



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 prices witnessed weak trend. BMD Malaysia Palm oil also traded down. In domestic market, Soy oil, Coconut oil, Palm oil, Sunflower oil and Mustard oil market closed on weak tone. While, Groundnut oil market traded sideways at various markets.

On the currency front, Indian rupee is hovering near 82.37 against 82.81 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

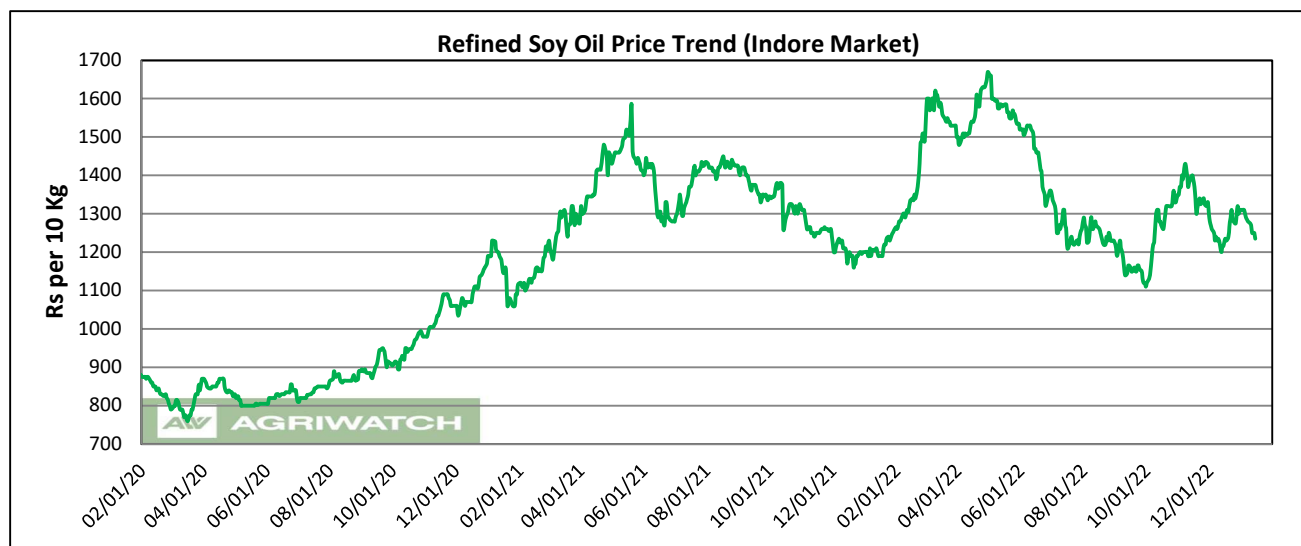
On the international front, anticipation of higher global soybean stock, US Soybean crush, US's Soy oil stock and EPA policy, China's soybean demand, Brazil's increase in Soybean acreage, crude oil prices and La Nina's impact on Argentina's Soybean crop is likely to govern soy oil prices in the coming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

Competing oil prices, Malaysia and Indonesia's firm biodiesel policy and Palm fruit bunch production, Indonesia's palm oil exports policy and domestic consumption, Malaysia's palm oil export policy and Flooding in Malaysia are all likely to govern CPO prices in near term.

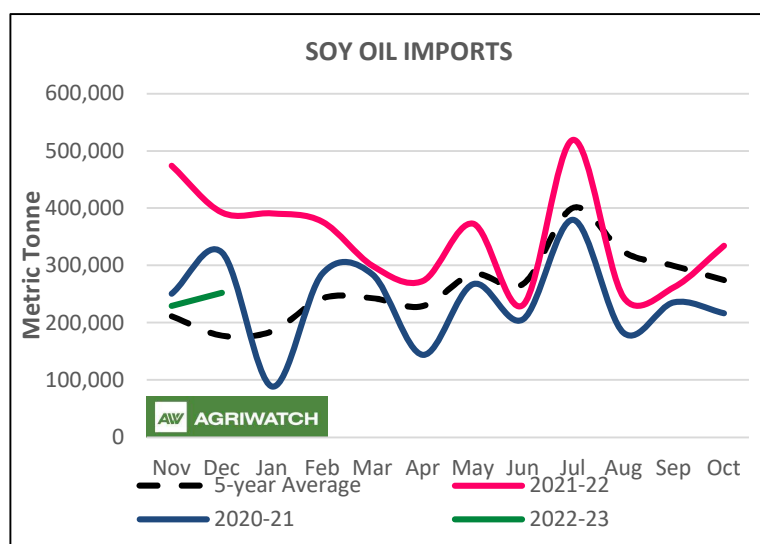
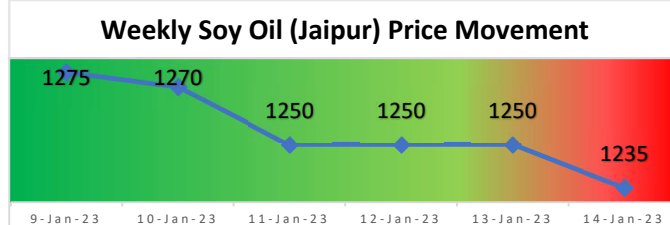
Acreage StatisticsRabi 2022-23 acreage statistics

Rabi 2022-23 acreage statistics			
Area Covered (Lakh Ha) as of 13 January 2023			
Crop	2022	2021	% Change
Rapeseed and Mustard	96.85	89.78	7.87%
Groundnut	4.98	4.5	10.67%
Safflower	0.84	0.71	18.31%
Sesamum	0.39	0.38	2.63%
Sunflower	0.81	1.06	-23.58%
Linseed	3.19	2.78	14.75%
Other Oilseeds	0.46	0.44	4.55%
Total Oilseeds	107.52	99.65	7.90%

Soy oil Fundamental Analysis and Outlook-:
Domestic Front

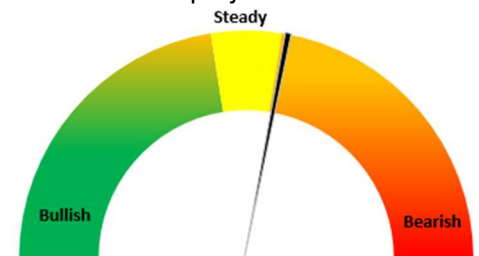


- Soy oil at bench market Indore witnessed weak momentum in prices which closed down by 3.14% from Rs 1275 to Rs 1235 per 10 Kg.
- Prices declined amid sluggish demand from buyers.
- Central government released the statement to discontinue the stock limits on edible oils and oilseeds beyond 31.12.2022 which was under the licensing requirements, stock limits and movement restrictions on specified foodstuffs order, 2016 that was up to 31.12.2022.
- Soy oil imports in December rose to 2.52 LT compared to 2.29 LT in previous month and 3.92 LT in previous year, for the same month.
- Soy oil imports rose December as in domestic market crushing is in disparity
- 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.
- 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

