



Oil Seed Weekly Research Report

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Executive Summary

The weekly average prices of Soybean Indore plant continued trading weak and eased by 4% to INR. 6,777/qtl during the week under review. Prices were in the range of INR. 6,350-6,650/qtl during the period. In the coming week soybean prices likely to remain weak on Soymeal import.

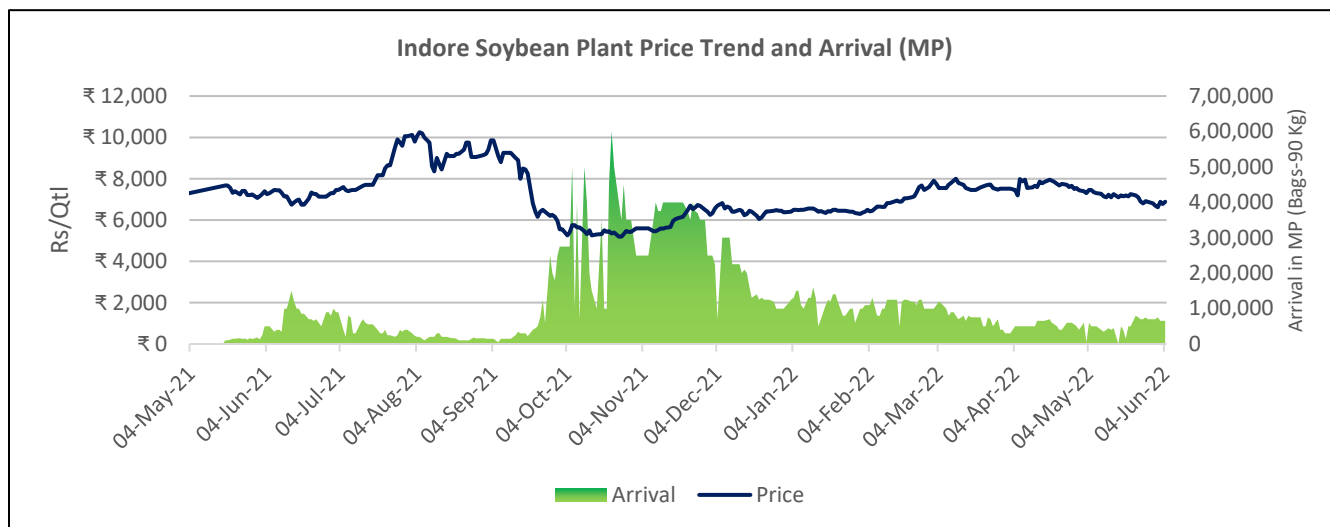
The weekly average prices of Indore soymeal too went down by 2.8% to INR 51,333/MT as compared to last week at INR 52,833/MT tracking Soymeal import.

Jaipur RM seed prices went down by 3.3% to INR 6,883/ Qtl amid edible oil import tariff cut by the government.

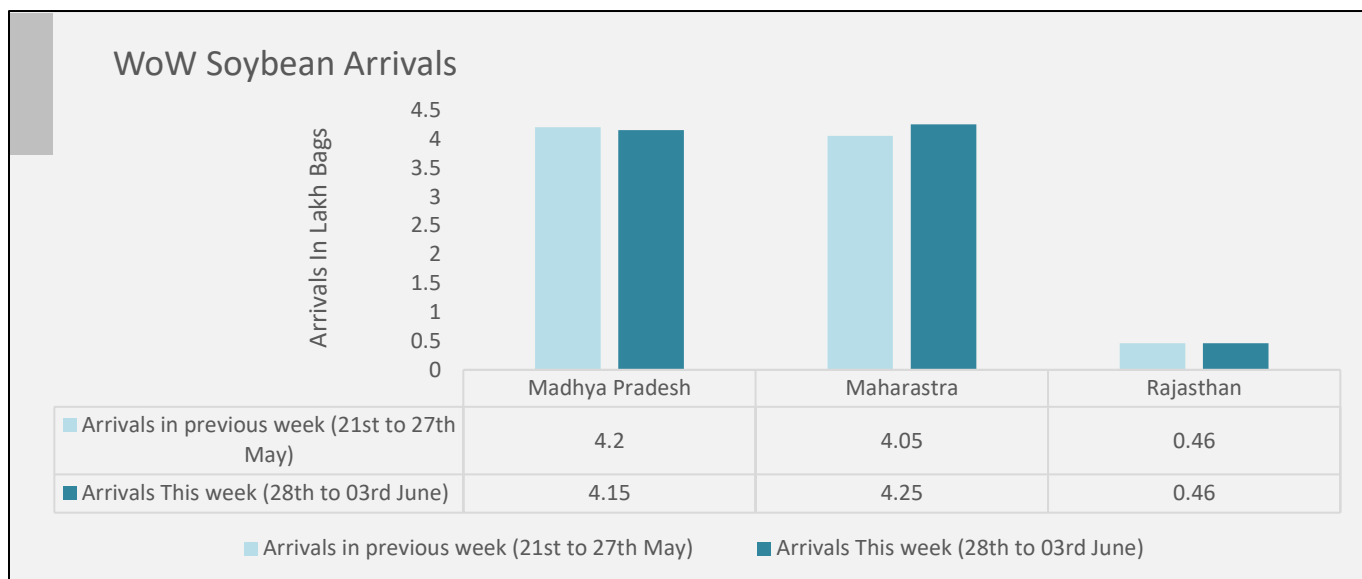
Outlook – Cash Market

<p>Outlook - Soybean (Spot, Nagpur): In coming week, soybean prices are expected to remain weak on Soy meal import. The prices (Indore, Plant basis) are expected to feature range bound movement in the price band of 6,800 – 7,100 level in the near term.</p>
<p>Outlook – Soy meal: The soy meal prices (Indore) are likely to trade with weak bias tracking Soymeal import. Soy meal Indore prices is likely to trade in the range of 48,000 – 55,000/MT.</p>
<p>Outlook - Rapeseed-Mustard (Spot, Jaipur basis): Rapeseed-Mustard is expected to trade range bound with weak bias amid edible oil import tariff cut. The seed prices are likely to trade in the range between 6,800 – 7,100/Qtl. in the short-run.</p>

