

Veg. Oil Weekly Research Report

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Executive Summary

Domestic Veg. Oil Market Summary

Edible oil prices featured sideways trend during this week in domestic market. CBOT soy oil prices featured down to uptrend and BMD palm oil prices rose during the week. Coconut oil, Sunflower oil and Palm oil prices closed higher while Soy oil, Groundnut oil and rapeseed oil prices closed lower.

On the currency front, Indian rupee is hovering near 73.67 against 73.51 previous weeks. Rupee expected to depreciate while crude oil prices expected to rise.

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

Outlook:

Weekly Call -: Market participants are advised to go long above 1055 levels for a target of 1075 and 1085 with a stop loss at 1035 on closing basis. We expect Refined soy oil Indore (without GST) is likely to stay in the range of Rs 1065-1100 per 10 Kg.

In MCX, Market participants are advised to go long in CPO above 910 for a target of 930 and 940 with a stop loss at 885 on closing basis. We expect, Crude palm oil (without GST) is likely to stay in the range of Rs 960-1050 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.

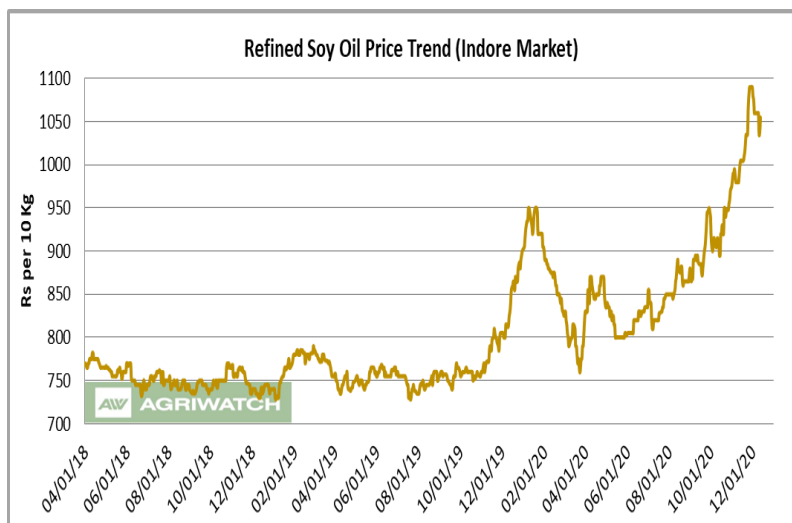
Soy oil Fundamental Analysis and Outlook:-Domestic Front

- Soy oil featured downtrend sentiment in domestic markets in the week in review on sideways trend 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 is 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. Increase in domestic supply has lower the pressure on low market.

Imports of soy oil fell in November due to higher prices of soy oil in international markets, negative import party and refining margins in November. However, imports of soy oil will rise in Dec 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 October edible oil imports fell 8.03 percent y-o-y to 12.25 lakh tons from 13.32 lakh tons in October 2019. Palm oil imports in October rose 1.04 percent y-o-y to 7.59 lakh tons from 7.67 lakh tons in October 2019. CPO imports rose 13.94 percent in October y-o-y to 7.53 lakh tons from 6.48 lakh tons in October 2019. RBD palmolein import fell 95.76 percent to 0.05 lakh tons in October vs. 1.18 lakh tons in October 2019. Soy oil imports fell 29.69 percent in October y-o-y to 2.77 lakh tons from 3.94 lakh tons in October 2019. Sunflower oil imports rose 7.55 percent y-o-y in October to 1.71 lakh tons from 1.59 lakh tons in October 2019. Rapeseed (canola) oil stood at 0 imports in October same as in October 2019.

- According to Solvent Extractors Association (SEA), India's November edible oil stocks at ports and pipelines fell 1.49 percent m-o-m to 15.78 lakh tons from 16.02 lakh tons in October 2020. Stocks of edible oil at ports in November fell to 558,000 tons (CPO 295,000 tons, RBD Palmolein 13,000, Degummed Soybean Oil 151,000 tons, Crude Sunflower Oil 91,000 and Rapeseed Oil 8,000) and about 1,020,000 tons in pipelines. (Stocks at ports were 582,000 tons and in pipelines were 1,020,000 tons in October 2020). India is presently holding 25 days of edible oil requirement on 1st November, 2020 at 15.78 lakh tons compared to 25 days of requirements of 16.02 lakh tons on 1st October, 2020. India held 17.77 lakh tons of stocks in ports and pipelines on 1st November 2019. India's monthly edible oil requirement is 19.0 lakh tons.
- Soy oil import scenario – According to SEA, Soy oil imports fell 29.69 percent in October y-o-y to 2.77 lakh tons from 3.94 lakh tons in October 2019. In the oil year 2019-20 (Nov 2019 -October 2020), imports of soy oil were 30.94 lakh tons compared to 33.84 lakh tons in corresponding period last oil year, higher by 9.37 percent compared to corresponding period last oil year.
- Imported crude soy oil CNF at West coast port offered at USD 1052(USD 1048) per ton for Dec delivery, Jan delivery quoted at USD 1020 (USD 1048) per ton and Feb delivery quoted at USD 973 (USD 1038) per ton. Values in brackets are figures of last week. Last month, CNF CDSO November average price was USD 993.25 (USD 876.77 per ton in October2020) per ton. Soy refined (Indore) quoted at Rs 1065 (Rs 1090 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 35-40/ton v/s loss of USD 25-30/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, Improving crop conditions in Argentina and Brazil, 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.

