



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

On the currency front, Indian rupee is hovering near 82.58 against 81.93 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 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

Final Rabi 2022-23 acreage statistics

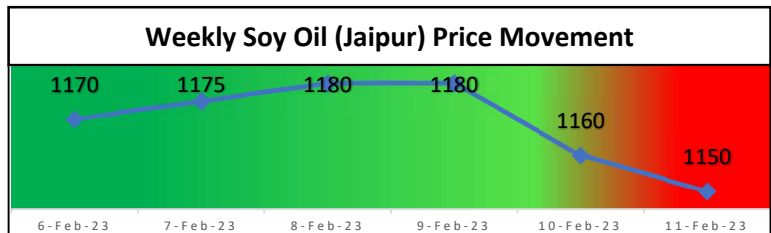
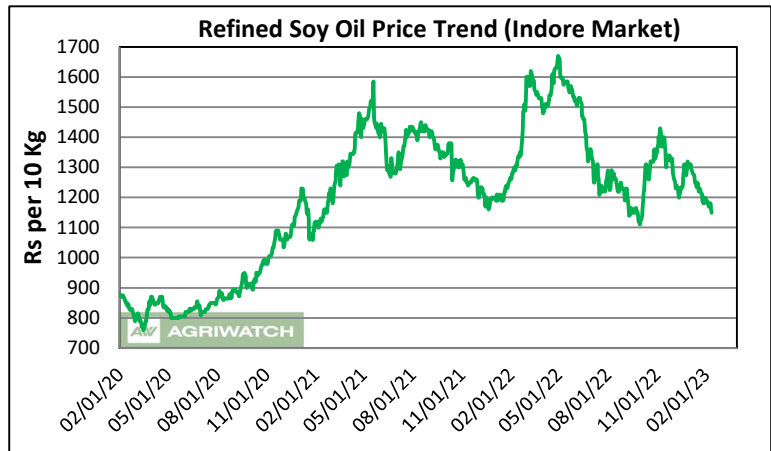
Rabi 2022-23 acreage statistics			
Area Covered (Lakh Ha) as of 3 February 2023			
Crop	2022	2021	% Change
Rapeseed and Mustard	98.02	91.25	7.42%
Groundnut	5.67	5.23	8.41%
Safflower	0.87	0.75	16.00%
Sunflower	0.91	1.17	-22.22%
Sesamum	0.51	0.53	-3.77%
Linseed	3.27	2.92	11.99%
Other Oilseeds	0.59	0.5	18.00%
Total Oilseeds	109.84	102.35	7.32%

According to the recent release by Department of Agriculture & Farmers Welfare, farmers have covered 109.84 lakh ha area under Rabi oilseeds as on 3rd February 2023, up by 7.32% from 102.35 lakh ha. same time last year. Under the major oilseeds, mustard seed has been sown in 98.02 lakh ha, up by 7.42% from 91.25 lakh ha. Rabi Groundnut acreage stands at 5.67 lakh ha, up by 8.41% from 5.23 lakh ha, Rabi Sunflower acreage stands at 0.91 lakh ha, down by 22.22% from 1.17 lakh ha., Sesamum acreage stands at 0.51 lakh ha, up by 3.77% from 1.17 lakh ha. same time last year.

Soy oil Fundamental Analysis and Outlook:-

Key Highlights

- Soy oil at bench market Indore witnessed weak momentum in prices which closed down by 1.71% from Rs 1170 to Rs 1150 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.
- However, rising prices of rival palm oil are likely to underpin the soy oil prices.

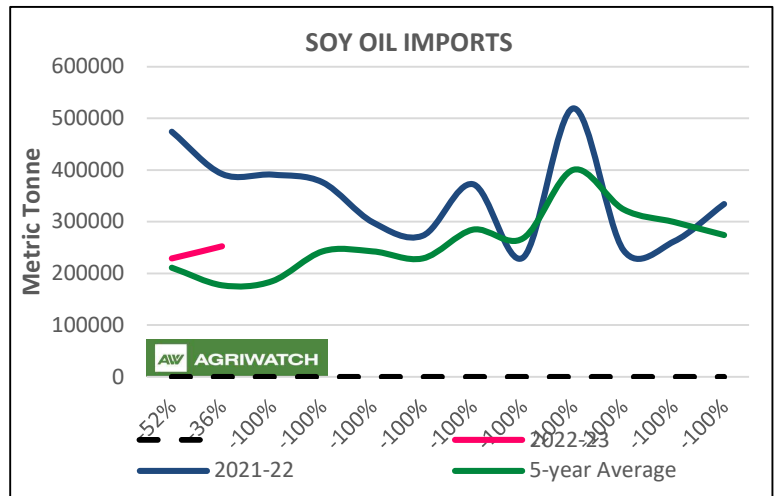


International Front

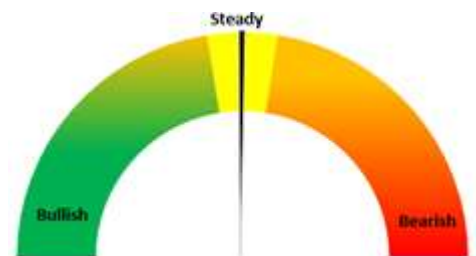
- CBOT Soy oil most active 'March' contract traded up by 3.00% for the period of 6th-11th February, following rising rival palm oil prices.
- Higher Brazil's Soybean crop is pressuring the market.
- According to USDA Jan'23 report, 2022/23 Argentina soybean production is lowered 4.0 million tons to 45.5 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
- Imports in January is anticipated to slightly dip amid higher prices and availability of cheaper rival oil.



