

# 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 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 73.52 against 72.99 previous weeks. Rupee expected to appreciate 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 1365 levels for a target of 1350 and 1345 with a stop loss at 1375 on closing basis. We expect Refined soy oil Indore (without GST) is likely to stay in the range of Rs 1285-1360 per 10 Kg.*

*In MCX, Market participants are advised to go short in CPO below 1125 for a target of 1105 and 1100 with a stop loss at 1135 on closing basis. We expect, Crude palm oil (without GST) is likely to stay in the range of Rs 1120-1200 per 10 Kg.*

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

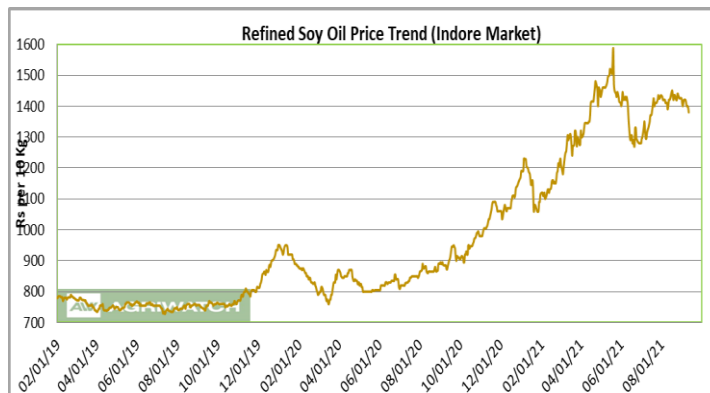
*On the international front, US Soy oil stock, Biodiesel mandate, China's demand, expected crop yield and rise in crude oil prices will underpin soy oil prices in coming days.*

*Rise in competing oil prices, labor problems in Indonesia and Malaysia, 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 down trend in domestic markets for the week in review.
- International CBOT soy oil also traded sideways in last week.
- Domestic prices corrected following import duty cut which government aims to curb price hike before festivals.
- 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 7.5 percent to 2.5 percent, and Ref soy oi duty has been slashed from 37.5 percent to 35.75 percent.
- Low water level in Parana River is still an issue affecting exports from Argentina and Brazil.
- As on 10<sup>th</sup> September 2021, the area under soybean cultivation is 121.67 Lakh Ha compared to 121.16 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 rose slightly during the week after sideways trend in prices of soy oil in international markets. We expect margins to retain parity 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) September estimate, U.S 2020/21 ending stocks of soy oil estimate has been increased to 1,478 million lbs compared to 1,453 million lbs in August estimate. Opening stocks is increased to 1,858 million lbs compared to 1,793 million lbs last month. Production of soy oil in September is lowered to 25,420 million lbs compared to 25,710 million lbs in August's estimate. Imports in September are lowered to 450 million lbs compared to 600 million lbs. Biofuel use in September is lowered to 11,000 million lbs compared to 11,500 million lbs in August. Food, feed and other industrial use in September estimate is increased to 14,000 million lbs compared to 13,700 million lbs in August. Exports is also lowered to 1,250 million lbs compared to 1,450 million lbs last month. 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 September forecasts U.S. 2020/21 soybean end stocks at 185 million bushels higher than previous estimate of 155 million lbs. Opening stocks in September 2020/21 have increased to 175 million bushels compared to 160 million bushels in August. Soybean production in September estimate is increased to 4,374 million bushels compared to 4,339 million bushels in August. U.S. soybean exports estimate in September are also increased to 2,090 million bushels compared to 2,055 million bushels in August. Import's estimate is lowered to 25 million bushels compared at 35 million bushels last month. Crush have lowered to 2,180 million bushels compared to 2,205

million bushels. Seed use in 2020/21 is same at 104 million bushels. Residual use is kept unchanged at 14 million bushels. Average price range is lowered to 12.90 cents/bushel compared to 13.70 cents/bushel August month's estimate.

