



Oil Seed Weekly Research Report

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Executive Summary

The weekly average prices of Soybean Indore plant prices went down by 2.80% to INR. 6,743/qtl during the week under review. Prices were in the range of INR. 6,688-6,825/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 3.7% to INR 50,416/MT as compared to last week at INR 52,333/MT tracking Soymeal import and weakness in global markets.

Jaipur RM seed prices too went down by 1.4% to INR 7,038/Qtl amid correction in ICE Canola and palm oil.

During the week under review, Rajkot groundnut bold prices remained sideways and went marginally up by 0.4% to INR 6,010/tl.

CBOT Soybean oil falls for the 7th straight day, 8.69% down in one week, 15.70% down from all-time high amid tumbling crude oil prices weighing on edible oil basket. This week WTI crude oil slumped by 9.21% to \$109/barrels. ICE Canola too went down by 5.10% this week. Palm oil too went down by 9.52% during the week under review, 13.99% in June amid

	Week On Week	In June'22
CBOT Soybean	-2.49%	1.11%
CBOT Soy oil	-8.69%	-5.30%
CBOT Soymeal	2.10%	5.62%
WTI Crude Oil	-9.21%	-4.46%
KLC Palm oil	-9.52%	-13.99%
ICE Canola	-5.10%	-11.67%
Soybean Indore	-1.81%	-0.37%
RM Seed Jaipur	-0.30%	4.40%
Groundnut Bold Rajkot	-1.49%	-3.00%
Soymeal Indore	-2.00%	-1.00%
Rapeseed Meal Jaipur	-1.50%	3.70%
Groundnut Meal Saurashtra	-6.10%	-3.10%

palm oil export ban abrogation by Indonesia. Domestic oilseed complex too trading with weak sentiments tracking correction in global markets coupled with soymeal import.

Outlook – Cash Market

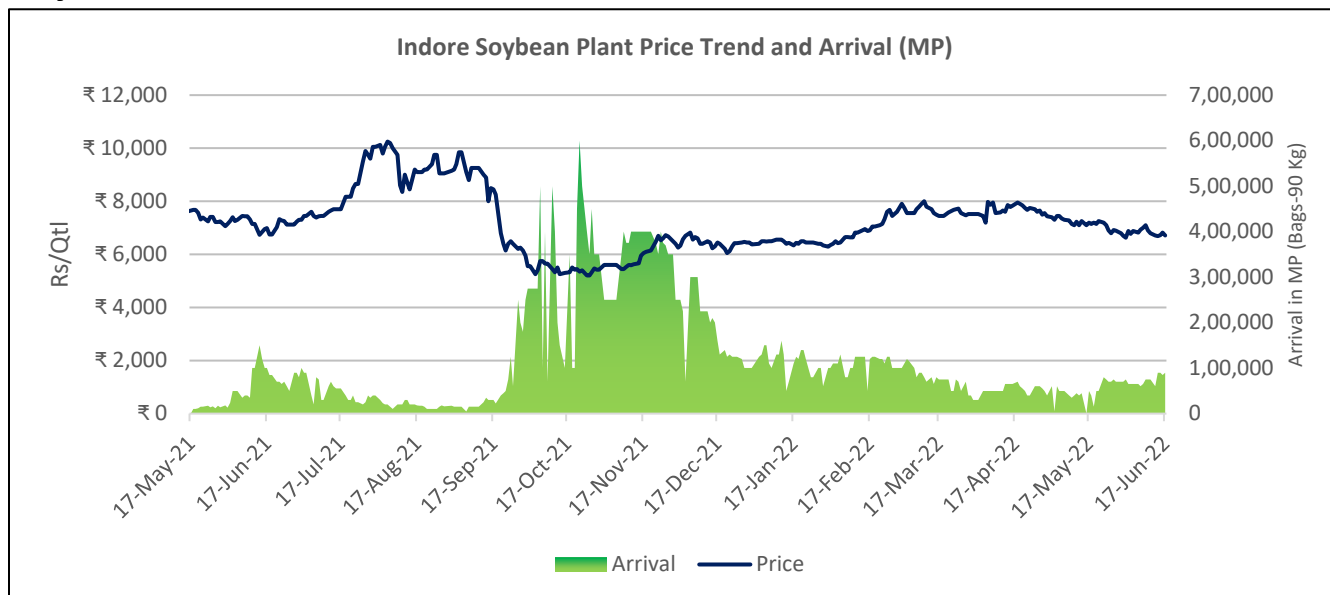
Outlook - Soybean (Spot Indore): In coming week, soybean prices are expected to remain weak on Soy meal import and weakness in global markets. The prices (Indore, Plant basis) are expected to feature range bound movement in the price band of 6,300 – 6,600 level in the near term.

Outlook – Soy meal:

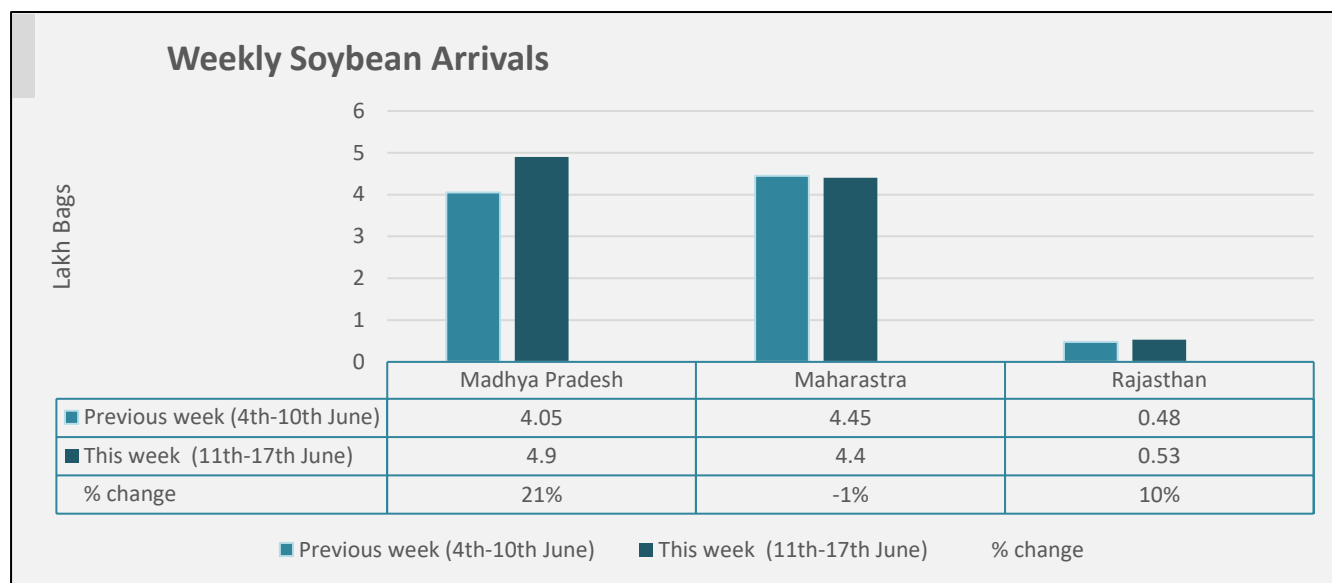
The soy meal prices (Indore) are likely to trade with weak bias tracking Soymeal import. Soy meal Indore prices is likely to trade in the range of 49,000 – 53,000/MT.

