



# Oil seed Weekly Research Report

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## Executive Summary

The weekly average prices of Soybean Indore plant went marginally down by 0.34% to INR 5,191/ Qtl. amid sideways movement in soy oil prices.

The weekly average prices of Indore soymeal remained sideways and went down by 0.87% to INR 43,767/MT. amid disparity.

During the week under review, Jaipur RM seed weekly average prices remained sideways and went marginally down by 0.89% to INR. 5,125/qtl amid decline in mustard oil prices.

Weekly average prices for Groundnut (bold), Rajkot remained sideways and went down by 0.95% to INR 7,610/Qtl. amid good demand.

## Outlook – Cash Market

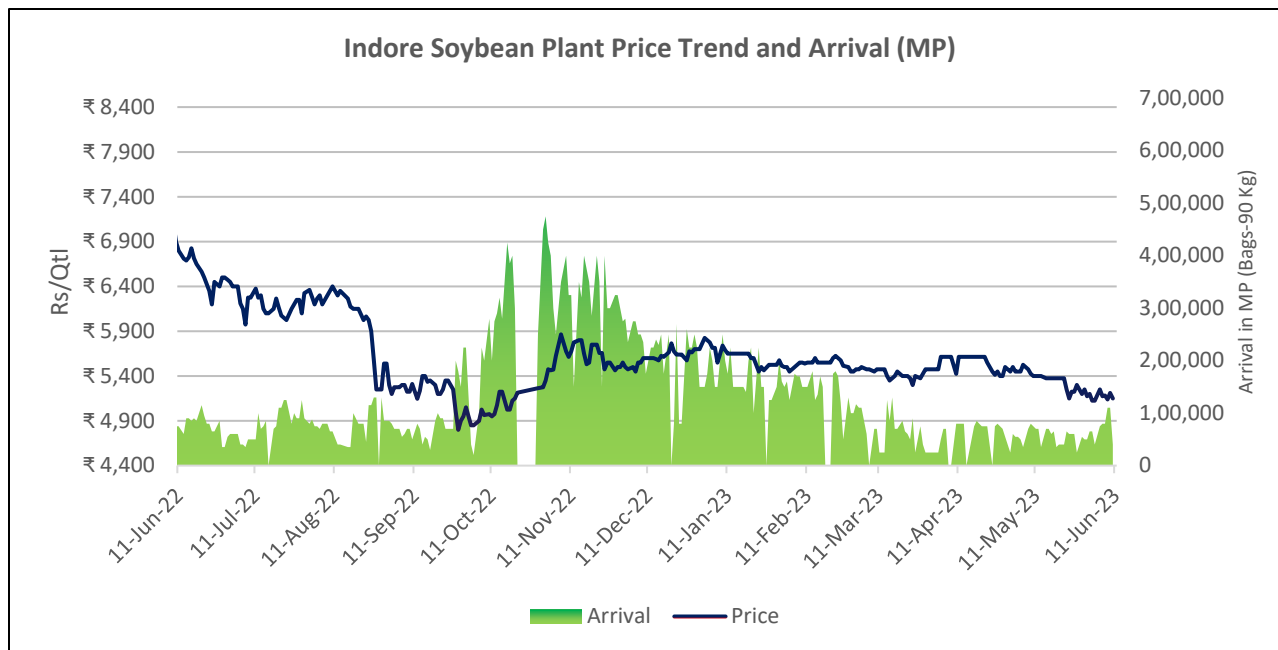
**Outlook - Soybean (Spot Indore):** During the upcoming week, it is anticipated that soybean will maintain a weak bias due to decline in soy oil prices. It is expected that the prices at Indore Mills, will range between 5,000-5,400 levels in the short term.

**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. The prices of soy meal Indore are expected to remain within the range of 41,000-44,000 per metric ton.

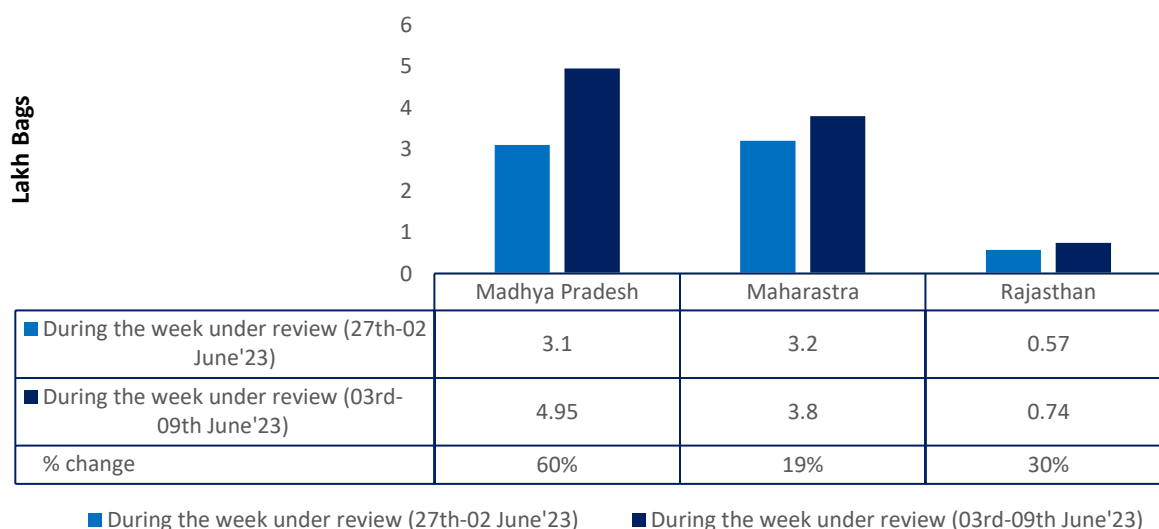
**Outlook - Rapeseed-Mustard (Spot, Jaipur basis):** In the upcoming week, it is anticipated that Rapeseed-Mustard will trade with weak bias tracking weak demand from millers. The prices of seeds are projected to remain within the range of 5,000-5,300 per quintal.

