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# **Veg. Oil Monthly Research Report**

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## **Outlook and Review:**

### **Domestic Front**

*Edible oil basket featured firm tone during the month under review. Soy oil, palm oil, rapeseed oil, sunflower oil and coconut oil closed higher while groundnut oil closed in red.*

*Rapeseed oil (Kota) was the best performer among the edible oil complex tracking firm demand in the cash market. Groundnut oil (Rajkot) was the worst performer tracking weak demand and weak groundnut prices.*

*We expect soy oil and palm oil to trade firm on strong fundamentals*

### **Recommendation:**

*In NCDEX, market participants are advised to go long in RSO above 655 for a target of 675 and 680 with a stop loss at 6645 on closing basis. In MCX, Market participants are advised to go long in CPO above 515 for a target of 535 and 540 with a stop loss at 505 on closing basis.*

*Market Participants can buy refined soy oil in the cash markets at 640-650 for the target of 670-680 levels (Indore including taxes), if needed. Market Participants can buy CPO Kandla 5% in the cash markets at 520-530 for the target of 550-560 levels, if needed.*

### **International Veg. Oil Market Summary**

*CBOT soy oil (July) is expected to stay in the range of 30 cents/lb to 37 cents/lb. CPO at BMD (October) is likely to stay in the range of 2400-2900 ringgits per ton. Focus during the coming days will be firm ringgit, firm Chinese and Indian demand, lower stocks of soy oil in US and Argentina, lower rate of growth of stocks of palm oil in Malaysia, in Malaysia, firm crude oil prices and weak dollar.*

*Malaysia's August palm oil exports fell 0.1 percent to 1,259,240 from 1,260,143 tons last month. Top buyers are European Union at 248,008 tons (352,370 tons), China at 184,750 tons (191,234 tons), India at 180,940 tons (162,100 tons), United States at 49,250 tons (77,241 tons) and Pakistan at 18,500 tons (43,000 tons). Values in brackets are figures of last month: SGS*

*In the weekly USDA crop progress report released on 05 September; Soybeans dropping leaves are reported at 11% which is same as 11% during the corresponding period last year and down from the 5 year average of 12%. Soybean crop setting pods are reported at 97% which is same as 97% during the corresponding period last year and up from the 5 year average of 96%. About 61% of the soybean planted crop is under good to excellent condition which is down from 73% during the corresponding period last year.*

*On the international front, low stocks of soy oil in US, higher demand of soy oil for biodiesel in US, strong Chinese soybean demand, rise in crude oil prices, weak dollar on slower than expected FED rate hike are bearish for the soy complex in the coming days.*

*Higher demand from India and China, slow rise in end stocks of palm oil in Malaysia, strong competitive oils and rise in crude oil prices is bullish for palm oil prices in the near term.*

## Soy oil: Domestic Market Fundamentals

➤ Refined soybean oil prices featured uptrend at its benchmark market at Indore during the month in review on firm demand and rise in prices of soybean in domestic market. Average prices of refined soy oil increased in August. Prices of refined soy oil rose in Kolkata, Mumbai, Rajkot, New Delhi, Kota and Kandla/Mudra. CDSO prices rose at JNPT and Kandla/Mudra.

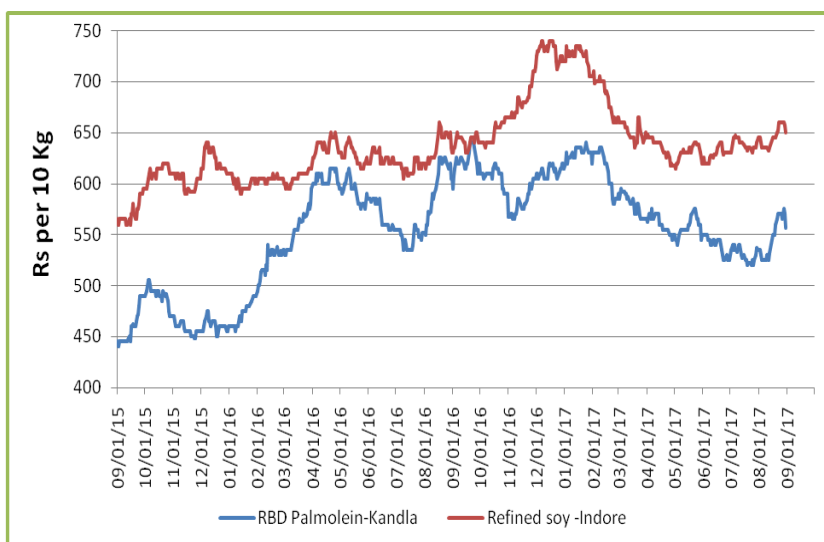
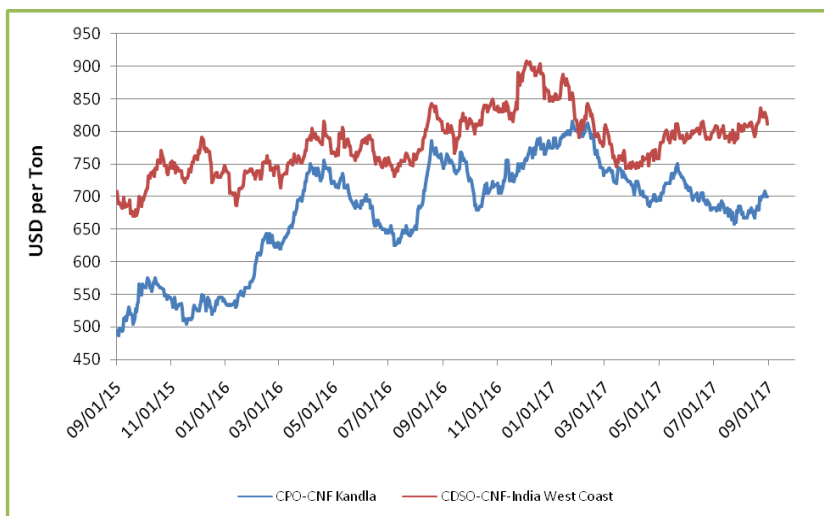
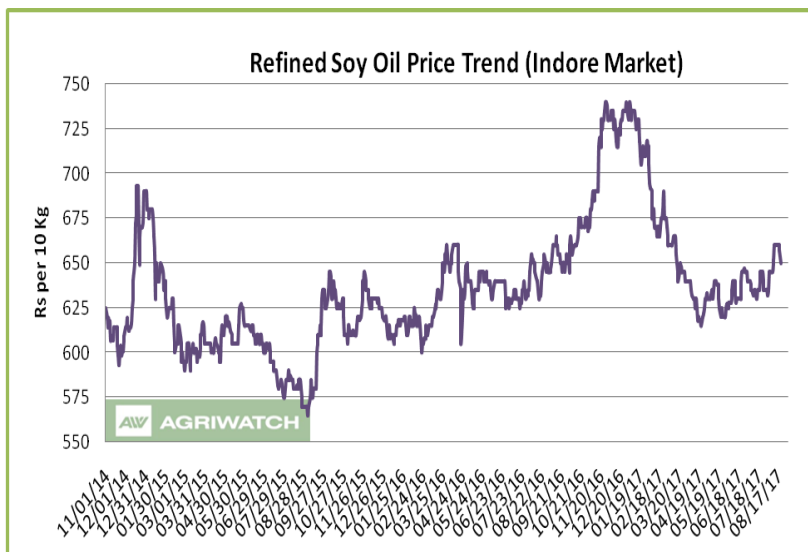
➤ Agriwatch view—Soy oil prices witnessed uptrend in month of August in Indore on rise in prices of soy oil in international markets and rise in soybean prices in Indian markets.

Prices of CDSO rose less in CNF v/s CDSO high seas indicating firm demand at high seas.

Refined soy oil prices rose in most places in India, indicating firm demand at various centers.

Refined soy oil premium over CPO has decreased to Rs 128 (Rs 145 last month) per 10 Kg which will support soy oil prices. Imports will rise on low CDSO premium over CPO at USD 120 (USD 129 last month) per ton for July delivery which will support prices of soy oil.

Refined soy oil premium over RBD palmolein decreased to Rs 85 (Rs 115 last month) per 10 Kg, which is low and may support soy oil prices in domestic markets.



Refined soy oil premium over CDSO high seas is at Rs 42 (Rs 55) per 10 kg indicating weaker refined soy oil demand in domestic markets compared to high seas.

Appreciation of rupee has made soy oil imports dearer which will induce demand of imported soy oil.

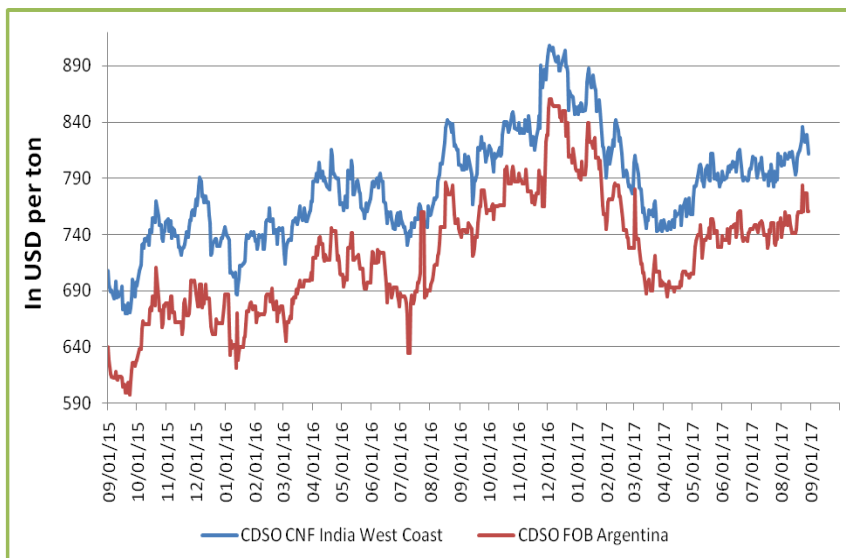
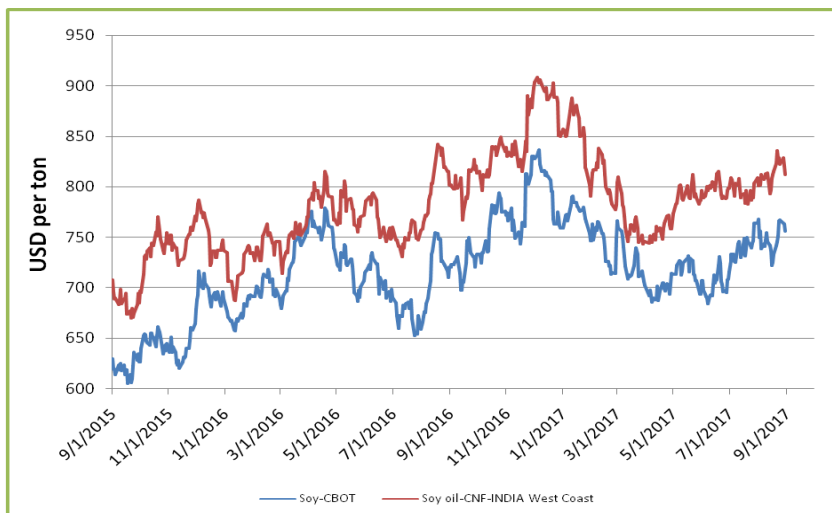
Landed cost and refining margins have turned to disparity.

