

Oil Seed Weekly Research Report

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Executive Summary

The weekly average prices of Soybean Indore mandi prices remained stable and went down by 0.23% to INR 5,340/ Qtl. as compared to 5,339/qtl. previous week amid weak demand.

The weekly average prices of Indore soymeal too went down by 0.22% to INR 40,750/MT as compared to last week at INR 40,833/MT amid sluggish demand in the market.

During the week under review, Jaipur RM seed weekly average prices went down by 1.5% to INR. 6,708/qtl amid weak demand from crushers on disparity in crushing.

During the week under review, Rajkot Groundnut weekly average bold prices remained sideways and went marginally down by 0.5% at INR 5,962/Qtl. amid shrink in arrivals.

Outlook – Cash Market

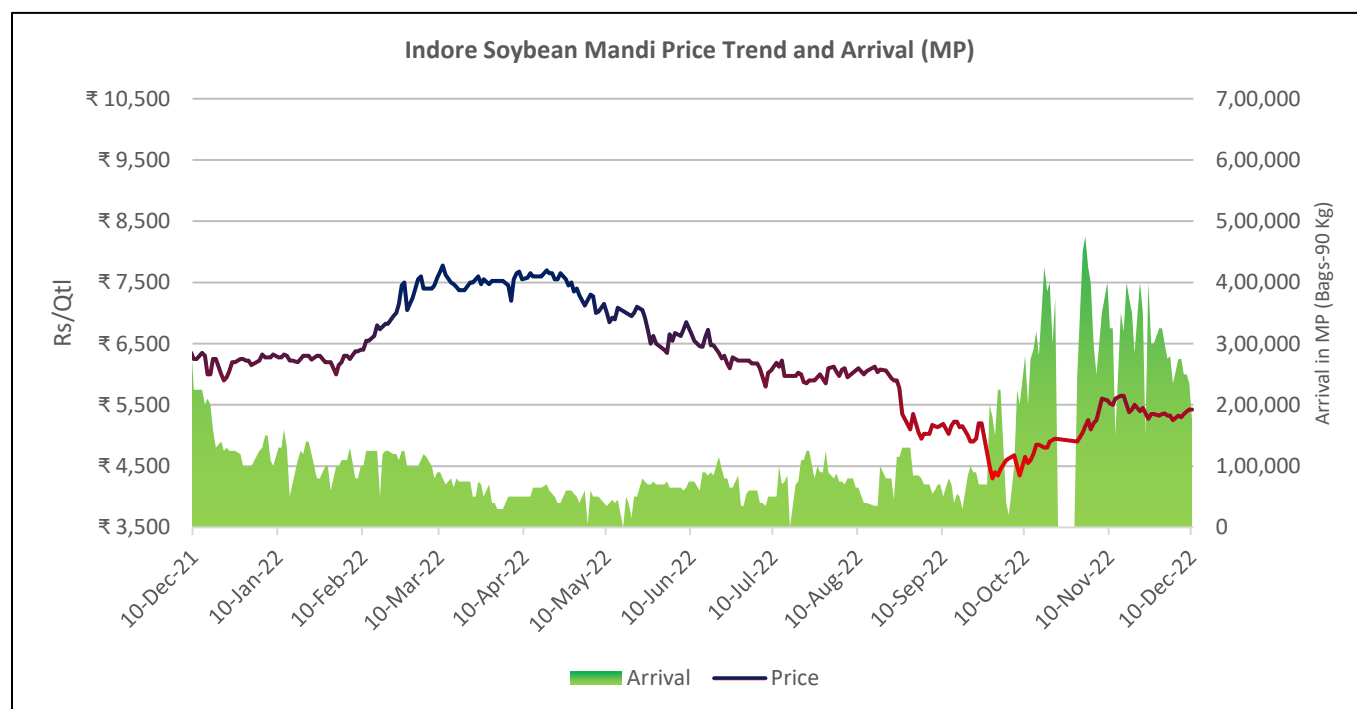
Outlook - Soybean (Spot Indore): In the coming week, soybean plant prices are expected to trade sideways. The prices (Indore, Plant basis) are expected to feature in the price band of 5,300-5,800 levels in the near term.

Outlook – Soy meal:

The soy meal prices (Indore) are likely to trade sideways with firm bias in tandem with soybean prices. Soy meal Indore prices are likely to trade in the range of 40,000 – 43,000/MT.

