



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 0.42% to INR 5,448/ Qtl. as compared to 5,471/qtl. previous week amid sluggish demand.

The weekly average prices of Indore soymeal traded with weak bias at INR 42,767/MT as compared to last week at INR 43,667/MT amid decline in crush margin.

During the week under review, Jaipur RM seed weekly average prices went up by 1.2% to INR. 6,775/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 1.5% at INR 6,318/Qtl. amid shrink in arrivals and good export demand.

Outlook – Cash Market

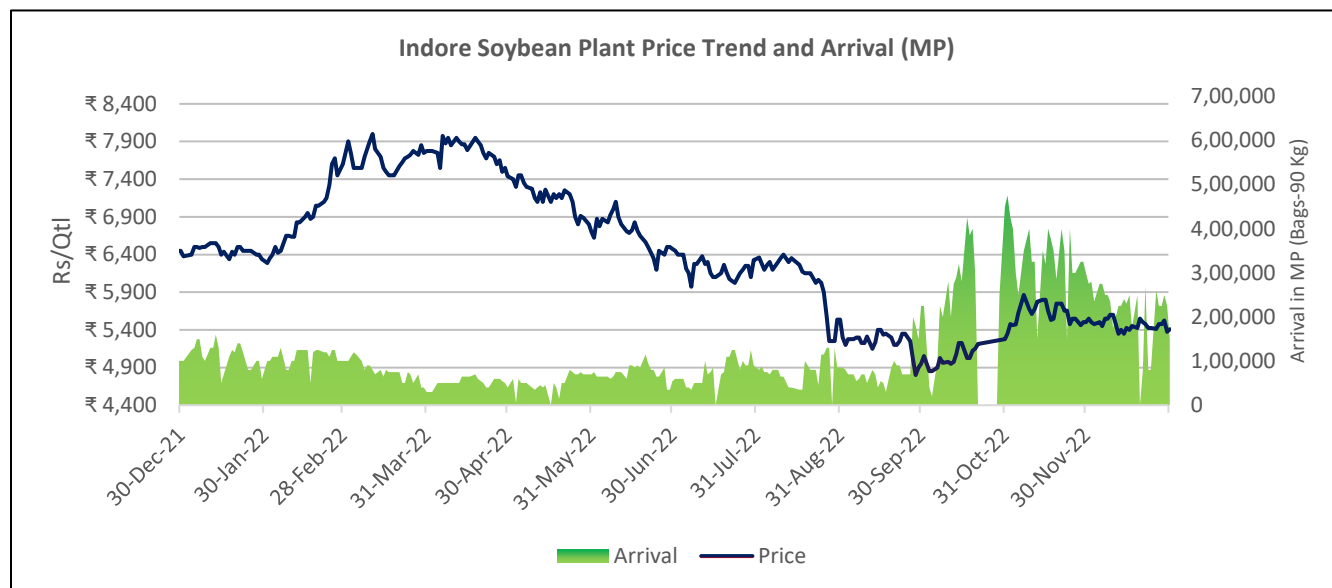
Outlook - Soybean (Spot Indore): In the coming week, soybean plant prices are expected to trade sideways amid subdued demand from crushers. The prices (Indore, Plant basis) are expected to feature in the price band of 5,300-5,600 levels in the near term.

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.

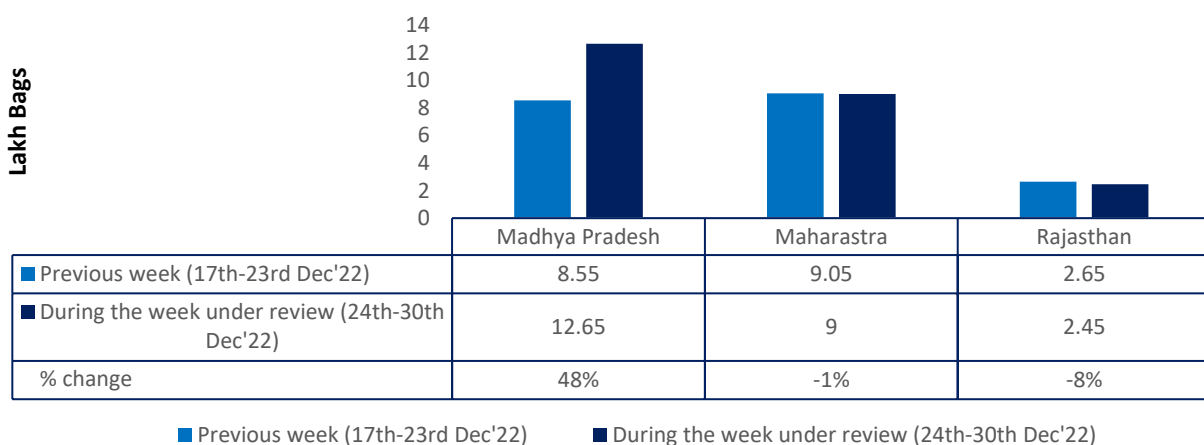
Outlook - Rapeseed-Mustard (Spot, Jaipur basis): Rapeseed-Mustard is expected to trade rangebound with weak bias. The seed prices are likely to trade in the range between 6,600 – 6,900/Qtl. in the short-run.

