



Veg. Oil Monthly Research Report

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**Outlook and Review:
Domestic Front**

Edible oil basket featured down trend during the month under review. Groundnut oil, Soy oil, Palm oil, Mustard oil, Coconut oil and Sunflower oil prices showed declining trend.

We expect soy oil and palm oil to trade firm on strong fundamentals.

On the currency front, Indian rupee is hovering near 74.71 compared to 72.78 last month. Rupee is expected to appreciate in June. Crude oil prices are expected to rise to an extent in June.

Recommendation:

Market participants can buy refined soy oil in the cash markets at 1300-1450 for the target of 1220-1320 levels (Indore). Market participants can buy CPO Kandla 5% in the cash markets at 1030-1180 for the target of 980-1050 levels.

International Veg. Oil Market Summary

CBOT soy oil (July is expected to stay in the range of 62.5 cents/lb to 67.65 cents/lb. CPO at BMD (July) is likely to stay in the range of 4000-4200 ringgits per ton. Focus during the coming days will be import demand of China, crude oil prices, soybean stock in US, soy oil stocks in US, crop condition in US and Biodiesel demand. BMD Malaysia will be impacted by palm oil stocks in Malaysia and Indonesia, palm oil production in Malaysia and Indonesia, palm oil exports from Malaysia and Indonesia, Palm oil stock in exporting countries, biodiesel use of palm oil in Indonesia and Malaysia and India and China palm oil demand.

On the international front, rise in crude prices, lower stocks of soy oil in US, harvesting in Argentina and Soy crop condition, higher use of soy oil in biodiesel in US, firm demand of soybean by China and rise in competing oil prices is expected to support soy oil prices in coming days.

Slow Increase in palm oil stocks in Malaysia, slow rise in production of palm oil in Malaysia, rise in exports of palm oil in Malaysia and Indonesia, firm demand from India and China and rise in crude oil prices are expected to support CPO prices in coming days.

Soy oil: Domestic Market Fundamentals

- Refined soybean oil prices featured falling trend at its benchmark market at Indore during the month of June amid higher oil price.
- The prices corrected as the international CBOT soy oil prices corrected due to global food inflation.
- CBOT soy oil prices also fell as US administration backed the oil refineries amid covid situation to lower the amount of biofuel to be mixed with crude oil, thus lead to low consumption of soy oil in biodiesel and thus prices fell.

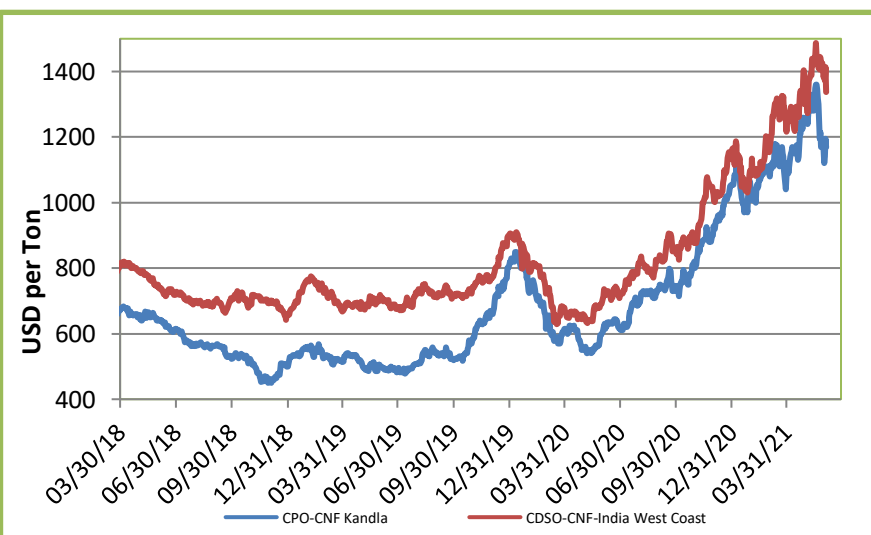
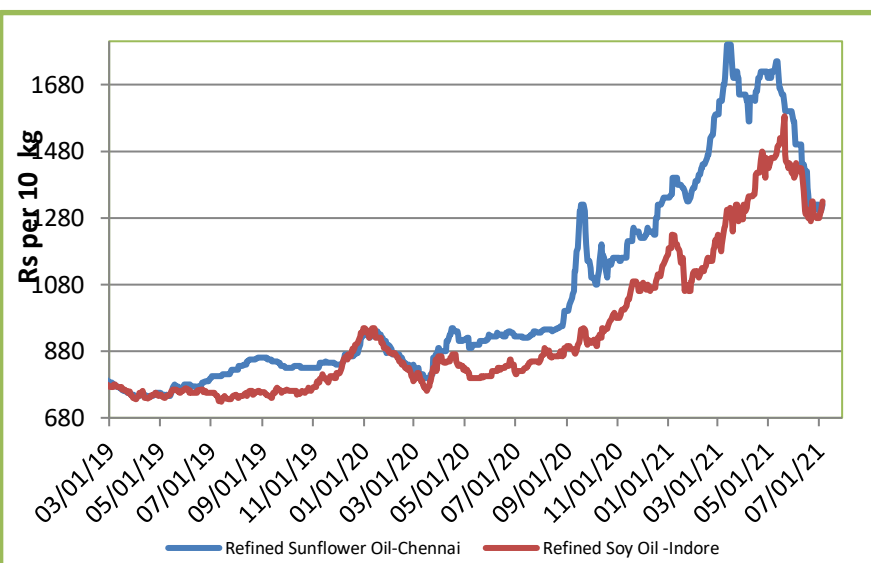
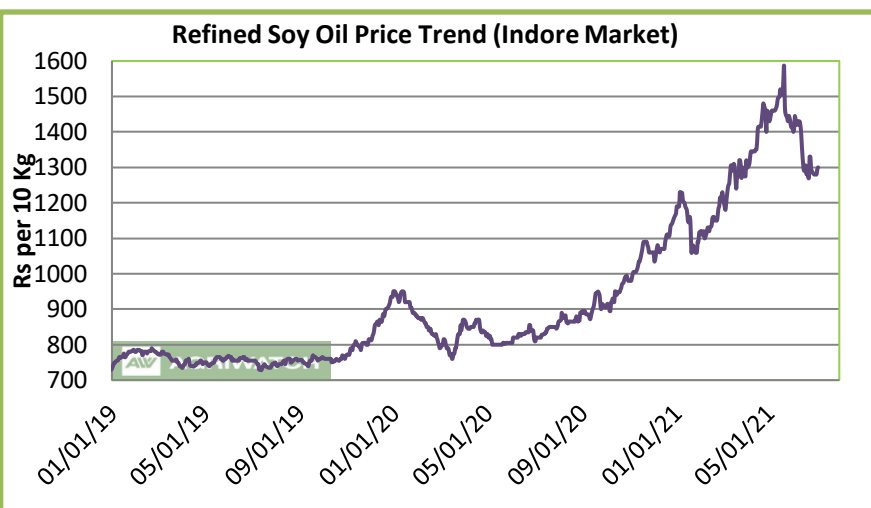
As, prices fell in international market the import demand rose for soy oil and in May month the imports rose by 43.54 percent.

The import demand rose in May on back of low Supply of soy oil in India in April month.

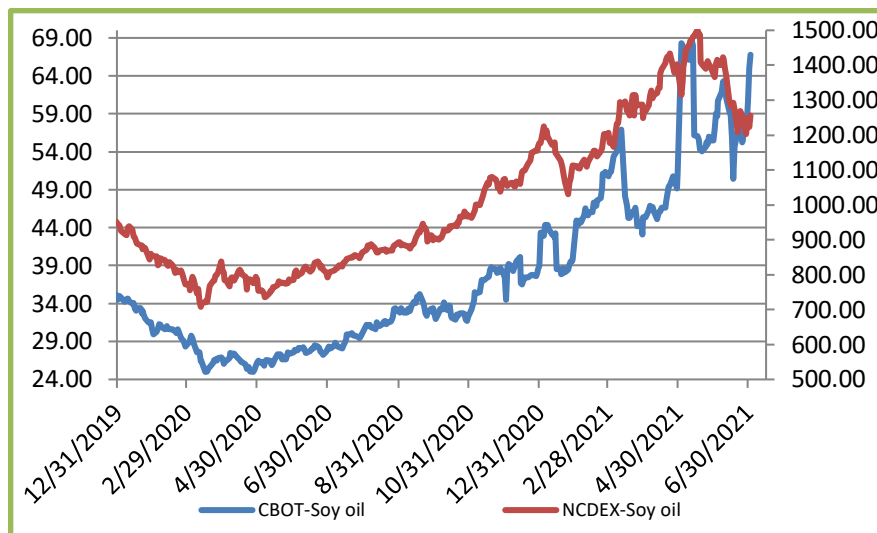
Supply of soy oil in international market was low from countries including Argentina and Brazil as low water level in Parana River is affecting the exporting capacity in shipments.

Over the last month, the premium of sunflower oil over soy oil has lowered significantly may affect the soy oil demand.

We expect soy oil to move in firm tone with upward bias as restrictions and lockdown are easing and demand will get better.



- Soy oil import scenario – According to SEA, Soy oil imports rose 43.54 percent in May y-o-y to 2.67 lakh tons from 1.86 lakh tons in May 2020. For the current oil year 2020-21 (Nov 2020 -October 2021), soy oil for period of Nov.20- May'21 saw rise in imports to 16.44 lakh tons compared to 15.79 lakh tons in corresponding period last oil year, higher by 4.10 percent compared to corresponding period last oil year.



