

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 witnessed sideways trend while in the domestic market Palm oil, Soy oil, Mustard oil, Coconut oil and Sunflower oil prices softened, while Groundnut oil prices rose slightly up in the week.

On the currency front, Indian rupee is hovering near 75.95 against 76.25 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 book profit in 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 book profit near 1450 level and buy near 1400 level.

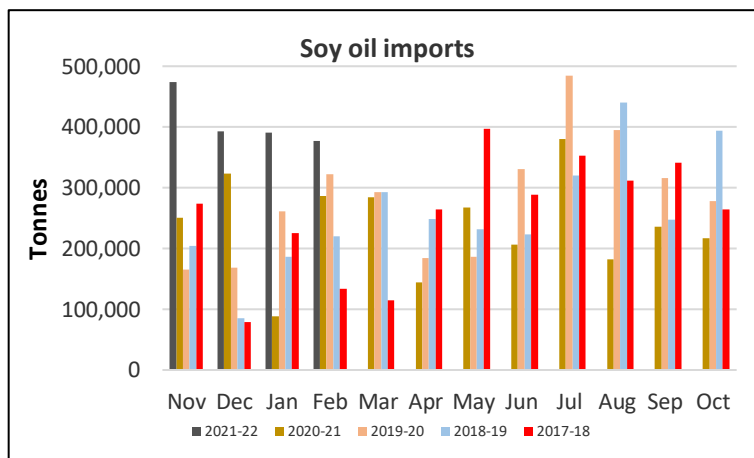
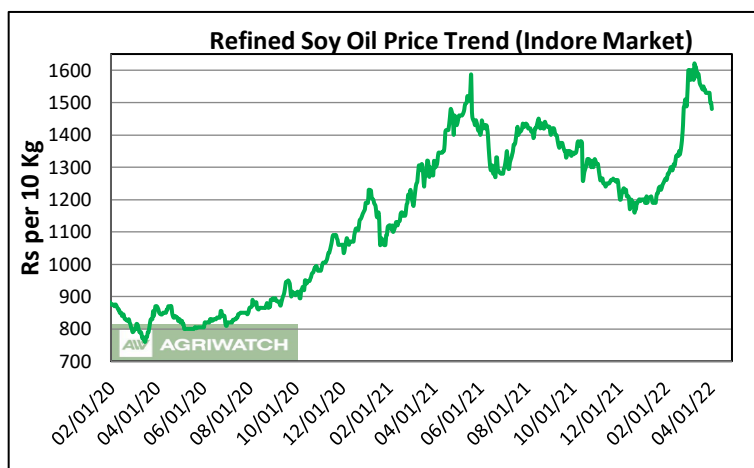
International Veg. Oil Market Summary

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 eased in the benchmark market during the week under review. Prices fell to Rs. 1480 from Rs. 1530 per 10 Kg, down by 3.27 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 first quarter, which used to be lean season for Soy oil imports.
- GOI has extended the period of stock limit, imposed on edible oils and oilseeds till 31st December, 2022 which was previously extended till 30th June 22. Exceptions have been given for exporters and importers. This will curb the rise in price for long term.
- Imported crude soy oil CNF at Kandla West coast port is offered at USD 1728 (USD 1762) per ton for Apr delivery, May is delivery is being quoted at USD 1696 (USD 1724) per ton. Values in brackets are figures of last week. Last month, CNF CDSO Mar average price was USD 1838.52(USD 1588.12 per ton in Feb 2022) per ton. AgriWatch expects March CDSO CNF to lie in the range of USD 1750-1800.



