

# Oil Seed Weekly Research Report

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## **Executive Summary**

The weekly average prices of Soybean Indore plant prices remained sideways and went marginally up by 0.21% to INR 5,081/ Qtl. as compared to 5,071/qtl. previous week amid lacklustre activity by traders due to festivals.

The weekly average prices of Indore soymeal too remained sideways and went marginally down by 0.13% to INR 38,100/MT as compared to last week at INR 38,150/MT amid weak export demand.

During the week under review, Jaipur RM seed weekly average prices extended previous week gains and went up by 1.6% to INR. 6,719/qtl amid improved mustard oil prices and good demand in festivals.

During the week under review, Rajkot groundnut bold prices declined by 2% at INR 5,881/Qtl. amid new crop arrivals.

## **Outlook – Cash Market**

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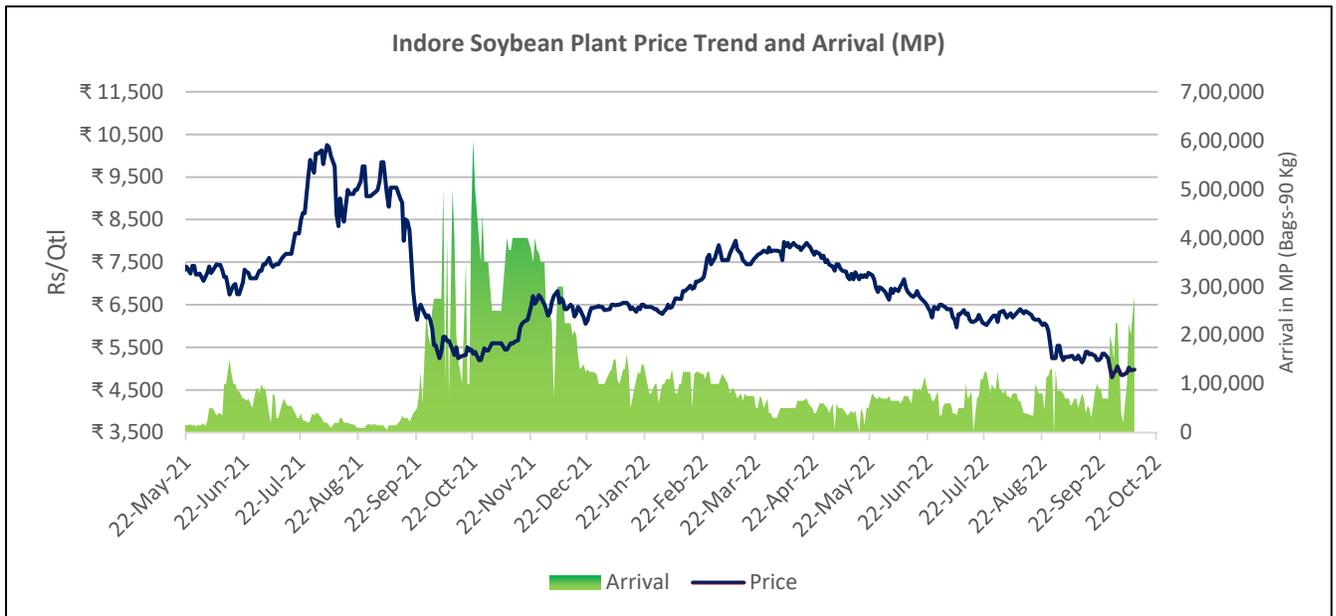
**Outlook - Soybean (Spot Indore):** *In the coming week, soybean prices are expected to trade continue rebound amid decline in moisture content. The prices (Indore, Plant basis) are expected to feature range bound movement in the price band of 4,800-5,200 levels in the near term.*

**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 37,000 – 40,000/MT.*

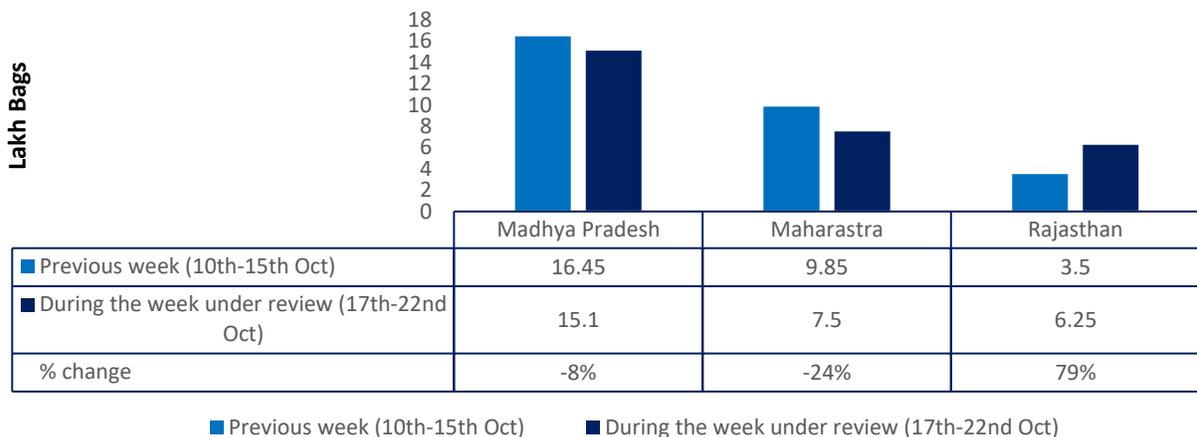
**Outlook - Rapeseed-Mustard (Spot, Jaipur basis):** *Rapeseed-Mustard is expected to trade range bound with firm bias on improved mustard oil prices and demand in festival. The seed prices are likely to trade in the range between 6,600 –6,800/Qtl. in the short-run.*

## Soybean



During the week under review, Soybean indore Plant prices remained sideways and went marginally up by 0.21% to INR 5,081/ Qtl. as compared to 5,071/ qtl. previous week amid improved soy oil prices, good demand at lower level. Demand from plants is very good in Rajasthan due to controlled moisture / good quality even plants in MP are also buying from Rajasthan.

