

Veg. Oil Weekly Research Report

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Executive Summary

Domestic Veg. Oil Market Summary

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

On the currency front, Indian rupee is hovering near 74.31 against 74.35 previous weeks. Rupee expected to depreciate while crude oil prices expected to trade sideways.

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

Outlook:

Weekly Call -: In NCDEX, Market participants are advised to go long in RSO above 1225 level with a target of 1250 and 1260 with stop loss at 1215. We expect Refined soy oil Indore (without GST) is likely to stay in the range of Rs 1230-1290 per 10 Kg.

In MCX, Market participants are advised to go long in CPO above level 1140 with a target of 1165 and 1175 with stop loss at 1130. We expect, Crude palm oil (without GST) is likely to stay in the range of Rs 1110-1180 per 10 Kg.

International Veg. Oil Market Summary

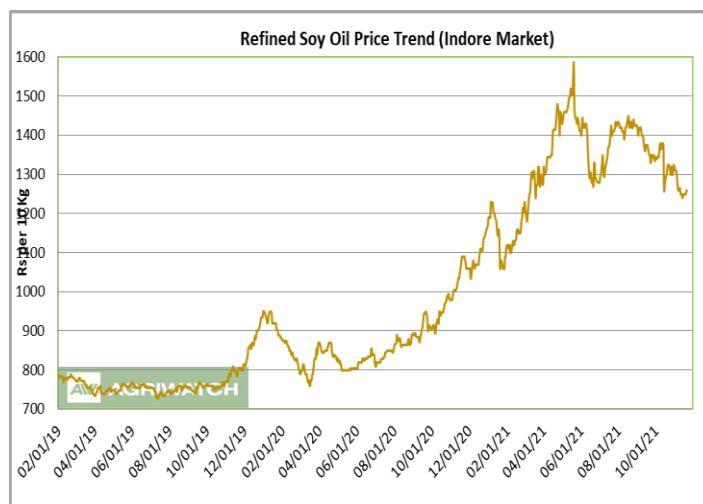
On the international front, rising US Soy oil stock, yields of US Soybean crop, Soybean sowing in Brazil and Argentina, Biodiesel demand, China's demand, crude oil prices will underpin soy oil prices in coming days.

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 uptrend at its benchmark market for the week in review. The prices were supported by rising international prices.
- Further, slow soybean seed arrival in market has underpinned domestic prices. Farmers are releasing their produce slow in expectation of good prices in future.
- Domestic prices will be supported by slow supply side as October imports are down.
- CBOT soy oil prices traded up following bullish USDA WASDE report. USDA report forecasted lower yield for November supporting price movement.
- International CBOT soy oil were also supported by the gains in crude oils and rise in prices of rival palm oil.
- Rising international soy oil prices are driving prices up despite government various steps to curb down 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.
- According to Solvent Extractors Association (SEA), India's October edible oil imports fell 14.29 percent y-o-y to 10.49 lakh tons from 16.98 lakh tons in October 2020. Palm oil imports fell 9.81 percent y-o-y to 6.84 lakh tons from 7.58 lakh tons in October 2020. CPO imports fell 16.86 percent y-o-y in October 2021 to 6.26 lakh tons from 7.53 lakh tons in October 2020. RBD palmolein import fell to 0.58 lakh tons in October 2021 compared to 0.05 lakh tons imports in October 2020. Soy oil imports fell 22.02 percent in October y-o-y to 2.16 lakh tons from 2.77 lakh tons in October 2020. Sunflower oil imports fell 31.76 percent in October y-o-y to 1.16 lakh tons from 1.70 lakh tons in October 2020. Rapeseed (canola) oil stood at 19,125 tons imports in October compared to zero imports in last year for same period.
- According to Solvent Extractors Association (SEA), India's November edible oil stocks at ports and pipelines fell by 14.96 percent m-o-m to 17.05 lakh tons from 20.05 lakh tons in October 2021. Stocks of edible oil at ports in October is estimated at 565,000 tons (CPO 190,000 tons, RBD Palmolein 165,000, Degummed Soybean Oil 110,000 tons, Crude Sunflower Oil 85,000 tons and Rapeseed Oil 15,000 tons) and pipeline stock at 1,140,000 tons. Stocks at ports were 845,000 tons and in pipelines were 1,160,000 tons, in October 2021. India is presently holding 21 days of edible oil requirement on 1st October, 2021 at 17.05 lakh tons compared to 30



days of requirements of 20.05 lakh tons on 1st October 2021. India held 15.78 lakh tons of stocks in ports and pipelines on 1st November 2020. India's monthly edible oil requirement is 21.0 lakh tons.

