

# Veg. Oil Weekly Research Report

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### *Executive Summary*

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

*Edible oil prices featured down trend during this week in domestic market. CBOT soy oil and BMD palm oil prices quoted sideways trend during the week. Soy oil, Groundnut oil and palm oil prices saw down trend. While, Coconut oil, Mustard oil and sunflower oil traded steady.*

*On the currency front, Indian rupee is hovering near 74.15 against 73.81 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 1330 levels for a target of 1315 and 1305 with a stop loss at 1330 on closing basis. We expect Refined soy oil Indore (without GST) is likely to stay in the range of Rs 1330-1380 per 10 Kg.*

*In MCX, Market participants are advised to go short in CPO below 1135 for a target of 1115 and 1105 with a stop loss at 1140 on closing basis. We expect, Crude palm oil (without GST) is likely to stay in the range of Rs 1135-1175 per 10 Kg.*

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

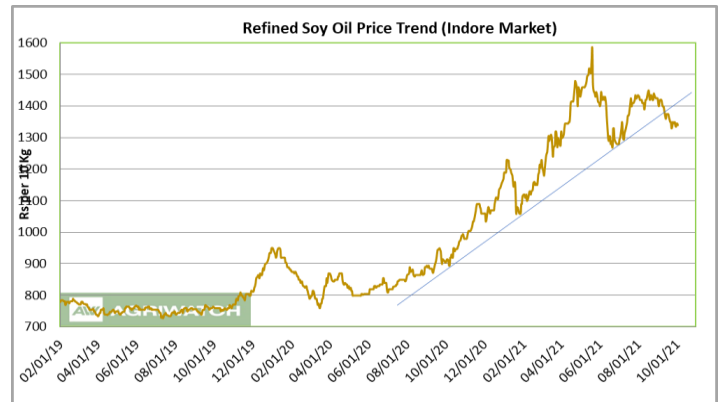
*On the international front, US Soy oil stock, arrival of US new soybean crop, Biodiesel mandate, China's energy crisis, expected crop yield and rise in crude oil prices will underpin soy oil prices in coming days.*

*Rise in competing oil prices, rising production in Indonesia and Malaysia, demand from China and India and rise in use of biofuel 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 down in last week as exports slowed down in US and arrival of new soybean crop.
- Domestic prices corrected following bearish international market and cut in import duty cut which government aims to curb price hike before festivals.
- In Madhya Pradesh soybean standing crop is affected by excess rainfall in September in various districts of Madhya Pradesh. According to IMD, in September state has received 31% above average rainfall.
- In Maharashtra soybean standing crop is affected by excess rainfall triggered by cyclone gulab in Nagpur, yavatamal and wardha districts of Maharashtra. According to IMD, Maharashtra has received 95% above average rainfall in September.
- According to IMD, Rajasthan has received 175% above average rainfall in September, western Rajasthan has received even more.
- Overall, according to AgriWatch estimates 8-10 percent yield losses are expected.
- Prices are expected to move sideways as currently prices are correcting while coming festivities demand and yield losses will support prices.
- Soy oil in NCDEX prices also closed down as govt increased the import tariff leading to higher prices which affected the demand.
- Prices are expected to corrected due to lower import duty, while, low August Soy oil imports will underpin the prices.
- 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.
- As on 17<sup>th</sup> September 2021, the area under soybean cultivation is 121.77 Lakh Ha compared to 121.20 Lakh ha last year for the same period.
- Good monsoon rains improved the crop condition which is expected with good yields, will correct the prices in coming times. Whereas, Madhya Pradesh is still lagging in sowing progression by 2.70 lakh Ha, standing at 55.840 lakh Ha compared to 58.540 Lakh ha of area last year for the same period of time.



