



Veg. Oil Weekly Research Report

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

Edible oil prices featured firm trend during this week in domestic markets. CBOT soy oil witnessed slightly correction in prices and BMD palm oil prices witnessed firm trend. Domestic market moved in tandem with international market. Palm oil, Soy oil, Mustard oil, Sunflower oil, Groundnut oil and Coconut oil prices traded firm in the week.

On the currency front, Indian rupee is hovering near 76.52 against 76.46 last weeks. Rupee is expected to depreciate and crude oil is expected to trade firm. Depreciating Indian currency will make the imports costly.

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 1660-1680 level and book profit near level of 1750-1780. And for Palm Oil, Market participants are advised to buy CPO at spot market at 1600-1620 level and book profit at 1700-1720 level.

International Veg. Oil Market Summary

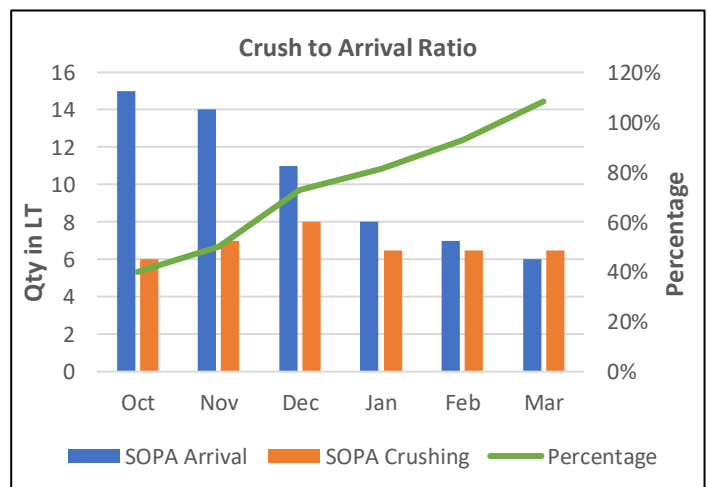
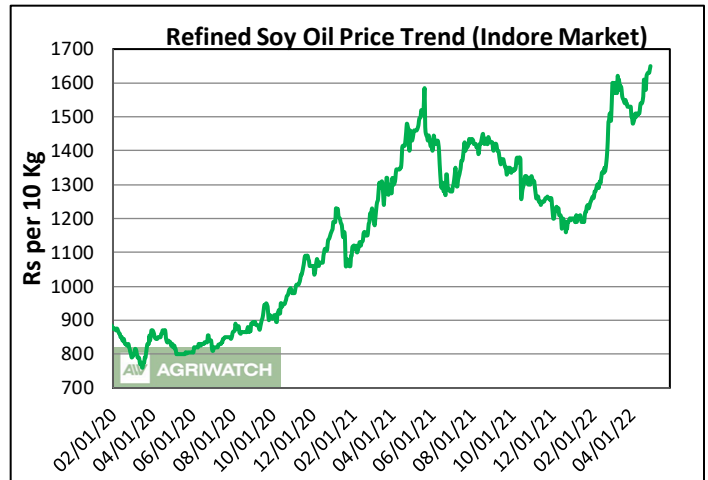
On the international front, lower global Soy oil stocks, lower US Soybean crush, lower crop production in Brazil and Argentina, falling China's demand and sideways crude oil prices will govern soy oil prices in the coming days.

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.

Soy oil Fundamental Analysis and Outlook:-

Domestic Front

- Soy oil prices strengthened for the week in the benchmark market. Domestic prices reacted positive to news of Indonesia's ban on palm oil imports.
- 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 import for the current marketing year is already at higher side as domestic crush has lowered due to slow soy meal demand. Soy oil prices are expected to remain firm for the coming weeks as global soy prices are ruling high due to strong demand.
- Agriwatch had anticipated March's import to remain in the range of 2.5-3.3 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 higher soy oil imports in April's and May's, which is likely to cross 5 year average of May month at 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 was done as crop of previous season was 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/qrtl at Indore plant.
- Imported crude soy oil Argentina FOB at Kandla West coast port is offered at USD 2013 (USD 1946) per ton for Apr delivery, May's delivery is being quoted at USD 1991 (USD 1939) per ton. Values in brackets are figures of last week. Last month, C&F CDSO April average price was USD 1899.46 (USD 1838.52 per ton in Mar 2022) per ton.



