



EDIBLE OIL WEEKLY RESEARCH REPORT

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Executive Summary

Domestic Veg. Oil Market Summary

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

On the currency front, Indian rupee is hovering near 81.96 against 81.64 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 upward sentiment for the coming term.

International Veg. Oil Market Summary

On the international front, anticipation of higher global soybean stock, US Soybean crush, US's Soybean harvesting and production, US's Mississippi river's water level, China's falling soybean demand, Brazil's increase in Soybean acreage and rising crude oil prices is likely to govern soy oil prices in the coming days.

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

Acreage Statistics
Rabi 2022-23 acreage statistics

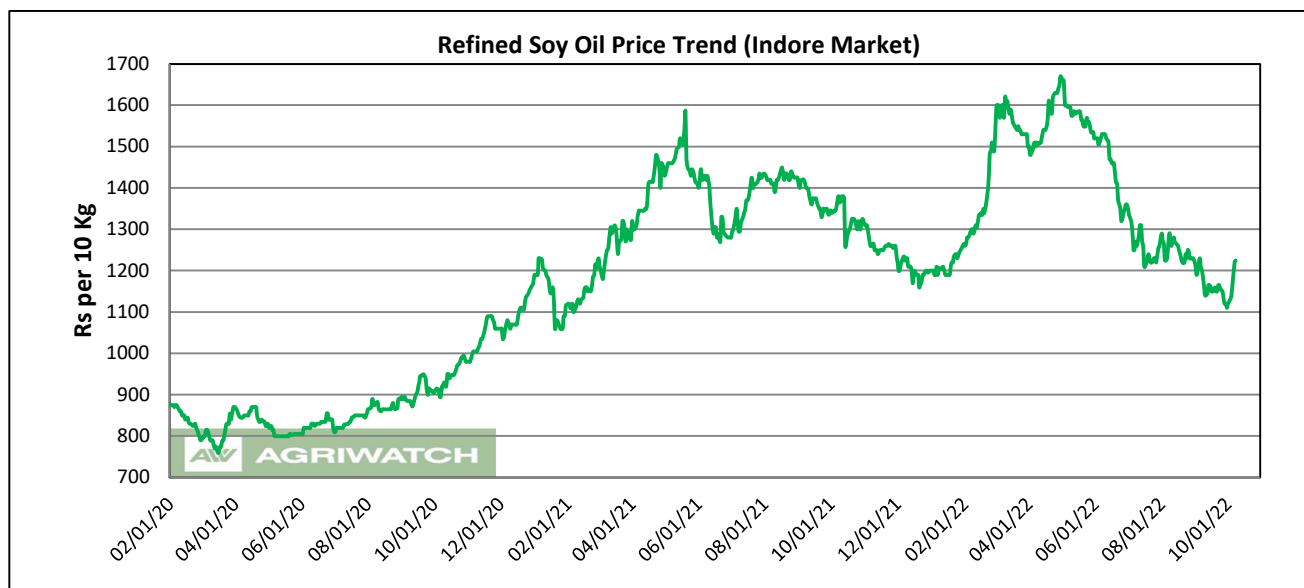
Area Covered (Lakh Ha) as of 7 October 2022			
Crop	2022	2021	% Change
Rapeseed and Mustard	2.04	0.67	204.48%
Groundnut	-	-	-
Safflower	-	-	-
Sesamum	-	-	-
Sunflower	-	-	-
Linseed	-	-	-
Other Oilseeds	-	-	-

Kharif 2022-23 acreage statistics

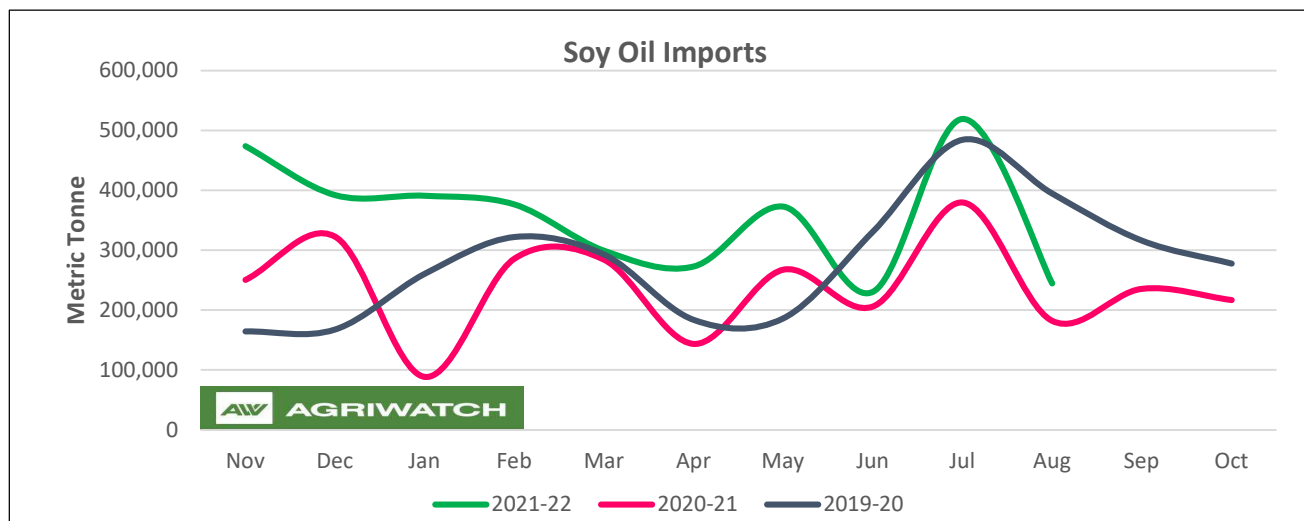
Final acreage under Kharif 2022-23 for oilseed crops

Area Covered (Lakh Ha) as of 30 September 2022			
Crop	2022	2021	% Change
Soybean	120.9	120.87	0.02%
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	193.99	-0.95%

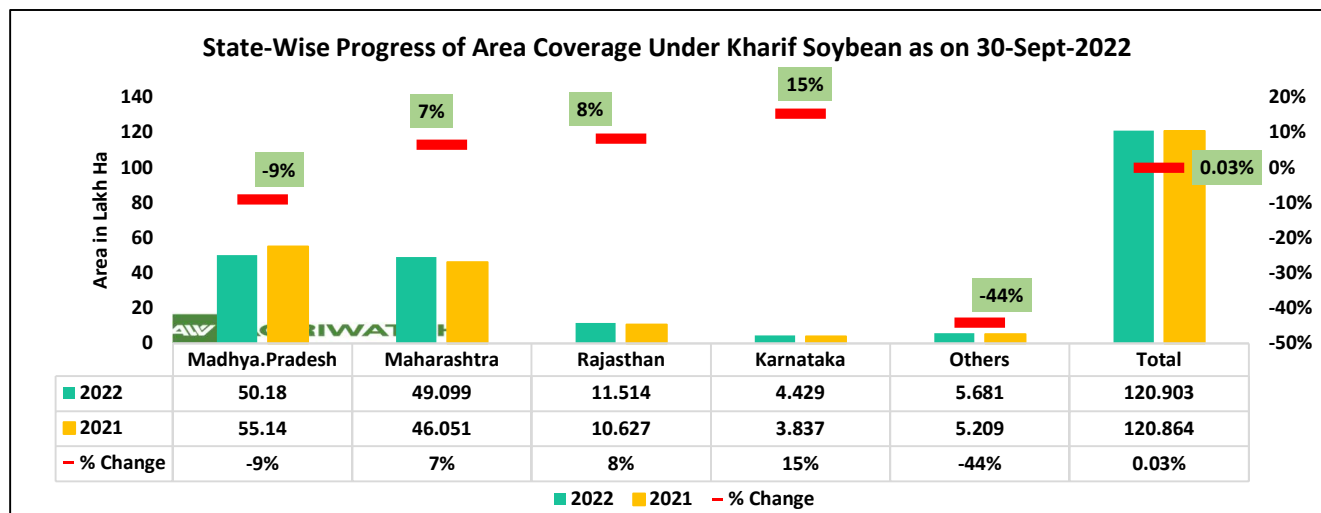
Soy oil Fundamental Analysis and Outlook-:
Domestic Front



