



# EDIBLE OIL MONTHLY RESEARCH REPORT

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

*Edible oil prices featured weak trend during this week in domestic markets. CBOT soy oil and BMD Malaysia Palm oil prices witnessed down trend. In domestic market, Sunflower oil, Mustard oil, palm oil prices, Soy oil, and Coconut oil corrected downwards, while Groundnut oil traded up at their respective bench markets.*

*On the currency front, Indian rupee is hovering near 79.9 against 78.25 last weeks. Rupee is expected to depreciate and crude oil is expected to trade sideways. Depreciating Indian currency will make the imports costly and will make exports cheaper.*

*We expect Palm oil and Soy oil to trade with weak bias on weak fundamentals.*

**International Veg. Oil Market Summary**

*On the international front, lower global Soy oil stocks, higher US Soybean crush, US's rising Soybean acreage, falling China's demand and sideways crude oil prices is likely to 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 scheme to revive its palm oil exports, Malaysia's palm oil export policy and sideways prices of crude oil are all likely to govern CPO prices in near term.*

Acreage and Rainfall StatisticsAcreage

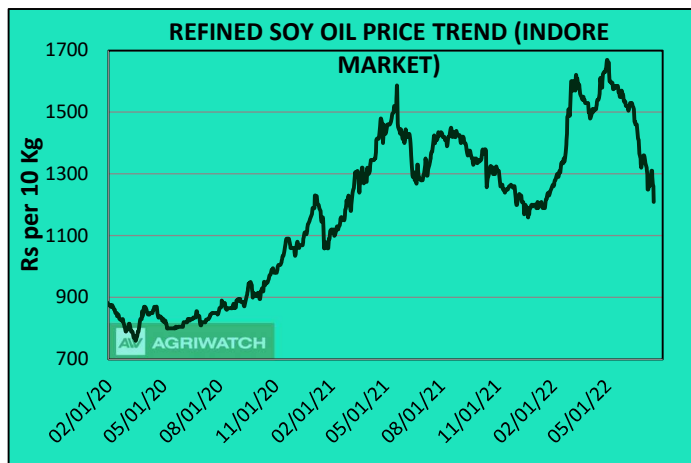
Oil seed Acreage as on 15th July'22 ( Area in Lakh Ha)			
Oil seed crops	2022	2021	% Change
Soyabean	99.35	90.32	10%
Groundnut	28.89	29.72	-3%
Sesamum	4.22	3.58	18%
Sunflower	1.3	0.91	43%
Castor	0.15	0.16	-6%
Other Oilseeds	0.08	0.05	60%
Niger	0.05	0.08	-38%
Total Oilseeds	134.04	124.83	7%

Rainfall

Madhya Pradesh	Cumulative Rainfall Departure (%) 1st June to 15h July'22	Maharashtra	Cumulative Rainfall Departure (%) 1st June to 15h July'22	Rajasthan	Cumulative Rainfall Departure (%) 1st June to 15h July'22
Dewas	76%	Latur	88%	Kota	61%
Videsha	63%	Parbhani	78%	Jhalawar	54%
Rajgah	52%	Nagpur	66%	Bundi	43%
Shajahpur	42%	Yavatmal	40%	Baran	34%
Ratlam	25%	Hingoli	25%	Chittaurgarh	19%
Ujjain	23%	Jalna	24%	Pratapgarh	2%
Indore	22%	Buldhana	13%	Rajasthan	52%
Mandsaur	6%	Amaravati	12%		
Ashok nagar	-2%	Washim	5%		
Dhar	-5%	Akola	1%		
MP	17%	Maharashtra	43%		

**Soy oil Fundamental Analysis and Outlook:-****Domestic Front**

- Soy oil prices plummeted sharply for the previous week in the benchmark market by 3.97 percent from Rs 1260 to Rs 1210 per 10 Kg. Domestic prices are under correction backed by weak fundamentals.
- Higher domestic port and pipeline supplies are pressuring price gains.
- Bearish international Soy oil market fundamentals also pressured domestic market as well.
- Previous month, Solvent Extractor Association of India (SEA) and Soybean Processors Association of India (SOPA) wrote to Government to revise their decision on TRQ on Soy oil import as market has already witnessed heavy correction in Soybean complex.
- Soy oil import for the current marketing year is already at higher side as domestic crush has lowered due to slow soy meal demand.
- Prices are anticipated to trade sideways with weak bias in coming term in tandem with bearish Soy oil international market.

