

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, palm oil prices, Soy oil, and Coconut oil corrected downwards, while Groundnut oil traded steady and Mustard oil traded marginally up at their respective bench markets.

On the currency front, Indian rupee is hovering near 79.65 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 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 Statistics
Acreage

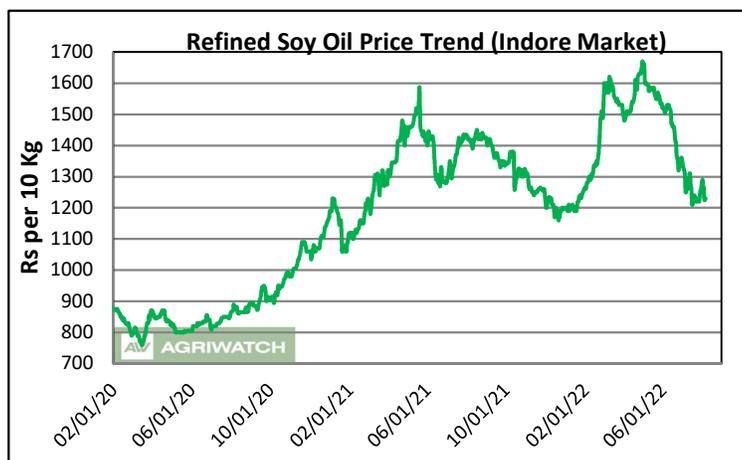
| Area Covered (Lakh Ha) as of 5 August 2022 | | | |
|--|---------------|---------------|--------------|
| Crop | 2022 | 2021 | % Change |
| Soybean | 117.51 | 115.10 | 2.09% |
| Groundnut | 41.09 | 44.39 | -7.43% |
| Sunflower | 1.70 | 1.32 | 28.79% |
| Sesamum | 11.09 | 11.21 | -1.07% |
| Niger | 0.21 | 0.23 | -8.70% |
| Castor | 3.08 | 1.48 | 108.11% |
| other Oilseeds | 0.12 | 0.08 | 50.00% |
| Total Oilseeds | 174.79 | 173.82 | 0.56% |

Rainfall

| District wise Cumulative Rainfall Departure 1st June to 7th August 2022 | | | | | | | |
|---|--|-------------------|--|------------------|--|----------------|--|
| Madhya Pradesh | Cumulative Rainfall Departure (%) 1st June to 31th July'22 | Maharashtra | Cumulative Rainfall Departure (%) 1st June to 31th July'22 | Rajasthan | Cumulative Rainfall Departure (%) 1st June to 31th July'22 | Gujarat | Cumulative Rainfall Departure (%) 1st June to 31th July'22 |
| Dewas | 41% | Nagpur | 42% | Kota | 52% | Kutchh | 113% |
| Vidisha | 31% | Yavatmal | 31% | Bundi | 27% | Gir somnath | 40% |
| Rajgah | 27% | Amrawati | 7% | Jhalawar | 22% | Junagarh | 25% |
| Shajahpur | 25% | Washim | 6% | Baran | 15% | Amreli | 14% |
| Indore | 4% | Buldhana | 3% | Chittorgarh | 12% | Jamnagar | 12% |
| Ashok nagar | 3% | Akola | -9% | Pratapgarh | 2% | Rajkot | 9% |
| Ujjain | -4% | Latur | 64% | | | Bhavnagar | -6% |
| Mandsaur | -8% | Parbhani | 43% | | | Banaskatha | 26% |
| Dhar | -9% | Jalna | 19% | | | | |
| Ratlam | -15% | Hingoli | 7% | | | | |
| Madhya pradesh | 4% | Maharastra | 20% | Rajasthan | 40% | Gujarat | 33% |

