



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 2.4% to INR 5,507/ Qtl. as compared to 5,642/ qtl. previous week amid weak demand.

The weekly average prices of Indore soymeal went down by 1.3% to INR 42,000/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 3.16% to INR. 6,157/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 declined and went down by 3.78% at INR 6,254/Qtl. amid rebound in arrivals.

Outlook – Cash Market

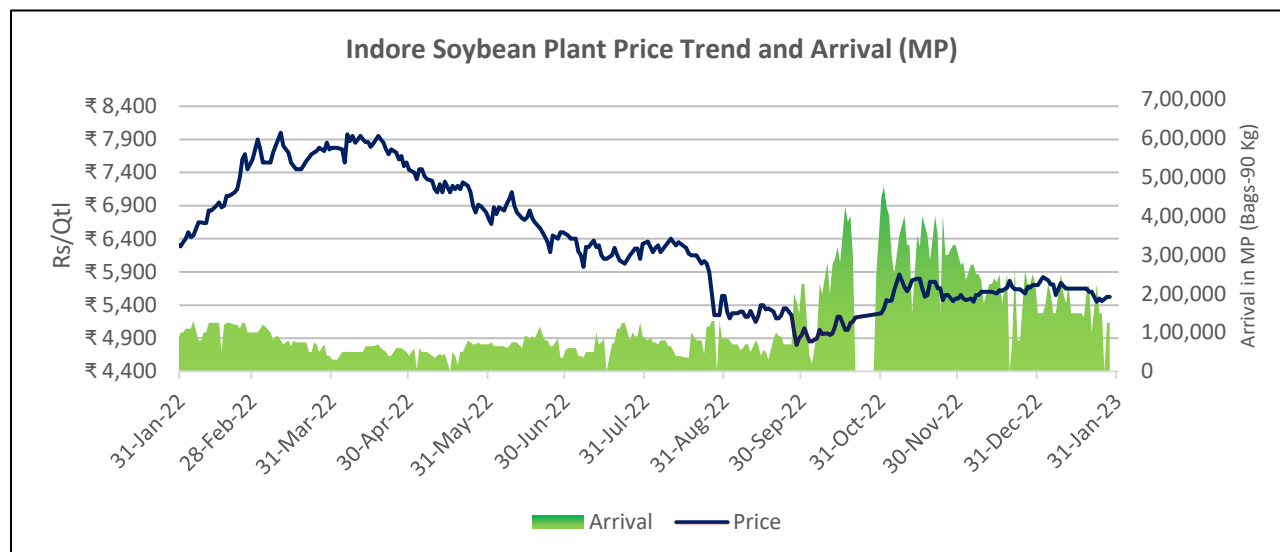
Outlook - Soybean (Spot Indore): In the coming week, soybean plant prices are expected to trade sideways amid subdued demand from crushers. The prices (Indore, Plant basis) are expected to feature in the price band of 5,300-5,600 levels in the near term.

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.

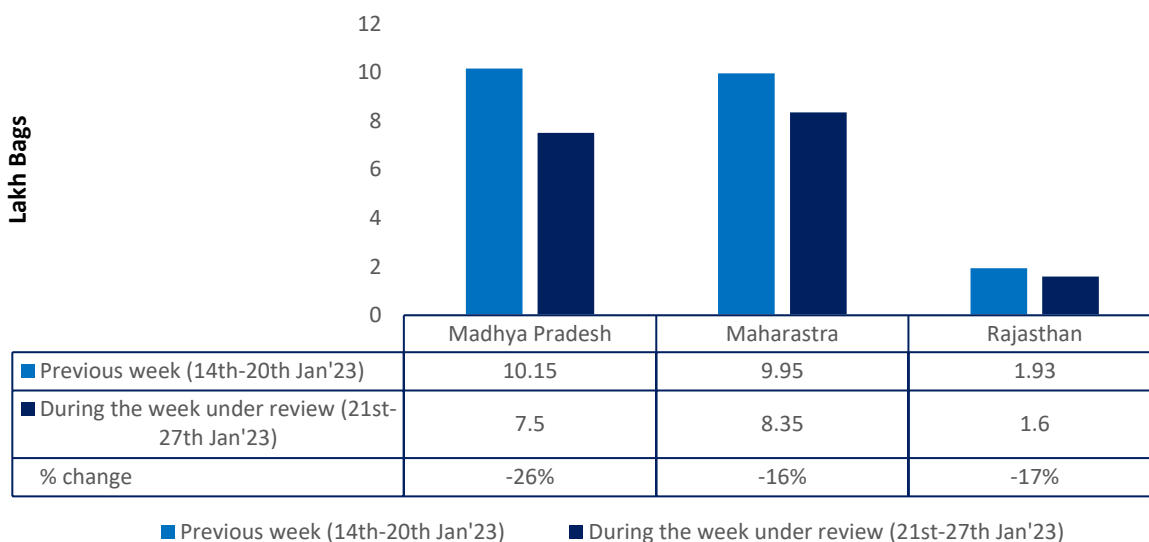
Outlook - Rapeseed-Mustard (Spot, Jaipur basis): Rapeseed-Mustard is expected to trade rangebound with weak bias amid higher production expectation and weak demand from millers due to disparity. The seed prices are likely to trade in the range between 5,900 –6,100/Qtl. in the short-run.