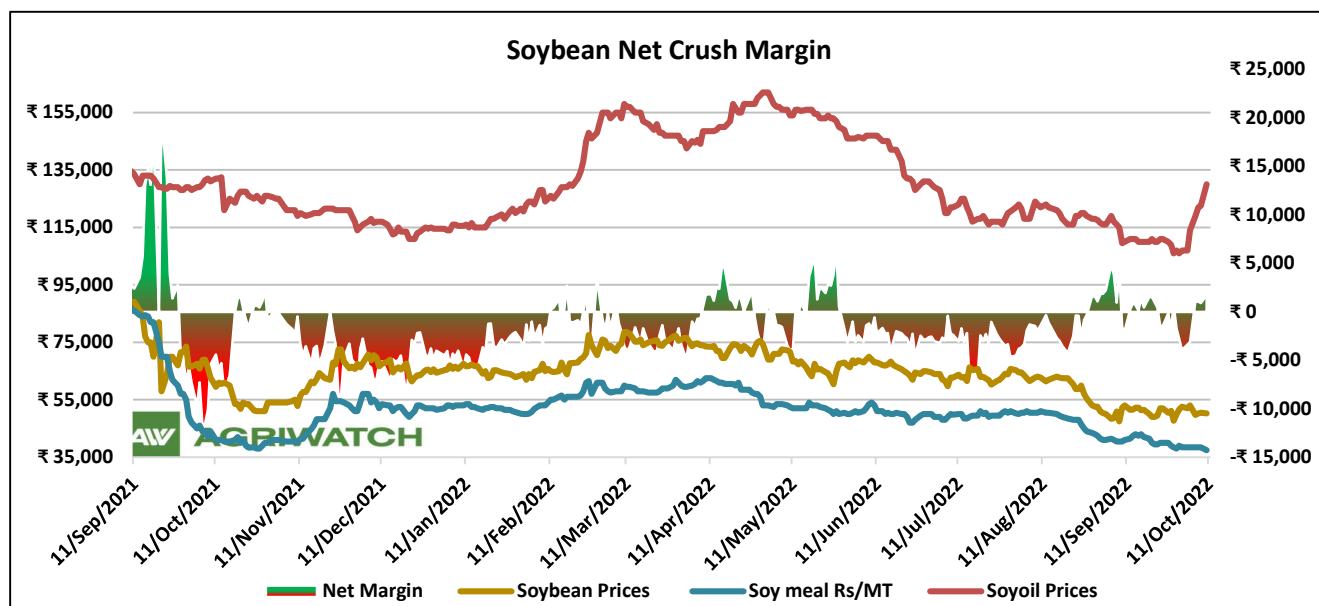
- Soy oil prices at bench market Indore, **traded up by 9.38%** from Rs 1120 to Rs 1225 per 10 Kg.
- Domestic Prices shot up following rising CBOT Soy oil Prices. Festival demand is also supportive of the prices.
- Prices are also supported by low soy oil imports in August as anticipated in previous reports.
- Soy oil imports in August stood at 2.45 LT compared to 5.19 LT in previous month and 1.82 LT in previous year, for the same month.



- Total acreage under Kharif soybean sowing stood at 120.9 lakh ha., up by 0.03% compared to 120.86 lakh ha, last year for 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.



- As per sources, due to heavy rains in Rajasthan Soybean crop loss is witnessing crop loss. In Baran crop loss is estimated to be at 30-40%, in Jhalawar at 10-25%, in Kota at 10-30%, in Bundi at 30-40%. Currently, soybean mandi prices is trading at 3 day high at 4,650/mtl.
- From 1st Oct'22- 11th Oct'22, cumulative rainfall departure recorded at 26% in Maharashtra, 301% in MP, in Rajasthan at 381%. Heavy unseasonal rain in MP and Rajasthan has stalled harvesting , damaged soybean and raising risks of pest attacks.



- Soy oil import for the current marketing year is already at higher side as domestic crush has lowered due to slow soy meal demand. Soybean net crush margin recorded negative and improved on rebound in soy oil prices, during the week under review, weekly average soybean net crush margin improved to INR -693/ MT as compared to previous week at INR -1616/MT. Soymeal demand may improve as its prices has corrected down significantly, which if happens would improve the crush margin along with rising soy oil prices.
- Prices are anticipated to trade upward in coming term on the back of festival demand and taking support of rising CBOT Soy Oil.

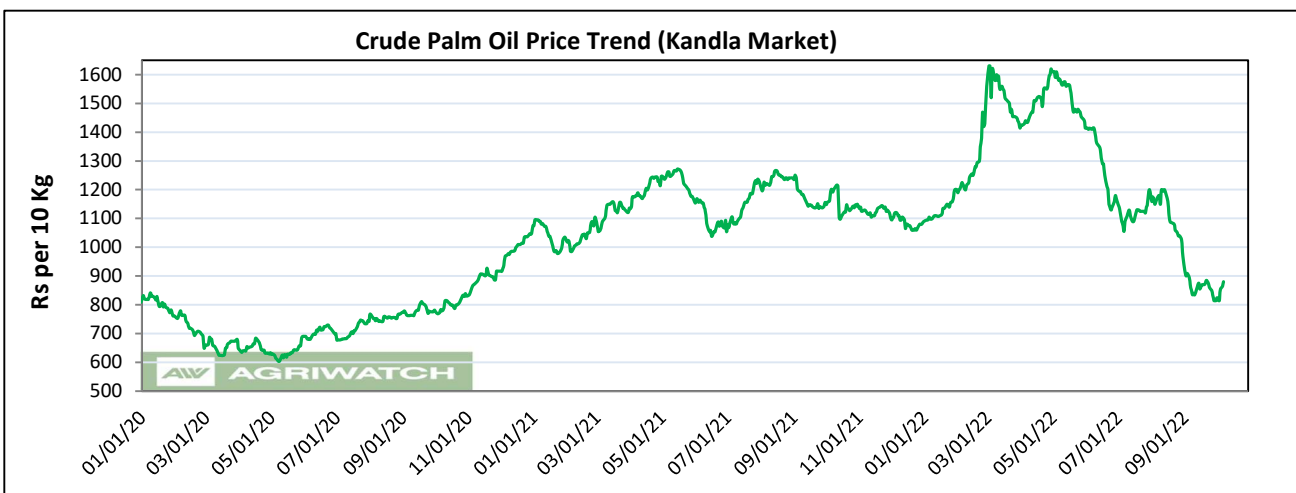
International Front

- CBOT soy oil prices for the active contract 'Dec' witnessed upward movement for the past week. US's Mississippi river is facing historically low water level, which led to increased prices of barges and impacted exports as well.
- The NOPA monthly update showed 165.5 million bushels were crushed in August from 158.8 million last year and compared with trade expectations for 166.1 million bushels. Soybean oil stocks came in at 1.565 billion pounds from 1.668 billion last year. That is the lowest since June 2021 and below the average survey estimate of 1.651 billion pounds.
- 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.

