



# EDIBLE OIL WEEKLY RESEARCH REPORT

WE HELP YOU SCALE, EFFICIENTLY & ECONOMICALLY

## CONTENTS

- ❖ EXECUTIVE SUMMARY
- ❖ RECOMMENDATIONS
- ❖ INTERNATIONAL VEG. OIL MARKET SUMMARY
- ❖ ACREAGE AND RAINFALL STATISTICS
- ❖ DOMESTIC MARKET FUNDAMENTALS
- ❖ TECHNICAL ANALYSIS (SPOT MARKET)
- ❖ VEG. OIL PRICES AT KEY SPOT MARKETS

**Executive Summary****Domestic Veg. Oil Market Summary**

*Edible oil prices featured sideways trend during this week in domestic markets. CBOT soy oil and BMD Malaysia Palm oil prices witnessed uptrend. In domestic market, palm oil, and Soy oil traded up, while Sunflower oil, Groundnut oil, Rapeseed oil, and Coconut oil traded steady down at their respective bench markets.*

*On the currency front, Indian rupee is hovering near 80.34 against 79.59 last weeks. Rupee and crude oil are 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 sideways with upward bias for the coming term.*

**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

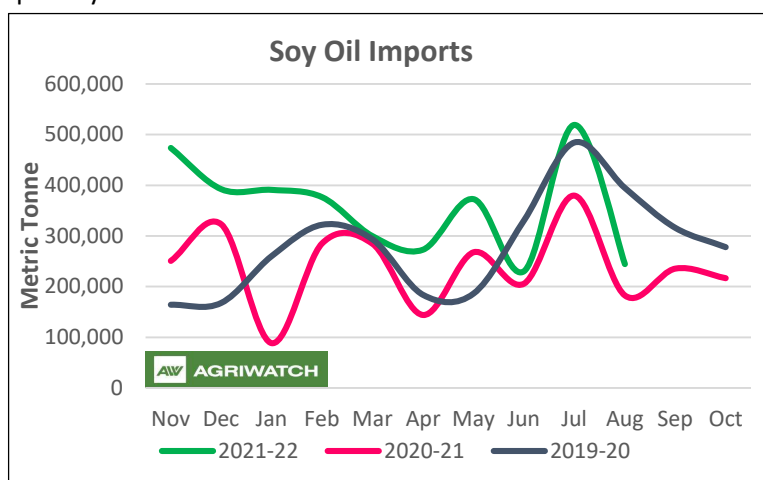
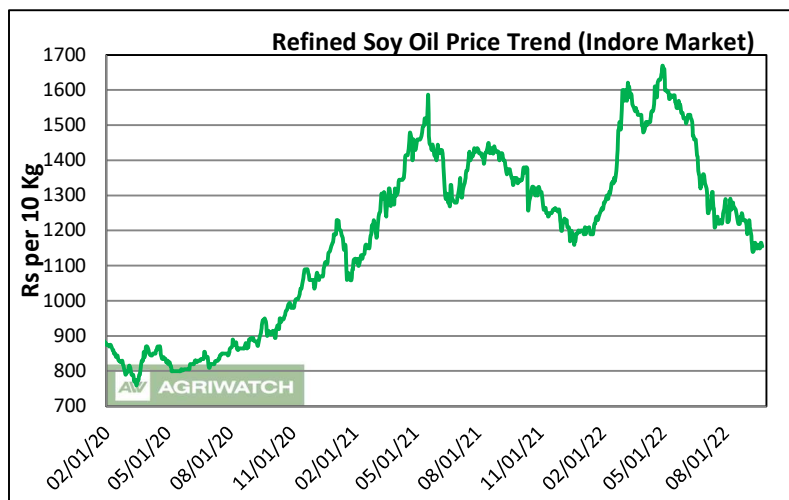
<b>Area Covered (Lakh Ha) as of 23 September 2022</b>			
<b>Crop</b>	<b>2022</b>	<b>2021</b>	<b>% Change</b>
Soybean	120.83	120.86	-0.02%
Groundnut	45.53	49.15	-7.37%
Sunflower	2.02	1.53	32.03%
Sesamum	13.35	13.2	1.14%
Niger	1.1	1.02	7.84%
Castor	8.81	7.4	19.05%
Other Oilseeds	0.12	0.13	-7.69%
<b>Total Oilseeds</b>	<b>191.75</b>	<b>193.28</b>	<b>-0.79%</b>

#### Rainfall

<b>District wise Week by Week Cumulative Rainfall Departure</b>							
Madhya Pradesh	Cumulative Rainfall Departure (%) 1 June to 19 September'22	Maharashtra	Cumulative Rainfall Departure (%) 1 June to 19 September'22	Rajasthan	Cumulative Rainfall Departure (%) 1 June to 19 September'22	Gujarat	Cumulative Rainfall Departure (%) 1 June to 19 September'22
Dewas	50%	Nagpur	55%	Kota	57%	Kutchh	90%
Videsha	51%	Yavatmal	35%	Bundi	43%	Gir somnath	47%
Rajgarh	95%	Amrawati	17%	Jhalawar	50%	Junagarh	32%
Shajahpur	44%	Washim	6%	Baran	26%	Amreli	16%
Indore	21%	Buldhana	3%	Chittorgarh	8%	Jamnagar	12%
Ashok nagar	42%	Akola	-4%	Pratapgarh	34%	Rajkot	13%
Ujjain	23%	Latur	27%			Bhavnagar	-5%
Mandsaur	24%	Parbhani	5%			Banaskatha	56%
Dhar	-7%	Jalna	8%				
Ratlam	28%	Hingoli	-12%				
Madhya pradesh	24%	Maharastra	23%	Rajasthan	37%	Gujarat	29%

### Soy oil Fundamental Analysis and Outlook:- Domestic Front

- Soy oil prices at bench market Indore, traded marginally up by 0.43% from Rs 1150 to Rs 1155 per 10 Kg.
- Prices are underpinned by the festival demand and may witness gradual rising sentiments for the near term.
- Prices are likely to be supported as soy oil imports in August dropped significantly, and domestic crushing is down due to low soy meal production.
- As of 23<sup>rd</sup> September, '22, all India Kharif soybean sowing progress is down by 0.03% to 120.82 lakh ha. compared to 120.86 lakh ha. last year in the same period. Present year's acreage is almost at par with last year 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, 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.
- 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 August stood at 2.44 LT compared to 5.19 Lt m-o-m and 1.82 LT y-o-y.
- Prices are anticipated to trade sideways with upwards bias in coming term on the back of festival demand.

