

# Oil Seed Weekly Research Report

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## Executive Summary

The weekly average prices of Soybean Indore plant prices went up by 1% to INR 4,450/ Qtl. as compared to 5,030/ qtl. previous week amid tight supply, increase in soy oil prices. The higher supply and diminishing soy oil price weighing on soybean price while crush margin are in disparity.

The weekly average prices of Indore soymeal went down by 0.9% to INR 38,500/MT as compared to last week at INR 38,833/MT amid weak export demand.

During the week under review, Jaipur RM seed weekly average prices went marginally up by 0.07% to INR. 6,304/qtl amid improved mustard oil prices and shrink in arrivals.

During the week under review, Rajkot groundnut bold prices went up by 3.15% at INR 5,914/Qtl. amid improved groundnut oil prices.

## Outlook – Cash Market

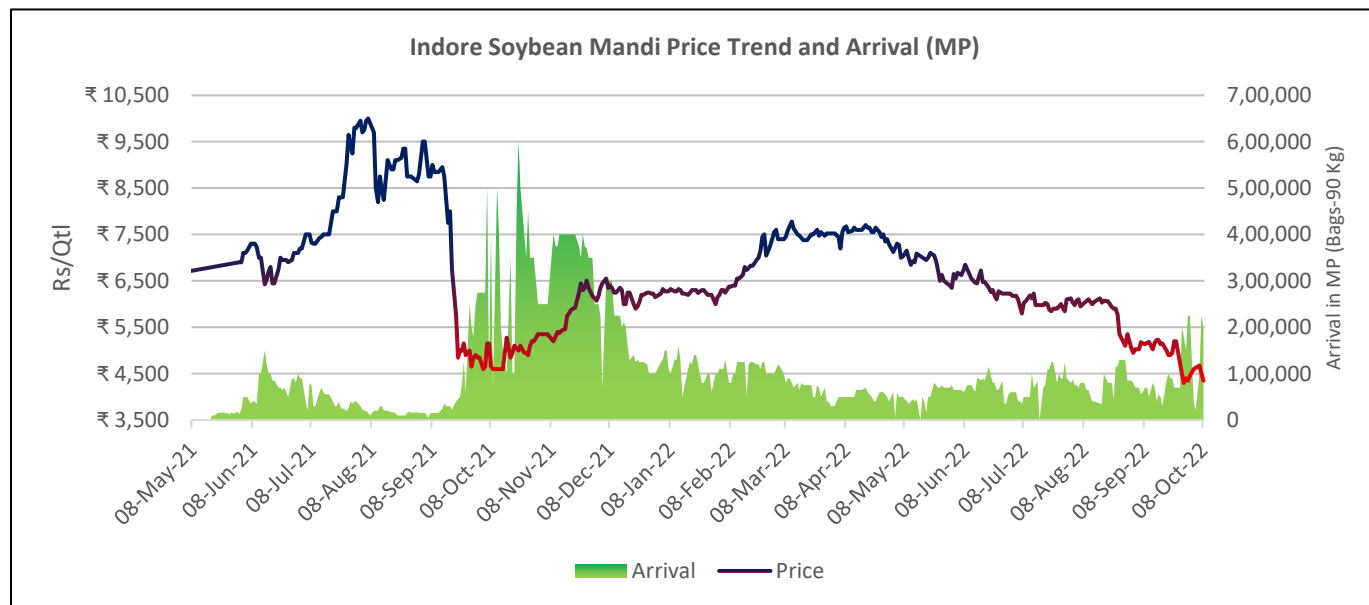
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**Outlook - Soybean (Spot Indore):** In the coming week, soybean prices are expected to rebound from lower level amid improved soy oil prices. The prices (Indore, Plant basis) are expected to feature range bound movement in the price band of 4,300-4,800 levels in the near term.

**Outlook – Soy meal:**  
The soy meal prices (Indore) are likely to trade with weak bias amid weak export demand. Soy meal Indore prices are likely to trade in the range of 38,000 – 42,000/MT.

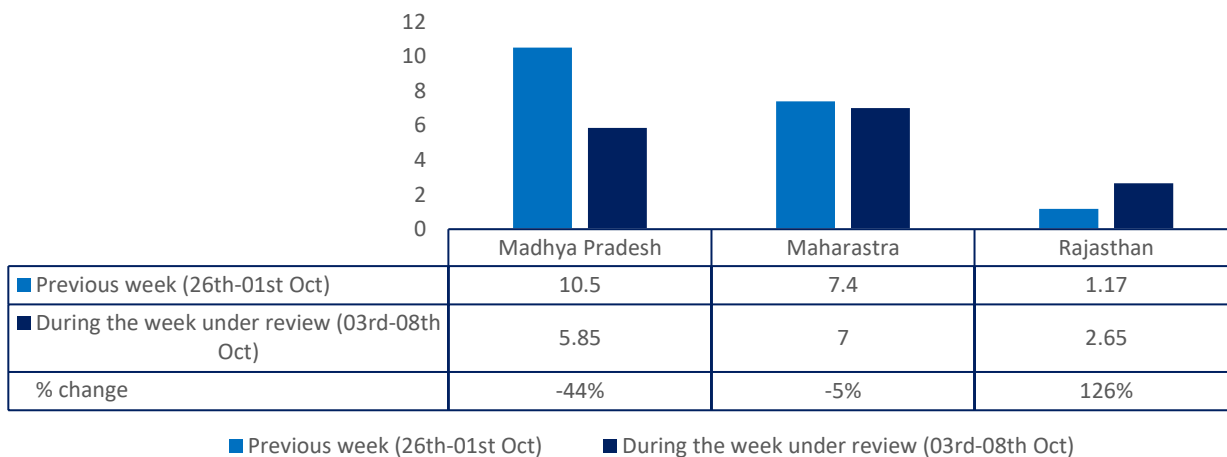
**Outlook - Rapeseed-Mustard (Spot, Jaipur basis):** Rapeseed-Mustard is expected to trade range bound with firm bias on improved mustard oil prices. The seed prices are likely to trade in the range between 6,300 – 6,700/Qtl. in the short-run.