Fourth chart from top shows difference between CDSO-CNF-India West coast and Soy oil CBOT. Difference increased between CDSO-CNF-India West coast and Soy oil CBOT due to decrease in basis (spot prices – futures prices).

Refiners can wait to buy their consignment as basis can decrease on record soybean crop in South America, higher supply from Argentina, depreciation of Argentina Peso and expectation of good soybean crop in US.

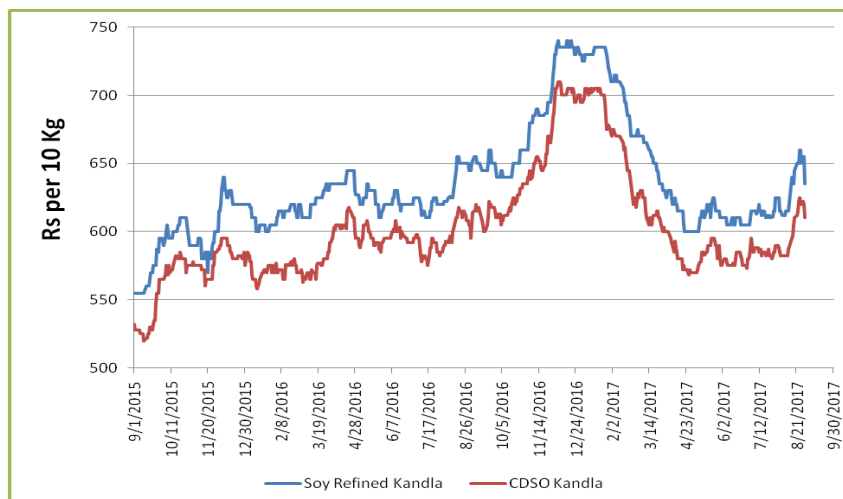
Export demand of soy meal has fallen due to appreciation of Rupee which has resulted in lower crushing of soybean. However, government removed trade barriers on export of edible oils in bulk on expectation of higher crushing. This step will decrease end stocks of soybean and ease pressure on domestic soy oil.

Export demand of soy meal from India, improved in 2016/17 due to



higher crop of soybean. However, due to more than 15 percent appreciation of rupee, Indian soy meal is now uncompetitive in international markets compared to peers.

CDSO demand was firm at CNF markets as CDSO CNF rose more than CDSO-FOB compared to last month indicating firm demand at CNF markets.



Imports of soy oil surged in July compared to June and July 2016 while stocks at ports and pipelines rose in July indicating firm supply of CDSO compared to June 2017. Stocks at ports and pipelined surged as importers imported and cleared customs and stocked at ports to take advantage of rise in import duty as government indicated that it will hike import duty on edible oils.

Prices are expected to trade sideways to firm in medium term on firm demand, higher prices of soybean and rise in competitive oils.

- All India sowing of soybean has reached 105.18 lakh hectares as on 1.09.2017 compared to 113.60 lakh hectares in the corresponding period last year. Madhya Pradesh and Maharashtra lead to lower sowing.
- Soy oil import scenario – According to SEA, India imported 4.68 lakh tons of soy oil in July 2017 v/s 3.49 lakh tons in July 2016, up 34 percent y-o-y. India imported 24.49 lakh tons of soy oil in the period (November 2016-July 2017) compared to 31.54 lakh tons in the corresponding period last oil year, lower by 22.45 percent y-o-y.
- According to Ministry of Finance, Government of India in Notification no 71/2017-Customs, dated August 11, 2017, import duty on crude palm oil have been hiked from 7.5 percent to 15 percent and refined palm oil to 25 percent from 15 percent. Crude edible oils other than crude palm oil import duty are hiked to 17.5 percent from 12.5 percent. All other refined oils will be taxed at 25 percent from current 20 percent.

Decision of hike in import duty has been taken to protect the interest of farmers and encourage domestic crushing industry. However, this decision falls short of industry demand for differential between crude and refined edible oils import duty at 15 percent or more, whereas government has only provided the duty differential at 7.5-10 percent.

- On a financial year basis, the export during April'2017 to July'2017 stands at 6.38 lakh tons as compared to 4.13 lakh tons in the corresponding period of previous year showing an increase of 54%. During current oil year, (October – September), total exports during October 2016 to July 2017 is 16.46 lakh tons as against 3.48 lakh tons during the corresponding period last year, showing an increase by 373%, reported by SOPA
- United States Department of Agriculture (USDA) in its August report increased India's 2017/18 soy oil imports by 0.1 MMT to 4.2 MMT from 4.1 MMT. Domestic consumption is reduced to 5.75 MMT from 5.8 MMT in its

previous estimate. End stocks are increased to 0.426 MMT from 0.402 MMT. Lower domestic consumption in 2017/18 is due to lower soy oil production on lower soybean crop in 2017/18.

- According to Solvent Extractors Association (SEA), India's July edible oil imports rose 33.18 percent y-o-y to 14.89 lakh tons from 11.18 lakh tons in July 2016. Palm oil imports in July rose 42.1 percent y-o-y to 8.1 lakh tons from 5.70 lakh tons in July 2016. CPO Imports rose 38.4 percent y-o-y to 5.16 lakh tons from 3.63 lakh tons in July 2016. RBD palmolein imports rose 26.3 percent y-o-y to 2.95 lakh tons from 2.07 lakh tons in July 2016. Soy oil imports rose 34 percent y-o-y to 4.68 lakh tons from 3.49 lakh tons in July 2016. Sunflower oil imports rose 49.25 percent y-o-y to 2.00 lakh tons from 1.34 lakh ton in July 2016. There was no import of rapeseed (canola) oil in July compared to 0.66 lakh tons in July 2016.
- According to Solvent Extractors Association (SEA), India's June edible oil stocks at ports and pipelines rose 8.56 percent m-o-m to 24.73 lakh tons from 22.78 lakh tons in June 2017. Stocks of edible oil at ports rose to 883,000 tons (CPO 270,000 tons, RBD Palmolein 140,000 tons, Degummed Soybean Oil 300,000 tons, Crude Sunflower Oil 170,000 tons and 3,000 tons of Rapeseed (Canola) Oil) and about 1,590,000 tons in pipelines (stocks at ports were 738,000 and in pipelines were at 2,278,000 tons in June 2017). India is presently holding 42 days of edible oil requirement on 1st August, 2017 at 24.73 lakh tons compared to 39 days of requirements last month. India's monthly edible oil requirement is 17.5 lakh tons. Stocks in ports rose in anticipation of hike in import duty. Importers cleared customs and stored edible oils to take advantage of rise in import duty.
- Imported crude soy oil CIF at West coast port is offered at USD 830 (USD 773) per ton for September delivery, October delivery is offered at USD 830 (USD 801) per ton and November delivery is quoted at USD 836 per ton as on September 4, 2017. Values in brackets are figures of last month. Last month, CIF CDSO August average price was USD 813.42 (USD 796.8 per ton in July 2017) per ton.
- On the parity front, margins fell during the month and we expect margins to improve in the coming days. Currently refiners lose USD 45-50 per ton (August average) v/s loss of USD 15-20 per ton (July average) margin in processing the imported Soybean Oil (Argentina Origin).
- We expect soy oil to trade sideways to firm tone in the coming days.

### **International Market Fundamentals**

- Agriwatch view – Fall in end stocks of soy oil in US in 2017/18 as reported by USDA on lower opening stocks and lower production of soy oil on lower crush of soybean will support soy oil prices in medium term. USDA increased soybean end stocks in US in 2017/18 on higher production of soybean and lower crush of soybean partially set off by lower opening stocks and higher exports. USDA has increased the crop to record levels on higher yield of soybean. USDA generally increases soybean crop yields from August, according to historical data. Yields are increased since August until the final figures. Record area estimate of soybean in US due to higher returns on soybean in US and higher soybean stocks will underpin soy oil prices in medium term.



Fall in end stocks of soy oil in US due higher demand of soy oil reported by NOPA in US despite higher soy oil production and higher crush of soybean. Lower stocks of soy oil in US will support soy oil prices in medium term.

Improvement of weather condition in soybean growing belts in US Midwest, indicate better crop condition in maturing stage. Temperatures have fallen and good to excellent condition of soybean crop in increased to 61 percent after hitting a low of 57 percent in July.

US Midwest witnessed dry conditions in followed by good weather in August. However, soybean crop needs rains in maturity stage. If rains do not arrive in US Midwest then crop may suffer due to moisture stress thereby decreasing yield. Worsening of soybean condition will support soybean complex prices in near term.

US commerce department slapped countervailing duties on imports of biodiesel from Argentina and Indonesia. Argentina exports soy oil based biodiesel while Indonesia exports palm oil based biodiesel. Anti dumping duties could range from 41.26 percent 68.28 percent. Argentina biodiesel body Carbio has denied any wrongdoing.

