



# 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 0.72% to INR 5,550/ Qtl. as compared to 5,519/ qtl. previous week amid subdued demand.

The weekly average prices of Indore soymeal went up by 3% to INR 44,633/MT as compared to last week at INR 43,333/MT amid subdued demand.

During the week under review, Jaipur RM seed weekly average prices went down by 0.35% to INR. 5,971/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 3.90% at INR 6,885/Qtl. amid shrink in arrivals and good demand.

## Outlook – Cash Market

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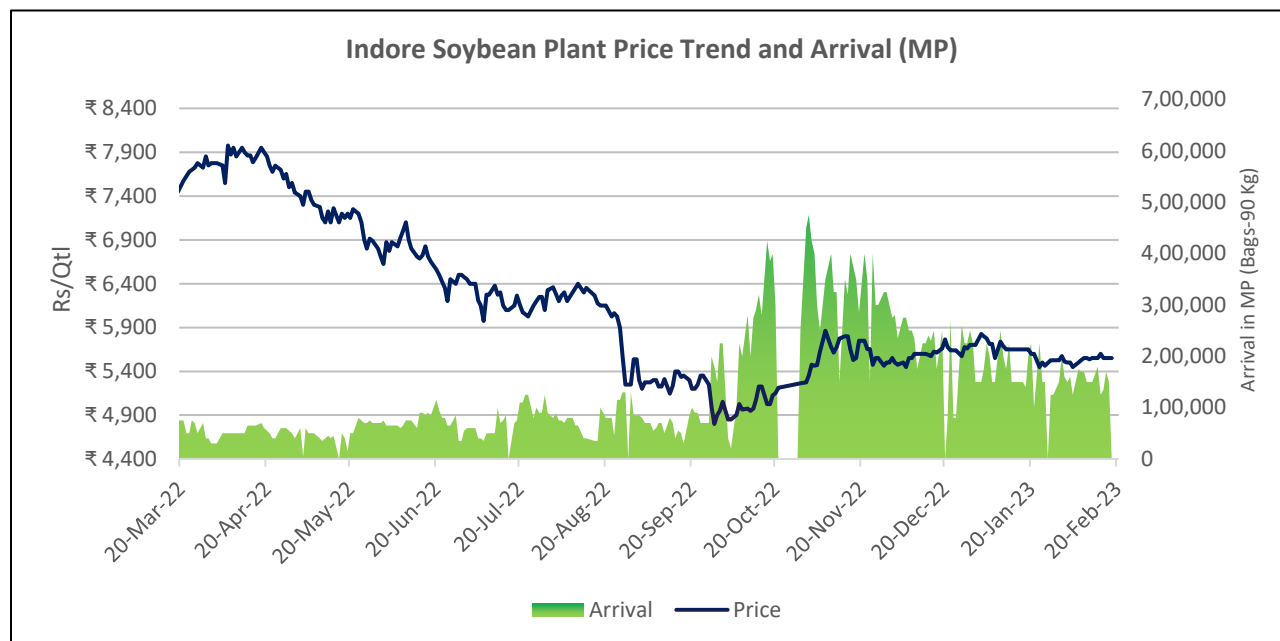
**Outlook - Soybean (Spot Indore):** *In the coming week, soybean plant prices are expected to trade sideways amid subdued demand from crushers. The prices (Indore, Plant basis) are expected to feature in the price band of 5,400-5,600 levels in the near term.*

**Outlook – Soy meal:**

*The soy meal prices (Indore) are likely to trade with firm bias on revive in demand. Soy meal Indore prices are likely to trade in the range of 42,000 – 46,000/MT.*

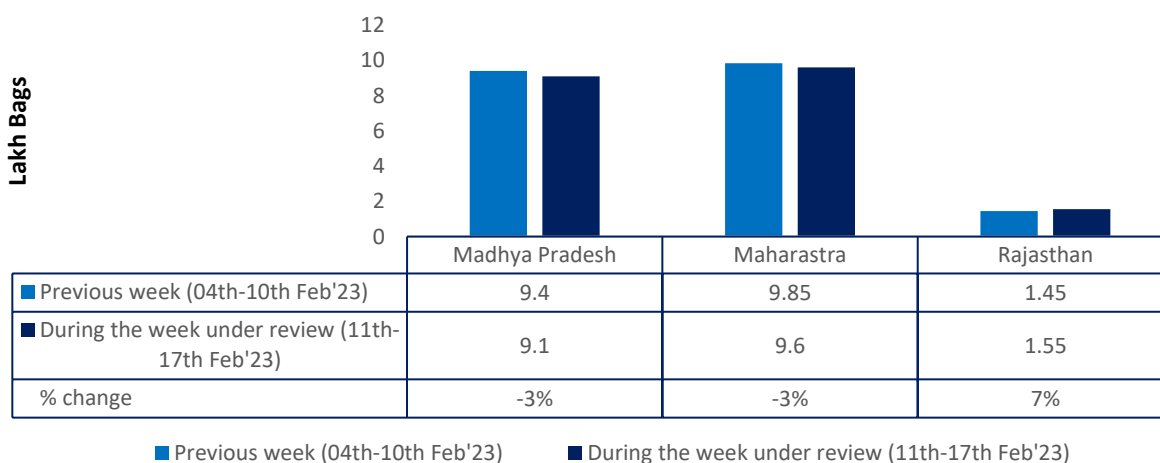
**Outlook - Rapeseed-Mustard (Spot, Jaipur basis):** *Rapeseed-Mustard is expected to trade rangebound with weak bias amid higher production expectation and weak demand from millers due to disparity. The seed prices are likely to trade in the range between 5,800 –6,100/Qtl. in the short-run.*

