

Veg. Oil Weekly Research Report

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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 up during the week. Sunflower oil traded up, While, Soy oil, Palm oil, Groundnut oil traded sideways and Mustard and Coconut oil traded down.

On the currency front, Indian rupee is hovering near 72.55 against 72.59 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 1140 levels for a target of 1160 and 1175 with a stop loss at 1120 on closing basis. We expect Refined soy oil Indore (without GST) is likely to stay in the range of Rs 1130-1250 per 10 Kg.

In MCX, Market participants are advised to go long in CPO above 1040 for a target of 1060 and 1075 with a stop loss at 1020 on closing basis. We expect, Crude palm oil (without GST) is likely to stay in the range of Rs 1020-1100 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.

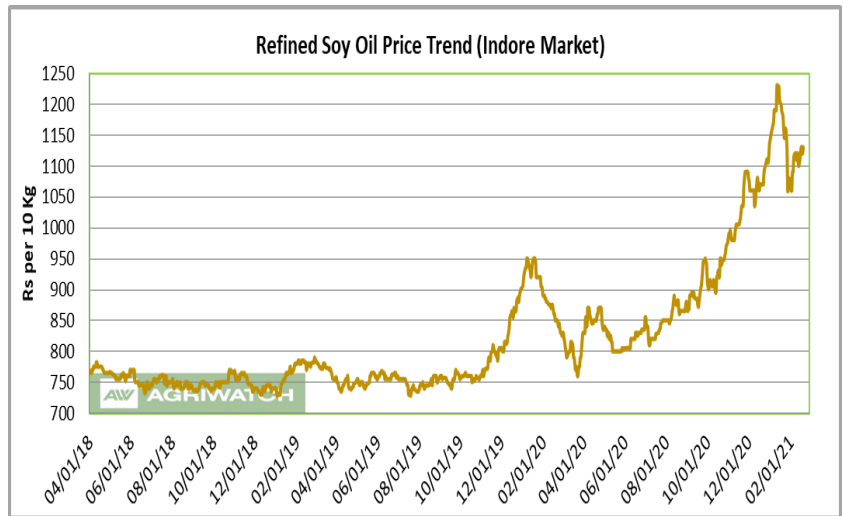
Rise in competing oil prices, low supply stock, demand from China and India and rise in crude oil prices are all likely to underpin CPO prices in near term.

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 also CNF markets traded sideways compared to last week.

Demand of soybean in poultry is improving and resulted in high exports of Soymeal and Soy Oil on good demand from China.



CBOT SOY oil traded up in international market as traders expects tight supply in US and delay in harvesting in Brazil due to heavy rains. US Soy oil stockpile may rise slightly for February.

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 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 rose during the week after sideways trend in prices of soy oil in international markets. We expect margins to improve in coming days. Currently, refiners lose USD 45-50/ton v/s loss of USD 60-65/ton (last week) margin in processing the imported Soybean Oil (Argentina Origin).

International Front

Soy oil prices are expected to be firm after delay in Soy crop harvesting in Brazil and Low US Soy Stockpile.

Soybean harvest in Brazil has rose 10 10.4 percent compared to 7.1 percent last week but still is lower than 30.6 percent compared to last year for same period.

American soybean stockpiles were smaller than expected as China stepped up its purchases of U.S. supplies after delay in Brazil's Soy crop harvesting.

NOPA reported rise in stocks of soy oil in US in Jan.

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.

Rise 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. January soybean crush rose by 0.82 percent m-o-m to 184.654 million bushels from 183.159 million bushels in December 2020, above market expectation. Crush of soybean in January was higher by 4.36 percent y-o-y compared to January 2020 figure of 176.940 million bushels. Soy oil stocks in U.S. at the end of January rose 5.88 percent m-o-m to 1.799 billion lbs compared to 1.699 billion lbs in end December 2020. Stocks of soy oil in end January was up by 2.68 percent y-o-y compared to end January 2020, which was reported at 1.752 million lbs. Soy oil stocks are above 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 1130-1250 per 10 Kg in the near term.

Palm oil Fundamental Analysis and Outlook :-

Domestic Front

- Crude palm oil (CPO) featured sideways trend at its benchmark market at Kandla after hike in CPO import duty by \$32/T in India.

International prices rose amid tight supply and following CBOT Soy oil. Low Soy oil stockpile in US future supported CPO prices.