- According to Solvent Extractors Association (SEA), India's August edible oil imports fell 23 percent y-o-y to 10.16 lakh tons from 13.70 lakh tons in August 2020. Palm oil imports rose 2.18 percent y-o-y to 7.50 lakh tons from 7.34 lakh tons in August 2020. CPO imports fell 24.03 percent y-o-y in Aug 2021 to 5.50 lakh tons from 7.24 lakh tons in Aug 2020. RBD palmolein import rose to 1.87 lakh tons in Aug 2021 compared to 0.00 lakh tons imports in Aug 2020. Soy oil imports fell 53.81 percent in Aug y-o-y to 1.82 lakh tons from 3.94 lakh tons in Aug 2020. Sunflower oil imports fell 1.41 percent in Aug y-o-y to 0.72 lakh tons from 0.71 lakh tons in July 2020. Rapeseed (canola) oil stood at 12,437 lakh tons imports in Aug compared to 20,801 lakh tons in last year for same period.
- According to Solvent Extractors Association (SEA), India's September edible oil stocks at ports and pipelines rose by 3.24 percent m-o-m to 17.50 lakh tons from 16.95 lakh tons in August 2021. Stocks of edible oil at ports in September is estimated at 600,000 tons (CPO 195,000 tons, RBD Palmolein 75,000, Degummed Soybean Oil 215,000 tons, Crude Sunflower Oil 110,000 tons and Rapeseed Oil 5,000 tons). Stocks at ports were 585,000 tons and in pipelines were 1,110,000 tons, in August 2021. India is presently holding 21 days of edible oil requirement on 1st September, 2021 at 17.50 lakh tons compared to 20 days of requirements of 16.95 lakh tons on 1st August 2021. India held 17.31 lakh tons of stocks in ports and pipelines on 1st Sept 2020. India's monthly edible oil requirement is 26.0 lakh tons.
- Soy oil import scenario – According to SEA, Soy oil imports fell 53.81 percent in Aug y-o-y to 1.82 lakh tons from 3.94 lakh tons in Aug 2020. For the current oil year 2020-21 (Nov 2020 -October 2021), soy oil for period of Nov.20- Aug'21 saw fall in imports to 24.12 lakh tons compared to 27.89 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 1385 (USD 1325) per ton for Oct delivery, Nov and Dec is delivery quoted at USD 1379 (USD 1319) per ton. Values in brackets are figures of last week. Last month, CNF CDSO Sep average price was USD 1364.69 (USD 1316.56 per ton in Aug 2021) per ton. Soy refined (Indore) quoted at Rs 1365 (Rs 1380 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 correcting as exports slowed down as Hurricane Ida hit US Gulf ports affecting exports activities. This led to higher shipping costs too. Furthermore, starting of harvesting of soybean crop in US led to lower prices. The weather is favorable for harvesting and crop conditions also improved.
- Demand from China is slacked due to energy crisis which led to power plant shut down.

- Brazil also started planting their new soybean crop. Last year Brazil saw increase in acreage by 3.35 percent to 38.19 M Ha compared to 36.95 M Ha in year 2019/20.
- According to NOPA, U.S. August soybean crush seen at 154.183 million bushels down by 0.6 percent from 155.105 million bushels in July and down by 6.6 percent on yearly basis from 165.055 million bushels crushed last year.
- 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.

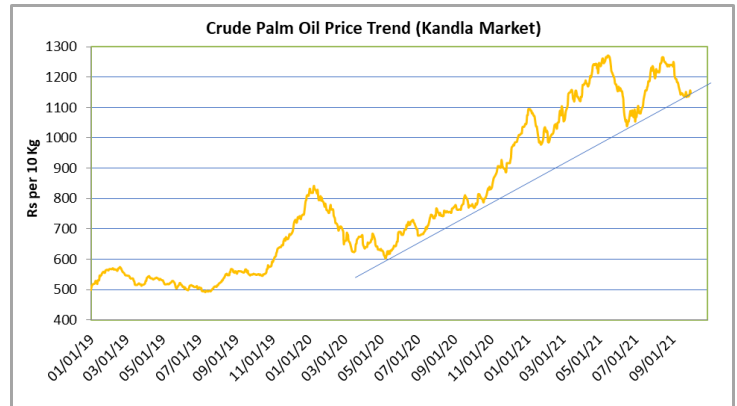
- The U.S. Department of Agriculture monthly supply and demand report for the month of August forecasts U.S. 2020/21 soybean end stocks unchanged at 155 million bushels. Opening stocks in August 2020/21 have increased to 160 million bushels compared to 135 million bushels in July. Soybean production 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 1330-1380 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.
- BMD palm oil traded sideways in last week while it is consolidating in the range of 1413.67-to-4741.57-ringgit levels. Prices closed down on profit booking.
- Domestic prices closed up as HoReCa sector demand is firming up. Festival demand will also support the price.
- Prices will trade in sideways movement with upward bias.
- 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.



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.

- 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 August edible oil imports fell 23 percent y-o- y to 10.16 lakh tons from 13.70 lakh tons in August 2020. Palm oil imports rose 2.18 percent y-o-y to 7.50 lakh tons from 7.34 lakh tons in August 2020. CPO imports fell 24.03 percent y-o-y in Aug 2021 to 5.50 lakh tons from 7.24 lakh tons in Aug 2020. RBD palmolein import rose to 1.87 lakh tons in Aug 2021 compared to 0.00 lakh tons imports in Aug 2020. Soy oil imports fell 53.81 percent in Aug y-o-y to 1.82 lakh tons from 3.94 lakh tons in Aug 2020. Sunflower oil imports fell 1.41 percent in Aug y-o-y to 0.72 lakh tons from 0.71 lakh tons in July 2020. Rapeseed (canola) oil stood at 12,437 lakh tons imports in Aug compared to 20,801 lakh tons in last year for same period.