Soy oil Fundamental Analysis and Outlook-:
Domestic Front

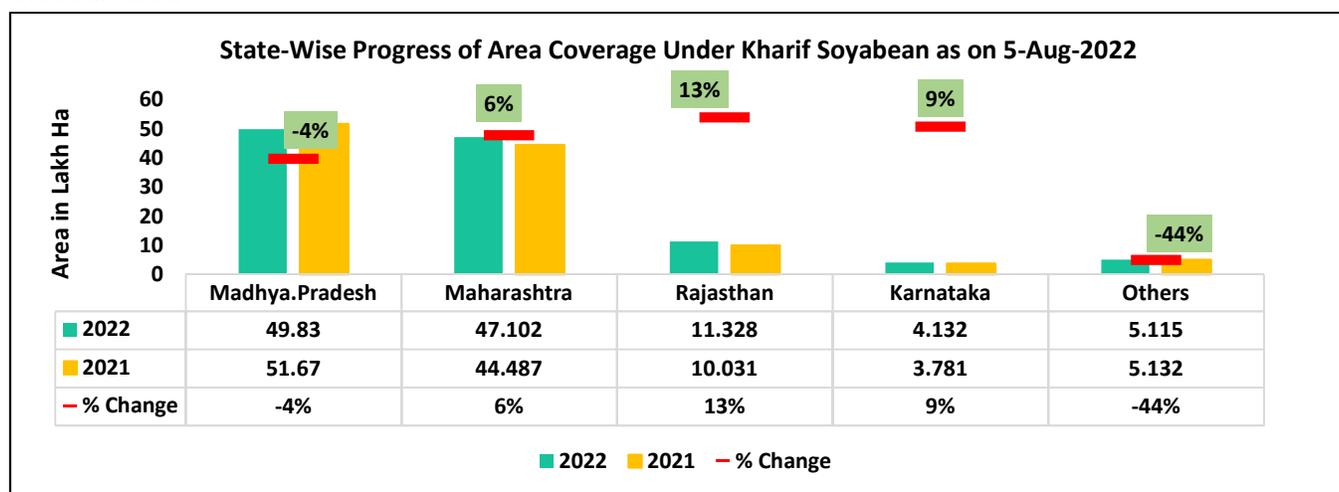
- Soy oil prices plummeted sharply for the previous week in the benchmark market by 2.38 percent from Rs 1260 to Rs 1230 per 10 Kg. Domestic prices are under correction backed by weak fundamentals.
- Higher domestic port and pipeline supplies are pressuring price gains.
- Bearish international Soy oil market fundamentals also pressured domestic market as well.
- Domestic Soy oil prices are driven by the US Soybean crop condition and weather situation. Overall a dry weather is likely to prevail in August but scattered precipitation in various regions added to good crop conditions, pressuring the gains in recent times.
- 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 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.

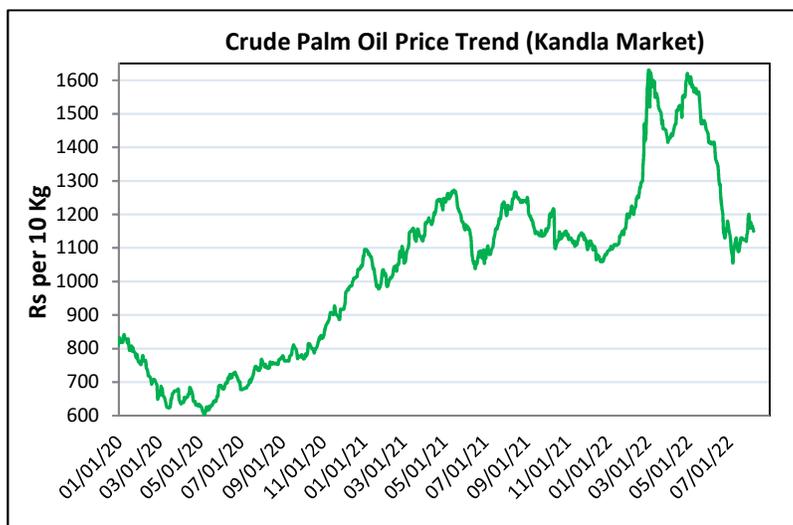
Price Outlook: We expect refined soy oil (without GST) at Indore to stay in the range of Rs 1150-1280 per 10 Kg in the near term.



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 3.36%. Domestic prices are pressured following slight weak tone in international Palm oil market.
- High global palm oil supply side is likely to pressure the prices, while US soybean crop condition is likely to underpin 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 CBOT Soy oil is likely to underpin international palm oil prices, which would extend the support to domestic palm oil prices.

International Front

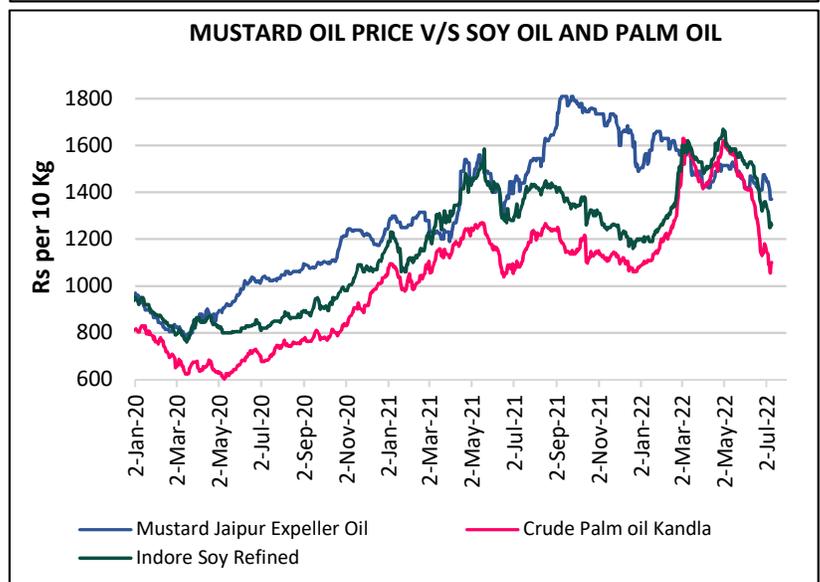
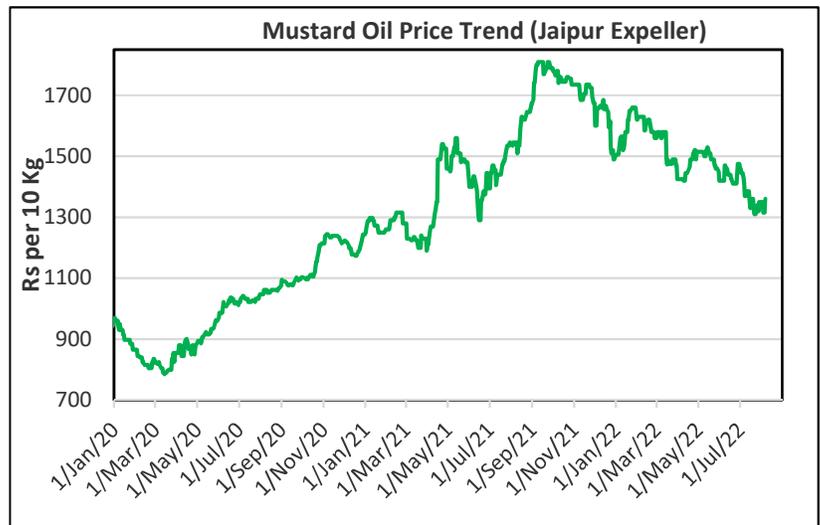
- BMD Palm oil Malaysia in past week traded steady taking support from rival CBOT Soy oil prices.
- Aggressive exports of Palm oil from Indonesia have buildup the global palm oil supplies.

