

Veg. Oil Weekly Research Report

Contents

- ❖ Executive Summary
- ❖ Recommendations
- ❖ International Veg. Oil Market Summary
- ❖ Domestic Market Fundamentals
- ❖ Technical Analysis (Spot Market)
- ❖ Technical Analysis (Futures Market)
- ❖ Veg. Oil Prices at Key Spot Markets

Executive Summary

Domestic Veg. Oil Market Summary

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

On the currency front, Indian rupee is hovering near 72.59 against 72.90 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 1120 levels for a target of 1145 and 1160 with a stop loss at 1100 on closing basis. We expect Refined soy oil Indore (without GST) is likely to stay in the range of Rs 1120-1180 per 10 Kg.

In MCX, Market participants are advised to go long in CPO above 1015 for a target of 1030 and 1045 with a stop loss at 1000 on closing basis. We expect, Crude palm oil (without GST) is likely to stay in the range of Rs 1000-1050 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 sideways trend in domestic markets in the week in review on sideways trend in prices of soy oil in international markets.

Soy oil demand is slow at high seas as its prices are traded sideways at high seas while CNF markets traded up compared to last week.

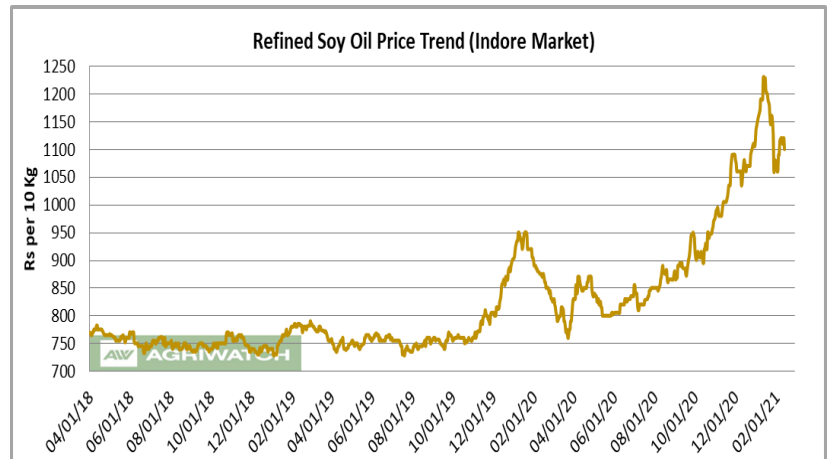
Demand of soybean in poultry is

improving and resulted in high exports of Soy meal and Soy Oil on good demand from China.

CBOT SOY oil traded up in international market as traders expect tight supply in US and delay in harvesting in Brazil due to heavy rains.

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 lowered 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 1094 (USD 1072) per ton for Feb delivery, Mar delivery quoted at USD 1087 (USD 1037) per ton and Apr delivery quoted at USD 1021 (USD 1017) per ton. Values in brackets are figures of last week. Last month, CNF CDSO January average price was USD 1101.6 (USD 1068.54 per ton in December 2020) per ton. Soy refined (Indore) quoted at Rs 1120 (Rs 1065 last week) per 10 kg.
- On the parity front, margins fell during the week due to sideways trend in prices of soy oil in international markets. We expect margins to improve in coming days. Currently, refiners lose USD 15-20/ton v/s loss of USD 5-10/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 1120-1180 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 cut in CPO import duty in India.

International prices also fell down amid tight supply and following CBOT Soy oil.

Government of India slashed CPO Import Duty from 37.5 percent to 27.5 percent amid surge in Palm Oil prices. CPO import in January rose 23 percent higher than December import after cut in import duties.

Demand of palmolein is improving after government's effort to open country. As it mainly used in street food, small eateries and restaurant chains, it will start opening progressively.

Imports of palm oil by India rise in January despite lower RBD palmolein imports. Imports of CPO were higher while RBD palmolein imports started after zero import in previous months. Imports of palm oil rose in Jan rose m-o-m after lowered import duties. Imports will rise in February 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.