Soybean

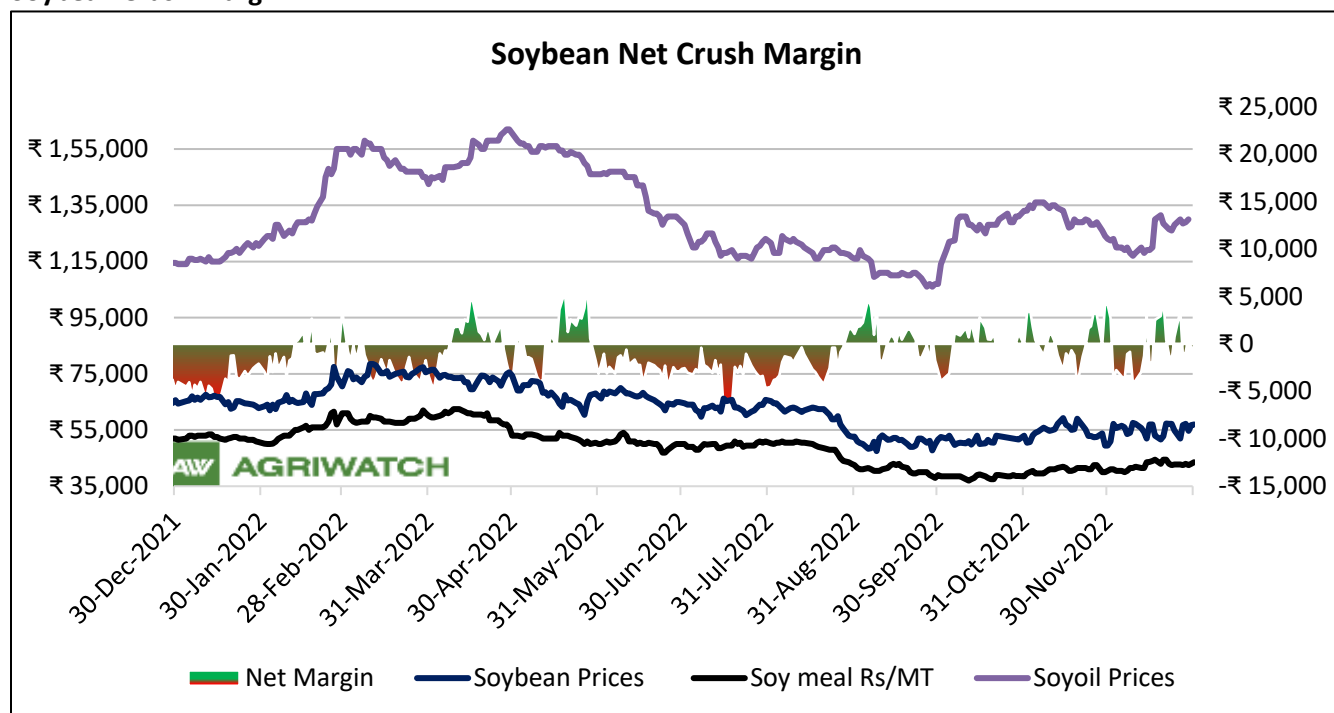


During the week under review, Soybean indore mandi prices remained sideways and went down by 0.42% to INR 5,448/ Qtl. as compared to 5,471/qtl. previous week amid rebound in arrivals. During the week the market made a high of INR 5,525/Qtl. Stock limit removal, good demand from crushers and rebound in Soymeal export demand pushed Soybean prices more than 26% up from current season low of INR 4300 levels and 0.23% up month till date.

Weekly Soybean Arrivals



During the week under review, the total arrival in MP rebounded by 48% to 12.65 Lakh bags Vs 8.55 Lakh bags previous week. In Maharashtra arrivals went down to 9 Lakh bags vs 9.05 Lakh bags last week. In Rajasthan the arrivals recorded low to 2.45 lakh bags Vs 2.65 Lakh bags previous week. Peak arrivals is over now and is likely to remain subdued.

Soybean Crush Margin-


Soybean net crush margin declined during the week under review as seed prices improved. While, oil prices traded sideways. Weekly average soybean net crush margin for the period of 24th -30th December is in parity at INR 424/ MT as compared to previous week at INR 1300/MT.

International Update:

Trade participants are expecting lower soybean crushing for November at 190.2 million bushels, which is down by 3.26% compared to 196.6 million bushels in October. November'22 crushing is also slightly lower compared to 190.6 million bushels on Y-o-Y basis. Crush estimates according to trade participants ranged from 188.5 million bushels to 191.1 million bushels, with a median of 190.3 million bushels.

