



# Oil Seed Weekly Research Report

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## Executive Summary

The weekly average prices of Soybean Indore plant prices went down by 3.81% to INR 4,754/ Qtl. as compared to 4,943/qtl. previous week amid increase in arrivals.

The weekly average prices of Indore soymeal went down by 0.39% to INR 38,150/MT as compared to last week at INR 38,300/MT amid weak export demand.

During the week under review, Jaipur RM seed weekly average prices went up by 4.9% to INR. 6,613/qtl amid improved mustard oil prices.

During the week under review, Rajkot groundnut bold prices went up by 1.19% at INR 5,985/Qtl. amid improved groundnut oil prices.

## Outlook – Cash Market

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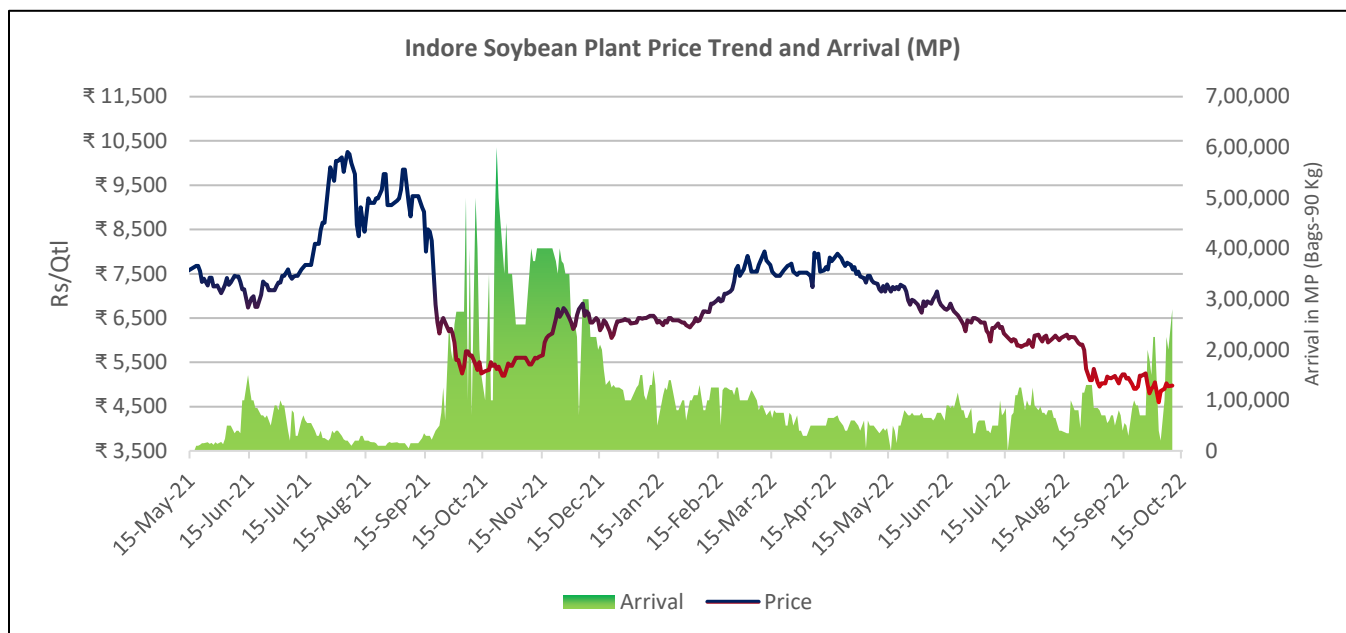
**Outlook - Soybean (Spot Indore):** *In the coming week, soybean prices are expected to trade with weak bias amid increase in new crop arrivals. The prices (Indore, Plant basis) are expected to feature range bound movement in the price band of 4,500-4,800 levels in the near term.*

**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.*

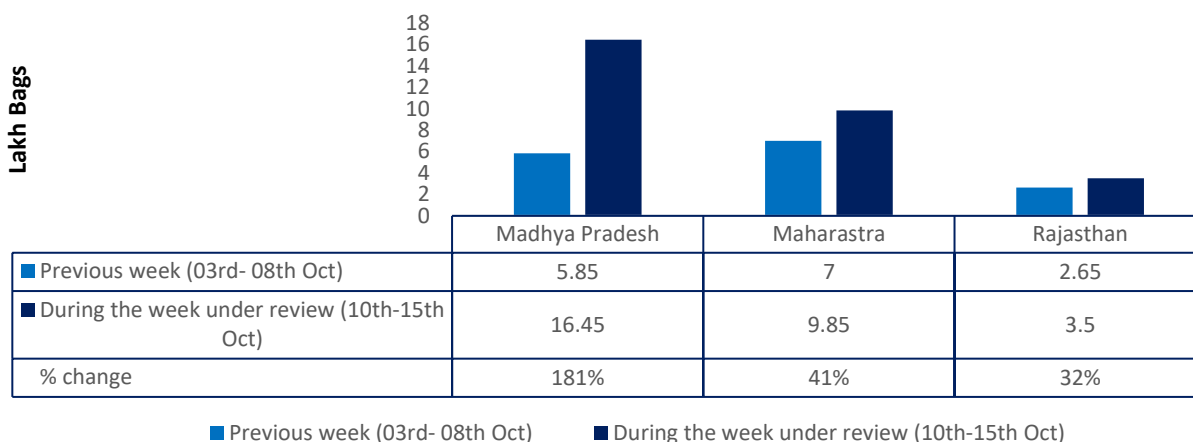
**Outlook - Rapeseed-Mustard (Spot, Jaipur basis):** *Rapeseed-Mustard is expected to trade range bound with firm bias on improved mustard oil prices. The seed prices are likely to trade in the range between 6,500 –6,800/Qtl. in the short-run.*

### Soybean



During the week under review, Soybean indore Plant prices declined by 3.81% to INR 4,754/ Qtl. as compared to 4,943/qtl. previous week amid improved soy oil prices, good demand at lower level. Increase in new crop arrivals during the week under review weighed on soybean prices.

