

Veg. Oil Weekly Research Report

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Executive Summary

Domestic Veg. Oil Market Summary

Edible oil prices featured sideways trend during this week in domestic market. CBOT soy oil and BMD palm oil prices quoted sideways trend during the week. Palm oil, Soy oil and mustard oil prices saw up trend. While Sunflower oil, Coconut oil, and Groundnut oil traded down.

On the currency front, Indian rupee is hovering near 74.99 against 75.05 previous weeks. Rupee expected to appreciate while crude oil prices expected to trade sideways.

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

Outlook:

Weekly Call -: In NCDEX, Market participants are advised to stay away from market. We expect Refined soy oil Indore (without GST) is likely to stay in the range of Rs 1290-1340 per 10 Kg.

In MCX, Market participants are advised to stay away from market. We expect, Crude palm oil (without GST) is likely to stay in the range of Rs 1100-1150 per 10 Kg.

International Veg. Oil Market Summary

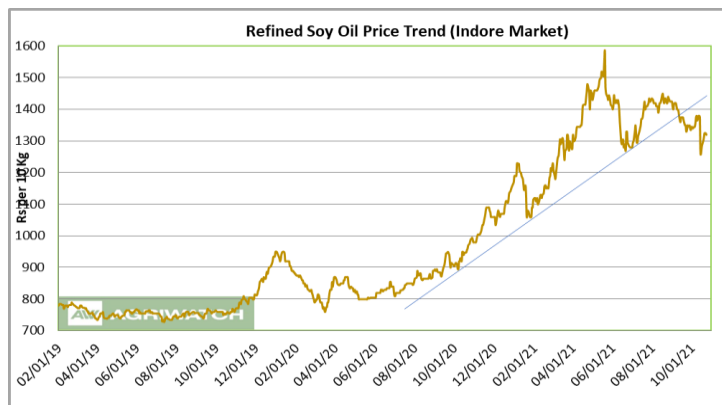
On the international front, US Soy oil stock, good yields of US Soybean crop, Soybean sowing states in Brazil, Biodiesel demand, China's energy crisis, rise in crude oil prices will underpin soy oil prices in coming days.

Rise in competing oil prices, falling 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. The prices saw correction in movement owing to the move of government revising the import duty.
- Import duty on Crude Soy oil, crude palm oil, and crude sunflower oil is slashed to zero, while refined oil of soy oil, palm oil, and sunflower oil duty stands at 17.5 percent from 32.5 percent. Agriculture cess on crude palm oil is revised to 7.5 percent and cess on crude soy oil and crude sunflower oil stands at 5 percent.
- Rumors of the government to suspend trading in NCDEX and MCX for edible oil and oilseeds have also pressured the upward movement of price.
- International CBOT soy oil were supported by the gains in crude oils and rise in prices of rival palm oil.
- Domestic prices will be supported by slow supply side as September imports are down.
- Soybean Kharif crop received heavy rainfalls at the harvesting stage, but higher area coverage and good yields have maintained a higher production side. AgriWatch has estimated 8-10 percent yield losses are expected. Despite losses, a good yield is expected to retain higher production in the current year.
- Prices are expected to correct due to lower import duty, and stock limits. While low September Soy oil imports will underpin the prices.
- As on 17th September 2021, the area under Kharif soybean cultivation is 121.77 Lakh Ha compared to 121.20 Lakh ha last year for the same period.
- According to Solvent Extractors Association (SEA), India's September edible oil imports rose 62.64 percent y-o-y to 16.98 lakh tons from 10.44 lakh tons in September 2020. Palm oil imports rose 96.26 percent y-o-y to 12.62 lakh tons from 6.43 lakh tons in September 2020. CPO imports rose 37.23 percent y-o-y in Sept 2021 to 8.44 lakh tons from 6.15 lakh tons in Sept 2020. RBD palmolein import rose to 3.97 lakh tons in Sept 2021 compared to 0.12 lakh tons imports in Sept 2020. Soy oil imports fell 34.45 percent in Sept y-o-y to 2.35 lakh tons from 3.16 lakh tons in Sept 2020. Sunflower oil imports rose 170.44 percent in Sept y-o-y to 1.80 lakh tons from 0.67 lakh tons in Sept 2020. Rapeseed (canola) oil stood at 20,215 lakh tons imports in Sept compared to 17,233 lakh tons in last year for same period.
- According to Solvent Extractors Association (SEA), India's October edible oil stocks at ports and pipelines rose by 14.57 percent m-o-m to 20.05 lakh tons from 17.50 lakh tons in September 2021. Stocks of edible oil at



ports in September is estimated at 845,000 tons (CPO 270,000 tons, RBD Palmolein 260,000, Degummed Soybean Oil 175,000 tons, Crude Sunflower Oil 130,000 tons and Rapeseed Oil 10,000 tons) and pipeline stock at 1,160,000 tons. Stocks at ports were 600,000 tons and in pipelines were 1,150,000 tons, in September 2021. India is presently holding 30 days of edible oil requirement on 1st October, 2021 at 20.05 lakh tons compared to 21 days of requirements of 17.50 lakh tons on 1st September 2021. India held 16.02 lakh tons of stocks in ports and pipelines on 1st October 2020. India's monthly edible oil requirement is 21.0 lakh tons.