### Soybean



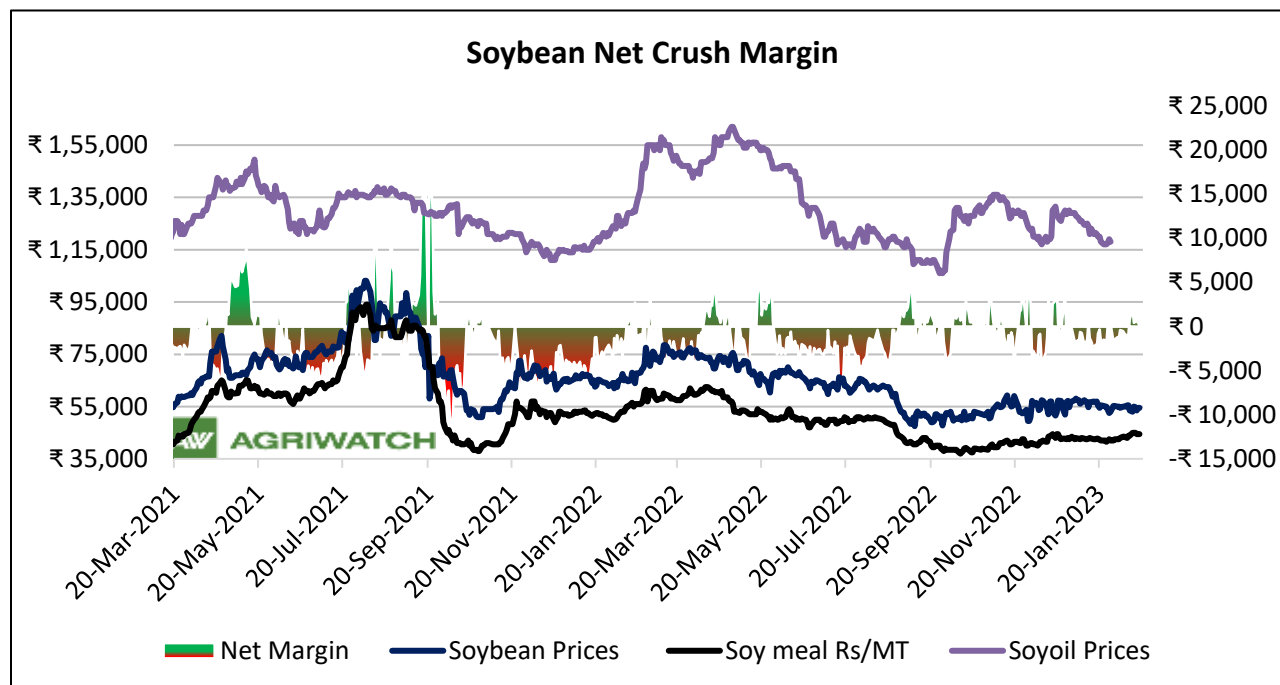
During the week under review, Soybean indore plant prices remained sideways and went marginally up by 0.72% to INR 5,550/ Qtl. as compared to 5,519/ qtl. previous week. Despite shrink in arrivals, prices remained sideways due to weak demand from crushers. During the week the market made a high of INR 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 3% to 9.1 Lakh bags Vs 9.40 Lakh bags previous week. In Maharashtra arrivals recorded low to 9.60 Lakh bags vs 9.85 Lakh bags last week. In Rajasthan the arrivals recorded up to 1.55 lakh bags Vs 1.45 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 11th -17th Feb is in parity at INR 921/ MT as compared to previous week at INR -821/MT.