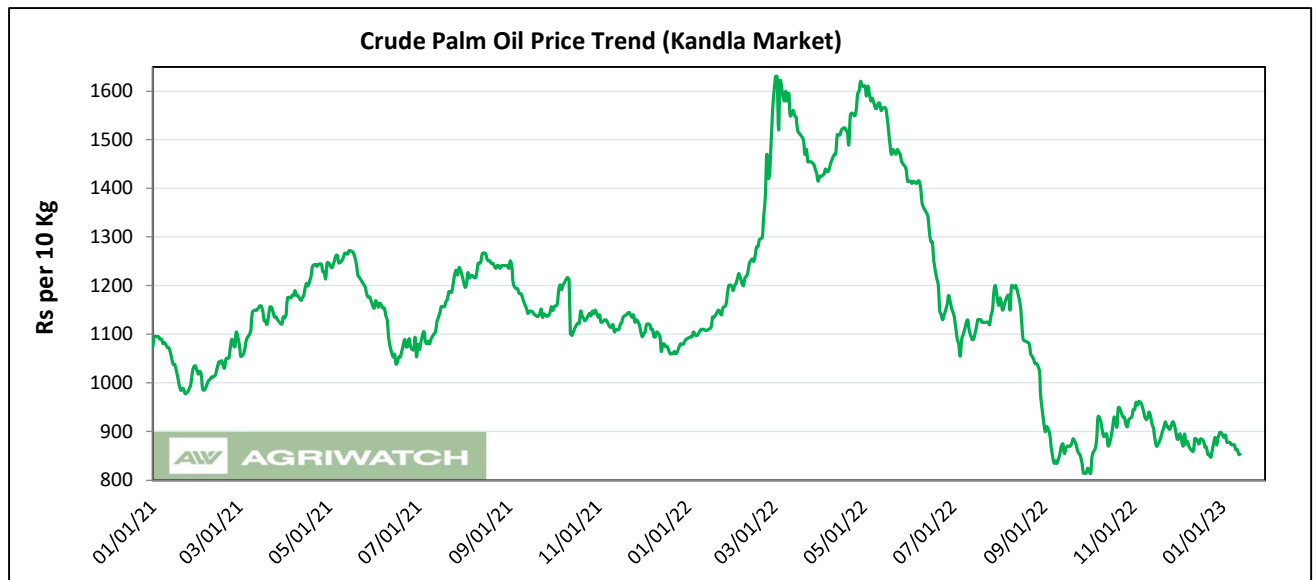
- CBOT Soy oil most active 'March' contract traded down by 0.30% for the period of 9th-16th January.
- According to USDA Jan'23 report, 2022/23 Argentina soybean production is lowered 4.0 million tons to 45.5 million on drought conditions straining yields. Smaller supplies put downward pressure on crush and exports, both lowered this month. Argentina exports and crush have been subdued this year as farmers were reluctant to sell soybeans to hedge against high inflation. However, a more favorable 'soy dollar' exchange rate enacted in September temporarily boosted sales and exports for a couple months.
- Despite a cut in soybean production in Argentina, South American supplies in 2022/23 are still forecast at a record predominantly due to record Brazil production. Unlike Argentina, Brazil soybean production is up 1.0 million tons this month to 153.0 million. Additionally, soybean carry in is raised 3.0 million tons due to an upward revision to the 2021/22 crop and a lower crush estimate. As a result, both Brazil crush and soybean exports are up this month. This increase mostly offsets Argentina reductions this month.
- A decline of 10% was seen in Brazil's soybean exports in the year 2022 at 77 MMT as compared to the year 2021 at 86.6 MMT. While exports in the month of December 2022 were 35% lower than that of December 2021. The major reason behind this decline was the drought conditions in the country that led to the crop loss. The January exports are also estimated to be lowered by 1 million than the same month in 2022 and projected at 1.3 million.



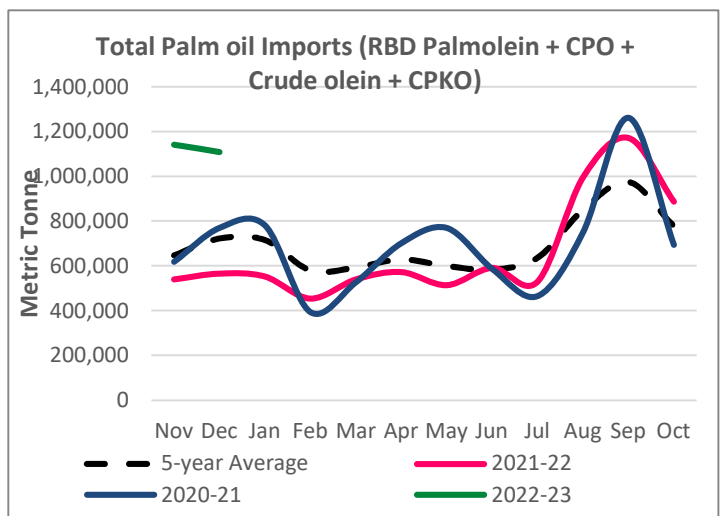
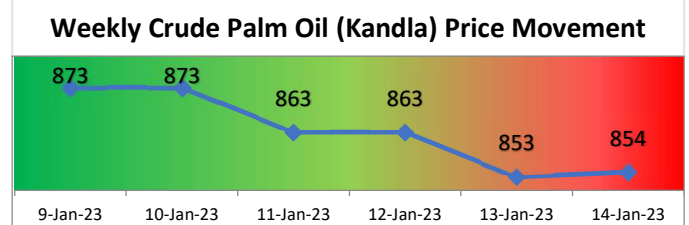
Price Outlook: We expect refined soy oil (without GST) at Indore to stay in the range of Rs 1200-1270 per 10 Kg in the near term.

