



# 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 Sunflower oil prices softened, while Mustard oil prices rose slightly up in the week.*

*On the currency front, Indian rupee is hovering near 76.25 against 75.95 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 with slight weakness.*

**Outlook:**

*Weekly Call -: Market participants are recommended to short Soy oil at spot market, near 1500-1530 level and buy near level of 1450. And for Palm oil at spot market, participants are recommended to short near Fibonacci support of 1450 level and buy near 1400 level.*

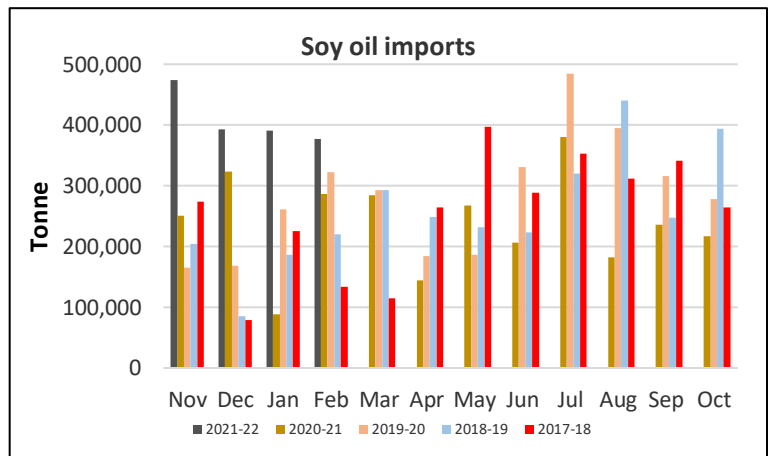
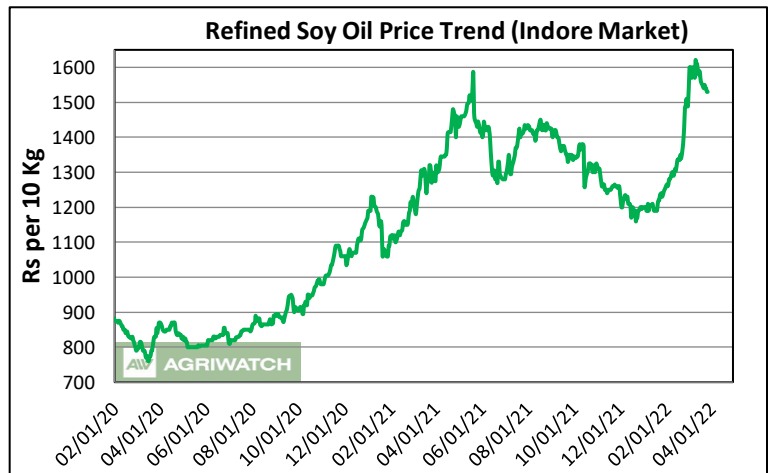
**International Veg. Oil Market Summary**

*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 and Malaysia's firm biodiesel policy, 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 prices showed weakness at its benchmark market for the week in review. Prices fell to Rs. 1530 from Rs. 1550, down by 1.29 percent.
- Prices corrected, following declining prices of crude oil and rival palm oil. Demand in domestic market is also impacted due to higher prices of soy oil. Oil demand has shifted to lower prices edible oil like cottonseed oil and groundnut oil.
- This year, crushing of domestic Soybean seeds is lower due to low arrivals. Hence, higher imports of soy oil were seen for the previous month, which used to be lean season for Soy oil imports.
- Imported crude soy oil CNF at Kandla West coast port is offered at USD 1762 (USD 1864) per ton for Apr delivery, May is delivery is being quoted at USD 1724 (USD 1829) per ton. Values in brackets are figures of last week. Last month, CNF CDSO Feb average price was USD 1588.12 (USD 1431.37 per ton in Jan 2022) per ton. AgriWatch expects March CDSO CNF to lie in the range of USD 1820-1860.



### 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 has passed a bill to ban Russian crude oil import, which will increase the focus on higher usage of biodiesel oil. This will underpin the prices of crude vegetable oil for the usage in biodiesel oil.
- China 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 and 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 1450-1580 per 10 Kg in the near term.