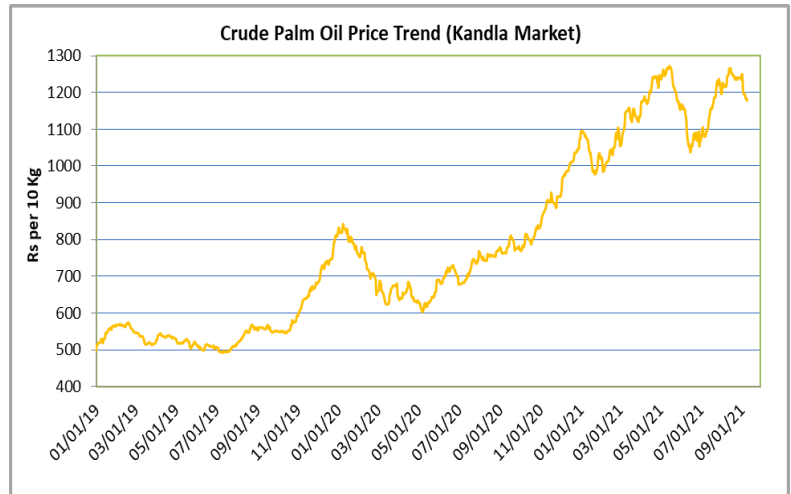
- According to United States Department of Agriculture (USDA) August estimate, U.S 2020/21 ending stocks of soy oil estimate has been decreased to 1,453 million lbs compared to 1,488 million lbs in July estimate. Opening stocks is kept unchanged at 1,793 million lbs. Production of soy oil in August is 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 1330-1400 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 as government lowered palm oil import duty in order to curb price hike before festivals.
- 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.
- Government of India revised Basic Custom



Duty on Crude palm oil from 7.5 percent to 2.5 percent and Refined palm oil to 32.5 percent. The effective duty include Agriculture cess and other charges on crude palm oil will be 24.75 percent, while for refined palm oil the duty stands at 35.75 percent. Similarly, crude soy oil and crude sun oil's new import duty stands at 2.5 percent. While, ref sun oil stands at 35.75 percent.

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 sideways trend in prices of palm oil in India markets.

### International Front

Palm oil prices traded sideways following sideways trend in rival soy oil. Further, rise in production amid low export demand resulted in price correction.

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

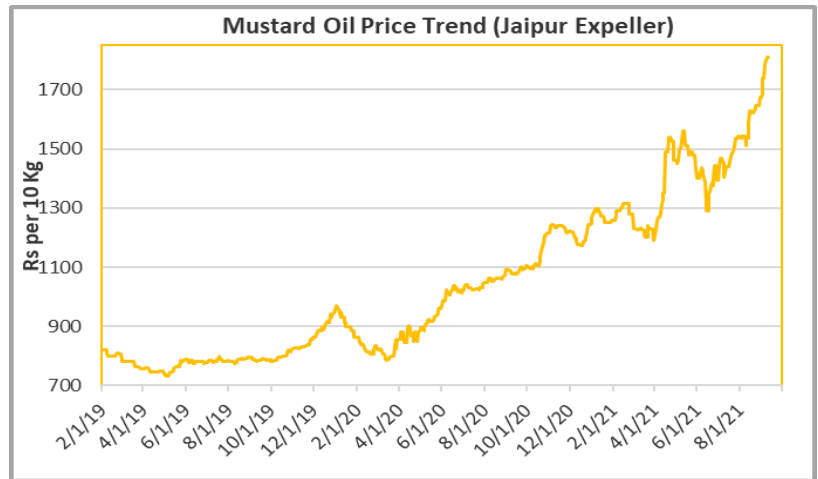
- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's Sept 1-10 palm oil exports rose 29.4 percent to 5.48 LT compared to 4.24 LT last month for same period.
- According to Malaysia Palm Oil Board (MPOB), Malaysia's August Crude palm oil stocks rose 35.07 percent to 9.51 lakh tons compared to 7.03 lakh tons in July 2021. Production of palm oil in August rose 11.80 percent to 17.02 lakh tons compared to 15.23 lakh tons in July 2021. Exports of palm oil in August fell 17.06 percent to 11.62 lakh tons compared to 14.02 lakh tons in July 2021. Imports of palm oil in August rose to 91,408 tons from 54,381 tons of imports in previous month. Stocks of palm oil rose to trade expectation of rise in stocks. Rise in stocks is mainly due to higher production and lower exports.
- 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 1120-1200 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 firm amid low supply side.
- 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.
- Mustard oil prices are expected to undergo correction as demand will be affected at higher prices.
- 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 430 per 10 Kg compared to Rs 330 per 10 Kg last week.  
Jaipur kacchi ghani rapeseed oil premium over RBD palmolein is at Rs 585 per 10 kg compared to Rs 500 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 1,810 (Rs 1,740) per 10 Kg, and at Kota market, it is offered at Rs 1,750 (Rs 1,680) per 10 kg as on September 11, 2021. Values in brackets are figures of last week.
- We expect RM seed oil prices to trade sideways in the coming days.



