

Veg. Oil Weekly Research Report

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Executive Summary**Domestic Veg. Oil Market Summary**

Edible oil prices featured down trend during this week in domestic markets. CBOT Soy oil and BMD Palm oil prices saw sideways trend while in the domestic market Palm oil, Soy oil, Groundnut oil, Coconut oil and Mustard oil prices softened, while Sunflower oil prices rose slightly in the week.

On the currency front, Indian rupee is hovering near 75.95 against 76.36 last weeks. Rupee is expected to depreciate and crude oil is expected to trade firm.

We expect Palm oil and Soy oil to trade sideways for the coming days.

Outlook:

Weekly Call -: Market participants are recommended to short Soy oil near 1550 level and buy near level of 1480. Market participants are recommended to short Palm oil near Fibonacci support of 1550 level and buy near 1450-1480 level.

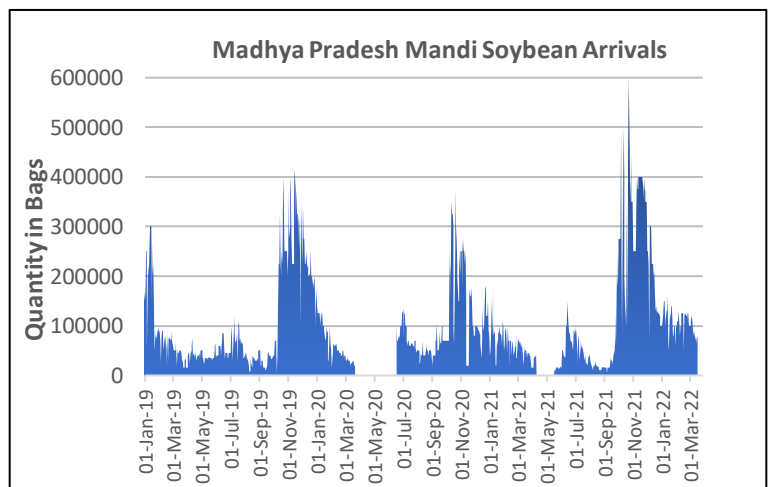
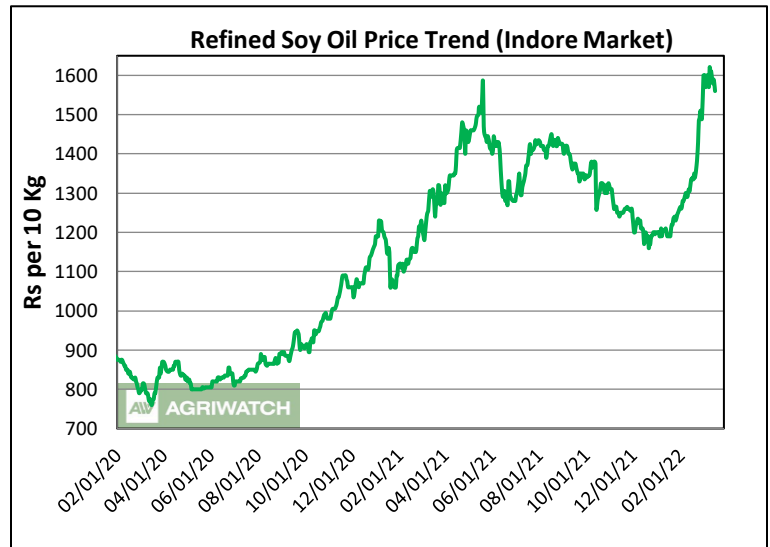
International Veg. Oil Market Summary

On the international front, lower global Soy oil stocks, lower crop production in Brazil and Argentina, falling China's demand and sideways crude oil prices will govern Soy oil prices in the coming days.

Rise in competing oil prices, lower production in Indonesia and Malaysia, Indonesia's hike in export tax, labour problems in Malaysia and sideways prices of crude oil are all likely to govern CPO prices in near term.

Soy oil Fundamental Analysis and Outlook:-
Domestic Front

- Soy oil traded down at benchmark market for the week under review. Prices fell to Rs. 1560 from Rs. 1610 per 10 Kg, down by 3.11 percent.
- Prices corrected, following declining prices of crude oil and rival palm oil. Rising covid cases in China also impacted the soybean demand resulting in correction in CBOT soy oil prices.
- Soybean seed arrival for the period of 12 Mar to 17 Mar stood at 3,70,000 bags compared to 5,55,000 bags for the period of 5 Mar to 11 Mar.
- As Soybean seed prices are high, demand for Soybean has slowed down leading to lower Soy oil production and higher imports of Soy oil. If soybean seeds are not released gradually the higher buildup of domestic stocks will pressure the seed prices in coming months. The low demand for meal from the feed industry is also a key reason for the low crushing leading to lower oil production.



- International prices were underpinned by low soybean production in South America due to unfavorable weather conditions. This is led to downward revision of the crop estimates for Argentina, Brazil and Paraguay. Lower Soybean production
- Imported crude Soy oil C&F at Kandla West coast port is offered at USD 1864 (USD 1861) per tonne for Mar delivery, Apr delivery is being quoted at USD 1829 (USD 1817) per tonne. Values in brackets are figures of last week. Last month, C&F CDSO Feb. average price was USD 1588.12 (USD 1431.37 per ton in Jan 2022) per tonne.

