



# EDIBLE OIL MONTHLY RESEARCH REPORT

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**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 upward trend. In domestic market, Sunflower oil traded steady and Groundnut oil, and Coconut oil traded down. While Mustard oil, Soy oil, and palm oil traded up at their respective bench markets.*

*On the currency front, Indian rupee is hovering near 79.20 against 79.88 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 upwards on bullish fundamentals.*

**International Veg. Oil Market Summary**

*On the international front, lower rising Soy oil stocks, US soybean crop condition and weather 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

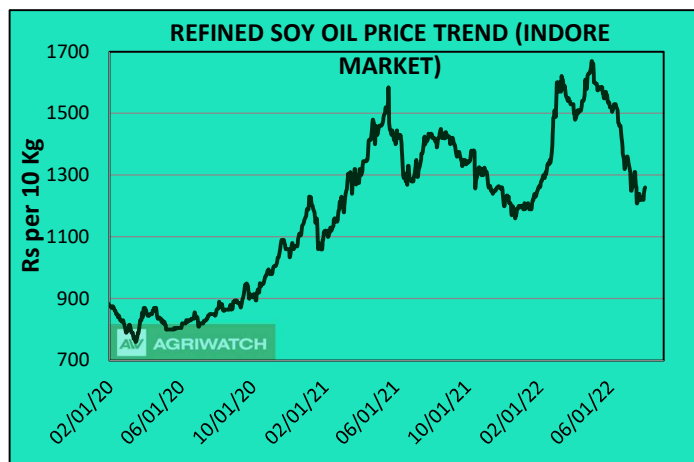
<b>Area Covered (Lakh Ha) as of 29 July 2022</b>			
<b>Crop</b>	<b>2022</b>	<b>2021</b>	<b>% Change</b>
Soybean	114.68	111.88	2.50%
Groundnut	37.41	41.35	-9.53%
Sunflower	1.57	1.1	42.73%
Sesamum	8.74	7.81	11.91%
Niger	0.16	0.12	33.33%
Castor	1.68	0.72	133.33%
other Oilseeds	0.11	0.08	37.50%
<b>Total Oilseeds</b>	<b>164.34</b>	<b>163.03</b>	<b>0.80%</b>

#### Rainfall

Madhya Pradesh	Cumulative Rainfall Departure (%) 1st June to 31st July'22	Maharashtra	Cumulative Rainfall Departure (%) 1st June to 31st July'22	Rajasthan	Cumulative Rainfall Departure (%) 1st June to 31st July'22	Gujarat	Cumulative Rainfall Departure (%) 1st June to 31st July'22
Ujjain	8%	Nagpur	53%	Kota	73%	Rajkot	19%
Indore	7%	Amaravati	18%	Bundi	39%	Junagadh	33%
Dewas	61%	Akola	0%	Baran	28%	Amreli	12%
Dhar	-9%	Buldhana	13%	Jhalawar	40%	Jamnagar	20%
Ratlam	-1%	Washim	10%	Chittaurgarh	19%	Gir-Somnath	46%
Mandsaur	-1%	Yavatmal	46%	Pratapgarh	-2%	Banaskantha	35%
Shajahpur	45%	Hingoli	18%			Bhavnagar	-12%
Rajgah	43%	Jalna	26%			Kutch	136%
Ashok nagar	11%	Parbhani	57%				
Videsha	51%	Latur	76%				
<b>MP</b>	<b>16%</b>	<b>Maharashtra</b>	<b>27%</b>	<b>Rajasthan</b>	<b>50%</b>	<b>Gujarat</b>	<b>45%</b>

