

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 uptrend trend during this week in domestic market. CBOT soy oil and BMD palm oil prices quoted sideways during the week. Soy oil, Mustard oil, Palm oil, Sunflower oil, Coconut oil and Groundnut oil showed rising movements in previous week.

On the currency front, Indian rupee is hovering near 74.93 against 74.45 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 short below 1395 levels for a target of 1375 and 1360 with a stop loss at 1415 on closing basis. We expect Refined soy oil Indore (without GST) is likely to stay in the range of Rs 1420-1475 per 10 Kg.

In MCX, Market participants are advised to go short in CPO below 1210 for a target of 1185 and 1170 with a stop loss at 1225 on closing basis. We expect, Crude palm oil (without GST) is likely to stay in the range of Rs 1200-1240 per 10 Kg.

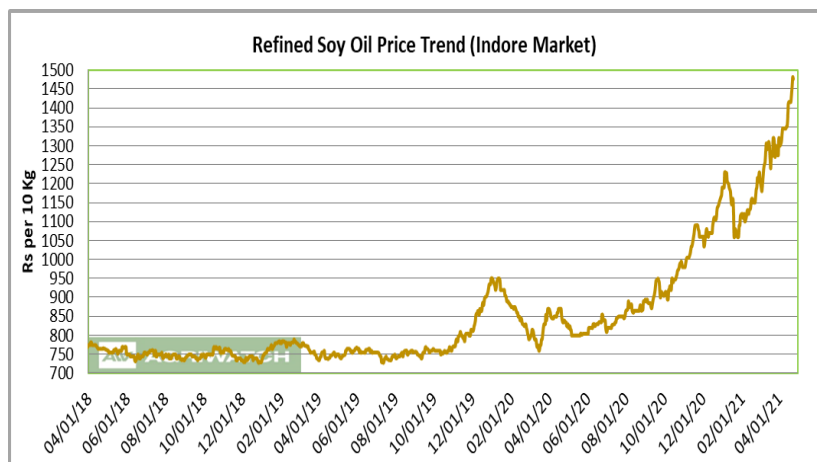
International Veg. Oil Market Summary

On the international front, rise in competing oils prices, rising Biodiesel demand, low stock in US 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 lower demand from 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 rising trend in domestic markets for the week in review due to rise in covid cases in India and sideways trend in prices of soy oil in international markets. The lockdown restrictions in some states have erupted high demand thus rise in prices.
- Stockists are clearing their produce and thus lower prices are expected for coming week.



Soy oil demand is expected to remain firm for coming weeks as supply shortages persist due to lockdown and restrictions in various states.

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 March edible oil imports rose 2.6 percent y-o-y to 9.80 lakh tons from 9.55 lakh tons in March 2020. Palm oil imports in March rose 57.01 percent y-o-y to 5.26 lakh tons from 3.35 lakh tons in March 2020. CPO imports rose 71.52 percent in March y-o-y to 2.95 lakh tons from 5.06 lakh tons in March 2020. RBD palmolein import fell 93 percent to 0.02 lakh tons in March vs. 0.30 lakh tons in March 2020. Soy oil imports fell 2.73 percent in March y-o-y to 2.84 lakh tons from 2.92 lakh tons in March 2020. Sunflower oil imports fell 50.17 percent y-o-y in March to 1.47 lakh tons from 2.95 lakh tons in March 2020. Rapeseed (canola) oil stood at 0 imports in February compared to import of 0.17 lakh tons in March 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.

