



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. While, BMD Malaysia Palm oil traded marginally up. In domestic market, Soy oil, Coconut oil, Groundnut oil, Sunflower oil and Mustard oil market closed on weak tone. While, Palm oil market traded sideways at various markets.

On the currency front, Indian rupee is hovering near 81.52 against 81.39 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.

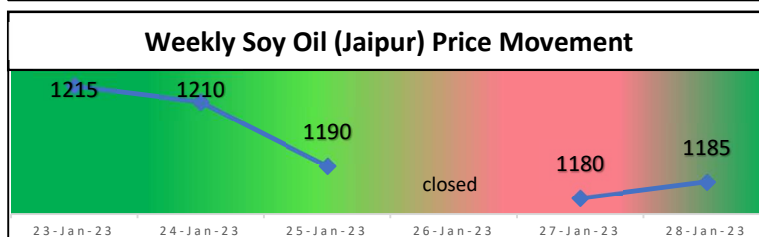
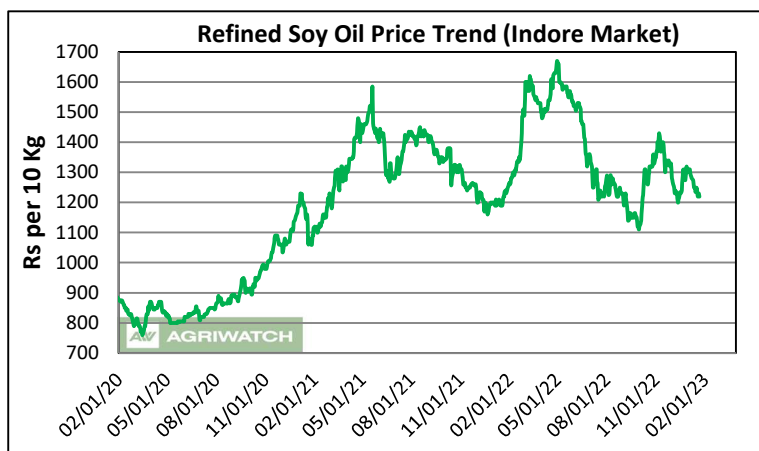
Competing oil prices, Malaysia and Indonesia's firm biodiesel policy and Palm fruit bunch production, Indonesia's palm oil exports policy and domestic consumption, Malaysia's palm oil export policy and Malaysia's Palm oil export demand are all likely to govern CPO prices in near term.

Acreage Statistics
Rabi 2022-23 acreage statistics

Rabi 2022-23 acreage statistics			
Area Covered (Lakh Ha) as of 27 January 2023			
Crop	2022	2021	% Change
Rapeseed and Mustard	97.17	90.23	7.69%
Groundnut	5.22	4.71	10.83%
Safflower	0.86	0.73	17.81%
Sesamum	0.42	0.41	2.44%
Sunflower	0.87	1.1	-20.91%
Linseed	3.24	2.85	13.68%
Other Oilseeds	0.57	0.46	23.91%
Total Oilseeds	108.35	100.5	7.82%

Soy oil Fundamental Analysis and Outlook:-**Key Highlights**

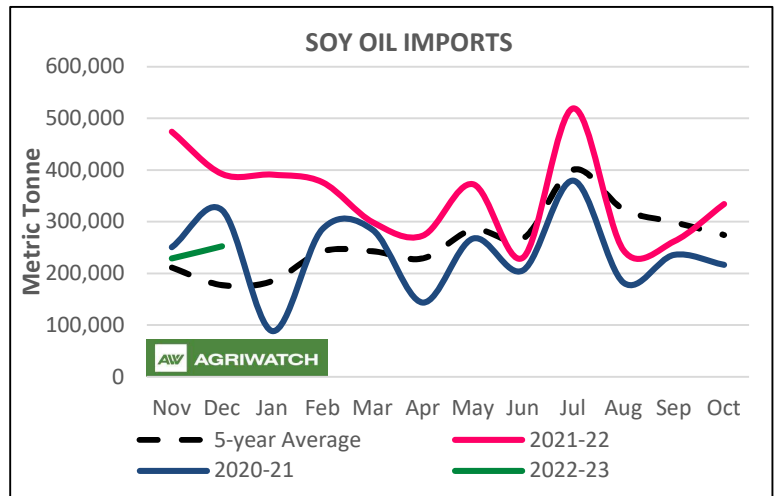
- Soy oil at bench market Indore witnessed weak momentum in prices which closed down by 2.47% from Rs 1215 to Rs 1180 per 10 Kg.
- Prices declined amid sluggish demand from buyers.
- Weak Soy oil International fundamentals due to higher global supply side is also weighing on domestic market.
- Higher Soy oil imports in December and improved domestic crushing buildup higher supply side.
- Soybean net crush margin declined in the past week with correction in soy oil prices and soybean seed prices.

**International Front**

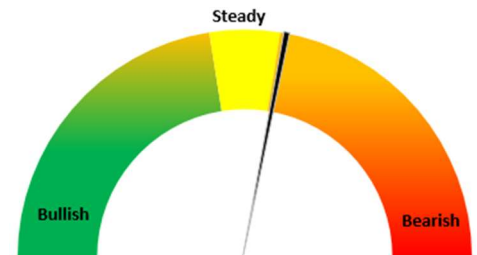
- CBOT Soy oil most active 'May' contract traded down by 1.87% for the period of 23rd-28th January. Higher Brazil's Soybean crop is pressuring the market.
- According to USDA Jan'23 report, 2022/23 Argentina soybean production is lowered 4.0 million tons to 45.5 million on drought conditions straining yields.
- 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.
- The Brazilian soybeans were 1.8% harvested late last week compared to 4.7% last year and 3.4% average. However, in Mato Grosso, leads the way with 5.9% of the soybeans harvested compared to 13.3% last year and 9.1% average.
- The Buenos Aires Grain Exchange stated that 98.8% of the soybean crops for the 2022/23 season have been planted, which is less than last year's 100% and the average of 99.9%. The quality of the crops is rated with 54% as poor/very poor, 39% fair, and 7% good/excellent, an increase of 4% from the previous week.

