

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, Groundnut oil, Sunflower oil and palm oil prices saw down trend. While, Coconut oil traded steady and Mustard oil traded down.

On the currency front, Indian rupee is hovering near 75.15 against 74.15 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 long above 1330 levels for a target of 1350 and 1365 with a stop loss at 1310 on closing basis. We expect Refined soy oil Indore (without GST) is likely to stay in the range of Rs 1360-1410 per 10 Kg.

In MCX, Market participants are advised to go long in CPO above 1140 for a target of 1165 and 1180 with a stop loss at 1125 on closing basis. We expect, Crude palm oil (without GST) is likely to stay in the range of Rs 1190-1250 per 10 Kg.

International Veg. Oil Market Summary

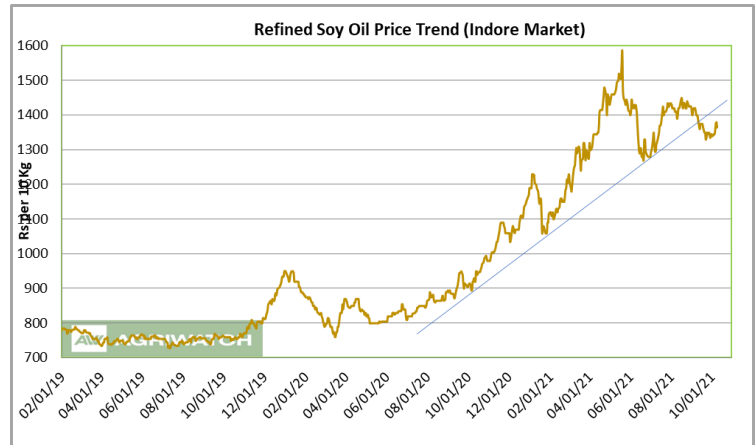
On the international front, US Soy oil stock, arrival of US new soybean crop, Biodiesel mandate, China's energy crisis, expected crop yield and rise in crude oil prices will underpin soy oil prices in coming days.

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 up trend in domestic markets for the week in review backed by firm festival demand.
- International CBOT soy oil were supported by the gains in crude oils.
- Domestic prices will be supported by slow supply side as August imports were down.
- 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 17th 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 1458 (USD 1385) per ton for Oct delivery, Nov and Dec is delivery quoted at USD 1452 (USD 1379) 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 1345 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 supply side increased with arrival of new crop in market. Demand from China is also slowed down.
- 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.
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- 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.

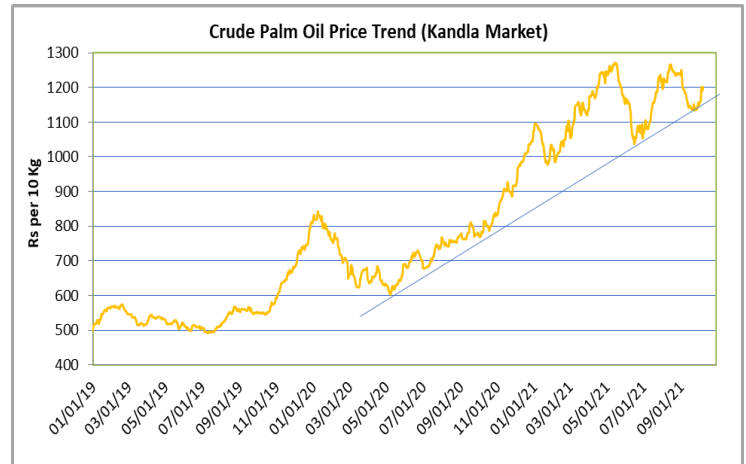
- According to United States Department of Agriculture (USDA) July estimate, U.S 2020/21 ending stocks of soy oil estimate has been decreased to 1,488 million lbs compared to 1,503 million lbs in June estimate. Opening stocks decreased to 1,793 million lbs compared from 1,808 million lbs in June 2020/21. 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.
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Price Outlook: We expect refined soy oil (without GST) at Indore to stay in the range of Rs 1360-1365 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 up last week breaking the consolidating range of 1413.67-to-4741.57-ringggit levels. Prices are firm on firm demand.
- Domestic prices closed up as HoReCa sector demand is firming up. Festival demand is also supporting price.



