



# Oil Seed Weekly Research Report

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## Executive Summary

The weekly average prices of Soybean Indore plant prices went up by 3.4% to INR 5,443/ Qtl. as compared to 5,263/qtl. previous week amid stock limit removal and good demand.

The weekly average prices of Indore soy meal too went up by 2.3% to INR 39,583/MT as compared to last week at INR 38,690/MT in tandem with soybean prices.

During the week under review, Jaipur RM seed weekly average prices extended previous week gains and went up by 2.4% to INR. 7,008/qtl amid stock limit removal improved mustard oil prices and good demand.

During the week under review, Rajkot Groundnut weekly average bold prices traded at INR 5,979/Qtl. 2% above MSP of 5,850 amid new kharif crop arrivals in the market.

## Outlook – Cash Market

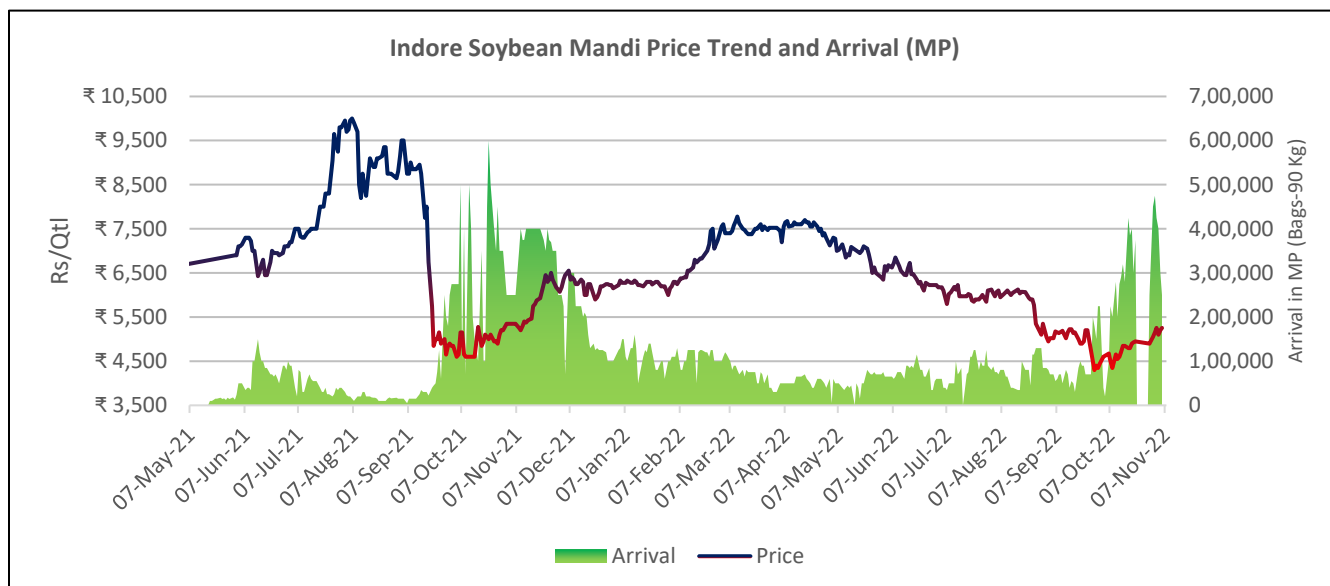
**Outlook - Soybean (Spot Indore):** In the coming week, soybean plant prices are expected to continue rebound amid stock limit removal and good demand. The prices (Indore, Plant basis) are expected to feature in the price band of 5,500-5,800 levels in the near term.

**Outlook – Soy meal:**

The soy meal prices (Indore) are likely to rebound in tandem with soybean prices and revive in export demand. Soy meal Indore prices are likely to trade in the range of 39,000 – 42,000/MT.

**Outlook - Rapeseed-Mustard (Spot, Jaipur basis):** Rapeseed-Mustard is expected to trade with firm bias on stock limit removal and bullish oilseed complex. The seed prices are likely to trade in the range between 6,900 – 7,100/Qtl. in the short-run.

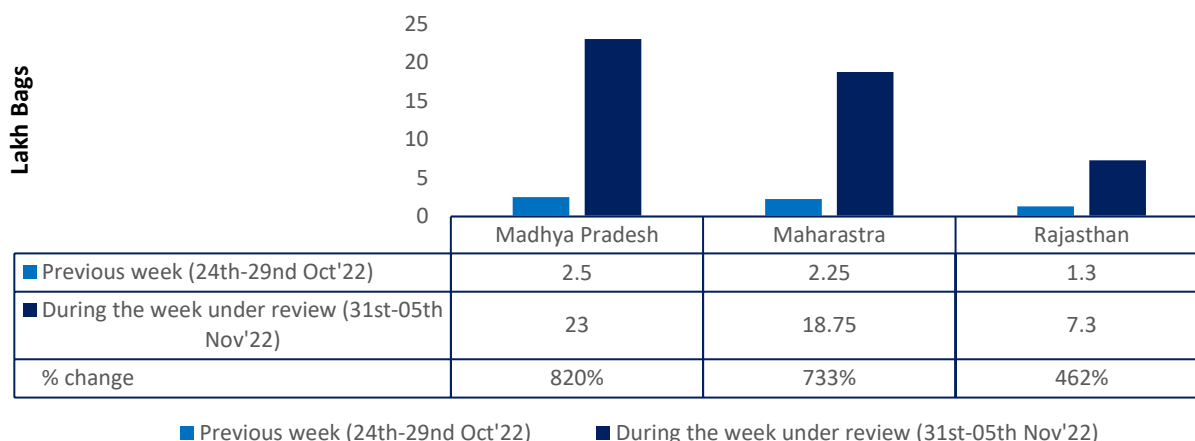
### Soybean



During the week under review, Soybean indore Plant prices went up by 3.4% to INR 5,443/ Qtl. as compared to 5,263/ qtl. previous week amid stock limit removal, good demand at current level and firm global cues.