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

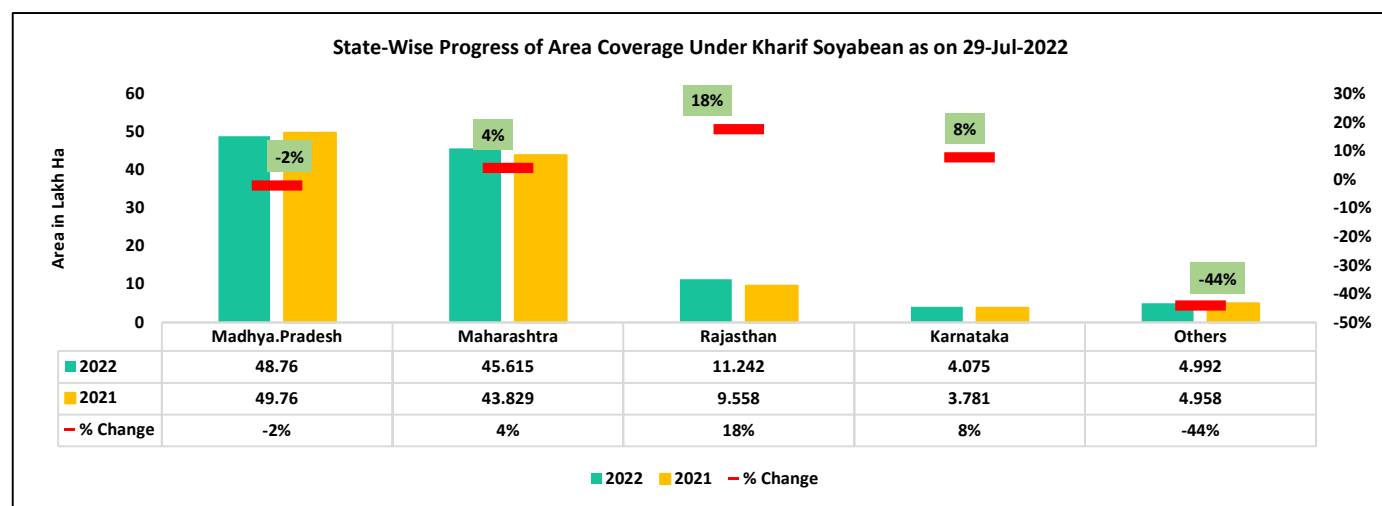
- **Refined Soy Oil Indore** prices are trading up from Rs 1220 to Rs 1260/10 Kg for 23<sup>rd</sup>-30<sup>th</sup> July'22. Domestic soy oil prices traded up mainly supported by prevailing dry weather conditions in the US's key soybean growing regions for the past two weeks.
- Domestic demand for soy oil has also picked up, thus crushing of soybean seeds is likely to be up in August.
- 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 up in coming term in tandem with bullish 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 are 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.

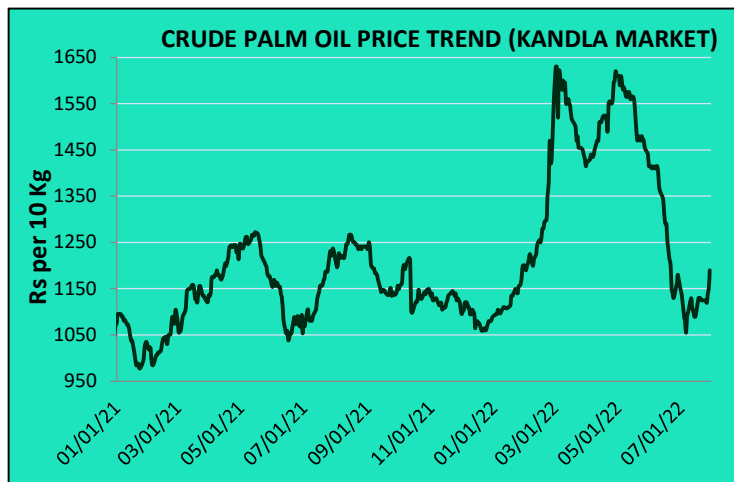
**Price Outlook:** We expect refined soy oil (without GST) at Indore to stay in the range of Rs 1220-1300 per 10 Kg in the near term.



### 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 5.78%. Domestic prices are supported following rising international Palm oil market.
- BMD palm oil prices are trading up supported by rising rival soy oil prices and rising crude oil 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 have 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 upward 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, along with bullish soy oil fundamentals.



#### 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 1-20<sup>th</sup> 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:

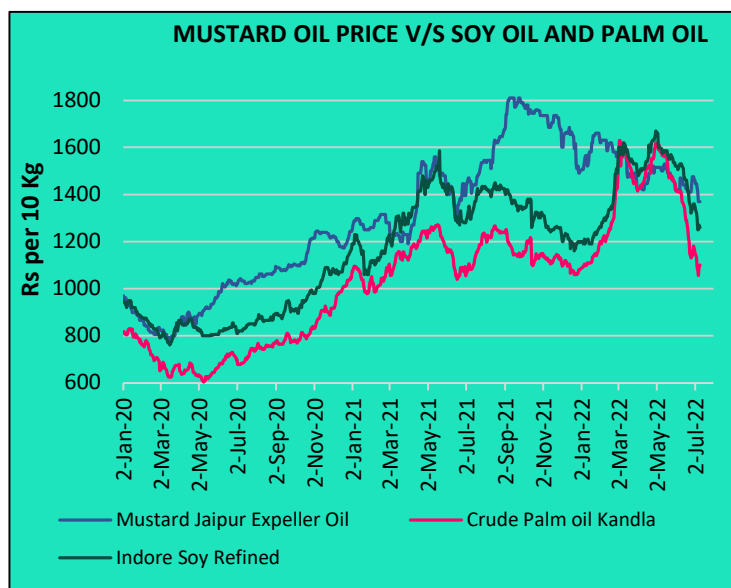
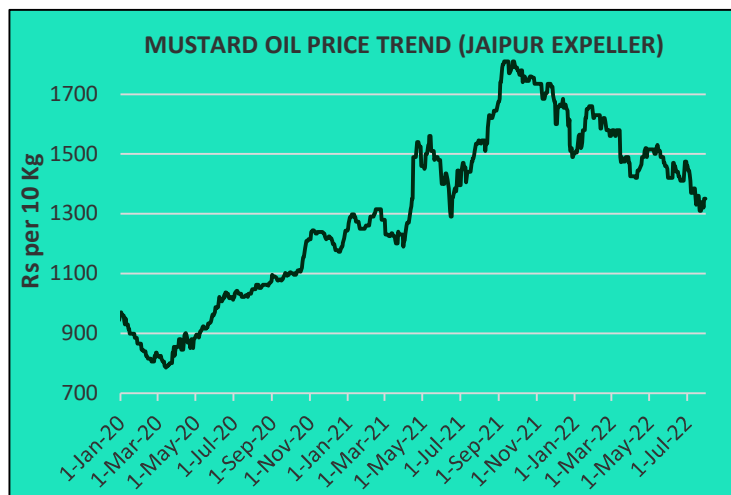
Agency/ Period	1-20 Jul'22	1-20 Jun'22	m-o-m % change
SGS	724,283	734,231	1.35
ITS	667,509	738,368	9.6
Amspec	646,853	659,768	1.96

**Price Outlook:** We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 1160-1250 per 10 Kg in the near term.

### Rapeseed oil Fundamental Review and Analysis-

#### Domestic Front

- Mustard oil prices witnessed uptrend at various markets for the past week in review. Prices traded up from Rs 1310 to Rs 1350 per 10 Kg, up by 3.05%.
- Prices witnessed rising momentum supported by bullish sentiments in competing oils.
- Prices are likely to trade sideways with upward 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.



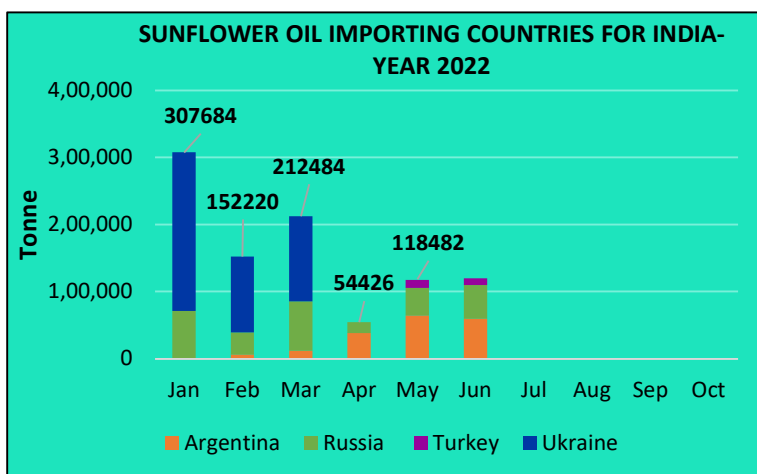
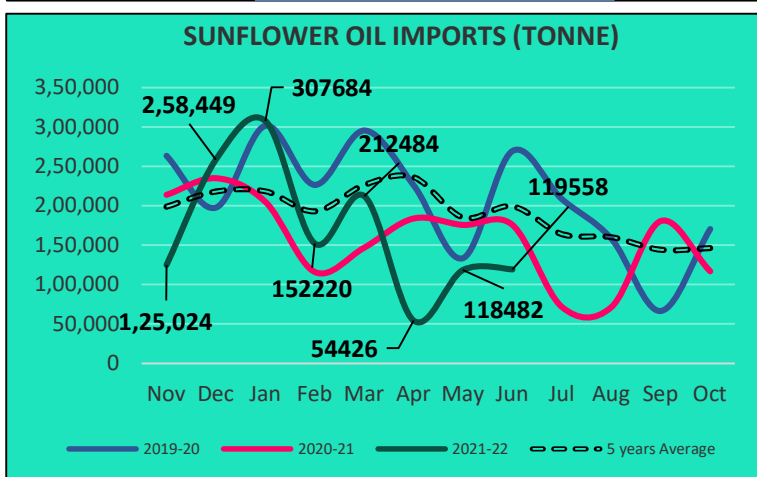
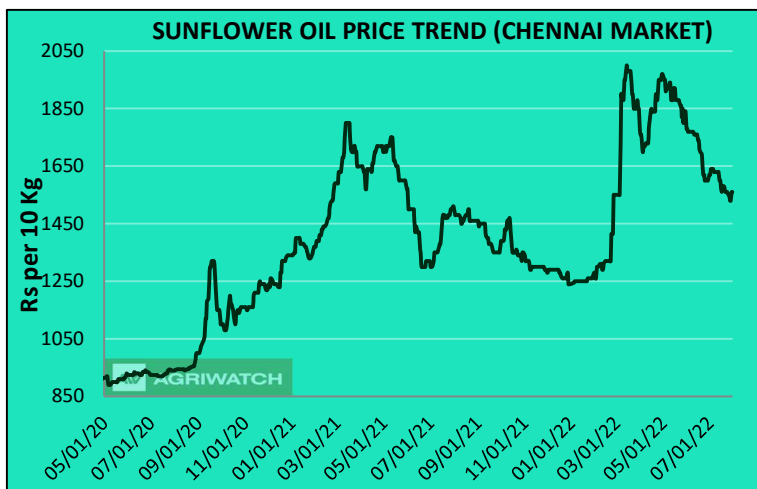
- Jaipur Expeller rapeseed oil has gained premium over refined soy oil in domestic market by Rs 90 per 10 kg same as last week.
- Jaipur Expeller rapeseed oil regained its premium over RBD palm olein at Rs 125 per 10 kg same as last week.

