



# Oil Meal Weekly Research Report

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## Executive Summary

The weekly average prices of Soybean Indore plant prices remained sideways and went down by 1.90% to INR 5,558/ Qtl. amid weakness in soy oil prices and subdued demand from crushers.

The weekly average prices of Indore soymeal too remained sideways and went down by 1.1% to INR 44,250/MT as compared to last week at INR 44,750/MT in tandem with bearish oil complex.

During the week under review, Jaipur RM seed weekly average prices went down by 4% to INR. 5,621/qtl amid increase in arrivals.

During the week under review, Rajkot Groundnut weekly average bold prices went up by 0.72% at INR 6,906/Qtl. amid good demand.

## Outlook – Cash Market

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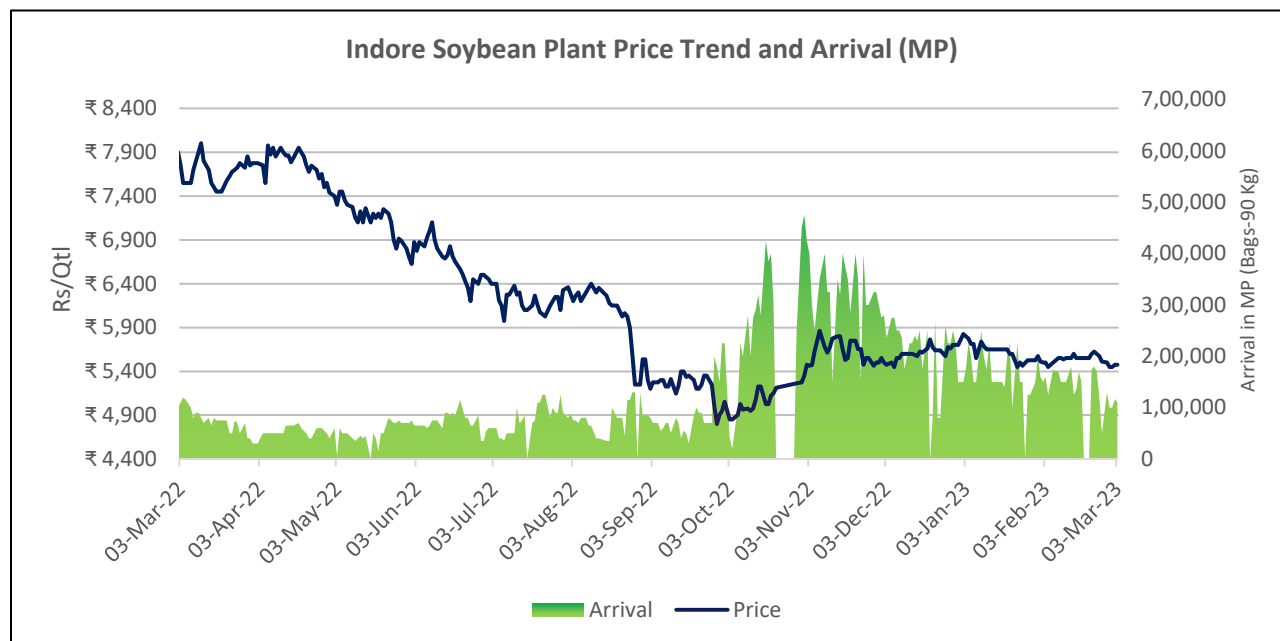
**Outlook - Soybean (Spot Indore):** In the coming week, soybean plant prices are expected to trade sideways amid subdued demand from crushers on disparity. The prices (Indore, Plant basis) are expected to feature in the price band of 5,400-5,650 levels in the near term.

**Outlook – Soy meal:**

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

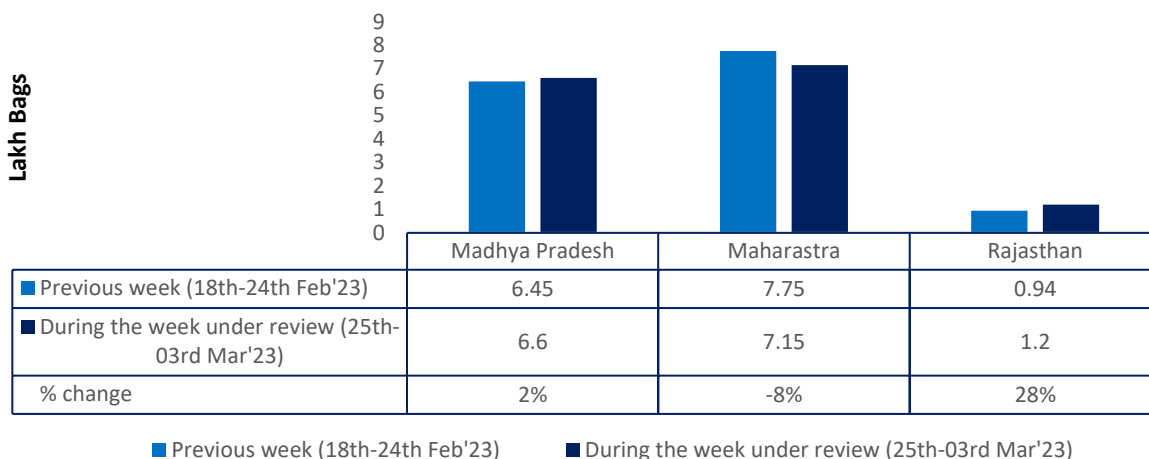
**Outlook - Rapeseed-Mustard (Spot, Jaipur basis):** Rapeseed-Mustard is expected to trade with weak bias amid increase in arrivals. The seed prices are likely to trade in the range between 5,500 – 5,800/Qtl. in the short-run.

