



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, and Rapeseed oil up. While, Groundnut oil and Coconut oil traded down, at their respective bench markets.

On the currency front, Indian rupee is hovering near 81.78 against 82.76 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 sideways with upward bias for the coming term.

International Veg. Oil Market Summary

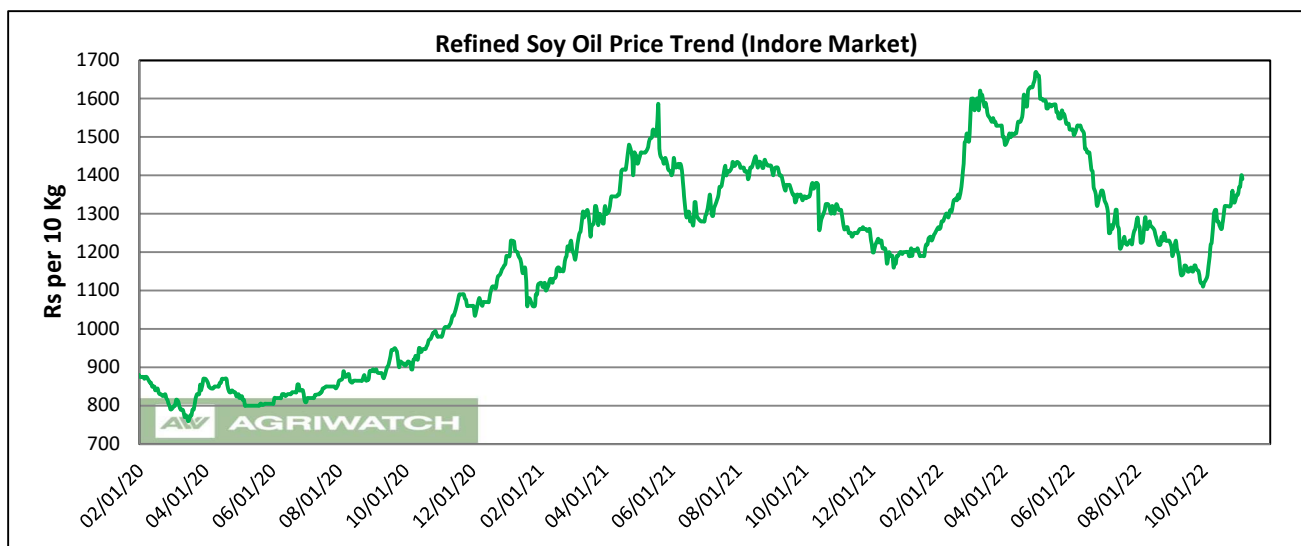
On the international front, anticipation of higher global soybean stock, US Soybean crush, US's Soybean harvesting and production, US's Mississippi river's water level, China's falling soybean demand, Brazil's increase in Soybean acreage and rising crude oil prices is likely to govern soy oil prices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

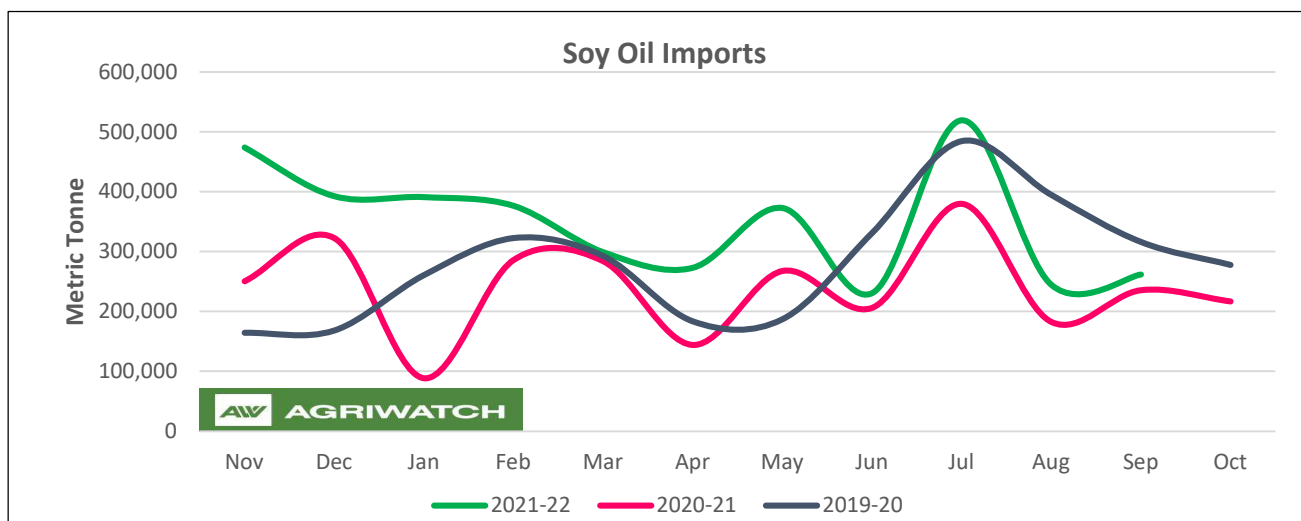
Acreage Statistics
Rabi 2022-23 acreage statistics

Rabi 2022-23 acreage statistics				
Area Covered (Lakh Ha) as of 4 October 2022				
Crop	2022	2021	% Change	
Rapeseed and Mustard	45.71	38.14	19.85%	
Groundnut	0.87	1.37	-36.50%	
Safflower	0.07	0.15	-53.33%	
Sesamum	0.01	0.02		
Sunflower	0.1	0.56	-82.14%	
Linseed	0.29	0.39	-25.64%	
Other Oilseeds	0.04	0.09	-55.56%	
Total	47.09	40.72	15.64%	

Soy oil Fundamental Analysis and Outlook-:
Domestic Front



- Soy oil prices at bench market Indore witnessed firm trend and closed up by 2.96% from Rs 1350 to Rs 1390 per 10 Kg.
- Domestic Prices firmed up as Government exempted Wholesalers and Big Chain retailers from the Stock Limit order. The removal of stock limit has paved a way for stockiest, retailers, wholesalers and crushers to stock the



commodity in ample amount. This will have a positive effect on the oil as well as oilseed prices as it will boost procurement of the oilseeds, hereby increasing the returns of domestic oilseeds growing farmers and crushers.

