

# 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 73.49 against 74.28 previous weeks. Rupee expected to depreciate while crude oil prices expected to rise.*

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

#### *Outlook:*

*Weekly Call -: In NCDEX, Market participants are advised to go short below levels for a target of 1395 and 1390 with a stop loss at 1385 on closing basis. We expect Refined soy oil Indore (without GST) is likely to stay in the range of Rs 1410-1450 per 10 Kg.*

*In MCX, Market participants are advised to go long in CPO above 1200 for a target of 1215 and 1225 with a stop loss at 1190 on closing basis. We expect, Crude palm oil (without GST) is likely to stay in the range of Rs 1220-1260 per 10 Kg.*

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

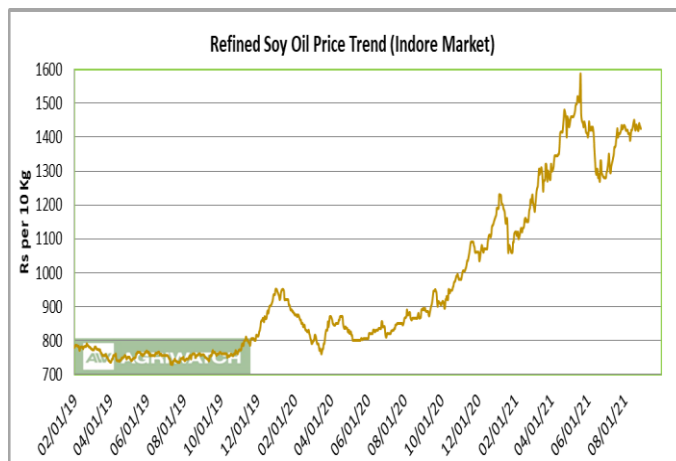
*On the international front, US Soy oil stock, Biodiesel mandate, China's demand, expected crop yield and rise in crude oil prices will underpin soy oil prices in coming days.*

*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 sideways trend in domestic markets for the week in review.
- International CBOT soy oil also traded sideways in last week.
- Domestic prices traded steady at Rs 1420-1435 range, supported by firm demand and tight supply of soybean.
- CBOT soy oil prices corrected as exports demand slows down. While, supply concerns are expected to support the demand.
- Government has slashed the import duty for crude soy oil from 15 percent to 7.5 percent, and Ref soy oi duty has been slashed from 45 percent to 37.5 percent, applicable till September 30.
- Low water level in Parana River is still an issue affecting exports from Argentina and Brazil.
- As on 27<sup>th</sup> August 2021, the area under soybean cultivation is 121.51 Lakh Ha compared to 120.56 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 55.86 lakh Ha compared to 58.460 Lakh ha of area last year for the same period of time.
- According to Solvent Extractors Association (SEA), India's July edible oil imports fell 37 percent y-o- y to 9.80 lakh tons from 15.65 lakh tons in July 2020. Palm oil imports fell 43.56 percent y-o-y to 4.65 lakh tons from 8.24 lakh tons in July 2020. CPO imports fell 45.66 percent y-o-y in July 2021 to 4.51 lakh tons from 8.30 lakh tons in July 2020. RBD palmolein import rose to 0.14 lakh tons in July 2021 compared to 0.00 lakh tons imports in July 2020. Soy oil imports fell 21.69 percent in July y-o-y to 3.79 lakh tons from 4.84 lakh tons in July 2020. Sunflower oil imports fell 21.69 percent in July y-o-y to 3.79 lakh tons from 4.84 lakh tons in July 2020. Rapeseed (canola) oil stood at 0 imports in June same as in last year.
- According to Solvent Extractors Association (SEA), India's August edible oil stocks at ports and pipelines fell 14.69 percent m-o-m to 16.95 lakh tons from 19.87 lakh tons in July 2021. Stocks of edible oil at ports in July is estimated at 585,000 tons CPO 170,000 tons, RBD Palmolein 5,000, Degummed Soybean Oil 225,000 tons and Crude Sunflower Oil 185,000. (Stocks at ports were 727,000 tons and in pipelines were 1,260,000 tons, in July 2021). India is presently holding 20 days of edible oil requirement on 1st August, 2021 at 16.95 lakh tons compared to 24 days of requirements of 19.87 lakh tons on 1st July 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 21.69 percent in July y-o-y to 3.79 lakh tons from 4.84 lakh tons in July 2020. For the current oil year 2020-21 (Nov 2020 -October 2021), soy oil for period of Nov.20- Jul'21 saw fall in imports to 22.30 lakh tons compared to 23.95 lakh tons in corresponding period last oil year, low by 6.89 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 prices are supported by low US supply side along with delay in Exports from Brazil and Argentina over low water level in Parana River.
- Soy oil prices are pressured by expectations of good crops as rains over parts in US has resulted in good blooming percent.
- Low water level in Parana River is affecting the exports from Brazil and Argentina, has supported the prices. Argentina exports are affected by more than 25 percent.
- According to United States Department of Agriculture (USDA) August estimate, U.S 2020/21 ending stocks of soy oil estimate has been decreased to 1,453 million lbs compared to 1,488 million lbs in July estimate. Opening stocks is kept unchanged at 1,793 million lbs. Production of soy oil in August is lowered to 25,710 million lbs compared to 25,945 million lbs in July's estimate. Imports in July are kept unchanged at 600 million lbs. Biofuel use in August is lowered to 11,500 million lbs compared to 12,000 million lbs in July. Food, feed and other industrial use in August estimate is increased to 13,700 million lbs compared to 13,400 million lbs in July. Exports is kept unchanged at 1,450 million lbs. Average price range estimate of August is same as of July at 65.0 cents per lb.
- The U.S. Department of Agriculture monthly supply and demand report for the month of August forecasts U.S. 2020/21 soybean end stocks unchanged at 155 million bushels. Opening stocks in August 2020/21 have increased to 160 million bushels compared to 135 million bushels in July. Soybean production in August estimate is lowered to 4,339 million bushels compared to 4,405 million bushels in July. U.S. soybean exports estimate in August are also lowered to 2,055 million bushels compared to 2,075 million bushels in July. Import's estimate is kept unchanged at 35 million bushels. Crush have lowered to 2,205 million bushels compared to 2,225 million bushels. Seed use in 2020/21 is same at 104 million bushels. Residual use is lowered to 14 million bushels compared to 15 million bushels. Average price range is kept unchanged at 13.70 cents/bushel same as in July month's estimate.