### Soybean



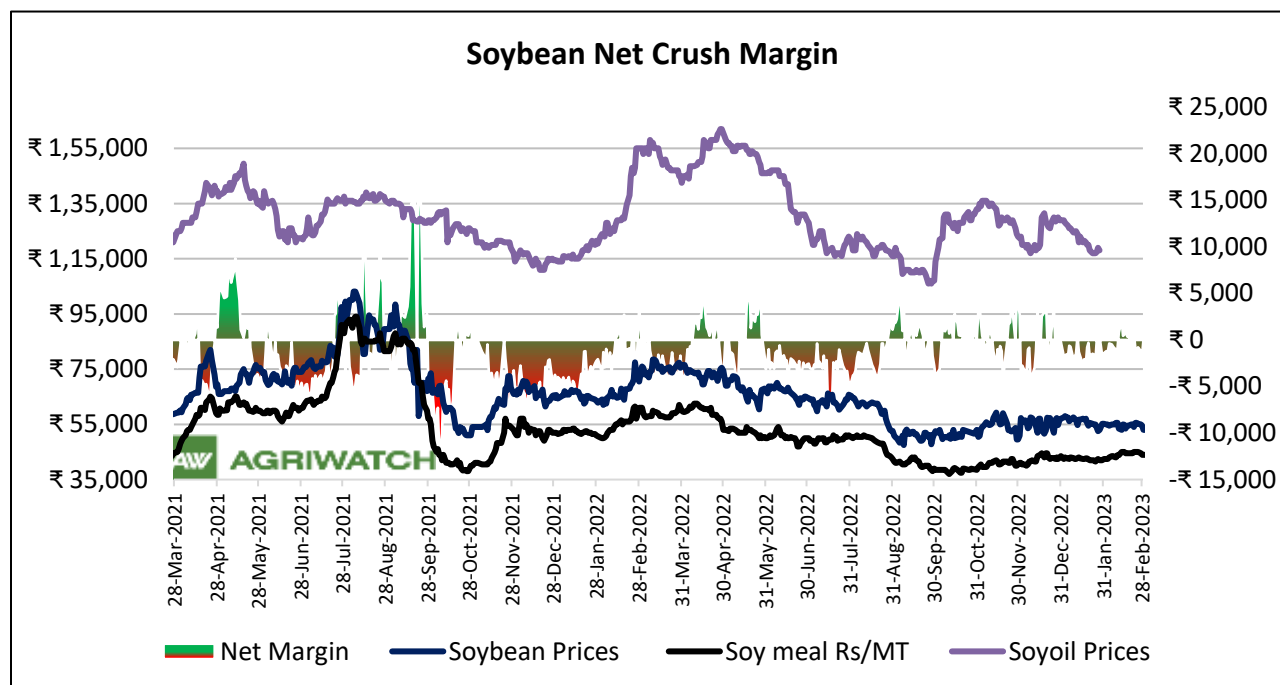
During the week under review, the prices of Soybean in Indore declined by -1.90% to INR 5,477/qtl as compared to the previous week at INR 5,583/qtl. amid weakness in edible oil prices. Indore Soy oil went down by 3% to 1,105/10 Kg as compared to previous week at 1,140/10 Kg. It is worth noting that Soybean prices have gone up by over 28% since the current season's low of INR 4,300. In upcoming week, arrivals are likely to decline amid festivals and prices to remain sideways with firm bias due to TRQ removal on Sun oil, improved palm oil prices due to flood like situation in malaysia coupled with weaker Ringgit.

### Weekly Soybean Arrivals



During the week under review, the total arrivals in MP went marginally up by 2% to 6.6 Lakh bags Vs 6.45 Lakh bags previous week. In Maharashtra arrivals recorded low to 7.15 Lakh bags vs 7.15 Lakh bags last week. In Rajasthan the arrivals recorded down to 0.94 lakh bags Vs 1.55 Lakh bags previous week. Arrivals likely to decline in upcoming week amid festivals.

### Soybean Crush Margin-



Soybean net crush margins were squeezed during the week under review as soy oil and meal prices declined. Weekly average soybean net crush margin for the period of 25th -03rd March is in disparity at INR -476/ MT as compared to previous week at INR -318/MT. In upcoming week too, net crush margin likely to improve slightly squeezed on improved soy oil prices in coming week.

### International Update:

#### Brazil Soybean Harvesting:

According to AgRural, the soybean harvest in Brazil had progressed 33% as of the end of last week, which is lower than the 43% progress recorded at the same time last year. The past week saw an 8% increase in progress, which was attributed to drier weather conditions in Mato Grosso. However, wet weather in Parana and Mato Grosso do Sul remained a challenge, preventing farmers from accessing their fields.

