



# 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 remained sideways and went marginally up by 0.42% to INR 5,467/ Qtl. amid weak soy oil prices.

The weekly average prices of Indore soymeal went up by 1.30% to INR 44,833/MT. amid good export demand.

During the week under review, Jaipur RM seed weekly average prices went down by 2% to INR. 5,242/qtl amid weak demand from millers and decline in mustard oil prices.

Weekly average prices for Groundnut (bold), Rajkot declined by 3.58% to INR 7,253/Qtl. amid decline in groundnut oil prices.

## Outlook – Cash Market

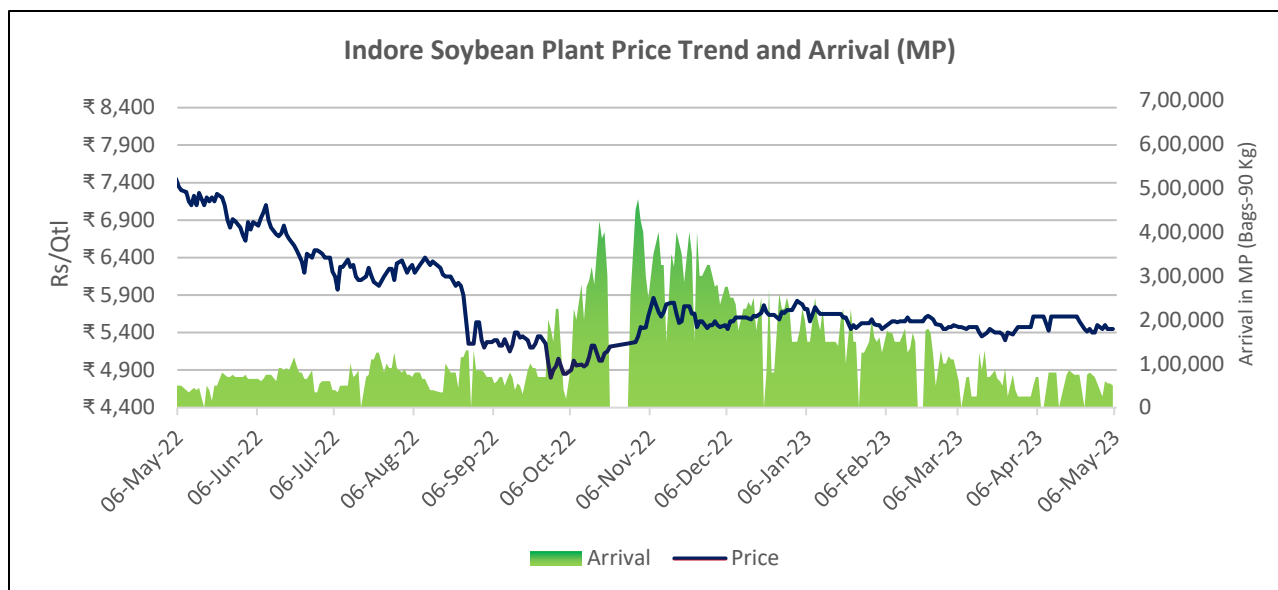
**Outlook - Soybean (Spot Indore):** During the upcoming week, it is anticipated that soybean plants will maintain a weak bias due to decline in soy oil prices. It is expected that the prices of soybean plants, based on the Indore Plant, will range between 5,400-5,600 levels in the short term.

**Outlook – Soy meal:**

It is anticipated that soy meal (Indore) likely to trade sideways with weak bias during the upcoming period tracking weak oil complex, however, good export demand likely to limit fall. The prices of soy meal Indore are expected to remain within the range of 43,000-45,000 per metric ton.

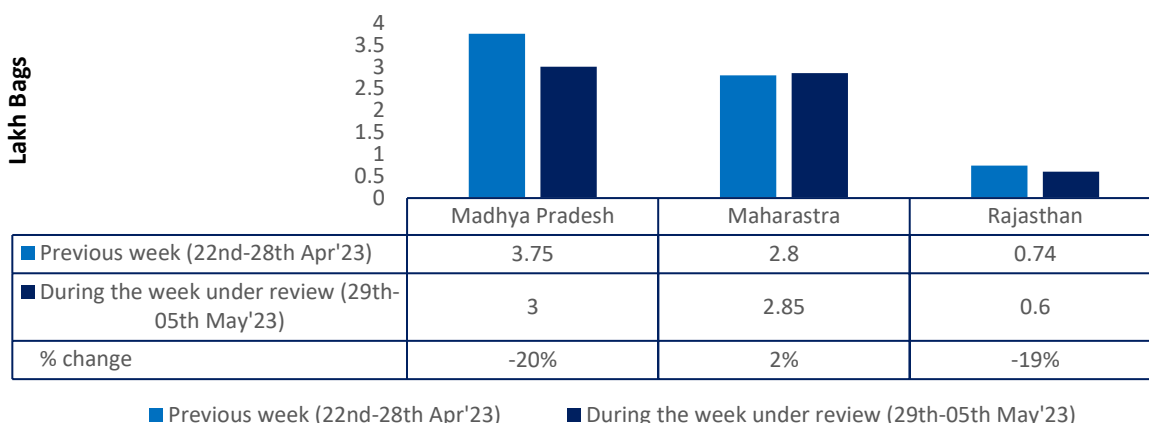
**Outlook - Rapeseed-Mustard (Spot, Jaipur basis):** In the upcoming week, it is anticipated that Rapeseed-Mustard will trade with weak bias tracking weak demand from millers. However, procurement by NAFED and HAFED likely to limit the fall. The prices of seeds are projected to remain within the range of 5,200-5,500 per quintal.

