

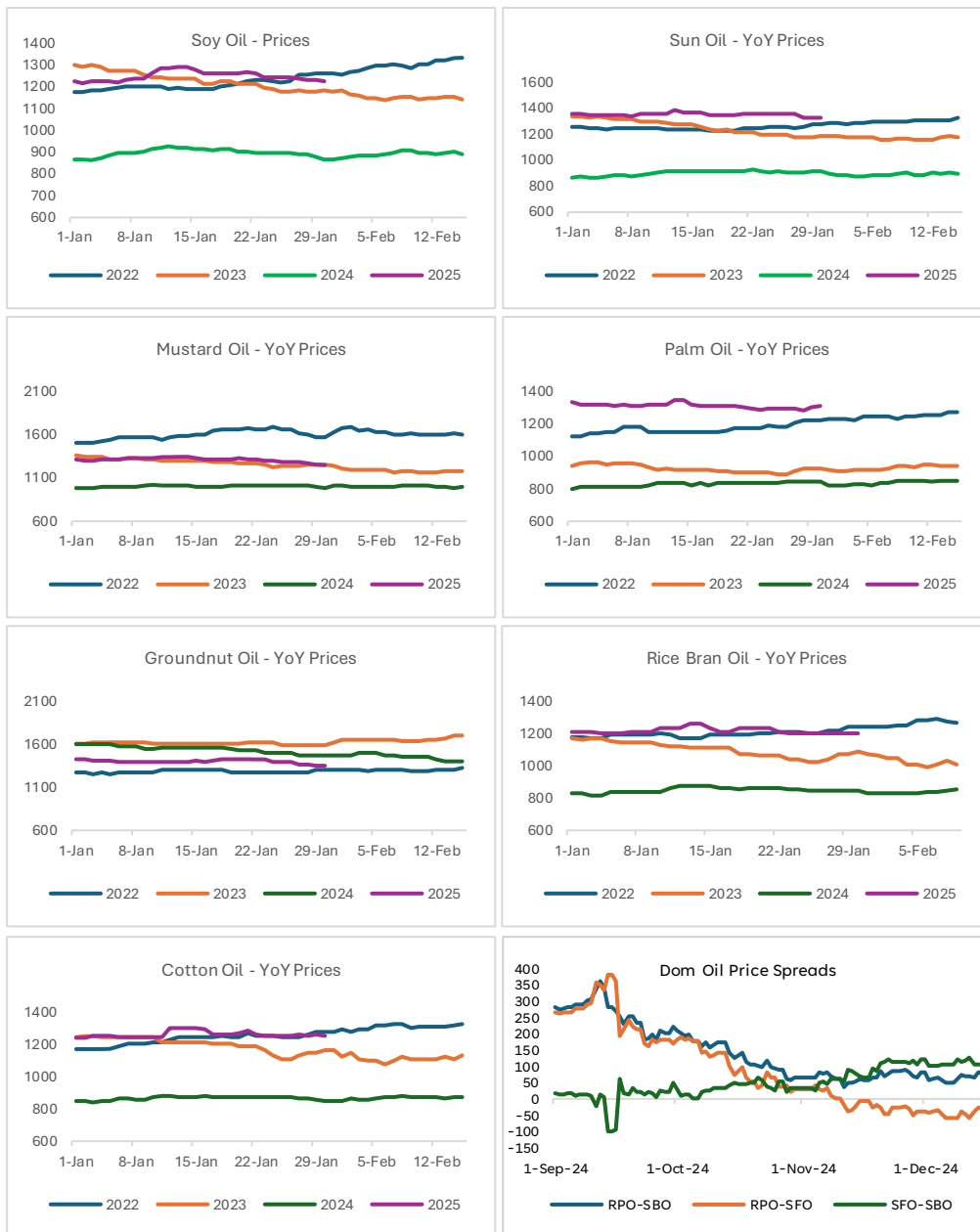


INDIAN OIL AND OILSEEDS REPORT

01 FEBRUARY 2025



DOMESTIC EDIBLE OIL PRICES



- **Mustard oil** has been the highlight this week, prices **fallen over 4%**, attributed to stock releases ahead of harvest of the new crop, current prices at **INR1250/10kg**.
- A similar trend was seen in 2023 with mustard oil prices falling in this period.
- **Soy oil** prices also **dropped** by **1.5%-2%**, due to higher supply via imports.
- **Sun oil** went back to last month's **INR 1330/10kg** levels by the week's end.
- Mustard oil's free fall have led the spreads within oils to narrowed down further this week.
- The weakness in the international markets have trickled down to local prices of edible oils in India.

