



EDIBLE OIL MONTHLY RESEARCH REPORT

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CONTENTS

- ❖ EXECUTIVE SUMMARY
- ❖ RECOMMENDATIONS
- ❖ INTERNATIONAL VEG. OIL MARKET SUMMARY
- ❖ DOMESTIC MARKET FUNDAMENTALS
- ❖ TECHNICAL ANALYSIS (SPOT MARKET)
- ❖ TECHNICAL ANALYSIS (FUTURES MARKET)
- ❖ VEG. OIL PRICES AT KEY SPOT MARKETS

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

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

On the currency front, Indian rupee is hovering near 79.88 against 79.9 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 rising Soy oil stocks, US soybean crop condition, falling China's demand and sideways crude oil prices is likely to govern soy oil prices in the coming days.

Rising palm oil stock in Malaysia and Indonesia, production in major palm oil growing countries, 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 Statistics
Acreage

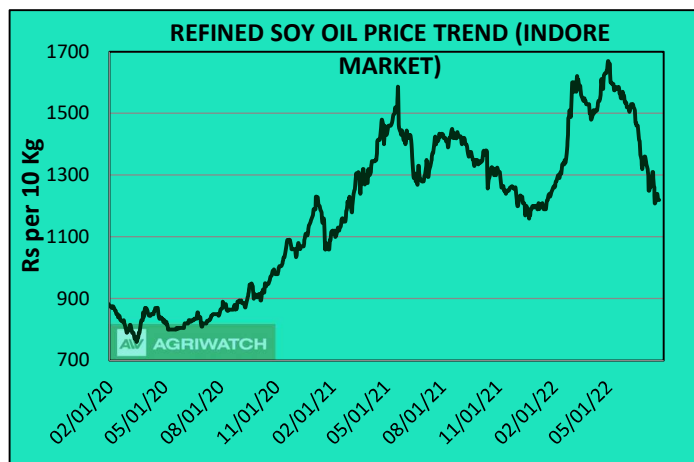
Area Covered (Lakh Ha) as of 22 July 2022			
Crop	2022	2021	% Change
Soybean	108.37	98.99	9.48%
Groundnut	33.29	36.13	-7.86%
Sunflower	1.46	1.04	40.38%
Seasmum	5.87	5.39	8.91%
Niger	0.06	0.1	-40.00%
Castor	0.54	0.31	74.19%
other Oilseeds	0.08	0.07	14.29%
Total Oilseeds	149.67	142.03	5.38%

Rainfall

Madhya Pradesh	Cumulative Rainfall Departure (%) 1st June to 24th July'22	Maharashtra	Cumulative Rainfall Departure (%) 1st June to 24th July'22	Rajasthan	Cumulative Rainfall Departure (%) 1st June to 24th July'22	Gujarat	Cumulative Rainfall Departure (%) 1st June to 24th July'22
Ujjain	27%	Nagpur	64%	Kota	89%	Rajkot	36%
Indore	22%	Amaravati	29%	Bundi	53%	Junagadh	51%
Dewas	83%	Akola	10%	Baran	34%	Amreli	22%
Dhar	4%	Buldhana	21%	Jhalawar	62%	Jamnagar	40%
Ratlam	16%	Washim	11%	Chittaurgarh	19%	Gir-Somnath	64%
Mandsaur	17%	Yavatmal	51%	Pratapgarh	10%	Banaskantha	27%
Shajahpur	65%	Hingoli	24%			Bhavnagar	-5%
Rajgah	63%	Jalna	22%			Kutch	184%
Ashok nagar	6%	Parbhani	71%				
Videsha	64%	Latur	87%				
MP	22%	Maharashtra	38%	Rajasthan	44%	Gujarat	61%

Soy oil Fundamental Analysis and Outlook:- Domestic Front

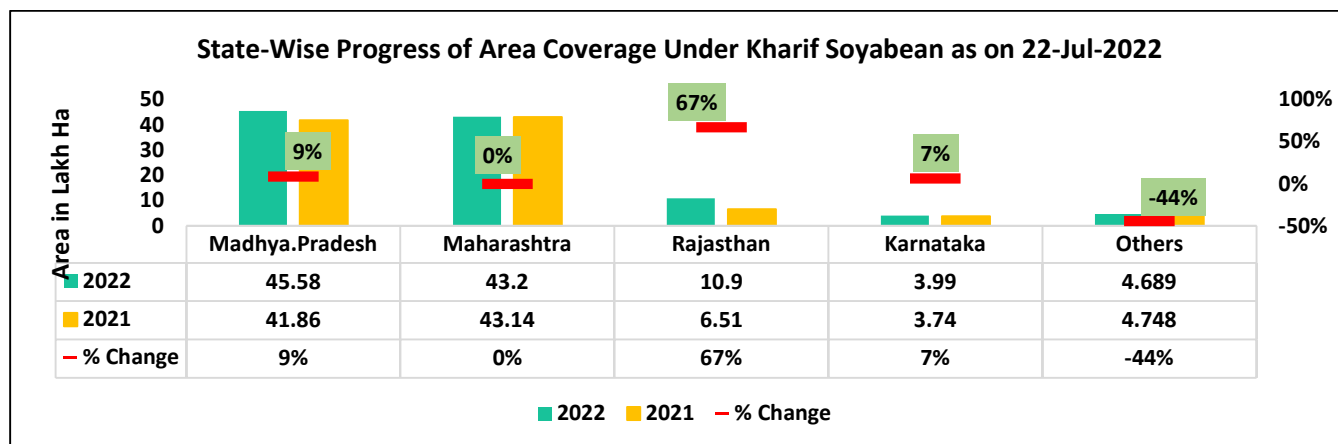
- **Refined Soy Oil Indore** prices are trading sideways, rangebound to Rs 1210-1240/10 Kg for 16th-23th July'22. Domestic soy oil prices have been weighed down mainly due to a correction in Argentina Soy oil FOB prices. However, prevailing dry weather conditions in the US's key soybean growing regions for the past two weeks are underpinning the prices.
- Higher domestic port and pipeline supplies are also pressuring price gains.
- 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