Price Outlook: We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 11500-1250 per 10 Kg in the near term.

Rapeseed oil Fundamental Review and Analysis-

Domestic Front

- Mustard oil prices witnessed marginal rise in prices at various markets for the week in review. Prices traded up from Rs 1350 to Rs 1360 per 10 Kg, up by 0.74%.
- Prices witnessed sideways momentum following momentum of competing oils.
- Prices are likely to trade sideways with weak bias 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.
- Seeds 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 130 per 10 kg compared to Rs 90 per 10 Kg last week.
- Jaipur Expeller rapeseed oil regained its premium over RBD palm olein at Rs 150 per 10 kg compared to Rs 125 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

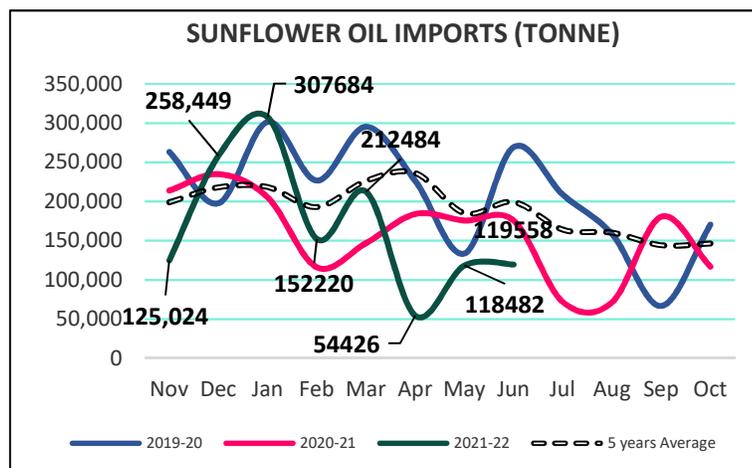
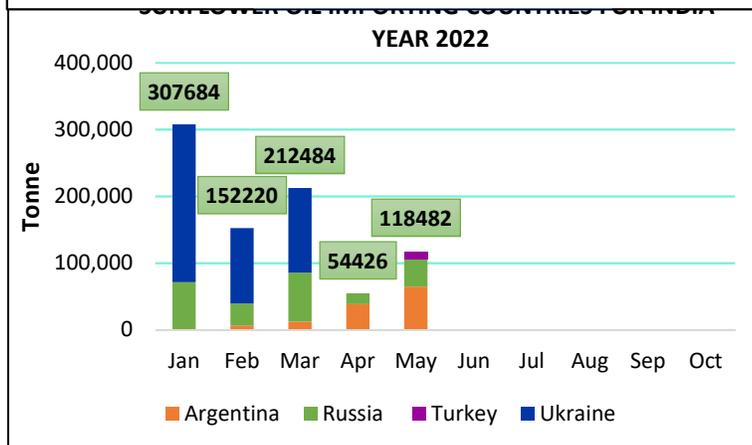
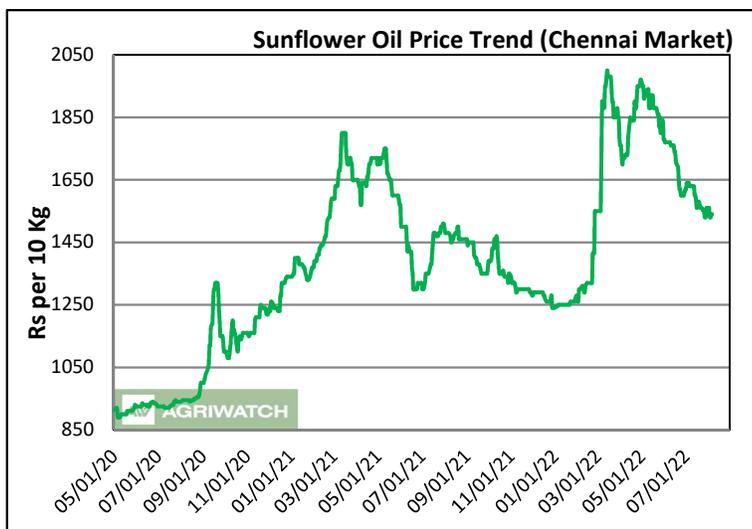
- Sunflower oil prices at Chennai featured declining trend during week from Rs. 1560 to Rs. 1540 per 10 Kg, down by 1.28 percent.
- Prices have been under correction since the government allowed Tariff Rate Quota (TRQ) for the Sunflower oil imports for the financial year 2022-23 and 2023-24. Under TRQ, imports of 20Lakh tonne of Sun oil would bear zero import duty.
- Prices are also pressured by higher imports of sunflower oil, increasing its domestic supply side.
- 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. However, with opening of grain corridor in Black Sea, Ukraine's sun oil shipments may resume, which would add to the global sun oil supply side.
- 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 310 compared to Rs 300 per 10 Kg last week. Meanwhile, refined sunflower oil (Chennai) premium over RBD palm olein (Kandla) is at Rs. 330 compared to premium of Rs 335 per 10 kg last week.

