

Oil Seed Weekly Research Report

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Executive Summary

The weekly average prices of Soybean Indore plant prices went down by 3.51% to INR. 6,235/qtl during the week under review amid GM soymeal import and weak Soymeal export demand. Prices were in the range of INR. 5,975-6,400/qtl during the period.

The weekly average prices of Indore soymeal witnessed loss and went down by 1.5% to INR 48,333/MT as compared to last week at INR 49,583/MT amid soymeal import and squeeze in crush margin.

During the week under review, Jaipur RM seed prices too went down by 1.3% to INR 6,892/Qtl amid sell on rise in the market.

During the week under review, Rajkot groundnut bold prices remained firm and went up by 1% to INR 6,150/qtl. amid shrink in arrivals and expectation of decrease in arrivals.

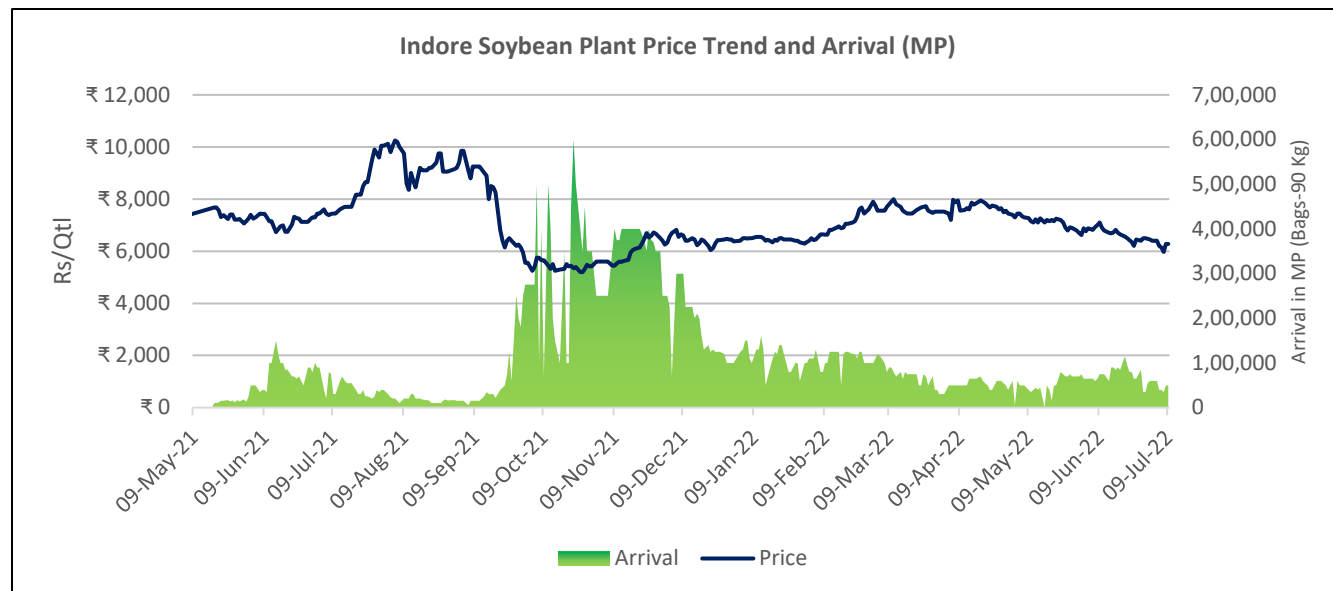
Outlook – Cash Market

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 5,800 – 6,200 levels in the near term.*

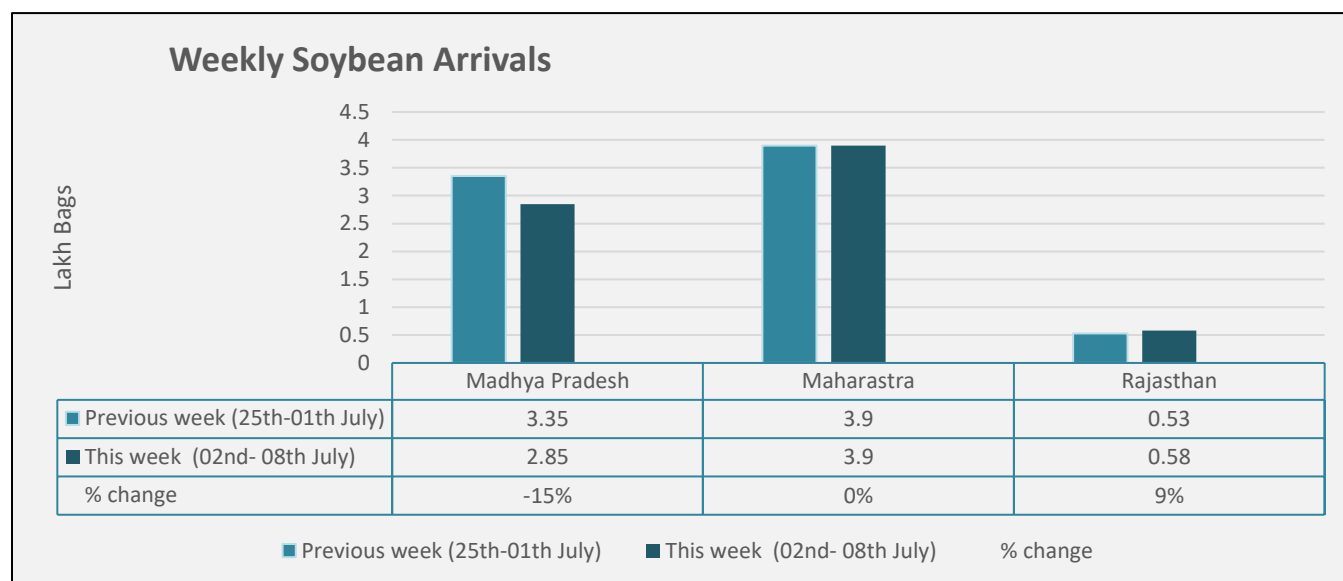
Outlook – Soy meal:
The soy meal prices (Indore) are likely to trade with weak bias tracking Soymeal import and weakness in the global market. Soy meal Indore prices are likely to trade in the range of 48,000 – 52,000/MT.

