



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 up at various markets.

On the currency front, Indian rupee is hovering near 81.39 against 82.37 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.



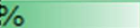

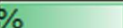

We expect Palm oil to trade sideways and Soy oil to trade sideways with weak bias for the coming term.

International Veg. Oil Market Summary

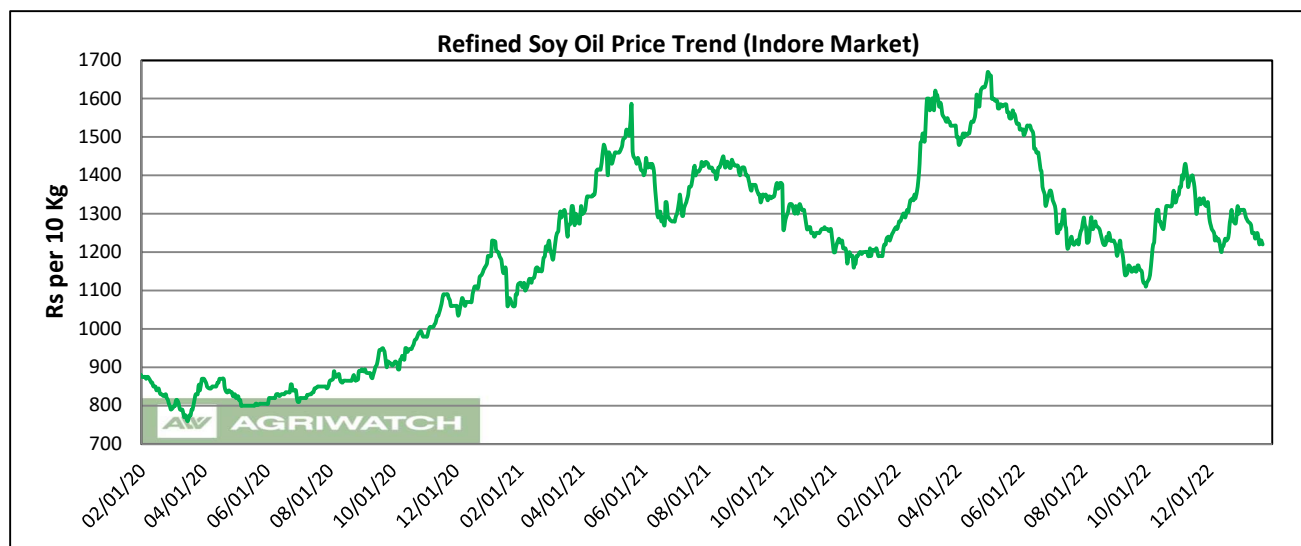
On the international front, anticipation of higher global soybean stock, US Soybean crush, US's Soy oil stock and EPA policy, China's soybean demand, Brazil's increase in Soybean acreage, crude oil prices and La Nina's impact on Argentina's Soybean crop is likely to govern soy oil prices in the coming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

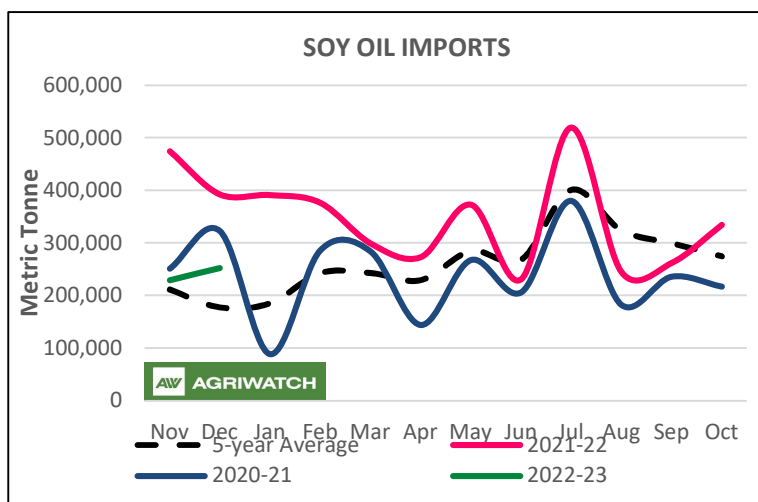
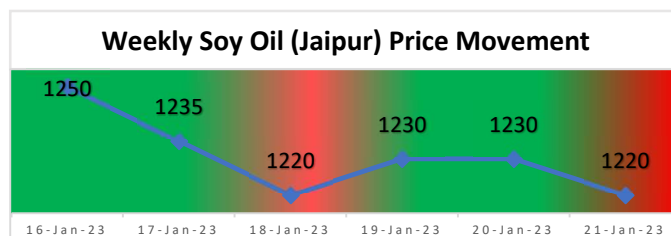
Acreage StatisticsRabi 2022-23 acreage statistics

Rabi 2022-23 acreage statistics			
Area Covered (Lakh Ha) as of 20 January 2023			
Crop	2022	2021	% Change
Rapeseed and Mustard	97.1	90.18	7.67% 
Groundnut	5.17	4.7	10.00% 
Safflower	0.85	0.73	16.44% 
Sesamum	0.41	0.41	0.00%
Sunflower	0.85	1.1	-22.73% 
Linseed	3.23	2.82	14.54% 
Other Oilseeds	0.5	0.46	8.70% 
Total Oilseeds	108.11	100.4	7.68%

