



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. In domestic market, Soy oil, Sunflower, Mustard oil, and Groundnut oil market closed on weak tones, while, Palm oil market traded up and Coconut oil market traded steady at various markets.

On the currency front, Indian rupee is hovering near 82.59 against 82.58 last weeks. Rupee is trading sideways, while Crude oil prices are gradually trading up.

We expect Palm oil to trade up and Soy oil to trade sideways for the coming week.

International Veg. Oil Market Summary

On the international front, CBOT soy oil traded down and BMD Malaysia Palm oil traded up.

Dry conditions continue to impact Argentina's Soybean crop, which led to downward revision of the same by Argentina's national agency Buenos Aires grains exchange (BAGE).

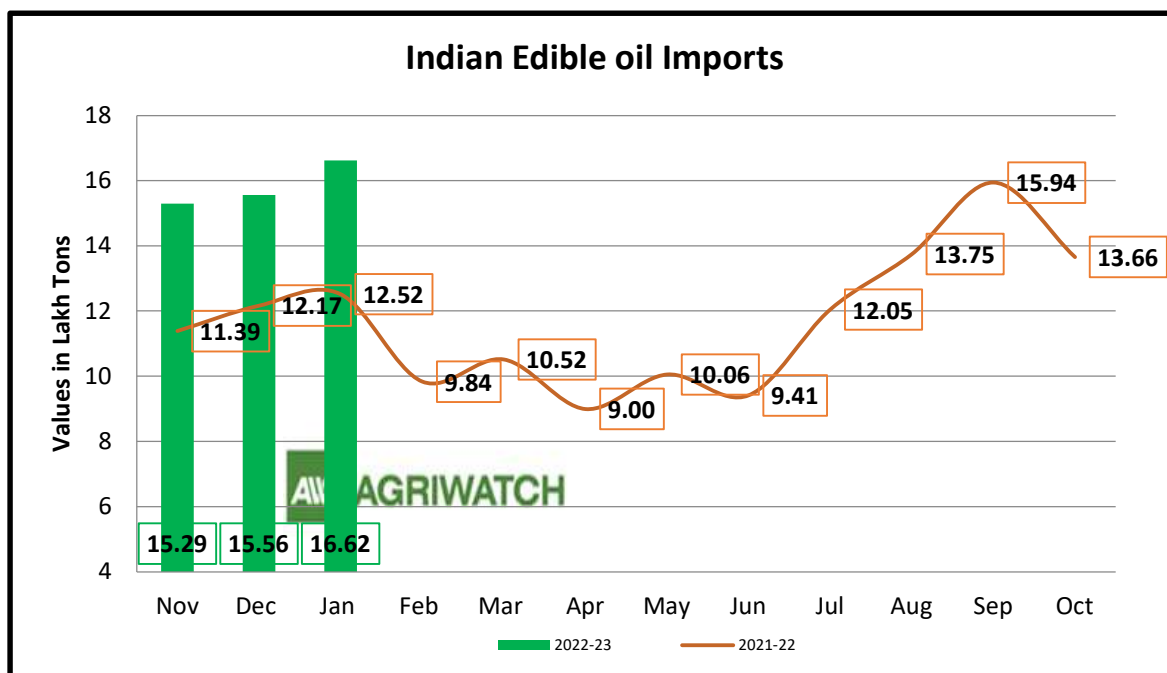
Brazil's soybean crop's harvesting is progressing and harvesting of 25% of acreage is completed.

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.

Palm oil international prices are rising as Indonesia is taking various steps to ensure enough domestic supply ahead of Islamic festivals. USDA expects 400,000 to 800,000 tonnes of Indonesian palm oil to be blocked after Indonesia suspends Palm oil export permits. Global demand for palm oil will shift to Malaysia. However, Malaysia's palm fruit bunch production is already down due to weather vagaries.

Edible Oil Imports

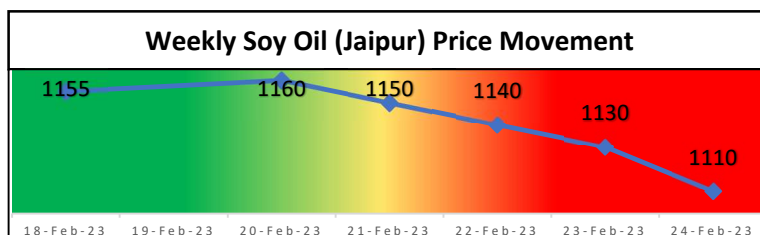
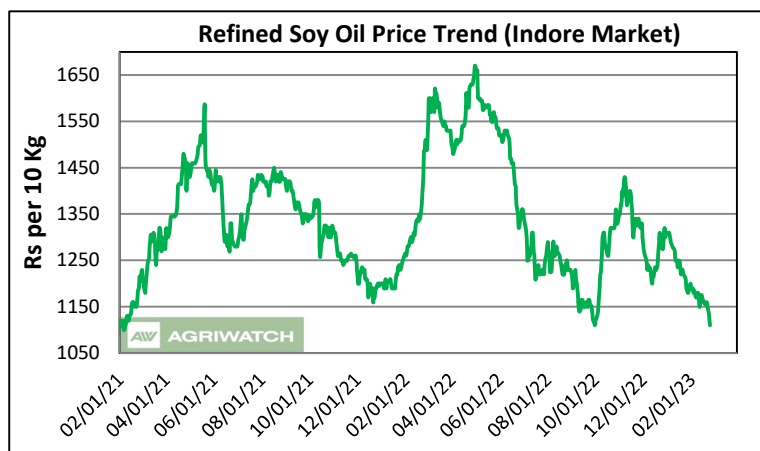
According to Solvent Extractors Association (SEA), India's January edible oil imports jumped 27.85 percent y-o-y to 16.62 lakh tons from 15.56 lakh tons in January 2022. For the oil year 2022-23 (Nov 2022 -Jan 2023), imports of edible oil stood at 47.46 lakh tons compared to 36.07 lakh tons in corresponding period last oil year, up by 31.56 percent compared to corresponding period last oil year.



