

# Oil Seed Weekly Research Report

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## Executive Summary

The weekly average prices of Soybean Indore plant prices went marginally down by 0.46% to INR 5,413/ Qtl. in tandem with correction in soy oil prices.

The weekly average prices of Indore soymeal remained sideways and went marginally down by 0.04% to INR 43,167/MT in tandem with soybean and soy oil prices.

During the week under review, Jaipur RM seed weekly average prices went up by 1.79% to INR. 5,700/qtl amid procurement by NAFED and crop loss due to unseasonal rainfall.

During the week under review, Rajkot Groundnut weekly average bold prices went down by 1.71% to INR 7,522/Qtl. amid demand substitution to rival oils.

## Outlook – Cash Market

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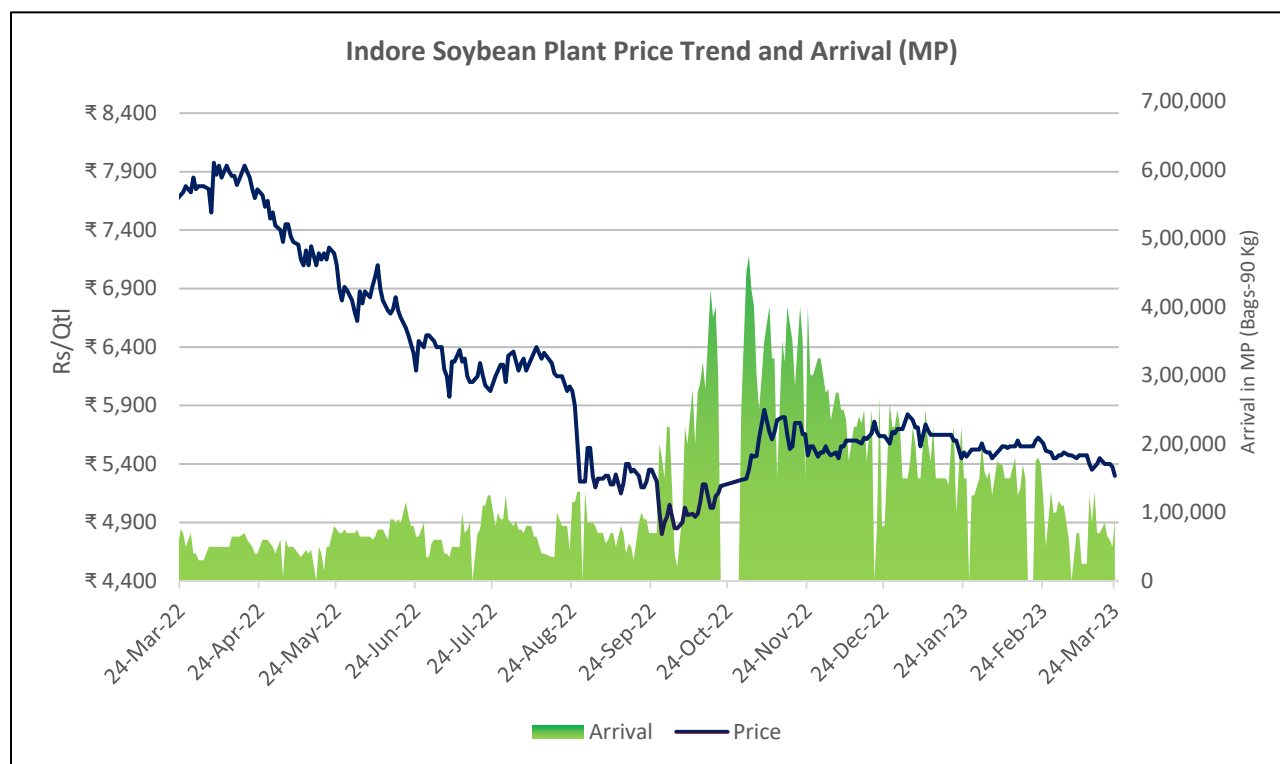
**Outlook - Soybean (Spot Indore):** *In the coming week, soybean plant prices are expected to stay sideways with weak bias amid subdued demand from crushers on disparity. The prices (Indore, Plant basis) are expected to feature in the price band of 5,300-5,500 levels in the near term.*

**Outlook – Soy meal:**

*The soy meal (Indore) are likely to trade sideways with steady to weak bias amid weaker oil complex. Soy meal Indore prices are likely to be in the range of 42,000 – 44,000/MT.*

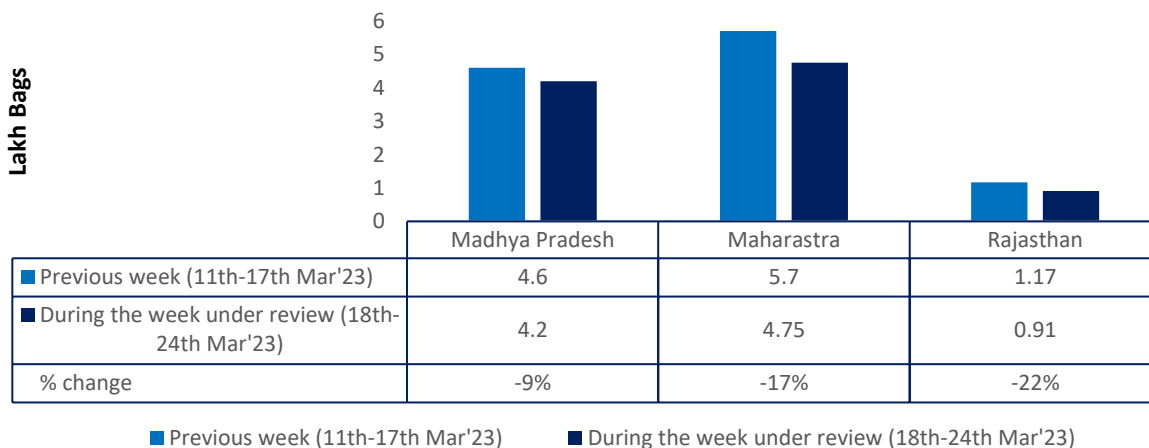
**Outlook - Rapeseed-Mustard (Spot, Jaipur basis):** *Rapeseed-Mustard is expected to trade with weak bias amid increase in arrivals. However, procurement by NAFED and HAFED likely to limit downfall . The seed prices are likely to be in the range between 5,500 –5,800/Qtl. in the short-run.*

