

Oil Meal Weekly Research Report

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Executive Summary

The weekly average prices of Soybean Indore mandi prices went down by 1% to INR 5,339/ Qtl. as compared to 5,595/ qtl. previous week amid weak demand.

The weekly average prices of Indore soymeal too went down by 1.6% to INR 40,833/MT as compared to last week at INR 41,500/MT in tandem with Soybean prices.

During the week under review, Jaipur RM seed weekly average prices went down by 2.2% to INR. 6,816/qtl amid weak demand and correction in rival commodities too weighed on RM seed prices.

During the week under review, Rajkot Groundnut weekly average bold prices went up by 2% at INR 5,989/Qtl. amid shrink in arrivals.

Outlook – Cash Market

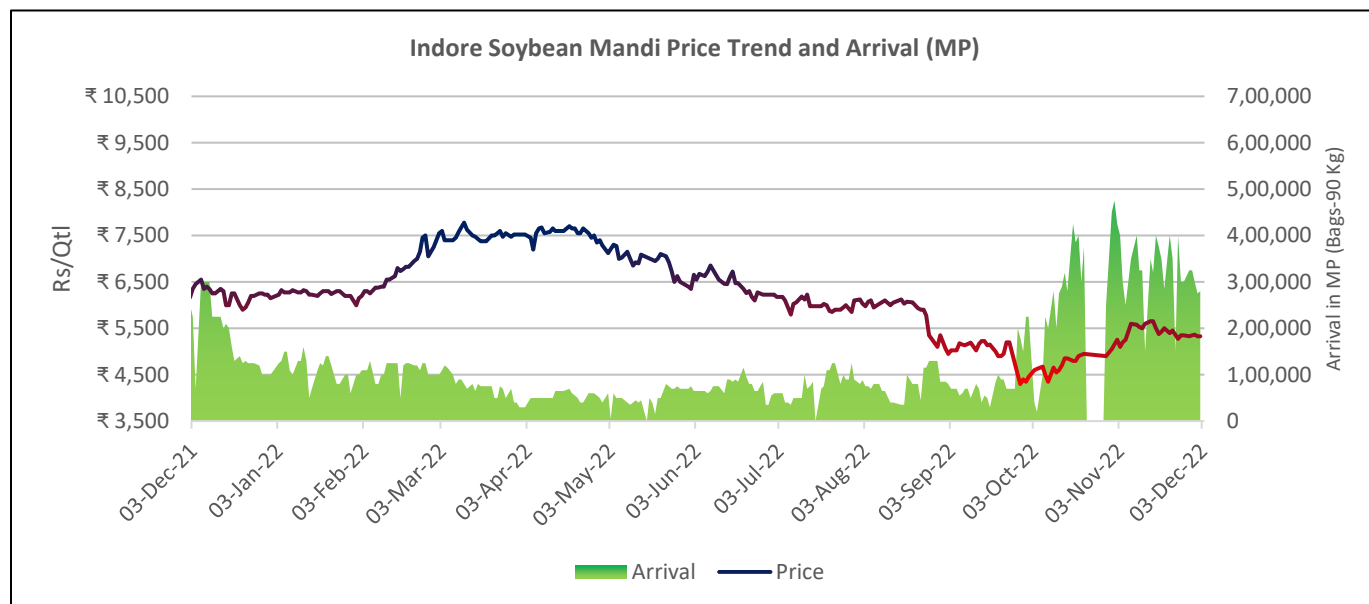
Outlook - Soybean (Spot Indore): In the coming week, soybean plant prices are expected to trade sideways with downward bias amid weak demand. The prices (Indore, Plant basis) are expected to feature in the price band of 5,400-5,600 levels in the near term.

Outlook – Soy meal:

The soy meal prices (Indore) are likely to trade sideways with weak bias in tandem with soybean prices. Soy meal Indore prices are likely to trade in the range of 39,000 – 42,000/MT.

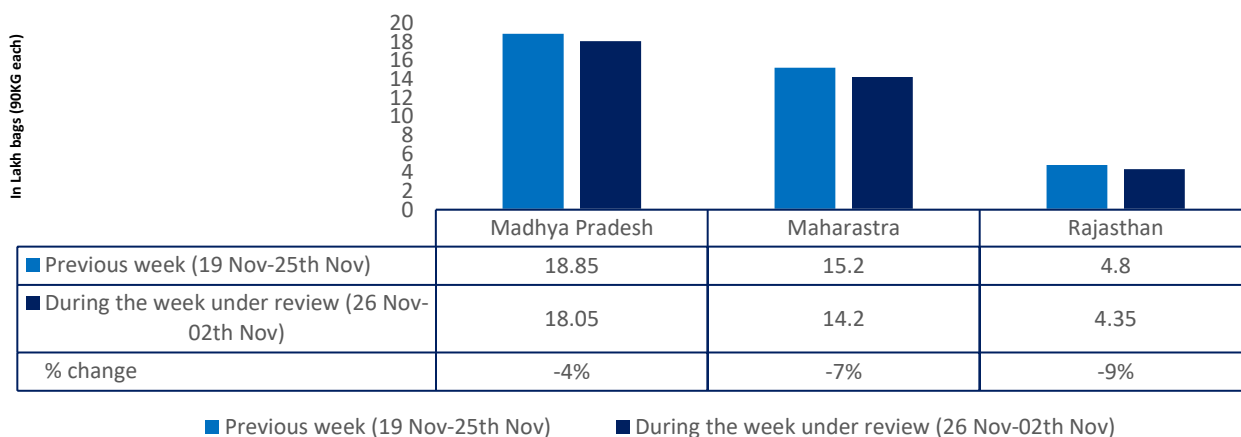
Outlook - Rapeseed-Mustard (Spot, Jaipur basis): Rapeseed-Mustard is expected to trade rangebound with weak bias. The seed prices are likely to trade in the range between 6,650 – 6,800/Qtl. in the short-run.