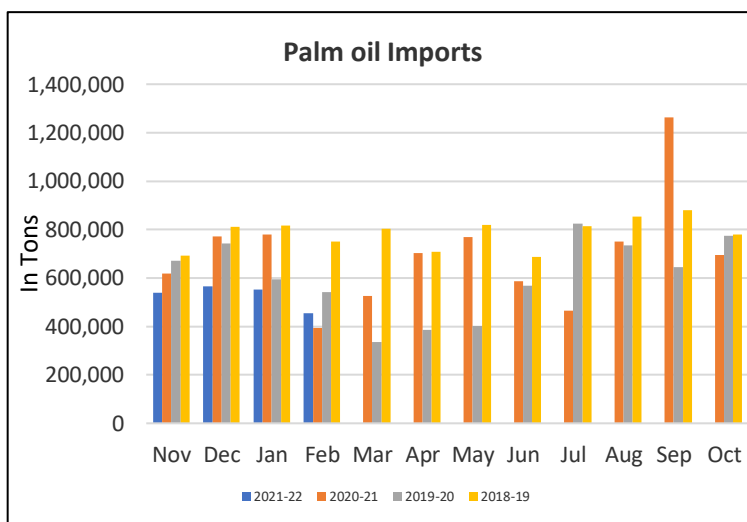
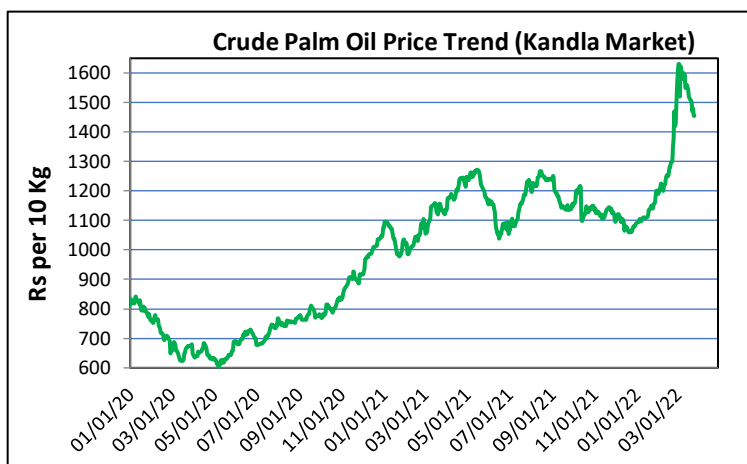
### Palm oil Fundamental Analysis and Outlook -:

#### Domestic Front

- Crude palm oil (CPO) witnessed down trend in prices at its benchmark market Kandla. Prices fell by 4.93 percent from Rs. 1520 to Rs. 1445 at the end of week.
- Higher prices of palm oil have impacted its market share and demand shifted to lower prices oils. It also corrected following correction in international 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 LT compared to 4.07 LT in previous month. However, RBD palm oil import shot up significantly to 3.02 LT compared to 1.34 LT in previous month.
- AgriWatch expects fall in Palm oil imports for March month as prices have risen significantly lowering its discount over competing oils.
- On the trade front, CNF CPO (Indonesian origin) at Indian port is being quoted at USD 1740 (USD 1960) per ton for Apr delivery and May delivery is being quoted at USD 1710 (USD 1935) per ton. Last month, CNF CPO February average price was at 1576.66 per ton (USD 1431.67 per ton in January 2022). Values in brackets are figures of last week.
- Moreover, RBD Palmolein (Malaysian origin) CNF at Indian port, offered at USD 1730 (USD 1930) per ton for Mar delivery and Apr delivery is quoted at USD 1700 (USD 1905) per ton. 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)
- 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 6110-6982 Ringgit levels. Prices are expected to remain sideways amid global supply crunch and slow palm oil import demand.
- Indonesia and Malaysia have made clear to stand firm with their current Biodiesel mandate, which will increase palm oil demand in energy sector and will underpin prices.
- Escalating situation between Ukraine and Russia have push demand for palm oil to substitute for Sunflower oil.





