



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 79.65 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

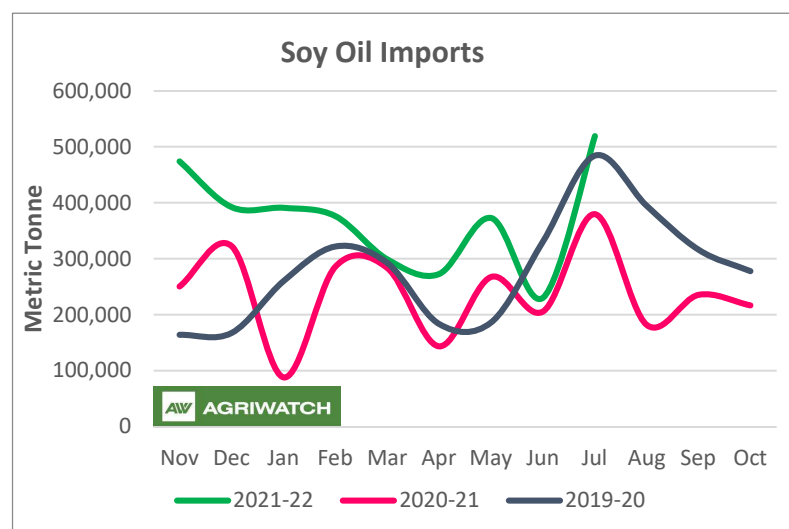
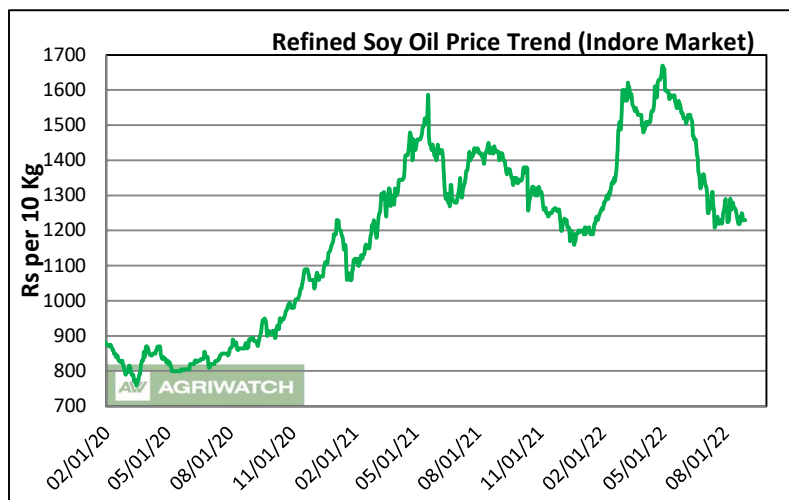
Area Covered (Lakh Ha) as of 26 August 2022			
Crop	2022	2021	% Change
Soybean	119.83	120.55	-0.60%
Groundnut	44.75	48.35	-7.45%
Sunflower	1.86	1.44	29.17%
Sesamum	12.69	12.65	0.32%
Niger	0.71	0.36	97.22%
Castor	6.52	5.16	26.36%
Other Oilseeds	0.12	0.11	9.09%
Total Oilseeds	186.48	188.62	-1.13%

Rainfall

District wise Week by Week Cumulative Rainfall Departure							
Madhya Pradesh	Cumulative Rainfall Departure (%) 1 June to 28 August'22	Maharashtra	Cumulative Rainfall Departure (%) 1 June to 28 August'22	Rajasthan	Cumulative Rainfall Departure (%) 1 June to 28 August'22	Gujarat	Cumulative Rainfall Departure (%) 1 June to 28 August'22
Dewas	58%	Nagpur	53%	Kota	67%	Kutchh	102%
Videsha	61%	Yavatmal	28%	Bundi	53%	Gir somnath	52%
Rajgarh	104%	Amrawati	7%	Jhalawar	64%	Junagarh	42%
Shajahpur	56%	Washim	6%	Baran	26%	Amreli	17%
Indore	16%	Buldhana	-7%	Chittorgarh	18%	Jamnagar	14%
Ashok nagar	37%	Akola	-11%	Pratapgarh	39%	Rajkot	16%
Ujjain	32%	Latur	30%			Bhavnagar	-4%
Mandsaur	40%	Parbhani	14%			Banaskatha	71%
Dhar	-10%	Jalna	-2%				
Ratlam	36%	Hingoli	-8%				
Madhya pradesh	25%	Maharashtra	20%	Rajasthan	49%	Gujarat	35%

Soy oil Fundamental Analysis and Outlook-: Domestic Front

- Soy oil prices at bench market Indore, gained by 0.82 percent from Rs 1220 to Rs 1230 per 10 Kg. However, Soy oil prices at various other markets traded with mixed sentiments.
- Prices broke the previous rang of Rs 1250-1290/10 Kg and made a low of Rs 1220. Prices are declining as domestic supply side rose with higher soy oil imports in July.
- As of 26th August, acreage under Soybean kharif 2022 stood at 119.83 Lakh Ha compared to 120.56 Lakh Ha last year same timeframe. Present year's acreage is almost at par with last year as farmers has fetched higher prices for soybean seeds last year.
- Untimely heavy rains in top 3 soybean growing states is likely to render crop losses, and might impact yield and crop quality as well.
- Importers diverted from Palm oil to Soy oil imports as Soy oil was lucrative with no duty on imports, while a 5.5% import duty on Palm oil imports lowered the price difference between Palm and Soy oil.
- Soy oil import for the current marketing year is already at higher side as domestic crush has lowered due to slow soy meal demand. Soy oil import for July stood at 5.19 LT compared to 2.30 Lt m-o-m and 3.79 LT y-o-y.
- Prices are anticipated to trade sideways with weak bias in coming term in tandem with sluggish Soy oil international market.