### International Update:

#### 2022/23 Brazil Soybeans 17% Harvested vs. 24% Last Year

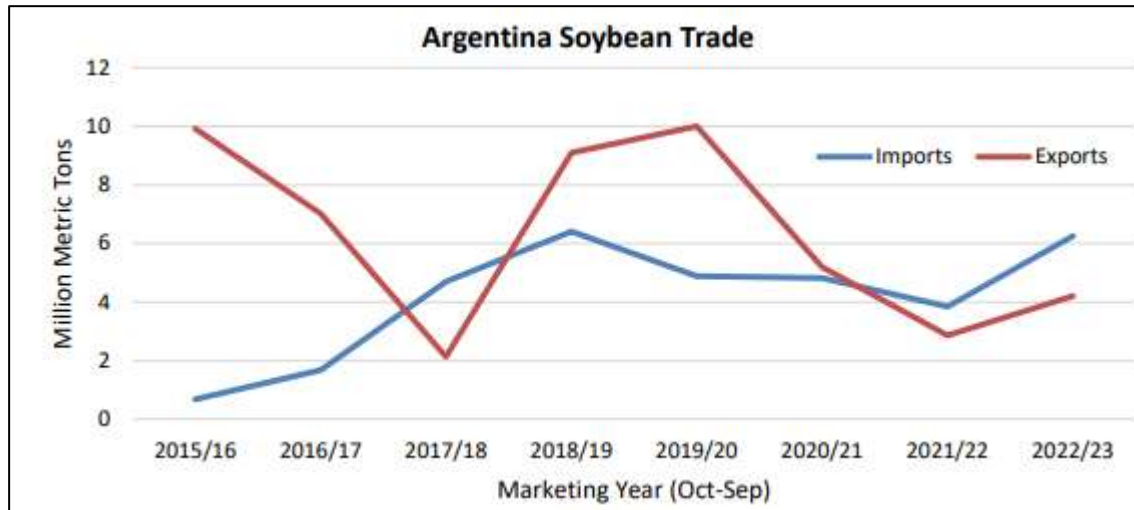
AgRural, on Monday reported that Brazilian farmers harvested 17% of the planted soybean area in the 2022/23 cycle as of last Thursday, representing an increase of eight percentage points from the previous week.

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.

## Technical Analysis

### US Soybean futures



As depicted in the above chart, During the week under review, US Soybean declined after three week gains and went down by 0.99% to \$15.27/bushels and taking support of 9, 50 and 100 DMA can be characterized as support while 50 DMA can be characterized as resistance. RSI at 55 indicating firm buying strength. And MACD indicating steady 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:



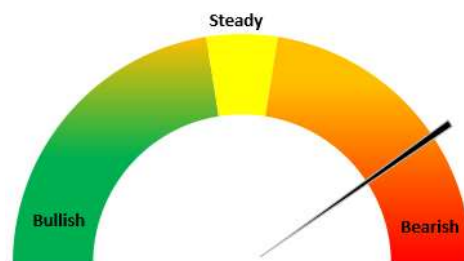
### Technical Commentary:

- 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 facing resistance of 9, 18, 50 and 100 DMA.
- 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.

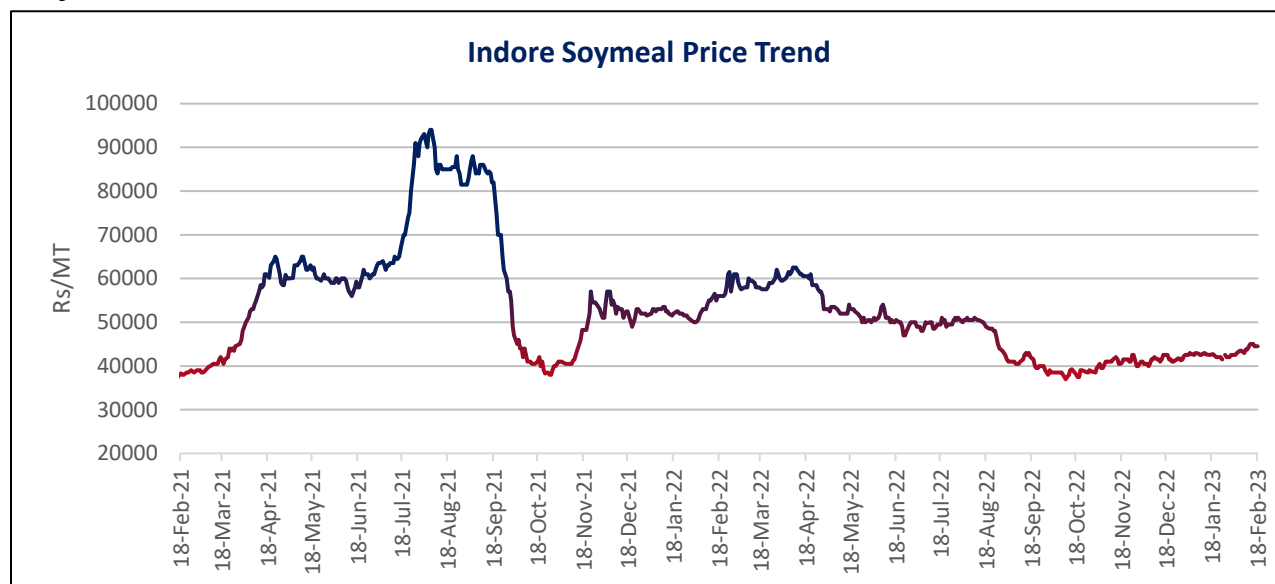
**Soybean Price Outlook for coming week:** Indore Soybean plant prices are currently trading at INR. 5,500/qtl. and are expected to trade range bound in the range of INR 5,200-5,800 in short run.