### 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:

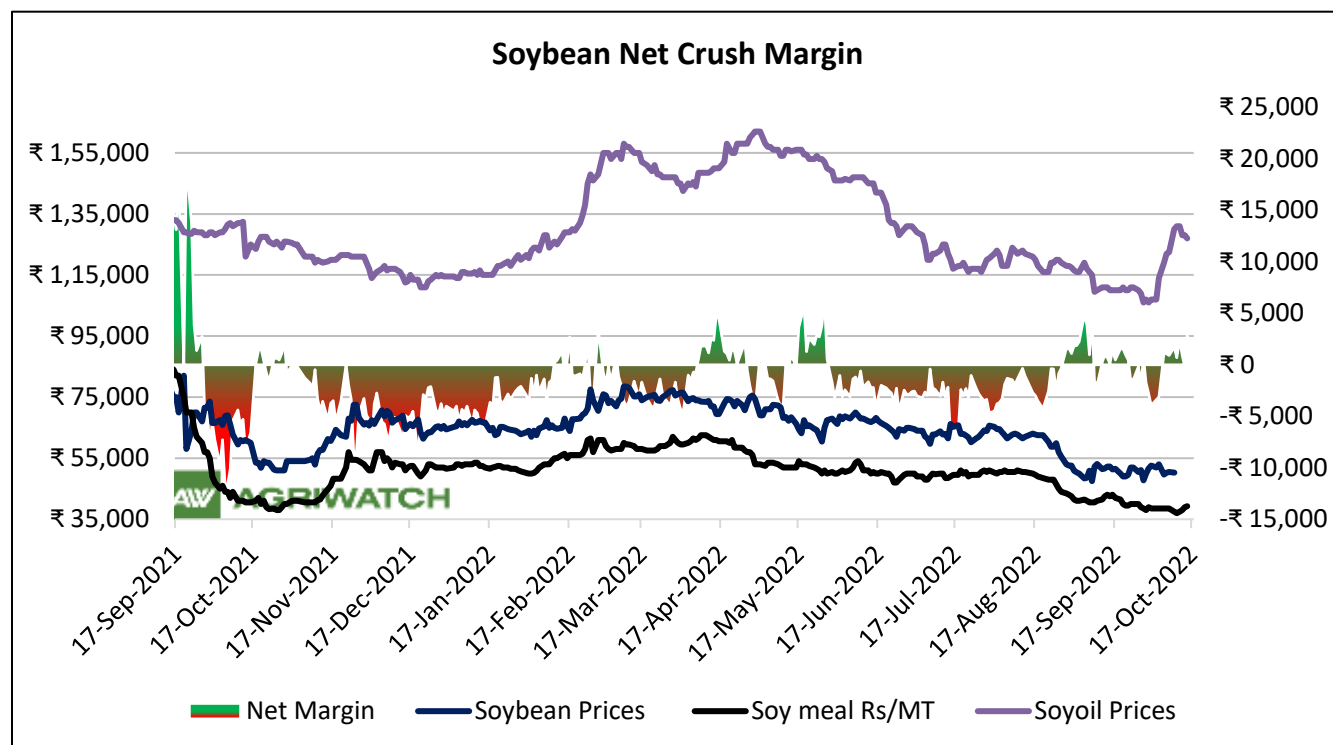
As on 30th Sept'22 All India Kharif soybean sowing progress is down by 0.03% to 120.90 Lakh hectare as compared to 120.8 Lakh hectare last year in the same period.

From 1st Oct'22- 16th Oct'22, cumulative rainfall departure recorded at 75% in Maharashtra, 263% in MP, in Rajasthan at 278%. Heavy unseasonal rain in MP and Rajasthan has stalled harvesting, damaged soybean and raising risks of pest attacks.

State wise Soybean sowing progress as on 30th Sept'22 (Lakh Ha)				
State	2022	2021	% Change	Cumulative Rainfall Departure (%) 1st Oct to 16th Oct'22
Maharashtra	49.1	46.1	7%	75%
Madhya Pradesh	50.2	55.1	-9%	263%
Rajasthan	11.5	10.6	8%	278%
Karnataka	4.4	3.8	15%	72%
Telangana.	1.8	1.5	15%	64%
Others	3.9	3.7	7%	
<b>Total</b>	<b>120.90</b>	<b>120.86</b>	<b>0.03%</b>	

### Soybean Crush Margin-

Soybean net crush margin improved on rebound in soy oil and meal prices, during the week under review, weekly average soybean net crush margin improved to INR 1305/ MT as compared to previous week at INR - 693/MT.



### International Update:

During the week under review CBOT Soybean (Nov'22 expiry) remained volatile and went up by 1.23% to \$13.83 a bushel amid bullish USDA report.

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.

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

<b>Argentina Soybeans Planting progress</b>		
<b>2022-23</b>	<b>2021-22</b>	<b>2017-2022 Average</b>
<b>26.4%</b>	<b>29%</b>	<b>33.4%</b>