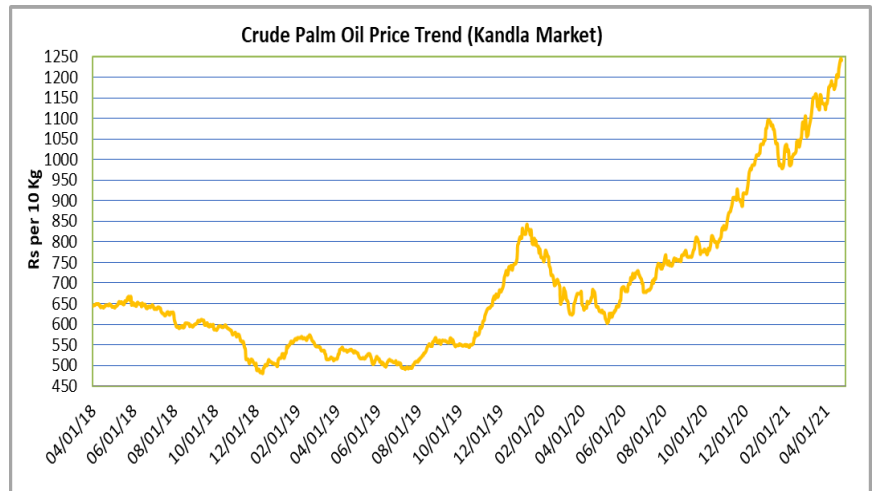
Price Outlook: We expect refined soy oil (without GST) at Indore to stay in the range of Rs 1420-1475 per 10 Kg in the near term.

Palm oil Fundamental Analysis and Outlook :-

Domestic Front

- Crude palm oil (CPO) featured rising trend at its benchmark market at Kandla after rise in covid cases and being cheapest oil the demand rose.

India's palm oil demand from Malaysia saw downward trend. Palm oil stockists are clearing their stocks hence in NCDEX prices are trading low. The premium of competing oils over palm oil will support its prices while, govt has further raised the import duty.



India's march palm oil import rose 57.7 percent compared to February month.

Malaysia's production rose for March month with rise in end stock despite 31.83 percent rise in export of CPO. 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 March edible oil imports rose 2.6 percent y-o-y to 9.80 lakh tons from 9.55 lakh tons in March 2020. Palm oil imports in March rose 57.01 percent y-o-y to 5.26 lakh tons from 3.35 lakh tons in March 2020. CPO imports rose 71.52 percent in March y-o-y to 2.95 lakh tons from 5.06 lakh tons in March 2020. RBD palmolein import fell 93 percent to 0.02 lakh tons in March vs. 0.30 lakh tons in March 2020. Soy oil imports fell 2.73 percent in March y-o-y to 2.84 lakh tons from 2.92 lakh tons

in March 2020. Sunflower oil imports fell 50.17 percent y-o-y in March to 1.47 lakh tons from 2.95 lakh tons in March 2020. Rapeseed (canola) oil stood at 0 imports in February compared to import of 0.17 lakh tons in March 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 fell during this week with up trend in prices of palm oil in India markets.

International Front

Palm oil prices are likely to trade up as demand for palm oil rose from China and India. 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.

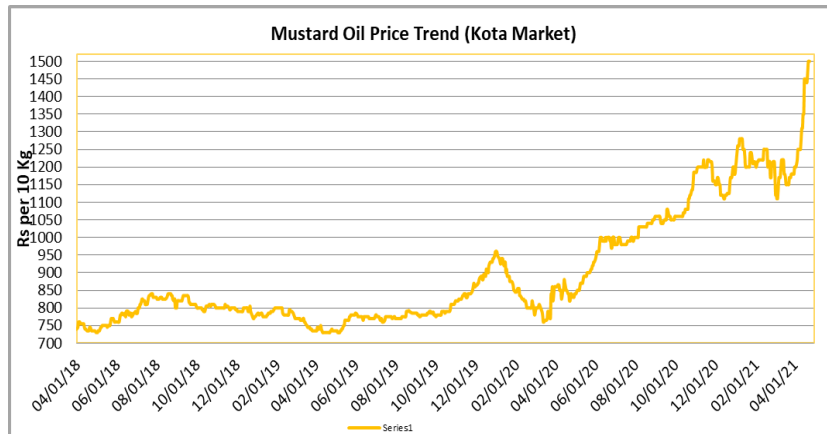
Stocks of palm oil at the end of May was 3.53 MMT compared to Apr 2020 figure of 3.4 MMT, up 3.82 percent m-o-m. Stocks in May was unchanged from May 2019 which was reported at 3.53 MMT. Production of palm oil in May was recorded at 3.97 MMT.