- According to Solvent Extractors Association (SEA), India's September edible oil stocks at ports and pipelines rose by 3.24 percent m-o-m to 17.50 lakh tons from 16.95 lakh tons in August 2021. Stocks of edible oil at ports in September is estimated at 600,000 tons (CPO 195,000 tons, RBD Palmolein 75,000, Degummed Soybean Oil 215,000 tons, Crude Sunflower Oil 110,000 tons and Rapeseed Oil 5,000 tons). Stocks at ports were 585,000 tons and in pipelines were 1,110,000 tons, in August 2021. India is presently holding 21 days of edible oil requirement on 1st September, 2021 at 17.50 lakh tons compared to 20 days of requirements of 16.95 lakh tons on 1st August 2021. India held 17.31 lakh tons of stocks in ports and pipelines on 1st Sept 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 August rose 2.18 percent y-o-y to 7.50 lakh tons from 7.34 lakh tons in August 2020. For the current oil year 2020-21 (Nov 2020 -October 2021), Palm oil for period of Nov.20- Aug'21 saw rise in imports to 63.65 lakh tons compared to 57.96 lakh tons in corresponding period last oil year, higher by 9.82 percent compared to corresponding period last oil year.
- Crude Palm oil import scenario- According to Solvent Extractors Association (SEA), CPO Imports fell 24.03 percent y-o-y in Aug 2021 to 5.50 lakh tons from 7.24 lakh tons in Aug 2020. For the current oil year 2020-21 (Nov 2020 -October 2021), Crude palm oil for period of Nov.20- Aug'21 saw rise in imports to 60.20 lakh tons compared to 52.96 lakh tons in corresponding period last oil year, higher by 13.67 percent compared to corresponding period last oil year.
- RBD palmolein import scenario- RBD palmolein Imports rose to 1.87 lakh tons in Aug 2021 compared to 0.00 lakh tons imports in Aug 2020. For the current oil year 2020-21 (Nov 2020 -October 2021), RBD Palmolein oil for period of Nov.20- Aug'21 saw fall in imports to 2.30 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 1265 (USD 1295) per ton for Oct delivery and Nov delivery is quoted at USD 1235 (USD 1285) per ton. Last month, CNF CPO Sep average price is at 1238.54 per ton (USD 1214.32 per ton in Aug 2021). Values in brackets are figures of last week. Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 1245 (USD 1280) per ton for Sep delivery and Oct delivery is quoted at USD 1215 (USD 1270) per ton. Last month, CIF RBD palmolein Sep average price is USD 1224 (USD 1194.72 in Aug 2021) per ton. Values in bracket depict last month quotes. Ready lift CPO duty paid prices quoted at Rs 1149 (Rs 1135) per 10. Ready lift RBD palmolein is quoted at Rs 1215 (Rs 1210) per 10 kg as on Oct 2, 2021. Values in brackets are figures of last week.
- On the parity front, margins rose for CPO while fell for RBD palm olein during this week with down 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 resulted in price correction while, good import demand from India supported the prices.

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 1-30 palm oil exports rose 43.21 percent to 17.05 LT compared to 11.91 LT last month for same period.
- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's Sept 1-30 palm oil exports rose 40.03 percent to 16.98 LT compared to 12.13 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.

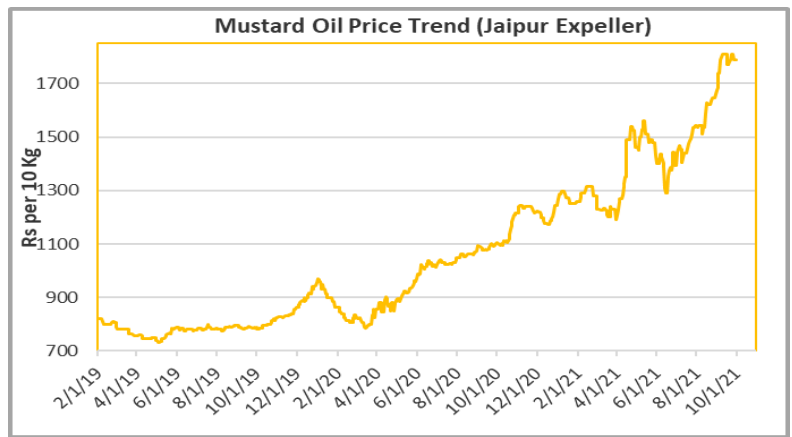
- According to Malaysia Palm Oil Board (MPOB), Malaysia's June Crude palm oil stocks fell 5.09 percent to 7.98 lakh tons compared to 8.41 lakh tons in May 2021. Production of palm oil in June rose 2.21 percent to 16.06 lakh tons compared to 15.71 lakh tons in May 2021. Exports of palm oil in May rose 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 1135-1175 per 10 Kg in the near term.

## Rapeseed oil Fundamental Review and Analysis-

### Domestic Front

- Mustard oil prices correction in benchmark market Jaipur.
- Prices are correcting as canola import in August led to slack in tight supply
- According to the data released by SEA, India imported 12,437 tons of rapeseed oil during Aug this year. More imports are expected in coming months as there is shortage in domestic market.

