



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 plant prices went up by 1.7% to INR 5,754/ Qtl. as compared to 5,658/qtl. previous week amid shrink in arrivals.

The weekly average prices of Indore soymeal traded sideways at INR 42,817/MT as compared to last week at INR 42,767/MT amid subdued demand.

During the week under review, Jaipur RM seed weekly average prices went down by 2.6% to INR. 6,596/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 1.2% at INR 6,391/Qtl. amid shrink in arrivals and good export demand.

Outlook – Cash Market

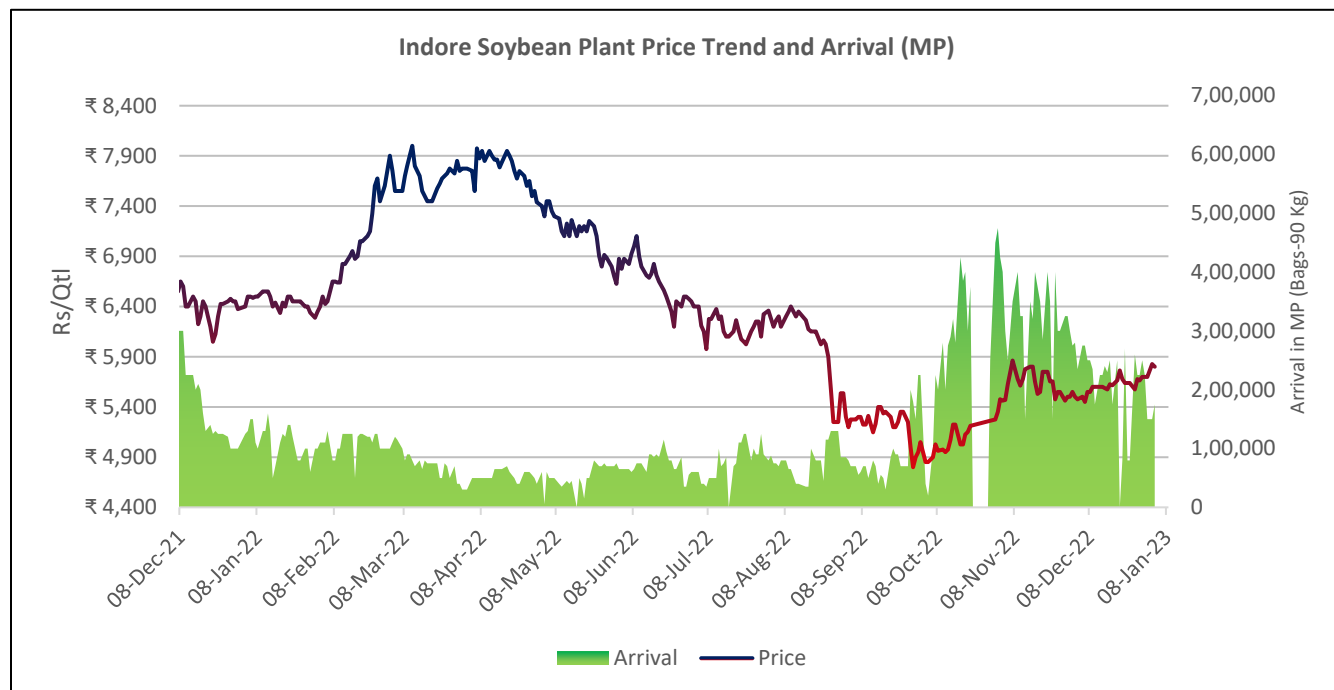
Outlook - Soybean (Spot Indore): In the coming week, soybean plant prices are expected to trade sideways amid subdued demand from crushers. The prices (Indore, Plant basis) are expected to feature in the price band of 5,500-5,800 levels in the near term.

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.

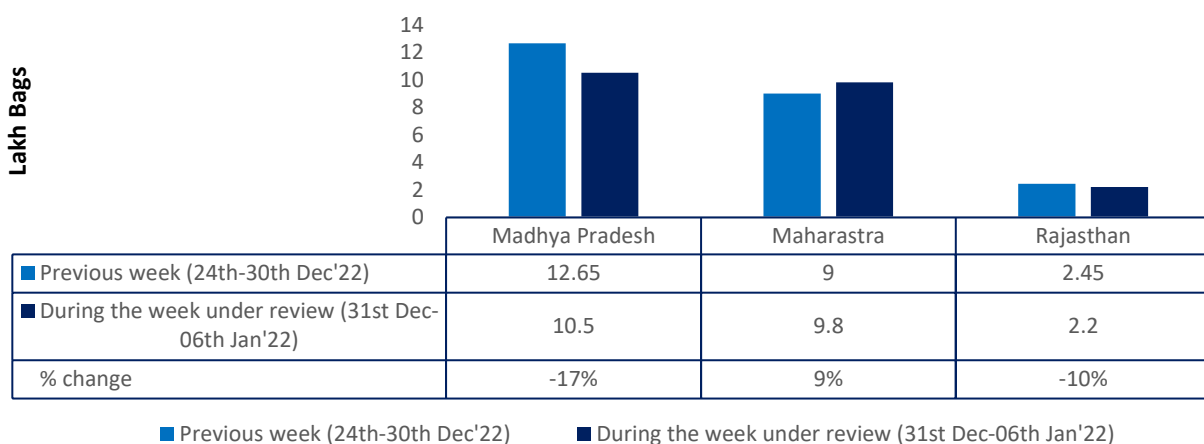
Outlook - Rapeseed-Mustard (Spot, Jaipur basis): Rapeseed-Mustard is expected to trade rangebound with weak bias amid weak demand from millers due to disparity. The seed prices are likely to trade in the range between 6,400 –6,600/Qtl. in the short-run.