Outlook - Rapeseed-Mustard (Spot, Jaipur basis): *Rapeseed-Mustard is expected to trade range bound with weak bias amid bearish sentiments in palm oil and ICE canola prices. The seed prices are likely to trade in the range between 6,700 – 7,000/Qtl. in the short-run.*

Soybean



During the week under review, Soybean indore plant prices went down amid GM soymeal imports in the domestic market and subdued demand from crushers and weak global cues. Indore plant weekly average prices went down by 3.51% to INR. 6,235/qtl. as compared to 6,462/qtl. previous week.



This week, the total arrival in MP recorded at 2.85 Lakh bags Vs 3.35 Lakh bags last week. In Maharashtra arrivals remained unchanged at 3.9 Lakh bags last week and in Rajasthan the arrivals went up at 0.58 lakh bags Vs 0.53 Lakh bags previous day.

Oil seed Acreage as on 08th July'22 (Area in Lakh Ha)			
Oil seed crops	2022	2021	% Change
Soyabean	54.43	69.54	-22%
Groundnut	20.51	25.31	-19%
Sesamum	1.53	1.71	-11%
Sunflower	1.16	0.8	45%
Castor	0.07	0.12	-42%
Other Oilseeds	0.06	0.04	50%
Niger	0.03	0.04	-25%
Total Oilseeds	77.8	97.56	-20%

Soybean Sowing Updates:

State wise Soybean sowing progress as on 08th July'22 (Lakh Ha)				
State	2022	2021	% Change	Cumulative Rainfall Departure (%) 1st June to 10th July'22
Maharashtra	32.173	34.783	-8%	14%
Madhya Pradesh	10.7	24.21	-56%	1%
Rajasthan	5.669	4.113	38%	44%
Karnataka	3.386	3.427	-1%	26%
Telangana.	1.216	1.06	15%	85%
Others	1.283	1.951	-34%	
Total	54.42	69.54	-22%	

From 1st June'22- 10th July'22, cumulative rainfall recorded above average by +14% in Maharashtra, +1% in MP, in Rajasthan cumulative rainfall remained above average at +44%. As on 08th July'22 All India Kharif soybean sowing progress is up by 22% to 54.42 Lakh hectare as compared to 69.54 Lakh hectare last year in the same period. Agriwatch expects soybean acreage to decline by 5-8% amid acreage shift to cotton and Maize.