- Soy oil import scenario – According to SEA, Soy oil imports fell 22.02 percent in October y-o-y to 2.16 lakh tons from 2.77 lakh tons in October 2020. For the current oil year 2020-21 (Nov 2020 -October 2021), soy oil for period of Nov.20- Nov'21 saw fall in imports to 28.65 lakh tons compared to 33.84 lakh tons in corresponding period last oil year, low by 15.33 percent.
- Imported crude soy oil CNF at West coast port offered at USD 1458 (USD 1450) per ton for Nov delivery, Dec is delivery quoted at USD 1475 (USD 1455) per ton. Values in brackets are figures of last week. Last month, CNF CDSO Oct average price was USD 1450.48 (USD 1364.69 per ton in Sep 2021) per ton. Soy refined (Indore) quoted at Rs 1260 (Rs 1240 last week) per 10 kg.
- On the parity front, margins fell 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 up as USDA WASDE report forecasted bullish momentum by estimating lower yield for November supporting price movement.
- Rally in rival palm oil also supported price strength.
- Demand for soy oil is getting firm. China's demand is getting firm which will underpin prices.
- 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 USDA, as on 15th Nov, 92% US soybean has been harvested vs 95% last year and 93% five-year average.
- As on 18th Nov, according to Buenos Aires Grains Exchange, Argentina's Soybean sowing has commenced and 28.6% sowing have been completed Vs 31.3% last year same period and 31.5% five-year average. farmers are expected to sow 16.5 million hectares, the smallest in the last 15 years.
- According to Ag Rural, Brazilian soybeans sowing is going on, 78% of the soybeans had been planted compared to 70% same period last year and 67% average.
- According to United States Department of Agriculture (USDA) November estimate, U.S 2020/21 ending stocks of soy oil estimate has been increased to 1,912 million lbs compared to 1,798 million lbs in October estimate. Opening stocks is increased to 2,177 million lbs compared to 2,063 million lbs last month. Production of soy oil in November is kept same as last month at 25,535 million lbs. Imports are kept same at 450 million lbs. Biofuel is kept same at 11,000 million lbs. Food, feed and other industrial use is also stable 14,000 million lbs. Exports is also stable at 1,250 million lbs. Average price range estimate of November is same as of October at 65.0 cents per lb.

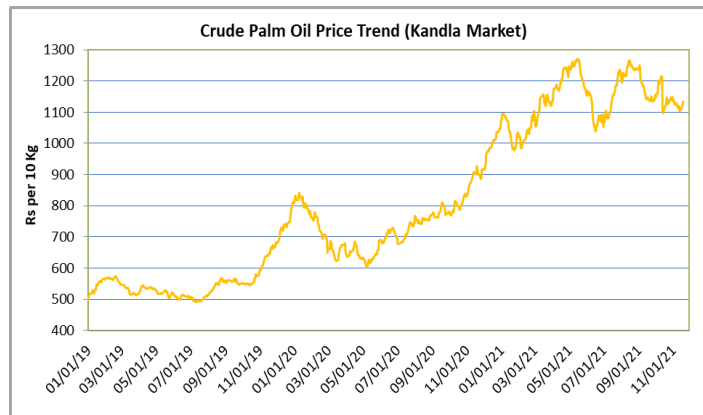
- The U.S. Department of Agriculture monthly supply and demand report for the month of November forecasts U.S. 2020/21 soybean end stocks at 340 million bushels higher than previous estimate of 320 million bushels. Opening stocks in November 2020/21 have been kept same as last month at 175 million bushels. Soybean production in November estimate is increased to 4,425 million bushels compared to 4,448 million bushels in October. U.S. soybean exports estimate in November have been decrease to 2,050 million bushels compared to 2,090 million bushels in October. Import's estimate is kept same as last month at 15 million bushels. Crushing have kept same as last month at 2,190 million bushels. Seed use in 2020/21 is lowered to 102 million bushels compared to 104 million bushels. Residual use is kept unchanged at 15 million bushels. Average price range is lowered to 12.10 cents/bushel compared to 12.35 cents/bushel October month's estimate.
- 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.

Price Outlook: We expect refined soy oil (without GST) at Indore to stay in the range of Rs 1230-1290 per 10 Kg in the near term.

Palm oil Fundamental Analysis and Outlook -:

Domestic Front

- Crude palm oil (CPO) witnessed rising trend in prices at its benchmark market at Kandla.
- Palm oil prices were supported by rallying in international palm oil prices.
- Rally in international market is due to low production and tight end stock.
- Prices are also supported by low palm oil October's import.



