

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 downtrend trend during this week in domestic market. CBOT soy oil and BMD palm oil prices quoted sideways during the week. Ground oil traded up. Sunflower oil, Palm oil, Soy oil and Mustard oil traded down and Coconut oil ended on firm tone.

On the currency front, Indian rupee is hovering near 72.48 against 72.75 previous weeks. Rupee expected to depreciate while crude oil prices expected to rise.

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

Outlook:

Weekly Call -: In NCDEX, Market participants are advised to go long above 1270 levels for a target of 1295 and 1305 with a stop loss at 1260 on closing basis. We expect Refined soy oil Indore (without GST) is likely to stay in the range of Rs 1270-1380 per 10 Kg.

In MCX, Market participants are advised to go long in CPO above 1115 for a target of 1140 and 1155 with a stop loss at 1100 on closing basis. We expect, Crude palm oil (without GST) is likely to stay in the range of Rs 1150-1250 per 10 Kg.

International Veg. Oil Market Summary

On the international front, rise in competing oils prices, higher demand from China, delay in harvesting Soy crop in Brazil and rise in crude oil prices will underpin 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 for 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 same as CNF markets.

Weather varies in South America has supported prices of Soy complex in International market. Brazil is dealing with

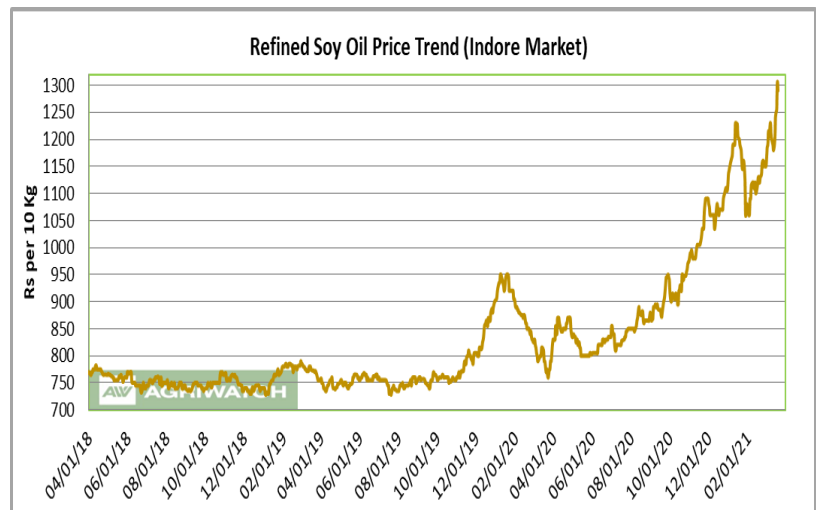
excessive rains whereas Argentina is dealing with drought that might affect yield if it not rains.

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 1237(USD 1144) per ton for April delivery, May delivery quoted at USD 1214 (USD 1133) per ton and June delivery quoted at USD 1168 (USD 1098) per ton. Values in brackets are figures of last week. Last month, CNF CDSO February average price was USD 1109.57 (USD 1101.6 per ton in January 2020) per ton. Soy refined (Indore) quoted at Rs 1290 (Rs 1200 last week) per 10 kg.
- On the parity front, margins fell slightly during the week after sideways trend in prices of soy oil in international markets. We expect margins to improve in coming days.

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 41.7percent compared to 36.8 percent last week but still is lower than 57.4 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 Feb.

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 1270-1380 per 10 Kg in the near term.

Palm oil Fundamental Analysis and Outlook -:

Domestic Front

- Crude palm oil (CPO) featured lower trend at its benchmark market at Kandla after sideways movement of prices in international market. Malaysia's production lowered down for February month but end stock rose on behalf of fall in export of CPO. March month is expecting rise in CPO export will underpin the prices.

India's February import according to Malaysia's ITS consultancy lowered down by 1.04 percent

to 188,780 tons. 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.

