



Oil Seed Weekly Research Report

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Executive Summary

The weekly average prices of Soybean Indore plant prices went marginally down by 0.22% to INR 5,642/ Qtl. as compared to 5,654/qtl. previous week amid weak demand and bearish global cues.

The weekly average prices of Indore soymeal traded sideways at INR 42,566/MT as compared to last week at INR 42,766/MT amid subdued demand.

During the week under review, Jaipur RM seed weekly average prices went down by 1% to INR. 6,358/qtl amid weak demand from crushers on disparity in crushing and higher production expectation.

During the week under review, Rajkot Groundnut weekly average bold prices remained bullish and went up by 1.52% at INR 6,499/Qtl. amid shrink in arrivals and good export demand.

Outlook – Cash Market

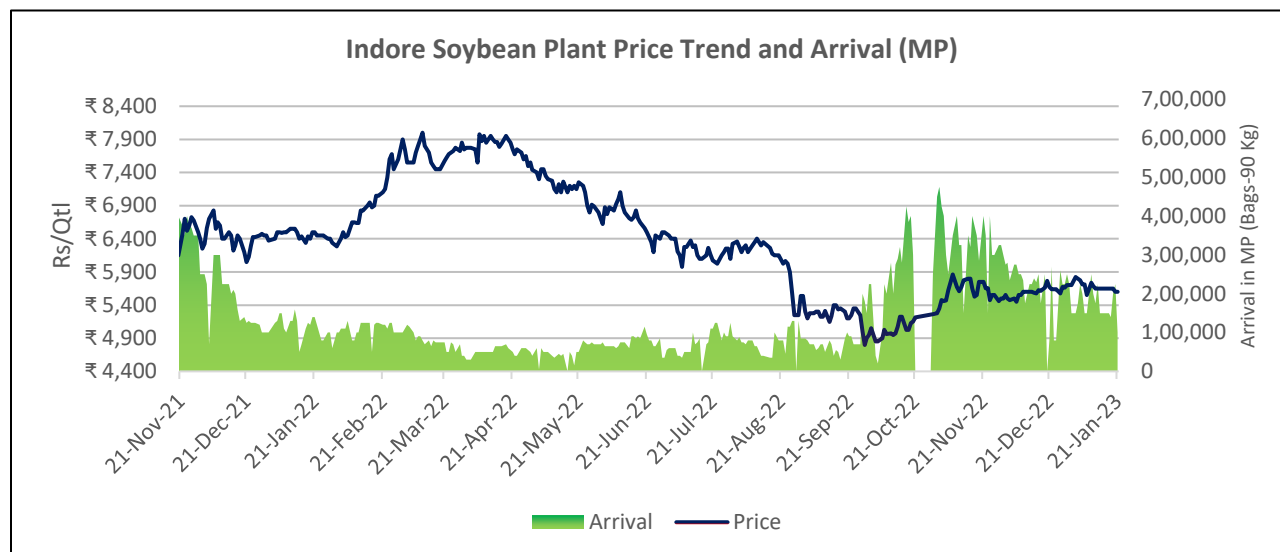
Outlook - Soybean (Spot Indore): In the coming week, soybean plant prices are expected to trade sideways amid subdued demand from crushers and bearish global cues. The prices (Indore, Plant basis) are expected to feature in the price band of 5,400-5,700 levels in the near term.

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.

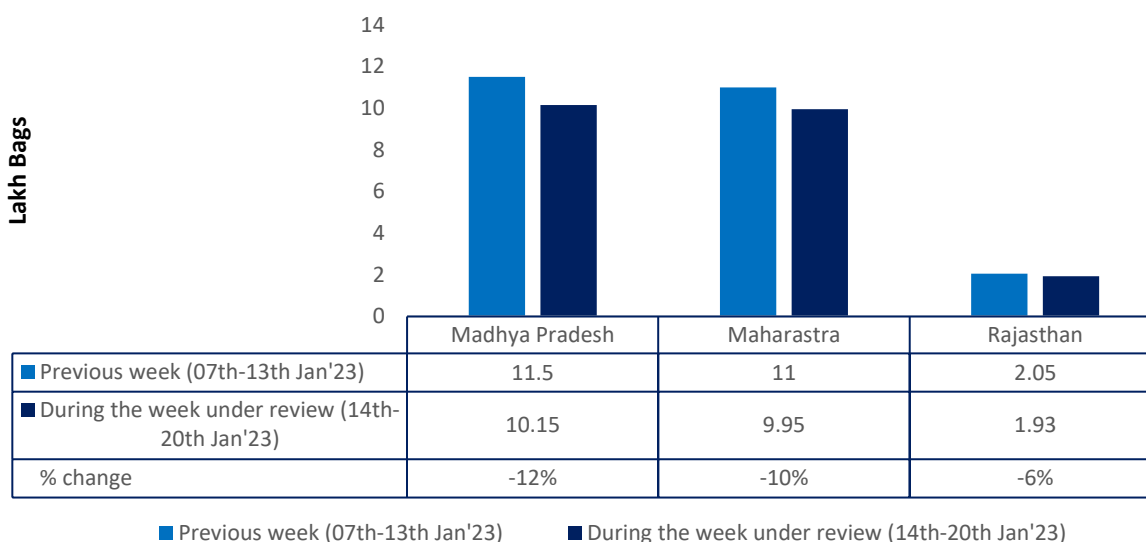
Outlook - Rapeseed-Mustard (Spot, Jaipur basis): Rapeseed-Mustard is expected to trade rangebound with weak bias amid higher production expectation and weak demand from millers due to disparity. The seed prices are likely to trade in the range between 6,000 –6,300/Qtl. in the short-run.