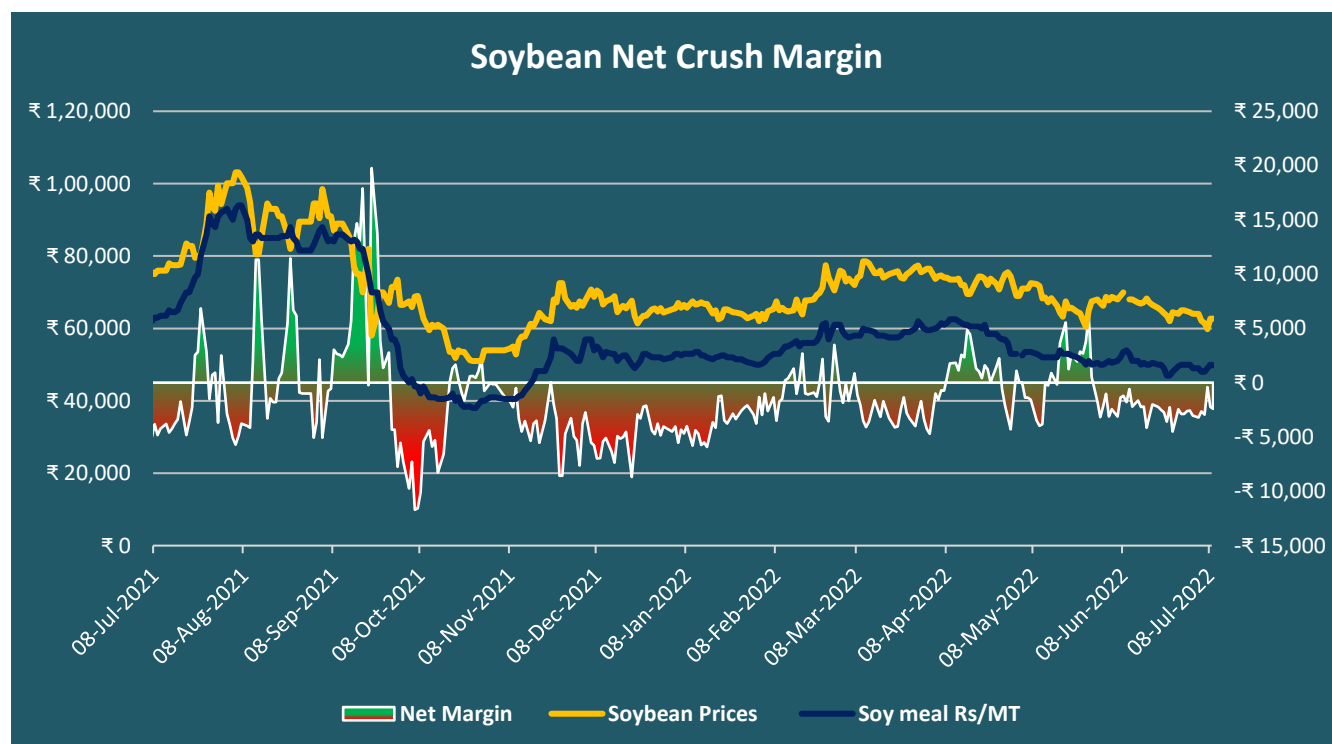
Source- Department of Agriculture & Farmers Welfare

Cumulative rainfall in Soybean growing key districts in MP, Maharastra and Rajasthan.

From 1st June'22- 10th July'22, cumulative rainfall recorded marginally up by 1% in MP, +14% in Maharashtra, and, However, in Rajasthan cumulative rainfall remained above average at +44%. As on 02nd July'22 All India Kharif soybean sowing progress is up by 1% to 30.52 Lakh hectare as compared to 30.29 Lakh hectare last year in the same period.

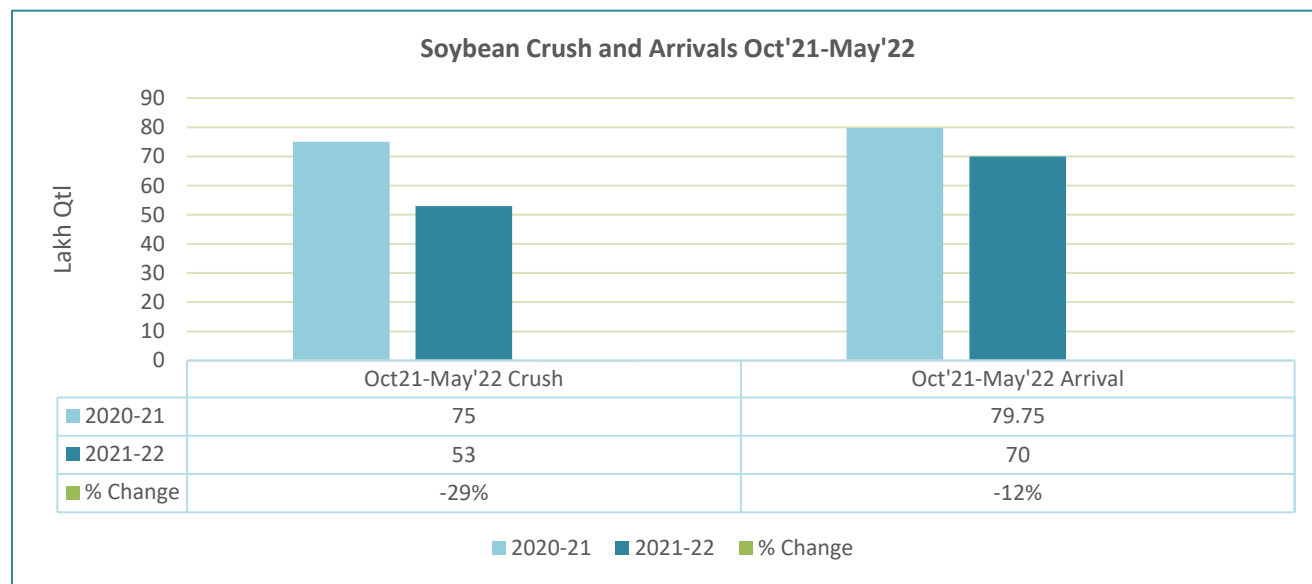
Madhya Pradesh	Cumulative Rainfall Departure (%) 1st June to 10th July'22	Maharashtra	Cumulative Rainfall Departure (%) 1st June to 10th July'22	Rajasthan	Cumulative Rainfall Departure (%) 1st June to 10th July'22
Ujjain	11%	Nagpur	8%	Kota	57%
Indore	4%	Amaravati	-3%	Bundi	31%
Dewas	33%	Akola	-9%	Baran	54%
Dhar	-28%	Buldhana	-2%	Jhalawar	25%
Ratlam	-7%	Washim	-20%	Chittaurgarh	-14%
Mandsaur	-12%	Yavatmal	0%	Pratapgarh	-31%
Shajahpur	-51%	Hingoli	-6%	Rajasthan	44%
Rajgah	-7%	Jalna	5%		
Ashok nagar	11%	Parbhani	55%		
Videsha	46%	Latur	50%		
MP	1%	Maharashtra	14%		

