

Veg. Oil Weekly Research Report

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Executive Summary

Domestic Veg. Oil Market Summary

Edible oil prices featured downtrend during this week in domestic market. CBOT soy oil prices featured downtrend and BMD palm oil prices rose during the week. Groundnut oil closed higher while Soy oil, palm oil, rapeseed oil and coconut oil prices closed lower.

On the currency front, Indian rupee is hovering near 74.02 against 73.98 previous weeks. Rupee expected to appreciate while crude oil prices expected to rise.

We expect soy oil to rise and Palm oil to feature sideways to firm tone on strong fundamentals.

Outlook:

Weekly Call -: Market participants are advised to go long above 1079 levels for a target of 1095 and 1105 with a stop loss at 1063.4 on closing basis. We expect Refined soy oil Indore (without GST) is likely to stay in the range of Rs 1050-1100 per 10 Kg.

In MCX, Market participants are advised to go long in CPO above 883 for a target of 900 and 910 with a stop loss at 870 on closing basis. We expect, Crude palm oil (without GST) is likely to stay in the range of Rs 890-950 per 10 Kg.

International Veg. Oil Market Summary

On the international front, rise in competing oils prices, higher demand from China, higher yields of soybean crop in US, soybean hoarding in Argentina and fall in crude oil prices will underpin soy oil prices in coming days.

Rise in competing oil prices, low supply stock, travelling restrictions in Malaysia and rise in crude oil prices are all likely to underpin CPO prices in near term.

Soy oil Fundamental Analysis and Outlook:-

Domestic Front

- Soy oil featured downtrend sentiment in domestic markets in the week in review on fall in prices of soy oil in international markets.

Soy oil demand is firm at high seas as its prices rise at high seas compared to CNF markets compared to last week.

Soy oil fell as after Diwali demand was low.

Demand of soybean in poultry is improving and expected to cover the 45% loss in demand in April, soon if conditions remain favorable.

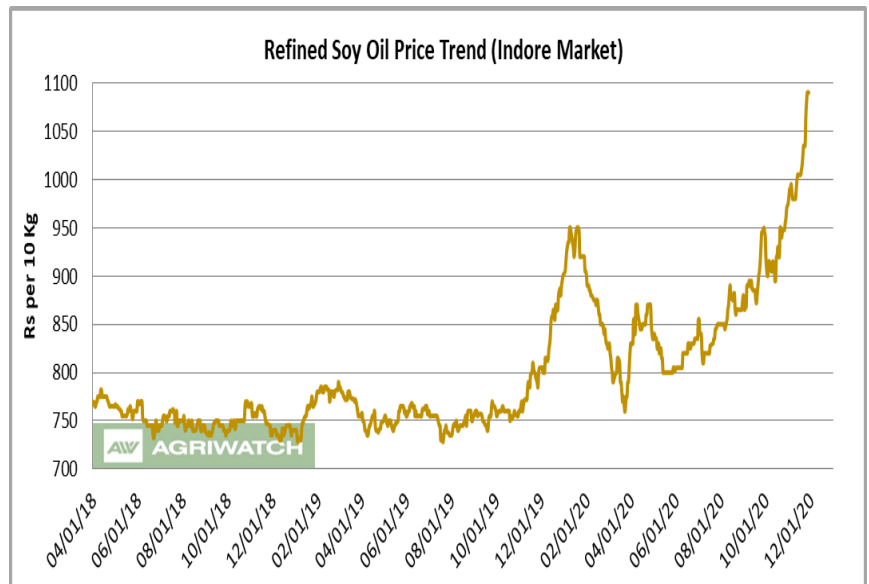
Soy oil stocks in oil year 2019-20 will be under pressure on lower supply of soy oil and higher use of soy oil. This will support soy oil prices in coming months. New crop arrival has started, in coming weeks will lower the pressure on low supply.

Demand for soy oil will rise due to seasonal uptrend of demand and demand ahead of festivals.

Imports of soy oil fell in Sep due to higher prices of soy oil in international markets, negative import parity and refining margins in Sep. However, imports of soy oil will rise in Oct due to high seasonal demand, demand ahead of festivals, lower stocks of soy oil in ports and pipelines, lower supply of domestic crushed soy oil and high discount over rapeseed oil and sunflower oil.

CDSO premium over CPO at high seas is high and may cap gains while refined soy oil discount over rapeseed oil is high so may increase demand. In USD terms, premium of CDSO CNF over CPO CNF is high and decrease demand of CDSO at CNF markets. Further, refined soy oil discount over refined sunflower and soy oil CNF discount over sunflower oil CNF is high may support soy oil prices. Moreover, refined soy oil premium over RBD palmolein is high may cap soy oil prices in domestic markets.

- According to Solvent Extractors Association (SEA), India's September edible oil imports fell 19 percent y-o-y to 10.61 lakh tons from 13.03 lakh tons in Sep 2019. Palm oil imports in Sep fell 25.37 percent y-o-y to 6.44 lakh tons from 8.63 lakh tons in Sep 2019. CPO imports rose 2.65 percent in Sep y-o-y to 6.15 lakh tons from 5.99 lakh tons in Sep 2019. RBD palmolein import fell 95.45 percent to 0.12 lakh tons in Sep vs. 2.64 lakh tons in Sep 2019. Soy oil imports rose 27.41 percent in Sep y-o-y to 3.16 lakh tons from 2.48 lakh tons in Sep 2019. Sunflower oil imports fell 47.61 percent y-o-y in Sep to 0.66 lakh tons from 1.26 lakh tons in Sep 2019. Rapeseed (canola) oil imports in Sep were 0.1 lakh tons compared to 0 imports in Sep 2019.
- According to Solvent Extractors Association (SEA), India's September edible oil stocks at ports and pipelines fell 7.45 percent m-o-m to 16.02 lakh tons from 17.31 lakh tons in August 2020. Stocks of edible oil at ports in



Sep fell to 582,000 tons (CPO 270,000 tons, RBD Palmolein 10,000, Degummed Soybean Oil 210,000 tons, Crude Sunflower Oil 75,000 and Rapeseed Oil 17,000) and about 1,020,000 tons in pipelines. (Stocks at ports were 751,000 tons and in pipelines were 980,000 tons in Aug 2020). India is presently holding 25 days of edible oil requirement on 1st October, 2020 at 16.02 lakh tons compared to 27 days of requirements of 17.31 lakh tons on 1st September, 2020. India held 18.02 lakh tons of stocks in ports and pipelines on 1st October 2019. India's monthly edible oil requirement is 19.0 lakh tons.

- Soy oil import scenario – According to Solvent Extractors Association (SEA), India's September edible oil imports fell 19 percent y-o-y to 10.61 lakh tons from 13.03 lakh tons in Sep 2019. Soy oil imports rose 27.41 percent in Sep y-o-y to 3.16 lakh tons from 2.48 lakh tons in Sep 2019.
- Imported crude soy oil CNF at West coast port offered at USD 1048(USD 993) per ton for Nov delivery, Dec delivery quoted at USD 1048 (USD 993) per ton and Jan delivery quoted at USD 1038 (USD 993) per ton. Values in brackets are figures of last week. Last month, CNF CDSO Oct average price was USD 876.77 (USD 905.57 per ton in Sep 2020) per ton. Soy refined (Indore) quoted at Rs 1090 (Rs 1035 last week) per 10 kg.
- On the parity front, margins rose during the week due to rise in prices of soy oil in international markets. We expect margins to improve in coming days. Currently, refiners lose USD 25-30/ton v/s loss of USD 35-40/ton (last week) margin in processing the imported Soybean Oil (Argentina Origin).