Soybean



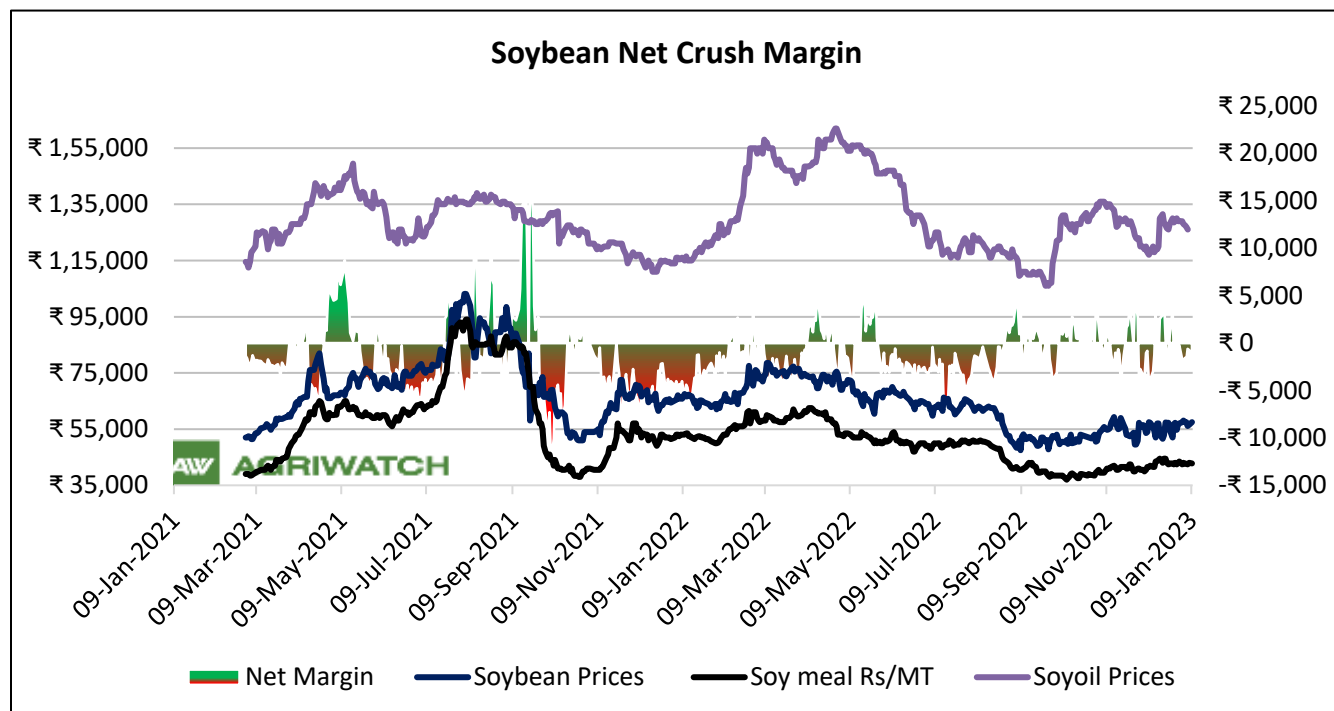
During the week under review, Soybean indore plant prices went up by 1.7% to INR 5,754/ Qtl. as compared to 5,658/ qtl. previous week amid shrink in arrivals. During the week the market made a high of INR 5,825/Qtl. Stock limit removal, good demand from crushers and rebound in Soymeal export demand pushed Soybean prices more than 32% up from current season low of INR 4300 levels.

Weekly Soybean Arrivals



During the week under review, the total arrival in MP declined by 17% to 10.5 Lakh bags Vs 12.65 Lakh bags previous week. In Maharashtra arrivals went marginally up to 9.8 Lakh bags vs 9 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 shrink.

Soybean Crush Margin-



Soybean net crush margin declined during the week under review as oil prices declined. Weekly average soybean net crush margin for the period of 31st -06th December is in parity at INR -1292/ MT as compared to previous week at INR 424/MT.

International Update:

Crops in Argentina Continue to Struggle Under Non-Conductive Weather

Drought stressed crops have got a temporary reprieve amid rains in Argentina. but that may be short lived as hot and dry conditions are forecasted to return to Argentina. The last four months of 2022 in Argentina were the driest in 35 years, about 44% below normal and 34% drier than last year.

The dry weather forced farmers to plant their 2022/23 crops later than normal and farmers are still struggling to complete planting. As of last week, the soybeans in Argentina were 72% planted.

The soybeans in Argentina were rated 28% poor/very poor, 62% fair, and 10% good/excellent as of late last week. The good/excellent percentage is down 2% from the prior week. The soil moisture for the corn was rated 44% short/very short and 56% favourable/optimum. The favourable/optimum percentage was down 2% from the prior week.

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.