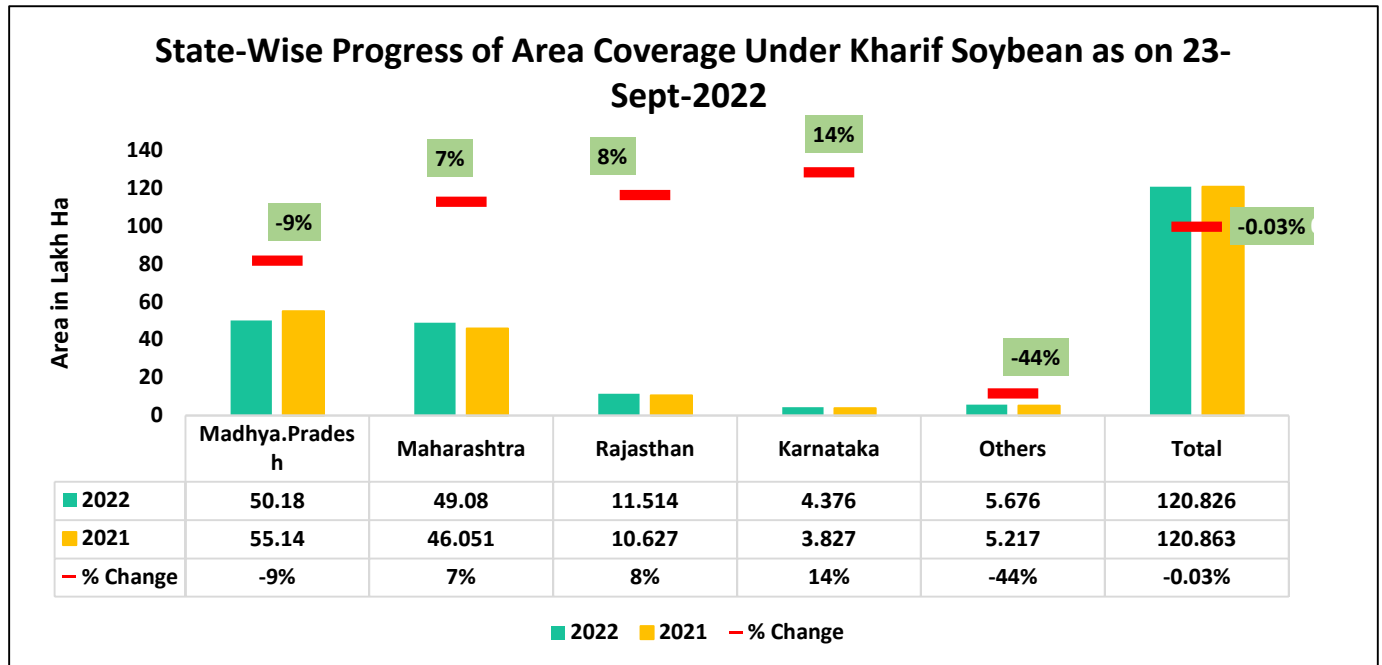


### International Front

- CBOT soy oil prices for the active contract 'Dec' witnessed upward movement by 1.76% from 64.76 to 65.96 cents per pound.
- Prices were supported on the back of bullish USDA report. USDA in its September report forecasted lower US and global soybean production compared to August report. Slow progression in harvesting is also supportive for prices.
- Anticipation of higher acreage in Brazil for soybean crop is likely to weigh down the prices for CBOT soybean and Soy oil prices.

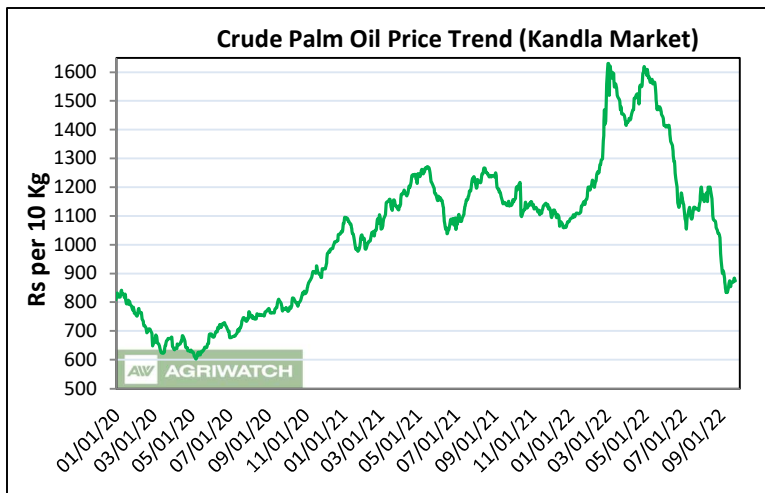
**Price Outlook:** We expect refined soy oil (without GST) at Indore to stay in the range of Rs 1200-1280 per 10 Kg in the near term.

