



EDIBLE OIL WEEKLY RESEARCH REPORT

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Executive Summary

Domestic Veg. Oil Market Summary

Edible oil prices featured declining trend during this week in domestic markets. CBOT soy oil and BMD Malaysia Palm oil prices also witnessed downtrend. In domestic market, palm oil, Soy oil, Sunflower oil, Groundnut oil, Rapeseed oil, and Coconut oil traded down at their respective bench markets.

On the currency front, Indian rupee is hovering near 81.64 against 80.34 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.

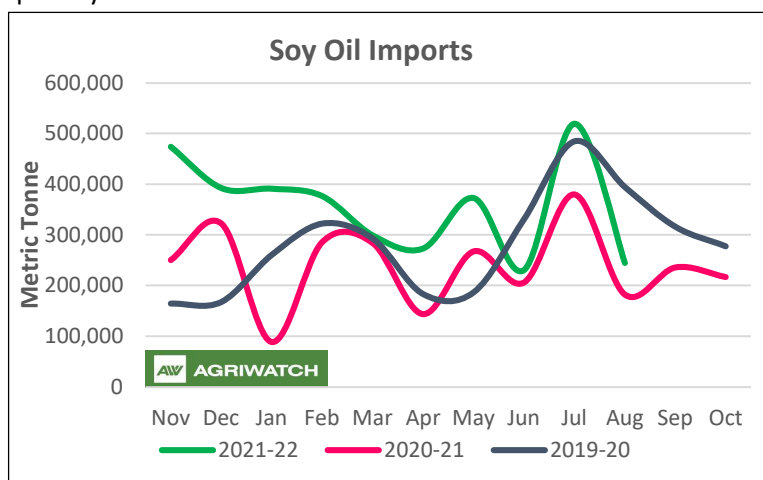
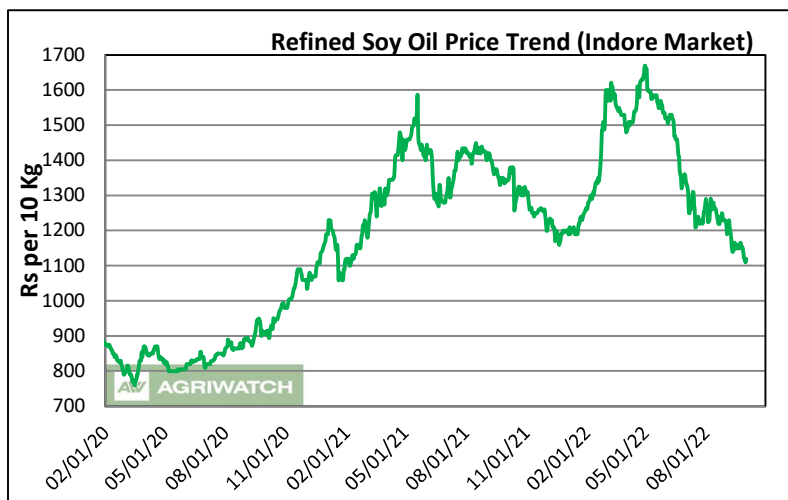
Rise in competing oil prices, production in Malaysia, Indonesia and Malaysia's firm biodiesel policy, Indonesia's scheme to revive its palm oil exports, Malaysia's palm oil export policy and sideways prices of crude oil are all likely to govern CPO prices in near term.

Acreage Statistics

Area Covered (Lakh Ha) as of 30 September 2022			
Crop	2022	2021	% Change
Soybean	120.9	120.86	0.03%
Groundnut	45.59	49.44	-7.79%
Sunflower	2.02	1.54	31.17%
Sesamum	13.46	13.37	0.67%
Niger	1.13	1.09	3.67%
Castor	8.92	7.55	18.15%
Other Oilseeds	0.12	0.13	-7.69%
Total Oilseeds	192.14	193.98	-0.95%

Soy oil Fundamental Analysis and Outlook:-
Domestic Front

- Soy oil prices at bench market Indore, slipped down by 3.03% from Rs 1155 to Rs 1120 per 10 Kg.
- Domestic prices were under correction mainly following decline in CBOT soy oil. US's FED interest rate hike impacted Agri-Commodity market too, whose effect was witnessed in domestic market as well.
- However, it might see gradual uptrend backed by festival demand.
- Prices are likely to be supported as soy oil imports in August dropped significantly, and domestic crushing is down due to low soymeal production.
- As of 30th September, '22, all India Kharif soybean sowing progress is up by 0.03% to 120.9 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 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.
- 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.