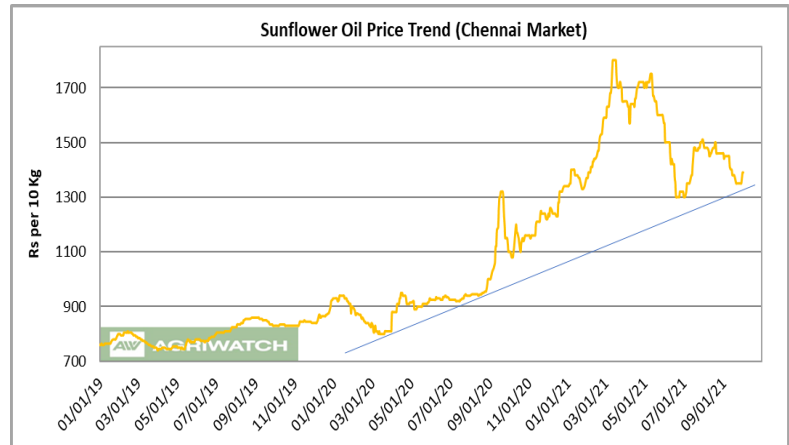


- Mustard oil is also taking positive cues from rising prices of competing oils and higher international prices of canola oil.
- Mustard oil consumption has risen compared to last year due to immunity boosting properties leading to high demand.
- Premium of Jaipur kacchi ghani rapeseed oil over refined soy oil in domestic market is at Rs 440 per 10 Kg compared to Rs 495 per 10 Kg last week.  
Jaipur kacchi ghani rapeseed oil premium over RBD palmolein is at Rs 565 per 10 kg compared to Rs 630 per 10 Kg last week.
- Rapeseed oil import scenario- India imported 12,437 tons rapeseed (Canola) oil in August 2021 compared to 20,801 tons in August 2020. For the current oil year 2020-21 (Nov 2020 -October 2021), soy oil for period of Nov.20- Aug'21 saw fall in imports to 0.12 lakh tons compared to 0.37 lakh tons in corresponding period last oil year.
- Currently, RM oil at Jaipur market, (expeller) is offered at Rs 1,780 (Rs 1,810) per 10 Kg, and at Kota market, it is offered at Rs 1,750 (Rs 1,780) per 10 kg as on October 2, 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 1780-1850 per 10 Kg.

Sunflower oil Fundamental Review and Analysis:-Domestic Front

- Sunflower oil price traded up during the week in review in Chennai.
- Sunflower oil prices are up following rising international prices as harvesting is progressing slow in Russia and Ukraine. Rising acreage of Sun seed resulted in correction in domestic prices while lower August imports led to tight supply and will underpin the price.



According to APK Inform, EFKO Group of Companies at the international Middle East Grains Oils Congress, estimates Russia to export 3.7 MT of sunflower crude oil in 2021/22 year. India is to remain third highest importer of Russia's sun crude oil with estimated quantity at 4.8 MT. Currently, Russia has harvested 5 MT of sunflower seeds from 3.2 M ha area.

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

In domestic market, sunflower oil prices premium over soy oil is at Rs 50 (Rs 5 last week) per 10 kg, At present premium of sunflower oil over soy oil at CNF markets is at USD 15 (premium of USD 2 last week) per ton which indicates that sunflower oil prices is diverging with soy oil both at domestic markets and at CNF markets.

High sunflower oil premium over CPO at CNF India is at USD 135 (USD 135 last week) same as last week.

In domestic market, refined sunflower oil (Chennai) premium over RBD palmolein (Kandla) is at Rs 140 (Rs 140) 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 20 (discount of Rs 180 last week) per 10 kg will support sunflower oil prices.

- As on 17<sup>th</sup> September 2021, the total area under Sunflower kharif cultivation stood at 1.42 Lakh Ha compared to area of 1.23 Lakh ha in last year for the same period.
- Sunflower oil imports scenario- According to Solvent Extractors Association (SEA), Sunflower oil imports fell 55.06 percent y-o-y in August 2021 to 0.71 lakh tons from 1.58 lakh tons in August 2020. For the current oil year 2020-21 (Nov 2020 -October 2021), Sun oil for period of Nov.20- Aug'21 saw fall in imports to 15.96 lakh tons compared to 22.81 lakh tons in corresponding period last oil year, lower 30.03 percent compared to corresponding period last oil year.