**Price Outlook:** Rapeseed Expeller oil (without GST) prices in Jaipur may stay in the range of Rs 1760-1820 per 10 Kg.

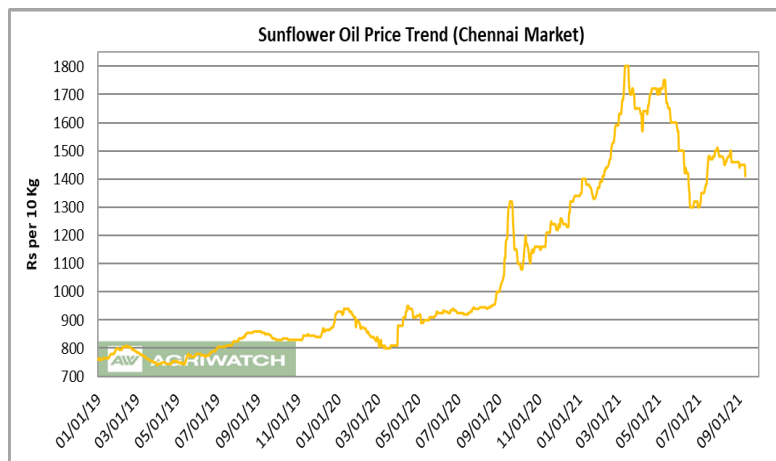
## Sunflower oil Fundamental Review and Analysis:-

### Domestic Front

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

Sunflower oil prices corrected following correction in international prices.

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



Ukraine and Russia's sunflower seed crop harvesting has begun.

In domestic market, sunflower oil prices premium over soy oil is at Rs 30 (Rs 75 last week) per 10 kg, At present discount of sunflower oil over soy oil at CNF markets is at USD 94 ( discount of USD 30 last week) per ton which indicates that sunflower oil prices is converging 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 75 (USD 130 last week) which will affect imports.

In domestic market, refined sunflower oil (Chennai) premium over RBD palmolein (Kandla) is at Rs 200 (Rs 250) per 10 kg which is high will cap sunflower oil in domestic market.

In domestic market, Sunflower oil (Chennai) is at discount over Groundnut oil at Chennai market is at Rs 110 (premium of Rs 60 last week) per 10 kg will support sunflower oil prices.

Prices of sunflower oil expected to correct as international prices correcting following arrival of new crops in Ukraine and Russia.