- Soy oil import scenario – According to SEA, Soy oil imports fell 34.45 percent in September y-o-y to 2.35 lakh tons from 3.16 lakh tons in September 2020. For the current oil year 2020-21 (Nov 2020 -October 2021), soy oil for period of Nov.20- Sep'21 saw fall in imports to 26.48 lakh tons compared to 31.06 lakh tons in corresponding period last oil year, low by 17.29 percent compared to corresponding period last oil year.
- Imported crude soy oil CNF at West coast port offered at USD 1478 (USD 1468) per ton for Oct delivery, Nov and Dec is delivery quoted at USD 1475 (USD 1457) 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 1320 (Rs 1285 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 were supported by gains in crude oil and rally in rival palm oil. Demand for soy oil is also firm. China's demand is getting firm which will underpin prices. While the past mid-week, CBOT soy oil prices corrected following correction in rival palm oil on profit booking.
- China's tight supply side and robust demand led to 10 months hike in crush margin.
- Brazil soybean planting is progressing faster than last year. Brazil has covered 24.4 percent of area compared to 9.2 percent area coverage in last year. Brazil received rainfall past week which will improve soil moisture
- According to the US Department of Agriculture, India's soybean oil imports are seen at 3.7 million mt for MY 2021-22, up from 3.6 million mt projected for MY 2020-21.
- 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.

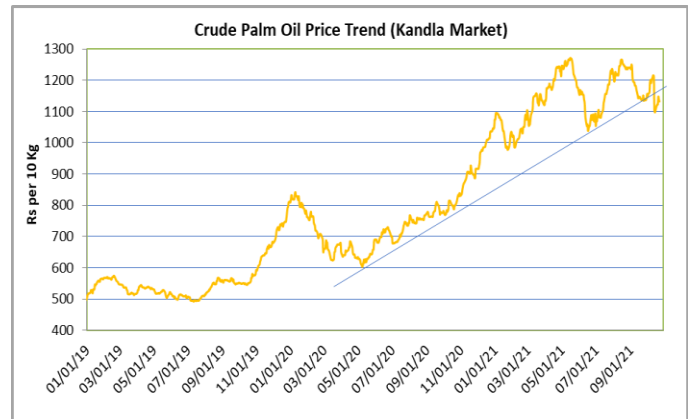
- According to United States Department of Agriculture (USDA) July estimate, U.S 2020/21 ending stocks of soy oil estimate has been decreased to 1,488 million lbs compared to 1,503 million lbs in June estimate. Opening stocks decreased to 1,793 million lbs compared from 1,808 million lbs in June 2020/21.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

Price Outlook: We expect refined soy oil (without GST) at Indore to stay in the range of Rs 1290-1340 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 backed by festival demand.
- Earlier prices corrected reacting to the news of import duty revision in both crude palm oil and refined palm oil.
- Prices may trade sideways as stock limit is announced on edible oil and oilseeds till 31st March 2022.
- Rally in international market due to low production and tight end stock will support domestic prices.
- BMD palm oil last week touched 5300 ringgits, making all time high amid good export demand, while closed down on profit booking.
- Domestic prices are also supported by HoReCa sector as demand is firming up and prices are supported from international palm oil gains.
- The government of India revised Basic Custom Duty and Agricultural Cess on Edible oil to curb rising prices. Despite consecutive revisions in import duties prices were moving up. Import duty on Crude Soy oil, crude palm oil, and crude sunflower oil is slashed to zero, while refined oil of soy oil, palm oil, and sunflower oil duty stands at 17.5 percent from 32.5 percent. Agriculture cess on crude palm oil is revised to 7.5 percent and cess on crude soy oil and crude sunflower oil stands at 5 percent. This led to a huge correction in the futures market on Wednesday.
- Earlier, 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 September edible oil imports rose 62.64 percent y-o-y to 16.98 lakh tons from 10.44 lakh tons in September 2020. Palm oil imports rose 96.26 percent y-o-y to 12.62 lakh tons from 6.43 lakh tons in September 2020. CPO imports rose 37.23 percent y-o-y in Sept 2021 to 8.44 lakh tons from 6.15 lakh tons in Sept 2020. RBD palmolein import rose to 3.97 lakh tons in Sept 2021



compared to 0.12 lakh tons imports in Sept 2020. Soy oil imports fell 34.45 percent in Sept y-o-y to 2.35 lakh tons from 3.16 lakh tons in Sept 2020. Sunflower oil imports rose 170.44 percent in Sept y-o-y to 1.80 lakh tons from 0.67 lakh tons in Sept 2020. Rapeseed (canola) oil stood at 20,215 lakh tons imports in Sept compared to 17,233 lakh tons in last year for same period.

