



# Oil Seed Weekly Research Report

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## Executive Summary

The weekly average prices of Soybean Indore mandi prices remained stable and went up by 0.95% to INR 5,391/Qtl. as compared to 5,340/qtl. previous week amid good demand.

The weekly average prices of Indore soymeal too went up by 4.8% to INR 42,700/MT as compared to last week at INR 40,750/MT amid revive in export demand in the market.

During the week under review, Jaipur RM seed weekly average prices went down by 0.6% to INR. 6,704/qtl amid weak demand from crushers on disparity in crushing.

During the week under review, Rajkot Groundnut weekly average bold prices remained bullish and went up by 2.6% at INR 6,118/Qtl. amid shrink in arrivals and good export demand.

## Outlook – Cash Market

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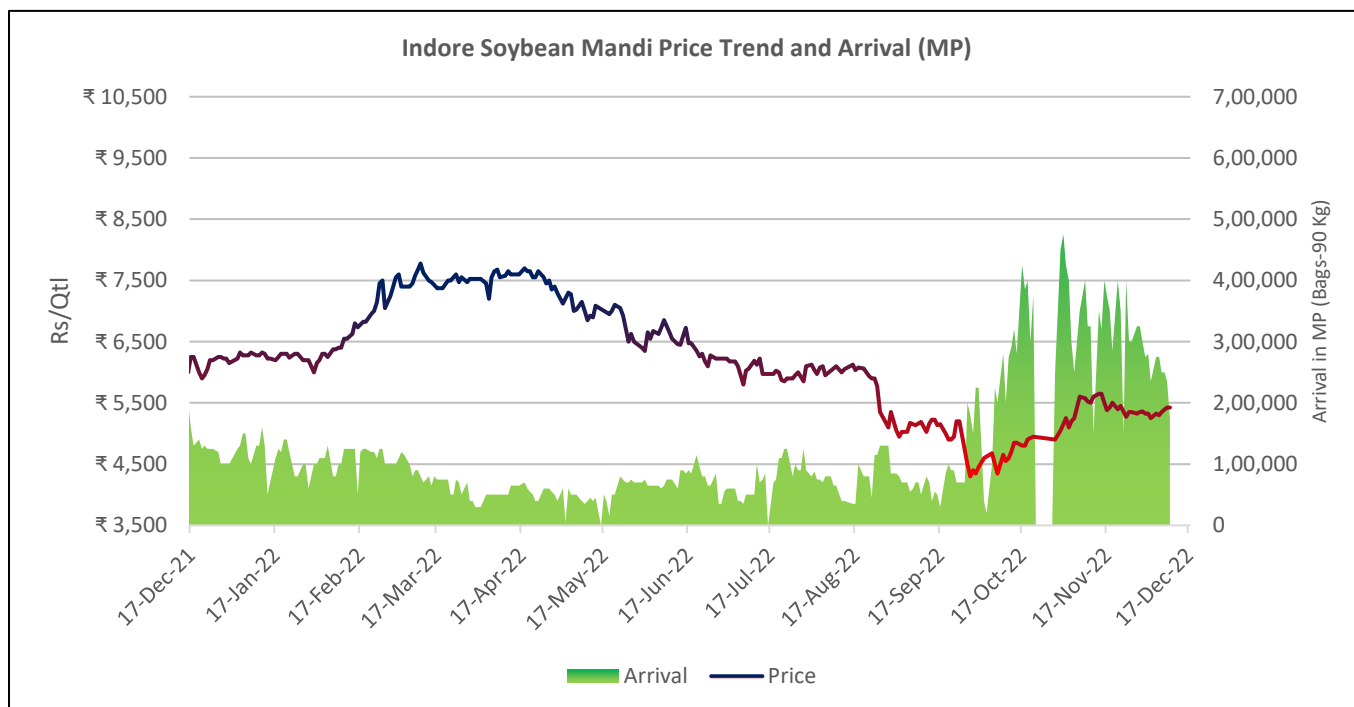
**Outlook - Soybean (Spot Indore):** In the coming week, soybean plant prices are expected to trade sideways with firm bias. The prices (Indore, Plant basis) are expected to feature in the price band of 5,300-5,600 levels in the near term.

**Outlook – Soy meal:**

The soy meal prices (Indore) are likely to trade sideways in tandem with soybean prices. Soy meal Indore prices are likely to trade in the range of 42,000 – 45,000/MT.

