



# EDIBLE OIL WEEKLY RESEARCH REPORT

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## CONTENTS

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

### Executive Summary

#### **Domestic Veg. Oil Market Summary**

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

*On the currency front, Indian rupee is hovering near 81.77 against 81.32 last weeks. Rupee and crude oil are depreciating. 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**

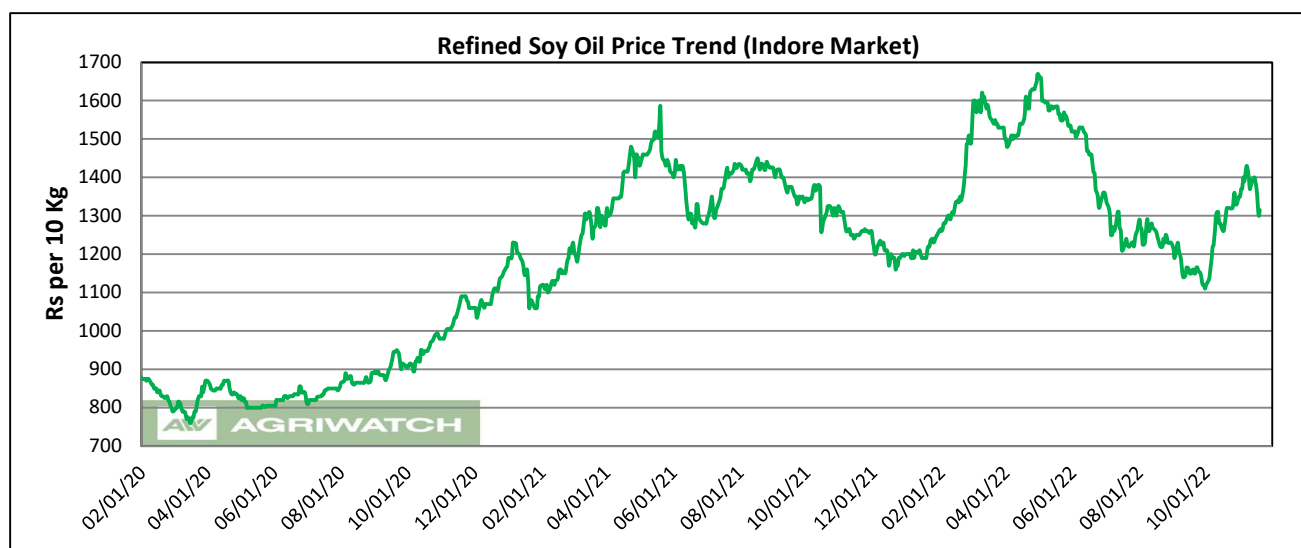
*On the international front, anticipation of higher global soybean stock, US Soybean crush, US's Mississippi river's water level, China's soybean demand, Brazil's increase in Soybean acreage and rising crude oil prices is likely to govern soy oil prices in the coming days.*

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

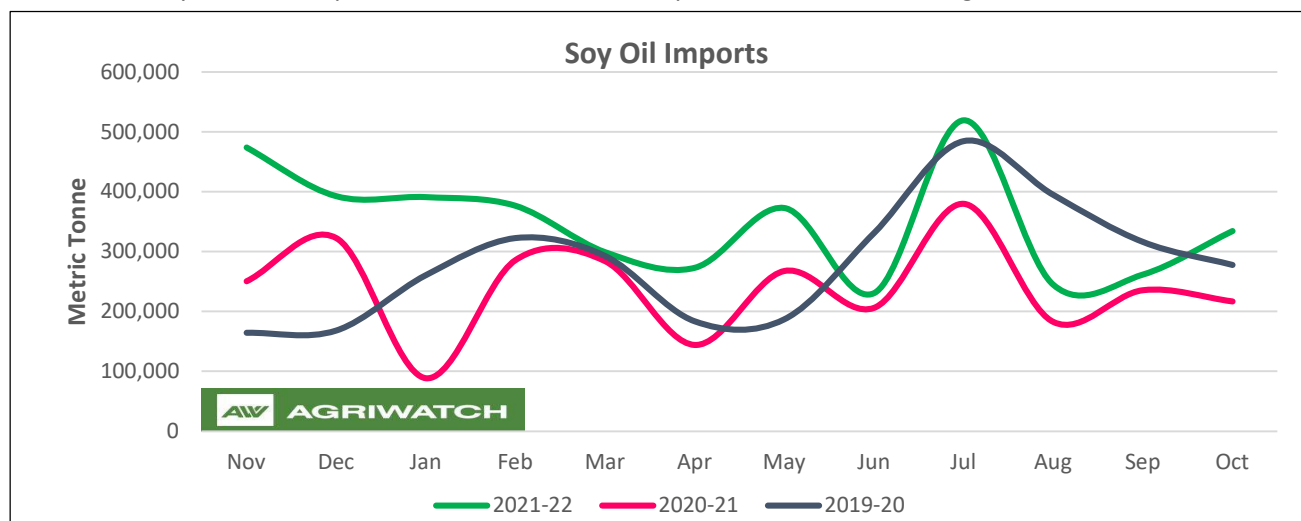
Acreage Statistics
Rabi 2022-23 acreage statistics

<b>Rabi 2022-23 acreage statistics</b>			
<b>Area Covered (Lakh Ha) as of 18 November 2022</b>			
<b>Crop</b>	<b>2022</b>	<b>2021</b>	<b>% Change</b>
Rapeseed and Mustard	63.25	55.13	14.73% 
Groundnut	1.54	1.87	-17.65% 
Safflower	0.3	0.35	-14.29% 
Sesamum	0.03	0.08	-62.50% 
Sunflower	0.31	0.63	-50.79% 
Linseed	1.25	0.96	30.21% 
Other Oilseeds	0.12	0.2	-40.00% 
<b>Total</b>	<b>66.80</b>	<b>59.22</b>	<b>12.80%</b> 

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



- Soy oil prices at bench market Indore witnessed declining trend and closed down by 6.07% from Rs 1400 to Rs 1315 per 10 Kg.
- Domestic Prices weakened for the past week in tandem with weak Argentina crude soy oil prices.
- Prices are likely to be underpinned 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 October jumped to 3.34 LT compared to 2.62 LT in previous month and 2.16 LT in previous year, for the same month. Imports in October surpassed the expectations of AgriWatch.
- 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.
- Soy oil imports for the current marketing year Nov'21-Oct'22 stood at 41.71 LT compared to 28.65 LT for the last MY.