Outlook - Rapeseed-Mustard (Spot, Jaipur basis): Rapeseed-Mustard is expected to trade range bound with weak bias amid correction in palm oil and ICE canola prices. The seed prices are likely to trade in the range between 6,800 – 7,100/Qtl. in the short-run.

Soybean



During the week under review, Soybean indore plant prices traded with weak bias amid weakness in CBOT Soybean and GM soymeal import. Indore plant weekly average prices went down by 2.80% to INR. 6,743/qrtl. as compared to 6,937/qrtl. In other cash markets too traded with weak sentiments amid monsoon showers.

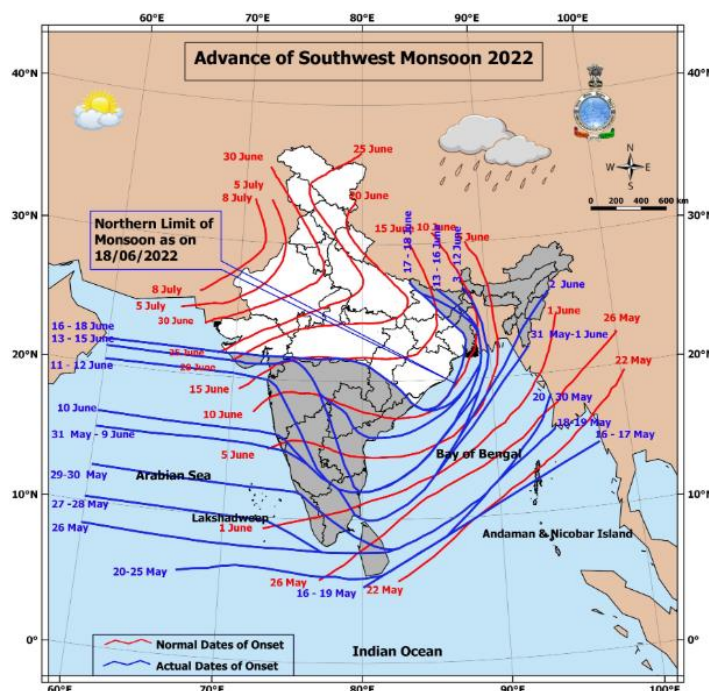


This week, the total arrival in MP stood at 4.9 Lakh bags Vs 4.05 Lakh bags last week. In Maharashtra arrivals stood at 4.4 Lakh bags Vs 4.45 Lakh bags last week and in Rajasthan the arrivals went up at 0.53 lakh bags. Farmers off loaded their stocks for kharif sowing.

Weather Updates-

Southwest Monsoon has further advanced into entire west bengal, most parts of north west bay of bengal, some parts of gangetic west bengal, Jharkhand and some parts of Bihar today, the 18th June, 2022.

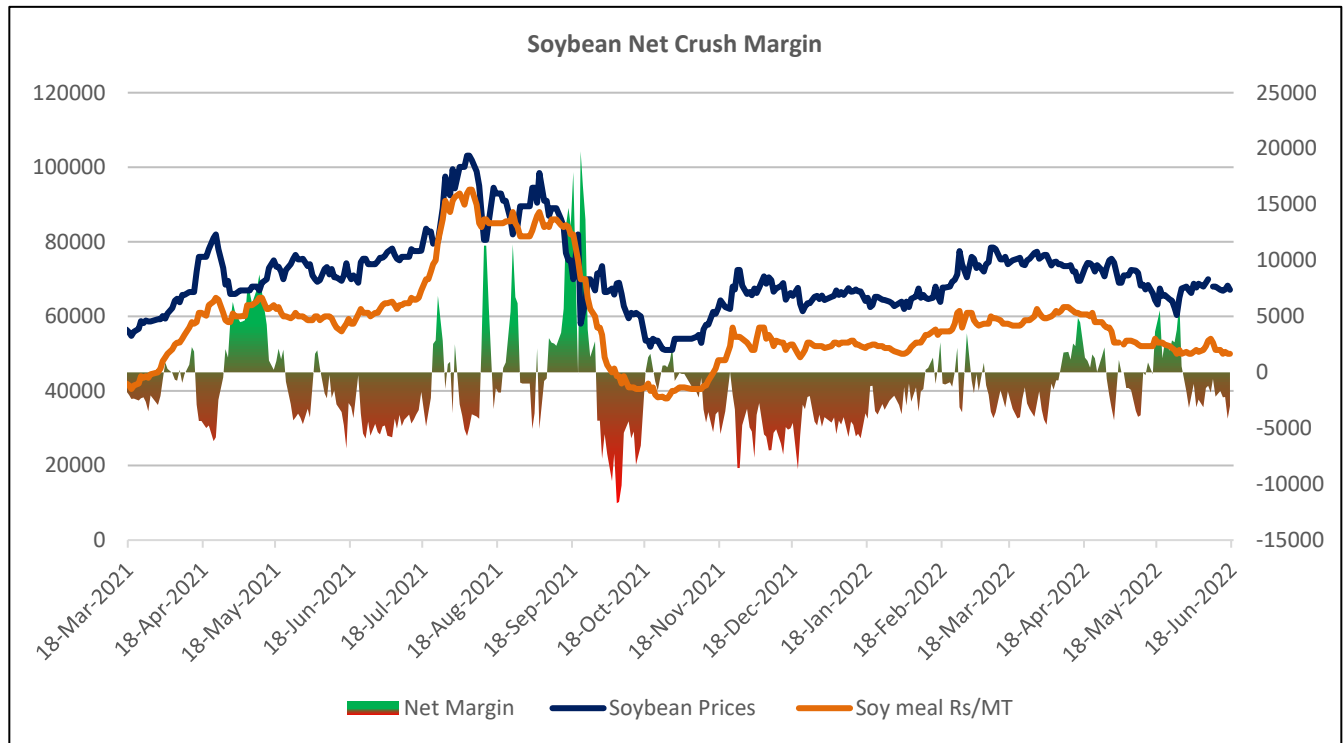
Conditions are favourable for further advance of monsoon into more parts of madhya pradesh, remaining parts of vidharbha, Andhra pradesh and northwest bay of bengal, some more parts of chattisgarh and orissa, some more parts of gangetic west bengal, Jharkhand and bihar and northwest Uttar pradesh during next 2-3 days.