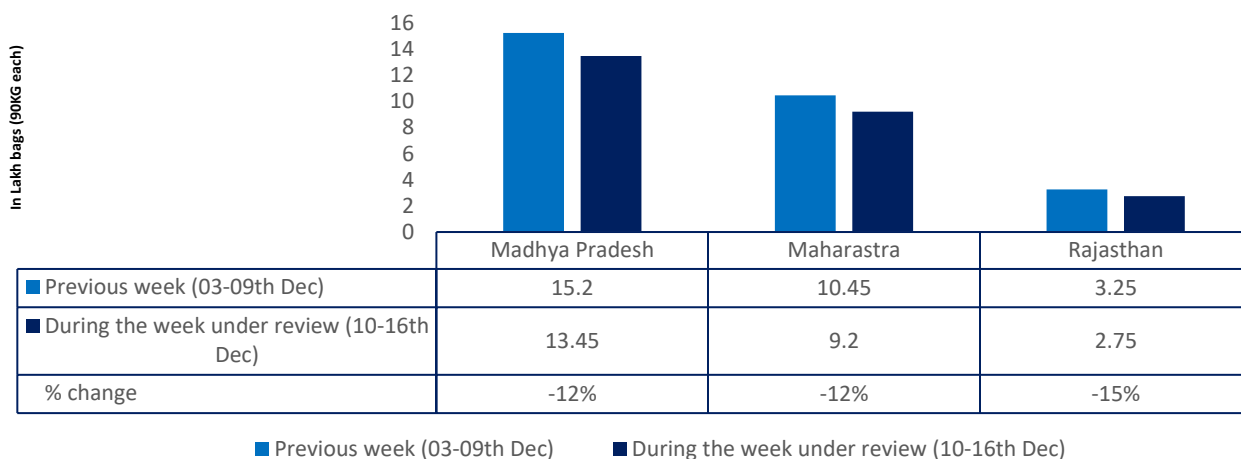
**Outlook - Rapeseed-Mustard (Spot, Jaipur basis):** Rapeseed-Mustard is expected to trade rangebound with weak bias. The seed prices are likely to trade in the range between 6,400 – 6,700/Qtl. in the short-run.

### Soybean



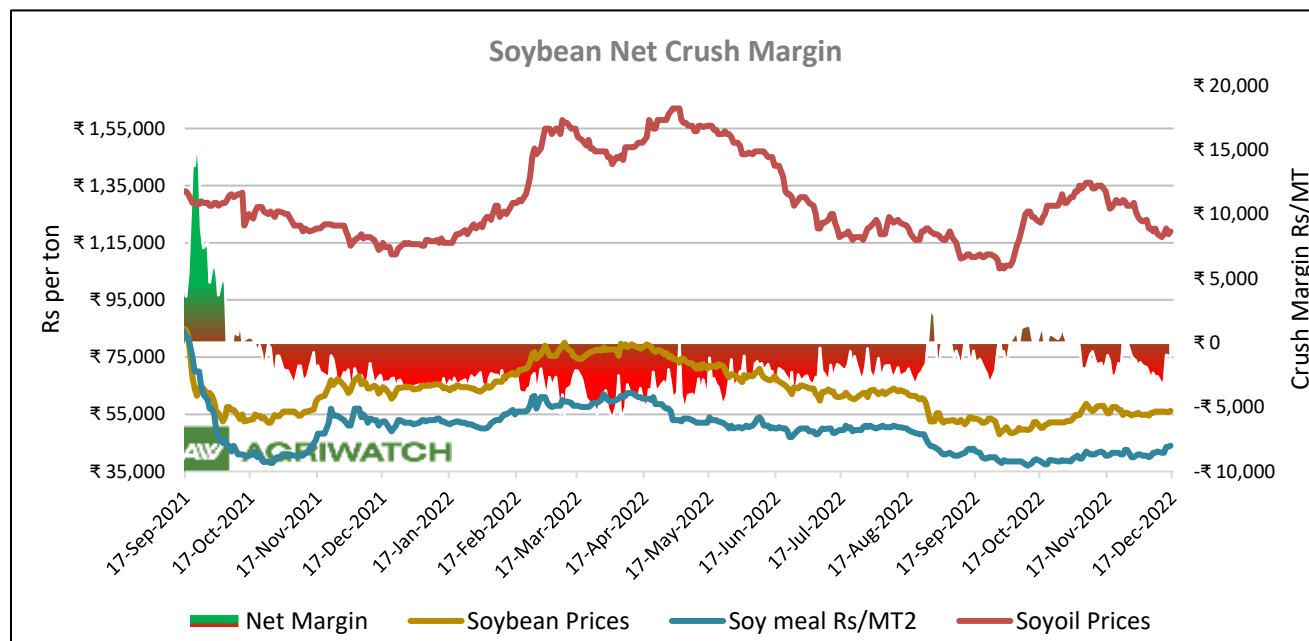
During the week under review, Soybean indore mandi prices remained stable and went marginally up by 0.95% to INR 5,391/ Qtl. as compared to 5,340/ qtl. previous week. During the week the market made a high of INR 5,425/Qtl. While Stock limit removal, good demand from crushers and rebound in Soymeal export 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 12% to 13.45 Lakh bags Vs 15.2 Lakh bags previous week. In Maharashtra too arrivals went down to 9.2 Lakh bags vs 10.45 Lakh bags last week. In Rajasthan the arrivals recorded low to 2.75 lakh bags Vs 3.25 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 traded sideways. Weekly average soybean net crush margin for the period of 10th -16th December is in disparity at INR -1969/ MT as compared to previous week at INR -2323/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.