Palm oil Fundamental Analysis and Outlook -:

Domestic Front



- Crude palm oil (CPO) prices witnessed downward movement in prices for the previous week at various markets. Prices in the benchmark market Kandla traded down by 2.18%.
- Palm oil prices declined following weakness in competing oils.
- Vanaspati demand is also slow which further pressured palm oil prices.
- Government also extended the concessional duties on edible oils till 31st March, 2024, which was applicable till 31st March, 2023. Government has taken the step to check the inflationary prices of edible oils.
- Higher RBD Palm Olein imports is 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.
- Total Palm oil imports in December stood at 11.09 Lakh Tonnes (LT) compared to 11.41 LT in previous month.
- RBD Palm Oil imports for December'22 stood at 2.56 LT compared to 0.24 LT last year. CPO imports for December'22 stood at 8.43 LT compared to 5.28 LT last year.
- Higher imports of both CPO and RBD Palm oil has been witnessed due to discounted prices of Palm oil compared to Soy oil.



International Front

- BMD Palm oil Malaysia declined by 5.08% for the past week as export demand weakens.
- BMD Palm oil futures prices are anticipated to ease down as Malaysia's Palm oil export demand softens. According to the export agencies Malaysia's January 1-15th exports declined sharply

Agency	September	August	%Change
ITS	409,731	649,782	-36.94%
AmSpec	401,749	631,243	-36.36%
SGS	453,771	634,618	-28.50%

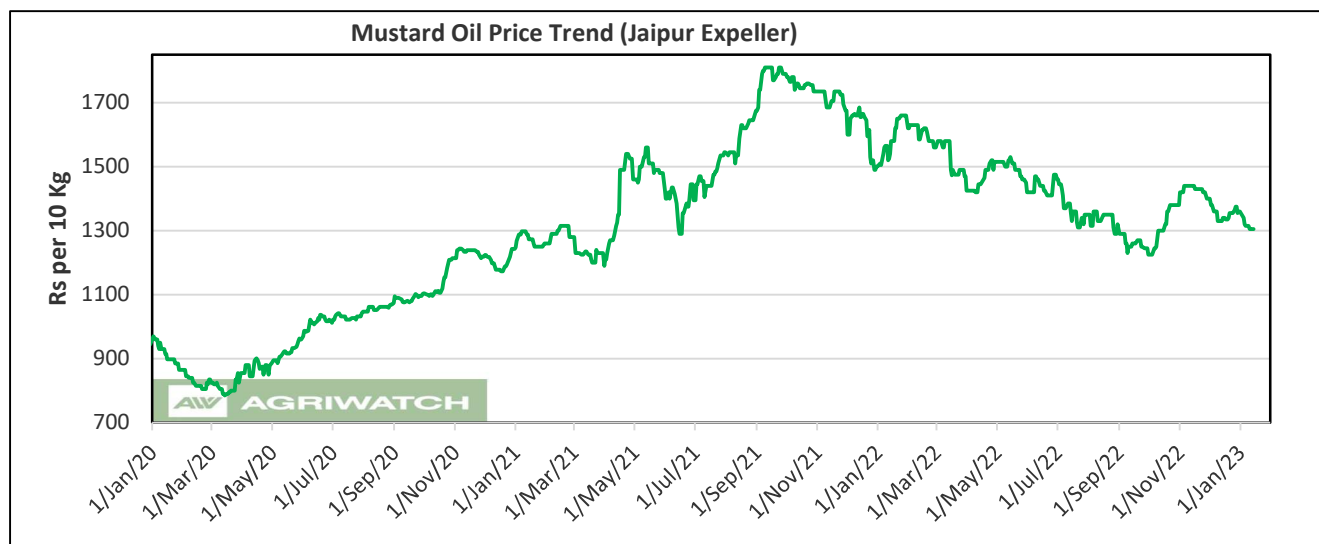
- Indonesia tightened its Palm oil exports policy. Indonesia from 1st January would implement its policy that will further lead to lesser shipments overseas for every tonnes sold domestically, to ensure sufficient domestic supply.
- Prices might be supported as Indonesia may soon rollout B35 biodiesel mandate.
- 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.



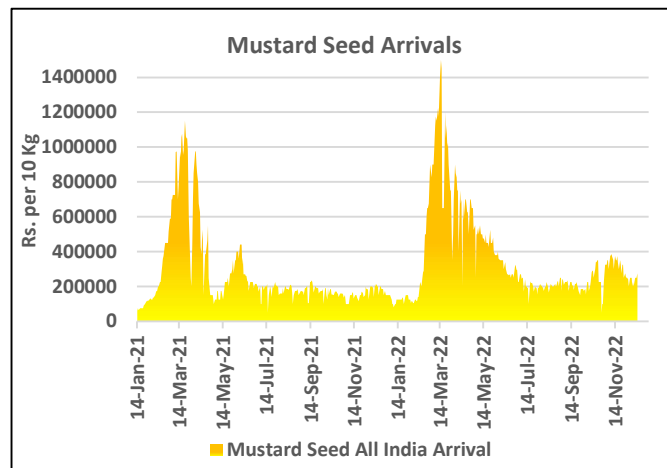
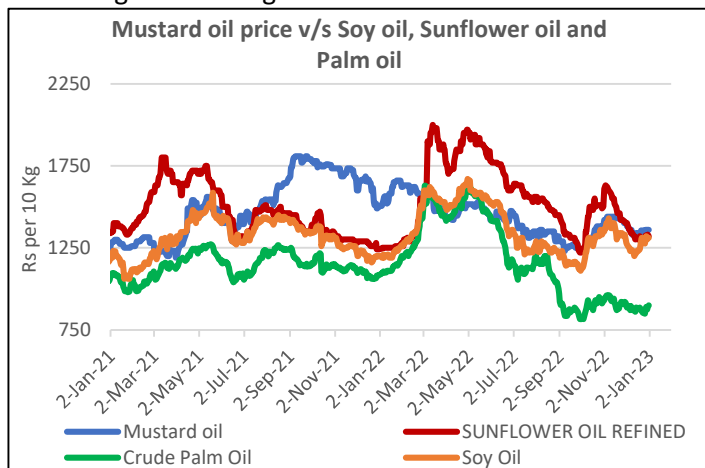
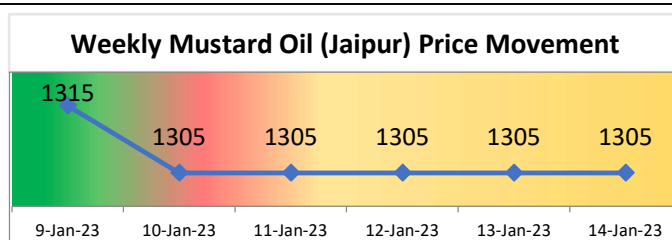
Price Outlook: We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 800-900 per 10 Kg in the near term.

