



EDIBLE OIL WEEKLY 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 benchmark markets.

On the currency front, Indian rupee is hovering near 79.42 against 7965 last weeks. Rupee is expected to depreciate and crude oil is expected to trade sideways with upward bias. 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

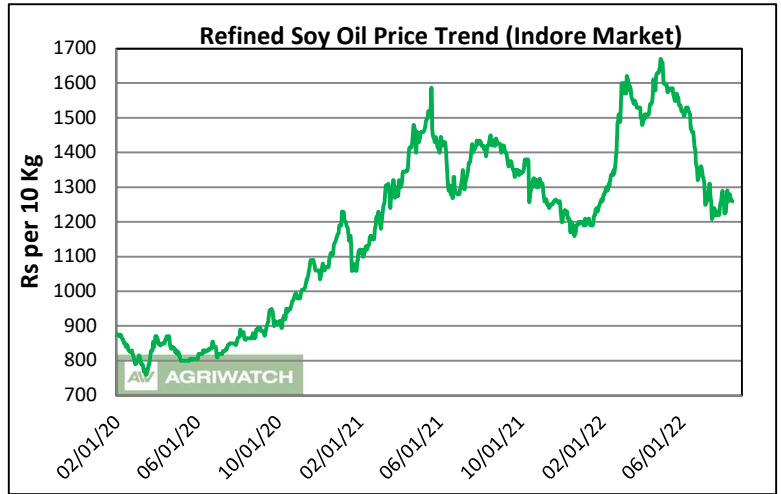
| Area Covered (Lakh Ha) as of 12 August 2022 | | | |
|---|--------|--------|--------|
| Crop | 2022 | 2021 | % |
| Soybean | 118.74 | 117.93 | 0.69% |
| Groundnut | 42.87 | 47.46 | -9.67% |
| Sunflower | 1.78 | 1.41 | 26.24% |
| Sesamum | 11.95 | 11.88 | 0.59% |
| Niger | 0.26 | 0.24 | 8.33% |
| Castor | 4.72 | 2.81 | 67.97% |
| other Oilseeds | 0.12 | 0.09 | 33.33% |
| Total Oilseeds | 180.43 | 181.83 | -0.77% |

Rainfall

| District wise Cumulative Rainfall Departure 1 June to 16 August 2022 | | | | | | | |
|--|--|-------------|--|-------------|--|-------------|--|
| Madhya Pradesh | Cumulative Rainfall Departure (%) 1 June to 16 August'22 | Maharashtra | Cumulative Rainfall Departure (%) 1 June to 16 August'22 | Rajasthan | Cumulative Rainfall Departure (%) 1 June to 16 August'22 | Gujarat | Cumulative Rainfall Departure (%) 1 June to 16 August'22 |
| Dewas | 66% | Nagpur | 42% | Kota | 49% | Kutchh | 101% |
| Videsha | 52% | Yavatmal | 45% | Bundi | 31% | Gir somnath | 52% |
| Rajgah | 69% | Amrawati | 73% | Jhalawar | 33% | Junagarh | 36% |
| Shajahpur | 36% | Washim | 20% | Baran | 18% | Amreli | 18% |
| Indore | 24% | Buldhana | 7% | Chittorgarh | 15% | Jamnagar | 11% |
| Ashok nagar | 24% | Akola | 1% | Pratapgarh | 22% | Rajkot | 16% |
| Ujjain | 22% | Latur | 54% | | | Bhavnagar | -1% |
| Mandsaur | 12% | Parbhani | 36% | | | Banaskatha | 34% |
| Dhar | -3% | Jalna | 15% | | | | |
| Ratlam | 15% | Hingoli | 6% | | | | |
| Madhya pradesh | 21% | Maharashtra | 31% | Rajasthan | 42% | Gujarat | 33% |

