

# Veg. Oil Weekly Research Report

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### *Executive Summary*

#### *Domestic Veg. Oil Market Summary*

*Edible oil prices featured rising trend during this week in domestic market. CBOT soy oil and BMD palm oil prices quoted up trend during the week. Soy oil, Sunflower oil, Groundnut oil and Coconut oil showed firm trend in price movements in previous week. While, mustard oil, palm oil prices saw rising trend.*

*On the currency front, Indian rupee is hovering near 74.43 against 74.91 previous weeks. Rupee expected to depreciate while crude oil prices expected to rise.*

*We expect Palm oil and Soy oil to trade firm on strong fundamentals.*

#### *Outlook:*

*Weekly Call -: In NCDEX, Market participants are advised to go long above 1410 levels for a target of 1430 and 1440 with a stop loss at 1400 on closing basis. We expect Refined soy oil Indore (without GST) is likely to stay in the range of Rs 1400-1450 per 10 Kg.*

*In MCX, Market participants are advised to go long in CPO above 1150 for a target of 1170 and 1180 with a stop loss at 1145 on closing basis. We expect, Crude palm oil (without GST) is likely to stay in the range of Rs 1180-1250 per 10 Kg.*

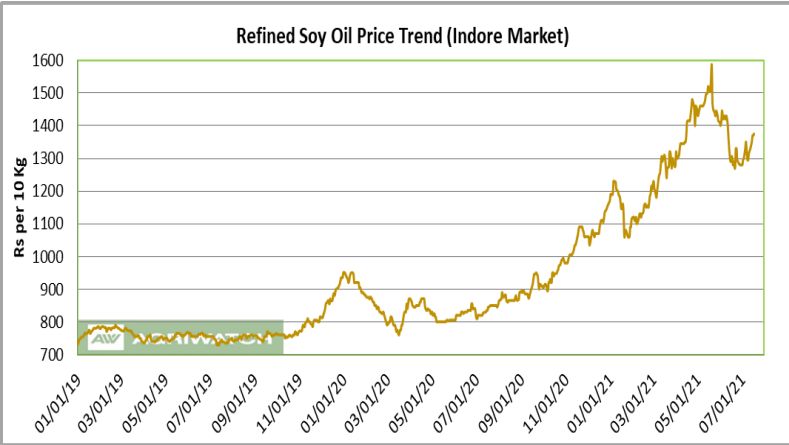
#### *International Veg. Oil Market Summary*

*On the international front, US Soy oil stock, Biodiesel demand, China's demand, expected crop yield and rise in crude oil prices will underpin soy oil prices in coming days.*

*Rise in competing oil prices, demand from China and India and rise in production of crude oil are all likely to underpin CPO prices in near term.*

### Soy oil Fundamental Analysis and Outlook:-

#### Domestic Front

- Soy oil featured firm trend in domestic markets for the week in review as international price traded firm.
  - International CBOT traded up following technical levels in Palm oil.
  - Domestic prices are supported by firm demand and tight supply of soybean. Rising prices of soybean is also supporting soy oil prices.
- 

Date	Price (Rs per 10 kg)
01/01/19	750
03/01/19	750
05/01/19	750
07/01/19	750
09/01/19	750
11/01/19	750
01/01/20	950
03/01/20	800
05/01/20	850
07/01/20	850
09/01/20	900
11/01/20	1000
01/01/21	1100
03/01/21	1200
05/01/21	1550
07/01/21	1300
- Slow sowing progression in India is also supporting the Soy oil prices.
  - Wet weather in US is now correcting the prices on expectation in improving conditions of crop. Low water level in Parana River has lower the exports from Brazil and Argentina. The concern deepens as the Brazil faces drought condition and is reluctant to release water like last year.
  - As on 26 July 2021, the area under soybean cultivation is 102.522 Lakh Ha compared to 112.343 Lakh ha last year for the same period.
  - India is now getting good rains may result in good yield which will correct the prices in coming times. Whereas, Madhya Pradesh is still lagging in sowing progression standing at 44.650 lakh Ha compared to 55.070 Lakh ha of area last year for the same period of time.
  - According to Solvent Extractors Association (SEA), India's June edible oil imports fell 17.01 percent y-o-y to 9.69 lakh tons from 11.68 lakh tons in June 2020. Palm oil imports rose 4.44 percent y-o-y to 5.87 lakh tons from 5.62 lakh tons in June 2020. CPO imports rose 2.31 percent y-o-y to 5.76 lakh tons from 5.63 lakh tons in June 2020. RBD palmolein import were 0.032 lakh tons in June 2021 vs. 0.03 lakh tons in June 2020. Soy oil imports fell 37.76 percent y-o-y to 2.06 lakh tons from 3.31 lakh tons in June 2020. Sunflower oil imports were stable on y-o-y comparison of 1.75 lakh tons in June 2021 from 1.75 lakh tons in June 2020. Rapeseed (canola) oil stood at 0 imports in June same as in last year.
  - According to Solvent Extractors Association (SEA), India's June edible oil stocks at ports and pipelines rose 1.37 percent m-o-m to 19.87 lakh tons from 19.60 lakh tons in June 2021. Stocks of edible oil at ports in July is estimated at 727,000 tons (CPO 283,000 tons, RBD Palmolein 1,000, Degummed Soybean Oil 186,000 tons and Crude Sunflower Oil 257,000) and pipeline stock at 1,260,000 tons, total stock at 1,987,000 tons. (Stocks at ports were 570,000 tons and in pipelines were 1,390,000 tons, in June 2021). India is presently holding 24 days of edible oil requirement on 1st July, 2021 at 19.87 lakh tons compared to 23 days of requirements of 19.60

lakh tons on 1st June 2021. India held 10.80 lakh tons of stocks in ports and pipelines on 1st July 2020. India's monthly edible oil requirement is 26.0 lakh tons.