Soy oil Fundamental Analysis and Outlook:-

Key Highlights

- Soy oil at bench market Indore witnessed weak momentum in prices and closed down by 3.90% from Rs 1155 to Rs 1110 per 10 Kg.
- Prices declined amid sluggish demand from buyers.
- Higher supply side is also weighing on domestic market.
- Higher Soy oil imports in December and improved domestic crushing buildup led to the 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

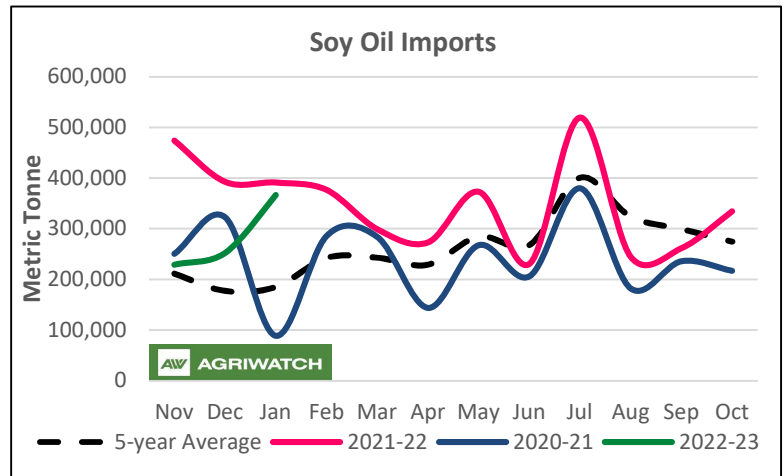
- CBOT Soy oil most active 'May' contract traded down by 1.30% for the period of 21th-24th February, due to higher global soybean supply side.
- Argentina's soybean crop conditions are declining to the poor/very poor category. As of 23rd February, 3% of the Soybean crop is in excellent/good condition, 37% is in fair condition and 60% is in poor/very poor condition. Whereas, in the previous report 56% of the crop was in poor/very poor condition. High temperatures and drought have impacted the yield all over the country. Argentina's national agency Buenos Aires grains exchange further downgraded the crop outlook to 33.5 MMT, down by 4.5 MMT from previous estimate of 38 MMT, citing the combined impact of a recent heat wave and a prolonged drought.
- The Rosario Grains Exchange of Argentina (BCR) has revised its forecast for 2022/23 soybean harvest to 34.5 million tonnes, down from its earlier prediction of 37 million tonnes. This would be the lowest soybean production in the last 14 years.
- 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.

According to National Oilseed Processors Association (NOPA), U.S. January soybean crush rose by 0.8 percent m-o-m to 179.007 million bushels from 177.505 million bushels in December'22. Soybean crushing in January'23 is lower by 1.80 percent compared to January'22 which stood at 182.216 million bushels. Soy oil stocks in U.S.

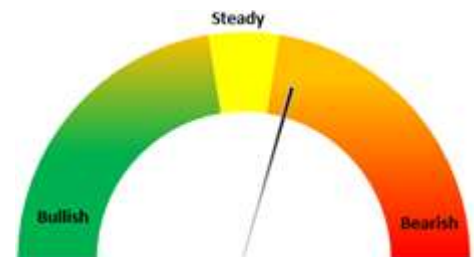
at the end of January rose by 2.1 percent m-o-m to 1.829 billion lbs compared to 1.791 billion lbs in previous month. Stocks of soy oil in January'23 is lower y-o-y, which was reported at 2.026 million lbs. Soy oil stocks is in line with trade expectation.

Imports

- Soy oil imports in January rose to 3.67 LT compared to 2.53 LT in previous month and 3.91 LT in previous year, for the same month.
- Soy oil imports rose January as in domestic market crushing is in disparity



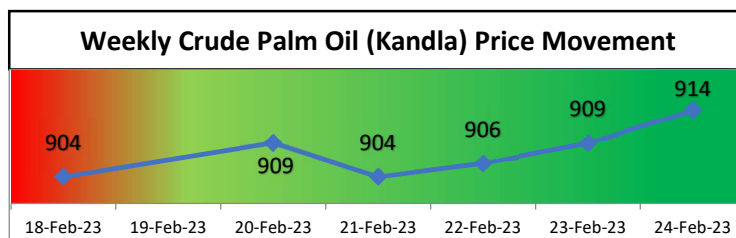
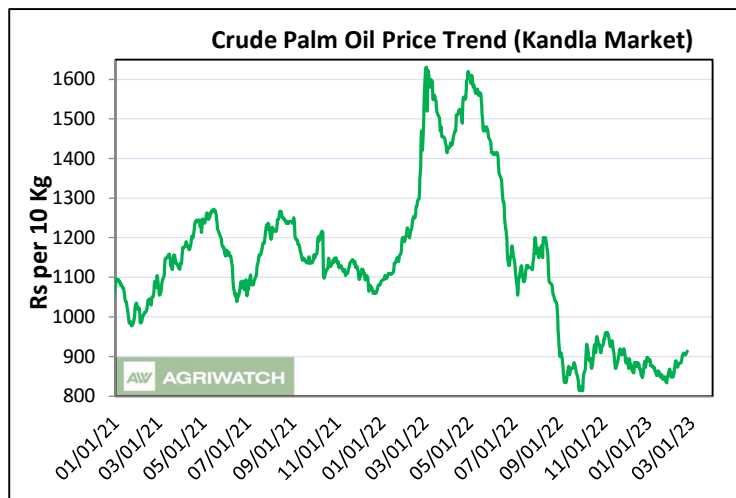
Price Outlook: We expect refined soy oil (without GST) at Indore traded with weak bias in the range of Rs 1080-1180 per 10 Kg in the near term.



Palm oil Fundamental Analysis and Outlook -:

Key Highlights

- Crude palm oil (CPO) prices witnessed rising movement in prices in the previous week at various markets. Prices in the benchmark market Kandla traded up by 1.11%.
- 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.
- Global palm oil import demand has also shifted to Malaysia after Indonesia's strict Palm oil export policy.
- Imports in January is down at 8.33 LT, as anticipated by Agriwatch.
- Palm oil prices in the domestic market is marginally rising, contrary to its rival soy oil and mustard oil as its already discounted compared to the former stated oils.
- Improvement in Vanaspati demand due to marriage festivities tilted palm oil prices towards higher side.



