

# Veg. Oil Weekly Research Report

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### *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. Soy oil traded Sideways. Mustard oil and Palm oil traded up while Sunflower oil, Coconut oil and Groundnut oil ended on firm tone.*

*On the currency front, Indian rupee is hovering near 72.37 against 72.40 previous weeks. Rupee expected to appreciate 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 above 1290 levels for a target of 1320 and 1350 with a stop loss at 1265 on closing basis. We expect Refined soy oil Indore (without GST) is likely to stay in the range of Rs 1270-1350 per 10 Kg.*

*In MCX, Market participants are advised to go short in CPO above 1090 for a target of 1130 and 1150 with a stop loss at 1080 on closing basis. We expect, Crude palm oil (without GST) is likely to stay in the range of Rs 1120-1180 per 10 Kg.*

#### *International Veg. Oil Market Summary*

*On the international front, rise in competing oils prices, rising Biodiesel demand, crop condition 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. Further rise in prices has lowered the Soy oil domestic demand, thus market is stable.

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

Amid low global edible oil stock and price inflation in food, the Argentinian Soy crop may relieve such pressures. But the la Nina effect is affecting Soy crop in Argentina and may lower the yield from forecasted range.

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 February edible oil imports fell 24.61 percent y-o-y to 8.38 lakh tons from 12.12 lakh tons in February 2020. Palm oil imports in February fell 20 percent y-o-y to 3.94 lakh tons from 5.40 lakh tons in February 2020. CPO imports fell 21.37 percent in February y-o-y to 3.83 lakh tons from 4.88 lakh tons in February 2020. RBD palmolein import fell 93 percent to 0.21 lakh tons in December vs. 3.00 lakh tons in February 2020. Soy oil imports fell 11.31 percent in February y-o-y to 2.85 lakh tons from 3.23 lakh tons in February 2020. Sunflower oil imports fell 48.17 percent y-o-y in February to 1.16 lakh tons from 2.26 lakh tons in February 2020. Rapeseed (canola) oil stood at 0 imports in February same as in February 2020.
- According to Solvent Extractors Association (SEA), India's March edible oil stocks at ports and pipelines fell 5.43 percent m-o-m to 16.90 lakh tons from 17.87 lakh tons in February 2021. Stocks of edible oil at ports in March estimated at 580,000 tons (CPO 270,000 tons, RBD Palmolein 10,000, Degummed Soybean Oil 180,000

tons and Crude Sunflower Oil 120,000) and about 1,110,000 tons in pipelines. (Stocks at ports were 657,000 tons and in pipelines were 1,130,000 tons, in February 2020). India is presently holding 30 days of edible oil requirement on 1st March, 2021 at 18.15 lakh tons compared to 25 days of requirements of 14.31 lakh tons on 1st February 2021. 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 fell 11.31 percent in February y-o-y to 2.85 lakh tons from 3.22 lakh tons in February 2020. 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 1270-1350 per 10 Kg in the near term.

### Palm oil Fundamental Analysis and Outlook :-

#### Domestic Front

- Crude palm oil (CPO) featured rising trend at its benchmark market at Kandla after sideways movement of prices in international market.

The premium of competing oils over palm oil will support its prices while, govt has further raised the import duty.

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.

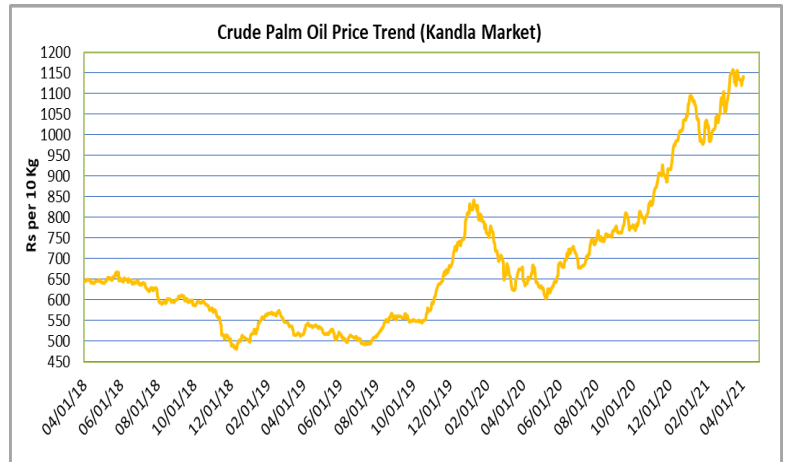
Imports of palm oil by India rise were low in February. Imports may lower further in March as there has been continuous rise in import duty. Whereas, firm demand positive refining margins, high discount over competing oils, removal of lockdown progressively in India will underpin palm oil prices.

