



EDIBLE OIL WEEKLY RESEARCH REPORT

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Executive Summary

Domestic Veg. Oil Market Summary

Edible oil prices featured weak sentiments during this week in domestic markets. CBOT soy oil and BMD Malaysia Palm oil prices witnessed uptrend. While in domestic market, palm oil, Soy oil, Sunflower oil, and Groundnut oil weakened. While, Mustard oil traded steady and Coconut oil traded marginally up, at their respective bench markets.

On the currency front, Indian rupee is hovering near 81.32 against 81.78 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.


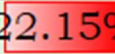


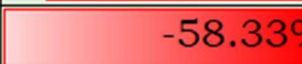

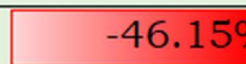

We expect Palm oil and Soy oil to trade sideways for the coming term.

International Veg. Oil Market Summary

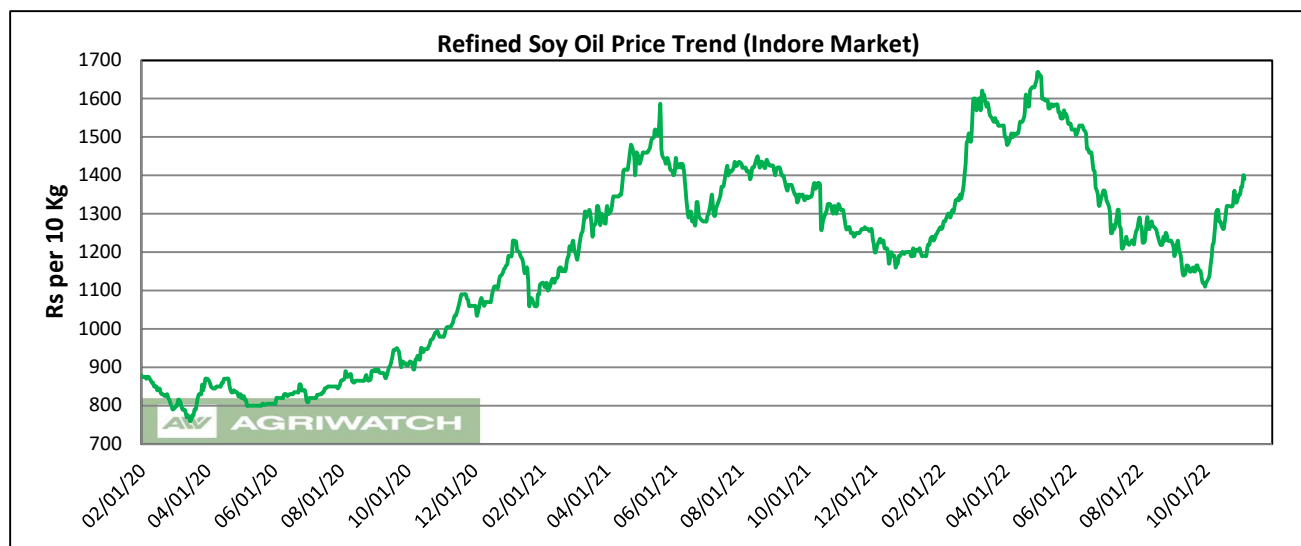
On the international front, anticipation of higher global soybean stock, US Soybean crush, US's Mississippi river's water level, China's soybean demand, Brazil's increase in Soybean acreage and rising crude oil prices is likely to govern soy oil prices in the coming days.

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.

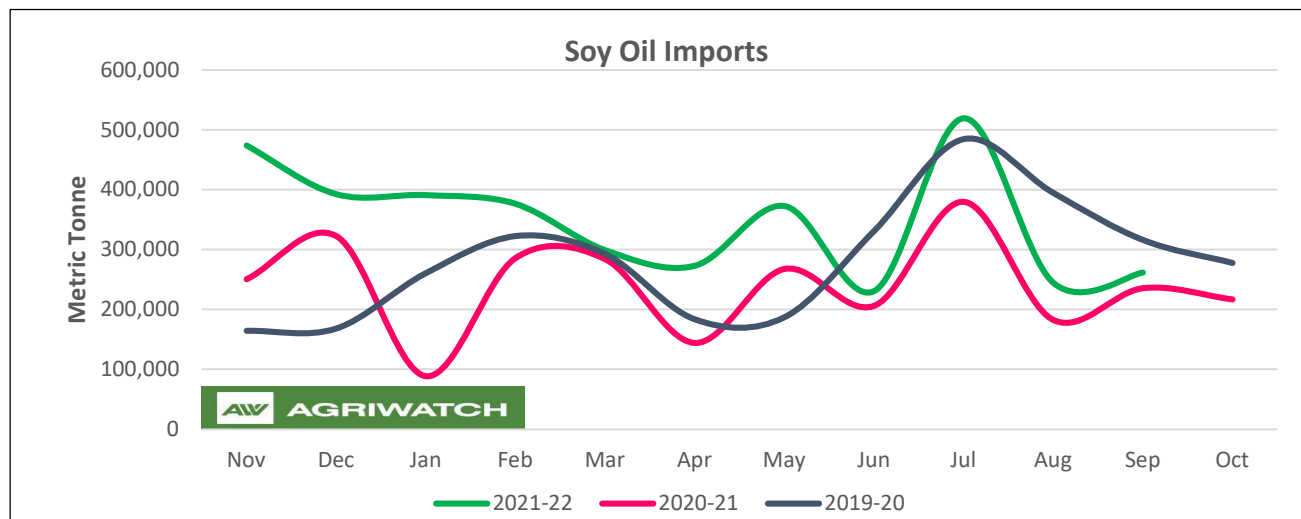
Acreage StatisticsRabi 2022-23 acreage statistics

Rabi 2022-23 acreage statistics			
Area Covered (Lakh Ha) as of 11 November 2022			
Crop	2022	2021	% Change
Rapeseed and Mustard	55.35	48.2	14.83% 
Groundnut	1.23	1.58	-22.15% 
Safflower	0.19	0.22	-13.64% 
Sesamum	0.01	0.02	-50.00% 
Sunflower	0.25	0.6	-58.33% 
Linseed	1.01	0.75	34.67% 
Other Oilseeds	0.07	0.13	-46.15% 
Total	58.11	51.5	12.83% 

Soy oil Fundamental Analysis and Outlook:-
Domestic Front



- Soy oil prices at bench market Indore witnessed declining trend and closed down by 2.80% from Rs 1430 to Rs 1390 per 10 Kg.
- Domestic Prices weakened for the past week as its demand slumped with rise in prices.
- Prices are likely to firm 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 declined in the past week with correction in soy oil prices and rising soybean seed prices. However, Soymeal prices are steady, which is likely to rebound if its exports demand improves. Improved soybean prices along with rising soy oil prices would render a positive crush margin.
- Prices are anticipated to trade sideways in the near term.

