

Oil Seed Weekly Research Report

Contents

- ❖ Executive Summary
- ❖ Outlook – Cash Market
- ❖ Soybean – Domestic & International
- ❖ Soy meal
- ❖ Technical Analysis - Soybean
- ❖ Rapeseed - Mustard
- ❖ RM Seed Supply, Rajasthan
- ❖ Technical Analysis – RM Seed
- ❖ Annexure – Prices etc.

Executive Summary

The weekly average prices of Soybean Indore mandi prices remained stable and went up by 1.12% to INR 5,638/ Qtl. as compared to 5,575/qtl. previous week amid good demand.

The weekly average prices of Indore soymeal traded with weak bias at INR 42,800/MT as compared to last week at INR 44,500/MT amid revive in export demand.

During the week under review, Jaipur RM seed weekly average prices went up by 0.37% to INR. 6,738/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 2.21% at INR 6,350/Qtl. amid shrink in arrivals and good export demand.

Outlook – Cash Market

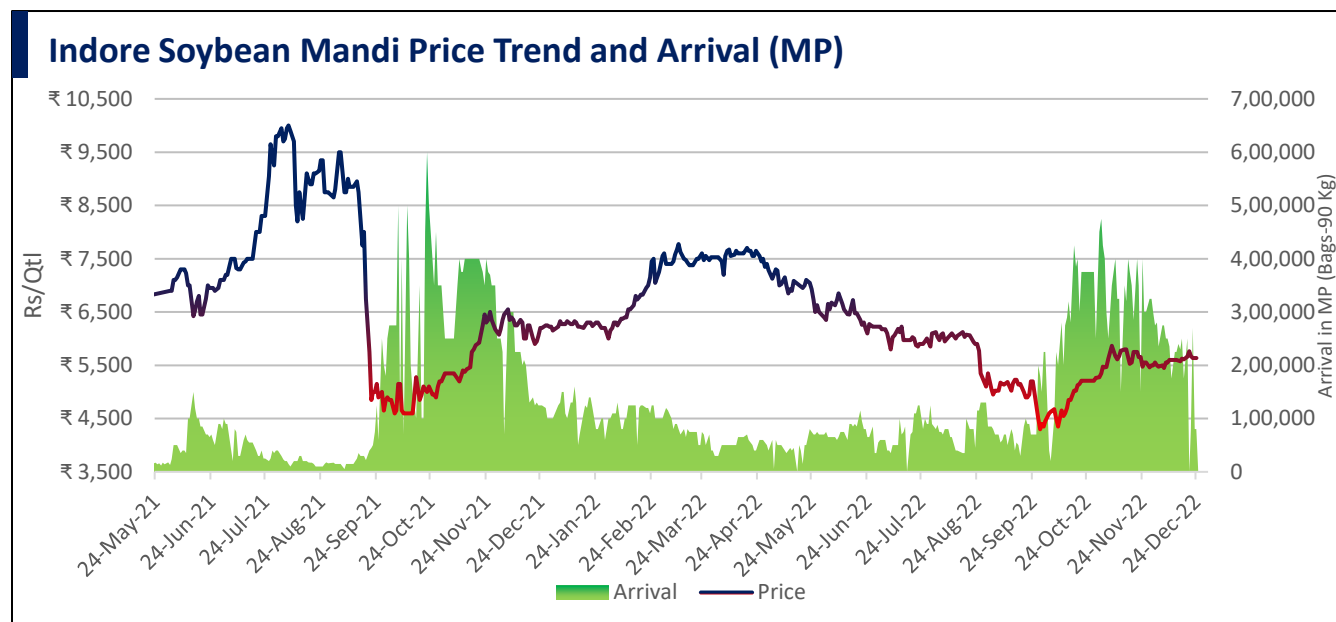
Outlook - Soybean (Spot Indore): *In the coming week, soybean plant prices are expected to trade sideways with firm bias. The prices (Indore, Plant basis) are expected to feature in the price band of 5,300-5,600 levels in the near term.*

Outlook – Soy meal:

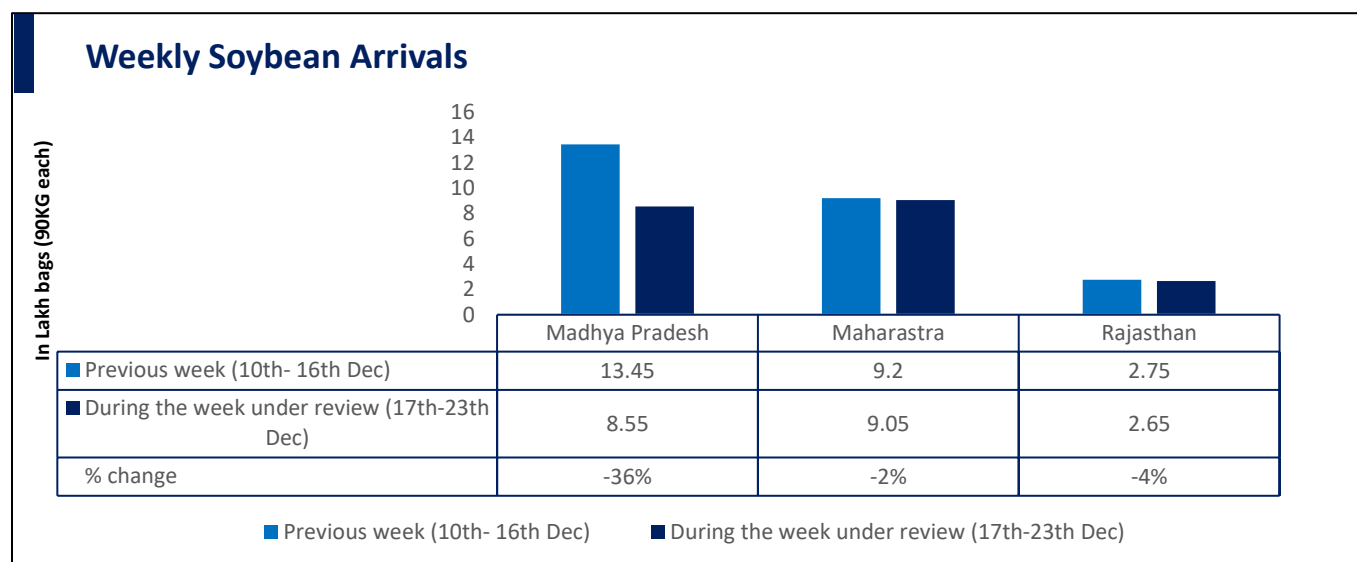
The soy meal prices (Indore) are likely to trade sideways in tandem with soybean prices. Soy meal Indore prices are likely to trade in the range of 42,000 – 45,000/MT.

