



# Oil Seed Weekly Research Report

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## Executive Summary

The weekly average prices of Soybean Indore plant prices remained sideways and went marginally up by 0.3% to INR 5,523/ Qtl. as compared to 5,507/ qtl. previous week amid weak demand.

The weekly average prices of Indore soymeal went marginally up by 0.8% to INR 42,333/MT as compared to last week at INR 42,000/MT amid subdued demand.

During the week under review, Jaipur RM seed weekly average prices went down by 0.46% to INR. 6,129/qtl amid weak demand from crushers on disparity in crushing and new crop arrivals.

During the week under review, Rajkot Groundnut weekly average bold prices went up by 9.73% at INR 6,862/Qtl. amid good demand and low availability.

## Outlook – Cash Market

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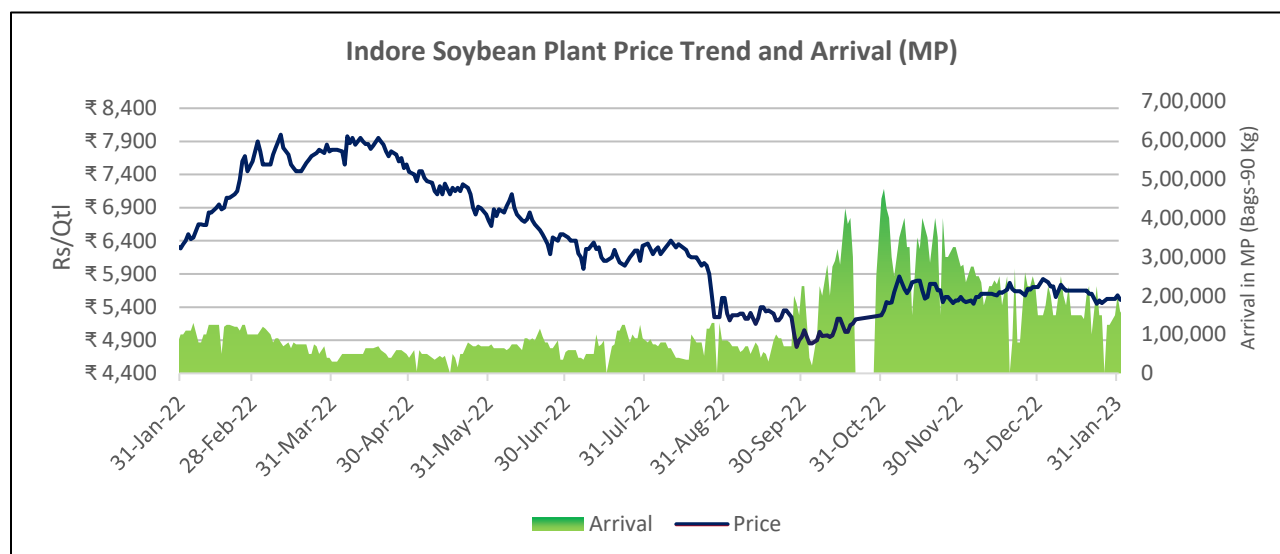
**Outlook - Soybean (Spot Indore):** In the coming week, soybean plant prices are expected to trade sideways amid subdued demand from crushers. The prices (Indore, Plant basis) are expected to feature in the price band of 5,300-5,600 levels in the near term.

**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.

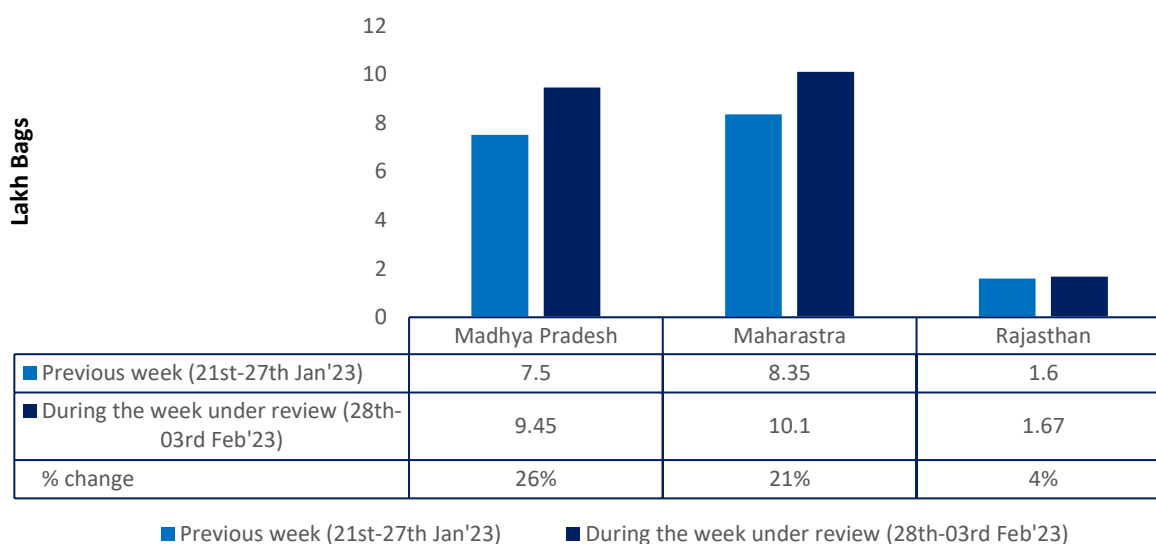
**Outlook - Rapeseed-Mustard (Spot, Jaipur basis):** Rapeseed-Mustard is expected to trade rangebound with weak bias amid higher production expectation and weak demand from millers due to disparity. The seed prices are likely to trade in the range between 5,900 –6,200/Qtl. in the short-run.