Soy oil Fundamental Analysis and Outlook:- Domestic Front

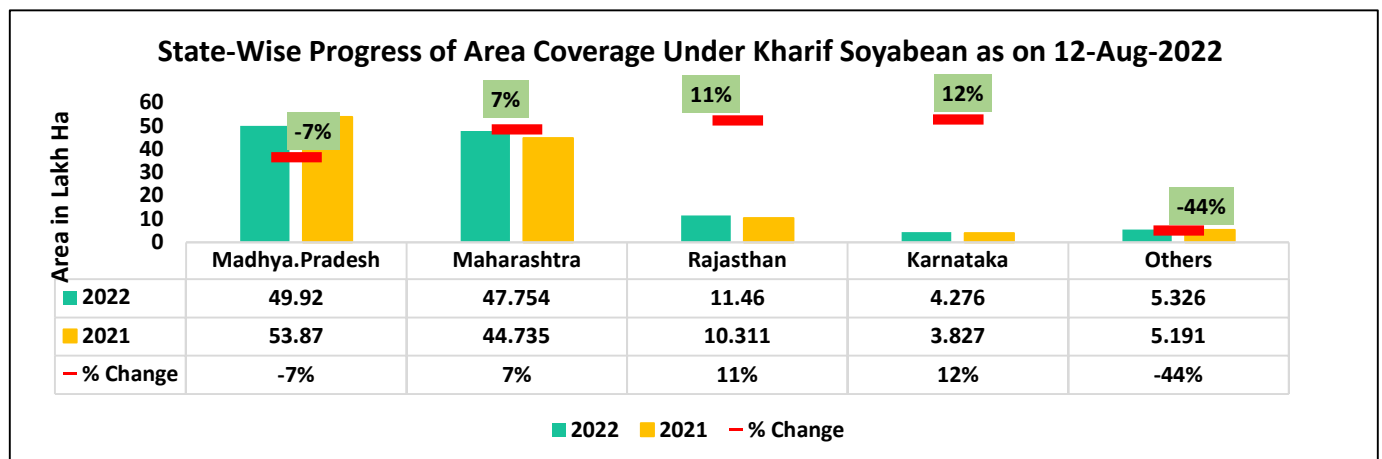
- Soy oil prices gained by 3.25 percent from Rs 1230 to Rs 1270 per 10 Kg. Domestic prices edged up taking support from CBOT soy oil upward momentum.
- Prices are likely to trade sideways in the range of Rs 1250-1290/10 Kg supported by CBOT soy oil prices, while zero import duty and higher global soybean supply may weigh on prices.
- As of 12th August, acreage under Soybean kharif 2022 stood at 118.74 Lakh Ha compared to 117.93 Lakh Ha last year same timeframe. Higher acreage is seen as farmers have fetched higher prices for soybean seeds last year.
- Untimely heavy rains in top 3 soybean growing states is likely to render crop losses, which would add to price gains.
- 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 sluggish Soy oil international market.



International Front

- CBOT soy oil prices witnessed upward movement by 6.25% from 64.30 to 67.97 cents per pound backed by rising drought condition in US's key soybean growing areas.
- Energy prices are gradually trading up, which would support edible oil prices as well.
- Dry weather is anticipated to prevail for the coming two weeks in major Soybean sown area in US with slight scattered rains, hence sideways momentum with upward bias is anticipated in CBOT soy oil prices.

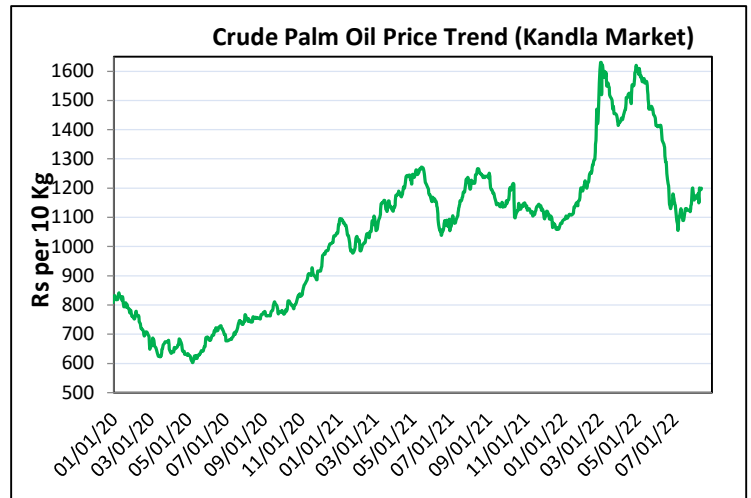
Price Outlook: We expect refined soy oil (without GST) at Indore to stay in the range of Rs 1250-1300 per 10 Kg in the near term.



Palm oil Fundamental Analysis and Outlook -:

Domestic Front

- Crude palm oil (CPO) prices edged up for the previous week in the benchmark market Kandla by 3.91%. However, mixed sentiments were seen in various other markets.
- Domestic palm oil prices are supported by brisk movement in competing soy oil as well as in BMD palm oil futures.
- Domestic prices are likely to trade sideways with upward bias as gains in CBOT Soy oil is likely to underpin international palm oil prices, which would extend the support to domestic palm oil prices. However, higher global supply side for Palm oil may pressure gains.