International Front

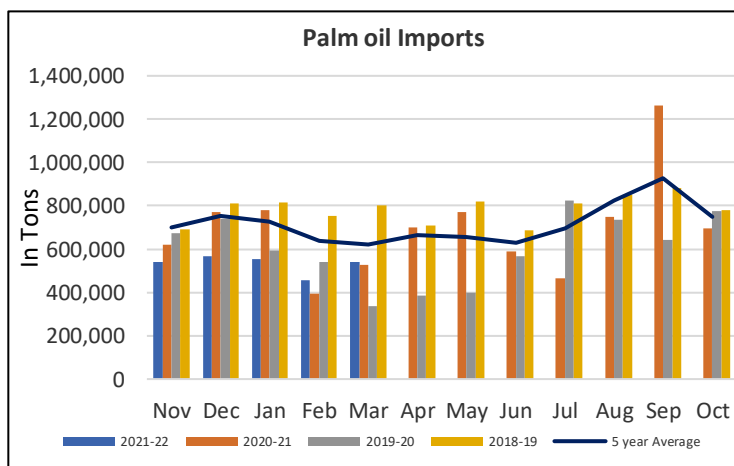
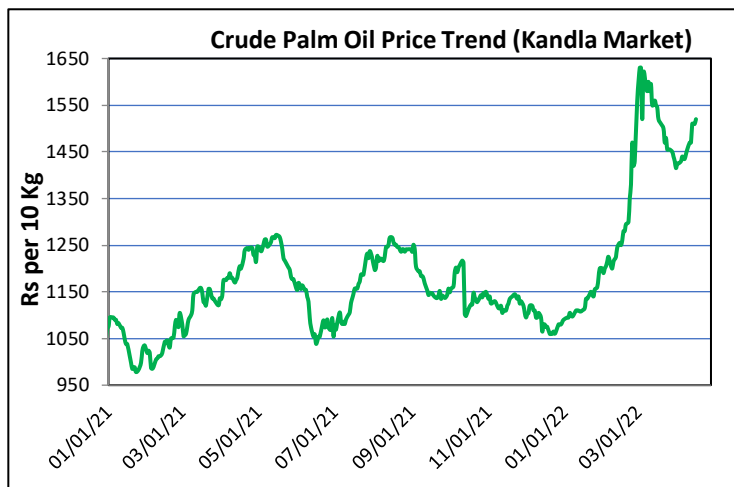
- CBOT soy oil prices traded down in the range of 82.73-84.53 cents per pound in most active June contract. Prices corrected downwards as US's Soybean acreage is expected to be higher.
- Profit booking was also seen as prices are trading at all-time high. However, prices are expected to remain inflated for long term.

Price Outlook: We expect refined soy oil (without GST) at Indore to stay in the range of Rs 1750-1780 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. 1550 to Rs. 1620 per 10 Kg at the end of week, up by 4.52 percent.
- Domestic Palm oil prices short 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 April and May month is expected to remain at the range of 6 LT as port loading was already completed before the Indonesia's palm oil ban.
- On the trade front, C&F CPO (Indonesian origin) at Indian port is being quoted at USD 1970 (USD 1840) per ton for Apr delivery and May delivery is being quoted at USD 1930 (USD 1800) per ton.
- RBD Palmolein (Malaysian origin) C&F at Indian port, is being offered at USD 1930 (USD 1780) per ton for Apr delivery and May delivery is being quoted at USD 1890 (USD 1760) per ton.
- The CPO and palm olein prices are expected to remain firm for the week, backed by low supply side.