Soybean



During the week under review, Soybean indore mandi prices extended previous week loss and went down by 1% to INR 5,339/ Qtl. as compared to 5,595/ qtl. previous week. During the week the market made a high of INR 5,362/Qtl. Stock limit removal, good demand from crushers and rebound in Soymeal export demand pushed Soybean prices more than 24% up from current season low of INR 4300 levels and 5% up month till date.

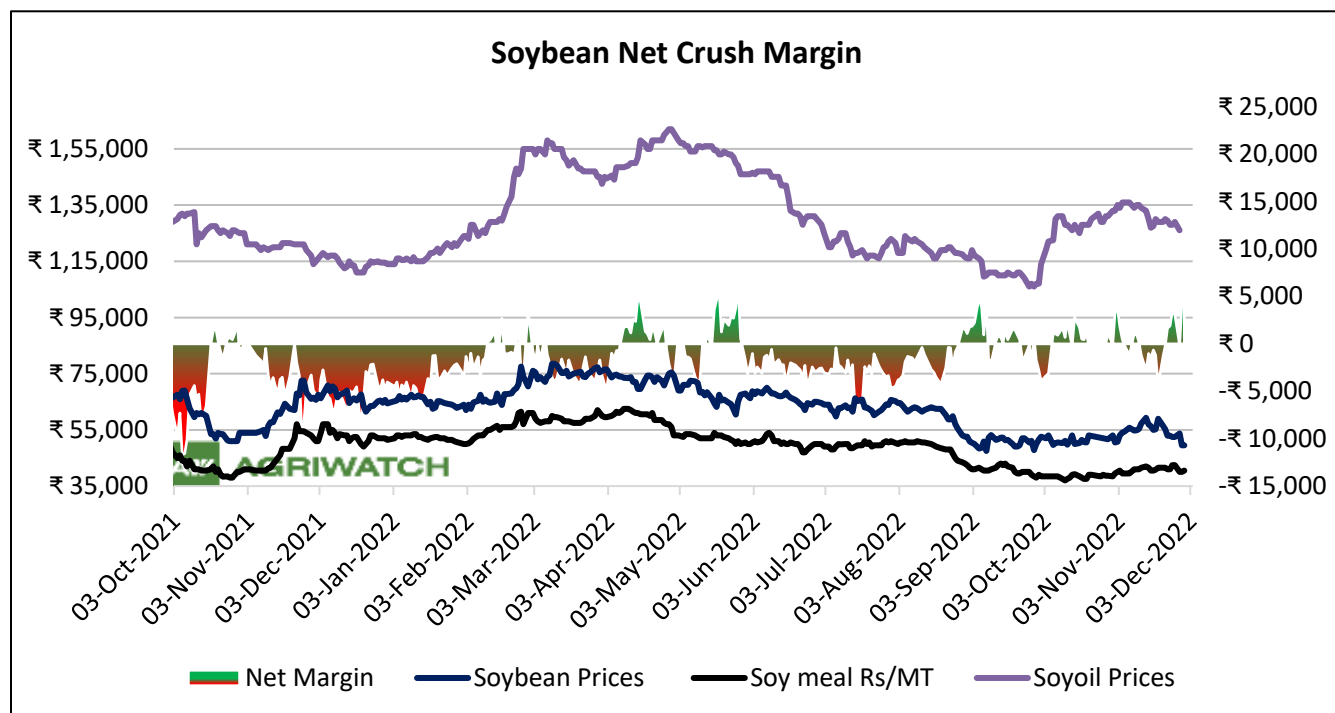
Weekly Soybean Arrivals



During the week under review, the total arrival in MP recorded up by 22% to 18.85 Lakh bags Vs 15.5 Lakh bags previous week. In Maharashtra too arrivals went up to 15.2 Lakh bags vs 13.45 Lakh bags last week. In Rajasthan the arrivals recorded low to 4.8 lakh bags Vs 4.65 Lakh bags previous week.

Soybean Crush Margin-

Soybean net crush margin improved during the week under review. Weekly average soybean net crush margin for the period of 26th to 02nd Dec is in parity at INR 1727/ MT as compared to previous week at INR 175/MT. If, demand for soy meal improves, crush margin may improve along with it.



International Update:

During the week under review, (CBOT Soybean Jan'22 Expiry) witnessed gained amid dry weather condition in Argentina then On Thursday, market witnessed heavy loss and slumped by 2.71% and soy oil too slumped by 6.26% as US's EPA (Environment Protection Agency) proposed volume for 2023 missed the trade expectations. The trade participants had anticipated the increment by around 0.8-1.0 billion gallons. However, EPA proposed the Biodiesel's volume at 2.82 billion gallons with an increment of only 0.6 billion gallons from the volume of 2.76 billion gallons in 2022. Weakness in Palm oil prices also weighed on soy oil prices.

According to Ag Rural, Brazil's 2022/23 soybeans were 80% planted as of late last week compared to 86% last year and 73% average. This represents an advance of 11% for the week. Planting is essentially complete in Mato Grosso except for the northeastern corner of the state, but dry weather in parts of central Brazil such as Goias and Minas Gerais has slowed the planting pace in those two states.

The soybeans in Argentina were 12% planted as of late last week compared to 28.7% last year. There are reports of farmers planting soybeans in abandoned wheat and barley fields and in fields originally intended for early corn. The biggest advance in soybean planting last week was in La Pampa and Buenos Aires.