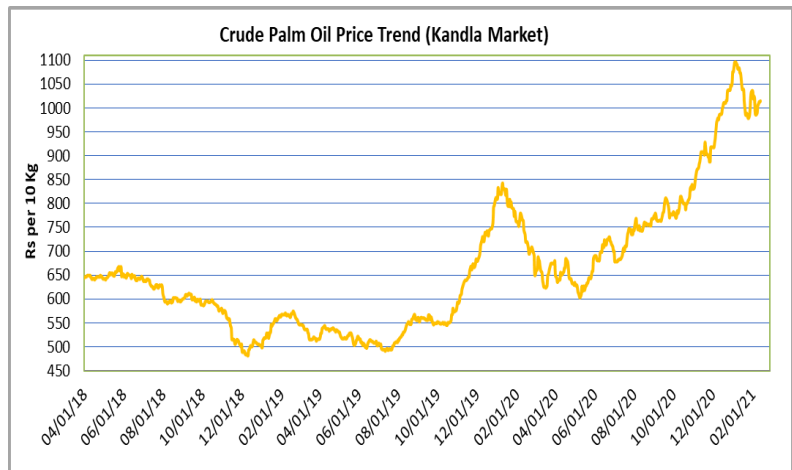
Prices of CPO raised less on high seas compared to CNF markets compared to last week indicating firm demand at high seas.

Demand of CPO was firm compared to RBD palmolein at high seas despite premium of RBD palmolein over CPO was at Rs 86 (Rs 90) 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 1060(USD 1065) per ton for Feb delivery and Mar delivery is quoted at USD 1020 (USD 1060) 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 1005 (USD 1025) per ton for Feb delivery and Mar delivery is quoted at USD 960 (USD 960) 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 985(Rs 1060) per 10 Kg and Jan delivery duty paid is offered at Rs 992 (Rs 1074 per 10 kg). Ready lift RBD palmolein is quoted at Rs 1075 (Rs 1045) per 10 kg as on February 6, 2020. Values in brackets are figures of last week.
- On the parity front, margins fell during this week with fall in prices of palm oil in India markets after lower import duty.

International Front

Palm oil prices are likely to rise as international CPO prices rose after rise in prices of crude oil, further expectation of lower supply stock of palm oil, supply disruption due to heavy rains in Malaysia, 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 the trade ministry, Indonesia will charge an export duty of USD 93 per ton on crude palm oil for February, up from \$74/Ton tax in January. Reference price of February is set at USD 1026.78 per ton compared to USD 951.86 per ton last month.
- According of 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.

Price Outlook: We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 1000-1050 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 continues to 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 have stretched for year 2019-20 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.

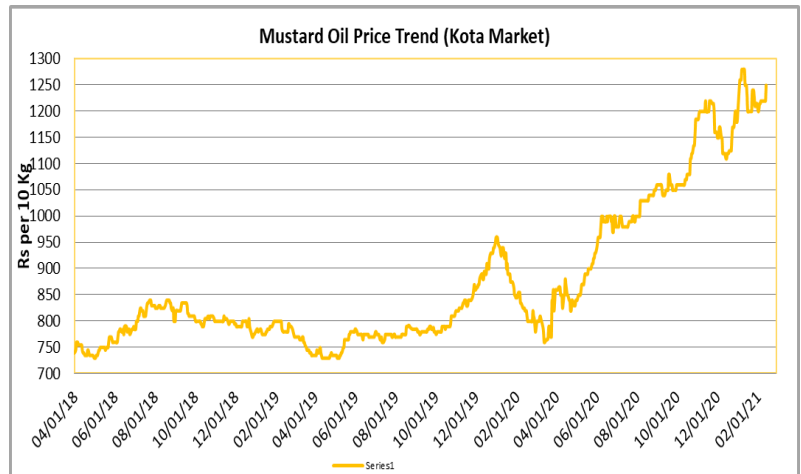
High premium of Jaipur kacchi ghani rapeseed oil over refined soy oil in domestic market is at Rs 200 (Rs 145) per 10 Kg will cap gains in rapeseed oil prices.

Jaipur kacchi ghani rapeseed oil premium over RBD palmolein is at Rs 230 (Rs 215) 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 1,300 (Rs 1,290) per 10 Kg, and at Kota market, it is offered at Rs 1,250 (Rs 1,220) per 10 kg as on February 13, 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 tight supply of Sunflower oil in International market.

Prices of sunflower featured up tone at international markets amid firm demand indicating rise in demand at high seas.