Monthly Average prices	April	March
Indonesia origin CPO C&F	1753.07	1842.4
Malaysia origin Olein C&F	1706.73	1816.2

International Front

- BMD Palm oil Malaysia in past week traded upwards from 7470-7683 Ringgit per ton, up by 11.82 percent on w-o-w basis. Prices are expected to remain firm for the coming period amid global supply crunch and firm demand.
- Indonesia on Friday 23rd April, announced ban on exports of palm oil imposed from 28th of April, 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 cater 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.



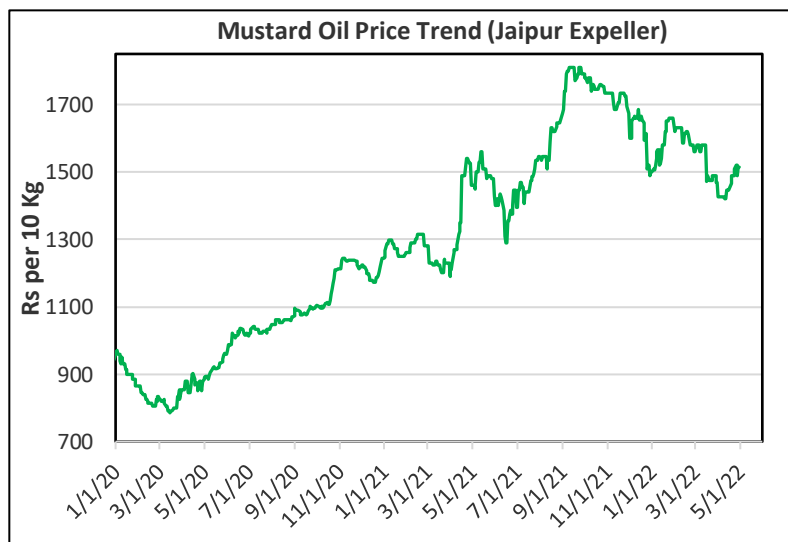
- Agriwatch speculates that Malaysia may revise their biofuel mandates lower to take price benefit of being major palm oil supplier at current times.
- Earlier, Indonesia had introduced export volume restriction and later raised its export levy to a new maximum of \$375 per tonnes, compared to previous 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 1600-1720 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.
- Mustard oil prices dipped slightly in mid-week due to Indonesia's Flip-flop in the export ban policy. However, complete ban on palm oil from Indonesia
- 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 lower down for 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.

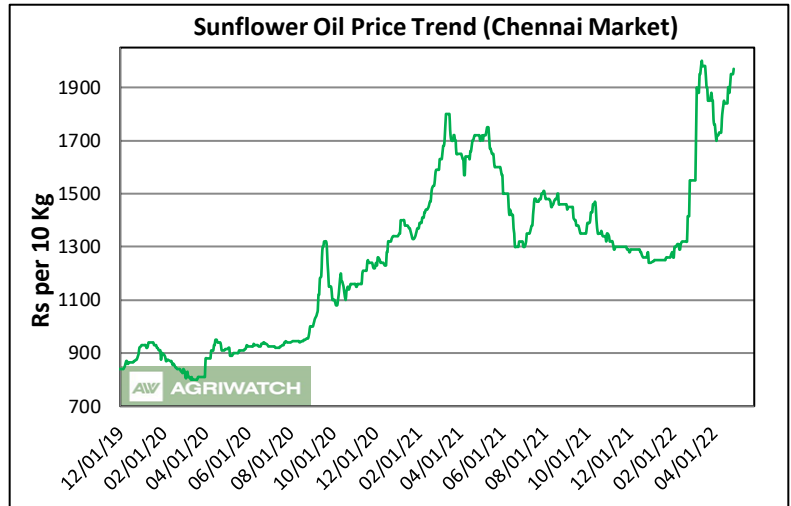


Price Outlook: Rapeseed Expeller oil (without GST) prices in Jaipur may stay in the range of Rs 1500-1580 per 10 Kg.

Sunflower oil Fundamental Review and Analysis:-

Domestic Front

- Sunflower oil prices at Chennai strengthened during the period under review from Rs. 1880 to Rs. 1970 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.
- Prices took support from ban on CPO from Indonesia. Domestic edible oil supply side is already tightened with low Sun oil imports. Low Palm oil supplies from Indonesia has further pressured the supply side. Hence prices are expected to remain on higher side.