Exports

- 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



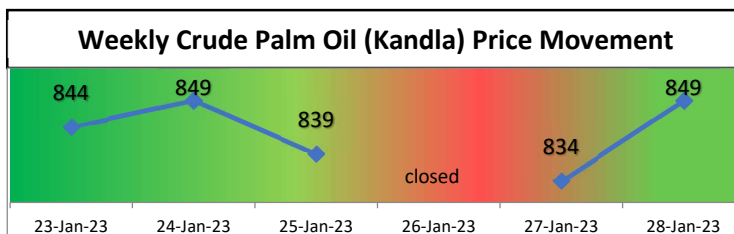
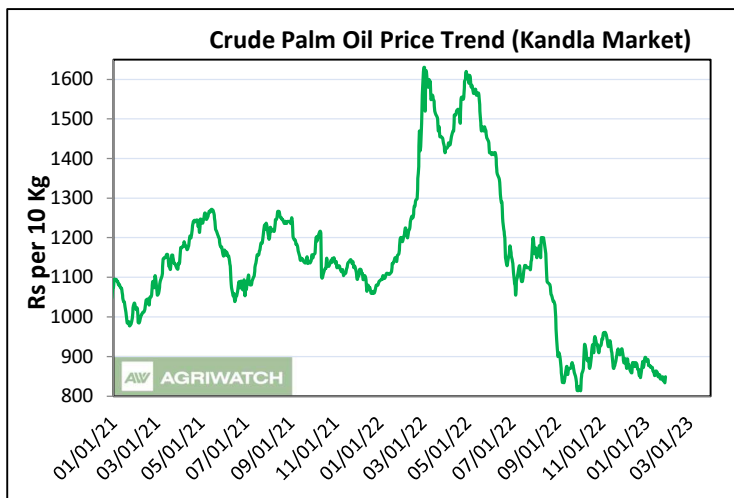
Price Outlook: We expect refined soy oil (without GST) at Indore to stay in the range of Rs 1150-1230 per 10 Kg in the near term.



Palm oil Fundamental Analysis and Outlook -:

Key Highlights

- Crude palm oil (CPO) prices witnessed sideways movement in prices for the previous week at various markets. Prices in the benchmark market Kandla traded marginally up by 0.59%.
- Palm oil market is likely to be pressured by increased in supply side which buildup due to higher Palm oil imports in November and December'22.
- Vanaspati demand is also slow which is also tilting palm oil prices towards weaker side.
- International Palm oil prices is also trading on weaker tone amid weak global Palm oil export demand.



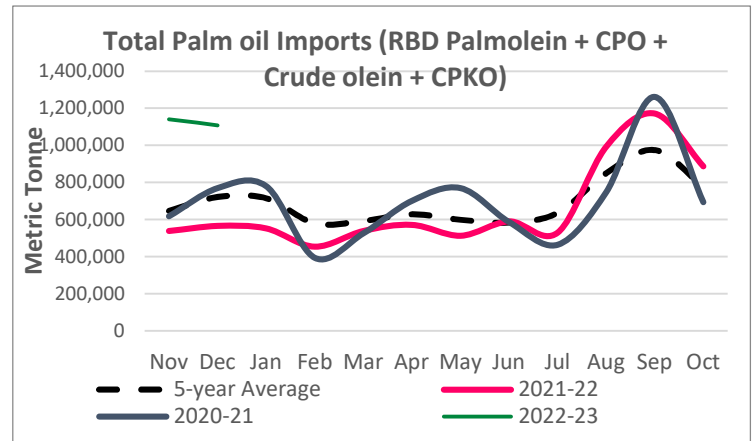
International Front

- BMD Palm oil Malaysia futures April Contract traded marginally up by 0.26% for the past week.
- The benchmark palm oil contract FCPOc3 for April delivery on the Bursa Malaysia Derivatives Exchange fell 3.57% to 3,753 ringgit (\$881.19) per tonne on Jan. 25. Prices declined following correction in competing oils and weak Palm oil export demand.
- The world's biggest palm oil producer Indonesia saw its 2022 exports of the vegetable oil decline by 8.5%, industry group GAPKI said on Wednesday, amid sluggish production and higher domestic consumption.
- However, prices traded up on 26th and 27th Jan after GAPKI's expectation of higher domestic usage of Palm oil for Biodiesel.
- 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%

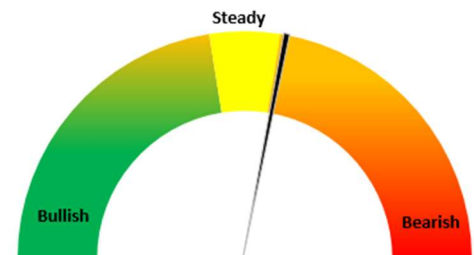
Exports

- 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.



- 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.

