



Oil Seed Weekly Research Report

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Executive Summary

The weekly average prices of Soybean Indore plant prices extended previous week loss and went down by 4.39% to INR. 6,447/qtl during the week under review. Prices were in the range of INR. 6,200-6,650/qtl during the period. In the coming week soybean prices are likely to remain weak amid corrections in CBOT Soybean and Soymeal import.

The weekly average prices of Indore soymeal too extended previous week's loss and went down by 3% to INR 48,916/MT as compared to last week at INR 50,416/MT tracking Soymeal import and weakness in global markets.

During the week under review, Jaipur RM seed prices too went down by 1.3% to INR 6,950/Qtl amid correction in ICE Canola and palm oil.

During the week under review, Rajkot groundnut bold prices remained sideways and went marginally down by 0.7% to INR 5,966/qtl.

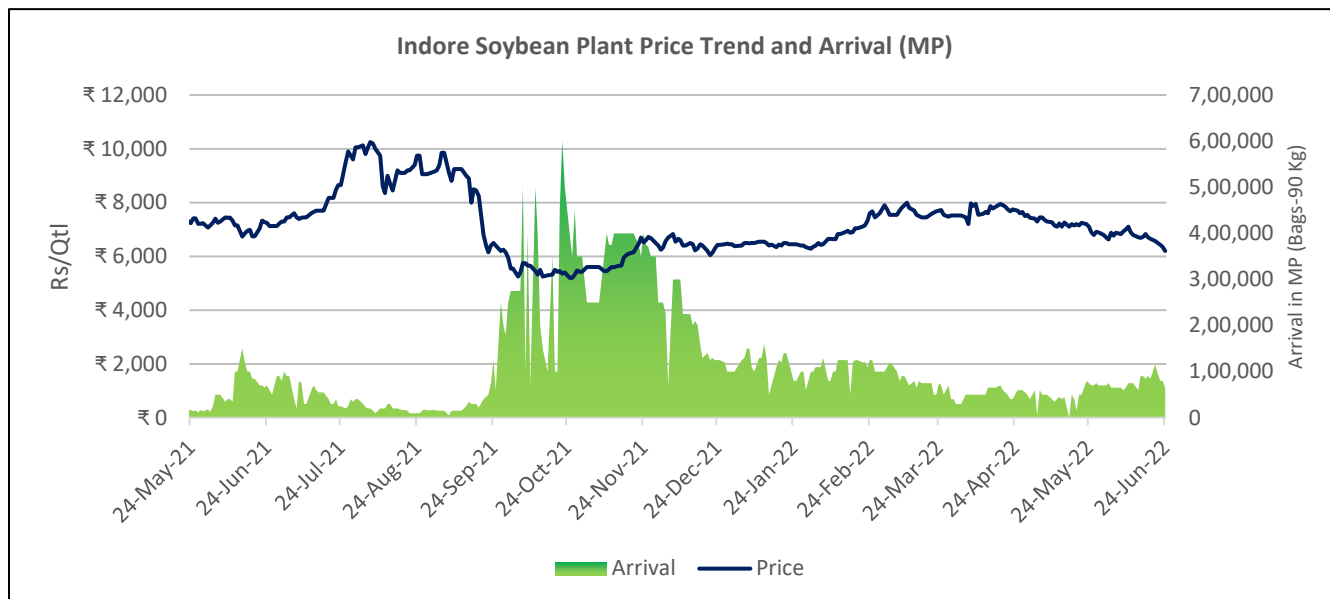
Outlook – Cash Market

Outlook - Soybean (Spot Indore): In the coming week, soybean prices are expected to remain weak on GM 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 6,000 – 6,400 levels in the near term.

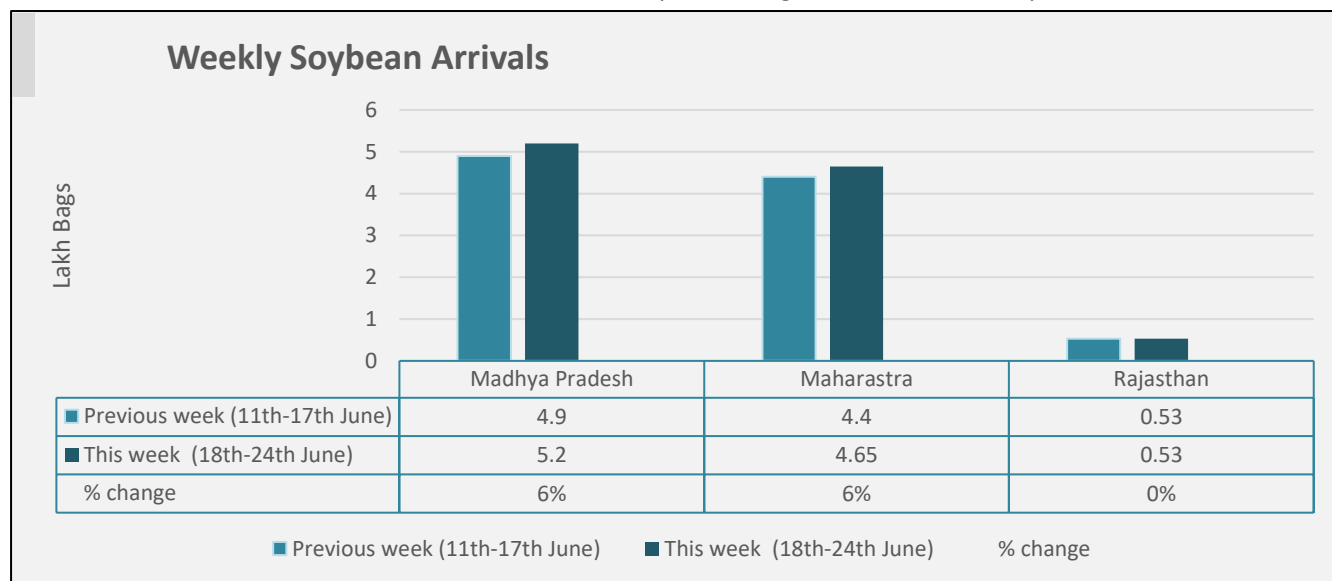
Outlook – Soy meal:
The soy meal prices (Indore) are likely to trade with weak bias tracking Soymeal import and weakness in the global market. Soy meal Indore prices are likely to trade in the range of 45,000 – 51,000/MT.