- According to Solvent Extractors Association (SEA), India's May edible oil imports rose 29.43 percent y-o- y to 12.13 lakh tons from 7.20 lakh tons in May 2020. Palm oil imports in May rose 98.71 percent y-o-y to 7.69 lakh tons from 3.87 lakh tons in May 2020. CPO imports rose 109.72 percent in May y-o-y to 7.55 lakh tons from 3.60 lakh tons in May 2020. RBD palmolein import 0.02 lakh tons in May vs. 0.32 lakh tons in May 2020. Soy oil imports rose 43.54 percent in May y-o-y to 2.67 lakh tons from 1.86 lakh tons in May 2020. Sunflower oil imports rose 31.57 percent y-o-y in May to 1.75 lakh tons from 1.33 lakh tons in May 2020. Rapeseed (canola) oil stood at 0 imports in May same as in May 2020.
- According to Solvent Extractors Association (SEA), India's June edible oil stocks at ports and pipelines rose 8.35 percent m-o-m to 19.60 lakh tons from 18.09 lakh tons in May 2021. Stocks of edible oil at ports in June estimated at 570,000 tons (CPO 285,000 tons, RBD Palmolein 1,000, Degummed Soybean Oil 125,000 tons and Crude Sunflower Oil 160,000) and about 1,390,000 tons in pipelines. (Stocks at ports were 491,000 tons and in pipelines were 1,318,000 tons, in May 2021). India is presently holding 23 days of edible oil requirement on 1st June, 2021 at 18.09 lakh tons compared to 22 days of requirements of 18.09 lakh tons on 1st May 2021. India held 9.45 lakh tons of stocks in ports and pipelines on 1st June 2020. India's monthly edible oil requirement is 26.0 lakh tons.
- Imported crude soy oil CIF at West coast port is offered at USD 1115 (USD 1173 per ton for July delivery, August delivery is quoted at USD 1113(USD 1173) per ton. Last month, CNF CDSO June average price was USD 1248.69 (USD 1398.44 per ton in May 2021) per ton.
- Refined soy oil (Indore) is quoted at Rs 1430 (Rs 1320) per 10 kg on June 1, 2021. Values in brackets are figures of last month.

International Soy oil Market Fundamentals

- Soy oil prices are expected to be supported due to lower stocks of soy oil in US, and dry weather concern affecting sowing and crop condition, low biodiesel demand, slow demand of soybean from China, rise in competing oil prices, and rise in crude oil prices.

US has shown record use of soy oil in biodiesel, on lower use of corn in biodiesel. This will cut stocks of soy oil in US and prompt USDA to hike price expectation in 2020/21.

Soybean crop condition improved in South America whereas unexpected heavy rains delayed harvesting in Brazil. Brazil Soybean crop estimated at 132.6 million Tons lower from previous estimate of 133.9 million Tons according to Consultancy Stonex. Brazil Soybean crop area seen at 38.29 million Ha compared to previous estimate of 38.32 million Ha. While, yield is lowered to 3.46 Tons per Ha from previous estimate of 3.49 Tons per Ha.

Argentina's 2020/21 Soybean crop estimated at 46 million Tons lower from previous estimate of 46.5 million Tons according to the Buenos Aires Grains Exchange. Brazil Soybean crop area seen at 17.2 million Ha. Dry and hot weather conditions affected the crops fields of world's top exporter of soymeal. If soil moisture in the coming weeks does not match the growing needs of crops, yields could be impacted," according to a report of the Geoglam global agriculture monitoring service in conjunction with the exchange.

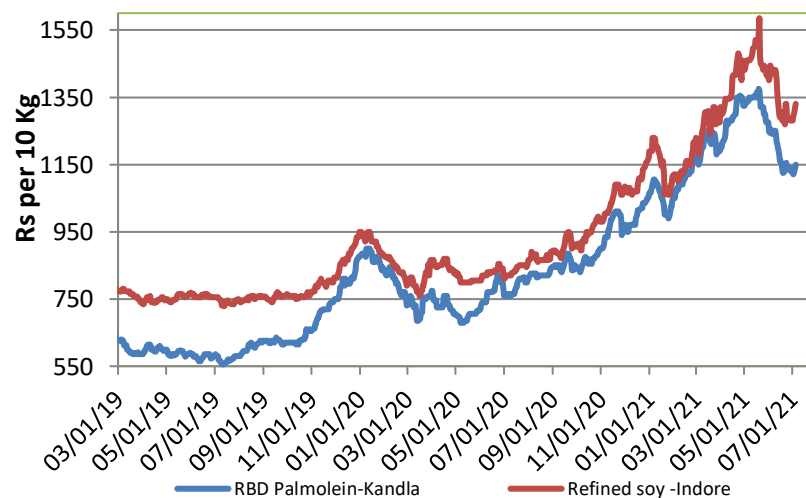
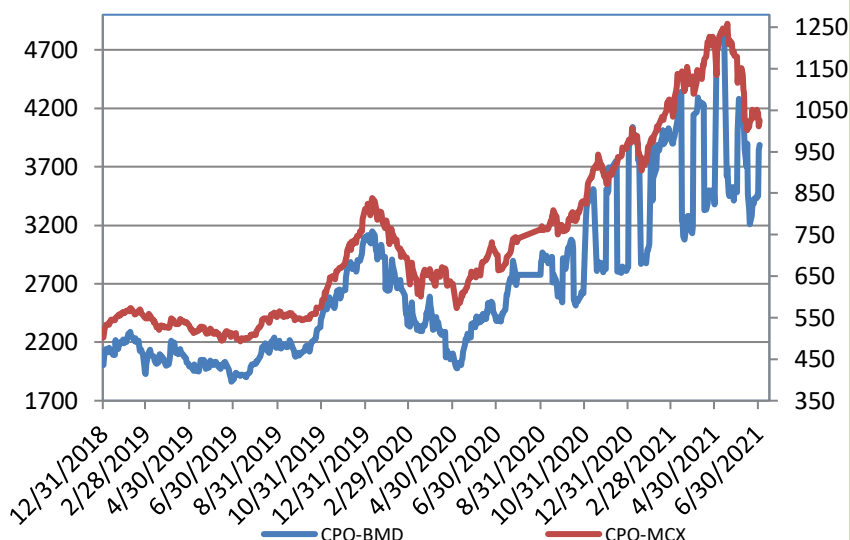
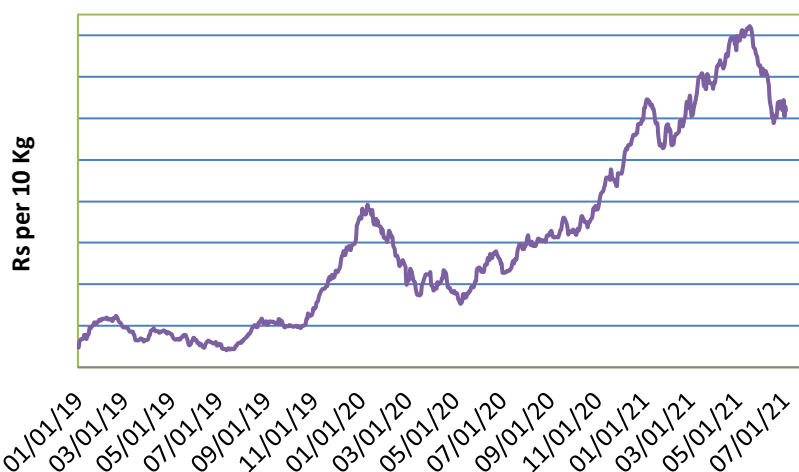
- According to United States Department of Agriculture (USDA) January estimate, U.S 2020/21 ending stocks of soy oil estimate has been decreased to 1,814 million lbs compared to 1,889million lbs in December estimate. Opening stocks are kept unchanged to 1,849 million lbs in 2020/21. Production of soy oil in 2020/21 increased to 25,565 million lbs compared to 25,440 million lbs in previous estimate. Imports in 2020/21 are kept unchanged at 350 million lbs. Biodiesel use in 2020/21 increased to 8,200 million lbs compared to 8,100 million lbs in previous estimate. Food, feed and other industrial use in 2020/21 increased to 15,000 million lbs compared to 14,900 million lbs in previous estimate. Exports in 2020/21 is kept unchanged at 2,750 million lbs. Average price range estimate of 2020/21 is raised to 368.50 cents/lbs from 36.00 cents/lbs in its earlier estimate.
- The U.S. Department of Agriculture monthly supply and demand report for the month of January forecasts U.S. 2020/21 soybean stocks at 140 million bushels compared to 175 million bushels in its December estimate. Opening stocks in 2020/21 increased to 525 million bushels compared to 523 million bushels in previous estimate. Soybean production in 2020/21 decreased to 4,135 million bushels compared to 4,170 million bushels in previous estimate. U.S. soybean exports estimate in 2020/21 increased to 2,230 million bushels compared to 2,200 million bushels in previous estimate. Imports estimate in 2020/21 increased to 35 million bushels compared to 15 million bushels in previous estimate. Crush in 2020/21 increased to 2,200 million bushels compared to 2,195 million bushels. Seed use in 2020/21 has been kept unchanged at 130 million bushels. Residual use in 2020/21 decreased to 22 million bushels compared to 35 million bushels. Average price range in 2020/21 is increased to 11.15 cents/bushel compared to 10.55 cents/bushel in its earlier estimate.

Price Outlook: We expect refined soy oil (without GST) at Indore to stay in the range of Rs 1300-1450 per 10 Kg in the near term.

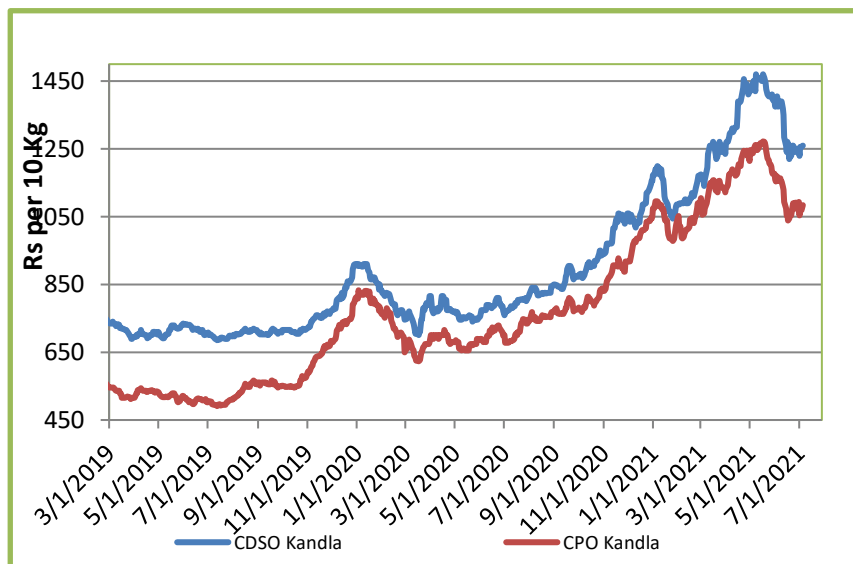
Palm oil: Domestic Market Fundamentals

- CPO prices witnessed falling trend in the month of June at its benchmark market at Kandla on low domestic demand and cut in import duty of crude palm oil and RBD palm oil.
- Government of India revised Basic Custom Duty on Crude palm oil from 15 percent to 10 percent and Refined palm oil to 37.5 percent. The effective duty include Agriculture cess and other charges on crude palm oil will be 30.25 percent, while for refined palm oil the duty stands at 41.25 percent, applicable for three months from 30th June 2021 to 30th September 2021
- Government of India made amendments in import policy, lifting ban on import of RBD Palm oil Import under HS Code 151190, moving the item RBD palm oil (15119010), RBD palmolein (15119020) and other Palm oil Products (15119090) from restricted category to Free category. The import of these products is not permitted through ports of Kerala.
- These steps were taken by government to lower the hiked prices of edible oils.
- The prices of RBD palmolein and Soy oil diverged as the demand for palm oil was low due to lockdown and restrictions.