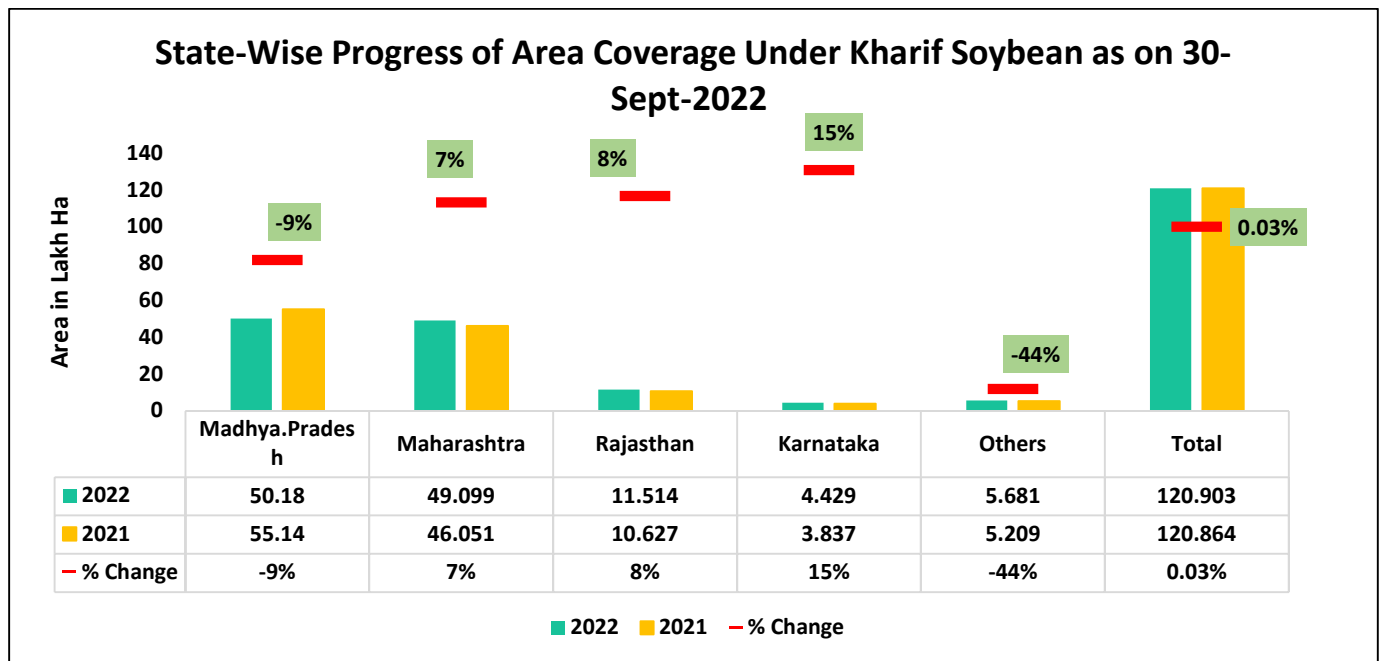


International Front

- CBOT soy oil prices for the active contract 'Dec' witnessed downward movement mainly impacted by US's FED rate hike.
- US's weekly soybean exports have surged for MY 2022-23 started from September. The demand came mainly from China. China's reviving demand for Soybean would be a supporting factor for prices in the coming days.
- Argentina's National agency Buenos Aires Graine Exchange (BAGE) has forecasted higher soybean production for year 2022-23 at 48MMT, up by 15.5% from last year.
- Anticipation of higher acreage in Brazil for soybean crop is likely to weigh down the prices for CBOT soybean and Soy oil prices.

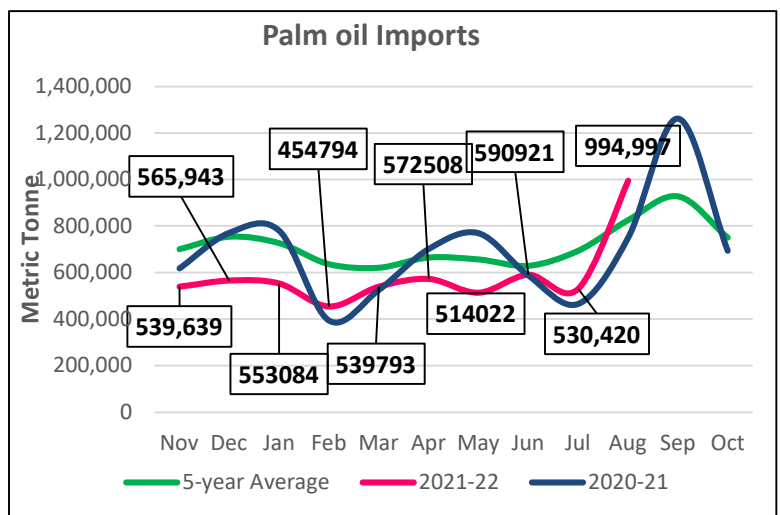
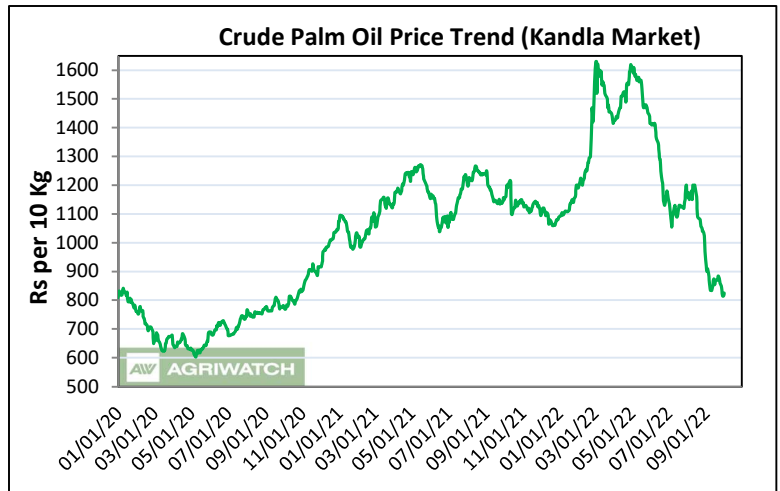
Price Outlook: We expect refined soy oil (without GST) at Indore to stay in the range of Rs 1100-1200 per 10 Kg in the near term.

Sowing update:



Palm oil Fundamental Analysis and Outlook -:
Domestic Front

- Crude palm oil (CPO) prices witnessed sharp correction in prices for the previous week in the benchmark market Kandla by 6.75%.
- Correction in soy oil prices as well as international Palm oil prices weakened domestic Palm oil prices too. Festival demand is likely to support 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.
- India might witness higher palm oil imports this year mainly due to increase in consumption as prices has slumped down. In August Palm oil imports were highest for the current marketing year Nov-Oct 2021-22.
- Importers demand shot up for Palm oil as international prices are also down and Indonesia lowered the reference price for palm oil export tax, lowering the tax to \$33 per ton.