Soybean



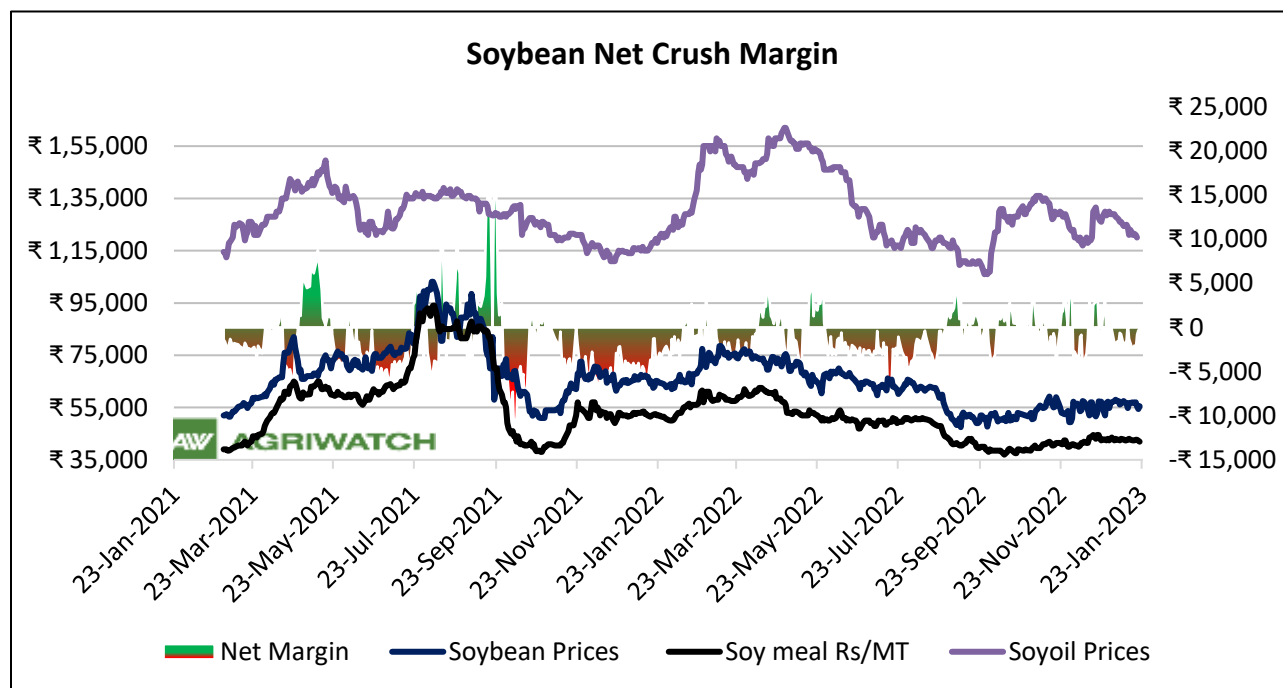
During the week under review, Soybean indore plant prices remained sideways and went marginally down by 0.22% to INR 5,642/ Qtl. as compared to 5,654/qtl. previous week amid weak demand, shrink in arrivals and bearish global cues. During the week the market made a high of INR 5,650/Qtl. Stock limit removal, good crushing pace amid 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 declined by 12% to 10.15 Lakh bags Vs 11.5 Lakh bags previous week. In Maharashtra arrivals went down to 9.95 Lakh bags vs 11 Lakh bags last week. In Rajasthan the arrivals recorded low to 1.93 lakh bags Vs 2.05 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 14th -20th January is in disparity at INR -1685/ MT as compared to previous week at INR -1155/MT.

International Update:

According to customs data, China's soybean imports from the United States dropped 10% in 2022, Total soybean imports by China last year dropped 5.6% to 91.08 million tonnes, due to high global prices and weaker demand earlier in the year.

According to USDA Jan'23 report, 2022/23, India's Soybean crush is estimated to be at 9.9 MMT as compared to previous year at 9.5 MMT and country's domestic consumption is estimated to be at 6.94 MMT Vs 7.02 MMT previous year. Moreover, Soy meal exports is projected at 1.2 MMT as compared to 0.66 MMT previous year.