International Front

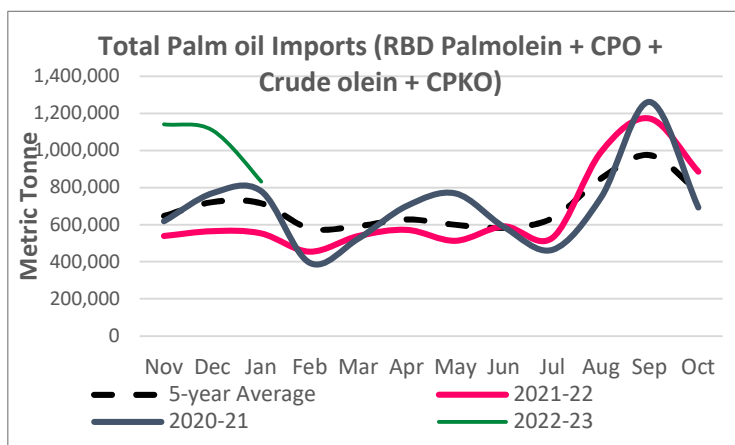
- BMD Palm oil Malaysia futures May Contract traded up by 71 points for the past week. Prices rose as Indonesia is taking various steps to ensure enough domestic supply ahead of Islamic festivals. Indonesia plans to raise Crude Palm oil export tax to \$74/T from \$52/T and exports levy to \$95/ton from \$90/ton, as reference prices to set at \$880.03/Ton for Feb 16 - 28 shipments, up from previously set at \$879.31/Ton.
- USDA expects 400,000 to 800,000 tonnes of Indonesian palm oil to be blocked after Indonesia suspends Palm oil export permits. On Feb. 6, Indonesia's minister for Maritime and Investment Affairs had appraised that 66% of palm oil export permits (export permits already issued to companies that complied with the government's Domestic Market Obligation policy) will be suspended immediately until May 1.
- 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.
- BMD Palm oil futures prices are anticipated to trade up as buyers shift to Malaysia for Palm oil export amid Indonesia tightens Palm oil export. According to the export agencies Malaysia's 1-20th February exports rose

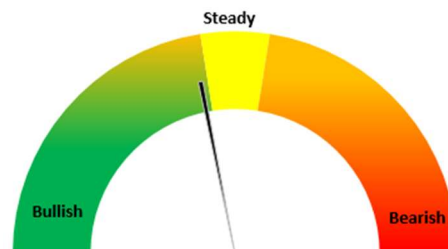
Agency	1-20 th February	1-20 th January	%Change
ITS	784,105	589,308	33.06%
AmSpec	723,482	566,561	27.70%
SGS	712,740	654,888	8.83%

Imports

- Total Palm oil imports in January stood at 8.33 Lakh Tonnes (LT) compared to 11.09 LT in previous month.
- Sudden dip in palm oil imports was witnessed due to higher imports of Sunflower oil.
- Higher palm oil imports from Malaysia are expected for February as Indonesia is limiting its palm oil exports.



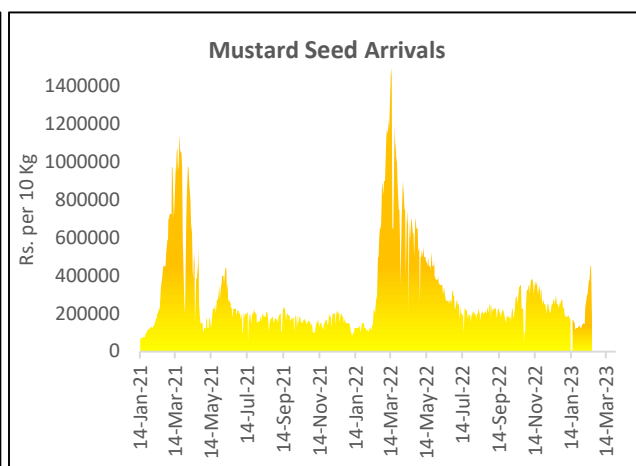
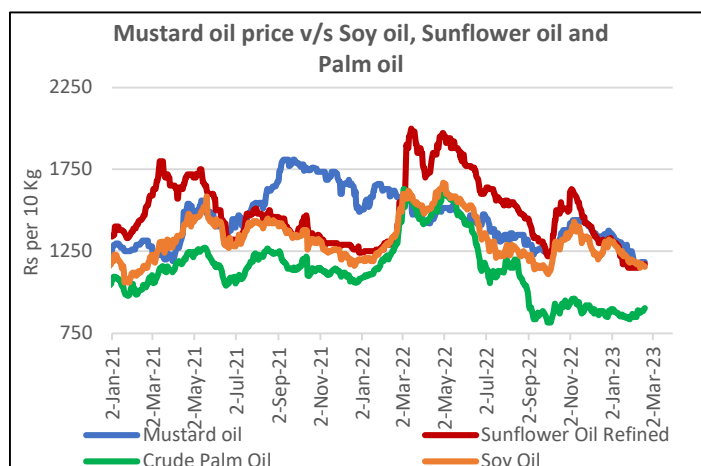
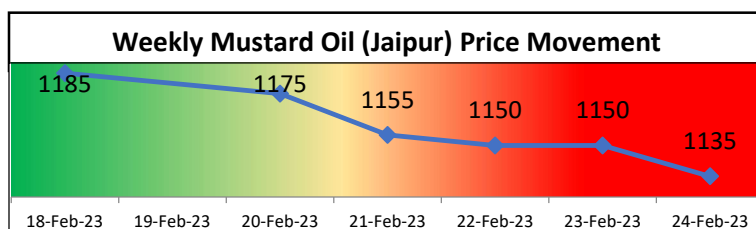
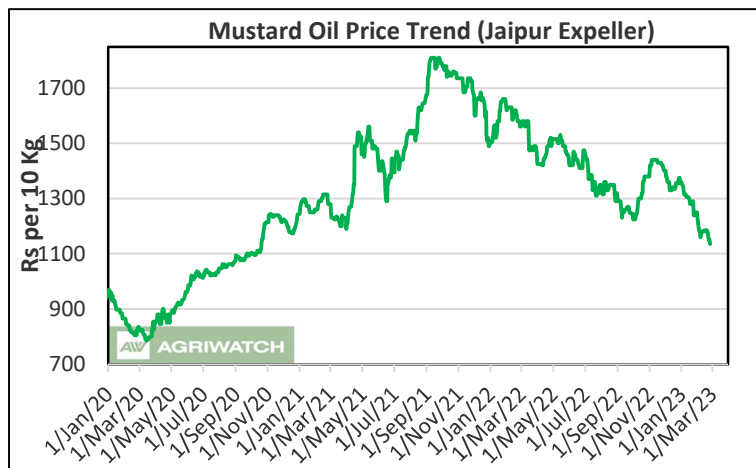
Price Outlook: We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 870-970 per 10 Kg in the near term.