International Front

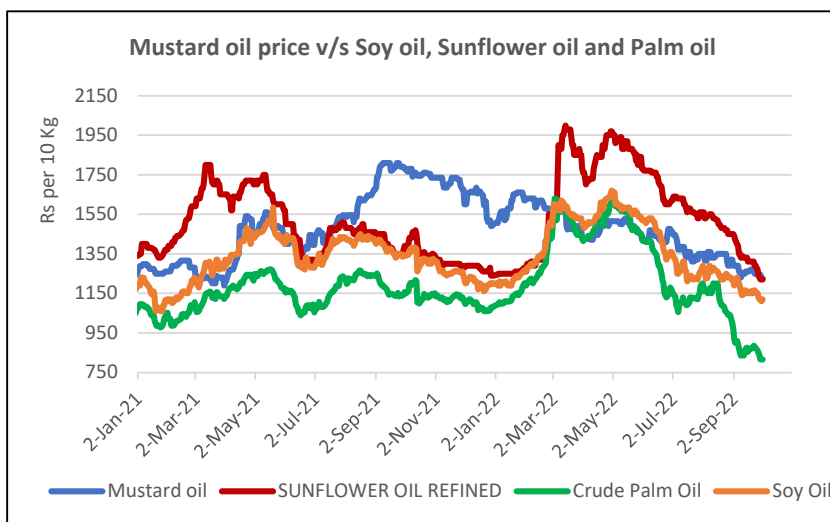
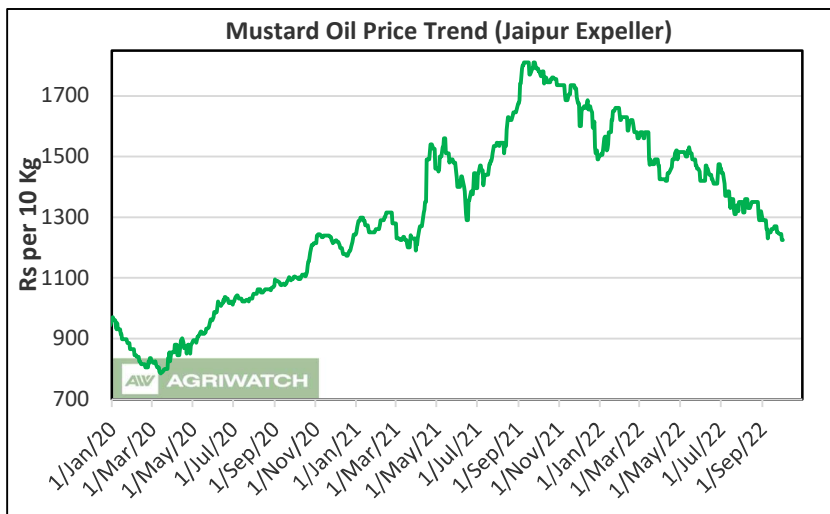
- BMD Palm oil Malaysia in past week traded up, backed by higher export demand.
- Indonesia to reinstate palm export levy with lower the threshold from 1st November.
- Indonesia has revised down the reference price at \$792.19/tonne for palm oil export levy for period of October 1- 15, compared to \$846.21/tonne for period September 16-30. This would set the export tax of CPO at \$33/tonne lower from previous level of \$124/tonne.
- 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 800-880 per 10 Kg in the near term.

Rapeseed oil Fundamental Review and Analysis-

Domestic Front

- Mustard oil prices weakened at various markets for the week in review. Prices edged down by 2.0% from Rs 1250/10 Kg to 1225/10 Kg.
- Prices were under correction in tandem with declining market trend in palm and soy oil.
- Domestic demand for mustard oil has been likely to improve in near term due to festivities.
- Seeds arrivals have declined to the lower levels in the various markets thus prices are anticipated to steady sideways.
- At present the crush parity is negative as oil prices were under sharp correction compared to seed prices.
- Jaipur Expeller rapeseed oil premium over refined soy oil in domestic market by Rs 105 per 10 kg compared to Rs 95 per 10 Kg last week.
- Jaipur Expeller rapeseed oil has premium over RBD palm olein by Rs 370 per 10 kg compared to Rs 315 per 10 Kg last week.