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 6,600 – 6,800/Qtl. in the short-run.*

Soybean

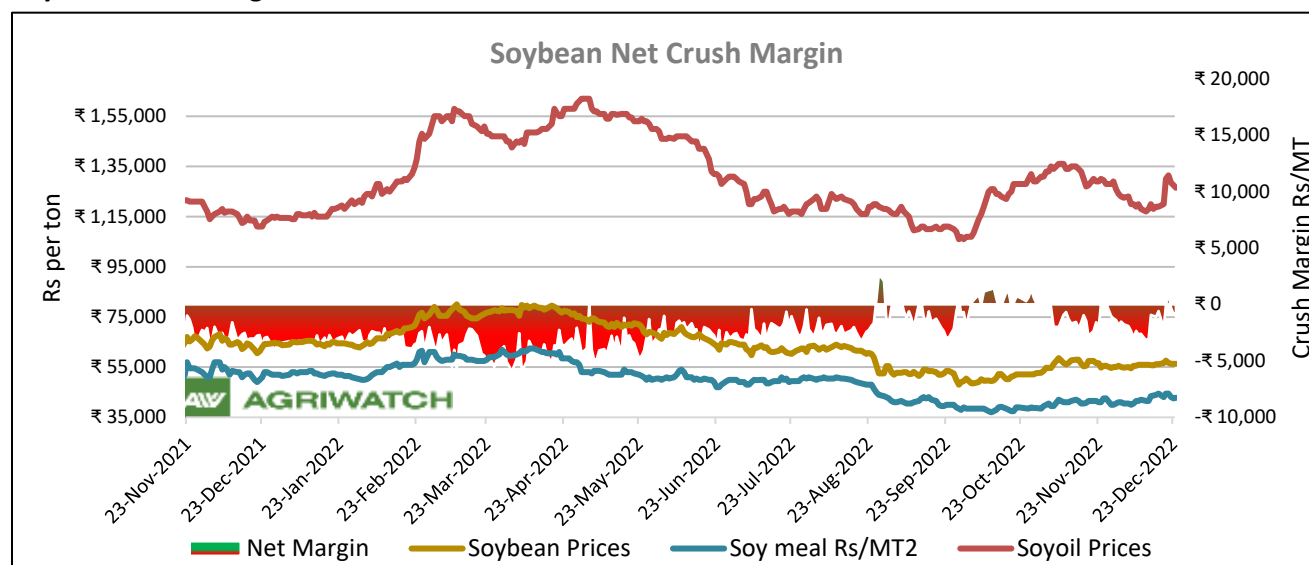


During the week under review, Soybean indore mandi prices remained stable and went up by 1.12% to INR 5,638/Qtl. as compared to 5,575/ctl. previous week amid shrink in arrivals. During the week the market made a high of INR 5,550/Qtl. Stock limit removal, good demand from crushers and rebound in Soymeal export demand pushed Soybean prices more than 26% up from current season low of INR 4300 levels and 0.69% up month till date.



During the week under review, the total arrival in MP continued to shrink and recorded down by 36% to 8.55 Lakh bags Vs 13.45 Lakh bags previous week. In Maharashtra too arrivals went down to 9.05 Lakh bags vs 9.2 Lakh bags last week. In Rajasthan the arrivals recorded low to 2.65 lakh bags Vs 2.75 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 17th -23rd December is in disparity at INR -472/ MT as compared to previous week at INR -1969/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.

