

# 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, mustard oil, Sunflower oil, Coconut oil, and Groundnut oil traded down.*

*On the currency front, Indian rupee is hovering near 74.26 against 74.92 previous weeks. Rupee expected to depreciate while crude oil prices expected to trade sideways.*

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

#### *Outlook:*

*Weekly Call -: In NCDEX, Market participants are advised to go short in RSO below 1240 level with a target of 1230 and 1225 with stop loss at 1250. We expect Refined soy oil Indore (without GST) is likely to stay in the range of Rs 1220-1270 per 10 Kg.*

*In MCX, Market participants are advised to go short in CPO below level 1120 with a target of 1100 and 1090 with stop loss at 1140. We expect, Crude palm oil (without GST) is likely to stay in the range of Rs 1080-1130 per 10 Kg.*

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

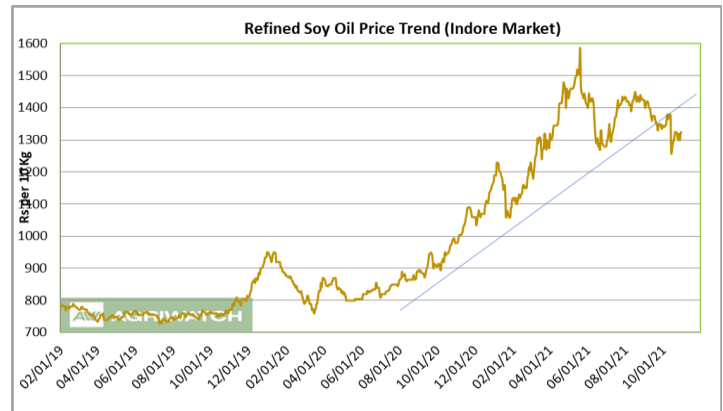
*On the international front, US Soy oil stock, good yields of US Soybean crop, Soybean sowing states in Brazil, Biodiesel demand, China's demand, rise in crude oil prices will underpin soy oil prices in coming days.*

*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 down trend at its benchmark market the week in review. The prices saw correction in movement owing to the move of government revising the import duty.
- CBOT soy oil prices traded downside as arrival of US's new soybean crop starts and creating selling pressure as progression headed fast.
- 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.
- 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.
- 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.

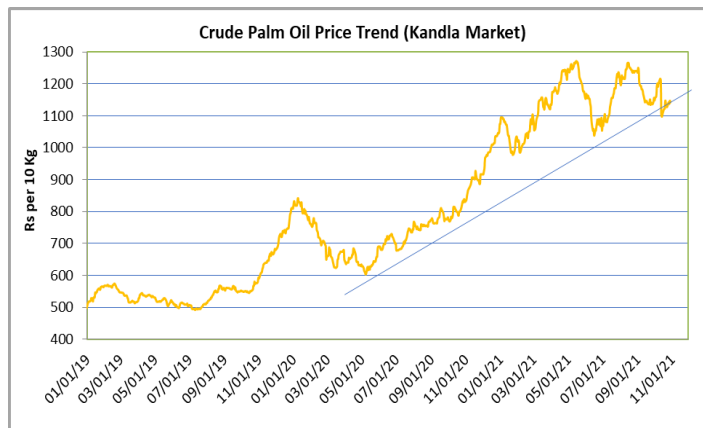
- According to United States Department of Agriculture (USDA) July estimate, U.S 2020/21 ending stocks of soy oil estimate has been decreased to 1,488 million lbs compared to 1,503 million lbs in June estimate. Opening stocks decreased to 1,793 million lbs compared from 1,808 million lbs in June 2020/21. 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 1220-1270 per 10 Kg in the near term.

### Palm oil Fundamental Analysis and Outlook -:

#### Domestic Front

- Crude palm oil (CPO) witnessed sideways trend with downward side bias at its benchmark market at Kandla.
- Palm oil prices corrected following revision in import duty cut and imposition of stock limits on edible oils.
- Prices may trade sideways as stock limit is announced on edible oil and oilseeds till 31st 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 governments 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 sideways on good export demand and rising end stock. 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.