Soybean Plant Price Outlook (INR./Qtl)	Previous week 04th Feb'23- 10rd Feb'23	Week under review 11th Feb'23- 17th Feb'23	Next week 18th Feb'23- 24th Feb'23
Weekly Average Price	5,450-5,550	5,550-5,600	5,400-5,600



## Soymeal



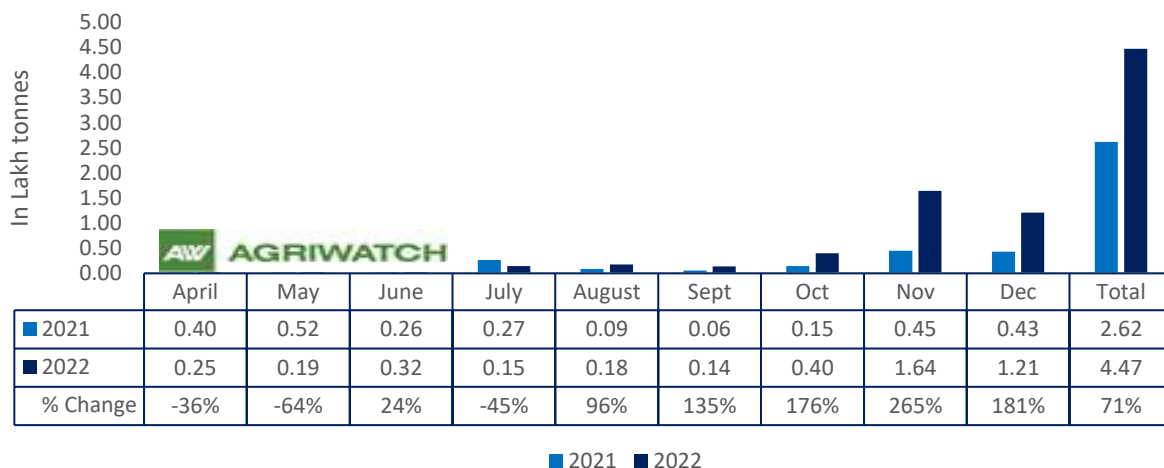
During the week under review, Indore Soymeal weekly average prices extended previous week gains and went up by 3% to INR 44,633/MT as compared to last week at INR 43,333/ amid good demand. Revive in export demand likely to support prices in upcoming weeks.

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.