- Soybean net crush margin declined in the past week with correction in soy oil prices and sideways 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.

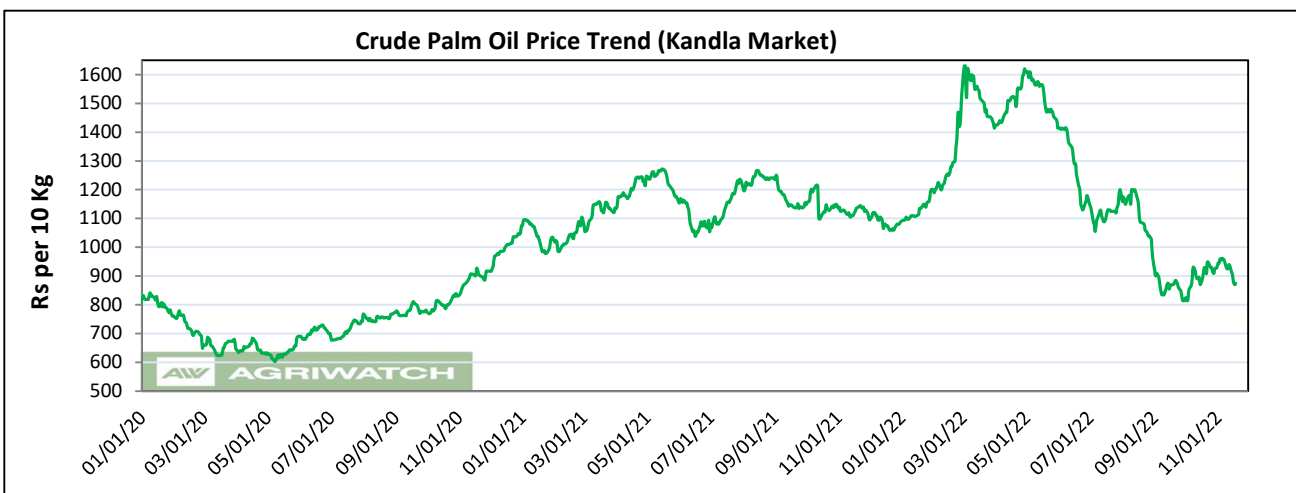
#### International Front

- CBOT Soy oil most active 'January' contract declined by 5.27% for the period of 14-19th November. Market opened at 74.73 cents per pound and closed down at 70.61 cents per pound. Market corrected mainly due to long liquidation as both the open interest and Volume were declining with downward correction in prices. Falling prices of crude oil, along with expectation of record soybean crop from Brazil also weighed on Soy oil market.
- 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.

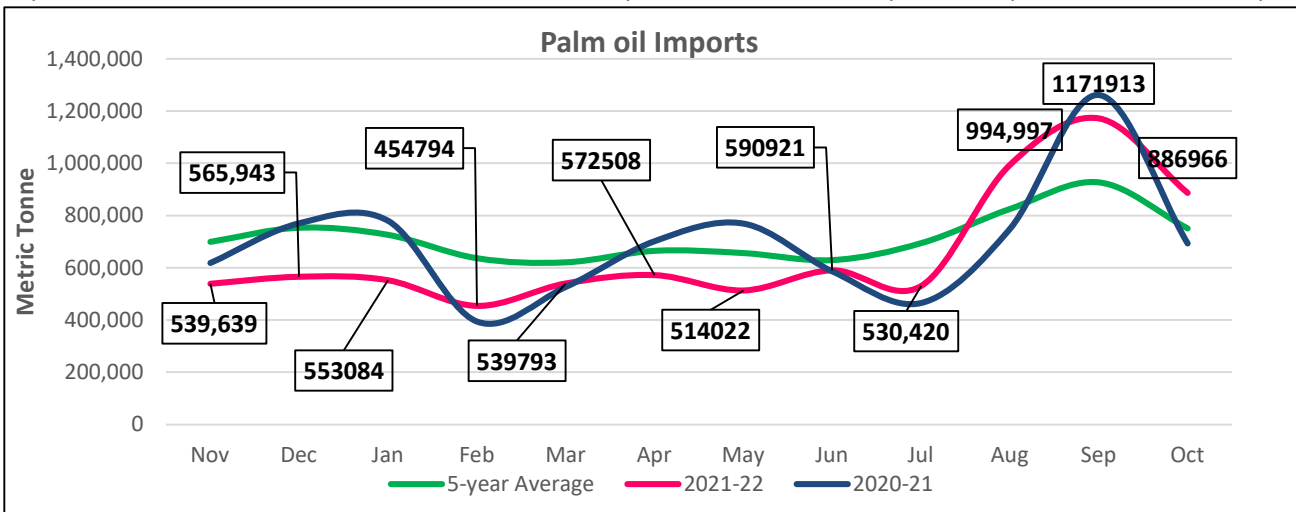
Price Outlook: We expect refined soy oil (without GST) at Indore to stay in the range of Rs 1235-1325 per 10 Kg in the near term.

### 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 6.91%.
- Palm oil prices slumped in tandem with weak international palm oil prices and weak domestic demand.
- However, Domestic prices are likely to be underpinned as Government exempts Wholesalers and Big Chain retailers from the Stock Limit order
- Palm oil imports in October stood at 8.86 Lakh Tonnes (LT) compared to 11.72 LT in previous month. Palm oil imports are down for Nov'21-Oct'22 at 7.915 LT compared to 8.321 LT last year. 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.