Rapeseed oil Fundamental Review and Analysis-

Key Highlights

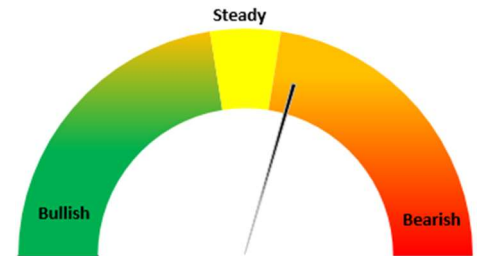
- Mustard oil prices traded down at various markets for the week in review. Prices of expeller oil at bench market Jaipur corrected from Rs 1185 to Rs 1135/ 10Kg.
- Mustard seed and oil prices are pressured by increased arrivals of new mustard crop in the market.
- Moisture content in crop has significantly lowered down as weather improves in Rajasthan.
- All India arrivals of mustard seeds have crossed 8 lakh bags which is weighing on the prices of Mustard seed and oils.
- Peak arrivals of mustard seeds are anticipated after Holi festival with arrivals to touch 15 lakh bags.
- Higher temperature** above than normal in parts of Rajasthan is likely to impact mustard crop. Maximum temperatures in the range of 35-39°C prevailed over many parts of Rajasthan during past one week (13-20 Feb 2023) and currently, it is above normal by 4-9°C. Agriculture department is expecting 4-6% loss in yield due to rising temperature.
- Whereas, Agriwatch anticipates 3-4% losses in yield due to rising temperature, and oil extraction rate of mustard to decline from the normal of 40%.



- According to the govt. officials, Haryana farmers have cultivated mustard on about 18 lakh acres and the state government is expecting nearly 14 lakh metric tonnes of production with a yield of 765 kg per acre.
- State Govt has announced that procurement of mustard will begin on March 28, and has directed the officers to ensure adequate procurement arrangements, identifying procurement centers, proper arrangement for

storage and gunny bags and timely procurement of Rabi crops. However, no procurement was done in last 2 years as prices were well above the MSP. The current MSP for Rabi mustard is Rs 5450/Qtl.

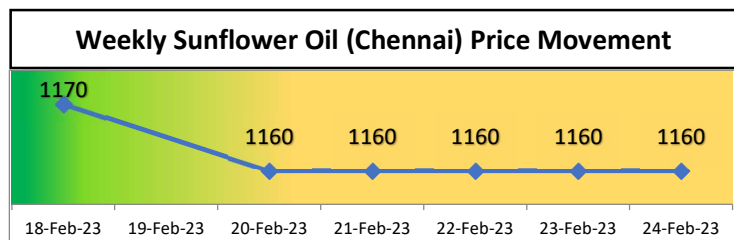
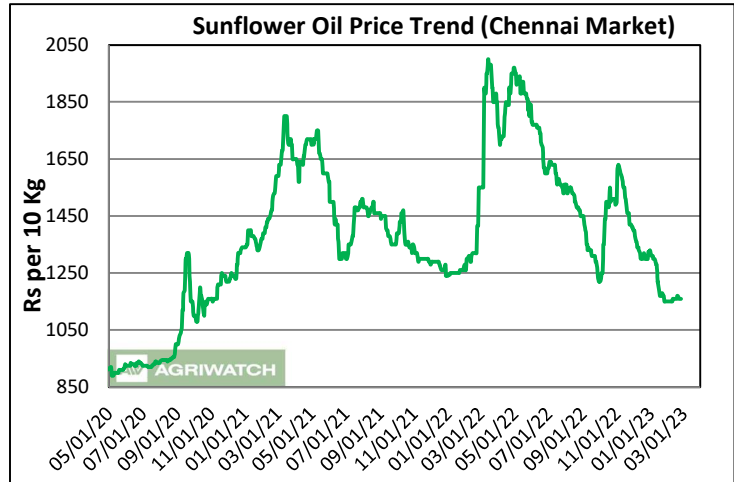
Price Outlook: Rapeseed Expeller oil (without GST) prices in Jaipur may trade in the range of Rs 1080-1185 per 10 Kg with weak bias.



Sunflower oil Fundamental Review and Analysis:-

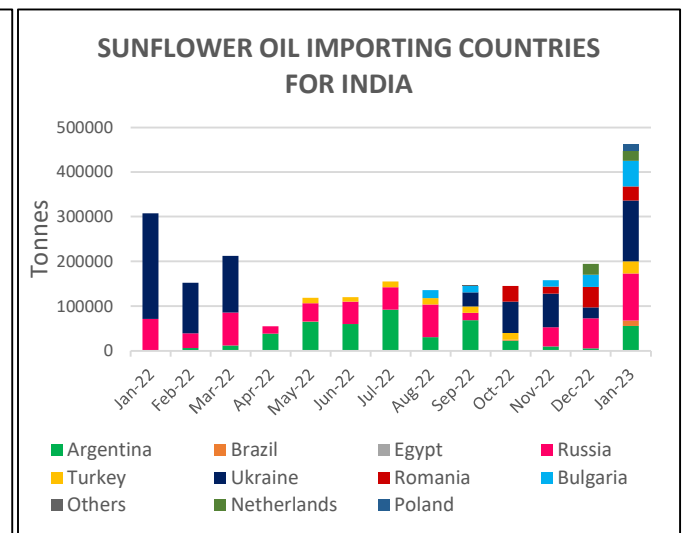
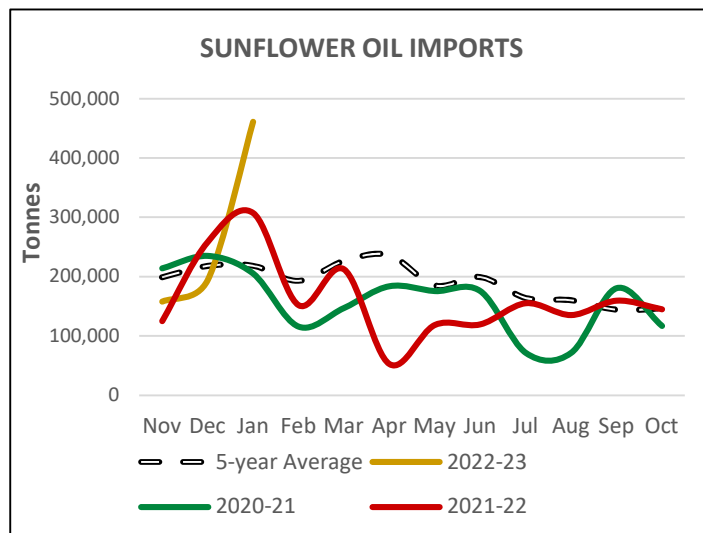
Key Highlights

