



# Oil Meal Weekly Research Report

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## Executive Summary

The weekly average prices of Soybean Indore plant prices went marginally up by 0.93% to INR 5,438/ Qtl. amid decline in arrivals and firm global cues.

The weekly average prices of Indore soymeal too went up by 2.51% to INR 44,250/MT in tandem with soybean.

During the week under review, Jaipur RM seed weekly average prices went marginally up by 0.15% to INR. 5,708/qtl amid procurement by NAFED and crop loss due to unseasonal rainfall.

During the week under review, Bikaner Groundnut weekly average bold prices went down at INR 7,440/Qtl. amid increased arrivals.

## Outlook – Cash Market

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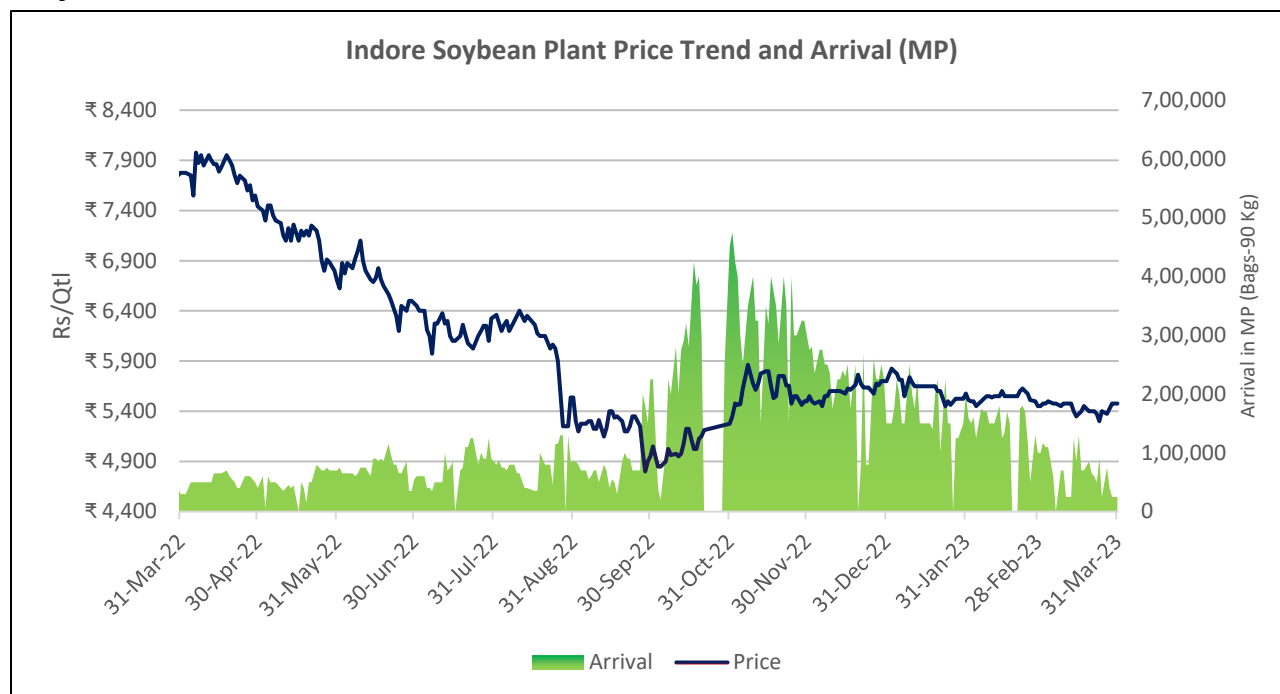
**Outlook - Soybean (Spot Indore):** In the coming week, soybean plant are expected to stay sideways with slightly firm bias amid firm global cues and gains in rival commodities. The prices (Indore, Plant basis) are expected to feature in the price band of 5,300-5,600 levels in the near term.

**Outlook – Soy meal:**

The soy meal (Indore) are likely stay sideways with firm bias amid good export demand and firm global cues. Soy meal Indore prices are likely to be in the range of 43,000 – 45,000/MT.

**Outlook - Rapeseed-Mustard (Spot, Jaipur basis):** Rapeseed-Mustard is expected to extend gains amid decrease in arrivals, procurement by NAFED and HAFED and crop loss due to unseasonal rainfall. The seed prices are likely to be in the range between 5,600 –5,900/Qtl. in the short-run.