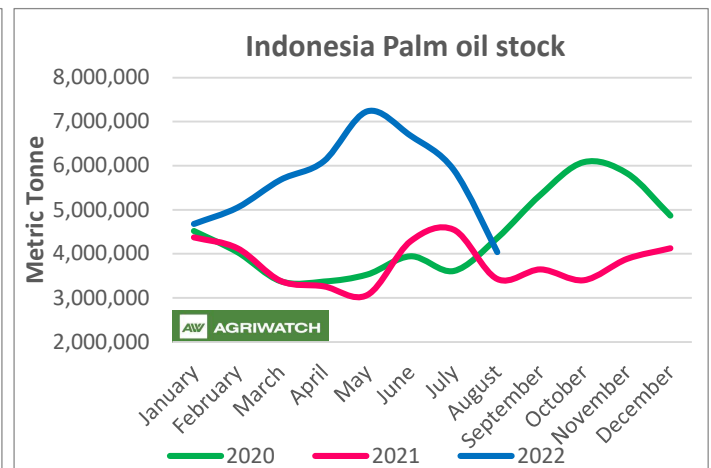
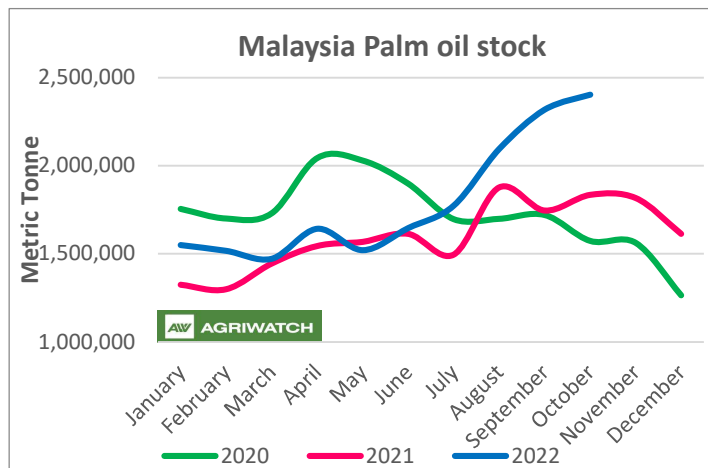
- Importers demand declined in October as its domestic consumption lowers down in winter season.

#### International Front

- BMD Palm oil Malaysia declined by 5.71% for the past week. Weak crude oil prices along with weak CBOT Soy oil prices weighed on Palm oil prices as well.

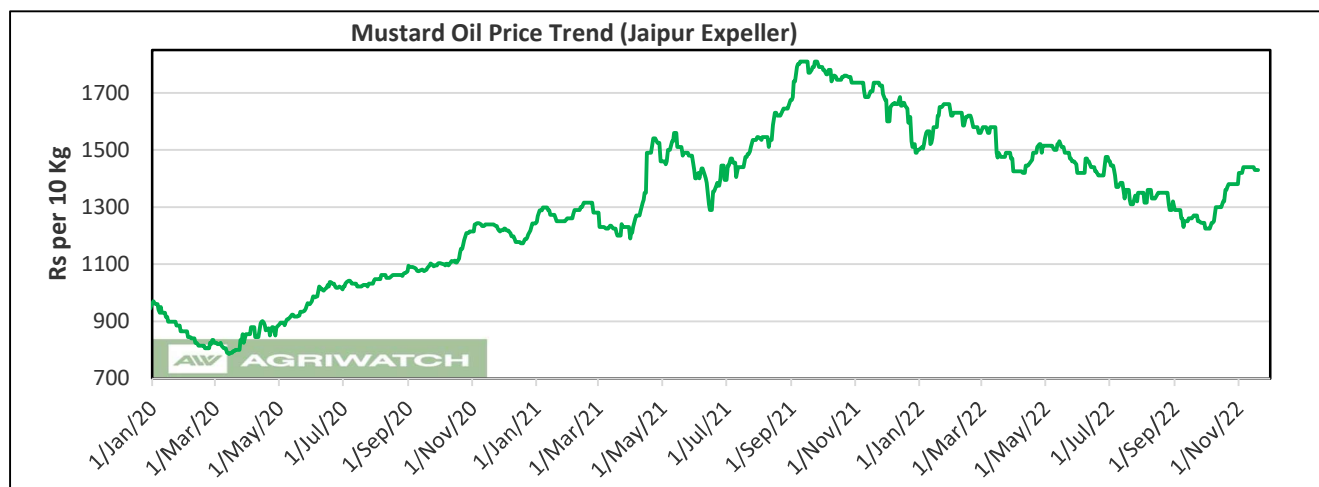
- Export demand weakened mainly from India and China's demand is also dwindling. Hence, prices remained weak.
- Indonesia has increased palm oil reference price for Nov 16-30 period at \$826.58, up from \$770.88 per T for Nov 1-15 and thus the reference price crossing the threshold of \$800 per Tonnes and resulting in the resumption of export levies for Palm oil derivatives. Export levy for CPO, CPKO stands at \$85, and RBDPMOLIN to \$65, for RBDPO and RBDPMKO to \$68, and for Biodiesel at \$55. While, Export tax will also move up for CPO to \$33 from \$18, CPKO to \$49 from \$21, RBDPMOLIN to \$2 from 0.

**Price Outlook:** We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 800-900 per 10 Kg in the near term.

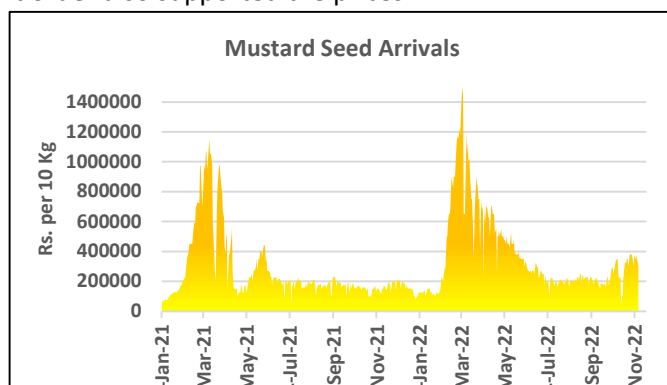
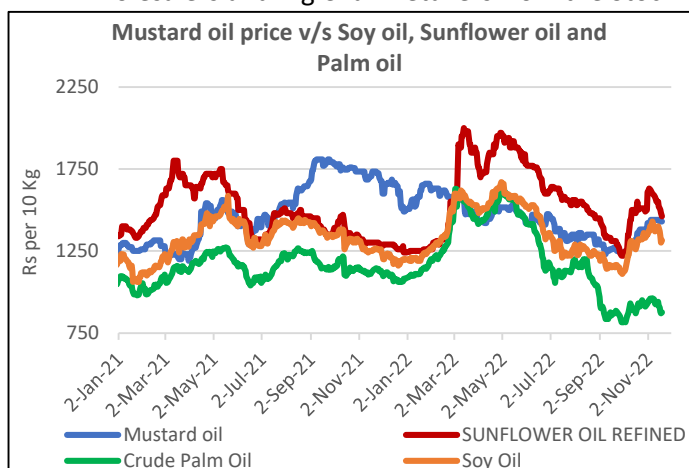


### Rapeseed oil Fundamental Review and Analysis-

#### Domestic Front



- Mustard oil prices witnessed slight weak movement at various markets for the week in review.
- Recent correction in competing oils, mainly soy oil and palm oil, limited mustard oil's gains
- However, 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.