Technical Analysis

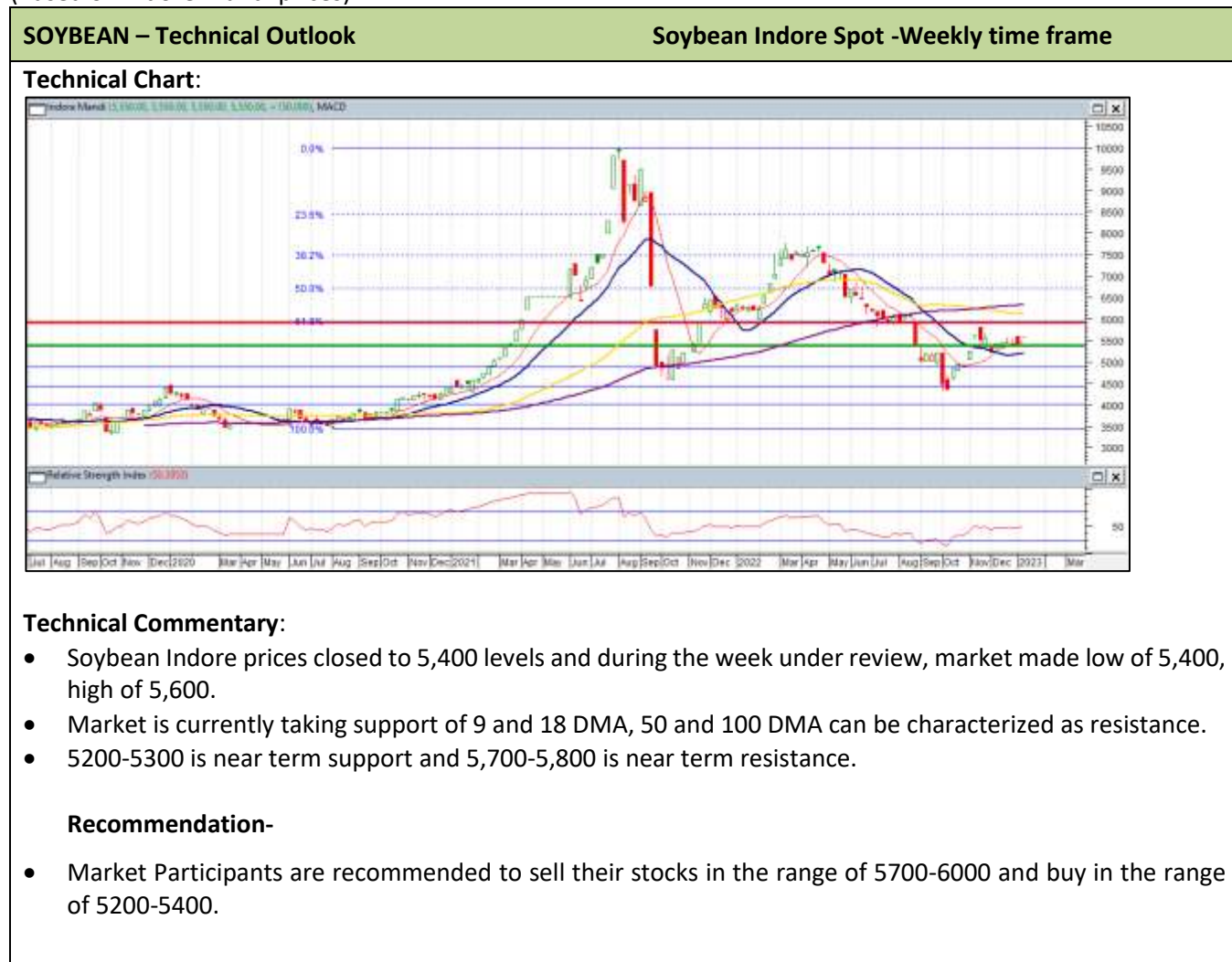
US Soybean futures



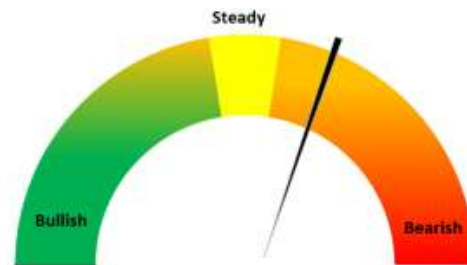
As depicted in the above chart, During the week under review, US Soybean remained bearish and went down by 3.04% to \$14.92/bushels and taking support of 9, 18 and 100 DMA and 50 DMA can be characterized as resistance. RSI at 54 indicating firm buying strength. And MACD indicating firm momentum in short 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)

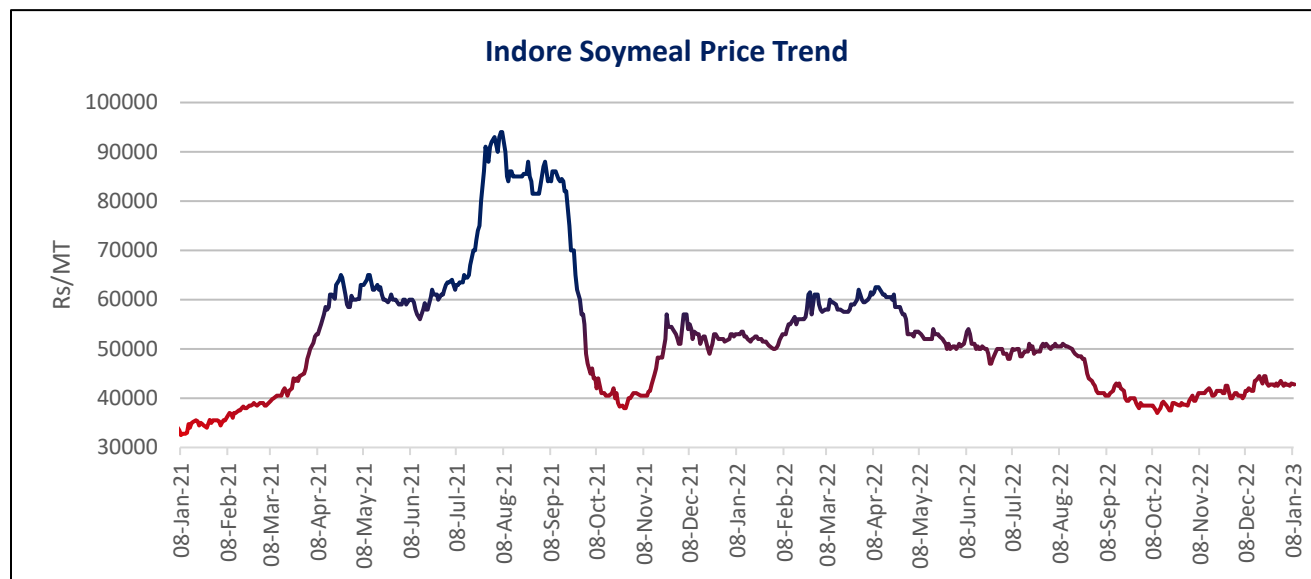


Soybean Price Outlook for coming week: Indore Soybean mandi prices are currently trading at INR. 5,575/qtl. and are expected to trade range bound in the range of INR 5,200-5,800 in short run.