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 February edible oil imports fell 24.61 percent y-o-y to 8.38 lakh tons from 12.12 lakh tons in February 2020. Palm oil imports in February fell 20 percent y-o-y to 3.94 lakh tons from 5.40 lakh tons in February 2020. CPO imports fell 21.37 percent in February y-o-y to 3.83 lakh tons from 4.88 lakh tons in February 2020. RBD palmolein import fell 93 percent to 0.21 lakh tons in December vs. 3.00 lakh tons in February 2020. Soy oil imports fell 11.31 percent in February y-o-y to 2.85 lakh tons from 3.23 lakh tons in February 2020. Sunflower oil imports fell 48.17 percent y-o-y in February to 1.16 lakh tons from 2.26 lakh tons in February 2020. Rapeseed (canola) oil stood at 0 imports in February same as in February 2020.



- According to Solvent Extractors Association (SEA), India's March edible oil stocks at ports and pipelines fell 5.43 percent m-o-m to 16.90 lakh tons from 17.87 lakh tons in February 2021. Stocks of edible oil at ports in March estimated at 580,000 tons (CPO 270,000 tons, RBD Palmolein 10,000, Degummed Soybean Oil 180,000 tons and Crude Sunflower Oil 120,000) and about 1,110,000 tons in pipelines. (Stocks at ports were 657,000 tons and in pipelines were 1,130,000 tons, in February 2020). India is presently holding 30 days of edible oil requirement on 1st March, 2021 at 18.15 lakh tons compared to 25 days of requirements of 14.31 lakh tons on 1st February 2021. 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 February fell 20 percent y-o-y to 3.94 lakh tons from 5.40 lakh tons in February 2020. Imports in the oil year 2019-20 (November 2019-July 2020) are reported lower by 23.51 percent y-o-y at 70.87 lakh tons compared to 92.65 lakh tons in last oil year.
- Crude Palm oil import scenario- According to Solvent Extractors Association (SEA), CPO Imports fell 21.37 percent y-o-y in February to 3.83 lakh tons from 4.88 lakh tons in February 2020. 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 93 percent in February to 0.21 lakh tons from 3.00 lakh tons in February 2020. 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 1125(USD 1175) per ton for Mar delivery and Apr delivery is quoted at USD 1100 (USD 1160) per ton. Last month, CNF CPO Feb average price is at 1062 per ton (USD 1043.28 per ton in Jan 2021). Values in brackets are figures of last week. Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 1025 (USD 1080) per ton for Apr delivery and May delivery is quoted at USD 995 (USD 1080) per ton. Last month, CIF RBD palmolein Feb average price is USD 1043.75 (USD 1028.52 in Jan 2021) per ton. Values in bracket depict last month quotes. Ready lift CPO duty paid prices quoted at Rs 1125 (Rs 1150) per 10 Kg and Feb delivery duty paid is offered at Rs 1100 (Rs 1045 per 10 kg). Ready lift RBD palmolein is quoted at Rs 1180 (Rs 1145) per 10 kg as on March 26, 2021. 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.



Palm oil prices are likely to trade sideways as international palm oil benchmark traded lower as March export demand lowered for Malaysia. Correction in prices were seen after Malaysia's stock rose while US's green energy drive may limit the correction as oils demand will rise further.

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 Mar 1-20 palm oil exports fell 0.1 percent to 733,668 tons compared to 734,622 tons for period of Feb 1-20. Top buyers were European Union 199,759 tons (183,949 tons), India at 144,300 tons (84,245 tons), China at 59,100 tons (102,160 tons), Pakistan at 0 tons (0 tons) and United States at 18,630 tons (44,040 tons). Values in brackets are figures of last month.
- According to Indonesia the trade ministry, Indonesia will charge an export duty of USD 93 per ton on crude palm oil for April, up from \$93/Ton tax in March. Reference price of April is set at USD 1093.83 per ton compared to USD 1,026.78 per ton last month.
- 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 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