Prices of sunflower oil quoted up on slow supply amid firm demand.

Droughts conditions in sunflower belts in

Ukraine, Russia and Argentina has led to low crops hence cut global supply of sunflower in 2020 leading to higher prices and its effects can be seen in current year too. 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.

Import parity fell and refining margins are also low despite higher prices of sunflower oil in Indian markets.

Imports of sunflower oil fell in Jan on negative import party and negative refining margins, while, it has higher premium over competing oils and rise in its prices will slow its demand.

In domestic market, sunflower oil prices premium over soy oil is at Rs 310 (Rs 310 last week) per 10 kg, At present premium of sunflower oil over soy oil at CNF markets is at USD 268(USD 256 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.

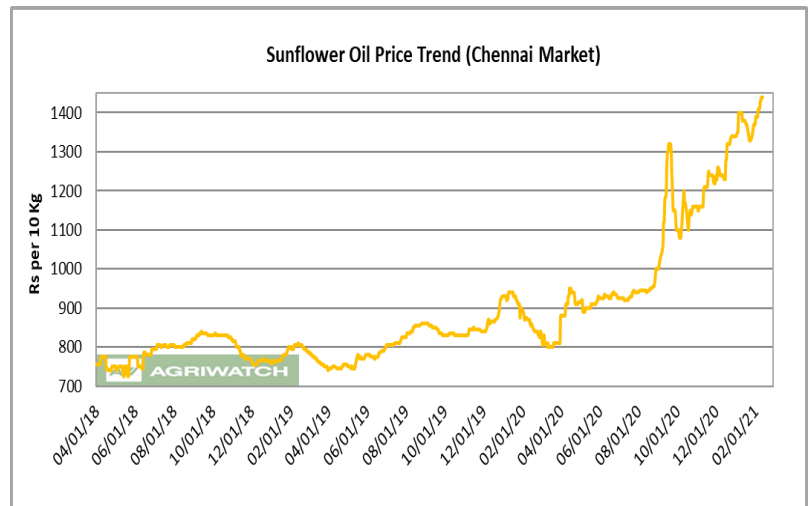
High sunflower oil premium over CPO at CNF India is at USD 295 (USD 330 last week) which will affect imports.

In domestic market, refined sunflower oil (Chennai) premium over RBD palmolein (Kandla) is at Rs 340 (Rs 335) per 10 kg which is high will cap sunflower oil in domestic market.

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

Prices of sunflower oil expected to trade sideways as International prices are hiked up due to tight supply.

- 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 1350(USD 1350 per ton for Feb delivery and Mar delivery quoted at USD 1350 (USD 1350) 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 1,440 (Rs 1,410) per 10 Kg, and at Kandla/Mudra market, it is offered higher at Rs 1430 (Rs 1420) per 10 kg as on February 13, 2021. Values in brackets are figures of last week.
- We expect sunflower oil prices to trade of firm tone in the coming days.

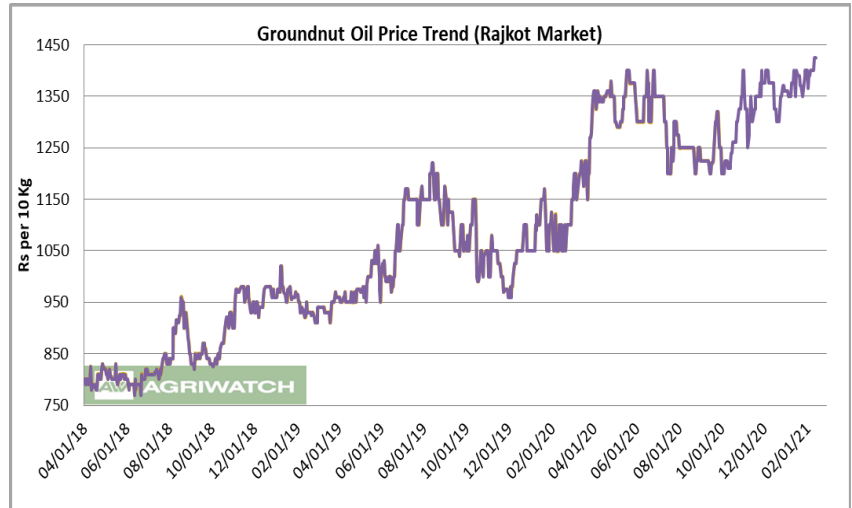
Price Outlook: Sunflower oil (without GST) prices in Chennai may stay in the range of Rs 1400-1500 per 10 Kg.