Technical Analysis

US Soybeans Futures, W, (CFD) - O 1484.62 H 1522.62 L 1463.50 C 1500.62

1A (9, close, 0) - 1462.073

1A (10, close, 0) - 1471.255

1A (50, close, 0) - 1531.000

1A (100, close, 0) - 1447.264

1A (14, RSI, 0) - 54.0665

MACD (12, 26, close, 0) - 1A 143.4 - 22.1845

1A (9, close, 0) - 1462.073

1A (10, close, 0) - 1471.255

1A (50, close, 0) - 1531.000

1A (100, close, 0) - 1447.264

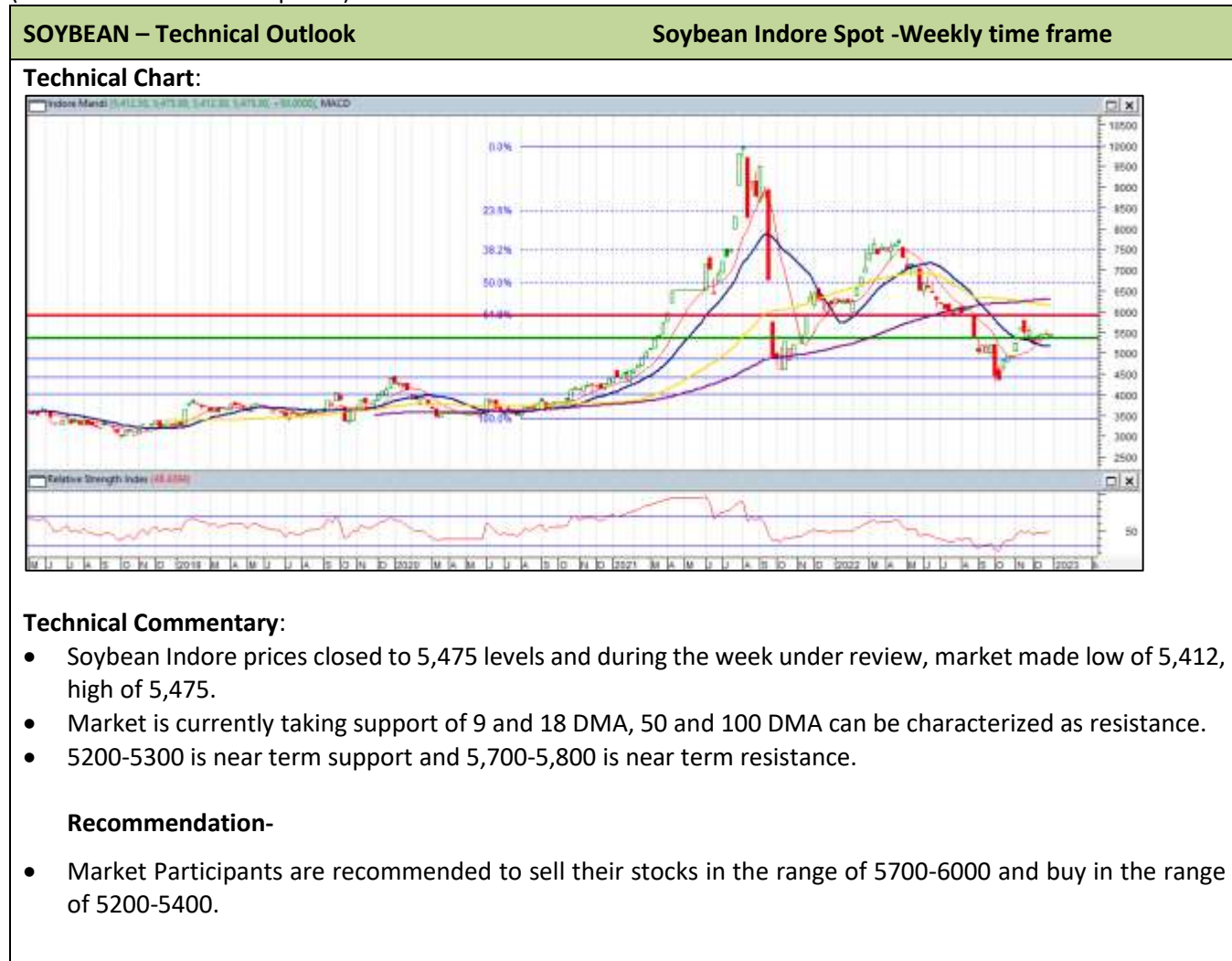
1A (14, RSI, 0) - 54.0665

MACD (12, 26, close, 0) - 1A 143.4 - 22.1845

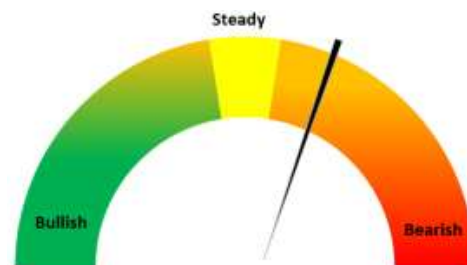
5

Technical Analysis (Domestic market)

(Based on Indore Mandi prices)

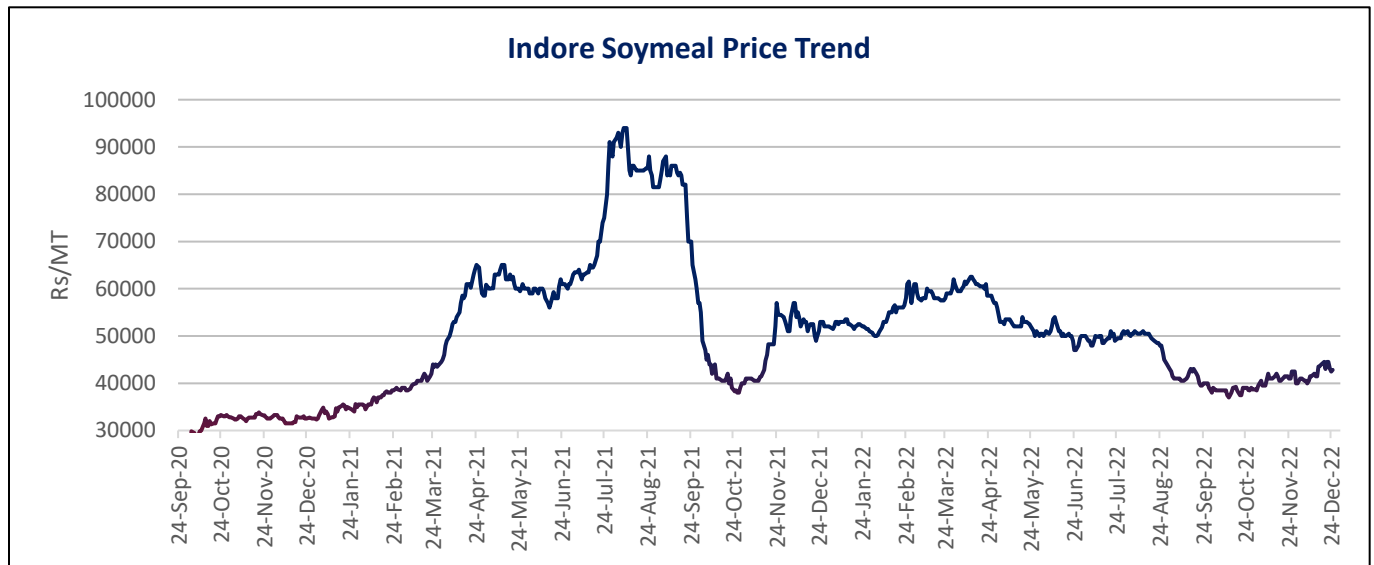


Soybean Price Outlook for coming week: Indore Soybean mandi prices are currently trading at INR. 5,425/qtl. and are expected to trade range bound in the range of INR 5,200-5,800 in short run.