Soy oil Fundamental Analysis and Outlook-: Domestic Front



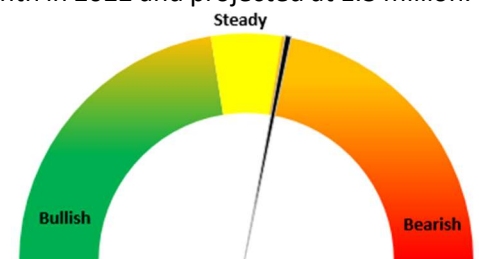
- Soy oil at bench market Indore witnessed weak momentum in prices which closed down by 2.40% from Rs 1250 to Rs 1220 per 10 Kg.
- Prices declined amid sluggish demand from buyers.
- Weak Soy oil International fundamentals is also weighing on domestic market.
- Soy oil imports in December rose to 2.52 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

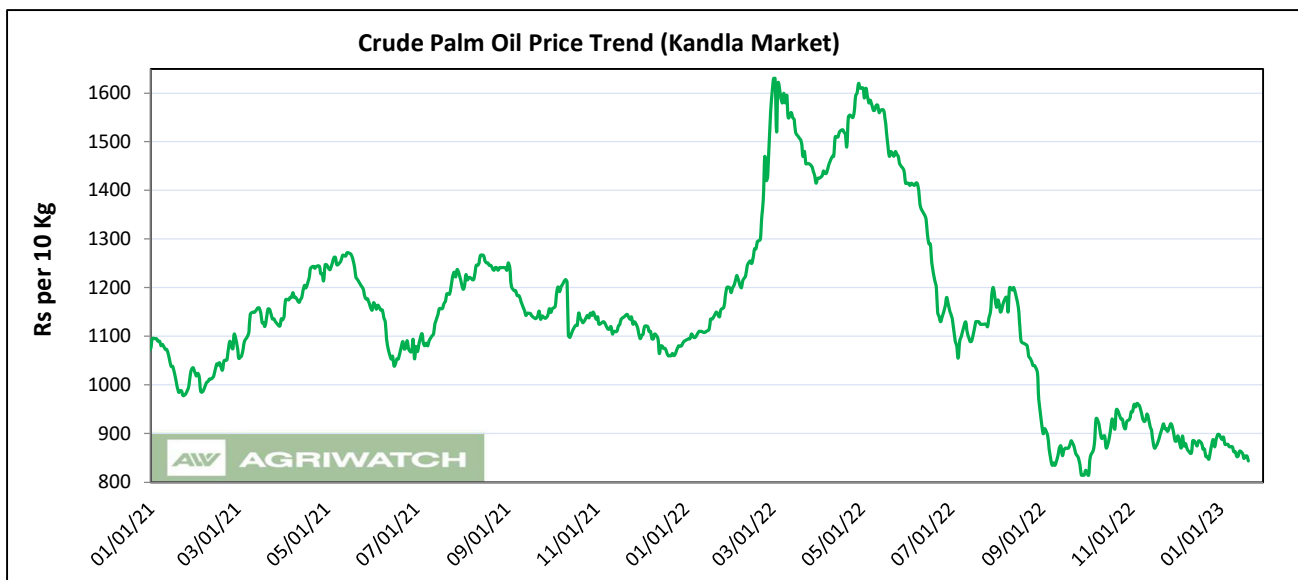
- CBOT Soy oil most active 'March' contract traded down by 1.63% for the period of 16th-21st January.

- 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.

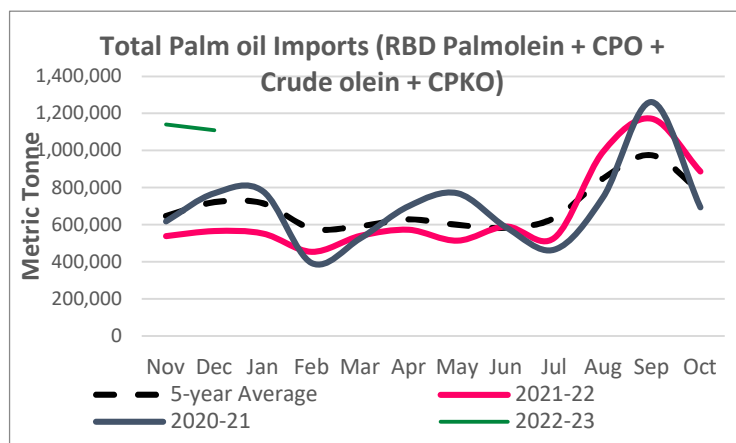
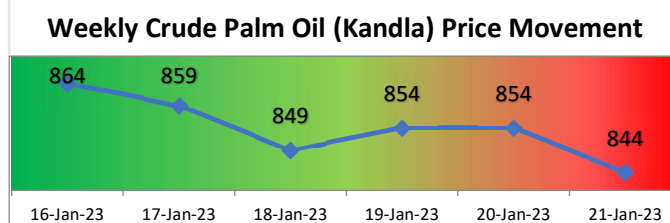


Price Outlook: We expect refined soy oil (without GST) at Indore to stay in the range of Rs 1200-1270 per 10 Kg in the near term.

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 2.31%.
- Palm oil prices declined following weakness in competing oils and weak international palm oil prices.
- Vanaspati demand is also slow which further pressured palm oil prices.
- Higher palm oil imports have buildup higher supply side, which would pressure the prices for the coming weeks.
- 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.