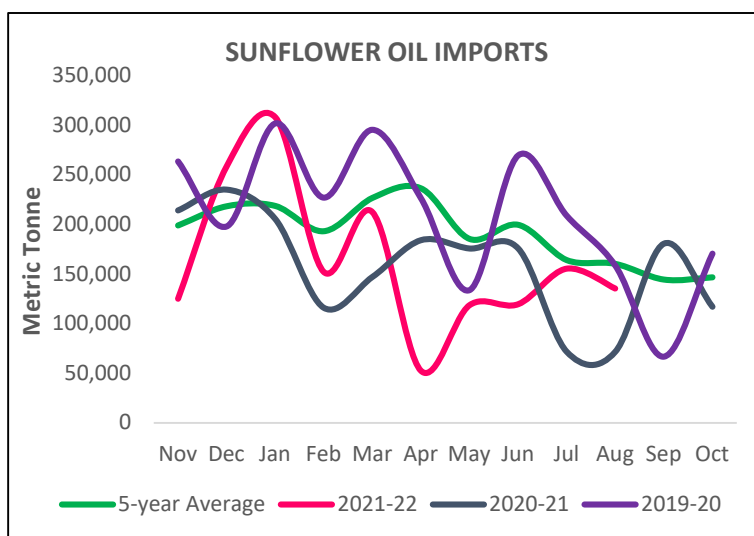
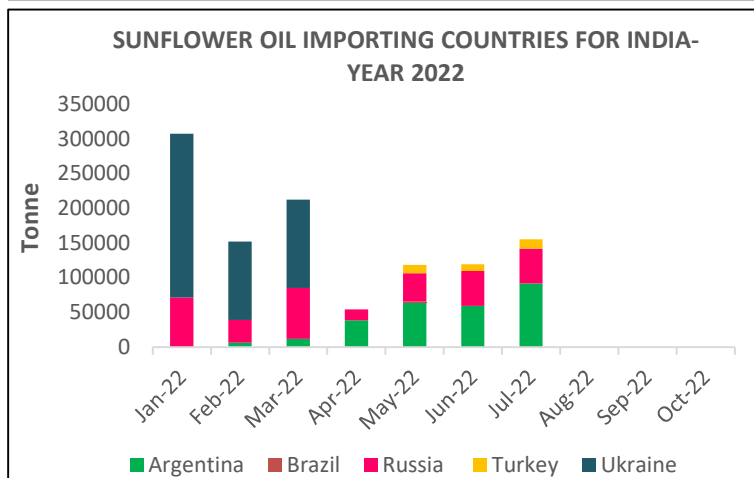
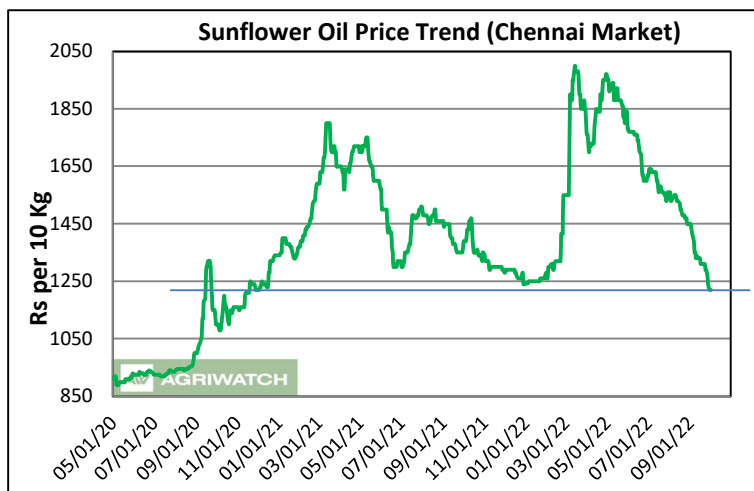


Price Outlook: Rapeseed Expeller oil (without GST) prices in Jaipur may trade in the range of Rs 1220-1300 per 10 Kg.

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. 1290 to Rs. 1220 per 10 Kg, down by 5.43 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 (1160.0 \$/MT) compared to Russian sun oil prices (1294.0 \$/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 1st October 2022)

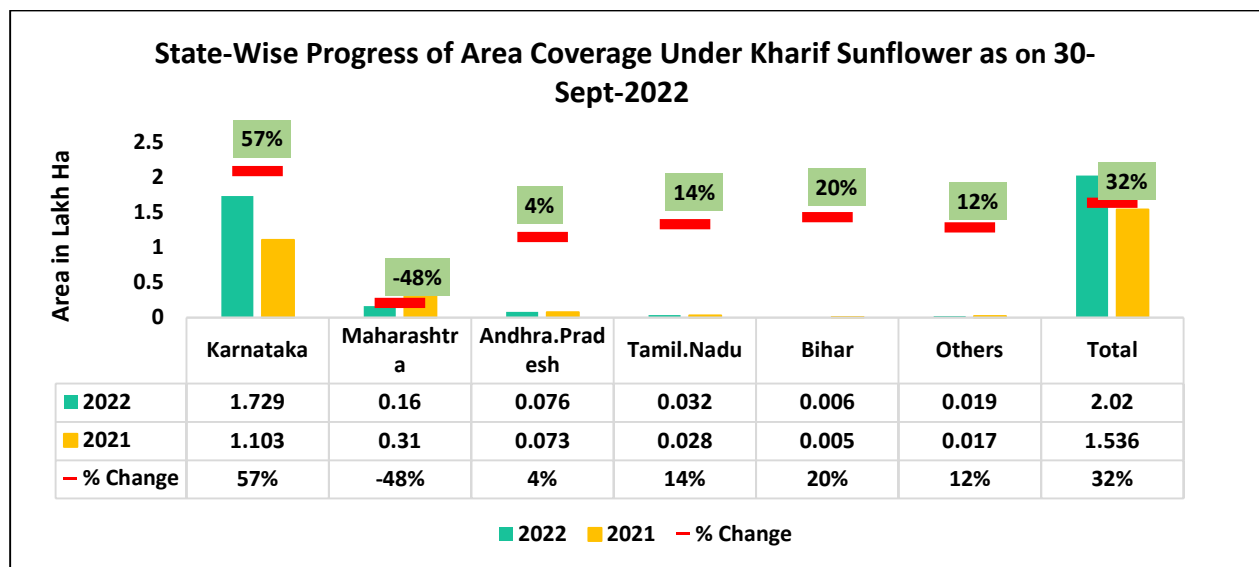
- August's Sun oil import stood at 1.35 LT compared to m-o-m at 1.55 LT and y-o-y at 0.71 LT. India sourced 0.30 LT and 0.73 LT from Argentina and Russia. Imports from Turkey is also rising and sourced sun oil from Bulgaria as well.
- In the domestic market, sunflower oil price is at premium over Soy oil by Rs 100 compared to Rs 135 per 10 Kg last week. Meanwhile, refined sunflower oil (Chennai) premium over RBD palm olein (Kandla) is at Rs. 365 compared to premium of Rs 355 per 10 kg last week.