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

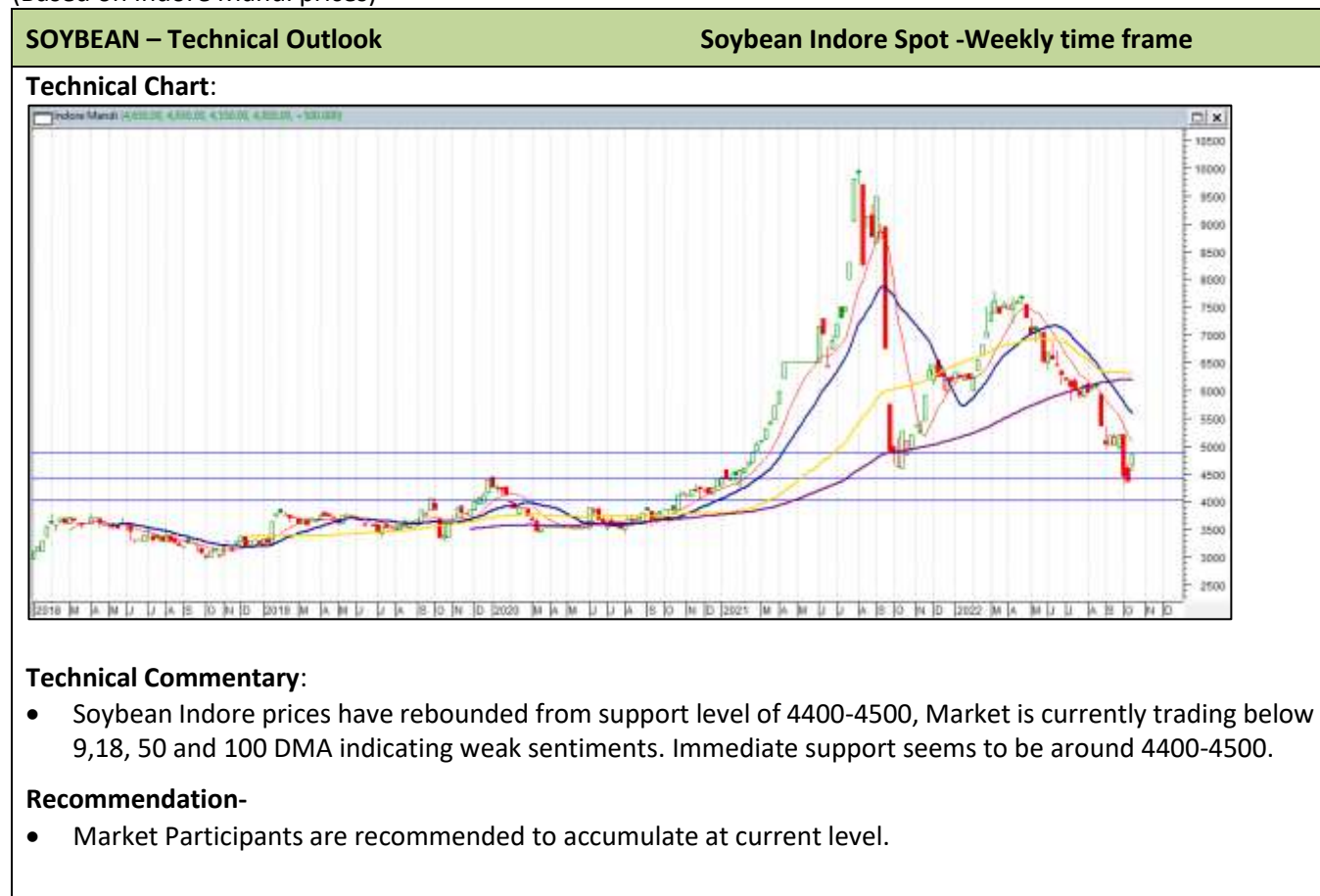
### US Soybean futures



As depicted in the above chart, US Soybean moving in sideways pattern, and trading below 9,18 and 50 and 100 DMA. RSI at 43 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)

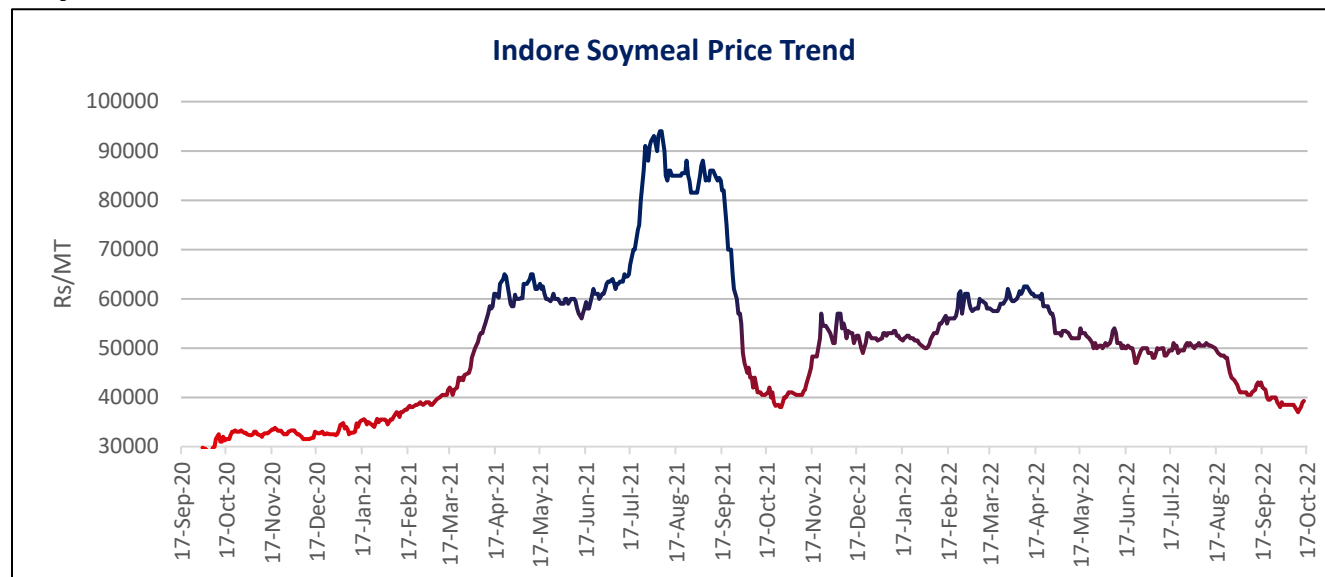


**Soybean Price Outlook for coming week:** Indore Soybean mandi prices are currently trading at INR. 4,850/qtl. and are expected to trade with weak bias in the coming week amid new crop arrivals, weak soymeal export demand and high ending stocks.