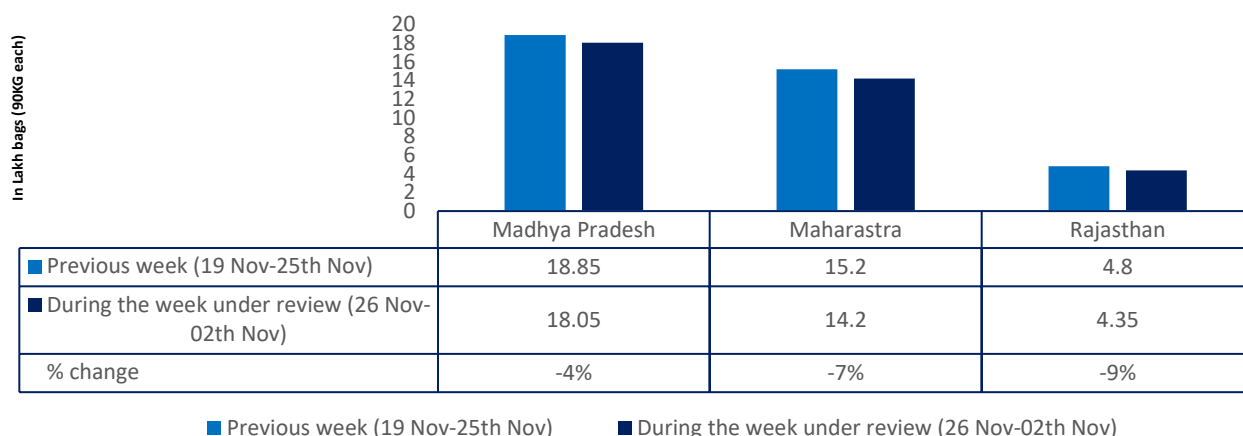
Outlook - Rapeseed-Mustard (Spot, Jaipur basis): Rapeseed-Mustard is expected to trade rangebound with weak bias. The seed prices are likely to trade in the range between 6,600 – 6,800/Qtl. in the short-run.

Soybean



During the week under review, Soybean indore mandi prices remained stable and went marginally down by 0.23% to INR 5,340/ Qtl. as compared to 5,339/ qtl. previous week. During the week the market made a high of INR 5,425/Qtl. While Stock limit removal, good demand from crushers and rebound in Soymeal export demand pushed Soybean prices more than 26% up from current season low of INR 4300 levels and 1% up month till date.

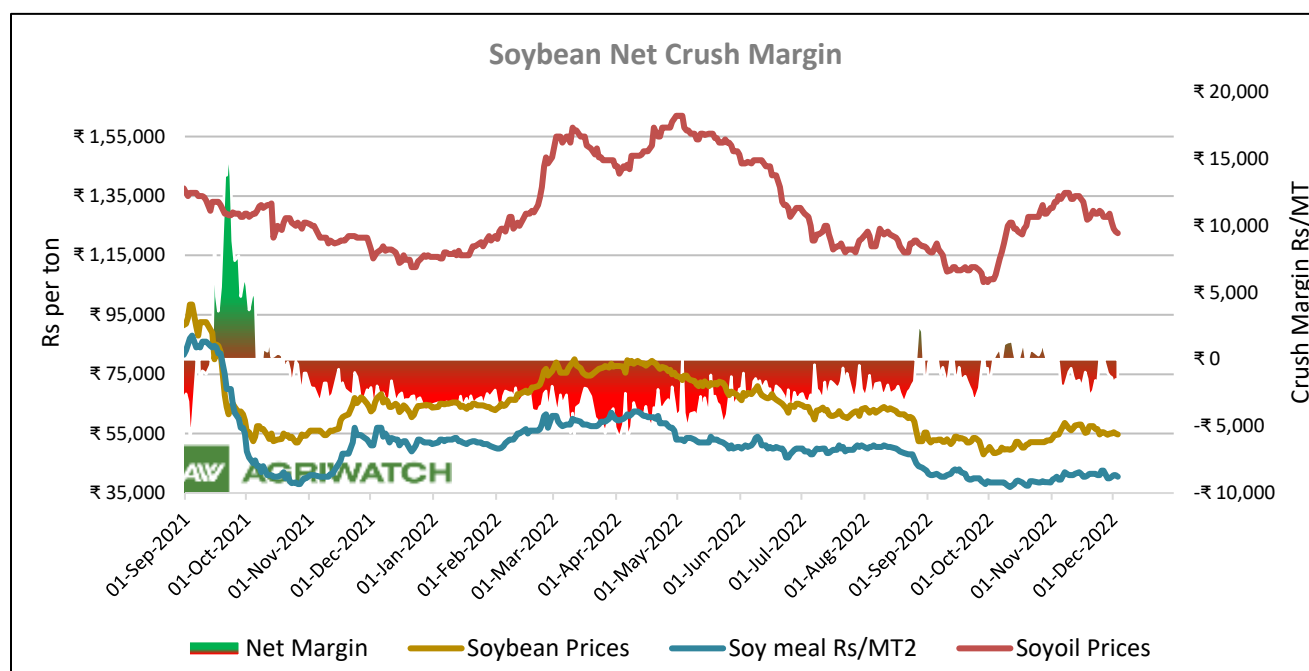
Weekly Soybean Arrivals



During the week under review, the total arrival in MP continued to shrink and recorded down by 16% to 15.2 Lakh bags Vs 18.05 Lakh bags previous week. In Maharashtra too arrivals went down to 10.45 Lakh bags vs 14.20 Lakh bags last week. In Rajasthan the arrivals recorded low to 3.25 lakh bags Vs 4.35 Lakh bags previous week. Peak arrivals is over now and is likely to continue shrink in upcoming weeks too.

Soybean Crush Margin-

Soybean net crush margin declined during the week under review as seed prices improved slightly up. While, oil prices slumped. Weekly average soybean net crush margin for the period of 3rd -9th December is in disparity at INR -2323/ MT as compared to previous week at INR -1148/MT.



