



Veg. Oil Weekly Research Report

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Executive Summary

Domestic Veg. Oil Market Summary

Edible oil prices featured a rising trend during this week in domestic markets. CBOT soy oil and BMD palm oil prices also saw an uptrend while in the domestic market Palm oil, Soy oil, Sunflower oil, Coconut oil prices traded firm, Groundnut oil prices were steady and Mustard oil prices softened in the week.

On the currency front, Indian rupee is hovering near 74.67 against 75.00 last weeks. Rupee is expected to depreciate and crude oil prices expected to trade sideways.

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

Outlook:

Weekly Call -: SEBI has imposed ban on future trading of Soy oil and Crude palm oil hence there is no position to be taken.

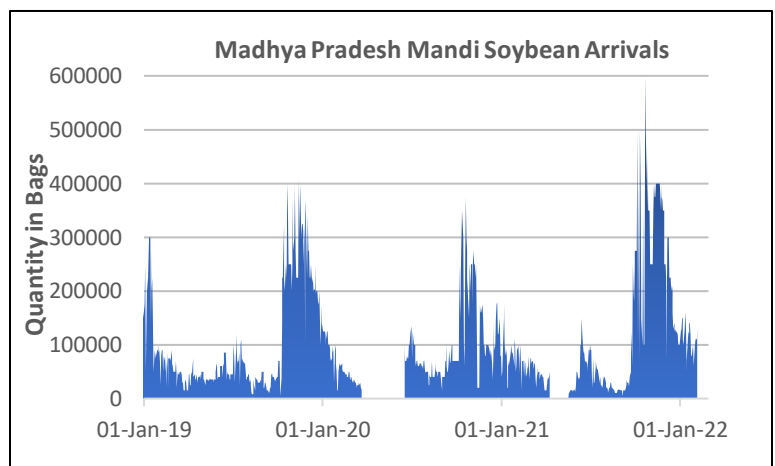
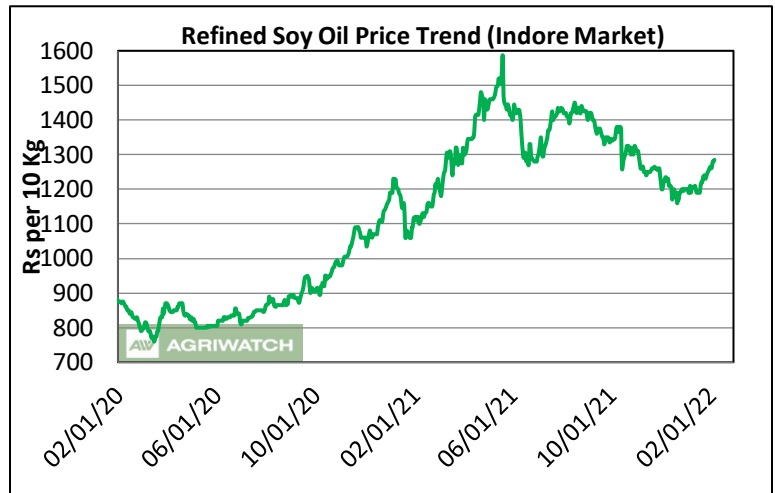
International Veg. Oil Market Summary

On the international front, US Soy oil stocks and crush, Soybean crop condition in Brazil and Argentina, crop production in Brazil and Argentina, China's demand and rising crude oil prices will underpin soy oil prices in the coming days.

Rise in competing oil prices, falling production in Indonesia and Malaysia, Indonesia's new government policy, supply chain interruption and labour problems in Malaysia, demand from China and India and rise in use of biofuel in crude oil are all likely to underpin CPO prices in near term.

Soy oil Fundamental Analysis and Outlook:-
Domestic Front

- Soy oil traded firm at its benchmark market for the week in review. Prices rose to Rs. 1285 from Rs. 1255, up by 2.39 percent.
- Prices broke through the previous resistance level of Rs.1210 taking support from slow arrival in domestic market and rising international soy oil prices.
- Oil prices also took support from slow seed arrivals as farmers are releasing their stock slowing on anticipation of higher prices. This has led to higher supply side which will affect the prices in coming months.
- Soybean seed arrival for the period of 31 Jan to 5 Feb stood at 6,60,000 bags compared to 4,20,000 bags for the period of 24 Jan to 29 Jan.
- As soybean prices are high, demand for soybean has slowed down leading to lower soy oil production from domestic soybean



- crop and will lead to high imports of soy oil. If soybean seeds are not released gradually the higher buildup of domestic stocks will pressure the prices in coming months. The low demand for meal from the feed industry is also a key reason for the low crushing.
- International prices are rallying taking support from low soybean production in South America due to unfavorable weather condition. This is led to revision in crop production of both Argentina, Brazil and Paraguay as well.
- Imported crude soy oil CNF at Kandla West coast port offered at USD 1511 (USD 1495) per ton for Feb delivery, Mar is delivery is being quoted at USD 1507 (USD 1482) per ton. Values in brackets are figures of last week. Last month, CNF CDSO Jan average price was USD 1431.37 (USD 1410.81 per ton in Dec 2021) per ton. As on February 5, 2022, Soy refined (Indore) was quoted at Rs 1285 (Rs 1255 last week) per 10 kg.

International Front

- CBOT soy oil prices are rallying backed by revision in soybean production in Argentina, Brazil and Paraguay.