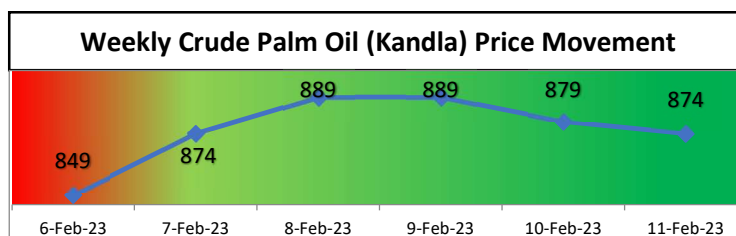
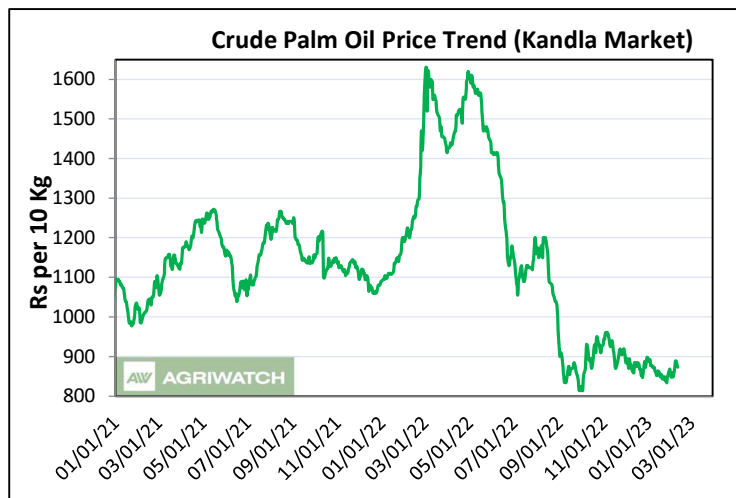
Price Outlook: We expect refined soy oil (without GST) at Indore to stay in the range of Rs 1120-1200 per 10 Kg in the near term.



Palm oil Fundamental Analysis and Outlook -:

Key Highlights

- Crude palm oil (CPO) prices witnessed upward movement in prices for the previous week at various markets. Prices in the benchmark market Kandla traded marginally up by 2.94%.
- Palm oil market ascended following rising international palm oil prices.
- Indonesia's measure to secure ample amount of palm oil for domestic usage has impacted the global palm oil supply side, which underpinned the rising prices.
- Imports in January is likely to remain low amid weak import demand.
- Improvement in Vanaspati demand due to marriage festivities tilted palm oil prices towards higher side.



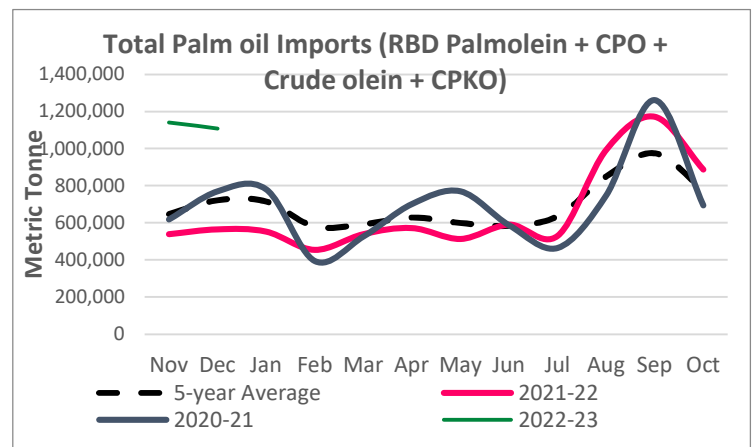
International Front

- BMD Palm oil Malaysia futures April Contract traded up by 2.01% for the past week. Prices rose as Indonesia plans to raise its Crude Palm oil export tax.
- Indonesia is taking various steps to ensure enough domestic supply ahead of Islamic festivals. Indonesia plans to raise Crude Palm oil export tax to \$74/T from \$52/T and exports levy to \$95/ton from \$90/ton, as reference prices to set at \$880.03/Ton for Feb 16 - 28 shipments, up from previously set at \$879.31/Ton.
- Indonesia plans to review the ratio of its palm oil export quota amid rising prices of domestic cooking oil, the Coordinating Ministry of Maritime and Investment Affairs said. Indonesia imposes a Domestic Market Obligation (DMO) on palm oil whereby companies are allowed to export only after they have sold a portion of their production at home.
- Malaysia's Palm oil export is likely to boost as buyers are turning towards Malaysia after Indonesia tightens its palm oil exports.
- According to Southern Palm Oil Millers Association (SPPOMA), Malaysia's Palm oil production for the period of 1-31 January declined by 27.01% compared to -1.68% for the period of 1-31 December. Yield and Oil extraction rate (OER) is also down by -23.96% and -0.58%, respectively for the same period.

Malaysia's Palm oil production: SPPOMA		
	1-31 January	1-31 December
Production	-27.01%	-1.68%
Yield	-23.96%	-1.69%
Oil extraction rate (OER)	-0.58%	+0.01%

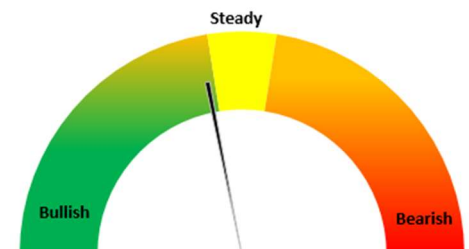
Exports

- 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.