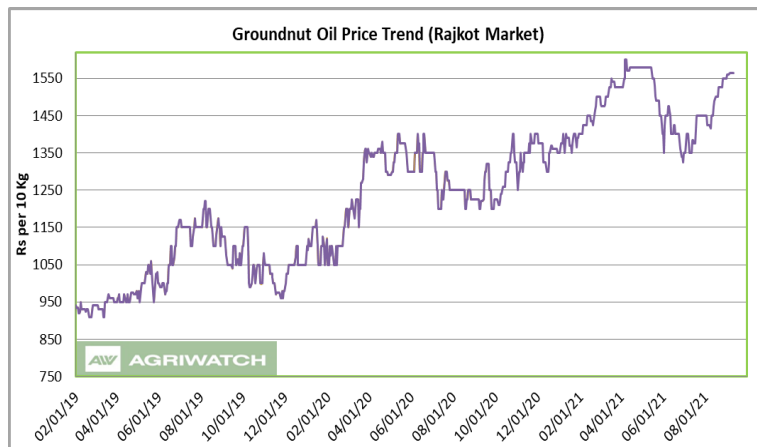
- As on 10<sup>th</sup> September 2021, the total area under Sunflower kharif cultivation stood at 1.42 Lakh Ha compared to area of 1.19 Lakh ha in last year for the same period.
- Sunflower oil imports scenario- According to Solvent Extractors Association (SEA), Sunflower oil imports fell 34.94 percent 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 1,410 (Rs 1,450) per 10 Kg, and at Kandla/Mudra market, it is offered higher at Rs 1430 (Rs 1460) per 10 kg as on September 11, 2021. Values in brackets are figures of last week.
- We expect sunflower oil prices to trade sideways in the coming days.

**Price Outlook:** Sunflower oil (without GST) prices in Chennai may stay in the range of Rs 1380-1430 per 10 Kg.

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

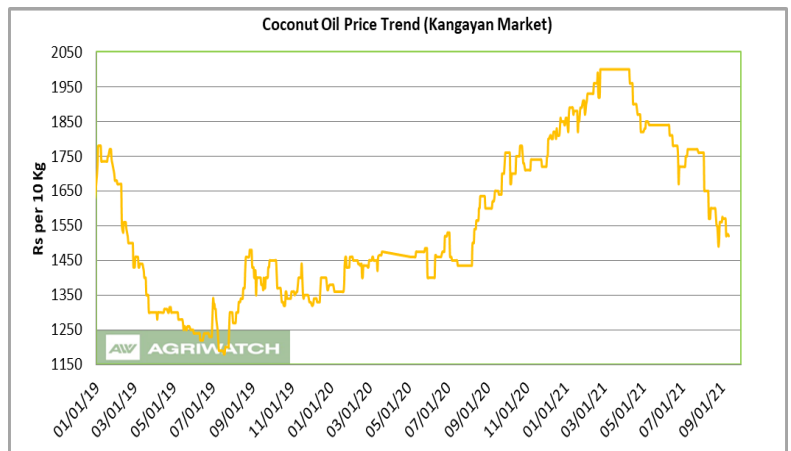
- Groundnut oil market prices showed rising movement in the market.
- Demand for groundnut oil exports has supported its price. Domestic demand is firm.
- Correction in prices of oil is expected following price correction in groundnut seed due to good monsoon rains.
- The acreage under kharif groundnut crop is lower compared to last year. In Gujarat, the sowing is lagging by 1.56 lakh ha, which currently stand at 19.096 lakh ha compared to 20.653 lakh Ha.
- As on 10<sup>th</sup> September 2021, the total area under groundnut kharif cultivation stood at 48.98 Lakh Ha compared to area of 50.91 Lakh ha in last year for the same period.
- Groundnut oil exports scenario- India exported 2,518.87 tons Groundnut oil in June 2021 v/s 7,101.91 tons export in June 2020 lowered by 64.53 percent. It was mainly exported to China at 2,350.67 tons.
- On the price front, currently the groundnut oil prices in Rajkot is Rs 15,650 (Rs 15,600) per quintal and it was Rs 14,800 (Rs 14,800) per quintal in Chennai market on September 11, 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 1530-1580 per 10 Kg

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

- Coconut oil benchmark market of Kanyan showed down trend. Prices corrected following down trend in Copra prices.
- 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 demand is firing up.