Government has issued notification for exempting the category of Wholesalers and Big Chain retailers from the current Stock Limit order. The order will come into effect immediately. Removal of stock limit order will support edible oil prices

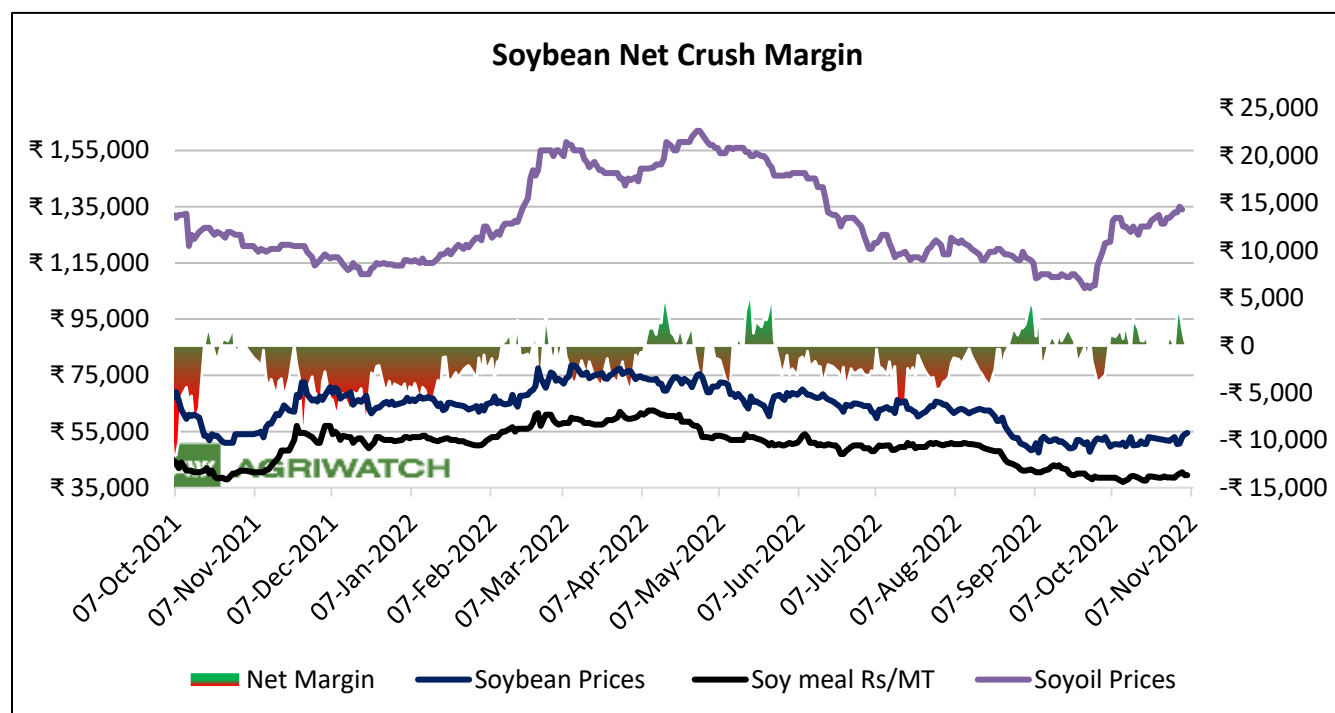
### Weekly Soybean Arrivals



This week, the total arrival in MP recorded up to 23 Lakh bags Vs 2.5 Lakh bags previous week. In Maharashtra arrivals recorded up to 18.75 Lakh bags vs 2.25 Lakh bags last week. In Rajasthan the arrivals went up to 7.3 lakh bags Vs 1.3 Lakh bags previous week. During the week under review, arrivals were up after festivals.

### 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 1,493/ MT as compared to previous week at INR 1,080/MT.



### International Update:

During the week under review CBOT Soybean (Nov'22 expiry) remained volatile and went up by 4.59% to \$ 14.51 per bushels as expectations of strong Chinese demand underpinned the market.

USA Soybeans Harvesting progress			
October 30, 2021	October 23, 2022	October 30, 2022	2017-2021 Average
78%	80%	88%	78%

Brazil 2022/23 soybeans were 46% planted as of late last week compared to 52% last year and 40% average according to Ag Rural. This represents an advance of 12% for the week.

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.

## Technical Analysis

### US Soybean futures



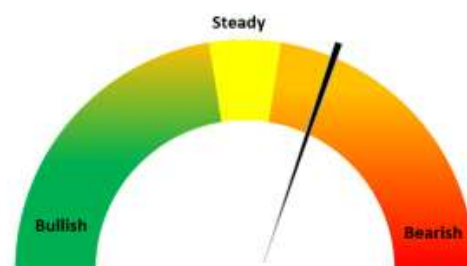
As depicted in the above chart, US Soybean moving upward, and taking support of 9, 18 and 100 DMA can be characterized as support in short run. RSI at 62 indicating firm buying strength. And MACD indicating firm momentum in short run. Over all market is expected to trade range bound and take support from 1350-1390 in short run and resistance from 1480-1500.