Crude Palm Oil Price Trend (Kandla Market)



- Now, as various states are relaxing the restriction norms, demand for palm oil is getting firm.
- The higher discounts of palm oil over competing oils will support its price.
- Palm oil import scenario – According to Solvent Extractors Association (SEA), Palm oil imports in May rose 98.71 percent y-o-y to 7.69 lakh tons from 3.87 lakh tons in May 2020. For the current oil year 2020-21 (Nov



2020 -October 2021), Palm oil for period of Nov.20- May'21 saw rise in imports to 45.61 lakh tons compared to 36.71 lakh tons in corresponding period last oil year, higher by 24.27 percent compared to corresponding period last oil year.

- Crude Palm oil import scenario- According to Solvent Extractors Association (SEA), CPO Imports rose 109.72 percent y-o-y in May 2021 to 7.55 lakh tons from 3.60 lakh tons in May 2020. For the current oil year 2020-21 (Nov 2020 -October 2021), Crude palm oil for period of Nov.20- May'21 saw rise in imports to 44.41 lakh tons compared to 31.88 lakh tons in corresponding period last oil year, higher by 39.30 percent compared to corresponding period last oil year.
- RBD palmolein import scenario- RBD palmolein Imports fell to 0.02 lakh tons in May 2021 compared to 0.32 lakh tons in May 2020. For the current oil year 2020-21 (Nov 2020 -October 2021), soy oil for period of Nov.20- May'21 saw fall in imports to 0.26 lakh tons compared to 4.01 lakh tons in corresponding period last oil year.
- On the trade front, CNF CPO (Indonesian origin) at Indian port is quoted at USD 1060 (USD 1150) per ton for July delivery and August delivery is quoted at USD 1035 (USD 1120) per ton. Last month, CNF CPO June average price was at 1067.92 per ton (USD 1267.32 per ton in May 2021). Values in brackets are figures of last week.
Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 1035 (USD 1025) per ton for May delivery and Jun delivery is quoted at USD 1000 (USD 1055) per ton. Last month, CIF RBD palmolein June average price was USD 999.76 (USD 1212.48 in May 2021) per ton. Values in bracket depict last month quotes.
- Ready lift CPO duty paid prices quoted at Rs 775 + GST (Rs 835+ GST) per 10 Kg and June delivery duty paid is offered at Rs 780 + GST (Rs 835+ GST) per 10 kg. Ready lift RBD palmolein is quoted at Rs 1125 (Rs 1250) per 10 kg as on July 1, 2021. Values in brackets are figures of last month.
- On the parity front, margins rose during last month due to rise in prices of palm oil in India markets.

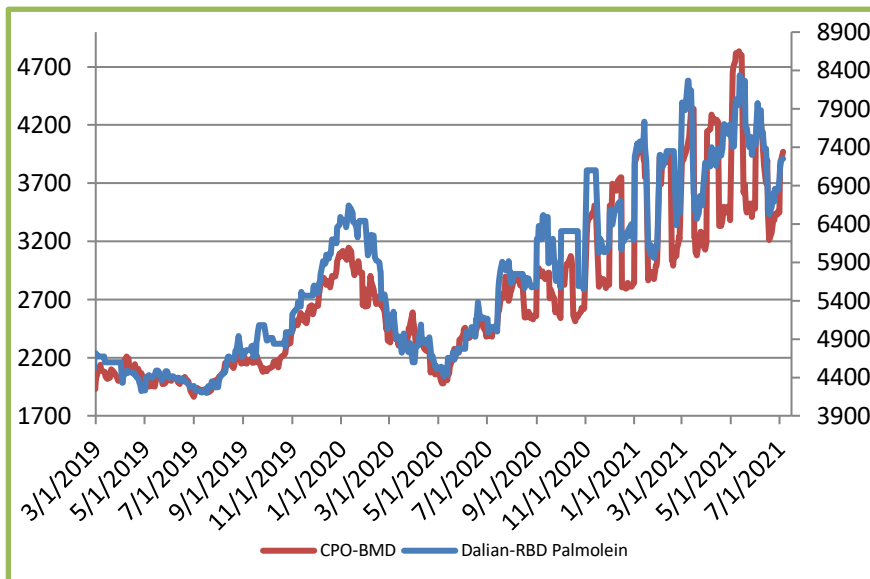
International Palm oil Market Fundamentals

- Palm oil prices are likely to trade firm as prices are supported by firm demand from India amid lowered import duty of CPO and RBD palm oil.

- Palm oil stocks rose in Malaysia and Indonesia as they have entered high palm production months.

Competitive oils like RBD palmolein DALIAN and CBOT soy oil is expected to support palm oil prices.

Palm oil prices are supported by rise in crude oil prices and demand for biodiesel.



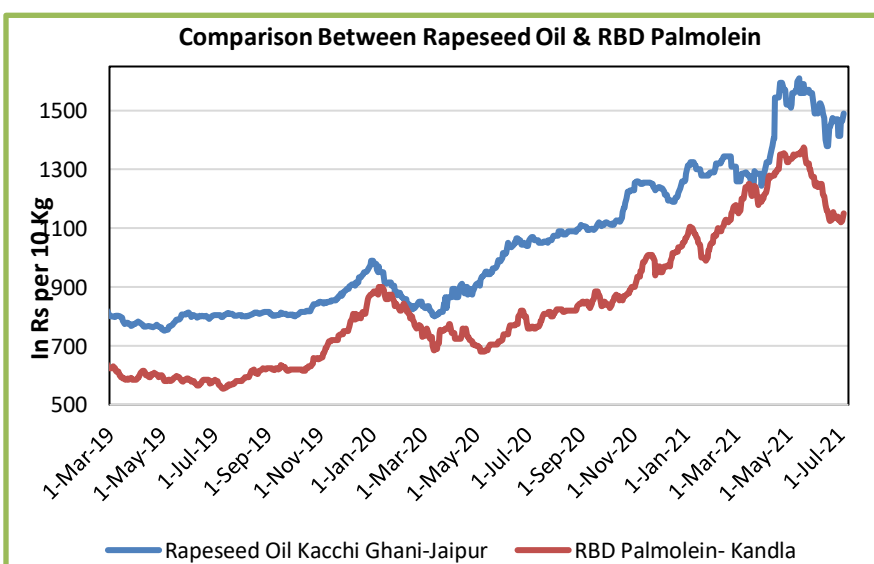
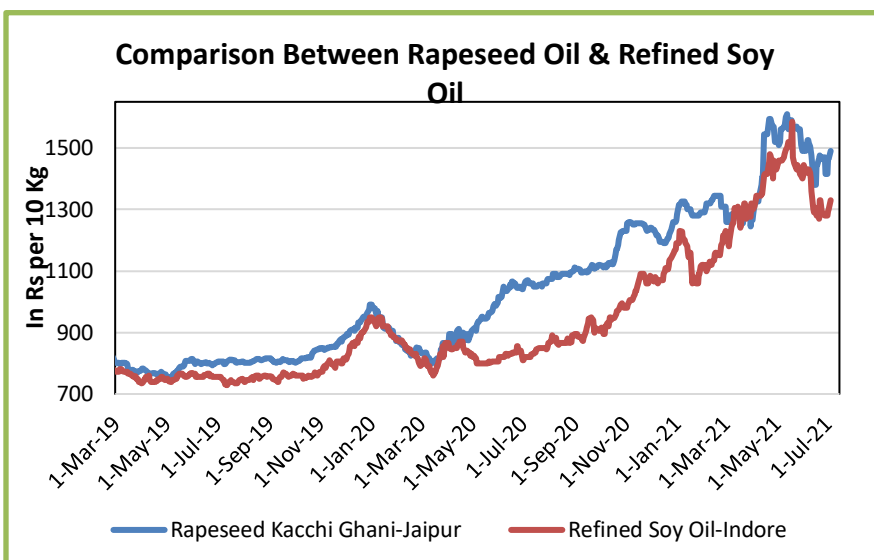
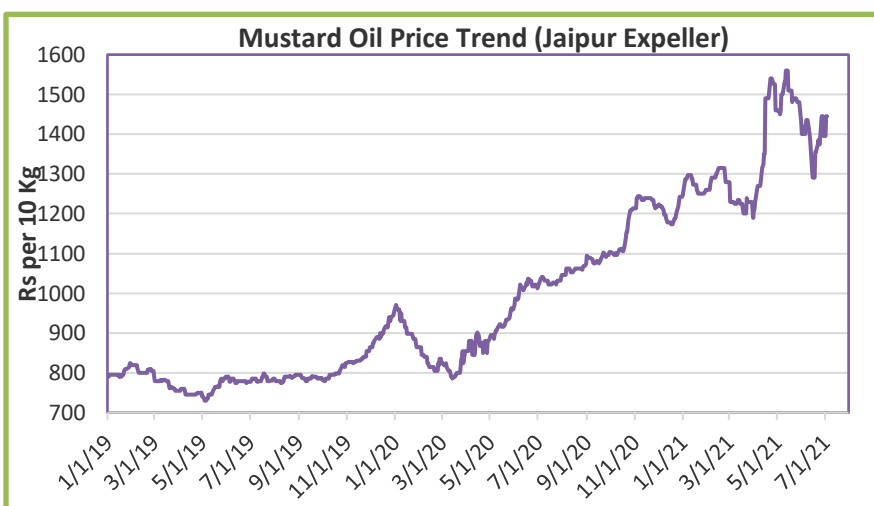
- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's June 1-30 palm oil exports rose 7.07 percent to 15.19 LT compared to 14.19 LT last month for same period.
- According to Amspec, Malaysia's June 1-30 palm oil exports rose 8.62 percent to 15.45 LT compared to 14.23 LT last month for same period.
- According to Amspec, Malaysia's May 1-20 palm oil exports rose 16.19 percent to 953,860 tons compared to 820,946 tons last month for same period.
- According to Malaysia Palm Oil Board (MPOB), Malaysia's May Crude palm oil stocks rose 7.15 percent to 8.41 lakh tons compared to 7.85 lakh tons in April 2021. Production of palm oil in May rose 2.84 percent to 15.71 lakh tons compared to 15.28 lakh tons in April 2021. Exports of palm oil in May fell 6.01 percent to 12.65 lakh tons compared to 13.46 lakh tons in April 2021. Imports of palm oil in May fell to 0 tons compared to 8,046 tons in April 2021. End stocks of palm oil rose compared to trade expectation of rise in stocks. Rise in stocks was mainly due to higher production.

