



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, 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 StatisticsAcreage

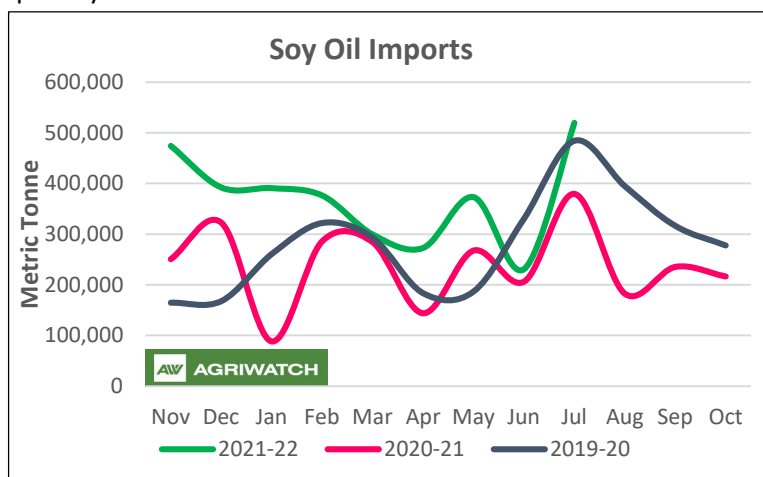
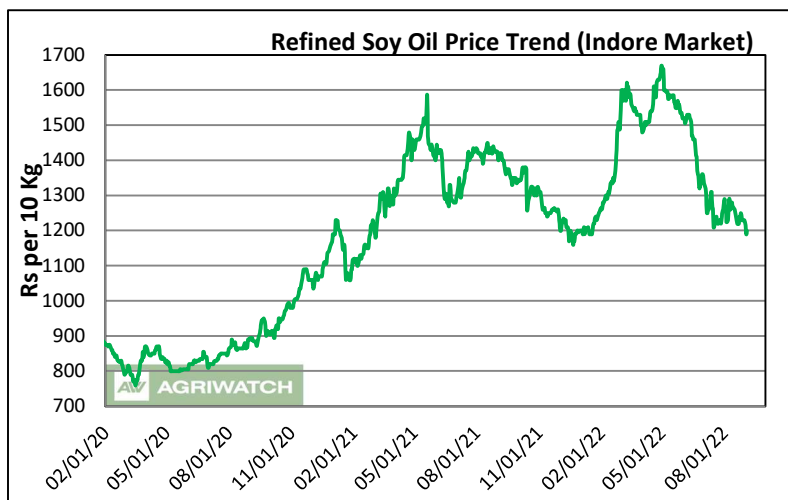
Area Covered (Lakh Ha) as of 9 September 2022			
Crop	2022	2021	% Change
Soybean	120.48	120.71	-0.19%
Groundnut	45.35	48.94	-7.34%
Sunflower	1.99	1.52	30.92%
Sesamum	12.96	12.92	0.31%
Niger	0.89	0.73	21.92%
Castor	7.95	5.99	32.72%
Other Oilseeds	0.12	0.11	9.09%
Total Oilseeds	189.74	190.92	-0.62%

Rainfall

District wise Week by Week Cumulative Rainfall Departure							
Madhya Pradesh	Cumulative Rainfall Departure (%) 1 June to 13 September'22	Maharashtra	Cumulative Rainfall Departure (%) 1 June to 13 September'22	Rajasthan	Cumulative Rainfall Departure (%) 1 June to 13 September'22	Gujarat	Cumulative Rainfall Departure (%) 1 June to 13 September'22
Dewas	46%	Nagpur	53%	Kota	51%	Kutchh	82%
Videsha	47%	Yavatmal	39%	Bundi	38%	Gir somnath	43%
Rajgarh	83%	Amrawati	16%	Jhalawar	44%	Junagarh	37%
Shajahpur	40%	Washim	10%	Baran	12%	Amreli	20%
Indore	14%	Buldhana	2%	Chittorgarh	7%	Jamnagar	7%
Ashok nagar	22%	Akola	-8%	Pratapgarh	24%	Rajkot	19%
Ujjain	19%	Latur	39%			Bhavnagar	-3%
Mandsaur	23%	Parbhani	15%			Banaskatha	56%
Dhar	-10%	Jalna	13%				
Ratlam	23%	Hingoli	-9%				
Madhya pradesh	18%	Maharashtra	24%	Rajasthan	34%	Gujarat	27%

Soy oil Fundamental Analysis and Outlook:- Domestic Front

- Soy oil prices at bench market Indore, corrected downwards by 5.0% from Rs 1200 to Rs 1140 per 10 Kg.
- Prices corrected 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.
- 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.