- According to Solvent Extractors Association (SEA), India's October edible oil stocks at ports and pipelines rose by 14.57 percent m-o-m to 20.05 lakh tons from 17.50 lakh tons in September 2021. Stocks of edible oil at ports in September is estimated at 845,000 tons (CPO 270,000 tons, RBD Palmolein 260,000, Degummed Soybean Oil 175,000 tons, Crude Sunflower Oil 130,000 tons and Rapeseed Oil 10,000 tons) and pipeline stock at 1,160,000 tons. Stocks at ports were 600,000 tons and in pipelines were 1,150,000 tons, in September 2021. India is presently holding 30 days of edible oil requirement on 1st October, 2021 at 20.05 lakh tons compared to 21 days of requirements of 17.50 lakh tons on 1st September 2021. India held 16.02 lakh tons of stocks in ports and pipelines on 1st October 2020. India's monthly edible oil requirement is 21.0 lakh tons.
- Palm oil import scenario – According to Solvent Extractors Association (SEA), Palm oil imports in September rose 96.26 percent y-o-y to 12.62 lakh tons from 6.43 lakh tons in August 2020. For the current oil year 2020-21 (Nov 2020 -October 2021), Palm oil for period of Nov.20- Sep'21 saw rise in imports to 76.27 lakh tons compared to 64.40 lakh tons in corresponding period last oil year, higher by 18.43 percent compared to corresponding period last oil year.
- Crude Palm oil import scenario- According to Solvent Extractors Association (SEA), CPO Imports rose 37.23 percent y-o-y in September 2021 to 8.44 lakh tons from 6.15 lakh tons in September 2020. For the current oil year 2020-21 (Nov 2020 -October 2021), Crude palm oil for period of Nov.20- Sep'21 saw rise in imports to 68.64 lakh tons compared to 59.12 lakh tons in corresponding period last oil year, higher by 16.10 percent compared to corresponding period last oil year.
- RBD palmolein import scenario- RBD palmolein Imports rose to 3.97 lakh tons in September 2021 compared to 0.12 lakh tons imports in September 2020. For the current oil year 2020-21 (Nov 2020 -October 2021), RBD Palmolein oil for period of Nov.20- Sep'21 saw rise in imports to 6.28lakh tons compared to 4.16 lakh tons in corresponding period last oil year.
- On the trade front, CNF CPO (Indonesian origin) at Indian port is quoted at USD 1375 (USD 1335) per ton for Oct delivery and Nov delivery is quoted at USD 1365 (USD 1345) 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 1355 (USD 1325) per ton for Oct delivery and Nov delivery is quoted at USD 1345 (USD 1315) 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 1098 (Rs 1202) per 10. Ready lift RBD palmolein is quoted at Rs 1200 (Rs 1210) per 10 kg as on Oct 23, 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 up on good export demand. Further, China is also diverting from Soy oil to palm oil due to energy crisis. Revision in India's Palm oil import duty also led to firmness in prices.

- Indonesia and Malaysia have entered low production months that will maintain tight end stock and prices will be sustained at an uptrend.
- According to Malaysia Palm Oil Board (MPOB), Malaysia's September Crude palm oil stocks fell 2.27 percent to 9.30 lakh tons compared to 9.52 lakh tons in August 2021. Production of palm oil in September fell 0.386 percent to 17.03 lakh tons compared to 17.10 lakh tons in August 2021. Exports of palm oil in September rose 36.83 percent to 15.97 lakh tons compared to 11.67 lakh tons in July 2021. Imports of palm oil in September fell to 74,992 tons from 91,408 tons of imports in previous month. Stocks of palm oil fell to trade expectation of fall in stocks due to high exports.
- According to cargo surveyor Amspec, Malaysia's October 1-10 palm oil exports fell 9.82 percent to 5.01 LT compared to 5.54 LT last month for same period.
- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's October 1-10 palm oil exports fell 7.59 percent to 5.29 LT compared to 5.72 LT last month for same period.
- 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.

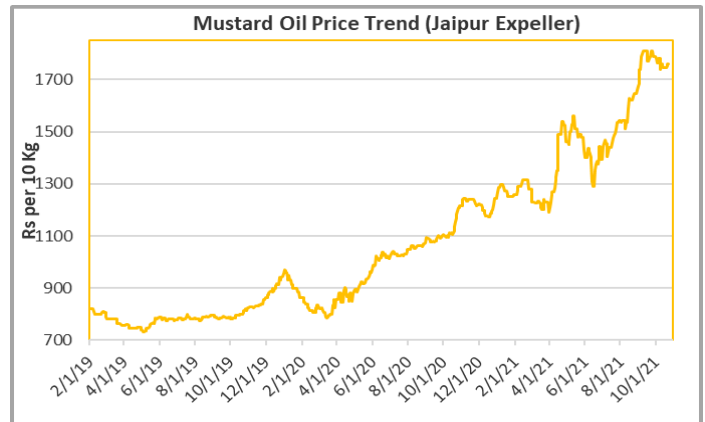
- According to Malaysia Palm Oil Board (MPOB), Malaysia's July Crude palm oil stocks fell 11.85 percent to 7.03 lakh tons compared to 7.98 lakh tons in June 2021. Production of palm oil in July fell 5.17 percent to 15.23 lakh tons compared to 16.06 lakh tons in June 2021. Exports of palm oil in July 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.