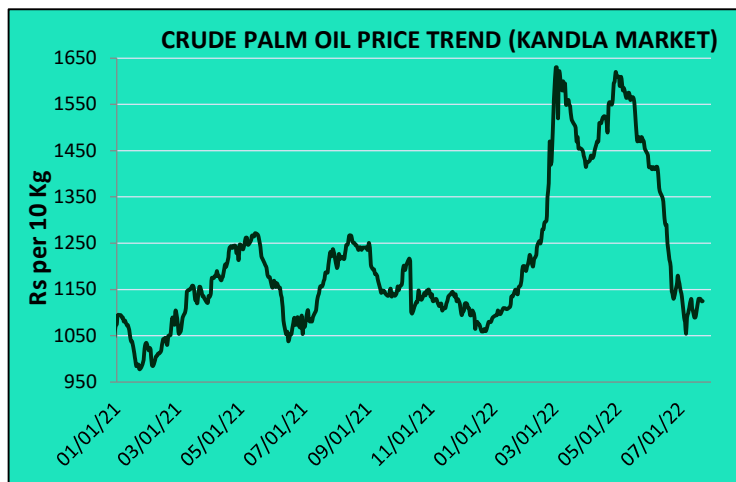
- CBOT soy oil prices witnessed uptrend for the past week, as dry weather conditioned prevailed due to low precipitation in US's key soybean growing region.
- Energy prices is trading sideways with weak bias, pressuring Soy oil prices.
- US's Weather condition in key soybean growing region is a major driver for the price momentum in coming term.

Price Outlook: We expect refined soy oil (without GST) at Indore to stay in the range of Rs 1090-1200 per 10 Kg in the near term.



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

- Crude palm oil (CPO) prices traded up for the previous week in the benchmark market Kandla by 3.21%. 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. However, domestic prices has not seen any downfall due to the correction in Indonesia's palm oil export duty.
- 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 CBOT Soy oil prices, while weighed down by correcting crude oil prices and higher Indonesia supply side.
- Aggressive exports of Palm oil from Indonesia have buildup the global palm oil supplies.
- Malaysia saw fall in Palm oil exports for period of 1-20th Jul'22 as Malaysia is facing labour issue and hampering with the supply chain of Palm oil. Palm oil export demand shift from Malaysia to Indonesia was also observed due to low prices amid scrapping off of export levy. Fall in palm oil exports is confirmed by various independent Consultant Agencies listed below:

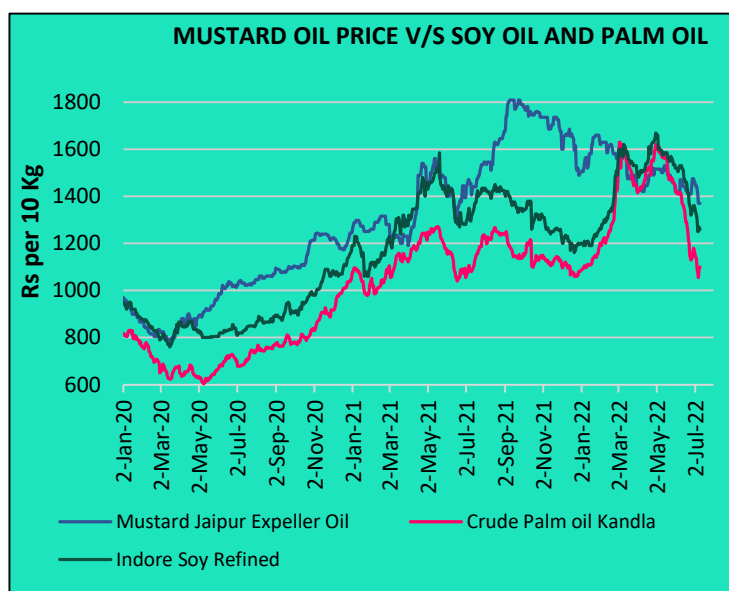
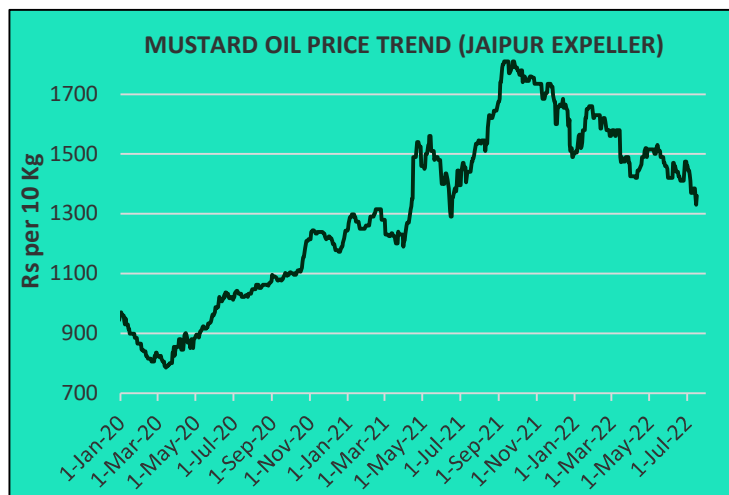
Agency/ Period	1-20 Jul'22	1-20 Jun'22	m-o-m % change
SGS	724,283	734,231	1.35
ITS	667,509	738,368	9.6
Amspec	646,853	659,768	1.96

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 downtrend at various markets for the past week in review. Prices traded down from Rs 1360 to Rs 1310 per 10 Kg, down by 3.68%.
- 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 over mustard oil, 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.



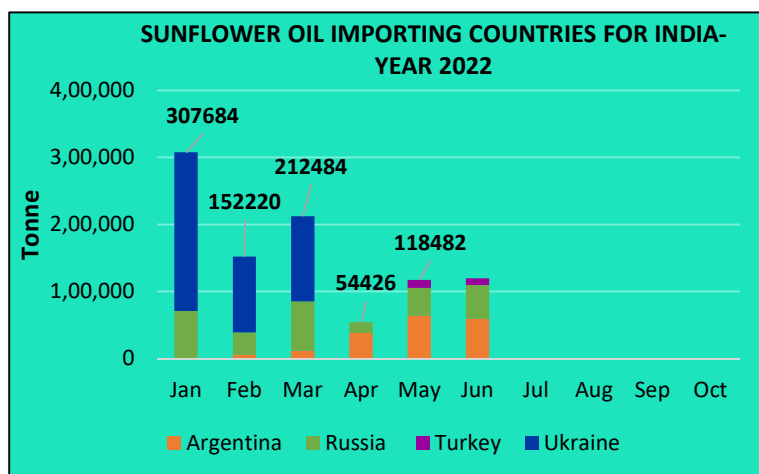
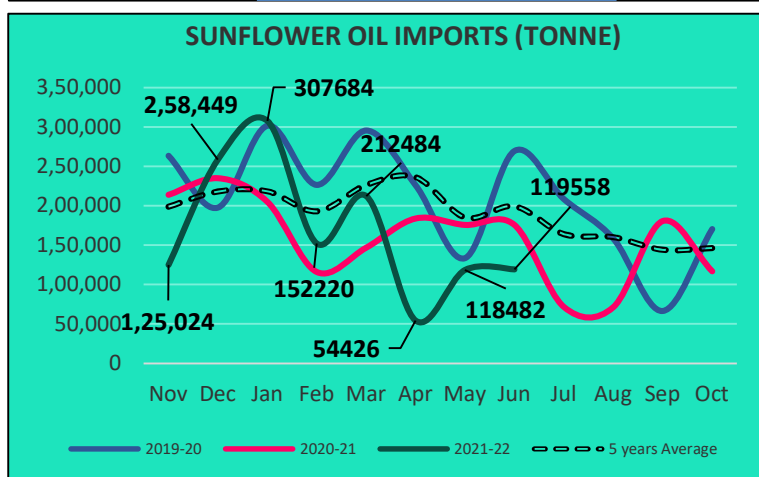
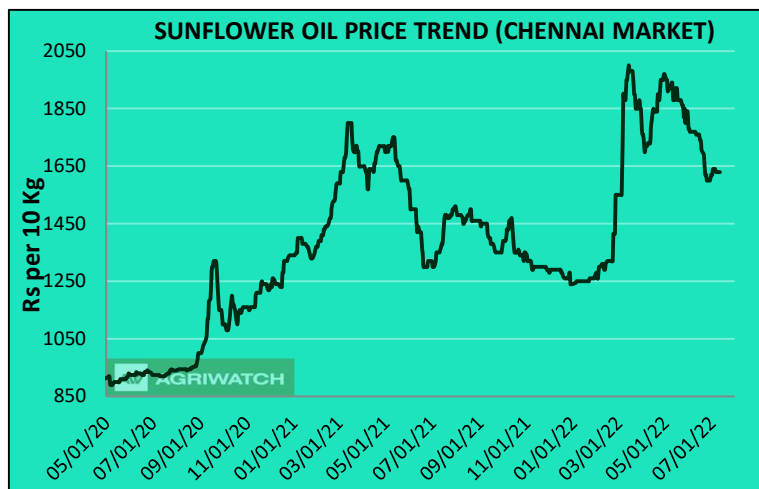
- Jaipur Expeller rapeseed oil has gained premium over refined soy oil in domestic market by Rs 90 per 10 kg compared to Rs 150 per 10 Kg last week.
- Jaipur Expeller rapeseed oil regained its premium over RBD palm olein at Rs 125 per 10 kg compared to Rs 210 per 10 Kg last week.

