

Veg. Oil Weekly Research Report

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Executive Summary

Domestic Veg. Oil Market Summary

Edible oil prices featured down trend during this week in domestic market. CBOT soy oil and BMD palm oil prices quoted down during the week. Coconut oil and Groundnut oil traded up, While, Sunflower oil, rapeseed oil, Soy oil and Palm oil traded down.

On the currency front, Indian rupee is hovering near 72.92 against 72.95 previous weeks. Rupee expected to depreciate while crude oil prices expected to rise.

We expect Palm oil to rise and Soy oil to feature high trend on strong fundamentals.

Outlook:

Weekly Call -: In NCDEX, Market participants are advised to go long above 1105 levels for a target of 1120 and 1130 with a stop loss at 1095 on closing basis. We expect Refined soy oil Indore (without GST) is likely to stay in the range of Rs 1110-1250 per 10 Kg.

In MCX, Market participants are advised to go long in CPO above 970 for a target of 995 and 1005 with a stop loss at 955 on closing basis. We expect, Crude palm oil (without GST) is likely to stay in the range of Rs 1020-1150 per 10 Kg.

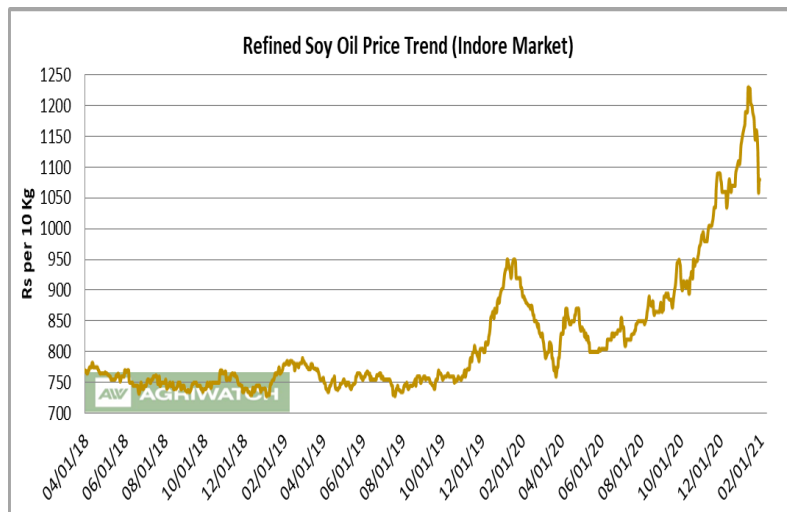
International Veg. Oil Market Summary

On the international front, rise in competing oils prices, higher demand from China, better condition of soybean crop in South America and rise in crude oil prices will have a sideways sentiment in soy oil prices in coming days.

Rise in competing oil prices, low supply stock, demand from China and India 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 up trend in domestic markets in the week in review on rise in prices of soy oil in international markets. Soy oil demand is firm at high seas as its prices are rising at high seas same as CNF markets compared to last week. Demand of soybean in poultry is improving and resulted in high imports of Soy meal and Soy Oil on good demand from China.



Soy oil stocks in oil year 2019-20 was 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 oil market. Imports of soy oil rose in December due to low supply in market, negative import parity and refining margins in December. Imports of soy oil may fall in January as monthly stocks are high in ports and pipelines.

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 December edible oil imports rose 20 percent y-o-y to 13.56 lakh tons from 11.28 lakh tons in December 2019. Palm oil imports in December rose 3.33 percent y-o-y to 7.51 lakh tons from 7.27 lakh tons in December 2019. CPO imports rose 15.64 percent in December y-o-y to 7.48 lakh tons from 6.31 lakh tons in December 2019. RBD palmolein import fell 97.87 percent to 0.02 lakh tons in December vs. 0.94 lakh tons in December 2019. Soy oil imports rose 47.83 percent in December y-o-y to 3.22 lakh tons from 1.68 lakh tons in December 2019. Sunflower oil imports fell 2.60 percent y-o-y in December to 4.49 lakh tons from 4.61 lakh tons in December 2019. Rapeseed (canola) oil stood at 0 imports in December same as in December 2019.
- According to Solvent Extractors Association (SEA), India's January edible oil stocks at ports and pipelines rose 26.83 percent m-o-m to 18.15 lakh tons from 14.31 lakh tons in December 2020. Stocks of edible oil at ports in January estimated at 630,000 tons (CPO 325,000 tons, RBD Palmolein 10,000, Degummed Soybean Oil 140,000 tons and Crude Sunflower Oil 155,000) and about 1,185,000 tons in pipelines. (Stocks at ports were 581,000

tons and in pipelines were 850,000 tons in December 2020). India is presently holding 30 days of edible oil requirement on 1st January, 2021 at 18.15 lakh tons compared to 25 days of requirements of 14.31 lakh tons on 1st December, 2020. India held 18.60 lakh tons of stocks in ports and pipelines on 1st January 2020. India's monthly edible oil requirement is 19.0 lakh tons.

