
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, Coconut oil and Sunflower oil prices showed declining trend. While, mustard oil saw rising trend.

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

On the currency front, Indian rupee is hovering near 74.17 compared to 72.97 last month. Rupee is expected to appreciate in October. Crude oil prices are expected to rise to an extent in October.

Recommendation:

Market participants can buy refined soy oil in the cash markets at 1330-1430 for the target of 1270-1370 levels (Indore). Market participants can buy CPO Kandla 5% in the cash markets at 1135-1235 for the target of 1090-1210 levels.

International Veg. Oil Market Summary

CBOT soy oil (Oct) is expected to stay in the range of 56.48 cents/lb to 64.40 cents/lb. CPO at BMD (Oct) is likely to stay in the range of 4830-5350 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 harvesting 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, Soy crop condition in US, Water level in Parana River affecting Exports from Brazil and Argentina, slow 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**

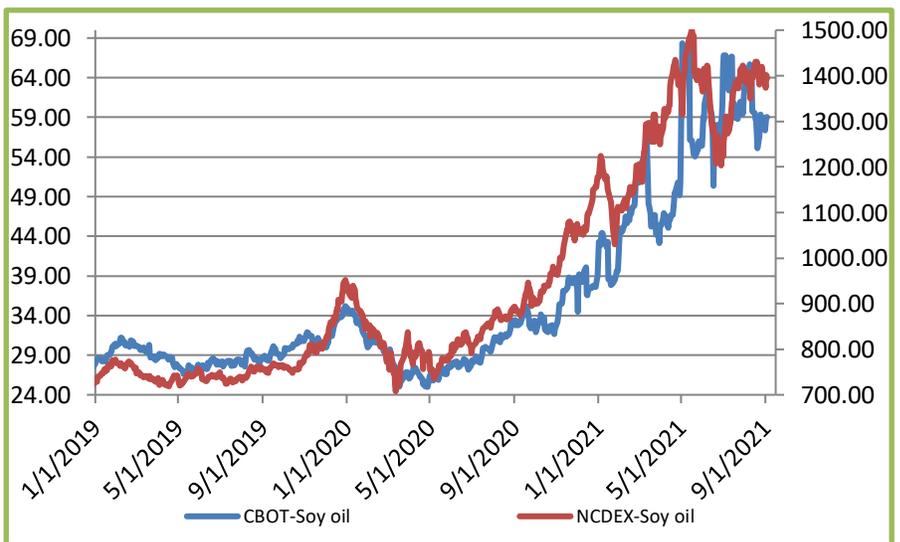
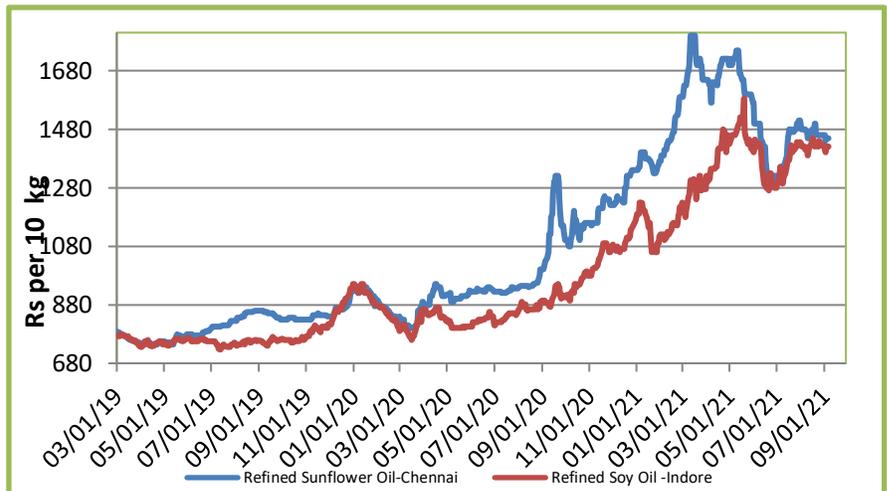
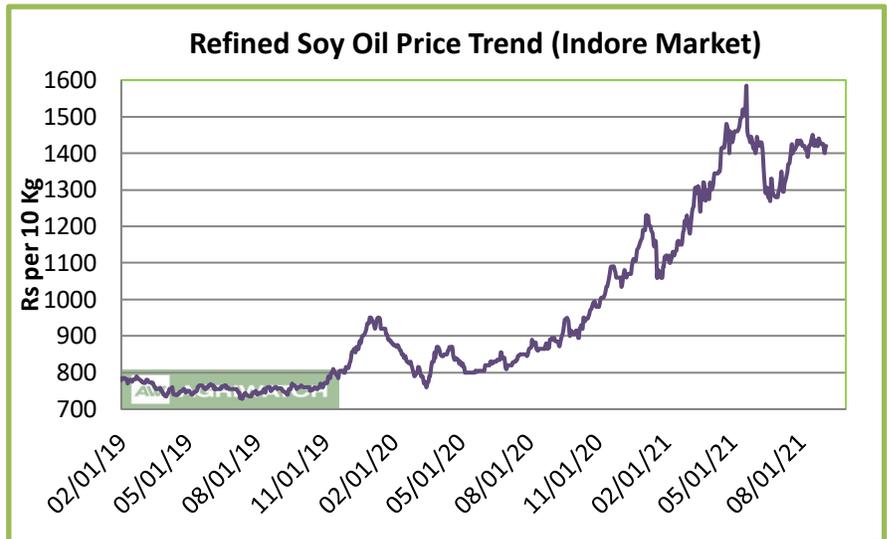
➤ Refined soybean oil prices featured down trend at its benchmark market at Indore during the month of September on expectation of arrival of new soybean kharif crop and good yields.

➤ The prices were corrected following weak international soy oil market and price correction due to cut in import duty.

➤ CBOT soy oil prices traded downside as arrival of US's new soybean crop starts and creating selling pressure as progression is heading fast.

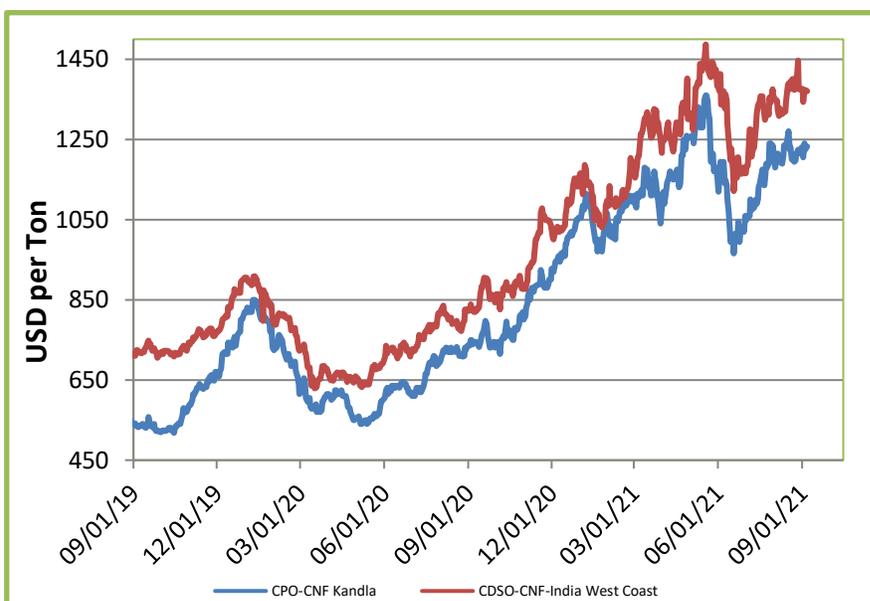
The prices fell by 4.61 percent in September from 1410 Rs per 10 kg to 1345 Rs per 10 Kg at the end of the month.

➤ Soy oil import scenario – According to SEA, Soy oil imports fell 53.81 percent in Aug y-o-y to 1.82 lakh tons from 3.94 lakh tons in Aug 2020. For the current oil year 2020-21 (Nov 2020 -October 2021), soy oil for period of Nov.20- Aug'21 saw fall in imports to 24.12 lakh tons compared to 27.89 lakh tons in corresponding period last oil year, low by 6.89 percent compared to corresponding period last oil year.



➤ According to Solvent Extractors Association (SEA), India's August edible oil imports fell 23 percent y-o- y to 10.16 lakh tons from 13.70 lakh tons in August 2020. Palm oil imports rose 2.18 percent y-o-y to 7.50 lakh tons from 7.34 lakh tons in August 2020. CPO imports fell 24.03 percent y-o-y in Aug 2021 to 5.50 lakh tons from

7.24 lakh tons in Aug 2020. RBD palmolein import rose to 1.87 lakh tons in Aug 2021 compared to 0.00 lakh tons imports in Aug 2020. Soy oil imports fell 53.81 percent in Aug y-o-y to 1.82 lakh tons from 3.94 lakh tons in Aug 2020. Sunflower oil imports fell 1.41 percent in Aug y-o-y to 0.72 lakh tons from 0.71 lakh tons in July 2020. Rapeseed (canola) oil stood at 12,437 lakh tons imports in Aug compared to 20,801 lakh tons in last year for same period.