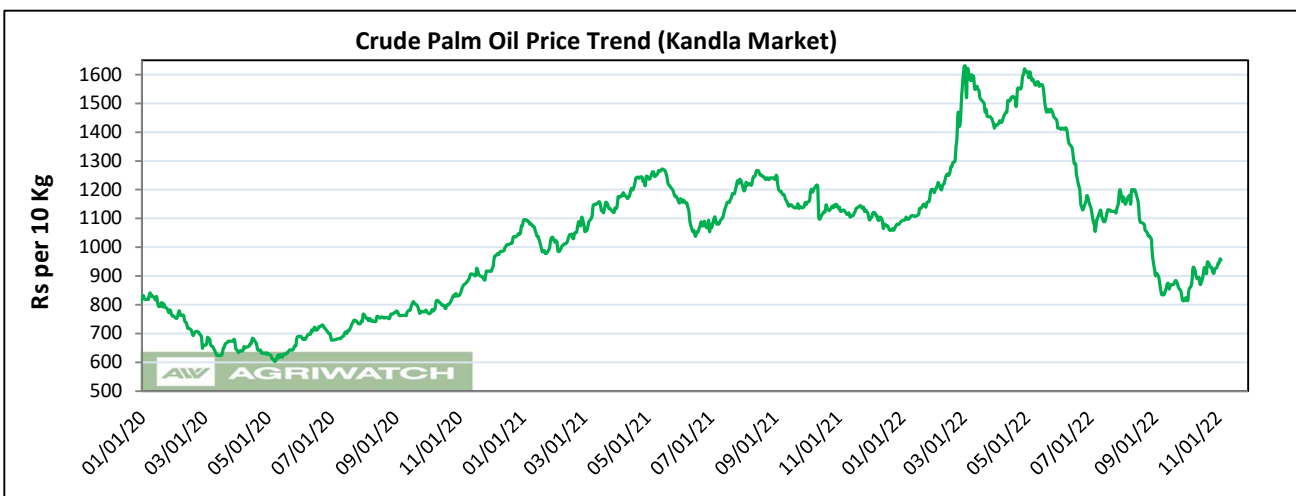
International Front

- CBOT soy oil prices for the active contract 'Jan' witnessed upward movement for the past week. China eases Covid's lockdown restrictions, raising expectations for demand recovery from China. This news also underpinned Crude oil prices, which is likely to support international Soy oil prices as well.
- US's Mississippi river is facing historically low water level, which led to increased prices of barges and impacted exports as well.
- Brazil's Agriculture Statics Agency (CONAB) in its November assessment has raised Brazil's 2022/23 soybean crop estimate to 153.50 MMT from its previous estimate of 152.35 MMT, up by 1.15 MMT. CONAB rose soybean's acreage by 350,00 hectares to 43.24 million Hectares. Higher soybean crop is due to 4.2. percent rise in planted area.
- 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.

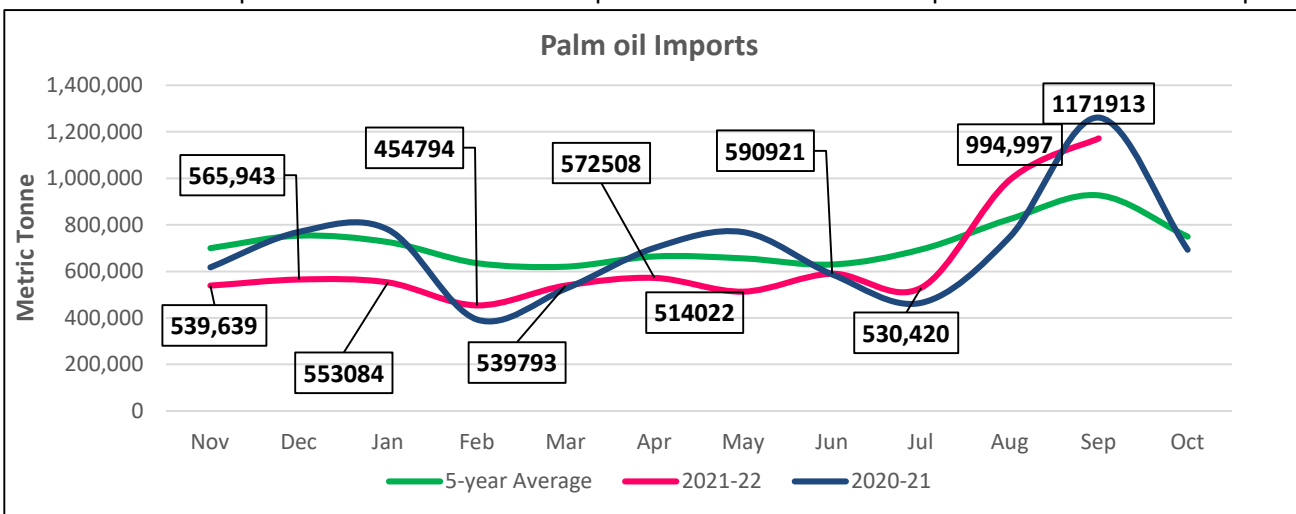
Price Outlook: We expect refined soy oil (without GST) at Indore to stay in the range of Rs 1350-1450 per 10 Kg in the near term.