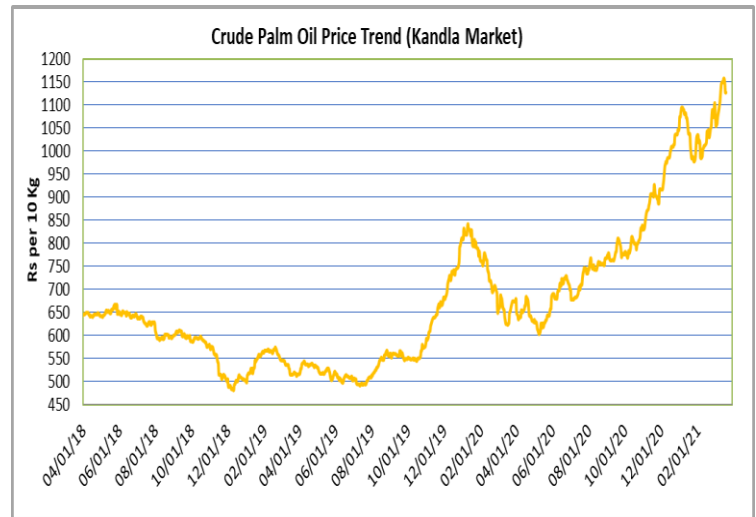
Imports of palm oil by India rise in January despite lower RBD palmolein imports. Imports of CPO were higher while RBD palmolein imports started after zero import in previous months. Imports of palm oil rose in Jan rose m-o-m after rise in import duties. Imports may lower further in March as there has been continuous rise in import duty. Whereas, firm demand positive refining margins, high discount over competing oils, removal of lockdown progressively in India will underpin palm oil prices.

Prices of CPO raised less on high seas and were reflected on 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 85 (Rs 75) 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.

- 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 1175(USD 1115) per ton for Mar delivery and Apr delivery is quoted at USD 1160 (USD 1080) per ton. Last month, CNF CPO Feb average price is at 1062 per ton (USD 1043.28 per ton in Jan 2020). Values in brackets are figures of last week. Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 1080 (USD 1020) per ton for Mar delivery and Apr delivery is quoted at USD 1080 (USD 1012.5) per ton. Last month, CIF RBD palmolein Feb average price is USD 1043.75 (USD 1028.52 in Jan 2020) per ton. Values in bracket depict last month quotes. Ready lift CPO duty paid prices quoted at Rs 1150 (Rs 1050) per 10 Kg and Feb delivery duty paid is offered at Rs 1045 (Rs 1045 per 10 kg). Ready lift RBD palmolein is quoted at Rs 1145 (Rs 1170) per 10 kg as on March 13, 2020. Values in brackets are figures of last week.
- On the parity front, margins rose during this week with up trend in prices of palm oil in India markets.

International Front

Palm oil prices are likely to rise as international CPO prices rose after rise in prices of crude oil, further following high Soy oil price to compete for market share, firm 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 Intertek Testing Services (ITS), Malaysia's Feb palm oil exports fell 5.5 percent to 1,001,440 tons compared to 1,059,225 tons last month. Top buyers were India & subcontinent 188,780 tons (190,765 tons), European Union 248,385 tons (308,455 tons) and China at 97,610 tons (131,450 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 1150-1250 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 arrival of new crops increased in market.

The Government estimation of mustard crop is high at 10.4 MT while the Agriwatch estimate is around 8 MT.

The increased arrival has lowered the mustard demand and thus the prices have fallen by 1000 Rs.

Initially the prices rose after arrival of new crops as millers got active in market to stock for crushing oil as it got lowered in lean period before arrival of new mustard crop.

Nafed will commence procurement from April for mustard new crop.

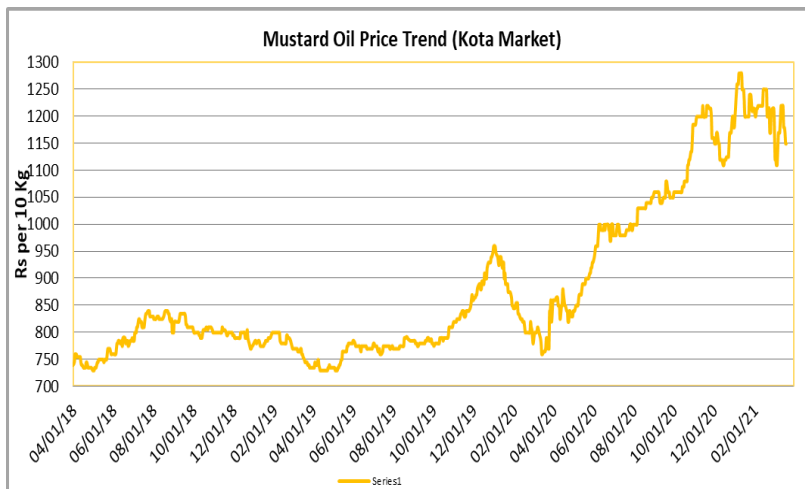
Discount of Jaipur kacchi ghani rapeseed oil over refined soy oil in domestic market is at Rs 15 per 10 Kg compared to Rs 0 per 10 Kg last week.

