



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

On the currency front, Indian rupee is hovering near 79.41 against 79.42 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

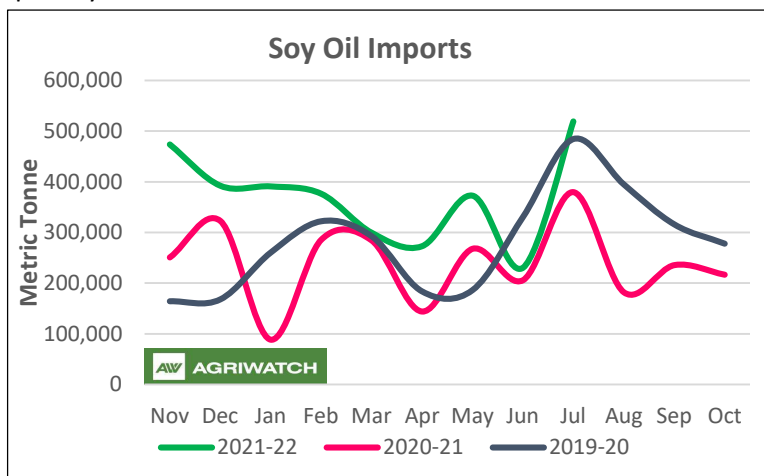
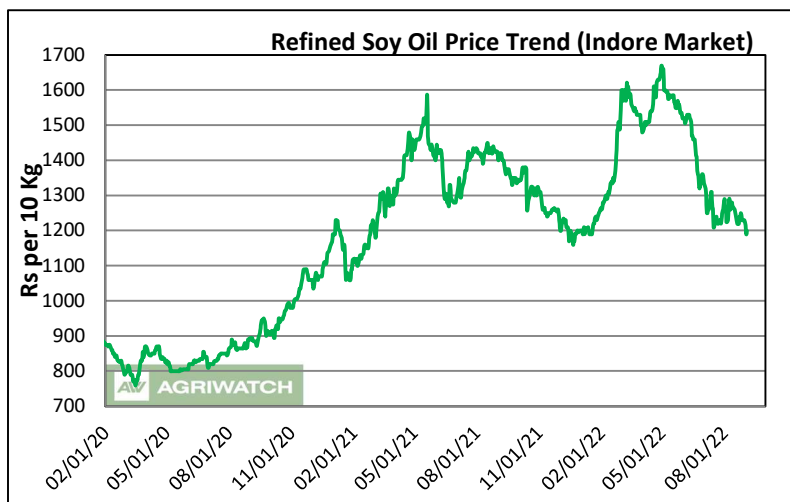
Area Covered (Lakh Ha) as of 2 September 2022			
Crop	2022	2021	% Change
Soybean	120.37	120.63	-0.22%
Groundnut	45.14	48.64	-7.20%
Sunflower	1.91	1.46	30.82%
Sesamum	12.83	12.77	0.47%
Niger	0.85	0.39	117.95%
Castor	7.28	5.65	28.85%
Other Oilseeds	0.12	0.11	9.09%
Total Oilseeds	188.51	189.66	-0.61%

Rainfall

Madhya Pradesh	Cumulative Rainfall Departure (%) 1st June to 04th Sept'22	Maharashtra	Cumulative Rainfall Departure (%) 1st June to 04th Sept'22	Rajasthan	Cumulative Rainfall Departure (%) 1st June to 04th Sept'22
Rajgah	90%	Nagpur	45%	Kota	58%
Videsha	53%	Latur	28%	Jhalawar	50%
Dewas	49%	Yavatmal	27%	Bundi	47%
Shajahpur	44%	Parbhani	7%	Pratapgarh	30%
Mandsaur	31%	Amaravati	4%	Baran	19%
Ashok nagar	29%	Washim	3%	Chittaurgarh	13%
Ratlam	28%	Jalna	-1%	Rajasthan	41%
Ujjain	21%	Buldhana	-8%		
Indore	11%	Hingoli	-14%		
Dhar	-9%	Akola	-15%		
MP	20%	Maharashtra	17%		

Soy oil Fundamental Analysis and Outlook:-
Domestic Front

- Soy oil prices at bench market Indore, corrected downwards by 2.44% from Rs 1230 to Rs 1200 per 10 Kg. However, Soy oil prices at various other markets traded with mixed sentiments.
- Government of India issued a notification on 31st August 2022, stating that current duty structure on all the edible oils will continue to remain the same till 31st March 2023. This news impacted the market with weak sentiment as no support from government is provided to curb the price falls in the edible oil.
- Prices are also declining as domestic supply side is higher with higher soy oil imports in July.
- As of 2nd September, '22, all India Kharif soybean sowing progress is down by 0.22% to 120.37 lakh ha. compared to 120.63 lakh ha. last year in the same period. 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.
- According to industry sources, Soybean crop all across India is in normal to good condition. Vegetative growth is excellent. Most crop is in flowering and pod formation stage. Soybean fields are mostly weed-free and there is no significant attack of insects or diseases. Due to excessive and continuous rains, in some districts of Maharashtra and Madhya Pradesh, water logging has been seen in low lying areas, causing yellowing of leaves and there may be some damage to crop and also yield loss in these areas. Yellow mosaic is not a major concern in any state. Overall rainfall is good in key growing districts of all the three states. Acreage in MP has declined by 9% due to acreage shift to maize and pulses. If the weather remains favourable in September and there is no sudden and significant variation in temperature and there are no continuous rains at pod filling stage or harvest time, it is expected to reap a good soybean crop this year.
- 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.