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

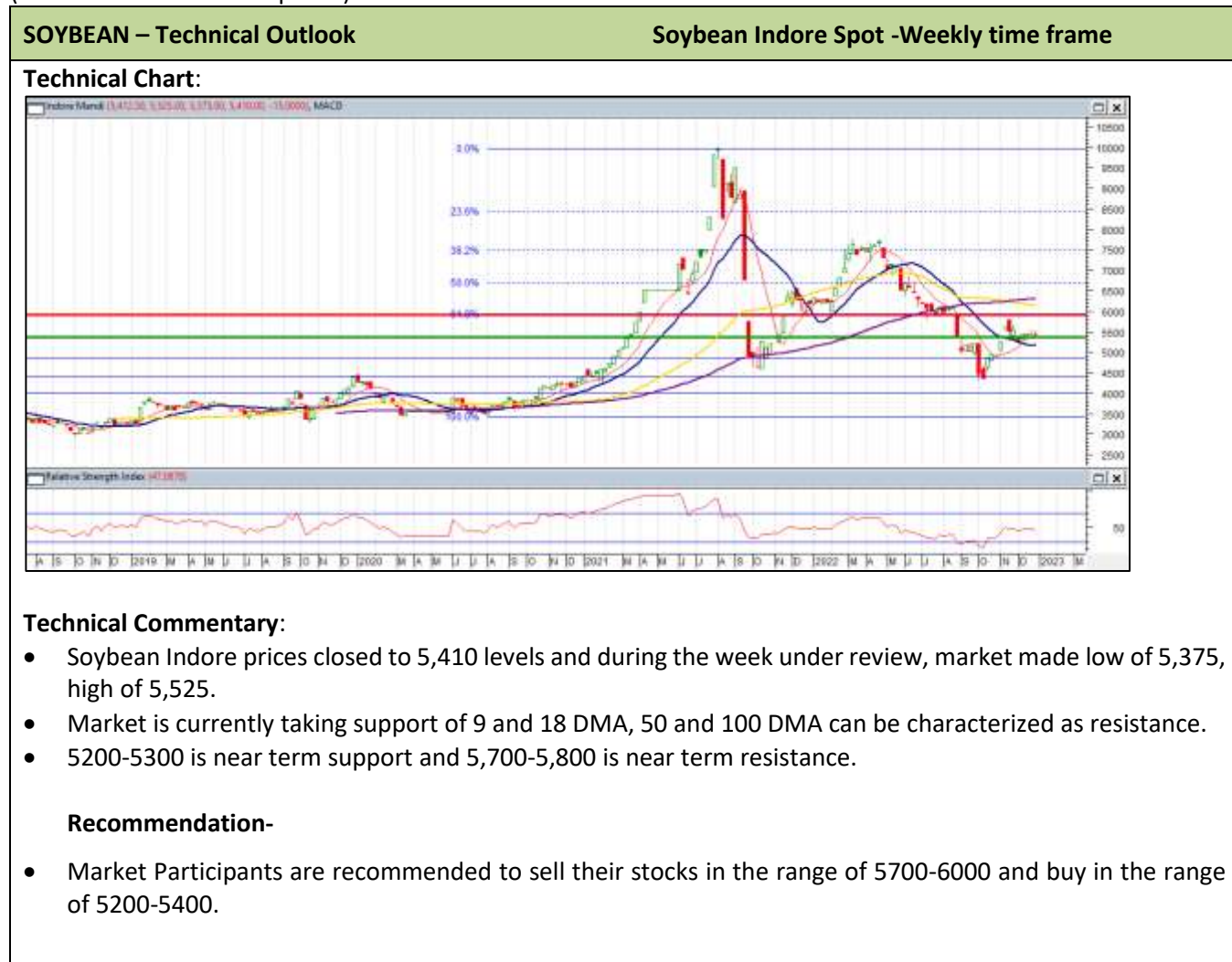
US Soybean futures



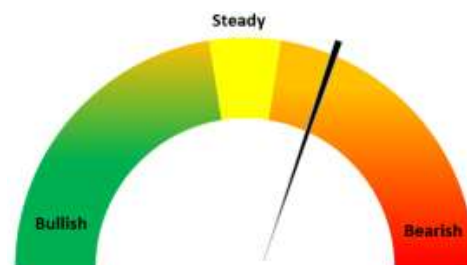
As depicted in the above chart, During the week under review, US Soybean remained bullish and went up by 3.04% to \$15.24/bushels and taking support of 9, 18 and 100 DMA and 50 DMA can be characterized as resistance. RSI at 57 indicating firm buying strength. And MACD indicating firm momentum in short run. Over all market is expected to trade with firm bias and take support from 14-14.50 in short run and resistance from 15.30-15.50.

Technical Analysis (Domestic market)

(Based on Indore Mandi prices)

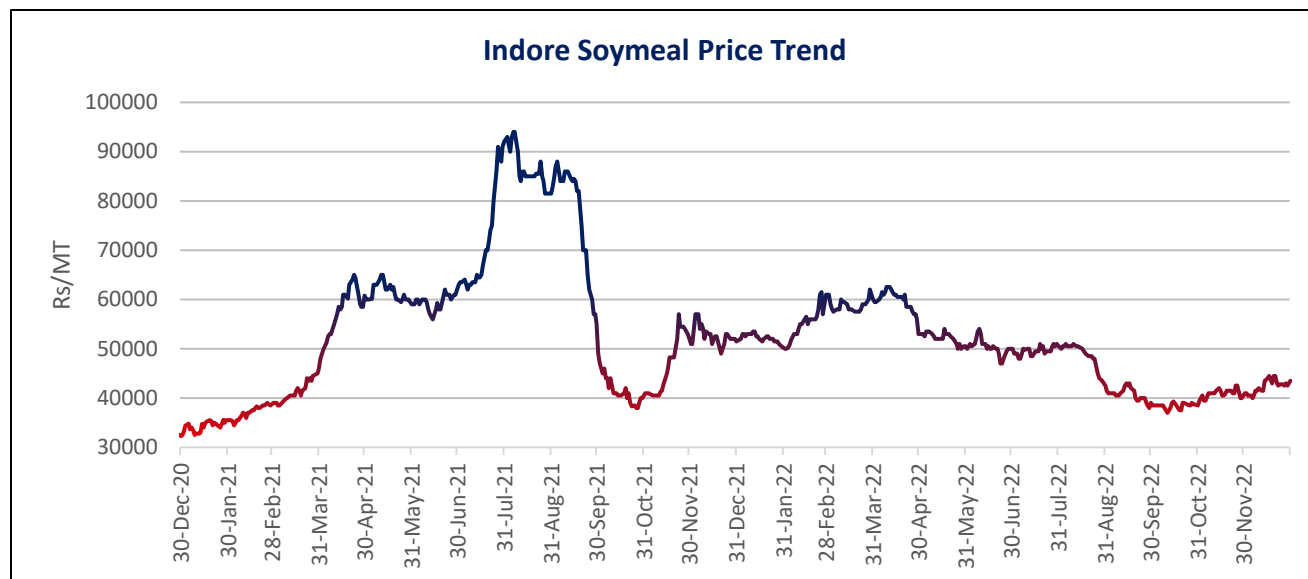


Soybean Price Outlook for coming week: Indore Soybean mandi prices are currently trading at INR. 5,410/qtl. and are expected to trade range bound in the range of INR 5,200-5,800 in short run.