SOYBEAN COMPLEX

Indian Soybean Complex		LAST	LAST WK	WoW	PREV MNTH	MoM
Soybean - Indore	INR/ton	42625	43125	↓ -1.17%	44250	↓ -3.67%
Soy Meal - Indore	INR/ton	28000	28800	↓ -2.86%	29500	↓ -5.08%
Soy Oil - Indore	INR/ton	122800	124800	↓ -1.63%	124300	↓ -1.21%
Crush Margin	\$/ton	\$ 7.95	\$ 13.97		\$ 6.59	
Oil Share	(%)	49%	49%		48%	

- The pressure of the bumper SAM crop has been such that it has loomed over the soy seed prices for long now.

- The low seed prices can also be linked to the lack of soymeal disposal outlets. Large availability globally restricts the exports, and locally DDGS is becoming a threat for meal demand in India.
- The Govt. has procured approximately **1.7MMT** of soybeans, a major chunk of which has been purchased in the January month itself, highest procurement from Maharashtra.
- These stocks will be held with the govt. till September and released when the next year crop comes in.
- The crushing industry has been relying on cheap seed availability to maintain margins.



MUSTARD COMPLEX

Indian Mustard Complex		LAST	LAST WK	WoW	PREV MNTH	MoM
Mustardseed - Sgng	INR/ton	53500	55000	↓ -2.80%	57000	↓ -6.14%
Kacchi Ghanni Oil - Sgng	INR/ton	122600	127500	↓ -4.00%	131000	↓ -6.41%
Mustard Cake - Sgng	INR/ton	20280	21250	↓ -4.78%	24200	↓ -16.20%
Crush Margin	\$/ton	\$ 46.39	\$ 58.42		\$ 75.44	
Oil Share	(%)	75%	75%		73%	

- The winter months attract low demand, and with stock releases by agencies and stockists, mustard complex is

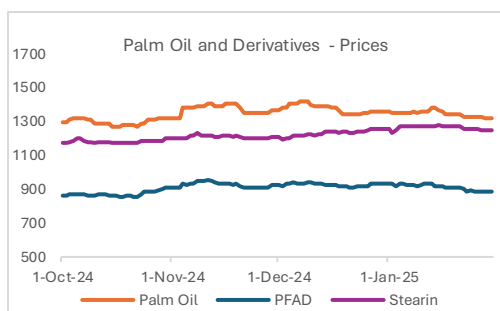
under pressure.

- The mustard cake prices have seen a major downtrend, taking the oil share at 74%.
- The latest sowing numbers show the **area sown** under mustard as **8.93 million hectares, 4.43% lower** than last year.
- The next 30-40 days are crucial for the crop to maintain good health and yield.

PALM OIL IN INDIA

BMD Palm Oil Futures	LAST	LAST WK	WoW	PREV MNTH	MoM
(Ringgit/Mt)	4279	4190	↑ 2.12%	4551	↓ -5.98%

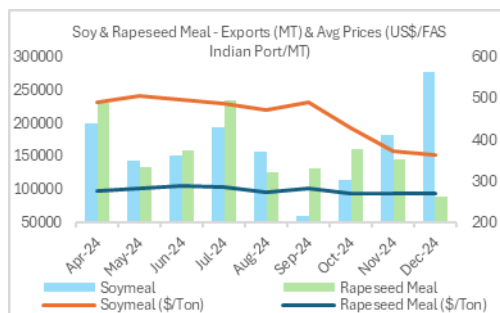
- BMD was closed for two days, opened weak on Friday because of rival oils, but managed to end slightly higher.



January 2025 palm oil **imports** are expected to be at **multi-month low levels**, only enough to meet the core demand.

- The demand was being fulfilled by port and pipeline stocks, but it is now a alarm bell for procuring palm to sustain festive demand, and refill the stocks.
- The February month shall see improved import numbers every week.

DOMESTIC MEAL SCENARIO



Int Soymeal Prices	LAST	LAST WK	WoW	PREV MNTH	MoM
India FOR - Kandla	346.26	353.54	↓ -2.06%	374.05	↓ -7.43%
Argentina Pellet - FOB	325.4	325.4	↑ 0.00%	344.47	↓ -5.54%
Brazil Pellet - FOB	316.58	316.58	↑ 0.00%	324.3	↓ -2.38%

- Due to **Argentina's export duty cut**, the already stressed Indian soybean meal fell to remain competitive.
- The current spread is expected to further reduce as the new crop comes in and starts to get crushed in South America.