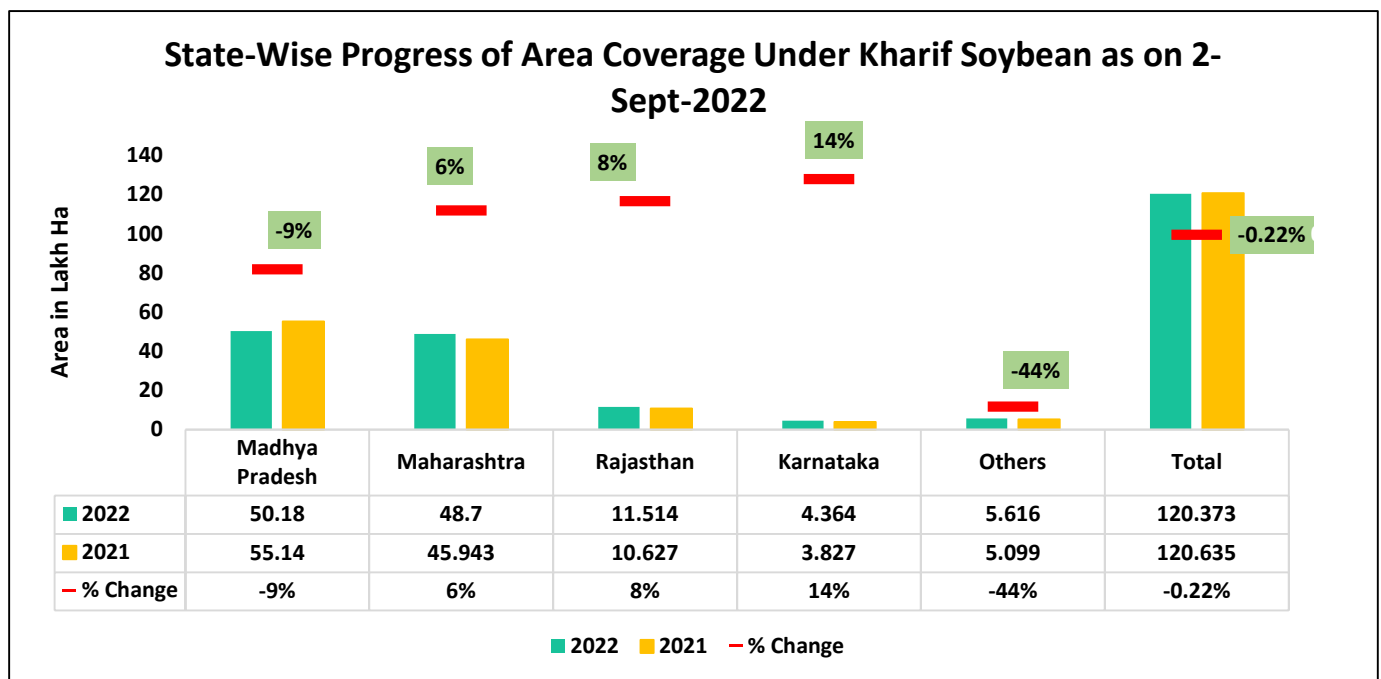
- Prices are anticipated to trade sideways with weak bias in coming term in tandem with sluggish Soy oil international market.

International Front

- CBOT soy oil prices for the active contract 'Dec' witnessed downward movement by 0.94% from 66.80 to 66.25 cents per pound.
- 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.
- Anticipation of higher acreage in Brazil for soybean crop is also weigh down the prices for CBOT soybean and Soy oil prices.

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.

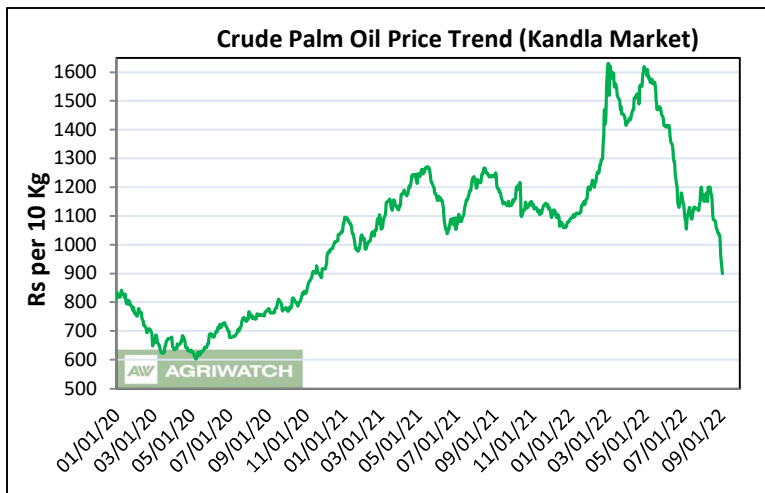
Sowing update:



Palm oil Fundamental Analysis and Outlook -:

Domestic Front

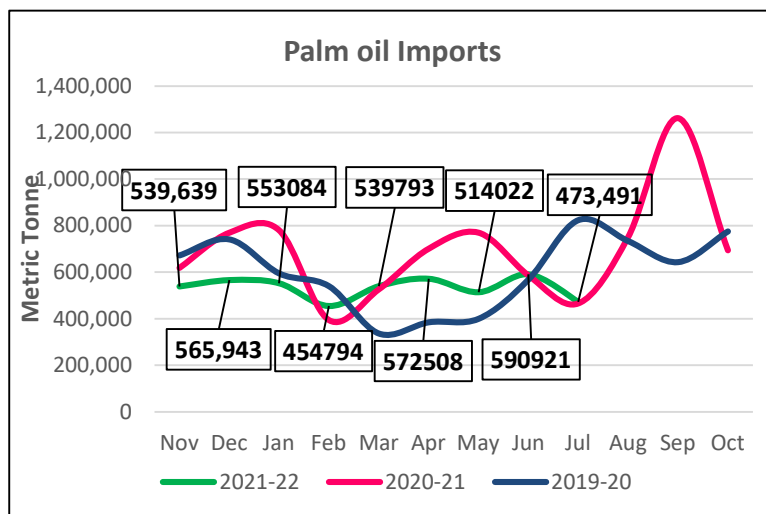
- Crude palm oil (CPO) prices witnessed sharp decline for the previous week in the benchmark market Kandla by 13.46%.
- Domestic palm oil prices corrected downwards sharply as government made no change in the edible oil import duty.
- The Department of Revenue under the Ministry of Finance has issued Notification No. 46/2022-Customs dated 31st August 2022 vide which the current duty structure on Crude Palm Oil, RBD Palmolein, RBD Palm Oil, Crude Soybean Oil, Refined Soybean Oil, Crude Sunflower Oil and Refined Sunflower Oil remains unchanged till 31st March 2023.



- Domestic prices are likely to continue with the bearish tone as no support in terms of change in import duty has been provided. However, Indonesia changing both export tax and export levy from 1st November onwards may provide support to the falling prices.
- 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 to lower the threshold for palm oil export levies from 1st November. Indonesia has extended the levy waiver on Palm oil export till 31st October 2022 and will cease to continue on the same day.
- Indonesia announced to raise their reference price for palm oil export, increasing its export tax to \$124 per tonne compared to \$74 per tonne previously.
- Malaysia is likely to witness high palm oil stock as Indonesia's lucrative palm oil prices diverted the demand.

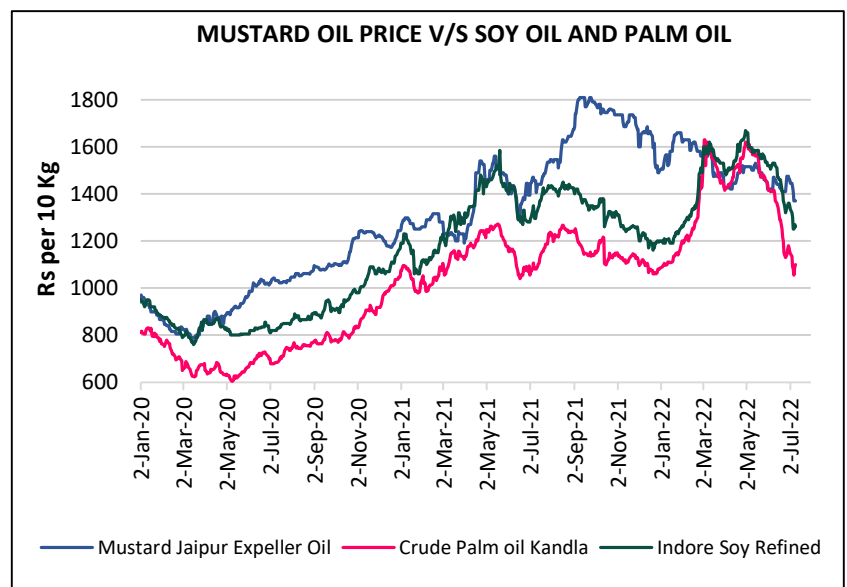
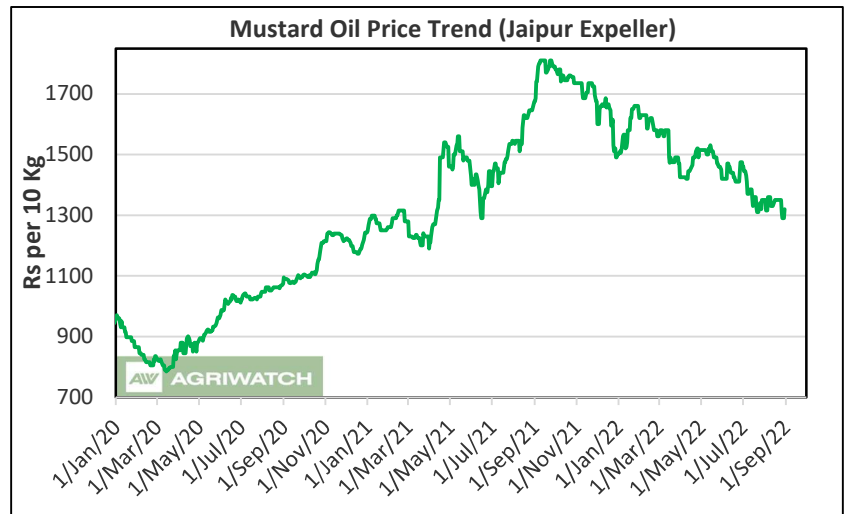


Price Outlook: We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 880-1000 per 10 Kg in the near term.