- Soy oil imports in September stood at 2.61LT compared to 2.44 LT in previous month and 2.35 LT in previous year, for the same month. Imports in October is anticipated to lie in the range of 2.5-2.8 LT imports as demand improves for winter season.
- Soy oil import for the current marketing year is already at higher side as domestic crush was down due to slow soy meal demand in the first 3 quarters of the marketing year.
- Soybean net crush margin has improved with rising soy oil prices and correction in soybean seed prices. Soy meal prices are steady, which is likely to rebound if its exports demand improves. Improved soy meal prices along with rising soy oil prices would render a positive crush margin.

- Prices are anticipated to trade sideways with firm bias in the near term.

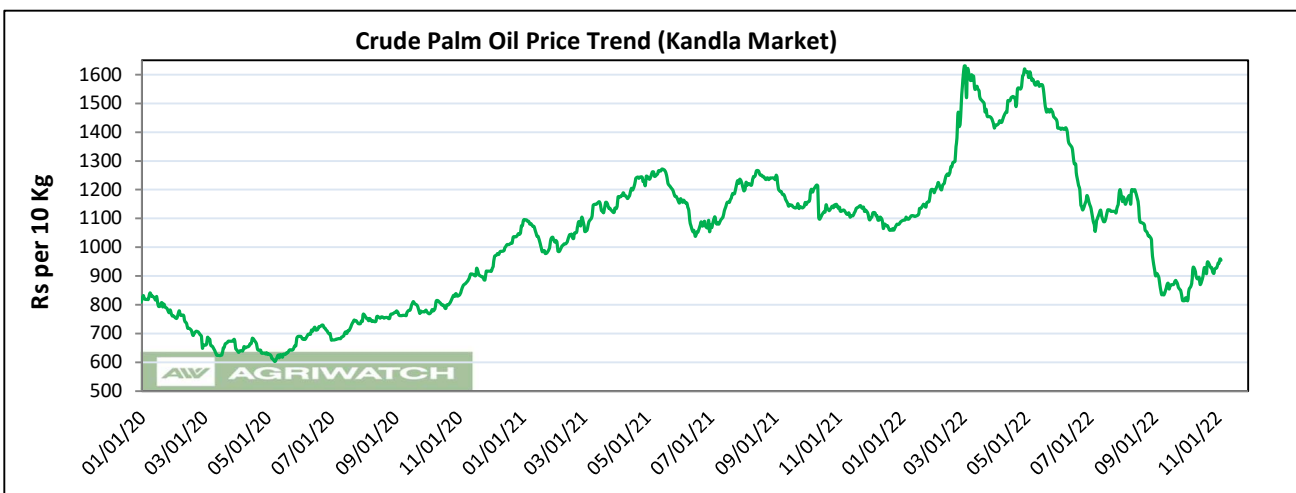
International Front

- 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.
- CBOT Soy oil is anticipated to trade sideways in the range of 71.52-74.34 cents per pound for the coming week. US's FED meeting is scheduled in the first week of November with expectation of hike in interest rate, which might set a bearish tone for the coming weeks.
- 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.
- 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.

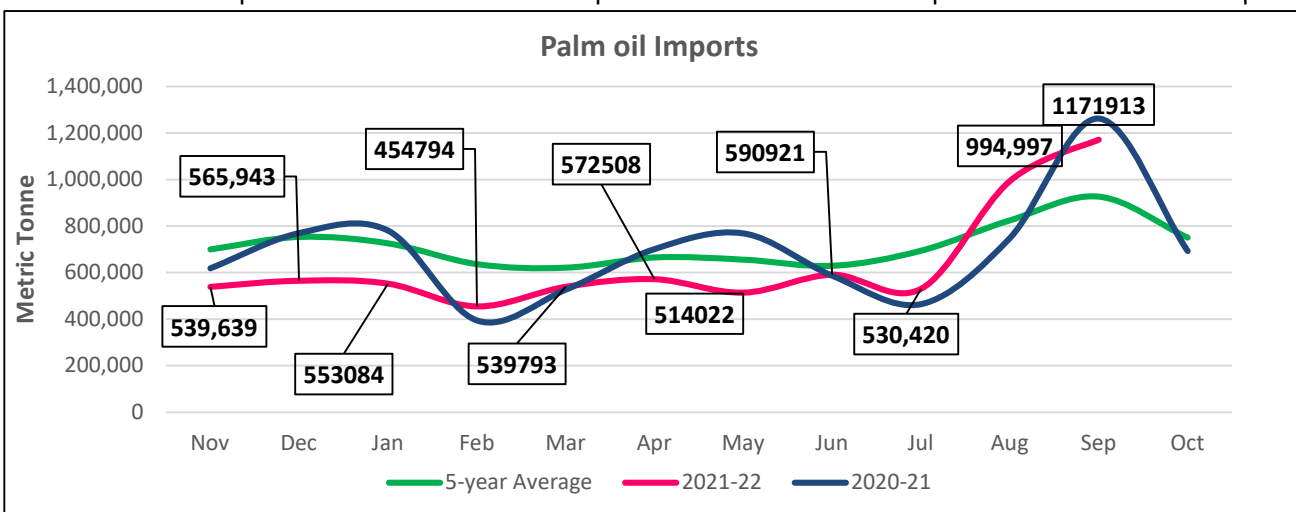
Price Outlook: We expect refined soy oil (without GST) at Indore to stay in the range of Rs 1350-1450 per 10 Kg in the near term.

Palm oil Fundamental Analysis and Outlook -:

Domestic Front



- Crude palm oil (CPO) prices witnessed firm momentum in prices for the previous week in the benchmark market Kandla by 3.24%.
- Domestic prices are trading firm as Government exempts Wholesalers and Big Chain retailers from the Stock Limit order
- It also rose in tandem with rising international Palm oil prices. Rising competing oil prices of Soy oil is also supporting palm oil prices.
- Good demand amid discounted prices over competing oils was the major factor for prices rise. However, Palm oil demand declines in winter season, which is likely to curb on the prices gains.
- It is anticipated that, Palm oil Imports in October may lie in the range of 7.3-7.8 LT, as its consumption is low in winters. Palm oil imports are down for Nov'21-Sept'22 stood at 7.028 LT compared to 7.627 LT for the period



Nov'20-Sept'21. In September, Palm oil imports were highest for the current marketing year Nov-Oct 2021-22 at 11.71 LT, in line with AgriWatch's expectations.