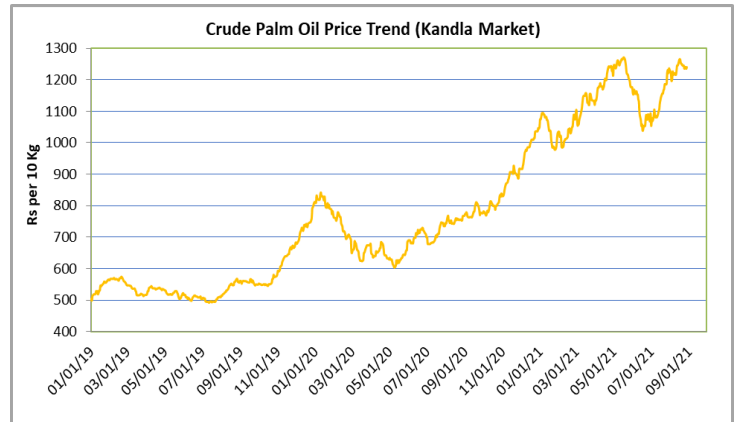
- According to United States Department of Agriculture (USDA) July estimate, U.S 2020/21 ending stocks of soy oil estimate has been decreased to 1,488 million lbs compared to 1,503 million lbs in June estimate. Opening stocks decreased to 1,793 million lbs compared from 1,808 million lbs in June 2020/21. 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 1410-1450 per 10 Kg in the near term.

### Palm oil Fundamental Analysis and Outlook :-

#### Domestic Front

- Crude palm oil (CPO) showed down trend at its benchmark market at Kandla following down trend in international market.
- BMD palm oil traded sideways in last week following rally in CBOT soy oil while, prices were pressured due to low export demand and high production.
- Domestic Palm oil prices are trading sideways



as prices are down following the international trend. While, low supply side will support the prices.

July's Palm imports is lower on m-o-m comparison to June 2021, and is lower on y-o-y comparison too, which will support the prices.

CPO imports have fallen down as RBD imports have picked up since it was moved to free category from restricted category.

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 July edible oil imports fell 37 percent y-o- y to 9.80 lakh tons from 15.65 lakh tons in July 2020. Palm oil imports fell 43.56 percent y-o-y to 4.65 lakh tons from

8.24 lakh tons in July 2020. CPO imports fell 45.66 percent y-o-y in July 2021 to 4.51 lakh tons from 8.30 lakh tons in July 2020. RBD palmolein import rose to 0.14 lakh tons in July 2021 compared to 0.00 lakh tons imports in July 2020. Soy oil imports fell 21.69 percent in July y-o-y to 3.79 lakh tons from 4.84 lakh tons in July 2020. Sunflower oil imports fell 21.69 percent in July y-o-y to 3.79 lakh tons from 4.84 lakh tons in July 2020. Rapeseed (canola) oil stood at 0 imports in June same as in last year.

