



Oil Meal Weekly Research Report

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Executive Summary

The weekly average prices of Soybean Indore plant prices remained sideways going marginally up by 0.45% to INR 5,558/ Qtl. amid subdued demand.

The weekly average prices of Indore soy meal too remained sideways and went marginally up by 0.3% to INR 44,750/MT as compared to last week at INR 44,750/MT amid good export demand.

During the week under review, Jaipur RM seed weekly average prices went down by 1.93% to INR. 5,856/qtl amid increase in arrivals.

During the week under review, Rajkot Groundnut weekly average bold prices went down by 0.41% at INR 6,857/Qtl. amid increase in arrivals.

Outlook – Cash Market

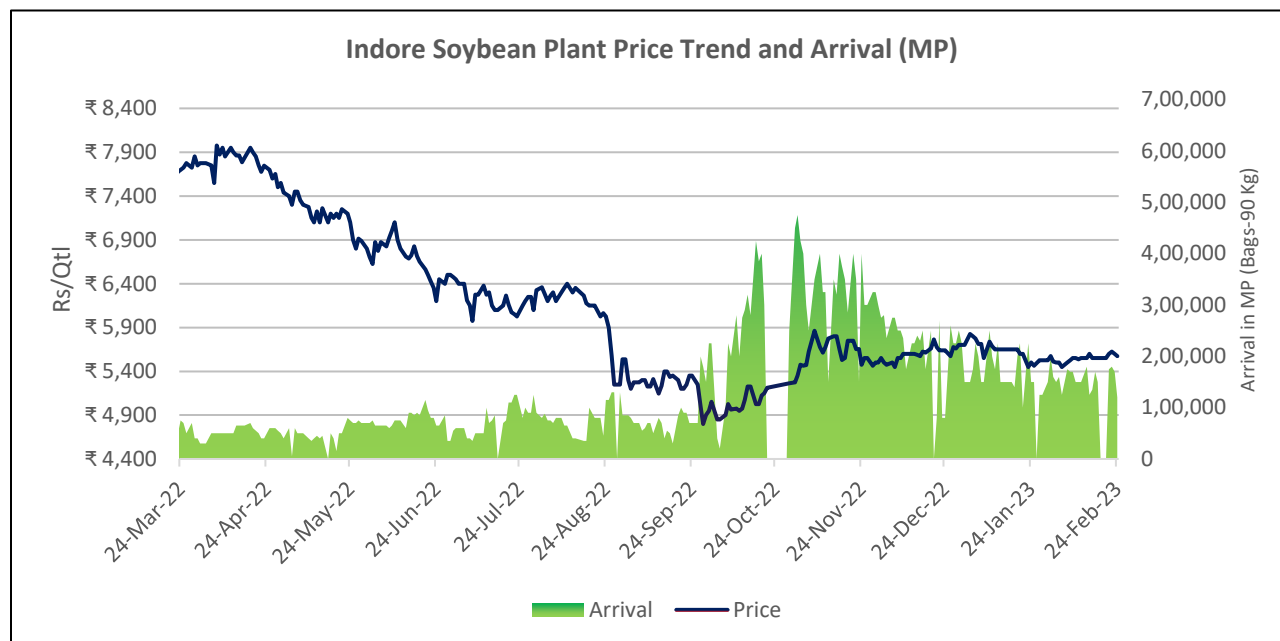
Outlook - Soybean (Spot Indore): In the coming week, soybean plant prices are expected to trade sideways amid subdued demand from crushers on disparity. The prices (Indore, Plant basis) are expected to feature in the price band of 5,400-5,650 levels in the near term.

Outlook – Soy meal:

The soy meal prices (Indore) are likely to trade with firm bias amid revive in export demand. Soy meal Indore prices are likely to trade in the range of 43,000 – 46,000/MT.

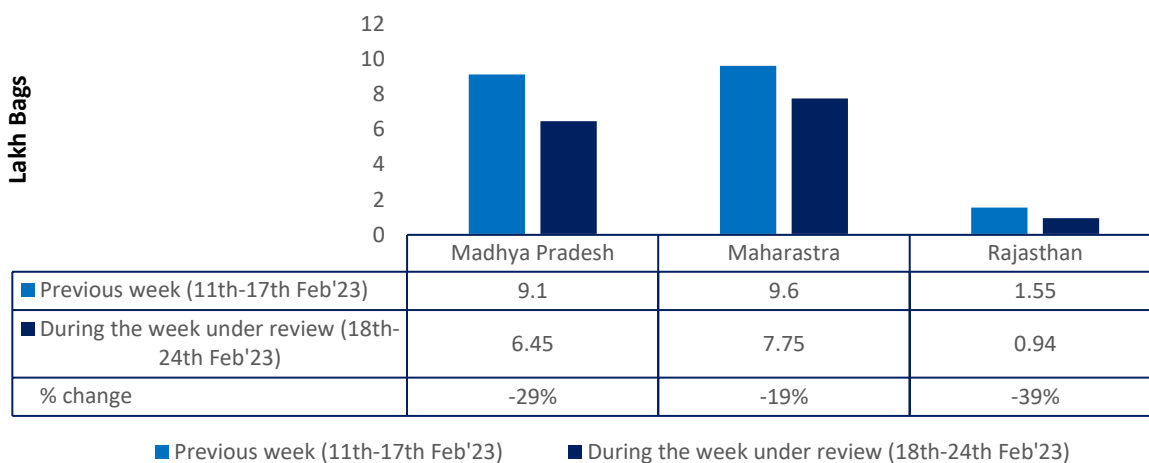
Outlook - Rapeseed-Mustard (Spot, Jaipur basis): Rapeseed-Mustard is expected to trade with weak bias amid increase in arrivals. The seed prices are likely to trade in the range between 5,800 – 6,100/Qtl. in the short-run.

