

# 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 74.92 against 74.99 previous weeks. Rupee expected to depreciate 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 go long in RSO above level 1260 with a target of 1270 and 1275 with stop loss at 1255. We expect Refined soy oil Indore (without GST) is likely to stay in the range of Rs 1310-1360 per 10 Kg.*

*In MCX, Market participants are advised to go long in CPO above level 1125 with a target of 1135 and 1140 with stop loss at 1120. We expect, Crude palm oil (without GST) is likely to stay in the range of Rs 1120-1170 per 10 Kg.*

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

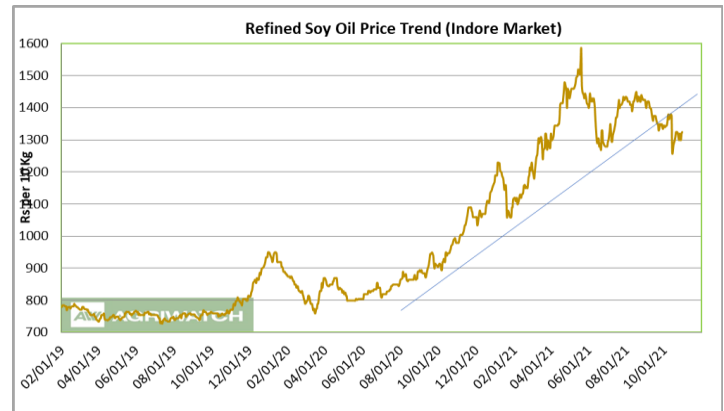
*On the international front, US Soy oil stock, good yields of US Soybean crop, Soybean sowing states in Brazil, Biodiesel demand, China's demand, rise in crude oil prices will underpin soy oil prices in coming days.*

*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 sideways 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.
- Rising international prices are supporting domestic prices movement.
- Central government has announced stock limit on edible oil and oilseeds till 31<sup>st</sup> March 2022 to soften easing edible oil prices.
- UP Government stated the limits for Retailer at 10 quintals to 250 quintals. Limits for wholesalers stand at 50 quintals to 500 quintals. Telangana governments has laid out stock limits: limits for Retailer are up to 100 quintals, Stock limits for wholesalers are at 370 quintals to 5500 quintals and for Manufactures and Producers one month's production capacity or 3 years production average per month, whichever is higher.
- 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.
- 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. Heavy rains in parts of US have affected harvesting progress is also supporting price rise.
- 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

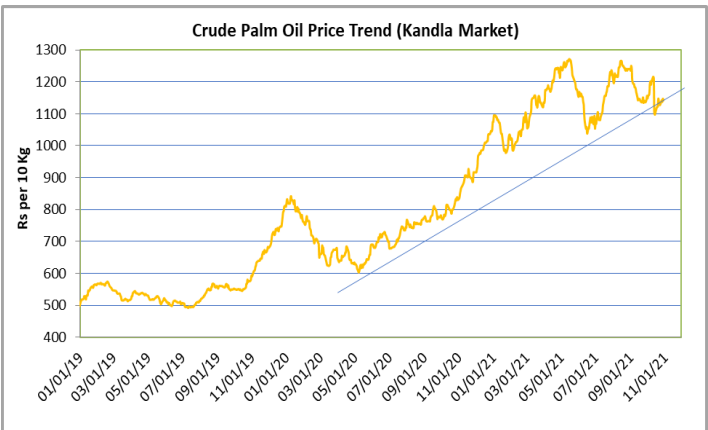
estimate is lowered to 4,339 million bushels compared to 4,405 million bushels in July. U.S. soybean exports estimate in August are also lowered to 2,055 million bushels compared to 2,075 million bushels in July. Import's estimate is kept unchanged at 35 million bushels. Crush have lowered to 2,205 million 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 1310-1360 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 firm demand.
  - Prices are supported by rising international prices.
  - Earlier prices corrected reacting to the news of import duty revision in both crude palm oil and refined palm oil.
- 