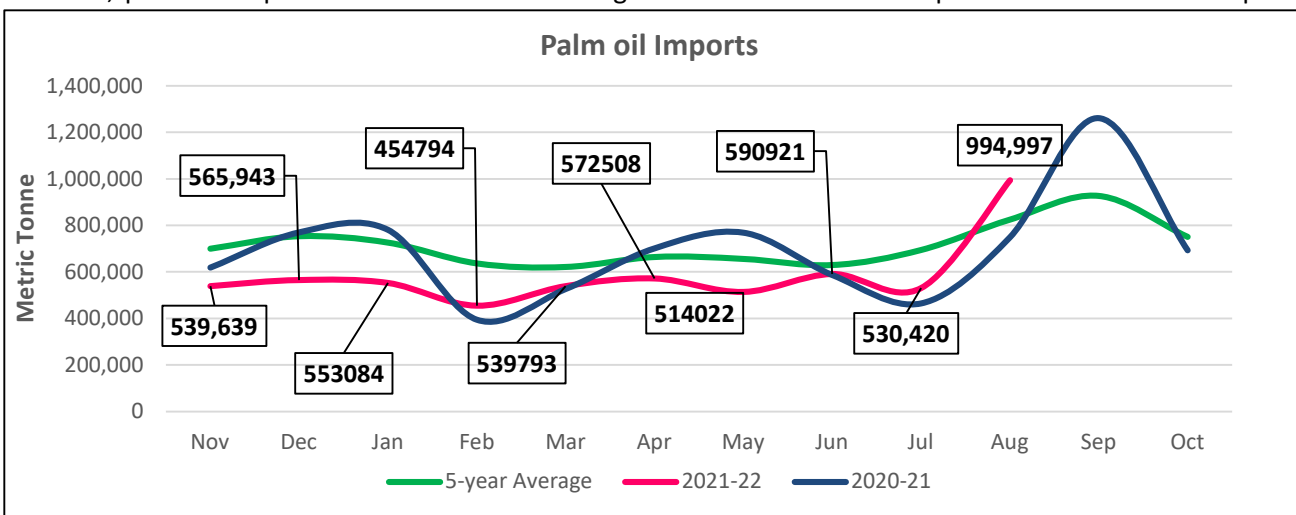
Price Outlook: We expect refined soy oil (without GST) at Indore to stay in the range of Rs 1250-1380 per 10 Kg in the near term.

Palm oil Fundamental Analysis and Outlook :-

Domestic Front



- Crude palm oil (CPO) prices witnessed sharp rise in prices for the previous week in the benchmark market Kandla by 7.98%.
- Prices are supported by festival demand and support from rise in competing oils' prices as well.
- Domestic prices have already corrected sharply and have been lucrative since past two months, as it is discounted compared to all the major oils.
- It is anticipated that, Palm oil Imports in September and October may increase according to import seasonality. However, palm oil imports lowered for Nov'21-Aug'22 stood at 5.85 LT compared to 6.36 LT for the period



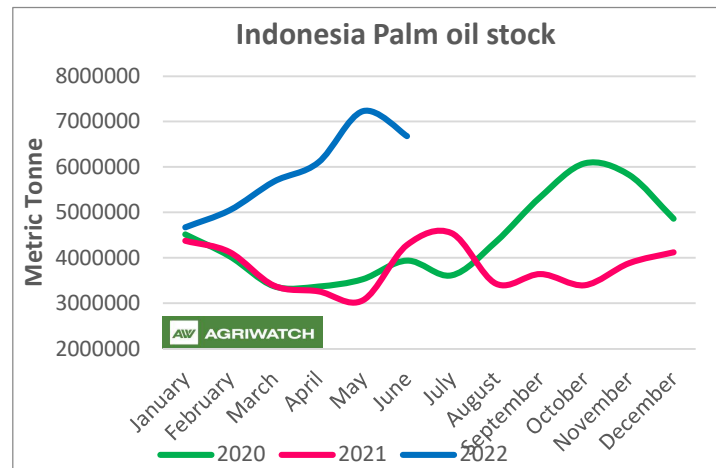
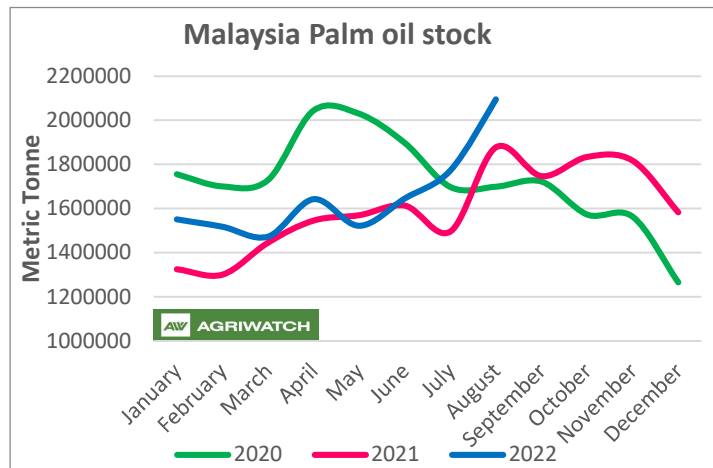
Nov'20-Aug'21. In August, Palm oil imports were highest for the current marketing year Nov-Oct 2021-22.

- 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.

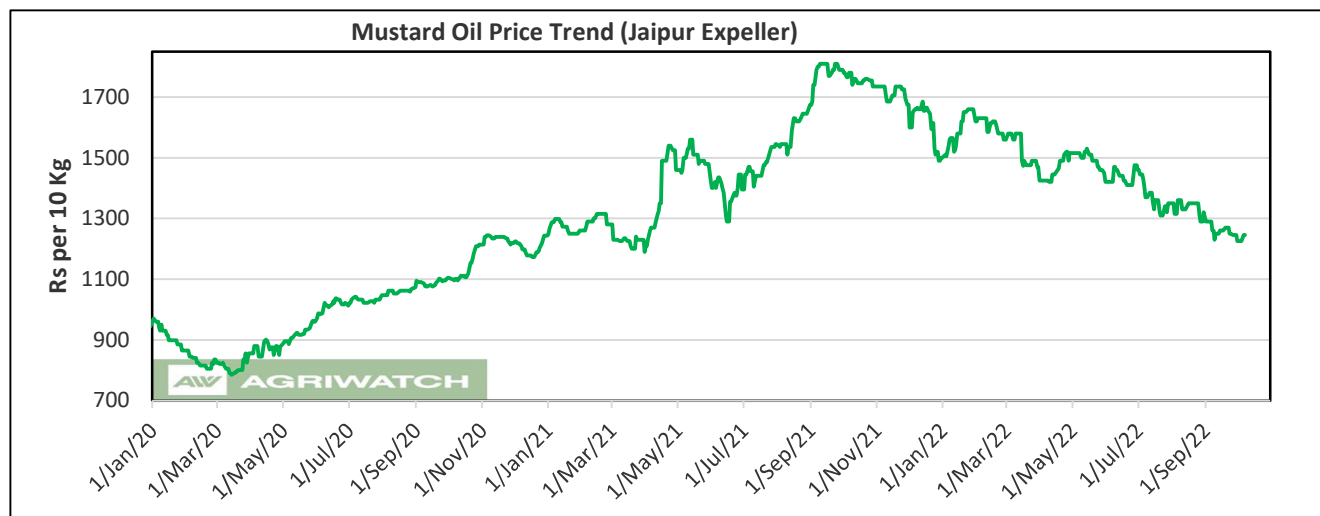
- Indonesia has revised down the reference price at \$792.19/tonne for palm oil export levy for period of October 1- 15, compared to \$846.21/tonne for period September 16-30. This would set the export tax of CPO at \$33/tonne lower from previous level of \$124/tonne.
- Malaysia and Indonesia both have witnessed higher end stock for Palm oil, however with good export demand prices are likely trade sideways for the near term.