In domestic market, Sunflower oil's (Chennai)

is at discount over groundnut oil by Rs. 60 compared to a discount of Rs. 40 last week.

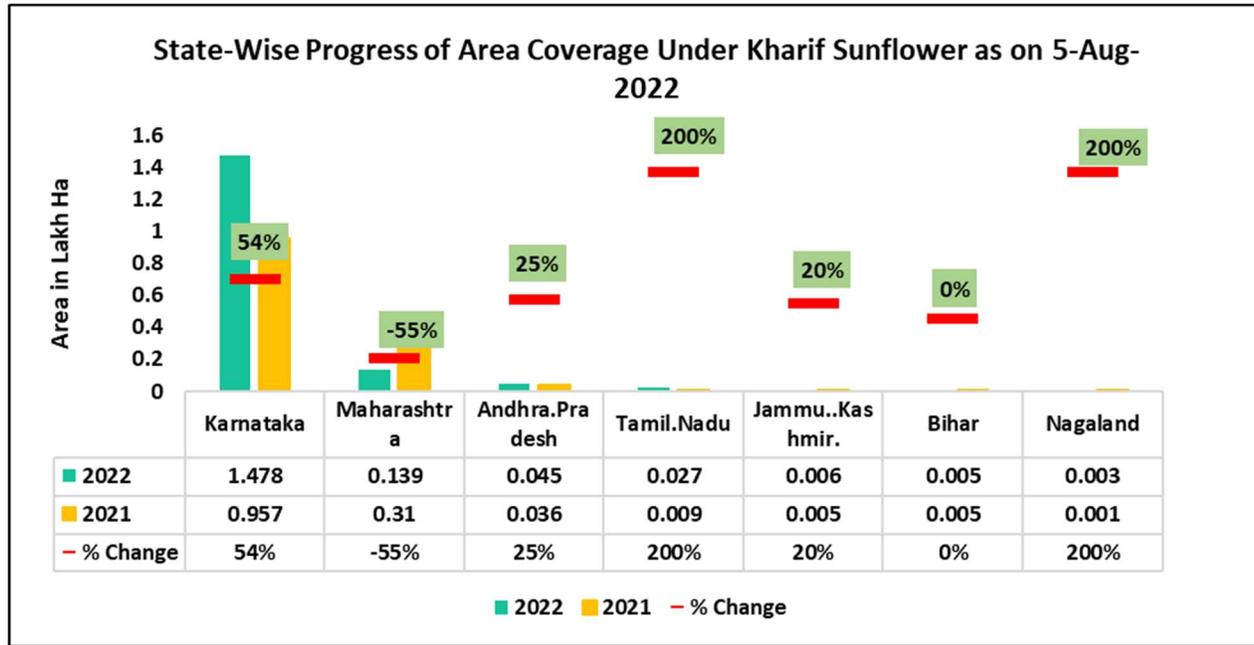
Sunflower oil's premium over competing Palm and Soy oil is marginally up compared to last week.