**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.

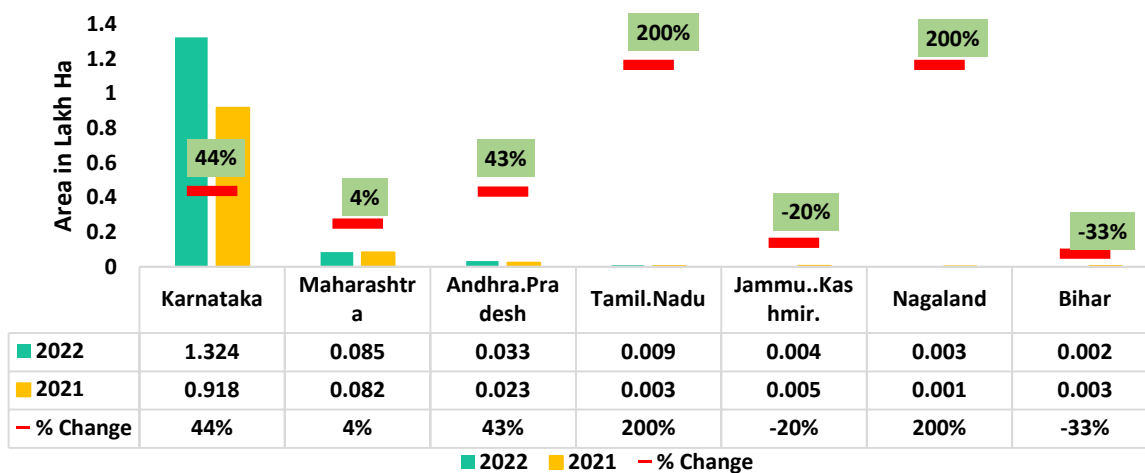


We expect sunflower oil prices to correct downwards in the coming days pressured by allotment of TRQ and higher imports of sunflower oil.