**International Front**

- CBOT soy oil prices witness price correction by 8.62% from 60.69 to 58.55 cents per pound backed by weak fundamentals in international Soy oil market.
- Energy prices is trading sideways with weak bias, pressuring Soy oil prices as well.
- Dry weather is anticipated to prevail for the coming two weeks in major Soybean sown area in US, which may strengthen price movement.

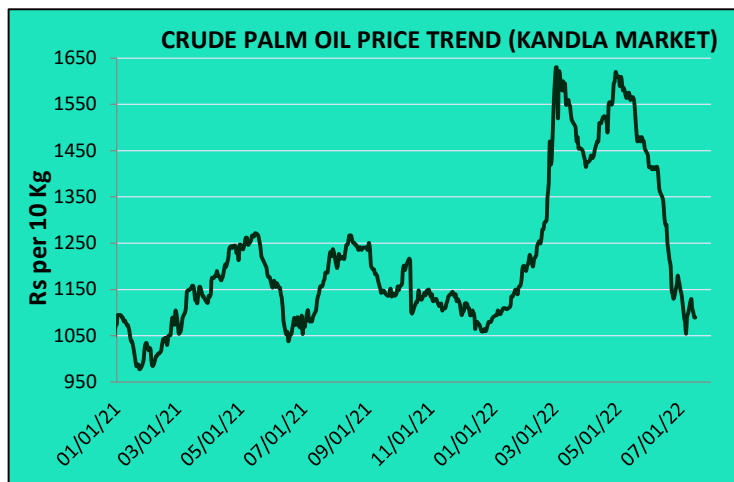
**Price Outlook:** We expect refined soy oil (without GST) at Indore to stay in the range of Rs 1150-1280 per 10 Kg in the near term.

State wise Soybean sowing progress as on 15th July'22 (Lakh Ha)				
State	2022	2021	% Change	Cumulative Rainfall Departure (%) 1st June to 17th July'22
Maharashtra	41.26	38.36	8%	43%
Madhya Pradesh	40.65	38.98	4%	17%
Rajasthan	9.88	5.56	78%	52%
Karnataka	3.70	3.60	3%	40%
Telangana.	1.30	1.28	2%	123%
Others	2.55	2.54	0%	
<b>Total</b>	<b>99.35</b>	<b>90.32</b>	<b>10%</b>	

### Palm oil Fundamental Analysis and Outlook -:

#### Domestic Front

- Crude palm oil (CPO) prices edged down for the previous week in the benchmark market Kandla by 0.97%. Domestic prices are pressured following bearish tone in international Palm oil market.
- High global palm oil supply side is likely to pressure the prices.
- Indonesia scrapped off the palm oil export levy from \$200 per tonne to boost their palm oil exports, weighing on global palm oil prices.
- Indonesia is aggressively exporting Palm oil as they are short on storage capacity which is coinciding with the higher palm fruits bunch production.
- Indonesian has increased its biofuel mandate from 30% to 35% from 20 July'22 onwards which is estimated to absorb around 2.5 MMT of palm oil in diesel mix. This factor is likely to support palm oil prices.
- Domestic prices are likely to trade sideways with weak bias as global supply side for Palm oil is high. Whereas, gains in Crude oil is likely to underpin international palm oil prices, which would extend the support to domestic palm oil prices.