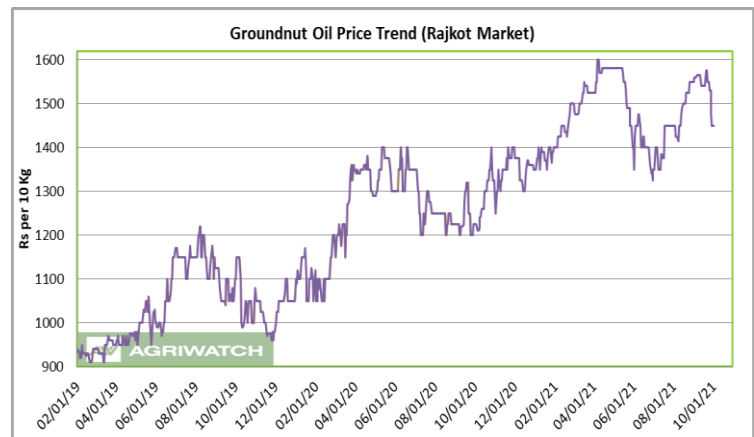
- On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 1400 (USD 1375 per ton for Oct delivery and Nov delivery quoted at USD 1385 (USD 1360) per ton. CNF sun oil (Ukraine origin) Sep monthly average was at USD 1365.84 per ton compared to USD 1358.6 per ton in Aug. Prices are likely to stay in the range of USD 1370-1430 per ton in the near term. Values in brackets are figures of last week.
- Currently, refined sunflower oil at Chennai market is Rs 1,390 (Rs 1,350) per 10 Kg, and at Kandla/Mudra market, it is offered higher at Rs 1370 (Rs 1360) per 10 kg as on October 2, 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 1370-1420 per 10 Kg.

### Groundnut oil Fundamental Review and Analysis:-

#### Domestic Front

- Groundnut oil market prices showed downtrend on expectation of arrival of new crop.
- High premium of groundnut oil over competing oils pressured its demand.
- Demand for GN oil was switched to cotton seed oil due to its high premium in Gujarat.
- Correction in prices of oil is expected following price correction in groundnut seed on arrival of new crop. Price will be underpinned by huge crop loss.
- In Gujarat, huge crop loss reported due to heavy rainfall triggered by Gulab cyclone in various districts of Saurashtra region. In September state received 268% above average rainfall. In state It is estimated that yield is 13-15% down as compared to base value.
- In Andhra Pradesh ground nut is at flowering to peg formation and pod maturity stage, crop has been damaged due to heavy rainfall. Overall, yield is affected by 8-10 percent estimated by AgriWatch.
- 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 17<sup>th</sup> September 2021, the total area under groundnut kharif cultivation stood at 49.14 Lakh Ha compared to area of 50.98 Lakh ha in last year for the same period.
- Groundnut oil exports scenario- India exported 1,142.87 tons Groundnut oil in July 2021 v/s 5,702.41 tons export in July 2020 lowered by 52.88 percent. It was mainly exported to China at 1,060.18 tons.
- On the price front, currently the groundnut oil prices in Rajkot is Rs 14,500 (Rs 15,300) per quintal and it was Rs 14,100 (Rs 14,500) per quintal in Chennai market on October 2, 2021. Values in brackets are figures of last week.
- Groundnut oil prices are likely to trade sideways in the coming days.



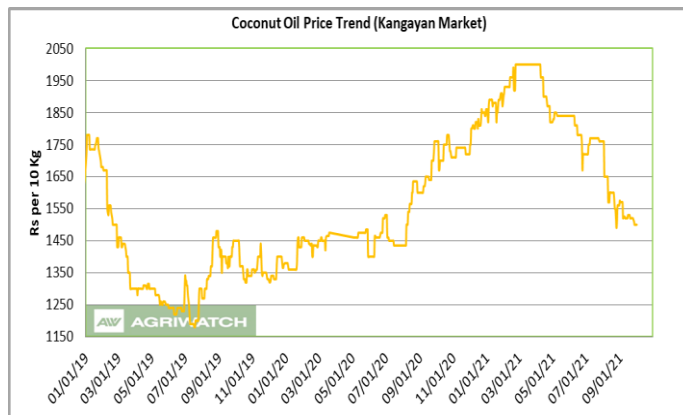
#### Price Outlook:

Groundnut oil (without GST) in Rajkot market is likely to trade in the price band of Rs 1430-1480 per 10 Kg