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

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

Groundnut oil prices closed up 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 demand is firm. For coming months groundnut oil prices will trade firm amid good export demand and firm domestic demand.



In Gujarat, NAFED procured a total of 2.02 lakh tonnes of Groundnut seed from Gujarat lowest in six-year from October 26 to January 12, 2021. The procurement is below than the allotted quota i.e., 11 lakh tonnes. The procurement was happening in the backdrop of farmers' protests in New Delhi against the three new farm laws. Also, higher prevailing prices in the spot market prompted farmers to sell groundnut there.

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 14,500 (Rs 14,250) per quintal and it was Rs 15,000 (Rs 14,800) per quintal in Chennai market on February 13, 2021. Values in brackets are figures of last week.
- Groundnut oil prices are likely to trade up in the coming days.

Price Outlook:

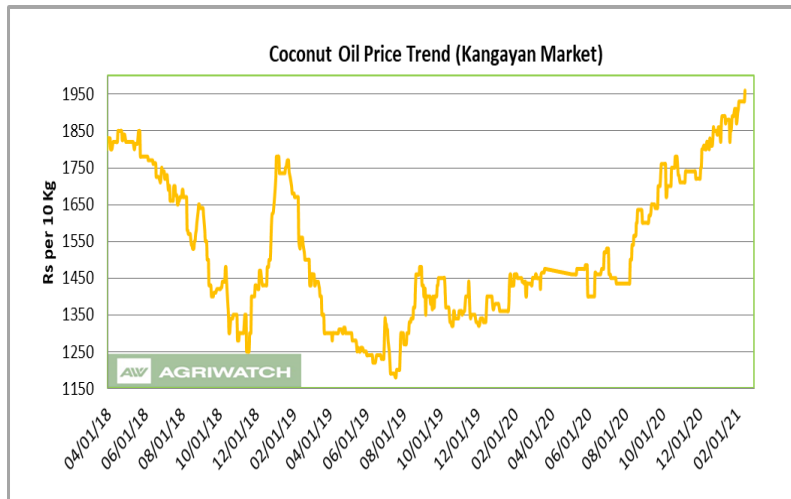
Groundnut oil (without GST) in Rajkot market is likely to trade in the price band of Rs 1400-1500 per 10 Kg

Coconut Oil Fundamental Review and Analysis:-
Domestic Front

- Coconut oil benchmark market of Kangayan showed up trend as copra prices are firm.

Prices are high as coconut oil fights for its market share among rising prices of competing edible oils.

Copra demand are firm but even at time arrival of new crops prices are hiked due to hoarding of traders expecting further rise in prices.



Demand of coconut oil in home consumption is stable but skyrocketed price may lead to substitution to cheaper oils.

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.

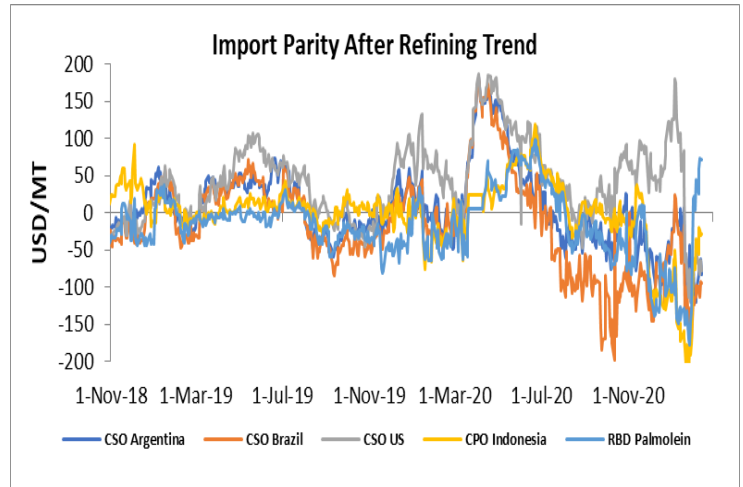
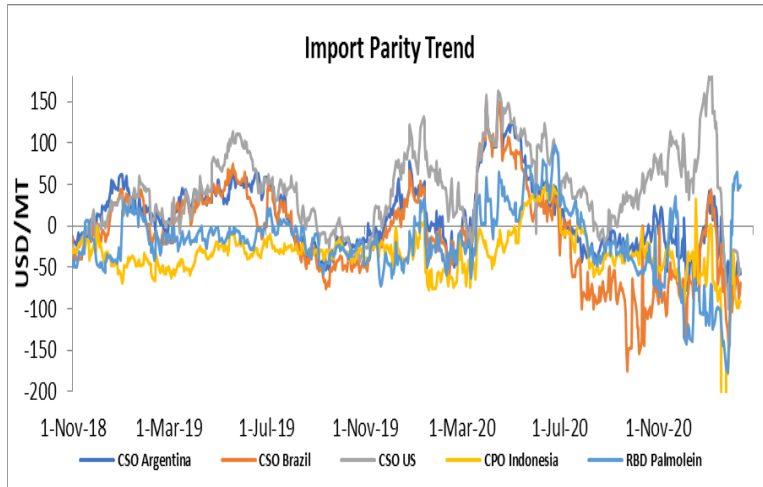
Coconut oil prices are expected to be firm in days ahead.