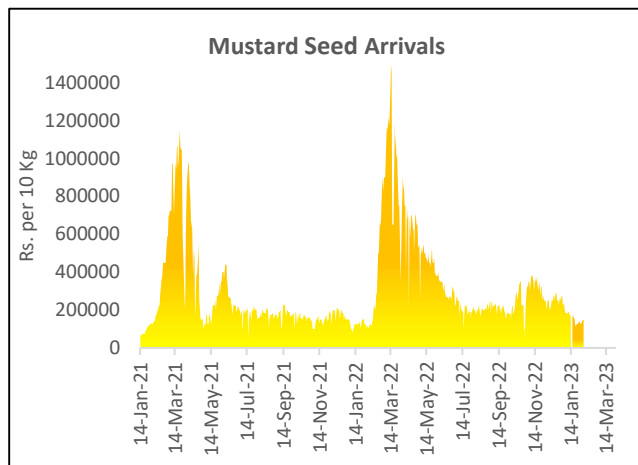
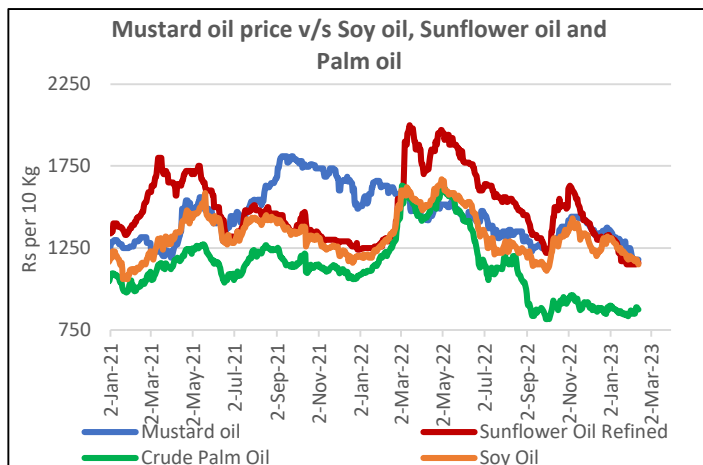
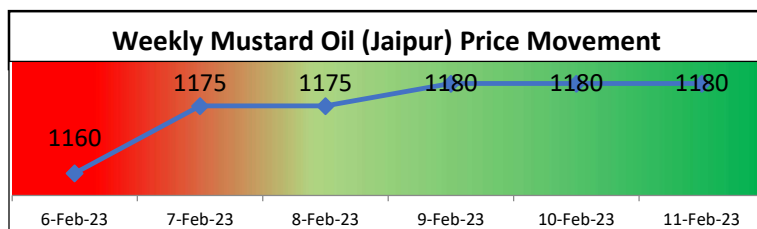
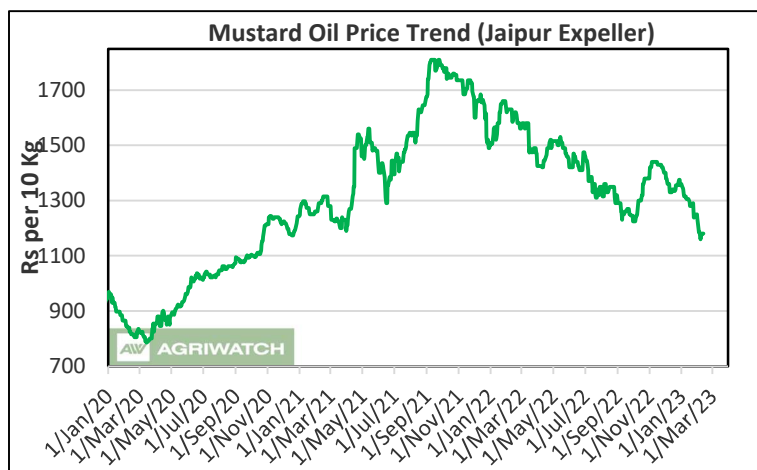
Price Outlook: We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 800-900 per 10 Kg in the near term.



Rapeseed oil Fundamental Review and Analysis-

Key Highlights

- Mustard oil prices traded sideways at various markets for the week in review. Whereas, prices of expeller oil at bench market Jaipur traded up by 1.72%.
- Mustard seed and oil prices taking support from rising prices of Palm oil. Low supplies in market of mustard oil also underpinned the prices.
- Correction in mustard oil led to nominal premium over soy oil which in turn supported the mustard oil's demand from the buyers.
- Moisture content in crop is lowering down as weather improves in Rajasthan.
- Arrivals for the period of 6th - 11th February stood at 15.20 Lakh Tonne (LT) compared to 8.50 LT arrivals of last week. Arrivals were up for the past week as new mustard crop hit the market

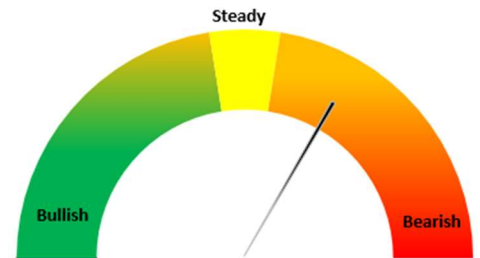


New Mustard Crop update

- As of 3rd February 2023, final all India acreage under rabi Mustard stood at 88.02 Lakh Ha., up by 7.69% compared to 90.228 lakh Ha. last year, same time period.
- In the last week of January, 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.
- Arrivals in UP markets has started. However, the quantity is around or less than 100 bags.

- Moisture content in UP's mustard crop is still higher than 20%. Whereas, improved weather in Rajasthan has lowered down the moisture content in the crop.

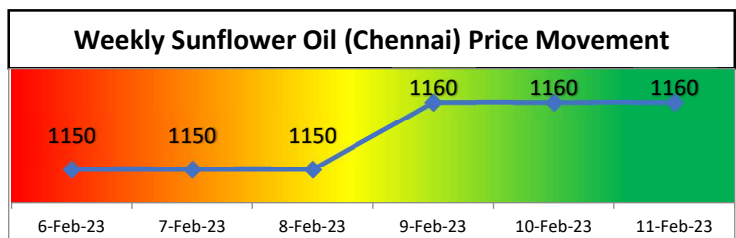
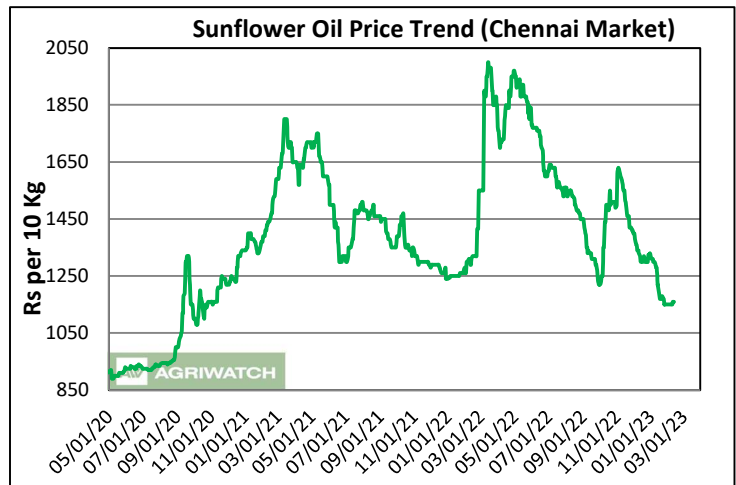
Price Outlook: Rapeseed Expeller oil (without GST) prices in Jaipur may trade in the range of Rs 1120-1225 per 10 Kg with weak bias.