Downgrading weather condition in January month has led many agencies in all these countries to lower their crop production estimates.

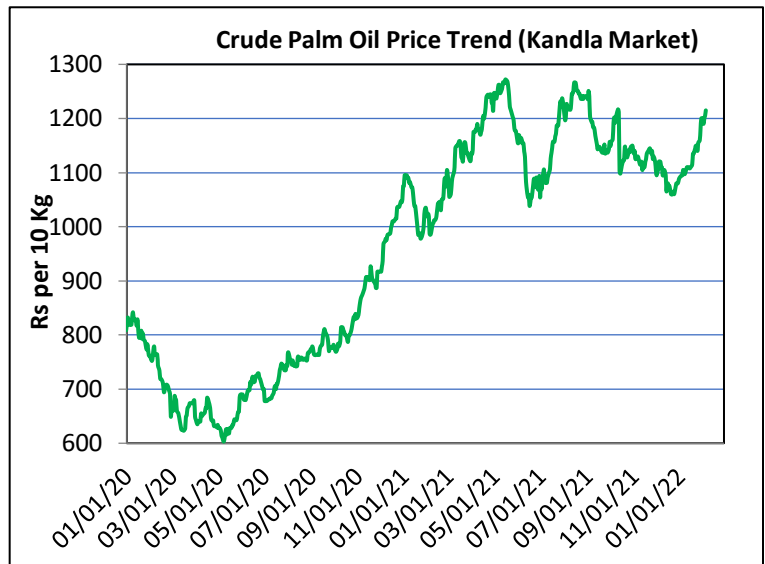
- Harvesting in Brazil has commenced and peak arrival is expected to start from March, while weather is now-a-day expected to get better and favor the crop growing conditions.
- AgRural Agribusiness Research firm, revised their Brazil's soybean crop forecast downward- from 144.7 MT in their previous forecast to 133.4 MT for 2021-22 due to dry weather in southern states.
- Cordonnier, a Brazil Agency has estimated Brazil's 2021-22 Soybean crop at 138 MT lower by 2 MT from previous estimate due to prevailing dry and hot weather in southern Brazil. Other consultancy groups have also lowered the soybean production estimates due to drought condition.
- As on 27th Jan, according to Buenos Aires Grain Exchange, In Argentina, Soybean sowing progress stood at 99.5% Vs 100.0% last year same period and 100% five-year average. Meanwhile, 38% soy crop is in excellent to good condition Vs 30% previous week, 43% soy crop is in fair condition same as previous week and 19% soy crop is in poor/very poor condition Vs 27% previous week. Dry weather condition in previous months led to worsened soy crop condition and resulted in production cut by 3 MMT to 46.5 MMT. Whereas, currently crop condition is slightly better.

Price Outlook: We expect refined soy oil (without GST) at Indore to stay in the range of Rs 1270-1380 per 10 Kg in the near term.

Palm oil Fundamental Analysis and Outlook -:

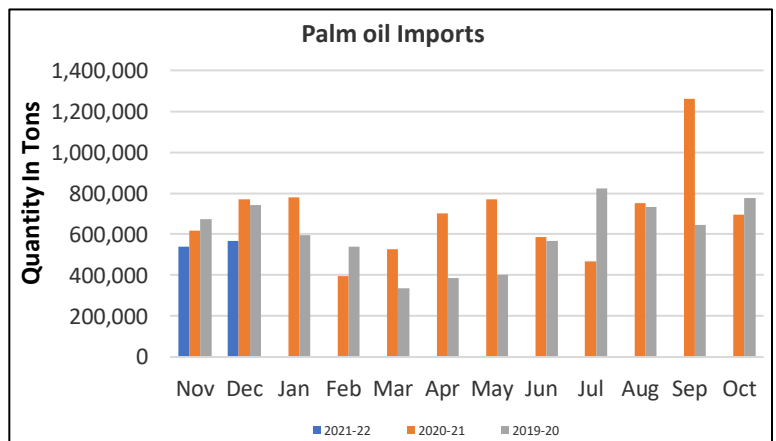
Domestic Front

- Crude palm oil (CPO) witnessed firm trend in prices at its benchmark market Kandla. Prices rose by 2.97 percent from Rs. 1180 to Rs. 1215 at the end of week.
- Prices moved upwards taking support from rising international palm oil prices as well as rise in competing oil prices.
- BMD Palm oil Malaysia touched all time high at 5800 ringgits reacting to the news of Indonesian government making mandatory for all the exporters to take pre approval for



all their edible oil shipments to check the domestic demand and prices. Its has also made mandatory for the exporters to sell their 20% output to domestic consumers at fixed prices.

- Palm oil imports for January 2022 is expected to be higher than of December 2021 as supply at ports and pipelines are at low 17.20 million metric tonnes (MMT) compared to last year at 18.15 MMT for same timeframe.
- On the trade front, CNF CPO (Indonesian origin) at Indian port is being quoted at USD 1485 (USD 1490) per ton for Feb delivery and Mar delivery is being quoted at USD 1475



Source: The Solvent Extractors' Association of India

(USD 1480) per ton. Last month, CNF CPO Jan average price was at 1431.67 per ton (USD 1355.37 per ton in Dec 2021). Values in brackets are figures of last week.