- 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 20,100 (Rs 20,000) per quintal, and was quoted at 19,600 (Rs 19,300) per quintal in Erode market on February 13, 2021.

Price Outlook: Coconut oil (without GST) prices in Erode may stay in the range of Rs 1900-2000 per 10 Kg.

Import Parity Trend

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



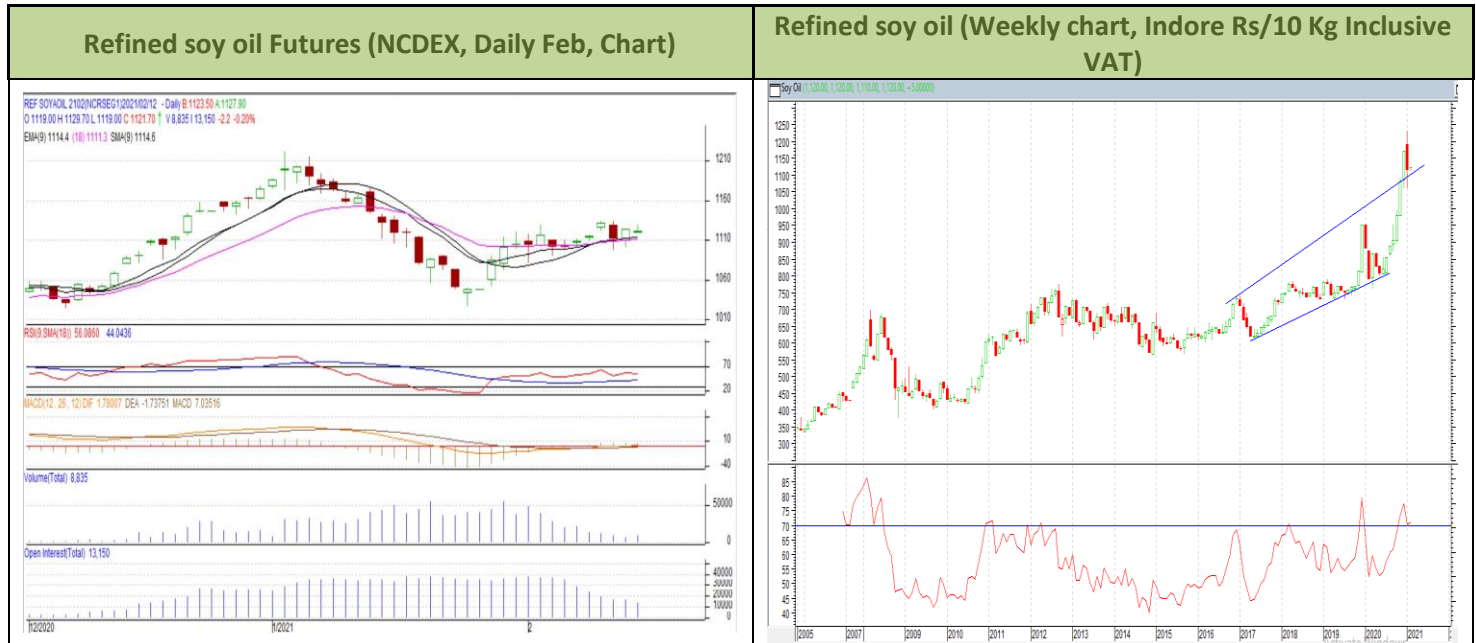
	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
Jan 24-Jan 31, 2021	-88.14	-158.69	-107.02	-190.62	-156.85
Feb 1-Feb 6, 2021	-106.64	-112.28	-64.09	-55.29	26.93
Feb 7-Feb 13, 2021	-76.51	-101.28	-74.39	-31.21	60.68