- 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) December estimate, U.S 2020/21 ending stocks of soy oil estimate has been increased to 1,889 million lbs compared to 1,864 million lbs in November estimate. Opening stocks are kept unchanged to 1,849 million lbs in 2020/21. Production of soy oil in 2020/21 increased to 25,440 million lbs compared to 25,265 million lbs in previous estimate. Imports in 2020/21 are kept unchanged at 350 million lbs. Biodiesel use in 2020/21 is kept unchanged at 8,100 million lbs. Food, feed and other industrial use in 2020/21 is kept unchanged at 14,900 million lbs. Exports in 2020/21 increased to 2,750 million lbs to at 2,600 million lbs in previous month. Average price range estimate of 2020/21 is raised to 36.0 cents/lbs from 34.50 cents/lbs in its earlier estimate.
- The U.S. Department of Agriculture monthly supply and demand report for the month of December forecasts U.S. 2020/21 soybean stocks at 175 million bushels compared to 190 million bushels in its November estimate. Opening stocks in 2020/21 is kept unchanged at 523 million bushels. Soybean production in 2020/21 is kept unchanged at 4,170 million bushels. U.S. soybean exports estimate in 2020/21 are kept unchanged at 2,200 million bushels. Imports estimate in 2020/21 is unchanged 15 million bushels. Crush in 2020/21 increased to 2,195 million bushels compared to 2,180 million bushels. Seed use in 2020/21 has been kept unchanged at 130 million bushels. Residual use in 2020/21 is unchanged at 35 million bushels. Average price range in 2020/21 is increased to 10.55 cents/bushel compared to 10.40 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 1065-1100 per 10 Kg in the near term.

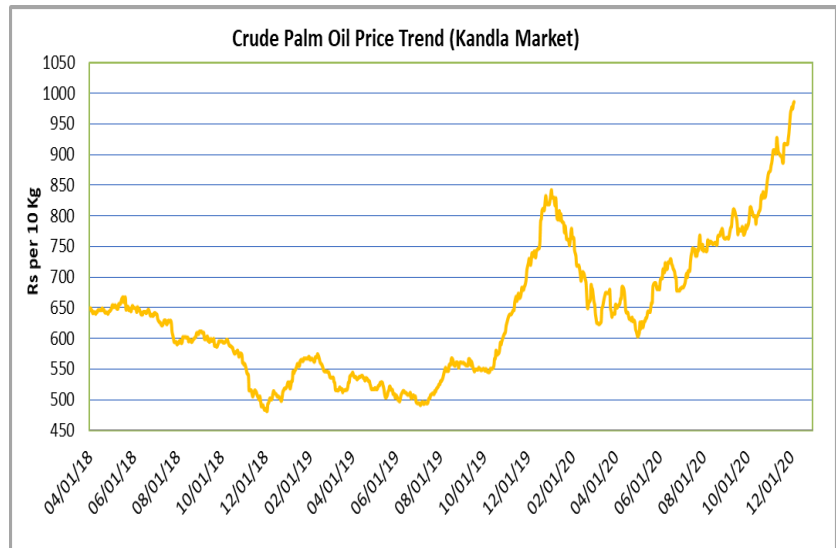
Palm oil Fundamental Analysis and Outlook :-

Domestic Front

- Crude palm oil (CPO) featured uptrend at its benchmark market at Kandla on rise in prices of palm oil in international markets as Government of India slashed CPO import Duty .

Prices of RBD palmolein closed steady due to rise in prices of RBD palmolein in international markets.

Palm oil international prices rose last week on expectation of lower supply of palm oil in Malaysia and reduced CPO import duty by India.



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 955(USD 945) per ton for Dec delivery and Jan delivery is quoted at USD 970 (USD 940) per ton. Last month, CNF CPO Nov average price was at 877.5 per ton (USD 745.27 per ton in Oct 2020). Values in brackets are figures of last week.

Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 932 (USD 935) per ton for Dec delivery and Jan delivery is quoted at USD 902.5 (USD 910) per ton. Last month, CIF RBD palmolein Nov average price was USD 887.29 (USD 759.30 in Oct 2020) per ton. Values in bracket depict last month quotes.