- 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.
- 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 October edible oil imports fell 14.29 percent y-o-y to 10.49 lakh tons from 16.98 lakh tons in October 2020. Palm oil imports fell 9.81 percent y-o-y to 6.84 lakh tons from 7.58 lakh tons in October 2020. CPO imports fell 16.86 percent y-o-y in October 2021 to 6.26 lakh tons from 7.53 lakh tons in October 2020. RBD palmolein import fell to 0.58 lakh tons in October 2021 compared to 0.05 lakh tons imports in October 2020. Soy oil imports fell 22.02 percent in October y-o-y to 2.16 lakh tons from 2.77 lakh tons in October 2020. Sunflower oil imports fell 31.76 percent in October y-o-y to 1.16 lakh tons from 1.70 lakh tons in October 2020. Rapeseed (canola) oil stood at 19,125 tons imports in October compared to zero imports in last year for same period.

- According to Solvent Extractors Association (SEA), India's November edible oil stocks at ports and pipelines fell by 14.96 percent m-o-m to 17.05 lakh tons from 20.05 lakh tons in October 2021. Stocks of edible oil at ports in October is estimated at 565,000 tons (CPO 190,000 tons, RBD Palmolein 165,000, Degummed Soybean Oil 110,000 tons, Crude Sunflower Oil 85,000 tons and Rapeseed Oil 15,000 tons) and pipeline stock at 1,140,000 tons. Stocks at ports were 845,000 tons and in pipelines were 1,160,000 tons, in October 2021. India is presently holding 21 days of edible oil requirement on 1st October, 2021 at 17.05 lakh tons compared to 30 days of requirements of 20.05 lakh tons on 1st October 2021. India held 15.78 lakh tons of stocks in ports and pipelines on 1st November 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 October fell 9.81 percent y-o-y to 6.84 lakh tons from 7.58 lakh tons in October 2020. For the current oil year 2020-21 (Nov 2020 -October 2021), Palm oil for period of Nov.20- Oct'21 saw rise in imports to 83.21 lakh tons compared to 72.12 lakh tons in corresponding period last oil year, higher by 15.37 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 October 2021 to 8.44 lakh tons from 6.15 lakh tons in October 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 October 2021 compared to 0.12 lakh tons imports in October 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 1445 (USD 1435) per ton for Nov delivery and Dec delivery is quoted at USD 1440 (USD 1395) 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 1370 (USD 1370) per ton for Nov delivery and Dec delivery is quoted at USD 1320 (USD 1327.5) 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 1135 (Rs 115) per 10. Ready lift RBD palmolein is quoted at Rs 1195 (Rs 1185) per 10 kg as on Nov 22, 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 are rallying on good export demand and tight end stock.

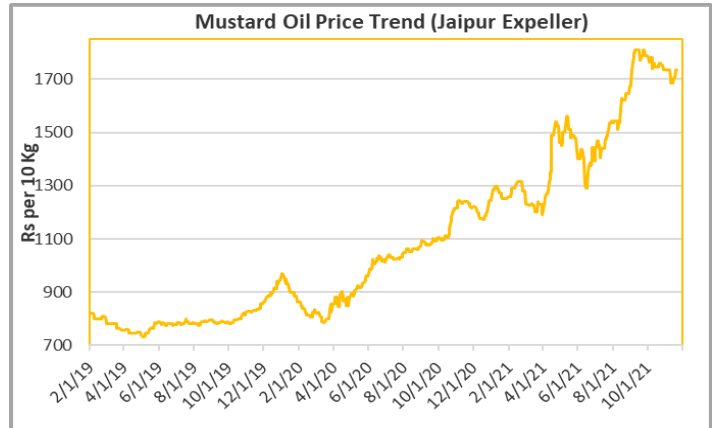
- Indonesia and Malaysia have entered low production months that will maintain tight end stock and prices will sustain an uptrend.
- Malaysia government has announced a special approval to bring in 32,000 foreign workers for the plantation sector
- Recently Indonesia Government has laid out there plans to stop palm oil raw material exports in upcoming years and to focus on exporting finished palm oil products which will be beneficial to Malaysia.
- According to Malaysia Palm Oil Board (MPOB), Malaysia's October Crude palm oil stocks rose 5.97 percent to 9.86 lakh tons compared to 9.30 lakh tons in September 2021. Production of palm oil in September rose 1.30 percent to 17.25 lakh tons compared to 17.03 lakh tons in September 2021. Exports of palm oil in October fell 12.03 percent to 14.17 lakh tons compared to 16.11 lakh tons in September 2021. Imports of palm oil in October rose to 50,450 tons from 74,992 tons of imports in previous month. Stocks of palm oil rose to trade expectation of rise in stocks due to fall in 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 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.