International Front

Soy oil prices are expected to be underpinned by better-expected yields on harvest of soybean in US, rise in competitive oils prices and rise in crude oil prices.

Soybean harvest in US has unexpectedly higher yields. This may increase soybean crop in US and underpin prices.

American soybean stockpiles were smaller than expected as China stepped up its purchases of U.S. supplies during the summer

NOPA reported lower stocks of soy oil in US in Sep due to lower crush of soybean leading to lower production of soy oil and higher domestic disappearance of soy oil leading to higher prices of soy oil.

USDA reported lower stocks of soy oil in US in 2020/21 due to lower opening stocks of soy oil would support soy oil prices in medium term.

US recorded record sales of soybean to China last week, according to USDA. Imports of soybean by China from US have been firm in Aug.-Sep. Soybean exports have been firm despite US-China tensions.

US and China has agreed to implement Phase-1 of trade deal between both countries. According to trade estimates, China need to buy at least 40 MMT of US soybeans to comply partially with Phase 1 deal. Therefore, bigger soybean purchases will report in coming weeks from US. Palm oil prices rose last week underpinning soy oil prices.

Fall in sunflower oil and palm oil prices will underpin soy oil prices.

Crude oil prices are expected to weak global economic recovery tempering crude oil demand thereby delaying rebalancing of crude oil market.

- In the weekly USDA crop progress report released on 13 October 2020; The US Soybean is dropping leaves at 93% up from 81% in the corresponding period last year and 90% from 5 year average. About 61% soybean

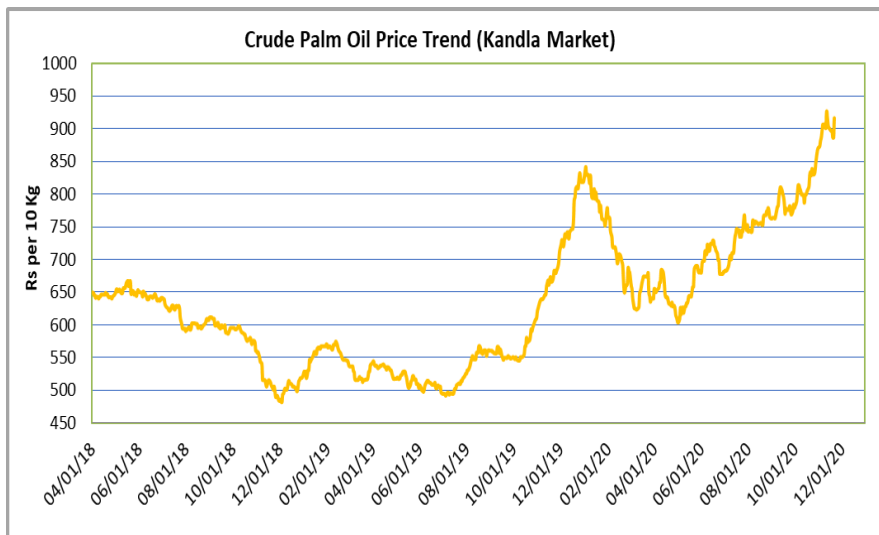
crop is harvested up from 23% in corresponding period last year and 42% from 5-year average. About 63% of the crop is under good to excellent condition, compared to 64% last week and 54% in the corresponding period last year.

- According to National Oilseed Processors Association (NOPA), U.S. Aug soybean crush fell by 4.48 percent m-o-m to 165.055 million bushels from 172.794 million bushels in July 2020, below market expectation. Crush of soybean in Aug was lower by 1.80 percent y-o-y compared to Aug 2019 figure of 168.085 million bushels. Soy oil stocks in U.S. at the end of Aug fell 6.18 percent m-o-m to 1.519 billion lbs compared to 1.619 billion lbs in end July 2020. Stocks of soy oil in end Aug was higher by 8.42 percent y-o-y compared to end Aug 2019, which was reported at 1.401 million lbs. Soy oil stocks was in line with trade expectation.
- According to United States Department of Agriculture (USDA) September estimate, U.S 2020/21 ending stocks of soy oil estimate has been reduced to 1,860 million lbs compared to 2,075 million lbs in Aug estimate. Opening stocks are reduced to 1,845 million lbs in 2020/21 from 2,060 million lbs in its earlier estimate. Production of soy oil in 2020/21 is kept unchanged at 25,265 million lbs. Imports in 2020/21 are kept unchanged at 350 million lbs. Biodiesel use in 2020/21 is kept unchanged at 8,000 million lbs. Food, feed and other industrial use in 2020/21 is kept unchanged at 15,000 million lbs. Exports in 2020/21 are kept unchanged at 2,600 million lbs. Average price range estimate of 2020/21 is raised to 32.0 cents/lbs from 30.0 cents/lbs in its earlier estimate.
- The U.S. Department of Agriculture monthly supply and demand report for the month of September forecasts U.S. 2020/21 soybean stocks at 460 million bushels compared to 610 million bushels in its Aug estimate. Opening stocks in 2020/21 is reduced to 575 million bushels compared to 615 million bushels in its earlier estimate. Soybean production is reduced in 2020/21 at 4,313 million bushels compared to 4,425 million bushels in its earlier estimate. U.S. soybean exports estimate in 2020/21 are kept unchanged at 2,125 million bushels. Imports estimate in 2020/21 is unchanged 15 million bushels. Crush in 2020/21 is kept unchanged at 2,180 million bushels. Seed use in 2020/21 has been kept unchanged at 100 million bushels. Residual use in 2020/21 is reduced to 38 million bushels from 40 million bushels in its earlier estimate. Average price range in 2020/21 is increased to 9.25 cents/bushel compared to 8.35 cents/bushel in its earlier estimate.
- According to China's General Administration of Customs (CNGOIC), China's Aug edible vegetable oils imports rose 2.1 percent m-o-m to 9.76 LT compared to 9.56 LT in July 2020. Imports rose 7.6 percent y-o-y in Aug from 9.07 LT in Aug 2019. Year to date imports of edible vegetable oil rose 2.6 percent to 59.66 lakh tons.
- According to China's General Administration of Customs (CNGOIC), China's Aug soybean imports fell 4.8 percent m-o-m to 9.6 MMT from 10.09 MMT in July 2020. Imports rose 1.3 percent in Aug y-o-y from Aug 2019 imports at 9.48 MMT. Year to date soybean imports rose 15.0 percent to 64.74 MMT.
- USDA WASDE highlights:- The U.S. season-average soybean price for 2020/21 is forecast at \$9.80 per bushel, up 55 cents reflecting smaller supplies and higher exports. The soybean meal price is forecast at \$335.00 per short ton, up \$20.00. The soybean oil price forecast is raised 0.5 cents to 32.5 cents per pound.

Price Outlook: We expect refined soy oil (without GST) at Indore to stay in the range of Rs 1050-1100 per 10 Kg in the near term.

Palm oil Fundamental Analysis and Outlook :-**Domestic Front**

- Crude palm oil (CPO) featured downtrend at its benchmark market at Kandla on fall in prices of palm oil in international markets. Prices of RBD palmolein closed lower due to rise in prices of RBD palmolein in international markets. Palm oil international prices fell last week on expectation of lower supply of palm oil due to La Nina effect and rise in competing oils prices.