Date	Price (Rs per 10 Kg)
01/01/19	500
03/01/19	520
05/01/19	510
07/01/19	500
09/01/19	550
11/01/19	600
01/01/20	850
03/01/20	650
05/01/20	600
07/01/20	700
09/01/20	800
11/01/20	900
01/01/21	1000
03/01/21	1100
05/01/21	1200
07/01/21	1150
09/01/21	1250
11/01/21	1100
- Prices may trade sideways as stock limit is announced on edible oil and oilseeds till 31<sup>st</sup> March 2022.
  - UP Government stated the limits for Retailer at 10 quintals to 250 quintals. Limits for wholesalers stand at 50 quintals to 500 quintals. Telangana government's laid out stock limits are: limits for Retailer are up to 100 quintals, Stock limits for wholesalers are at 370 quintals to 5500 quintals and for Manufactures and Producers one month's production capacity or 3 years production average per month, whichever is higher.
  - 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.
  - 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 1450 (USD 1375) per ton for Oct delivery and Nov delivery is quoted at USD 1440 (USD 1365) per ton. Last month, CNF CPO Oct average price is at 1316.76 per ton (USD 1238.54 per ton in Sep 2021). Values in brackets are figures of last week. Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 1435 (USD 1355) per ton for Oct delivery and Nov delivery is quoted at USD 1425 (USD 1345) per ton. Last month, CIF RBD palmolein Sep average price is USD 1343.56 (USD 1224 in Sep 2021) per ton. Values in bracket depict last month quotes.



Ready lift CPO duty paid prices quoted at Rs 1143 (Rs 1133) per 10. Ready lift RBD palmolein is quoted at Rs 1200 (Rs 1200) per 10 kg as on Oct 30, 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 amid tight inventory. 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.

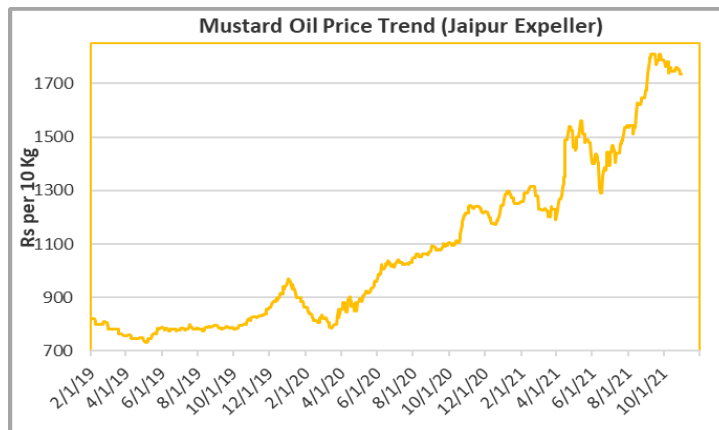
- According to Indonesia the trade ministry, Indonesia will charge an export duty of USD 93 per ton on crude palm oil for August compared to US\$116 in July, whereas the Export levy is kept steady at \$175/Ton. Reference price of August is set at USD 1048.62 per ton compared to USD 1,094.15 per ton last 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 1120-1170 per 10 Kg in the near term.

