

Oil Seed Weekly Research Report

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Executive Summary

The weekly average prices of Soybean Indore plant prices went down by 1.31% to INR 6,234/ Qtl. as compared to 6,317/qtl. previous week amid weak demand from crushers.

The weekly average prices of Indore soymeal went down by 1.7% to INR 49,750/MT as compared to last week at INR 50,600/MT amid weak soymeal export demand and squeeze in crush margin.

During the week under review, Jaipur RM seed remained sideways and went marginally up by 0.50% to INR. 6,968/qtl amid weak demand from crushers.

During the week under review, Rajkot groundnut bold prices remained sideways at INR 6,369/Qtl.

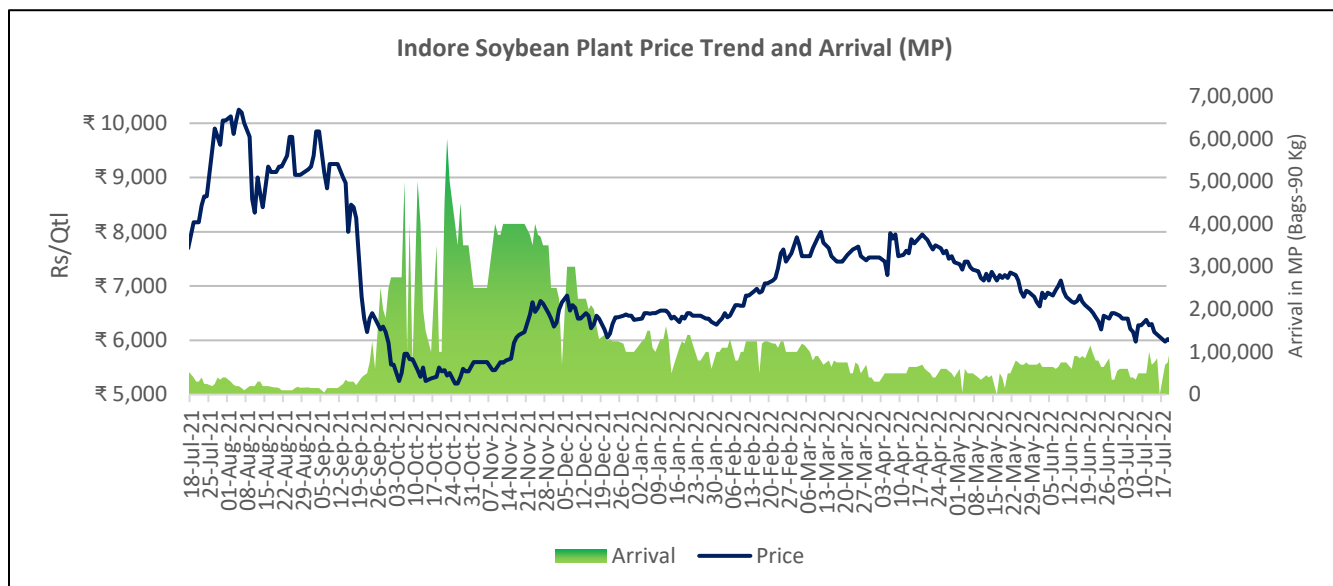
Outlook – Cash Market

Outlook - Soybean (Spot Indore): In the coming week, soybean prices are expected to trade range bound with weak bias amid weak demand from crushers. The prices (Indore, Plant basis) are expected to feature range bound movement in the price band of 5,950-6,100 levels in the near term.

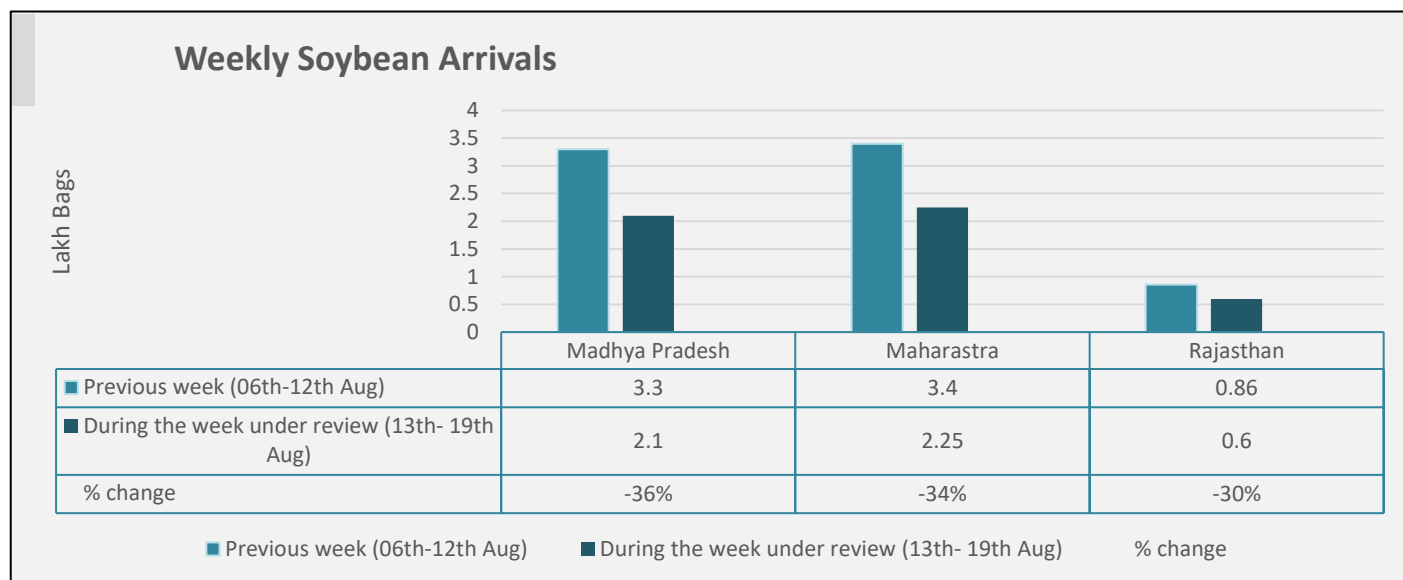
Outlook – Soy meal:
The soy meal prices (Indore) are likely to trade with weak bias tracking GM Soymeal import and sluggish soymeal export demand. Soy meal Indore prices are likely to trade in the range of 49,000 – 52,000/MT.

Outlook - Rapeseed-Mustard (Spot, Jaipur basis): Rapeseed-Mustard is expected to trade range bound with weak bias amid weak demand from crushers. The seed prices are likely to trade in the range between 6,900 – 7,100/Qtl. in the short-run.