- 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 18<sup>th</sup> November 2022, All India acreage under rabi Mustard stood at 63.25 Lakh Ha., up by 14.73% compared to 55.13 lakh Ha. last year, same time period.

Mustard and Rapeseed			
Area Covered (Lakh Ha) as of 18 November 2022			
State	2022	2021	% Change
Rajasthan	36.282	31.556	14.98%
Uttar.Pradesh	10.107	10.021	0.86%
Madhya.Pradesh	9.98	8.81	13.28%
West.Bengal	3.03	1.36	122.79%
Gujarat	1.814	0.695	161.01%
Assam	1.136	1.815	-37.41%
Chhattisgarh	0.379	0.402	-5.72%
Odisha	0.196	0.188	4.26%
Others	0.328	0.285	15.09%
<b>Total</b>	<b>63.252</b>	<b>55.13</b>	<b>14.73%</b>

- Jaipur Expeller rapeseed oil has premium over refined soy oil in domestic market by Rs 115 per 10 kg compared to Rs 40 per 10 kg last week.



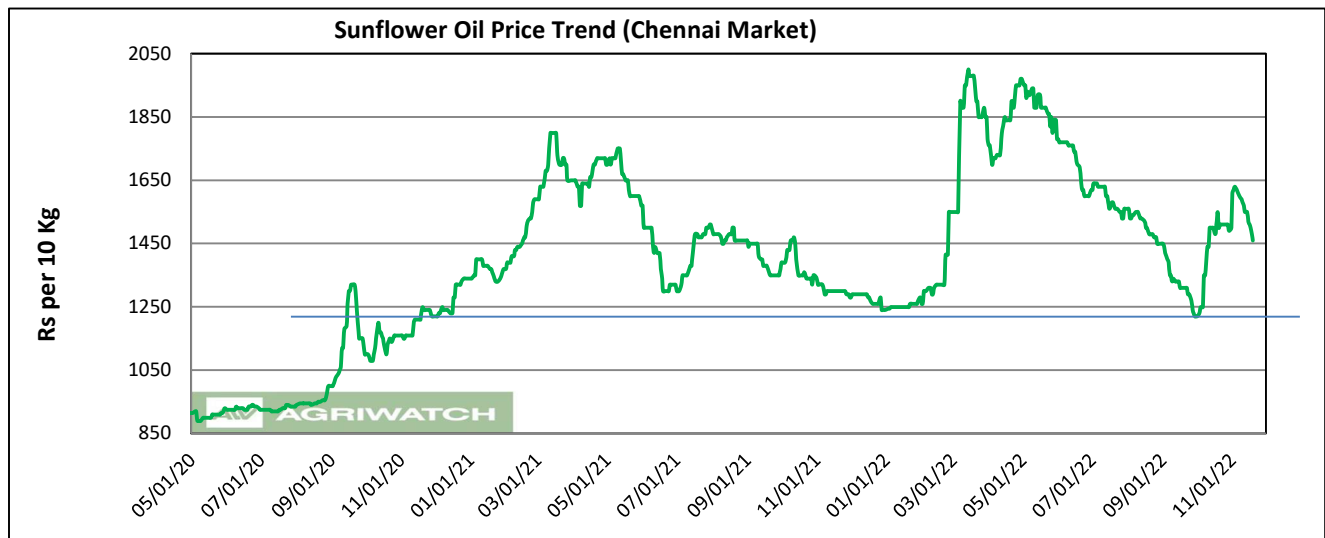


- Jaipur Expeller rapeseed oil has premium over RBD palm olein by Rs 490 per 10 kg compared to Rs 460 per 10 Kg last week.

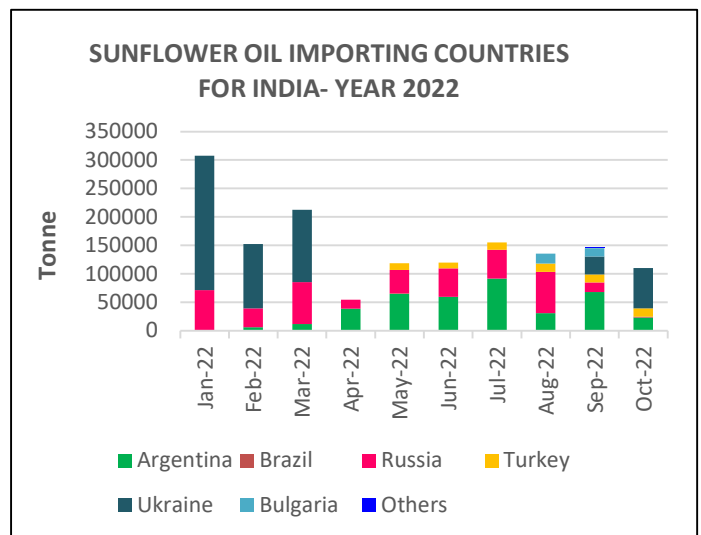
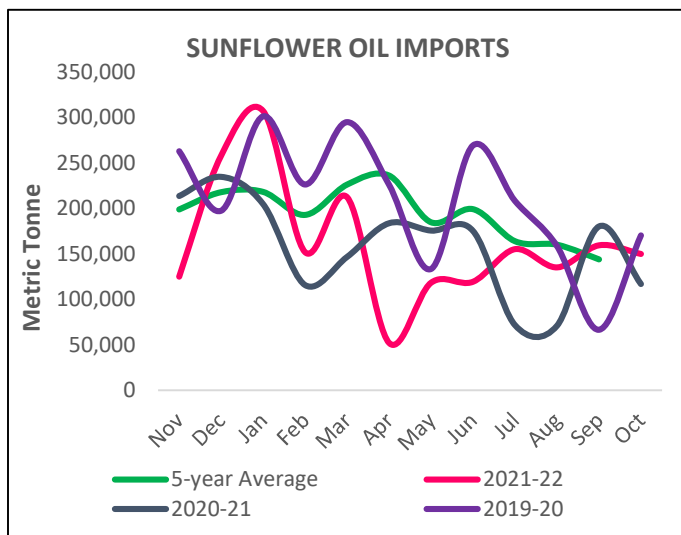
**Price Outlook:** Rapeseed Expeller oil (without GST) prices in Jaipur may trade in the range of Rs 1400-1500 per 10 Kg.

