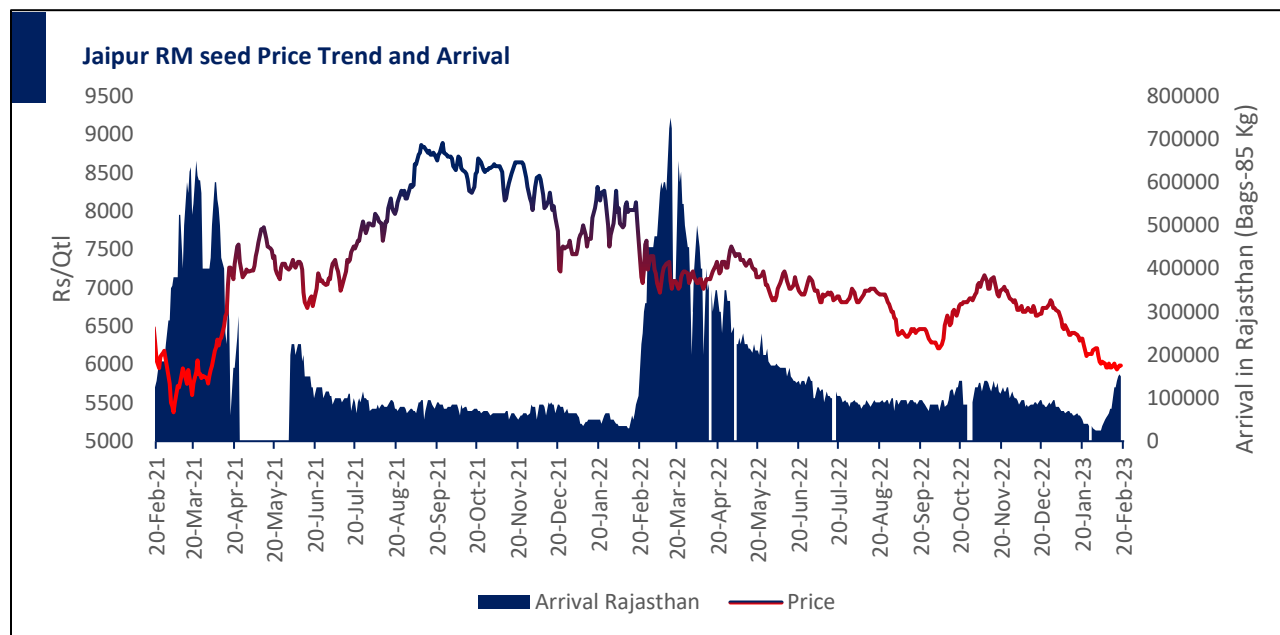
- Market Participants are recommended to sell their stocks in the range of 44,000-45,000.