- According to Solvent Extractors Association (SEA), India's August edible oil stocks at ports and pipelines fell 14.69 percent m-o-m to 16.95 lakh tons from 19.87 lakh tons in July 2021. Stocks of edible oil at ports in July is estimated at 585,000 tons CPO 170,000 tons, RBD Palmolein 5,000, Degummed Soybean Oil 225,000 tons and Crude Sunflower Oil 185,000. (Stocks at ports were 727,000 tons and in pipelines were 1,260,000 tons, in July 2021). India is presently holding 20 days of edible oil requirement on 1st August, 2021 at 16.95 lakh tons compared to 24 days of requirements of 19.87 lakh tons on 1st July 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 July fell 43.56 percent y-o-y to 4.65 lakh tons from 8.24 lakh tons in July 2020. For the current oil year 2020-21 (Nov 2020 - October 2021), Palm oil for period of Nov.20- Jul'21 saw rise in imports to 56.15 lakh tons compared to 50.62 lakh tons in corresponding period last oil year, higher by 10.92 percent compared to corresponding period last oil year.
- Crude Palm oil import scenario- According to Solvent Extractors Association (SEA), CPO Imports fell 45.66 percent y-o-y in July 2021 to 4.51 lakh tons from 8.30 lakh tons in July 2020. For the current oil year 2020-21 (Nov 2020 -October 2021), Crude palm oil for period of Nov.20- Jul'21 saw rise in imports to 54.69 lakh tons compared to 45.72 lakh tons in corresponding period last oil year, higher by 19.62 percent compared to corresponding period last oil year.
- RBD palmolein import scenario- RBD palmolein Imports rose to 0.14 lakh tons in July 2021 compared to 0.00 lakh tons imports in July 2020. For the current oil year 2020-21 (Nov 2020 -October 2021), RBD Palmolein oil for period of Nov.20- Jul'21 saw fall in imports to 0.43 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 sideways following sideways trend in rival soy oil. Further, tight supply amid firm demand supported the price.

Although, Indonesia and Malaysia have entered in high palm production months, but labor shortage is hampering with harvesting. Malaysia August production lowered compared to July's estimate.

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 Malaysia Palm Oil Board (MPOB), Malaysia's July Crude palm oil stocks fell 11.85 percent to 7.03 lakh tons compared to 7.98 lakh tons in June 2021. Production of palm oil in July fell 5.17 percent to 15.23 lakh tons compared to 16.06 lakh tons in June 2021. Exports of palm oil in July fell 0.75 percent to 14.08 lakh tons compared to 14.19 lakh tons in June 2021. Imports of palm oil in July rose to 6,496 tons from zero imports in previous month. Stocks of palm oil fell compared to trade expectation of rise in stocks. Fall in stocks is mainly expected due to labour problems.
- According to Indonesia the trade ministry, Indonesia will charge an export duty of USD 93 per ton on crude palm oil for August compared to US\$116 in July, whereas the Export levy is kept steady at \$175/Ton. Reference price of August is set at USD 1048.62 per ton compared to USD 1,094.15 per ton last month.
- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's July 1-20 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.

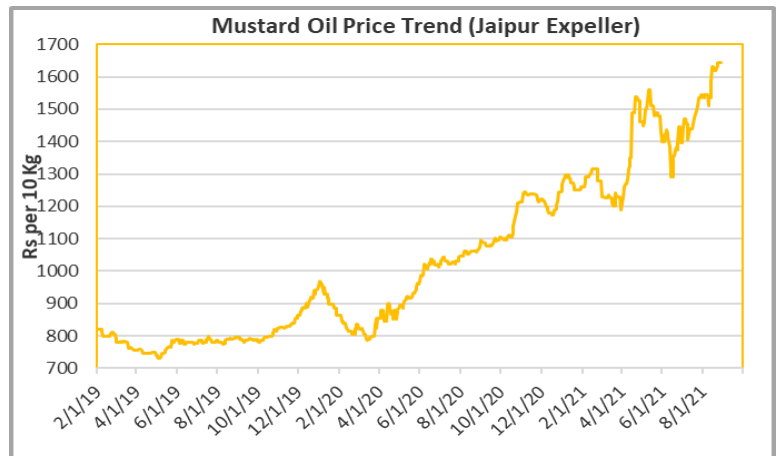


- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's July 1-10 palm oil exports fell 1.01 percent to 406,897 tons compared to 411,044 tons last month for same period.
- According to Malaysia Palm Oil Board (MPOB), Malaysia's June Crude palm oil stocks fell 5.09 percent to 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 1220-1260 per 10 Kg in the near term.