### Technical Analysis

#### US Soybean futures



As depicted in the above chart, During the week under review, US Soybean remained sideways and went marginally down by 0.25% to \$14.80/bushels and taking support of 9, 18 and 100 DMA. RSI at 52 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:



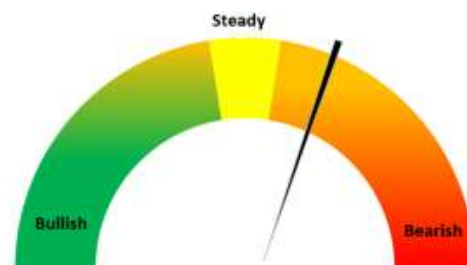
#### Technical Commentary:

- Soybean Indore prices closed to 5,450 levels and during the week under review, market made low of 5,350, high of 5,450.
- 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-

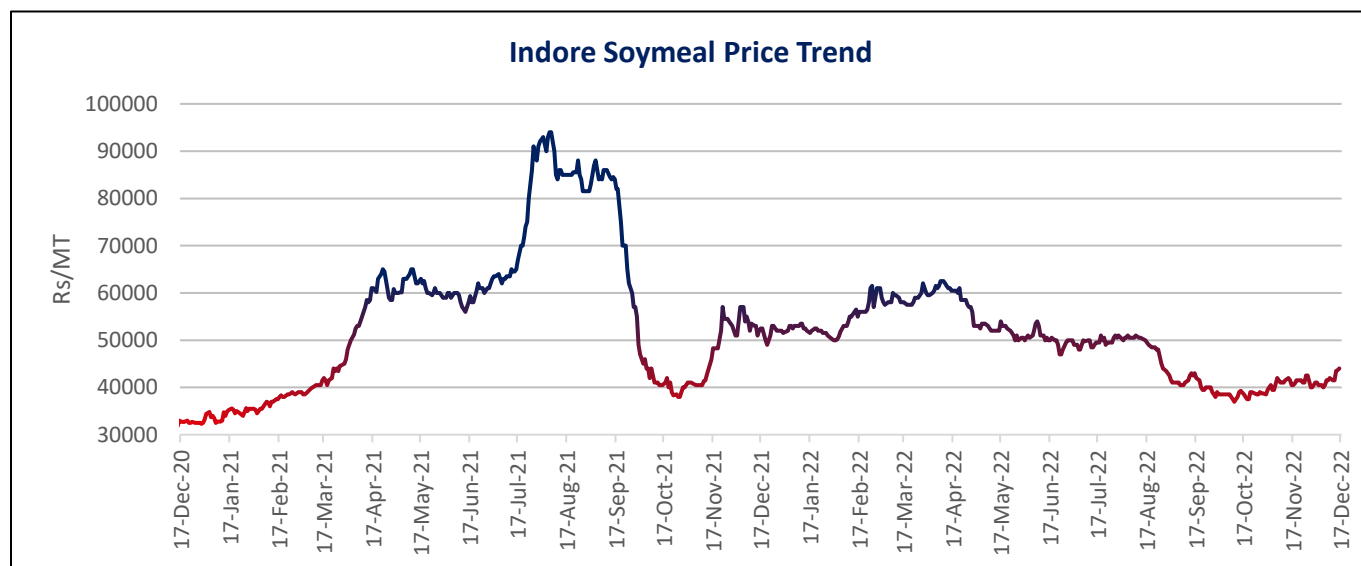
- Market Participants are recommended to sell their stocks in the range of 5700-6000 and buy in the range of 5200-5400.

**Soybean Price Outlook for coming week:** Indore Soybean mandi prices are currently trading at INR. 5,450/qtl. and are expected to trade range bound in the range of INR 5,200-5,800 in short run.