Jaipur kacchi ghani rapeseed oil premium over RBD palmolein is at Rs 45 per 10 kg compared to Rs 140 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 lower in coming term.

India has not imported any rape oil (canola) in December 2020 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 1,200 (Rs 1,235) per 10 Kg, and at Kota market, it is offered at Rs 1,150 (Rs 1,220) per 10 kg as on March 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 1000-1150 per 10 Kg.

Sunflower oil Fundamental Review and Analysis:-

Domestic Front

- Sunflower oil price closed on down trend during the week in Chennai on account of hiked prices. Prices of sunflower underwent correction after prices skyrocketed in domestic market amid low supply. Similarly, Sunflower oil international markets also corrected after hiked prices.

Sunflower seed production rose in India to 2.24 lakh tons compared to 2.13 lakh tons in previous year. 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 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 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.

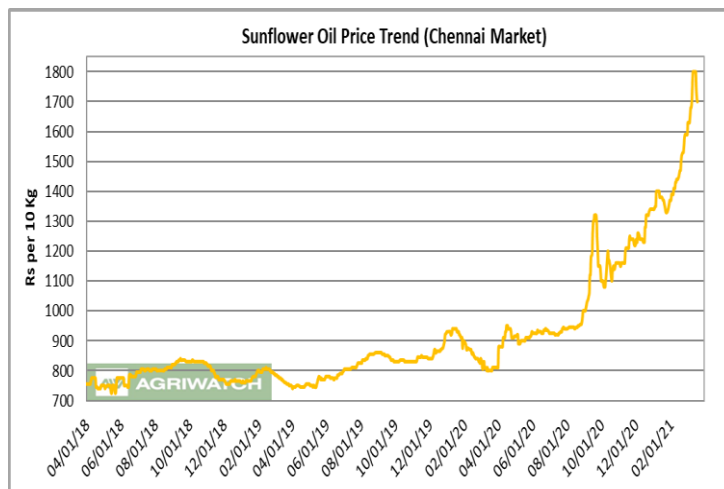
High sunflower oil premium over CPO at CNF India is at USD 585 (USD 370 last week) which will affect imports.

In domestic market, refined sunflower oil (Chennai) premium over RBD palmolein (Kandla) is at Rs 560 (Rs 400) per 10 kg which is high will cap sunflower oil in domestic market.

In domestic market, Sunflower oil (Chennai) premium over Groundnut oil at Chennai market is at Rs 300 (Rs 175 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.

- On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 1600 (USD 1770 per ton for Mar delivery and Apr delivery quoted at USD 1600 (USD 1770) per ton. CNF sun oil (Ukraine origin) Feb monthly average was at USD 1407.08 per ton compared to USD 1321.2 per ton in Jan). Prices are



likely to stay in the range of USD 1620-1700 per ton in the near term. Values in brackets are figures of last week.

- Currently, refined sunflower oil at Chennai market is Rs 1,700 (Rs 1,800) per 10 Kg, and at Kandla/Mudra market, it is offered higher at Rs 1800 (Rs 1870) per 10 kg as on March 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 1600-1700 per 10 Kg.

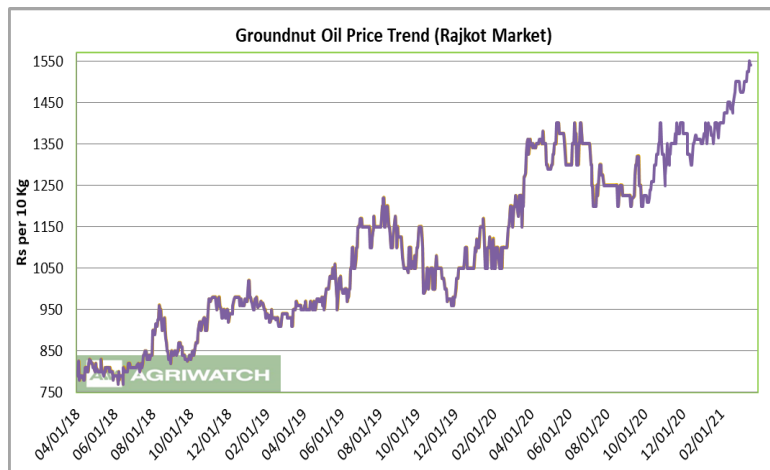
Groundnut oil Fundamental Review and Analysis:-