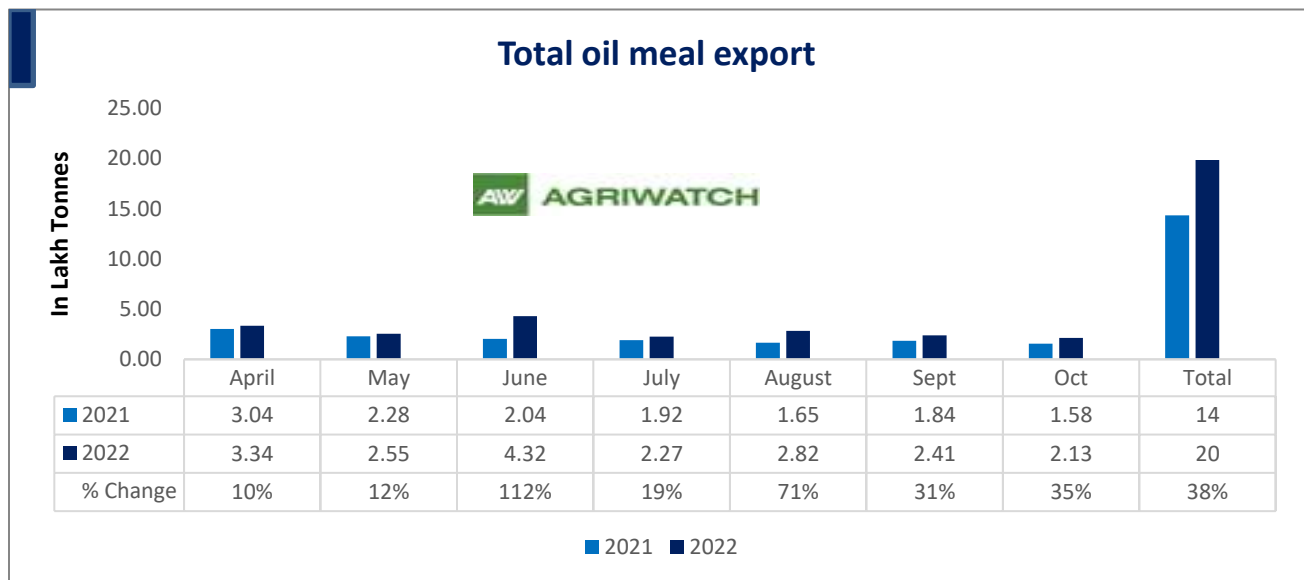


Soybean Mandi Price Outlook (INR./Qtl)	Previous week 10th Dec'22- 16th Dec'22	Week under review 17th Dec'22- 23rd Dec'22	Next week 24th Dec'22- 30th Dec'22
Weekly Average Price	5,280-5,500	5,370-5,575	5,300-5,600