## Soybean



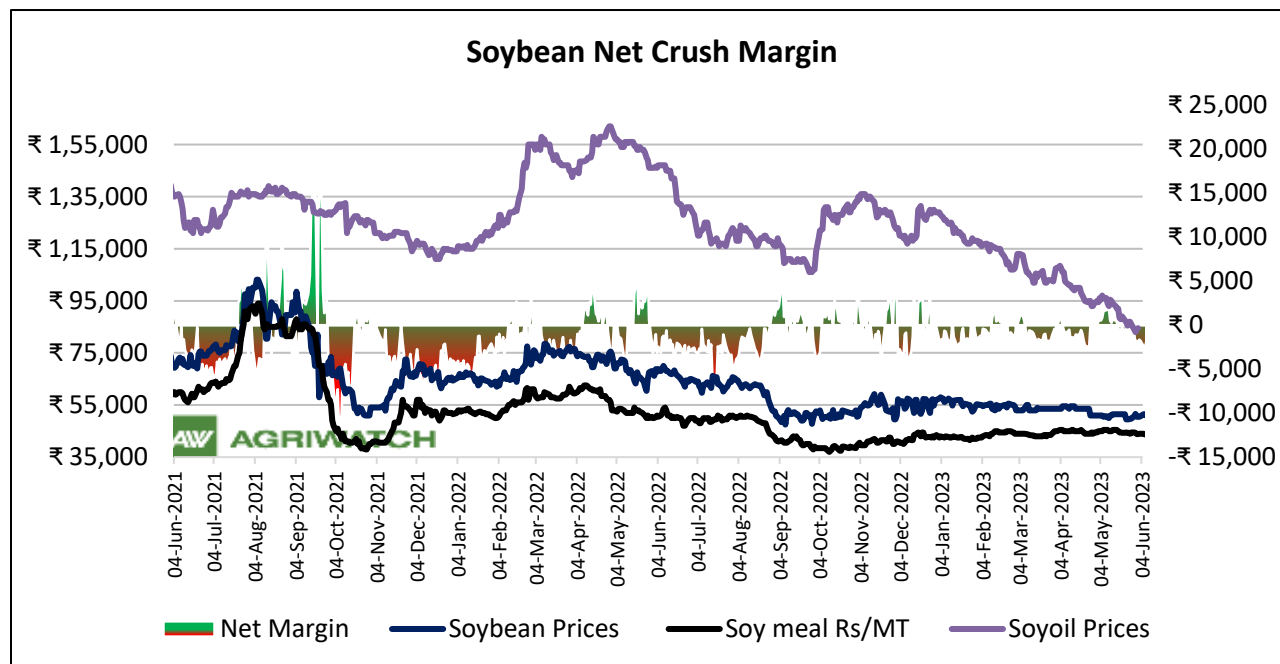
During the week under review, Soybean weekly average prices remained sideways and went marginally down by 0.34% to INR 5,191/Qtl. as compared to INR 5,208/Qtl. previous week amid sideways movement in soy oil prices. Month-to-date soybean prices are marginally up by 0.38%. while Year-to-date down by 9.14%, and in last one year down by 24%. Additionally, soy oil prices declined to 2.5 years low and this week, weekly average prices increased marginally by 0.21% to INR 891/10 Kg as compared to INR 889/ 10 Kg previous week.

## Weekly Soybean Arrivals



During the week under review, the total arrival in MP increased by 60% to 4.95 Lakh bags Vs 3.1 Lakh bags previous week. In Maharashtra arrivals increased to 3.8 Lakh bags as compared to last week at 3.2 Lakh bags. In Rajasthan the arrivals recorded up to 0.74 lakh bags Vs 0.57 Lakh bags previous week.

## Soybean Crush Margin-



During the week under review Soybean net crush margin remained squeezed amid decline in soy meal prices. Weekly average soybean net crush margin for the period of 4th May – 09th June was in disparity of INR - 2141/ MT as compared to previous week at INR -1404/MT.

## International Update:

In Argentina, the total soybean production is expected far below the previous year's yield at just 21 million metric tonnes. Although Argentina is the world's leading exporter of soybean, but due to an unprecedented drought that commenced last year, expectations for the 2022/2023 harvest have been reduced by half.

As of 4th June, 2023, the most recent report from the USDA reveals that the progress of soybean planting has reached a total of 91% completion vs 76% previous year same period. This surpasses the typical five-year average of 76% for this period in the year.

Brazil is poised to export a minimum of 200,000 metric tons (mt) of soybeans to the United States from the last weeks of May to the beginning of June. Brazil ships some quantities of soybeans to the US, particularly during the summer months in the northern hemisphere. However, this year's bilateral trade is anticipated to surpass the usual levels due to Brazil's exceptional soybean crop, which has resulted in highly competitive prices in the South American nation. If all the cargoes and volumes are confirmed, the total Brazilian soybean

exports to the US during this time frame would exceed 200,000 mt. This is in addition to the 46,153 mt shipped from January to April, according to Brazil's customs data. As a result, this year's soybean trade between the two countries is already poised to be the largest since 2014, when Brazil set a record by exporting over one million mt of soybeans to the US.

As of the end of last week, the soybean harvest stood at 78%, which is lower compared to 91% at the same time last year and the average of 92%. This indicates a weekly progress of 9%. In the primary soybean production regions, the harvest is nearing completion, with approximately 95% of the crop already collected.