We expect sunflower oil prices to trade with weak bias backed by 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

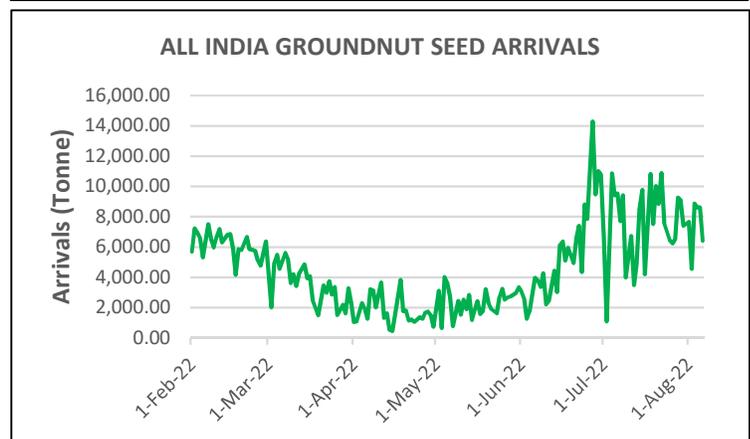
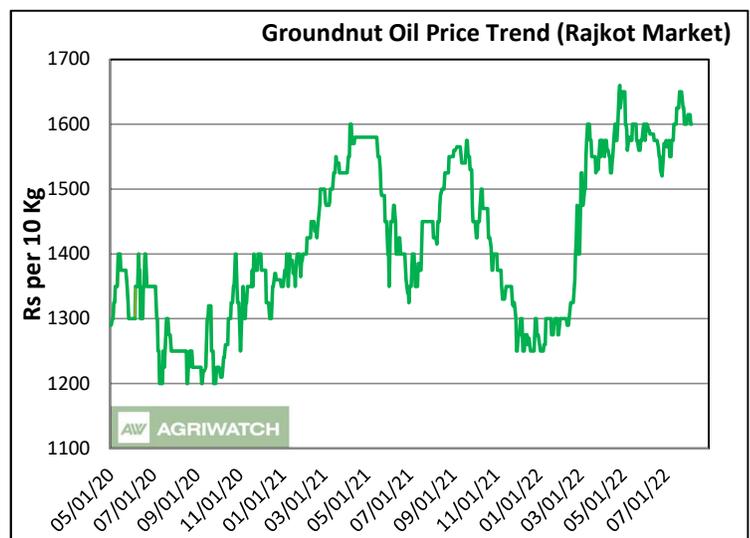
Sowing update:



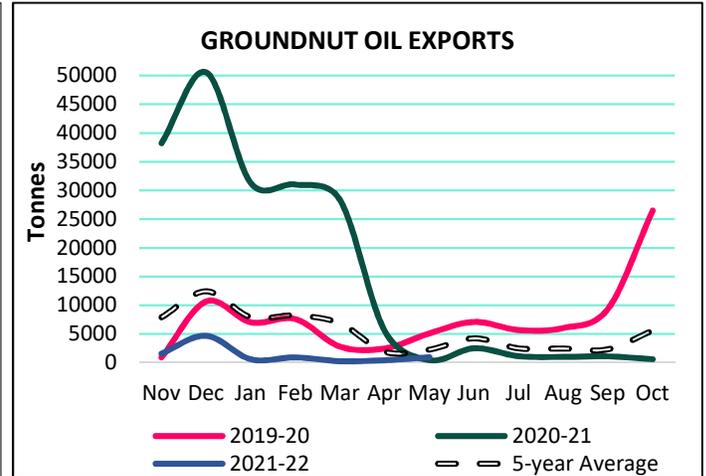
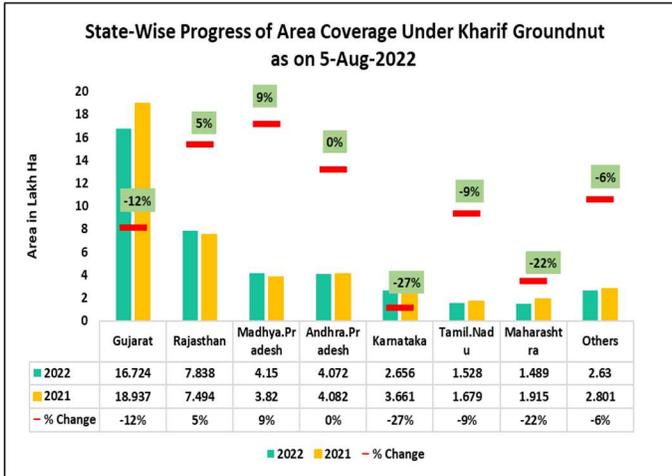
Groundnut oil Fundamental Review and Analysis:-

Domestic Front

- Groundnut oil prices traded steady at various market for the week in review. Prices are trading steady rangebound in the level of Rs 1600 to Rs 1650 per 10 Kg.
- Prices are likely to be supported backed by improved demand.
- 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.
- 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.