INDIA-INTERNATIONAL LANDSCAPE

CIF Quotes



KANDLA CIF (\$/Ton)	Last -30 Jan		WoW Abs Change	
	Jan	Feb	Jan	Feb
Palm Oil	1155	1150	15	20
Soy Oil	1130	1052	0	-54
Sun Oil	1155	1160	-5	-30

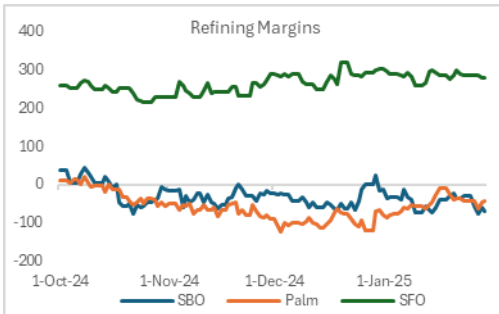
- CIF quotes for palm are up, while the same for SBO have softened.

- This has again **widened** the **BOPO** spreads.
- It would be interesting to see how India keeps the share of palm oil in its total oil imports in the coming summer months where palm is more suitable in major sectors.

- For SFO, Russian prices are more competitive than Ukraine is selling at lower rates. For Feb, CIF quotes have lowered for Sun Oil.



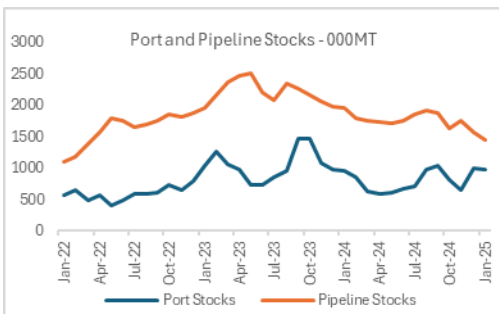
Refining Margins



India Ref Margins (\$/Mt)	LAST	LAST WK	WoW	PREV MNTH	MoM
Basis CIF-Kandla					
CSBO	-71.43	-37.21	↓ -47.90%	24.12	↓ -133.78%
CSFO	277.71	290.31	↓ -4.54%	300.25	↓ -8.12%
CPO	-43.31	-37.46	↓ -13.52%	-70.69	↑ 63.21%

- The margins dropped on a week-on-week basis due to lower edible oil prices.
- In recent times, sustenance have been seen due to a strategic blending, enabling refiners to cover costs despite global market pressures.

Import Situation

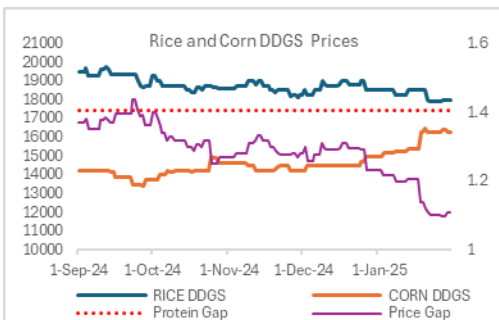


Imports (MT)	OND 2024	OND 2023	% change
RBD Oln	686002	476233	44%
CPO	1470825	1954022	-25%
CSFO	844612	543337	55%
CSBO	1170117	437869	167%

Edible Oil Imports (MT)		
Dec'24	Nov'24	MoM
1185662	1590301	-25%

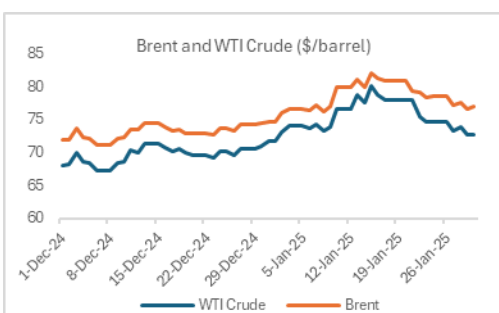
- The SEA of India's data shows a 25% dip MoM in the Dec imports, at 1.18MMT; Oln: 165kmt, CPO: 326kmt, SBO: 420kmt, SFO: 265kmt.
- The port stock on 1st Jan 2025 is 988kmt (CPO 240kmt, Oln 160kmt, SBO 310kmt, SFO 278kmt). SBO discounts are leading to demand substitution of rival oils.
- Pipeline stock considering domestic production and consumption at 1.4 MMT. Total stock 2.4MMT tons, down 143kmt tons due to lower import during Dec'24.
- Now, India will need to buy palm by the 2nd week of Feb for the upcoming festive season and Ramadan.