- 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 1365 (USD 1265) per ton for Oct delivery and Nov delivery is quoted at USD 1347 (USD 1235) 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 1300 (USD 1245) per ton for Sep delivery and Oct delivery is quoted at USD 1300 (USD 1215) 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 1202 (Rs 1149) per 10. Ready lift RBD palmolein is quoted at Rs 1255 (Rs 1215) per 10 kg as on Oct 9, 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.

Palm oil prices traded up following rising trend in rival soy oil. Further, good import demand from India supported the prices. Rumors of India to reduce import duty led to firmness in prices.

- 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.

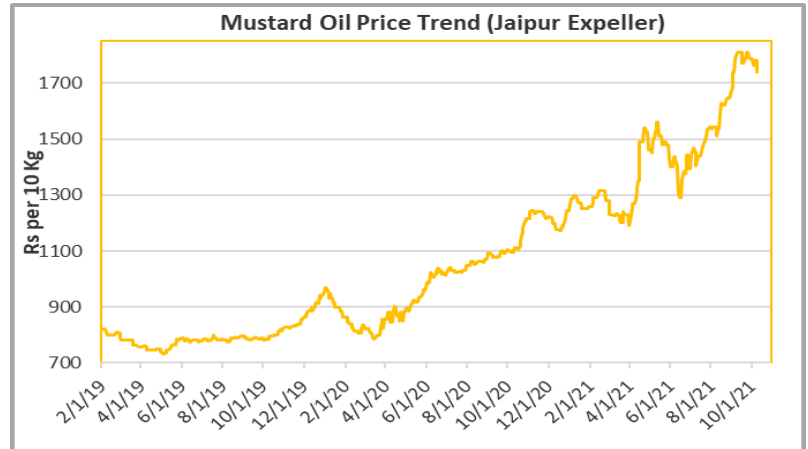
- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's June 1-20 palm oil exports fell 0.81 percent to 945,745 tons compared to 953,474 tons last month for same period.
- According to Amspec, Malaysia's June 1-20 palm oil exports fell 1.75 percent to 937,135 tons compared to 953,860 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 1190-1250 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.



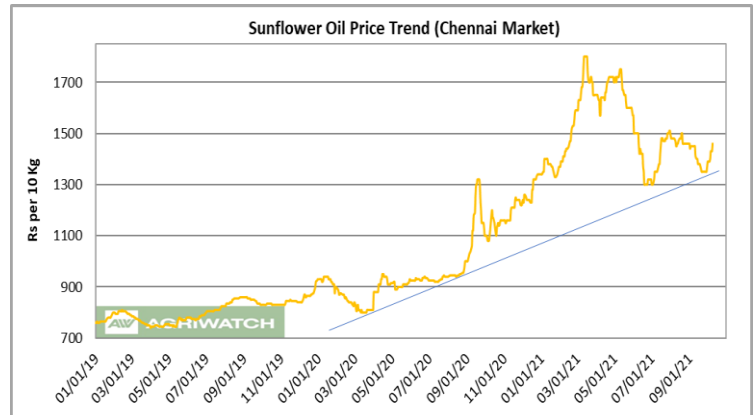
- Mustard oil is also taking positive cues from rising prices of competing oils and higher international prices of canola oil.
- Mustard oil consumption has risen compared to last year due to immunity boosting properties leading to high demand.
- Premium of Jaipur kacchi ghani rapeseed oil over refined soy oil in domestic market is at Rs 405 per 10 Kg compared to Rs 440 per 10 Kg last week.
Jaipur kacchi ghani rapeseed oil premium over RBD palmolein is at Rs 515 per 10 kg compared to Rs 565 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 1,740 (Rs 1,780) per 10 Kg, and at Kota market, it is offered at Rs 1,700 (Rs 1,750) per 10 kg as on October 9, 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 1740-1810 per 10 Kg.