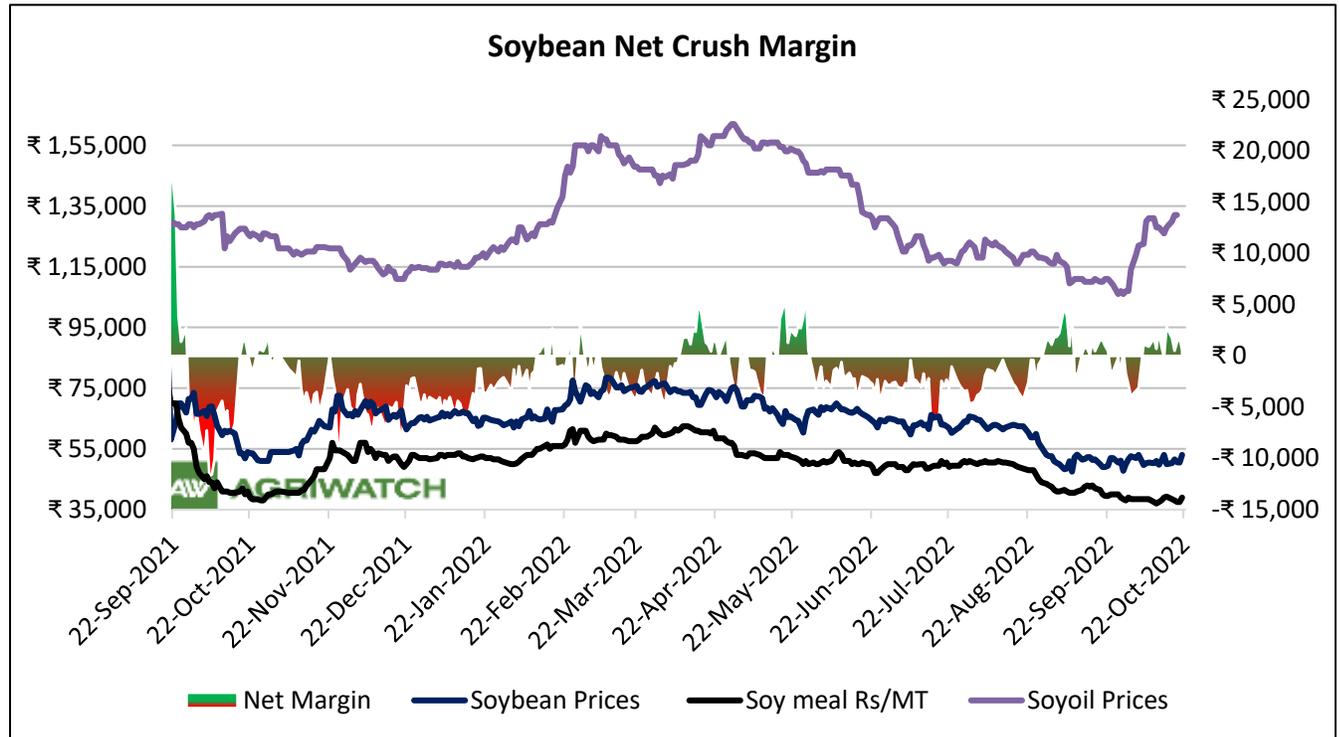
## Weekly Soybean Arrivals



This week, the total arrival in MP recorded low by 8% to 15.1 Lakh bags Vs 16.45 Lakh bags previous week. In Maharashtra arrivals recorded low to 7.5 Lakh bags vs 9.85 Lakh bags last week. In Rajasthan the arrivals went up to 6.25 lakh bags Vs 3.5 Lakh bags previous week. In Rajasthan, arrivals is good as there is good demand from plants due to controlled moisture / good quality.

**Soybean Crush Margin-**

Soybean net crush margin remained on positive note amid firm soy oil and meal prices, during the week under review, weekly average soybean net crush margin improved to INR 1,178/ MT as compared to previous week at INR 1,305/MT.



**International Update:**

During the week under review CBOT Soybean (Nov'22 expiry) remained volatile and went up by 0.85% to \$13.95 a bushel. International soy oil prices too traded with upward sentiment for the last week in review. Rising crude oil prices supported the Soy oil prices as its demand for biodiesel also swells up. USDA in its latest report lowered the soybean yield at 49.8 bushels per acre (bpa), that is lower than 50.5 bpa last year and the trade expectation of 50.6, lowering more than 3% US soybean production to 4.3 billion bushels from last year. CBOT soybean and Soy oil took support of the above news along with lower water level in Mississippi River, which is hindering exports.

USA Soybeans Harvesting progress			
October 16, 2021	October 9, 2022	October 16, 2021	2017-2021 Average
58%	44%	63%	52%

Argentina Soybeans Planting progress		
2022-23	2021-22	2017-2022 Average
17%	26.3%	31.1%

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 cru shed 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**



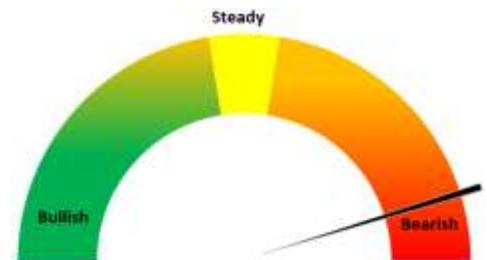
As depicted in the above chart, US Soybean moving in sideways pattern, and trading above 9,18 and 50 and 100 DMA. RSI at 45 indicating weak buying strength. And MACD indicating weak momentum in short run. Over all market is expected to trade range bound and take support from 1350-1390 in short run and resistance from 1480-1500.