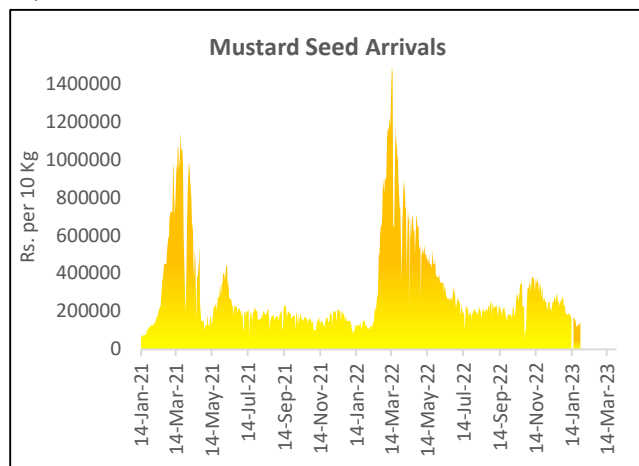
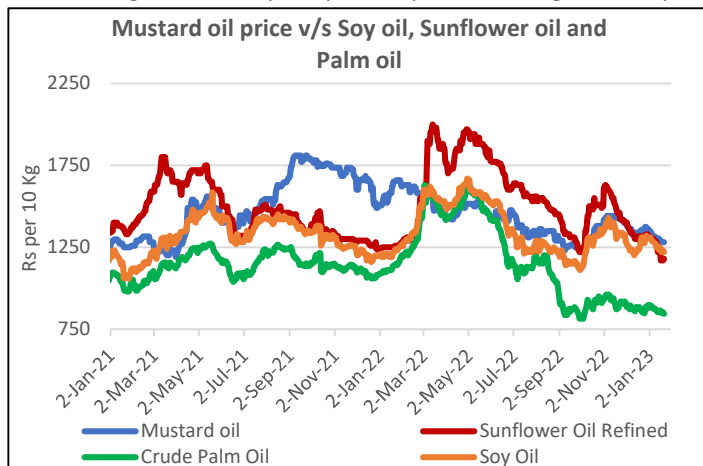
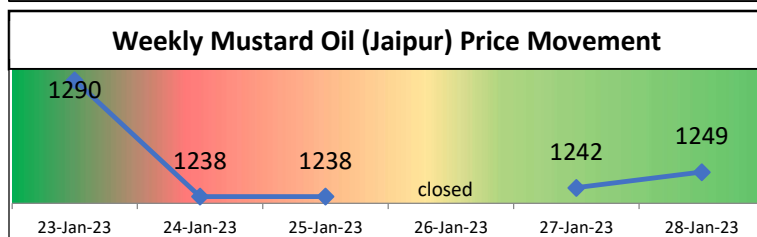
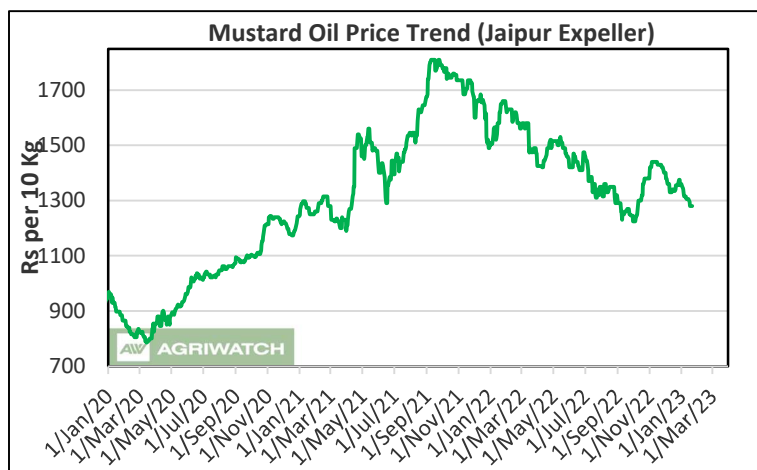
Price Outlook: We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 800-900 per 10 Kg in the near term.



Rapeseed oil Fundamental Review and Analysis-

Key Highlights

- Mustard oil prices traded down at various markets for the week in review.
- Mustard seed and oil prices slumped on Monday 23rd January as new mustard crop arrives in market. 25 quintals of New Mustard crop arrived in Gangapur City Mandi. Mustard seed prices dropped down by approx. 125 Rs and oil prices witnessed correction by 30-40 Rs in various markets.
- However, New Mustard crop has high moisture content.
- Regular arrivals have still not started in the markets. In the past week, the Mustard crop witnessed losses in the districts of Rajasthan.
- Arrivals for the period of 23rd-28th January stood at 6.50 Lakh Tonne (LT) compared to 9.20 LT arrivals of last week. Arrivals were down for the past week, due to national holiday.
- Crushing turned to parity as oil prices fell significantly in the past week.



Mustard Crop Sowing Progress

- As of 27th January 2022, All India acreage under rabi Mustard stood at 97.17 Lakh Ha., up by 7.69% compared to 90.228 lakh Ha. last year, same time period.
- 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.