- Soy oil import scenario – According to SEA, Soy oil imports rose 47.83 percent in December y-o-y to 3.22 lakh tons from 1.68 lakh tons in December 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 1072 (USD 1091) per ton for Jan delivery, Feb delivery quoted at USD 1037 (USD 1086) per ton and Mar delivery quoted at USD 1017 (USD 1045) per ton. Values in brackets are figures of last week. Last month, CNF CDSO December average price was USD 1068.53 (USD 993.25 per ton in November 2020) 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 90-100/ton v/s loss of USD 45-50/ton (last week) margin in processing the imported Soybean Oil (Argentina Origin).

International Front

Soy oil prices are expected to be lower by improving crops 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 Dec due to higher crush of soybean leading to higher 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 have 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. December soybean crush rose by 1.18 percent m-o-m to 183.159 million bushels from 181.018 million bushels in November 2020, above market expectation. Crush of soybean in December was higher by 2.43 percent y-o-y compared to December 2019 figure of 178.812 million bushels. Soy oil stocks in U.S. at the end of December rose 9.08 percent m-o-m to 1.699 billion lbs compared to 1.558 billion lbs in end November 2020. Stocks of soy oil in end December was down by 3.30 percent y-o-y compared to end December 2019, which was reported at 1.757 million lbs. Soy oil stocks was below trade expectation.

According to China's General Administration of Customs (CNGOIC), China's December Soybeans imports fell 21 percent m-o-m to 7.524 MT compared to 9.59 MT in November 2020. Imports rose 13 percent y-o-y in December from 88.51 MT in December 2019.

According to United States Department of Agriculture (USDA) January estimate, U.S 2020/21 ending stocks of soy oil estimate has been decreased to 1,814 million lbs compared to 1,889million lbs in December estimate. Opening stocks are kept unchanged to 1,849 million lbs in 2020/21. Production of soy oil in 2020/21 increased to 25,565 million lbs compared to 25,440 million lbs in previous estimate. Imports in 2020/21 are kept unchanged at 350 million lbs. Biodiesel use in 2020/21 increased to 8,200 million lbs compared to 8,100 million lbs in previous estimate. Food, feed and other industrial use in 2020/21 increased to 15,000 million lbs compared to 14,900 million lbs in previous estimate. Exports in 2020/21 is kept unchanged at 2,750 million lbs. Average price range estimate of 2020/21 is raised to 368.50 cents/lbs from 36.00 cents/lbs in its earlier estimate.

The U.S. Department of Agriculture monthly supply and demand report for the month of January forecasts U.S. 2020/21 soybean stocks at 140 million bushels compared to 175 million bushels in its December estimate. Opening stocks in 2020/21 increased to 525 million bushels compared to 523 million bushels in previous estimate. Soybean production in 2020/21 decreased to 4,135 million bushels compared to 4,170 million bushels in previous estimate. U.S. soybean exports estimate in 2020/21 increased to 2,230 million bushels compared to 2,200 million bushels in previous estimate. Imports estimate in 2020/21 increased to 35 million bushels compared to 15 million bushels in previous estimate. Crush in 2020/21 increased to 2,200 million bushels compared to 2,195 million bushels. Seed use in 2020/21 has been kept unchanged at 130

million bushels. Residual use in 2020/21 decreased to 22 million bushels compared to 35 million bushels. Average price range in 2020/21 is increased to 11.15 cents/bushel compared to 10.55 cents/bushel in its earlier estimate.

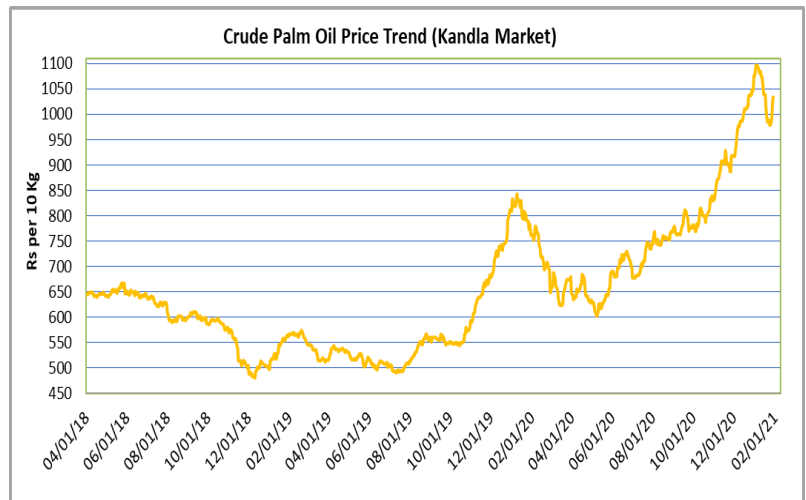
- USDA Attaché projected Brazil's 2020/21 Soybean sown area at 38.5 mln Ha and Soybean crop yields at 131.5 MMT. Dry weather conditions prevailing in Brazil has pressurized crops but it's still too early to re-access crop yield. Export is forecasted at 85 MMT. China has huge demand for Brazilian Soy Stocks.
- USDA Attaché projected Argentina's 2020/21 Soybean crops lowered to 50MMT and Sunflower seed to 2.9 MMT. Dry weather conditions prevailing in Argentina has pressurized crops as soil moisture is not significant for crop growth. Groundnut production is projected slightly high to 1.35 MMT due to higher sown area.