## Technical Analysis (Domestic market)

(Based on Indore Mandi prices)

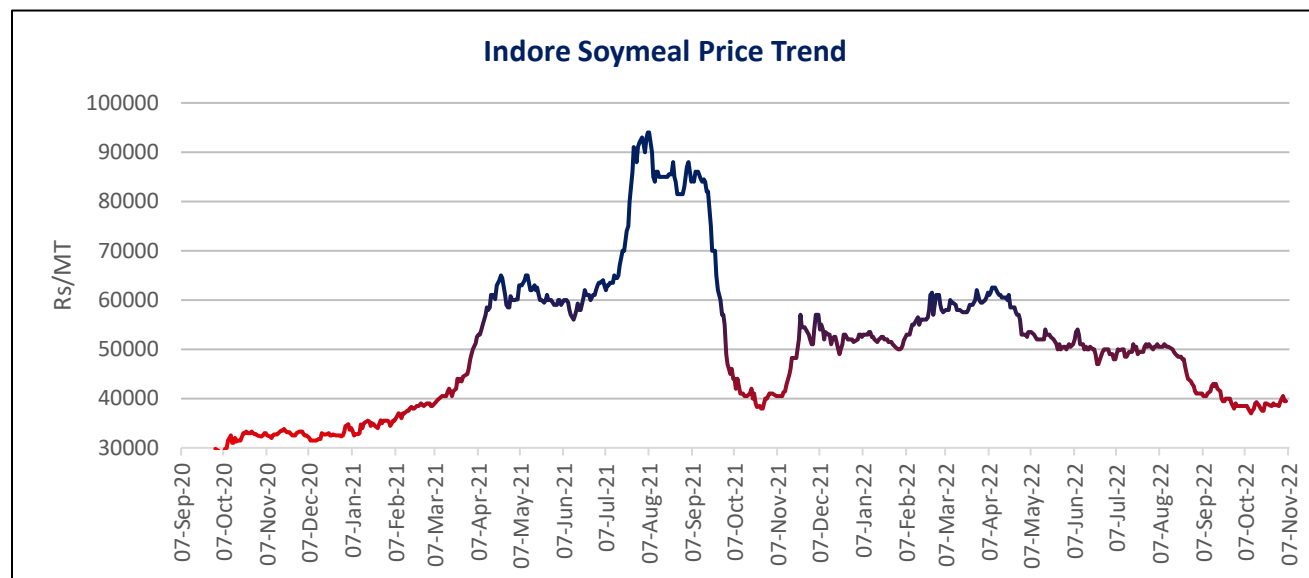


**Soybean Price Outlook for coming week:** Indore Soybean mandi prices are currently trading at two month high at INR. 5,250/qtl. and are expected to continue rebound from current level, and market may witness correction from 5800-6000 level on profit booking.



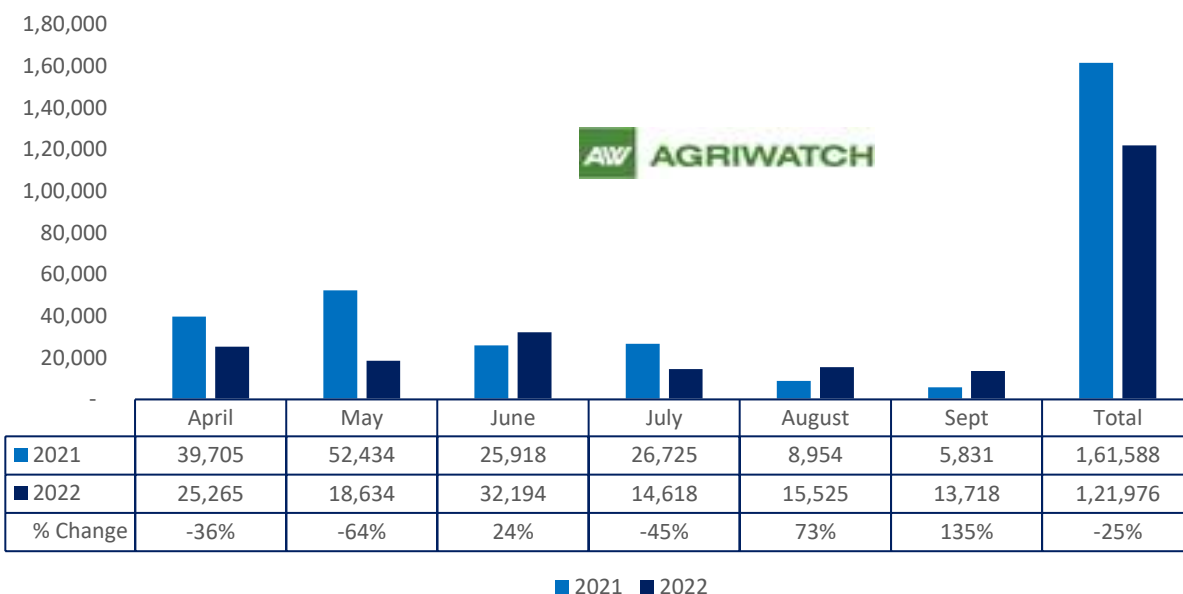
Soybean Mandi Price Outlook (INR./Qtl)	Previous week 24th Oct'22- 29th Oct'22	Week under review 31st Oct'22- 05th Nov'22	Next week 07th Nov'22- 12th Nov'22
Weekly Average Price	4,900	5,050-5,250	5,000-5,300