International Front

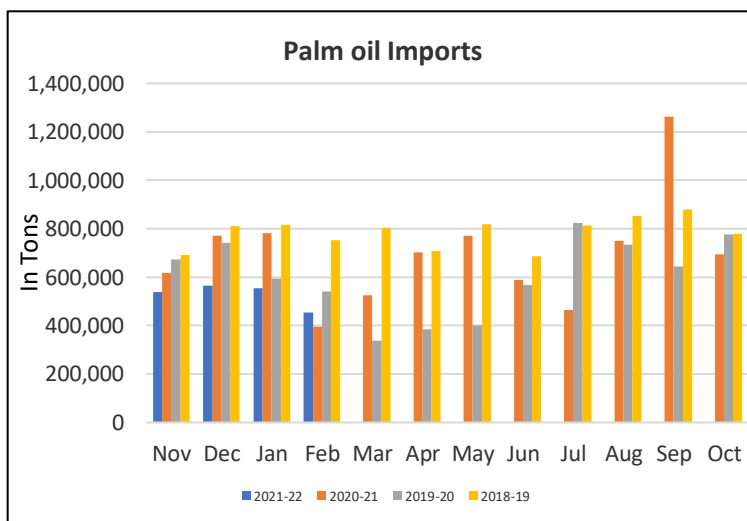
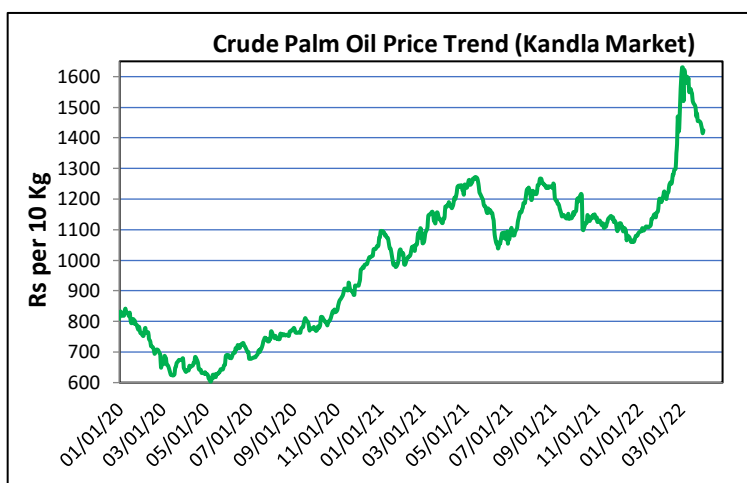
- CBOT soy oil prices are trading sideways in the range of 71.22-76.55 cents per pound in most active May contract as market is too volatile. Prices are governed by movements in crude oil and rival palm oil along with lower production in South America.
- USA has announced to release 1 million barrels per day of crude oil for six months from their Strategic Petroleum Reserve, which led to correction in Crude oil WTI prices. Earlier, US 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.

Price Outlook: We expect refined soy oil (without GST) at Indore to stay in the range of Rs 1400-1450 per 10 Kg in the near term.

Palm oil Fundamental Analysis and Outlook -:

Domestic Front

- Crude palm oil (CPO) eased in the benchmark market Kandla. Prices fell by 1.38 percent from Rs. 1445 to Rs. 1425 per 10 Kg at the end of week.
- Palm oil prices corrected following correction in international Palm oil prices and weakness in Soy oil price.
- Total Palm oil imports for February 2022 stood at 4.55 lakh tonnes (LT) 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 1690 (USD 1740) per ton for Apr delivery and May delivery is being quoted at USD 1620 (USD 1710) per ton. Last month, CNF CPO March average price was at 1842.4 per ton (USD 1576.66 per ton in February 2022). Values in brackets are figures of last week.
- Moreover, RBD Palmolein (Malaysian origin) CNF at Indian port, offered at USD 1650 (USD 1730) per ton for Mar delivery and Apr delivery is quoted at USD 1580 (USD 1700) per ton. Last month, CIF RBD palm olein March average price was USD 1816.2 (USD 1548.75 in February 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 recently said that both countries being world's major producer, will not compete for Palm oil prices and will try to curb price rise.