#### International Front

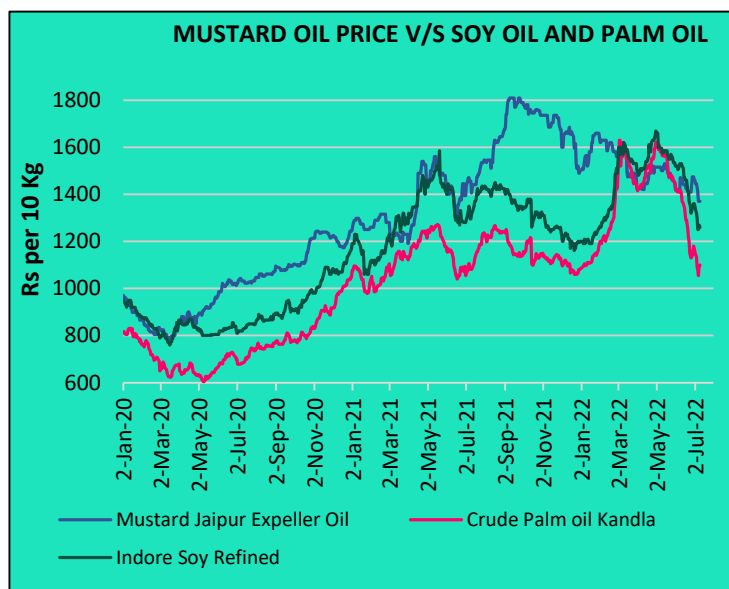
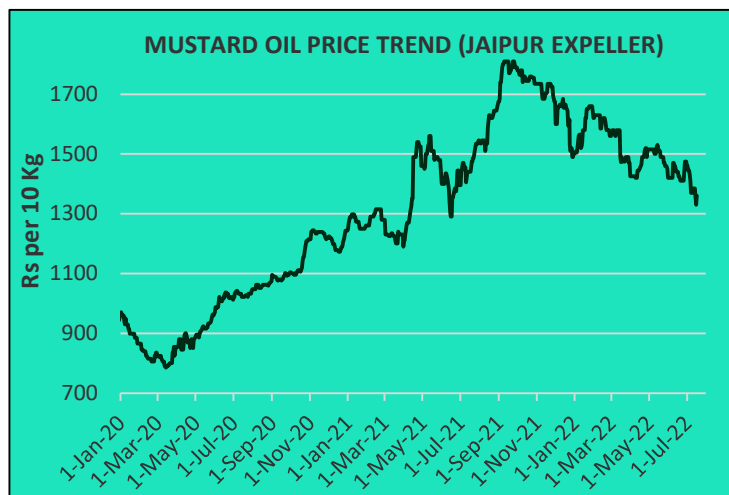
- BMD Palm oil Malaysia in past week traded steady taking support from rising crude oil prices and rival CBOT Soy oil prices.
- Aggressive exports of Palm oil from Indonesia have buildup the global palm oil supplies.
- Malaysia's exports for June fell by around 10% confirmed by various agencies. ITS estimated 10.39% decline, and 13.37%, 7.40% decline is anticipated by Amspec and SGS, respectively. MPOB official report is yet to be released.

**Price Outlook:** We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 1050-1150 per 10 Kg in the near term.

## Rapeseed oil Fundamental Review and Analysis-

### Domestic Front

- Mustard oil prices witnessed marginal decline at various markets for the week in review. Prices traded up from Rs 1370 to Rs 1360 per 10 Kg, down by 0.73%.
- Prices weakened by bearish sentiments in competing oils.
- Prices are likely to trade with weak bias in a range as Palm and Soy oil are in discount, which is likely to cap its gains.
- Government is closely monitoring edible oil price movement and with stock limit on edible oils and seeds, due to which stockiest demand is slow and millers are buying hand-to-mouth quantity.
- Demand for mustard oil also slowed down as it has gained premium compared to palm and Soy oil, diverting the demand towards cheaper available oils.
- Arrivals have also declined to the lower levels in the various markets while the demand is slow, thus prices are anticipated to steady sideways. However, it is expected that with increased frequency of rains in north India and drop in temperature, demand would approve for the same.
- Jaipur Expeller rapeseed oil has gained premium over refined soy oil in domestic market by Rs 150 per 10 kg compared to Rs 110 per 10 Kg last week.
- Jaipur Expeller rapeseed oil regained its premium over RBD palm olein at Rs 210 per 10 kg compared to Rs 200 per 10 Kg last week.