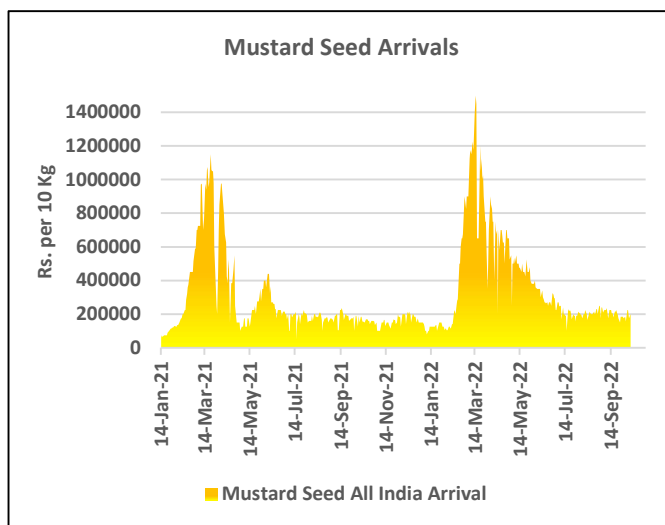
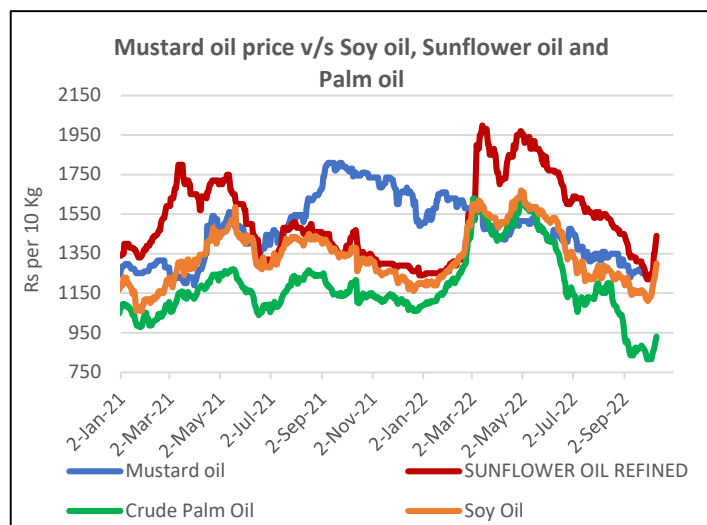
Price Outlook: We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 850-950 per 10 Kg in the near term.

Rapeseed oil Fundamental Review and Analysis-

Domestic Front



- Mustard oil prices witnessed upward movement at various markets for the week in review. Prices jumped by 2.04% from Rs 1225/10 Kg to 1250/10 Kg.
- Mustard oil market was under correction for till 4th October in tandem with declining market trend in palm and soy oil. However, rising prices of competing oil supported mustard oil prices too in the past week.
- Cool weather in north India due to heavy rainfall is likely to support mustard oil demand along with its festival demand.



- Recent surge in Soy and sun oil has rendered mustard oil at discount, which is likely to support affirm momentum in prices for the coming near term.
- 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. However, improvement in mustard oil prices is likely to turn crush disparity to parity.

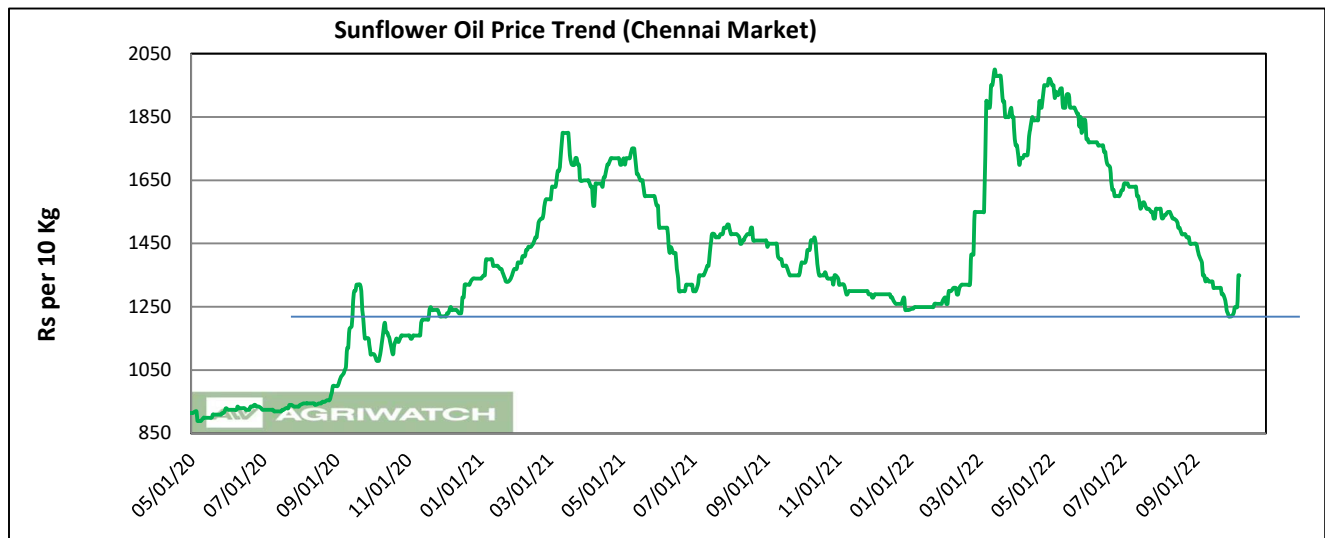


- Jaipur Expeller rapeseed oil premium over refined soy oil in domestic market by Rs 25 per 10 kg compared to Rs 105 per 10 Kg last week.
- Jaipur Expeller rapeseed oil has premium over RBD palm olein by Rs 330 per 10 kg compared to Rs 370 per 10 Kg last week.