International Update:

According to USDA Dec'22 report, 2021-22 Soy production estimate for India was increased to 12 million tonnes as compared to previous month estimates at 11.5 MMT, However last year it was 11.9 MMT. US soy production kept unchanged at 118.26 MMT as compared to previous month's estimate, while last year it was 121.52 MMT. During the week under review, CBOT Soybean futures (Nov expiry) declined by 3.15% to \$14.83/bushel amid U.S. Department of Agriculture (USDA) increased estimate of global ending stocks, though strong exports and South American weather concerns underpinned the market.

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

Brazil has exported 2.6 MMT in Nov'22 down from 3.9 MMT in Oct, slightly higher than YoY. China imported the bulk of Brazil's November bean exports (2.1 million mt) while other relevant imports headed to Thailand (172,047 mt), Russia (166,519 mt), Spain (121,000 mt) and Vietnam (92,711 mt). While Russia has been importing larger-than-normal soybean volumes from Brazil since the beginning of the war with Ukraine, having bought 1.3 million mt of Brazilian beans since January, almost twice as much as it imported during the same period in 2021. The main originations for Brazilian beans exported in November were Mato Grosso (19%) and Rio Grande do Sul (18%) as the latter typically has larger soybean availability in the end of the year compared to other states due to its later planting schedule. Bahia (14%), Goiás (11%) and Paraná (10%) were other relevant origins for Brazilian soybeans in November.

Monthly exports pushed total soybean volumes shipped by the country since January up to 77 million mt, below the 83.4 million mt exported in the same period in 2021.

According to Ag Rural, Brazil's 2022/23 soybeans were 87% planted as of late last week compared to 90% last year. This represents an advance of 11% for the week. The planting pace in Brazil has slowed over the last several weeks. Planting is near completion in Mato Grosso, Mato Grosso do Sul, Parana, and Goias. The areas left to plant are mainly in Rio Grande do Sul and Santa Catarina in southern Brazil and Piaui and Para in northeastern Brazil.

Technical Analysis

US Soybean futures



As depicted in the above chart, During the week under review, US Soybean remained bullish and went up by 3.15% to \$14.83/bushels and taking support of 9, 18 and 100 DMA. RSI at 51 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 14-14.20 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:



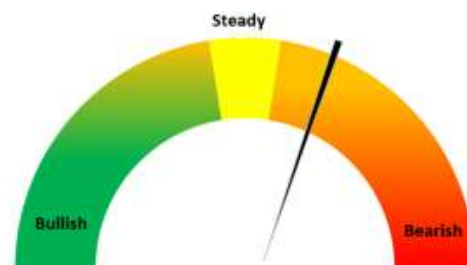
Technical Commentary:

- Soybean Indore prices closed to 5,425 levels and during the week under review, market made low of 5,300, high of 5,425.
- 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-

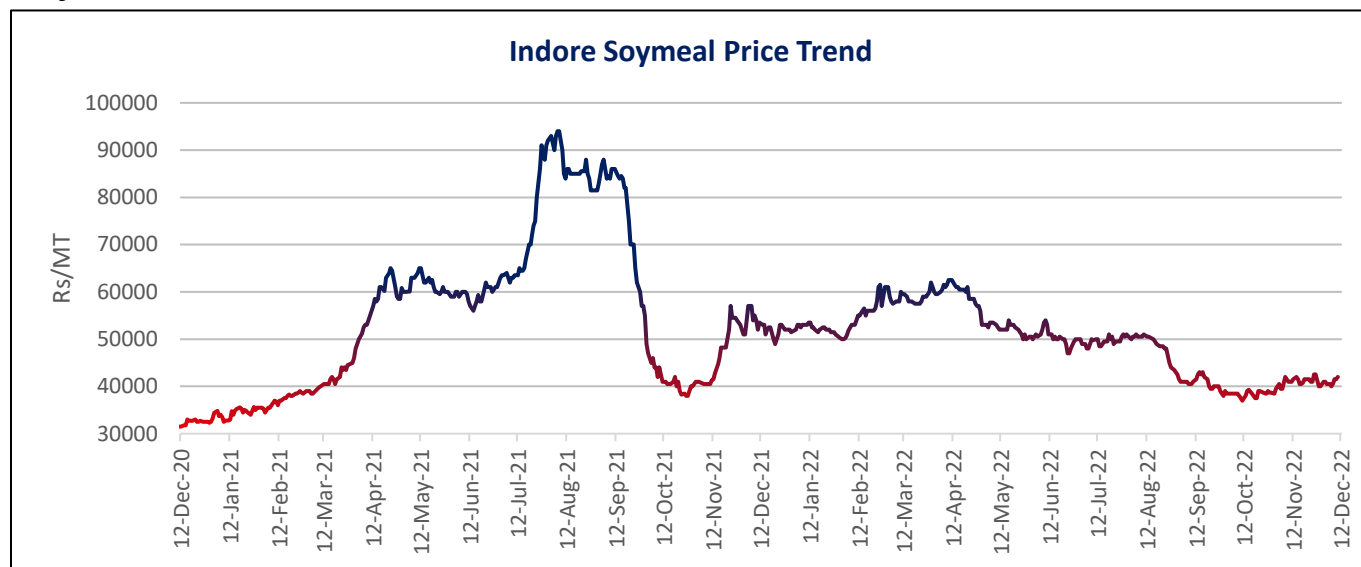
- Market Participants are recommended to sell their stocks in the range of 5700-6000 and buy in the range of 5200-5400.