Any duty above 15 percent will be detrimental to exports from Argentina, which exports 90 percent of production to US. Argentina's government has stated that it will try to negotiate with US on biodiesel issue then only they will decide next course of action. Argentina won the dispute with EU on biodiesel after EU banned biodiesel imports.

US will need 250 million gallons of biodiesel in 2018 and 500 million gallons in 2019. This step will increase demand of soy oil produced in US. Higher soy oil use will increase demand of soy oil and support prices of soy oil in near to medium term.

EPA earlier announced that soy oil based biodiesel must be mixed by blenders not refiners. Refiners, who do not blend biodiesel, must buy RIN, which incurs the big cost.

Carl Ichan resigned from the post of policy advisor to US President Trump on allegation of taking undue benefits as advisor and holding stock of one of the refining companies.

China purchased record soybeans in July after weak June. Strong demand from China is consuming incremental production of soybean in North and South America. China purchased 70 percent of soybean exports from Brazil.

China's strong imports of soybean in July, which exceeded 10 MMT, which may push soybean crush margins to negative levels. China is sitting on record soy meal stocks and disparity in crush margins will decrease imports as it happened in June. However, demand from China is expected to remain firm in 2017/18, which will soak incremental stocks of US and Brazil in 2017/18.

In the current marketing year China has purchased 20 percent higher soybean. USDA increased soybean imports in 2016/17 by China to 91 MMT and 94 MMT in 2017/18 with more imports from US.

Brazil is expected to plant 4 percent higher area of soybean and soybean crop is estimated higher at 111 MMT in 2017/18 from 114 MMT in 2016/17.

USDA decreased Brazil 2017/18 soybean crop on lower yields on historical lines. End stocks were increased for Argentina and Brazil in 2017/18 on higher opening stocks in 2016/17 in both countries.

Argentina government reduced Argentina soybean crop from 57.4 MMT to 55 MMT on lower harvested area and lower yields. However, USDA kept soybean estimate unchanged at 57 MMT for 2016/17.

Depreciation of Argentina Peso will support soybean complex exports from Argentina.

Oversupply of edible oils in 2017 due to record of soybean in US, Brazil and Argentina coupled with record production of sunflower, rapeseed and recovery in production of palm oil after severe El Nino in 2015 and 2016 will underpin soy oil prices in medium term.

Competitive oils will support prices in medium term.

Rise in crude oil prices and dollar depreciation due to slower than expected FED rate hike in 2017 may support soy oil prices.

Prices of soy oil are in a range.

- According to United States Department of Agriculture (USDA) August estimate, U.S 2017/18 ending stocks of soy oil is fell 9.77 percent to 2,062 million lbs from 2,292 million lbs in July estimate. Opening stocks are lowered to 1,982 million lbs from 2,097 million lbs. Production of soy oil in 2017/18 is lowered to 22,505 million lbs from 22,620 million lbs in its July estimate. Imports in 2017/18 are kept unchanged at 325 million lbs. Biodiesel use in 2017/18 was unchanged at 6,450 million lbs. Food, feed and other industrial use in 2017/18 was unchanged at 14,000 million lbs. Exports in 2017/18 were unchanged at 2,300 million lbs. Average price range estimate ended the year 2017/18 at 31-35 cents/lbs compared to 32.50 cents/lbs in its 2016/17. Fall in end stock is due to lower opening stocks and lower production of soy oil.
- According to National Oilseed Processors Association (NOPA), U.S. July soybean crush rose 4.81 percent to 144.718 million bushels from 138.074 million bushels in June 2017. Crush of soybean in June 2016 was 143.715 million bushels. Soy oil stocks in U.S. at the end of June fell 8.5 percent to 1.558 billion lbs compared to 1.703 billion lbs in June 2017. Stocks of soy oil in July were lower by 10.6 percent compared to July 2016, which was reported at 1.743 million lbs.
- In the weekly USDA crop progress report released on 05 September; Soybeans dropping leaves are reported at 11% which is same as 11% during the corresponding period last year and down from the 5 year average of 12%. Soybean crop setting pods are reported at 97% which is same as 97% during the corresponding period last year and up from the 5 year average of 96%. About 61% of the soybean planted crop is under good to excellent condition which is down from 73% during the corresponding period last year.
- U.S. Commerce department has ruled to impose countervailing duty on biodiesel imports from Argentina and Indonesia. U.S. commerce department decision comes after complaint from US National Biodiesel Board (NBB) in March that both the countries were dumping biodiesel in US market. Both the countries have denied wrongdoing. Two thirds of US imports of biodiesel are from Argentina and Indonesia. Argentina exports 90 percent of its biodiesel exports to US. The National Biodiesel Board Fair Trade Coalition has stated that it can impose countervailing duties in the range of 50.29 percent to 64.17 percent on imports on soy based biodiesel from Argentina and 41.06 percent to 68.28 percent on biodiesel imports from Indonesia.

US commerce department has said that both the countries were subsidizing biodiesel exports. Argentine biodiesel association Carbio which represents big companies has denied wrongdoing. It has said that the decision is "unjustified" and "protectionist." Argentina biofuels industry has said any countervailing duty above 15 percent will be detrimental for biodiesel industry in the country and will price out biodiesel.



Higher import duty will have to be replaced by 250 million gallons of biodiesel in the current year and 500 million gallons in 2018. This will benefit soybean and canola based biodiesel manufacturers in US and Canada.

- According to Energy Administration Agency (EIA), U.S. produced 140 million gallons in June compared to 136 million gallons in May, higher by 2.9 percent m-o-m. Soy oil was the largest feedstock with 549 million lbs in June compared to 546 million lbs in May.
- According to a recent estimate released by FC Stone during the week, US soybean harvest in 2017 is forecast at 4.235 billion bushels with an average yield of 47.7 bushels per acre.
- According to trade ministry, Brazil exported 6.96 million tons of soybean in July 2017 compared to 9.20 million tons previous month and 5.79 million tons in July 2016. Soy meal exports for July 2017 totaled at 1.16 million tons compared to 1.39 million tons previous month and 1.39 million tons during the same period previous year.
- In its July crop report, soybean production in Argentina has been reduced to 55 million tonnes compared to 57 million tons estimated in the month of June according to the Ministry of Agriculture. Production has declined because of lower planting area.
- According to the Ministry of Agriculture, soybean production in Brazil is expected to decline by 2 per cent to 110.66 million tons in 2017-18 compared to previous year.
- USDA WASDE Oilseeds Highlights: The U.S. season-average soybean price for 2017/18 is forecast at \$8.45 to \$10.15 per bushel, down 10 cents at the midpoint. The soybean meal price forecast of \$295 to \$335 per short ton is down \$5.00 at the midpoint. The soybean oil price is forecast at 31 to 35 cents per pound, up 1 cent on both ends of the range.

**Price Outlook:** We expect Ref. soy oil with VAT to trade in the price band of Rs 630-700 per 10 Kg.

### Previous update

- In the weekly USDA crop progress report released on 28 August; Soybeans dropping leaves are reported at 6% which is up from 5% during the corresponding period last year and up from the 5 year average of 5%. Soybean crop setting pods are reported at 93% which is same as 93% during the corresponding period last year and up from the 5 year average of 92%. About 61% of the soybean planted crop is under good to excellent condition which is down from 73% during the corresponding period last year.
- China's import of soybean increased by 31% to 10.08 million tons in July compared to June and is the highest on records since 2010. China brought in 54.89 million tons from January to July, up 16.8 percent from the corresponding period last year according to the General Administration of Customs.
- According to National Oilseed Processors Association (NOPA), U.S. June soybean crush fell 7.48 percent to 138.074 million bushels from 149.246 million bushels in May 2017. Crush of soybean in June 2016 was 145.040 million bushels. Soy oil stocks in U.S. at the end of June fell 2.63 percent to 1.703 billion lbs

compared to 1.749 billion lbs in May 2017. Stocks of soy oil in June were lower by 14.2 percent compared to June 2016, which was reported at 1.985 million lbs.

- In its July crop report, soybean production in Argentina has been reduced to 55 million tonnes compared to 57 million tons estimated in the month of June according to the Ministry of Agriculture. Production has declined as because of lower planting area.
- According to United States Department of Agriculture (USDA) July estimate, U.S 2017/18 ending stocks of soy oil is rose 6.26 percent to 2,292 million lbs from 2,157 million lbs in 2016/17 in July estimate. Opening stocks were higher at 2,097 million lbs compared to 1,987 million lbs in 2016/17. Production of soy oil in 2017/18 is unchanged at 22,620 million lbs. Imports in 2017/18 is increased to at 325 million lbs from 300 million lbs in 2016/17. Biodiesel use in 2017/18 was unchanged at 6,450 million lbs. Food, feed and other industrial use in 2017/18 was unchanged at 14,000 million lbs. Exports in 2016/17 were unchanged at 2,300 million lbs. Average price range estimate ended the year 2017/18 at 30-34 cents/lbs compared to 31.75 cents/lbs in its 2016/17. Rise in end stock of soy oil in US is due to higher opening stocks and higher imports of soy oil.
- The U.S. Department of Agriculture's National Agricultural Statistics Service (NASS) estimated a record high 89.5 million acres of soybeans planted in the United States for 2017, up 7 percent from last year. Further, US soybean area for harvest is estimated at a record high 88.7 million acres, if realized, up 7 percent from 2016.
- Both, the US soybean stocks and acreage figures were reported lower than the trade expectations in the report released by USDA on Friday. It has been reported that the US soybeans stored in all positions on June 1, 2017 totaled 963 million bushels, up 11 percent from June 1, 2016. On-farm stocks totaled 333 million bushels, up 18 percent from a year ago. Off-farm stocks, at 631 million bushels, are up 7 percent from a year ago.
- According to National Oilseed Processors Association (NOPA), U.S. June soybean crush fell 7.48 percent to 138.074 million bushels from 149.246 million bushels in May 2017. Crush of soybean in June 2016 was 145.040 million bushels. Soy oil stocks in U.S. at the end of June fell 2.63 percent to 1.703 billion lbs compared to 1.749 billion lbs in May 2017. Stocks of soy oil in June were lower by 14.2 percent compared to June 2016, which was reported at 1.985 million lbs.
- According to China's General Administration of Customs (CNGOIC), China's imports of edible vegetable oil in July fell 30.4 percent to 2.7 lakh tons compared to 3.9 lakh tons in June. Imports fell 40 percent compared to corresponding period last year which was reported at 4.5 lakh tons. Year to date imports of edible vegetable oil rose 5.4 percent to 30.4 lakh tons.