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

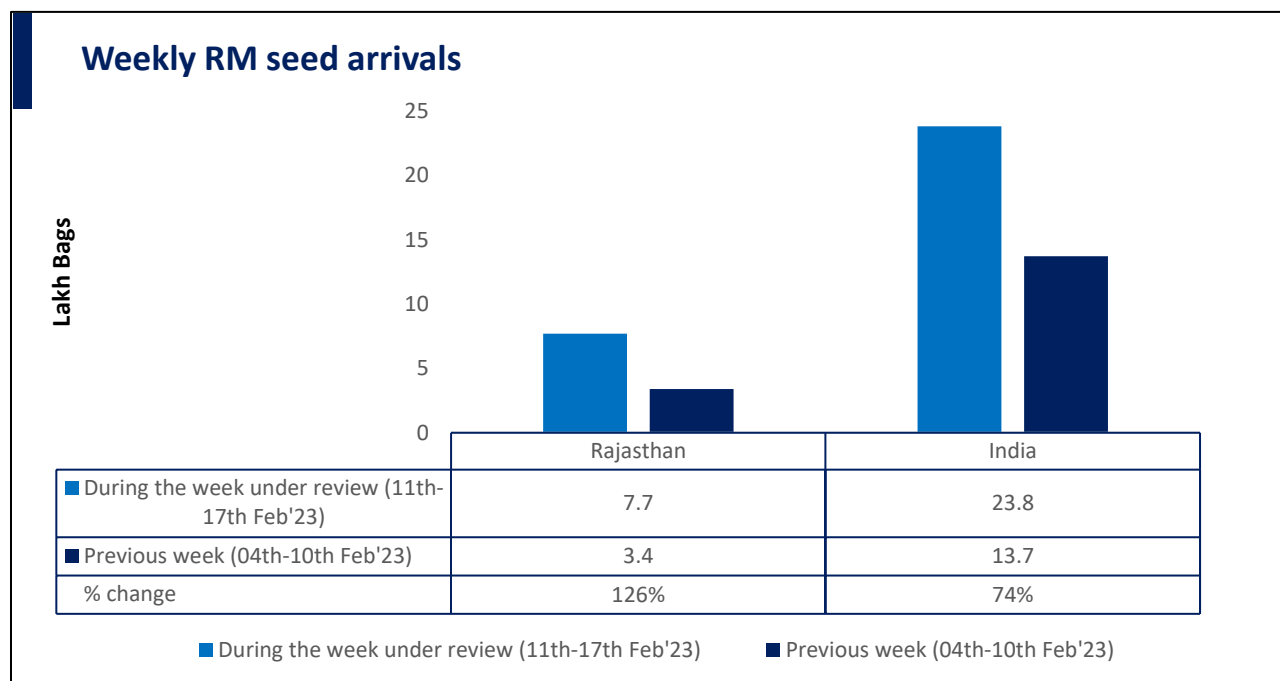


Soymeal Indore Price Outlook (INR./MT)	Previous week 04th Feb'23- 10rd Feb'23	Week under review 11th Feb'23- 17th Feb'23	Next week 18th Feb'23- 24th Feb'23
Weekly Average Price	43,000-43,800	43,800-45,000	42,000-46,000

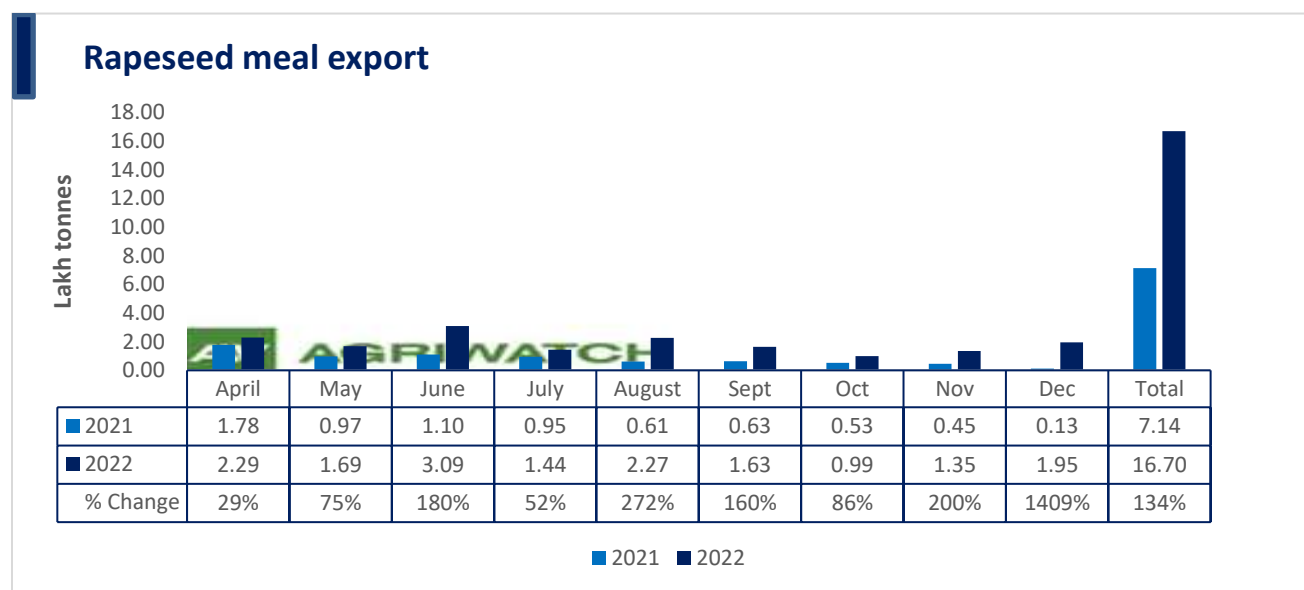
### Rapeseed - Mustard Seed



Jaipur RM seed weekly average prices extended previous week loss and went down by 0.35% to INR. 5,971/qlt as compared to INR. 5,992/qlt previous week amid new crop arrivals. So far RM seed has corrected by more than 16% from previous high of INR 7,162/Qtl.