- Moreover, RBD Palmolein (Malaysian origin) CNF at Indian port, offered at USD 1515 (USD 1415) per ton for Febdelivery and Mar delivery is quoted at USD 1505 (USD 1505) per ton. Last month, CIF RBD Palmolein Jan average price was at USD 1384.79 (USD 1308.33 in Dec 2021) per ton. (Values in bracket depict last month quotes)
- CPO, duty paid prices quoted at Rs 1215 (Rs 1180) per 10. Ready lift RBD Palmolein is quoted at Rs 1235 (Rs 1225) per 10 kg as on February 5, 2022. (Values in brackets are figures of last week)
- The CPO and palm olein prices are expected to remain firm following rallying international palm oil prices.

International Front

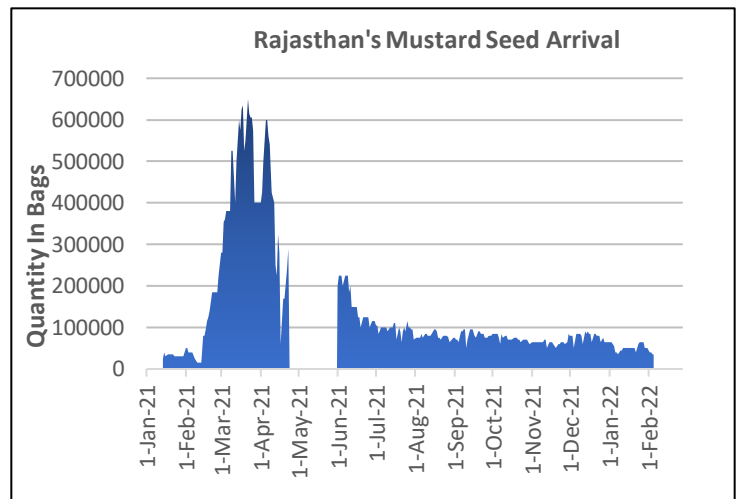
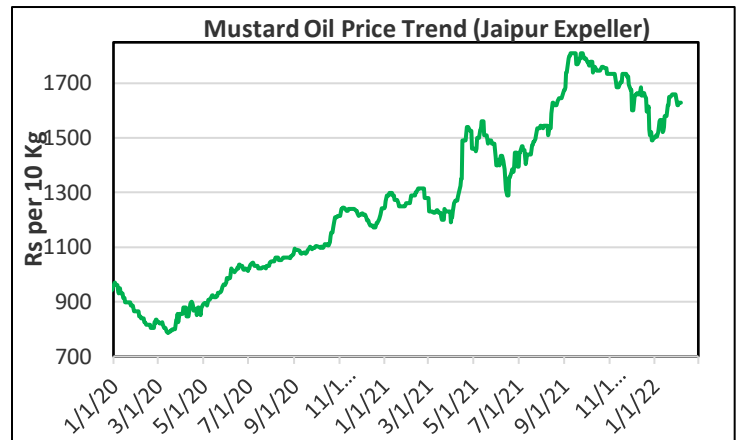
- Palm oil prices were firm in the previous week supported by low production in Malaysia and firm global demand. The persistent problem of labour shortage in Malaysia has also supported rally in futures price, and the problem is expected to persist in coming months as Memorandums between Malaysia and various other countries for sending labour is still under discussion.
- Indonesia's new government policy for the palm oil exporters to declare their domestic sales and to gain approval for their shipments in advance to monitor the price rise and domestic supply for edible oil. This led to rally in BMD Malaysia as supply from Indonesia will be lowered.
- BMD Malaysia Market touched the all the high at 5800 Ringgit backed by rising crude oil prices and taking support from rising rival soy oil prices. It also reacted positive to the new government policy implemented by Indonesia.
- Malaysia and Indonesia were in talks to send 5000- 10000 Indonesian workers to Malaysia to curb labor shortages. Agreement was under scrutiny and till date Indonesia hasn't sent any workers to Malaysia.
- According to Malaysia Palm Oil Board (MPOB), Malaysia's December Crude palm oil stocks fell 11.89 percent to 8.30 lakh tons compared to 9.42 lakh tons in November 2021. Production of crude palm oil fell by 11.26 percent to 14.51 lakh tons compared to 16.34 lakh tons in November 2021. Exports of palm oil in November fell by 3.48 percent to 14.14 lakh tons compared to 14.65 lakh tons in November 2021. Imports of palm oil rose to 1.02 lakh tons from 0.98 lakh tons of imports in previous month. Stocks of palm oil fell as expected by trade participants due to fall in production affected by flooding situation.

Price Outlook: We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 1200-1270 per 10 Kg in the near term.