## Rapeseed oil Fundamental Review and Analysis-

### Domestic Front

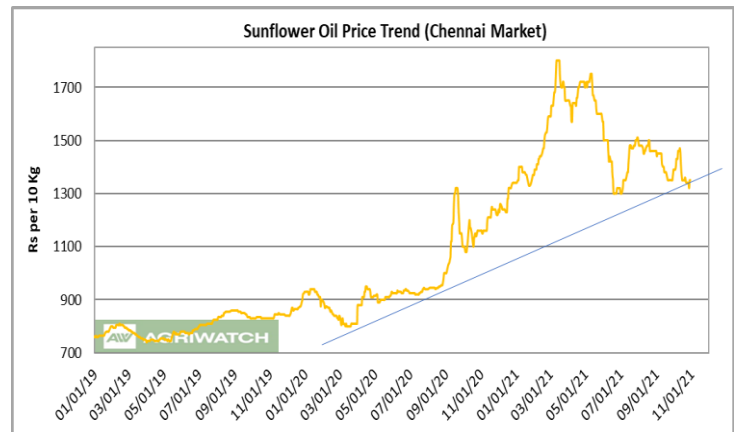
- Mustard oil prices traded down for the previous week in review.
  - Prices will be supported by tight supply side and firm festival demand.
  - Mustard oil demand rise in winter season, hence prices are expected to remain elevated.
  - According to the data released by SEA, India imported 20,215 tons 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 accounts for more than 55 percent of total rabi sown area.
  - Mustard acreage is expected to rise as mustard prices have been lucrative for the whole year along with increment in MSP.
  - 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 450 per 10 Kg compared to Rs 480 per 10 Kg last week.
- Jaipur kacchi ghani rapeseed oil premium over RBD palmolein is at Rs 575 per 10 kg compared to Rs 600 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 1,735 (Rs 1,760) per 10 Kg, and at Kota market, it is offered at Rs 1,650 (Rs 1,690) per 10 kg as on October 30, 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 1710-1760 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 firm demand.
- International Sunflower oil prices are correcting as arrival increases in major top producing countries.  
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 25 (Rs 20 last week) per 10 kg, At present discount of sunflower oil over soy oil at CNF markets is at USD 34 (discount of USD 25 last week) per ton which indicates that sunflower oil prices is covering with soy oil at domestic markets and while diverging at CNF markets.

In domestic market, refined sunflower oil (Chennai) premium over RBD palmolein (Kandla) is at Rs 150 (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 50 (discount of Rs 85 last week) per 10 kg will support sunflower oil prices.

- 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 1460 (USD 1500 per ton for Nov delivery and Dec delivery quoted at USD 1455 (USD 1500) per ton. CNF sun oil (Ukraine origin) Oct monthly average was at USD 1454.04 per ton compared to USD 1365.84 per ton in Sep. Prices are

likely to stay in the range of USD 1420-1460 per ton in the near term. Values in brackets are figures of last week.

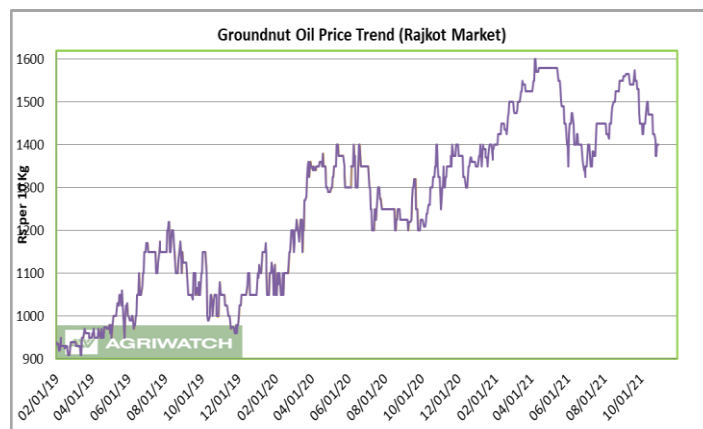
- Currently, refined sunflower oil at Chennai market is Rs 1,350 (Rs 1,340) per 10 Kg, and at Kandla/Mudra market, it is offered higher at Rs 1330 (Rs 1350) per 10 kg as on October 30, 2021. Values in brackets are figures of last week.
- We expect sunflower oil prices to trade sideways with upward bias in the coming days.