Sunflower oil Fundamental Review and Analysis:-

Domestic Front

- Sunflower oil price traded up during the week in review in Chennai backed by festival demand.
- 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 95 (Rs 50 last week) per 10 kg, At present discount of sunflower oil over soy oil at CNF markets is at USD 3 (premium of USD 15 last week) per ton which indicates that sunflower oil prices is at par with soy oil both at domestic markets and at CNF markets.

High sunflower oil premium over CPO at CNF India is at USD 90 (USD 135 last week) same as last week.

In domestic market, refined sunflower oil (Chennai) premium over RBD palmolein (Kandla) is at Rs 205 (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 10 (discount of Rs 20 last week) per 10 kg will support sunflower oil prices.

- 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.

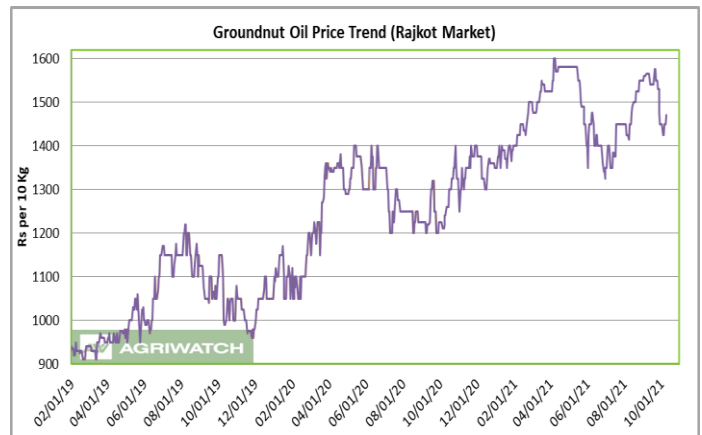
- On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 1455 (USD 1400 per ton for Oct delivery and Nov delivery quoted at USD 1445 (USD 1385) per ton. CNF sun oil (Ukraine origin) Sep monthly average was at USD 1365.84 per ton compared to USD 1358.6 per ton 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 1,460 (Rs 1,390) per 10 Kg, and at Kandla/Mudra market, it is offered higher at Rs 1410 (Rs 1370) per 10 kg as on October 9, 2021. Values in brackets are figures of last week.
- We expect sunflower oil prices to trade sideways with upward bias 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 trend as demand gets firm ahead of festivals.
- Earlier high premium of groundnut oil over competing oils pressured its demand led to correction in prices of oil.
- Crop Damages and slow arrival will underpin prices.
- 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 stand at 19.096 lakh ha compared to 20.653 lakh Ha.
- 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 14,700 (Rs 14,500) per quintal and it was Rs 14,500 (Rs 14,100) per quintal in Chennai market on October 9, 2021. Values in brackets are figures of last week.
- Groundnut oil prices are likely to trade up in the coming days.

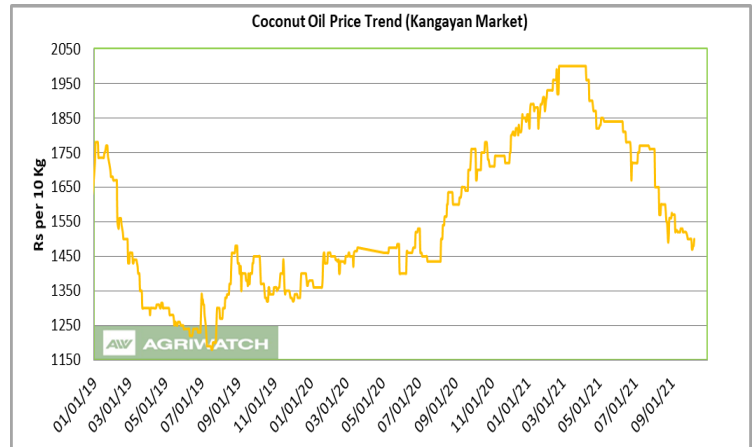


Price Outlook:

Groundnut oil (without GST) in Rajkot market is likely to trade in the price band of Rs 1450-1500 per 10 Kg

Coconut Oil Fundamental Review and Analysis:-
Domestic Front

- Coconut oil benchmark market of Kangayan showed sideways trend. Coconut oil is expected to move 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 has impacted the demand from small coconut oil promoters.