### Soybean



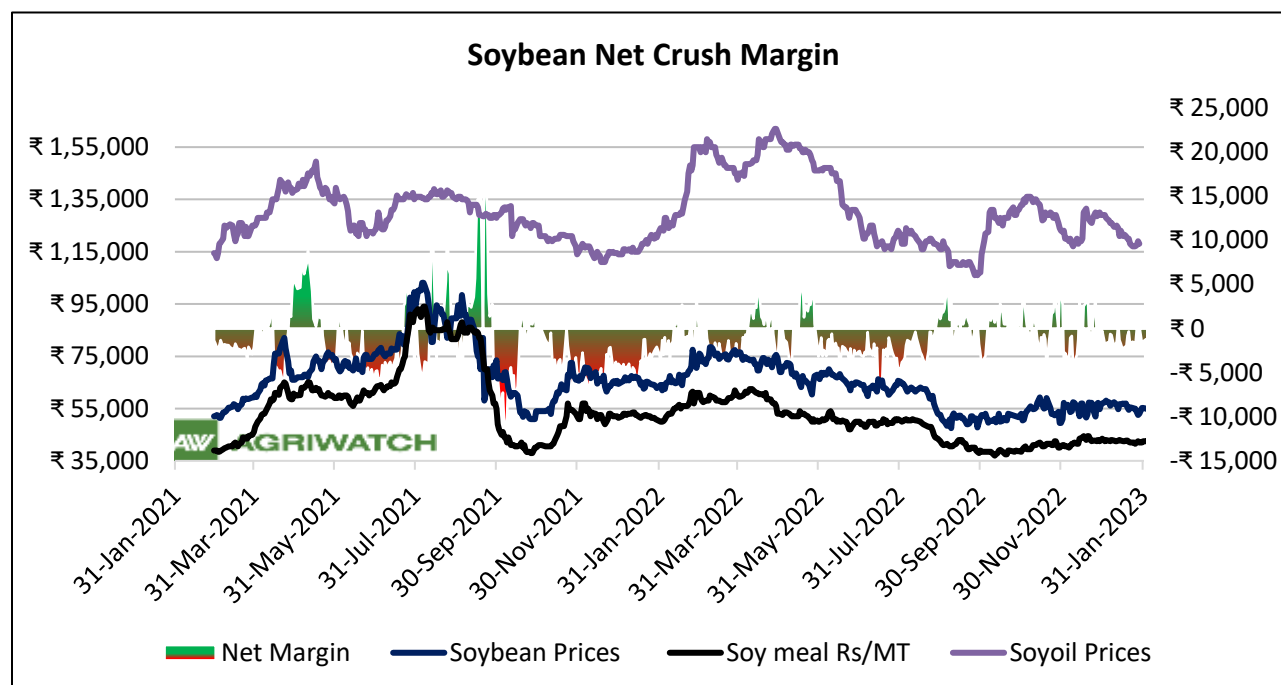
During the week under review, Soybean indore plant prices remained sideways and went marginally up by 0.3% to INR 5,523/ Qtl. as compared to 5,507/ qtl. previous week. Despite shrink in arrivals, prices went down due to weak demand from crushers. During the week the market made a high of INR 5,575/Qtl. 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 went up by 26% to 9.45 Lakh bags Vs 7.5 Lakh bags previous week. In Maharashtra arrivals went up to 10.1 Lakh bags vs 8.35 Lakh bags last week. In Rajasthan the arrivals recorded up to 1.67 lakh bags Vs 1.6 Lakh bags previous week.

### Soybean Crush Margin-



Soybean net crush margin marginally improved during the week under review as oilmeal prices improved. Weekly average soybean net crush margin for the period of 28<sup>th</sup> -03<sup>rd</sup> Feb is in disparity at INR -1129/ MT as compared to previous week at INR -1762/MT.

### International Update:

#### Soybean harvest in Parana, Brazil is only 1% this year compared to 11% last year

According to the Department of Rural Economics (Deral), soybean harvest in the state of Parana, southern Brazil, has reached 1% this year compared to 11% last year. The slow maturity of the crop has led to a localized harvest. The planting of soybeans was delayed in October due to wet weather conditions. The soybeans are at various stages of development, with 5% in vegetative growth, 13% flowering, 66% pod filling, and 16% maturing. The quality of the soybeans is rated at 4% poor, 15% average, and 81% good. In comparison, the nationwide soybean crop in Brazil is at 5% harvested as of last week, which is behind the 11% of last year. The slow start to the harvest is due to wet conditions in central Brazil.