### Soymeal



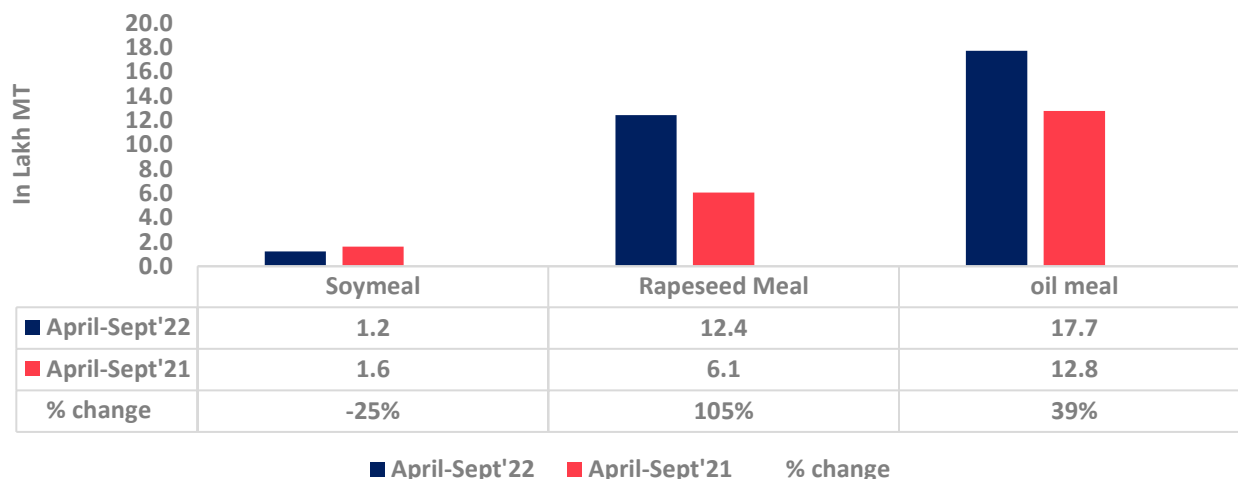
During the week under review, Indore Soymeal prices weekly average prices went up by 2.3% to INR 39,583/MT as compared to last week at INR 38,690/MT in tandem with soybean prices. Overall, the prices quoted between INR 38,500-40,500/MT throughout the week. At Nanded, the weekly average prices improved to INR. 41,083/MT compared to INR. 40,806 MT a week ago. In Kota the meal prices were up at INR. 42,333/MT compared to INR. 41,111/MT previous week.

### Soy meal export

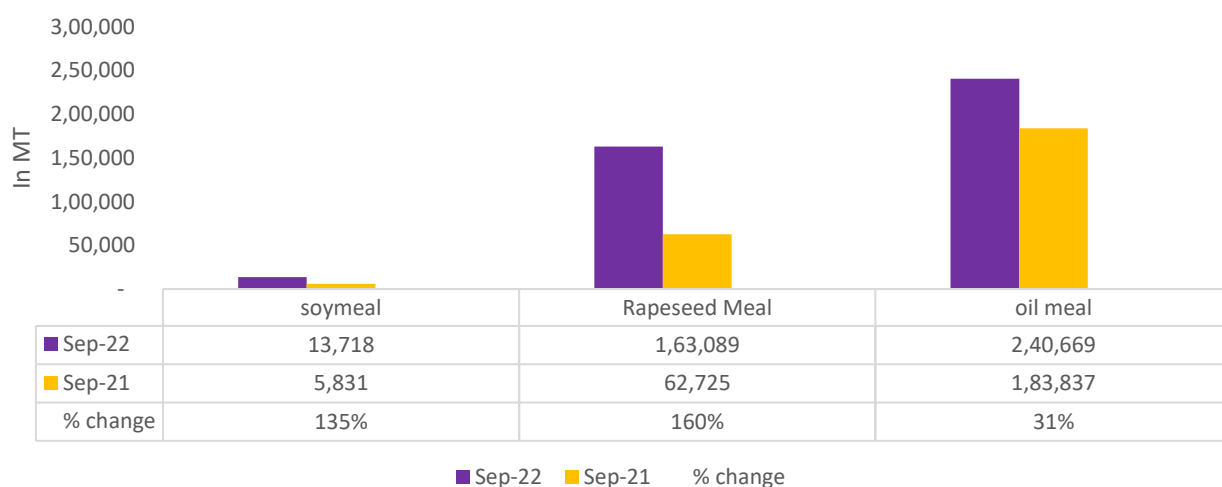


Total oil meal exports in April- Sept'22 went up by 39% to 17.71 Lakh tonnes vs 12.76 Lakh tonnes previous year same period. However, Soymeal exports went down by 25% to 1.21 Lakh tonnes in April-Sept'22 Vs 1.61 Lakh tonnes previous year same period. Soymeal exports went down due to over-priced Indian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