Technical Analysis

US Soybean futures



As depicted in the above chart, During the week under review, US Soybean remained bullish and went down by 1.39% to \$15.06/bushels and taking support of 50 and 100 DMA and 9, 18 DMA can be characterized as resistance. RSI at 56 indicating firm buying strength. And MACD indicating weak momentum in short run. Over all market is expected to trade with weak bias and take support from 14.5-15 in short run and resistance from 15.30-15.50.

Technical Analysis (Domestic market) (Based on Indore Plant prices)

SOYBEAN – Technical Outlook

Soybean Indore Plant prices -Weekly time frame

Technical Chart:



Technical Commentary:

- Soybean Indore prices closed to 5,600 levels and during the week under review, market made low of 5,600, high of 5,650.
- 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-

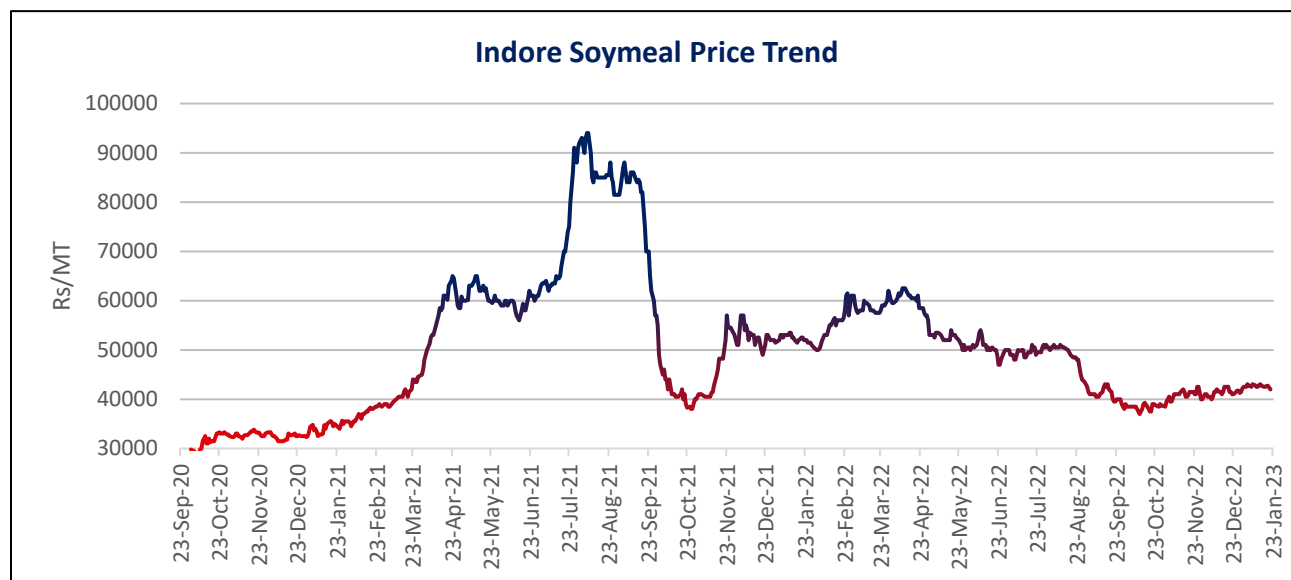
- Market Participants are recommended to sell their stocks in the range of 5700-6000 and buy in the range of 5200-5400.

Soybean Price Outlook for coming week: Indore Soybean plant prices are currently trading at INR. 5,600/qtl. and are expected to trade range bound in the range of INR 5,200-5,800 in short run.



Soybean Plant Price Outlook (INR./Qtl)	Previous week 07th Jan'23- 13th Jan'23	Week under review 14th Jan'23- 20th Jan'23	Next week 21st Jan'23- 27th Jan'23
Weekly Average Price	5,400-5,550	5,600-5,650	5,400-5,700