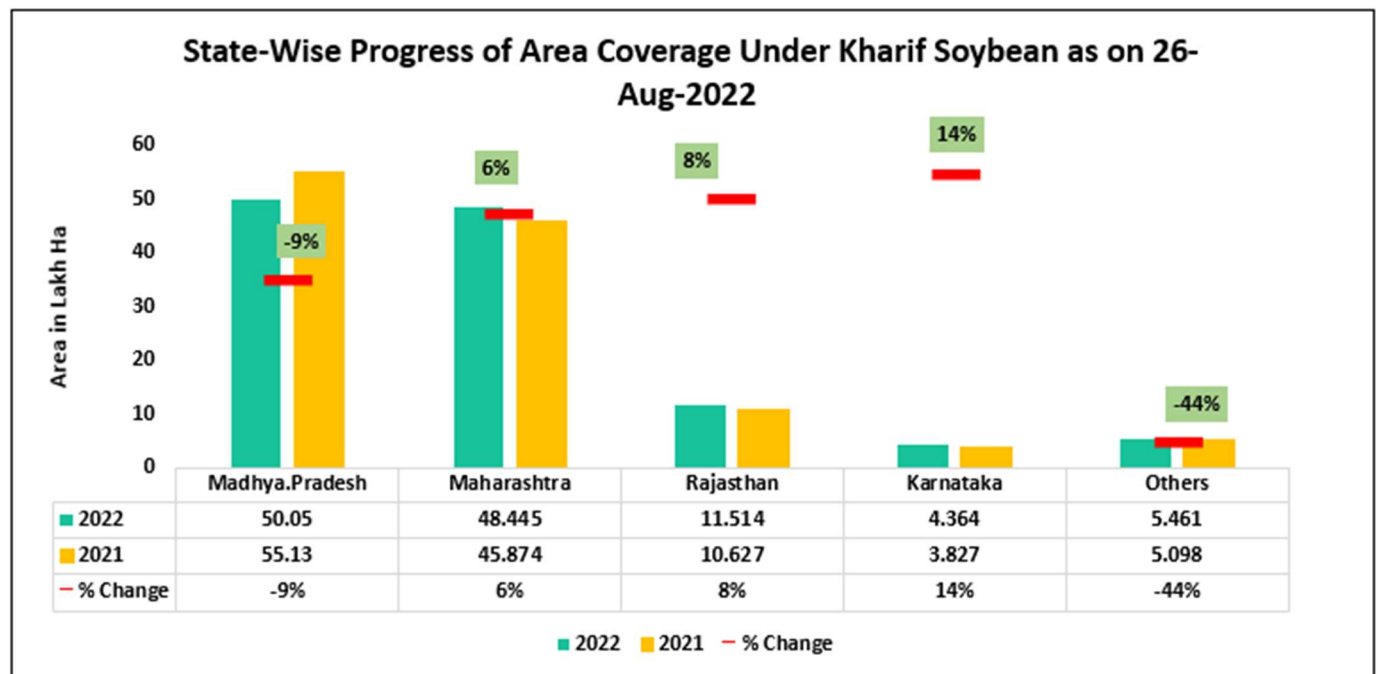
International Front

- CBOT soy oil prices for the active contract 'Dec' witnessed upward movement by 1.80% from 65.61 to 66.88 cents per pound backed by drought condition in US's key soybean growing areas.
- Energy prices is gradually trading up, which would support edible oil prices as well.

- For Long term, CBOT Soy oil prices are indicating towards bearish sentiments as higher US soybean productions are estimated which would render to higher supply side. However, dry conditions in USA's soybean growing region are supportive of prices for short term.