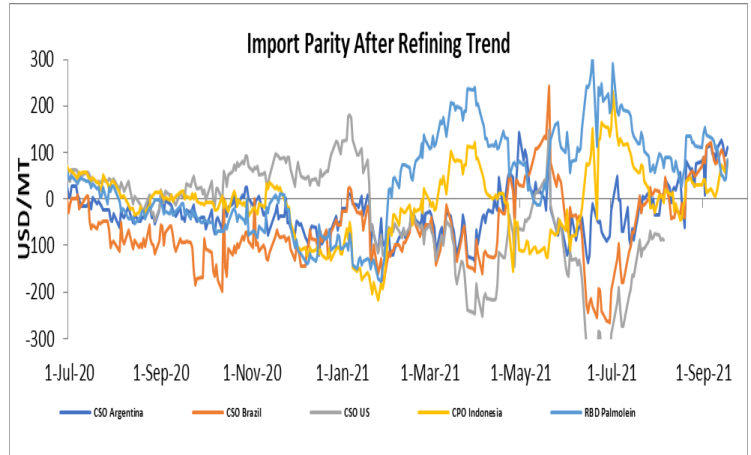
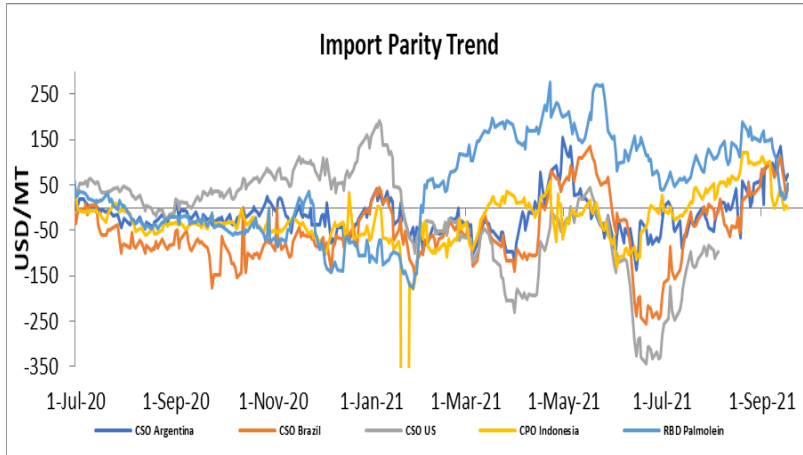


- Demand of coconut oil in home consumption is slow. Demand of coconut oil in Cosmetic Industry is slow and expected to get back to normal as demand is picking up. Millers operating capacity has improved amid firm demand in food and industrial segment and branded segment. Demand of coconut oil is firm, as competing oil prices are rising and are competing for shares in the 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 around Rs 16,200 (Rs 16,400) per quintal, and were quoted at 15,000 (Rs 15,000) per quintal in Erode market on October 9, 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)