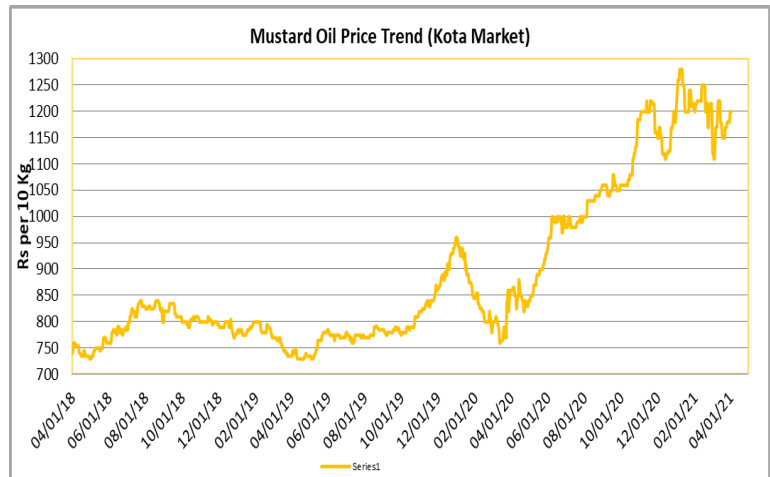
m-o-m. Stocks in May was unchanged from May 2019 which was reported at 3.53 MMT. Production of palm oil in May was recorded at 3.97 MMT.

- 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 1120-1180 per 10 Kg in the near term.

### Rapeseed oil Fundamental Review and Analysis- Domestic Front

- Mustard oil prices showed up trend in benchmark market due to slow supply . The Government estimation of mustard crop is high at 10.4 MT while the Agriwatch estimate is around 8 MT. The COOIT has estimated mustard production at 8.90 MT. The increased arrival has lowered the mustard demand and thus the prices have fallen by around 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.

In a major development, NAFED has commenced procuring the rapeseed-mustard and has procured 0.03 MT of rapeseed-mustard valued Rs 0.014 Lakh from Madhya Pradesh at MSP (Rs 4650/qrtl) under PSS, as on 01 April 2021.

Discount of Jaipur kacchi ghani rapeseed oil over refined soy oil in domestic market is at Rs 15 per 10 Kg compared to Rs15 per 10 Kg last week.

Jaipur kacchi ghani rapeseed oil premium over RBD palmolein is at Rs 70 per 10 kg compared to Rs 45 per 10 Kg last week. The premium of Mustard oil raised compared to last week on arrival of new crop.

Markets are expected to trade sideways in coming term.

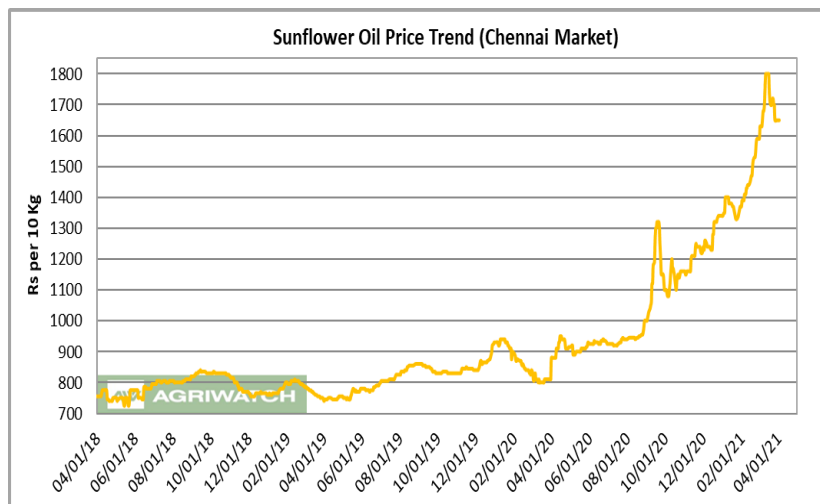
- In the last official Kharif oilseeds planting report by the Ministry of Agriculture, the total coverage area under Kharif oilseeds is reported at 197.18 lakh hectares, an increase by 9.8% from 179.63 lakh ha in the corresponding period of last year. Of the major oilseeds, soybean sowing is reported up by 6.4% at 121.24 lha compared to 113.95 lha during the corresponding period of last year
- Rapeseed oil import scenario- India imported 0.00 lakh tons rapeseed (Canola) oil in February 2020 v/s 0.00 lakh tons imports in February 2021. In the oil year 2019-20 (Nov 2019-October 2020) imports 0.55 lakh tons compared to 0.59 lakh tons in last oil year, down 6.77 percent y-o-y.
- Currently, RM oil at Jaipur market, (expeller) is offered at Rs 1,230 (Rs 1,230) per 10 Kg, and at Kota market, it is offered at Rs 1,200 (Rs 1,180) per 10 kg as on April 3, 2021. Values in brackets are figures of last week.
- We expect RM seed oil prices to trade sideways in the coming days.

