



Veg. Oil Weekly Research Report

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

Edible oil prices featured sideways trend during previous week in domestic markets. CBOT soy oil and BMD palm oil prices witnessed firm trend while in the domestic market Palm oil and Soy oil prices were up, while Mustard oil, Groundnut oil, Coconut oil and Sunflower oil prices softened during the week.

On the currency front, Indian rupee is hovering near 75.92 against 75.95 last weeks. Rupee is expected to depreciate further and crude oil is expected to trade steady. Depreciation of Indian currency will make imports expensive.

We expect Palm oil and Soy oil to trade sideways with slight weakness.

Outlook:

Weekly Call -: Market participants are recommended to buy Soy oil at spot market, near 1450-1480 level and book profit near level of 1560-1580. And for Palm Oil, participants are advised to buy hand to mouth according to the requirements at spot market or stay away from the market till the market sentiment get clear. Prices are currently trading sideways, however prices may correct downwards as both Malaysia and Indonesia are entering into high production month.

International Veg. Oil Market Summary

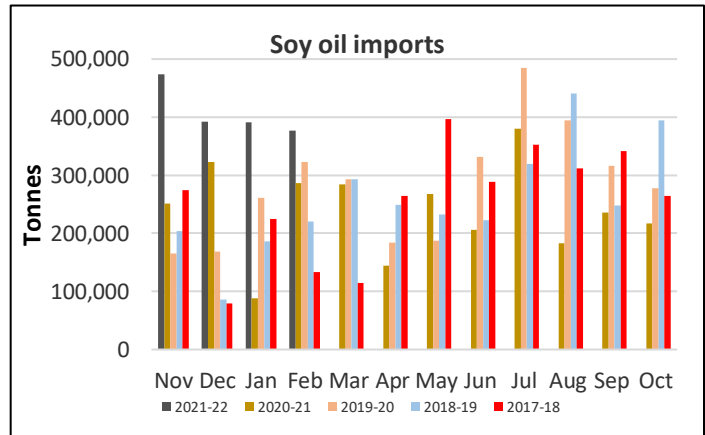
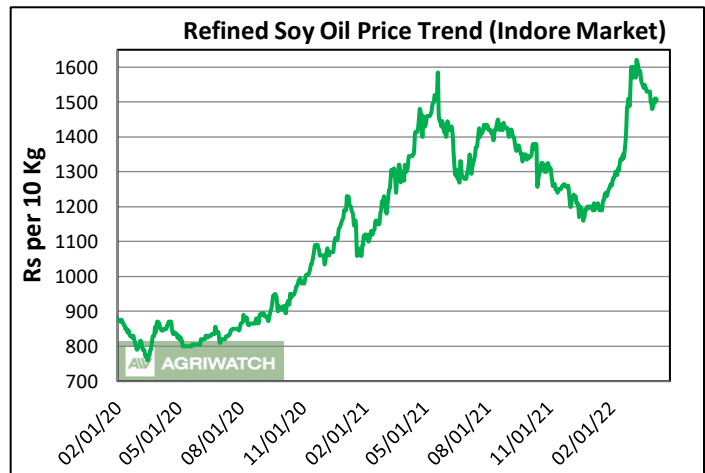
On the international front, lower global Soy oil stocks, lower US Soybean crush, lower crop production in Brazil and Argentina, falling China's demand and sideways crude oil prices will govern soy oil prices in the coming days.

Rise in competing oil prices, 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 strengthened during the week in the benchmark market. Prices rose to Rs. 1505 from Rs. 1480 per 10 Kg, up by 1.69 percent. Prices were firm following firm movement in CBOT Soy oil prices.
- This year, crushing of domestic Soybean seeds is lower due to low arrivals. Hence, higher imports of soy oil were seen for the Nov-Feb months (16.34 Lakh Tonne (LT) compared to last year's 9.48 LT, which used to be lean season for Soy oil imports.
- Agriwatch anticipates March import to remain in the range of 2.5-3.3 LT. Lower imports are expected as demand was affected in first and second week of March due to higher international Soy oil prices.
- Imported crude soy oil C&F at Kandla West coast port is offered at USD 1809 (USD 1728) per tonne for Apr delivery, May delivery is being quoted at USD 1790 (USD 1696) per tonne. Values in brackets are figures of last week. Last month, C&F CDSO Mar average price was USD 1838.52 (USD 1588.12 per tonne in Feb 2022) per tonne. AgriWatch expects April CDSO C&F to lie in the range of USD 1750-1800.