Soybean Price Outlook for coming week: Indore Soybean mandi prices are currently trading at INR. 5,425/qtl. and are expected to trade range bound in the range of INR 5,200-5,800 in short run.

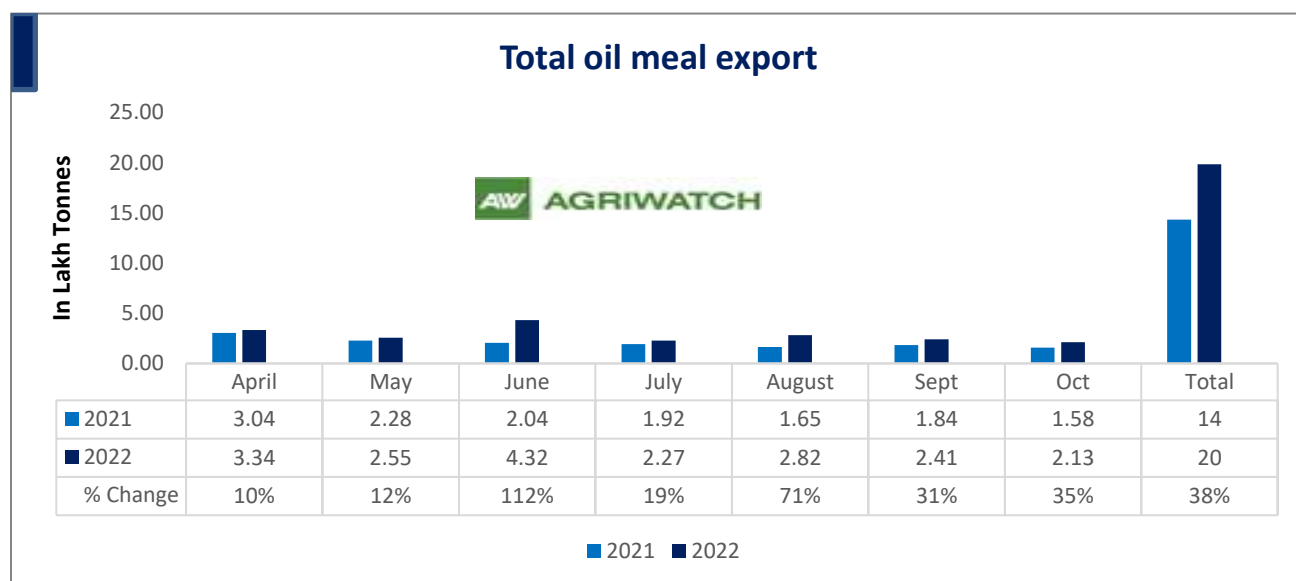


Soybean Mandi Price Outlook (INR./Qtl)	Previous week 26th- Nov'22- 02nd Dec'22	Week under review 03rd Dec'22- 09th Dec'22	Next week 10th Dec'22- 16th Dec'22
Weekly Average Price	5,325-5,362	5,325-5,362	5,300-5,800

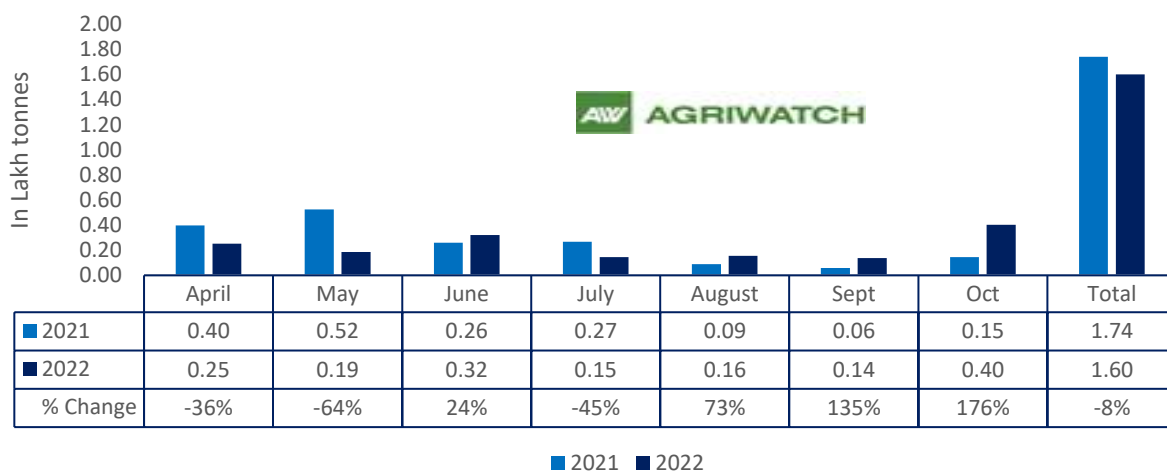
Soymeal



During the week under review, Indore Soymeal prices weekly average prices remained stable and went marginally down by 0.22% to INR 40,750/MT as compared to last week at INR 40,833/ amid sluggish demand. So far this month Indore soymeal prices are up by 2%. Overall, the prices quoted between INR 40,000-41,500/MT throughout the week. At Nanded, the weekly average prices went marginally up to INR. 43,916/MT compared to INR. 43,900 MT a week ago. In Kota the meal prices were down at INR. 42,200/MT compared to INR. 41,916/MT previous week.

