



# Oil Seed Weekly Research Report

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## Executive Summary

The weekly average prices of Soybean Indore plant prices went up by 5% to INR 5,720/ Qtl. as compared to 5,443/qtl. previous week amid stock limit removal, good demand from crushers and low arrivals.

The weekly average prices of Indore soymeal too went up by 4.3% to INR 41,300/MT as compared to last week at INR 39,583/MT in tandem with soybean prices and revive in export demand.

During the week under review, Jaipur RM seed weekly average prices extended previous week gains and went marginally up by 0.84% to INR. 7,067/qtl amid stock limit removal, improved mustard oil prices on good demand.

During the week under review, Rajkot Groundnut weekly average bold prices went marginally down by 0.73% at INR 5,936/Qtl. amid new kharif crop arrivals in the market.

## Outlook – Cash Market

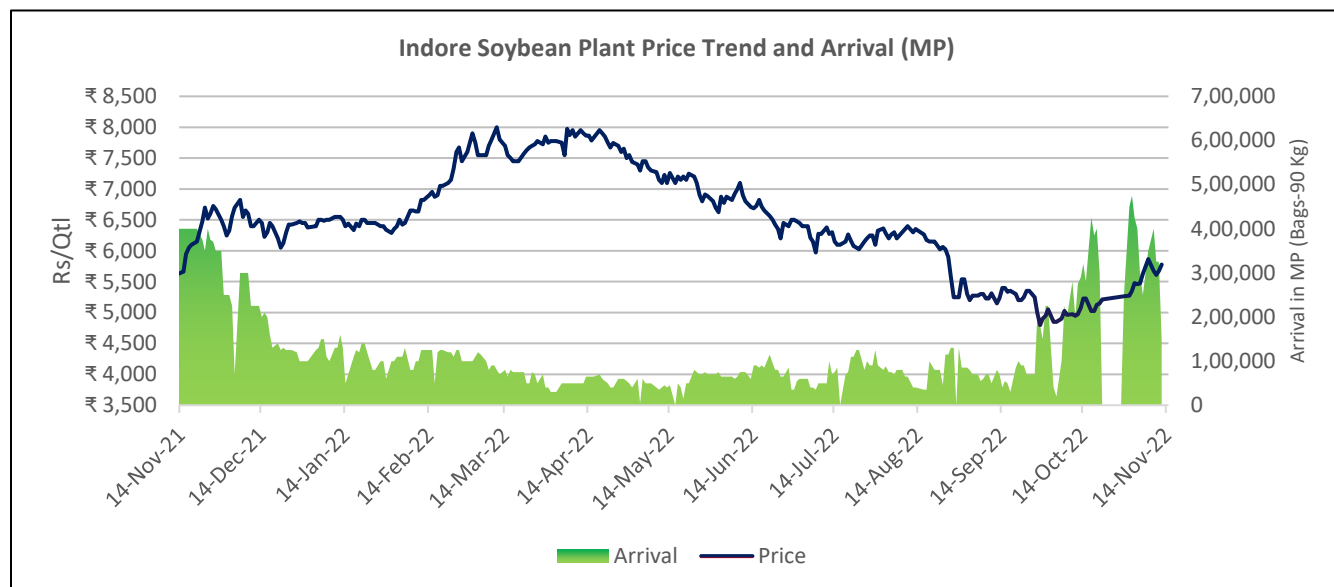
**Outlook - Soybean (Spot Indore):** In the coming week, soybean plant prices are expected to continue rebound amid stock limit removal and good demand from crushers. The prices (Indore, Plant basis) are expected to feature in the price band of 5,300-5,700 levels in the near term.

**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 41,000 – 43,000/MT.

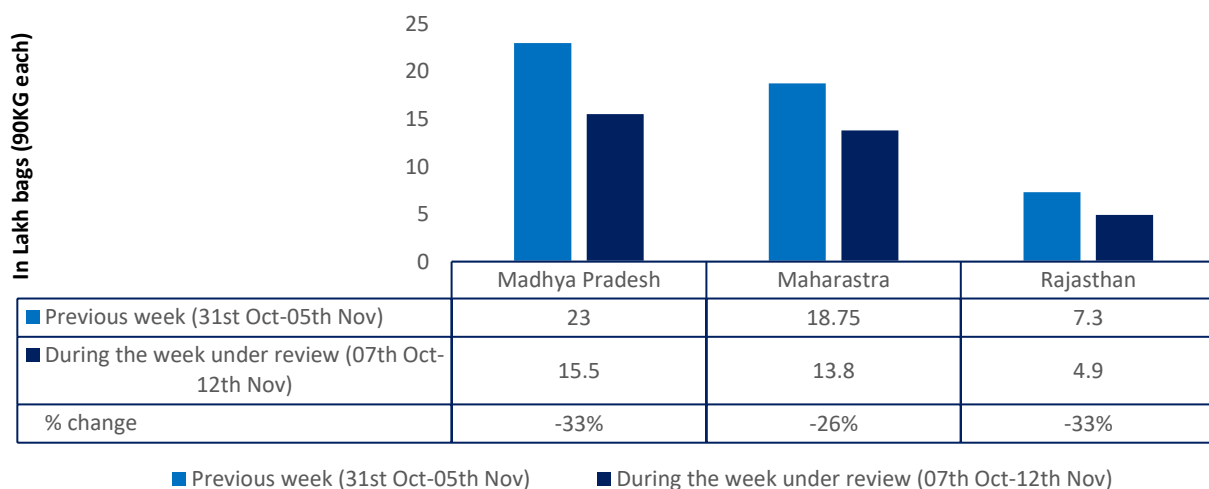
**Outlook - Rapeseed-Mustard (Spot, Jaipur basis):** Rapeseed-Mustard is expected to trade with firm bias on stock limit removal and bullish oilseed complex. The seed prices are likely to trade in the range between 6,800 – 7,200/Qtl. in the short-run.