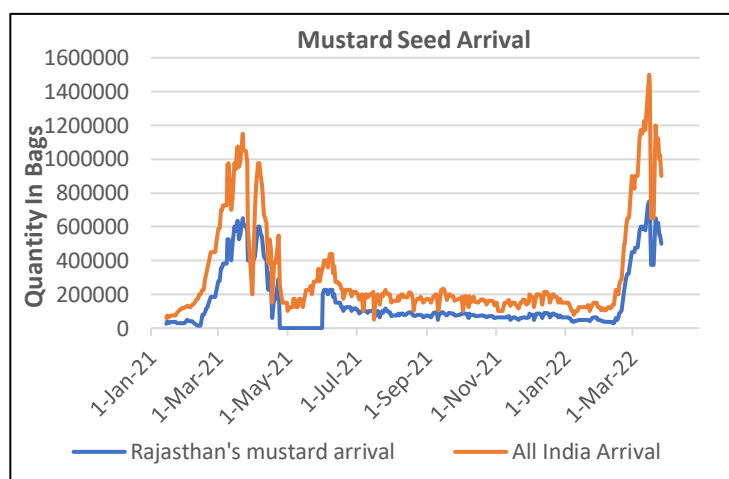
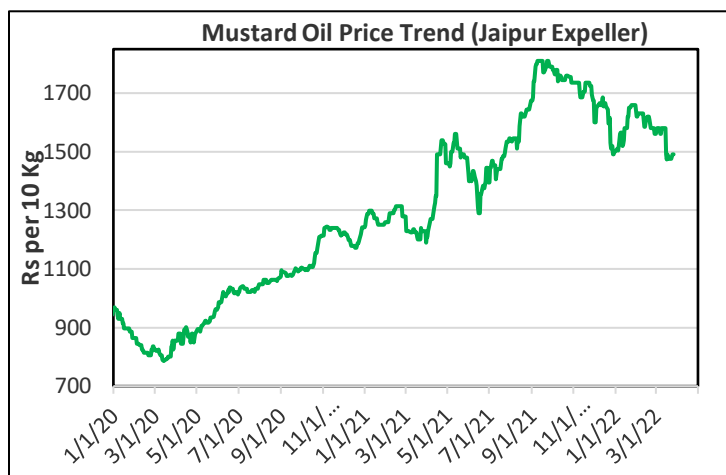
- Indonesia removed the export volume restriction amid accusation of 'Panic Policy' and raised its export levy to a new maximum of \$375 per tonne, compared to previous levy of \$175 per tonne
- Indonesia had earlier implemented a new export policy to reserve certain volume of palm oil for domestic supply from total export volume which would have lower the global palm oil supplies.
- The 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.

**Price Outlook:** We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 1380-1450 per 10 Kg in the near term.

### Rapeseed oil Fundamental Review and Analysis-

#### Domestic Front

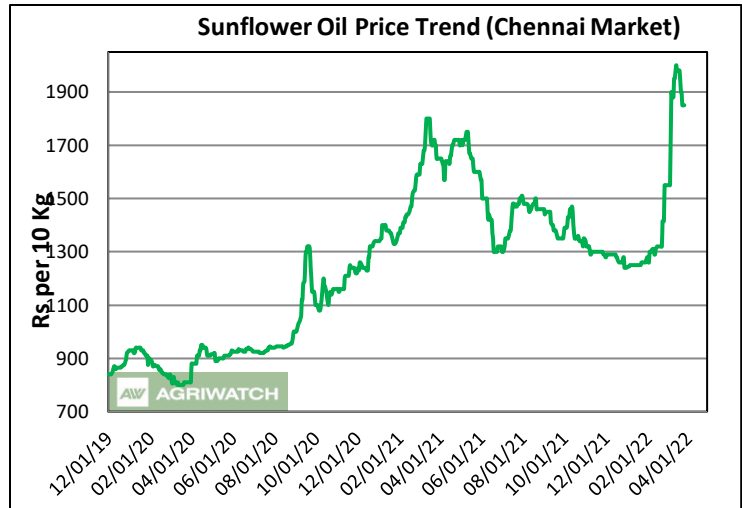
- Mustard oil prices strengthen for the past week, trading from Rs. 1475 to Rs. 1490 per 10 Kg.
- Demand for mustard oil is firm as prices of competing oil like palm oil and soy oil are higher, narrowing down the premium of mustard oil.
- All India arrivals of new mustard crop for the period of 19 March to 26 March 2022, stood at 63.00 lakh bags compared to arrival of 56.50 lakh bags in previous week. Arrivals have started to decline which will underpin the prices amid firm demand for seed from crushing mills.
- Tension between Ukraine and Russia has firmed up prices of edible oils over of supply chain disruption. International edible oil prices have firm up. Domestic prices for Palm oil, Soy oil, Sunflower oil and groundnut oil is already firm taking support from rising edible oils' international price, which may lend support to Mustard oil prices as well and may curb the pressure on prices due to arrival of new crops.
- Premium of Jaipur kacchi ghani rapeseed oil over refined soy oil in domestic market is at Rs 150 per 10 kg compared to Rs. 120 in last week.
- Jaipur kacchi ghani rapeseed oil premium over RBD palm olein is at Rs 240 compared to Rs 170 per 10 kg last week.