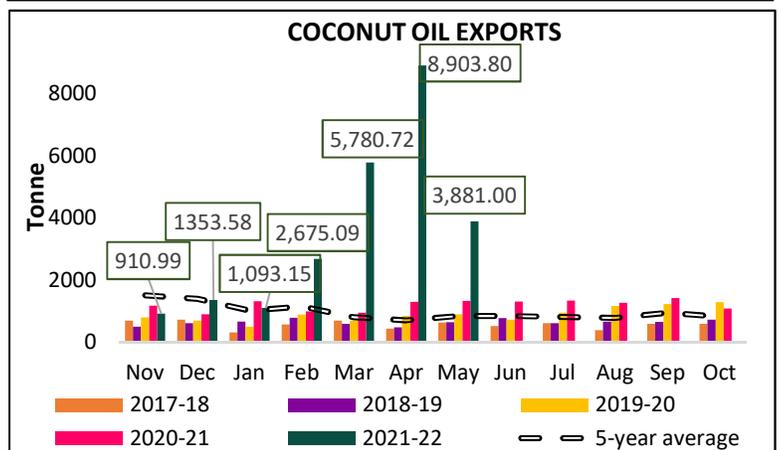
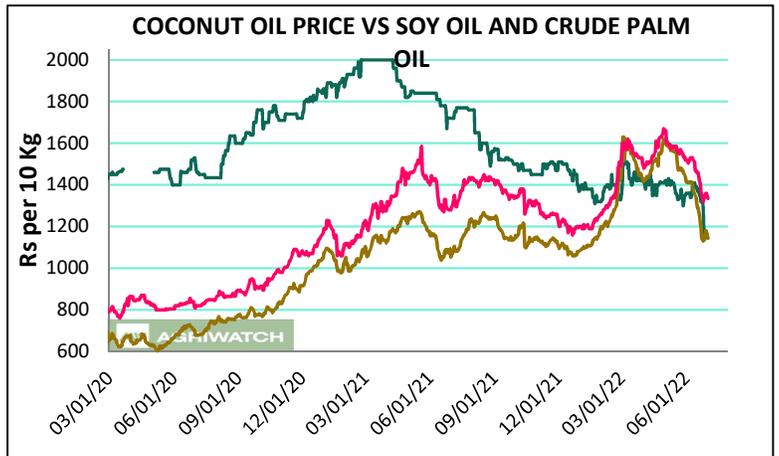
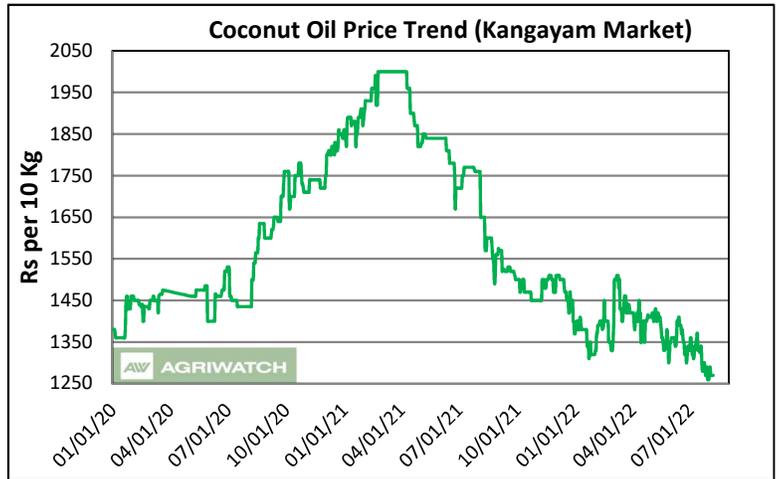
Price Outlook: Groundnut oil (without GST) prices in Rajkot is likely to trade steady in the range of Rs 1600-1650 per 10 Kg.



Coconut Oil Fundamental Review and Analysis:-

Domestic Front

- The Coconut oil prices at benchmark market Kangeyam are trading sideways from the level of Rs 1260 to Rs 1290 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 1,270 (Rs 1,260) per 10 Kg in Kangeyam market on 6 Aug, 2022.



Price Outlook: Coconut oil (without GST) prices in Kangeyam is likely to trade sideways with weak bias in the range of Rs 1250-1300 per 10 Kg.

Technical Analysis (Refined soy oil)