During the week under review, RM Seed arrivals recorded up. Arrivals in Rajasthan recorded at 7.7 Lakh bags as compared to 3.4 lakh bags previous week. All India arrivals went up and stood at 23.8 Lakh bags Vs 13.7 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 3 February 2023			
State	2022	2021	% Change
Rajasthan	38.52	33.92	13.57%
Madhya.Pradesh	14.04	11.72	19.80%
Uttar.Pradesh	8.94	9.88	-9.52%
Haryana	7.32	7.56	-3.16%
West.Bengal	6.59	6.09	8.23%
Jharkhand	3.87	4.05	-4.44%
Assam	3.34	3.20	4.38%
Gujarat	3.05	3.40	-10.32%
Others	12.35	11.43	8.02%
<b>Total</b>	<b>98.02</b>	<b>91.25</b>	<b>7.42%</b>

#### International-

Canada planted 8.7 million hectares of canola in 2022-2023, a decrease of 4% from the previous crop year, with a harvested area of 8.6 million hectares. Yields improved to 2.11 tonnes per hectare, compared to 1.54 t/ha in 2021-2022, due to drought relief. The estimated production is 18.2 million tonnes, as per a survey of 27,200 farmers by Statistics Canada. Saskatchewan led production with 9.5 million tonnes, followed by Alberta with 5.6 million tonnes and Manitoba with 2.9 million tonnes. Total supply is estimated at 19.1 million tonnes, slightly up from the previous year due to higher production partially compensating for low opening stocks.

Canadian canola consumption is projected to return to its normal historical levels, as exports rise 63% to 8.6 million tonnes, and crush volume increases to 9.5 million tonnes from 8.6 million tonnes last year. As per Canadian Grain Commission data, the export rate as of November was 121% higher than the previous year, with China and Mexico being the top destinations for 80% of Canada's exported canola by the end of the same month. The average oil content of Canadian canola is estimated at 42.8%, based on analysis of 1,866 samples, with 93% of them being grade number 1.

#### Technical Analysis

(Based on Jaipur Mandi prices)

### RM seed – Technical Outlook

### RM seed Jaipur Spot -Weekly time frame

#### Technical Chart:

#### Technical Commentary:

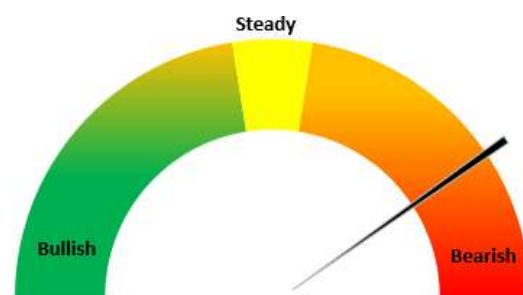


- As depicted in the above chart, during the week under review, market closed lower to 5,988, made low of 5,938, high of 6,013.
- Market is trading below 9, 50 and 100 DMA and can be characterized as resistance.
- Immediate support is at 5,800, next support is at 5,700 and immediate resistance is at 6,200, next resistance is at 6500.

#### Recommendation-

Market participants are recommended to wait for buying in the range of 5700-6100.

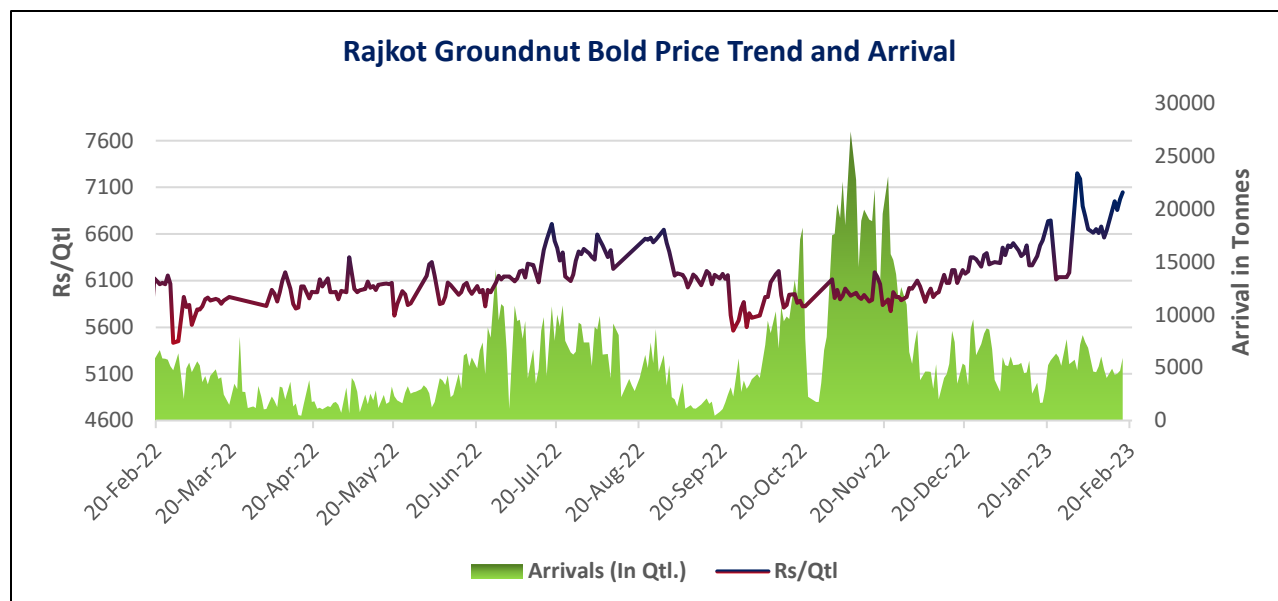
**RM seed Price Outlook for coming week:** RM Seed is expected to trade sideways with weak bias amid weak demand from crushers on disparity and higher production expectation.



Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 04th Feb'23- 10rd Feb'23	Week under review 11th Feb'23- 17th Feb'23	Next week 18th Feb'23- 24th Feb'23
Weekly Average Price	6,593-6,038	5,938-6,013	5,800-6,100



## Groundnut



During the week under review, Rajkot Groundnut weekly average bold prices went up by 3.90% to INR 6,885/Qtl. as compared to previous week at INR 6,627/Qtl. amid decline in arrivals and good demand from crushers. All India arrivals recorded down by 4% to 0.24 Lakh tonnes as compared to 0.25 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%.

The prices of groundnut oil in Rajkot have recently experienced a sudden increase, and trading at all time high of INR 1,725 for 10 kg, which is the highest it has been in nine days. This spike in prices is due to a shortage of supply and an increase in demand. Similarly, groundnut bold prices in Rajkot have also been trading with a strong sentiment, reaching an average price of INR 6,975 per quintal, which is the highest it has been in ten days, in tandem with the groundnut oil prices. According to sources, large companies are purchasing groundnuts at higher prices, which has led to an increase in end-market prices

### Rabi Groundnut sowing progress:

Rabi Groundnut			
Area Covered (Lakh Ha) as of 3 February 2023			
State	2022	2021	% Change
Karnataka	1.650	1.380	19.57%
Odisha	1.099	0.773	42.23%
Tamil Nadu	0.942	0.806	16.85%
Telangana	0.932	1.283	-27.37%
Andhra Pradesh	0.814	0.826	-1.42%
Others	0.240	0.160	50.00%
<b>Total</b>	<b>5.678</b>	<b>5.228</b>	<b>8.60%</b>

## Technical Analysis

(Based on Rajkot GN Bold Mandi prices)

### Groundnut Bold – Technical Outlook

### Rajkot -Weekly time frame

#### Technical Chart:



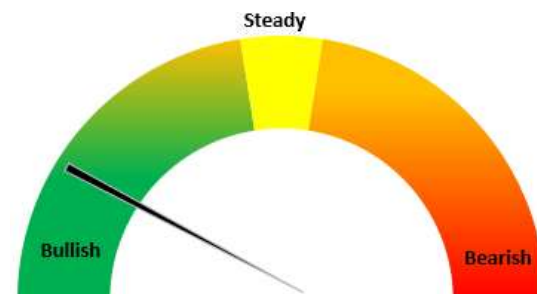
#### Technical Commentary:

- As depicted in the above chart, during the week under review, market closed lower to 7,045, made low of 6,850, high of 7,045.
- Market is trading above 9, 18, 50 and 100 DMA, and 23.6% Fibonacci retracement level can be characterized as immediate support, 7000 level can be characterized as resistance.
- Immediate support is at 6,800, next support is at 6,200 and immediate resistance is at 7,200, next resistance is at 7,500.

#### Recommendation-

Market participants are recommended to sell in the range of 7000-7500 and buy in the range of 6500-6900.