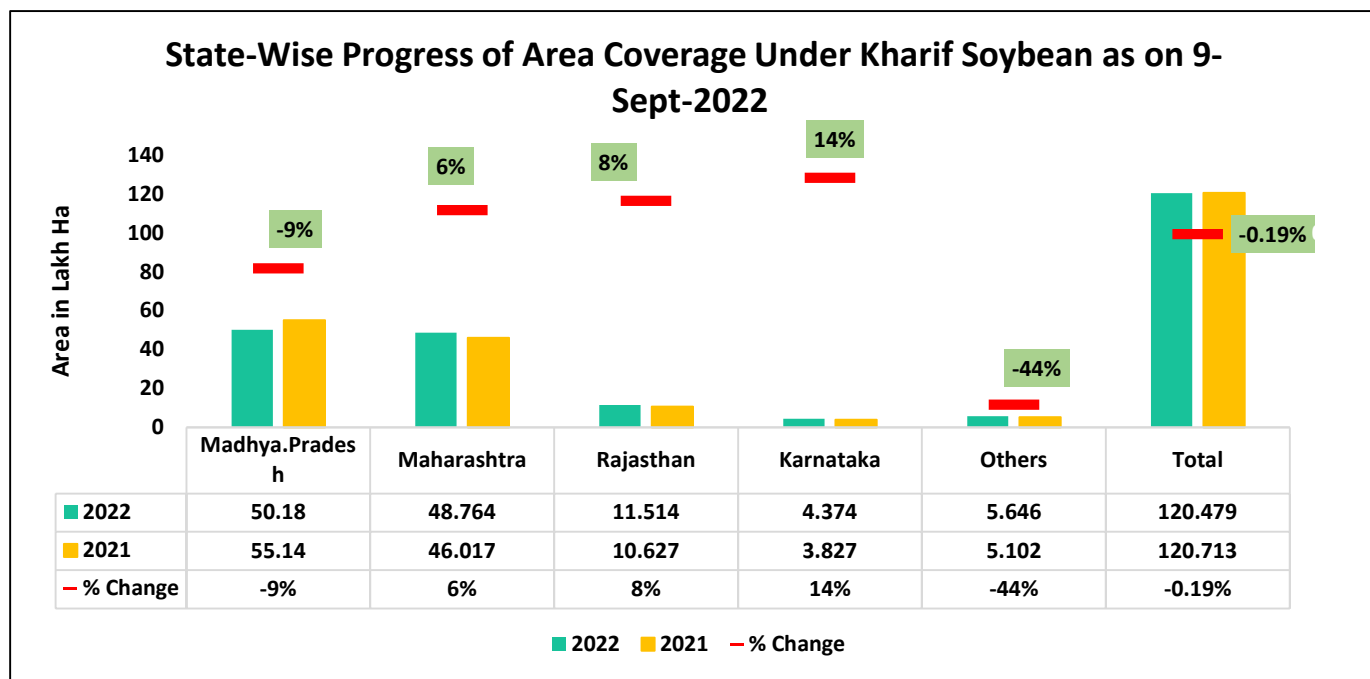
- Prices are anticipated to trade sideways with weak bias in coming term in tandem with sluggish Soy oil international market.

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.

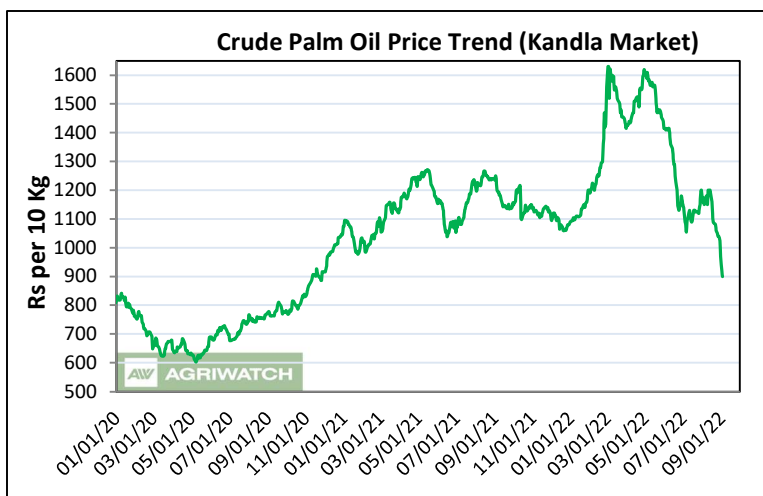
Sowing update:



Palm oil Fundamental Analysis and Outlook -:

Domestic Front

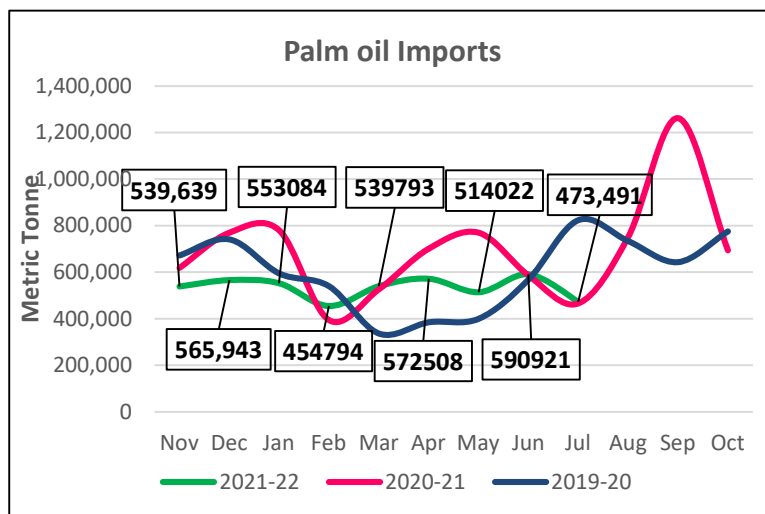
- Crude palm oil (CPO) prices witnessed sharp decline for the previous week in the benchmark market Kandla by 13.46%.
- Domestic palm oil prices corrected downwards sharply as government made no change in the edible oil import duty.
- The Department of Revenue under the Ministry of Finance has issued 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.