Price Outlook: Rapeseed Expeller oil (without GST) prices in Jaipur may trade in the range of Rs 1300-1400 per 10 Kg.

Sunflower oil Fundamental Review and Analysis:-

Domestic Front

- Sunflower oil prices at Chennai featured steady trend during week at Rs. 1560 per 10 Kg.
 - Prices are 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 20 Lakh tonne of Sun oil for a year, which would bear zero import duty.
 - Prices are also pressured by higher imports of sunflower oil, increasing its domestic supply side.
 - 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 to Argentina and Turkey 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 over Soy oil by Rs 340 compared to Rs 350 per 10 Kg last week. Meanwhile, refined sunflower oil (Chennai) premium over RBD palm olein (Kandla) is at Rs. 375 compared to premium of Rs 370 per 10 kg last week.
- In domestic market, Sunflower oil's (Chennai) premium over groundnut oil turned to discount by Rs. 90 compared to a discount of Rs. 65 last week.

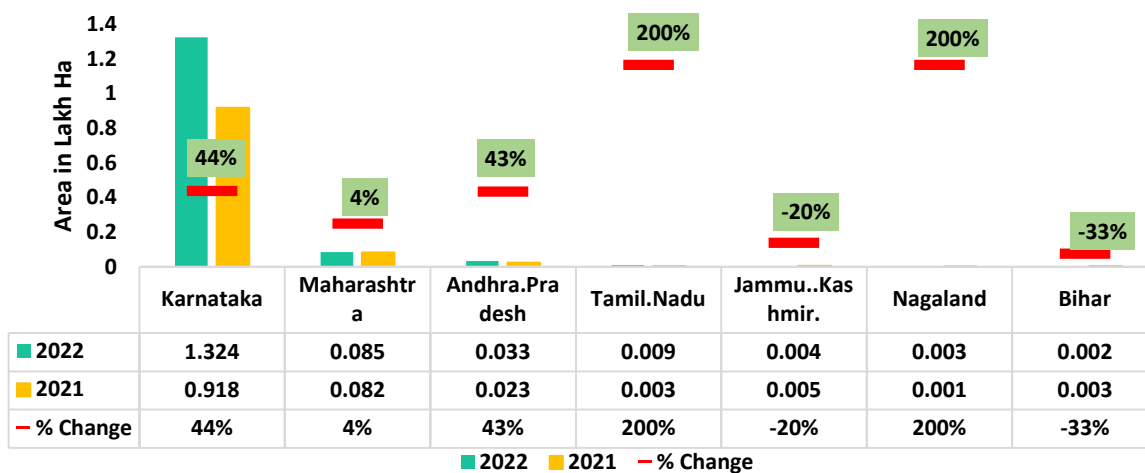


We expect sunflower oil prices to correct downwards in the coming days pressured by allotment of TRQ and higher imports of sunflower oil.