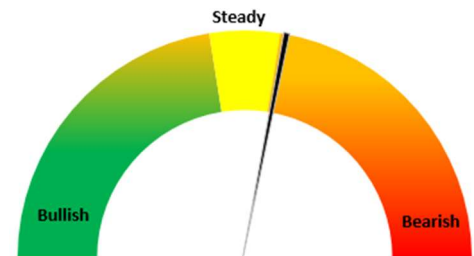


International Front

- BMD Palm oil Malaysia futures declined by 4.98% for the past week on the back of weak export demand.
- 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 1-20th exports declined sharply

Agency	September	August	%Change
ITS	589,308	952,592	-38.1%
AmSpec	566,661	921,811	-38.5%
SGS	654,888	923,642	-29.1%

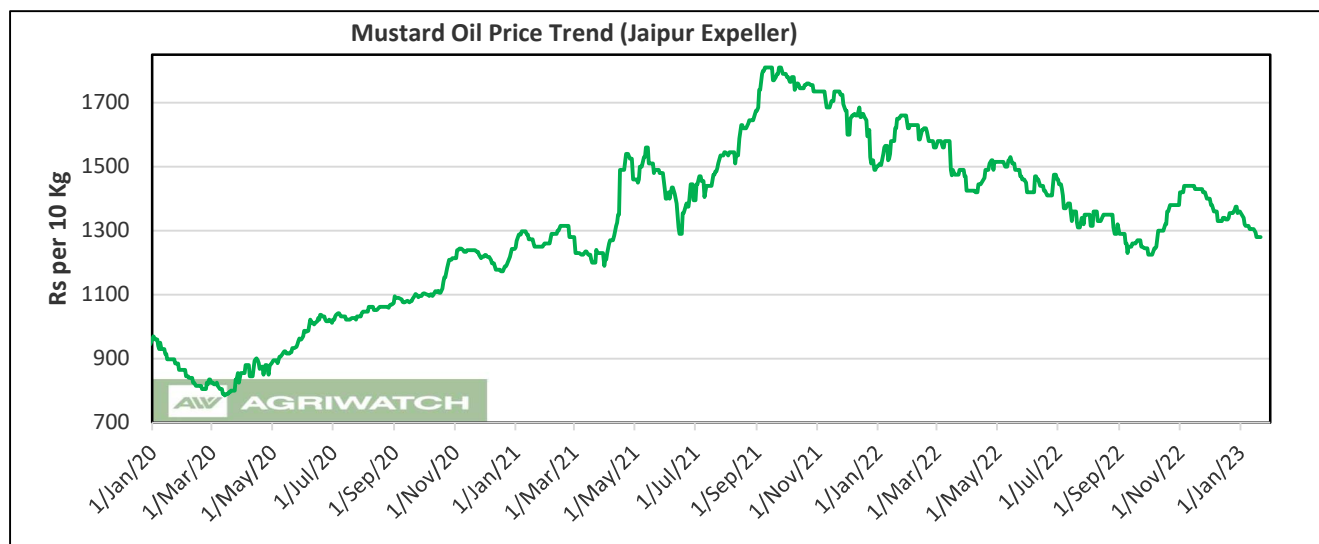
- Indonesia tightened its Palm oil exports policy. Indonesia from 1st January would implement its policy that will further lead to lesser shipments overseas for every tonnes sold domestically, to ensure sufficient domestic supply.
- Prices might be supported as Indonesia may soon rollout B35 biodiesel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



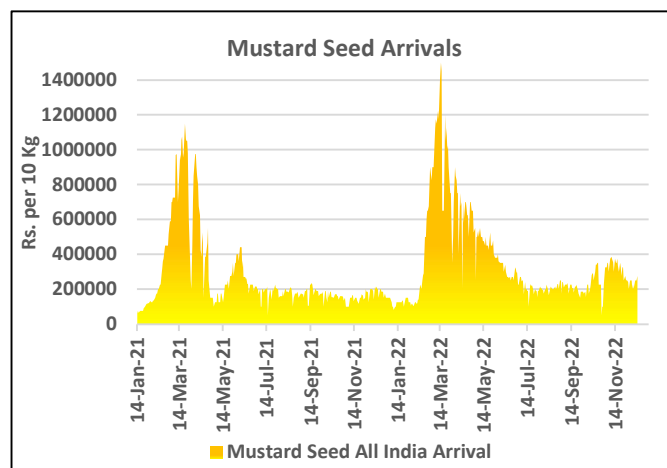
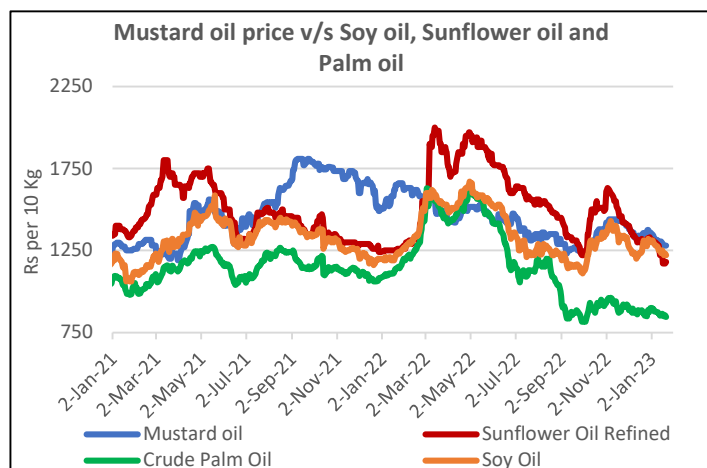
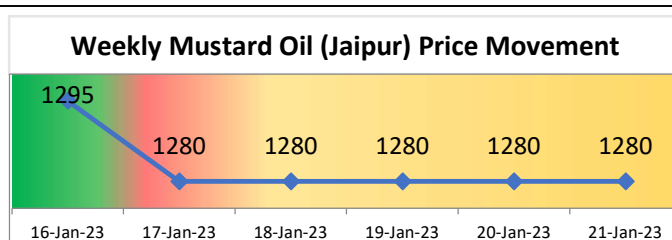
Price Outlook: We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 800-900 per 10 Kg in the near term.

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.
- Agriwatch was anticipating early arrivals of new mustard crops, mainly from Rajasthan, as early crop

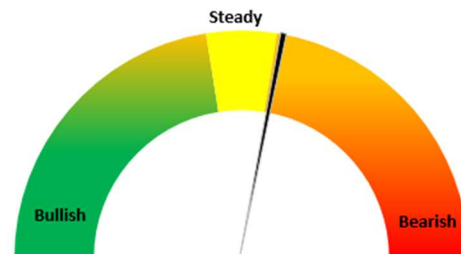


sowing commenced amid congenial sowing weather conditions.