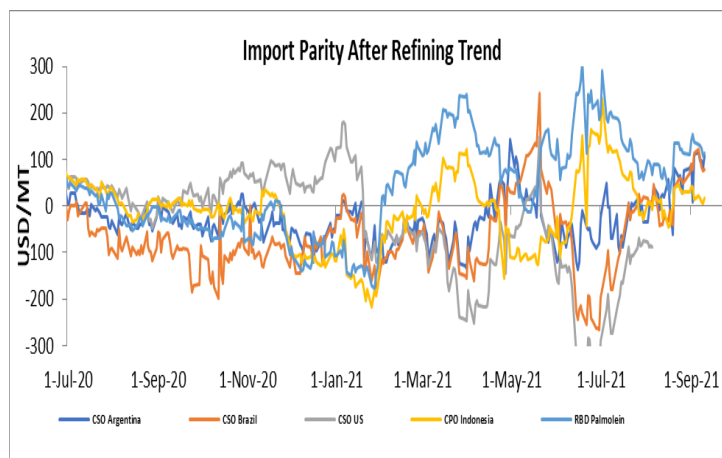
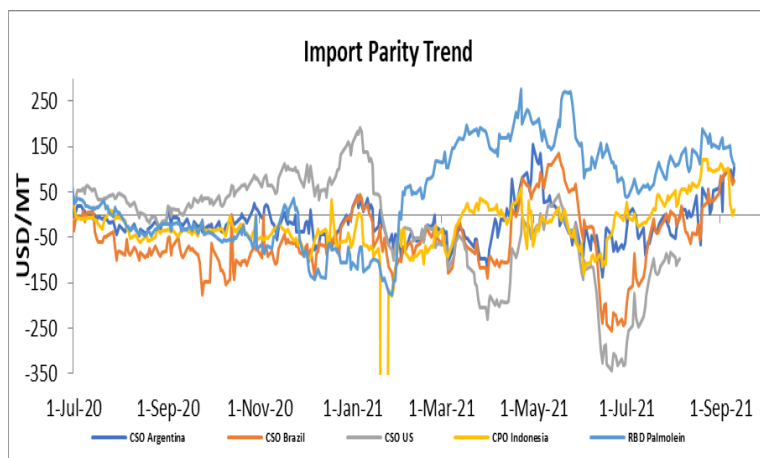
Millers operating capacity has improved amid firm demand in food and industrial segment and branded segment. Demand of coconut oil is firm, as competing oil prices are rising are competing for shares in market. The demand is firm and prices of branded coconut oils and legal blended coconut oils are also increasing. Coconut oil prices are expected to be sideways in days ahead.

- Coconut oil exports scenario- India exported 1,297.16 tons Coconut oil in June 2021 v/s 715.05 tons export in June 2020.
- On the price front, currently the coconut oil prices in Kochi are hovering remain at Rs 16,500 (Rs 16,800) per quintal, and was quoted at 15,200 (Rs 15,700) per quintal in Erode market on September 11, 2021.

**Price Outlook:** Coconut oil (without GST) prices in Erode may stay in the range of Rs 1500-1550 per 10 Kg.

### Import Parity Trend

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



	CSO Argentina	CSO Brazil	CPO Indonesia	RBD Palm olein
<b>Aug 23-Aug 29, 2021</b>	52.02	54.56	34.34	121.58
<b>Aug 30-Sep 5, 2021</b>	71.81	87.97	31.68	136.15
<b>Sep 6-Sep 12, 2021</b>	100.56	92.71	13.49	122.31