## Soybean



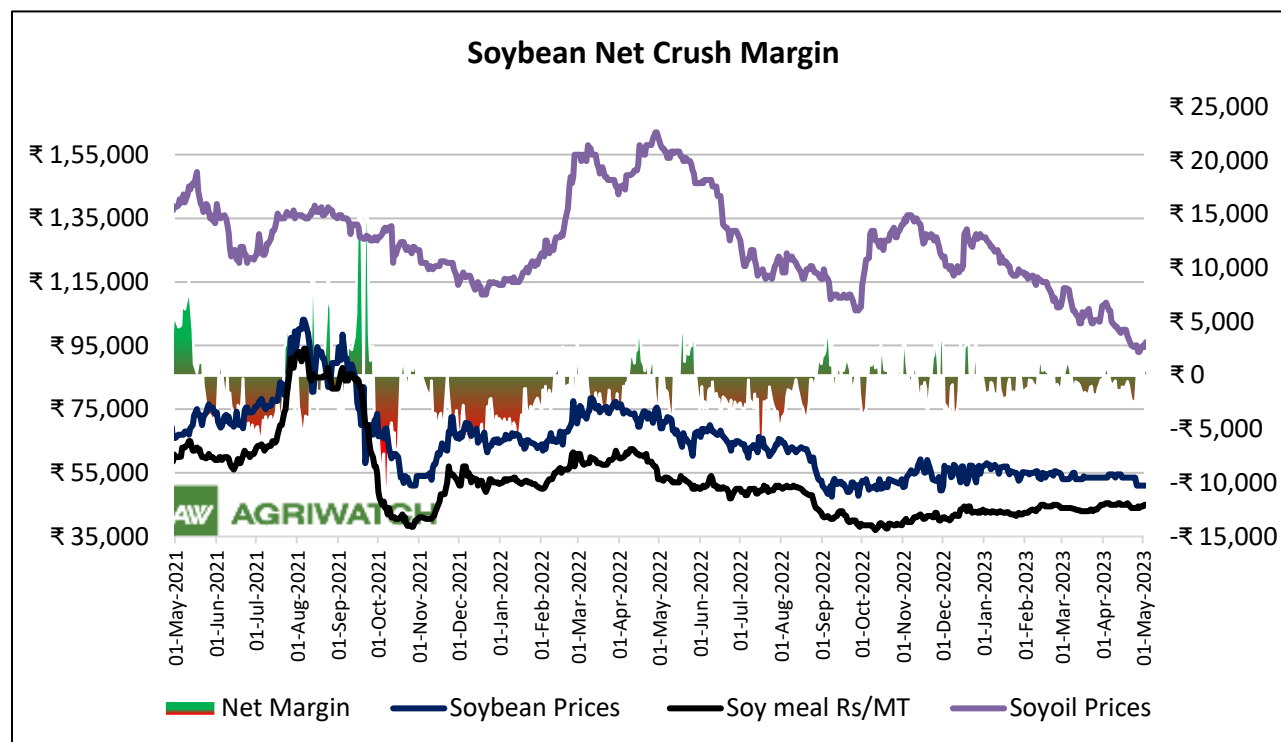
During the week under review, Soybean weekly average prices remained sideways and went marginally up by 0.42% to INR 5,467/Qtl. as compared to INR 5,444/Qtl. previous week amid week soy oil prices. Month-to-date soybean prices are stable while Year-to-date down by 5.08%, and in last one year down by 24.32%. Additionally, Indore soy oil prices declined to 2.5 years low and this week, weekly average went down by 2% to INR 965/ 10 Kg as compared to INR 982/ 10 Kg previous week.

## Weekly Soybean Arrivals



During the week under review, the total arrival in MP declined by 20% to 3 Lakh bags Vs 3.75 Lakh bags previous week. In Maharashtra arrivals recorded down to 2.8 Lakh bags vs 2.85 Lakh bags last week. In Rajasthan the arrivals recorded up to 0.74 lakh bags Vs 0.71 Lakh bags previous week. Arrivals were down, as farmers are reluctant to offload their stocks at current levels.

## Soybean Crush Margin-



Soybean net crush margin turned positive during the week under review amid decline in soybean prices. Weekly average soybean net crush margin for the period of 28th April – 05th May was in parity of INR 381/MT as compared to previous week at INR -1258/MT.

## International Update:

### 2022/23 Argentina Soybeans 28% Harvested, Yields Disappoint

As of the end of last week, the soybean harvest in Argentina had reached 28.2%, which is lower than the figures from the same period last year (32.9%) and the average (53.7%). The latest data shows an increase of 11.5% from the previous week. In the core production regions, the harvest has progressed to 40-45%, while in southern and far northern Argentina, the figures are lower, with 5-15% and 5-10% of the harvest completed, respectively. Among the early-planted soybeans, 41% has been harvested, whereas only 1.5% of the late-planted soybeans have been harvested so far. USDA has projected Argentina 2022-23 soybean production down by 38% at 27 MMT as compared to 43.90 MMT. Production went down due to heat stress.

According to the latest assessment, the soybeans have received poor to very poor ratings from 65% of the evaluators, with 32% rating them as fair and only 3% rating them as good or excellent. The percentage of good/excellent ratings remained the same as the previous week. The soil moisture conditions for the soybeans were evaluated as 52% short or very short, while 48% were considered favorable or optimum. This represents a 1% decrease in the favorable/optimum rating from the previous week.