Soybean

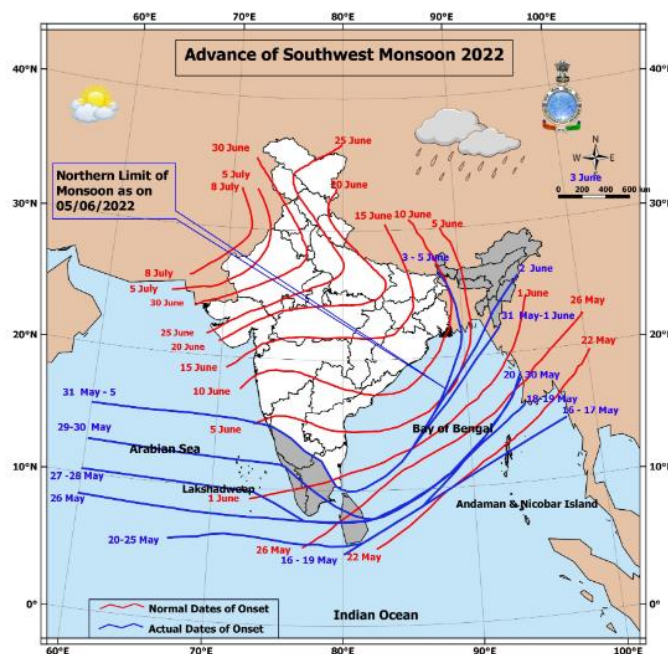


During the week under review, Soybean indore plant prices continued to trade with weak sentiment on Soymeal import and soy oil import tariff cut. Indore plant weekly average prices eased by 4% to INR. 6,777/qtl. as compared to 7,027/qtl.



This week, the total arrival in MP stood at 4.15 Lakh bags Vs 4.2 Lakh bags last week. In Maharashtra arrivals stood at 4.25 Lakh bags Vs 4.05 Lakh bags last week and in Rajasthan the arrivals remained stable at 0.46 lakh bags. Farmers are expected to release stocks for kharif sowing in upcoming weeks.

Weather Updates-First week since onset of rain season leaves rainfall deficit of 29% over South Peninsula.



According to IMD, Monsoon may scale up over South Peninsula from Tuesday.

5 Day Rainfall Forecast (MORNING)

06-June-2022

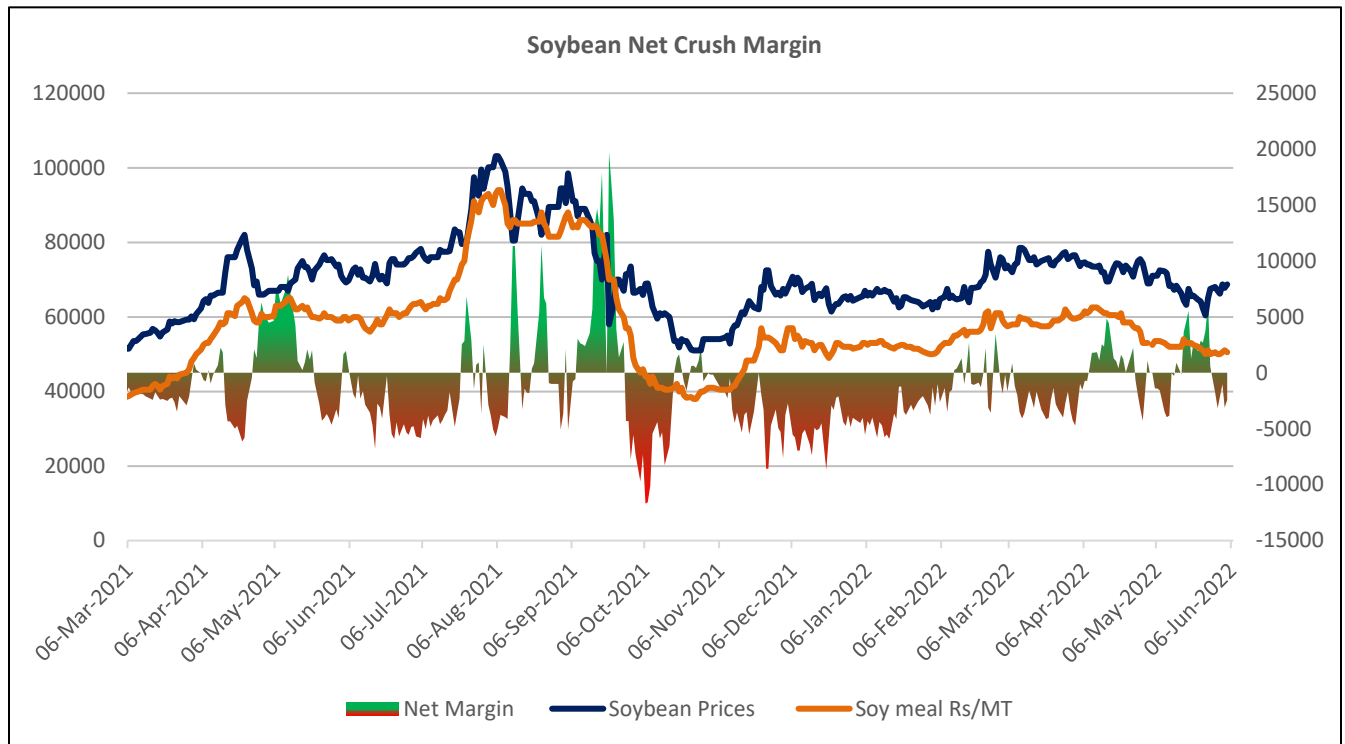
Met-Sub-Division	06-Jun Today	07-Jun Tue	08-Jun Wed	09-Jun Thu	10-Jun Fri
1. Andaman & Nicobar Islands	WS	WS	WS	WS	FWS
2. Arunachal Pradesh	WS	WS	WS	WS	WS
3. Assam & Meghalaya	WS	WS	WS	WS	WS
4. N. M. M. & T.	FWS	FWS	WS	WS	WS
5. S.H. West Bengal & Sikkim	WS	WS	WS	WS	WS
6. Gangetic West Bengal	ISOL	SCT	SCT	SCT	SCT
7. Odisha	ISOL	ISOL	ISOL	ISOL	ISOL
8. Jharkhand	ISOL	ISOL	ISOL	ISOL	ISOL
9. Bihar	ISOL	ISOL	SCT	SCT	ISOL
10. East Uttar Pradesh	DRY	DRY	DRY	DRY	DRY
11. West Uttar Pradesh	DRY	DRY	DRY	DRY	DRY
12. Uttarakhand	DRY	DRY	DRY	DRY	ISOL
13. Haryana, Chd & Delhi	DRY	DRY	DRY	DRY	ISOL
14. Punjab	DRY	DRY	DRY	DRY	ISOL
15. Himachal Pradesh	DRY	DRY	DRY	DRY	ISOL
16. J & K and Ladakh	DRY	DRY	ISOL	ISOL	SCT
17. West Rajasthan	DRY	DRY	DRY	DRY	DRY
18. East Rajasthan	DRY	DRY	DRY	DRY	DRY
19. West Madhya Pradesh	DRY	DRY	DRY	DRY	DRY
20. East Madhya Pradesh	DRY	DRY	DRY	DRY	DRY
21. Gujarat Region	DRY	DRY	ISOL	ISOL	DRY
22. Saurashtra & Kutch	DRY	DRY	DRY	DRY	DRY
23. Konkan & Goa	ISOL	ISOL	SCT	SCT	SCT
24. Madhya Maharashtra	ISOL	ISOL	SCT	SCT	ISOL
25. Marathwada	ISOL	ISOL	ISOL	ISOL	ISOL
26. Vidharbha	ISOL	ISOL	ISOL	ISOL	ISOL
27. Chhattisgarh	ISOL	ISOL	ISOL	ISOL	ISOL
28. Coastal A. P. & Yanam	ISOL	ISOL	SCT	SCT	SCT
29. Telangana	ISOL	ISOL	ISOL	ISOL	ISOL
30. Rayalaseema	SCT	SCT	FWS	FWS	SCT
31. T.N., Puducherry & Karaikal	SCT	SCT	SCT	ISOL	ISOL
32. Coastal Karnataka	SCT	FWS	FWS	WS	WS
33. North Interior Karnataka	SCT	FWS	WS	WS	FWS
34. South Interior Karnataka	FWS	FWS	WS	WS	FWS
35. Kerala & Mahe	FWS	WS	WS	WS	WS
36. Lakshadweep	FWS	WS	WS	WS	WS