Soybean



During the week under review, Soybean indore plant prices remained bearish and went down by 2.4% to INR 5,507/ Qtl. as compared to 5,642/qtl. previous week. Despite shrink in arrivals, prices went down due to weak demand from crushers. During the week the market made a high of INR 5,600/Qtl. Soybean prices are trading more than 28% up from current season low of INR 4,300 levels.

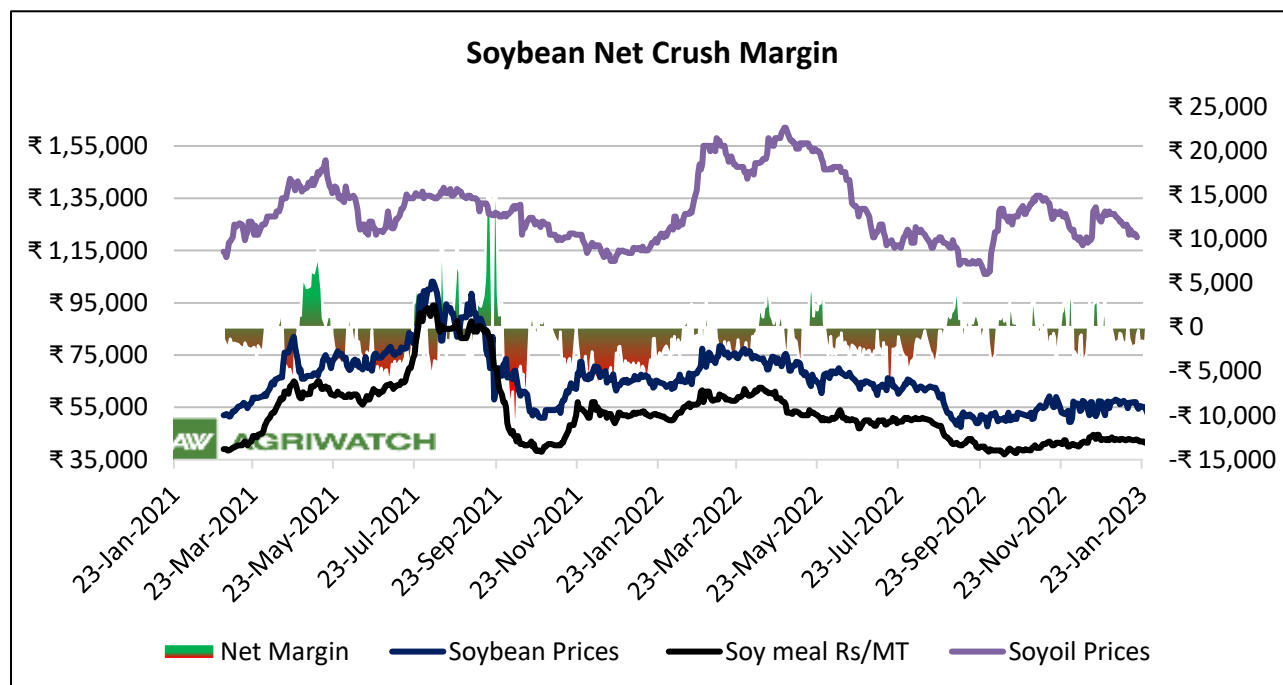
Weekly Soybean Arrivals



During the week under review, the total arrival in MP declined by 26% to 7.5 Lakh bags Vs 10.15 Lakh bags previous week. In Maharashtra arrivals went down to 8.35 Lakh bags vs 9.95 Lakh bags last week. In

Rajasthan the arrivals recorded low to 1.93 lakh bags Vs 2.05 Lakh bags previous week. Arrivals shrank as farmers are reluctant to offload their stock on current levels.