Ready lift CPO duty paid prices quoted at Rs 983 (Rs 873) per 10 Kg and Dec delivery duty paid is offered at Rs 978 (Rs 968 per 10 kg). Ready lift RBD palmolein is quoted at Rs 975 (Rs 950) per 10 kg as on Dec 11, 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 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 960-1050 per 10 Kg in the near term.

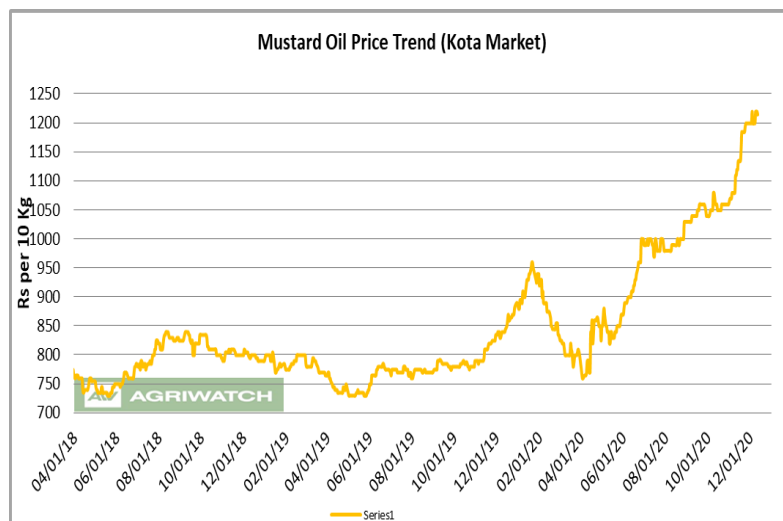
Rapeseed oil Fundamental Review and Analysis-

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 125(Rs 175) per 10 Kg will cap gains in rapeseed oil prices.

Jaipur kacchi ghani rapeseed oil premium over RBD palmolein is at Rs 220 (Rs 285) 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 0.00 lakh tons rapeseed (Canola) oil in October 2020 v/s 0.00 lakh tons imports in October 2019. In the oil year 2019-20 (Nov 2019-October 2020) imports 0.55 lakh tons compared to 0.59 lakh tons in last oil year, down 6.77 percent y-o-y.
- Currently, RM oil at Jaipur market, (expeller) is offered at Rs 1,178 (Rs 1,218) per 10 Kg, and at Kota market, it is offered at Rs 1,120 (Rs 1,170) per 10 kg as on December 12, 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.

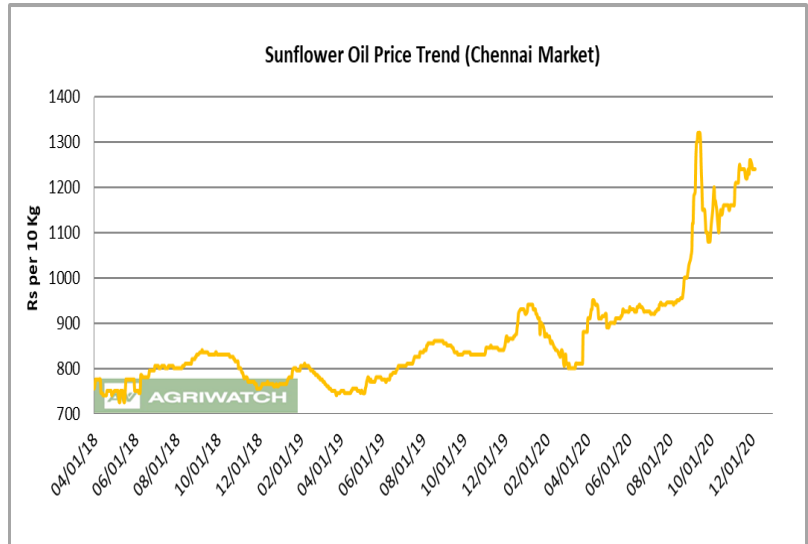
Price Outlook: Rapeseed oil (without GST) prices in Kota may stay in the range of Rs 1100-1150 per 10 Kg.

Sunflower oil Fundamental Review and Analysis:-**Domestic Front**

Sunflower oil price closed up during the week in Chennai on account of low supply and rise in prices of sunflower oil in international.

Prices of sunflower featured sideways to uptrend 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 party 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 170 (Rs 165 last week) per 10 kg, At present premium of sunflower oil over soy oil at CNF markets is at USD 152 (USD 155 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 220 (USD 235 last week) which will affect imports.