- According to Solvent Extractors Association (SEA), India's September edible oil stocks at ports and pipelines rose by 3.24 percent m-o-m to 17.50 lakh tons from 16.95 lakh tons in August 2021. Stocks of edible oil at ports in September is estimated at 600,000 tons (CPO 195,000 tons, RBD Palmolein 75,000, Degummed Soybean Oil 215,000 tons, Crude Sunflower Oil 110,000 tons and Rapeseed Oil 5,000 tons). Stocks at ports were 585,000 tons and in pipelines were 1,110,000 tons, in August 2021. India is presently holding 21 days of edible oil requirement on 1st September, 2021 at 17.50 lakh tons compared to 20 days of requirements of 16.95 lakh tons on 1st August 2021. India held 17.31 lakh tons of stocks in ports and pipelines on 1st Sept 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 1385 (USD 1355 per ton for Oct delivery, Nov delivery is quoted at USD 1379 (USD 1355) per ton. Last month, CNF CDSO September average price was USD 1364.69 (USD 1361.56 per ton in August 2021) per ton.
- Refined soy oil (Indore) is quoted at Rs 1345 (Rs 1410) per 10 kg on October 1, 2021. Values in brackets are figures of last month.

International Soy oil Market Fundamentals

- Soy oil prices are pressured due to arrival of new US soybean crop, good yield expectations, while, high crude oil prices will support prices.
- CBOT Soy oil prices corrected as exports slowed down as Hurricane Ida hit US Gulf ports affecting exports activities. This led to higher shipping costs too. Furthermore, starting of harvesting of soybean crop in US led to lower prices. The weather is favorable for harvesting and crop conditions also improved.
- Demand from China is slacked due to energy crisis which led to power plant shut down.
- Brazil also started planting their new soybean crop. Last year Brazil saw increase in acreage by 3.35 percent to 38.19 M Ha compared to 36.95 M Ha in year 2019/20.

- According to NOPA, U.S. August soybean crush seen at 154.183 million bushels down by 0.6 percent from 155.105 million bushels in July and down by 6.6 percent on yearly basis from 165.055 million bushels crushed last year.
- According to United States Department of Agriculture (USDA) September estimate, U.S 2020/21 ending stocks of soy oil estimate has been increased to 1,478 million lbs compared to 1,453 million lbs in August estimate. Opening stocks is increased to 1,858 million lbs compared to 1,793 million lbs last month. Production of soy oil in September is lowered to 25,420 million lbs compared to 25,710 million lbs in August's estimate. Imports in September are lowered to 450 million lbs compared to 600 million lbs. Biofuel use in September is lowered to 11,000 million lbs compared to 11,500 million lbs in August. Food, feed and other industrial use in September estimate is increased to 14,000 million lbs compared to 13,700 million lbs in August. Exports is also lowered to 1,250 million lbs compared to 1,450 million lbs last month. Average price range estimate of August is same as of July at 65.0 cents per lb.

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.

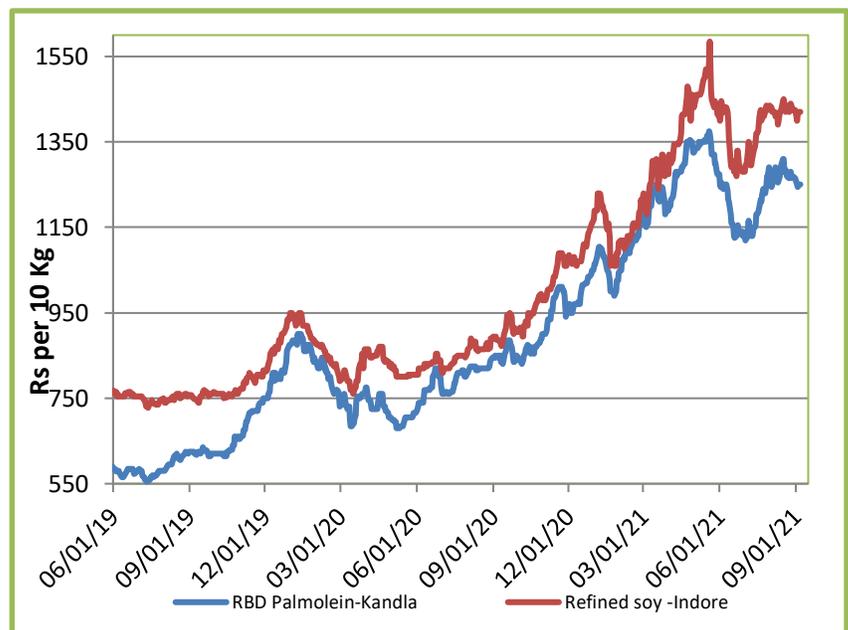
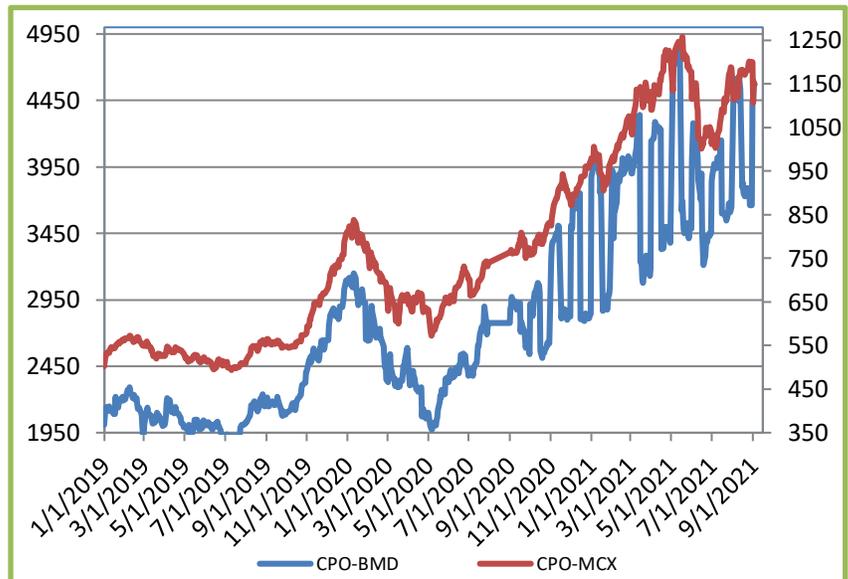
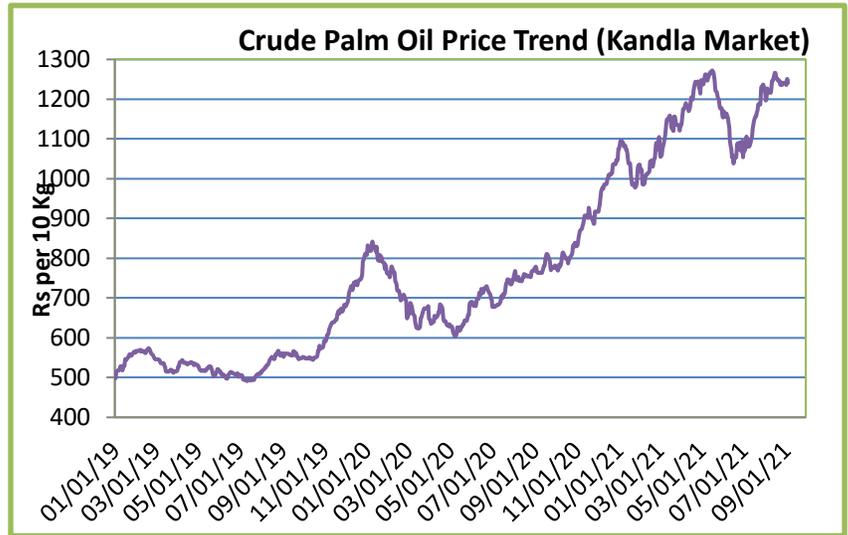
According to United States Department of Agriculture (USDA) July estimate, U.S 2020/21 ending stocks of soy oil estimate has been decreased to 1,488 million lbs compared to 1,503 million lbs in June estimate. Opening stocks decreased to 1,793 million lbs compared from 1,808 million lbs in June 2020/21. Production of soy oil in July is kept unchanged at 25,945 million lbs. Imports in July are kept unchanged at 600 million lbs. Biofuel use in July is kept unchanged at 12,000 million lbs. Food, feed and other industrial use in July estimate is also same as previous month at 13,400 million lbs. Exports is unchanged at 1,450 million lbs. Average price range estimate of July is same as of June at 65.0 cents per lb.

The U.S. Department of Agriculture monthly supply and demand report for the month of July forecasts U.S. 2020/21 soybean end stocks unchanged at 155 million bushels. Opening stocks in 2020/21 are kept unchanged at 135 million bushels. Soybean production in July estimate is kept unchanged at 4,405 million bushels. U.S. soybean exports estimate in July are kept unchanged at 2,075 million bushels. Import's estimate is kept unchanged at 35 million bushels. Crush are kept unchanged at 2,225 million bushels. Seed use in 2020/21 is same at 104 million bushels. Residual use is unchanged at 15 million bushels. Average price range in 2020/21 is decreased to 13.70 cents/bushel compared to 13.85 cents/bushel in June month's estimate.

Price Outlook: We expect refined soy oil (without GST) at Indore to stay in the range of Rs 1330-1430 per 10 Kg in the near term.