### Soybean



During the week under review, Soybean indore Plant prices extended previous week gain and went up by 5% to INR 5,720/ Qtl. as compared to 5,443/qtl. previous week amid stock limit removal, good demand at current level and firm global cues. So far this month, Indore soybean is up by 9.5% and 20% up from season's low of 4800.

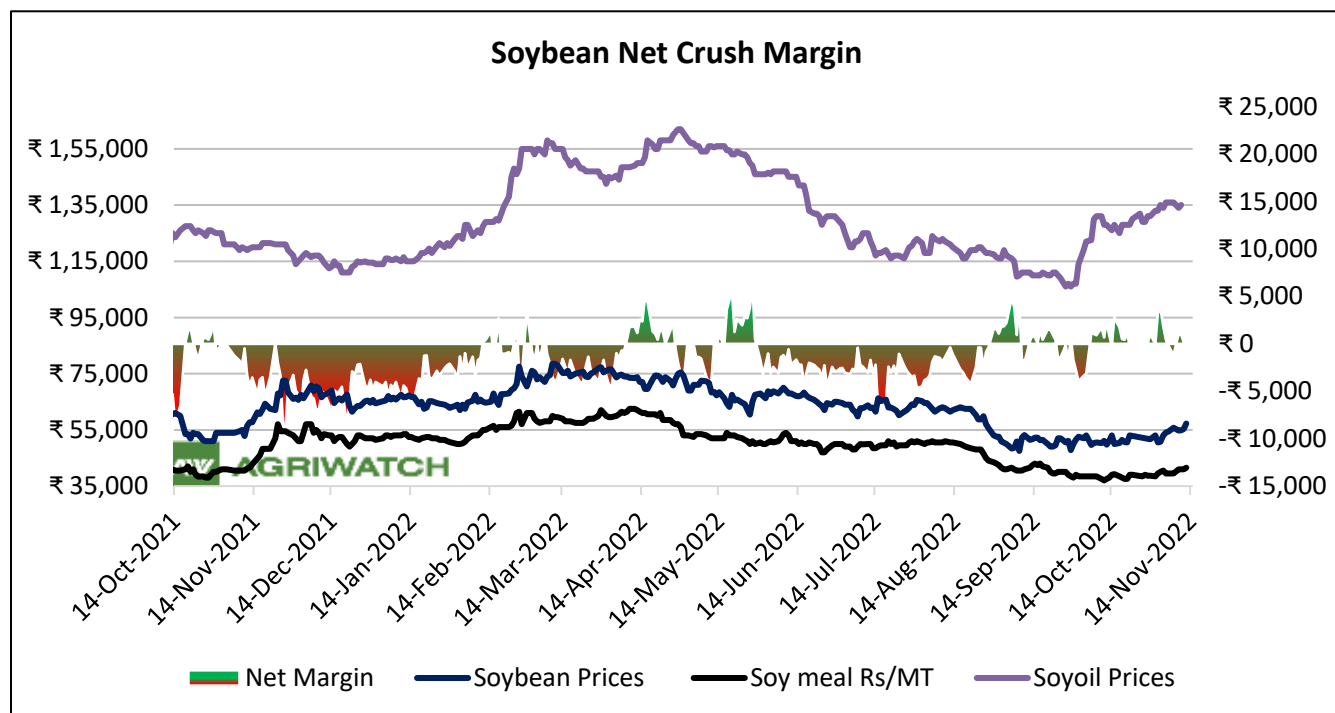
### Weekly Soybean Arrivals



This week, the total arrival in MP recorded low by 33% to 15.5 Lakh bags Vs 23 Lakh bags previous week. In Maharashtra arrivals declined to 13.8 Lakh bags vs 18.75 Lakh bags last week. In Rajasthan too the arrivals went down to 4.9 lakh bags Vs 7.3 Lakh bags previous week. Arrivals shrank, as farmers are reluctant to offload their stocks in anticipation of better prices in future.

### Soybean Crush Margin-

Soybean net crush margin became negative amid increase in Soy seed prices, during the week under review, weekly average soybean net crush margin improved to INR -42/ MT as compared to previous week at INR 1,493/MT.



### International Update:

During the week under review CBOT Soybean (Nov'22 contract) extended previous week gains and went up by 0.28% to \$14.55 tracking bullish CBOT soy oil prices. So far, this month CBOT Soybean has climbed 5.14%.

According to USDA Nov'22 report, 2021-22 Soy production estimate for India was kept unchanged at 11.5 million tonnes as compared to previous month estimates, However last year it was 11.9 MMT. US soy production increased slightly to 120.70 MMT as compared to previous month's estimate of 118.26 MMT while last year it was 117.37 MMT. On Thursday, CBOT Soybean futures (Nov expiry) declined by 2% to \$14.30/bushel amid higher production estimates. And domestic Soybean (Indore plant) declined by 1.75% to INR 5,625/qtl. in tandem with weak global cues.