### Soybean



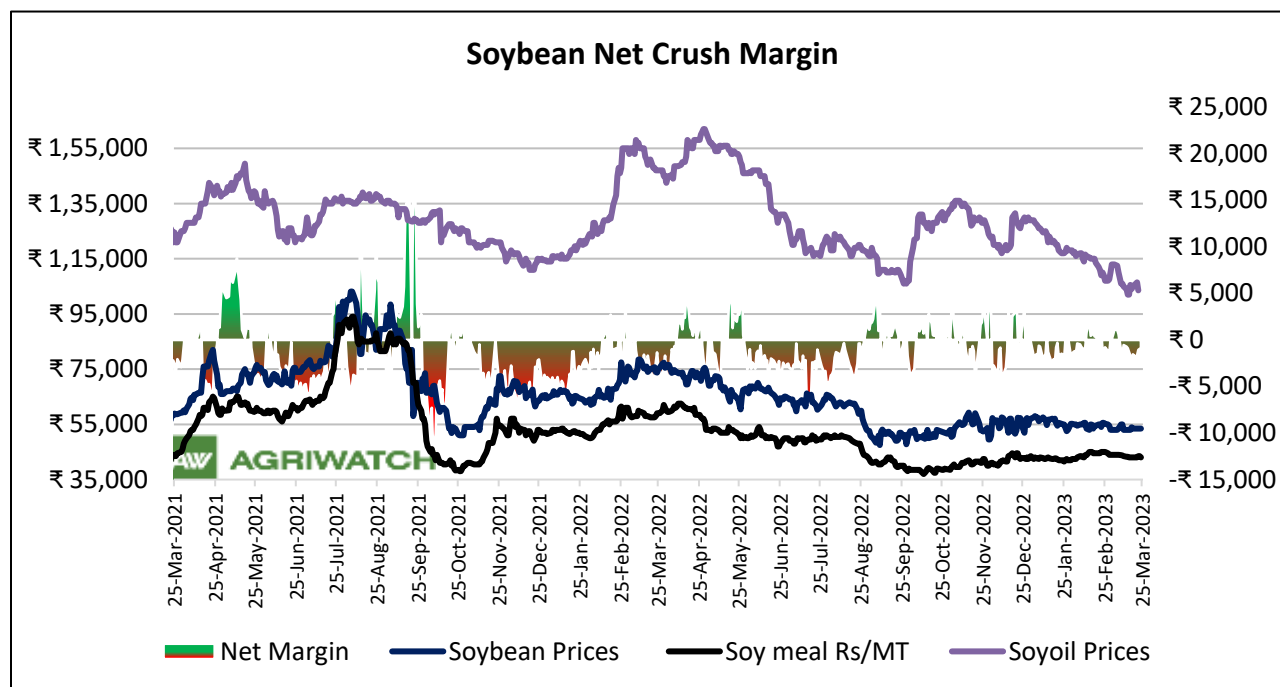
During the week under review, Soybean weekly average prices in Indore extended previous week's loss and went down marginally down by 0.46% to INR 5,388/Qtl. as compared to INR 5,413/Qtl. Month-to-date soybean prices are down by 3% and Year-to-date dropped by 7%. Additionally, Indore soy oil prices too remained sideways and went marginally down by 0.8% to INR 1,050/ 10 Kg as compared to INR 1,059/ 10 Kg. Overall, soybean and soy oil traded with weak bias tracking weak demand, bearishness in rival oils and weaker global cues.

### Weekly Soybean Arrivals



During the week under review, the total arrival in MP declined by 9% to 4.2 Lakh bags Vs 4.6 Lakh bags previous week. In Maharashtra arrivals recorded down to 4.75 Lakh bags vs 5.7 Lakh bags last week. In Rajasthan the arrivals recorded down to 0.91 lakh bags Vs 1.17 Lakh bags previous week. Arrivals declined amid rainfall situation.

### Soybean Crush Margin-



Soybean net crush margin remained squeezed during the week under review amid weak soy oil prices. Weekly average soybean net crush margin for the period of 18th -24th March is in disparity at INR -1299/MT as compared to previous week at INR -1,501/MT. In upcoming week, net crush margin likely to remain weak on weaker soy oil prices.

### International Update:

**As of 2022/23, Brazil has harvested 53% of its soybeans, compared to 64% at the same time last year.**

The soybean harvest in Mato Grosso is nearing completion due to the dry weather, but in Parana and Mato Grosso do Sul, it is lagging behind schedule. AgRural reports that as of late last week, 53% of Brazil's soybeans were harvested, which is lower than last year's 64% and the average of 57%. The harvest progress advanced by 10% in the previous week. Mato Grosso has almost completed its harvest, with 96.7% of soybeans harvested, while Parana's progress remains slow.

Both the Buenos Aires Grain Exchange and the Rosario Grain Exchange reduced their 2022/23 Argentina soybean estimates. The Buenos Aires Grain Exchange estimated a decrease of 4.5 million tons to 29.0 million, while the Rosario Grain Exchange estimated a decrease of 7.5 million tons to 27.0 million. Additionally, the

March WASDE Report from the USDA also lowered the 2022/23 Argentina soybean estimate by 8.0 million tons to 33.0 million.

Brazil's Agriculture Statics Agency (CONAB) in its March assessment has lowered Brazil's 2022/23 soybean crop estimate to 151.41 MMT from its previous estimate of 152.88 MMT, down by 1.47 MMT. CONAB estimated the soybean yield at 3,479 kg/ha (51.8 bu/ac), which is down 0.7 bu/ac compared to February. Conab cited losses in Rio Grande do Sul that were not completely compensated for by gains in Sao Paulo, Goias, and Mato Grosso do Sul.