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

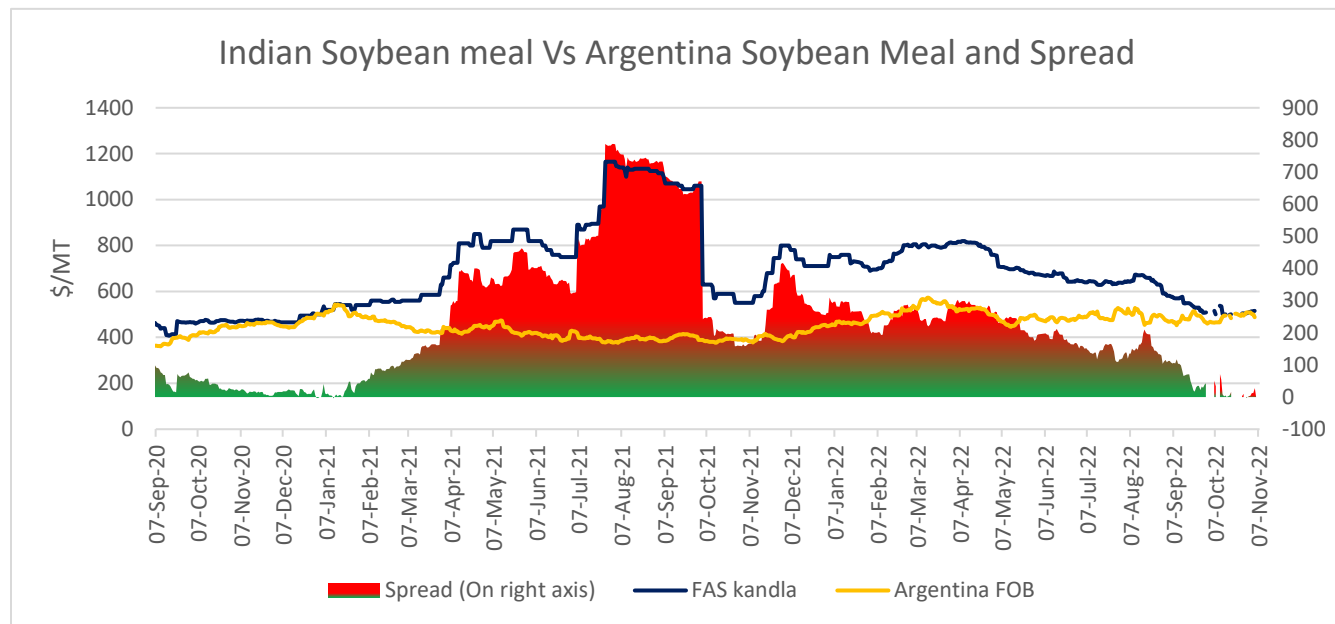


### Soy meal Vs Rapeseed meal Vs Oil meal export (Sept'22)

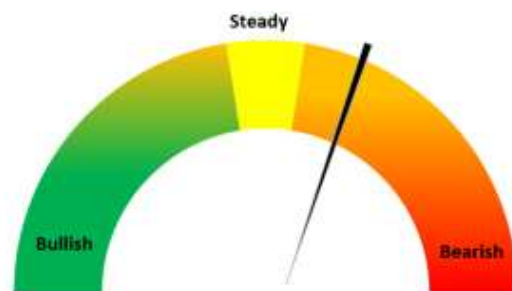




Currently, Indian Soymeal FOB prices trading at \$515/MT, Argentina Soymeal FOB prices trading at \$487/MT and spread stands at \$28/MT. Decline in Argentine soymeal prices has led to a squeeze in spread. In upcoming weeks, if Indian soymeal prices further become competitive, export demand may revive, and Soybean prices are likely to improve.

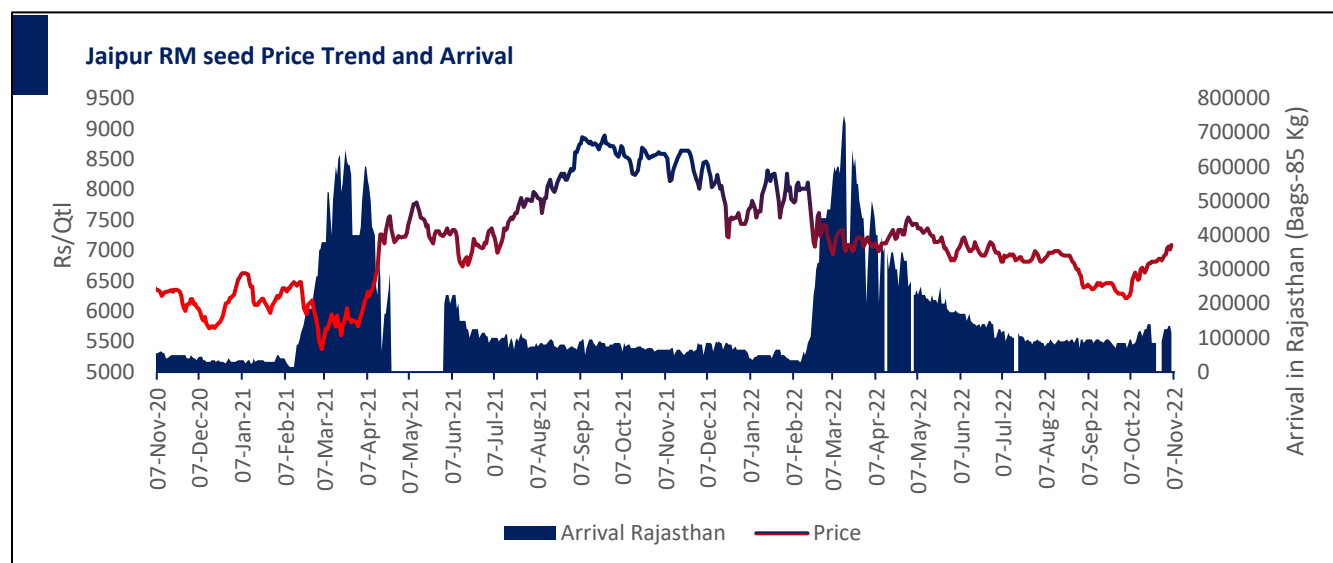


**Soymeal Price Outlook for coming week:** Soybean meal prices are expected to rebound in tandem with soybean prices. However, revive in soymeal export demand likely to support soymeal prices in upcoming months.