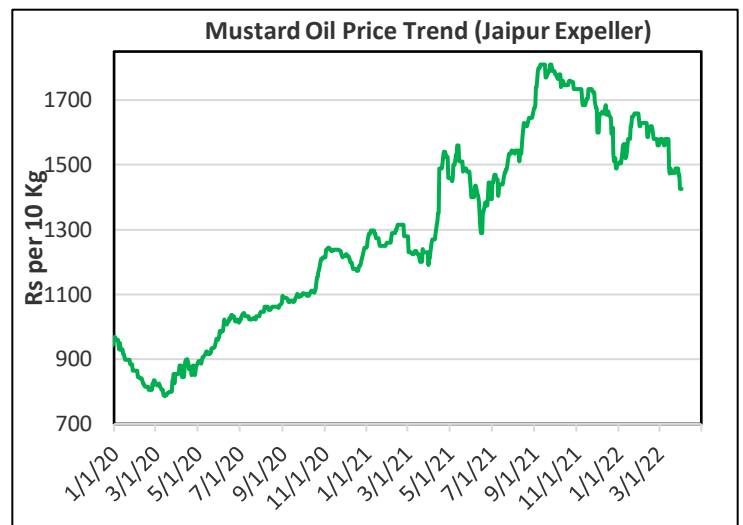
- Indonesia and Malaysia have made clear to stand firm with their current Biodiesel mandate, which will increase palm oil demand in energy sector and will underpin prices.
- Indonesia removed the export volume restriction amid accusation of 'Panic Policy' and raised its export levy to a new maximum of \$375 per tonnes, compared to previous levy of \$175 per tonnes
- 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.

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 weakened for the past week, trading from Rs. 1490 to Rs. 1425 per 10 Kg.
- Price correction in Palm oil and Soy oil pressure the mustard oil prices as well.
- All India arrivals for past week was low as mandis were closed due to financial year ending. However, Agriwatch expects arrivals to remain at the levels of 5-7 lakh bags for first two weeks of April as farmers are fetching higher prices for seeds.
- Oils prices are expected to trade sideways in the for the coming weeks higher prices of competing oils will push demand for mustard oil.
- Premium of Jaipur kacchi ghani rapeseed oil over refined soy oil in domestic market is at Rs 135 per 10 kg compared to Rs. 150 in last week.
- Jaipur kacchi ghani rapeseed oil premium over RBD palm olein is at Rs 335 compared to Rs 240 per 10 kg last week.

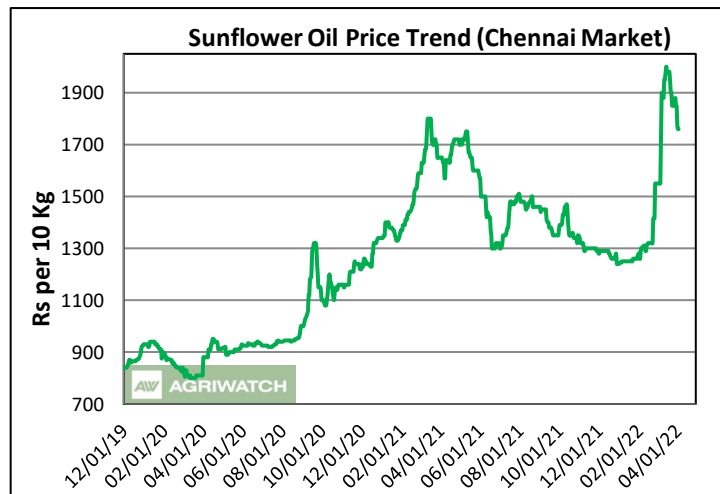


Price Outlook: Rapeseed Expeller oil (without GST) prices in Jaipur may stay in the range of Rs 1400-1480 per 10 Kg.