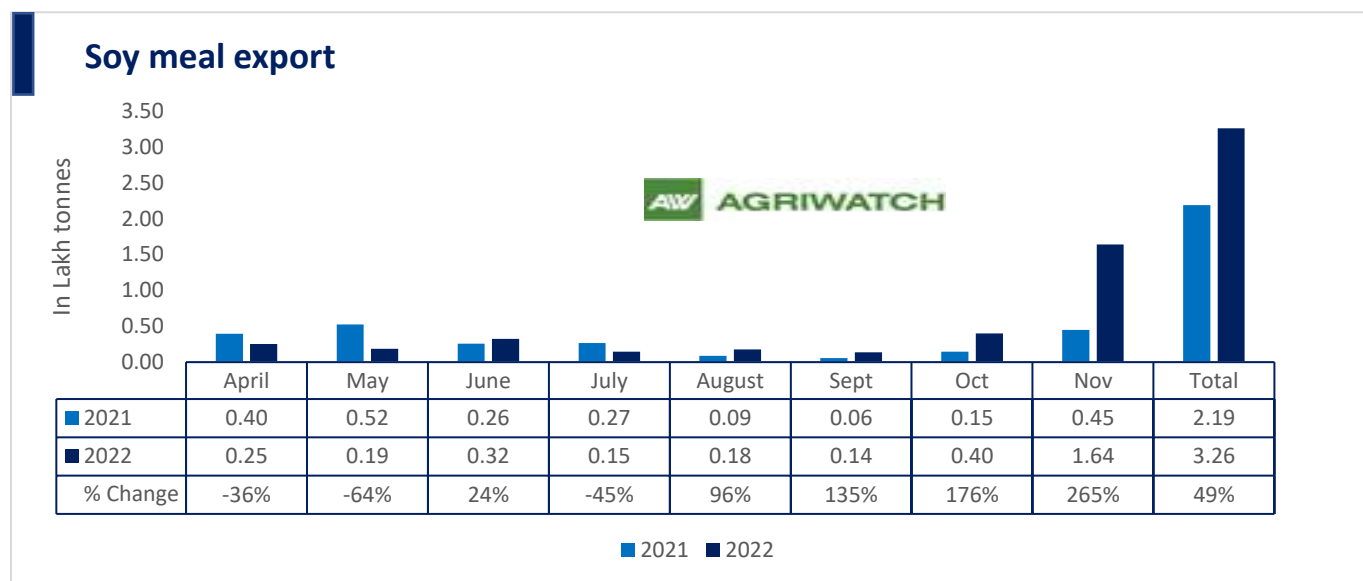


Soybean Mandi Price Outlook (INR./Qtl)	Previous week 24th Dec'22- 30th Dec'22	Week under review 31st Dec'22- 06th Jan'23	Next week 07th Jan'23- 13th Jan'23
Weekly Average Price	5,375-5,525	5,410-5,600	5,300-5,600

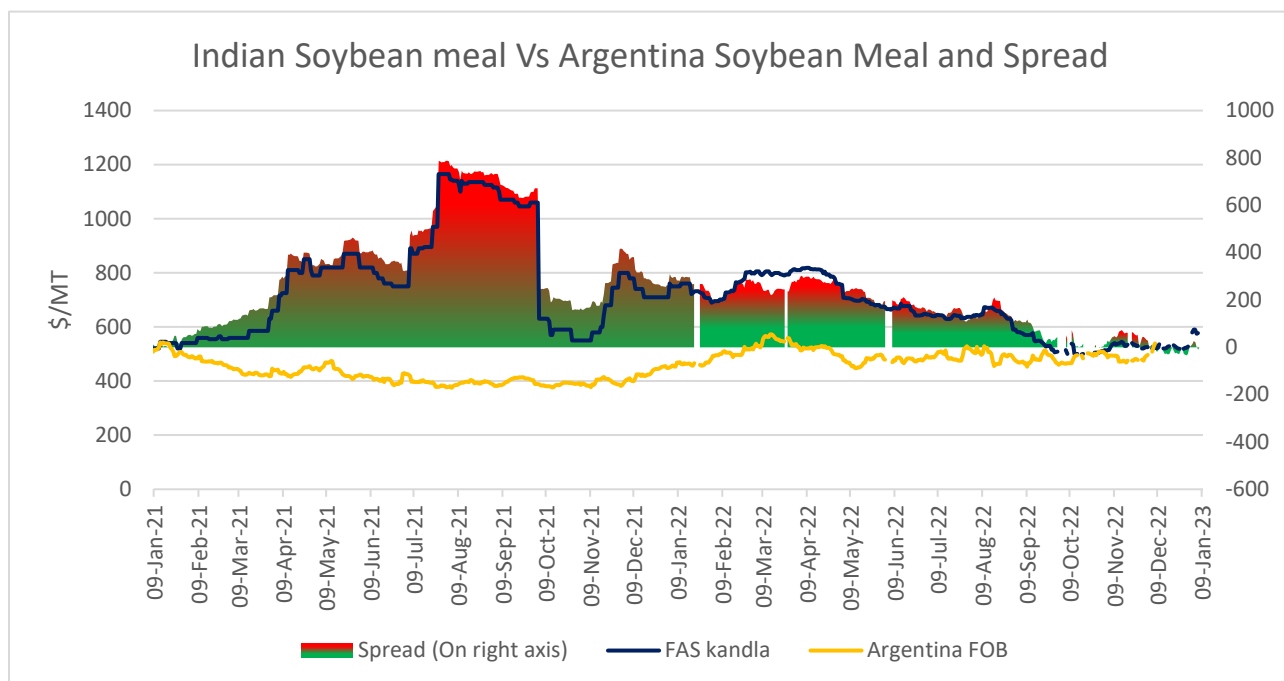
Soymeal



During the week under review, Indore Soymeal weekly average prices traded sideways and went marginally up by 0.12% to INR 42,817/MT as compared to last week at INR 42,767/ amid subdued demand. However, revive in export demand likely to support prices in upcoming weeks.

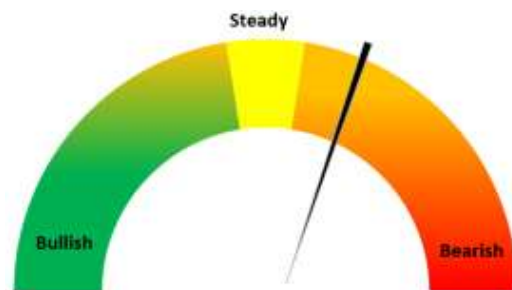


The Solvent Extractor Association monthly update showed Soymeal exports up by 265% to 1.64 Lakh tonnes in Nov'22 Vs 0.45 Lakh tonnes previous year. Soymeal exports went up for the third straight month on good soymeal exort demand from south east Asia tracking competitive prices in global markets. Soymeal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