Soybean Mandi Price Outlook (INR./Qtl)	Previous week 17th Dec'22- 23rd Dec'22	Week under review 24th Dec'22- 30th Dec'22	Next week 31st Dec'22- 06th Jan'23
Weekly Average Price	5,425-5,550	5,375-5,525	5,300-5,600

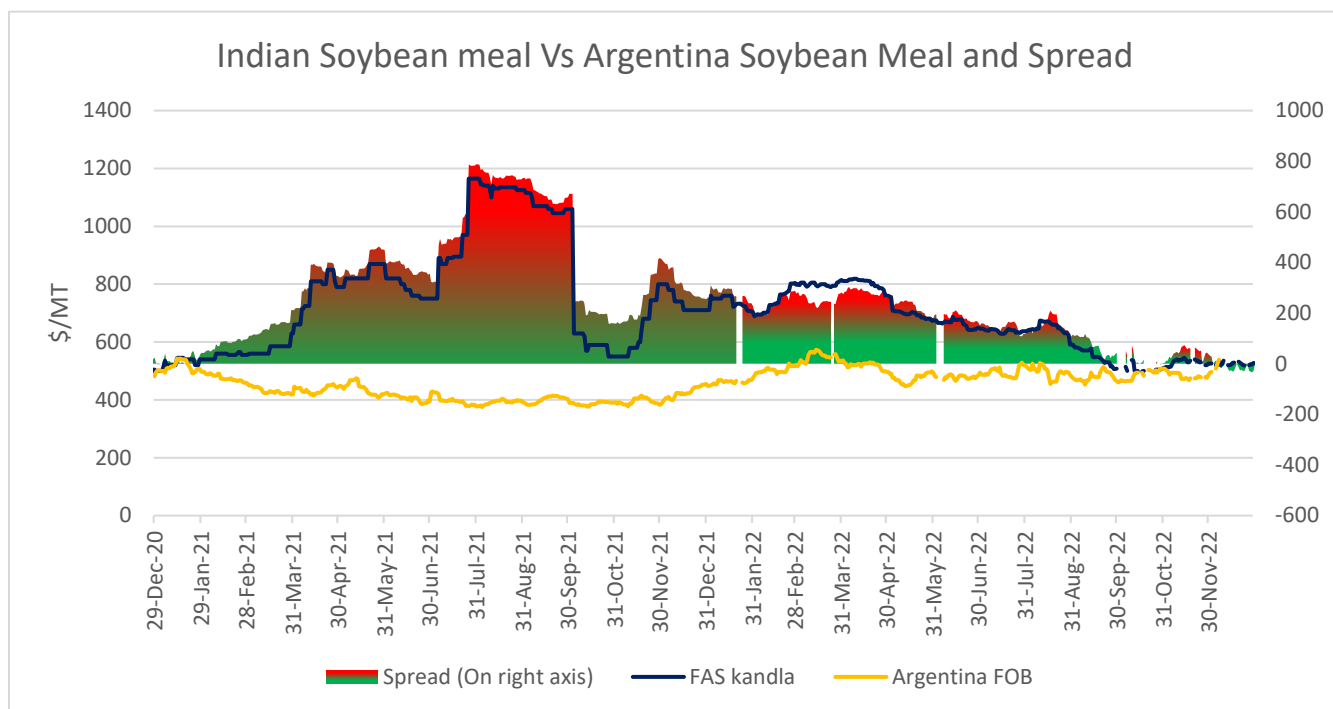
Soymeal



During the week under review, Indore Soymeal weekly average prices traded with weak bias and went down by 2% to INR 42,767/MT as compared to last week at INR 43,667/ amid weak soybean prices. However, revive in export demand likely to support prices in upcoming weeks.

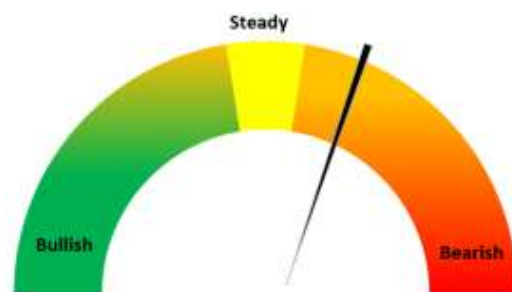


The Solvent Extractor Association monthly update showed Soymeal exports up by 265% to 1.64 Lakh tonnes in Nov'22 Vs 0.45 Lakh tonnes previous year. Soymeal exports went up for the third straight month on good soymeal export demand from south east Asia tracking competitive prices in global markets. Soymeal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