Soymeal

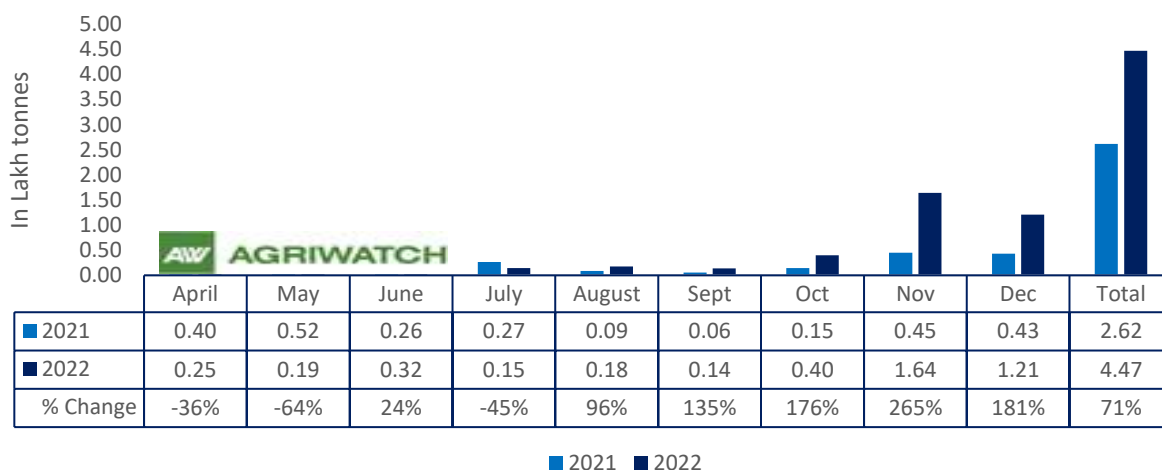


During the week under review, Indore Soymeal weekly average prices traded sideways and went marginally down by 0.47% to INR 42,566/MT as compared to last week at INR 42,816/ amid subdued demand. However, revive in export demand likely to support prices in upcoming weeks.

India's soymeal exports likely to double in the 2022/23 marketing year, as drought in top exporter Argentina lifted global prices, prompting buyers to turn to the south Asian country like India with cheaper rates. The revival in Soymeal exports has boosted soybean crushing in India and soy oil availability could limit the import of soy oil and palm oil. Exports demand for Indian soymeal has been reviving since it is cheaper than supplies from Argentina. India's soymeal exports in the current marketing year could rise to 15- 20 Lakh tonnes, from 644,000 tonnes a year ago. India's soymeal exports in the first three months of the 2022/23 marketing year, which started on Oct. 1, jumped 223% to 325,409 tonnes, according to trade body the Solvent Extractors' Association of India.

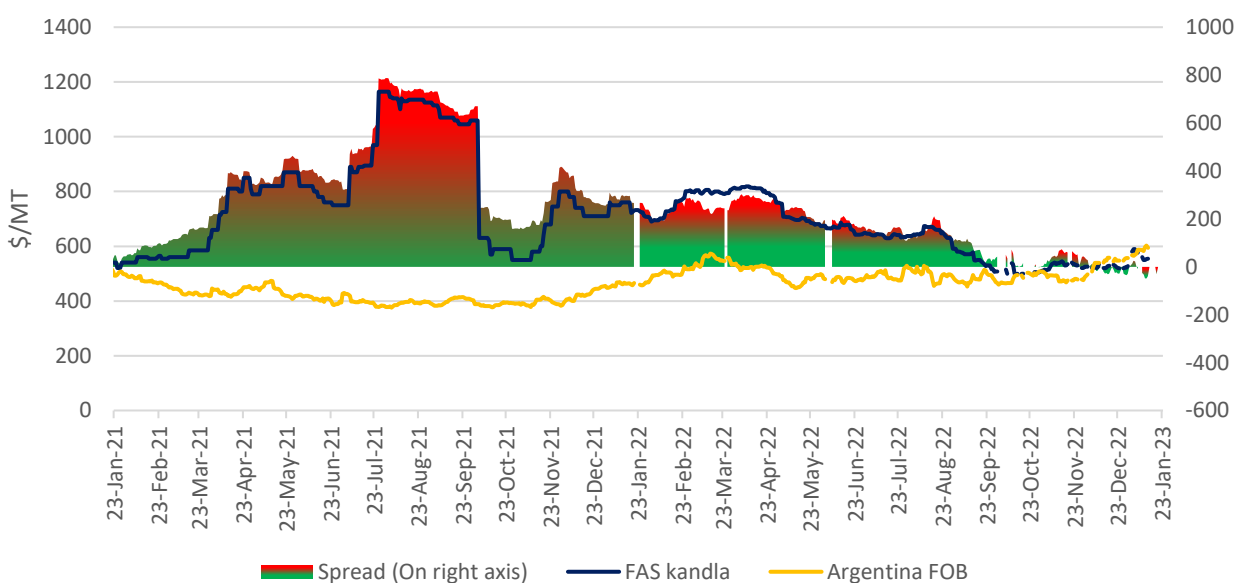
According to USDA Jan'23 report, 2022/23, India's Soybean crush is estimated to be at 9.9 MMT as compared to previous year at 9.5 MMT and country's domestic consumption is estimated to be at 6.94 MMT Vs 7.02 MMT previous year. Moreover, Soymeal exports is projected at 1.2 MMT as compared to 0.66 MMT previous year.

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 fifth straight month on good soymeal export demand from south east Asia tracking competitive prices in global markets. However, in April'22-Dec'22 soymeal exports are up by 71% to 4.47 Lakh tonnes as compared to 2.62 Lakh tonnes previous year same period.