Technical Analysis

US Soybean futures



As depicted in the above chart, During the week under review, US Soybean remained flattish and went marginally up by 0.31% to \$14.38/bushels and taking support of 9 and 18 DMA. RSI at 48 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 13.90-14.20 in short run and resistance from 14.80-15.00.

Technical Analysis (Domestic market)

(Based on Indore Mandi prices)

SOYBEAN – Technical Outlook

Soybean Indore Spot -Weekly time frame

Technical Chart:



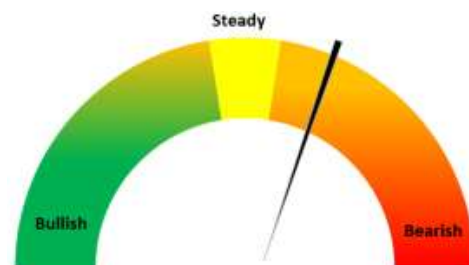
Technical Commentary:

- Soybean Indore prices closed to 5,550 levels and during the week under review, market made low of 5,400, high of 5,655.
- Market is currently taking support of 9 and 18 DMA, 50 and 100 DMA can be characterized as resistance.
- 5200-5300 is near term support and 5,700-5,800 is near term resistance.

Recommendation-

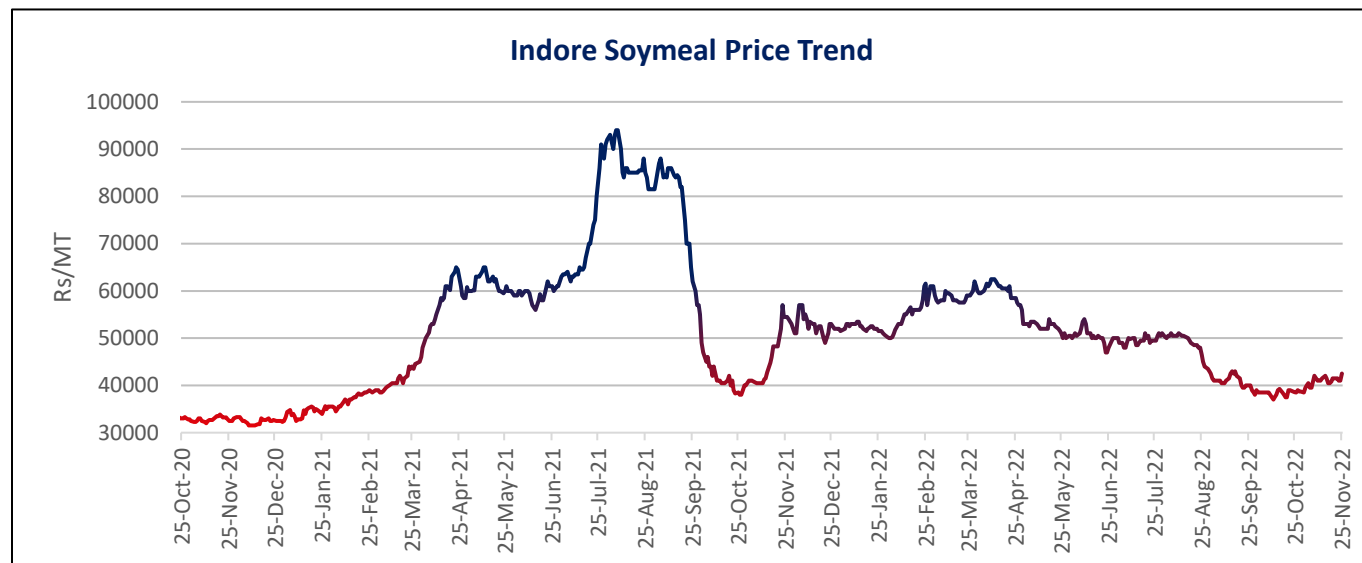
- Market Participants are recommended to sell their stocks in the range of 5700-6000.

Soybean Price Outlook for coming week: Indore Soybean mandi prices are currently trading at INR. 5,250/qtl. and are expected to trade with weak bias amid weak demand.