International Front

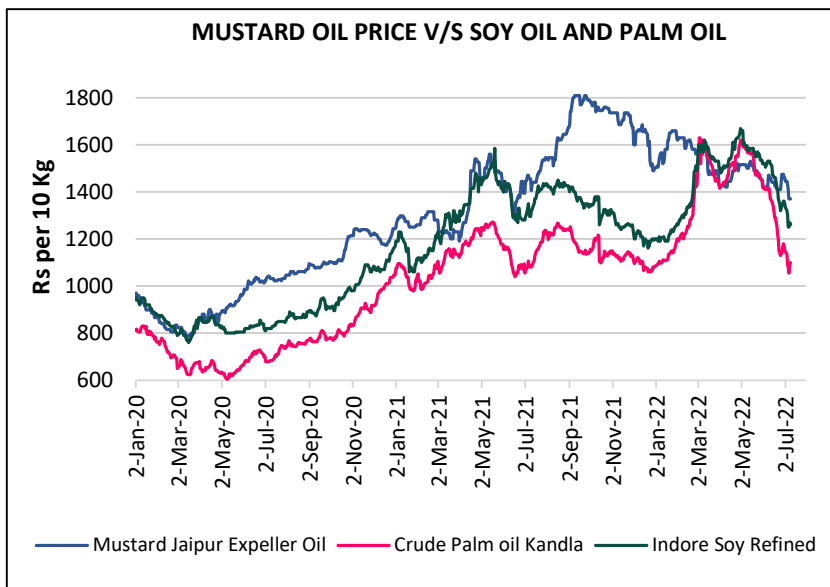
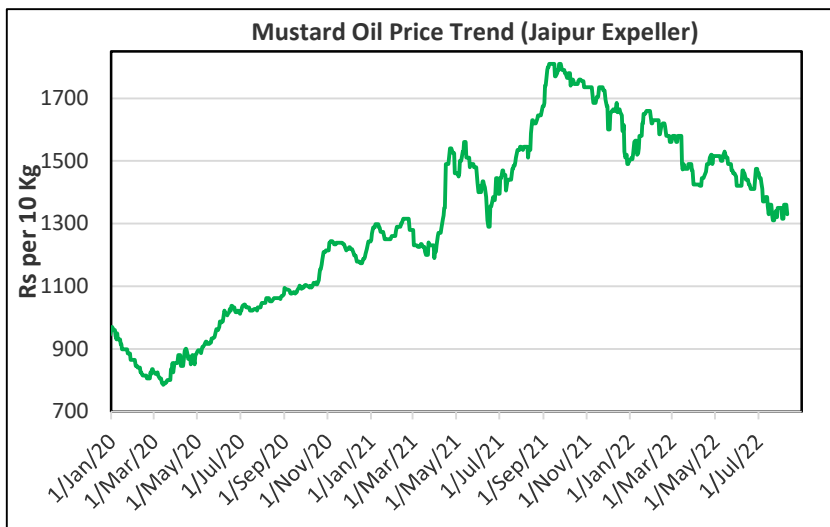
- BMD Palm oil Malaysia in past week traded up taking support from rival CBOT Soy oil prices. Marginal rise in Crude oil prices is also extending the support to palm oil prices.
- Indonesia scrapped off the palm oil export levy from \$200 per tonne to boost their palm oil exports, weighing on global palm oil prices. This has made Indonesian Palm oil cheaper compared to Malaysian Palm oil hence India's demand is likely to shift towards Indonesia.

Price Outlook: We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 1150-1220 per 10 Kg in the near term.

Rapeseed oil Fundamental Review and Analysis-

Domestic Front

- Mustard oil prices witnessed downward correction in prices at various markets for the week in review. Prices traded down from Rs 1360 to Rs 1330 per 10 Kg, down by 2.21%.
- 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.
- Mustard oil is keenly following Soy oil and Palm oil hence a sideways momentum in prices can be seen.
- 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.
- Jaipur Expeller rapeseed oil premium over refined soy oil in domestic market by Rs 60 per 10 kg compared to Rs 130 per 10 Kg last week.
- Jaipur Expeller rapeseed oil regained its premium over RBD palm olein at Rs 85 per 10 kg compared to Rs 150 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.