Outlook:-

Refining margins disparity fell for crude soy oil from Argentina after up trend in prices of soy oil in international markets amid firm demand in tight supply. 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 fell for CPO with cut in import duty by Government. RBD palmolein refining margin parity rose with rise in its prices of RBD palmolein in Indian markets. We expected CPO to retain disparity in medium term.

Technical Analysis (Refined soy oil)



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

- Daily chart of refined soy oil at NCDEX depicts up trend during the upcoming week in review. We expect prices to trade firm in the near term.
- Prices may hover between 1080-1170 levels.
- Expected price band for next week is 1120-1180 level in near to medium term. RSI and MACD are indicating sideways sentiments.

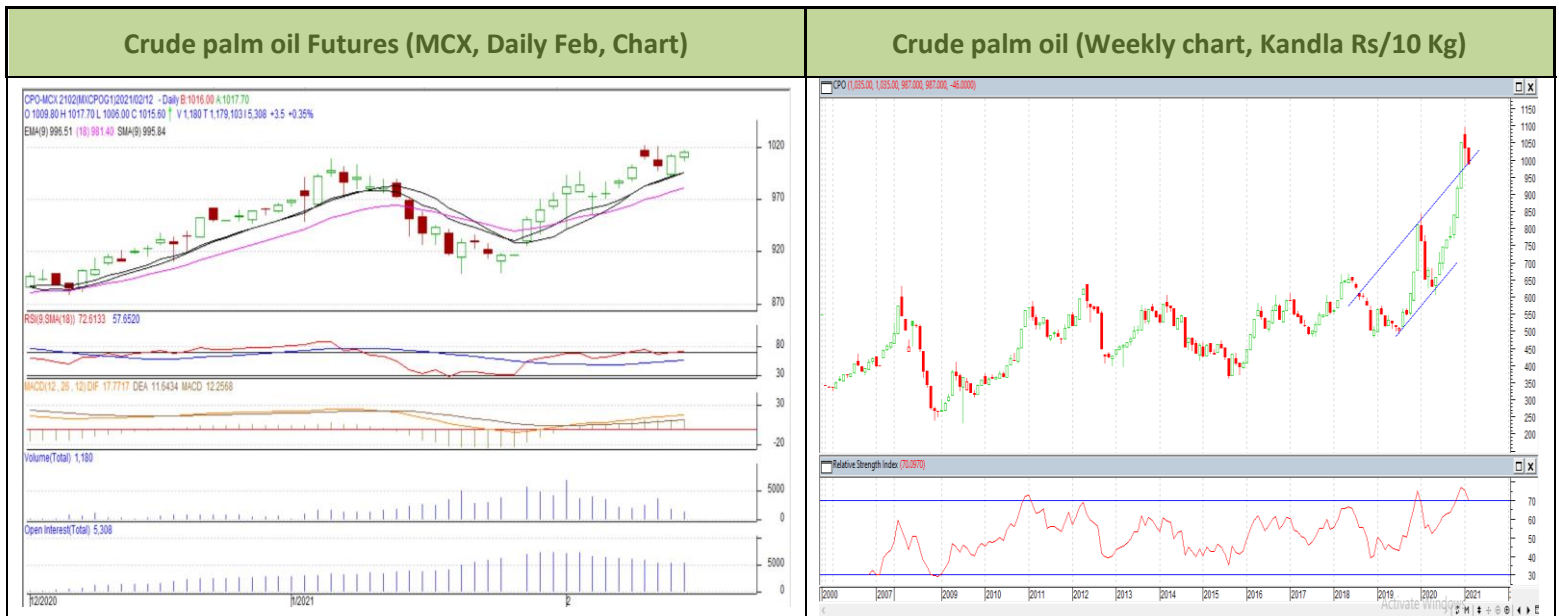
Strategy: Market participants are advised to go long above 1120 levels for a target of 1145 and 1160 with a stop loss at 1100 on closing basis.