International Front

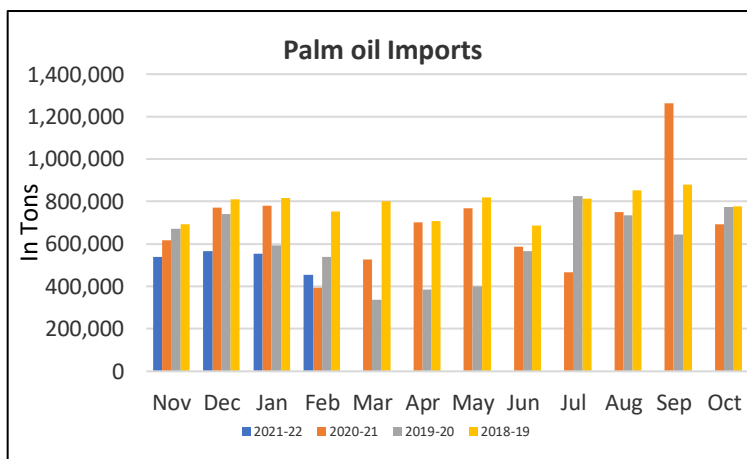
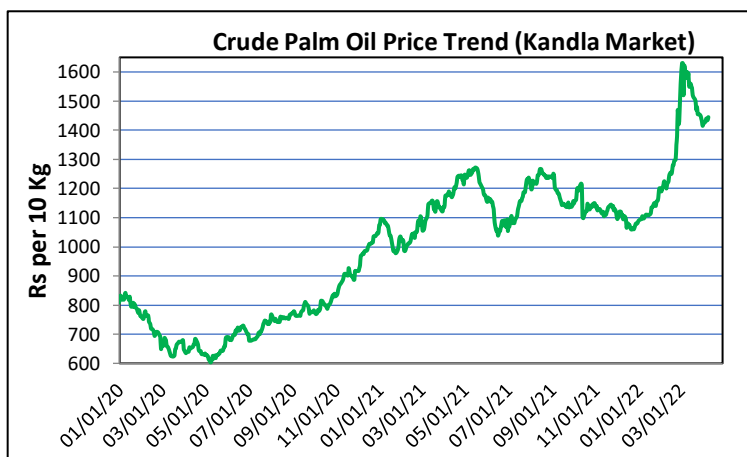
- CBOT soy oil prices traded sideways in the range of 70.64-77.18 cents per pound in most active May contract. Prices were firm for the past week as market reacted to bullish USDA oilseed report, which stated lower ending stock for both Soybean and Soy oil.
- Argentina's new soybean crop harvesting has commenced. As on 30th March, according to the National Agency, Buenos Aires Grains Exchange (BAGE), 4.4 percent of soybean acreage had been harvested. However rising fuel costs may hinder progress and may also affect logistics. National Transportation Federation has threatened to strike against hiked fuel prices. A strike may arise on 11th April until drivers are compensated for increased costs. Delay in the harvesting of Argentinean soybean crops further firm up global soybean and soy oil prices. As per sources, Argentina's crush margin is positive.
- US's ban on import of Russian crude oil and announced to release 1 million barrels per day of crude oil for six months from their Strategic Petroleum Reserve will support 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 1400-1480 per 10 Kg in the near term.

Palm oil Fundamental Analysis and Outlook -:

Domestic Front

- Crude palm oil (CPO) prices strengthened for the week in the benchmark market Kandla. Prices rose by 1.40 percent from Rs. 1425 to Rs. 1445 per 10 Kg at the end of week.
- Domestic Palm oil prices took support from Rs. 1415 level backed by rising prices of competing Soy oil.
- International Palm oil prices also traded sideways following crude oil prices.
- 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 was anticipated by AgriWatch.
- India's palm oil import demand was down in last week of Feb and first fortnight of March, as international prices had skyrocketed due to Ukraine-Russia War. However, demand in last week rose to make up for shortfall in domestic availability of edible oils. AgriWatch anticipates March imports for total Palm oil to lie in the range of 35-39 lakh tonne.
- On the trade front, C&F CPO (Indonesian origin) at Indian port is being quoted at USD 1725 (USD 1690) per ton for Apr delivery and May delivery is being quoted at USD 1670 (USD 1620) per ton.
- RBD Palmolein (Malaysian origin) C&F at Indian port, is being offered at USD 1665 (USD 1650) per ton for Apr delivery and May delivery is being quoted at USD 1610 (USD 1580) per ton.