- Sunflower oil prices corrected downwards at various markets. Whereas, prices at Bench market Chennai for Sun oil traded rangebound at Rs 1160 to Rs 1170/10 Kg.
- Higher imports of sun oil has buildup higher supply side, which is weighing on the prices.
- International sun oil prices are declining with arrival of new crop in the markets.
- Higher supply side due to record high imports of Sun oil is likely to limit its gains. Prices are likely to traded range-bound in Rs 1150-1180 level.
- 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 earlier months can be seen in January.
- Russian Federation will raise the Sunflower oil export duty to 2068.1 RUR/t from March 1 after it has remained at zero values for five consecutive months. Export duty on Sunflower meal will also increase from 1826.9 RUR/t in December to 3357.2 RUR/t.
- Domestic Prices are likely to trade up after reinstating of Russia's sun oil export duty. While, import demand may shift to Ukraine and other countries.



Imports

- Sunflower oil imports in January'23 stood at 4.61 LT compared to 1.94 LT in previous month. India imported 24,000 tonnes of sun oil from Netherlands for the first time in past 3 years.

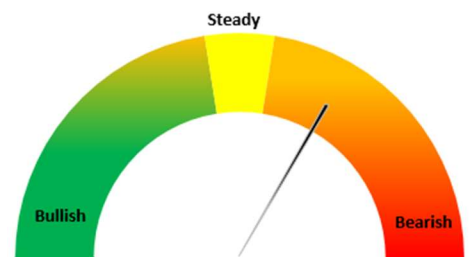


- Ukraine Sun oil prices have gained discount over Russia's Sun oil prices. This is likely to underpin the higher export demand from Ukraine.

FOB Price Black Sea	Ukraine's Prices (\$/MT)	Russia's Prices (\$/MT)	% Change (RUS/UA)
Prices as on 24th Feb for Feb/Mar	1047.5	1130.5	7.92%
Prices as on 24th Feb for Apr	1047.5	1111	6.06%

FOB Price Black Sea	Ukraine's Prices (\$/MT)	Russia's Prices (\$/MT)	% Change (RUS/UA)
Prices as on 18th Feb for Feb/Mar	1157.5	1144.5	-1.12%
Prices as on 18th Feb for Apr	1157.5	1126.75	-2.66%

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 weak bias in tandem with international prices of Sun oil.



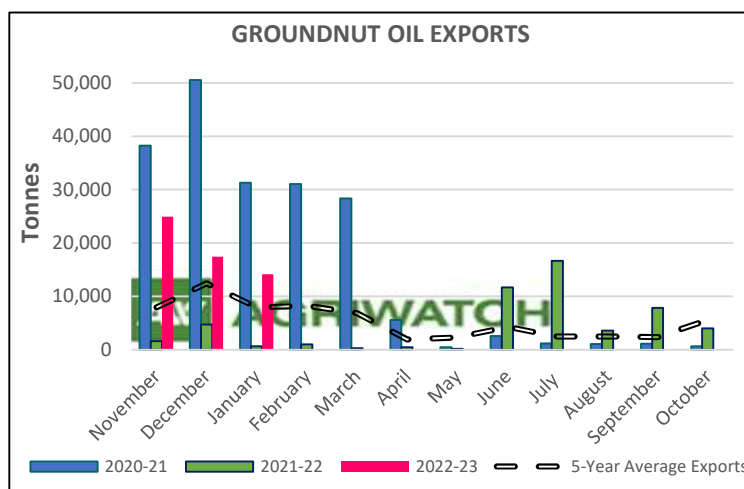
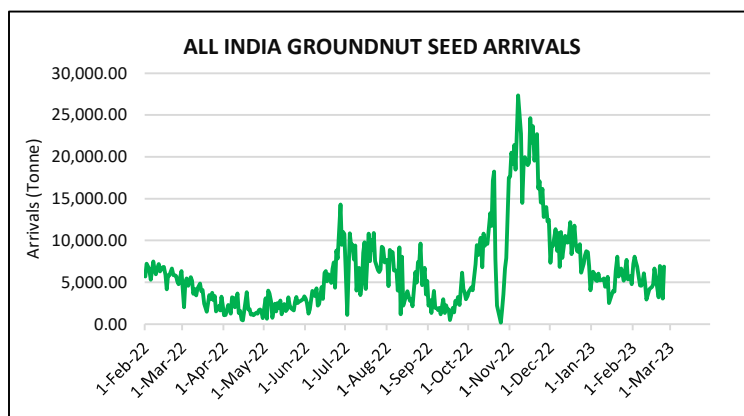
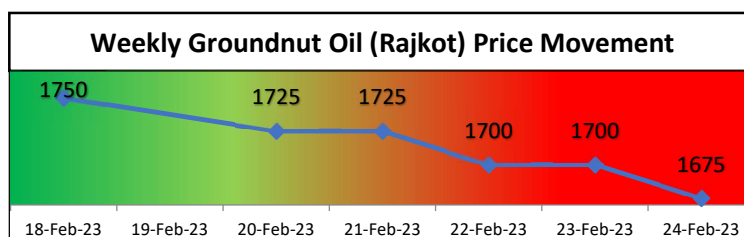
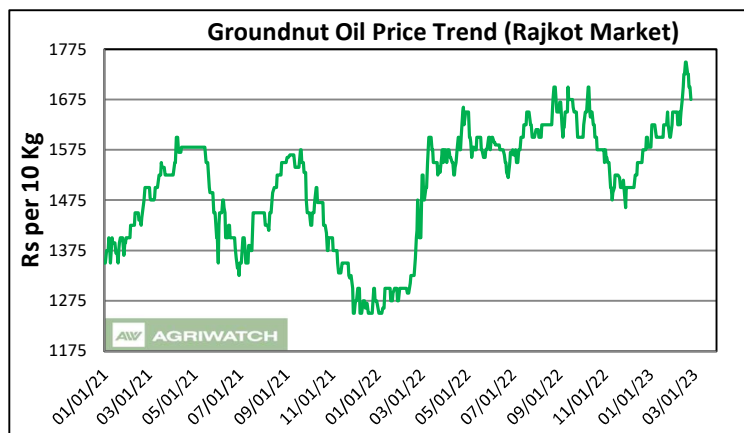
Groundnut oil Fundamental Review and Analysis:-

Key Highlights

- Groundnut (GN) oil market prices at Rajkot market corrected downwards from Rs 1750 to Rs 1675/10 Kg.
- GN oil market witnessed sharp correction in prices mainly due to its high premium over competing oils.
- High premium of GN oil over competing oils also affected its demand in domestic market. However, export demand is good.
- Arrivals are higher mainly in Karnataka and Telangana markets due to arrival of rabi GN crop.
- Stockist 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 18th – 24th February stood at 26,789.83 tonnes, higher compared to 23,304.26 tonnes in the previous week.
- Exports in February is likely to surpass January exports as demand is booming, mainly from China.