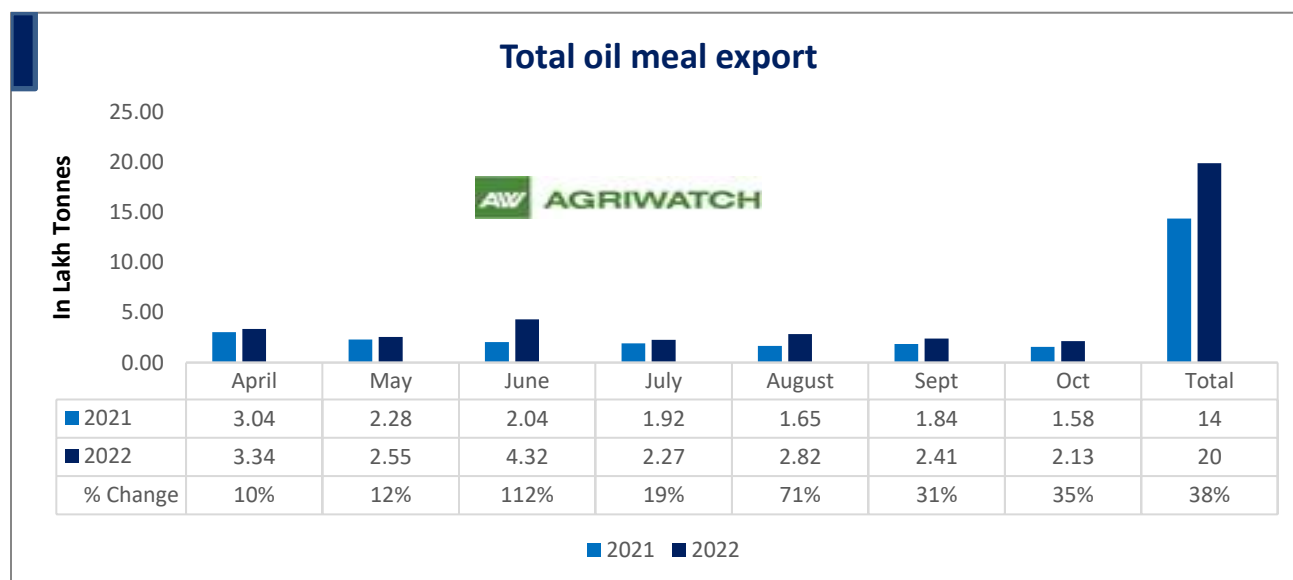


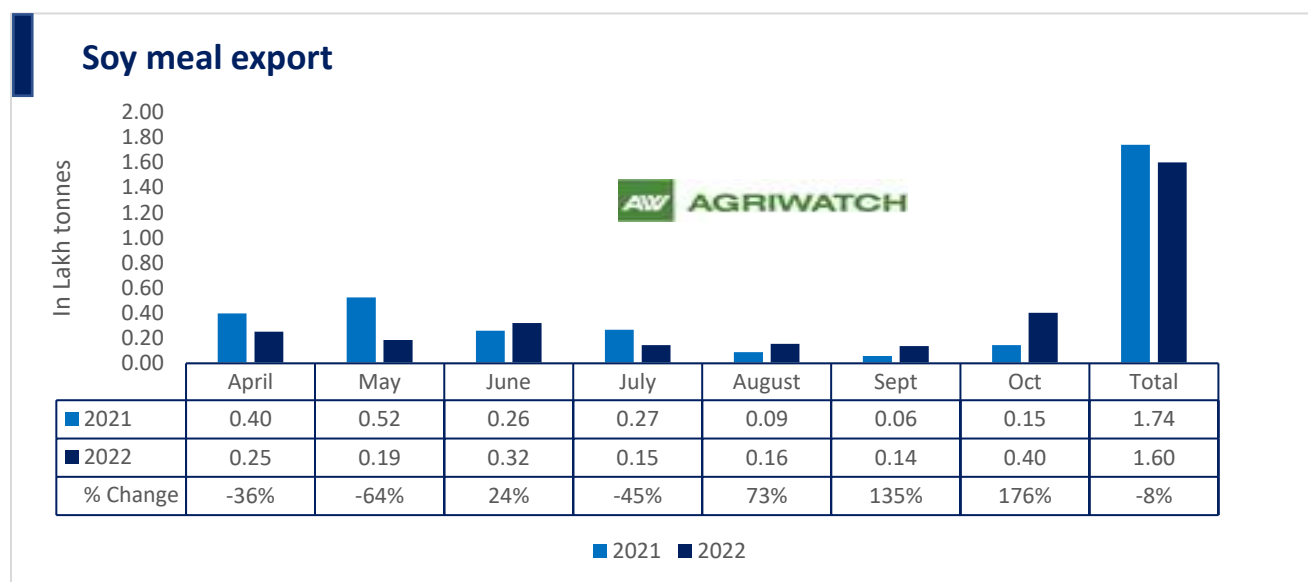
Soybean Mandi Price Outlook (INR./Qtl)	Previous week 03rd Dec'22- 09th Dec'22	Week under review 10th Dec'22- 16th Dec'22	Next week 17th Dec'22- 23th Dec'22
Weekly Average Price	5,325-5,362	5,350-5,425	5,300-5,600

### Soymeal



During the week under review, Indore Soymeal prices weekly average prices remained firm and went up by 0.4.8% to INR 42,700/MT as compared to last week at INR 40,750/ amid revive in demand and improved crush margin. So far this month Indore soymeal prices are up by 9%. Overall, the prices quoted between INR 41,500-44,000/MT throughout the week. At Nanded, the weekly average prices went marginally up to INR. 44,666/MT compared to INR. 43,916 MT a week ago. In Kota the meal prices were down at INR. 43,483/MT compared to INR. 42,200/MT previous week.