## Technical Analysis

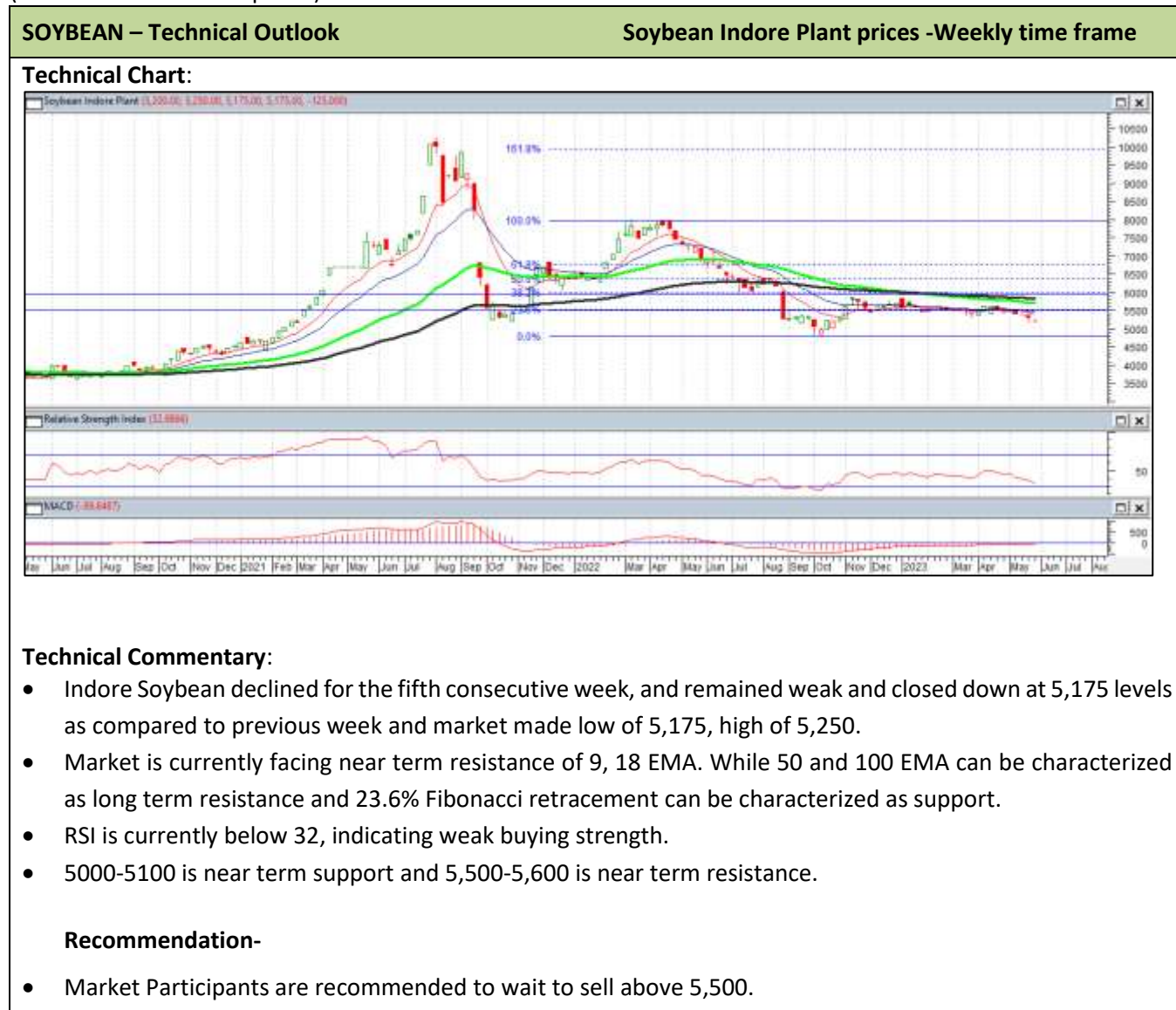
### US Soybean futures



As depicted in the above chart, US Soybean went up for the three consecutive weeks and during the week under review, US Soybean (Most active contract) went up by 2.51% to \$13.86/bushels. 9, 18, 50 and 100 DMA can be characterized as resistance. RSI has rebounded to 44 indicating a weak buying strength. MACD indicating weak momentum in short run. Over all market is expected to take support from 12.5-13 in short run and resistance at 14.5-15.00.

## Technical Analysis (Domestic market)

(Based on Indore Plant prices)