**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**



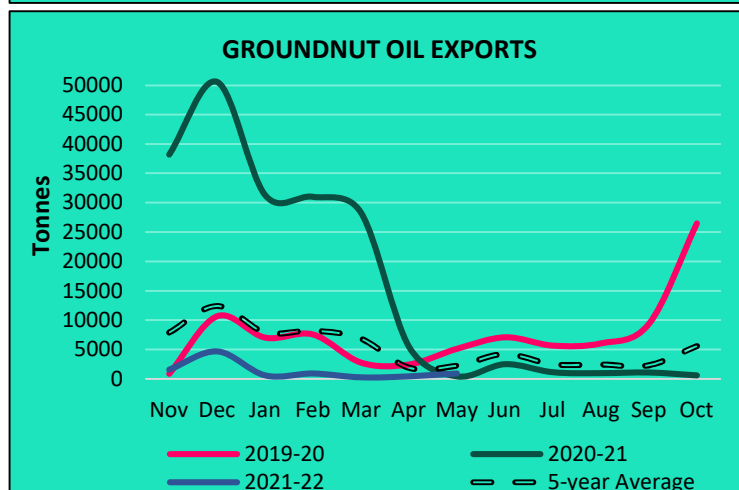
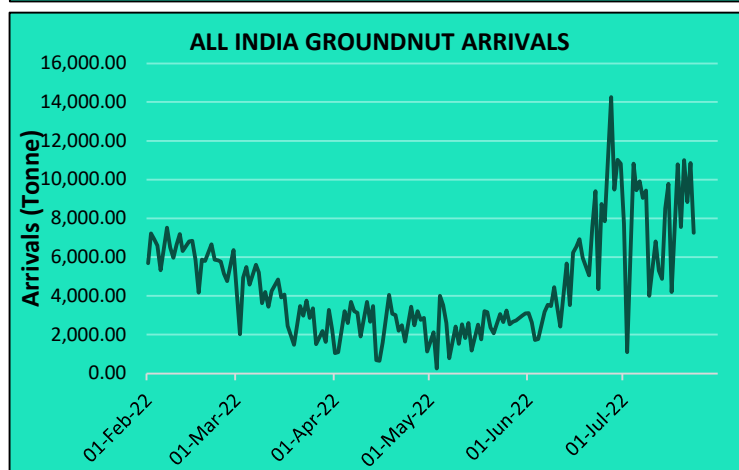
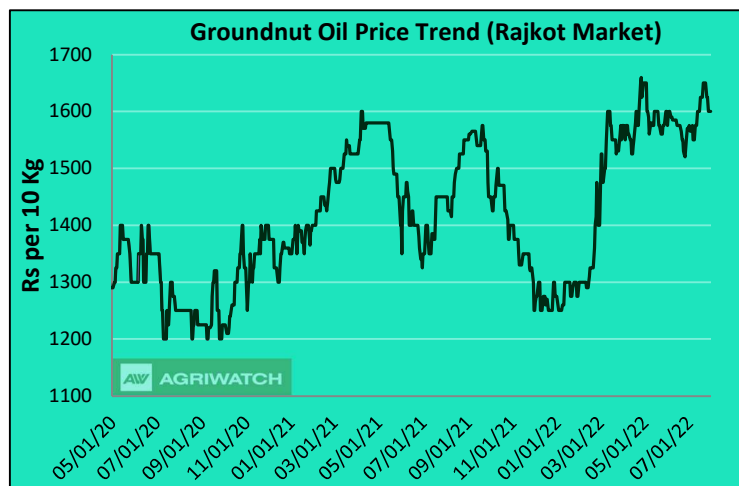


### Groundnut oil Fundamental Review and Analysis:-

#### Domestic Front

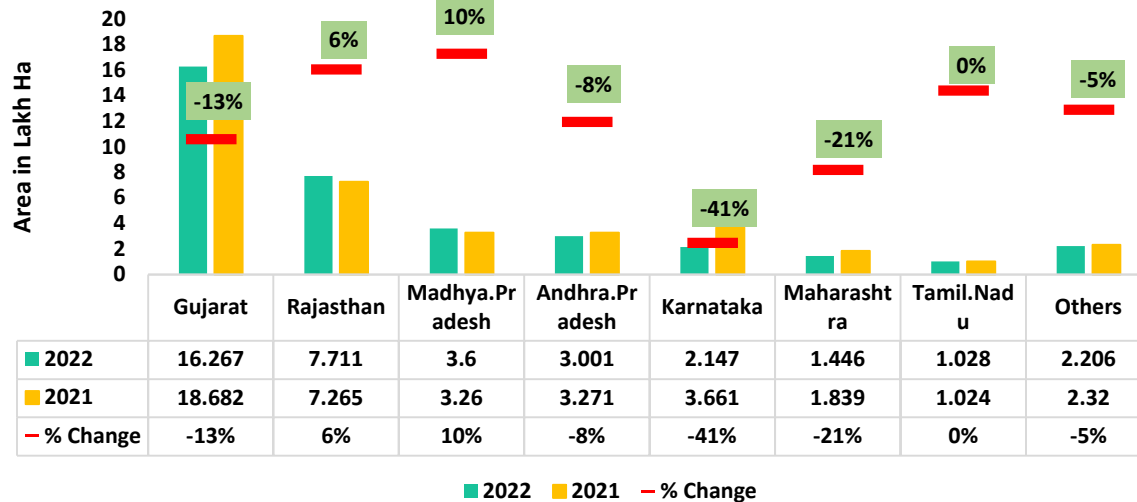
- Groundnut (GN) oil prices traded marginally down at various market for the week in review. Prices traded down by 3.03 percent from Rs 1650 to Rs 1600 per 10 Kg.
- Prices edged down as GN oil has premium over competing oils, capping its gains.
- Slow sowing progression for Kharif groundnut crop is likely to support the price gains.
- 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 1,600 (Rs 1,650) per 10 Kg and it was Rs 1,620 (Rs 1,650) per 10 Kg in Chennai market on Jul 30, 2022. Values in brackets are figures of last week.
- Prices are likely to trade sideways in the range of Rs 1600-1650/10 Kg as GN oil demand would be curbed due to its premium over competing oils.