**Balance Sheet (Quarterly)- Soy Oil, India**
*Fig. in lakh tons*

	2015-2016	2016-17-F	Nov-Jan	Feb-Apr	May-July-F	Aug-Oct-F
<b>Opening Stock</b>	<b>5.58</b>	<b>6.20</b>	<b>6.20</b>	<b>3.62</b>	<b>3.23</b>	<b>3.38</b>
<b>Production (Domestic)</b>	<b>9.54</b>	<b>15.09</b>	<b>6.94</b>	<b>1.81</b>	<b>1.81</b>	<b>4.53</b>
<b>Imports</b>	<b>42.35</b>	<b>36.00</b>	<b>5.76</b>	<b>7.92</b>	<b>10.08</b>	<b>12.24</b>
<b>Imported oil processing</b>	<b>41.21</b>	<b>35.03</b>	<b>5.60</b>	<b>7.71</b>	<b>9.81</b>	<b>11.91</b>
<b>Total Production (Domestic production and imported oil production)</b>	<b>50.75</b>	<b>50.12</b>	<b>12.55</b>	<b>9.52</b>	<b>11.62</b>	<b>16.44</b>
<b>Total Supply</b>	<b>56.33</b>	<b>56.31</b>	<b>18.74</b>	<b>13.14</b>	<b>14.85</b>	<b>19.82</b>
<b>Consumption</b>	<b>50.13</b>	<b>52.14</b>	<b>15.12</b>	<b>9.91</b>	<b>11.47</b>	<b>15.64</b>
<b>Exports</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Ending Stock</b>	<b>6.20</b>	<b>4.18</b>	<b>3.62</b>	<b>3.23</b>	<b>3.38</b>	<b>4.18</b>

Source: AW estimates

Oil year- November-October

**Highlights**

- Prices of soy oil in 2016-17 are expected to be lower on higher carryout in oil year 2015-16 on higher domestic production.
- Soy oil production is expected to be higher in oil year 2016-17 on higher soybean crush due to higher soybean crop in 2015-16.
- Lower carry out in Nov-Jan and Feb-Apr is low due to lower imports.
- Carryout stocks of oil year 2015-16 is 6.20 lakh tons on higher soy oil imports.
- Carry out of oil 2016-17 is 4.81 lakh tons
- Carryout of 2016-17 is lower than 2015-16 due to lower imports.

## Palm oil: Domestic Market Fundamentals

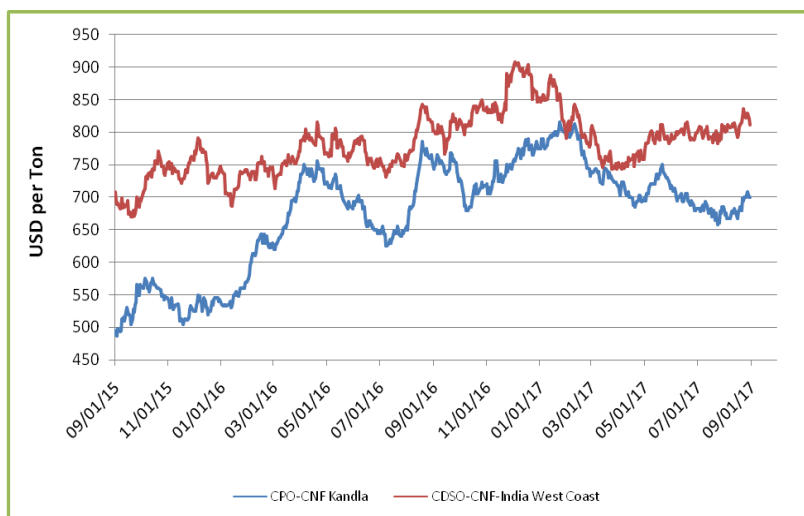
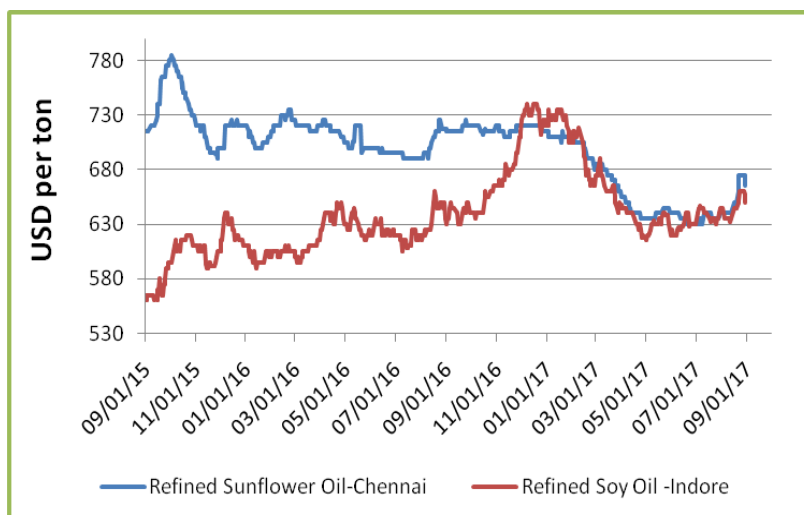
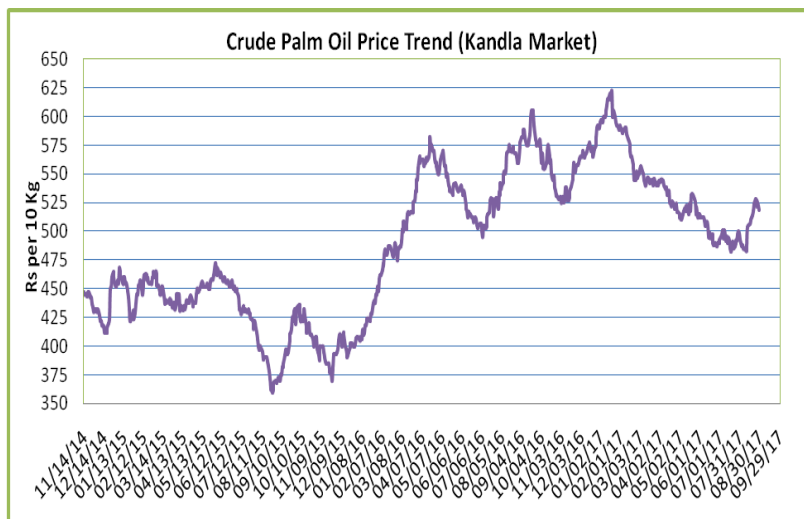
➤ CPO prices witnessed firm tone in the month of August at its benchmark market at Kandla on firm demand. CPO prices rose in Kakinada. RBD palmolein prices rose across board in India. Superolein prices rose in Kandla and Mumbai. Vanaspati prices rose in Delhi, Kolkata and Chennai. CPO-CNF and RBD palmolein-CNF India prices rose in August.

➤ Agriwatch view – Crude palm oil prices rose in Kandla in the month of August on firm demand.

CPO prices fell more at high seas compared to CNF markets indicating firm demand in domestic market.

CPO demand in India is weak as RBD palmolein is available at the prices of CPOI premium over CPO. Raw material is available at price of finished goods which has shifted demand towards imports of RBD palmolein compared to CPO. Idle capacities of plants have increased due to availability of lower priced RBD palmolein. Inverted export duty structure in Malaysia is the reason of higher imports of RBD palmolein. RBD palmolein a CNF is selling below CPO CNF.

Indian government doubled import duty on CPO from 7.5 percent to 15 percent and refined palm oil to 25 percent. The difference between import duty on CPO compared to increased to 10 percent from 7.5 percent. Industry was asking for duty differential of 15 percent.



Importers of edible oil imported and cleared customs and stored at ports to take advantage of rise in import duty after government showed willingness to increase import duty on edible oil to reduce imports of edible oil and support domestic crushing which has been reeling due to cheaper edible oil imports.

Demand of RBD palmolein was firm in domestic markets in August compared to CNF markets as prices of RBD palmolein rose more at high seas compared to CNF markets.