Government of India slashed CPO Import Duty from 37.5 percent to 27.5 percent amid surge in Palm Oil prices. Malaysia prices will jump after slashed import duty. Demand of palmolein will improve due to government's effort to open country. As it mainly used in street food, small eateries and restaurant chains, it will start opening progressively. The various moves by central government to use various acts to stop lockdown by states without its permission will improve sentiment in market. Demand will stay moderated for a prolonged period, as adverse effect of COVID will take time to subside.

Speculations of reduce in import duty of exile oils have positively reacted in market and saw uptrend in edible oil basket.

Imports of palm oil by India rise in October despite lower RBD palmolein imports. Imports of CPO were higher while RBD palmolein imports started after zero import in previous two months. Imports of palm oil rose in Sep fell m-o-m due to higher prices of palm oil in global markets. Imports will rise in Oct on higher seasonal demand, demand ahead of festivals and lower stocks of palm oil at ports and pipelines, positive refining margins, high discount over competing oils, removal of lockdown progressively in India.

Prices of CPO raised less on high seas compared to CNF markets compared to last week indicating firm demand at high seas. India imports of CPO fell from Malaysia in Sep due to higher prices of CPO in international markets. However, the market share of imports from Malaysia rose in Sep compared to Indonesia CPO. Indonesia CPO had become uncompetitive compared to Malaysia CPO after it increased levy on CPO to fund its biodiesel program after 2020.

Imports of palm oil may rise by India in Oct ahead of festival season demand and rise in competing oils prices. Data from cargo surveyors ITS show rise in imports of palm oil by India in Oct, to 444,725 tons Tonnes compared to Sep of 430,585 Tonnes from Malaysia.

RBD palmolein prices rose at high seas compared to CNF markets indicating firm demand at high seas.

Port stocks of palm oil rose in October compared to September as imports rose slowly while demand was firm.

Port stocks of palm oil will rise in Oct due to higher imports of palm oil.

Demand of CPO was firm compared to RBD palmolein at high seas despite premium of RBD palmolein over CPO was at Rs 105 (Rs 78) per 10 kg compared to last week.

CDSO CNF premium over CPO CNF and CDSO soy oil high seas over CPO high seas is high may increase CPO demand and imports. Premium of refined soy oil over RBD palmolein is high and will increase RBD palmolein demand. CPO discount over sunflower oil at CNF and domestic markets is high and may increase its demand and imports.

Prices of palm oil will fall going ahead on weak demand and fall in prices of palm oil in international markets.

- Palm oil import scenario – According to Solvent Extractors Association (SEA), Palm oil imports in October fell 1.04 percent y-o-y to 7.59 lakh tons from 7.67 lakh tons in October 2019. Imports in the oil year 2019-20 (November 2019-July 2020) are reported lower by 23.51 percent y-o-y at 70.87 lakh tons compared to 92.65 lakh tons in last oil year.
- Crude Palm oil import scenario- According to Solvent Extractors Association (SEA), CPO Imports rose 16.20 percent y-o-y in October to 7.53 lakh tons from 6.48 lakh tons in October 2019. Imports in oil year 2019-20 (November 2019-October 2020) were reported higher by 2.02 percent y-o-y at 66.66 lakh tons compared to 65.34 lakh tons in last oil year.
- RBD palmolein import scenario- RBD palmolein Imports fall to 95.6 percent in October to 0.05 lakh tons from 1.18 lakh tons in October 2019. Imports in oil year 2019-20 (November 2019-October 2020) were reported lower by 84.58 percent y-o-y at 4.21 lakh tons compared to 27.30 lakh tons in last oil year.
- On the trade front, CNF CPO (Indonesian origin) at Indian port is quoted at USD 890(USD 895) per ton for Nov delivery and Dec delivery is quoted at USD 890 (USD 890) per ton. Last month, CNF CPO Oct average price was at 745.27 per ton (USD 741.62 per ton in Sep 2020). Values in brackets are figures of last week.

Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 862 (USD 860) per ton for Dec delivery and Jan delivery is quoted at USD 855 (USD 832) per ton. Last month, CIF RBD palmolein Oct average price was USD 781.23 (USD 759.30 in Sep 2019) per ton. Values in bracket depict last month quotes.

Ready lift CPO duty paid prices quoted at Rs 887 (Rs 907) per 10 Kg and Nov delivery duty paid is offered at Rs 812 (Rs 896 per 10 kg). Ready lift RBD palmolein is quoted at Rs 960 (Rs 960) per 10 kg as on Nov 30, 2020. Values in brackets are figures of last week.

- On the parity front, margins fell during this week with rise in prices of palm oil in India markets.

International Front

Palm oil prices are likely to rise due to expectation of lower supply stock of palm oil, restrictions due to Covid 19, Increase in demand from India ahead of festival season, rise in competitive oils prices and rise in global crude oil prices.

Competing oil prices like soy oil and sunflower oil prices rose last week underpinning palm oil prices. More rise in competing oils prices can be seen in coming weeks.

Palm oil exports in Malaysia is expected to slow due to firm buying by importing countries especially India and China.

Crude oil prices may rise this week on global economy recovery thereby delaying rebalancing global crude oil market will support palm oil prices.

- According to cargo surveyor Intertek Testing Services (ITS), Malaysia Palm oil products export for November 1-20 fall 16.6 Percent to 897,986 tonnes compared to 1,076,557 tonnes last month. Top buyers were India & subcontinent 145,750 tons (264,325 tons), European Union 226,236 tons (219,015 tons) and China at 222,570 tons (142,505 tons). Values in brackets are figures of last month. According to Malaysia Palm Oil Board (MPOB), Malaysia's September palm oil stocks rose 1.24 percent to 17.25 lakh tons compared to 17.04 lakh tons in Aug 2020. Production of palm oil in Sep rose 0.32 percent to 18.69 lakh tons compared to 18.63 lakh tons in Aug 2020. Exports of palm oil in Sep rose 1.88 percent to 16.12 lakh tons compared to 15.82 lakh tons in Aug 2020. Imports of palm oil in Sep rose 49.40 percent to 0.48 lakh tons compared to 0.32 lakh tons in Sep 2020. End stocks of palm oil rose less compared to trade expectation of rise in stocks. Rise in stocks was mainly due to lower exports and higher production.
- According to Indonesia Palm Oil Association (GAPKI), Indonesia palm oil exports in 2020 including refined palm oil exports is expected at 24.92 MMT from 30.63 MMT last year. Production of palm oil in 2020 is estimated at 46.02 MMT compared to 47.11 last year due to lower use on fertilizer on lower palm oil prices. Indonesia is estimated to export 33-35 MMT of palm oil in 2020.
- According to Indonesia Palm Oil Association (GAPKI), exports of palm oil (CPO and PKO), biodiesel and oleochemical exports from Indonesia fell by 5.28 percent in May m-o-m to 2.43 MMT from 2.65 MMT in Apr 2020. Exports from Indonesia fell by 12.90 percent in May m-o-m from 2.79 MMT recorded in May 2019. Stocks of palm oil at the end of May was 3.53 MMT compared to Apr 2020 figure of 3.4 MMT, up 3.82 percent m-o-m. Stocks in May was unchanged from May 2019 which was reported at 3.53 MMT. Production of palm oil in May was recorded at 3.97 MMT.
- Policy review: Malaysian PM presented economic stimulus plan in Malaysian parliament, crude palm oil exports will be not be taxed in 2020. This will give boost to exports of palm oil struggling under rise in palm oil stocks. It is estimated that total of 1.0 MMT of extra shipments will be done by Malaysia in second half of 2020.
- According to Indonesia trade ministry, for October shipments Indonesia will charge export duty at \$3 per ton on crude palm oil. Reference prices of October are set at USD 768.98 per ton compared to USD 738.07 per ton last month, above threshold price of USD 750 per ton. Export duty on CPO was brought down to zero ton in April due to fall in threshold price of USD 750 per ton. Indonesia charges export levy of USD 55 per ton on CPO prices above USD 570 per ton.