Outlook - Rapeseed-Mustard (Spot, Jaipur basis): Rapeseed-Mustard is expected to trade range bound with weak bias amid weak demand from crushers, 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

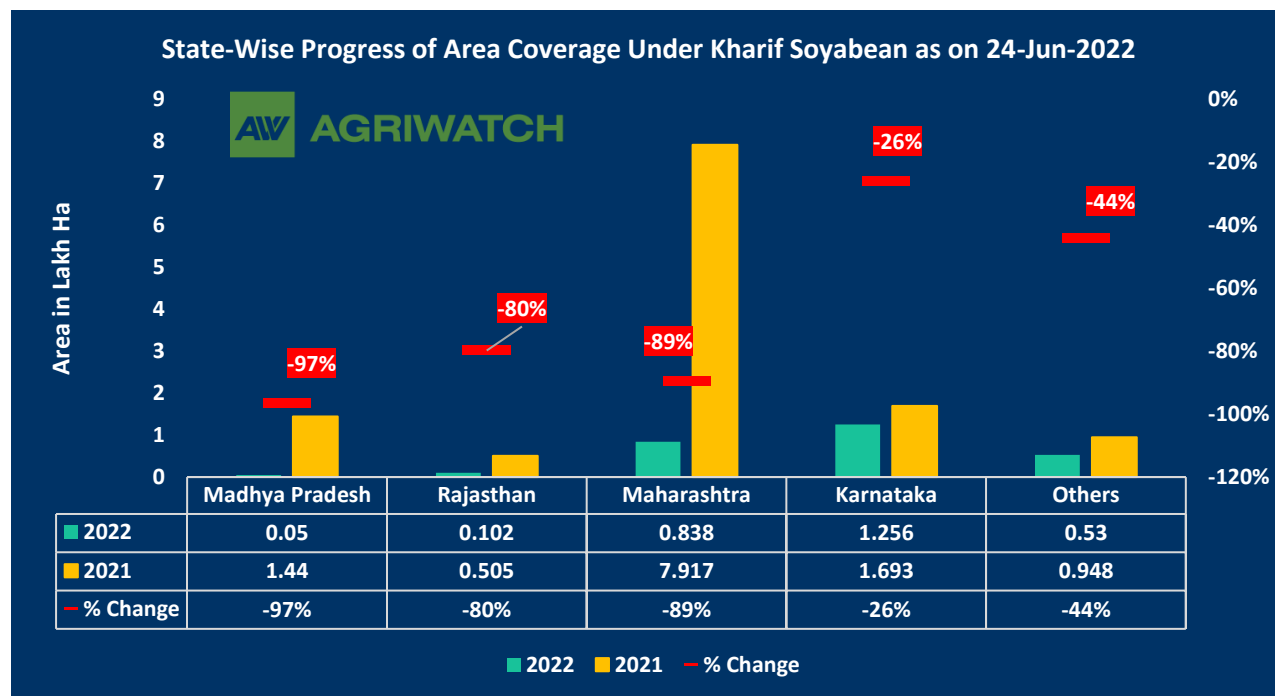


During the week under review, Soybean indore plant prices extended previous week loss amid selling pressure in CBOT Soybean and GM soymeal imports in the domestic market. Indore plant weekly average prices went down by 4.39% to INR. 6,447/qlt. as compared to 6,743/qlt. In other cash markets too traded with weak sentiments, weakness in oilseed basket and crude oil prices weighed on domestic Soybean market.



This week, the total arrival in MP recorded at 5.2 Lakh bags Vs 4.9 Lakh bags last week. In Maharashtra arrivals stood at 4.4 Lakh bags Vs 4.65 Lakh bags last week and in Rajasthan the arrivals went up at 0.53 lakh bags. Farmers offloaded their stocks in MP and Maharashtra for kharif sowing.

Soybean Sowing Updates:



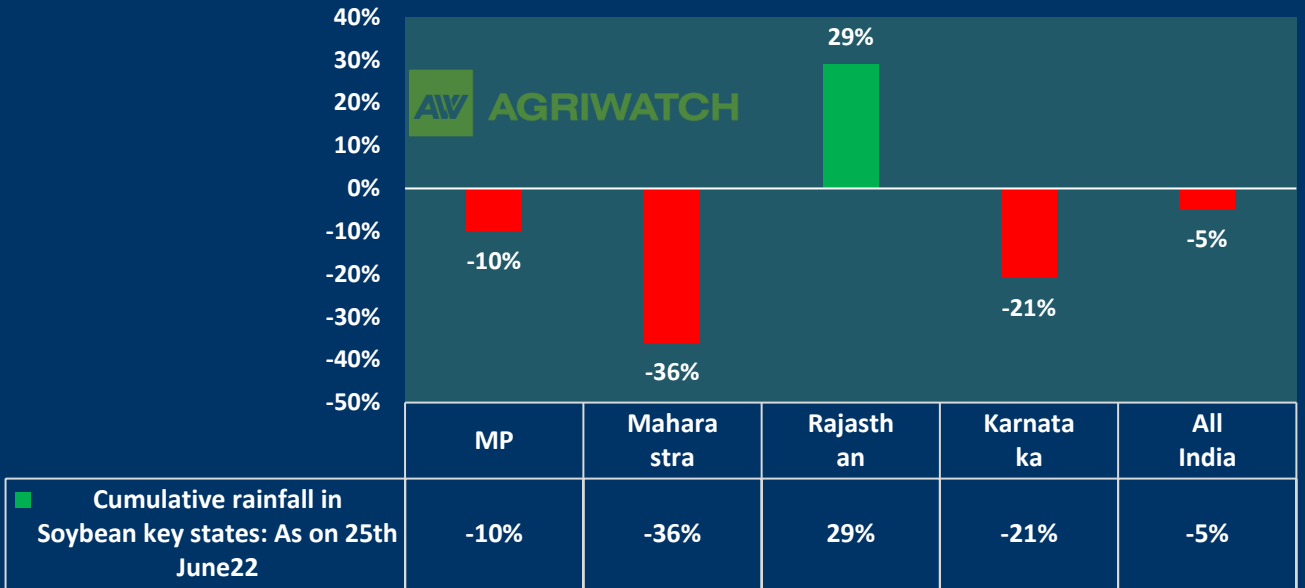
Source- Department of Agriculture & Farmers Welfare

As on 24th June'22 All India Kharif soybean sowing progress is lagging by 78% to 2.78 Lakh hectare as compared to 13 Lakh hectare last year in the same period. From 1st June'22 to 23rd June'22 cumulative rainfall was deficit by -5% in Madhya Pradesh, -39% in Maharashtra whereas 38% above normal in Rajasthan. Agriwatch, expects Soybean 2021-22 Kharif sowing acreage likely to decline by 5-8%. Acreage is likely to shift to cotton and Maize at lucrative prices.