Rapeseed oil Fundamental Review and Analysis-

Domestic Front

- Mustard oil prices corrected downwards in the week in review.
- Prices fell by 1.81 percent from Rs. 1660 to Rs. 1630 at the end of week. Slight correction in prices were seen on expectation of early arrival of new mustard crops in the markets.
- Weather has improved in mustard key growing areas which will help in faster drying of standing crops.
- Earlier in January, hailstorms in parts of Rajasthan, especially Jhalawar and high velocity winds in parts of Haryana especially Kurukshetra, Yamuna Nagar, Ambala, Karnal, Kaithal and Sonipat districts had impacted mustard standing crops.
- For the period of 31 Jan to 5 Feb 2022, Rajasthan's total mustard arrival stood at 2.45 lakh bags compared to arrival of 3.50 lakh bags in previous week. New mustard crop's arrivals have started while, peak arrivals are expected to hit market by the February month's end.
- According to Solvent Extractor Association (SEA), India imported 0 tons of rapeseed (Canola) oil in December 2021 same as of that in November. Agriwatch expects import demand for canola to remain subdued backed by higher crop expectation for year 2021-22.
- According to GOI, as on 28th Jan, All India Mustard sowing is up by 25.05% at 91.44 Lakh Ha compared with 73.12 Lakh Ha last year.
- According to Central Organization for Oil Industry and Trade (COOIT) production of the mustard to increase to a record 100-110 lakh tons this season, whereas, Solvent Extraction Association of India estimated mustard crop production at 120 lakh tons assuming favorable weather condition in rabi season. Agriwatch has estimated the RM seed production to be at 105.2 lakh tonnes for year 2021-22, However, weather concern in few pockets of Rajasthan, Haryana and Uttar Pradesh may drag yield on lower side.



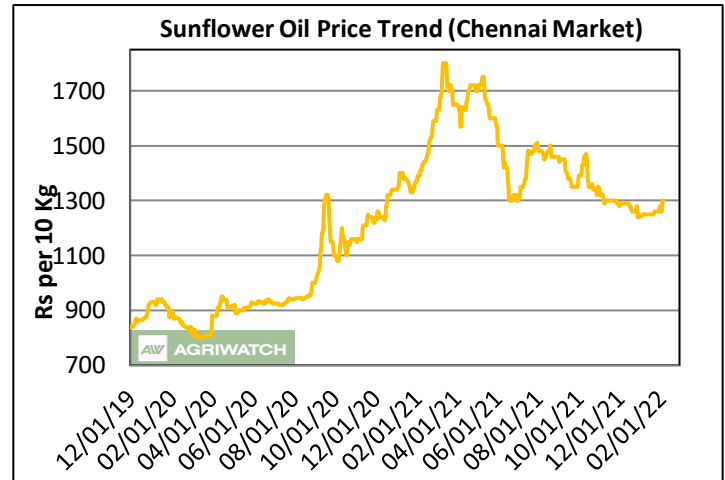
- Premium of Jaipur kacchi ghani rapeseed oil over refined soy oil in domestic market is at Rs 460 per 10 Kg compared to Rs 490 per 10 Kg last week.
- Jaipur kacchi ghani rapeseed oil premium over RBD palm olein is at Rs 510 per 10 kg compared to premium of Rs 520 per 10 Kg last week.
- Currently, RM oil at Jaipur market, (expeller) is offered at Rs 1,630 (Rs 1,660) per 10 Kg, and at Kota market, it is offered at Rs 1,650 (Rs 1,600) per 10 kg as on February 5, 2022. Values in brackets are figures of last week.

Price Outlook: Rapeseed Expeller oil (without GST) prices in Jaipur may stay in the range of Rs 1600-1680 per 10 Kg.

Sunflower oil Fundamental Review and Analysis:-

Domestic Front

- Sunflower oil price showed firm trend for the previous week in review in Chennai market.
 - Domestic prices are taking support from rising international sun oil prices and rising prices of competing oils.
 - Demand for sunflower oil improved as its premium over competing oils narrowed with rise in prices of competing oils.
 - International prices are rising taking support from rising canola oil prices in Europe and rising crude oil prices. Rising soy oil and palm oil prices are also supporting its prices. For the long term, prices are expected to be firm as global demand has increased for sun oil.
 - As on 4th February, acreage under sunflower seed in India for the rabi season, stands at 1.19 lakh ha compared to 1.09 lakh ha last year for same time period.
 - At the international Middle East Grains Oils Congress, APK Inform, EFKO Group of Companies estimated Russia to export 3.7 MT of sunflower crude oil in 2021/22 year. India is expected to remain third highest importer of Russia's sun crude oil with estimated quantity at 4.8 MT.
 - In the domestic market, sunflower oil prices premium over soy oil is at Rs 15 (Rs 15 last week) per 10 kg, At present discount of sunflower oil over soy oil at CNF markets is at USD 31 (discount of USD 25 last week) per ton which indicates that sunflower oil prices is converging with soy oil at domestic markets as well as at CNF markets, due to rising soy oil prices, which will support sun oil demand.
- Meanwhile, refined sunflower oil (Chennai) premium over RBD palmolein (Kandla) is at Rs 65 (Rs 35) per 10 kg which is lower compared to last week. Premium by small margin over soy oil will support sunflower oil's demand in domestic market.
- In domestic market, Sunflower oil (Chennai) is at par with Groundnut oil at Chennai market compared to a discount of Rs 15 last week.
- For the 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 by 24.36 percent compared to corresponding period last oil year.