Price Outlook: We expect refined soy oil (without GST) at Indore to stay in the range of Rs 1110-1250 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 following higher CBOT soy oil prices. Prices of RBD palmolein up down due to rise in prices of RBD palmolein in international markets. Palm oil international prices rose last week following Soy oil due to low supply stock of Soy oil.



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. According to Media Houses, Indian Government might announce plans to boost Oilseeds output to reduce the Veg oil imports in its Federal Budget on 1 February. The government has already mapped out an ambitious five-year programme aiming to boost the country's oilseed production to more than 47 million tonnes from over 30 million tonnes now, according to an official. "It is likely to have a budgetary allocation of 180 billion rupees to 200 billion rupees," further added.

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

Imports of palm oil by India rise in December 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 Jan on rise in demand, 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..

Demand of CPO was firm compared to RBD palmolein at high seas despite premium of RBD palmolein over CPO was at Rs 8 (Rs 12) 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 rise going ahead on firm demand and rise in prices of palm oil in international markets.

- According to Solvent Extractors Association (SEA), India's December edible oil imports rose 20 percent y-o-y to 13.56 lakh tons from 11.28 lakh tons in December 2019. Palm oil imports in December rose 3.33 percent y-o-y to 7.51 lakh tons from 7.27 lakh tons in December 2019. CPO imports rose 15.64 percent in December y-o-y to 7.48 lakh tons from 6.31 lakh tons in December 2019. RBD palmolein import fell 97.87 percent to 0.02 lakh tons in December vs. 0.94 lakh tons in December 2019. Soy oil imports rose 47.83 percent in December y-o-y to 3.22 lakh tons from 1.68 lakh tons in December 2019. Sunflower oil imports fell 2.60 percent y-o-y in December to 4.49 lakh tons from 4.61 lakh tons in December 2019. Rapeseed (canola) oil stood at 0 imports in December same as in December 2019.
- According to Solvent Extractors Association (SEA), India's January edible oil stocks at ports and pipelines rose 26.83 percent m-o-m to 18.15 lakh tons from 14.31 lakh tons in December 2020. Stocks of edible oil at ports in January estimated at 630,000 tons (CPO 325,000 tons, RBD Palmolein 10,000, Degummed Soybean Oil 140,000 tons and Crude Sunflower Oil 155,000) and about 1,185,000 tons in pipelines. (Stocks at ports were 581,000 tons and in pipelines were 850,000 tons in December 2020). India is presently holding 30 days of edible oil requirement on 1st January, 2021 at 18.15 lakh tons compared to 25 days of requirements of 14.31 lakh tons on 1st December, 2020. India held 18.60 lakh tons of stocks in ports and pipelines on 1st January 2020. India's monthly edible oil requirement is 19.0 lakh tons.
- Palm oil import scenario – According to Solvent Extractors Association (SEA), Palm oil imports in December rose 3.33 percent y-o-y to 7.51 lakh tons from 7.27 lakh tons in December 2019. Imports in the oil year 2019-20 (November 2019-October 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 15.64 percent y-o-y in December to 7.48 lakh tons from 6.31 lakh tons in December 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 97.87 percent in December to 0.02 lakh tons from 0.94 lakh tons in December 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 1065(USD 1005) per ton for Jan delivery and Feb delivery is quoted at USD 1060 (USD 990) per ton. Last month, CNF CPO Jan average price is at 1043.28 per ton (USD 984.35 per ton in Dec 2020). Values in brackets are figures of last week.

Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 1025 (USD 1025) per ton for Feb delivery and Mar delivery is quoted at USD 960 (USD 975) per ton. Last month, CIF RBD palmolein Jan average price is USD 1028.52 (USD 988.76 in Dec 2020) per ton. Values in bracket depict last month quotes.

Ready lift CPO duty paid prices quoted at Rs 1060 (Rs 1038) per 10 Kg and Jan delivery duty paid is offered at Rs 1074 (Rs 1033 per 10 kg). Ready lift RBD palmolein is quoted at Rs 1045 (Rs 1050) per 10 kg as on January 29, 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 and China, 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 rise 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's Jan palm oil exports fall 37.2 percent to 1,059,225 tons compared to 1,685,958 tons last month. Top buyers were India & subcontinent 190,765 tons (516,600 tons), European Union 308,455 tons (310,610 tons) and China at 131,450 tons (200,960 tons). Values in brackets are figures of last month.
- According to an independent inspection company AmSpec Agri, Malaysia's Jan palm oil exports fall 36.2 percent to 1,089,702 tons compared to 1,709,084 tons last month. Crude Palm Oil export fell by 69.55 percent to 225,421 tonnes from 740,263 tonnes compared to last month. RBD Palm oil export fell by 5.91 percent to 87,055 tonnes from 92,525 tonnes compared to last month. RBD Palm olein export fell by 5.77 percent to 331,770 tonnes from 352,092 tonnes compared to last month.
- 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.