Price Outlook: We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 1100-1150 per 10 Kg in the near term.

Rapeseed oil Fundamental Review and Analysis-

Domestic Front

- Mustard oil prices traded up for the previous week in review. Prices are supported by tight supply side and firm festival demand.
- Earlier, prices fell following price correction in competing oils. The price correction in mustard oil was less compared to competing oils due to its low supply side.
- According to the data released by SEA, India imported 20,215 tons of rapeseed oil during September this year. More imports are expected in coming months as there is shortage in domestic market.
- The planting of the Rabi Mustard crop has begun in parts of Rajasthan, Madhya Pradesh, and Punjab. High acreage shift from other crops can be seen into the mustard crop as mustard prices were lucrative for the whole year of 2021.
- 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 which stretched the balance sheet this year.
- Premium of Jaipur kacchi ghani rapeseed oil over refined soy oil in domestic market is at Rs 480 per 10 Kg compared to Rs 500 per 10 Kg last week.
Jaipur kacchi ghani rapeseed oil premium over RBD palmolein is at Rs 600 per 10 kg compared to Rs 575 per 10 Kg last week.
- According to Solvent Extractor Association (SEA), Rapeseed oil import scenario- India imported 20,215 tons rapeseed (Canola) oil in September 2021 compared to 17,233 tons in September 2020. For the current oil year 2020-21 (Nov 2020 -October 2021), soy oil for period of Nov.20- Sep'21 saw fall in imports to 0.32 lakh tons compared to 0.55 lakh tons in corresponding period last oil year.
- Currently, RM oil at Jaipur market, (expeller) is offered at Rs 1,760 (Rs 1,745) per 10 Kg, and at Kota market, it is offered at Rs 1,690 (Rs 1,660) per 10 kg as on October 23, 2021. Values in brackets are figures of last week.
- We expect RM seed oil prices to trade up in the coming days.

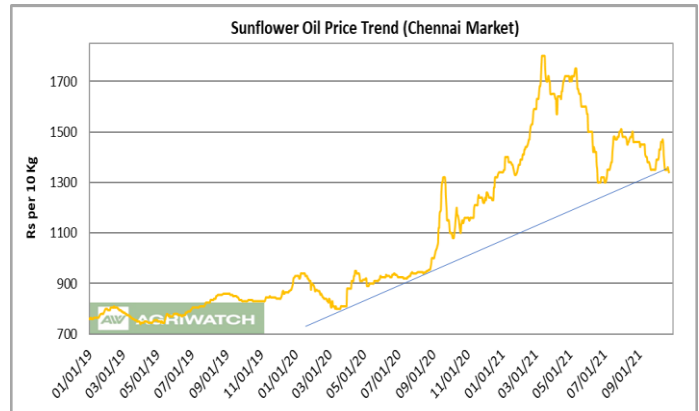


Price Outlook: Rapeseed Expeller oil (without GST) prices in Jaipur may stay in the range of Rs 1720-1780 per 10 Kg.

Sunflower oil Fundamental Review and Analysis:-

Domestic Front

- Sunflower oil price traded down during the week in review in Chennai on revision in import duty of sun oil. Duty upon crude sun oil is scraped off while, on refined sun oil, it is lowered to 17.5 percent from 32.5 percent.
- International Sunflower oil prices are up following rising prices of rival oil in Europe. While harvesting is progressing slow in Russia and Ukraine.



Rising acreage of Sun seed resulted in correction in domestic prices along with higher September imports.

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.

In domestic market, sunflower oil prices premium over soy oil is at Rs 20 (Rs 65 last week) per 10 kg, At present premium of sunflower oil over soy oil at CNF markets is at USD 25 (discount of USD 10 last week) per ton which indicates that sunflower oil prices is covering with soy oil both at domestic markets and while diverging at CNF markets.

In domestic market, refined sunflower oil (Chennai) premium over RBD palmolein (Kandla) is at Rs 140 (Rs 140) per 10 kg which is low compared to last week and will support sunflower oil in domestic market.

In domestic market, Sunflower oil (Chennai) is at discount over Groundnut oil at Chennai market is at Rs 85 (discount of Rs 120 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 rose 170.44 percent y-o-y in August 2021 to 1.81 lakh tons from .67 lakh tons in August 2020. For the current oil year 2020-21 (Nov 2020 -October 2021), Sun oil for period of Nov.20- Sep'21 saw fall in imports to 17.76 lakh tons compared to 23.48 lakh tons in corresponding period last oil year, lower 24.36 percent compared to corresponding period last oil year.