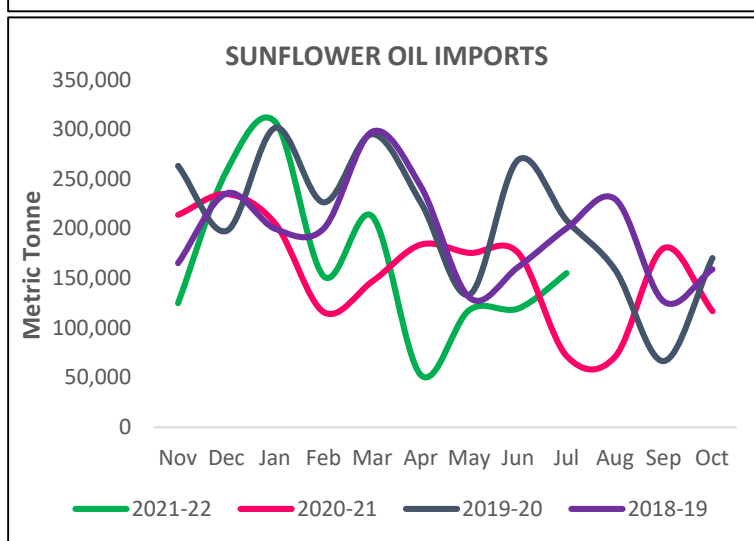
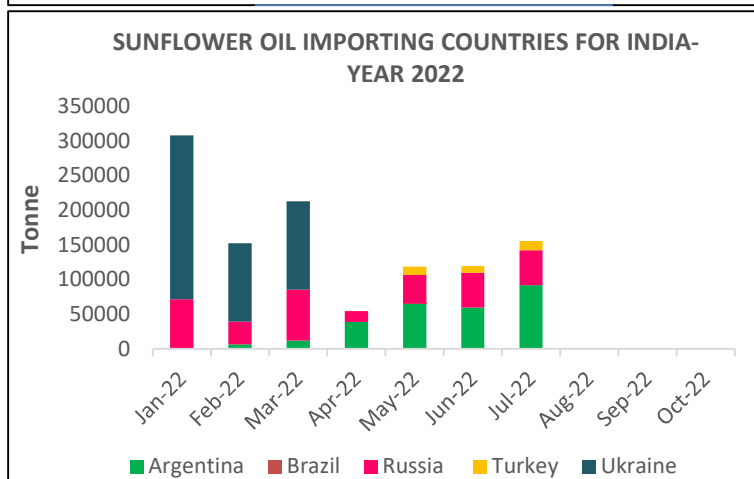
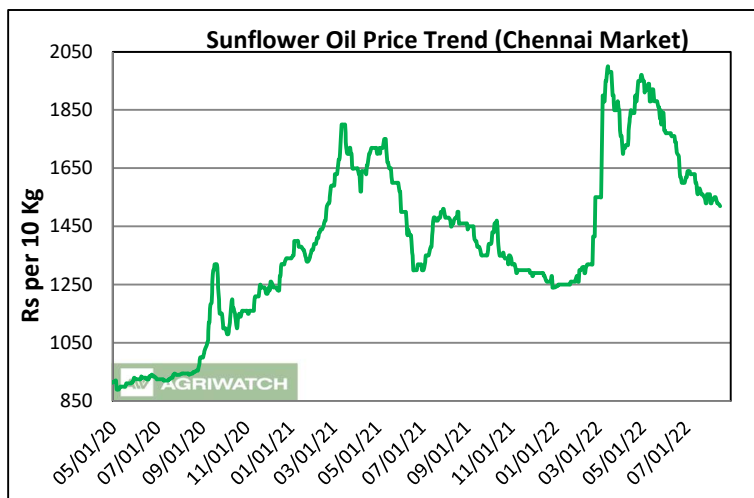
Sunflower oil Fundamental Review and Analysis:-

Domestic Front

- Sunflower oil prices at Chennai featured mixed sentiments at various markets. However, prices edged down at benchmark Chennai from Rs. 1540 to Rs. 1530 per 10 Kg, down by 0.65 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.
- July's Sun oil import stood at 1.15 LT compared to m-o-m at 1.19 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 260 compared to Rs 310 per 10 Kg last week. Meanwhile, refined sunflower oil (Chennai) premium over RBD palm olein (Kandla) is at Rs. 285 compared to premium of Rs 330 per 10 kg last week.

In domestic market, Sunflower oil's (Chennai) is at discount over groundnut oil by Rs. 95 compared to a discount of Rs. 60 last week.