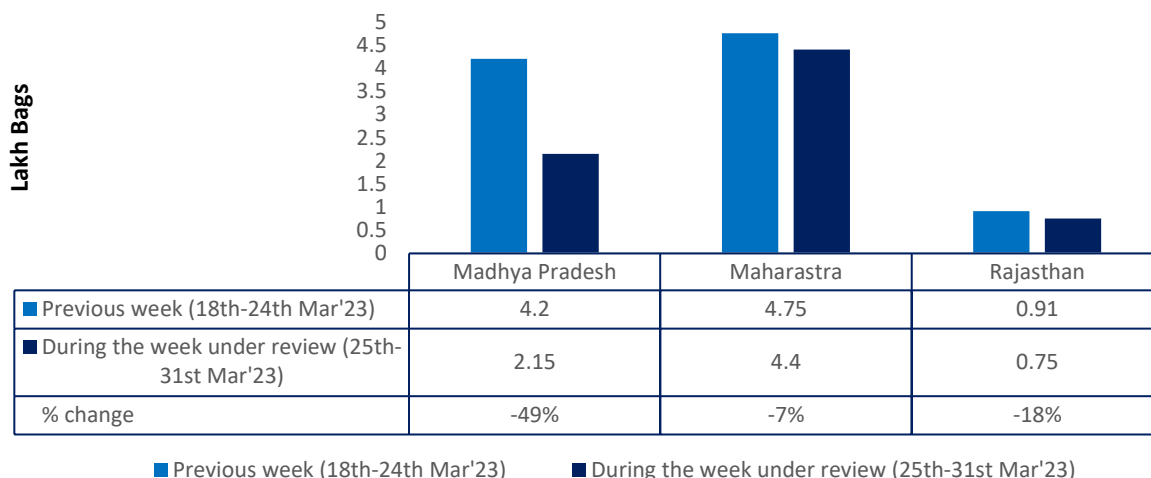
### Soybean



During the week under review, Soybean weekly average prices in Indore remained sideways and went marginally up by 0.93% to INR 5,438/Qtl. as compared to INR 5,388/Qtl. amid firm global cues and decline in arrivals. Month-to-date soybean prices are down by 0.45%, Year-to-date dropped by 6.3%, and in last one year down by 29%. Additionally, Indore soy oil weekly average prices too remained sideways and went marginally down by 0.56% to INR 1,045/ 10 Kg as compared to INR 1,050/ 10 Kg.

During the week under review, the total arrival in MP declined by 49% to 2.15 Lakh bags Vs 4.2 Lakh bags

### Weekly Soybean Arrivals



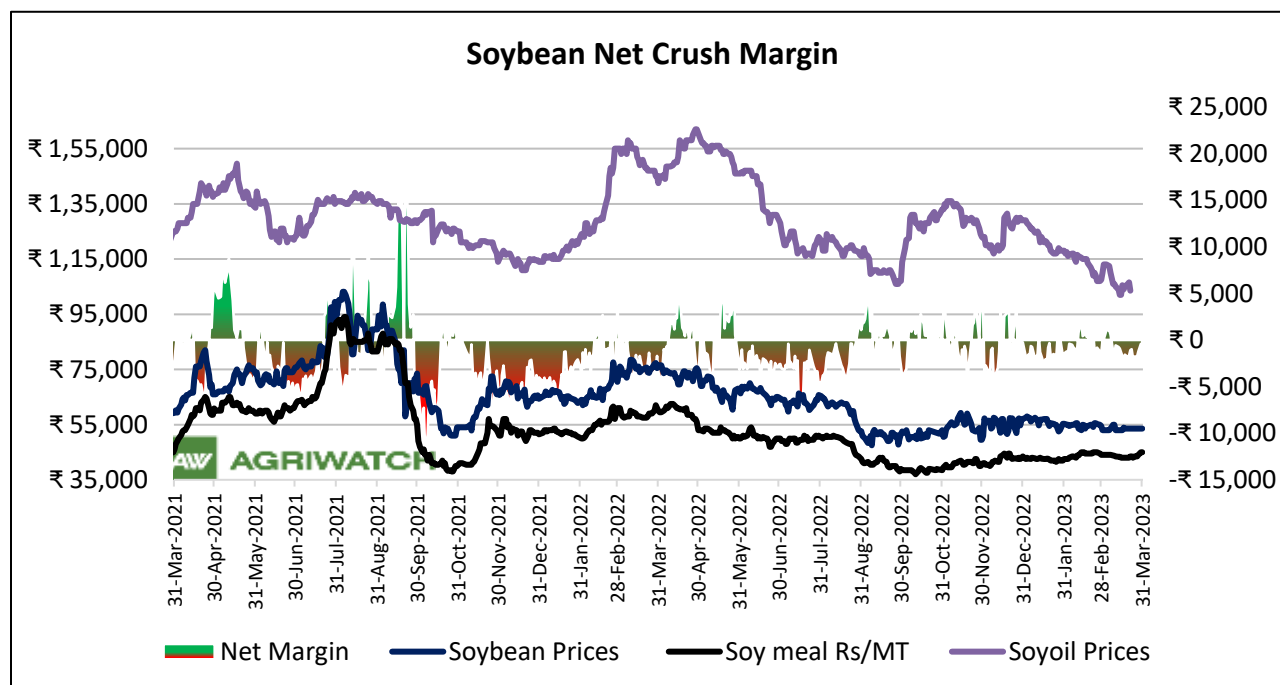
previous week. In Maharashtra arrivals recorded down to 4.4 Lakh bags vs 4.75 Lakh bags last week. In

Rajasthan the arrivals recorded down to 0.75 lakh bags Vs 0.91 Lakh bags previous week. Arrivals declined amid rainfall situation.

The Vegetable Oil Producers Association of India (IVPA) has urged the government to reopen suspended agricultural futures trading. SEBI has suspended the trading of certain agricultural commodities in Dec 2021. The suspension has been extended for one year until Dec 20, 2023.

The Soybean Oil Refiners Association of India (SOPA) has asked the Center to consider increasing import duties on all oils by at least 20%, as global declines in edible oil prices lead to lower oilseed prices in the country.