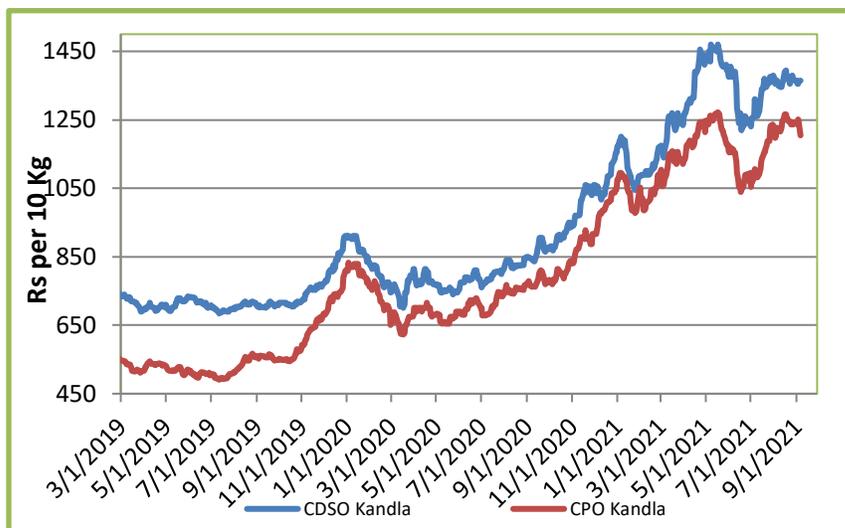
**Palm oil:
Domestic Market Fundamentals**

- CPO prices witnessed down trend in the month of September at its benchmark market at Kandla.
- Palm oil prices corrected following price correction in international market as well as due to import duty cut.
- The CPO prices fell 6.77 percent in September month from 1241 Rs per 10 Kg at the starting of the month compared to Rs 1157 Rs per 10 kg at the end of the month.
- As restrictions relaxed the demand for palm oil firmed up from HoReCa sector, raising the prices amid slow supply side.
- Government of India revised Basic Custom Duty on Crude palm oil from 7.5 percent to 2.5 percent and Refined palm oil to 24.5 percent. The effective duty include Agriculture cess and other charges on crude palm oil will be 10.5 percent, while for refined palm oil the duty stands 27.5 percent.
- 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 ahead of festive season.



➤ The prices of RBD palmolein and Soy oil diverged as the demand for palm oil was low due to lockdown and restrictions.

➤ Palm oil import scenario – According to Solvent Extractors Association (SEA), Palm oil imports in August rose 2.18 percent y-o-y to 7.50 lakh tons from 7.34 lakh tons in August 2020. For the current oil year 2020-21 (Nov 2020 -October 2021), Palm oil for period of Nov.20- Aug'21 saw



rise in imports to 63.65 lakh tons compared to 57.96 lakh tons in corresponding period last oil year, higher by 9.82 percent compared to corresponding period last oil year.

➤ Crude Palm oil import scenario- According to Solvent Extractors Association (SEA), CPO Imports fell 24.03 percent y-o-y in Aug 2021 to 5.50 lakh tons from 7.24 lakh tons in Aug 2020. For the current oil year 2020-21 (Nov 2020 -October 2021), Crude palm oil for period of Nov.20- Aug'21 saw rise in imports to 60.20 lakh tons compared to 52.96 lakh tons in corresponding period last oil year, higher by 13.67 percent compared to corresponding period last oil year.

➤ RBD palmolein import scenario- RBD palmolein Imports rose to 1.87 lakh tons in Aug 2021 compared to 0.00 lakh tons imports in Aug 2020. For the current oil year 2020-21 (Nov 2020 -October 2021), RBD Palmolein oil for period of Nov.20- Aug'21 saw fall in imports to 2.30 lakh tons compared to 4.04 lakh tons in corresponding period last oil year.

➤ On the trade front, CNF CPO (Indonesian origin) at Indian port is quoted at USD 1245 (USD 1190) per ton for Oct delivery and Nov delivery is quoted at USD 1215 (USD 1190) per ton. Last month, CNF CPO September average price was at 1228.54 per ton (USD 1214.32 per ton in August 2021). Values in brackets are figures of last week.

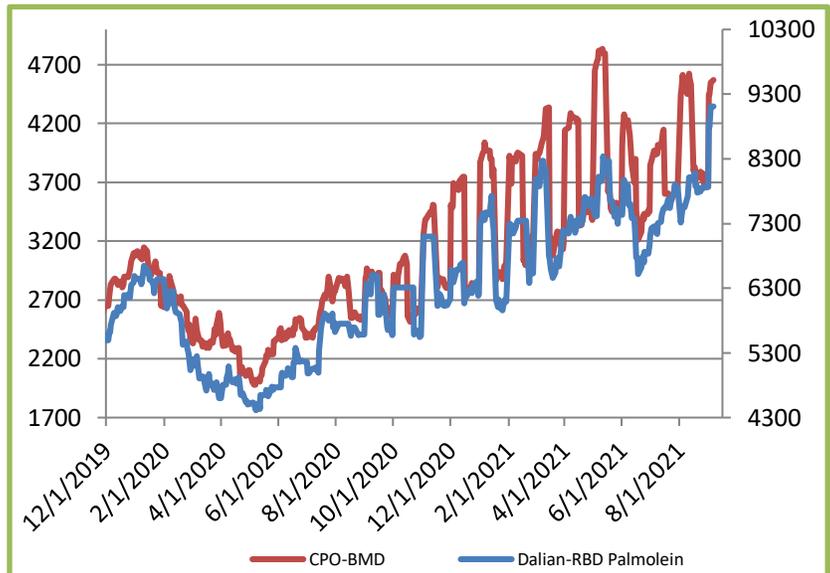
Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 1185 (USD 1125) per ton for Oct delivery and Nov delivery is quoted at USD 1160 (USD 1110) per ton. Last month, CIF RBD palmolein September average price was USD 1224 (USD 1194.72 in August 2021) per ton. Values in bracket depict last month quotes.

➤ Ready lift CPO duty paid prices quoted at Rs 1157 GST (Rs 1241 GST) per 10 kg. Ready lift RBD palmolein is quoted at Rs 1220 (Rs 1255) per 10 kg as on October 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 trade firm as prices are supported by firm demand from China and India.
- Malaysia government this month announced a special approval to bring in 32,000 foreign workers for the plantation sector.
- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's Sept 1-30 palm oil exports rose 43.21 percent to 17.05 LT compared to 11.91 LT last month for same period.



- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's Sept 1-30 palm oil exports rose 40.03 percent to 16.98 LT compared to 12.13 LT last month for same period.
- According to Malaysia Palm Oil Board (MPOB), Malaysia's August Crude palm oil stocks rose 35.07 percent to 9.51 lakh tons compared to 7.03 lakh tons in July 2021. Production of palm oil in August rose 11.80 percent to 17.02 lakh tons compared to 15.23 lakh tons in July 2021. Exports of palm oil in August fell 17.06 percent to 11.62 lakh tons compared to 14.02 lakh tons in July 2021. Imports of palm oil in August rose to 91,408 tons from 54,381 tons of imports in previous month. Stocks of palm oil rose to trade expectation of rise in stocks. Rise in stocks is mainly due to higher production and lower exports.
- According to Malaysia Palm Oil Board (MPOB), Malaysia's July Crude palm oil stocks fell 11.85 percent to 7.03 lakh tons compared to 7.98 lakh tons in June 2021. Production of palm oil in July fell 5.17 percent to 15.23 lakh tons compared to 16.06 lakh tons in June 2021. Exports of palm oil in July fell 0.75 percent to 14.08 lakh tons compared to 14.19 lakh tons in June 2021. Imports of palm oil in July rose to 6,496 tons from zero imports in previous month. Stocks of palm oil fell compared to trade expectation of rise in stocks. Fall in stocks is mainly expected due to labour problems.
- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's Augs 1-30 palm oil exports fell 5.21 percent to 14.40 LT compared to 15.19 LT last month for same period.
- According to Amspec, Malaysia's July 1-30 palm oil exports fell 7.71 percent to 14.25 LT compared to 15.45 LT last month for same period.

Price Outlook: We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 1135-1235 per 10 Kg in the near term.