However, Argentina's 2022-23 soy production estimate was slashed by 0.5 MMT to 49.5 MMT Vs 51 MMT previous month estimates and previous year at 43.9 MMT, Brazil soy production kept unchanged at 152 MMT compared to 144 MMT previous month estimates while last year it was 127 MMT.

According to the General Administration of Customs, China's Soybean imports in October fell by 7.4% to 73.18 million tonnes compared to 79.05 million tonnes last year same time frame. Low demand from feed industry amid covid lockdown dipped the soybean demand.

USA Soybeans Harvesting progress			
November 6, 2021	October 30, 2022	November 6, 2022	2017-2021 Average
78%	88%	94%	86%

## Technical Analysis

### US Soybean futures



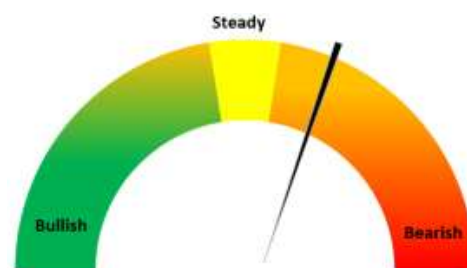
As depicted in the above chart, During the week under review, US Soybean remained flattish and went marginally down by 0.71% to \$14.51/bushels and taking support of 9, 18 and 100 DMA can be characterized as support in short run. RSI at 49 indicating weak buying strength. And MACD indicating firm steady momentum in short run. Over all market is expected to trade range bound and take support from 13.50-13.90 in short run and resistance from 14.80-15.00.

## Technical Analysis (Domestic market)

(Based on Indore Mandi prices)

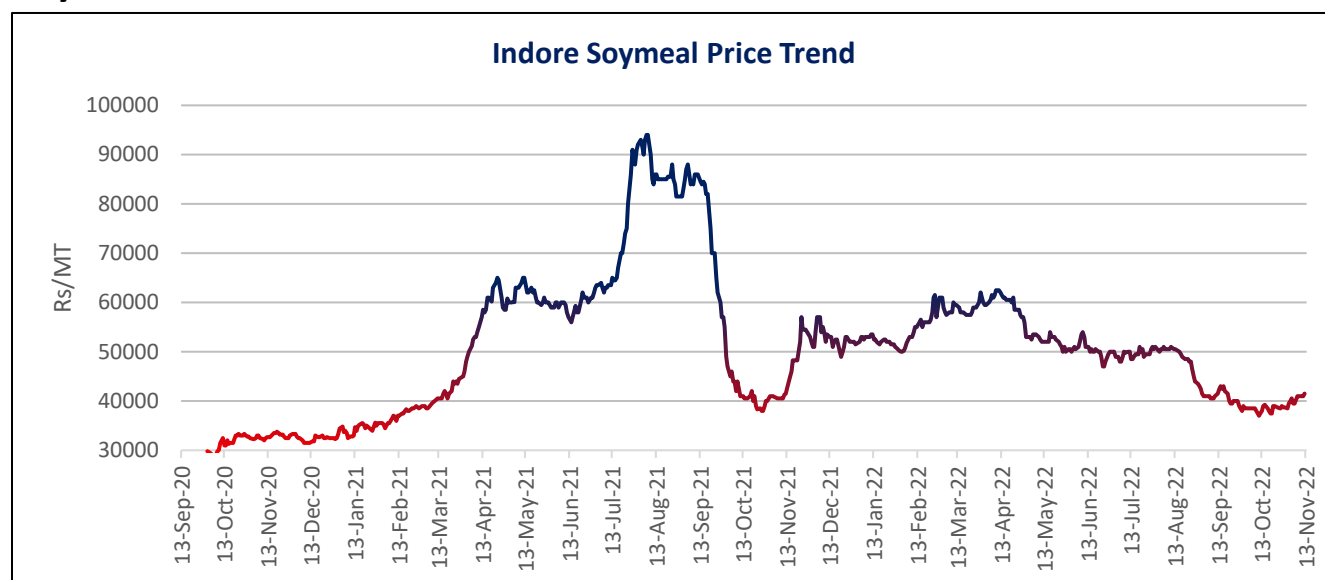


**Soybean Price Outlook for coming week:** Indore Soybean mandi prices are currently trading at INR. 5,600/qtl. and are expected to continue rebound from current level, and market may witness correction from 5800-6000 level on profit booking.