**Price Outlook:** Rapeseed oil (without GST) prices in Kota may stay in the range of Rs 1180-1230 per 10 Kg.

## Sunflower oil Fundamental Review and Analysis:-

### Domestic Front

- Sunflower oil price closed on firm trend during the week in Chennai on account of stable demand amid declining stock. 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 350 (Rs 350 last week) per 10 kg, At present premium of sunflower oil over soy oil at CNF markets is at USD 337 (USD 337 last week) per ton which indicates that sunflower oil prices is diverging with soy oil at domestic markets and CNF markets and the premium is still high.

High sunflower oil premium over CPO at CNF India is at USD 495 (USD 530 last week) which will affect imports.

In domestic market, refined sunflower oil (Chennai) premium over RBD palmolein (Kandla) is at Rs 435 (Rs 470) 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 125 (Rs 100 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.

- In the latest official rabi oilseeds planting report, by the Ministry of Agriculture, the total coverage area under rabi oilseeds is reported at 83.60 lakh hectares, up 5% from 79.37 lakh ha in the corresponding period of last year. Sunflower seed sowing is reported at 1.01 lakh ha vs 1.02 lakh ha during the same period last year.
- Sunflower oil imports scenario- According to Solvent Extractors Association (SEA), Sunflower oil imports fell 48.17 percent y-o-y in February to 1.16 lakh tons from 2.26 lakh tons in February 2020. Imports in oil year 2019-20 (November 2019-October 2020) were reported higher by 7.14 percent y-o-y at 25.18 lakh tons compared to 23.50 lakh tons in last oil year.
- On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 1585 (USD 1630 per ton for Apr delivery and May delivery quoted at USD 1585 (USD 1630) per ton. CNF sun oil (Ukraine origin) Mar monthly average was at USD 1651.8 per ton compared to USD 1407.08 per ton in Feb). 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 1,650 (Rs 1,650) per 10 Kg, and at Kandla/Mudra market, it is offered higher at Rs 1780 (Rs 1750) per 10 kg as on April 4, 2021. Values in brackets are figures of last week.
- We expect sunflower oil prices to trade of sideways 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

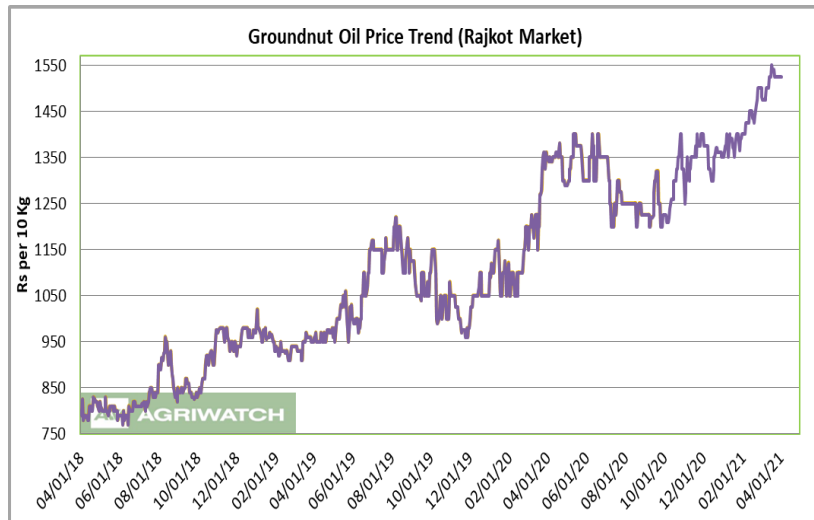
- Groundnut oil market traded firm amid firm demand and slow supply in domestic market.

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

Groundnut oil prices in Gujarat is stable at Rs 1525 per 10 kg. For coming months

groundnut oil prices will trade firm slow good export demand and slow domestic demand before declining gradually.