**Technical Analysis (Domestic market)**

(Based on Indore Mandi prices)

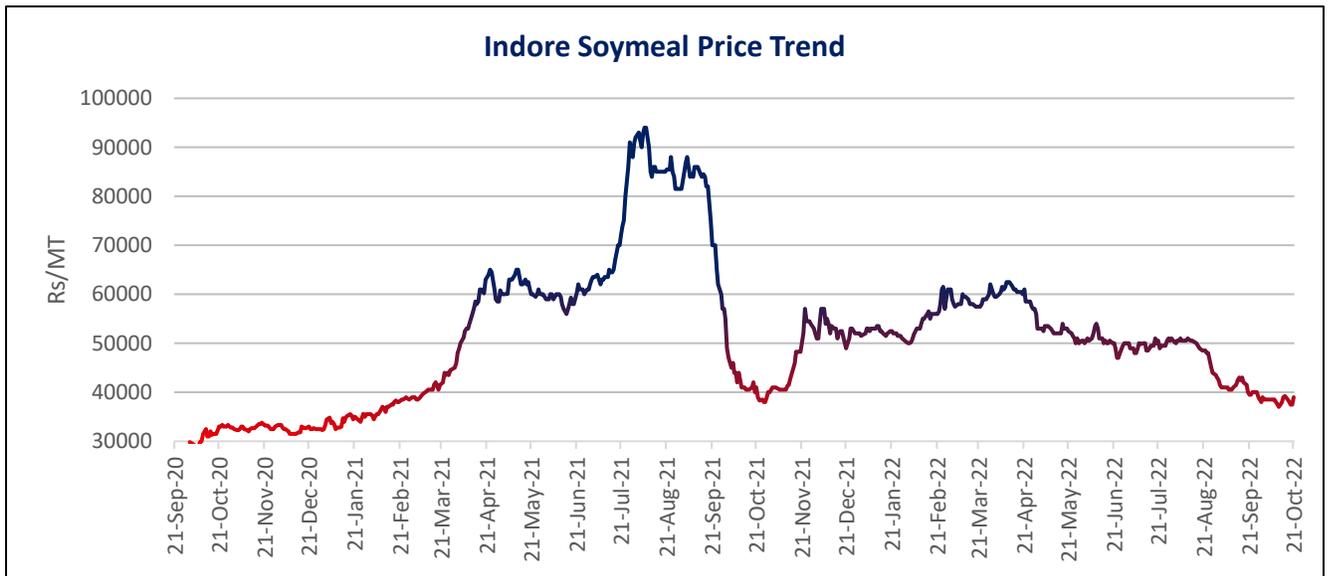
<b>SOYBEAN – Technical Outlook</b>	<b>Soybean Indore Spot -Weekly time frame</b>
<b>Technical Chart:</b>	
	
<b>Technical Commentary:</b>	
<ul style="list-style-type: none"> <li>Soybean Indore prices have rebounded from support level of 4400-4500, Market is currently trading below 9,18, 50 and 100 DMA indicating weak sentiments. Immediate support seems to be around 4600-4800.</li> </ul>	
<b>Recommendation-</b>	
<ul style="list-style-type: none"> <li>Market Participants are recommended to accumulate at current level.</li> </ul>	

**Soybean Price Outlook for coming week:** Indore Soybean mandi prices are currently trading at INR. 4,925/qtl. and are expected to rebound from current level, However, heavy arrivals after festivals may put some pressure on prices.

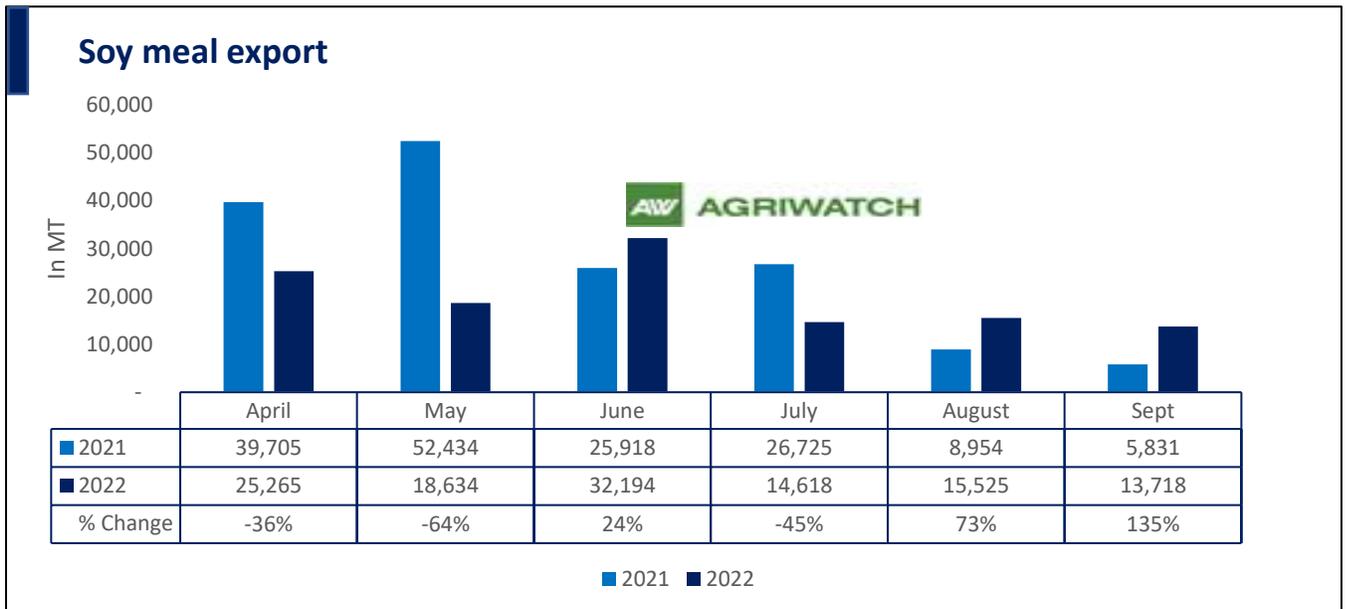


Soybean Mandi Price Outlook (INR./Qtl)	Previous week 10th Oct'22- 15th Oct'22	Week under review 17th Oct'22- 22nd Oct'22	Next week 24th Oct'22- 29th Oct'22
<b>Weekly Average Price</b>	4,550-4,850	4,800-4,925	4,600-4,800