### Soybean Crush Margin-



Soybean net crush margin improved slightly during the week under review amid increase in soy meal prices. Weekly average soybean net crush margin for the period of 25th -31st March is in disparity at INR -1501/ MT as compared to previous week at INR -1,085/MT. In upcoming week, net crush margin likely to remain weak on weaker soy oil prices.

### International Update:

The Buenos Aires Grain Exchange has kept its 2022/23 forecast for soybean production in Argentina at 25 million tonnes.

AgRural reported that 70% of Brazilian soybeans were harvested by late last week, which is a 5% decrease compared to last year's rate of 75%. However, there was an 8% increase in harvesting progress for the week. Despite this, the Brazilian soybean estimate remained unchanged this week. The final production output will depend on the progress of soybeans in Rio Grande do Sul, where only 4% of the crop has been harvested thus far.

## Technical Analysis

### US Soybean futures



As depicted in the above chart, During the week under review, US Soybean posted gain after four week of consecutive loss and went up by 5.41% to \$15.05/bushels. 9, 18, and 50 DMA ,can be characterized as resistance while 100 DMA can be characterized as support. RSI has improved to 53 indicating weak buying strength. And MACD indicating firm momentum in short run. Over all market is expected continue change in trend and take support from 14-13.5 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:



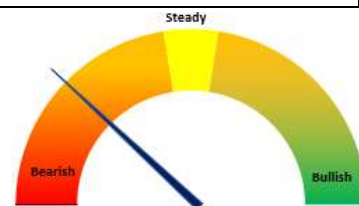
#### Technical Commentary:

- During the week under review, Soybean Indore prices improved and closed at 5,400 levels as compared to 5,300 previous week and market made low of 5,300, high of 5,400.
- Market is currently facing near term resistance of 9, 18 EMA and 23.6% Fibonacci retracement. While 50 and 100 EMA can be characterized as long term resistance.
- RSI is currently below 43, indicating weak buying strength.
- 5300-5400 is near term support and 5,500-5,600 is near term resistance.

#### Recommendation-

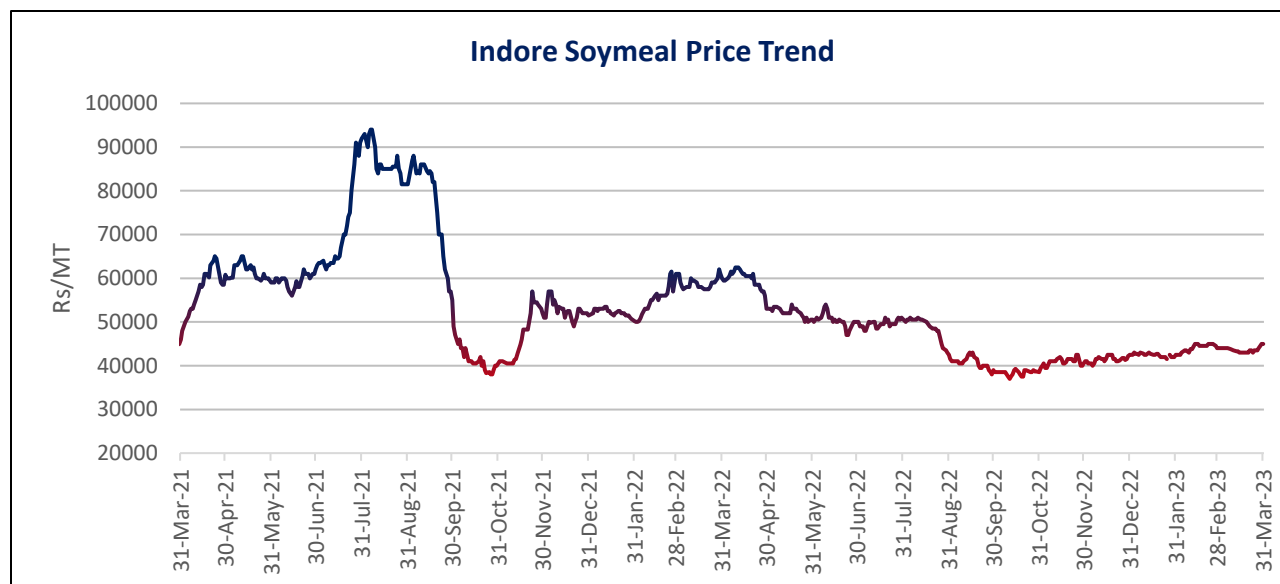
- Market Participants are recommended to buy their stocks in the range of 5300-5,400 and wait to sell in the range of 5500-5600.

**Soybean Price Outlook for coming week:** Indore Soybean plant are currently trading at INR. 5,475/qtl. and are expected to trade range bound with slightly firm bias in the range of INR 5,400-5,600 in short run.