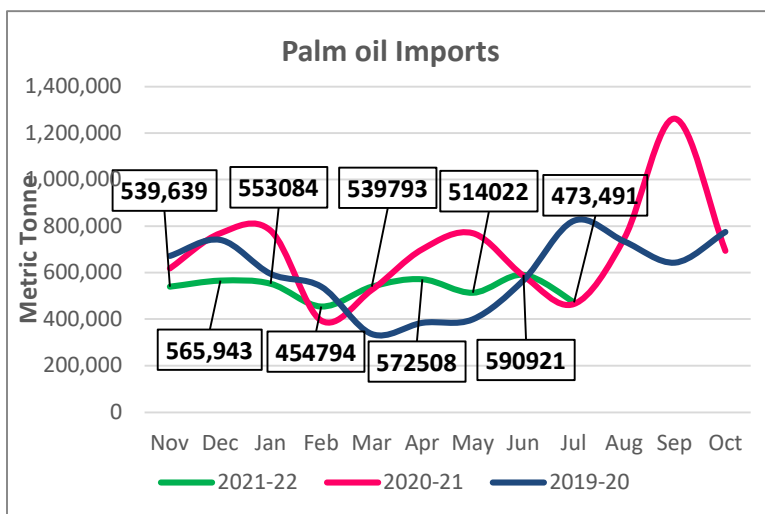
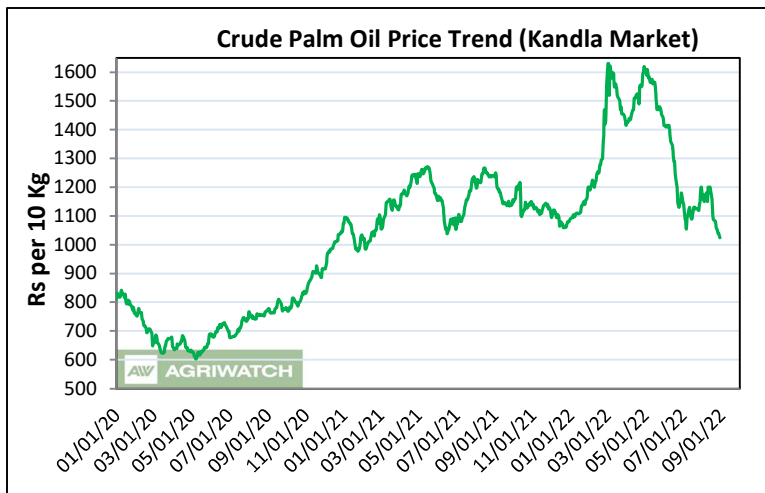
Price Outlook: We expect refined soy oil (without GST) at Indore to stay in the range of Rs 1200-1280 per 10 Kg in the near term.

Sowing update:



Palm oil Fundamental Analysis and Outlook -:
Domestic Front

- Crude palm oil (CPO) prices weakened for the previous week in the benchmark market Kandla by 4.59%.
- Domestic palm oil prices are declining in tandem with bearish international palm oil prices.
- 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.
- Importers diverted from Palm oil to Soy oil imports as Soy oil was lucrative with no duty on imports, while a 5.5% import duty on Palm oil imports lowered the price difference between Palm and Soy oil. Thus, lower import was witnessed in July month.
- Domestic prices are likely to trade with weak bias for the near term.



International Front

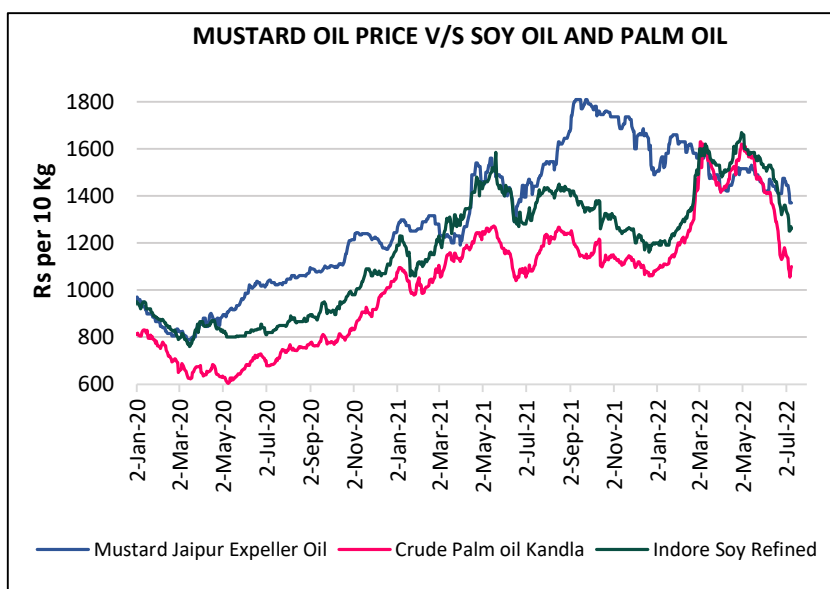
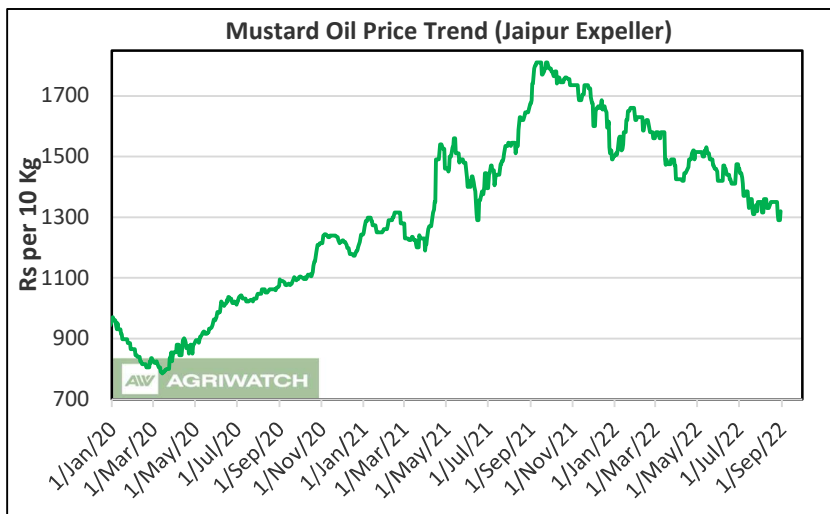
- BMD Palm oil Malaysia in past week traded down as higher supply side is weighing on prices.
- Indonesia will raise their reference price for palm oil export, increasing its export tax to \$124 per tonne compared to \$74 per tonne previously. However, export levy is waived off till October 31st.
- Indonesia has announced Palm oil levy waiver in July till 31st August to boost their palm oil exports. This step has made Indonesia's Palm oil prices lucrative compared to Malaysia's prices. Indonesia has further extended the levy waiver period till 31st October to ease down their high palm oil inventory. This move has made Indonesia's Palm oil FOB dropped down by approx. 25 USD/MT. Export demand is likely to be improved for Indonesia's palm oil mainly from India as 2.6 MT is to be imported, as quoted by Indonesian government.