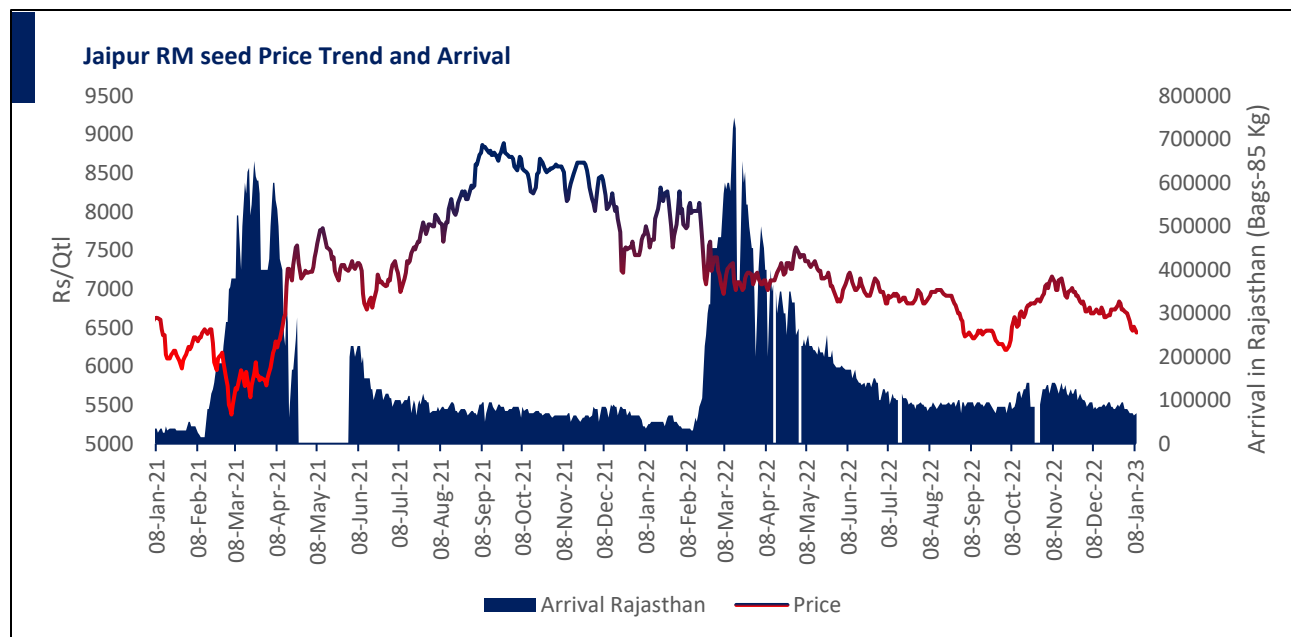
Currently, Indian Soymeal FOB prices trading at \$577/MT, Argentina Soymeal FOB prices trading at \$587/MT and spread stands at \$-10/MT. Decline in Argentine soymeal prices has led to a squeeze in spread. Upon squeeze in spread Indian soymeal export demand is rising and so the prices are improving.

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.

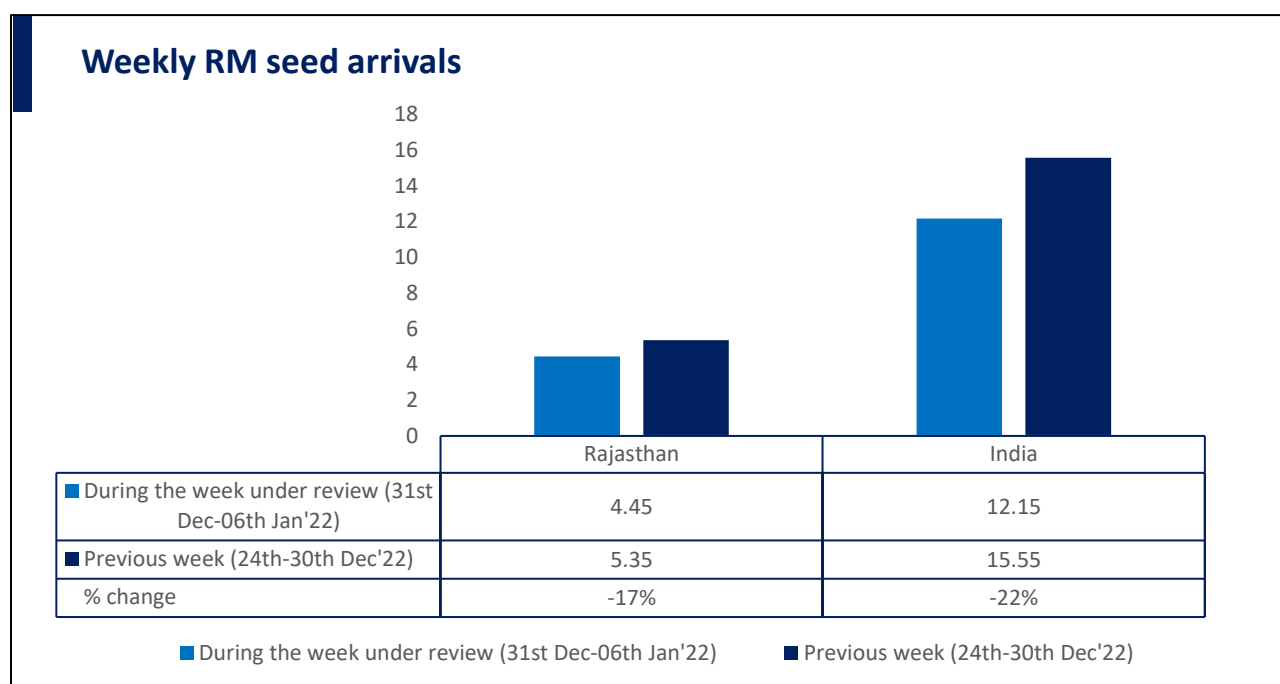


Soymeal Indore Price Outlook (INR./MT)	Previous week 24th Dec'22- 30th Dec'22	Week under review 31st Dec'22- 06th Jan'23	Next week 07th Jan'23- 13th Jan'23
Weekly Average Price	41,000-42,500	41,200-44,000	42,000-45,000