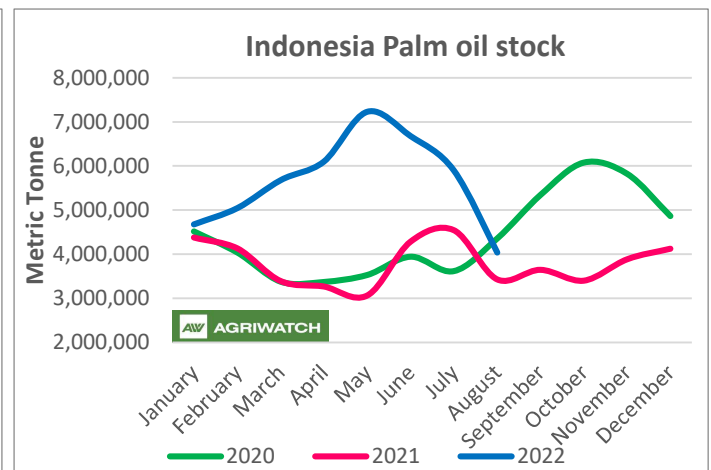
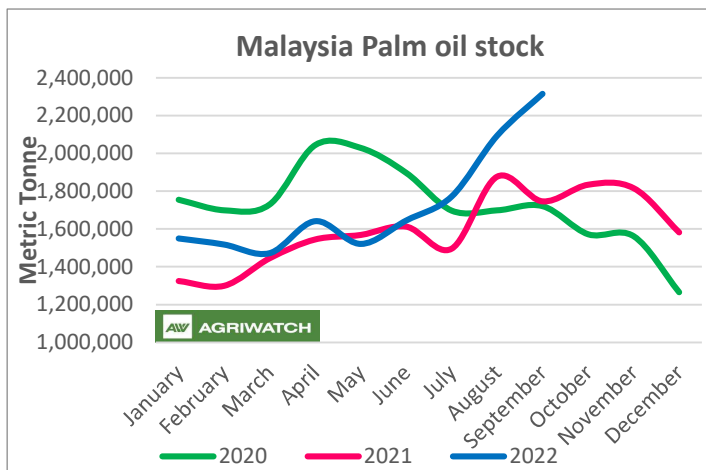
- Importers demand shot up for Palm oil as international prices are also down and Indonesia lowered the reference price for palm oil export tax, lowering the tax to \$33 per ton.

International Front

- BMD Palm oil Malaysia in past week traded up as heavy precipitation in both Indonesia and Malaysia is hindering the harvesting and logistics operations.
- Rally in crude oil prices also underpinned the CPO prices.
- Good export demand along with weaker ringgit against dollar is supporting its prices. According to a media, a Singapore-based trader confirmed good palm oil export demand especially from India and other South Asian Countries.

Previous updates

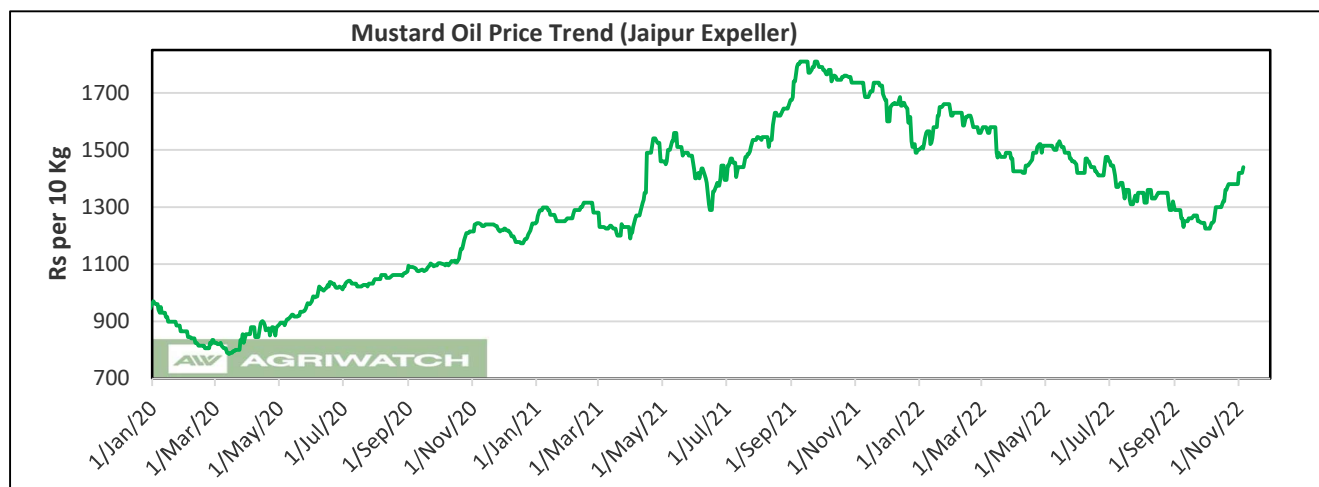
- Malaysia's Palm oil stock in September rose to 2.3 MMT compared to 2.1 MMT in previous month. Compared to last year same timeframe, stocks are too higher compared to 1.74MMT in September'21.
- Indonesia's Palm oil stock for August'22 is lower at 4.04 MMT compared to previous month of stock of 5.9 MMT. Indonesia's Palm oil stock declining from June'22. However, Palmoil stock is still higher than last year.
- 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.



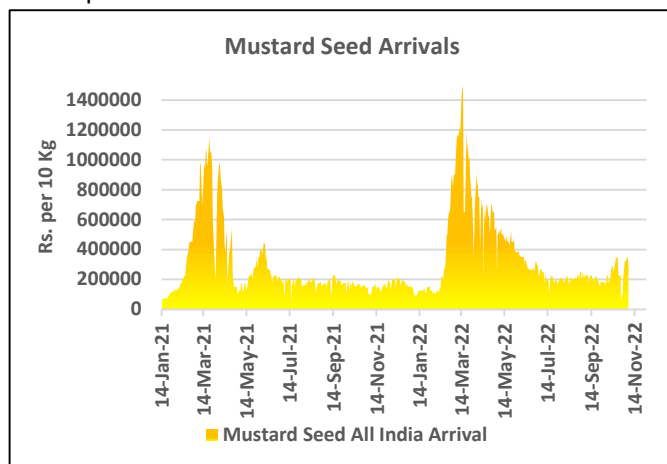
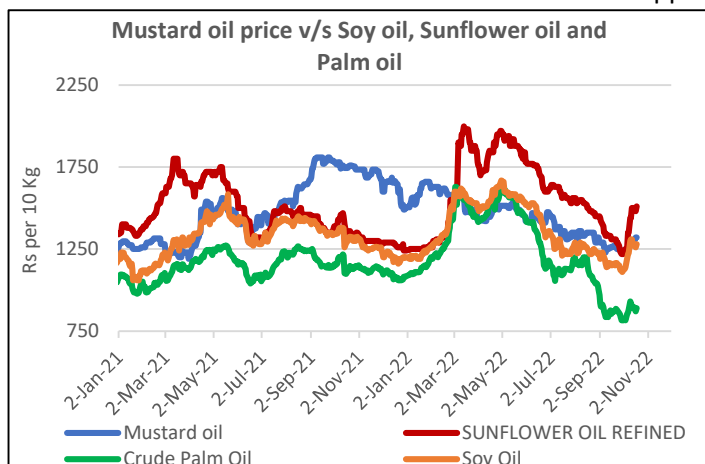
Price Outlook: We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 880-980 per 10 Kg in the near term.