According to Anec, the grain exporters' association, Brazil is expected to reach a new record in its agricultural exports. In their weekly report published on 8<sup>th</sup> March'23, it was projected that the country's soybean shipments would reach 93 million mt in 2023, and corn shipments would reach 50 million mt, both all-time highs. Compared to the previous year's figures, Brazilian soybean shipments are expected to increase by 19.5%, from 77.8 million mt. Corn shipments, on the other hand, could surpass last year's record of 43.1 million mt by 16%, potentially making Brazil the world's leading corn exporter, ahead of the US.

## Technical Analysis

### US Soybean futures



As depicted in the above chart, During the week under review, US Soybean posted six consecutive week loss and went down by 3.27% to \$14.28/bushels. 9, 18, 50 and 100 DMA ,can be characterized as resistance. RSI has declined below 40 indicating weak buying strength. And MACD indicating weak momentum in short run. Over all market is expected to trade with weak bias and take support from 14-13.5 in short run and resistance from 15.00-15.50.

### Technical Analysis (Domestic market)

(Based on Indore Plant prices)

#### SOYBEAN – Technical Outlook

#### Soybean Indore Plant prices -Weekly time frame

##### Technical Chart:



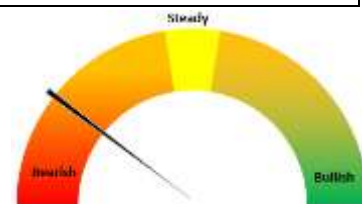
##### Technical Commentary:

- During the week under review, Soybean Indore prices declined and closed at 5,300 levels as compared to 5,450 previous week and market made low of 5,300, high of 5,400.
- Market is currently facing near term resistance of 9, 18 EMA and 23.6% Fibonacci retracement. While 50 and 100 EMA can be characterized as long term resistance.
- RSI is currently below 40, indicating weak buying strength.
- 5300-5400 is near term support and 5,500-5,600 is near term resistance.

##### Recommendation-

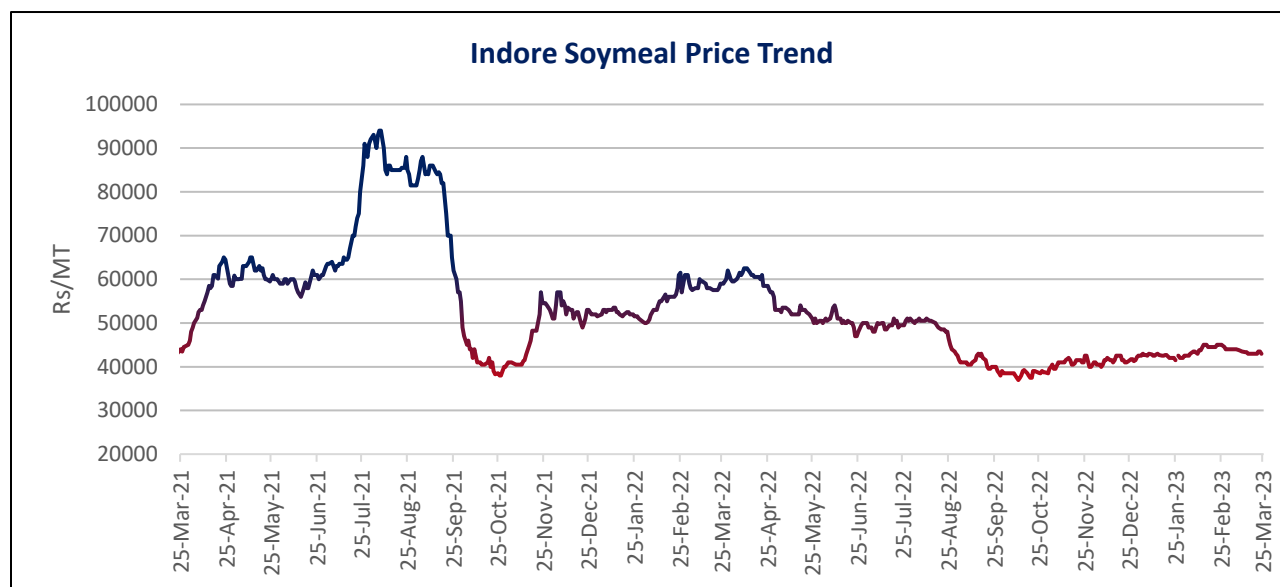
- Market Participants are recommended to buy their stocks in the range of 5,300-5,400 and wait to sell in the range of 5500-5600.

**Soybean Price Outlook for coming week:** Indore Soybean plant are currently trading at INR. 5,300/qtl. and are expected to trade range bound in the range of INR 5,300-5,500 in short run.