Rapeseed oil Fundamental Review and Analysis-

Domestic Front

- Mustard oil prices traded with mixed sentiments at various markets for the week in review. However, Prices traded steady at Rs 1290/10 Kg level at Jaipur bench market.
- Demand for mustard oil has 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.
- Prices are likely to rebound from lower level in coming 2-3 weeks as festival demand would pick up.
- Jaipur Expeller rapeseed oil premium over refined soy oil in domestic market by Rs 90 per 10 kg compared to Rs 60 per 10 Kg last week.
- Jaipur Expeller rapeseed oil has premium over RBD palm olein by Rs 310 per 10 kg compared to Rs 190 per 10 Kg last week.

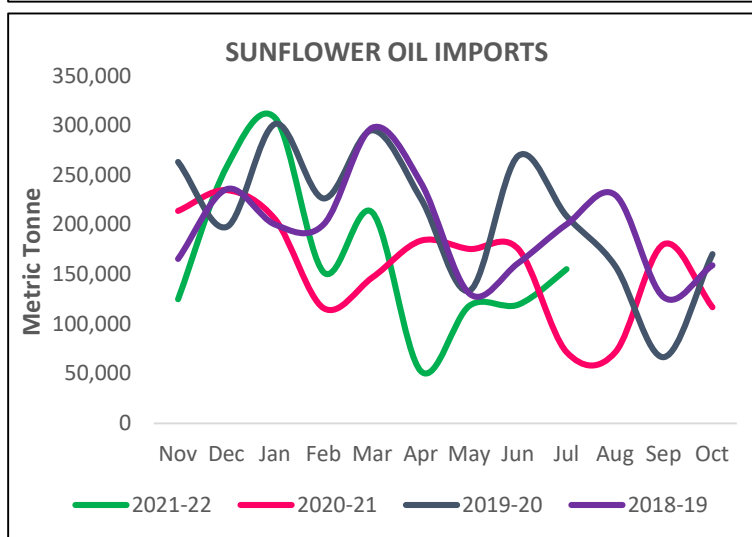
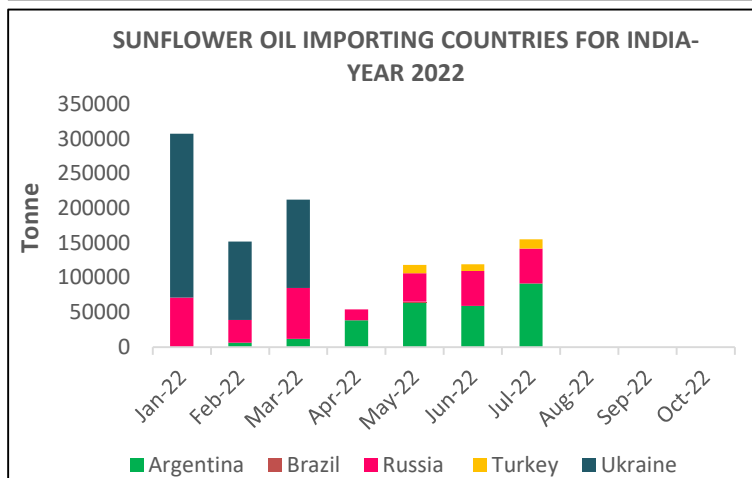
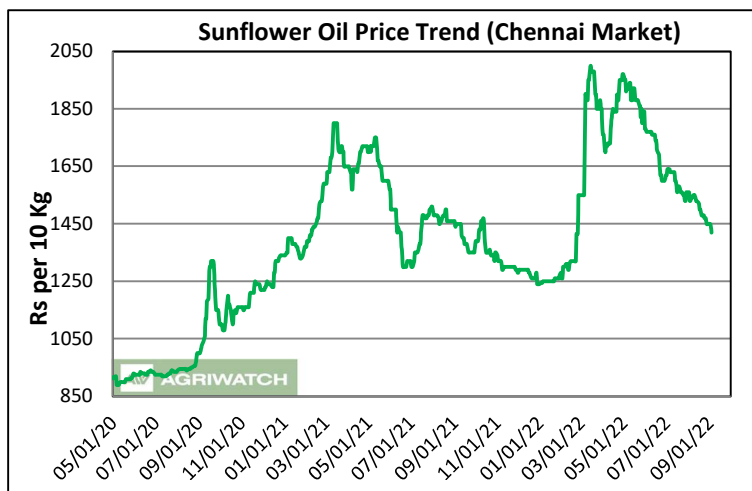


Price Outlook: Rapeseed Expeller oil (without GST) prices in Jaipur may trade in the range of Rs 1280-1380 per 10 Kg.