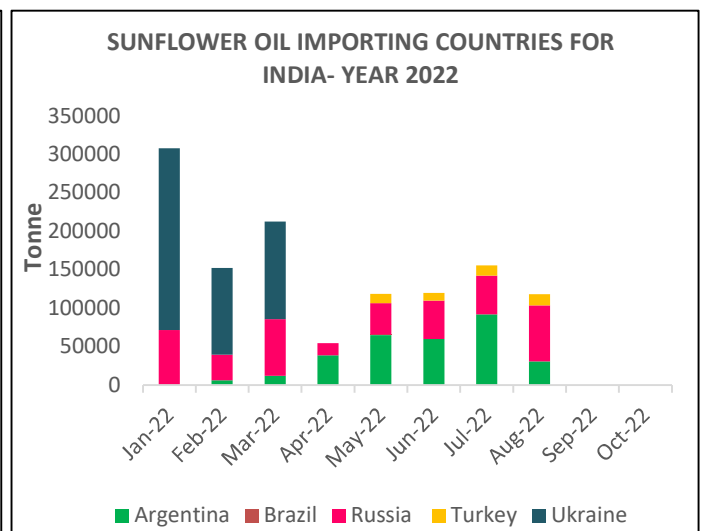
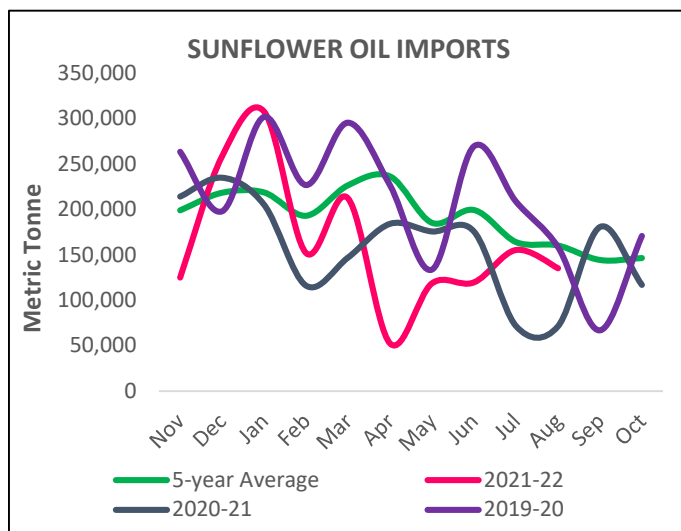
Price Outlook: Rapeseed Expeller oil (without GST) prices in Jaipur may trade in the range of Rs 1250-1380 per 10 Kg.

Sunflower oil Fundamental Review and Analysis:-

Domestic Front



- Sunflower oil prices at Chennai shot up at various markets. Prices traded up at benchmark Chennai from Rs. 1220 to Rs. 1350 per 10 Kg, up by 10.65 percent.
- Prices are mainly supported by rising sun oil prices. Late sun seed harvesting in Ukraine and low seed quality is supporting the price rise.
- Prices were under correction for months, 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, Turkey, Russia and Bulgaria. 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. Ukraine's sun oil shipments resumed after opening of Ukraine grain export corridor, which would add to the global sun oil supply side. However, escalating tension between Ukraine and Russia may impact sun oil exports agains and prices would shoot up.

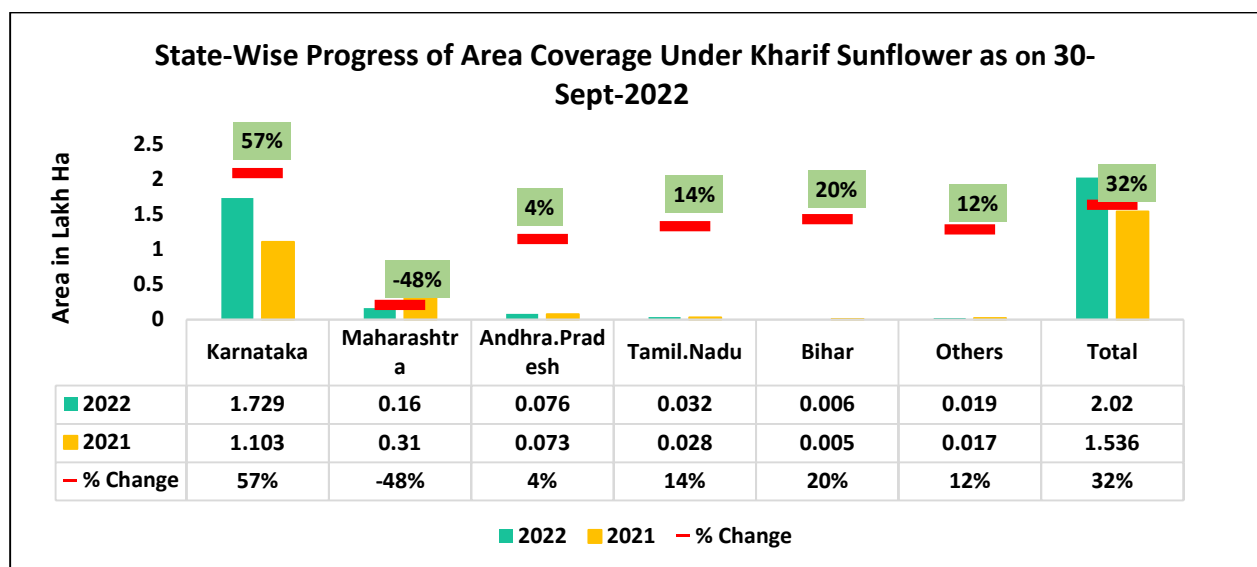
- At present, lucrative Ukraine sun oil prices (1122.5 \$/MT) compared to Russian sun oil prices (1226.5 \$/MT) is capping Russian sun oil export gains, and diverting export demand back to Ukraine as black sea grain corridor opened. (Prices in backed are of 8th October 2022)
- In the domestic market, sunflower oil price is at premium over Soy oil by Rs 125 compared to Rs 100 per 10 Kg last week. Meanwhile, refined sunflower oil (Chennai) premium over RBD palm olein (Kandla) is at Rs. 430 compared to premium of Rs 365 per 10 kg last week.

In domestic market, Sunflower oil's (Chennai) is at discount over groundnut oil by Rs. 300 compared to Rs 380 per 10 Kg last week.

We expect sunflower oil prices to trade with firm sentiment backed by rising international sunflower oil prices.

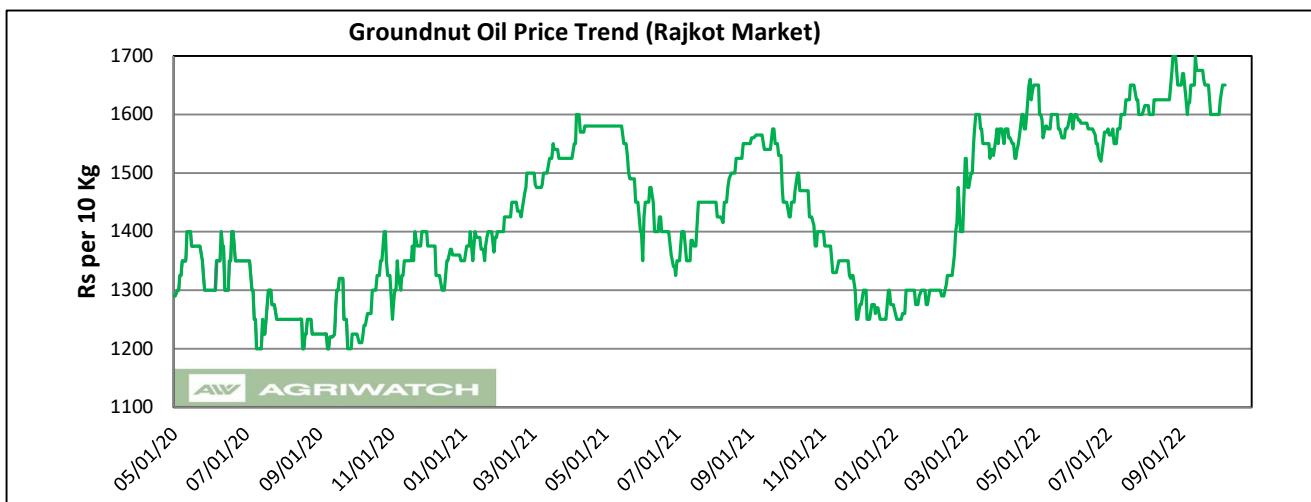
Price Outlook: Sunflower oil (without GST) prices in Chennai may stay in the range of Rs 1320-1450 per 10 Kg