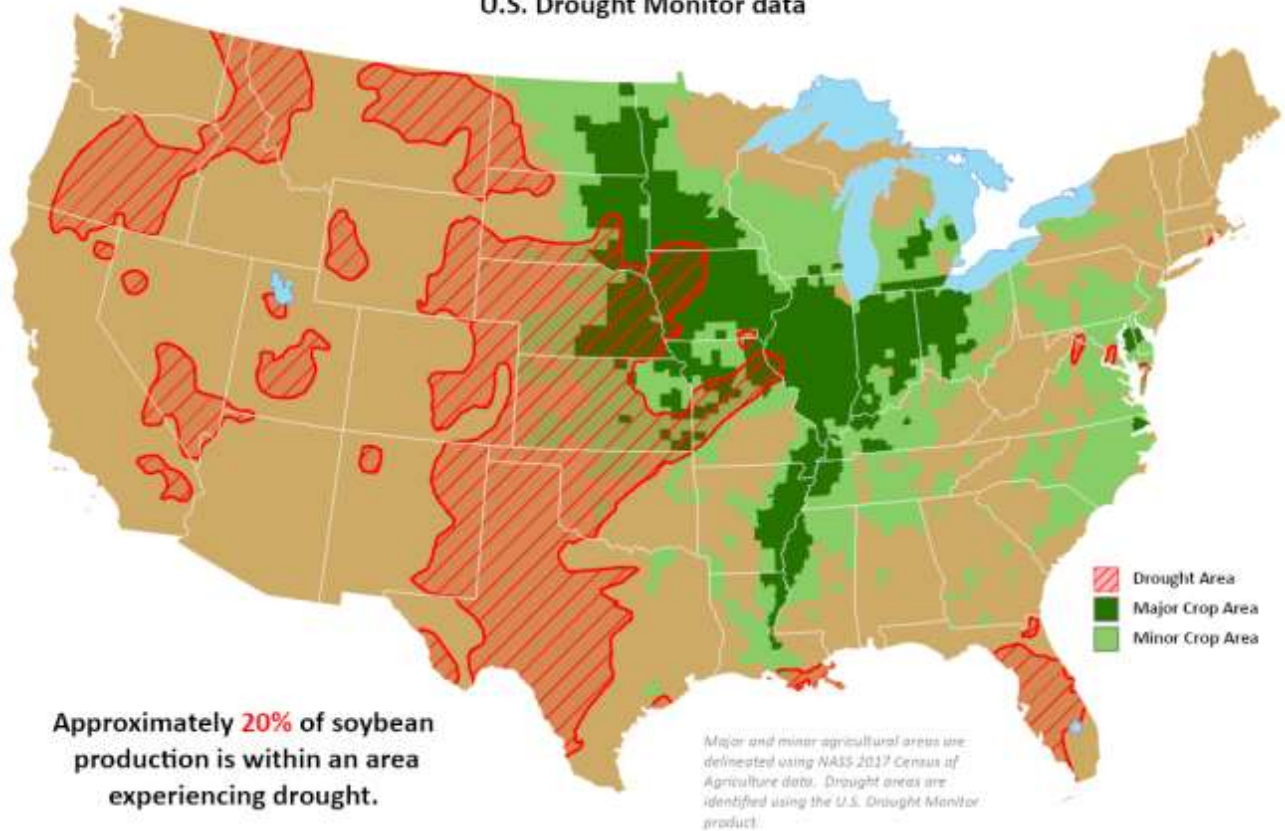
As of April 30th, 2023, the most recent report from the USDA reveals that the progress of soybean planting has increased by 10%, reaching a total of 19% completion. This surpasses the typical five-year average of 11% for this period in the year.



This product was prepared by the  
USDA Office of the Chief Economist (OCE)  
World Agricultural Outlook Board (WAOB)

### Soybean Areas in Drought

Reflects **May 2, 2023**  
U.S. Drought Monitor data



### Technical Analysis

#### US Soybean futures



As depicted in the above chart, during the week under review, US Soybean went up by 1.22% after two weeks of loss to \$14.36/bushels. 9, 18, 50 and 100 DMA can be characterized as resistance. RSI is at 43 indicating a weak market condition. MACD indicating steady momentum in short run. Over all market is expected to take support from 13.8-14 in short run and resistance at 15.50-16.00.

## Technical Analysis (Domestic market)

(Based on Indore Plant prices)



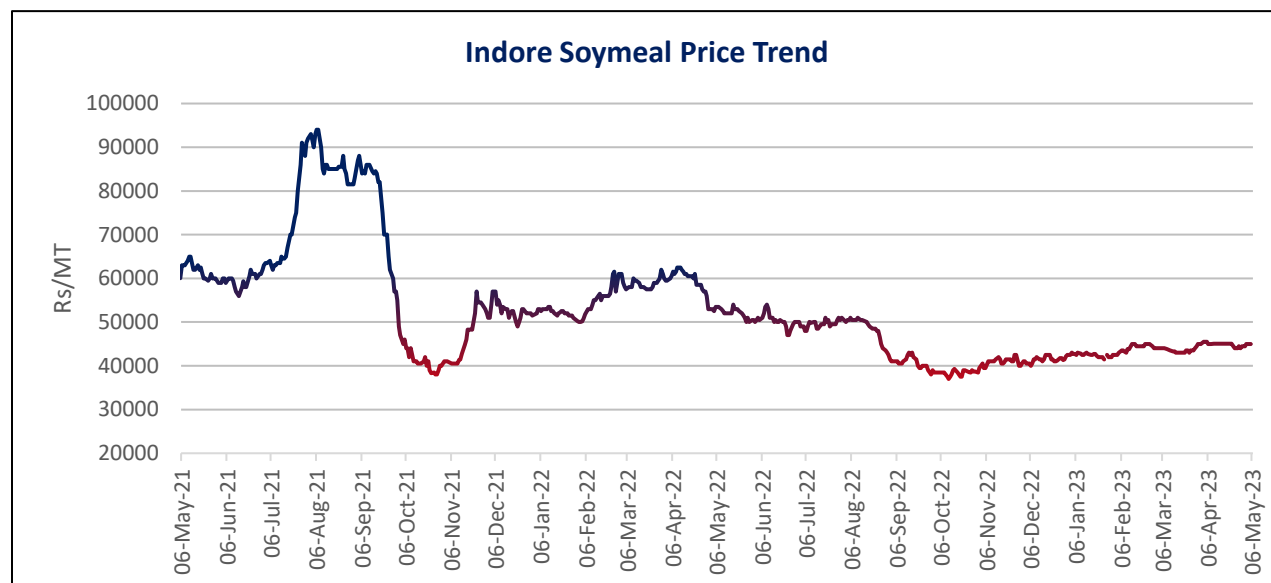


**Soybean Price Outlook for coming week:** Indore Soybean plant are currently trading at INR. 5,450/qtl. and are expected to trade range bound with weak bias in the range of INR 5,400-5,600 in short run.