- Soy oil import scenario – According to SEA, Soy oil imports fell 35.82 percent in June y-o-y to 2.06 lakh tons from 3.31 lakh tons in June 2020. For the current oil year 2020-21 (Nov 2020 -October 2021), soy oil for period of Nov.20- Jun'21 saw fall in imports to 18.50 lakh tons compared to 19.10 lakh tons in corresponding period last oil year, low by 3.14 percent compared to corresponding period last oil year.
- Imported crude soy oil CNF at West coast port offered at USD 1206 (USD 1253) per ton for June delivery, Jul delivery quoted at USD 1206 (USD 1242) per ton and Jul delivery quoted at USD 1230 (USD 1254) per ton. Values in brackets are figures of last week. Last month, CNF CDSO May average price was USD 1398.4 (USD 1285.36 per ton in April 2021) per ton. Soy refined (Indore) quoted at Rs 1360 (Rs 1410 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

- CBOT Soy oil is taking cue from rising prices of palm oil.
- Soy oil prices are pressured by expectations of rains improving the crop condition in US. Whereas, low exports from Brazil will support export demand from US.
- Low water level in Parana River is affecting the exports from Brazil and Argentina, has supported the prices.
- CONAB has raised Brazil's 2020/21 soybean crop estimate to 135.54 million tonnes vs 135.131 million tonnes in March forecast and 124.845 million tonnes in 2019/20.
- Brazil's soybean exports is estimated to reach to 16.1 million tonnes in March vs 16.4 million tonnes forecast in previous week – ANEC
- According to United States Department of Agriculture (USDA) July estimate, U.S 2020/21 ending stocks of soy oil estimate has been decreased to 1,488 million lbs compared to 1,503 million lbs in June estimate. Opening stocks decreased to 1,793 million lbs compared from 1,808 million lbs in June 2020/21. Production of soy oil in July is kept unchanged at 25,945 million lbs. Imports in July are kept unchanged at 600 million lbs. Biofuel use in July is kept unchanged at 12,000 million lbs. Food, feed and other industrial use in July estimate is also same as previous month at 13,400 million lbs. Exports is unchanged at 1,450 million lbs. Average price range estimate of July is same as of June at 65.0 cents per lb.
- The U.S. Department of Agriculture monthly supply and demand report for the month of July forecasts U.S. 2020/21 soybean end stocks unchanged at 155 million bushels. Opening stocks in 2020/21 are kept unchanged at 135 million bushels. Soybean production in July estimate is kept unchanged at 4,405 million bushels. U.S. soybean exports estimate in July are kept unchanged at 2,075 million bushels. Import's estimate is kept unchanged at 35 million bushels. Crush are kept unchanged at 2,225 million bushels. Seed use in 2020/21 is



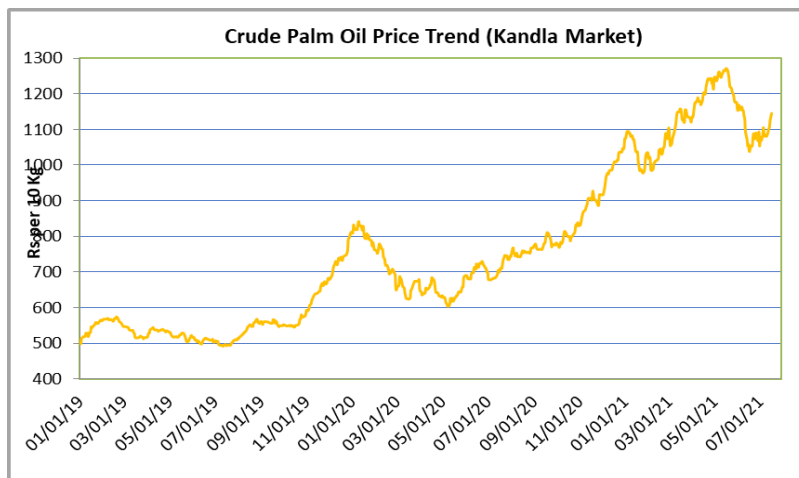
same at 104 million bushels. Residual use is unchanged at 15 million bushels. Average price range in 2020/21 is decreased to 13.70 cents/bushel compared to 13.85 cents/bushel in June month's estimate.

**Price Outlook:** We expect refined soy oil (without GST) at Indore to stay in the range of Rs 1400-1450 per 10 Kg in the near term.

### Palm oil Fundamental Analysis and Outlook :-

#### Domestic Front

- Crude palm oil (CPO) showed rising trend at its benchmark market at Kandla as its price are supported by firm demand and tight supply in international market. Last week BMD International Palm oil closed up by a 4.8 percent supported by firm demand and tight supply. Lower June imports are also supporting the domestic price rise along with taking positive cue from international market.



Government of India revised Basic Custom Duty on Crude palm oil from 15 percent to 10 percent and Refined palm oil to 37.5 percent. The effective duty include Agriculture cess and other charges on crude palm oil will be 30.25 percent, while for refined palm oil the duty stands at 41.25 percent, applicable for three months from 30<sup>th</sup> June 2021 to 30<sup>th</sup> September 2021.

After lowering the custom duty, Government of India lifted ban on import of RBD Palm oil Import under HS Code 151190, moving the item RBD palm oil (15119010), RBD palmolein (15119020) and other Palm oil Products (15119090) from restricted category to Free category. The import of these products is not permitted through ports of Kerala.

Consecutively, India lowered import tariff too. All these steps are directed to lower the price of palm oil to relax consumers from hiked edible oil prices.

- Prices of CPO raised more on high seas and were reflected on CNF markets compared to last week indicating good demand at high seas.
- CDSO CNF premium over CPO CNF and CDSO soy oil high seas over CPO high seas is high, may result in rise in CPO demand and imports. 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 June edible oil imports fell 17.01 percent y-o-y to 9.69 lakh tons from 11.68 lakh tons in June 2020. Palm oil imports rose 4.44 percent y-o-y to 5.87 lakh tons from 5.62 lakh tons in June 2020. CPO imports rose 2.31 percent y-o-y to 5.76 lakh tons from 5.63 lakh tons in June 2020. RBD palmolein import were 0.032 lakh tons in June 2021 vs. 0.03 lakh tons in June 2020. Soy oil imports fell 37.76 percent y-o-y to 2.06 lakh tons from 3.31 lakh tons in June 2020. Sunflower oil imports were

stable on y-o-y comparison of 1.75 lakh tons in June 2021 from 1.75 lakh tons in June 2020. Rapeseed (canola) oil stood at 0 imports in June same as in last year.