### Sowing update:



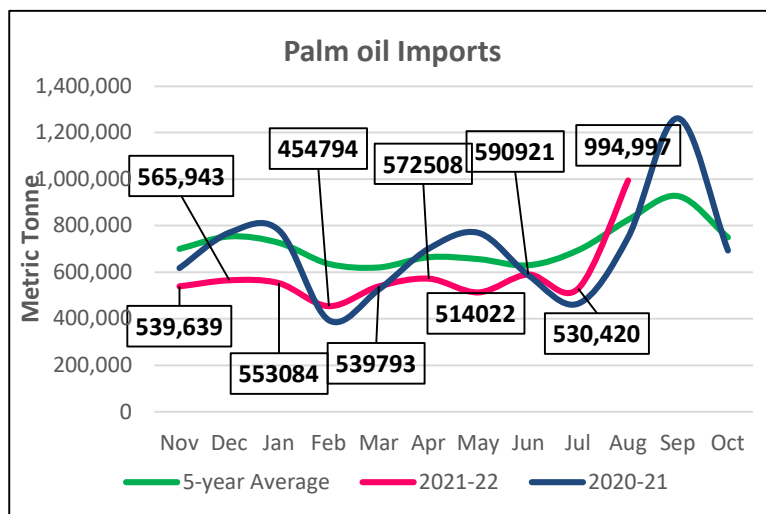
**Palm oil Fundamental Analysis and Outlook -:**  
**Domestic Front**

- Crude palm oil (CPO) prices witnessed rise in prices for the previous week in the benchmark market Kandla by 1.04%.
- Festival demand is supporting the prices for the Palm oil.
- Domestic prices have already corrected sharply and have been lucrative since past two months, as it is discounted compared to all the major oils.
- Domestic prices are likely to trade marginally up for the near term.
- Importers demand shot up for Palm oil as international prices are also down and from November onwards Indonesia's export levy would be applicable with higher import tax. Hence higher imports are witnessed in August.



**International Front**

- BMD Palm oil Malaysia in past week traded up India's import demand picked up.
- Indonesia to reinstate palm export levy with lower the threshold from 1st November.
- 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 and Indonesia both have witnessed higher end stock for Palm oil, however with good export demand prices are likely trade sideways for the near term.

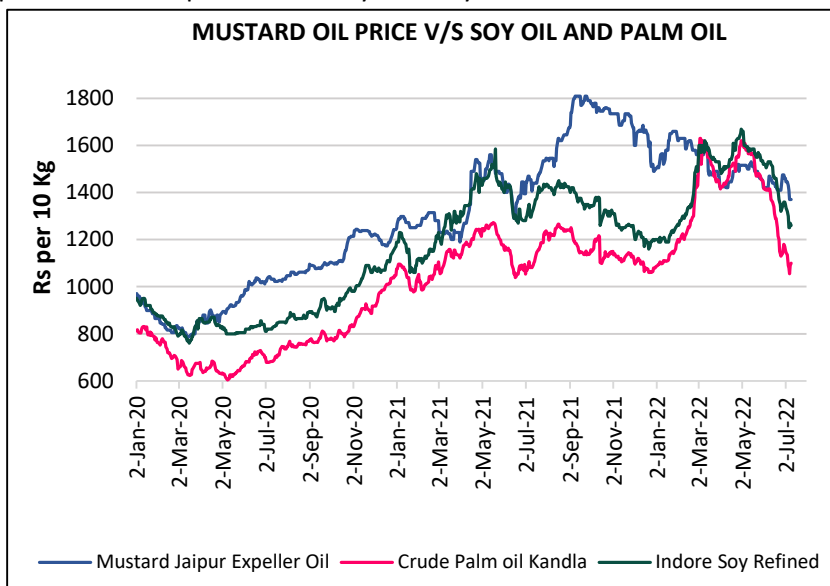
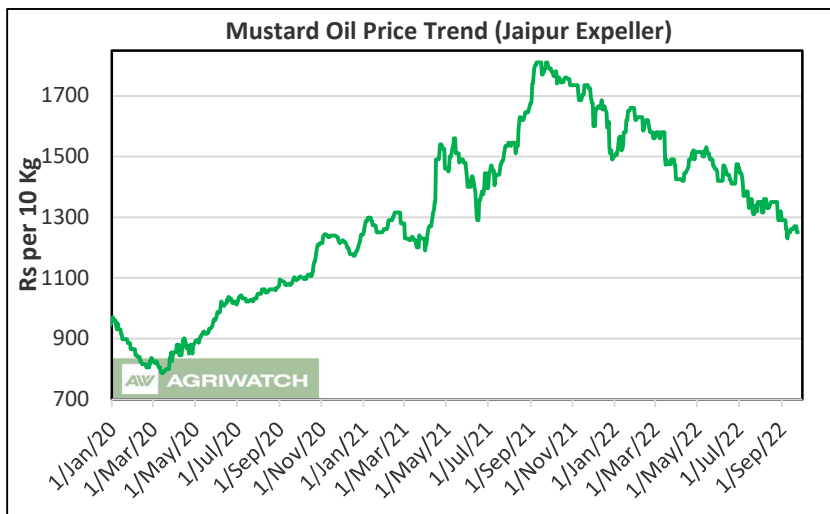


**Price Outlook:** We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 880-1000 per 10 Kg in the near term.

## Rapeseed oil Fundamental Review and Analysis-

### Domestic Front

- Mustard oil prices weakened marginally at various markets for the week in review. Prices edged down by 0.79% from Rs 1260/10 Kg to 1250/10 Kg.
- Domestic demand for mustard oil has been likely to improve in near term due to festivities.
- Mustard oil is keenly following Soy oil and Palm oil hence a price may witness gradual rising trend.
- Seeds arrivals have also declined to the lower levels in the various markets 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 110 per 10 kg compared to Rs 105 per 10 Kg last week.
- Jaipur Expeller rapeseed oil has premium over RBD palm olein by Rs 335 per 10 kg compared to Rs 330 per 10 Kg last week.