#### Sunflower oil Fundamental Review and Analysis:-

##### Domestic Front



- Sunflower oil prices declined at various markets. Chennai market for Sun oil declined by 5.81%.
- Prices sunk after Russia agreed to hold the “**Black Sea Grain**” deal again after withdrawing it from once. Ukraine also announced that “**Black Sea Grain**” deal is extended by 120 days with UN and Turkey as guaranter.
- It is clearly visible from the chart named ‘**Sunflower Oil Importing Countries for India- Year 2022**’, that India



turned to Argentina for the imports of Sun oil when shipments from Ukraine were ceased. However, Sun oil imports has once again resumed from Ukraine as its prices are lucrative than Russian prices.

- However, Escalating tension between Ukraine and Russia may impact sun oil exports agains and prices may shoot up.

- As of 18<sup>th</sup> November, All India acreage under rabi Sunflower seed stood at 0.31 Lakh Ha. compared to 0.63 lakh Ha. last year, same time period.

- In the domestic market, sunflower oil price is at premium over Soy oil by Rs 145 compared to Rs 150 per 10 Kg last week. Meanwhile, refined sunflower oil (Chennai) premium over RBD palm olein (Kandla) is at Rs. 520 compared to premium of Rs 570 per 10 kg last week.

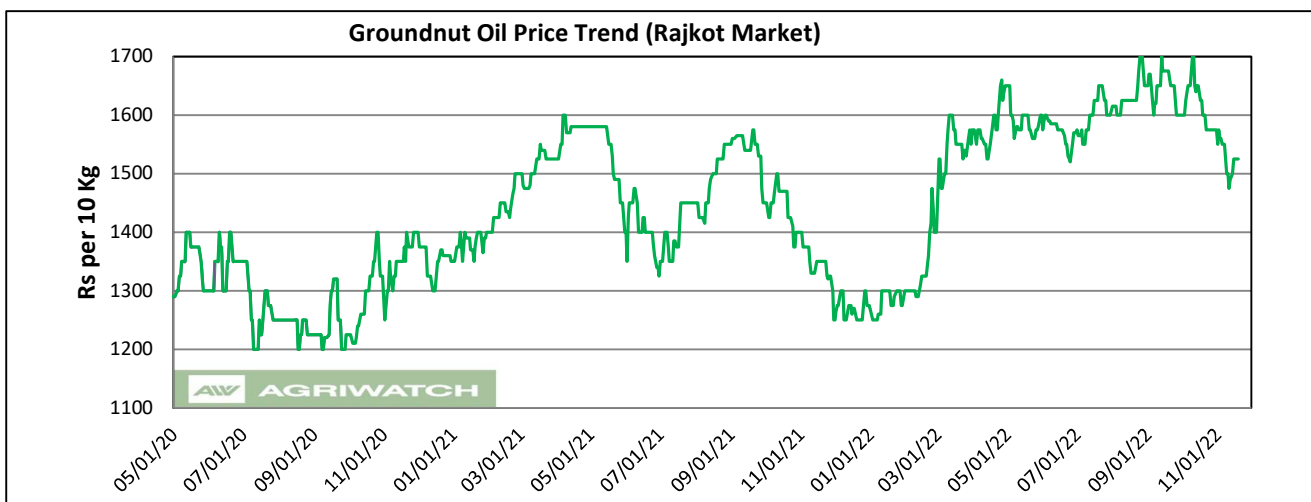
Rabi Sunflower			
Area Covered (Lakh Ha) as of 18 November 2022			
State	2022	2021	% Change
Andhra Pradesh	0.005	0.018	-72.22%
Karnataka	0.28	0.59	-52.54%
Maharashtra	0.007	0.004	75.00%
Tamil Nadu	0.006	0.004	50.00%
Telangana	0.004	0.009	-55.56%
Others	0.004	0.007	-42.86%
<b>Total</b>	<b>0.31</b>	<b>0.63</b>	<b>-51.58%</b>

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.

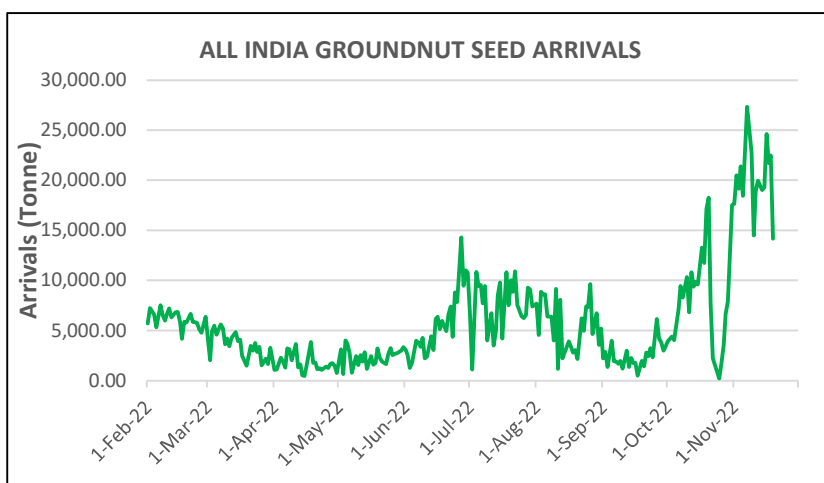
**Price Outlook:** Sunflower oil (without GST) prices in Chennai may stay in the range of Rs 1400-1520 per 10 Kg

