



EDIBLE OIL WEEKLY RESEARCH REPORT

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Executive Summary

Domestic Veg. Oil Market Summary

Edible oil prices featured sideways sentiments during this week in domestic markets. CBOT soy oil prices witnessed up trend. While, BMD Malaysia Palm oil traded marginally down. In domestic market, Coconut oil market closed on weak tone. While, Soy oil, Groundnut oil and Mustard oil market traded up at various markets. While, Palm oil and Sunflower oil traded sideways at various markets

On the currency front, Indian rupee is hovering near 82.83 against 82.64 last weeks. Rupee is trading sideways, while Crude oil prices are gradually trading up. Depreciating Indian currency will make the imports costly and will make exports cheaper.

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

International Veg. Oil Market Summary

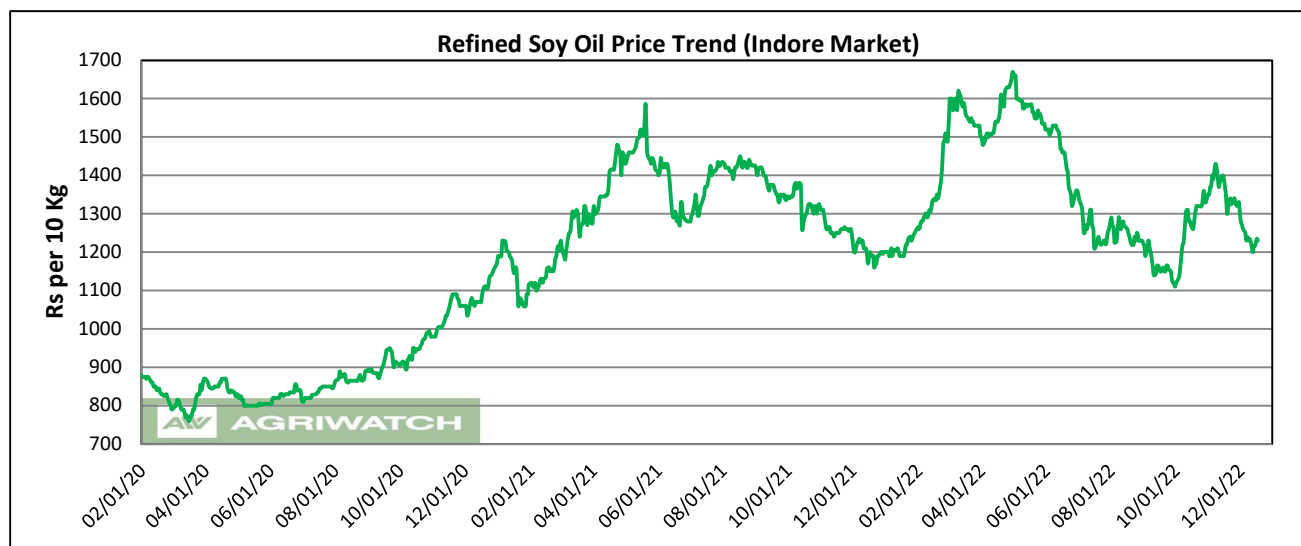
On the international front, anticipation of higher global soybean stock, US Soybean crush, US's Mississippi river's water level, China's soybean demand, Brazil's increase in Soybean acreage, crude oil prices and La Nina's impact on Argentina's Soybean crop is likely to govern soy oil prices in the coming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

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 Flooding in Malaysia are all likely to govern CPO prices in near term.

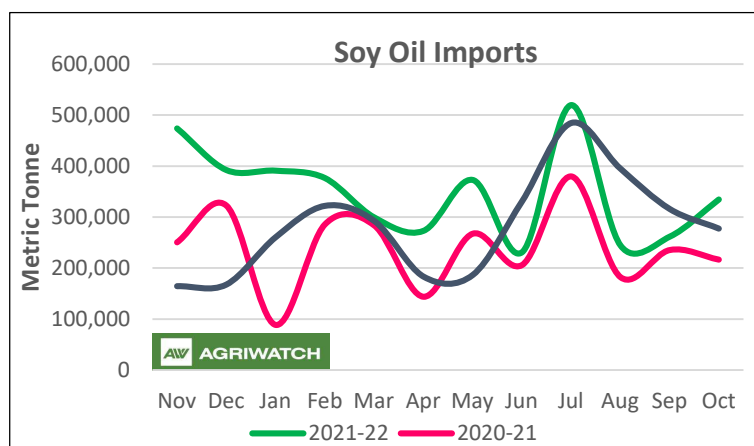
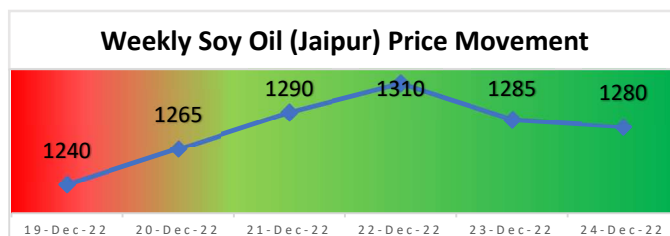
Acreage StatisticsRabi 2022-23 acreage statistics

Rabi 2022-23 acreage statistics			
Area Covered (Lakh Ha) as of 23 December 2022			
Crop	2022	2021	% Change
Rapeseed and Mustard	92.67	85.35	8.58%
Groundnut	3.96	3.42	15.79%
Safflower	0.71	0.64	10.94%
Sesamum	0.28	0.25	12.00%
Sunflower	0.64	0.93	-31.18%
Linseed	2.88	2.33	23.61%
Other Oilseeds	0.34	0.36	-5.56%
Total Oilseeds	101.5	93.28	8.78%

Soy oil Fundamental Analysis and Outlook:- Domestic Front



- Soy oil prices at bench market Indore witnessed rise in prices which closed up by 3.23% from Rs 1240 to Rs 1280 per 10 Kg.
- Prices are supported as temperature is decreasing which is likely to improve its demand.
- Lower Soy oil supply due to weak November imports supported prices.
- Firm CBOT Soy oil market also supported domestic prices.
- Soy oil imports in November declined to 2.29LT compared to 3.34 LT in previous month and 4.74 LT in previous year, for the same month. Imports in October surpassed the expectations of AgriWatch.
- Soy oil imports declined in November as its premium over Palm oil widened significantly over past months.