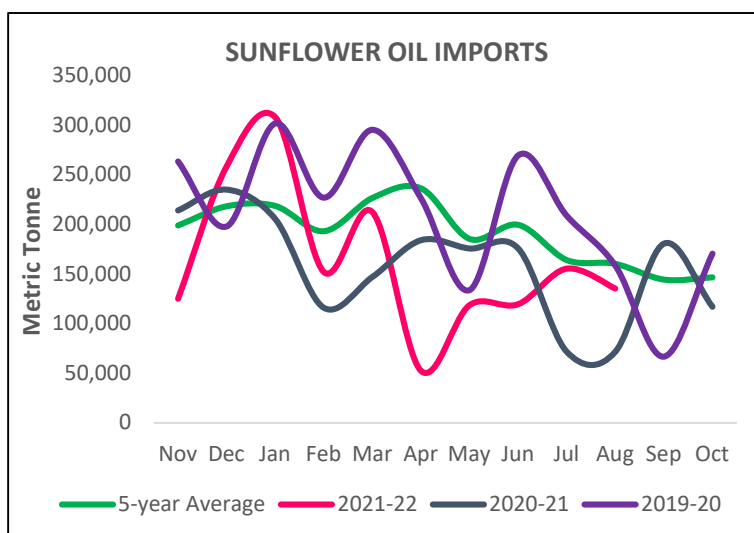
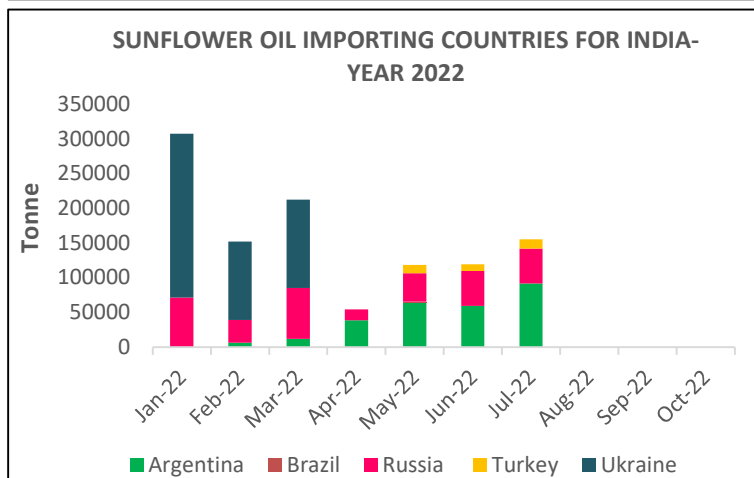
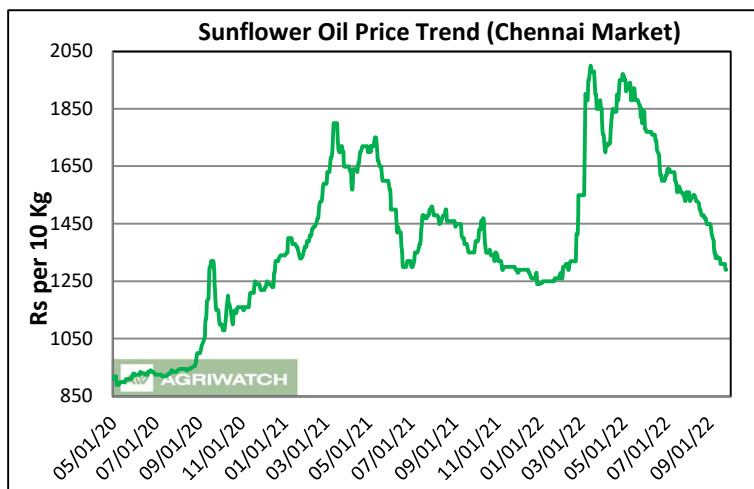
**Price Outlook:** Rapeseed Expeller oil (without GST) prices in Jaipur may trade in the range of Rs 1220-1300 per 10 Kg.



## 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. 1310 to Rs. 1340 per 10 Kg, down by 1.53 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.
- Festival demand is concided with rising import hence no significant rise in prices is seen.
- 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.



- At present, lucrative Ukraine sun oil prices (1278.25 \$/MT) compared to Russian sun oil prices (1292.0 \$/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 20<sup>th</sup> September 2022)