- However, in the past week, the Mustard crop witnessed losses in the districts of Sikar, Sri Ganganagar, Hanumangarh, Jaisalmer, and Barmer due to the cold wave. Crop loss of 20-40% is expected in the region. Thus, crop arrival might get delayed. According to the Narnaul's deputy director (agriculture), losses in Mahendragarh (RJ) has also witnessed due to frost.
- Forecast of rainfall in the parts of Haryana, Uttar Pradesh, and Rajasthan in the coming week, may further delay the arrival of crops. Thus, prices of oil and seeds are expected to trade sideways in the coming weeks.

- Arrivals for the period of 16th-21st January stood at 9.20 Lakh Tonne (LT) compared to 8.90 LT arrivals of last week. Arrivals were down for the period of 9th-14th, due to festival holiday.
- Crushing is still in disparity as seed prices fell marginally, compared to weak oil prices.
- As of 20th January 2022, All India acreage under rabi Mustard stood at 97.105 Lakh Ha., up by 7.68% compared to 90.181 lakh Ha. last year, same time period.

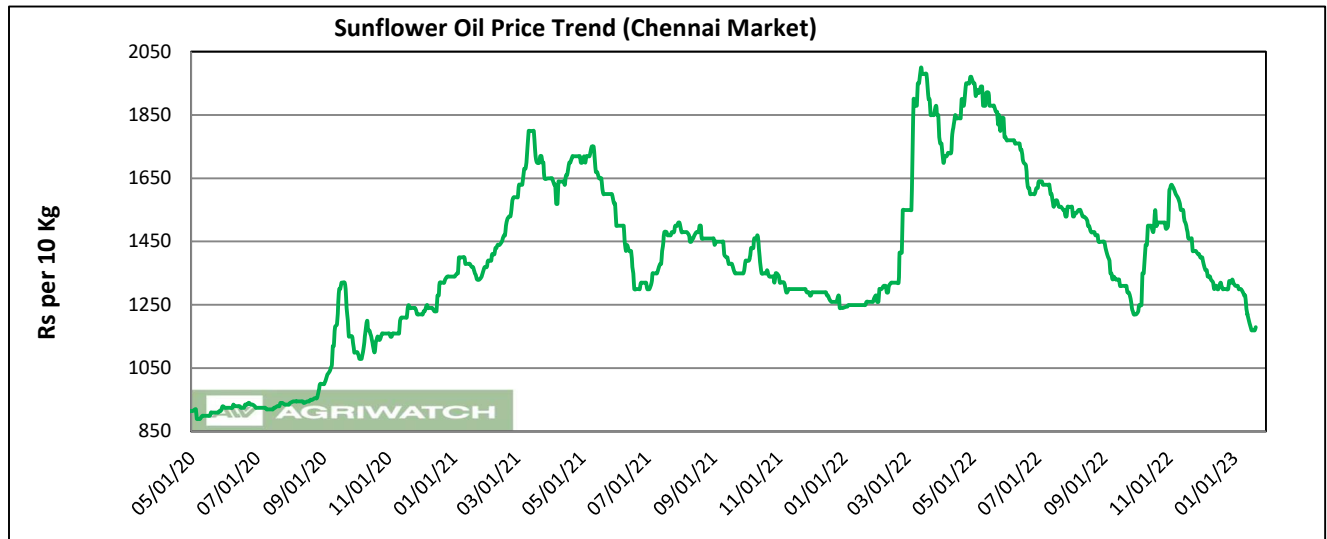
Mustard and Rapeseed			
Area Covered (Lakh Ha) as of 20 January 2023			
State	2022	2021	% Change
Rajasthan	39.722	35.33	12.43%
Madhya.Pradesh	14.04	11.72	19.80%
Uttar.Pradesh	13.278	14.173	-6.31%
Haryana	7.323	7.563	-3.17%
West.Bengal	6.556	6.09	7.65%
Jharkhand	3.715	3.704	0.30%
Assam	3.336	3.196	4.38%
Gujarat	3.052	3.403	-10.31%
Others	6.083	5.003	21.59%
Total	97.105	90.181	7.68%