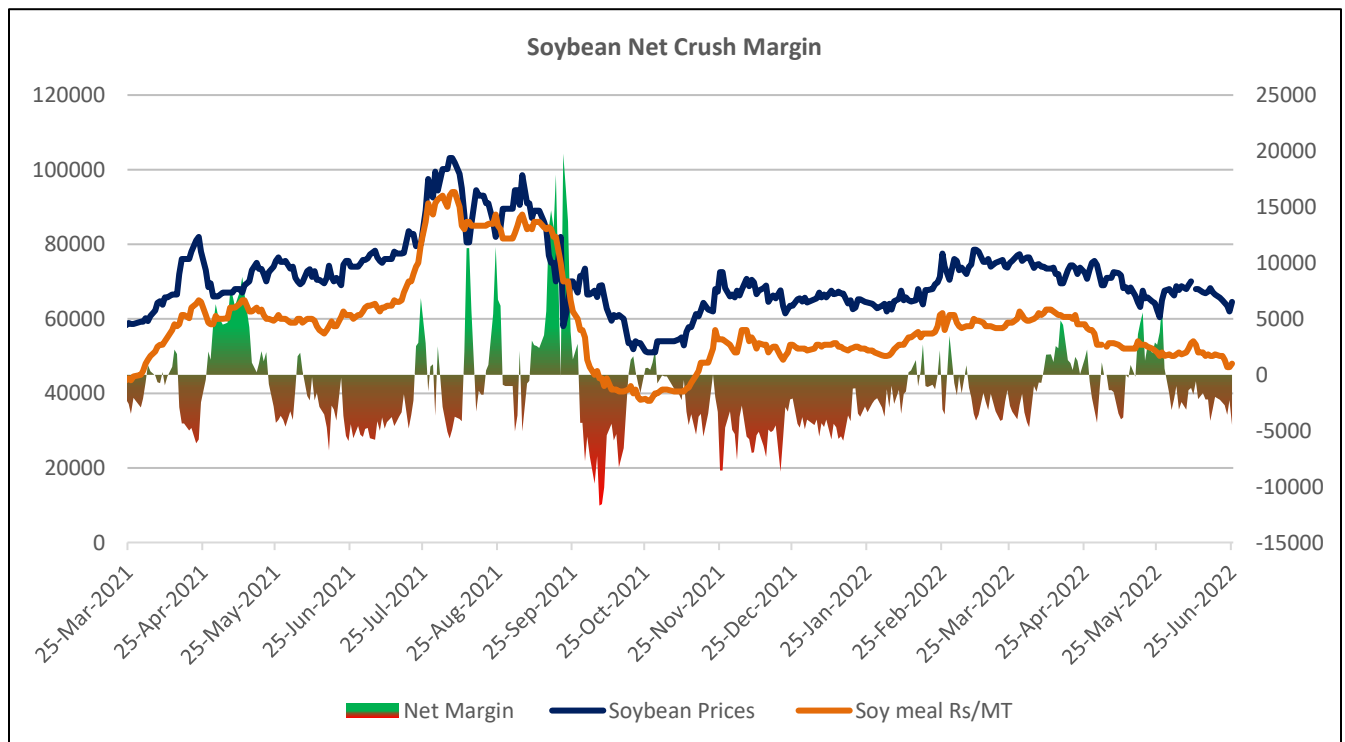
Cumulative rainfall in Soybean key states:

Cumulative rainfall recorded low by -10% in MP, -36% in Maharashtra, and -21% in Karnataka, However, in Rajasthan cumulative rainfall remained above average at 29%. Soybean sowing is likely to pick up in the next few weeks as the monsoon normalizes. Currently, As on 24th June'22 All India Kharif soybean sowing progress is lagging by 78% to 2.78 Lakh hectare as compared to 13 Lakh hectare last year in the same period.

Cumulative rainfall in Soybean key states: 01 June'22- 25th June22

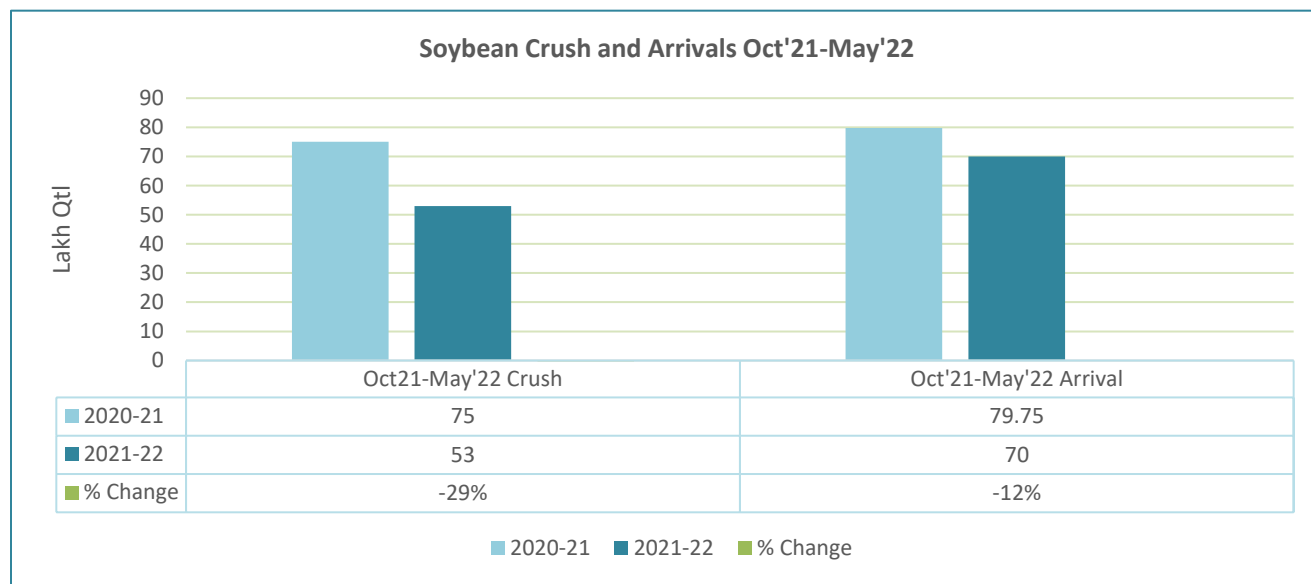


Soybean Crush Margin-



Soybean net crush margin remained negative during the week under review. Weekly average soybean net crush margin remained tight to INR -2,669/MT as compared to INR. -1751/MT previous week amid correction in soybean meal and Soy oil prices. We expect a tight crush margin in the upcoming week too.

Soybean Crush and Arrivals:



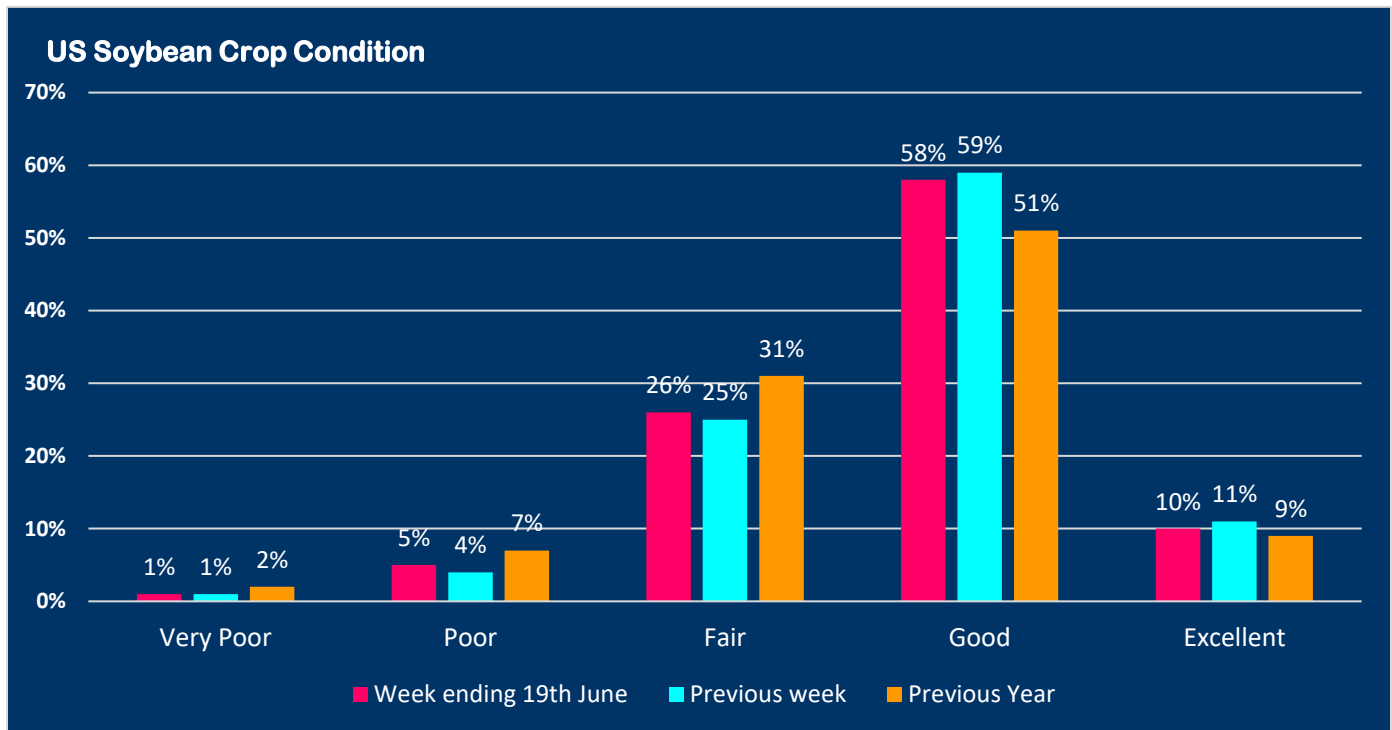
Oct-May '22 crushing remained low by 29% to 53 Lakh tonnes as compared to 75 Lakh tonnes previous year, weak soymeal export demand attributed to low crushing this season till May'22. And arrivals went down by 12% to 70 Lakh tonnes as compared to 79.75 Lakh tonnes in the previous same period.