#### Trade participants expects higher US Soy oil stocks for December ahead of NOPA's estimates

Trade participants are anticipating higher US Soy oil stocks for December at 2.249 billion lbs, which is up by 5.21% compared to 2.108 billion lbs in November. December'22 crushing is also lower compared to 2.466 billion lbs on Y-o-Y basis. Crush estimates according to trade participants ranged from 2.220 billion lbs to 2.300 million bushels, with a median of 2.236 billion lbs.

Argentina's 2021/2022 soybean harvest of 44 million tonnes had 80.6% of its sales covered as of last week, according to data from the country's agricultural ministry. This is lower than the 82.6% sold during the previous season at the same time. During the week of Jan. 12-18, producers sold only 42,000 tonnes of soy, which is one of the lowest weekly volumes reported in recent months.

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



### SOYBEAN – Technical Outlook

### Soybean Indore Plant prices -Weekly time frame

#### Technical Chart:



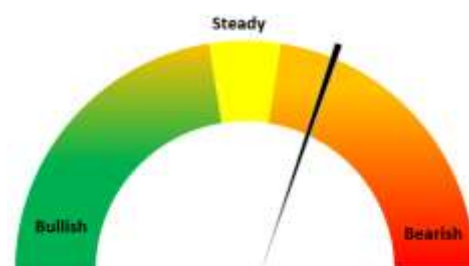
#### Technical Commentary:

- Soybean Indore prices closed to 5,450 levels and during the week under review, market made low of 5,450, high of 5,575.
- 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-

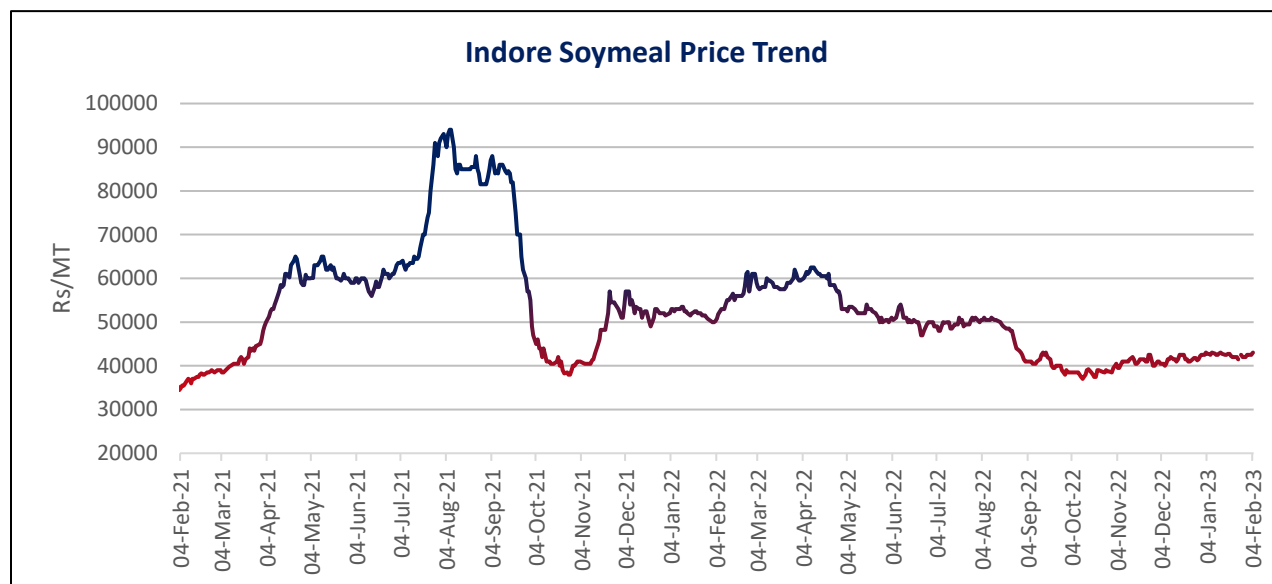
- Market Participants are recommended to sell their stocks in the range of 5700-6000 and buy in the range of 5200-5400.

**Soybean Price Outlook for coming week:** Indore Soybean plant prices are currently trading at INR. 5,500/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 21st Jan'23- 27th Jan'23	Week under review 28th Jan'23- 03rd Feb'23	Next week 04th Feb'23- 10th Feb'23
Weekly Average Price	5,450-5,600	5,500-5,575	5,300-5,600