Rapeseed oil Fundamental Review and Analysis-

Domestic Front



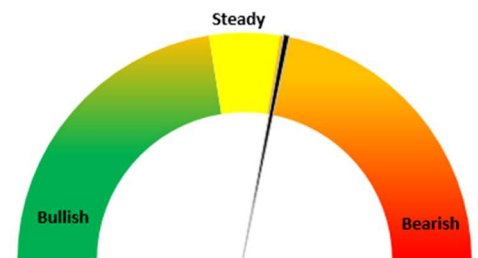
- Mustard oil prices traded down at various markets for the week in review.
- Mustard oil prices were pressured on the expectation of early arrival of the new mustard crop. Early crop arrival mainly from Rajasthan is anticipated as Early crop sowing was done amid congenial sowing weather condition.



- Arrivals for the period of 9th-14th January stood at 8.90 Lakh Tonne (LT) compared to 11.70 LT arrivals of last week. Arrivals are down for the past week due to festival holiday.
- Most of the Expeller crushing plants are still shut in the major crushing region of Rajasthan amid disparity in seeds crushing. Mostly Kacchi Ghani is operational these days, amid weak crush margin.
- Crushing is still in disparity as seed prices fell marginally, compared to weak oil prices.
- As of 13th January 2022, All India acreage under rabi Mustard stood at 96.85 Lakh Ha., up by 7.87% compared to 89.776 lakh Ha. last year, same time period.

- AgriWatch anticipated 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.

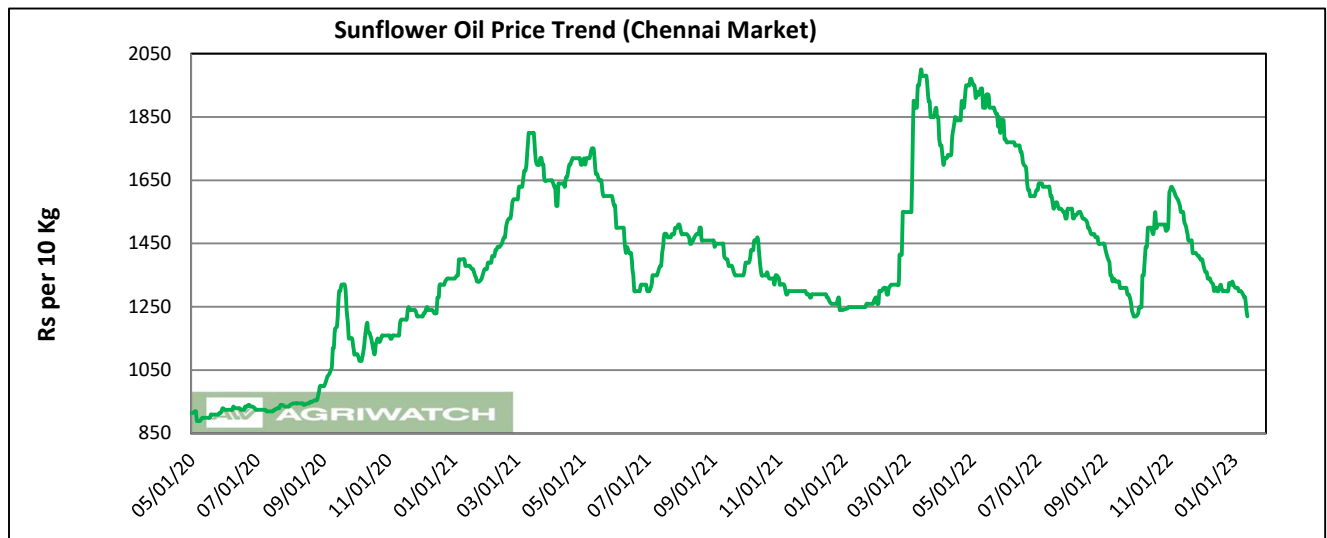
Mustard and Rapeseed			
Area Covered (Lakh Ha) as of 13 January			
State	2022	2021	% Change
Rajasthan	39.72	35.33	12.43%
Madhya.Pradesh	14.04	11.61	20.93%
Uttar.Pradesh	13.28	14.149	-6.16%
Haryana	7.323	7.563	-3.17%
West.Bengal	6.547	6.01	8.94%
Jharkhand	3.715	3.704	0.30%
Assam	3.336	3.196	4.38%
Gujarat	3.051	3.383	-9.81%
Others	5.833	4.832	20.72%
Total	96.85	89.776	7.87%



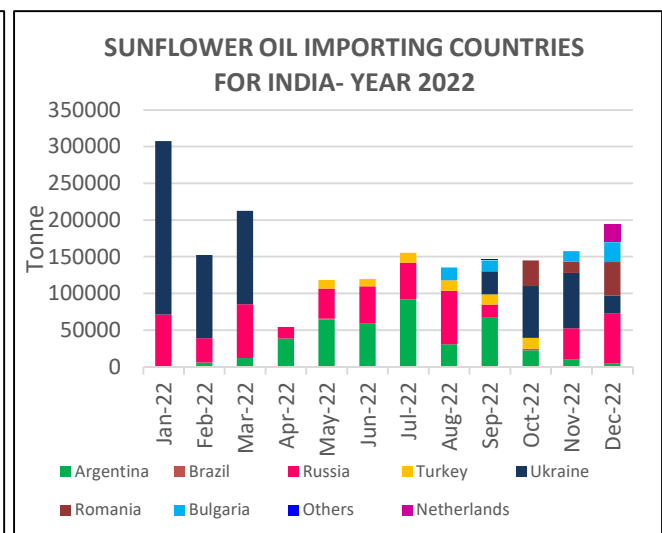
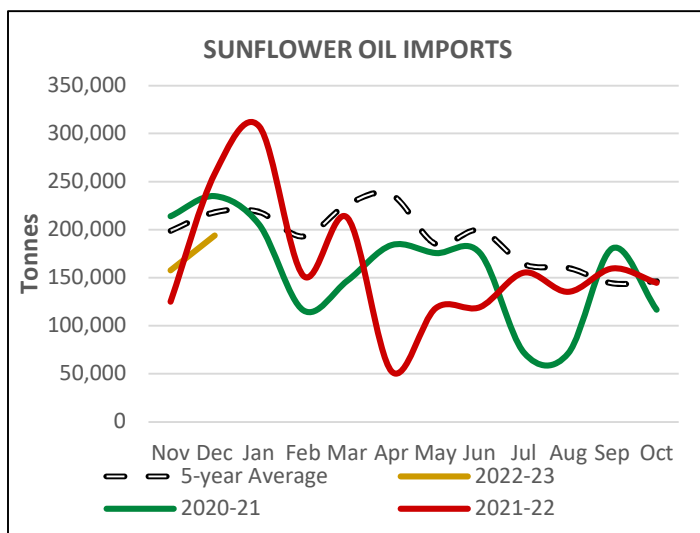
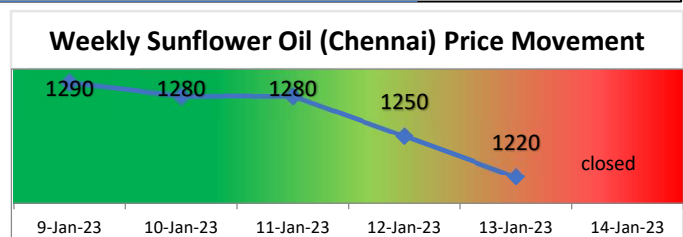
Price Outlook: Rapeseed Expeller oil (without GST) prices in Jaipur may trade in the range of Rs 1250-1320 per 10 Kg with weak bias.