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.

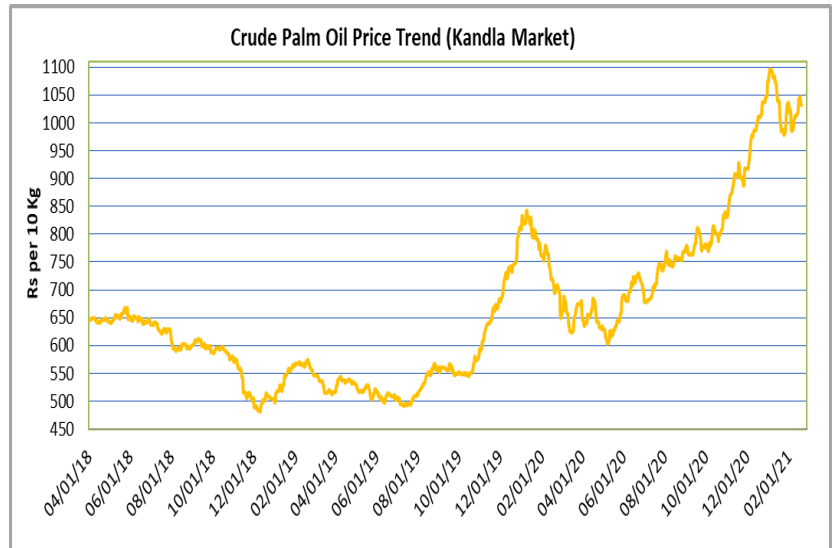
Prices of CPO raised less on high seas compared to CNF markets compared to last week indicating slow demand at high seas.

Demand of CPO was firm compared to RBD palmolein at high seas despite premium of RBD palmolein over CPO was at Rs 91 (Rs 86) 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 1085(USD 1060) per ton for Mar delivery and Apr delivery is quoted at USD 1085 (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 1025 (USD 1005) per ton for Mar delivery and Apr delivery is quoted at USD 980 (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 1036(Rs 985) per 10 Kg and Feb delivery duty paid is offered at Rs 927 (Rs 992 per 10 kg). Ready lift RBD palmolein is quoted at Rs 1125 (Rs 1075) per 10 kg as on February 20, 2020. Values in brackets are figures of last week.
- On the parity front, margins rose during this week with rose in prices of palm oil in India markets after hike in 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, Increase in demand from India and China, rise in competitive oils prices and rise in global crude oil prices.

Palm oil followed soy oil prices in international market as US report suggest only a slight increase in US stockpile.

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 Societe Generale de Surveillance (SGS), Malaysia's Feb 1-15 palm oil exports rose 37.6 percent to 554,872 tons compared to 403,255 tons last month. Top buyers were European Union 155,149 tons (96,199 tons), India at 43,900 tons (43,692 tons), China at 79,360 tons (42,240 tons), Pakistan at 0 tons (0 tons) and United States at 14,440 tons (42,490 tons). Values in brackets are figures of last month.
- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's Feb 1-15 palm oil exports rose 27.4 percent to 530,545 tons compared to 416,565 tons last month. Top buyers were India & subcontinent 71,675 tons (56,190 tons), European Union 153,785 tons (134,595 tons) and China at 70,260 tons (53,050 tons). Values in brackets are figures of last month.
- According to AmSpec Agri, Malaysia's Feb 1-20 palm oil exports rose 10.3 percent to 697,794 tons compared to 632,827 tons last month. Crude Palm Oil export fell by 10.74 percent to 128,961 tonnes from 144,492 tonnes compared to last month. RBD Palm oil export rose by 17.88 percent to 54,115 tonnes from 45,905 tonnes compared to last month. RBD Palm olein export rose by 24.92 percent to 224,230 tonnes from 179,500 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 1020-1100 per 10 Kg in the near term.