Source: The Solvent Extractors' Association of India

Monthly Average prices	March	February
Indonesia origin CPO C&F	1842.4	1576.67
Malaysia origin Olein C&F	1816.2	1548.75

- The CPO and palm olein prices are expected to remain sideways for the week following international palm oil prices. However, for April month, prices are expected to trade down over increased production of Palm oil in Malaysia and Indonesia.

International Front

- BMD Palm oil Malaysia is trading in the range of 6089-6756.38 Ringgit levels. Prices are expected to remain sideways for the week amid global supply crunch and rising palm oil production in Malaysia and Indonesia.
- BMD Palm oil prices were firm for the past week taking support from rising prices of rival Soy oil which reacted positive to bullish USDA Oilseed report.

- 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 along with firm demand for edible palm oil.
- 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.

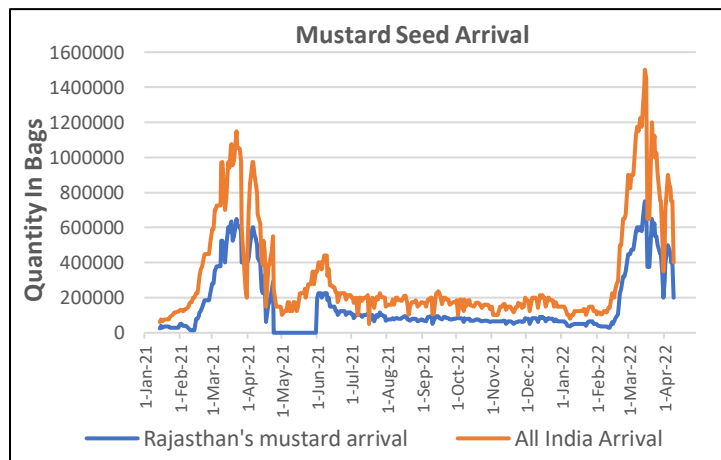
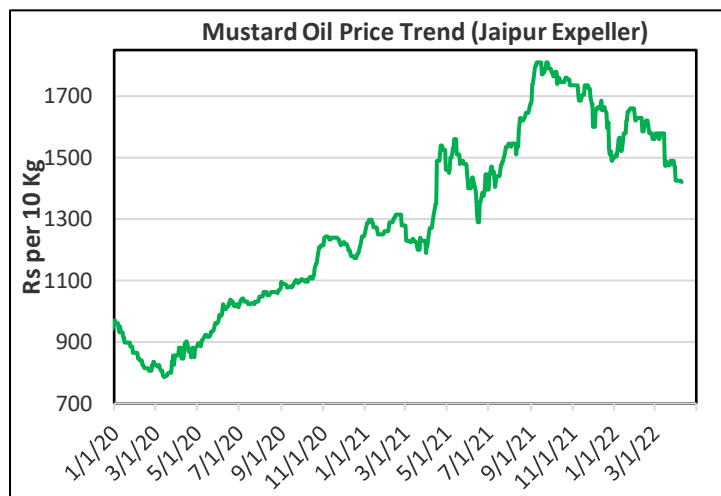
Price Outlook: We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 1380-1450 per 10 Kg in the near term.

Rapeseed oil Fundamental Review and Analysis-

Domestic Front

- Mustard Expeller oil prices traded steady in the Jaipur market for the past week.
- Prices were steady as arrivals of seeds were at higher side compared to last week.
- All India arrivals for 4 April to 9 April stood at 44.75 lakh bags compared to 36.20 Lakh bags previous week.
- Oils prices are expected to trade sideways for the coming week following sideways trend in Palm and Soy oil. However, declining arrivals will support the prices.
- Jaipur Expeller rapeseed oil is at discount over refined soy oil in domestic market by Rs 85 per 10 kg compared to Rs. 55 per 10 kg in last week.
- Jaipur Expeller rapeseed oil discount over RBD palm olein is at Rs 40 per 10 kg compared to being at par last week.