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

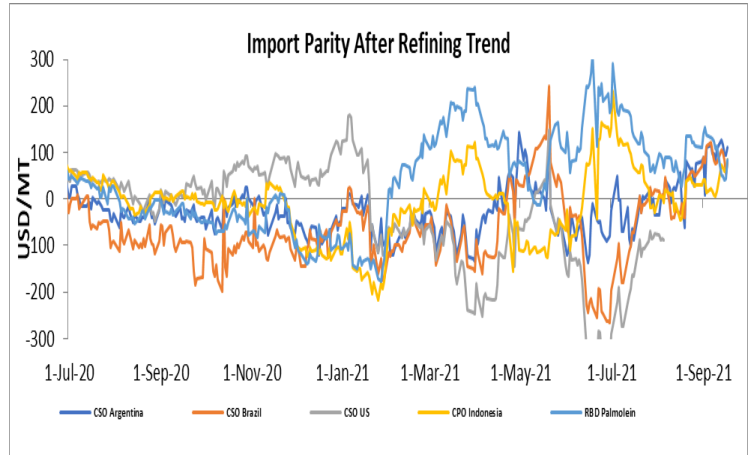
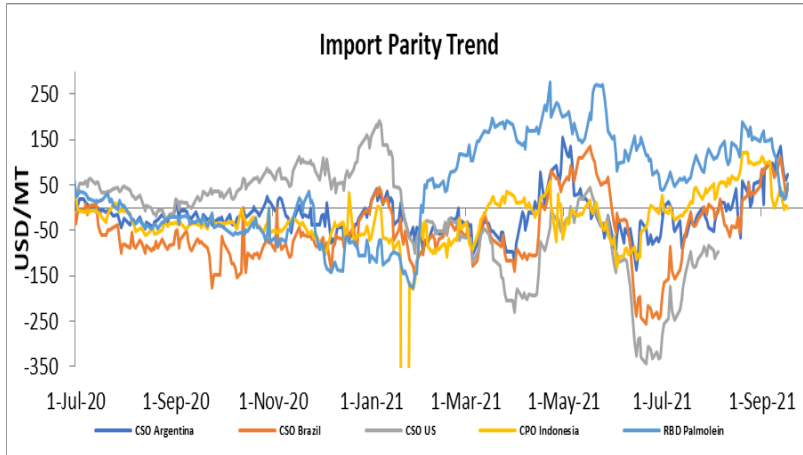
- Coconut oil benchmark market of Kangayan showed down trend. Coconut oil is expected to moved sideways with upward bias following steady Copra prices.
- The prices are moving sideways as recent GST hike on coconut oil whose packaging is below 1000 ml is revised to 18 percent is impacting the promoters. This is impacted the demand from small coconut oil promoters.
- 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 1,336.34 tons Coconut oil in July 2021 v/s 939.50 tons export in July 2020.
- On the price front, currently the coconut oil prices in Kochi are hovering remain at Rs 16,400 (Rs 16,400) per quintal, and was quoted at 15,000 (Rs 15,200) per quintal in Erode market on October 2, 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)



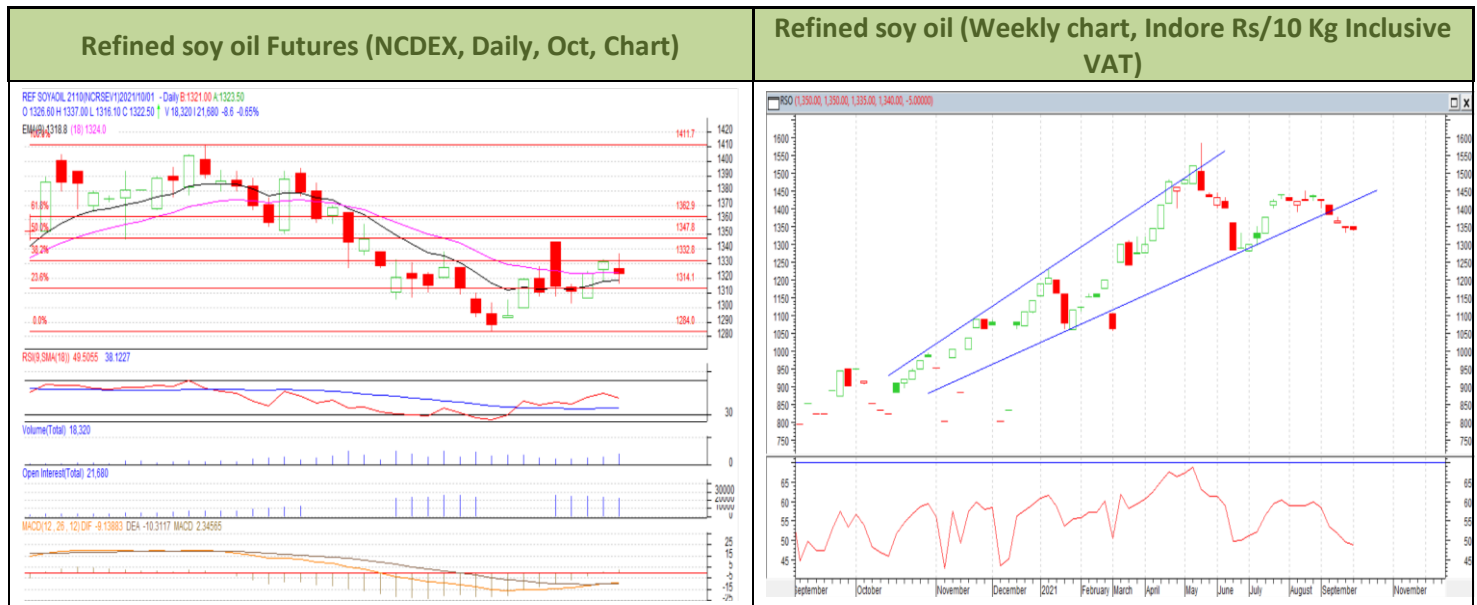
	CSO Argentina	CSO Brazil	CPO Indonesia	RBD Palm olein
<b>Sep 13-Sep 19, 2021</b>	71.81	87.97	31.68	136.15
<b>Sep 20-Sep 26, 2021</b>	100.56	92.71	13.49	122.31
<b>Sep 27-Oct 3, 2021</b>	108.47	83.88	69.06	53.93

### 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 for the present month.

Refining margin parity rose for CPO. RBD palm olein refining margin parity is lower than CPO parity. CPO parity rose as demand rose amid correction in import duty. 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 down trend during the upcoming week in review. We expect prices to trade sideways.
- Prices may hover between 1330-1380 levels.
- Expected price band for next week is 1300-1360 level in near to medium term. RSI and MACD are in neutral zone.