**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 04th Feb'23- 10rd Feb'23	Week under review 11th Feb'23- 17th Feb'23	Next week 18th Feb'23- 24th Feb'23
Weekly Average Price	6,563-6,680	6,638-7,045	6,500-7,200

**Annexure**

	% Change over previous week	Today	Week Ago	Month Ago	Year Ago	
<b>Soy DOC Rates at Different Centers</b>		<b>17-Feb-23</b>	<b>10-Feb-23</b>	<b>17-Jan-23</b>	<b>17-Feb-22</b>	
<b>Centres</b>		<b>Ex-factory rates (Rs/ton)</b>				parity To
Indore - 45%, Jute Bag	2%	44500	43800	42500	56000	Gujarat, MP
Kota - 45%, PP Bag	2%	45500	44800	44000	59200	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	2%	46000	45000	44500	58500	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	5%	45000	43000	45000	57500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	2%	45000	44000	44300	58000	Andhra, AP, Kar, TN
Latur	3%	46000	44500	44500	57000	-
Sangli	6%	43500	41000	41000	54500	Local and South
Solapur	8%	45500	42000	44500	53500	Local and South
Akola – 45%, PP Bag	3%	44500	43000	43000	55500	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	2%	45000	44000	44300	57000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	2%	45300	44600	43800	59000	-
<b>Soy DOC at Ports</b>						
<b>Centers</b>		<b>Port Price</b>				
		<b>17-Feb-23</b>	<b>10-Feb-23</b>	<b>17-Jan-23</b>	<b>17-Feb-22</b>	
Kandla (FOR) (INR/MT)	-	46500	NA	NA	58000	
Kandla (FAS) (USD/MT)	-	575	NA	545	760	
CNF Indonesia – Yellow SBM (USD/MT)	-	590	NA	-	-	

<b>Rapeseed Meal</b>		<b>17-Feb-23</b>	<b>10-Feb-23</b>	<b>17-Jan-23</b>	<b>17-Feb-22</b>	
FAS Kandla (USD/MT)	-	245	-	-	-	
FOR Kandla (Rs/MT)	-	20200	-	-	-	
FOR Mundra (Rs/MT)	-	NA	-	-	-	
CNF Indonesia (USD/MT)	-	268	-	-	-	
<b>International Soy DOC</b>						
<b>Argentina FOB USD/MT</b>		<b>17-Feb-23</b>	<b>10-Feb-23</b>	<b>17-Jan-23</b>	<b>17-Feb-22</b>	
Soybean Pellets	-	579	-	-	-	
Soybean Cake Flour	-	579	-	-	-	
Soya Meal	-	NR	-	-	-	
Soy Expellers	-	NR	-	-	-	
<b>Sunflower (DOC) Rates</b>		<b>Ex-factory rates (Rs/ton)</b>				
<b>Centers</b>		<b>17-Feb-23</b>	<b>10-Feb-23</b>	<b>17-Jan-23</b>	<b>17-Feb-22</b>	
Adoni	3%	38000	37000	36000	30500	
Khamgaon	-	NA	-	-	-	
Parli	-	NA	-	-	-	
Latur	-	NA	-	-	30000	
<b>Groundnut Meal (Rs/MT)</b>		<b>17-Feb-23</b>	<b>10-Feb-23</b>	<b>17-Jan-23</b>	<b>17-Feb-22</b>	
Basis 45%, Saurashtra	0%	34500	34500	33000	40000	
Basis 40%, Saurashtra	0%	33500	33500	30000	35000	
GN Cake, Gondal	0%	38000	38000	35000	42000	
<b>Mustard DOC</b>		<b>17-Feb-23</b>	<b>10-Feb-23</b>	<b>17-Jan-23</b>	<b>17-Feb-22</b>	
Jaipur (Plant delivery)	-1%	19800	20000	19300	23000	
Kandla (FOR Rs/MT)	-1%	20700	21000	20300	23000	

<b>Mumbai Oil Meal Quotes:</b>						
<b>Rs/M.T.</b>		<b>17-Feb-23</b>	<b>10-Feb-23</b>	<b>17-Jan-23</b>	<b>17-Feb-22</b>	
G.N. Extr (45%)	3%	37000	36000	32500	41000	
Kardi Extr	-	NA	NA	-	-	
Undec Cottonseed Exp	-5%	30500	32000	35000	36500	
Rice Bran Extr.	-	NA	NA	-	-	
Sunflower Extr.	3%	33000	32000	28500	31500	
Rapeseed Extr.	-	NA	NA	-	-	
Soymeal 48%	1%	46435	45913	44609	58435	
Castor Extr.	-5%	9350	9850	9850	12550	

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