Domestic Front

- Groundnut oil market traded up amid firm demand and slow supply in domestic market.

Groundnut oil prices is rising amid slow supply in market. Groundnut oil prices will be underpinned by rise export and rise in competing oils prices.

Groundnut oil prices in Gujarat rose following competing oils price movements.



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

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 50,560.06 tons Groundnut oil in December 2020 v/s 10,673.63 tons export in December 2019. In the Financial year 2020-21 (April 2020 - December 2020) rose to 151,129.30 tons in Apr-Dec 2020, from 20,984.60 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 15,500 (Rs 15,000) per quintal and it was Rs 15,500 (Rs 16,000) per quintal in Chennai market on March 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 1530-1580 per 10 Kg

Coconut Oil Fundamental Review and Analysis:-
Domestic Front

- Coconut oil benchmark market of Kangayan showed firm trend following copra prices and rise in prices of edible oils.

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

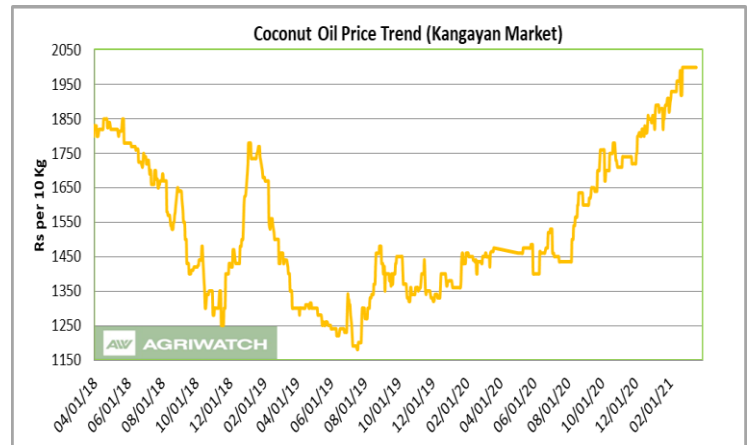
hoarding of traders expecting further rise in prices. Relaxation in guidelines reading storing cargo has resulted in hoarding of copra in huge quantities and hence hike in prices.

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.