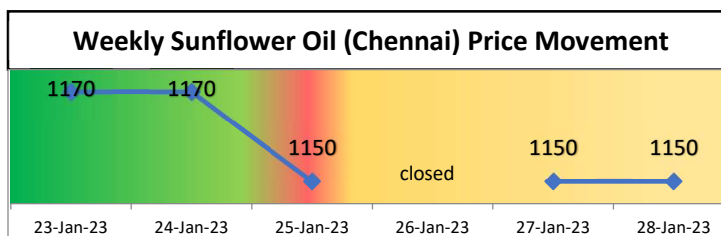
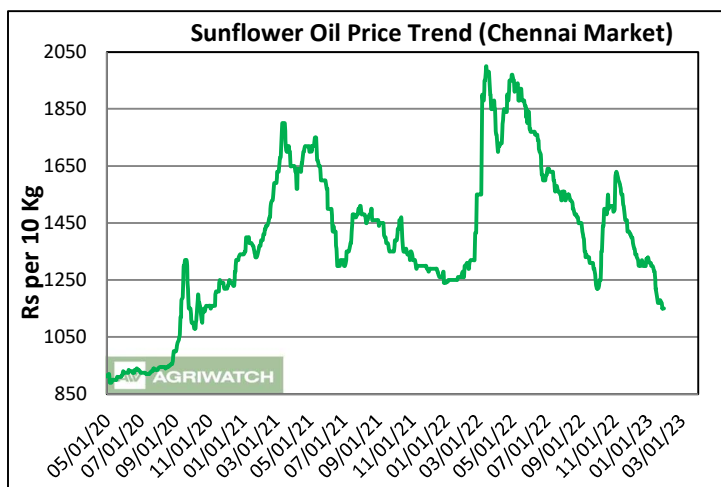
Mustard and Rapeseed			
Area Covered (Lakh Ha) as of 27 January			
State	2022	2021	% Change
Rajasthan	39.72	35.33	12.43%
Madhya.Pradesh	14.04	11.72	19.80%
Uttar.Pradesh	13.28	14.173	-6.31%
Haryana	7.323	7.563	-3.17%
West.Bengal	6.556	6.09	7.65%
Jharkhand	3.715	3.704	0.30%
Assam	3.336	3.196	4.38%
Gujarat	3.052	3.403	-10.31%
Others	6.148	5.05	21.74%
Total	97.17	90.228	7.69%

Price Outlook: Rapeseed Expeller oil (without GST) prices in Jaipur may trade in the range of Rs 1225-1280 per 10 Kg with weak bias.



Sunflower oil Fundamental Review and Analysis:-**Key Highlights**

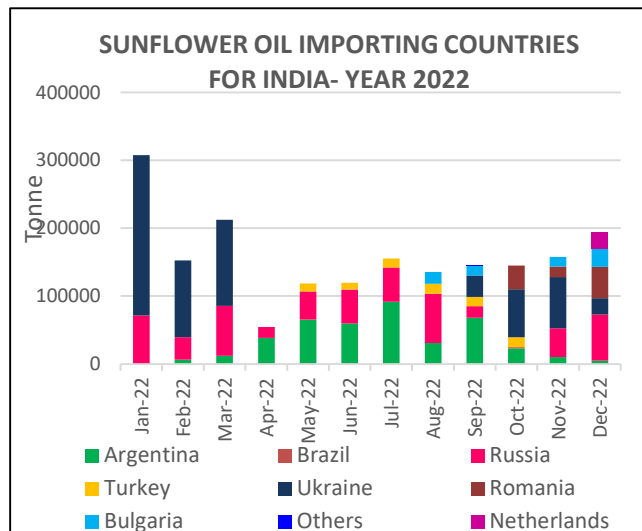
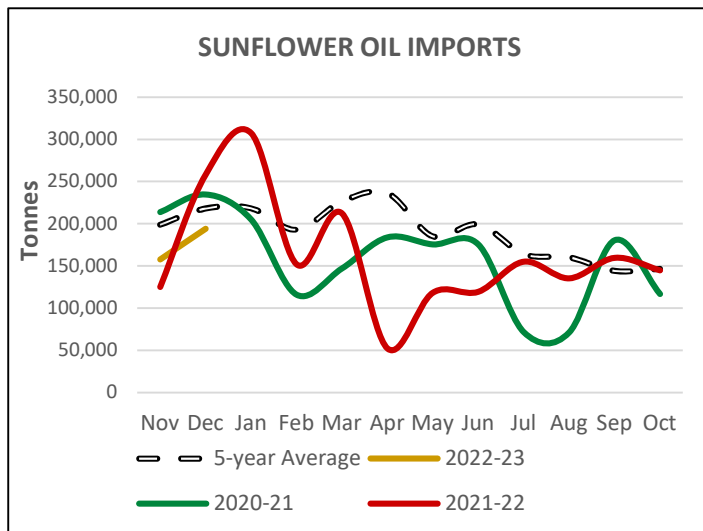
- Sunflower oil prices declined at various markets. Prices at Bench market Chennai for Sun oil traded marginally down from Rs 1170 to Rs 1150/10 Kg.
- Domestic prices fell for the past week following correction in international sun oil prices.
- International sun oil prices fell as harvesting in both Russia and Ukraine is over.
- However, Russia's sunseed production has declined marginally, which might underpin the prices.
- Higher Sun oil imports in Nov'22 and Dec'22 has buildup supply side which is also weighing on prices.
- According to trade sources, January'23 Sun oil imports might witness significant

**International Market**

- Kazakhstan's sunflower seed processing increased in 2022/23 MY due to the government support. While, the export of the oilseeds is declining. The export of sunflower oil in September-November 2022 doubled to 57 thsd tonnes, of which 21 thsd tonnes were supplied to China, 23 thsd tonnes to Uzbekistan and 12 thsd tonnes to Tajikistan.
- Kazakhstan has introduced an export duty on sunflower seed in the amount of 20%, but not less than 100 EUR/t.
- According to the Ukroliaprom Association of Ukraine, the volume of sunflower seed processing may reach 10 mln tonnes in 2022/23 MY. At the same time, the export potential of the oilseed is quite high at 2 million tons. The estimate was made taking into account the production of sunflower seed at 10.4 mln tonnes and the volume of oilseed stocks at the beginning of the season at 2 mln tonnes. The ending stocks of sunflower seed in 2022/23 MY under both scenarios are forecast at 200 thsd tonnes.
- 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.

