



# 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 remained sideways and went marginally down by 0.08% to INR 5,519/ Qtl. as compared to 5,523/qtl. previous week amid weak demand.

The weekly average prices of Indore soymeal went up by 2.4% to INR 43,333/MT as compared to last week at INR 42,333/MT amid subdued demand.

During the week under review, Jaipur RM seed weekly average prices went down by 2.24% to INR. 5,992/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 down by 3.43% at INR 6,627/Qtl. amid profit booking at current level.

## Outlook – Cash Market

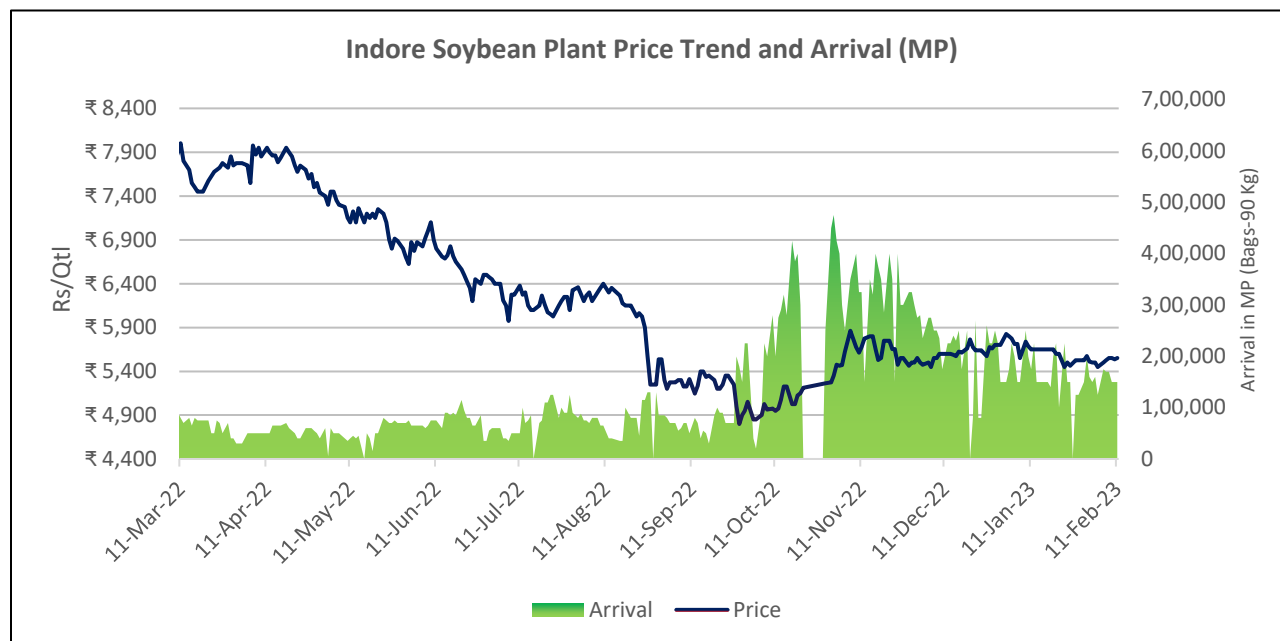
**Outlook - Soybean (Spot Indore):** In the coming week, soybean plant prices are expected to trade sideways amid subdued demand from crushers. The prices (Indore, Plant basis) are expected to feature in the price band of 5,400-5,600 levels in the near term.

**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.

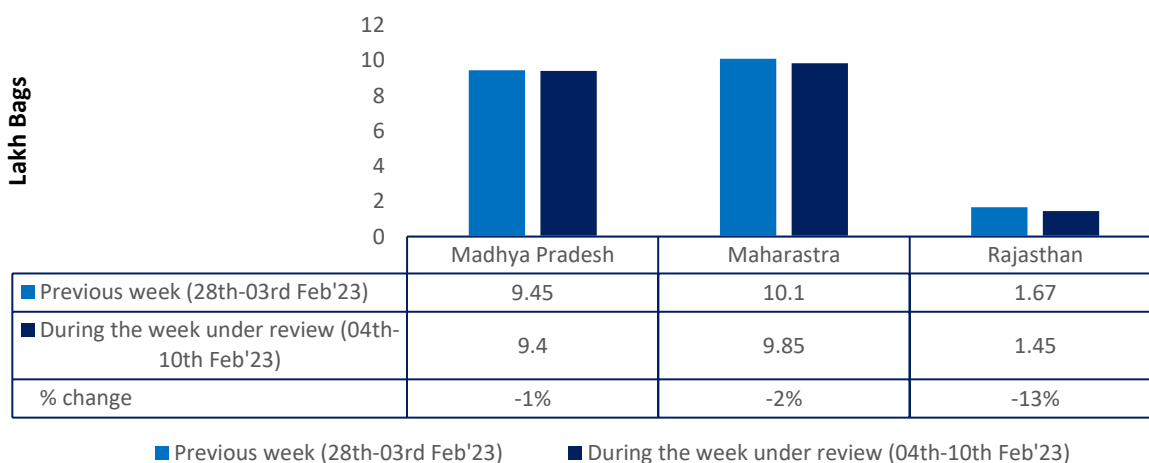
**Outlook - Rapeseed-Mustard (Spot, Jaipur basis):** Rapeseed-Mustard is expected to trade rangebound with weak bias amid higher production expectation and weak demand from millers due to disparity. The seed prices are likely to trade in the range between 5,700 –6,100/Qtl. in the short-run.

