



# 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 down by 1.7% to INR 5,654/ Qtl. as compared to 5,754/qtl. previous week amid weak demand.

The weekly average prices of Indore soymeal traded sideways at INR 42,766/MT as compared to last week at INR 42,816/MT amid subdued demand.

During the week under review, Jaipur RM seed weekly average prices went down by 2.6% to INR. 6,425/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 marginally up by 0.16% at INR 6,402/Qtl. amid shrink in arrivals and good export demand.

## Outlook – Cash Market

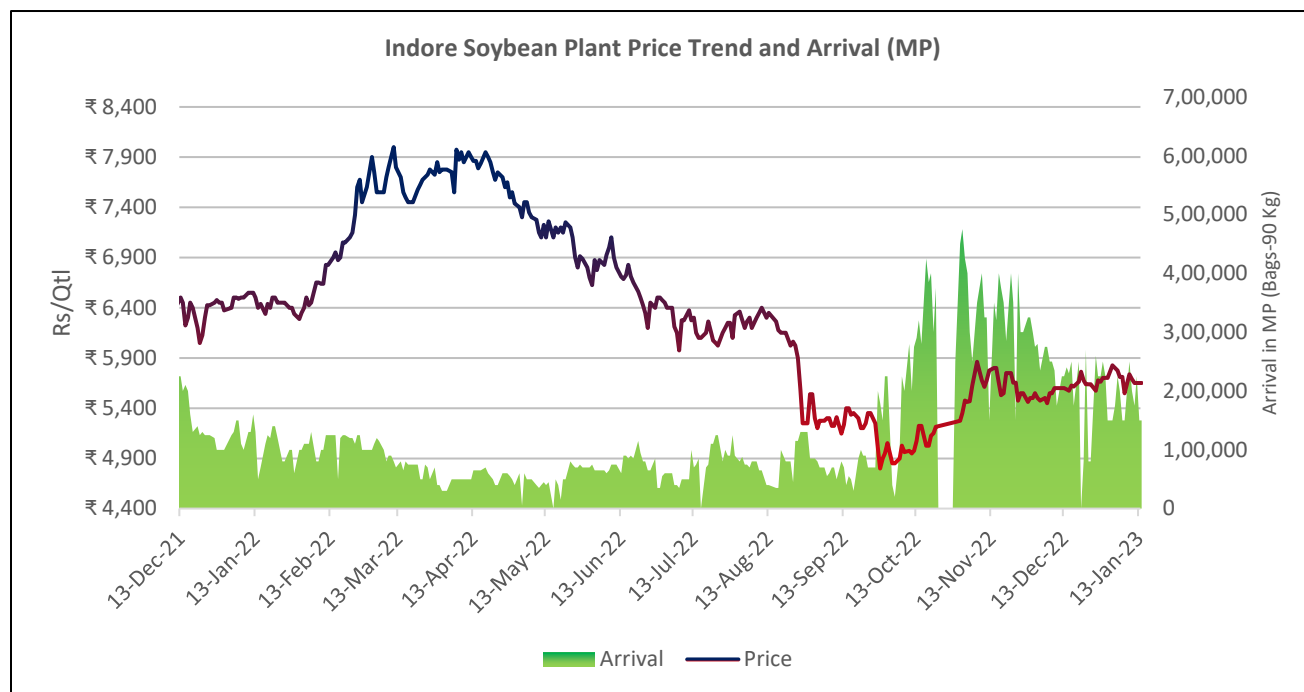
**Outlook - Soybean (Spot Indore):** In the coming week, soybean plant prices are expected to trade sideways amid subdued demand from crushers. The prices (Indore, Plant basis) are expected to feature in the price band of 5,500-5,800 levels in the near term.

**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.

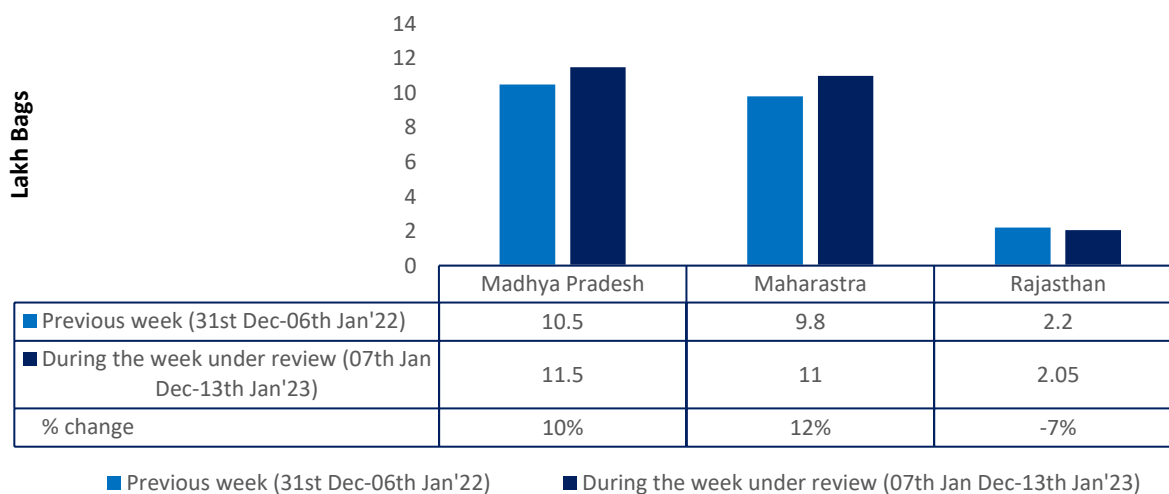
**Outlook - Rapeseed-Mustard (Spot, Jaipur basis):** Rapeseed-Mustard is expected to trade rangebound with weak bias amid weak demand from millers due to disparity. The seed prices are likely to trade in the range between 6,200 – 6,600/Qtl. in the short-run.