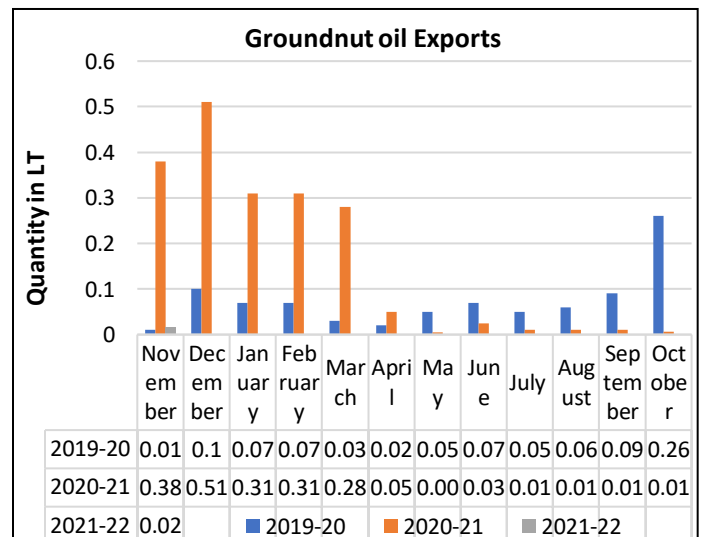
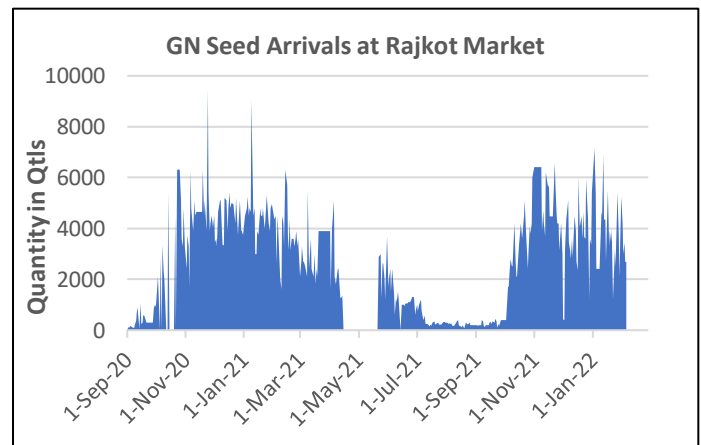
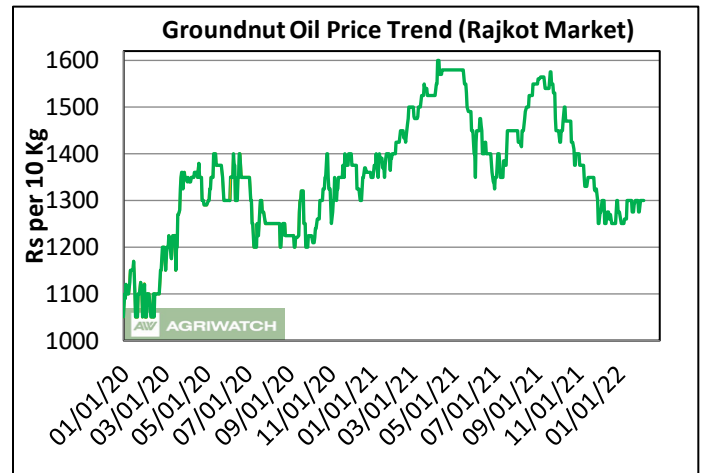


- On the trade front, CIF sunflower oil prices (Ukraine origin) at Kandla West coast of India is being quoted at USD 1480 (USD 1470) per ton for Feb delivery and Mar delivery is being quoted at USD 1475 (USD 1460) per ton. CNF sun oil (Ukraine origin) Jan monthly average was at USD 1430 per ton compared to USD 1419.81 per ton in Dec. Prices are likely to stay in the range of USD 1400-1460 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 1,270) per 10 Kg, and at Kandla/Mudra market, it is offered higher at Rs 1290 (Rs 1260) per 10 kg as on February 5, 2022. Values in brackets are figures of last week.
- We expect sunflower oil prices to trade sideways with upwards bias in the coming days following international sun oil market.

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, trading in the range of 1250-1300 from the past month as seeds arrivals have been steady.
- Prices are expected to remain sideways as farmers are releasing their produce slowly.
- Groundnut seed arrivals are steady at Rajkot mandi and is expected to be steady for the February month. For the period of 31 Jan to 5 Feb 2022, groundnut seed arrival at Rajkot market stood at 18,650 quintals compared to arrival of 16,950 quintals in previous week
- As on 4th February, groundnut rabi sowing stands at 5.27 lakh Ha compared to 5.18 La Ha last year for same timeframe.
- Groundnut oil exports scenario- India exported 1,603.84 tons Groundnut oil (mainly to China at 1,507.25 tons) in November 2021 v/s 36,217.32 tons export in November 2020 lowered by 95.80 percent.
- Exports to China of Indian Groundnut oil had increased in November month at 1,507.25 tonnes compared to 425.91 tonnes in October. Demand was expected to raise December onwards as India's prices have also corrected compared to October's prices. However, Groundnut oil exports quantities to China have been expected to remain subdued for November, December and January months



compared to last year as their domestic production for year 2021 is higher compared to year 2020. As per USDA Jan'22 report, China is estimated to harvest 18.2 million tons of peanuts against 17.99 million metric tons previous year.



- On the price front, currently the groundnut oil prices in Rajkot are at Rs 1,300 (Rs 1,275) per 10 Kg and it was Rs 1,320 (Rs 1,300) per 10 Kg in Chennai market on February 5, 2022. Values in brackets are figures of last week.