## Soybean



During the week under review, Soybean indore mandi prices rebounded from lower level and went up by 1% to INR 4,450/ Qtl. as compared to 4,400/ qtl. previous week amid improved soy oil prices, good demand at lower level. The higher supply and diminishing soy oil price weighing on soybean price while crush margin are in disparity.

### Weekly Soybean Arrivals



This week, the total arrival in MP recorded low by 44% to 5.85 Lakh bags Vs 10.5 Lakh bags previous week. In Maharashtra arrivals recorded low to 7 Lakh bags vs 7.4 Lakh bags last week. In Rajasthan the arrivals went up to 2.65 lakh bags Vs 1.17 Lakh bags previous week.

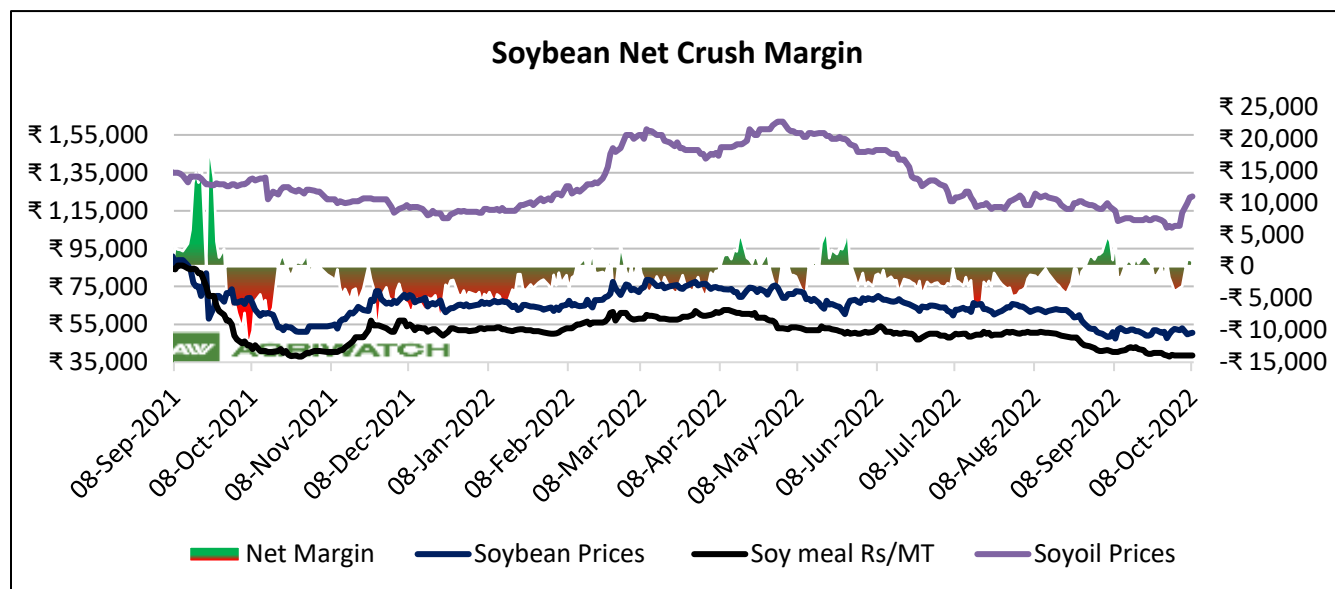
## Soybean Sowing Updates and crop condition:

As on 30th Sept'22 All India Kharif soybean sowing progress is down by 0.03% to 120.90 Lakh hectare as compared to 120.8 Lakh hectare last year in the same period.

According to industry sources, Soybean crop all across India is in normal to good condition. Vegetative growth is excellent. Most crop is in flowering and pod formation stage. Soybean fields are mostly weed-free and there is no significant attack of insects or diseases. Due to excessive and continuous rains, in some districts of Maharashtra and Madhya Pradesh, water logging has been seen in low lying areas, causing yellowing of leaves and there may be some damage to crop and also yield loss in these areas. Yellow mosaic is not a major concern in any state. Overall rainfall is good in key growing districts of all the three states. Acreage in MP has declined by 9% due to acreage shift to maize and pulses. If the weather remains favourable in September and there is no sudden and significant variation in temperature and there are no continuous rains at pod filling stage or harvest time, it is expected to reap a good soybean crop this year.

## Soybean Crush Margin-

Soybean net crush margin recorded negative and improved on rebound in soy oil prices, during the week under review, weekly average soybean net crush margin improved to INR -693/ MT as compared to previous week at INR -1616/MT.



## International Update:

During the week under review CBOT Soybean (Nov'22 expiry) remained volatile and went marginally up by 0.16% to \$13.67 a bushel amid weak demand from china due to squeeze in crush margin.

Soybean production in Argentina is expected to reach 48 million tonnes in 2022/23, the Buenos Aires grains exchange said on Wednesday.

As per sources, Soymeal prices in China, the world's top consumer of the animal feed ingredient, are at record highs as rising demand from farmers follows months of lacklustre soybean imports.

USA Soybeans Harvesting progress			
October 2, 2021	September 25, 2022	October 2, 2021	2017-2021 Average
31%	8%	22%	25%

Argentina Soybeans Planting progress		
2022-23	2021-22	2017-2022 Average
26.4%	29%	33.4%

China, largest soybean importer, bought 7.17 MMT in AUG22, -25% vs AUG 21 (9.49m), -9% vs JUL22 (7.88m), lowest imported quantity since 2014 for a month of August, decline explains by deteriorated demand of domestic market due to continuous lockdowns & negative crush margins.

The NOPA monthly update showed 165.5 million bushels were crushed in August from 158.8 million last year and compared with trade expectations for 166.1 million bushels. Soybean oil stocks came in at 1.565 billion pounds from 1.668 billion last year. That is the lowest since June 2021 and below the average survey estimate of 1.651 billion pounds.