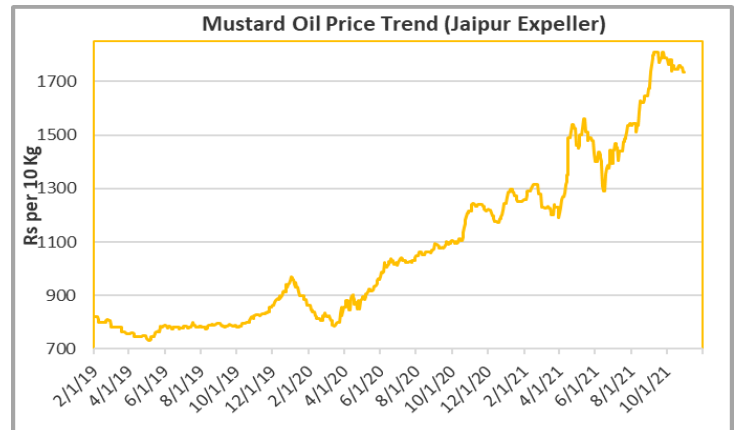
- Indonesia and Malaysia have entered low production months that will maintain tight end stock and prices will be sustained at an uptrend.
- Malaysia government this month announced a special approval to bring in 32,000 foreign workers for the plantation sector.
- According to Malaysia Palm Oil Board (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 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.

**Price Outlook:** We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 1080-1130 per 10 Kg in the near term.

## Rapeseed oil Fundamental Review and Analysis-

### Domestic Front

- Mustard oil prices traded sideways for the previous week in review.
- Prices of mustard oil fell as the festival demand is over.
- Price are also correcting following price correction in competing oils and higher September imports.
- Mustard oil demand rises 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 ragi sown area.
- According to Department of agriculture, Rajasthan, as on 2nd Nov, Rapeseed Mustard sowing is up by 44% and stood at 22.99 lakh hectare vs 16.35 lakh hectare last year same period.
- 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 470 per 10 Kg compared to Rs 450 per 10 Kg last week.  
Jaipur kacchi ghani rapeseed oil premium over RBD palmolein is at Rs 550 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.



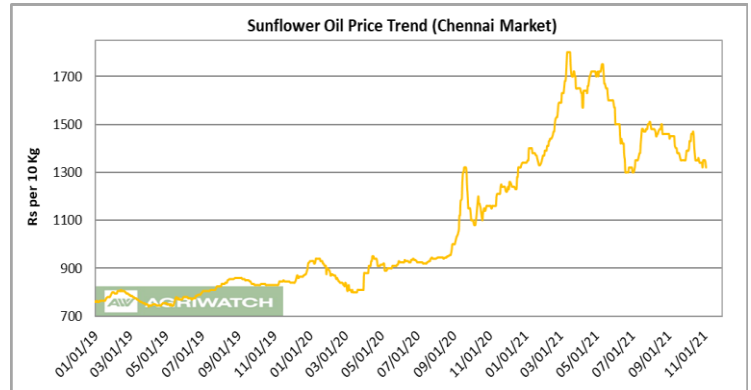
- Currently, RM oil at Jaipur market, (expeller) is offered at Rs 1,735 (Rs 1,735) per 10 Kg, and at Kota market, it is offered at Rs 1,640 (Rs 1,650) per 10 kg as on November 6, 2021. Values in brackets are figures of last week.
- We expect RM seed oil prices to trade sideways in the coming days.

**Price Outlook:** Rapeseed Expeller oil (without GST) prices in Jaipur may stay in the range of Rs 1680-1750 per 10 Kg.

### Sunflower oil Fundamental Review and Analysis:-

#### Domestic Front

- Sunflower oil price traded down during the week in review in Chennai backed.
- Prices corrected as government scrapped off import duty on crude sun oil from 2.5 percent. While, import duty on refined sun oil was revised down to 17.5 percent from 32.5 percent.
- Sunflower oil international prices are also correcting as Ukraine and Russia are expecting higher crops this year.
- Rising acreage of Sun seed resulted in correction in domestic prices and higher sun seed September imports also pressured prices
- International Sunflower oil prices are correcting as arrival increases in major top producing countries.



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. 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.