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 21th -28th January is in disparity at INR -1188/ MT as compared to previous week at INR -1685/MT.

International Update:

2022/23 Brazil Soybeans 1.8% Harvested vs. 4.7% Last Year

The Brazilian soybeans were 1.8% harvested late last week compared to 4.7% last year and 3.4% average. However, in Mato Grosso, leads the way with 5.9% of the soybeans harvested compared to 13.3% last year and 9.1% average.

The Buenos Aires Grain Exchange stated that 98.8% of the soybean crops for the 2022/23 season have been planted, which is less than last year's 100% and the average of 99.9%. The quality of the crops is rated with 54% as poor/very poor, 39% fair, and 7% good/excellent, an increase of 4% from the previous week.

Technical Analysis

US Soybean futures



As depicted in the above chart, During the week under review, US Soybean remained bullish and went marginally up by 0.20% to \$15.09/bushels and taking support of 9, 18 and 100 DMA can be characterized as support. RSI at 54 indicating firm buying strength. And MACD indicating weak momentum in short run. Over all market is expected to trade with firm bias and take support from 14.6-15 in short run and resistance from 15.50-16.00.

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 5,450 levels and during the week under review, market made low of 5,450, high of 5,525.
- Market is currently taking support of 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-

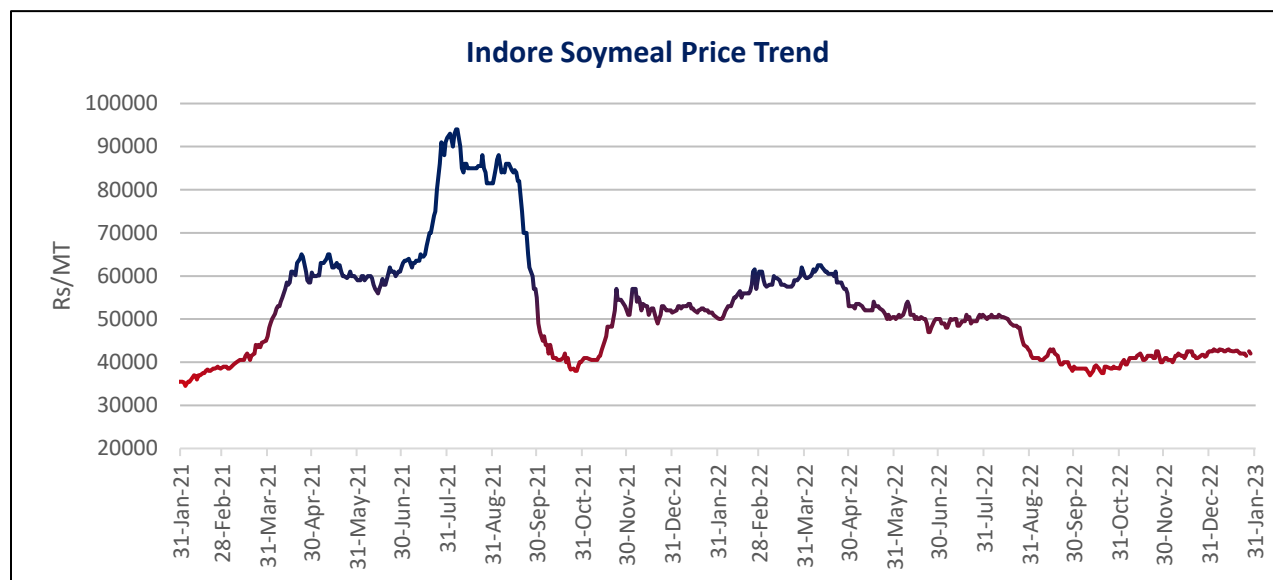
- Market Participants are recommended to sell their stocks in the range of 5700-6000 and buy in the range of 5200-5400.

