

Oil Meal Weekly Research Report

Contents

- ❖ Executive Summary
- ❖ Outlook - Cash Market
- ❖ Soybean - Domestic & International
- ❖ Soy meal
- ❖ Technical Analysis - Soybean
- ❖ Rapeseed - Mustard
- ❖ RM Seed Supply, Rajasthan
- ❖ Technical Analysis - RM Seed
- ❖ Annexure - Prices etc.

Executive Summary

The weekly average prices of Soybean Indore plant went down by 1.1 % to INR 5,208/ Qtl. amid decline in soy oil prices.

The weekly average prices of Indore soymeal remained sideways and went down by 0.30% to INR 44,150/MT. amid decline in soy oil prices and squeeze in crush margin.

During the week under review, Jaipur RM seed weekly average prices remained sideways and went marginally down by 0.79% to INR. 5,171/qtl amid decline in mustard oil prices.

Weekly average prices for Groundnut (bold), Rajkot remained sideways and went up by 0.85% to INR 7,684/Qtl. amid good demand.

Outlook – Cash Market

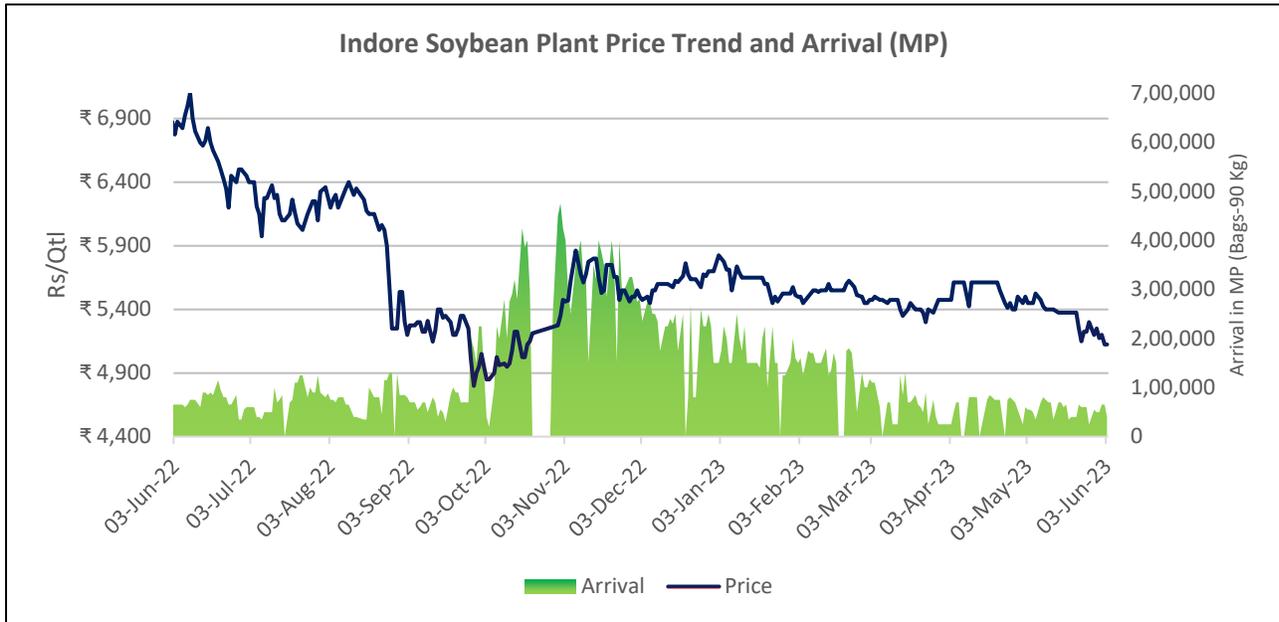
Outlook - Soybean (Spot Indore): During the upcoming week, it is anticipated that soybean will maintain a weak bias due to decline in soy oil prices. It is expected that the prices at Indore Mills, will range between 5,000-5,400 levels in the short term.

Outlook – Soy meal:

It is anticipated that soy meal (Indore) likely to trade sideways with weak bias during the upcoming period tracking weak oil complex, however, good export demand likely to limit fall. The prices of soy meal Indore are expected to remain within the range of 43,000-45,000 per metric ton.

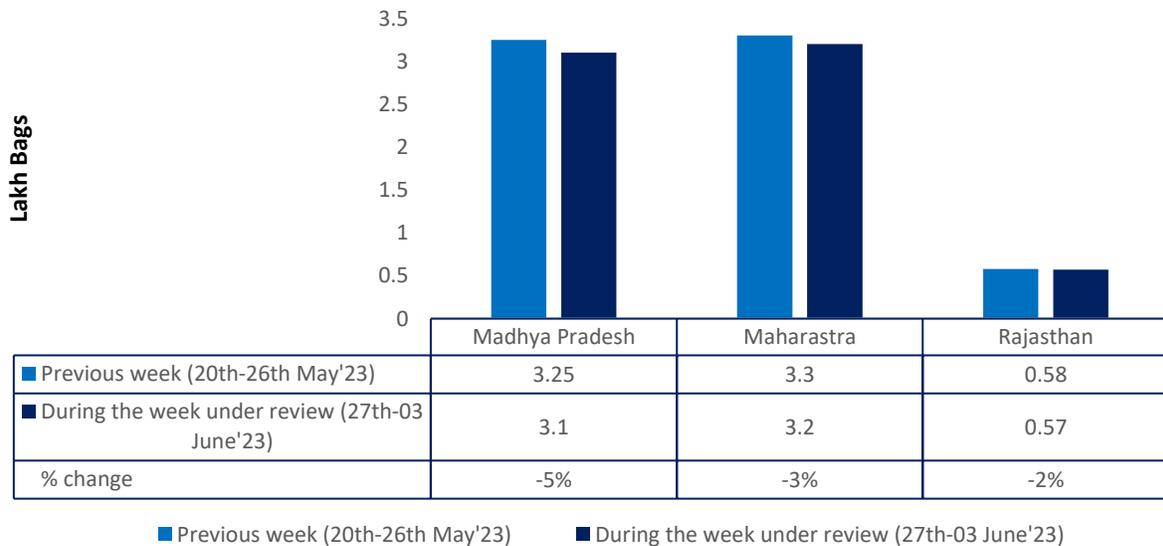
Outlook - Rapeseed-Mustard (Spot, Jaipur basis): In the upcoming week, it is anticipated that Rapeseed-Mustard will trade with weak bias tracking weak demand from millers. The prices of seeds are projected to remain within the range of 5,000-5,300 per quintal.