**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 29-Jul-2022

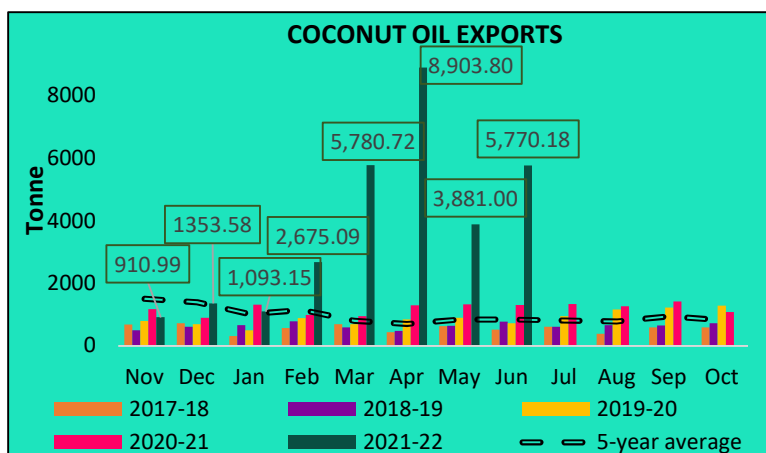
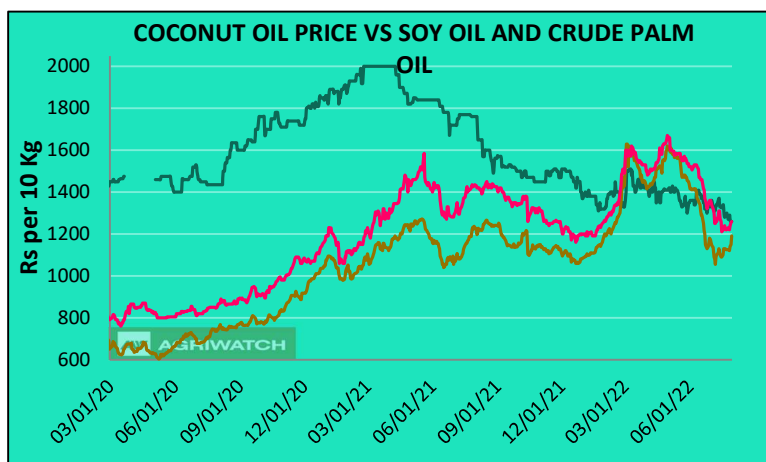
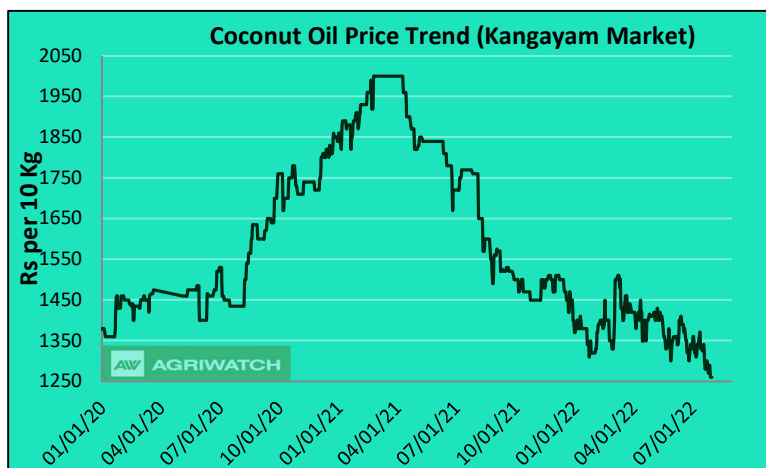