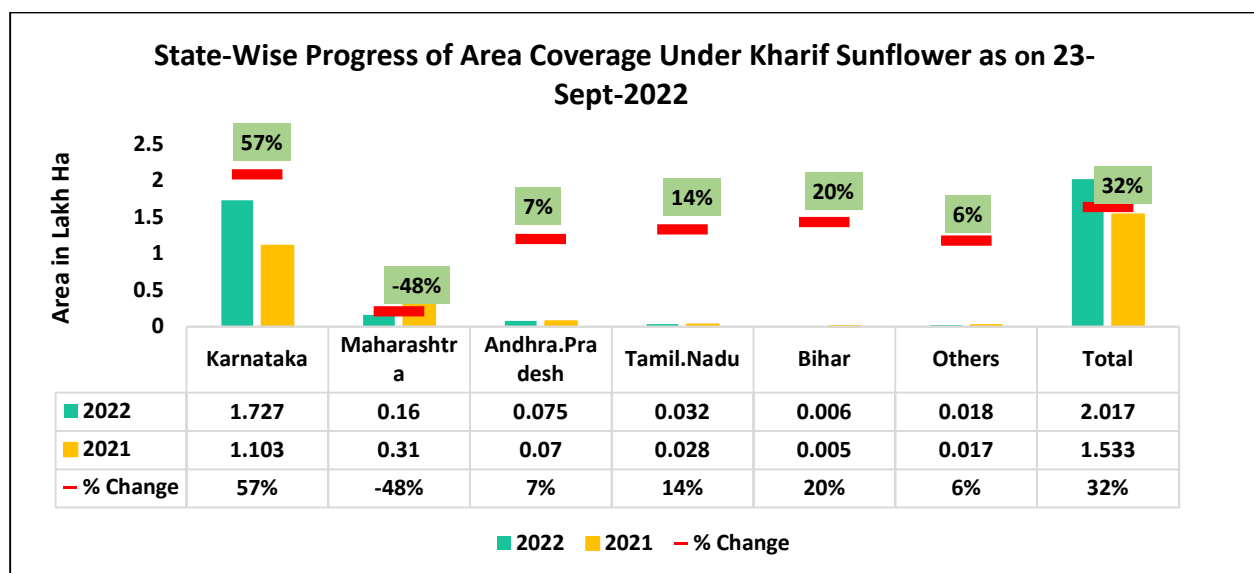
- July's Sun oil import stood at 1.35 LT compared to m-o-m at 1.55 LT and y-o-y at 0.71 LT. India sourced 0.30 LT and 0.73 LT from Argentina and Russia. Imports from Turkey is also rising and sourced sun oil from Bulgaria as well.
- In the domestic market, sunflower oil price is at premium over Soy oil by Rs 160 compared to Rs 200 per 10 Kg last week. Meanwhile, refined sunflower oil (Chennai) premium over RBD palm olein (Kandla) is at Rs. 385 compared to premium of Rs 420 per 10 kg last week.

In domestic market, Sunflower oil's (Chennai) is at discount over groundnut oil by Rs. 365 compared to Rs 310 per 10 Kg 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 1280-1380 per 10 Kg

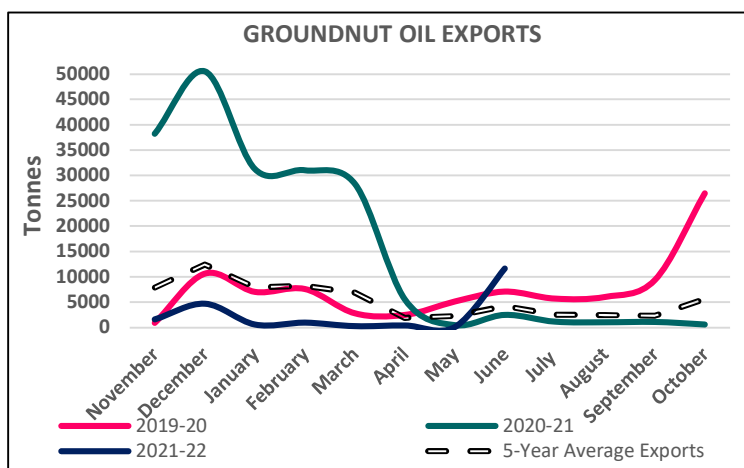
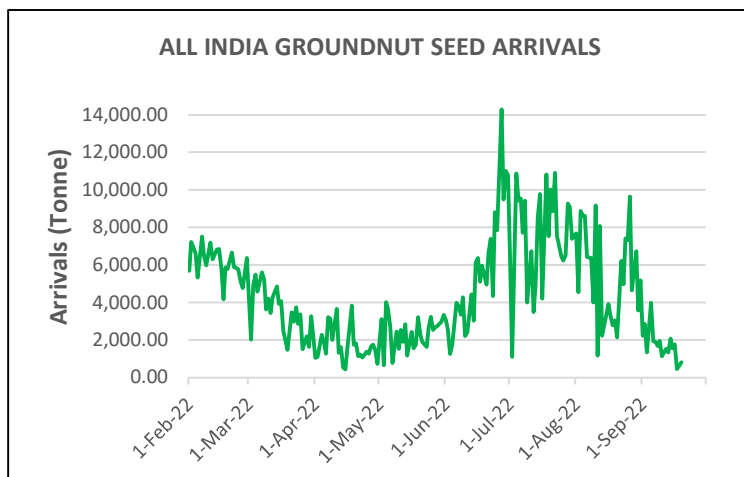
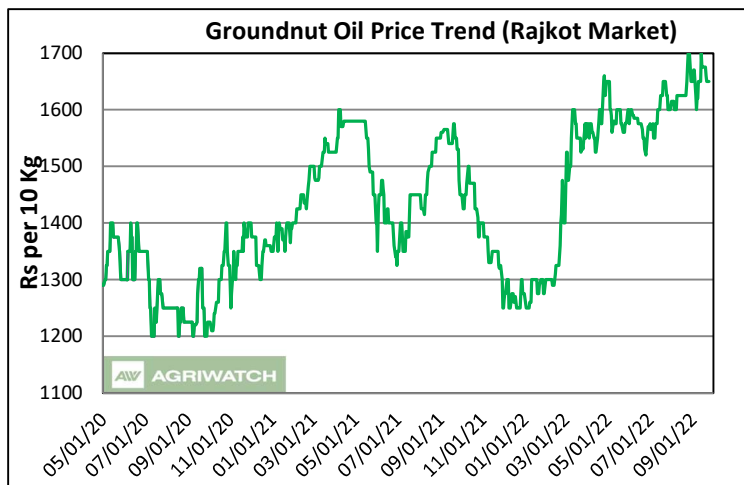
#### Sowing update:



## Groundnut oil Fundamental Review and Analysis:-

### Domestic Front

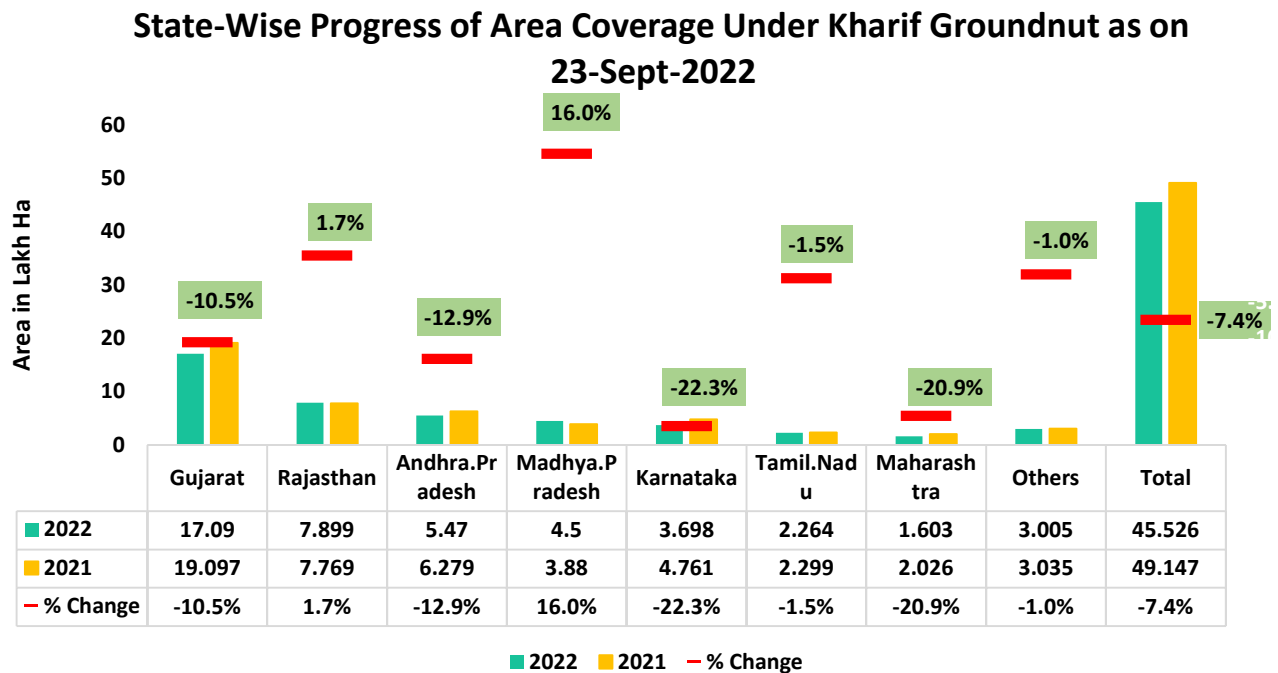
- Groundnut (GN) oil prices edged down at various market for the week in review. Prices has been range bound from Rs 1650- 1675/10 Kg in the bench market Rajkot for past 2 weeks.
- Good demand is supportive of prices along with festival demand.
- Lagging sowing acreage for Kharif groundnut crop is likely to support the upward price movement.
- As on 23<sup>rd</sup> Sept'22 All India Kharif Groundnut sowing progress is lagging by 7.3% to 45.52 Lakh hectare as compared to 49.14 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.

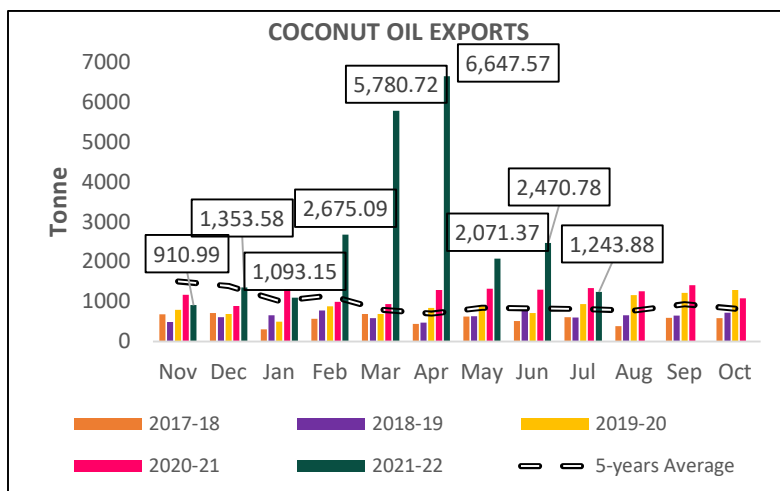
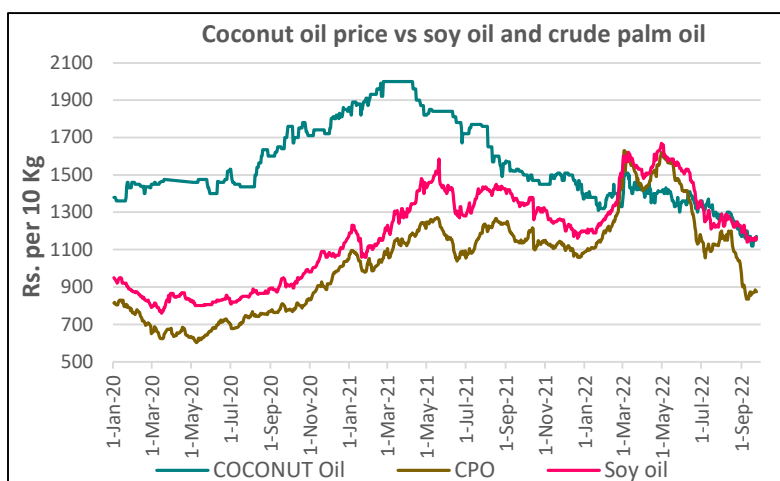
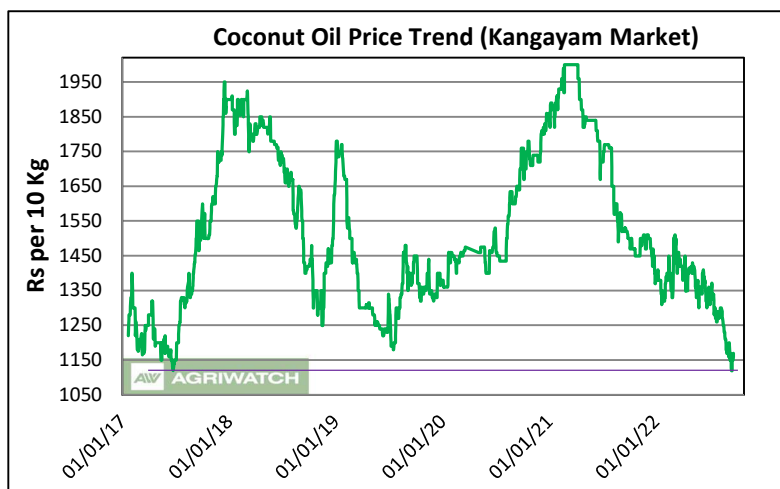
**Sowing update:**