Soybean



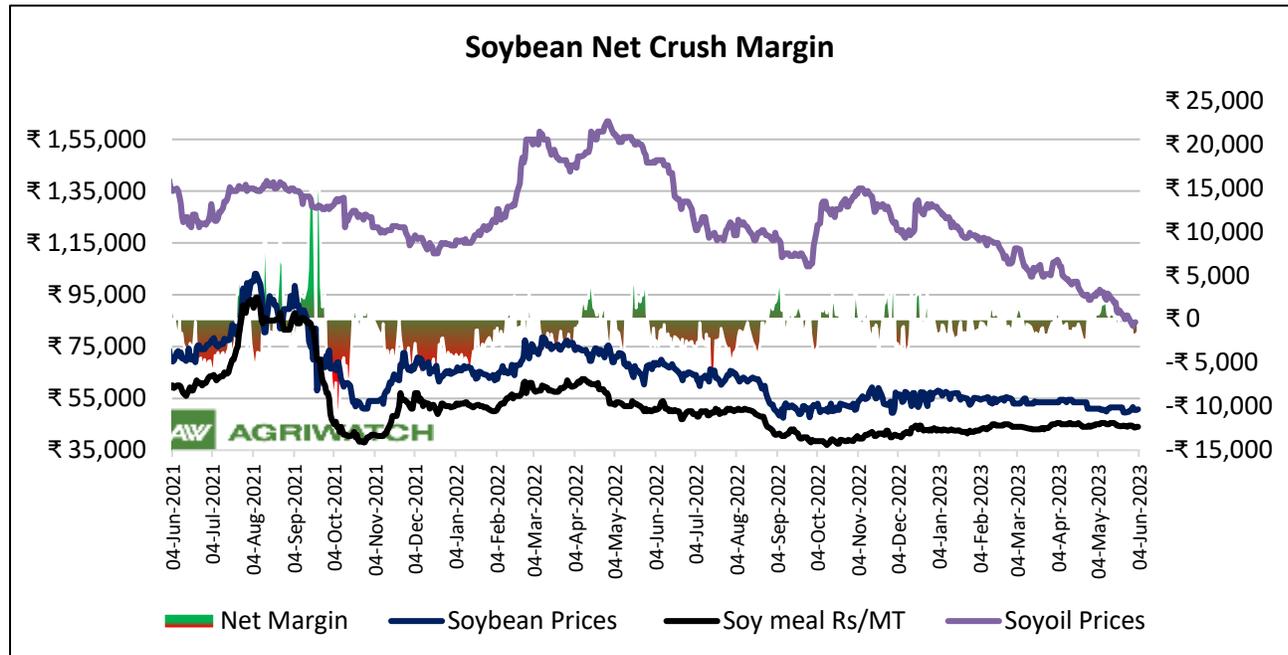
During the week under review, Soybean weekly average prices remained bearish and went down by 1.1% to INR 5,208/Qtl. as compared to INR 5,267/Qtl. previous week amid correction in soy oil prices. Month-to-date soybean prices are unchanged while Year-to-date down by 9.48%, and in last one year down by 24%. Additionally, soy oil prices declined to 2.5 years low and this week, weekly average prices declined by 2% to INR 889/10 Kg as compared to INR 910/ 10 Kg previous week.

Weekly Soybean Arrivals



During the week under review, the total arrival in MP decreased by 5% to 3.1 Lakh bags Vs 3.25 Lakh bags previous week. In Maharashtra arrivals declined to 3.2 Lakh bags as compared to last week at 3.3. In Rajasthan the arrivals recorded down to 0.57 lakh bags Vs 0.58 Lakh bags previous week.

Soybean Crush Margin-



During the week under review Soybean net crush margin remained squeezed amid decline in soy oil prices. Weekly average soybean net crush margin for the period of 27th May – 03rd June was in disparity of INR -1404/ MT as compared to previous week at INR -244/MT.

International Update:

As of the end of last week, the soybean harvest in Argentina stood at 78%, which is lower compared to 91% at the same time last year and the average of 92%. This indicates a weekly progress of 9%. In the primary soybean production regions, the harvest is nearing completion, with approximately 95% of the crop already collected. In southern Argentina, about 50-60% of the soybeans have been harvested, while in northern Argentina, the figure stands at 45-55%. Regarding the planting schedules, the early-planted soybeans have reached an 86% harvest rate, whereas the later-planted ones are at 59% harvested.

As of April 28th May, 2023, the most recent report from the USDA reveals that the progress of soybean planting has reached a total of 83% completion vs 64% previous year same period. This surpasses the typical five-year average of 65% for this period in the year.

Technical Analysis

US Soybean futures



As depicted in the above chart, US Soybean is trading at 17 months low and during the week under review, US Soybean (Most active contract) rebounded for the second consecutive week and went up by 1.14% to \$13.52/bushels. 9, 18, 50 and 100 DMA can be characterized as resistance. RSI is at 37 indicating a weak buying strength. MACD indicating weak momentum in short run. Over all market is expected to take support from 12.5-13 in short run and resistance at 14.5-15.00.