Sunflower oil Fundamental Review and Analysis:-

Domestic Front

- Sunflower oil prices at Chennai featured weak sentiments at various markets. Prices edged down at benchmark Chennai from Rs. 1450 to Rs. 1420 per 10 Kg, down by 2.07 percent.
- Prices are pressured by higher imports of sunflower oil, increasing its domestic supply side.
- 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 20 Lakh tonne of Sun oil would bear zero import duty.
- 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 are anticipated to trade down in tandem with lowering international sun oil prices.
- According to Ministry of Agriculture of Russia, farmers harvested 175.2 thousand tonnes of sunflower seed from acreage of 76.2 thsd ha with an average yield of 2.3 t/ha.



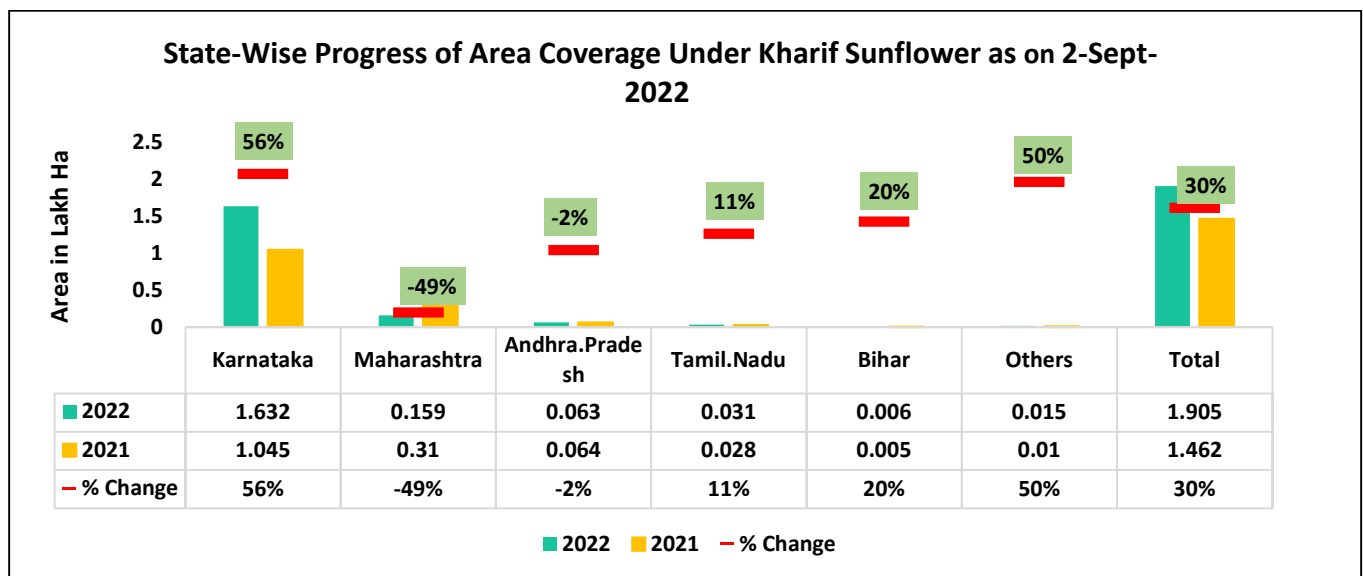
- At present, lucrative Ukraine sun oil prices (1350.0 \$/MT) compared to Russian sun oil prices (1395.0 \$/MT) is capping Russian sun oil export gains, and diverting export demand back to Ukraine as black sea grain corridor opened. (Prices in backed are of 5th September 2022)
- July's Sun oil import 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, Russia and Turkey respectively.
- In the domestic market, sunflower oil price is at premium over Soy oil by Rs 220 same as last week. Meanwhile, refined sunflower oil (Chennai) premium over RBD palm olein (Kandla) is at Rs. 440 compared to premium of Rs 350 per 10 kg last week.

In domestic market, Sunflower oil's (Chennai) is at discount over groundnut oil by Rs. 250 same as 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