- Soy oil import for the last 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 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, 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.

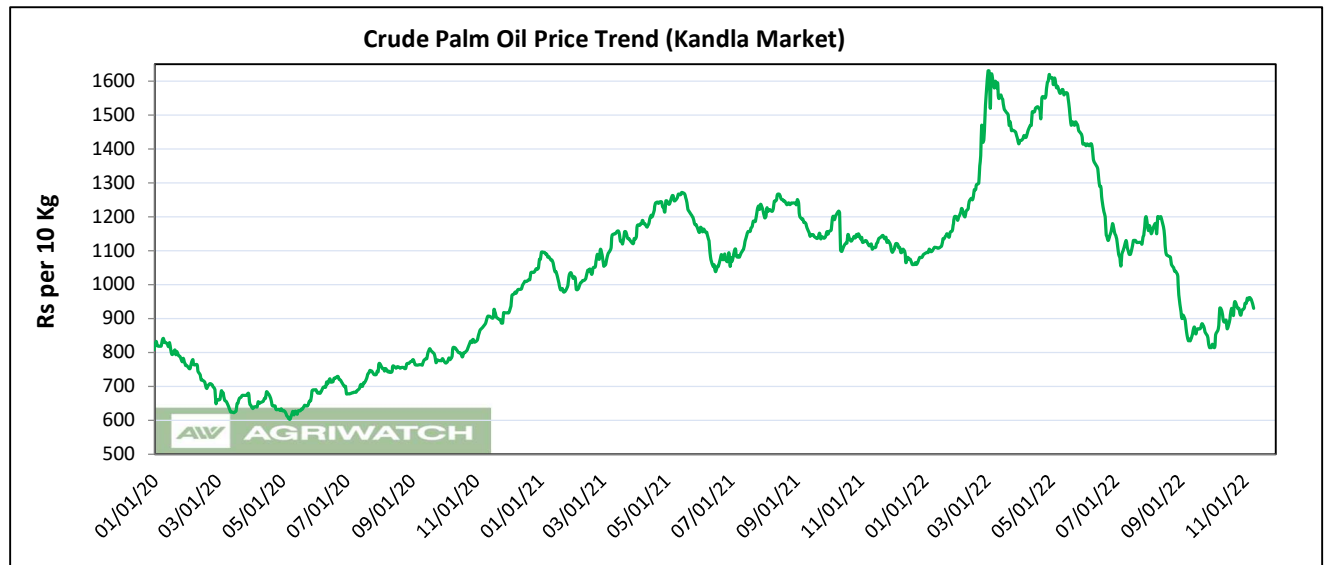
International Front

- CBOT Soy oil most active 'March' contract traded up by 4.06% for the period of 19th -24th December. Market opened at 63.14 cents per pound and closed up at 65.93 cents per pound. Market closed on green candle following rising crude oil prices.
- According to USDA Dec'22 report, 2021-22 Soy production estimate for India was increased to 12 million tonnes as compared to previous month estimates at 11.5 MMT, however last year it was 11.9 MMT. US soy production kept unchanged at 118.26 MMT as compared to previous month's estimate, while last year it was 121.52 MMT.
- However, Argentina's 2022-23 soy production kept unchanged at 49.5 MMT Vs 49.5 MMT previous month estimates and previous year at 43.9 MMT, Brazil soy production kept unchanged at 152 MMT compared to 152 MMT previous month estimates while last year it was 127 MMT.
- According to Argentina's agency, Rosario Grain Exchange, 37% of soybean planting has been completed, which is lagging by 20 points compared to 57% last year, same timeframe. It also anticipates a yield loss, if sowing gets delayed. According to the Rosario Grain Exchange, in the core production areas, "if the soybean planting is delayed from October 15th to November 15th, the soybean yield can decline on average 25 kg/ha per day or 0.37 bu/ac per day. If the planting is delayed from December 1st to December 10th, the yield can decline 100 kg/ha per day or 1.49 bu/ac per day. Yield losses per day accelerate the longer planting is delayed throughout the month of December."
- Brazil's Agriculture Statics Agency CONAB in its December assessment has kept Brazil's 2022/23 soybean crop estimate unchanged at 153.50 MMT. However, CONAB has issued a warning against a potential moisture deficit Brazil, which might impact standing Soybean crop condition.
- Brazil's forecasting agency Inmet has forecasted below normal rainfall for parts of central and east-central Brazil, southwestern Mato Grosso do Sul, and Rio Grande do Sul during the December-January-February period

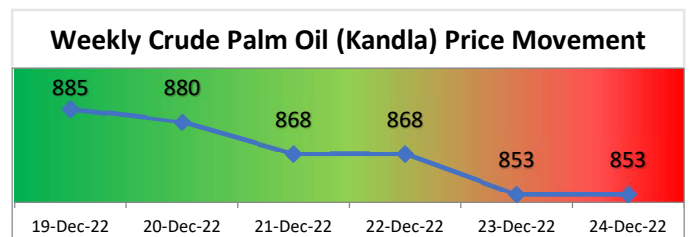


Price Outlook: We expect refined soy oil (without GST) at Indore to stay in the range of Rs 1180-1300 per 10 Kg in the near term.

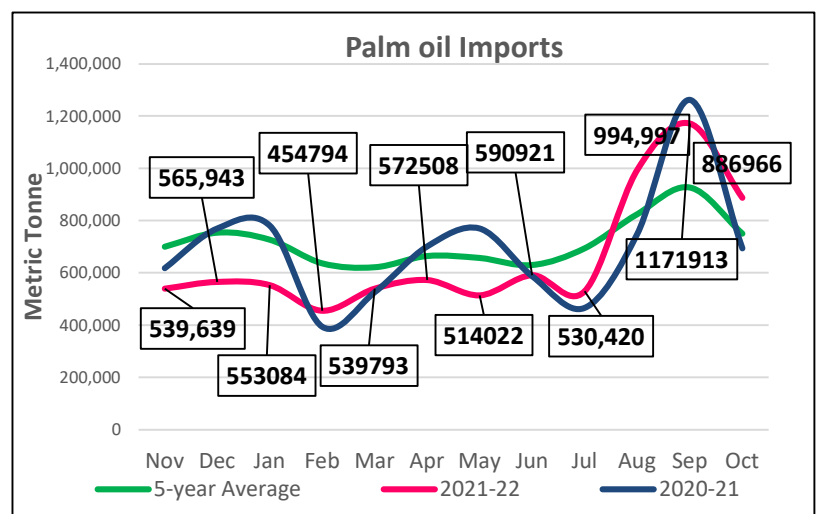
Palm oil Fundamental Analysis and Outlook :-
Domestic Front



- Crude palm oil (CPO) prices witnessed sideways movement in prices for the previous week at various markets. However, prices in the benchmark market Kandla traded down by 3.62%.