Technical Analysis (Domestic market)

(Based on Indore Plant prices)



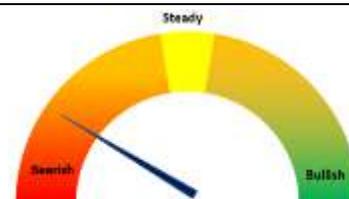
Technical Commentary:

- Indore Soybean decline for the fourth consecutive week, During the week under review, Soybean Indore prices remained weak and closed down at 5,125 levels as compared to previous week and market made low of 5,125, high of 5,250.
- Market is currently facing near term resistance of 9, 18 EMA. While 50 and 100 EMA can be characterized as long term resistance and 23.6% Fibonacci retracement can be characterized as support.
- RSI is currently below 37, indicating weak buying strength.
- 5000-5100 is near term support and 5,500-5,600 is near term resistance.

Recommendation-

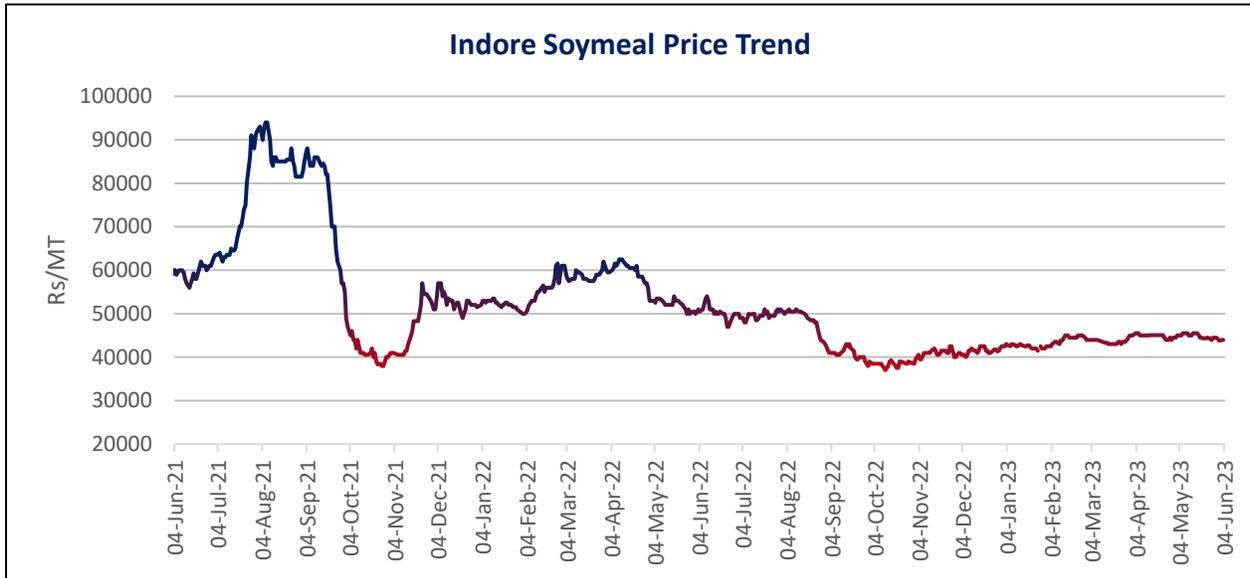
- Market Participants are recommended to wait to sell above 5,500.

Soybean Price Outlook for coming week: Indore Soybean plant are currently trading at INR. 5,125/qtl. and are expected to trade range bound with weak bias in the range of INR 5,000-5,300 in short run amid weaker soy oil prices.

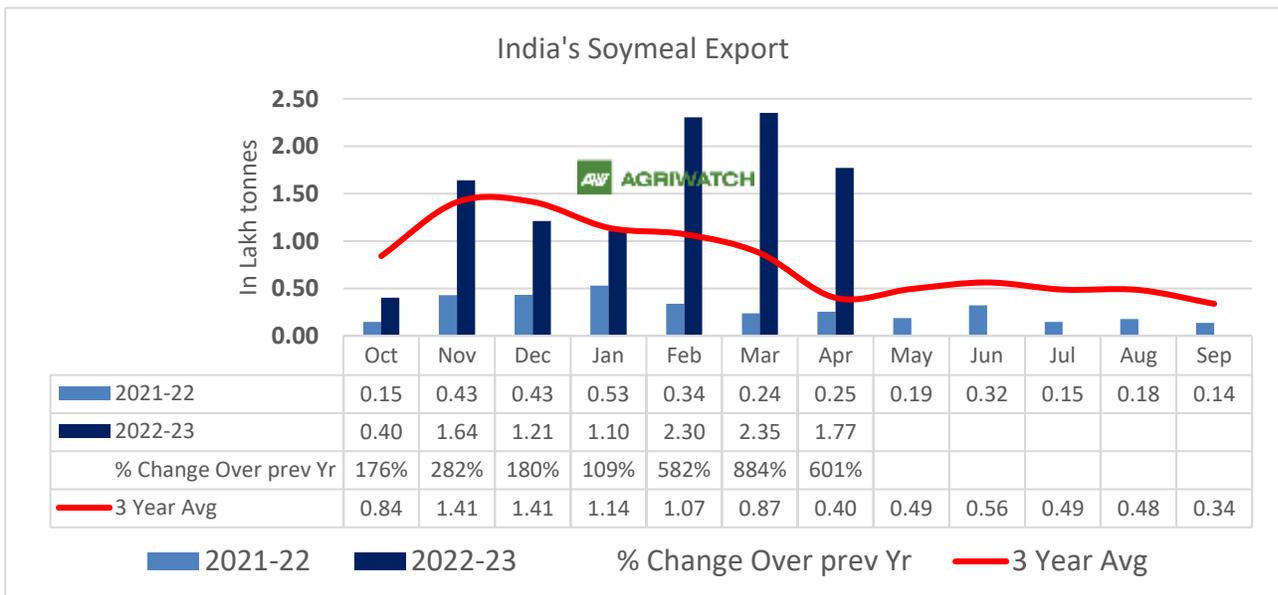


Soybean Plant Price Outlook (INR./Qtl)	Previous week 20th May'23- 26th May'23	Week under review 27th May'23- 2nd June'23	Next week 3 rd June'23- 9th June'23
Weekly Average Price	5,150-5,375	5,125-5,300	5,000-5,400