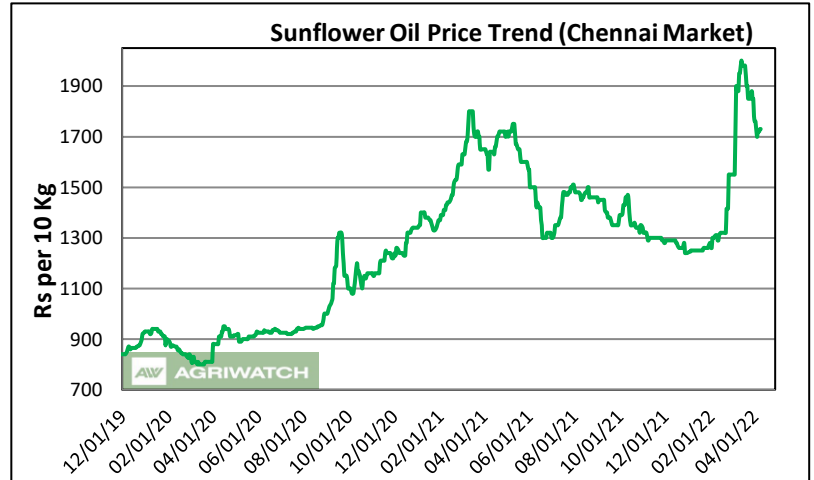
Price Outlook: Rapeseed Expeller oil (without GST) prices in Jaipur may stay in the range of Rs 1400-1450 per 10 Kg.



Sunflower oil Fundamental Review and Analysis:-

Domestic Front

- Sunflower oil prices at Chennai eased during the period under review from Rs. 1760 to Rs. 1730 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. 3 Lakh tonnes of Sunflower oil from Ukraine to India are stuck as loading at Ukrainian port is suspended. AgriWatch expects March
- Russian Government had announced quota of 1.5 million metric tonnes for Sunflower oil and 700,000 mt for Soy meal, applicable from 15th April to 31st August 2022. Global Sun oil supplies are already affected resulting in demand substitution to competing oils.
- India's Sun oil imports for Nov 21 to Feb 22 stood at 8.43 Lakh Tonne (LT) compared to 7.70 LT same period last year. Higher sun oil imports were seen as domestic availability of Soy oil and mustard oil were low for the same period. However, War between Russia and Ukraine led to global supply chain disruption leading to higher prices which led to lower imports in March. AgriWatch expects March imports to remain low in the range of 0.65-0.80 LT.
- In the domestic market, sunflower oil price is at premium of Rs 225 over soy oil (premium of Rs 280 last week) per 10 kg. Meanwhile, refined sunflower oil (Chennai) premium over RBD palm olein (Kandla) is at Rs.280 compared to premium of Rs 315 per 10 kg last week.
In domestic market, Sunflower oil (Chennai) is at premium over groundnut oil by Rs. 170 compared to Rs. 185 last week.
- Currently, refined sunflower oil at Chennai market is Rs 1,730 (Rs 1,760) per 10 Kg, and at Kandla/Mudra market, it is offered higher at Rs 1700 (Rs 1800) per 10 kg as on April 9, 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

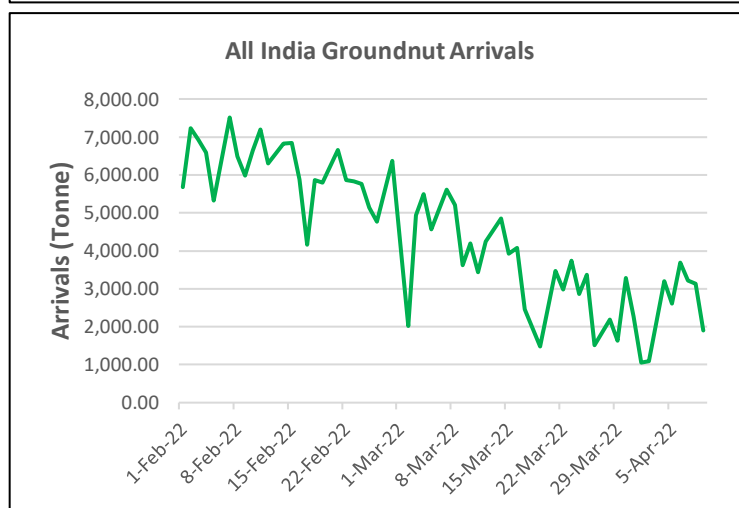
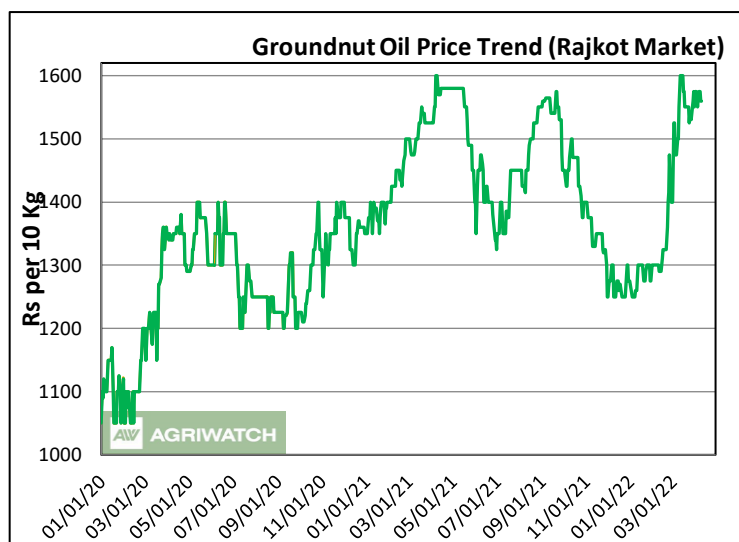
Groundnut oil Fundamental Review and Analysis:-