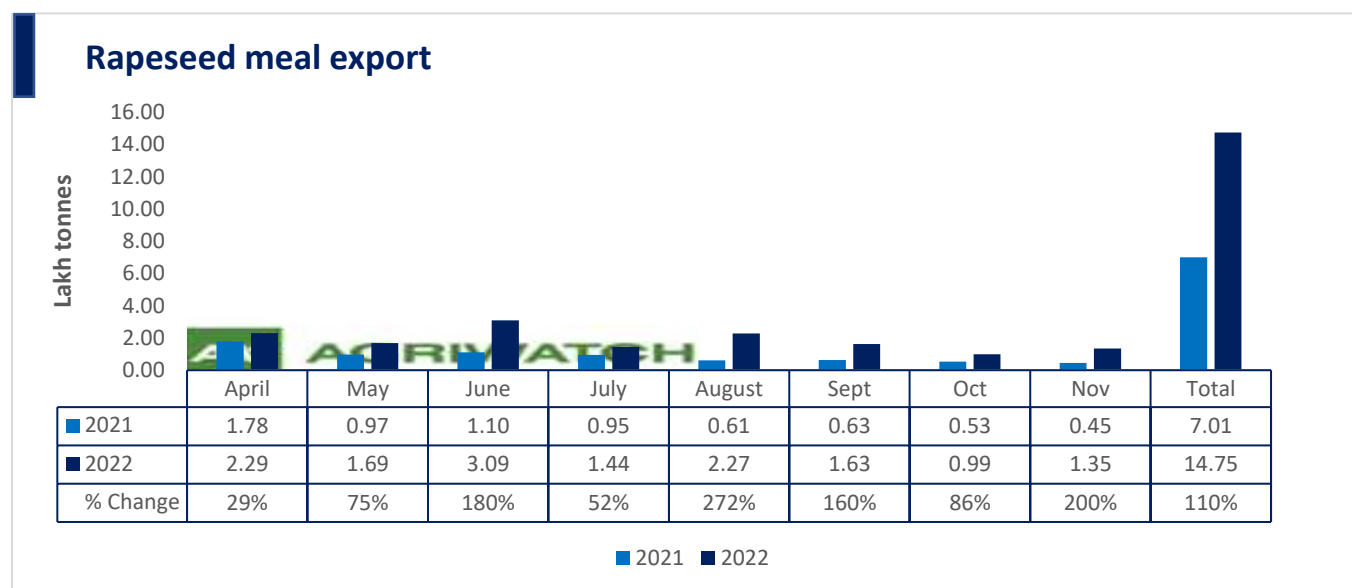
Rapeseed - Mustard Seed



RM seed gained during the week under review. Jaipur RM seed weekly average prices went down by 2.6% to INR. 6,596/qtl as compared to INR. 6,775/qtl previous week amid weak demand from millers on disparity. So far RM seed has corrected by 10% from previous high of INR 7,162/Qtl.



During the week under review, RM Seed arrivals declined. Arrivals in Rajasthan recorded at 4.45 Lakh bags as compared to 5.35 lakh bags previous week. All India arrivals went down and stood at 12.15 Lakh bags Vs 15.55 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.

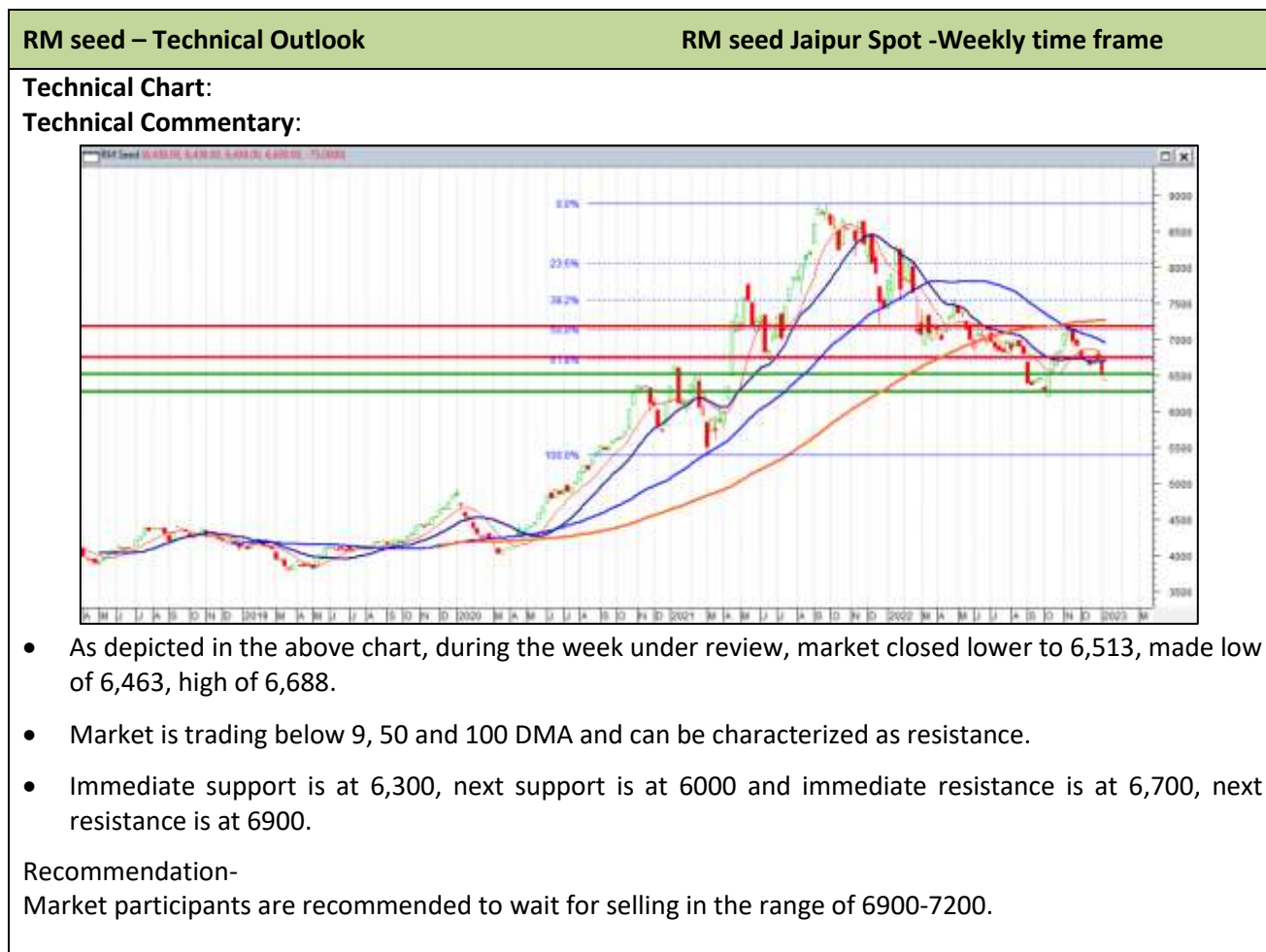
Mustard and Rapeseed			
Area Covered (Lakh Ha) as of 30 December			
State	2022	2021	% Change
Rajasthan	39.72	35.33	12.43%
Madhya.Pradesh	13.83	11.11	24.48%
Uttar.Pradesh	13.26	14.083	-5.87%
Haryana	7.323	7.563	-3.17%
West.Bengal	6.52	5.7	14.39%
Assam	3.125	3.082	1.40%
Gujarat	3.04	3.282	-7.37%
Jharkhand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

International-

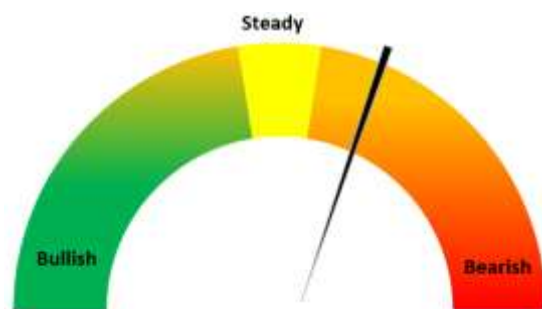
Canadian canola utilization is expected to recover, with exports expected to rise about 77% to 9.3 million tonnes (Mt) and domestic crush volume to increase to 10, 0 Mt, compared to 8.6 Mt last year. The export rate to date is 103% over last year according to Canadian Grain Commission data, with shipments 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)