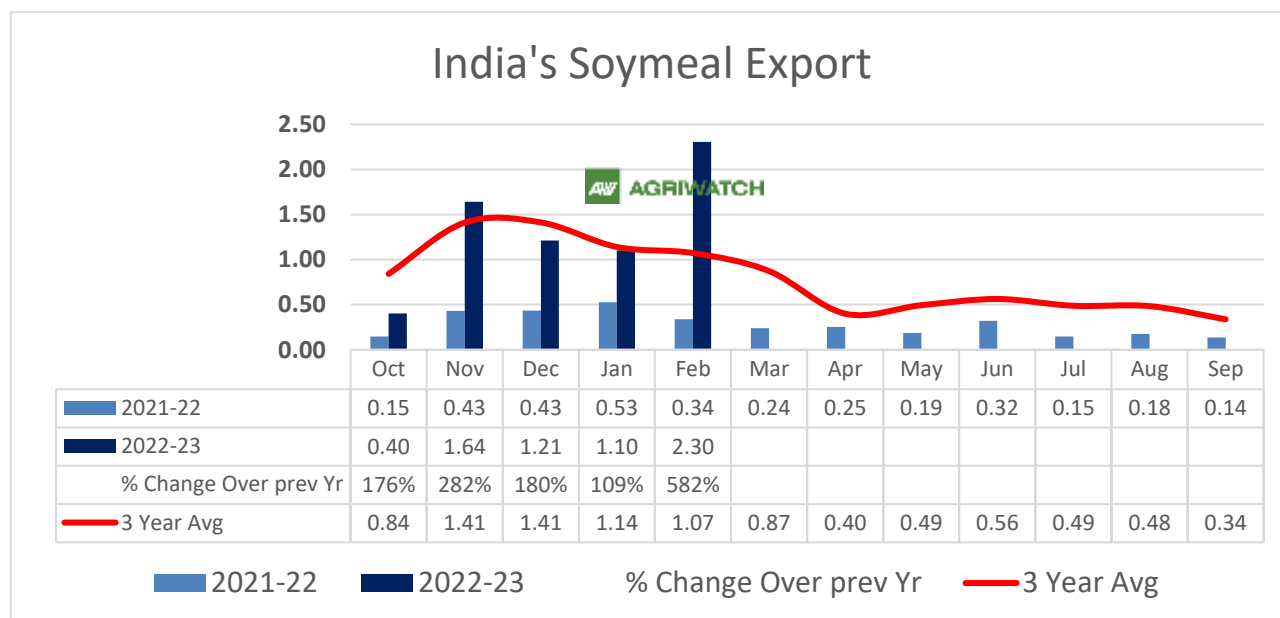


Soybean Plant Price Outlook (INR./Qtl)	Previous week 11th Mar'23- 17th Mar'23	Week under review 18th Mar'23- 24th Mar'23	Next week 25th Mar'23- 31st Mar'23
Weekly Average Price	5,350-5,475	5,300-5,450	5,300-5,500

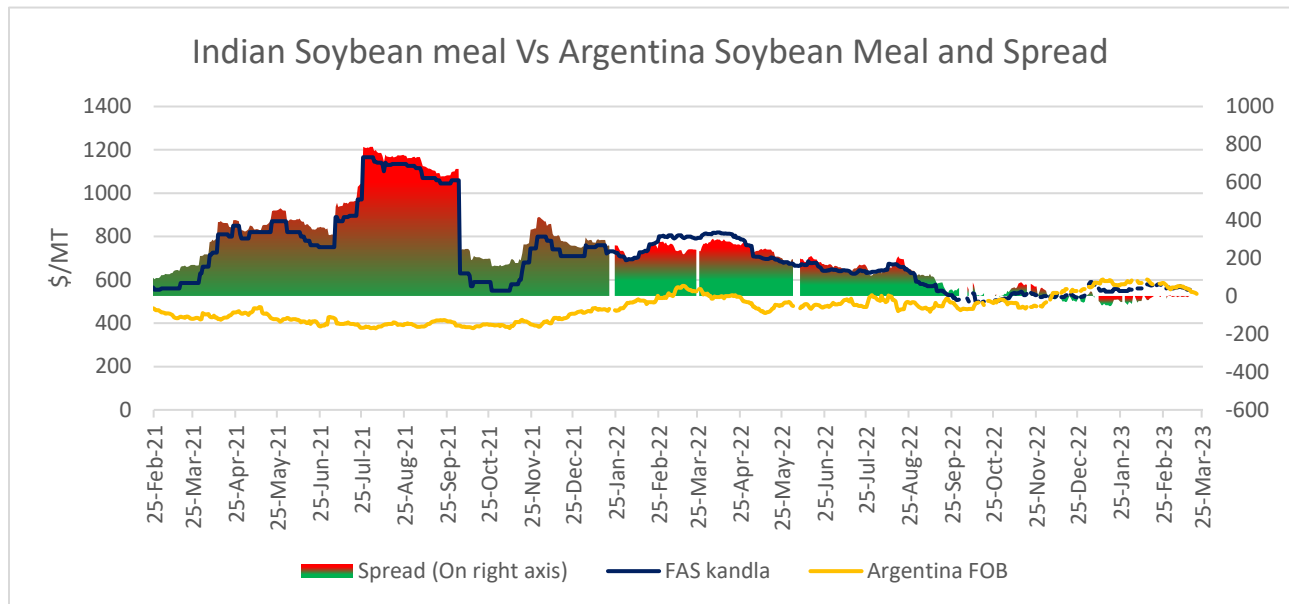
### Soymeal



During the week under review, Indore Soymeal weekly average prices remained sideways and went marginally down by 0.04% to INR 43,167/MT as compared to last week at INR 43,183/ amid correction in soybean and soy oil prices. The prices of soymeal, along with soybean and soy oil, have decreased from their six-month highs. The overall bearish sentiment in the oilseed basket, especially due to mustard, has dragged down the soymeal prices from their six-month high.



Total Soy meal exports in Oct'22- Feb'23 went up by 256% to 6.66 Lakh tonnes vs 1.87 Lakh tonnes previous year same period. However, Soymeal exports up by 582% to 2.30 Lakh tonnes in Feb'23 Vs 0.34 Lakh tonnes previous year same period. Soymeal exports went up for the sixth straight month on good soymeal export demand from south east Asia tracking competitive prices in global markets. In upcoming month too soymeal exports likely to go up on good demand.