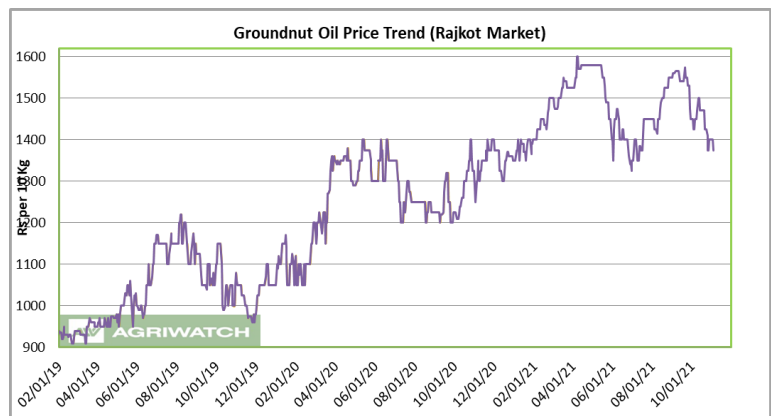
- Currently, refined sunflower oil at Chennai market is Rs 1,290 (Rs 1,350) per 10 Kg, and at Kandla/Mudra market, it is offered higher at Rs 1290 (Rs 1330) per 10 kg as on November 6, 2021. Values in brackets are figures of last week.
- We expect sunflower oil prices to trade sideways with downward side bias in the coming days.

**Price Outlook:** Sunflower oil (without GST) prices in Chennai may stay in the range of Rs 1250-1300 per 10 Kg.

### Groundnut oil Fundamental Review and Analysis:-

#### Domestic Front

- Groundnut oil market prices showed sideways trend in the previous week.
- Prices are correcting as arrival increases in market.
- Solvent Extractor Association of India (SEA) has estimated Gujarat's Kharif Groundnut crop production at 39.94 Lakh tons from an acreage of 19.14 Lakh ha. Gujarat's present year's average yield for groundnut stands at 2087 kg/ha against the average yield of 1897 kg/ha last year.
- Indian Oilseeds & Produce Export Promotion Council (IOPEPC) presented Kharif crop Scenario 2021 for Sesame Seeds and Groundnut in their 3rd IOPEPC Global Oilseed Conference (IGOC) held on 21st October 2021. As per their estimates, all India coverage of Kharif-2021 Groundnut stood at 49,14,300 ha. The production is estimated to be 82,03,490 tonnes with an average yield of 1669 kg/ha. The highest groundnut producing state, Gujarat's groundnut production is estimated at 39.55 lakh tonnes with an average yield of 2071 kg/ha. IOPEPC's groundnut Kharif-2021 crop estimates are in close conformity with the government's First Advance estimate of 82.54 lakh tonnes. As per 1st Advance Estimates, released by the Department of Agriculture and Farmers Welfare, the estimated production of kharif groundnut during 2021-22 is 82.54 lakh tons vs 85.56 lakh tons last year.
- 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.
- 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 13,750 (Rs 14,000) per quintal and it was Rs 13,800 (Rs 13,800) per quintal in Chennai market on November 6, 2021. Values in brackets are figures of last week.
- Groundnut oil prices are likely to trade sideways in the coming days.



#### Price Outlook:

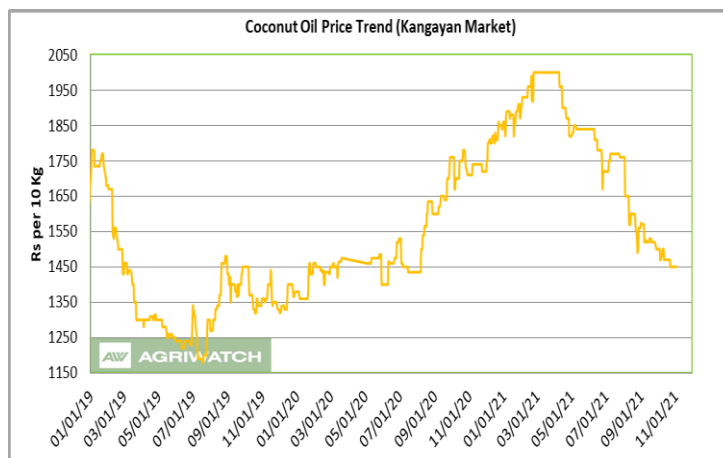
Groundnut oil (without GST) in Rajkot market is likely to trade in the price band of Rs 1325-1400 per 10 Kg





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

- The Coconut oil benchmark market of Kangan 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.