Domestic Front

- Groundnut oil market prices traded with weakness for the week in review. Price fell slightly by 0.95 percent from Rs. 1575 to Rs. 1560 per 10 Kg.
- Groundnut oil prices are rangebound at Rs 1460 to Rs 1475 per 10 Kg for past two weeks.
- Demand for groundnut oil steady, both in southern states and western states.
- Declining seeds arrivals is extending support to prices, however sideways trend in prices of Palm and Soy oil is limiting the prices rise. All India arrivals for groundnut seeds rose for the period of 4 April to 9 April to 17,742.70 tonnes compared 11,506.14 tonnes previous week. Arrivals rose in previous week backed by firm demand for crushing.
- Export demand is low, however firm domestic demand is supporting the prices.
- On the price front, currently the groundnut oil prices in Rajkot are at Rs 1,560 (Rs 1,575) per 10 Kg and it was Rs 1,550 (Rs 1,500) per 10 Kg in Chennai market on April 2, 2022. Values in brackets are figures of last week.

Price Outlook:

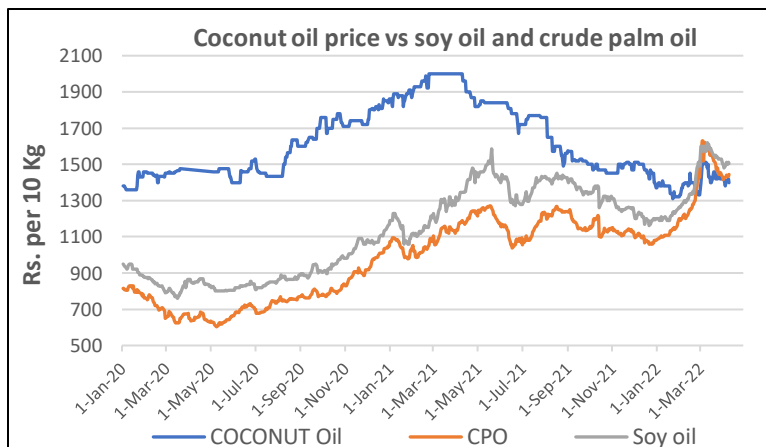
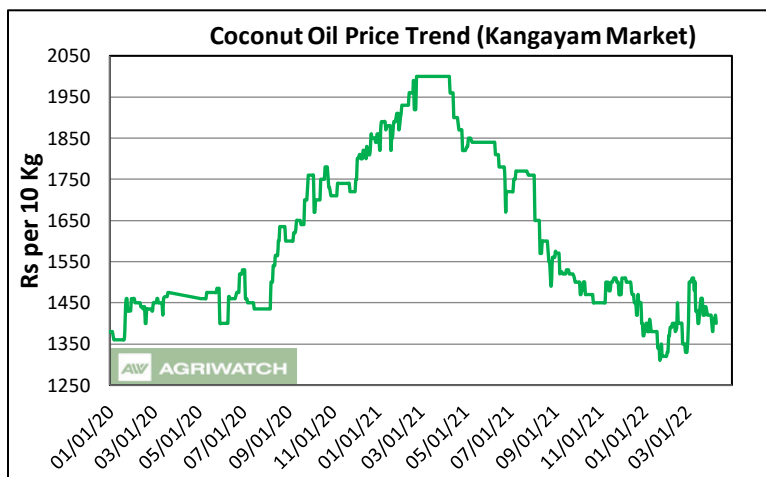
Groundnut oil (without GST) in Rajkot market is likely to trade sideways in the price band of Rs 1480-1550 per 10 Kg