Exports

- 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 28th Jan for Jan/Feb	1162.5	1187.25	2.13%
Prices as on 28th Jan for Mar	1162.5	1168.25	0.49%

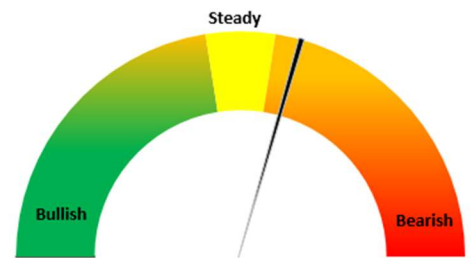
FOB Price Black Sea	Ukraine's Prices (\$/MT)	Russia's Prices (\$/MT)	% Change
Prices as on 21st Jan for Jan/Feb	1162.5	1202	3.40%
Prices as on 21st Jan for Mar	1162.5	1176	1.16%

Rabi Sunflower Crop Sowing Progress

- As of 27th January, All India acreage under rabi Sunflower seed stood at 0.865 Lakh Ha. compared to 1.104 lakh Ha. last year, same time period.

Rabi Sunflower			
Area Covered (Lakh Ha) as of 27 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	-9.38%
Andhra Pradesh	0.056	0.046	21.74%
Telangana	0.056	0.092	-39.13%
Others	0.102	0.089	14.51%
Total	0.865	1.104	-21.65%

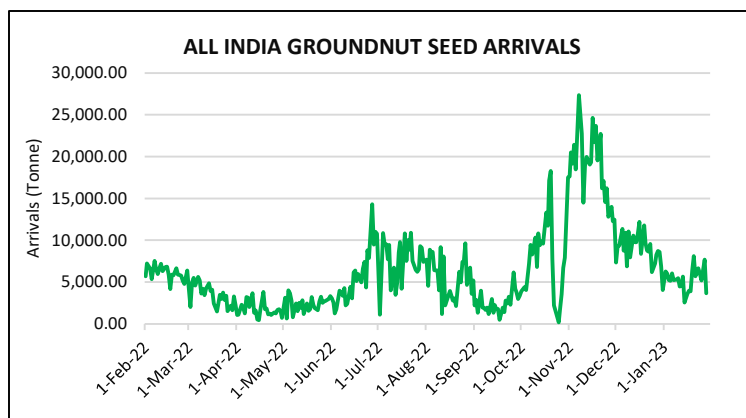
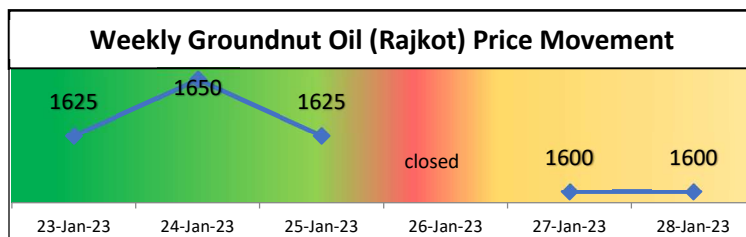
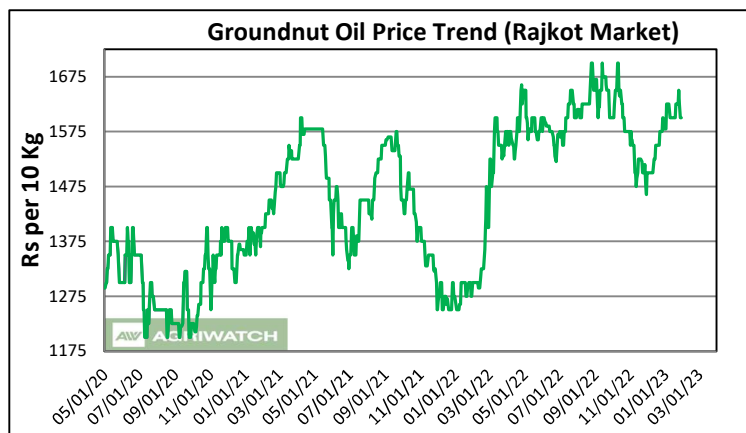
Price Outlook: Sunflower oil (without GST) prices in Chennai may stay in the range of Rs 1100-1200 per 10 Kg. It is anticipated that, sunflower oil prices are likely to trade with sideways in tandem with sideways international prices of Sun oil.



Groundnut oil Fundamental Review and Analysis:-

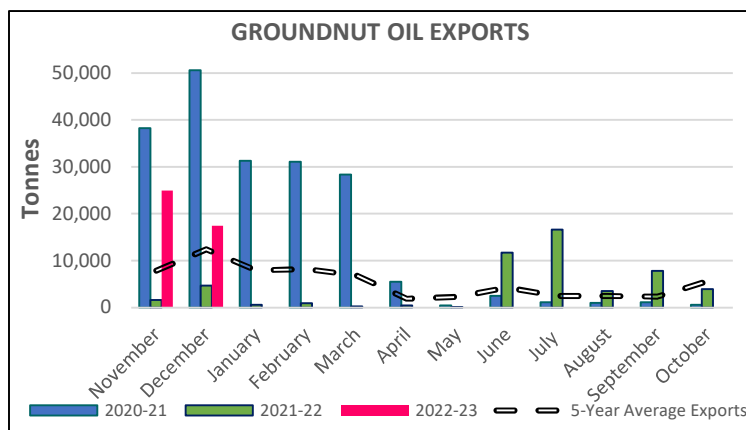
Key Highlights

- Groundnut (GN) oil market prices at Rajkot market traded down from Rs 1625 to Rs 1600/10 Kg.
- GN oil prices traded up as all India seed arrivals improved in various markets. While, its arrivals have lowered down at various markets. Arrivals increased for the last week mainly from Uttar Pradesh. Whereas, arrivals in Gujarat and Rajasthan are comparatively low.
- 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.
- Arrivals for the period of 23rd-28th January stood at 29,153.21 tonnes, lower compared to 31,569.65 tonnes in the previous week.
- Export demand has weakened compared to previous month. However, on yearly comparison its at higher side.