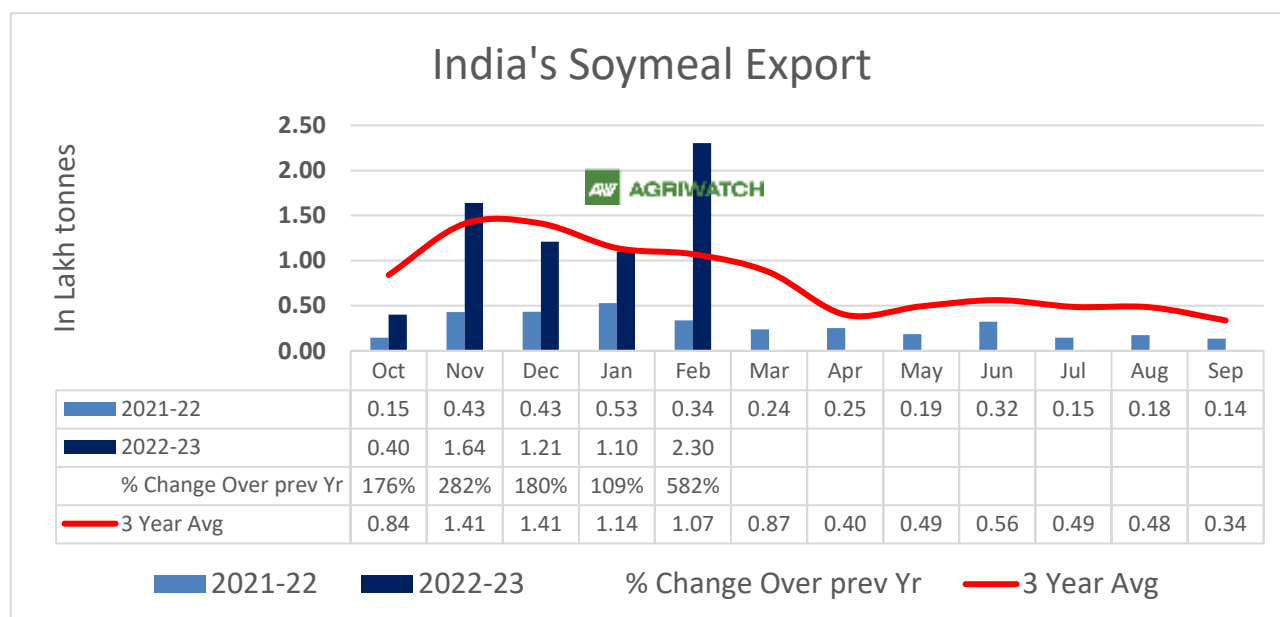


Soybean Plant Price Outlook (INR./Qtl)	Previous week 18th Mar'23- 24th Mar'23	Week under review 25th Mar'23- 31st Mar'23	Next week 1st Apr'23- 7th Apr'23
Weekly Average Price	5,300-5,450	5,375-5,475	5,300-5,600