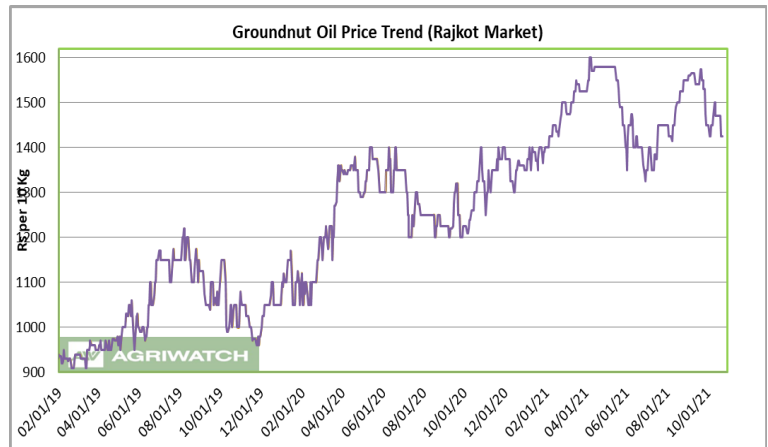
- On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 1500 (USD 1457 per ton for Oct delivery and Nov delivery quoted at USD 1500 (USD 1447) per ton. CNF sun oil (Ukraine origin) Sep monthly average was at USD 1365.84 per ton compared to USD 1358.6 per ton 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 1,340 (Rs 1,350) per 10 Kg, and at Kandla/Mudra market, it is offered higher at Rs 1350 (Rs 1320) per 10 kg as on October 23, 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 1320-1480 per 10 Kg.

Groundnut oil Fundamental Review and Analysis:-

Domestic Front

- Groundnut oil market prices showed downtrend in the previous week.
- Groundnut oil prices fell following correction in competing oils and higher domestic Kharif groundnut crop production estimates.
- Solvent Extractor Association has estimated Gujarat's groundnut crop production at 39.94 lakh tons.
- Despite crop damages due to heavy rains in various districts, higher yield has maintained a higher production estimates.
- Indian Oilseeds & Produce Export Promotion Council (IOPEPC) has also estimated groundnut Kharif 2021 production to be at 82,03,490 tonnes with an average yield of 1669 kg/ha. According to Government's first advance estimates groundnut kharif crop production estimate stands at 82.54 lakh tons which is confirmed by IOPEPC's estimates. IOPEPC estimates Gujarat's groundnut production at 39.55 lakh tons with an average yield of 2071 kg/ha.
- Earlier high premium of groundnut oil over competing oils pressured its demand led to correction in prices of oil.
- 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 1,022.32 tons Groundnut oil in August 2021 v/s 6,061.25 tons export in August 2020 lowered by 59.81 percent. It was mainly exported to China at 868.62 tons.
- On the price front, currently the groundnut oil prices in Rajkot is Rs 14,250 (Rs 14,700) per quintal and it was Rs 13,800 (Rs 14,100) per quintal in Chennai market on October 23, 2021. Values in brackets are figures of last week.
- Groundnut oil prices are likely to trade sideways in the coming days.



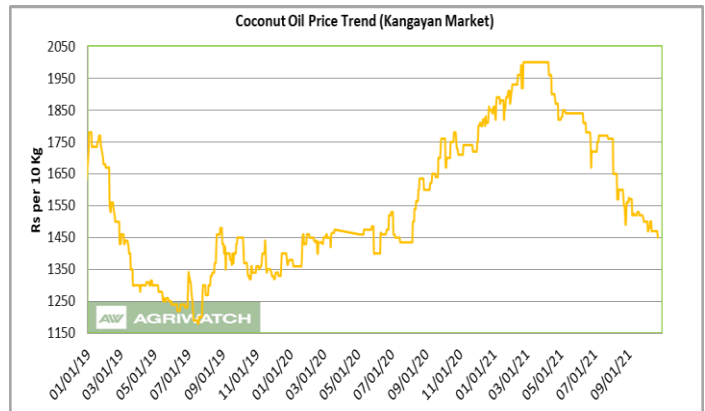
Price Outlook:

Groundnut oil (without GST) in Rajkot market is likely to trade in the price band of Rs 1400-1450 per 10 Kg