## Technical Analysis US Soybean futures



As depicted in the above chart, US Soybean moving in sideways pattern, and trading below 9,18 and 50 and 100 DMA. RSI at 39 indicating weak buying strength. And MACD indicating weak momentum in short run. Over all market is expected to trade range bound and take support from 1350-1390 in short run and resistance from 1480-1500.

## Technical Analysis (Domestic market)

(Based on Indore Mandi prices)

### SOYBEAN – Technical Outlook

### Soybean Indore Spot -Weekly time frame

#### Technical Chart:



#### Technical Commentary:

- Soybean Indore prices are trading on weaker note and making lower lows and lower high, Market is currently trading below 9,18, 50 and 100 DMA indicating weak sentiments. Immediate support seems to be around 4400-4500.

#### Recommendation-

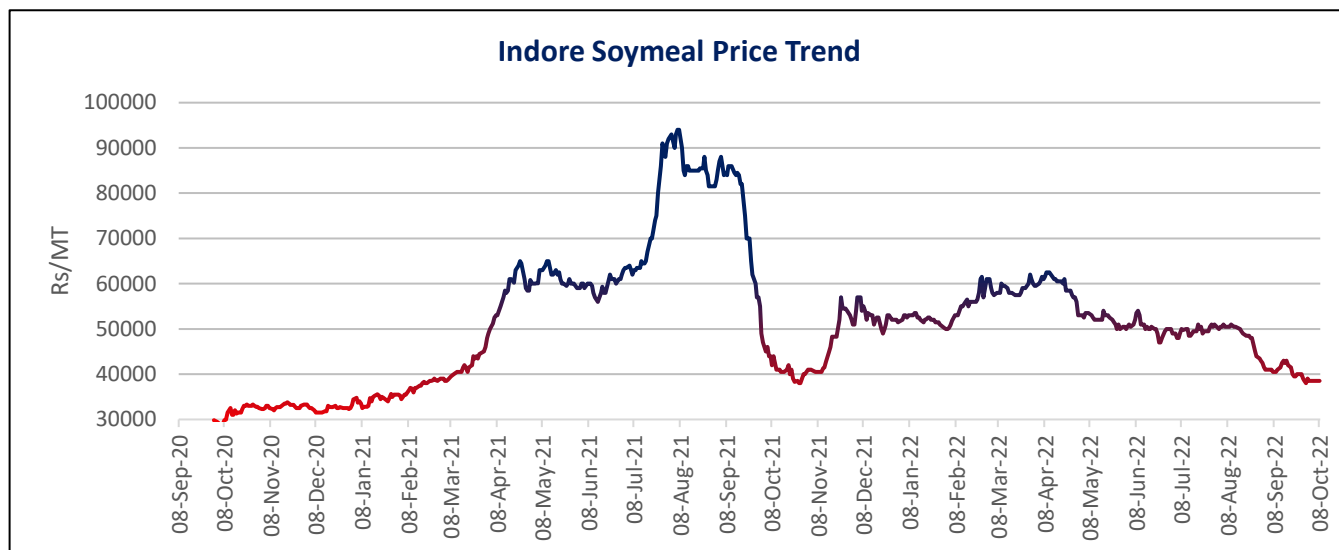
- Market Participants are recommended to accumulate at current level.

**Soybean Price Outlook for coming week:** Indore Soybean mandi prices are currently trading at INR. 4,350/qtl. and are expected to trade with weak bias in the coming week amid new crop arrivals, weak soy meal export demand and high ending stocks.



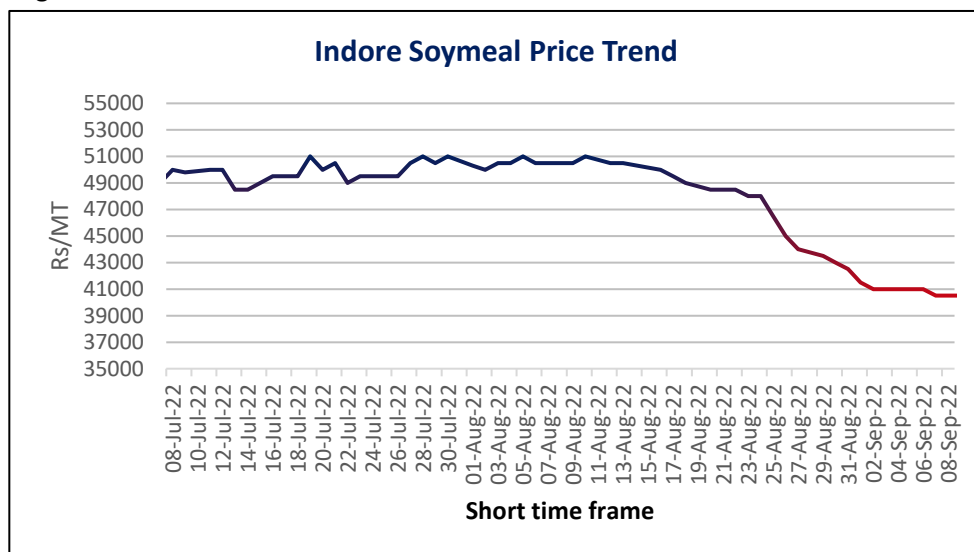
Soybean Mandi Price Outlook (INR./Qtl)	Previous week 26th Sept'22- 01st Oct'22	Week under review 03rd Oct'22- 08th Oct'22	Next week 10th Oct'22- 15th Oct'22
Weekly Average Price	4,300-4,500	4,350-4,675	4,300-4,800

## Soymeal



During the week under review, Indore Soymeal prices weekly average prices went down by 0.9% to INR 38,500/MT as compared to last week at INR 38,833/MT amid rebound in soybean prices. Overall, the prices quoted at INR 38,000/MT throughout the week.