### Argentina soybean crop condition:

The 2022/23 soybeans in Argentina were rated 60% poor/very poor, 37% fair, and 3% good/excellent. The good/excellent percentage was down 6% from the prior week. The soil moisture for the soybeans was rated 73% short/very short and 29% favorable/optimum. The favorable/optimum percentage was down 4% from the prior week.

### Technical Analysis

#### US Soybean futures



As depicted in the above chart, During the week under review, US Soybean gained after previous week's loss and then went down by 1.13% to \$15.11/bushels. 9 and 18 DMA, can be characterized as resistance while 50 and 100 DMA can be characterized as support. 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:



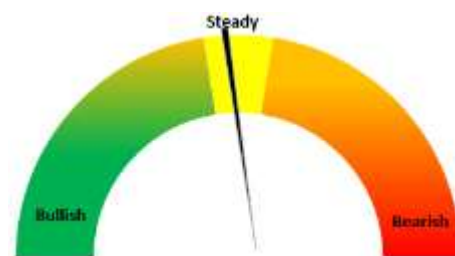
##### Technical Commentary:

- During the week under review, Soybean Indore prices closed marginally down to 5,500 levels as compared to 5,513 previous week and market made low of 5,450 and a high of 5,500.
- 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.
- 5200-5300 is near term support and 5,700-5,800 is near term resistance.

##### Recommendation-

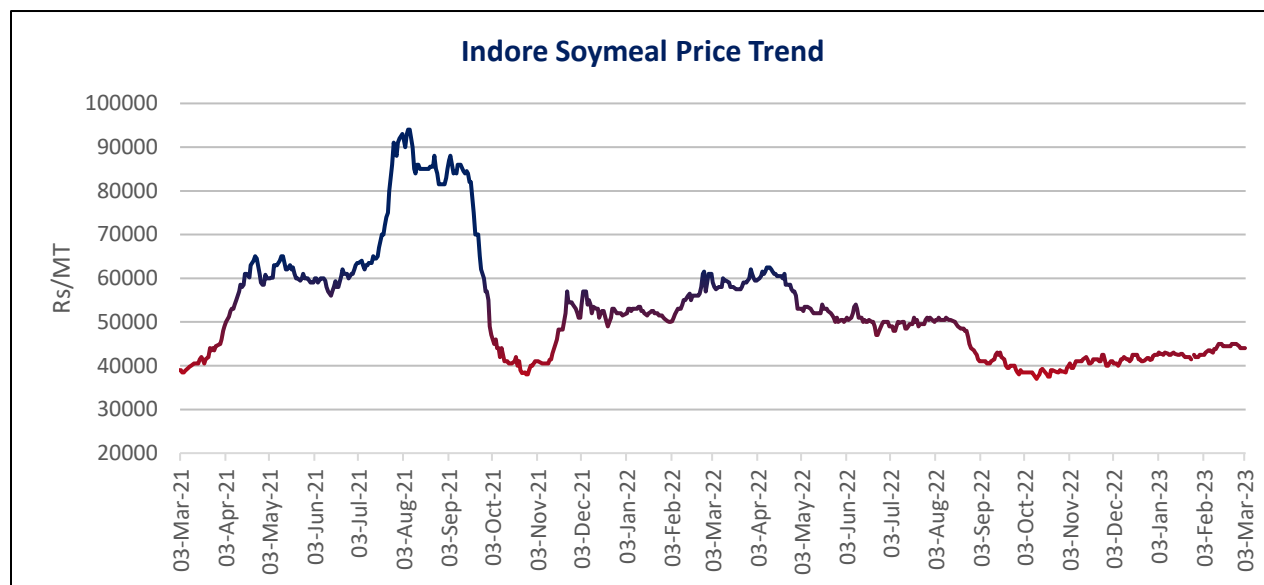
- Market Participants are recommended to buy their stocks in the range of 5200-5,400 and wait to sell above 5500.

**Soybean Price Outlook for coming week:** Indore Soybean plant prices are currently at INR. 5,500/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 18th Feb'23- 24th Feb'23	Week under review 25th Feb'23- 03rd Mar'23	Next week 04th Mar'23- 10th Mar'23
Weekly Average Price	5,550-5,625	5,450-5,513	5,400-5,650