In domestic market, refined sunflower oil (Chennai) premium over RBD palmolein (Kandla) is at Rs 265 (Rs 280) 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 85 (Rs 145 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 rose 6.92 percent y-o-y in October to 1.70 lakh tons from 1.59 lakh tons in October 2019. Imports in oil year 2019-20 (November 2019-October 2020) were reported higher by 7.14 percent y-o-y at 25.18 lakh tons compared to 23.50 lakh tons in last oil year.
- On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 1175 (USD 1180 per ton for Dec delivery and Jan delivery quoted at USD 1180 (USD 1180) per ton. CNF sun oil (Ukraine origin) Nov monthly average was at USD 1154.58 per ton compared to USD 1040.92 per ton in Oct). 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 1240 (Rs 1230) per 10 Kg, and at Kandla/Mudra market, it is offered higher at Rs 1250 (Rs 1270) per 10 kg as on December 12, 2020. Values in brackets are figures of last week.
- We expect sunflower oil prices to trade sideways to firm tone in the coming days.

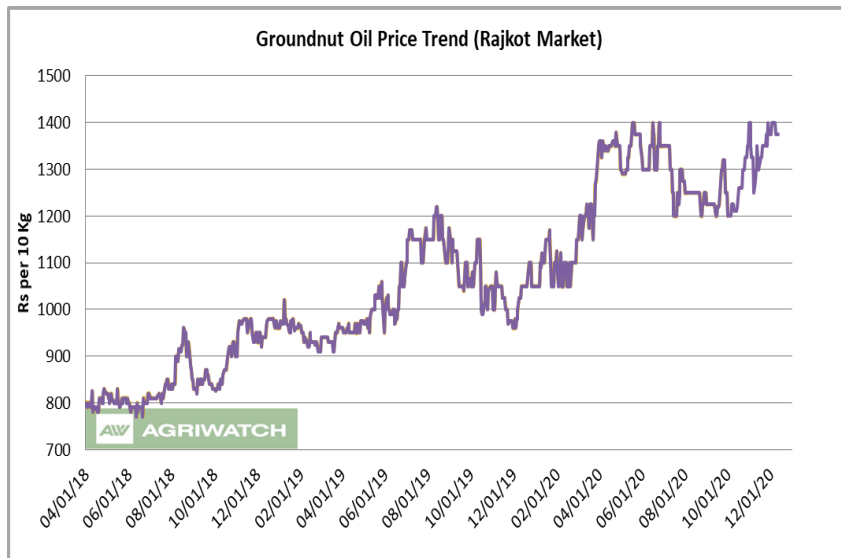
Price Outlook: Sunflower oil (without GST) prices in Chennai may stay in the range of Rs 1220-1260per 10 Kg.

Groundnut oil Fundamental Review and Analysis:-**Domestic Front**

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

Groundnut oil prices closed down last week as sunflower oil prices rose slowly. Groundnut oil prices may be underpinned by rise in competing oils prices.

Groundnut oil prices in last week closed higher at Rs 1325 per 10 Kg as new crop arrival started in market.



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 13,250 (Rs13,700) per quintal and it was Rs 14,000 (Rs 14,500) per quintal in Chennai market on December 12, 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 1300-1350 per 10 Kg

Coconut Oil Fundamental Review and Analysis:-
Domestic Front

- Coconut oil benchmark market of Kangayan showed uptrend 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 due to labor shortage supported coconut oil prices.

Supply of coconut oil is rising slowly while rise in prices of edible oils have resulted in rise of

Coconut oil too.

Commencement of harvest in mid-December will arrest rise in prices.

As on 1 December, NAFED has progressively procured 35.58 tons of milling copra in Tamil Nadu at an MSP of Rs 9,960 per quintal.

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.

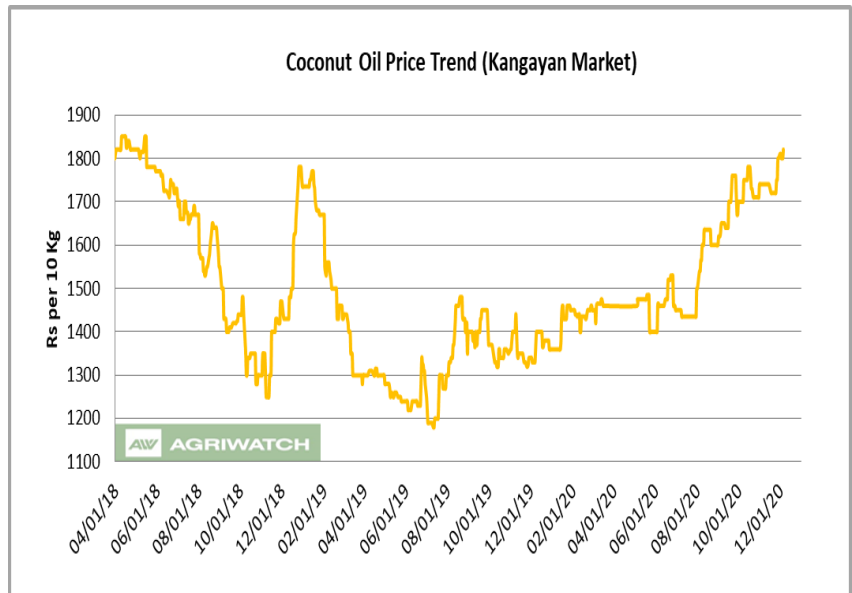
Demand of coconut oil from North India affected amid lockdown restrictions.