## Soybean



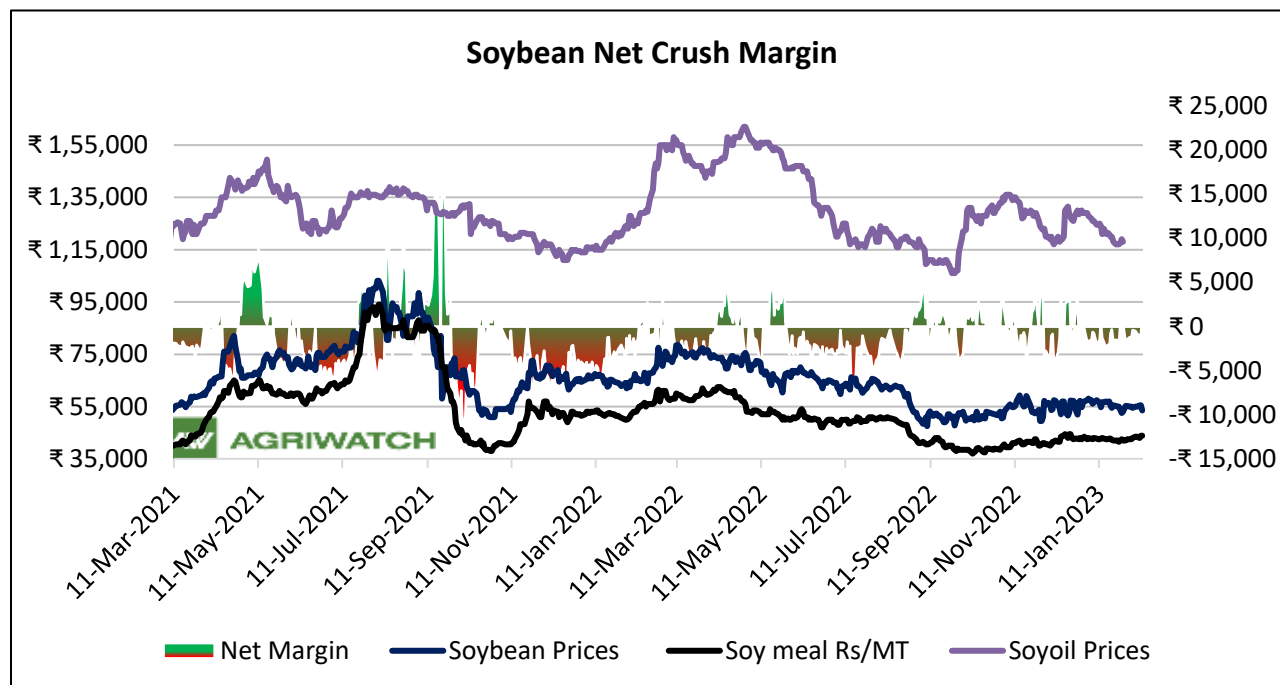
During the week under review, Soybean indore plant prices remained sideways and went marginally down by 0.08% to INR 5,519/ Qtl. as compared to 5,523/ qtl. previous week. Despite shrink in arrivals, prices went down due to weak demand from crushers. During the week the market made a high of INR 5,550/Qtl. 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 marginally by 1% to 9.40 Lakh bags Vs 9.45 Lakh bags previous week. In Maharashtra arrivals recorded low to 9.85 Lakh bags vs 10.1 Lakh bags last week. In Rajasthan the arrivals recorded down to 1.45 lakh bags Vs 1.67 Lakh bags previous week.

### Soybean Crush Margin-



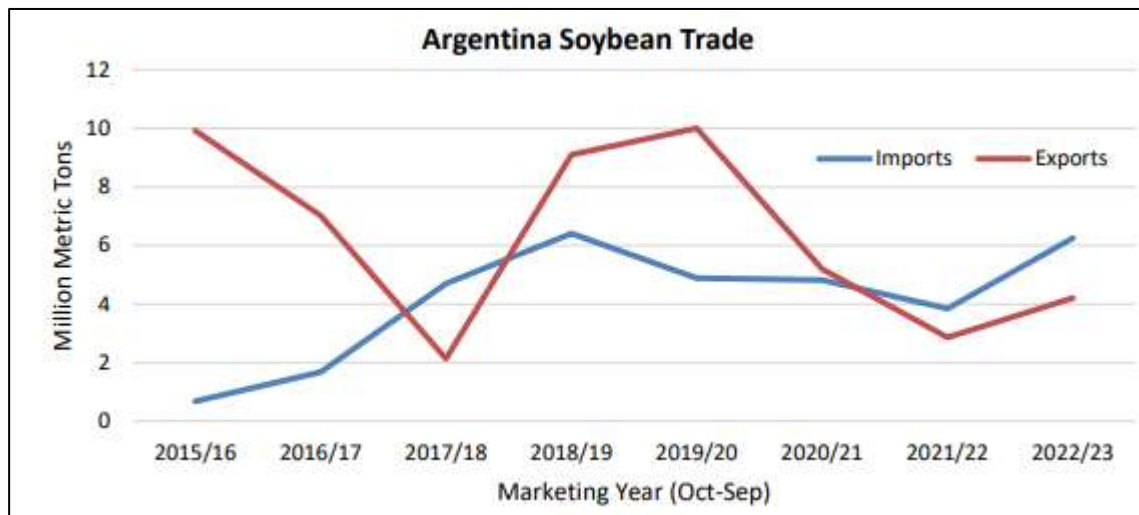
Soybean net crush margin marginally improved during the week under review as oilmeal prices improved. Weekly average soybean net crush margin for the period of 04th -10th Feb is in disparity at INR -821/ MT as compared to previous week at INR -1129/MT.