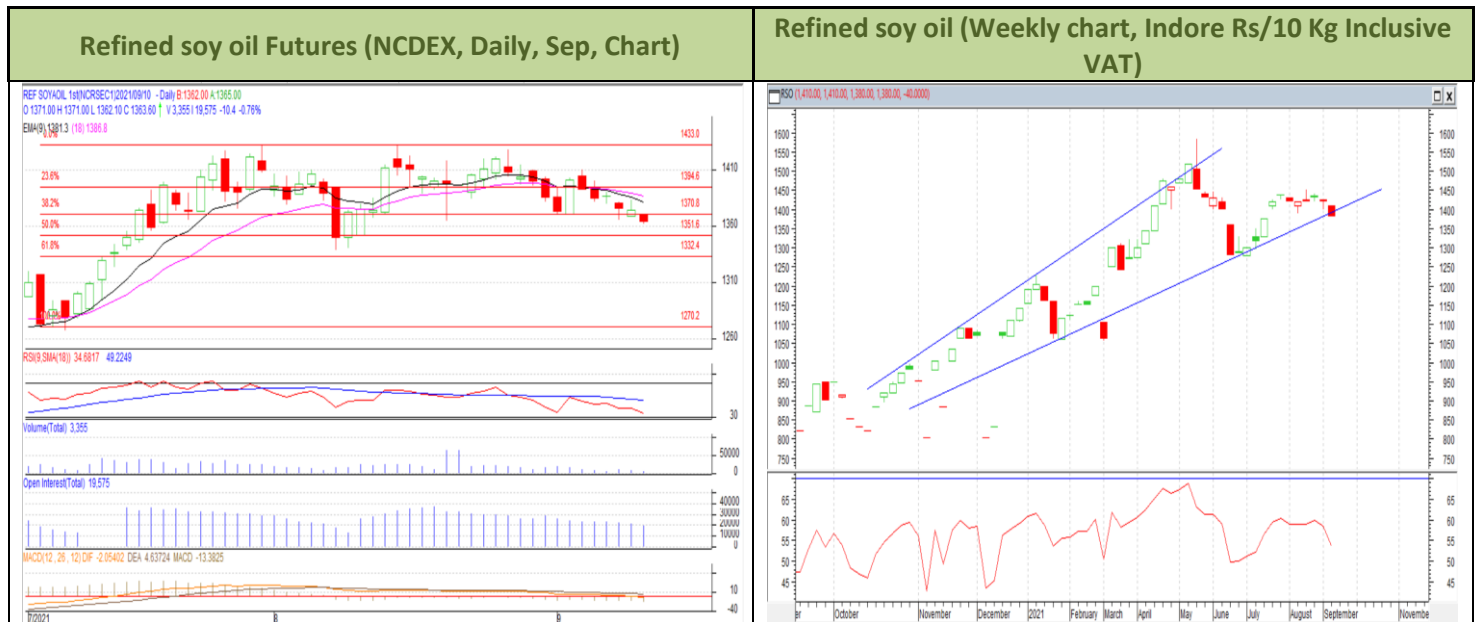
### Outlook:-

Refining margins for CSO Argentina achieved parity compared previous months 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 retain parity in medium term.

Refining margin parity fell slightly for CPO. RBD palm olein refining margin parity is higher than CPO parity. We expected CPO to retain parity in medium term.



### Technical Analysis (Refined soy oil)



**Outlook – Refined soybean oil witnessed down 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 1330-1400 levels.
- Expected price band for next week is 1285-1360 level in near to medium term. RSI and MACD are in neutral zone.