### Soybean



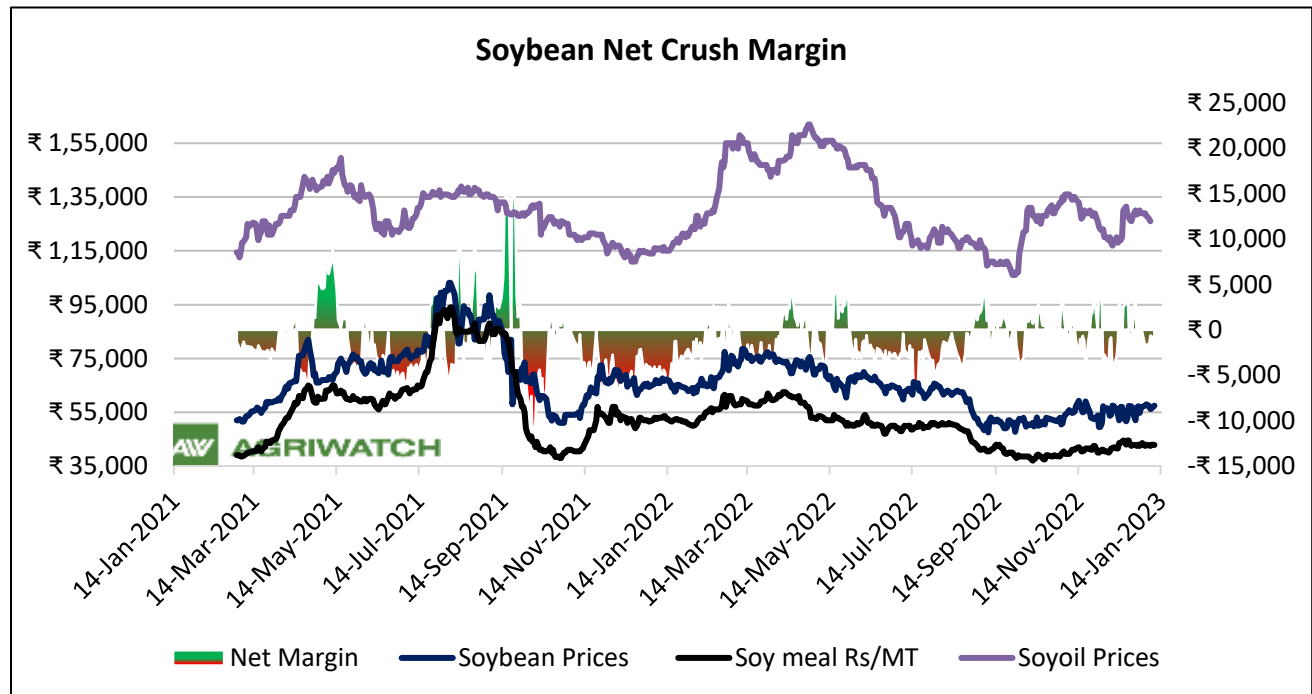
During the week under review, Soybean indore plant prices went down by 1.7% to INR 5,654/ Qtl. as compared to 5,754/qtl. previous week amid weak demand and firm arrivals. During the week the market made a high of INR 5,738/Qtl. Stock limit removal, good demand from crushers and rebound in Soymeal export demand pushed Soybean prices more than 32% up from current season low of INR 4,300 levels.

### Weekly Soybean Arrivals



During the week under review, the total arrival in MP increased by 10% to 11.5 Lakh bags Vs 10.5 Lakh bags previous week. In Maharashtra arrivals went marginally up to 11 Lakh bags vs 9.8 Lakh bags last week. In Rajasthan the arrivals recorded low to 2.05 lakh bags Vs 2.2 Lakh bags previous week.

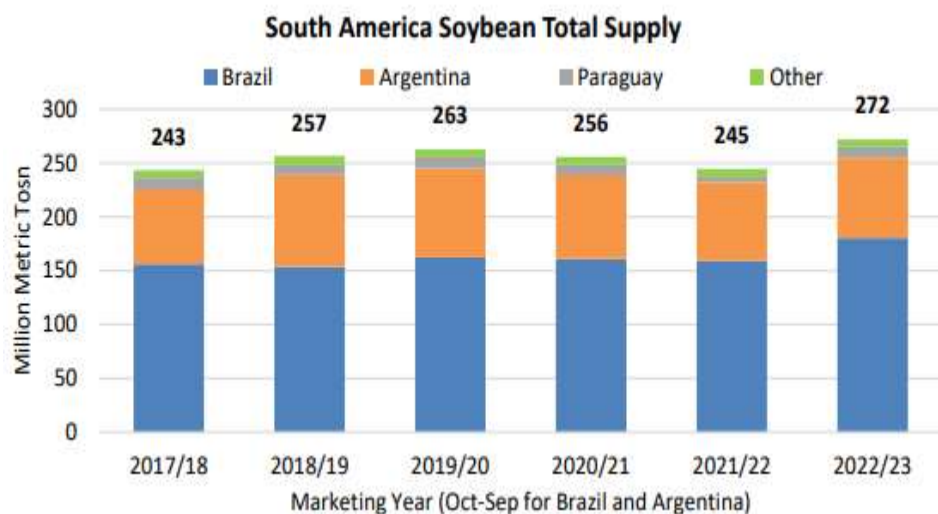
### Soybean Crush Margin-



Soybean net crush margin declined during the week under review as oil prices declined. Weekly average soybean net crush margin for the period of 07th -13th January is in disparity at INR -1155/ MT as compared to previous week at INR -1292/MT.

### International Update:

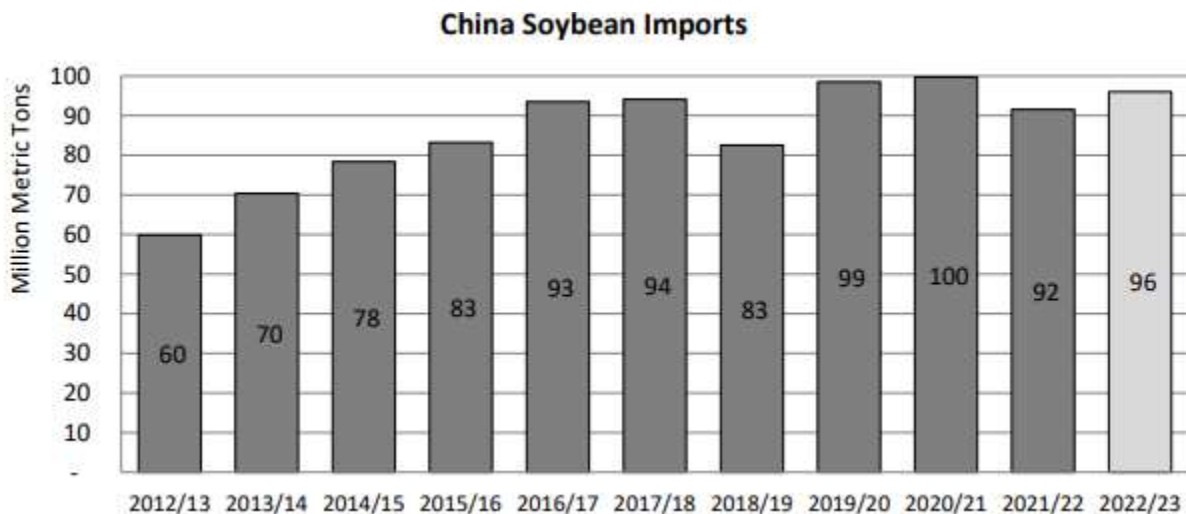
According to USDA Jan'23 report, 2022/23 Argentina soybean production is lowered 4.0 million tons to 45.5 million on drought conditions straining yields. Smaller supplies put downward pressure on crush and exports, both lowered this month. Argentina exports and crush have been subdued this year as farmers were reluctant to sell soybeans to hedge against high inflation. However, a more



favorable 'soy dollar' exchange rate enacted in September temporarily boosted sales and exports for a couple months.