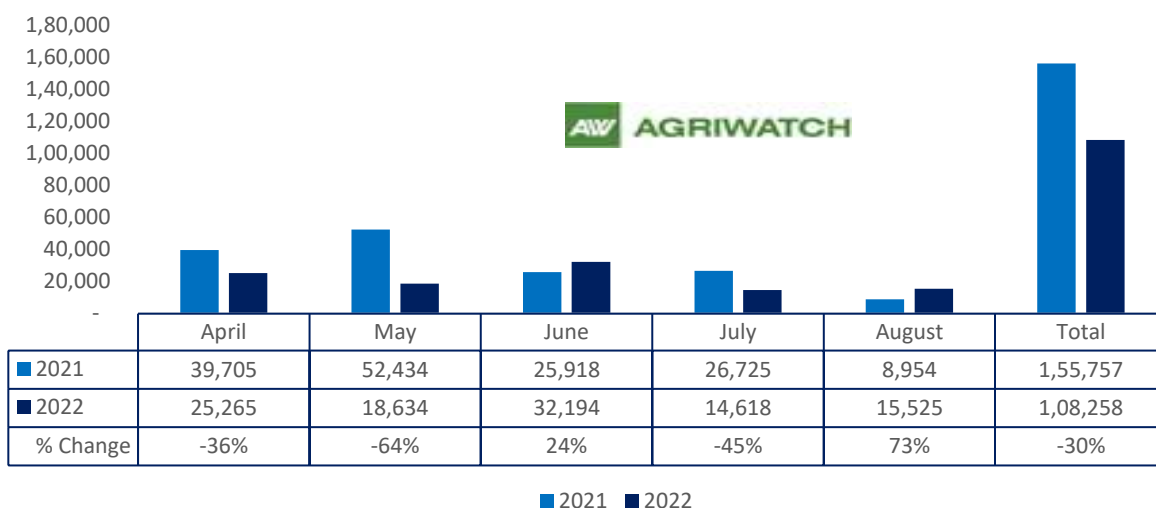
At Nanded, the weekly average prices declined to INR. 42,300/MT compared to INR. 43,083 MT a week ago. In Kota the meal prices were up at INR. 41,633/MT compared to INR. 39,840/MT previous week.