Exports

- Exports 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.
- Export demand revived from China since Nov'22 as their GN crop was affected due to high temperature and low rainfall.



Price Outlook: Groundnut oil (without GST) prices in Rajkot is likely to trade sideways in the range of Rs 1675-1775 per 10 Kg.

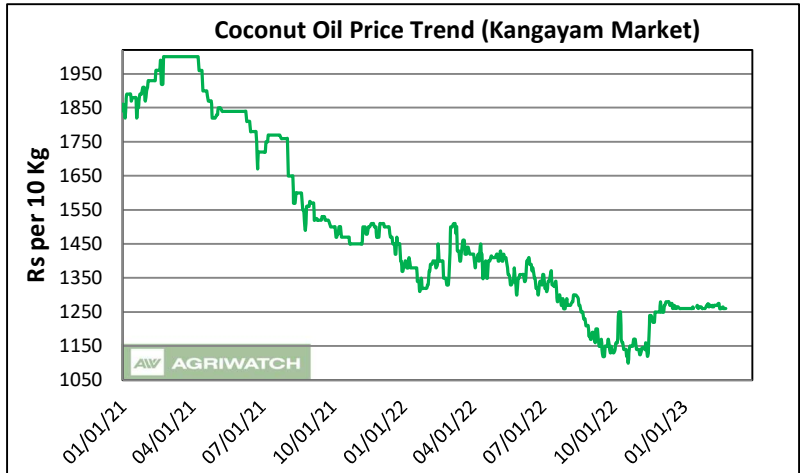
Good export demand is likely to limit the fall in prices. However, higher premium of GN oil over competing oils might impact its demand.



Coconut Oil Fundamental Review and Analysis:-

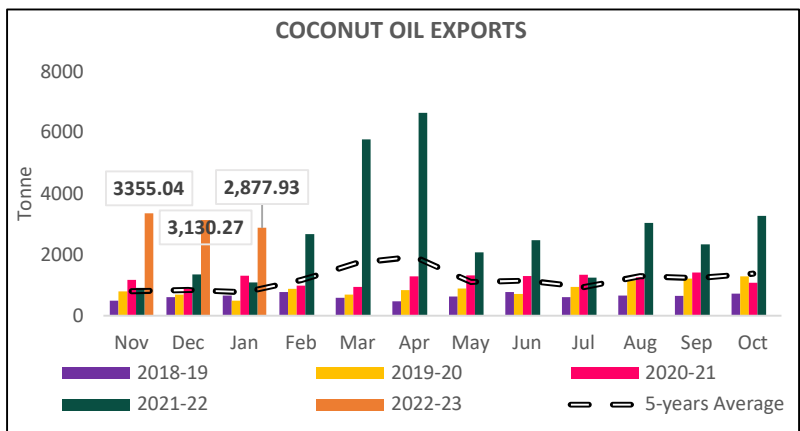
Key Highlights

- The Coconut oil prices traded rangebound at benchmark market Kangeyam in the range of Rs 1260-1270/10 Kg level.
- Domestic demand is normal, however 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.

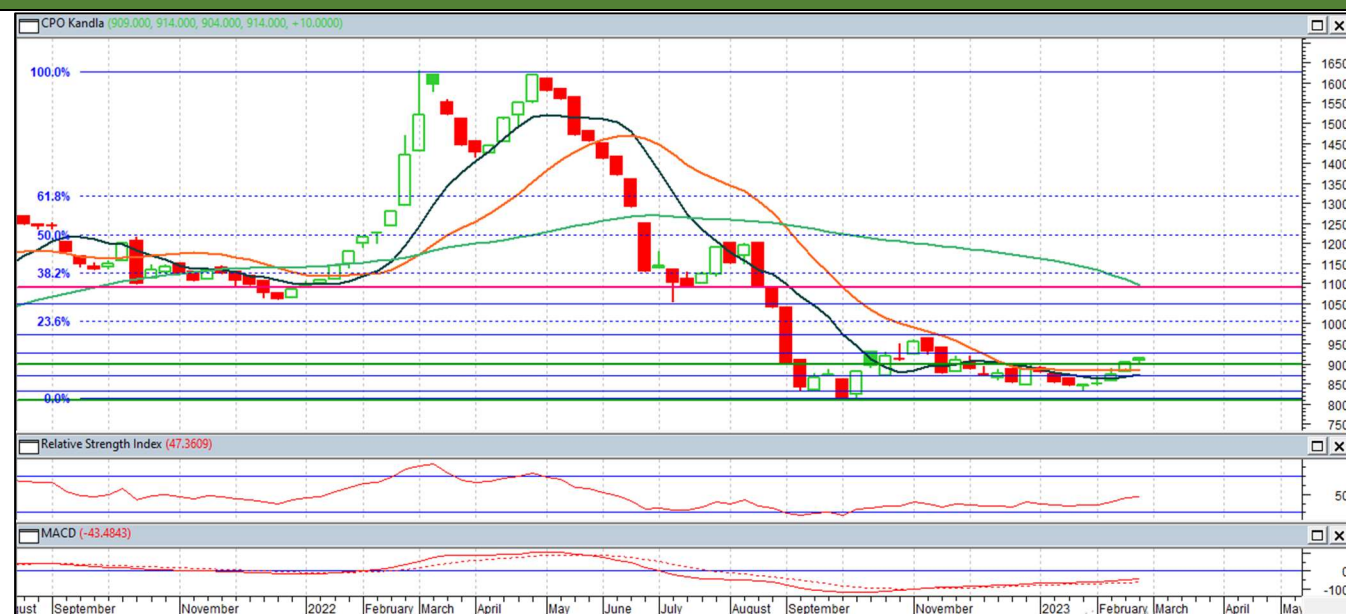


Price Outlook: Coconut oil (without GST) prices in Kangeyam is likely to trade sideways in the range of Rs 1250-1300 per 10 Kg.