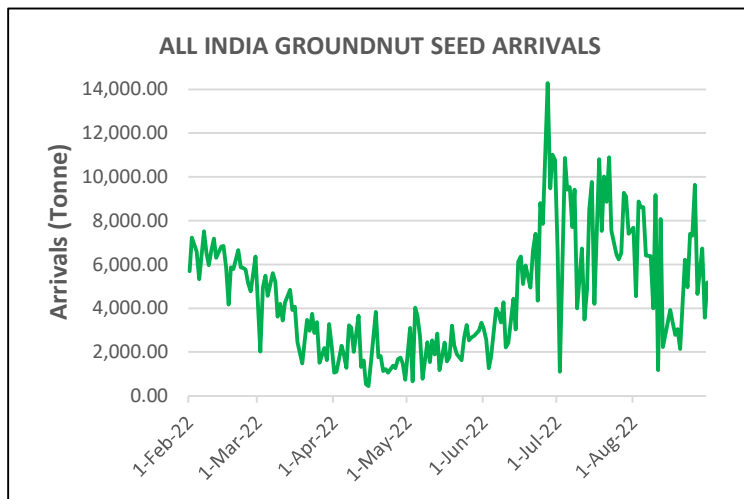
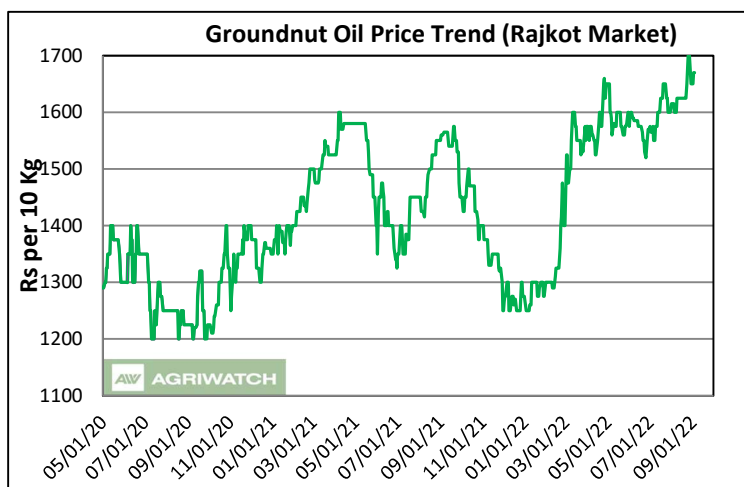
Sowing update:



Groundnut oil Fundamental Review and Analysis:-

Domestic Front

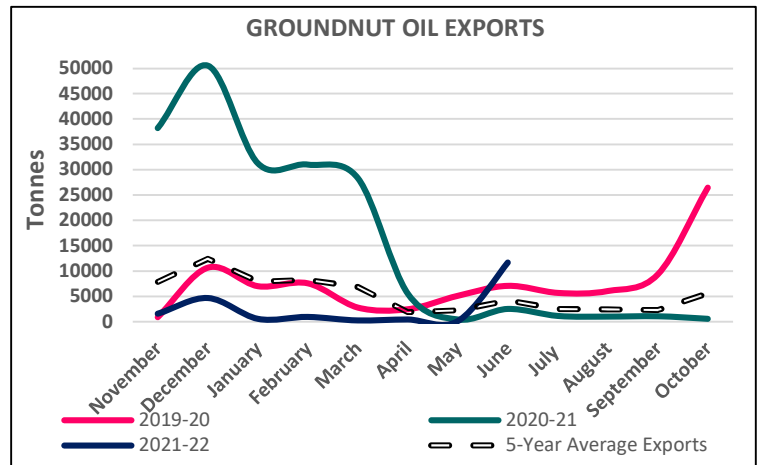
- Groundnut (GN) oil prices edged down at various market for the week in review. Prices corrected from Rs 1700- 1670/10 Kg in the bench market Rajkot.
- Prices corrected down mainly due to heavy correction in competing oils. A high premium of GN oil over competing oils capped its gains.
- Lagging sowing acreage for Kharif groundnut crop is likely to support the upward price movement.
- As on 02nd Sept'22 All India Kharif Groundnut sowing progress is lagging by 7% to 45.14 Lakh hectare as compared to 48.64 Lakh hectare last year in the same period. 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.



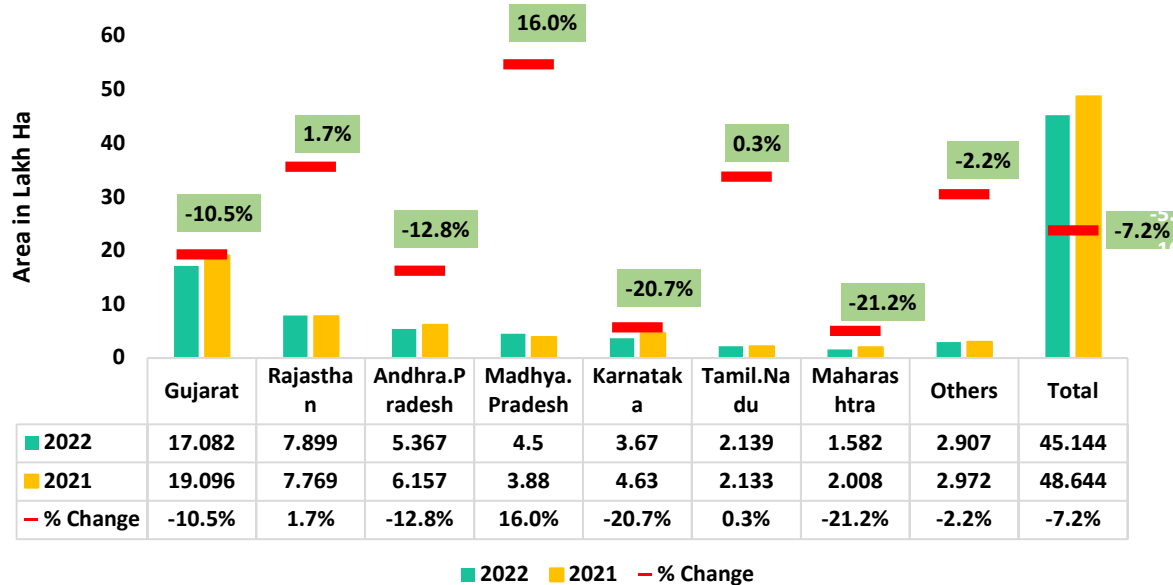
- As can be seen in the chart named '**ALL INDIA GROUNDNUT ARRIVALS**', All India GN seed arrivals are declining. Arrivals specially from Gujarat is down due to low summer GN crop production, and export demand is mainly fulfilled from the Gujarat states. It is anticipated that new Kharif crop arrivals 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.