### International Update:

According to USDA Feb'23 report, 2022/23, India's Soybean crush is estimated to be at 9.7 MMT as compared to previous year at 9.9 MMT and country's domestic consumption is estimated to be at 6.66 MMT Vs 7.02 MMT previous year. Moreover, Soy meal exports is projected at 1.2 MMT as compared to 0.94 MMT previous year.

According to USDA Feb'23 report, 2021-22 Soy production estimate for India kept unchanged at 12 million tonnes as compared to previous month, however last year it was 11.9 MMT. US soy production kept unchanged at 116.3 MMT as compared to previous month's estimate, while last year it was 121.52 MMT. However, Argentina's 2022-23 soy production reduced to 41 MMT Vs 45.5 MMT previous month estimates and previous year at 43.9 MMT, Brazil soy production kept unchanged at 153 MMT compared to previous month estimates while last year it was 129.5 MMT.

**Argentine soybean exports have decreased while imports have increased due to the contraction in production**



The continuous reduction in Argentina's soybean production for the second consecutive month has been attributed to the drought and extreme temperatures in the main producing areas. The shrinking production is projected to bring the total supply to five-year lows, leading to a decline in exports and crush.

The difficulty in procuring soybeans due to slow selling by farmers, who are retaining their crops to hedge against inflation and political uncertainty, is another hindrance faced by exporters and crushers. The export forecast has been reduced by 1.5 million tons, with a year-over-year increase in the 2022/23 exports forecast of 3.0 million tons. However, exports during the final 10 months of the marketing year (Dec-Sep) are estimated at 1.2 million tons, which would be the lowest in nearly three decades.

The soybean crush has also decreased by 700,000 tons to 37.3 million (Oct-Sep) due to limited supplies. To counter the reduced domestic supply, crushers are expected to increase imports from Brazil and Paraguay. The imports have been raised to 6.3 million tons, marking the second-highest level in the USDA database

The Rosario Grains Exchange of Argentina (BCR) reduced its forecast for the 2022/23 soybean harvest to 34.5 million tonnes on Wednesday, down from its earlier prediction of 37 million tonnes. This would be the lowest soybean production in the last 14 years.

**In the 2022/23 growing season, 9% of Brazil's soybean crops have been harvested, compared to 16% at the same time last year**

According to AgRural, 9% of Brazil's soybeans were harvested as of late last week, a 4% increase from the same time last year. Mato Grosso is ahead of the game with 24% of soybean harvest completed.

### 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 0.69% to \$15.42/bushels and taking support of 9, 18, 50 and 100 DMA can be characterized as support. RSI at 58 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:



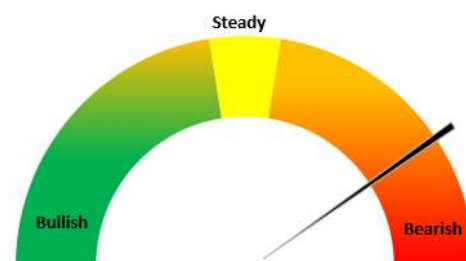
##### Technical Commentary:

- Soybean Indore prices closed to 5,550 levels and during the week under review, market made low of 5,500, high of 5,550.
- 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.