**Price Outlook:** Rapeseed Expeller oil (without GST) prices in Jaipur may stay in the range of Rs 1450-1550 per 10 Kg.

**Sunflower oil Fundamental Review and Analysis:-****Domestic Front**

- Sunflower oil price showed down trend for the previous week in review in Chennai market.
- Domestic prices fell as the prices have shoot up affecting its market share.
- International sun oil prices are also correcting as the supply is affected from Black Sea Region due to ongoing war between Ukraine and Russia.
- As Ukraine's sun oil shipments are at halt, the demand is shifting towards competing oils, which will further fuel the edible oil basket prices.



- In the domestic market, sunflower oil price is at premium of Rs 320 over soy oil (premium of Rs 420 last week) per 10 kg. Meanwhile, refined sunflower oil (Chennai) premium over RBD palm olein (Kandla) is at Rs. 410 compared to premium of Rs 470 per 10 kg last week.

In domestic market, Sunflower oil (Chennai) is at premium over groundnut oil by Rs. 320 compared to Rs. 430 last week.

- According to Solvent Extractor Association of India, Sunflower oil imports for the month of February 2022 fell to 1.52 lakh tonne compared to 3.07 LT in previous month. As expected, due to halt in Ukraine's export activities and sanctions on Russia sunflower imports are down for February month.
- Currently, refined sunflower oil at Chennai market is Rs 1,850 (Rs 1,980) per 10 Kg, and at Kandla/Mudra market, it is offered higher at Rs 1840 (Rs 1870) per 10 kg as on March 26, 2022. Values in brackets are figures of last week.
- We expect sunflower oil prices to trade sideways with weakness in the coming days due to demand shift from Sun oil to competing oils.

**Price Outlook:** Sunflower oil (without GST) prices in Chennai may stay in the range of Rs 1800-1900 per 10 Kg

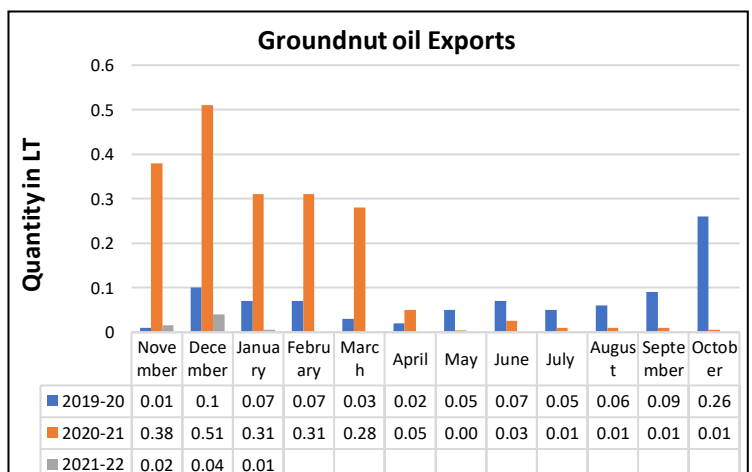
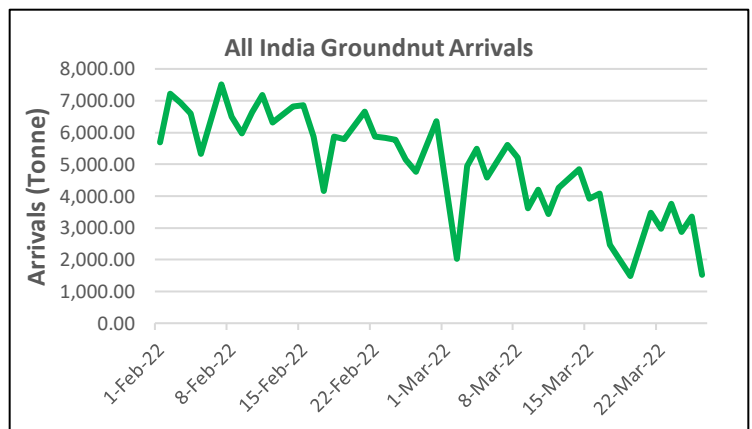
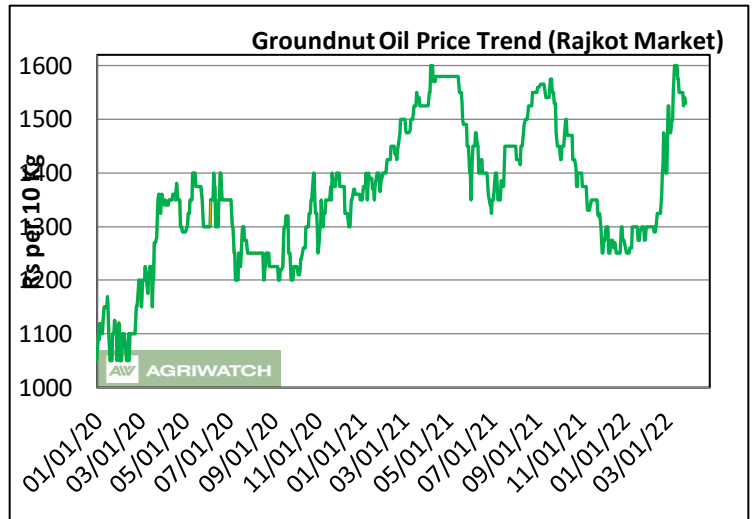
### Groundnut oil Fundamental Review and Analysis:-