- According to Solvent Extractors Association (SEA), India's June edible oil stocks at ports and pipelines rose 1.37 percent m-o-m to 19.87 lakh tons from 19.60 lakh tons in June 2021. Stocks of edible oil at ports in July is estimated at 727,000 tons (CPO 283,000 tons, RBD Palmolein 1,000, Degummed Soybean Oil 186,000 tons and Crude Sunflower Oil 257,000) and pipeline stock at 1,260,000 tons, total stock at 1,987,000 tons. (Stocks at ports were 570,000 tons and in pipelines were 1,390,000 tons, in June 2021). India is presently holding 24 days of edible oil requirement on 1st July, 2021 at 19.87 lakh tons compared to 23 days of requirements of 19.60 lakh tons on 1st June 2021. India held 10.80 lakh tons of stocks in ports and pipelines on 1st July 2020. India's monthly edible oil requirement is 26.0 lakh tons.
- Palm oil import scenario – According to Solvent Extractors Association (SEA), Palm oil imports in June 4.45 percent y-o-y to 5.87 lakh tons from 5.62 lakh tons in June 2020. For the current oil year 2020-21 (Nov 2020 - October 2021), Palm oil for period of Nov.20- Jun'21 saw rise in imports to 51.49 lakh tons compared to 42.38 lakh tons in corresponding period last oil year, higher by 21.49 percent compared to corresponding period last oil year.
- Crude Palm oil import scenario- According to Solvent Extractors Association (SEA), CPO Imports rose 2.31 percent y-o-y in June 2021 to 5.76 lakh tons from 5.63 lakh tons in June 2020. For the current oil year 2020-21 (Nov 2020 -October 2021), Crude palm oil for period of Nov.20- Jun'21 saw rise in imports to 50.17 lakh tons compared to 37.52 lakh tons in corresponding period last oil year, higher by 33.71 percent compared to corresponding period last oil year.
- RBD palmolein import scenario- RBD palmolein Imports rose by 6.66 percent to 0.032 lakh tons in June 2021 compared to 0.03 lakh tons in June 2020. For the current oil year 2020-21 (Nov 2020 -October 2021), soy oil for period of Nov.20- Jun'21 saw fall in imports to 0.29 lakh tons compared to 4.04 lakh tons in corresponding period last oil year.
- On the trade front, CNF CPO (Indonesian origin) at Indian port is quoted at USD 1100 (USD 1170) per ton for Jun delivery and Jul delivery is quoted at USD 1060 (USD 1132) per ton. Last month, CNF CPO May average price is at 1267.32 per ton (USD 1175.72 per ton in April 2021). Values in brackets are figures of last week. Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 1030 (USD 1100) per ton for Jun delivery and Jul delivery is quoted at USD 1060 (USD 1132) per ton. Last month, CIF RBD palmolein April average price is USD 1212.48 (USD 1164.72 in April 2021) per ton. Values in bracket depict last month quotes.

Ready lift CPO duty paid prices quoted at Rs 1094 (Rs 1156 ) per 10 Kg and Jun delivery duty paid is offered at Rs 1099 (Rs 1154 per 10 kg). Ready lift RBD palmolein is quoted at Rs 1215 (Rs 1350) per 10 kg as on Jun 11, 2021. Values in brackets are figures of last week.

- On the parity front, margins fell slightly during this week with up trend in prices of palm oil in India markets.

### International Front

Palm oil prices traded up following rising trend in rival soy oil. Further, rise in demand from India and China has supported the prices.

Although, Indonesia and Malaysia have entered in high palm production months, but labor shortage is hampering with harvesting.

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.

- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's July 1-220 palm oil exports fell 6.63 percent to 863,586 tons compared to 937,135 tons last month for same period.
- According to Amspec, Malaysia's July 1-20 palm oil exports fell 7.85 percent to 883,085 tons compared to 945,745 tons last month for same period.
- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's July 1-20 palm oil exports fell 9.63 percent to 869,542 tons compared to 962,184 tons last month for same period.
- According to Amspec, Malaysia's July 1-10 palm oil exports rose 2.09 percent to 410,915 tons compared to 402,520 tons last month for same period.
- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's July 1-10 palm oil exports fell 1.01 percent to 406,897 tons compared to 411,044 tons last month for same period.
- According to Malaysia Palm Oil Board (MPOB), Malaysia's June Crude palm oil stocks fell 5.09 percent to 7.98 lakh tons compared to 8.41 lakh tons in May 2021. Production of palm oil in June rose 2.21 percent to 16.06 lakh tons compared to 15.71 lakh tons in May 2021. Exports of palm oil in May rose 11.84 percent to 14.18 lakh tons compared to 12.68 lakh tons in May 2021. Imports of palm oil in May fell to 0 tons same as in May 2021. End stocks of palm oil fell compared to trade expectation of rise in stocks. Rise in stocks was mainly expected due to higher production.
- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's June 1-20 palm oil exports fell 0.81 percent to 945,745 tons compared to 953,474 tons last month for same period.
- According to Amspec, Malaysia's June 1-20 palm oil exports fell 1.75 percent to 937,135 tons compared to 953,860 tons last month for same period.