### Soymeal

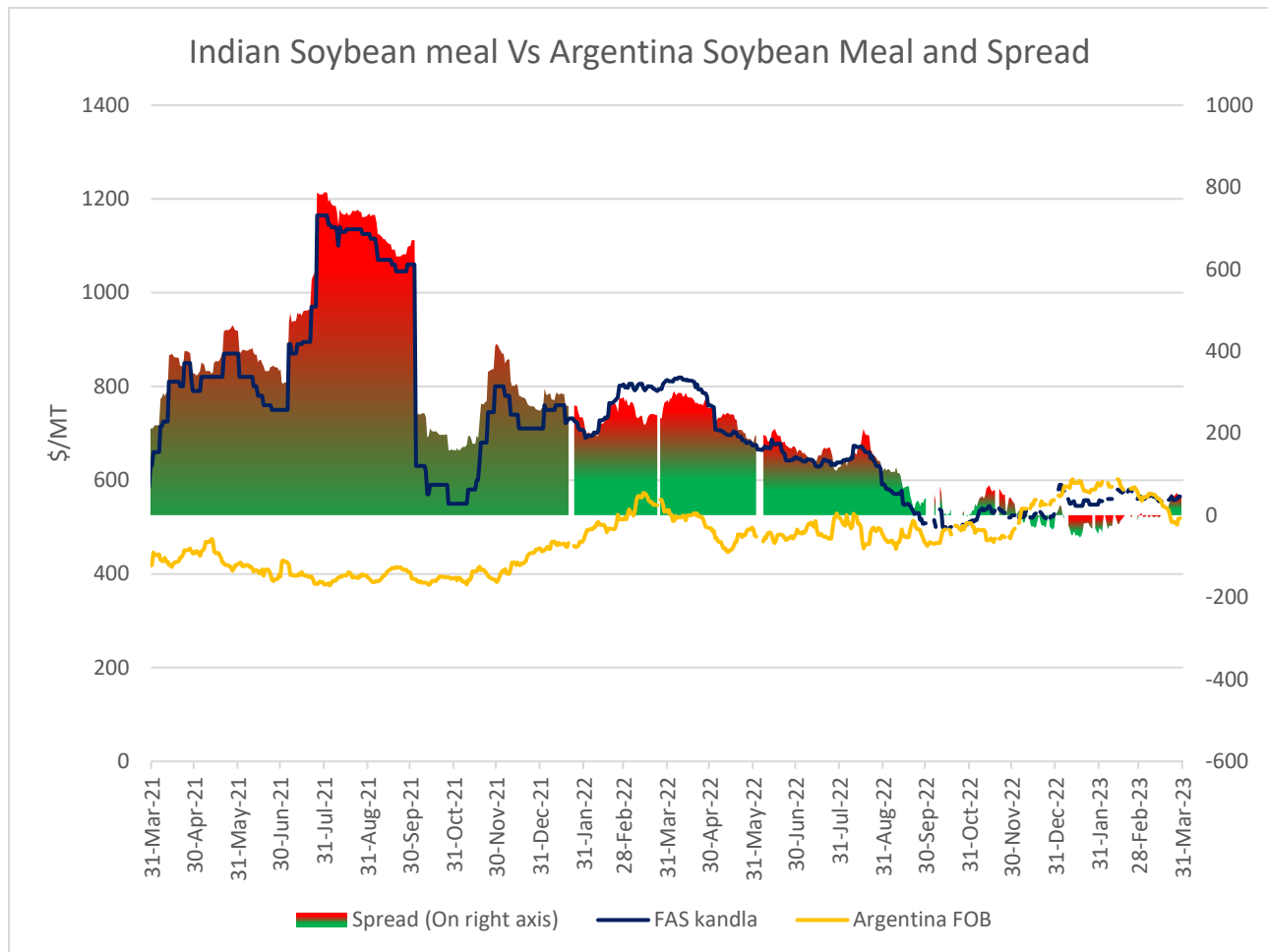


During the week under review, Indore Soymeal weekly average prices went up by 2.51% to INR 44,250/MT as compared to last week at INR 43,167/ in tandem with soybean prices and good export demand. Month-to-date soymeal prices are up by 2.3%, Year-to-date up by 6%. However, last one year down by 24%. Soymeal prices are currently at seven month high tracking good export demand from south east asia.



Total Soy meal exports in Oct'22- Feb'23 went up by 256% to 6.66 Lakh tonnes vs 1.87 Lakh tonnes previous year same period. However, Soymeal exports up by 582% to 2.30 Lakh tonnes in Feb'23 Vs 0.34 Lakh tonnes previous year same period. Soymeal exports went up for the sixth straight month on good soymeal export

demand from south east Asia tracking competitive prices in global markets. In upcoming month too soymeal exports likely to go up on good demand.



Currently, Indian Soymeal FOB is at \$565/MT, Argentina Soymeal FOB at \$521/MT and spread stands at \$44/MT. 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:



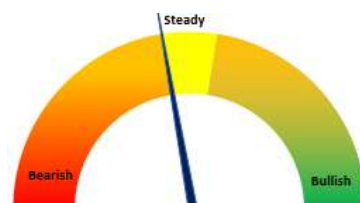
#### Technical Commentary:

- Soybean Indore prices remained steady and closed at 45,000 levels and during the week under review, market made low of 43,000, high of 45,000.
- Market is currently trading above 9 and 18 EMA, 23.6% Fibonacci retracement can be characterized as resistance.
- RSI has improved to 55 indicating good buying strength. MACD is indicating steady momentum.
- 42,000 is near term support and 44,000-45,000 is near term resistance.

#### Recommendation-

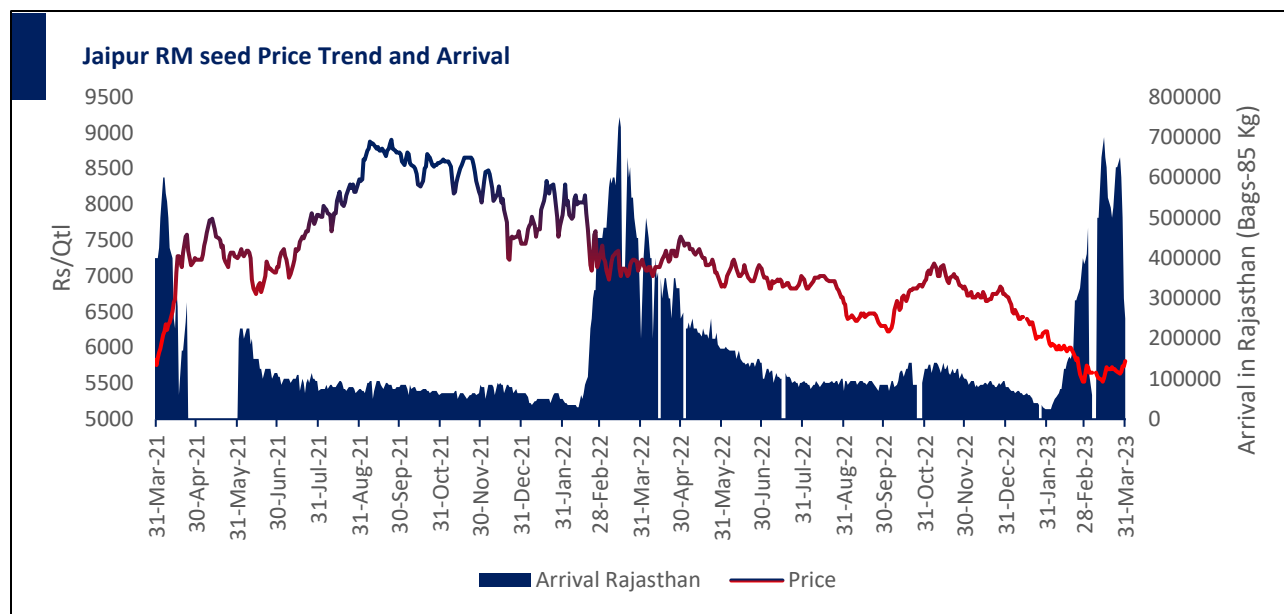
- Market Participants are recommended to buy near 42,000 and sell near 45,000.

**Soymeal Price Outlook for coming week:** Soybean meal prices are expected to trade sideways with slightly firm bias. Revival in soymeal export demand likely to support soy prices.