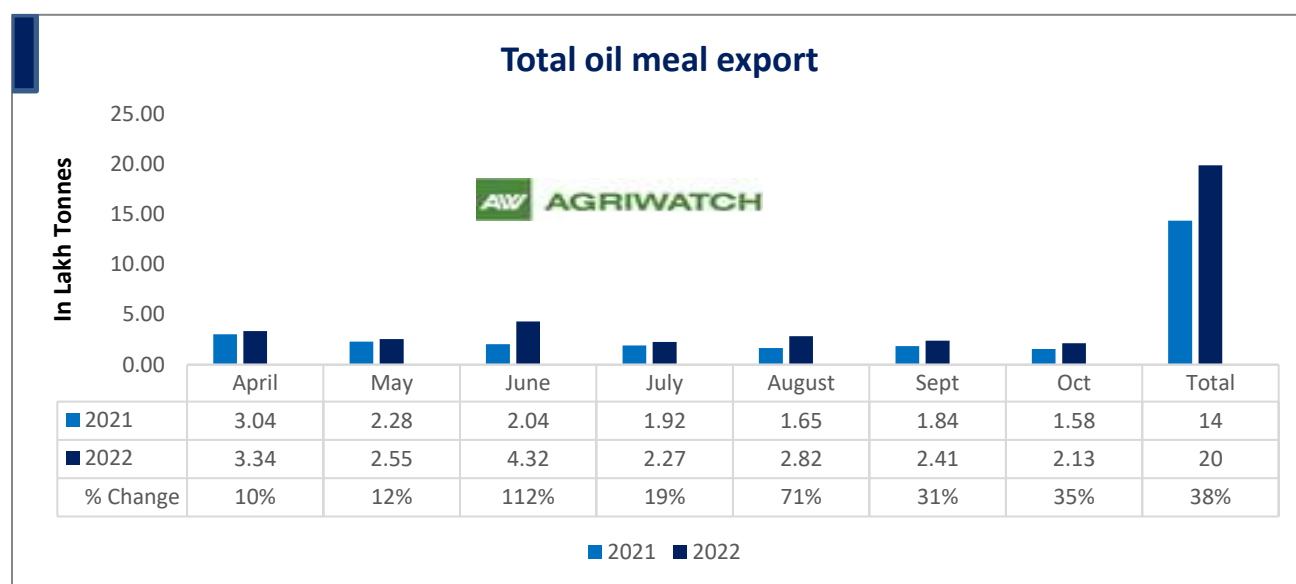


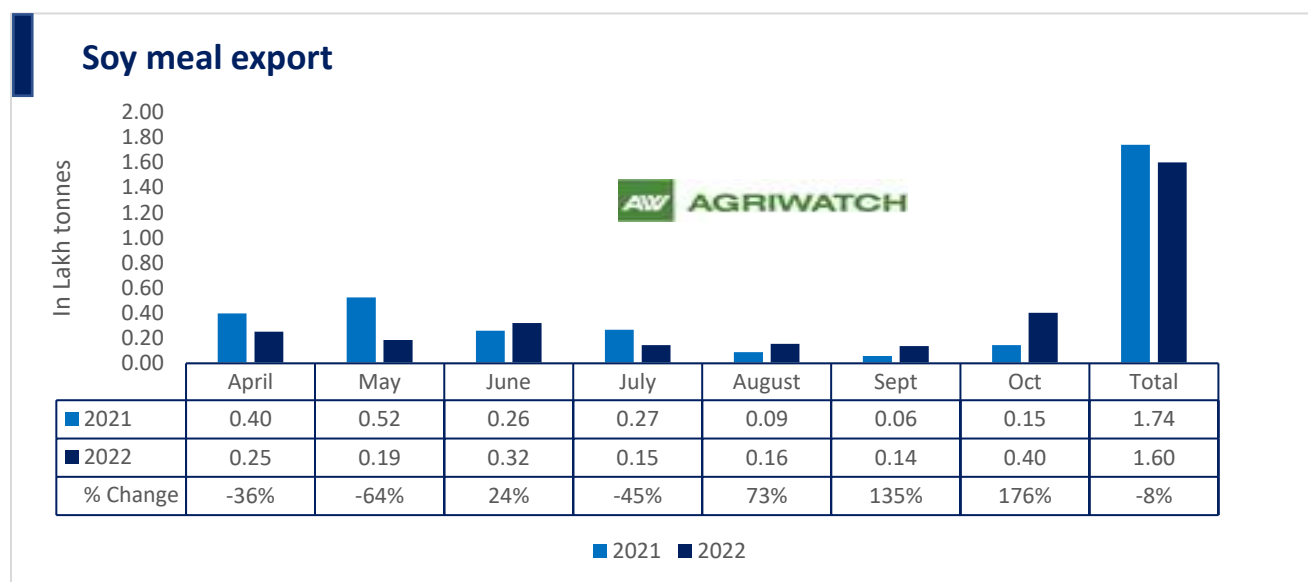
Soybean Mandi Price Outlook (INR./Qtl)	Previous week 19th- Nov'22- 25th Nov'22	Week under review 26th- Nov'22- 02nd Dec'22	Next week 03rd Dec'22- 09th Dec'22
Weekly Average Price	5,275-5,500	5,325-5,362	5,200-5,500

Soymeal



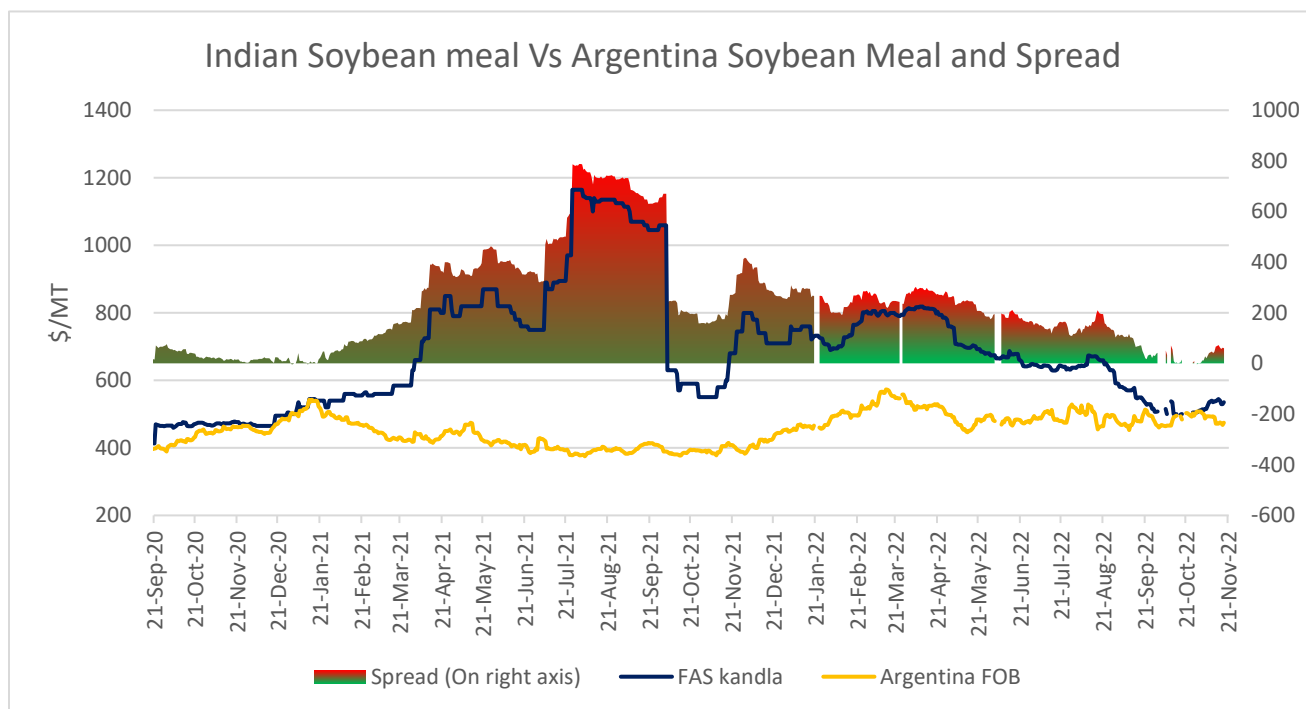
During the week under review, Indore Soymeal weekly average prices went down by 1.6% to INR 40,833/MT as compared to last week at INR 41,500/ amid rebound in Soymeal export demand. So far this month Indore soymeal prices are up by 6.5%. Overall, the prices quoted between INR 40,000-42,500/MT throughout the week. At Nanded, the weekly average prices declined to INR. 43,900/MT compared to INR. 44,750 MT a week ago. In Kota the meal prices were down at INR. 41,916/MT compared to INR. 42,916/MT previous week.