Sunflower oil Fundamental Review and Analysis:-

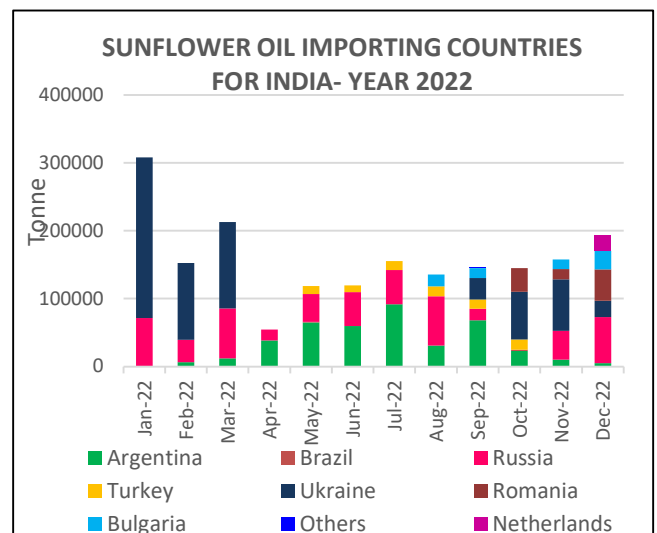
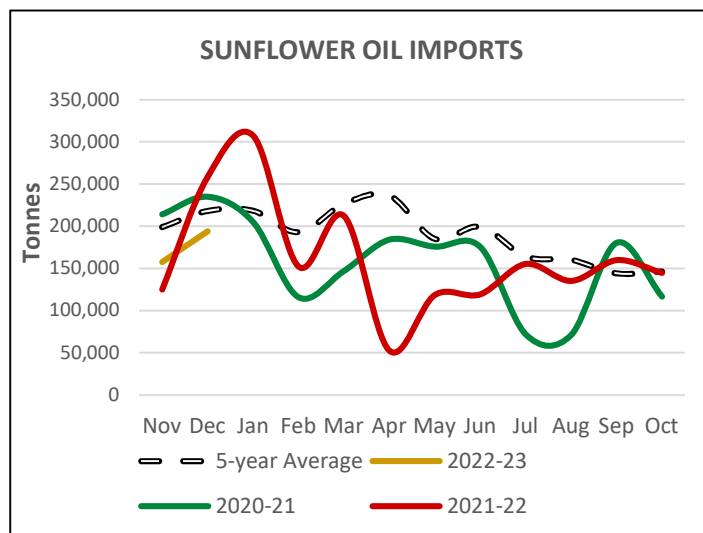
Key Highlights

- Sunflower oil prices traded sideways at various markets. Prices at Bench market Chennai for Sun oil traded up from Rs 1150 to Rs 1160/10 Kg.
- Market is likely to rebound from the current level of Rs 1150 as Sun oil is discounted compared to other rival oils.
- However, International sun oil prices are declining with arrival of new crop in the markets.
- However, Russia's sunseed production has declined marginally, which might underpin the prices.
- According to trade sources, January'23 Sun oil imports might witness significant increase in imports.
- Sun oil imports for January is anticipated to remain higher in the range of 4.5-4.75 Lakh tonnes. The surge in imports is seen mainly from Ukraine as shipments were stuck in black corridor due to late inspection. Thus, a spillover of orders placed in October can be seen in January. The amount of tonnage from Ukraine is likely to be at 3.5-3.75 LT.



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.

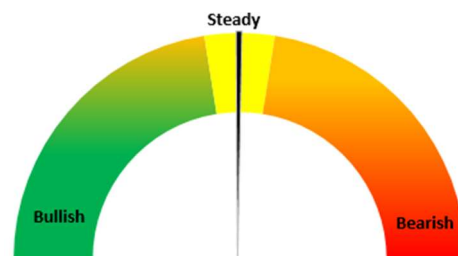


- Ukraine Sun oil prices have once again gained discount over Russia's Sun oil prices. This is likely to underpin the higher export demand from Ukraine.

FOB Price Black Sea	Ukraine's Prices (\$/MT)	Russia's Prices (\$/MT)	% Change
Prices as on 11th Feb for Feb/Mar	1107.5	1130.75	2.10%
Prices as on 11th Feb for Apr	1107.5	1110.25	0.25%

FOB Price Black Sea	Ukraine's Prices (\$/MT)	Russia's Prices (\$/MT)	% Change
Prices as on 4th Feb for Feb/Mar	1142.5	1169.50	2.36%
Prices as on 4th Feb for Apr	1142.5	1153.25	0.94%