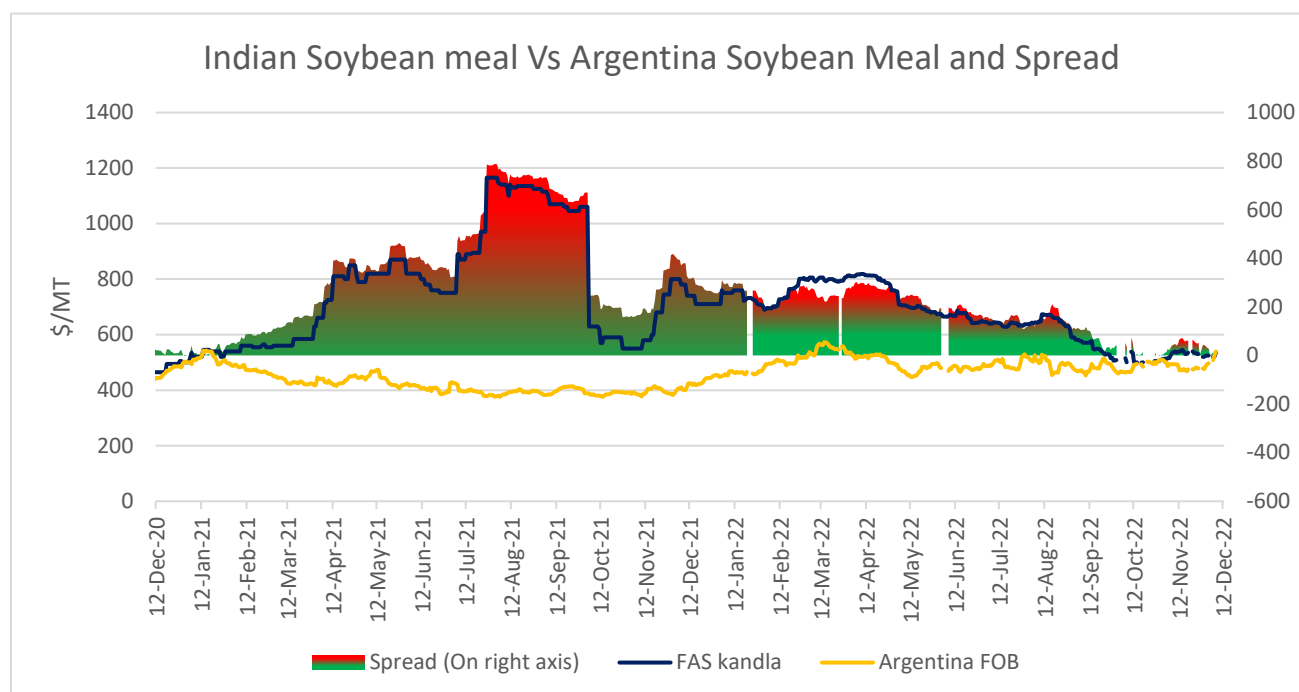


Soy meal export



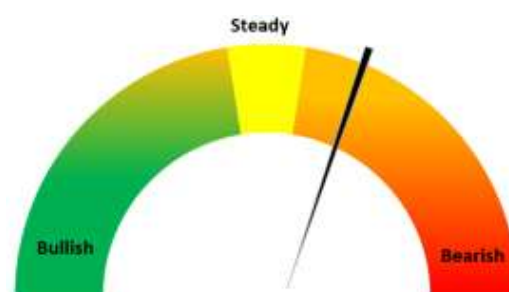
Total oil meal exports in April- Oct'22 went up by 38% to 20 Lakh tonnes vs 14 Lakh tonnes previous year same period. However, Soymeal exports up by 176% to 0.40 Lakh tonnes in Oct'22 Vs 0.15 Lakh tonnes previous month. Soymeal exports went up for the third straight month on good soymeal exort demand 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.