Soybean Crush Margin-



Soybean net crush margin remained negative during the week under review. Weekly average soybean net crush margin remained squeezed to INR -2,413/MT as compared to INR. -2,978/MT previous week amid correction in soybean prices. We expect a tight crush margin in the upcoming week too on weak soy oil and meal prices.

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 August futures went marginally up by 0.23%. However MTD its is still down by 1.84% amid rate cut by FED.

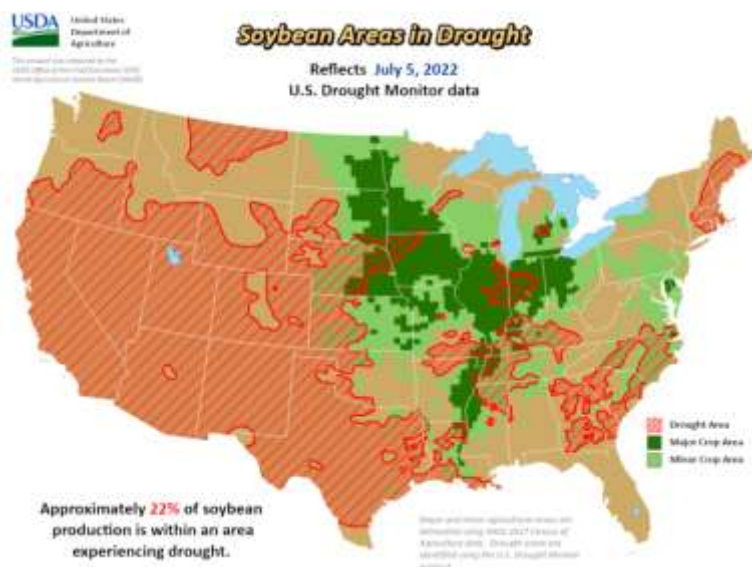
USDA Attache in Its June 22 report has estimated India's 2022-23 Soybean production estimate at 11.5 MMT as compared to 11.90 MMT previous year. Brazil's 2022-23 Soybean production is estimated at 149 MMT Vs 126 MMT in 2021-22. China's 2022-23 Soy crush is estimated at 95 MMT Vs 89 MMT in 2021-22. While 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, 1% is in poor condition, 55% in fair condition, 51% in good condition and 9% in excellent condition.

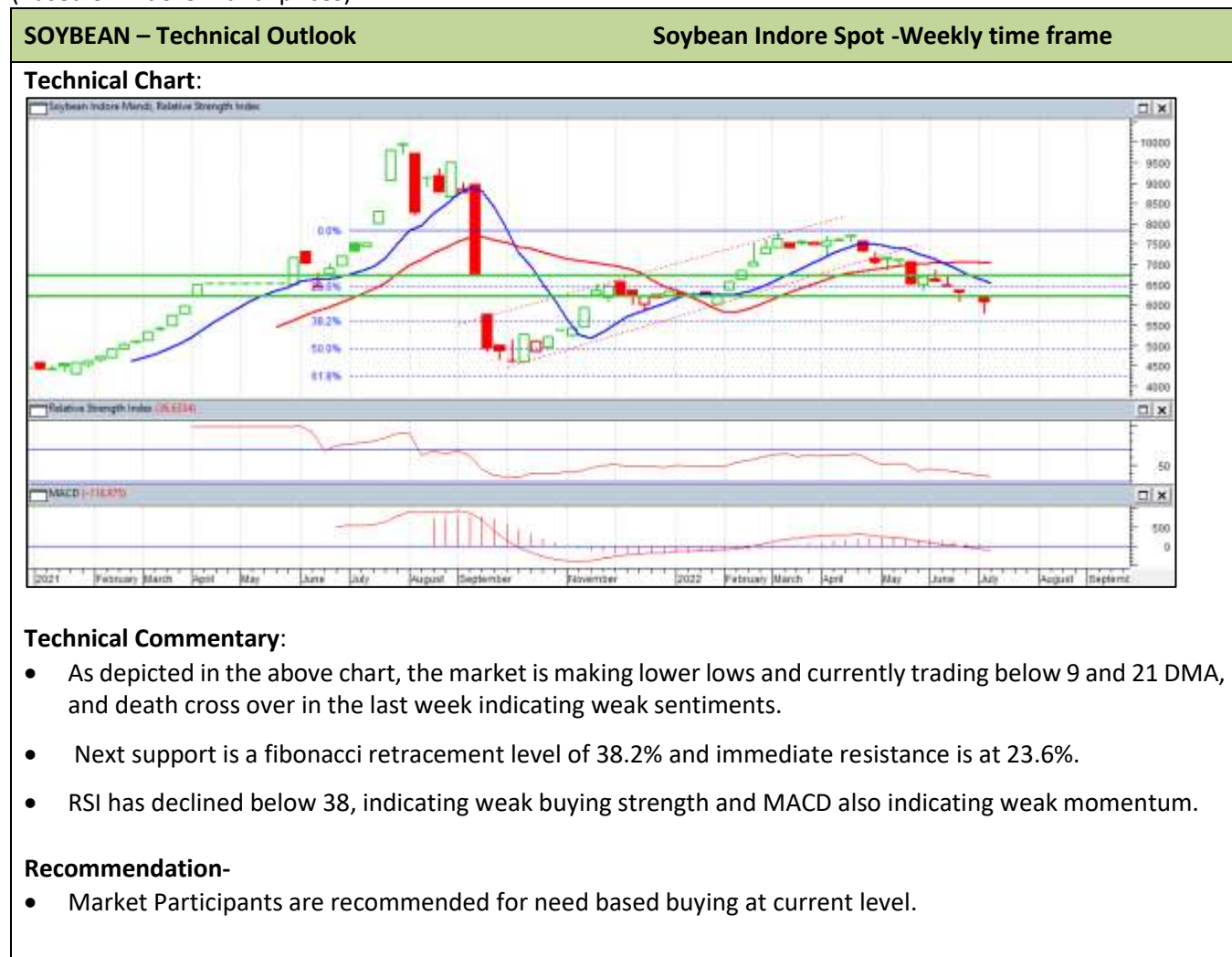
Despite a bearish tone in, US weather and soybean crop condition is a key watch point moving forward.