Groundnut oil has good export demand specially from China.



- In the latest official rabi oilseeds planting report, by the Ministry of Agriculture, the total coverage area under rabi oilseeds is reported at 83.60 lakh hectares, up 5% from 79.37 lakh ha in the corresponding period of last year. Groundnut sowing is reported at 4.57 lakh ha vs 4.65 lakh ha during the same period last year.
- Groundnut oil exports scenario- India exported 31,253.88 tons Groundnut oil in January 2021 v/s 7,035.79 tons export in January 2020. In the Financial year 2020-21 (April 2020 - January 2021) rose to 182,383.18 tons in Apr-Jan 2020, from 28,020.39 tons in corresponding period last year. It was mainly exported to China at 31,123.85 tons.
- On the price front, currently the groundnut oil prices in Rajkot is Rs 15,500 (Rs 15,500) per quintal and it was Rs 15,500 (Rs 15,500) per quintal in Chennai market on April 3, 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 1500-1560 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 regarding storing cargo has resulted in hoarding of copra in huge quantities and hence hike in prices.

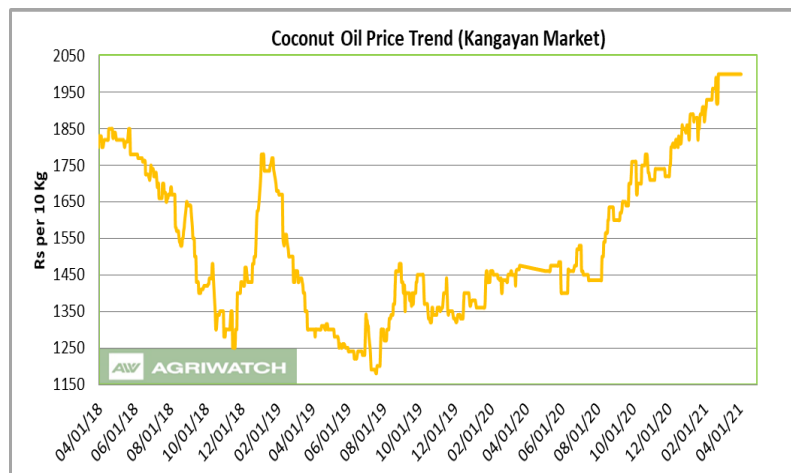
Demand of coconut oil in home consumption is stable but skyrocketed price may lead to substitution to cheaper oils.

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.

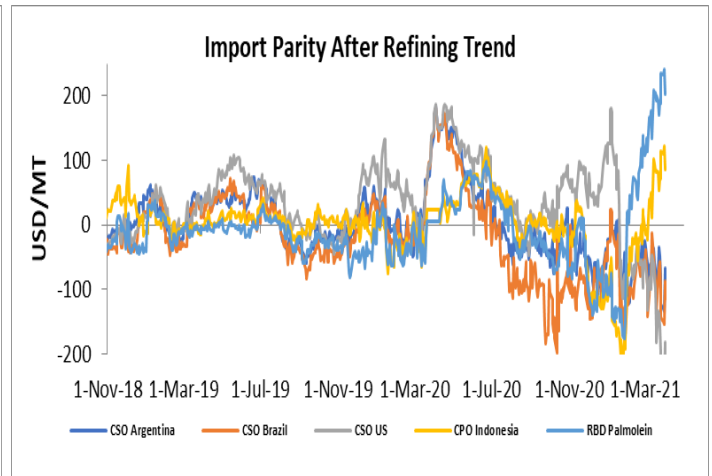
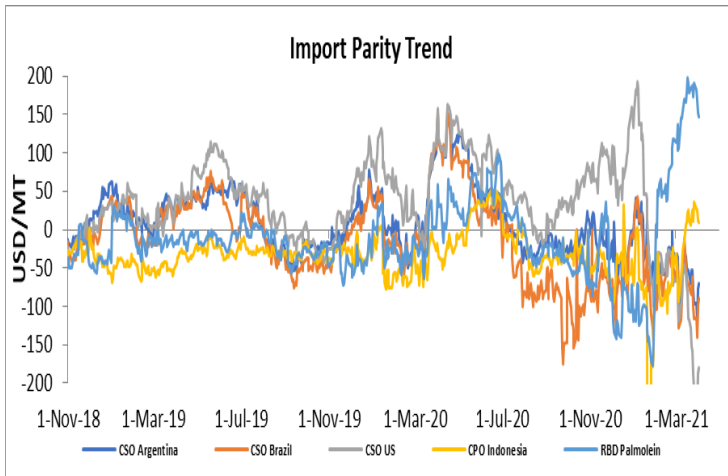
- Coconut oil exports scenario- India exported 1,309.55 tons Coconut oil in January 2021 v/s 495.74 tons export in January 2020. In the Financial year 2020-21 (April 2020 January 2021) exports were 10,426.17 tons compared to 6,474.58 tons in last oil year, up 56.32 percent y-o-y.
- On the price front, currently the coconut oil prices in Kochi is hovering remain at Rs 20,400 (Rs 20,750) per quintal, and was quoted at 20,000 (Rs 20,000) per quintal in Erode market on April 3, 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
<b>Mar 14-Mar 21, 2021</b>	-77.00	-92.41	-118.11	88.91	202.03
<b>Mar 22-Mar 28, 2021</b>	-72.76	-91.99	-172.85	78.48	195.79
<b>Mar 29-Apr 4, 2021</b>	-106.07	-127.29	-220.79	101.19	220.26