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.

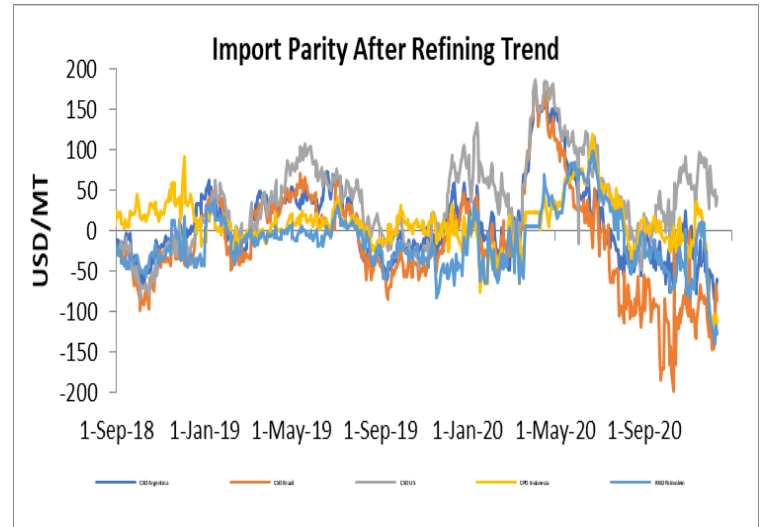
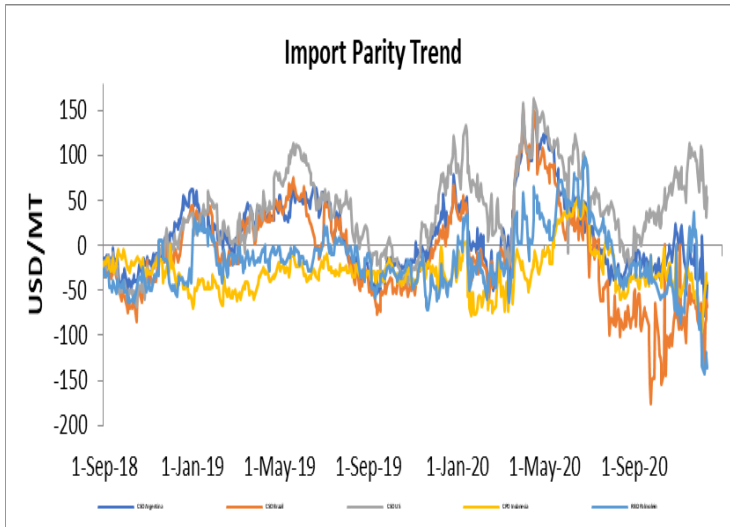


- On the price front, currently the coconut oil prices in Kochi is hovering remain at Rs 18,400 (Rs 18,200) per quintal, and was quoted at 18,200 (Rs 18,000) per quintal in Erode market on December 12, 2020.

Price Outlook: Coconut oil (without GST) prices in Erode may stay in the range of Rs 1780-1830 per 10 Kg.