## Groundnut oil Fundamental Review and Analysis:-

### Domestic Front

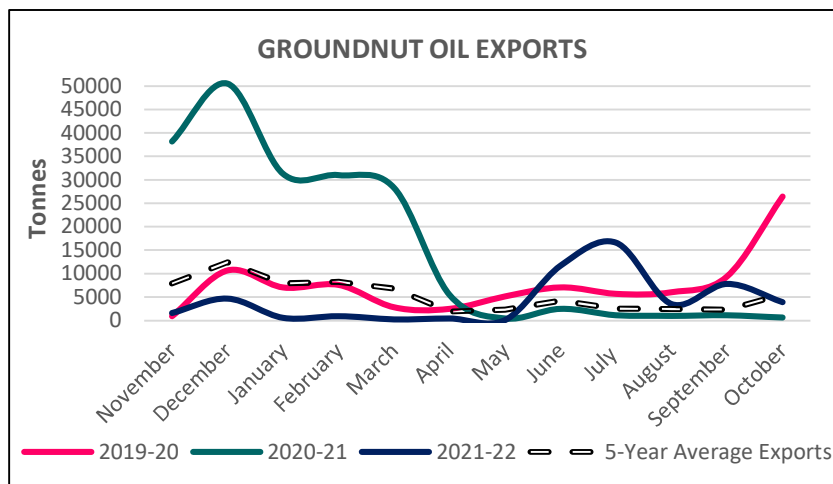


- Groundnut (GN) oil market prices ascended by 1.67% from Rs 1500 to Rs 1525/10 Kg.
- GN oil prices rebounded after making a low of Rs 1475/ 10 Kg. Arrivals of new crop is declining and over all low GN seed production in Kharif season has limited the fall in prices.
- As anticipated in the previous reports, new GN seed arrivals started slacking off after 2<sup>nd</sup> week of November.
- As of 18<sup>th</sup> November 2022, All India acreage under rabi groundnut stood at 1.54 Lakh Ha. compared to 1.87 lakh Ha. last year, which is down by 17.51%.
- Rabi groundnut acreage is lagging by 17.51%. Final Kharif groundnut acreage was also down by 7.79%. If Rabi GN seed acreage also lags, low GN seed production may underpin the GN seed and oil prices for the long term.



Rabi Groundnut			
Area Covered (Lakh Ha) as of 18 November 2022			
State	2022	2021	% Change
Andhra Pradesh	0.106	0.078	35.90%
Karnataka	0.89	0.61	45.90%
Tamil Nadu	0.119	0.109	9.17%
Telangana	0.368	1.021	-63.96%
West Bengal	0.007	0.003	133.33%
Others	0.051	0.047	8.51%
<b>Total</b>	<b>1.54</b>	<b>1.87</b>	<b>-17.51%</b>

- Rabi GN seed acreage might shift to red chili and Sunflower seed due to their firm prices for the past months.
- 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.
- 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.



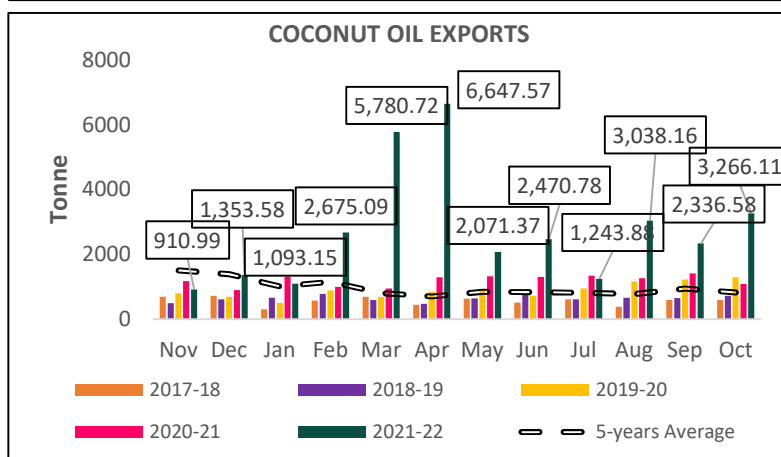
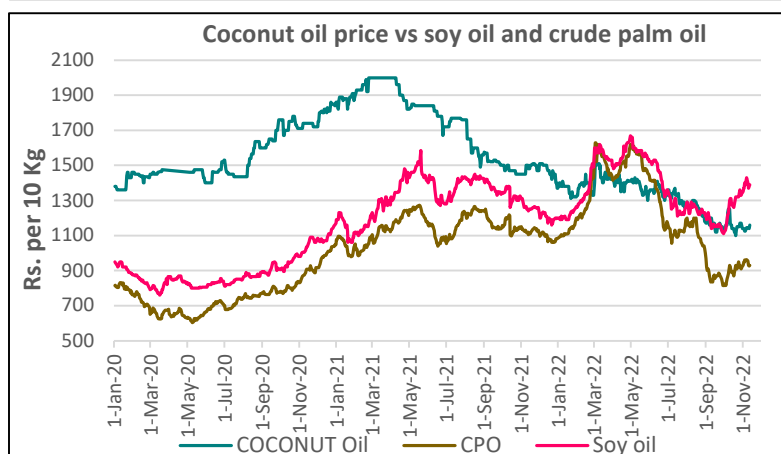
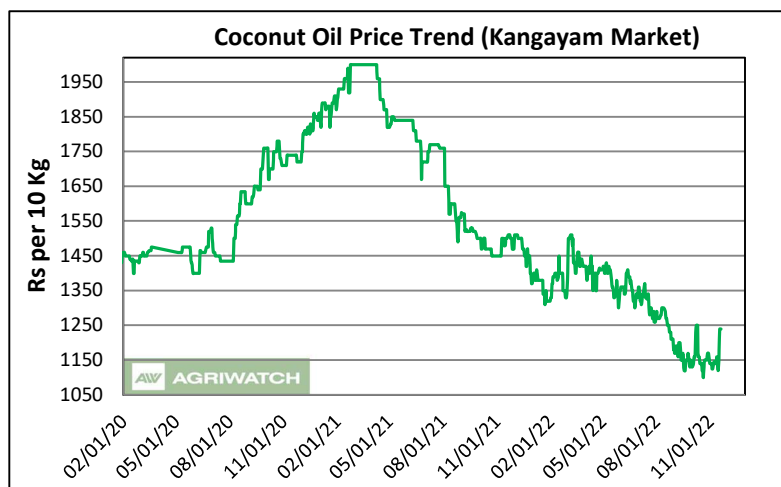
- China also eased the covid restrictions which may revive the demand for the groundnut oil imports demand from India. If it happens, GN oil prices would remain elevated.
- GN oil Exports demand slumped in October compared to previous month, mainly due to weak demand from China. If export demand picks up, prices are likely to be underpinned for along time.

**Price Outlook:** Groundnut oil (without GST) prices in Rajkot is likely to trade sideways in the range of Rs 1475-1575 per 10 Kg.