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

- Mustard oil prices showed firm trend in benchmark market as demand for oil is firm.
- Mustard oil prices are gradually rising as mustard seed stocks are at low and farmers are reluctant in releasing the stocks at their end in expectation of further high prices.
- Mustard oil is also taking positive cues from rising prices of competing oils and higher international prices of canola oil.
- The arrivals of mustard seeds in market have fell and over 89 percent mustard seeds have been already crushed.
- Mustard oil consumption has risen compared to last year due to immunity boosting properties leading to high demand.
- Premium of Jaipur kacchi ghani rapeseed oil over refined soy oil in domestic market is at Rs 220 per 10 Kg compared to Rs 185 per 10 Kg last week.  
Jaipur kacchi ghani rapeseed oil premium over RBD palmolein is at Rs 404 per 10 kg compared to Rs 350 per 10 Kg last week.
- According to Solvent Extractor Association of India, Rapeseed oil import scenario- India imported 0.00 lakh tons rapeseed (Canola) oil in July 2021 same as in June 2020. For the current oil year 2020-21 (Nov 2020 - October 2021), soy oil for period of Nov.20- Jul'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 1,645 (Rs 1,620) per 10 Kg, and at Kota market, it is offered at Rs 1,600 (Rs 1,550) per 10 kg as on August 28, 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 1600-1680 per 10 Kg.

Sunflower oil Fundamental Review and Analysis:-Domestic Front

- Sunflower oil price traded steady during the week in review in Chennai taking cue from rising acreage of sun seed and rising international prices of sun oil.

Sunflower oil premium over competing oils lowered over the previous weeks has supported its demand.

Rising acreage of Sun seed resulted in correction in domestic prices while lower July imports led to tight supply and supported its price.

Ukraine's July production lowered compared to last year leading to low sun seed stock resulting in rise in prices which is also supporting rise in domestic 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 75 (Rs 70 last week) per 10 kg, At present discount of sunflower oil over soy oil at CNF markets is at USD 30 (premium of USD 71 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.

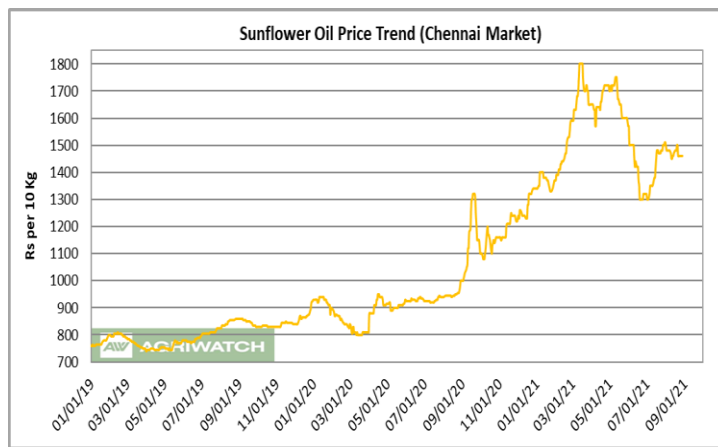
High sunflower oil premium over CPO at CNF India is at USD 130 (USD 150 last week) which will affect imports.

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 60 (Rs 30 last week) per 10 kg will lower sunflower oil prices.

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

- As on 27<sup>th</sup> August 2021, the total area under Sunflower kharif cultivation stood at 1.44 Lakh Ha compared to area of 1.12 Lakh ha in last year for the same period.
- Sunflower oil imports scenario- According to Solvent Extractors Association (SEA), Sunflower oil imports fell 34.94 percent y-o-y in July 2021 to 0.71 lakh tons from 2.08 lakh tons in July 2020. For the current oil year 2020-21 (Nov 2020 -October 2021), Sun oil for period of Nov.20- Jul'21 saw fall in imports to 22.30 lakh tons



compared to 23.95 lakh tons in corresponding period last oil year, lower 24.14 percent compared to corresponding period last oil year.

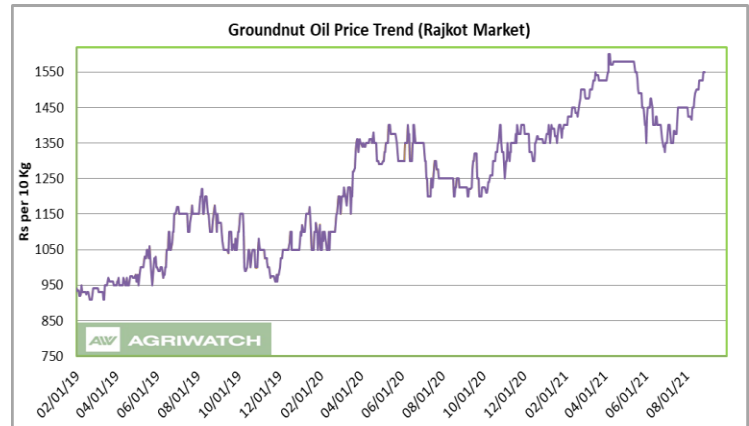
- On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 1230 (USD 1270 per ton for Jun delivery and July delivery quoted at USD 1230 (USD 1270) per ton. CNF sun oil (Ukraine origin) July monthly average was at USD 1277.59 per ton compared to USD 1326.92 per ton in June). 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 1,460 (Rs 1,460) per 10 Kg, and at Kandla/Mudra market, it is offered higher at Rs 1470 (Rs 1480) per 10 kg as on August 28, 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 1450-1500 per 10 Kg.