Import Parity Trend

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



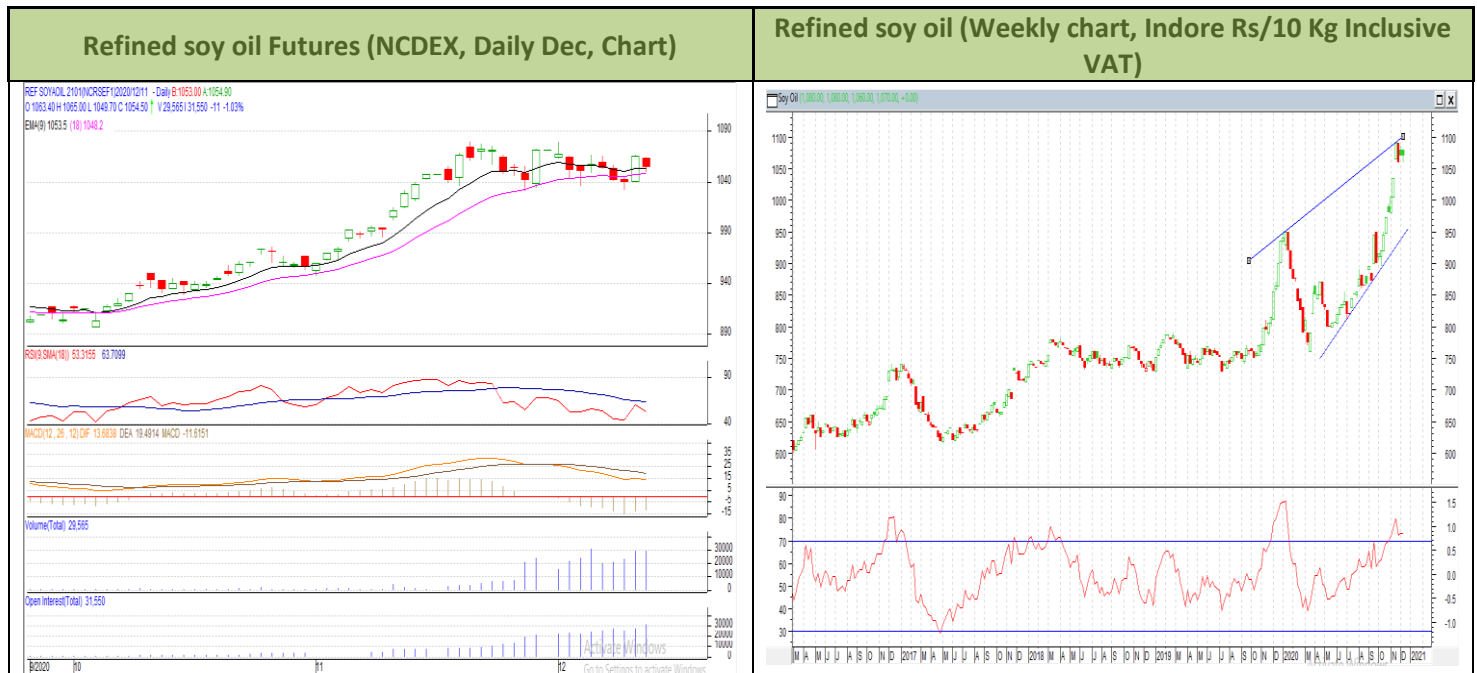
	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
Nov 22-Nov 28, 2020	-49.56	-89.02	82.11	-18.95	-22.99
Nov 29-Dec 05, 2020	-56.91	-120.97	55.42	-99.39	-106.91
Dec 06-Dec 12, 2020	-79.14	-100.67	42.78	-112.99	-130.19

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 rise in prices of CPO in Indian markets. RBD palmolein refining margin disparity rose with steady rise 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 in the coming days.

- Daily chart of refined soy oil at NCDEX depicts uptrend during the upcoming week in review. We expect prices to trade sideways to firm tone in the near term.
- Prices may hover between 1065-1100 levels.
- Expected price band for next week is 1040-1080 level in near to medium term. RSI and MACD are in overbought zone and may undergo price correction.

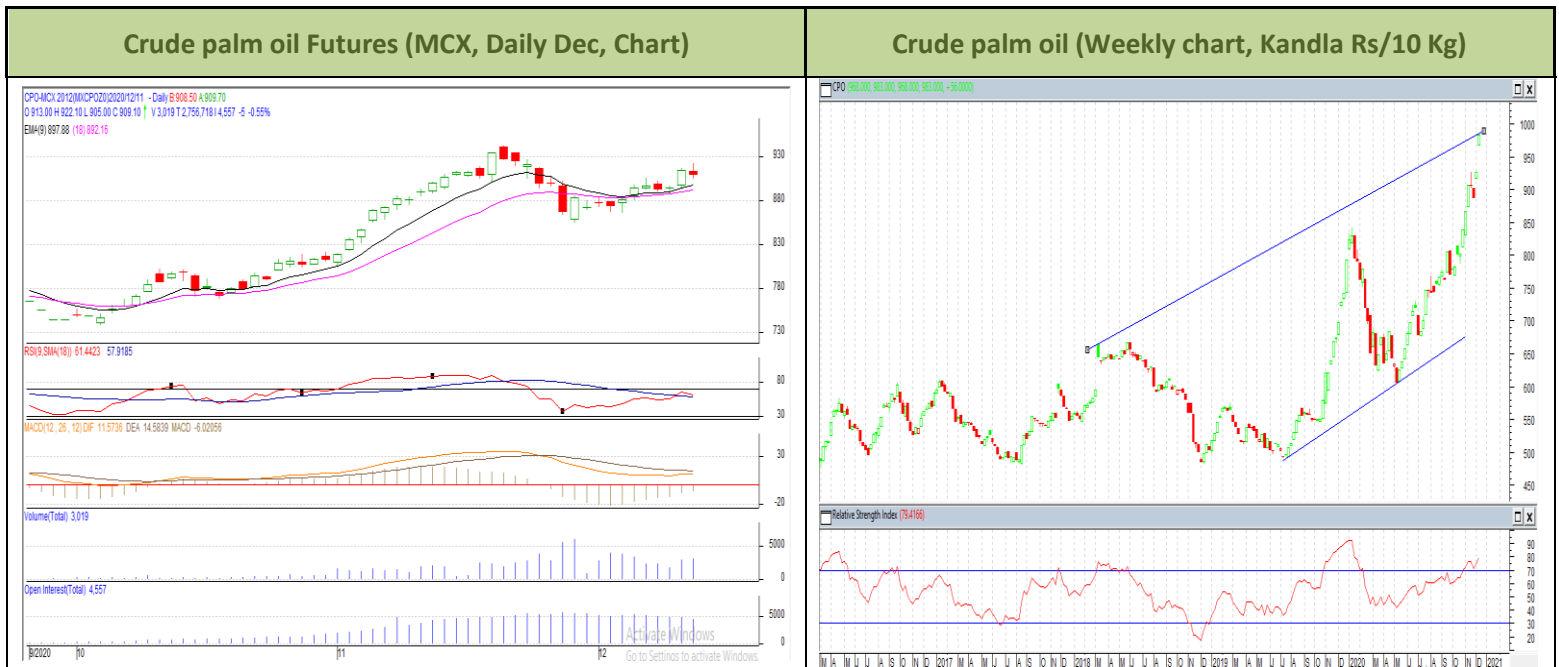
Strategy: Market participants are advised to go long above 1055 levels for a target of 1075 and 1085 with a stop loss at 1035 on closing basis.