Soybean Mandi Price Outlook (INR./Qtl)	Previous week 03rd Oct'22- 08th Oct'22	Week under review 10th Oct'22- 15th Oct'22	Next week 17th Oct'22- 22nd Oct'22
Weekly Average Price	4,350-4,675	4,550-4,850	4,500-4,800

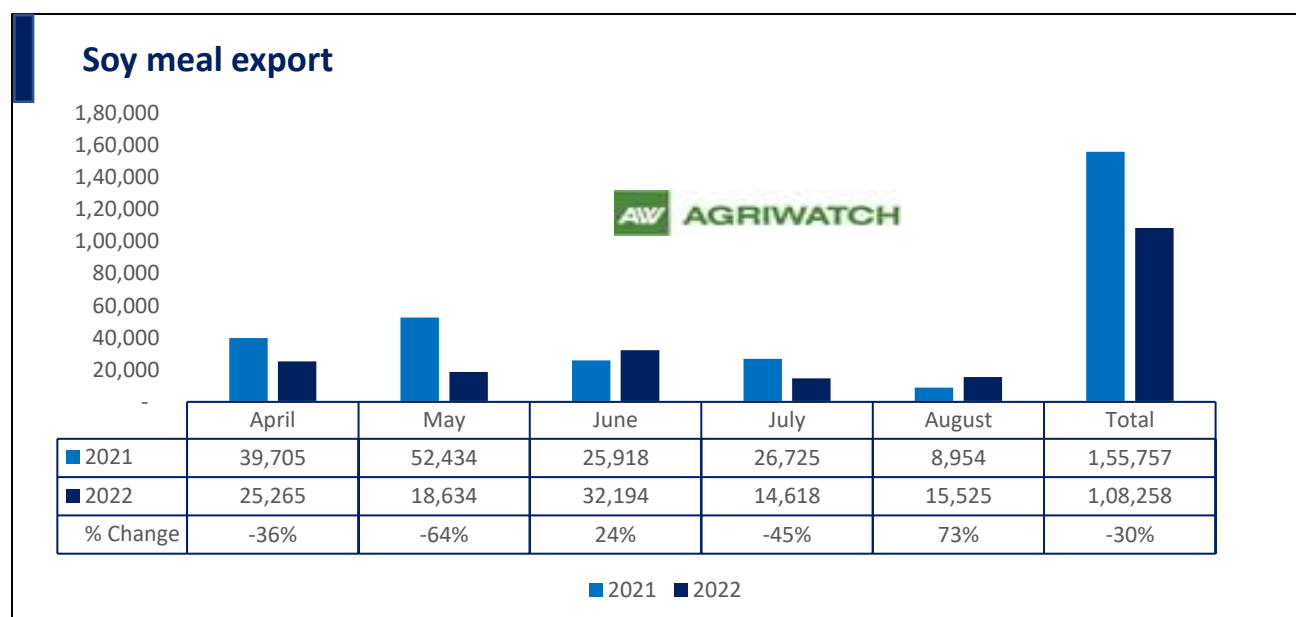
### Soymeal



During the week under review, Indore Soymeal prices weekly average prices remained sideways and went marginally down by 0.39% to INR 38,150/MT as compared to last week at INR 38,300/MT amid rebound in soybean prices. Overall, the prices quoted at INR 37,000-39,250/MT throughout the week.

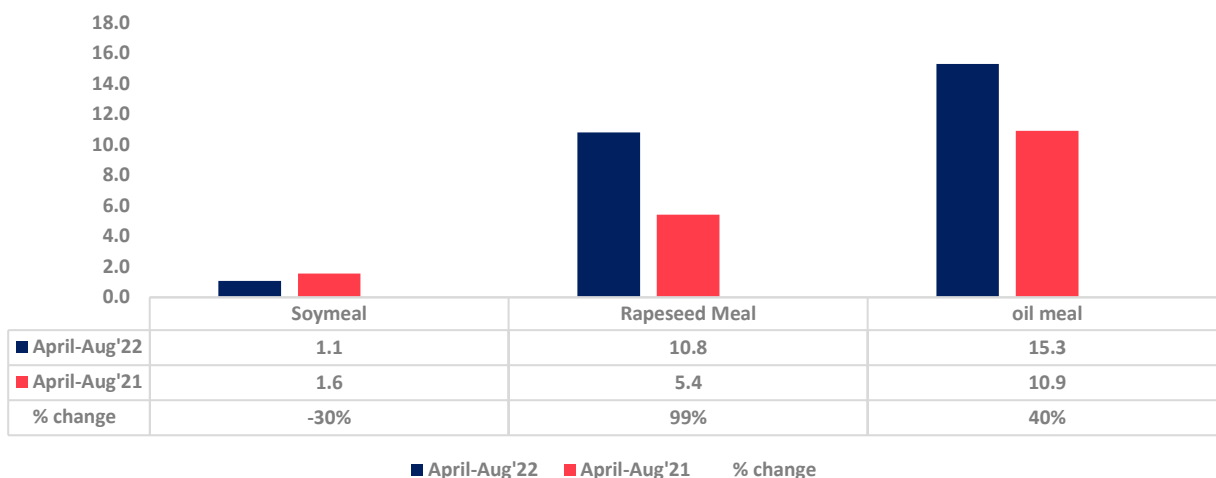
At Nanded, the weekly average prices declined to INR. 42,166/MT compared to INR. 42,300 MT a week ago. In Kota the meal prices were up at INR. 39,950/MT compared to INR. 41,633/MT previous week.

