



Veg. Oil Weekly Research Report

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

Edible oil prices featured firm trend during the week in domestic markets. CBOT soy oil and BMD palm oil prices witnessed firm trend and in tandem Palm oil, Soy oil, Mustard oil, Sunflower oil, Groundnut oil and Coconut oil prices traded firm during the week in domestic markets.

On the currency front, Indian rupee is hovering near 76.46 against 76.32 last weeks. Rupee is expected to depreciate and crude oil is expected to trade firm. Depreciating Indian currency will make the imports costly aiding further firmness.

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

Outlook:

Weekly Call -: Market participants are recommended to buy Soy oil at spot market, near 1600-1620 level and book profit near level of 1680-1720. And for Palm Oil, Market participants are advised to buy CPO at spot market at 1550-1580 level and book profit at 1680-1700level.

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.

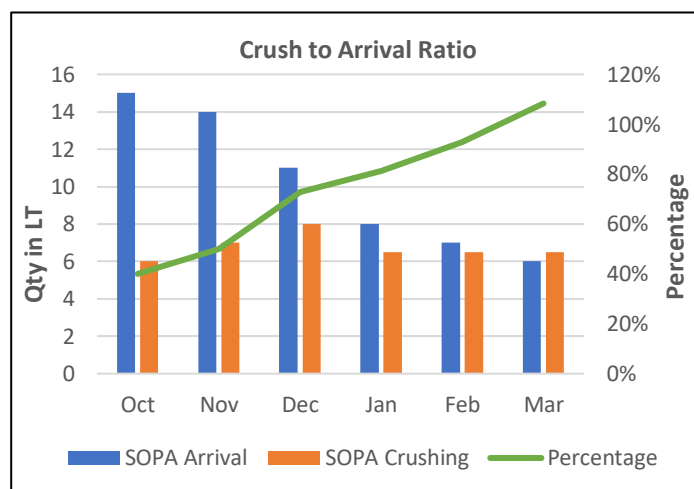
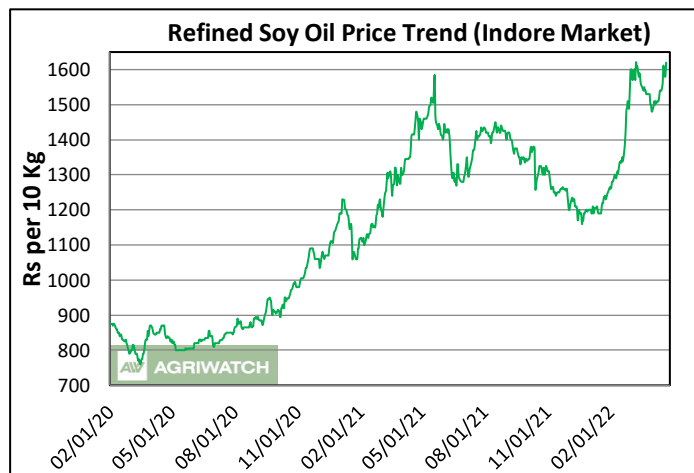
Rise in competing oil prices, production in Malaysia, Indonesia and Malaysia's firm biodiesel policy, Indonesia's ban on palm oil exports, labour problems in Malaysia and sideways prices of crude oil are all likely to govern CPO prices in near term.

NOTE: *As reported by various media houses, Indonesia's export ban excludes CPO, Palm oil and Sterin. Veg Oil weekly was already published before this news arrived in market. We will include the news and its analysis in our upcoming weekly report.*

Soy oil Fundamental Analysis and Outlook:-

Domestic Front

- Soy oil prices strengthened for the week in the benchmark markets. Domestic prices reacted positive to news of Indonesia's ban on palm oil exports.
- Domestic demand is expected to shift to Soy oil and other discounted competing oils. Prices were already supported by rising prices of Sunflower oil.
- Domestic edible oil supply side is already tightened because of Sunflower oil and now news of Palm oil has also impacted the supply side. Soy oil prices are expected to remain firm for the coming weeks.
- Agriwatch had anticipated March's import to remain in the range of 2.5-3.3 Lakh Tonne (LT) and final imports stood at 2.99 LT. Lower imports were expected as demand was affected in first and second week of March due to higher international Soy oil prices.
- Agriwatch anticipates May to cross 5 year average of May month of 2.29 LT at higher side to 3.2-3.5 LT.
- According to SOPA, March's 2022 new crop arrivals stood at 6 LT, while crushing stood at 6.5 LT. Higher crushing were done as crop of previous season were carried forward. Farmers are slowly releasing their produce and for April higher arrivals may be seen as seed prices are steady at weekly average of 7827/qtl at Indore plant.
- Imported crude soy oil Argentina FOB at Kandla West coast port is offered at USD 1946 (USD 1814) per ton for Apr delivery, May is delivery is being quoted at USD 1939 (USD 1810) per ton. Values in brackets are figures of last week. Last month, C&F CDSO Mar average price was USD 1838.52(USD 1588.12 per ton in Feb 2022) per ton. AgriWatch expects April CDSO C&F to lie in the range of USD 1830-1860.