Soybean



During the week under review, the prices of Soybean in Indore showed little movement and experienced a slight increase of 0.45% from INR 5,558/qtl as compared to previous week to INR 5,583/qtl. Currently, despite a decrease in the supply, the demand from crushers remains weak, resulting in the steady prices. The highest price that the market reached during the week was INR 5,625/qtl. It is worth noting that Soybean prices have gone up by over 28% since the current season's low of INR 4,300.

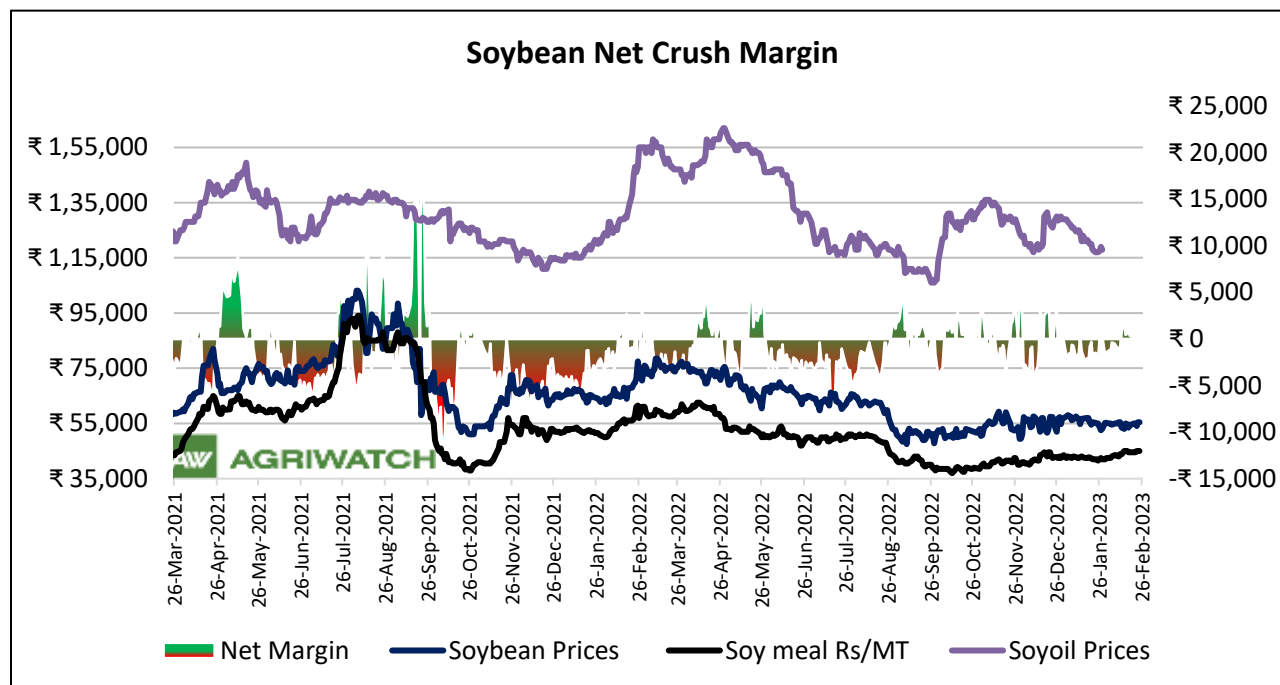
Weekly Soybean Arrivals



During the week under review, the total arrival in MP declined marginally by 29% to 6.45 Lakh bags Vs 9.10 Lakh bags previous week. In Maharashtra arrivals recorded low to 7.75 Lakh bags vs 9.60 Lakh bags last

week. In Rajasthan the arrivals recorded down to 0.94 lakh bags Vs 1.55 Lakh bags previous week. Currently, soybean arrivals shrank amid new mustard crop arrivals. In coming weeks too, soybean arrivals likely to remain weak.

Soybean Crush Margin-



Soybean net crush margin squeezed during the week under review as soy oil prices declined. Weekly average soybean net crush margin for the period of 18th -24th Feb is in disparity at INR -318/ MT as compared to previous week at INR -318/MT. In upcoming week too, net crush margin likely to remain squeezed on weak soy oil prices.

International Update:

According to data released on Wednesday by the grain exporters association Anec, Brazil's soybean exports for February are estimated at 8.3 million tonnes. This represents a decrease from the same period last year, which is attributed to a slower harvest in 2023. Anec had previously projected soybean exports of up to 9.39 million tonnes for the month, but as of last week, the estimate has been revised downward. Nonetheless, even with the revised estimate, February 2023's soybean exports are expected to exceed the 9.1 million tonnes exported in February 2022.