- Palm oil prices declined as its demand weakens in winter season.
- Demand in south India is good as it is cheaper compared to other oils.
- Solvent Extractor Association of India (SEA) has written to Union food minister Piyush Goyal to raise Refined Palm oil's import duty from 12.5% to 20% as higher imports of RBD palm olein have been witnessed in the past few months. Higher RBD Palm Olein imports are threatening the domestic Palm oil refining industry. At present the difference between CPO and RBD Palm olein's import duty is mere 7.5% which has resulted in higher RBD Palm Olein imports.
- The price spread between RBD Palm Olein C&F Price and CPO C&F Price has minimized significantly, which has diverted the import demand more towards RBD Palm Olein, lowering the share of CPO imports in total Palm oil imports.
- Total Palm oil imports in November stood at 11.42 Lakh Tonnes (LT) compared to 8.87 LT in the previous month. Palm oil imports are down for Nov'21-Oct'22 at 79.15 LT compared to 83.21 LT last year. In September, Palm oil imports were highest



for the current marketing year Nov-Oct 2021-22 at 11.71 LT.

- Importers demand jumped in November as palm oil discount over soy oil widened significantly in past months.

International Front

- BMD Palm oil Malaysia traded slightly down by 1.55% for the past week as Malaysia's Palm oil export demand softens. According to the export agencies Malaysia's December 1-15th exports declined marginally

Agency	September	August	%Change
ITS	649,782	714,518	-9.1%
AmSpec	631,401	657,896	-4%
SGS	634,618	662,816	-4.3%

- According to Southern Palm Oil Millers Association (SPPOMA), Malaysia's Palm oil production for the period of 1-15 December declined to -6.73% compared to -1.58% for the period of 1-10 December. Yield and Oil extraction rate (OER) is also down by -6.00% and -0.14%, respectively for the period of 1-15 December.

Malaysia's Palm oil production: SPPOMA		
	1-15 December	1-10 December
Production	-6.73%	-1.58%
Yield	-6.00%	-1.90%
Oil extraction rate (OER)	-0.14%	+1.58%

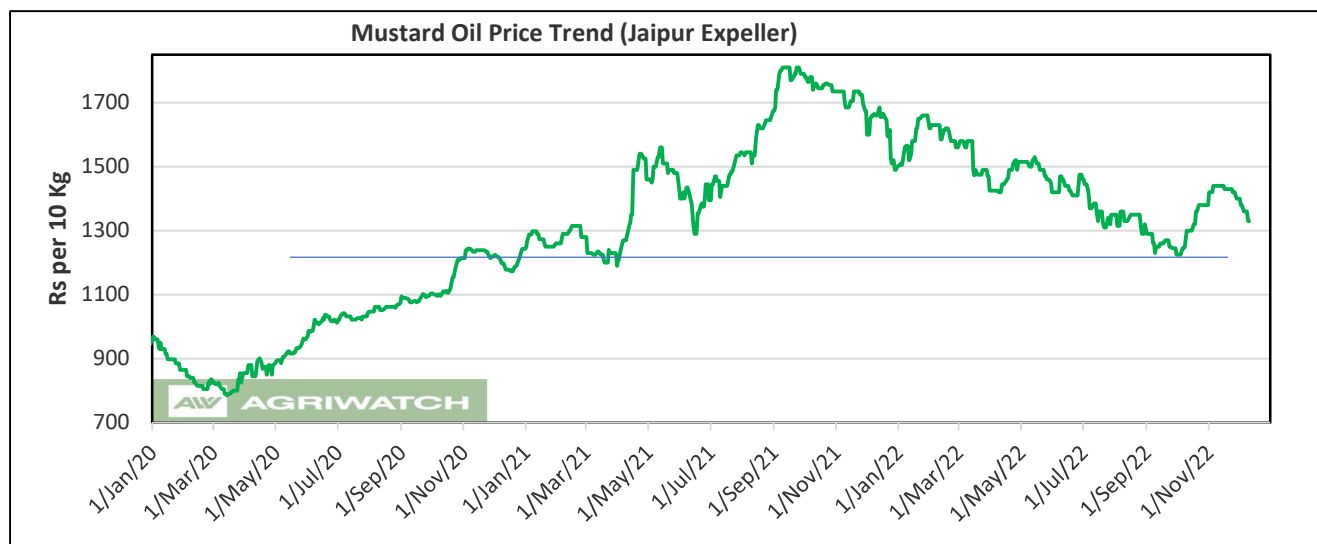
- Prices might be supported as Indonesia may soon rollout B35 biodiesel mandate.
- However, decline in Malaysia's Palm oil production by 5-8% due to heavy floods is likely to underpin the prices. Harvesting and logistics is also affected in Malaysia.