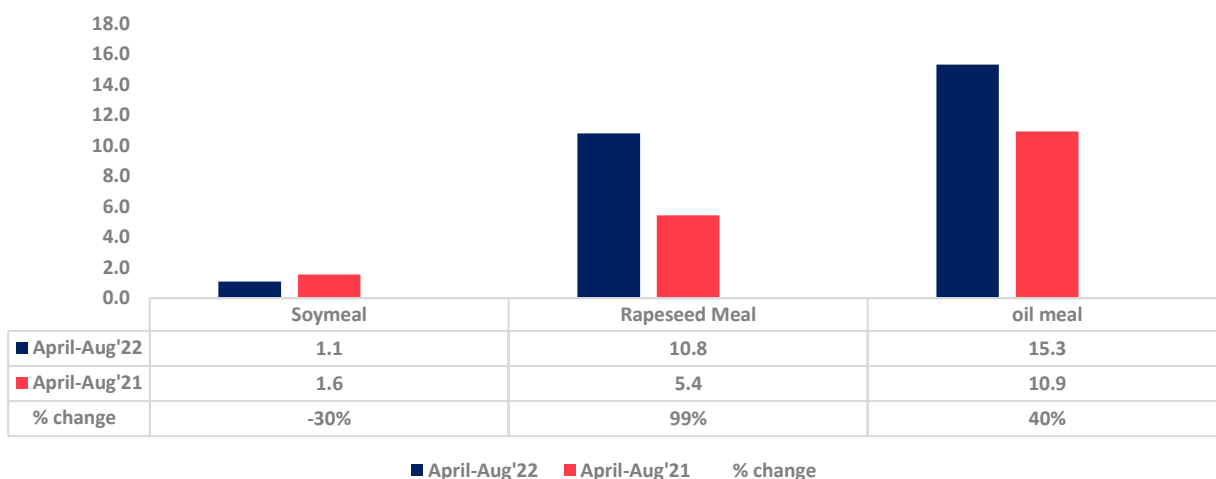


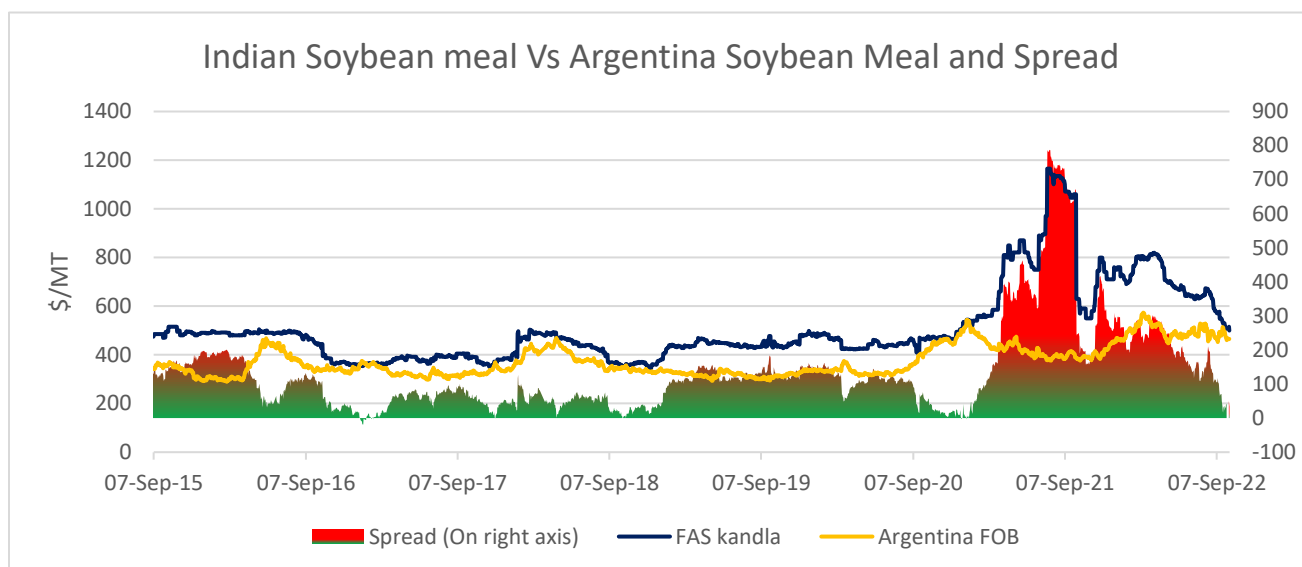
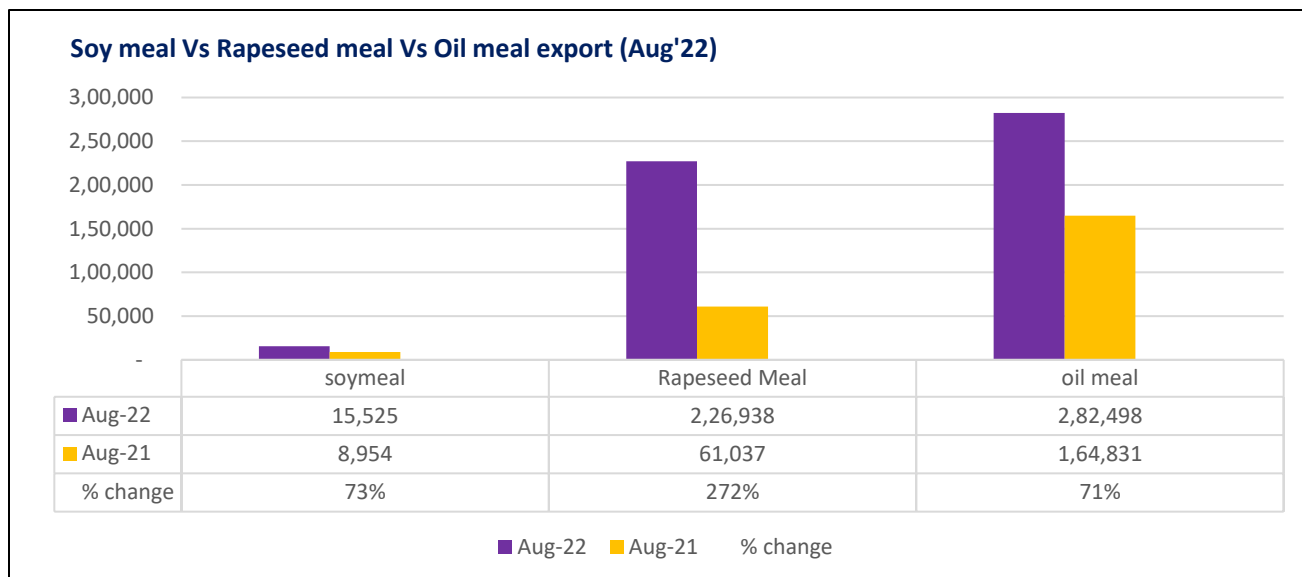
Total oil meal exports in April- August'22 went up by 40% to 15.31 Lakh tonnes vs 10.92 Lakh tonnes previous year same period. However, Soymeal exports went down by 30% to 1.08 Lakh tonnes in April-Aug'22 Vs 1.55 Lakh tonnes previous year same period. Soymeal exports went down due to over-priced Indian soymeal in the global markets.

### Soy meal export



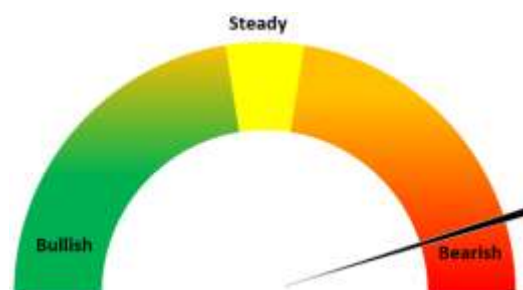
### Oil Meal Export April.'22-Aug'22





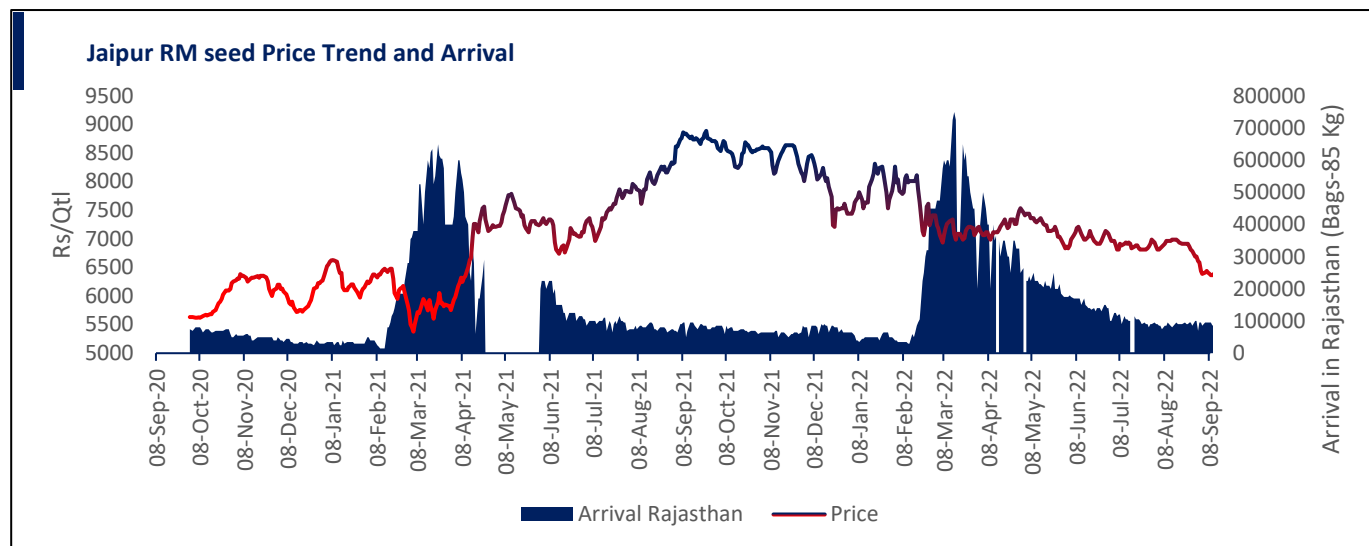
Currently, Indian Soymeal FOB prices trading at \$500/MT, Argentina Soymeal FOB prices trading at \$466/MT and spread stands at \$34/MT. Decline in Argentine soymeal prices has led to a squeeze in spread. In upcoming weeks, if Indian soymeal prices further become competitive export demand may revive, and Soybean prices are likely to improve. As of now, Indore Soymeal prices are trading at INR 38,500/MT and expected to trade with weak bias in the range of INR 38,000-45,000/MT in the short run.