Indian Soybean meal Vs Argentina Soybean Meal and Spread



Currently, Indian Soymeal FOB prices trading at \$555/MT, Argentina Soymeal FOB prices trading at \$586/MT and spread stands at \$-31/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)

SOYBEAN Meal – Technical Outlook

Soybean Meal Indore Spot -Weekly time frame

Technical Chart:



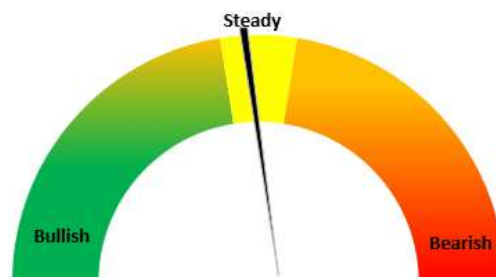
Technical Commentary:

- Soybean Indore prices closed to 42,000 levels and during the week under review, market made low of 42,000, high of 42,700.
- Market is currently taking support of 9 and 18 DMA, 23.6% Fibonacci retracement can be characterized as resistance.
- 40,000 is near term support and 44,000-45,000 is near term resistance.

Recommendation-

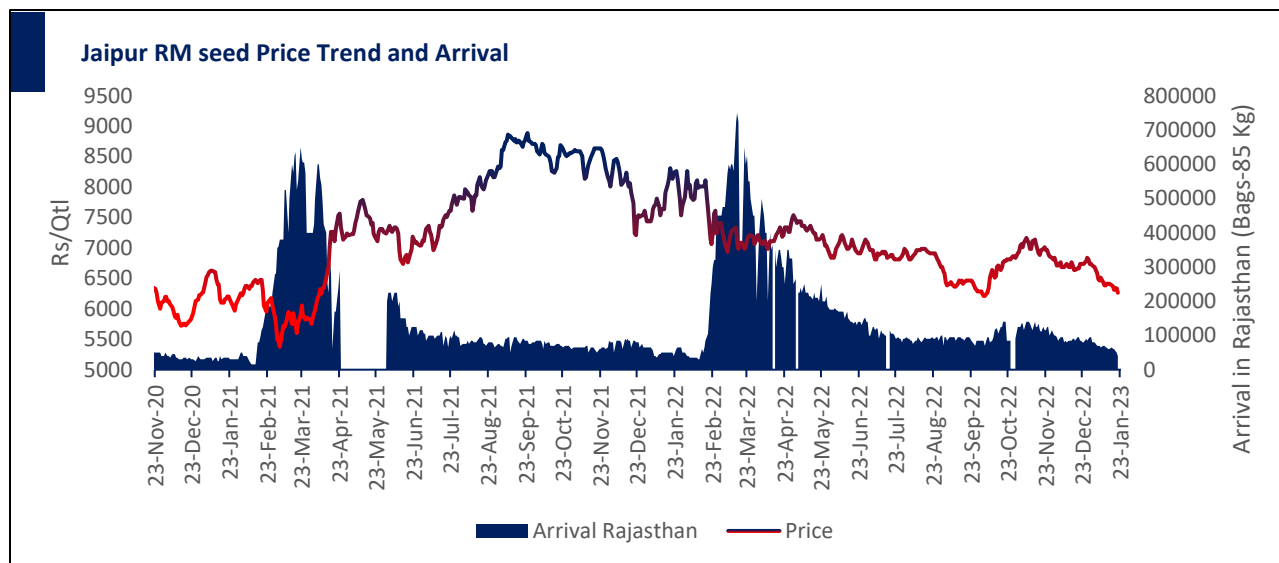
- Market Participants are recommended to sell their stocks in the range of 44,000-45,000.