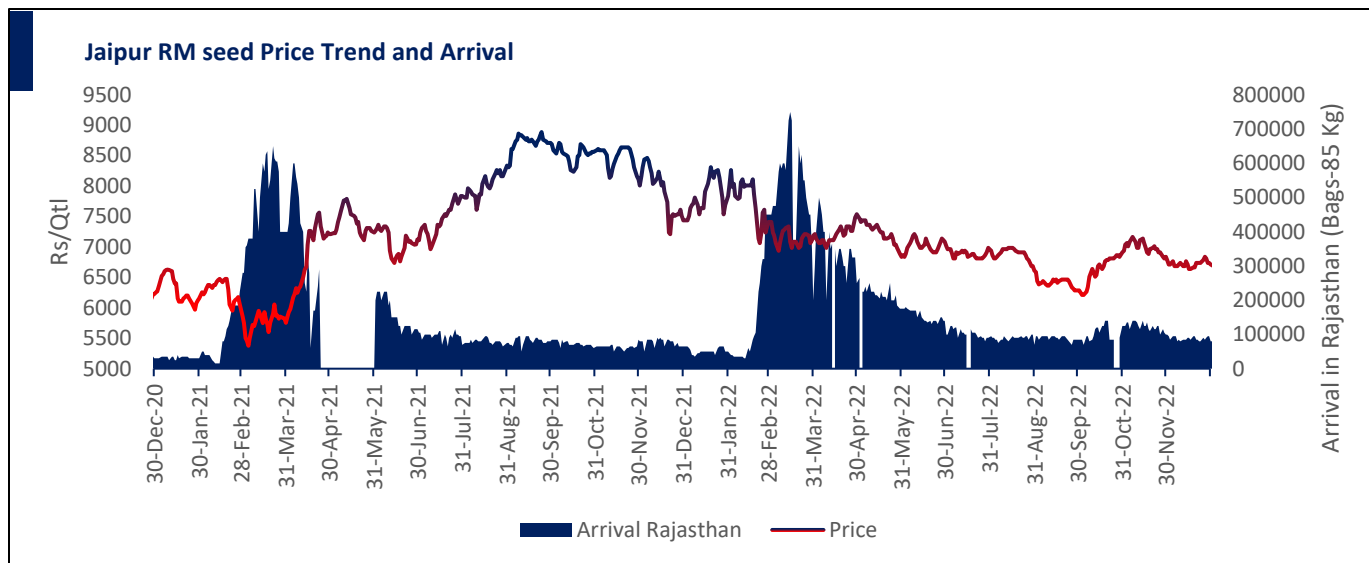
Currently, Indian Soymeal FOB prices trading at \$557/MT, Argentina Soymeal FOB prices trading at \$528/MT and spread stands at \$-29/MT. Decline in Argentine soymeal prices has led to a squeeze in spread. Upon squeeze in spread Indian soymeal export demand is rising and so the prices are improving.

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

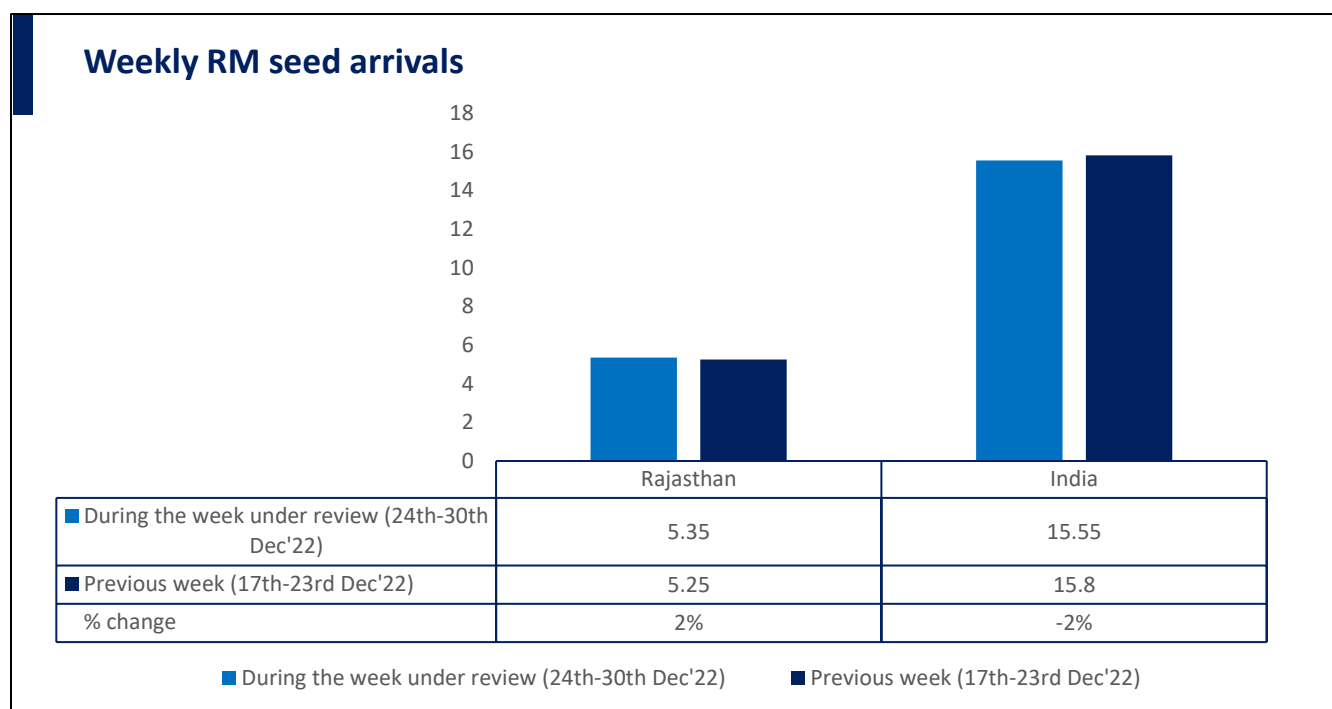


Soymeal Indore Price Outlook (INR./MT)	Previous week 17th Dec'22- 23rd Dec'22	Week under review 24th Dec'22- 30th Dec'22	Next week 31st Dec'22- 06th Jan'23
Weekly Average Price	41,000-42,500	41,200-44,000	42,000-45,000