**Soymeal Price Outlook for coming week:** Soybean meal prices are expected to trade with weak bias tracking weak export demand and correction in soybean prices amid new crop arrival.

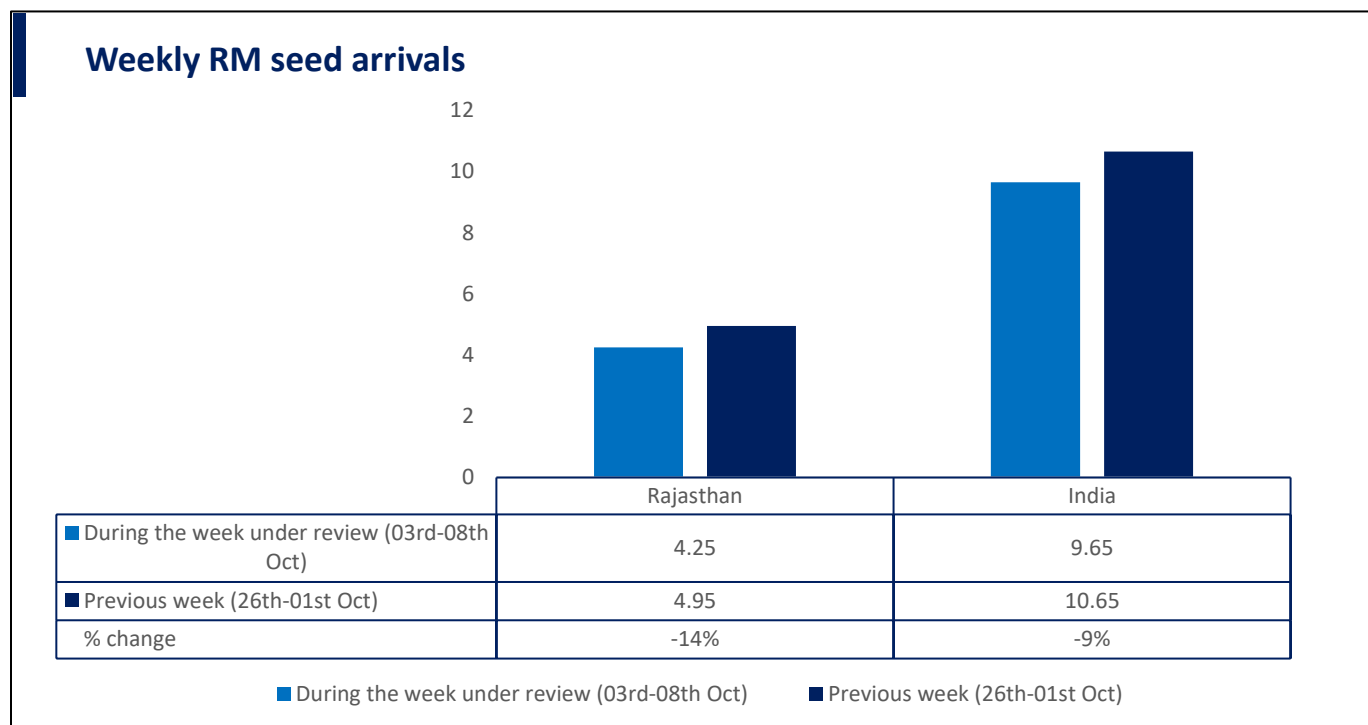


Soymeal Indore Price Outlook (INR./MT)	Previous week 26th Sept'22- 01st Oct'22	Week under review 03rd Oct'22- 08th Oct'22	Next week 10th Oct'22- 15th Oct'22
Weekly Average Price	38,000-40,000	38,500-38,500	38,000-42,000