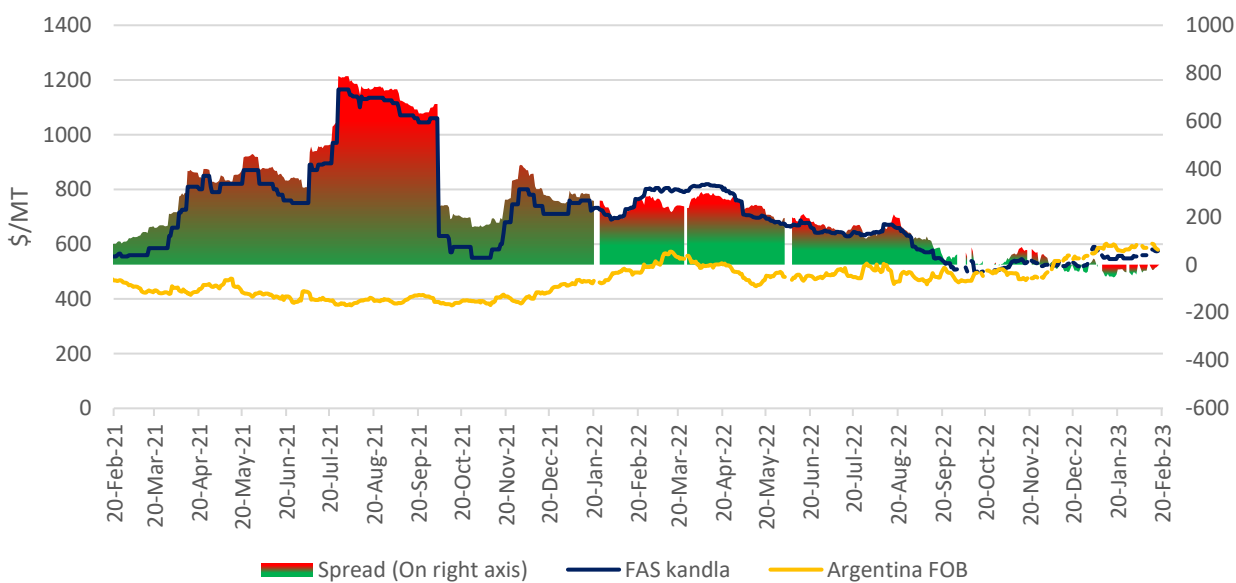


### Soy meal export



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 \$575/MT, Argentina Soymeal FOB prices trading at \$579/MT and spread stands at \$-4/MT. Improved indian 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 and gradually rising.

### Technical Analysis (Domestic market)

(Based on Indore Soymeal prices)

#### SOYBEAN Meal – Technical Outlook

#### Soybean Meal Indore Spot -Weekly time frame

##### Technical Chart:



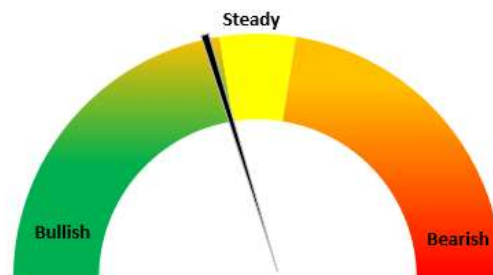
##### Technical Commentary:

- Soybean Indore prices gained for the third straight week and closed to 44,500 levels and during the week under review, market made low of 44,500, high of 45,000.
- Market is currently taking support of 9 and 18 DMA, 23.6% Fibonacci retracement can be characterized as support.
- 42,000 is near term support and 45,000-46,000 is near term resistance.

##### Recommendation-

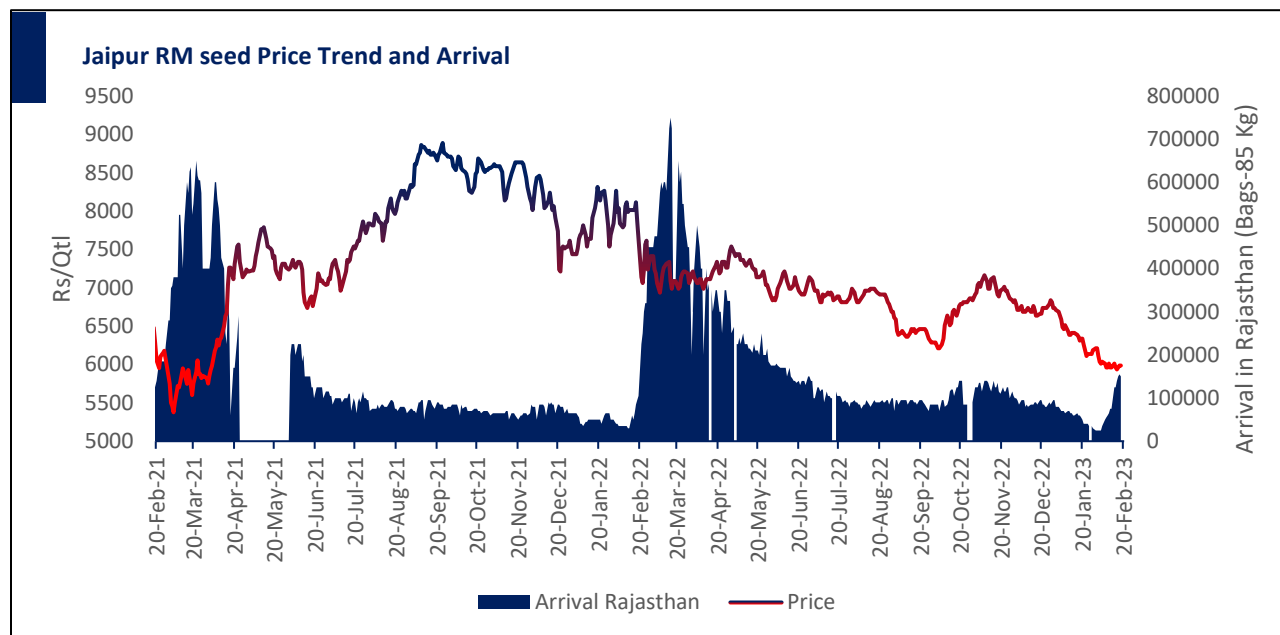
- Market Participants are recommended to sell their stocks in the range of 44,000-45,000.