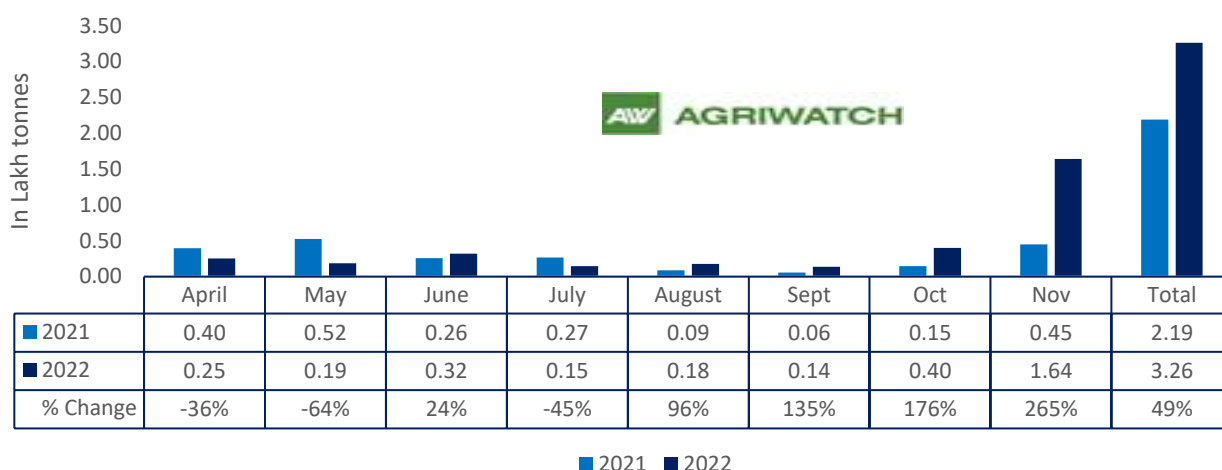
Soymeal



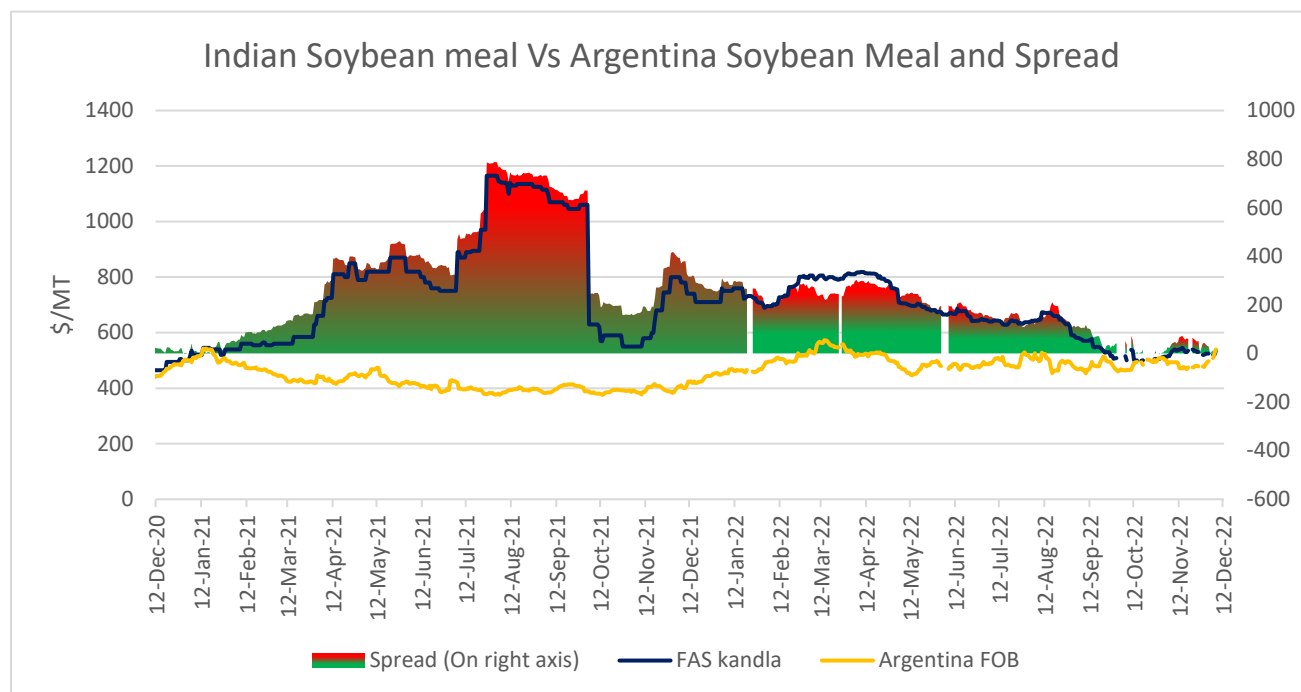
During the week under review, Indore Soymeal prices weekly average prices traded with weak bias and closed at INR 42,800/MT as compared to last week at INR 44,500/ amid revive in slow demand.



Soy meal export

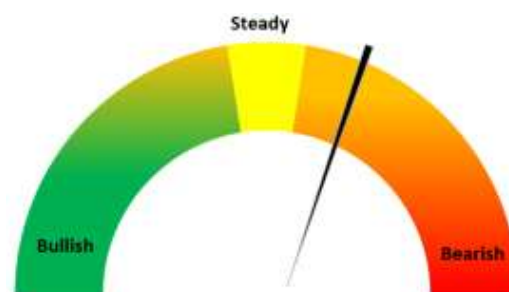


The Solvent Extractor Association monthly update showed Soymeal exports up by 265% to 1.64 Lakh tonnes in Nov'22 Vs 0.45 Lakh tonnes previous year. Soymeal exports went up for the third straight month on good soymeal export demand from south east Asia tracking competitive prices in global markets. Soymeal exports are up by 49% for the period April'22-Nov'22 to 3.26 Lakh tonnes as compared to 2.19 Lakh tonnes previous year same period.



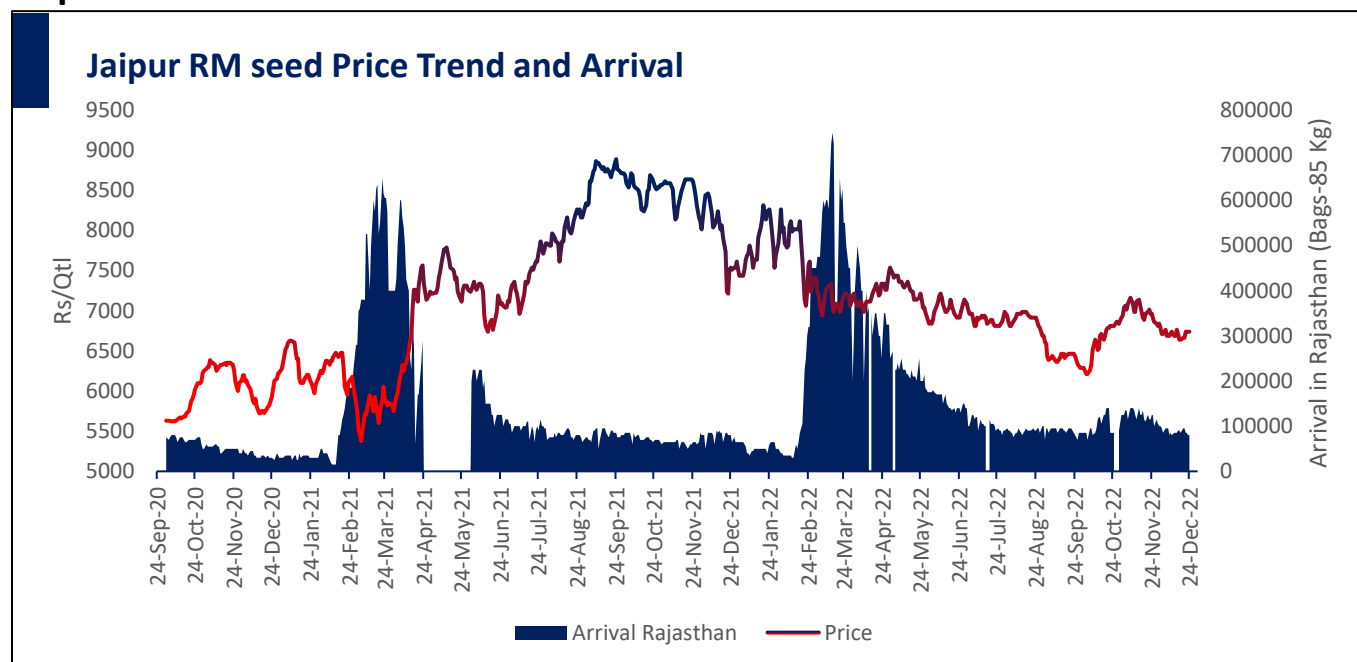
Currently, Indian Soymeal FOB prices trading at \$535/MT, Argentina Soymeal FOB prices trading at \$539/MT and spread stands at \$-4/MT. Decline in Argentine soymeal prices has led to a squeeze in spread. Upon squeeze in spread Indian soymeal export demand is rising and so the prices are improving.