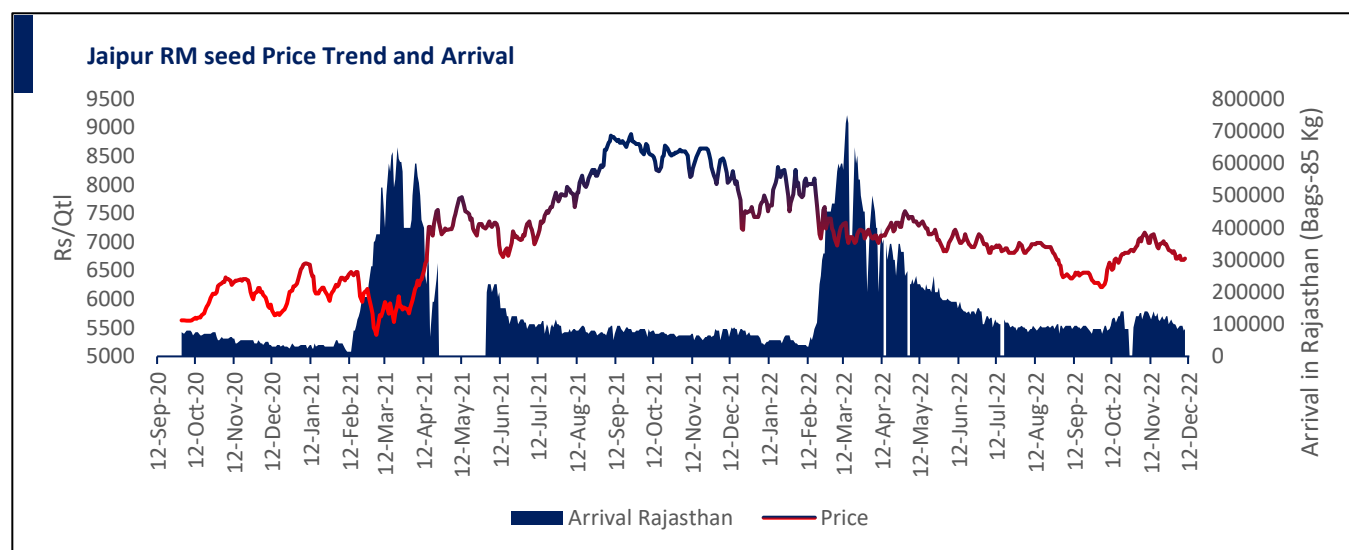
Currently, Indian Soymeal FOB prices trading at \$535/MT, Argentina Soymeal FOB prices trading at \$539/MT and spread stands at \$-4/MT. Decline in Argentine soymeal prices has led to a squeeze in spread. Upon squeeze in spread Indian soymeal export demand is rising and so the prices are improving.

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.



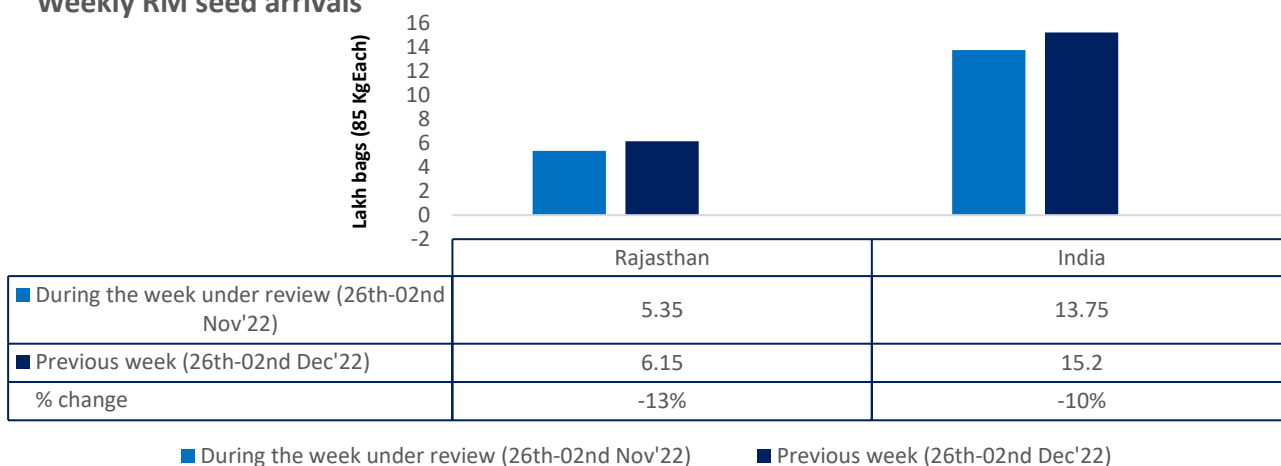
Soymeal Indore Price Outlook (INR./MT)	Previous week 26th- Nov'22- 02nd Dec'22	Week under review 03rd Dec'22- 09th Dec'22	Next week 10th Dec'22- 16th Dec'22
Weekly Average Price	40,000-42,500	40,000-41,500	40,000-43,000