### Outlook:-

Refining margins disparity rose for crude soy oil from Argentina after sideways trend in prices of soy oil in international markets amid Brazil soybean crop arrival in market and firm US stock. 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 sideways sentiments in domestic prices. RBD palmolein refining margin parity rose with rise in its prices of RBD palmolein in Indian markets. We expected CPO to retain parity 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 rising trend during the upcoming week in review. We expect prices to trade firm in the near term.
- Prices may hover between 1270-1350 levels.
- Expected price band for next week is 1280-1340 level in near to medium term. RSI and MACD are indicating sideways sentiments.

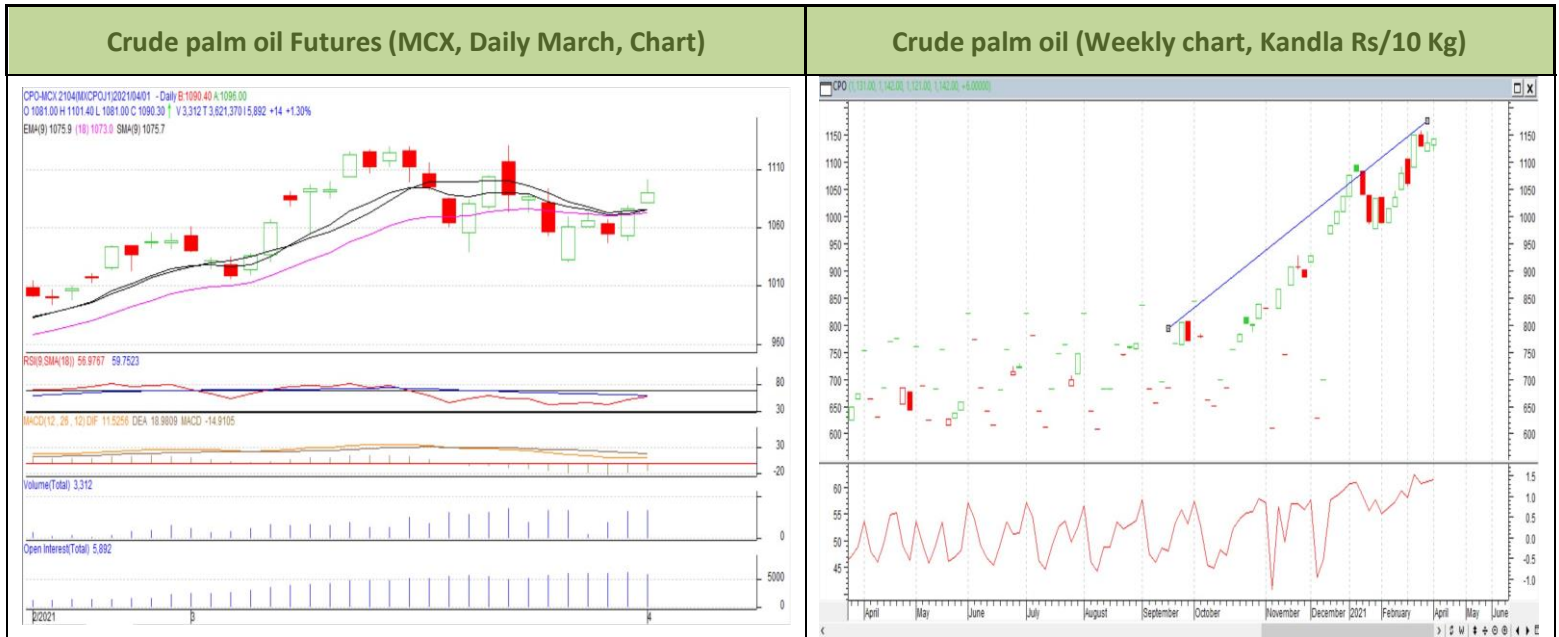
**Strategy:** Market participants are advised to go long in RSO above 1290 for a target of 1320 and 1350 with a stop loss at 1265 on closing basis.