Price Outlook: We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 980-1080 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 1350 to Rs 1290 per 10 Kg, down by 4.44%.
- 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 weak 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 190 per 10 kg compared to Rs 175 per 10 Kg last week.

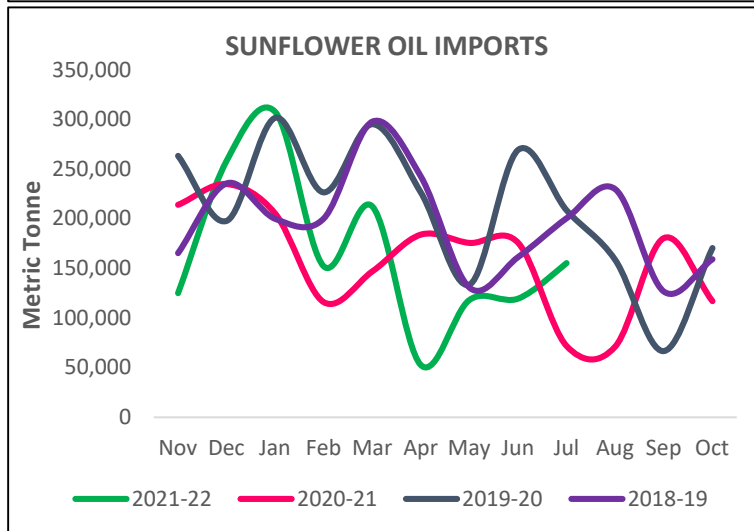
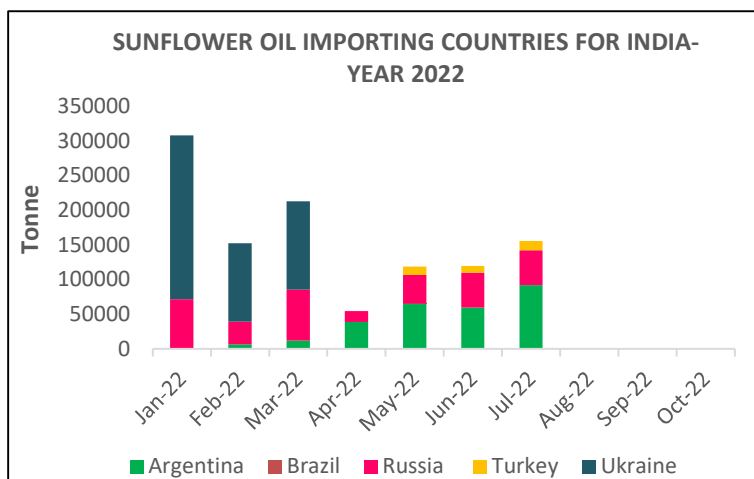
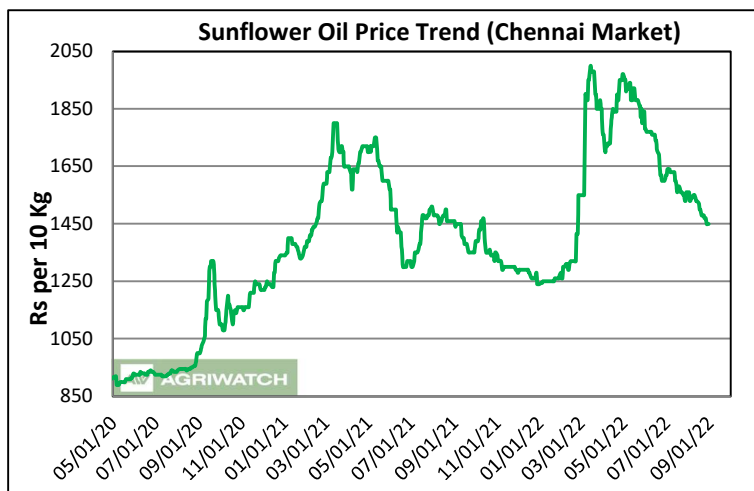


Price Outlook: Rapeseed Expeller oil (without GST) prices in Jaipur may trade in the range of Rs 1300-1380 per 10 Kg.

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. 1480 to Rs. 1450 per 10 Kg, down by 2.03 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.
- Ministry of Agriculture of Russia has announced to lower the export duty on sunflower oil from 15,987 RUR/t in August to 8,621 RUR/t, from September 1, 2022. This will lower the FOB value of Sun oil from Russia Origin. Domestic prices is anticipated to trade down in tandem with lowering international sun oil prices.
- 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.