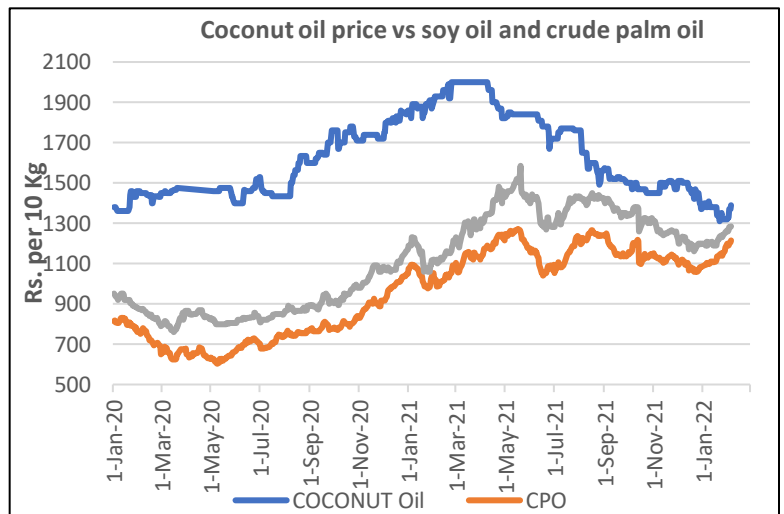
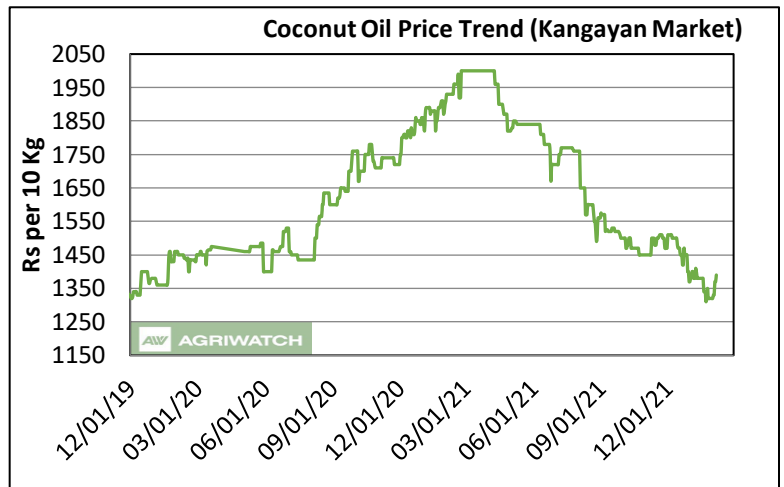
Price Outlook:

Groundnut oil (without GST) in Rajkot market is likely to trade sideways in the price band of Rs 1250-1325 per 10 Kg

Coconut Oil Fundamental Review and Analysis:-
Domestic Front

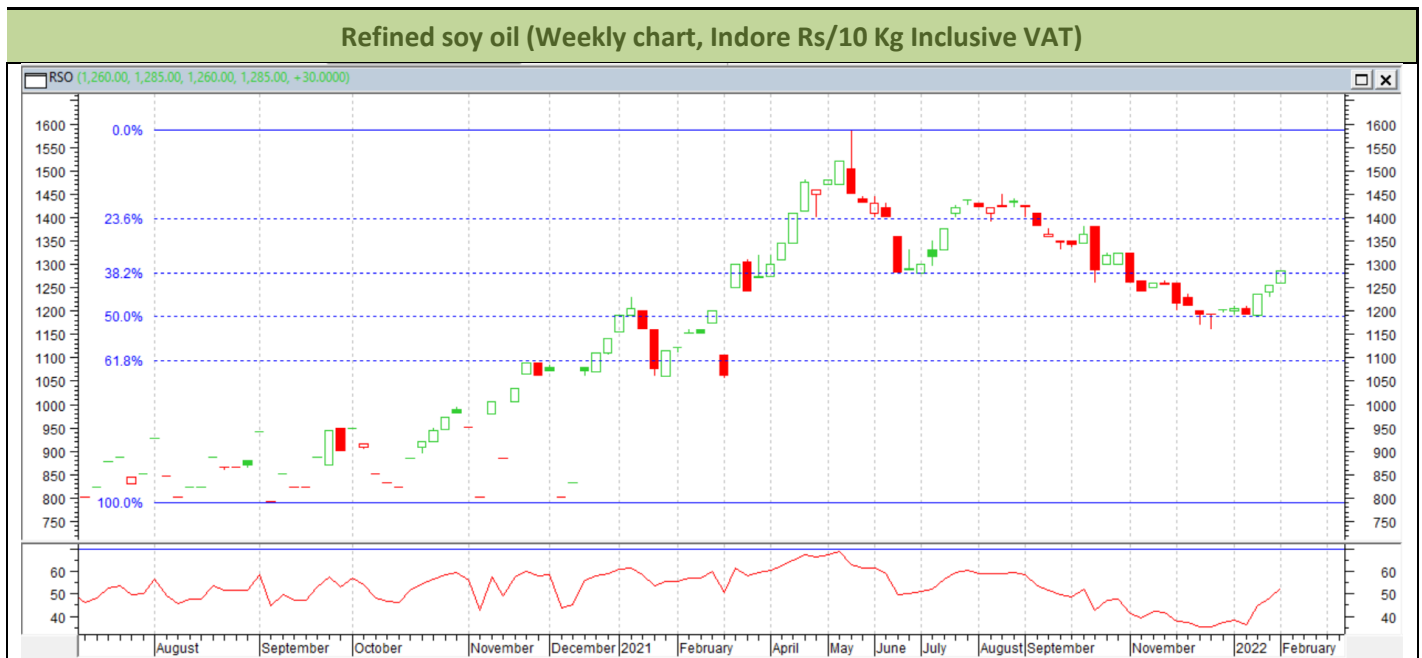
- The Coconut oil prices at benchmark market Kangeyam featured firm trend for the review period of 31 Jan to 5 Feb over firm demand in market.
- The demand for the coconut oil rose as the premium of coconut oil over competing oils fell over the months.
- Copra prices also rose at the end of the week to Rs. 1570 from Rs. 1540.
- Oil prices rose by 5.30 percent from Rs. 1320 to Rs. 1390.
- Coconut oil demand are expected to be underpinned for the coming weeks as the prices of competing oil are rising.
- Coconut oil exports scenario- India exported 910.99 tons of Coconut oil in November 2021 v/s 1,170.06 tons export in November 2020.
- On the price front, currently the coconut oil prices in Kochi are hovering remain at