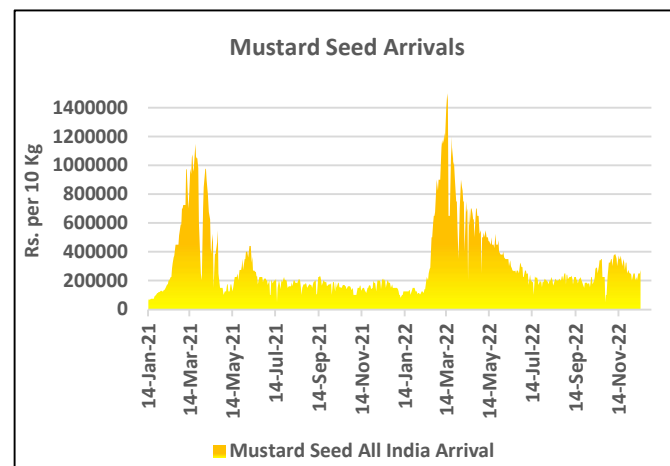
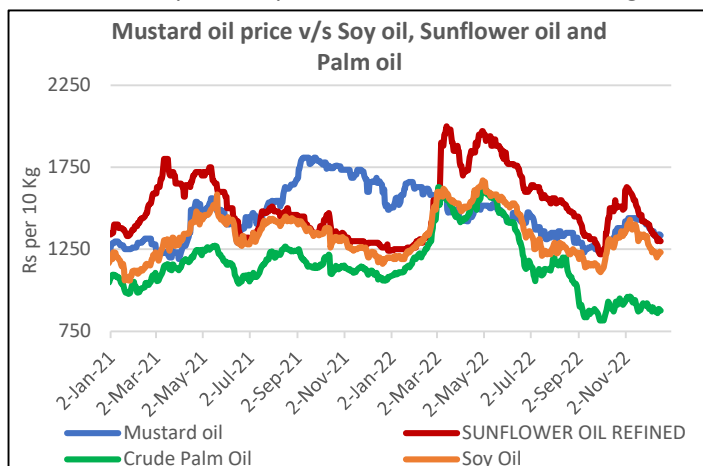
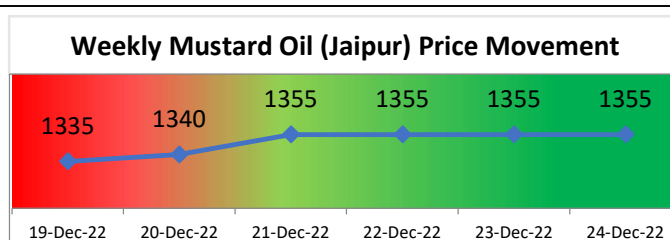
Price Outlook: We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 830-930 per 10 Kg in the near term.

Rapeseed oil Fundamental Review and Analysis-

Domestic Front



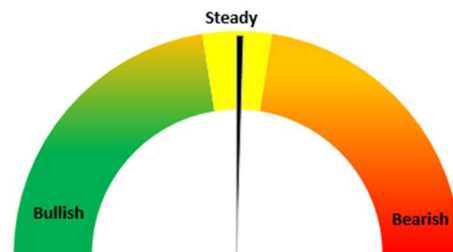
- Mustard oil prices traded slightly up at various markets for the week in review.
- Mustard oil prices were underpinned as demand slightly improved after consecutive decline in prices.
- Mustard oil demand improves in winter season, which is likely to underpin its prices. Cool weather has also picked up in the north India, which might increase the demand.



- With drop in temperature, blending in mustard oil will be impacted hence prices are likely to be underpinned
- Arrivals for the period of 19th-24th Dec stood at 15.55 Lakh Tonne (LT) compared to the arrivals of 15.50 LT last week. Arrivals have increased marginally as farmers are offloading old stock before arrival of new crops..
- Most of the Expeller crushing plants are shut in the major crushing region of Rajasthan amid disparity in seeds crushing. Mostly Kacchi Ghani is operational these days, amid weak crush margin.
- As of 23th December 2022, All India acreage under rabi Mustard stood at 92.67 Lakh Ha., up by 8.58% compared to 85.34 lakh Ha. last year, same time period.

- Agriwatch anticipates mustard seed's acreage to reach 85-90 Lakh Ha for the present season as government is focusing on increase in domestic oilseeds acreage and production.
- Jaipur Expeller rapeseed oil has premium over refined soy oil in domestic market by Rs 75 per 10 kg compared to Rs 95 per 10 Kg last week.
- Jaipur Expeller rapeseed oil has premium over RBD palm olein by Rs 420 per 10 kg compared to Rs 400 per 10 Kg last week.

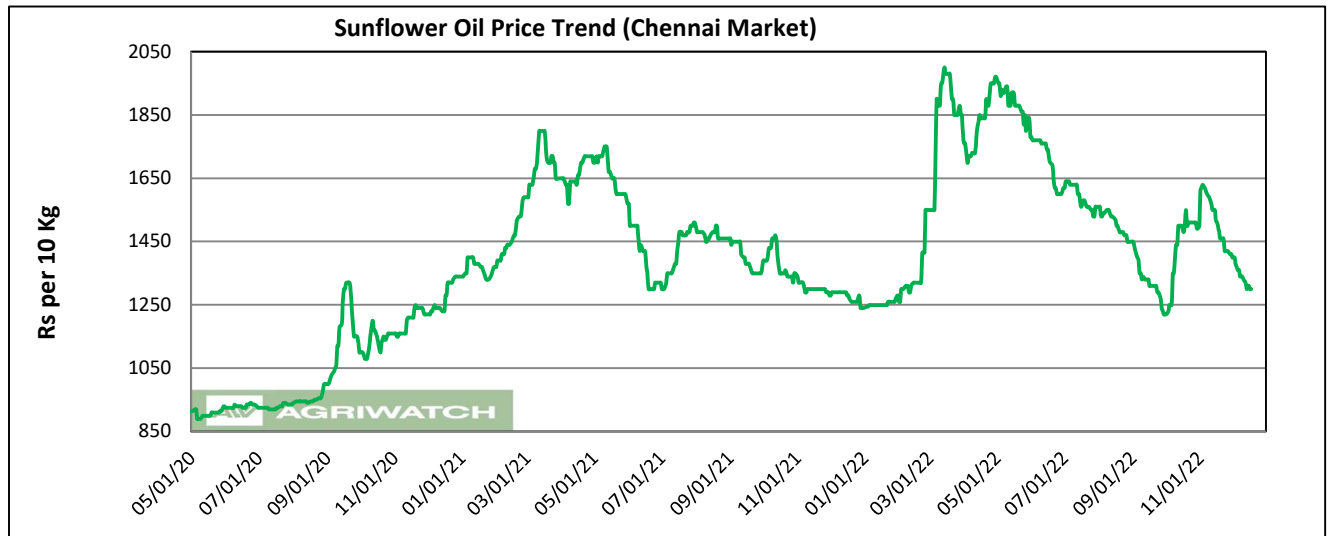
Mustard and Rapeseed			
Area Covered (Lakh Ha) as of 23 December			
State	2022	2021	% Change
Rajasthan	39.35	35.33	11.39%
Madhya.Pradesh	13.8	10.8	27.78%
Uttar.Pradesh	13.26	13.976	-5.16%
Haryana	7.323	7.563	-3.17%
West.Bengal	6.435	5.6	14.91%
Gujarat	3.022	3.269	-7.56%
Jharkhand	2.772	2.534	9.39%
Assam	2.74	2.855	-4.03%
Others	3.97	3.422	16.01%
Total	92.67	85.348	8.58%