Palm oil Fundamental Analysis and Outlook :-

Domestic Front



- Crude palm oil (CPO) prices witnessed down trend in prices for the previous week in the benchmark market Kandla by 3.33%.
- Palm oil prices slumped in tandem with weak competing oil prices.
- However, Domestic prices are likely to firm as Government exempts Wholesalers and Big Chain retailers from the Stock Limit order
- 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



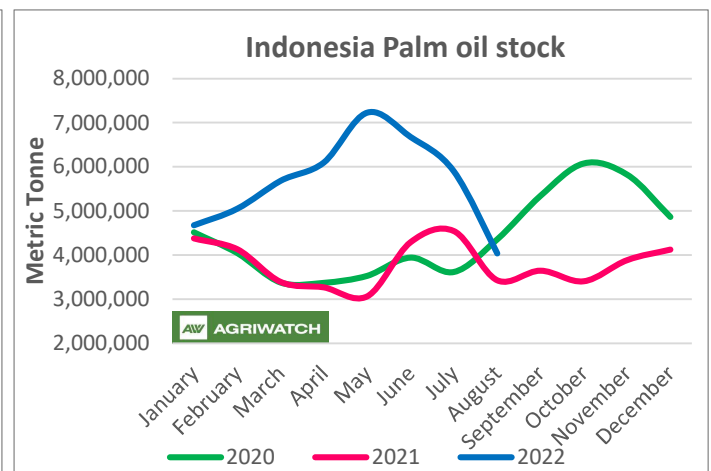
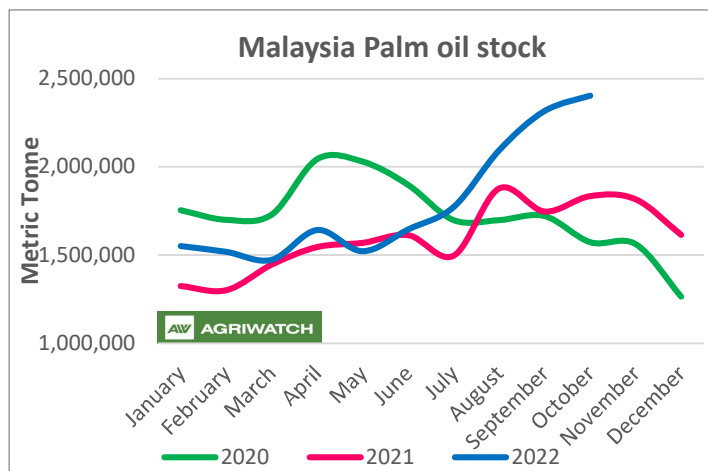
Nov'20-Sept'21. In September, Palm oil imports were highest for the current marketing year Nov-Oct 2021-22 at 11.71 LT, in line with AgriWatch's expectations.

- 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

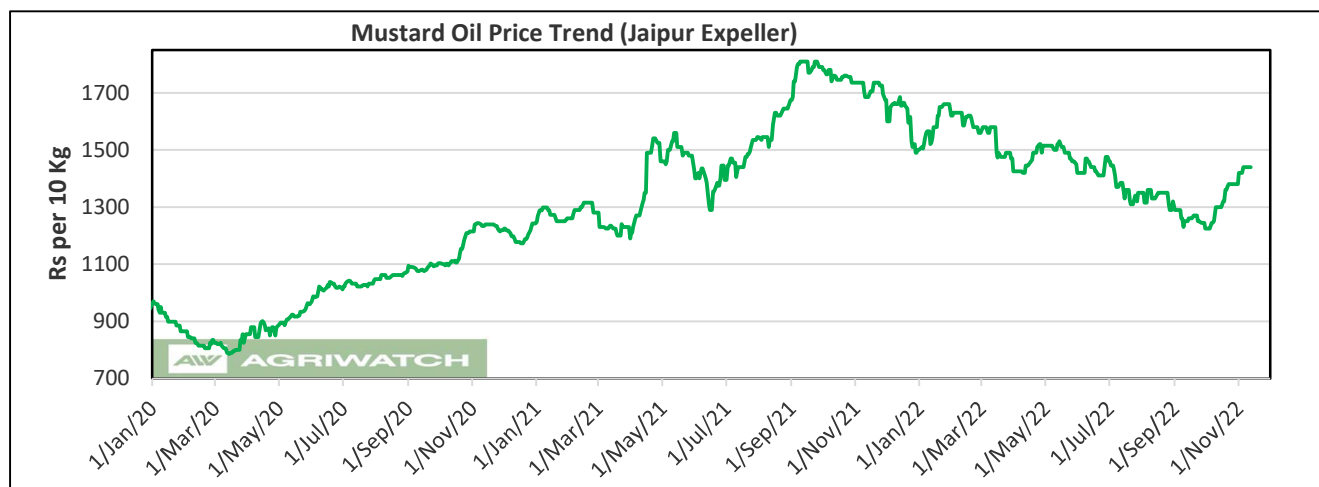
- BMD Palm oil Malaysia rose by 8.51% for the past week. China easing covid restrictions supported the prices on the expectation of higher export demand. Rising crude oil prices also underpinned the palm oil prices.
- Good export demand along with weaker ringgit against dollar is supporting its prices. According to a media, a Singapore-based trader confirmed good palm oil export demand especially from India and other South Asian Countries.
- 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, Palm oil stock is still higher than last year.
- According to Malaysia Palm Oil Board (MPOB), Malaysia's October'22 palm oil stocks rose 2.63 percent to 13.11 lakh tons compared to 12.77 lakh tons in September 2022. Production of palm oil rose by 2.44 percent to 18.14 lakh tons compared to 17.70 lakh tons in September 2022. Exports of palm oil rose by 5.66 percent to 15.04 lakh tons compared to 14.23 lakh tons compared to previous month. Imports of palm oil rose by 4.74 percent to 0.066 lakh tons compared to 0.063 lakh tons in September 2022. End stocks of palm oil rose at par with trade expectation. Rise in stocks was mainly due to low exports demand and good production.

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.