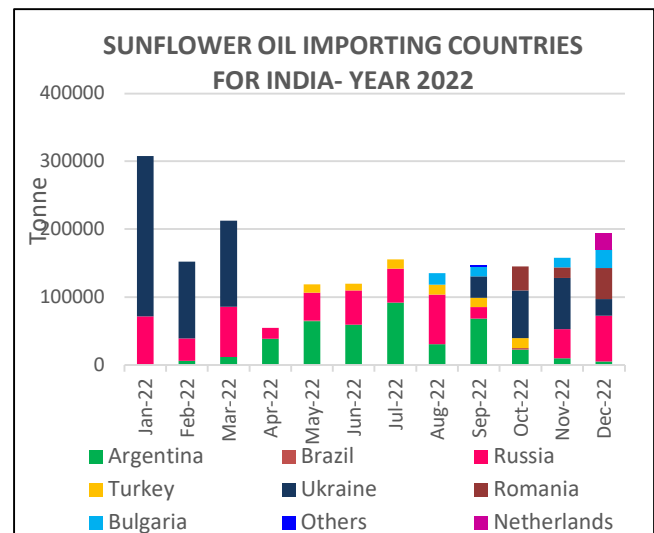
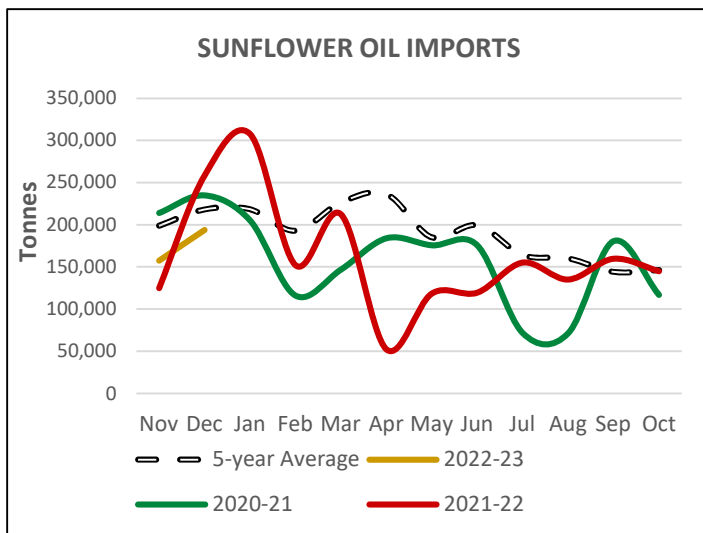
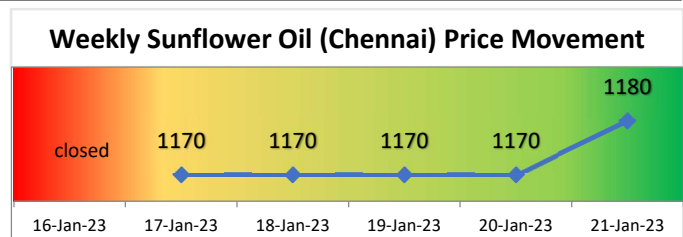
Price Outlook: Rapeseed Expeller oil (without GST) prices in Jaipur may trade in the range of Rs 1250-1320 per 10 Kg with weak bias.

Sunflower oil Fundamental Review and Analysis:-

Domestic Front



- Sunflower oil prices declined at various markets. However, Prices at Bench market Chennai for Sun oil traded marginally up from Rs 1170-Rs 1180/10 Kg.
- 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.



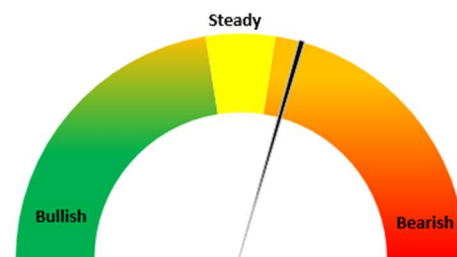
- Sunflower oil imports in December'22 stood at 1.94 LT compared to 1.58 LT in previous month. India imported 24,000 tonnes of sun oil from Netherlands for the first time in past 3 years.
- Ukraine Sun oil prices have once again gained discount over Russia's Sun oil prices. This is likely to underpin the higher export demand from Ukraine.

FOB Price Black Sea	Ukraine's Prices (\$/MT)	Russia's Prices (\$/MT)	% Change
Prices as on 21st Jan for Jan/Feb	1162.5	1202	3.40%
Prices as on 21st Jan for Mar	1162.5	1176	1.16%

FOB Price Black Sea	Ukraine's Prices (\$/MT)	Russia's Prices (\$/MT)	% Change
Prices as on 7th Jan for Jan/Feb	1172.5	1118.5	-4.61%
Prices as on 7th Jan for Mar	1172.5	1087.5	-7.25%

- As of 20th January, All India acreage under rabi Sunflower seed stood at 0.848 Lakh Ha. compared to 1.101 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.

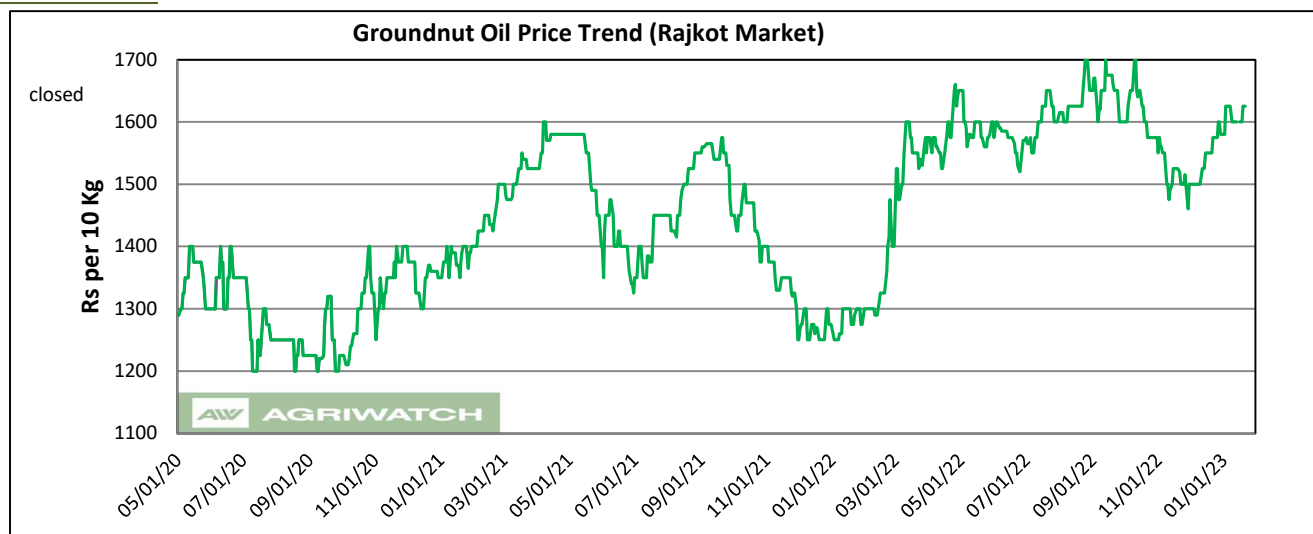
Rabi Sunflower			
Area Covered (Lakh Ha) as of 20 January 2023			
State	2022	2021	% Change
Karnataka	0.46	0.72	-36.11%
Odisha	0.108	0.076	42.11%
Maharashtra	0.073	0.081	-9.88%
Andhra Pradesh	0.056	0.046	21.74%
Telangana	0.056	0.092	-39.13%
Others	0.095	0.086	10.47%
Total	0.848	1.101	-22.98%