Sunflower oil Fundamental Review and Analysis:-

Domestic Front

- Sunflower oil prices at Chennai eased during the period under review from Rs. 1850 to Rs. 1760 per 10 Kg.
- Low availability of sun oil in market had shot up its prices, which affected its market share leading to substitution of Sun oil with cheaper edible oils.
- Domestic prices are correcting as even at discounted prices no buyers are available.
- India has bought 45 thousand tonnes of Sunflower oil from Russia at record high price of CIF USD 2,150/ MT this compares with the prewar CIF USD1,630/MT. Currently, 3 Lakh tonnes of Sunflower oil from Ukraine to India are stuck as loading at Ukrainian port is suspended.
- Russian Government has announced quota of 1.5 million metric tonnes for Sunflower oil and 700,000 mt for Soymeal, applicable from 15th April to 31st August 2022. Russian government has already increased the export tax on Sunflower oil, since 1st September 2021, at 70% of the difference between the floating base price, while the floor price is set at \$1,000 per tons. Ukraine's export activities are already affected, lowering the global Sunflower oil supplies, hence prices are expected to remain firm for the coming weeks. This will support domestic prices for Sun oil too.
- In the domestic market, sunflower oil price is at premium of Rs 280 over soy oil (premium of Rs 320 last week) per 10 kg. Meanwhile, refined sunflower oil (Chennai) premium over RBD palm olein (Kandla) is at Rs.335 compared to premium of Rs 410 per 10 kg last week.
In domestic market, Sunflower oil (Chennai) is at premium over groundnut oil by Rs. 185 compared to Rs. 320 last week.
- According to Solvent Extractor Association of India, Sunflower oil imports for the month of February 2022 fell to 1.52 LT 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 1,760 (Rs 1,850) per 10 Kg, and at Kandla/Mudra market, it is offered higher at Rs 1800 (Rs 1840) per 10 kg as on April 2, 2022. Values in brackets are figures of last week.
- We expect sunflower oil prices to trade sideways with slightly weak bias in the coming days due to demand shift from Sun oil to competing oils.

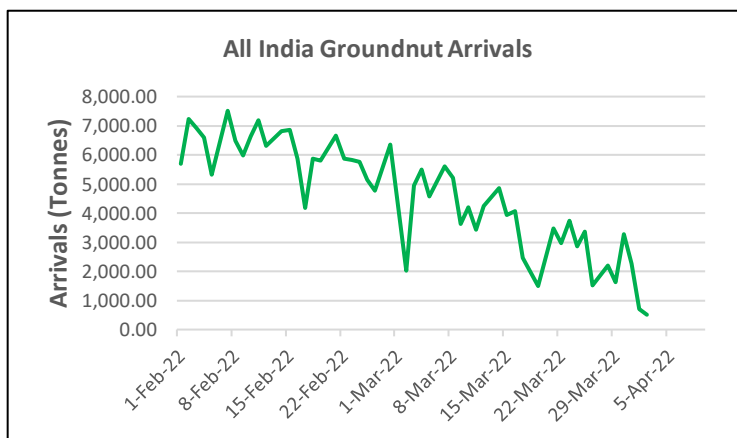
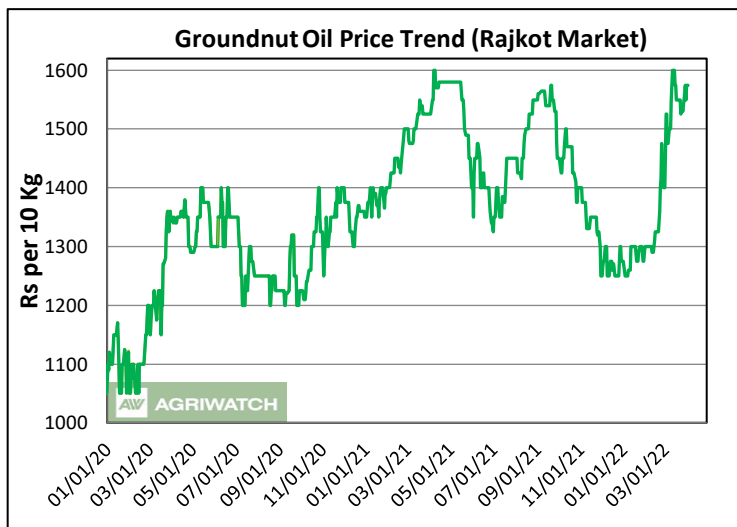


Price Outlook: Sunflower oil (without GST) prices in Chennai may stay in the range of Rs 1650-1750 per 10 Kg