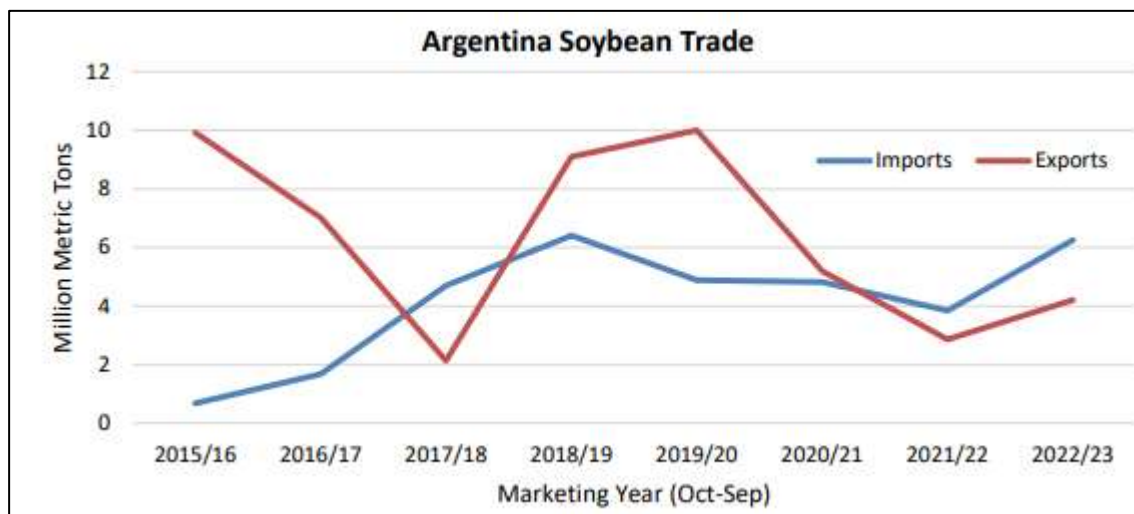
2022/23 Brazil Soybeans 17% Harvested vs. 24% Last Year

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, Soymeal 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 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 gained after previous week loss and went up by 1.06% to \$15.43/bushels. 9, 50 and 100 DMA can be characterized as support while 50 DMA can be characterized as resistance. RSI at 57 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:





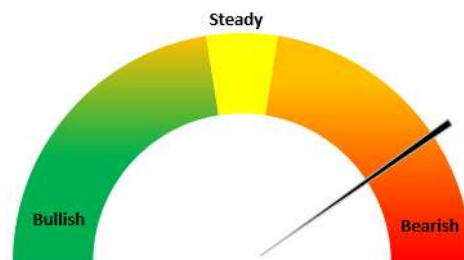
Technical Commentary:

- During the week under review, Soybean Indore prices extended previous week gains and closed marginally up to 5,600 levels as compared to 5,550 previous week and market made low of 5,550, high of 5,625.
- Market is currently facing near term resistance of 9, 18, 50 EMA While 23.6% Fibonacci retracement and 100 EMA can be characterized as long term resistance.
- RSI is currently below 50, indicating weak buying strength. While MACD is also indicating weak momentum.
- 5200-5300 is near term support and 5,700-5,800 is near term resistance.

Recommendation-

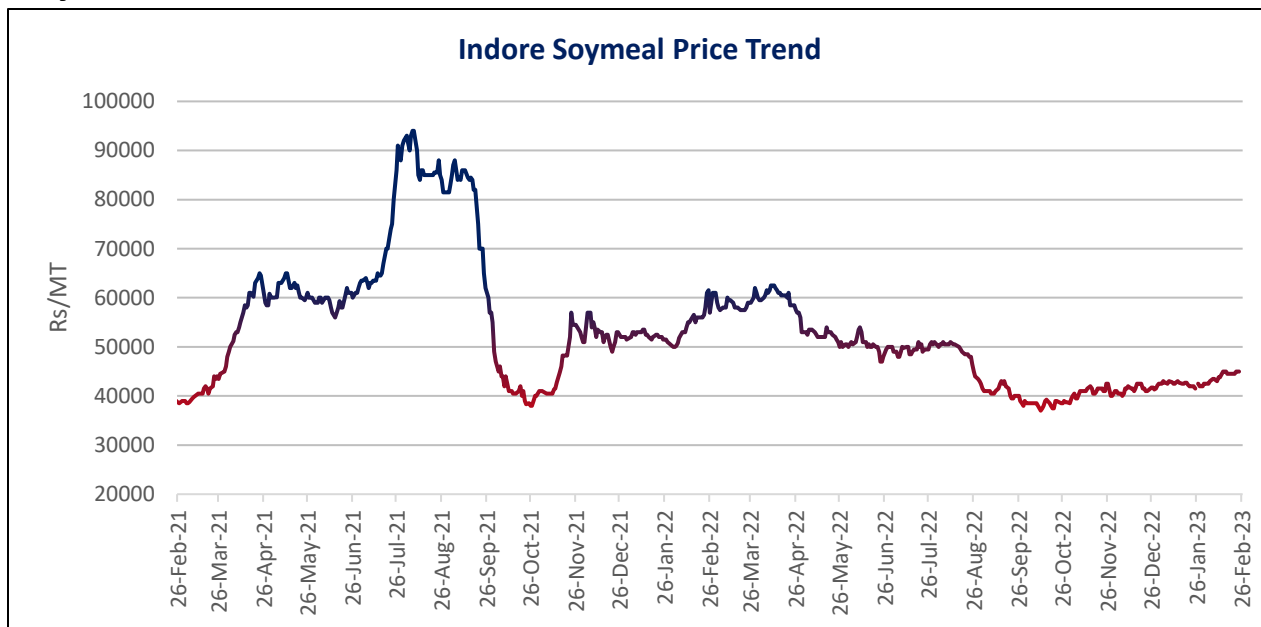
- Market Participants are recommended to buy their stocks in the range of 5200-5,400 and buy in the range of 5700-5800.