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

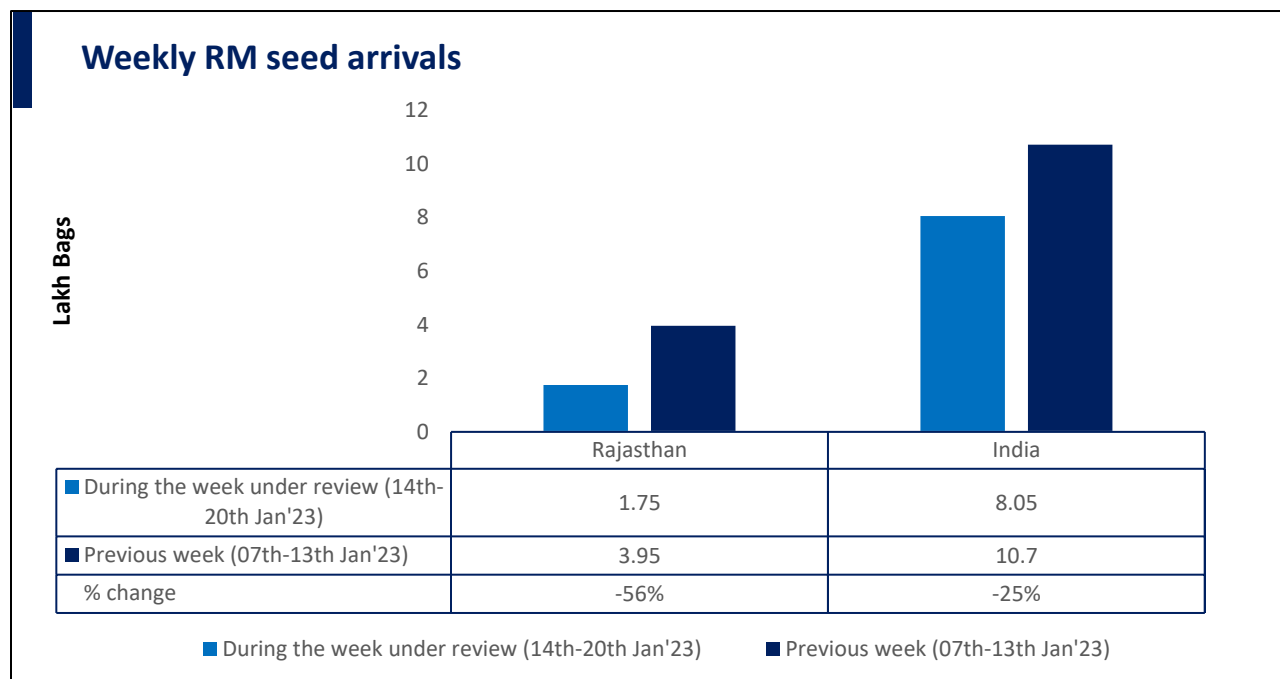


Soybean Meal Price Outlook (INR./MT)	Previous week 07th Jan'23- 13th Jan'23	Week under review 14th Jan'23- 20th Jan'23	Next week 21st Jan'23- 27th Jan'23
Weekly Average Price	42,500-43,000	42,300-42,700	42,000-45,000

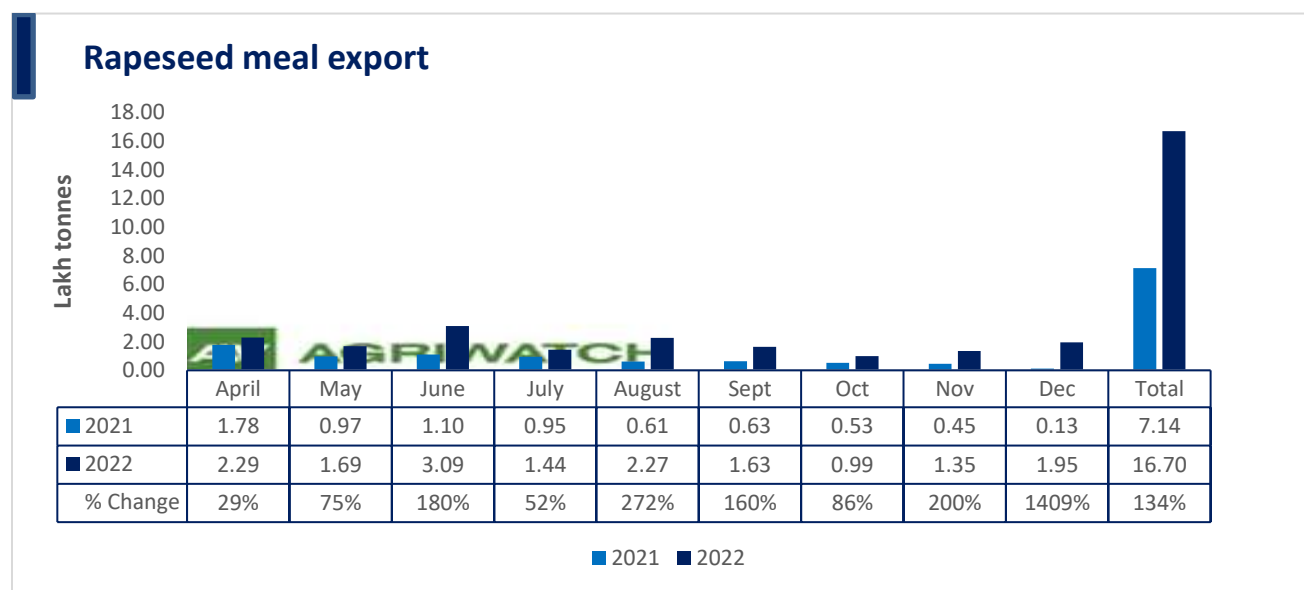
Rapeseed - Mustard Seed



Jaipur RM seed weekly average prices extended previous week loss and went down by 1% to INR. 6,358/qrtl as compared to INR. 6,425/qrtl previous week amid higher production expectation and weak demand from millers on disparity. So far RM seed has corrected by more than 12% from previous high of INR 7,162/qrtl.



During the week under review, RM Seed arrivals declined. Arrivals in Rajasthan recorded at 1.75 Lakh bags as compared to 3.95 lakh bags previous week. All India arrivals went down and stood at 8.05 Lakh bags Vs 10.7 Lakh bags previous week.