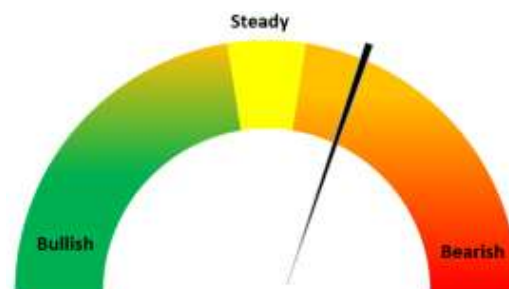
Total oil meal exports in April- Oct'22 went up by 38% to 20 Lakh tonnes vs 14 Lakh tonnes previous year same period. However, Soymeal exports up by 176% to 0.40 Lakh tonnes in Oct'22 Vs 0.15 Lakh tonnes previous month. Soymeal exports went up for the third straight month on good soymeal exort demand from south east Asia tracking competitive prices in global markets. However, in April'22-Oct'22 soymeal exports are down by 8% to 1.60 Lakh tonnes as compared to 1.74 Lakh tonnes previous year same period.

SOPA in its monthly update reported Soybean meal production in Oct'22 up by 24% to 6.43 Lakh tonnes, this compares with 5.19 Lakh tonnes previous year same period. Soymeal production went up in October as crush margin was in parity amid low soybean prices during the month as monthly average net crush margin rendered in Oct'22 at INR 283/MT which ushed up crushing pace.



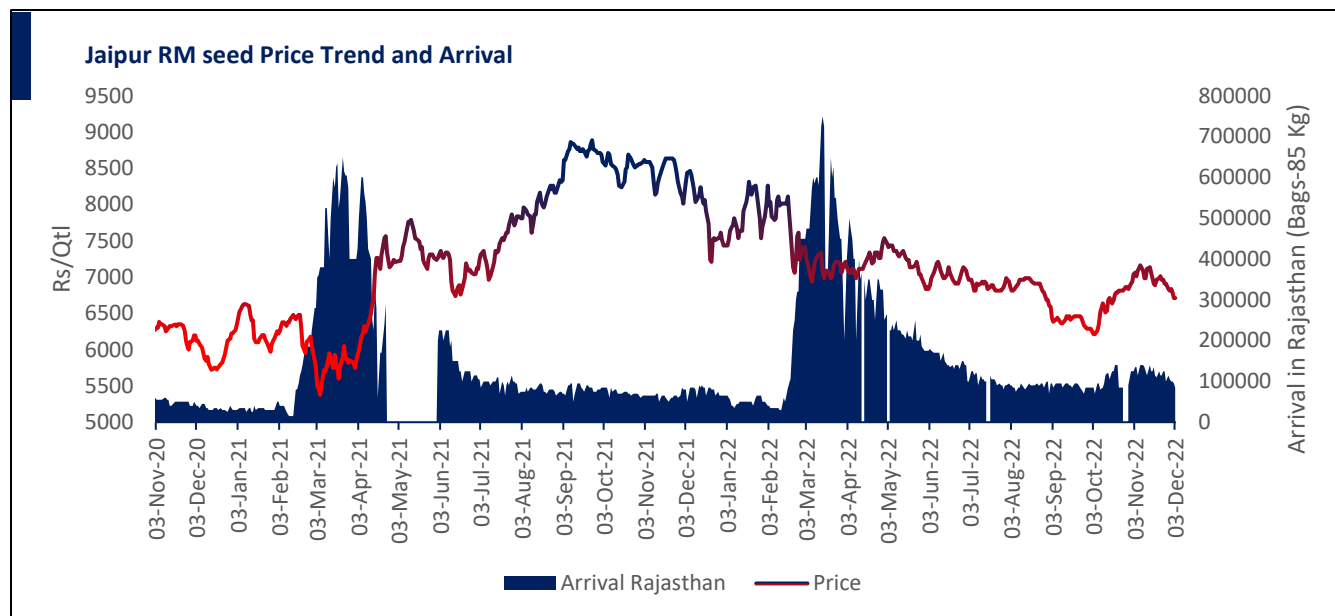
Currently, Indian Soymeal FOB prices trading at \$535/MT, Argentina Soymeal FOB prices trading at \$475/MT and spread stands at \$60/MT. Decline in Argentine soymeal prices has led to a squeeze in spread. Upon squeeze in spread Indian someal export demand is rising and so the prices are improving.