## Coconut Oil Fundamental Review and Analysis:-

### Domestic Front

- The Coconut oil prices at benchmark market Kangeyam rebounded from level of Rs 1120 per 10 Kg level and moved up by 4.46% to Rs 1170/10 Kg.
- Prices rebounded from the same level of Rs 1120 where prices took support in the year 2017. Higher supply side has been weighing on the price gains since January 2022.
- Higher supply side capped coconut oil gains for the Onam festival as well. Usually at the time of Onam, coconut oil prices used to shoot up amid good demand and normal supply. However, for the current year coconut oil witnessed decline in prices.
- Coconut oil is trading at par with soy oil and has premium over Palm oil.
- 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 1,170 (Rs 1,120) per 10 Kg in Kangeyam market on 24 Sep, 2022.



**Price Outlook:** Coconut oil (without GST) prices in Kangeyam is likely to trade sideways with weak bias in the range of Rs 1120-1180 per 10 Kg.

### Technical Analysis (Refined soy oil)



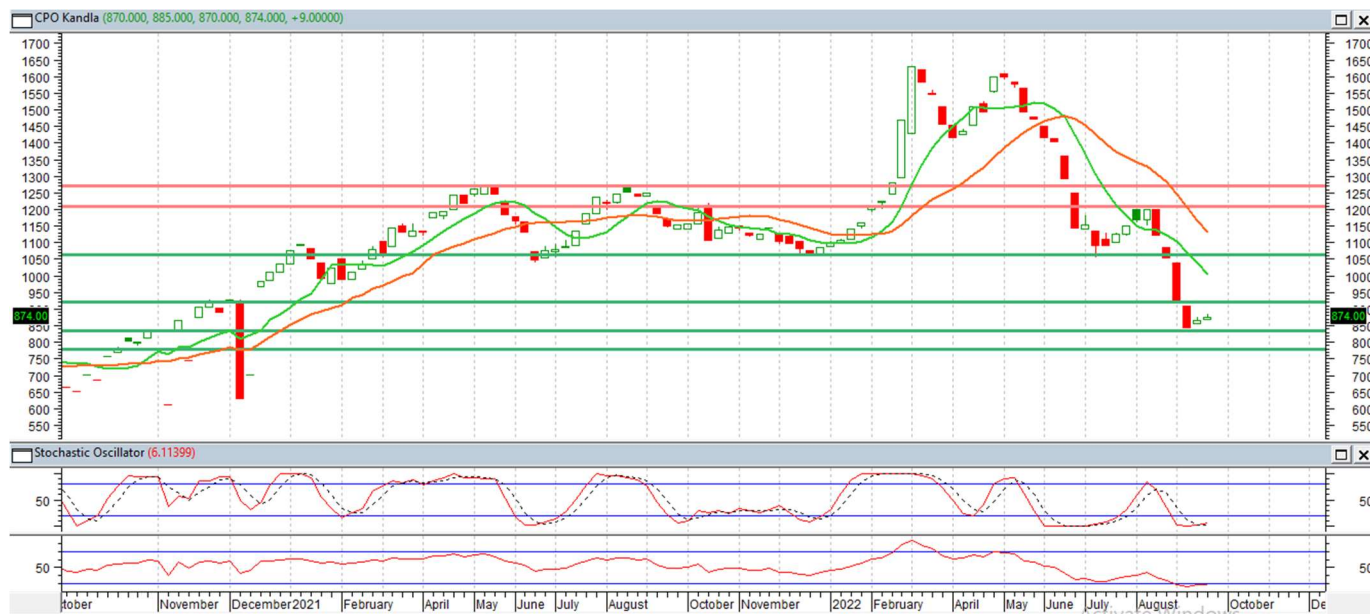
### Technical Commentary

As depicted in the above chart, market is moving in down trend channel, lower channel can be characterized as support and upper channel can be characterized as resistance. Market is trading below 9 and 18 DMA indicating bearish sentiments. 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 weak momentum. The immediate support is seen at 1070-1120/ 10 Kg.

### Weekly Outlook

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

### Technical Analysis (Crude Palm oil)



### Technical Commentary

As depicted in the above chart, market extended previous week gains during the week under review, market made low at 870, high at 885 and closed at 874. MACD indicating weak momentum and RSI is below 30 indicating weak buying strength and bearish sentiments. In upcoming week market is expected to remain above support level of 830-840 level.