% Station Reporting Rainfall

% Stations	Category	% Stations	Category
76-100	Widespread (WS/ Most Places)	26-50	Scattered (SCT/ A Few Places)
51-75	Fairly Widespread (FWS/ Many Places)	1-25	Isolated (ISOL)
No Rain	Dry		

Soybean Crush Margin-

Soybean net crush margin improved during the week under review. Weekly average soybean net crush margin decreased to INR -1,776/MT as compared to INR. 3,365/ MT previous week amid correction in Soy oil prices. We expect weak soy oil prices likely to keep net crush margin tight.



International: This week, CBOT Soybean July futures went down by 1.99% on profit booking.

USDA/NASS US soybean crush for April came in at 180.89 million bushels, which was at the upper end of expectations.

According to USDA latest planting report USA Soybean sowing progress stood at 66% Vs 83% previous year.

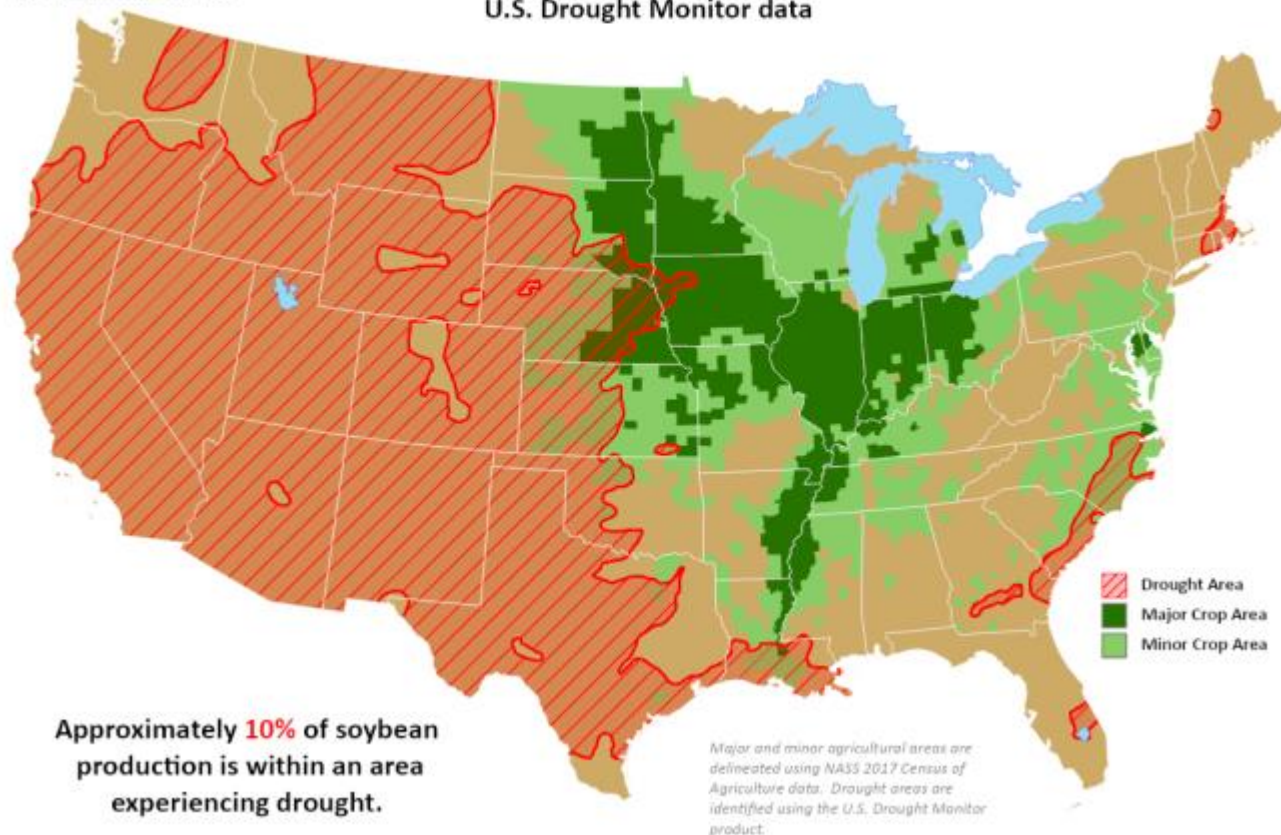




This product was prepared by the
USDA Office of the Chief Economist (OCE)
World Agricultural Outlook Board (WAOB)

Soybean Areas in Drought

**Reflects May 31, 2022
U.S. Drought Monitor data**

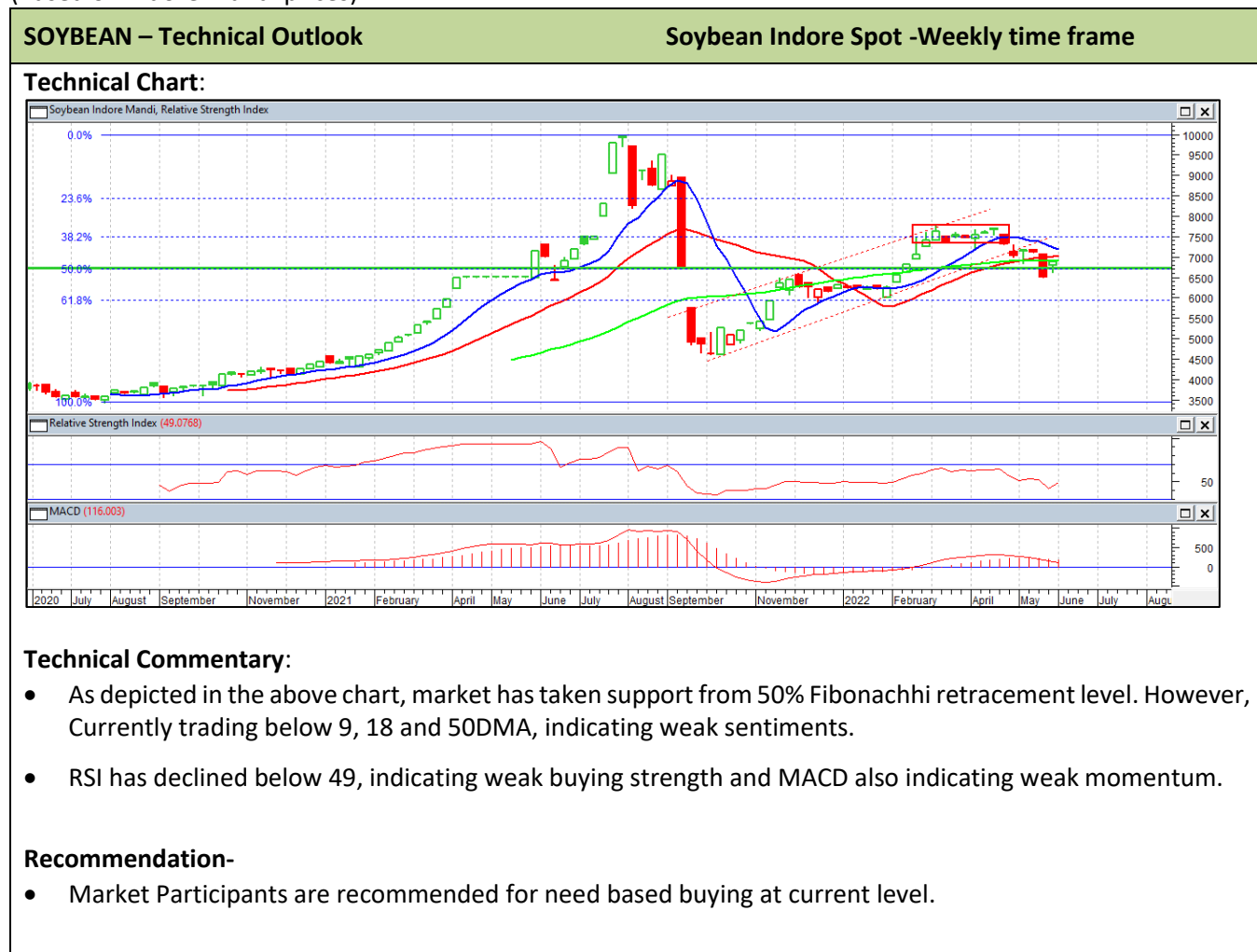


Currently in US, 10% of Soybean production is within an area experiencing drought.

USDA Attache in Its May'22 report has estimated India's 2022-23 Soybean production estimate at 11.5 MMT as compared to 11.90 MMT previous year. Brazil's 2022-23 Soybean production is estimated at 149 MMT Vs 125 MMT in 2021-22. However China's 2022-23 Soy crush is estimated at 95 MMT Vs 89 MMT in 2021-22. While China's Soy import is estimated at 99 MMT in 2022-23 Vs 92 MMT in 2021-22.