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

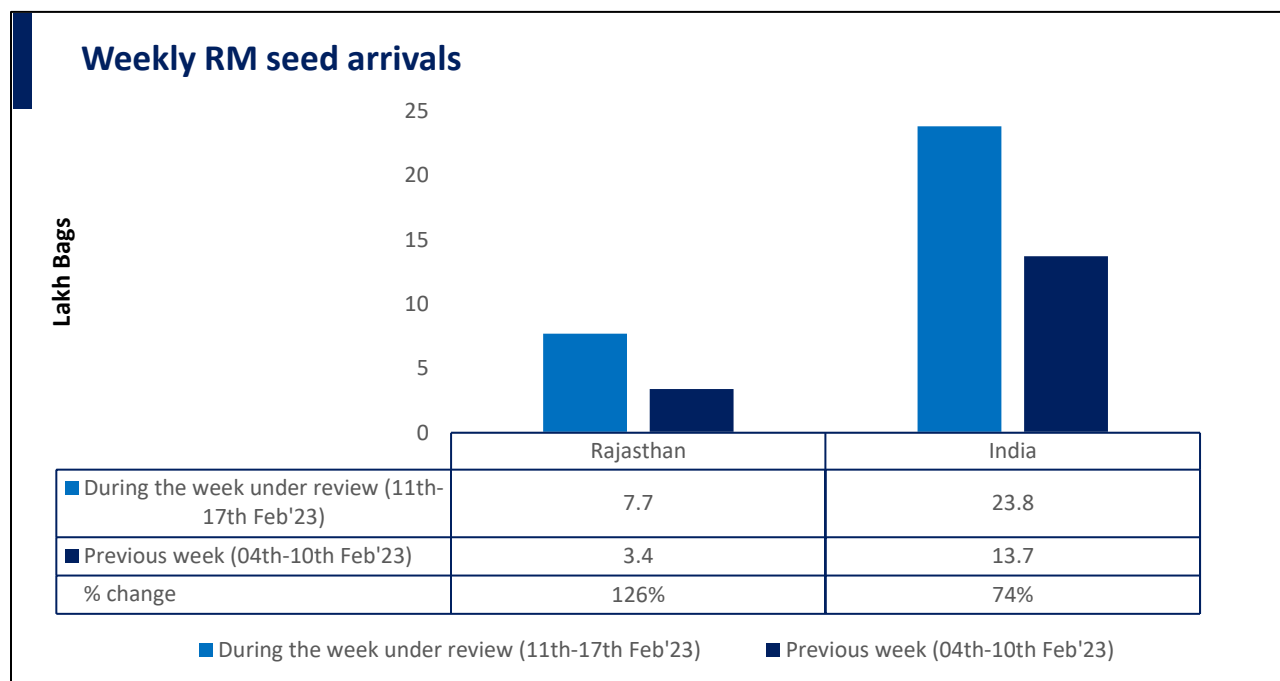


Soymeal Indore Price Outlook (INR./MT)	Previous week 04th Feb'23- 10rd Feb'23	Week under review 11th Feb'23- 17th Feb'23	Next week 18th Feb'23- 24th Feb'23
Weekly Average Price	43,000-43,800	43,800-45,000	42,000-46,000