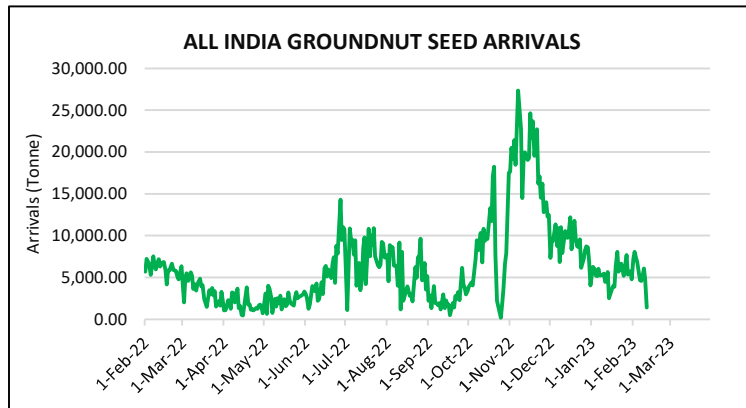
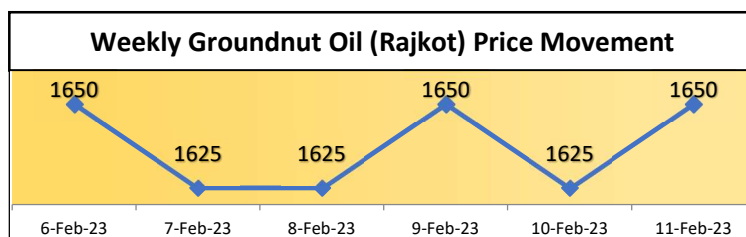
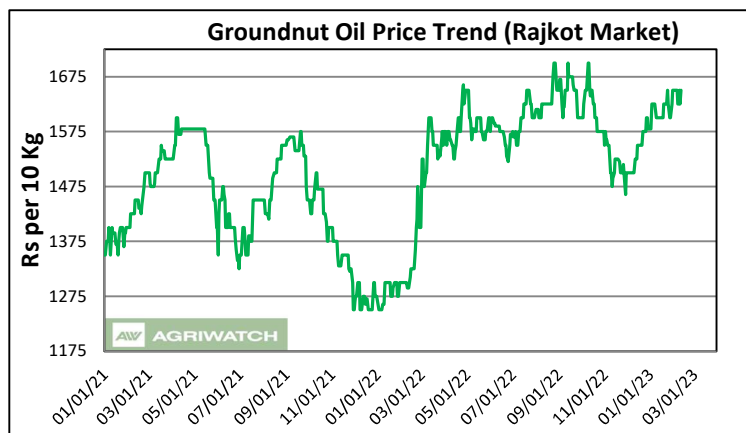
Price Outlook: Sunflower oil (without GST) prices in Chennai may stay in the range of Rs 1100-1200 per 10 Kg. It is anticipated that, sunflower oil prices are likely to trade with sideways in tandem with sideways international prices of Sun oil.



Groundnut oil Fundamental Review and Analysis:-

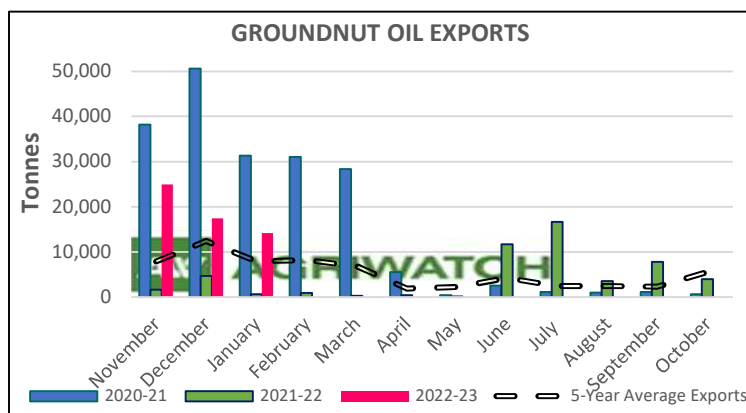
Key Highlights

- Groundnut (GN) oil market prices at Rajkot market traded range-bound in the level of Rs 1625-1650/10 Kg.
- GN oil market is firm due to lower supply side amid good export demand.
- Arrivals have improved 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 4th – 11th February stood at 26,618.83 tonnes, lower compared to 40,066.62 tonnes in the previous week, which is likely to underpin the prices of seeds and oil.



Exports

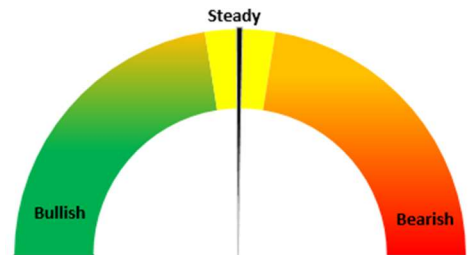
- Export demand lowered down in January as expected by AgriWatch.
- Exports in January stood at 14,132.64 Tonnes compared to the export of 17,444.69 Tonnes in previous month. China's export demand made 94.54% of the total exports at 13,361.58 tonnes. However, on Y-o-Y comparison exports are up from the exports of 602.4 tonnes.



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 3rd February 2023, All Final India acreage under rabi groundnut stood at 5.678 Lakh Ha. compared to 5.228 lakh Ha. last year, which is up by 8.60%

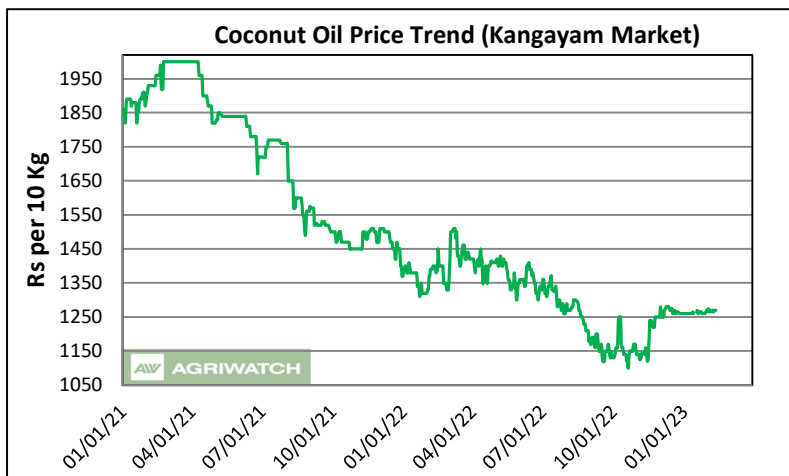
Price Outlook: Groundnut oil (without GST) prices in Rajkot is likely to trade sideways in the range of Rs 1600-1675 per 10 Kg. However, higher premium of GN oil over competing oils might impact its demand.