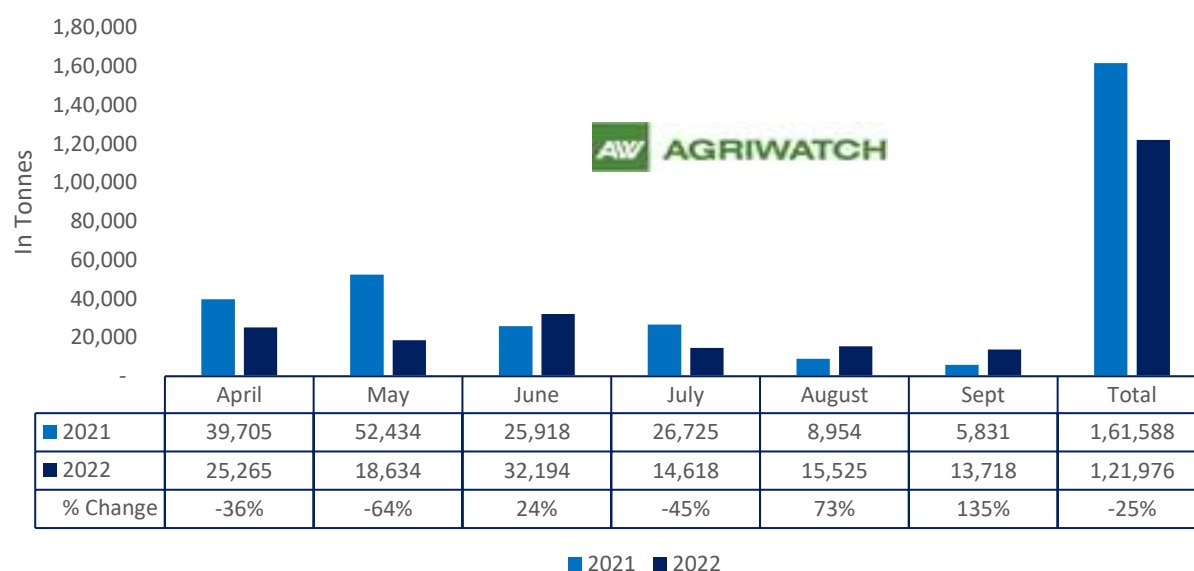
Soybean Mandi Price Outlook (INR./Qtl)	Previous week 31st Oct'22- 05th Nov'22	Week under review 07th Nov'22- 12th Nov'22	Next week 14 <sup>th</sup> - Nov'22- 19 <sup>th</sup> Nov'22
Weekly Average Price	5,050-5,250	5,500-5,600	5,300-5,700

### Soymeal



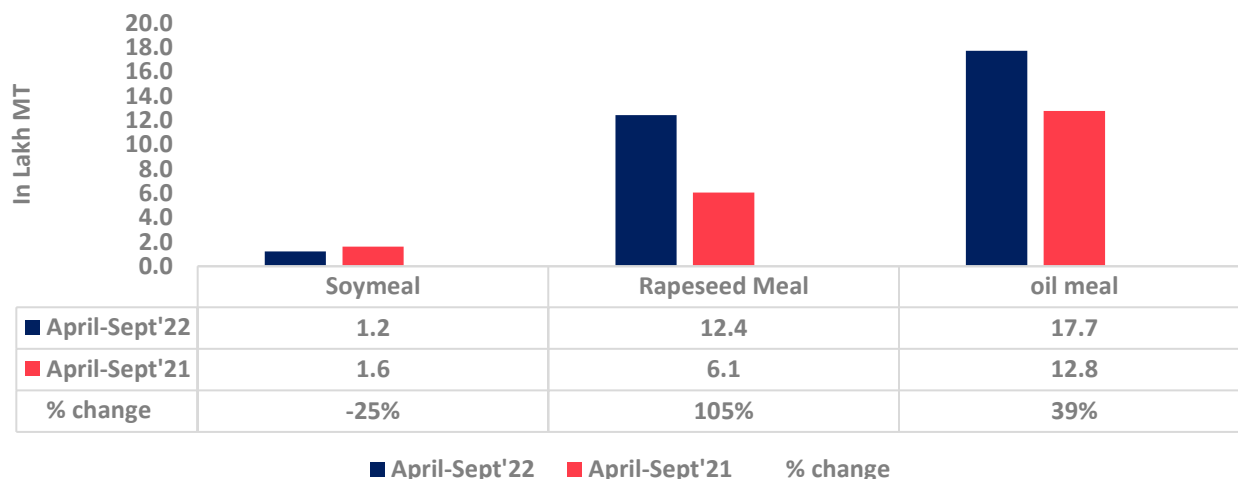
During the week under review, Indore Soymeal prices weekly average prices extended previous week gains and went up by 4.3% to INR 41,300/MT as compared to last week at INR 39,583/MT in tandem with rebound in soybean prices and stock limit removal. So far this month Indore soymeal prices are up by 6%. Overall, the prices quoted between INR 41,000-42,000/MT throughout the week. At Nanded, the weekly average prices improved to INR. 44,800/MT compared to INR. 41,083 MT a week ago. In Kota the meal prices were up at INR. 43,300/MT compared to INR. 42,333/MT previous week.