- 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 1200-1240 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 firm demand despite higher arrivals.
- Surge in covid cases due to second waves have made firm demand for mustard oil and sideways movement in prices are anticipated.
- In February and March 17 lakh tons of mustard was crushed.



Mustard oil prices are moving up following international market scenario as import oil prices are already high. 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.

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.

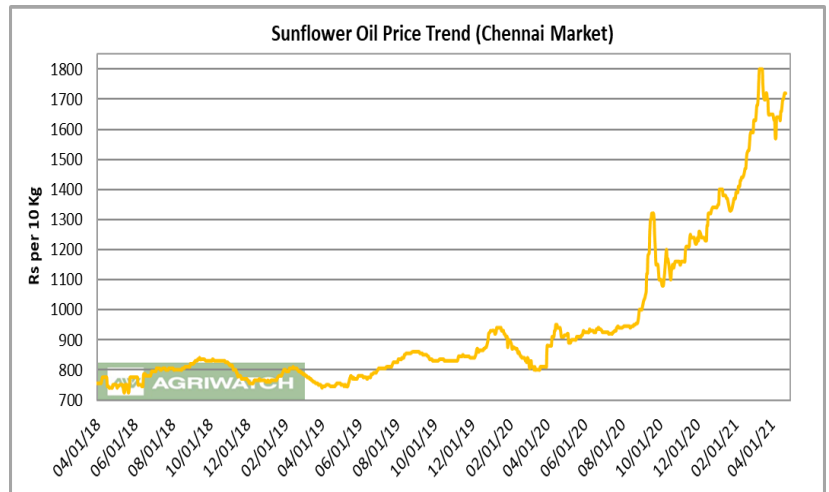
Markets are expected to trade sideways in coming term.

- 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 1,540 (Rs 1,490) per 10 Kg, and at Kota market, it is offered at Rs 1,500 (Rs 1,450) per 10 kg as on April 24, 2021. Values in brackets are figures of last week.

Price Outlook: Rapeseed oil (without GST) prices in Kota may stay in the range of Rs 1480-1530 per 10 Kg.

Sunflower oil Fundamental Review and Analysis:-Domestic Front

- Sunflower oil price closed on rising trend during the week in Chennai on account of panic buying due to surge in covid cases 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 1,720 (Rs 1,660) per 10 Kg, and at Kandla/Mudra market, it is offered higher at Rs 1800 (Rs 1820) per 10 kg as on April 24, 2021. Values in brackets are figures of last week.
- We expect sunflower oil prices to trade in firm tone in the coming days.

Price Outlook: Sunflower oil (without GST) prices in Chennai may stay in the range of Rs 1720-1770 per 10 Kg.

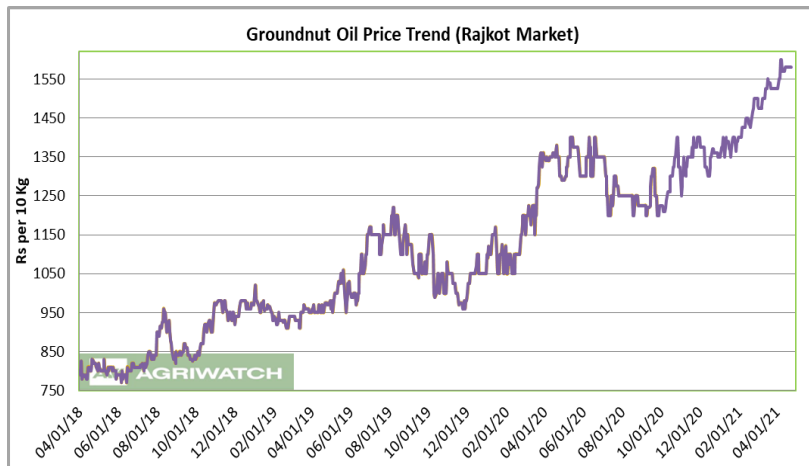
Groundnut oil Fundamental Review and Analysis:-

Domestic Front

- Rajkot Groundnut oil market was closed due to lockdown and rising covid cases. Prices showed firm movement amid slow demand and slow supply in domestic market.