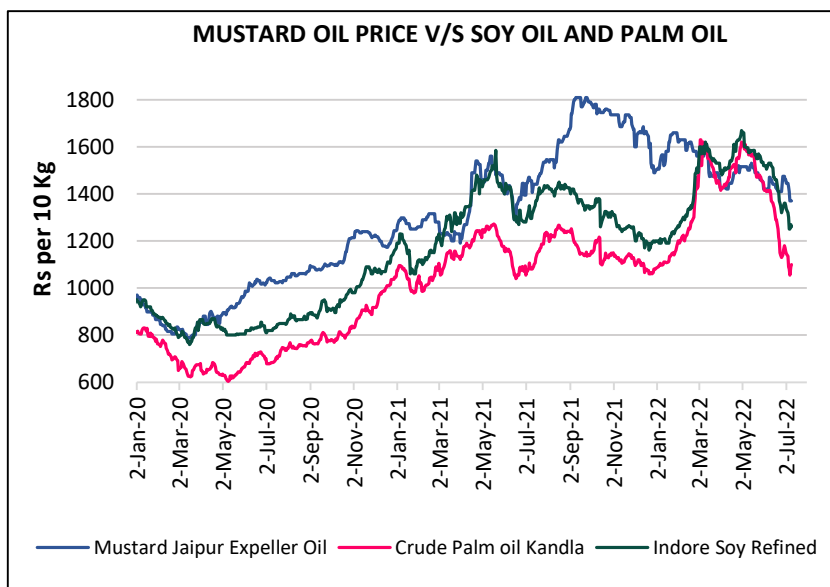
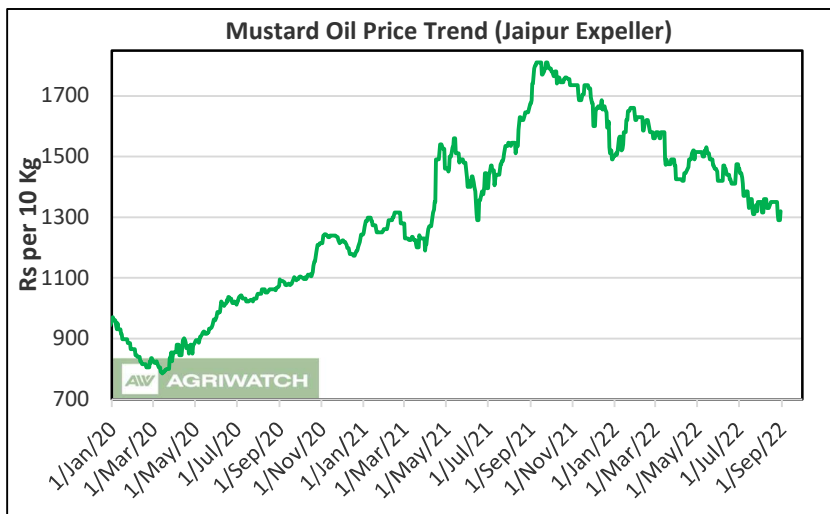


Price Outlook: We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 880-1000 per 10 Kg in the near term.

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 105 per 10 kg compared to Rs 90 per 10 Kg last week.
- Jaipur Expeller rapeseed oil has premium over RBD palm olein by Rs 280 per 10 kg compared to Rs 125 per 10 Kg last week.