Coconut Oil Fundamental Review and Analysis:-

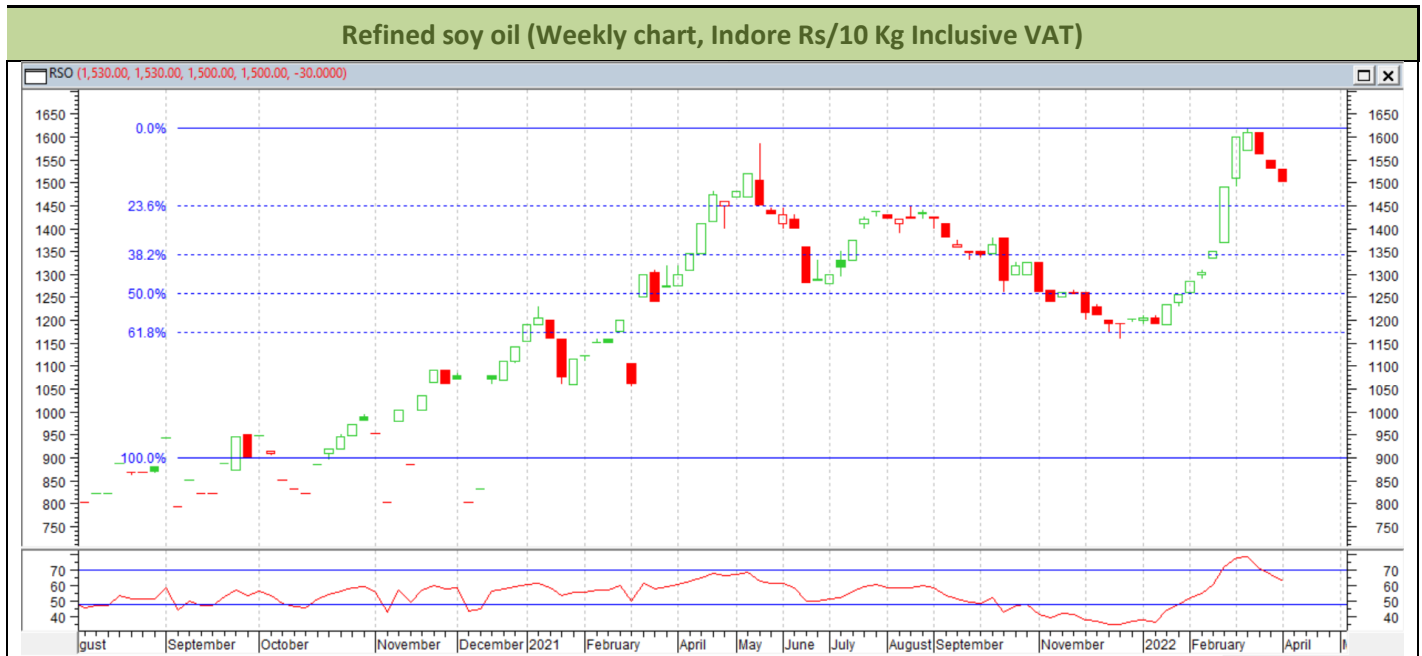
Domestic Front

- The Coconut oil prices at benchmark market Kangeyam traded sideways at Rs 1400 to 1420 per 10 Kg for the period of 4 Apr to 9 Apr.
- The demand for the coconut oil is steady, however high supply side is pressuring prices.
- Coconut oil demand are expected to be underpinned taking support from discounted price compared to competing oils.
- Coconut oil exports scenario- India exported 2,675.09 tonnes of Coconut oil in February 2022 higher compared to 1,093.16 tonnes export in January 2022, and 988.94 tonnes in February 2021.
- On the price front, currently the coconut oil prices in Kochi are hovering at Rs 1,490 (Rs 1,510) per 10 Kg and was quoted at 1,400 (Rs 1,420) per 10 Kg in Kangeyam market on 9 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)