There is a significant jump in export of rapeseed meal in April'22-Dec'22 and reported at 16.70 Lakh tons compared to 7.14 Lakh tons previous year same period i.e., up by 134%. And in Dec'22 exports recorded up by 1409% to 1.95 Lakh tonnes vs 0.13 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 20 January 2023			
State	2022	2021	% Change
Rajasthan	39.722	35.33	12.43%
Madhya.Pradesh	14.04	11.72	19.80%
Uttar.Pradesh	13.278	14.173	-6.31%
Haryana	7.323	7.563	-3.17%
West.Bengal	6.556	6.09	7.65%
Jharkhand	3.715	3.704	0.30%
Assam	3.336	3.196	4.38%
Gujarat	3.052	3.403	-10.31%
Others	6.083	5.003	21.59%
Total	97.105	90.181	7.68%

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:

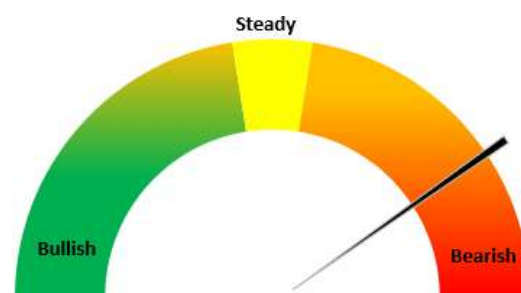


- As depicted in the above chart, during the week under review, market closed lower to 6,262, made low of 6,262, high of 6,387.
- Market is trading below 9, 50 and 100 DMA and can be characterized as resistance.
- Immediate support is at 6,300, next support is at 6000 and immediate resistance is at 6,700, next resistance is at 6900.

Recommendation-

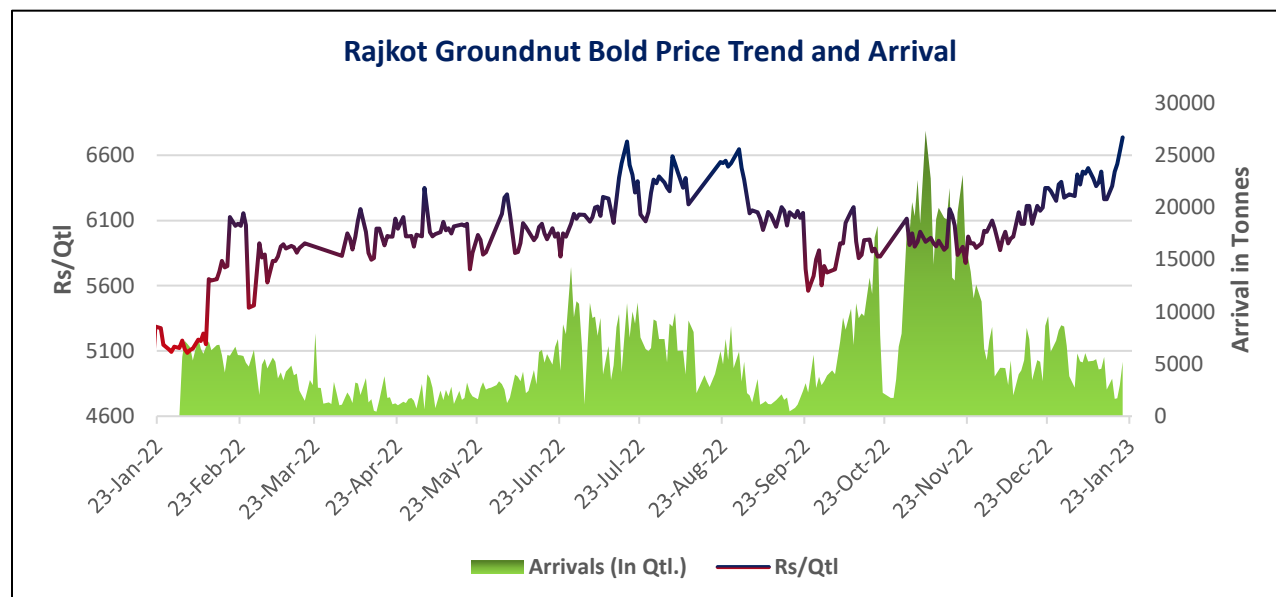
Market participants are recommended to wait for selling in the range of 6900-7200.

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



Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 07th Jan'23- 13th Jan'23	Week under review 14th Jan'23- 20th Jan'23	Next week 21st Jan'23- 27th Jan'23
Weekly Average Price	6,388-6,513	6,313-6,388	6,000-6,300

Groundnut



During the week under review, Rajkot Groundnut weekly average bold prices extended previous week gains and went up by 1.52% to INR 6,499/Qtl. as compared to previous week at INR 6,402/Qtl. amid good demand and low availability. All India arrivals recorded down by 42% to 0.17 Lakh tonnes as compared to 0.30 Lakh tonnes previous week.

Exports in December stood at 17,444.69 Tonnes compared to the export of 24,914.43 Tonnes in previous month. China's export demand made 97.21% of the total exports at 16,957.125 tonnes. GN oil exports in December declined as China's demand dampened due to resurgence in covid cases. However, on Y-o-Y comparison exports are up by 271%.