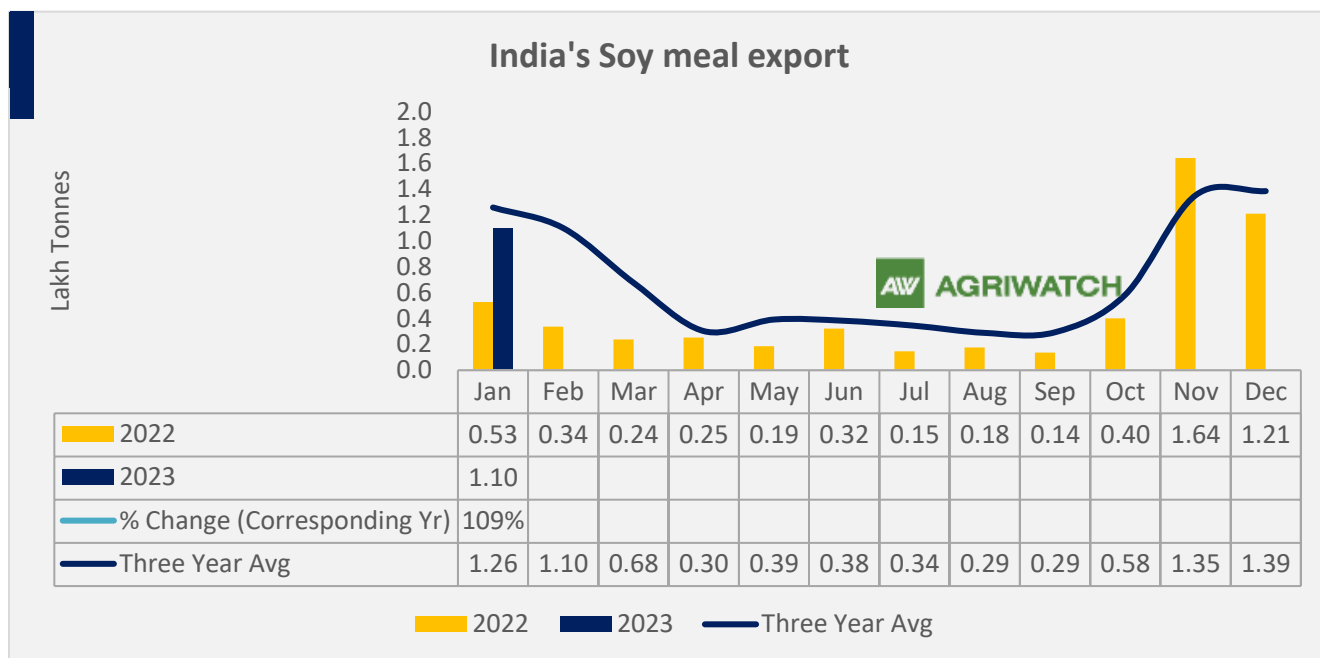
## Soymeal



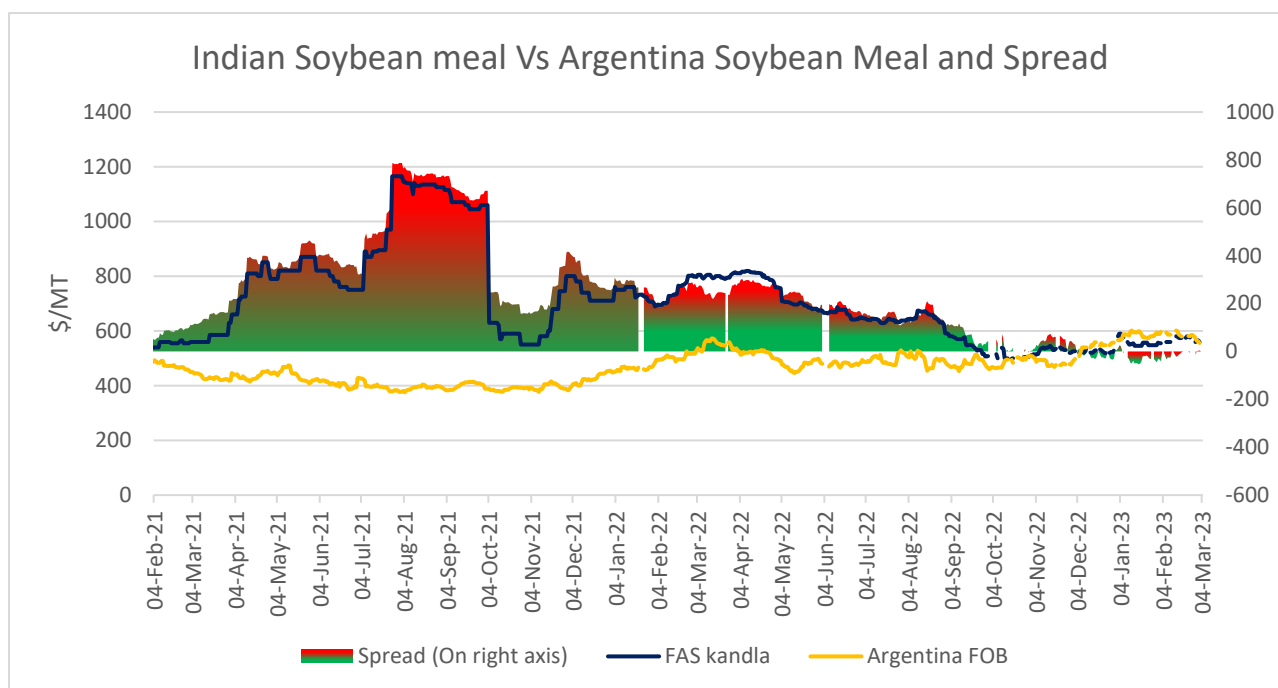
During the week under review, Indore Soymeal weekly average prices remained sideways, and declined by 1.1% to INR 44,250/MT as compared to last week at INR 44,750/ amid good export demand. In upcoming week it is expected to trade sideways.