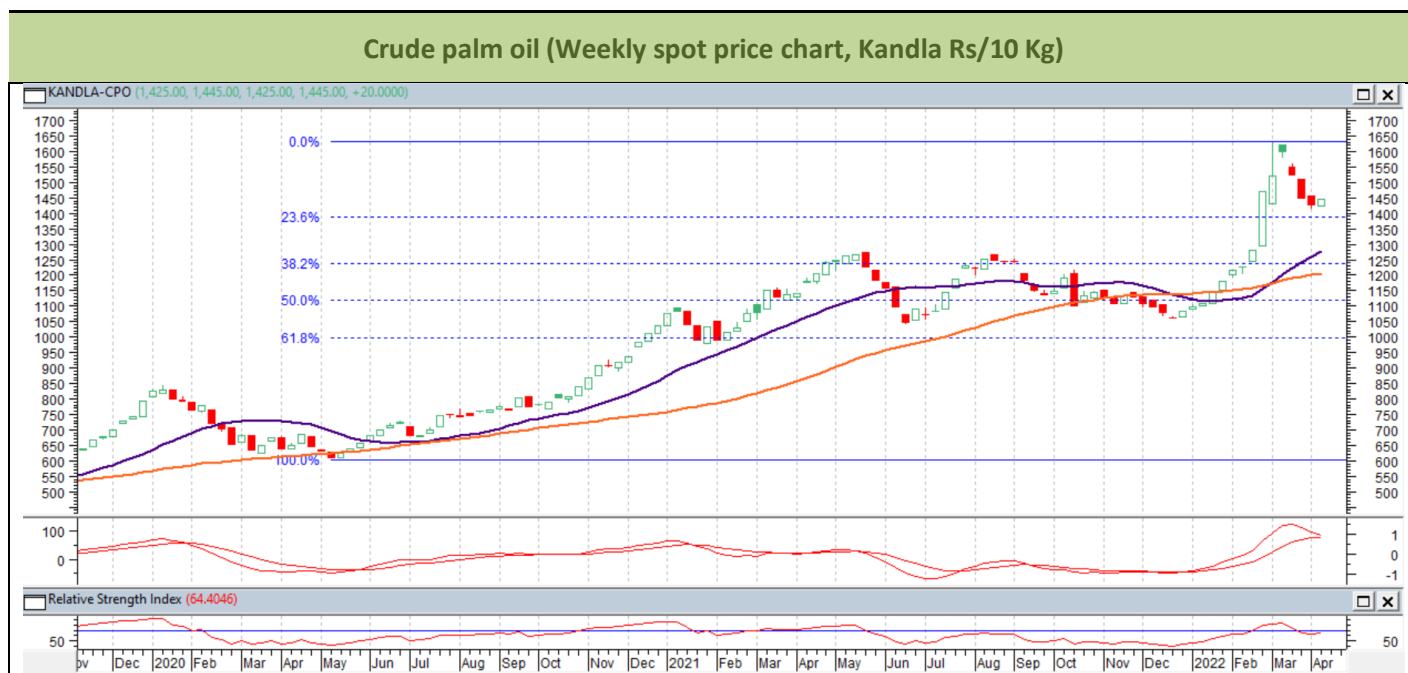


Technical Commentary –

- Previous week soybean oil prices at Indore mandi traded in range of Rs. 1480 to Rs. 1520 per 10 Kg
- Prices are expected to trade sideways with upward bias reacting to bullish USDA oilseed report.
- Prices are expected to take support from 1450-1480 level and take resistance at 1560-1580 level.

Spot Market outlook: Market participants are recommended to buy Soy oil at spot market, near 1450-1480 level and book profit near level of 1560-1580.

Technical Analysis (Crude Palm oil)



Technical Commentary –

- In previous week CPO prices at Kandla mandi prices softened from 1455 to 1425 level.
- Prices are expected to take support from 23.6% Fibonacci level of retracement.

Spot Market outlook: Market participants are advised to buy hand to mouth quantity according to the requirements at spot market or stay away from the market till the market sentiment get clear. Prices are currently trading sideways, however prices may correct downwards as both Malaysia and Indonesia are entering high production month.

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

Commodity	Centre	Prices (Per 10 Kg)		Change
		09-Apr-22	02-Apr-22	
Refined Soybean Oil	Indore	1505	1480	25
	Indore (Soy Solvent Crude)	1485	1425	60
	Mumbai	1510	1470	40
	Mumbai (Soy Degum)	1450	1415	35
	Kandla/Mundra	1485	1440	45
	Kandla/Mundra (Soy Degum)	1445	1410	35
	Kolkata	1520	1500	20
	Delhi	1580	1510	70
	Nagpur	1505	1495	10
	Rajkot	1475	1460	15
	Kota	1520	1500	20
	Akola	1500	1490	10
	Amrawati	1500	1490	10
	Bundi	1530	1510	20
	Jalna	1510	1505	5
	Solapur	1500	1480	20
	Dhule	1500	1495	5
	Nanded	1500	1480	20
	Latur	1500	1480	20
	Argentina Crude Soya (CIF India) USD	1809	1728	81
	Argentina Crude Soya (FOB)	1741	1674	67
Palm Oil*	Kandla (Crude Palm Oil)	1445	1425	20
	Kandla (RBD Palm oil)	1450	1410	40
	Kandla RBD Pamolein	1460	1425	35
	Kakinada (Crude Palm Oil)	1390	1350	40
	Kakinada RBD Pamolein	1425	1390	35
	Haldia Pamolein	1450	1410	40
	Chennai RBD Pamolein	1450	1445	5
	Krishnapattanam RBD Pamolein	1445	1425	20
	Mumbai RBD Pamolein	1445	1440	5
	Mangalore RBD Pamolein	1440	1400	40
	Mumbai (Refined)	1445	1440	5
	Rajkot (Refined)	1445	1415	30
	Chennai (Refined)	1440	1400	40
	Hyderabad (Refined)	1450	1445	5
	PFAD (Kandla)	1390	1350	40