Gujarat Rajkot Mandi is currently closed till 3rd May due to lockdown in state.

- 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 15,800 (Rs 15,700) per quintal and it was Rs 15,800 (Rs 16,000) per quintal in Chennai market on April 17, 2021. Values in brackets are figures of last week.
- Groundnut oil prices are likely to trade firm in the coming days.

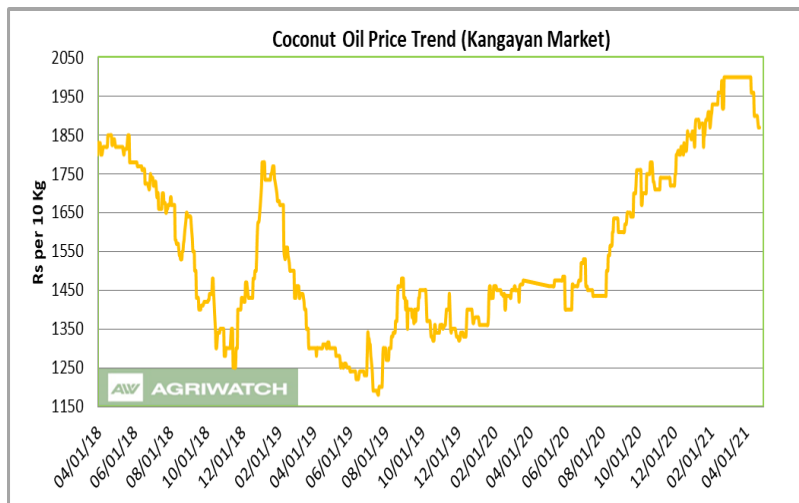


Price Outlook:

Groundnut oil (without GST) in Rajkot market is likely to trade in the price band of Rs 1560-1620 per 10 Kg

Coconut Oil Fundamental Review and Analysis:-
Domestic Front

- Coconut oil benchmark market of Kangayan showed down trend following the low demand amid hiked prices. Prices of competing oils are increasing due to covid cases surge will underpin its 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 were rising but expectations of 2.0 lockdown may lower the demand.

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.

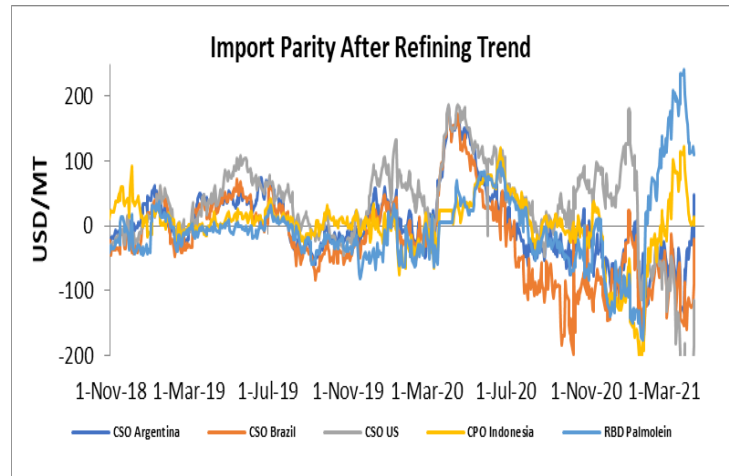
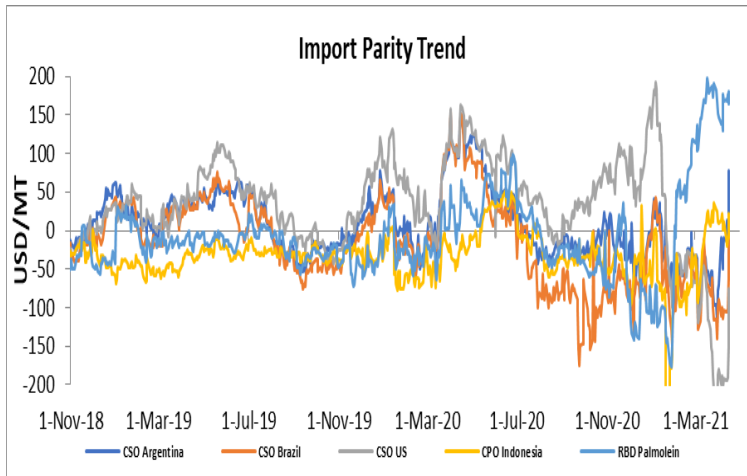
Coconut oil prices are expected to be firm in days ahead.