### Coconut Oil Fundamental Review and Analysis:-

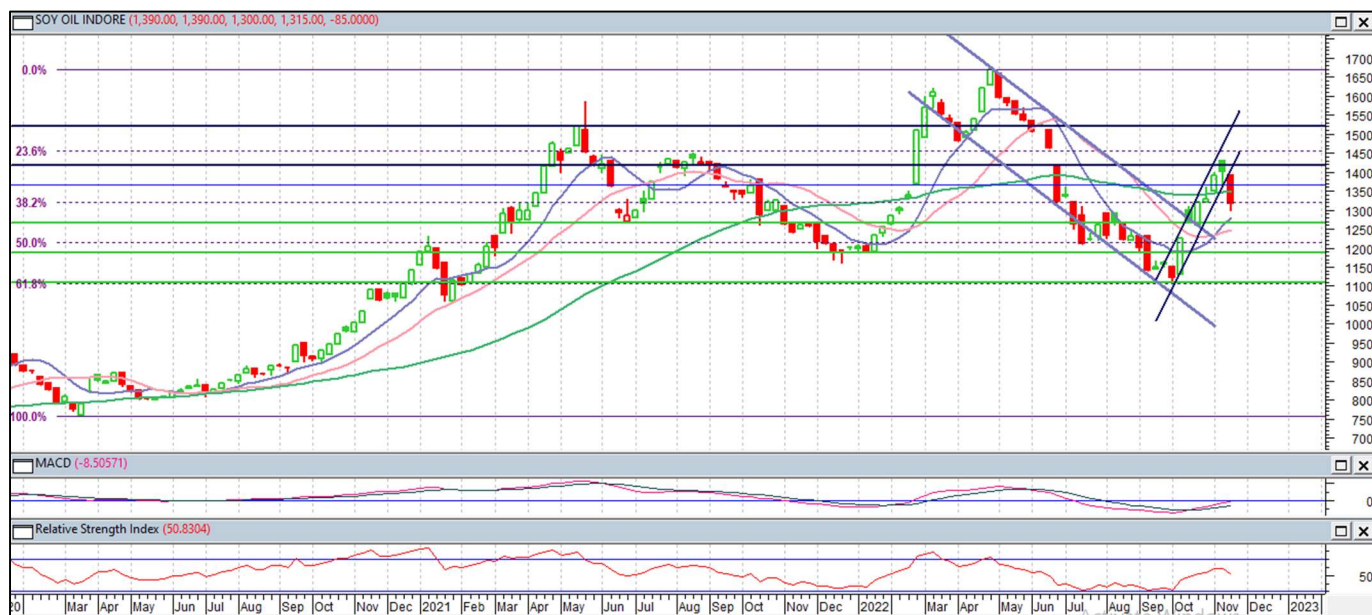
#### Domestic Front

- The Coconut oil prices shot up at benchmark market Kangeyam from Rs 1120 per 10 Kg level to Rs 1240/10 Kg, up by 10.71%.
- Prices have been trading rangebound in the level of Rs 1100-1250/10 Kg, since last week of August.
- Higher supply side has been weighing on the price gains since January 2022. However, good export demand limited the falls in prices.
- Export demand improved in October mainly from UAE, Malaysia and Oman. Export demand from Indonesia 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 3,266.11 tonnes of Coconut oil in October 2022 lower compared to 2,336.58 tonnes export in September 2022, and 1,079.92 tonnes in October 2021.
- Coconut oil export for the Marketing Year (MY- Nov-Oct) 2021-22 stood at 32,887.98 Tonnes compared to 14,289.51 Tonnes in the last MY.
- If export demand remains elevated from the importing countries in coming months, it is likely to extend the gains in prices.
- Competing oils like Soy oil, Groundnut oil, Sunflower oil and Mustard oil expect Palm oil, all have premium over coconut oil, which may underpin firm momentum in coconut oil prices as well.



**Price Outlook:** Coconut oil (without GST) prices in Kangeyam is likely to trade sideways with weak bias in the range of Rs 1080-1280 per 10 Kg.

### Technical Analysis (Refined soy oil)



#### Technical Commentary

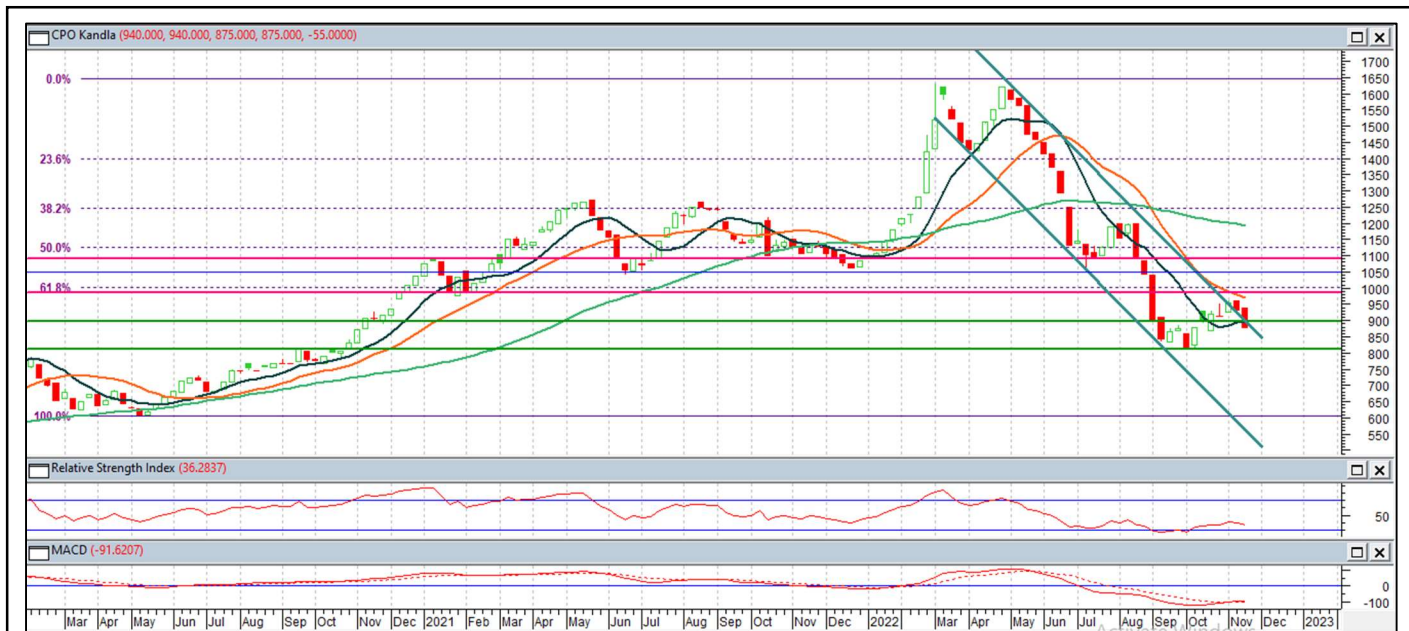
- As can be seen in the above chart, market prices broke-out from the previous rising channel.
- Prices witnessed correction by -5.40 % from opening price of 1390 to the closing price of Rs 1315.
- Market closed below 9DMA. While, its above 18 and 50 DMAs indicating towards change in sentiments.
- 23.6% Fibonacci Retracement level can be seen as a strong resistance level.
- RSI is subsiding in the neutral zone indicating towards weak buying strength.
- MACD has cut the signal line from below, indicating towards firm sentiments.