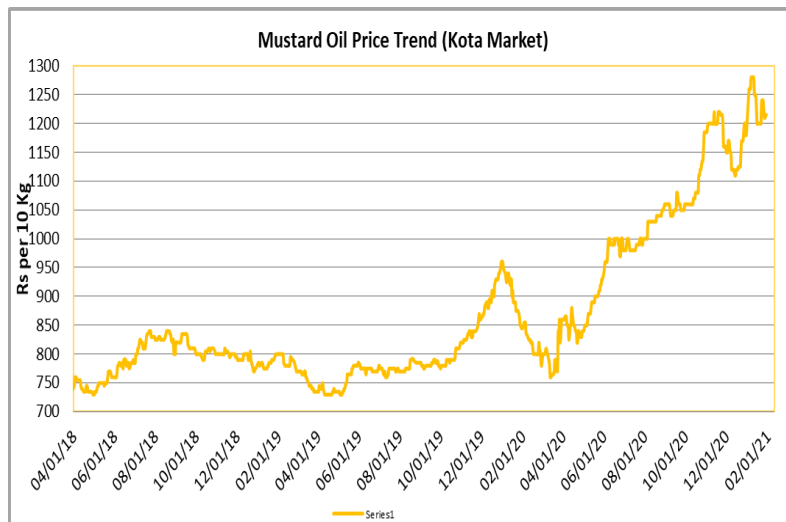
Price Outlook: We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 1020-1150 per 10 Kg in the near term.

Rapeseed oil Fundamental Review and Analysis- Domestic Front

- Mustard oil prices showed up trend in benchmark market on account of tight supply and firm demand. 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.

NAFED and HAFED have been gradually disposing rapeseed-mustard. The Nafed has sold about 11.5 lakh tonnes of old and new stocks while Hafed has offloaded around 4.8 lakh tonnes of the seed of the total 5.30 lakh tonnes procured by the agency this year.

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

Jaipur kacchi ghani rapeseed oil premium over RBD palmolein is at Rs 215 (Rs 250) per 10 kg which is higher than last week will cap gains in rapeseed oil prices.

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

India has not imported any rape oil (canola) in December too and as in last several months, on higher domestic crushing and comfortable mustard oil stock. We expect, India will not import the rape oil in coming months too.

- 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.

- Currently, RM oil at Jaipur market, (expeller) is offered at Rs 1,260 (Rs 1,250) per 10 Kg, and at Kota market, it is offered at Rs 1,250 (Rs 1,240) per 10 kg as on January 29, 2021. Values in brackets are figures of last week.
- We expect RM seed oil prices to trade firm tone in the coming days.

Price Outlook: Rapeseed oil (without GST) prices in Kota may stay in the range of Rs 1220-1300 per 10 Kg.

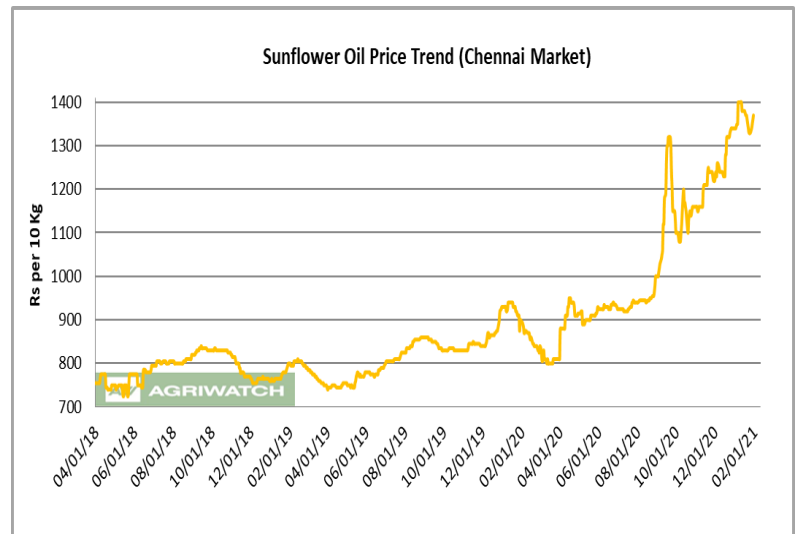
Sunflower oil Fundamental Review and Analysis:-

Domestic Front

Sunflower oil price closed on high trend during the week in Chennai on account of rise in Sunflower oil in International market.

Prices of sunflower featured up tone at high seas same as CNF markets indicating slow rise in demand at high seas.

Prices of sunflower oil quoted up on rise in demand and high premium over competing oils.



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 rose in Dec despite negative import party and negative refining margins, while, it has higher premium over competing oils and rise in its prices are slowing demand.

In domestic market, sunflower oil prices premium over soy oil is at Rs 255 (Rs 235 last week) per 10 kg, At present premium of sunflower oil over soy oil at CNF markets is at USD 262(USD 287 last week) per ton which indicates that sunflower oil prices is diverging 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 USD295 (USD 320 last week) which will affect imports.

In domestic market, refined sunflower oil (Chennai) premium over RBD palmolein (Kandla) is at Rs 325 (Rs 330) per 10 kg which is high will cap sunflower oil in domestic market.

In domestic market, Sunflower oil premium over Groundnut oil at Chennai market is at Rs 30 (Rs 70 last week) per 10 kg will lower sunflower oil prices.

Prices of sunflower oil expected to rise as International prices are up.