Price Outlook: We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 1030-1180 per 10 Kg in the near term.

Rapeseed oil: Domestic Market Fundamentals

- Rapeseed oil traded sideways for the month in review. Prices of mustard oil fell in first half of month as prices were correcting due after food inflation and demand for oil was down too. Later, prices rose as blending in mustard oil is banned and this move supported the oil's price.
- Amid pandemic consumers are opting for mustard oil due to its immunity boosting properties.
- In summer, the demand of mustard oil from pickle industry also supported its price.
- Mustard oil also took cue from rise in price of soy oil due to delay in sowing of soybean crop.

Premium of Jaipur kacchi ghani rapeseed oil over refined soy oil in domestic market is at Rs 135 per 10 Kg on 1st July compared to Rs 90 per 10 Kg last month on same date. Jaipur kacchi ghani rapeseed oil premium over RBD palmolein is at Rs 290 per 10 kg compared to Rs 240 per 10 Kg last month. The premium of Mustard oil rose compared to last month on firm demand. Markets are expected to trade up in coming term.



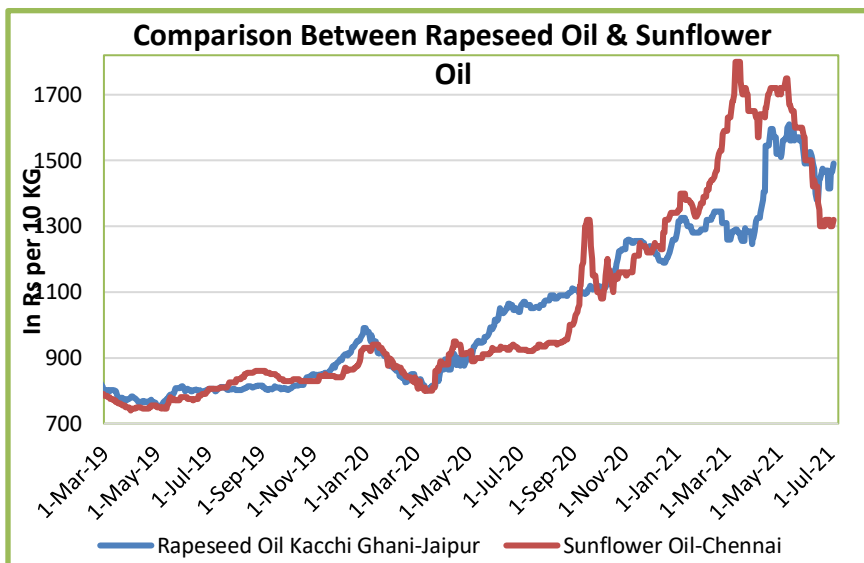
High premium of Jaipur kacchi ghani rapeseed oil over refined soy oil in domestic market will cap gains in rapeseed oil prices.

Jaipur kacchi ghani rapeseed oil premium over RBD palmolein is high will cap gains in rapeseed oil prices.

Prices of rapeseed oil will remain be supported owing to falling stocks of rapeseed oil in domestic market.

Prices of rapeseed oil are expected

to firm until arrival of new crops in market



- Rapeseed oil import scenario- India imported 729.49 tons rapeseed (Canola) oil in March 2021 v/s 16,561.04 tons imports in March 2020. In the financial year 2020-21 (April 2020-March 2021) imports were 42,720.05 tons compared to 54,426.39 tons in last oil year.
- Currently, RM oil at Jaipur market, (expeller) is offered at Rs 1,395 (Rs 1,400) per 10 Kg, and at Kota market, it is offered at Rs 1,400 (Rs 1,400) per 10 kg as on July 1, 2021. Values in brackets are figures of last month.
- We expect RM seed oil prices to trade up tone in the coming days.

Price Outlook: We expect Rapeseed oil (Jaipur) to trade in the price band of Rs 1450-1580 per 10 Kg.

Sunflower oil: Domestic Market Fundamentals

- Sunflower oil featured falling trend at its bench market Chennai in India during the month of June on account of lower international prices and following downtrend in competing oils as government takes corrective steps to lower the edible oil prices.

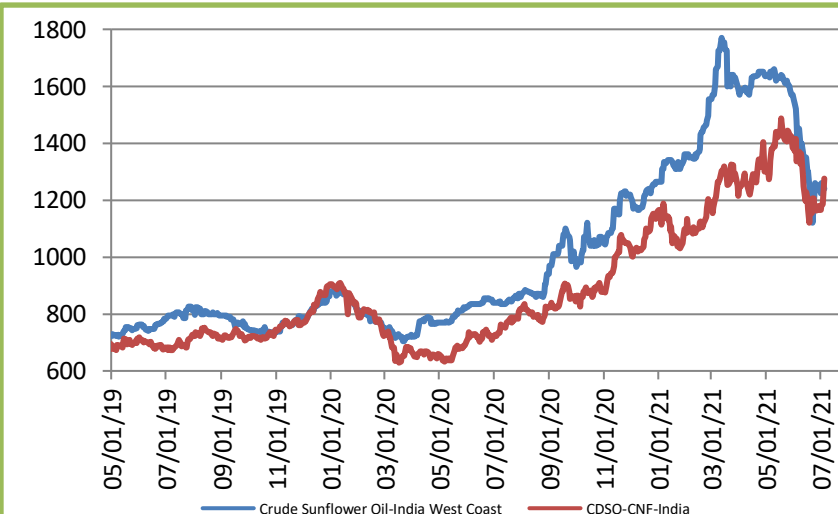
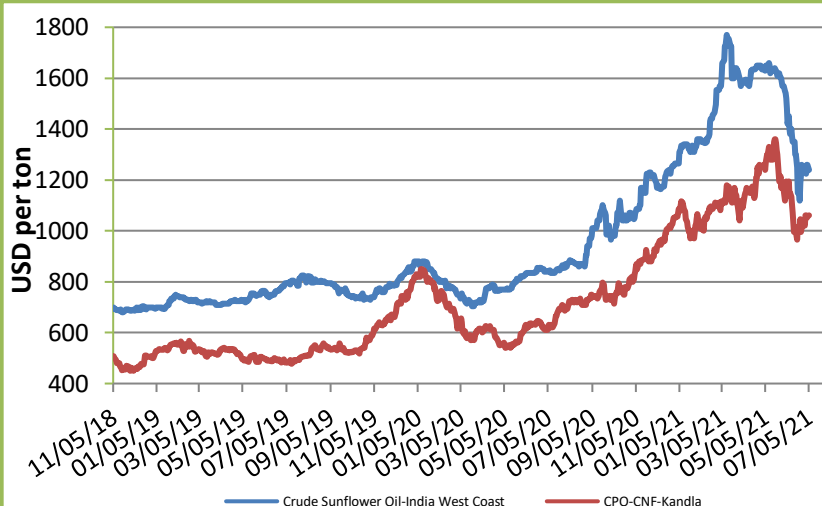
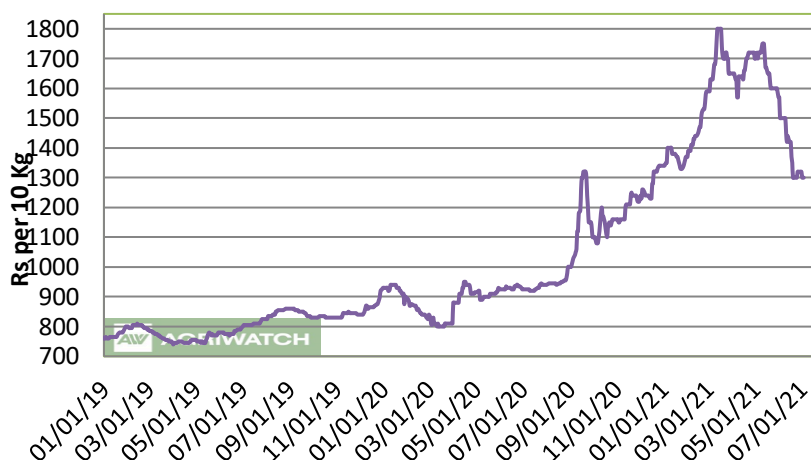
Sunflower oil prices corrected by 200 Rs margin last month as the demand slowed down amid skyrocketed price.

Sunflower oil is mainly used in home consumption and demand has slowed down in home consumption as consumer purchasing power has decreased over the months due to food inflation amid pandemic.

Sunflower oil CNF prices corrected as in the charts we can see Soy Oil and Palm oil CNF fell down which was followed by sun oil. Similarly, in domestic market too same fall in prices can be seen due to lower demand amid hiked prices.

Sunflower oil and RBD Palmolein prices are also converging as high sunflower oil prices led to its substitution.