### Groundnut oil Fundamental Review and Analysis:-

#### Domestic Front

- Groundnut oil market prices showed rising movement in the market due to festivities demand and rise in prices of competing oils.
- Demand for groundnut oil exports has supported its price.
- The acreage under kharif groundnut crop is lower compared to last year. In Gujarat, the sowing is lagging by 1.44 lakh ha, which currently stand at 19.096 lakh ha compared to 20.536 lakh Ha.
- As on 27<sup>th</sup> August 2021, the total area under groundnut kharif cultivation stood at 48.07 Lakh Ha compared to area of 50.44 Lakh ha in last year for the same period.
- Groundnut oil exports scenario- India exported 449.85 tons Groundnut oil in May 2021 v/s 5,124.92 tons export in May 2020. It was mainly exported to China at 348.91 tons.
- On the price front, currently the groundnut oil prices in Rajkot is Rs 15,500 (Rs 15,250) per quintal and it was Rs 14,800 (Rs 14,800) per quintal in Chennai market on August 27, 2021. Values in brackets are figures of last week.
- Groundnut oil prices are likely to trade firm in the coming days.

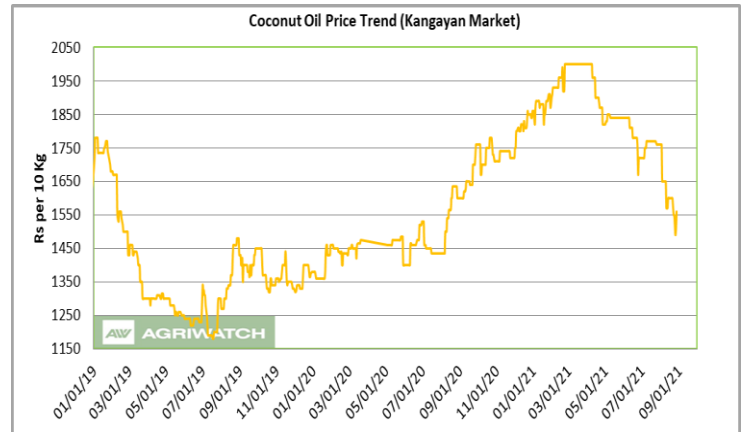


#### Price Outlook:

Groundnut oil (without GST) in Rajkot market is likely to trade in the price band of Rs 1450-1550 per 10 Kg

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

- Coconut oil benchmark market of Kanyan showed up trend. Prices rose after correction from 1750 levels.
- The prices rose as coconut oil premium over competing oils lowered significantly over the last month.
- Demand of coconut oil in home consumption is slow.



Demand of coconut oil in Cosmetic Industry are slow and expected to get back to normal as lockdown restrictions are relaxed in various states.

Millers operating capacity has improved amid firm 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.

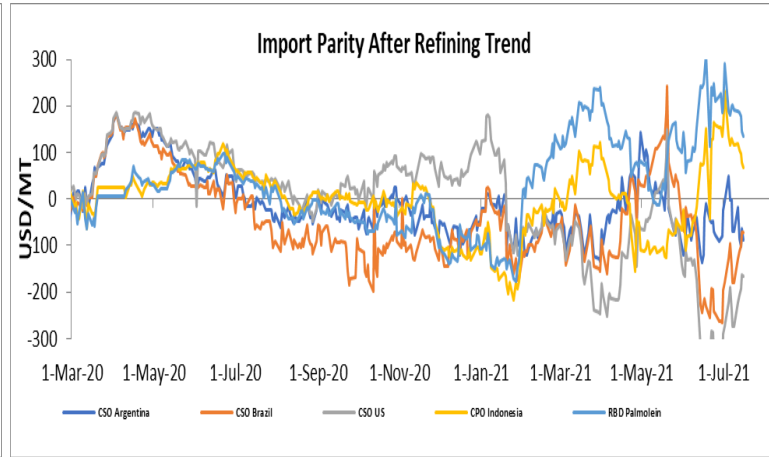
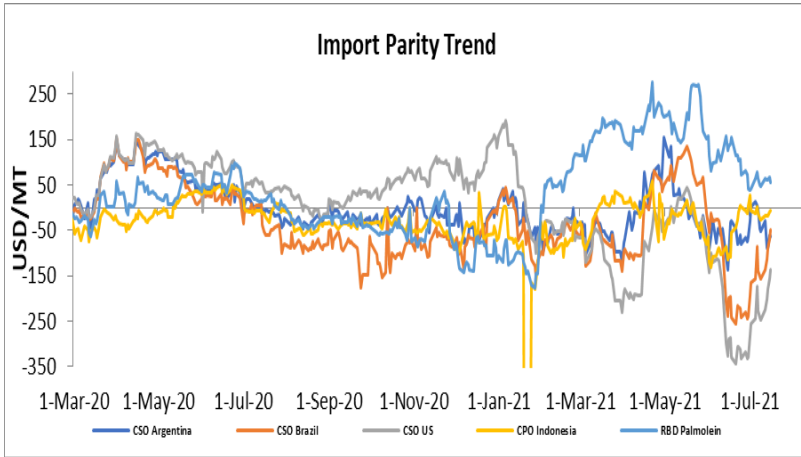
Coconut oil prices are expected to be firm in days ahead.