International:

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

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 imports are estimated at 99 MMT in 2022-23 Vs 92 MMT in 2021-22.

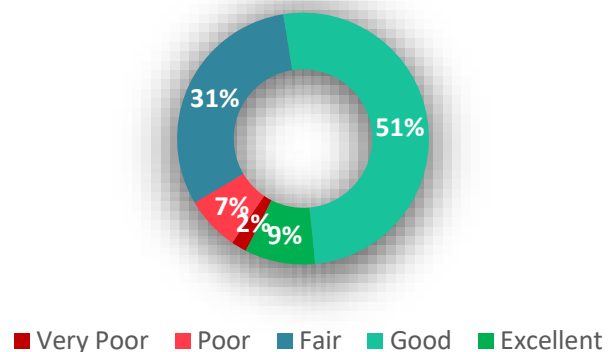
International:



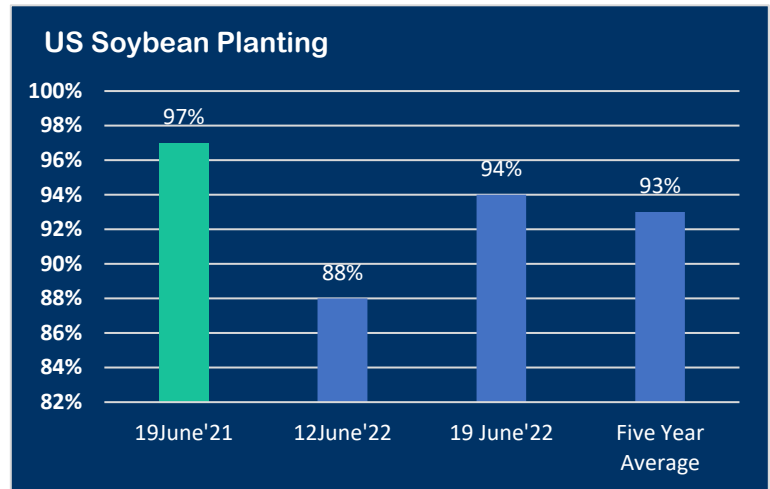
According to USDA's latest report, 2% of Soybean crop is in very poor condition, 7% is in poor condition, 31% in fair condition, 51% in good condition and 9% in excellent condition.

Despite a bearish tone in, US weather and soybean crop condition is a key watch point moving forward.

US Soybean Crop Condition Week Ending 19th June'22



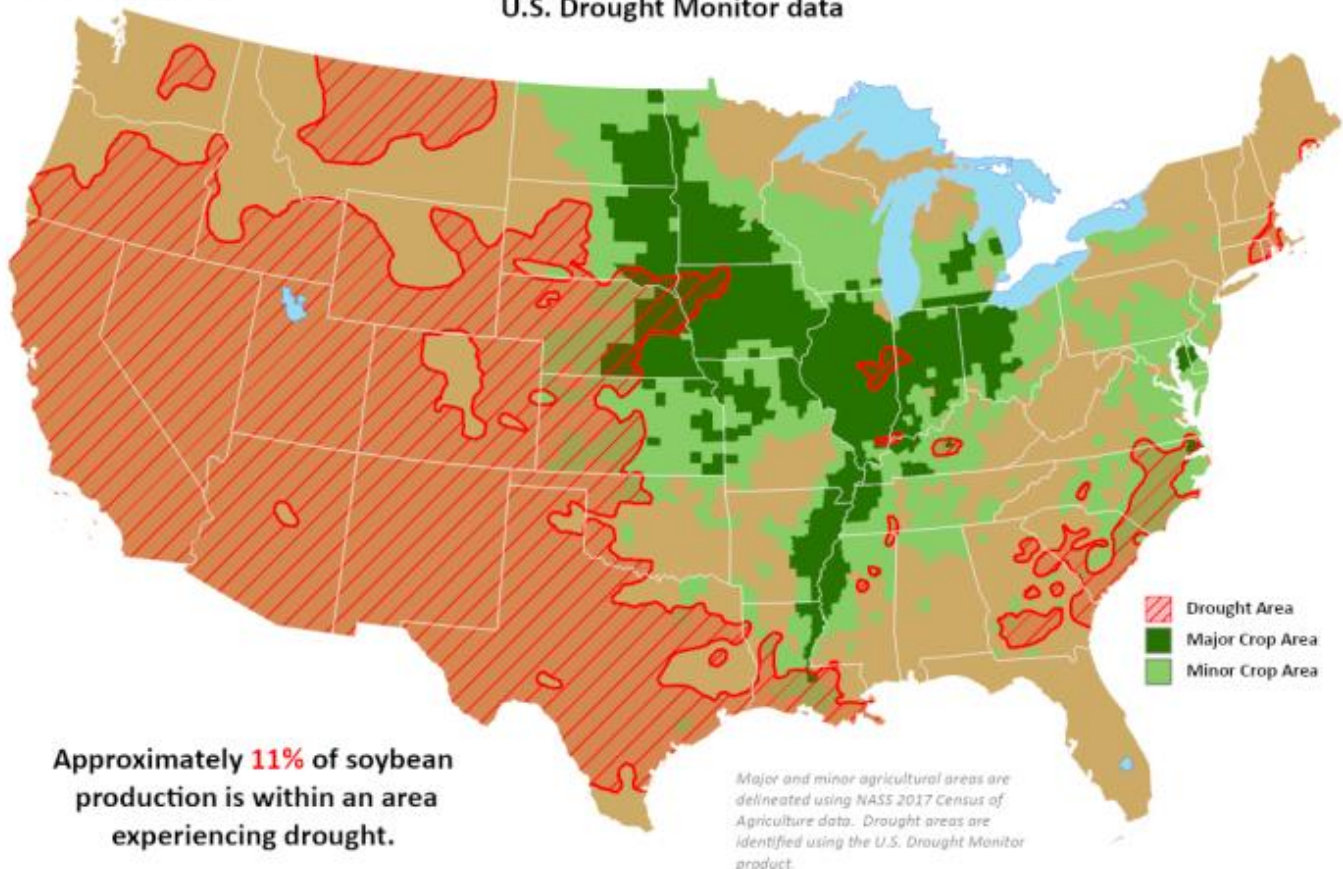
According to USDA's latest report, US Soybean planting progress reached 97% vs 88% a week ago, 94% a year ago and 93% five-year average.