## Soymeal

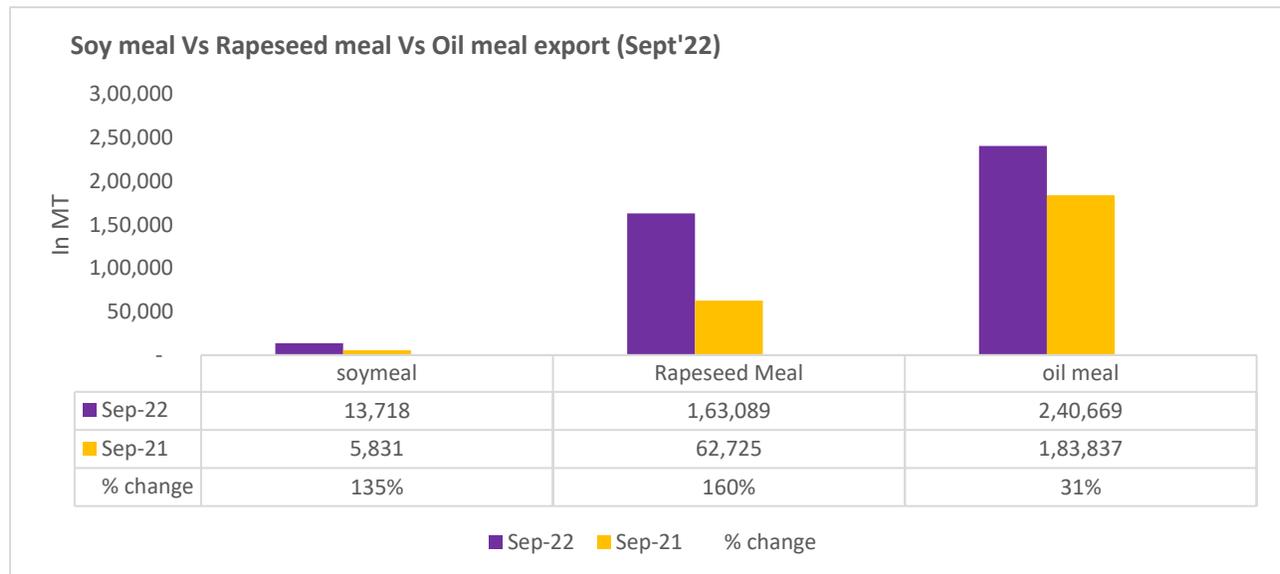
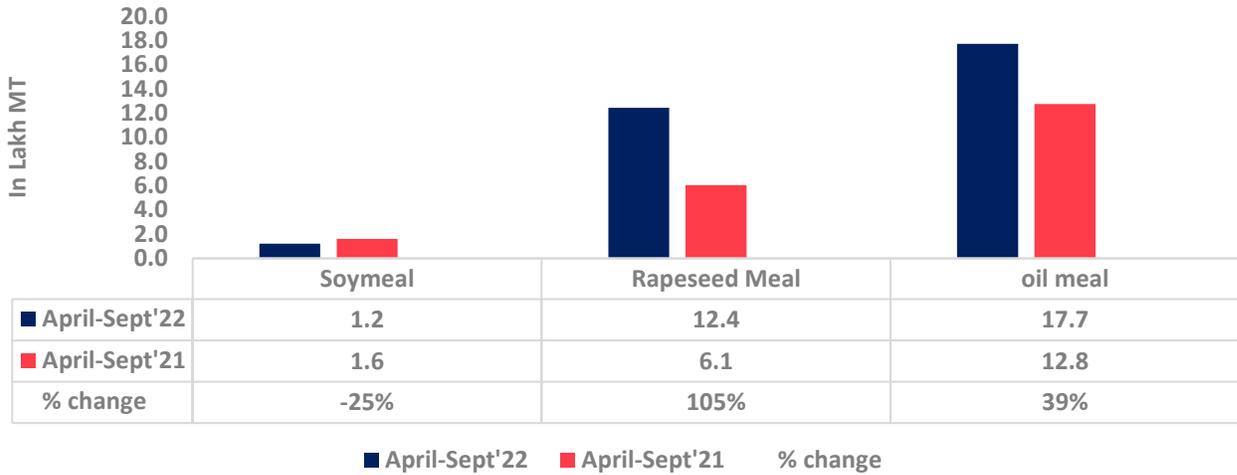


During the week under review, Indore Soymeal prices weekly average prices remained sideways and went marginally down by 0.13% to INR 38,100/MT as compared to last week at INR 38,150/MT in tandem with sideways soybean prices and weak export demand. Overall, the prices quoted at INR 37,500-39,000/MT throughout the week. At Nanded, the weekly average prices declined to INR. 41,166/MT compared to INR. 42,166 MT a week ago. In Kota the meal prices were up at INR. 40,616/MT compared to INR. 39,950/MT previous week.