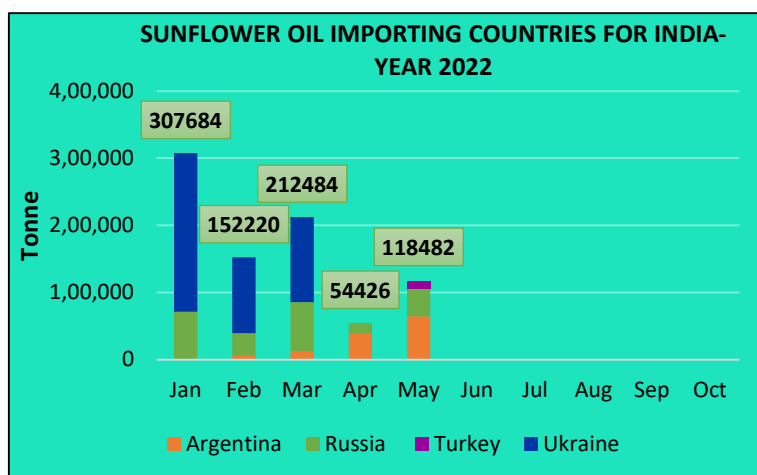
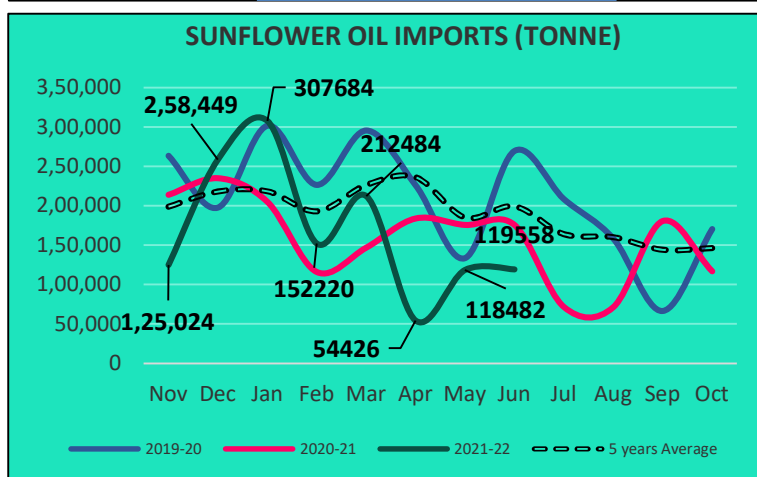
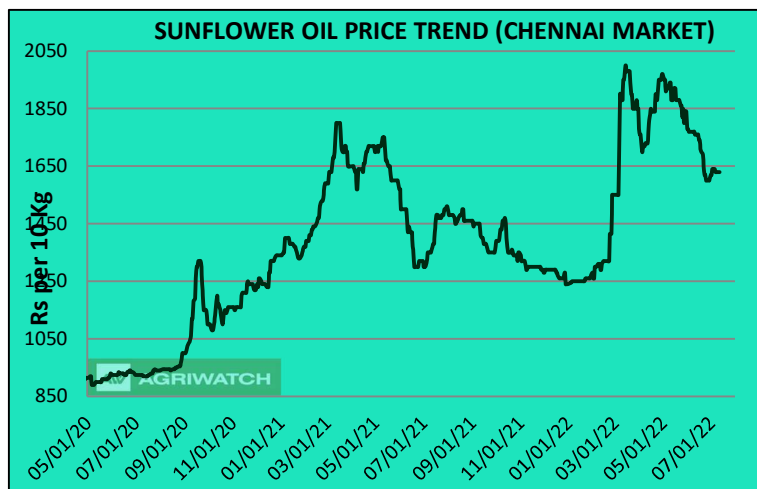


**Price Outlook:** Rapeseed Expeller oil (without GST) prices in Jaipur may trade in the range of Rs 1320-1420 per 10 Kg.

### Sunflower oil Fundamental Review and Analysis:-

#### Domestic Front

- Sunflower oil prices at Chennai featured declining trend during week from Rs. 1630 to Rs. 1560 per 10 Kg, down by 4.29 percent.
- Prices have been under correction since the government allowed Tariff Rate Quota (TRQ) for the Sunflower oil imports for the financial year 2022-23 and 2023-24. Under TRQ, imports of 20Lakh tonne of Sun oil would bear zero import duty.
- Ukraine is exporting higher volumes of sunflower seed instead of Sunflower oil. Ukraine saw 352 thsd tonne of exports in May'22 and has seen the exports of 365 thsd tonnes till 23<sup>rd</sup> of June'22. It is expected that June'22 exports is likely to be multiyear month high. The exports are being done through railroads.
- Russia's Sun oil prices are declining amid slow demand from importing countries as cheaper alternative oils are available in ample supply. Higher freight charges through Black Sea is also adding to the cost. According to sources, Russian crude sunflower oil decreased by 95-110 USD/t to 1805-1845 USD/t FOB (June-July).
- As sun oil imports ceased from Ukraine, India is sourcing Sun oil from countries like Argentina, and Turkey. It is clearly visible from the chart named 'Sunflower Oil Importing Countries for India- Year 2022', that India turned Argentina for the imports of Sun oil since Ukraine-Russian conflict started rising.
- June's Sun oil import stood at 1.19 LT compared to m-o-m at 1.18 LT and y-o-y at 1.75 LT. India sourced 0.59 LT and 0.50 LT from Argentina and Russia respectively.
- In the domestic market, sunflower oil price is at premium of Rs 350 compared to Rs 370 per 10 Kg last week. Meanwhile, refined sunflower oil (Chennai) premium over RBD palm olein (Kandla) is at Rs. 370 compared to premium of Rs 390 per 10 kg last week.