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

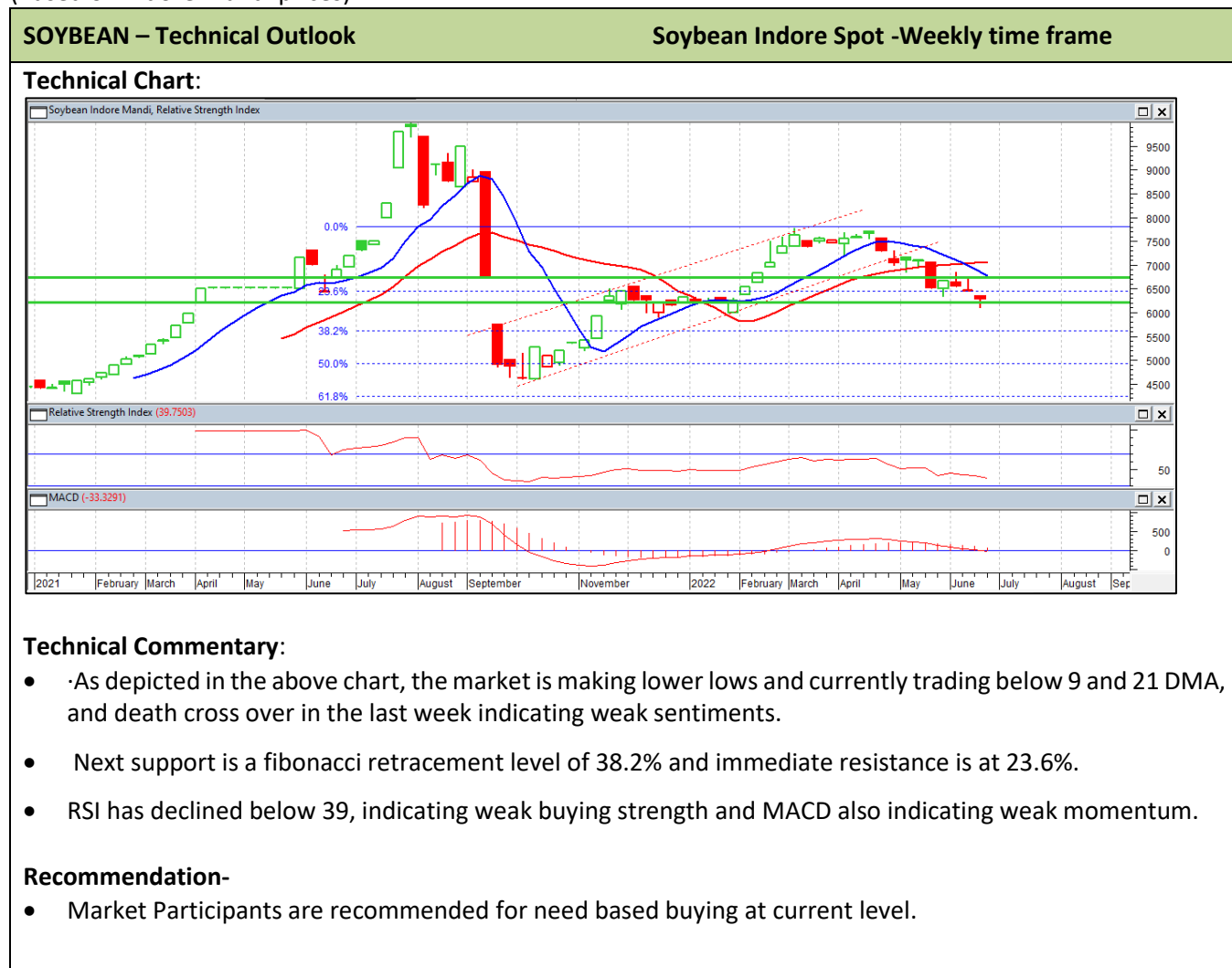
Reflects **June 21, 2022**
 U.S. Drought Monitor data



Currently in US, 11% of Soybean production is within an area experiencing drought.

Technical Analysis

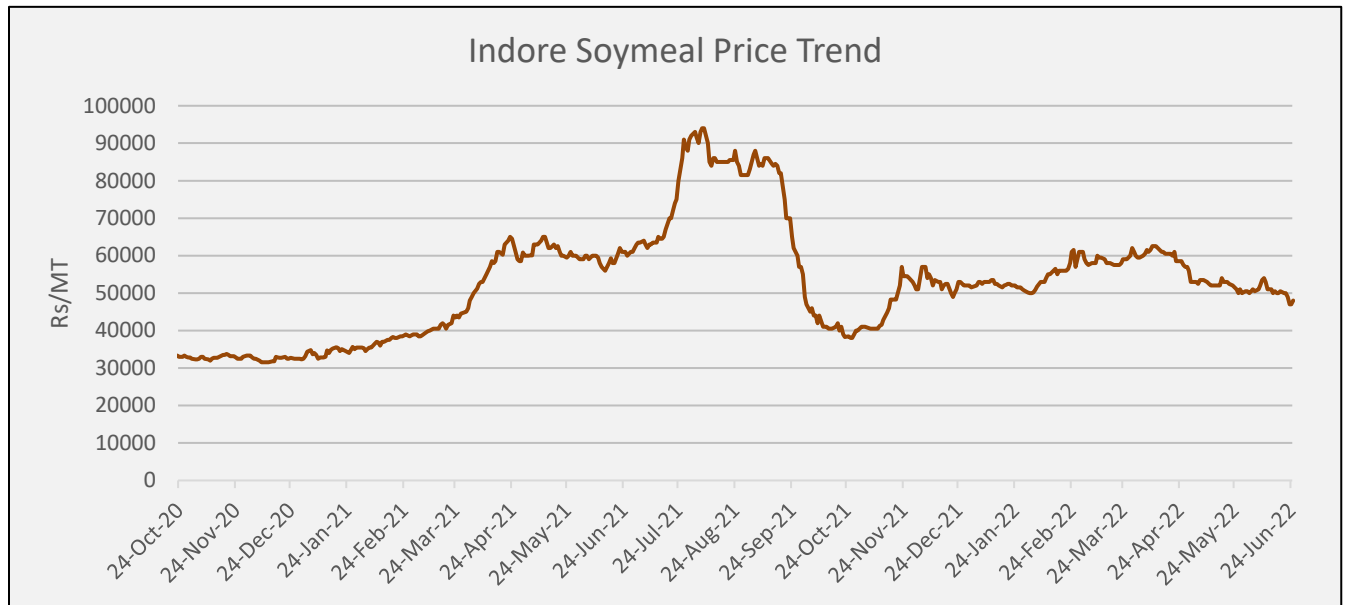
(Based on Indore Mandi prices)