Exports

- Export demand from China has underpinned the seed and oil prices.
- 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%.

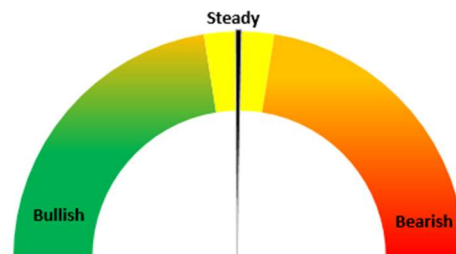


Rabi GN Crop Sowing Progress

- 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 27th January 2023, All India acreage under rabi groundnut stood at 5.223 Lakh Ha. compared to 4.713 lakh Ha. last year, which is up by 10.82%

Rabi Groundnut			
Area Covered (Lakh Ha) as of 27 January			
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	0.236	0.164	43.90%
Total	5.223	4.713	10.82%

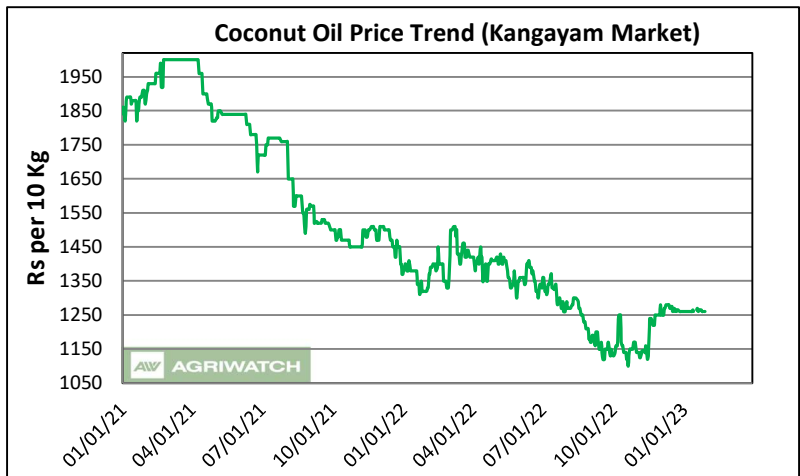
Price Outlook: Groundnut oil (without GST) prices in Rajkot is likely to trade sideways in the range of Rs 1575-1625 per 10 Kg. However, higher premium of GN oil over competing oils might impact its demand.



Coconut Oil Fundamental Review and Analysis:-

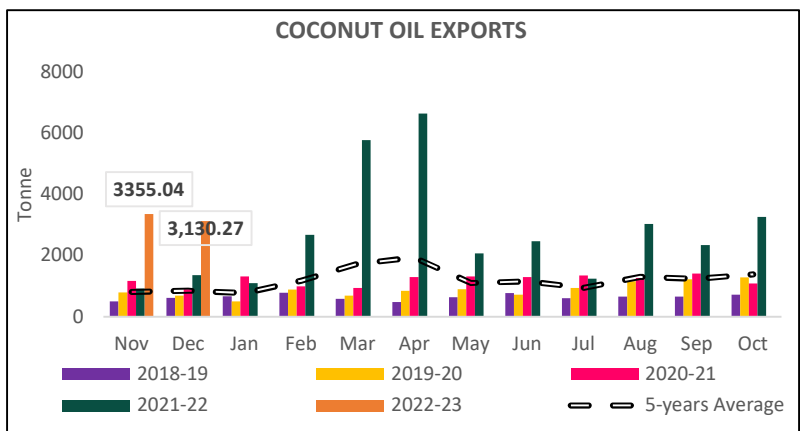
Key Highlights

- The Coconut oil prices traded steady at benchmark market Kangeyam in the range of Rs 1260- 1265/10 Kg level.
- Domestic demand is normal. Whereas, higher supply is offsetting the gains.
- Industrial demand for coconut oil is also good.
- Coconut oil export demand has picked up. However, higher supply side is offsetting any gains in the prices.