Price Outlook: We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 1110-1180 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 strengthening on back of tight supply side and firm demand.
- Arrival is also slow and mustard oil demand increases in winter season supporting upward price movement.
- According to the data released by SEA, India imported 19,125 tons of rapeseed oil during October month this year. Rapeseed oil imports amid tight supply has provided some slack on supply side, while firm demand has underpinned the prices.
- According to Department of agriculture, Rajasthan, as on 18th Nov, Rapeseed Mustard sowing is up by 44% and stood at 30.93 lakh hectare vs 21.51 lakh hectare last year same period. Mustard sowing expected to end with 18-20% increase in acreage.
- According to GOI, as on 12 Nov, Mustard sowing is up by 24% at 56.28 Lakh Ha compared with 45.37 Lakh Ha last year.
- Mustard oil is also taking positive cues from rising prices of competing oils and higher international prices of canola oil.
- Premium of Jaipur kacchi ghani rapeseed oil over refined soy oil in domestic market is at Rs 515 per 10 Kg compared to Rs 470 per 10 Kg last week.
Jaipur kacchi ghani rapeseed oil premium over RBD palmolein is at Rs 580 per 10 kg compared to Rs 550 per 10 Kg last week.
- According to Solvent Extractor Association (SEA), Rapeseed oil import scenario- India imported 19,125 tons rapeseed (Canola) oil in September 2021 compared to no import in October 2020. For the current oil year 2020-21 (Nov 2020 -October 2021), soy oil for period of Nov.20- Oct'21 saw fall in imports to 0.52 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 1,685) per 10 Kg, and at Kota market, it is offered at Rs 1,680 (Rs 1,640) per 10 kg as on November 22, 2021. Values in brackets are figures of last week.
- We expect RM seed oil prices to trade firm in the coming days.

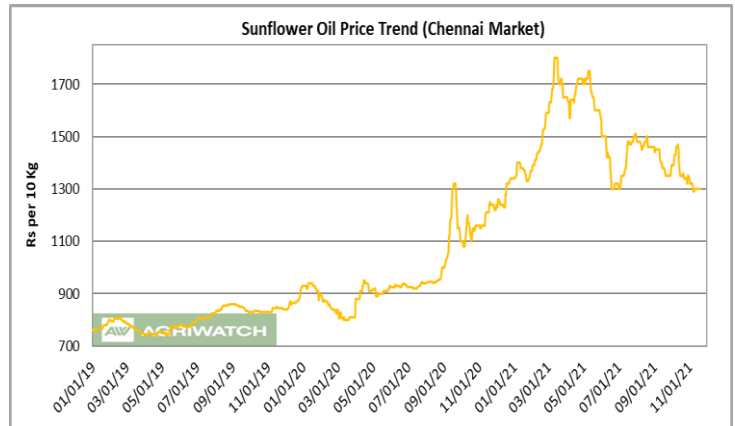


Price Outlook: Rapeseed Expeller oil (without GST) prices in Jaipur may stay in the range of Rs 1700-1760 per 10 Kg.

Sunflower oil Fundamental Review and Analysis:-

Domestic Front

- Sunflower oil price traded firm for the previous week in review in Chennai.
- Prices are firm backed by rising international prices.
- International prices are rising backed by firm global demand and taking cue from rising prices of competing oils.
- Domestic prices are also supported by low October month's sun oil import.
- Government have scraped 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.
- 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.

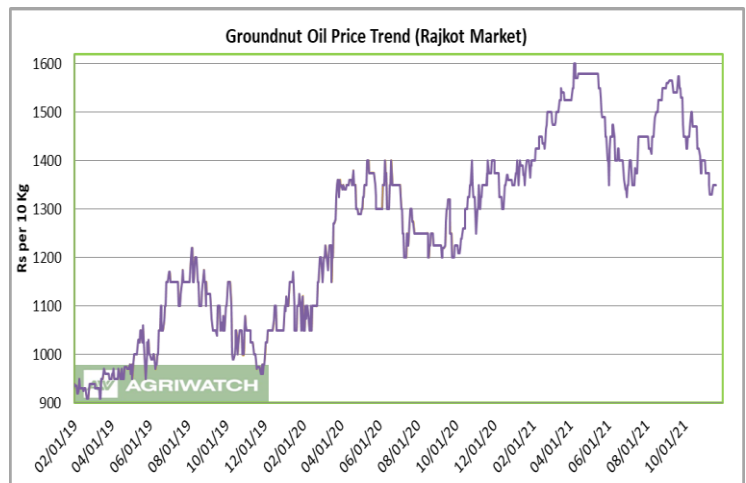
- Sunflower oil imports scenario- According to Solvent Extractors Association (SEA), Sunflower oil imports fell y-o-y in October 2021 to 1.16 lakh tons from 1.70 lakh tons in October 2020 and on m-o-m comparison imports are down compared to 1.81 lakh tons in September 2021.
- On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 1480 (USD 1465 per ton for Nov delivery and Dec delivery quoted at USD 1475 (USD 1455) 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 1,300 (Rs 1,300) per 10 Kg, and at Kandla/Mudra market, it is offered higher at Rs 1300 (Rs 1270) per 10 kg as on November 22, 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 1280-1350 per 10 Kg.