International Front

- CBOT soy oil prices are trading sideways in the range of 71.22-76.55 cents per pound in most active May contract reacting to Ukraine-Russia conflict.
- USA lowered the volume of Soy oil for biofuel production from 11,000 million pound to 10,700 million pound



which may provide some slack to tightened supply side.

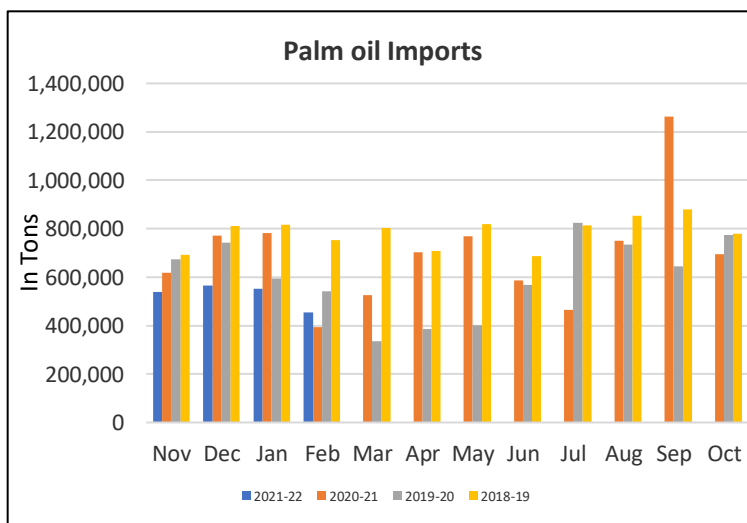
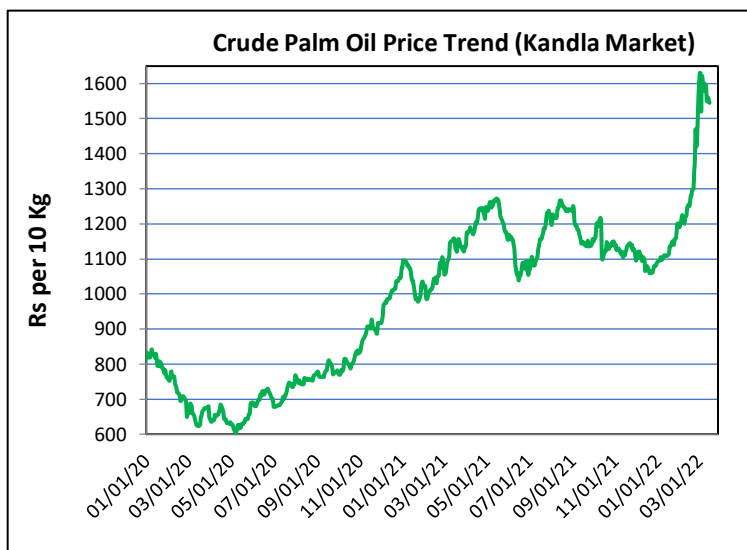
- China's was actively buying soybeans from USA, however due to spike in covid cases the imports have been affected pressuring CBOT Soybean and Soy oil prices.
- Prices are expected to remain sideways taking support from escalating tension between Ukraine -Russia, along with revision in Soybean production in Argentina, Brazil and Paraguay.

Price Outlook: We expect refined soy oil (without GST) at Indore to stay in the range of Rs 1480-1580 per 10 Kg in the near term.

Palm oil Fundamental Analysis and Outlook -:

Domestic Front

- Crude palm oil (CPO) witnessed correction in prices at its benchmark market Kandla. Prices fell by 3.15 percent from Rs. 1595 to Rs. 1545 per 10 Kg by the end of week.
- Prices corrected as news of peace talk between Ukraine and Russia were expected to held. This led to correction in Crude oil prices and in tandem, international Palm oil also corrected.
- Prices are expected soften on squeezing demand as global palm oil export has been impacted due to higher palm oil prices.
- Total Palm oil imports for February 2022 stood at 4.55 lakh tonne compared to 5.53 LT in previous month, down by 17.7 percent, as predicted by AgriWatch.
- CPO imports were down by 63.27 percent at 1.49 lakh tonne compared to 4.07 lakh tonne in previous month. However, RBD palm oil import shot up significantly to 3.02 lakh tonne compared to 1.34 lakh tonne in previous month.