Sunflower oil Fundamental Review and Analysis:-

Domestic Front



- Sunflower oil prices declined sharply at various markets. Prices at Bench market Chennai for Sun oil traded down by 5.43%.
- Domestic prices fell for the past week following correction in international sun oil prices.
- International sun oil prices fell as harvesting in both Russia and Ukraine is over.
- However, Russia's sunseed production has declined marginally, which might underpin the prices.
- As of 30th December, Ukraine has harvested 4.8 million hectares of sunflower seed with average yield of 2.18t/ha, amounting 10.5 MT production.
- Russia's sunflower seed production is estimated at 15.3 MT compared to 15.7MT last year.



- Sunflower oil imports in December'22 stood at 1.94 LT compared to 1.58 LT in previous month. India imported 24,000 tonnes of sun oil from Netherlands for the first time in past 3 years.

FOB Price Black Sea	Ukraine's Prices (\$/MT)	Russia's Prices (\$/MT)	% Change
Prices as on 14 th Jan for Jan/Feb	1172.5	1196.25	2.03%
Prices as on 14 th Jan for Mar	1172.5	1159	-1.15%

- As of 13th January, All India acreage under rabi Sunflower seed stood at 0.807 Lakh Ha. compared to 1.059 lakh Ha. last year, same time period.
- It is anticipated that, sunflower oil prices are likely to trade with sideways in tandem with sideways international prices of Sun oil.

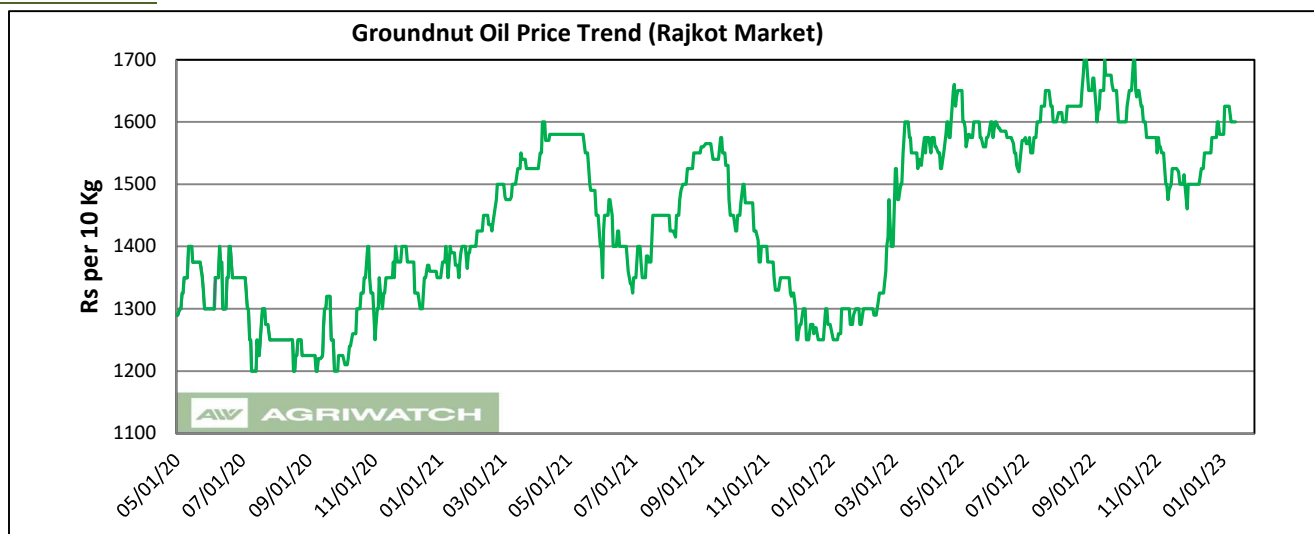
Rabi Sunflower			
Area Covered (Lakh Ha) as of 13 January 2023			
State	2022	2021	% Change
Karnataka	0.46	0.72	-35.11%
Odisha	0.092	0.063	46.03%
Maharashtra	0.065	0.07	-7.14%
Andhra Pradesh	0.054	0.043	25.58%
Telangana	0.052	0.082	-35.59%
Others	0.085	0.082	3.66%
Total	0.807	1.059	-23.80%



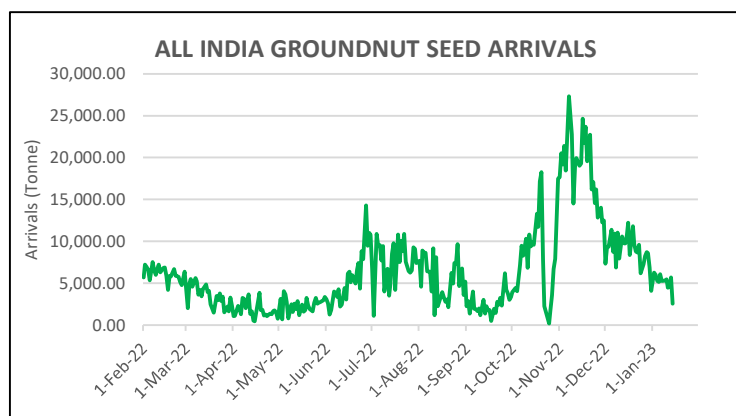
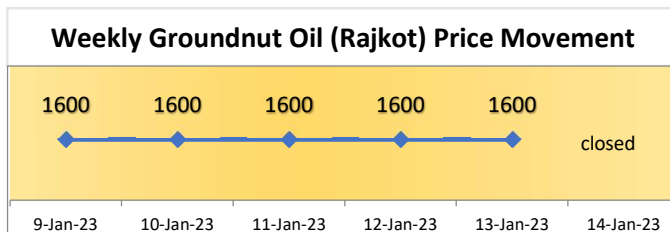
Price Outlook: Sunflower oil (without GST) prices in Chennai may stay in the range of Rs 1150-1280 per 10 Kg.