- 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 19,000 (Rs 19,850) per quintal, and was quoted at 19,300 (Rs 19,600) per quintal in Erode market on April 17, 2021.

Price Outlook: Coconut oil (without GST) prices in Erode may stay in the range of Rs 1830-1900 per 10 Kg.

Import Parity Trend

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



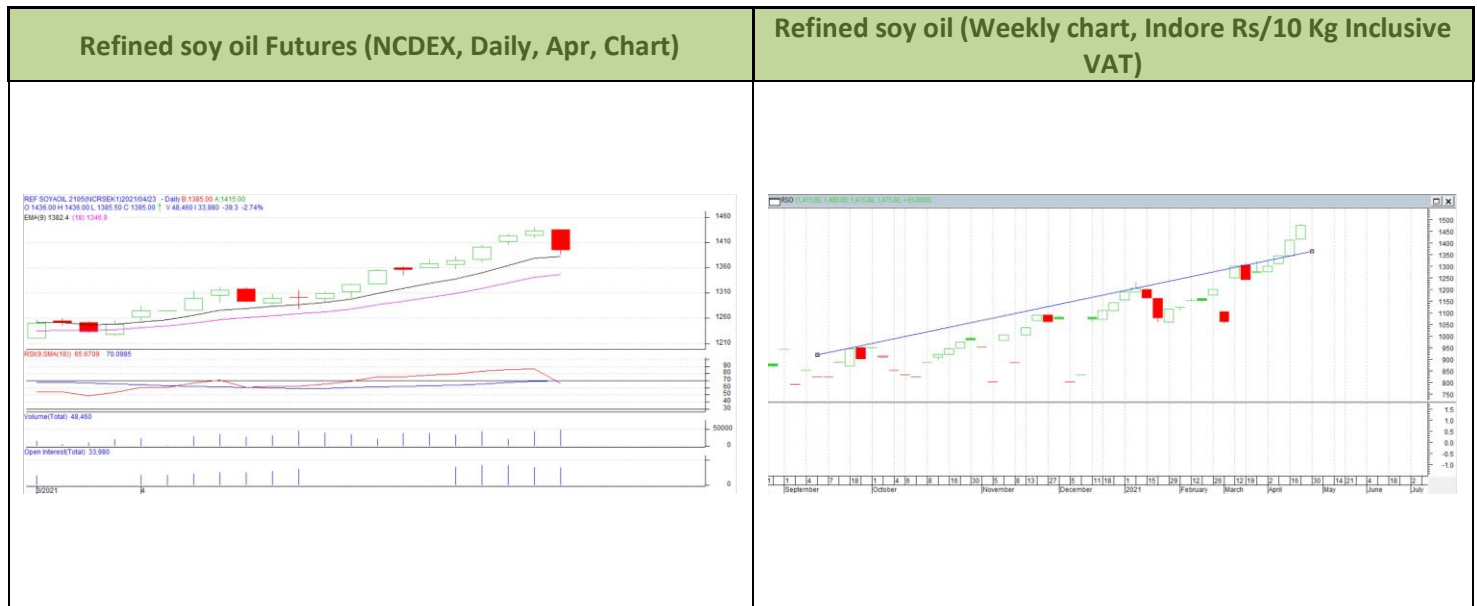
	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
Apr 5-Apr 11, 2021	-106.07	-127.29	-220.79	101.19	220.26
Apr 12-Apr 18, 2021	-36.46	-126.20	-219.70	27.25	138.27
Apr 19-Apr 25, 2021	-4.18	-96.17	-189.67	5.18	114.32