Despite a cut in soybean production in Argentina, South American supplies in 2022/23 are still forecast at a record predominantly due to record Brazil production. Unlike Argentina, Brazil soybean production is up 1.0 million tons this month to 153.0 million. Additionally, soybean carry in is raised 3.0 million tons due to an upward revision to the 2021/22 crop and a lower crush estimate. As a result, both Brazil crush and soybean exports are up this month. This increase mostly offsets Argentina reductions this month.

### China 2022/23 Soybean Imports and Crush Lowered



The China soybean import forecast for the 2022/23 marketing year (Oct-Sep) has been cut by 2.0 MMT to 96.0 million as first quarter imports have not met expectations. Additionally, new marketing year soybean production in China rose by 24 percent, partially offsetting demand growth for foreign soybeans. Soybean imports in the first quarter of the marketing year are estimated at 21.5 million tons, 5 percent lower than the previous year and below the 5-year average. Ongoing challenges related to COVID-19 and growing economic uncertainty continue to cast shadows on prospects for demand recovery.

According to USDA Jan'23 report, 2021-22 Soy production estimate for India was unchanged to 12 million tonnes as compared to previous month estimates, However last year it was 11.9 MMT. US soy production estimates declined to 116.377 MMT as compared to previous month's estimate at 118.266 MMT, while last year it was 121.52 MMT.

Argentina's Rosario Grains exchange sharply cut its forecast for the 2022/23 soybean harvest to 37 million tonnes from a previous forecast of 49 million, as the country faces its worst drought in 60 years.

### Technical Analysis

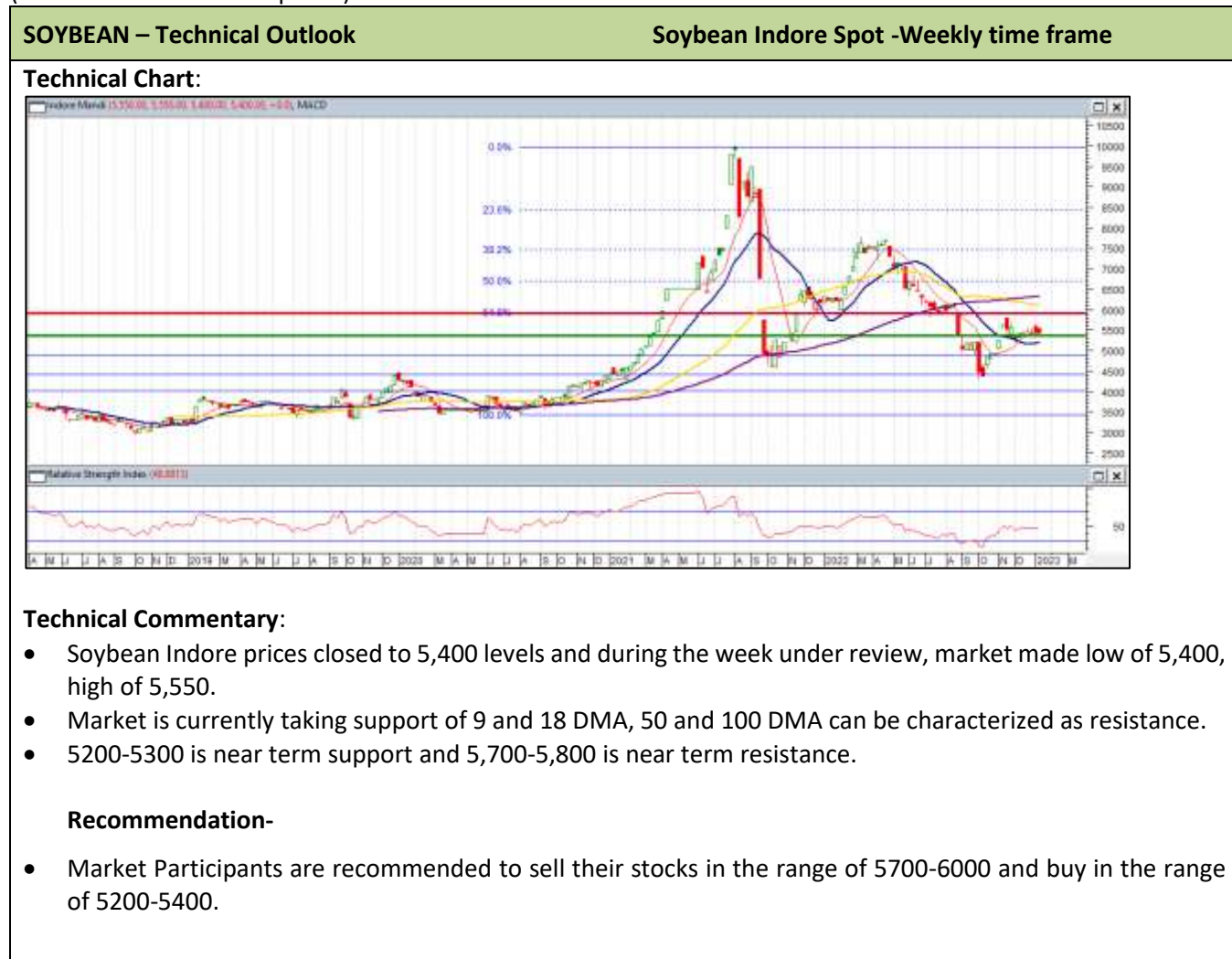
#### US Soybean futures



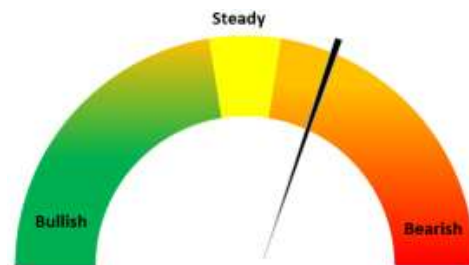
As depicted in the above chart, During the week under review, US Soybean remained bullish and went up by 2.36% to \$15.27/bushels and taking support of 9, 18 and 100 DMA and 50 DMA can be characterized as resistance. RSI at 56 indicating firm buying strength. And MACD indicating firm momentum in short 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)