Groundnut oil Fundamental Review and Analysis:-

Domestic Front

- Groundnut oil market prices firmed up for the week in review. Price rose by 2.94 percent from Rs. 1530 to Rs. 1575 per 10 Kg.
- Groundnut oil prices were pressured by correction in competing oils prices. However, declining seeds arrivals amid firm demand for oil supported prices rise.
- Demand for groundnut oil is firm in Southern states, whereas in Gujarat, demand shift from Palm oil and Soy oil has been substituted to Cottonseed oil as well as groundnut oil, hence prices has been moving in sideways range of Rs. 1500 to Rs 1575 per 10 Kg.
- All India arrivals for groundnut seeds fell for the period of 28 Mar to 2 April to 10,562.16 tonnes compared 17,936.49 tonnes previous week. Arrivals fell significantly for the period as various mandis were closed on financial year ending. Lower arrivals of seeds will push the prices for oil, as demand for groundnut oil improved amid higher prices of competing oils.
- 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 tonnes of peanuts against 17.99 million metric tonnes previous year. Lower groundnut oil export demand would have pressured the prices, however, Ukraine and Russia war created global edible oil supply chain disruption which pushed the groundnut oil demand, leading to rise in prices.
- On the price front, currently the groundnut oil prices in Rajkot are at Rs 1,575 (Rs 1,530) per 10 Kg and it was Rs 1,500 (Rs 1,600) per 10 Kg in Chennai market on April 2, 2022. Values in brackets are figures of last week.



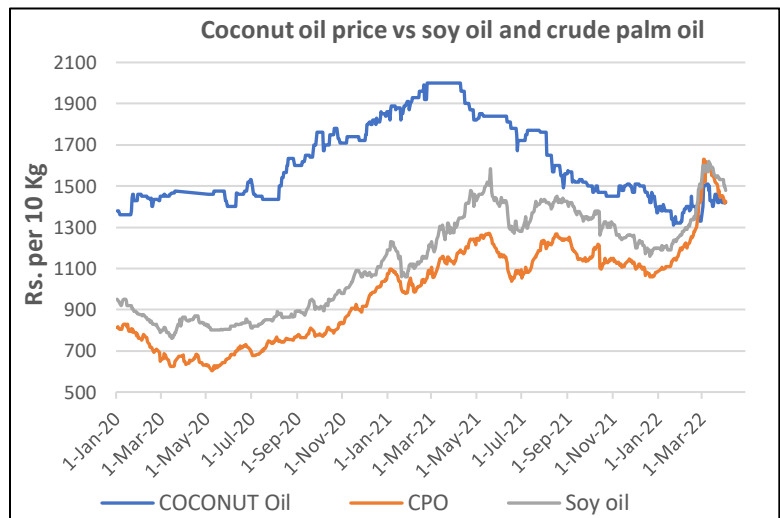
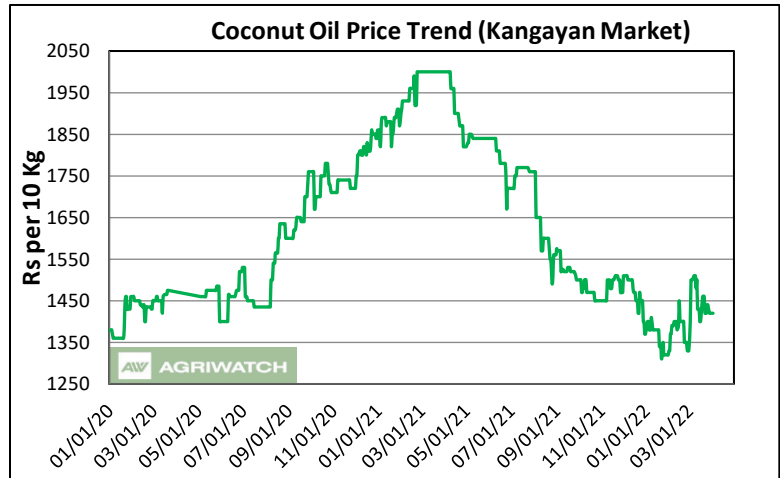
Price Outlook:

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:-

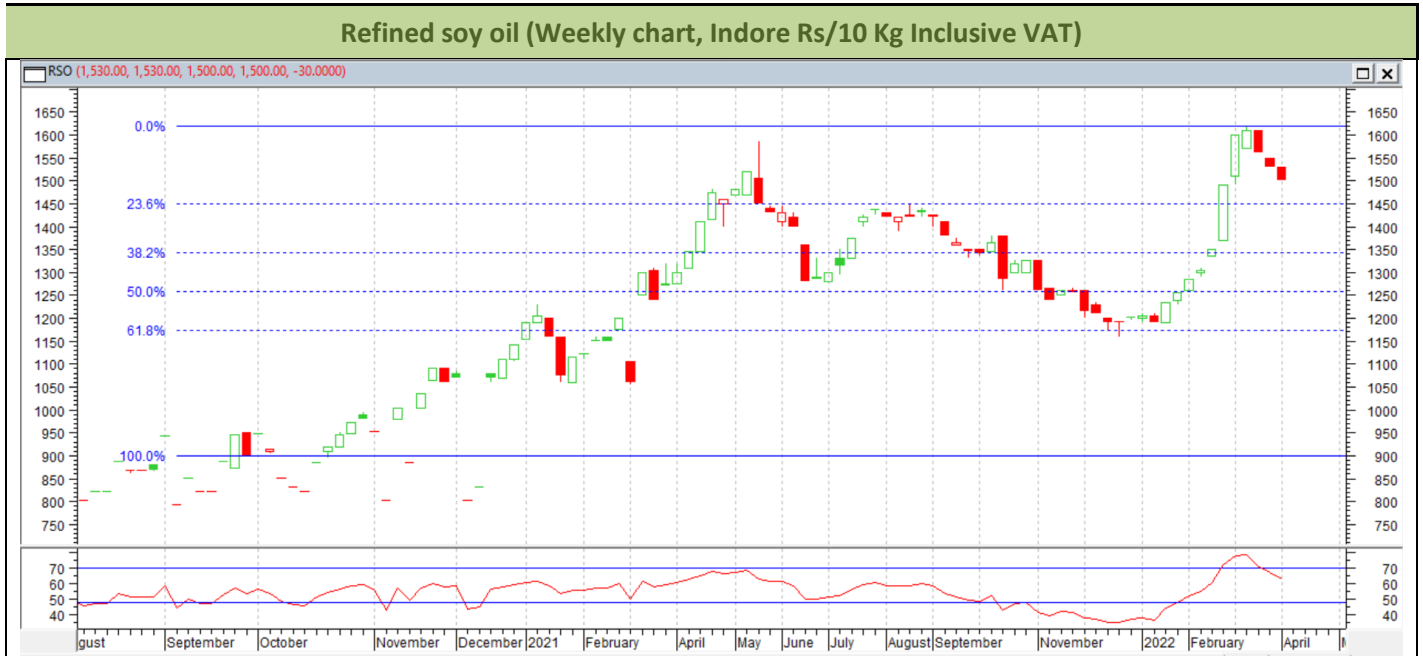
Domestic Front

- The Coconut oil prices at benchmark market Kangeyam featured steady trend at Rs 1420 per 10 Kg for the period of 28 Mar to 2 Apr.
- 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 the rise of coconut oil prices.
- 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 tonness of Coconut oil in January 2022 lower compared to 1,353.58 tonness export in December 2021, and 1,309.55 tonness 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 2 April, 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)