Rapeseed - Mustard Seed



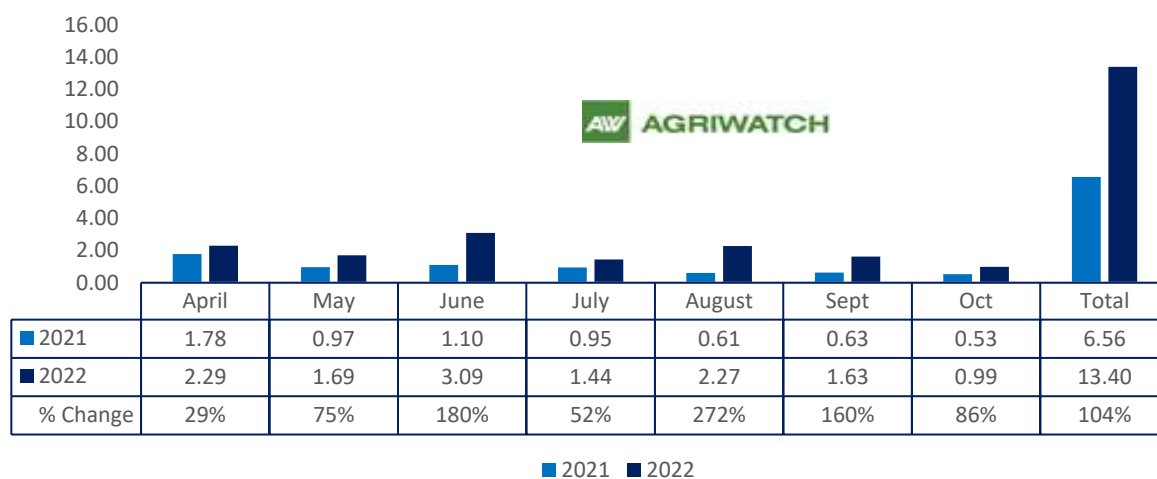
RM seed extended previous week loss during the week under review. Jaipur RM seed weekly average prices went down by 1.5% to INR. 6,708/qrtl as compared to INR. 6,808/qrtl previous week. Correction mustard oil and weak demand from crusher on disparity dragged market lower. Month till date market is down by 2%. So far RM seed has corrected by 6% from previous month high of INR 7,162/Qrtl.

Weekly RM seed arrivals



During the week under review, RM Seed arrivals continued to shrink, in Rajasthan arrivals recorded low to 5.35 Lakh bags as compared to 6.15 lakh bags previous week. All India arrivals too declined to 13.75 Lakh bags Vs 15.2 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 9 December			
State	2022	2021	% Change
Rajasthan	38.65	34.787	11.10%
Madhya.Pradesh	13.46	10.66	26.27%
Uttar.Pradesh	12.84	13.639	-5.83%
Haryana	7.3	7.447	-1.97%
West.Bengal	5.57	4.35	28.05%
Gujarat	2.878	2.99	-3.75%
Assam	2.308	2.618	-11.84%
Jharkhand	2.099	1.604	30.86%
Others	2.842	2.682	5.97%
Total	87.95	80.78	8.88%

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:

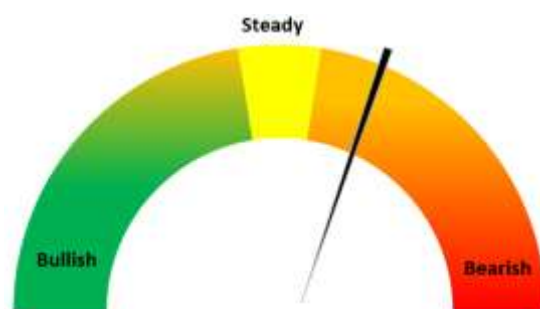


- As depicted in the above chart, market is taking support of 18 DMA, and during the week under review, market closed lower to 6,737, made low of 6,687, high of 6,762.
- Market is trading above 9 and 18 DMA and can be characterized as immediate support, 50 and 100 DMA can be characterized as resistance.
- Immediate support is at 6,700, next support is at 6600 and immediate resistance is at 6,900, next resistance is at 7150.

Recommendation-

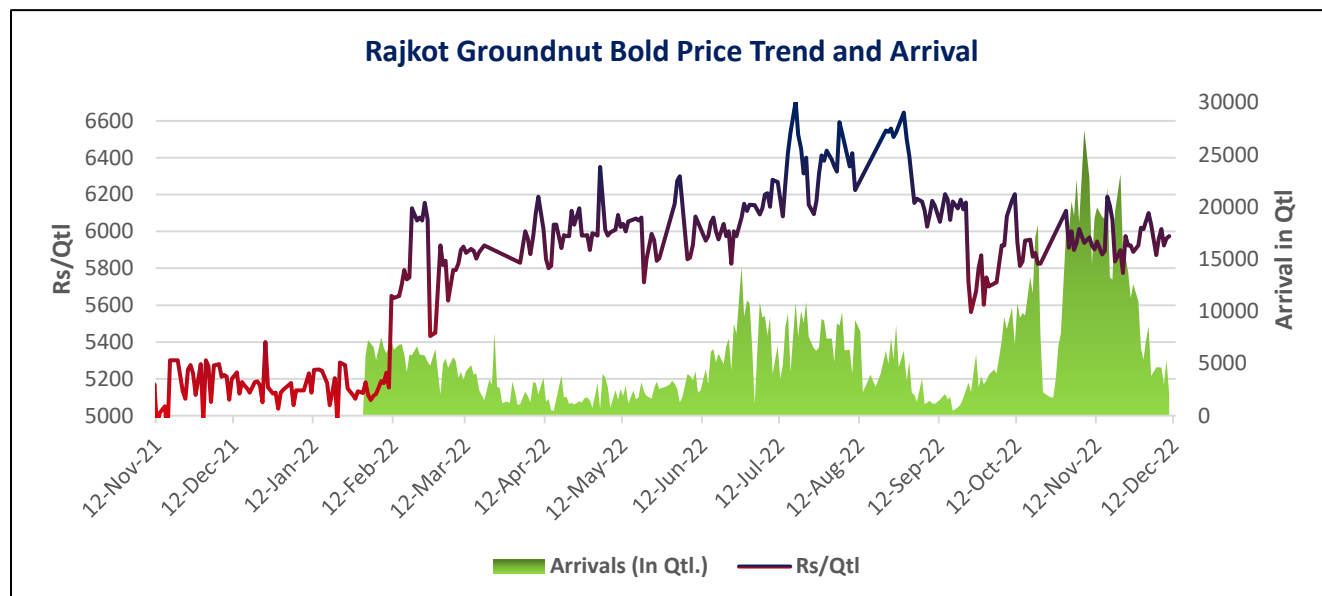
Market participants are recommended to wait for selling in the range of 6900-7200.