Soybean Price Outlook for coming week: Indore Soybean plant prices are currently trading at INR. 5,525/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 14th Jan'23- 20th Jan'23	Week under review 21st Jan'23- 27th Jan'23	Next week 28th Jan'23- 03rd Feb'23
Weekly Average Price	5,600-5,650	5,450-5,600	5,300-5,600

Soymeal

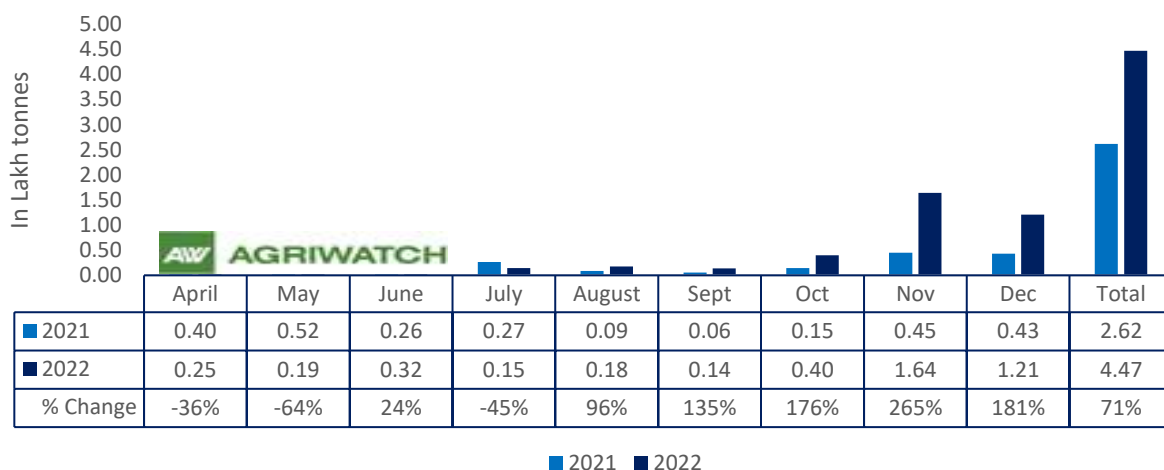


During the week under review, Indore Soymeal weekly average prices traded bearish and went down by 1.3% to INR 42,000/MT as compared to last week at INR 42,566/ amid subdued demand. However, revive in export demand likely to support prices in upcoming weeks.

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.

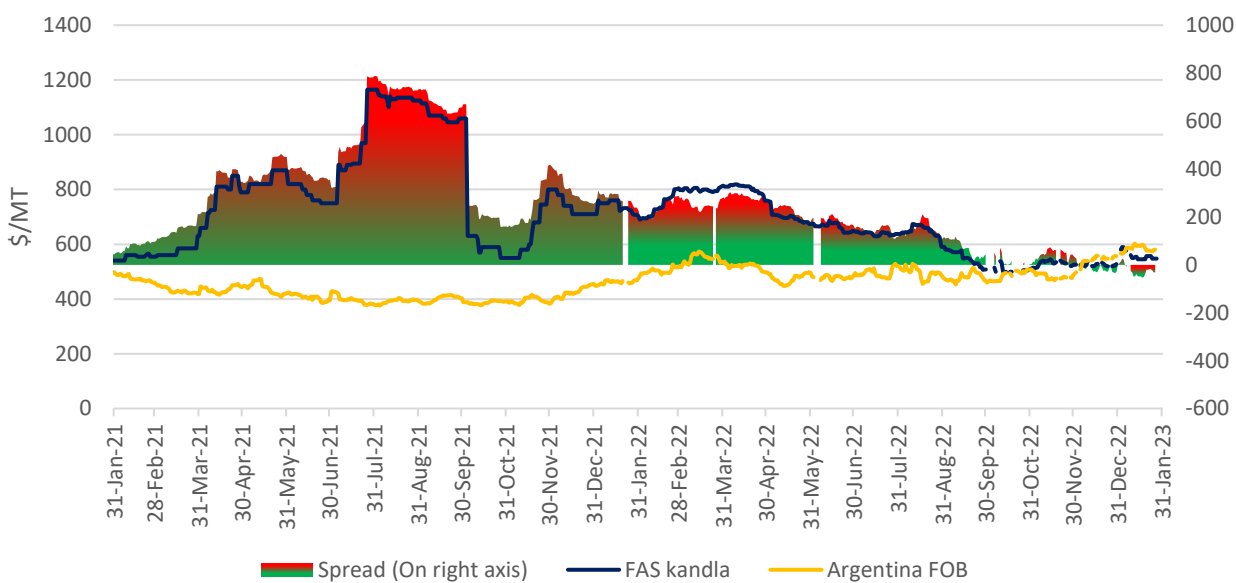
According to USDA Jan'23 report, 2022/23, India's Soybean crush is estimated to be at 9.9 MMT as compared to previous year at 9.5 MMT and country's domestic consumption is estimated to be at 6.94 MMT Vs 7.02 MMT previous year. Moreover, Soymeal exports is projected at 1.2 MMT as compared to 0.66 MMT 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 \$548/MT, Argentina Soymeal FOB prices trading at \$580/MT and spread stands at \$-32/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:



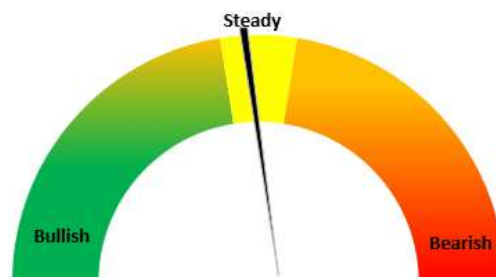
Technical Commentary:

- Soybean Indore prices closed to 42,000 levels and during the week under review, market made low of 41,500, high of 42,500.
- 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-

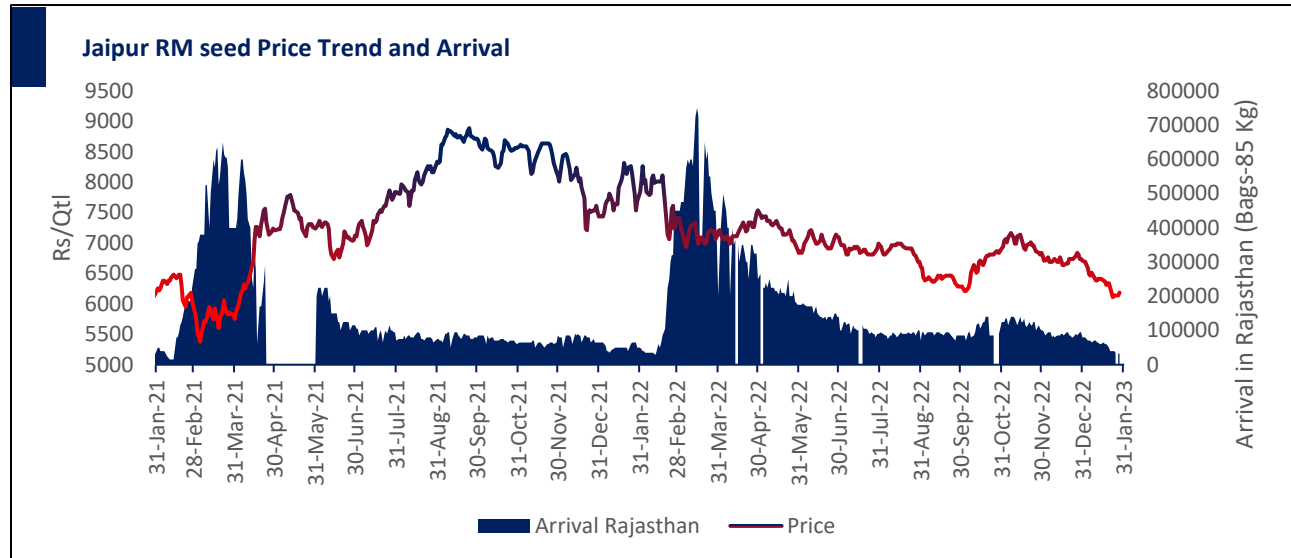
- Market Participants are recommended to sell their stocks in the range of 44,000-45,000.

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.