## Soymeal

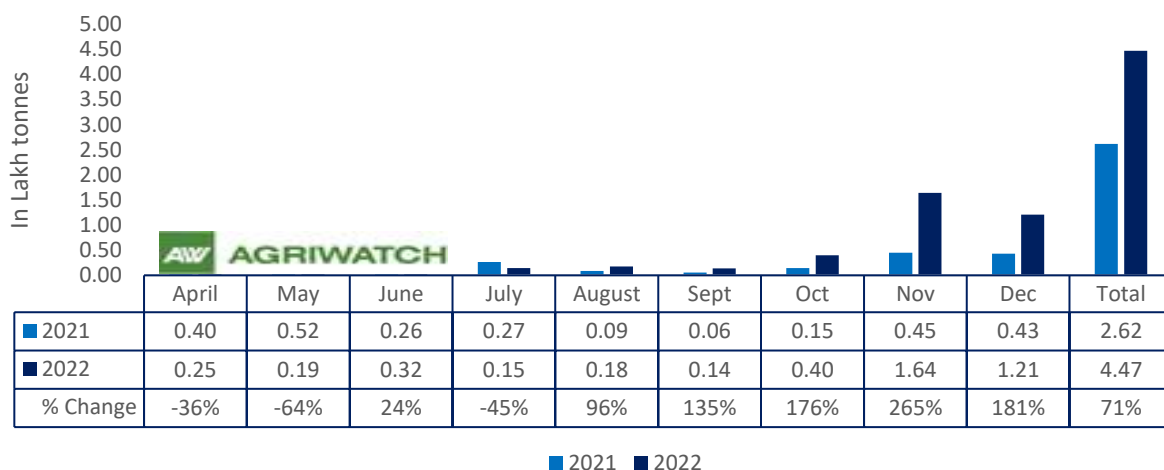


During the week under review, Indore Soymeal weekly average prices traded sideways and went marginally up by 0.8% to INR 42,333/MT as compared to last week at INR 42,000/ amid subdued demand. However, revive in export demand likely to support prices in upcoming weeks.

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.

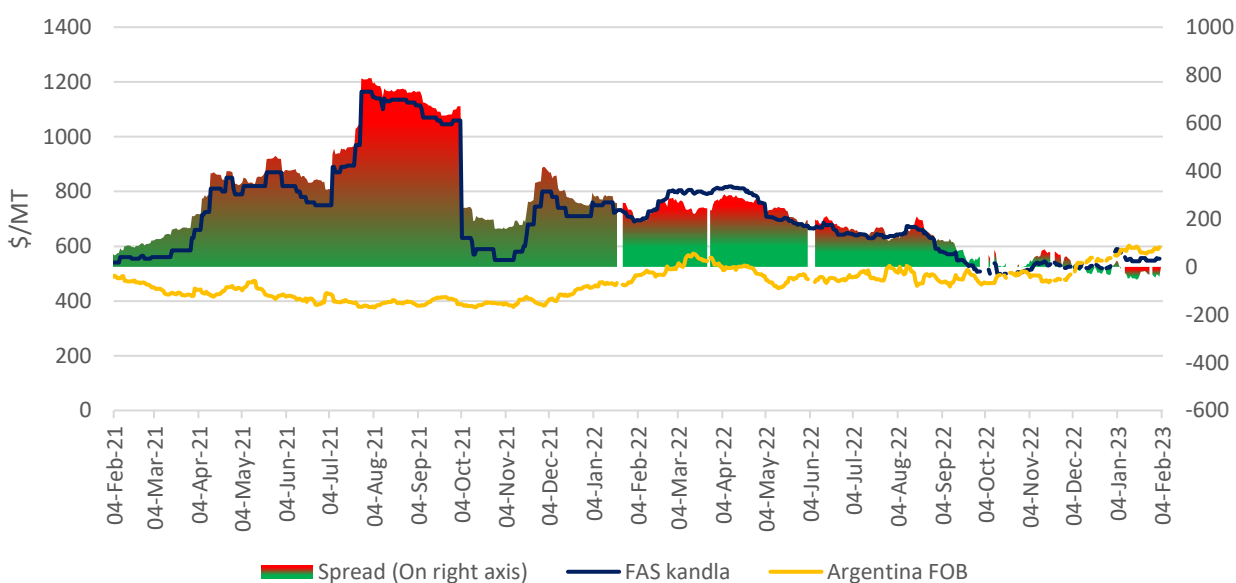
According to USDA Jan'23 report, 2022/23, India's Soybean crush is estimated to be at 9.9 MMT as compared to previous year at 9.5 MMT and country's domestic consumption is estimated to be at 6.94 MMT Vs 7.02 MMT previous year. Moreover, Soymeal exports is projected at 1.2 MMT as compared to 0.66 MMT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

### Soy meal export



The Solvent Extractor Association monthly update showed Soy meal exports up by 265% to 1.64 Lakh tonnes in Nov'22 Vs 0.45 Lakh tonnes previous year. Soy meal exports went up for the fifth straight month on good soy meal export demand from south east Asia tracking competitive prices in global markets. However, in April'22-Dec'22 soy meal 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 \$597/MT and spread stands at \$-42/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:



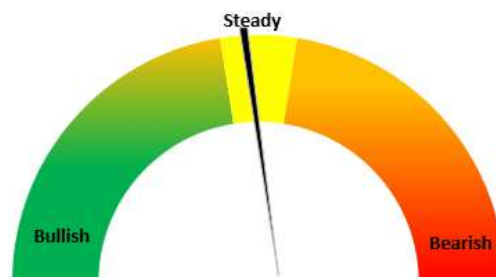
##### Technical Commentary:

- Soybean Indore prices closed to 43,000 levels and during the week under review, market made low of 42,000, high of 43,000.
- 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-