State-Wise Progress of Area Coverage Under Kharif Soyabean as on 17-Jun-2022					
S.No.	State	Area Covered		Difference in Area coverage with Current Week	
		(Lakh Ha)			
		2022	2021	2021	2020
1	Andhra.Pradesh	0	-	-	-
2	Gujarat	0.022	0.004	0.018	-0.001
3	Karnataka	0.476	0.368	0.108	-0.082
4	Maharashtra	0.007	0.5	-0.493	-1.871
5	Nagaland	0.097	0.108	-0.011	0.046
6	Tamil.Nadu	0.004	-	-	-
7	Telangana.	0.002	0.005	-0.003	-0.161
8	Uttarakhand	0.01	-	-	-
	Total	0.618	0.991	-0.372	-2.092

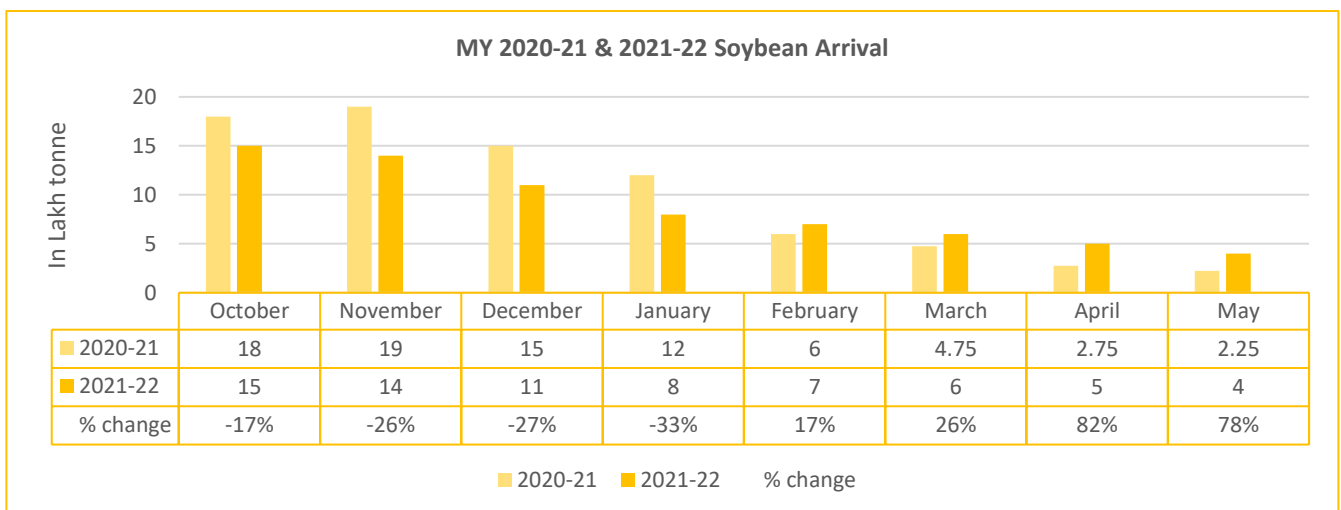
Soybean Crush Margin-

Soybean net crush margin remained tight during the week under review. Weekly average soybean net crush margin decreased to INR -1,751/MT as compared to INR. -1776/MT previous week amid increase in soybean prices. We expect tight crush margin in upcoming week too.

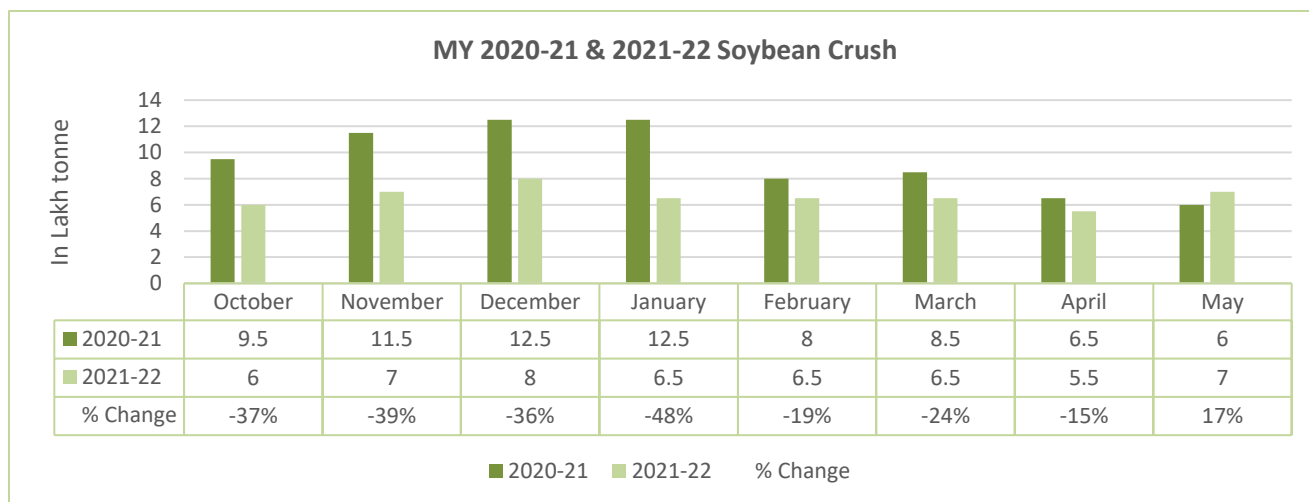


Soybean Arrivals-

According to SOPA, May'22 Soybean arrivals went up by 78% to 4 Lakh tonnes as compared to 2.25 Lakh tonnes previous year same period. Farmers off loaded their stocks for kharif sowing.