#### RSO NCDEX (Apr)

Support and Resistance				
S2	S1	PCP	R1	R2
1255	1275	1319.40	1360	1370

**Spot Market outlook:** Refined soy oil Indore (without GST) is likely to stay in the range of Rs 1270-1350 per 10 Kg.

### Technical Analysis (Crude Palm oil)



**Outlook – Kandla Daily CPO spot prices showed rising 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 Rs 1120-1180.
- Expected price band for next week is 1085-1140 level. RSI and MACD are rising in neutral zone.

**Strategy:** Market participants are advised to go long in CPO above 1090 for a target of 1130 and 1150 with a stop loss at 1080 on closing basis.

#### CPO MCX (Mar)

Support and Resistance				
S2	S1	PCP	R1	R2
1053	1063	1119	1160	1170

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

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

Commodity	Centre	Prices (Per 10 Kg)		Change
		3-Apr-21	27-Mar-21	
Refined Soybean Oil	Indore	1300	1300	Unch
	Indore (Soy Solvent Crude)	1250	1245	5
	Mumbai	1310	1270	40
	Mumbai (Soy Degum)	1260	1235	25
	Kandla/Mundra	1300	1270	30
	Kandla/Mundra (Soy Degum)	1270	1243	27
	Kolkata	1300	1280	20
	Delhi	1347	1347	Unch
	Nagpur	1270	1270	Unch
	Rajkot	1295	1275	20
	Kota	1280	1240	40
	Hyderabad	NA	0	-
	Akola	1320	1320	Unch
	Amrawati	1315	1315	Unch
	Bundi	1290	1250	40
	Jalna	1260	1260	Unch
	Solapur	1265	1265	Unch
	Dhule	1250	1250	Unch
	Nanded	1255	1255	Unch
	Latur	1315	1315	Unch
	Argentina Crude Soya (CIF India) USD	1248	1293	-45
	Argentina Crude Soya (FOB)	1198	1258	-60
	Soya Oil(Rot.)( Euro/MT FOB) (1000) GMT	1155	1155	Unch
Palm Oil*	Kandla (Crude Palm Oil)	1142	1136	6
	Kandla (RBD Palm oil)	1150	1160	-10
	Kandla RBD Pamolein	1215	1180	35
	Kakinada (Crude Palm Oil)	1130	1110	20
	Kakinada RBD Pamolein	1200	1180	20
	Haldia Pamolein	1210	1190	20
	Chennai RBD Pamolein	1210	1190	20
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1268	1256	12
	Krishnapattanam RBD Pamolein	1200	1190	10
	Mumbai RBD Pamolein	1220	1220	Unch
	Mangalore RBD Pamolein	1210	1200	10
	Tuticorin (RBD Palmolein)	1190	1200	-10
	Mumbai (Refined)	1200	1200	Unch