Soymeal Price Outlook for coming week: Soybean meal prices are expected to trade sideways with weak bias. However, revive in soymeal export demand likely to support soymeal prices in upcoming months.



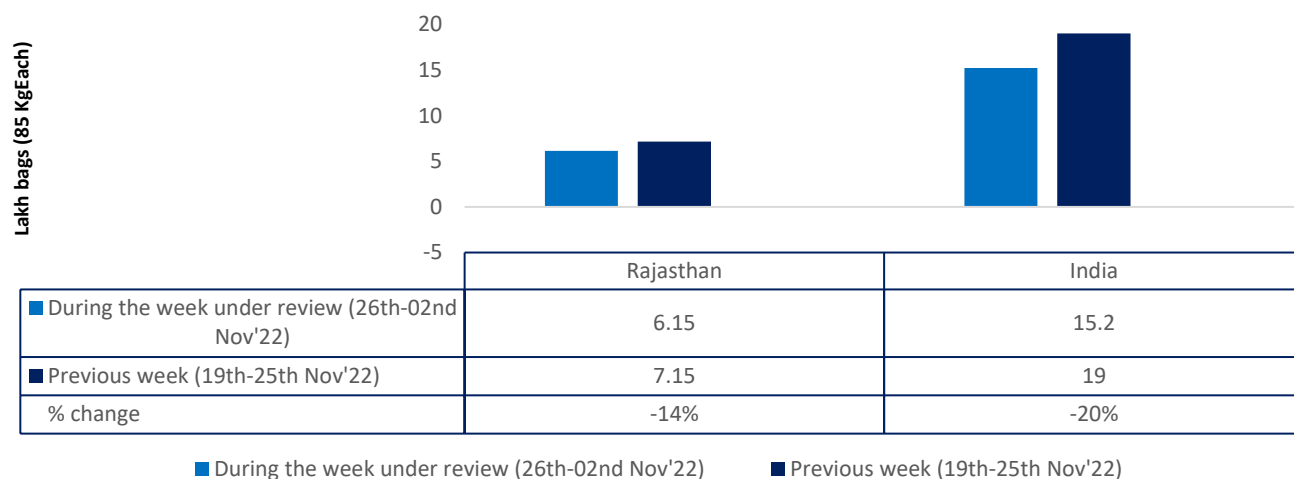
Soymeal Indore Price Outlook (INR./MT)	Previous week 19th- Nov'22- 25th Nov'22	Week under review 26th- Nov'22- 02nd Dec'22	Next week 03rd Dec'22- 09th Dec'22
Weekly Average Price	41,000-42,500	40,000-42,500	39,000-42,000

Rapeseed - Mustard Seed



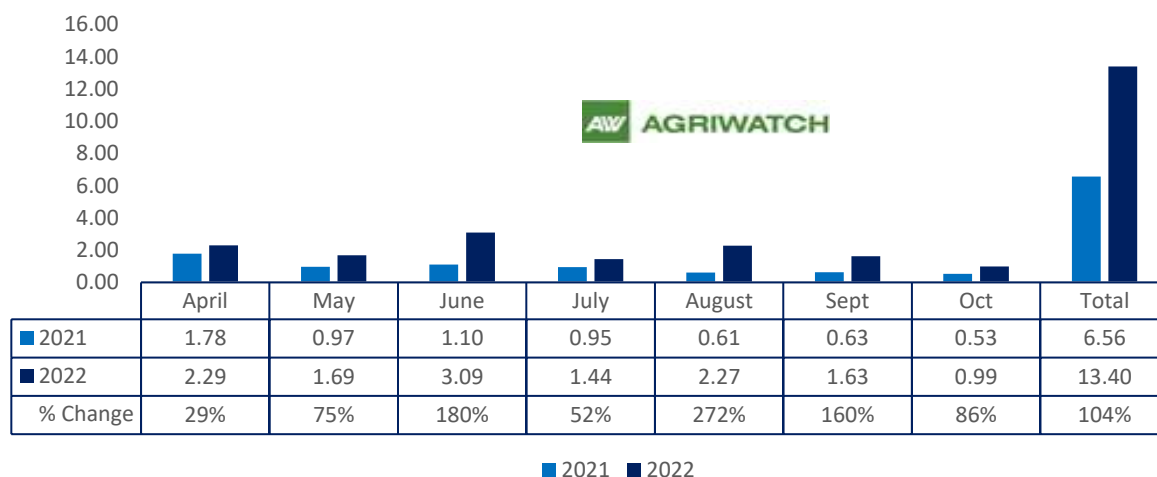
RM seed remained weak during the week under review. Jaipur RM seed weekly average prices went down by 2.2% to INR. 6,816/qrtl as compared to INR. 6,966/qrtl previous week. Bearish global cues, weak demand and correction in rival commodities weighed on RM seed prices.

Weekly RM seed arrivals



During the week under review, RM Seed arrivals in Rajasthan recorded low to 6.15 Lakh bags as compared to 7.15 lakh bags previous week. All India arrivals too declined to 15.2 Lakh bags Vs 19 Lakh bags previous week. Despite shrink in arrivals RM seed prices declined amid weak demand in the market.

Rapeseed meal export



There is a significant jump in export of rapeseed meal in April'22-Oct'22 and reported at 13.40 Lakh tons compared to 6.56 Lakh tons previous year same period i.e., up by 104%. And in Oct'22 exports recorded up by 86% to 0.99 Lakh tonnes vs 0.53 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.