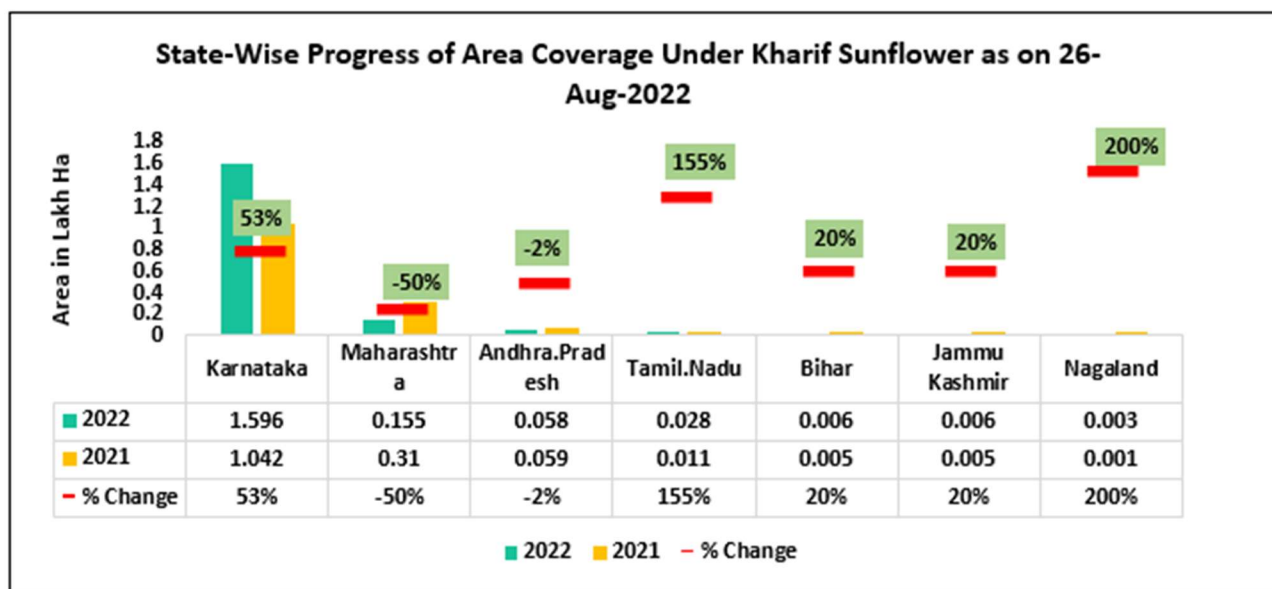
- In the domestic market, sunflower oil price is at premium over Soy oil by Rs 220 compared to Rs 260 per 10 Kg last week. Meanwhile, refined sunflower oil (Chennai) premium over RBD palm olein (Kandla) is at Rs. 350 compared to premium of Rs 305 per 10 kg last week.

In domestic market, Sunflower oil's (Chennai) is at discount over groundnut oil by Rs. 250 compared to a discount of Rs. 145 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 1400-1500 per 10 Kg

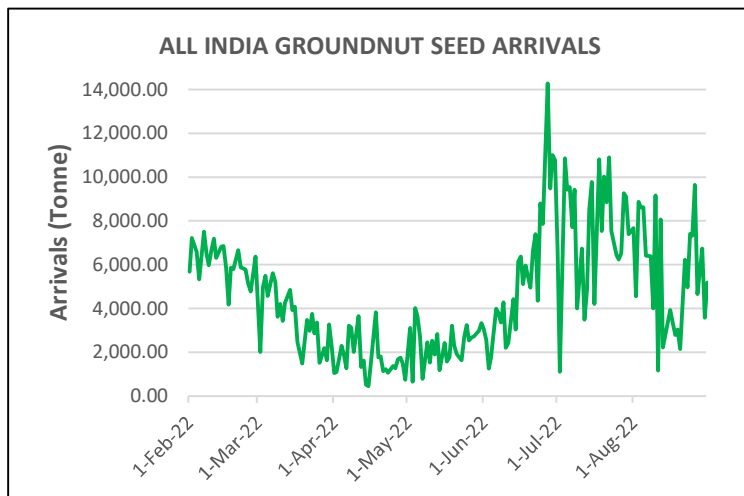
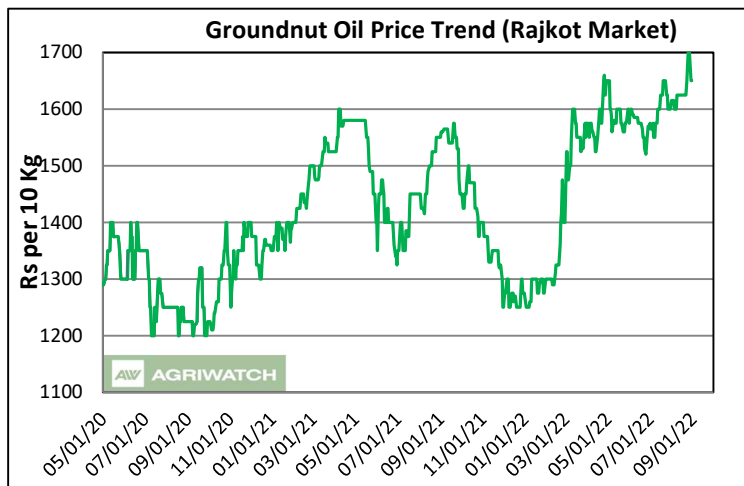
Sowing update:



Groundnut oil Fundamental Review and Analysis:-

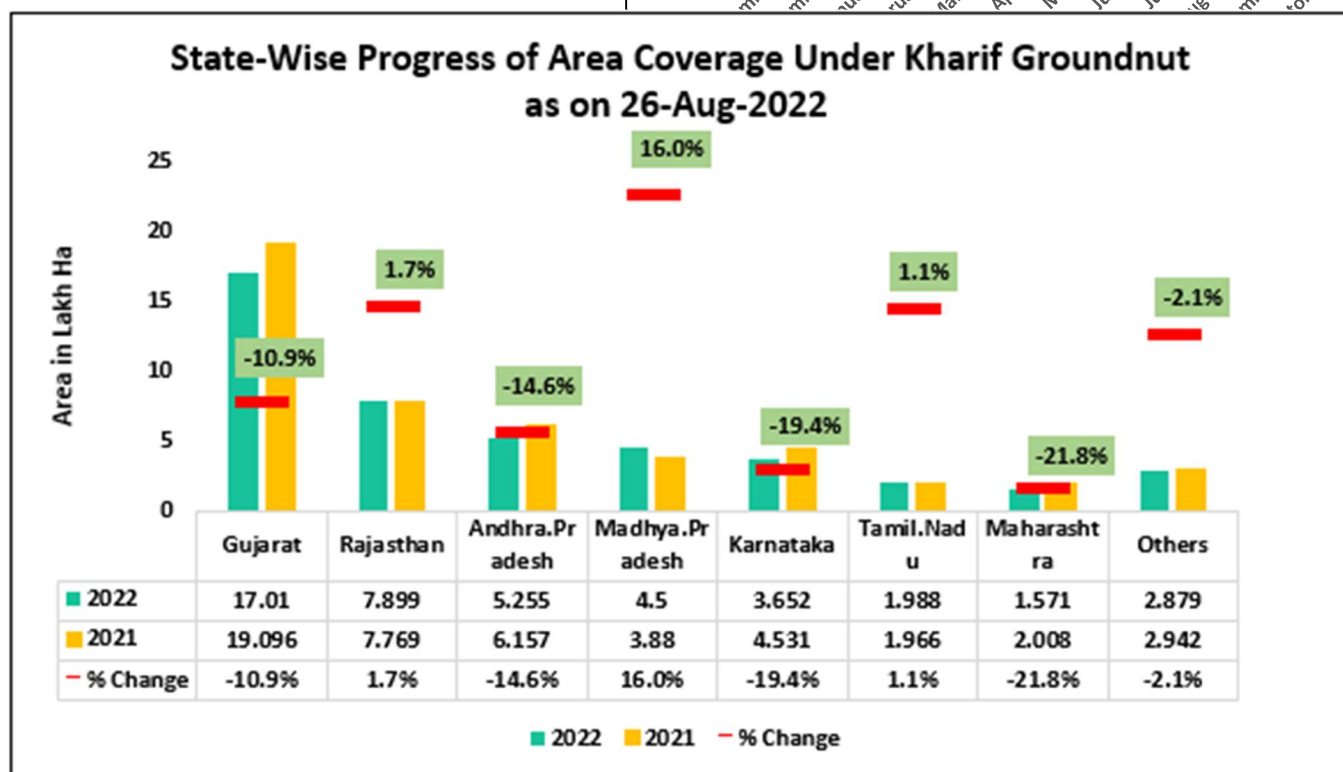
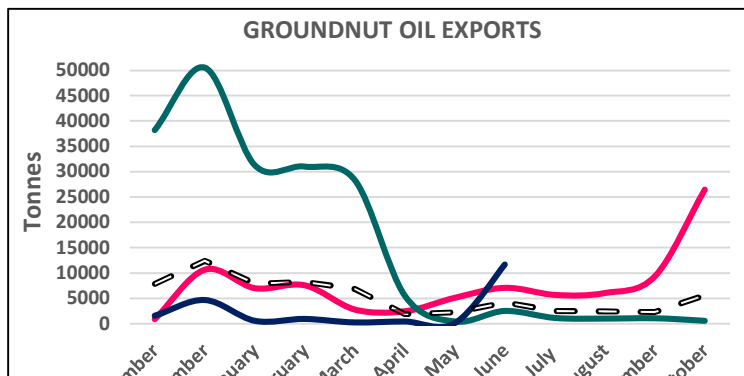
Domestic Front

- Groundnut (GN) oil prices traded firm at various market for the week in review. Market made an all-time high of Rs 1700/ 10 Kg.
- Prices are supported backed by improved export demand and good domestic market demand.
- Slow sowing progression for Kharif groundnut crop is likely to support the upward price movement.
- As on 26 Aug, All India GN seed sowing stood at 44.75 Lakh Ha compared to 48.35 Lakh Ha last year, which is down by 7.4%. GN seed acreage in Gujarat is down by 10.9%. However, good precipitation in Saurashtra, Banas Kantha, and various other regions at the time of vegetative growth is likely to contribute towards good and higher yields, despite lower acreage. GN seed acreage in Rajasthan is slightly upper by 1.7% than last year. A good yield is expected as a good amount of rain was received in the major GN growing regions.
- As per sources, China's GN seed production for the current year is impacted by high temperature and low precipitation. Argentina's GN seed production is also down for the current year as their input cost were high. It is likely that India might see export demand for the coming market year mainly from China.