### Weekly Outlook

Prices may trade sideways in the range of Rs 800-880/ 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
		24-Sep-22	17-Sep-22	
Refined Soybean Oil	Indore	1155	1150	5
	Indore (Soy Solvent Crude)	1110	1100	10
	Mumbai	1180	1190	-10
	Mumbai (Soy Degum)	1130	1120	10
	Kandla/Mundra	1140	1125	15
	Kandla/Mundra (Soy Degum)	1100	1075	25
	Kolkata	1145	1135	10
	Nagpur	1145	1160	-15
	Rajkot	1120	1115	5
	Kota	1180	1180	Unch
	Akola	1165	1175	-10
	Amrawati	1165	1175	-10
	Bundi	1190	1190	Unch
	Jalna	1170	1185	-15
	Solapur	1155	1160	-5
	Dhule	1170	1195	-25
	Nanded	1155	1165	-10
	Latur	1155	1160	-5
	Argentina Crude Soya (CIF India) USD	1178	1288	-110
	Argentina Crude Soya (FOB)	1098	1208	-110
Palm Oil*	Kandla (Crude Palm Oil)	874	865	9
	Kandla (RBD Palm oil)	900	890	10
	Kandla RBD Pamolein	935	925	10
	Kakinada (Crude Palm Oil)	815	800	15
	Kakinada RBD Pamolein	905	910	-5
	Haldia Pamolein	940	945	-5
	Chennai RBD Pamolein	900	910	-10
	Chennai RBD Pamolein (Vitamin A&D Fortified)	964	974	-10
	Krishnapattanam RBD Pamolein	900	900	Unch
	Mumbai RBD Pamolein	925	935	-10
	Mangalore RBD Pamolein	915	925	-10
	Mumbai (Refined)	930	935	-5
	Rajkot (Refined)	920	920	Unch
	Chennai (Refined)	910	900	10
	Hyderabad (Refined)	935	915	20



	PFAD (Kandla)	670	660	10
	RPS (Kandla)	810	810	Unch
	Superolien (Kandla)	970	955	15
	Superolien (Mumbai)	955	965	-10
	Kochi (RBD Palmolein)	-	930	-
	Krishnapattanam (Crude Palm Oil)	815	800	15
Refined Sunflower Oil	Chennai (Refined)	1290	1310	-20
	Chennai (Crude )	1220	1250	-30
	Mumbai (Refined)	1350	1360	-10
	Mumbai(Expeller Oil)	1250	1260	-10
	Kandla (Refined)	1440	1440	Unch
	Hyderabad (Refined)	1300	1320	-20
	Hyderabad (Expeller)	1200	1240	-40
	Latur (Refined)	1320	1330	-10
	Latur (Expeller Oil)	1230	1240	-10
	Chellakere (Expeller Oil)	1210	1200	10
	Erode (Expeller Oil)	1320	1340	-20
	Kakinada (Refined)	1280	1325	-45
	Krishna Pattanam (Refined)	1280	1325	-45
Groundnut Oil	Rajkot	1650	1675	-25
	Chennai	1640	1600	40
	Hyderabad *	1620	1590	30
	Mumbai	1670	1690	-20
	Gondal	1650	1675	-25
	Jamnagar	1650	1675	-25
	Gujarat GN Telia	2620	2660	-40
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1250	1260	-10
	Jaipur (Kacchi Ghani Oil)	1370	1375	-5
	Kota (Expeller Oil)	1270	1280	-10
	Kota (Kacchi Ghani Oil)	1350	1360	-10
	Neewai (Expeller Oil)	1230	1240	-10
	Neewai (Kacchi Ghani Oil)	1355	1370	-15
	Bharatpur (Kacchi Ghani Oil)	1300	1290	10
	Sri-Ganga Nagar(Exp Oil)	1240	1250	-10
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1355	1355	Unch
	Mumbai (Expeller Oil)	1300	1290	10
	Kolkata(Expeller Oil)	1500	1500	Unch
	Hapur (Expeller Oil)	1570	1580	-10
	Hapur (Kacchi Ghani Oil)	1620	1630	-10

	Agra (Kacchi Ghani Oil)	1305	1295	10
Refined Cottonseed Oil	Rajkot	1320	1310	10
	Hyderabad	1300	1310	-10
	Mumbai	1290	1320	-30
	Gujarat Cotton Wash	1250	1250	Unch
Coconut Oil	Kangayan (Crude)	1170	1120	50
	Cochin	1350	1350	Unch
Rice Bran Oil	Mumbai (Refined 4%)	1075	1040	35
	Bhatinda (Crude 4%)	915	900	15
	Bhatinda (Refined 4%)	1030	1015	15
	Hyderabad (Crude)	1010	1005	5
	Hyderabad (Refined)	1150	1140	10
	Raipur (Crude)	1070	1030	40
	Vijayawada (Refined)	1010	990	20
Malaysia Palmolein USD/MT	FOB	905	920	-15
	CNF India	950	950	Unch
Indonesia CPO USD/MT	FOB	Unq	0	-
	CNF India	945	950	-5
Crude palm Kernel Oil India (USD/MT)	CNF India	Closed	1220	-
Ukraine Origin CSFO USD/MT Kandla	CIF	1290	1300	-10
Argentina FOB (\$/MT)		23-Sep-22	16-Sep-22	Change
Crude Soybean Oil Ship		1084	1222	-138
Refined Soy Oil (Bulk) Ship		1122	1265	-143
Sunflower Oil Ship		1270	1325	-55
Cottonseed Oil Ship		1064	1202	-138
* 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.

\*\*\*\*\*

#### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness, and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed, or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> 2022 Indian Agribusiness Systems Ltd.