Rs 1,510 (Rs 1,490) per 10 Kg and was quoted at 1,390 (Rs 1,320) per 10 Kg in Kangeyam market on February 5, 2022.



Price Outlook: Coconut oil (without GST) prices in Kangeyam may stay in the range of Rs 1350-1450 per 10 Kg.

Technical Analysis (Refined soy oil)

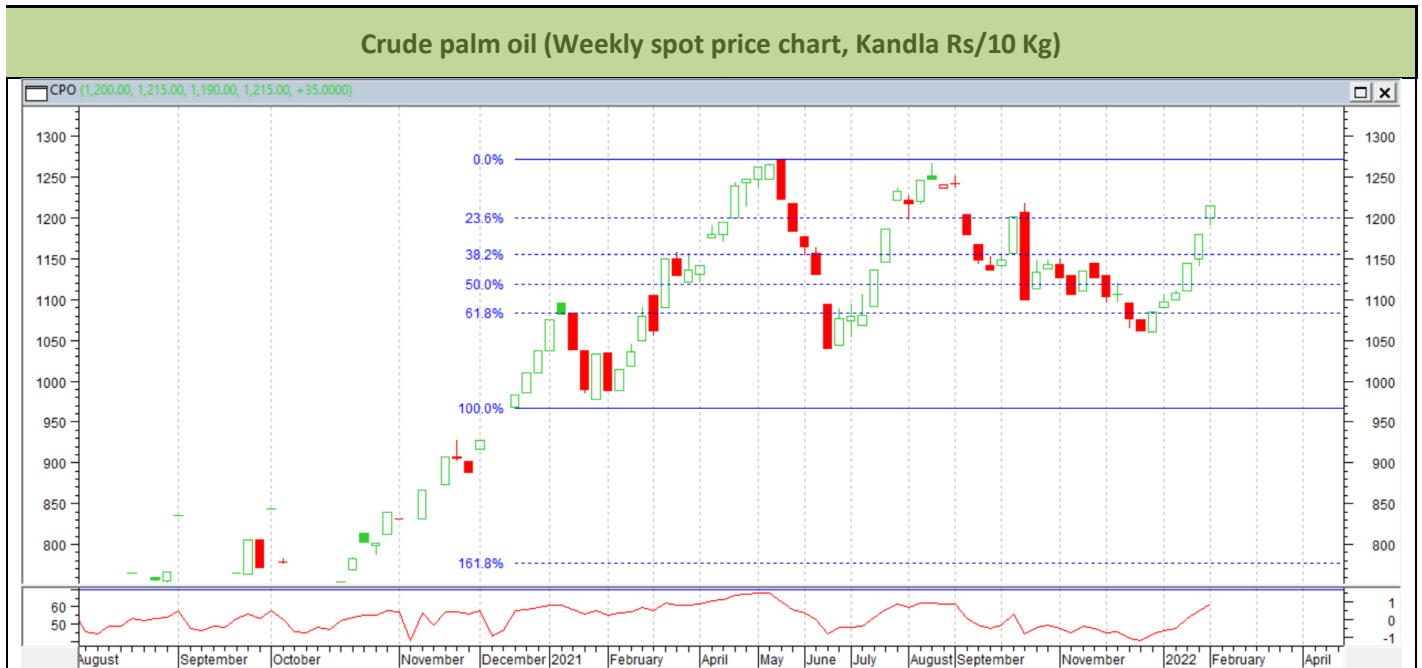


Technical Commentary –

- Previous week soybean oil prices at Indore mandi rose to 1285 up from last week closing at 1255.
- 50.0% Fibonacci level has emerged as a good support.
- Immediate resistance is seen at 1335, and the next resistance is seen at 1380.

Spot Market outlook: Market participants are recommended to Buy near Fibonacci support of 1270 level and sell near level of 1350-1380.

Technical Analysis (Crude Palm oil)



Technical Commentary –

- In previous week CPO prices at Kandla mandi rose to 1215 up from last week closing at 1180.
- Price were taking support at 1200 level, which was 23.6 Fibonacci level.
- Immediate resistance is seen at 1270, characterized by multiple recent tops, which is also a 0% Fibonacci retracement level.

Spot Market outlook: Market participants are recommended to Buy near Fibonacci support of 1200 level and sell near resistance level of 1260-1270.