Coconut Oil Fundamental Review and Analysis:-

Domestic Front

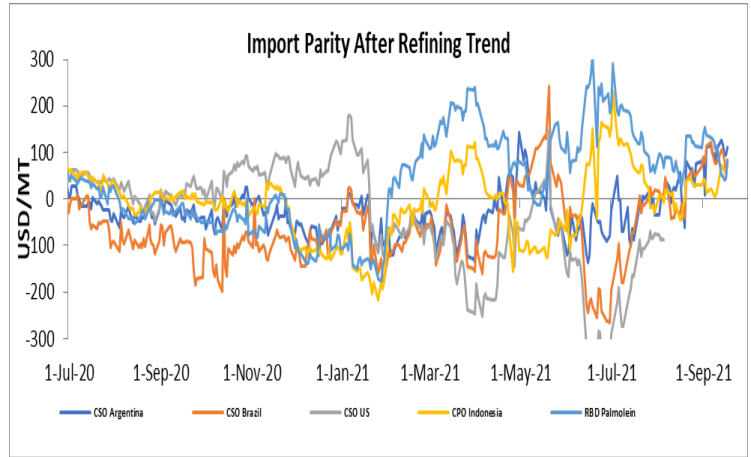
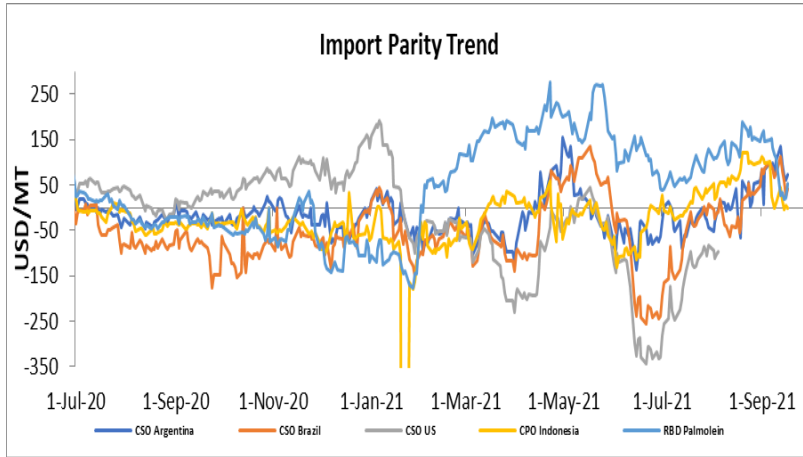
- The Coconut oil benchmark market of Kanyan showed a downtrend following price correction in competing oils. Coconut oil prices are expected to move sideways with upward bias following steady Copra prices
- The prices are moving sideways as recent GST hike on coconut oil whose packaging is below 1000 ml is revised to 18 percent is impacting the promoters. This 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 1,256.71 tons Coconut oil in August 2021 v/s 1,160.93 tons export in August 2020.
- On the price front, currently the coconut oil prices in Kochi are hovering remain at Rs 16,300 (Rs 16,300) per quintal and was quoted at 14,500 (Rs 14,700) per quintal in Erode market on October 23, 2021.



Price Outlook: Coconut oil (without GST) prices in Erode may stay in the range of Rs 1430-1480 per 10 Kg.

Import Parity Trend

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



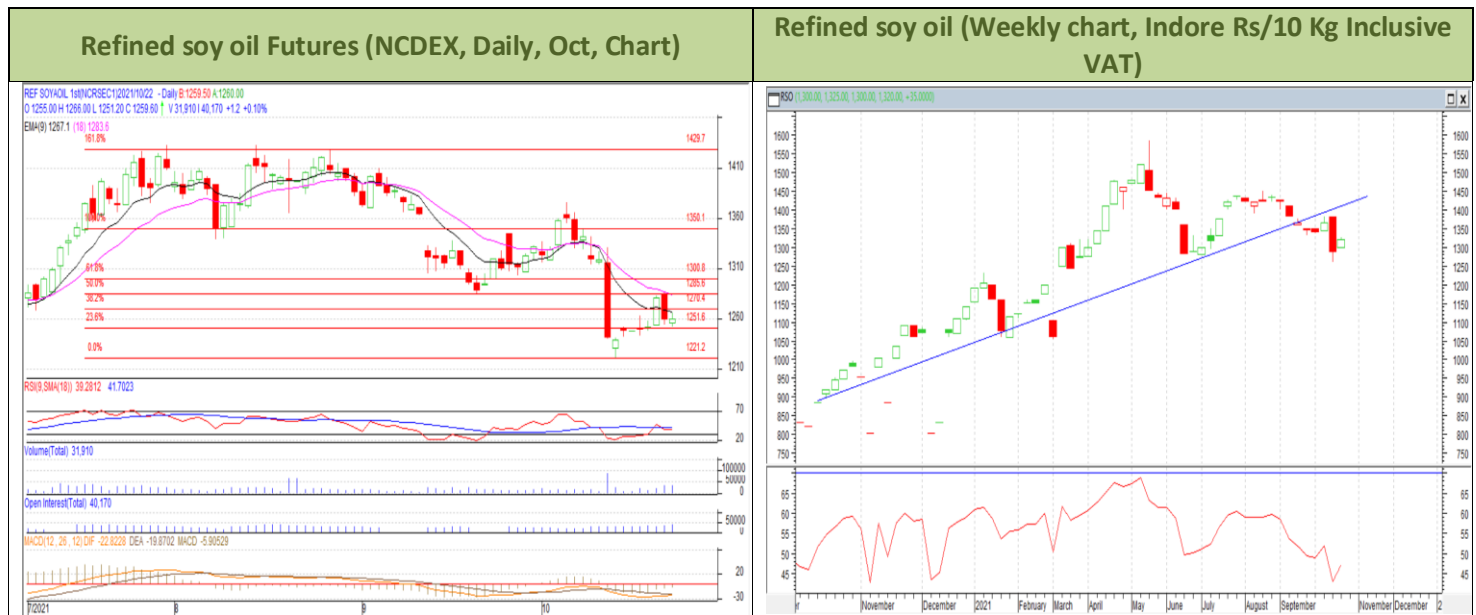
	CSO Argentina	CSO Brazil	CPO Indonesia	RBD Palm olein
Oct 4-Oct 10, 2021	71.81	87.97	31.68	136.15
Oct 11-Oct 17, 2021	100.56	92.71	13.49	122.31
Oct 18-Oct 24, 2021	108.47	83.88	69.06	53.93