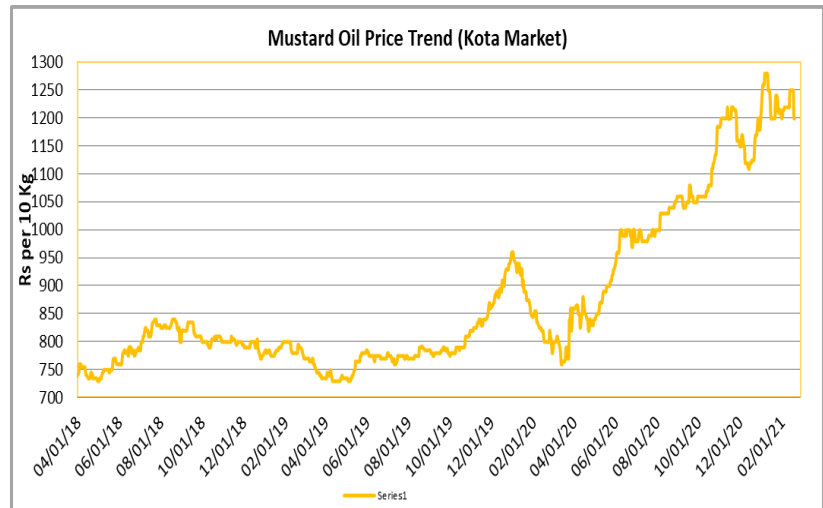
Rapeseed oil Fundamental Review and Analysis- Domestic Front

- Mustard oil prices showed down trend in benchmark market as mustard new crop arrives in market.

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

Harvesting of mustard crops have commenced but the pace is slow. The seed quality is average in Rajasthan.

Mustard oil prices in Jaipur (Expeller) traded on firm tone.



Nafed will commence procurement from mid of march for mustard new crop.

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.

Premium of Jaipur kacchi ghani rapeseed oil over refined soy oil in domestic market is at Rs 195 per 10 Kg compared to Rs 200 per 10 Kg last week.

Jaipur kacchi ghani rapeseed oil premium over RBD palmolein is at Rs 225 per 10 kg compared to Rs 230 per 10 Kg last week. The premium of Mustard oil lowered compared to last week on arrival of new crop.

Markets are expected to trade sideways in coming term.

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.

- Currently, RM oil at Jaipur market, (expeller) is offered at Rs 1,315 (Rs 1,300) per 10 Kg, and at Kota market, it is offered at Rs 1,00 (Rs 1,250) per 10 kg as on February 20, 2021. Values in brackets are figures of last week.
- We expect RM seed oil prices to trade sideways tone in the coming days.

Price Outlook: Rapeseed oil (without GST) prices in Kota may stay in the range of Rs 1180-1280 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.

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.

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 parity 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 365 (Rs 310 last week) per 10 kg, At present premium of sunflower oil over soy oil at CNF markets is at USD 335 (USD 268 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.

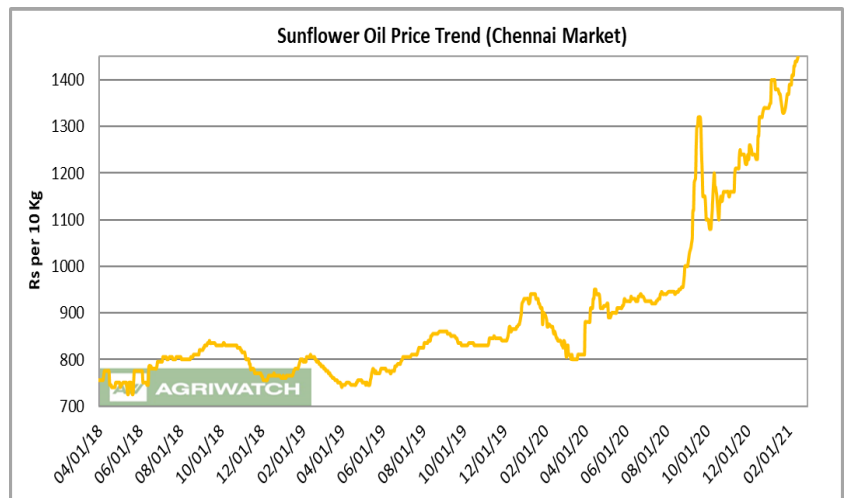
High sunflower oil premium over CPO at CNF India is at USD 370 (USD 295 last week) which will affect imports.

In domestic market, refined sunflower oil (Chennai) premium over RBD palmolein (Kandla) is at Rs 400 (Rs 340) per 10 kg which is high will cap sunflower oil in domestic market.