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

Sowing Progress

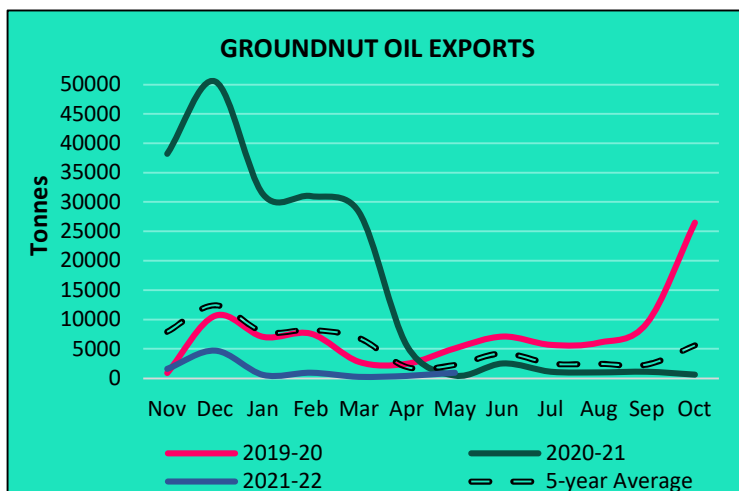
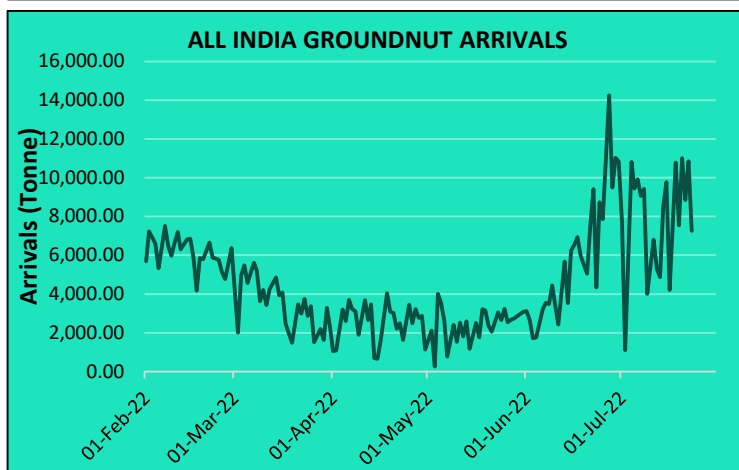
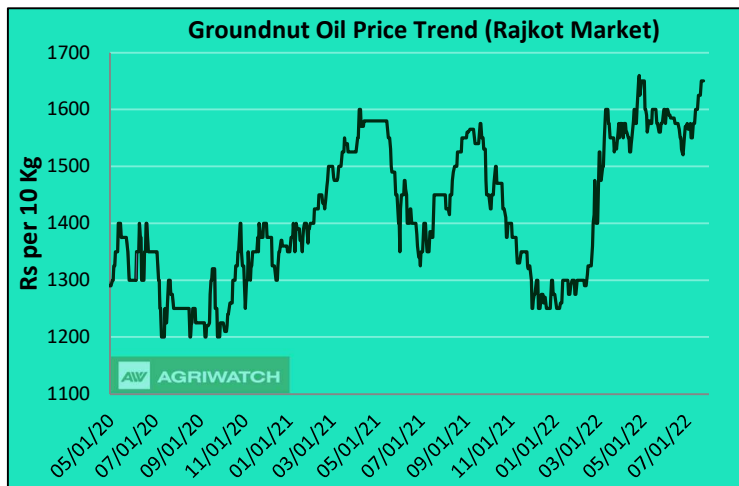
State-Wise Progress of Area Coverage Under Kharif Sunflower as on 22-Jul-2022



Groundnut oil Fundamental Review and Analysis:-

Domestic Front

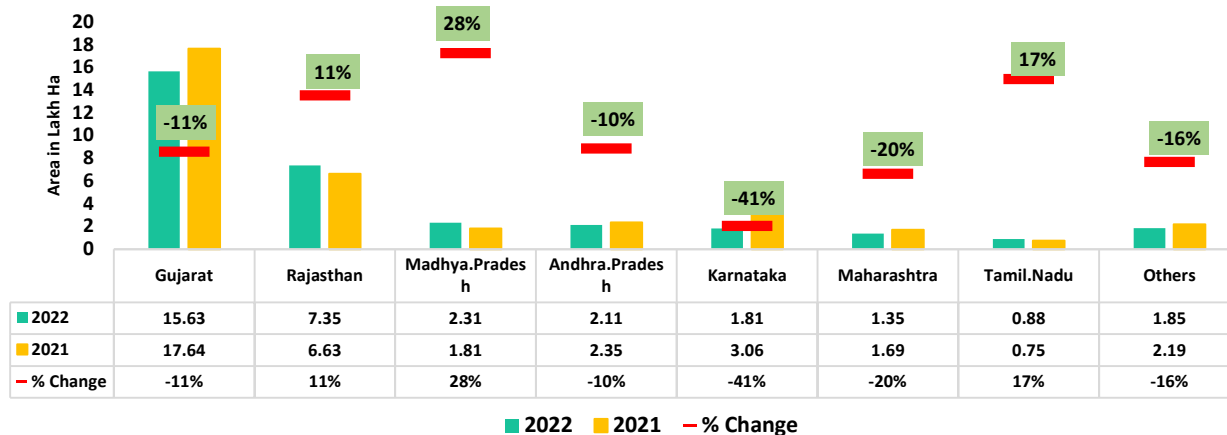
- Groundnut (GN) oil prices traded up at various market for the week in review. Prices traded up by 1.54 percent from Rs 1625 to Rs 1650 per 10 Kg.
- Prices edged up as GN oil export demand picked up mainly from China.
- Slow sowing progression for Kharif groundnut crop is also supporting the price gains.
- Groundnut oil has gained its premium over competing Palm and Soy oil. Declining prices of Sunflower oil have reversed the premium of sun oil over GN oil to discount, which is likely to weigh down the gains of groundnut oil prices in near term.
- As anticipated in previous report, higher import of China for GN oil from Mercosur countries led to low stock, which diverted the demand back to India.
- As can be seen in the chart named '**ALL INDIA GROUNDNUT ARRIVALS**', All India GN seed arrivals are up. However, arrivals specially from Gujarat is down due to low summer GN crop production, and export demand is mainly fulfilled from the Gujarat states. Thus, despite higher all India arrivals of GN seed, prices are firm.
- On the price front, currently the groundnut oil prices in Rajkot are at Rs 1,650 (Rs 1,625) per 10 Kg and it was Rs 1,650 (Rs 1,650) per 10 Kg in Chennai market on Jul 23, 2022. Values in brackets are figures of last week.