Soybean



During the week under review, Soybean indore plant prices went down by 1.31% to INR 6,234/ Qtl. as compared to 6,317/qtl. previous week amid weak demand from crushers and correction in CBOT soybean also weighed on domestic market.



This week, the total arrival in MP declined by 36% to 2.1 Lakh bags Vs 3.3 Lakh bags last week. In Maharashtra arrivals declined by 34% to 2.25 Lakh bags vs 3.4 Lakh bags last week and in Rajasthan the arrivals went down by 30% at 0.6 lakh bags Vs 0.86 Lakh bags previous day. Arrivals remained low as mandis remained closed due to festival.

Soybean Sowing Updates:

From 1st June'22- 21st Aug'22, cumulative rainfall recorded above average by 27% in Maharashtra, 20% in MP, in Rajasthan cumulative rainfall remained above average at 44%. As on 19th Aug'22 All India Kharif soybean sowing progress is up by 0.4% to 119.54 Lakh hectare as compared to 119.04 Lakh hectare last year in the same period. Agriwatch expects soybean acreage to decline by 5-8% amid acreage shift to cotton and Maize.

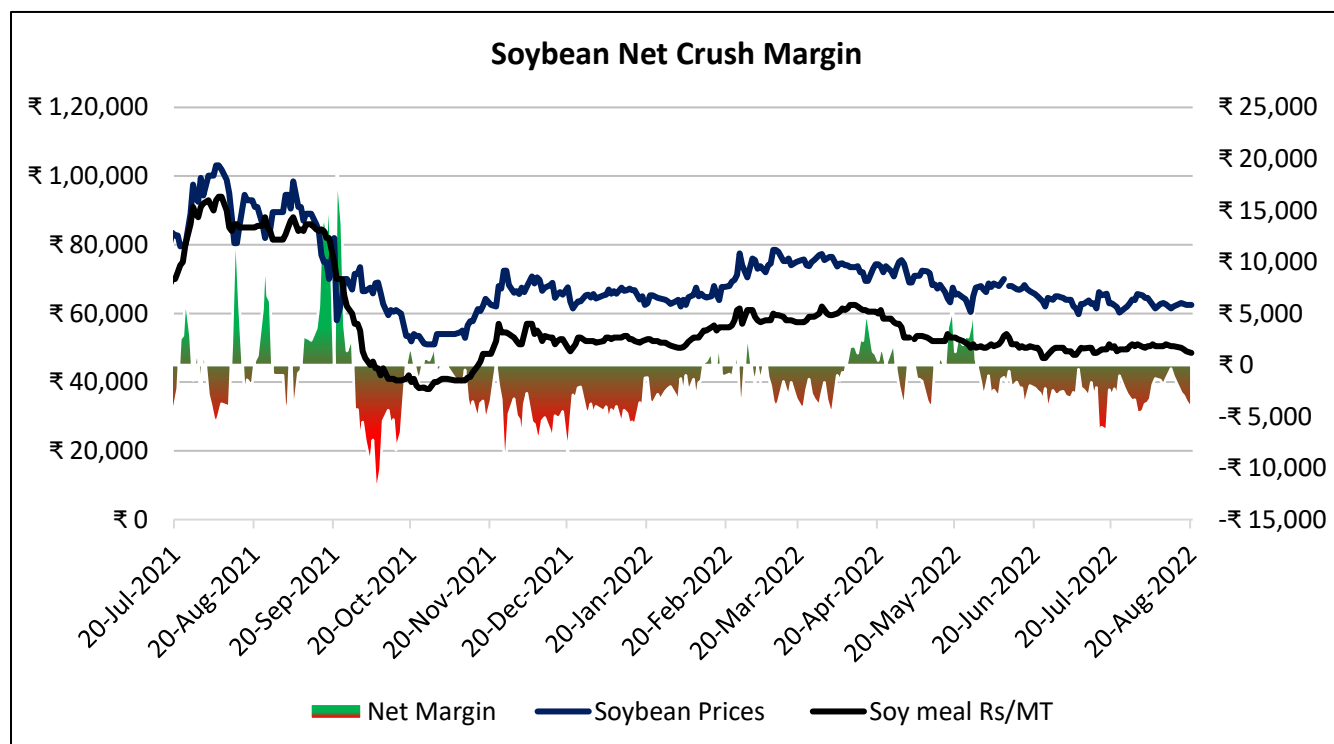
State wise Soybean sowing progress as on 19th Aug'22 (Lakh Ha)				
State	2022	2021	% Change	Cumulative Rainfall Departure (%) 1st June to 21st Aug'22
Maharashtra	48.33	45.50	6%	27%
Madhya Pradesh	50.00	53.87	-7%	20%
Rajasthan	11.51	10.63	8%	44%
Karnataka	4.28	3.83	12%	28%
Telangana.	1.56	1.41	10%	62%
Others	3.86	3.80	1%	
Total	119.54	119.04	0.4%	

As per sources, multiple crops including soybean have been damaged due to heavy rains, 1 lakh 31 thousand crops in Wardha districts and 1 lakh 22 thousand hectares in Yavatmal district have been affected. 55 thousand hectares in Chandrapur, 33 thousand hectares in Nagpur, 19 thousand hectares in Bhandara, 13 thousand hectares in Gadchiroli, 7 thousand hectares in Buldhana, 72 thousand hectares in Akola, 27 thousand hectares in Amravati, 16 thousand hectares in Hingoli, 3 thousand hectares in Pune district, 2 thousand hectares in Dhule., Nashik, two thousand hectares of crops have been affected.

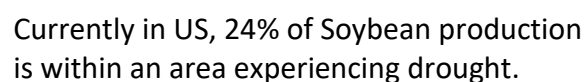
Madhya Pradesh	Cumulative Rainfall Departure (%) 1st June to 17th Aug'22	Maharashtra	Cumulative Rainfall Departure (%) 1st June to 17th Aug'22	Rajasthan	Cumulative Rainfall Departure (%) 1st June to 17th Aug'22
Dewas	66%	Latur	52%	Kota	51%
Videsha	52%	Parbhani	34%	Baran	20%
Rajgarh	72%	Nagpur	72%	Bundi	34%
Shajahpur	37%	Yavatmal	43%	Jhalawar	40%
Ratlam	27%	Hingoli	5%	Chittaurgarh	19%
Indore	24%	Jalna	13%	Pratapgarh	34%
Ujjain	31%	Buldhana	5%	Rajasthan	47%
Ashok nagar	23%	Amaravati	19%		
Mandsaur	18%	Washim	18%		
Dhar	-1%	Akola	0%		
MP	21%	Maharashtra	31%		

Soybean Crush Margin-

Soybean net crush margin continued to remain negative during the week under review. Weekly average soybean net crush margin remained squeezed and improved to INR -2,573/MT as compared to INR. -1,295/MT previous week amid correction in Soy oil and meal prices.