- 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. It is anticipated that new Kharif crop arrivals to start from late September.
- Groundnut oil has gained its premium over competing all the competing oils which is likely to weigh on the gains of groundnut oil prices.
- GN oil Exports demand has picked up from June. Good export volume is anticipated for July mainly from China as their fall festival is round the corner, when the demand increases.

Price Outlook: Groundnut oil (without GST) prices in Rajkot is likely to trade steady in the range of Rs

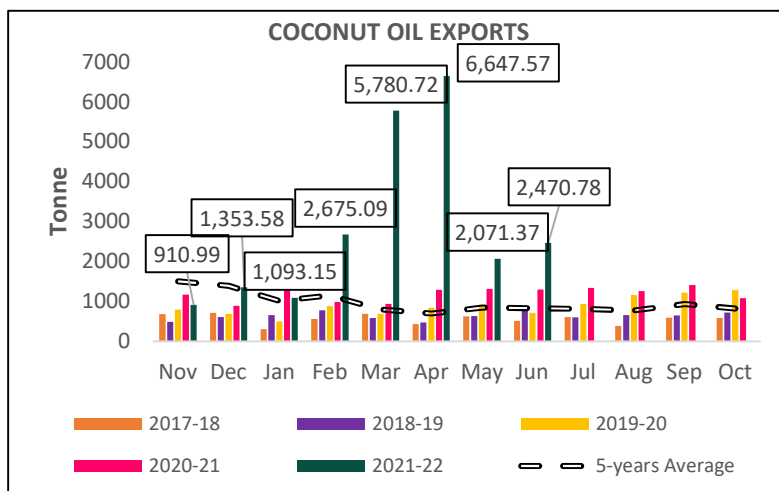
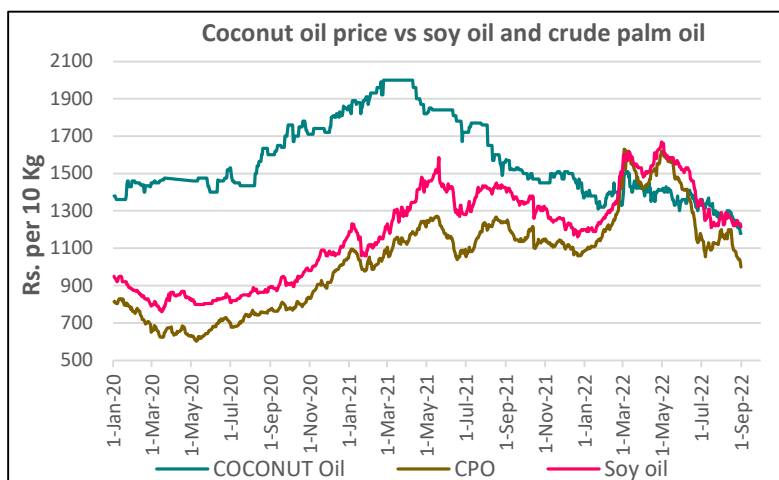
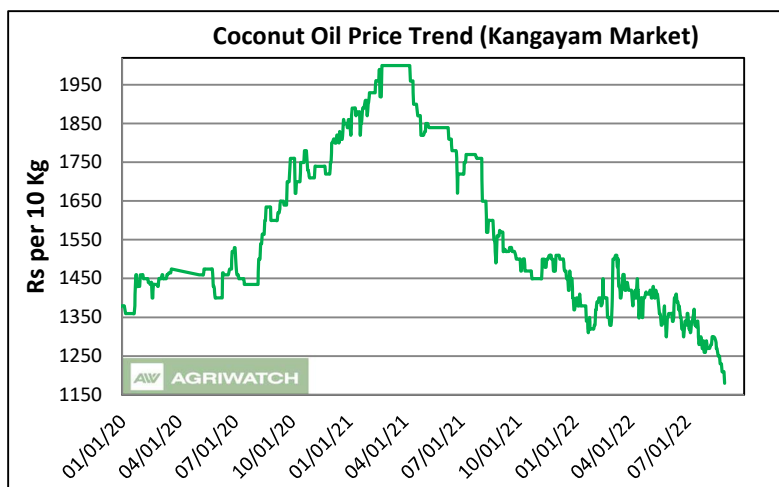


1625-1700 per 10 Kg.

Coconut Oil Fundamental Review and Analysis:-

Domestic Front

- The Coconut oil prices at benchmark market Kangeyam declined from the level of Rs 1250 to Rs 1210 per 10 Kg level, down by 3.20%.
- The demand for the coconut oil is steady. However, higher supply side is weighing on the prices.
- Onam festival is coming up. It is the time, when coconut oil demand shoots up. However, declining prices of competing oil as well as a good supply side may limit the 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 has also declined compared to exports in April month, which is likely to cap the gains in prices.
- Export demand edged marginally up 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 2,071.37 tonnes export in May 2022, and 1,297.13 tonnes in June 2021. If export demand arises from the importing countries in coming, it is likely to limit the fall in prices.
- On the price front, currently the coconut oil prices are being quoted at 1,210 (Rs 1,250) per 10 Kg in Kangeyam market on 20 Aug, 2022.



Price Outlook: Coconut oil (without GST) prices in Kangeyam is likely to trade sideways with weak bias in the range of Rs 1200-1280 per 10 Kg.