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

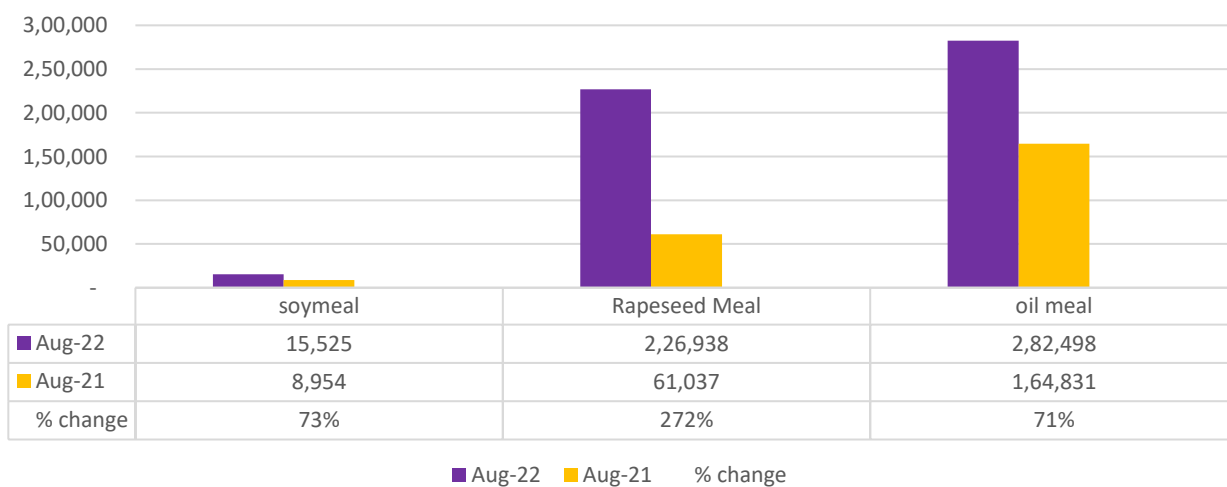


Lakh tonnes previous year same period. Soymeal exports went down due to over-priced Indian soymeal in the global markets.

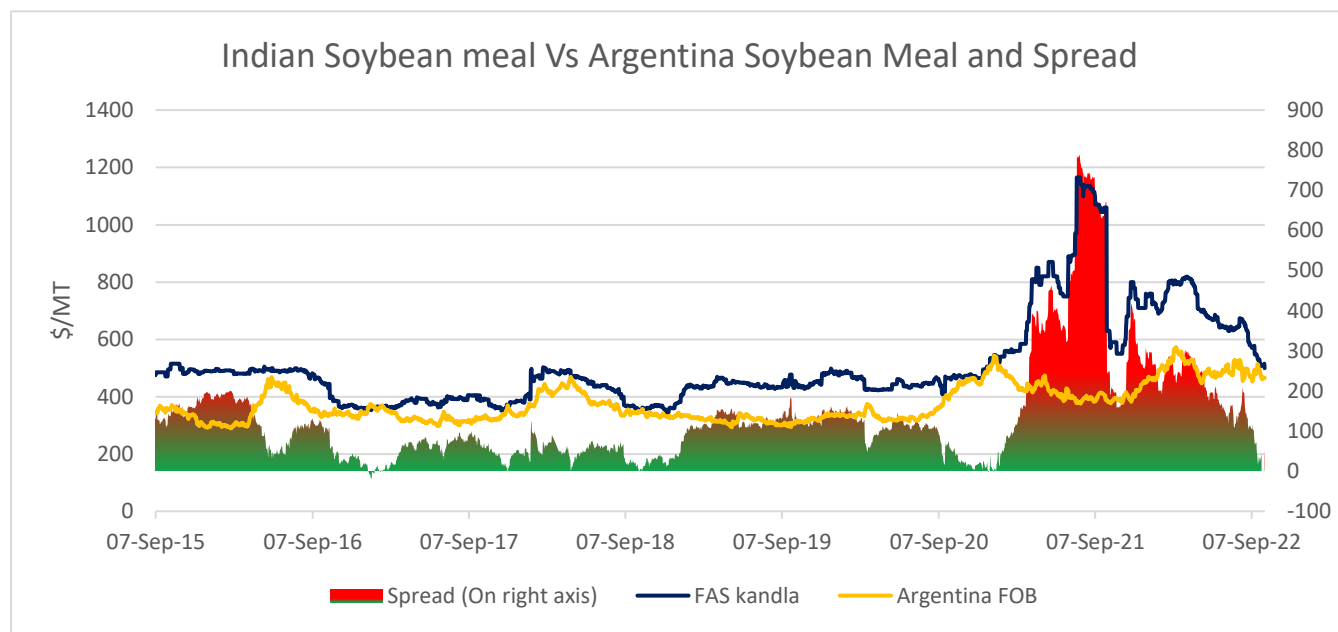
### Oil Meal Export April.'22-Aug'22



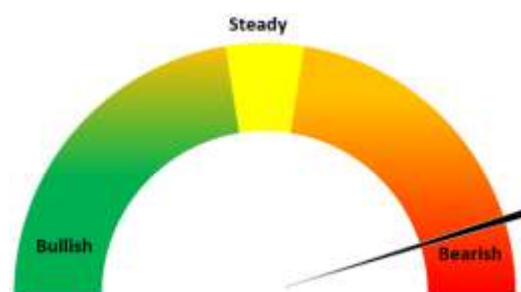
### Soy meal Vs Rapeseed meal Vs Oil meal export (Aug'22)



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.