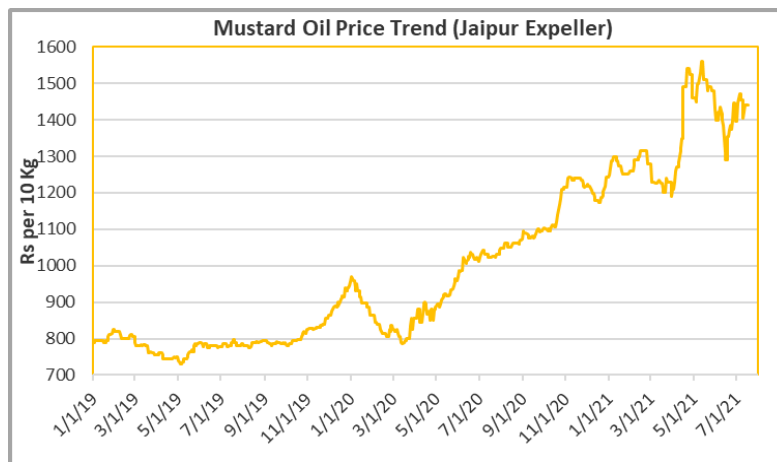


- According to Malaysia Palm Oil Board (MPOB), Malaysia's May Crude palm oil stocks rose 7.15 percent to 8.41 lakh tons compared to 7.85 lakh tons in April 2021. Production of palm oil in May rose 2.84 percent to 15.71 lakh tons compared to 15.28 lakh tons in April 2021. Exports of palm oil in May fell 6.01 percent to 12.65 lakh tons compared to 13.46 lakh tons in April 2021. Imports of palm oil in May fell to 0 tons compared to 8,046 tons in April 2021. End stocks of palm oil rose compared to trade expectation of rise in stocks. Rise in stocks was mainly due to higher production.

**Price Outlook:** We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 1180-1250 per 10 Kg in the near term.

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

- Mustard oil prices showed rising trend in benchmark market as demand for oil is firming up.
- Mustard oil is also taking positive cues from rising prices of soy oil and slow sowing progression of Soybean crop along with price rise in sunflower oil.
- The arrivals of mustard seeds in market have fell and over 80 percent mustard seeds have been already crushed.
- The demand for mustard oil is coming from pickle industry and advent of 3<sup>rd</sup> wave of corona will also pace up its demand which will abruptly increase the oil's prices.
- Slow arrival of mustard seed will support the market price. Mustard oil is taking cues from Soybean as the delay in monsoon is hampering sowing progress.
- Ban on blending in mustard oil is effective from June 8 and FSSAI has asked states to further check in their respective states to prohibit the same.
- Mustard oil consumption has risen compared to last year due to immunity boosting properties leading to high demand.
- 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.  
Premium of Jaipur kacchi ghani rapeseed oil over refined soy oil in domestic market is at Rs 185 per 10 Kg compared to Rs 155 per 10 Kg last week.  
Jaipur kacchi ghani rapeseed oil premium over RBD palmolein is at Rs 335 per 10 kg compared to Rs 320 per 10 Kg last week. The premium of Mustard oil rose compared to last week on arrival of new crop.
- According to Solvent Extractor Association of India, Rapeseed oil import scenario- India imported 0.00 lakh tons rapeseed (Canola) oil in June 2021 same as in June 2020. For the current oil year 2020-21 (Nov 2020 - October 2021), soy oil for period of Nov.20- Jun'21 saw fall in imports to 0.00 lakh tons compared to 0.17 lakh tons in corresponding period last oil year.
- Currently, RM oil at Jaipur market, (expeller) is offered at Rs 1,510 (Rs 1,440) per 10 Kg, and at Kota market, it is offered at Rs 1,500 (Rs 1,430) per 10 kg as on July 24, 2021. Values in brackets are figures of last week.
- We expect RM seed oil prices to trade up in the coming days.





**Price Outlook:** Rapeseed Expeller oil (without GST) prices in Jaipur may stay in the range of Rs 1480-1580 per 10 Kg.

Sunflower oil Fundamental Review and Analysis:-Domestic Front

- Sunflower oil price closed on firm trend during the week in review in Chennai as demand is firm.

Sunflower oil premium over competing oils lowered over the previous weeks has supported its demand. Similarly, Sunflower oil international markets also corrected after hiked prices.

International sunflower oil prices rose 7 percent in previous week is supporting the prices.

Sunflower seed acreage may see rise in current year as demand for sun oil is good from domestic consumers.

Ukraine's May month sunflower oil production lowered by 15 percent to 2.94 LT, will support the prices.

Earlier in the year, 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.

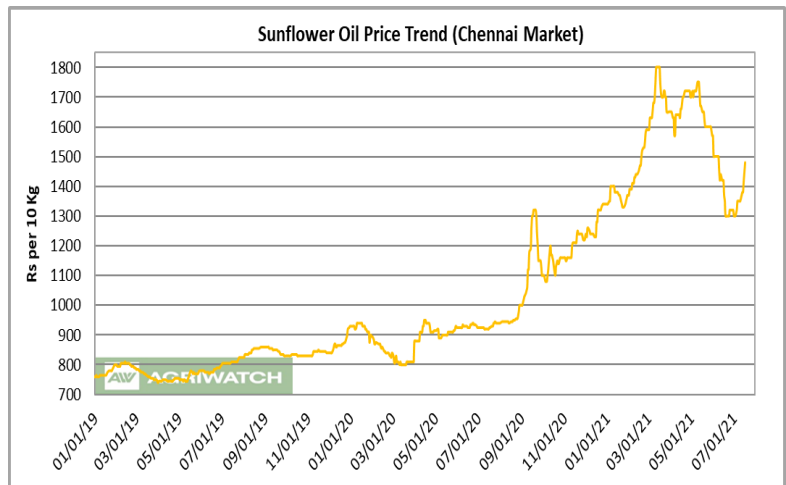
In domestic market, sunflower oil prices premium over soy oil is at Rs 70 (Rs 105 last week) per 10 kg, At present discount of sunflower oil over soy oil at CNF markets is at USD 19(USD 66 last week) per ton which indicates that sunflower oil prices is diverging with soy oil at domestic markets and at CNF markets soy oil is at the premium.

High sunflower oil premium over CPO at CNF India is at USD 130 (USD 150 last week) which will affect imports.