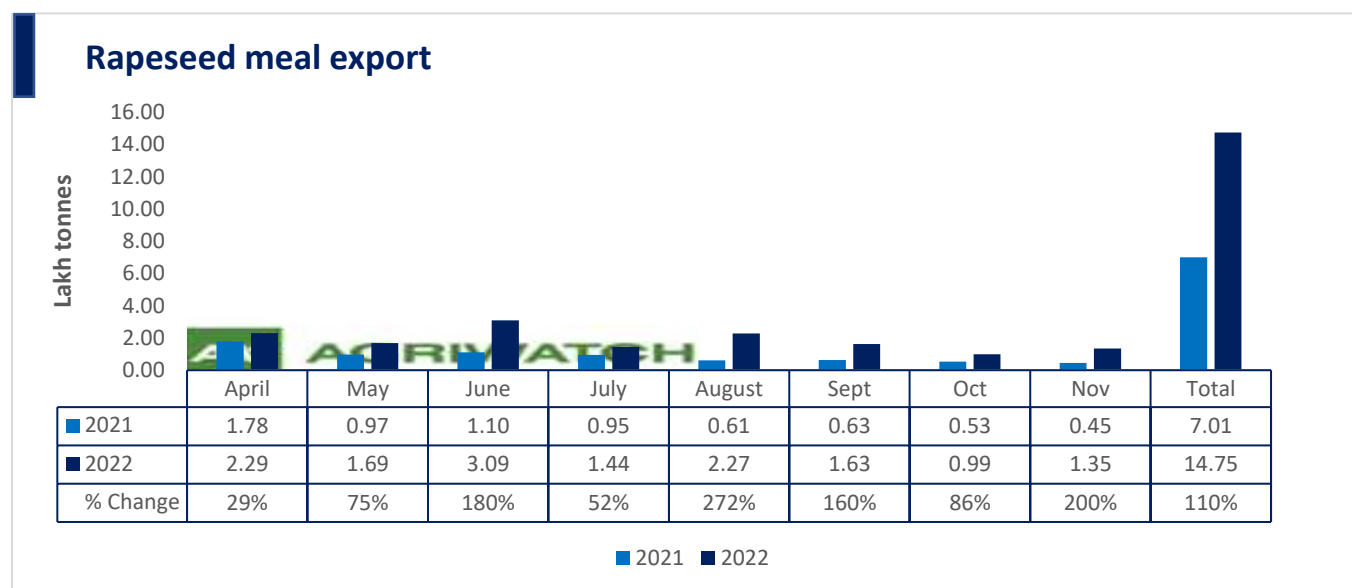
Rapeseed - Mustard Seed



RM seed gained during the week under review. Jaipur RM seed weekly average prices went marginally up by 1.2% to INR. 6,775/qtl as compared to INR. 6,696/qtl previous week. Month till date market is up by 1.2%. 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 5.35 Lakh bags as compared to 5.25 lakh bags previous week. All India arrivals went down and stood at 15.55 Lakh bags Vs 15.80 Lakh bags previous week.



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 30 December			
State	2022	2021	% Change
Rajasthan	39.72	35.33	12.43%
Madhya.Pradesh	13.83	11.11	24.48%
Uttar.Pradesh	13.26	14.083	-5.87%
Haryana	7.323	7.563	-3.17%
West.Bengal	6.52	5.7	14.39%
Assam	3.125	3.082	1.40%
Gujarat	3.04	3.282	-7.37%
Jharkhand	2.772	2.534	9.39%
Others	4.631	3.877	19.45%
Total	94.22	86.561	8.85%

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)

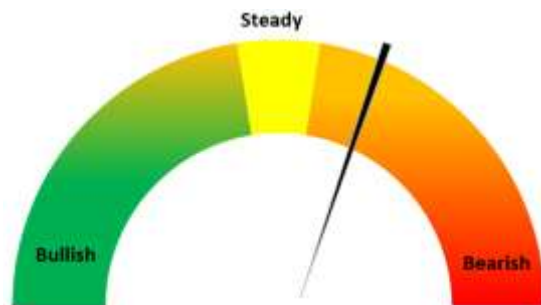
RM seed – Technical Outlook
RM seed Jaipur Spot -Weekly time frame
Technical Chart:
Technical Commentary:


- As depicted in the above chart, market is taking support of 18 DMA, and during the week under review, market closed lower to 6,712, made low of 6,712, high of 6,837.
- 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-

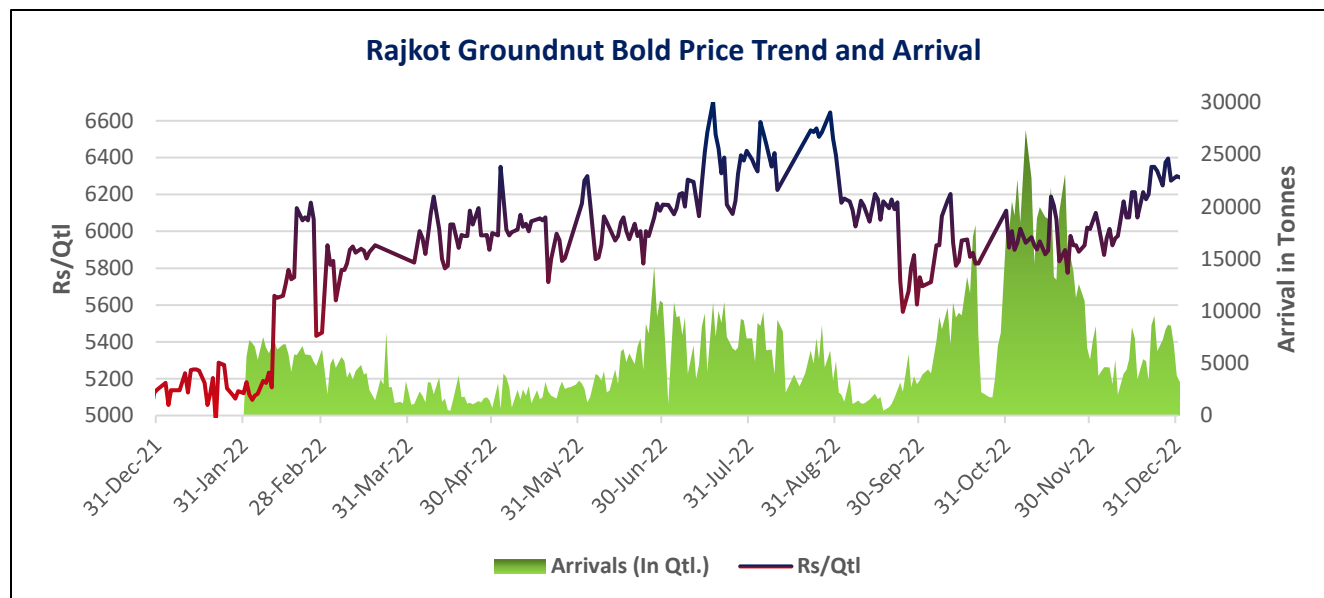
Market participants are recommended to wait for selling in the range of 6900-7200.