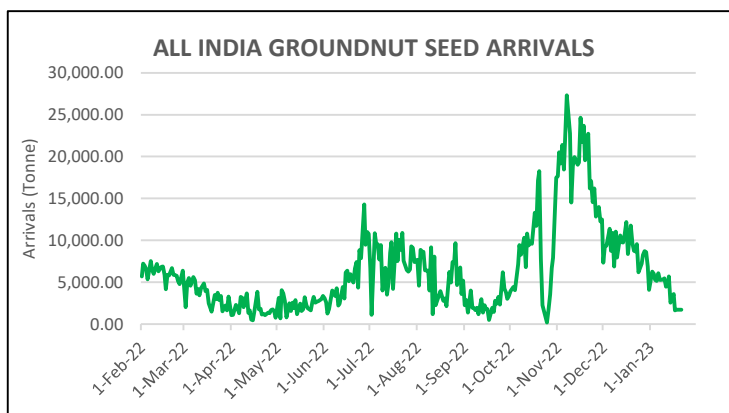
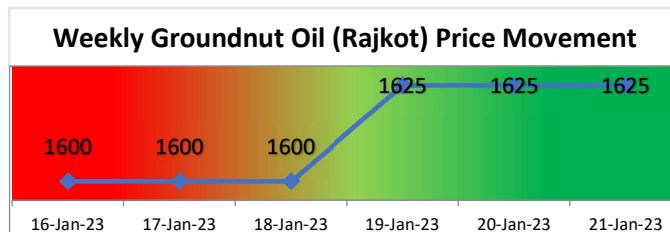
Price Outlook: Sunflower oil (without GST) prices in Chennai may stay in the range of Rs 1100-1200 per 10 Kg.

Groundnut oil Fundamental Review and Analysis:-

Domestic Front

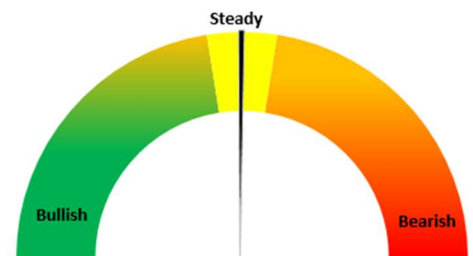
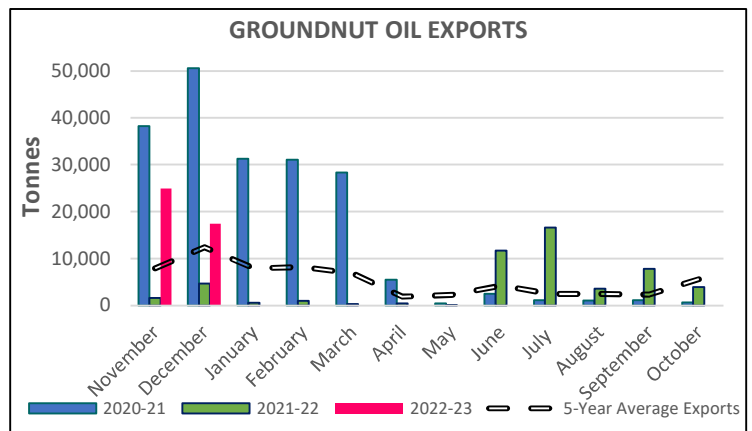


- Groundnut (GN) oil market prices at Rajkot market traded up from Rs 1600 to Rs 1625/10 Kg.
- GN oil prices traded up as demand is good. While, its arrivals have lowered down at various markets.
- Stockiest have aggressively stocked Groundnut (GN) seeds after the abolition of the stock limit on oilseeds and edible oils. The stocks that have been cornered is likely to limit the fall in prices.
- The revival of export demand from China also underpinned the seed and oil prices.
- Arrivals for the period of 16th-21st January stood at 12,015.05 tonnes, lower compared to 27,969.84 tonnes in the previous week.
- Low Kharif GN production has underpinned the seed and oil prices. Hence, Rabi GN acreage saw significantly increment in area coverage. However, Rabi crop is anticipated to hit the markets in 2nd to 3rd week of February. Thus, low supply side has uplifted the seed and oil prices.
- As of 20th January 2023, All India acreage under rabi groundnut stood at 5.171 Lakh Ha. compared to 4.699 lakh Ha. last year, which is up by 10.04%



Rabi Groundnut			
Area Covered (Lakh Ha) as of 20 January 2023			
State	2022	2021	% Change
Karnataka	1.65	1.38	19.57%
Odisha	0.961	0.602	59.63%
Telangana.	0.865	1.262	-31.46%
Tamil.Nadu	0.792	0.629	25.91%
Andhra.Pradesh	0.719	0.677	6.20%
Others	0.183	0.15	22.00%
Total	5.171	4.699	10.04%

- 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.