**Price Outlook:** Sunflower oil (without GST) prices in Chennai may stay in the range of Rs 1320-1370 per 10 Kg.

### Groundnut oil Fundamental Review and Analysis:-

#### Domestic Front

- Groundnut oil market prices showed rising trend in the previous week.
- Prices are supported by rising prices in competing oils.
- Groundnut oil prices corrected earlier following correction in competing oils and higher domestic Kharif groundnut crop production estimates.
- China's groundnut oil imports demand from India has slowed down over the month since April.
- 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.
- 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 14,000 (Rs 14,250) per quintal and it was Rs 13,800 (Rs 13,800) per quintal in Chennai market on October 30, 2021. Values in brackets are figures of last week.
- Groundnut oil prices are likely to trade sideways in the coming days.

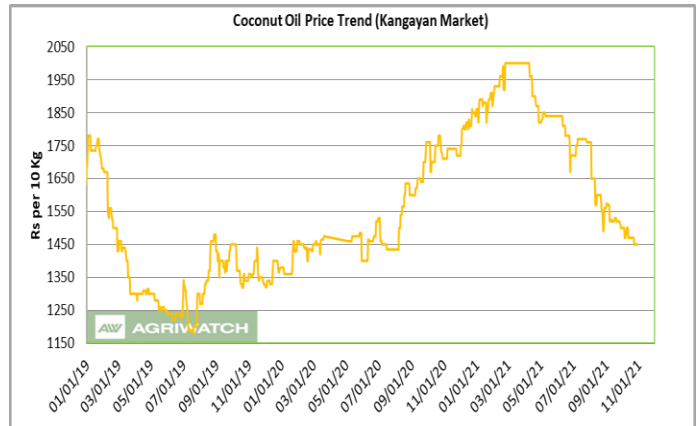


#### Price Outlook:

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**

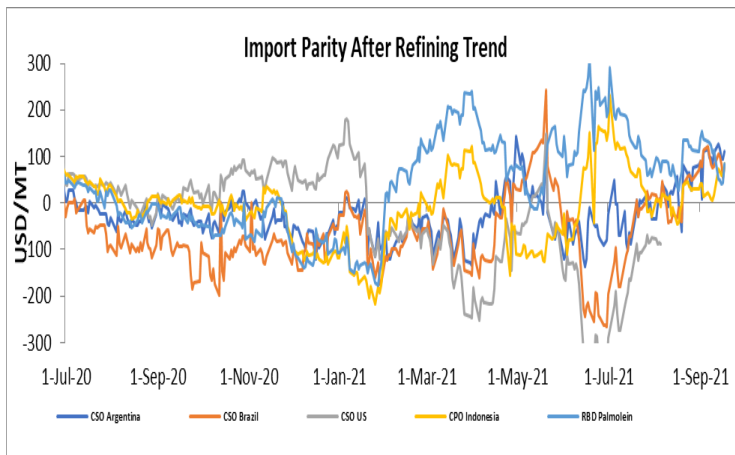
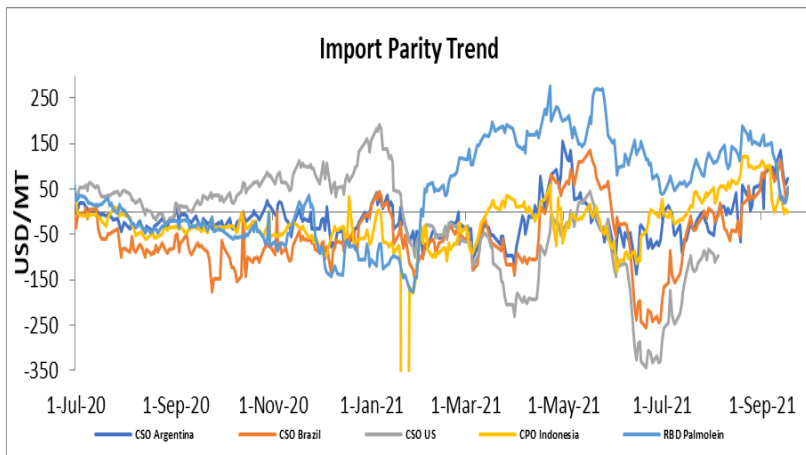
- The Coconut oil benchmark market of Kangayan showed a steady trend following steady Copra prices.
- The coconut oil prices have corrected for past month as recent GST hike on coconut oil whose packaging is below 1000 ml is revised to 18 percent is impacting the promoters. This is impacted the demand from small coconut oil promoters.
- High premium of coconut oil over sunflower oil and groundnut oil over past month has led to correction in prices.
- 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 14,500) per quintal in Erode market on October 30, 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
<b>Oct 11-Oct 17, 2021</b>	71.81	87.97	31.68	136.15
<b>Oct 18-Oct 24, 2021</b>	100.56	92.71	13.49	122.31
<b>Oct 25-Oct 31, 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.