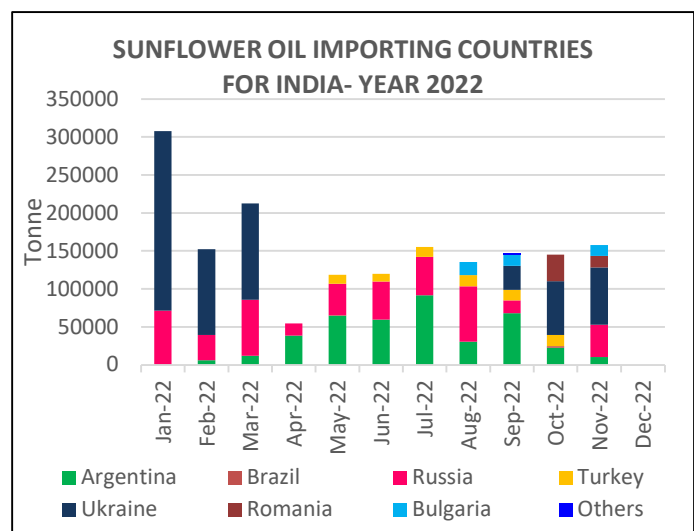
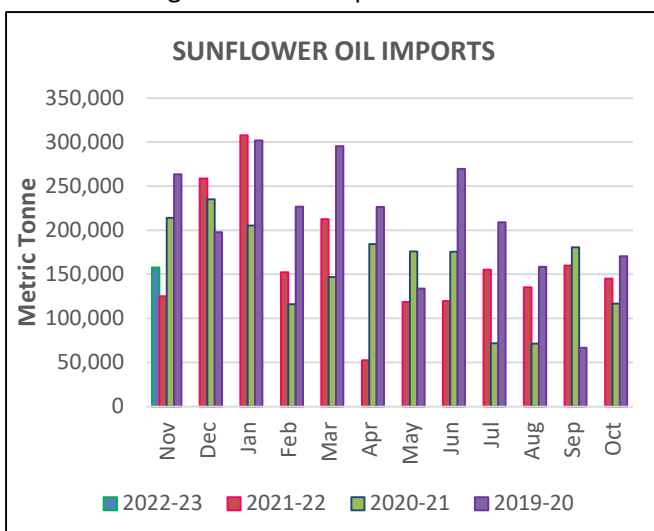
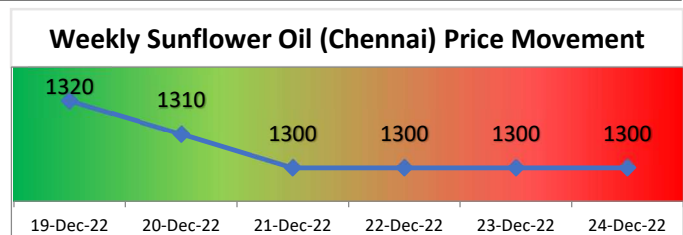
Price Outlook: Rapeseed Expeller oil (without GST) prices in Jaipur may trade in the range of Rs 1280-1380 per 10 Kg.

Sunflower oil Fundamental Review and Analysis:-

Domestic Front



- Sunflower oil prices slumped at various markets. Prices at Bench market Chennai for Sun oil declined by 1.51%.
- Domestic prices are declining in tandem with downward correction in international sun oil prices. International sun oil prices are down ahead of festival season in European countries.
- As of 15th December, Ukraine has harvested 4.61 million hectares of sunflower seed with average yield of 2.18t/ha, amounting 10.07 MT production.
- As of 1st December, Russia's sunflower seed stock stood at 3 MT which is down by 250.8 thousand tonnes compared to last year.
- As of 24th November, Russia has harvested 7.3 million hectares of sunflower seed with average yield of 1.81/ha, amounting to 13.213 MT production.

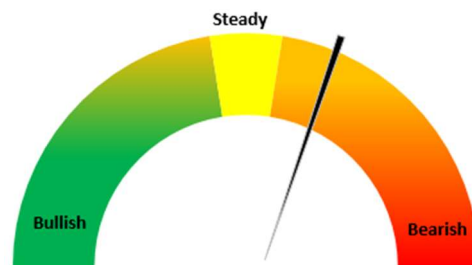


- It can be seen from the chart named 'Sunflower Oil Importing Countries for India- Year 2022', that India Sun oil imports has once again resumed from Ukraine as its prices are lucrative than Russian prices.
- Sunflower oil imports in November'22 stood at 1.58 LT compared to 1.45 LT in previous month. India imported 75,500 tonnes of sun oil from Ukraine as its prices are lucrative compared to Russia.

FOB Price Black Sea	Ukraine's Prices (\$/MT)	Russia's Prices (\$/MT)	% Change
Prices as on 24 th Dec for Dec	1142.5	1176.75	3.00%
Prices as on 24 th Dec for Jan/Feb	1142.5	1131.75	-0.94%

- As of 23th December, All India acreage under rabi Sunflower seed stood at 0.638 Lakh Ha. compared to 0.927 lakh Ha. last year, same time period.
- In the domestic market, sunflower oil's premium over Soy oil has lower down to Rs 20 compared to Rs 80 per 10 Kg last week. Meanwhile, refined sunflower oil (Chennai) premium over RBD palm olein (Kandla) is at Rs. 275 compared to premium of Rs 230 per 10 kg last week.
- It is anticipated that, sunflower oil prices are likely to trade with sideways with weak bias in tandem with correction in international prices of Sun oil.