In domestic market, Sunflower oil's (Chennai) premium over groundnut oil turned to discount by Rs. 65 compared to a premium of Rs. 55 last week.

Sunflower oil's premium over competing Palm and Soy oil has rose compared to last week.

We expect sunflower oil prices to correct downwards in the coming days pressured by allotment of TRQ and higher imports of sunflower oil.

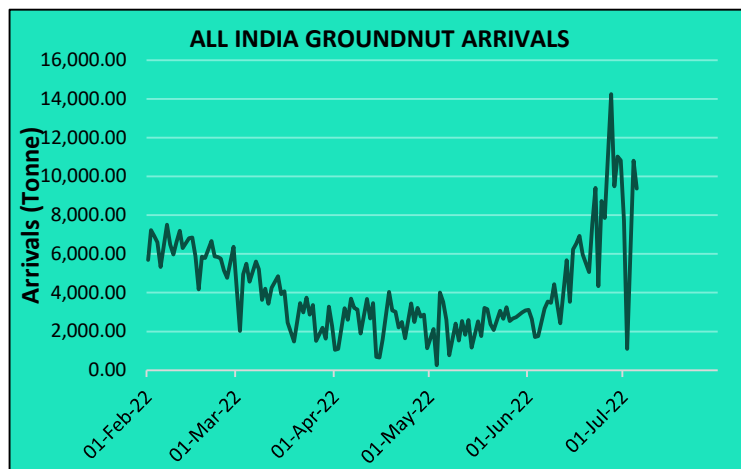
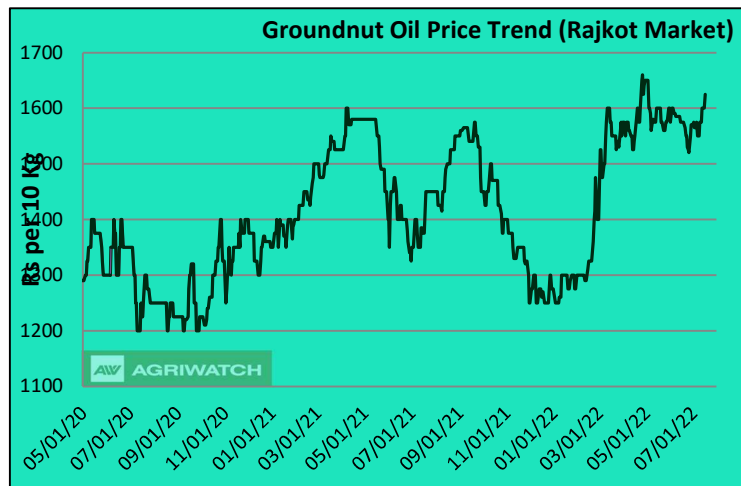
**Price Outlook:** Sunflower oil (without GST) prices in Chennai may stay in the range of Rs 1500-1600 per 10 Kg