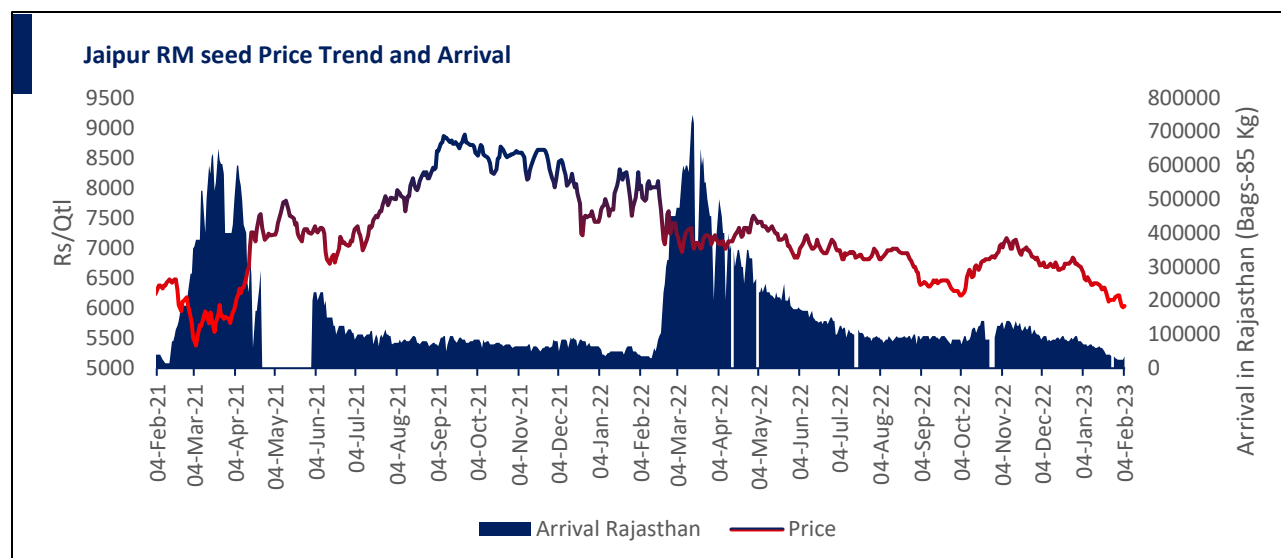
- Market Participants are recommended to sell their stocks in the range of 44,000-45,000.

**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.

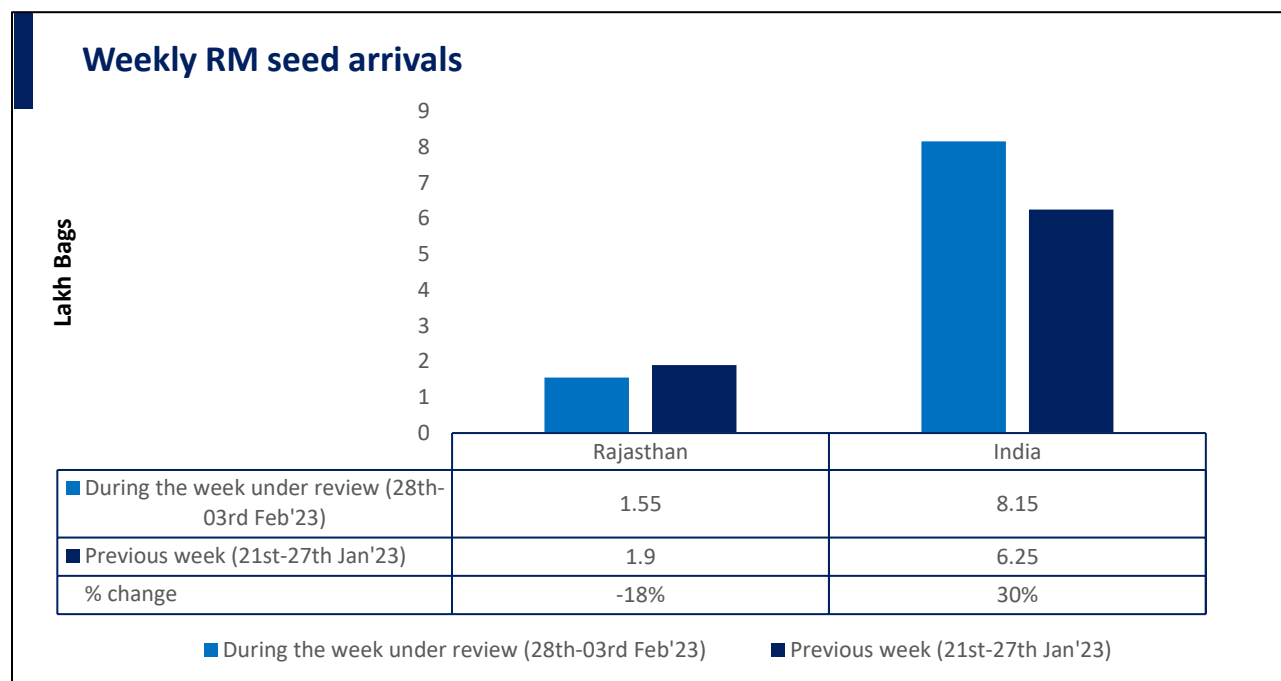


Soybean Indore Price Outlook (INR./MT)	Previous week 21st Jan'23- 27th Jan'23	Week under review 28th Jan'23- 03rd Feb'23	Next week 04th Feb'23- 10th Feb'23
Weekly Average Price	41,500-42,500	42,000-42,500	42,000-45,000