India's soymeal exports likely to double in the 2022/23 marketing year, as drought in top exporter Argentina has lifted global prices, prompting buyers to turn to countries like India. 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 competitive against Argentina currently. 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 '22- 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 is at \$560/MT, Argentina Soymeal FOB prices are at \$556/MT and spread stands at \$4/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 declined after four weeks of gains and closed at 44,000 levels and during the week under review, market made low of 44,000, high of 44,500.
- 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 declined from 55 to 51 indicating firm buying strength. MACD is indicating steady momentum.
- 42,000 is near term support and 45,000-46,000 is near term resistance.

##### Recommendation-

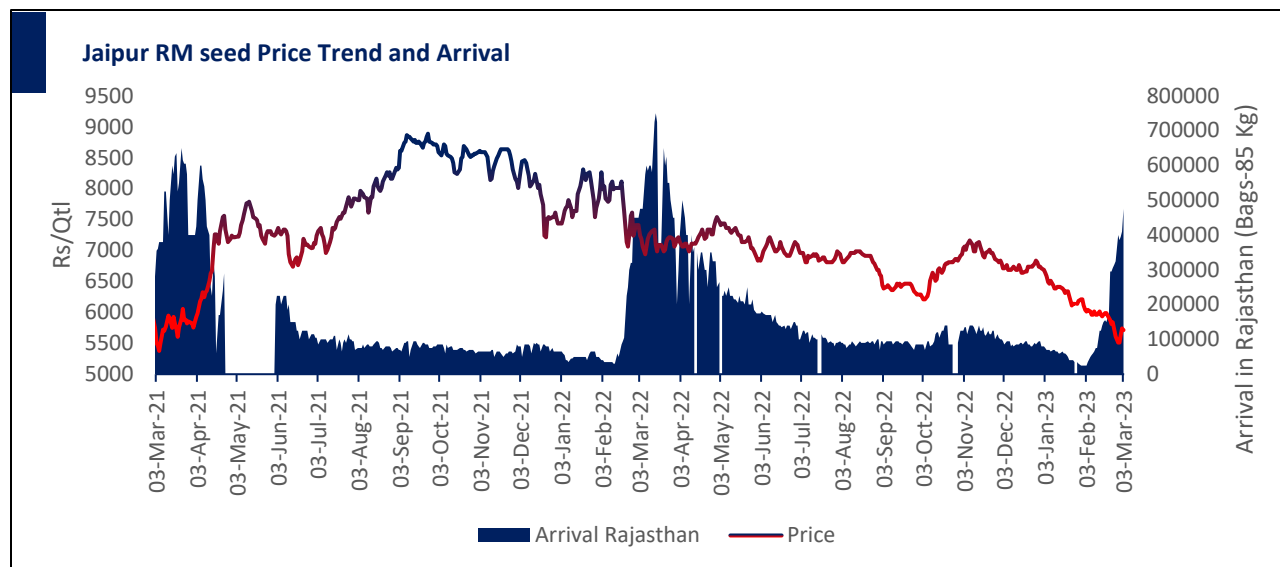
- Market Participants are recommended to buy near 42,000 and sell in the range of 44,000-45,000.