### Refined soy oil Futures (NCDEX, Daily, Nov, Chart)

REF SOYHOIL 1stNCRSEC1(20211009 - Daily) B 1262.00 A 1264.00  
O 1267.00 H 1269.00 L 1258.30 C 1263.40 ↑ V 6,300 | 141,930 +3.1 +0.25%

EMA(10) 1262.4 (10) 1273.3

RSI(14) 44.9152 37.8015

Volume(Total) 8,300

Open Interest(Total) 41,930

MACD(12, 26, 12) DIF -19.5531 DEA -20.2880 MACD 3.42976

10/2021 9 10

### Refined soy oil (Weekly chart, Indore Rs/10 Kg Inclusive VAT)

RSO (1,300.00, 1,325.00, 1,300.00, 1,325.00, +5.00000)

2020 Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2021

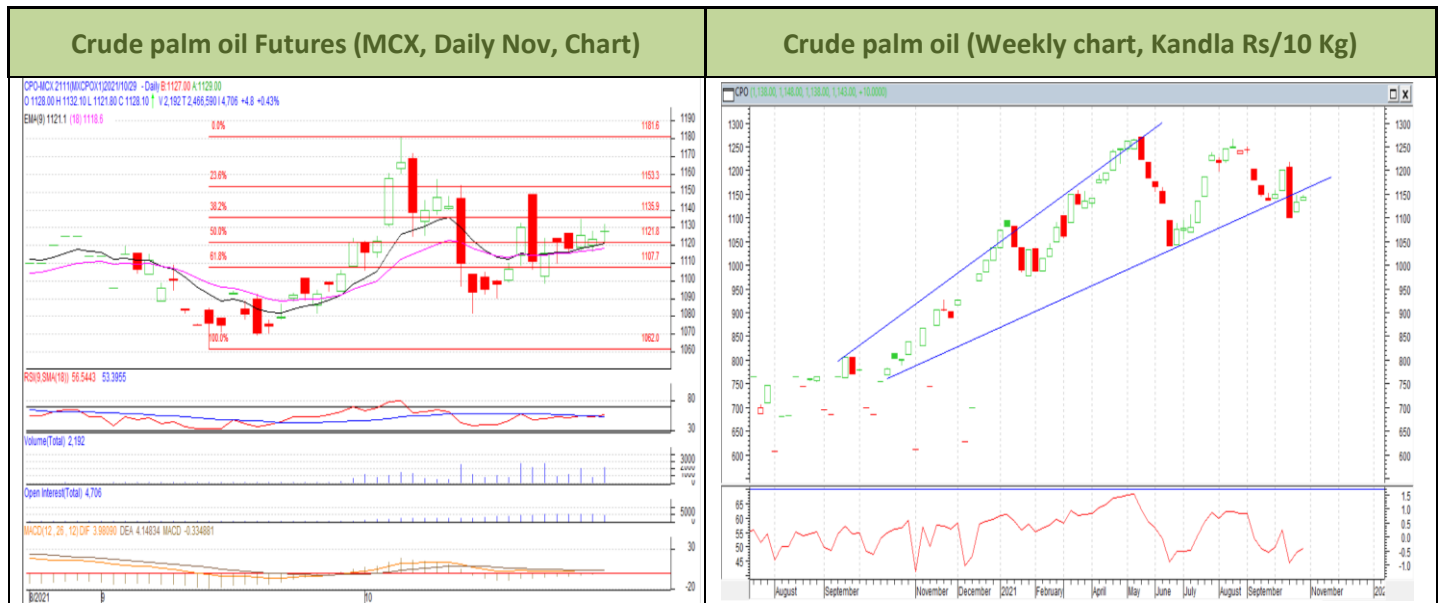
- Daily chart of refined soy oil at NCDEX depicts sideways trend during the upcoming week in review. We expect prices to trade sideways with downward bias.
- Prices may hover between 1310-1360 levels.
- Expected price band for next week is 1200-1280 level in near to medium term. RSI and MACD are in oversold zone.