Previous news affecting market

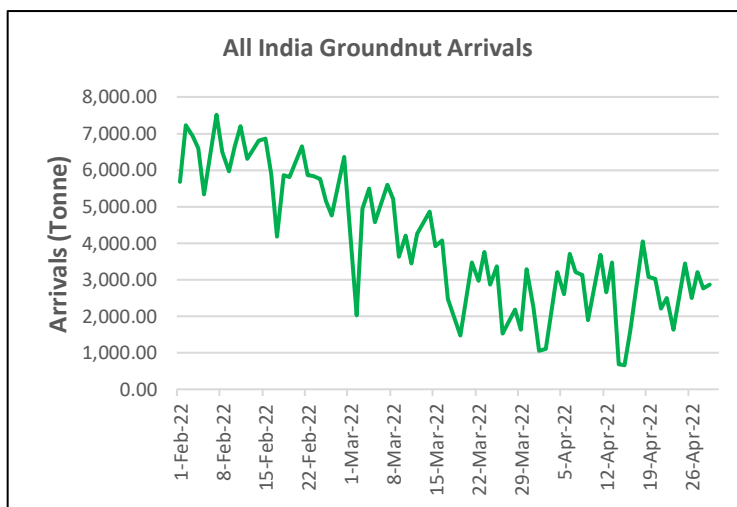
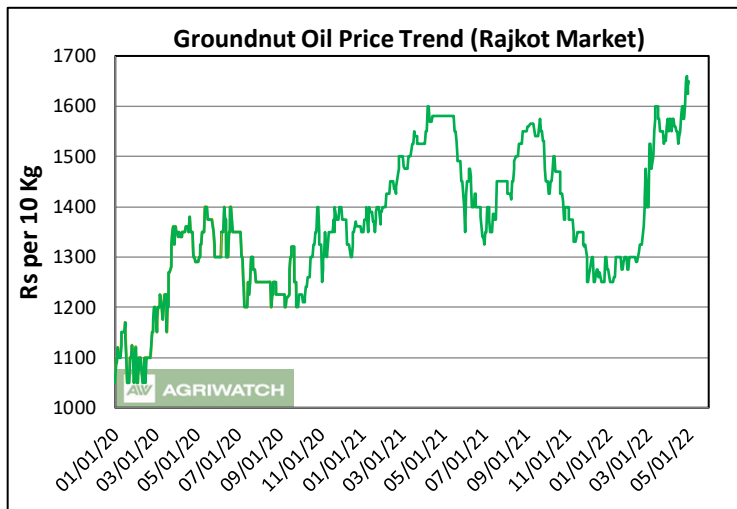
- Russian Government had announced quota of 1.5 million metric tonnes for Sunflower oil and 700,000 mt for Soymeal, applicable from 15th April to 31st August 2022. Global Sun oil supplies are already affected resulting in demand substitution to competing oils.
- Global supply side for Sunflower oil is 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 320 over soy oil (premium of Rs 260 last week) per 10 kg. Meanwhile, refined sunflower oil (Chennai) premium over RBD palm olein (Kandla) is at Rs. 315 compared to premium of Rs 300 per 10 kg last week.
In domestic market, Sunflower oil (Chennai) is at premium over groundnut oil by Rs. 320 compared to Rs. 280 last week.
Higher premium over competing oil along with slow demand is expected to pressure prices in long term.
- 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 1920-2010 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.
- Seed arrivals for the period of 23-29th April stood at 16,416 tonne compared to arrivals of 14,428 tonne in previous week. Seed arrivals are steady as new local crop arrivals have started in Southern states; however, the pace is slow.
- Export demand is slow, however firm domestic demand is supporting the prices.
- Around 12.35 LT of Sunflower oil demand gap has been created in domestic market, as exports have halted from Ukraine and Russia. Groundnut oil is being substituted for sunflower oil and demand is likely to remain strong, hence prices are expected to remain inflated.
- On the price front, currently the groundnut oil prices in Rajkot are at Rs 1,650 (Rs 1,600) per 10 Kg and it was Rs 1,670 (Rs 1,600) per 10 Kg in Chennai market on April 29, 2022. Values in brackets are figures of last week.