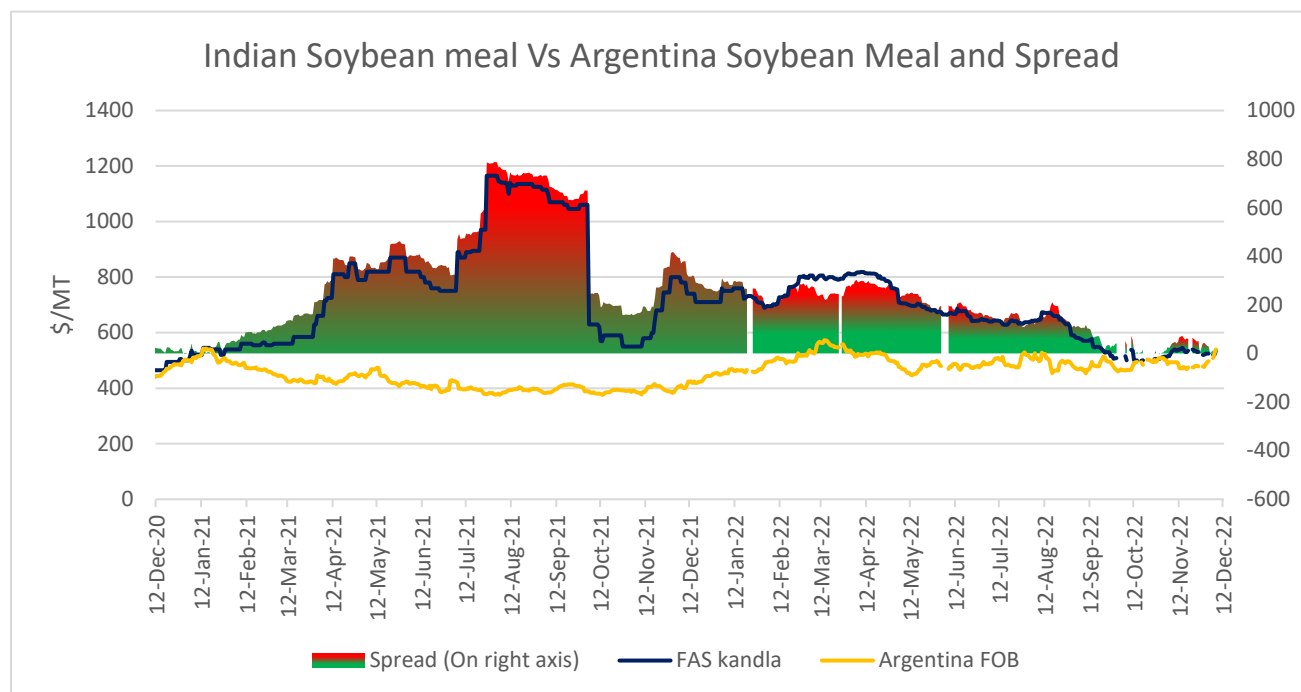




Total oil meal exports in April- Oct'22 went up by 38% to 20 Lakh tonnes vs 14 Lakh tonnes previous year same period. However, Soymeal exports up by 176% to 0.40 Lakh tonnes in Oct'22 Vs 0.15 Lakh tonnes previous month. Soymeal exports went up for the third straight month on good soymeal exort demand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

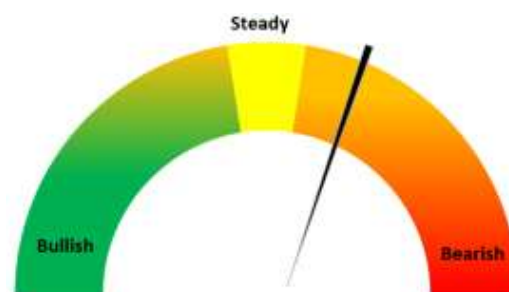
SOPA in its monthly update reported Soybean meal production in Oct'22 up by 24% to 6.43 Lakh tonnes, this compares with 5.19 Lakh tonnes previous year same period. Soymeal production went up in October as crush margin was in parity amid low soybean prices during the month as monthly average net crush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





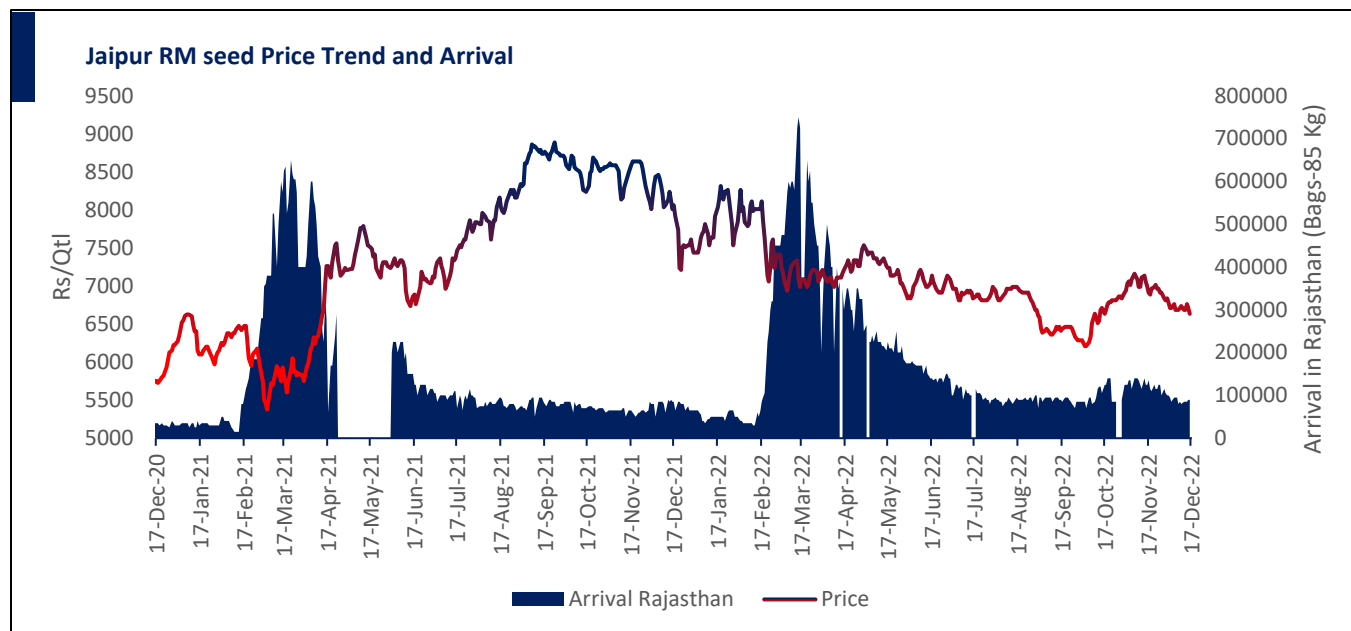
Currently, Indian Soymeal FOB prices trading at \$535/MT, Argentina Soymeal FOB prices trading at \$539/MT and spread stands at \$-4/MT. Decline in Argentine soymeal prices has led to a squeeze in spread. Upon squeeze in spread Indian soymeal export demand is rising and so the prices are improving.