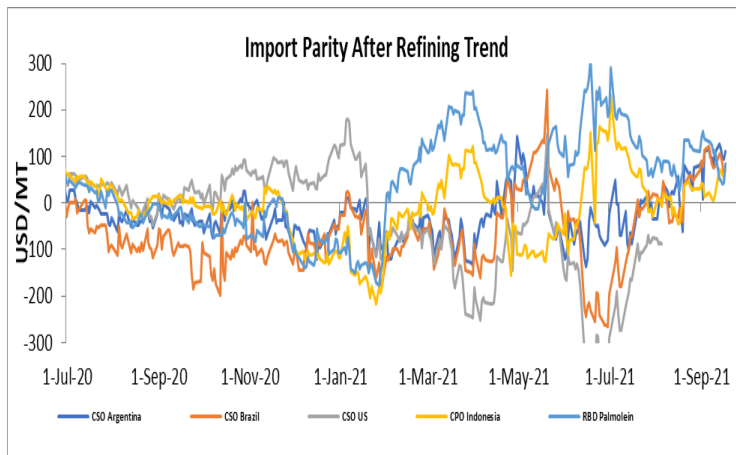
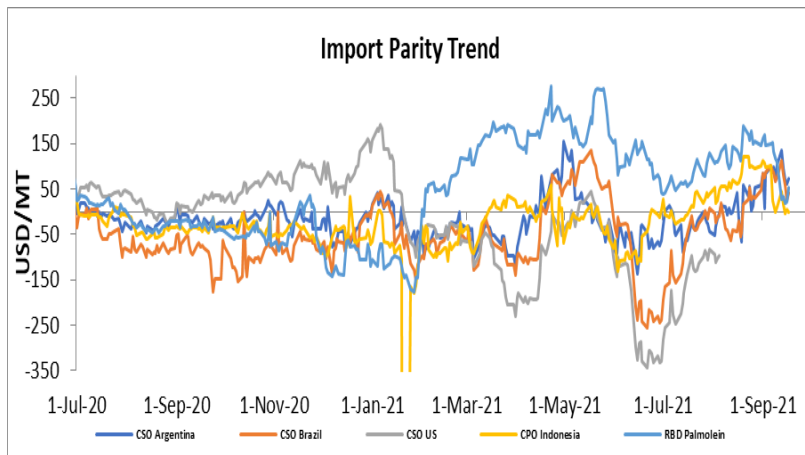
Millers operating capacity has improved amid firm demand in food and industrial segment and branded segment. Demand of coconut oil is firm, as competing oil prices are rising are competing for shares in market. The demand is firm, and prices of branded coconut oils and legal blended coconut oils are 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 16,400) per quintal and was quoted at 14,500 (Rs 14,500) per quintal in Erode market on November 6, 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)