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

Commodity	Centre	Prices (Per 10 Kg)		Change
		27-Aug-22	20-Aug-22	
Refined Soybean Oil	Indore	1230	1220	10
	Indore (Soy Solvent Crude)	1190	1160	30
	Mumbai	1275	1250	25
	Mumbai (Soy Degum)	1205	1210	-5
	Kandla/Mundra	1200	1190	10
	Kandla/Mundra (Soy Degum)	1185	1190	-5
	Kolkata	1225	1235	-10
	Nagpur	1200	1265	-65
	Rajkot	1190	Closed	-
	Kota	1210	1260	-50
	Akola	1215	1265	-50
	Amrawati	1215	1265	-50
	Bundi	1220	1270	-50
	Jalna	1210	1265	-55
	Solapur	1205	1255	-50
	Dhule	1235	1285	-50
	Nanded	1190	1245	-55
	Latur	1220	1270	-50
	Argentina Crude Soya (CIF India) USD	1453	1422	31
	Argentina Crude Soya (FOB)	1373	1342	31
Palm Oil*	Kandla (Crude Palm Oil)	1040	1090	-50
	Kandla (RBD Palm oil)	1080	1190	-110
	Kandla RBD Pamolein	1100	1175	-75
	Kakinada (Crude Palm Oil)	930	1080	-150
	Kakinada RBD Pamolein	1040	1100	-60
	Haldia Pamolein	1125	1230	-105
	Chennai RBD Pamolein	1020	1100	-80
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1094	1190	-96
	Krishnapattanam RBD Pamolein	1010	1100	-90
	Mumbai RBD Pamolein	1070	1190	-120
	Mangalore RBD Pamolein	1070	1120	-50
	Mumbai (Refined)	980	1130	-150
	Rajkot (Refined)	1042	Closed	-
	Chennai (Refined)	1010	1100	-90

	Hyderabad (Refined)	975	1090	-115
	PFAD (Kandla)	740	740	Unch
	RPS (Kandla)	950	1050	-100
	Superolien (Kandla)	1130	1205	-75
	Superolien (Mumbai)	1100	1220	-120
	Kochi (RBD Palmolein)	-	1255	-
	Krishnapattanam (Crude Palm Oil)	930	1080	-150
Refined Sunflower Oil	Chennai (Refined)	1450	1480	-30
	Chennai (Crude)	1420	1450	-30
	Mumbai (Refined)	1570	1560	10
	Mumbai (Expeller Oil)	1460	1480	-20
	Kandla (Refined)	1560	1550	10
	Hyderabad (Refined)	1460	1490	-30
	Hyderabad (Expeller)	1360	1390	-30
	Latur (Refined)	1480	1470	10
	Latur (Expeller Oil)	1415	1410	5
	Chellakere (Expeller Oil)	1390	1320	70
	Erode (Expeller Oil)	1470	1520	-50
	Kakinada (Refined)	1440	1460	-20
	KrishnaPattanam (Refined)	1440	1460	-20
Groundnut Oil	Rajkot	1700	1625	75
	Chennai	1600	1600	Unch
	Hyderabad *	1500	1550	-50
	Mumbai	1730	1670	60
	Gondal	1700	Closed	-
	Jamnagar	1700	Closed	-
	Gujarat GN Telia	2700	2550	150
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1290	1350	-60
	Jaipur (Kacchi Ghani Oil)	1395	1455	-60
	Kota (Expeller Oil)	1320	1360	-40
	Kota (Kacchi Ghani Oil)	1370	1430	-60
	Neewai (Expeller Oil)	1265	1330	-65
	Neewai (Kacchi Ghani Oil)	1380	1445	-65
	Bharatpur (Kacchi Ghani Oil)	1340	1400	-60
	Sri-Ganga Nagar(Exp Oil)	1300	1375	-75
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1350	1420	-70
	Mumbai (Expeller Oil)	1400	1390	10
	Kolkata(Expeller Oil)	1550	1540	10
	Hapur (Expeller Oil)	1550	1570	-20

	Hapur (Kacchi Ghani Oil)	1600	1620	-20
	Agra (Kacchi Ghani Oil)	1345	1405	-60
Refined Cottonseed Oil	Rajkot	1490	Closed	-
	Hyderabad	1430	1470	-40
	Mumbai	1460	1500	-40
	Gujarat Cotton Wash	1380	1430	-50
Coconut Oil	Kangayan (Crude)	1210	1250	-40
Rice Bran Oil	Mumbai (Refined 4%)	1170	1220	-50
	Bhatinda (Crude 4%)	1070	1060	10
	Bhatinda (Refined 4%)	1185	1175	10
	Hyderabad (Crude)	1090	1080	10
	Hyderabad (Refined)	1280	1250	30
	Raipur (Crude)	1170	1130	40
	Vijayawada (Refined)	1110	1160	-50
Malaysia Palmolein USD/MT	FOB	1060	1070	-10
	CNF India	1020	1015	5
Indonesia CPO USD/MT	FOB	Unq	0	-
	CNF India	1080	1090	-10
Crude palm Kernel Oil India (USD/MT)	CNF India	Closed	1240	-
Ukraine Origin CSFO USD/MT Kandla	CIF	1520	1650	-130
Argentina FOB (\$/MT)		26-Aug-22	19-Aug-22	Change
Crude Soybean Oil Ship		1387	1371	16
Refined Soy Oil (Bulk) Ship		1436	1419	17
Sunflower Oil Ship		1475	1490	-15
Cottonseed Oil Ship		1367	1351	16
* 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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