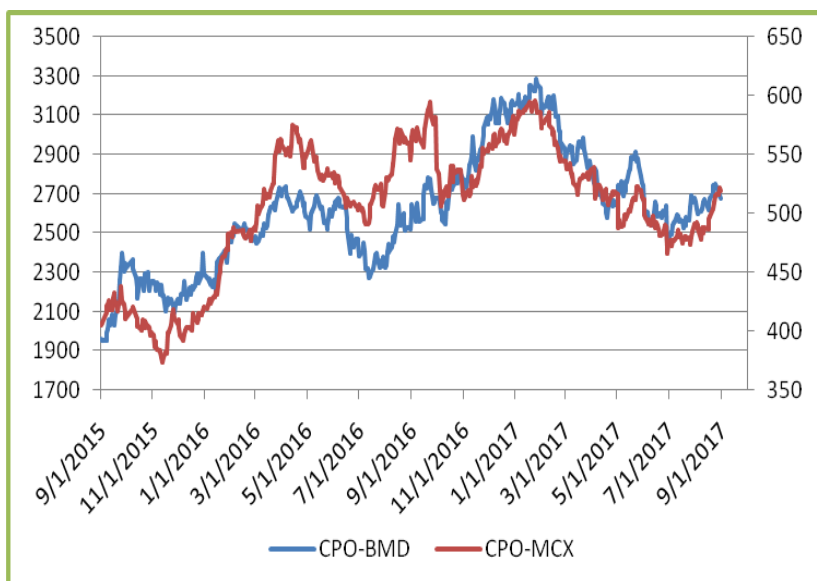
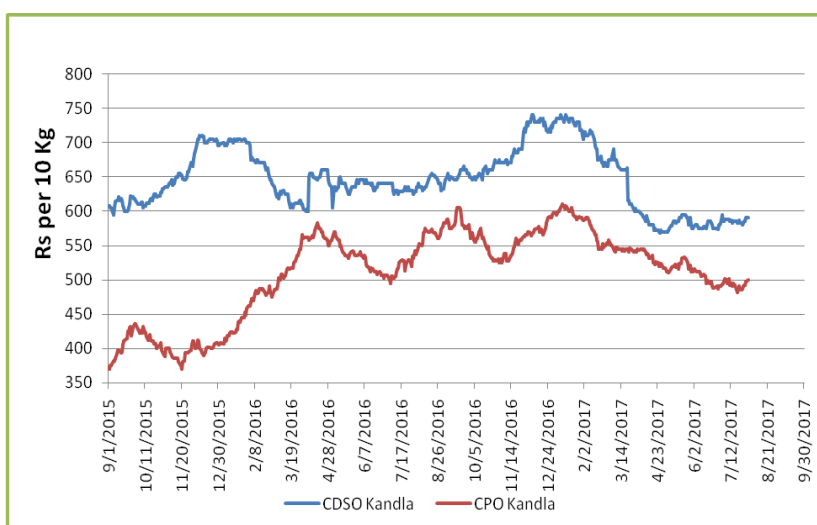
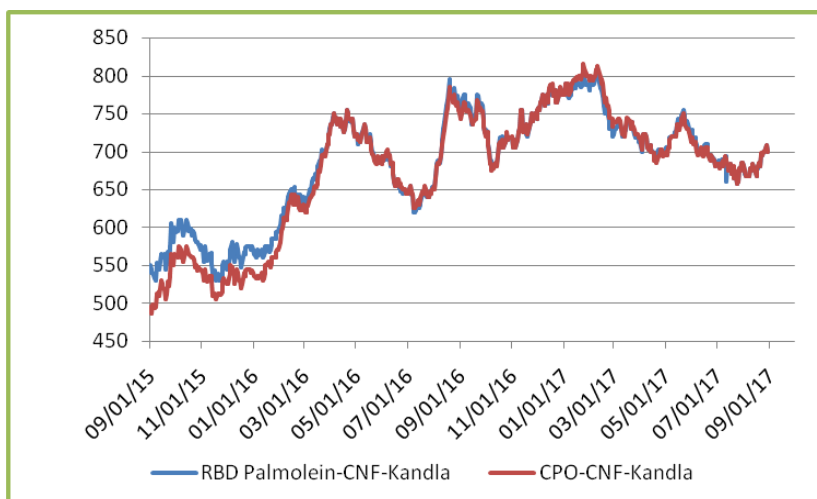
Supeolein and Vanaspati prices saw increase in prices in domestic

Prices of CPO in India CNF rose less compared to CPO FOB Indonesia indicating weak demand at CNF markets and RBD palmolein rose more in CNF markets compared to FOB markets indicating firm demand on CNF markets.

RBD palmolein premium over CPO decreased to Rs 43 (Rs 40 last month) per 10 kg indicating firm demand of RBD palmolein compared to CPO at high seas.

CPO imports rose in July compared to July 2016 and it was lower than June 2017. Stocks at ports and pipelines increased indicating that importers are importing and stocking at ports. RBD palmolein imports rose in July compared to July 2016

and June 2017. Stocks at ports and pipelines rose. Imports stocked at ports to take advantage of hike in import duty.



Low premium of CNF RBD palmolein over CNF CPO has resulted in higher imports of RBD palmolein imports in oil year 2016-17 and slowdown of CPO imports.

CPO and RBD palmolein landed cost is in parity while refining margins are positive. Positive refining margins will support imports.

The fourth chart indicates that RBD palmolein-CNF prices were trading at parity to CPO-CNF.

Decreasing soy oil premium over crude palm oil which is hovering at Rs 128 (Rs 145 last month) per 10 Kg will decrease demand of CPO and decrease imports.

Previous chart in soy oil section shows that premium of soy oil over palm oil has increased in August at CNF markets USD 128 (USD 145) per ton which will increase imports. Low premium of crude sunflower CNF India West coast and CPO CNF will cap gains of CPO and RBD palmolein imports in medium term. Low premium of CSFO-India West coast over CPO-CNF indicates higher demand of CPO at CNF markets compared to CSFO-CNF. Increasing premium of sunflower oil over palm oil will increase CPO demand in medium term.

Positive refining margins will increase imports.

Prices of palm oil will rise in medium term on firm demand.

- Palm oil import scenario – According to SEA, India imported 8.19 lakh tons of palm oil in July 2017 v/s 5.7 lakh tons in July 2016, higher by 42.1 percent y-o-y. Import of palm oil in the period (November 2016-July 2017) was at 67.41 lakh tons compared to 61.83 lakh tons in the corresponding period in last oil year, higher by 9 percent in the corresponding period last oil year.

CPO imports increased to 5.15 lakh tons in July compared to 3.63 lakh tons in July 2016, higher by 41.9 percent y-o-y. Import of CPO in the period (November 2016-July 2017) was at 44.82 lakh tons compared to 41.29 lakh tons in the corresponding period last oil year, higher by 8.5 percent

RBD palmolein imports rose 26.8 percent in July to 2.94 lakh tons from 2.07 lakh tons in July 2016. Import of RBD palmolein in the period (November 2016-July 2017) was at 21.97 lakh tons compared to 19.84 lakh tons in corresponding period last oil year, higher by 10.7 percent.

- On the trade front, CNF CPO (Indonesian origin) at Indian port is quoted at USD 710 (USD 670) per ton for September delivery. October delivery is quoted at USD 707.50 per ton. Moreover, RBD palmolein (Malaysian origin) CNF at Indian port is offered at is quoted at USD 710 (USD 665) per ton. CPO duty paid prices ready lift quoted at Rs 532 (Rs 485) per 10 Kg and September delivery is offered at Rs 532 (Rs 477) per 10 Kg on September 4, 2017. Values in bracket depict August 2017 quotes.
- Palm oil imports will increase in near term owing to lower CIF soybean oil premium versus CIF crude palm oil, which is hovering at USD 120 per ton (USD 129 per ton last month).
- On the parity front, margins improved during the month of June on higher price of palm oil imports and lower price of palm products in Indian markets and we expect margins to improve in coming days. Currently refiners fetch USD 40-45/ton (August average) v/s gain of USD 40-45/ton (July average) margin in processing the



imported CPO but on the imports of ready to use palmolein fetch USD 50-55/ton (August average) v/s gain of USD 50-55 (July average).

- We expect palm oil to trade sideways to firm tone in medium term.

### International Market Fundamentals

- Agriwatch view – Palm oil end stocks in Malaysia in August is expected to rise on higher production and weak exports. However, gains in end stocks will be limited as production in Malaysia grapples with labor shortage. Lower rate of growth of stocks in Malaysia stocks of palm oil in Malaysia in August will support palm oil prices in medium term.

In July stocks of palm oil in Malaysia rose 16 percent due to 20 percent rise in production and fall in exports due to weak demand from India and China. Workers returned from holidays after Ramadan led to surge in production.

Production grew on seasonal uptrend of production and diminishing effect of El Nino

Production will rise until October due to diminishing effect of El Nino which extended the production. Generally monsoon season in Malaysia is June to September. Due to extension of monsoon peak production will end in October.

Malaysia is stopping undocumented workers from Indonesia, which may result in labor shortage in medium term. Malaysia intends to bring some workers from Bangladesh to tide over the situation.

Palm oil production in Malaysia, has peaked in July and is not expected to gain much in August as production growth slows. Lower growth of production will not pressurize stocks in medium term.

Agriwatch expects that palm oil end stocks will rise at a lower than expected pace in coming months which will reduce the downside of palm oil in 2017.

Palm oil exports rose 0-1 percent in Malaysia in August indicating firm demand of palm oil from Malaysia in last 5 days of August.

China imports from Malaysia surged in August on demand ahead of Mid Autumn Festival in the country. CNGOIC has stated that it will purchase 450,000 tons of palm oil every month to replenish stocks of the tropical oil. Stocks of palm oil in Chinese ports are half of normal levels.

Demand of palm oil from China has remained weak as it is importing more from Indonesia since they are offering competitive prices.

Imports from EU were less than last month as EU is pressurizing governments in the Union to purchase less palm oil from Malaysia and Indonesia as both the countries are destroying rain forests for palm plantations.

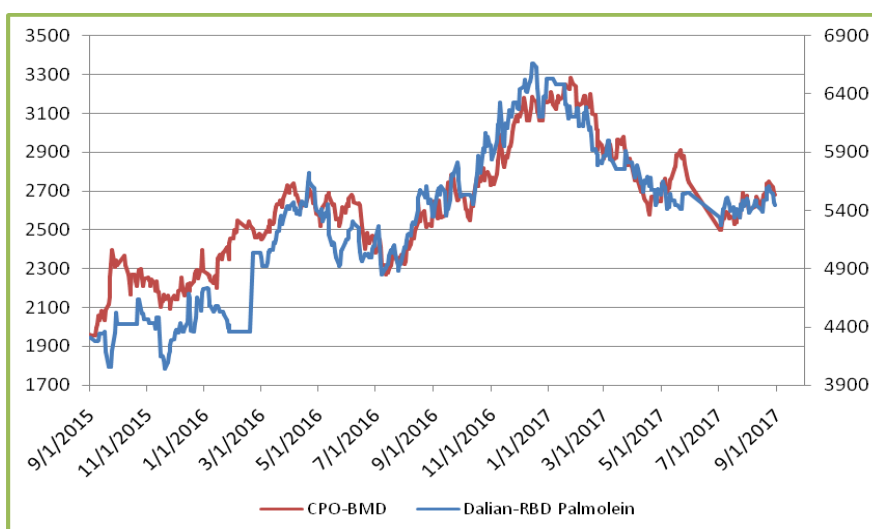
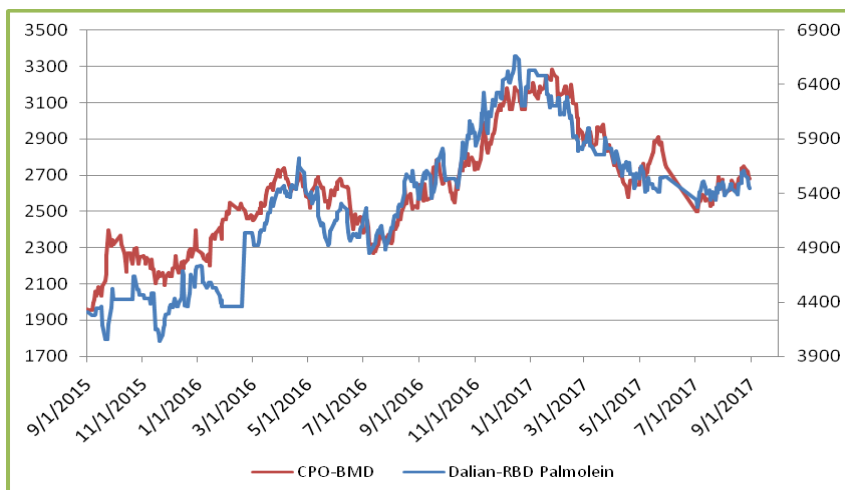
India is expected to buy more in September ahead of Dussehra and Diwali festivals.