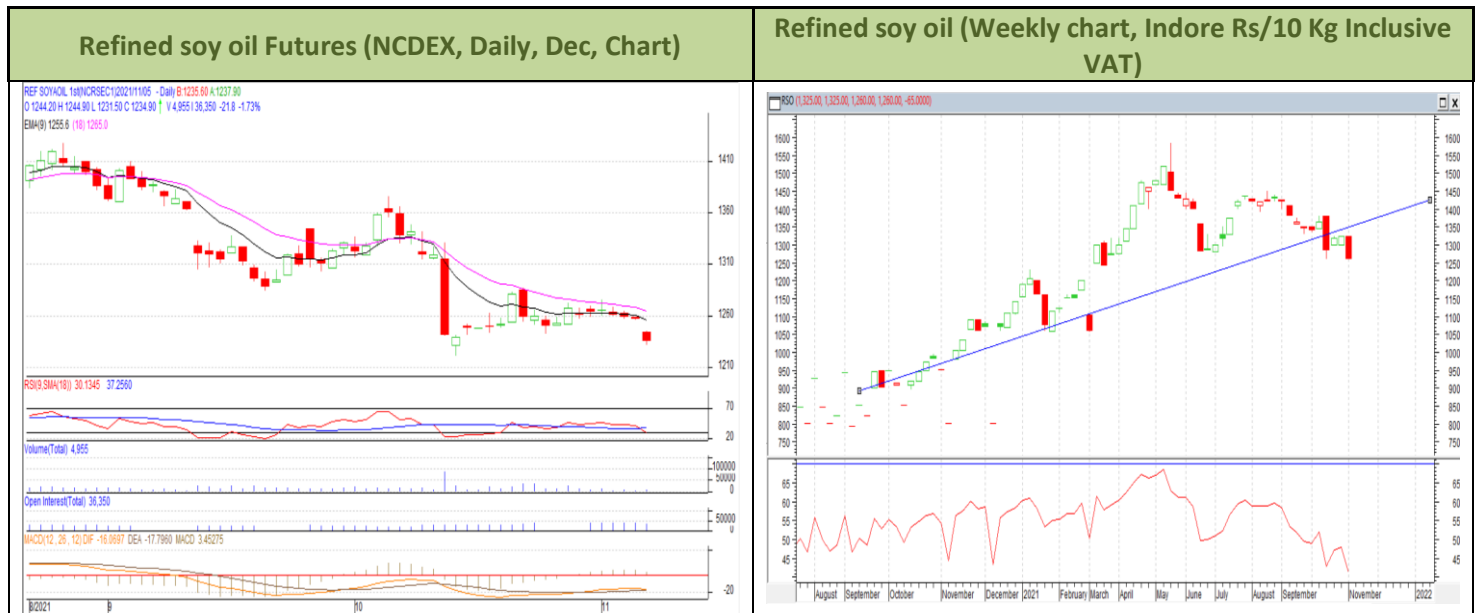
	CSO Argentina	CSO Brazil	CPO Indonesia	RBD Palm olein
<b>Oct 18-Oct 24, 2021</b>	71.81	87.97	31.68	136.15
<b>Oct 25-Oct 31, 2021</b>	100.56	92.71	13.49	122.31
<b>Nov 1-Nov 7, 2021</b>	108.47	83.88	69.06	53.93

### Outlook:-

Refining margins for CSO Argentina achieved parity compared previous months as prices of soy oil in international markets traded sideways on back of downgrade in crop condition in US and rains in parts of US. We expect soy oil refining margin to retain parity for the present month.

Refining margin parity rose for CPO. RBD palm olein refining margin parity is lower than CPO parity. CPO parity rose as demand rose amid correction in import duty. We expected CPO to retain parity in medium term.

### Technical Analysis (Refined soy oil)



**Outlook – Refined soybean oil witnessed down trend during the week in review and is likely to trade down in coming week.**

- Daily chart of refined soy oil at NCDEX depicts down trend during the upcoming week in review. We expect prices to trade sideways with downward bias.
- Prices may hover between 1220-1270 levels.
- Expected price band for next week is 1210-1275 level in near to medium term. RSI and MACD are in neutral zone.