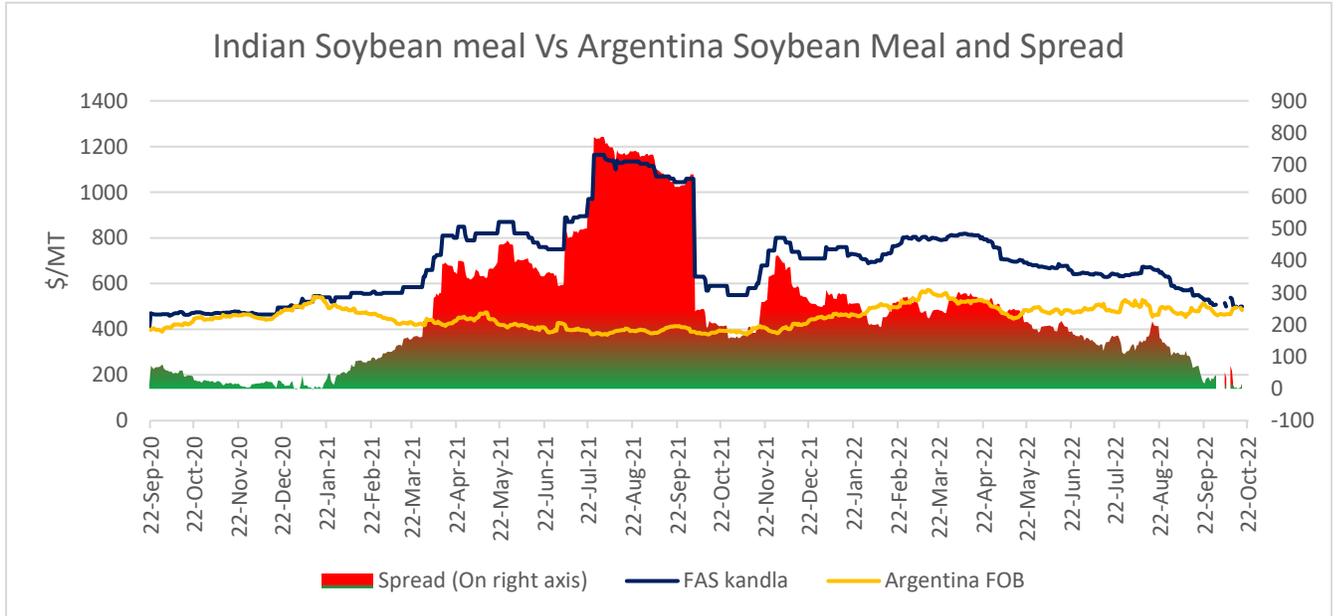


Total oil meal exports in April- Sept'22 went up by 39% to 17.71 Lakh tonnes vs 12.76 Lakh tonnes previous year same period. However, Soymeal exports went down by 25% to 1.21 Lakh tonnes in April-Sept'22 Vs 1.61 Lakh tonnes previous year same period. Soymeal exports went down due to over-priced Indian soymeal in the global markets.

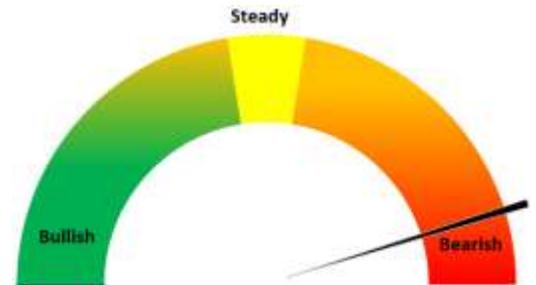
**Oil Meal Export April.'22-Sept'22**



Currently, Indian Soymeal FOB prices trading at \$500/MT, Argentina Soymeal FOB prices trading at \$484/MT and spread stands at \$16/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.

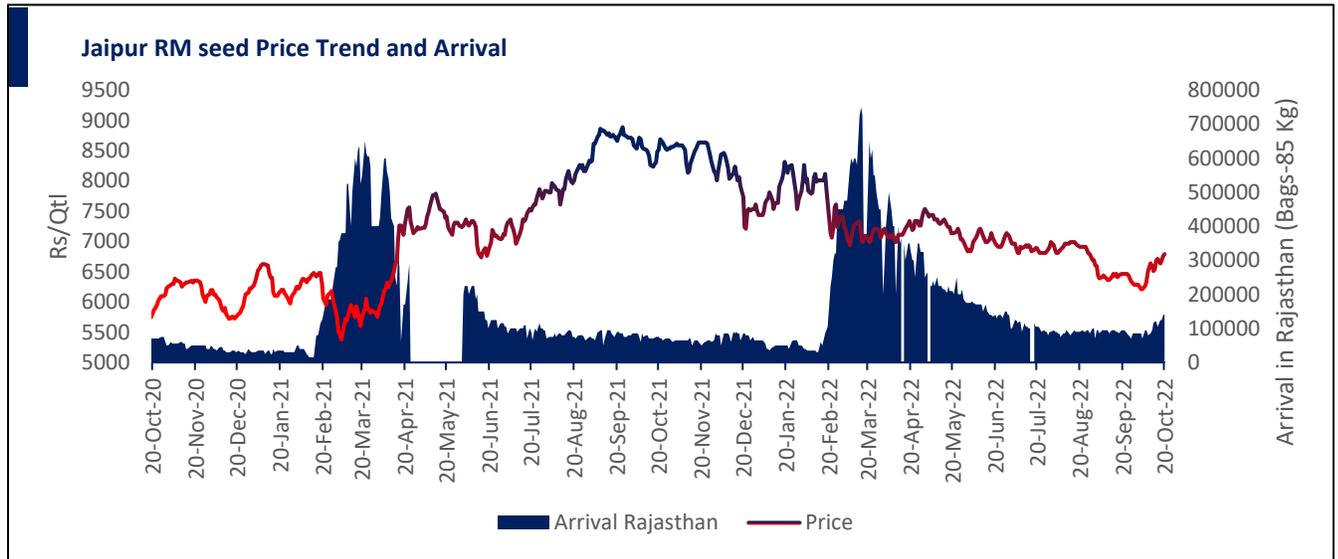


**Soymeal Price Outlook for coming week:** Soybean meal prices are expected to trade with weak bias tracking weak export demand and correction in soybean prices amid new crop arrival.