### Soy meal export

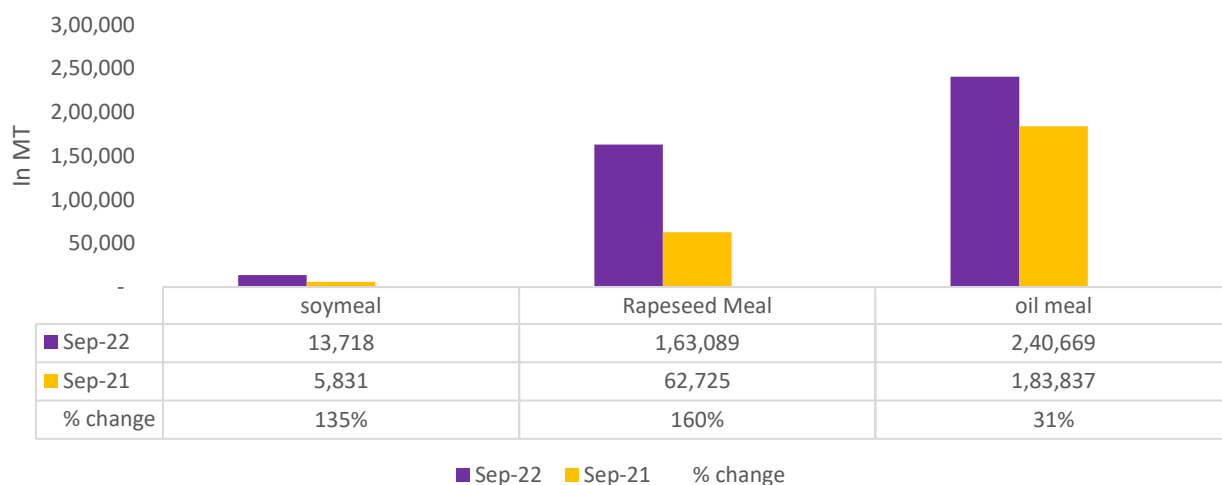


Total oil meal exports in April- Sept'22 went up by 39% to 17.71 Lakh tonnes vs 12.76 Lakh tonnes previous year same period. However, Soymeal exports went down by 25% to 1.21 Lakh tonnes in April-Sept'22 Vs 1.61 Lakh tonnes previous year same period. Soymeal exports went down due to over-priced Indian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

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

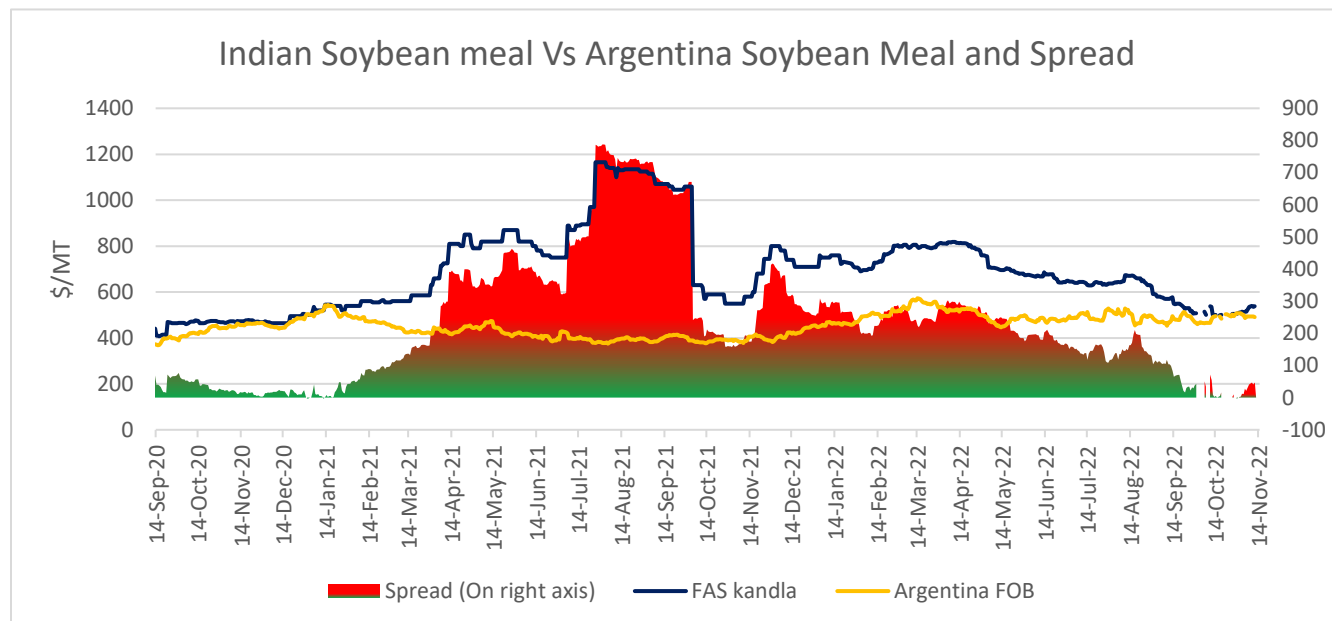


### Soy meal Vs Rapeseed meal Vs Oil meal export (Sept'22)

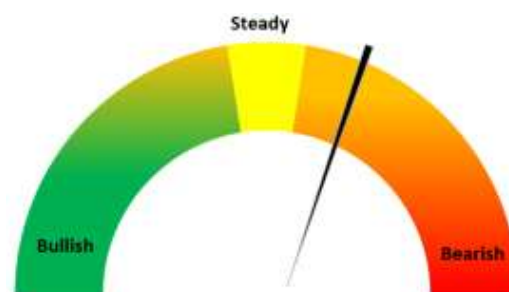




Currently, Indian Soymeal FOB prices trading at \$538/MT, Argentina Soymeal FOB prices trading at \$491/MT and spread stands at \$47/MT. Decline in Argentine soymeal prices has led to a squeeze in spread. In upcoming weeks, if Indian soymeal prices further become competitive, export demand may revive, and Soybean prices are likely to improve.