In domestic market, refined sunflower oil (Chennai) premium over RBD palmolein (Kandla) is at Rs 250 (Rs 295) 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 30 (Rs 105 last week) per 10 kg will lower sunflower oil prices.

Prices of sunflower oil expected to trade sideways as international prices are steady.



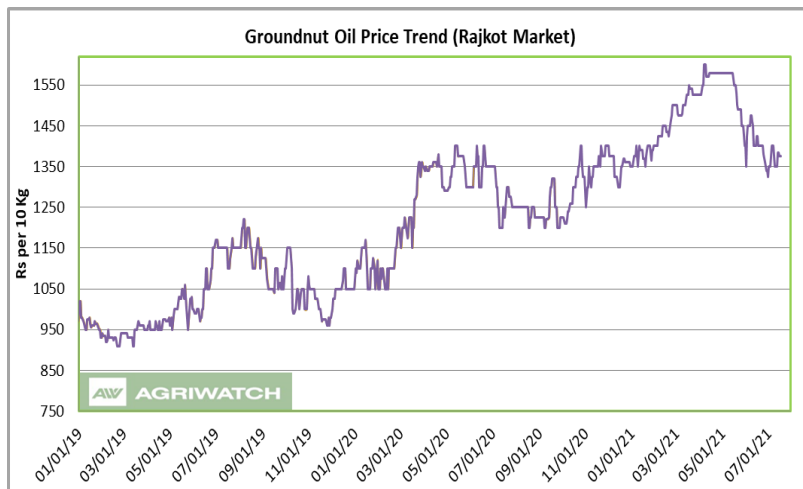
- Sunflower oil imports scenario- According to Solvent Extractors Association (SEA), Sunflower oil imports fell 34.94 percent y-o-y in June 2021 to 1.75 lakh tons from 2.69 lakh tons in June 2020. For the current oil year 2020-21 (Nov 2020 -October 2021), Sun oil for period of Nov.20- Jun'21 saw fall in imports to 14.52 lakh tons compared to 19.14 lakh tons in corresponding period last oil year, lower 24.14 percent compared to corresponding period last oil year.

- On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 1230 (USD 1370 per ton for Jun delivery and July delivery quoted at USD 1230 (USD 1380) per ton. CNF sun oil (Ukraine origin) May monthly average was at USD 1624.2 per ton compared to USD 1614.2 per ton in April). Prices are likely to stay in the range of USD 1300-1400 per ton in the near term. Values in brackets are figures of last week.
- Currently, refined sunflower oil at Chennai market is Rs 1,480 (Rs 1,480) per 10 Kg, and at Kandla/Mudra market, it is offered higher at Rs 1470 (Rs 1430) per 10 kg as on July 24, 2021. Values in brackets are figures of last week.
- We expect sunflower oil prices to trade firm in the coming days.

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

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

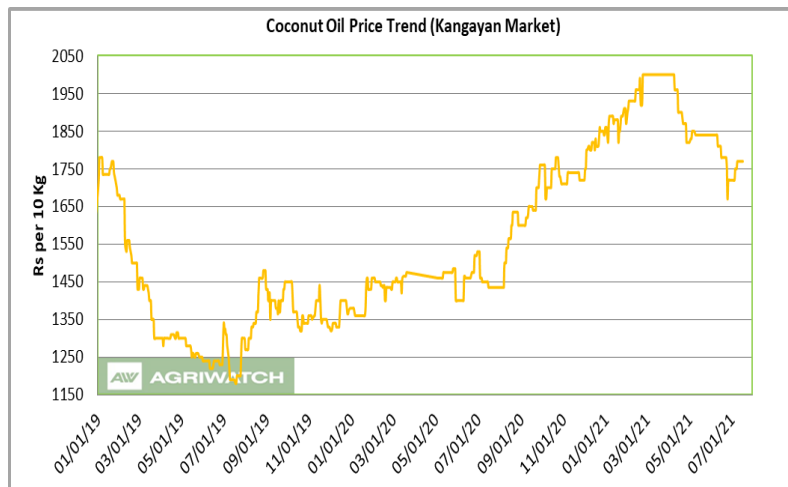
- Groundnut oil market prices showed steady movement in the market.
- Domestic market demand was firm on back of festivities demand and export demand is also pacing up for groundnut oil.
- Demand for groundnut oil exports is picking up slowly will support its price.
- The acreage under kharif groundnut crop is lower compared to last year. In Gujarat, the sowing is lagging by 2.059 lakh ha, which currently stand at 17.645 lakh ha compared to 19.704 lakh Ha.
- As on 25<sup>th</sup> July 2021, the total area under groundnut kharif cultivation stood at 33.496 Lakh Ha compared to area of 36.095 Lakh ha in last year for the same period.
- Groundnut oil exports scenario- India exported 5,507.96 tons Groundnut oil in April 2021 v/s 2,486.19 tons export in April 2020. It was mainly exported to China at 5,380.34 tons.
- On the price front, currently the groundnut oil prices in Rajkot is Rs 13,750 (Rs 13,500) per quintal and it was Rs 14,500 (Rs 13,400) per quintal in Chennai market on July 17, 2021. Values in brackets are figures of last week.
- Groundnut oil prices are likely to trade sideways in the coming days.

**Price Outlook:**

Groundnut oil (without GST) in Rajkot market is likely to trade in the price band of Rs 1400-1475 per 10 Kg

**Coconut Oil Fundamental Review and Analysis:-**  
**Domestic Front**

- Coconut oil benchmark market of Kangayan showed steady trend as demand is firm and copra prices are also trading at firm tone.
- The prices are sustained by rise in competing oil prices.
- Demand of coconut oil in home consumption was affected by high price whereas, currently it is getting back to firm demand.



Demand of coconut oil in Cosmetic Industry are getting back to normal as lockdown restrictions are relaxed in various states.

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.