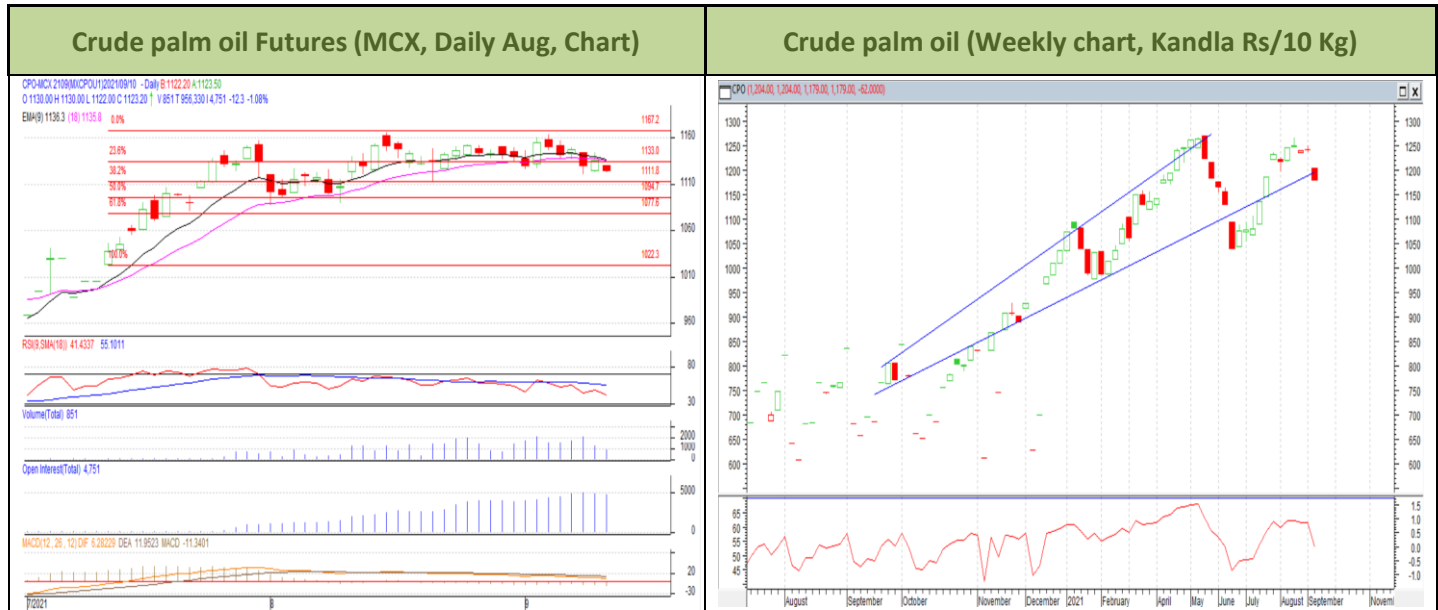
**Strategy:** Market participants are advised to go short in RSO below 1365 for a target of 1350 and 1345 with a stop loss at 1375 on closing basis.

#### RSO NCDEX (Sep)

Support and Resistance				
S2	S1	PCP	R1	R2
1311.90	1337.00	1362.10	1388.70	1413.80

**Spot Market outlook:** Refined soy oil Indore (without GST) is likely to stay in the range of Rs 1330-1400 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 1120-1200.
- Expected price band for next week is 1090-1145 level. RSI and MACD are in neutral zone.

**Strategy:** Market participants are advised to go short in CPO below 1125 for a target of 1105 and 1100 with a stop loss at 1135 on closing basis.

#### CPO MCX (Sep)

Support and Resistance				
S2	S1	PCP	R1	R2
1072.40	1096.20	1123.20	1147.00	1170.80

**Spot Market outlook:** Crude palm oil (without GST) is likely to stay in the range of Rs 1120-1200 per 10 Kg.

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

Commodity	Centre	Prices (Per 10 Kg)		Change
		11-Sep-21	4-Sep-21	
Refined Soybean Oil	Indore	1380	1420	-40
	Indore (Soy Solvent Crude)	1335	1360	-25
	Mumbai	1390	1410	-20
	Mumbai (Soy Degum)	1340	1360	-20
	Kandla/Mundra	1370	1395	-25
	Kandla/Mundra (Soy Degum)	1335	1363	-28
	Kolkata	1385	1400	-15
	Delhi	1597	1590	7
	Rajkot	1380	1380	Unch
	Kota	1400	1400	Unch
	Akola	1420	1420	Unch
	Bundi	1410	1410	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	1332	1374	-42
	Argentina Crude Soya (FOB)	1271	1306	-35
Palm Oil*	Kandla (Crude Palm Oil)	1179	1241	-62
	Kandla (RBD Palm oil)	1200	1225	-25
	Kandla RBD Pamolein	1225	1250	-25
	Kakinada (Crude Palm Oil)	1110	1125	-15
	Kakinada RBD Pamolein	1215	1230	-15
	Haldia Pamolein	1270	1280	-10
	Chennai RBD Pamolein	1215	1240	-25
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1275	1300	-25
	Krishnapattanam RBD Pamolein	1205	1225	-20
	Mumbai RBD Pamolein	1235	1260	-25
	Mangalore RBD Pamolein	1220	1250	-30
	Mumbai (Refined)	1240	1260	-20
	Rajkot (Refined)	1240	1275	-35
	Chennai (Refined)	1210	1235	-25
	Hyderabad (Refined)	1230	1270	-40
	PFAD (Kandla)	815	820	-5