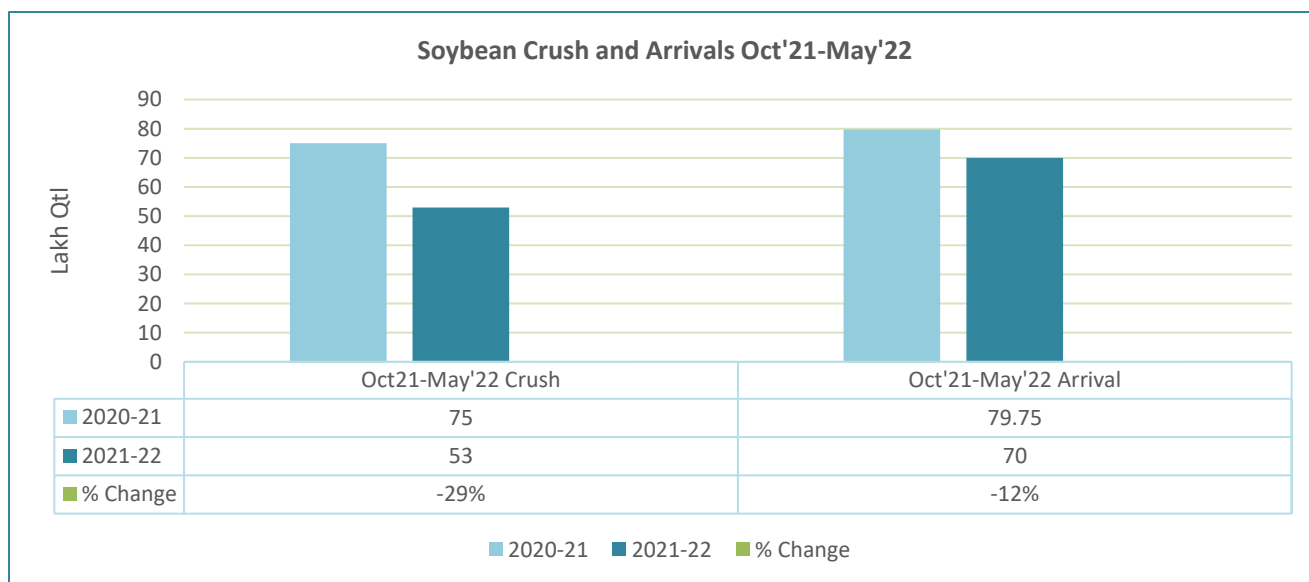


Soybean Crushing:



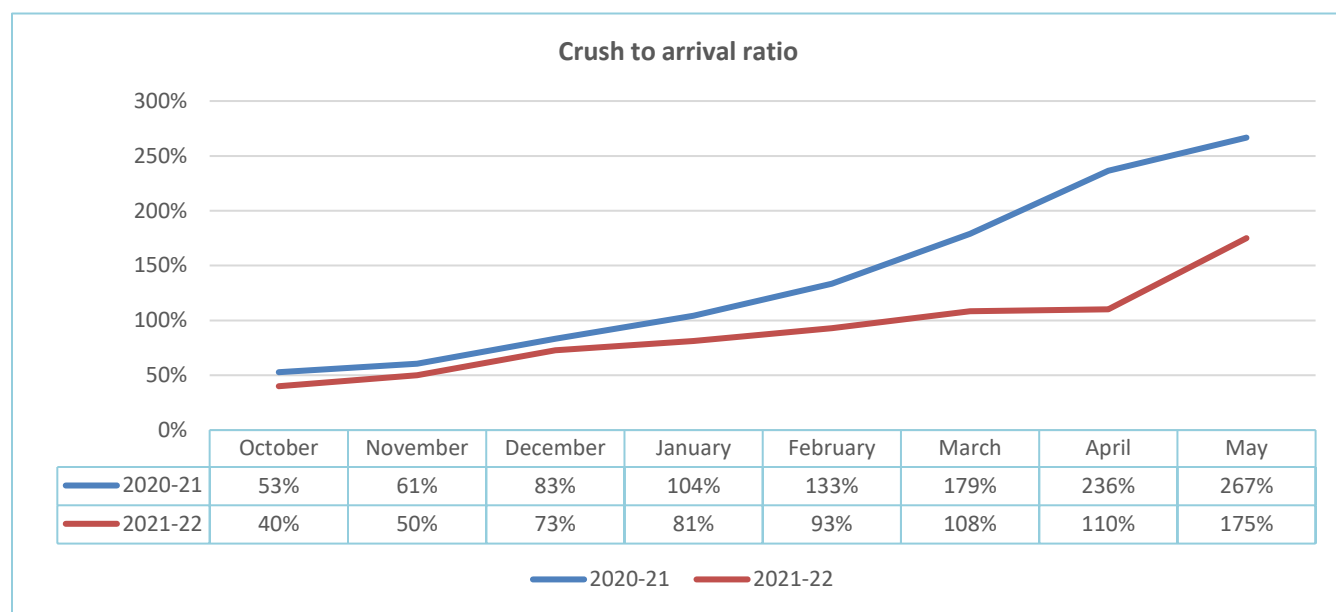
Soybean crushing went up by 17% in May'22 to 7 Lakh tonnes as compared to 6 Lakh tonnes previous year same period. Good crush margin and old stock crushing attributed to increase in crushing in May.

Soybean Crush and Arrivals:



Oct-May'22 crushing remained low by 29% to 53 Lakh tonnes as compared to 75 Lakh tonnes previous year, weak soymeal export demand attributed to low crushing this season till May'22. And arrivals went down by 12% to 70 Lakh tonnes as compared to 79.75 Lakh tonnes previous same period.

Crush to arrival ratio:



Crush to arrival ratio went up to Rs. 175%, it is inferred that old stock is being crushed.

International:

This week, CBOT Soybean July futures went down by 2.49% amid correction in Soy oil and WTI and crude prices.

According to USDA latest planting report USA Soybean sowing progress stood at 88% Vs 93% previous year and 88% five year average.

USDA Attache in Its June'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 126 MMT in 2021-22. 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.