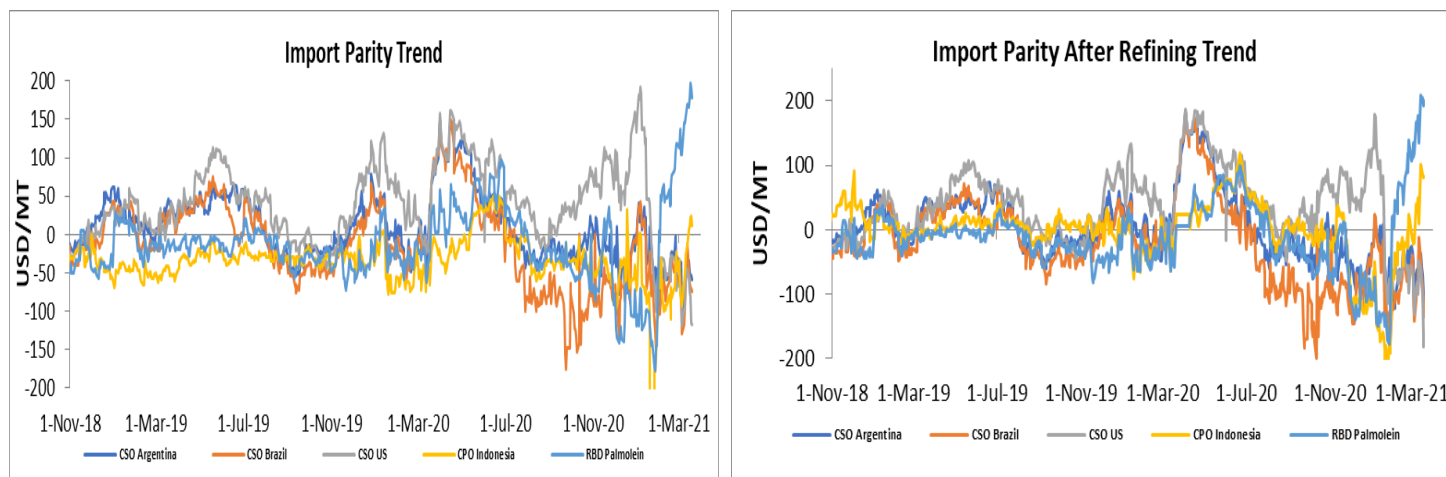


- Coconut oil exports scenario- India exported 686.47 tons Coconut oil in December 2020 v/s 891.02 tons export in December 2019. In the Financial year 2020-21 (April 2020 - December 2020) exports were 9,116.62 tons compared to 5,978.84 tons in last oil year, up 56.32 percent y-o-y.
- On the price front, currently the coconut oil prices in Kochi is hovering remain at Rs 20,800 (Rs 20,450) per quintal, and was quoted at 20,000 (Rs 20,000) per quintal in Erode market on March 20, 2021.

Price Outlook: Coconut oil (without GST) prices in Erode may stay in the range of Rs 1900-2200 per 10 Kg.

Import Parity Trend

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



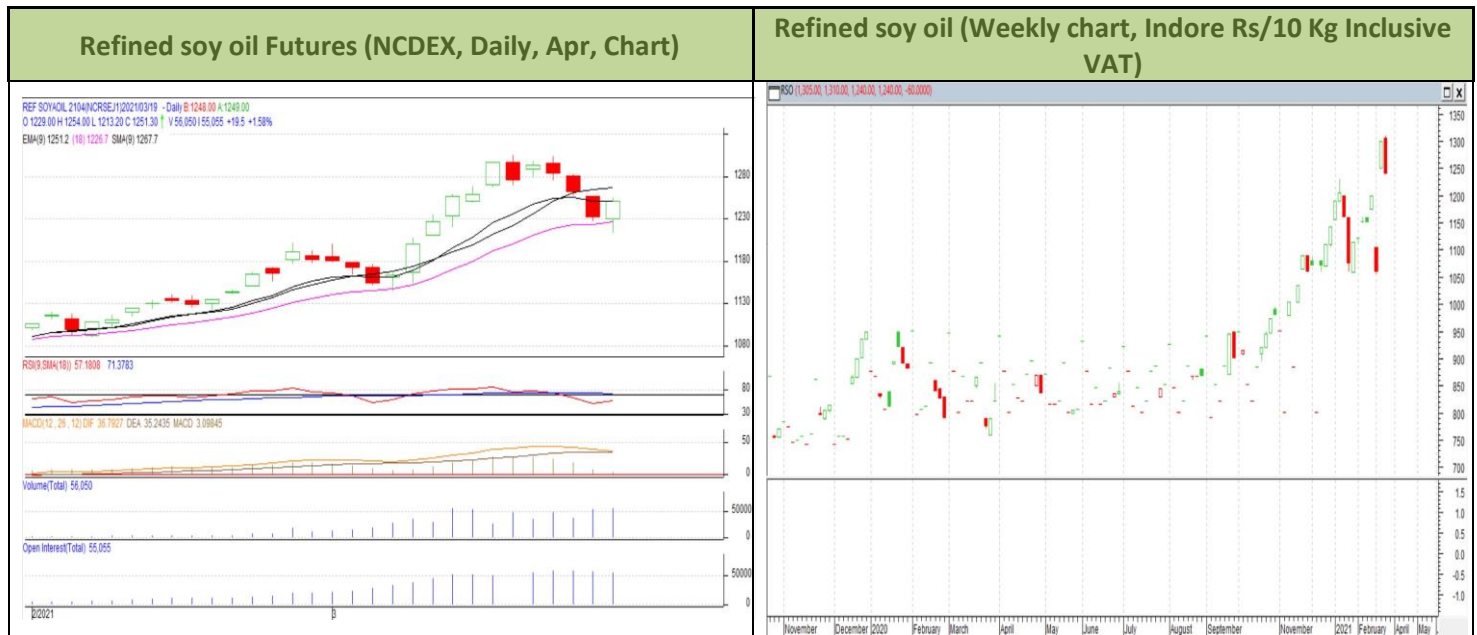
	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
Feb 28-Mar 6, 2021	-56.77	-81.48	-85.97	-14.03	117.16
Mar 7-Mar 13, 2021	-62.94	-73.05	-79.28	32.69	159.82
Mar 14-Mar 21, 2021	-77.00	92.41	-118.11	88.91	202.03