In domestic market, Groundnut oil (Chennai) premium over Sunflower oil at Chennai market is at Rs 60 (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 1440(USD 1350 per ton for Feb delivery and Mar delivery quoted at USD 1440 (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 1400-1500 per ton in the near term. Values in brackets are figures of last week.
- Currently, refined sunflower oil at Chennai market is Rs 1,520 (Rs 1,440) per 10 Kg, and at Kandla/Mudra market, it is offered higher at Rs 1460 (Rs 1430) per 10 kg as on February 20, 2021. Values in brackets are figures of last week.
- We expect sunflower oil prices to trade of firm tone in the coming days.

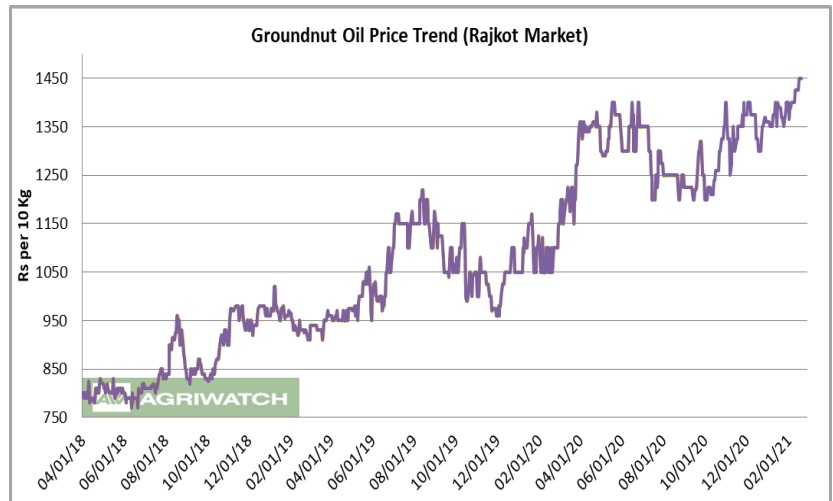
Price Outlook: Sunflower oil (without GST) prices in Chennai may stay in the range of Rs 1450-1550 per 10 Kg.

Groundnut oil Fundamental Review and Analysis:-

Domestic Front

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

Groundnut oil prices lowered in mid-week amid price hike, while slow supply supported the prices. 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 14,400 (Rs 14,500) per quintal and it was Rs 15,200 (Rs 15,000) per quintal in Chennai market on February 20, 2021. Values in brackets are figures of last week.
- Groundnut oil prices are likely to trade firm 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 also rose.

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. Relaxation in guidelines

reading storing cargo has resulted in hoarding of copra in huge quantities and hence hike in prices.

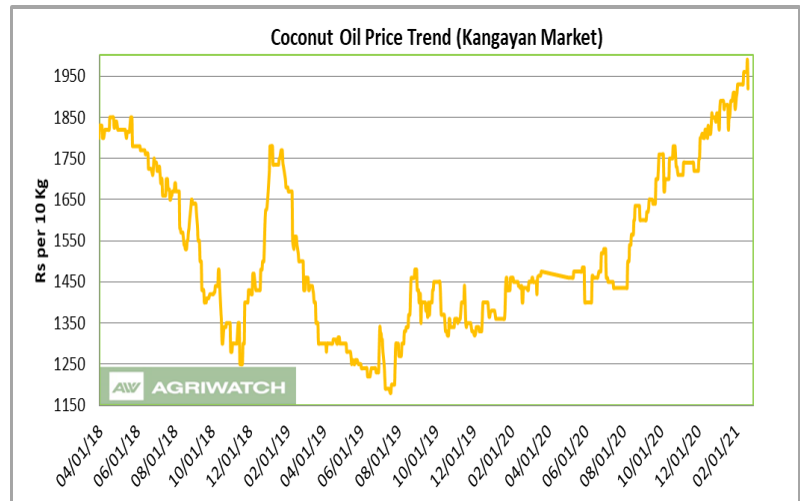
Demand of coconut oil in home consumption is stable but skyrocketed price may lead to substitution to cheaper oils.

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 demand is firm and prices of branded coconut oils and legal blended coconut oils are also increasing. Big companies are procuring coconuts from Tamil Nadu also where the prices are high.