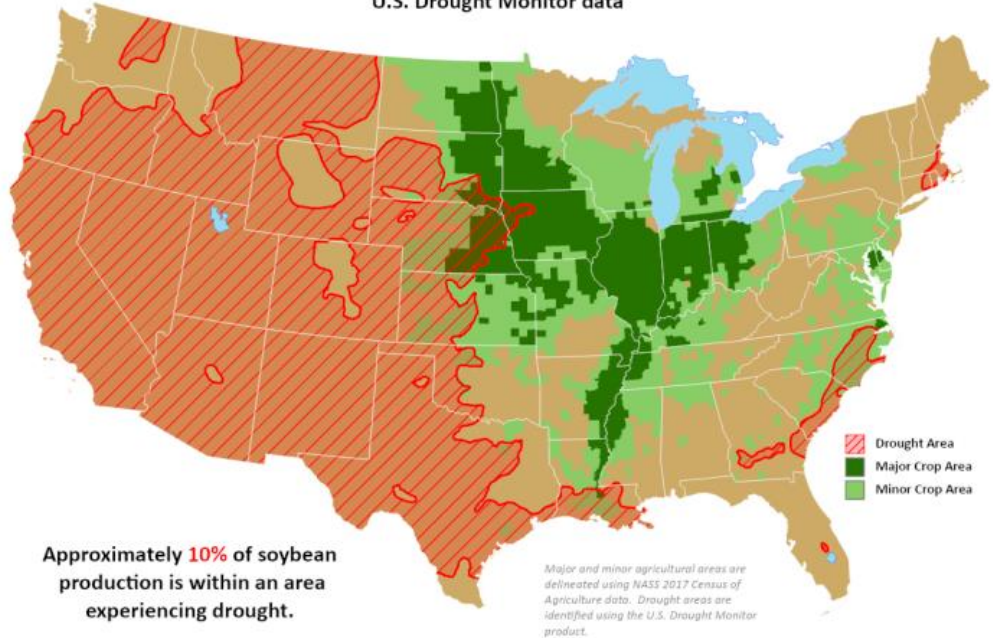


Currently in US, 10% of Soybean production is within an area experiencing drought.

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

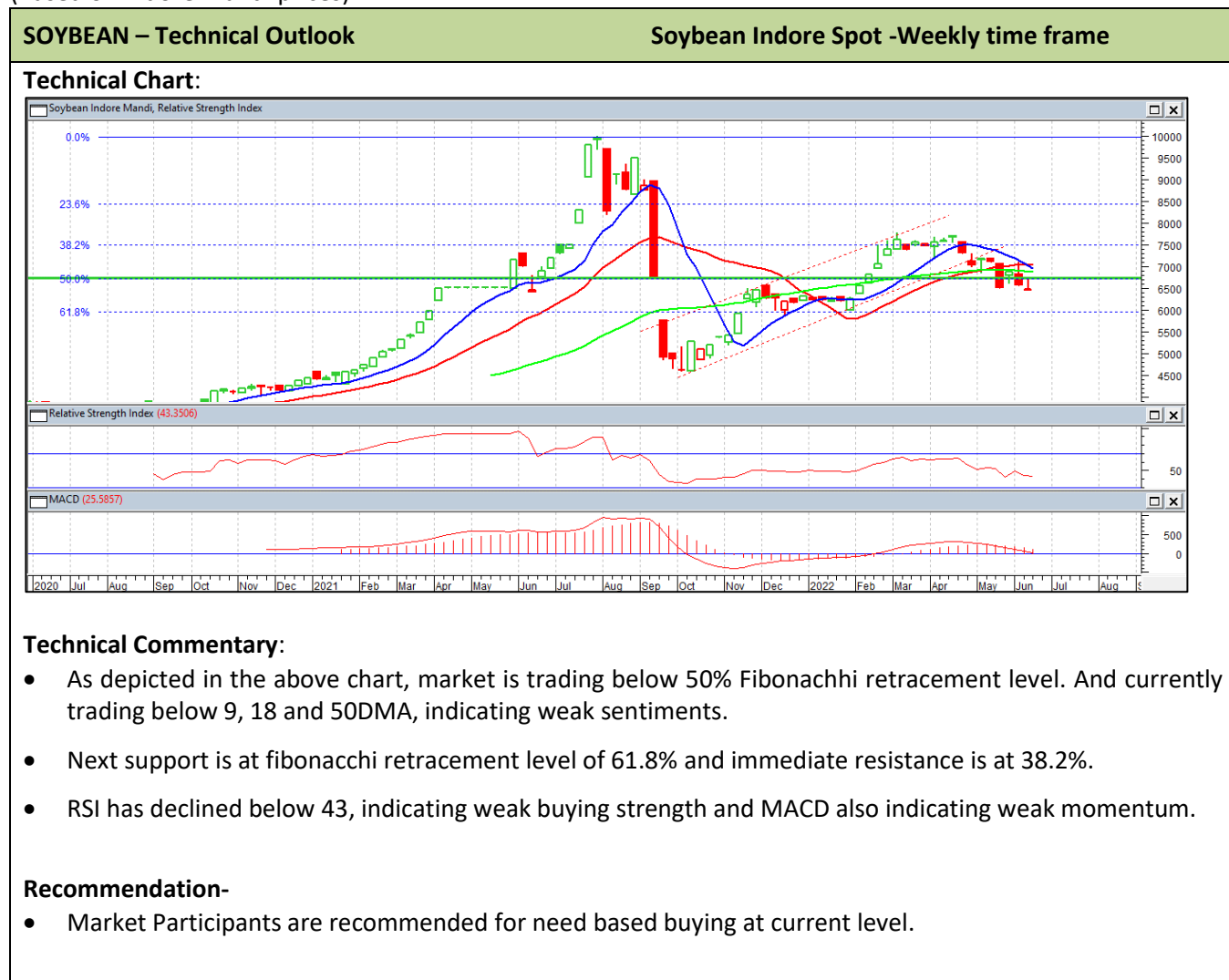
Soybean Areas in Drought

Reflects **June 7, 2022**
U.S. Drought Monitor data



Technical Analysis

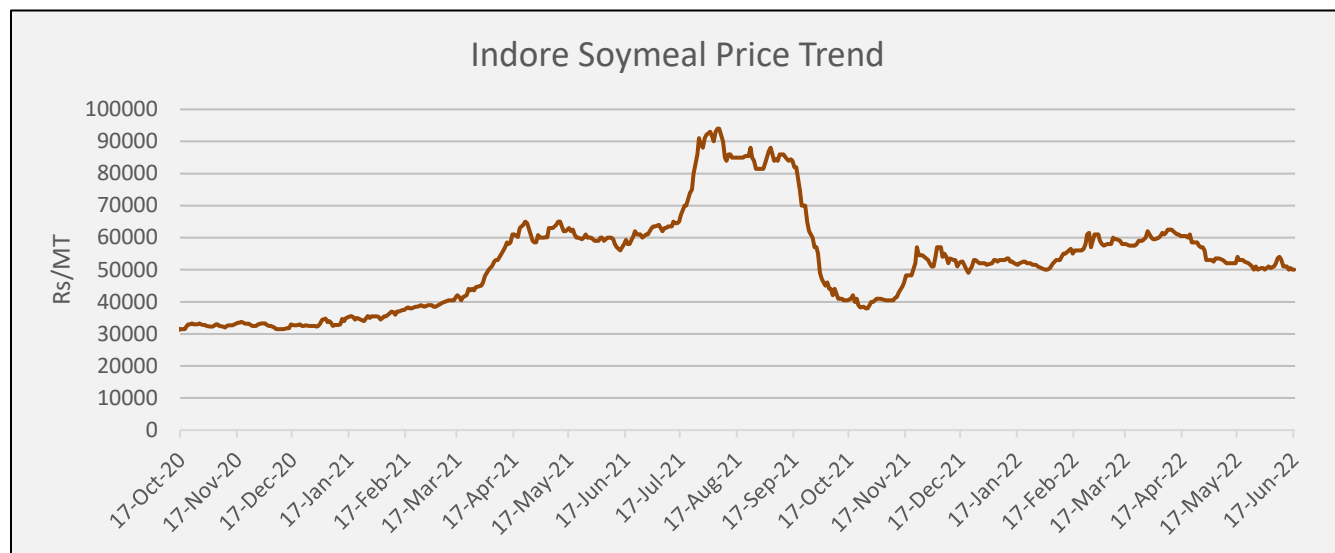
(Based on Indore Mandi prices)