#### Weekly Outlook

Prices are likely to trade sideways in the range of Rs 1235-1325/10 Kg.



### Technical Analysis (Crude Palm oil)



#### Technical Commentary

- As can be seen in the above chart, market closed down and is trading at upper band of falling channel.
- Prices have also closed below 9DMA, and 18DMA, indicating towards weak sentiments.
- MACD has crossed the signal line from below, indicating shift in trend, from bearish to bullish.
- RSI is below 40 and is declining in the neutral zone, indicating towards weak buying strength.
- In upcoming week, market is expected to trade sideways with weak bias.

#### Weekly Outlook

Prices are likely to trade in the range of Rs 800-900/10 Kg. Fibonacci level at 61.8% can be seen as immediate resistance, and 800 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
		19-Nov-22	14-Nov-22	
Refined Soybean Oil	Indore	1315	1400	-85
	Indore (Soy Solvent Crude)	1275	1350	-75
	Mumbai	1350	1410	-60
	Mumbai (Soy Degum)	1320	1360	-40
	Kandla/Mundra	1330	1400	-70
	Kandla/Mundra (Soy Degum)	1300	1360	-60
	Kolkata	1340	1460	-120
	Nagpur	1325	1385	-60
	Rajkot	1335	1380	-45
	Kota	1340	1400	-60
	Akola	1320	1380	-60
	Amrawati	1320	1380	-60
	Bundi	1350	1410	-60
	Jalna	1330	1395	-65
	Solapur	1300	1375	-75
	Dhule	1315	1390	-75
	Nanded	1300	1375	-75
	Latur	1300	1375	-75
	Argentina Crude Soya (CIF India) USD	1395	1490	-95
	Argentina Crude Soya (FOB)	1310	1405	-95
Palm Oil*	Kandla (Crude Palm Oil)	875	940	-65
	Kandla (RBD Palm oil)	915	960	-45
	Kandla RBD Pamolein	940	980	-40
	Kakinada (Crude Palm Oil)	845	885	-40
	Kakinada RBD Pamolein	950	995	-45
	Haldia Pamolein	925	1020	-95
	Chennai RBD Pamolein	950	1000	-50
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1012	1054	-42
	Krishnapattanam RBD Pamolein	950	990	-40
	Mumbai RBD Pamolein	950	1000	-50
	Mangalore RBD Pamolein	950	1010	-60
	Mumbai (Refined)	960	990	-30
	Rajkot (Refined)	925	960	-35
	Chennai (Refined)	955	1000	-45
	Hyderabad (Refined)	965	1015	-50

	PFAD (Kandla)	600	650	-50
	RPS (Kandla)	840	875	-35
	Superolien (Kandla)	960	1010	-50
	Superolien (Mumbai)	1000	1030	-30
	Kochi (RBD Palmolein)	-	1035	-
	Krishnapattanam (Crude Palm Oil)	845	885	-40
Refined Sunflower Oil	Chennai (Refined)	1460	1550	-90
	Chennai (Crude)	1375	1440	-65
	Mumbai (Refined)	1500	1600	-100
	Mumbai (Expeller Oil)	1250	1360	-110
	Kandla (Refined)	1550	1630	-80
	Hyderabad (Refined)	1450	1525	-75
	Hyderabad (Expeller)	1350	1540	-190
	Latur (Refined)	1440	1550	-110
	Latur (Expeller Oil)	1320	1440	-120
	Chellakere (Expeller Oil)	1350	1430	-80
	Erode (Expeller Oil)	1520	1610	-90
	Kakinada (Refined)	1470	1555	-85
	Krishna Pattanam (Refined)	1470	1555	-85
Groundnut Oil	Rajkot	1525	1500	25
	Chennai	1530	1620	-90
	Hyderabad *	1670	1670	Unch
	Mumbai	1550	1530	20
	Gondal	1525	1500	25
	Jamnagar	1525	1500	25
	Gujarat GN Telia	2420	2400	20
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1430	1440	-10
	Jaipur (Kacchi Ghani Oil)	1490	1515	-25
	Kota (Expeller Oil)	1400	1450	-50
	Kota (Kacchi Ghani Oil)	1470	1490	-20
	Neewai (Expeller Oil)	1350	1370	-20
	Neewai (Kacchi Ghani Oil)	1470	1490	-20
	Bharatpur (Kacchi Ghani Oil)	1470	1500	-30
	Sri-Ganga Nagar (Exp Oil)	1410	1410	Unch
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1475	1495	-20
	Mumbai (Expeller Oil)	1430	1450	-20
	Kolkata (Expeller Oil)	1630	1630	Unch
	Hapur (Expeller Oil)	1450	1450	Unch
	Hapur (Kacchi Ghani Oil)	1500	1500	Unch

	Agra (Kacchi Ghani Oil)	1475	1490	-15
Refined Cottonseed Oil	Rajkot	1300	1390	-90
	Hyderabad	1290	1385	-95
	Mumbai	1340	1380	-40
	Gujarat Cotton Wash	1270	1330	-60
Coconut Oil	Kangayan (Crude)	1240	1120	120
	Cochin	1300	1300	Unch
Rice Bran Oil	Mumbai (Refined 4%)	1230	1280	-50
	Bhatinda (Crude 4%)	1025	1130	-105
	Bhatinda (Refined 4%)	1140	1245	-105
	Hyderabad (Crude)	1050	1140	-90
	Hyderabad (Refined)	1250	1340	-90
	Raipur (Crude)	1110	1200	-90
	Vijayawada (Refined)	1250	1330	-80
Malaysia Palmolein USD/MT	FOB	Closed	970	-
	CNF India	985	1040	-55
Indonesia CPO USD/MT	FOB	Closed	940	-
	CNF India	980	1035	-55
Crude palm Kernel Oil India (USD/MT)	CNF India	Closed	950	-
Ukraine Origin CSFO USD/MT Kandla	CIF	1420	1480	-60
Argentina FOB (\$/MT)		19-Nov-22	14-Nov-22	Change
Crude Soybean Oil Ship		1320	1392	-72
Refined Soy Oil (Bulk) Ship		1366	1441	-75
Sunflower Oil Ship		1400	1435	-35
* 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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