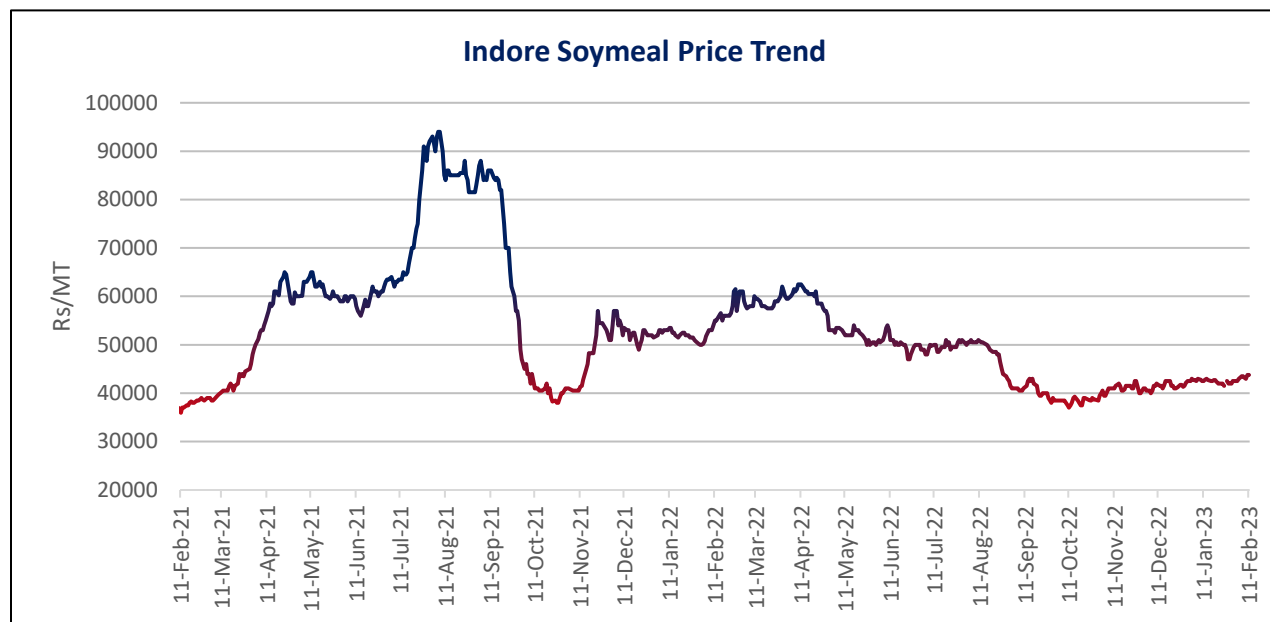
**Soybean Price Outlook for coming week:** Indore Soybean plant prices are currently trading at INR. 5,500/qtl. and are expected to trade range bound in the range of INR 5,200-5,800 in short run.



Soybean Plant Price Outlook (INR./Qtl)	Previous week 28th Jan'23- 03rd Feb'23	Week under review 04th Feb'23- 10rd Feb'23	Next week 11th Feb'23- 17th Feb'23
Weekly Average Price	5,500-5,575	5,450-5,550	5,400-5,600



## Soymeal



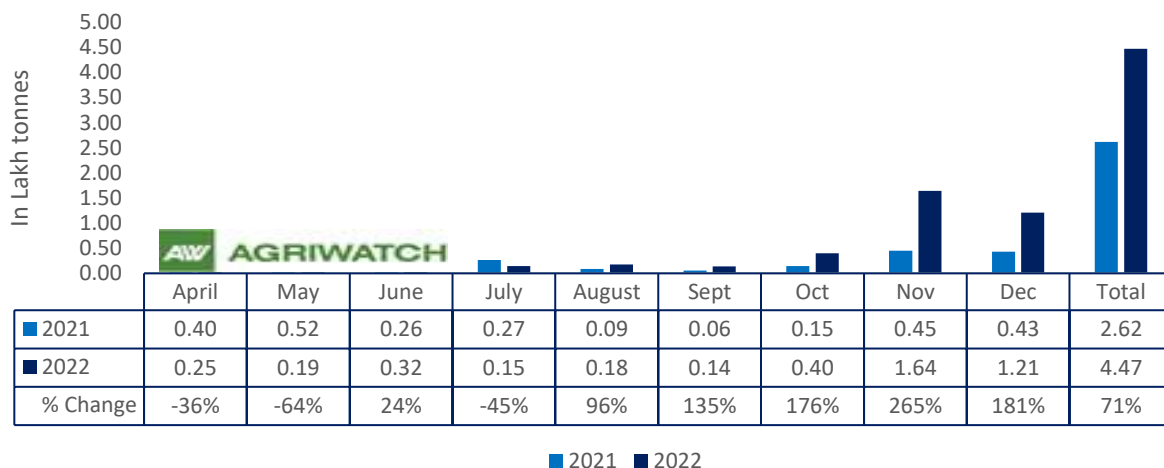
During the week under review, Indore Soymeal weekly average prices traded firm bias and went up by 2.4% to INR 43,333/MT as compared to last week at INR 42,333/ amid revive in demand. However, revive in export demand likely to support prices in upcoming weeks.

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 Feb'23 report, 2022/23, India's Soybean crush is estimated to be at 9.7 MMT as compared to previous year at 8.5 MMT and country's domestic consumption is estimated to be at 6.66 MMT Vs 6.28 MMT previous year. Moreover, Soymeal exports is projected at 1.2 MMT as compared to 0.94 MMT previous year.