Outlook-:

Refining margins disparity fell for crude soy oil from Argentina after harvesting of soy crops in Argentina proceeds along with 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 achieve parity in medium term due to expectation of firm prices of soy oil in Indian markets.

Refining margin parity fell for CPO with sideways sentiments in domestic prices. RBD palmolein refining margin parity also with fall in prices in international bench market. We expected CPO to retain 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 down in the coming days.

- Daily chart of refined soy oil at NCDEX depicts falling trend during the upcoming week in review. We expect prices to trade down in the near term.
- Prices may hover between 1475-1420 levels.
- Expected price band for next week is 1410-1350 level in near to medium term. RSI and MACD are in overbought zone.

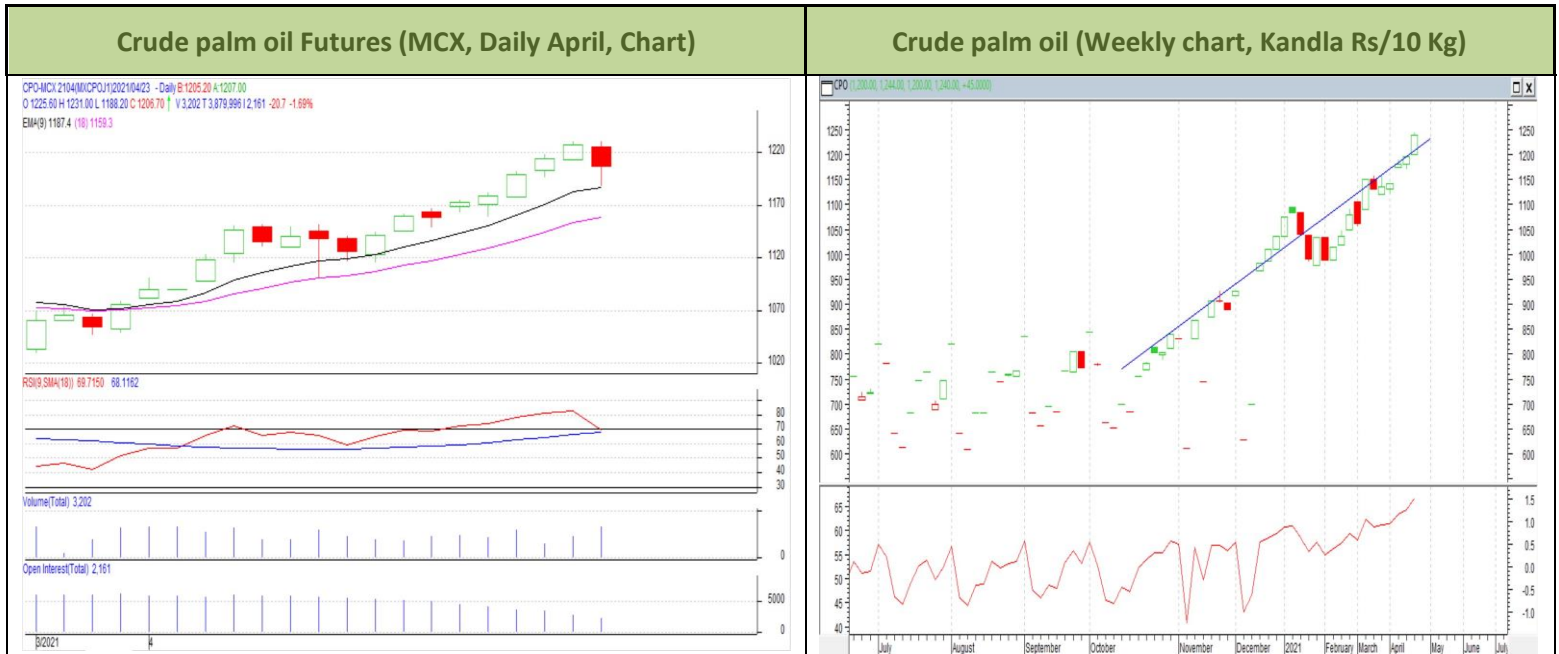
Strategy: Market participants are advised to go short in RSO below 1395 for a target of 1375 and 1360 with a stop loss at 1415 on closing basis.