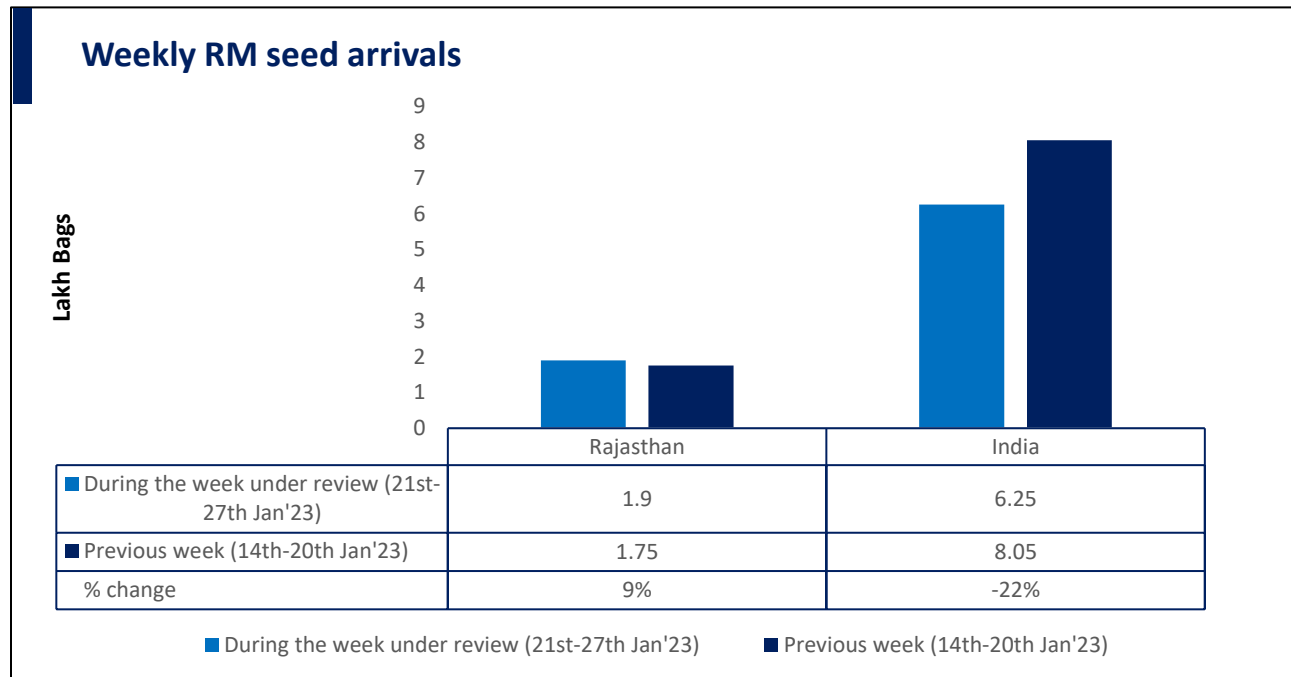


Soybean Meal Price Outlook (INR./MT)	Previous week 14th Jan'23- 20th Jan'23	Week under review 21st Jan'23- 27th Jan'23	Next week 28th Jan'23- 03rd Feb'23
Weekly Average Price	42,300-42,700	41,500-42,500	42,000-45,000

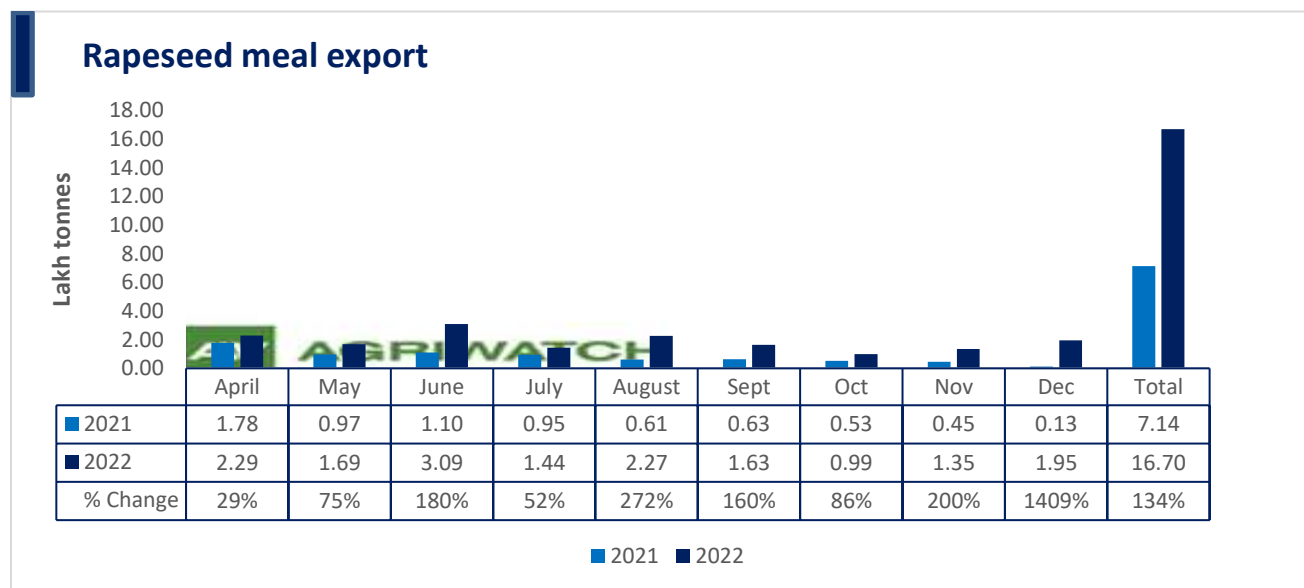
Rapeseed - Mustard Seed



Jaipur RM seed weekly average prices extended previous week loss and went down by 3.16% to INR. 6,157/qlt as compared to INR. 6,358/qlt previous week amid higher production expectation and weak demand from millers on disparity. So far RM seed has corrected by more than 14% from previous high of INR 7,162/qlt.