**Soymeal Price Outlook for coming week:** Soybean meal prices are expected to trade sideways with firm bias. Revive in soymeal export demand likely to support soymeal prices in upcoming months.

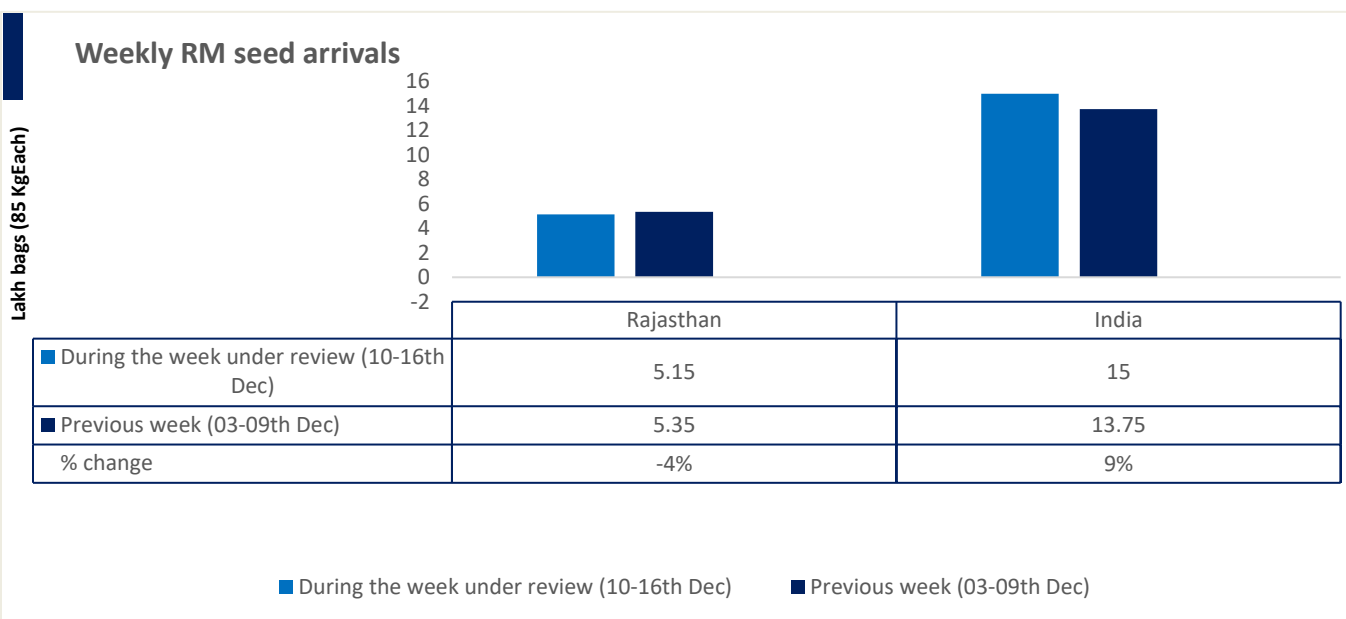


Soymeal Indore Price Outlook (INR./MT)	Previous week 03rd Dec'22- 09th Dec'22	Week under review 10th Dec'22- 16th Dec'22	Next week 17th Dec'22- 23th Dec'22
Weekly Average Price	40,000-41,500	41,500-44,000	42,000-45,000

### Rapeseed - Mustard Seed

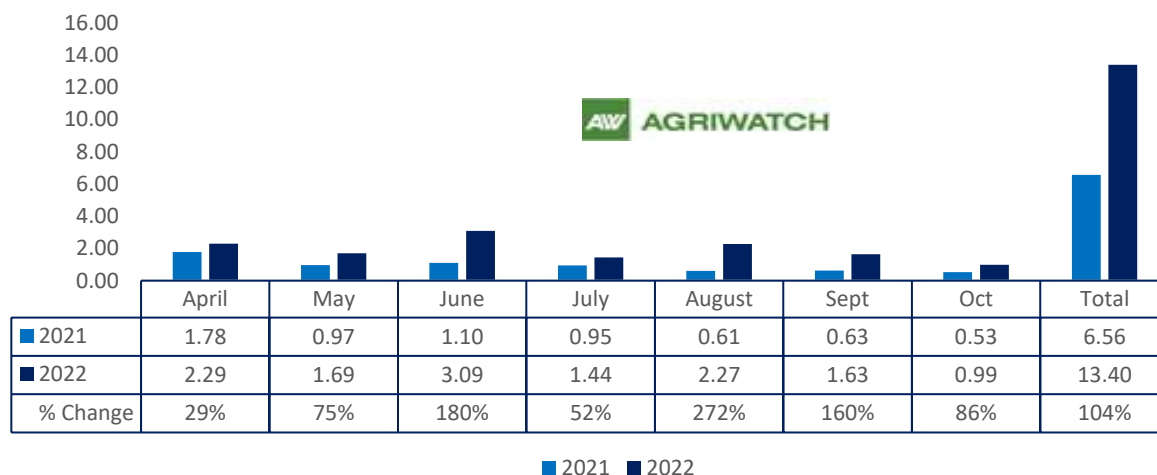


RM seed extended previous week loss during the week under review. Jaipur RM seed weekly average prices went down by 0.6% to INR. 6,704/qtl as compared to INR. 6,708/qtl previous week. Weakness in mustard oil and weak demand from crusher on disparity dragged market lower. Month till date market is down by 3%. So far RM seed has corrected by 7.32% from previous month high of INR 7,162/Qtl.