- Coconut oil exports scenario- India exported 1,31,783 tons Coconut oil in May 2021 v/s 894.93 tons export in May 2020.
- On the price front, currently the coconut oil prices in Kochi are hovering remain at Rs 16,800 (Rs 16,900) per quintal, and was quoted at 15,600 (Rs 16,000) per quintal in Erode market on August 28, 2021.

**Price Outlook:** Coconut oil (without GST) prices in Erode may stay in the range of Rs 1500-1600 per 10 Kg.

### Import Parity Trend

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



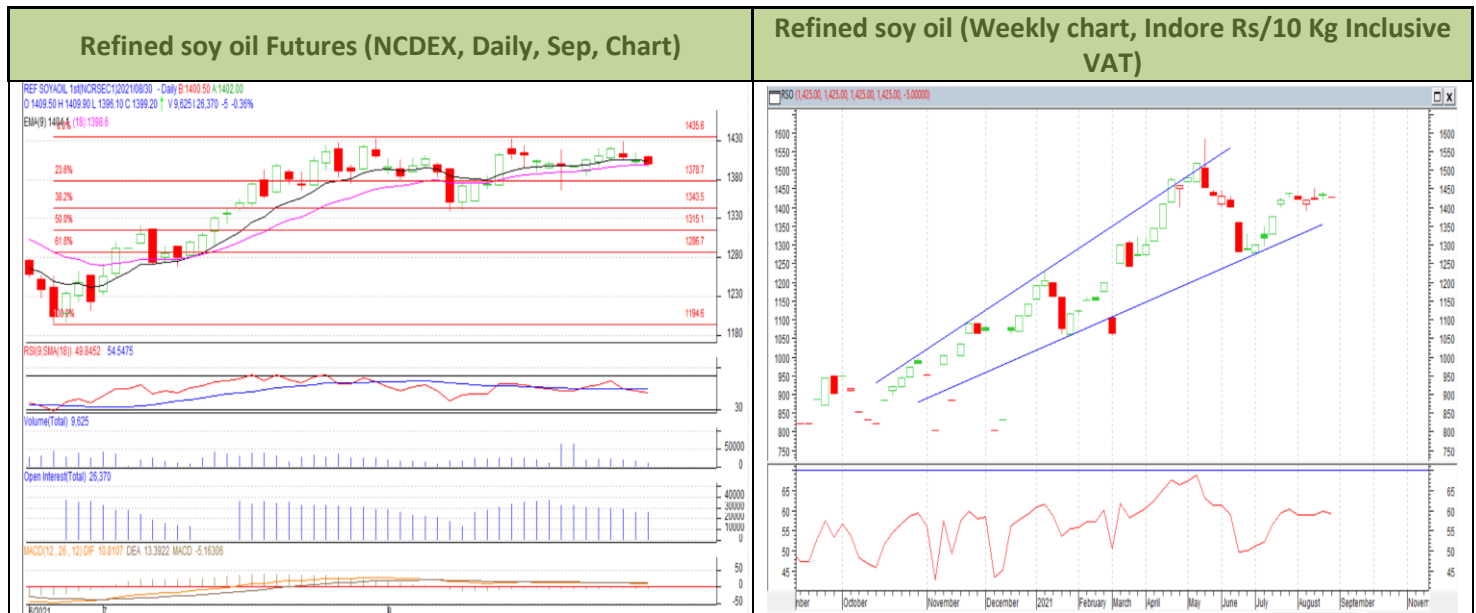
	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
<b>Aug 9-Aug 15, 2021</b>	-57.13	-233.08	-326.59	166.07	223.78
<b>Aug 16-Aug 22, 2021</b>	-19.36	-146.14	-239.64	124.42	192.36
<b>Aug 23-Aug 29, 2021</b>	-71.24	-96.88	-190.39	92.74	166.25

### 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 firm trend during the week in review and is likely to trade sideways in the coming days.**

- Daily chart of refined soy oil at NCDEX depicts sideways trend during the upcoming week in review. We expect prices to trade sideways.
- Prices may hover between 1410-1450 levels.
- Expected price band for next week is 1375-1440 level in near to medium term. RSI and MACD are in neutral zone.

**Strategy:** Market participants are advised to go short in RSO below 1405 for a target of 1395 and 1390 with a stop loss at 1385 on closing basis.