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

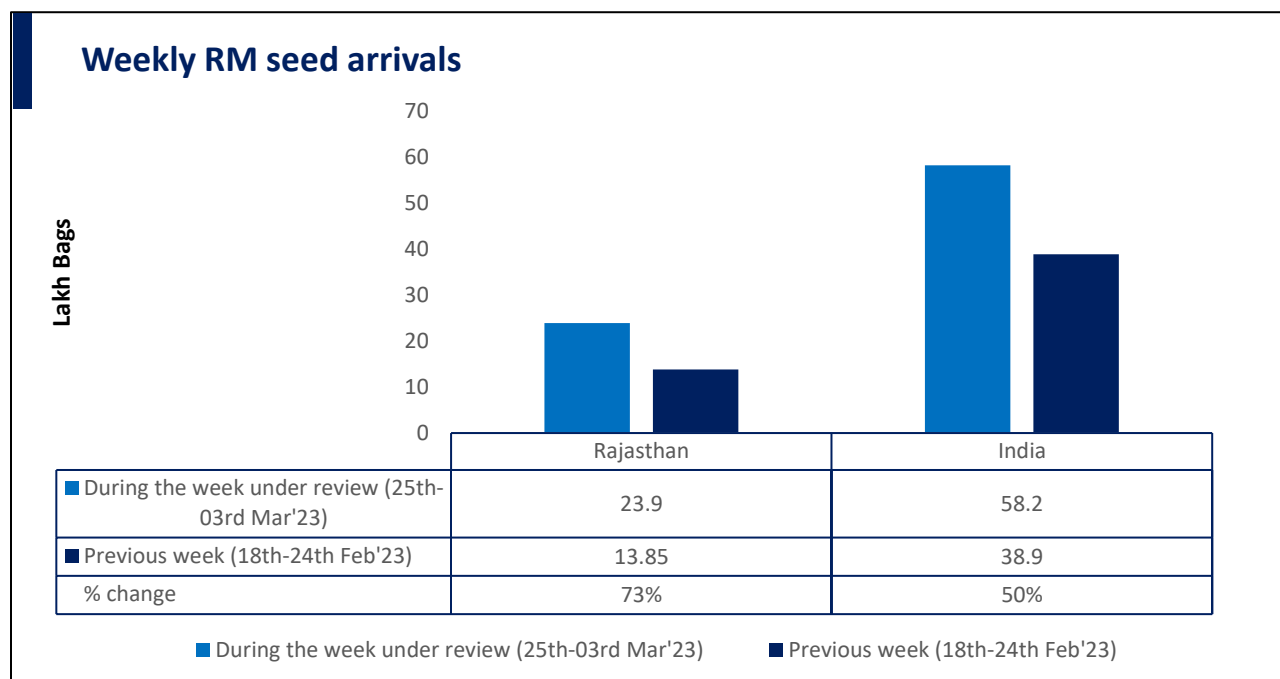


Soymeal Indore Price Outlook (INR./MT)	Previous week 18th Feb'23- 24th Feb'23	Week under review 25th Feb'23- 03rd Mar'23	Next week 04th Mar'23- 10th Mar'23
Weekly Average Price	44,500-45,000	44,000-45,000	43,000-46,000

### Rapeseed - Mustard Seed

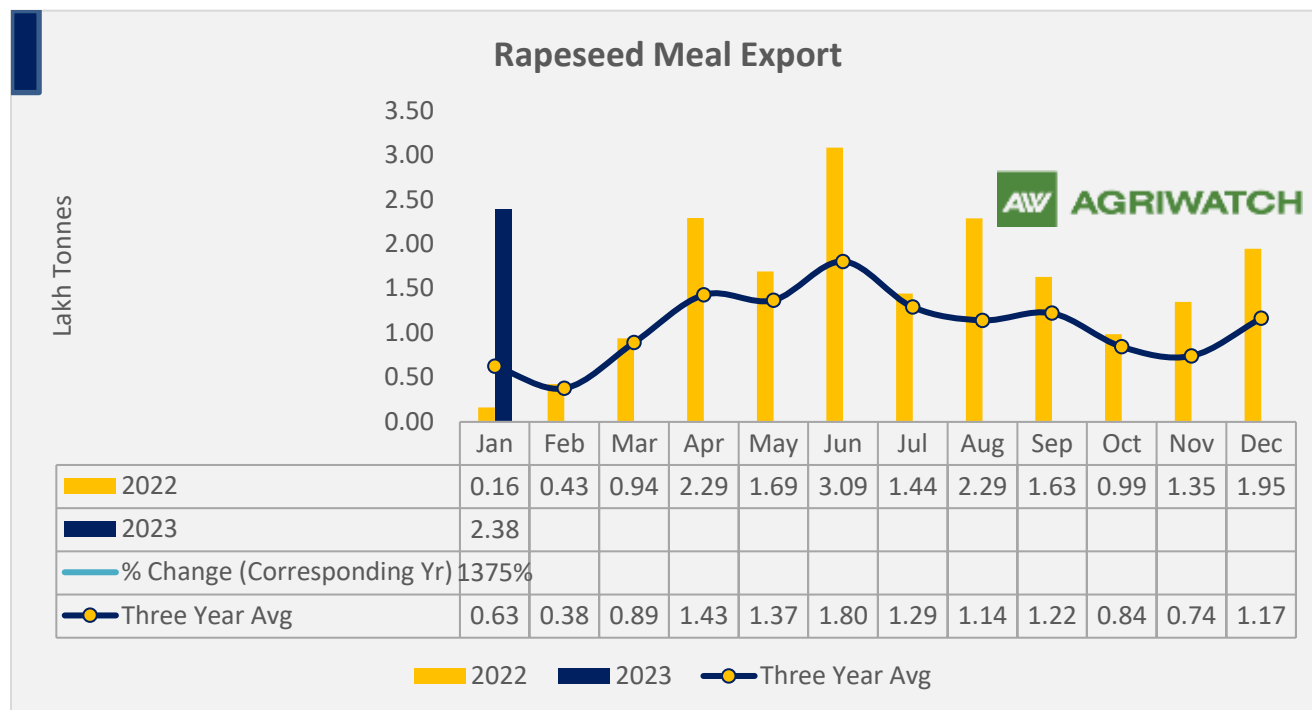


During the week under review, Jaipur RM seed weekly average prices extended previous week losses and went down by 4% to INR 5,621/Qtl as compared to previous week at INR 5,856/Qtl. As of now market has made low of INR INR 5,512/Qtl on 27<sup>th</sup> and 28<sup>th</sup> Feb 2023. And after that has market rebounded in tandem with improved edible oil basket tracking abrogation of sunflower oil TRQ and improved Palm oil prices due to flood like situation in Malaysia coupled with weaker Ringgit.



During the week under review, RM Seed arrivals continued to increase. Arrivals in Rajasthan recorded up by 73% to 23.9 Lakh bags as compared to 13.85 lakh bags previous week. All India arrivals too went up at 58.2

Lakh bags Vs 38.9 Lakh bags previous week. Arrivals are increasing as farmers are offloading their new produce and expected to peak in the mid march.