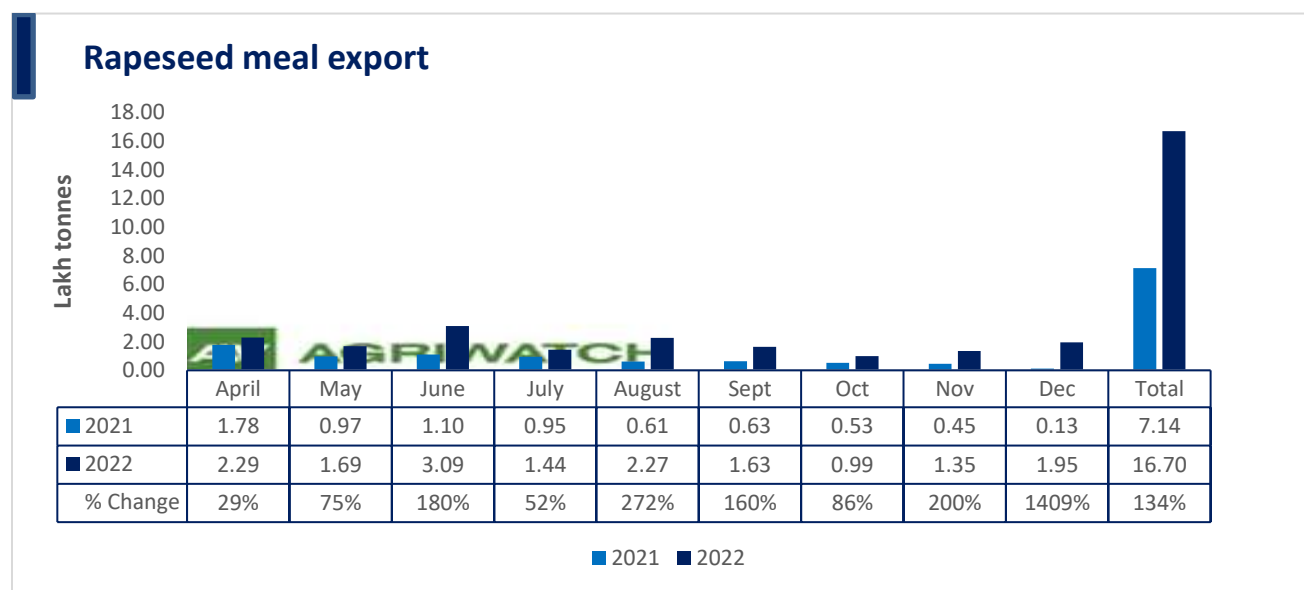
### Rapeseed - Mustard Seed



Jaipur RM seed weekly average prices extended previous week loss and went marginally down by 0.46% to INR. 6,129/qrtl as compared to INR. 6,157/qrtl previous week ahead of new crop arrivals and weak demand from millers on disparity. So far RM seed has corrected by more than 14% from previous high of INR 7,162/qrtl.



During the week under review, RM Seed arrivals declined. Arrivals in Rajasthan recorded at 1.55 Lakh bags as compared to 1.9 lakh bags previous week. All India arrivals went up and stood at 8.15 Lakh bags Vs 6.25 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 3 February 2023			
State	2022	2021	% Change
Rajasthan	38.52	33.92	13.57%
Madhya.Pradesh	14.04	11.72	19.80%
Uttar.Pradesh	8.94	9.88	-9.52%
Haryana	7.32	7.56	-3.16%
West.Bengal	6.59	6.09	8.23%
Jharkhand	3.87	4.05	-4.44%
Assam	3.34	3.20	4.38%
Gujarat	3.05	3.40	-10.32%
Others	12.35	11.43	8.02%
<b>Total</b>	<b>98.02</b>	<b>91.25</b>	<b>7.42%</b>

#### International-

Canada planted 8.7 million hectares of canola in 2022-2023, a decrease of 4% from the previous crop year, with a harvested area of 8.6 million hectares. Yields improved to 2.11 tonnes per hectare, compared to 1.54 t/ha in 2021-2022, due to drought relief. The estimated production is 18.2 million tonnes, as per a survey of 27,200 farmers by Statistics Canada. Saskatchewan led production with 9.5 million tonnes, followed by Alberta with 5.6 million tonnes and Manitoba with 2.9 million tonnes. Total supply is estimated at 19.1 million tonnes, slightly up from the previous year due to higher production partially compensating for low opening stocks.