Soybean Price Outlook for coming week: Indore Soybean plant prices are currently trading at INR. 5,575/qtl. and are expected to trade range bound in the range of INR 5,400-5,650 in short run.



Soybean Plant Price Outlook (INR./Qtl)	Previous week 11th Feb'23- 17th Feb'23	Week under review 18th Feb'23- 24th Feb'23	Next week 25th Feb'23- 03rd Mar'23
Weekly Average Price	5,550-5,600	5,550-5,625	5,400-5,650

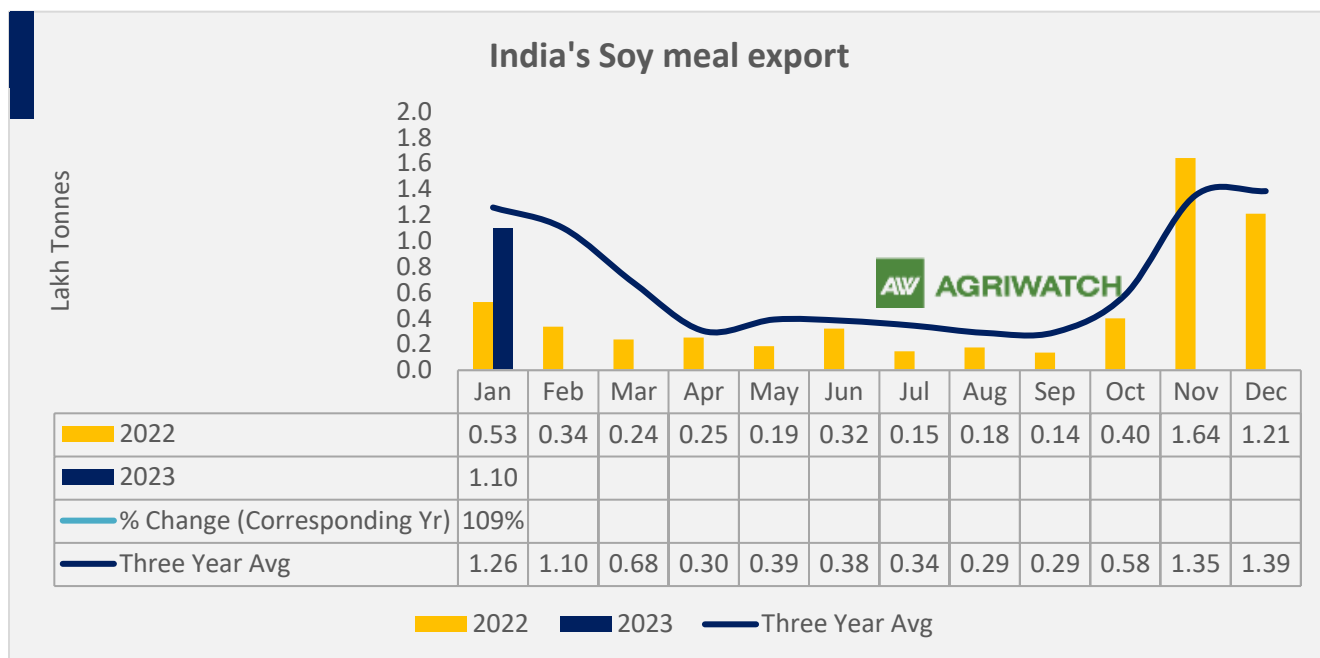
Soymeal



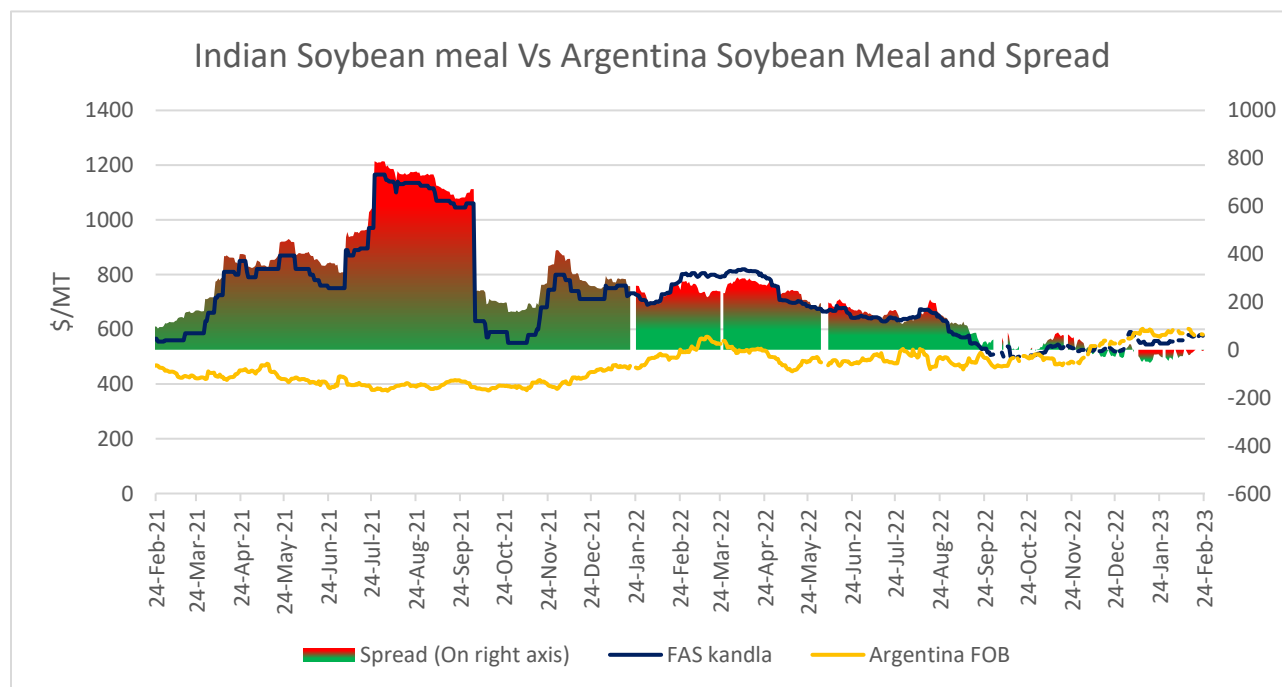
During the week under review, Indore Soymeal weekly average prices remained sideways, extended previous week gains and went marginally up by 0.3% to INR 44,750/MT as compared to last week at INR 44,633/ amid good export demand. Revival of export demand has pushed soymeal prices to five months high of INR 45,000/MT and in upcoming weeks too it is expected to trade with firm bias.