- Sunflower oil imports scenario- According to Solvent Extractors Association (SEA), Sunflower oil imports fell in December to 4.49 lakh tons from 4.61 lakh tons in December 2019. Imports in oil year 2019-20 (November 2019-October 2020) were reported higher by 13.79 percent y-o-y at 29.87 lakh tons compared to 26.25 lakh tons in last oil year.
- On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 1360(USD 1320 per ton for Jan delivery and Feb delivery quoted at USD 1360 (USD 1320) per ton. CNF sun oil (Ukraine origin) Jan monthly average was at USD 1321.2 per ton compared to USD 1210.81 per ton in Dec). Prices are likely to stay in the range of USD 1350-1420 per ton in the near term. Values in brackets are figures of last week.
- Currently, refined sunflower oil at Chennai market is Rs 1370 (Rs 1330) per 10 Kg, and at Kandla/Mudra market, it is offered higher at Rs 1350 (Rs 1350) per 10 kg as on January 29, 2021. Values in brackets are figures of last week.
- We expect sunflower oil prices to trade of firm tone in the coming days.

Price Outlook: Sunflower oil (without GST) prices in Chennai may stay in the range of Rs 1350-1420 per 10 Kg.

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

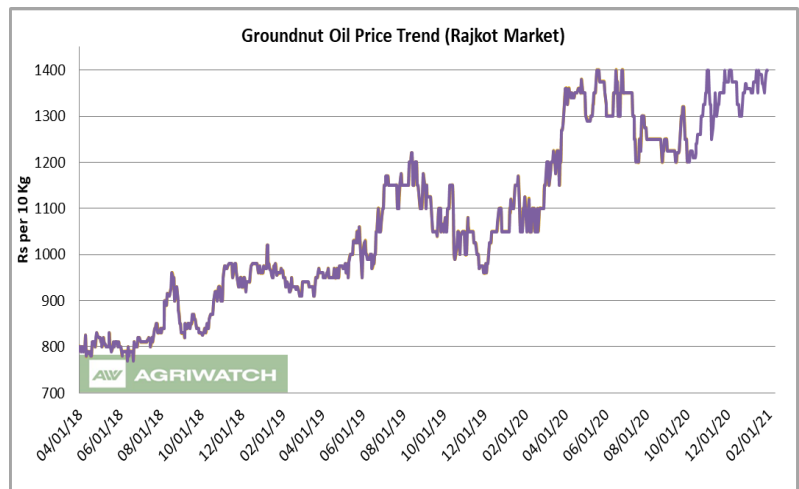
- Groundnut oil market traded up amid slow supply in market.

Groundnut oil prices closed on same level as of a Week's before. Groundnut oil prices will be underpinned by rise export and rise in competing oils prices.

Groundnut oil prices in Gujarat has raised as supply is low and active millers have increased.

Groundnut seed prices are high in Gujarat and Rajasthan thus, millers are procuring seeds from Saurashtra and Southern States.

Groundnut oil has good export demand specially from China.



- NAFED has procured 2.85 lakh metric tons of R-20 crops under PSS including Gujarat (2,02,610 MT), Haryana (691 MT), Andhra Pradesh (254 MT), Rajasthan (74,492 MT) and UP (6,528 MT).
- Groundnut oil exports scenario- India exported 38,217 tons Groundnut oil in November 2020 v/s 912 tons export in November 2019. In the Financial year 2020-21 (April 2020 - October 2020) rose to 623.53 lakh tons in Apr-Oct 2020, from 93.98 lakh tons in corresponding period last year. It was mainly exported to China at 576.94 lakh 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 14,000 (Rs 14,200) per quintal in Chennai market on January 29, 2021. Values in brackets are figures of last week.
- Groundnut oil prices are likely to trade up in the coming days.

Price Outlook:

Groundnut oil (without GST) in Rajkot market is likely to trade in the price band of Rs 1380-1450 per 10 Kg

Coconut Oil Fundamental Review and Analysis:-
Domestic Front

- Coconut oil benchmark market of Kangayan showed sideways trend with firm prices of copra.

Supply of coconut oil is rising as lockdown is opening in phases and demand is getting firm.

In previous week, firm Coconut demand from Rajasthan, Madhya Pradesh and Uttar Pradesh resulted in rise in Copra prices.

Supply of coconut oil is rising slowly while Coconut oil prices are following competing edible oils.

Demand of coconut oil in home consumption is stable.

Demand of coconut oil in Cosmetic Industry are rising.

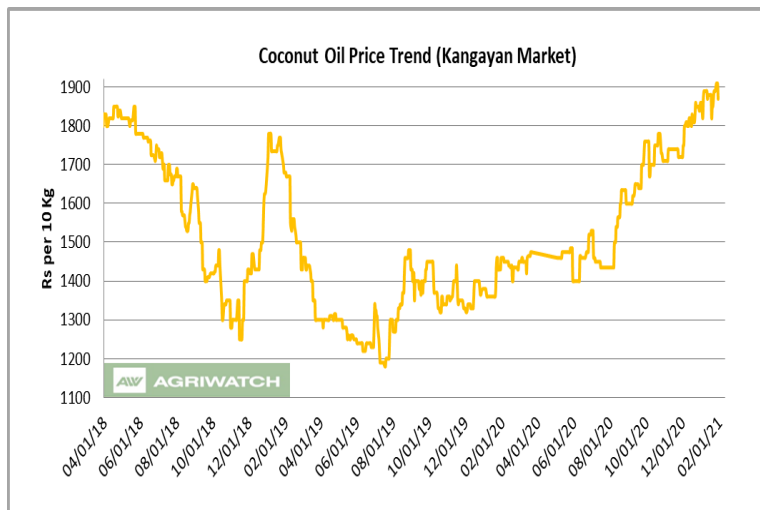
Millers operating capacity is improving due to improving demand in food and industrial segment and branded segment. Demand of coconut oil is firm, as competing oil prices are rising are competing for shares in market.