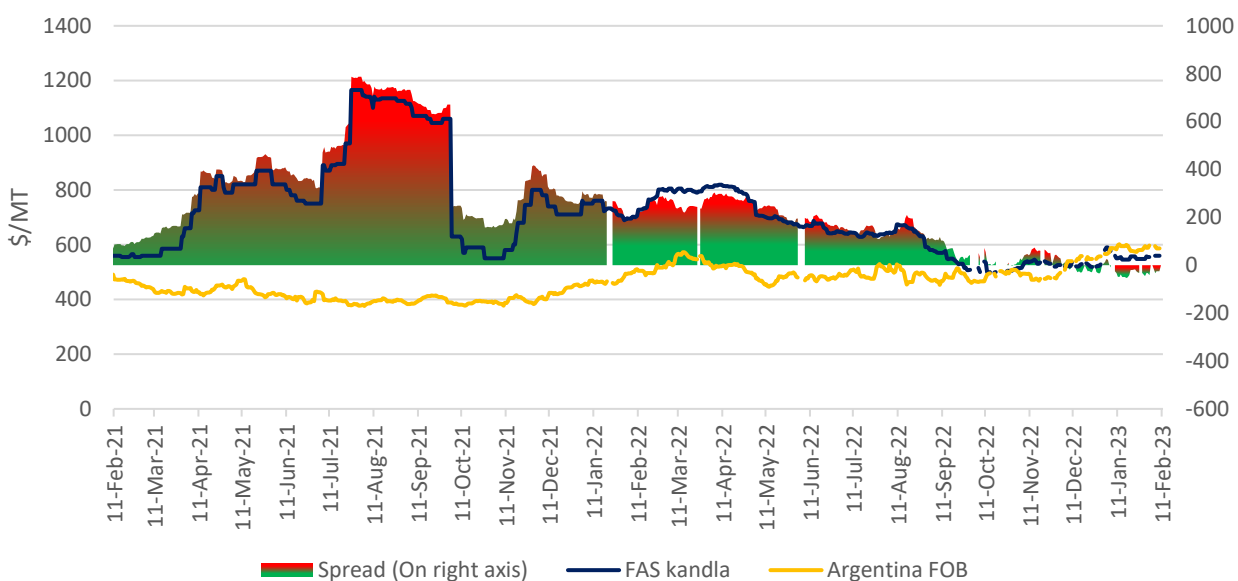


### Soy meal export



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 \$560/MT, Argentina Soymeal FOB prices trading at \$586/MT and spread stands at \$-26/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:



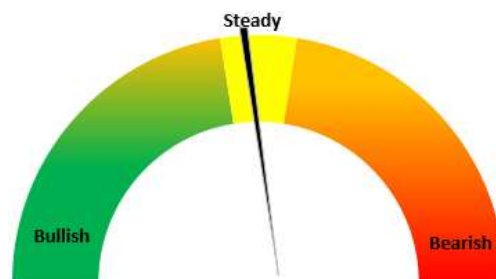
##### Technical Commentary:

- Soybean Indore prices closed to 43,800 levels and during the week under review, market made low of 43,000, high of 43,800.
- Market is currently taking support of 9 and 18 DMA, 23.6% Fibonacci retracement can be characterized as support.
- 40,000 is near term support and 44,000-45,000 is near term resistance.

##### Recommendation-

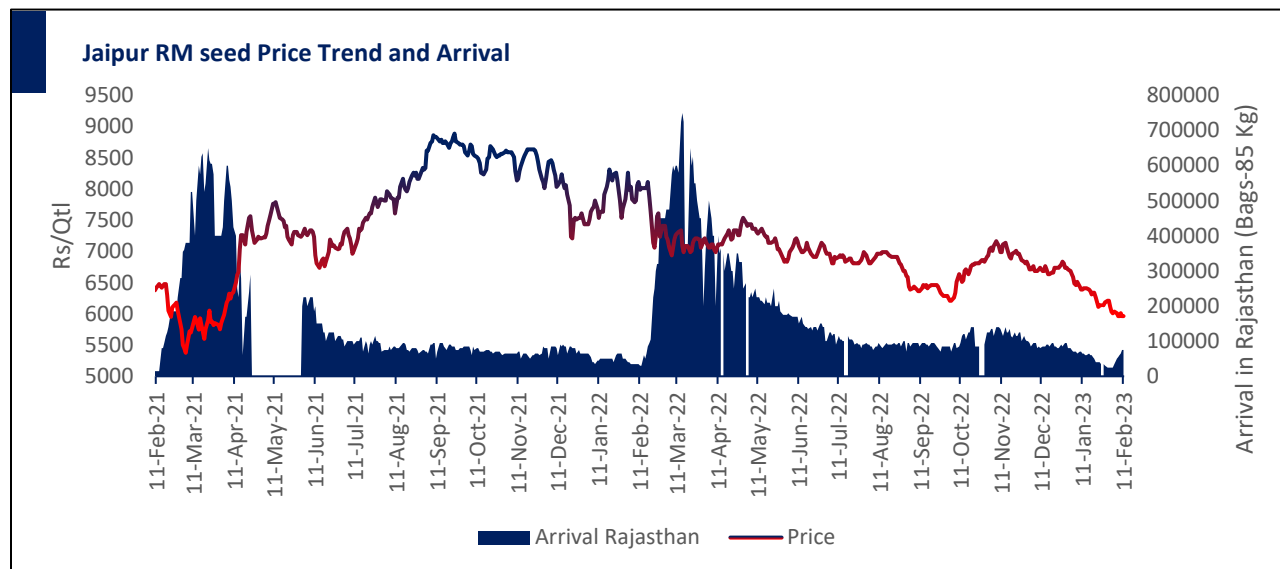
- Market Participants are recommended to sell their stocks in the range of 44,000-45,000.