Soybean Price Outlook for coming week: Indore Soybean mandi prices are currently trading at INR. 6,475/qrtl. and are expected to trade with weak bias tracking Soy meal import and weakness in oilseed complex.

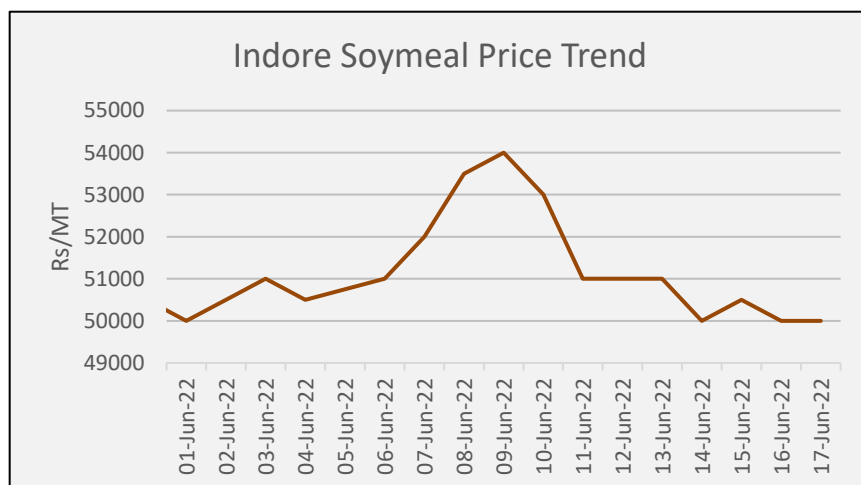
Soybean Mandi Price Outlook (INR./Qtl)	Previous week 04th June- 10th June'22	Week Under review 11th June- 17th June'22	Next week 18 th June- 24 th June'22
Weekly Average Price	6,625-6,850	6,450-6,725	6,300-6,600

Soymeal



During the week under review, Indore Soymeal prices traded with weak sentiments. The weekly average prices of soymeal went down by 3.7% at INR 50,416/MT as compared to last week at INR 52,333/MT. Overall the prices quoted between INR 50,000 – 51,000/MT throughout the week.

At Nanded, the weekly average prices traded at INR. 53,333/MT compared to INR. 53,566MT a week ago. In Kota the meal prices were down at INR. 55,333/MT compared to INR. 57,116/MT previous week.



According to Solvent Extractor Association of India, oil meal export in the month of May'22 went up by 12 % to 5,55,453 tonnes compared to 2,28,319 tonnes in May'21. And reported 11% up in exports during April-May'22 at 5,89,425 tonnes compared to 5,32,024 same period last year.

First two months of current year 2022-23, export of rapeseed meal has shown a sharp jump and reported at 3,98,355 tonnes compared to 2,74,692 i.e. up by 45%. As of now, India is most competitive supplier of rapeseed meal to south Korea, Vietnam, Thailand and other far east countries. However, Soymeal export is at lowest level

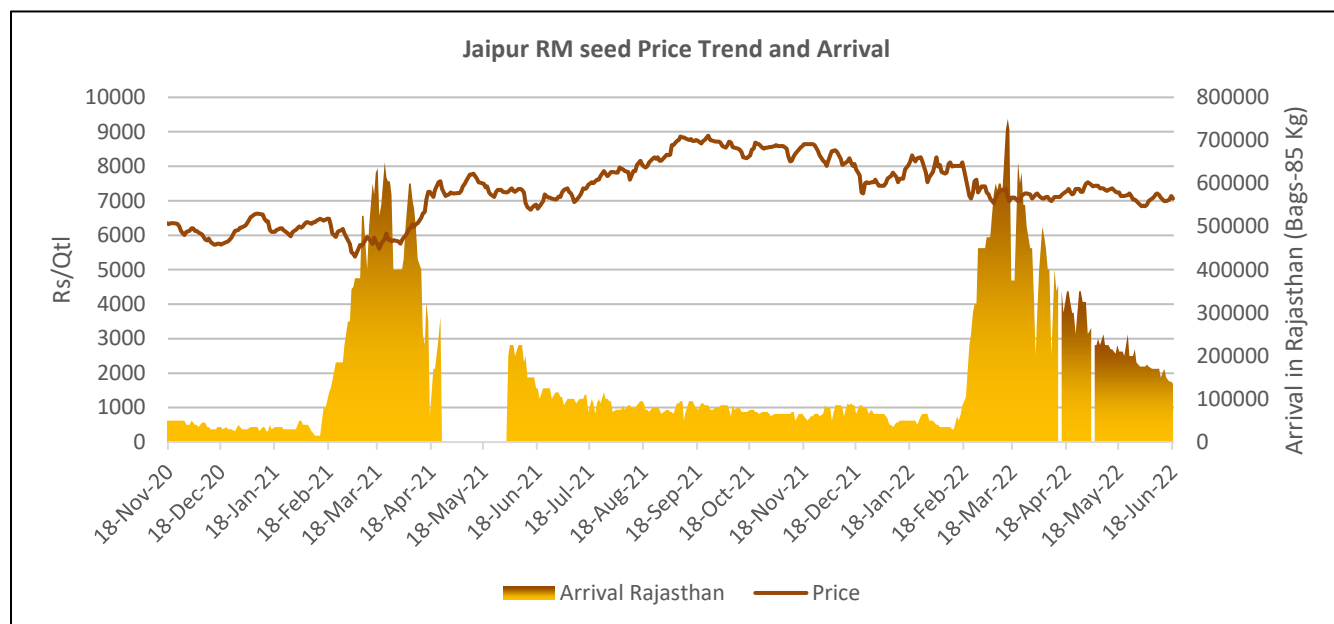
as india is out priced in International market. Current price of Soybean meal FOB Kandla is at \$720/MT while Soybean meal Argentina CIF Rotterdam is quoted at \$532 and Brazil at \$525.