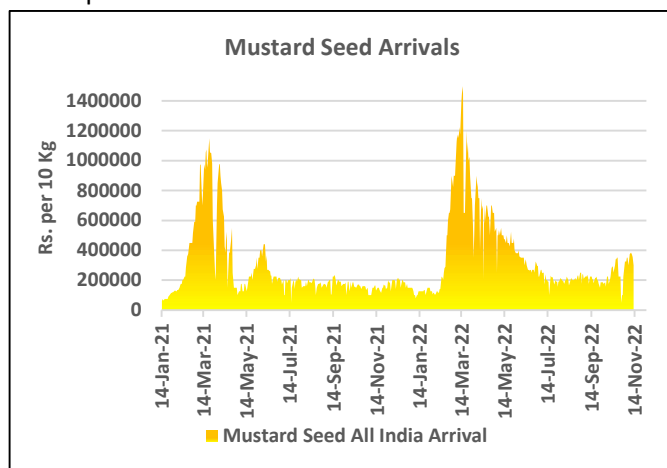
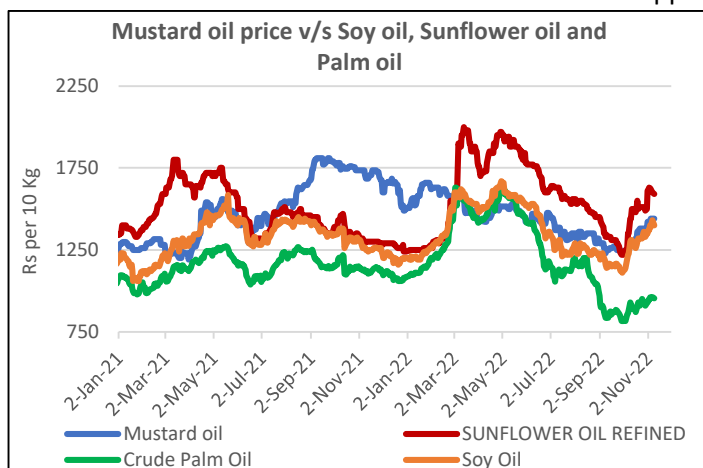


Rapeseed oil Fundamental Review and Analysis-

Domestic Front



- Mustard oil prices witnessed firm movement at various markets for the week in review.
- 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 11th November 2022, All India acreage under rabi Mustard stood at 54.108 Lakh Ha., up by 12.78% compared to 47.98 lakh Ha. last year, same time period.

Mustard and Rapeseed			
Area Covered (Lakh Ha) as of 11 November 2022			
State	2022	2021	% Change
Assam	0.376	1.007	-62.66%
Chhattisgarh	0.313	0.363	-13.77%
Madhya Pradesh	7.8	7.78	0.26%
Nagaland	0.046	0.059	-22.03%
Rajasthan	33.158	27.458	20.76%
Uttar Pradesh	10.105	10.021	0.84%
Uttarakhand	0.03	0.04	-25.00%
West Bengal	2.28	1.25	82.40%
Total	54.108	47.98	12.78%

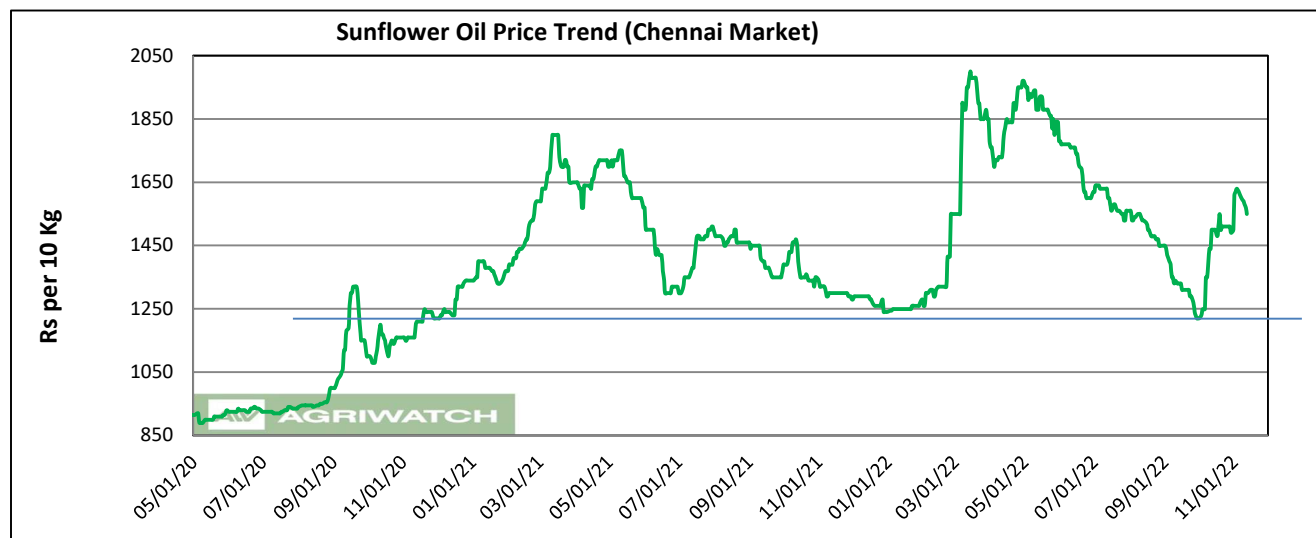


- Jaipur Expeller rapeseed oil has premium over refined soy oil in domestic market by Rs 50 per 10 kg compared to Rs 10 per 10 Kg last week.
- Jaipur Expeller rapeseed oil has premium over RBD palm olein by Rs 440 per 10 kg compared to Rs 405 per 10 Kg last week.