Soymeal



During the week under review, Indore Soymeal weekly average prices went marginally down by 0.30% to INR 44,150/MT as compared to last week at INR 44,283/ MT, amid decline in soy oil prices and disparity. Month-to-date soymeal prices are marginally up by 0.5%. Year-to-date up by 3.5%. However, in last one year down by 13%.

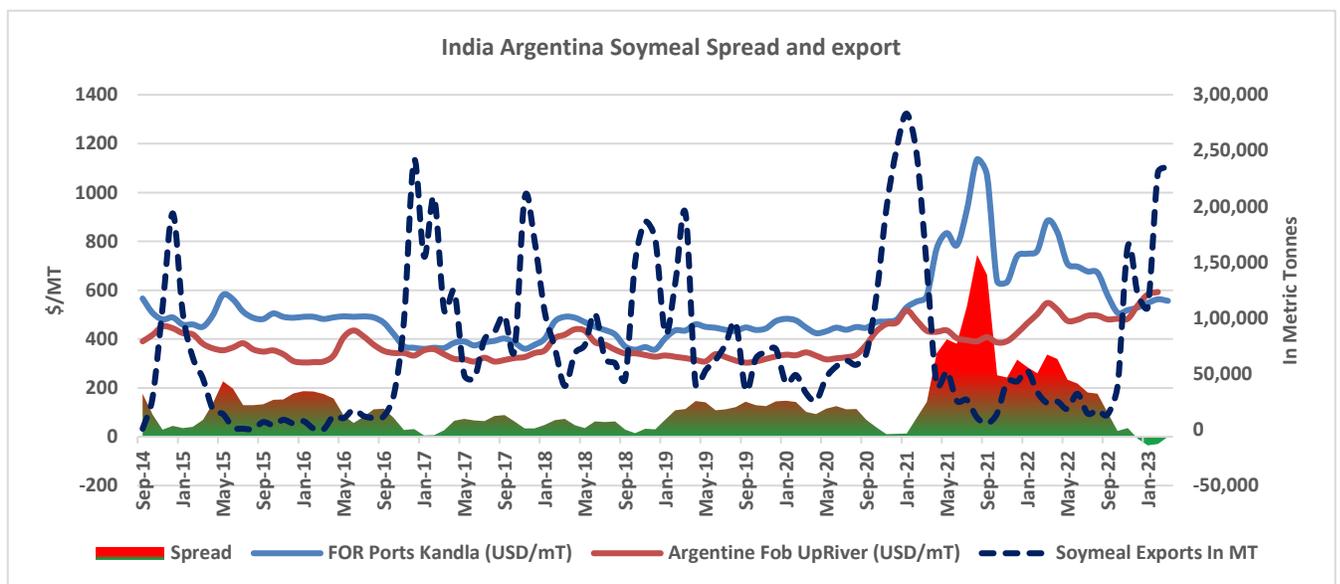


India's overall export of oilmeals experienced a remarkable growth of 48.47 percent in April, driven by a surge in soymeal exports. According to data from the Solvent Extractors' Association (SEA) of India, the country exported 4.93 lakh tonnes (It) of oilmeals in April 2023, a significant increase from 3.32 It during the same period in 2022.

BV Mehta, the Executive Director of SEA of India, pointed out that the price of soybeans has dropped to around INR 4,550 per quintal from its peak of INR 7,640 per quintal in April 2022. This decline has made the export of soybean meal more attractive over the past seven months.

In April 2023, India exported 1.77 lt of soybean meal, compared to 24,937 tonnes in April 2022. The export of soybean meal has become attractive in the last six months. Currently, as of 4th June 2023, Indian soybean meal is quoted at US\$ 562 per ton Ex-Kandla, while Argentina soybean meal is quoted at US\$ 496 per ton Ex-Rotterdam. India has a logistic advantage in supplying soybean meal to Southeast Asia in small lots, which is its major consumer. Additionally, Indian Soybean Meal is Non-GMO, giving it an advantage and making it the preferred choice for certain European countries and the USA. The depreciation of the rupee has also contributed to the overall export growth. As a result, India’s export of soybean meal has rebounded since the new crop season in November 2022, with reported shipments of 860,902 tons, compared to just 196,614 tons in the same period the previous year (Nov.’21-Mar.’22).

It can be depicted from the above chart, that soymeal export demand jumps when spread between Argentina FOB and FOR Kandla minimizes. The same can be seen in the past.



During the week under review, currently, as on 04th June, Indian Soymeal FOB prices stood at \$562/MT, Argentina Soymeal FOB prices trading at \$496/MT Ex-Rotterdam and spread stands at \$34/MT.

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 meal Indore prices closed down at 43,800 levels and during the week under review, market made low of 43,800, high of 44,500.
- Market is currently trading above 18 EMA can be characterized as support and 9, 50, 100 EMA can be characterized as resistance.
- RSI is near 49 indicating steady buying strength. MACD is also indicating steady momentum.
- 42,000 is near term support and 44,000-45,000 is near term resistance.