Rapeseed oil Fundamental Review and Analysis-

Domestic Front



- Mustard oil prices witnessed firm movement at various markets for the week in review as markets opened after festival holidays.
- Good Mustard oil demand with advent of winter season is supporting prices. Exemption of Wholesalers and Big Chain retailers from the Stock Limit order also supported the prices.



- Recent surge in competing oils like Soy and Palm oil has underpinned mustard oil prices.
- Seeds arrivals improved in the past week, mainly due to improved oil demand.
- At present the crush parity is negative as seed prices also rose with rising oil prices, whereas meal prices are marginally up.
- As of 4th November 2022, All India acreage under rabi Mustard stood at 45.71 Lakh Ha., upby 19.85% compared to 38.14 lakh Ha. last year, same time period.

Mustard and Rapeseed			
Area Covered (Lakh Ha) as of 4 October 2022			
State	2022	2021	% Change
Assam	0.127	0.468	-72.86%
Chhattisgarh	0.121	0.157	-22.93%
Madhya Pradesh	4.7	4.13	13.80%
Nagaland	0.046	0.059	-22.03%
Rajasthan	31.887	24.043	32.62%
Uttar.Pradesh	7.199	8.393	-14.23%
Uttarakhand	0.03	0.04	-25.00%
West.Bengal	1.6	0.85	88.24%
Total	45.71	38.14	19.85%

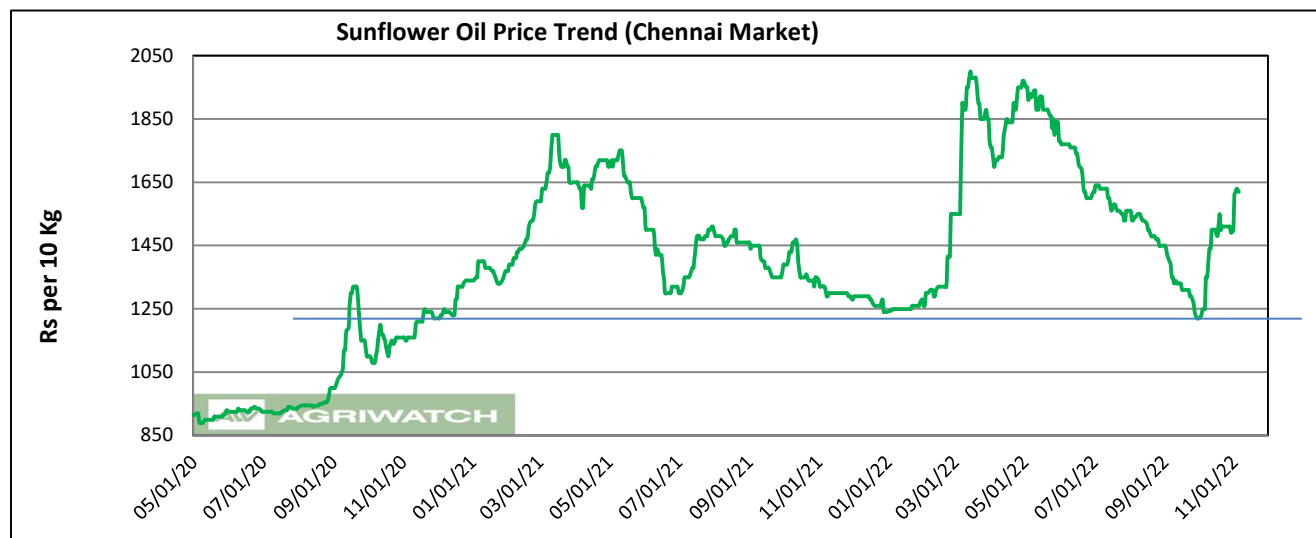


- Jaipur Expeller rapeseed oil has premium over refined soy oil in domestic market by Rs 50 per 10 kg compared to Rs 30 per 10 Kg last week.
- Jaipur Expeller rapeseed oil has premium over RBD palm olein by Rs 420 per 10 kg compared to Rs 390 per 10 Kg last week.

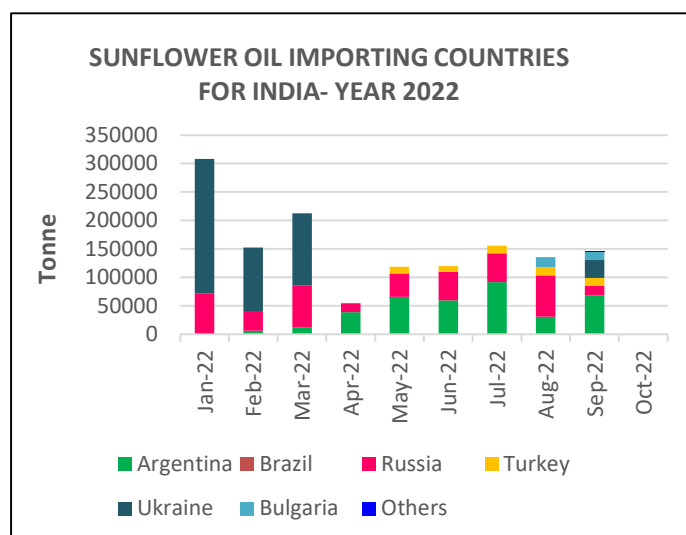
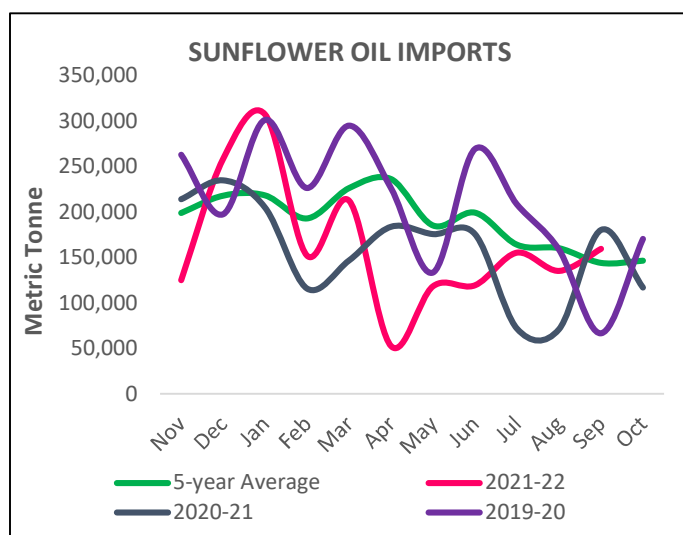
Price Outlook: Rapeseed Expeller oil (without GST) prices in Jaipur may trade in the range of Rs 1400-1550 per 10 Kg.