Price Outlook: We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 890-950 per 10 Kg in the near term.

Rapeseed oil Fundamental Review and Analysis-Domestic Front

- Mustard oil prices showed down trend in benchmark market on account of tight supply and hiked prices. Arrivals of rapeseed fell in various mandis in India during the week.

Mustard oil demand is firm as it being perceived as immunity booster.

However, lower arrivals last week led to tight position in the market where demand is firm and arrivals are decreasing.

Demand of rapeseed oil is firm on seasonal uptrend of demand while higher prices are leading to Oil substitution.

Rapeseed oil has surged in last five months may lead to oil substitution to cheaper oils like palm, soy oil.

Balance sheet of rapeseed oil will be stretched this year due to higher consumption of rapeseed oil in the past quarter. In retail markets, stocks of rapeseed oil are low as consumers consumed more rapeseed oil due to increased home consumption under lockdown and for perceived health benefits.

Demand of rapeseed oil has risen ahead of Diwali in North and East India.

NAFED procured cumulative 19.45 lakh tons of R-20 mustard and majority of the procurement is from Haryana and Rajasthan of 4.5 lakh tons and 10 lakh tons respectively. Rajasthan is disposing R-19 stocks and around 5 lakh tons of new crop is sold. MP has sold 0.70 lakh tons of new crop out of 1.15 lakh tons procured. Haryana has sold 3.0 lakh tons of new crop after disposing old crop. HAFED has sold 1.5 lakh tons from procured quantity of 4.5 lakh tons.

NAFED will try to sell maximum stocks of rapeseed ahead of festivals on seasonal uptrend of demand of rapeseed oil. Further, surge in prices of rapeseed will lead to high sale of rapeseed by NAFED.

Arrivals of rapeseed fell at various key markets during the week. Expectation of higher seasonal demand ahead of festivals will encourage mills to crush. Further, arrivals will slow going ahead.

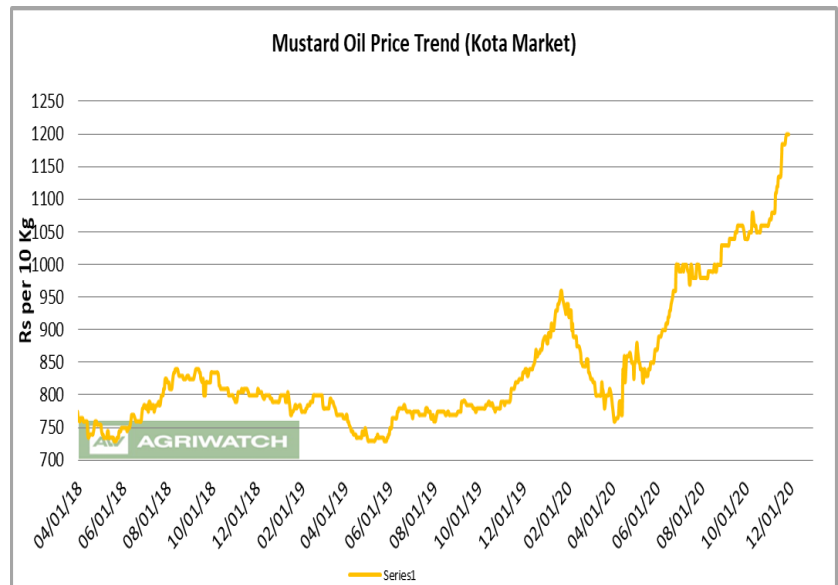
Rapeseed crop in MY 2020-21 was lower than last year at 72 lakh tons due to lower area and lower yield. Lower crop of rapeseed in MY 2020-21 will support rapeseed and rapeseed oil prices.

High premium of Jaipur kacchi ghani rapeseed oil over refined soy oil in domestic market is at Rs 175(Rs 165) per 10 Kg will cap gains in rapeseed oil prices.

Jaipur kacchi ghani rapeseed oil premium over RBD palmolein is at Rs 285 (Rs 245) per 10 kg which is higher than last week will cap gains in rapeseed oil prices.

Imports of canola oil is 0.55 lakh tons in oil year 2019-20 (Nov-19-Oct-20) v/s 0.59 lakh tons last oil year indicating weak demand. Lower imports of canola oil will stretch rapeseed oil balance sheet in oil year 2019-20 (Nov-Oct).

Markets are expected to trade sideways to higher in coming days on falling stocks of rapeseed oil.



- The Government set a record high target at 7.5 M Ha for mustard crop in 2020-21 (Rabi), under newly launched Mustard Mission. This mission aims to achieve self-sufficiency in producing oilseeds to reduce hefty import of edible oils. The Government has aimed to harvest record high 12.5 MT of mustard crop, which accounts for over 80% of total Rabi edible oil complex. Measures are adopted to increase the area from 6.9 M Ha previous year to 7.5 M Ha. Government will provide 26,700 tons of certified mustard seeds for Rabi 20-21, 6.4 percent higher quantity than required. Rajasthan, Gujarat, Uttar Pradesh and Madhya Pradesh are the major producers of mustard in the country.
- Rapeseed oil import scenario- India imported 0.17 lakh tons rapeseed (Canola) oil in Sep 2020 v/s 0 imports in Sep 2019. In the oil year 2019-20 (Nov 2019-Aug 2020) imports were 0.55 lakh tons compared to 0.59 lakh tons in last oil year, down 7.27 percent y-o-y.
- Currently, RM oil at Jaipur market, (expeller) is offered at Rs 1,219 (Rs 1,239) per 10 Kg, and at Kota market, it is offered at Rs 1,160 (Rs 1,200) per 10 kg as on November 30, 2020. Values in brackets are figures of last week.
- We expect RM seed oil prices to trade sideways to firm tone in the coming days.

Price Outlook: Rapeseed oil (without GST) prices in Kota may stay in the range of Rs 1120-1200 per 10 Kg.

Sunflower oil Fundamental Review and Analysis:-

Domestic Front

Sunflower oil price closed down during the week in Chennai despite low supply and rise in prices of sunflower oil in international.

Prices of sunflower featured sideways trend at high seas compared to CNF markets indicating slow rise in demand at high seas.

Prices of sunflower oil underpinned on rise in its prices and high premium over competing oils.

Further, prices were firm as international prices of sunflower oil rose last week on global demand due to low stock of sunflower oil.

Rise in CNF prices of sunflower oil in last 2-3 months is due to drought in sunflower belts in Ukraine, Russia and Argentina, has cut global supply of sunflower oil in 2020 leading to higher prices. These will keep sunflower CNF prices supported in coming months.

Ukraine's economy ministry said that sunflower seed production could lower by 8.5% to 14 MT from 15.3 MT due to drought; this will affect the sunflower oil prices in international market as the import demand is increasing.