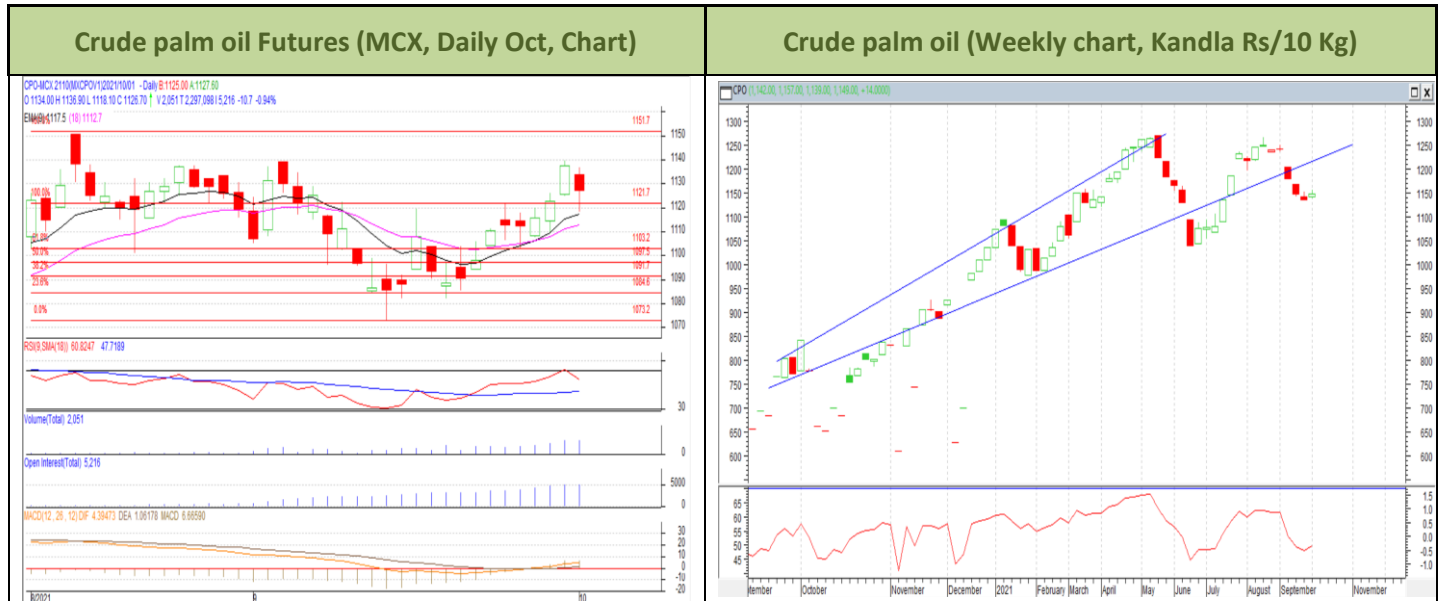
**Strategy:** Market participants are advised to go short in RSO below 1330 for a target of 1315 and 1305 with a stop loss at 1330 on closing basis.

#### RSO NCDEX (Oct)

Support and Resistance				
S2	S1	PCP	R1	R2
1280.70	1301.60	1320.60	1344.20	1365.90

**Spot Market outlook:** Refined soy oil Indore (without GST) is likely to stay in the range of Rs 1330-1380 per 10 Kg.

### Technical Analysis (Crude Palm oil)



**Outlook – Kandla Daily CPO spot prices showed up trend in prices during the week. We expect that CPO Oct 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 1135-1175.
- Expected price band for next week is 1115-1155 level. RSI and MACD are in neutral zone.

**Strategy:** Market participants are advised to go short in CPO below 1135 for a target of 1115 and 1105 with a stop loss at 1140 on closing basis.

#### CPO MCX (Oct)

Support and Resistance				
S2	S1	PCP	R1	R2
1075.87	1088.93	1131.80	1144.87	1157.93