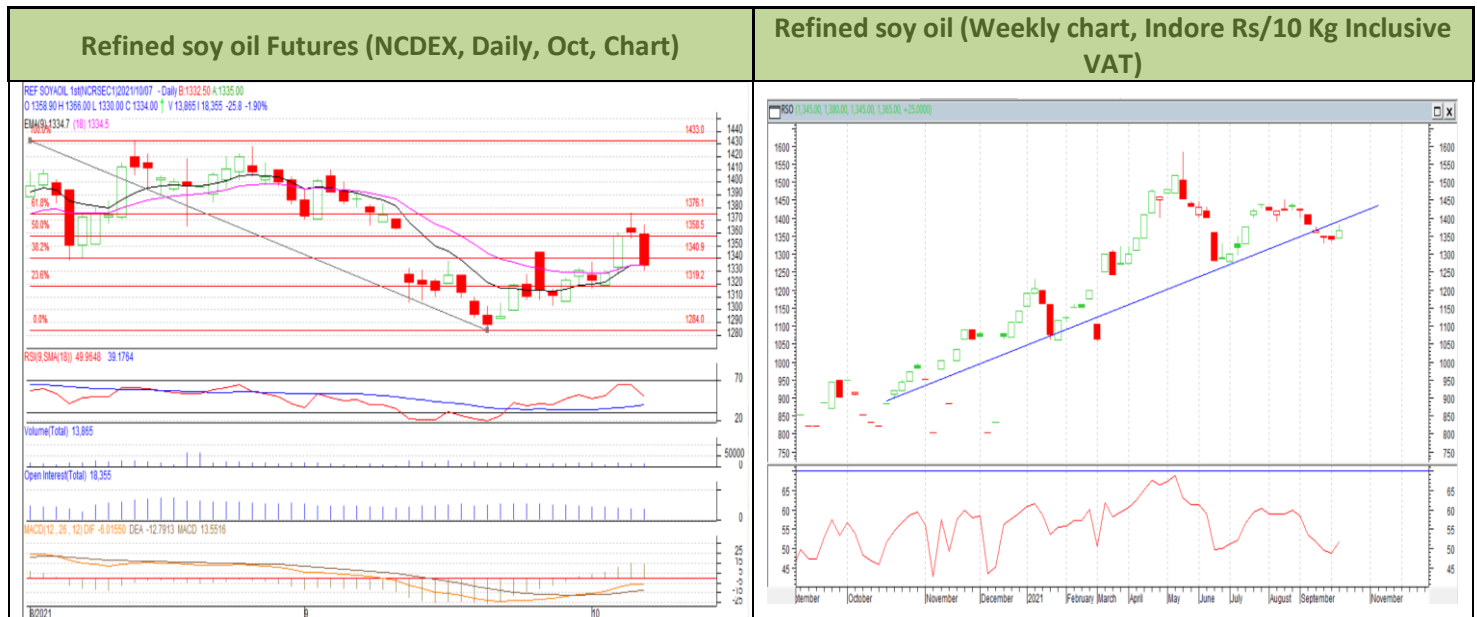


	CSO Argentina	CSO Brazil	CPO Indonesia	RBD Palm olein
Sep 20-Sep 26, 2021	71.81	87.97	31.68	136.15
Sep 27-Oct 3, 2021	100.56	92.71	13.49	122.31
Oct 4-Oct 10, 2021	108.47	83.88	69.06	53.93

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 rising trend during the week in review and is likely to trade up in the coming days.

- Daily chart of refined soy oil at NCDEX depicts up trend during the upcoming week in review. We expect prices to trade up.
- Prices may hover between 1330-1380 levels.
- Expected price band for next week is 1310-1365 level in near to medium term. RSI and MACD are in neutral zone.