Outlook:-

Refining margins disparity rose slightly for crude soy oil from Argentina after sideways trend in prices of soy oil in international markets amid Brazil soybean crop arrival in market. We expect soy oil refining disparity to remain sideways in medium term due to expectation of firm prices of soy oil in Indian markets.

Refining margin parity rose for CPO with rise in domestic prices. 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 rising 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 1270-1380 levels.
- Expected price band for next week is 1200-1250 level in near to medium term. RSI and MACD are indicating sideways sentiments.

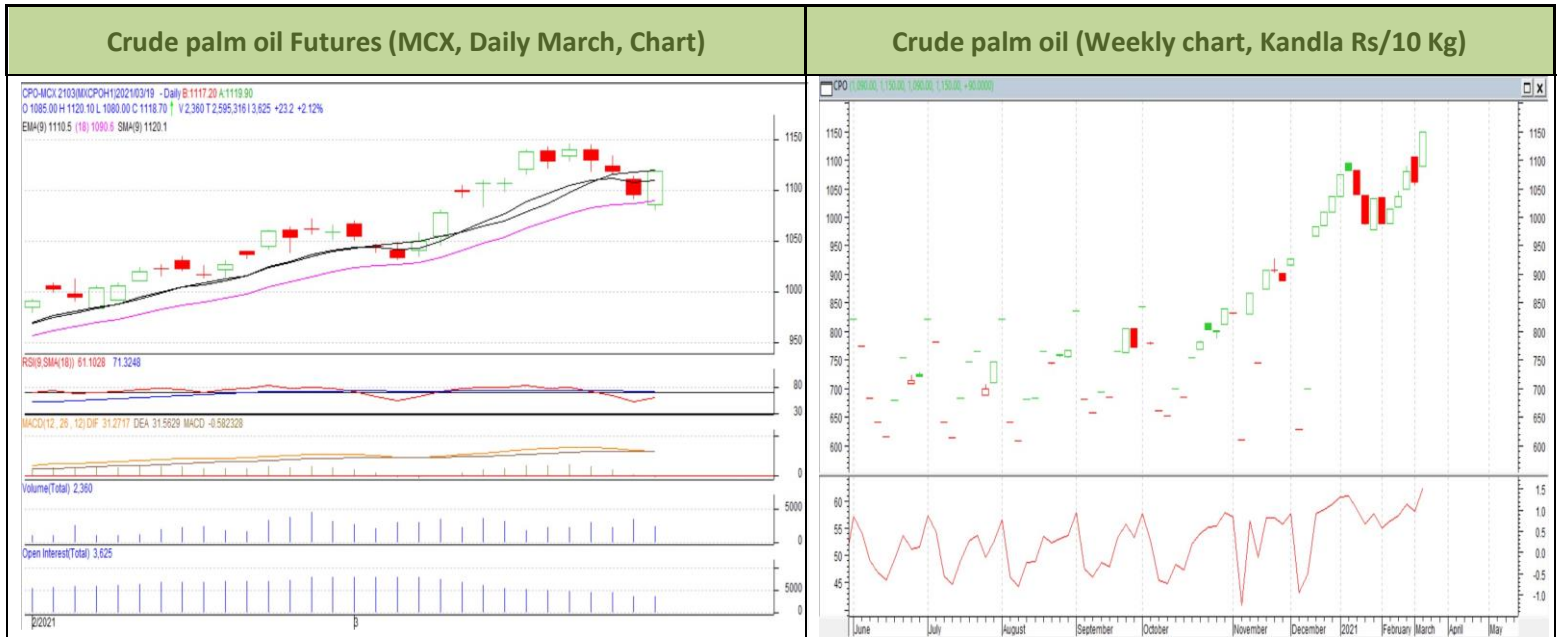
Strategy: Market participants are advised to go long in RSO above 1270 for a target of 1295 and 1305 with a stop loss at 1260 on closing basis.