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 20 January 2023			
State	2022	2021	% Change
Karnataka	1.65	1.38	19.57%
Odisha	0.961	0.602	59.63%
Telangana.	0.865	1.262	-31.46%
Tamil.Nadu	0.792	0.629	25.91%
Andhra.Pradesh	0.719	0.677	6.20%
Others	0.183	0.15	22.00%
Total	5.171	4.699	10.04%

Technical Analysis

(Based on Rajkot GN Bold Mandi prices)

Groundnut Bold – Technical Outlook

Rajkot -Weekly time frame

Technical Chart:



Technical Commentary:

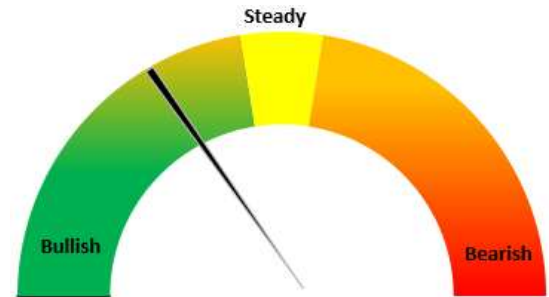
- As depicted in the above chart, during the week under review, market closed higher to 6,745, made low of 6,362, high of 6,745.
- Market is trading above 9, 18, 50 and 100 DMA, and 23.6% Fibonacci retracement level can be characterized as immediate support, 6800 level can be characterized as resistance.
- Immediate support is at 6,400, next support is at 6,200 and immediate resistance is at 6,800, next resistance is at 7,000.

Recommendation-

Market participants are recommended to sell in the range of 6700-7000 and buy in the range of 6200-6500.



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 07th Jan'23- 13th Jan'23	Week under review 14th Jan'23- 20th Jan'23	Next week 21st Jan'23- 27th Jan'23
Weekly Average Price	6,263-6,500	6,363-6,738	6,500-7,000

Oilseed Prices at Key Spot Markets:					
Commodity / Centre	% Change over previous week	Today	Week Ago	Month Ago	Year Ago
Soybean		20-Jan-23	14-Jan-23	20-Dec-22	20-Jan-22
Indore –Plant	-1%	5650	5700	5825	6550
Indore–Mandi	-	5500	Closed	5700	6400
Nagpur-Plant	-4%	5500	5750	5655	6500
Nagpur – Mandi	-	5300	Closed	5455	6250
Latur – Mandi	-2%	5500	5600	5805	6305
Akola – Mandi	0%	5300	5325	5450	6700
Kota-Plant	-3%	5600	5800	5550	6585
Kota – Mandi	-	5450	Closed	5450	6485
Bundi-Plant	-4%	5650	5900	5625	6385
Bundi-Mandi	-	5450	Closed	5400	6335
Baran-Plant	-3%	5600	5800	5600	6450
Baran-Mandi	-	5400	Closed	5500	6400
Bhawani Mandi Jhalawar–Plant	-3%	5550	5725	5600	6520
Jhalwar-Mandi	-	5400	Closed	5570	6500
Rapeseed/Mustard					
Jaipur-(Condition)	-	6350	Closed	6675	8225
Alwar-(Condition)	-	5900	Closed	6400	7900
Sri Ganganagar-(Non-Condition)	-	5900	Closed	6100	7650
New Delhi–(Condition)	-2%	6250	6400	6600	7800
Kota-(Condition)	-	5900	Closed	6300	7900
Agra-(Condition)	-	6548	Closed	6810	8429
Neewai-(Condition)	-	5900	Closed	6400	7600
Hapur (UP)-(Condition)	-2%	6100	6200	6700	7900
Groundnut Seed					
Rajkot	-	1160	Closed	1120	921
Sunflower Seed					
Gulbarga	-	0	Closed	6100	5400
Latur	-	5700	Closed	6100	6100
Sholapur	-	5700	Closed	6100	6100

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/20 kg, Sunflower Seed in Rs/qtl.

		Today	Week Ago	Month Ago	Year Ago
Other Oilseed Prices at Mumbai (INR/100 Kg):					
Oilseeds	Change	20-Jan-23	13-Jan-23	20-Dec-22	20-Jan-22
Groundnut Kernel	1%	8125	8050	7850	6600
Gr. Bolds 60/70	3%	9250	8950	8650	8500
Gr. Javas 60/70	3%	10150	9850	9550	9300
Gr Javas 70/80	3%	10050	9750	9450	9100
Gr.Javas 80/90	3%	9850	9550	9250	8900
KardiSeed 2% Exp Qly	0%	5700	5700	5400	6400
Sesame White 98/2/1 FM	1%	12600	12500	12000	9700
Whitish 95/5/FFA/1FM	1%	12400	12300	11800	9500
Brown 48/2 FFA/4 FM	1%	12100	12000	11500	9100
Brown 48/3 FFA/4 FM	1%	11900	11800	11300	9000
Brown 48/4 FM/* No FFA Guarantee	1%	11500	11400	10900	8600
Sunflower Seed	0%	6900	6900	6700	6500
Niger Seed (4% FM)	0%	9000	9000	9000	8200

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