Sunflower Oil Price Trend (Chennai Market)

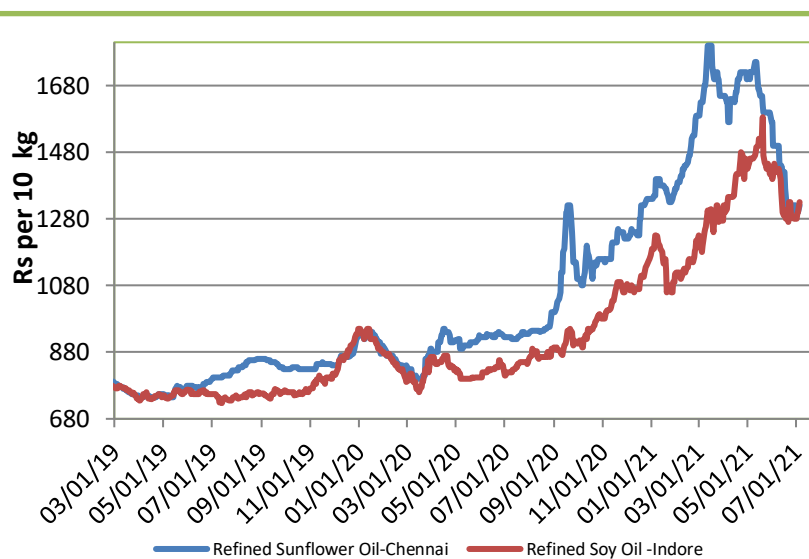
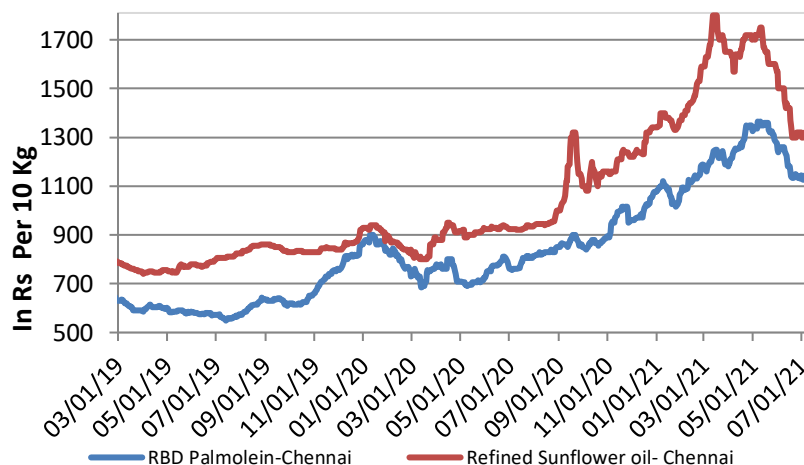


Imports of sunflower oil slowed down in May due to tight supply international market and slow domestic demand.

Import demand of sunflower oil may slow down as Government are focusing to increase domestic oilseed production to reduce import dependence and increase in acreage of sun seed planting can be expected too.

Ukraine's May Sun oil export surged to 5 Month high at 5.01 LT, in March month a steep decline to 3.80 LT was seen. Whereas, Ukraine's May month's Sun oil production dropped down by 15 percent to 2.94 LT.

Drop down in sun oil production in Ukraine and discount of sun oil over groundnut oil in domestic market may underpin its price.



- On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 1225 (USD 1360) per ton for July delivery, August delivery is quoted at USD 1225 (USD 1360) per ton. CNF sun oil (Ukraine origin) June monthly average is at USD 1326.92 per ton compared to USD 1624.2 per ton in May. Values in brackets are figures of last month.
- Currently, refined sunflower oil at Chennai market is offered at Rs 1,300 (Rs 1,500) per 10 Kg, and at Kandla/Mudra market, it is offered at Rs 1,300 (Rs 15,80) per 10 kg as on July 1, 2021. Values in brackets are figures of last month.
- We expect sunflower oil prices to trade firm in the coming days.

Price Outlook: We expect sunflower oil (Chennai) to trade in the price band of Rs 1300-1400 per 10 Kg.

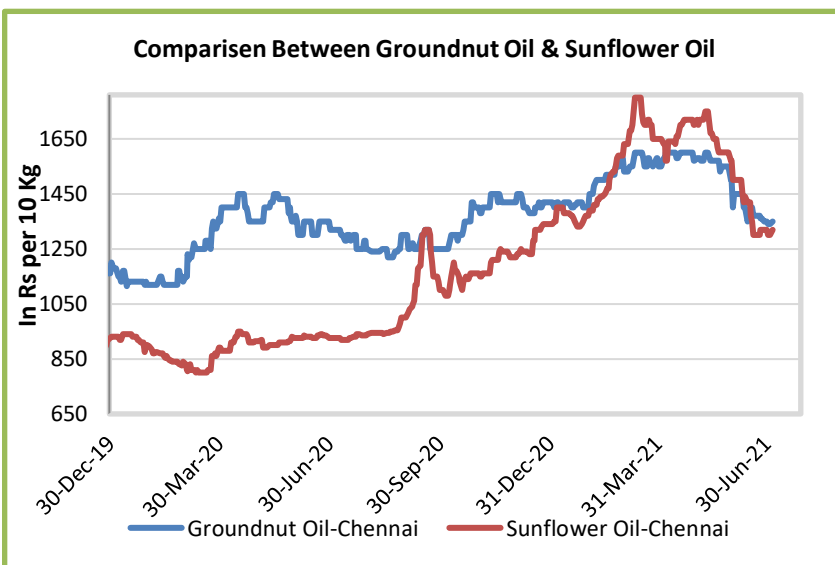
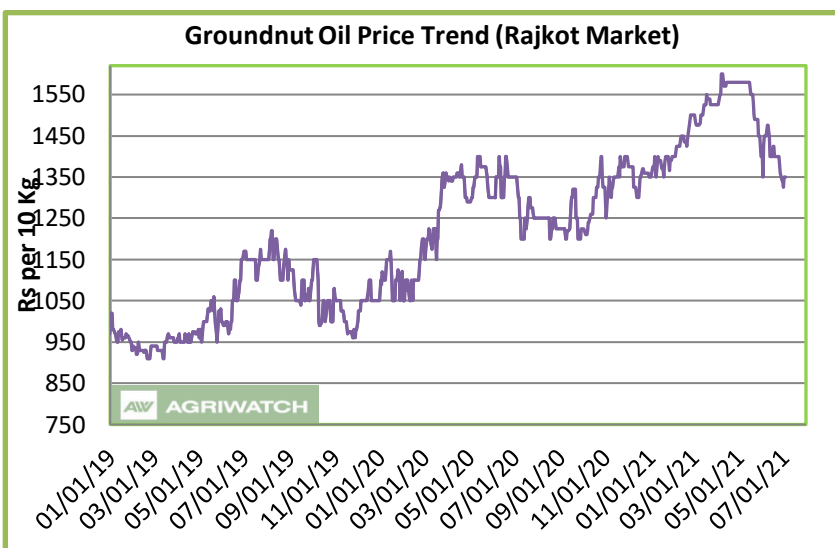
Groundnut oil: Domestic Market Fundamentals

- Groundnut oil featured down trend in Rajkot market during the month in review on slow demand and slow supply and arrival of summer groundnut crop in the market.
- Groundnut prices were consolidated at Rs.1400-1450 levels till 24th June on account of slow demand in domestic market. Whereas, After 24th June prices fell on account of arrival of new summer groundnut crop in the market.

Groundnut oil export demand has slowed down over the months.

Groundnut oil was discounted over Sunflower oil from 15 February which is reversed and currently groundnut oil has premium over sunflower oil. As on 1st July, groundnut oil is at premium of Rs. 100 over sun oil, while on 1st June, groundnut oil was at discount of Rs.140 over sunflower oil.

In South India, prices fell as groundnut oil premium over sun oil rose.



- Groundnut oil exports scenario- India exported 28,327.83 tons Groundnut oil in March 2021 v/s 2,803.08 tons export in March 2020. In the Financial year 2020-21 (April 2020 – March 2021) rose to 241,776.04 tons in Apr-Jan 2020, from 38,432.59 tons in corresponding period last year. It was mainly exported to China at 234,087.20 tons.
- On the price front, currently the groundnut oil prices in Rajkot are hovering near Rs 13,500 (14,500) per quintal and quoting at Rs 13,400 (Rs 14,500) per quintal in Chennai market, as on July 1, 2021.
- Groundnut oil prices are likely to trade in sideways tone in the coming days.

Price Outlook: We expect Groundnut oil (Rajkot) to trade in the price band of Rs 1300-1450 per 10 Kg.

Coconut oil: Domestic Market Fundamentals

- Coconut oil benchmark market Kangayam prices were quoted down trend for the month following the downtrend in competing oils.

India entered in high coconut producing months and price of copra also lowered over the previous month. Thus, coconut oil saw fall in prices.

Coconut oil demand is firm in southern states. While, Demand from North India is low.

Demand of coconut oil in cosmetic industry is getting firm as restriction relaxes in various states.

Demand of copra is improving due to opening of India in various phases. Firm demand from Madhya Pradesh, Gujarat, Rajasthan and Uttar Pradesh resulted in good market of Copra.

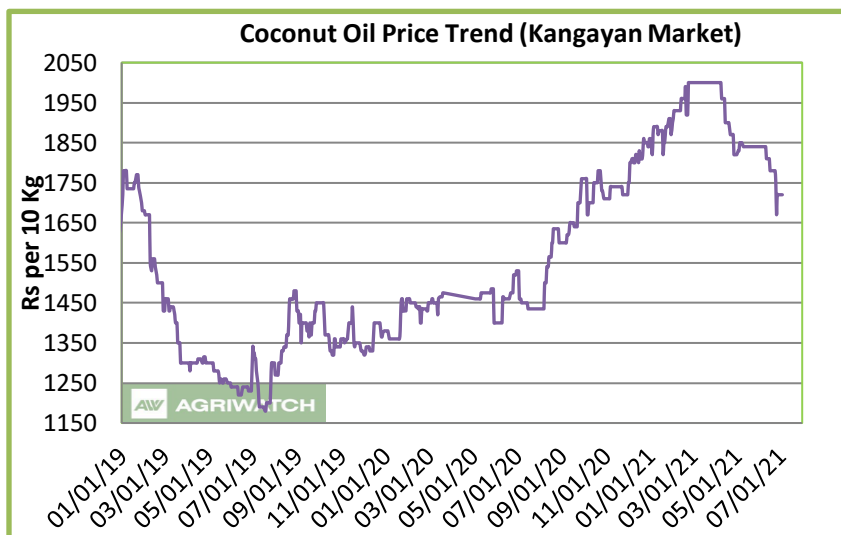
Traders and upcountry buyers are not stocking as they are not confident of prices.