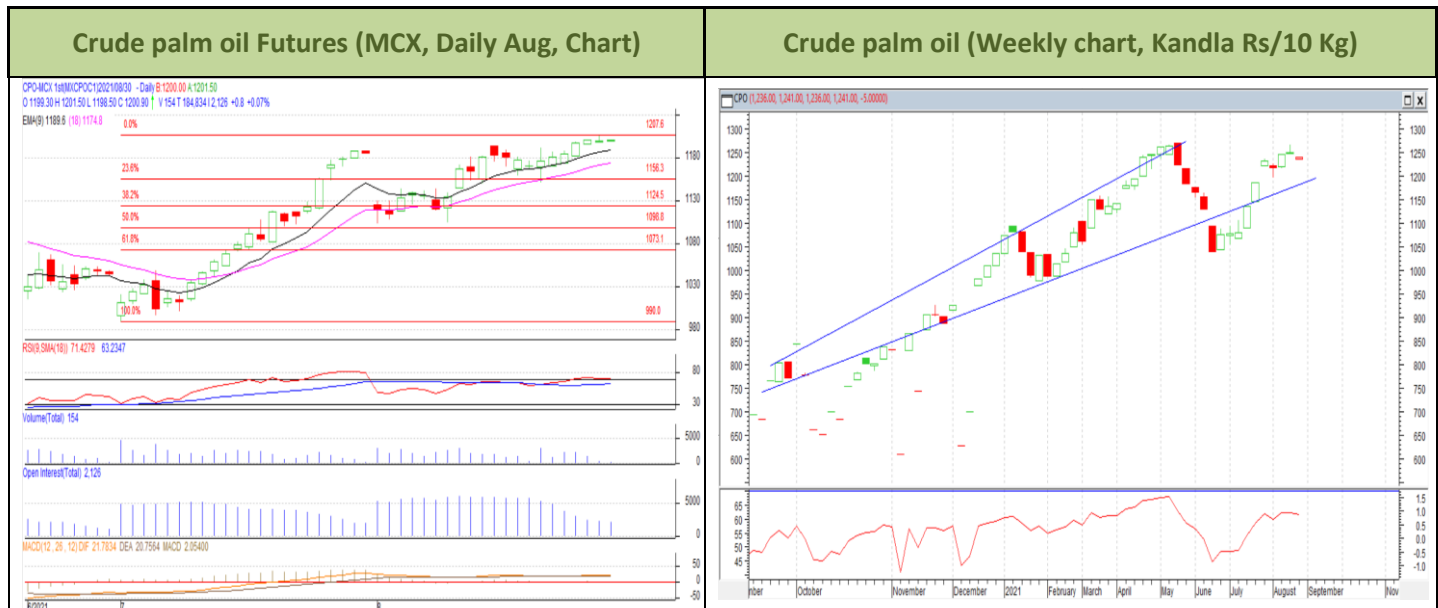
#### RSO NCDEX (Sep)

Support and Resistance				
S2	S1	PCP	R1	R2
1361.40	1382.80	1404.20	1426.80	1449.40

**Spot Market outlook:** Refined soy oil Indore (without GST) is likely to stay in the range of Rs 1410-1450 per 10 Kg.



### Technical Analysis (Crude Palm oil)



**Outlook – Kandla Daily CPO spot prices showed sideways trend in prices during the week. We expect that CPO Sep contract to trade sideways.**

- Candlestick in weekly chart of crude palm oil at MCX depicts sideways trend in the prices. We expect the commodity to trade sideways in the near term.
- Price may range from Rs 1220-1260.
- Expected price band for next week is 1150-1230 level. RSI and MACD are in neutral zone.

**Strategy:** Market participants are advised to go long in CPO above 1200 for a target of 1215 and 1225 with a stop loss at 1190 on closing basis.

#### CPO MCX (Aug)

Support and Resistance				
S2	S1	PCP	R1	R2
1156.50	1178.30	1200.1	1227.10	1248.90