Soymeal Indore Price Outlook (INR./MT)	Previous week 18th Mar'23- 24th Mar'23	Week under review 25th Mar'23- 31st Mar'23	Next week 1st Apr'23- 7th Apr'23
Weekly Average Price	43,000-43,500	43,500-45,000	43,000-45,000

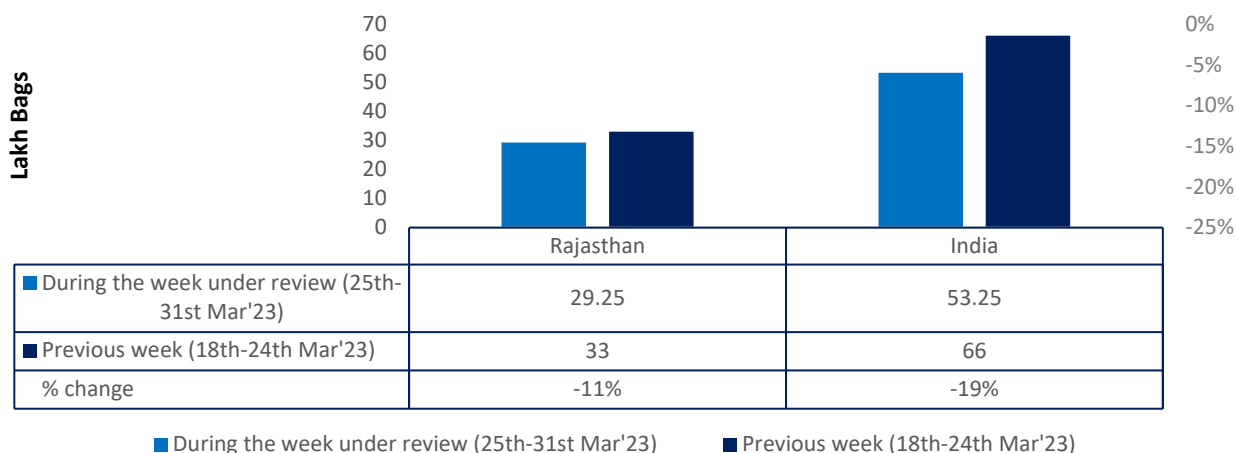
## Rapeseed - Mustard Seed



During the week under review, Jaipur RM seed weekly average prices remained stable and went marginally up by 0.15% to INR 5,708/Qtl as compared to previous week at INR 5,700/Qtl. The marginal rise was attributed to procurement by NAFED and HAFED and crop loss due to useasonal rainfall. Additionally, mustard oil prices too rose by 1.6%, reaching INR 1,095/10 Kg, up from INR 1,079/10 Kg. However, the in March RM seed prices show a 5.44% increase, the year-to-date prices have decreased by 13% due to record production, weak demand and global bearish cues.

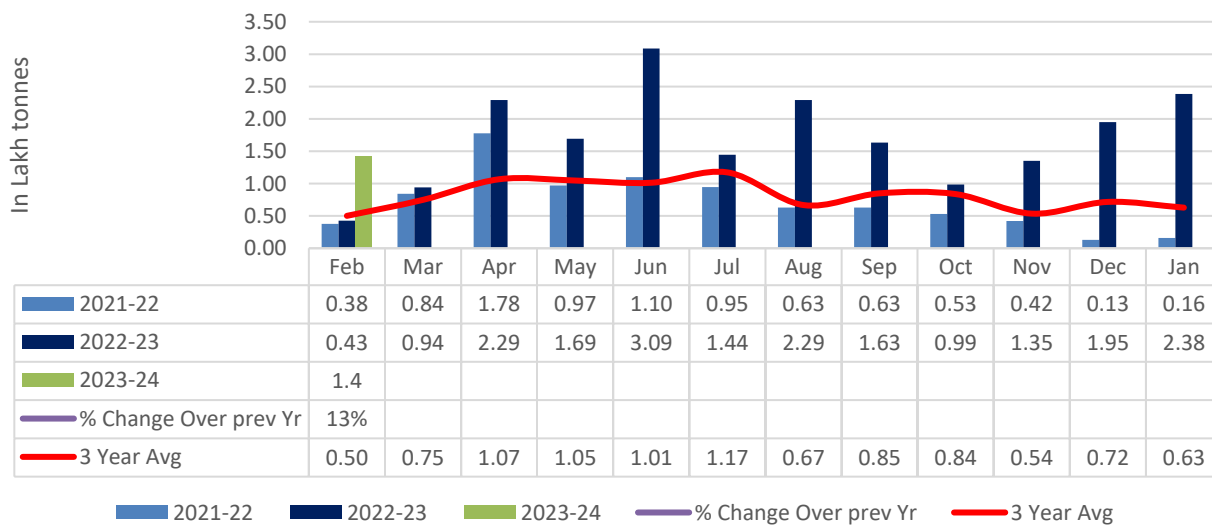
According to sources, several districts in Rajasthan, including Tonk, Bharatpur, Jodhpur, Sawai Madhopur, Jalore, Jaipur, and Baran, have experienced a crop loss of 8-10% due to unharvested crops. Similarly, in the districts of Bareilly, Agra, Bijnor, Mathura, Badaun, Barabanki, Sitapur, and Kheri in Uttar Pradesh, yield loss is estimated to be at 10-15% due to untimely rainfall and hailstorms. In Madhya Pradesh, districts such as Bhind, Morena, Shivpuri, Guna, Chhatarpur, Sheopur, and Gwalior have witnessed a 10-15% reduction in crop yield due to rainfall. It should be noted that these losses pertain to only 5-10% of the unharvested crop, as the majority of the crop (90-95%) has already been harvested in most of the significant growing districts.