Currently in US, 22% of Soybean production is within an area experiencing drought.

Technical Analysis

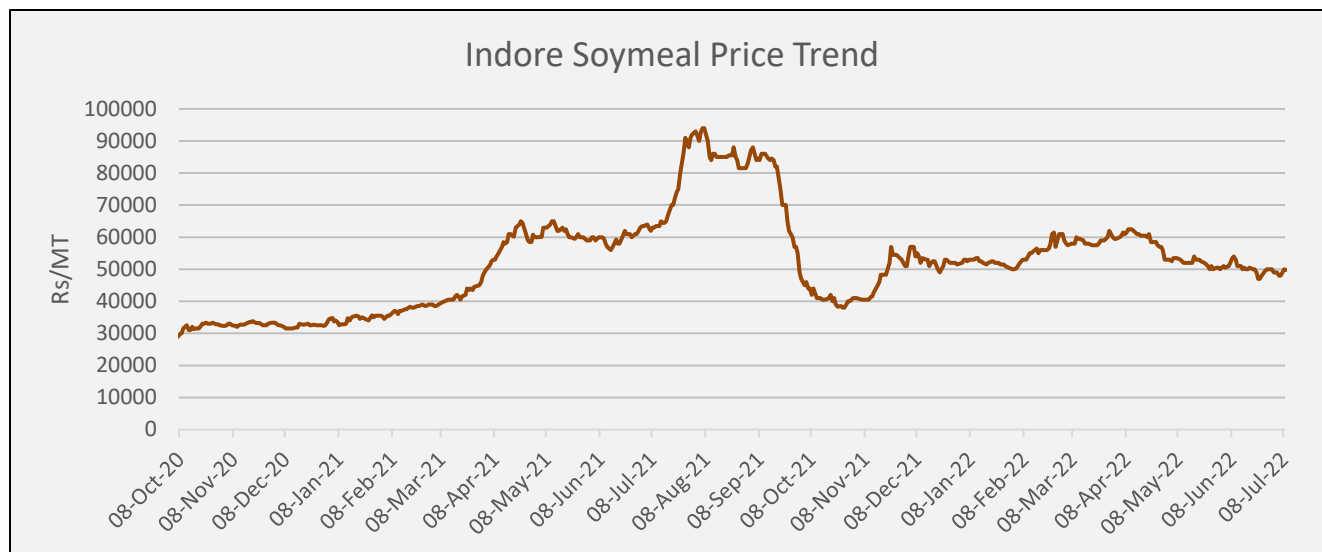
(Based on Indore Mandi prices)



Soybean Price Outlook for coming week: Indore Soybean mandi prices are currently trading at INR. 6,060/qty. and are expected to trade with weak bias tracking Soy meal import and weakness in oilseed complex.