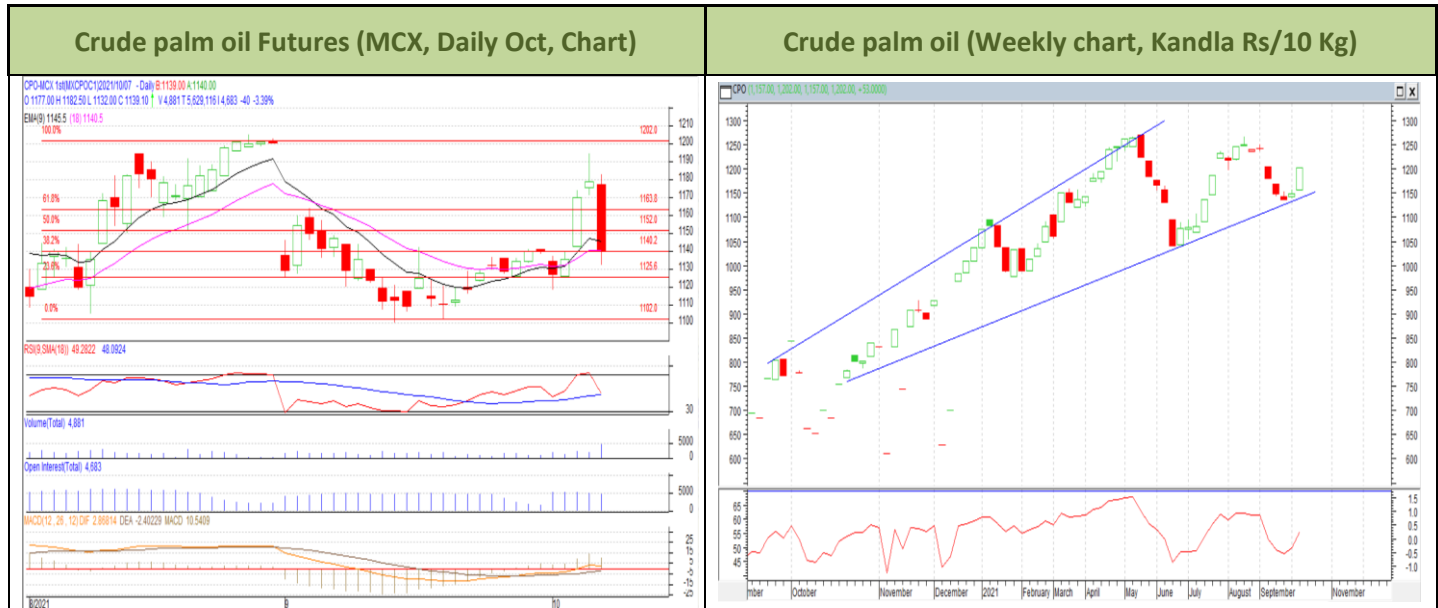
Strategy: Market participants are advised to go long in RSO above 1330 for a target of 1350 and 1365 with a stop loss at 1310 on closing basis.

RSO NCDEX (Oct)

Support and Resistance				
S2	S1	PCP	R1	R2
1286.80	1314.00	1341.20	1372.20	1403.20

Spot Market outlook: Refined soy oil Indore (without GST) is likely to stay in the range of Rs 1360-1410 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 up.

- Candlestick in weekly chart of crude palm oil at MCX depicts rising trend in the prices. We expect the commodity to trade up in the near term.
- Price may range from Rs 1190-1250.
- Expected price band for next week is 1130-1200 level. RSI and MACD are in neutral zone.

Strategy: Market participants are advised to go long in CPO above 1140 for a target of 1165 and 1180 with a stop loss at 1125 on closing basis.

CPO MCX (Oct)

Support and Resistance				
S2	S1	PCP	R1	R2
1087.80	1119.80	1151.80	1189.10	1226.40

Spot Market outlook: Crude palm oil (without GST) is likely to stay in the range of Rs 1190-1250 per 10 Kg.

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

Commodity	Centre	Prices (Per 10 Kg)		Change
		9-Oct-21	2-Oct-21	
Refined Soybean Oil	Indore	1365	1340	25
	Indore (Soy Solvent Crude)	1310	1280	30
	Mumbai	1380	1340	40
	Mumbai (Soy Degum)	1330	1290	40
	Kandla/Mundra	1355	1320	35
	Kandla/Mundra (Soy Degum)	1320	1285	35
	Kolkata	1350	1335	15
	Delhi	1585	1556	29
	Nagpur	1355	1355	Unch
	Rajkot	1260	1280	-20
	Kota	1360	1350	10
	Akola	1350	1350	Unch
	Amrawati	1350	1350	Unch
	Bundi	1370	1360	10
	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	1458	1385	73
	Argentina Crude Soya (FOB)	1390	1340	50
Palm Oil*	Kandla (Crude Palm Oil)	1202	1149	53
	Kandla (RBD Palm oil)	1235	1195	40
	Kandla RBD Pamolein	1255	1215	40
	Kakinada (Crude Palm Oil)	1150	1100	50
	Kakinada RBD Pamolein	1260	1210	50
	Haldia Pamolein	1245	1220	25
	Chennai RBD Pamolein	1260	1210	50
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1316	1268	48
	Krishnapattanam RBD Pamolein	1260	1205	55
	Mumbai RBD Pamolein	1265	1220	45
	Mangalore RBD Pamolein	1270	1220	50
	Mumbai (Refined)	1250	1225	25
	Rajkot (Refined)	1260	1215	45
	Chennai (Refined)	1270	1220	50
	Hyderabad (Refined)	1280	1225	55