Technical Analysis- Spot Market



Technical Analysis CPO (Kandla)- Weekly Timeframe



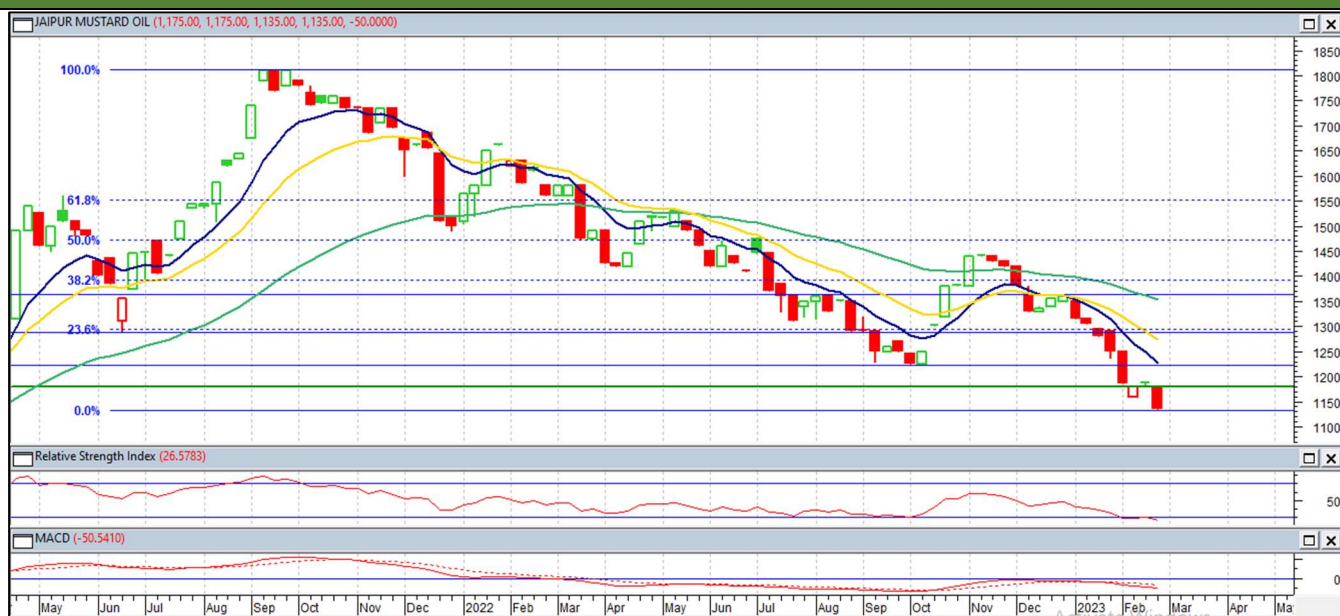
Technical Commentary

- As can be seen in the above chart, market prices traded up in the past week.
- Prices also closed above 9DMA and 18DMA, indicating towards positive sentiments.
- MACD line has crossed the signal line from below showing positive sentiments.
- RSI is above 40 and is rising in the neutral zone, 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 870-970/10 Kg. 980 level can be seen as immediate resistance, and 850-870 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.
- 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 1080-1185/10 Kg. 1250 level can be seen as immediate resistance. 1100 level can be seen as immediate support level.

Technical Analysis Sunflower Oil (Chennai)- Weekly Timeframe



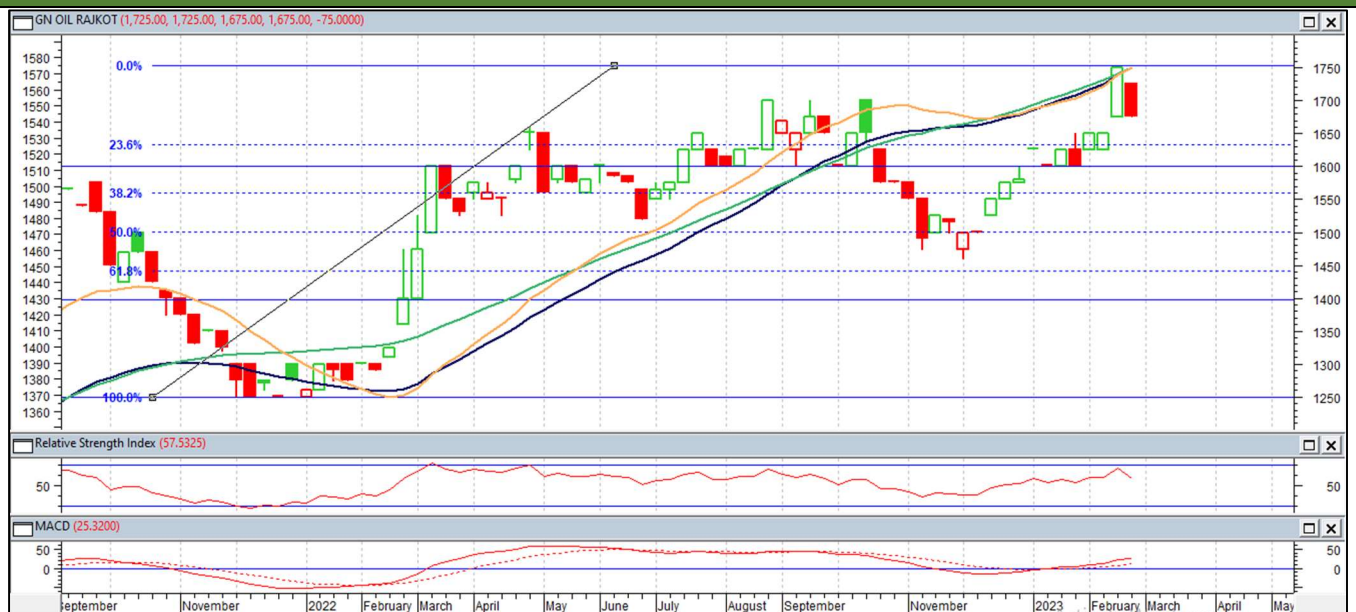
Technical Commentary

- As can be seen in the above chart, market prices traded marginally down in the past week.
- Prices are trading well below 9 and 18 DMA indicating towards weak sentiments.
- MACD and signal line are converging, indicating towards neutral sentiments.
- 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 1100-1200/10 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 down for the past week by 75 points.
- 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 declining in the neutral zone, 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 1675-1770/10 Kg.