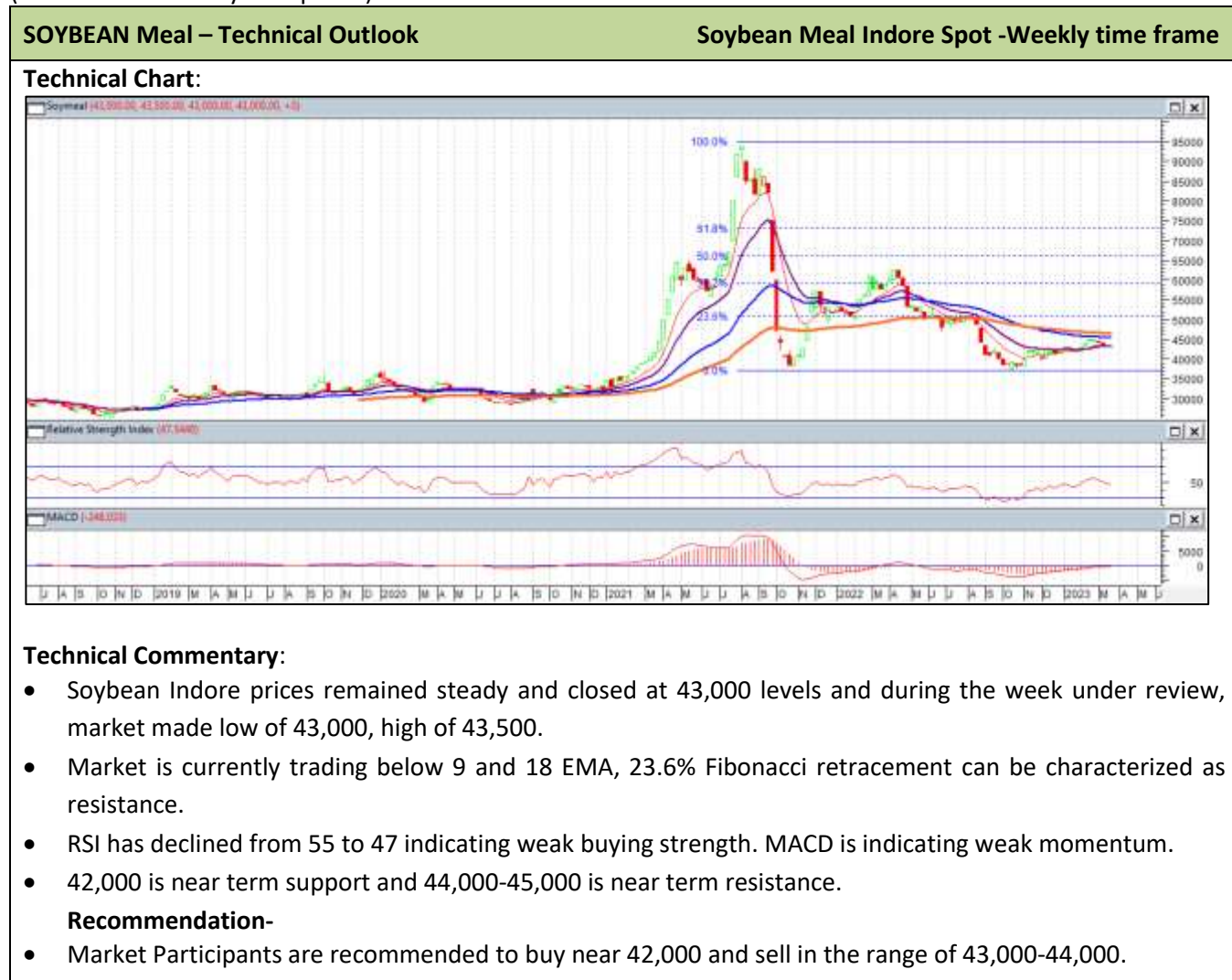


Currently, Indian Soymeal FOB is at \$560/MT, Argentina Soymeal FOB at \$525/MT and spread stands at \$35/MT. Upon squeeze in spread Indian soymeal export demand is rising and so the prices are stable.

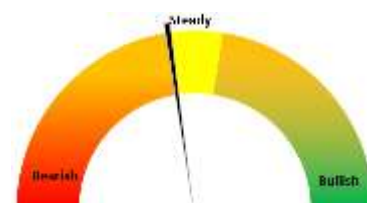


### Technical Analysis (Domestic market)

(Based on Indore Soymeal prices)

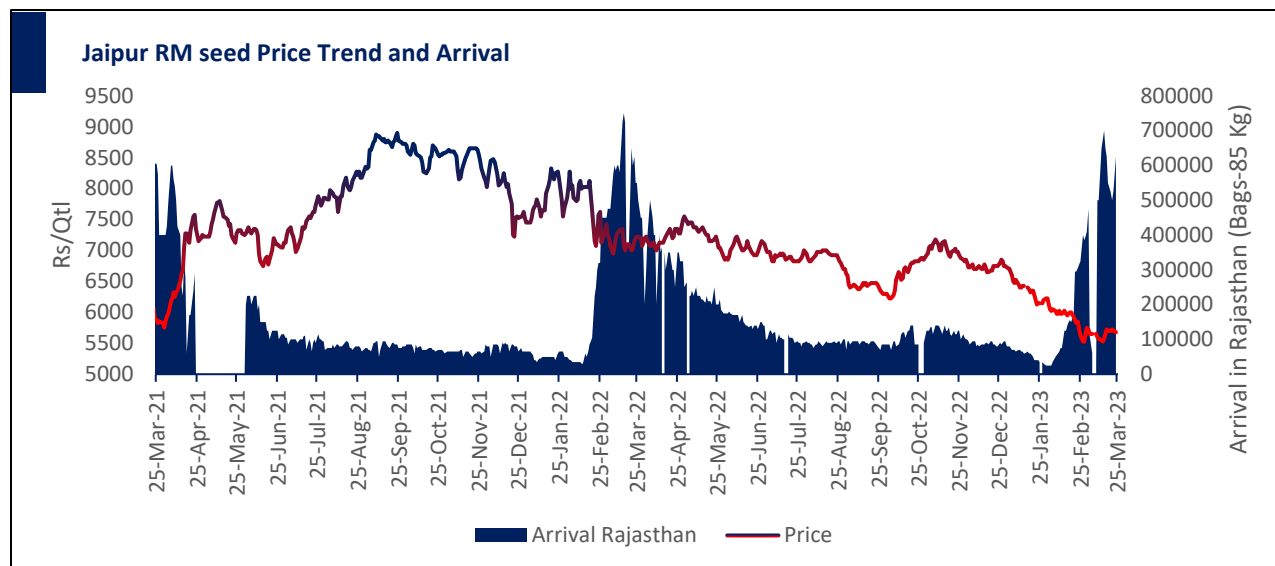


**Soymeal Price Outlook for coming week:** Soybean meal prices are expected to trade sideways with weak bias. Revival in soymeal export demand likely to limit the fall in soymeal prices in upcoming weeks.