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.

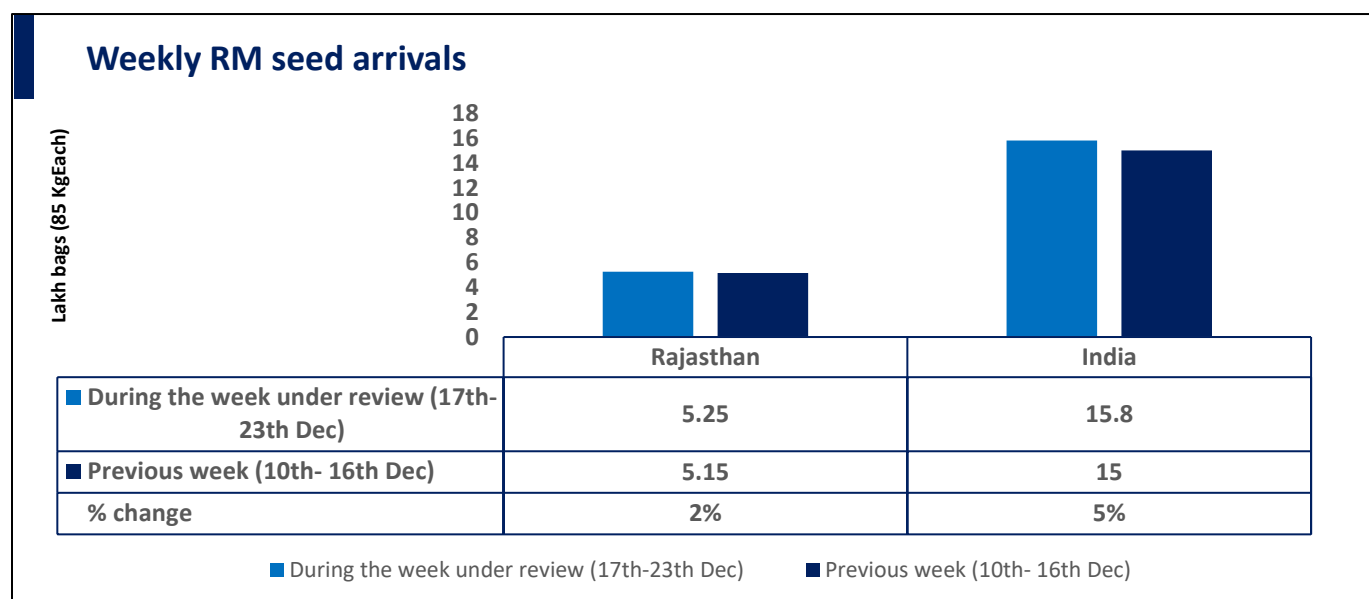


Soymeal Indore Price Outlook (INR./MT)	Previous week 03rd Dec'22- 09th Dec'22	Week under review 10th Dec'22- 16th Dec'22	Next week 17th Dec'22- 23th Dec'22
Weekly Average Price	40,000-41,500	41,500-44,000	42,000-45,000