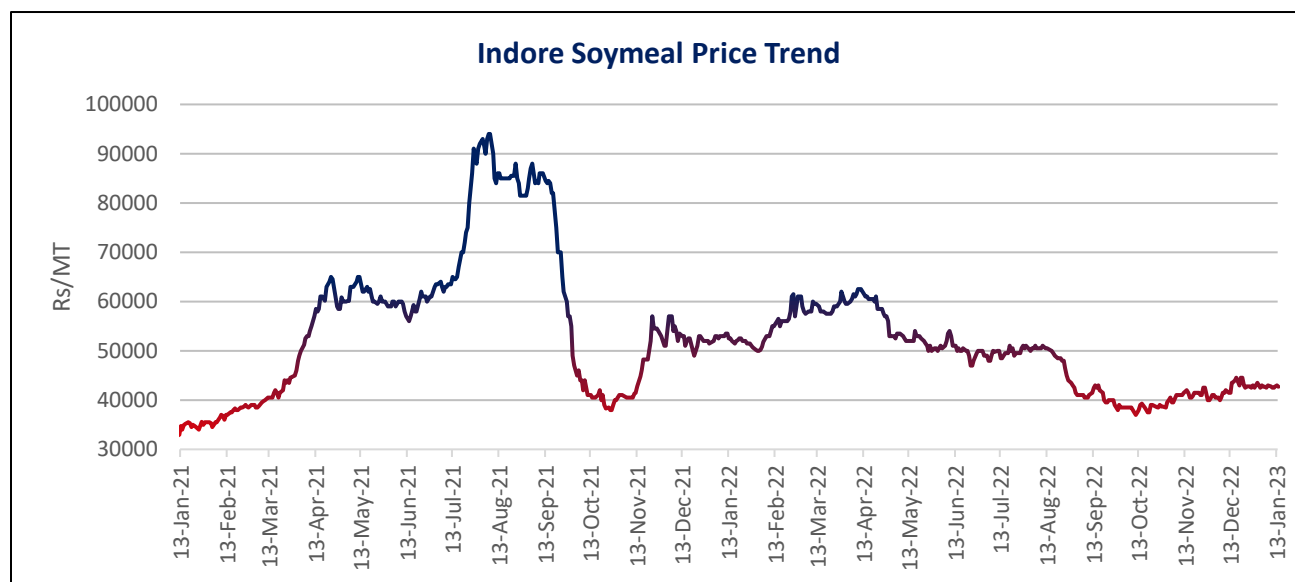
**Soybean Price Outlook for coming week:** Indore Soybean mandi prices are currently trading at INR. 5,400/qtl. and are expected to trade range bound in the range of INR 5,200-5,800 in short run.



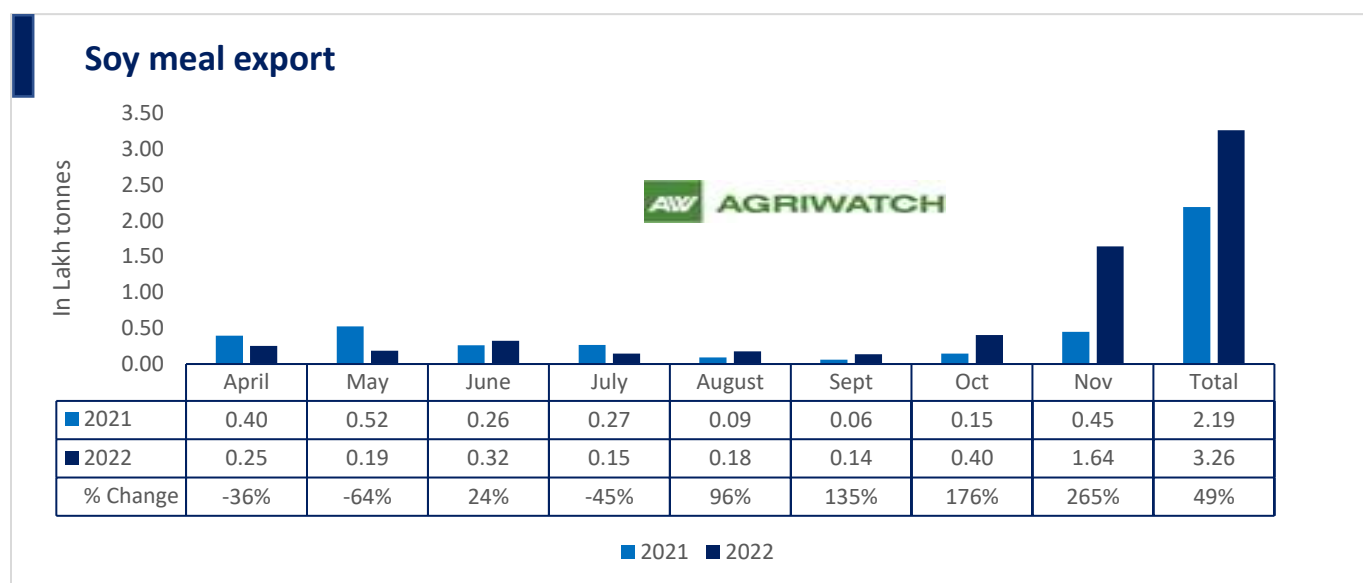
Soybean Mandi Price Outlook (INR./Qtl)	Previous week 31st Dec'22- 06th Jan'23	Week under review 07th Jan'23- 13th Jan'23	Next week 14th Jan'23- 20th Jan'23
Weekly Average Price	5,410-5,600	5,400-5,550	5,300-5,600