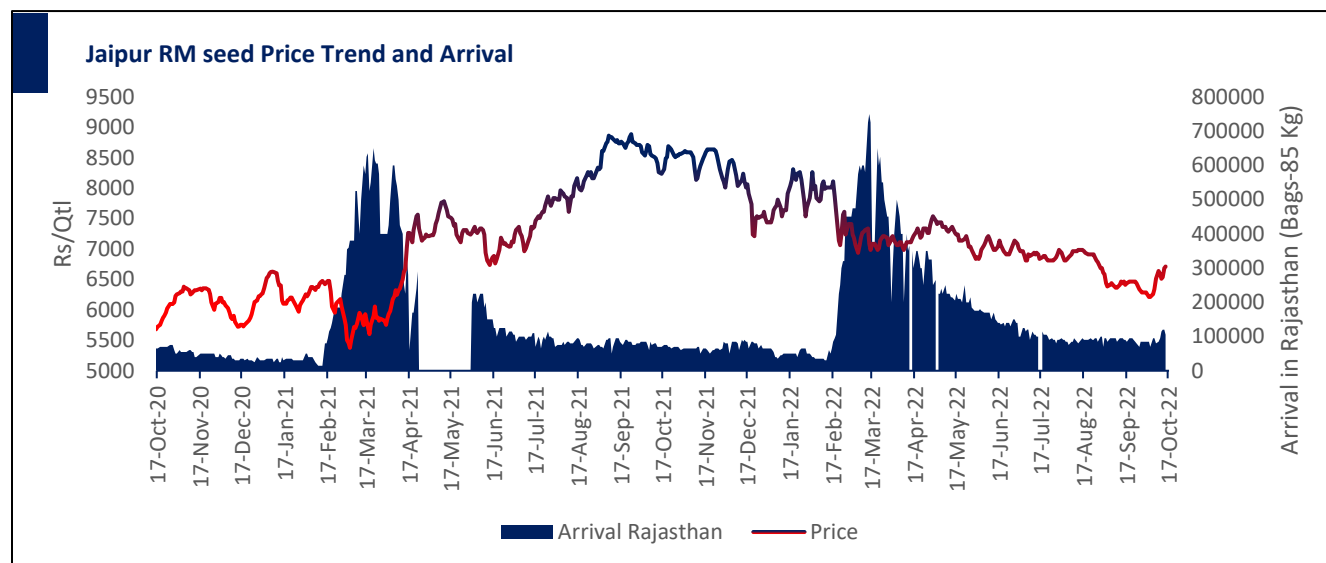


**Soymeal Price Outlook for coming week:** Soybean meal prices are expected to trade with weak bias tracking weak export demand and correction in soybean prices amid new crop arrival.

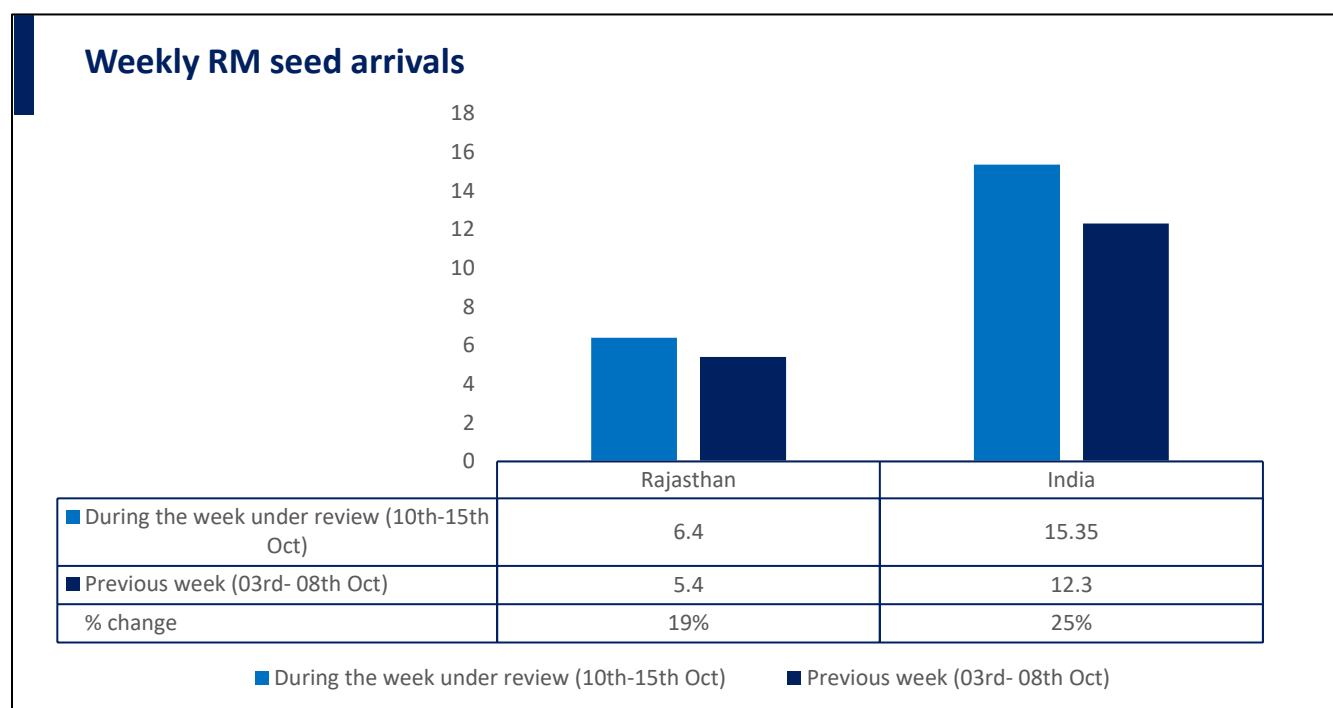


Soymeal Indore Price Outlook (INR./MT)	Previous week 03rd Oct'22- 08th Oct'22	Week under review 10th Oct'22- 15th Oct'22	Next week 17th Oct'22- 22nd Oct'22
Weekly Average Price	38,500-38,500	37,000-39,250	38,000-42,000