## RSO NCDEX (Nov)

Support and Resistance				
S2	S1	PCP	R1	R2
1229.27	1246.33	1263.40	1276.23	1289.07

**Spot Market outlook:** Refined soy oil Indore (without GST) is likely to stay in the range of Rs 1310-1360 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 Nov contract to trade sideways.

- Candlestick in weekly chart of crude palm oil at MCX depicts sideways trend in the prices. We expect the commodity to trade sideways in the near term.
- Price may range from Rs 1120-1170.
- Expected price band for next week is 1110-1140 level. RSI and MACD are in neutral zone.

**Strategy:** Market participants are advised to go long in CPO above 1125 for a target of 1135 and 1140 with a stop loss at 1120 on closing basis.

#### CPO MCX (Nov)

Support and Resistance				
S2	S1	PCP	R1	R2
1098.43	1113.27	1128.10	1138.87	1149.63

**Spot Market outlook:** Crude palm oil (without GST) is likely to stay in the range of Rs 1120-1170 per 10 Kg.

Veg. Oil Prices at Key Spot Market

## Edible Oil Spot Prices at key Markets:

Commodity	Centre	Prices (Per 10 Kg)		Change
		30-Oct-21	23-Oct-21	
Refined Soybean Oil	Indore	1325	1320	5
	Indore (Soy Solvent Crude)	1260	1260	Unch
	Mumbai	1300	1315	-15
	Mumbai (Soy Degum)	1250	1260	-10
	Kandla/Mundra	1280	1285	-5
	Kandla/Mundra (Soy Degum)	1252	1255	-3
	Kolkata	1270	1285	-15
	Delhi	1533	1533	Unch
	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	1484	1475	9
	Argentina Crude Soya (FOB)	1412	1417	-5
Palm Oil*	Kandla (Crude Palm Oil)	1143	1133	10
	Kandla (RBD Palm oil)	1180	1170	10
	Kandla RBD Pamolein	1200	1200	Unch
	Kakinada (Crude Palm Oil)	1095	1100	-5
	Kakinada RBD Pamolein	1190	1200	-10
	Haldia Pamolein	1210	1220	-10
	Chennai RBD Pamolein	1200	1200	Unch
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1256	1258	-2
	Krishnapattanam RBD Pamolein	1200	1185	15
	Mumbai RBD Pamolein	1205	1210	-5
	Mangalore RBD Pamolein	1215	1215	Unch
	Mumbai (Refined)	1190	1200	-10
	Rajkot (Refined)	1175	1150	25
	Chennai (Refined)	1200	1190	10
	Hyderabad (Refined)	1205	1200	5