Technical Analysis

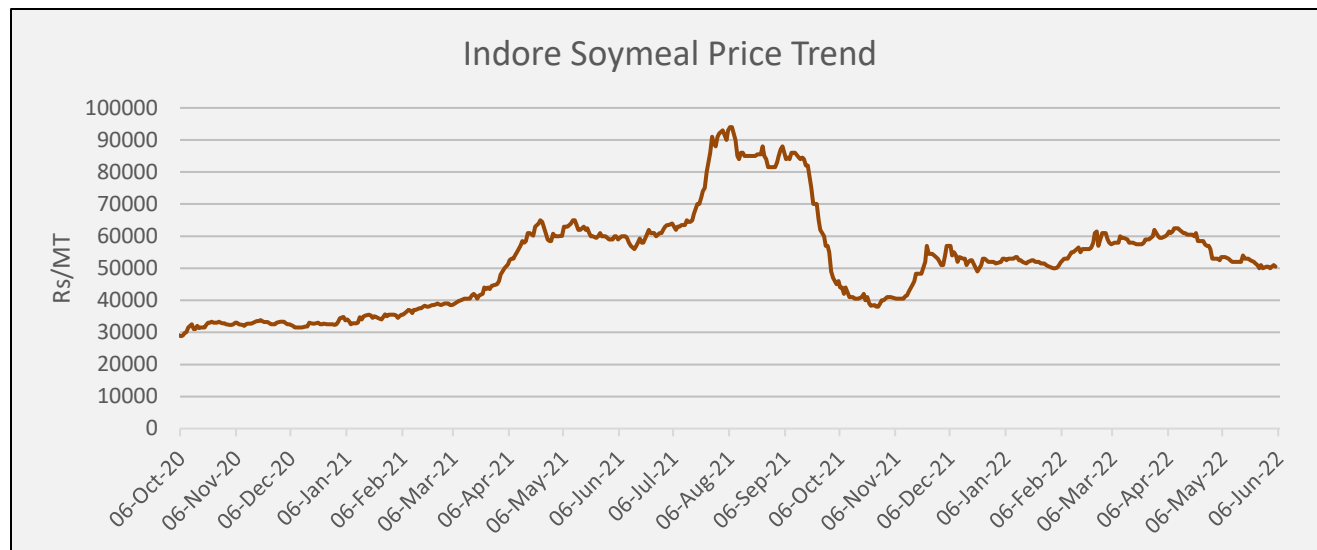
(Based on Indore Mandi prices)



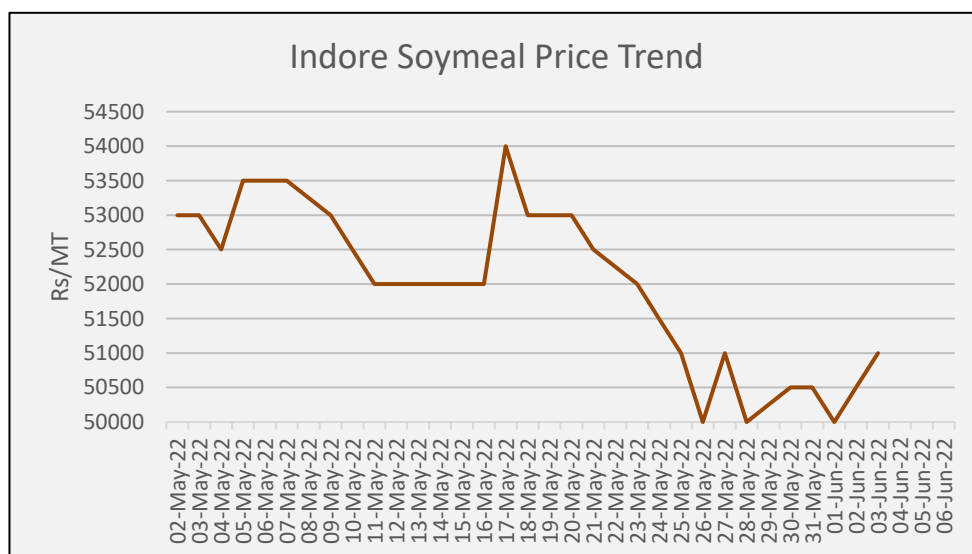
Soybean Price Outlook for coming week: Indore Soybean mandi prices are currently trading at INR. 6,490/qty. and are expected to trade with weak bias tracking Soy meal import.

Soybean Mandi Price Outlook (INR./Qty)	Previous week 21st-27th May'22	Week Under review 28th-03rd June'22	Next week 04 th June- 10 th June'22
Weekly Average Price	6,500-7,100	6,350-6,650	6,300-6,500

Soymeal



During the week under review, Indore Soymeal prices continued trading with weak sentiments tracking Soy meal import. The weekly average prices of soymeal went down by 1.8% at INR 50,416/MT as compared to last week at INR 51,333/MT. Overall the prices quoted between INR 50,000 – 51,000/MT throughout the week.