Price Outlook: Groundnut oil (without GST) prices in Rajkot is likely to trade steady in the range of Rs 1625-1650 per 10 Kg.

Sowing Progress

State-Wise Progress of Area Coverage Under Kharif Groundnut as on 22-Jul-2022

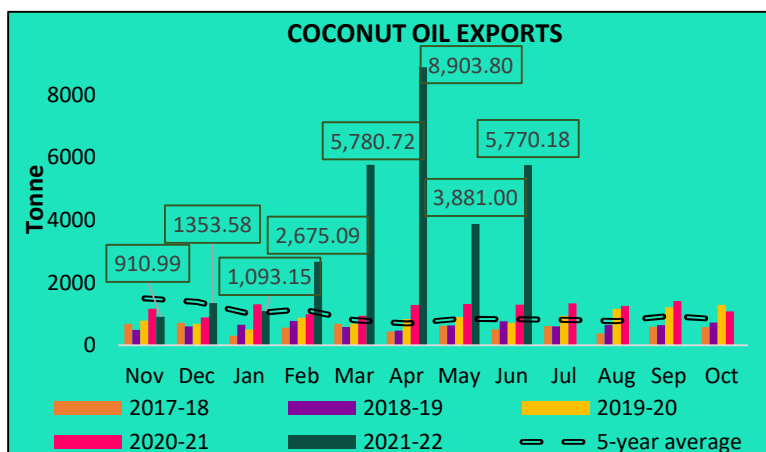
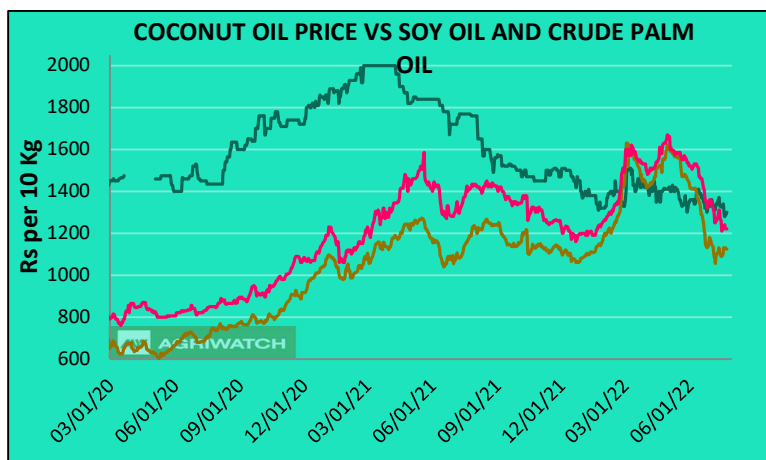
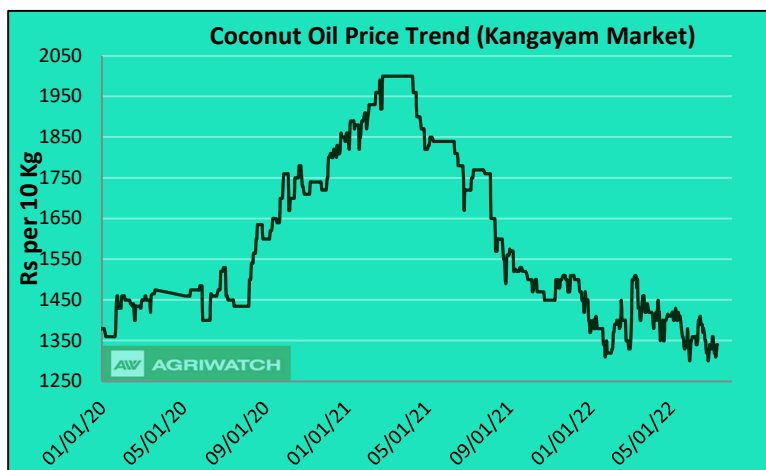