Sunflower oil Fundamental Review and Analysis:-

Domestic Front



- Sunflower oil prices shot up at various markets. Rising International Sun oil FOB impacted domestic market as well.
- Delay in ship inspection at Turkish territorial waters has led to large queue of ships to enter Ukraine's port impacting Agri-commodities exports. This underpinned the sun oil FOB prices.
- The prevailing uncertainties regarding Russia to hold "Black Sea Grain" deal after withdrawing it from once is also underpinning the sun oil prices.
- 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.

- As anticipated in previous reports, India imported Sun oil in September from Ukraine, after 5 months which was halted due to war.

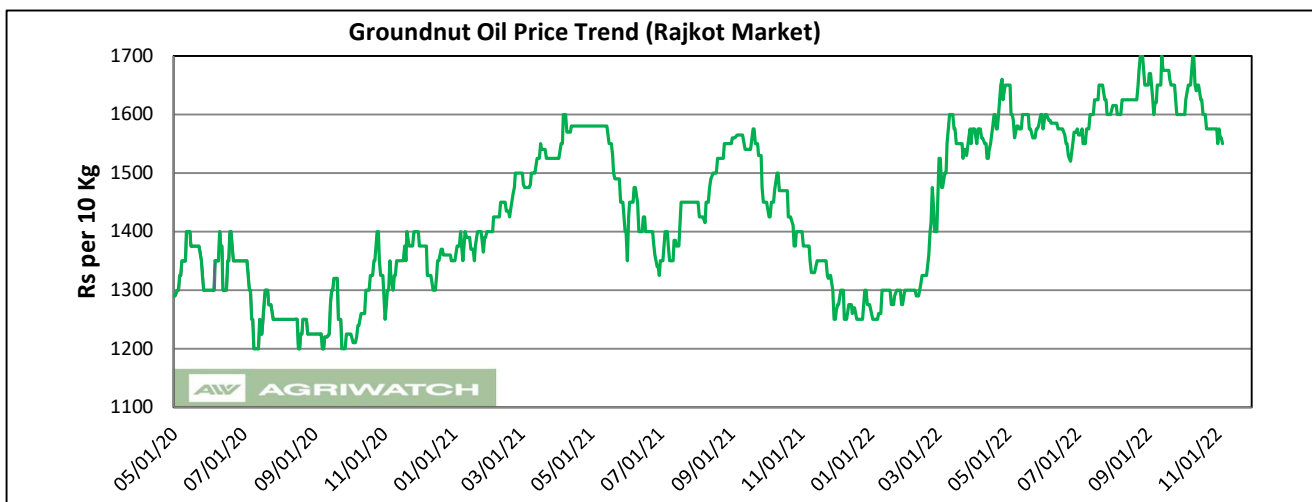
- Rabi Sunflower sowing has commenced in Karnataka, Maharashtra, and other states. As of 4th November 2022, All India acreage under rabi Sunflower seed stood at 0.105 Lakh Ha. compared to 0.555 lakh Ha. last year, same time period.

Rabi Sunflower			
Area Covered (Lakh Ha) as of 4 October 2022			
State	2022	2021	% Change
Andhra Pradesh	0.001	0.008	-87.50%
Karnataka	0.1	0.54	-81.48%
Maharashtra	0.002	0	
Tamil Nadu	0.001	0.004	-75.00%
Telangana	0.001	0.003	-66.67%
Total	0.105	0.555	-81.08%

- In the domestic market, sunflower oil price is at premium over Soy oil by Rs 230 compared to Rs 150 per 10 Kg last week. Meanwhile, refined sunflower oil (Chennai) premium over RBD palm olein (Kandla) is at Rs. 600 compared to premium of Rs 510 per 10 kg last week.

We expect sunflower oil prices to trade with sideways sentiments as Russia agrees to hold the “Black Sea Grain” deal after withdrawing it in recent past.

Price Outlook: Sunflower oil (without GST) prices in Chennai may stay in the range of Rs 1600-1720 per 10 Kg

Groundnut oil Fundamental Review and Analysis:-Domestic Front

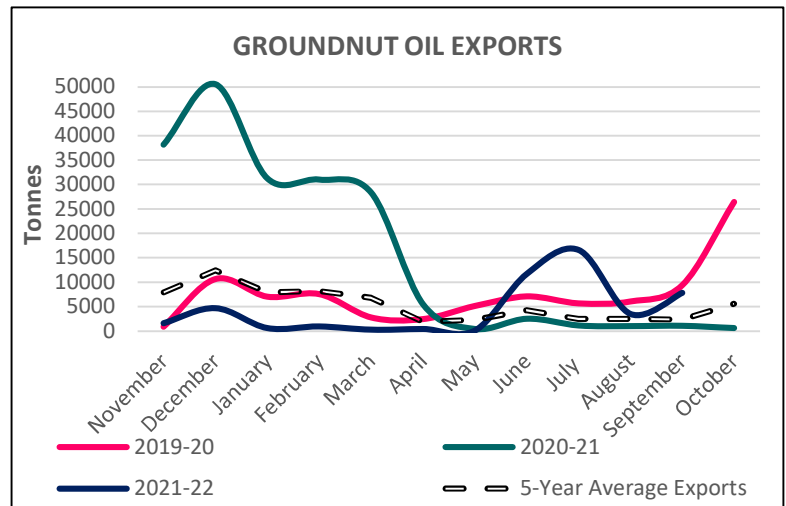
- Groundnut (GN) oil market declined by 1.59% from Rs 1575 to Rs 1550/10 Kg.
- Demand for GN oil is also weakened as festival demand is over.
- Arrival of new GN kharif crop in the markets is also weighing on the oils' prices gains.