RM seed Price Outlook for coming week: RM Seed is expected to trade sideways with weak bias amid weak demand from crushers on disparity.



Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 26th- Nov'22- 02nd Dec'22	Week under review 03rd Dec'22- 09th Dec'22	Next week 10th Dec'22- 16th Dec'22
Weekly Average Price	6,713-6,863	6,688-6,763	6,600-6,800

Groundnut



During the week under review, Rajkot Groundnut weekly average bold prices traded sideways and went marginally down by 0.5% to INR 5,962/Qtl. as compared to previous week at INR 5,989/Qtl. amid shrink in arrivals. All India arrivals recorded down by 49% to 0.25 Lakh tonnes as compared to 0.51 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.

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 9 December			
State	2022	2021	% Change
Karnataka	1.4	1.1	30.00%
Telangana.	0.6	1.1	-50.44%
Odisha	0.4	0.2	100.93%
Tamil.Nadu	0.4	0.2	113.71%
Andhra.Pradesh	0.3	0.3	4.86%
Others	0.0	0.0	11.43%
Total	3.19	2.98	7.05%

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 lower to 5,975, made low of 5,872, high of 6,012.
- 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 26th- Nov'22- 02nd Dec'22	Week under review 03rd Dec'22- 09th Dec'22	Next week 10th Dec'22- 16th Dec'22
Weekly Average Price	5,890-6,100	5,890-6,100	5,800-6,100

Annexure

Oilseed Prices at Key Spot Markets:					
Commodity / Centre	% Change over previous week	Today	Week ago	Month Ago	Year Ago
Soybean		09-Dec-22	03-Dec-22	09-Nov-22	9-Dec-21
Indore –Plant	2%	5650	5525	5725	6700
Indore–Mandi	3%	5500	5350	5750	6550
Nagpur-Plant	2%	5850	5750	5850	7050
Nagpur – Mandi	3%	5500	5350	5650	6750
Latur – Mandi	-	NA	5945	6025	6800
Akola – Mandi	1%	5400	5350	6100	6980
Kota-Plant	1%	5450	5400	5800	6900
Kota – Mandi	-	Closed	5300	5700	6700
Bundi-Plant	5%	5450	5200	5900	6730
Bundi-Mandi	5%	5350	5100	5700	6630
Baran-Plant	3%	5700	5550	6070	6750
Baran-Mandi	3%	5600	5450	5680	6550
Bhawani Mandi Jhalawar–Plant	3%	5600	5450	5850	6550
Jhalwar-Mandi	3%	5500	5350	5650	6350
Rapeseed/Mustard					
Jaipur-(Condition)	0%	6725	6725	7100	8225
Alwar-(Condition)	2%	6500	6400	6600	7700
Sri Ganganagar-(Non-Condition)	-2%	6080	6200	6650	7650
New Delhi–(Condition)	2%	6650	6550	6900	8000
Kota-(Condition)	-	Closed	6400	6700	7600
Agra-(Condition)	2%	6952	6810	7238	8333
Neewai-(Condition)	2%	6450	6350	6475	7800
Hapur (UP)-(Condition)	2%	6650	6500	6900	7900
Groundnut Seed					
Rajkot	-2%	1070	1090	1070	910
Sunflower Seed					
Gulbarga	2%	6259	6150	6500	5500

Latur	2%	6500	6400	7100	6500
Sholapur	2%	6500	6400	7100	6500

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	Month Ago	Year Ago	Year Ago
Other Oilseed Prices at Mumbai (INR/100 Kg):					
Oilseeds	Change	9-Dec-22	3-Dec-22	9-Nov-22	9-Dec-21
Groundnut Kernel	0%	7625	7625	7650	6600
Gr. Bolds 60/70	-1%	8550	8600	8800	8900
Gr. Javas 60/70	1%	9450	9400	9700	9700
Gr Javas 70/80	1%	9350	9300	9600	9500
Gr.Javas 80/90	1%	9150	9100	9400	9300
KardiSeed 2% Exp Qly	0%	5400	5400	5400	5900
Sesame White 98/2/1 FM	0%	11200	11200	11100	9700
Whitish 95/5/FFA/1FM	0%	11000	11000	10900	9500
Brown 48/2 FFA/4 FM	0%	10800	10800	10700	9100
Brown 48/3 FFA/4 FM	0%	10600	10600	10500	9000
Brown 48/4 FM/* No FFA Guarantee	0%	10400	10400	10300	8600
Sunflower Seed	0%	6700	6700	6700	6500
Niger Seed (4% FM)	0%	8500	8500	8500	7500

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