DDGS



- Current Rice DDGS Prices: **INR 18/kg**
- Current Corn DDGS Prices: **INR 16.25/kg**
- Current Soymeal Prices: **INR 28/kg**
- The Protein ratio between Rice and Corn DDGS is 1.4, while the price gap has gradually come to near equal due to lowering Rice DDGS prices, with increasing use of broken rice in ethanol production in India.

BIODIESEL

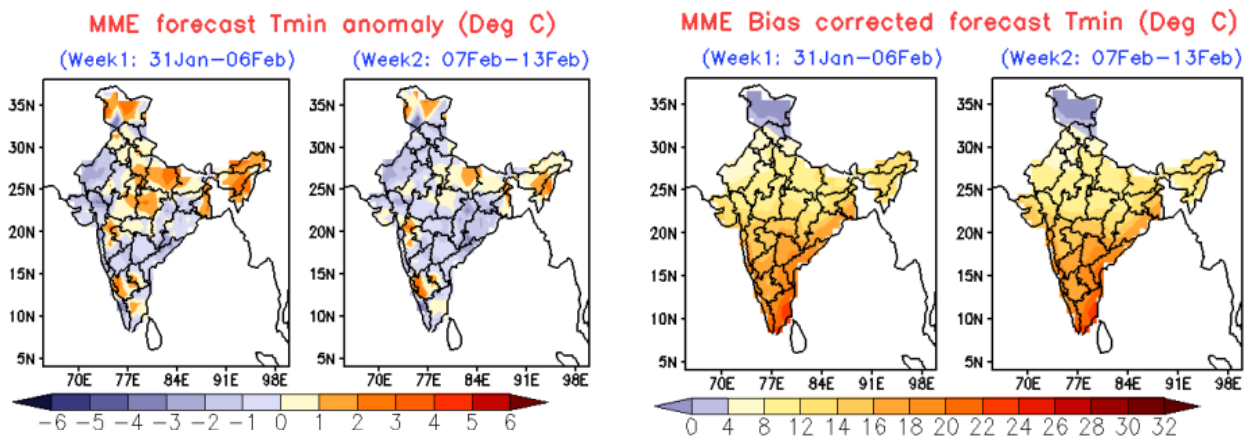


- Crude Oil faced pressure this due to the potential economic fallout from U.S. tariffs on Canada, Mexico, and China.
- Brent and WTI benchmarks were on track for weekly losses of 2.2% and 2.6%, respectively.
- These lowering crude oil prices pose a threat to the ambitious targets of biodiesel blends in Indonesia and Brazil. Thailand has already cut its blend target from 8% to 5%.



FORECASTED WEATHER PATTERN

- According to the latest report from the India Meteorological Department, the rainfall and temperature forecasts look concerning.
- **Below-normal rainfall** is predicted over most parts of the country, including North India, where the mustard crop is grown. This will likely be **less than 78%** of the Long Period Average.
- **Above-normal temperatures** are expected across much of India.
- Impact on Mustard Crops: Increased temperatures in Northwest India **may cause early maturity** of mustard crops, especially during the seed-filling stage, which can affect yield quality and quantity.
- Light irrigation may be needed to mitigate adverse effects and maintain crop health.



CONCLUSION

- Mustard oil prices have dropped over 4% due to stock releases in anticipation of the new crop harvest. The mustard acreage has decreased by 4.43% compared to last year, with the coming 30-40 days being crucial for crop health and yield.
- Adverse weather conditions in Northwest India, including lower rainfall and higher temperatures, may lead to early mustard crop maturity, potentially affecting yield quality. Farmers may need to use light irrigation to reduce the impact.
- Soy and sun oil prices dropped due to higher imports, while palm oil imports hit multi-month lows.
- Domestic edible oil stocks have decreased due to reduced imports in December 2024. A surge in palm oil imports is expected by mid-February to prepare for festive demand and Ramadan.
- Chinese DCE shall open on 5th of February after the holidays, reaction to Trump's words would be seen.



To know more, scan the code
or visit us at www.gleaf.in