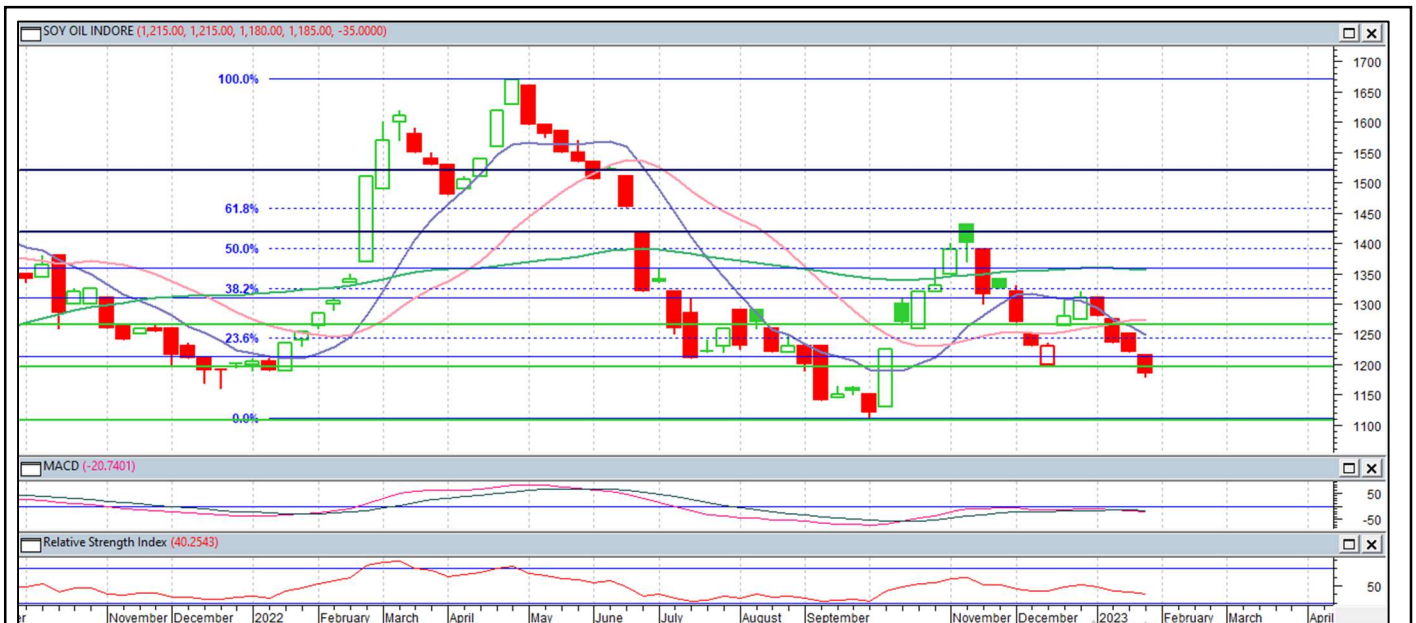
Exports

- 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)



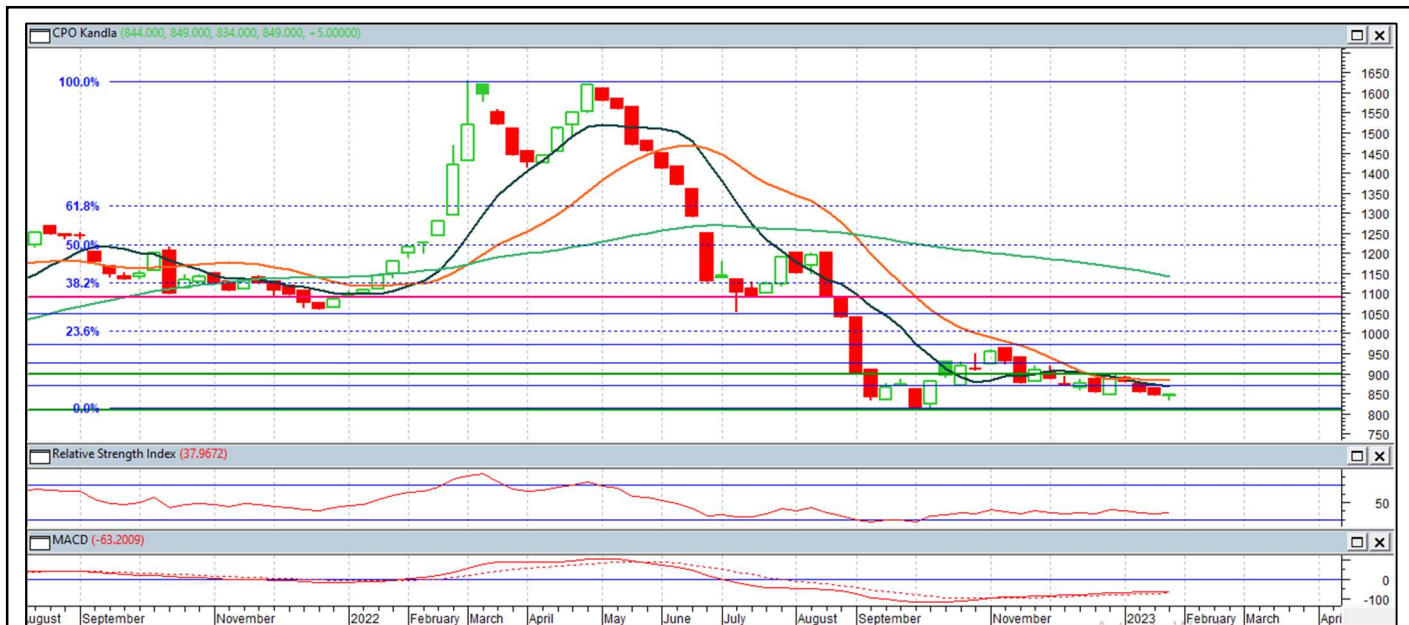
Technical Commentary

- Market prices closed on weak sentiments. Prices broke the previous support of 1200 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 crossed the signal line from above, indicating towards bearish sentiments.
- The next immediate support level is seen at 1150 level.

Weekly Outlook

Prices are likely to trade up in the range of Rs 1150-1230/10 Kg.