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

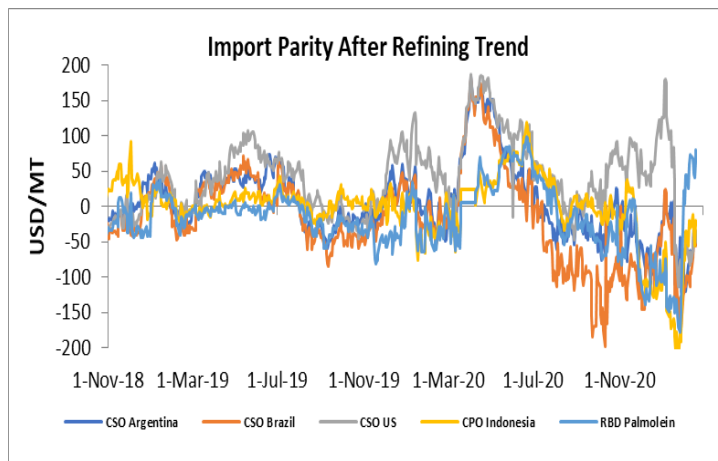
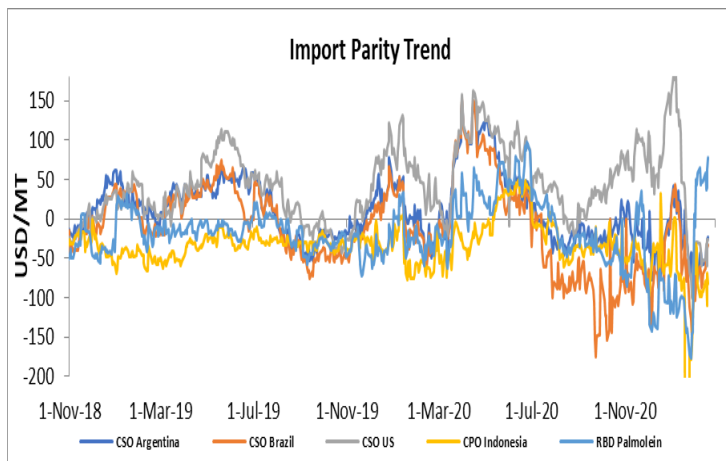
- Coconut oil exports scenario- India exported 1,139.56 tons Coconut oil in November 2020 v/s 789.79 tons export in November 2019. In the Financial year 2020-21 (April 2020 - November 2020) exports were 7,993.24 tons compared to 5,113.34 tons in last oil year, up 56.32 percent y-o-y.
- On the price front, currently the coconut oil prices in Kochi is hovering remain at Rs 20,550 (Rs 20,100) per quintal, and was quoted at 19,200 (Rs 19,600) per quintal in Erode market on February 20, 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)