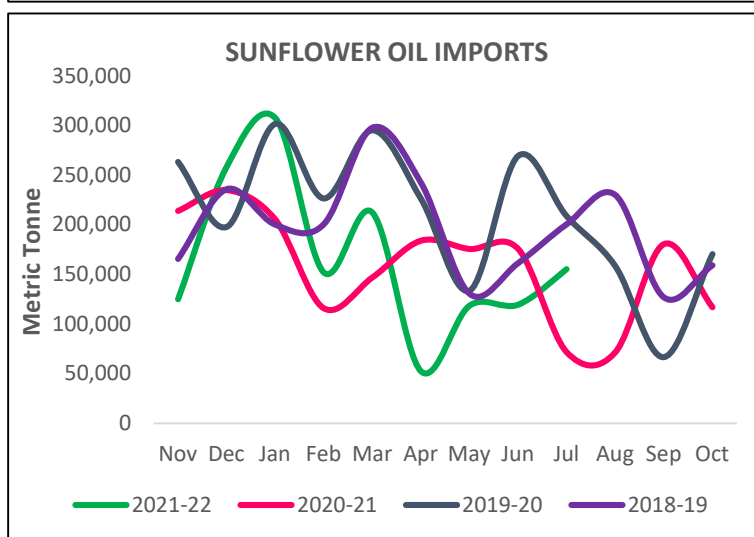
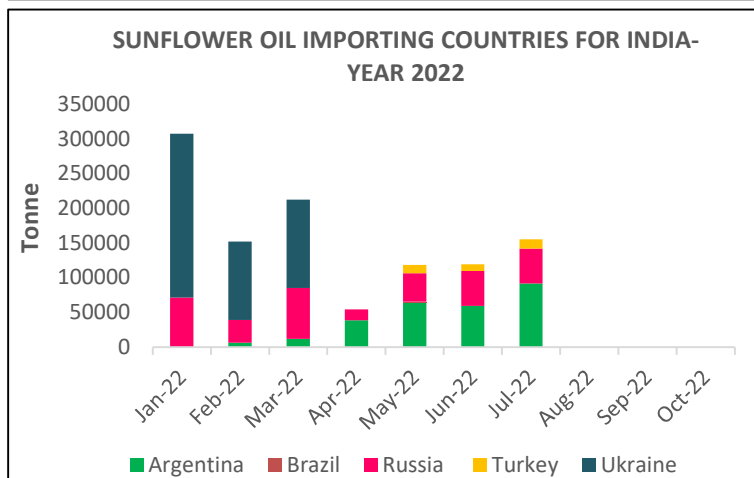
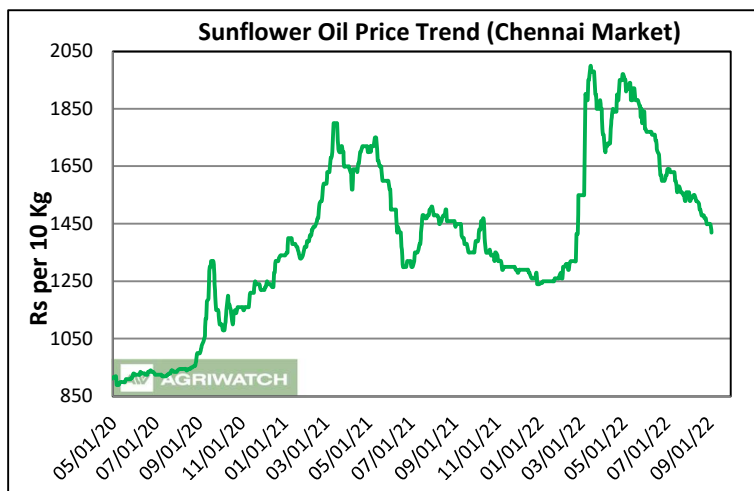


Price Outlook: Rapeseed Expeller oil (without GST) prices in Jaipur may trade in the range of Rs 1200-1280 per 10 Kg.

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.



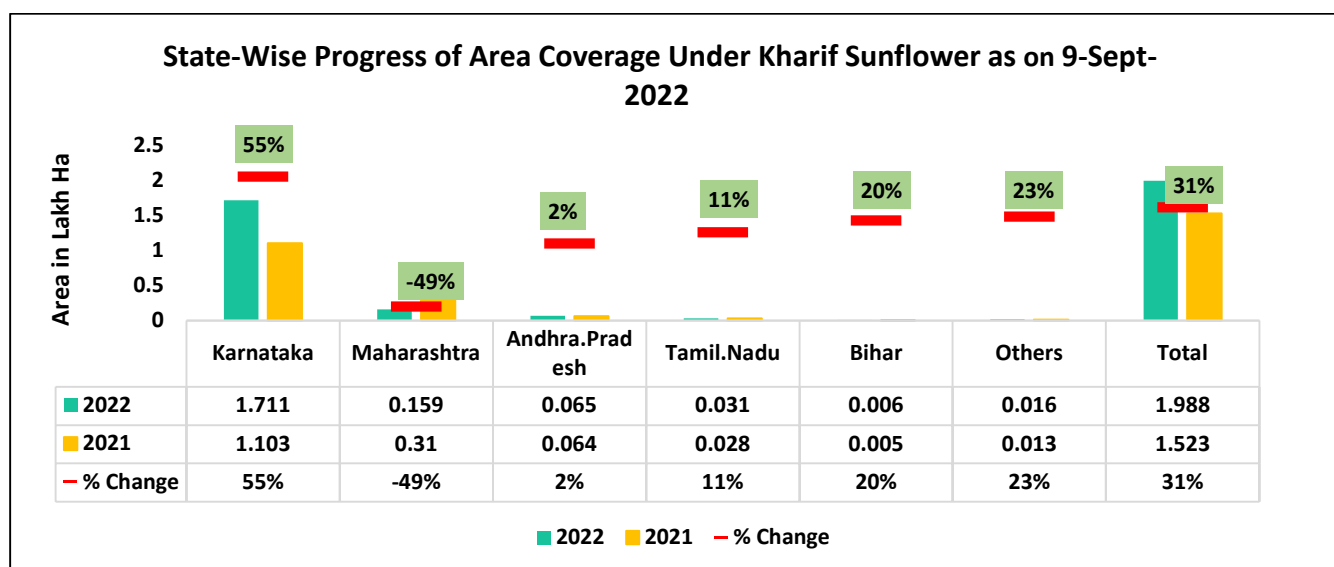
- At present, lucrative Ukraine sun oil prices (1350.0 \$/MT) compared to Russian sun oil prices (1395.0 \$/MT) is capping Russian sun oil export gains, and diverting export demand back to Ukraine as black sea grain corridor opened. (Prices in backed are of 5th September 2022)
- July's Sun oil import 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