RSO NCDEX (Feb)

Support and Resistance				
S2	S1	PCP	R1	R2
1080.77	1080.77	1121.7	1154.57	1175.03

Spot Market outlook: Refined soy oil Indore (without GST) is likely to stay in the range of Rs 1120-1180 per 10 Kg.

Technical Analysis (Crude Palm oil)



Outlook – Kandla Daily CPO spot prices showed uptrend in prices during the week. We expect that CPO February 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 1000-1050.
- Expected price band for next week is 1010-1060 level. RSI and MACD are indicating sideways sentiments.

Strategy: Market participants are advised to go long in CPO above 1015 for a target of 1030 and 1045 with a stop loss at 1000 on closing basis.

CPO MCX (Feb)

Support and Resistance				
S2	S1	PCP	R1	R2
973.20	994.40	1015.6	1043.60	1064.80

Spot Market outlook: Crude palm oil (without GST) is likely to stay in the range of Rs 1000-1050 per 10 Kg.

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

Commodity	Centre	Prices (Per 10 Kg)		Change
		13-Feb-21	6-Feb-21	
Refined Soybean Oil	Indore	1130	1100	30
	Indore (Soy Solvent Crude)	1065	1060	5
	Mumbai	1150	1150	Unch
	Mumbai (Soy Degum)	1125	1120	5
	Kandla/Mundra	1125	1120	5
	Kandla/Mundra (Soy Degum)	1090	1090	Unch
	Kolkata	1190	1160	30
	Delhi	1185	1175	10
	Nagpur	1125	1108	17
	Rajkot	1145	1150	-5
	Kota	1100	1115	-15
	Hyderabad	-	0	-
	Akola	1145	1125	20
	Amrawati	1135	1120	15
	Bundi	1110	1125	-15
	Jalna	1115	1098	17
	Solapur	1120	1103	17
	Dhule	1105	1088	17
	Nanded	1110	1093	17
	Latur	1130	1100	30
	Argentina Crude Soya (CIF India) USD	1097	1094	3
	Argentina Crude Soya (FOB)	1043	1024	19
	Soya Oil(Rot.)(Euro/MT FOB) (1000) GMT	935	930	5
Palm Oil*	Kandla (Crude Palm Oil)	1014	985	29
	Kandla (RBD Palm oil)	1030	1025	5
	Kandla RBD Pamolein	1100	1075	25
	Kakinada (Crude Palm Oil)	1030	990	40
	Kakinada RBD Pamolein	1110	1085	25
	Haldia Pamolein	1095	1085	10
	Chennai RBD Pamolein	1115	1090	25
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1163	1148	15
	Krishnapattanam RBD Pamolein	1120	1090	30
	Mumbai RBD Pamolein	1110	1110	Unch
	Mangalore RBD Pamolein	1120	1100	20
	Tuticorin (RBD Palmolein)	1100	1085	15
	Mumbai (Refined)	1120	1090	30