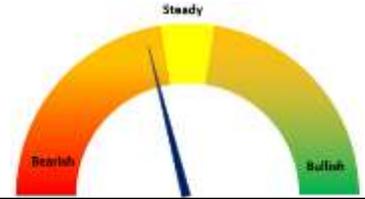
Recommendation-

- Market Participants are recommended to sell above 44,000.

According to USDA latest report, Global soybean meal consumption is anticipated to increase by 4% in 2023/24, supported by ample supplies, which is higher than the 1% growth forecasted for this year. China is expected to contribute almost one-third of the global consumption growth, following several years of relatively stagnant soybean meal consumption. Additionally, exports are projected to rise by 6% due to a recovery in Argentina crush following improved soybean production prospects, as well as increased supplies in Brazil and the United States. However, Argentina's share of global trade is expected to remain below the 5-year average due to intensified competition from Brazil and the United States.

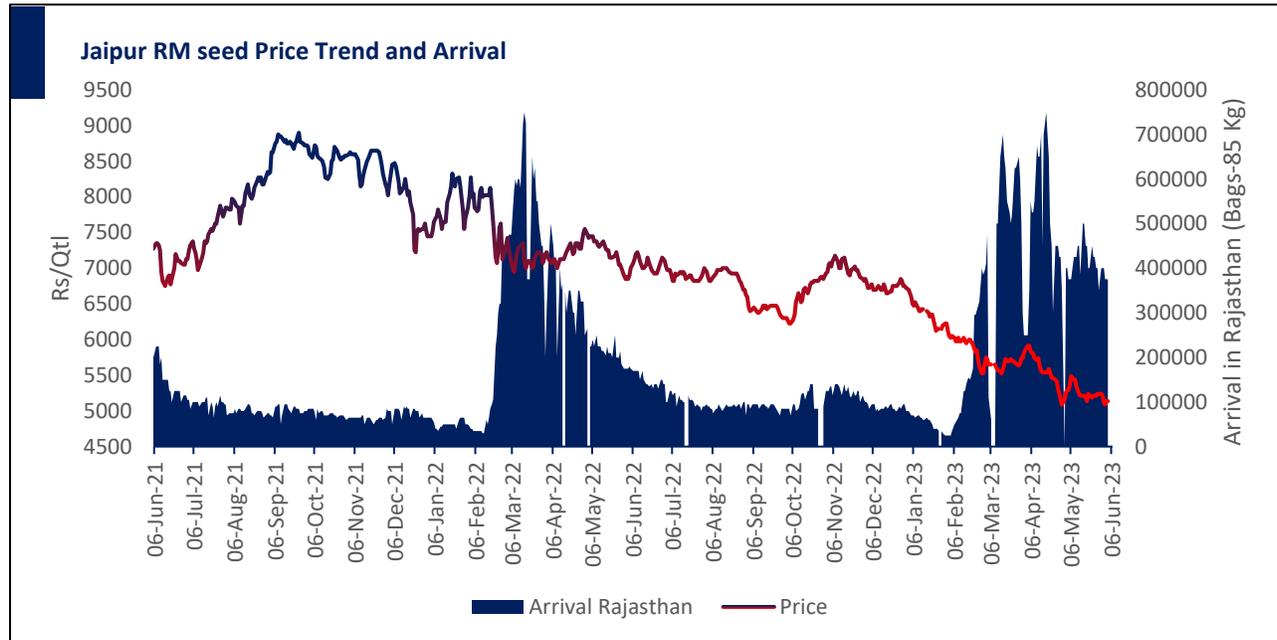
According to USDA Apr'23 report, India's 2023/24, Soybean crush is estimated to be at 9.8 MMT as compared to previous year at 9.9 MMT and country's domestic Soy meal consumption is estimated to be at 7.15 MMT Vs 6.72 MMT previous year. Moreover, Soy meal exports is projected at 0.8 MMT as compared to 1.45 MMT previous year.

Soy meal Price Outlook for coming week: Soybean meal prices are expected to trade sideways with slightly weak bias. Revival in soy meal export demand likely to keep soy meal prices stable.



Soymeal Indore Price Outlook (INR./MT)	Previous week 20th May'23- 26th May'23	Week under review 27th May'23- 2nd June'23	Next week 3 rd June'23- 9th June'23
Weekly Average Price	44,000-44,500	43,800-44,500	43,000-45,000