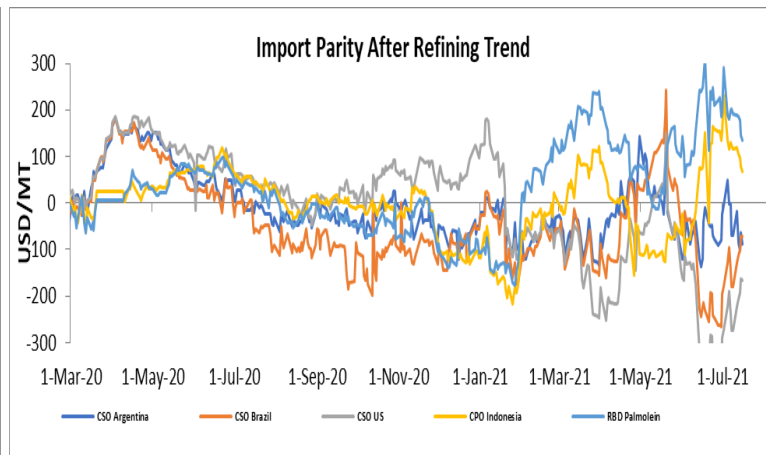
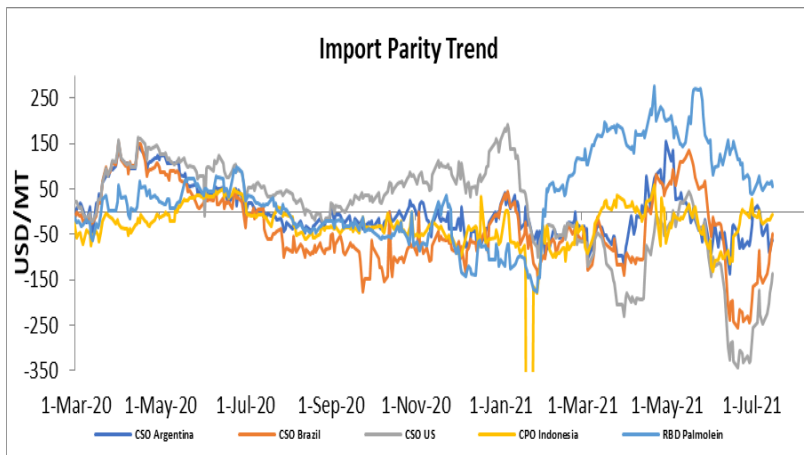
Coconut oil prices are expected to be firm in days ahead.

- Coconut oil exports scenario- India exported 1,285.01 tons Coconut oil in April 2021 v/s 839.74 tons export in April 2020.
- On the price front, currently the coconut oil prices in Kochi are hovering remain at Rs 16,600 (Rs 16,600) per quintal, and was quoted at 17,700 (Rs 17,700) per quintal in Erode market on July 24, 2021.

**Price Outlook:** Coconut oil (without GST) prices in Erode may stay in the range of Rs 1750-1800 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>July 5-July 11, 2021</b>	-57.13	-233.08	-326.59	166.07	223.78
<b>July 12-July 18, 2021</b>	-19.36	-146.14	-239.64	124.42	192.36
<b>July 19-July 25, 2021</b>	-71.24	-96.88	-190.39	92.74	166.25

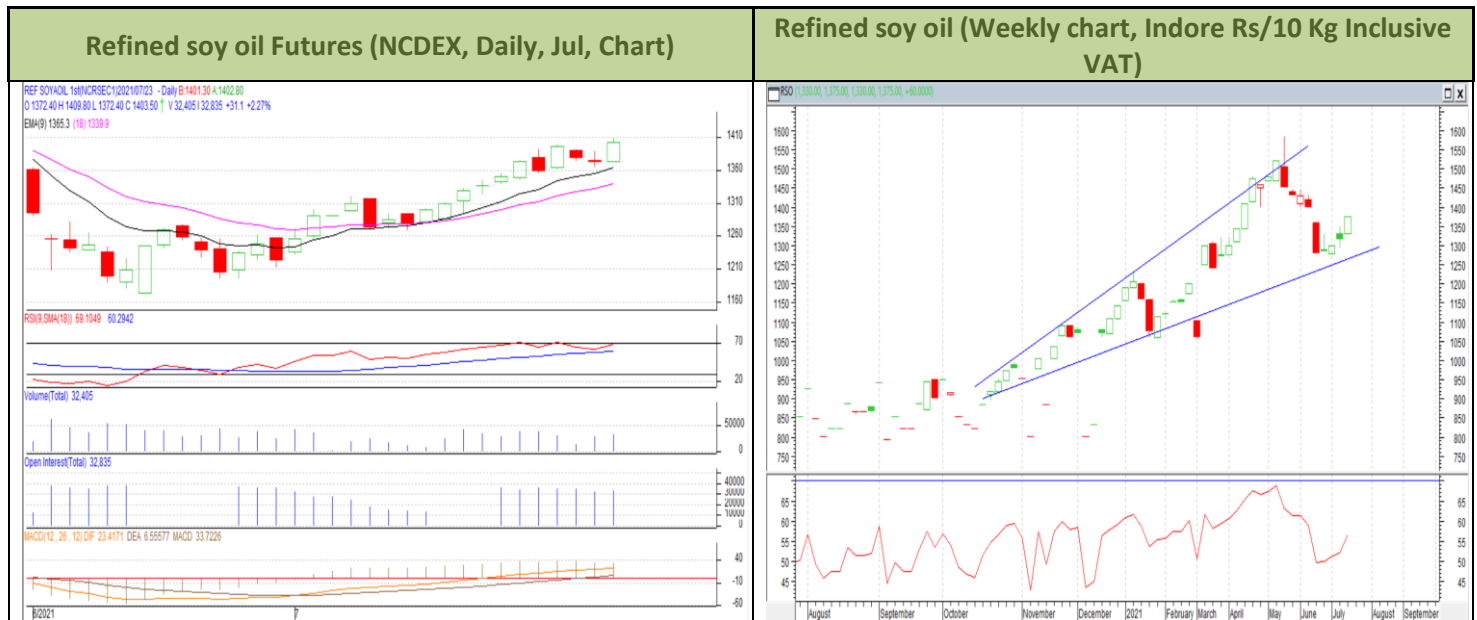
### Outlook:-

Refining margins disparity for CSO Argentina rose compared previous weeks as prices of soy oil in international markets traded sideways on back of downgrade in crop condition in US and rains in parts of US. We expect soy oil refining margin to achieve parity in medium term due to expectation of firm prices of soy oil in Indian markets.