Coconut Oil Fundamental Review and Analysis:-

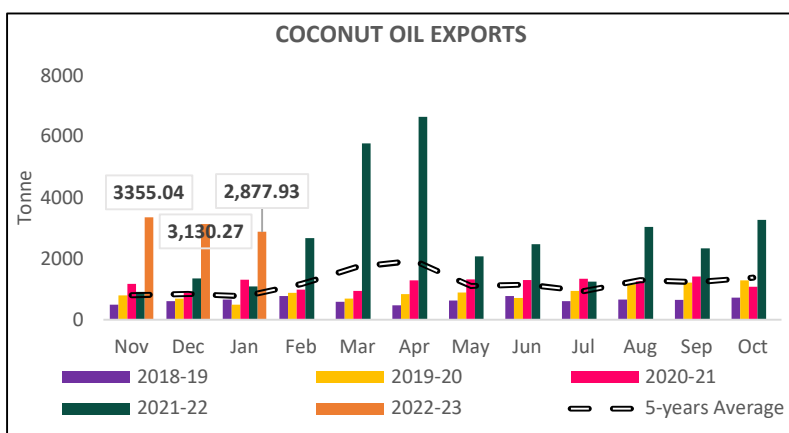
Key Highlights

- The Coconut oil prices traded rangebound at benchmark market Kangeyam in the range of Rs 1265-1270/10 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 January came mainly from Kuwait, UAE, making 26.45% of total exports, followed by UAE (25.49%) and Oman (9.46%).
- Coconut oil exports scenario- India 2,877.93 tonnes of Coconut oil in January 2023 lower compared to 3,130.27 tonnes export in December 2022, and higher compared to 1,093.15 tonnes last year.
- Export demand is good. However, higher supply side is offsetting the gains in prices.

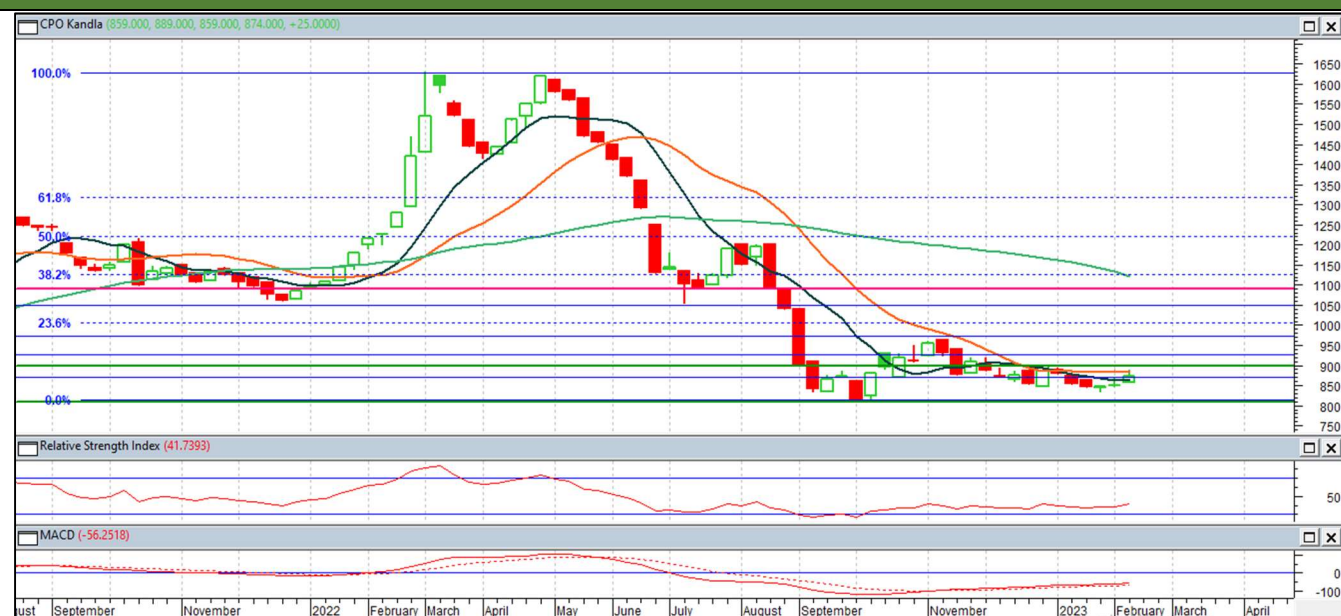


Price Outlook: Coconut oil (without GST) prices in Kangeyam is likely to trade sideways in the range of Rs 1250-1300 per 10 Kg.