## Soymeal



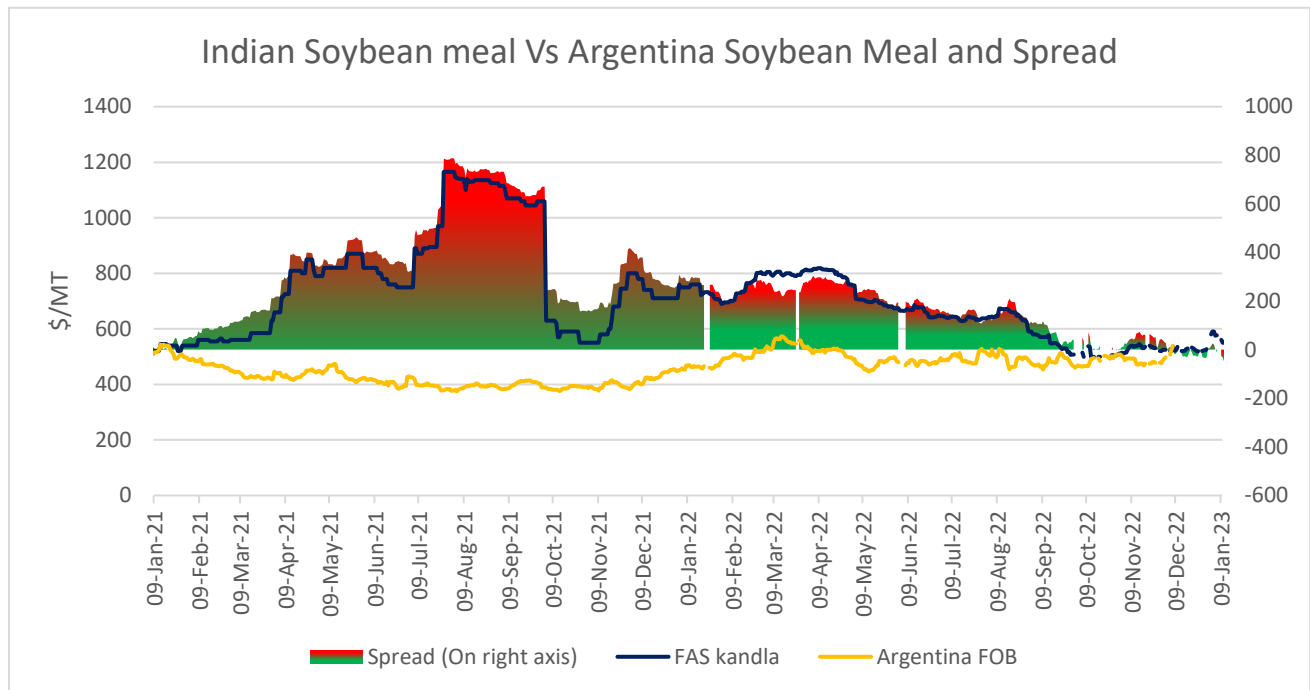
During the week under review, Indore Soymeal weekly average prices traded sideways and went marginally down by 0.12% to INR 42,766/MT as compared to last week at INR 42,816/ amid subdued demand. However, revive in export demand likely to support prices in upcoming weeks.



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 export demand from south east Asia tracking competitive prices in global markets. Soymeal exports



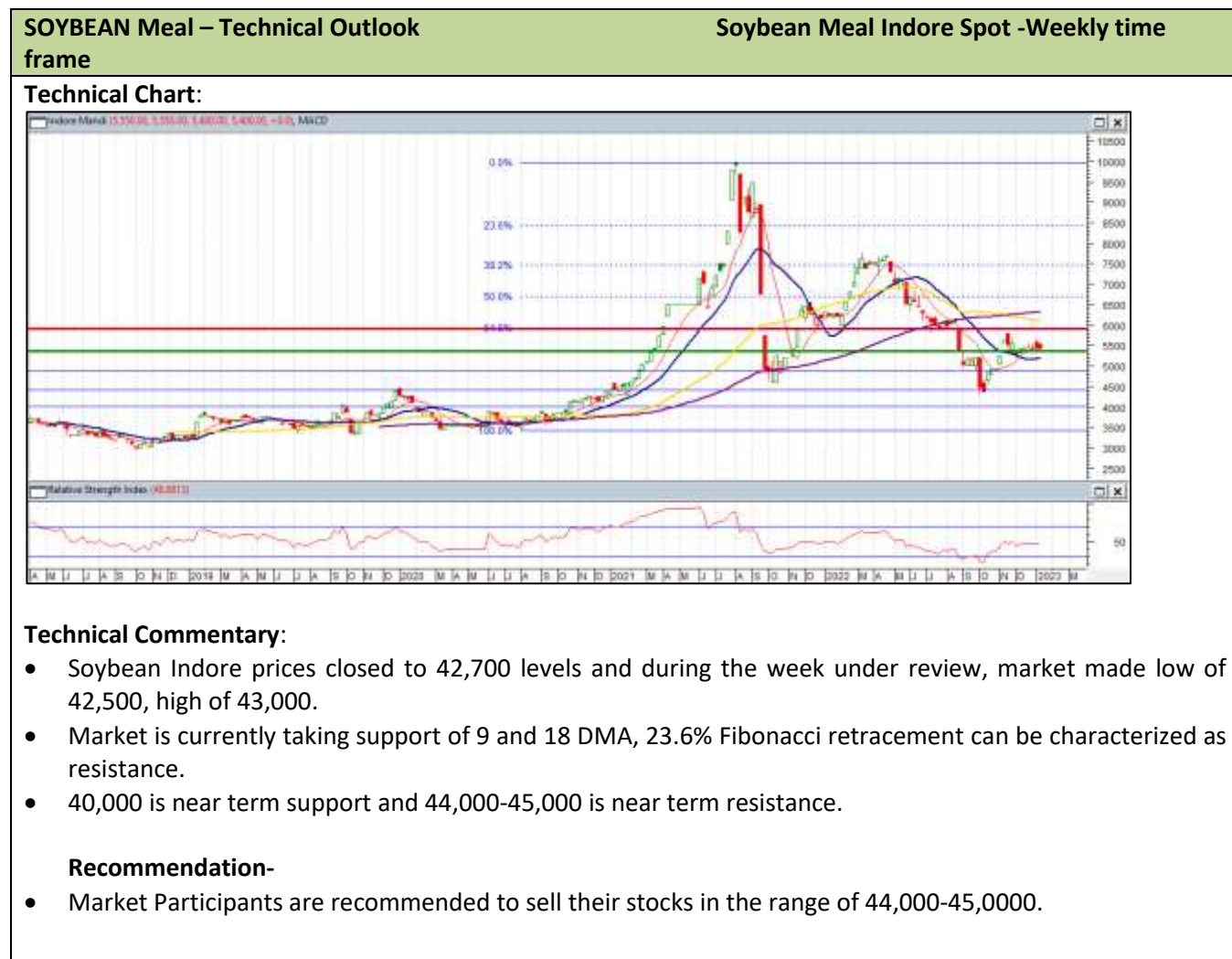
are up by 49% for the period April'22-Nov'22 to 3.26 Lakh tonnes as compared to 2.19 Lakh tonnes previous year same period.