During the week under review, RM Seed arrivals declined. Arrivals in Rajasthan recorded at 1.9 Lakh bags as compared to 1.75 lakh bags previous week. All India arrivals went down and stood at 6.25 Lakh bags Vs 8.05 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 27 January			
State	2022	2021	% Change
Rajasthan	39.72	35.33	12.43%
Madhya.Pradesh	14.04	11.72	19.80%
Uttar.Pradesh	13.28	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	6.148	5.05	21.74%
Total	97.17	90.228	7.69%

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:

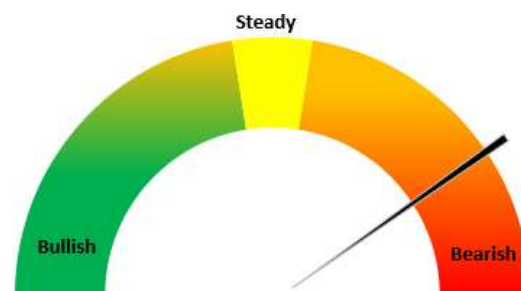


- As depicted in the above chart, during the week under review, market closed lower to 6,140, made low of 6,112, high of 6,138.
- Market is trading below 9, 50 and 100 DMA and can be characterized as resistance.
- Immediate support is at 6,000, next support is at 5,900 and immediate resistance is at 6,500, next resistance is at 6700.

Recommendation-

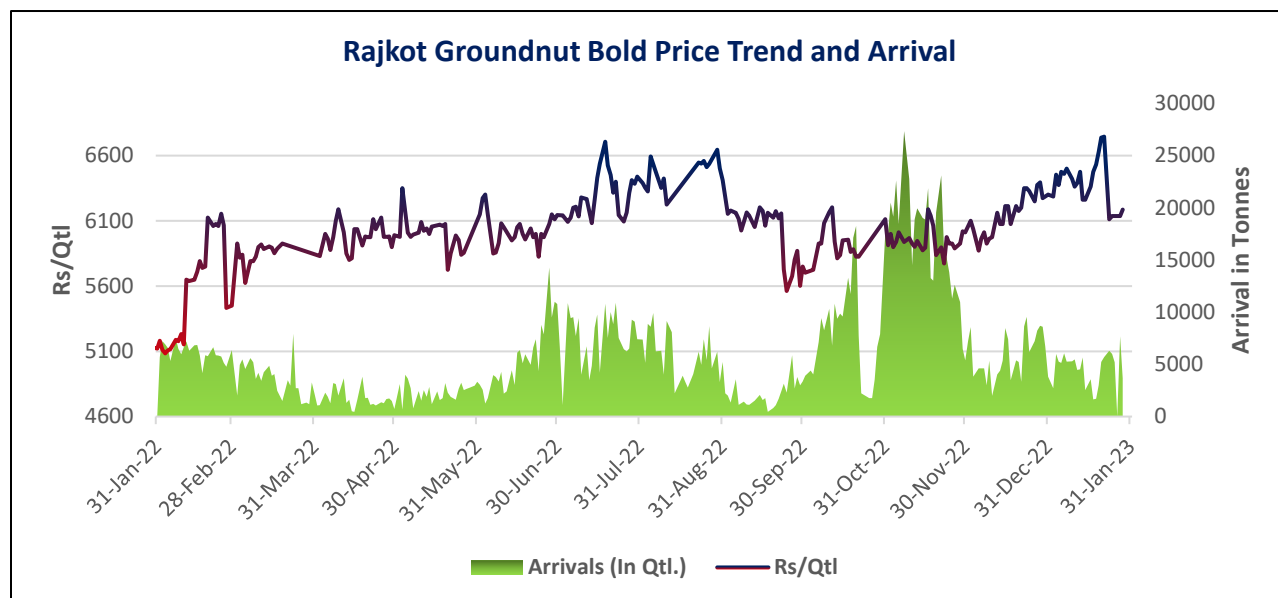
Market participants are recommended to wait for buying in the range of 5900-6200.