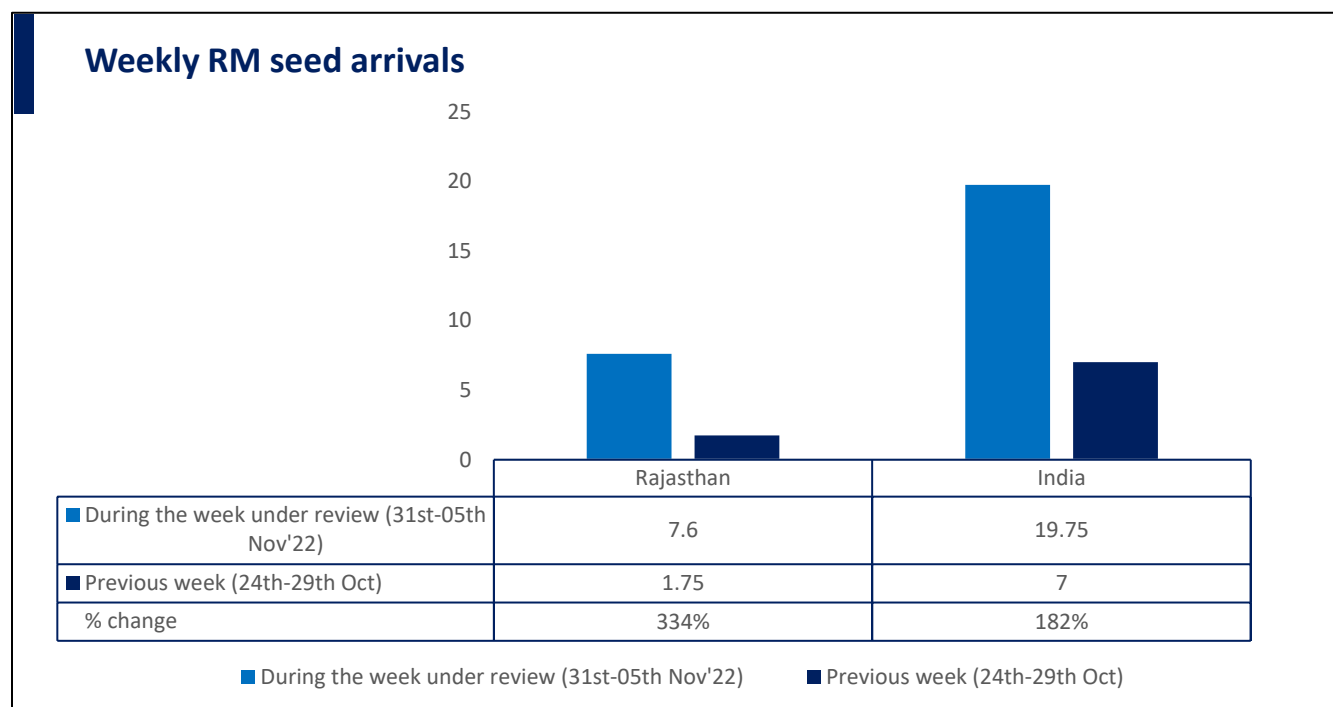


Soymeal Indore Price Outlook (INR./MT)	Previous week 24th Oct'22- 29th Oct'22	Week under review 31st Oct'22- 05th Nov'22	Next week 31st Oct'22- 05th Nov'22
Weekly Average Price	37,500-39,000	38,500-40,500	39,000-42,000