In domestic market, Sunflower oil's (Chennai) is at discount over groundnut oil by Rs. 380 compared to Rs 360 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 1160-1260 per 10 Kg

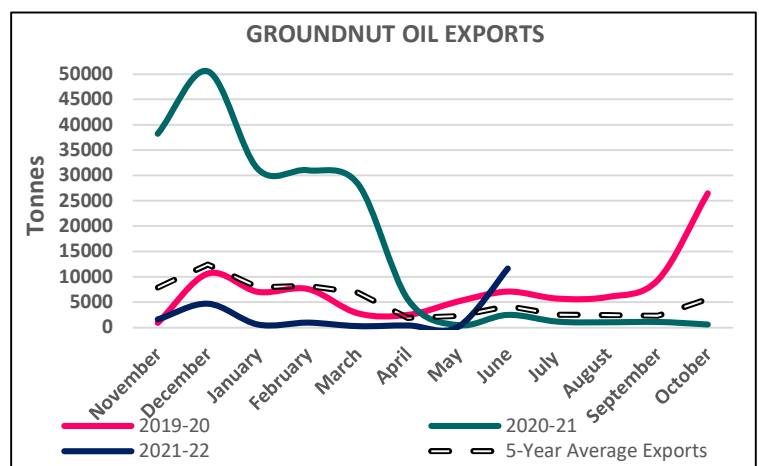
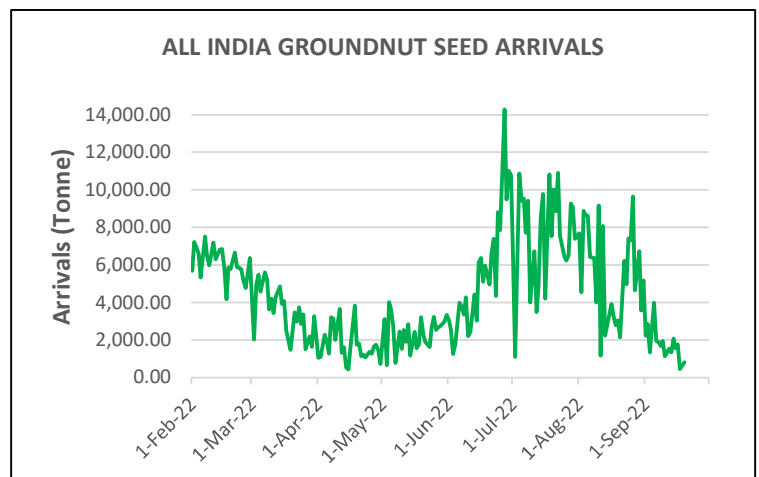
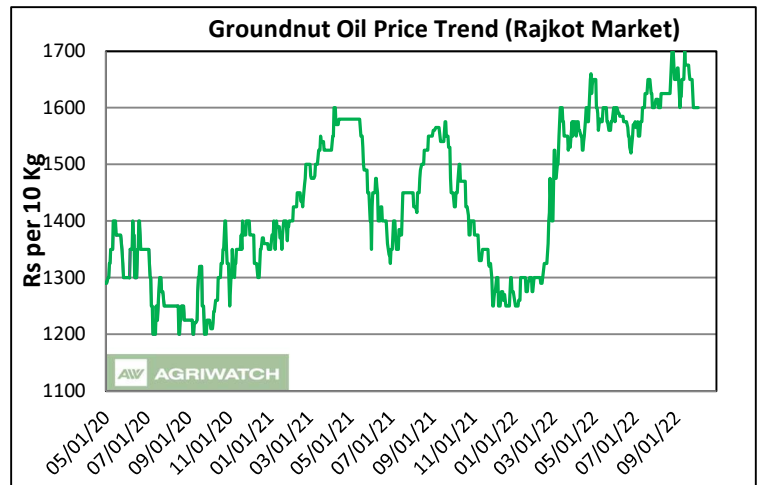
Sowing update:



Groundnut oil Fundamental Review and Analysis:-

Domestic Front

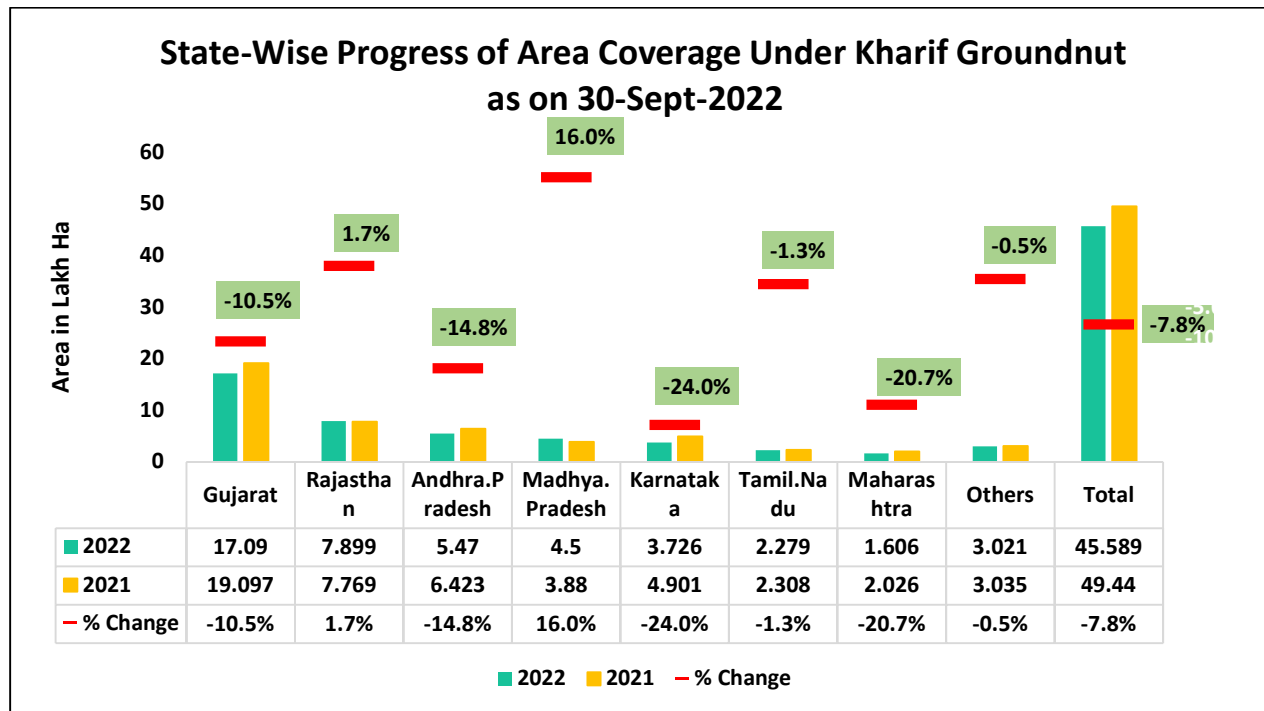
- Groundnut (GN) oil prices edged down at various market for the week in review. Prices has been range bound from Rs 1600- 1650/10 Kg in the bench market Rajkot for past 2 weeks.
- Higher premium of GN oil overall the major competing oils, limited its gains.
- Lagging sowing acreage for Kharif groundnut crop is likely to support the upward price movement.
- As on 30rd Sept'22 All India Kharif Groundnut sowing progress is lagging by 7.8% to 45.58 Lakh hectare as compared to 49.44 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 1600-1675 per 10 Kg.