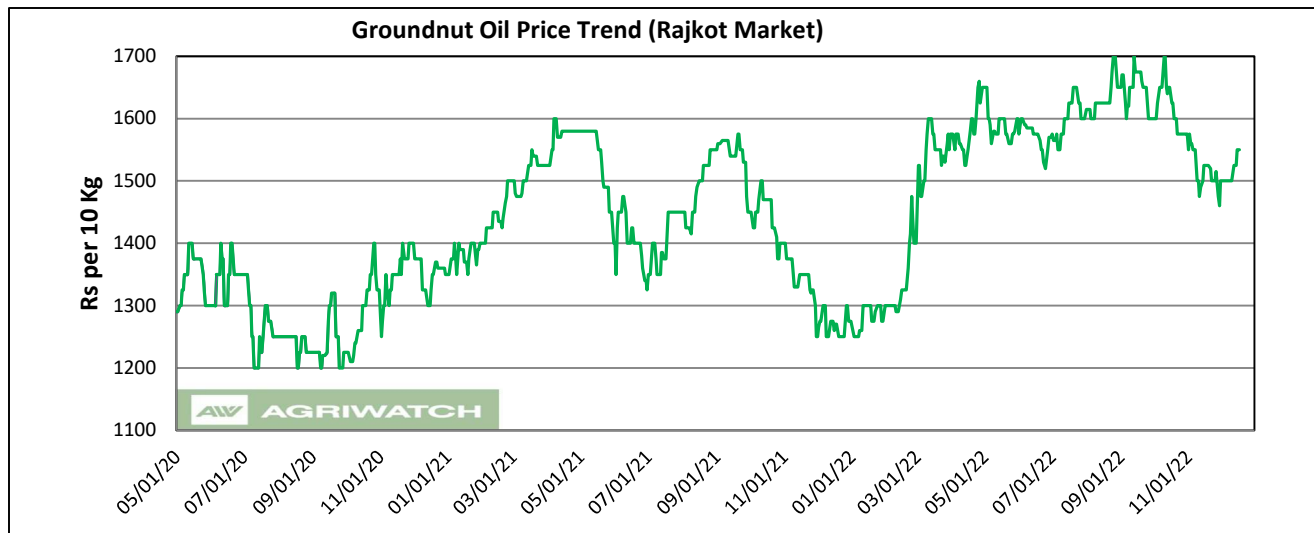
Rabi Sunflower			
Area Covered (Lakh Ha) as of 23 December 2022			
State	2022	2021	% Change
Karnataka	0.43	0.72	-40.28%
Odisha	0.047	0.036	30.56%
Telangana.	0.038	0.042	-9.52%
Tamil.Nadu	0.037	0.021	76.19%
Andhra.Pradesh	0.035	0.04	-12.50%
Others	0.05	0.069	-27.54%
Total	0.638	0.927	-31.18%



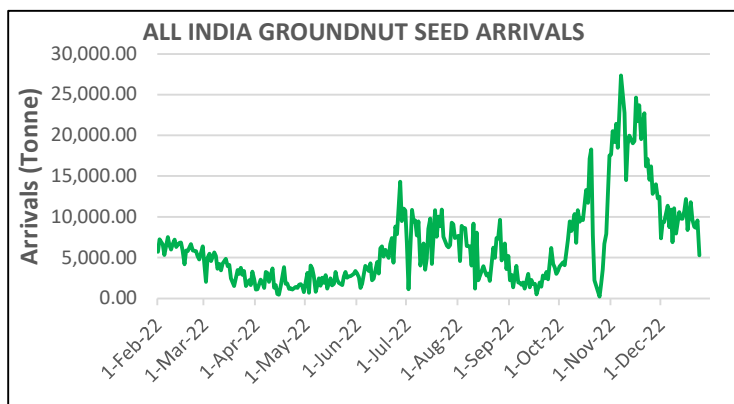
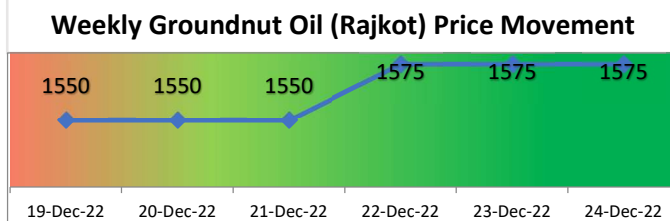
Price Outlook: Sunflower oil (without GST) prices in Chennai may stay in the range of Rs 1250-1380 per 10 Kg.

Groundnut oil Fundamental Review and Analysis:-

Domestic Front



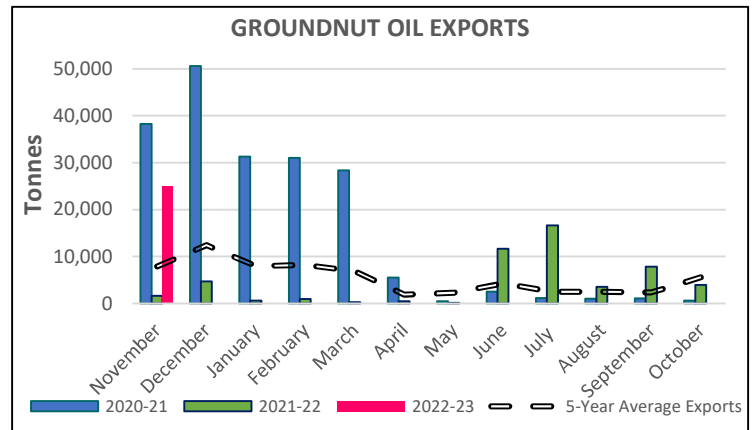
- Groundnut (GN) oil market prices at Rajkot market traded up from Rs 1550 to Rs 1575/10 Kg.
- GN oil prices traded firm as arrivals have lowered down at various markets, all over India. Good export demand also underpinned the prices.
- Low Kharif GN seed acreage in Gujarat along with damages due to monsoon resulted in decline in production. SEA had estimated production at 3MT. Whereas, traders and farmers are anticipating production at 2.5-2.8MT, which is supporting the seeds as well as oil prices.
- However, upsurge in covid cases in China might led to lockdown restrictions again, which might impact their GN oil imports.
- Arrivals for the period of 19th-24th Dec. stood at 59,750.06 tonnes, lower compared to 55,837.76 tonnes in the previous week.
- As of 23th December 2022, All India acreage under rabi groundnut stood at 3.955 Lakh Ha. compared to 3.419 lakh Ha. last year.
- As anticipated in AgriWatch's previous reports China's GN oil's import demand picked up from India after China also eased the covid



Rabi Groundnut			
Area Covered (Lakh Ha) as of 23 December			
State	2022	2021	% Change
Karnataka	1.52	1.26	20.63%
Telangana.	0.757	1.208	37.33%
Odisha	0.621	0.293	111.95%
Andhra Pradesh	0.492	0.379	29.82%
Tamil Nadu	0.481	0.225	113.78%
Others	0.084	0.054	55.56%
Total	3.955	3.419	15.68%

restrictions as their domestic production was hampered due to high temperature and low precipitation at the time of standing crops in field.