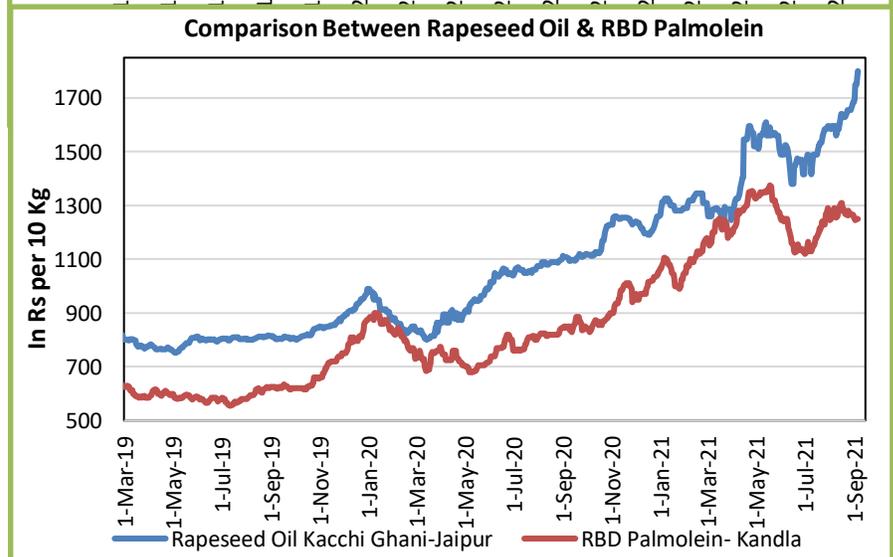
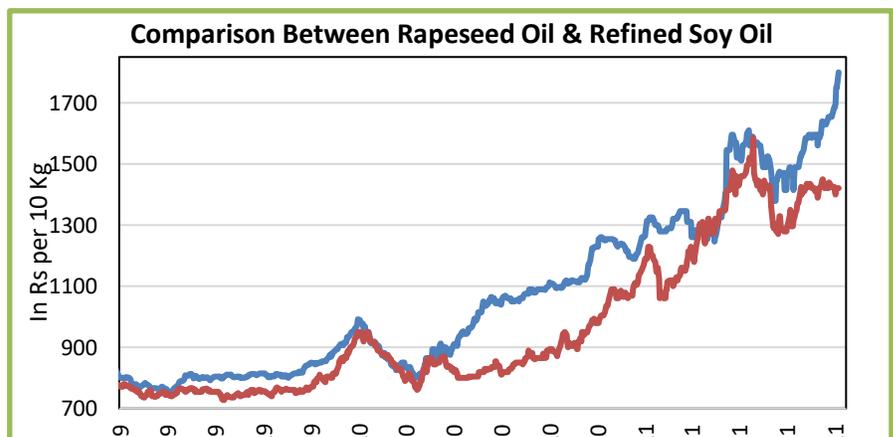
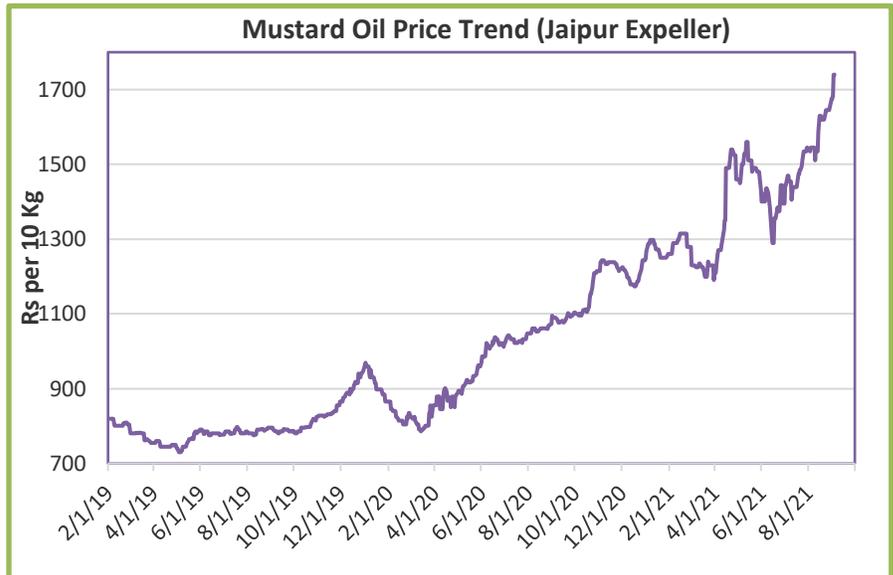
**Rapeseed oil:
Domestic Market Fundamentals**

- Rapeseed oil traded upward for the month in review. Prices of mustard oil rose as the supply side at low and firm demand.
- Rising mustard oil prices led to rise in prices of mustard oil.
- Mustard oil prices also took positive cue from rising international rapeseed oil prices as global rapeseed production slacked due to lower global production. According to USDA's latest report, Canada's canola area is up by 1 percent, while, production is down by 31 percent and yield is down by 32 percent as compared to 5 years average.
- Imports of rapeseed oil in august relieved pressure from hiked prices.
- Premium of Jaipur kacchi ghani rapeseed oil over refined soy oil in domestic market is at Rs 435 per 10 Kg on 1st October compared to Rs 370 per 10 Kg last month on same date.

Jaipur kacchi ghani rapeseed oil premium over RBD palmolein is at Rs 590 per 10 kg compared to Rs 540 per 10 Kg last month. The premium of Mustard oil rose compared to last month on tight supply side.

The mustard oil Jaipur Expeller

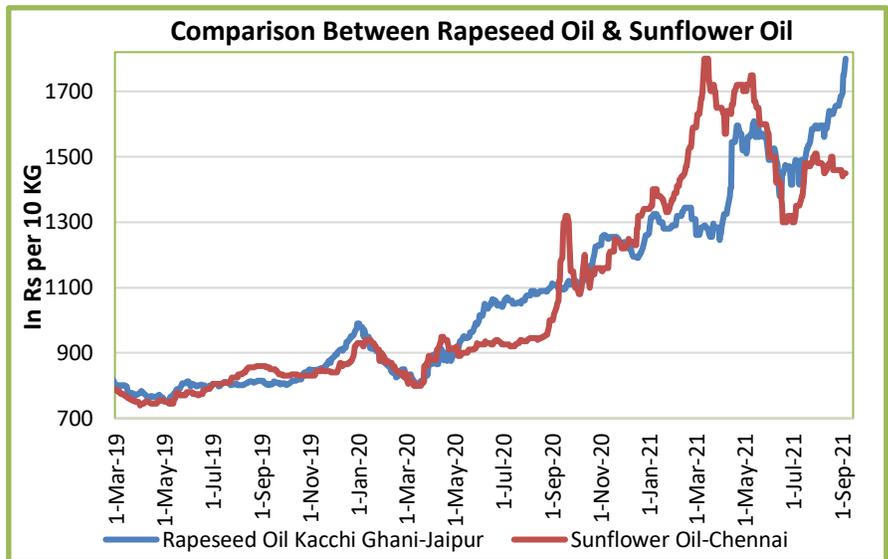
prices rose 6.27 percent in September month from 1675 Rs per 10 Kg at the starting of the month compared to Rs 1780 Rs per 10 kg at the end of the month.



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 12,437 tons rapeseed (Canola) oil in August 2021 compared to 20,801 tons in August 2020. For the current oil year 2020-21 (Nov 2020 -October 2021), soy oil for period of Nov.20- Aug'21 saw fall in imports to 0.12 lakh tons compared to 0.37 lakh tons in corresponding period last oil year.
- Currently, RM oil at Jaipur market, (expeller) is offered at Rs 1,780 (Rs 1,675) per 10 Kg, and at Kota market, it is offered at Rs 1,750 (Rs 1,600) per 10 kg as on October 1, 2021. Values in brackets are figures of last month.
- We expect RM seed oil prices to trade up in the coming days.

Price Outlook: We expect Rapeseed oil (Jaipur) to trade in the price band of Rs 1750-1850 per 10 Kg.

**Sunflower oil:
Domestic Market Fundamentals**

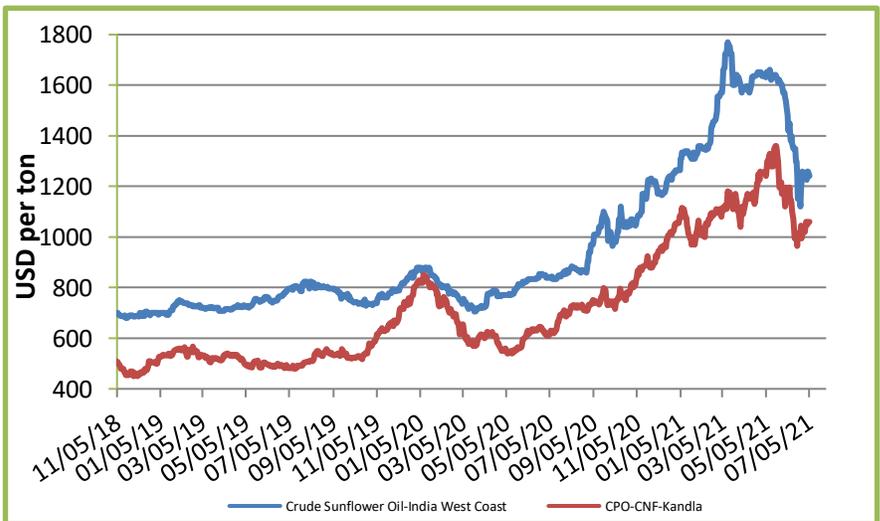
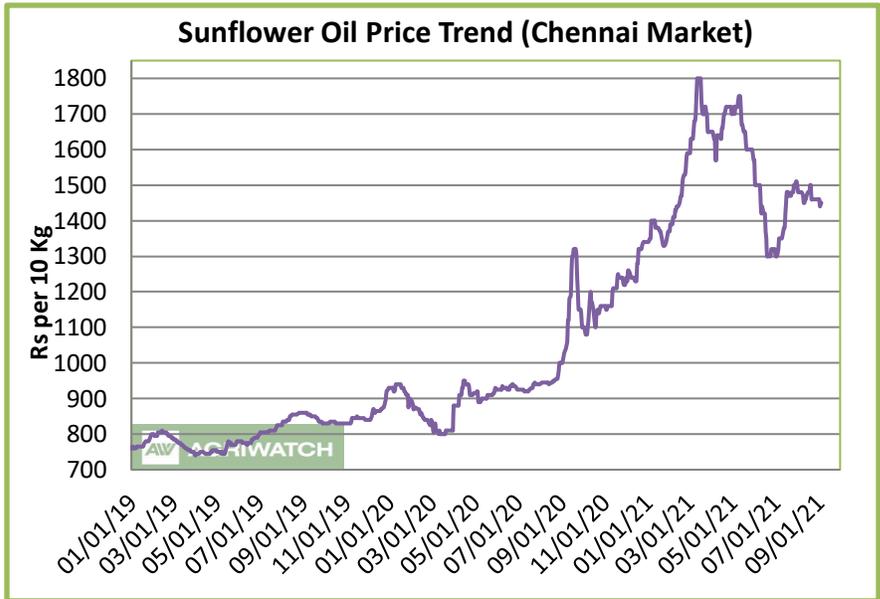
➤ Sunflower oil featured down trend at its bench market Chennai in India during the month of September on expectation of arrival of domestic crops and lower international prices.