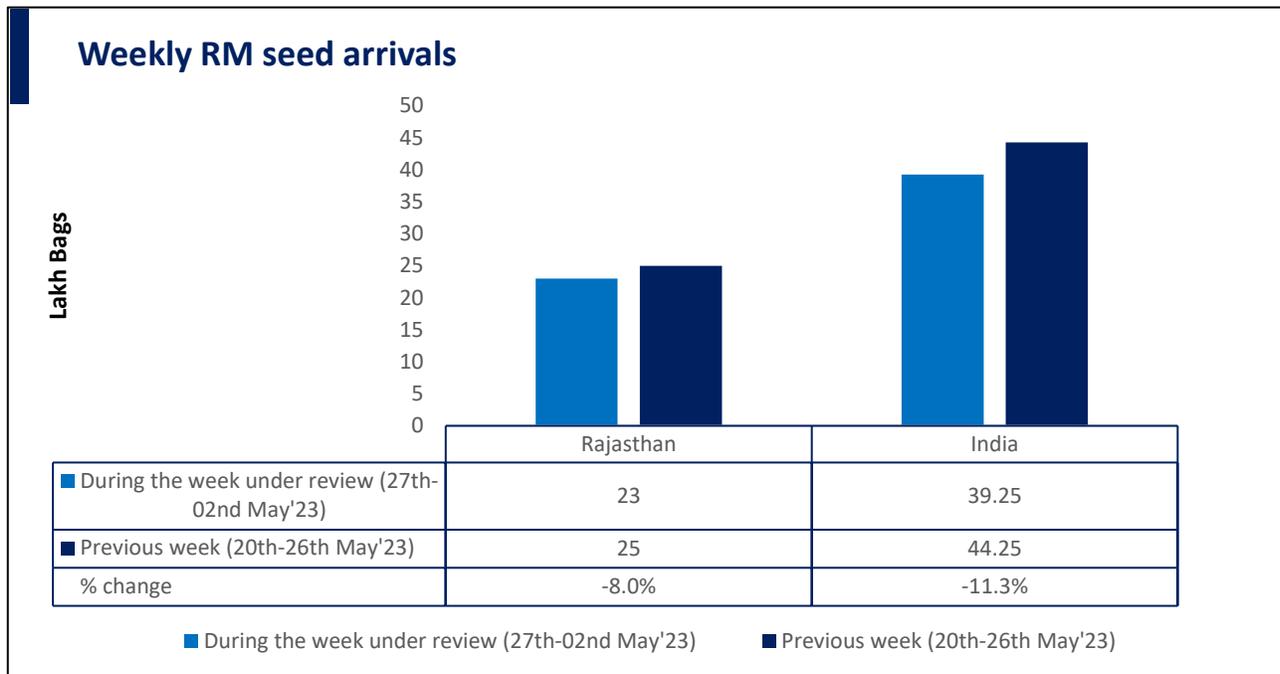
Rapeseed - Mustard Seed



During the week under review, Jaipur RM seed weekly average prices remained and went marginally down by 0.79% to INR 5,171/Qtl. as compared to previous week's INR 5,171/Qtl. amid decline in mustard oil prices which went down by 1%, to INR 943/10 Kg, down from INR 956/10 Kg. However, the in Month-to-date, RM seed prices show a 0.5% increase, the year-to-date prices have decreased by 23% due to record production, weak demand from millers on disparity. Currently, RM seed is trading near three years low tracking weak demand from oil millers amid disparity due to weak mustard oil prices. As per Agriwatch primary sources, upon disparity, most of the expeller are shut and only few kacchi ghani are operational. Farmers are reluctant to offload their stock at current levels in anticipation of better prices in future. And millers are buying as per their daily need for crushing.

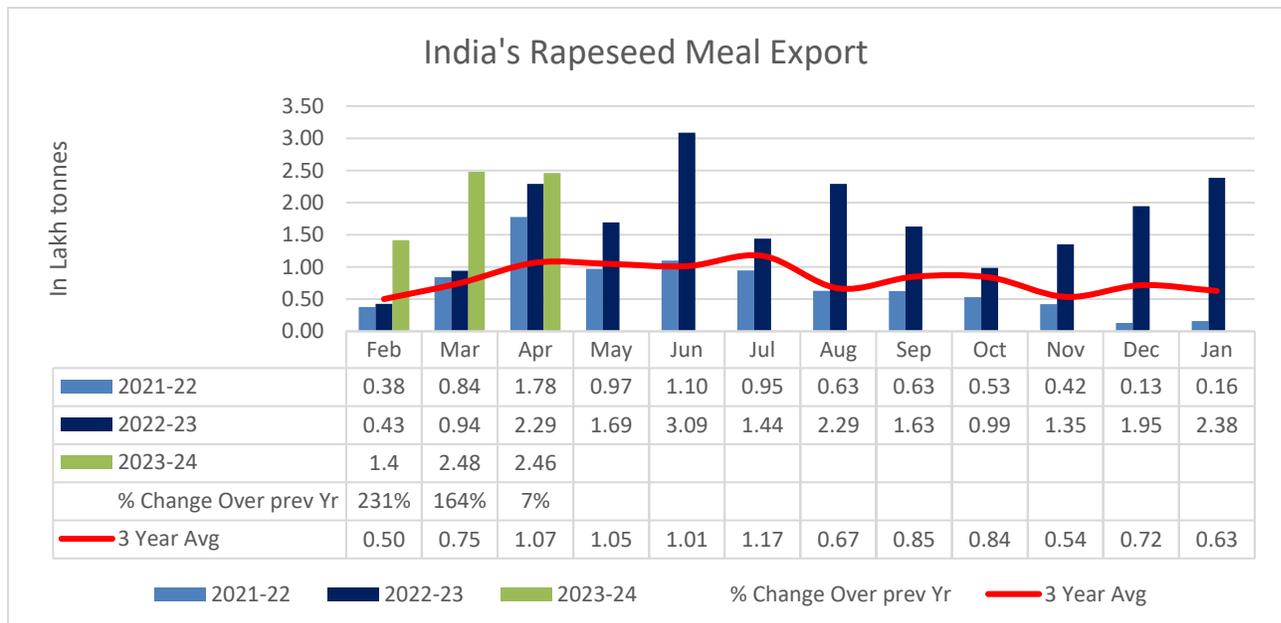
As per NAFED latest report, a total of 7,22,303 Metric tonnes of Mustard have been procured in multiple states, namely Haryana (3.47 Lakh tonnes), Madhya Pradesh (1.67 Lakh tonnes), Gujarat (0.62 Lakh tonnes), and Rajasthan (1.38 Lakh tonnes), Uttar Pradesh (0.07 Lakh tonnes).

During the week under review, Arrivals in Rajasthan recorded down by 8% to 23 Lakh bags as compared to 25 lakh bags previous week. All India arrivals too went down by 11.3% to 39.25 Lakh bags Vs 44.25 Lakh bags previous week.



INDIA'S RAPESEED MEAL EXPORT

There is a significant jump in export of rapeseed meal in Apr'23 and reported at 2.46 Lakh tons compared to 2.29 Lakh tons previous year same period i.e., up by 7%. 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.



India achieved a remarkable milestone by exporting a record-breaking 22.96 million metric tons of rapeseed meal in the fiscal year 2022-23.