- GN oil exports in November jumped up sharply as China's demand for Indian groundnut oil revives. Exports in November stood at 24,914.43 Tonnes compared to the export of 3,952.90 Tonnes in previous month. China's export demand made 97.66% of the total exports at 24,331.69 tonnes.

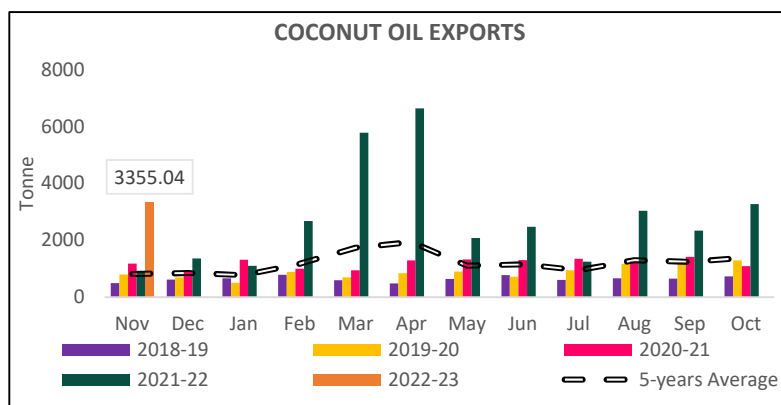
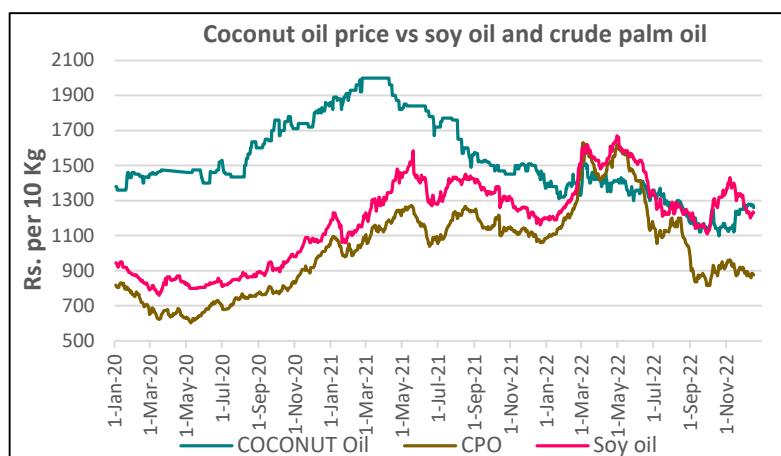
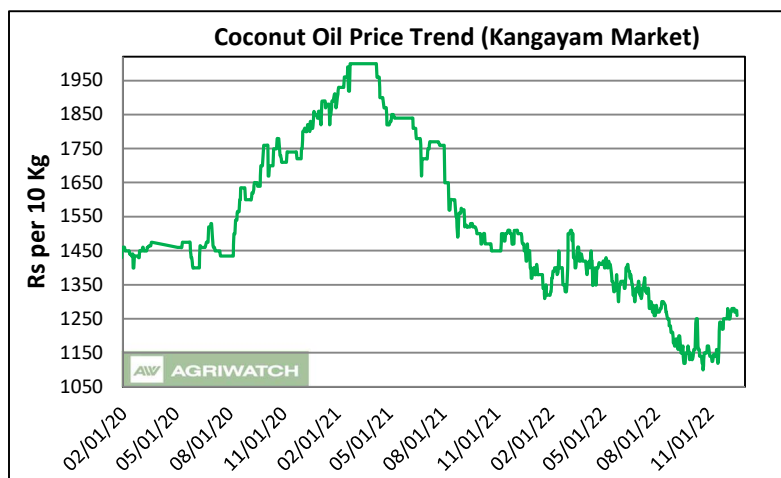


Price Outlook: Groundnut oil (without GST) prices in Rajkot is likely to trade sideways in the range of Rs 1475-1575 per 10 Kg.

Coconut Oil Fundamental Review and Analysis:-

Domestic Front

- The Coconut oil prices edged down at benchmark market Kangeyam from Rs 1270 to 1265/10 Kg level.
- Surplus production is weighing down the price gains.
- NAFED has also decided to sell off the procured copra from Tamil Nadu and Kerela. NAFED had procured 40,600 tonnes of milling copra from Tamil Nadu and 255.55 tonnes from Kerela, which has received a seller at Rs 83 per Kg.
- NAFED is releasing the stock as higher supply side is weighing on the prices. Thus, to fetch the remunerative prices, its is selling the stocks at discount.
- Export demand improved in November mainly from UAE, Kuwait and Nepal. Export demand from Indonesia is down as their domestic Palm oil stock has piled up, thus to increase domestic palm oil consumption, coconut oil import is slacked off.
- Coconut oil exports scenario- India exported 3,355.04 tonnes of Coconut oil in November 2022 slightly higher compared to 3,266.11 tonnes export in October 2022, and 910.99 tonnes in November 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, up by 130.2%.
- If export demand remains elevated 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 in the range of Rs 1180-1280 per 10 Kg.

Technical Analysis (Refined soy oil)



Technical Commentary

- Market prices opened with gap up and traded up from Rs 1265 to Rs 1280 level.
- Prices are below 9 and above 18 DMAs indicating towards weak sentiments.
- An 'Inverted Hammer' Candlestick is formed, showing active sellers.
- RSI is moving upwards in the neutral zone indicating towards rising sentiments.
- MACD is above the signal line, indicating towards positive sentiments.