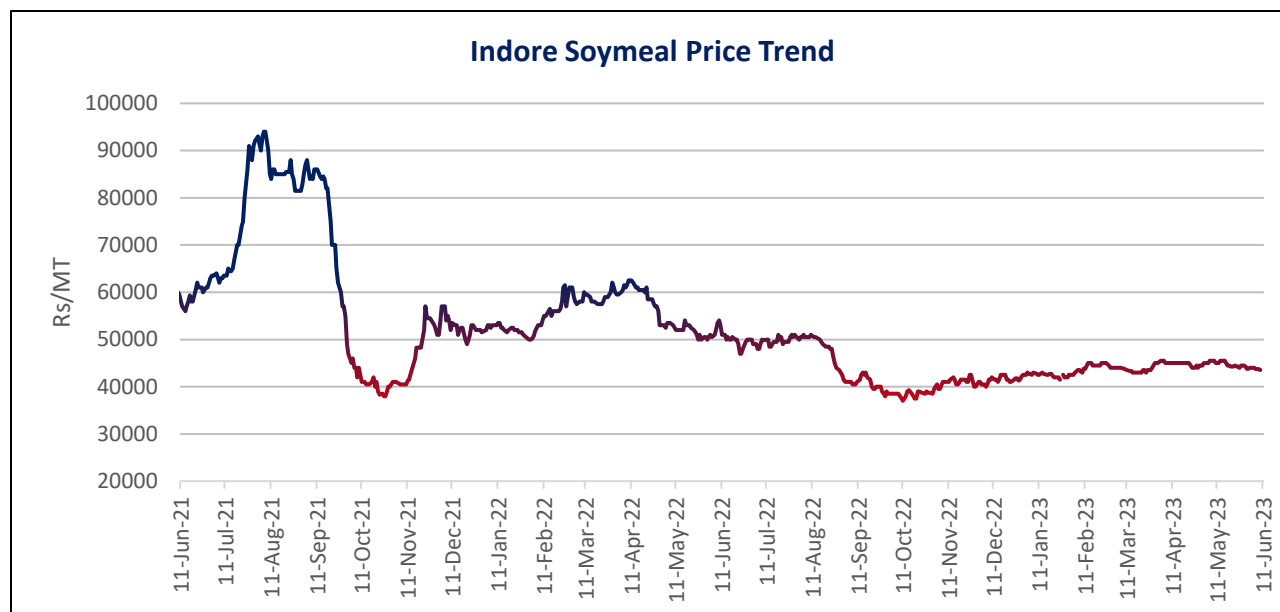


**Soybean Price Outlook for coming week:** Indore Soybean plant are currently trading at INR. 5,210/qtl. and are expected to trade range bound with weak bias in the range of INR 5,100-5,400 in short run amid weaker soy oil prices.

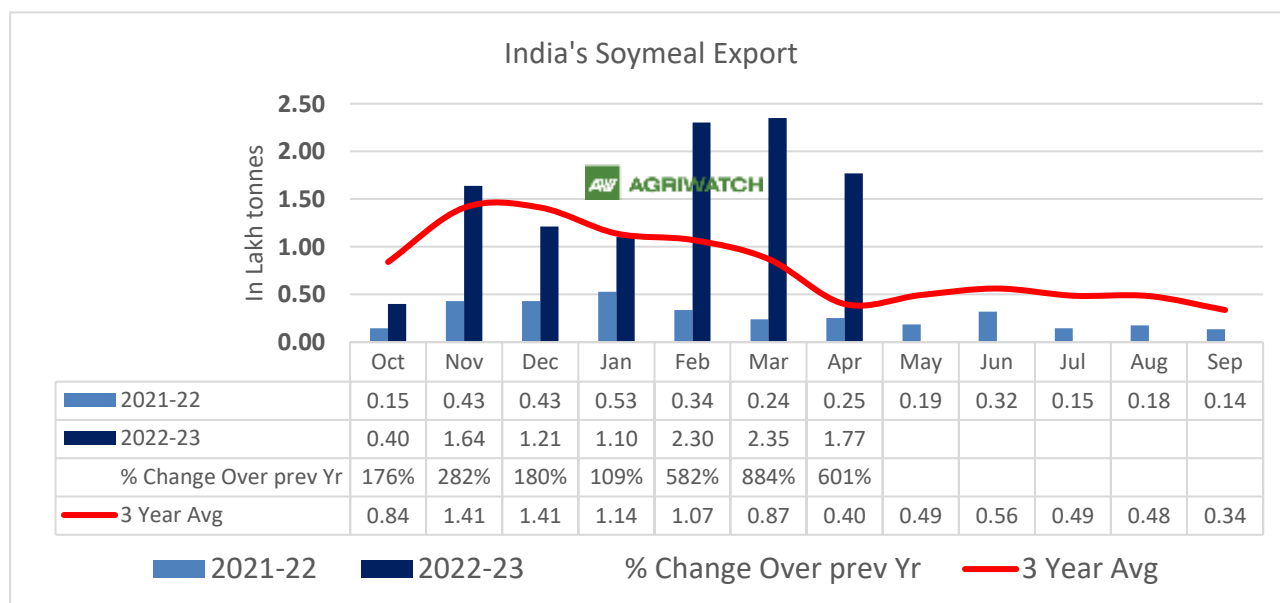


Soybean Plant Price Outlook (INR./Qtl)	Previous week 27th May'23- 2nd June'23	Week under review 3rd June'23- 9th June'23	Next week 10 <sup>th</sup> June'23- 16th June'23
<b>Weekly Average Price</b>	5,125-5,300	5,125-5,250	5,000-5,400

## Soymeal



During the week under review, Indore Soymeal weekly average prices went marginally down by 0.87% to INR 43,767/MT as compared to last week at INR 44,150/ MT, amid weak soy oil prices and disparity. Month-to-date soymeal prices are marginally down by 0.7%. Year-to-date up by 2.4%. However, in last one year down by 14%.



India's overall export of oilmeals experienced a remarkable growth of 48.47 percent in April, driven by a surge in soymeal exports. According to data from the Solvent Extractors' Association (SEA) of India, the country