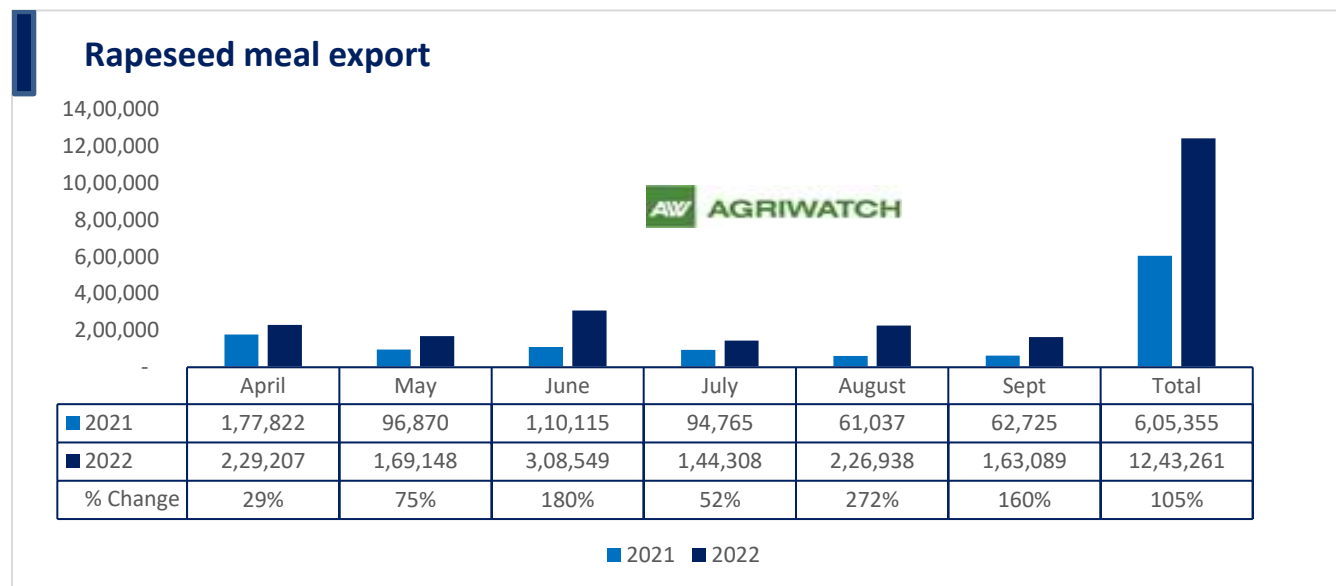
### Rapeseed - Mustard Seed



RM seed continued rebound during the week under review, Jaipur RM seed weekly average prices went up by 2.4% to INR. 7,008/qtl as compared to INR. 6,842/qtl previous week amid stock limit removal, rebound in Mustard oil and competing oil prices.



All India Arrivals increased during the week under review, in Rajasthan, total mustard arrivals recorded up by 334% to 7.6 Lakh bags as compared to 1.75 lakh bags previous week. All India arrivals recorded up by 182% to 19.75 Lakh bags Vs 7 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.

Rapeseed Mustard Sowing Progress as on 04-Nov-2022 (In Lakh Ha)			
State	2022	2021	% Change over previous year
Assam	0.13	0.47	73%
Chhattisgarh	0.12	0.16	23%
Nagaland	4.70	4.13	14%
Rajasthan	31.89	24.04	33%
Uttar Pradesh	7.20	8.39	14%
West Bengal	1.60	0.85	88%
Others	0.08	0.10	23%
Total	45.71	38.14	20%

Source: Ministry of Agriculture

**International-**

For 2022-2023, canola seeded area is estimated at 8.7 million hectares (Mha), down 4% from last year, with an expected harvested area of 8.6 Mha. Yields are estimated at 2.23 tonnes per hectare (t/ha), while last year drought reduced yields to 1.54 t/ha. Expected production is 19.1 Mt based on satellite imagery and model estimates. By province, Saskatchewan is expected to produce 9.7 Mt of canola, Alberta 6.1 Mt and Manitoba 3.1 Mt. limiting. Total supply is forecast to rise sharply from last year to 20.1 Mt as increased production is constrained by limited carry-in stocks.

Canadian canola use is expected to rebound, with exports expected to rise about 77% to 9.3 Mt and domestic crush volume to increase to 10.0 Mt from 8.6 Mt last year. Carry-out stocks decreased to 0.50 Mt, which will result in a stocks-to-use ratio of 3%.

## Technical Analysis

(Based on Jaipur Mandi prices)

### RM seed – Technical Outlook

### RM seed Jaipur Spot -Weekly time frame

#### Technical Chart:



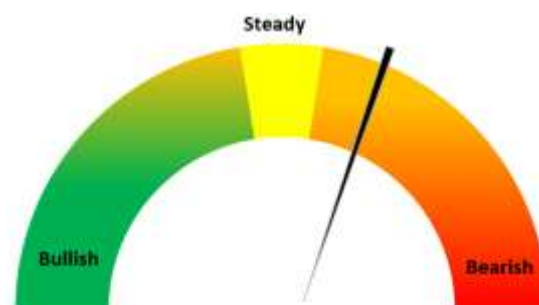
#### Technical Commentary:

- As depicted in the above chart, market is currently trading at three months high at 7088 and trading above 9 and 18 DMA while 50 and 100 DMA can be characterized as resistance.
- Immediate support is at 7,000, next support is at 6800 and immediate resistance is at 7200, next resistance is at 7500.