Higher coconut oil prices may increase RBD palmolein consumption. Prices of RBD palmolein is competitive compared to coconut oil. However, coconut consumers generally do not shift out of its consumption irrespective of prices.

Coconut importers are dependent on domestic Coconut supply as State Trading Corporation has refrained from issuing NOC to import copra from December.

There is higher trade of coconut products due to higher demand from importing countries. Regular supply by Indian companies to international markets during COVID lockdown has won them international buyers.

India has imposed higher import duty on desiccated coconut (DC) to stop surge in imports of desiccated coconut (DC), which has improved demand of domestic coconut as it is used in various industrial applications and feed industry, prompting higher supply of coconut towards crushing, thereby increasing supply of coconut oil. Import above Rs 150 per kg is free while below these prices' imports are restricted.



India is importing copra under license to export coconut oil derived from such copra. However, Indian importers are selling coconut oil derived from copra imported from Indonesia in domestic market as it is of high quality and exporting Indian coconut oil. So, good quality coconut oil in Indian market is from imported copra.

There are more than 250 brands in market and competition is high.

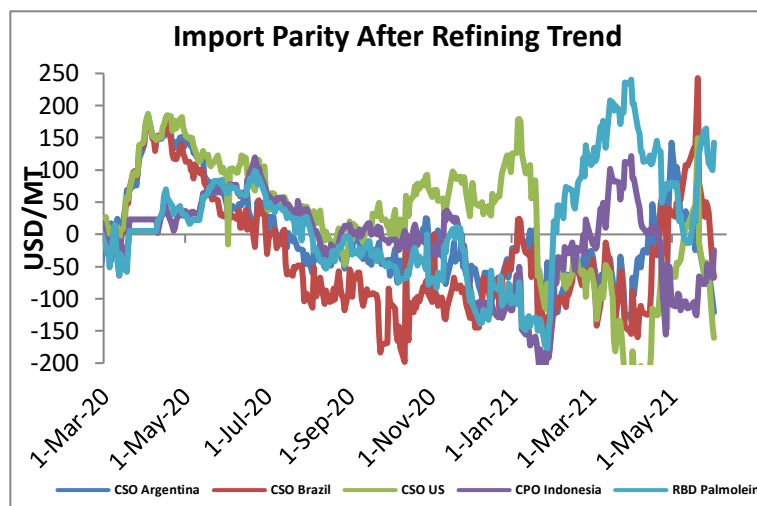
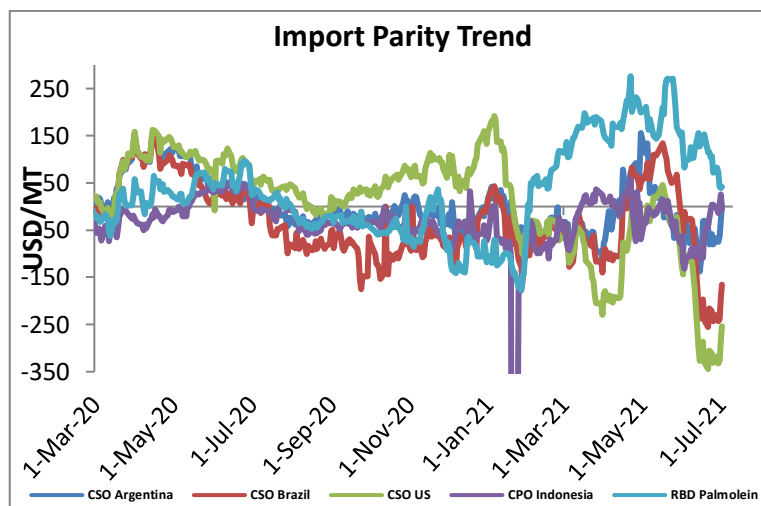
Prices are expected to remain sideways in February on slow rise in demand. Prices are expected to trade firm in medium term.

- On the price front, currently the coconut oil prices in Kochi are hovering near Rs 17,200 (17,700) per quintal and Rs 17,300 (18,400) per quintal in Erode market on July 1, 2021.
- Coconut oil prices to trade in sideways tone tracking rise in prices of edible oils.

Price Outlook: We expect coconut oil (Erode) to trade in the price band of Rs 1680-1780 per 10 Kg.

Import Parity Trend

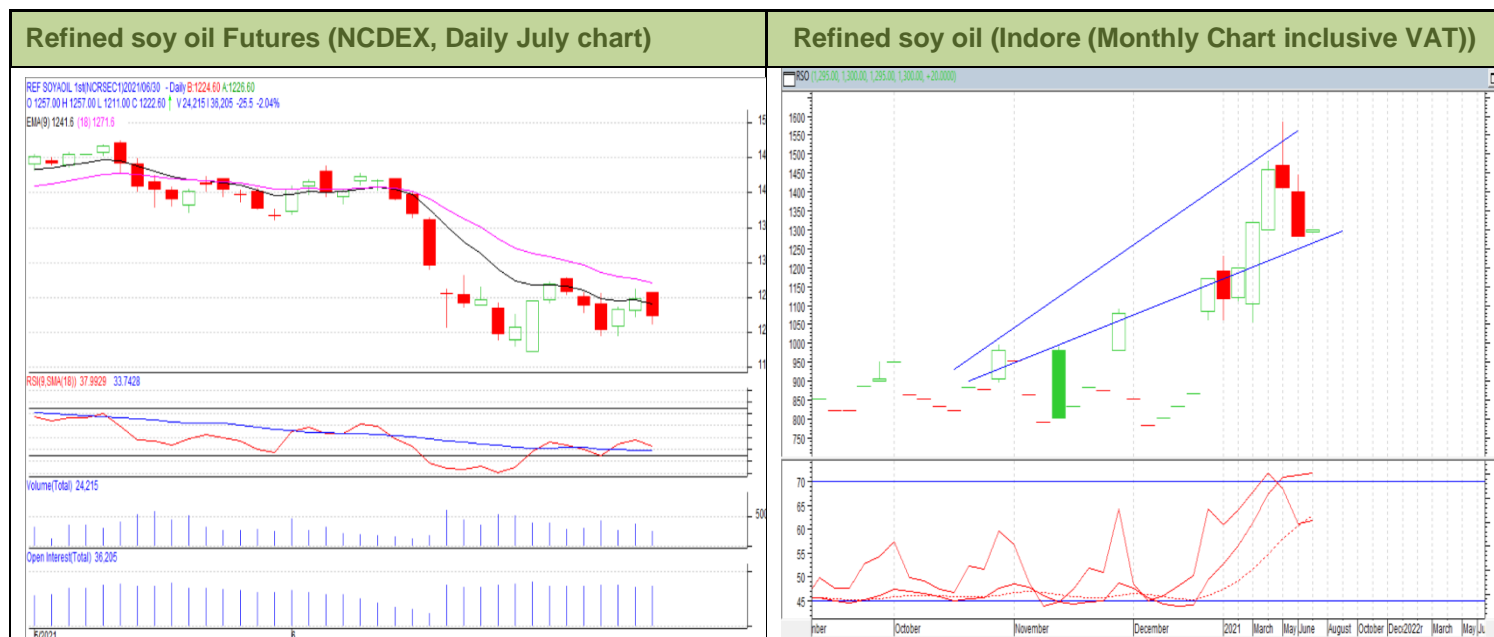
Import Parity after Refining in US dollar per tons (Monthly Average)



	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
Apr, 2021	-1.41	-58.45	-151.95	-7.74	119.41
May, 2021	8.52	78.53	-14.96	-93.39	68.57
Jun, 2021	-74.28	-159.34	-252.64	42.82	178.44

Outlook:-

Import parity turned to disparity in Jun month for CDSO Argentina compared to previous month due to sideways movement in prices of soy oil in international markets due to fall in biodiesel demand from US, heatwave across US affecting US sowed soy crop. We expect CDSO import parity achieve parity in July due to expectation of firm prices of soy oil in Indian markets as well as international market. Parity in CPO is lower than RBD palmolein. Parity in CPO rose as palm oil demand is getting firm and may achieve parity for medium term on expectation of rise in prices.

Technical Analysis (Refined soy oil Monthly Charts)


Outlook – Prices are likely to trade firm in the days ahead. Investors are advised to buy refined soy oil (July contract) on dips.