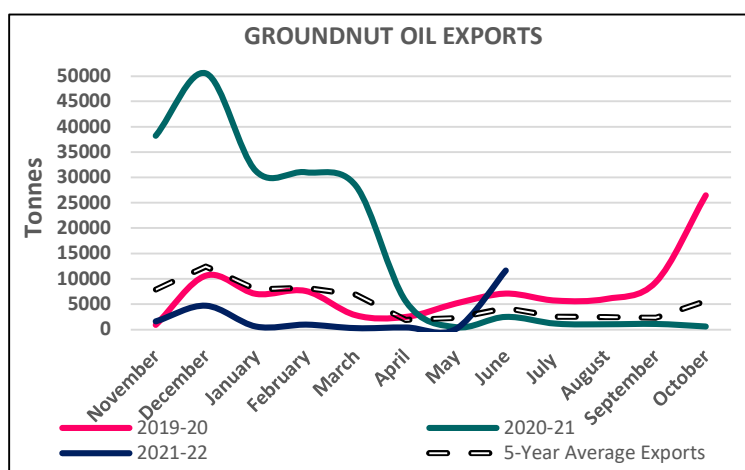
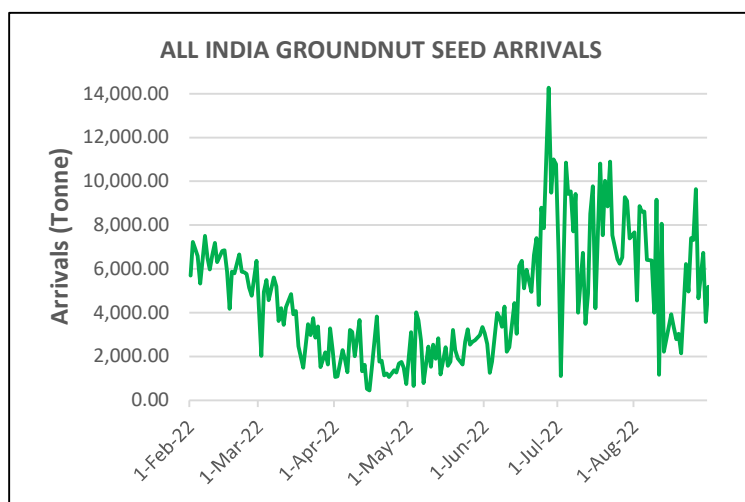
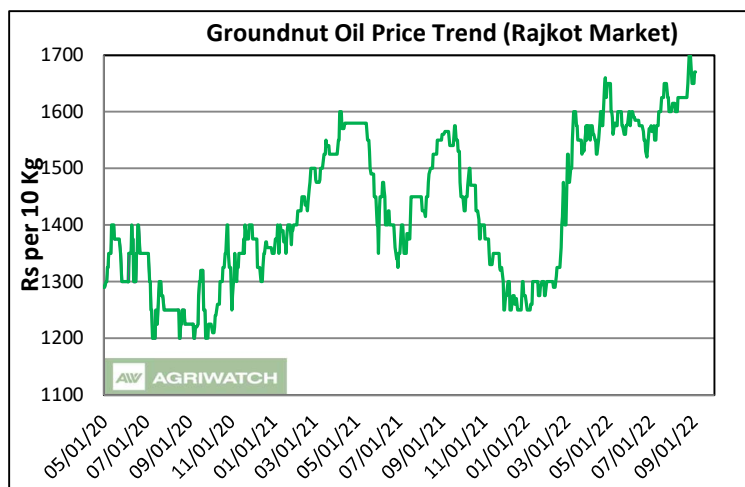
Sowing update:



Groundnut oil Fundamental Review and Analysis:-

Domestic Front

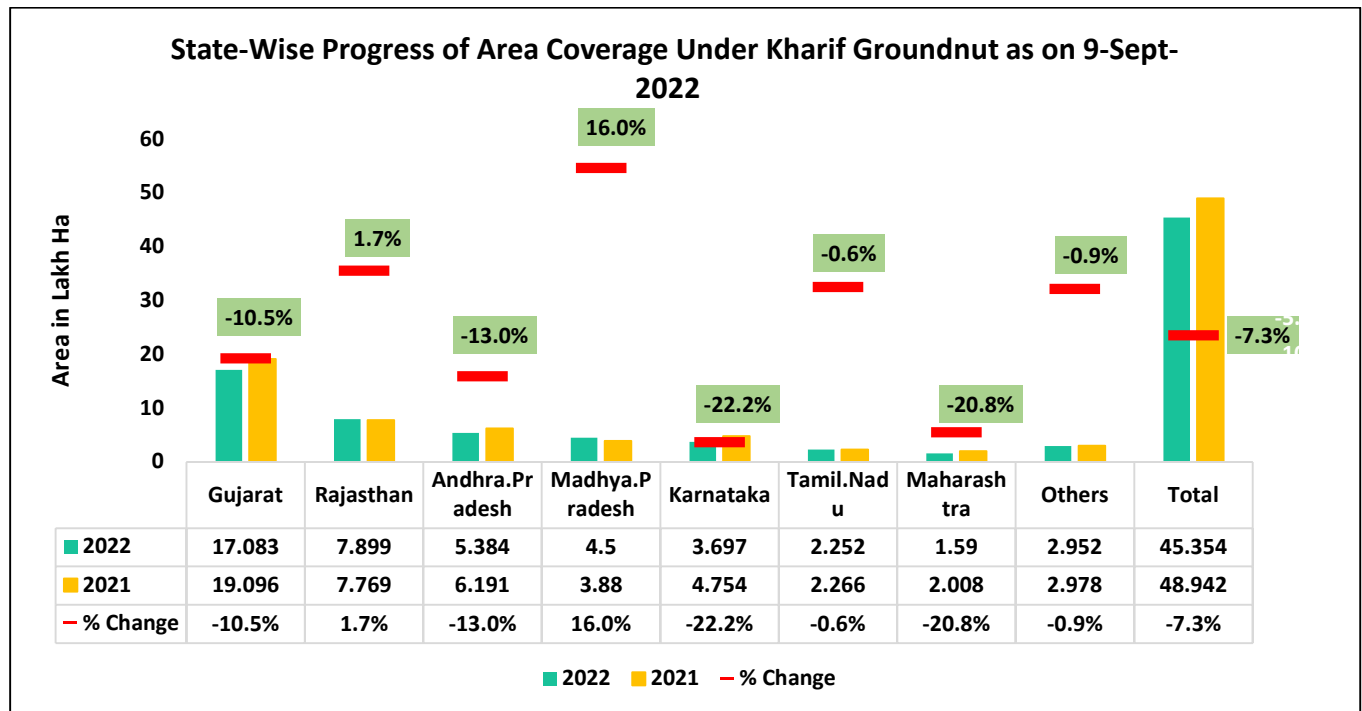
- Groundnut (GN) oil prices edged down at various market for the week in review. Prices corrected from Rs 1700- 1670/10 Kg in the bench market Rajkot.
- Prices corrected down mainly due to heavy correction in competing oils. A high premium of GN oil over competing oils capped its gains.
- Lagging sowing 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.

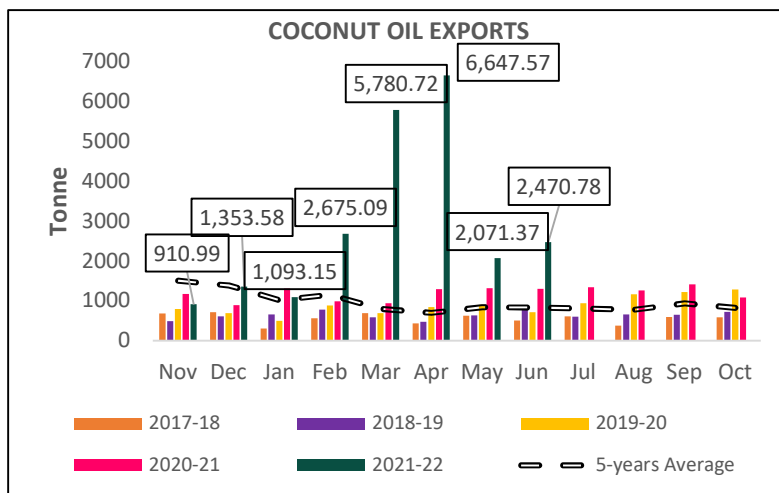
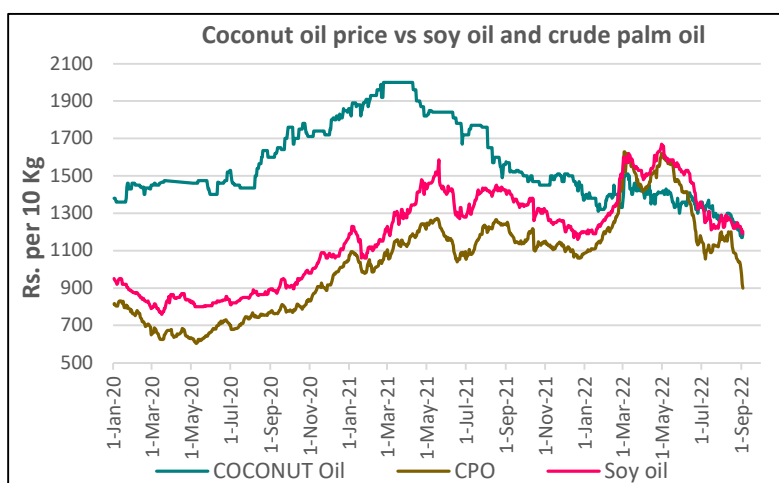
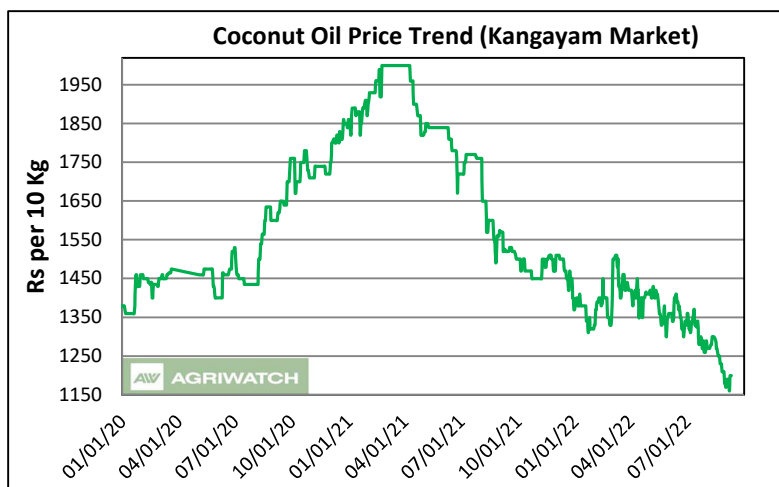
Sowing update:



Coconut Oil Fundamental Review and Analysis:-

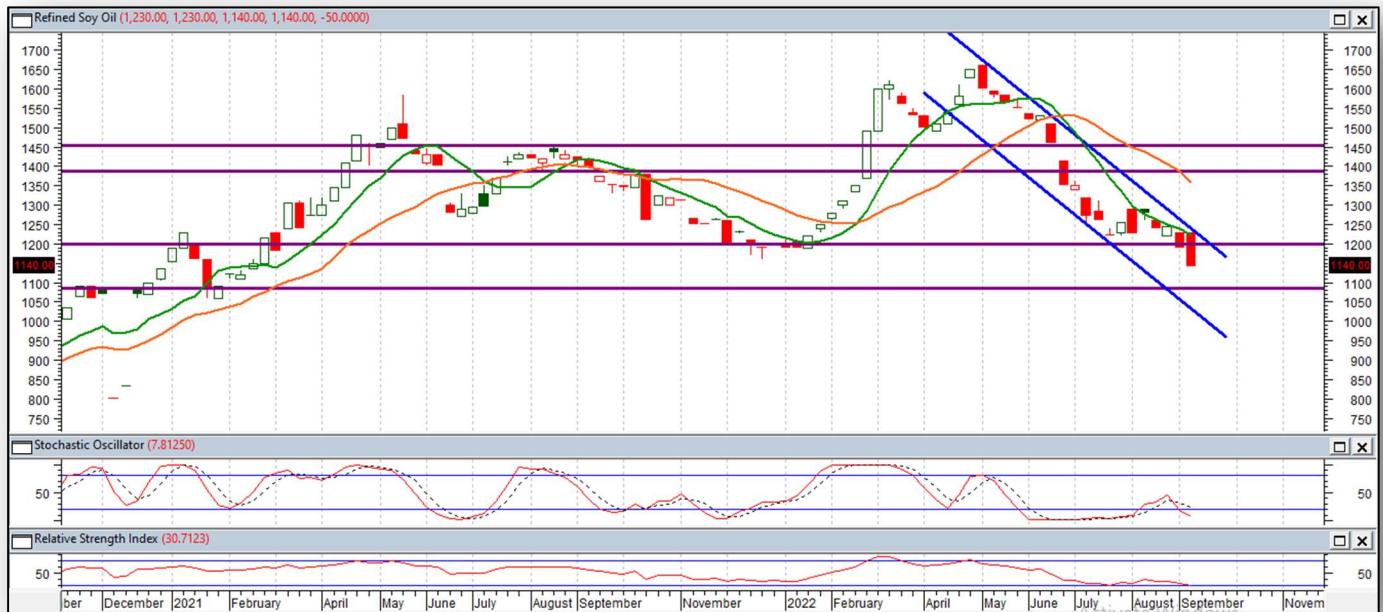
Domestic Front

- 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.

Technical Analysis (Refined soy oil)



Technical Commentary

Prices can be seen falling in channel. Prices have taken support of the upper level in the falling channel for many times. RSI is indicating a bearish sentiment as it is declining and is approaching oversold zone. MACD lines are diverging with falling prices, pointing towards continuation of momentum. The immediate support is seen at 1070-1120/ 10 Kg.

Weekly Outlook

Prices may trade sideways with weak bias for the near term.

Technical Analysis (Crude Palm oil)



Technical Commentary

Prices can be seen falling for straight 4 weeks. RSI is indicating a bearish sentiment as it is declining and is in oversold zone. Prices might witness reversal from in near term. MACD lines are converging, pointing towards a possible momentum change in prices. Prices may trade sideways in the range of Rs 800-850/ 10 Kg as it is trading at a support zone.

Weekly Outlook

Prices may trade sideways in the range of Rs 800-850/ 10 Kg for the near term.