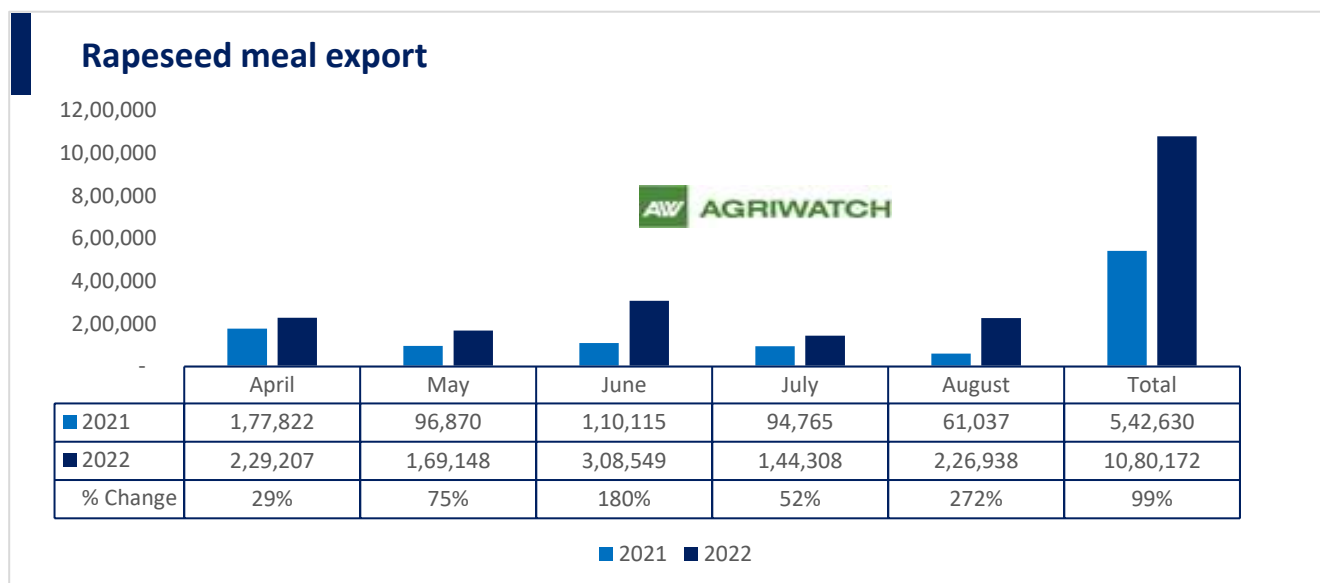
## Rapeseed - Mustard Seed



RM seed remained weak during the week under review, Jaipur RM seed weekly average prices rebounded and went marginally up by 0.07% to INR. 6,304/qrtl as compared to INR. 6,300/qrtl previous week amid rebound in Mustard oil prices, However, on large time frame, weak demand from crushers on disparity in crushing weighing on RM seed prices.



All India Arrivals rebounded during the week under review, RM Seed arrivals continued to shrink, in Rajasthan, total mustard arrivals recorded low by 14% to 4.25 Lakh bags as compared to 4.95 lakh bags previous week. All India arrivals recorded down by 9% to 9.65 Lakh bags Vs 10.65 Lakh bags previous week. Arrivals continued to shrink, as farmers and traders are reluctant to offload stocks at lower levels.



According to Ministry of Agriculture, the coverage of mustard in the ongoing rabi sowing season, which began on October 1, has been reported at 2.04 lakh hectares (lh) until Friday, up from 0.67 lh a year ago.

There is a significant jump in export of rapeseed meal and reported at 10.80 Lakh tons compared to 5.42 Lakh tons i.e., up by 99%. And in Aug'22 exports recorded up by 272% to 2.26 Lakh tonnes vs 0.61 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.

### International-

**In 2022-2023**, canola seeded area is estimated at 8.7 Mha, down 5% from last year, according to Statistics Canada's seeded acreage survey. Harvested area is expected to be 8.6 Mha, taking into account historical abandonment rates. Based on the five-year average, yields are estimated at 2.14 tonnes per hectare (t/ha), down from 1.4 t/ha last year due to severe drought across the country. Western Canada. Yield estimates are consistent with a variety of unofficial intra-governmental and private sector estimates of yields that range between 2.14 t/ha and 2.26 t/ha.

This mixed outlook is confirmed by weather conditions across western Canada that ranged from slightly dry in the west to above normal humidity, to a delayed harvest in the Eastern Prairies. Ultimately, yields will be determined by growing conditions in the future and by weather and harvest conditions. Environment Canada's three-month outlook for above-normal fall temperatures confirms yields.

Production is expected to reach 18.4 Mt, the seventh highest level on record. By comparison, the mixed production outlook is between 18.4 Mt and 19.4 Mt. and Manitoba 3.0 Mt. The overall supply is forecast to increase significantly from last year to 19.3 Mt, as higher production is tempered by tight carry-in stocks.

Canadian canola use should recover; expected exports increase by nearly 80% to 9.2 Mt, while the domestic crush rate increases to 9.5 Mt from 8.3 Mt last year. Carry-out stocks increase moderately to 0.45 Mt, representing a stocks-to-consumption ratio of 3%. Canola prices are forecast to decline to \$950/t on rail delivery to the Port of Vancouver, down about 10% from the 2021-22 record highs. If those predictions materialize, it will be the second highest price ever for canola.

## Technical Analysis

(Based on Jaipur Mandi prices)

### RM seed – Technical Outlook

### RM seed Jaipur Spot -Weekly time frame

#### Technical Chart:



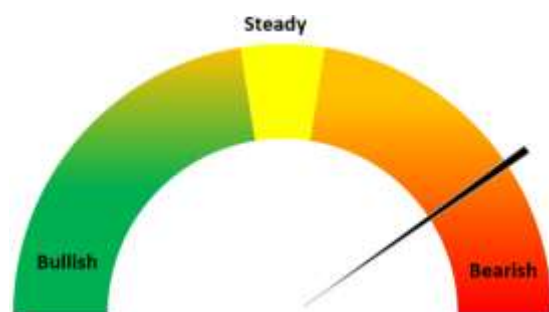
#### Technical Commentary:

- As depicted in the above chart, market is in down trend and trading below 9,18,50 and 100 DMA indicating weak sentiments.
- Immediate support is at 6,300, next support is at 6000 and immediate resistance is at 6600, next resistance is at 6700.

#### Recommendation-

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

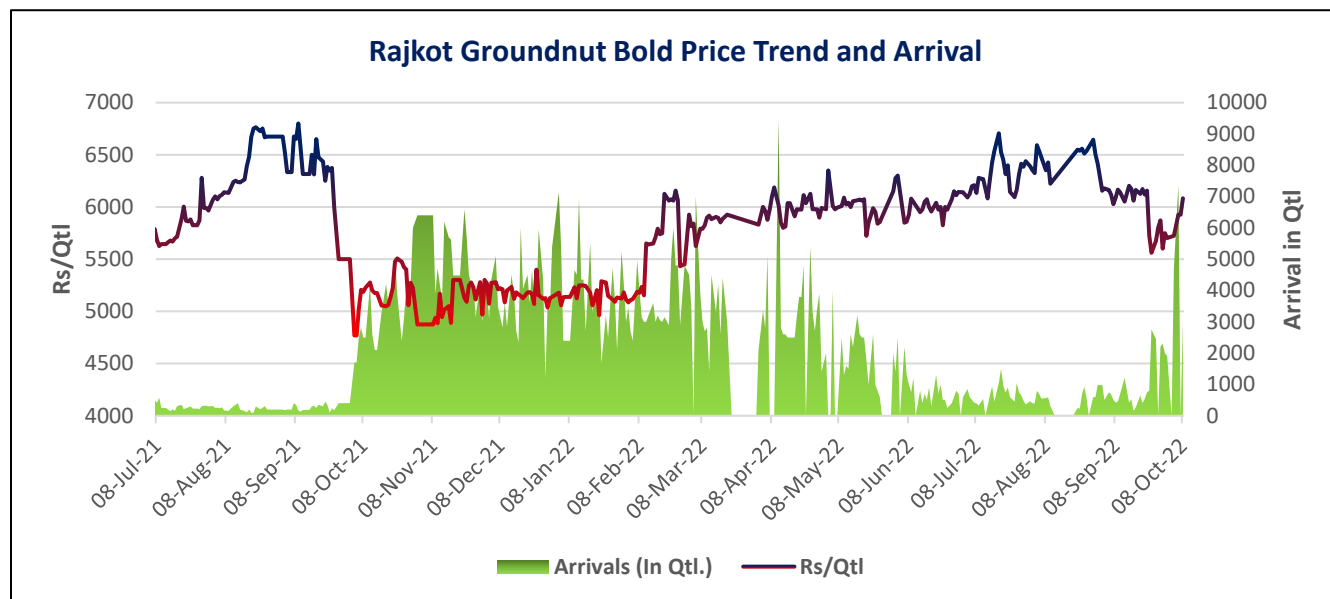
**RM seed Price Outlook for coming week:** RM Seed is expected to rebound on improved mustard oil prices amid festivals.



Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 26th Sept'22- 01st Oct'22	Week under review 03rd Oct'22- 08th Oct'22	Next week 10th Oct'22- 15th Oct'22
Weekly Average Price	6,288-6,338	6,213-6,513	6,300-6,700

## Groundnut

During the week under review, Rajkot Groundnut weekly average bold prices improved by 3.15% at INR 5,914/Qtl. as compared to 5,733/Qtl. previous week in tandem with firm groundnut oil prices. Arrivals in Rajkot recorded up by 39% to 15,050 qtl as compared to 10,850 Qtl previous week.

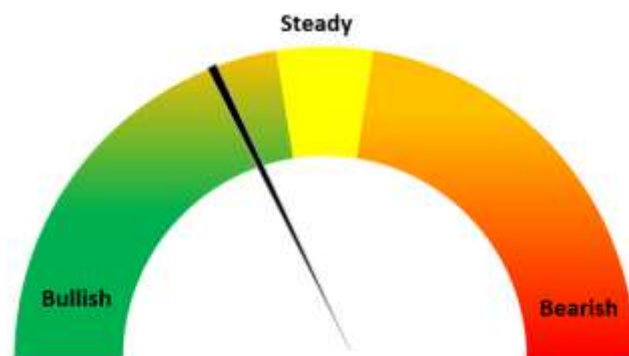


As on 30th Sept'22 All India Kharif Groundnut sowing progress is lagging by 8% to 45.6 Lakh hectare as compared to 49.40 Lakh hectare last year in the same period. From 1st Oct'22 to 06th Oct'22 cumulative rainfall departure recorded at -83% in Gujarat, 83% in Rajasthan, 0% in Karnataka and 42% in Andhra Pradesh.

Statewise Groundnut sowing progress as on 30th Sept'22 (Lakh Ha)				
	2022	2021	% Change	Cumulative Rainfall Departure (%) 1st Oct to 06th Oct'22
Gujarat	17.1	19.1	-11%	-83%
Rajasthan	7.9	7.8	2%	-83%
Karnataka	3.7	4.9	-24%	0%
Andhra Pradesh	5.5	6.4	-15%	42%
Others	11.4	11.3	1%	
Total	45.6	49.4	-8%	



**Groundnut Price Outlook for coming week:** Rajkot groundnut bold prices expected to rebound amid increase in groundnut oil prices in short run.



Rajkot Groundnut Bold Price Outlook (INR./Qtl)	Previous week 26th Sept'22- 01st Oct'22	Week under review 03rd Oct'22- 08th Oct'22	Next week 10th Oct'22- 15th Oct'22
Weekly Average Price	5,603-5,870	5,725-6,082	5,700-6,000

## Annexure

Oilseed Prices at Key Spot Markets:					
Commodity / Centre	% Change over previous week	Today	Week Ago	Month Ago	Year Ago
<b>Soybean</b>		<b>08-Oct-22</b>	<b>01-Oct-22</b>	<b>08-Sep-22</b>	<b>8-Oct-21</b>
Indore –Plant	-1%	5025	5100	5300	5800
Indore–Mandi	-2%	4700	4800	5275	5300
Nagpur-Plant	-5%	5200	5455	5200	6800
Nagpur – Mandi	-6%	4950	5255	5000	5800
Latur – Mandi	-1%	5280	5325	5480	6220
Akola – Mandi	-2%	5005	5100	5240	5650
Kota-Plant	3%	5000	4875	5180	6600
Kota – Mandi	1%	4850	4825	5120	5600
Bundi-Plant	7%	4900	4600	5020	5800
Bundi-Mandi	4%	4700	4500	4970	5200
Baran-Plant	9%	5100	4700	5100	6600
Baran-Mandi	4%	4800	4600	5000	6100
Bhawani Mandi Jhalawar–Plant	4%	5100	4900	5170	6400
Jhalwar-Mandi	-1%	4750	4800	5070	5300
<b>Rapeseed/Mustard</b>					
Jaipur-(Condition)	4%	6525	6300	6400	8575
Alwar-(Condition)	3%	6200	6000	6000	8200
Sri Ganganagar-(Non-Condition)	4%	5770	5550	5525	7850
New Delhi–(Condition)	-2%	6150	6250	6200	8250
Kota-(Condition)	-2%	5800	5900	5900	7800
Agra-(Condition)	4%	6714	6452	6524	8810
Neewai-(Condition)	7%	6200	5800	6100	8100
Hapur (UP)-(Condition)	3%	6500	6300	6250	8300
<b>Groundnut Seed</b>					
Rajkot	8%	1030	950	1111	865
<b>Sunflower Seed</b>					
Gulbarga	-	4800	0	5500	5700

Latur	4%	5700	5500	6000	6100
Sholapur	4%	5700	5500	6000	6100
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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