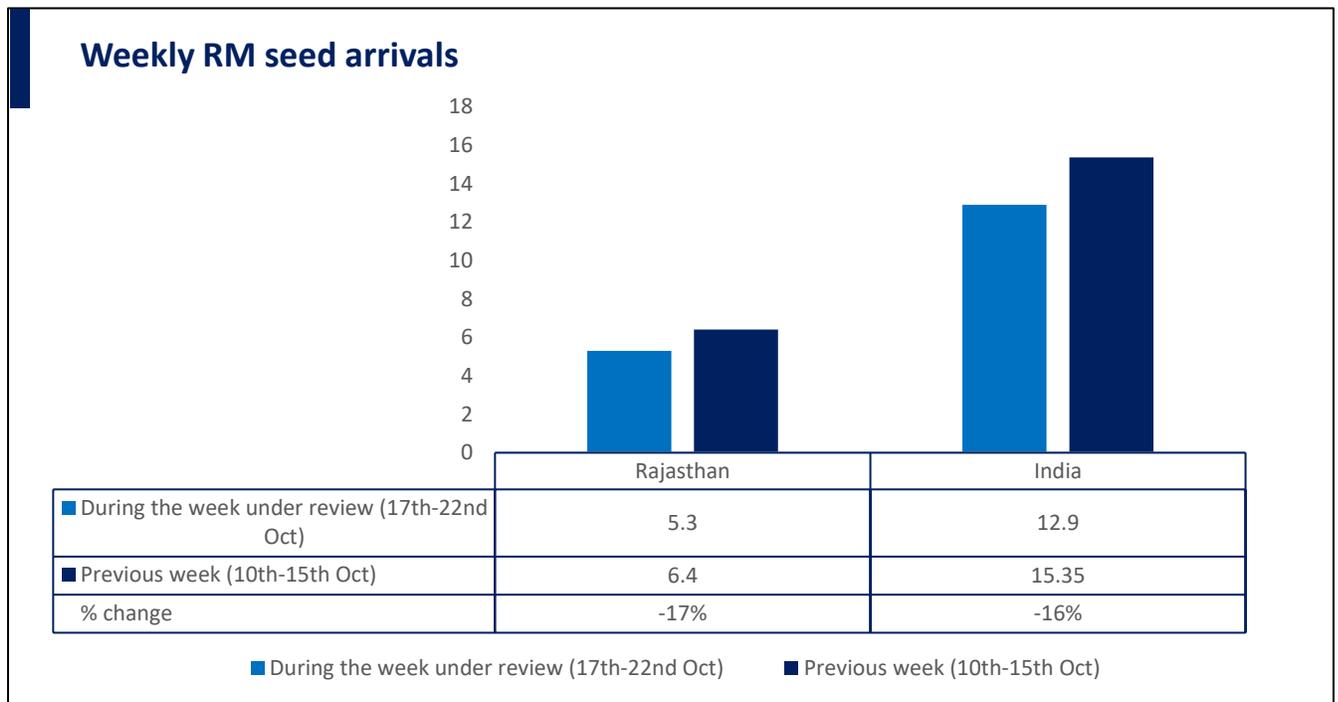


Soymeal Indore Price Outlook (INR./MT)	Previous week 10th Oct'22- 15th Oct'22	Week under review 17th Oct'22- 22nd Oct'22	Next week 24th Oct'22- 29th Oct'22
Weekly Average Price	37,000-39,250	37,500-39,000	37,000-40,000

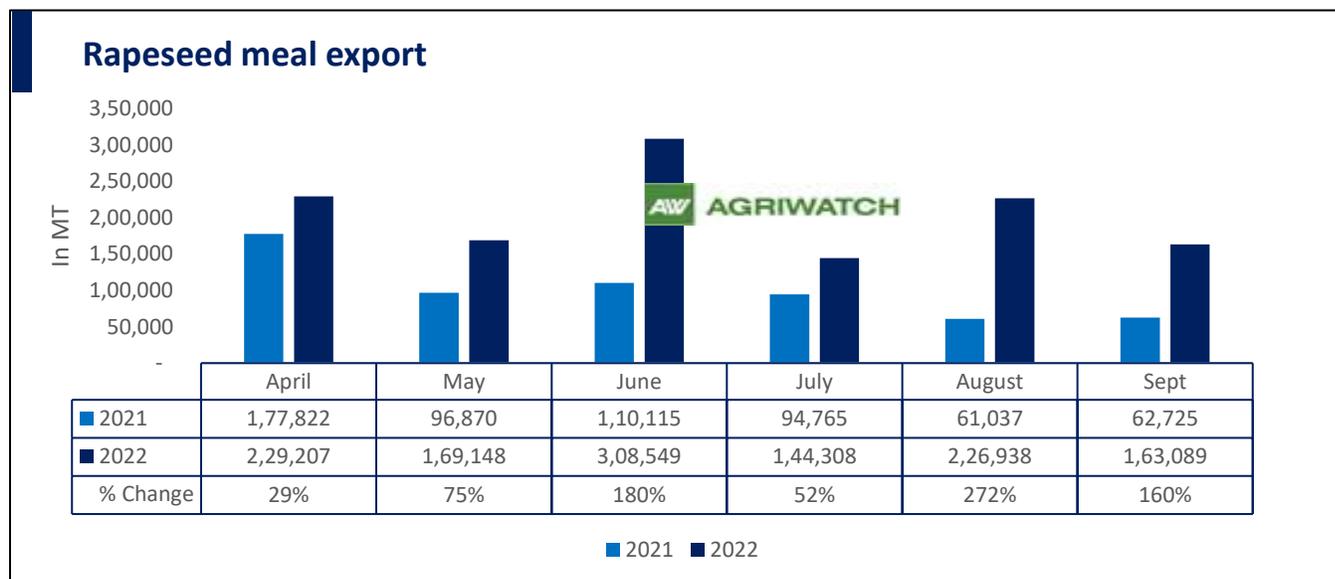
### Rapeseed - Mustard Seed



RM seed continued rebounded during the week under review, Jaipur RM seed weekly average prices went up by 1.6% to INR. 6,719/qtl as compared to INR. 6,613/qtl previous week amid rebound in Mustard oil and competing oil prices,



All India Arrivals declined during the week under review, in Rajasthan, total mustard arrivals recorded down by 17% to 5.3 Lakh bags as compared to 6.4 lakh bags previous week. All India arrivals recorded down by 16% to 12.9 Lakh bags Vs 15.35 Lakh bags previous week.



There is a significant jump in export of rapeseed meal and reported at 12.43 Lakh tons compared to 6.05 Lakh tons i.e., up by 105%. And in Sept'22 exports recorded up by 160% to 1.63 Lakh tonnes vs 0.62 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.