Increase in import duty on palm oil by India is not going to depress palm oil imports in near term. Malaysia is expected to change its policy to push exports. Inverted tax structure of Malaysia on exports of palm oil still benefits refiners in the country.

Higher buying by India and China is will decrease palm oil stocks in Malaysia and support prices of palm oil in near term.

Moreover, rise in soy oil prices in China from 5 year lows on soybean glut has led higher prices of RBD palmolein in China which has led to higher RBD palmoline DALIAN leading to rise in BMD Malaysia as both markets are perfectly correlated.

Exports of palm oil are expected to increase in coming months in India as festive season approaches. Demand from China is expected to rise in coming months on Mid Autumn festival in October. However, both India and China are price sensitive countries and if prices increase then demand will falter and will lead to lower prices of palm oil.



Low soy oil premium over palm oil has led to weak demand from India. Stocks at ports and pipelines are less and may increase demand of palm oil in medium term.

Inventory of palm oil in India and China at ports is weak which will support demand in medium term. However, low premium of soy oil over palm oil will decrease demand in medium term.

Palm oil stocks will rise slowly compared to rise in production.

Palm oil production loss in 2016 will recover completely in 2017 with Malaysia producing 19-20 MMT and Indonesia at 35-36 MMT.

With higher production, stocks of palm oil from Malaysia will increase.

Strong ringgit will weigh on exports of palm oil from Malaysia.

Palm oil prices are expected to be weak in medium term in India on low premium of soy oil and sunflower oil over palm oil. India is a price sensitive country, which may shift demand away from palm oil. India is importing more RBD palmolein from Malaysia, as RBD palmolein prices quoted on India ports is lower than Indonesia CPO. India is world's largest importer of soy and palm oil.

Lower oilseed crop in India in 2016-17 will decrease production of edible oil in its domestic market and increase imports.

Production of palm oil in Indonesia lost in 2016 will be fully recovered in 2017. GAPKI estimates palm oil production to exceed 35 MMT in 2017. New planting in 2013 will support palm oil production in Indonesia.

MPOB expects improvement of palm oil production in Malaysia to pre El Nino levels.

Aggressive pricing of RBD palmolein compared to Indonesia CPO has helped exports from Malaysia, reduced stocks of palm oil in Malaysia, and supported prices.

Malaysia reduced palm oil export duty to 5.5 percent for August, as Malaysian government feels that its prices will correct in August.

Indonesia has decreased palm export duties to zero as it expects palm oil prices to miss certain thresholds. Indonesia biodiesel mandate will consume incremental production in medium term in 2017.

Higher competitive oils will support palm oil prices.

Rise in crude oil prices will support palm oil prices in near term. Prices are in range.

- According to Malaysia Palm Oil Board (MPOB), Malaysia's July palm oil stocks rose 16.83 percent to 17.84 lakh tons compared to 15.27 lakh tons in June. Production of palm oil in July rose 20.67 percent to 18.27 lakh tons compared to 15.14 lakh tons in June. Exports of palm oil in July rose 1.31 percent to 13.98 lakh tons compared to 13.80 lakh tons in June. Imports of palm oil in July rose 8.5 percent to 0.47 lakh tons compared to 0.43 lakh tons in June. Rise in palm oil end stocks in July is due to steady rise in production after workers returned from Ramadan holidays. Exports growth slowed in July due to lower buying by India and China.
- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's August palm oil exports fell 0.1 percent to 1,259,240 from 1,260,143 tons last month. Top buyers are European Union at 248,008 tons (352,370 tons), China at 184,750 tons (191,234 tons), India at 180,940 tons (162,100 tons), United States at 49,250 tons (77,241 tons) and Pakistan at 18,500 tons (43,000 tons). Values in brackets are figures of last month.
- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's August palm oil exports rose 0.3 percent to 1,243,361 tons from 1,239,407 last month. Top buyers were European Union at 321,325 tons (323,071 tons), China at 204,450 tons (174,116 tons) and India & Subcontinent at 164,750 tons (242,600 tons). Values in brackets are figures of last month.
- According to Indonesia Palm Oil Association (GAPKI), Indonesia exports of palm and palm kernel oil fell 19 percent to 2.13 MMT from 2.62 MMT in June 2017 and 1.78 MMT in June 2016, higher by 19.7 percent y-o-y.
- According to China's General Administration of Customs (CNGOIC), China's July palm oil imports fell 40.54 percent to 1.98 lakh tons compared to July 2016. Year to date imports of palm oil rose 8.19 percent to 23.78 lakh tons compared to corresponding period last year. Imports from Indonesia in July fell 57.6 percent to 0.72 lakh tons compared to July 2016. Year to date imports of palm oil from Indonesia rose 8.6 percent to 15.09 lakh tons compared to corresponding period last year. Imports from Malaysia in July fell 22.88 percent to 1.26 lakh tons compared to July 2016. Year to date imports rose 8.09 percent from Malaysia to 8.69 lakh tons compared to corresponding period last year.

- Policy update- According to Malaysia Palm Oil Board (MPOB), Malaysia kept September crude palm oil export duty unchanged at 5.5 percent. Tax is calculated at reference price of 2,677.91 ringgit (\$623.57) per ton. Tax is calculated above 2,250 ringgit starting from 4.5 percent to a maximum of 8.5 percent.

According to Indonesia trade ministry, Indonesia keeps September crude palm oil export duty to zero, unchanged from last month. Tax is not charged if prices at or below USD 750 per ton. Indonesia kept export duty at zero as it expects that prices will miss certain thresholds.

### Previous updates

- According to Malaysia Palm Oil Board (MPOB), Malaysia's June palm oil end stocks fell 1.93 percent to 15.27 lakh tons compared to 15.58 lakh tons in May. Production of palm oil in June fell 8.48 percent to 15.14 lakh tons compared to 16.54 lakh tons in May. Exports fell 8.39 percent to 13.80 lakh tons compared to 15.06 lakh tons in May. Imports of palm oil in May fell 3.42 percent to 0.45 lakh tons compared to 0.47 lakh tons in May.
- According to Indonesia Palm Oil Association (GAPKI), Indonesia exports of palm and palm kernel oil fell 19 percent to 2.13 MMT from 2.62 MMT in June 2017 and 1.78 MMT in June 2016, higher by 19.7 percent y-o-y.
- According to China's General Administration of Customs (CNGOIC), China's June palm oil imports fell 8.51 percent to 2.17 lakh tons compared to June 2016. Year to date imports of palm oil rose 16.88 percent to 21.81 lakh tons compared to corresponding period last year. Imports from Indonesia in June rose 10.2 percent to 1.23 lakh tons compared to June 2016. Year to date imports of palm oil from Indonesia rose 17.8 percent to 14.37 lakh tons compared to corresponding period last year. Imports from Malaysia in June fell 25.13 percent to 0.94 lakh tons compared to June 2016. Year to date imports rose 15.97 percent from Malaysia to 7.43 lakh tons compared to corresponding period last year.
- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's August 1-25 palm oil exports fell 8.1 percent to 934,544 tons from 1,016,689 in corresponding period last month. Top buyers were European Union at 147,850 tons (127,226 tons), China at 147,850 tons (127,226 tons) and India & Subcontinent at 110,250 tons (195,600 tons). Values in brackets are figures of corresponding period last month.
- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's August 1-25 palm oil exports fell 8.4 percent to 956,547 from 1,044,456 tons in corresponding period last month. Top buyers are European Union at 176,438 tons (305,870 tons), India at 161,940 tons (146,600 tons), China at 121,600 tons (153,201 tons), United States at 45,750 tons (55,281 tons) and Pakistan at 0.0 tons (43,000 tons). Values in brackets are figures of corresponding period last month.
- According to Indonesia Palm Oil Association (GAPKI), Indonesia's May palm and palm kernel oil exports rose 49 percent to 2.62 MMT compared to 1.76 MMT in May 2016. Exports were higher by 2 percent from April which was at 2.57 MMT. Indonesia's palm oil end stocks fell to 621,000 in May from 888,000 tons in April, lower by 30 percent m-o-m.
- Policy update- According to Malaysia Palm Oil Board (MPOB), Malaysia reduced August crude palm oil export duty to 5.5 percent from 6.5 percent in July. Tax is calculated at reference price of 2699.54 ringgit (\$629.56) per ton. Tax is calculated above 2,250 ringgit starting from 4.5 percent to a maximum of 8.5 percent.

According to Indonesia trade ministry, Indonesia keeps August crude palm oil export duty to zero, unchanged from last month. Tax is not charged if prices at or below USD 750 per ton. Indonesia kept export duty at zero as it expects that prices will miss certain thresholds.

- **Price Outlook:** We expect CPO Kandla 5% to trade in the price band of Rs 500-560 per 10 Kg.