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

Commodity	Centre	Prices (Per 10 Kg)		Change
		5-Feb-22	29-Jan-22	
Refined Soybean Oil	Indore	1285	1255	30
	Indore (Soy Solvent Crude)	1230	1200	30
	Mumbai	1300	1250	50
	Mumbai (Soy Degum)	1235	1210	25
	Kandla/Mundra	1270	1240	30
	Kandla/Mundra (Soy Degum)	1235	1205	30
	Kolkata	1310	1280	30
	Delhi	1485	1465	20
	Nagpur	1305	1235	70
	Rajkot	1290	1260	30
	Kota	1310	1270	40
	Akola	1290	1207	83
	Amrawati	1300	1225	75
	Bundi	1320	1280	40
	Jalna	1295	1220	75
	Solapur	1280	1210	70
	Dhule	1300	1220	80
	Nanded	1285	1220	65
	Latur	1290	1210	80
	Argentina Crude Soya (CIF India) USD	1511	1495	16
	Argentina Crude Soya (FOB)	1470	1418	52
Palm Oil*	Kandla (Crude Palm Oil)	1215	1180	35
	Kandla (RBD Palm oil)	1240	1220	20
	Kandla RBD Pamolein	1235	1225	10
	Kakinada (Crude Palm Oil)	1200	1170	30
	Kakinada RBD Pamolein	1250	1225	25
	Haldia Pamolein	1260	1205	55
	Chennai RBD Pamolein	1245	1210	35
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1295	1270	25
	Krishnapattanam RBD Pamolein	1245	1215	30
	Mumbai RBD Pamolein	1250	1225	25
	Mangalore RBD Pamolein	1265	1235	30
	Mumbai (Refined)	1230	1220	10
	Rajkot (Refined)	1270	1230	40
	Chennai (Refined)	1250	1220	30

	Hyderabad (Refined)	1280	1280	Unch
	PFAD (Kandla)	1115	1090	25
	RPS (Kandla)	1250	1230	20
	Superolien (Kandla)	1255	1255	Unch
	Superolien (Mumbai)	1265	1255	10
	Kochi (RBD Palmolein)	-	1200	-
	Krishnapattanam (Crude Palm Oil)	1200	1170	30
Refined Sunflower Oil	Chennai (Refined)	1300	1270	30
	Chennai (Crude)	1250	1220	30
	Mumbai (Refined)	1310	1270	40
	Mumbai(Expeller Oil)	1230	1210	20
	Kandla (Refined)	1290	1260	30
	Hyderabad (Refined)	1300	1285	15
	Hyderabad (Expeller)	1260	1240	20
	Latur (Refined)	1290	1260	30
	Latur (Expeller Oil)	1240	1210	30
	Chellakere (Expeller Oil)	1240	1230	10
	Erode (Expeller Oil)	1290	1300	-10
	Kakinada (Refined)	1300	1255	45
	Krishna Pattanam (Refined)	1300	1255	45
Groundnut Oil	Rajkot	1300	1275	25
	Chennai	1320	1300	20
	Hyderabad *	1330	1340	-10
	Mumbai	1340	1320	20
	Gondal	1320	1275	45
	Jamnagar	1320	1275	45
	Gujarat GN Telia	2100	2070	30
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1630	1660	-30
	Jaipur (Kacchi Ghani Oil)	1745	1745	Unch
	Kota (Expeller Oil)	1650	1600	50
	Kota (Kacchi Ghani Oil)	1735	1735	Unch
	Neewai (Expeller Oil)	1640	1640	Unch
	Neewai (Kacchi Ghani Oil)	1725	1725	Unch
	Bharatpur (Kacchi Ghani Oil)	1630	1660	-30
	Sri-Ganga Nagar(Exp Oil)	1610	1625	-15
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1725	1725	Unch
	Mumbai (Expeller Oil)	1670	1650	20
	Kolkata(Expeller Oil)	1780	1760	20
	New Delhi (Expeller Oil)	1660	1670	-10

	Hapur (Expeller Oil)	1670	1650	20
	Hapur (Kacchi Ghani Oil)	1700	1680	20
	Agra (Kacchi Ghani Oil)	1635	1665	-30
Refined Cottonseed Oil	Rajkot	1310	1260	50
	Hyderabad	1300	1250	50
	Mumbai	1320	1270	50
	Gujarat Cotton Wash	1270	1225	45
Coconut Oil	Kangayan (Crude)	1390	1320	70
	Cochin	1570	1540	30
Rice Bran Oil	Mumbai (Refined 4%)	1180	1160	20
	Bhatinda (Crude 4%)	1060	1015	45
	Bhatinda (Refined 4%)	1175	1130	45
	Hyderabad (Crude)	1090	1085	5
	Hyderabad (Refined)	1260	1250	10
	Raipur (Crude)	1150	1140	10
	Raipur (Refined)	1260	1260	Unch
	Odisha (Refined)	1260	1250	10
	Vijayawada (Refined)	1170	1170	Unch
Malaysia Palmolein USD/MT	FOB	1470	1465	5
	CNF India	1485	1480	5
Indonesia CPO USD/MT	FOB	1480	1500	-20
	CNF India	1510	1505	5
Crude palm Kernel Oil India (USD/MT)	CNF India	Closed	2750	-
Ukraine Origin CSFO USD/MT Kandla	CIF	1480	1470	10
Argentina FOB (\$/MT)		4-Feb-22	28-Jan-22	Change
Crude Soybean Oil Ship		1450	1430	20
Refined Soy Oil (Bulk) Ship		1501	1480	21
Sunflower Oil Ship		1395	1370	25
Cottonseed Oil Ship		1430	1410	20
* 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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