➤ Sunflower oil prices fell 4.79 percent in September month from Rs 1460 Rs per 10 Kg at the starting of the month compared to Rs 1390 Rs per 10 Kg at the end of the month.

➤ Sunflower oil prices are currently rising following rising international prices as harvesting is progressing slow in Russia and Ukraine. Rising acreage of Sun seed resulted in correction in domestic prices while lower August imports led to tight supply and will underpin the price.

➤ According to APK Inform, EFKO Group of Companies at the international Middle East Grains Oils Congress, estimates Russia to export 3.7 MT of sunflower crude oil in 2021/22 year. India is to remain third highest importer of Russia's sun crude oil with estimated quantity at 4.8 MT. Currently, Russia has harvested 5 MT of sunflower seeds from 3.2 M ha area.

Sunflower oil is mainly used in home consumption and demand has firmed up in home consumption as Sun oil premium over competing



oils narrowed down.

Imports of sunflower oil were down in August month same as that of July month's import.

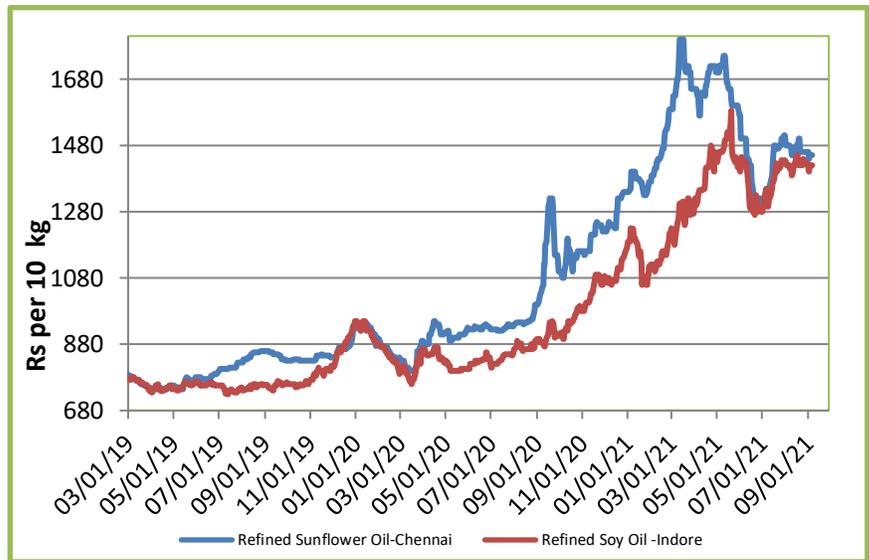
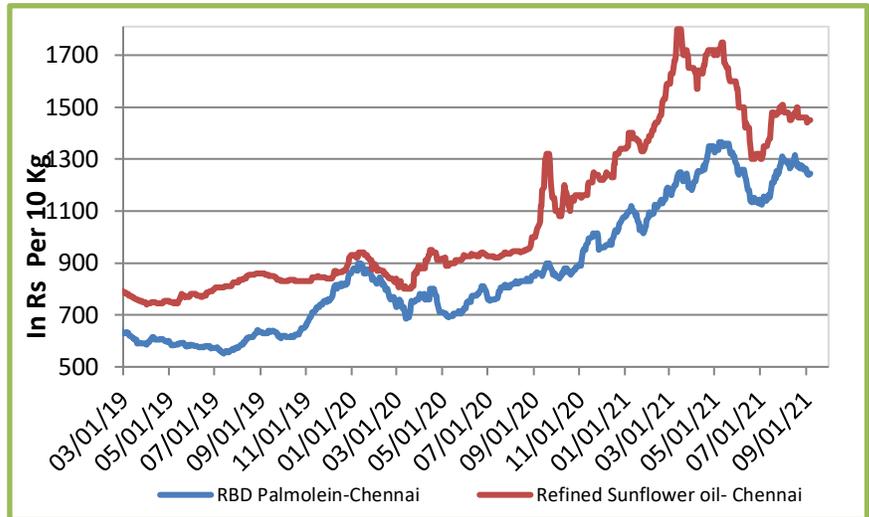
Import demand of sunflower oil may slow down as Government are focusing to increase domestic oilseed production to reduce import dependence and increase in acreage of sun seed planting.

➤ As on 17th September 2021, the total area under Sunflower kharif cultivation stood at 1.42 Lakh Ha compared to area of 1.23 Lakh ha in last year for the same period.

➤ On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 1410 (USD 1340) per ton for Oct delivery, Nov delivery is quoted at USD 1395 (USD 1325) per ton. CNF sun oil (Ukraine origin) September monthly average is at USD 1363.84 per ton compared to USD 1358.6 per ton in August. Values in brackets are figures of last month.

➤ Currently, refined sunflower oil at Chennai market is offered at Rs 1,390 (Rs 1,460) per 10 Kg, and at Kandla/Mudra market, it is offered at Rs 1,370 (Rs 1,460) per 10 kg as on October 1, 2021. Values in brackets are figures of last month.

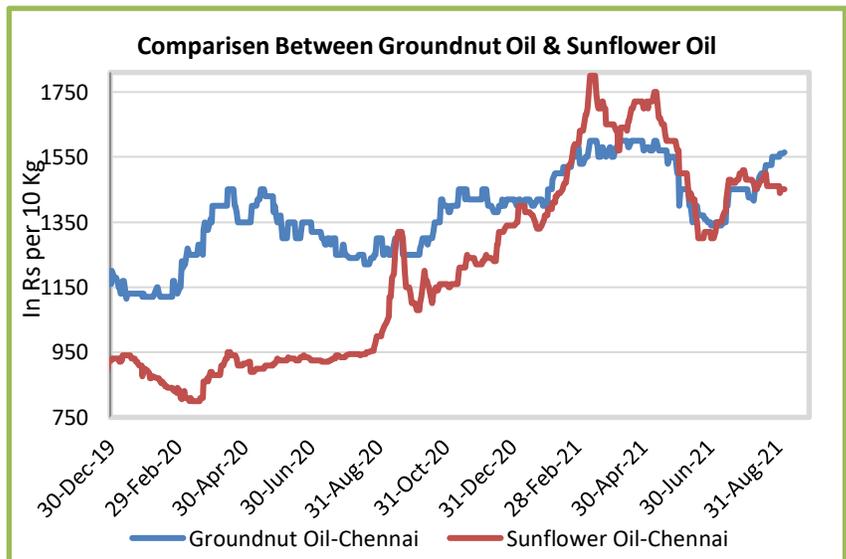
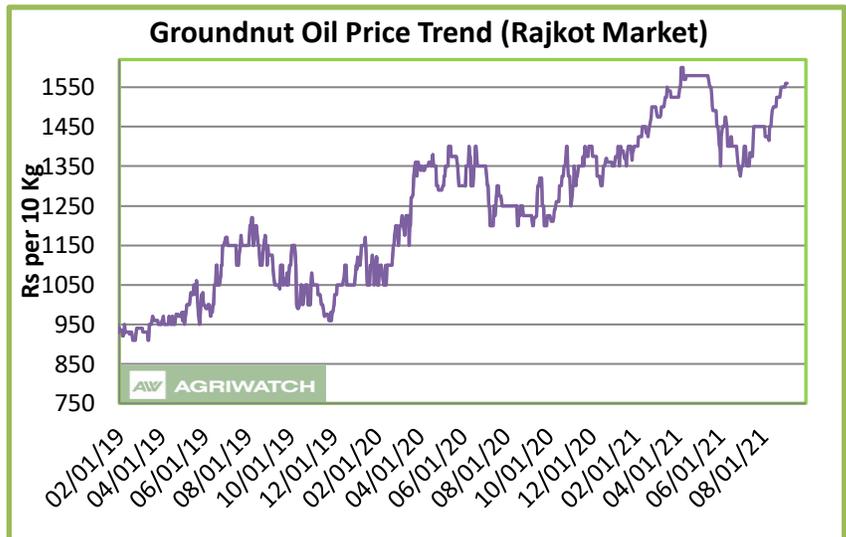
➤ We expect sunflower oil prices to trade sideways in the coming days.



Price Outlook: We expect sunflower oil (Chennai) to trade in the price band of Rs 1340-1460 per 10 Kg.

**Groundnut oil:
Domestic Market Fundamentals**

- Groundnut oil featured downtrend in Rajkot market during the month in review on hiked prices and demand substitution.
- Groundnut prices were trading at Rs.1450-1550 levels.
- Groundnut oil prices fell 6.45 percent in September month from Rs 1550 Rs per 10 Kg at the starting of the month compared to Rs 1450 Rs per 10 Kg at the end of the month.
- Groundnut kharif crop acreage for current year is lower compared to last year. In Gujarat, the sowing is lagging by 1.56 lakh ha, which currently stand at 19.096 lakh ha compared to 20.653 lakh Ha.
- Further, heavy rainfall in Saurashtra region and major groundnut growing region rendered crop damages which will underpin the prices.
- Groundnut oil export demand has slowed down over the months while, it paced up slightly since July ending.