Weekly Outlook

Prices are likely to trade sideways in the range of Rs 1230-1330/10 Kg.

Technical Analysis (Crude Palm oil)



Technical Commentary

- As can be seen in the above chart, market prices witnessed weak momentum.
- 'Bearish engulfing' candlestick is formed showing the upper hand of sellers.
- Prices have closed below 9 and 18 DMA indicating towards weak sentiments.
- MACD line is still above the signal line, indicating shift in trend.
- RSI is below 40, indicating towards weak sentiments.
- In upcoming week, market is expected to trade sideways.

Weekly Outlook

Prices are likely to trade in the range of Rs 830-930/10 Kg. 18 DMA can be seen as immediate resistance, and 830-850 range can be seen as immediate support level.

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

Commodity	Centre	Prices (Per 10 Kg)		Change
		24-Dec-22	19-Dec-22	
Refined Soybean Oil	Indore	1280	1240	40
	Indore (Soy Solvent Crude)	1265	1200	65
	Mumbai	1290	1250	40
	Mumbai (Soy Degum)	1205	1170	35
	Kandla/Mundra	1275	1230	45
	Kandla/Mundra (Soy Degum)	1175	1160	15
	Kolkata	1280	1235	45
	Nagpur	1295	1230	65
	Rajkot	1270	1220	50
	Kota	1295	1250	45
	Akola	1290	1225	65
	Amrawati	1290	1220	70
	Bundi	1285	1260	25
	Jalna	1300	1230	70
	Solapur	1290	1220	70
	Dhule	1305	1235	70
	Nanded	1290	1220	70
	Latur	1290	1220	70
	Argentina Crude Soya (CIF India) USD	1359	1352	7
	Argentina Crude Soya (FOB)	1272	1267	5
Palm Oil*	Kandla (Crude Palm Oil)	853	885	-32
	Kandla (RBD Palm oil)	900	900	Unch
	Kandla RBD Pamolein	935	935	Unch
	Kakinada (Crude Palm Oil)	870	860	10
	Kakinada RBD Pamolein	945	930	15
	Haldia Pamolein	945	945	Unch
	Chennai RBD Pamolein	950	940	10
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1008	1006	2
	Krishnapattanam RBD Pamolein	945	935	10
	Mumbai RBD Pamolein	940	950	-10
	Mangalore RBD Pamolein	950	940	10
	Mumbai (Refined)	970	940	30
	Rajkot (Refined)	920	915	5
	Chennai (Refined)	950	945	5
	Hyderabad (Refined)	945	950	-5

	PFAD (Kandla)	660	650	10
	RPS (Kandla)	805	820	-15
	Superolien (Kandla)	985	985	Unch
	Superolien (Mumbai)	990	1000	-10
	Kochi (RBD Palmolein)	-	955	-
	Krishnapattanam (Crude Palm Oil)	870	860	10
Refined Sunflower Oil	Chennai (Refined)	1300	1320	-20
	Chennai (Crude)	1220	1225	-5
	Mumbai (Refined)	1335	1340	-5
	Mumbai (Expeller Oil)	1220	1200	20
	Kandla (Refined)	1410	1400	10
	Hyderabad (Refined)	1350	1330	20
	Hyderabad (Expeller)	1270	1250	20
	Latur (Refined)	1350	1330	20
	Latur (Expeller Oil)	1270	1250	20
	Chellakere (Expeller Oil)	1260	1250	10
	Erode (Expeller Oil)	1360	1360	Unch
	Kakinada (Refined)	1340	1325	15
	Krishna Pattanam (Refined)	1340	1325	15
Groundnut Oil	Rajkot	1575	1550	25
	Chennai	1600	1530	70
	Hyderabad *	1585	1585	Unch
	Mumbai	1600	1570	30
	Gondal	1575	1550	25
	Jamnagar	1575	1550	25
	Gujarat GN Telia	2510	2470	40
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1355	1335	20
	Jaipur (Kacchi Ghani Oil)	1405	1360	45
	Kota (Expeller Oil)	1360	1330	30
	Kota (Kacchi Ghani Oil)	1370	1350	20
	Neewai (Expeller Oil)	1330	1320	10
	Neewai (Kacchi Ghani Oil)	1360	1350	10
	Bharatpur (Kacchi Ghani Oil)	1370	1370	Unch
	Sri-Ganga Nagar (Exp Oil)	1335	1320	15
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1375	1340	35
	Mumbai (Expeller Oil)	1380	1370	10
	Kolkata (Expeller Oil)	1580	1580	Unch
	Hapur (Expeller Oil)	1480	1480	Unch
	Hapur (Kacchi Ghani Oil)	1530	1530	Unch

	Agra (Kacchi Ghani Oil)	1375	1375	Unch
Refined Cottonseed Oil	Rajkot	1250	1235	15
	Hyderabad	1240	1225	15
	Mumbai	1250	1235	15
	Gujarat Cotton Wash	1210	1175	35
Coconut Oil	Kangayan (Crude)	1265	1270	-5
	Cochin	1350	1330	20
Rice Bran Oil	Mumbai (Refined 4%)	1150	1090	60
	Bhatinda (Crude 4%)	970	940	30
	Bhatinda (Refined 4%)	1085	1055	30
	Hyderabad (Crude)	1050	960	90
	Hyderabad (Refined)	1200	1130	70
	Kolkata (Crude)	1020	980	40
	Kolkata (Refined)	1130	1090	40
	Raipur (Crude)	1100	1010	90
	Vijayawada (Refined)	1200	1130	70
Malaysia Palmolein USD/MT	FOB	925	953	-28
	CNF India	970	985	-15
Indonesia CPO USD/MT	FOB	Unq	945	-
	CNF India	970	985	-15
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	800	830	-30
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	750	757	-7
Crude palm Kernel Oil India (USD/MT)	CNF India	Closed	1010	-
Ukraine Origin CSFO USD/MT Kandla	CIF	1315	1330	-15
Argentina FOB (\$/MT)		23-Dec-22	19-Dec-22	Change
Crude Soybean Oil Ship		1287	1288	-1
Refined Soy Oil (Bulk) Ship		1332	1333	-1
Sunflower Oil Ship		1250	1250	Unch
* 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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