### **Balance Sheet- Palm Oil (quarterly), India**

*Fig. in million tons*

	2014-15	2015-16	2016-17-F	Nov-Jan	Feb-Apr	May-July	July-Oct-F
<b>Opening Stock</b>	<b>1.20</b>	<b>1.74</b>	<b>1.20</b>	<b>1.20</b>	<b>1.19</b>	<b>1.22</b>	<b>1.11</b>
<b>Production</b>	<b>0.18</b>	<b>0.20</b>	<b>0.20</b>	<b>0.05</b>	<b>0.05</b>	<b>0.05</b>	<b>0.05</b>
<b>Imports</b>	<b>9.54</b>	<b>8.53</b>	<b>9.21</b>	<b>2.14</b>	<b>2.17</b>	<b>2.23</b>	<b>2.67</b>
<b>Total Supply</b>	<b>10.92</b>	<b>10.47</b>	<b>10.61</b>	<b>3.39</b>	<b>3.41</b>	<b>3.50</b>	<b>3.83</b>
<b>Consumption</b>	<b>9.18</b>	<b>9.27</b>	<b>9.55</b>	<b>2.20</b>	<b>2.20</b>	<b>2.39</b>	<b>2.77</b>
<b>Ending Stocks</b>	<b>1.74</b>	<b>1.20</b>	<b>1.06</b>	<b>1.19</b>	<b>1.22</b>	<b>1.11</b>	<b>1.06</b>

Source: AW estimates

Oil year- November-October

### **Highlights**

- Prices of palm oil in 2016-17 are expected to be firm on lower carryout in oil year 2015-16.
- Imports are expected to be higher in 2016-17 compared to last year on lower imports duty compared to other edible oils.
- Carryout stocks of oil year 2015-16 are 1.20 million tons on lower imports.
- Carryout of 2016-17 is lower than 2015-16 due to higher consumption of palm oil.
- Carry out of third quarter of oil year 2016-17 will be lower than second quarter of oil year 2016-17.

### Rapeseed oil: Domestic Market Fundamentals

➤ Rapeseed oil featured uptrend at various markets on firm demand and increase in prices of rapeseed. Prices of expeller mustard oil closed higher at benchmark market of Kota. Prices of rapeseed expeller rose across board in India except Kolkata where prices fell. Kacchi Ghani rose across board in India except Rapeseed (Canola) oil prices rose in August.

➤ Agriwatch view: Rapeseed oil prices traded higher in the month of August in various markets in India on firm demand ahead of festive season of Dussehra in East India and Diwali in North and East India. Further, rise in rapeseed prices supported the rise.

Prices rose on rise in prices of soy and palm oil.

Very good rapeseed-mustard crop in current oil year will improve supplies of rapeseed oil in long run.

Prices rose in seasonal uptrend of prices.

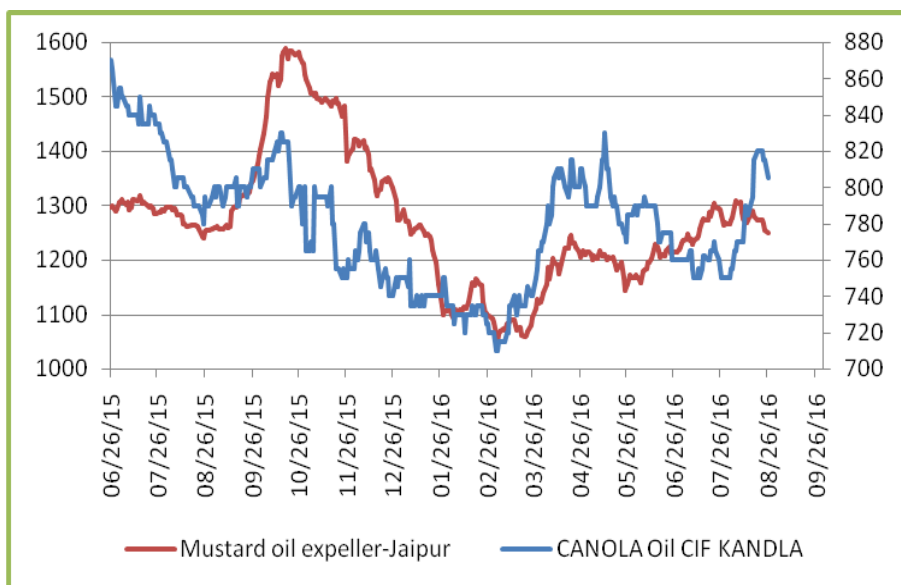
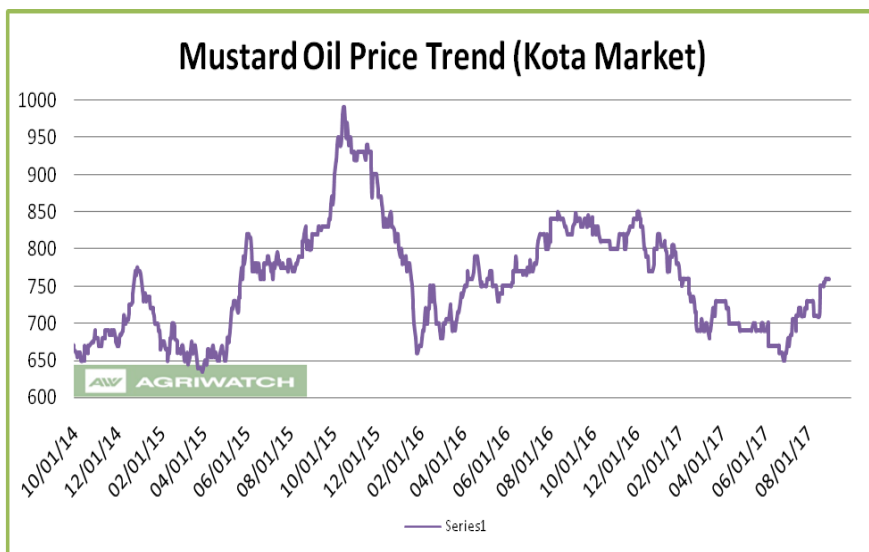
Stockists and traders have increased offtake in expectation of higher prices of rapeseed oil.

Agriwatch expected rapeseed-mustard oil crop at 6.8 MMT on higher crop of rapeseed in MY 2017-18.

Demand has firmed at lower prices. Traders are stocking on lower quotes.

Rapeseed (Canola) oil prices rose in August supporting rapeseed expeller prices.

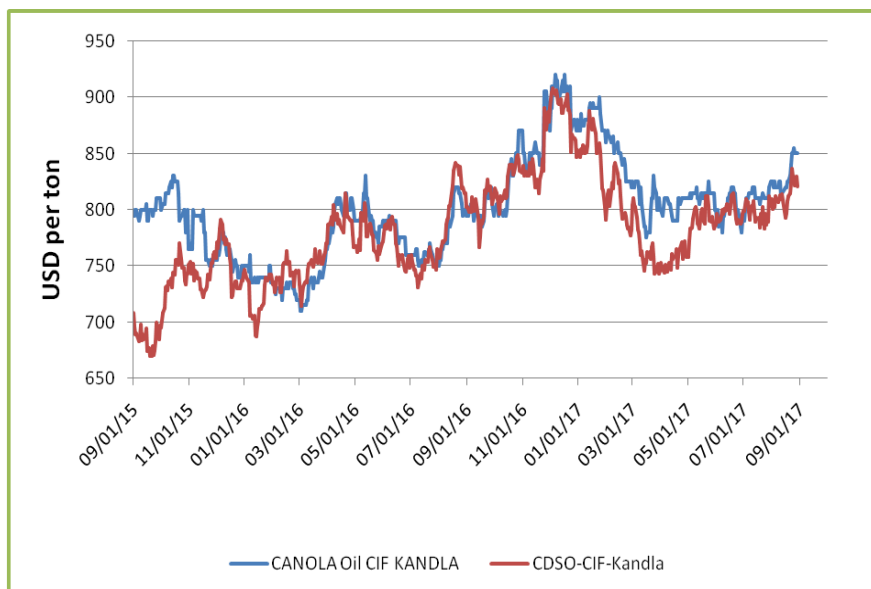
Above chart shows that Canola oil prices mirror rapeseed expeller oil prices. So, and rise in canola oil prices will support mustard expeller prices.





Below chart shows prices of canola oil at CNF markets are closely following soy oil-CNF so weakness in soy oil will drag canola oil lower in CNF markets which

Prices of rapeseed oil are expected to trade sideways to firm demand, rise in rapeseed prices, seasonal uptrend of prices and rise in rapeseed prices.



- India did not import of rapeseed (Canola) oil imports in July 2017 v/s 0.66 lakh tons in July 2016. Imports were 1.95 lakh tons in the period (November 2016-July 2017) compared to 2.56 lakh tons in corresponding period last oil year: SEA
- CIF Canola oil premium over soybean oil is hovering at USD 35 (USD 27 last month) as on 4 September, 2017
- Currently, RM oil at Jaipur market (expeller) is offered at Rs 770 (Rs 735) per 10 Kg and at Kota market is quoted around Rs 750 (Rs 730) per 10 kg as on September 2, 2017. Values in brackets are figures of last month.
- We expect RM seed oil prices to trade sideways to firm tone in the coming days.

**Price Outlook:** We expect Rapeseed oil (Kota) to trade in the price band of Rs 700-820 per 10 Kg.

**Balance Sheet- Rapeseed Oil, India**
*Fig. in lakh tons*

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17-F
	1.32	1.49	1.73	3.86	1.39	1.41
<b>Production</b>	22.68	25.02	26.78	20.16	21.24	25.08
<b>Imports</b>	0.91	0.13	2.00	3.70	3.50	4.00
<b>Total Supply</b>	24.91	26.64	30.52	27.72	26.13	30.49
<b>Exports</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>Consumption</b>	23.41	24.91	26.66	26.33	24.72	28.66
<b>Ending Stocks</b>	1.49	1.73	3.86	1.39	1.41	1.83

Source: AW estimates

Oil year- November-October

➤ **Highlights**

- Prices of rapeseed oil in 2016-17 are expected to be weak on higher carryout in oil year 2015-16.
- Rapeseed oil production is higher in oil year 2016-17 on higher rapeseed crop.
- Higher oil production in 2016-17 is due to higher marketable surplus of rapeseed resulting in higher crush.
- Carryout stocks of oil year 2015-16 is 1.41 lakh tons on lower rapeseed oil production.
- Carryout of 2016-17 is higher than 2015-16 due to higher production and import of rapeseed oil.