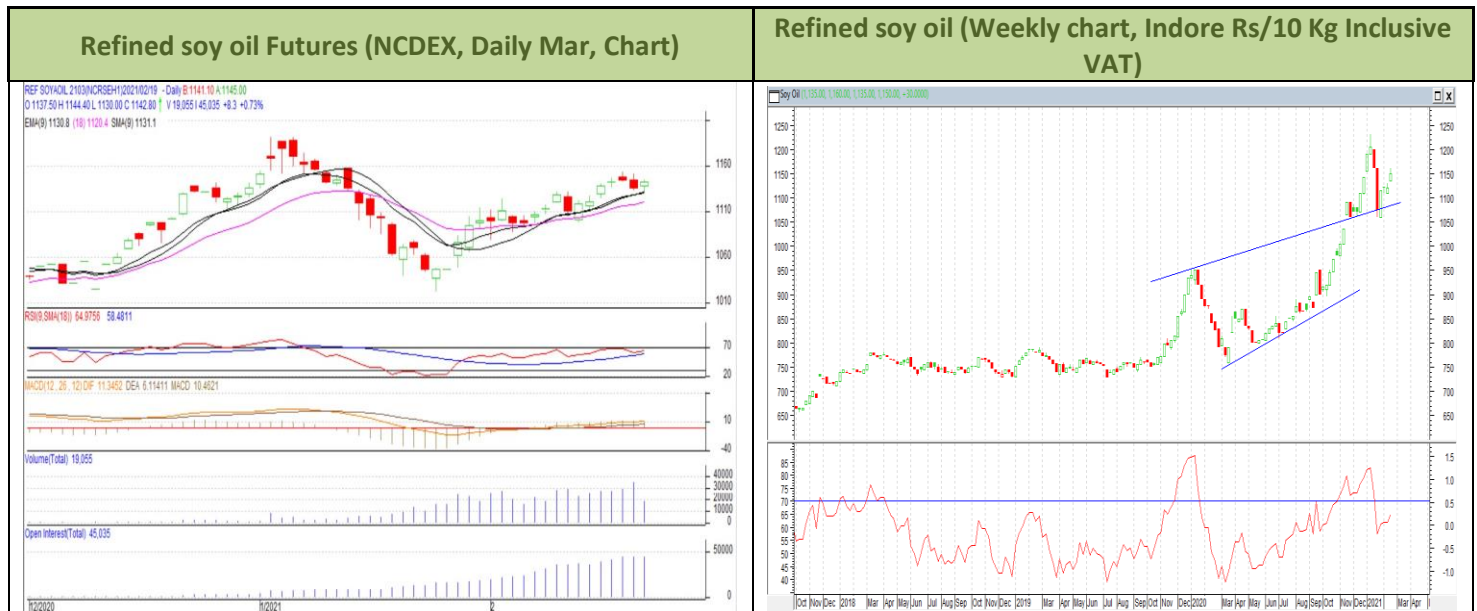


	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
Feb 1-Feb 6, 2021	-106.64	-112.28	-64.09	-55.29	26.93
Feb 7-Feb 13, 2021	-76.51	-101.28	-74.39	-31.21	60.68
Feb 14-Feb 20, 2021	-41.71	-51.61	-44.45	-29.97	59.89

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 fall 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 achieve parity in medium term.

Technical Analysis (Refined soy oil)


Outlook – Refined soybean oil witnessed up 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 1130-1250 levels.
- Expected price band for next week is 1140-1170 level in near to medium term. RSI and MACD are indicating sideways sentiments.

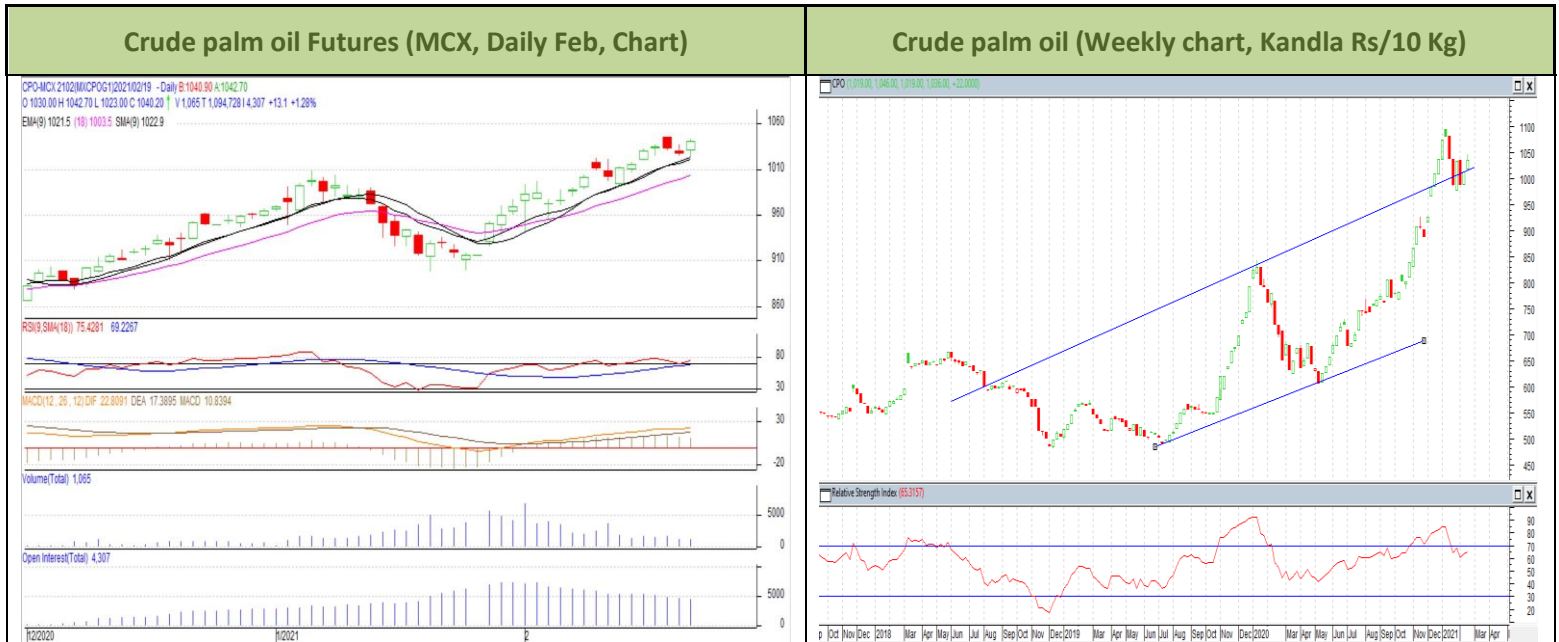
Strategy: Market participants are advised to go long above 1140 levels for a target of 1160 and 1175 with a stop loss at 1120 on closing basis.