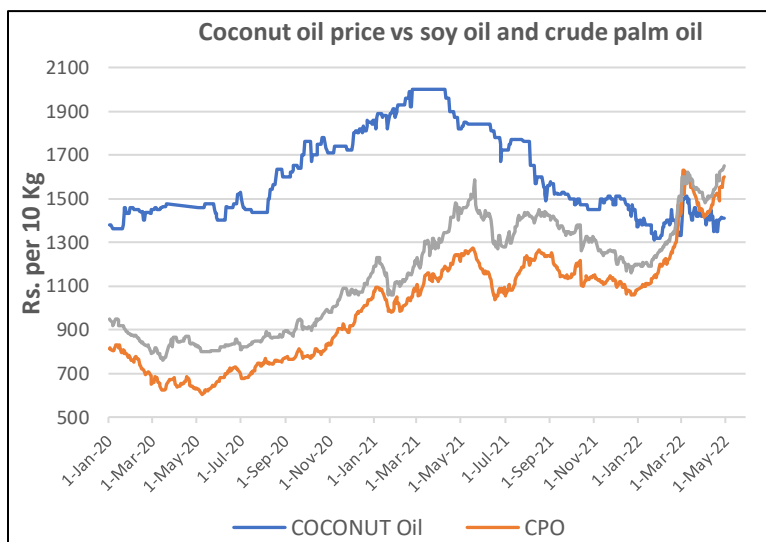
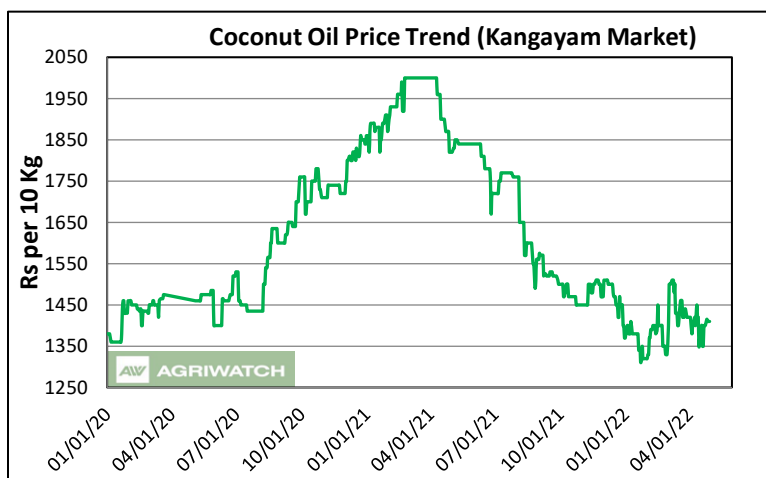
Price Outlook:

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

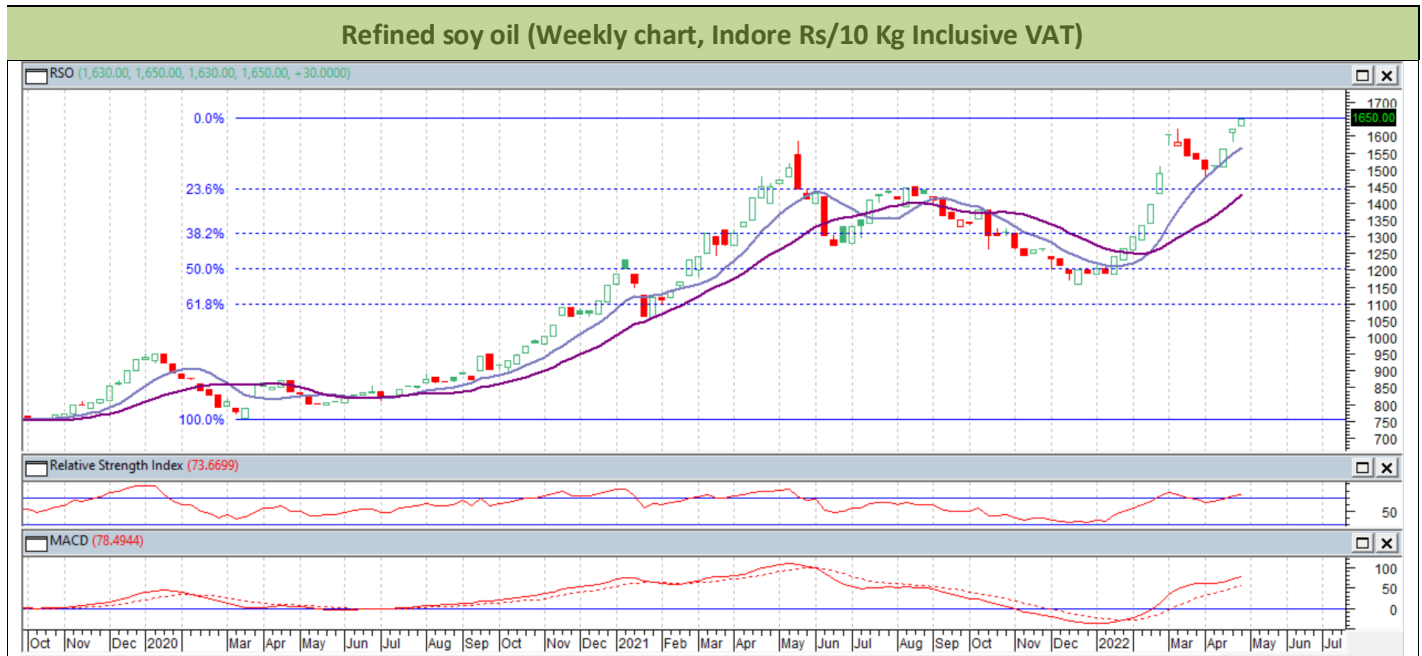
- The Coconut oil prices at benchmark market Kangeyam trading sideways at Rs 1350 to 1450 per 10 Kg since past 4 weeks.
- The demand for the coconut oil is steady, however high supply side is pressuring prices.
- Coconut oil demand are expected to be underpinned taking support from discounted price compared to competing oils.
- Rising prices of Palm and Soy oil is expanding discounts over the coconut oil. 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 1,480) per 10 Kg and was quoted at 1,410 (Rs 1,400) per 10 Kg in Kangeyam market on 29 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)