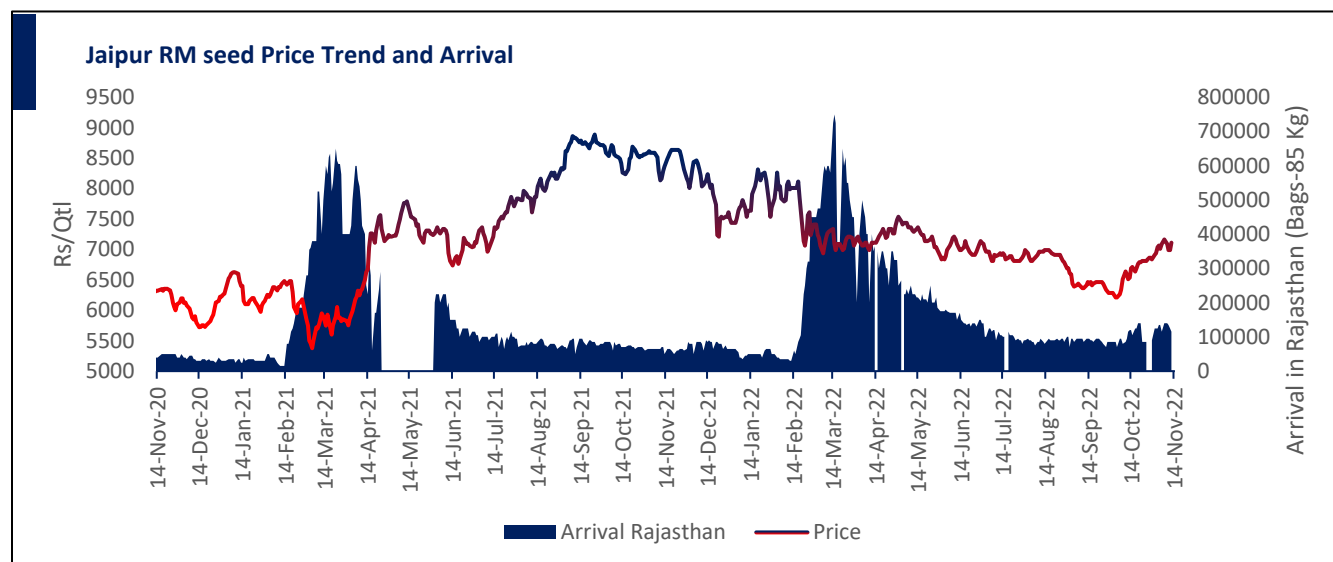


**Soymeal Price Outlook for coming week:** Soybean meal prices are expected to rebound in tandem with soybean prices. Revive in soymeal export demand too likely to support soymeal prices in upcoming months.

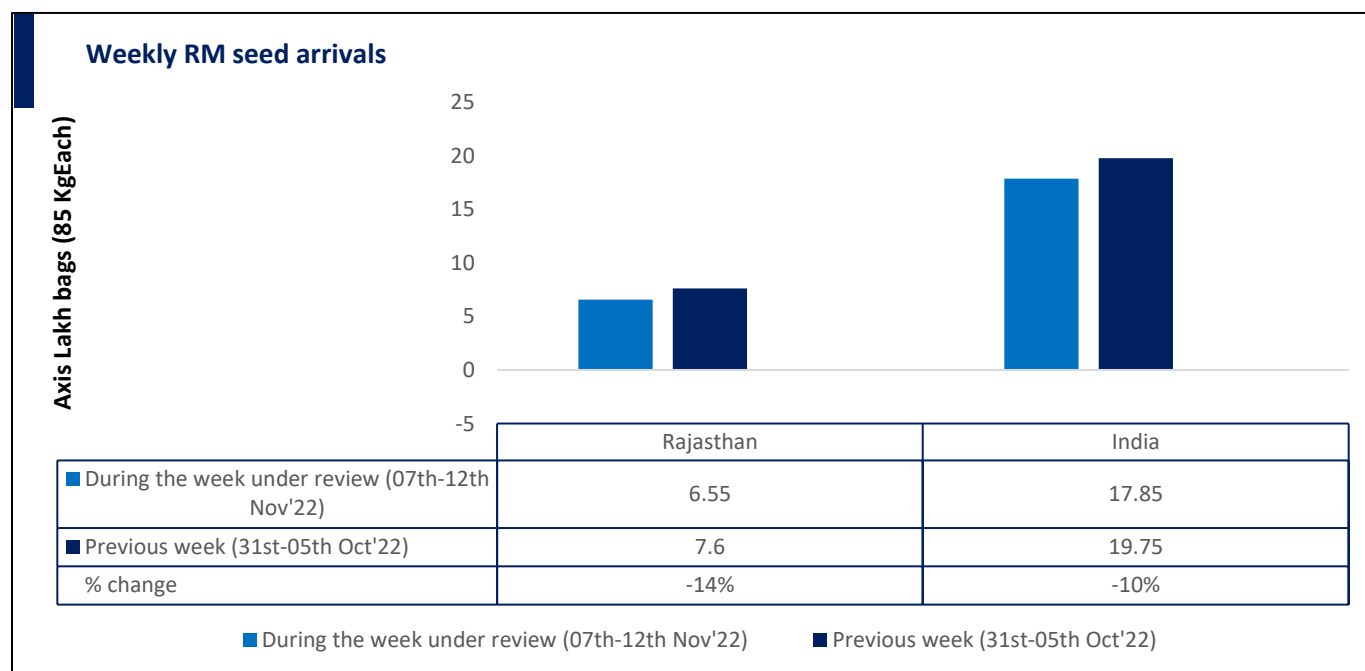


Soymeal Indore Price Outlook (INR./MT)	Previous week 31st Oct'22- 05th Nov'22	Week under review 07th Nov'22- 12th Nov'22	Next week 14 <sup>th</sup> - Nov'22- 19 <sup>th</sup> Nov'22
Weekly Average Price	38,500-40,500	41,000-41,500	41,000-43,000