International Front

- CBOT soy oil prices traded firm in the range of 79.50-83.26 cents per pound in most active June contract. Prices were firm for the past week as marketed reacted to bullish USDA oilseed report, and mainly due to low global palm oil supplies as Indonesia announced ban on palm oil exports.
- Prices are in correction
- National Transportation Federation had strike against higher fuel charges and are demanding for higher freight charges to offset the same. Strike has been called off after government raised freight charges by 20%. This strike affected logistics of all the exporting commodities. Higher fuel prices are likely to impact harvesting of soybean crop as large machineries are used for the same.



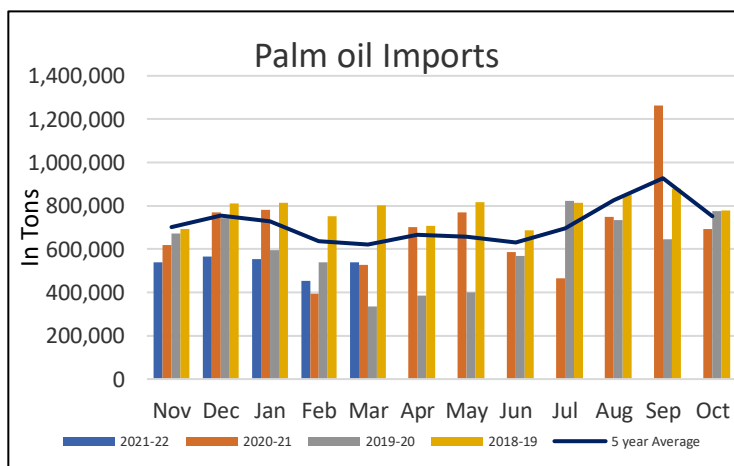
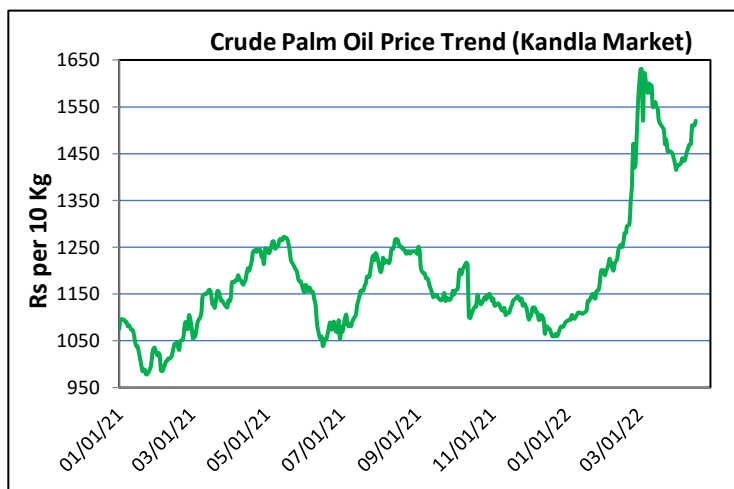
- Europe is drafting policy to join ban on Russian crude oil embargo, which is also supporting the prices for edible oils as well.
- CBOT Soy oil June contract is trading firm from past two weeks, reacting positive to bullish USDA Oilseed report, which lowered the global Soybean and Soy Oil production in April report. Argentina and Brazil's Soy oil export has also been revised downwards due to low crop production. While, China's soybean import demand is down due to freshly covid cases spike leading to new lockdown restrictions.