During the week under review, RM Seed arrivals continued to shrink, in Rajasthan arrivals recorded low to 5.15 Lakh bags as compared to 5.35 lakh bags previous week. All India arrivals went up to 15 Lakh bags Vs 13.75 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 16 December			
State	2022	2021	% Change
Rajasthan	38.78	35.143	10.36%
Madhya.Pradesh	13.62	10.8	26.11%
Uttar.Pradesh	13.05	13.743	-5.04%
West.Bengal	6.19	5.35	15.70%
Gujarat	2.985	3.2	-6.72%
Assam	2.694	2.794	-3.58%
Jharkhand	2.099	1.604	30.86%
Chhattisgarh	1.231	0.954	29.04%
Others	9.338	16.402	-43.07%
<b>Total</b>	<b>89.99</b>	<b>89.99</b>	<b>0.00%</b>

### 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:

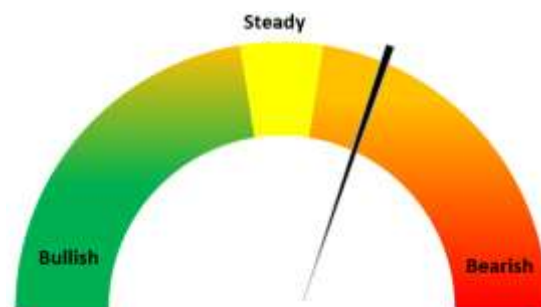


- As depicted in the above chart, market has breached support of 18 DMA, and during the week under review, market closed lower to 6,737, made low of 6,637, high of 6,762.
- Market is trading below 9, 18, 50 and 100 DMA and can be characterized as immediate resistance.
- Immediate support is at 6,500, next support is at 6300 and immediate resistance is at 6,800, next resistance is at 7150.

##### Recommendation-

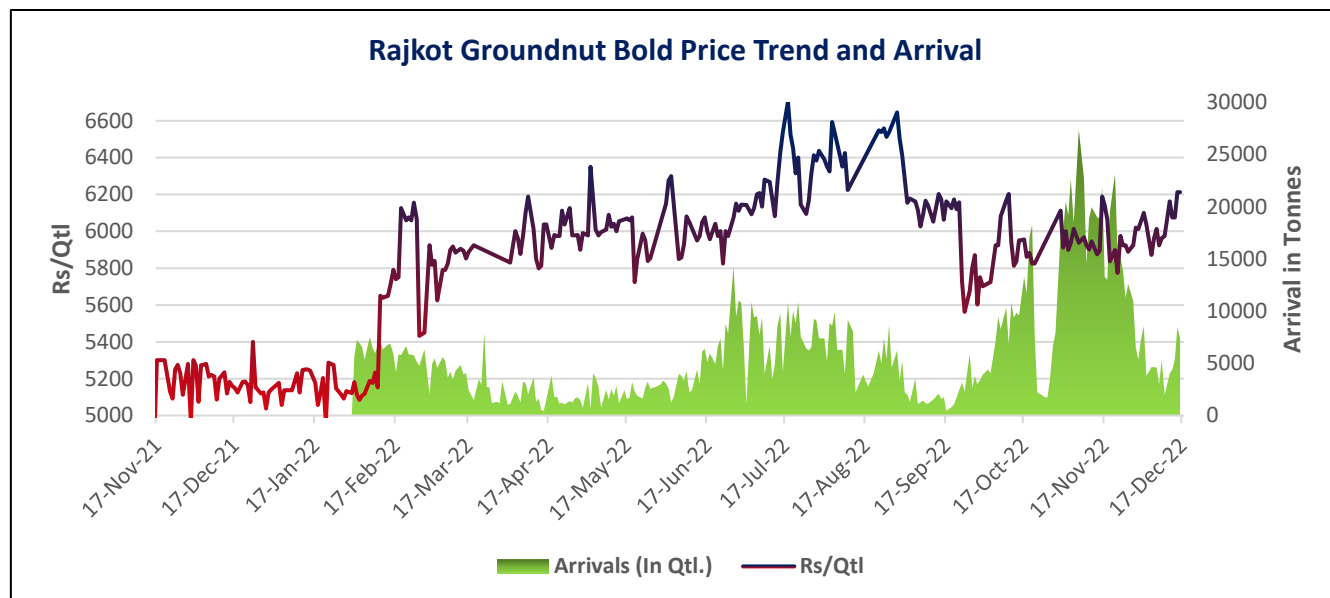
Market participants are recommended to wait for selling in the range of 6900-7200.