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 17th Dec'22- 23rd Dec'22	Week under review 24th Dec'22- 30th Dec'22	Next week 31st Dec'22- 06th Jan'23
Weekly Average Price	6,638-6,768	6,738-6,838	6,600-6,900

Groundnut



During the week under review, Rajkot Groundnut weekly average bold prices extended previous week gains and went up by 1.5% to INR 6,318/Qtl. as compared to previous week at INR 6,227.5/Qtl. amid shrink in arrivals. All India arrivals recorded up by 28% to 0.45 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.

Oil millers and groundnut seed processors have started buying the commodity in large quantities. However, demand from China is anticipated to get affected due to surge in covid cases.

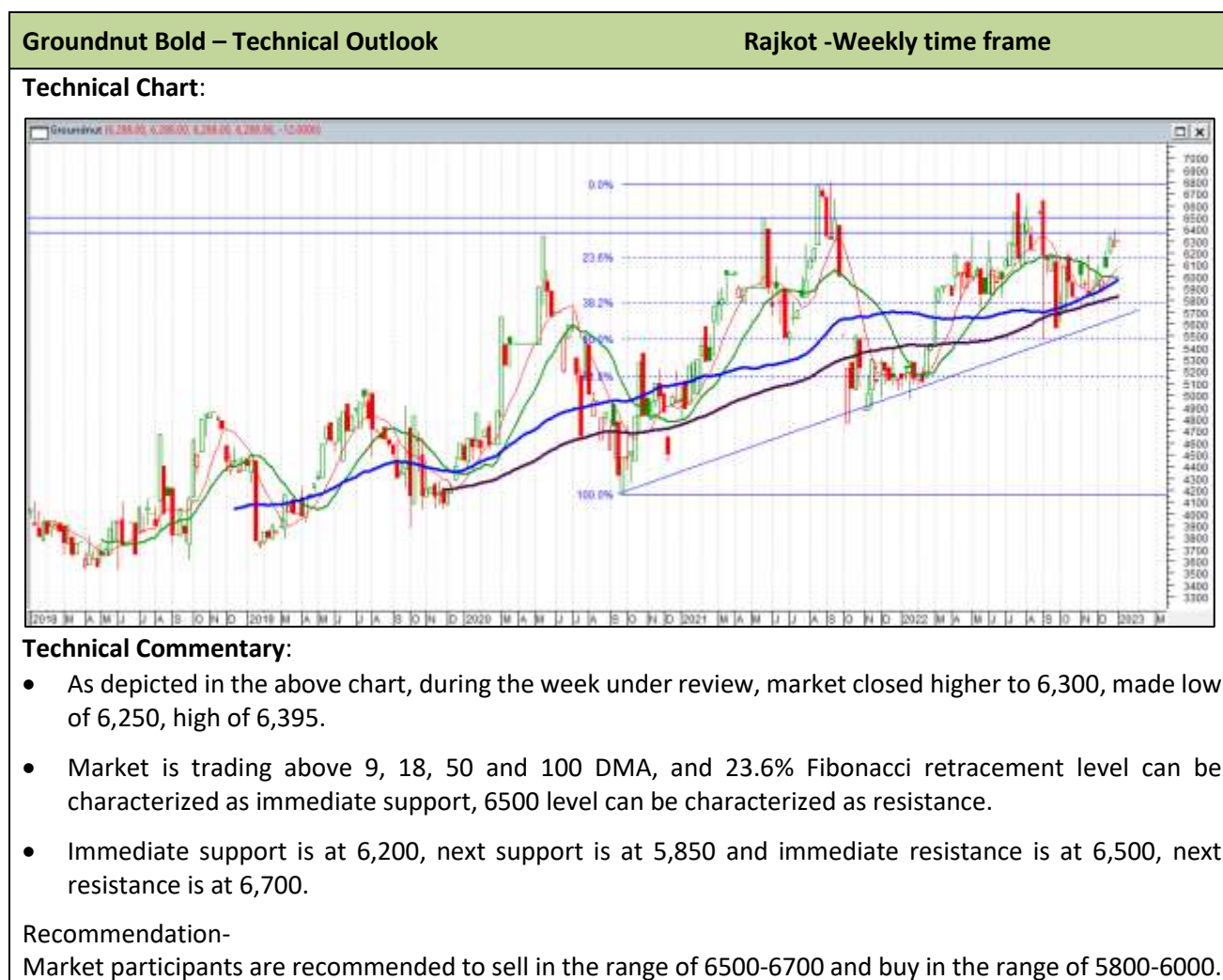
currently prices are firm amid shrinking arrivals. In Andhra Pradesh, farmers are shifting to cotton crop instead of groundnut whose prices are ruling high in the market. As per sources, Govt. have permission to buy up to 1 million tons of groundnut in Gujarat at MSP. However, only limited farmers have registered themselves to sell their produce at these centers. Since they are getting much higher prices in the open market. NAFED centers will remain open till January 26, 2023.