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 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 with downward bias.
- Prices may hover between 1290-1340 levels.
- Expected price band for next week is 1200-1280 level in near to medium term. RSI and MACD are in oversold zone.

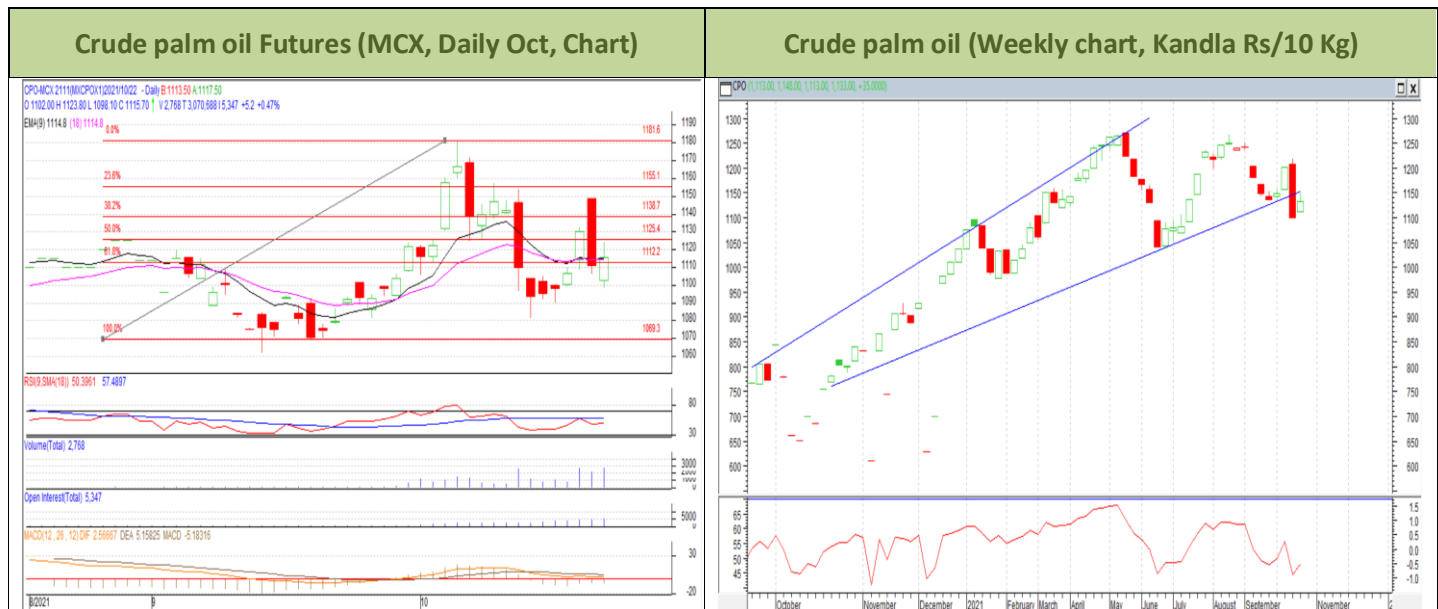
Strategy: Market participants are advised to stay away from market.

RSO NCDEX (Oct)

Support and Resistance				
S2	S1	PCP	R1	R2
-	-	1259.60	-	-

Spot Market outlook: Refined soy oil Indore (without GST) is likely to stay in the range of Rs 1290-1340 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 1100-1150.
- Expected price band for next week is 1100-1140 level. RSI and MACD are in neutral zone.

Strategy: Market participants are advised to away from market.

CPO MCX (Oct)

Support and Resistance				
S2	S1	PCP	R1	R2
-	-	1115.7	-	-

Spot Market outlook: Crude palm oil (without GST) is likely to stay in the range of Rs 1100-1150 per 10 Kg.