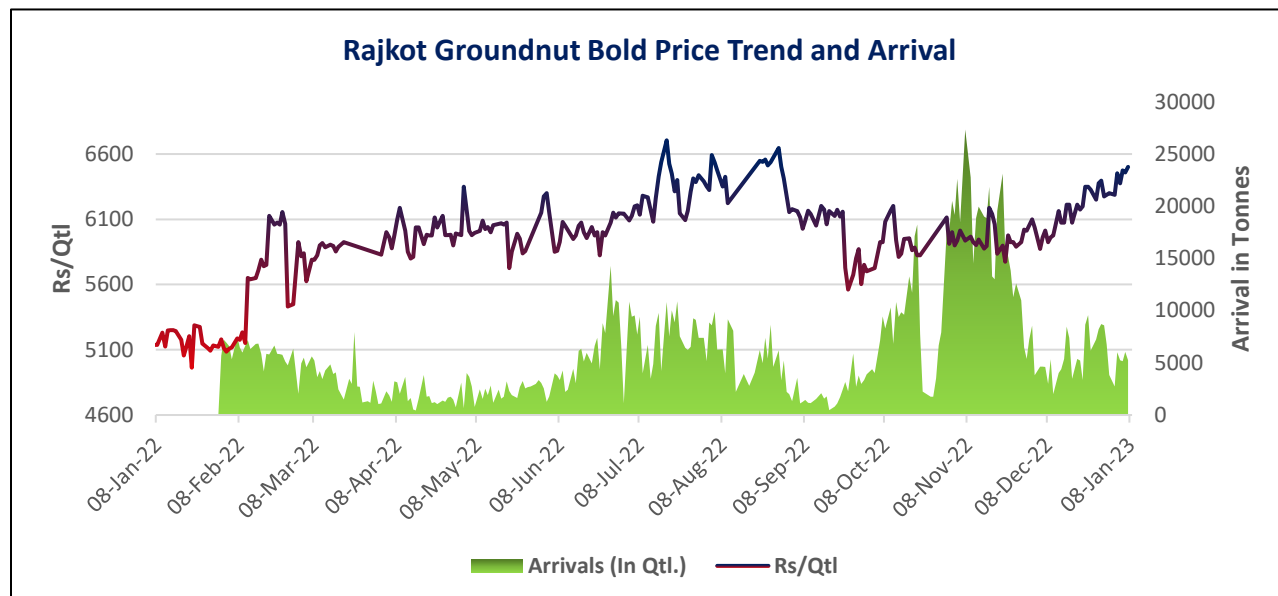


RM seed Price Outlook for coming week: RM Seed is expected to trade sideways with weak bias amid weak demand from crushers on disparity.



Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 24th Dec'22- 30th Dec'22	Week under review 31st Dec'22- 06th Jan'23	Next week 07th Jan'23- 13th Jan'23
Weekly Average Price	6,738-6,838	6,463-6,713	6,400-6,600

Groundnut



During the week under review, Rajkot Groundnut weekly average bold prices extended previous week gains and went up by 1.2% to INR 6,391/Qtl. as compared to previous week at INR 6,318/Qtl. amid shrink in arrivals. All India arrivals recorded down by 37% to 0.28 Lakh tonnes as compared to 0.45 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.

Aggressive hoarding pushes Groundnut seed and oil prices up after the abolition of the stock limit

As per the market sources, Stockiest are aggressively hoarding Groundnut (GN) seeds after the abolition of the stock limit on oilseeds and edible oils. GN seed prices are trading near 3 weeks high above Rs 6200/QTL.

The revival of export demand from China in November pushed GN oil and seed prices significantly up. GN seed daily average prices for December at the Rajkot market witnessed a jump in prices by 7% from the low of Rs 5872/QTL to a high of Rs 6935/QTL, which closed at Rs 6300/QTL. GN oil in the Rajkot market witnessed a hike in prices by 6.77% from Rs 1500 to Rs 1600/10 Kg. However, the surge in covid cases in China again pushed for covid restrictions which would impact the export demand from India as well. At present, India is exporting GN seed to Bangladesh and South East Asian countries. Crushing of GN seed turned to disparity as seed prices shot up, while oil prices are gradually rising amid weak GN oil export demand due to covid.

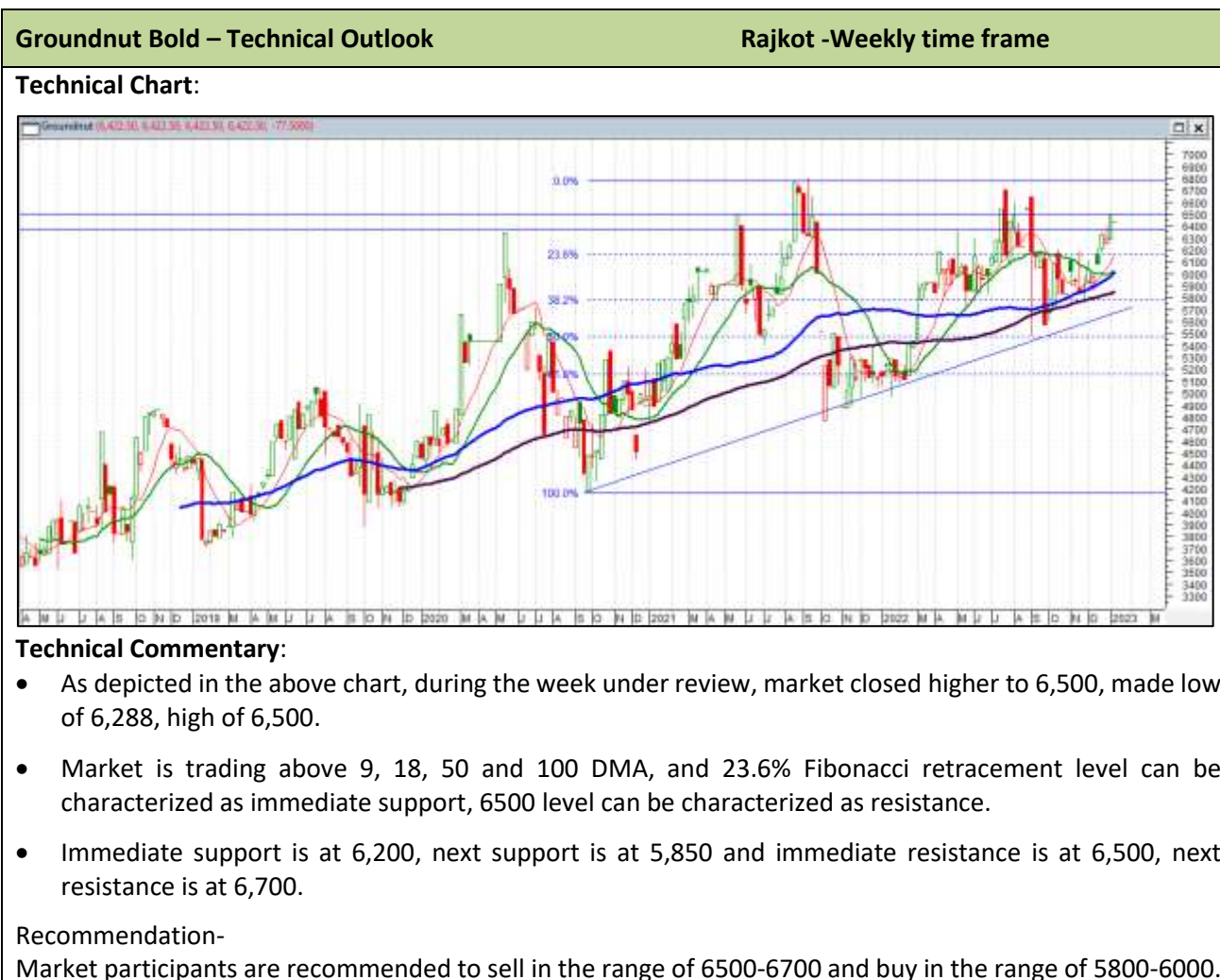
For the long term, GN oil and seed market is anticipated to be bullish as GN Kharif production is down due to low acreage and lower yield.