#### Domestic Front

- Groundnut oil market prices traded with slight weakness in the previous week. Price fell by 1.19 percent from Rs. 1550 to Rs. 1530.
- Groundnut oil prices were pressured by correction in competing oils prices. However, it may take support from declining seeds arrivals.
- All India arrivals for groundnut seeds fell for the period of 21 Mar to 26 March to 17,936.49 tonne compared 16,791.79 tonne previous week. Lower arrivals of seeds will push the prices for oil, as demand for groundnut oil improved amid higher prices of competing oils.
- Groundnut oil exports scenario- India exported 600.24 tons Groundnut oil (mainly to China at 431.44 tons) in January 2022 v/s 4,702.53 tons 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 1,530 (Rs 1,550) per 10 Kg and it was Rs 1,600 (Rs 1,600) per 10 Kg in Chennai market on March 26, 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 1480-1550 per 10 Kg

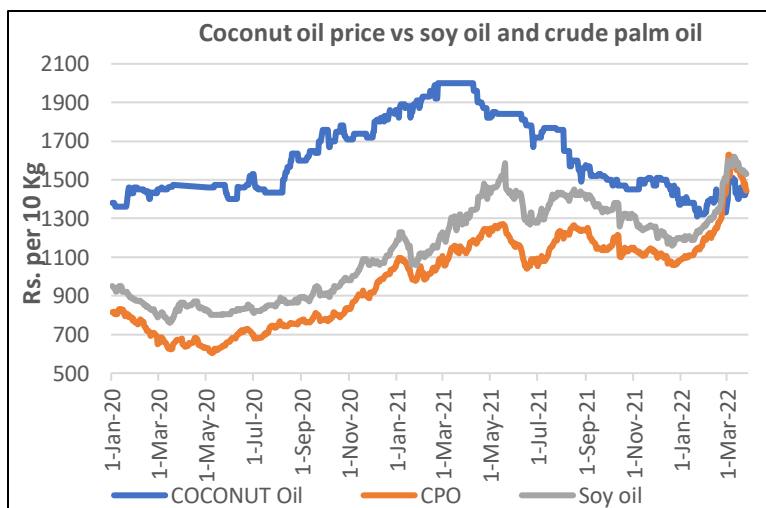
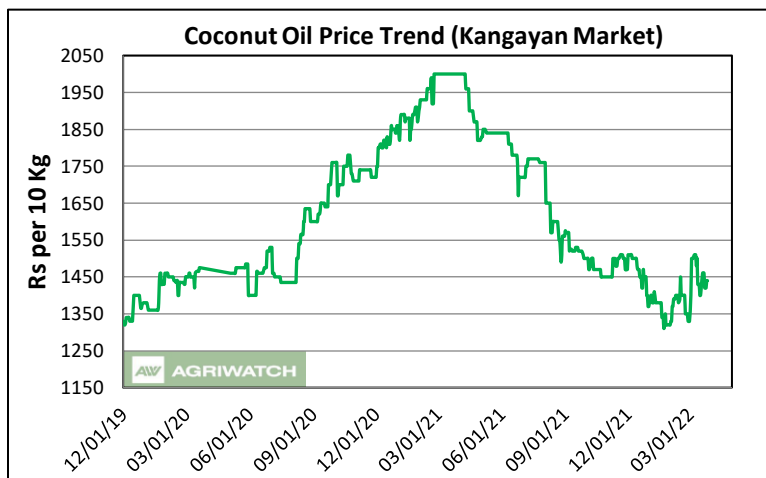