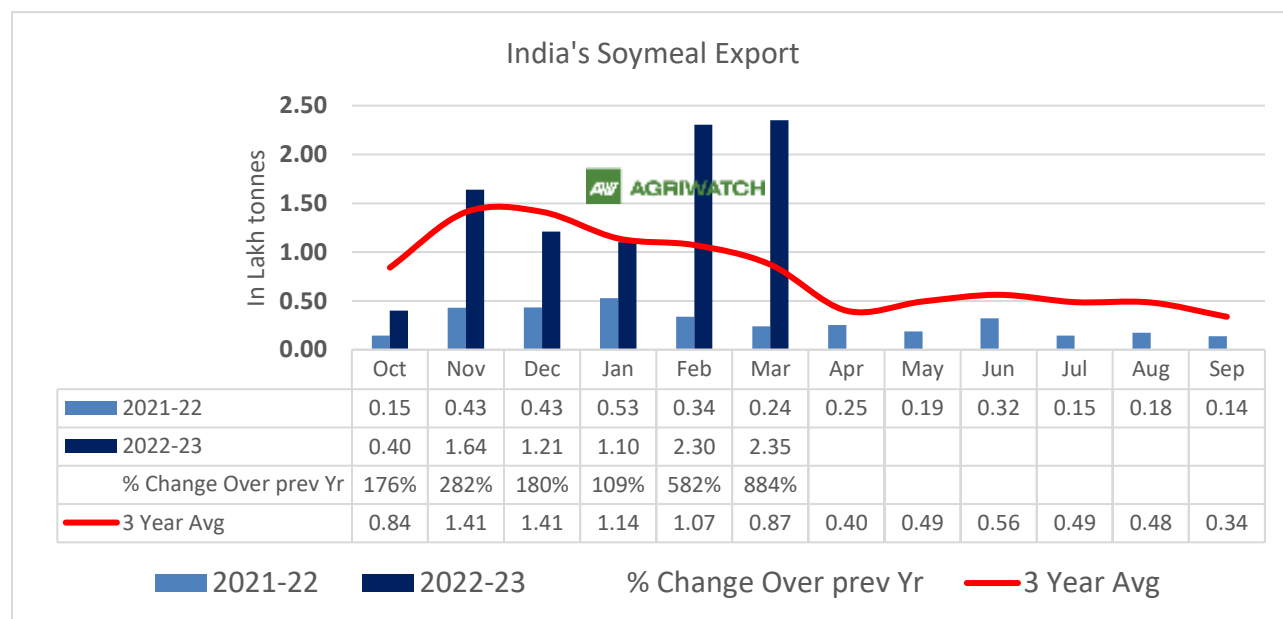


Soybean Plant Price Outlook (INR./Qtl)	Previous week 22nd Apr'23- 28th Apr'23	Week under review 29th Apr'23- 05th May'23	Next week 06th May'23- 12th May'23
Weekly Average Price	5,400-5,550	5,450-5,500	5,400-5,600

## Soymeal



During the week under review, Indore Soymeal weekly average prices went up by 1.30% to INR 44,833/MT as compared to last week at INR 44,256/ MT, amid good export demand. Month-to-date soymeal prices are up by 2.2%, Year-to-date up by 5.9%. However, in last one year down by 15.9%. Soymeal prices are currently at 14 days high, owing to good export demand.

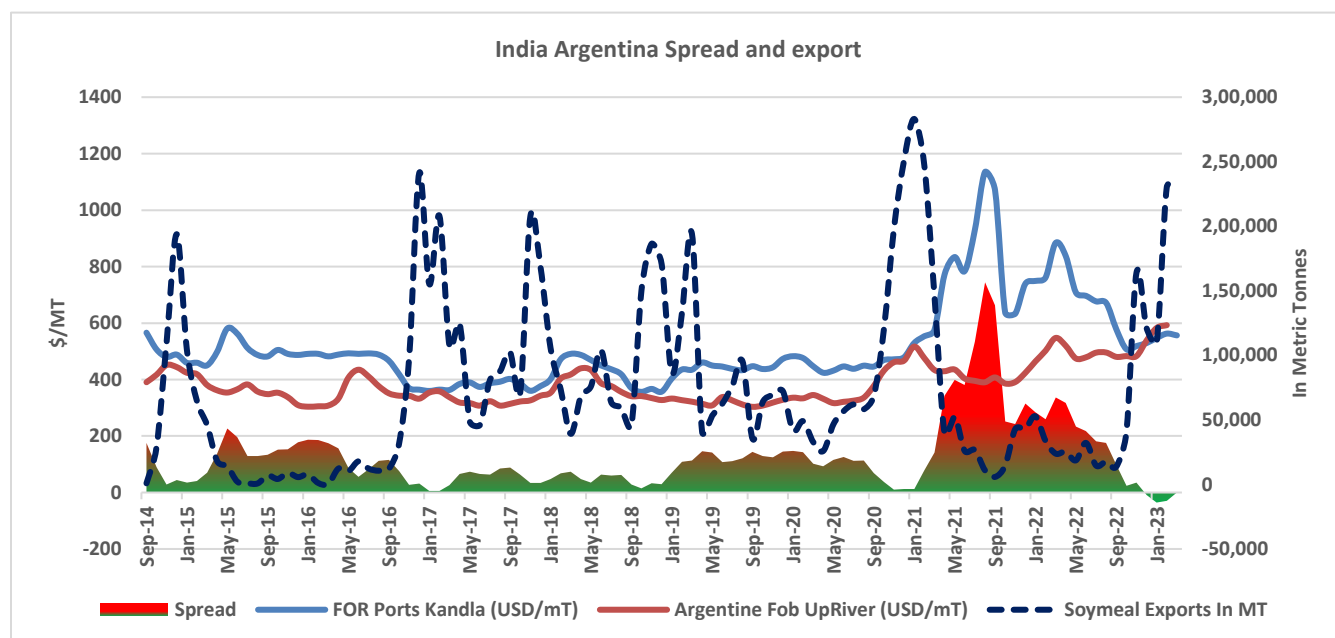


Total Soy meal exports in Oct'22- March'23 went up by 327% to 9.01 Lakh tonnes vs 2.11 Lakh tonnes previous year same period. However, Soymeal exports up by 884% to 2.35 Lakh tonnes in Mar'23 Vs 0.24



Lakh tonnes previous year same period. Soymeal exports went up for the seventh 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.