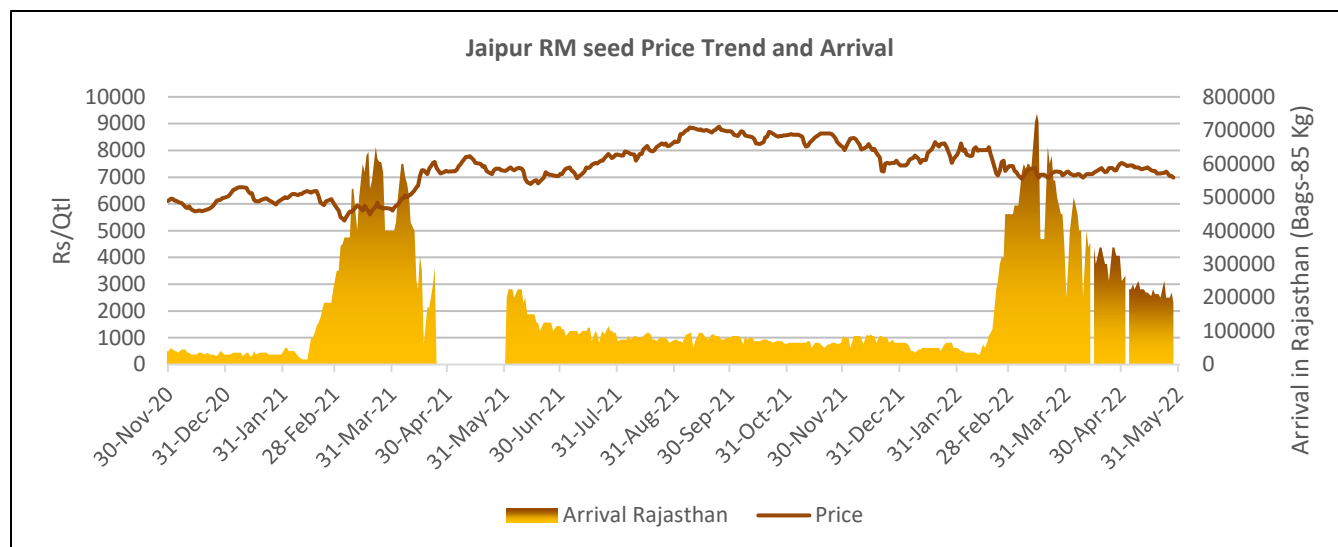


At Nanded, the weekly average prices traded at INR. 52,916/MT compared to INR. 54,916MT a week ago. In Kota the meal prices were down at INR. 54,316/MT compared to INR. 54,683/MT previous week.

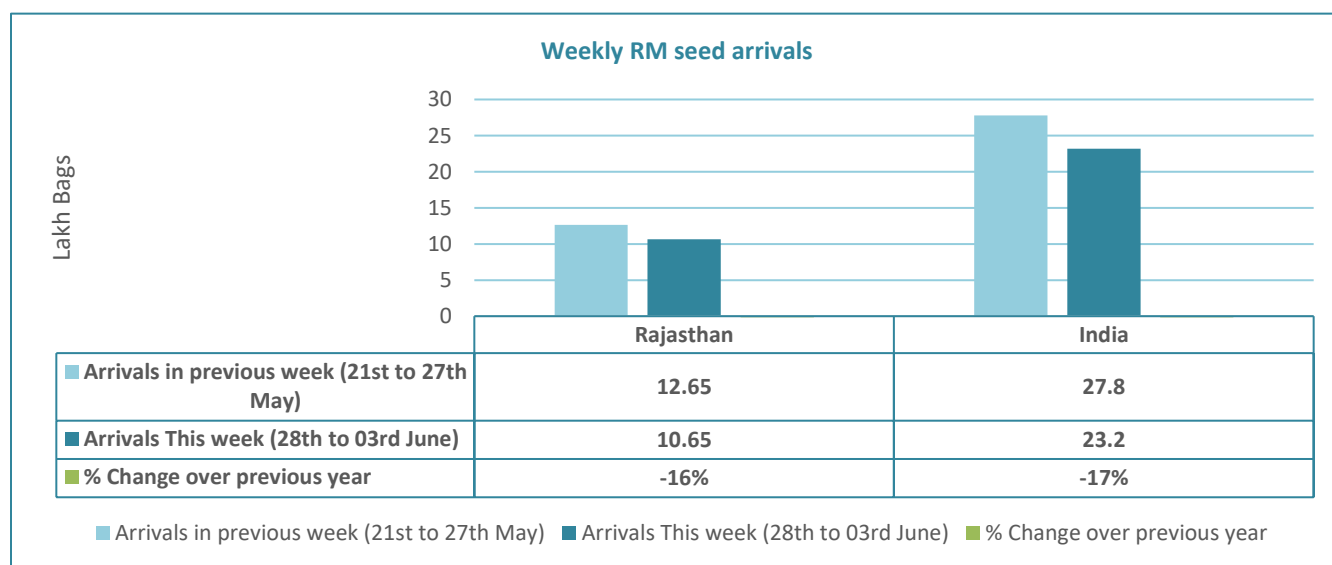
Soymeal Price Outlook for coming week: Soybean meal prices are expected to continue to trade with weak bias tracking Soymeal import decision by government.

Soymeal Indore Price Outlook (INR./MT)	Previous week 21st-27th May'22	Week Under review 28th-03rd June'22	Next week 04 th June- 10 th June'22
Weekly Average Price	50,000-52,500	50,000-51,000	48,000-53,000

Rapeseed - Mustard Seed



RM seed continued correction this week too, during the week under review, Jaipur RM seed weekly average prices went down by 3.3% to INR. 6,883/qrtl as compared to INR. 7,121/qrtl last week. Prices went down amid edible oil import tariff cut by the government. Farmers are still holding new crop in anticipation of better prices in future. And may off load to meet their kharif sowing expences in upcoming weeks.



All India Arrivals recorded low during the week under review, in Rajasthan, total mustard were recorded lower by 16% at 10.65 Lakh bags. All India arrivals stood at 23.2 Lakh bags Vs 27.8 Lakh bags previous week. Farmers are not willing to sell at discounted price. Most of the stockiest/ traders are not aggressively buying, as they already bought 2,000 Qtls of stock limit.

Production- As per Agriwatch, the production is expected to be 107.1 Lakh tonnes, which is all time high production. Rajasthan's mustard crop production estimated at 45.1 Lakh tonnes, Madhya Pradesh at 11.7 Lakh tonnes, Uttar Pradesh at 14.10 Lakh tonnes. It is estimated that 102.5 Lakh tonnes will be crushed, which would translate into 43.05 Lakh tonnes oil and 59.45 Lakh tonnes RM seed DOC production.

According to USDA's April'22 reports India's 2021-22 RM seed production estimated at 108 Lakh tonnes as compared to last year estimates at 85 Lakh tonnes, crushing estimated at 96.50 Lakh tonnes as compared to 75 Lakh tonnes previous year.