According to USDA's latest report, 3% of Soybean crop is in very poor condition, unchanged as compared to previous week, 9% is in poor condition Vs 8% previous week, fair condition remained unchanged at 30% as compared to previous week, 48% in good condition Vs 49% in previous week and 10% in excellent condition, unchanged as compared to previous week.



Technical Analysis US Soybean futures



As depicted in the above chart, US Soybean US Soybean facing resistance from 61% fibonacci retracement level. However market is still trading below 9,18, 50 and 100 DMA indicating weak sentiments. RSI at 46 indicating steady buying strength. And MACD indicating steady momentum in short run. Over all market is expected to trade range bound and take support from 1360-1380 in short run and resistance from 1430-1450.

Technical Analysis (Domestic market)

(Based on Indore Mandi prices)

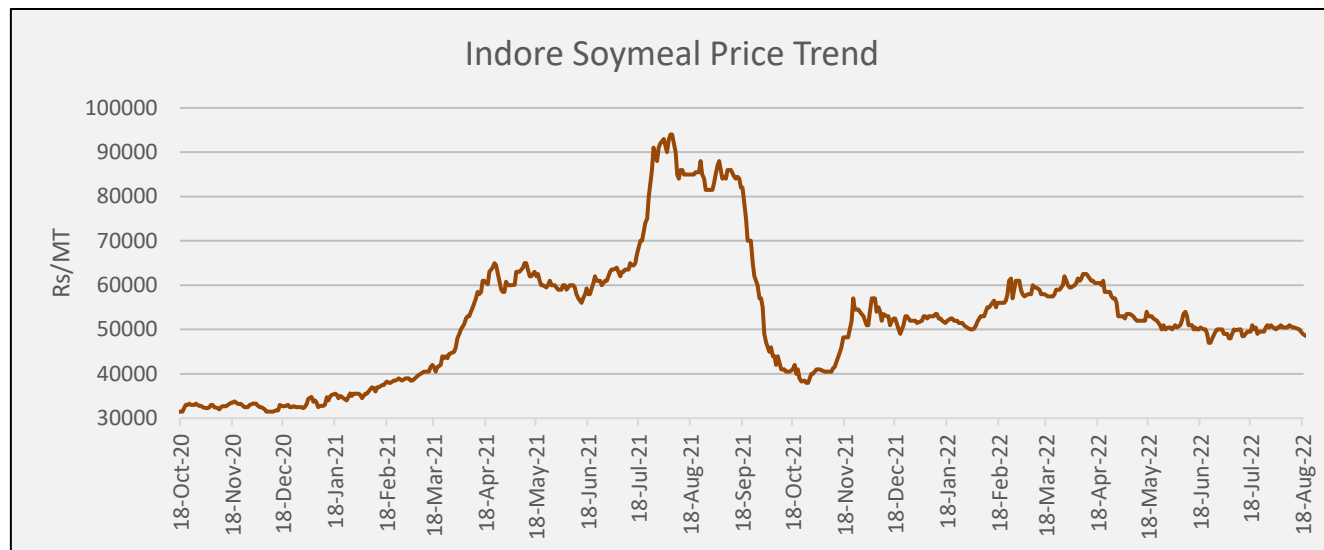


Soybean Price Outlook for coming week: Indore Soybean mandi prices are currently trading at INR. 6,075/qtl. and are expected to trade with weak bias in the coming week amid weak soymeal export demand and subdued demand from crushers.

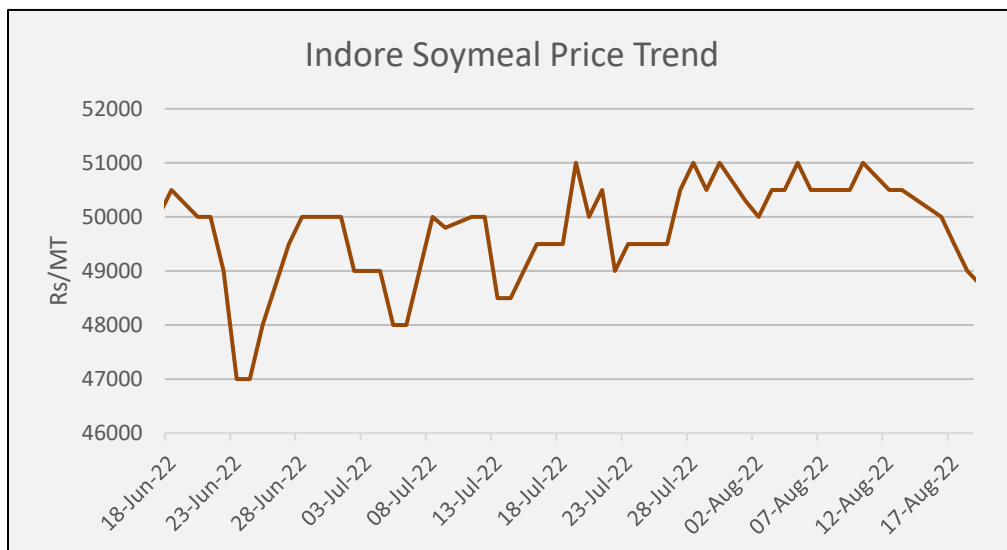


Soybean Mandi Price Outlook (INR./Qtl)	Previous week 06th Aug'22- 12th Aug'22	Week under review 13th Aug'22- 19th Aug'22	Next week 20 th Aug'22- 26 th Aug'22
Weekly Average Price	5,950-6,100	6,035-6,125	5,950-6,100

Soymeal



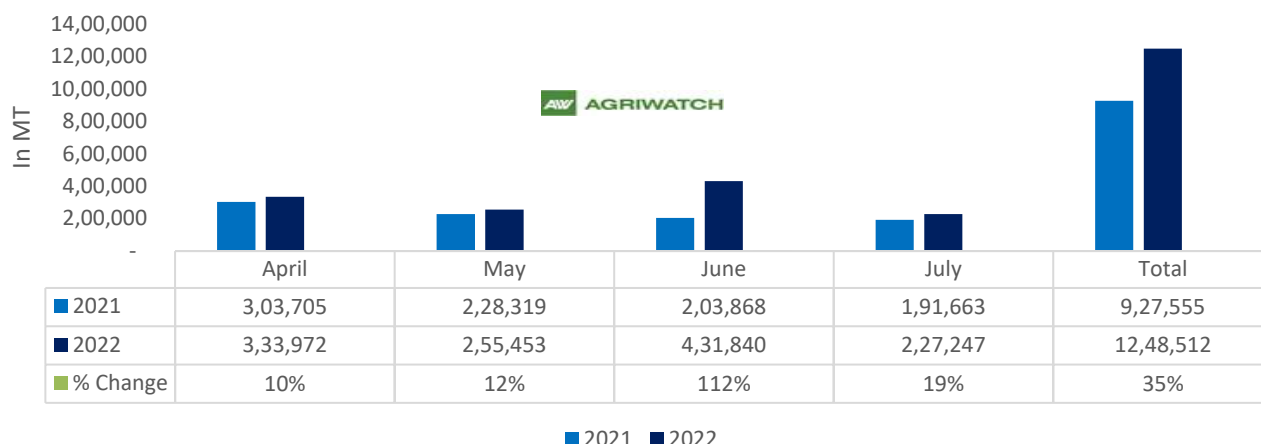
During the week under review, Indore Soymeal prices weekly average prices remained sideways and went down by 1.7% to INR 49,750/MT as compared to last week at INR 50,600/MT. Overall the prices quoted between INR 49,000 – 50,500/MT throughout the week. There is a weak