	PFAD (Kandla)	840	810	30
	RPS (Kandla)	1130	1100	30
	Superolien (Kandla)	1285	1245	40
	Superolien (Mumbai)	1295	1250	45
	Kochi (RBD Palmolein)	-	1221	-
	Krishnapattanam (Crude Palm Oil)	1150	1100	50
Refined Sunflower Oil	Chennai (Refined)	1460	1390	70
	Chennai (Crude)	1380	1340	40
	Mumbai (Refined)	1430	1380	50
	Mumbai(Expeller Oil)	1370	1320	50
	Kandla (Refined)	1410	1370	40
	Hyderabad (Refined)	1470	1385	85
	Hyderabad (Expeller)	1390	1350	40
	Latur (Refined)	1400	1360	40
	Latur (Expeller Oil)	1350	1310	40
	Chellakere (Expeller Oil)	1380	1330	50
	Erode (Expeller Oil)	1480	1420	60
	Kakinada (Refined)	1450	1370	80
	Krishna Pattanam (Refined)	1450	1370	80
Groundnut Oil	Rajkot	1470	1450	20
	Chennai	1450	1410	40
	Hyderabad *	1500	1500	Unch
	Mumbai	1485	1500	-15
	Gondal	1475	1425	50
	Jamnagar	1475	1425	50
	Gujarat GN Telia	2320	2320	Unch
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1740	1780	-40
	Jaipur (Kacchi Ghani Oil)	1770	1810	-40
	Kota (Expeller Oil)	1700	1750	-50
	Kota (Kacchi Ghani Oil)	1780	1810	-30
	Neewai (Expeller Oil)	1720	1780	-60
	Neewai (Kacchi Ghani Oil)	1750	1800	-50
	Bharatpur (Kacchi Ghani Oil)	1755	1780	-25
	Sri-Ganga Nagar(Exp Oil)	1720	1760	-40
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1760	1800	-40
	Mumbai (Expeller Oil)	1750	1750	Unch
	Kolkata(Expeller Oil)	1850	1860	-10
	New Delhi (Expeller Oil)	1800	1800	Unch
	Hapur (Expeller Oil)	1820	1770	50
	Hapur (Kacchi Ghani Oil)	1850	1800	50

	Agra (Kacchi Ghani Oil)	1760	1785	-25
Refined Cottonseed Oil	Rajkot	1480	1460	20
	Hyderabad	1470	1450	20
	Mumbai	1450	1440	10
	Gujarat Cotton Wash	1380	1370	10
Coconut Oil	Kangayan (Crude)	1500	1500	Unch
	Cochin	1700	1710	-10
Rice Bran Oil	Punjab 4%)	1320	1300	20
	Bhatinda (Crude 4%)	1170	1180	-10
	Bhatinda (Refined 4%)	1285	1295	-10
	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
Malaysia Palmolein USD/MT	FOB	1315	1205	110
	CNF India	1345	1245	100
Indonesia CPO USD/MT	FOB	1300	1245	55
	CNF India	1365	1265	100
Crude palm Kernel Oil India (USD/MT)	CNF India	1530	1530	Unch
Ukraine Origin CSFO USD/MT Kandla	CIF	1455	1400	55
Argentina FOB (\$/MT)		8-Oct-21	1-Oct-21	Change
Crude Soybean Oil Ship		1390	1338	52
Refined Soy Oil (Bulk) Ship		1439	1385	54
Sunflower Oil Ship		1350	1340	10
Cottonseed Oil Ship		1370	1318	52
* 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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