There has been a significant jump in export of rapeseed meal in April'22-Jan'23 and was 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 were 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.

### 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.

### 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

(ICE Canola)

#### ICE Canola – Technical Outlook

#### ICE Canola -Weekly time frame

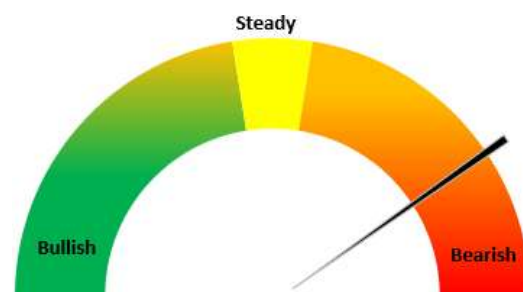
#### Technical Chart:



#### Technical Commentary:

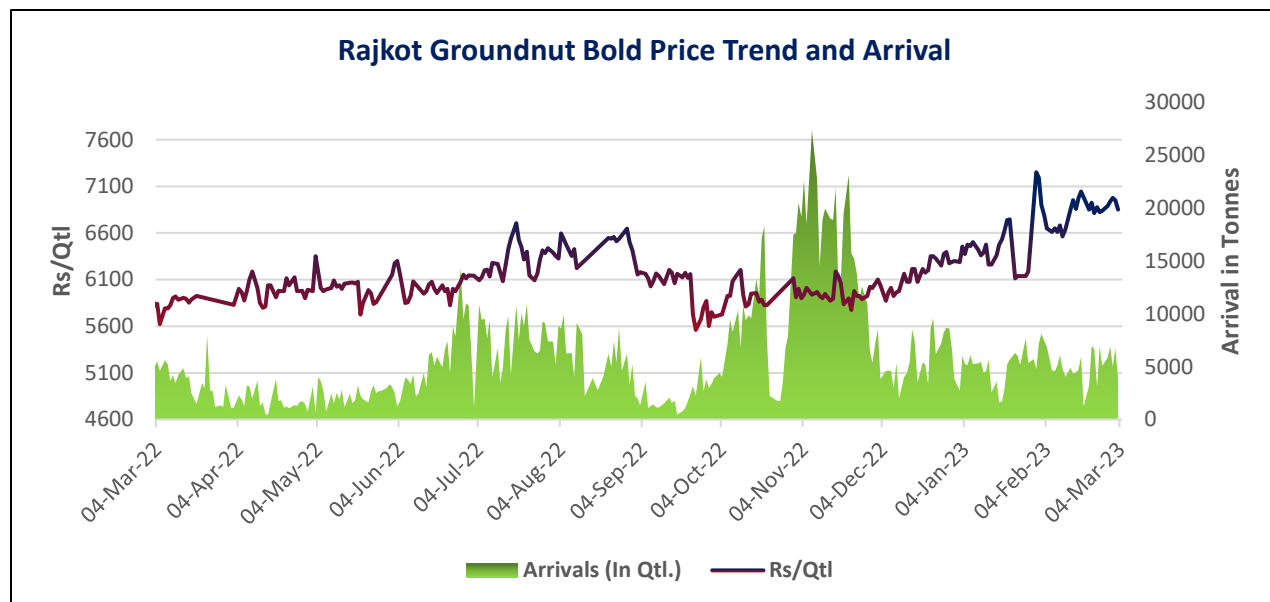
- As depicted in the above chart, during the week under review, market went up by 1.57% to 847.50 as compared to previous week at 834.40. Market made low of 840 and high of 852.
- Market is currently trading below 18, 50 and 100 DMA and can be characterized as resistance. And trading above 9 DMA, can be characterized as support.
- RSI is below 50 indicating weak buying strength and MACD is indicating steady to weak momentum.
- Immediate support is at 820 and immediate resistance is at 870.

**RM seed Price Outlook for coming week:** In upcoming week RM Seed is expected to trade with weak bias amid increase in arrivals.



Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 18th Feb'23- 24th Feb'23	Week under review 25th Feb'23- 03rd Mar'23	Next week 04th Mar'23- 10th Mar'23
Weekly Average Price	5,713-5,988	5,513-5,738	5,500-5,800

## Groundnut



During the week under review, Rajkot Groundnut weekly average bold prices remained sideways and went marginally up by 0.72% to INR 6,906/Qtl. as compared to previous week at INR 6,857/Qtl. amid good demand from china and south east asia. All India arrivals recorded up by 6% to 0.28 Lakh tonnes as compared to 0.26 Lakh tonnes previous week.

The prices of groundnut oil declined from all time high of INR 1,750 to 1,675/10 Kg amid pressure in edible oil basket. In AP and Telangana Crop arrivals are picking up gradually, and a steady supply of Spanish java peanuts is seen. Kharif crop stocks have depleted at NAFED. and stock levels of the 2021 crop with NAFED are at 20000 Tons, which is insufficient to meet domestic oil demand. However, domestic oil and oil cake prices support peanut prices.