Technical Analysis (Crude Palm oil)



Technical Commentary

- As can be seen in the above chart, market prices marginally traded up in the past week.
- However, prices are trading below 9 and 18 DMA indicating towards weak sentiments.
- MACD line has converged with the signal line, indicating towards neutral momentum in the 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
		28-Jan-23	23-Jan-23	
Refined Soybean Oil	Indore	1185	1215	-30
	Indore (Soy Solvent Crude)	1175	1200	-25
	Mumbai	1190	1225	-35
	Mumbai (Soy Degum)	1100	1140	-40
	Kandla/Mundra	1160	1220	-60
	Kandla/Mundra (Soy Degum)	1100	1140	-40
	Kolkata	1215	1260	-45
	Nagpur	1175	1205	-30
	Rajkot	1160	1185	-25
	Kota	1180	1200	-20
	Akola	1170	1200	-30
	Amrawati	1170	1200	-30
	Bundi	1190	1210	-20
	Jalna	1190	1210	-20
	Solapur	1150	1190	-40
	Dhule	1195	1225	-30
	Nanded	1150	1190	-40
	Latur	1150	1190	-40
	Argentina Crude Soya (CIF India) USD	1273	1257	16
	Argentina Crude Soya (FOB)	1186	1170	16
Palm Oil	Kandla (Crude Palm Oil)	849	844	5
	Kandla (RBD Palm oil)	885	880	5
	Kandla RBD Pamolein	910	910	Unch
	Kakinada (Crude Palm Oil)	835	850	-15
	Kakinada RBD Pamolein	920	920	Unch
	Haldia Pamolein	920	920	Unch
	Chennai RBD Pamolein	920	920	Unch
	Chennai RBD Pamolein (Vitamin A&D Fortified)	965	970	-5
	Krishnapattanam RBD Pamolein	920	920	Unch
	Mumbai RBD Pamolein	920	920	Unch
	Mangalore RBD Pamolein	925	920	5
	Tuticorin (RBD Palmolein)	980	982	-2
	Mumbai (Refined)	900	910	-10
	Rajkot (Refined)	910	895	15
	Chennai (Refined)	920	920	Unch

	Hyderabad (Refined)	910	920	-10
	PFAD (Kandla)	707	Closed	-
	RPS (Kandla)	635	645	-10
	Superolien (Kandla)	960	950	10
	Superolien (Mumbai)	960	950	10
	Kochi (RBD Palmolein)	900	925	-25
	Krishnapattanam (Crude Palm Oil)	850	850	Unch
Refined Sunflower Oil	Chennai (Refined)	1150	1170	-20
	Chennai (Crude)	1050	1080	-30
	Mumbai (Refined)	1210	1250	-40
	Mumbai (Expeller Oil)	1080	1120	-40
	Kandla (Refined)	1230	1260	-30
	Hyderabad (Refined)	1170	1190	-20
	Hyderabad (Expeller)	1070	1080	-10
	Latur (Refined)	1200	1200	Unch
	Latur (Expeller Oil)	1100	1120	-20
	Chellakere (Expeller Oil)	1090	1090	Unch
	Erode (Expeller Oil)	1200	1200	Unch
	Kakinada (Refined)	1180	1200	-20
	Krishna Pattanam (Refined)	1150	1170	-20
Groundnut Oil	Rajkot	1600	1625	-25
	Chennai	1620	1600	20
	Hyderabad *	1570	1600	-30
	Mumbai	1600	1620	-20
	Gondal	1600	1625	-25
	Jamnagar	1600	1625	-25
	Gujarat GN Telia	2550	2580	-30
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1249	1290	-41
	Jaipur (Kacchi Ghani Oil)	1259	1310	-51
	Kota (Expeller Oil)	1230	1200	30
	Kota (Kacchi Ghani Oil)	1250	1285	-35
	Neewai (Expeller Oil)	1215	1255	-40
	Neewai (Kacchi Ghani Oil)	1240	1275	-35
	Bharatpur (Kacchi Ghani Oil)	1230	1260	-30
	Sri-Ganga Nagar (Exp Oil)	1220	1240	-20
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1240	1260	-20
	Mumbai (Expeller Oil)	1270	1290	-20
	Kolkata (Expeller Oil)	1500	1500	Unch
	Hapur (Expeller Oil)	1280	1280	Unch

	Hapur (Kacchi Ghani Oil)	1300	1300	Unch
	Agra (Kacchi Ghani Oil)	1240	1270	-30
Refined Cottonseed Oil	Rajkot	1150	1200	-50
	Hyderabad	1200	1215	-15
	Mumbai	1150	1170	-20
	Gujarat Cotton Wash	1100	1125	-25
Coconut Oil	Kangayam (Crude)	1260	1265	-5
	Cochin	1330	1330	Unch
Rice Bran Oil	Mumbai (Refined 4%)	960	1040	-80
	Bhatinda (Crude 4%)	820	830	-10
	Bhatinda (Refined 4%)	935	945	-10
	Hyderabad (Crude)	875	930	-55
	Hyderabad (Refined)	1050	1100	-50
	Kolkata (Crude)	900	910	-10
	Kolkata (Refined)	1000	1020	-20
	Raipur (Crude)	905	970	-65
	Vijayawada (Refined)	1050	1100	-50
Malaysia Palmolein USD/MT	FOB	948	Closed	-
	CNF India	985	Closed	-
Indonesia CPO USD/MT	FOB	965	Closed	-
	CNF India	1000	Closed	-
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	780	795	-15
Crude palm Kernel Oil India (USD/MT)	CNF India	975	990	-15
Ukraine Origin CSFO USD/MT Kandla	CIF	1250	1270	-20
* Indicates including GST				
Argentina FOB (\$/MT)		27-Jan-23	23-Jan-23	Change
Crude Soybean Oil Ship		1156	1166	-10
Refined Soy Oil (Bulk) Ship		1196	1207	-11
Sunflower Oil Ship		1150	1170	-20

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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