RSO NCDEX (Oct)

Support and Resistance				
S2	S1	PCP	R1	R2
1020.83	1047.67	1054.5	1076.83	1093.67

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 uptrend 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 firm in the near term.
- Price may range from 960-1050.
- Expected price band for next week is 900-950 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 910 for a target of 930 and 940 with a stop loss at 885 on closing basis.

CPO MCX (Dec)

Support and Resistance				
S2	S1	PCP	R1	R2
872.30	890.70	894.3	940.50	958.90

Spot Market outlook: Crude palm oil (without GST) is likely to stay in the range of Rs 960-1050 per 10 Kg.

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

Commodity	Centre	Prices (Per 10 Kg)		Change
		12-Dec-20	05-Dec-20	
Refined Soybean Oil	Indore	1070	1065	5
	Indore (Soy Solvent Crude)	1025	1025	Unch
	Mumbai	1070	1080	-10
	Mumbai (Soy Degum)	1060	1070	-10
	Kandla/Mundra	1060	1065	-5
	Kandla/Mundra (Soy Degum)	1028	1055	-27
	Kolkata	1070	1075	-5
	Delhi	1120	1130	-10
	Nagpur	1065	1070	-5
	Rajkot	1050	1060	-10
	Kota	1060	1080	-20
	Hyderabad	-	0	-
	Akola	1080	1080	Unch
	Amrawati	1075	1080	-5
	Bundi	1070	1090	-20
	Jalna	1069	1074	-5
	Solapur	1055	1060	-5
	Dhule	1050	1055	-5
	Nanded	1053	1058	-5
	Latur	1062	1070	-8
	Argentina Crude Soya (CIF India) USD	1023	1025	-2
	Argentina Crude Soya (FOB)	958	987	-29
	Soya Oil(Rot.)(Euro/MT FOB) (1000) GMT	844	848	-4
Palm Oil*	Kandla (Crude Palm Oil)	986	937	49
	Kandla (RBD Palm oil)	945	965	-20
	Kandla RBD Pamolein	975	950	25
	Kakinada (Crude Palm Oil)	910	900	10
	Kakinada RBD Pamolein	980	955	25
	Haldia Pamolein	990	965	25
	Chennai RBD Pamolein	985	965	20
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1035	1027	8
	Krishnapattanam RBD Pamolein	985	960	25
	Mumbai RBD Pamolein	995	980	15
	Mangalore RBD Pamolein	990	975	15
	Tuticorin (RBD Palmolein)	1000	1000	Unch
	Mumbai (Refined)	985	985	Unch