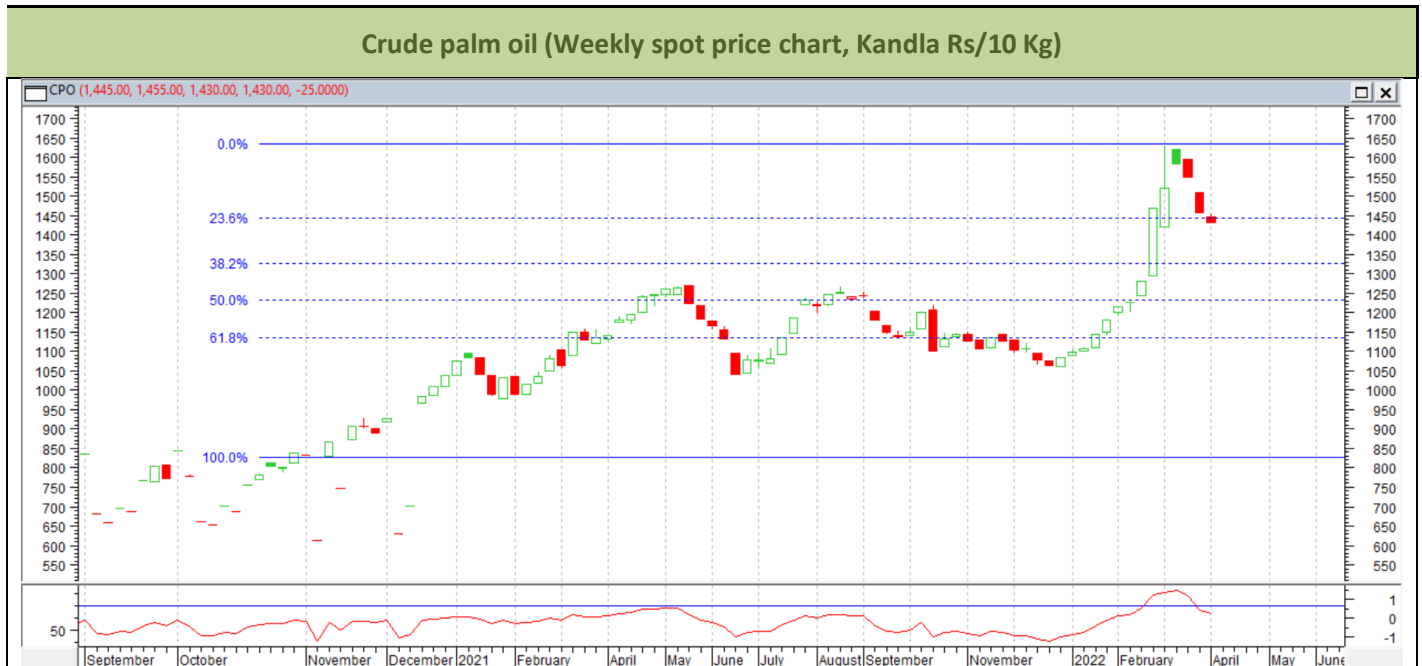


Technical Commentary –

- Previous week soybean oil prices at Indore mandi traded down in range of 1530 to 1480.
- Prices are expected to trade sideways with slight weakness.

Spot Market outlook: Market participants are recommended to book profit near 1500-1530 level and buy near level of 1420-1450.

Technical Analysis (Crude Palm oil)



Technical Commentary –

- In previous week CPO prices at Kandla mandis prices softened from 1455 to 1425 level.
- Prices are expected to take support from 1400 level.

Spot Market outlook: Market participants are recommended to book profit at 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
		2-Apr-22	26-Mar-22	
Refined Soybean Oil	Indore	1480	1530	-50
	Indore (Soy Solvent Crude)	1425	1470	-45
	Mumbai	1470	1515	-45
	Mumbai (Soy Degum)	1415	1460	-45
	Kandla/Mundra	1440	1505	-65
	Kandla/Mundra (Soy Degum)	1410	1455	-45
	Kolkata	1500	1550	-50
	Delhi	1510	1560	-50
	Nagpur	1495	1525	-30
	Rajkot	1470	1500	-30
	Kota	1500	1520	-20
	Akola	1490	1520	-30
	Amrawati	1490	1520	-30
	Bundi	1510	1530	-20
	Jalna	1505	1535	-30
	Solapur	1480	1520	-40
	Dhule	1495	1535	-40
	Nanded	1480	1520	-40
	Latur	1480	1520	-40
	Argentina Crude Soya (CIF India) USD	1728	1762	-34
Argentina Crude Soya (FOB)	1674	1725	-51	
Palm Oil*	Kandla (Crude Palm Oil)	1425	1445	-20
	Kandla (RBD Palm oil)	1410	1420	-10
	Kandla RBD Pamolein	1425	1440	-15
	Kakinada (Crude Palm Oil)	1350	1410	-60
	Kakinada RBD Pamolein	1390	1460	-70
	Haldia Pamolein	1400	1460	-60
	Chennai RBD Pamolein	1400	1460	-60
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1470	1522	-52
	Krishnapattanam RBD Pamolein	1380	1445	-65
	Mumbai RBD Pamolein	1440	1480	-40
	Mangalore RBD Pamolein	1440	1475	-35
	Mumbai (Refined)	1440	1450	-10
	Rajkot (Refined)	1415	1460	-45
	Chennai (Refined)	1400	1460	-60