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 soymeal 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.



Total oil meal exports in April- Jan'23 went up by 70% to 32.97 Lakh tonnes vs 19.44 Lakh tonnes previous year same period. However, Soymeal exports up by 109% to 1.10 Lakh tonnes in Jan'23 Vs 0.53 Lakh tonnes previous year same period. 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-Jan'23 soymeal exports are up by 77% to 5.57 Lakh tonnes as compared to 3.15 Lakh tonnes previous year same period.



Currently, Indian Soymeal FOB prices trading at \$576/MT, Argentina Soymeal FOB prices trading at \$581/MT and spread stands at \$-5/MT. 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:



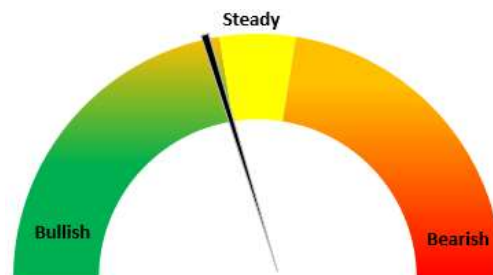
Technical Commentary:

- Soybean Indore prices gained for the fourth straight week and closed to 45,000 levels and during the week under review, market made low of 44,500, high of 45,000.
- Market is currently trading above 9 and 18 EMA, 23.6% Fibonacci retracement can be characterized as support and 38.2% Fibonacci retracement and 50, 100 EMA can be characterized as resistance.
- RSI has improved from 44 to 55 indicating firm buying strength. MACD is indicating steady to firm momentum.
- 42,000 is near term support and 45,000-46,000 is near term resistance.

Recommendation-

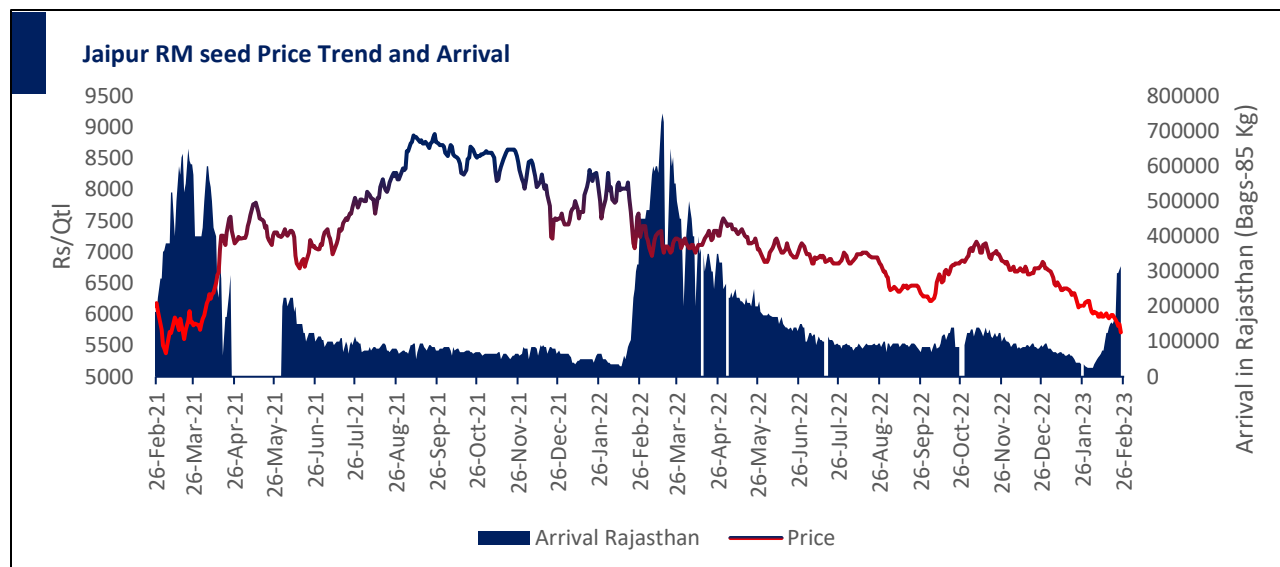
- Market Participants are recommended to buy near 42,000 and sell in the range of 44,000-45,000.

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 weeks.