### Weekly RM seed arrivals



During the week under review, RM Seed arrivals decreased after peak arrivals. Arrivals in Rajasthan recorded down by 11% to 29.25 Lakh bags as compared to 33 lakh bags previous week. All India arrivals too went down at 53.25 Lakh bags Vs 66 Lakh bags previous week.

### India's Rapeseed meal export



There is a significant jump in export of rapeseed meal in Feb'23 and reported at 1.4 Lakh tons compared to 0.43 Lakh tons previous year same period i.e., up by 13%. 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 up to 5,812, made low of 5,637, high of 5,812.
- Market is currently trading below 9, 50 and 100 DMA and can be characterized as resistance. And market is trading above support level of 5500.
- RSI has improved from 23 to 35 indicating improved buying strength. MACD is indicating weak momentum.
- Immediate support is at 5,500 and immediate resistance is at 5,800.

#### Recommendation-

Market participants are recommended to start buying near 5500 level.

## International

The ICE Futures canola market went up after the three weeks of consecutive loss, in tandem with gains in CBOT oil complex. However, in march'23 ICE Canola is down by 9.36% to USD 767/MT.

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%.

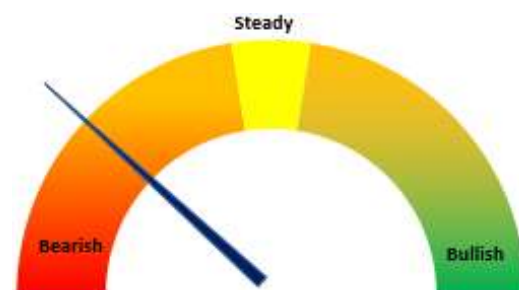
### Technical Analysis

(ICE Canola)



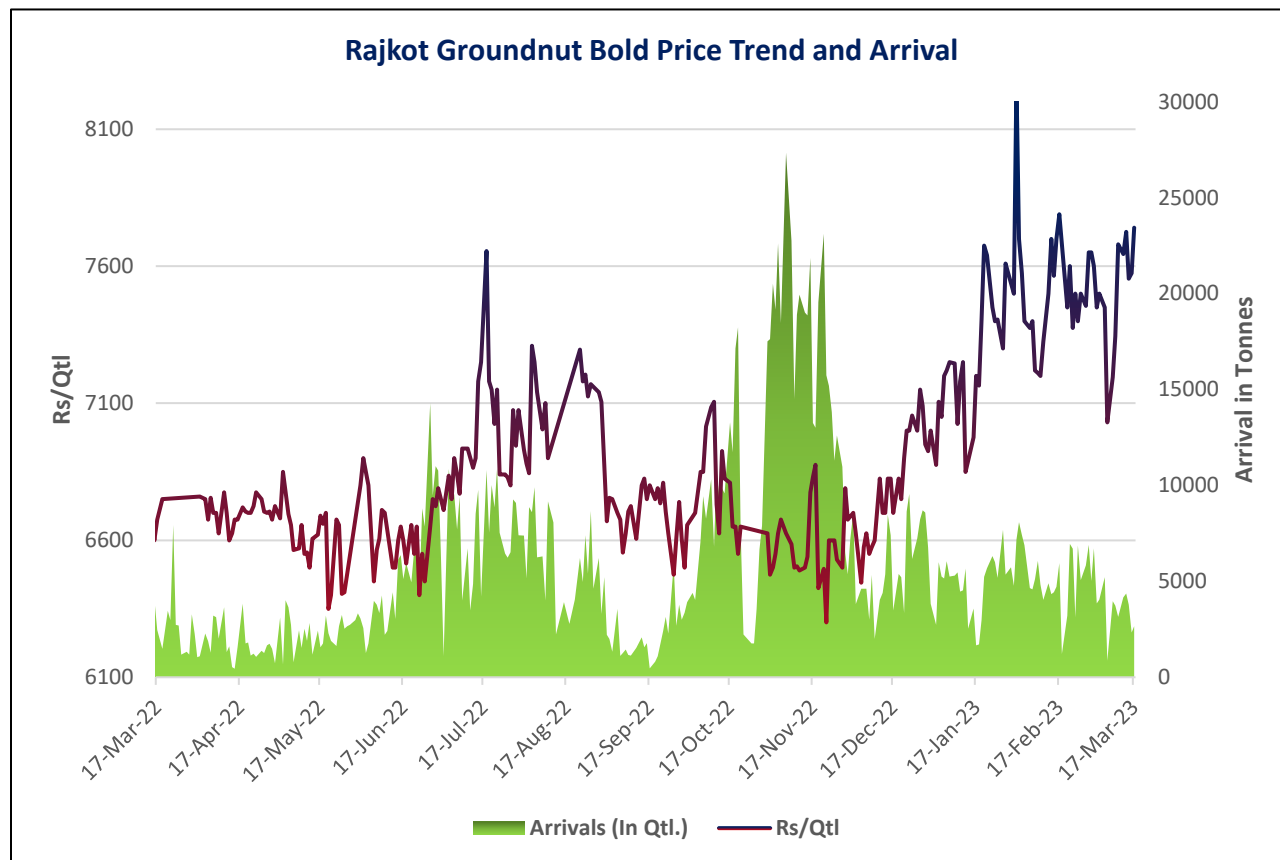


**RM seed Price Outlook for coming week:** In upcoming week RM Seed is expected to extend gains amid decrease in arrivals, crop loss due to weather and procurement from NAFED.



Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 18th Mar'23- 24th Mar'23	Week under review 25th Mar'23- 31st Mar'23	Next week 1st Apr'23- 7th Apr'23
Weekly Average Price	5,663-5,713	5,638-5,813	5,600-5,900

## Groundnut



During the week under review, Rajkot market remained closed. Premium quality Groundnut weekly average bold in Bikaner traded at INR 7,440/Qtl. as compared to previous week at INR 7,540/Qtl. amid substitution in rivals oils. The weekly average prices of groundnut oil remained sideways at INR 1,690 from 1,700/10 Kg. Month to date Rajkot groundnut seed trading low by 2.9%. All India arrivals recorded up by 153% to 0.25 Lakh tonnes as compared to 0.10 Lakh tonnes previous week.



### 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 7,815 made low of 7,555, high of 7,855.
- Market is trading above 18, 50 and 100 DMA, and 38.2% Fibonacci retracement level can be characterized as immediate support.
- RSI has declined from 62 to 54 indicating weakening in buying strength, However, MACD is indicating firm momentum.
- Immediate support is at 7,500, next support is at 7,200 and immediate resistance is at 7,800, next resistance is at 8,000.

#### Recommendation-

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

**Groundnut Price Outlook for coming week:** Rajkot groundnut bold prices expected to remain elevated amid lower availability in the market.



Rajkot Groundnut Bold Price Outlook (INR./Qtl)	Previous week 11th Mar'23- 17th Mar'23	Week under review 18th Mar'23- 24th Mar'23	Next week 25th Mar'23- 31st Mar'23
Weekly Average Price	7,555-7,740	7,425-7,815	7,400-7,800

### Annexure



	% Change over previous week	Today	Week Ago	Month Ago	Year Ago	
<b>Soy DOC Rates at Different Centers</b>		<b>31-Mar-23</b>	<b>24-Mar-23</b>	<b>28-Feb-23</b>	<b>31-Mar-22</b>	
<b>Centres</b>		<b>Ex-factory rates (Rs/ton)</b>				parity To
Indore - 45%, Jute Bag	5%	45000	43000	44000	60000	Gujarat, MP
Kota - 45%, PP Bag	5%	47500	45200	45000	65200	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	2%	47000	46000	46500	62500	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	1%	45500	45000	44000	61500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	1%	46000	45500	45500	62500	Andhra, AP, Kar, TN
Latur	1%	46000	45500	46000	66000	-
Sangli	2%	43000	42200	42800	59000	Local and South
Solapur	1%	46500	46000	46000	58500	Local and South
Akola – 45%, PP Bag	1%	44500	44000	44000	61000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	2%	46000	45000	45500	63000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	5%	47300	45000	44800	65000	-
<b>Soy DOC at Ports</b>						
<b>Centers</b>		<b>Port Price</b>				
		<b>31-Mar-23</b>	<b>24-Mar-23</b>	<b>28-Feb-23</b>	<b>31-Mar-22</b>	
Kandla (FOR) (INR/MT)	-	NA	46000	44500	63000	
Kandla (FAS) (USD/MT)	-	NA	560	565	840	
CNF Indonesia – Yellow SBM (USD/MT)	-	NA	582	587	-	

Sunflower (DOC) Rates		Ex-factory rates (Rs/ton)				
Centers		31-Mar-23	24-Mar-23	28-Feb-23	31-Mar-22	
Adoni	7%	32000	30000	35000	40000	
Khamgaon	-	NA	-	-	-	
Parli	-	NA	-	-	-	
Latur	-	NA	-	-	39000	
Groundnut Meal (Rs/MT)		31-Mar-23	24-Mar-23	28-Feb-23	31-Mar-22	
Basis 45%, Saurashtra	-	Closed	37000	38500	40000	
Basis 40%, Saurashtra	-	Closed	35000	37500	36000	
GN Cake, Gondal	-	Closed	39000	42000	41000	
Mustard DOC		31-Mar-23	24-Mar-23	28-Feb-23	31-Mar-22	
Jaipur (Plant delivery)	5%	20500	19500	19000	23000	
Kandla (FOR Rs/MT)	5%	21500	20500	19500	23600	
Mumbai Oil Meal Quotes:						
Rs/M.T.		31-Mar-23	24-Mar-23	28-Feb-23	31-Mar-22	
G.N. Extr (45%)	1%	37000	36500	39000	41000	
Kardi Extr	-	NA	-	-	-	
Undec Cottonseed Exp	2%	31000	30500	29500	38000	
Rice Bran Extr.	-	NA	-	-	-	
Sunflower Extr.	4%	28000	27000	30000	29000	
Rapeseed Extr.	-	NA	-	-	-	
Soymeal 48%	3%	46957	45391	46174	63652	
Castor Extr.	1%	7300	7250	7950	10150	

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