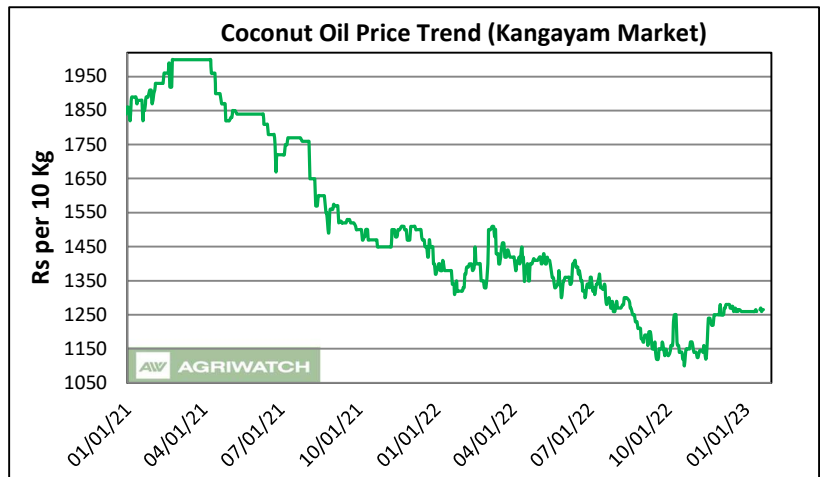


Price Outlook: Groundnut oil (without GST) prices in Rajkot is likely to trade sideways in the range of Rs 1575-1625 per 10 Kg.

Coconut Oil Fundamental Review and Analysis:-

Domestic Front

- The Coconut oil prices traded steady at benchmark market Kangeyam in the range of Rs 1260- 1270/10 Kg level.
- Domestic demand is normal. Whereas, higher supply is capping the gains.
- Coconut oil export demand has picked up. However, higher supply side is offsetting any gains in the prices.

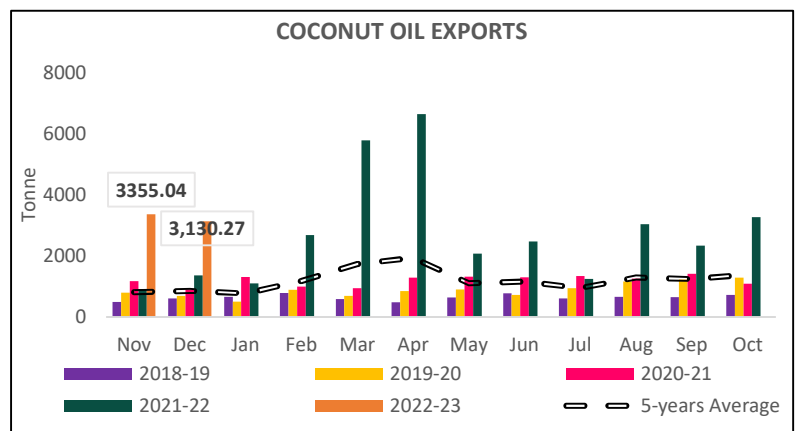


Previous News Impacting market

- 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)



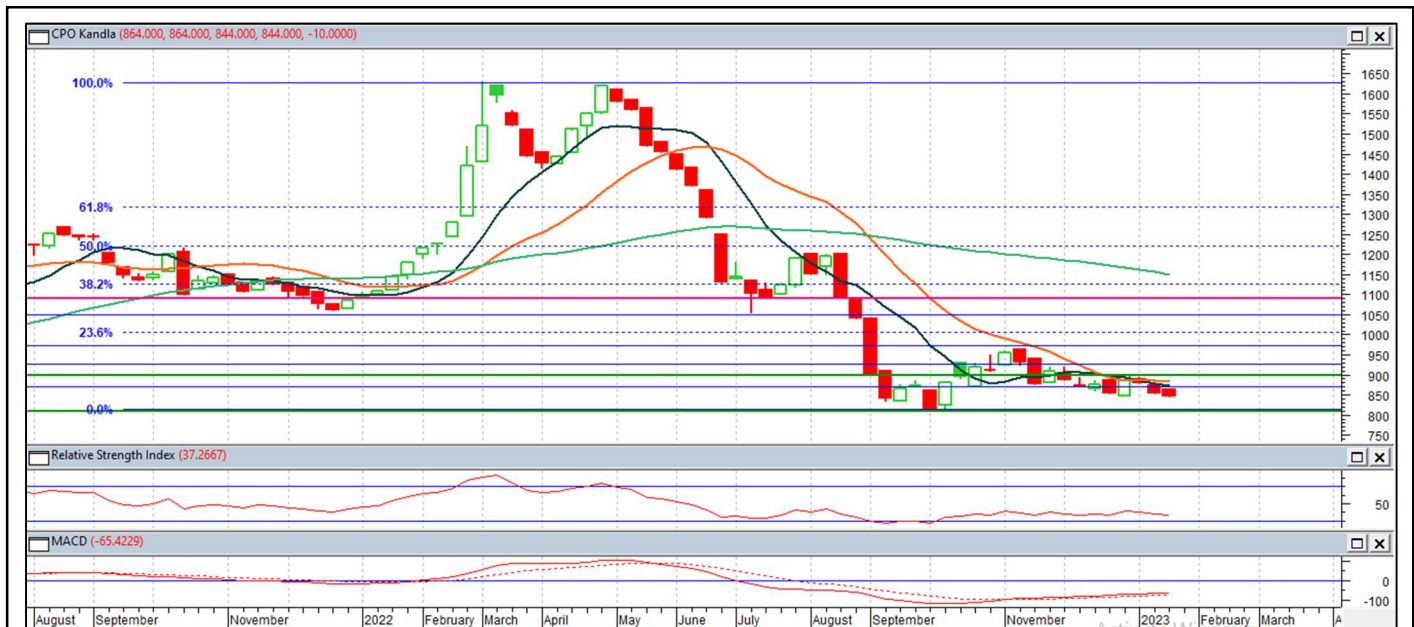
Technical Commentary

- Market prices opened upwards. However, traded down at the end of the week.
- 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.
- **1200 level** can be characterized as a strong support as prices have earlier tested the same level many times. However, if prices break the immediate support level, then 1500 level is seen as next support.