RSO NCDEX (Mar)

Support and Resistance				
S2	S1	PCP	R1	R2
1110.73	1126.77	1142.8	1169.73	1185.77

Spot Market outlook: Refined soy oil Indore (without GST) is likely to stay in the range of Rs 1130-1250 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 1020-1100.
- Expected price band for next week is 1030-1070 level. RSI and MACD are indicating sideways sentiments.

Strategy: Market participants are advised to go long in CPO above 1040 for a target of 1060 and 1075 with a stop loss at 1020 on closing basis.

CPO MCX (Feb)

Support and Resistance				
S2	S1	PCP	R1	R2
1009.80	1025.00	1040.2	1076.20	1080.20

Spot Market outlook: Crude palm oil (without GST) is likely to stay in the range of Rs 1020-1100 per 10 Kg.

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

Commodity	Centre	Prices (Per 10 Kg)		Change
		20-Feb-21	13-Feb-21	
Refined Soybean Oil	Indore	1155	1130	25
	Indore (Soy Solvent Crude)	1095	1065	30
	Mumbai	1160	1150	10
	Mumbai (Soy Degum)	1140	1125	15
	Kandla/Mundra	1140	1125	15
	Kandla/Mundra (Soy Degum)	1110	1090	20
	Kolkata	1200	1190	10
	Delhi	1200	1185	15
	Nagpur	1135	1125	10
	Rajkot	1150	1145	5
	Kota	1120	1100	20
	Hyderabad	-	0	-
	Akola	1170	1145	25
	Amrawati	1151	1135	16
	Bundi	1130	1110	20
	Jalna	1125	1115	10
	Solapur	1130	1120	10
	Dhule	1115	1105	10
	Nanded	1120	1110	10
	Latur	1150	1130	20
	Argentina Crude Soya (CIF India) USD	1120	1097	23
	Argentina Crude Soya (FOB)	1070	1039	31
	Soya Oil(Rot.)(Euro/MT FOB) (1000) GMT	960	935	25
Palm Oil*	Kandla (Crude Palm Oil)	1031	1014	17
	Kandla (RBD Palm oil)	1055	1030	25
	Kandla RBD Pamolein	1120	1100	20
	Kakinada (Crude Palm Oil)	1040	1030	10
	Kakinada RBD Pamolein	1130	1110	20
	Haldia Pamolein	1130	1095	35
	Chennai RBD Pamolein	1130	1115	15
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1182	1163	19
	Krishnapattanam RBD Pamolein	1135	1120	15
	Mumbai RBD Pamolein	1150	1110	40
	Mangalore RBD Pamolein	1140	1120	20
	Tuticorin (RBD Palmolein)	1130	1100	30