- Groundnut oil is at premium over Sunflower oil in September month. As on 30th September, groundnut oil is at premium of Rs. 60 over sun oil, while on 1st September, the premium stood at Rs. 90.
- Groundnut oil exports scenario- India exported 1,142.87 tons Groundnut oil in July 2021 v/s 5,702.41 tons export in July 2020 lowered by 52.88 percent. It was mainly exported to China at 1,060.18 tons.
- On the price front, currently the groundnut oil prices in Rajkot are hovering near Rs 14,500 (15,500) per quintal and quoting at Rs 14,800 (Rs 14,100) per quintal in Chennai market, as on October 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 1430-1530 per 10 Kg.

**Coconut oil:
Domestic Market Fundamentals**

➤ Coconut oil benchmark market Kangayam prices fell in the September month following declining copra prices.

Earlier, higher premium of coconut oil over competing oils led to price correction.

The prices are moving sideways as recent GST hike on coconut oil whose packaging is below 1000 ml is

revised to 18 percent is impacting the promoters. This is impacted the demand from small coconut oil promoters.

Coconut oil demand is slow in southern states, same as demand from North India.

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

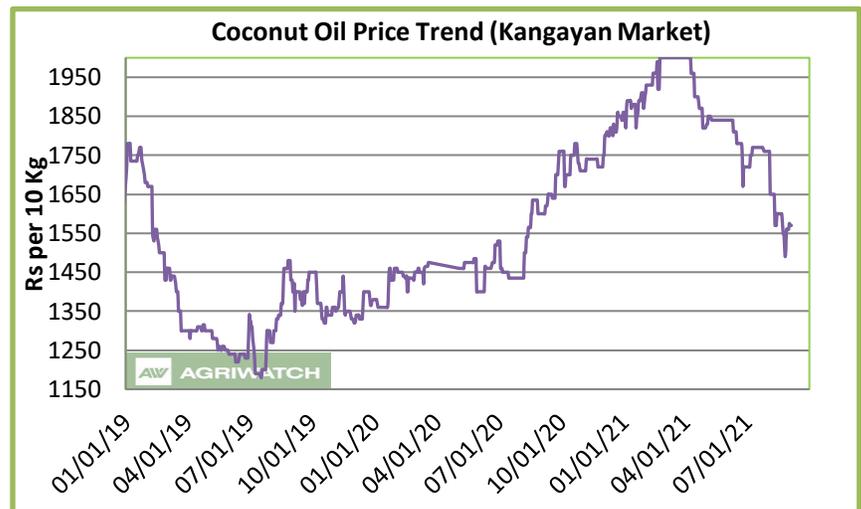
Coconut importers are dependent on domestic Coconut supply as State Trading Corporation has refrained from issuing NOC to import copra from December 2020.

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.

Prices are expected to remain sideways in October on slow rise in demand.

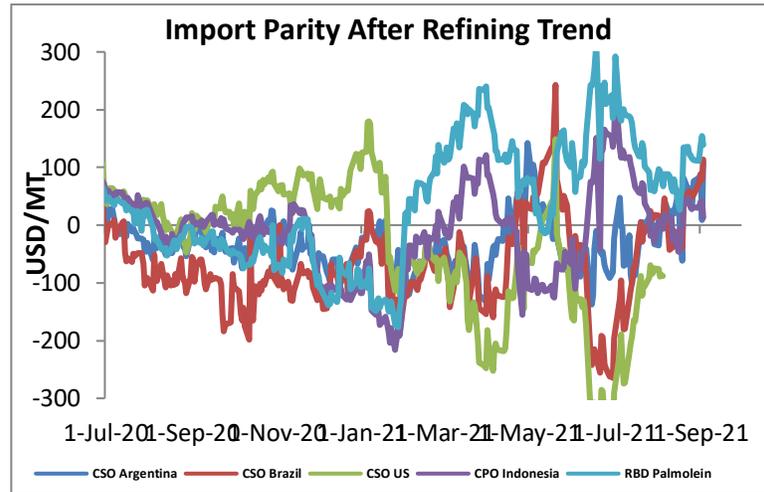
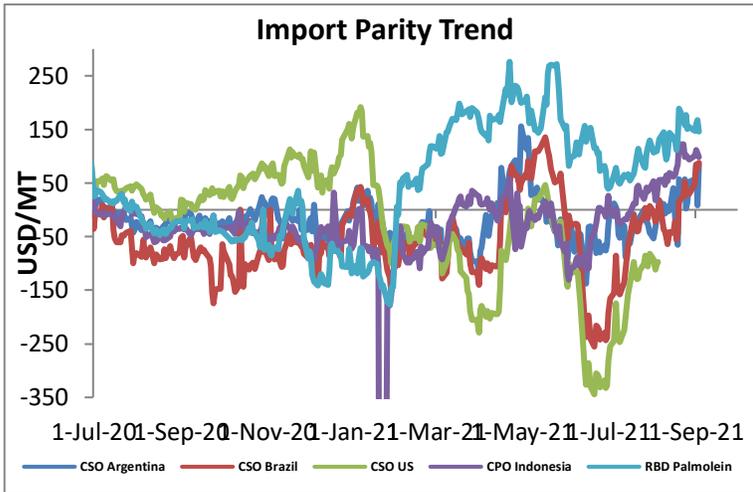
- On the price front, currently the coconut oil prices in Kochi are hovering near Rs 17,100 (16,800) per quintal and Rs 15,000 (15,700) per quintal in Erode market on October 1, 2021.
- Coconut oil prices to trade in sideways tone tracking rise in prices of edible oils.

Price Outlook: We expect coconut oil (Erode) to trade in the price band of Rs 1450-1550 per 10 Kg.



Import Parity Trend

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

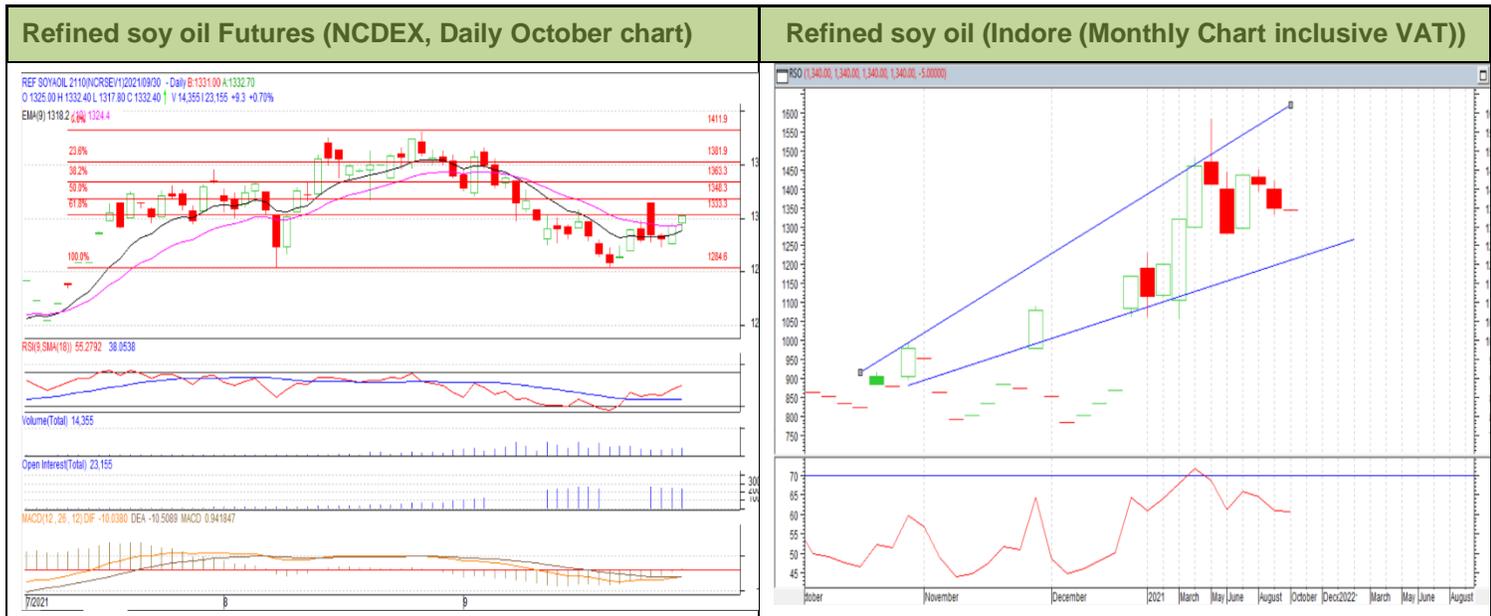


	CSO Argentina	CSO Brazil	CPO Indonesia	RBD Palmolein
Jul, 2021	-74.28	-159.34	42.82	178.44
Aug, 2021	-25.03	-72.36	77.62	147.30
Sep, 2021	23.08	9.08	7.83	87.91

Outlook:-

Import disparity turned to parity in Aug 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, crop condition in US and supply stock. We expect CDSO import parity retain parity in September on expectation of sideways prices of soy oil in Indian markets as well as international market. Parity in CPO is lower than RBD palm olein. Parity in CPO is down compared to previous week as palm oil demand is getting firm and may retain parity for medium term on expectation of rise in prices.