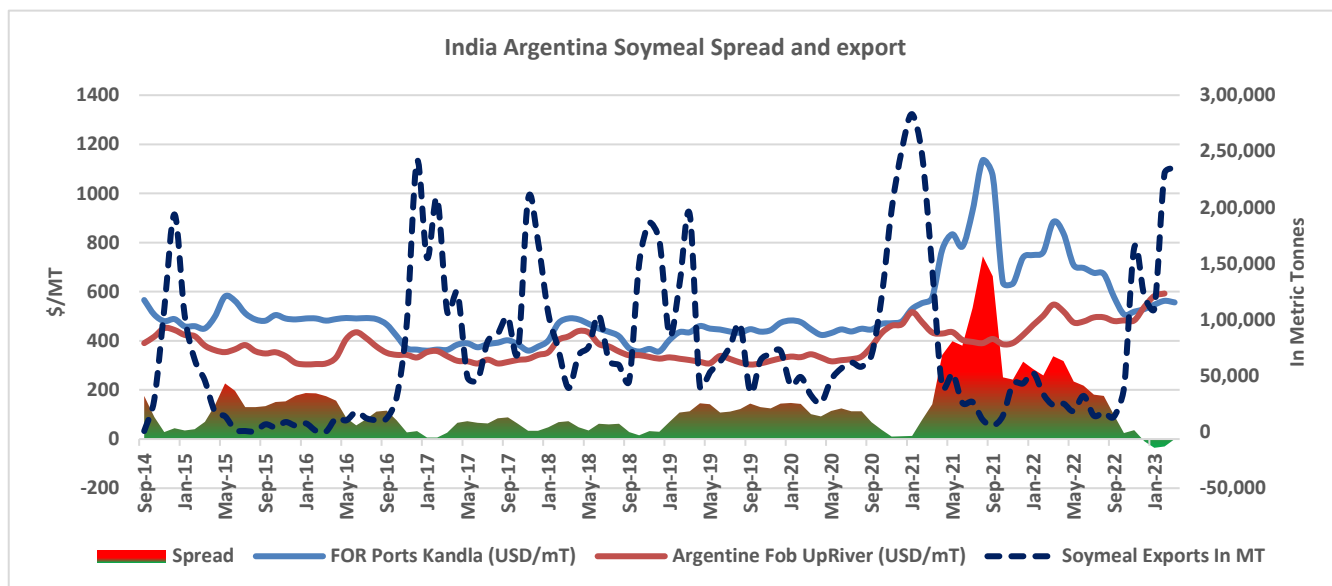


exported 4.93 lakh tonnes (lt) of oilmeals in April 2023, a significant increase from 3.32 lt during the same period in 2022.

BV Mehta, the Executive Director of SEA of India, pointed out that the price of soybeans has dropped to around INR 4,550 per quintal from its peak of INR 7,640 per quintal in April 2022. This decline has made the export of soybean meal more attractive over the past seven months.

In April 2023, India exported 1.77 LT of soybean meal, compared to 24,937 tonnes in April 2022. The export of soybean meal has become attractive in the last six months. Currently, as of 9<sup>th</sup> June 2023, Indian soybean meal is quoted at US\$ 569 per ton Ex-Kandla, while Argentina soybean meal is quoted at US\$ 499 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, as on 09<sup>th</sup> June, Indian Soymeal FOB prices stood at \$569/MT, Argentina Soymeal FOB prices trading at \$499/MT Ex-Rotterdam and spread stands at \$70/MT.



## 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 meal Indore prices closed down at 43,000 levels and during the week under review, market made low of 43,800, high of 44,000.
- Market is currently trading above 18 EMA can be characterized as support and 9, 50, 100 EMA can be characterized as resistance.
- RSI is near 49 indicating steady buying strength. MACD is also indicating steady momentum.
- 40,000 is near term support and 44,000-45,000 is near term resistance.

#### Recommendation-

- Market Participants are recommended to sell above 44,000.

According to latest report from USDA, Global soybean meal consumption is anticipated to increase by 4% in 2023/24, supported by ample supplies, which is higher than the 1% growth forecasted for this year. China is expected to contribute almost one-third of the global consumption growth, following several years of relatively stagnant soybean meal consumption. Additionally, exports are projected to rise by 6% due to a recovery in Argentina crush following improved soybean production prospects, as well as increased supplies in Brazil and the United States. However, Argentina's share of global trade is expected to remain below the 5-year average due to intensified competition from Brazil and the United States.

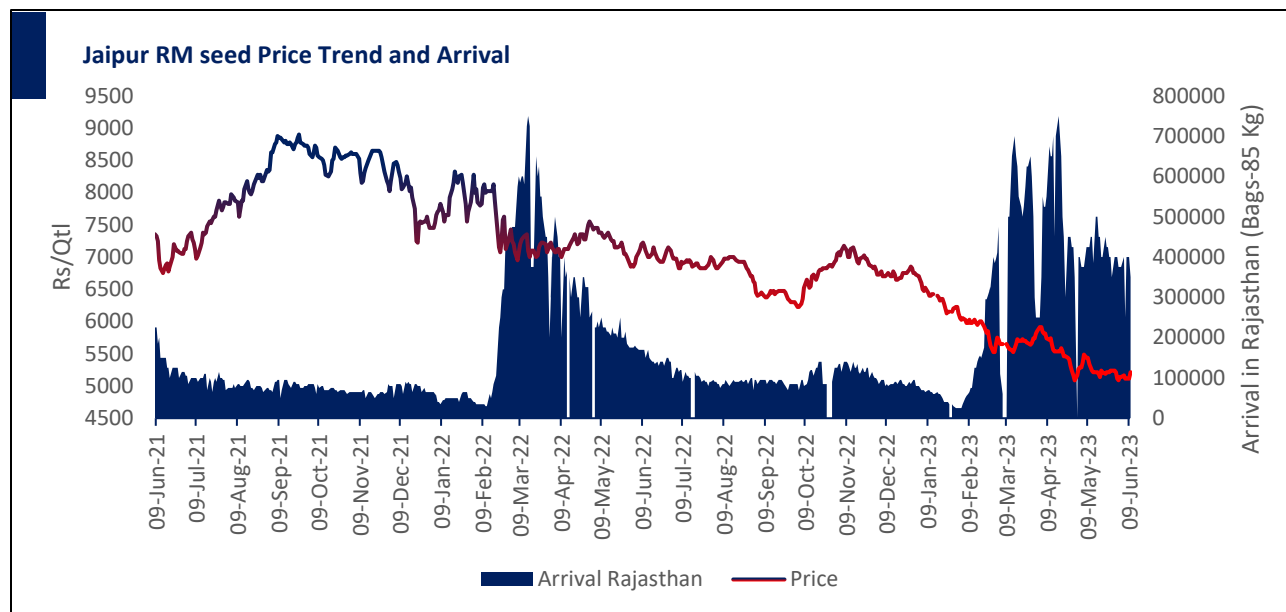
According to USDA Apr'23 report, India's 2023/24, Soybean crush is estimated to be at 9.8 MMT as compared to previous year at 9.9 MMT and country's domestic Soymeal consumption is estimated to be at 7.15 MMT Vs 6.72 MMT previous year. Moreover, Soymeal exports is projected at 0.8 MMT as compared to 1.45 MMT previous year.