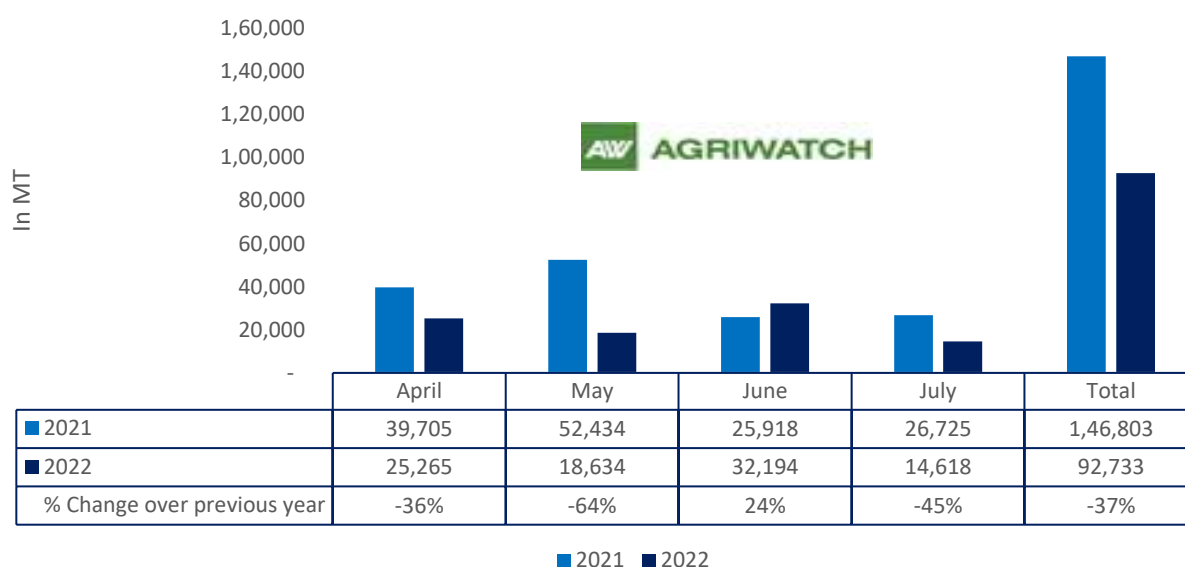
domestic demand from poultry industry amid higher prices as compared to competing meals. Additionally, Indian soymeal export demand is also weak in global market due to higher prices as compared to FOB Argentina SBM.

At Nanded, the weekly average prices went down at INR. 54,375/MT compared to INR. 54,700 MT a week ago. In Kota the meal prices were up at INR. 52,380/MT compared to INR. 53,340/MT previous week.