Sowing update:

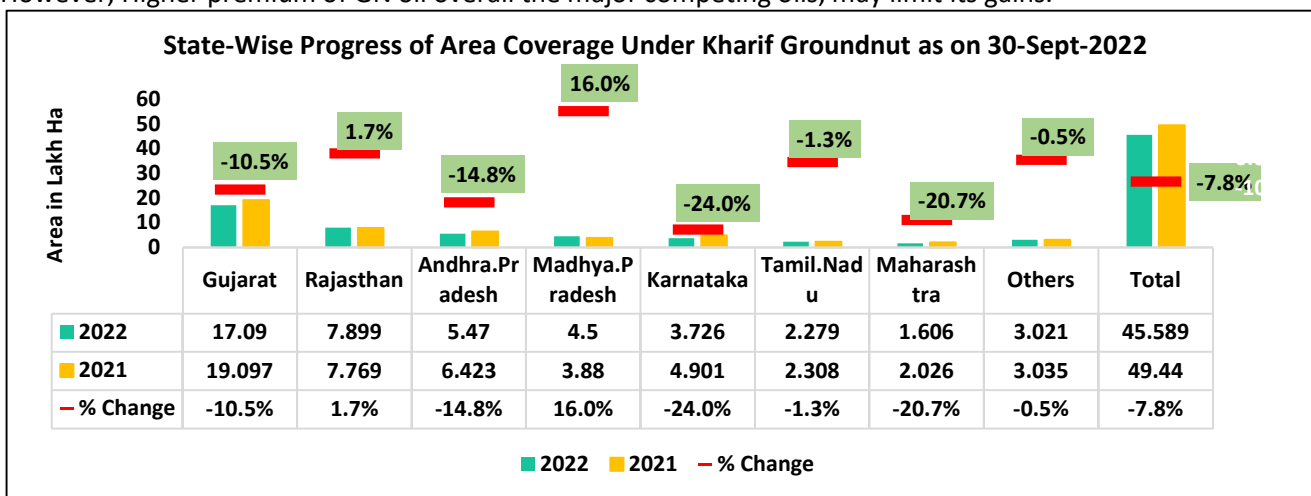


Groundnut oil Fundamental Review and Analysis:-

Domestic Front

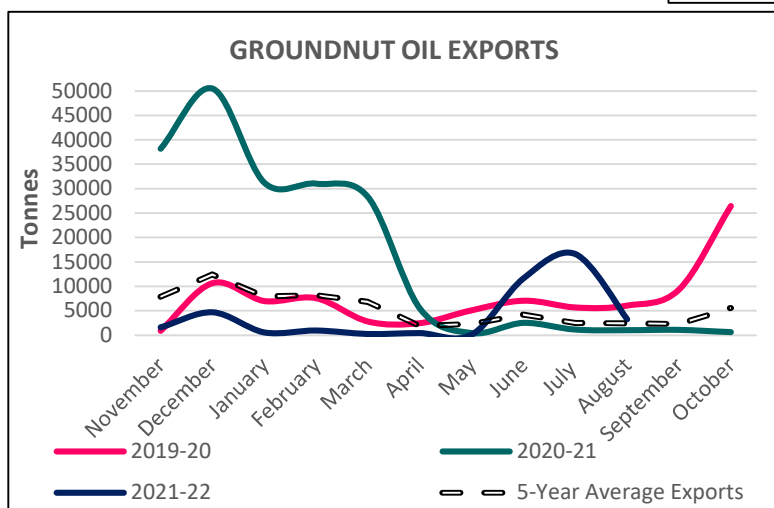
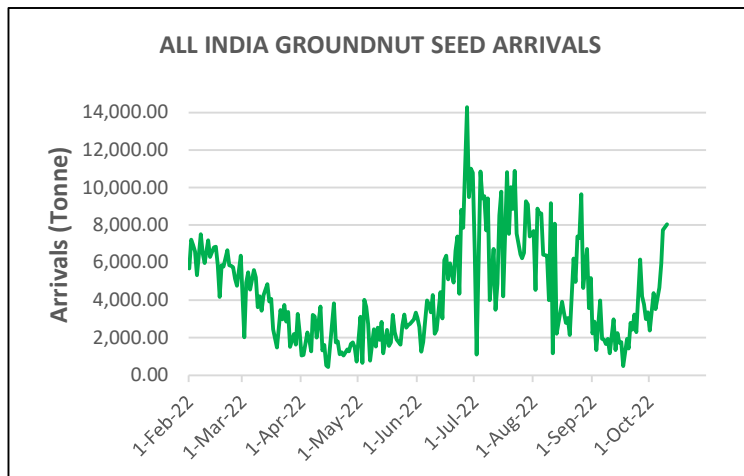


- Groundnut (GN) oil prices edged up at various market for the week in review. Prices has been range bound from Rs 1600- 1700/10 Kg in the bench market Rajkot since last week of August.
- Demand for GN oil is good and added demand due to festivities supported the price rise.
- However, Higher premium of GN oil overall the major competing oils, may limit its gains.



- Final Kharif Groundnut acreage is lagging by 7.8% to 45.58 Lakh hectare as compared to 49.44 Lakh hectare last year in the same period.
- Crop loss along with low GN seed acreage for the marketing year (MY) 2022-23 may remain supportive of prices for long term, especially if export demand picks up prices are expected to remain elevated with low ending stock in the MY 2021-22. AgriWatch has estimated 2-5% crop loss for Kharif 2022-23 backed by low acreage and impact of heavy rains in Saurashtra region.
- 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 SEED ARRIVALS**', All India GN seed arrivals rose on arrival of new Kharif GN crop. However, high moisture content in seed is weighing on seed 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.