**Soymeal Price Outlook for coming week:** Soybean meal prices are expected to trade sideways with slightly weak bias. Increase in spread may weigh on soymeal prices.



Soymeal Indore Price Outlook (INR./MT)	Previous week 27th May'23- 2nd June'23	Week under review 3rd June'23- 9th June'23	Next week 10 <sup>th</sup> June'23- 16th June'23
Weekly Average Price	43,800-44,500	43,500-44,000	41,000-44,000

## Rapeseed - Mustard Seed

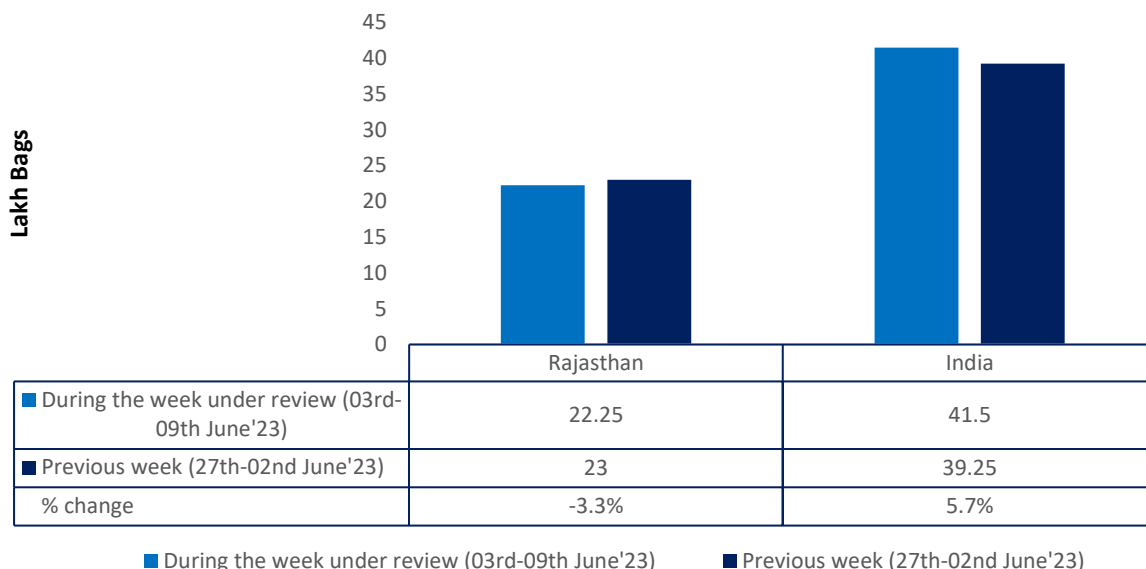


During the week under review, Jaipur RM seed weekly average prices remained weak and went marginally down by 0.89% to INR 5,125/Qtl. as compared to previous week's INR 5,171/Qtl. amid decline in mustard oil prices which went down by 3%, to INR 914/10 Kg, down from INR 943/10 Kg. However, the in Month-to-date, RM seed prices remain unchanged, the year-to-date prices have decreased by 23% due to record production, weak demand from millers on disparity. Currently, RM seed is trading near three years low tracking weak demand from oil millers amid disparity due to weak mustard oil prices. As per Agriwatch primary sources, upon disparity, most of the expellers are shut and only a few kacchi ghani are operational. Farmers 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 7,55,472 Metric tonnes of Mustard have been procured in four states, namely Haryana (3.47 Lakh tonnes), Madhya Pradesh (1.67 Lakh tonnes), Gujarat (0.68 Lakh tonnes), and Rajasthan (1.61 Lakh tonnes).

During the week under review, Arrivals in Rajasthan recorded down by 3.3% to 22.25 Lakh bags as compared to 23 lakh bags previous week. All India arrivals went up by 5.7% to 41.5 Lakh bags Vs 39.25 Lakh bags previous week.

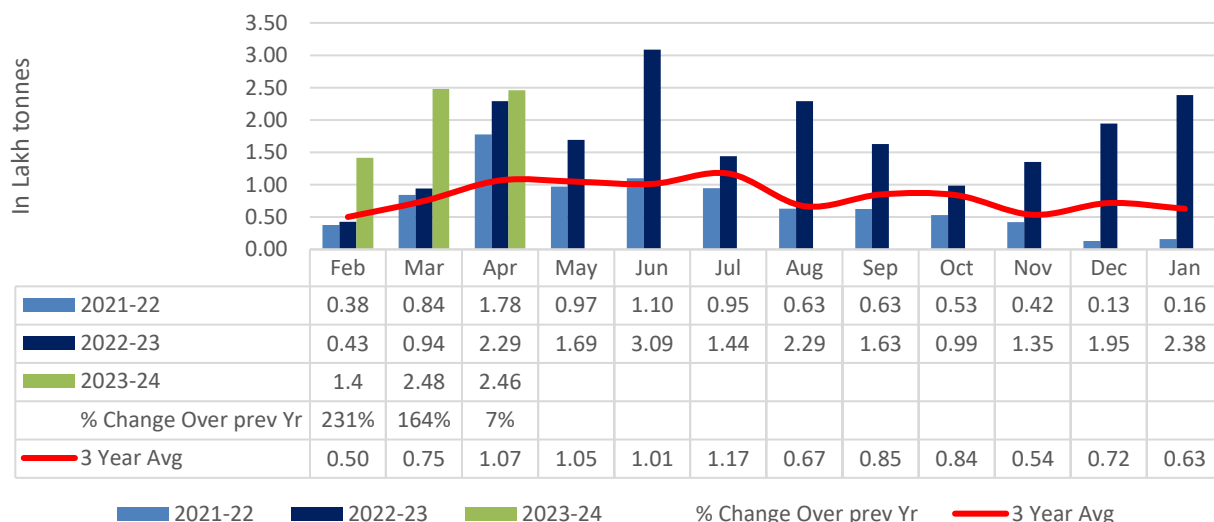
## Weekly RM seed arrivals



## INDIA'S RAPESEED MEAL EXPORT

There is a significant jump in export of rapeseed meal in Apr'23 and reported at 2.46 Lakh tons compared to 2.29 Lakh tons previous year same period i.e., up by 7%. 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.