Price Outlook: We expect refined soy oil (without GST) at Indore to stay in the range of Rs 180-1720 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 from Rs. 1510 to Rs. 1550 per 10 Kg at the end of week, up by 2.65 percent.
- Domestic Palm oil prices shot up reacting to the news of Indonesia banning Palm oil exports from 28th of April. India is the highest importer of Indonesia's palm oil and had imported 3.96 MMT for the year 2020-21 making 47.6 percent of total palm oil imports.
- India's palm oil import for March was down compared to 5 years average due to high international prices, leading to low supply side and firm domestic prices. Imports for April is expected to be at higher side and remain at 5.5-6.0 LT, however decline in palm oil imports can be seen from May month's imports.
- On the trade front, C&F CPO (Indonesian origin) at Indian port is being quoted at USD 1840 (USD 1820) per ton for Apr delivery and May delivery is being quoted at USD 1800 (USD 1760) per ton.
- RBD Palmolein (Malaysian origin) C&F at Indian port, is being offered at USD 1780 (USD 1760) per ton for Apr delivery and May delivery is being quoted at USD 1760 (USD 1720) per ton.
- The CPO and palm olein prices are expected to remain firm for the week following international palm oil prices.



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

International Front

- BMD Palm oil Malaysia in past week traded upwards from 6701-6871 Ringgit per ton, up by 2.54 percent. Prices are expected to remain firm for the week amid global supply crunch and firm demand.
- Indonesia on Friday 23rd April, announced ban on exports of palm oil in all its products to curb domestic price rise. This has made Malaysia, the major palm oil supplier at present. However, Malaysia is already facing labour issues and produces 18-19 MMT Palm oil which wouldn't be able to fulfill the global palm oil demand. However, this would be beneficial for Malaysia's local palm oil industries for the coming 2-3 months.
- Trade participants are expecting the Indonesia's move to not last long, however ban may be applicable for 2-3 month. Indonesia has not given any term for the ban on palm oil.



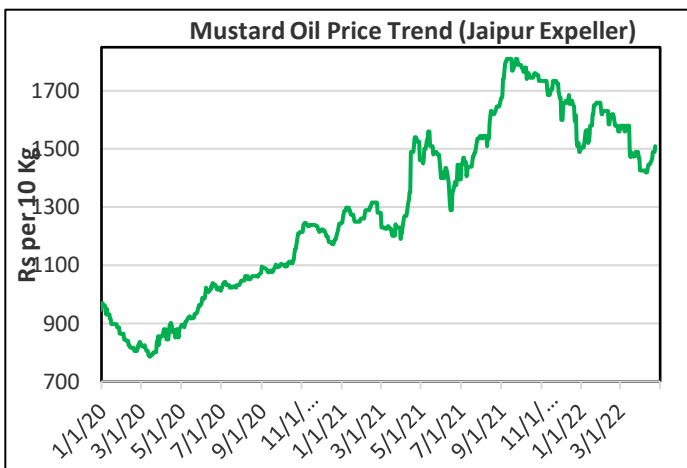
- Agriwatch expects that Malaysia may revise their biofuel mandates lower to take price benefit of being major palm oil supplier at current times.
- Earlier, Indonesia had introduced export volume restriction and later raised its export levy to a new maximum of \$375 per tonnes, compared to previous levy of \$175 per tonnes, to curb domestic prices. However, at present it has banned imports of all forms of Palm oil for stabilizing their domestic prices.

Price Outlook: We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 1680-1700 per 10 Kg in the near term.

Rapeseed oil Fundamental Review and Analysis-

Domestic Front

- Mustard Expeller oil prices traded up in the Jaipur market for the past week, up by 4.49 percent.
- Prices took support from rising prices of competing oils like, Palm, Soy and Sunflower oil.
- Demand for mustard oil is firm as crushing moved into parity as seed prices also moved upwards.
- Domestic consumption is higher and demand shift from Palm to mustard is expected as Palm oil supply side would reduce in the coming months.
- Arrivals are also declining in the market and will continue to support prices amid firm demand. Mustard Jaipur Expeller oil prices are at discount compared to Palm and Soy oil which will also underpin the prices.
- Jaipur Expeller rapeseed oil is at discount over refined soy oil in domestic market by Rs 110 per 10 kg compared to Rs. 95 per 10 kg in last week.
- Jaipur Expeller rapeseed oil discount over RBD palm olein is at Rs 70 per 10 kg compared to Rs 55 per 10 Kg last week.