	Rajkot (Refined)	960	970	-10
	Chennai (Refined)	1005	1005	Unch
	Hyderabad (Refined)	1010	990	20
	Delhi (Refined)	1058	1048	10
	PFAD (Kandla)	630	600	30
	RPS (Kandla)	775	760	15
	Superolien (Kandla)	985	985	Unch
	Superolien (Mumbai)	1005	1015	-10
	Kochi (RBD Palmolein)	-	995	-
	Krishnapattanam (Crude Palm Oil)	910	900	10
	Mumbai (Crude Palm Oil)	-	910	-
	Kolkata (Crude Palm Oil)	-	900	-
	Palm Kernel Oil (1000) GMT	-	1185	-
Refined Sunflower Oil	Chennai (Refined)	1240	1230	10
	Chennai (Crude)	1170	1170	Unch
	Mumbai (Refined)	1230	1250	-20
	Mumbai (Expeller Oil)	1180	1200	-20
	Kandla (Refined)	1250	1270	-20
	Hyderabad (Refined)	1265	1260	5
	Hyderabad (Expeller)	1185	1215	-30
	Latur (Refined)	1220	1215	5
	Latur (Expeller Oil)	1160	1155	5
	Chellakere (Expeller Oil)	1185	1180	5
	Erode (Expeller Oil)	1260	1260	Unch
	Kakinada (Refined)	1250	1250	Unch
	Krishna Pattanam (Refined)	1250	1250	Unch
	Delhi (Refined)	1170	1200	-30
	Sun Oil (Rotterdam)	1160	1165	-5
Groundnut Oil	Rajkot	1325	1375	-50
	Chennai	1400	1450	-50
	Delhi	1360	1450	-90
	Hyderabad *	1350	1380	-30
	Mumbai	1360	1400	-40
	Gondal	1325	1370	-45
	Jamnagar	1325	1350	-25
	Gujarat GN Telia	2100	2120	-20
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1178	1218	-40
	Jaipur (Kacchi Ghani Oil)	1195	1235	-40
	Kota (Expeller Oil)	1120	1170	-50
	Kota (Kacchi Ghani Oil)	1190	1220	-30

	Neewai (Expeller Oil)	1160	1200	-40
	Neewai (Kacchi Ghani Oil)	1180	1220	-40
	Bharatpur (Kacchi Ghani Oil)	1160	1190	-30
	Sri-Ganga Nagar(Exp Oil)	1170	1200	-30
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1180	1210	-30
	Mumbai (Expeller Oil)	1190	1200	-10
	Kolkata(Expeller Oil)	1340	1340	Unch
	New Delhi (Expeller Oil)	1140	1170	-30
	Hapur (Expeller Oil)	1260	1220	40
	Hapur (Kacchi Ghani Oil)	1290	1250	40
	Agra (Kacchi Ghani Oil)	1165	1195	-30
	Nagpur (Expeller Oil)	1220	1220	Unch
Refined Cottonseed Oil	Rajkot	1030	1045	-15
	Hyderabad	1035	1045	-10
	Mumbai	1050	1055	-5
	New Delhi	1000	1000	Unch
	Gujarat Cotton Wash	1005	995	10
Coconut Oil	Kangayan (Crude)	1820	1800	20
	Cochin	1840	1820	20
	Coconut Oil(Rot.)(Phil/Indo)	1485	1475	10
Vanaspati Oil	Uttar Pradesh	1420	1420	Unch
	Kolkata	1330	1335	-5
	Rajkot	1533	1503	30
Sesame Oil	New Delhi	1380	1400	-20
	Mumbai	NA	0	-
Kardi	Mumbai	NA	0	-
Rice Bran Oil	New Delhi (40%)	805	835	-30
	Punjab 4%)	980	980	Unch
	Bhatinda (Crude 4%)	760	820	-60
	Bhatinda (Refined 4%)	875	935	-60
	Hyderabad (Crude)	905	890	15
	Hyderabad (Refined)	1060	1040	20
	Kolkata (Crude)	Closed	900	-
	Kolkata (Refined)	Closed	990	-
	Raipur (Crude)	930	930	Unch
	Raipur (Refined)	1060	1030	30
	Odisha (Refined)	1060	1060	Unch
	Vijayawada (Refined)	980	950	30



Malaysia Palmolein USD/MT	FOB	933	935	-2
	CNF India	965	945	20
Indonesia CPO USD/MT	FOB	925	920	5
	CNF India	955	945	10
RBD Palm oil (Malaysia Origin USD/MT)	FOB	920	898	22
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	920	900	20
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1245	1210	35
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	810	775	35
Crude palm Kernel Oil India (USD/MT)	CNF India	1270	1250	20
Ukraine Origin CSFO USD/MT Kandla	CIF	1175	1180	-5
Rapeseed Oil Rotterdam Euro/MT	FOB	905	855	50
Argentina FOB (\$/MT)		11-Dec-20	4-Dec-20	Change
Crude Soybean Oil Ship		967	981	-14
Refined Soy Oil (Bulk) Ship		1001	1015	-14
Sunflower Oil Ship		1090	1115	-25
Cottonseed Oil Ship		947	961	-14
Refined Linseed Oil (Bulk) Ship		NA	0	-
* indicates including GST				

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