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

Commodity	Centre	Prices (Per 10 Kg)		Change
		24-Feb-23	18-Feb-23	
Refined Soybean Oil	Indore	1110	1155	-45
	Indore (Soy Solvent Crude)	1090	1150	-60
	Mumbai	1145	1180	-35
	Mumbai (Soy Degum)	1060	1075	-15
	Kandla/Mundra	1140	1165	-25
	Kandla/Mundra (Soy Degum)	1050	1060	-10
	Kolkata	1170	1195	-25
	Nagpur	1135	1155	-20
	Rajkot	1110	1140	-30
	Kota	1100	1160	-60
	Akola	1130	1150	-20
	Amrawati	1130	1150	-20
	Bundi	1110	1170	-60
	Jalna	1140	1165	-25
	Solapur	1110	1140	-30
	Dhule	1145	1170	-25
	Nanded	1110	1140	-30
	Latur	1110	1140	-30
	Argentina Crude Soya (CIF India) USD	1274	1240	34
	Argentina Crude Soya (FOB)	1189	1153	36
Palm Oil	Kandla (Crude Palm Oil)	914	904	10
	Kandla (RBD Palm oil)	930	925	5
	Kandla RBD Pamolein	960	955	5
	Kakinada (Crude Palm Oil)	900	900	Unch
	Kakinada RBD Pamolein	965	960	5
	Haldia Pamolein	965	960	5
	Chennai RBD Pamolein	965	955	10
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1030	1020	10
	Krishnapattanam RBD Pamolein	960	955	5
	Mumbai RBD Pamolein	980	975	5
	Mangalore RBD Pamolein	970	960	10
	Tuticorin (RBD Palmolein)	1033	1023	10
	Mumbai (Refined)	965	950	15
	Rajkot (Refined)	960	950	10
	Chennai (Refined)	975	960	15

	Hyderabad (Refined)	1010	965	45
	PFAD (Kandla)	745	712	33
	RPS (Kandla)	695	685	10
	Superolien (Kandla)	1010	1002	8
	Superolien (Mumbai)	1010	1002	8
	Kochi (RBD Palmolein)	965	960	5
	Krishnapattanam (Crude Palm Oil)	900	900	Unch
	Kolkata (Crude Palm Oil)	950	950	Unch
Refined Sunflower Oil	Chennai (Refined)	1160	1170	-10
	Chennai (Crude)	1050	1080	-30
	Mumbai (Refined)	1190	1200	-10
	Mumbai (Expeller Oil)	1060	1080	-20
	Kandla (Refined)	1200	1210	-10
	Hyderabad (Refined)	1155	1175	-20
	Hyderabad (Expeller)	1050	1070	-20
	Latur (Refined)	1170	1190	-20
	Latur (Expeller Oil)	1060	1100	-40
	Chellakere (Expeller Oil)	1080	1060	20
	Erode (Expeller Oil)	1200	1200	Unch
	Kakinada (Refined)	1160	1170	-10
	Krishna Pattanam (Refined)	1130	1170	-40
Groundnut Oil	Rajkot	1675	1750	-75
	Chennai	1750	1750	Unch
	Hyderabad *	1710	1750	-40
	Mumbai	1700	1710	-10
	Gondal	1700	1725	-25
	Jamnagar	1700	1725	-25
	Gujarat GN Telia	2700	2715	-15
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1135	1185	-50
	Jaipur (Kacchi Ghani Oil)	1145	1195	-50
	Kota (Expeller Oil)	1130	1180	-50
	Kota (Kacchi Ghani Oil)	1140	1190	-50
	Neewai (Expeller Oil)	1110	1165	-55
	Neewai (Kacchi Ghani Oil)	1140	1190	-50
	Bharatpur (Kacchi Ghani Oil)	1150	1210	-60
	Sri-Ganga Nagar (Exp Oil)	1130	1185	-55
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1150	1200	-50
	Mumbai (Expeller Oil)	1140	1190	-50
	Kolkata (Expeller Oil)	1450	1450	Unch

	Hapur (Expeller Oil)	1170	1205	-35
	Hapur (Kacchi Ghani Oil)	1200	1230	-30
	Agra (Kacchi Ghani Oil)	1160	1215	-55
Refined Cottonseed Oil	Rajkot	1090	1125	-35
	Hyderabad	1100	-	-
	Mumbai	1110	1135	-25
	Gujarat Cotton Wash	1025	1075	-50
Coconut Oil	Kangayam (Crude)	1260	1260	Unch
	Cochin	1330	1330	Unch
Vanaspati Oil	Kolkata	1440	1390	50
Rice Bran Oil	Mumbai (Refined 4%)	920	970	-50
	Bhatinda (Crude 4%)	760	795	-35
	Bhatinda (Refined 4%)	875	910	-35
	Hyderabad (Crude)	860	890	-30
	Hyderabad (Refined)	1020	1050	-30
	Kolkata (Crude)	850	865	-15
	Kolkata (Refined)	920	950	-30
	Raipur (Crude)	870	910	-40
	Vijayawada (Refined)	1030	1050	-20
Malaysia Palmolein USD/MT	FOB	993	973	20
	CNF India	1030	1010	20
Indonesia CPO USD/MT	FOB	1020	980	40
	CNF India	1050	1020	30
RBD Palm Stearin (Malaysia Origin Rs./10Kg)	FOB	840	820	20
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	745	712	33
Crude palm Kernel Oil India (USD/MT)	CNF India	1010	1010	Unch
Ukraine Origin CSFO USD/MT Kandla	CIF	1180	1200	-20
Argentina FOB (\$/MT)		23-Feb-23	17-Feb-23	Change
Crude Soybean Oil Ship		1175	1141	34
Refined Soy Oil (Bulk) Ship		1216	1181	35
Sunflower Oil Ship		1085	1085	Unch
* Indicates including GST				

Note - Domestic edible oil prices are in Indian rupees per 10 Kg, C&F/FOB/CIF prices are in USD per tons.
The prices are exclusive of GST duty.



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