

# Easing palm oil keeps coconut oil on leash

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*Kochi, Jan. 24*

Coconut oil prices gravitated lower in Kerala and Tamil Nadu as demand slumped. Markets are expected to remain subdued as prices of imported edible oils are likely to fall further on the back of a firm trend in the rupee, sources in the trade said. As Indian rupee re-gained the psychological Rs 50-mark against the dollar, prices of palm oil and palm kernel oil continue to remain jittery.

Coconut oil was quoting at Rs 7,200 a quintal in Kerala markets against Rs 6,900 in Tamil Nadu. Copra prices also plunged to Rs 5,000 a quintal in Kerala against Rs 4,850 in Tamil Nadu. Palm oil prices ruled at Rs 5,740/quintal, while palm kernel oil quoted Rs 6,800. With the easing trend in palm oil and palm kernel oil prices, which are the direct competitors to edible coconut



oil, market sources expected some diversion of demand to these cheaper oils.

There is virtually no activity in coconut oil markets and sources did not expect any resurgence in the immediate future. Futures prices also ruled low at Rs 7,140 a quintal for the February contract and Rs 7,315 for the

March contract – not much variance with the spot prices.

While coconut oil and copra supplies from Kerala have dried up with the onset of the lean season, arrivals continue to remain firm in Tamil Nadu. But there are no takers and prices remain depressed.

Traders are also holding good amount of stocks and unless the demand revives, coconut oil prices are expected to remain low, trade sources warned. Demand from Kerala is not expected to perk up since competing edible oil prices are also ruling low. Industrial demand is also not expected to boost prices since they are also holding good amount of stocks and the summer sales of coconut oil-based shampoo, hair oil and soaps are yet to commence. Prospects for rise in coconut oil are not promising at the moment.