Technical Analysis- Spot Market



Technical Analysis CPO (Kandla)- Weekly Timeframe



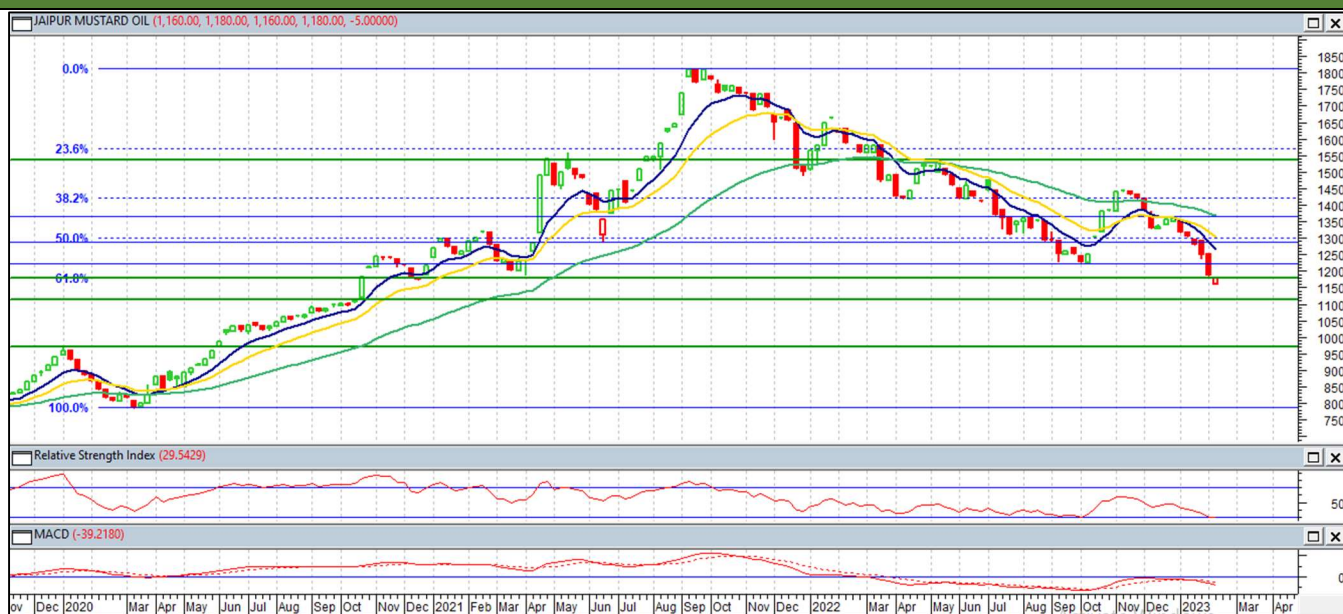
Technical Commentary

- As can be seen in the above chart, market prices traded up in the past week.
- Prices also closed above 9DMA, indicating towards positive sentiments.
- MACD line has crossed the signal line from below showing positive sentiments.
- RSI is above 40, indicating towards positive sentiments.
- In upcoming week, market is expected to trade sideways with upwards bias.

Weekly Outlook

Prices are likely to trade in the range of Rs 840-930/10 Kg. 980 level can be seen as immediate resistance, and 820-830 range can be seen as immediate support level.

Technical Analysis Mustard Expeller Oil (Jaipur)- Weekly Timeframe



Technical Commentary

- As can be seen in the above chart, market prices traded down in the past week, breaking the support level of 1180.
- Prices are trading below 9 and 18 DMA indicating towards weak sentiments.
- MACD line has crossed the signal line from above showing weak sentiments.
- RSI is below 40, indicating towards weak sentiments.
- In upcoming week, market is expected to trade with weak bias.

Weekly Outlook

Prices are likely to trade in the range of Rs 1120-1225/10 Kg. 1250 level can be seen as immediate resistance. 1180 level can be seen as immediate support level and next level is seen at 1100-1120 range.

Technical Analysis Sunflower Oil (Chennai)- Weekly Timeframe



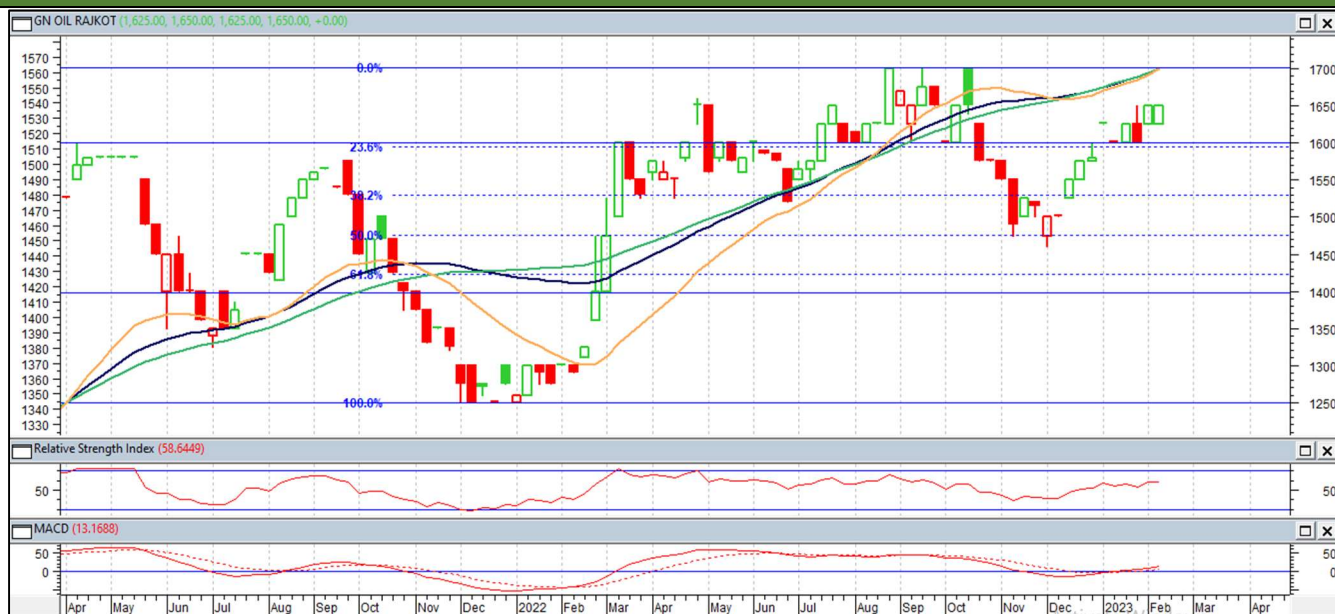
Technical Commentary

- As can be seen in the above chart, market prices traded up in the past week, breaking out from the downward falling channel.
- Prices are trading well below 9 and 18 DMA indicating towards weak sentiments.
- MACD line has crossed the signal line from above showing weak sentiments.
- 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 1150-1200/10 Kg. 1230 level can be seen as immediate resistance. 1150 level can be seen as immediate strong support level and next level is seen at 1070-1090 range.