## Coconut Oil Fundamental Review and Analysis:-

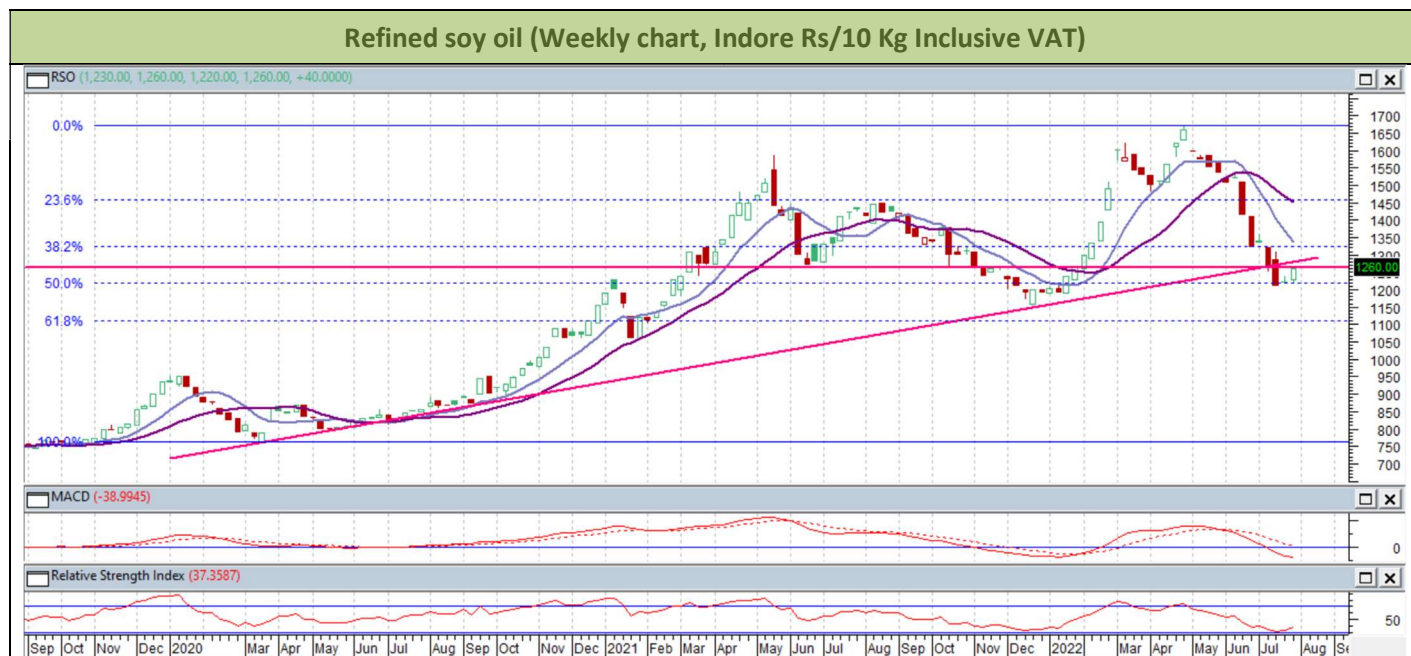
### Domestic Front

- The Coconut oil prices at benchmark market Kangeyam declined, from the level of Rs 1300 to Rs 1260 per 10 Kg level.
- The demand for the coconut oil is steady, however higher supply side is capping the gains.
- 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 1250-1320 per 10 Kg.



### Technical Analysis (Refined soy oil)



#### Technical Commentary –

As can be seen in the chart, prices took support of Rs 1220/10 Kg level. RSI is rising in the neutral zone indicating strengthening in buying. MACD lines are diverging, indicating towards weak sentiments. Prices are trading below the short- and long-term DMA's.

Prices have taken support of 50.0% retracement level, and resistance is seen at 38.2% Fibonacci Retracement level.

### Technical Analysis (Crude Palm oil)

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



#### Technical Commentary –

Stochastic Oscillators is rising in oversold zone, indicating towards a rebound in prices. 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.

However, Prices are making higher highs, giving a positive signal. Prices have taken support of 50% 'Retracement level' and rebounded to 38.2% 'Retracement level'. Prices are likely to retest the level for a bullish confirmation.

Veg. Oil Prices at Key Spot Market

## Edible Oil Spot Prices at key Markets:

Commodity	Centre	Prices (Per 10 Kg)		Change
		30-Jul-22	23-Jul-22	
Refined Soybean Oil	Indore	1260	1220	40
	Indore (Soy Solvent Crude)	1205	1170	35
	Mumbai	1285	1230	55
	Mumbai (Soy Degum)	1240	1200	40
	Kandla/Mundra	1245	1185	60
	Kandla/Mundra (Soy Degum)	1227	1200	27
	Kolkata	1260	1220	40
	Delhi	1220	1190	30
	Nagpur	1275	1225	50
	Rajkot	1230	1160	70
	Kota	1290	1220	70
	Akola	1255	1215	40
	Amrawati	1255	1215	40
	Bundi	1300	1230	70
	Jalna	1270	1215	55
	Solapur	1270	1220	50
	Dhule	1290	1215	75
	Nanded	1260	1220	40
	Latur	1280	1220	60
	Argentina Crude Soya (CIF India) USD	1431	1253	178
	Argentina Crude Soya (FOB)	1351	1247	104
Palm Oil	Kandla (Crude Palm Oil)	1190	1125	65
	Kandla (RBD Palm oil)	1205	1160	45
	Kandla RBD Pamolein	1225	1185	40
	Kakinada (Crude Palm Oil)	1110	1040	70
	Kakinada RBD Pamolein	1225	1180	45
	Haldia Pamolein	1220	1160	60
	Chennai RBD Pamolein	1200	1185	15
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1274	1241	33
	Krishnapattanam RBD Pamolein	1240	1170	70
	Mumbai RBD Pamolein	1250	1190	60
	Mangalore RBD Pamolein	1225	1185	40
	Mumbai (Refined)	1180	1150	30
	Rajkot (Refined)	1210	1180	30