Canadian canola consumption is projected to return to its normal historical levels, as exports rise 63% to 8.6 million tonnes, and crush volume increases to 9.5 million tonnes from 8.6 million tonnes last year. As per Canadian Grain Commission data, the export rate as of November was 121% higher than the previous year, with China and Mexico being the top destinations for 80% of Canada's exported canola by the end of the same month. The average oil content of Canadian canola is estimated at 42.8%, based on analysis of 1,866 samples, with 93% of them being grade number 1.

#### Technical Analysis

(Based on Jaipur Mandi prices)

### RM seed – Technical Outlook

### RM seed Jaipur Spot -Weekly time frame

#### Technical Chart:

#### Technical Commentary:

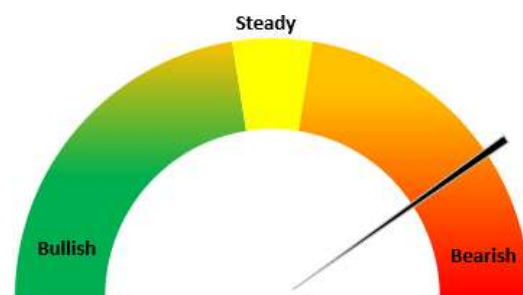


- As depicted in the above chart, during the week under review, market closed lower to 6,038, made low of 6,013, high of 6,213s.
- Market is trading below 9, 50 and 100 DMA and can be characterized as resistance.
- Immediate support is at 6,000, next support is at 5,900 and immediate resistance is at 6,500, next resistance is at 6700.

#### Recommendation-

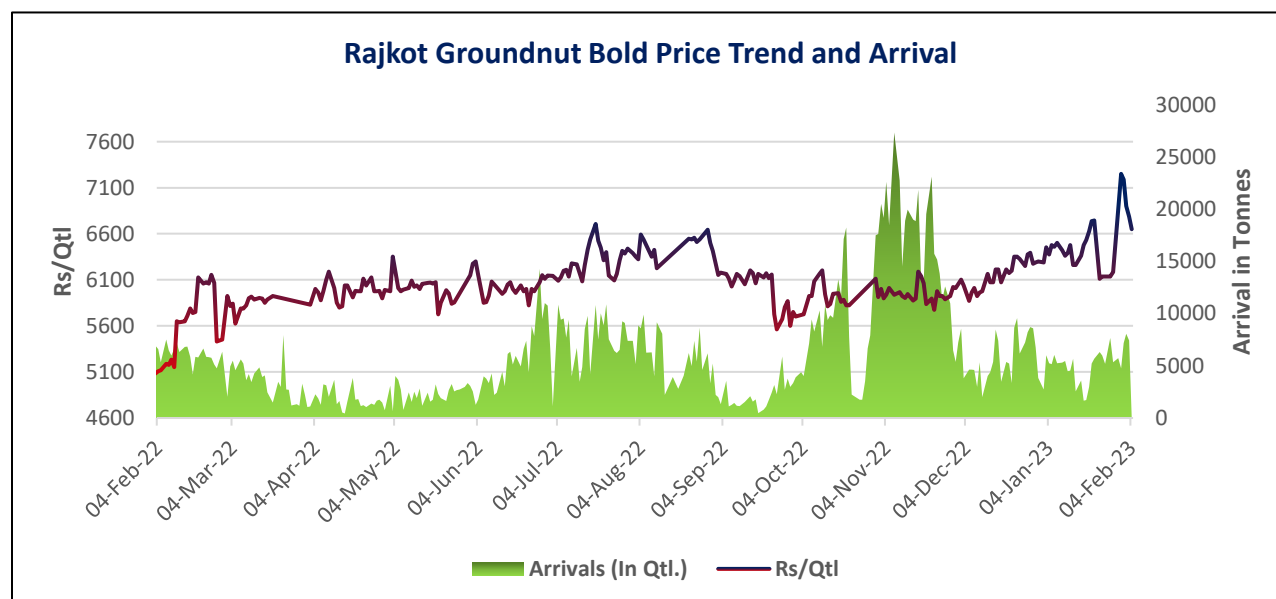
Market participants are recommended to wait for buying in the range of 5900-6200.

**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 21st Jan'23- 27th Jan'23	Week under review 28th Jan'23- 03rd Feb'23	Next week 04th Feb'23- 10th Feb'23
Weekly Average Price	6,113-6,263	6,013-6,213	5,900-6,200

## Groundnut



During the week under review, Rajkot Groundnut weekly average bold prices went up by 9.73% to INR 6,862/Qtl. as compared to previous week at INR 6,254/Qtl. amid good demand and low availability. All India arrivals recorded up by 8% to 0.33 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%.

The winter crops in Gujarat and Rajasthan have ended early by three months due to imports of over 50,000 tons from China and Vietnam. The state trading agency only covered 35,000 tons of the main crop with the minimum support price. The summer crop in Gujarat is expected to expand in February with higher profits for farmers. However, current exports cannot match pricing and some are reserved for sowing. Despite high kernel prices, oil prices remain strong. Spanish crops have increased supply (45,000 bags/day) with the harvest, making prices (\$1475/t) too high for exports or value addition. Prices are expected to fall due to a bumper crop supply from 4 major producing states in India, Andhra, Telangana, Karnataka and Tamil Nadu. A prolonged timeframe is anticipated for the bumper crop supply.