### Groundnut oil Fundamental Review and Analysis:-

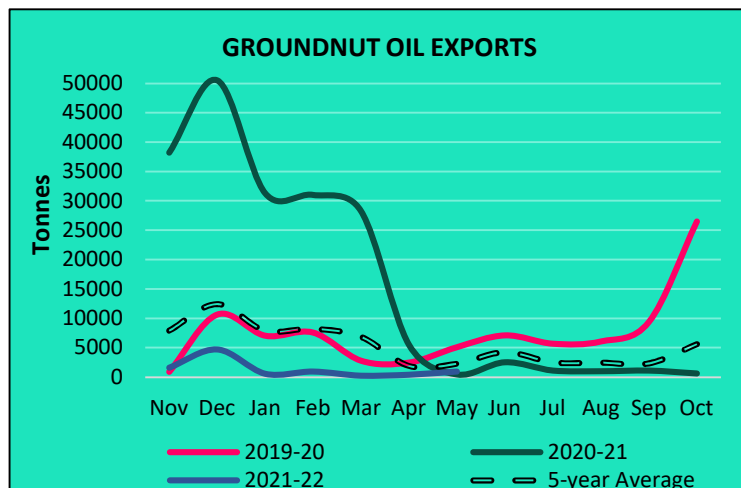
#### Domestic Front

- Groundnut oil prices traded up at various market for the week in review. Prices traded up by 3.17 percent from Rs 1575 to Rs 1625 per 10 Kg.
- Prices edged up taking support from improve in demand.
- Slow sowing progression for Kharif groundnut crop is also supporting its gain.
- Groundnut oil has gained its premium over competing Palm and Soy oil. Declining prices of Sunflower oil are narrowing down the discount of groundnut oil over the same, which is likely to weigh in the gains of groundnut oil prices.
- High groundnut oil prices in the domestic market have lowered the export demand for the same for the current marketing year 2021-22. GN Oil exports in May stood at 962.03 tonne compared to 439.79 tonne in April'22 and 450.12 tonne last year same timeframe.
- On the price front, currently the groundnut oil prices in Rajkot are at Rs 1,625 (Rs 1,575) per 10 Kg and it was Rs 1,650 (Rs 1,550) per 10 Kg in Chennai market on Jul 16, 2022. Values in brackets are figures of last week.



#### Price Outlook:

Statewise Groundnut sowing progress as on 15th July'22 (Lakh Ha)				
	2022	2021	% Change	Cumulative Rainfall Departure (%) 1st June to 17th July'22
Gujarat	14.26	15.402	-7%	79%
Rajasthan	6.398	6.456	-1%	52%
Karnataka	1.435	1.726	-17%	40%
Andhra Pradesh	1.469	1.118	31%	20%
Others	5.329	5.02	6%	
Total	28.891	29.722	-3%	

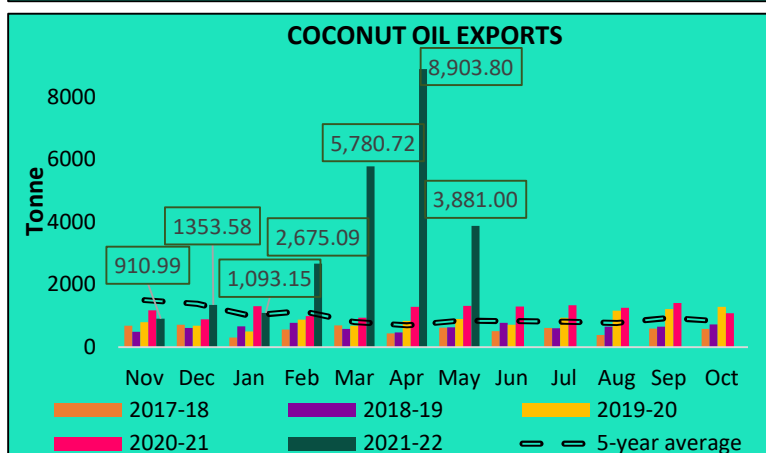
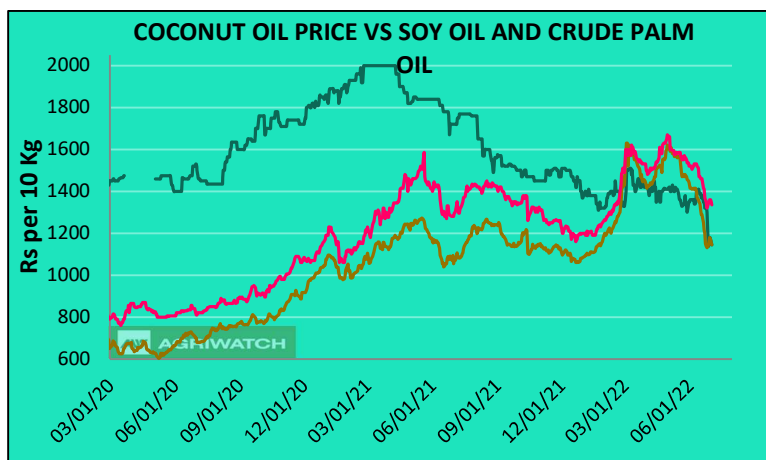
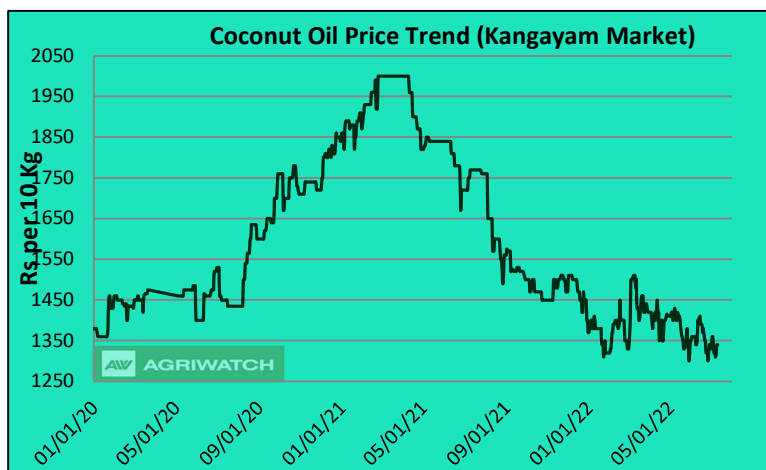