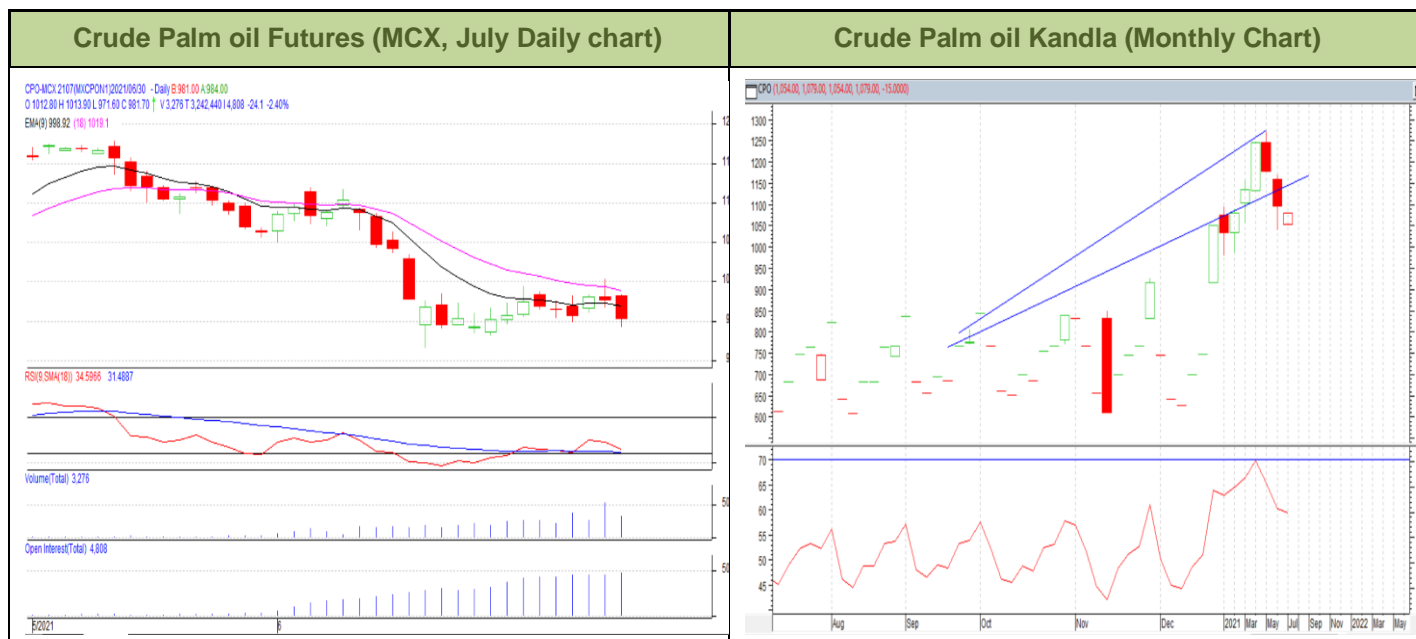
- Candlestick monthly chart of refined soy oil at NCDEX depicts rise in prices. We expect prices to feature sideways trend in the near term.
- Expected price band for next month is 1300-1450 level in near to medium term. RSI and MACD are indicating sideways sentiments

Strategy: Market participants are advised to go long in refined Soy oil above 1220 for a target of 1270 and 1300 with a stop loss at 1210 on closing basis.

RSO NCDEX

Support and Resistance				
S2	S1	PCP	R1	R2
1026.20	1124.40	1222.60	1368.90	1515.20

Spot Market outlook: Refined soy oil Indore (including VAT) is likely to stay in the range of 1300-1450 per 10 Kg.

Technical Analysis (Crude Palm oil Monthly Charts)


Outlook - Prices may trade in firm trend in the coming days. Investors are advised to buy MCX CPO (July contract) on dips.

- Candlestick monthly chart of crude palm oil at MCX depicts sideways trend in prices. We expect prices to feature sideways trend in the near term.
- Expected price band for next month is 1030-1180 level in near to medium term. RSI and MACD are indicating sideways sentiments
- **Strategy:** Market participants are advised to go long in CPO above 980 for a target of 1030 and 1050 with a stop loss at 960 on closing basis.

CPO MCX

Support and Resistance				
S2	S1	PCP	R1	R2
822.30	902.00	981.70	1105.70	1229.70

Spot Market outlook: Crude palm oil Kandla is likely to stay in the range of 1030-1180 per 10 Kg.

Monthly spot prices comparison

Edible Oil Prices at key Markets:

Commodity	Centre	Prices (Per 10 Kg)		Change
		1-Jul-21	1-Jun-21	
Refined Soybean Oil	Indore	1280	1400	-120
	Indore (Soy Solvent Crude)	1220	1345	-125
	Mumbai	1290	1420	-130
	Mumbai (Soy Degum)	1240	1390	-150
	Kandla/Mundra	1260	1410	-150
	Kandla/Mundra (Soy Degum)	1230	1375	-145
	Kolkata	1290	1420	-130
	Delhi	1500	0	1500
	Nagpur	1270	1270	Unch
	Rajkot	1290	1410	-120
	Kota	1280	1400	-120
	Hyderabad	0	0	Unch
	Akola	1300	1320	-20
	Amrawati	1315	1315	Unch
	Bundi	1290	1410	-120
	Jalna	1295	1260	35
	Solapur	1280	1265	15
	Dhule	1295	1250	45
	Nanded	1280	1255	25
	Latur	1280	1315	-35
	Argentina Crude Soya (CIF India) USD	1166	1394	-228
	Argentina Crude Soya (FOB)	1115	1329	-214
	Soya Oil(Rot.)(Euro/MT FOB) (1000) GMT	1155	1155	Unch
Palm Oil*	Kandla (Crude Palm Oil)	1054	1159	-105
	Kandla (RBD Palm oil)	1090	1220	-130
	Kandla RBD Pamolein	1125	1250	-125
	Kakinada (Crude Palm Oil)	995	1120	-125
	Kakinada RBD Pamolein	1120	1245	-125
	Haldia Pamolein	1120	1255	-135
	Chennai RBD Pamolein	1130	1250	-120
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1196	1308	-112
	Krishnapattanam RBD Pamolein	1125	1250	-125
	Mumbai RBD Pamolein	1170	1270	-100
	Mangalore RBD Pamolein	1145	1265	-120
	Tuticorin (RBD Palmolein)	1375	1375	Unch
	Mumbai (Refined)	1170	1240	-70

	Rajkot (Refined)	1120	1260	-140
	Chennai (Refined)	1125	1270	-145
	Hyderabad (Refined)	1125	1260	-135
	Delhi (Refined)	1326	1326	Unch
	PFAD (Kandla)	765	810	-45
	RPS (Kandla)	860	1000	-140
	Superolien (Kandla)	1145	1270	-125
	Superolien (Mumbai)	1190	1290	-100
	Kochi (RBD Palmolein)	1150	1250	-100
	Krishnapattanam (Crude Palm Oil)	995	1120	-125
	Mumbai (Crude Palm Oil)	1160	1160	Unch
	Kolkata (Crude Palm Oil)	1130	1130	Unch
	Palm Kernel Oil (1000) GMT	1470	1470	Unch
Refined Sunflower Oil	Chennai (Refined)	1300	1570	-270
	Chennai (Crude)	1250	1450	-200
	Mumbai (Refined)	1330	1600	-270
	Mumbai (Expeller Oil)	1250	1540	-290
	Kandla (Refined)	1300	1650	-350
	Hyderabad (Refined)	1300	1580	-280
	Hyderabad (Expeller)	1250	1500	-250
	Latur (Refined)	1280	1480	-200
	Latur (Expeller Oil)	1160	1390	-230
	Chellakere (Expeller Oil)	1250	1420	-170
	Erode (Expeller Oil)	1370	Closed	-
	Kakinada (Refined)	1300	1570	-270
	Krishna Pattanam (Refined)	1300	1570	-270
	Delhi (Refined)	1700	1700	Unch
	Sun Oil (Rotterdam)	1620	1620	Unch
Groundnut Oil	Rajkot	1350	1400	-50
	Chennai	1340	1500	-160
	Delhi	1560	1560	Unch
	Hyderabad *	1300	1520	-220
	Mumbai	1380	1420	-40
	Gondal	1350	1375	-25
	Jamnagar	1350	1350	Unch
	Gujarat GN Telia	2140	2270	-130
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1395	1400	-5
	Jaipur (Kacchi Ghani Oil)	1415	1490	-75
	Kota (Expeller Oil)	1400	1400	Unch
	Kota (Kacchi Ghani Oil)	1410	1480	-70
	Neewai (Expeller Oil)	1370	1475	-105
	Neewai (Kacchi Ghani Oil)	1400	1500	-100



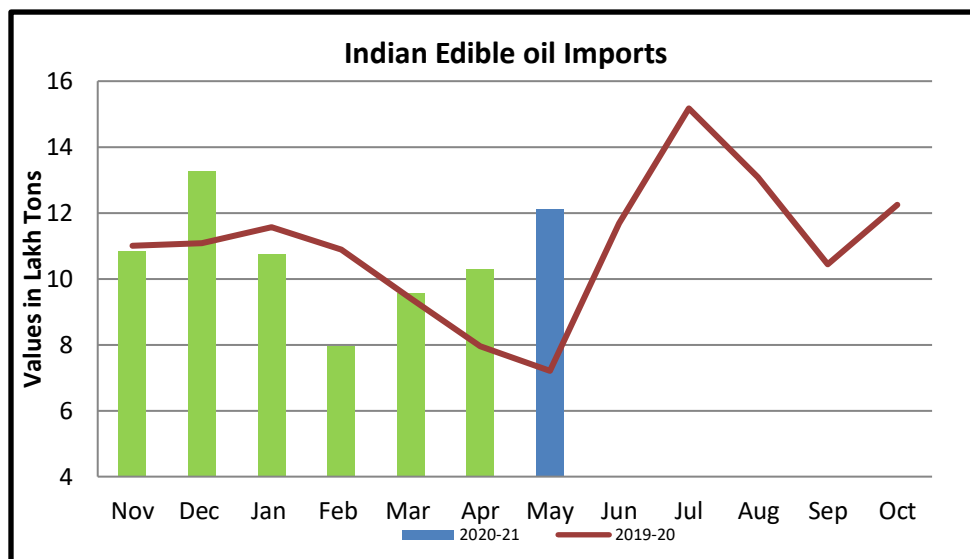
	Bharatpur (Kacchi Ghani Oil)	1430	1480	-50
	Sri-Ganga Nagar(Exp Oil)	1370	1440	-70
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1410	1460	-50
	Mumbai (Expeller Oil)	1390	1440	-50
	Kolkata(Expeller Oil)	1650	1760	-110
	New Delhi (Expeller Oil)	1390	0	1390
	Hapur (Expeller Oil)	1390	1570	-180
	Hapur (Kacchi Ghani Oil)	1420	1600	-180
	Agra (Kacchi Ghani Oil)	1435	1485	-50
	Nagpur (Expeller Oil)	1367	1367	Unch
Refined Cottonseed Oil	Rajkot	1330	1400	-70
	Hyderabad	1300	1410	-110
	Mumbai	1355	1395	-40
	New Delhi	1260	1260	Unch
	Gujarat Cotton Wash	1285	1320	-35
Coconut Oil	Kangayan (Crude)	1720	Closed	-
	Cochin	1780	1800	-20
	Coconut Oil(Rot.)(Phil/Indo)	1480	1480	Unch
Vanaspati Oil	Uttar Pradesh	1690	1690	Unch
	Kolkata	1600	1600	Unch
	Rajkot	1823	1823	Unch
Sesame Oil	New Delhi	1410	1410	Unch
	Mumbai	0	0	Unch
Kardi	Mumbai	0	0	Unch
Rice Bran Oil	New Delhi (40%)	985	985	Unch
	Punjab 4%)	1080	1300	-220
	Bhatinda (Crude 4%)	940	1050	-110
	Bhatinda (Refined 4%)	1055	1165	-110
	Hyderabad (Crude)	980	1280	-300
	Hyderabad (Refined)	1170	1480	-310
	Kolkata (Crude)	1070	1070	Unch
	Kolkata (Refined)	1170	1170	Unch
	Raipur (Crude)	1070	1210	-140
	Raipur (Refined)	1230	1360	-130
	Odisha (Refined)	1185	1350	-165
	Vijayawada (Refined)	1090	1250	-160
Malaysia Palmolein USD/MT	FOB	1035	1045	-10
	CNF India	1060	1035	25
Indonesia CPO USD/MT	FOB	1025	1145	-120
	CNF India	1060	1120	-60