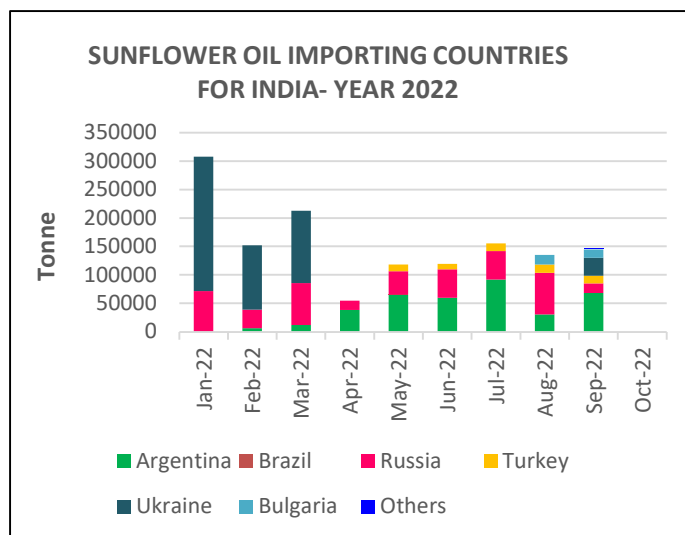
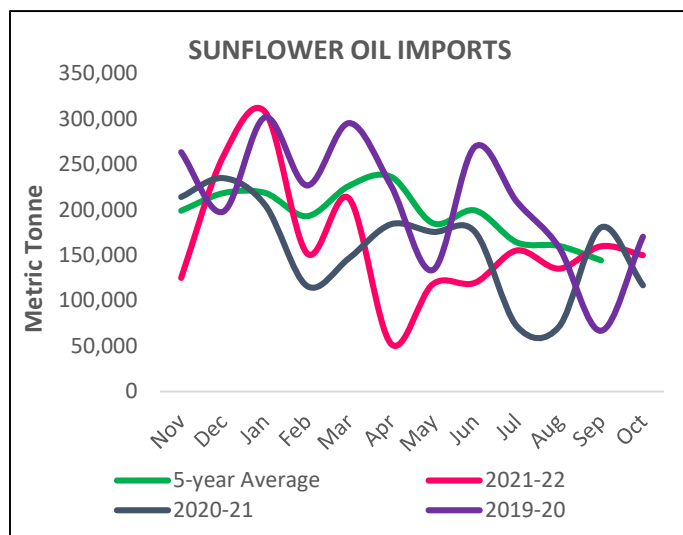
Price Outlook: Rapeseed Expeller oil (without GST) prices in Jaipur may trade in the range of Rs 1400-1550 per 10 Kg.

Sunflower oil Fundamental Review and Analysis:-

Domestic Front



- Sunflower oil prices declined at various markets. Chennai market for Sun oil declined by 3.13%.
- Prices sunked after Russia agreed to hold the “**Black Sea Grain**” deal again after withdrawing it from once.
- Delay in ship inspection at Turkish territorial waters had led to large queue of ships to entre Ukraine’s port impacting Agri-commodities exports. This underpinned the sun oil FOB 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 pervious reports, India imported Sun oil in September from Ukraine, after 5months which was halted due to war.

- As of 11th November, All India acreage under rabi Sunflower seed stood at 0.248 Lakh Ha. compared to 0.60 lakh Ha. last year, same time period.

- In the domestic market, sunflower oil price is at premium over Soy oil by Rs 160 compared to Rs 170 per 10 Kg last week. Meanwhile, refined sunflower oil (Chennai) premium over RBD palm olein (Kandla) is at Rs. 550 compared to premium of Rs 565 per 10 kg last week.

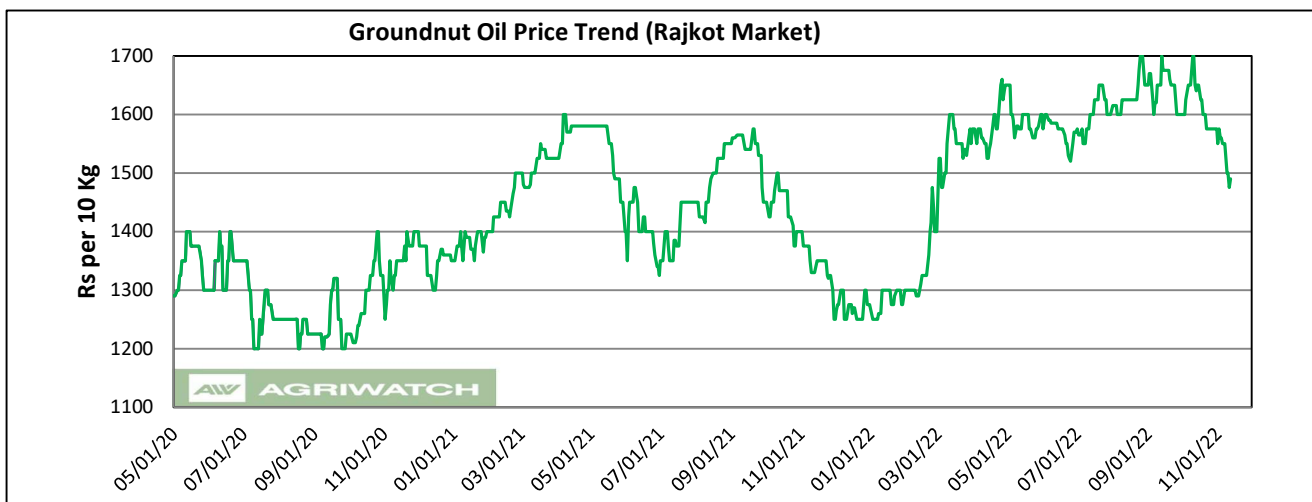
We expect sunflower oil prices to trade with sideways with weak bias as Russia agrees to hold the “**Black Sea Grain**” deal after withdrawing from it in recent past.

Rabi Sunflower			
Area Covered (Lakh Ha) as of 11 November 2022			
State	2022	2021	% Change
Andhra Pradesh	0.001	0.008	-87.50%
Karnataka	0.24	0.58	-58.62%
Maharashtra	0.004	0.003	33.33%
Tamil Nadu	0.002	0.004	-50.00%
Telangana	0.001	0.005	-80.00%
Total	0.248	0.6	-58.67%

Price Outlook: Sunflower oil (without GST) prices in Chennai may stay in the range of Rs 1500-1600 per 10 Kg