The local price of soybeans in India has dropped significantly from its peak of Rs.7640 per quintal in April 2022 to Rs.4500 per quintal, leading to increased crushing and better price parity. As a result, the export of soybean meal has become attractive in the last six months. Currently, as of May 04<sup>th</sup>, 2023, Indian soybean meal is quoted at US\$ 571 per ton Ex-Kandla, while Argentina soybean meal is quoted at US\$ 522 per ton Ex-Rotterdam. India has a logistic advantage in supplying soybean meal to Southeast Asia in small lots, which is its major consumer. Additionally, Indian Soybean Meal is Non-GMO, giving it an advantage and making it the preferred choice for certain European countries and the USA. The depreciation of the rupee has also contributed to the overall export growth. As a result, India's export of soybean meal has rebounded since the new crop season in November 2022, with reported shipments of 860,902 tons, compared to just 196,614 tons in the same period the previous year (Nov.'21-Mar.'22).

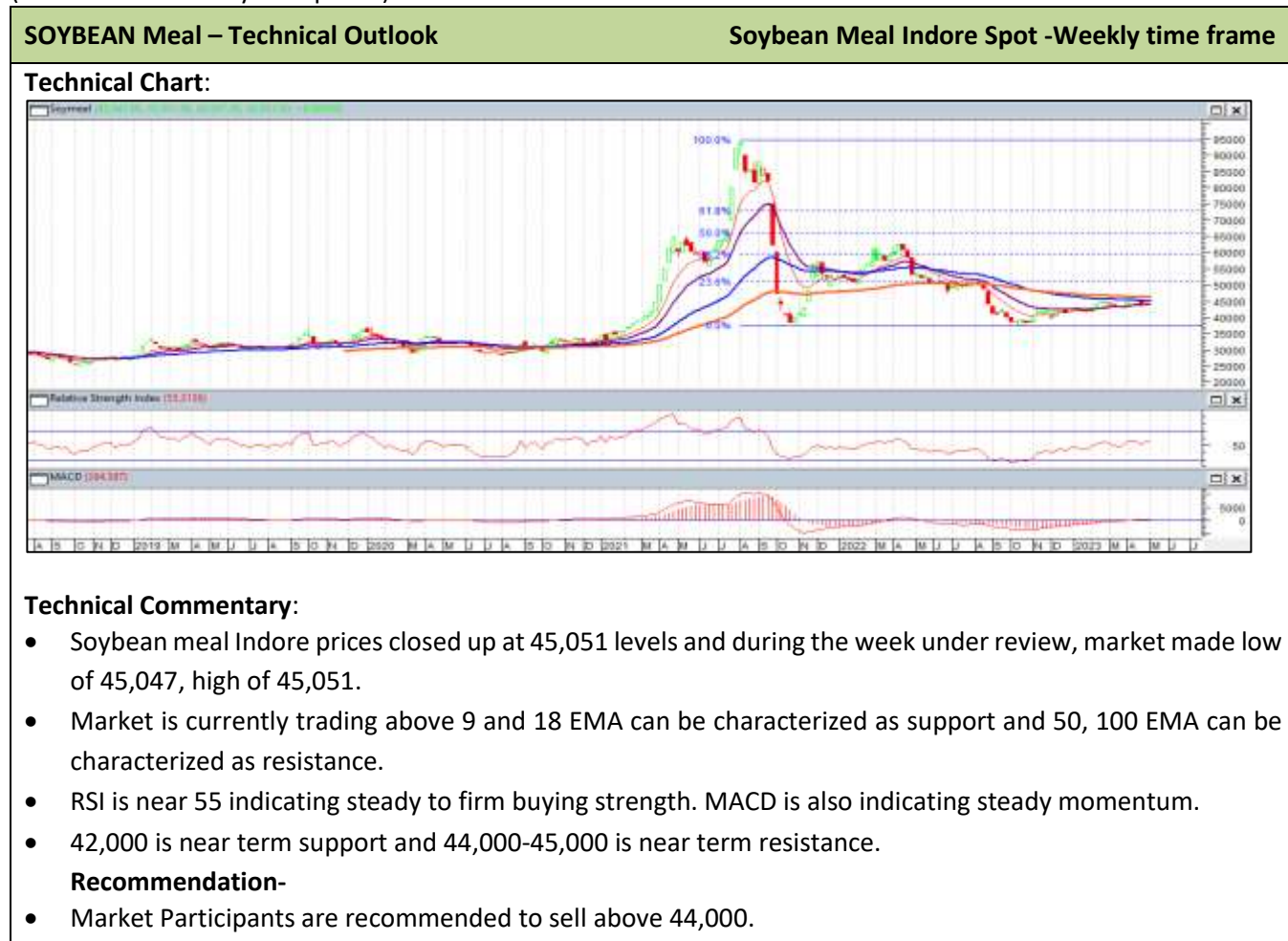


It can be depicted from the above chart, that soymeal export demand jumps when spread between Argentina FOB and FOR kandla minimizes. The same can be seen in the past.

During the week under review, currently, Indian Soymeal FOB average prices stood at \$571/MT, Argentina Soymeal FOB prices trading at \$522/MT Ex-Rotterdam and spread stands at \$49/MT. Upon increase in spread, soymeal export demand likely to get affected if it continues for long duration.

## Technical Analysis (Domestic market)

(Based on Indore Soymeal prices)