The country demand is reviving due to opening of the country

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.

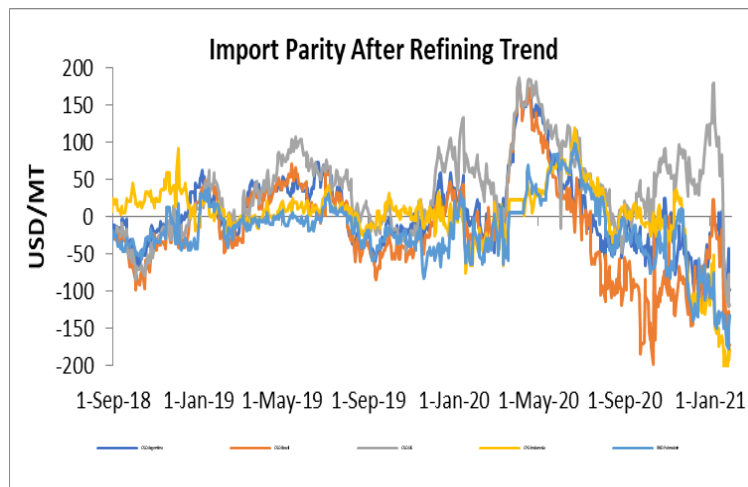
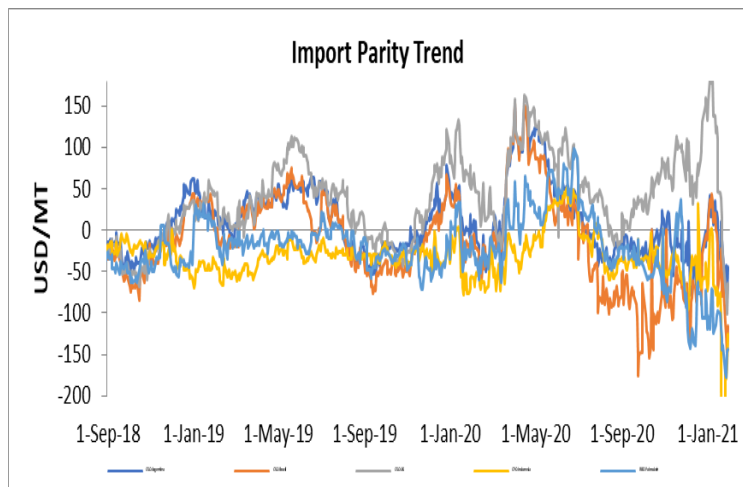
- Coconut oil exports scenario- India exported 1,139.56 tons Coconut oil in November 2020 v/s 789.79 tons export in November 2019. In the Financial year 2020-21 (April 2020 - November 2020) exports were 7,993.24 tons compared to 5,113.34 tons in last oil year, up 56.32 percent y-o-y.
- On the price front, currently the coconut oil prices in Kochi is hovering remain at Rs 19,200 (Rs 19,350) per quintal, and was quoted at 18,700 (Rs 18,900) per quintal in Erode market on January 30, 2021.



Price Outlook: Coconut oil (without GST) prices in Erode may stay in the range of Rs 1850-1930 per 10 Kg.

Import Parity Trend

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



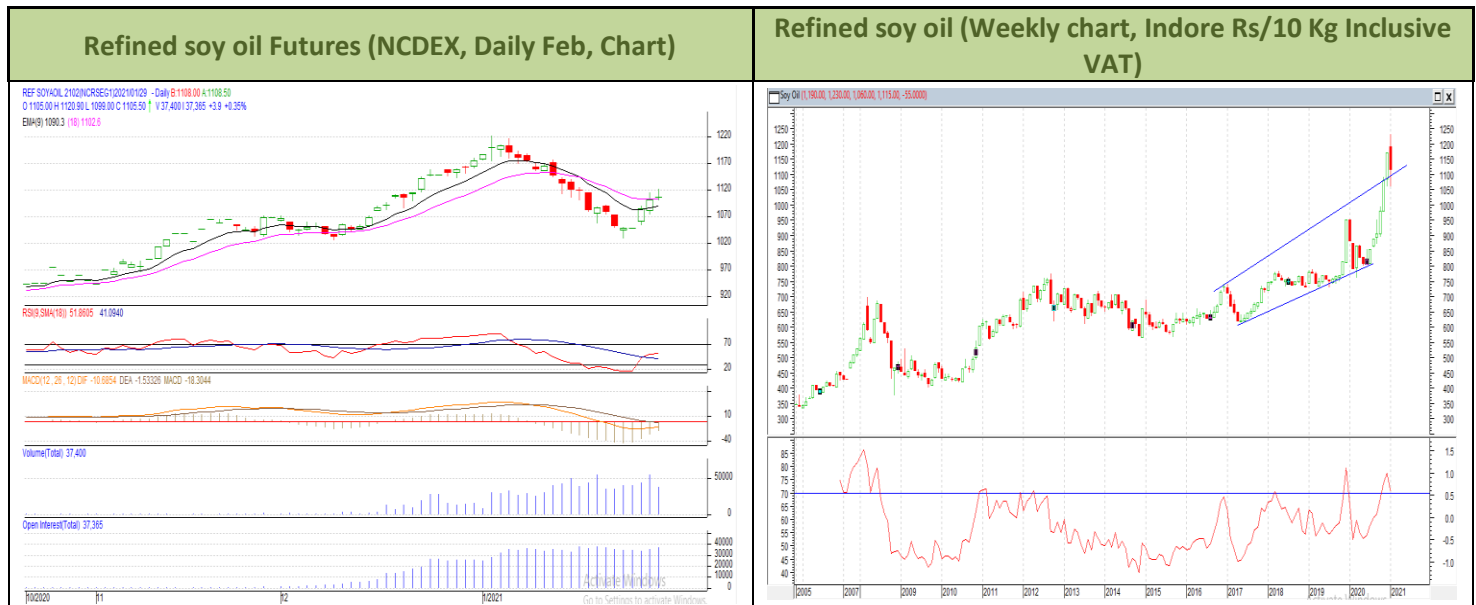
	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
Jan 10-Jan 16, 2021	-12.53	-36.36	91.24	-159.39	-136.63
Jan 17-Jan 23, 2021	-45.90	-82.31	-16.07	-178.92	-136.27
Jan 24-Feb 6, 2021	-88.14	-158.69	-107.02	-190.62	-156.85