Soybean Mandi Price Outlook (INR./Qty)	Previous week 25th June- 01st July'22	Week Under review 02nd July- 08th July'22	Next week 09th July- 15th July'22
Weekly Average Price	6,225-6,275	5,800-6,175	5,800-6,200

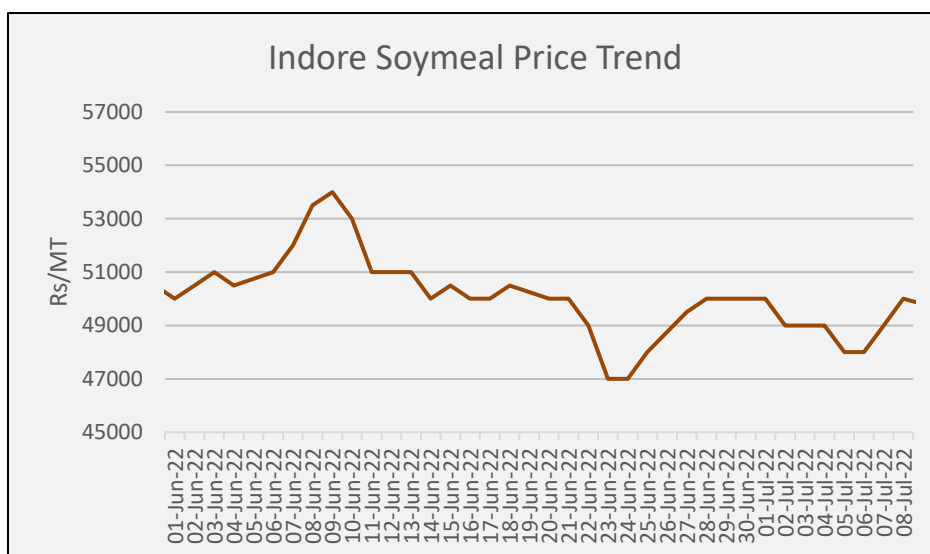
Soymeal



During the week under review, Indore Soymeal prices and weekly average prices of soymeal went down by 1.5% at INR 48,333 /MT as compared to last week at INR 49,583/MT. Overall the prices quoted between INR 48,000 – 50,000/MT throughout the week. Prices went down in tandem with soy bean prices.

At Nanded, the weekly average prices traded at INR.

53,083/MT compared to INR. 54,000MT a week ago. In Kota the meal prices were down at INR. 52,183/MT compared to INR. 53,500/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

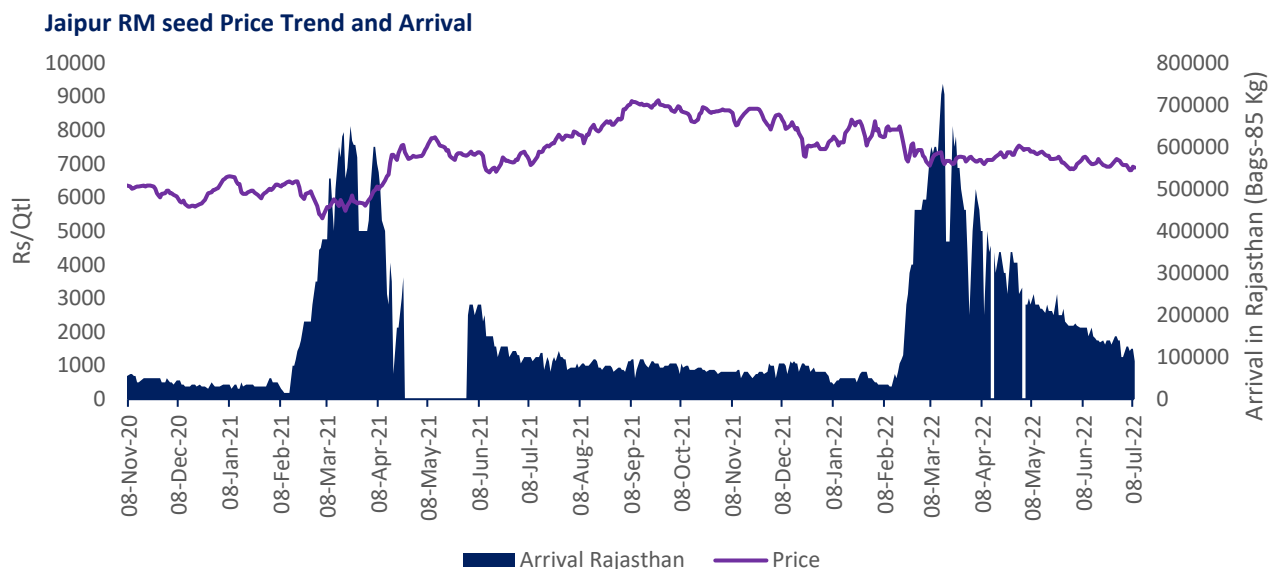
rapeseed meal to South Korea, Vietnam, Thailand and other far east countries. However, Soymeal export is at lowest level as India is out priced in the International market. Current price of Soybean meal FOB Kandla is at \$720/MT while Soybean meal Argentina CIF Rotterdam is quoted at \$532 and Brazil 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.