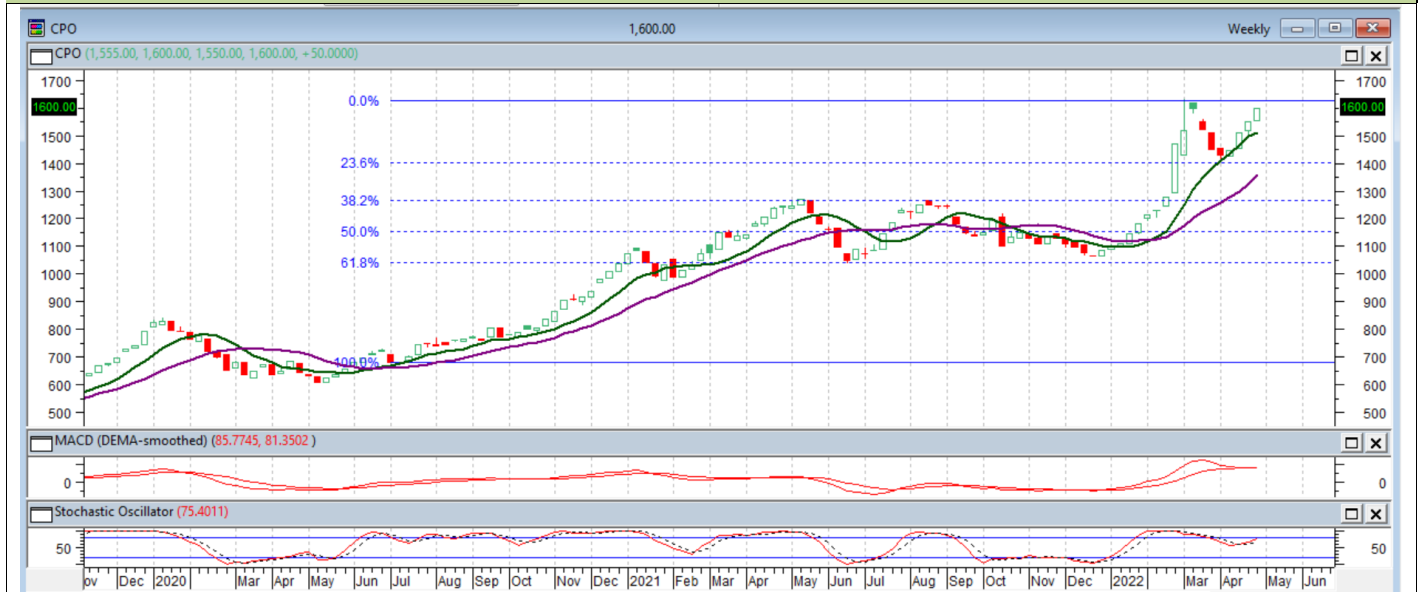
Technical Commentary –

RSI Oscillator is in overbought zone, prices are likely to correct downwards. MACD lines are diverging with rising prices are giving a positive signal for uptrend. Prices are trading above both the long- and short-term DMAs, showing uptrend sentiments. Prices have taken support from 9 DMA, which can be seen as an immediate support.

Spot Market outlook: Market participants are recommended to buy Soy oil at spot market, near 1660-1680 level and book profit near level of 1750-1780.

Technical Analysis (Crude Palm oil)

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



Technical Commentary –

Prices are trading above 9 DMA from past 4 weeks, is a positive signal for uptrend in short term. Stochastic oscillator is at 75.40 value and moving towards overbought zone. MACD is currently pointing towards weak market.

Spot Market outlook: Market participants are advised to buy CPO at spot market at 1600-1620 level and book profit at 1700-1720 level.

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

Commodity	Centre	Prices (Per 10 Kg)		Change
		29-Apr-22	23-Apr-22	
Refined Soybean Oil	Indore	1650	1620	30
	Indore (Soy Solvent Crude)	1610	1580	30
	Mumbai	1670	1620	50
	Mumbai (Soy Degum)	1625	1575	50
	Kandla/Mundra	1650	1600	50
	Kandla/Mundra (Soy Degum)	1620	1570	50
	Kolkata	1680	1620	60
	Delhi	1580	1580	Unch
	Nagpur	1630	1630	Unch
	Rajkot	1585	1590	-5
	Kota	1600	1590	10
	Akola	1560	1560	Unch
	Amrawati	1555	1555	Unch
	Bundi	1610	1600	10
	Jalna	1505	1505	Unch
	Solapur	1665	1665	Unch
	Dhule	1585	1585	Unch
	Nanded	1600	1600	Unch
	Latur	1540	1540	Unch
	Argentina Crude Soya (CIF India) USD	2068	2011	57
	Argentina Crude Soya (FOB)	2008	1880	128
Palm Oil*	Kandla (Crude Palm Oil)	1600	1550	50
	Kandla (RBD Palm oil)	1600	1570	30
	Kandla RBD Pamolein	1620	1580	40
	Kakinada (Crude Palm Oil)	1550	1500	50
	Kakinada RBD Pamolein	1620	1535	85
	Haldia Pamolein	1600	1570	30
	Chennai RBD Pamolein	1655	1580	75
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1684	1607	77
	Krishnapattanam RBD Pamolein	1600	1550	50
	Mumbai RBD Pamolein	1580	1530	50
	Mangalore RBD Pamolein	1630	1560	70
	Mumbai (Refined)	1580	1530	50
	Rajkot (Refined)	1600	1525	75
	Chennai (Refined)	1630	1560	70
	Hyderabad (Refined)	1655	1580	75