Outlook-:

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

Refining margins disparity rose 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 to retain disparity in medium term even after rise in prices of palm products in Indian markets.

Technical Analysis (Refined soy oil)



Outlook – Refined soybean oil witnessed uptrend during the week in review and is likely to trade firm 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 firm in the near term.
- Prices may hover between 1110-1250 levels.
- Expected price band for next week is 1110-1150 level in near to medium term. RSI and MACD are indicating sideways sentiments.

Strategy: Market participants are advised to go long above 1105 levels for a target of 1120 and 1130 with a stop loss at 1095 on closing basis.

RSO NCDEX (Feb)

Support and Resistance				
S2	S1	PCP	R1	R2
990.83	1048.17	1105.5	1151.87	1178.23

Spot Market outlook: Refined soy oil Indore (without GST) is likely to stay in the range of Rs 1110-1250 per 10 Kg.

Crude palm oil Futures (MCX, Daily Feb, Chart)

Crude palm oil (Weekly chart, Kandla Rs/10 Kg)


Outlook - Prices showed uptrend in prices during the week. We expect that CPO January contract to trade in firm note.

- Candlestick in weekly chart of crude palm oil at MCX depicts up trend in the prices. We expect the commodity to trade up in the near term.
- Price may range from 1020-1150.
- Expected price band for next week is 970-1010 level. RSI and MACD are indicating sideways sentiments.

Strategy: Market participants are advised to go long in CPO above 970 for a target of 995 and 1005 with a stop loss at 955 on closing basis.

CPO MCX (Feb)

Support and Resistance				
S2	S1	PCP	R1	R2
876.33	921.00	969.3	1008.80	1026.57

Spot Market outlook: Crude palm oil (without GST) is likely to stay in the range of Rs 1020-1150 per 10 Kg.

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

Commodity	Centre	Prices (Per 10 Kg)		Change
		30-Jan-21	23-Jan-21	
Refined Soybean Oil	Indore	1115	1075	40
	Indore (Soy Solvent Crude)	1065	1025	40
	Mumbai	1060	1100	-40
	Mumbai (Soy Degum)	1130	1100	30
	Kandla/Mundra	1120	1075	45
	Kandla/Mundra (Soy Degum)	1085	1055	30
	Kolkata	1120	1130	-10
	Delhi	1180	1116	64
	Nagpur	1100	1100	Unch
	Rajkot	1140	1110	30
	Kota	1120	1090	30
	Hyderabad	-	0	-
	Akola	1110	1095	15
	Amrawati	1105	1100	5
	Bundi	1130	1100	30
	Jalna	1090	1090	Unch
	Solapur	1095	1085	10
	Dhule	1080	1080	Unch
	Nanded	1085	1082	3
	Latur	1100	1065	35
	Argentina Crude Soya (CIF India) USD	1098	1040	58
	Argentina Crude Soya (FOB)	1025	970	55
	Soya Oil(Rot.)(Euro/MT FOB) (1000) GMT	920	920	Unch
Palm Oil*	Kandla (Crude Palm Oil)	1033	988	45
	Kandla (RBD Palm oil)	1020	980	40
	Kandla RBD Pamolein	1045	1000	45
	Kakinada (Crude Palm Oil)	985	955	30
	Kakinada RBD Pamolein	1065	1020	45
	Haldia Pamolein	1070	1035	35
	Chennai RBD Pamolein	1065	1030	35
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1115	1080	35
	Krishnapattanam RBD Pamolein	1065	1025	40
	Mumbai RBD Pamolein	1060	1020	40
	Mangalore RBD Pamolein	1060	1035	25
	Tuticorin (RBD Palmolein)	1070	1010	60
	Mumbai (Refined)	1060	990	70