Source: The Solvent Extractors' Association of India

- AgriWatch expects fall in Palm oil imports for March month as palm oil prices have risen significantly, lowering its discount over competing oils.
- On the trade front, C&F CPO (Indonesian origin) at Indian port is being quoted at USD 1960 (USD 1740) per tonne for Mar delivery and Apr delivery is being quoted at USD 1935 (USD 1730) per tonne. Last month, C&F CPO February average price was at 1576.66 per tonne Vs USD 1431.67 per tonne in January 2022.
- Moreover, RBD Palmolein (Malaysian origin) C&F at Indian port, offered at USD 1930 (USD 1740) per tonne for Mar delivery and Apr delivery is quoted at USD 1905 (USD 1730) per tonne. Last month, CIF RBD palm olein February average price was USD 1548.75 (USD 1384.79 in January 2022) per ton. (Values in bracket depict last month quotes)

- CPO, duty paid prices quoted at Rs 1545 (Rs 1595) per 10 Kg. Ready lifting RBD Palm olein is quoted at Rs 1510 (Rs 1580) per 10 Kg as on March 17, 2022. (Values in brackets are figures of last week)
- The CPO and Palm olein prices are expected to remain sideways for the week following international palm oil prices.

International Front

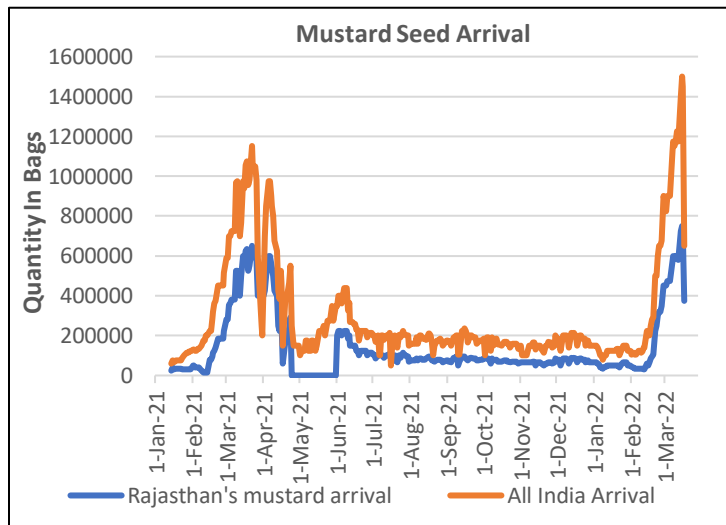
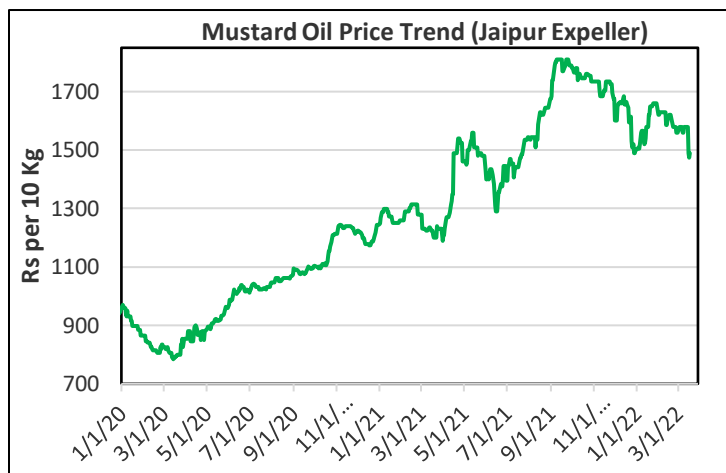
- BMD Palm oil Malaysia is trading in the range of 5950-to-7285-Ringgit levels. Prices are expected to remain sideways amid global supply crunch and slow palm oil import demand.
- Escalating situation between Ukraine and Russia will push demand for palm oil, which may underpin the prices.
- Indonesia removed the export volume restriction amid accusation of 'Panic Policy' and raised its export levy to a new maximum of \$375 per tonne, compared to previous levy of \$175 per tonne.
- Indonesia had earlier implemented a new export policy to reserve certain volume of palm oil for domestic supply from total export volume which would have lower the global Palm oil supplies.
- The persisting problem of labour shortage in Malaysia has also supported rally in futures price, and the problem is expected to persist further 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.

Price Outlook: We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 1450-1570 per 10 Kg in the near term.

Rapeseed oil Fundamental Review and Analysis-

Domestic Front

- Mustard oil prices softened during the week under review.
- Prices fell by 5.69 percent to Rs. 1490 from Rs. 1580 per 10 Kg last week.
- All India arrivals of new mustard crop for the period of 12 March to 17 March 2022, stood at 61.75 lakh bags slightly down compared to arrival of 67.50 lakh bags in previous week. Arrivals were down due to festivities however; arrivals are expected to remain at peak from third and fourth week of March.
- Tension between Ukraine and Russia has firmed up prices of edible oils due to supply chain disruption. International edible oil prices have firmed up. Domestic prices for Palm oil, Soy oil, Sunflower oil and Groundnut oil is already firm taking support from rising international edible oils' prices, which may lend support to Mustard oil prices as well and may curb the pressure on prices due to arrival of new crops.
- According to Central Organization for Oil Industry and Trade (COOIT) production of the mustard stands at 113 lakh tons this season, whereas, Solvent Extraction Association of India estimated mustard crop production at 120 lakh tons. Agriwatch has estimated the RM seed production to be at 107 lakh tonnes for year 2021-22.
- USDA estimated India's mustard production at 108 lakh tons.
- Premium of Jaipur kacchi ghani rapeseed oil over refined soy oil in domestic market is at Rs 120 per 10 kg compared to Rs. 90 in last week.
- Jaipur kacchi ghani rapeseed oil premium over RBD palm olein is at Rs 170 per 10 kg compared to Rs 140 per 10 kg last week.
- Currently, RM oil at Jaipur market, (expeller) is offered at Rs 1,490 (Rs 1,580) per 10 Kg, and at Kota market, it is offered at Rs 1,500 (Rs 1,580) per 10 kg as on March 17, 2022. Values in brackets are figures of last week.