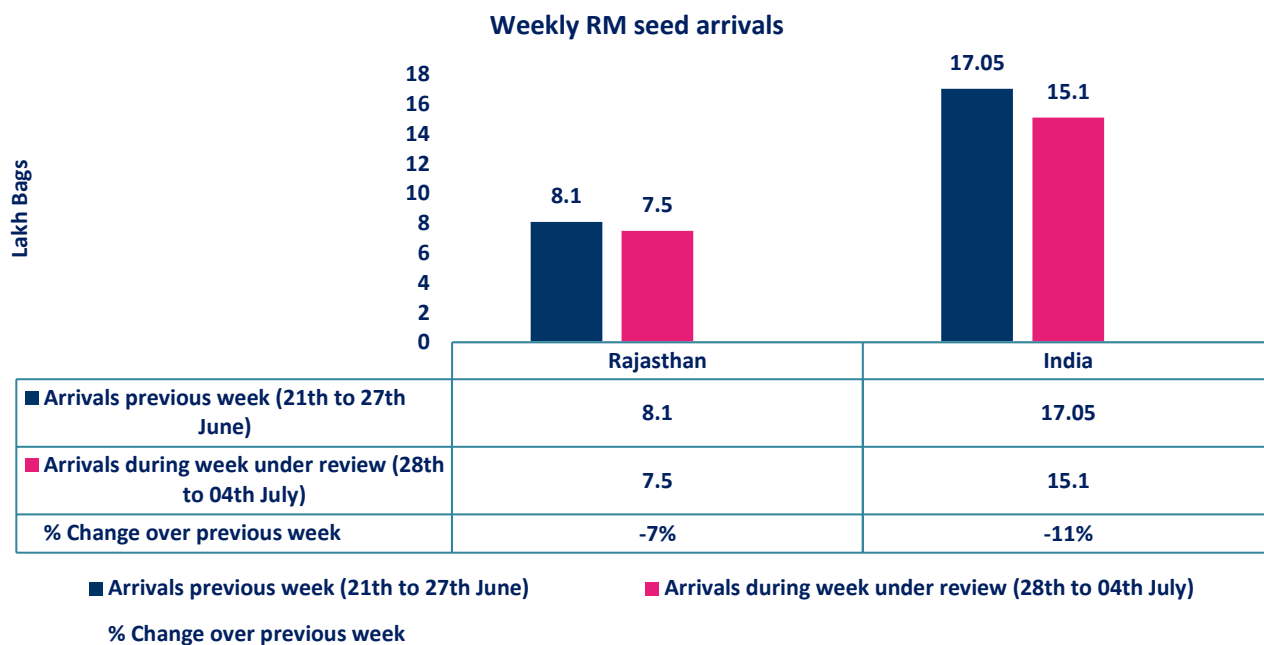
Soymeal Price Outlook for coming week: Soybean meal prices are expected to continue to trade with weak bias tracking Soymeal import decision by government and subdued export demand and squeeze in crush margin.

Soymeal Indore Price Outlook (INR./MT)	Previous week 25th June- 01st July'22	Week Under review 02nd July- 08th July'22	Next week 09th July- 15th July'22
Weekly Average Price	48,000-50,000	48,000-50,000	48,000-52,000

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. 6,892/qrtl as compared to INR. 7,067/qrtl last week. Prices went down on sell on rise. Farmers are still holding new crops in anticipation of better prices in future.



All India Arrivals continued to shrink during the week under review, in Rajasthan, total mustard arrivals continued to shrink and recorded lower by 7% at 7.5 Lakh bags. All India arrivals stood at 15.1 Lakh bags Vs 17.05 Lakh bags previous week. 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-

After for week continuous loss, during the week under review, ICE Canola went up by 3.46% on short covering.

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 making lower lows has breached 100 DMA, death cross over in the past is too indicating bearish sentiments.
- 38.2% Fibonacci retracement level and 100 DMA can be characterized as resistance whereas 50% fibonacci retracement level can be characterized as support level.
- Immediate support is at 6,700, next support is at 6500 and immediate resistance is at 7000, next resistance is at 7200.

Recommendation-

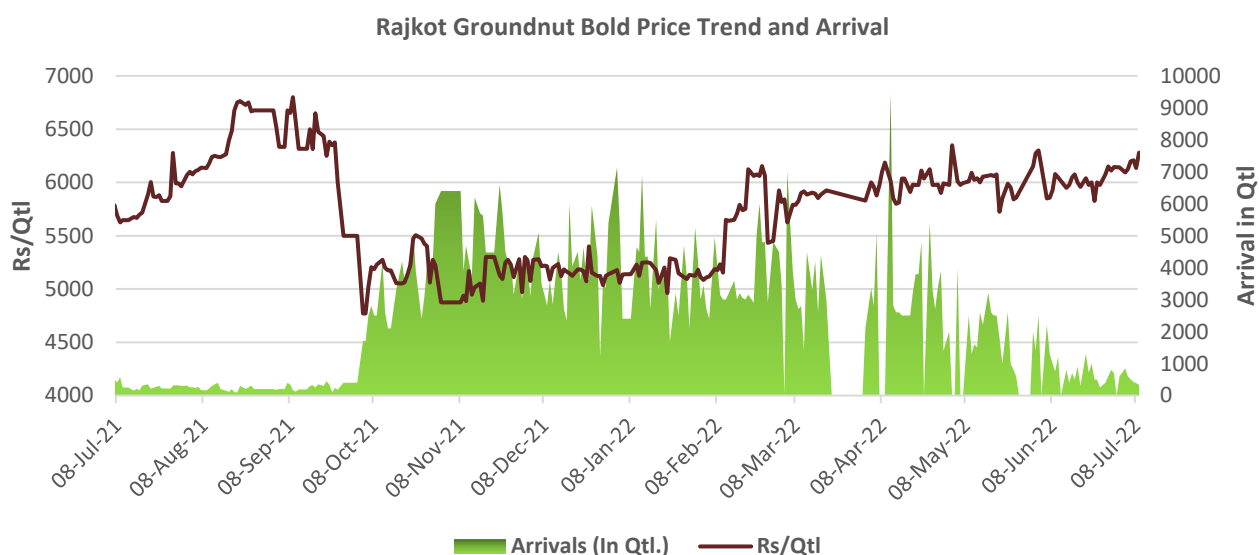
Market participants are recommended to do need based buying at current levels.