Technical Analysis Groundnut Oil (Rajkot)- Weekly Timeframe



Technical Commentary

- As can be seen in the above chart, market prices traded range-bound for the past week.
- However, prices are trading below 9 and 18 DMA indicating towards weak sentiments.
- MACD line has crossed the signal line from below, indicating towards positive sentiment in the trend.
- RSI is below 40, indicating towards weak sentiments.
- In upcoming week, market is expected to trade sideways with upward bias.

Weekly Outlook

Prices are likely to trade in the range of Rs 1600-1675/10 Kg. 1700 level can be seen as immediate resistance, and 1575-1600 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
		11-Feb-23	6-Feb-23	
Refined Soybean Oil	Indore	1150	1170	-20
	Indore (Soy Solvent Crude)	1140	1160	-20
	Mumbai	1160	1170	-10
	Mumbai (Soy Degum)	1070	1070	Unch
	Kandla/Mundra	1150	1165	-15
	Kandla/Mundra (Soy Degum)	1060	1060	Unch
	Kolkata	1205	1190	15
	Nagpur	1165	1175	-10
	Rajkot	1150	1130	20
	Kota	1160	1125	35
	Akola	1160	1170	-10
	Amrawati	1160	1170	-10
	Bundi	1160	1135	25
	Jalna	1155	1150	5
	Solapur	1140	1125	15
	Dhule	1155	1150	5
	Nanded	1140	1125	15
	Latur	1140	1125	15
	Argentina Crude Soya (CIF India) USD	1278	1263	15
	Argentina Crude Soya (FOB)	1226	1176	50
Palm Oil	Kandla (Crude Palm Oil)	874	849	25
	Kandla (RBD Palm oil)	910	900	10
	Kandla RBD Pamolein	935	910	25
	Kakinada (Crude Palm Oil)	880	860	20
	Kakinada RBD Pamolein	935	915	20
	Haldia Pamolein	935	915	20
	Chennai RBD Pamolein	935	920	15
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1000	975	25
	Krishnapattanam RBD Pamolein	935	915	20
	Mumbai RBD Pamolein	950	925	25
	Mangalore RBD Pamolein	940	920	20
	Tuticorin (RBD Palmolein)	1003	984	19
	Mumbai (Refined)	940	920	20
	Rajkot (Refined)	940	920	20
	Chennai (Refined)	950	925	25

	Hyderabad (Refined)	950	925	25
	PFAD (Kandla)	705	Closed	-
	RPS (Kandla)	665	640	25
	Superolien (Kandla)	985	950	35
	Superolien (Mumbai)	985	950	35
	Kochi (RBD Palmolein)	945	915	30
	Krishnapattanam (Crude Palm Oil)	880	860	20
	Kolkata (Crude Palm Oil)	930	910	20
Refined Sunflower Oil	Chennai (Refined)	1160	1150	10
	Chennai (Crude)	1090	1080	10
	Mumbai (Refined)	1180	1210	-30
	Mumbai (Expeller Oil)	1060	1060	Unch
	Kandla (Refined)	1210	1220	-10
	Hyderabad (Refined)	1170	1170	Unch
	Hyderabad (Expeller)	1080	1100	-20
	Latur (Refined)	1175	1170	5
	Latur (Expeller Oil)	1095	1080	15
	Chellakere (Expeller Oil)	1040	1040	Unch
	Erode (Expeller Oil)	1180	1170	10
	Kakinada (Refined)	1180	1160	20
	Krishna Pattanam (Refined)	1170	1150	20
Groundnut Oil	Rajkot	1650	1650	Unch
	Chennai	1650	1650	Unch
	Hyderabad *	1650	1650	Unch
	Mumbai	1650	1650	Unch
	Gondal	1650	1650	Unch
	Jamnagar	1625	1650	-25
	Gujarat GN Telia	2580	2620	-40
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1180	1160	20
	Jaipur (Kacchi Ghani Oil)	1190	1170	20
	Kota (Expeller Oil)	1160	1150	10
	Kota (Kacchi Ghani Oil)	1180	1160	20
	Neewai (Expeller Oil)	1170	1155	15
	Neewai (Kacchi Ghani Oil)	1190	1175	15
	Bharatpur (Kacchi Ghani Oil)	1200	1190	10
	Sri-Ganga Nagar (Exp Oil)	1170	1170	Unch
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1190	1190	Unch
	Mumbai (Expeller Oil)	1190	1240	-50
	Kolkata (Expeller Oil)	1450	1480	-30

	Hapur (Expeller Oil)	1200	1230	-30
	Hapur (Kacchi Ghani Oil)	1220	1250	-30
	Agra (Kacchi Ghani Oil)	1190	1200	-10
Refined Cottonseed Oil	Rajkot	1110	1090	20
	Mumbai	1130	1105	25
	Gujarat Cotton Wash	1050	1025	25
Coconut Oil	Kangayam (Crude)	1270	1265	5
	Cochin	1330	1330	Unch
Rice Bran Oil	Mumbai (Refined 4%)	960	940	20
	Bhatinda (Crude 4%)	790	770	20
	Bhatinda (Refined 4%)	905	885	20
	Hyderabad (Crude)	880	860	20
	Hyderabad (Refined)	1040	1060	-20
	Kolkata (Crude)	865	850	15
	Kolkata (Refined)	960	940	20
	Raipur (Crude)	925	920	5
	Vijayawada (Refined)	1040	1000	40
Malaysia Palmolein USD/MT	FOB	960	Closed	-
	CNF India	990	Closed	-
Indonesia CPO USD/MT	FOB	950	Closed	-
	CNF India	1000	Closed	-
RBD Palm Stearin (Malaysia Origin Rs./10Kg)	FOB	820	785	35
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	705	Closed	-
Crude palm Kernel Oil India (USD/MT)	CNF India	990	Closed	-
Ukraine Origin CSFO USD/MT Kandla	CIF	1240	1250	-10
Argentina FOB (\$/MT)		10-Feb-23	6-Feb-23	Change
Crude Soybean Oil Ship		1191	1190	1
Refined Soy Oil (Bulk) Ship		1233	1232	1
Sunflower Oil Ship		1130	1125	5
* 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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