Groundnut oil Fundamental Review and Analysis:-

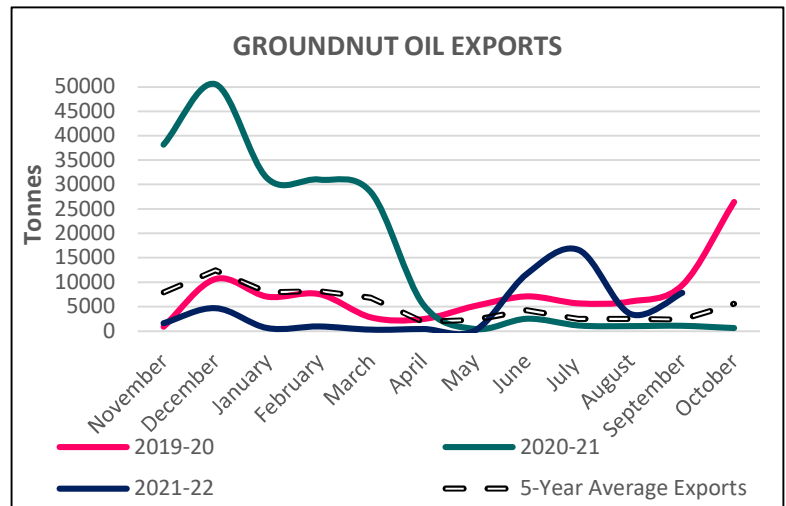
Domestic Front



- Groundnut (GN) oil market declined by 3.87% from Rs 1550 to Rs 1490/10 Kg.
- Demand for GN oil slumped as festival demand is over.
- Arrival of new GN kharif crop in the markets is also weighing on the oils' prices gains. It is anticipated that, higher arrivals of GN seed may continue till 2nd week of November.
- As of 11th November 2022, All India acreage under rabi groundnut stood at 1.228 Lakh Ha. compared to 1.578 lakh Ha. last year, same time period.
- Rabi groundnut acreage is lagging by 22.18%. Kharif groundnut acreage was also down by 7.79%. In Gujarat, excess rains in Kharif season damaged the crop in certain area leading to reduction of yield by 22.18%. If final Rabi acreage lags, groundnut oil prices are likely to remain elevated for the long run.
- 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. 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.

Rabi Groundnut			
Area Covered (Lakh Ha) as of 11 November 2022			
State	2022	2021	% Change
Andhra Pradesh	0.024	0.016	50.00%
Karnataka	0.82	0.61	34.43%
Tamil Nadu	0.088	0.084	4.76%
Telangana	0.289	0.866	-66.63%
West Bengal	0.007	0.002	250.00%
Total	1.228	1.578	-22.18%

- 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.
- China also eased the covid restrictions which may revive the demand for the groundnut oil imports demand from India. If it happens, GN oil prices would remain elevated.
- 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.



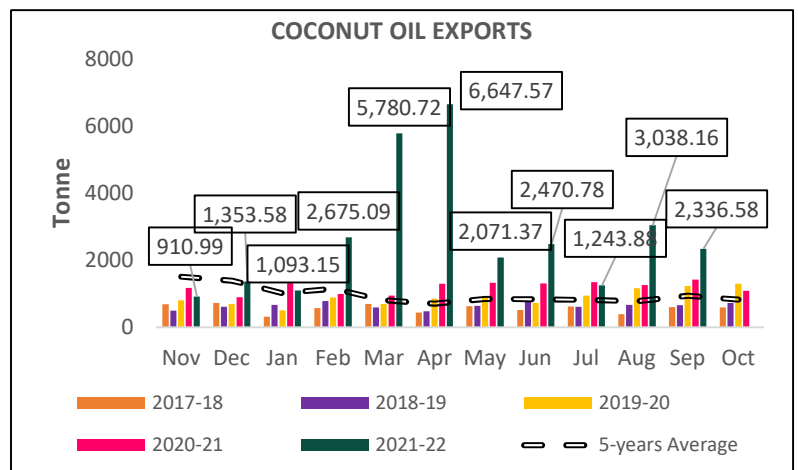
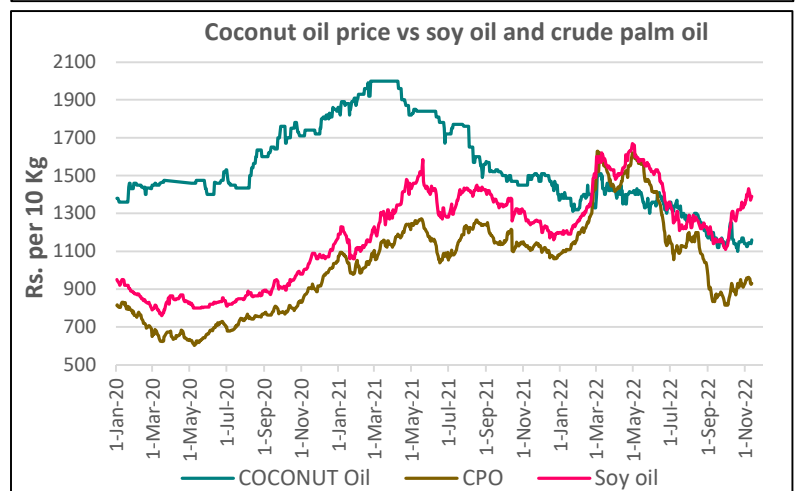
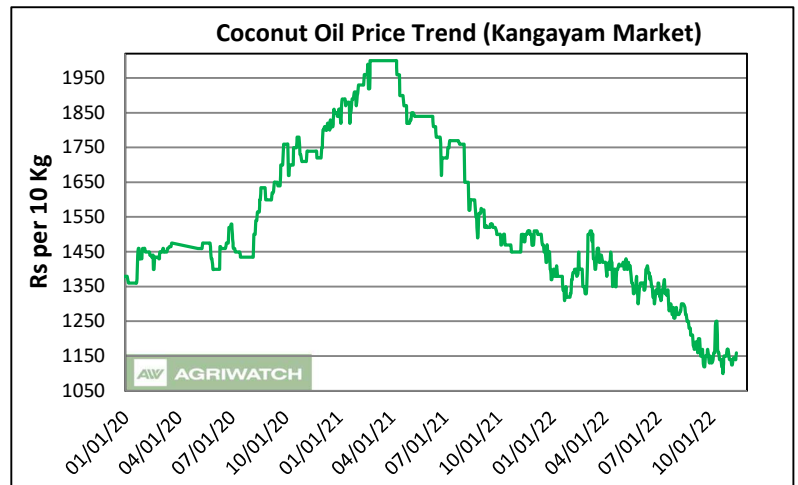
Price Outlook: Groundnut oil (without GST) prices in Rajkot is likely to trade sideways in the range of Rs 1400-1500 per 10 Kg.