Argentina is facing severe heat waves amid low precipitation. Prolonged dryness along with low acreage has led to lower GN seed production which may slide to 8.50 LT USDA attache has estimated Argentina's GN seed production at 10.50 LT compared to 12.50 Lt in its previous estimates.



### Technical Analysis

(Based on Rajkot GN Bold Mandi prices)

#### Groundnut Bold – Technical Outlook

#### Rajkot -Weekly time frame

#### Technical Chart:



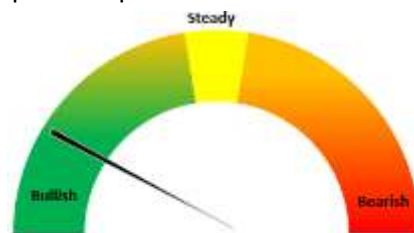
#### Technical Commentary:

- As depicted in the above chart, during the week under review, market closed marginally up to 6,850, made low of 6,850, high of 6,975.
- 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 6,500 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 and good demand.



Rajkot Groundnut Bold Price Outlook (INR./Qtl)	Previous week 18th Feb'23- 24th Feb'23	Week under review 25th Feb'23- 03rd Mar'23	Next week 04th Mar'23- 10th Mar'23
Weekly Average Price	6,813-6,925	6,838-6,975	6,700-7,100

### Annexure





	% Change over previous week	Today	Week Ago	Month Ago	Year Ago	
<b>Soy DOC Rates at Different Centers</b>		<b>04-Mar-23</b>	<b>25-Feb-23</b>	<b>01-Feb-23</b>	<b>04-Mar-22</b>	
<b>Centres</b>		<b>Ex-factory rates (Rs/ton)</b>				parity To
Indore - 45%, Jute Bag	-2%	44000	45000	42500	58000	Gujarat, MP
Kota - 45%, PP Bag	-3%	45000	46500	43000	63000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	-2%	46500	47500	44500	64000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	-2%	44500	45500	42000	65000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	-1%	45500	46000	43800	62500	Andhra, AP, Kar, TN
Latur	-2%	45500	46500	44000	66000	-
Sangli	-1%	42500	43000	40500	60000	Local and South
Solapur	-1%	46000	46500	40500	62000	Local and South
Akola – 45%, PP Bag	-2%	44000	45000	42000	60000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	-1%	45500	46000	43500	61000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	-3%	44800	46300	42800	62800	-
<b>Soy DOC at Ports</b>						
<b>Centers</b>		<b>Port Price</b>				
		<b>04-Mar-23</b>	<b>25-Feb-23</b>	<b>01-Feb-23</b>	<b>04-Mar-22</b>	
Kandla (FOR) (INR/MT)	-	NA	NA	44000	63000	
Kandla (FAS) (USD/MT)	-	NA	NA	556	910	
CNF Indonesia – Yellow SBM (USD/MT)	-	NA	NA	577	-	

<b>International Soy DOC</b>						
<b>Argentina FOB USD/MT</b>		<b>04-Mar-23</b>	<b>25-Feb-23</b>	<b>01-Feb-23</b>	<b>04-Mar-22</b>	
Soybean Pellets	-	564	-	-	-	
Soybean Cake Flour	-	564	-	-	-	
Soya Meal	-	NR	-	-	-	
Soy Expellers	-	NR	-	-	-	
<b>Sunflower (DOC) Rates</b>		<b>Ex-factory rates (Rs/ton)</b>				
<b>Centers</b>		<b>04-Mar-23</b>	<b>25-Feb-23</b>	<b>01-Feb-23</b>	<b>04-Mar-22</b>	
Adoni	-11%	33000	37000	35500	30000	
Khamgaon	-	NA	-	-	-	
Parli	-	NA	-	-	-	
Latur	-	NA	-	-	29000	
<b>Groundnut Meal (Rs/MT)</b>		<b>04-Mar-23</b>	<b>25-Feb-23</b>	<b>01-Feb-23</b>	<b>04-Mar-22</b>	
Basis 45%, Saurashtra	-1%	38000	38500	34000	49000	
Basis 40%, Saurashtra	-1%	37000	37500	32000	44000	
GN Cake, Gondal	-1%	41500	42000	35500	49000	
<b>Mustard DOC</b>		<b>04-Mar-23</b>	<b>25-Feb-23</b>	<b>01-Feb-23</b>	<b>04-Mar-22</b>	
Jaipur (Plant delivery)	3%	19500	19000	20000	22500	
Kandla (FOR Rs/MT)	-1%	19800	20000	20500	23000	
<b>Mumbai Oil Meal Quotes:</b>						
<b>Rs/M.T.</b>		<b>04-Mar-23</b>	<b>25-Feb-23</b>	<b>01-Feb-23</b>	<b>04-Mar-22</b>	
G.N. Extr (45%)	0%	39000	39000	35000	45500	
Kardi Extr	-	NA	-	-	-	
Undec Cottonseed Exp	-3%	29000	30000	33000	36500	
Rice Bran Extr.	-	NA	-	-	-	
Sunflower Extr.	-3%	30000	31000	30000	33000	
Rapeseed Extr.	-	NA	-	-	-	

Soymeal 48%	-2%	46174	46957	44609	61565	
Castor Extr.	-2%	7950	8150	9950	12350	

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