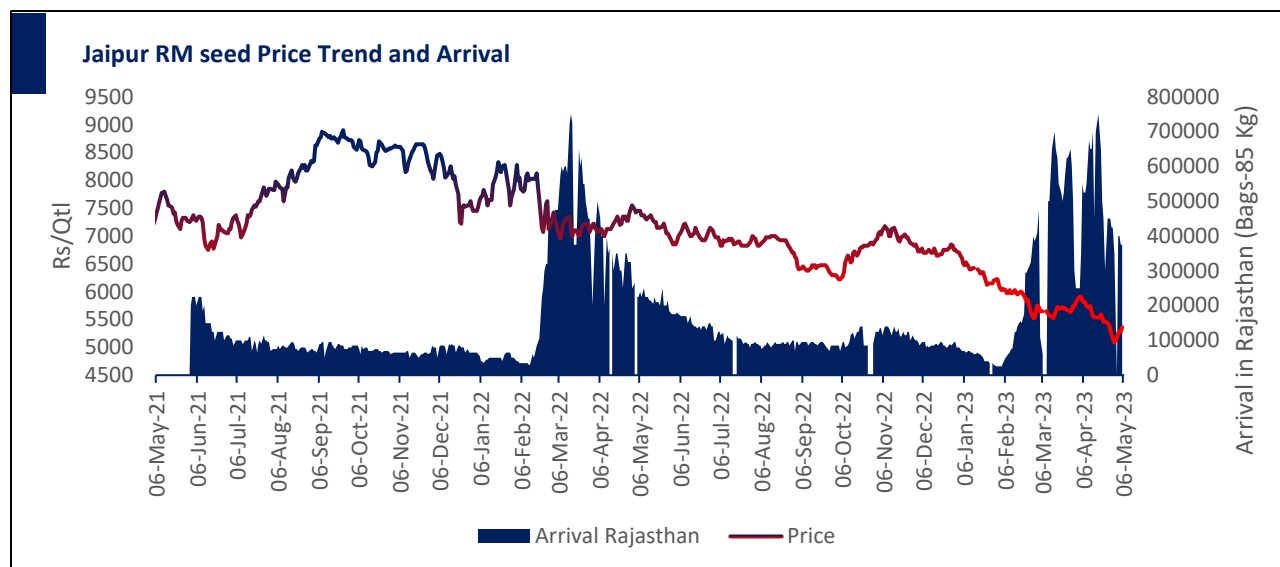


**Soymeal Price Outlook for coming week:** Soybean meal prices are expected to trade sideways with slightly weak bias. Revival in soymeal export demand likely to support soy meal prices.

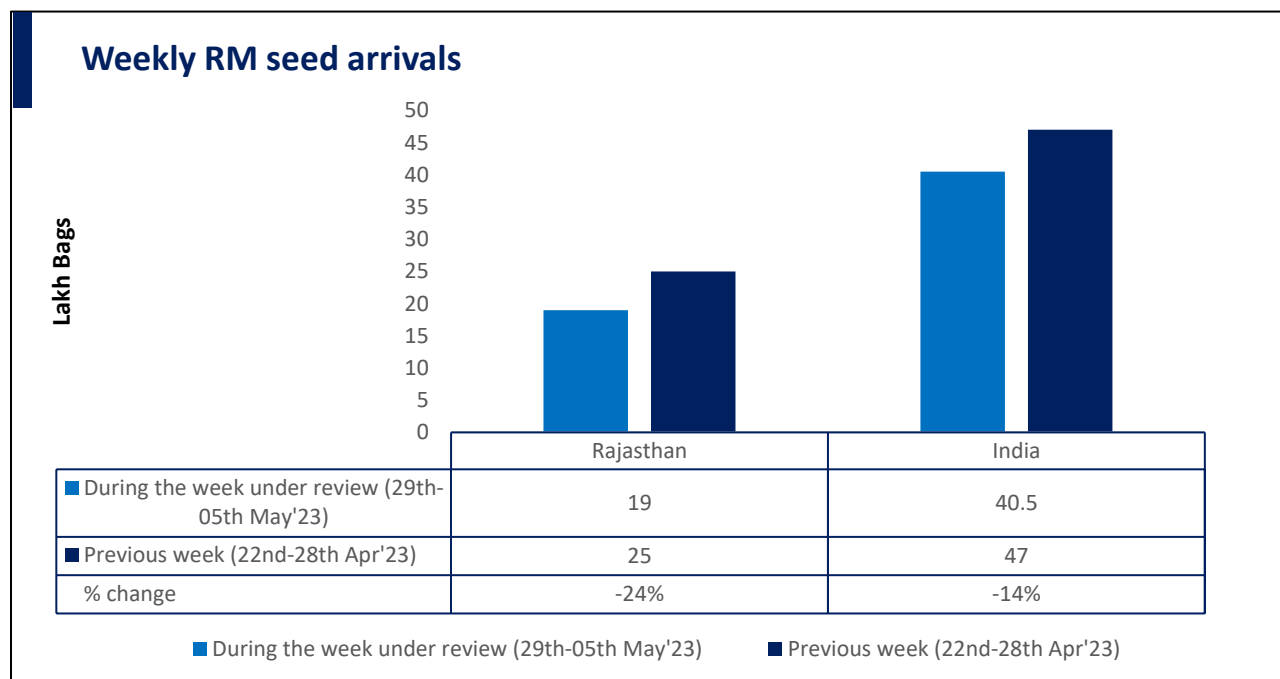


Soymeal Indore Price Outlook (INR./MT)	Previous week 22nd Apr'23- 28th Apr'23	Week under review 29th Apr'23- 05th May'23	Next week 06th May'23- 12th May'23
Weekly Average Price	44,000-44,500	44,500-45,000	43,000-45,000