	Rajkot (Refined)	1070	1020	50
	Chennai (Refined)	1080	1020	60
	Hyderabad (Refined)	1090	1040	50
	Delhi (Refined)	1142	1080	62
	PFAD (Kandla)	650	620	30
	RPS (Kandla)	780	760	20
	Superolien (Kandla)	1065	1030	35
	Superolien (Mumbai)	1085	1050	35
	Kochi (RBD Palmolein)	1042	1042	Unch
	Krishnapattanam (Crude Palm Oil)	985	955	30
	Mumbai (Crude Palm Oil)	1025	995	30
	Kolkata (Crude Palm Oil)	985	975	10
	Palm Kernel Oil (1000) GMT	1330	1295	35
Refined Sunflower Oil	Chennai (Refined)	1370	1330	40
	Chennai (Crude)	1350	1270	80
	Mumbai (Refined)	1360	1340	20
	Mumbai (Expeller Oil)	1350	1300	50
	Kandla (Refined)	1350	1350	Unch
	Hyderabad (Refined)	1400	1310	90
	Hyderabad (Expeller)	1350	1260	90
	Latur (Refined)	1345	1345	Unch
	Latur (Expeller Oil)	1275	1275	Unch
	Chellakere (Expeller Oil)	1270	1270	Unch
	Erode (Expeller Oil)	1380	1380	Unch
	Kakinada (Refined)	1340	1290	50
	Krishna Pattanam (Refined)	1340	1290	50
	Delhi (Refined)	1300	1300	Unch
	Sun Oil (Rotterdam)	1320	1305	15
Groundnut Oil	Rajkot	1400	1400	Unch
	Chennai	1400	1420	-20
	Delhi	1410	1410	Unch
	Hyderabad *	1390	1380	10
	Mumbai	1415	1425	-10
	Gondal	1400	1390	10
	Jamnagar	1400	1390	10
	Gujarat GN Telia	2220	2230	-10
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1260	1250	10
	Jaipur (Kacchi Ghani Oil)	1290	1280	10
	Kota (Expeller Oil)	1215	1240	-25
	Kota (Kacchi Ghani Oil)	1270	1260	10

	Neewai (Expeller Oil)	1240	1230	10
	Neewai (Kacchi Ghani Oil)	1270	1260	10
	Bharatpur (Kacchi Ghani Oil)	1210	1220	-10
	Sri-Ganga Nagar(Exp Oil)	1240	1230	10
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1270	1260	10
	Mumbai (Expeller Oil)	1230	1240	-10
	Kolkata(Expeller Oil)	1350	1330	20
	New Delhi (Expeller Oil)	1190	1210	-20
	Hapur (Expeller Oil)	1250	1250	Unch
	Hapur (Kacchi Ghani Oil)	1280	1280	Unch
	Agra (Kacchi Ghani Oil)	1215	1225	-10
	Nagpur (Expeller Oil)	1233	1267	-33.333
Refined Cottonseed Oil	Rajkot	1060	995	65
	Hyderabad	1100	1025	75
	Mumbai	1080	1040	40
	New Delhi	1055	990	65
	Gujarat Cotton Wash	1030	1010	20
Coconut Oil	Kangayan (Crude)	1870	1890	-20
	Cochin	1880	1900	-20
	Coconut Oil(Rot.)(Phil/Indo)	1500	1385	115
Vanaspati Oil	Uttar Pradesh	1445	1445	Unch
	Kolkata	1370	1380	-10
	Rajkot	1523	1573	-50
Sesame Oil	New Delhi	1380	1400	-20
	Mumbai	-	0	-
Kardi	Mumbai	-	0	-
Rice Bran Oil	New Delhi (40%)	832	815	17
	Punjab 4%)	970	980	-10
	Bhatinda (Crude 4%)	740	750	-10
	Bhatinda (Refined 4%)	855	865	-10
	Hyderabad (Crude)	890	840	50
	Hyderabad (Refined)	1060	1040	20
	Kolkata (Crude)	820	810	10
	Kolkata (Refined)	920	970	-50
	Raipur (Crude)	860	860	Unch
	Raipur (Refined)	990	990	Unch
	Odisha (Refined)	1000	1000	Unch
	Vijayawada (Refined)	950	950	Unch

Malaysia Palmolein USD/MT	FOB	1025	950	75
	CNF India	1053	988	65
Indonesia CPO USD/MT	FOB	1050	1015	35
	CNF India	1065	1000	65
RBD Palm oil (Malaysia Origin USD/MT)	FOB	998	938	60
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	963	930	33
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1355	1385	-30
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	865	830	35
Crude palm Kernel Oil India (USD/MT)	CNF India	1480	1465	15
Ukraine Origin CSFO USD/MT Kandla	CIF	1360	1335	25
Rapeseed Oil Rotterdam Euro/MT	FOB	1010	900	110
Argentina FOB (\$/MT)		29-Jan-21	22-Jan-21	Change
Crude Soybean Oil Ship		1025	1000	25
Refined Soy Oil (Bulk) Ship		1061	1035	26
Sunflower Oil Ship		1245	1240	5
Cottonseed Oil Ship		1005	980	25
Refined Linseed Oil (Bulk) Ship		-	0	-
* indicates including GST				

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