RSO NCDEX (Apr)

Support and Resistance				
S2	S1	PCP	R1	R2
1313.80	1354.40	1395	1438.30	1481.60

Spot Market outlook: Refined soy oil Indore (without GST) is likely to stay in the range of Rs 1475-1420 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 April contract to trade in down tone.

- Candlestick in weekly chart of crude palm oil at MCX depicts falling trend in the prices. We expect the commodity to trade down in the near term.
- Price may range from Rs 1240-1200.
- Expected price band for next week is 1220-1185 level. RSI and MACD are in overbought zone.

Strategy: Market participants are advised to go short in CPO below 1210 for a target of 1185 and 1170 with a stop loss at 1225 on closing basis.

CPO MCX (Mar)

Support and Resistance				
S2	S1	PCP	R1	R2
1127.17	1166.93	1206.7	1238.73	1270.77

Spot Market outlook: Crude palm oil (without GST) is likely to stay in the range of Rs 1240-1200 per 10 Kg.

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

Commodity	Centre	Prices (Per 10 Kg)		Change
		24-Apr-21	17-Apr-21	
Refined Soybean Oil	Indore	1475	1415	60
	Indore (Soy Solvent Crude)	1410	1350	60
	Mumbai	1475	1430	45
	Mumbai (Soy Degum)	1435	1380	55
	Kandla/Mundra	1470	1415	55
	Kandla/Mundra (Soy Degum)	1440	1385	55
	Kolkata	1480	1440	40
	Delhi	1347	1347	Unch
	Nagpur	1270	1270	Unch
	Rajkot	1330	1330	Unch
	Kota	1500	1450	50
	Hyderabad	NA	0	-
	Akola	1320	1320	Unch
	Amrawati	1315	1315	Unch
	Bundi	1510	1460	50
	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	1334	1290	44
	Argentina Crude Soya (FOB)	1279	1230	49
	Soya Oil(Rot.)(Euro/MT FOB) (1000) GMT	1155	1155	Unch
Palm Oil*	Kandla (Crude Palm Oil)	1240	1205	35
	Kandla (RBD Palm oil)	1320	1255	65
	Kandla RBD Pamolein	1350	1290	60
	Kakinada (Crude Palm Oil)	1230	1165	65
	Kakinada RBD Pamolein	1335	1270	65
	Haldia Pamolein	1350	1280	70
	Chennai RBD Pamolein	1340	1260	80
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1394	1334	60
	Krishnapattanam RBD Pamolein	1340	1275	65
	Mumbai RBD Pamolein	1360	1310	50
	Mangalore RBD Pamolein	1350	1295	55
	Tuticorin (RBD Palmolein)	1375	1190	185
	Mumbai (Refined)	1310	1285	25