	Rajkot (Refined)	1080	1080	Unch
	Chennai (Refined)	1110	1090	20
	Hyderabad (Refined)	1110	1110	Unch
	Delhi (Refined)	1190	1143	47
	PFAD (Kandla)	680	675	5
	RPS (Kandla)	815	800	15
	Superolien (Kandla)	1110	1090	20
	Superolien (Mumbai)	1130	1130	Unch
	Kochi (RBD Palmolein)	1105	1105	Unch
	Krishnapattanam (Crude Palm Oil)	1030	990	40
	Mumbai (Crude Palm Oil)	1070	1089	-19
	Kolkata (Crude Palm Oil)	1050	1025	25
	Palm Kernel Oil (1000) GMT	1390	1310	80
Refined Sunflower Oil	Chennai (Refined)	1440	1410	30
	Chennai (Crude)	1360	1360	Unch
	Mumbai (Refined)	1410	1400	10
	Mumbai (Expeller Oil)	1380	1370	10
	Kandla (Refined)	1430	1420	10
	Hyderabad (Refined)	1400	1375	25
	Hyderabad (Expeller)	1350	1320	30
	Latur (Refined)	1455	1385	70
	Latur (Expeller Oil)	1385	1315	70
	Chellakere (Expeller Oil)	1360	1310	50
	Erode (Expeller Oil)	1460	1420	40
	Kakinada (Refined)	1400	1360	40
	Krishna Pattanam (Refined)	1400	1360	40
	Delhi (Refined)	1340	1340	Unch
	Sun Oil (Rotterdam)	1360	1315	45
Groundnut Oil	Rajkot	1450	1425	25
	Chennai	1500	1480	20
	Delhi	1490	1410	80
	Hyderabad *	1520	1460	60
	Mumbai	1490	1460	30
	Gondal	1440	1430	10
	Jamnagar	1425	1425	Unch
	Gujarat GN Telia	2340	2270	70
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1300	1290	10
	Jaipur (Kacchi Ghani Oil)	1330	1320	10
	Kota (Expeller Oil)	1250	1220	30
	Kota (Kacchi Ghani Oil)	1310	1290	20

	Neewai (Expeller Oil)	1280	1265	15
	Neewai (Kacchi Ghani Oil)	1310	1295	15
	Bharatpur (Kacchi Ghani Oil)	1300	1270	30
	Sri-Ganga Nagar(Exp Oil)	1290	1270	20
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1320	1300	20
	Mumbai (Expeller Oil)	1230	1250	-20
	Kolkata(Expeller Oil)	1330	1310	20
	New Delhi (Expeller Oil)	1300	1250	50
	Hapur (Expeller Oil)	1320	1270	50
	Hapur (Kacchi Ghani Oil)	1350	1300	50
	Agra (Kacchi Ghani Oil)	1305	1275	30
	Nagpur (Expeller Oil)	1247	1233	13.333
Refined Cottonseed Oil	Rajkot	1115	1085	30
	Hyderabad	1150	1115	35
	Mumbai	1140	1120	20
	New Delhi	1085	1060	25
	Gujarat Cotton Wash	1090	1065	25
Coconut Oil	Kangayan (Crude)	1960	1930	30
	Cochin	1980	1960	20
	Coconut Oil(Rot.)(Phil/Indo)	1415	1400	15
Vanaspati Oil	Uttar Pradesh	-	0	-
	Kolkata	1440	1430	10
	Rajkot	1553	1523	30
Sesame Oil	New Delhi	1350	1350	Unch
	Mumbai	-	0	-
Kardi	Mumbai	-	0	-
Rice Bran Oil	New Delhi (40%)	850	845	5
	Punjab 4%)	1020	990	30
	Bhatinda (Crude 4%)	825	795	30
	Bhatinda (Refined 4%)	940	910	30
	Hyderabad (Crude)	910	910	Unch
	Hyderabad (Refined)	1080	1080	Unch
	Kolkata (Crude)	895	865	30
	Kolkata (Refined)	1010	990	20
	Raipur (Crude)	935	935	Unch
	Raipur (Refined)	1070	1070	Unch
	Odisha (Refined)	1070	1070	Unch
	Vijayawada (Refined)	1000	1000	Unch

Malaysia Palmolein USD/MT	FOB	1015	1005	10
	CNF India	1048	1008	40
Indonesia CPO USD/MT	FOB	1050	1020	30
	CNF India	1070	1020	50
RBD Palm oil (Malaysia Origin USD/MT)	FOB	1020	1003	17
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	978	975	3
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1365	1350	15
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	915	885	30
Crude palm Kernel Oil India (USD/MT)	CNF India	1440	1465	-25
Ukraine Origin CSFO USD/MT Kandla	CIF	1365	1350	15
Rapeseed Oil Rotterdam Euro/MT	FOB	1020	1010	10
Argentina FOB (\$/MT)		12-Feb-21	5-Feb-21	Change
Crude Soybean Oil Ship		1052	1042	10
Refined Soy Oil (Bulk) Ship		1089	1078	11
Sunflower Oil Ship		1270	1245	25
Cottonseed Oil Ship		1032	1022	10
Refined Linseed Oil (Bulk) Ship		-	0	-
<i>* indicates including GST</i>				

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

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> 2021 Indian Agribusiness Systems Ltd.