Sowing update:



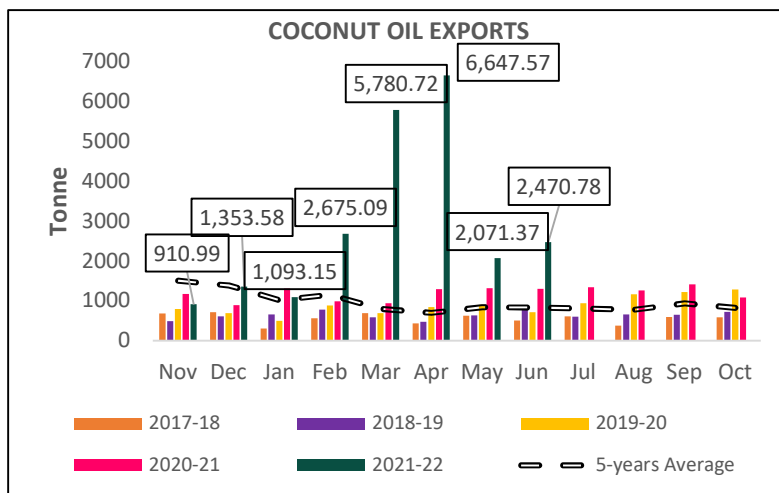
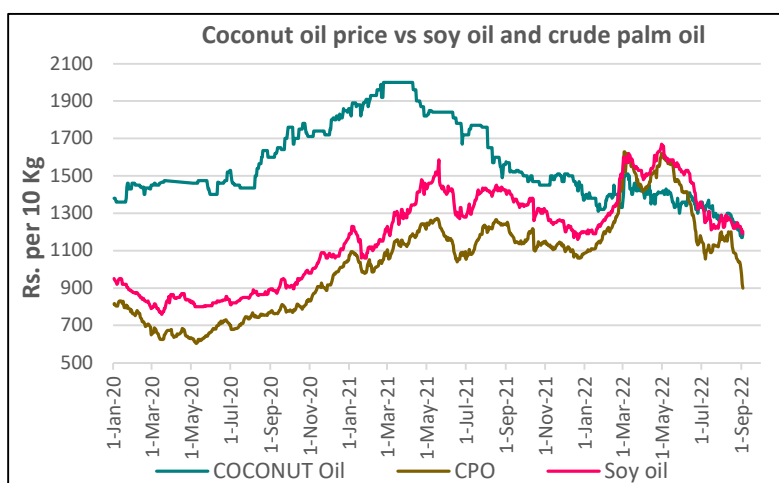
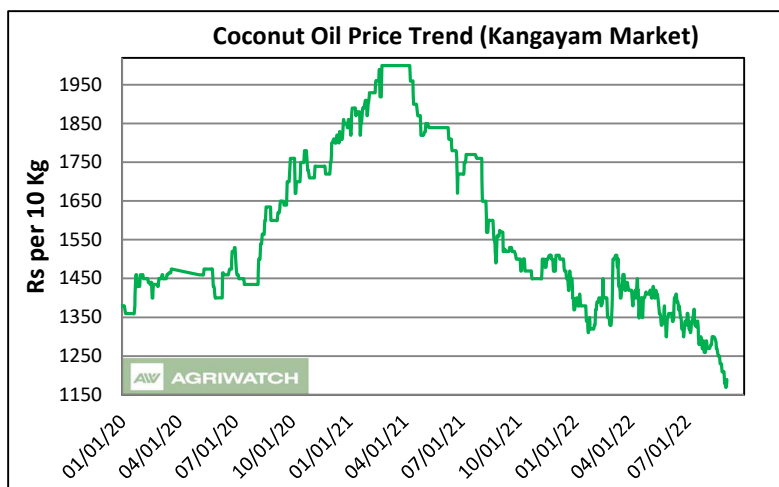
State-Wise Progress of Area Coverage Under Kharif Groundnut as on 2-Sept-2022