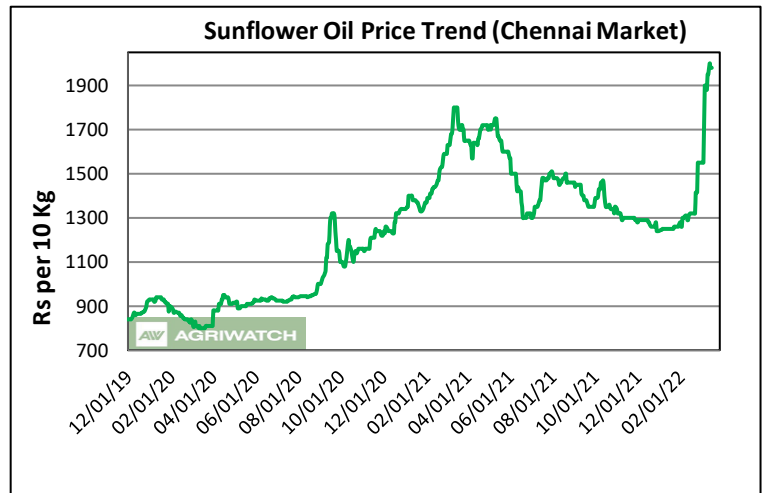


Price Outlook: Rapeseed Expeller oil (without GST) prices in Jaipur may stay in the range of Rs 1400-1480 per 10 Kg.

Sunflower oil Fundamental Review and Analysis:-

Domestic Front

- Sunflower oil price steady during the week in Chennai market.
- Domestic prices rose in tandem with sun oil international prices.
- International Sun oil prices rose as the major Sun oil producing countries Ukraine and Russia are under war for geo-political issues affecting exports and all related activities.
- Prices of competing oils viz., Soy oil, Palm Oil, Canola oil as well as Crude oil prices shot up reacting to the supply chain disruption following present situation in Ukraine and Russia.
- As Ukraine's Sun oil shipments are at halt the demand is expected to shift towards competing oils like Soy oil and Palm oil, which will further fuel the edible oil basket prices.
- In the domestic market, sunflower oil price is at premium of Rs 420 per 10 Kg over soy oil (premium of Rs 340 last week) per 10 kg. Meanwhile, refined sunflower oil (Chennai) premium over RBD palm olein (Kandla) is at Rs. 470 compared to premium of Rs 390 per 10 kg last week.
In domestic market, Sunflower oil (Chennai) is at premium over groundnut oil by Rs. 430 per 10 Kg compared to Rs. 350 last week.
- According to Solvent Extractor Association of India, Sunflower oil imports for the month of February 2022 fell to 1.52 lakh tonnes compared to 3.07 lakh tonnes in previous month. As expected, due to halt in Ukraine's export activities and sanctions on Russia Sunflower imports are down for February month. AgriWatch expects March's Sun oil import to lie in the range of 1.0 LT to 1.25 LT.
- Currently, refined sunflower oil at Chennai market is Rs 1,980 (Rs 1,950) per 10 Kg, and at Kandla/Mudra market, it is offered higher at Rs 1870 (Rs 1850) per 10 kg as on March 17, 2022. Values in brackets are figures of last week.
- We expect sunflower oil prices to remain elevated due to tight global supplies.