RM seed Price Outlook for coming week: RM Seed is expected to trade range bound with weak bias amid weak demand from crushers on squeeze in crush margin.

Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 25th June- 01st July'22	Week Under review 02nd July- 08th July'22	Next week 09th July- 15th July'22
Weekly Average Price	6,963-7,138	6,813-6,963	6,700-7,000

Groundnut

During the week under review, Rajkot Groundnut weekly average bold prices extended previous week gains and went up by 1% to INR 6,150/Qtl. as compared to previous week at INR 5,076/qtl. amid shrink in arrivals and expectation of decline in acreage.



Statewise Groundnut sowing progress as on 08th July'22 (Lakh Ha)				
	2022	2021	% Change	Cumulative Rainfall Departure (%) 1st June to 10th July'22
Gujarat	10.14	14.50	-30%	29%
Rajasthan	5.84	5.68	3%	44%
Karnataka	1.13	1.32	-14%	26%
Andhra Pradesh	0.74	0.59	25%	31%
Others	2.66	3.22	-17%	
Total	20.51	25.31	-19%	

As on 08th July'22 All India Kharif Groundnut sowing progress is lagging by 19% to 20.51 Lakh hectare as compared to 25.31 Lakh hectare last year in the same period. From 1st June'22 to 10th July'22 cumulative rainfall was above average by 29% in Gujarat, 44% above normal in Rajasthan, 26% deficit in Karnataka and 31% above average in Andhra Pradesh.

Groundnut pre sowing intentions: According to Agriwatch, Groundnut 2022-23 Kharif sowing acreage is likely to decline by 5-10%. Acreage is likely to shift to cotton at lucrative prices.

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 and rebound in groundnut oil prices coupled with slow pace of planting progress.

Rajkot Groundnut Bold Price Outlook (INR./Qtl)	Previous week 25th June- 01st July'22	Week Under review 02nd July- 08th July'22	Next week 09th July- 15th July'22
Weekly Average Price	5,975-6,150	6,093-6,208	5,900-6,300

Annexure

Oilseed Prices at Key Spot Markets:					
Commodity / Centre	% Change over previous week	Today	Week Ago	Month Ago	Year Ago
Soybean		08-Jul-22	01-Jul-22	07-Jun-22	8-Jul-21
Indore –Plant	-2%	6350	6500	7000	7475
Indore–Mandi	-2%	6250	6350	6900	7450
Nagpur-Plant	-6%	6430	6860	6750	7550
Nagpur – Mandi	-7%	6130	6560	6450	7300
Latur – Mandi	-4%	6330	6615	6770	7595
Akola – Mandi	-2%	6290	6400	6440	7310
Kota-Plant	-9%	5950	6550	7080	7375
Kota – Mandi	-9%	5900	6450	6980	7350
Bundi-Plant	-9%	5930	6500	6860	7300
Bundi-Mandi	-8%	5730	6200	6660	7200
Baran-Plant	-9%	5980	6600	6950	7370
Baran-Mandi	-7%	5860	6300	6800	7275
Bhawani Mandi Jhalawar–Plant	-	5970	Closed	6980	7400
Jhalwar-Mandi	-	5920	Closed	6950	7300
Rapeseed/Mustard					
Jaipur-(Condition)	-1%	6925	7025	7125	7125
Alwar-(Condition)	0%	6650	6650	6850	6950
Sri Ganganagar-(Non-Condition)	-1%	6250	6300	6600	6700
New Delhi–(Condition)	-2%	6650	6800	6900	6800
Kota-(Condition)	-5%	6150	6450	6700	6600
Agra-(Condition)	0%	7048	7048	7286	7238
Neewai-(Condition)	-7%	6350	6800	6950	6850
Hapur (UP)-(Condition)	-3%	6700	6900	6950	6900
Groundnut Seed					
Rajkot	-	1100	Closed	1030	1005
Sunflower Seed					

Gulbarga	4%	5400	5200	7000	0
Latur	-7%	6700	7200	7100	6300
Sholapur	-7%	6700	7200	7100	6300
Soybean Prices are in INR/ctl. (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/ctl.					

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