	Delhi (Refined)*	1430	1430	Unch
	PFAD (Kandla)	1550	1500	50
	RPS (Kandla)	1550	1500	50
	Superolien (Kandla)	1650	1610	40
	Superolien (Mumbai)	1660	1610	50
	Kochi (RBD Palmolein)	-	1530	-
	Krishnapattanam (Crude Palm Oil)	1550	1500	50
Refined Sunflower Oil	Chennai (Refined)	1970	1880	90
	Chennai (Crude)	1900	1810	90
	Mumbai (Refined)	1950	1870	80
	Mumbai(Expeller Oil)	1900	1820	80
	Kandla (Refined)	1950	1850	100
	Hyderabad (Refined)	2020	1845	175
	Hyderabad (Expeller)	1920	1780	140
	Latur (Refined)	1940	1890	50
	Latur (Expeller Oil)	1890	1840	50
	Chellakere (Expeller Oil)	1860	1810	50
	Erode (Expeller Oil)	1960	1960	Unch
	Kakinada (Refined)	2000	1840	160
	Krishna Pattanam (Refined)	2000	1840	160
Groundnut Oil	Rajkot	1650	1600	50
	Chennai	1670	1600	70
	Delhi*	1620	1620	Unch
	Hyderabad *	1670	1670	Unch
	Mumbai	1675	1630	45
	Gondal	1650	1600	50
	Jamnagar	1625	1600	25
	Gujarat GN Telia	2590	2540	50
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1515	1510	5
	Jaipur (Kacchi Ghani Oil)	1615	1565	50
	Kota (Expeller Oil)	1520	1490	30
	Kota (Kacchi Ghani Oil)	1585	1560	25
	Neewai (Expeller Oil)	1500	1450	50
	Neewai (Kacchi Ghani Oil)	1605	1555	50
	Bharatpur (Kacchi Ghani Oil)	1550	1500	50
	Sri-Ganga Nagar(Exp Oil)	1510	1485	25
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1590	1550	40
	Mumbai (Expeller Oil)	1540	1500	40
	Kolkata(Expeller Oil)	1720	1680	40

	New Delhi (Expeller Oil)	1550	1510	40
	Hapur (Expeller Oil)	1670	1690	-20
	Hapur (Kacchi Ghani Oil)	1700	1720	-20
	Agra (Kacchi Ghani Oil)	1555	1505	50
Refined Cottonseed Oil	Rajkot	1655	1630	25
	Hyderabad	1635	1605	30
	Mumbai	1680	1650	30
	New Delhi*	1520	1520	Unch
	Gujarat Cotton Wash	1610	1565	45
Coconut Oil	Kangayan (Crude)	1410	1400	10
	Cochin	-	1480	-
Sesame Oil	New Delhi	1550	1510	40
Rice Bran Oil	New Delhi (40%)*	1410	1410	Unch
	Mumbai (Refined 4%)	1440	1380	60
	Bhatinda (Crude 4%)	1270	1200	70
	Bhatinda (Refined 4%)	1385	1315	70
	Hyderabad (Crude)	1350	1350	Unch
	Hyderabad (Refined)	1520	1520	Unch
	Kolkata (Crude)	1370	1270	100
	Kolkata (Refined)	1460	1350	110
	Raipur (Crude)	1390	1390	Unch
	Raipur (Refined)	1530	1530	Unch
	Odisha (Refined)	1520	1520	Unch
	Vijayawada (Refined)	1350	1350	Unch
Malaysia Palmolein USD/MT	FOB	1900	1690	210
	CNF India	1900	1760	140
Indonesia CPO USD/MT	FOB	Unq	1725	-
	CNF India	1950	1800	150
Crude palm Kernel Oil India (USD/MT)	CNF India	1620	1580	40
Argentina FOB (\$/MT)		28-Apr-22	22-Apr-22	Change
Crude Soybean Oil Ship		2002	1911	91
Refined Soy Oil (Bulk) Ship		2072	1978	94
Sunflower Oil Ship		2010	2010	Unch
Cottonseed Oil Ship		1982	1891	91



** 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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