Old stock of sunflower has been discharged and fresh stocking is low leading to surge in its prices.

Demand of Sunflower oil has lowered on back of rise in prices. Demand may improve as groundnut oil prices premium over sunflower oil.

Import parity fell and refining margins are positive due to higher prices of sunflower oil in Indian markets and may lead to higher imports of sunflower oil in coming months.

Imports of sunflower oil fell in Sep due to negative import parity and negative refining margins, higher premium over competing oils and on rise in its prices slowing demand.

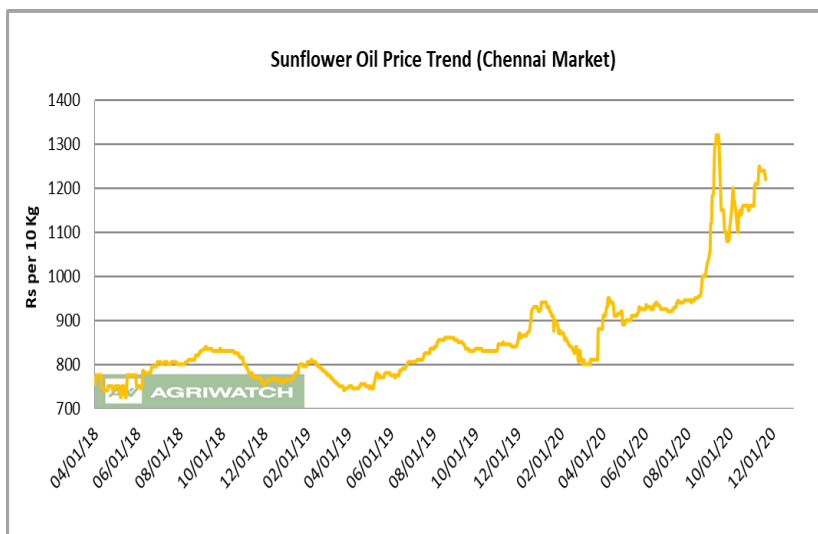
In domestic market, sunflower oil prices premium over soy oil is at Rs 160 (Rs 150 last week) per 10 kg, At present premium of sunflower oil over soy oil at CNF markets is at USD 172 (USD 154 last week) per ton which indicates that sunflower oil prices is converging with soy oil at domestic markets and CNF markets but the premium is still high.

High sunflower oil premium over CPO at CNF India is at USD 303 (USD 335 last week) which will affect imports.

In domestic market, refined sunflower oil (Chennai) premium over RBD palmolein (Kandla) is at Rs 270 (Rs 230) per 10 kg which is high will cap sunflower oil in domestic market.

In domestic market, high groundnut oil premium over sunflower oil at Chennai market is at Rs 180 (Rs 180 last week) per 10 kg will underpin sunflower oil prices.

Prices of sunflower oil expected to as International prices are rallying.



- Sunflower oil imports scenario- According to Solvent Extractors Association (SEA), Sunflower oil imports fell 47.61 percent y-o-y in Sep to 0.66 lakh tons from 1.26 lakh tons in Sep 2019. Imports in oil year 2019-20 (November 2019-September 2020) were reported higher by 7.16 percent y-o-y at 23.48 lakh tons compared to 21.91 lakh tons in last oil year.
- On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 1220 (USD 1125 per ton for Nov delivery and Dec delivery quoted at USD 1220 (USD 1225) per ton. CNF sun oil (Ukraine origin) Oct monthly average was at USD 1040.92 per ton compared to USD 1021.96 per ton in Sep). Prices are likely to stay in the range of USD 1200-1230 per ton in the near term. Values in brackets are figures of last week.
- Currently, refined sunflower oil at Chennai market is Rs 1220 (Rs 1240) per 10 Kg, and at Kandla/Mudra market, it is offered higher at Rs 1270 (Rs 1290) per 10 kg as on November 21, 2020. Values in brackets are figures of last week.
- We expect sunflower oil prices to trade sideways to firm tone in the coming days.

Price Outlook: Sunflower oil (without GST) prices in Chennai may stay in the range of Rs 1200-1260per 10 Kg.

- Groundnut oil market traded higher as demand is firm even after Diwali and firm prices of competing oils.

Groundnut oil demand rise due to seasonal uptrend of demand and rise in competing oils prices.

Groundnut oil prices closed higher last week as sunflower oil prices rose.

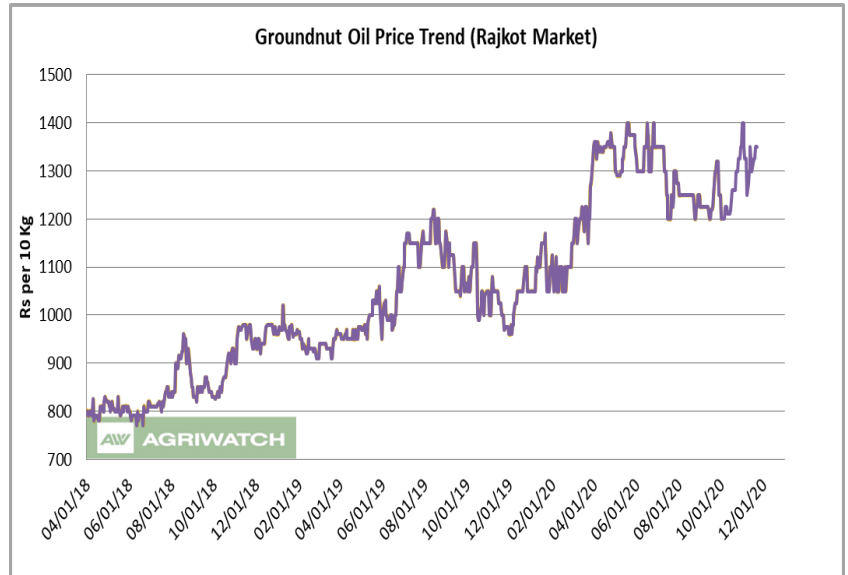
Groundnut oil prices in last week closed higher at Rs 1400 per 10 Kg as new crop arrival started in market.

Groundnut crop conditions in Gujarat had weaken after heavy rains in the previous months led to losses in crop. However, size will be higher than last year despite yield loss on higher sowing area.

Arrival of new crop in market has resulted in rise in supply stock and thus number of millers functioning have risen. However, there is less supply of labor. Further, demand of groundnut meal is improving leading to higher crush of groundnut.

Groundnut oil has good export demand specially from China.

- NAFED has procured 20 Thousand tons of new crops.
- Groundnut oil exports rose to 35,864.03 thousand tons in Apr-Sep 2020, from 8,945.65 thousand tons in corresponding period last year. It was mainly exported to China at 32,330.94 thousand tons.
- On the price front, currently the groundnut oil prices in Rajkot is Rs 14,000 (Rs 14,000) per quintal and it was Rs 14,200 (Rs 14,200) per quintal in Chennai market on November 28, 2020. Values in brackets are figures of last week.
- Groundnut oil prices are likely to trade sideways in the coming days.