Mustard and Rapeseed			
Area Covered (Lakh Ha) as of 2 December 2022			
State	2022	2021	% Change
Rajasthan	37.966	34.476	10.12%
Madhya.Pradesh	13.18	10.34	27.47%
Uttar.Pradesh	12.434	12.592	-1.25%
West.Bengal	4.75	3.65	30.14%
Gujarat	2.809	2.354	19.33%
Assam	1.95	2.533	-23.02%
Jharkhand	1.455	1.328	9.56%
Chhattisgarh	0.747	0.715	4.48%
Others	1.396	1.327	5.20%
Total	76.687	69.32	10.64%

International-

Canadian canola utilization is expected to recover, with exports expected to rise about 77% to 9.3 million tonnes (Mt) and domestic crush volume to increase to 10, 0 Mt, compared to 8.6 Mt last year. The export rate to date is 103% over last year according to Canadian Grain Commission data, with shipments to Mexico, China and Japan accounting for 39%, 37% and 17% respectively. % of market share at the end of September. The average oil content of western Canadian canola is currently estimated at 42.7%, based on analysis of 1,369 samples; 94% of Canadian canola is grade No. 1. Carry-out stocks have fallen 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:

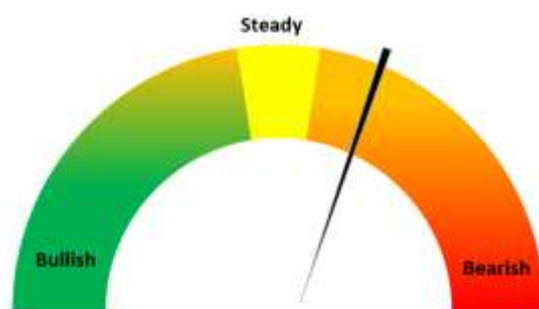


- As depicted in the above chart, market corrected for the third consecutive week, and during the week under review, market closed lower to 6,712, made low of 6,712, high of 6,837.
- Market is trading above 9 and 18 DMA and can be characterized as immediate support, 50 and 100 DMA can be characterized as resistance.
- Immediate support is at 6,700, next support is at 6600 and immediate resistance is at 6,900, next resistance is at 7150.

Recommendation-

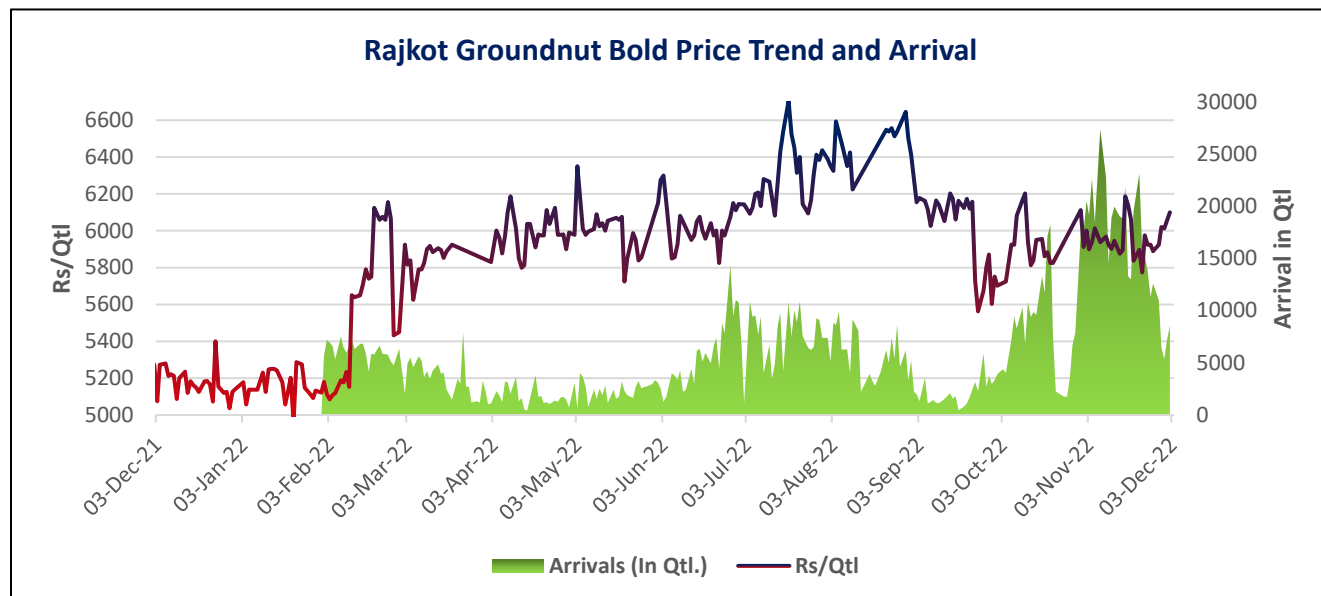
Market participants are recommended to sell at current levels.

RM seed Price Outlook for coming week: RM Seed is expected to trade sideways with weak bias.



Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 19th- Nov'22- 25th Nov'22	Week under review 26th- Nov'22- 02nd Dec'22	Next week 03rd Dec'22- 09th Dec'22
Weekly Average Price	6,913-7,013	6,713-6,863	6,650-6,800

Groundnut



During the week under review, Rajkot Groundnut weekly average bold prices traded firm and went up by 2% to INR 5,989/Qtl. as compared to previous week at INR 5,889/Qtl. on the back of shrink in arrivals. All India arrivals recorded down by 54% at 0.45 Lakh tonnes as compared to 0.98 Lakh tonnes previous week. Oil millers and groundnut seed processors are buying the commodity in large quantities. Export demand for groundnuts has also increased. Besides, there are encouraging inquiries from Chinese buyers for groundnut oil. Farmers are currently reluctant to offload their stocks and anticipating better prices in future.