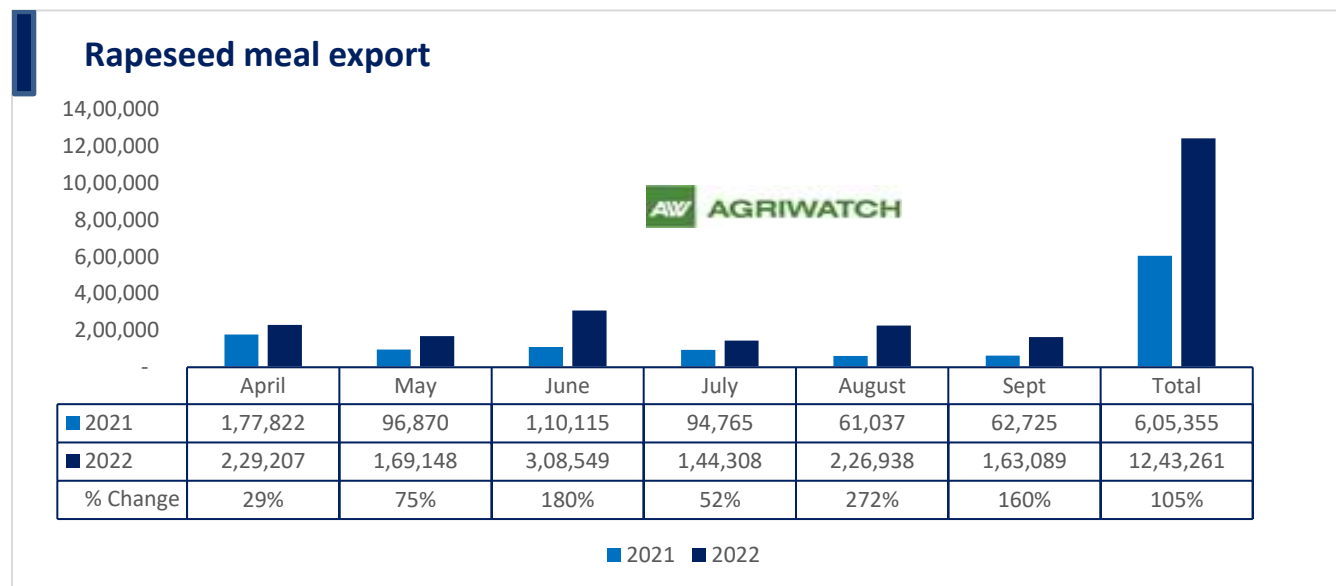
### Rapeseed - Mustard Seed



RM seed strengthened during the week under review. Jaipur RM seed weekly average prices went marginally up by 0.84% to INR. 7,067/qrtl as compared to INR. 7,008/qrtl previous week amid shrink in arrivals, firm Mustard oil demand and stock limit removal. So far month till date, RM seed prices are currently 13% up tracking stock limit removal and bullish oilseed complex.



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 11-Nov-2022 (In Lakh Ha)			
State	2022	2021	% Change over previous year
Rajasthan	33.16	27.46	21%
Uttar Pradesh	10.11	10.02	1%
Madhya Pradesh	7.80	7.78	0%
West.Bengal	2.28	1.25	82%
Gujarat	1.19	0.22	436%
Assam	0.38	1.01	-63%
Chhattisgarh	0.31	0.36	-14%
Nagaland	0.05	0.06	-22%
Others	0.09	0.04	131%
Total	55.35	48.20	15%

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:



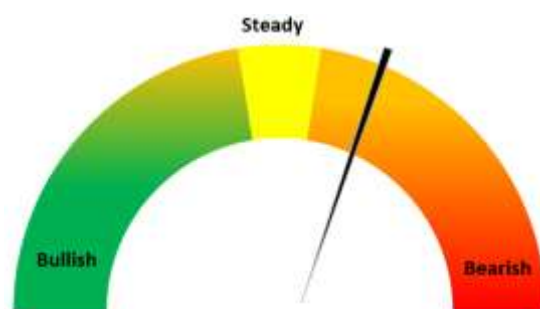
##### Technical Commentary:

- As depicted in the above chart, market is currently trading at three months high at 7113 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 7300, next resistance is at 7500.

##### Recommendation-

Market participants are recommended to sell 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.