**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.

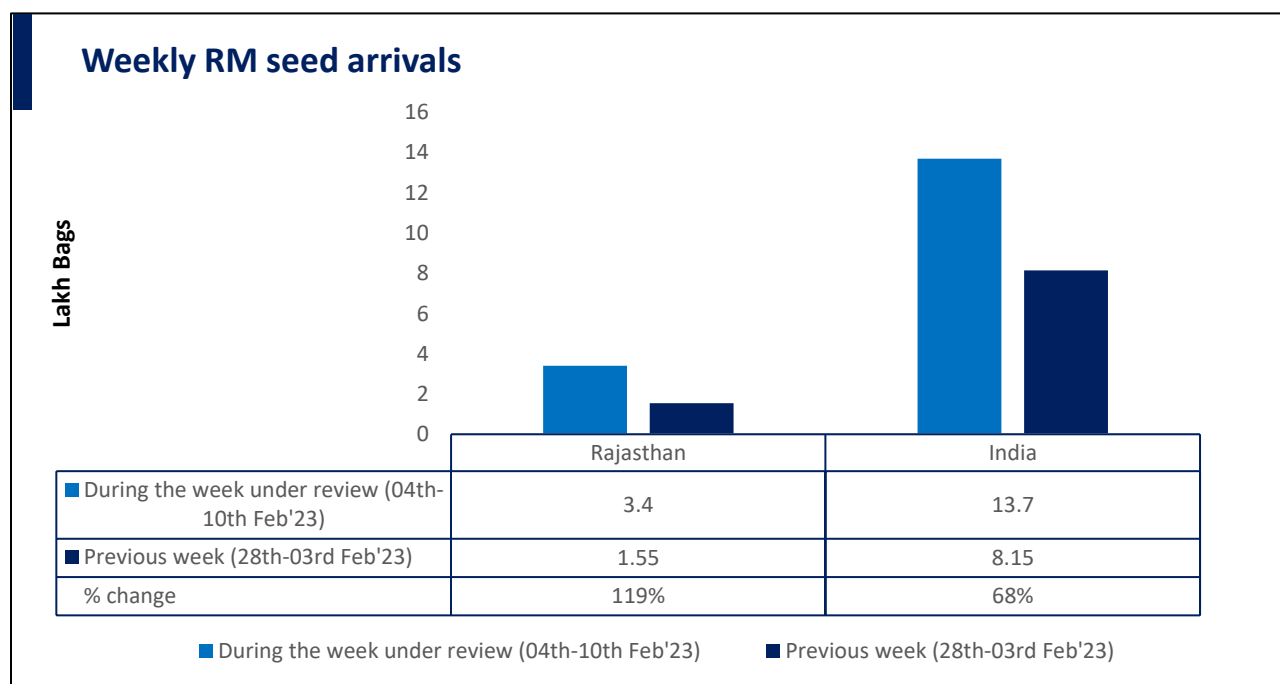


Soybean Indore Price Outlook (INR./MT)	Previous week 28th Jan'23- 03rd Feb'23	Week under review 04th Feb'23- 10rd Feb'23	Next week 11th Feb'23- 17th Feb'23
Weekly Average Price	42,000-42,500	43,000-43,800	42,000-45,000