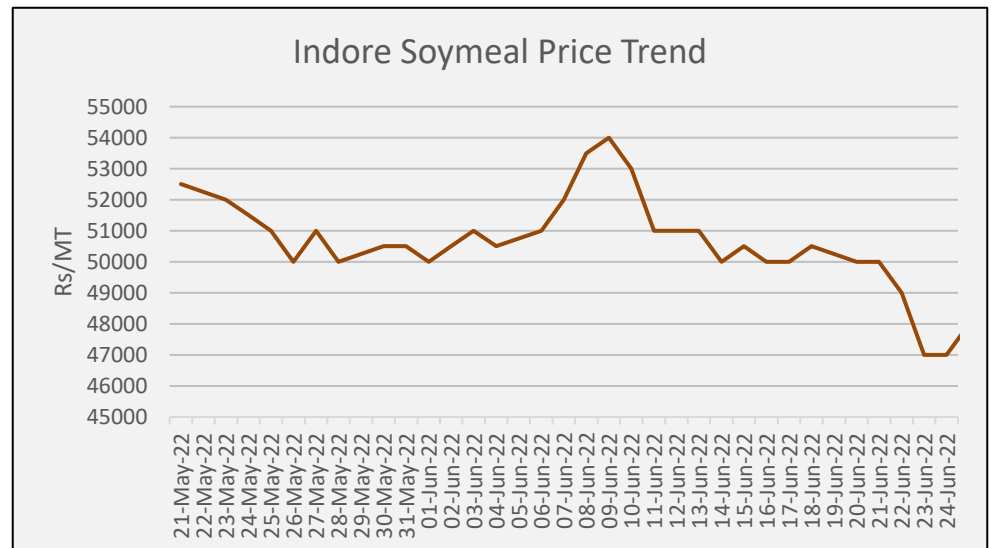
Soybean Price Outlook for coming week: Indore Soybean mandi prices are currently trading at INR. 6,100/qtl. and are expected to trade with weak bias tracking Soy meal import and weakness in oilseed complex.

Soybean Mandi Price Outlook (INR./Qtl)	Previous week 11th June- 17th June'22	Week Under review 18th June- 24th June'22	Next week 25 th June- 01st July'22
Weekly Average Price	6,450-6,725	6,100-6,475	6,000-6,400

Soymeal



During the week under review, Indore Soymeal prices extended previous week's loss. The weekly average prices of soymeal went down by 3% at INR 48,916 /MT as compared to last week at INR 50,416/MT. Overall the prices quoted between INR 47,000 – 50,500/MT throughout the week.



At Nanded, the weekly average prices traded at INR. 53,666/MT compared to INR. 53,333MT 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 in the same period last year.

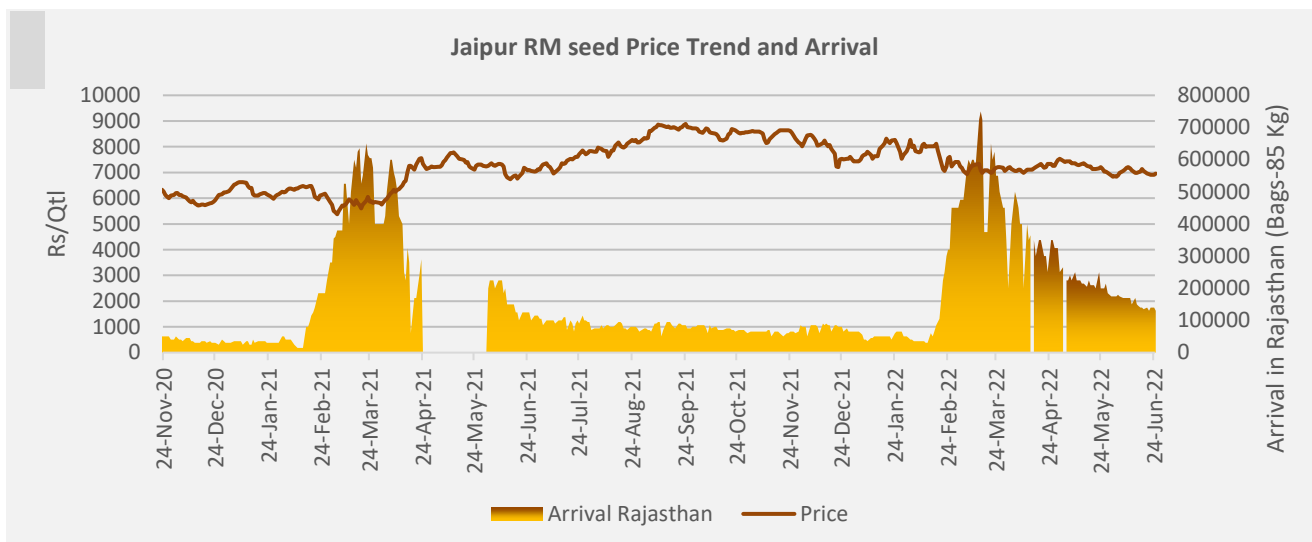
First two months of the current year 2022-23, export of rapeseed meal has shown a sharp jump and reported at 3,98,355 tonnes compared to 2,74,692 i.e. up by 45%. As of now, India is the most competitive supplier of rapeseed meal to South Korea, Vietnam, Thailand and other far east countries. However,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

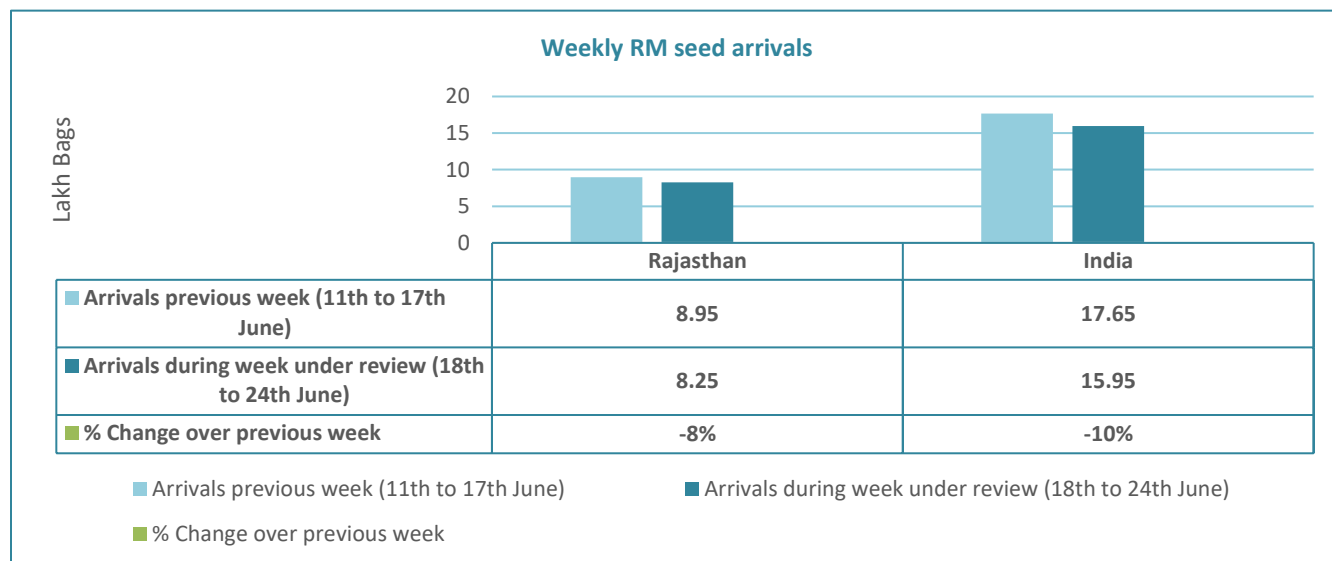
Soymeal Price Outlook for coming week: Soybean meal prices are expected to continue to trade with weak bias tracking Soymeal import decision by government and subdued export demand.