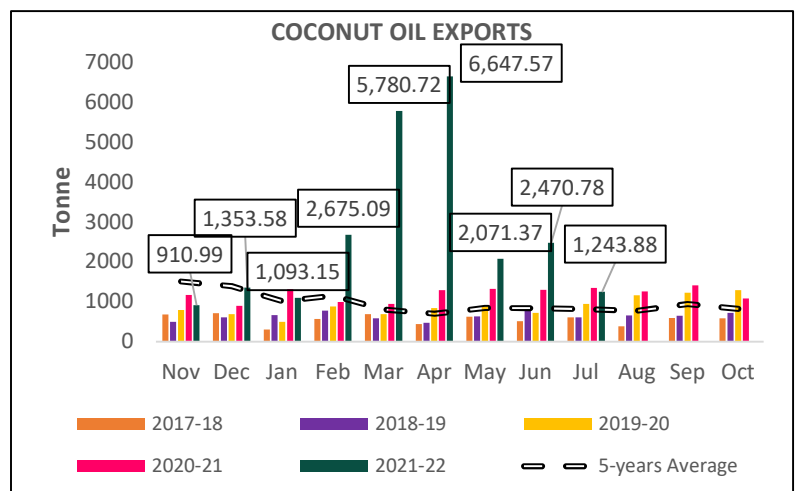
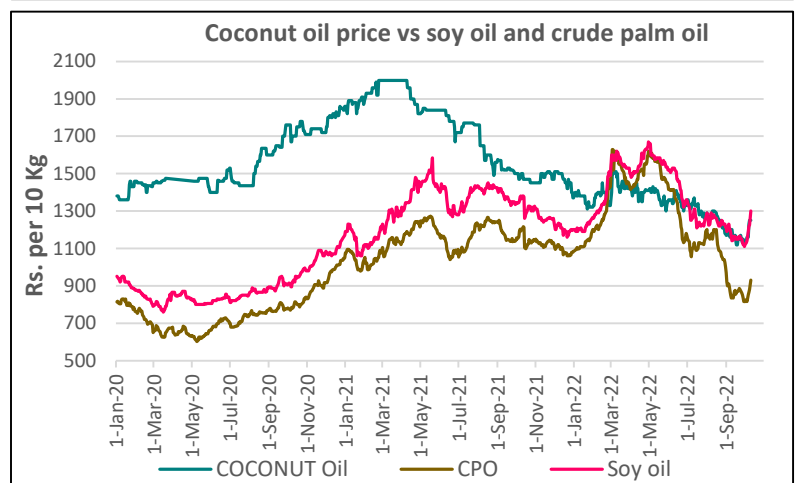
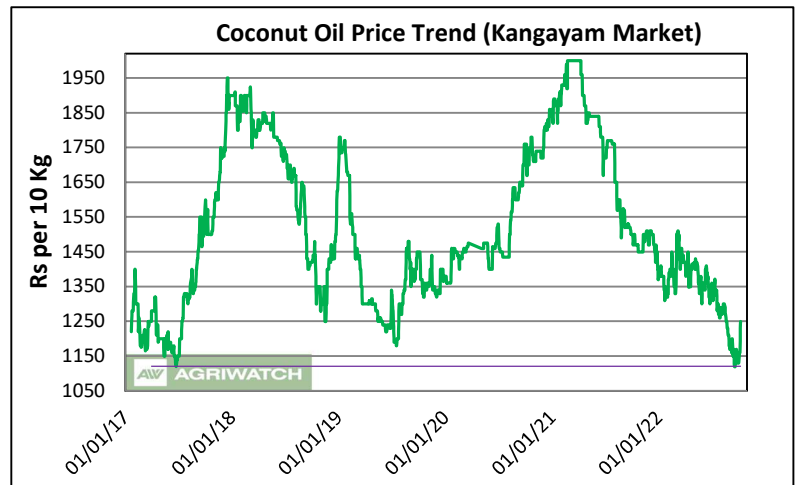
Price Outlook: Groundnut oil (without GST) prices in Rajkot is likely to trade sideways in the range of Rs 1600-1700 per 10 Kg.

Coconut Oil Fundamental Review and Analysis:-

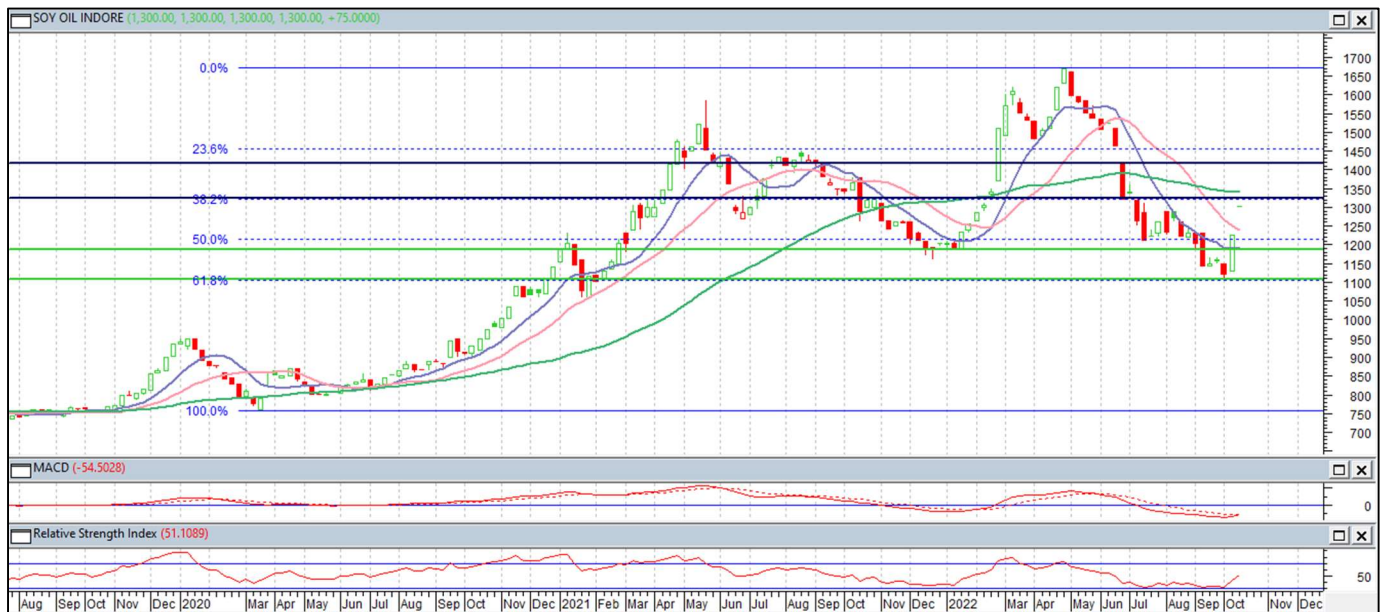
Domestic Front

- The Coconut oil prices at benchmark market Kangeyam shot up from Rs 1130 per 10 Kg level, up by 10.62% to Rs 1250/10 Kg.
- Prices broke the previous trading range 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. However, rising prices of competing oils' supported coconut oil as well.
- 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 limited its gains in prices.
- Export demand edged down in July compared to June'22. Demand is mainly coming from UAE, Saudi Arab and Vietnam.
- Coconut oil exports scenario- India exported 1,243.88 tonnes of Coconut oil in June 2022 higher compared to 2,470.78 tonnes export in June 2022, and 1,339.94 tonnes in July 2021. If export demand arises from the importing countries in coming, it is likely to extend the gains in prices.

Price Outlook: Coconut oil (without GST) prices in Kangeyam is likely to trade sideways with weak bias in the range of Rs 1200-1320 per 10 Kg.



Technical Analysis (Refined soy oil)