## Rapeseed - Mustard Seed



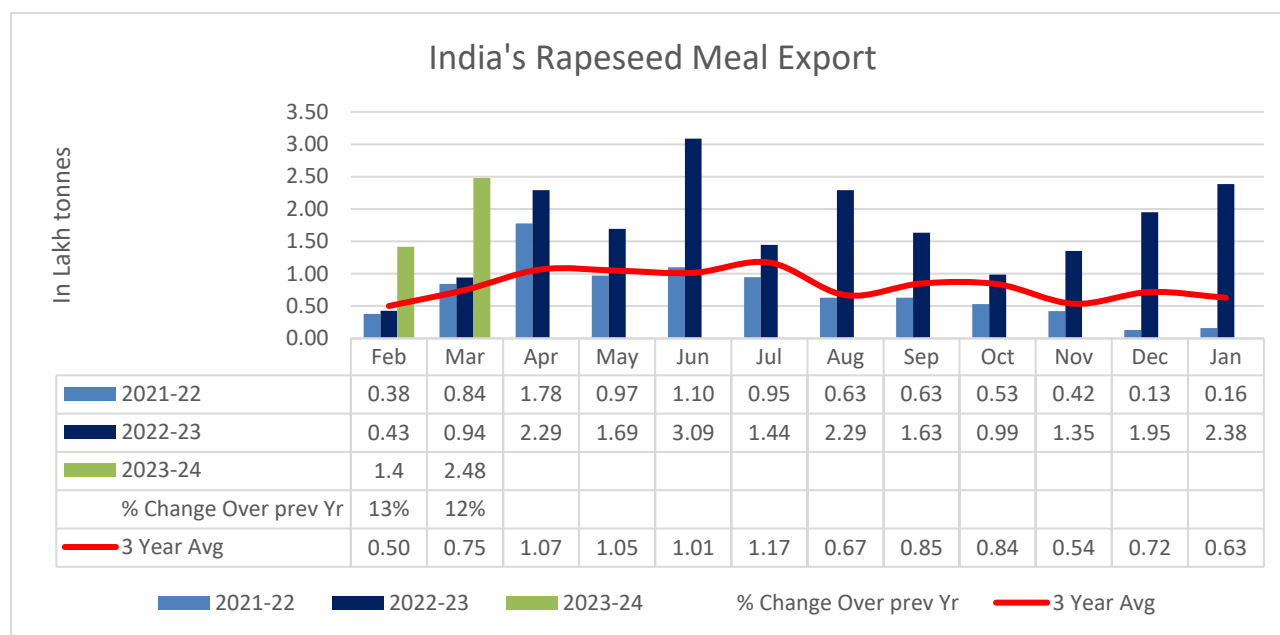
During the week under review, Jaipur RM seed weekly average prices declined for four straight weeks and this week went down by 2% to INR 5,242/Qtl. as compared to previous week's INR 5,338/Qtl. amid weak demand from millers and decline in mustard oil prices which declined by 3%, to INR 943/10 Kg, down from INR 970/10 Kg. However, the in Month-to-date, RM seed prices show a 3.9% increase, the year-to-date prices have decreased by 20% due to record production, weak demand and global bearish cues like.



During the week under review, RM Seed arrivals declined. Arrivals in Rajasthan recorded down by 24% to 19 Lakh bags as compared to 25 lakh bags previous week. All India arrivals too went down by 14% to 40.5 Lakh bags Vs 47 Lakh bags previous week. As per Agriwatch primary sources, upon disparity, most of the expeller are shut and only few kacchi ghani are operational. Framers are reluctant to offload their stock at current levels in anticipation of better prices in future. And millers are buying as per their daily need for crushing.

As per NAFED latest report, a total of 4.60 Lakh Metric tonnes of Mustard have been procured in four states, namely Haryana (3.47 Lakh tonnes), Madhya Pradesh (0.6 Lakh tonnes), Gujarat (0.22 Lakh tonnes), and Rajasthan (0.30 Lakh tonnes).

## INDIA'S RAPESEED MEAL EXPORT



There is a significant jump in export of rapeseed meal in Mar'23 and reported at 2.48 Lakh tons compared to 0.94 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 down to 5,362, made low of 5,162, high of 5,437.
- Market is currently trading below 9, 50 and 100 DMA and can be characterized as resistance. And market is trading above support level of 5000.
- RSI has declined to below 30 indicating weak buying strength. MACD is indicating weak momentum.
- Immediate support is at 5,000 and immediate resistance is at 5,500.

#### Recommendation-

Market participants are recommended to wait to sell above 5,500.

## 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 tones per hectare, compared to 1.54 t/ha in 2021-2022, due to drought relief. The estimated production is 18.2 million tones, as per Statistics Canada. Saskatchewan led production with 9.5 million tones, followed by Alberta with 5.6 million tones and Manitoba with 2.9 million tones. Total supply is estimated at 19.1 million tones, 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 tones, and crush volume increases to 9.5 million tones from 8.6 million tones 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)

#### ICE Canola – Technical Outlook

#### ICE Canola -Weekly time frame

##### Technical Chart:

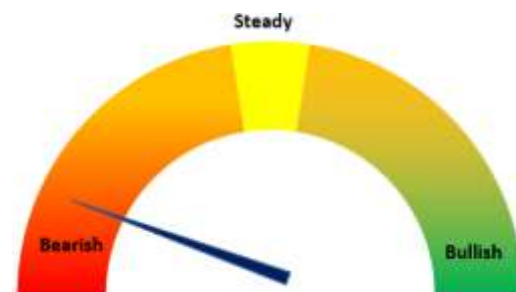
##### Technical Commentary:



- As depicted in the above chart, market has witnessed marginal gain and went up by 4.21% to 784 as compared to previous week at 752. Market made low of 747 and high of 748.
- Market is currently trading below 9, 18, 50 and 100 DMA and can be characterized as resistance.
- RSI is below 40 indicating weak buying strength and MACD is indicating steady to weak momentum.
- Immediate support is at 720 and immediate resistance is at 800.