Soymeal Indore Price Outlook (INR./MT)	Previous week 11th June- 17th June'22	Week Under review 18th June- 24th June'22	Next week 25 th June- 01st July'22
Weekly Average Price	50,000-51,000	47,000-50,500	45,000-51,000

Rapeseed - Mustard Seed



RM seed extended previous week loss, during the week under review, Jaipur RM seed weekly average prices went down by 1.3% to INR. 6,950/qrtl as compared to INR. 7,038/qrtl last week. Prices went down amid corrections in ICE Canola and palm oil. Week ended 25th June, ICE Canola is down by 15.78% and in June'22 down by 25.60%. Farmers are still holding new crops in anticipation of better prices in future. And may off load to meet their kharif sowing expenses in upcoming weeks. In the last few weeks, crush margin has squeezed and despite shrink in arrivals, there is subdued demand from crushers and prices are under pressure.



All India Arrivals continued to shrink during the week under review, in Rajasthan, total mustard arrivals were recorded lower by 8% at 8.25 Lakh bags. All India arrivals stood at 15.95 Lakh bags Vs 17.65 Lakh bags previous week. Farmers are not willing to sell at discounted prices. Most of the stockists/ traders are not aggressively buying due to stock limits.

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 is 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-

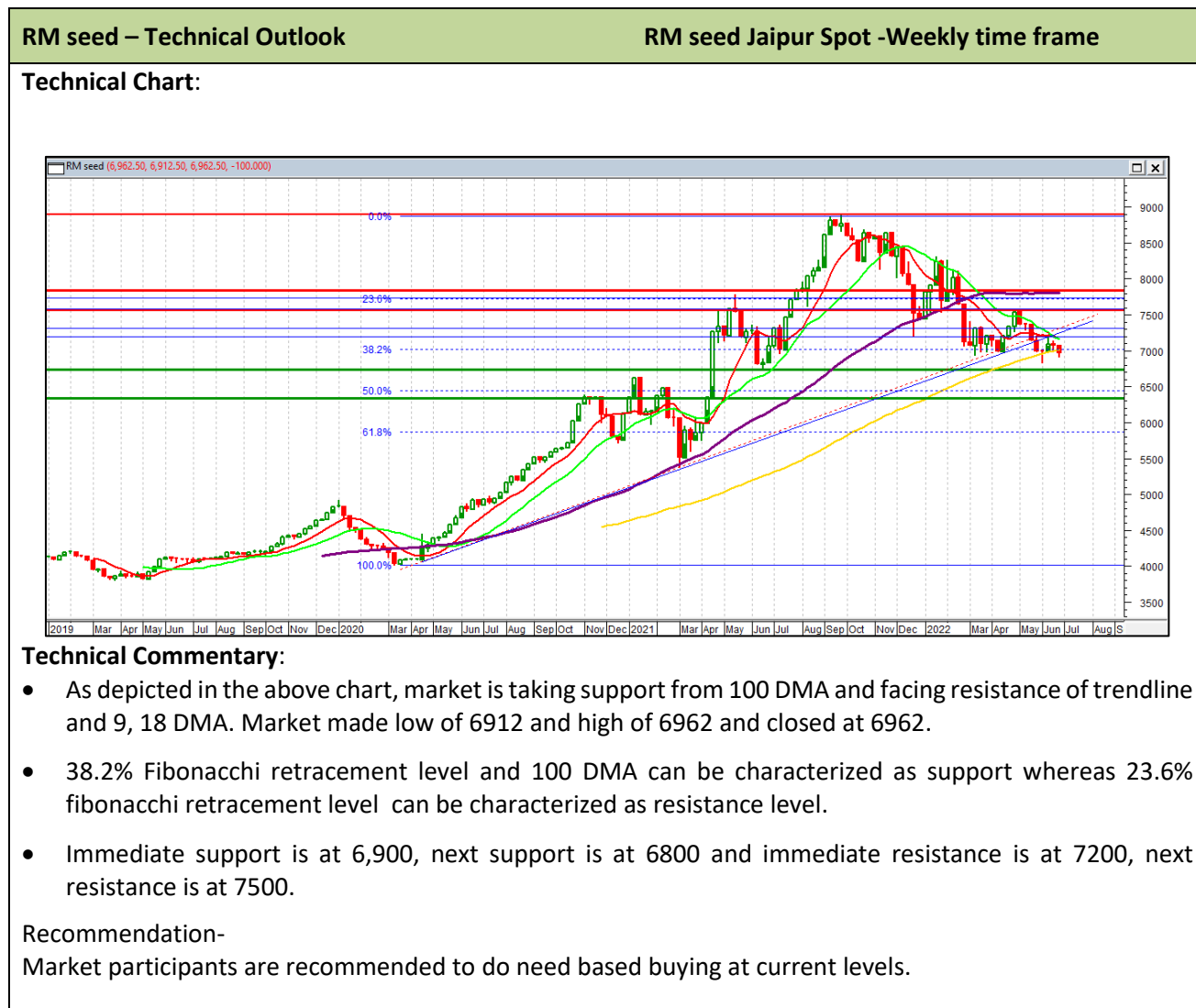
According to Agriculture and Agri-Food Canada's (AAFC), Canada's canola supplies declined from last year by 37% to 14.5 MMT due to drop in carry in stocks by 49% and 35% lower production as a result of last summer's drought. Demand for Canadian canola remains firm on a strong world oilseed crush and 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

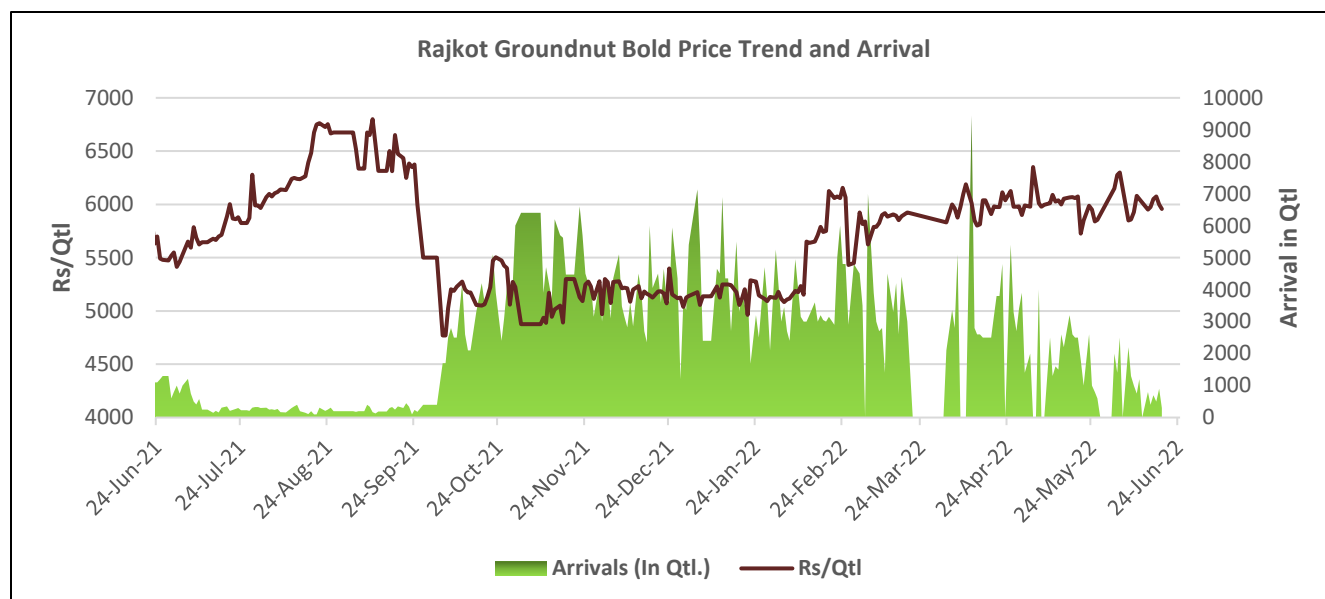
(Based on Jaipur Mandi prices)