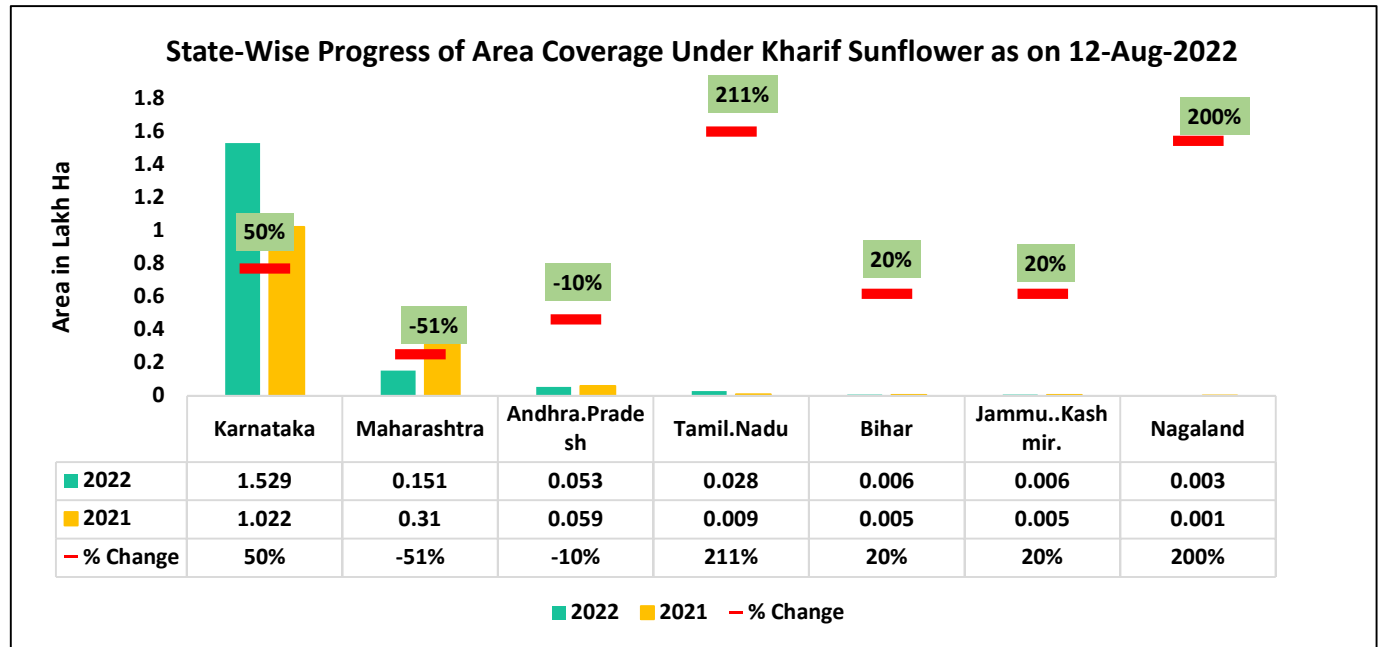
Sunflower oil's premium over competing Palm and Soy oil is marginally down compared to last week.



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

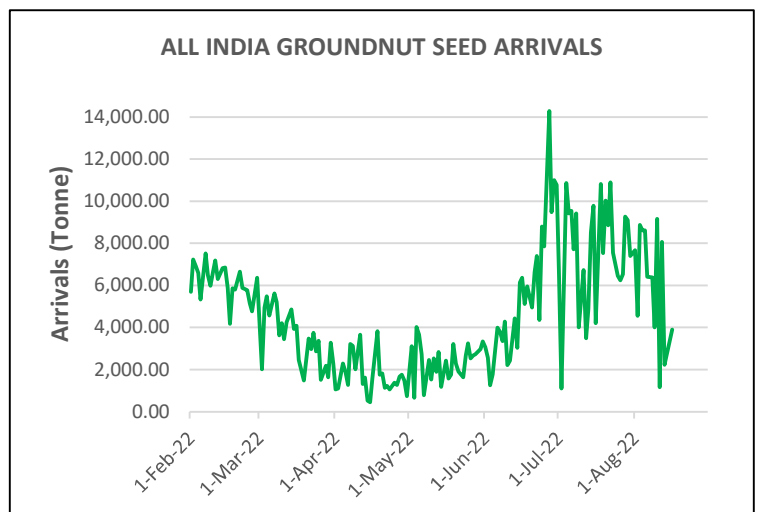
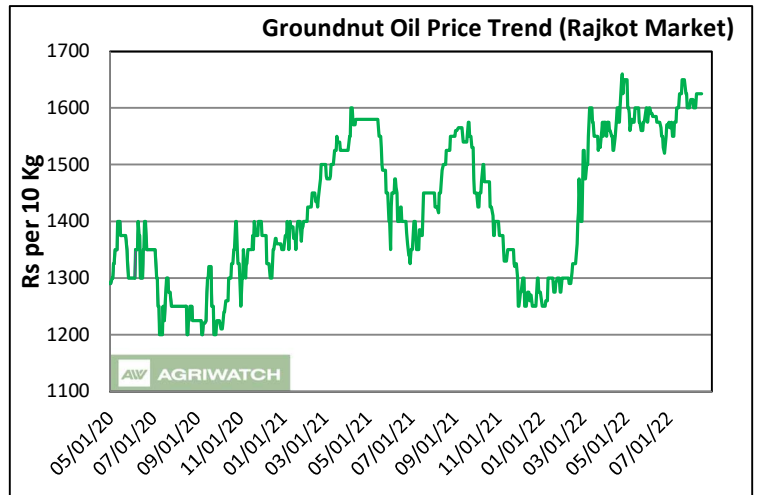
Sowing update:



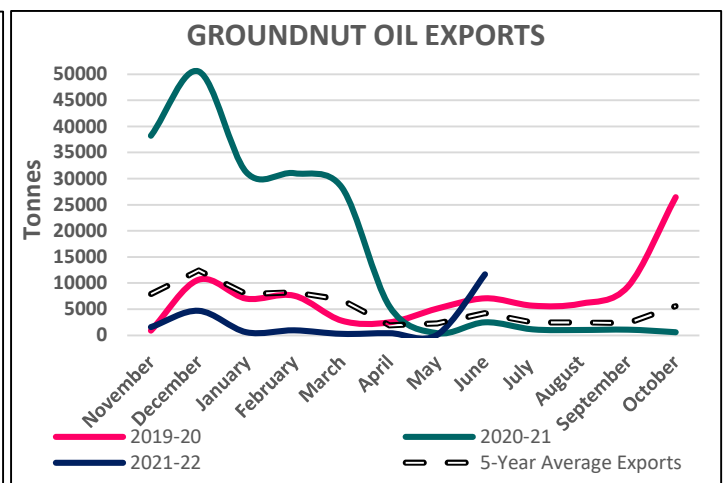
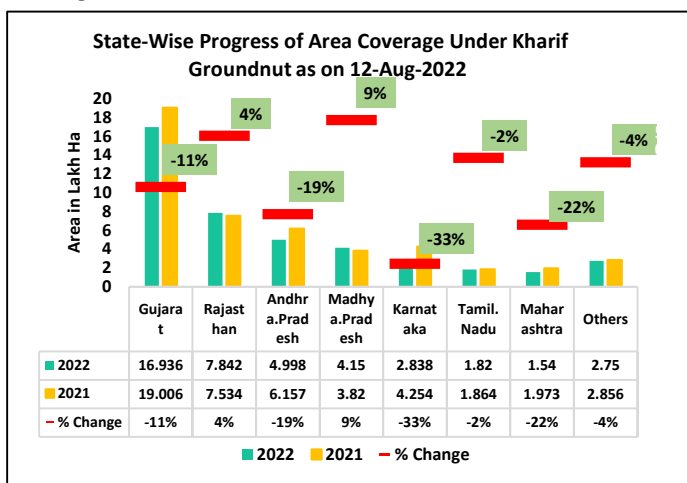
Groundnut oil Fundamental Review and Analysis:-

Domestic Front

- Groundnut oil prices traded marginally up 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 declining. Arrivals specially from Gujarat is down due to low summer GN crop production, and export demand is mainly fulfilled from the Gujarat states.
- 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.

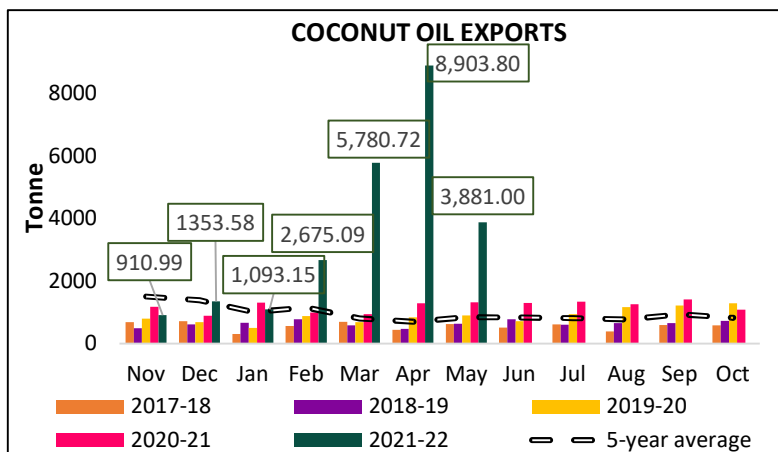
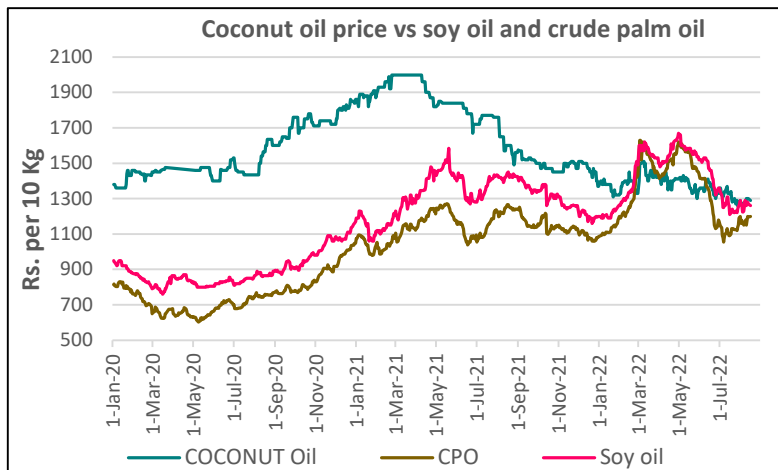
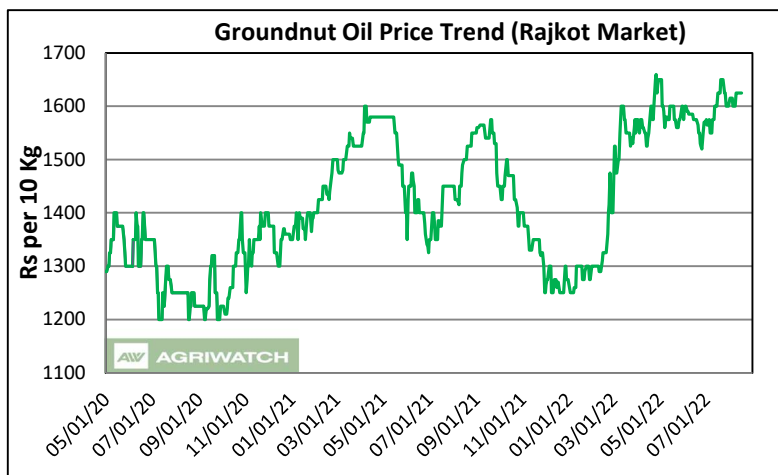