### Coconut Oil Fundamental Review and Analysis:-

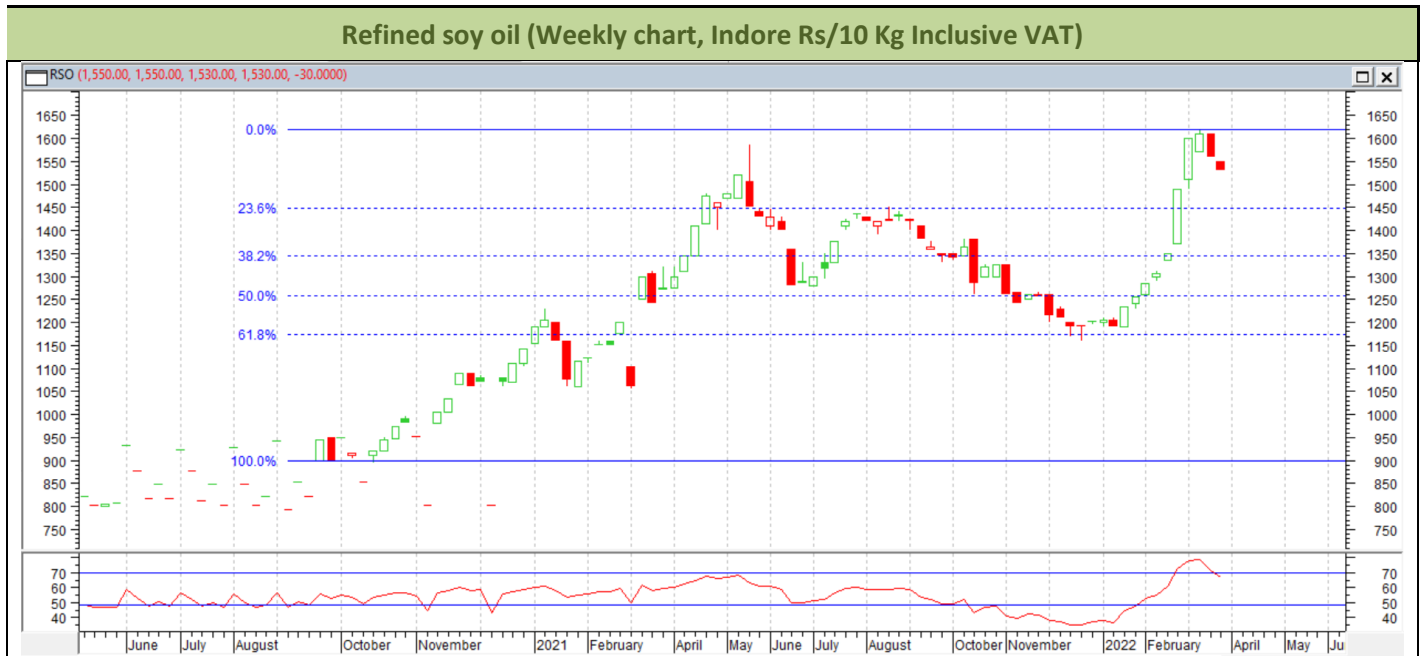
#### Domestic Front

- The Coconut oil prices at benchmark market Kangeyam featured weakness for the review period of 19 Mar to 26 Mar. The prices were rangebound to Rs. 1420 to 1460 level.
- 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. 1540 to Rs. 1520.
- Coconut oil demand are expected to be underpinned taking support from higher discount compared to 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 1,510 (Rs 1,540) per 10 Kg and was quoted at 1,440 (Rs 1,460) per 10 Kg in Kangeyam market on March 26, 2022.