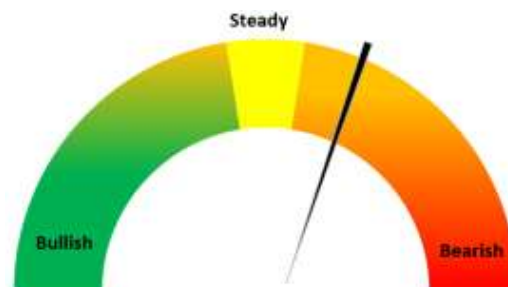
Currently, Indian Soymeal FOB prices trading at \$555/MT, Argentina Soymeal FOB prices trading at \$594/MT and spread stands at \$-39/MT. Decline in Argentine soymeal prices has led to a squeeze in spread. Upon squeeze in spread Indian soymeal export demand is rising and so the prices are stable.

### Technical Analysis (Domestic market)

(Based on Indore Soymeal prices)

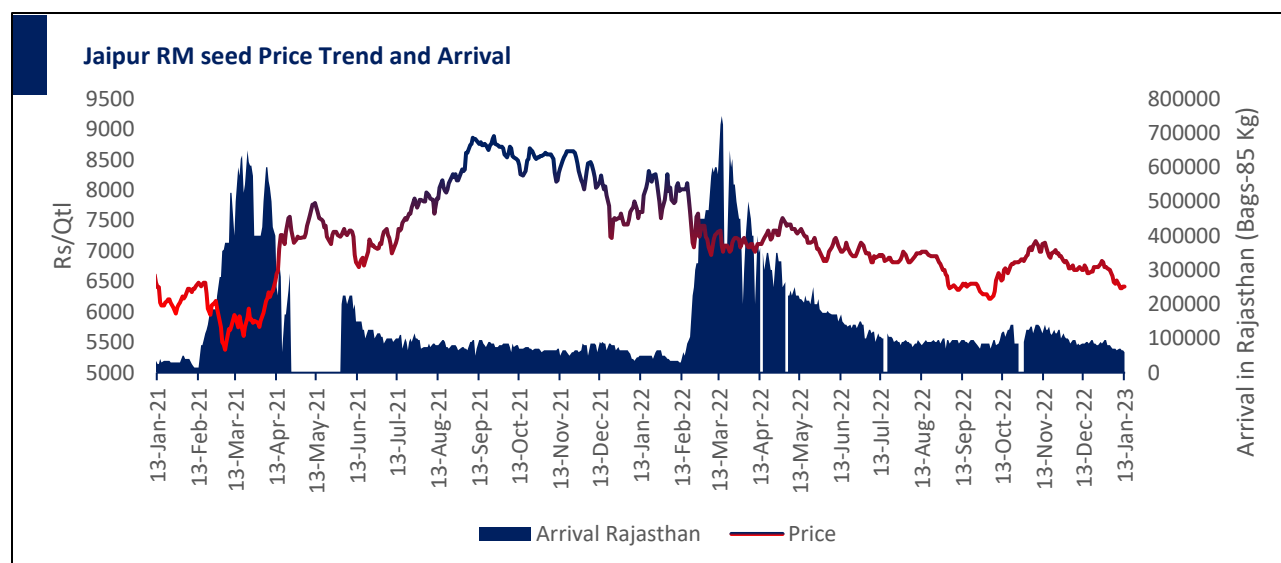


**Soymeal Price Outlook for coming week:** Soybean meal prices are expected to trade sideways. Revive in soybean export demand likely to support soybean meal prices in upcoming months.

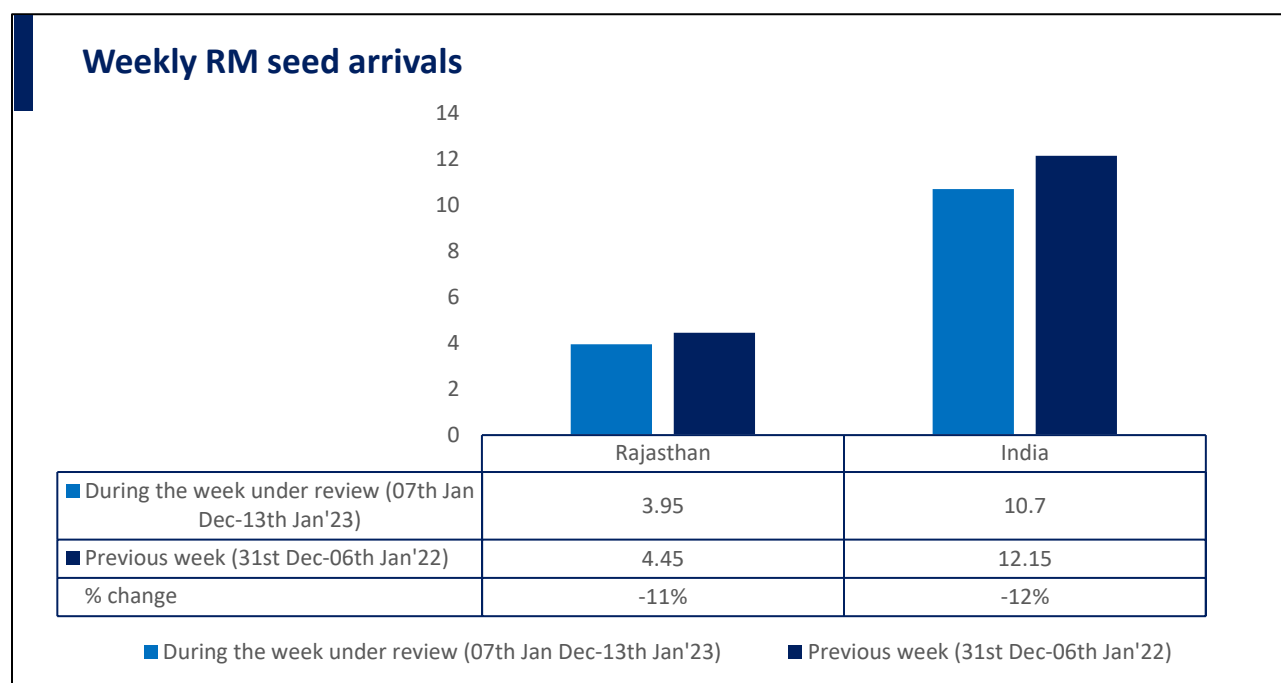


Soybean Meal Price Outlook (INR./MT)	Previous week 31st Dec'22- 06th Jan'23	Week under review 07th Jan'23- 13th Jan'23	Next week 14th Jan'23- 20th Jan'23
Weekly Average Price	41,200-44,000	42,500-43,000	42,000-45,000