Coconut Oil Fundamental Review and Analysis:-

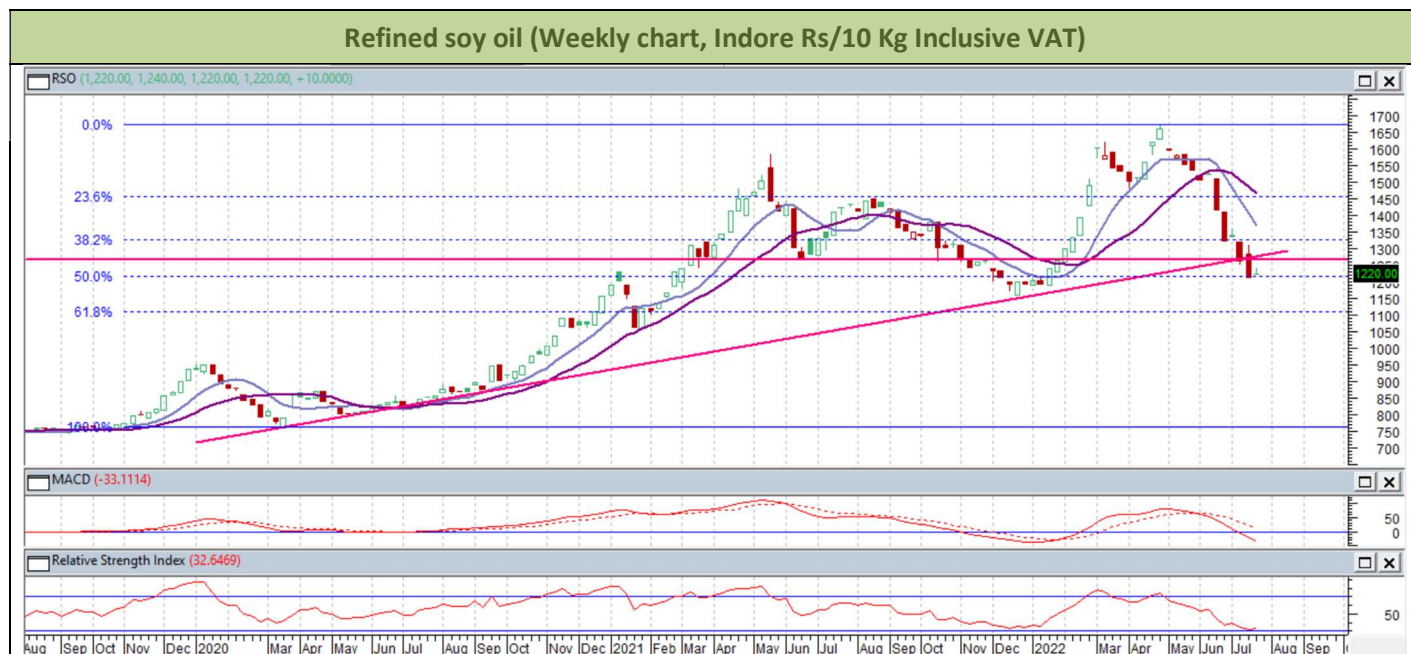
Domestic Front

- The Coconut oil prices at benchmark market Kangeyam declined, from the level of Rs 1325 to Rs 1300 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 rose in June, which is likely to extend support to the gains in prices.
- Export demand picked-up in June compared to May'22. Demand picked up mainly from UAE, Saudi Arabia and Sri Lanka.
- Coconut oil exports scenario- India exported 5,770.18 tonnes of Coconut oil in June 2022 higher compared to 3,881 tonnes export in May 2022, and 1,297.13 tonnes in June 2021. Rising export demand is likely to limit the fall in prices.
- On the price front, currently the coconut oil prices are being quoted at 1,300 (Rs 1,325) per 10 Kg in Kangeyam market on 23 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 have declined and is trading near the oversold zone, giving bearish sentiments. MACD has made a down cross and is declining with fall in prices, indicating towards weak sentiments. Prices are trading below the short- and long-term DMA's. 'Death Crossover' has formed as 9 DMA crossed 18 DMA from above, indicating bearish sentiments. Prices have taken support of 50.0% retracement level, and next support is seen at Rs 1000-1160 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, giving a bearish sentiment. MACD line and signal line are likely to converge, pointing towards sideways sentiments. Prices have closed below the 9 DMA and 18 DMA, indicating towards a bearish signal for the short term.

Prices have taken support of 50% 'Retracement level' and rebounded after making the low of Rs 1055/10 Kg. Immediate support is seen at Rs. 1090/10 Kg and next support is seen at Rs 1050 /10 Kg level.

Veg. Oil Prices at Key Spot Market

Edible Oil Spot Prices at key Markets:

Commodity	Centre	Prices (Per 10 Kg)		Change
		23-Jul-22	16-Jul-22	
Refined Soybean Oil	Indore	1220	1210	10
	Indore (Soy Solvent Crude)	1170	1170	Unch
	Mumbai	1230	1235	-5
	Mumbai (Soy Degum)	1200	1155	45
	Kandla/Mundra	1185	1170	15
	Kandla/Mundra (Soy Degum)	1200	1135	65
	Kolkata	1220	1210	10
	Delhi	1190	1200	-10
	Nagpur	1225	1240	-15
	Rajkot	1160	1190	-30
	Kota	1220	1200	20
	Akola	1215	1235	-20
	Amrawati	1215	1235	-20
	Bundi	1230	1210	20
	Jalna	1215	1225	-10
	Solapur	1220	1230	-10
	Dhule	1215	1225	-10
	Nanded	1220	1230	-10
	Latur	1220	1230	-10
	Argentina Crude Soya (CIF India) USD	1253	1357	-104
Palm Oil	Kandla (Crude Palm Oil)	1125	1090	35
	Kandla (RBD Palm oil)	1160	1120	40
	Kandla RBD Pamolein	1185	1150	35
	Kakinada (Crude Palm Oil)	1040	1060	-20
	Kakinada RBD Pamolein	1180	1200	-20
	Haldia Pamolein	1160	1150	10
	Chennai RBD Pamolein	1185	1190	-5
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1241	1232	9
	Krishnapattanam RBD Pamolein	1170	1160	10
	Mumbai RBD Pamolein	1190	1160	30
	Mangalore RBD Pamolein	1185	1200	-15
	Mumbai (Refined)	1150	1150	Unch
	Rajkot (Refined)	1180	1140	40
	Chennai (Refined)	1185	1200	-15