Coconut Oil Fundamental Review and Analysis:-

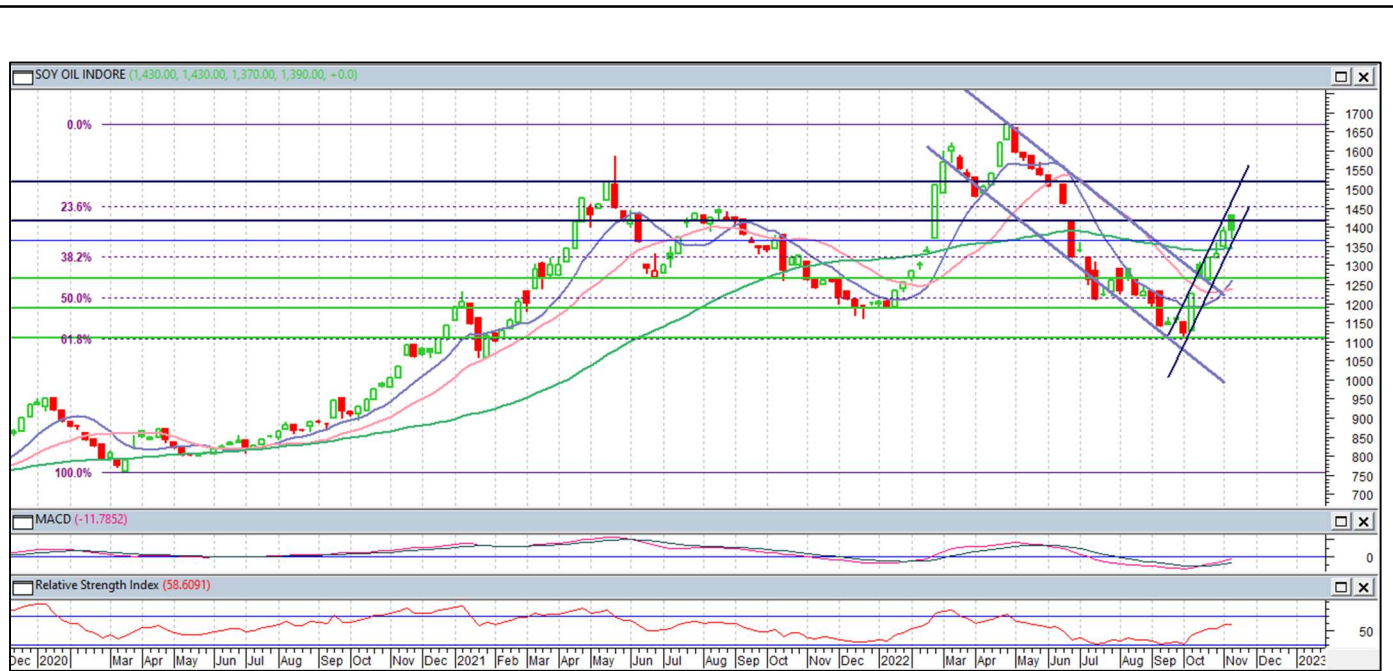
Domestic Front

- The Coconut oil prices at benchmark market Kangeyam rose marginally from Rs 1145 per 10 Kg level, up by 1.31% to Rs 1160/10 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.
- Low export demand is also weighing on the prices.
- Export demand slightly declined in September. 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 1,411.59 tonnes in September 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)