USDA in its June'22 report, India's 2022-23 Soymeal production kept unchanged at 81.6 Lakh tonnes as compared to previous year estimates and Soymeal crushing for the year 2022-23 is kept unchanged at 102 Lakh tonnes as compared to previous year.

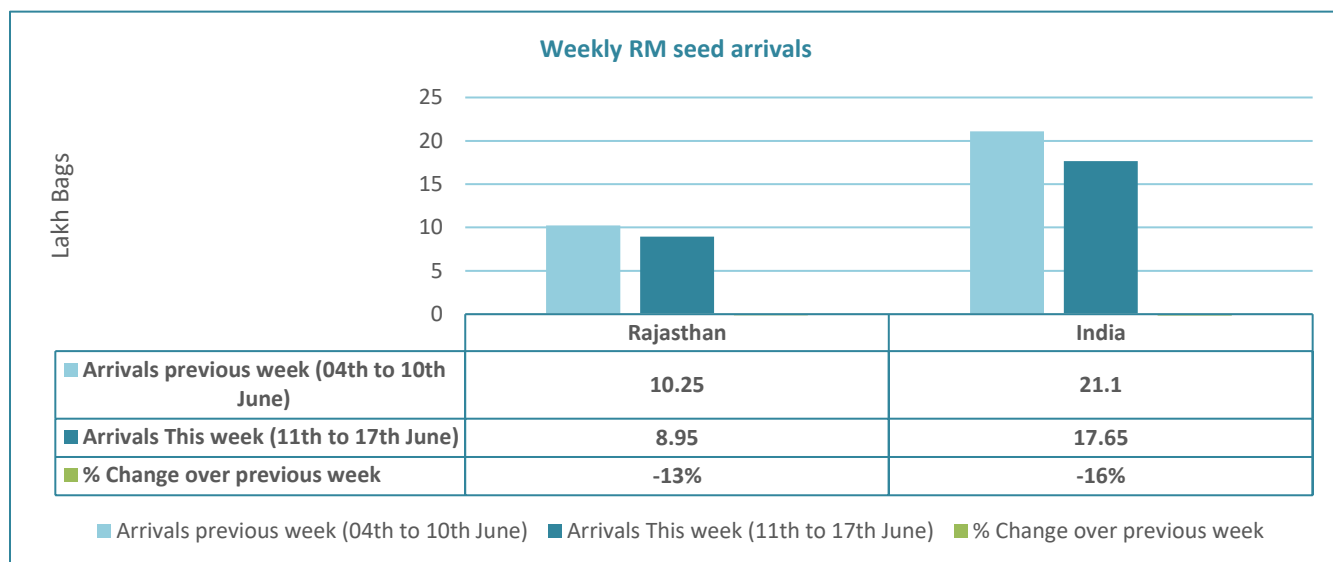
Soymeal Price Outlook for coming week: Soybean meal prices are expected to continue to trade with steady to weak bias tracking Soymeal import decision by government.

Soymeal Indore Price Outlook (INR./MT)	Previous week 04th June- 10th June'22	Week Under review 11th June- 17th June'22	Next week 18 th June- 24 th June'22
Weekly Average Price	50,500-54,000	50,000-51,000	49,000-53,000

Rapeseed - Mustard Seed



RM seed continued correction this week too, during the week under review, Jaipur RM seed weekly average prices went down by 1.4% to INR. 7,038/qrtl as compared to INR. 7,138/qrtl last week. Prices went down amid correction in ICE Canola and palm oil. 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 13% at 8.95 Lakh bags. All India arrivals stood at 17.65 Lakh bags Vs 21.1 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.

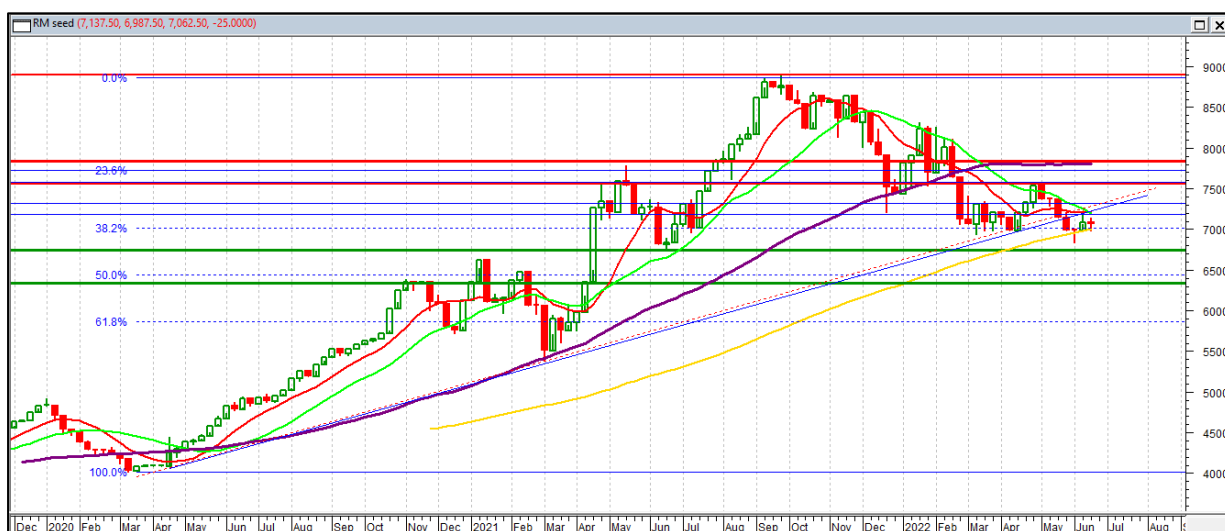
Technical Analysis

(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 taking support from 100 DMA and facing resistance of trendline and 9, 18 DMA. Market made low of 6987 and high of 7137 and closed at 7062.
- 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 6,900, next support is at 7000 and immediate resistance is at 7300, next resistance is at 7500.