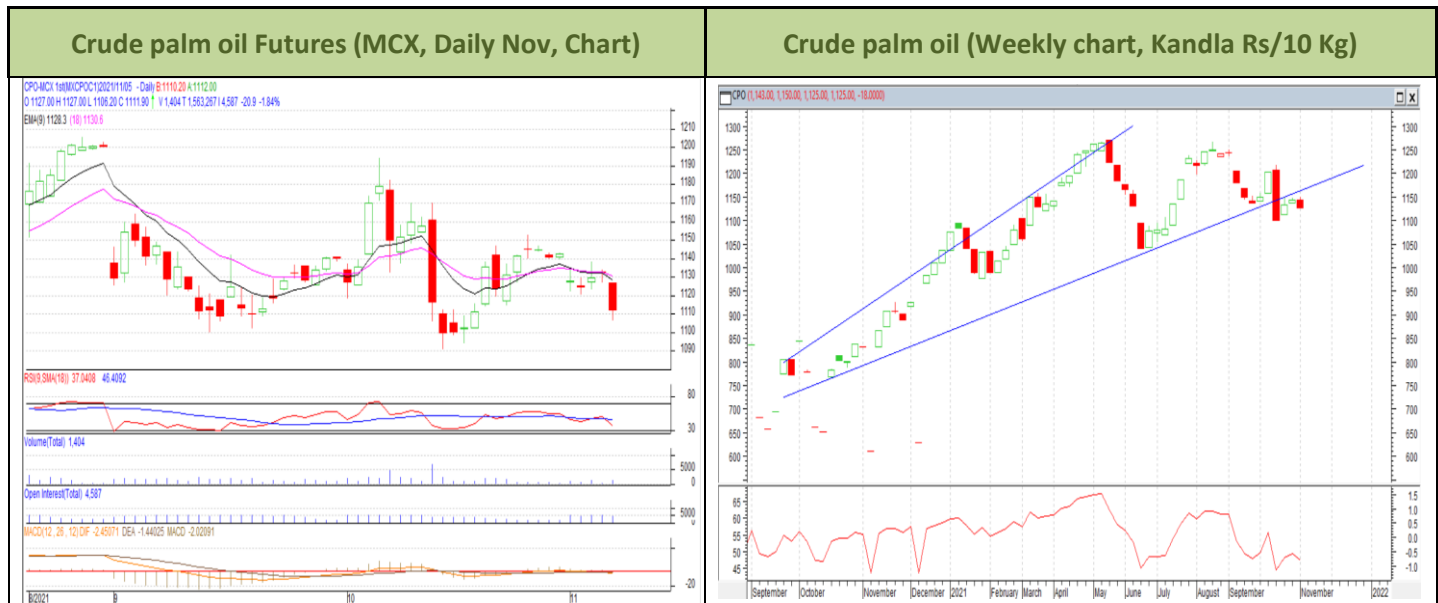
**Strategy:** Market participants are advised to go short in RSO below 1240 for a target of 1230 and 1225 with a stop loss at 1250 on closing basis.

#### RSO NCDEX (Dec)

Support and Resistance				
S2	S1	PCP	R1	R2
1203.63	1219.27	1234.90	1262.77	1290.63

**Spot Market outlook:** Refined soy oil Indore (without GST) is likely to stay in the range of Rs 1220-1270 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 1080-1130.
- Expected price band for next week is 1090-1145 level. RSI and MACD are in neutral zone.

**Strategy:** Market participants are advised to go short in CPO below 1120 for a target of 1100 and 1090 with a stop loss at 1140 on closing basis.

#### CPO MCX (Nov)

Support and Resistance				
S2	S1	PCP	R1	R2
1067.60	1086.90	1111.90	1131.20	1150.50

**Spot Market outlook:** Crude palm oil (without GST) is likely to stay in the range of Rs 1080-1130 per 10 Kg.

Veg. Oil Prices at Key Spot Market

## Edible Oil Spot Prices at key Markets:

Commodity	Centre	Prices (Per 10 Kg)		Change
		6-Nov-21	30-Oct-21	
Refined Soybean Oil	Indore	1260	1325	-65
	Indore (Soy Solvent Crude)	1210	1260	-50
	Mumbai	1270	1300	-30
	Mumbai (Soy Degum)	1210	1250	-40
	Kandla/Mundra	1245	1280	-35
	Kandla/Mundra (Soy Degum)	1205	1252	-47
	Kolkata	1250	1270	-20
	Delhi	1533	1533	Unch
	Nagpur	1420	1420	Unch
	Rajkot	Closed	1250	-
	Kota	1350	1350	Unch
	Hyderabad	NA	0	-
	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	1441	1484	-43
	Argentina Crude Soya (FOB)	1439	1412	27
Palm Oil*	Kandla (Crude Palm Oil)	1125	1143	-18
	Kandla (RBD Palm oil)	1165	1180	-15
	Kandla RBD Pamolein	1185	1200	-15
	Kakinada (Crude Palm Oil)	1100	1095	5
	Kakinada RBD Pamolein	1180	1190	-10
	Haldia Pamolein	1185	1210	-25
	Chennai RBD Pamolein	1185	1200	-15
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1243	1256	-13
	Krishnapattanam RBD Pamolein	1180	1200	-20
	Mumbai RBD Pamolein	1195	1205	-10
	Mangalore RBD Pamolein	1195	1215	-20
	Mumbai (Refined)	1195	1190	5
	Rajkot (Refined)	closed	1175	-
	Chennai (Refined)	1200	1200	Unch