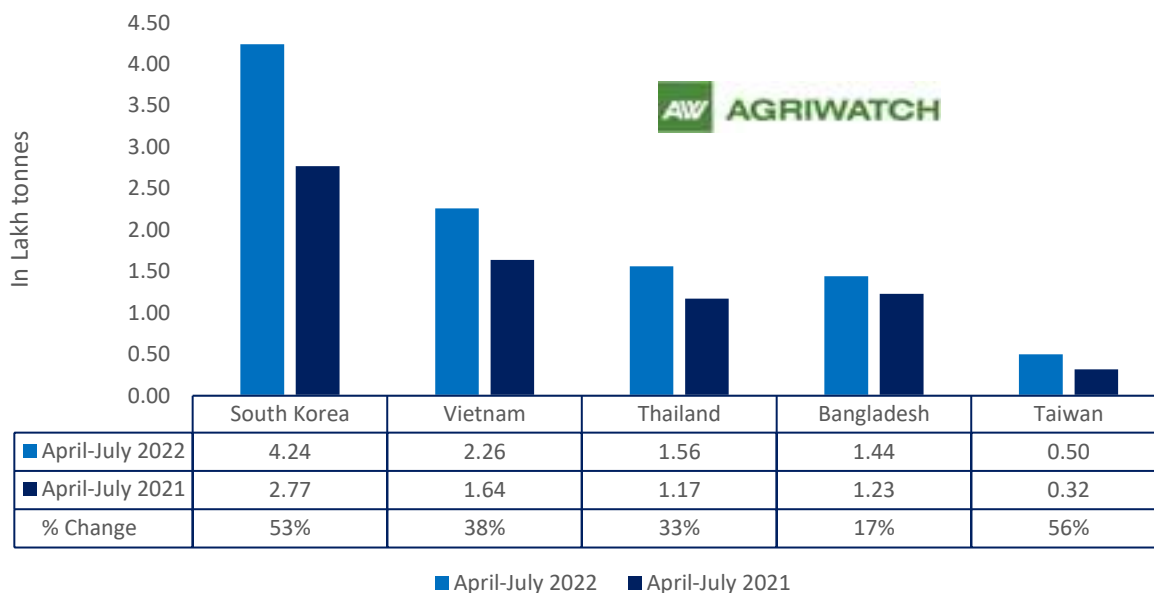
Total oil meal export



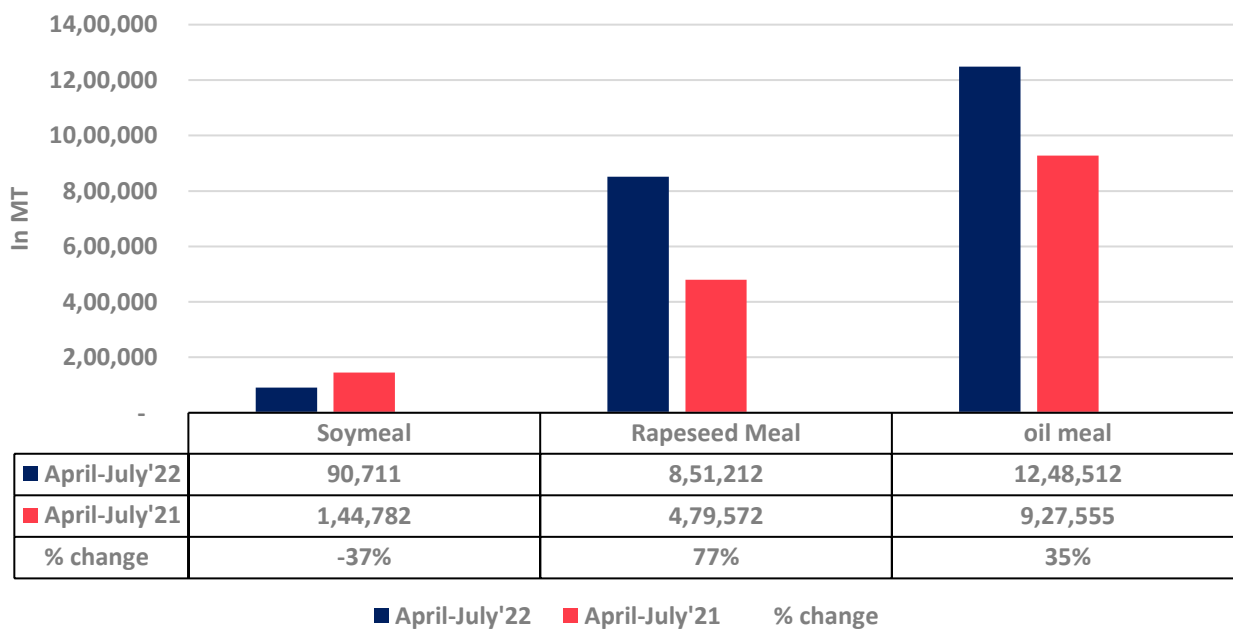
Soy meal export



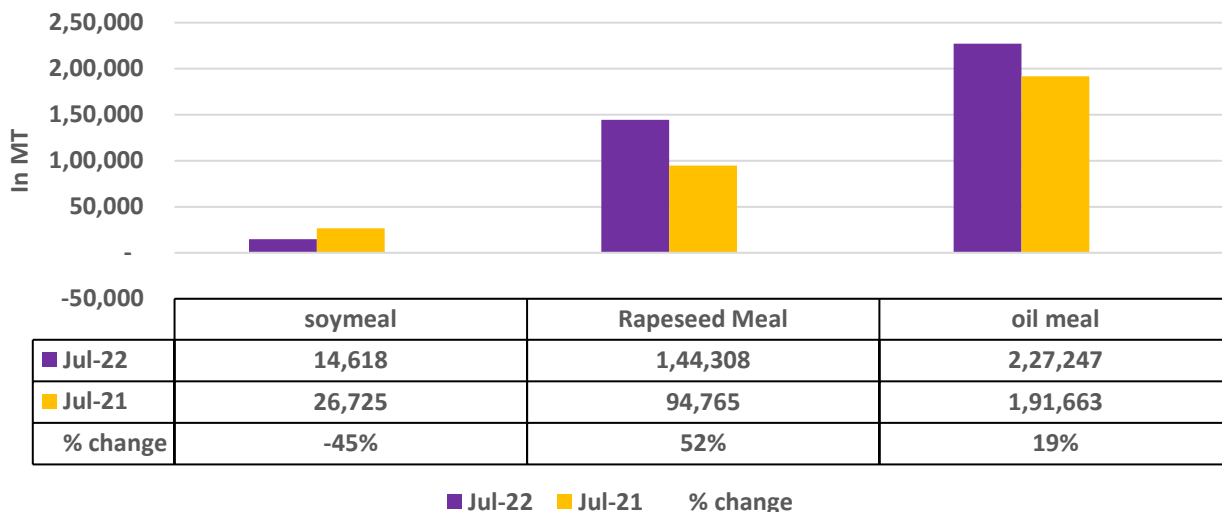
Country wise Oil meal export



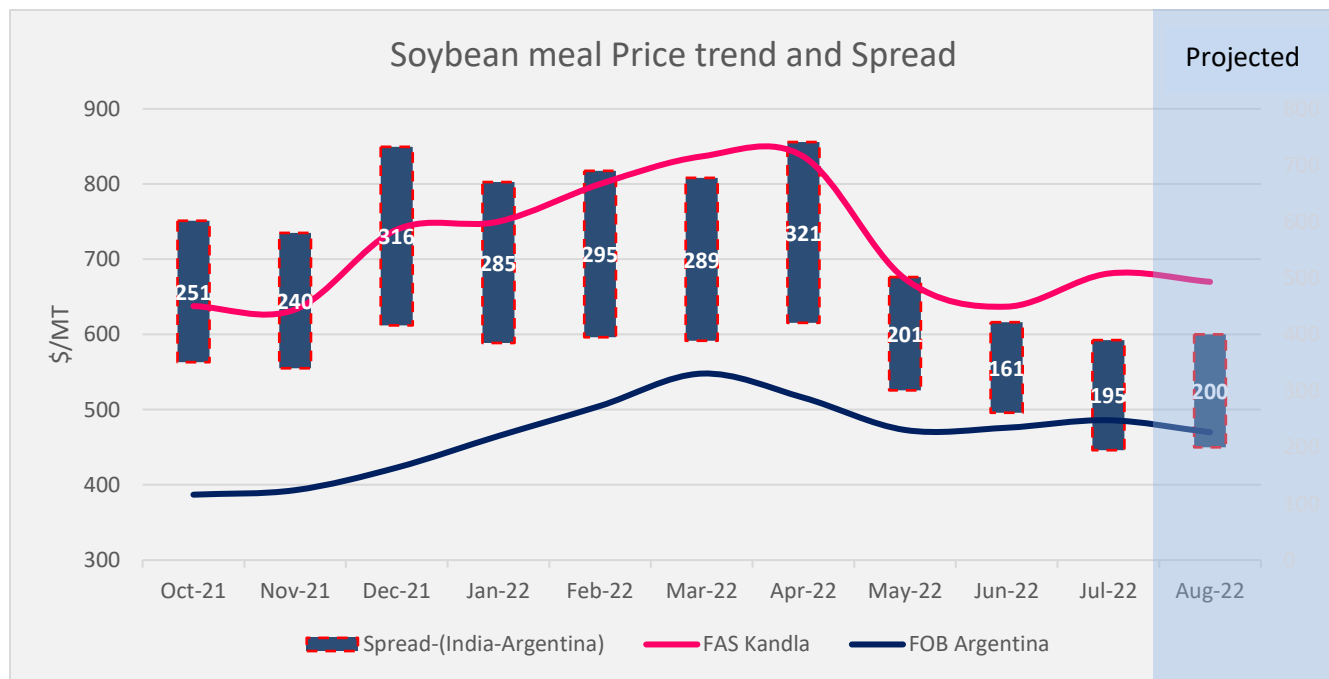
Soy meal Vs Rapeseed meal Vs Oil meal export (April-'22-July'22)