- As of 4th November 2022, All India acreage under rabi groundnut stood at 0.872 Lakh Ha. compared to 1.373 lakh Ha. last year, same time period.

Rabi Groundnut			
Area Covered (Lakh Ha) as of 4 October 2022			
State	2022	2021	% Change
Andhra Pradesh	0.024	0.016	50.00%
Karnataka	0.56	0.61	-8.20%
Tamil Nadu	0.064	0.084	-23.81%
Telangana	0.222	0.662	-66.47%
West Bengal	0.002	0.001	100.00%
Total	0.872	1.373	-36.49%

- According to Solvent Extractor association of India, Gujarat's overall Kharif groundnut sowing area has declined by 10.52% compared to last year, taken away by cotton and soybean. This year due to excess rain damaged the crop in certain area led to reduction of yield by 22.18%. The total production is reported at 30.0 lakh MT compared to last year record production of 38.55 lakh tonnes. The last five-year average production is about 30.5 lakh tonne. Lower production estimates likely to support Groundnut prices this year.
- Lower Kharif GN production in Gujarat is likely to support oil prices for long term as major demand of GN oil and seed exports arises from Gujarat.
- Crop loss along with low Kharif 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.
- GN oil Exports demand improved in September compared to previous month, mainly due to improvement in China's GN oil import demand. If export demand remains good, prices are likely to be underpinned.

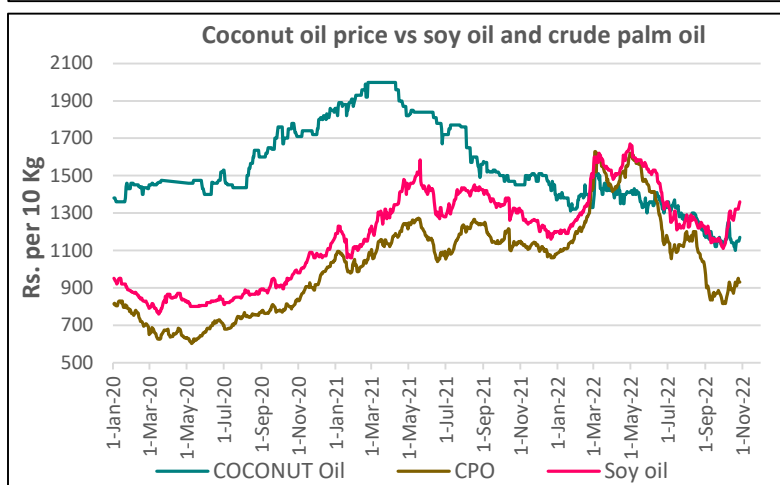
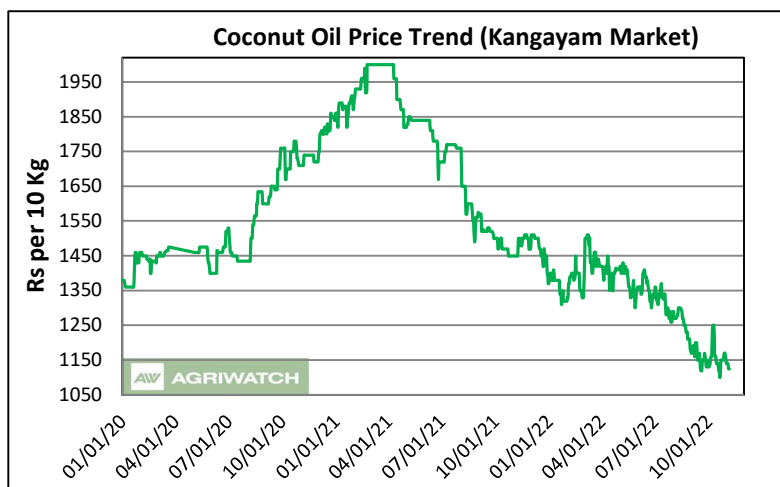


Price Outlook: Groundnut oil (without GST) prices in Rajkot is likely to trade sideways in the range of Rs 1400-1500 per 10 Kg.

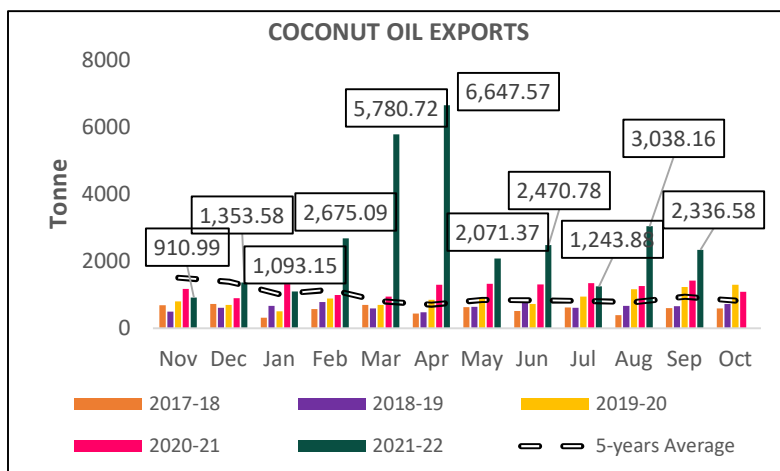
Coconut Oil Fundamental Review and Analysis:-