India has established itself as the most competitive supplier of rapeseed meal to various Far East countries, including South Korea, Vietnam, and Thailand, offering it at a competitive price of \$240 per tonne (FOB India). The ex-mill price of rapeseed meal in Hamburg, Germany, has been quoted at \$299 per tonne.

Mustard is currently being sold at 5,100-5200 rupees per quintal, which is below the Minimum Support Price (MSP) of 5,450 rupees per quintal. This decline in mustard prices is a result of the deteriorated prices of all edible oils in both international and domestic markets. Consequently, farmers are being discouraged from selling their mustard crop for crushing purposes.

Technical Analysis

(Based on Jaipur Mandi prices)



Technical Analysis
(ICE Canola)

ICE Canola – Technical Outlook

ICE Canola -Weekly time frame

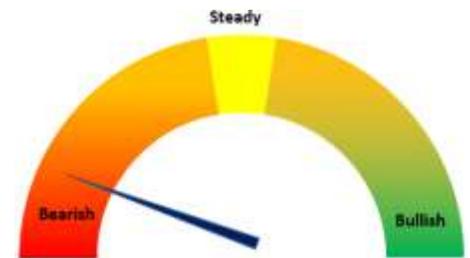
Technical Chart:

Technical Commentary:



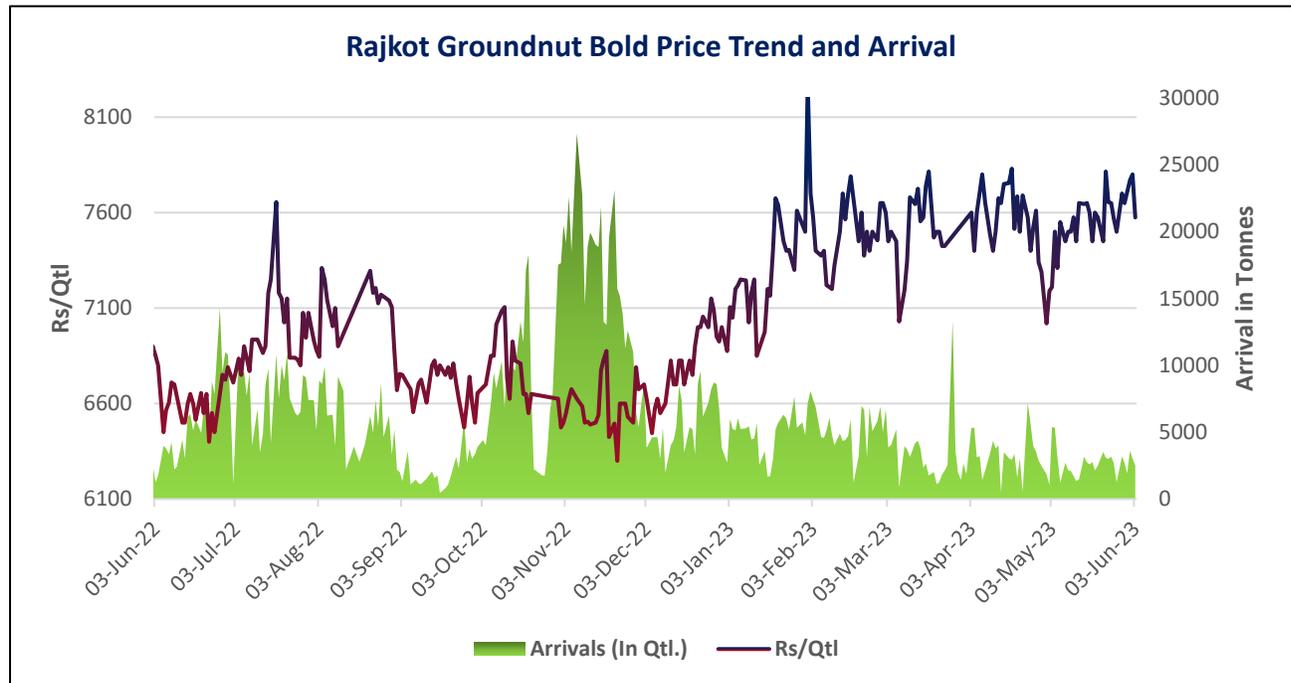
- As depicted in the above chart, market has witnessed loss and went down by 4.60% to 658 as compared to previous week at 789. Market made low of 641 and high of 694.
- Market is currently trading below 18, 50 and 100 DMA and can be characterized as resistance and 9 DMA can be characterized as support.
- RSI is below 40 indicating weak buying strength and MACD is indicating steady to weak momentum.
- Immediate support is at 650 and immediate resistance is at 750.

RM seed Price Outlook for coming week: In upcoming week RM Seed is expected to trade with weak bias amid weak demand from millers tracking disparity, decline in mustard oil.



Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 20th May'23- 26th May'23	Week under review 27th May'23- 2nd June'23	Next week 3 rd June'23- 9th June'23
Weekly Average Price	5,188-5,238	5,088-5,288	5,000-5,300

Groundnut



During the week under review, Rajkot market weekly average prices remained sideways and went marginally up by 0.85% to INR 7,684/Qtl. amid good demand. However, weekly average prices of groundnut oil declined by 2% at INR 1,575 from 1,600/10 Kg. All India arrivals increased by 12% to 0.15 Lakh tones as compared to 0.17 Lakh tones previous week.

International

According to USDA May'23 report, In 2023/24, the global peanut supply is expected to increase by 1% due to larger production levels, which will outweigh the smaller carryover from the previous year. The increased production in countries such as the United States, India, Senegal, Argentina, and Burma will more than make up for the reduced output in Niger, Indonesia, Guinea, and Mali. The rise in global production can be attributed to higher expected yields and greater harvested area, mainly in India.