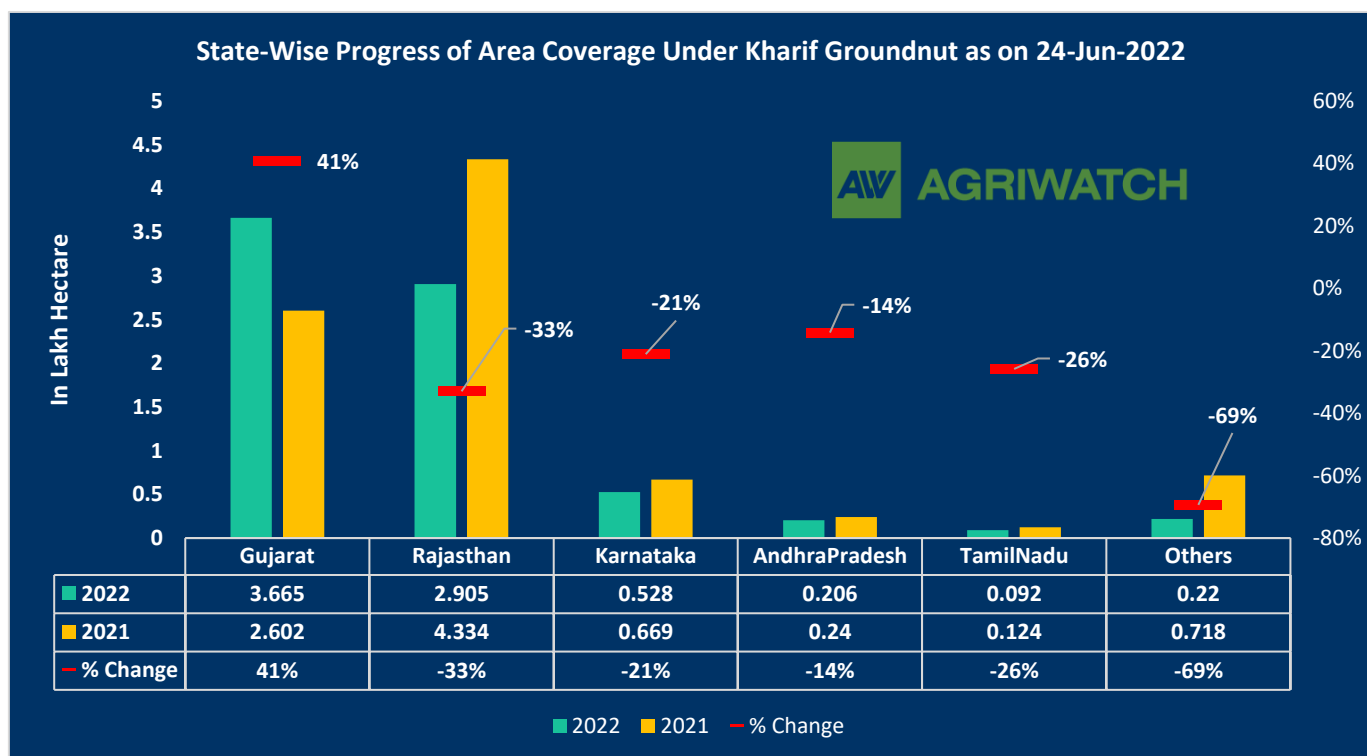
RM seed Price Outlook for coming week: RM Seed is expected to trade range bound with weak bias amid correction in ICE Canola and palm oil prices.

Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 11th June- 17th June'22	Week Under review 18th June- 24th June'22	Next week 25 th June- 01st July'22
Weekly Average Price	6,988-7,138	6,913-7,063	6,800-7,100

Groundnut



During the week under review, Rajkot Groundnut weekly average bold prices remained sideways and went marginally down by 0.7% to INR 5,966/Qtl. Correction in other oilseed prices weighed on groundnut prices.



As on 24th June'22 All India Kharif Groundnut sowing progress is lagging by 13% to 7.6 Lakh hectare as compared to 8.7 Lakh hectare last year in the same period. From 1st June'22 to 23rd June'22 cumulative rainfall was deficit by -47% in Gujarat, 38% above normal in Rajasthan, 21% deficit in Karnataka.

Groundnut pre sowing intentions: According to Agriwatch, Groundnut 2021-22 Kharif sowing acreage is likely to decline by 5-10%. Acreage is likely to shift to cotton at lucrative prices.

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 in the same period last year. Low demand from China contributed 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 the 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. On 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 amid good domestic demand.

Rajkot Groundnut Bold Price Outlook (INR./Qtl)	Previous week 11th June- 17th June'22	Week Under review 18th June- 24th June'22	Next week 25 th June- 01st July'22
Weekly Average Price	5,950-6,075	5,825-6,040	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		24-Jun-22	17-Jun-22	24-May-22	24-Jun-21
Indore –Plant	-8%	6250	6775	7150	7300
Indore–Mandi	-7%	6200	6650	7050	7100
Nagpur-Plant	-7%	6200	6660	6840	7650
Nagpur – Mandi	-5%	6120	6460	6740	7050
Latur – Mandi	-3%	6450	6680	7000	7455
Akola – Mandi	-6%	6175	6545	7150	7100
Kota-Plant	-7%	6200	6650	7050	7050
Kota – Mandi	-8%	6000	6550	7000	6950
Bundi-Plant	-5%	6300	6600	6880	6925
Bundi-Mandi	-8%	5900	6400	6780	6725
Baran-Plant	-6%	6300	6680	7040	6880
Baran-Mandi	-7%	6100	6580	6960	6680
Bhawani Mandi Jhalawar–Plant	-	Closed	Closed	6980	6730
Jhalwar-Mandi	-	Closed	Closed	6930	6330
Rapeseed/Mustard					
Jaipur-(Condition)	-3%	6925	7150	7225	7100
Alwar-(Condition)	3%	6650	6480	6900	6850
Sri Ganganagar-(Non-Condition)	-1%	6250	6315	6650	6700
New Delhi–(Condition)	-1%	6700	6800	6850	6900
Kota-(Condition)	1%	6350	6300	6700	6500
Agra-(Condition)	-2%	6929	7095	7095	7238
Neewai-(Condition)	-4%	6600	6850	6900	7200
Hapur (UP)-(Condition)	-2%	6700	6850	6900	6900
Groundnut Seed					
Rajkot	1%	1090	1080	1050	1050
Sunflower Seed					
Gulbarga	-15%	5200	6100	6000	-

Latur	0%	7200	7200	7200	6200
Sholapur	0%	7200	7200	7200	6200
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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