Domestic Front

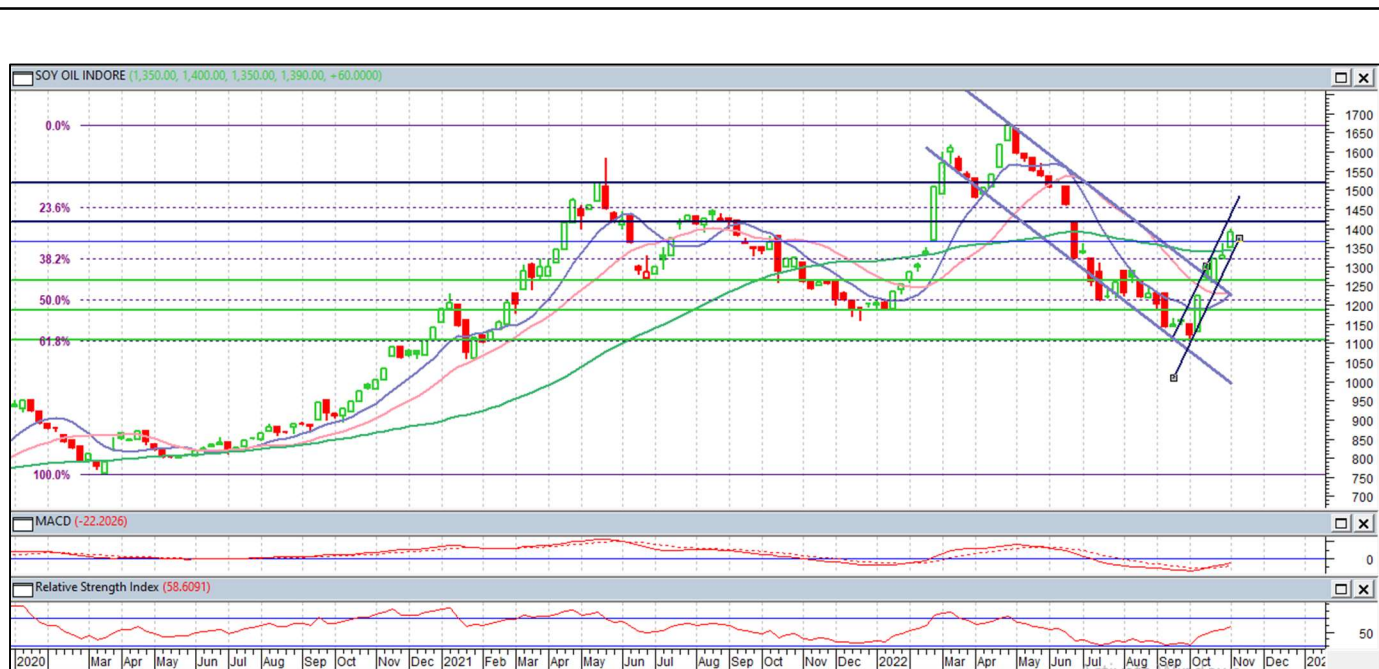
- The Coconut oil prices at benchmark market Kangeyam declined marginally from Rs 1140 per 10 Kg level, down by 1.32% to Rs 1125/10 Kg.
- Prices are trading rangebound in the level of Rs 1100-1250/10 Kg
- Higher supply side has been weighing on the price gains since January 2022. However, rising prices of competing oils' supported coconut oil in the recent past.
- Coconut oil is discounted over soy oil and has premium over Palm oil.
- Export demand slightly improved in August. Demand is mainly coming from UAE, Saudi Arab and Vietnam. Export demand from Indonesia and Malaysia is down as their domestic Palm oil stock is piling up, thus to increase domestic palm oil consumption, coconut oil import is slacked off.
- Coconut oil exports scenario- India exported 2336.58 tonnes of Coconut oil in September 2022 lower compared to 3,038.16 tonnes export in August 2022, and 2,336.58 tonnes in August 2021. If export demand arises from the importing countries in coming months, 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 1050-1250 per 10 Kg.



Technical Analysis (Refined soy oil)



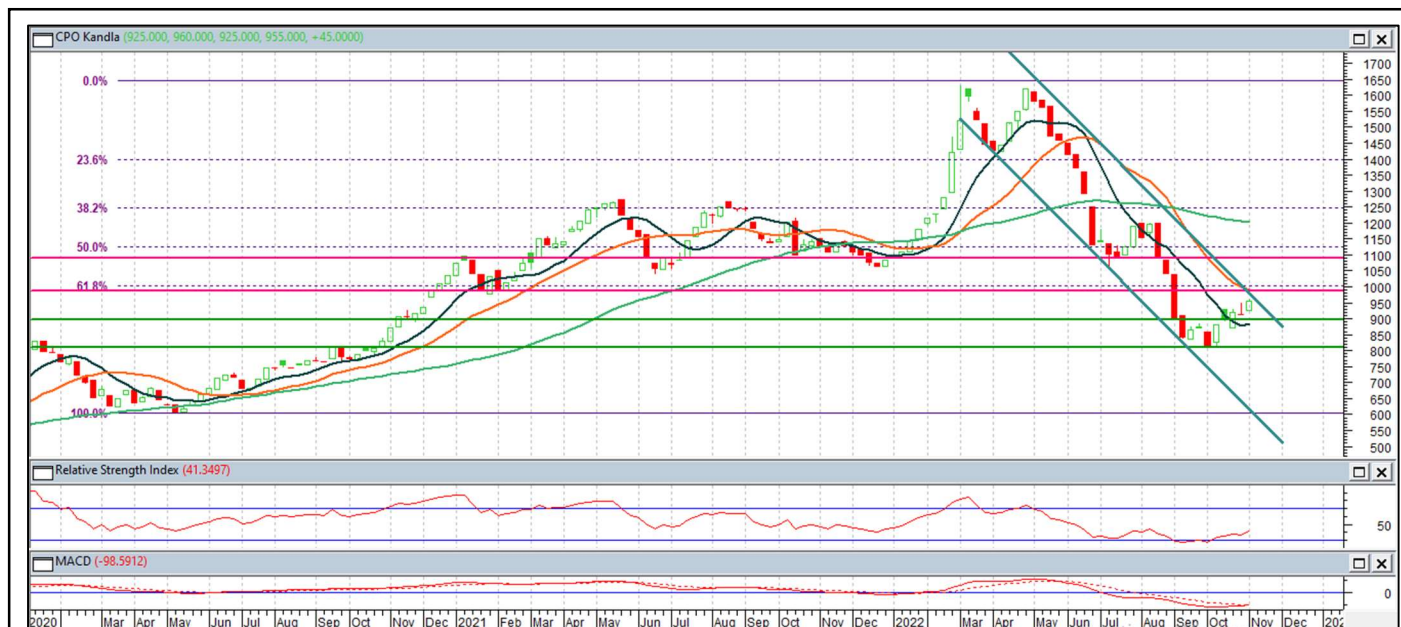
Technical Commentary

- As can be seen in the above chart, market has given break-out from the previous falling channel and is moving in a rising channel from past 6 weeks.
- Market is trading above 9,18 and 50 DMAs, indicating towards positive sentiments.
- 23.6% Fibonacci Retracement level can be seen as an Immediate resistance.
- RSI is rising in the neutral zone indicating improving buying strength.
- MACD has cut the signal line from below, indicating towards bullish sentiments.