	Hyderabad (Refined)	1190	1145	45
	Delhi (Refined)*	1140	1142	-2
	PFAD (Kandla)	720	710	10
	RPS (Kandla)	970	950	20
	Superolien (Kandla)	1215	1180	35
	Superolien (Mumbai)	1220	1190	30
	Kochi (RBD Palmolein)	-	1225	-
	Krishnapattanam (Crude Palm Oil)	1040	1060	-20
	Kolkata (Crude Palm Oil)	1155	1170	-15
Refined Sunflower Oil	Chennai (Refined)	1560	1560	Unch
	Chennai (Crude)	1500	1520	-20
	Mumbai (Refined)	1580	1580	Unch
	Mumbai(Expeller Oil)	1500	1520	-20
	Kandla (Refined)	1580	1580	Unch
	Hyderabad (Refined)	1600	1590	10
	Hyderabad (Expeller)	1520	1490	30
	Latur (Refined)	1560	1570	-10
	Latur (Expeller Oil)	1490	1510	-20
	Chellakere (Expeller Oil)	1500	1450	50
	Erode (Expeller Oil)	1620	1620	Unch
	Kakinada (Refined)	1580	1620	-40
	Krishna Pattanam (Refined)	1580	1620	-40
Groundnut Oil	Rajkot	1650	1625	25
	Chennai	1650	1650	Unch
	Delhi*	1645	1630	15
	Hyderabad *	1620	1575	45
	Mumbai	1650	1610	40
	Gondal	1650	1625	25
	Jamnagar	1650	1625	25
	Gujarat GN Telia	2580	2540	40
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1310	1360	-50
	Jaipur (Kacchi Ghani Oil)	1395	1445	-50
	Kota (Expeller Oil)	1360	1390	-30
	Kota (Kacchi Ghani Oil)	1390	1420	-30
	Neewai (Expeller Oil)	1300	1340	-40
	Neewai (Kacchi Ghani Oil)	1385	1430	-45
	Bharatpur (Kacchi Ghani Oil)	1360	Closed	-
	Sri-Ganga Nagar(Exp Oil)	1330	1380	-50
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1375	1425	-50



	Mumbai (Expeller Oil)	1380	1400	-20
	Kolkata (Expeller Oil)	1550	1570	-20
	New Delhi (Expeller Oil)	1320	1345	-25
	Hapur (Expeller Oil)	1650	1650	Unch
	Hapur (Kacchi Ghani Oil)	1700	1700	Unch
	Agra (Kacchi Ghani Oil)	1365	Closed	-
Refined Cottonseed Oil	Rajkot	1460	1445	15
	Hyderabad	1435	1445	-10
	Mumbai	1440	1440	Unch
	New Delhi	1415	1425	-10
	Gujarat Cotton Wash	1390	1400	-10
Coconut Oil	Kangayan (Crude)	1300	1325	-25
	Cochin	1380	1380	Unch
Rice Bran Oil	Mumbai (Refined 4%)	1140	1220	-80
	Bhatinda (Crude 4%)	1020	1025	-5
	Bhatinda (Refined 4%)	1135	1140	-5
	Hyderabad (Crude)	1070	1125	-55
	Hyderabad (Refined)	1230	1300	-70
	Kolkata (Crude)	1050	1090	-40
	Kolkata (Refined)	1130	1170	-40
	Raipur (Crude)	1120	1150	-30
	Vijayawada (Refined)	1150	1190	-40
Malaysia Palmolein USD/MT	FOB	1000	990	10
	CNF India	985	970	15
Indonesia CPO USD/MT	FOB	Unq	0	-
	CNF India	1025	1000	25
Crude palm Kernel Oil India (USD/MT)	CNF India	1185	1150	35
Ukraine Origin CSFO USD/MT Kandla	CIF	1530	1600	-70
Argentina FOB (\$/MT)		22-Jul-22	15-Jul-22	Change
Crude Soybean Oil Ship		1276	1304	-28
Refined Soy Oil (Bulk) Ship		1321	1350	-29
Sunflower Oil Ship		1500	1525	-25
Cottonseed Oil Ship		1256	1284	-28

* 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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