	Rajkot (Refined)	1210	1180	30
	Chennai (Refined)	1195	1185	10
	Hyderabad (Refined)	1215	1210	5
	Delhi (Refined)	1326	1326	Unch
	PFAD (Kandla)	765	755	10
	RPS (Kandla)	990	1010	-20
	Superolien (Kandla)	1230	1225	5
	Superolien (Mumbai)	1250	1250	Unch
	Kochi (RBD Palmolein)	1185	1225	-40
	Krishnapattanam (Crude Palm Oil)	1130	1110	20
	Mumbai (Crude Palm Oil)	1160	1160	Unch
	Kolkata (Crude Palm Oil)	1130	1130	Unch
	Palm Kernel Oil (1000) GMT	1470	1470	Unch
Refined Sunflower Oil	Chennai (Refined)	1650	1650	Unch
	Chennai (Crude )	1580	1580	Unch
	Mumbai (Refined)	1750	1720	30
	Mumbai (Expeller Oil)	1650	1670	-20
	Kandla (Refined)	1780	1750	30
	Hyderabad (Refined)	1610	1640	-30
	Hyderabad (Expeller)	1520	1550	-30
	Latur (Refined)	1590	1630	-40
	Latur (Expeller Oil)	1530	1570	-40
	Chellakere (Expeller Oil)	1500	1540	-40
	Erode (Expeller Oil)	1670	1720	-50
	Kakinada (Refined)	1650	1700	-50
	Krishna Pattanam (Refined)	1650	1700	-50
	Delhi (Refined)	1700	1700	Unch
	Sun Oil (Rotterdam)	1620	1620	Unch
Groundnut Oil	Rajkot	1525	1525	Unch
	Chennai	1550	1550	Unch
	Delhi	1560	1560	Unch
	Hyderabad *	1570	1570	Unch
	Mumbai	1580	1560	20
	Gondal	1550	1530	20
	Jamnagar	1550	1525	25
	Gujarat GN Telia	2460	2420	40
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1230	1230	Unch
	Jaipur (Kacchi Ghani Oil)	1285	1285	Unch
	Kota (Expeller Oil)	1200	1180	20
	Kota (Kacchi Ghani Oil)	1265	1300	-35

	Neewai (Expeller Oil)	1240	1220	20
	Neewai (Kacchi Ghani Oil)	1270	1250	20
	Bharatpur (Kacchi Ghani Oil)	1240	1250	-10
	Sri-Ganga Nagar(Exp Oil)	1240	1250	-10
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1270	1280	-10
	Mumbai (Expeller Oil)	1240	1250	-10
	Kolkata(Expeller Oil)	1450	1410	40
	New Delhi (Expeller Oil)	1230	1230	Unch
	Hapur (Expeller Oil)	1300	1290	10
	Hapur (Kacchi Ghani Oil)	1330	1320	10
	Agra (Kacchi Ghani Oil)	1245	1255	-10
	Nagpur (Expeller Oil)	1367	1367	Unch
Refined Cottonseed Oil	Rajkot	1330	1310	20
	Hyderabad	1290	1330	-40
	Mumbai	1320	1300	20
	New Delhi	1260	1260	Unch
	Gujarat Cotton Wash	1270	1265	5
Coconut Oil	Kangayan (Crude)	2000	2000	Unch
	Cochin	2230	2230	Unch
	Coconut Oil(Rot.)(Phil/Indo)	1480	1480	Unch
Vanaspati Oil	Uttar Pradesh	1690	1690	Unch
	Kolkata	1600	1600	Unch
	Rajkot	1823	1823	Unch
Sesame Oil	New Delhi	1410	1410	Unch
	Mumbai	NA	0	-
Kardi	Mumbai	NA	0	-
Rice Bran Oil	New Delhi (40%)	985	985	Unch
	Punjab 4%)	1150	1170	-20
	Bhatinda (Crude 4%)	980	950	30
	Bhatinda (Refined 4%)	1095	1065	30
	Hyderabad (Crude)	1075	1050	25
	Hyderabad (Refined)	1250	1230	20
	Kolkata (Crude)	1070	1070	Unch
	Kolkata (Refined)	1170	1170	Unch
	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	1025	15
	CNF India	1068	1078	-10
Indonesia CPO USD/MT	FOB	1120	1085	35
	CNF India	1090	1100	-10
RBD Palm oil (Malaysia Origin USD/MT)	FOB	1068	1068	Unch
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	1055	1055	Unch
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1450	1450	Unch
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	980	980	Unch
Crude palm Kernel Oil India (USD/MT)	CNF India	1530	1560	-30
Ukraine Origin CSFO USD/MT Kandla	CIF	1585	1630	-45
Rapeseed Oil Rotterdam Euro/MT	FOB	1080	1080	Unch
Argentina FOB (\$/MT)		2-Apr-21	26-Mar-21	Change
Crude Soybean Oil Ship		1215	1198	17
Refined Soy Oil (Bulk) Ship		1258	1240	18
Sunflower Oil Ship		1510	1520	-10
Cottonseed Oil Ship		1195	1178	17
Refined Linseed Oil (Bulk) Ship		NA	0	-
* indicates including GST				

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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