RBD Palm oil (Malaysia Origin USD/MT)	FOB	1068	1068	Unch
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	1055	1055	Unch
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1450	1450	Unch
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	980	980	Unch
Crude palm Kernel Oil India (USD/MT)	CNF India	1360	1550	-190
Ukraine Origin CSFO USD/MT Kandla	CIF	1225	1550	-325
Rapeseed Oil Rotterdam Euro/MT	FOB	1080	1080	Unch
Argentina FOB (\$/MT)		1-Jul-21	1-Jun-21	Change
Crude Soybean Oil Ship		1103	1345	-242
Refined Soy Oil (Bulk) Ship		1142	1392	-250
Sunflower Oil Ship		1185	1475	-290
Cottonseed Oil Ship		1083	1325	-242
Refined Linseed Oil (Bulk) Ship		0	0	Unch
* indicates including GST				

Note - Domestic edible oil prices are in Indian rupees per 10 Kg, CNF/FOB/CIF prices are in USD per tons except Rapeseed oil Rotterdam (Euro per tons).

Annexure:

Indian Edible Oil Imports Scenario –:



As per Solvent Extractors' Association of India, India imported 131.54 million tons of veg. oils in the 2019-20 oil year. Edible oils imports were 149.13 million tons 2019-20 (November 2019-October 2020). Edible oils (including CPO, CDSO, CSFO, and RBD Palmolein imports for November is pegged at 12.25 lakh tons. Edible oils (including CPO, CDSO, CSFO, and RBD Palmolein imports for (Nov 2019-Oct 2020) is pegged at 119.50 lakh tons.

Indian Supply and Demand Scenario:

Balance sheet of Indian Edible Oil	2018-19	2019-20	2020-21- F	% Change
Value in million tons				
Beginning Stock	6.65	4.37	2.16	-50.64%
Production	8.39	8.45	8.62	2.00%
Imports	14.91	13.46	14.30	6.22%
Total Supply	29.95	26.28	25.07	-4.60%
Exports	0.02	0.02	0.02	0.00%
Total Demand (Consumption)	25.56	24.10	24.14	0.16%
Ending Stock	4.37	2.16	0.91	-57.83%

* Value in million tons

Balance Sheet Highlights

Net edible oil output is likely to be 8.62 million tons (up 2 percent y-o-y basis) in 2019-20 led by higher oilseed sowing in Kharif and rabi season in the current oil year.

On import front, edible oil imports seen at 14.30 million tons for 2020/21 oil year v/s 13.46 million tons last year. On

the consumption side, India's edible oil consumption for 2020-21 oil year seen at 24.14 million tons, higher by 0.16 percent from last year. Ending stocks are projected lower compared to 2020-21 at 0.91 million tons.

Note - Values in Mln. Tons, Oil year (Nov.-Oct.) *Including Production of Groundnut, Soy, Mustard, Sunflower, Sesame, Niger, Safflower, Cottonseed, Copra, Rice bran Oils. ** 2019-19- SEA of India & 2019-20 Agriwatch Estimates, *** (USDA estimates).

Landed Cost at the Indian Ports - Crude soy oil and Crude palm oil

Landed Cost Calculation as on 1/7/2021	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein Malaysia
FOB USD per ton	1115	1278	1366	1025	1035
Freight (USD/MT)	57	57	57	27	27.0
C & F	1172.0	1335.2	1423.4	1052.0	1062.0
Weight loss (0.25% of FOB)	2.79	3.20	3.42	2.56	2.59
Finance charges (0.4% on CNF)	4.69	5.34	5.69	4.21	4.25
Insurance (0.3% of C&F)	3.52	4.01	4.27	3.16	3.19
CIF (Indian Port - Kandla)	1183	1348	1437	1062	1072
Duty (Values in USD per tons)	479.71	479.71	479.71	370.37	381.81
GST (5% on duty) USD per ton	23.99	23.99	23.99	18.52	19.09
Exchange rate	74.35	74.35	74.35	74.35	74.35
Landed cost without customs duty in INR per ton	87955	100205	106825	78954	79705
Customs duty %	35.00%	35.00%	35.00%	32.50%	32.50%
Social Welfare Surcharge@10%	3.50%	3.50%	3.50%	3.25%	3.25%
Total Duty %	38.50%	38.50%	38.50%	35.75%	35.75%
Base import price	1246	1246	1246	1036	1068
Fixed exchange rate by customs department	74.55	74.55	74.55	74.55	74.55
Duty component in INR per ton	35762.38	35762.38	35762.38	27611.08	28463.94
Clearing charges INR per ton	1200	1200	1200	1200	1200
Brokerage INR per ton	200	200	200	200	200
Total landed cost INR per ton	125118	137367	143988	107965	109569
Domestic Market price INR/ton Soy Degum Kandla/CPO Kandla/RBD Kandla	123000	123000	123000	109900	112500
Total landed cost USD per ton	1683	1848	1937	1452	1474
Domestic Market price USD/tons Soy Degum Kandla/CPO Kandla 5%	1654	1654	1654	1478	1513
Parity INR/MT (Domestic - Landed)	-2118	-14367	-20988	1935	2931
Parity USD/MT (Domestic - Landed)	-28.48	-193.23	-282.28	26.02	39.43
Source: Agriwatch					
Refining/ Processing Cost per MT	2000.00	2000.00	2000.00	4700.00	4700.00
Freight to Inland location (Indore for soy and Delhi for Palm oil)	2500.00	2500.00	2500.00	2800.00	2800.00
Cost of Imported oil after refining/Processing	129617.80	141866.99	148487.79	115465.32	112368.73
Soy/Palm oil imported Price (Including tax)	136098.69	148960.34	155912.18	121238.58	117987.17
Loose price of Soy/Palm in Indore and Delhi market	134400.00	134400.00	134400.00	132600.00	132600.00
Parity after processing and Taxes (Rs per MT)	-1698.69	14560.34	21512.18	11361.42	14612.83
Parity after processing and Taxes (USD per MT)	-22.85	-195.84	-289.34	152.81	196.54
Source: Agriwatch					

International Balance Sheets

Balance Sheet (Annual) - Soy Oil, Global

Fig in million tons.

	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Beginning Stocks	3.917	3.957	3.900	4.055	4.546
Production	53.814	55.151	55.823	57.873	60.302
Imports	10.980	9.832	10.628	11.235	11.440
Total Supply	68.711	68.940	70.351	73.163	76.288
Exports	11.328	10.561	11.174	11.950	12.120
Food Use Dom. Cons.	43.660	44.022	44.325	46.138	48.698
Domestic Consumption	53.426	54.479	55.122	56.667	59.585
Ending Stocks	3.957	3.900	4.055	4.546	4.583

Balance Sheet (Annual) - Soy Oil, United States

Fig. in million tons

	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Beginning Stocks	0.765	0.776	0.905	0.805	0.838
Production	10.035	10.783	10.976	11.3	11.596
Imports	0.145	0.152	0.18	0.145	0.159
Total Supply	10.945	11.711	12.061	12.25	12.593
Exports	1.159	1.108	0.88	1.288	1.247
Industrial Dom. Cons.	2.812	3.236	3.567	3.564	3.765
Food Use Dom. Cons.	6.198	6.462	6.809	6.56	6.804
Domestic Consumption	9.01	9.698	10.376	10.124	10.569
Ending Stocks	0.776	0.905	0.805	0.838	0.777

Source: USDA

Balance Sheet (Annual) - Soybean, United States

Fig. in million tons

	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Beginning Stocks	5.354	8.208	11.923	24.74	14.276
Production	116.931	120.065	120.515	96.667	112.549
Imports	0.606	0.594	0.383	0.419	0.953
Total Supply	122.891	128.867	132.821	121.826	127.778
Exports	58.964	58.071	47.676	45.777	61.235
Domestic Consumption	55.719	58.873	60.405	61.773	63.289
Ending Stocks	8.208	11.923	24.74	14.276	3.254

Source: USDA

Balance Sheet (Annual) - Soybean, Brazil

Fig. in million tons

	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Beginning Stocks	23.158	32.112	32.696	32.472	20.045
Production	114.900	123.400	119.700	126.000	133.000
Imports	0.252	0.175	0.140	0.549	0.400
Total Supply	138.310	155.687	152.536	159.021	153.445
Exports	63.137	76.136	74.887	92.126	85.000
Domestic Consumption	43.061	46.855	45.177	46.850	48.100
Ending Stocks	32.112	32.696	32.472	20.045	20.345

Source: USDA

Balance Sheet (Annual) - Soybean, Argentina

Fig. in million tons

	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Beginning Stocks	27.156	26.996	23.734	28.890	26.700
Production	55.000	37.800	55.300	48.800	48.000
Imports	1.674	4.703	6.408	4.882	4.500
Total Supply	83.830	69.499	85.442	82.572	79.200
Exports	7.025	2.132	9.104	10.002	7.000
Domestic Consumption	49.809	43.633	47.448	45.870	46.200
Ending Stocks	26.996	23.734	28.890	26.700	26.000

Source: USDA

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