As per 3rd Advance estimate released by the Department of Agriculture and Farmers Welfare, RM seed production during 2021-22 is estimated at 117.54 Lakh tonnes Vs 114.59 Lakh tonnes in 2nd advance estimates and 102.1 Lakh tonnes last year.

Trade body Central Organization for Oil Industry and Trade (COOIT) has estimated Mustard Rabi 2022 crop at 113 Lakh tonnes marginally up from 110 Lakh tonnes last month, total production includes taramira too. COOIT has estimated mustard crop production in Rajasthan at 51 Lakh tonnes, 17 Lakh tonnes in Uttar Pradesh, 12.5 Lakh tonnes in Madhya Pradesh.

International-

According to Agriculture and Agri-Food Canada's (AAFC), Canada's canola supplies declined from last year by 37% to 14.5 MMT due to drop in carry in stocks by 49% and 35% lower production as a result of last summer's drought. Demand for Canadian canola remains firm on a strong world oilseed crush and high prices for competing oilseeds, vegetable oils and protein meals. Disruption of Black Sea exports of sunflowerseed oil as a result of the Russian invasion of Ukraine is tightening world supplies and supporting world prices. Domestically, processing of canola is estimated to fall to 8.3 Mt, a drop of 20% from last year, while exports are expected to fall by 51% to 5.2 Mt, as commercial buyers outbid exporters for the tight supplies. For the crop year, the major importers of Canadian canola to-date are China, Japan, Mexico and the European Union. Carry-out stocks are forecast to fall by 77% from last year, to a tight 0.40 Mt, for a stock-to-use ratio of 3% versus 8% in 2020-21 and the 5-year average of 13%. Price volatility for canola increased sharply during the past month due to shipping disruptions from the Black Sea Region. For the crop year to- date, Canadian canola prices are estimated at \$1,100/t vs \$730/t last year and the 5-year average of \$556/t. tight stocks.

For 2022-23, the area seeded to canola is expected to decrease by 7% to 8.5 million hectares (Mha) based on Statistics Canada's Seeding Intentions Survey.

According to USDA Attachae, 2022-23 global rapeseed supplies is projected to rise 10 percent to a record 100.5 MMT as production in Canada recovers from last year's devastating drought. Both global harvested area and production are projected to be records. Reduced carryover, the smallest in nearly 20 years, will necessitate some stock-building in the coming year and provide a measure of price support. Exports are projected to rise significantly above this year's current forecast but will fall short of the 2020/21 record volume as stock building and strong crush recovery in Canada restrict exportable supplies. Global rapeseed crush is forecast to reach a record 75.1 million tons.

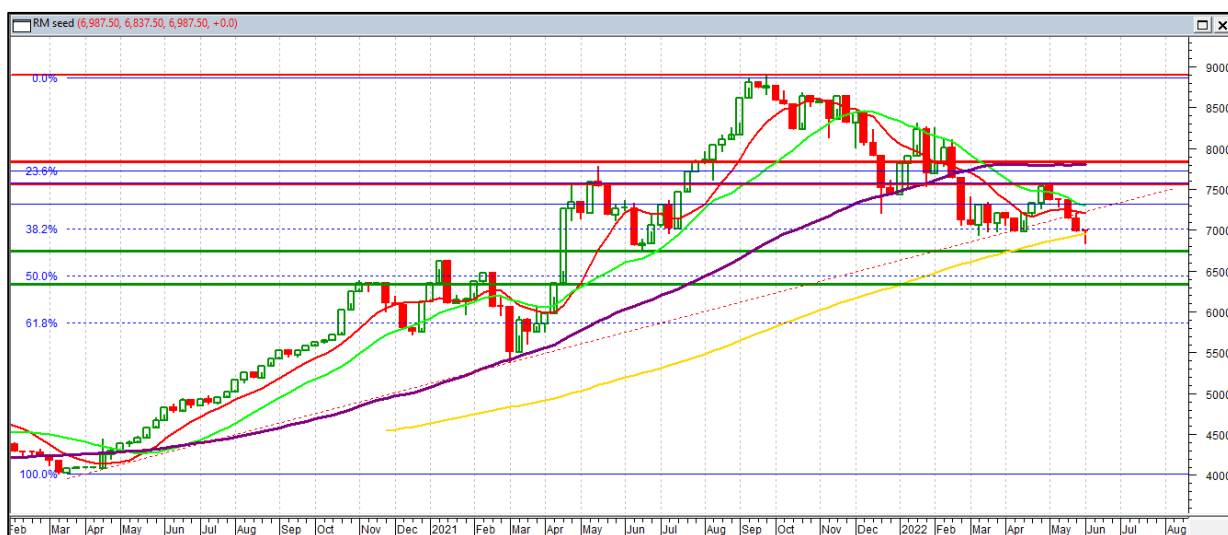
Technical Analysis

(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, market is weak and during the week under review, market made low of 6,837 and high of 6,987 and closed at 6,987.
- 38.2% Fibonacci retracement level and 100 DMA can be characterized as support whereas 23.6% fibonacci retracement level can be characterized as resistance level.
- Immediate support is at 6,800, next support is at 6,700 and immediate resistance is at 7300, next resistance is at 7500.