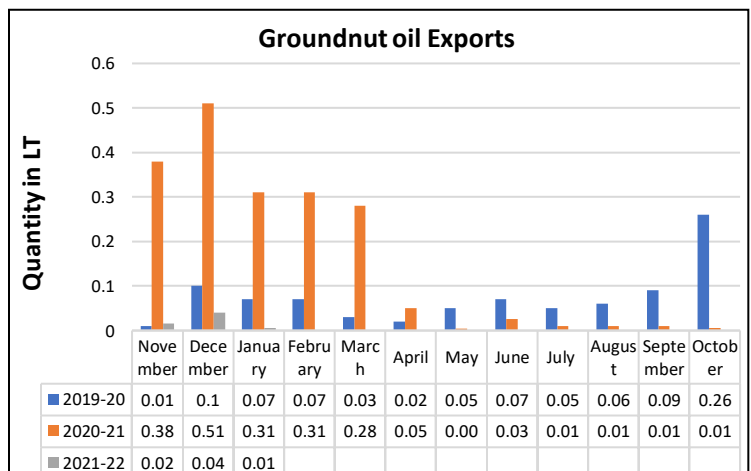
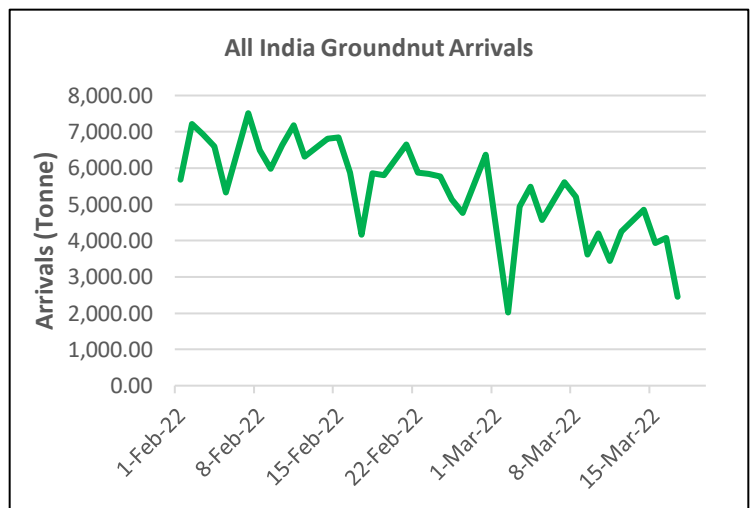
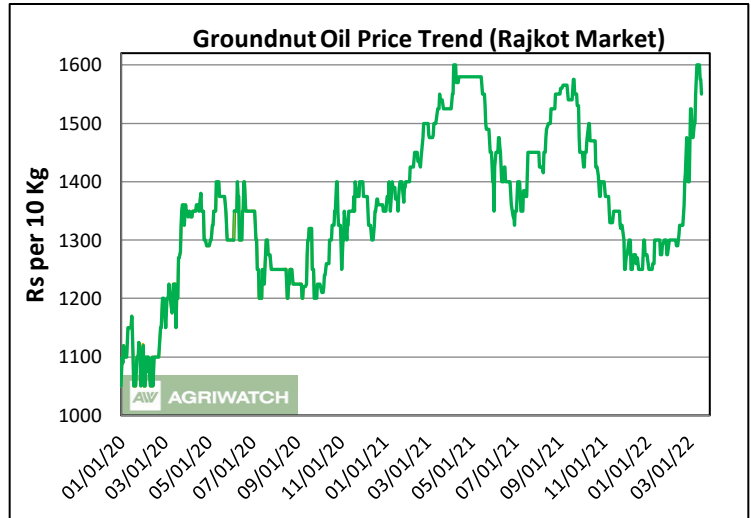


Price Outlook: Sunflower oil (without GST) prices in Chennai may stay in the range of Rs 1900-2050 per 10 Kg

Groundnut oil Fundamental Review and Analysis:-

Domestic Front

- Groundnut oil market prices showed down trend in the previous week. Price fell by 3.13 percent from Rs. 1600 to Rs. 1550 per 10 Kg.
- Groundnut oil prices were pressured by correction in competing oils price by decrease in arrivals of seeds. However, it may take support from declining seeds arrivals.
- All India arrivals for groundnut seeds fell for the period of 12 Mar to 17 March to 19,559.53 tonne compared 26,643 tonne for the period of 5 Mar to 11 March.
- Groundnut oil exports scenario- India exported 600.24 tonnes Groundnut oil (mainly to China at 431.44 tonnes) in January 2022 v/s 4,702.53 tonnes export in December 2021 lowered by 87.24 percent.
- Exports to China of Indian Groundnut oil lowered in January month at 600.24 tonnes compared to 31,277.88 tonnes last year, as well as on M-o-M comparison its lower compared to 4,702.53 tonnes. China's groundnut oil import demand from India is expected to remain subdued compared to last year due to their higher domestic production. As per USDA Mar'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 1,550 (Rs 1,600) per





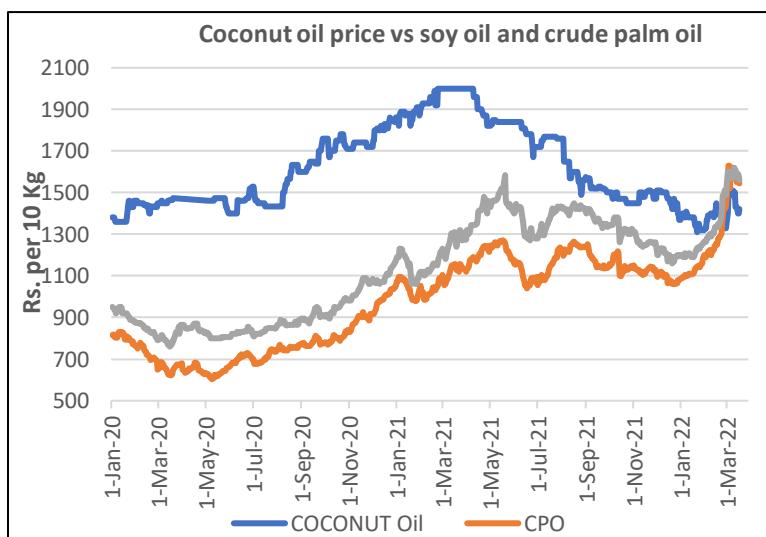
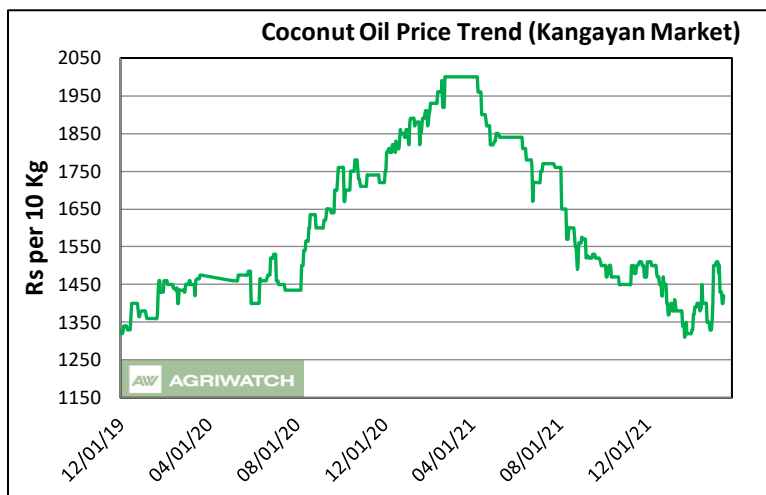
10 Kg and it was Rs 1,600 (Rs 1,650) per 10 Kg in Chennai market on March 17, 2022. Values in brackets are figures of last week.