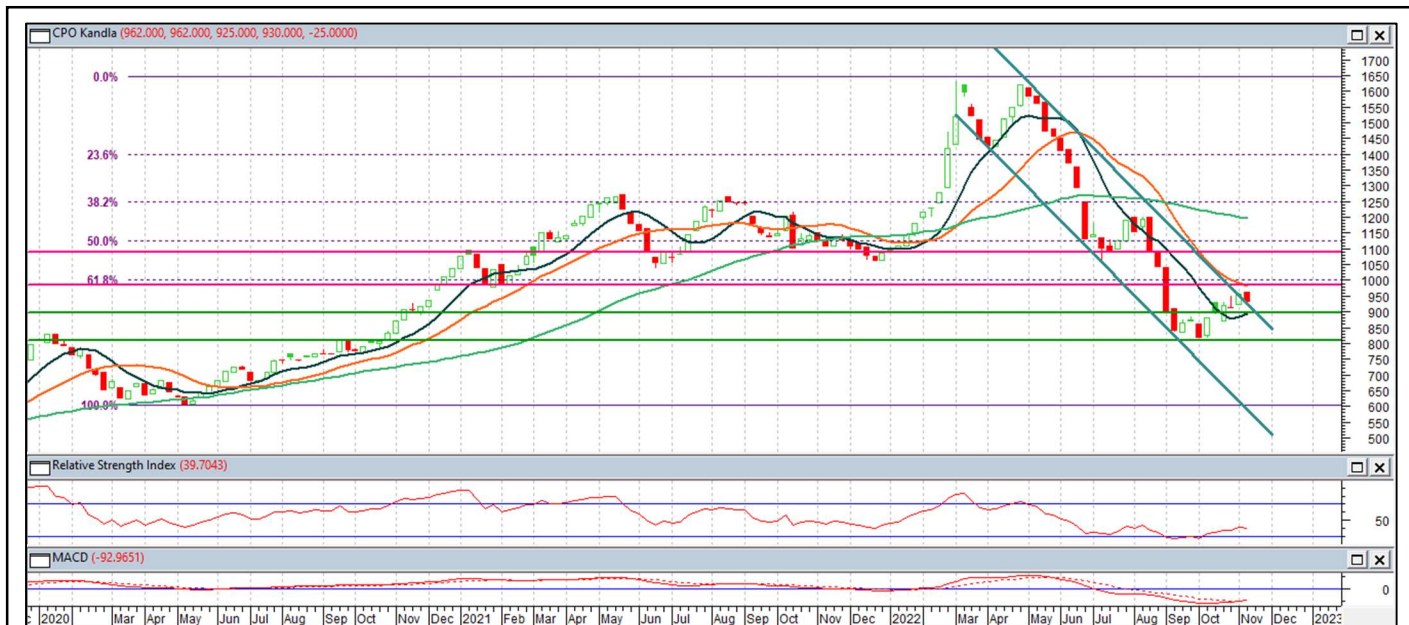
Technical Commentary

- As can be seen in the above chart, market is moving in a rising channel from past 6 weeks, after breaking-out from the previous falling channel.
- 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 down due to profit booking.
- However, Prices are above 9DMA and Prices has closed above the upper band of falling channel, indicating towards firm sentiments.
- MACD has crossed the signal line from below, indicating shift in trend, from bearish to bullish.
- RSI is below 40, indicating towards weak 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 900 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
		12-Nov-22	7-Nov-22	
Refined Soybean Oil	Indore	1390	1430	-40
	Indore (Soy Solvent Crude)	1350	1360	-10
	Mumbai	1410	1450	-40
	Mumbai (Soy Degum)	1365	1360	5
	Kandla/Mundra	1400	1420	-20
	Kandla/Mundra (Soy Degum)	1360	1345	15
	Kolkata	1460	1450	10
	Nagpur	1375	1405	-30
	Rajkot	1360	1410	-50
	Kota	1400	1425	-25
	Akola	1370	1400	-30
	Amrawati	1370	1400	-30
	Bundi	1410	1435	-25
	Jalna	1385	1415	-30
	Solapur	1365	1400	-35
	Dhule	1385	1415	-30
	Nanded	1365	1400	-35
	Latur	1365	1400	-35
	Argentina Crude Soya (CIF India) USD	1514	1519	-5
	Argentina Crude Soya (FOB)	1429	1434	-5
Palm Oil*	Kandla (Crude Palm Oil)	930	962	-32
	Kandla (RBD Palm oil)	965	1010	-45
	Kandla RBD Pamolein	1000	1035	-35
	Kakinada (Crude Palm Oil)	910	930	-20
	Kakinada RBD Pamolein	1000	1010	-10
	Haldia Pamolein	1020	1050	-30
	Chennai RBD Pamolein	1005	1045	-40
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1061	1105	-44
	Krishnapattanam RBD Pamolein	1000	1040	-40
	Mumbai RBD Pamolein	1010	1060	-50
	Mangalore RBD Pamolein	1010	1045	-35
	Mumbai (Refined)	980	1000	-20
	Rajkot (Refined)	970	1010	-40
	Chennai (Refined)	1020	1030	-10
	Hyderabad (Refined)	1020	1020	Unch

	PFAD (Kandla)	650	670	-20
	RPS (Kandla)	875	860	15
	Superolien (Kandla)	1030	1065	-35
	Superolien (Mumbai)	1040	1090	-50
	Kochi (RBD Palmolein)	-	1030	-
	Krishnapattanam (Crude Palm Oil)	910	930	-20
Refined Sunflower Oil	Chennai (Refined)	1550	1600	-50
	Chennai (Crude)	1450	1500	-50
	Mumbai (Refined)	1600	1670	-70
	Mumbai (Expeller Oil)	1400	1350	50
	Kandla (Refined)	1650	1660	-10
	Hyderabad (Refined)	1580	1580	Unch
	Hyderabad (Expeller)	1540	1500	40
	Latur (Refined)	1550	1620	-70
	Latur (Expeller Oil)	1440	1540	-100
	Chellakere (Expeller Oil)	1430	1480	-50
	Erode (Expeller Oil)	1610	1610	Unch
	Kakinada (Refined)	1560	1600	-40
	Krishna Pattanam (Refined)	1560	1600	-40
Groundnut Oil	Rajkot	1490	1550	-60
	Chennai	1550	1600	-50
	Hyderabad *	1620	1670	-50
	Mumbai	1520	1580	-60
	Gondal	1490	1550	-60
	Jamnagar	1490	1550	-60
	Gujarat GN Telia	2380	2480	-100
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1440	1440	Unch
	Jaipur (Kacchi Ghani Oil)	1515	1515	Unch
	Kota (Expeller Oil)	1450	1460	-10
	Kota (Kacchi Ghani Oil)	1490	1490	Unch
	Neewai (Expeller Oil)	1370	1370	Unch
	Neewai (Kacchi Ghani Oil)	1490	1490	Unch
	Bharatpur (Kacchi Ghani Oil)	1500	1510	-10
	Sri-Ganga Nagar (Exp Oil)	1410	1410	Unch
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1495	1495	Unch
	Mumbai (Expeller Oil)	1450	1440	10
	Kolkata (Expeller Oil)	1610	1580	30
	Hapur (Expeller Oil)	1470	1470	Unch
	Hapur (Kacchi Ghani Oil)	1520	1520	Unch

	Agra (Kacchi Ghani Oil)	1490	1515	-25
Refined Cottonseed Oil	Rajkot	1360	1440	-80
	Hyderabad	1370	1435	-65
	Mumbai	1410	1440	-30
	Gujarat Cotton Wash	1320	1380	-60
Coconut Oil	Kangayan (Crude)	1160	1145	15
	Cochin	1300	1300	Unch
Rice Bran Oil	Mumbai (Refined 4%)	1290	1300	-10
	Bhatinda (Crude 4%)	1140	1160	-20
	Bhatinda (Refined 4%)	1255	1275	-20
	Hyderabad (Crude)	1135	1170	-35
	Hyderabad (Refined)	1330	1350	-20
	Raipur (Crude)	1200	1250	-50
	Vijayawada (Refined)	1330	1350	-20
Malaysia Palmolein USD/MT	FOB	985	980	5
	CNF India	1050	1055	-5
Indonesia CPO USD/MT	FOB	Unq	960	-
	CNF India	1045	1065	-20
Crude palm Kernel Oil India (USD/MT)	CNF India	Closed	1040	-
Ukraine Origin CSFO USD/MT Kandla	CIF	1480	1500	-20
Argentina FOB (\$/MT)		12-Nov-22	7-Nov-22	Change
Crude Soybean Oil Ship		1410	1440	-30
Refined Soy Oil (Bulk) Ship		1459	1490	-31
Sunflower Oil Ship		-	1460	-
* 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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