## India's Rapeseed Meal Export



India achieved a remarkable milestone by exporting a record-breaking 22.96 million metric tons of rapeseed meal in the fiscal year 2022-23.

India has established itself as the most competitive supplier of rapeseed meal to various Far East countries, including South Korea, Vietnam, and Thailand, offering it at a competitive price of \$240 per tonne (FOB India). The ex-mill price of rapeseed meal in Hamburg, Germany, has been quoted at \$299 per tonne.

Mustard is currently being sold at 5,100-5200 rupees per quintal, which is below the Minimum Support Price (MSP) of 5,450 rupees per quintal. This decline in mustard prices is a result of the deteriorated prices of all edible oils in both international and domestic markets. Consequently, farmers are being discouraged from selling their mustard crop for crushing purposes.

## 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 5,213, made low of 5,113, high of 5,213.
- 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 35 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.

## Technical Analysis

(ICE Canola)

### ICE Canola – Technical Outlook

### ICE Canola -Weekly time frame

#### Technical Chart:

#### Technical Commentary:



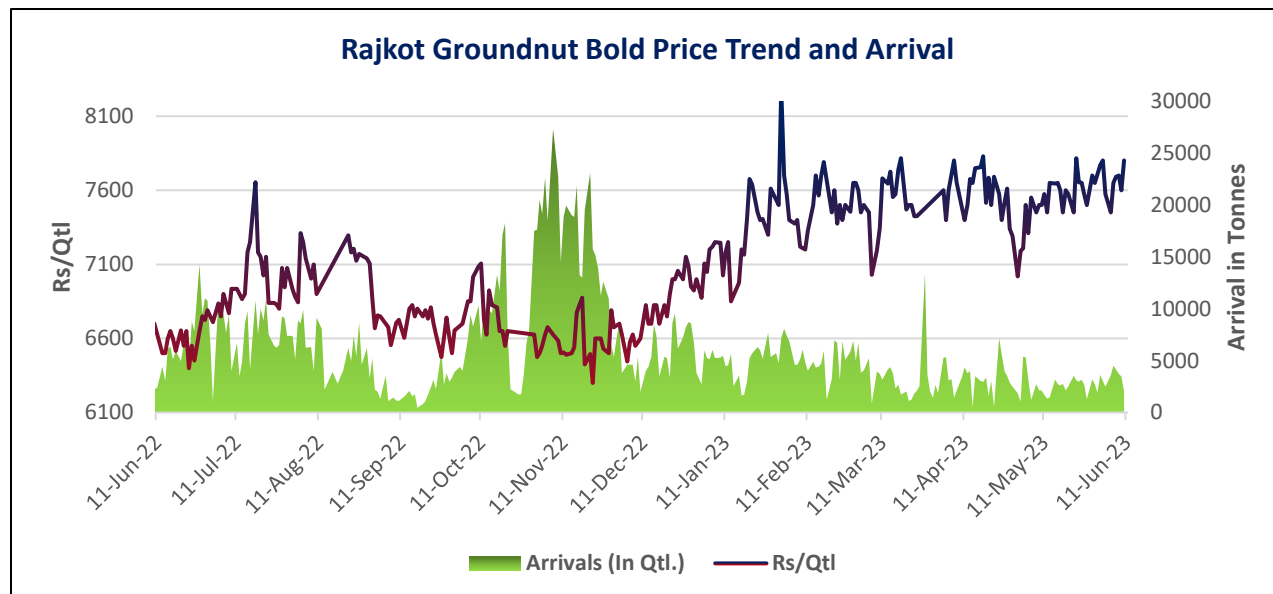
- As depicted in the above chart, market has witnessed gain and went up by 4.24% to 685 as compared to previous week at 658. Market made low of 653 and high of 690.
- Market is currently trading below 18, 50 and 100 DMA and can be characterized as resistance and 9 DMA can be characterized as support.
- RSI is below 40 indicating weak buying strength and MACD is indicating steady to weak momentum.
- Immediate support is at 650 and immediate resistance is at 750.

**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.



Jaipur RM seed Mandi Price Outlook (INR./Qtl)	Previous week 27th May'23- 2nd June'23	Week under review 3rd June'23- 9th June'23	Next week 10 <sup>th</sup> June'23- 16th June'23
Weekly Average Price	5,088-5,288	5,113-5,163	5,000-5,300

## Groundnut



During the week under review, Rajkot market weekly average prices remained sideways and went marginally down by 0.95% to INR 7,610/Qtl. amid increased arrivals. However, weekly average prices of groundnut oil increased by 1% at INR 1,583 from 1,575/10 Kg. All India arrivals increased by 39% to 0.21 Lakh tones as compared to 0.15 Lakh tones previous week.

### International

According to USDA May'23 report, In 2023/24, the global peanut supply is expected to increase by 1% due to larger production levels, which outweigh the smaller carryover from the previous year. The increased production in countries such as the United States, India, Senegal, Argentina, and Burma will more than make up for the reduced output in Niger, Indonesia, Guinea, and Mali. The rise in global production can be attributed to higher expected yields and greater harvested area, mainly in India.