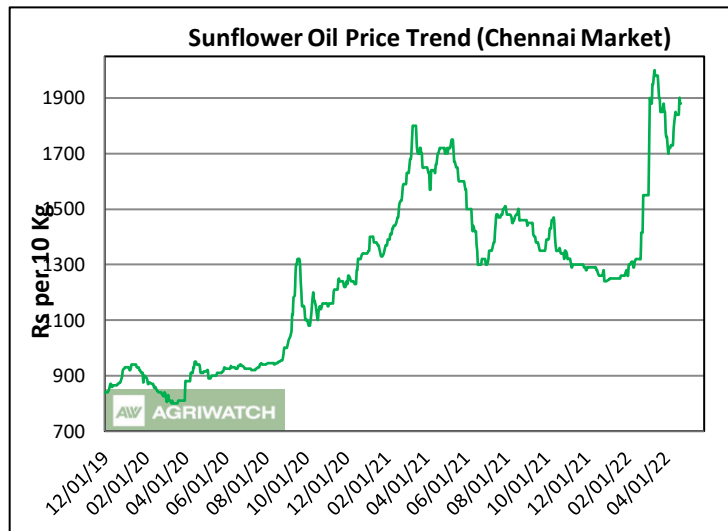


Price Outlook: Rapeseed Expeller oil (without GST) prices in Jaipur may stay in the range of Rs 1500-1580 per 10 Kg.

Sunflower oil Fundamental Review and Analysis:-

Domestic Front

- Sunflower oil prices at Chennai strengthened during the period under review from Rs. 1840 to Rs. 1880 per 10 Kg.
- Upon higher prices compared to competing edible oil prices, demand is comparatively slow, however tight supply side due to low port supplies are supporting the domestic price rise.
- Rising prices of Palm oil and other competing oils have also extended the support to price rise.
- Russian Government had 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. Global Sun oil supplies are already affected resulting in demand substitution to competing oils.
- Global supply side for Sunflower oil is already tightened as exports from Ukraine is limited and Russia has announced export quota. Countries have turned to Argentina for Sunflower oil imports and FOB price benchmark has also been shifted to Argentina port from Black Sea.
- In the domestic market, sunflower oil price is at premium of Rs 260 over soy oil (premium of Rs 300 last week) per 10 kg. Meanwhile, refined sunflower oil (Chennai) premium over RBD palm olein (Kandla) is at Rs.330 compared to premium of Rs 320 per 10 kg last week.
In domestic market, Sunflower oil (Chennai) is at premium over groundnut oil by Rs. 280 compared to Rs. 290 last week.
- We expect sunflower oil prices to trade sideways with slightly upward bias in the coming days due to tight supply side.



Price Outlook: Sunflower oil (without GST) prices in Chennai may stay in the range of Rs 1850-1920 per 10 Kg

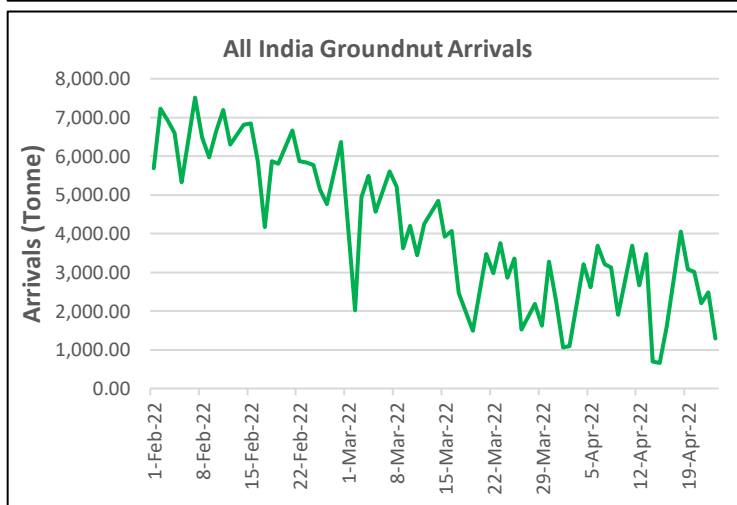
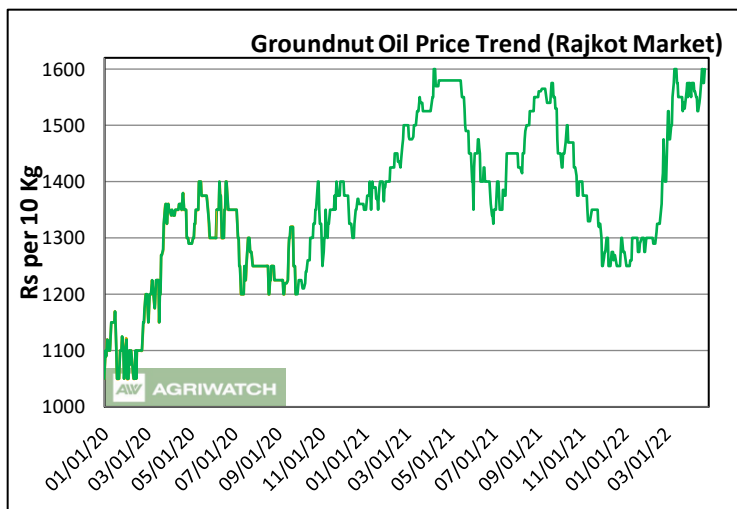
Groundnut oil Fundamental Review and Analysis:-