Groundnut oil Fundamental Review and Analysis:- Domestic Front

- Groundnut oil market prices showed steady trend in the previous week.
- Prices are firm as arrival have tightened on expectation of higher prices in later months.
- Groundnut's Gujarat crop production is estimated higher, while overall groundnut production is expected to be smaller compared to last year (85.56 lakh tons).
- 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.
- Groundnut oil exports scenario- India exported 1,109.84 tons Groundnut oil in September 2021 v/s 9,387.35 tons export in September 2020 lowered by 88.18 percent. It was mainly exported to China at 960.79 tons.
- On the price front, currently the groundnut oil prices in Rajkot is Rs 13500 (Rs 13,500) per quintal and it was Rs 13,800 (Rs 13,800) per quintal in Chennai market on November 22, 2021. Values in brackets are figures of last week.



Price Outlook:

Groundnut oil (without GST) in Rajkot market is likely to trade in the price band of Rs 1300-1375 per 10 Kg

Coconut Oil Fundamental Review and Analysis:-
Domestic Front

- The Coconut oil benchmark market of Kangayan showed a rising trend following rising Copra prices.
- 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 as cheaper oils are available.

Demand of coconut oil in Cosmetic Industry are

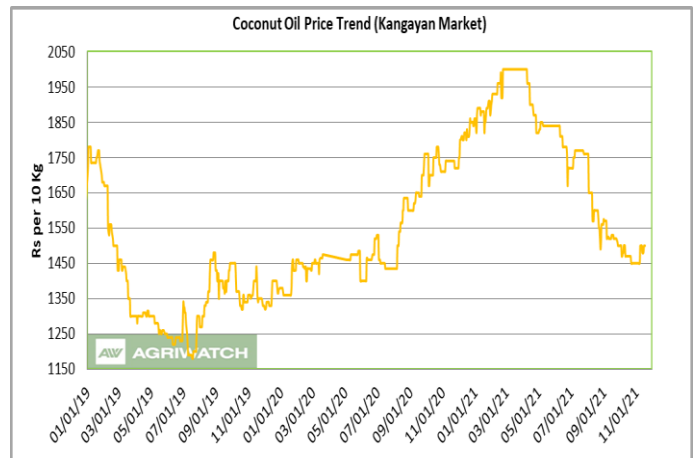
slow and expected to get back to normal as demand is firing up.

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.

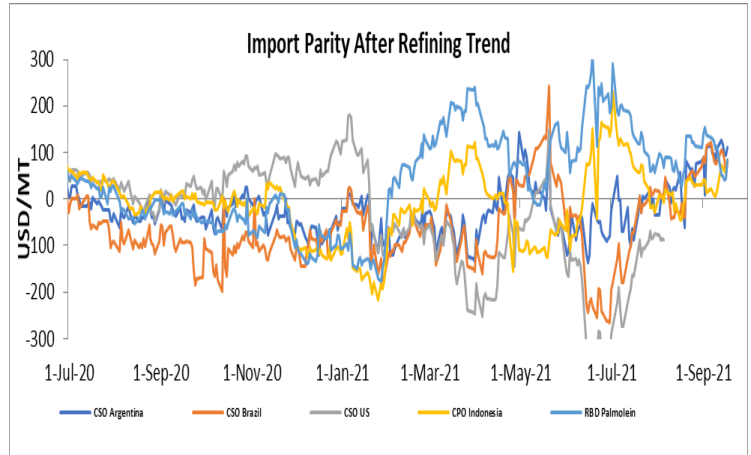
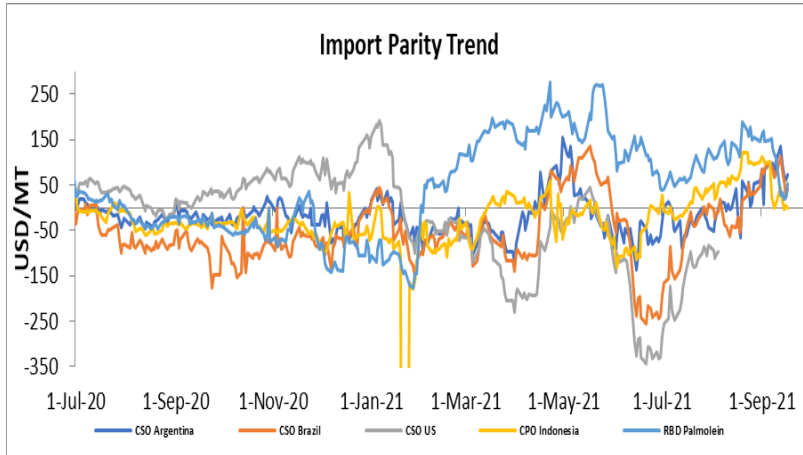
- Coconut oil exports scenario- India exported 1,410.41 tons Coconut oil in September 2021 v/s 1,1219.91 tons export in September 2020.
- On the price front, currently the coconut oil prices in Kochi are hovering remain at Rs 16,400 (Rs 16,400) per quintal and was quoted at 15,100 (Rs 14,800) per quintal in Erode market on November 22, 2021.