<b>Rapeseed Mustard Sowing Progress as on 21-Oct-2022 (In Lakh tonnes)</b>			
<b>State</b>	<b>2022</b>	<b>2021</b>	<b>% Change over previous year</b>
Assam	0.004	0.019	-79%
Chhattisgarh	0.007	-	-
Nagaland	0.011	0.038	-71%
Rajasthan	11.906	7.458	60%
Uttar.Pradesh	2.808	3.208	-12%
West.Bengal	0.375	0.07	436%
<b>Total</b>	<b>15.11</b>	<b>10.793</b>	<b>40%</b>

Government has increased the MSP of Rabi Crops for Marketing Season 2023-24, to ensure remunerative prices to the growers for their produce. The absolute highest in MSP has been approved for rapeseed and mustard at Rs.400/-per quintal. For safflower, an increase of Rs.209/- per quintal has been approved.

**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.

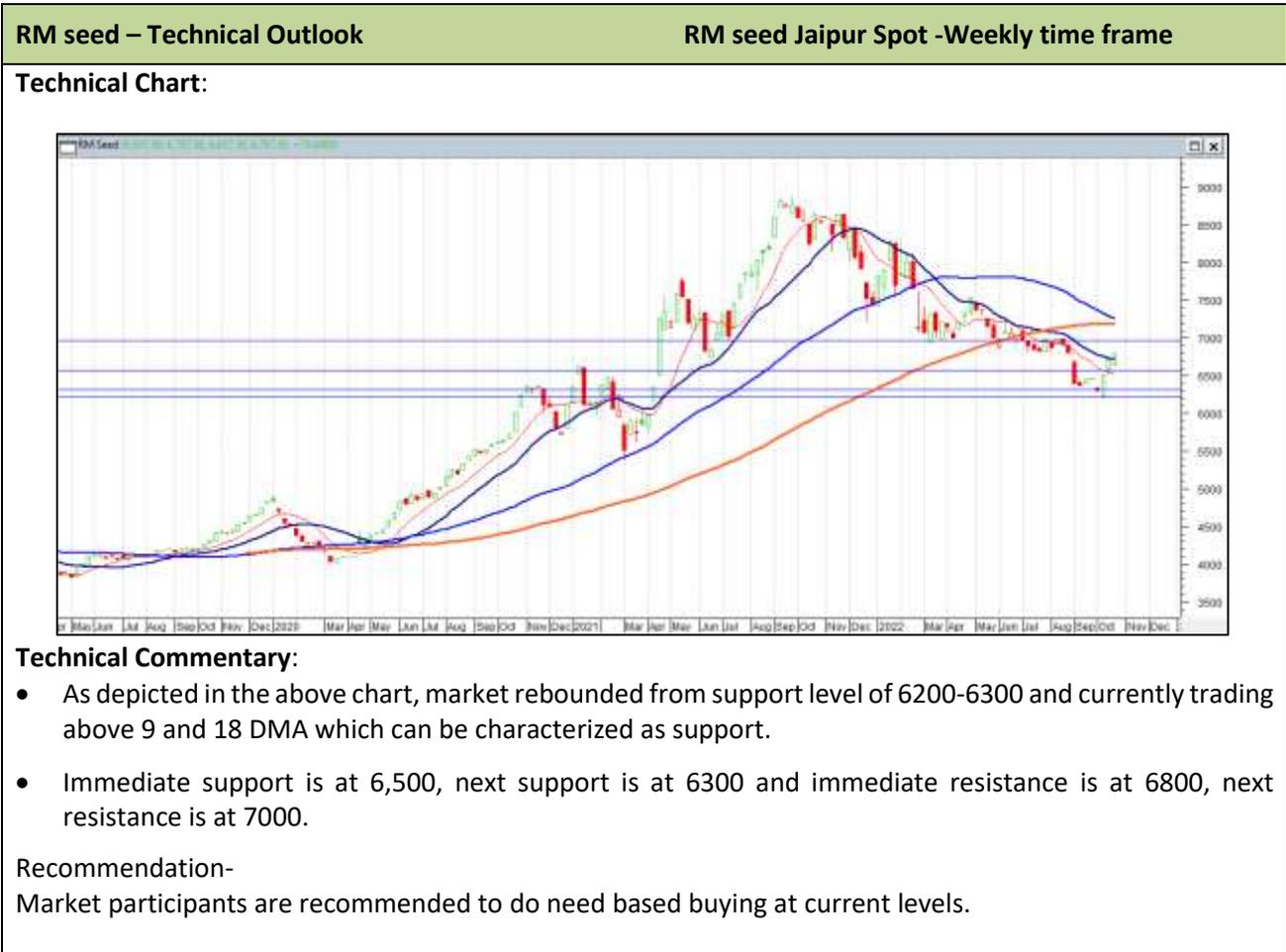
This mixed outlook is confirmed by weather conditions across western Canada that ranged from slightly dry in the west to above normal humidity, to a delayed harvest in the Eastern Prairies. Ultimately, yields will be determined by growing conditions in the future and by weather and harvest conditions. 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.

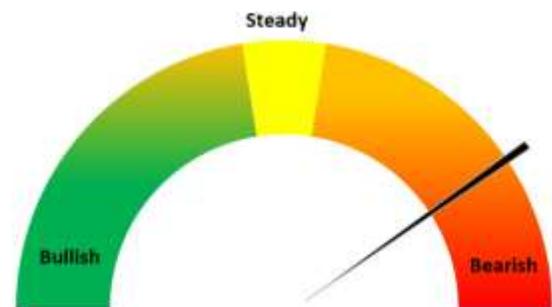
Canadian canola use should recover; expected exports increase by nearly 80% to 9.2 Mt, while the domestic crush rate increases to 9.5 Mt from 8.3 Mt last year. Carry-out stocks increase moderately to 0.45 Mt, representing a stocks-to-consumption ratio of 3%. Canola prices are forecast to decline to \$950/t 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)