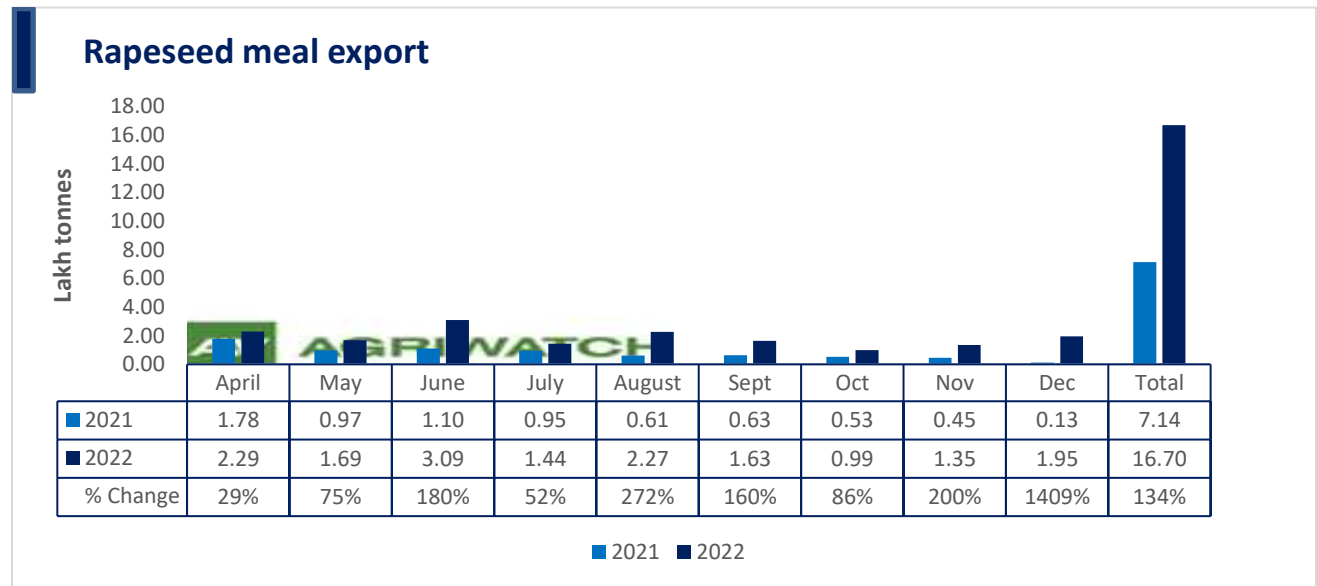
## Rapeseed - Mustard Seed



Jaipur RM seed weekly average prices extended previous week loss and went down by 0.35% to INR. 5,971/qlt as compared to INR. 5,992/qlt previous week amid new crop arrivals. So far RM seed has corrected by more than 16% from previous high of INR 7,162/Qtl.



During the week under review, RM Seed arrivals recorded up. Arrivals in Rajasthan recorded at 7.7 Lakh bags as compared to 3.4 lakh bags previous week. All India arrivals went up and stood at 23.8 Lakh bags Vs 13.7 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 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:

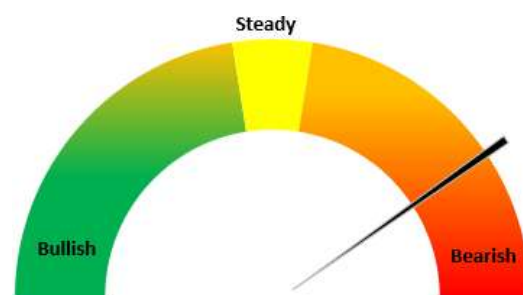


- As depicted in the above chart, during the week under review, market closed lower to 5,988, made low of 5,938, high of 6,013.
- Market is trading below 9, 50 and 100 DMA and can be characterized as resistance.
- Immediate support is at 5,800, next support is at 5,700 and immediate resistance is at 6,200, next resistance is at 6500.

#### Recommendation-

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

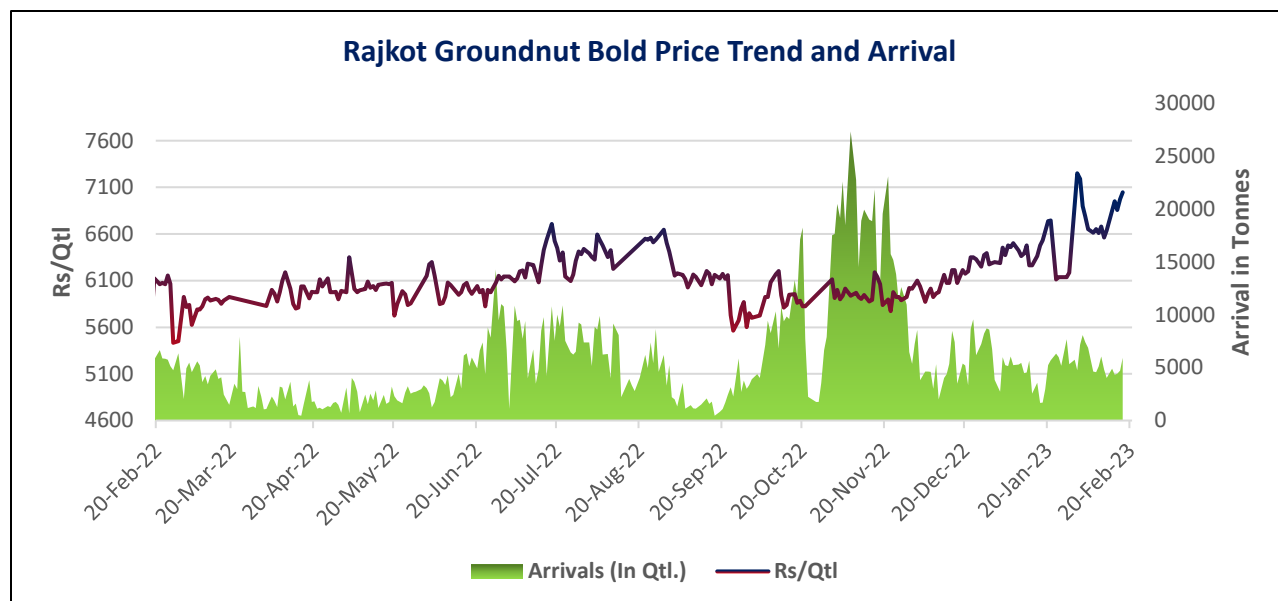
**RM seed Price Outlook for coming week:** RM Seed is expected to trade sideways with weak bias amid weak demand from crushers on disparity and higher production expectation.



Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 04th Feb'23- 10rd Feb'23	Week under review 11th Feb'23- 17th Feb'23	Next week 18th Feb'23- 24th Feb'23
Weekly Average Price	6,593-6,038	5,938-6,013	5,800-6,100



## Groundnut



During the week under review, Rajkot Groundnut weekly average bold prices went up by 3.90% to INR 6,885/Qtl. as compared to previous week at INR 6,627/Qtl. amid decline in arrivals and good demand from crushers. All India arrivals recorded down by 4% to 0.24 Lakh tonnes as compared to 0.25 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 prices of groundnut oil in Rajkot have recently experienced a sudden increase, and trading at all time high of INR 1,725 for 10 kg, which is the highest it has been in nine days. This spike in prices is due to a shortage of supply and an increase in demand. Similarly, groundnut bold prices in Rajkot have also been trading with a strong sentiment, reaching an average price of INR 6,975 per quintal, which is the highest it has been in ten days, in tandem with the groundnut oil prices. According to sources, large companies are purchasing groundnuts at higher prices, which has led to an increase in end-market prices

### 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:



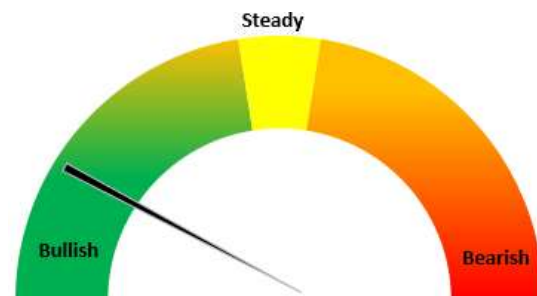
#### Technical Commentary:

- As depicted in the above chart, during the week under review, market closed lower to 7,045, made low of 6,850, high of 7,045.
- 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 6,800, next support is at 6,200 and immediate resistance is at 7,200, 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 04th Feb'23- 10rd Feb'23	Week under review 11th Feb'23- 17th Feb'23	Next week 18th Feb'23- 24th Feb'23
Weekly Average Price	6,563-6,680	6,638-7,045	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>17-Feb-23</b>	<b>10-Feb-23</b>	<b>17-Jan-23</b>	<b>17-Feb-22</b>
Indore –Plant	0%	5600	5575	5700	7000
Indore–Mandi	2%	5500	5400	5550	6960
Nagpur-Plant	-2%	5500	5600	5750	6875
Nagpur – Mandi	1%	5200	5150	5300	5700
Latur – Mandi	1%	5400	5325	5500	6000
Akola – Mandi	1%	4900	4830	4900	5000
Kota-Plant	1%	5500	5450	5500	6950
Kota – Mandi	1%	5300	5250	5300	6550
Bundi-Plant	0%	5400	5400	5400	6900
Bundi-Mandi	2%	5300	5200	5200	6700
Baran-Plant	0%	5300	5320	5400	6900
Baran-Mandi	0%	5200	5220	5200	6500
Bhawani Mandi Jhalawar–Plant	1%	5400	5350	5400	6700
Jhalwar-Mandi	3%	5300	5150	5200	6400
<b>Rapeseed/Mustard</b>					
Jaipur-(Condition)	0%	6000	5975	6375	8125
Alwar-(Condition)	1%	5700	5650	6100	7950
Sri Ganganagar-(Non-Condition)	0%	5400	5400	5950	7240
New Delhi–(Condition)	-1%	5800	5850	6350	7500
Kota-(Condition)	2%	5800	5700	6000	7550
Agra-(Condition)	1%	6190	6143	6571	8333
Neewai-(Condition)	1%	5625	5550	6025	7600
Hapur (UP)-(Condition)	0%	5800	5775	6200	7500
<b>Groundnut Seed</b>					
Rajkot	6%	1260	1185	1150	935
<b>Sunflower Seed</b>					
Gulbarga	-7%	5200	5600	NA	5600

Latur	-	NA	5700	5800	6500
Sholapur	-	NA	5700	5800	6500

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	17-Feb-23	10-Feb-23	17-Jan-23	17-Feb-22
Groundnut Kernel	4%	8550	8250	8000	6825
Gr. Bolds 60/70	0%	10000	10000	9050	8500
Gr. Javas 60/70	0%	10900	10900	9950	10000
Gr Javas 70/80	0%	10800	10800	9850	9900
Gr.Javas 80/90	0%	10600	10600	9650	9400
KardiSeed 2% Exp Qly	-4%	5400	5600	5700	6300
Sesame White 98/2/1 FM	-1%	12900	13000	12500	9700
Whitish 95/5/FFA/1FM	-1%	12700	12800	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)	2%	9000	8800	9000	8200

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