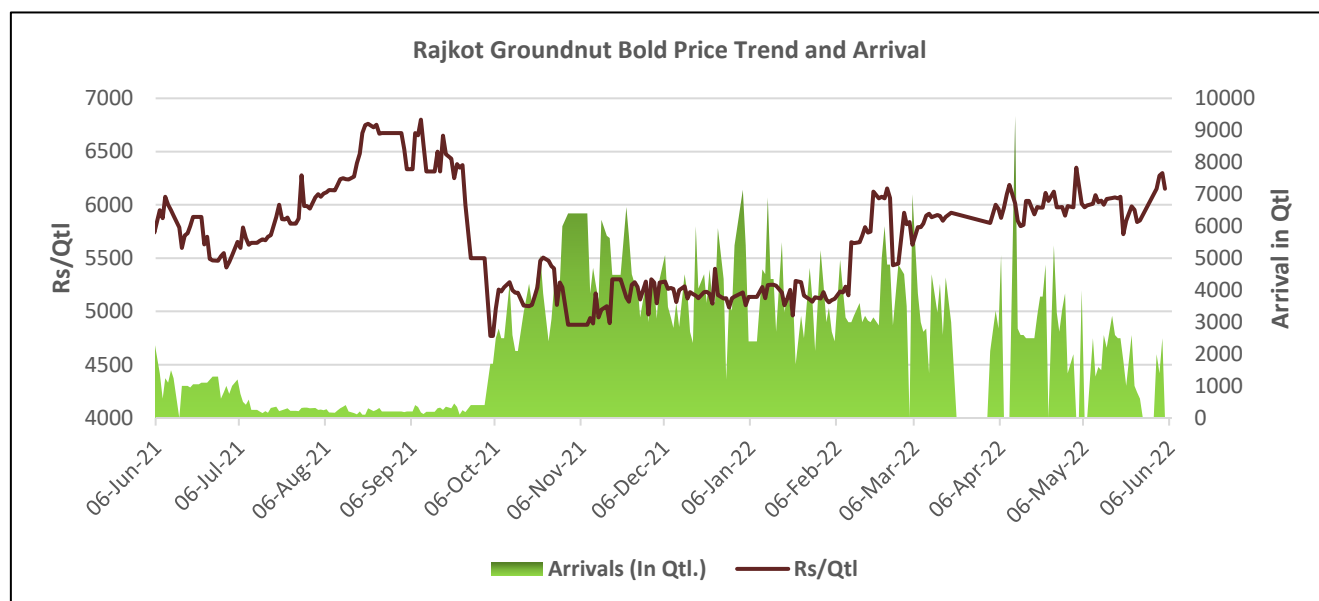
Recommendation-

Market participants are recommended to do need based buying at current levels.

RM seed Price Outlook for coming week: RM Seed is expected to trade range bound with weak bias amid edible oil import tariff cut by the government.

Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 21st-27th May'22	Week Under review 28th-03rd June'22	Next week 04 th June- 10 th June'22
Weekly Average Price	7,229	7,121	6,800-7,100

Groundnut



During the week under review, Rajkot Groundnut weekly average bold prices remained firm on good domestic demand and went up by 6% to INR 6,241/Qtl.

Groundnut Price Outlook for coming week: Rajkot groundnut bold prices expected to trade steady to firm on good domestic demand.

Rajkot Groundnut Bold Price Outlook (INR./Qtl)	Previous week 21st-27th May'22	Week Under review 28th-03rd June'22	Next week 04 th June- 10 th June'22
Weekly Average Price	5,897	6,242	5,800-6,100

Annexure

Oilseed Prices at Key Spot Markets:					
Commodity / Centre	% Change over previous week	Today	Week Ago	Month Ago	Year Ago
Soybean		03-Jun-22	27-May-22	03-May-22	3-Jun-21
Indore –Plant	-2%	6850	7025	7400	7450
Indore–Mandi	-1%	6700	6750	Closed	7200
Nagpur-Plant	-9%	6400	7000	7000	7300
Nagpur – Mandi	-12%	6100	6900	Closed	7075
Latur – Mandi	-4%	6730	6980	Closed	7255
Akola – Mandi	-10%	6380	7100	Closed	7260
Kota-Plant	-1%	7000	7050	7200	7450
Kota – Mandi	-1%	6900	6950	Closed	7350
Bundi-Plant	0%	6800	6800	7100	7200
Bundi-Mandi	-1%	6600	6700	Closed	7000
Baran-Plant	-1%	6850	6940	7300	7700
Baran-Mandi	-2%	6700	6840	Closed	7600
Bhawani Mandi Jhalawar–Plant	0%	6930	6900	7300	7600
Jhalwar-Mandi	1%	6900	6850	Closed	7400
Rapeseed/Mustard					
Jaipur-(Condition)	-	-	7050	7425	7375
Alwar-(Condition)	-	-	7050	6900	7050
Sri Ganganagar-(Non-Condition)	-	-	6600	7000	6500
New Delhi–(Condition)	-	-	7000	6950	7150
Kota-(Condition)	-7%	6250	6720	Closed	6900
Agra-(Condition)	-	-	7143	7476	7286
Neewai-(Condition)	-	-	6900	Closed	7000
Hapur (UP)-(Condition)	-	-	6800	7150	7050
Groundnut Seed					
Rajkot	-	-	NA	1170	1050
Sunflower Seed					
Gulbarga	2%	6100	6000	5400	-

Latur	-6%	6800	7200	7800	7500
Sholapur	-6%	6800	7200	7700	7550

Soybean Prices are in INR/qtl. (1 bag=90 kg). Mandi prices – Loose, Mustard Seed Prices are in INR/qt (1 bag=85 kg) C – Condition (42%), *Groundnut seed in Rs/20 kg, Sunflower Seed in Rs/qtl.

Other Oilseed Prices at Mumbai (INR/100 Kg):

Oilseeds	3-Jun-22	27-May-22	Change
Groundnut Kernel	8150	7950	200
Gr. Bolds 60/70	9000	9100	-100
Gr. Javas 60/70	10100	10200	-100
Gr Javas 70/80	9050	9150	-100
Gr.Javas 80/90	9550	9650	-100
KardiSeed 2% Exp Qly	5400	5500	-100
Sesame White 98/2/1 FM	10000	10000	Unch
Whitish 95/5/FFA/1FM	9800	9800	Unch
Brown 48/2 FFA/4 FM	9400	9400	Unch
Brown 48/3 FFA/4 FM	9100	9100	Unch
Brown 48/4 FM/* No FFA Guarantee	8800	8800	Unch
Sunflower Seed	6800	6800	Unch
Niger Seed (4% FM)	8400	8400	Unch

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