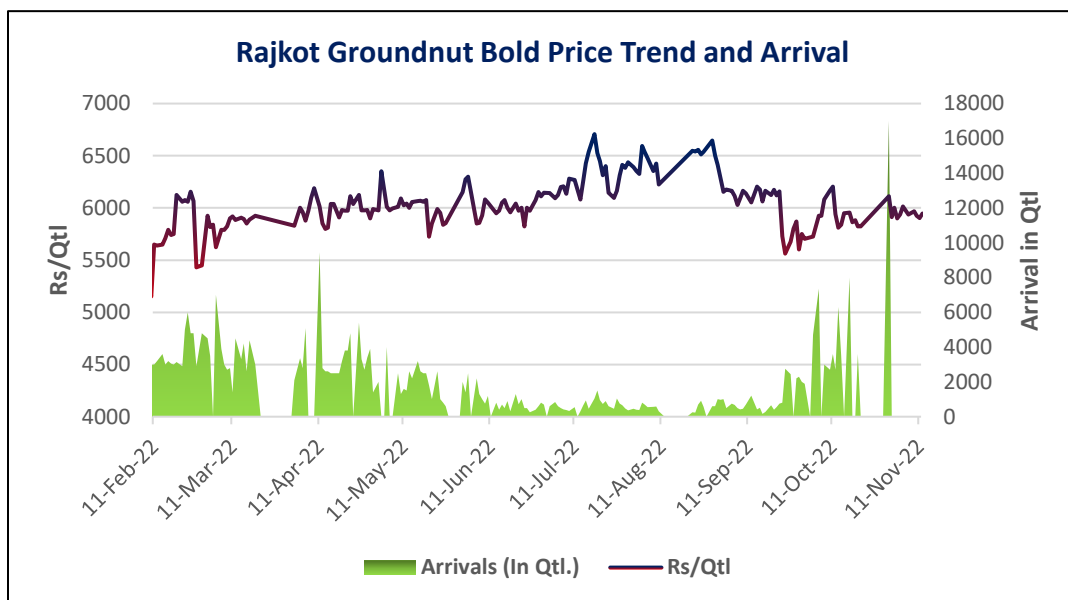


Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 31st Oct'22- 05th Nov'22	Week under review 07th Nov'22- 12th Nov'22	Next week 14 <sup>th</sup> - Nov'22- 19 <sup>th</sup> Nov'22
Weekly Average Price	6,913-7,088	6,988-7,163	6,800-7,200

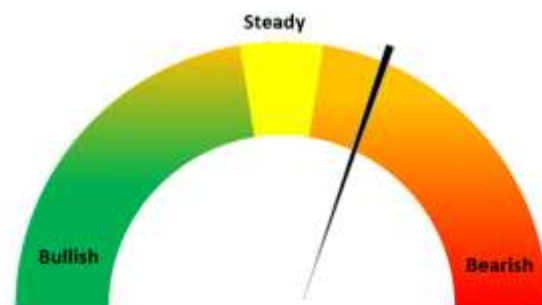
### Groundnut

During the week under review, Rajkot Groundnut weekly average bold prices traded sideways and went marginally down by 0.73% to INR 5,936/Qtl. as compared to previous week at INR 5,979/Qtl. amid rise in arrivals. All India arrivals recorded up by 44%

to 91.5 Thousand tonnes as compared to 63.5 thousand tonnes previous week previous week.



**Groundnut Price Outlook for coming week:** Rajkot groundnut bold prices expected to trade sideways with downward bias.



Rajkot Groundnut Bold Price Outlook (INR./Qtl)	Previous week 31st Oct'22- 05th Nov'22	Week under review 07th Nov'22- 12th Nov'22	Next week 14 <sup>th</sup> - Nov'22- 19 <sup>th</sup> Nov'22
Weekly Average Price	5,900-6,113	5,903-5,968	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>12-Nov-22</b>	<b>05-Nov-22</b>	<b>12-Oct-22</b>	<b>12-Nov-21</b>
Indore –Plant	3%	5850	5700	5050	5625
Indore–Mandi	4%	5700	5500	5000	5550
Nagpur-Plant	6%	6050	5690	5150	5825
Nagpur – Mandi	5%	5750	5490	4900	5680
Latur – Mandi	10%	6400	5815	5235	5515
Akola – Mandi	6%	5800	5490	5000	5400
Kota-Plant	-1%	5800	5850	5100	6075
Kota – Mandi	-1%	5700	5750	4900	5875
Bundi-Plant	0%	5800	5800	4960	5865
Bundi-Mandi	1%	5700	5650	4760	5715
Baran-Plant	1%	5900	5850	5250	5950
Baran-Mandi	-	Closed	Closed	5000	5900
Bhawani Mandi Jhalawar–Plant	-2%	5700	5800	5300	6400
Jhalwar-Mandi	-1%	5550	5600	4850	6100
<b>Rapeseed/Mustard</b>					
Jaipur-(Condition)	0%	7125	7100	6525	8300
Alwar-(Condition)	5%	6800	6500	6200	7900
Sri Ganganagar-(Non-Condition)	2%	6700	6600	5800	7350
New Delhi–(Condition)	1%	6850	6775	6380	8050
Kota-(Condition)	5%	6700	6400	6300	7700
Agra-(Condition)	0%	7286	7310	6714	8524
Neewai-(Condition)	-2%	6400	6525	5900	7900
Hapur (UP)-(Condition)	1%	7000	6900	6500	8150
<b>Groundnut Seed</b>					
Rajkot	1%	1080	1070	1030	850
<b>Sunflower Seed</b>					
Gulbarga	-2%	6400	6500	5200	5400

Latur	-1%	7000	7100	6300	5700
Sholapur	-1%	7000	7100	6300	5700

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.

		Today	Week Ago	Month Ago	Year Ago
<b>Other Oilseed Prices at Mumbai (INR/100 Kg):</b>					
Oilseeds	Change	12-Nov-22	5-Nov-22	12-Oct-22	12-Nov-21
Groundnut Kernel	-4%	7650	7950	8400	6900
Gr. Bolds 60/70	-1%	8600	8700	9400	8900
Gr. Javas 60/70	-1%	9500	9600	10300	9700
Gr Javas 70/80	-1%	9400	9500	10200	9500
Gr.Javas 80/90	-1%	9200	9300	10000	9300
KardiSeed 2% Exp Qly	-2%	5300	5400	5400	5900
Sesame White 98/2/1 FM	1%	11200	11100	10400	9500
Whitish 95/5/FFA/1FM	1%	11000	10900	10200	9300
Brown 48/2 FFA/4 FM	1%	10800	10700	10100	8900
Brown 48/3 FFA/4 FM	1%	10600	10500	9700	8800
Brown 48/4 FM/* No FFA Guarantee	1%	10400	10300	9100	8400
Sunflower Seed	0%	6700	6700	6800	7500
Niger Seed (4% FM)	-2%	8300	8500	8400	8100

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