Rabi Groundnut sowing progress:

Rabi Groundnut			
Area Covered (Lakh Ha) as of 30 December			
State	2022	2021	% Change
Karnataka	1.64	1.38	18.84%
Telangana.	0.789	1.237	-36.22%
Odisha	0.703	0.354	98.59%
Andhra.Pradesh	0.577	0.414	39.37%
Tamil.Nadu	0.502	0.278	80.58%
Others	0.133	0.06	121.67%
Total	4.344	3.723	16.68%

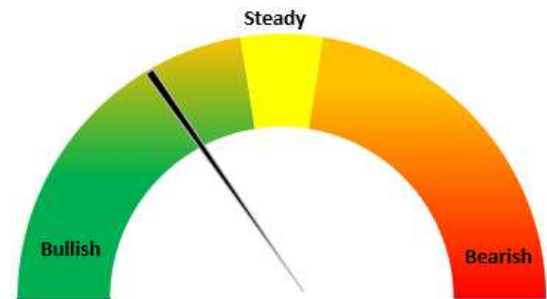
Technical Analysis

(Based on Rajkot GN Bold Mandi prices)





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 17th Dec'22- 23rd Dec'22	Week under review 24th Dec'22- 30th Dec'22	Next week 31st Dec'22- 06th Jan'23
Weekly Average Price	6,075-6,350	6,250-6,395	6,200-6,500

Annexure

Oilseed Prices at Key Spot Markets:					
Commodity / Centre	% Change over previous week	Today	Week ago	Month Ago	Year Ago
Soybean		30-Dec-22	23-Dec-22	30-Nov-22	30-Dec-21
Indore –Plant	1%	5750	5700	5550	6500
Indore–Mandi	1%	5550	5500	5475	6350
Nagpur-Plant	-1%	5750	5800	5495	6725
Nagpur – Mandi	0%	5550	5550	5395	6525
Latur – Mandi	-	5700	Closed	6055	6300
Akola – Mandi	3%	5400	5250	5460	6405
Kota-Plant	1%	5650	5600	5450	6375
Kota – Mandi	2%	5600	5500	5350	6325
Bundi-Plant	4%	5900	5700	5400	6300
Bundi-Mandi	2%	5600	5500	5300	6200
Baran-Plant	-2%	5500	5600	5600	6550
Baran-Mandi	-1%	5450	5500	5500	6350
Bhawani Mandi Jhalawar–Plant	0%	5650	5650	5600	6350
Jhalwar-Mandi	-	5550	Closed	5400	6150
Rapeseed/Mustard					
Jaipur-(Condition)	0%	6750	6750	6850	7525
Alwar-(Condition)	1%	6450	6400	6700	7200
Sri Ganganagar-(Non-Condition)	-2%	6155	6250	6250	7000
New Delhi–(Condition)	-1%	6600	6650	6600	7550
Kota-(Condition)	2%	6450	6300	6500	7225
Agra-(Condition)	0%	6905	6929	7000	7810
Neewai-(Condition)	-1%	6270	6325	6450	7000
Hapur (UP)-(Condition)	2%	6650	6550	6700	7100
Groundnut Seed (Bold)					
Rajkot	-1%	6287.5	6350	6012.5	5125
Rajula	3%	6625	6450	-	5420

Jasdan	1%	6750	6700	6505	5755
Deesa	4%	7055	6800	6675	-
Bikaner	-	NA	6406	5298	5126
Niwai	5%	6595	6276	5843	-
Sunflower Seed					
Gulbarga	-	6300	Closed	6000	5200
Latur	-	6100	Closed	6700	6100
Sholapur	-	6100	Closed	6700	6100

Soybean Prices are in INR/ctl. (1 bag=90 kg). Mandi prices – Loose, Mustard Seed Prices are in INR/ql (1 bag=85 kg) C – Condition (42%), *Groundnut seed in Rs/100 kg, Sunflower Seed in Rs/ctl.

		Today	Month Ago	Year Ago	Year Ago
Other Oilseed Prices at Mumbai (INR/100 Kg):					
Oilseeds	Change	30-Dec-22	23-Dec-22	30-Nov-22	30-Dec-21
Groundnut Kernel	1%	8100	8000	7625	6600
Gr. Bolds 60/70	3%	8900	8650	8600	8500
Gr. Javas 60/70	3%	9800	9550	9500	9300
Gr Javas 70/80	3%	9700	9450	9400	9100
Gr.Javas 80/90	3%	9500	9250	9200	8900
KardiSeed 2% Exp Qly	6%	5700	5400	5300	6300
Sesame White 98/2/1 FM	2%	12200	12000	11200	9700
Whitish 95/5/FFA/1FM	2%	12000	11800	11000	9500
Brown 48/2 FFA/4 FM	2%	11700	11500	10800	9100
Brown 48/3 FFA/4 FM	2%	11500	11300	10600	9000
Brown 48/4 FM/* No FFA Guarantee	2%	11100	10900	10400	8600
Sunflower Seed	3%	6900	6700	6700	6500
Niger Seed (4% FM)	0%	9000	9000	8400	8200

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