RSO NCDEX (Apr)

Support and Resistance				
S2	S1	PCP	R1	R2
1198.33	1233.67	1269	1307.33	1342.67

Spot Market outlook: Refined soy oil Indore (without GST) is likely to stay in the range of Rs 1270-1380 per 10 Kg.

Technical Analysis (Crude Palm oil)



Outlook – Kandla Daily CPO spot prices showed up trend in prices during the week. We expect that CPO March contract to trade in firm note.

- Candlestick in weekly chart of crude palm oil at MCX depicts rising trend in the prices. We expect the commodity to trade firm in the near term.
- Price may range from 1150-1250.
- Expected price band for next week is 1120-1160 level. RSI and MACD are rising in neutral zone.

Strategy: Market participants are advised to go long in CPO above 1115 for a target of 1140 and 1155 with a stop loss at 1100 on closing basis.

CPO MCX (Mar)

Support and Resistance				
S2	S1	PCP	R1	R2
1048.50	1083.60	1118.7	1181.70	1216.80

Spot Market outlook: Crude palm oil (without GST) is likely to stay in the range of Rs 1150-1250 per 10 Kg.

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

Commodity	Centre	Prices (Per 10 Kg)		Change
		20-Mar-21	13-Mar-21	
Refined Soybean Oil	Indore	1270	1290	-20
	Indore (Soy Solvent Crude)	1210	1240	-30
	Mumbai	1270	1300	-30
	Mumbai (Soy Degum)	1220	1270	-50
	Kandla/Mundra	1255	1290	-35
	Kandla/Mundra (Soy Degum)	1220	1255	-35
	Kolkata	1275	1300	-25
	Delhi	1322	1375	-53
	Nagpur	1250	1245	5
	Rajkot	1250	1290	-40
	Kota	1260	1260	Unch
	Hyderabad	-	0	-
	Akola	1318	1310	8
	Amrawati	1310	1310	Unch
	Bundi	1270	1270	Unch
	Jalna	1240	1235	5
	Solapur	1245	1240	5
	Dhule	1230	1225	5
	Nanded	1235	1230	5
	Latur	1285	1280	5
	Argentina Crude Soya (CIF India) USD	1255	1297	-42
	Argentina Crude Soya (FOB)	1224	1261	-37
	Soya Oil(Rot.)(Euro/MT FOB) (1000) GMT	1115	1130	-15
Palm Oil*	Kandla (Crude Palm Oil)	1128	1150	-22
	Kandla (RBD Palm oil)	1160	1180	-20
	Kandla RBD Pamolein	1210	1240	-30
	Kakinada (Crude Palm Oil)	1105	1140	-35
	Kakinada RBD Pamolein	1215	1235	-20
	Haldia Pamolein	1215	1240	-25
	Chennai RBD Pamolein	1215	1245	-30
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1275	1297	-22
	Krishnapattanam RBD Pamolein	1210	1245	-35
	Mumbai RBD Pamolein	1240	1245	-5
	Mangalore RBD Pamolein	1220	1240	-20
	Tuticorin (RBD Palmolein)	1185	1230	-45
	Mumbai (Refined)	1220	1215	5