Price Outlook:

Groundnut oil (without GST) in Rajkot market is likely to trade sideways in the price band of Rs 1500-1575 per 10 Kg

Coconut Oil Fundamental Review and Analysis:-
Domestic Front

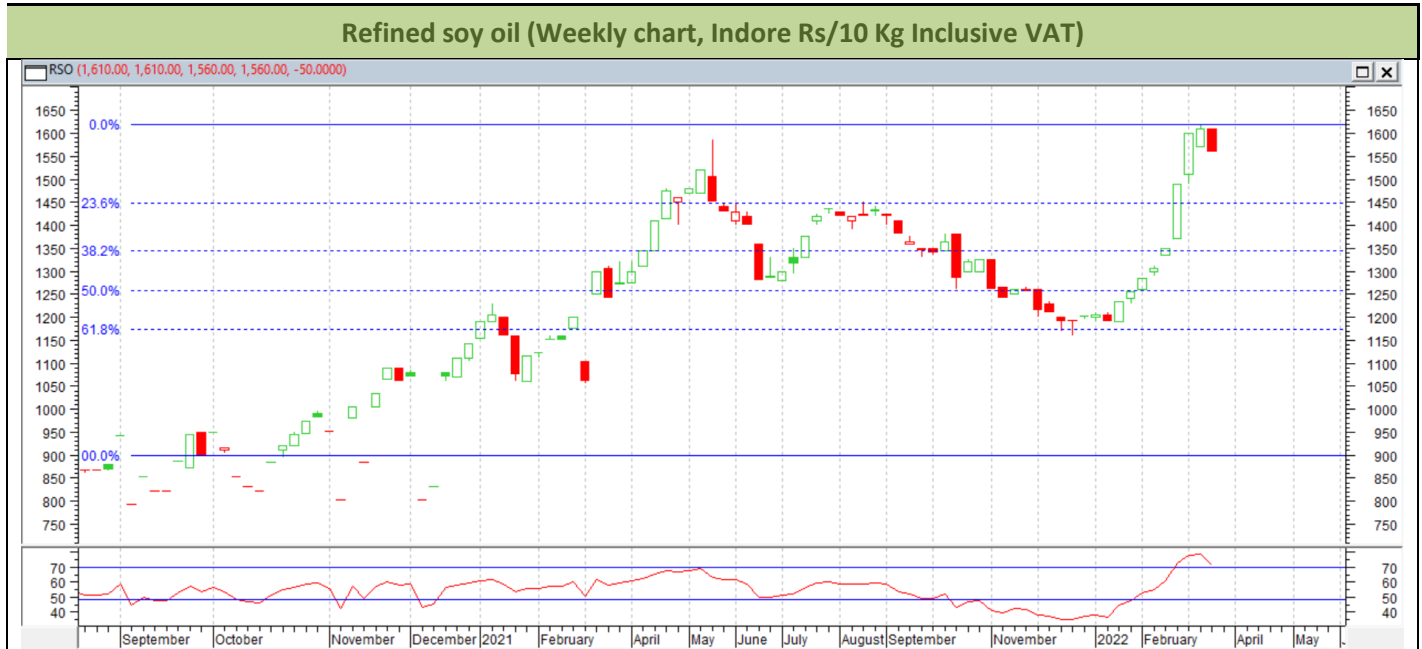
- The Coconut oil prices at benchmark market Kangeyam featured steady trend for the period of 12 Mar to 17 Mar. The prices were rangebound to Rs. 1400 to 1430 per 10 Kg.
- The demand for the Coconut oil improved as the premium of Coconut oil over competing oils has reversed to discount. However, correction in prices of competing oils pressured Coconut oil prices as well.
- Copra prices also traded down in the range of Rs. 1640 to Rs. 1420 per 10 Kg.
- Coconut oil demand are expected to be underpinned taking support from higher prices of competing oils.
- Coconut oil exports scenario- India exported 1,093.16 tonnes of Coconut oil in January 2022 lower compared to 1,353.58 tonnes export in December 2021, and 1,309.55 tonnes in January 2021.