Coconut Oil Fundamental Review and Analysis:-

Domestic Front

- The Coconut oil prices at benchmark market Kangeyam are trading sideways from the level of Rs 1260 to Rs 1300 per 10 Kg level.
- The demand for the coconut oil is steady. however, higher supply side is weighing on the price gains.
- 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 June compared to May'22. Demand is mainly coming from UAE, Saudi Arab and Vietnam.
- Coconut oil exports scenario- India exported 2,470.78 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. 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 1,300 (Rs 1,270) per 10 Kg in Kangeyam market on 13 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.



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

| Commodity | Centre | Prices (Per 10 Kg) | | Change |
|---------------------|--|--------------------|----------|--------|
| | | 13-Aug-22 | 6-Aug-22 | |
| Refined Soybean Oil | Indore | 1270 | 1230 | 40 |
| | Indore (Soy Solvent Crude) | 1220 | 1180 | 40 |
| | Mumbai | 1285 | 1240 | 45 |
| | Mumbai (Soy Degum) | 1250 | 1175 | 75 |
| | Kandla/Mundra | 1255 | 1200 | 55 |
| | Kandla/Mundra (Soy Degum) | 1230 | 1165 | 65 |
| | Kolkata | 1265 | 1220 | 45 |
| | Nagpur | 1255 | 1255 | Unch |
| | Rajkot | 1240 | 1200 | 40 |
| | Kota | 1280 | 1270 | 10 |
| | Akola | 1245 | 1225 | 20 |
| | Amrawati | 1245 | 1225 | 20 |
| | Bundi | 1290 | 1280 | 10 |
| | Jalna | 1250 | 1240 | 10 |
| | Solapur | 1245 | 1250 | -5 |
| | Dhule | 1270 | 1260 | 10 |
| | Nanded | 1235 | 1230 | 5 |
| | Latur | 1260 | 1265 | -5 |
| | Argentina Crude Soya (CIF India) USD | 1468 | 1369 | 99 |
| | Argentina Crude Soya (FOB) | 1388 | 1289 | 99 |
| Palm Oil* | Kandla (Crude Palm Oil) | 1195 | 1150 | 45 |
| | Kandla (RBD Palm oil) | 1210 | 1200 | 10 |
| | Kandla RBD Pamolein | 1245 | 1210 | 35 |
| | Kakinada (Crude Palm Oil) | 1105 | 1075 | 30 |
| | Kakinada RBD Pamolein | 1210 | 1225 | -15 |
| | Haldia Pamolein | 1235 | 1220 | 15 |
| | Chennai RBD Pamolein | 1200 | 1260 | -60 |
| | Chennai RBD Pamolein (Vitamin A&D Fortified) | 1276 | 1302 | -26 |
| | Krishnapattanam RBD Pamolein | 1195 | 1235 | -40 |
| | Mumbai RBD Pamolein | 1255 | 1230 | 25 |
| | Mangalore RBD Pamolein | 1225 | 1225 | Unch |
| | Mumbai (Refined) | 1200 | 1215 | -15 |
| | Rajkot (Refined) | 1190 | 1180 | 10 |
| | Chennai (Refined) | 1190 | 1260 | -70 |
| | Hyderabad (Refined) | 1180 | 1235 | -55 |