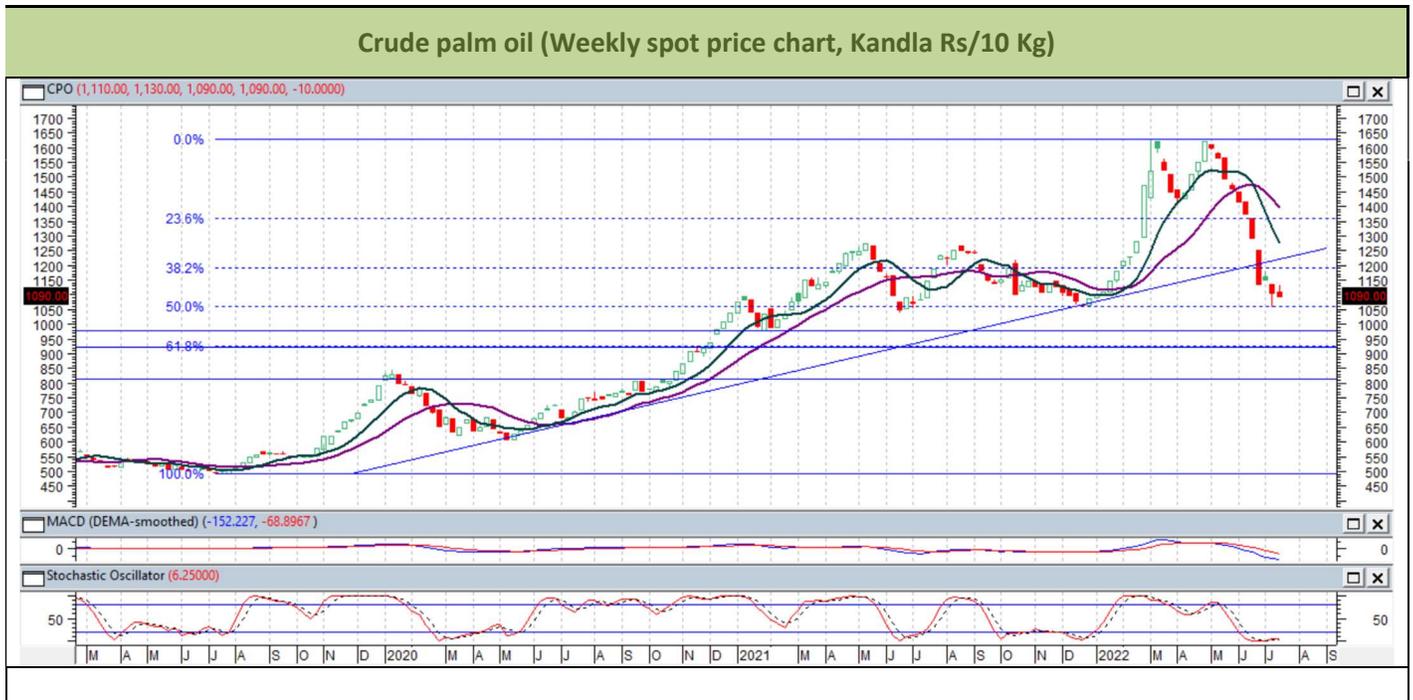


Technical Commentary –

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 1100-1160 level.

Technical Analysis (Crude Palm oil)



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 |
|--------------------------------------|--|--------------------|-----------|--------|
| | | 06-Aug-22 | 30-Jul-22 | |
| Refined Soybean Oil | Indore | 1230 | 1260 | -30 |
| | Indore (Soy Solvent Crude) | 1180 | 1205 | -25 |
| | Mumbai | 1240 | 1285 | -45 |
| | Mumbai (Soy Degum) | 1175 | 1240 | -65 |
| | Kandla/Mundra | 1200 | 1245 | -45 |
| | Kandla/Mundra (Soy Degum) | 1165 | 1227 | -62 |
| | Kolkata | 1220 | 1245 | -25 |
| | Delhi | - | 1220 | - |
| | Nagpur | 1255 | 1275 | -20 |
| | Rajkot | 1200 | 1230 | -30 |
| | Kota | 1270 | 1290 | -20 |
| | Akola | 1225 | 1255 | -30 |
| | Amrawati | 1225 | 1255 | -30 |
| | Bundi | 1280 | 1300 | -20 |
| | Jalna | 1240 | 1270 | -30 |
| | Solapur | 1250 | 1270 | -20 |
| | Dhule | 1260 | 1290 | -30 |
| | Nanded | 1230 | 1260 | -30 |
| | Latur | 1265 | 1280 | -15 |
| Argentina Crude Soya (CIF India) USD | 1369 | 1431 | -62 | |
| Argentina Crude Soya (FOB) | 1289 | 1351 | -62 | |
| Palm Oil* | Kandla (Crude Palm Oil) | 1150 | 1190 | -40 |
| | Kandla (RBD Palm oil) | 1200 | 1205 | -5 |
| | Kandla RBD Pamolein | 1210 | 1225 | -15 |
| | Kakinada (Crude Palm Oil) | 1075 | 1110 | -35 |
| | Kakinada RBD Pamolein | 1225 | 1225 | Unch |
| | Haldia Pamolein | 1220 | 1220 | Unch |
| | Chennai RBD Pamolein | 1260 | 1200 | 60 |
| | Chennai RBD Pamolein (Vitamin A&D Fortified) | 1302 | 1274 | 28 |
| | Krishnapattanam RBD Pamolein | 1235 | 1240 | -5 |
| | Mumbai RBD Pamolein | 1230 | 1250 | -20 |
| | Mangalore RBD Pamolein | 1225 | 1225 | Unch |
| | Mumbai (Refined) | 1215 | 1180 | 35 |
| | Rajkot (Refined) | 1180 | 1210 | -30 |