Soymeal Indore Price Outlook (INR./MT)	Previous week 11th Mar'23- 17th Mar'23	Week under review 18th Mar'23- 24th Mar'23	Next week 25th Mar'23- 31st Mar'23
Weekly Average Price	43,000-43,500	43,000-43,500	42,000-44,000

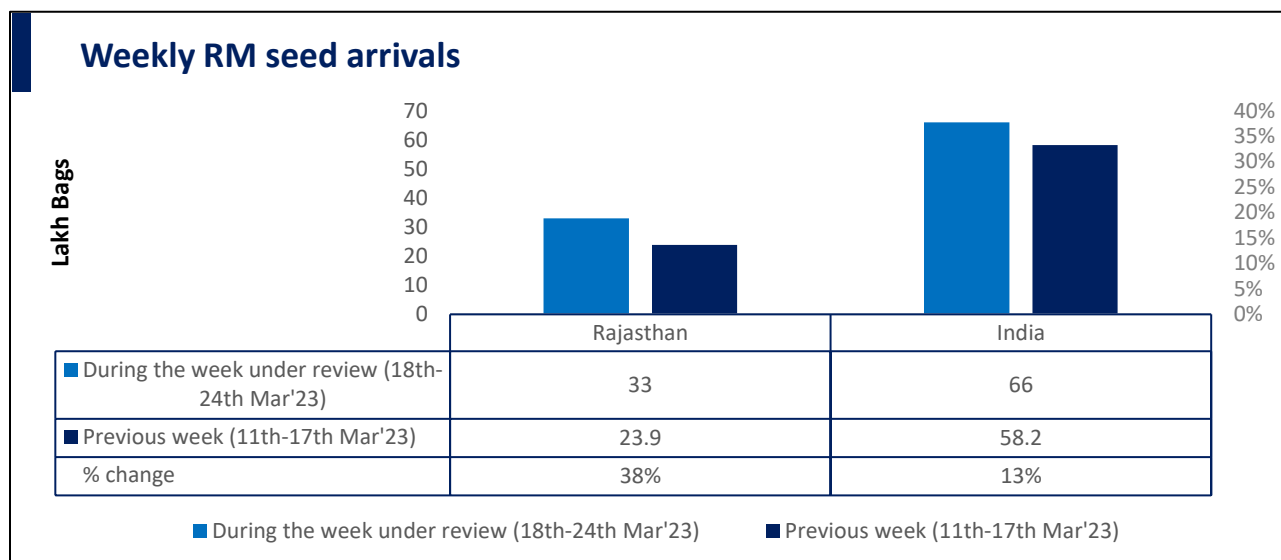
## Rapeseed - Mustard Seed



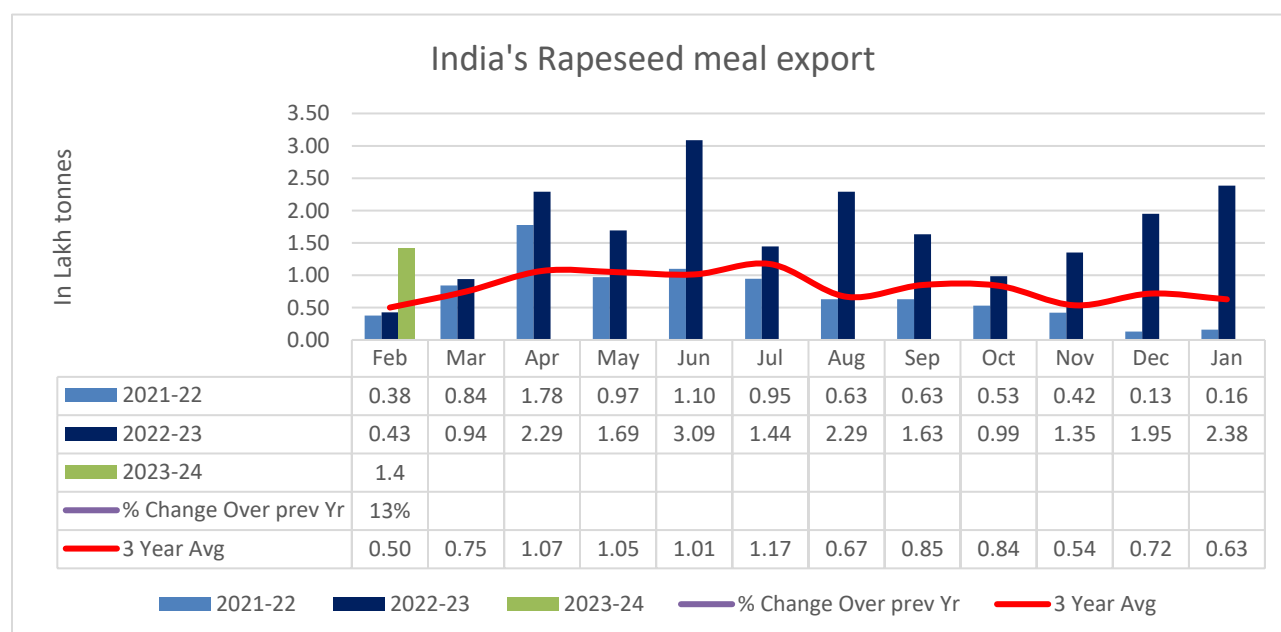
During the week under review, Jaipur RM seed weekly average prices went up by 1.79% to INR 5,700/Qtl as compared to previous week at INR 5,600/Qtl. The rise was attributed to procurement by NAFED and HAFED. Additionally, mustard oil prices rose by 0.9%, reaching INR 1,079/10 Kg, up from INR 1,070/10 Kg. However, the month-to-date RM seed prices show a 2.7% increase, the year-to-date prices have decreased by 16% due to record production, weak demand and global bearish cues.

During the current on-going season, RM seed Jaipur average prices made low of INR 5,500/Qtl. In last week of Feb and Mid of March, which was 1.4% above MSP. However, market has rebounded and is currently trading at INR 5,675/Qtl. which is 4.1% up from current seasons low amid govt. procurement and crop loss due to unseasonal and erratic rainfall. Daily all India arrivals clocked to 14 Lakh bags in mid of March and decreased to 10-11 Lakh bags per day. Month-to-date all India RM seed arrivals recorded 77% up at 10.5 Lakh tonnes, this compares with 6 Lakh tonnes previous year same period.