Price Outlook: Coconut oil (without GST) prices in Erode may stay in the range of Rs 1480-1550 per 10 Kg.

Import Parity Trend

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



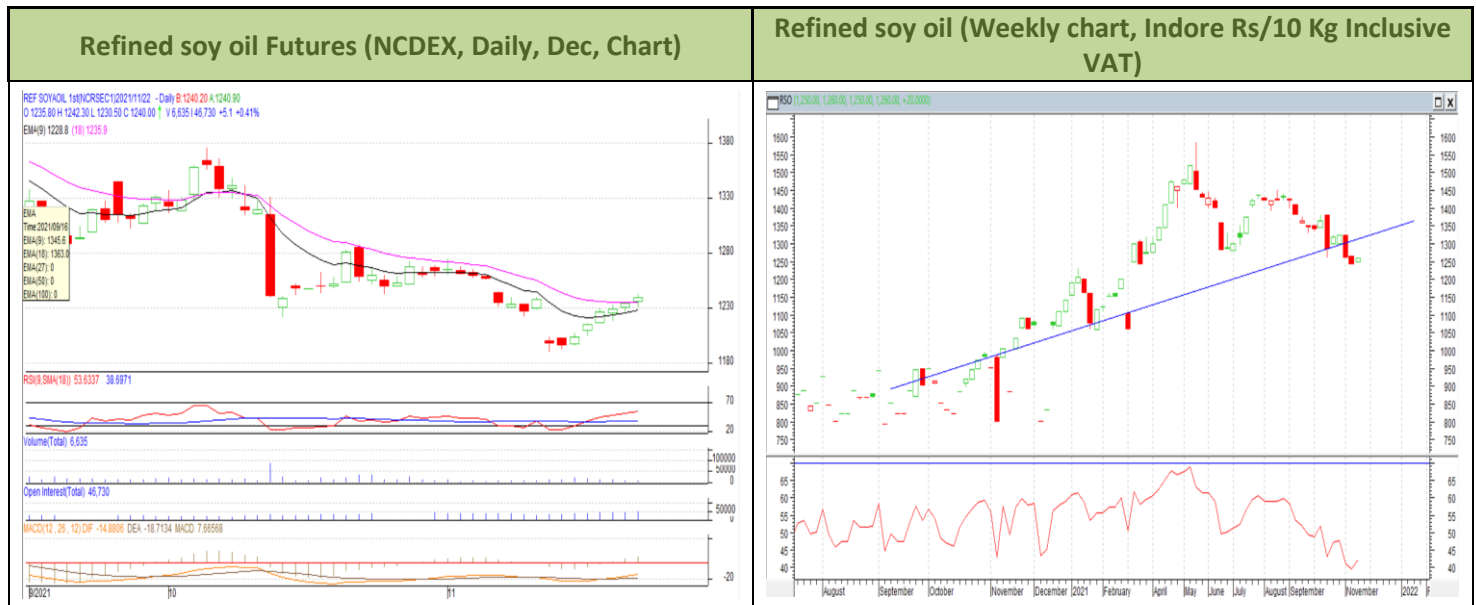
	CSO Argentina	CSO Brazil	CPO Indonesia	RBD Palm olein
Nov 1-Nov 7, 2021	100.56	92.71	13.49	122.31
Nov 8-Nov 14, 2021	108.47	83.88	69.06	53.93
Nov 15-Nov 22, 2021	71.81	87.97	31.68	136.15

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 uptrend during the week in review and is likely to trade sideways in the coming week.

- Daily chart of refined soy oil at NCDEX depicts firm trend during the upcoming week in review. We expect prices to trade sideways.
- Prices may hover between 1230-1290 levels.
- Expected price band for next week is 1200-1265 level in near to medium term. RSI and MACD are in neutral zone.