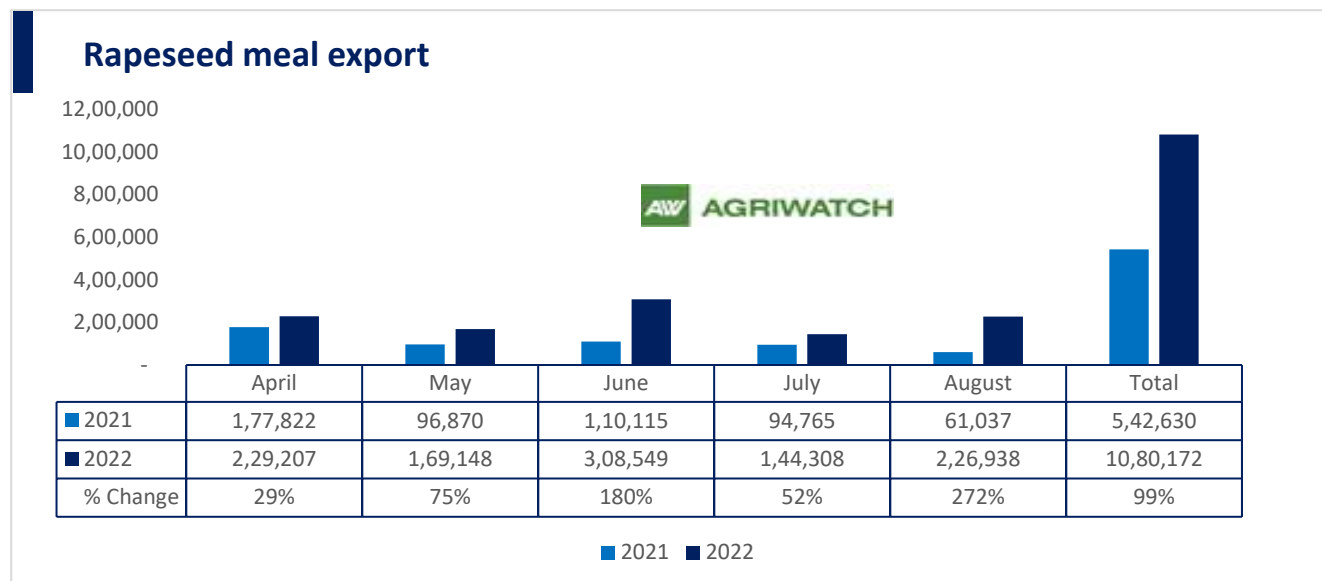
### Rapeseed - Mustard Seed



RM seed remained rebounded during the week under review, Jaipur RM seed weekly average prices went up by 4.9% to INR. 6,613/qlt as compared to INR. 6,304/qlt previous week amid rebound in Mustard oil and competing 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, in Rajasthan, total mustard arrivals recorded up by 19% to 6.4 Lakh bags as compared to 5.4 lakh bags previous week. All India arrivals recorded up by 25% to 15.35 Lakh bags Vs 12.30 Lakh bags previous week.



According to Ministry of Agriculture, the coverage of mustard in the ongoing rabi sowing season, which began on October 14, has been reported at 4.3 lakh hectares (lh), 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 rebounded from support level of 6200-6300 and currently trading above 9 DMA which can be characterized as support.
- Immediate support is at 6,500, next support is at 6300 and immediate resistance is at 6800, next resistance is at 7000.s

##### Recommendation-

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

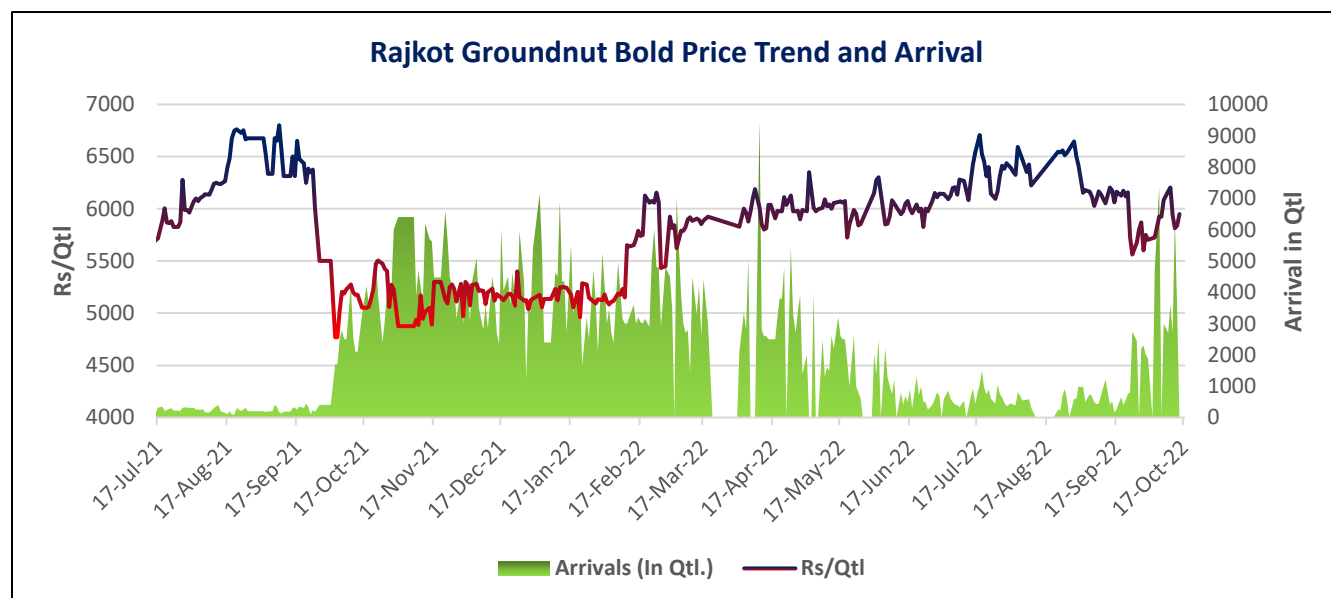
**RM seed Price Outlook for coming week:** RM Seed is expected to rebound on improved mustard oil prices amid festivals.



Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 03rd Oct'22- 08th Oct'22	Week under review 10th Oct'22- 15th Oct'22	Next week 17th Oct'22- 22nd Oct'22
Weekly Average Price	6,213-6,513	6,513-6,713	6,500-6,800

### Groundnut

During the week under review, Rajkot Groundnut weekly average bold prices extended previous week gains and went up by 1.19% at INR 5,985/Qtl. as compared to 5,914/Qtl. previous week in tandem with firm groundnut oil prices and low production expectation.