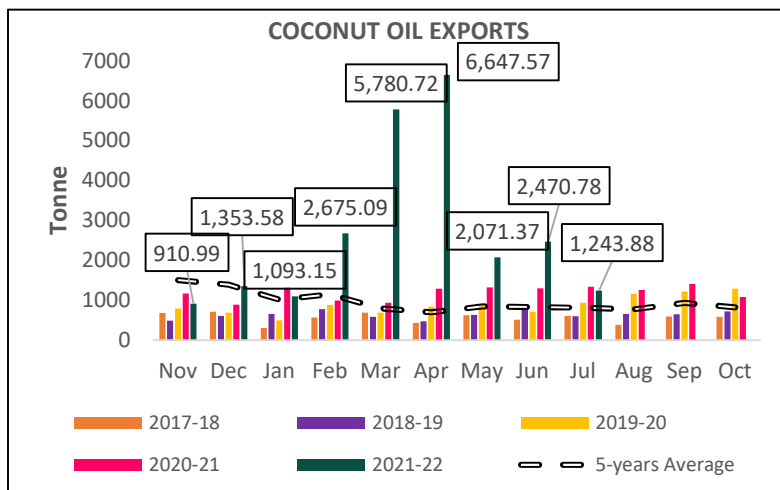
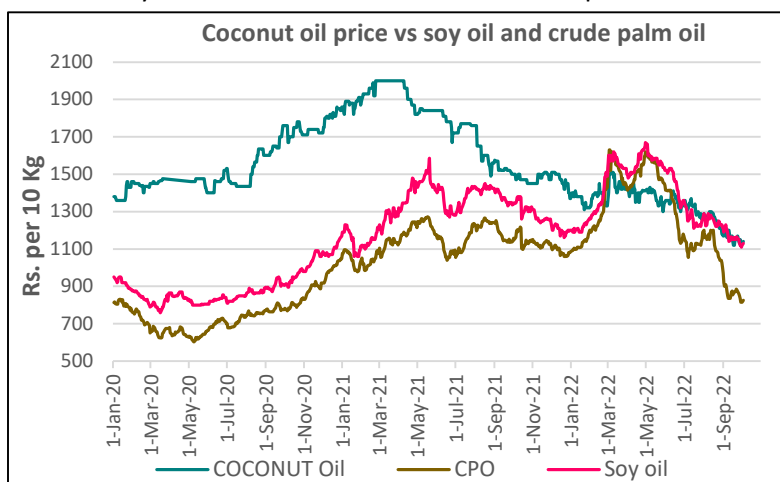
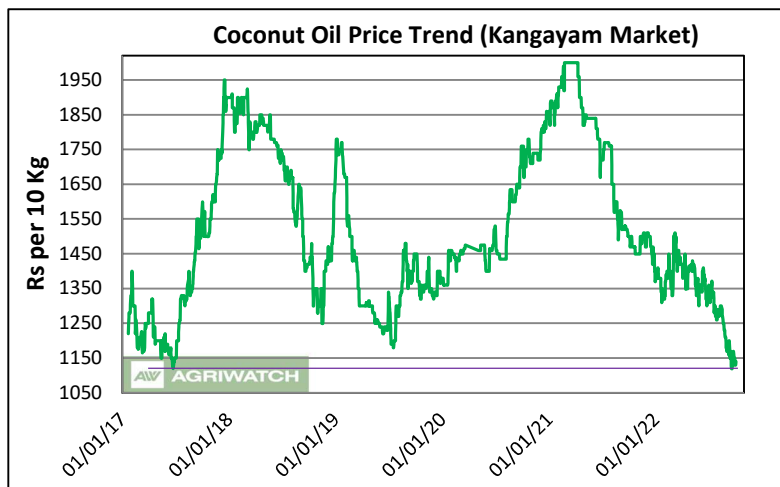
Sowing update:



Coconut Oil Fundamental Review and Analysis:-

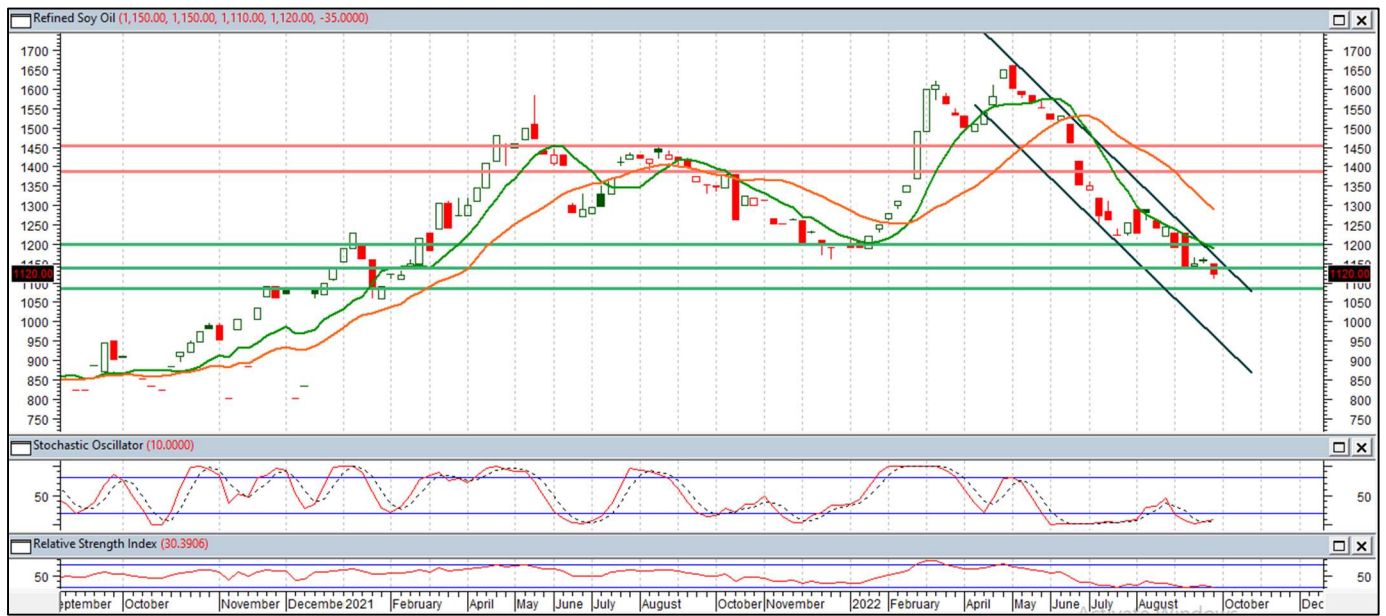
Domestic Front

- The Coconut oil prices at benchmark market Kangeyam declined from Rs 1170 per 10 Kg level, down by 3.42% to Rs 1130/10 Kg.
- Prices are trading rangebound in the level of Rs1100-1170/10 Kg. Prices last week had rebound 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.



Price Outlook: Coconut oil (without GST) prices in Kangeyam is likely to trade sideways with weak bias in the range of Rs 1100-1180 per 10 Kg.

Technical Analysis (Refined soy oil)



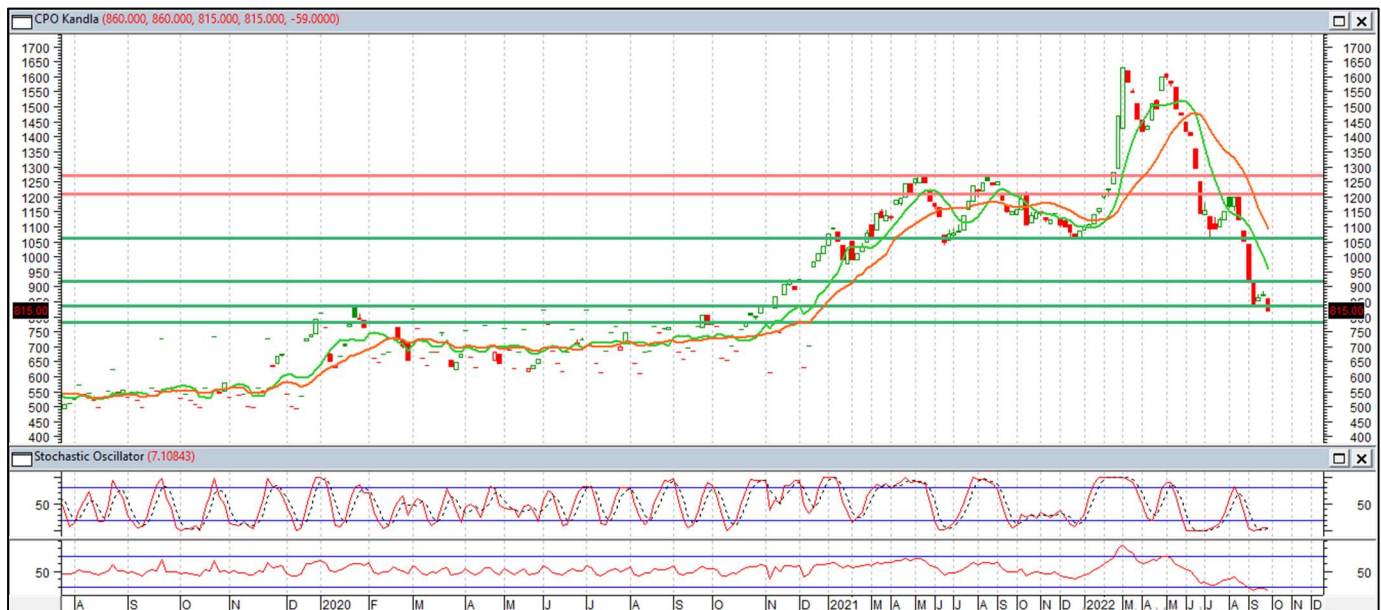
Technical Commentary

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.

Weekly Outlook

Prices may trade sideways with the falling channel.