	Rajkot (Refined)	1180	1240	-60
	Chennai (Refined)	1200	1245	-45
	Hyderabad (Refined)	1210	1240	-30
	Delhi (Refined)	1315	1350	-35
	PFAD (Kandla)	760	775	-15
	RPS (Kandla)	985	950	35
	Superolien (Kandla)	1240	1260	-20
	Superolien (Mumbai)	1260	1270	-10
	Kochi (RBD Palmolein)	1240	1220	20
	Krishnapattanam (Crude Palm Oil)	1105	1140	-35
	Mumbai (Crude Palm Oil)	1130	1120	10
	Kolkata (Crude Palm Oil)	1125	1125	Unch
	Palm Kernel Oil (1000) GMT	1460	1550	-90
Refined Sunflower Oil	Chennai (Refined)	1700	1800	-100
	Chennai (Crude)	1600	1600	Unch
	Mumbai (Refined)	1740	1850	-110
	Mumbai (Expeller Oil)	1680	1810	-130
	Kandla (Refined)	1800	1870	-70
	Hyderabad (Refined)	1750	1800	-50
	Hyderabad (Expeller)	1680	1720	-40
	Latur (Refined)	1640	1840	-200
	Latur (Expeller Oil)	1580	1780	-200
	Chellakere (Expeller Oil)	1550	1750	-200
	Erode (Expeller Oil)	1770	1820	-50
	Kakinada (Refined)	1705	1750	-45
	Krishna Pattanam (Refined)	1705	1750	-45
	Delhi (Refined)	1730	1545	185
	Sun Oil (Rotterdam)	1580	1750	-170
Groundnut Oil	Rajkot	1540	1500	40
	Chennai	1550	1600	-50
	Delhi	1580	1530	50
	Hyderabad *	1580	1650	-70
	Mumbai	1580	1560	20
	Gondal	1540	1500	40
	Jamnagar	1525	1500	25
	Gujarat GN Telia	2460	2400	60
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1200	1235	-35
	Jaipur (Kacchi Ghani Oil)	1255	1290	-35
	Kota (Expeller Oil)	1150	1220	-70
	Kota (Kacchi Ghani Oil)	1245	1270	-25

	Neewai (Expeller Oil)	1205	1230	-25
	Neewai (Kacchi Ghani Oil)	1235	1260	-25
	Bharatpur (Kacchi Ghani Oil)	1240	1200	40
	Sri-Ganga Nagar(Exp Oil)	1200	1240	-40
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1230	1270	-40
	Mumbai (Expeller Oil)	1230	1225	5
	Kolkata(Expeller Oil)	1420	1420	Unch
	New Delhi (Expeller Oil)	1200	1250	-50
	Hapur (Expeller Oil)	1270	1290	-20
	Hapur (Kacchi Ghani Oil)	1300	1320	-20
	Agra (Kacchi Ghani Oil)	1245	1205	40
	Nagpur (Expeller Oil)	1347	1347	Unch
Refined Cottonseed Oil	Rajkot	1260	1250	10
	Hyderabad	1300	1300	Unch
	Mumbai	1290	1290	Unch
	New Delhi	1240	1240	Unch
	Gujarat Cotton Wash	1235	1245	-10
Coconut Oil	Kangayan (Crude)	2000	2000	Unch
	Cochin	2230	2230	Unch
	Coconut Oil(Rot.)(Phil/Indo)	1560	1670	-110
Vanaspati Oil	Uttar Pradesh	1620	1620	Unch
	Kolkata	1590	1520	70
	Rajkot	1773	1703	70
Sesame Oil	New Delhi	1360	1310	50
	Mumbai	-	0	-
Kardi	Mumbai	-	0	-
Rice Bran Oil	New Delhi (40%)	970	966	4
	Punjab 4%)	1160	1160	Unch
	Bhatinda (Crude 4%)	950	945	5
	Bhatinda (Refined 4%)	1065	1060	5
	Hyderabad (Crude)	1065	965	100
	Hyderabad (Refined)	1260	1180	80
	Kolkata (Crude)	1050	1050	Unch
	Kolkata (Refined)	1150	1165	-15
	Raipur (Crude)	960	960	Unch
	Raipur (Refined)	1150	1150	Unch
	Odisha (Refined)	1135	1135	Unch
	Vijayawada (Refined)	1070	1070	Unch

Malaysia Palmolein USD/MT	FOB	1040	1080	-40
	CNF India	1088	1148	-60
Indonesia CPO USD/MT	FOB	1090	1110	-20
	CNF India	1110	1170	-60
RBD Palm oil (Malaysia Origin USD/MT)	FOB	1035	1068	-33
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	1025	1050	-25
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1470	1540	-70
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	958	985	-27
Crude palm Kernel Oil India (USD/MT)	CNF India	1500	1585	-85
Ukraine Origin CSFO USD/MT Kandla	CIF	1610	1755	-145
Rapeseed Oil Rotterdam Euro/MT	FOB	1060	1090	-30
Argentina FOB (\$/MT)		19-Mar-21	12-Mar-21	Change
Crude Soybean Oil Ship		1218	1260	-42
Refined Soy Oil (Bulk) Ship		1261	1304	-43
Sunflower Oil Ship		1545	1645	-100
Cottonseed Oil Ship		1198	1240	-42
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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