### 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 3 February 2023			
State	2022	2021	% Change
Karnataka	1.650	1.380	19.57%
Odisha	1.099	0.773	42.23%
Tamil Nadu	0.942	0.806	16.85%
Telangana	0.932	1.283	-27.37%
Andhra Pradesh	0.814	0.826	-1.42%
Others	0.240	0.160	50.00%
<b>Total</b>	<b>5.678</b>	<b>5.228</b>	<b>8.60%</b>



### Technical Analysis

(Based on Rajkot GN Bold Mandi prices)

#### Groundnut Bold – Technical Outlook

#### Rajkot -Weekly time frame

#### Technical Chart:



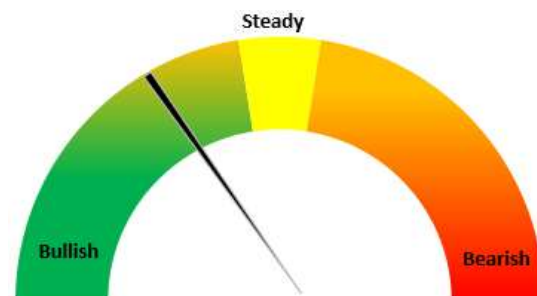
#### Technical Commentary:

- As depicted in the above chart, during the week under review, market closed lower to 6,650, made low of 6,525, high of 7,250.
- Market is trading above 9, 18, 50 and 100 DMA, and 23.6% Fibonacci retracement level can be characterized as immediate support, 7000 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 21st Jan'23- 27th Jan'23	Week under review 28th Jan'23- 03rd Feb'23	Next week 04th Feb'23- 10th Feb'23
Weekly Average Price	6,525-6,745	6,780-7,250	6,500-7,200

## Annexure

Oilseed Prices at Key Spot Markets:					
Commodity / Centre	% Change over previous week	Today	Week Ago	Month Ago	Year Ago
<b>Soybean</b>		<b>03-Feb-23</b>	<b>27-Jan-23</b>	<b>03-Jan-23</b>	<b>3-Feb-22</b>
Indore –Plant	-1%	5550	5600	5900	6600
Indore–Mandi	1%	5450	5400	5600	6400
Nagpur-Plant	0%	5425	5450	5900	6600
Nagpur – Mandi	-1%	5125	5160	5650	6100
Latur – Mandi	1%	5400	5350	5800	6260
Akola – Mandi	6%	5350	5050	5520	6160
Kota-Plant	0%	5550	5550	5800	6625
Kota – Mandi	-2%	5350	5450	5650	6525
Bundi-Plant	0%	5400	5400	5950	6500
Bundi-Mandi	-1%	5200	5250	5650	6400
Baran-Plant	-4%	5450	5650	5970	6535
Baran-Mandi	-2%	5350	5450	5770	6435
Bhawani Mandi Jhalawar–Plant	-1%	5450	5500	5850	6500
Jhalwar-Mandi	-1%	5350	5400	5750	6450
<b>Rapeseed/Mustard</b>					
Jaipur-(Condition)	-2%	6025	6150	6650	8000
Alwar-(Condition)	-4%	5750	6000	6300	7600
Sri Ganganagar-(Non-Condition)	-3%	5550	5700	6070	6850
New Delhi–(Condition)	-2%	5900	6000	6600	7700
Kota-(Condition)	-1%	5650	5700	6260	7500
Agra-(Condition)	-3%	6190	6381	6810	8286
Neewai-(Condition)	-1%	5750	5825	6270	7500
Hapur (UP)-(Condition)	-4%	5750	6000	6500	7750
<b>Groundnut Seed</b>					
Rajkot	4%	1200	1150	1160	910
<b>Sunflower Seed</b>					
Gulbarga	-11%	5000	5600	6200	5400

Latur	0%	5700	5700	6100	6200
Sholapur	0%	5700	5700	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
<b>Other Oilseed Prices at Mumbai (INR/100 Kg):</b>					
Oilseeds	Change	3-Feb-23	27-Jan-23	3-Jan-23	3-Feb-22
Groundnut Kernel	2%	8150	8000	8150	6700
Gr. Bolds 60/70	1%	9800	9700	8800	8300
Gr. Javas 60/70	1%	10700	10600	9700	9100
Gr Javas 70/80	1%	10600	10500	9600	8900
Gr.Javas 80/90	1%	10400	10300	9400	8700
KardiSeed 2% Exp Qly	-2%	5600	5700	5700	6300
Sesame White 98/2/1 FM	0%	12800	12800	12400	9700
Whitish 95/5/FFA/1FM	0%	12600	12600	12200	9500
Brown 48/2 FFA/4 FM	0%	12100	12100	11900	9100
Brown 48/3 FFA/4 FM	0%	11900	11900	11700	8800
Brown 48/4 FM/* No FFA Guarantee	0%	11500	11500	11300	8500
Sunflower Seed	-4%	6600	6900	6900	6300
Niger Seed (4% FM)	-2%	8800	9000	9000	8200

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