- On the price front, currently the coconut oil prices in Kochi are hovering remain at Rs 1,540 (Rs 1,550) per 10 Kg and was quoted at 1,420 (Rs 1,430) per 10 Kg in Kangeyam market on March 17, 2022.

Price Outlook: Coconut oil (without GST) prices in Kangeyam may stay in the range of Rs 1380-1480 per 10 Kg.

Technical Analysis (Refined soy oil)

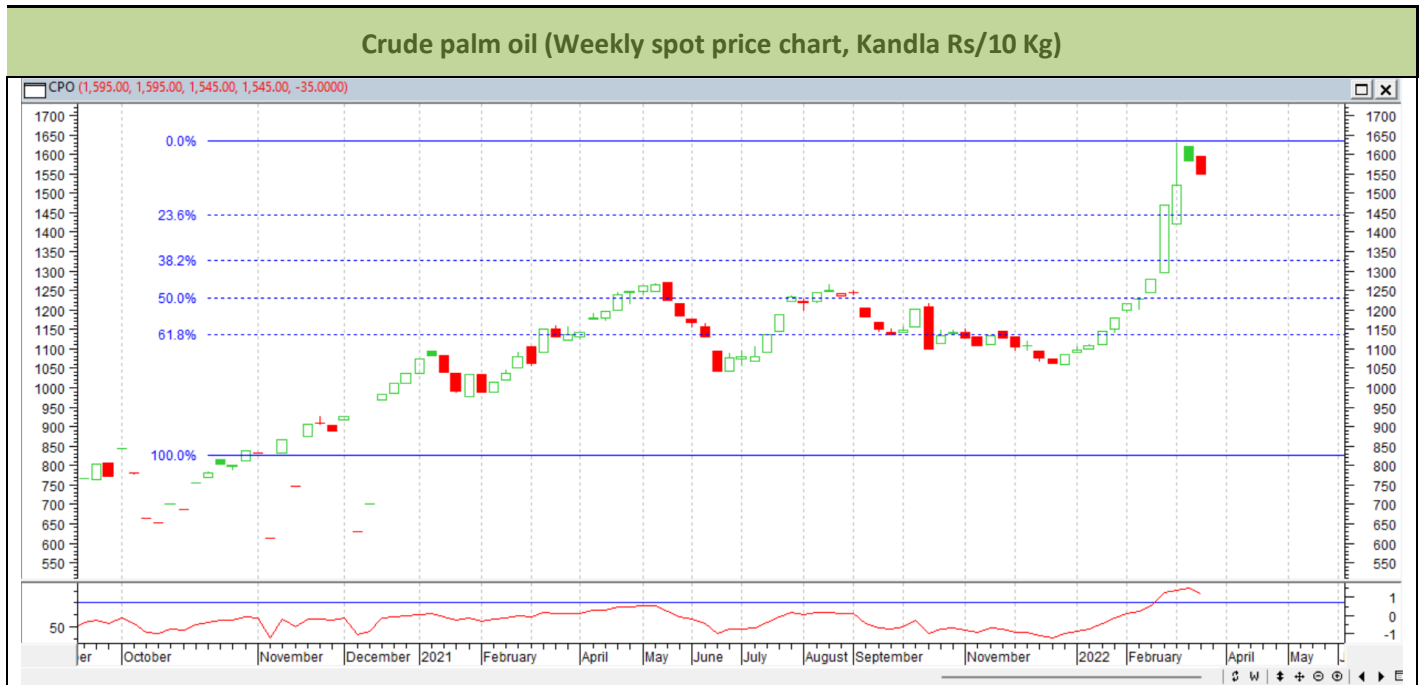


Technical Commentary –

- Previous week soybean oil prices at Indore mandi traded down in range of 1610 to 1560.
- Prices are expected to remain sideways for the coming week.

Spot Market outlook: Market participants are recommended to short near 1550 level and buy near level of 1480.

Technical Analysis (Crude Palm oil)



Technical Commentary –

- In previous week CPO prices at Kandla mandi prices softened from 1595 to 1545 level, up by 3.15 percent.
- Prices are expected to remain sideways for the coming week.

Spot Market outlook: Market participants are recommended to short near Fibonacci support of 1550 level and buy near 1450-1480 level.