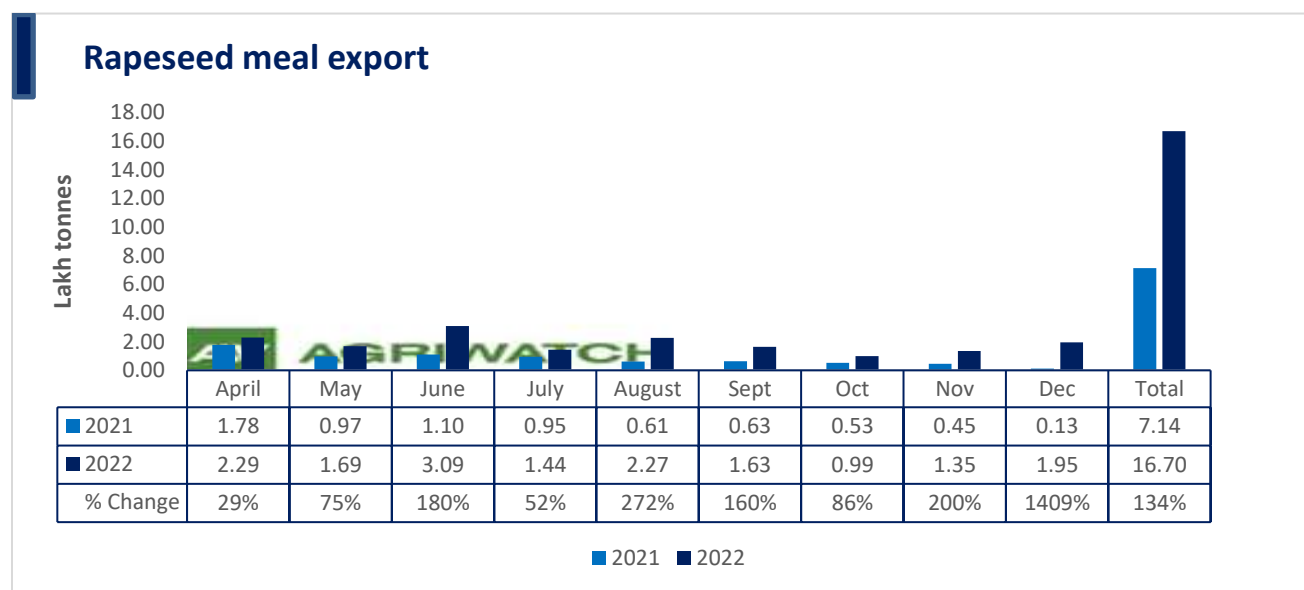
## Rapeseed - Mustard Seed



Jaipur RM seed weekly average prices extended previous week loss and went down by 2.24% to INR. 5,992/qrtl as compared to INR. 6,129/qrtl previous week ahead of new crop arrivals and weak demand from millers on disparity. So far RM seed has corrected by more than 16% from previous high of INR 7,162/qrtl.



During the week under review, RM Seed arrivals recorded up. Arrivals in Rajasthan recorded at 3.4 Lakh bags as compared to 1.55 lakh bags previous week. All India arrivals went up and stood at 13.7 Lakh bags Vs 8.15 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:

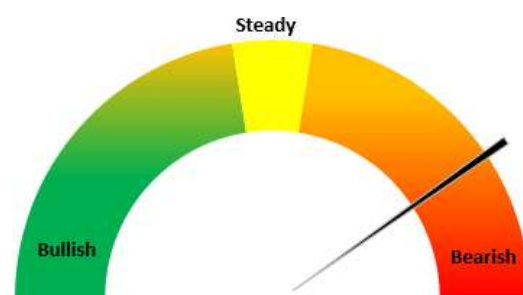


- As depicted in the above chart, during the week under review, market closed lower to 5,963, made low of 5,963, high of 6,013.
- Market is trading below 9, 50 and 100 DMA and can be characterized as resistance.
- Immediate support is at 5,800, next support is at 5,700 and immediate resistance is at 6,200, next resistance is at 6500.

### Recommendation-

Market participants are recommended to wait for buying in the range of 5700-6100.

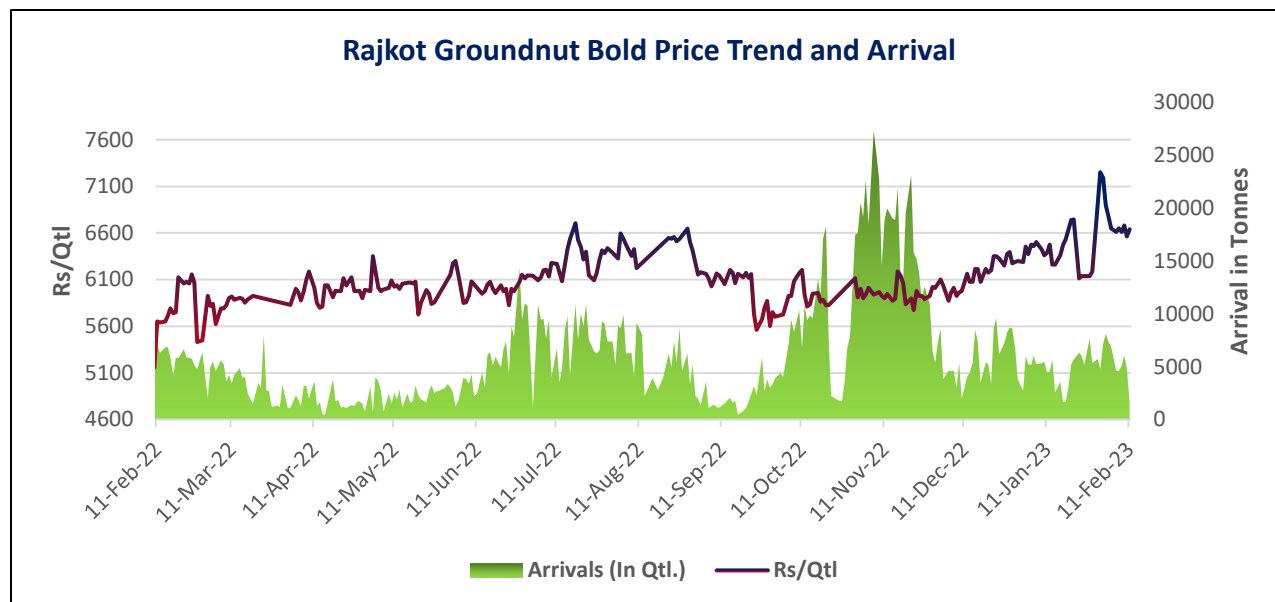
**RM seed Price Outlook for coming week:** RM Seed is expected to trade sideways with weak bias amid weak demand from crushers on disparity and higher production expectation.



Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 28th Jan'23- 03rd Feb'23	Week under review 04th Feb'23- 10rd Feb'23	Next week 11th Feb'23- 17th Feb'23
Weekly Average Price	6,013-6,213	6,593-6,038	5,700-6,100



## Groundnut



During the week under review, Rajkot Groundnut weekly average bold prices went down by 3.43% to INR 6,627/Qtl. as compared to previous week at INR 6,862/Qtl. amid profit booking at higher level and weak demand. All India arrivals recorded down by 24% to 0.25 Lakh tonnes as compared to 0.33 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:



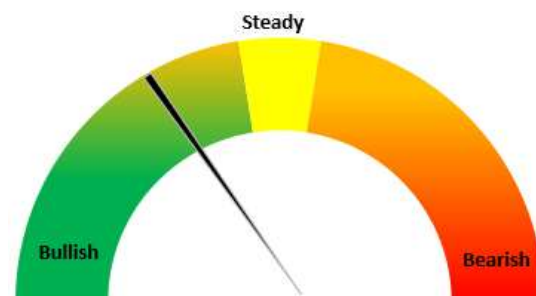
##### Technical Commentary:

- As depicted in the above chart, during the week under review, market closed higher to 7,325, made low of 6,613, high of 7,400.
- 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 7,500.

##### Recommendation-

Market participants are recommended to sell in the range of 7000-7500 and buy in the range of 6500-6900.

**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 28th Jan'23- 03rd Feb'23	Week under review 04th Feb'23- 10rd Feb'23	Next week 11th Feb'23- 17th Feb'23
Weekly Average Price	6,780-7,250	6,563-6,680	6,500-7,500

## Annexure

Oilseed Prices at Key Spot Markets:					
Commodity / Centre	% Change over previous week	Today	Week Ago	Month Ago	Year Ago
<b>Soybean</b>		<b>10-Feb-23</b>	<b>03-Feb-23</b>	<b>10-Jan-23</b>	<b>10-Feb-22</b>
Indore –Plant	0%	5575	5550	5725	6675
Indore–Mandi	-1%	5400	5450	5600	6600
Nagpur-Plant	3%	5600	5425	5750	6650
Nagpur – Mandi	4%	5350	5125	5600	6350
Latur – Mandi	0%	5410	5400	5600	6420
Akola – Mandi	-2%	5230	5350	5525	6280
Kota-Plant	2%	5650	5550	5700	6775
Kota – Mandi	2%	5450	5350	5550	6675
Bundi-Plant	2%	5500	5400	5850	6700
Bundi-Mandi	2%	5300	5200	5550	6550
Baran-Plant	1%	5520	5450	5700	6800
Baran-Mandi	1%	5420	5350	5500	6700
Bhawani Mandi Jhalawar–Plant	0%	5450	5450	5650	6770
Jhalwar-Mandi	0%	5350	5350	5500	6720
<b>Rapeseed/Mustard</b>					
Jaipur-(Condition)	-1%	5975	6025	6400	8125
Alwar-(Condition)	-2%	5650	5750	6120	7800
Sri Ganganagar-(Non-Condition)	-3%	5400	5550	5850	7270
New Delhi–(Condition)	-1%	5850	5900	6300	7600
Kota-(Condition)	1%	5700	5650	5950	7500
Agra-(Condition)	-1%	6143	6190	6476	8286
Neewai-(Condition)	-3%	5550	5750	6025	7400
Hapur (UP)-(Condition)	0%	5775	5750	6200	7800
<b>Groundnut Seed</b>					
Rajkot	-1%	1185	1200	1140	923
<b>Sunflower Seed</b>					
Gulbarga	12%	5600	5000	6100	5600

Latur	0%	5700	5700	6100	6500
Sholapur	0%	5700	5700	6100	6500
Soybean Prices are in INR/ctl. (1 bag=90 kg). Mandi prices – Loose, Mustard Seed Prices are in INR/ctl (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	10-Feb-23	3-Feb-23	10-Jan-23	10-Feb-22
Groundnut Kernel	1%	8250	8150	8100	6650
Gr. Bolds 60/70	2%	10000	9800	8900	8600
Gr. Javas 60/70	2%	10900	10700	9800	10100
Gr Javas 70/80	2%	10800	10600	9700	10000
Gr.Javas 80/90	2%	10600	10400	9500	9500
KardiSeed 2% Exp Qly	0%	5600	5600	5700	6300
Sesame White 98/2/1 FM	2%	13000	12800	12500	9700
Whitish 95/5/FFA/1FM	2%	12800	12600	12300	9500
Brown 48/2 FFA/4 FM	0%	12100	12100	12000	9100
Brown 48/3 FFA/4 FM	0%	11900	11900	11800	8800
Brown 48/4 FM/* No FFA Guarantee	0%	11500	11500	11400	8500
Sunflower Seed	0%	6600	6600	6900	6300
Niger Seed (4% FM)	0%	8800	8800	9000	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