Technical Analysis (Crude Palm oil)



Technical Commentary

Market slipped during the week under review. market made low at 815, high at 860 and closed at 815. MACD indicating weak momentum and RSI is below 30 indicating weak buying strength and bearish sentiments. In upcoming week market is expected to trade rangebound at the level of 800-880 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
		1-Oct-22	24-Sep-22	
Refined Soybean Oil	Indore	1120	1155	-35
	Indore (Soy Solvent Crude)	1070	1110	-40
	Mumbai	1135	1180	-45
	Mumbai (Soy Degum)	1075	1130	-55
	Kandla/Mundra	1110	1140	-30
	Kandla/Mundra (Soy Degum)	1055	1100	-45
	Kolkata	1090	1145	-55
	Nagpur	1135	1145	-10
	Rajkot	1105	1120	-15
	Kota	1150	1180	-30
	Akola	1130	1165	-35
	Amrawati	1130	1165	-35
	Bundi	1160	1190	-30
	Jalna	1150	1170	-20
	Solapur	1115	1155	-40
	Dhule	1145	1170	-25
	Nanded	1115	1155	-40
	Latur	1115	1155	-40
	Argentina Crude Soya (CIF India) USD	1211	1178	33
	Argentina Crude Soya (FOB)	1131	1098	33
Palm Oil*	Kandla (Crude Palm Oil)	815	874	-59
	Kandla (RBD Palm oil)	835	900	-65
	Kandla RBD Pamolein	855	935	-80
	Kakinada (Crude Palm Oil)	810	815	-5
	Kakinada RBD Pamolein	855	905	-50
	Haldia Pamolein	890	940	-50
	Chennai RBD Pamolein	855	900	-45
	Chennai RBD Pamolein (Vitamin A&D Fortified)	913	964	-51
	Krishnapattanam RBD Pamolein	855	900	-45
	Mumbai RBD Pamolein	865	925	-60
	Mangalore RBD Pamolein	865	915	-50
	Mumbai (Refined)	835	930	-95
	Rajkot (Refined)	840	920	-80
	Chennai (Refined)	860	910	-50
	Hyderabad (Refined)	880	935	-55
	PFAD (Kandla)	630	670	-40
	RPS (Kandla)	770	810	-40

	Superolien (Kandla)	885	970	-85
	Superolien (Mumbai)	895	955	-60
	Kochi (RBD Palmolein)	-	930	-
	Krishnapattanam (Crude Palm Oil)	810	815	-5
Refined Sunflower Oil	Chennai (Refined)	1220	1290	-70
	Chennai (Crude)	1150	1220	-70
	Mumbai (Refined)	1300	1350	-50
	Mumbai(Expeller Oil)	1200	1250	-50
	Kandla (Refined)	1350	1440	-90
	Hyderabad (Refined)	1250	1300	-50
	Hyderabad (Expeller)	1150	1200	-50
	Latur (Refined)	1260	1320	-60
	Latur (Expeller Oil)	1170	1230	-60
	Chellakere (Expeller Oil)	1125	1210	-85
	Erode (Expeller Oil)	1240	1320	-80
	Kakinada (Refined)	1250	1280	-30
	Krishna Pattanam (Refined)	1250	1280	-30
Groundnut Oil	Rajkot	1600	1650	-50
	Chennai	1600	1640	-40
	Hyderabad *	1620	1620	Unch
	Mumbai	1620	1670	-50
	Gondal	1600	1650	-50
	Jamnagar	1600	1650	-50
	Gujarat GN Telia	2540	2620	-80
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1225	1250	-25
	Jaipur (Kacchi Ghani Oil)	1345	1370	-25
	Kota (Expeller Oil)	1230	1270	-40
	Kota (Kacchi Ghani Oil)	1330	1350	-20
	Neewai (Expeller Oil)	1205	1230	-25
	Neewai (Kacchi Ghani Oil)	1330	1355	-25
	Bharatpur (Kacchi Ghani Oil)	1260	1300	-40
	Sri-Ganga Nagar(Exp Oil)	1210	1240	-30
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1325	1355	-30
	Mumbai (Expeller Oil)	1260	1300	-40
	Kolkata(Expeller Oil)	1480	1500	-20
	Hapur (Expeller Oil)	1570	1570	Unch
	Hapur (Kacchi Ghani Oil)	1620	1620	Unch
	Agra (Kacchi Ghani Oil)	1265	1305	-40

Refined Cottonseed Oil	Rajkot	1245	1320	-75
	Hyderabad	1255	1300	-45
	Mumbai	1270	1290	-20
	Gujarat Cotton Wash	1185	1250	-65
Coconut Oil	Kangayan (Crude)	1130	1170	-40
	Cochin	1330	1350	-20
Rice Bran Oil	Mumbai (Refined 4%)	1080	1075	5
	Bhatinda (Crude 4%)	940	915	25
	Bhatinda (Refined 4%)	1055	1030	25
	Hyderabad (Crude)	970	1010	-40
	Hyderabad (Refined)	1120	1150	-30
	Raipur (Crude)	1000	1070	-70
	Vijayawada (Refined)	1000	1010	-10
Malaysia Palmolein USD/MT	FOB	825	905	-80
	CNF India	845	950	-105
Indonesia CPO USD/MT	FOB	Unq	0	-
	CNF India	855	945	-90
Crude palm Kernel Oil India (USD/MT)	CNF India	Closed	1200	-
Ukraine Origin CSFO USD/MT Kandla	CIF	1280	1290	-10
Argentina FOB (\$/MT)		1-Oct-22	24-Sep-22	Change
Crude Soybean Oil Ship		1115	1084	31
Refined Soy Oil (Bulk) Ship		1154	1122	32
Sunflower Oil Ship		1245	1270	-25
Cottonseed Oil Ship		1095	1064	31
* 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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