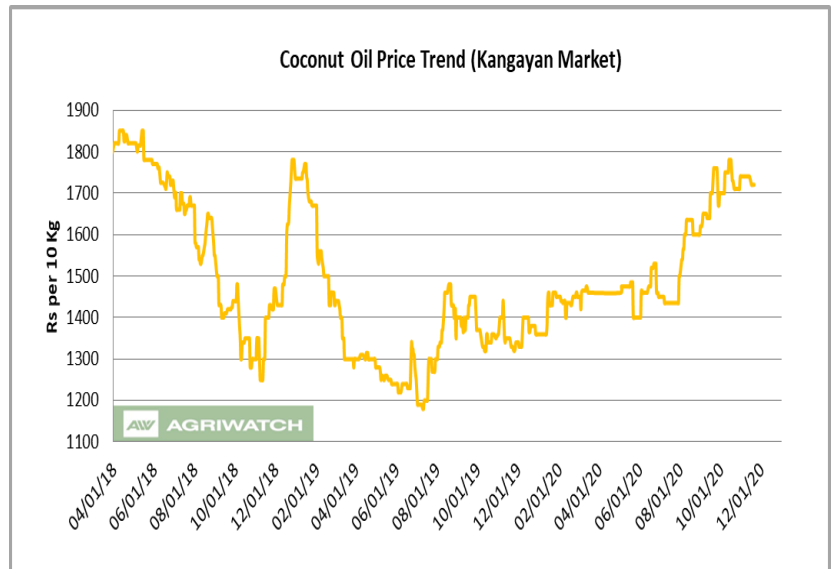


Price Outlook:

Groundnut oil (without GST) in Rajkot market is likely to trade in the price band of Rs 1350-1420 per 10 Kg

Coconut Oil Fundamental Review and Analysis:- Domestic Front

- Coconut oil benchmark market of Kangayan showed down to firm trend due to rise in prices of copra. Supply of coconut oil is rising slowly as lockdown is opening in phases and demand is getting firm. Further, rise in prices of copra supported coconut oil prices. Demand of coconut oil in home consumption is stable. Demand of coconut oil in Cosmetic Industry fell down due to restricted opening of cosmetic Industry due to COVID-19.



Demand of coconut oil from North India affected amid lockdown restrictions.

Millers operating capacity is improving due to improving demand in food and industrial segment and branded segment. Demand of coconut oil may fall, as there is demand destruction in costly oils like coconut oil, on weak sentiment and weak purchasing power in the country due to coronavirus. However, due to opening of the country demand may revive in coming days.

Traders are selling copra to international markets like Bangladesh as demand at home is less. Further, many consignments of coconut oil have been shipped to Middle East.

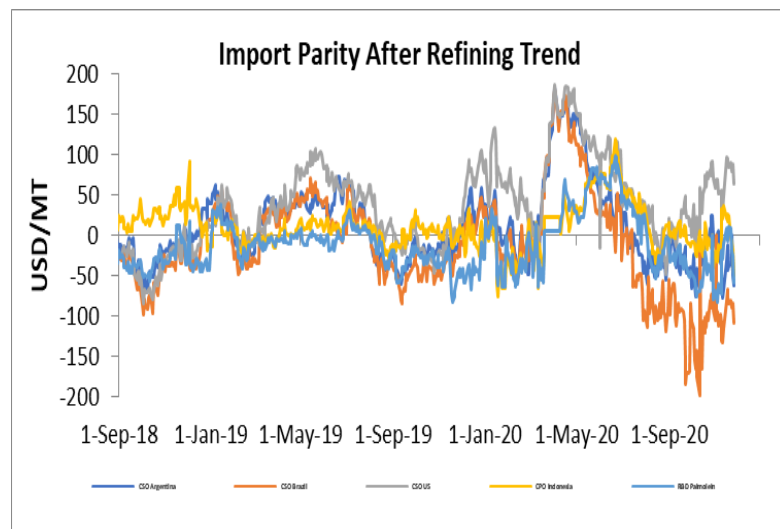
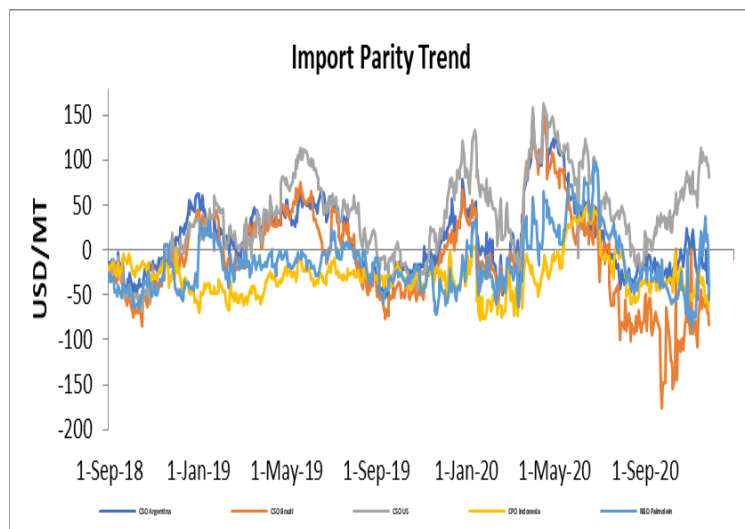
Coconut oil prices are expected to be firm in days ahead.

- Coconut oil exports scenario- India exported 12.19 lakh tons Coconut oil in September 2020 v/s 6.48 lakh tons export in September 2019. In the Financial year 2020-21 (April 2020 -September 2020) exports were 57.70 lakh tons compared to 37.80 lakh tons in last oil year, up 52.63 percent y-o-y.
- On the price front, currently the coconut oil prices in Kochi is hovering remain at Rs 17,600 (Rs 17,400) per quintal, and was quoted at 17,200 (Rs 17,400) per quintal in Erode market on November 13, 2020.

Price Outlook: Coconut oil (without GST) prices in Erode may stay in the range of Rs 1720-1780 per 10 Kg.

Import Parity Trend

Import Parity After Refining in US dollar per ton (Weekly Average)



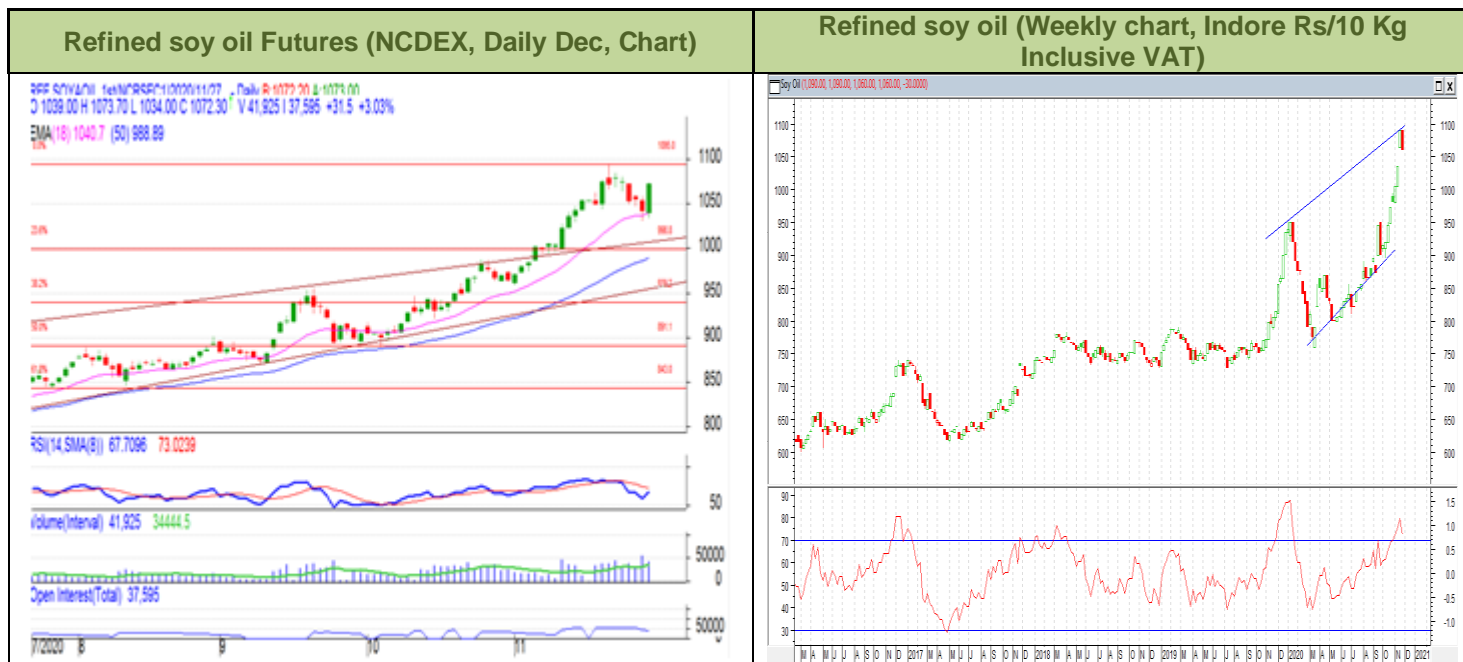
	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
Nov 8-Nov 14, 2020	-50.77	-116.28	45.00	11.54	-39.61
Nov 15-Nov 21, 2020	-30.75	-77.43	92.64	22.85	3.91
Nov 22-Nov 28, 2020	-49.56	-89.02	82.11	-18.95	-22.99