Weekly Outlook

Prices are likely to trade sideways in the range of Rs 1350-1450/10 Kg.

Technical Analysis (Crude Palm oil)



Technical Commentary

- As can be seen in the above chart, market closed up indicating active buyers.
- Prices are above 9DMA indicating positive sentiment.
- Market is trading in a falling channel, where lower band can be characterized as immediate support and upper band can be characterized as resistance. Prices can be seen trading at upper channel, at a strong resistance level. If prices break up past the 980-1000 level, prices are likely to remain firm.
- MACD is converging with signal line, indicating change in momentum.
- RSI is rising in the neutral zone, indicating improvement in buying strength.
- In upcoming week, market is expected to trade rangebound at the level of 900-1050 level.

Weekly Outlook

Prices are likely to trade firm in the range of Rs 900-1050/10 Kg. Fibonacci level at 61.8% can be seen as immediate resistance, and 820 level can be seen as immediate support.

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

Commodity	Centre	Prices (Per 10 Kg)		Change
		5-Nov-22	31-Oct-22	
Refined Soybean Oil	Indore	1390	1350	40
	Indore (Soy Solvent Crude)	1340	1310	30
	Mumbai	1420	1370	50
	Mumbai (Soy Degum)	1345	1285	60
	Kandla/Mundra	1400	1340	60
	Kandla/Mundra (Soy Degum)	1330	1275	55
	Kolkata	1440	1360	80
	Nagpur	1405	1335	70
	Rajkot	1400	1310	90
	Kota	1420	1330	90
	Akola	1400	1330	70
	Amrawati	1400	1330	70
	Bundi	1380	1340	40
	Jalna	1415	1335	80
	Solapur	1400	1325	75
	Dhule	1415	1335	80
	Nanded	1400	1325	75
	Latur	1400	1325	75
	Argentina Crude Soya (CIF India) USD	1535	1472	63
	Argentina Crude Soya (FOB)	1450	1387	63
Palm Oil*	Kandla (Crude Palm Oil)	955	925	30
	Kandla (RBD Palm oil)	990	950	40
	Kandla RBD Pamolein	1020	990	30
	Kakinada (Crude Palm Oil)	925	890	35
	Kakinada RBD Pamolein	1020	1015	5
	Haldia Pamolein	1040	1010	30
	Chennai RBD Pamolein	1030	1025	5
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1090	1077	13
	Krishnapattanam RBD Pamolein	1020	1015	5
	Mumbai RBD Pamolein	1045	1020	25
	Mangalore RBD Pamolein	1035	1020	15
	Mumbai (Refined)	1015	935	80
	Rajkot (Refined)	1025	970	55
	Chennai (Refined)	1040	1025	15

	Hyderabad (Refined)	1045	980	65
	PFAD (Kandla)	680	655	25
	RPS (Kandla)	890	860	30
	Superolien (Kandla)	1050	1020	30
	Superolien (Mumbai)	1075	1050	25
	Kochi (RBD Palmolein)	-	1010	-
	Krishnapattanam (Crude Palm Oil)	925	890	35
Refined Sunflower Oil	Chennai (Refined)	1620	1500	120
	Chennai (Crude)	1500	1410	90
	Mumbai (Refined)	1660	1600	60
	Mumbai (Expeller Oil)	1330	1520	-190
	Kandla (Refined)	1660	1590	70
	Hyderabad (Refined)	1580	1540	40
	Hyderabad (Expeller)	1500	1420	80
	Latur (Refined)	1620	1510	110
	Latur (Expeller Oil)	1540	1440	100
	Chellakere (Expeller Oil)	1480	1420	60
	Erode (Expeller Oil)	1610	1515	95
	Kakinada (Refined)	1610	1560	50
	Krishna Pattanam (Refined)	1610	1560	50
Groundnut Oil	Rajkot	1550	1575	-25
	Chennai	1600	1600	Unch
	Hyderabad *	1670	1670	Unch
	Mumbai	1590	1610	-20
	Gondal	1550	Closed	-
	Jamnagar	1550	Closed	-
	Gujarat GN Telia	2490	2500	-10
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1440	1380	60
	Jaipur (Kacchi Ghani Oil)	1515	1470	45
	Kota (Expeller Oil)	1460	1360	100
	Kota (Kacchi Ghani Oil)	1490	1430	60
	Neewai (Expeller Oil)	1370	1310	60
	Neewai (Kacchi Ghani Oil)	1490	1430	60
	Bharatpur (Kacchi Ghani Oil)	1480	1440	40
	Sri-Ganga Nagar (Exp Oil)	1410	1350	60
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1495	1450	45
	Mumbai (Expeller Oil)	1420	1400	20
	Kolkata (Expeller Oil)	1580	1560	20
	Hapur (Expeller Oil)	1450	1430	20

	Hapur (Kacchi Ghani Oil)	1500	1480	20
	Agra (Kacchi Ghani Oil)	1485	1445	40
Refined Cottonseed Oil	Rajkot	1425	1390	35
	Hyderabad	1430	1400	30
	Mumbai	1440	1380	60
	Gujarat Cotton Wash	1370	1330	40
Coconut Oil	Kangayan (Crude)	1125	1140	-15
	Cochin	1300	1310	-10
Rice Bran Oil	Mumbai (Refined 4%)	1280	1260	20
	Bhatinda (Crude 4%)	1135	1090	45
	Bhatinda (Refined 4%)	1250	1205	45
	Hyderabad (Crude)	1160	1140	20
	Hyderabad (Refined)	1350	1320	30
	Raipur (Crude)	1240	1160	80
	Vijayawada (Refined)	1350	1320	30
Malaysia Palmolein USD/MT	FOB	970	940	30
	CNF India	1045	1000	45
Indonesia CPO USD/MT	FOB	Unq	0	-
	CNF India	1055	1010	45
Crude palm Kernel Oil India (USD/MT)	CNF India	Closed	1000	-
Ukraine Origin CSFO USD/MT Kandla	CIF	1500	1440	60
Argentina FOB (\$/MT)		5-Nov-22	31-Oct-22	Change
Crude Soybean Oil Ship		1451	1366	85
Refined Soy Oil (Bulk) Ship		1502	1414	88
Sunflower Oil Ship		1460	1390	70
* 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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