| | | | | |
|---------------------------------|------------------------------------|------|------|-------------|
| | Chennai (Refined) | 1260 | 1220 | 40 |
| | Hyderabad (Refined) | 1235 | 1200 | 35 |
| | Delhi (Refined)* | - | 1140 | - |
| | PFAD (Kandla) | 750 | 765 | -15 |
| | RPS (Kandla) | 1020 | 960 | 60 |
| | Superolien (Kandla) | 1240 | 1255 | -15 |
| | Superolien (Mumbai) | 1260 | 1280 | -20 |
| | Kochi (RBD Palmolein) | - | 1195 | - |
| | Krishnapattanam (Crude Palm Oil) | 1075 | 1110 | -35 |
| | | | | |
| Refined Sunflower Oil | Chennai (Refined) | 1540 | 1560 | -20 |
| | Chennai (Crude) | 1500 | 1500 | Unch |
| | Mumbai (Refined) | 1580 | 1600 | -20 |
| | Mumbai(Expeller Oil) | 1480 | 1500 | -20 |
| | Kandla (Refined) | 1570 | 1600 | -30 |
| | Hyderabad (Refined) | 1545 | 1560 | -15 |
| | Hyderabad (Expeller) | 1450 | 1500 | -50 |
| | Latur (Refined) | 1550 | 1550 | Unch |
| | Latur (Expeller Oil) | 1475 | 1460 | 15 |
| | Chellakere (Expeller Oil) | 1390 | 1440 | -50 |
| | Erode (Expeller Oil) | 1570 | 1570 | Unch |
| | Kakinada (Refined) | 1530 | 1540 | -10 |
| | Krishna Pattanam (Refined) | 1530 | 1540 | -10 |
| | | | | |
| Groundnut Oil | Rajkot | 1600 | 1600 | Unch |
| | Chennai | 1600 | 1620 | -20 |
| | Delhi* | - | 1590 | - |
| | Hyderabad * | 1560 | 1570 | -10 |
| | Mumbai | 1630 | 1620 | 10 |
| | Gondal | 1600 | 1575 | 25 |
| | Jamnagar | 1600 | 1575 | 25 |
| | Gujarat GN Telia | 2550 | 2550 | Unch |
| | | | | |
| Rapeseed Oil/Mustard Oil | Jaipur (Expeller Oil) | 1360 | 1350 | 10 |
| | Jaipur (Kacchi Ghani Oil) | 1455 | 1445 | 10 |
| | Kota (Expeller Oil) | 1370 | 1390 | -20 |
| | Kota (Kacchi Ghani Oil) | 1430 | 1420 | 10 |
| | Neewai (Expeller Oil) | 1350 | 1340 | 10 |
| | Neewai (Kacchi Ghani Oil) | 1440 | 1430 | 10 |
| | Bharatpur (Kacchi Ghani Oil) | 1400 | 1400 | Unch |
| | Sri-Ganga Nagar(Exp Oil) | 1390 | 1380 | 10 |
| | Sri-Ganga Nagar (Kacchi Ghani Oil) | 1435 | 1425 | 10 |

| | | | | |
|---|---------------------------|-----------------|------------------|---------------|
| | Mumbai (Expeller Oil) | 1380 | 1380 | Unch |
| | Kolkata(Expeller Oil) | 1550 | 1550 | Unch |
| | New Delhi (Expeller Oil)* | - | 1340 | - |
| | Hapur (Expeller Oil) | 1570 | 1570 | Unch |
| | Hapur (Kacchi Ghani Oil) | 1620 | 1620 | Unch |
| | Agra (Kacchi Ghani Oil) | 1405 | 1405 | Unch |
| | | | | |
| Refined Cottonseed Oil | Rajkot | 1460 | 1480 | -20 |
| | Hyderabad | 1450 | 1470 | -20 |
| | Mumbai | 1480 | 1490 | -10 |
| | New Delhi* | - | 1445 | - |
| | Gujarat Cotton Wash | 1420 | 1460 | -40 |
| | | | | |
| Coconut Oil | Kangayan (Crude) | 1270 | 1260 | 10 |
| | Cochin | 1380 | 1380 | Unch |
| | | | | |
| Rice Bran Oil | Mumbai (Refined 4%) | 1190 | 1140 | 50 |
| | Bhatinda (Crude 4%) | 1050 | 1050 | Unch |
| | Bhatinda (Refined 4%) | 1165 | 1165 | Unch |
| | Hyderabad (Crude) | 1070 | 1070 | Unch |
| | Hyderabad (Refined) | 1230 | 1230 | Unch |
| | Raipur (Crude) | 1120 | 1120 | Unch |
| | Vijayawada (Refined) | 1150 | 1150 | Unch |
| | | | | |
| Malaysia Palmolein USD/MT | FOB | 1035 | 1145 | -110 |
| | CNF India | 1005 | 1085 | -80 |
| Indonesia CPO USD/MT | FOB | Unq | 0 | - |
| | CNF India | 1060 | 1170 | -110 |
| Crude palm Kernel Oil India (USD/MT) | CNF India | Closed | 1300 | - |
| Ukraine Origin CSFO USD/MT Kandla | CIF | 1555 | 1530 | 25 |
| | | | | |
| Argentina FOB (\$/MT) | | 5-Aug-22 | 29-Jul-22 | Change |
| Crude Soybean Oil Ship | | 1323 | 1359 | -36 |
| Refined Soy Oil (Bulk) Ship | | 1369 | 1407 | -38 |
| Sunflower Oil Ship | | 1450 | 1460 | -10 |
| Cottonseed Oil Ship | | 1303 | 1339 | -36 |
| * 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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