Outlook:-

Refining margins disparity rose for crude soy oil from Argentina after rise in prices of soy oil in international markets. We expect soy oil refining disparity to remain firm in medium term due to expectation of higher prices of soy oil in Indian markets.

Refining margins disparity rose sharply for CPO with fall in prices of CPO in Indian markets. RBD palmolein refining margin disparity rose with fall in its prices of RBD palmolein in Indian markets. We expected CPO parity to rise in medium term due to rise in prices of palm products in Indian markets.

Technical Analysis (Refined soy oil)



Outlook – Refined soybean oil witnessed downtrend during the week in review and is likely to trade sideways with a firm tone in the coming days.

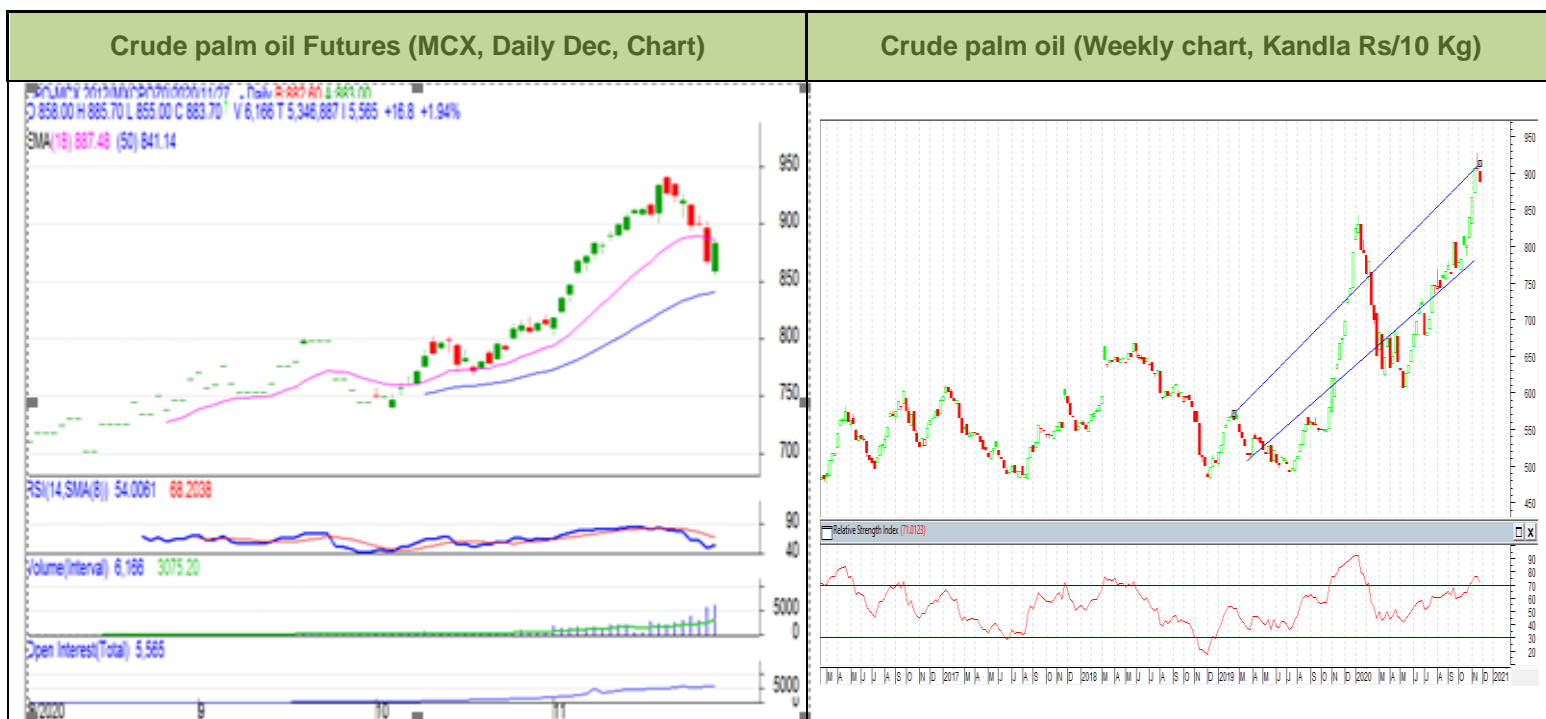
- Daily chart of refined soy oil at NCDEX depicts uptrend during the week in review. We expect prices to trade sideways to firm tone in the near term.
- Prices may hover between 1050-1100 levels.
- Expected price band for next week is 1065-1085 level in near to medium term. RSI and MACD are in overbought zone and may undergo price correction.

Strategy: Market participants are advised to go long above 1079 levels for a target of 1095 and 1105 with a stop loss at 1063.4 on closing basis.

RSO NCDEX (Oct)

Support and Resistance				
S2	S1	PCP	R1	R2
1010.57	1041.43	1072.3	1091.73	1111.17

Spot Market outlook: Refined soy oil Indore (without GST) is likely to stay in the range of Rs 1065-1100 per 10 Kg.

Technical Analysis (Crude Palm oil)


Outlook - Prices show downtrend in prices during the week. We expect that CPO December contract may trade in firm note.

- Candlestick in weekly chart of crude palm oil at MCX depicts sideways to firm trend in the prices. We expect the commodity to trade sideways to firm in the near term.
- Price may range from 890-950.
- Expected price band for next week is 920-945 level. RSI and MACD are in overbought zone and may go for price correction.

Strategy: Market participants are advised to go long in CPO above 883 for a target of 900 and 910 with a stop loss at 870 on closing basis.

CPO MCX (Oct)

Support and Resistance				
S2	S1	PCP	R1	R2
816.77	850.23	883.7	921.23	960.17

Spot Market outlook: Crude palm oil (without GST) is likely to stay in the range of Rs 890-950 per 10 Kg.