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

Commodity	Centre	Prices (Per 10 Kg)		Change
		17-Mar-22	12-Mar-22	
Refined Soybean Oil	Indore	1560	1610	-50
	Indore (Soy Solvent Crude)	1520	1570	-50
	Mumbai	1570	1610	-40
	Mumbai (Soy Degum)	1550	1570	-20
	Kandla/Mundra	1560	1600	-40
	Kandla/Mundra (Soy Degum)	1550	1575	-25
	Kolkata	1600	1620	-20
	Delhi	1665	1665	Unch
	Nagpur	1580	1605	-25
	Rajkot	1555	1550	5
	Kota	1500	1620	-120
	Akola	1575	1600	-25
	Amrawati	1575	1600	-25
	Bundi	1510	1630	-120
	Jalna	1600	1630	-30
	Solapur	1580	1600	-20
	Dhule	1585	1600	-15
	Nanded	1580	1600	-20
	Latur	1580	1600	-20
	Argentina Crude Soya (CIF India) USD	1815	1861	-46
	Argentina Crude Soya (FOB)	1742	1767	-25
Palm Oil*	Kandla (Crude Palm Oil)	1545	1595	-50
	Kandla (RBD Palm oil)	1500	1590	-90
	Kandla RBD Pamolein	1510	1580	-70
	Kakinada (Crude Palm Oil)	1415	1520	-105
	Kakinada RBD Pamolein	1510	1570	-60
	Haldia Pamolein	1500	1590	-90
	Chennai RBD Pamolein	1520	1580	-60
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1586	1642	-56
	Krishnapattanam RBD Pamolein	1520	1560	-40
	Mumbai RBD Pamolein	1550	1600	-50
	Mangalore RBD Pamolein	1535	1600	-65
	Mumbai (Refined)	1550	1620	-70
	Rajkot (Refined)	1460	1530	-70
	Chennai (Refined)	1420	1540	-120

	Hyderabad (Refined)	1480	1580	-100
	PFAD (Kandla)	1330	1380	-50
	RPS (Kandla)	1575	1650	-75
	Superolien (Kandla)	1540	1610	-70
	Superolien (Mumbai)	1580	1630	-50
	Kochi (RBD Palmolein)	1495	1565	-70
	Krishnapattanam (Crude Palm Oil)	1415	1520	-105
Refined Sunflower Oil	Chennai (Refined)	1980	1950	30
	Chennai (Crude)	1280	1280	Unch
	Mumbai (Refined)	1900	1850	50
	Mumbai (Expeller Oil)	1850	1800	50
	Kandla (Refined)	1870	1850	20
	Hyderabad (Refined)	1870	1980	-110
	Hyderabad (Expeller)	1800	1930	-130
	Latur (Refined)	1850	1850	Unch
	Latur (Expeller Oil)	1770	1770	Unch
	Chellakere (Expeller Oil)	1880	1820	60
	Erode (Expeller Oil)	2060	1920	140
	Kakinada (Refined)	1980	1750	230
	Krishna Pattanam (Refined)	1980	1750	230
Groundnut Oil	Rajkot	1550	1600	-50
	Chennai	1600	1650	-50
	Hyderabad *	1660	1650	10
	Mumbai	1610	1650	-40
	Gondal	1550	1600	-50
	Jamnagar	1550	1600	-50
	Gujarat GN Telia	2490	2525	-35
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1490	1580	-90
	Jaipur (Kacchi Ghani Oil)	1680	1700	-20
	Kota (Expeller Oil)	1500	1580	-80
	Kota (Kacchi Ghani Oil)	1675	1675	Unch
	Neewai (Expeller Oil)	1480	1600	-120
	Neewai (Kacchi Ghani Oil)	1665	1685	-20
	Bharatpur (Kacchi Ghani Oil)	1520	1580	-60
	Sri-Ganga Nagar (Exp Oil)	1545	1565	-20
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1660	1680	-20
	Mumbai (Expeller Oil)	1510	1600	-90
	Kolkata (Expeller Oil)	1820	1770	50
	New Delhi (Expeller Oil)	1490	1490	Unch

	Hapur (Expeller Oil)	1670	1690	-20
	Hapur (Kacchi Ghani Oil)	1700	1720	-20
	Agra (Kacchi Ghani Oil)	1525	1585	-60
Refined Cottonseed Oil	Rajkot	1550	1570	-20
	Hyderabad	1560	1600	-40
	Mumbai	1570	1610	-40
	Gujarat Cotton Wash	1495	1540	-45
Coconut Oil	Kangayan (Crude)	1420	1430	-10
	Cochin	1540	1640	-100
Rice Bran Oil	Mumbai (Refined 4%)	1400	1410	-10
	Bhatinda (Crude 4%)	1200	1220	-20
	Bhatinda (Refined 4%)	1315	1335	-20
	Hyderabad (Crude)	1310	1340	-30
	Hyderabad (Refined)	1520	1550	-30
	Raipur (Crude)	1350	1350	Unch
	Raipur (Refined)	1440	1440	Unch
	Odisha (Refined)	1420	1420	Unch
	Vijayawada (Refined)	1500	1500	Unch
Malaysia Palmolein USD/MT	FOB	1765	1915	-150
	CNF India	1840	1930	-90
Indonesia CPO USD/MT	FOB	1815	1910	-95
	CNF India	1870	1960	-90
Crude palm Kernel Oil India (USD/MT)	CNF India	2650	2725	-75
Ukraine Origin CSFO USD/MT Kandla	CIF	1630	1630	Unch
Argentina FOB (\$/MT)		16-Mar-22	12-Mar-22	Change
Crude Soybean Oil Ship		1726	1810	-84
Refined Soy Oil (Bulk) Ship		1786	1873	-87
Sunflower Oil Ship		2375	2350	25
Cottonseed Oil Ship		1706	1790	-84
* 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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