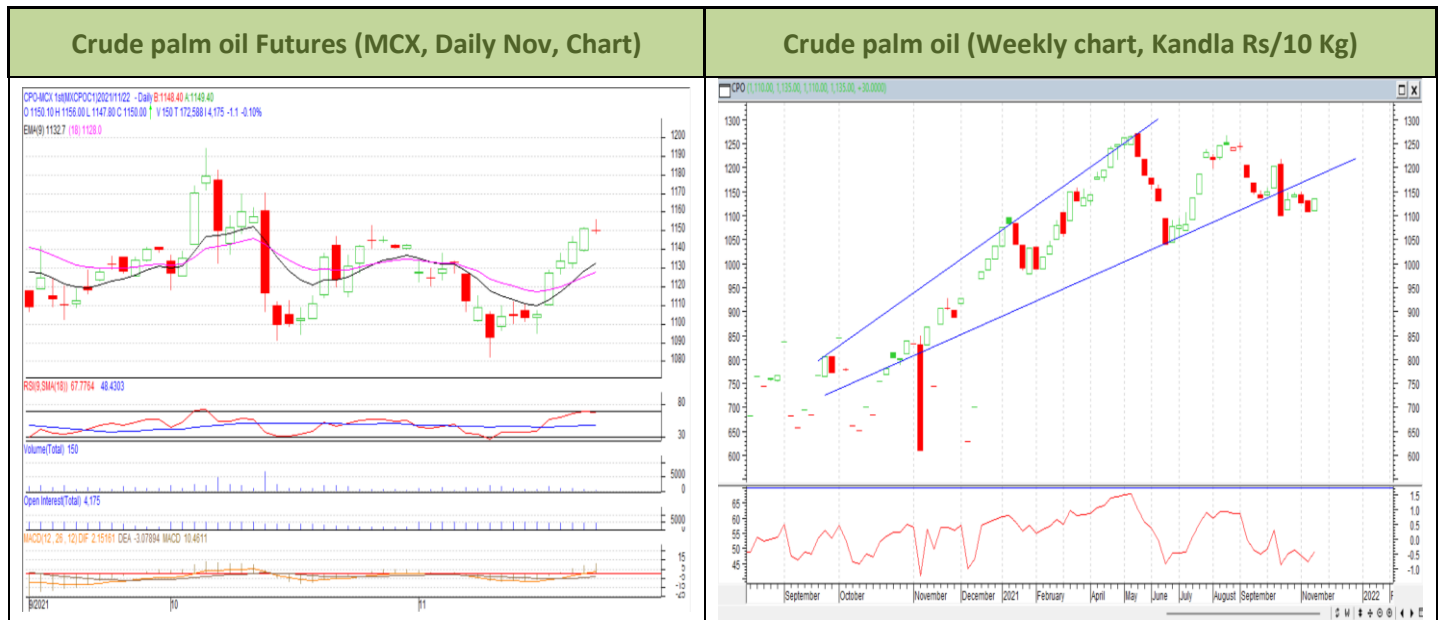
Strategy: Market participants are advised to go long in RSO above 1225 for a target of 1250 and 1260 with a stop loss at 1215 on closing basis.

RSO NCDEX (Dec)

Support and Resistance				
S2	S1	PCP	R1	R2
1183.30	1209.10	1234.9	1265.23	1290

Spot Market outlook: Refined soy oil Indore (without GST) is likely to stay in the range of Rs 1230-1290 per 10 Kg.

Technical Analysis (Crude Palm oil)



Outlook – Kandla Daily CPO spot prices showed down 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 1110-1180.
- Expected price band for next week is 1120-1185 level. RSI and MACD are in neutral zone.

Strategy: Market participants are advised to go long in CPO above 1140 for a target of 1165 and 1175 with a stop loss at 1130 on closing basis.

CPO MCX (Nov)

Support and Resistance				
S2	S1	PCP	R1	R2
1075.17	1113.13	1151.1	1189.97	1227.93

Spot Market outlook: Crude palm oil (without GST) is likely to stay in the range of Rs 1110-1180 per 10 Kg.

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

Commodity	Centre	Prices (Per 10 Kg)		Change
		20-Nov-21	13-Nov-21	
Refined Soybean Oil	Indore	1260	1240	20
	Indore (Soy Solvent Crude)	1215	1190	25
	Mumbai	1250	1245	5
	Mumbai (Soy Degum)	1205	1185	20
	Kandla/Mundra	1245	1220	25
	Kandla/Mundra (Soy Degum)	1205	1180	25
	Kolkata	1245	1220	25
	Delhi	1496	1496	Unch
	Nagpur	-	1420	-
	Rajkot	1230	1230	Unch
	Kota	1260	1260	Unch
	Akola	-	1410	-
	Amrawati	-	1415	-
	Bundi	1270	1270	Unch
	Jalna	-	1390	-
	Solapur	-	1375	-
	Dhule	-	1390	-
	Nanded	-	1385	-
	Latur	-	1390	-
	Argentina Crude Soya (CIF India) USD	1437	1439	-2
	Argentina Crude Soya (FOB)	1387	1396	-9
Palm Oil*	Kandla (Crude Palm Oil)	1135	1105	30
	Kandla (RBD Palm oil)	1175	1150	25
	Kandla RBD Pamolein	1195	1170	25
	Kakinada (Crude Palm Oil)	1080	1050	30
	Kakinada RBD Pamolein	1190	1170	20
	Haldia Pamolein	1205	1165	40
	Chennai RBD Pamolein	1200	1180	20
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1256	1236	20
	Krishnapattanam RBD Pamolein	1195	1165	30
	Mumbai RBD Pamolein	1205	1180	25
	Mangalore RBD Pamolein	1210	1190	20
	Mumbai (Refined)	1180	1180	Unch
	Rajkot (Refined)	1165	1150	15
	Chennai (Refined)	1190	1190	Unch
	Hyderabad (Refined)	1175	1160	15