Domestic Front

- Groundnut oil Rajkot market prices traded firm for the week in review, reacting to ban of Palm oil from Indonesia, which would tighten India's edible oil supplies and would lead to higher demand of groundnut oil.
- Rising prices of Palm and Soy oil would support the upward sentiments in groundnut oil too.
- Declining seeds arrivals is also extending support to prices. New local crop arrivals has started in Southern states, however the pace is slow.
- Export demand is slow, however firm domestic demand is supporting the prices.
- On the price front, currently the groundnut oil prices in Rajkot are at Rs 1,600 (Rs 1,550) per 10 Kg and it was Rs 1,600 (Rs 1,580) per 10 Kg in Chennai market on April 23, 2022. Values in brackets are figures of last week.

Price Outlook:

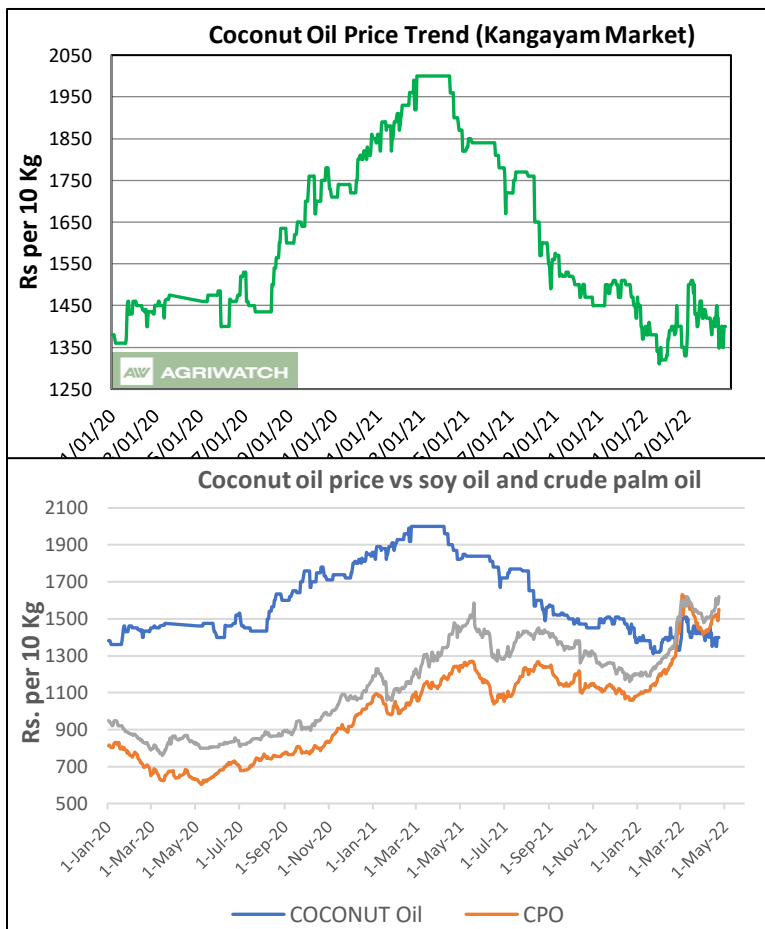
Groundnut oil (without GST) in Rajkot market is likely to trade sideways in the price band of Rs 1650-1680 per 10 Kg