	RPS (Kandla)	1390	1350	40
	Superolien (Kandla)	1500	1455	45
	Superolien (Mumbai)	1485	1470	15
	Kochi (RBD Palmolein)	-	1465	-
	Krishnapattanam (Crude Palm Oil)	1390	1350	40
Refined Sunflower Oil	Chennai (Refined)	1730	1760	-30
	Chennai (Crude)	1650	1730	-80
	Mumbai (Refined)	1680	1800	-120
	Mumbai (Expeller Oil)	1600	1700	-100
	Kandla (Refined)	1700	1800	-100
	Hyderabad (Refined)	1720	1800	-80
	Hyderabad (Expeller)	1650	1680	-30
	Latur (Refined)	1700	1750	-50
	Latur (Expeller Oil)	1650	1700	-50
	Chellakere (Expeller Oil)	1570	1620	-50
	Erode (Expeller Oil)	1740	1860	-120
	Kakinada (Refined)	1730	1750	-20
	Krishna Pattanam (Refined)	1740	1750	-10
Groundnut Oil	Rajkot	1560	1575	-15
	Chennai	1550	1500	50
	Delhi	1610	1570	40
	Hyderabad *	1570	1610	-40
	Mumbai	1620	1620	Unch
	Gondal	1550	1575	-25
	Jamnagar	1550	1575	-25
	Gujarat GN Telia	2510	2490	20
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1420	1425	-5
	Jaipur (Kacchi Ghani Oil)	1575	1615	-40
	Kota (Expeller Oil)	1430	1420	10
	Kota (Kacchi Ghani Oil)	1570	1585	-15
	Neewai (Expeller Oil)	1390	1420	-30
	Neewai (Kacchi Ghani Oil)	1565	1605	-40
	Bharatpur (Kacchi Ghani Oil)	1450	1500	-50
	Sri-Ganga Nagar (Exp Oil)	1445	1475	-30
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1560	1590	-30
	Mumbai (Expeller Oil)	1470	1480	-10
	Kolkata (Expeller Oil)	1740	1740	Unch
	New Delhi (Expeller Oil)	1430	1440	-10
	Hapur (Expeller Oil)	1670	1690	-20

	Hapur (Kacchi Ghani Oil)	1700	1720	-20
	Agra (Kacchi Ghani Oil)	1455	1505	-50
Refined Cottonseed Oil	Rajkot	1560	1575	-15
	Hyderabad	1570	1565	5
	Mumbai	1570	1530	40
	Gujarat Cotton Wash	1520	1500	20
Coconut Oil	Kangayan (Crude)	1400	1420	-20
	Cochin	1520	1520	Unch
Sesame Oil	New Delhi	1430	1440	-10
	Mumbai (Refined 4%)	1325	1320	5
	Bhatinda (Crude 4%)	1170	1175	-5
	Bhatinda (Refined 4%)	1285	1290	-5
	Hyderabad (Crude)	1280	1215	65
	Hyderabad (Refined)	1450	1400	50
	Raipur (Crude)	1320	1290	30
	Raipur (Refined)	1440	1440	Unch
	Odisha (Refined)	1420	1420	Unch
	Vijayawada (Refined)	1350	1300	50
Malaysia Palmolein USD/MT	FOB	1630	1650	-20
	C&F India	1665	1650	15
Indonesia CPO USD/MT	FOB	1710	1660	50
	C&F India	1725	1690	35
Argentina FOB (\$/MT)		8-Apr-22	1-Apr-22	Change
Crude Soybean Oil Ship		1778	1685	93
Refined Soy Oil (Bulk) Ship		1840	1744	96
Sunflower Oil Ship		2100	2175	-75
Cottonseed Oil Ship		1758	1665	93
* Indicates including GST				

**Note - Domestic edible oil prices are in Indian rupees per 10 Kg, C&F/FOB/CIF prices are in USD per tons.
The prices are exclusive of GST duty.**

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