	Hyderabad (Refined)	1200	1205	-5
	PFAD (Kandla)	920	930	-10
	RPS (Kandla)	1120	1150	-30
	Superolien (Kandla)	1215	1230	-15
	Superolien (Mumbai)	1225	1235	-10
	Kochi (RBD Palmolein)	-	1225	-
	Krishnapattanam (Crude Palm Oil)	1100	1095	5
Refined Sunflower Oil	Chennai (Refined)	1320	1350	-30
	Chennai (Crude )	1250	1250	Unch
	Mumbai (Refined)	1300	1340	-40
	Mumbai(Expeller Oil)	1180	1240	-60
	Kandla (Refined)	1270	1330	-60
	Hyderabad (Refined)	1300	1330	-30
	Hyderabad (Expeller)	1250	1250	Unch
	Latur (Refined)	1270	1360	-90
	Latur (Expeller Oil)	1220	1310	-90
	Chellakere (Expeller Oil)	1250	1340	-90
	Erode (Expeller Oil)	Closed	1360	-
	Kakinada (Refined)	1285	1320	-35
	Krishna Pattanam (Refined)	1285	1320	-35
Groundnut Oil	Rajkot	Closed	1400	-
	Chennai	1380	1380	Unch
	Hyderabad *	1420	1450	-30
	Mumbai	1405	1430	-25
	Gondal	Closed	1400	-
	Jamnagar	Closed	1400	-
	Gujarat GN Telia	2200	2230	-30
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1735	1735	Unch
	Jaipur (Kacchi Ghani Oil)	1775	1775	Unch
	Kota (Expeller Oil)	1640	1650	-10
	Kota (Kacchi Ghani Oil)	1760	1760	Unch
	Neewai (Expeller Oil)	1735	1735	Unch
	Neewai (Kacchi Ghani Oil)	1765	1765	Unch
	Bharatpur (Kacchi Ghani Oil)	1710	1750	-40
	Sri-Ganga Nagar(Exp Oil)	1720	1720	Unch
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1760	1760	Unch
	Mumbai (Expeller Oil)	1720	1750	-30
	Kolkata(Expeller Oil)	1830	1830	Unch
	New Delhi (Expeller Oil)	1745	1745	Unch
	Hapur (Expeller Oil)	1770	1790	-20

	Hapur (Kacchi Ghani Oil)	1800	1820	<b>-20</b>
	Agra (Kacchi Ghani Oil)	1715	1755	<b>-40</b>
<b>Refined Cottonseed Oil</b>	Rajkot	Closed	1380	-
	Hyderabad	1350	1375	<b>-25</b>
	Mumbai	1320	1370	<b>-50</b>
	Gujarat Cotton Wash	1220	1320	<b>-100</b>
<b>Coconut Oil</b>	Kangayan (Crude)	Closed	1450	-
	Cochin	1670	1680	<b>-10</b>
<b>Rice Bran Oil</b>	Punjab 4%)	1250	1260	<b>-10</b>
	Bhatinda (Crude 4%)	1180	1165	<b>15</b>
	Bhatinda (Refined 4%)	1295	1280	<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	1355	1375	<b>-20</b>
	CNF India	1385	1405	<b>-20</b>
<b>Indonesia CPO USD/MT</b>	FOB	1388	1415	<b>-27</b>
	CNF India	1405	1420	<b>-15</b>
<b>Crude palm Kernel Oil India (USD/MT)</b>	CNF India	Closed	2165	-
<b>Ukraine Origin CSFO USD/MT Kandla</b>	CIF	1435	1450	<b>-15</b>
<b>Argentina FOB (\$/MT)</b>		<b>6-Nov-21</b>	<b>30-Oct-21</b>	<b>Change</b>
<b>Crude Soybean Oil Ship</b>		1378	1416	<b>-38</b>
<b>Refined Soy Oil (Bulk) Ship</b>		1426	1466	<b>-40</b>
<b>Sunflower Oil Ship</b>		1410	1425	<b>-15</b>
<b>Cottonseed Oil Ship</b>		1358	1396	<b>-38</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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