Coconut Oil Fundamental Review and Analysis:-

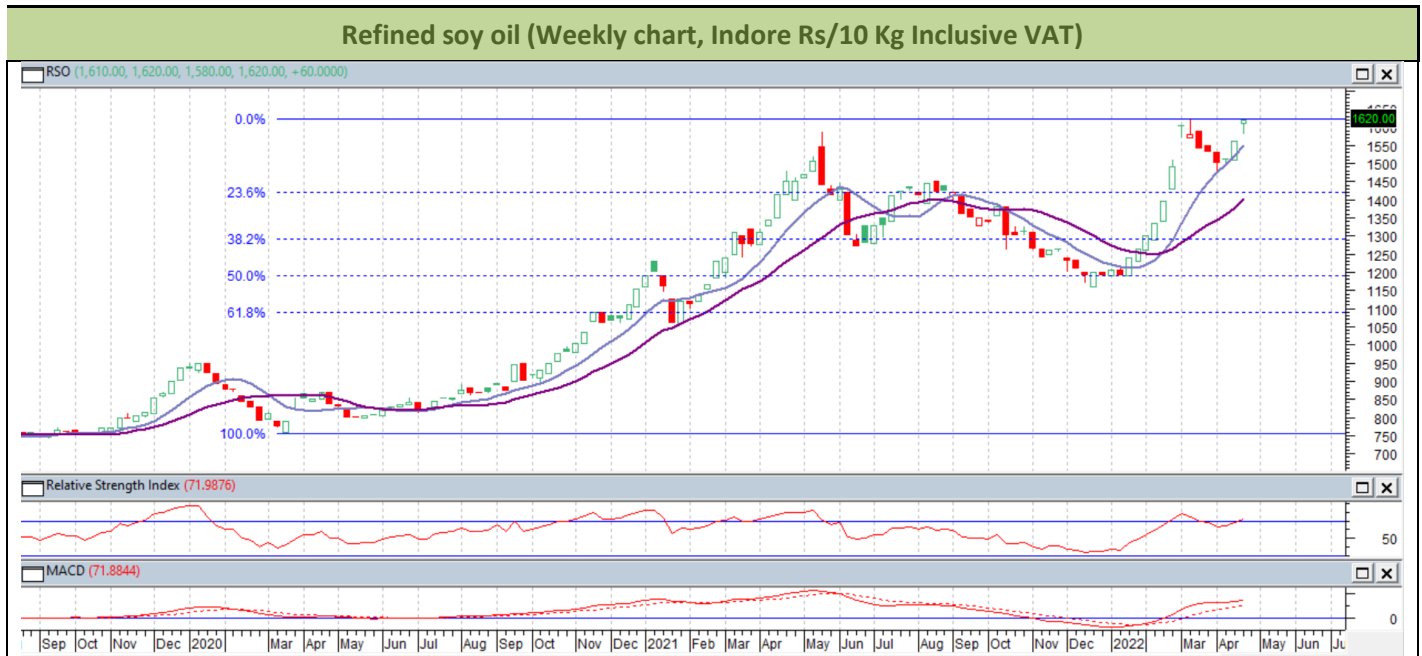
Domestic Front

- The Coconut oil prices at benchmark market Kangeyam trading sideways at Rs 1350 to 1450 per 10 Kg since past 2 weeks.
- 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. However, coconut oil consumption in northern India is comparatively small than Southern India demand, hence price rise will be limited.
- 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. Export demand for current year has slowed down, hence high supply side has resulted in rangebound movement of prices.
- On the price front, currently the coconut oil prices in Kochi are hovering at Rs 1,480 (Rs 1,490) per 10 Kg and was quoted at 1,400 (Rs 1,380) per 10 Kg in Kangeyam market on 23 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)