### Coconut Oil Fundamental Review and Analysis:-

#### Domestic Front

- The Coconut oil prices at benchmark market Kangeyam declined, from the level of Rs 1340 to Rs 1325 per 10 Kg level.
- The demand for the coconut oil is steady, however declining price momentum was mainly due to the correction in competing oils' prices. Coconut oil has gained premium over competing CPO and is almost at par with Soy oil prices, which pressured the price momentum for the coconut oil in the past week.
- Export demand is also declining, which is likely to cap the gains in prices.
- Export demand lowered in May compared to April'22. Demand is mainly coming from Netherlands, Malaysia and Sri Lanka.
- Coconut oil exports scenario- India exported 3,881 tonnes of Coconut oil in May 2022 higher compared to 8,903.80 tonnes export in April 2022, and 1,317.83 tonnes in May 2021. If export demand arises from the importing countries in June, it is likely to limit the fall in prices.
- On the price front, currently the coconut oil prices are being quoted at 1,325 (Rs 1,340) per 10 Kg in Kangeyam market on 16 Jul, 2022.

**Price Outlook:** Coconut oil (without GST) prices in Kangeyam is likely to trade sideways with weak bias in the range of Rs 1300-1380 per 10 Kg.



### Technical Analysis (Refined soy oil)



#### Technical Commentary –

As can be seen in the chart, prices broke the support level of Rs 1260/10 Kg. RSI is declining in the oversold zone, giving bearish sentiments. MACD has crossed the signal line from upwards and is diverging, pointing towards weak sentiments. 9 DMA has crossed 18 DMA in previous week can be characterized as 'Death Crossover', indicating bearish sentiments.

Prices are likely to take support of 50.0% retracement level, and next support is seen at Rs 100-1160 level.

### Technical Analysis (Crude Palm oil)

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



#### Technical Commentary –

Stochastic Oscillators have declined into oversold zone, prices are likely to rebound from this level. MACD line has crossed the signal line from upwards and is diverging along with fall in prices, pointing towards weak sentiments. 9 DMA has crossed the 18 DMA, as well as the prices are trading below 9DMA and 18DMA, giving a bearish signal for the coming term

Prices have taken support of 50% 'Retracement level' and rebounded after making the low of Rs 1055/10 Kg. However bearish international market fundamental is likely to pressure prices and it may break the support of Rs 1050.

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

Commodity	Centre	Prices (Per 10 Kg)		Change
		16-Jul-22	09-Jul-22	
Refined Soybean Oil	Indore	1210	1260	-50
	Indore (Soy Solvent Crude)	1170	1220	-50
	Mumbai	1235	1270	-35
	Mumbai (Soy Degum)	1155	1270	-115
	Kandla/Mundra	1170	1245	-75
	Kandla/Mundra (Soy Degum)	1135	1230	-95
	Kolkata	1210	1260	-50
	Delhi	1200	1260	-60
	Nagpur	1240	1280	-40
	Rajkot	1190	1240	-50
	Kota	1200	1280	-80
	Akola	1235	1255	-20
	Amrawati	1235	1255	-20
	Bundi	1210	1290	-80
	Jalna	1225	1270	-45
	Solapur	1230	1260	-30
	Dhule	1225	1265	-40
	Nanded	1230	1260	-30
	Latur	1230	1260	-30
	Argentina Crude Soya (CIF India) USD	1357	1425	-68
Palm Oil	Kandla (Crude Palm Oil)	1090	1100	-10
	Kandla (RBD Palm oil)	1120	1150	-30
	Kandla RBD Pamolein	1150	1170	-20
	Kakinada (Crude Palm Oil)	1060	1050	10
	Kakinada RBD Pamolein	1200	1210	-10
	Haldia Pamolein	1150	1220	-70
	Chennai RBD Pamolein	1190	1240	-50
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1232	1278	-46
	Krishnapattanam RBD Pamolein	1160	1220	-60
	Mumbai RBD Pamolein	1160	1200	-40
	Mangalore RBD Pamolein	1200	1230	-30
	Mumbai (Refined)	1150	1170	-20
	Rajkot (Refined)	1140	1155	-15
	Chennai (Refined)	1200	1230	-30