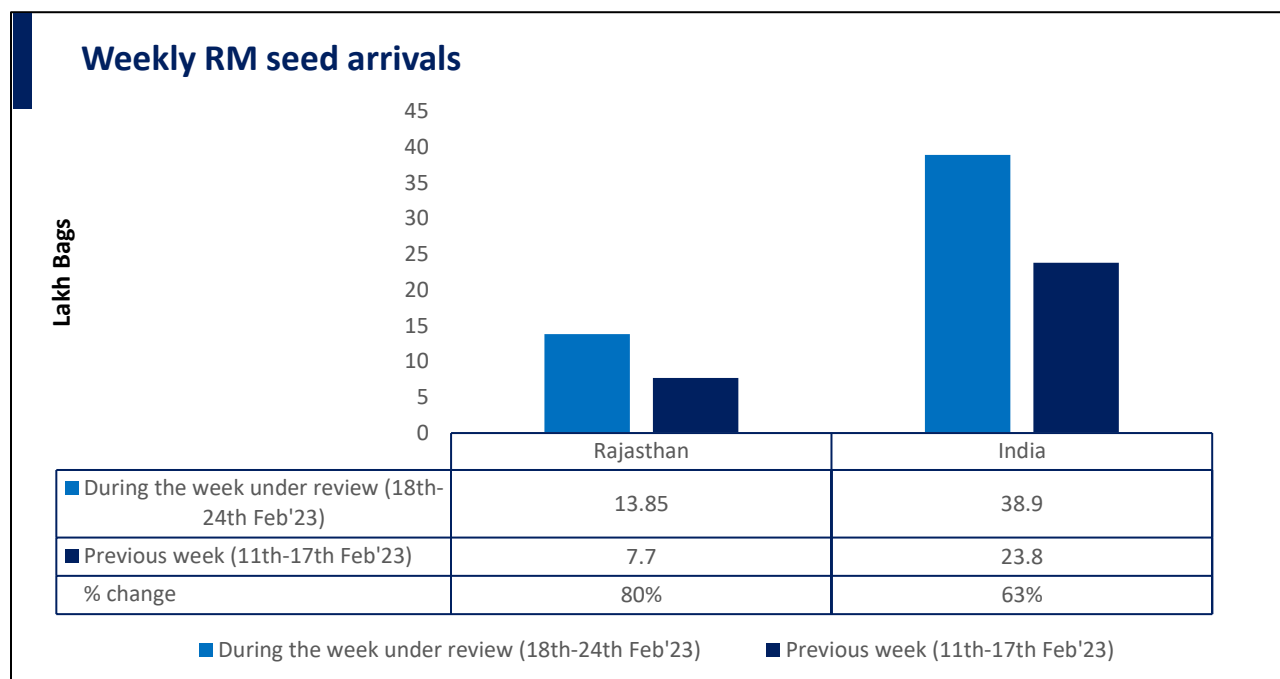


Soymeal Indore Price Outlook (INR./MT)	Previous week 11th Feb'23- 17th Feb'23	Week under review 18th Feb'23- 24th Feb'23	Next week 25th Feb'23- 03rd Mar'23
Weekly Average Price	43,800-45,000	44,500-45,000	43,000-46,000