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 14th Jan'23- 20th Jan'23	Week under review 21st Jan'23- 27th Jan'23	Next week 28th Jan'23- 03rd Feb'23
Weekly Average Price	6,313-6,388	6,113-6,263	5,900-6,100

Groundnut



During the week under review, Rajkot Groundnut weekly average bold prices declined after previous week gains and went down by 3.78% to INR 6,254/Qtl. as compared to previous week at INR 6,499/Qtl. amid good demand. All India arrivals recorded up by 74% to 0.30 Lakh tonnes as compared to 0.17 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 27 January			
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	0.236	0.164	43.90%
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:



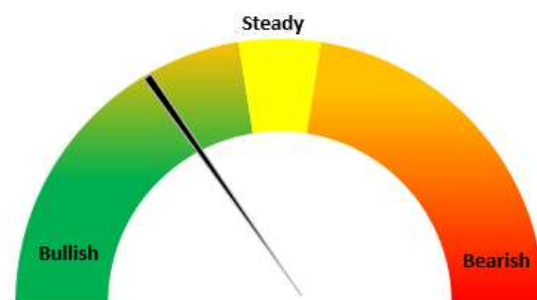
Technical Commentary:

- As depicted in the above chart, during the week under review, market closed higher to 6,780, made low of 6,525, high of 6,780.
- 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 14th Jan'23- 20th Jan'23	Week under review 21st Jan'23- 27th Jan'23	Next week 28th Jan'23- 03rd Feb'23
Weekly Average Price	6,363-6,738	6,525-6,745	6,400-6,900

Oilseed Prices at Key Spot Markets:					
Commodity / Centre	% Change over previous week	Today	Week Ago	Month Ago	Year Ago
Soybean		27-Jan-23	21-Jan-23	28-Dec-22	27-Jan-22
Indore –Plant	-1%	5600	5650	5750	6450
Indore–Mandi	-	5400	Closed	5550	6300
Nagpur-Plant	-3%	5450	5600	5800	6600
Nagpur – Mandi	-4%	5160	5350	5550	6025
Latur – Mandi	-	5350	Closed	5800	6170
Akola – Mandi	-6%	5050	5350	5385	5955
Kota-Plant	-1%	5550	5600	5600	6500
Kota – Mandi	2%	5450	5350	5500	6450
Bundi-Plant	-4%	5400	5600	5600	6500
Bundi-Mandi	-3%	5250	5400	5525	6400
Baran-Plant	1%	5650	5600	5700	6500
Baran-Mandi	1%	5450	5400	5600	6300
Bhawani Mandi Jhalawar–Plant	-1%	5500	5550	5600	6600
Jhalwar-Mandi	-	5400	Closed	5500	6500
Rapeseed/Mustard					
Jaipur-(Condition)	-2%	6150	6275	6825	7825
Alwar-(Condition)	0%	6000	6000	6600	7350
Sri Ganganagar-(Non-Condition)	-3%	5700	5850	6145	7000
New Delhi–(Condition)	-2%	6000	6100	6650	7550
Kota-(Condition)	-2%	5700	5800	6450	7500
Agra-(Condition)	-2%	6381	6524	7000	7857
Neewai-(Condition)	-1%	5825	5900	6350	7300
Hapur (UP)-(Condition)	-2%	6000	6100	6725	7400
Groundnut Seed					
Rajkot	-2%	1150	1170	1140	923
Sunflower Seed					
Gulbarga	-	5600	Closed	6300	5400
Latur	-	5700	Closed	6100	6200
Sholapur	-	5700	Closed	6100	6200

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/20 kg, Sunflower Seed in Rs/ctl.

		Today	Week Ago	Month Ago	Year Ago
Other Oilseed Prices at Mumbai (INR/100 Kg):					
Oilseeds	Change	27-Jan-23	21-Jan-23	28-Dec-22	27-Jan-22
Groundnut Kernel	-2%	8000	8125	8125	6600
Gr. Bolds 60/70	4%	9700	9300	8800	8500
Gr. Javas 60/70	4%	10600	10200	9700	9300
Gr Javas 70/80	4%	10500	10100	9600	9100
Gr.Javas 80/90	4%	10300	9900	9400	8900
KardiSeed 2% Exp Qly	0%	5700	5700	5700	6300
Sesame White 98/2/1 FM	2%	12800	12600	12200	9700
Whitish 95/5/FFA/1FM	2%	12600	12400	12000	9500
Brown 48/2 FFA/4 FM	0%	12100	12100	11700	9100
Brown 48/3 FFA/4 FM	0%	11900	11900	11500	8800
Brown 48/4 FM/* No FFA Guarantee	0%	11500	11500	11100	8500
Sunflower Seed	0%	6900	6900	6900	6300
Niger Seed (4% FM)	0%	9000	9000	9000	8200

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