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

Commodity	Centre	Prices (Per 10 Kg)		Change
		23-Oct-21	16-Oct-21	
Refined Soybean Oil	Indore	1320	1285	35
	Indore (Soy Solvent Crude)	1260	1250	10
	Mumbai	1315	1280	35
	Mumbai (Soy Degum)	1260	1225	35
	Kandla/Mundra	1285	1255	30
	Kandla/Mundra (Soy Degum)	1255	1210	45
	Kolkata	1285	1270	15
	Delhi	1533	1588	-55
	Nagpur	1420	1420	Unch
	Rajkot	1250	1250	Unch
	Kota	1350	1350	Unch
	Akola	1410	1410	Unch
	Amrawati	1415	1415	Unch
	Bundi	1360	1360	Unch
	Jalna	1390	1390	Unch
	Solapur	1375	1375	Unch
	Dhule	1390	1390	Unch
	Nanded	1385	1385	Unch
	Latur	1390	1390	Unch
	Argentina Crude Soya (CIF India) USD	1475	1468	7
	Argentina Crude Soya (FOB)	1417	1401	16
Palm Oil*	Kandla (Crude Palm Oil)	1133	1098	35
	Kandla (RBD Palm oil)	1170	1175	-5
	Kandla RBD Pamolein	1200	1210	-10
	Kakinada (Crude Palm Oil)	1100	1100	Unch
	Kakinada RBD Pamolein	1200	1205	-5
	Haldia Pamolein	1220	1195	25
	Chennai RBD Pamolein	1200	1210	-10
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1258	1264	-6
	Krishnapattanam RBD Pamolein	1185	1200	-15
	Mumbai RBD Pamolein	1210	1215	-5
	Mangalore RBD Pamolein	1215	1215	Unch
	Mumbai (Refined)	1200	1210	-10
	Rajkot (Refined)	1150	1180	-30
	Chennai (Refined)	1190	1210	-20
	Hyderabad (Refined)	1200	1210	-10

	PFAD (Kandla)	900	880	20
	RPS (Kandla)	1135	1120	15
	Superolien (Kandla)	1230	1240	-10
	Superolien (Mumbai)	1240	1240	Unch
	Kochi (RBD Palmolein)	-	1225	-
	Krishnapattanam (Crude Palm Oil)	1100	1100	Unch
Refined Sunflower Oil	Chennai (Refined)	1340	1350	-10
	Chennai (Crude)	1250	1250	Unch
	Mumbai (Refined)	1370	1340	30
	Mumbai (Expeller Oil)	1275	1260	15
	Kandla (Refined)	1350	1320	30
	Hyderabad (Refined)	1330	1380	-50
	Hyderabad (Expeller)	1250	1300	-50
	Latur (Refined)	1250	1290	-40
	Latur (Expeller Oil)	1220	1240	-20
	Chellakere (Expeller Oil)	1250	1270	-20
	Erode (Expeller Oil)	1350	1500	-150
	Kakinada (Refined)	1300	1340	-40
	Krishna Pattanam (Refined)	1300	1340	-40
Groundnut Oil	Rajkot	1425	1470	-45
	Chennai	1380	1400	-20
	Hyderabad *	1450	1500	-50
	Mumbai	1460	1480	-20
	Gondal	1425	1470	-45
	Jamnagar	1425	1470	-45
	Gujarat GN Telia	2265	2300	-35
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1760	1745	15
	Jaipur (Kacchi Ghani Oil)	1800	1785	15
	Kota (Expeller Oil)	1690	1660	30
	Kota (Kacchi Ghani Oil)	1790	1760	30
	Neewai (Expeller Oil)	1760	1740	20
	Neewai (Kacchi Ghani Oil)	1790	1770	20
	Bharatpur (Kacchi Ghani Oil)	1760	1690	70
	Sri-Ganga Nagar (Exp Oil)	1745	1725	20
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1785	1765	20
	Mumbai (Expeller Oil)	1740	1730	10
	Kolkata (Expeller Oil)	1850	1850	Unch
	New Delhi (Expeller Oil)	1785	1770	15
	Hapur (Expeller Oil)	1810	1800	10
	Hapur (Kacchi Ghani Oil)	1840	1830	10

	Agra (Kacchi Ghani Oil)	1765	1695	70
Refined Cottonseed Oil	Rajkot	1460	1440	20
	Hyderabad	1460	1450	10
	Mumbai	1440	1430	10
	New Delhi	NR	0	-
	Gujarat Cotton Wash	1400	1370	30
Coconut Oil	Kangayan (Crude)	1450	1470	-20
	Cochin	1680	1680	Unch
Rice Bran Oil	Punjab 4%)	1300	1320	-20
	Bhatinda (Crude 4%)	1150	1150	Unch
	Bhatinda (Refined 4%)	1265	1265	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	1335	1315	20
	CNF India	1345	1325	20
Indonesia CPO USD/MT	FOB	1380	1320	60
	CNF India	1365	1345	20
Crude palm Kernel Oil India (USD/MT)	CNF India	Closed	1875	-
Ukraine Origin CSFO USD/MT Kandla	CIF	1500	1458	42
Argentina FOB (\$/MT)		22-Oct-21	15-Oct-21	Change
Crude Soybean Oil Ship		1415	1415	Unch
Refined Soy Oil (Bulk) Ship		1465	1465	Unch
Sunflower Oil Ship		1410	1375	35
Cottonseed Oil Ship		1395	1395	Unch
* 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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