	PFAD (Kandla)	930	900	30
	RPS (Kandla)	1150	1135	15
	Superolien (Kandla)	1230	1230	Unch
	Superolien (Mumbai)	1235	1240	-5
	Kochi (RBD Palmolein)	-	1225	-
	Krishnapattanam (Crude Palm Oil)	1095	1100	-5
Refined Sunflower Oil	Chennai (Refined)	1350	1340	10
	Chennai (Crude )	1250	1250	Unch
	Mumbai (Refined)	1340	1370	-30
	Mumbai (Expeller Oil)	1240	1275	-35
	Kandla (Refined)	1330	1350	-20
	Hyderabad (Refined)	1330	1330	Unch
	Hyderabad (Expeller)	1250	1250	Unch
	Latur (Refined)	1360	1270	90
	Latur (Expeller Oil)	1310	1220	90
	Chellakere (Expeller Oil)	1340	1250	90
	Erode (Expeller Oil)	1360	1350	10
	Kakinada (Refined)	1320	1300	20
	Krishna Pattanam (Refined)	1320	1300	20
Groundnut Oil	Rajkot	1400	1425	-25
	Chennai	1380	1380	Unch
	Hyderabad *	1450	1450	Unch
	Mumbai	1430	1460	-30
	Gondal	1400	1425	-25
	Jamnagar	1400	1425	-25
	Gujarat GN Telia	2230	2265	-35
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1735	1760	-25
	Jaipur (Kacchi Ghani Oil)	1775	1800	-25
	Kota (Expeller Oil)	1650	1690	-40
	Kota (Kacchi Ghani Oil)	1760	1790	-30
	Neewai (Expeller Oil)	1735	1760	-25
	Neewai (Kacchi Ghani Oil)	1765	1790	-25
	Bharatpur (Kacchi Ghani Oil)	1750	1760	-10
	Sri-Ganga Nagar (Exp Oil)	1720	1745	-25
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1760	1785	-25
	Mumbai (Expeller Oil)	1750	1740	10
	Kolkata (Expeller Oil)	1830	1850	-20
	New Delhi (Expeller Oil)	1745	1785	-40
	Hapur (Expeller Oil)	1790	1810	-20
	Hapur (Kacchi Ghani Oil)	1820	1840	-20

	Agra (Kacchi Ghani Oil)	1755	1765	<b>-10</b>
<b>Refined Cottonseed Oil</b>	Rajkot	1380	1460	<b>-80</b>
	Hyderabad	1375	1460	<b>-85</b>
	Mumbai	1370	1440	<b>-70</b>
	Gujarat Cotton Wash	1320	1400	<b>-80</b>
<b>Coconut Oil</b>	Kangayan (Crude)	1450	1450	<b>Unch</b>
	Cochin	1680	1680	<b>Unch</b>
<b>Rice Bran Oil</b>	Punjab 4%)	1260	1300	<b>-40</b>
	Bhatinda (Crude 4%)	1165	1150	<b>15</b>
	Bhatinda (Refined 4%)	1280	1265	<b>15</b>
	Hyderabad (Crude)	1225	1225	<b>Unch</b>
	Hyderabad (Refined)	1380	1380	<b>Unch</b>
	Raipur (Crude)	1285	1285	<b>Unch</b>
	Raipur (Refined)	1400	1400	<b>Unch</b>
	Odisha (Refined)	1400	1400	<b>Unch</b>
	Vijayawada (Refined)	1260	1260	<b>Unch</b>
<b>Malaysia Palmolein USD/MT</b>	FOB	1375	1335	<b>40</b>
	CNF India	1405	1345	<b>60</b>
<b>Indonesia CPO USD/MT</b>	FOB	1415	1380	<b>35</b>
	CNF India	1420	1365	<b>55</b>
<b>Crude palm Kernel Oil India (USD/MT)</b>	CNF India	Closed	2140	<b>-</b>
<b>Ukraine Origin CSFO USD/MT Kandla</b>	CIF	1450	1500	<b>-50</b>
<b>Argentina FOB (\$/MT)</b>		<b>29-Oct-21</b>	<b>22-Oct-21</b>	<b>Change</b>
<b>Crude Soybean Oil Ship</b>		1416	1415	<b>1</b>
<b>Refined Soy Oil (Bulk) Ship</b>		1466	1465	<b>1</b>
<b>Sunflower Oil Ship</b>		1425	1410	<b>15</b>
<b>Cottonseed Oil Ship</b>		1396	1395	<b>1</b>
<b>* Indicates including GST</b>				

**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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