Additionally, global trade is projected to grow by 8% in 2023/24 as higher exports from Argentina, the United States, India, and Senegal coincide with increased imports from China and the EU. There is also a slight increase in global peanut consumption due to higher usage in China and major exporting countries. Furthermore, snack nut consumption will continue to follow long-term growth trends.

However, ending stocks are projected to fall by 6% due to lower carryout in Senegal and the rest of Sub-Saharan Africa, only partially offset by higher U.S. ending stocks.

USA: In 2023/24, United States production of peanuts is expected to increase slightly to 2.8 million tons due to a larger harvested area and higher yields. Additionally, there is a projected increase in exports, crush, and

food use consumption. Peanut meal consumption is expected to rise due to higher crush levels. However, peanut oil consumption is expected to remain relatively flat as smaller imports offset the higher production.

Argentina is expected to increase its exports to 950,000 tons in 2023/24, a significant increase from the low levels in 2022/23 due to drought and lower yields. Despite the reduced carry-in, total supplies are forecast to be higher as a result of a larger crop. Argentina maintains its position as the largest global supplier of snack nuts and holds a significant share of the European market. Moreover, there is a 15% increase in the projected crush, with similar projections for product exports.

India exports are raised 50,000 tons to 800,000 on higher production. Production is forecast up 300,000 tons to 6.6 million leading to higher exports but lower crush and ending stocks. China will account for most of the gain in peanut exports.

China is expected to increase its imports by 150,000 tons, reaching a total of 1.4 million tons in the upcoming year. Additionally, there is a slight increase in exports, projected to reach 500,000 tons. Domestic crush levels are projected to remain flat, while food use is expected to grow due to higher demand. In terms of production, there is no expected change, with levels remaining at 18.3 million tons. Furthermore, peanut oil consumption is expected to remain stable due to stable production levels and imports.

Technical Analysis

(Based on Rajkot GN Bold Mandi prices)



- As depicted in the above chart, during the week under review, market closed up to 7,575 and made low of 7,575, high of 7,800.
- Market is above 9 and 18 DMA, and 50% Fibonacci retracement level can be characterized as immediate support and 61.8% Fibonacci retracement level can be characterized as immediate resistance.
- RSI is at 54 indicating good buying strength, MACD is indicating firm momentum.
- Immediate support is at 7,300, next support is at 7,000 and immediate resistance is at 7,800, next resistance is at 8,000.

Recommendation-

Market participants are recommended to sell above 7500.

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



Rajkot Groundnut Bold Price Outlook (INR./Qtl)	Previous week 20th May'23- 26th May'23	Week under review 27th May'23- 2nd June'23	Next week 3 rd June'23- 9th June'23
Weekly Average Price	7,450-7,815	7,500-7,800	7,200-7,800

Annexure

	% Change over previous week	Today	Week Ago	Month Ago	Year Ago	
Soy DOC Rates at Different Centers		02-Jun-23	26-May-23	01-May-23	02-Jun-22	
Centres		Ex-factory rates (Rs/ton)				parity To
Indore - 45%, Jute Bag	0%	44000	44000	44500	50500	Gujarat, MP
Kota - 45%, PP Bag	1%	46500	46000	46300	54200	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	-2%	46000	47000	47000	52500	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	1%	44800	44500	44000	52000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	1%	46500	46000	46500	53000	Andhra, AP, Kar, TN
Latur	0%	46000	46000	46000	52500	-
Sangli	1%	43500	43000	43800	49500	Local and South
Solapur	0%	46800	46800	46500	51500	Local and South
Akola – 45%, PP Bag	0%	44500	44500	44500	50500	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	0%	46000	46000	46000	53000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	1%	46300	45800	46100	54000	-
Soy DOC at Ports						
Centers		Port Price				
		02-Jun-23	26-May-23	01-May-23	02-Jun-22	
Kandla (FOR) (INR/MT)	0%	44000	44000	44500	50500	
Rapeseed Meal		02-Jun-23	26-May-23	01-May-23	02-Jun-22	

International Soy DOC						
Argentina FOB USD/MT		02-Jun-23	26-May-23	01-May-23	02-Jun-22	
Soybean Pellets	-2%	460	468	489	479	
Soybean Cake Flour	-2%	460	468	489	479	
Sunflower (DOC) Rates		Ex-factory rates (Rs/ton)				
Centers		02-Jun-23	26-May-23	01-May-23	02-Jun-22	
Adoni	-3%	32000	33000	32000	38000	
Khamgaon	-	NA	-	-	-	
Parli	-	NA	-	-	-	
Latur	-	NA	-	-	37000	
Groundnut Meal (Rs/MT)		02-Jun-23	26-May-23	01-May-23	02-Jun-22	
Basis 45%, Saurashtra	-4%	37500	39000	37000	32000	
Basis 40%, Saurashtra	-4%	34500	36000	34500	27000	
GN Cake, Gondal	-4%	40500	42000	40500	33000	
Mustard DOC		02-Jun-23	26-May-23	01-May-23	02-Jun-22	
Jaipur (Plant delivery)	2%	21500	21000	20000	19000	
Kandla (FOR Rs/MT)	2%	22000	21500	21000	20300	
Mumbai Oil Meal Quotes:						
Rs/M.T.		02-Jun-23	26-May-23	01-May-23	02-Jun-22	
G.N. Extr (45%)	-1%	38000	38500	37000	31000	
Kardi Extr	-	NA	-	-	-	
Undec Cottonseed Exp	4%	29500	28500	30000	34500	
Rice Bran Extr.	-	NA	-	-	-	
Sunflower Extr.	-2%	28500	29000	27000	25000	
Soymeal 48%	-1%	46435	46696	46696	53478	
Castor Extr.	0%	8800	8800	8400	11150	

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