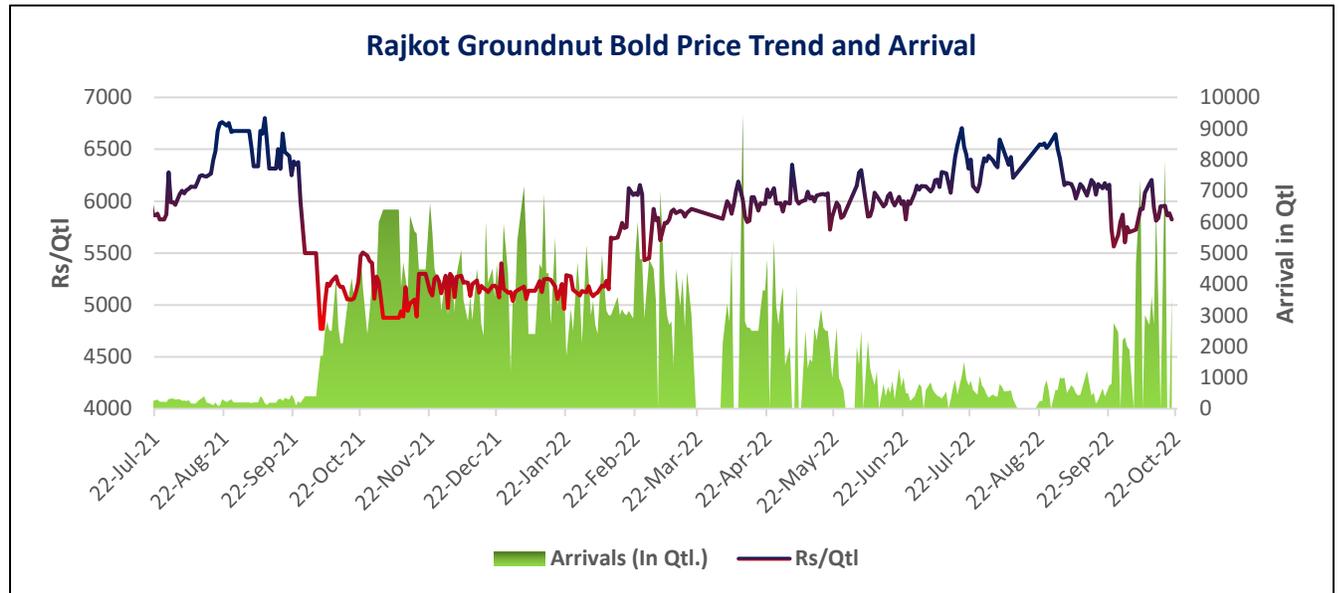
**RM seed Price Outlook for coming week:** RM Seed is expected to rebound on improved mustard oil prices amid festivals.



Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 10th Oct'22- 15th Oct'22	Week under review 17th Oct'22- 22nd Oct'22	Next week 24th Oct'22- 29th Oct'22
<b>Weekly Average Price</b>	6,513-6,713	6,638-6,788	6,600-6,800

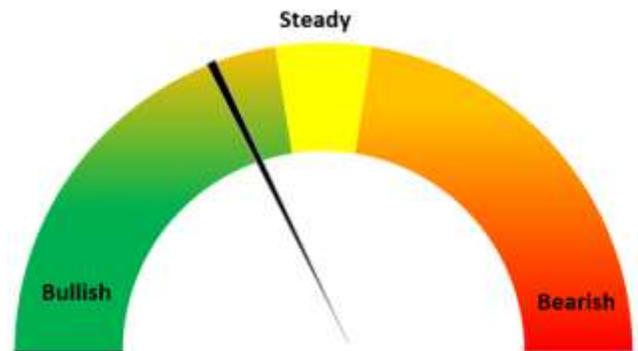
## Groundnut

During the week under review, Rajkot Groundnut weekly average bold prices declined by 2% to INR 5,881/Qtl. as compared to INR 5,985/Qtl. previous week amid new crop arrivals. However, firm groundnut oil prices likely to support groundnut seed prices.



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.

**Groundnut Price Outlook for coming week:** Rajkot groundnut bold prices expected to rebound amid firm groundnut oil prices and lower production estimates.



Rajkot Groundnut Bold Price Outlook (INR./Qtl)	Previous week 10th Oct'22- 15th Oct'22	Week under review 17th Oct'22- 22nd Oct'22	Next week 24th Oct'22- 29th Oct'22
Weekly Average Price	5,812-6,202	5,825-5,955	5,800-6,100

## Annexure

Oilseed Prices at Key Spot Markets:					
Commodity / Centre	% Change over previous week	Today	Week Ago	Month Ago	Year Ago
		22-Oct-22	15-Oct-22	22-Sep-22	22-Oct-21
<b>Soybean</b>					
Indore –Plant	-	Closed	5250	5350	5400
Indore–Mandi	-	Closed	5200	5150	5300
Nagpur-Plant	5%	5450	5200	5205	5400
Nagpur – Mandi	5%	5200	4950	4935	5200
Latur – Mandi	-	Closed	5250	5265	5270
Akola – Mandi	-	Closed	4965	5150	4950
Kota-Plant	-	Closed	5150	5350	6150
Kota – Mandi	-	Closed	4950	5250	5750
Bundi-Plant	-	Closed	5050	5200	5850
Bundi-Mandi	-	Closed	4850	5120	5450
Baran-Plant	-	Closed	5350	5400	6200
Baran-Mandi	-	Closed	5150	5200	5900
Bhawani Mandi Jhalawar–Plant	-	Closed	5300	5430	6800
Jhalwar-Mandi	-	Closed	4950	5230	5800
<b>Rapeseed/Mustard</b>					
Jaipur-(Condition)	1%	6825	6725	6475	8675
Alwar-(Condition)	2%	6450	6300	6150	8300
Sri Ganganagar-(Non-Condition)	-	Closed	5900	5950	7650
New Delhi–(Condition)	2%	6625	6500	6200	8500
Kota-(Condition)	-	Closed	6275	6220	8100
Agra-(Condition)	2%	7048	6905	6667	8905
Neewai-(Condition)	-	Closed	6500	6000	8100
Hapur (UP)-(Condition)	1%	6725	6650	6400	8400
<b>Groundnut Seed</b>					
Rajkot	-	NA	1015	1101	1020
<b>Sunflower Seed</b>					
Gulbarga	-	Closed	5700	-	5800

Latur	-	Closed	6600	6000	6000
Sholapur	-	Closed	6600	6000	6000

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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