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

Commodity	Centre	Prices (Per 10 Kg)		Change
		10-Sep-22	3-Sep-22	
Refined Soybean Oil	Indore	1140	1200	-60
	Indore (Soy Solvent Crude)	1095	1160	-65
	Mumbai	1200	1250	-50
	Mumbai (Soy Degum)	1100	1180	-80
	Kandla/Mundra	1120	1175	-55
	Kandla/Mundra (Soy Degum)	1095	1175	-80
	Kolkata	1145	1215	-70
	Nagpur	1160	1250	-90
	Rajkot	1170	1240	-70
	Kota	1160	1200	-40
	Akola	1180	1245	-65
	Amrawati	1180	1245	-65
	Bundi	1170	1210	-40
	Jalna	1185	1250	-65
	Solapur	1200	1250	-50
	Dhule	1205	1255	-50
	Nanded	1165	1235	-70
	Latur	1190	1235	-45
	Argentina Crude Soya (CIF India) USD	1323	1441	-118
	Argentina Crude Soya (FOB)	1243	1361	-118
Palm Oil*	Kandla (Crude Palm Oil)	840	900	-60
	Kandla (RBD Palm oil)	880	950	-70
	Kandla RBD Pamolein	920	980	-60
	Kakinada (Crude Palm Oil)	800	910	-110
	Kakinada RBD Pamolein	920	995	-75
	Haldia Pamolein	970	1025	-55
	Chennai RBD Pamolein	920	1000	-80
	Chennai RBD Pamolein (Vitamin A&D Fortified)	982	1054	-72
	Krishnapattanam RBD Pamolein	910	990	-80
	Mumbai RBD Pamolein	940	1000	-60
	Mangalore RBD Pamolein	930	1010	-80
	Mumbai (Refined)	880	960	-80
	Rajkot (Refined)	925	1035	-110
	Chennai (Refined)	910	990	-80
	Hyderabad (Refined)	885	945	-60

	PFAD (Kandla)	650	700	-50
	RPS (Kandla)	820	900	-80
	Superolien (Kandla)	950	1010	-60
	Superolien (Mumbai)	970	1030	-60
	Krishnapattanam (Crude Palm Oil)	800	910	-110
Refined Sunflower Oil	Chennai (Refined)	1340	1420	-80
	Chennai (Crude)	1250	1360	-110
	Mumbai (Refined)	1420	1460	-40
	Mumbai(Expeller Oil)	1320	1380	-60
	Kandla (Refined)	1500	1470	30
	Hyderabad (Refined)	1320	1420	-100
	Hyderabad (Expeller)	1220	1340	-120
	Latur (Refined)	1340	1400	-60
	Latur (Expeller Oil)	1260	1310	-50
	Chellakere (Expeller Oil)	1270	1280	-10
	Erode (Expeller Oil)	1370	1430	-60
	Kakinada (Refined)	1310	1400	-90
	Krishna Pattanam (Refined)	1310	1400	-90
Groundnut Oil	Rajkot	1650	1670	-20
	Chennai	1580	1580	Unch
	Hyderabad *	1560	1550	10
	Mumbai	1660	1670	-10
	Gondal	1600	1625	-25
	Jamnagar	1600	1625	-25
	Gujarat GN Telia	2620	2620	Unch
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1250	1290	-40
	Jaipur (Kacchi Ghani Oil)	1365	1395	-30
	Kota (Expeller Oil)	1230	1250	-20
	Kota (Kacchi Ghani Oil)	1340	1380	-40
	Neewai (Expeller Oil)	1220	1250	-30
	Neewai (Kacchi Ghani Oil)	1350	1380	-30
	Bharatpur (Kacchi Ghani Oil)	1290	1300	-10
	Sri-Ganga Nagar(Exp Oil)	1240	1280	-40
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1345	1375	-30
	Mumbai (Expeller Oil)	1260	1340	-80
	Kolkata(Expeller Oil)	1560	1550	10
	Hapur (Expeller Oil)	1550	1580	-30
	Hapur (Kacchi Ghani Oil)	1600	1630	-30
	Agra (Kacchi Ghani Oil)	1295	1305	-10

Refined Cottonseed Oil	Rajkot	1284	1340	-56
	Hyderabad	1277	1320	-43
	Mumbai	1280	1330	-50
	Gujarat Cotton Wash	1180	1240	-60
Coconut Oil	Kangayan (Crude)	1200	1190	10
	Cochin	1350	1350	Unch
Rice Bran Oil	Mumbai (Refined 4%)	1070	1130	-60
	Bhatinda (Crude 4%)	910	980	-70
	Bhatinda (Refined 4%)	1025	1095	-70
Malaysia Palmolein USD/MT	FOB	908	970	-62
	CNF India	935	1005	-70
Indonesia CPO USD/MT	FOB	Unq	Unq	-
	CNF India	935	1005	-70
Crude palm Kernel Oil India (USD/MT)	CNF India	Closed	1220	-
Ukraine Origin CSFO USD/MT Kandla	CIF	1350	1410	-60
Argentina FOB (\$/MT)		10-Sep-22	3-Sep-22	Change
Crude Soybean Oil Ship		1239	1351	-112
Refined Soy Oil (Bulk) Ship		1282	1398	-116
Sunflower Oil Ship		1360	1440	-80
Cottonseed Oil Ship		1219	1331	-112
<i>* Indicates including GST</i>				

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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