	Mumbai (Refined)	1120	1120	Unch
	Rajkot (Refined)	1080	1080	Unch
	Chennai (Refined)	1145	1110	35
	Hyderabad (Refined)	1140	1110	30
	Delhi (Refined)	1210	1190	20
	PFAD (Kandla)	705	680	25
	RPS (Kandla)	845	815	30
	Superolien (Kandla)	1135	1110	25
	Superolien (Mumbai)	1155	1130	25
	Kochi (RBD Palmolein)	1105	1105	Unch
	Krishnapattanam (Crude Palm Oil)	1040	1030	10
	Mumbai (Crude Palm Oil)	1100	1070	30
	Kolkata (Crude Palm Oil)	1080	1050	30
	Palm Kernel Oil (1000) GMT	1380	1390	-10
Refined Sunflower Oil	Chennai (Refined)	1520	1440	80
	Chennai (Crude)	1490	1360	130
	Mumbai (Refined)	1450	1410	40
	Mumbai (Expeller Oil)	1420	1380	40
	Kandla (Refined)	1460	1430	30
	Hyderabad (Refined)	1495	1400	95
	Hyderabad (Expeller)	1450	1350	100
	Latur (Refined)	1510	1455	55
	Latur (Expeller Oil)	1450	1385	65
	Chellakere (Expeller Oil)	1420	1360	60
	Erode (Expeller Oil)	1520	1460	60
	Kakinada (Refined)	1520	1400	120
	Krishna Pattanam (Refined)	1520	1400	120
	Delhi (Refined)	1400	1340	60
	Sun Oil (Rotterdam)	1415	1360	55
Groundnut Oil	Rajkot	1440	1450	-10
	Chennai	1520	1500	20
	Delhi	1475	1490	-15
	Hyderabad *	1520	1520	Unch
	Mumbai	1460	1490	-30
	Gondal	1450	1440	10
	Jamnagar	1450	1425	25
	Gujarat GN Telia	2270	2340	-70
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1315	1300	15
	Jaipur (Kacchi Ghani Oil)	1345	1330	15

	Kota (Expeller Oil)	1200	1250	-50
	Kota (Kacchi Ghani Oil)	1320	1310	10
	Neewai (Expeller Oil)	1280	1280	Unch
	Neewai (Kacchi Ghani Oil)	1310	1310	Unch
	Bharatpur (Kacchi Ghani Oil)	1250	1300	-50
	Sri-Ganga Nagar(Exp Oil)	1300	1290	10
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1330	1320	10
	Mumbai (Expeller Oil)	1240	1230	10
	Kolkata(Expeller Oil)	1330	1330	Unch
	New Delhi (Expeller Oil)	1310	1300	10
	Hapur (Expeller Oil)	1310	1320	-10
	Hapur (Kacchi Ghani Oil)	1340	1350	-10
	Agra (Kacchi Ghani Oil)	1255	1305	-50
	Nagpur (Expeller Oil)	1273	1260	13
Refined Cottonseed Oil	Rajkot	1125	1115	10
	Hyderabad	1170	1150	20
	Mumbai	1155	1140	15
	New Delhi	1200	1085	115
	Gujarat Cotton Wash	1095	1090	5
Coconut Oil	Kangayan (Crude)	1920	1960	-40
	Cochin	2000	1980	20
	Coconut Oil(Rot.)(Phil/Indo)	1450	1415	35
Vanaspati Oil	Uttar Pradesh	1465	1460	5
	Kolkata	1470	1440	30
	Rajkot	1553	1553	Unch
Sesame Oil	New Delhi	1320	1350	-30
	Mumbai	-	0	-
Kardi	Mumbai	-	0	-
Rice Bran Oil	New Delhi (40%)	865	850	15
	Punjab 4%)	1060	1020	40
	Bhatinda (Crude 4%)	815	825	-10
	Bhatinda (Refined 4%)	930	940	-10
	Hyderabad (Crude)	910	910	Unch
	Hyderabad (Refined)	1080	1080	Unch
	Kolkata (Crude)	920	895	25
	Kolkata (Refined)	1060	1010	50
	Raipur (Crude)	950	935	15
	Raipur (Refined)	1140	1070	70

	Odisha (Refined)	1140	1070	70
	Vijayawada (Refined)	1070	1000	70
Malaysia Palmolein USD/MT	FOB	1015	1015	Unch
	CNF India	1063	1048	15
Indonesia CPO USD/MT	FOB	1060	1050	10
	CNF India	1085	1070	15
RBD Palm oil (Malaysia Origin USD/MT)	FOB	1023	1020	3
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	990	978	12
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1370	1365	5
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	925	915	10
Crude palm Kernel Oil India (USD/MT)	CNF India	1490	1440	50
Ukraine Origin CSFO USD/MT Kandla	CIF	1455	1365	90
Rapeseed Oil Rotterdam Euro/MT	FOB	1070	1020	50
Argentina FOB (\$/MT)		19-Feb-21	12-Feb-21	Change
Crude Soybean Oil Ship		1040	1052	-12
Refined Soy Oil (Bulk) Ship		1076	1089	-13
Sunflower Oil Ship		1255	1270	-15
Cottonseed Oil Ship		1020	1032	-12
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).

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