Refining margin parity fell slightly for CPO. RBD palmolein refining margin parity also fell as international market price moved sideways trend. We expected CPO to retain parity in medium term.



### Technical Analysis (Refined soy oil)



**Outlook – Refined soybean oil witnessed upward trend during the week in review and is likely to trade firm with 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 up.
- Prices may hover between 1400-1450 levels.
- Expected price band for next week is 1400-1450 level in near to medium term. RSI and MACD are in neutral zone.

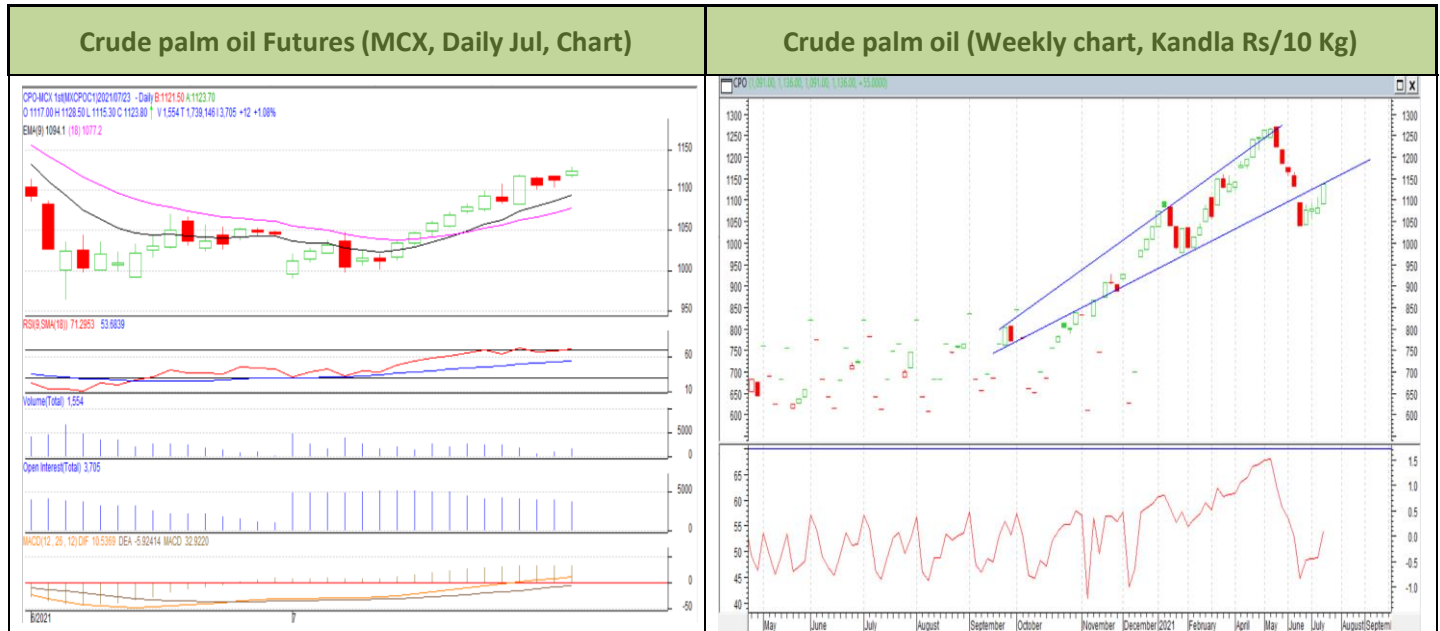
**Strategy:** Market participants are advised to go long in RSO above 1410 for a target of 1430 and 1440 with a stop loss at 1400 on closing basis.

#### RSO NCDEX (Jul)

Support and Resistance				
S2	S1	PCP	R1	R2
1378.73	1398.27	1417.8	1442.53	1462.07

**Spot Market outlook:** Refined soy oil Indore (without GST) is likely to stay in the range of Rs 1400-1450 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 Jul contract to trade firm.**

- Candlestick in weekly chart of crude palm oil at MCX depicts sideways trend in the prices. We expect the commodity to trade downwards in the near term.
- Price may range from Rs 1050-1120.
- Expected price band for next week is 1140-1180 level. RSI and MACD are in neutral zone.

**Strategy:** Market participants are advised to go long in CPO above 1150 for a target of 1170 and 1180 with a stop loss at 1145 on closing basis.

#### CPO MCX (Jul)

Support and Resistance				
S2	S1	PCP	R1	R2
1107.20	1130.30	1153.4	1182.16	1202.10