Rapeseed - Mustard Seed

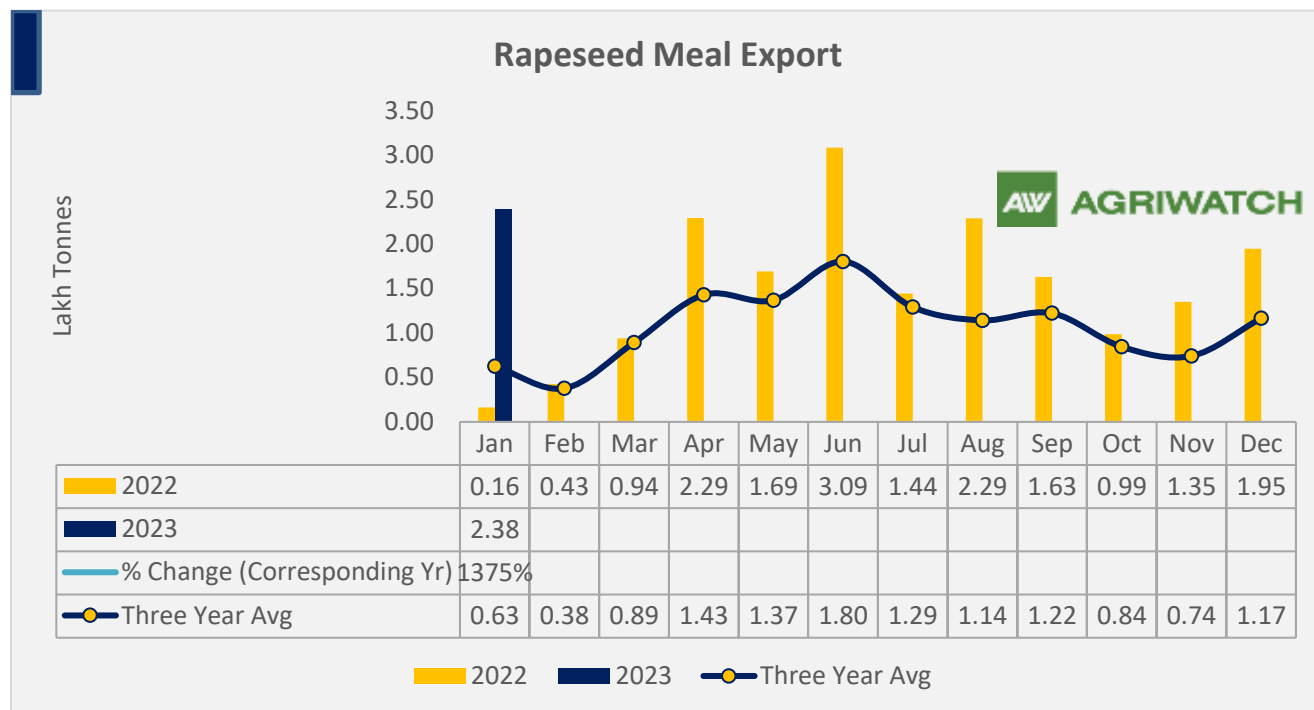


Jaipur RM seed weekly average prices declined for eighth straight week by 1.93% to INR. 5,856/qrtl as compared to INR. 5,971/qrtl previous week as increased arrivals pulled down RM seed prices. So far RM seed has corrected by more than 20% from previous high of INR 7,162/qrtl. As of now the mustard crop in the states of Rajasthan, Uttar Pradesh, and Madhya Pradesh has reached maturity and is poised for full-scale harvesting. At present, most of the mandis are receiving new RM seed with high moisture content.



During the week under review, RM Seed arrivals recorded up. Arrivals in Rajasthan recorded up by 80% to 13.85 Lakh bags as compared to 7.7 lakh bags previous week. All India arrivals went up and stood at 38.9

Lakh bags Vs 23.8 Lakh bags previous week. Arrivals are increasing as farmers are offloading their new produce and expected to peak in the mid march.



There is a significant jump in export of rapeseed meal in April'22-Jan'23 and reported at 16.70 Lakh tons compared to 7.14 Lakh tons previous year same period i.e., up by 162%. And in Jan'23 exports recorded up by 22% to 2.38 Lakh tonnes vs 1.94 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%
Total	98.02	91.25	7.42%

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 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%.

Technical Analysis

(Based on Jaipur Mandi prices)

RM seed – Technical Outlook

RM seed Jaipur Spot -Weekly time frame

Technical Chart:

Technical Commentary:

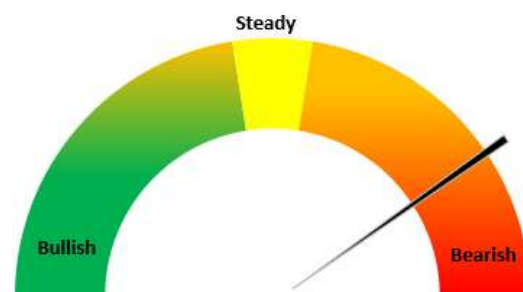


- As depicted in the above chart, during the week under review, market closed lower to 5,713, made low of 5,713, high of 5,913.
- Market is currently trading below 9, 50 and 100 DMA and can be characterized as resistance. And it has breached 61.8% of fibonacci retracement level.
- RSI is below 25 indicating oversold zone and MACD is also indicating weak momentum.
- Immediate support is at 5,700 and immediate resistance is at 5,900.

Recommendation-

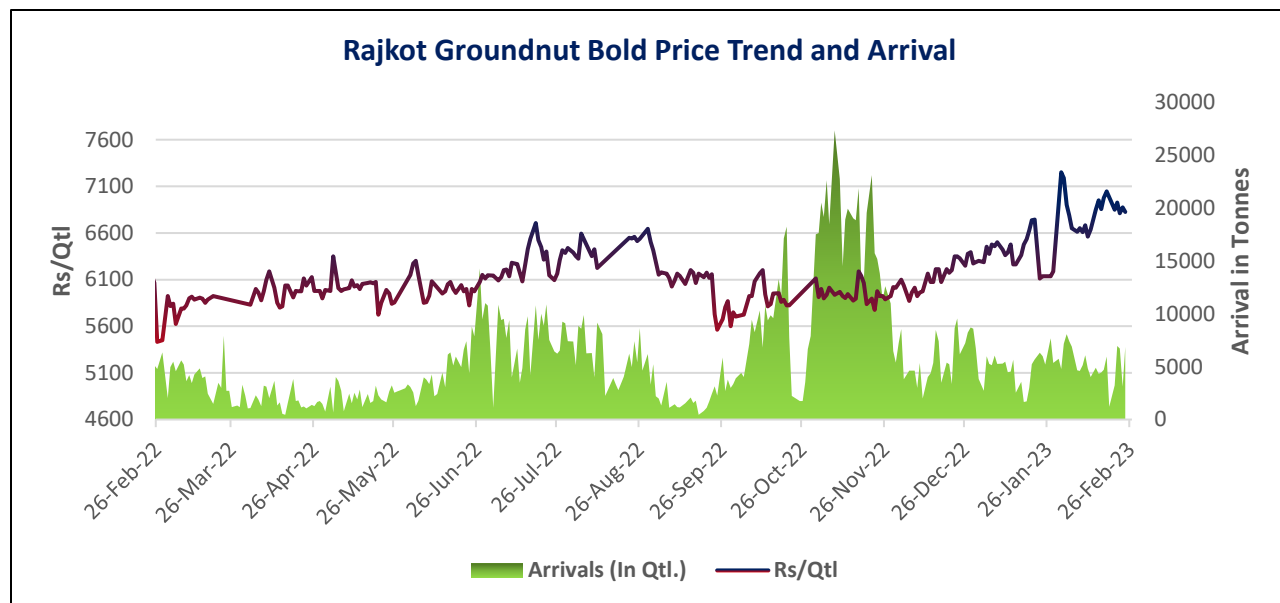
Market participants are recommended to start buying from 5,600-5,700.