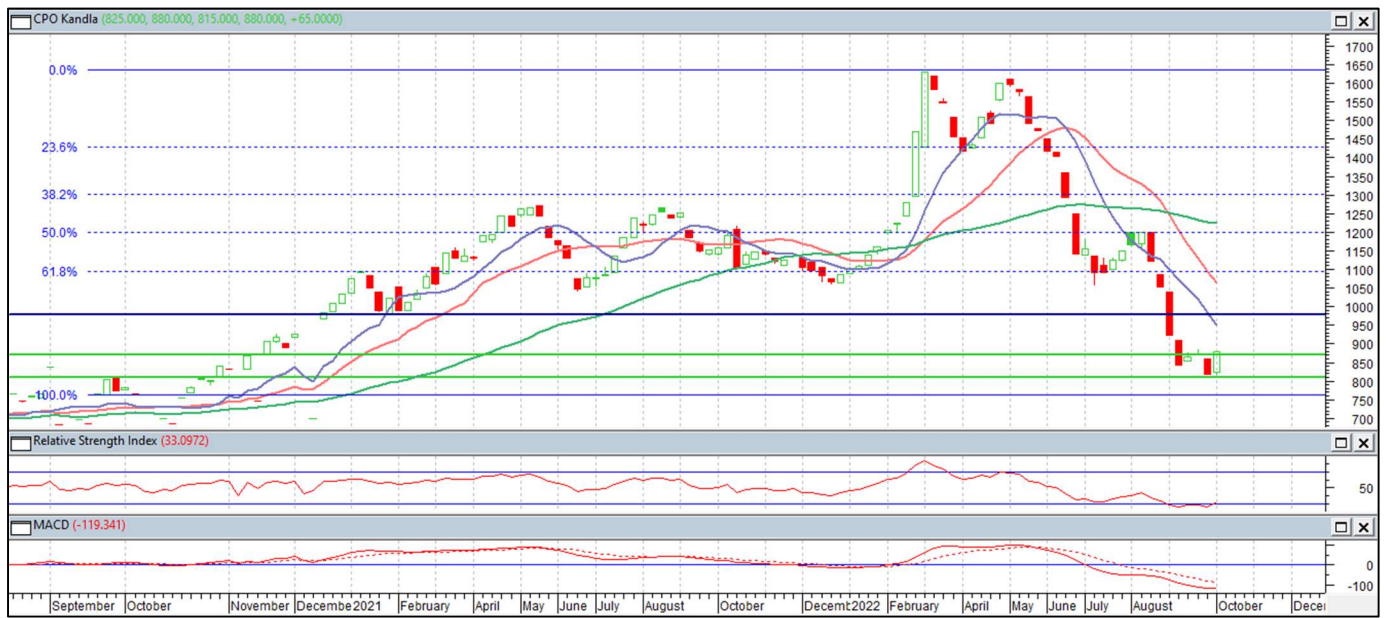
Technical Commentary

As depicted in the above chart, market ended the weeks downward rally. Prices took support at the 1100-1120 level and bounced back to 1225 level. Prices are trading at 72 days' high. Market is trading below 9 and above 18 DMA indicating sideways sentiments. RSI is rising in the neutral zone indicating improving buying strength. MACD lines are converging with rising prices, pointing trend reversal.

Weekly Outlook

Prices are likely to trade up in the range of Rs 1280-1380/10 Kg.

Technical Analysis (Crude Palm oil)



Technical Commentary

Market rebounded from RS 815 level during the week under review. market made low at 815, high at 880 and closed at 880. MACD is converging with signal line, indicating change in momentum. RSI is below 30 indicating weak buying strength and bearish sentiments. In upcoming week market is expected to trade rangebound at the level of 850-950 level.

Weekly Outlook

RSI is in oversold zone. Prices may likely to rebound from current level. Prices may gradually rise and trade in the range of Rs 850-950/ 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
		8-Oct-22	1-Oct-22	
Refined Soybean Oil	Indore	1225	1120	105
	Indore (Soy Solvent Crude)	1190	1070	120
	Mumbai	1250	1135	115
	Mumbai (Soy Degum)	1185	1075	110
	Kandla/Mundra	1205	1110	95
	Kandla/Mundra (Soy Degum)	1155	1055	100
	Kolkata	1200	1090	110
	Nagpur	1235	1135	100
	Rajkot	1170	1105	65
	Kota	1220	1150	70
	Akola	1220	1130	90
	Amrawati	1220	1130	90
	Bundi	1230	1160	70
	Jalna	1235	1150	85
	Solapur	1220	1115	105
	Dhule	1260	1145	115
	Nanded	1210	1115	95
	Latur	1215	1115	100
	Argentina Crude Soya (CIF India) USD	1353	1211	142
	Argentina Crude Soya (FOB)	1243	1131	112
Palm Oil*	Kandla (Crude Palm Oil)	880	815	65
	Kandla (RBD Palm oil)	900	835	65
	Kandla RBD Pamolein	920	855	65
	Kakinada (Crude Palm Oil)	825	810	15
	Kakinada RBD Pamolein	910	855	55
	Haldia Pamolein	940	890	50
	Chennai RBD Pamolein	920	855	65
	Chennai RBD Pamolein (Vitamin A&D Fortified)	982	913	69
	Krishnapattanam RBD Pamolein	910	855	55
	Mumbai RBD Pamolein	940	865	75
	Mangalore RBD Pamolein	925	865	60
	Mumbai (Refined)	930	835	95
	Rajkot (Refined)	895	840	55
	Chennai (Refined)	925	860	65
	Hyderabad (Refined)	930	880	50
	PFAD (Kandla)	670	630	40

	RPS (Kandla)	825	770	55
	Superolien (Kandla)	950	885	65
	Superolien (Mumbai)	970	895	75
	Kochi (RBD Palmolein)	-	930	-
	Krishnapattanam (Crude Palm Oil)	825	810	15
Refined Sunflower Oil	Chennai (Refined)	1350	1220	130
	Chennai (Crude)	1280	1150	130
	Mumbai (Refined)	1370	1300	70
	Mumbai(Expeller Oil)	1270	1200	70
	Kandla (Refined)	1380	1350	30
	Hyderabad (Refined)	1350	1250	100
	Hyderabad (Expeller)	1250	1150	100
	Latur (Refined)	1380	1260	120
	Latur (Expeller Oil)	1300	1170	130
	Chellakere (Expeller Oil)	1300	1125	175
	Erode (Expeller Oil)	1320	1240	80
	Kakinada (Refined)	1350	1250	100
	Krishna Pattanam (Refined)	1350	1250	100
Groundnut Oil	Rajkot	1650	1600	50
	Chennai	1600	1600	Unch
	Hyderabad *	1630	1620	10
	Mumbai	1670	1620	50
	Gondal	1675	1600	75
	Jamnagar	1675	1600	75
	Gujarat GN Telia	2620	2540	80
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1250	1225	25
	Jaipur (Kacchi Ghani Oil)	1380	1345	35
	Kota (Expeller Oil)	1280	1230	50
	Kota (Kacchi Ghani Oil)	1350	1330	20
	Neewai (Expeller Oil)	1225	1205	20
	Neewai (Kacchi Ghani Oil)	1350	1330	20
	Bharatpur (Kacchi Ghani Oil)	1290	1260	30
	Sri-Ganga Nagar(Exp Oil)	1250	1210	40
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1360	1325	35
	Mumbai (Expeller Oil)	1300	1260	40
	Kolkata(Expeller Oil)	1480	1480	Unch
	Hapur (Expeller Oil)	1490	1570	-80
	Hapur (Kacchi Ghani Oil)	1540	1620	-80
	Agra (Kacchi Ghani Oil)	1295	1265	30

Refined Cottonseed Oil	Rajkot	1315	1245	70
	Hyderabad	1310	1255	55
	Mumbai	1340	1270	70
	Gujarat Cotton Wash	1285	1185	100
Coconut Oil	Kangayan (Crude)	1250	1130	120
	Cochin	1350	1330	20
Rice Bran Oil	Mumbai (Refined 4%)	1120	1080	40
	Bhatinda (Crude 4%)	935	940	-5
	Bhatinda (Refined 4%)	1050	1055	-5
	Hyderabad (Crude)	1020	970	50
	Hyderabad (Refined)	1170	1120	50
	Raipur (Crude)	1050	1000	50
	Vijayawada (Refined)	1030	1000	30
Malaysia Palmolein USD/MT	FOB	895	825	70
	CNF India	945	845	100
Indonesia CPO USD/MT	FOB	Unq	0	-
	CNF India	935	855	80
Crude palm Kernel Oil India (USD/MT)	CNF India	Closed	1150	-
Ukraine Origin CSFO USD/MT Kandla	CIF	1375	1280	95
Argentina FOB (\$/MT)		8-Oct-22	1-Oct-22	Change
Crude Soybean Oil Ship		1263	1115	148
Refined Soy Oil (Bulk) Ship		1307	1154	153
Sunflower Oil Ship		1250	1245	5
Cottonseed Oil Ship		1243	1095	148
* 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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