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
		21-Jan-23	16-Jan-23	
Refined Soybean Oil	Indore	1220	1250	-30
	Indore (Soy Solvent Crude)	1200	1210	-10
	Mumbai	1215	1250	-35
	Mumbai (Soy Degum)	1130	1185	-55
	Kandla/Mundra	1185	1240	-55
	Kandla/Mundra (Soy Degum)	1135	1195	-60
	Kolkata	1255	1270	-15
	Nagpur	1220	1230	-10
	Rajkot	1200	1210	-10
	Kota	1230	1250	-20
	Akola	1215	1225	-10
	Amrawati	1215	1225	-10
	Bundi	1240	1260	-20
	Jalna	1220	1250	-30
	Solapur	1210	1225	-15
	Dhule	1240	1255	-15
	Nanded	1210	1225	-15
	Latur	1210	1225	-15
	Argentina Crude Soya (CIF India) USD	1287	1288	-1
	Argentina Crude Soya (FOB)	1171	1201	-30
Palm Oil	Kandla (Crude Palm Oil)	844	864	-20
	Kandla (RBD Palm oil)	880	905	-25
	Kandla RBD Pamolein	900	925	-25
	Kakinada (Crude Palm Oil)	835	Closed	-
	Kakinada RBD Pamolein	925	920	5
	Haldia Pamolein	910	925	-15
	Chennai RBD Pamolein	925	920	5
	Chennai RBD Pamolein (Vitamin A&D Fortified)	970	980	-10
	Krishnapattanam RBD Pamolein	920	915	5
	Mumbai RBD Pamolein	920	930	-10
	Mangalore RBD Pamolein	925	925	Unch
	Tuticorin (RBD Palmolein)	985	986	-1
	Mumbai (Refined)	910	920	-10
	Rajkot (Refined)	900	910	-10
	Chennai (Refined)	925	Closed	-

	Hyderabad (Refined)	940	Closed	-
	PFAD (Kandla)	692	705	-13
	RPS (Kandla)	645	645	Unch
	Superolien (Kandla)	950	975	-25
	Superolien (Mumbai)	950	975	-25
	Kochi (RBD Palmolein)	915	920	-5
	Krishnapattanam (Crude Palm Oil)	860	Closed	-
Refined Sunflower Oil	Chennai (Refined)	1180	Closed	-
	Chennai (Crude)	1080	Closed	-
	Mumbai (Refined)	1235	1280	-45
	Mumbai (Expeller Oil)	1120	1150	-30
	Kandla (Refined)	1290	1330	-40
	Hyderabad (Refined)	1200	Closed	-
	Hyderabad (Expeller)	1100	Closed	-
	Latur (Refined)	1200	1250	-50
	Latur (Expeller Oil)	1130	1160	-30
	Chellakere (Expeller Oil)	1160	Closed	-
	Erode (Expeller Oil)	1200	Closed	-
	Kakinada (Refined)	1200	Closed	-
	Krishna Pattanam (Refined)	1170	1240	-70
Groundnut Oil	Rajkot	1625	1600	25
	Chennai	1600	Closed	-
	Hyderabad *	1550	Closed	-
	Mumbai	1625	1600	25
	Gondal	1625	1600	25
	Jamnagar	1625	1600	25
	Gujarat GN Telia	2570	2520	50
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1280	1295	-15
	Jaipur (Kacchi Ghani Oil)	1300	1305	-5
	Kota (Expeller Oil)	1260	1300	-40
	Kota (Kacchi Ghani Oil)	1280	1310	-30
	Neewai (Expeller Oil)	1255	1272	-17
	Neewai (Kacchi Ghani Oil)	1275	1300	-25
	Bharatpur (Kacchi Ghani Oil)	1260	1295	-35
	Sri-Ganga Nagar (Exp Oil)	1260	1280	-20
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1280	1300	-20
	Mumbai (Expeller Oil)	1300	1310	-10
	Kolkata (Expeller Oil)	1540	1540	Unch
	Hapur (Expeller Oil)	1460	1470	-10

	Hapur (Kacchi Ghani Oil)	1510	1520	-10
	Agra (Kacchi Ghani Oil)	1270	1300	-30
Refined Cottonseed Oil	Rajkot	1210	1220	-10
	Hyderabad	1230	Closed	-
	Mumbai	1200	1210	-10
	Gujarat Cotton Wash	1150	1165	-15
Coconut Oil	Kangayam (Crude)	1265	Closed	-
	Cochin	1330	1330	Unch
Rice Bran Oil	Mumbai (Refined 4%)	1050	1050	Unch
	Bhatinda (Crude 4%)	875	900	-25
	Bhatinda (Refined 4%)	990	1015	-25
	Hyderabad (Crude)	950	945	5
	Hyderabad (Refined)	1120	1100	20
	Kolkata (Crude)	940	960	-20
	Kolkata (Refined)	1040	1050	-10
	Raipur (Crude)	990	1000	-10
	Vijayawada (Refined)	1120	1120	Unch
Malaysia Palmolein USD/MT	FOB	960	938	22
	CNF India	980	960	20
Indonesia CPO USD/MT	FOB	955	945	10
	CNF India	985	970	15
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	795	790	5
Crude palm Kernel Oil India (USD/MT)	CNF India	990	970	20
Ukraine Origin CSFO USD/MT Kandla	CIF	1290	1300	-10
Argentina FOB (\$/MT)		20-Jan-23	16-Jan-23	Change
Crude Soybean Oil Ship		1162	1191	-29
Refined Soy Oil (Bulk) Ship		1203	1238	-35
Sunflower Oil Ship		1170	1200	-30
* 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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