	RPS (Kandla)	1145	1150	-5
	Superolien (Kandla)	1250	1275	-25
	Superolien (Mumbai)	1260	1285	-25
	Krishnapattanam (Crude Palm Oil)	1110	1125	-15
Refined Sunflower Oil	Chennai (Refined)	1410	1450	-40
	Chennai (Crude )	1330	1360	-30
	Mumbai (Refined)	1440	1470	-30
	Mumbai(Expeller Oil)	1370	1400	-30
	Kandla (Refined)	1430	1460	-30
	Hyderabad (Refined)	1400	1420	-20
	Hyderabad (Expeller)	1330	1350	-20
	Latur (Refined)	1400	1485	-85
	Latur (Expeller Oil)	1350	1355	-5
	Chellakere (Expeller Oil)	1340	1345	-5
	Erode (Expeller Oil)	1430	1450	-20
	Kakinada (Refined)	1400	1415	-15
	Krishna Pattanam (Refined)	1400	1415	-15
Groundnut Oil	Rajkot	1565	1560	5
	Chennai	1480	1480	Unch
	Delhi	NR	0	-
	Hyderabad *	1480	1500	-20
	Mumbai	1585	1590	-5
	Gondal	Closed	1575	-
	Jamnagar	Closed	1560	-
	Gujarat GN Telia	2480	2480	Unch
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1810	1740	70
	Jaipur (Kacchi Ghani Oil)	1820	1750	70
	Kota (Expeller Oil)	1750	1680	70
	Kota (Kacchi Ghani Oil)	1810	1725	85
	Neewai (Expeller Oil)	1790	1710	80
	Neewai (Kacchi Ghani Oil)	1810	1730	80
	Bharatpur (Kacchi Ghani Oil)	1810	1710	100
	Sri-Ganga Nagar(Exp Oil)	1770	1685	85
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1810	1725	85
	Mumbai (Expeller Oil)	1760	1670	90
	Kolkata(Expeller Oil)	1760	1720	40
	New Delhi (Expeller Oil)	1760	1670	90
	Hapur (Expeller Oil)	1570	1570	Unch
	Hapur (Kacchi Ghani Oil)	1600	1600	Unch
	Agra (Kacchi Ghani Oil)	1805	1715	90

Refined Cottonseed Oil	Rajkot	1430	1475	-45
	Hyderabad	1440	1480	-40
	Mumbai	1460	1500	-40
	Gujarat Cotton Wash	1400	1435	-35
Coconut Oil	Kangayan (Crude)	1520	1570	-50
	Cochin	1670	1680	-10
Rice Bran Oil	Punjab 4%)	1380	1340	40
	Bhatinda (Crude 4%)	1100	1200	-100
	Bhatinda (Refined 4%)	1215	1315	-100
	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	1190	1170	20
	CNF India	1210	1205	5
Indonesia CPO USD/MT	FOB	1220	1230	-10
	CNF India	1225	1225	Unch
Crude palm Kernel Oil India (USD/MT)	CNF India	Closed	1420	-
Ukraine Origin CSFO USD/MT Kandla	CIF	1360	1280	80
Argentina FOB (\$/MT)		10-Sep-21	3-Sep-21	Change
Crude Soybean Oil Ship		1270	1310	-40
Refined Soy Oil (Bulk) Ship		1314	1356	-42
Sunflower Oil Ship		1320	1330	-10
Cottonseed Oil Ship		1250	1290	-40
* 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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