	Rajkot (Refined)	1270	1270	Unch
	Chennai (Refined)	1350	1285	65
	Hyderabad (Refined)	1440	1350	90
	Delhi (Refined)	1326	1326	Unch
	PFAD (Kandla)	860	800	60
	RPS (Kandla)	1085	1010	75
	Superolien (Kandla)	1360	1320	40
	Superolien (Mumbai)	1370	1340	30
	Kochi (RBD Palmolein)	1285	1285	Unch
	Krishnapattanam (Crude Palm Oil)	1230	1165	65
	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)	1720	1660	60
	Chennai (Crude)	1670	1600	70
	Mumbai (Refined)	1750	1730	20
	Mumbai (Expeller Oil)	1680	1680	Unch
	Kandla (Refined)	1800	1820	-20
	Hyderabad (Refined)	1720	1665	55
	Hyderabad (Expeller)	1650	1600	50
	Latur (Refined)	1660	1620	40
	Latur (Expeller Oil)	1610	1570	40
	Chellakere (Expeller Oil)	1640	1600	40
	Erode (Expeller Oil)	1750	1700	50
	Kakinada (Refined)	1750	1680	70
	Krishna Pattanam (Refined)	1750	1680	70
	Delhi (Refined)	1700	1700	Unch
	Sun Oil (Rotterdam)	1620	1620	Unch
Groundnut Oil	Rajkot	1580	1580	Unch
	Chennai	1600	1580	20
	Delhi	1560	1560	Unch
	Hyderabad *	1600	1600	Unch
	Mumbai	1650	1640	10
	Gondal	1575	1575	Unch
	Jamnagar	1570	1570	Unch
	Gujarat GN Telia	2530	2500	30
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1540	1490	50
	Jaipur (Kacchi Ghani Oil)	1595	1545	50
	Kota (Expeller Oil)	1500	1450	50
	Kota (Kacchi Ghani Oil)	1570	1530	40

	Neewai (Expeller Oil)	1545	1470	75
	Neewai (Kacchi Ghani Oil)	1575	1500	75
	Bharatpur (Kacchi Ghani Oil)	1500	1500	Unch
	Sri-Ganga Nagar(Exp Oil)	1530	1500	30
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1560	1530	30
	Mumbai (Expeller Oil)	1475	1370	105
	Kolkata(Expeller Oil)	1580	1450	130
	New Delhi (Expeller Oil)	1230	1230	Unch
	Hapur (Expeller Oil)	1370	1270	100
	Hapur (Kacchi Ghani Oil)	1400	1300	100
	Agra (Kacchi Ghani Oil)	1505	1505	Unch
	Nagpur (Expeller Oil)	1367	1367	Unch
Refined Cottonseed Oil	Rajkot	1390	1390	Unch
	Hyderabad	1480	1500	-20
	Mumbai	1500	1470	30
	New Delhi	1260	1260	Unch
	Gujarat Cotton Wash	1480	1420	60
Coconut Oil	Kangayan (Crude)	1870	1900	-30
	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%)	1460	1230	230
	Bhatinda (Crude 4%)	1150	1150	Unch
	Bhatinda (Refined 4%)	1265	1265	Unch
	Hyderabad (Crude)	1260	1150	110
	Hyderabad (Refined)	1440	1350	90
	Kolkata (Crude)	1070	1070	Unch
	Kolkata (Refined)	1170	1170	Unch
	Raipur (Crude)	1350	960	390
	Raipur (Refined)	1150	1150	Unch
	Odisha (Refined)	1440	1135	305
	Vijayawada (Refined)	1360	1070	290

Malaysia Palmolein USD/MT	FOB	1125	1085	40
	CNF India	1258	1138	120
Indonesia CPO USD/MT	FOB	1188	1118	70
	CNF India	1250	1175	75
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	1540	1540	Unch
Ukraine Origin CSFO USD/MT Kandla	CIF	1650	1635	15
Rapeseed Oil Rotterdam Euro/MT	FOB	1080	1080	Unch
Argentina FOB (\$/MT)		23-Apr-21	16-Apr-21	Change
Crude Soybean Oil Ship		1285	1250	35
Refined Soy Oil (Bulk) Ship		1330	1294	36
Sunflower Oil Ship		1525	1525	Unch
Cottonseed Oil Ship		1265	1230	35
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).

Disclaimer

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