**Price Outlook:** Coconut oil (without GST) prices in Kangeyam may stay in the range of Rs 1380-1450 per 10 Kg.

### Technical Analysis (Refined soy oil)



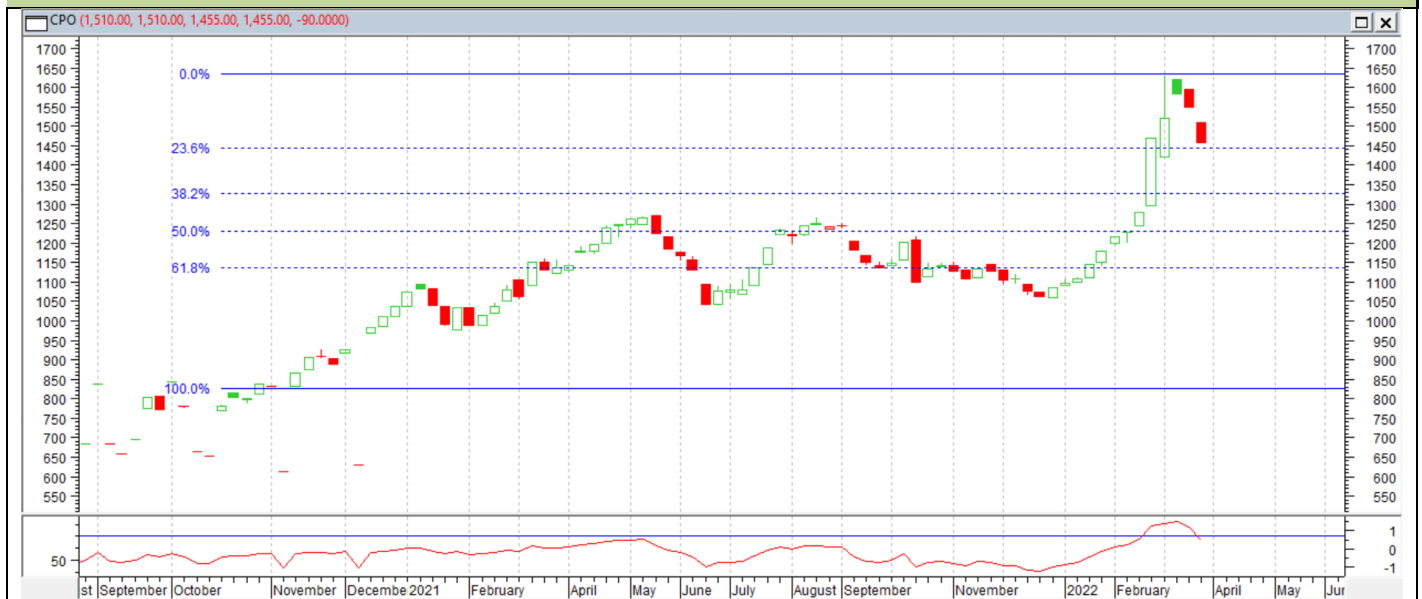
#### Technical Commentary –

- Previous week soybean oil prices at Indore mandi traded down in range of 1560 to 1530.
- Prices are expected to trade sideways with slight weakness.

**Spot Market outlook:** Market participants are recommended to short near 1500-1530 level and buy near level of 1450.

### Technical Analysis (Crude Palm oil)

Crude palm oil (Weekly spot price chart, Kandla Rs/10 Kg)



#### Technical Commentary –

- In previous week CPO prices at Kandla mandi prices softened from 1520 to 1455 level.
- Prices are expected to take support from 1400-1420 level.

**Spot Market outlook:** Market participants are recommended to short near Fibonacci support of 1450 level and buy near 1400 level.

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

Commodity	Centre	Prices (Per 10 Kg)		Change
		26-Mar-22	19-Mar-22	
Refined Soybean Oil	Indore	1530	1550	-20
	Indore (Soy Solvent Crude)	1470	1510	-40
	Mumbai	1515	1560	-45
	Mumbai (Soy Degum)	1460	1530	-70
	Kandla/Mundra	1505	1560	-55
	Kandla/Mundra (Soy Degum)	1455	1530	-75
	Kolkata	1550	1600	-50
	Delhi	1560	1665	-105
	Nagpur	1525	1580	-55
	Rajkot	1500	1555	-55
	Kota	1520	1500	20
	Akola	1520	1575	-55
	Amrawati	1520	1575	-55
	Bundi	1530	1510	20
	Jalna	1535	1600	-65
	Solapur	1520	1580	-60
	Dhule	1535	1585	-50
	Nanded	1520	1580	-60
	Latur	1520	1580	-60
	Argentina Crude Soya (CIF India) USD	1762	1829	-67
	Argentina Crude Soya (FOB)	1725	1742	-17
Palm Oil*	Kandla (Crude Palm Oil)	1445	1520	-75
	Kandla (RBD Palm oil)	1420	1480	-60
	Kandla RBD Pamolein	1440	1490	-50
	Kakinada (Crude Palm Oil)	1410	1415	-5
	Kakinada RBD Pamolein	1460	1510	-50
	Haldia Pamolein	1460	1500	-40
	Chennai RBD Pamolein	1460	1500	-40
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1522	1564	-42
	Krishnapattanam RBD Pamolein	1445	1470	-25
	Mumbai RBD Pamolein	1480	1525	-45
	Mangalore RBD Pamolein	1475	1530	-55
	Mumbai (Refined)	1450	1540	-90
	Rajkot (Refined)	1460	1460	Unch
	Chennai (Refined)	1460	1420	40