	Chennai (Refined)	1225	1185	40
	Hyderabad (Refined)	1200	1190	10
	Delhi (Refined)*	1140	1140	Unch
	PFAD (Kandla)	765	720	45
	RPS (Kandla)	960	970	-10
	Superolien (Kandla)	1255	1215	40
	Superolien (Mumbai)	1280	1220	60
	Kochi (RBD Palmolein)	-	1195	-
	Krishnapattanam (Crude Palm Oil)	1110	1040	70
	Kolkata (Crude Palm Oil)	1220	1155	65
Refined Sunflower Oil	Chennai (Refined)	1560	1560	Unch
	Chennai (Crude )	1500	1500	Unch
	Mumbai (Refined)	1600	1580	20
	Mumbai (Expeller Oil)	1500	1500	Unch
	Kandla (Refined)	1600	1580	20
	Hyderabad (Refined)	1560	1600	-40
	Hyderabad (Expeller)	1500	1520	-20
	Latur (Refined)	1550	1560	-10
	Latur (Expeller Oil)	1460	1490	-30
	Chellakere (Expeller Oil)	1440	1500	-60
	Erode (Expeller Oil)	1570	1620	-50
	Kakinada (Refined)	1540	1580	-40
	Krishna Pattanam (Refined)	1540	1580	-40
Groundnut Oil	Rajkot	1600	1650	-50
	Chennai	1620	1650	-30
	Delhi*	1590	1645	-55
	Hyderabad *	1570	1620	-50
	Mumbai	1620	1650	-30
	Gondal	1575	1650	-75
	Jamnagar	1575	1650	-75
	Gujarat GN Telia	2550	2580	-30
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1350	1310	40
	Jaipur (Kacchi Ghani Oil)	1445	1395	50
	Kota (Expeller Oil)	1390	1360	30
	Kota (Kacchi Ghani Oil)	1420	1390	30
	Neewai (Expeller Oil)	1340	1300	40
	Neewai (Kacchi Ghani Oil)	1430	1385	45
	Bharatpur (Kacchi Ghani Oil)	1400	1360	40
	Sri-Ganga Nagar (Exp Oil)	1380	1330	50





	Sri-Ganga Nagar (Kacchi Ghani Oil)	1425	1375	50
	Mumbai (Expeller Oil)	1380	1380	Unch
	Kolkata(Expeller Oil)	1550	1550	Unch
	New Delhi (Expeller Oil)	1340	1320	20
	Hapur (Expeller Oil)	1570	1650	-80
	Hapur (Kacchi Ghani Oil)	1620	1700	-80
	Agra (Kacchi Ghani Oil)	1405	1365	40
Refined Cottonseed Oil	Rajkot	1480	1460	20
	Hyderabad	1470	1435	35
	Mumbai	1490	1440	50
	New Delhi	1445	1415	30
	Gujarat Cotton Wash	1460	1390	70
Coconut Oil	Kangayan (Crude)	1260	1300	-40
	Cochin	Closed	1380	-
Rice Bran Oil	Mumbai (Refined 4%)	1140	1140	Unch
	Bhatinda (Crude 4%)	1050	1020	30
	Bhatinda (Refined 4%)	1165	1135	30
	Hyderabad (Crude)	1070	1070	Unch
	Hyderabad (Refined)	1230	1230	Unch
	Kolkata (Crude)	1120	1050	70
	Kolkata (Refined)	1190	1130	60
	Raipur (Crude)	1120	1120	Unch
	Vijayawada (Refined)	1150	1150	Unch
Malaysia Palmolein USD/MT	FOB	1145	1000	145
	CNF India	1085	985	100
Indonesia CPO USD/MT	FOB	Unq	0	-
	CNF India	1170	1025	145
Crude palm Kernel Oil India (USD/MT)	CNF India	1225	1185	40
Ukraine Origin CSFO USD/MT Kandla	CIF	1530	1530	Unch
Argentina FOB (\$/MT)		29-Jul-22	22-Jul-22	Change
Crude Soybean Oil Ship		1359	1276	83
Refined Soy Oil (Bulk) Ship		1407	1321	86
Sunflower Oil Ship		1460	1500	-40
Cottonseed Oil Ship		1339	1256	83
* 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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