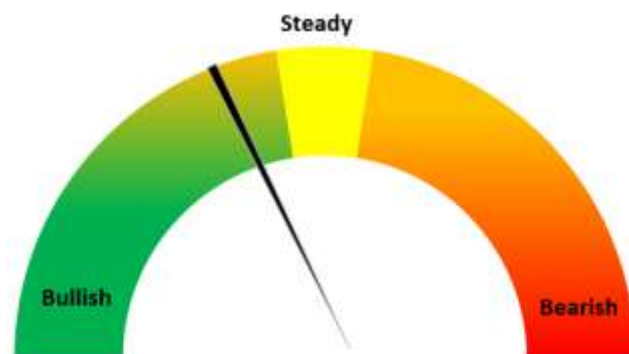


According to Solvent Extractor association of India, In Gujarat, the overall groundnut sowing area is down by 10.52 % compared to last year, taken away by cotton and soybean. This year due to excess rain damaged the crop in certain area lead to reduction of yield by 22.18%. The total production is reported at 30.0 lakh MT compared to last year record production of 38.55 lakh tonnes. The last five year average production is about 30.5 lakh tonne. Lower production estimates likely to support Groundnut prices this year.

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 and lower production estimates.



Rajkot Groundnut Bold Price Outlook (INR./Qtl)	Previous week 03rd Oct'22- 08th Oct'22	Week under review 10th Oct'22- 15th Oct'22	Next week 17th Oct'22- 22nd Oct'22
Weekly Average Price	5,725-6,082	5,812-6,202	5,800-6,200

**Annexure**

	% Change over previous week	Today	Week Ago	Month Ago	Year Ago	
<b>Soy DOC Rates at Different Centers</b>		<b>15-Oct-22</b>	<b>08-Oct-22</b>	<b>15-Sep-22</b>	<b>16-Oct-21</b>	
<b>Centres</b>		<b>Ex-factory rates (Rs/ton)</b>				parity To
Indore - 45%, Jute Bag	2%	39250	38500	42500	40500	Gujarat, MP
Kota - 45%, PP Bag	4%	41200	39500	42500	43700	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	-5%	42000	44000	45500	43000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	-4%	41000	42500	44500	41000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	1%	43000	42500	46000	44000	Andhra, AP, Kar, TN
Latur	5%	44000	42000	46000	42000	-
Sangli	0%	39500	39500	42500	41500	Local and South
Solapur	-1%	42500	43000	47000	43000	Local and South
Akola – 45%, PP Bag	0%	40000	40000	41500	41000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	-2%	41500	42500	47000	41000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	4%	41000	39300	44200	43500	-
<b>Soy DOC at Ports</b>						
<b>Centers</b>		<b>Port Price</b>				
		<b>15-Oct-22</b>	<b>08-Oct-22</b>	<b>15-Sep-22</b>	<b>16-Oct-21</b>	
Kandla (FOR) (INR/MT)	-	-	-	NR	-	
Kandla (FAS) (USD/MT)	-	-	-	560	-	
CNF Indonesia – Yellow SBM (USD/MT)	-	-	-	583	-	

Rapeseed Meal		15-Oct-22	08-Oct-22	15-Sep-22	16-Oct-21	
FAS Kandla (USD/MT)	-	240	-	-	-	
FOR Kandla (Rs/MT)	-	18000	-	-	-	
FOR Mundra (Rs/MT)	-	NA	-	-	-	
CNF Indonesia (USD/MT)	-	264	-	-	-	
<b>International Soy DOC</b>						
<b>Argentina FOB USD/MT</b>		<b>15-Oct-22</b>	<b>08-Oct-22</b>	<b>15-Sep-22</b>	<b>16-Oct-21</b>	
Soybean Pellets	-	494	-	-	-	
Soybean Cake Flour	-	494	-	-	-	
Soya Meal	-	NR	-	-	-	
Soy Expellers	-	NR	-	-	-	
<b>Sunflower (DOC) Rates</b>		<b>Ex-factory rates (Rs/ton)</b>				
<b>Centers</b>		<b>15-Oct-22</b>	<b>08-Oct-22</b>	<b>15-Sep-22</b>	<b>16-Oct-21</b>	
Adoni	0%	35000	35000	32000	25000	
Khamgaon	-	NA	-	-	-	
Parli	-	NA	-	-	-	
Latur	0%	34000	34000	31000	24000	
<b>Groundnut Meal (Rs/MT)</b>		<b>15-Oct-22</b>	<b>08-Oct-22</b>	<b>15-Sep-22</b>	<b>16-Oct-21</b>	
Basis 45%, Saurashtra	3%	30000	29000	30500	42000	
Basis 40%, Saurashtra	8%	27000	25000	26500	40000	
GN Cake, Gondal	8%	32000	29500	31000	43000	
<b>Mustard DOC</b>		<b>15-Oct-22</b>	<b>08-Oct-22</b>	<b>15-Sep-22</b>	<b>16-Oct-21</b>	
Jaipur (Plant delivery)	1%	18200	18000	17800	20800	
Kandla (FOR Rs/MT)	2%	18500	18200	18700	21300	
<b>Mumbai Oil Meal Quotes:</b>						
<b>Rs/M.T.</b>		<b>15-Oct-22</b>	<b>08-Oct-22</b>	<b>15-Sep-22</b>	<b>16-Oct-21</b>	

G.N. Extr (45%)	2%	30000	29500	31000	38000	
Kardi Extr	-	NA	-	-	-	
Undec Cottonseed Exp	-2%	30500	31000	33500	32000	
Rice Bran Extr.	-	NA	-	-	-	
Sunflower Extr.	-4%	23000	24000	20500	25500	
Rapeseed Extr.	-	NA	-	-	-	
Soymeal 48%	2%	41217	40435	44348	42522	
Castor Extr.	0%	10900	10900	11650	10450	

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