	PFAD (Kandla)	945	925	20
	RPS (Kandla)	1125	1125	Unch
	Superolien (Kandla)	1230	1200	30
	Superolien (Mumbai)	1235	1215	20
	Kochi (RBD Palmolein)	-	1197	-
	Krishnapattanam (Crude Palm Oil)	1080	1050	30
Refined Sunflower Oil	Chennai (Refined)	1300	1300	Unch
	Chennai (Crude)	1240	1240	Unch
	Mumbai (Refined)	1310	1290	20
	Mumbai(Expeller Oil)	1210	1185	25
	Kandla (Refined)	1300	1270	30
	Hyderabad (Refined)	1300	1260	40
	Hyderabad (Expeller)	1235	1200	35
	Latur (Refined)	1260	1250	10
	Latur (Expeller Oil)	1210	1200	10
	Chellakere (Expeller Oil)	1240	1230	10
	Erode (Expeller Oil)	1320	1320	Unch
	Kakinada (Refined)	1265	1250	15
	Krishna Pattanam (Refined)	1265	1250	15
Groundnut Oil	Rajkot	1350	1330	20
	Chennai	1380	1380	Unch
	Hyderabad *	1400	1400	Unch
	Mumbai	1370	1380	-10
	Gondal	1350	1350	Unch
	Jamnagar	1350	1350	Unch
	Gujarat GN Telia	2125	2150	-25
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1735	1685	50
	Jaipur (Kacchi Ghani Oil)	1775	1725	50
	Kota (Expeller Oil)	1680	1640	40
	Kota (Kacchi Ghani Oil)	1760	1700	60
	Neewai (Expeller Oil)	1735	1685	50
	Neewai (Kacchi Ghani Oil)	1765	1715	50
	Bharatpur (Kacchi Ghani Oil)	1700	1700	Unch
	Sri-Ganga Nagar(Exp Oil)	1720	1660	60
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1760	1700	60
	Mumbai (Expeller Oil)	1690	1690	Unch
	Kolkata(Expeller Oil)	1800	1830	-30
	New Delhi (Expeller Oil)	1760	1720	40
	Hapur (Expeller Oil)	1800	1790	10
	Hapur (Kacchi Ghani Oil)	1830	1820	10

	Agra (Kacchi Ghani Oil)	1705	1705	Unch
Refined Cottonseed Oil	Rajkot	1275	1300	-25
	Hyderabad	1265	1280	-15
	Mumbai	1270	1250	20
	Gujarat Cotton Wash	1260	1170	90
Coconut Oil	Kangayan (Crude)	1510	1480	30
	Cochin	1680	1680	Unch
Rice Bran Oil	Punjab 4%)	1240	1180	60
	Bhatinda (Crude 4%)	1040	985	55
	Bhatinda (Refined 4%)	1155	1100	55
	Hyderabad (Crude)	-	1225	-
	Hyderabad (Refined)	-	1380	-
	Raipur (Crude)	-	1285	-
	Raipur (Refined)	-	1400	-
	Odisha (Refined)	--	1400	-
	Vijayawada (Refined)	-	1260	-
Malaysia Palmolein USD/MT	FOB	1375	1370	5
	CNF India	1410	1390	20
Indonesia CPO USD/MT	FOB	1435	1400	35
	CNF India	1440	1420	20
Crude palm Kernel Oil India (USD/MT)	CNF India	Closed	2165	-
Ukraine Origin CSFO USD/MT Kandla	CIF	1485	1475	10
Argentina FOB (\$/MT)		19-Nov-21	12-Nov-21	Change
Crude Soybean Oil Ship		1375	1373	2
Refined Soy Oil (Bulk) Ship		1423	1421	2
Sunflower Oil Ship		1400	1400	Unch
Cottonseed Oil Ship		1355	1353	2
* 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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