According to sources, several districts in Rajasthan, including Tonk, Bharatpur, Jodhpur, Sawai Madhopur, Jalore, Jaipur, and Baran, have experienced a crop loss of 8-10% due to unharvested crops. Similarly, in the districts of Bareilly, Agra, Bijnor, Mathura, Badaun, Barabanki, Sitapur, and Kheri in Uttar Pradesh, yield loss is estimated to be at 10-15% due to untimely rainfall and hailstorms. In Madhya Pradesh, districts such as Bhind, Morena, Shivpuri, Guna, Chhatarpur, Sheopur, and Gwalior have witnessed a 10-15% reduction in crop yield due to rainfall. It should be noted that these losses pertain to only 5-10% of the unharvested crop, as the majority of the crop (90-95%) has already been harvested in most of the significant growing districts.



During the week under review, RM Seed arrivals increased after festivals. Arrivals in Rajasthan recorded up by 38% to 33 Lakh bags as compared to 23.9 lakh bags previous week. All India arrivals too went up at 66 Lakh bags Vs 58.2 Lakh bags previous week.



There is a significant jump in export of rapeseed meal in Feb'23 and reported at 1.4 Lakh tons compared to 0.43 Lakh tons previous year same period i.e., up by 13%. 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.

### 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 up to 5,687, made low of 5,513, high of 5,713.
- Market is currently trading below 9, 50 and 100 DMA and can be characterized as resistance. And market is trading above support level of 5500.
- RSI has improved from 23 to 28 indicating improved buying strength. MACD is indicating weak momentum.
- Immediate support is at 5,500 and immediate resistance is at 5,800.

##### Recommendation-

Market participants are recommended to start buying near 5500 level.

### International-

The ICE Futures canola market declined for the third consecutive week, in tandem with declines in global oilseed markets including US soybean and soy oil futures. Month till date ICE Canola is down by 13.22% to USD 735/MT.

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 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.

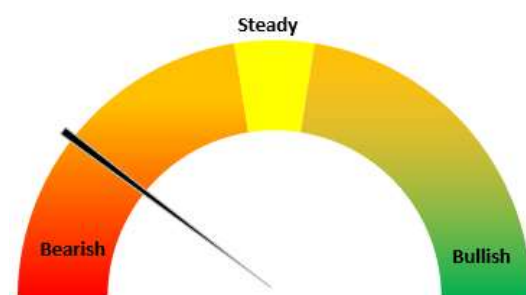
Canadian canola consumption is projected to return to its normal historical levels, as exports rise 63% to 8.6 million tonnes, and crush volume increases to 9.5 million tonnes from 8.6 million tonnes last year. As per Canadian Grain Commission data, the export rate as of November was 121% higher than 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%.

### Technical Analysis

(ICE Canola)

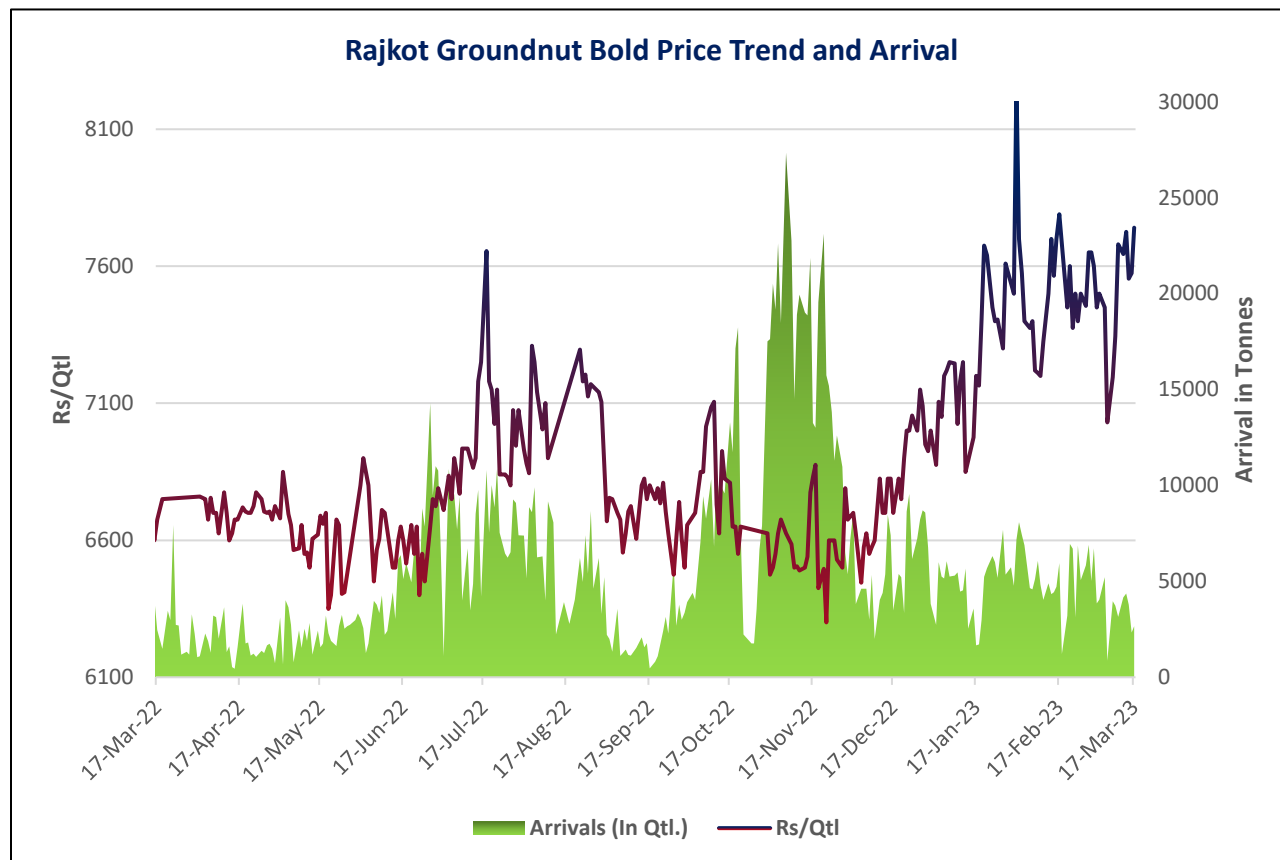


**RM seed Price Outlook for coming week:** In upcoming week RM Seed is expected to trade sideways with weak bias amid new crop arrivals, However, crop loss due to weather and procurement from NAFED likely to limit downfall.



Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 11th Mar'23- 17th Mar'23	Week under review 18th Mar'23- 24th Mar'23	Next week 25th Mar'23- 31st Mar'23
<b>Weekly Average Price</b>	5,513-5,713	5,663-5,713	5,500-5,800

## Groundnut



During the week under review, Rajkot premium quality Groundnut weekly average bold prices declined after previous week's gains and went marginally down by 1.71% to INR 7,522/Qtl. as compared to previous week at INR 7,653/Qtl. amid substitution in rivals oils. The weekly average prices of groundnut oil remained sideways at INR 1,700 from 1,695/10 Kg. Month to date Rajkot groundnut seed trading low by 3%. All India arrivals recorded down by 51% to 0.10 Lakh tonnes as compared to 0.20 Lakh tonnes previous week.



### Technical Analysis

(Based on Rajkot GN Bold Mandi prices)

#### Groundnut Bold – Technical Outlook

#### Rajkot -Weekly time frame

#### Technical Chart:



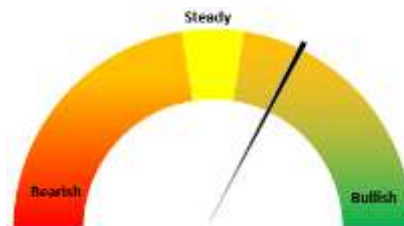
#### Technical Commentary:

- As depicted in the above chart, during the week under review, market closed lower to 7,815 made low of 7,555, high of 7,855.
- Market is trading above 18, 50 and 100 DMA, and 38.2% Fibonacci retracement level can be characterized as immediate support.
- RSI has declined from 62 to 54 indicating weakening in buying strength, However, MACD is indicating firm momentum.
- Immediate support is at 7,500, next support is at 7,200 and immediate resistance is at 7,800, next resistance is at 8,000.

#### Recommendation-

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

**Groundnut Price Outlook for coming week:** Rajkot groundnut bold prices expected to remain elevated amid lower availability in the market.



Rajkot Groundnut Bold Price Outlook (INR./Qtl)	Previous week 11th Mar'23- 17th Mar'23	Week under review 18th Mar'23- 24th Mar'23	Next week 25th Mar'23- 31st Mar'23
Weekly Average Price	7,555-7,740	7,425-7,815	7,400-7,800

### Annexure



Oilseed Prices at Key Spot Markets:					
Commodity / Centre	% Change over previous week	Today	Week Ago	Month Ago	Year Ago
<b>Soybean</b>		<b>24-Mar-23</b>	<b>17-Mar-23</b>	<b>21-Feb-23</b>	<b>24-Mar-22</b>
Indore –Plant	-2%	5350	5450	5650	7800
Indore–Mandi	0%	5300	5300	5550	7700
Nagpur-Plant	0%	5400	5425	5600	7650
Nagpur – Mandi	-3%	4970	5100	5400	7050
Latur – Mandi	1%	5300	5250	5450	7405
Akola – Mandi	1%	5100	5070	5300	7355
Kota-Plant	0%	5400	5400	5650	7950
Kota – Mandi	0%	5300	5300	5450	7850
Bundi-Plant	2%	5500	5400	5600	7850
Bundi-Mandi	1%	5200	5150	5400	7750
Baran-Plant	0%	5400	5400	5550	7930
Baran-Mandi	-	5225	Closed	5450	7730
Bhawani Mandi Jhalawar–Plant	1%	5450	5400	5550	7980
Jhalwar-Mandi	-	5300	-	5450	7730
<b>Rapeseed/Mustard</b>					
Jaipur-(Condition)	-1%	5675	5725	5875	7200
Alwar-(Condition)	-3%	5200	5350	5600	6900
Sri Ganganagar-(Non-Condition)	-2%	5200	5300	5400	6800
New Delhi–(Condition)	-2%	5500	5600	5750	7000
Kota-(Condition)	0%	5400	5400	5700	6700
Agra-(Condition)	0%	5714	5738	5976	7286
Neewai-(Condition)	0%	5225	5250	5500	6850
Hapur (UP)-(Condition)	1%	5325	5250	5700	6800
<b>Groundnut Seed</b>					
Rajkot	-4%	7425	7740	7600	-
Junagarh	-	NA	-	7145	-
Bikaner	-1%	7500	7600	7800	6500
<b>Groundnut (Bold Without shell 40/50)</b>					
Bikaner	0%	11000	11000	11000	9200

<b>Sunflower Seed</b>					
Maharastra/Karnataka	0%	6100	6100	-	-
Soybean Prices are in INR/ctl. (1 bag=90 kg). Mandi prices – Loose, Mustard Seed Prices are in INR/ct (1 bag=85 kg) C – Condition (42%), *Groundnut seed in Rs/100 kg, Sunflower Seed in Rs/ctl.					

		Today	Week Ago	Month Ago	Year Ago
<b>Other Oilseed Prices at Mumbai (INR/100 Kg):</b>					
<b>Oilseeds</b>	<b>Change</b>	<b>24-Mar-23</b>	<b>17-Mar-23</b>	<b>21-Feb-23</b>	<b>24-Mar-22</b>
Groundnut Kernel	-1%	8500	8550	8600	7925
Gr. Bolds 60/70	-2%	9800	10000	10100	8750
Gr. Javas 60/70	-2%	11100	11300	11000	10150
Gr Javas 70/80	-2%	10800	11000	10900	10050
Gr.Javas 80/90	-2%	10600	10800	10700	9550
KardiSeed 2% Exp Qly	-6%	4800	5100	5300	5900
Sesame White 98/2/1 FM	0%	12900	12900	12900	10000
Whitish 95/5/FFA/1FM	0%	12700	12700	12700	9800
Brown 48/2 FFA/4 FM	0%	12100	12100	12100	9400
Brown 48/3 FFA/4 FM	0%	11900	11900	11900	9100
Brown 48/4 FM/* No FFA Guarantee	0%	11500	11500	11500	8800
Sunflower Seed	-3%	6400	6600	6600	6600
Niger Seed (4% FM)	0%	9200	9200	9000	8600

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