Soy meal Vs Rapeseed meal Vs Oil meal export (July'22)

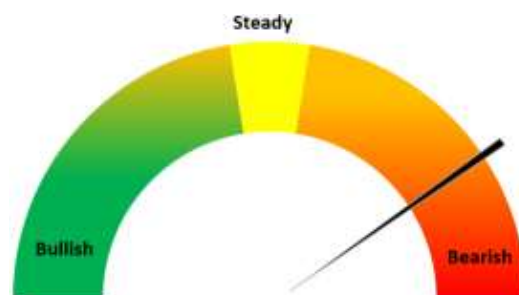


Total oil meal exports in April- July'22 went up by 35% to 12.48 Lakh tonnes vs 9.27 Lakh tonnes previous year same period. However, Soymeal exports went down by 37% to 0.92 Lakh tonnes in April-July'22 Vs 1.46 Lakh tonnes previous year same period. Soymeal exports went down due to over-priced Indian soymeal in the global markets. And during the first four months of the current financial year.



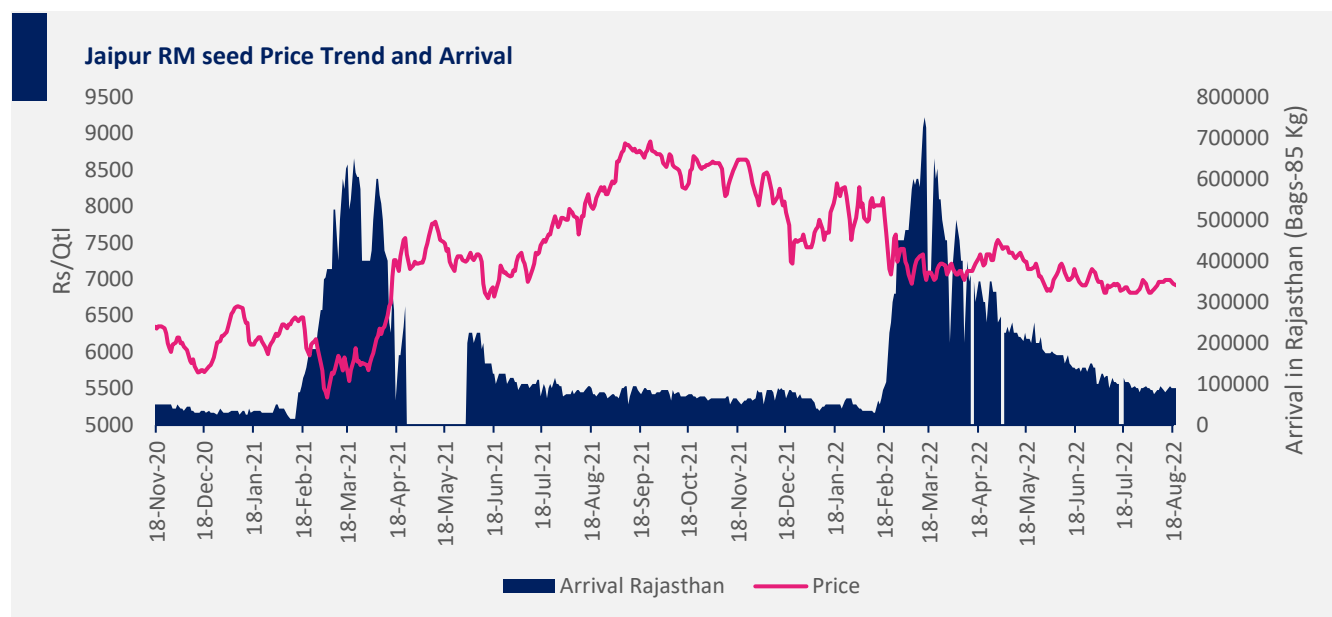
In July'22 SBM FAS Kandla was outpriced by USD 195/MT to FOB SBM Argentina prices. Upon pricy Indian SBM, export demand remained limited. In August we expect Indian SBM to remain outpriced by USD 200/MT.

Soymeal Price Outlook for coming week: Soybean meal prices are expected to trade range bound with weak bias tracking weak export demand and squeeze in crush margin.

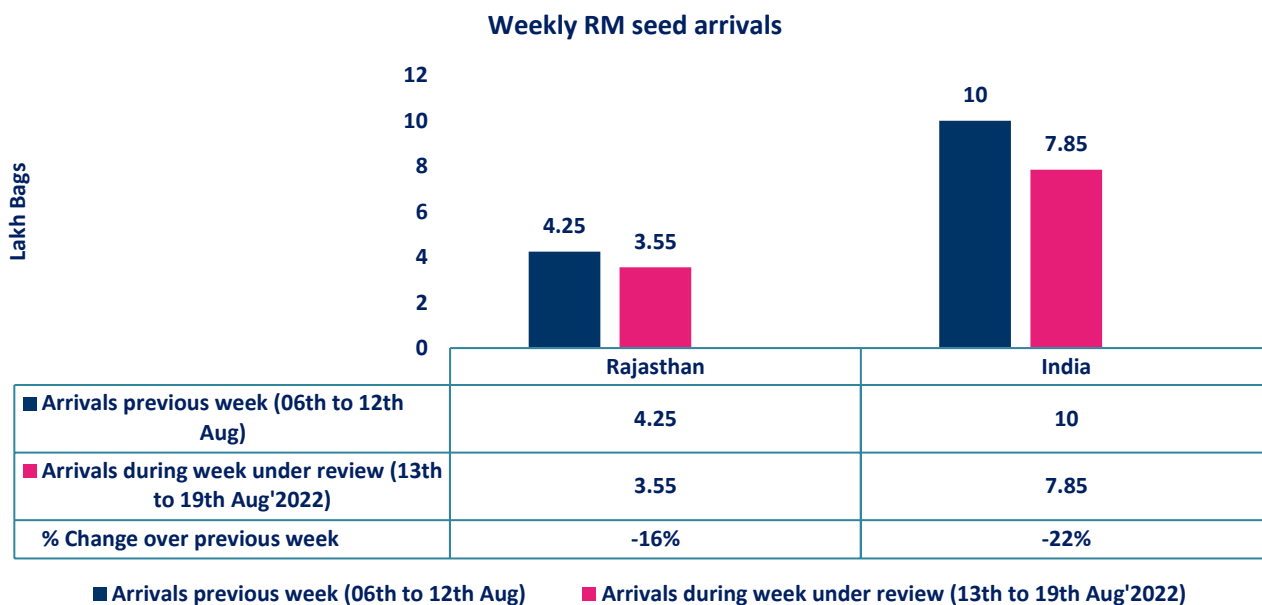


Soymeal Indore Price Outlook (INR./MT)	Previous week 06th Aug'22- 12th Aug'22	Week under review 13th Aug'22- 19th Aug'22	Next week 20th Aug'22- 26th Aug'22
Weekly Average Price	50,500-51,000	49,000-50,500	49,000-52,000