#### Recommendation-

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

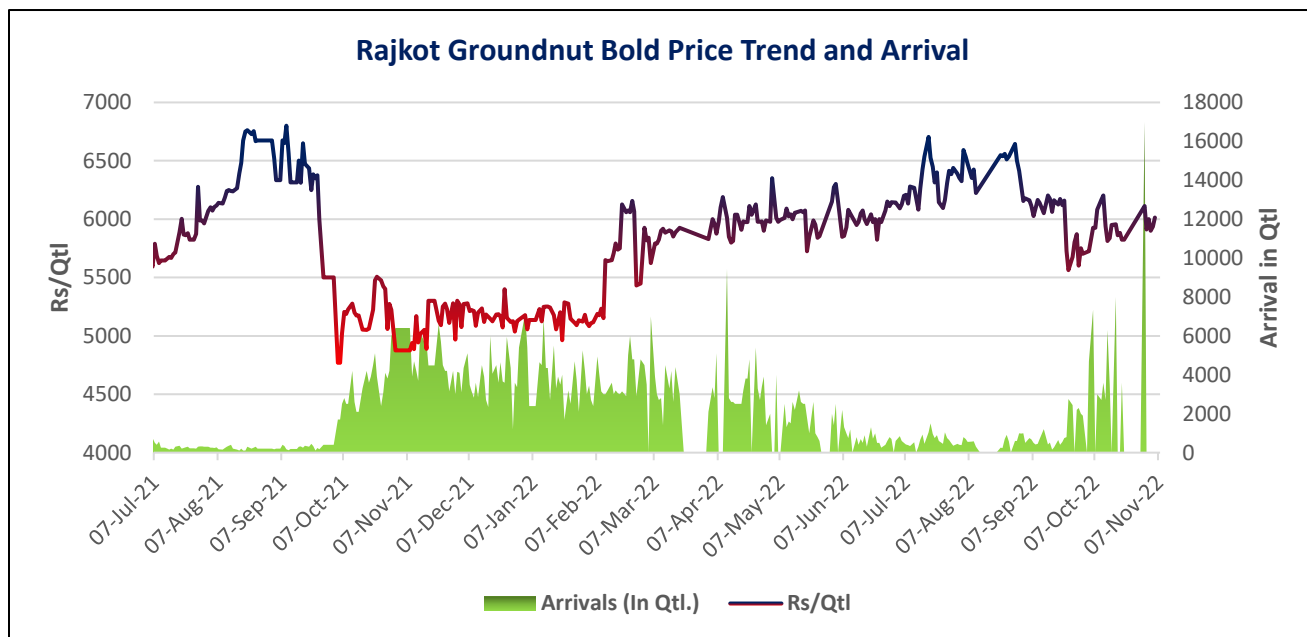
**RM seed Price Outlook for coming week:** RM Seed is expected to rebound on stock limit removal and rebound in oil complex prices.



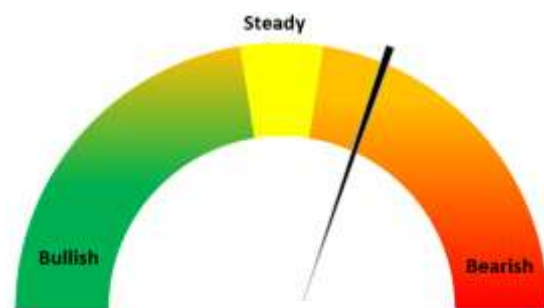
Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 24th Oct'22- 29th Oct'22	Week under review 31st Oct'22- 05th Nov'22	Next week 07 Nov'22- 12th Nov'22
Weekly Average Price	6,813-6,863	6,913-7,088	6,900-7,100

### Groundnut

During the week under review, Rajkot Groundnut weekly average bold prices traded at INR 5,979/Qtl. 2% above MSP of 5,850 amid new kharif crop arrivals in the market. All India arrivals recorded up by 194% to 63.5 Thousand tonnes as compared to 21.6 thousand tonnes previous week previous week.



**Groundnut Price Outlook for coming week:** Rajkot groundnut bold prices expected to trade with weak bias amid correction in groundnut oil prices and new crop arrivals.



Rajkot Groundnut Bold Price Outlook (INR./Qtl)	Previous week 24th Oct'22- 29th Oct'22	Week under review 31st Oct'22- 05th Nov'22	Next week 07 Nov'22- 12th Nov'22
Weekly Average Price	-	5,900-6,113	5,900-6,200

## Annexure

Oilseed Prices at Key Spot Markets:					
Commodity / Centre	% Change over previous week	Today	Week Ago	Month Ago	Year Ago
<b>Soybean</b>		<b>05-Nov-22</b>	<b>29-Oct-22</b>	<b>06-Oct-22</b>	<b>6-Nov-21</b>
Indore –Plant	7%	5700	5325	4950	5700
Indore–Mandi	6%	5500	5200	4900	5600
Nagpur-Plant	7%	5690	5330	5030	5500
Nagpur – Mandi	8%	5490	5080	4780	5300
Latur – Mandi	8%	5815	5400	5190	5350
Akola – Mandi	6%	5490	5200	4900	5100
Kota-Plant	10%	5850	5300	4800	5900
Kota – Mandi	11%	5750	5200	4600	5700
Bundi-Plant	9%	5800	5300	4800	5700
Bundi-Mandi	11%	5650	5100	4500	5650
Baran-Plant	9%	5850	5350	4800	5800
Baran-Mandi	-	Closed	5150	4600	5800
Bhawani Mandi Jhalawar–Plant	12%	5800	5200	5000	6000
Jhalwar-Mandi	12%	5600	5000	4600	5700
<b>Rapeseed/Mustard</b>					
Jaipur-(Condition)	4%	7100	6850	6275	8600
Alwar-(Condition)	-2%	6500	6600	5900	8100
Sri Ganganagar-(Non-Condition)	4%	6600	6375	5600	7400
New Delhi–(Condition)	3%	6775	6600	6050	8200
Kota-(Condition)	1%	6400	6350	5800	8100
Agra-(Condition)	3%	7310	7071	6476	8857
Neewai-(Condition)	1%	6525	6450	5900	8300
Hapur (UP)-(Condition)	2%	6900	6750	6300	8400
<b>Groundnut Seed</b>					
Rajkot	-	1070	Closed	1000	850
<b>Sunflower Seed</b>					
Gulbarga	6%	6500	6150	4800	5500

Latur	8%	7100	6600	5700	6000
Sholapur	8%	7100	6600	5700	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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