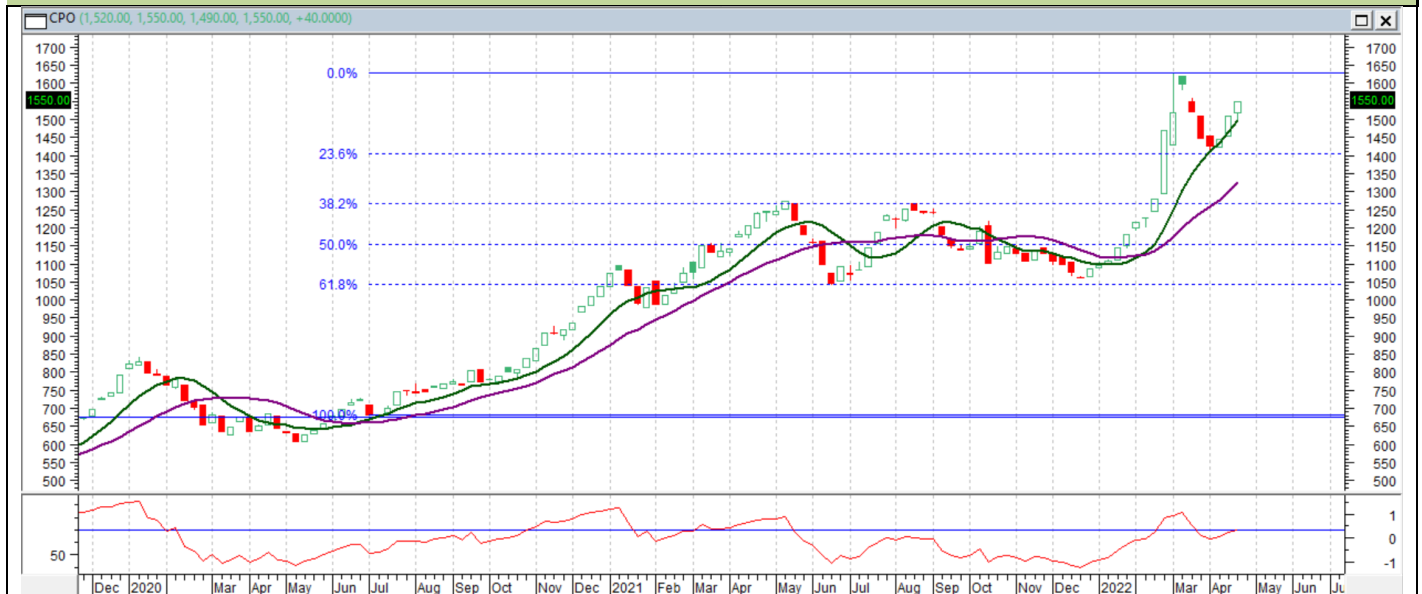
Technical Commentary –

- Prices took support at 1500 level from 9 DMA, giving a positive signal for short term trend.
- Prices are above both short term and long-term DMAs.
- Momentum indicator is supportive for prices and RSI Oscillators have entered overbought levels.

Spot Market outlook: Market participants are recommended to buy Soy oil at spot market, near 1600-1620 level and book profit near level of 1680-1720.

Technical Analysis (Crude Palm oil)

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



Technical Commentary –

- Prices took support at 1420 level and is continuing its up trend.
- Prices are above both short term and long term EMAs, and are supportive for prices suggesting trend to remain positive.
- Oscillator RSI is trending higher and is near over bought level.

Spot Market outlook: Market participants are advised to buy CPO at spot market at 1550-1580 level and book profit at 1680-1700 level.

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

Commodity	Centre	Prices (Per 10 Kg)		Change
		23-Apr-22	16-Apr-22	
Refined Soybean Oil	Indore	1620	1540	80
	Indore (Soy Solvent Crude)	1580	1500	80
	Mumbai	1620	1560	60
	Mumbai (Soy Degum)	1575	1550	25
	Kandla/Mundra	1600	1540	60
	Kandla/Mundra (Soy Degum)	1570	1520	50
	Kolkata	1620	1580	40
	Delhi	1580	1570	10
	Nagpur	1630	1570	60
	Rajkot	1590	1540	50
	Kota	1590	1570	20
	Akola	1560	1560	Unch
	Amrawati	1555	1555	Unch
	Bundi	1600	1580	20
	Jalna	1505	1505	Unch
	Solapur	1665	1620	45
	Dhule	1585	1565	20
	Nanded	1600	1560	40
	Latur	1540	1550	-10
	Argentina Crude Soya (CIF India) USD	2011	1926	85
	Argentina Crude Soya (FOB)	1880	1838	42
Palm Oil*	Kandla (Crude Palm Oil)	1550	1510	40
	Kandla (RBD Palm oil)	1570	1465	105
	Kandla RBD Pamolein	1580	1500	80
	Kakinada (Crude Palm Oil)	1500	1450	50
	Kakinada RBD Pamolein	1535	1480	55
	Haldia Pamolein	1570	1465	105
	Chennai RBD Pamolein	1580	1530	50
	Krishnapattanam RBD Pamolein	1550	1510	40
	Mumbai RBD Pamolein	1530	1500	30
	Mangalore RBD Pamolein	1560	1510	50
	Mumbai (Refined)	1530	1500	30
	Rajkot (Refined)	1525	1520	5
	Chennai (Refined)	1560	1510	50
	Hyderabad (Refined)	1580	1530	50
	Delhi (Refined)*	1430	1390	40