	Hyderabad (Refined)	1450	1480	-30
	Delhi (Refined)*	1590	0	1590
	PFAD (Kandla)	1290	1330	-40
	RPS (Kandla)	1520	1575	-55
	Superolien (Kandla)	1470	1520	-50
	Superolien (Mumbai)	1510	1555	-45
	Kochi (RBD Palmolein)	-	1495	-
	Krishnapattanam (Crude Palm Oil)	1410	1415	-5
Refined Sunflower Oil	Chennai (Refined)	1850	1980	-130
	Chennai (Crude )	1750	1280	470
	Mumbai (Refined)	1820	1900	-80
	Mumbai(Expeller Oil)	1720	1800	-80
	Kandla (Refined)	1840	1870	-30
	Hyderabad (Refined)	1800	1870	-70
	Hyderabad (Expeller)	1720	1800	-80
	Latur (Refined)	1650	1850	-200
	Latur (Expeller Oil)	1580	1770	-190
	Chellakere (Expeller Oil)	1700	1880	-180
	Erode (Expeller Oil)	1920	2060	-140
	Kakinada (Refined)	1750	1980	-230
	Krishna Pattanam (Refined)	1750	1980	-230
Groundnut Oil	Rajkot	1530	1550	-20
	Chennai	1600	1600	Unch
	Hyderabad *	1640	1660	-20
	Mumbai	1590	1610	-20
	Gondal	1530	1550	-20
	Jamnagar	1530	1550	-20
	Gujarat GN Telia	2450	2490	-40
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1490	1475	15
	Jaipur (Kacchi Ghani Oil)	1680	1665	15
	Kota (Expeller Oil)	1460	1480	-20
	Kota (Kacchi Ghani Oil)	1675	1645	30
	Neewai (Expeller Oil)	1480	1460	20
	Neewai (Kacchi Ghani Oil)	1665	1645	20
	Bharatpur (Kacchi Ghani Oil)	1520	1520	Unch
	Sri-Ganga Nagar(Exp Oil)	1545	1525	20
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1660	1640	20
	Mumbai (Expeller Oil)	1480	1510	-30
	Kolkata(Expeller Oil)	1820	1820	Unch

	New Delhi (Expeller Oil)*	1530	1460	70
	Hapur (Expeller Oil)	1670	1670	Unch
	Hapur (Kacchi Ghani Oil)	1700	1700	Unch
	Agra (Kacchi Ghani Oil)	1525	1525	Unch
Refined Cottonseed Oil	Rajkot	1520	1550	-30
	Hyderabad	1530	1560	-30
	Mumbai	1540	1560	-20
	New Delhi*	1500	0	-
	Gujarat Cotton Wash	1500	1500	Unch
Coconut Oil	Kangayan (Crude)	1440	1460	-20
	Cochin	1520	1540	-20
Rice Bran Oil	New Delhi (40%)*	1420	-	-
	Mumbai (Refined 4%)	1320	1400	-80
	Bhatinda (Crude 4%)	1175	1200	-25
	Bhatinda (Refined 4%)	1290	1315	-25
	Hyderabad (Crude)	1270	1310	-40
	Hyderabad (Refined)	1470	1520	-50
	Raipur (Crude)	1350	1350	Unch
	Raipur (Refined)	1440	1440	Unch
	Odisha (Refined)	1420	1420	Unch
	Vijayawada (Refined)	1350	1500	-150
Malaysia Palmolein USD/MT	FOB	1720	1700	20
	CNF India	1730	1800	-70
Indonesia CPO USD/MT	FOB	1705	1750	-45
	CNF India	1740	1830	-90
RBD Palm oil (Malaysia Origin USD/MT)	FOB	NR	0	-
Crude palm Kernel Oil India (USD/MT)	CNF India	Closed	2650	-
Ukraine Origin CSFO USD/MT Kandla	CIF	1630	1630	Unch
Argentina FOB (\$/MT)		25-Mar-22	18-Mar-22	Change
Crude Soybean Oil Ship		1718	1673	45
Refined Soy Oil (Bulk) Ship		1778	1732	46
Sunflower Oil Ship		2175	2275	-100
Cottonseed Oil Ship		1698	1653	45
* 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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