Technical Analysis (Refined soy oil Monthly Charts)



Outlook – Prices are likely to trade sideways with upward bias in the days ahead. Investors are advised to buy refined soy oil (October contract) on dips.

- Candlestick monthly chart of refined soy oil at NCDEX depicts sideways movement in prices. We expect prices to feature sideways trend in the near term.
- Expected price band for next month is 1290-1370 level in near to medium term. RSI and MACD are indicating sideways sentiments

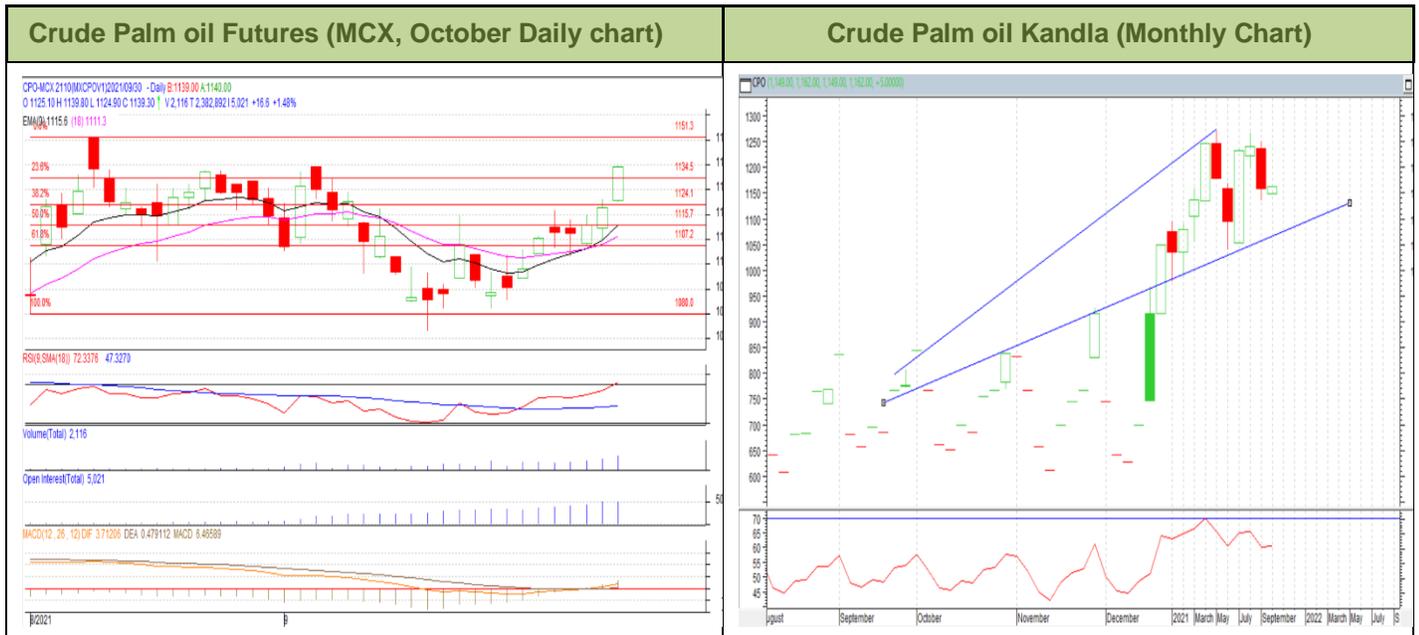
Strategy: Market participants are advised to go long in refined Soy oil above 1310 for a target of 1335 and 1350 with a stop loss at 1290 on closing basis.

RSO NCDEX

Support and Resistance				
S2	S1	PCP	R1	R2
1223.20	1270.40	1317.6	1364.40	1411.20

Spot Market outlook: Refined soy oil Indore (including VAT) is likely to stay in the range of 1330-1430 per 10 Kg.

Technical Analysis (Crude Palm oil Monthly Charts)



Outlook – Prices are likely to trade sideways with upward bias in the days ahead. Investors are advised to buy MCX CPO (October contract) on dips.

- Candlestick monthly chart of crude palm oil at MCX depicts sideways trend in prices. We expect prices to feature sideways trend with upward bias in the near term.
- Expected price band for next month is 1090-1210 level in near to medium term. RSI and MACD are indicating sideways sentiments
- **Strategy:** Market participants are advised to go long in CPO above 1130 for a target of 1155 and 1170 with a stop loss at 1120 on closing basis.

CPO MCX

Support and Resistance				
S2	S1	PCP	R1	R2
1070.60	1105.10	1139.6	1198.40	1232.90

Spot Market outlook: Crude palm oil Kandla is likely to stay in the range of 1135-1235 per 10 Kg.

Monthly spot prices comparison

Edible Oil Spot Prices at key Markets:

Commodity	Centre	Prices (Per 10 Kg)		Change
		1-Oct-21	1-Sep-21	
Refined Soybean Oil	Indore	1345	1410	-65
	Indore (Soy Solvent Crude)	1290	1360	-70
	Mumbai	1360	1420	-60
	Mumbai (Soy Degum)	1295	1355	-60
	Kandla/Mundra	1335	1400	-65
	Kandla/Mundra (Soy Degum)	1295	1365	-70
	Kolkata	1335	1405	-70
	Delhi	1556	1590	-34
	Rajkot	1280	1430	-150
	Kota	1350	1450	-100
	Akola	1350	1420	-70
	Bundi	1360	1460	-100
	Jalna	1350	1415	-65
	Solapur	1335	1415	-80
	Dhule	1350	1420	-70
	Nanded	1335	1415	-80
	Latur	1335	1415	-80
	Argentina Crude Soya (CIF India) USD	1388	1373	15
Argentina Crude Soya (FOB)	1340	1315	25	
Palm Oil*	Kandla (Crude Palm Oil)	1157	1241	-84
	Kandla (RBD Palm oil)	1190	1230	-40
	Kandla RBD Pamolein	1220	1255	-35
	Kakinada (Crude Palm Oil)	1100	1155	-55
	Kakinada RBD Pamolein	1200	1250	-50
	Haldia Pamolein	1215	1280	-65
	Chennai RBD Pamolein	1205	1260	-55
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1269	1314	-45
	Krishnapattanam RBD Pamolein	1200	1250	-50
	Mumbai RBD Pamolein	1230	1265	-35
	Mangalore RBD Pamolein	1215	1265	-50
	Mumbai (Refined)	1225	1265	-40
	Rajkot (Refined)	1215	1255	-40
	Chennai (Refined)	1220	1230	-10
	Hyderabad (Refined)	1225	1250	-25
	PFAD (Kandla)	815	815	Unch
	RPS (Kandla)	1105	1185	-80
	Superolien (Kandla)	1250	1280	-30

	Superolien (Mumbai)	1260	1290	-30
	Kochi (RBD Palmolein)	1221	1275	-54
	Krishnapattanam (Crude Palm Oil)	1100	1155	-55
Refined Sunflower Oil	Chennai (Refined)	1390	1460	-70
	Chennai (Crude)	1340	1390	-50
	Mumbai (Refined)	1380	1480	-100
	Mumbai(Expeller Oil)	1330	1410	-80
	Kandla (Refined)	1370	1460	-90
	Hyderabad (Refined)	1385	1450	-65
	Hyderabad (Expeller)	1350	1390	-40
	Latur (Refined)	1360	1530	-170
	Latur (Expeller Oil)	1310	1400	-90
	Chellakere (Expeller Oil)	1330	1390	-60
	Erode (Expeller Oil)	1420	1470	-50
	Kakinada (Refined)	1370	1455	-85
	Krishna Pattanam (Refined)	1370	1455	-85
Groundnut Oil	Rajkot	1450	1550	-100
	Chennai	1410	1480	-70
	Hyderabad *	1500	1500	Unch
	Mumbai	1500	1600	-100
	Gondal	1425	1550	-125
	Jamnagar	1425	1550	-125
	Gujarat GN Telia	2320	2510	-190
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1780	1675	105
	Jaipur (Kacchi Ghani Oil)	1810	1685	125
	Kota (Expeller Oil)	1750	1600	150
	Kota (Kacchi Ghani Oil)	1810	1665	145
	Neewai (Expeller Oil)	1780	1655	125
	Neewai (Kacchi Ghani Oil)	1800	1675	125
	Bharatpur (Kacchi Ghani Oil)	1780	1680	100
	Sri-Ganga Nagar(Exp Oil)	1760	1625	135
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1800	1665	135
	Mumbai (Expeller Oil)	1750	1640	110
	Kolkata(Expeller Oil)	1860	1720	140
	New Delhi (Expeller Oil)	1800	1620	180
	Hapur (Expeller Oil)	1770	1570	200
	Hapur (Kacchi Ghani Oil)	1800	1600	200
Agra (Kacchi Ghani Oil)	1785	1685	100	
Refined Cottonseed Oil	Rajkot	1460	1480	-20
	Hyderabad	1450	1485	-35
	Mumbai	1440	1500	-60