Groundnut oil Fundamental Review and Analysis:-

Domestic Front

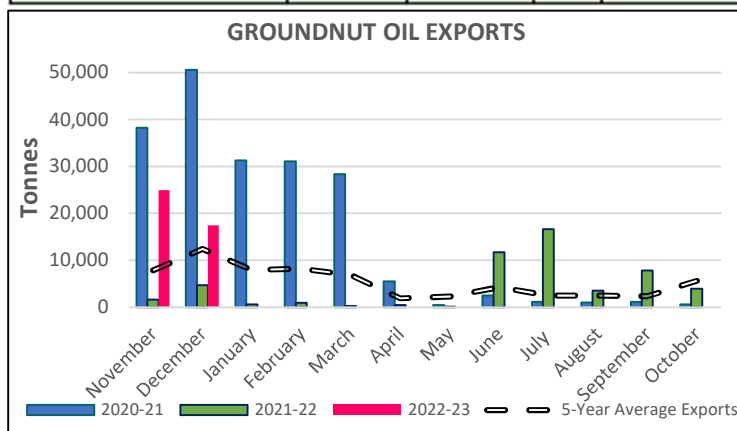


- Groundnut (GN) oil market prices at Rajkot market traded steady at Rs 1600/10 Kg.
- GN oil prices traded firm as arrivals have lowered down at various markets, all over India.
- GN oil prices were also underpinned as stockiest are aggressively stocking Groundnut (GN) seeds after the abolition of the stock limit on oilseeds and edible oils.
- The revival of export demand from China pushed GN oil and seed prices significantly up.
- Crushing of GN seed turned to disparity as seed prices shot up, while oil prices are gradually rising amid weak GN oil export demand.
- Arrivals for the period of 9th-14th January stood at 27,969.84 tonnes, lower compared to 36,727.23 tonnes in the previous week.
- 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.



- As of 13th January 2023, All India acreage under rabi groundnut stood at 4.984 Lakh Ha. compared to 4.502 lakh Ha. last year.
- Exports in December stood at 17,444.69 Tonnes compared to the export of 24,914.43 Tonnes in previous month. China's export demand made 97.21% of the total exports at 16,957.125 tonnes. GN oil exports in December declined as China's demand dampened due to resurgence in covid cases. However, on Y-o-Y comparison exports are up by 271%.
- However, higher premium of GN oil over competing oils might impact its demand. Thus, prices might trade with weak bias in coming week.

Rabi Groundnut			
Area Covered (Lakh Ha) as of 13 January			
State	2022	2021	% Change
Karnataka	1.65	1.38	19.57%
Odisha	0.874	0.518	68.73%
Telangana.	0.841	1.253	-32.88%
Tamil.Nadu	0.772	0.61	26.56%
Andhra.Pradesh	0.679	0.628	8.12%
Others	0.168	0.113	48.67%
Total	4.984	4.502	10.71%



Price Outlook: Groundnut oil (without GST) prices in Rajkot is likely to trade sideways in the range of Rs 1575-1625 per 10 Kg.

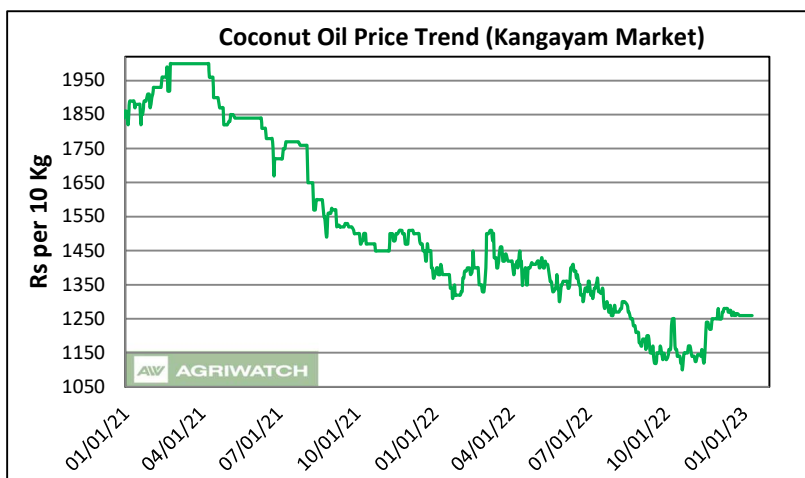
Coconut Oil Fundamental Review and Analysis:-

Domestic Front

- The Coconut oil prices traded steady at benchmark market Kangeyam at Rs 1260/10 Kg level.
- Coconut oil market is sluggish amid higher supply side.

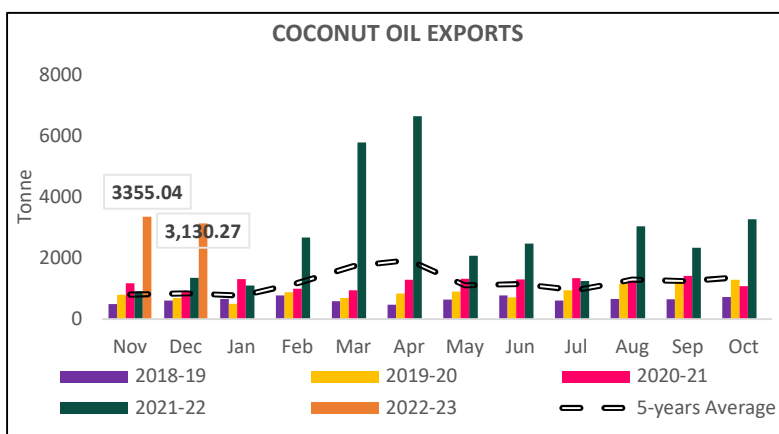
Previous News Impacting market

- NAFED is releasing the stock as higher supply side is weighing on the prices. Thus, to fetch the remunerative prices, it is selling the stocks at discount.
- 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.