	Hyderabad (Refined)	1445	1450	-5
	Delhi (Refined)*	1370	1590	-220
	PFAD (Kandla)	1200	1290	-90
	RPS (Kandla)	1500	1520	-20
	Superolien (Kandla)	1455	1470	-15
	Superolien (Mumbai)	1470	1510	-40
	Kochi (RBD Palmolein)	-	1450	-
	Krishnapattanam (Crude Palm Oil)	1350	1410	-60
Refined Sunflower Oil	Chennai (Refined)	1760	1850	-90
	Chennai (Crude)	1730	1750	-20
	Mumbai (Refined)	1800	1820	-20
	Mumbai(Expeller Oil)	1700	1720	-20
	Kandla (Refined)	1800	1840	-40
	Hyderabad (Refined)	1800	1800	Unch
	Hyderabad (Expeller)	1680	1720	-40
	Latur (Refined)	1750	1750	Unch
	Latur (Expeller Oil)	1700	1700	Unch
	Chellakere (Expeller Oil)	1620	1680	-60
	Erode (Expeller Oil)	1860	1920	-60
	Kakinada (Refined)	1750	1750	Unch
	Krishna Pattanam (Refined)	1750	1750	Unch
Groundnut Oil	Rajkot	1575	1530	45
	Chennai	1500	1550	-50
	Delhi*	1570	1570	Unch
	Hyderabad *	1610	1640	-30
	Mumbai	1620	1590	30
	Gondal	1575	1530	45
	Jamnagar	1575	1530	45
	Gujarat GN Telia	2490	2450	40
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1425	1490	-65
	Jaipur (Kacchi Ghani Oil)	1615	1680	-65
	Kota (Expeller Oil)	1420	1460	-40
	Kota (Kacchi Ghani Oil)	1585	1675	-90
	Neewai (Expeller Oil)	1420	1480	-60
	Neewai (Kacchi Ghani Oil)	1605	1665	-60
	Bharatpur (Kacchi Ghani Oil)	1500	1520	-20
	Sri-Ganga Nagar(Exp Oil)	1475	1545	-70
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1590	1660	-70
	Mumbai (Expeller Oil)	1480	1480	Unch

	Kolkata(Expeller Oil)	1740	1820	-80
	New Delhi (Expeller Oil)*	1440	1530	-90
	Hapur (Expeller Oil)	1690	1670	20
	Hapur (Kacchi Ghani Oil)	1720	1700	20
	Agra (Kacchi Ghani Oil)	1505	1525	-20
Refined Cottonseed Oil	Rajkot	1575	1520	55
	Hyderabad	1565	1530	35
	Mumbai	1530	1540	-10
	New Delhi*	1380	1500	-120
	Gujarat Cotton Wash	1500	1500	Unch
Coconut Oil	Kangayan (Crude)	1420	1440	-20
	Cochin	1520	1520	Unch
Sesame Oil	New Delhi	1440	1500	-60
Rice Bran Oil	New Delhi (40%)*	1270	1420	-150
	Mumbai (Refined 4%)	1320	1320	Unch
	Bhatinda (Crude 4%)	1175	1175	Unch
	Bhatinda (Refined 4%)	1290	1290	Unch
	Hyderabad (Crude)	1215	1270	-55
	Hyderabad (Refined)	1400	1470	-70
	Raipur (Crude)	1290	1350	-60
	Raipur (Refined)	1440	1440	Unch
	Odisha (Refined)	1420	1420	Unch
Vijayawada (Refined)	1300	1350	-50	
Malaysia Palmolein USD/MT	FOB	1650	1720	-70
	CNF India	1650	1730	-80
Indonesia CPO USD/MT	FOB	1660	1705	-45
	CNF India	1690	1740	-50
Crude palm Kernel Oil India (USD/MT)	CNF India	Closed	2700	-
Ukraine Origin CSFO USD/MT Kandla	CIF	1630	1630	Unch
Argentina FOB (\$/MT)		1-Apr-22	25-Mar-22	Change
Crude Soybean Oil Ship		1685	1718	-33
Refined Soy Oil (Bulk) Ship		1744	1778	-34
Sunflower Oil Ship		2175	2175	Unch
Cottonseed Oil Ship		1665	1698	-33
* 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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