**Spot Market outlook:** Crude palm oil (without GST) is likely to stay in the range of Rs 1220-1260 per 10 Kg.

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

Commodity	Centre	Prices (Per 10 Kg)		Change
		28-Aug-21	21-Aug-21	
Refined Soybean Oil	Indore	1425	1435	-10
	Indore (Soy Solvent Crude)	1375	1385	-10
	Mumbai	1410	1410	Unch
	Mumbai (Soy Degum)	1370	1370	Unch
	Kandla/Mundra	1400	1400	Unch
	Kandla/Mundra (Soy Degum)	1367	1375	-8
	Kolkata	1420	1410	10
	Delhi	1590	1593	-3
	Rajkot	1430	1460	-30
	Kota	1450	1450	Unch
	Akola	1420	1420	Unch
	Bundi	1460	1460	Unch
	Jalna	1415	1415	Unch
	Solapur	1415	1415	Unch
	Dhule	1420	1420	Unch
	Nanded	1415	1415	Unch
	Latur	1415	1415	Unch
	Argentina Crude Soya (CIF India) USD	1375	1400	-25
	Argentina Crude Soya (FOB)	1341	1327	14
Palm Oil*	Kandla (Crude Palm Oil)	1241	1246	-5
	Kandla (RBD Palm oil)	1230	1245	-15
	Kandla RBD Pamolein	1270	1270	Unch
	Kakinada (Crude Palm Oil)	1155	1145	10
	Kakinada RBD Pamolein	1260	1270	-10
	Haldia Pamolein	1260	1265	-5
	Chennai RBD Pamolein	1260	1280	-20
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1316	1328	-12
	Krishnapattanam RBD Pamolein	1255	1260	-5
	Mumbai RBD Pamolein	1270	1270	Unch
	Mangalore RBD Pamolein	1270	1285	-15
	Mumbai (Refined)	1260	1260	Unch
	Rajkot (Refined)	1265	1275	-10
	Chennai (Refined)	1250	1265	-15
	Hyderabad (Refined)	1260	1285	-25
	PFAD (Kandla)	815	810	5

	RPS (Kandla)	1180	1180	Unch
	Superolien (Kandla)	1295	1295	Unch
	Superolien (Mumbai)	1295	1295	Unch
	Krishnapattanam (Crude Palm Oil)	1155	1145	10
Refined Sunflower Oil	Chennai (Refined)	1460	1460	Unch
	Chennai (Crude )	1390	1390	Unch
	Mumbai (Refined)	1490	1500	-10
	Mumbai (Expeller Oil)	1440	1460	-20
	Kandla (Refined)	1470	1480	-10
	Hyderabad (Refined)	1450	1460	-10
	Hyderabad (Expeller)	1390	1400	-10
	Latur (Refined)	1530	1540	-10
	Latur (Expeller Oil)	1400	1420	-20
	Chellakere (Expeller Oil)	1390	1430	-40
	Erode (Expeller Oil)	1470	1520	-50
	Kakinada (Refined)	1460	1470	-10
	Krishna Pattanam (Refined)	1460	1470	-10
Groundnut Oil	Rajkot	1550	1525	25
	Chennai	1480	1480	Unch
	Hyderabad *	1500	1500	Unch
	Mumbai	1575	1550	25
	Gujarat GN Telia	2460	2410	50
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1645	1620	25
	Jaipur (Kacchi Ghani Oil)	1655	1630	25
	Kota (Expeller Oil)	1600	1550	50
	Kota (Kacchi Ghani Oil)	1635	1615	20
	Neewai (Expeller Oil)	1610	1605	5
	Neewai (Kacchi Ghani Oil)	1630	1625	5
	Bharatpur (Kacchi Ghani Oil)	1630	1620	10
	Sri-Ganga Nagar (Exp Oil)	1595	1575	20
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1635	1615	20
	Mumbai (Expeller Oil)	1610	1570	40
	Kolkata (Expeller Oil)	1710	1670	40
	New Delhi (Expeller Oil)	1620	1600	20
	Hapur (Expeller Oil)	1570	1590	-20
	Hapur (Kacchi Ghani Oil)	1600	1620	-20
	Agra (Kacchi Ghani Oil)	1635	1625	10
Refined Cottonseed Oil	Rajkot	1500	1500	Unch
	Hyderabad	1500	1505	-5

	Mumbai	1520	1510	10
	Gujarat Cotton Wash	1475	1470	5
Coconut Oil	Kangayan (Crude)	1560	1600	-40
	Cochin	1720	1800	-80
Rice Bran Oil	Punjab 4%)	1320	1340	-20
	Bhatinda (Crude 4%)	1200	1200	Unch
	Bhatinda (Refined 4%)	1315	1315	Unch
	Hyderabad (Crude)	1225	1225	Unch
	Hyderabad (Refined)	1380	1380	Unch
	Raipur (Crude)	1285	1285	Unch
	Raipur (Refined)	1400	1400	Unch
	Odisha (Refined)	1400	1400	Unch
	Vijayawada (Refined)	1260	1260	Unch
Malaysia Palmolein USD/MT	FOB	1165	1160	5
	CNF India	1195	1180	15
Indonesia CPO USD/MT	FOB	1205	1185	20
	CNF India	1215	1200	15
Crude palm Kernel Oil India (USD/MT)	CNF India	-	1400	-
Ukraine Origin CSFO USD/MT Kandla	CIF	1400	1390	10
Argentina FOB (\$/MT)		27-Aug-21	20-Aug-21	Change
Crude Soybean Oil Ship		1340	1295	45
Refined Soy Oil (Bulk) Ship		1387	1340	47
Sunflower Oil Ship		1325	1310	15
Cottonseed Oil Ship		1320	1275	45
* Indicates including GST				

Note - Domestic edible oil prices are in Indian rupees per 10 Kg, CNF/FOB/CIF prices are in USD per tons.

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