Rapeseed - Mustard Seed

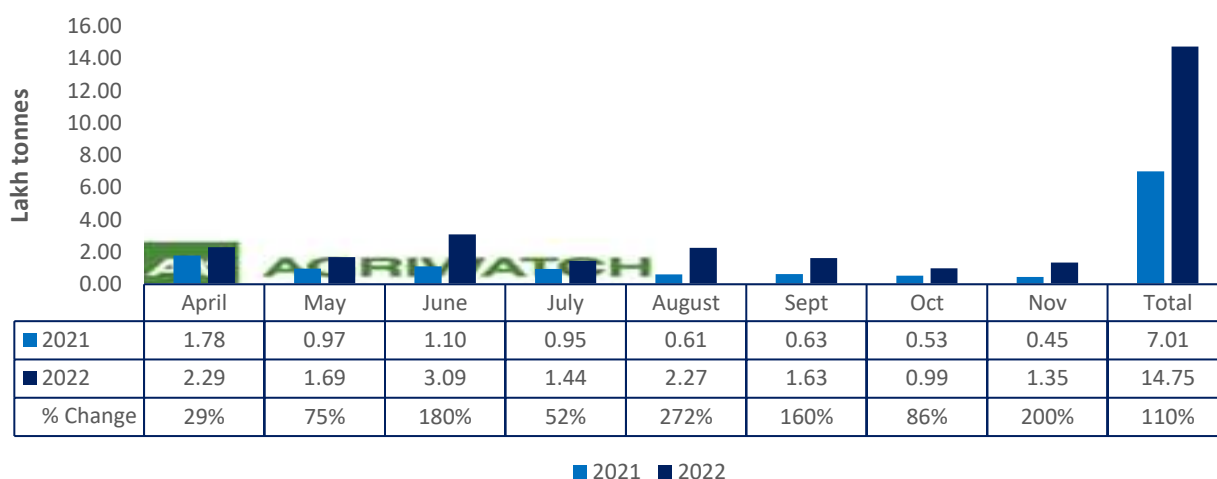


RM seed gained during the week under review. Jaipur RM seed weekly average prices went up marginally by 0.37% to INR. 6,738/qrtl as compared to INR. 6,713/qrtl previous week. Month till date market is down by 3.58%. So far RM seed has corrected by 6% from previous month high of INR 7,162/Qtl.



During the week under review, RM Seed arrivals improved as farmers are offloading old crop ahead of arrival of new crop in the market. Arrivals in Rajasthan recorded at 5.25 Lakh bags as compared to 5.15 lakh bags previous week. All India arrivals went up and stood at 15.8 Lakh bags Vs 15 Lakh bags previous week.

Rapeseed meal export



There is a significant jump in export of rapeseed meal and reported at 14.75 Lakh tons in April'22-Nov'22 compared to 7.01 Lakh tons previous year same period. i.e., up by 110%. And in NOV'22 exports recorded up by 200% to 1.35 Lakh tonnes vs 0.45 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 23 December 2022			
State	2022	2021	% Change
Rajasthan	39.35	35.33	11.39%
Madhya.Pradesh	13.8	10.8	27.78%
Uttar.Pradesh	13.26	13.976	-5.16%
Haryana	7.323	7.563	-3.17%
West.Bengal	6.435	5.6	14.91%
Gujarat	3.022	3.269	-7.56%
Jharkhand	2.772	2.534	9.39%
Assam	2.74	2.855	-4.03%
Others	3.97	3.422	16.01%
Total	92.671	85.348	8.58%

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:

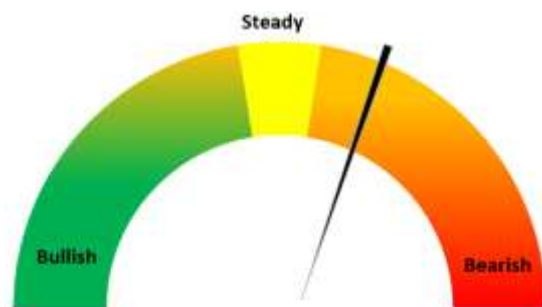


- As depicted in the above chart, market is taking support of 18 DMA, and during the week under review, market closed lower to 6,737, made low of 6,662, high of 6,737.
- Market is trading below 9, 50 and 100 DMA and can be characterized as immediate resistance.
- Immediate support is at 6,600, next support is at 6300 and immediate resistance is at 6,800, next resistance is at 7150.

Recommendation-

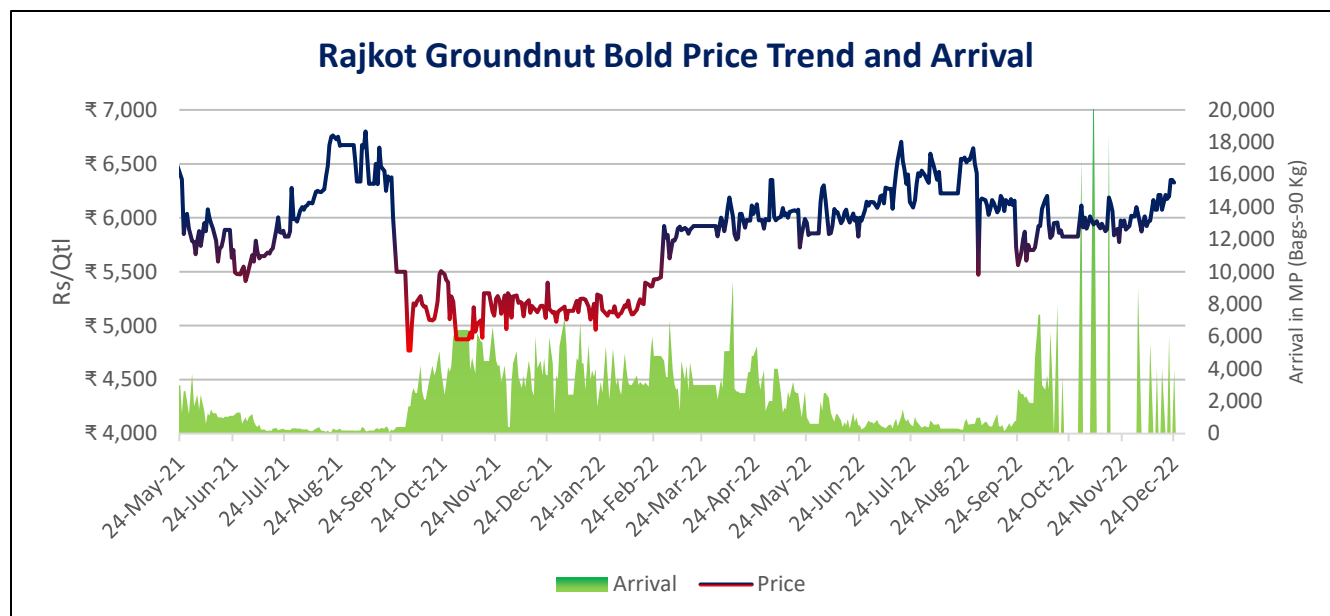
Market participants are recommended to wait for selling in the range of 6900-7200.