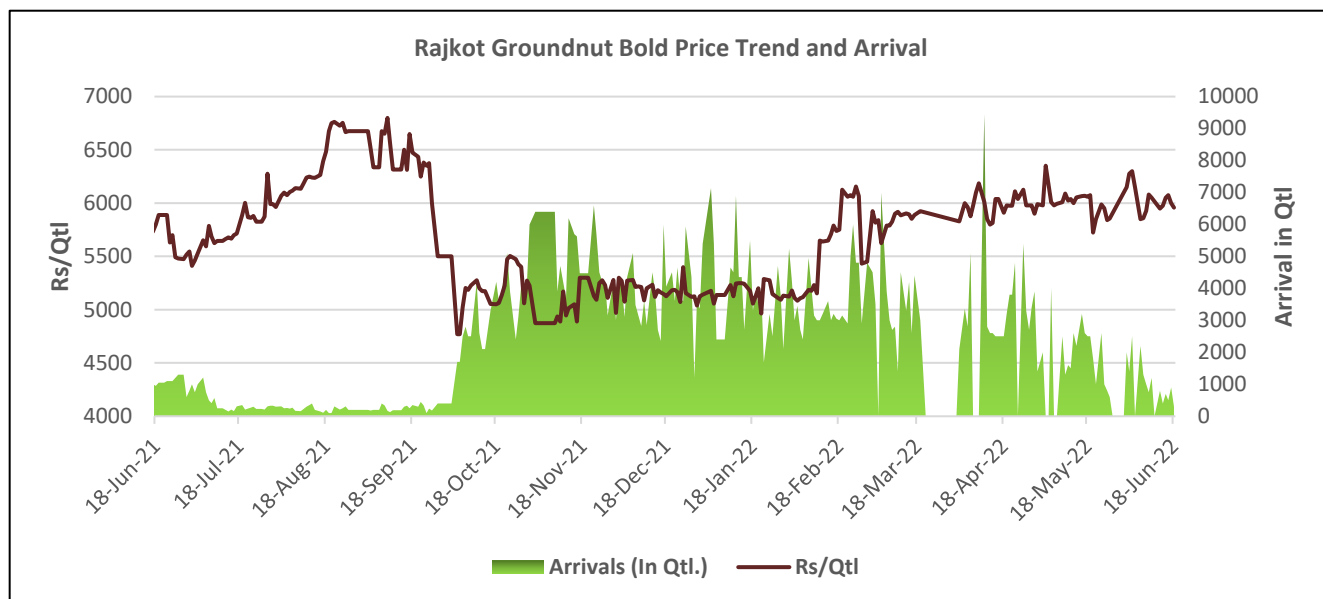
Recommendation-

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 correction in ICE Canola and palm oil prices.

Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 04th June- 10th June'22	Week Under review 11th June- 17th June'22	Next week 18 th June- 24 th June'22
Weekly Average Price	7,121	7,042	6,800-7,100

Groundnut



During the week under review, Rajkot Groundnut weekly average bold prices remained sideways and went marginally up by 0.4% to INR 6,010/Qtl. Prices went down amid increase in arrivals, all India arrivals went up by 42% to 27,496 tonnes as compared to 19,377 tonnes previous week.

State-Wise Progress of Area Coverage Under Kharif Groundnut as on 17-Jun-2022					
S.No.	State	Area Covered		Difference in Area coverage with Current Week	
		(Lakh Ha)			
		2022	2021	2021	2020
1	Andhra.Pradesh	0.133	0.132	0.001	-0.15
2	Gujarat	1.003	0.945	0.057	0.117
3	Karnataka	0.262	0.263	0.001	0.03
4	Maharashtra	0	0.07	0.07	0.257
5	Nagaland	0.005	0.005	0	0.001
6	Odisha	0.002	0.002	0	0
7	Punjab	0.006	0.005	0.001	0.004
8	Rajasthan	1.698	2.342	0.644	0.868
9	Tamil.Nadu	0.045	0.057	0.012	0.046
10	Telangana.	0.005	0.012	0.007	0.001
11	Uttar.Pradesh	0.037	0.128	0.092	0.013
12	West.Bengal	0.001	0.003	0.002	0.001
	Total	3.196	3.964	0.768	1.419

In Oct'21-April'22, India's Groundnut export went down by 24% to 3.72 Lakh tonnes as compared to 4.89 Lakh tonnes same period last year. Low demand from China attributed to the lower exports, while there is good demand from South East Asian countries like Indonesia, Malaysia and Philippines. In Oct'21-May'22 we expect India's groundnut export at 3.9-4 Lakh tonnes.

In Oct-April'22, India's Groundnut oil export went down by 95% to 9,701 tonnes as compared to 2.11 Lakh tonnes previous year same period. In Groundnut oil too, the lower exports can be attributed to low demand from China. Last year China imported groundnut oil heavily from India on account of local crop damage. In Oct-June'22 we expect India's Groundnut oil export at 10000-12000 tonnes.

Despite low export demand prices remained firm on the back of firm domestic demand.

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 04th June- 10th June'22	Week Under review 11th June- 17th June'22	Next week 18 th June- 24 th June'22
Weekly Average Price	5,986	6,010	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		17-Jun-22	10-Jun-22	17-May-22	17-Jun-21
Indore –Plant	-3%	6775	7000	7300	7025
Indore–Mandi	-2%	6650	6800	Closed	6900
Nagpur-Plant	-3%	6660	6900	6780	7200
Nagpur – Mandi	-4%	6460	6700	6740	6900
Latur – Mandi	-5%	6680	7025	7125	7200
Akola – Mandi	-2%	6545	6655	6875	6900
Kota-Plant	-7%	6650	7150	7330	6650
Kota – Mandi	-7%	6550	7050	7280	6600
Bundi-Plant	-5%	6600	6950	7100	6750
Bundi-Mandi	-5%	6400	6750	7000	6550
Baran-Plant	-6%	6680	7070	7360	7300
Baran-Mandi	-5%	6580	6920	7260	7100
Bhawani Mandi Jhalawar–Plant	-	Closed	7030	7270	6800
Jhalwar-Mandi	-	Closed	7000	7220	6500
Rapeseed/Mustard					
Jaipur-(Condition)	0%	7150	7175	7250	6900
Alwar-(Condition)	-5%	6480	6850	6850	6625
Sri Ganganagar-(Non-Condition)	-4%	6315	6600	6850	6240
New Delhi–(Condition)	-1%	6800	6900	7100	6650
Kota-(Condition)	-7%	6300	6750	6750	6350
Agra-(Condition)	-3%	7095	7286	7238	6952
Neewai-(Condition)	-2%	6850	7000	7000	6700
Hapur (UP)-(Condition)	-1%	6850	6950	6900	6700
Groundnut Seed					
Rajkot	0%	1080	1080	1090	1035
Sunflower Seed					
Gulbarga	5%	6100	5800	6500	-

Latur	1%	7200	7100	7700	7250
Sholapur	1%	7200	7100	7700	7300
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.					

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