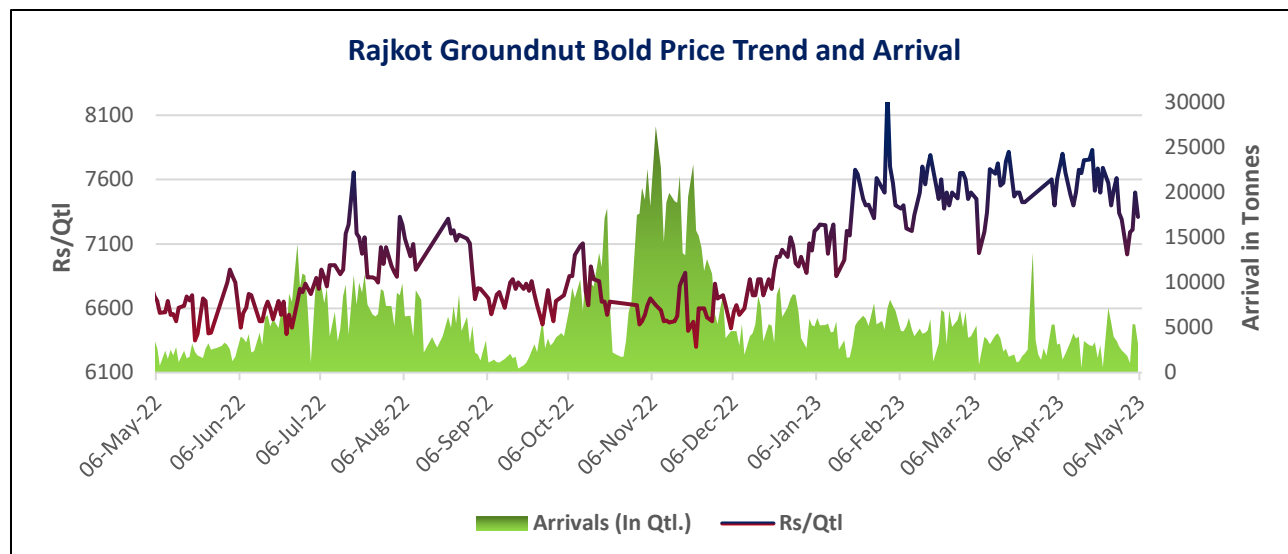


**RM seed Price Outlook for coming week:** In upcoming week RM Seed is expected to trade with weak bias amid weak demand from millers tracking disparity, decline in mustard oil. However, procurement from NAFED will limit the fall.



Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 22nd Apr'23- 28th Apr'23	Week under review 29th Apr'23- 05th May'23	Next week 06th May'23- 12th May'23
Weekly Average Price	5,163-5,463	5,088-5,363	5,200-5,500

## Groundnut



During the week under review, Rajkot market weekly average prices went down by 3.58% to INR 7,253/Qtl. amid decline in groundnut oil prices tracking demand substitution to discounted edible oils. The weekly average prices of groundnut oil declined by 2% at INR 1,604 from 1,629/10 Kg. All India arrivals decreased by 19% to 0.19 Lakh tones as compared to 0.23 Lakh tones previous week.

### Technical Analysis

(Based on Rajkot GN Bold Mandi prices)



## Technical Commentary:

- As depicted in the above chart, during the week under review, market closed down to 7,310 made low of 7,020, high of 7,500.
- Market is trading below 9 and 18 DMA, and 61.8% Fibonacci retracement level can be characterized as immediate support.
- RSI has declined to 50 indicating weakening buying strength, However, MACD is indicating weakening momentum.
- Immediate support is at 7,300, next support is at 7,000 and immediate resistance is at 7,500, next resistance is at 7,800.

## Recommendation-

Market participants are recommended to sell above 7500.

**Groundnut Price Outlook for coming week:** Rajkot groundnut bold prices expected to remain elevated amid lower availability in the market and good demand, However, decline in groundnut oil prices may drag groundnut seed prices lower.



Rajkot Groundnut Bold Price Outlook (INR./Qtl)	Previous week 22nd Apr'23- 28th Apr'23	Week under review 29th Apr'23- 05th May'23	Next week 06th May'23- 12th May'23
Weekly Average Price	7,340-7,690	7,020-7,500	7,000-7,600

## Annexure

Oilseed Prices at Key Spot Markets:					
Commodity / Centre	% Change over previous week	Today	Week Ago	Month Ago	Year Ago
<b>Soybean</b>		<b>05-May-23</b>	<b>28-Apr-23</b>	<b>05-Apr-23</b>	<b>5-May-22</b>
Indore –Plant	2%	5600	5500	5650	7500
Indore–Mandi	1%	5400	5350	5400	7350
Nagpur-Plant	0%	5200	5200	5500	7200
Nagpur – Mandi	-	Closed	4780	5325	6760
Latur – Mandi	-	Closed	Closed	5390	6900
Akola – Mandi	-	Closed	Closed	5315	6800
Kota-Plant	1%	5450	5400	5600	7400
Kota – Mandi	1%	5250	5200	5400	7350
Bundi-Plant	4%	5300	5100	5500	7300
Bundi-Mandi	7%	5150	4800	5200	7000
Baran-Plant	0%	5500	5500	5500	7400
Baran-Mandi	2%	5300	5200	5400	7200
Bhawani Mandi Jhalawar–Plant	2%	5500	5400	5650	7200
Jhalwar-Mandi	2%	5350	5225	5500	7100
<b>Rapeseed/Mustard</b>					
Jaipur-(Condition)	4%	5375	5175	5850	7450
Alwar-(Condition)	5%	5100	4850	5500	7200
Sri Ganganagar-(Non-Condition)	3%	4850	4725	5200	6940
New Delhi–(Condition)	3%	5150	5000	5650	7250
Kota-(Condition)	4%	5200	5000	5500	7100
Agra-(Condition)	5%	5619	5333	5952	7524
Neewai-(Condition)	4%	5150	4950	5500	7200
Hapur (UP)-(Condition)	2%	5200	5100	5500	7200
<b>Groundnut Seed</b>					
Rajkot	0%	7310	7340	7600	6695
Bikaner	0%	7400	7400	7500	6500
<b>Groundnut (Bold Without shell 40/50)</b>					
Bikaner	0%	11200	11200	11000	9500



Sunflower Seed					
Maharastra/Karnataka	0%	6200	6200	6000	0
Soybean Prices are in INR/qtl. (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/100 kg, Sunflower Seed in Rs/qtl.					

		Today	Week Ago	Month Ago	Year Ago
<b>Other Oilseed Prices at Mumbai (INR/100 Kg):</b>					
Oilseeds	Change	5-May-23	28-Apr-23	5-Apr-23	5-May-22
Groundnut Kernel	1%	8250	8150	8600	8300
Gr. Bolds 60/70	3%	9750	9450	10000	8750
Gr. Javas 60/70	3%	11050	10750	11300	9850
Gr Javas 70/80	3%	10750	10450	11000	8850
Gr.Javas 80/90	3%	10550	10250	10800	9350
KardiSeed 2% Exp Qly	0%	4500	4500	4800	5500
Sesame White 98/2/1 FM	0%	13400	13400	12900	10000
Whitish 95/5/FFA/1FM	0%	13200	13200	12700	9800
Brown 48/2 FFA/4 FM	0%	12600	12600	12100	9400
Brown 48/3 FFA/4 FM	0%	12400	12400	11900	9100
Brown 48/4 FM/* No FFA Guarantee	0%	12000	12000	11500	8800
Sunflower Seed	0%	5800	5800	6400	6800
Niger Seed (4% FM)	0%	9800	9800	9200	8400

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