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	6,600-6,800

Groundnut



During the week under review, Rajkot Groundnut weekly average bold prices traded firm and went up by 2.21% to INR 6,350/Qtl. as compared to previous week at INR 6,212.5/Qtl. amid shrink in arrivals. All India arrivals recorded down by 2% to 0.309 Lakh tonnes as compared to 0.32 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 23 December 2022			
State	2022	2021	% Change
Karnataka	1.52	1.26	20.63%
Telangana.	0.757	1.208	-37.33%
Odisha	0.621	0.293	111.95%
Andhra.Pradesh	0.492	0.379	29.82%
Tamil.Nadu	0.481	0.225	113.78%
Others	0.084	0.054	55.56%
Total	3.955	3.419	15.68%

Technical Analysis

(Based on Rajkot GN Bold Mandi prices)

Groundnut Bold – Technical Outlook

Rajkot -Weekly time frame

Technical Chart:



Technical Commentary:

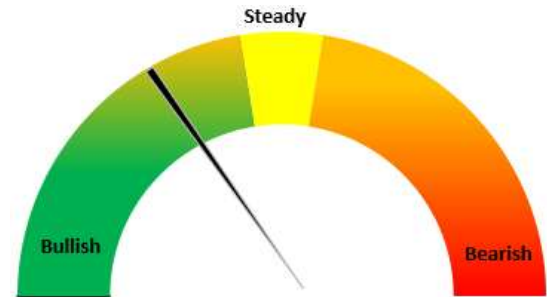
- As depicted in the above chart, during the week under review, market closed higher to 6,327, made low of 6,175, high of 6,350.
- Market is trading above 9, 18, 50 and 100 DMA, and 23.6% Fibonacci retracement level can be characterized as immediate support, 6500 level can be characterized as resistance.
- Immediate support is at 6,200, next support is at 5,850 and immediate resistance is at 6,500, next resistance is at 6,700.

Recommendation-

Market participants are recommended to sell in the range of 6500-6700 and buy in the range of 5800-6000.



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



Rajkot Groundnut Bold Price Outlook (INR./Qtl)	Previous week 10th Dec'22- 16th Dec'22	Week under review 17th Dec'22- 23rd Dec'22	Next week 24th Dec'22- 30th Dec'22
Weekly Average Price	5,890-6,100	5900-6,300	6,000-6,500

Annexure

Oilseed Prices at Key Spot Markets:					
Commodity / Centre	% Change over previous week	Today	Week ago	Month Ago	Year Ago
Soybean		24-Dec-22	17-Dec-22	24-Nov-22	24-Dec-21
Indore –Plant	0%	5700	5680	5550	6450
Indore–Mandi	-1%	5500	5550	5450	6400
Nagpur-Plant	2%	5660	5550	5575	6500
Nagpur – Mandi	2%	5410	5330	5475	6250
Latur – Mandi	-2%	5800	5915	6280	6500
Akola – Mandi	-	NA	5450	5770	6370
Kota-Plant	0%	5600	5600	5700	6350
Kota – Mandi	0%	5500	5500	5600	6300
Bundi-Plant	0%	5500	5500	5500	6350
Bundi-Mandi	0%	5400	5400	5400	6250
Baran-Plant	0%	5600	5600	5600	6650
Baran-Mandi	-	Closed	5500	5500	6450
Bhawani Mandi Jhalawar–Plant	1%	5550	5500	5650	6550
Jhalwar-Mandi	0%	5420	5400	5500	6350
Rapeseed/Mustard					
Jaipur-(Condition)	2%	6750	6650	6975	7550
Alwar-(Condition)	2%	6450	6350	6600	7250
Sri Ganganagar-(Non-Condition)	1%	6250	6200	6300	7000
New Delhi–(Condition)	0%	6600	6600	6800	7400
Kota-(Condition)	0%	6400	6400	6600	7050
Agra-(Condition)	1%	6929	6881	7167	7857
Neewai-(Condition)	1%	6350	6300	6600	7000
Hapur (UP)-(Condition)	0%	6650	6650	6800	7150
Groundnut Seed					
Rajkot	3%	1120	1090	1050	900
Sunflower Seed					
Gulbarga	-	NA	6100	5700	5400

Latur	-2%	6000	6100	6600	6000
Sholapur	-2%	6000	6100	6600	6000

Soybean Prices are in INR/qrtl. (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/qrtl.

		Today	Month Ago	Year Ago	Year Ago
Other Oilseed Prices at Mumbai (INR/100 Kg):					
Oilseeds	Change	24-Dec-22	17-Dec-22	24-Nov-22	24-Dec-21
Groundnut Kernel	2%	8000	7850	7650	6425
Gr. Bolds 60/70	1%	8750	8650	8500	8600
Gr. Javas 60/70	1%	9650	9550	9400	9400
Gr Javas 70/80	1%	9550	9450	9300	9200
Gr.Javas 80/90	1%	9350	9250	9100	9000
KardiSeed 2% Exp Qly	0%	5400	5400	5300	5900
Sesame White 98/2/1 FM	4%	12000	11500	11200	9700
Whitish 95/5/FFA/1FM	4%	11800	11300	11000	9500
Brown 48/2 FFA/4 FM	5%	11500	11000	10800	9100
Brown 48/3 FFA/4 FM	5%	11300	10800	10600	9000
Brown 48/4 FM/* No FFA Guarantee	5%	10900	10400	10400	8600
Sunflower Seed	0%	6700	6700	6700	6500
Niger Seed (4% FM)	6%	9000	8500	8400	7500

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>
 © 2022 Indian Agribusiness Systems Limited