Rabi Groundnut sowing progress:

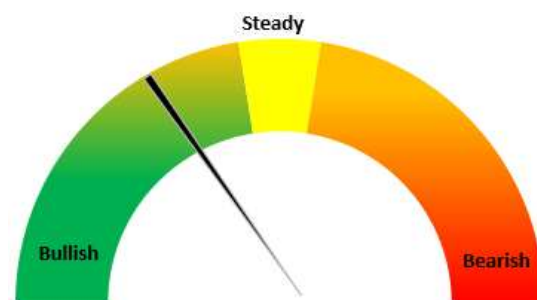
Rabi Groundnut			
Area Covered (Lakh Ha) as of 6 January 2023			
State	2022	2021	% Change
Karnataka	0.46	0.72	-36.11%
Odisha	0.07	0.05	40.00%
Tamil.Nadu	0.049	0.038	28.95%
Maharashtra	0.047	0.062	-24.19%
Telangana.	0.042	0.079	-46.84%
Others	0.116	0.156	-25.64%
Total	0.743	1.025	-27.51%

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 24th Dec'22- 30th Dec'22	Week under review 31st Dec'22- 06th Jan'23	Next week 07th Jan'23- 13th Jan'23
Weekly Average Price	6,250-6,395	6,288-6,475	6,200-6,600



Oilseed Prices at Key Spot Markets:					
Commodity / Centre	% Change over previous week	Today	Week ago	Month Ago	Year Ago
Soybean		06-Jan-23	30-Dec-22	07-Dec-22	6-Jan-22
Indore –Plant	0%	5775	5750	5600	6525
Indore–Mandi	2%	5650	5550	5500	6450
Nagpur-Plant	0%	5725	5750	5610	6600
Nagpur – Mandi	-2%	5425	5550	5310	6300
Latur – Mandi	0%	5700	5700	Closed	6495
Akola – Mandi	1%	5470	5400	5520	6725
Kota-Plant	2%	5750	5650	5450	6400
Kota – Mandi	0%	5600	5600	5350	6375
Bundi-Plant	-2%	5800	5900	5500	6350
Bundi-Mandi	-1%	5550	5600	5400	6250
Baran-Plant	4%	5700	5500	5700	6600
Baran-Mandi	1%	5500	5450	5600	6400
Bhawani Mandi Jhalawar–Plant	-1%	5600	5650	5550	6450
Jhalwar-Mandi	-1%	5500	5550	Closed	6300
Rapeseed/Mustard					
Jaipur-(Condition)	-4%	6475	6750	6700	7700
Alwar-(Condition)	-4%	6200	6450	6450	7550
Sri Ganganagar-(Non-Condition)	-3%	6000	6155	6125	7000
New Delhi–(Condition)	-4%	6350	6600	6600	7300
Kota-(Condition)	-7%	6000	6450	6250	7450
Agra-(Condition)	-5%	6571	6905	6810	7857
Neewai-(Condition)	-1%	6200	6270	6350	7225
Hapur (UP)-(Condition)	-5%	6300	6650	6600	7200
Groundnut Seed (Bold)					
Rajkot	3%	6460	6287.5	6012.5	5137.5
Rajula	6%	7000	6625	6055	5375
Jasdan	2%	6900	6750	6525	5525
Deesa	-	NA	7055	6550	-
Bikaner	-	NA	-	5546	5151

Niwai	3%	6825	6595	5400	0
Sunflower Seed					
Gulbarga	-5%	6000	6300	6000	5200
Latur	0%	6100	6100	6500	6100
Sholapur	0%	6100	6100	6500	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/100 kg, Sunflower Seed in Rs/ctl.</p>					

		Today	Month Ago	Year Ago	Year Ago
Other Oilseed Prices at Mumbai (INR/100 Kg):					
Oilseeds	Change	6-Jan-23	30-Dec-22	7-Dec-22	6-Jan-22
Groundnut Kernel	2%	8250	8100	7625	6600
Gr. Bolds 60/70	-1%	8850	8900	8500	8500
Gr. Javas 60/70	-1%	9750	9800	9400	9300
Gr Javas 70/80	-1%	9650	9700	9300	9100
Gr.Javas 80/90	-1%	9450	9500	9100	8900
KardiSeed 2% Exp Qly	0%	5700	5700	5400	6300
Sesame White 98/2/1 FM	2%	12500	12200	11200	9700
Whitish 95/5/FFA/1FM	3%	12300	12000	11000	9500
Brown 48/2 FFA/4 FM	3%	12000	11700	10800	9100
Brown 48/3 FFA/4 FM	3%	11800	11500	10600	9000
Brown 48/4 FM/* No FFA Guarantee	3%	11400	11100	10400	8600
Sunflower Seed	0%	6900	6900	6700	6500
Niger Seed (4% FM)	0%	9000	9000	8500	8200

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>