RM seed Price Outlook for coming week: RM Seed is expected to trade with weak bias amid increase in new crop arrivals and higher production expectation.



Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 11th Feb'23- 17th Feb'23	Week under review 18th Feb'23- 24th Feb'23	Next week 25th Feb'23- 03rd Mar'23
Weekly Average Price	5,938-6,013	5,713-5,988	5,700-6,000

Groundnut



During the week under review, Rajkot Groundnut weekly average bold prices went marginally down by 0.41% to INR 6,857/Qtl. as compared to previous week at INR 6,627/Qtl. amid increased arrivals. All India arrivals recorded up by 10% to 0.26 Lakh tonnes as compared to 0.24 Lakh tonnes previous week.

The prices of groundnut oil in Rajkot have recently experienced a sudden increase, and during the week under review witnessed all time high of INR 1,750 for 10 kg. 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 firm sentiment, reaching an average price of INR 6,857 per quintal, 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%
Total	5.678	5.228	8.60%

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 marginally lower to 6,825, made low of 6,812, high of 6,925.
- 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.
- RSI is above 55 indicating firm buying strength and MACD is also indicating strong momentum.
- Immediate support is at 6,800, next support is at 6,200 and immediate resistance is at 7,000, next resistance is at 7,200.

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 and domestic demand.



Rajkot Groundnut Bold Price Outlook (INR./Qtl)	Previous week 11th Feb'23- 17th Feb'23	Week under review 18th Feb'23- 24th Feb'23	Next week 25th Feb'23- 03rd Mar'23
Weekly Average Price	6,638-7,045	6,813-6,925	6,700-7,100

Annexure

	% Change over previous week	Today	Week Ago	Month Ago	Year Ago	
Soy DOC Rates at Different Centers		25-Feb-23	18-Feb-23	25-Jan-23	25-Feb-22	
Centres		Ex-factory rates (Rs/ton)				parity To
Indore - 45%, Jute Bag	1%	45000	44500	41500	61500	Gujarat, MP
Kota - 45%, PP Bag	1%	46500	46000	43200	63200	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	3%	47500	46000	44000	67000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	-2%	45500	46500	42500	61000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	2%	46000	45000	43500	61200	Andhra, AP, Kar, TN
Latur	1%	46500	46000	44000	68500	-
Sangli	-1%	43000	43500	41000	57750	Local and South
Solapur	2%	46500	45500	44000	64000	Local and South
Akola – 45%, PP Bag	1%	45000	44500	42000	57500	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	2%	46000	45000	44000	60500	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	1%	46300	45800	43000	63000	-
Soy DOC at Ports						
Centers		Port Price				
		25-Feb-23	18-Feb-23	25-Jan-23	25-Feb-22	
Kandla (FOR) (INR/MT)	-	-	NA	44000	65000	
Kandla (FAS) (USD/MT)	-	-	NA	548	825	
CNF Indonesia – Yellow SBM (USD/MT)	-	-	-	-	-	

Rapeseed Meal		25-Feb-23	18-Feb-23	25-Jan-23	25-Feb-22	
FAS Kandla (USD/MT)	-	245	-	-	-	
FOR Kandla (Rs/MT)	-	20000	-	-	-	
FOR Mundra (Rs/MT)	-	NA	-	-	-	
CNF Indonesia (USD/MT)	-	273	-	-	-	
International Soy DOC						
Argentina FOB USD/MT		25-Feb-23	18-Feb-23	25-Jan-23	25-Feb-22	
Soybean Pellets	-	585	-	-	-	
Soybean Cake Flour	-	585	-	-	-	
Soya Meal	-	NR	-	-	-	
Soy Expellers	-	NR	-	-	-	
Sunflower (DOC) Rates		Ex-factory rates (Rs/ton)				
Centers		25-Feb-23	18-Feb-23	25-Jan-23	25-Feb-22	
Adoni	-3%	37000	38000	36000	30500	
Khamgaon	-	NA	-	-	-	
Parli	-	NA	-	-	-	
Latur	-	NA	-	-	30000	
Groundnut Meal (Rs/MT)		25-Feb-23	18-Feb-23	25-Jan-23	25-Feb-22	
Basis 45%, Saurashtra	12%	38500	34500	35000	50000	
Basis 40%, Saurashtra	12%	37500	33500	33000	45000	
GN Cake, Gondal	11%	42000	38000	37000	50000	
Mustard DOC		25-Feb-23	18-Feb-23	25-Jan-23	25-Feb-22	
Jaipur (Plant delivery)	-4%	19000	19800	20000	22000	
Kandla (FOR Rs/MT)	-3%	20000	20700	20900	22500	

Mumbai Oil Meal Quotes:						
Rs/M.T.		25-Feb-23	18-Feb-23	25-Jan-23	25-Feb-22	
G.N. Extr (45%)	5%	39000	37000	34500	50000	
Kardi Extr	-	NA	-	-	-	
Undec Cottonseed Exp	-2%	30000	30500	34000	35500	
Rice Bran Extr.	-	NA	-	-	-	
Sunflower Extr.	-6%	31000	33000	29000	34000	
Rapeseed Extr.	-	NA	-	-	-	
Soymeal 48%	1%	46957	46435	43565	64174	
Castor Extr.	-13%	8150	9350	9950	11950	

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