**Spot Market outlook:** Crude palm oil (without GST) is likely to stay in the range of Rs 1180-1250 per 10 Kg.

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

Commodity	Centre	Prices (Per 10 Kg)		Change
		24-Jul-21	17-Jul-21	
Refined Soybean Oil	Indore	1410	1375	35
	Indore (Soy Solvent Crude)	1350	1320	30
	Mumbai	1440	1400	40
	Mumbai (Soy Degum)	1360	1355	5
	Kandla/Mundra	1390	1370	20
	Kandla/Mundra (Soy Degum)	1355	1340	15
	Kolkata	1430	1375	55
	Delhi	1557	1555	2
	Nagpur	NR	0	-
	Rajkot	1430	1360	70
	Kota	1420	1370	50
	Hyderabad	NA	0	-
	Akola	1410	1335	75
	Amrawati	NR	0	-
	Bundi	1430	1380	50
	Jalna	1415	1335	80
	Solapur	1410	1330	80
	Dhule	1430	1340	90
	Nanded	1410	1330	80
	Latur	1410	1330	80
	Argentina Crude Soya (CIF India) USD	1329	1358	-29
	Argentina Crude Soya (FOB)	1267	1292	-25
	Soya Oil(Rot.)( Euro/MT FOB) (1000) GMT	NR	0	-
Palm Oil*	Kandla (Crude Palm Oil)	1187	1146	41
	Kandla (RBD Palm oil)	1180	1140	40
	Kandla RBD Pamolein	1230	1185	45
	Kakinada (Crude Palm Oil)	1160	1120	40
	Kakinada RBD Pamolein	1245	1205	40
	Haldia Pamolein	1240	1190	50
	Chennai RBD Pamolein	1240	1210	30
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1294	1260	34
	Krishnapattanam RBD Pamolein	1240	1195	45
	Mumbai RBD Pamolein	1240	1220	20
	Mangalore RBD Pamolein	1255	1220	35
	Tuticorin (RBD Palmolein)	-	0	-

	Mumbai (Refined)	1230	1200	30
	Rajkot (Refined)	1240	1205	35
	Chennai (Refined)	1260	1225	35
	Hyderabad (Refined)	1280	1230	50
	Delhi (Refined)	-	0	-
	PFAD (Kandla)	815	810	5
	RPS (Kandla)	950	915	35
	Superolien (Kandla)	1225	1210	15
	Superolien (Mumbai)	1270	1230	40
	Kochi (RBD Palmolein)	-	1205	-
	Krishnapattanam (Crude Palm Oil)	1160	1120	40
	Mumbai (Crude Palm Oil)	-	0	-
	Kolkata (Crude Palm Oil)	-	0	-
	Palm Kernel Oil (1000) GMT	-	0	-
Refined Sunflower Oil	Chennai (Refined)	1480	1480	Unch
	Chennai (Crude )	1400	1430	-30
	Mumbai (Refined)	1490	1420	70
	Mumbai (Expeller Oil)	1400	1370	30
	Kandla (Refined)	1470	1430	40
	Hyderabad (Refined)	1500	1460	40
	Hyderabad (Expeller)	1470	1410	60
	Latur (Refined)	1470	1410	60
	Latur (Expeller Oil)	1350	1290	60
	Chellakere (Expeller Oil)	1440	1380	60
	Erode (Expeller Oil)	1500	1480	20
	Kakinada (Refined)	1500	1490	10
	Krishna Pattanam (Refined)	1500	1490	10
	Delhi (Refined)	NR	0	-
	Sun Oil (Rotterdam)	NR	0	-
Groundnut Oil	Rajkot	1450	1375	75
	Chennai	1450	1450	Unch
	Delhi	NR	0	-
	Hyderabad *	1400	1375	25
	Mumbai	1480	1440	40
	Gondal	1450	1375	75
	Jamnagar	1450	1375	75
	Gujarat GN Telia	2290	2240	50
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1510	1440	70
	Jaipur (Kacchi Ghani Oil)	1560	1490	70
	Kota (Expeller Oil)	1500	1430	70

	Kota (Kacchi Ghani Oil)	1555	1480	75
	Neewai (Expeller Oil)	1525	1460	65
	Neewai (Kacchi Ghani Oil)	1545	1480	65
	Bharatpur (Kacchi Ghani Oil)	1570	1485	85
	Sri-Ganga Nagar(Exp Oil)	1505	1440	65
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1545	1480	65
	Mumbai (Expeller Oil)	1490	1460	30
	Kolkata(Expeller Oil)	1600	1600	Unch
	New Delhi (Expeller Oil)	1495	1410	85
	Hapur (Expeller Oil)	1570	1470	100
	Hapur (Kacchi Ghani Oil)	1600	1500	100
	Agra (Kacchi Ghani Oil)	1575	1490	85
	Nagpur (Expeller Oil)	NR	0	-
Refined Cottonseed Oil	Rajkot	1440	1405	35
	Hyderabad	1435	1375	60
	Mumbai	1480	1400	80
	New Delhi	NR	0	-
	Gujarat Cotton Wash	1440	1380	60
Coconut Oil	Kangayan (Crude)	1770	1770	Unch
	Cochin	1810	1810	Unch
	Coconut Oil(Rot.)(Phil/Indo)	NR	0	-
Rice Bran Oil	New Delhi (40%)	NR	0	-
	Punjab 4%)	1330	1260	70
	Bhatinda (Crude 4%)	1170	1020	150
	Bhatinda (Refined 4%)	1285	1135	150
	Hyderabad (Crude)	1225	1075	150
	Hyderabad (Refined)	1380	1250	130
	Kolkata (Crude)	NR	0	-
	Kolkata (Refined)	NR	0	-
	Raipur (Crude)	1200	1200	Unch
	Raipur (Refined)	1250	1250	Unch
	Odisha (Refined)	1320	1320	Unch
	Vijayawada (Refined)	1270	1250	20
Malaysia Palmolein USD/MT	FOB	1130	1090	40
	CNF India	1145	1130	15
Indonesia CPO USD/MT	FOB	1145	1110	35
	CNF India	1180	1150	30
RBD Palm oil (Malaysia Origin USD/MT)	FOB	NR	0	-
RBD Palm Stearin (Malaysia Origin	FOB	NR	0	-



USD/MT)				
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	NR	0	-
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	NR	0	-
Crude palm Kernel Oil India (USD/MT)	CNF India	Closed	1350	-
Ukraine Origin CSFO USD/MT Kandla	CIF	1310	1300	10
Rapeseed Oil Rotterdam Euro/MT	FOB	NR	0	-
Argentina FOB (\$/MT)		23-Jul-21	16-Jul-21	Change
Crude Soybean Oil Ship		1272	1306	-34
Refined Soy Oil (Bulk) Ship		1317	1352	-35
Sunflower Oil Ship		1295	1335	-40
Cottonseed Oil Ship		1252	1286	-34
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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