Veg. Oil Prices at Key Spot Markets
Edible Oil Prices at Key Market:

Commodity	Centre	Prices (Per 10 Kg)		Change
		28-Nov-20	21-Nov-20	
Refined Soybean Oil	Indore	1060	1090	-30
	Indore (Soy Solvent Crude)	1015	1045	-30
	Mumbai	1080	1100	-20
	Mumbai (Soy Degum)	1050	1065	-15
	Kandla/Mundra	1075	1085	-10
	Kandla/Mundra (Soy Degum)	1038	1050	-12
	Kolkata	1080	1100	-20
	Delhi	1121	1143	-22
	Nagpur	1065	1075	-10
	Rajkot	1070	1065	5
	Kota	1080	1075	5
	Hyderabad	-	0	-
	Akola	1085	1095	-10
	Amrawati	1080	1090	-10
	Bundi	1090	1085	5
	Jalna	1069	1079	-10
	Solapur	1055	1065	-10
	Dhule	1050	1060	-10
	Nanded	1053	1063	-10
	Latur	1065	1074	-9
	Argentina Crude Soya (CIF India) USD	1048	1066	-18
	Argentina Crude Soya (FOB)	977	1000	-23
	Soya Oil(Rot.)(Euro/MT FOB) (1000) GMT	Closed	863	-
Palm Oil*	Kandla (Crude Palm Oil)	917	905	12
	Kandla (RBD Palm oil)	975	985	-10
	Kandla RBD Pamolein	950	1010	-60
	Kakinada (Crude Palm Oil)	920	925	-5
	Kakinada RBD Pamolein	950	995	-45
	Haldia Pamolein	960	1010	-50
	Chennai RBD Pamolein	955	1005	-50
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1007	1057	-50
	Krishnapattanam RBD Pamolein	955	1000	-45
	Mumbai RBD Pamolein	965	1020	-55
	Mangalore RBD Pamolein	960	1010	-50

	Tuticorin (RBD Palmolein)	975	995	-20
	Mumbai (Refined)	960	1000	-40
	Rajkot (Refined)	945	980	-35
	Chennai (Refined)	980	1010	-30
	Hyderabad (Refined)	987	1030	-43
	Delhi (Refined)	1042	1080	-38
	PFAD (Kandla)	600	627	-27
	RPS (Kandla)	760	780	-20
	Superolien (Kandla)	970	1015	-45
	Superolien (Mumbai)	980	1030	-50
	Kochi (RBD Palmolein)	-	910	-
	Krishnapattanam (Crude Palm Oil)	920	925	-5
	Mumbai (Crude Palm Oil)	-	915	-
	Kolkata (Crude Palm Oil)	-	950	-
	Palm Kernel Oil (1000) GMT	-	1200	-
Refined Sunflower Oil	Chennai (Refined)	1220	1240	-20
	Chennai (Crude)	1150	1170	-20
	Mumbai (Refined)	1250	1220	30
	Mumbai(Expeller Oil)	1200	1200	Unch
	Kandla (Refined)	1270	1290	-20
	Hyderabad (Refined)	1220	1250	-30
	Hyderabad (Expeller)	1170	1200	-30
	Latur (Refined)	1215	1195	20
	Latur (Expeller Oil)	1155	1135	20
	Chellakere (Expeller Oil)	1180	1160	20
	Erode (Expeller Oil)	1280	1270	10
	Kakinada (Refined)	1200	1230	-30
	Krishna Pattanam (Refined)	1200	1230	-30
	Delhi (Refined)	Closed	1200	-
	Sun Oil (Rotterdam)	Closed	1205	-
Groundnut Oil	Rajkot	1400	1400	Unch
	Chennai	1420	1420	Unch
	Delhi	1400	1390	10
	Hyderabad *	1400	1400	Unch
	Mumbai	1390	1390	Unch
	Gondal	1400	1375	25
	Jamnagar	1400	1375	25
	Gujarat GN Telia	2120	2120	Unch
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1219	1239	-20
	Jaipur (Kacchi Ghani Oil)	1235	1255	-20

	Kota (Expeller Oil)	1160	1220	-60
	Kota (Kacchi Ghani Oil)	1220	1245	-25
	Neewai (Expeller Oil)	1195	1215	-20
	Neewai (Kacchi Ghani Oil)	1215	1235	-20
	Bharatpur (Kacchi Ghani Oil)	1190	1230	-40
	Sri-Ganga Nagar(Exp Oil)	1200	1225	-25
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1210	1235	-25
	Mumbai (Expeller Oil)	1200	1240	-40
	Kolkata(Expeller Oil)	1300	1300	Unch
	New Delhi (Expeller Oil)	1180	1210	-30
	Hapur (Expeller Oil)	1150	1100	50
	Hapur (Kacchi Ghani Oil)	1180	1130	50
	Agra (Kacchi Ghani Oil)	1195	1235	-40
	Nagpur (Expeller Oil)	1220	1233.33	-13.33
Refined Cottonseed Oil	Rajkot	1035	1055	-20
	Hyderabad	1050	1055	-5
	Mumbai	1050	1080	-30
	New Delhi	1000	1020	-20
	Gujarat Cotton Wash	995	1020	-25
Coconut Oil	Kangayan (Crude)	1720	1740	-20
	Cochin	1760	1740	20
	Coconut Oil(Rot.)(Phil/Indo)	Closed	1455	-
Vanaspati Oil	Uttar Pradesh	Closed	1410	-
	Kolkata	Closed	1305	-
	Rajkot	Closed	1473	-
Sesame Oil	New Delhi	1400	1400	Unch
	Mumbai	-	0	-
Kardi	Mumbai	-	0	-
Rice Bran Oil	New Delhi (40%)	845	900	-55
	Punjab 4%)	1000	1050	-50
	Bhatinda (Crude 4%)	805	860	-55
	Bhatinda (Refined 4%)	920	975	-55
	Hyderabad (Crude)	870	910	-40
	Hyderabad (Refined)	1030	1055	-25
	Kolkata (Crude)	Closed	945	-
	Kolkata (Refined)	Closed	1040	-
	Raipur (Crude)	975	975	Unch

	Raipur (Refined)	1080	1080	Unch
	Odisha (Refined)	1080	1080	Unch
	Vijayawada (Refined)	1020	1020	Unch
Malaysia Palmolein USD/MT	FOB	863	885	-22
	CNF India	910	895	15
Indonesia CPO USD/MT	FOB	870	880	-10
	CNF India	900	890	10
RBD Palm oil (Malaysia Origin USD/MT)	FOB	Closed	888	-
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	Closed	900	-
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	Closed	1250	-
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	Closed	773	-
Crude palm Kernel Oil India (USD/MT)	CNF India	Closed	1205	-
Ukraine Origin CSFO USD/MT Kandla	CIF	1220	1220	Unch
Rapeseed Oil Rotterdam Euro/MT	FOB	Closed	940	-
Argentina FOB (\$/MT)		27-Nov-20	21-Nov-20	Change
Crude Soybean Oil Ship		1000	1004	-4
Refined Soy Oil (Bulk) Ship		1035	1039	-4
Sunflower Oil Ship		1135	1110	25
Cottonseed Oil Ship		980	984	-4
Refined Linseed Oil (Bulk) Ship		-	0	-
<i>* indicates including GST</i>				

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