	PFAD (Kandla)	1500	1450	50
	RPS (Kandla)	1500	1450	50
	Superolien (Kandla)	1610	1520	90
	Superolien (Mumbai)	1610	1530	80
	Kochi (RBD Palmolein)	-	1415	-
	Krishnapattanam (Crude Palm Oil)	1500	1450	50
Refined Sunflower Oil	Chennai (Refined)	1880	1840	40
	Chennai (Crude)	1810	1780	30
	Mumbai (Refined)	1870	1760	110
	Mumbai(Expeller Oil)	1820	1680	140
	Kandla (Refined)	1850	1750	100
	Hyderabad (Refined)	1845	1850	-5
	Hyderabad (Expeller)	1780	1780	Unch
	Latur (Refined)	1890	1850	40
	Latur (Expeller Oil)	1840	1820	20
	Chellakere (Expeller Oil)	1810	1750	60
	Erode (Expeller Oil)	1960	1920	40
	Kakinada (Refined)	1840	1780	60
	Krishna Pattanam (Refined)	1840	1780	60
Groundnut Oil	Rajkot	1600	1550	50
	Chennai	1600	1580	20
	Delhi*	1620	1620	Unch
	Hyderabad *	1670	1620	50
	Mumbai	1630	1590	40
	Gondal	1600	1550	50
	Jamnagar	1600	1550	50
	Gujarat GN Telia	2540	2450	90
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1510	1445	65
	Jaipur (Kacchi Ghani Oil)	1565	1585	-20
	Kota (Expeller Oil)	1490	1440	50
	Kota (Kacchi Ghani Oil)	1560	1580	-20
	Neewai (Expeller Oil)	1450	1410	40
	Neewai (Kacchi Ghani Oil)	1555	1575	-20
	Bharatpur (Kacchi Ghani Oil)	1500	1490	10
	Sri-Ganga Nagar(Exp Oil)	1485	1455	30
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1550	1570	-20
	Mumbai (Expeller Oil)	1500	1480	20
	Kolkata(Expeller Oil)	1680	1700	-20
	New Delhi (Expeller Oil)*	1510	1460	50

	Hapur (Expeller Oil)	1690	1690	Unch
	Hapur (Kacchi Ghani Oil)	1720	1720	Unch
	Agra (Kacchi Ghani Oil)	1505	1495	10
Refined Cottonseed Oil	Rajkot	1630	1580	50
	Hyderabad	1605	1580	25
	Mumbai	1650	1595	55
	New Delhi*	1520	1520	Unch
	Gujarat Cotton Wash	1565	1515	50
Coconut Oil	Kangayan (Crude)	1400	1380	20
	Cochin	1480	1490	-10
Sesame Oil	New Delhi	1510	1460	50
Rice Bran Oil	New Delhi (40%)*	1410	1380	30
	Mumbai (Refined 4%)	1380	1350	30
	Bhatinda (Crude 4%)	1200	1200	Unch
	Bhatinda (Refined 4%)	1315	1315	Unch
	Hyderabad (Crude)	1350	1290	60
	Hyderabad (Refined)	1520	1460	60
	Kolkata (Crude)	1270	1300	-30
	Kolkata (Refined)	1350	1375	-25
	Raipur (Crude)	1390	1395	-5
	Raipur (Refined)	1530	1550	-20
	Odisha (Refined)	1520	1530	-10
	Vijayawada (Refined)	1350	1400	-50
Malaysia Palmolein USD/MT	FOB	1690	1720	-30
	CNF India	1760	1750	10
Indonesia CPO USD/MT	FOB	1725	1765	-40
	CNF India	1800	1820	-20
Crude palm Kernel Oil India (USD/MT)	CNF India	1580	1500	80
Argentina FOB (\$/MT)		22-Apr-22	15-Apr-22	Change
Crude Soybean Oil Ship		1911	1838	73
Refined Soy Oil (Bulk) Ship		1978	1902	76
Sunflower Oil Ship		2010	2100	-90
Cottonseed Oil Ship		1891	1818	73
* 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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