**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 03rd Dec'22- 09th Dec'22	Week under review 10th Dec'22- 16th Dec'22	Next week 17th Dec'22- 23th Dec'22
Weekly Average Price	6,688-6,763	6,688-6,763	6,400-6,700

## Groundnut



During the week under review, Rajkot Groundnut weekly average bold prices traded firm and went up by 2.6% to INR 6,118/Qtl. as compared to previous week at INR 5,962/Qtl. amid shrink in arrivals and good export demand. All India arrivals recorded up by 22% to 0.31 Lakh tonnes as compared to 0.25 Lakh tonnes previous week. GN oil exports in November'22 jumped up sharply as China's demand for Indian groundnut oil revives. Exports in November stood at 24,914.43 Tonnes compared to the export of 3,952.90 Tonnes in previous month. China's export demand made 97.66% of the total exports at 24,331.69 tonnes

### Rabi Groundnut sowing progress:

Rabi Groundnut			
Area Covered (Lakh Ha) as of 16 December			
State	2022	2021	% Change
Karnataka	1.52	1.26	20.63%
Telangana.	0.727	1.178	-38.29%
Odisha	0.43	0.214	100.93%
Tamil.Nadu	0.448	0.209	114.35%
Andhra.Pradesh	0.42	0.29	44.83%
Others	0.056	0.025	124.00%
<b>Total</b>	<b>3.601</b>	<b>3.601</b>	<b>0.00%</b>



### **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 6,075, made low of 6,075, high of 6,212.
- Market is trading above 9, 18, 50 and 100 DMA, and 38.2% Fibonacci retracement level can be characterized as immediate support, 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 and good export demand.



Rajkot Groundnut Bold Price Outlook (INR./Qtl)	Previous week 03rd Dec'22- 09th Dec'22	Week under review 10th Dec'22- 16th Dec'22	Next week 17th Dec'22- 23th Dec'22
Weekly Average Price	5,890-6,100	5,890-6,100	5900-6,300



## Annexure

Oilseed Prices at Key Spot Markets:					
Commodity / Centre	% Change over previous week	Today	Week ago	Month Ago	Year Ago
<b>Soybean</b>		<b>17-Dec-22</b>	<b>09-Dec-22</b>	<b>17-Nov-22</b>	<b>17-Dec-21</b>
Indore –Plant	1%	5680	5650	5660	6500
Indore–Mandi	1%	5550	5500	5560	6400
Nagpur-Plant	-5%	5550	5850	6000	6700
Nagpur – Mandi	-3%	5330	5500	5700	6300
Latur – Mandi	-	5915	NA	6200	7000
Akola – Mandi	1%	5450	5400	5670	6700
Kota-Plant	2%	5550	5450	5750	6730
Kota – Mandi	-	5500	Closed	5650	6530
Bundi-Plant	1%	5500	5450	5800	6550
Bundi-Mandi	1%	5400	5350	5700	6450
Baran-Plant	-2%	5600	5700	6000	6670
Baran-Mandi	-2%	5500	5600	5700	6470
Bhawani Mandi Jhalawar–Plant	-2%	5500	5600	5600	6650
Jhalwar-Mandi	-2%	5400	5500	5500	6450
<b>Rapeseed/Mustard</b>					
Jaipur-(Condition)	-1%	6650	6725	6925	8075
Alwar-(Condition)	-2%	6350	6500	6600	7800
Sri Ganganagar-(Non-Condition)	2%	6200	6080	6700	7625
New Delhi–(Condition)	-1%	6600	6650	6800	7850
Kota-(Condition)	-	6400	Closed	6500	7675
Agra-(Condition)	-1%	6881	6952	7048	8333
Neewai-(Condition)	-2%	6300	6450	6100	7750
Hapur (UP)-(Condition)	0%	6650	6650	6700	7650
<b>Groundnut Seed</b>					
Rajkot	2%	1090	1070	1090	919
<b>Sunflower Seed</b>					
Gulbarga	-3%	6100	6259	6400	5400

Latur	-6%	6100	6500	6800	6100
Sholapur	-6%	6100	6500	6800	6100
<p>Soybean Prices are in INR/ctl. (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/ctl.</p>					

		Today	Month Ago	Year Ago	Year Ago
<b>Other Oilseed Prices at Mumbai (INR/100 Kg):</b>					
Oilseeds	Change	17-Dec-22	9-Dec-22	17-Nov-22	17-Dec-21
Groundnut Kernel	3%	7850	7625	7750	6600
Gr. Bolds 60/70	1%	8650	8550	8600	8800
Gr. Javas 60/70	1%	9550	9450	9500	9600
Gr Javas 70/80	1%	9450	9350	9400	9400
Gr.Javas 80/90	1%	9250	9150	9200	9200
KardiSeed 2% Exp Qly	0%	5400	5400	5300	5900
Sesame White 98/2/1 FM	3%	11500	11200	11200	9700
Whitish 95/5/FFA/1FM	3%	11300	11000	11000	9500
Brown 48/2 FFA/4 FM	2%	11000	10800	10800	9100
Brown 48/3 FFA/4 FM	2%	10800	10600	10600	9000
Brown 48/4 FM/* No FFA Guarantee	0%	10400	10400	10400	8600
Sunflower Seed	0%	6700	6700	6700	6500
Niger Seed (4% FM)	0%	8500	8500	8300	7500

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