	Hyderabad (Refined)	1145	1230	-85
	Delhi (Refined)*	1142	1180	-38
	PFAD (Kandla)	710	790	-80
	RPS (Kandla)	950	980	-30
	Superolien (Kandla)	1180	1200	-20
	Superolien (Mumbai)	1190	1230	-40
	Kochi (RBD Palmolein)	Closed	1240	-
	Krishnapattanam (Crude Palm Oil)	1060	1050	10
	Kolkata (Crude Palm Oil)	1170	1200	-30
Refined Sunflower Oil	Chennai (Refined)	1560	1630	-70
	Chennai (Crude )	1520	1580	-60
	Mumbai (Refined)	1580	1590	-10
	Mumbai(Expeller Oil)	1520	1550	-30
	Kandla (Refined)	1580	1590	-10
	Hyderabad (Refined)	1590	1600	-10
	Hyderabad (Expeller)	1490	1530	-40
	Latur (Refined)	1570	1580	-10
	Latur (Expeller Oil)	1510	1500	10
	Chellakere (Expeller Oil)	1450	1530	-80
	Erode (Expeller Oil)	1620	1660	-40
	Kakinada (Refined)	1620	1590	30
	Krishna Pattanam (Refined)	1620	1590	30
Groundnut Oil	Rajkot	1625	1575	50
	Chennai	1650	1550	100
	Delhi*	1630	1600	30
	Hyderabad *	1575	1580	-5
	Mumbai	1610	1590	20
	Gondal	1625	1570	55
	Jamnagar	1625	1570	55
	Gujarat GN Telia	2540	2470	70
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1360	1370	-10
	Jaipur (Kacchi Ghani Oil)	1445	1410	35
	Kota (Expeller Oil)	1390	1380	10
	Kota (Kacchi Ghani Oil)	1420	1400	20
	Neewai (Expeller Oil)	1340	1345	-5
	Neewai (Kacchi Ghani Oil)	1430	1380	50
	Bharatpur (Kacchi Ghani Oil)	Closed	1400	-
	Sri-Ganga Nagar(Exp Oil)	1380	1365	15
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1425	1395	30





	Mumbai (Expeller Oil)	1400	1390	10
	Kolkata(Expeller Oil)	1570	1630	-60
	New Delhi (Expeller Oil)	1345	1330	15
	Hapur (Expeller Oil)	1650	1670	-20
	Hapur (Kacchi Ghani Oil)	1700	1720	-20
	Agra (Kacchi Ghani Oil)	Closed	1405	-
Refined Cottonseed Oil	Rajkot	1445	1375	70
	Hyderabad	1445	1420	25
	Mumbai	1440	1410	30
	New Delhi	1425	1395	30
	Gujarat Cotton Wash	1400	1400	Unch
Coconut Oil	Kangayan (Crude)	1325	1340	-15
	Cochin	Closed	1380	-
Rice Bran Oil	Mumbai (Refined 4%)	1220	1210	10
	Bhatinda (Crude 4%)	1025	1075	-50
	Bhatinda (Refined 4%)	1140	1190	-50
	Hyderabad (Crude)	1125	1080	45
	Hyderabad (Refined)	1300	1270	30
	Kolkata (Crude)	1090	1110	-20
	Kolkata (Refined)	1170	1190	-20
	Raipur (Crude)	1150	1160	-10
	Raipur (Refined)	-	1330	-
	Vijayawada (Refined)	1190	1180	10
Malaysia Palmolein USD/MT	FOB	990	1085	-95
	CNF India	970	1155	-185
Indonesia CPO USD/MT	FOB	Unq	0	-
	CNF India	1000	1130	-130
Crude palm Kernel Oil India (USD/MT)	CNF India	1150	1170	-20
Ukraine Origin CSFO USD/MT Kandla	CIF	1600	1720	-120
Rapeseed Oil Rotterdam Euro/MT	FOB	NR	0	-
Argentina FOB (\$/MT)		15-Jul-22	8-Jul-22	Change
Crude Soybean Oil Ship		1304	1362	-58
Refined Soy Oil (Bulk) Ship		1350	1410	-60
Sunflower Oil Ship		1525	1550	-25
Cottonseed Oil Ship		1284	1342	-58



**\* 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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