**Spot Market outlook:** Crude palm oil (without GST) is likely to stay in the range of Rs 1135-1175 per 10 Kg.

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

Commodity	Centre	Prices (Per 10 Kg)		Change
		2-Oct-21	25-Sep-21	
Refined Soybean Oil	Indore	1340	1345	-5
	Indore (Soy Solvent Crude)	1280	1290	-10
	Mumbai	1340	1340	Unch
	Mumbai (Soy Degum)	1290	1292	-2
	Kandla/Mundra	1320	1325	-5
	Kandla/Mundra (Soy Degum)	1285	1287	-2
	Kolkata	1335	1330	5
	Delhi	1556	1556	Unch
	Nagpur	1355	1355	Unch
	Rajkot	1280	1310	-30
	Kota	1350	1370	-20
	Akola	1350	1350	Unch
	Amrawati	1350	1350	Unch
	Bundi	1360	1380	-20
	Jalna	1350	1350	Unch
	Solapur	1335	1335	Unch
	Dhule	1350	1350	Unch
	Nanded	1335	1335	Unch
	Latur	1335	1335	Unch
	Argentina Crude Soya (CIF India) USD	1385	1373	12
	Argentina Crude Soya (FOB)	1340	1314	26
Palm Oil*	Kandla (Crude Palm Oil)	1149	1135	14
	Kandla (RBD Palm oil)	1195	1170	25
	Kandla RBD Pamolein	1215	1210	5
	Kakinada (Crude Palm Oil)	1100	1080	20
	Kakinada RBD Pamolein	1210	1205	5
	Haldia Pamolein	1220	1215	5
	Chennai RBD Pamolein	1210	1200	10
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1268	1258	10
	Krishnapattanam RBD Pamolein	1205	1200	5
	Mumbai RBD Pamolein	1220	1215	5
	Mangalore RBD Pamolein	1220	1200	20
	Mumbai (Refined)	1225	1200	25
	Rajkot (Refined)	1215	1200	15
	Chennai (Refined)	1220	1210	10
	Hyderabad (Refined)	1225	1210	15

	PFAD (Kandla)	810	815	-5
	RPS (Kandla)	1100	1100	Unch
	Superolien (Kandla)	1245	1235	10
	Superolien (Mumbai)	1250	1240	10
	Kochi (RBD Palmolein)	-	1221	-
	Krishnapattanam (Crude Palm Oil)	1100	1080	20
Refined Sunflower Oil	Chennai (Refined)	1390	1350	40
	Chennai (Crude )	1340	1280	60
	Mumbai (Refined)	1380	1370	10
	Mumbai(Expeller Oil)	1320	1300	20
	Kandla (Refined)	1370	1360	10
	Hyderabad (Refined)	1385	1350	35
	Hyderabad (Expeller)	1350	1280	70
	Latur (Refined)	1360	1310	50
	Latur (Expeller Oil)	1310	1260	50
	Chellakere (Expeller Oil)	1330	1280	50
	Erode (Expeller Oil)	1420	1380	40
	Kakinada (Refined)	1370	1350	20
	Krishna Pattanam (Refined)	1370	1350	20
Groundnut Oil	Rajkot	1450	1530	-80
	Chennai	1411	1450	-39
	Hyderabad *	1500	1480	20
	Mumbai	1500	1550	-50
	Gondal	1425	1500	-75
	Jamnagar	1425	1530	-105
	Gujarat GN Telia	2320	2460	-140
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1780	1810	-30
	Jaipur (Kacchi Ghani Oil)	1810	1840	-30
	Kota (Expeller Oil)	1750	1780	-30
	Kota (Kacchi Ghani Oil)	1810	1830	-20
	Neewai (Expeller Oil)	1780	1800	-20
	Neewai (Kacchi Ghani Oil)	1800	1820	-20
	Bharatpur (Kacchi Ghani Oil)	1780	1800	-20
	Sri-Ganga Nagar(Exp Oil)	1760	1790	-30
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1800	1830	-30
	Mumbai (Expeller Oil)	1750	1760	-10
	Kolkata(Expeller Oil)	1860	1860	Unch
	New Delhi (Expeller Oil)	1800	1800	Unch
	Hapur (Expeller Oil)	1770	1590	180
	Hapur (Kacchi Ghani Oil)	1800	1620	180

	Agra (Kacchi Ghani Oil)	1785	1805	-20
Refined Cottonseed Oil	Rajkot	1460	1460	Unch
	Hyderabad	1450	1450	Unch
	Mumbai	1440	1440	Unch
	Gujarat Cotton Wash	1370	1420	-50
Coconut Oil	Kangayan (Crude)	1500	1520	-20
	Cochin	1710	1700	10
Rice Bran Oil	Punjab 4%)	1300	1310	-10
	Bhatinda (Crude 4%)	1180	1180	Unch
	Bhatinda (Refined 4%)	1295	1295	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	1205	1198	7
	CNF India	1245	1225	20
Indonesia CPO USD/MT	FOB	1245	1243	2
	CNF India	1265	1240	25
Crude palm Kernel Oil India (USD/MT)	CNF India	-	1430	-
Ukraine Origin CSFO USD/MT Kandla	CIF	1400	1375	25
Argentina FOB (\$/MT)		1-Oct-21	23-Sep-21	Change
Crude Soybean Oil Ship		1338	1319	19
Refined Soy Oil (Bulk) Ship		1385	1365	20
Sunflower Oil Ship		1340	1330	10
Cottonseed Oil Ship		1318	1299	19
* Indicates including GST				

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

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