In Oct'22 Groundnut oil export demand declined by 49% to 3952.90 tonnes as compared to previous month at 7812.49 tonnes. Weak groundnut oil demand and new crop arrivals weighed on Groundnut prices.

Rabi Groundnut sowing progress:

Rabi Groundnut			
Area Covered (Lakh Ha) as of 2 December 2022			
State	2022	2021	% Change
Karnataka	1.24	1.01	22.77%
Telangana.	0.531	1.138	-53.34%
Odisha	0.323	0.157	105.73%
Tamil.Nadu	0.308	0.157	95.18%
Andhra.Pradesh	0.24	0.24	0.00%
Others	0.031	0.025	24.00%
Total	2.67	2.10	27.53%

Technical Analysis

(Based on Rajkot GN Bold Mandi prices)

Groundnut Bold – Technical Outlook

Rajkot -Weekly time frame

Technical Chart:



Technical Commentary:

- As depicted in the above chart, during the week under review, market closed higher to 6,038, made low of 5,925, high of 6,100.
- Market is trading above 50 and 100 DMA, and 38.2% Fibonacci retracement level can be characterized as immediate support and 18 DMA , 23.6% Fibonacci retracement level can be characterized as resistance.
- Immediate support is at 5,850, next support is at 5,800 and immediate resistance is at 6,200, next resistance is at 6,500.

Recommendation-

Market participants are recommended to sell in the range of 6100-6200 and buy in the range of 5800-5900.

Groundnut Price Outlook for coming week: Rajkot groundnut bold prices expected to trade sideways with firm bias amid shrink in arrivals.



Rajkot Groundnut Bold Price Outlook (INR./Qtl)	Previous week 19th- Nov'22- 25th Nov'22	Week under review 26th- Nov'22- 02nd Dec'22	Next week 03rd Dec'22- 09th Dec'22
Weekly Average Price	5,775-5,975	5,890-6,100	5,750-6,100

Annexure

	% Change over previous week	Today	Week Ago	Month Ago	Year Ago	
Soy DOC Rates at Different Centers		02-Dec-22	25-Nov-22	01-Nov-22	02-Dec-21	
Centres		Ex-factory rates (Rs/ton)				parity To
Indore - 45%, Jute Bag	-4%	41000	42500	39500	51000	Gujarat, MP
Kota - 45%, PP Bag	-4%	41000	42500	41000	55700	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	-1%	44000	44500	42000	57000	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	-2%	42000	43000	39500	54500	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	-1%	44000	44500	40300	56000	Andhra, AP, Kar, TN
Latur	-3%	43000	44500	42000	59000	-
Sangli	1%	42000	41500	38000	55000	Local and South
Solapur	0%	42500	42500	42500	54000	Local and South
Akola – 45%, PP Bag	1%	42500	42000	39000	55000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Hingoli	-3%	43000	44500	40000	56000	Andhra, Chattisgarh, Orrisa, Jharkhand, WB
Bundi	-4%	40800	42300	40800	53700	-
Soy DOC at Ports						
Centers		Port Price				
		02-Dec-22	25-Nov-22	01-Nov-22	02-Dec-21	
Kandla (FOR) (INR/MT)	-2%	41500	42300	41000	58000	
Kandla (FAS) (USD/MT)	-1%	525	530	512	0	
CNF Indonesia – Yellow SBM (USD/MT)	2%	577	567	537	0	

Rapeseed Meal		02-Dec-22	25-Nov-22	01-Nov-22	02-Dec-21	
FAS Kandla (USD/MT)	-	260	-	-	-	
FOR Kandla (Rs/MT)	-	20300	-	-	-	
FOR Mundra (Rs/MT)	-	NA	-	-	-	
CNF Indonesia (USD/MT)	-	283	-	-	-	
International Soy DOC						
Argentina FOB USD/MT		02-Dec-22	25-Nov-22	01-Nov-22	02-Dec-21	
Soybean Pellets	-	497	-	-	-	
Soybean Cake Flour	-	497	-	-	-	
Soya Meal	-	NR	-	-	-	
Soy Expellers	-	NR	-	-	-	
Sunflower (DOC) Rates		Ex-factory rates (Rs/ton)				
Centers		02-Dec-22	25-Nov-22	01-Nov-22	02-Dec-21	
Adoni	0%	35000	35000	35000	28000	
Khamgaon	-	NA	-	-	-	
Parli	-	NA	-	-	-	
Latur	0%	34000	34000	34000	27000	
Groundnut Meal (Rs/MT)		02-Dec-22	25-Nov-22	01-Nov-22	02-Dec-21	
Basis 45%, Saurashtra	-3%	33000	34000	31500	43000	
Basis 40%, Saurashtra	-3%	29000	30000	27500	38000	
GN Cake, Gondal	-3%	34000	35000	32500	42000	
Mustard DOC		02-Dec-22	25-Nov-22	01-Nov-22	02-Dec-21	
Jaipur (Plant delivery)	3%	19500	19000	17800	24300	
Kandla (FOR Rs/MT)	0%	20200	20300	18800	25500	



Mumbai Oil Meal Quotes:						
Rs/M.T.		02-Dec-22	25-Nov-22	01-Nov-22	02-Dec-21	
G.N. Extr (45%)	-3%	31000	32000	31000	43000	
Kardi Extr	-	NA	-	-	-	
Undec Cottonseed Exp	-3%	33000	34000	32000	30000	
Rice Bran Extr.	-	NA	-	-	-	
Sunflower Extr.	4%	28000	27000	25000	32000	
Rapeseed Extr.	-	NA	-	-	-	
Soymeal 48%	-1%	42783	43304	40957	55826	
Castor Extr.	-2%	12650	12900	12650	10950	

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