Rapeseed - Mustard Seed

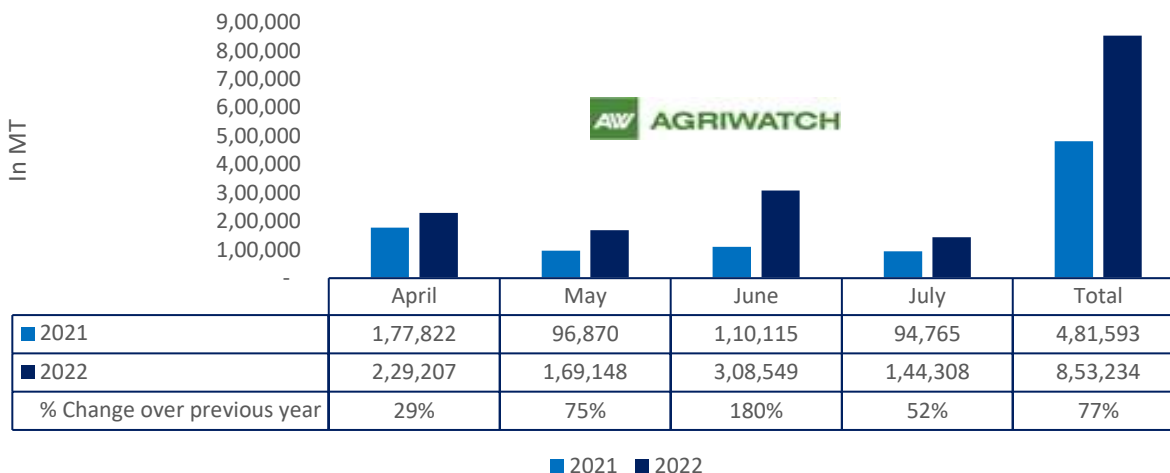


RM seed remained sideways during the week under review, Jaipur RM seed weekly average prices remained sideways and went marginally up by 0.50% to INR. 6,968/qrtl as compared to INR. 6,933/qrtl previous week. Prices remained sideways amid weak demand from crushers due to disparity. Farmers are still holding stock in anticipation of better prices in future.



All India Arrivals shrank during the week under review, in Rajasthan, total mustard arrivals recorded low by 16% to 3.55 Lakh bags as compared to 4.25 lakh bags previous week. All India arrivals shrank by 22% to 7.85 Lakh bags Vs 10 Lakh bags previous week. Most of the stockists/ traders are not aggressively buying due to stock limits and farmers are holding their stocks in anticipation of better prices, crushers are not buying due to disparity.

Rapeseed meal export



There is a significant jump in export of rapeseed meal and reported at 8.53 Lakh tons compared to 4.81 Lakh tons i.e., up by 77%. And in July 22 exports recorded up by 52% to 3.08 Lakh tonnes vs 1.10 Lakh tonnes in the previous year same period. 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.

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-

For 2022-23, the area seeded to canola is estimated at 8.7 million hectares (Mha), down 5% from last year, according to Statistics Canada's seeded area survey. Manitoba seeded 1.34 Mha of canola, Saskatchewan 4.61 Mha and Alberta 2.64 Mha. Canola acreage in Manitoba is slightly lower than previous estimates that were based on Statistics Canada's planting intentions survey while Saskatchewan and Alberta planted acreage slightly larger than original intentions.

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 in down trend and trading below 9,18,50 and 100 DMA indicating weak sentiments.
- 50% Fibonacci retracement level and 100 DMA can be characterized as resistance whereas 61.8% fibonacci retracement level can be characterized as immediate 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.

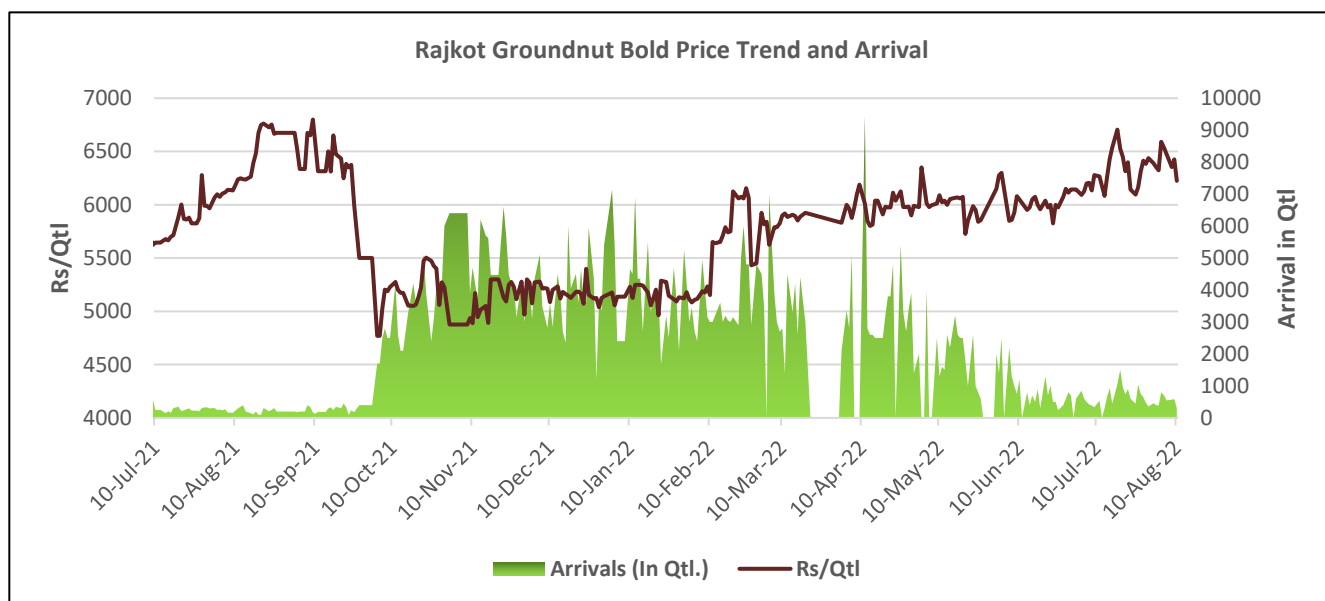
RM seed Price Outlook for coming week: RM Seed is expected to trade range bound with weak bias amid weak demand from crushers on squeeze in crush margin.



Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 06th Aug'22- 12th Aug'22	Week under review 13th Aug'22- 19th Aug'22	Next week 20 th Aug'22- 26 th Aug'22
Weekly Average Price	6,863-6,963	6,938-6,988	6,900-7,100

Groundnut

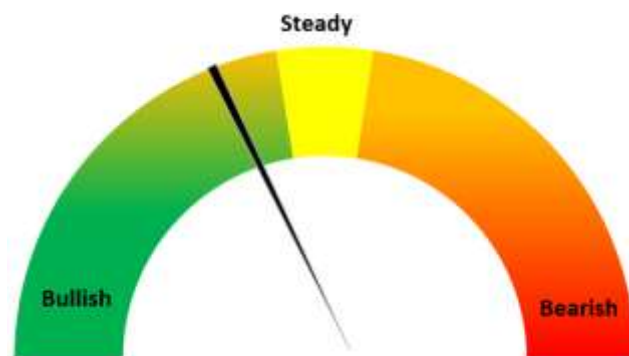
During the week under review, Rajkot Groundnut weekly average bold prices remained sideways at INR 6,369/Qtl. However, all India arrivals recorded down by 22% to 22.10 thousand tonnes as compared to 39.52 thousand tonnes previous week.



As on 19th Aug'22 All India Kharif Groundnut sowing progress is lagging by 8% to 44.32 Lakh hectare as compared to 47.95 Lakh hectare last year in the same period. From 1st June'22 to 21st Aug'22 cumulative rainfall departure recorded up by 40% in Gujarat, 44% in Rajasthan, 14% in Karnataka and 14% in Andhra Pradesh. Agriwatch expects Groundnut 2022-23 Kharif sowing acreage is likely to decline by 8-12%. Acreage is likely to shift to cotton on lucrative prices.

Statewise Groundnut sowing progress as on 19th Aug'22 (Lakh Ha)				
	2022	2021	% Change	Cumulative Rainfall Departure (%) 1st June to 21st Aug'22
Gujarat	17.00	19.01	-11%	40%
Rajasthan	7.90	7.74	2%	44%
Karnataka	3.52	4.36	-19%	14%
Andhra Pradesh	5.19	6.16	-16%	14%
Others	10.71	10.69	0%	
Total	44.32	47.95	-8%	

Groundnut Price Outlook for coming week: Rajkot groundnut bold prices expected to trade steady to firm amid good domestic demand and decline in acreage.



Rajkot Groundnut Bold Price Outlook (INR./Qtl)	Previous week 06th Aug'22- 12th Aug'22	Week under review 13th Aug'22- 19th Aug'22	Next week 20 th Aug'22- 26 th Aug'22
Weekly Average Price	6,225-6,475	6,369	6,200-6,400

Annexure

	% Change over previous week	Today	Week Ago	Month Ago	Year Ago	
Soy DOC Rates at Different Centers		20-Aug-22	13-Aug-22	20-Jul-22	20-Aug-21	
Centres		Ex-factory rates (Rs/ton)				parity To
Indore - 45%, Jute Bag	-4%	48500	50500	50000	85000	Gujarat, MP
Kota - 45%, PP Bag	-2%	51500	52500	52200	86000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	-3%	53500	55000	55000	87000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	-4%	52000	54000	53000	92000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	-2%	53500	54500	55000	91000	Andhra, AP, Kar, TN
Latur	-2%	54000	55000	53500	92000	-
Sangli	-3%	50500	52000	52000	82000	Local and South
Solapur	-4%	51500	53500	52500	84000	Local and South
Akola – 45%, PP Bag	-4%	49000	51000	50000	75000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	-1%	54000	54500	55500	63500	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	-2%	51300	52300	52000	84000	-
Soy DOC at Ports						
Centers		Port Price				
		20-Aug-22	13-Aug-22	20-Jul-22	20-Aug-21	
Kandla (FOR) (INR/MT)	-	-	54000	55500	-	
Kandla (FAS) (USD/MT)	-	-	690	680	-	
CNF Indonesia – Yellow SBM (USD/MT)	-	-	-	-	-	

Rapeseed Meal		20-Aug-22	13-Aug-22	20-Jul-22	20-Aug-21	
FAS Kandla (USD/MT)	-	-	-	-	-	
FOR Kandla (Rs/MT)	-	-	-	-	-	
FOR Mundra (Rs/MT)	-	-	-	-	-	
CNF Indonesia (USD/MT)	-	-	-	-	-	
International Soy DOC						
Argentina FOB USD/MT		20-Aug-22	13-Aug-22	20-Jul-22	20-Aug-21	
Soybean Pellets	-	-	-	-	-	
Soybean Cake Flour	-	-	-	-	-	
Soya Meal	-	-	-	-	-	
Soy Expellers	-	-	-	-	-	
Sunflower (DOC) Rates		Ex-factory rates (Rs/ton)				
Centers		20-Aug-22	13-Aug-22	20-Jul-22	20-Aug-21	
Adoni	0%	35000	35000	35000	40000	
Khamgaon	-	-	-	-	-	
Parli	-	-	-	-	-	
Latur	0%	34000	34000	34000	39000	
Groundnut Meal (Rs/MT)		20-Aug-22	13-Aug-22	20-Jul-22	20-Aug-21	
Basis 45%, Saurashtra	-	Closed	32500	31000	52000	
Basis 40%, Saurashtra	-	Closed	28000	28000	49000	
GN Cake, Gondal	-	Closed	33000	32000	55000	
Mustard DOC		20-Aug-22	13-Aug-22	20-Jul-22	20-Aug-21	
Jaipur (Plant delivery)	0%	19500	19500	20200	21500	
Kandla (FOR Rs/MT)	-1%	20000	20200	21000	23000	

Mumbai Oil Meal Quotes:						
Rs/M.T.		20-Aug-22	13-Aug-22	20-Jul-22	20-Aug-21	
G.N. Extr (45%)	0%	32000	32000	33000	53000	
Kardi Extr	-	NA	-	-	-	
Undec Cottonseed Exp	0%	33000	33000	32500	35000	
Rice Bran Extr.	-	NA	-	-	-	
Sunflower Extr.	-10%	27000	30000	31000	37000	
Rapeseed Extr.	-	NA	-	-	-	
Soymeal 48%	-3%	51391	53217	52696	88695	
Castor Extr.	7%	13150	12250	11250	6950	

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