Additionally, global trade is projected to grow by 8% in 2023/24 as higher exports from Argentina, the United States, India, and Senegal coincide with increased imports from China and the EU. There is also a slight increase in global peanut consumption due to higher usage in China and major exporting countries. Furthermore, snack nut consumption will continue to follow long-term growth trends.

However, ending stocks are projected to fall by 6% due to lower carryout in Senegal and the rest of Sub-Saharan Africa, only partially offset by higher U.S. ending stocks.

**USA:** In 2023/24, United States production of peanuts is expected to increase slightly to 2.8 million tons due to a larger harvested area and higher yields. Additionally, there is a projected increase in exports, crush, and food use consumption. Peanut meal consumption is expected to rise due to higher crush levels. However, peanut oil consumption is expected to remain relatively flat as smaller imports offset the higher production.



**Argentina** is expected to increase its exports to 950,000 tons in 2023/24, a significant increase from the low levels in 2022/23 due to drought and lower yields. Despite the reduced carry-in, total supplies are forecast to be higher as a result of a larger crop. Argentina maintains its position as the largest global supplier of snack nuts and holds a significant share of the European market. Moreover, there is a 15% increase in the projected crush, with similar projections for product exports.

**India** exports are raised 50,000 tons to 800,000 on higher production. Production is forecast up 300,000 tons to 6.6 million leading to higher exports but lower crush and ending stocks. China will account for most of the gain in peanut exports.

**China** is expected to increase its imports by 150,000 tons, reaching a total of 1.4 million tons in the upcoming year. Additionally, there is a slight increase in exports, projected to reach 500,000 tons. Domestic crush levels are projected to remain flat, while food use is expected to grow due to higher demand. In terms of production, there is no expected change, with levels remaining at 18.3 million tons. Furthermore, peanut oil consumption is expected to remain stable due to stable production levels and imports.

## Technical Analysis

(Based on Rajkot GN Bold Mandi prices)



- Market is above 9 and 18 DMA, and 38.2% Fibonacci retracement level can be characterized as immediate support and 61.8% Fibonacci retracement level can be characterized as immediate resistance.
- RSI is at 58 indicating good buying strength, MACD is indicating firm momentum.
- Immediate support is at 7,300, next support is at 7,000 and immediate resistance is at 7,800, next resistance is at 8,000.

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.



Rajkot Groundnut Bold Price Outlook (INR./Qtl)	Previous week 27th May'23- 2nd June'23	Week under review 3rd June'23- 9th June'23	Next week 10 <sup>th</sup> June'23- 16th June'23
Weekly Average Price	7,500-7,800	7,450-7,700	7,200-7,800

## Annexure

Oilseed Prices at Key Spot Markets:					
Commodity / Centre	% Change over previous week	Today	Week Ago	Month Ago	Year Ago
<b>Soybean</b>		<b>09-Jun-23</b>	<b>02-Jun-23</b>	<b>08-May-23</b>	<b>9-Jun-22</b>
Indore –Plant	0%	5270	5250	5650	7200
Indore–Mandi	1%	5150	5100	5500	Closed
Nagpur-Plant	0%	5100	5100	5300	7000
Nagpur – Mandi	2%	4940	4850	5150	6800
Latur – Mandi	4%	5200	5000	5250	7030
Akola – Mandi	0%	4900	4885	5100	6695
Kota-Plant	-2%	5200	5300	5500	7250
Kota – Mandi	-1%	5060	5100	5300	7150
Bundi-Plant	-1%	5050	5100	5300	7100
Bundi-Mandi	1%	4900	4850	5100	6900
Baran-Plant	-5%	5000	5250	5500	7200
Baran-Mandi	-6%	4800	5100	5200	7050
Bhawani Mandi Jhalawar–Plant	-1%	5170	5200	5500	7200
Jhalwar-Mandi	1%	5050	5020	5340	7170
<b>Rapeseed/Mustard</b>					
Jaipur-(Condition)	0%	5125	5150	5450	7225
Alwar-(Condition)	-2%	4900	5000	5100	7000
Sri Ganganagar-(Non-Condition)	-4%	4510	4675	4750	6750
New Delhi–(Condition)	0%	5000	5000	5150	6950
Kota-(Condition)	-1%	5050	5100	5300	6900
Agra-(Condition)	0%	5286	5286	5619	7381
Neewai-(Condition)	-2%	4800	4900	5175	7150
Hapur (UP)-(Condition)	-1%	4950	5000	5225	7050
<b>Groundnut Seed</b>					
Rajkot	-3%	7600	7800	7450	6710
Bikaner	0%	7200	7200	7400	6200
<b>Groundnut (Bold Without shell 40/50)</b>					

Bikaner	0%	11500	11500	11200	9600
<b>Sunflower Seed</b>					
Maharastra/Karnataka	0%	5720	5720	5720	-

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>					
<b>Oilseeds</b>	<b>Change</b>	<b>9-Jun-23</b>	<b>2-Jun-23</b>	<b>8-May-23</b>	<b>9-Jun-22</b>
Groundnut Kernel	2%	8050	7925	8375	8125
Gr. Bolds 60/70	0%	9900	9900	10200	8850
Gr. Javas 60/70	0%	11000	11000	11300	9950
Gr Javas 70/80	1%	10800	10700	11000	8900
Gr.Javas 80/90	0%	10400	10400	10700	9400
KardiSeed 2% Exp Qly	0%	4500	4500	4500	5400
Sesame White 98/2/1 FM	0%	13500	13500	13400	9800
Whitish 95/5/FFA/1FM	0%	13300	13300	13200	9600
Brown 48/2 FFA/4 FM	0%	12600	12600	12600	9400
Brown 48/3 FFA/4 FM	0%	12400	12400	12400	9100
Brown 48/4 FM/* No FFA Guarantee	0%	12000	12000	12000	8800
Sunflower Seed	0%	5800	5800	5800	6800
Niger Seed (4% FM)	0%	10500	10500	9800	8400

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