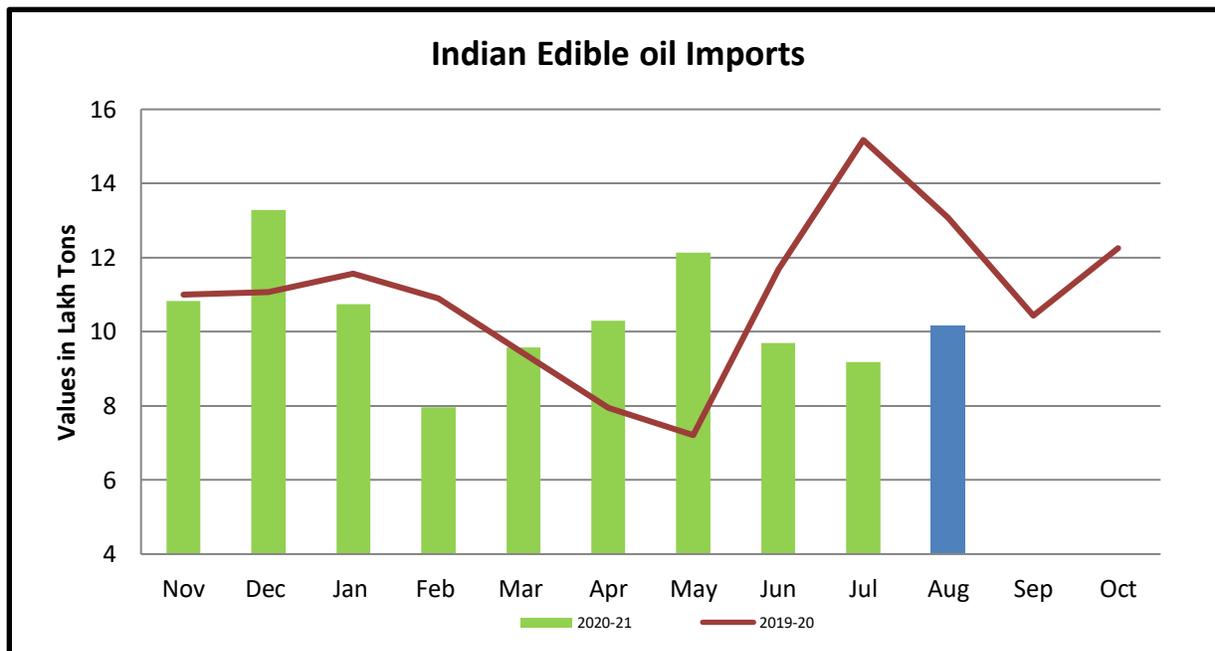
	Gujarat Cotton Wash	1370	1460	-90
Coconut Oil	Kangayan (Crude)	1500	1575	-75
	Cochin	1710	1680	30
Rice Bran Oil	Punjab 4%)	1300	1320	-20
	Bhatinda (Crude 4%)	1180	1200	-20
	Bhatinda (Refined 4%)	1295	1315	-20
	Hyderabad (Crude)	1225	1225	Unch
	Hyderabad (Refined)	1380	1380	Unch
	Raipur (Crude)	1285	1285	Unch
	Raipur (Refined)	1400	1400	Unch
	Odisha (Refined)	1400	1400	Unch
	Vijayawada (Refined)	1260	1260	Unch
Malaysia Palmolein USD/MT	FOB	1220	1170	50
	CNF India	1250	1200	50
Indonesia CPO USD/MT	FOB	1250	1210	40
	CNF India	1270	1220	50
Crude palm Kernel Oil India (USD/MT)	CNF India	1530	1400	130
Ukraine Origin CSFO USD/MT Kandla	CIF	1410	1390	20
Argentina FOB (\$/MT)		1-Oct-21	1-Sep-21	Change
Crude Soybean Oil Ship		1338	1295	43
Refined Soy Oil (Bulk) Ship		1385	1340	45
Sunflower Oil Ship		1340	1330	10
Cottonseed Oil Ship		1318	1275	43

* 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). The prices are exclusive of GST duty.

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 1/9/2021	CSO Argentina	CSO Brazil	CPO Indonesia	RBD Palmolein Malaysia
FOB USD per ton	1315	1315	1210	1170
Freight (USD/MT)	57	57	27	27.0
C & F	1372.0	1372.0	1237.0	1197.0
Weight loss (0.25% of FOB)	3.29	3.29	3.03	2.93
Finance charges (0.4% on CNF)	5.49	5.49	4.95	4.79
Insurance (0.3% of C&F)	4.12	4.12	3.71	3.59
CIF (Indian Port - Kandla)	1385	1385	1249	1208
Duty (Values in USD per tons)	371.47	371.47	311.27	321.86
GST (5% on duty) USD per ton	18.57	18.57	15.56	16.09
Exchange rate	72.97	72.97	72.97	72.97
Landed cost without customs duty in INR per ton	101056	101056	91116	88170
Customs duty %	27.50%	27.50%	27.50%	27.50%
Social Welfare Surcharge@10%	2.75%	2.75%	2.75%	2.75%
Total Duty %	30.25%	30.25%	30.25%	30.25%
Base import price	1228	1228	1029	1064
Fixed exchange rate by customs department	75.20	75.20	75.20	75.20
Duty component in INR per ton	27934.54	27934.54	23407.69	24203.87
Clearing charges INR per ton	1200	1200	1200	1200
Brokerage INR per ton	200	200	200	200
Total landed cost INR per ton	130390	130390	115924	113774
Domestic Market price INR/ton Soy Degum Kandla/CPO Kandla/RBD Kandla	136500	136500	124100	125500
Total landed cost USD per ton	1787	1787	1589	1559
Domestic Market price USD/tons Soy Degum Kandla/ CPO Kandla 5%	1871	1871	1701	1720
Parity INR/MT (Domestic - Landed)	6110	6110	8176	11726
Parity USD/MT (Domestic - Landed)	83.73	83.73	112.04	160.70
Refining/ Processing Cost per MT	2000.00	2000.00	4700.00	4700.00
Freight to Inland location (Indore for soy and Delhi for Palm oil)	2500.00	2500.00	2800.00	2800.00
Cost of Imported oil after refining/Processing	134890.08	134890.08	123424.16	116573.81
Soy/Palm oil imported Price (Including tax)	141634.58	141634.58	129595.37	122402.51
Loose price of Soy/Palm in Indore and Delhi market	148050.00	148050.00	132600.00	132600.00
Parity after processing and Taxes (Rs per MT)	6415.42	6415.42	3004.63	10197.49
Parity after processing and Taxes (USD per MT)	87.92	87.92	41.18	139.75

International Balance Sheets

Balance Sheet (Annual) - Soy Oil, Global

Fig in million tons.

	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Beginning Stocks	4.059	4.026	4.372	4.762	4.331
Production	55.157	56.027	58.535	59.737	61.863
Imports	9.984	10.971	11.394	11.667	11.808
Total Supply	69.200	71.024	74.301	76.166	78.002
Exports	10.764	11.456	12.307	12.178	12.595
Food Use Dom. Cons.	43.867	44.033	45.844	48.172	48.849
Domestic Consumption	54.410	55.196	57.232	59.657	61.433
Ending Stocks	4.026	4.372	4.762	4.331	3.974

Balance Sheet (Annual) - Soy Oil, United States

Fig. in million tons

	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Beginning Stocks	0.776	0.905	0.805	0.84	0.843
Production	10.783	10.976	11.299	11.331	11.53
Imports	0.152	0.18	0.145	0.12	0.204
Total Supply	11.711	12.061	12.249	12.291	12.577
Exports	1.108	0.88	1.287	0.778	0.567
Industrial Dom. Cons.	3.327	3.93	3.927	3.992	4.99
Food Use Dom. Cons.	6.371	6.446	6.195	6.678	6.35
Domestic Consumption	9.698	10.376	10.122	10.67	11.34
Ending Stocks	0.905	0.805	0.84	0.843	0.67

Source: USDA

Balance Sheet (Annual) - Soybean, United States

Fig. in million tons

	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Beginning Stocks	8.208	11.923	24.740	14.276	4.762
Production	120.065	120.515	96.667	112.549	119.039
Imports	0.594	0.383	0.419	0.544	0.680
Total Supply	128.867	132.821	121.826	127.369	124.481
Exports	58.071	47.721	45.701	61.507	56.880
Domestic Consumption	58.873	60.360	61.849	61.100	62.565
Ending Stocks	11.923	24.740	14.276	4.762	5.036

Source: USDA

Balance Sheet (Annual) - Soybean, Brazil

Fig. in million tons

	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Beginning Stocks	32.112	32.696	32.472	20.000	26.600
Production	123.400	119.700	128.500	137.000	144.000
Imports	0.175	0.140	0.549	1.000	0.650
Total Supply	155.687	152.536	161.521	158.000	171.250
Exports	76.136	74.887	92.135	82.000	93.000
Domestic Consumption	46.855	45.177	49.386	49.400	50.350
Ending Stocks	32.696	32.472	20.000	26.600	27.900

Source: USDA

Balance Sheet (Annual) - Soybean, Argentina

Fig. in million tons

	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Beginning Stocks	26.996	23.734	28.890	26.700	24.600
Production	37.800	55.300	48.800	46.000	52.000
Imports	4.703	6.408	4.882	5.100	4.700
Total Supply	69.499	85.442	82.572	77.800	81.300
Exports	2.132	9.104	10.002	5.200	6.350
Domestic Consumption	43.633	47.448	45.870	48.000	50.350
Ending Stocks	23.734	28.890	26.700	24.600	24.600

Source: USDA

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