| | | | | |
|--------------------------|------------------------------------|------|------|------|
| | PFAD (Kandla) | 735 | 750 | -15 |
| | RPS (Kandla) | 1050 | 1020 | 30 |
| | Superolien (Kandla) | 1275 | 1240 | 35 |
| | Superolien (Mumbai) | 1285 | 1260 | 25 |
| | Kochi (RBD Palmolein) | - | 1255 | - |
| | Krishnapattanam (Crude Palm Oil) | 1105 | 1075 | 30 |
| | | | | |
| Refined Sunflower Oil | Chennai (Refined) | 1530 | 1540 | -10 |
| | Chennai (Crude) | 1490 | 1500 | -10 |
| | Mumbai (Refined) | 1600 | 1580 | 20 |
| | Mumbai(Expeller Oil) | 1500 | 1480 | 20 |
| | Kandla (Refined) | 1590 | 1570 | 20 |
| | Hyderabad (Refined) | 1550 | 1545 | 5 |
| | Hyderabad (Expeller) | 1440 | 1450 | -10 |
| | Latur (Refined) | 1530 | 1550 | -20 |
| | Latur (Expeller Oil) | 1455 | 1475 | -20 |
| | Chellakere (Expeller Oil) | 1360 | 1390 | -30 |
| | Erode (Expeller Oil) | 1560 | 1570 | -10 |
| | Kakinada (Refined) | 1510 | 1530 | -20 |
| | Krishna Pattanam (Refined) | 1510 | 1530 | -20 |
| | | | | |
| Groundnut Oil | Rajkot | 1625 | 1600 | 25 |
| | Chennai | 1600 | 1600 | Unch |
| | Hyderabad * | 1560 | 1560 | Unch |
| | Mumbai | 1650 | 1630 | 20 |
| | Gondal | 1650 | 1600 | 50 |
| | Jamnagar | 1650 | 1600 | 50 |
| | Gujarat GN Telia | 2580 | 2550 | 30 |
| | | | | |
| Rapeseed Oil/Mustard Oil | Jaipur (Expeller Oil) | 1330 | 1360 | -30 |
| | Jaipur (Kacchi Ghani Oil) | 1425 | 1455 | -30 |
| | Kota (Expeller Oil) | 1350 | 1370 | -20 |
| | Kota (Kacchi Ghani Oil) | 1410 | 1430 | -20 |
| | Neewai (Expeller Oil) | 1325 | 1350 | -25 |
| | Neewai (Kacchi Ghani Oil) | 1440 | 1440 | Unch |
| | Bharatpur (Kacchi Ghani Oil) | 1390 | 1400 | -10 |
| | Sri-Ganga Nagar(Exp Oil) | 1355 | 1390 | -35 |
| | Sri-Ganga Nagar (Kacchi Ghani Oil) | 1400 | 1435 | -35 |
| | Mumbai (Expeller Oil) | 1380 | 1380 | Unch |
| | Kolkata(Expeller Oil) | 1550 | 1550 | Unch |
| | Hapur (Expeller Oil) | 1550 | 1570 | -20 |
| | Hapur (Kacchi Ghani Oil) | 1600 | 1620 | -20 |

| | | | | |
|---|-------------------------|------------------|-----------------|---------------|
| | Agra (Kacchi Ghani Oil) | 1395 | 1405 | -10 |
| Refined Cottonseed Oil | Rajkot | 1495 | 1460 | 35 |
| | Hyderabad | 1485 | 1450 | 35 |
| | Mumbai | 1510 | 1480 | 30 |
| | Gujarat Cotton Wash | 1455 | 1420 | 35 |
| Coconut Oil | Kangayan (Crude) | 1300 | 1270 | 30 |
| | Cochin | 1380 | 1380 | Unch |
| Rice Bran Oil | Mumbai (Refined 4%) | 1220 | 1190 | 30 |
| | Bhatinda (Crude 4%) | 1070 | 1050 | 20 |
| | Bhatinda (Refined 4%) | 1185 | 1165 | 20 |
| | 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 | 1155 | 1035 | 120 |
| | CNF India | 1105 | 1005 | 100 |
| Indonesia CPO USD/MT | FOB | Unq | 0 | - |
| | CNF India | 1180 | 1060 | 120 |
| Crude palm Kernel Oil India (USD/MT) | CNF India | 1270 | 1250 | 20 |
| Ukraine Origin CSFO USD/MT Kandla | CIF | 1650 | 1555 | 95 |
| | | | | |
| Argentina FOB (\$/MT) | | 12-Aug-22 | 5-Aug-22 | Change |
| Crude Soybean Oil Ship | | 1416 | 1323 | 93 |
| Refined Soy Oil (Bulk) Ship | | 1466 | 1369 | 97 |
| Sunflower Oil Ship | | 1475 | 1450 | 25 |
| Cottonseed Oil Ship | | 1396 | 1303 | 93 |
| * 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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