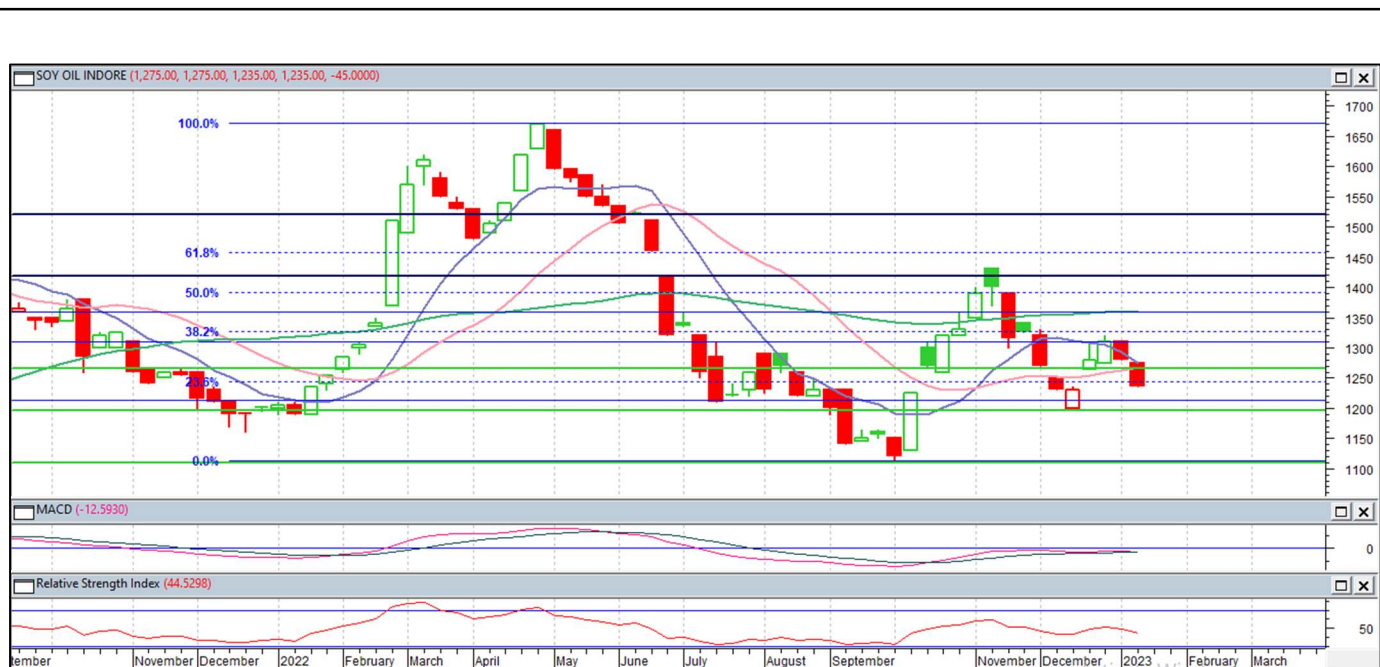
Exports

- Export demand in December came mainly from UAE, making 52.85% of total exports. 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 3,130.27 tonnes of Coconut oil in December 2022 slightly lower compared to 3,355.04 tonnes export in November 2022, and higher compared to 1,353.58 tonnes in December 2021.
- Export demand is good. However, higher supply side is offsetting the gains in prices.



Price Outlook: Coconut oil (without GST) prices in Kangeyam is likely to trade sideways in the range of Rs 1200-1280 per 10 Kg.

Technical Analysis (Refined soy oil)



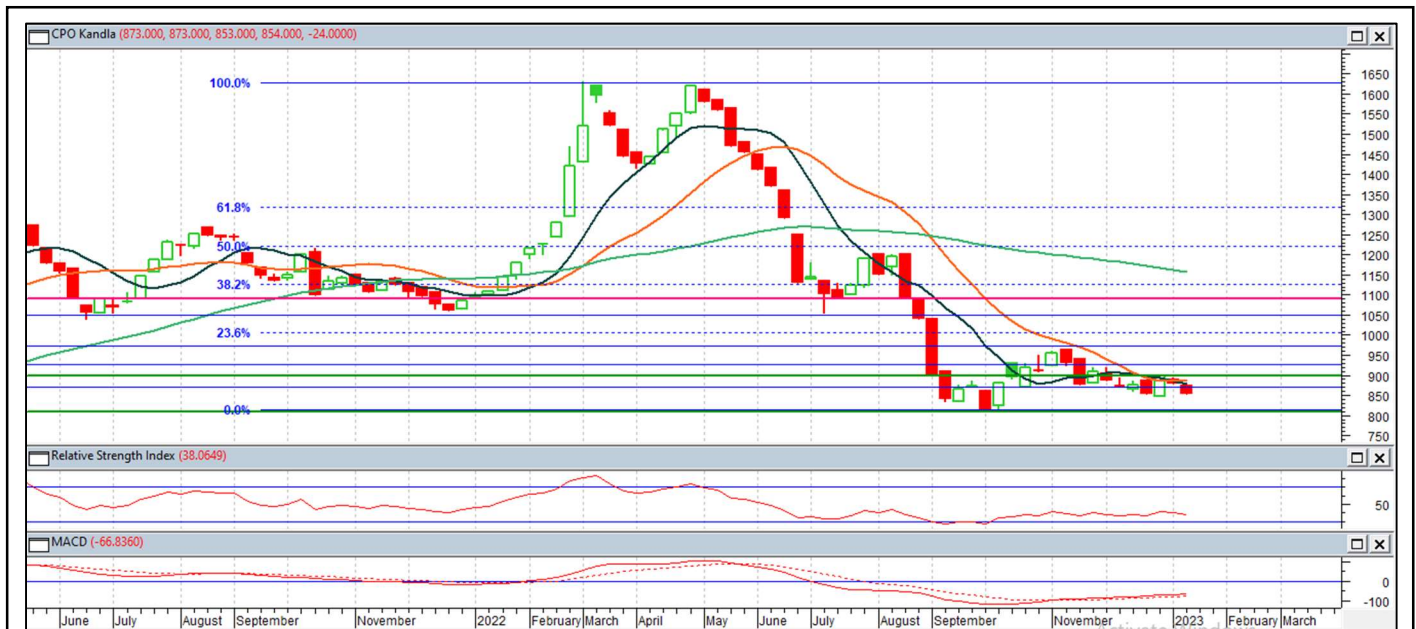
Technical Commentary

- Market prices traded down from Rs 1275 to Rs 1235 level.
- Prices closed below 9 and 18 DMAs indicating towards weak sentiments.
- RSI is declining in the neutral zone indicating towards weak market.
- MACD has converged with the signal line, indicating towards neutral sentiments.