Coconut Oil Fundamental Review and Analysis:-

Domestic Front

- The Coconut oil prices at benchmark market Kangeyam declined from the level of Rs 1210 to Rs 1190 per 10 Kg level, down by 1.65%.
- The demand for the coconut oil is steady. However, higher supply side is weighing on the prices and price correction of competing oils is weighing down coconut oil prices as well.
- 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
		3-Sep-22	27-Aug-22	
Refined Soybean Oil	Indore	1200	1230	-30
	Indore (Soy Solvent Crude)	1160	1190	-30
	Mumbai	1250	1275	-25
	Mumbai (Soy Degum)	1180	1205	-25
	Kandla/Mundra	1175	1200	-25
	Kandla/Mundra (Soy Degum)	1175	1185	-10
	Kolkata	1215	1225	-10
	Nagpur	1250	1200	50
	Rajkot	1240	1190	50
	Kota	1200	1210	-10
	Akola	1245	1215	30
	Amrawati	1245	1215	30
	Bundi	1210	1220	-10
	Jalna	1250	1210	40
	Solapur	1250	1205	45
	Dhule	1255	1235	20
	Nanded	1235	1190	45
	Latur	1235	1220	15
	Argentina Crude Soya (CIF India) USD	1441	1453	-12
	Argentina Crude Soya (FOB)	1361	1373	-12
Palm Oil*	Kandla (Crude Palm Oil)	900	1040	-140
	Kandla (RBD Palm oil)	950	1080	-130
	Kandla RBD Pamolein	980	1100	-120
	Kakinada (Crude Palm Oil)	910	930	-20
	Kakinada RBD Pamolein	995	1040	-45
	Haldia Pamolein	1025	1125	-100
	Chennai RBD Pamolein	1000	1020	-20
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1054	1094	-40
	Krishnapattanam RBD Pamolein	990	1010	-20
	Mumbai RBD Pamolein	1000	1070	-70
	Mangalore RBD Pamolein	1010	1070	-60
	Mumbai (Refined)	960	980	-20
	Rajkot (Refined)	1035	1042	-7
	Chennai (Refined)	990	1010	-20

	Hyderabad (Refined)	945	975	-30
	PFAD (Kandla)	700	740	-40
	RPS (Kandla)	900	950	-50
	Superolien (Kandla)	1010	1130	-120
	Superolien (Mumbai)	1030	1100	-70
	Krishnapattanam (Crude Palm Oil)	910	930	-20
Refined Sunflower Oil	Chennai (Refined)	1420	1450	-30
	Chennai (Crude)	1360	1420	-60
	Mumbai (Refined)	1460	1570	-110
	Mumbai(Expeller Oil)	1380	1460	-80
	Kandla (Refined)	1470	1560	-90
	Hyderabad (Refined)	1420	1460	-40
	Hyderabad (Expeller)	1340	1360	-20
	Latur (Refined)	1400	1480	-80
	Latur (Expeller Oil)	1310	1415	-105
	Chellakere (Expeller Oil)	1280	1390	-110
	Erode (Expeller Oil)	1430	1470	-40
	Kakinada (Refined)	1400	1440	-40
	Krishna Pattanam (Refined)	1400	1440	-40
Groundnut Oil	Rajkot	1670	1700	-30
	Chennai	1580	1600	-20
	Hyderabad *	1550	1500	50
	Mumbai	1670	1730	-60
	Gondal	1625	1700	-75
	Jamnagar	1625	1700	-75
	Gujarat GN Telia	2620	2700	-80
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1290	1290	Unch
	Jaipur (Kacchi Ghani Oil)	1395	1395	Unch
	Kota (Expeller Oil)	1250	1320	-70
	Kota (Kacchi Ghani Oil)	1380	1370	10
	Neewai (Expeller Oil)	1250	1265	-15
	Neewai (Kacchi Ghani Oil)	1380	1380	Unch
	Bharatpur (Kacchi Ghani Oil)	1300	1340	-40
	Sri-Ganga Nagar(Exp Oil)	1280	1300	-20
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1375	1350	25
	Mumbai (Expeller Oil)	1340	1400	-60
	Kolkata(Expeller Oil)	1550	1550	Unch
	Hapur (Expeller Oil)	1580	1550	30
	Hapur (Kacchi Ghani Oil)	1630	1600	30

	Agra (Kacchi Ghani Oil)	1305	1345	-40
Refined Cottonseed Oil	Rajkot	1340	1490	-150
	Hyderabad	1320	1430	-110
	Mumbai	1330	1460	-130
	Gujarat Cotton Wash	1240	1380	-140
Coconut Oil	Kangayan (Crude)	1190	1210	-20
	Cochin	1350	1380	-30
Rice Bran Oil	Mumbai (Refined 4%)	1130	1170	-40
	Bhatinda (Crude 4%)	980	1070	-90
	Bhatinda (Refined 4%)	1095	1185	-90
	Hyderabad (Crude)	1060	1090	-30
	Hyderabad (Refined)	1260	1280	-20
	Raipur (Crude)	1135	1170	-35
	Vijayawada (Refined)	1080	1110	-30
Malaysia Palmolein USD/MT	FOB	1005	1060	-55
	CNF India	970	1020	-50
Indonesia CPO USD/MT	FOB	Unq	Unq	-
	CNF India	1005	1080	-75
Crude palm Kernel Oil India (USD/MT)	CNF India	Closed	1335	-
Ukraine Origin CSFO USD/MT Kandla	CIF	1410	1520	-110
Argentina FOB (\$/MT)		2-Sep-22	26-Aug-22	Change
Crude Soybean Oil Ship		1351	1387	-36
Refined Soy Oil (Bulk) Ship		1398	1436	-38
Sunflower Oil Ship		1440	1475	-35
Cottonseed Oil Ship		1331	1367	-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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