## Rapeseed - Mustard Seed

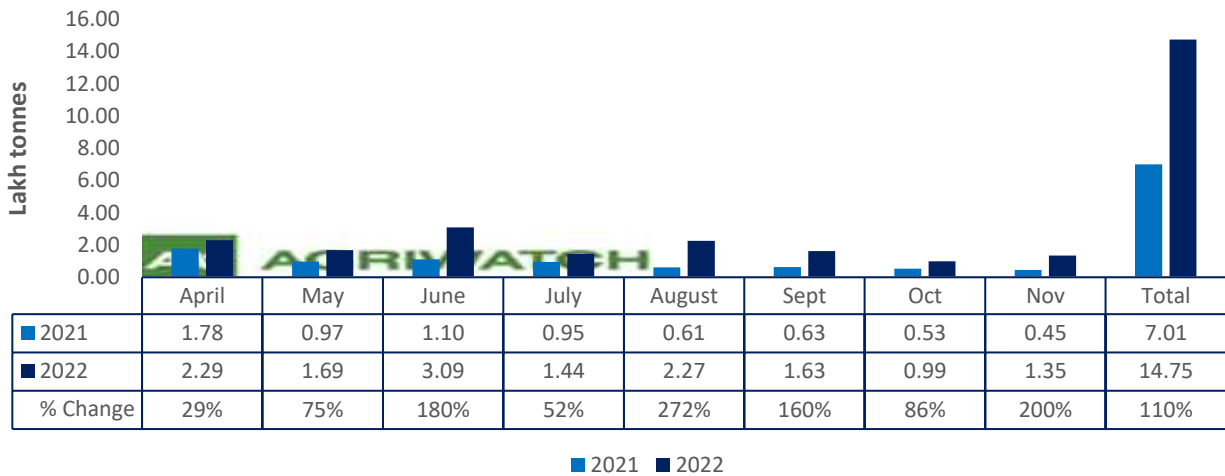


Jaipur RM seed weekly average prices extended previous week loss and went down by 2.6% to INR. 6,425/qrtl as compared to INR. 6,596/qrtl previous week amid weak demand from millers on disparity. So far RM seed has corrected by 10% from previous high of INR 7,162/QtI.



During the week under review, RM Seed arrivals declined. Arrivals in Rajasthan recorded at 3.95 Lakh bags as compared to 4.45 lakh bags previous week. All India arrivals went down and stood at 10.7 Lakh bags Vs 12.15 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 13 January 2023			
State	2022	2021	% Change
Rajasthan	39.72	35.33	12.43%
Madhya.Pradesh	14.04	11.61	20.93%
Uttar.Pradesh	13.28	14.149	-6.16%
Haryana	7.323	7.563	-3.17%
West.Bengal	6.547	6.01	8.94%
Jharkhand	3.715	3.704	0.30%
Assam	3.336	3.196	4.38%
Gujarat	3.051	3.383	-9.81%
Others	5.833	4.832	20.72%
<b>Total</b>	<b>96.85</b>	<b>89.776</b>	<b>7.87%</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:

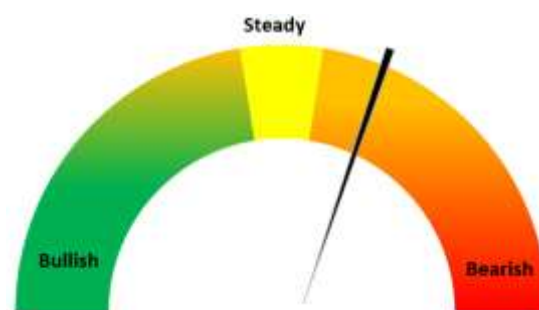


- As depicted in the above chart, during the week under review, market closed lower to 6,412, made low of 6,387, high of 6,412.
- Market is trading below 9, 50 and 100 DMA and can be characterized as resistance.
- Immediate support is at 6,300, next support is at 6,000 and immediate resistance is at 6,700, next resistance is at 6,900.

#### Recommendation-

Market participants are recommended to wait for selling in the range of 6,900-7,200.

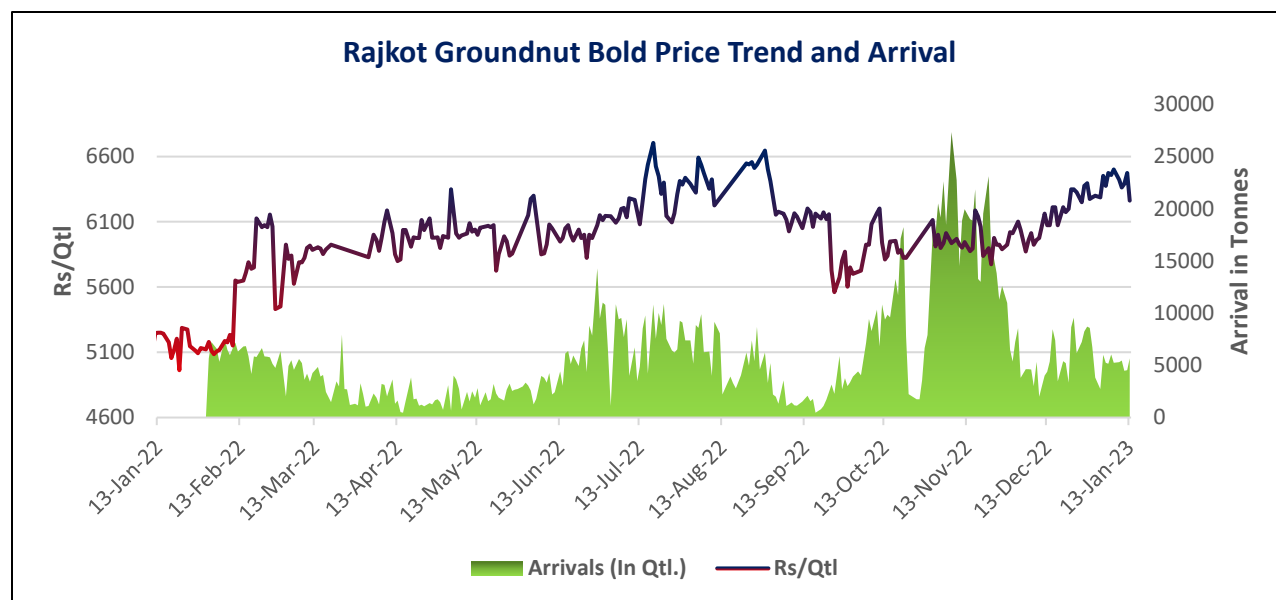
**RM seed Price Outlook for coming week:** RM Seed is expected to trade sideways with weak bias amid weak demand from crushers on disparity and higher production expectation.



Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 31st Dec'22- 06th Jan'23	Week under review 07th Jan'23- 13th Jan'23	Next week 14th Jan'23- 20th Jan'23
Weekly Average Price	6,463-6,713	6,388-6,513	6,200-6,600



## Groundnut



During the week under review, Rajkot Groundnut weekly average bold prices extended previous week gains and went marginally up by 0.16% to INR 6,402/Qtl. as compared to previous week at INR 6,391/Qtl. amid good demand. All India arrivals recorded up by 6% to 0.30 Lakh tonnes as compared to 0.28 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 13 January 2023			
State	2022	2021	% Change
Karnataka	1.65	1.38	19.57%
Odisha	0.874	0.518	68.73%
Telangana.	0.841	1.253	-32.88%
Tamil.Nadu	0.772	0.61	26.56%
Andhra.Pradesh	0.679	0.628	8.12%
Others	0.168	0.113	48.67%
<b>Total</b>	<b>4.984</b>	<b>4.502</b>	<b>10.71%</b>

### Technical Analysis

(Based on Rajkot GN Bold Mandi prices)

#### Groundnut Bold – Technical Outlook

Rajkot -Weekly time frame

Technical Chart:



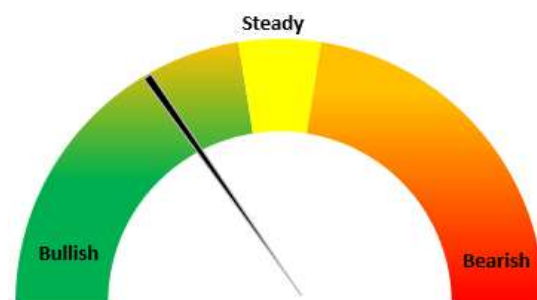
#### Technical Commentary:

- As depicted in the above chart, during the week under review, market closed lower to 6,262, made low of 6,262, high of 6,475.
- 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 6,000 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, good export demand and domestic demand.



Rajkot Groundnut Bold Price Outlook (INR./Qtl)	Previous week 31st Dec'22- 06th Jan'23	Week under review 07th Jan'23- 13th Jan'23	Next week 14th Jan'23- 20th Jan'23
Weekly Average Price	6,288-6,475	6,263-6,500	6,200-6,600



Oilseed Prices at Key Spot Markets:					
Commodity / Centre	% Change over previous week	Today	Week ago	Month Ago	Year Ago
<b>Soybean</b>		<b>13-Jan-23</b>	<b>06-Jan-23</b>	<b>14-Dec-22</b>	<b>13-Jan-22</b>
Indore –Plant	-1%	5700	5775	5675	6550
Indore–Mandi	-3%	5500	5650	5500	6400
Nagpur-Plant	0%	5750	5725	5600	6800
Nagpur – Mandi	2%	5550	5425	5300	6560
Latur – Mandi	-2%	5600	5700	5800	6315
Akola – Mandi	0%	5475	5470	5380	7125
Kota-Plant	1%	5800	5750	5550	6775
Kota – Mandi	1%	5650	5600	5450	6575
Bundi-Plant	2%	5900	5800	5500	6650
Bundi-Mandi	3%	5700	5550	5400	6550
Baran-Plant	2%	5800	5700	5650	6900
Baran-Mandi	2%	5600	5500	Closed	6800
Bhawani Mandi Jhalawar–Plant	2%	5725	5600	5500	6600
Jhalwar-Mandi	2%	5600	5500	5450	6500
<b>Rapeseed/Mustard</b>					
Jaipur-(Condition)	-1%	6425	6475	6775	7650
Alwar-(Condition)	-1%	6150	6200	6400	7500
Sri Ganganagar-(Non-Condition)	-3%	5850	6000	6225	7250
New Delhi–(Condition)	1%	6400	6350	6650	7400
Kota-(Condition)	1%	6050	6000	6350	7500
Agra-(Condition)	-1%	6476	6571	6905	7810
Neewai-(Condition)	-2%	6100	6200	6300	7250
Hapur (UP)-(Condition)	-2%	6200	6300	6600	7300
<b>Groundnut Seed (Bold)</b>					
Rajkot	-3%	6262.5	6460	6075	5250
Rajula	-	NA	7000	5900	5260
Jasdan	-	NA	6900	6550	5650
Deesa	-	NA	NA	6570	0

Bikaner	-	NA	6305	5979	5101
Niwai	-	NA	6825	5785	0
<b>Sunflower Seed</b>					
Gulbarga	3%	6150	6000	6100	5400
Latur	-3%	5900	6100	6200	6200
Sholapur	-3%	5900	6100	6200	6200
<p>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/100 kg, Sunflower Seed in Rs/qtl.</p>					

		Today	Month Ago	Year Ago	Year Ago
<b>Other Oilseed Prices at Mumbai (INR/100 Kg):</b>					
Oilseeds	Change	13-Jan-23	6-Jan-23	14-Dec-22	13-Jan-22
Groundnut Kernel	-2%	8050	8250	7825	6700
Gr. Bolds 60/70	1%	8950	8850	8550	8400
Gr. Javas 60/70	1%	9850	9750	9450	9200
Gr Javas 70/80	1%	9750	9650	9350	9000
Gr.Javas 80/90	1%	9550	9450	9150	8800
KardiSeed 2% Exp Qly	0%	5700	5700	5400	6400
Sesame White 98/2/1 FM	0%	12500	12500	11200	9700
Whitish 95/5/FFA/1FM	0%	12300	12300	11000	9500
Brown 48/2 FFA/4 FM	0%	12000	12000	10800	9100
Brown 48/3 FFA/4 FM	0%	11800	11800	10600	9000
Brown 48/4 FM/* No FFA Guarantee	0%	11400	11400	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>  
 © 2023 Indian Agribusiness Systems Limited