Weekly Outlook

Prices are likely to trade up in the range of Rs 1200-1270/10 Kg.

Technical Analysis (Crude Palm oil)



Technical Commentary

- As can be seen in the above chart, market prices declined in the past week.
- Market closed with red candlestick, 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 with weak bias.

Weekly Outlook

Prices are likely to trade in the range of Rs 800-900/10 Kg. 900 level can be seen as immediate resistance, and 820-830 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
		14-Jan-23	9-Jan-23	
Refined Soybean Oil	Indore	1235	1275	-40
	Indore (Soy Solvent Crude)	1240	1260	-20
	Mumbai	1245	1275	-30
	Mumbai (Soy Degum)	1180	1200	-20
	Kandla/Mundra	1220	1260	-40
	Kandla/Mundra (Soy Degum)	1190	1200	-10
	Kolkata	1270	1265	5
	Nagpur	Closed	1265	-
	Rajkot	Closed	1240	-
	Kota	1250	1290	-40
	Akola	Closed	1260	-
	Amrawati	Closed	1260	-
	Bundi	1260	1320	-60
	Jalna	Closed	1285	-
	Solapur	Closed	1255	-
	Dhule	Closed	1290	-
	Nanded	Closed	1255	-
	Latur	Closed	1255	-
	Argentina Crude Soya (CIF India) USD	1288	1296	-8
	Argentina Crude Soya (FOB)	1201	1209	-8
Palm Oil	Kandla (Crude Palm Oil)	854	873	-19
	Kandla (RBD Palm oil)	900	925	-25
	Kandla RBD Pamolein	915	945	-30
	Kakinada (Crude Palm Oil)	-	850	-
	Kakinada RBD Pamolein	915	940	-25
	Haldia Pamolein	915	945	-30
	Chennai RBD Pamolein	915	935	-20
	Chennai RBD Pamolein (Vitamin A&D Fortified)	979	1003	-24
	Krishnapattanam RBD Pamolein	905	940	-35
	Mumbai RBD Pamolein	920	950	-30
	Mangalore RBD Pamolein	920	945	-25
	Mumbai (Refined)	Closed	950	-
	Rajkot (Refined)	Closed	925	-
	Chennai (Refined)	Closed	940	-

	Hyderabad (Refined)	Closed	930	-
	PFAD (Kandla)	640	660	-20
	RPS (Kandla)	790	810	-20
	Superolien (Kandla)	965	990	-25
	Superolien (Mumbai)	970	1000	-30
	Kochi (RBD Palmolein)	Closed	955	-
	Krishnapattanam (Crude Palm Oil)	Closed	850	-
Refined Sunflower Oil	Chennai (Refined)	Closed	1290	-
	Chennai (Crude)	Closed	1160	-
	Mumbai (Refined)	1265	1330	-65
	Mumbai (Expeller Oil)	1150	1190	-40
	Kandla (Refined)	1310	1340	-30
	Hyderabad (Refined)	Closed	1300	-
	Hyderabad (Expeller)	Closed	1190	-
	Latur (Refined)	Closed	1320	-
	Latur (Expeller Oil)	Closed	1210	-
	Chellakere (Expeller Oil)	Closed	1220	-
	Erode (Expeller Oil)	Closed	1370	-
	Kakinada (Refined)	Closed	1290	-
	Krishna Pattanam (Refined)	Closed	1290	-
Groundnut Oil	Rajkot	Closed	1600	-
	Chennai	Closed	1600	-
	Hyderabad *	Closed	1565	-
	Mumbai	1600	1620	-20
	Gondal	Closed	1600	-
	Jamnagar	Closed	1600	-
	Gujarat GN Telia	2520	2550	-30
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1305	1315	-10
	Jaipur (Kacchi Ghani Oil)	1315	1325	-10
	Kota (Expeller Oil)	1280	1270	10
	Kota (Kacchi Ghani Oil)	1310	1320	-10
	Neewai (Expeller Oil)	1272	1280	-8
	Neewai (Kacchi Ghani Oil)	1300	1330	-30
	Bharatpur (Kacchi Ghani Oil)	Closed	1340	-
	Sri-Ganga Nagar (Exp Oil)	1280	1290	-10
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1300	1310	-10
	Mumbai (Expeller Oil)	1310	1330	-20
	Kolkata (Expeller Oil)	1540	1550	-10
	Hapur (Expeller Oil)	1480	1470	10

	Hapur (Kacchi Ghani Oil)	1530	1520	10
	Agra (Kacchi Ghani Oil)	Closed	1345	-
Refined Cottonseed Oil	Rajkot	Closed	1230	-
	Hyderabad	Closed	1210	-
	Mumbai	1210	1245	-35
	Gujarat Cotton Wash	1160	1180	-20
Coconut Oil	Kangayam (Crude)	Closed	1260	-
	Cochin	1330	1330	Unch
Rice Bran Oil	Mumbai (Refined 4%)	1060	1080	-20
	Bhatinda (Crude 4%)	900	910	-10
	Bhatinda (Refined 4%)	1015	1025	-10
	Hyderabad (Crude)	930	960	-30
	Hyderabad (Refined)	1120	1140	-20
	Kolkata (Crude)	960	970	-10
	Kolkata (Refined)	1050	1080	-30
	Raipur (Crude)	985	1000	-15
	Vijayawada (Refined)	1130	1140	-10
Malaysia Palmolein USD/MT	FOB	938	960	-22
	CNF India	955	985	-30
Indonesia CPO USD/MT	FOB	Unq	990	-
	CNF India	965	1010	-45
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	770	800	-30
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	700	742	-42
Crude palm Kernel Oil India (USD/MT)	CNF India	Closed	1010	-
Ukraine Origin CSFO USD/MT Kandla	CIF	1300	1300	Unch
Argentina FOB (\$/MT)		14-Jan-23	9-Jan-23	Change
Crude Soybean Oil Ship		Closed	1202	-
Refined Soy Oil (Bulk) Ship		Closed	1244	-
Sunflower Oil Ship		Closed	1245	-

** 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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