### Sunflower oil: Domestic Market Fundamentals

➤ Sunflower oil featured uptrend at its benchmark market in Chennai during the month of August on firm demand. Prices closed higher in Hyderabad and Kakinada at the end of month. Prices rose in Mumbai and Kandla/Mudra. Sunflower expeller prices rose in Erode, Latur and Chellakere.

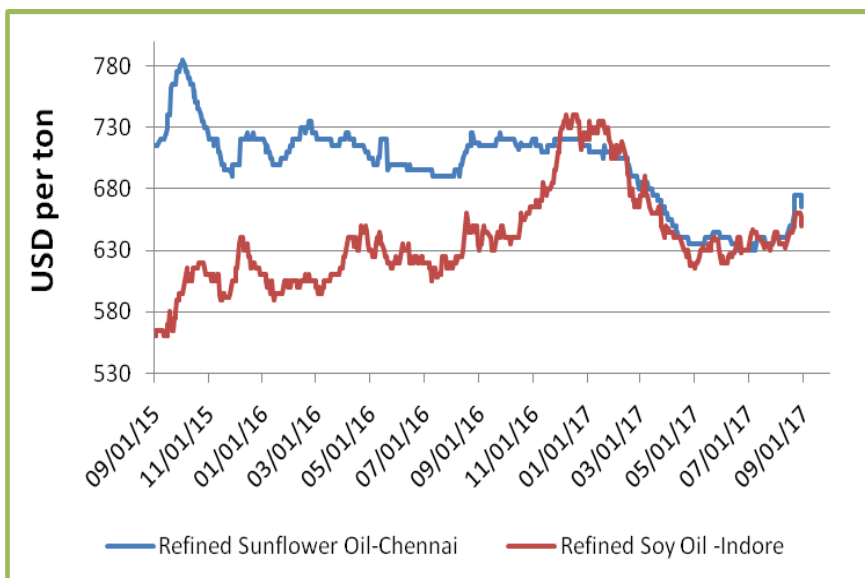
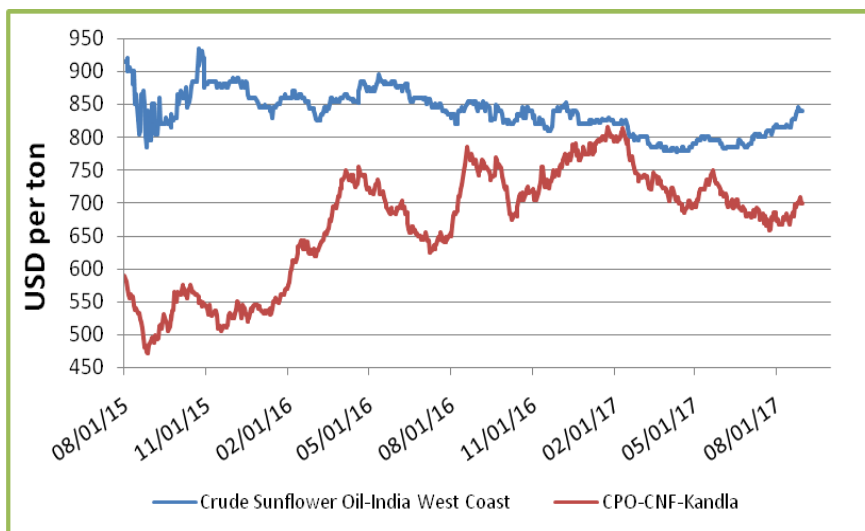
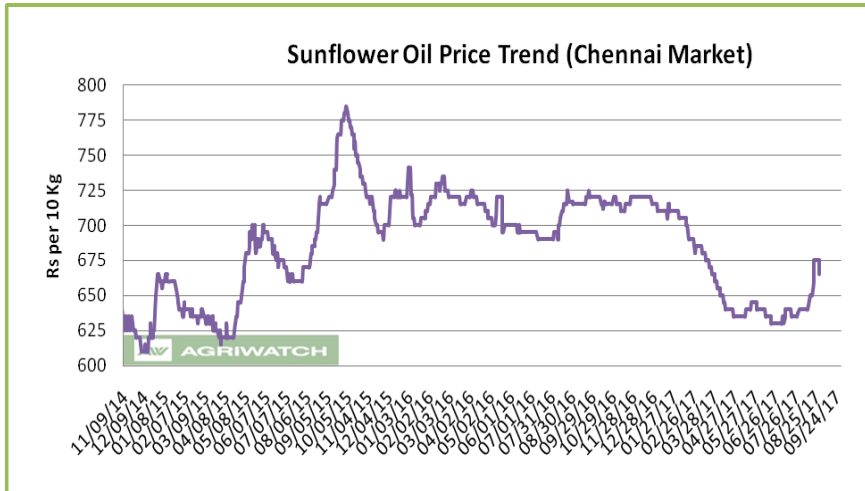
➤ Agriwatch view: Sunflower prices rose in month of August at its benchmark market of Chennai on firm demand and rise in prices of sunflower oil in international markets.

Prices of sunflower oil rose more in domestic market while it rose less at CNF markets indicating firm demand.

Sunflower oil imports in the month of July were higher compared to July 2016 and June 2017 while stocks at ports and pipelines rose.

Sunflower oil was imported and stocked at ports after customs clearance to take advantage of rise in import duty on edible oils as government indicated earlier that it will raise import duty on edible oils.

Sunflower oil is stocked at Indian ports to take advantage when prices of sunflower oil recovers as crude sunflower is trading at

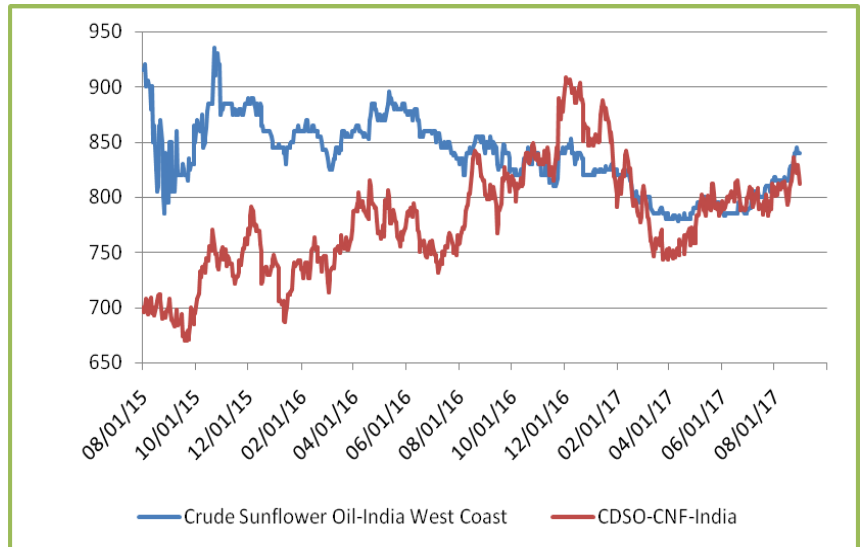


low premium over CDSO at CNF markets.

Appreciation of Indian rupee has made imports of sunflower oil dearer in India, which will reflect in coming months.

Supply has improved in markets as imports rose 42 percent in November-May. Imports of sunflower oil will show steady rise in coming months due to low premium of sunflower oil over CDSO and CPO.

Low premium of crude sunflower over CDSO in CNF markets will support imports and prices in medium term. Imports are expected to be higher in August as crude sunflower oil premium over CDSO CNF is very low. Third chart from above shows crude sunflower oil premium over CDSO is very low which will support imports and underpin prices.



Second chart from above shows that sunflower oil prices have correlated to soy oil after November 2016.

Prices rose on rise in prices of palm oil and soy oil.

Refiners and stockists are stocking as sunflower oil premium over soy oil is low at USD 10 (USD 19 last month).

Prices of sunflower oil in domestic markets are trading at marginal premium over soy oil in domestic market at Rs 23 per 10 kg compared price Rs 0 per 10 kg in July. Above chart shows how soy oil has behaved compared to sunflower oil.

Prices rose on seasonal uptrend of prices.

In domestic market, demand is expected to improve in medium term as prices of sunflower oil is trading at low premium over soy oil despite sunflower oil being superior oil.

Sunflower oil prices are expected to improve on seasonal uptrend of prices in medium term.

On the international front, record production of sunflower oil in Ukraine will dampen sunflower oil prices in international markets which will increase imports in medium term.

Prices of sunflower oil in international markets are expected to trade at low premium over soy oil and premium over palm oil will increase in medium term.

Reduction of import duty on sunflower seed is expected to increase crushing in India and underpin prices in medium term.

Prices are expected to improve on seasonal uptrend of prices, improvement in demand at lower prices, low premium of sunflower oil over soy oil and lower carryout in August-October period. Prices of sunflower oil are expected to remain in a range with upwards bias in September.

Prices are expected to trade sideways to firm in medium term.

- All India sowing of sunflower has reached 1.28 lakh hectares as on 1.09.2017 compared to 1.56 lakh hectares in the corresponding period last year.
- Sunflower oil import scenario – According to SEA, India imported 2.00 lakh tons of crude sunflower oil during July 2017 v/s 1.34 lakh tons in June 2016, higher by 49 percent y-o-y. India imported 17.09 lakh tons of crude sunflower oil (November 2016-July 2017) compared to 12.02 lakh tons in corresponding period last oil year, higher by 42 percent.
- CIF sunflower oil prices (Ukraine origin) at west coast of India quoted around USD 840 (USD 815) per ton for Sep delivery, Oct delivery is offered at USD 840 (USD 815) per ton and ND delivery is quoted at USD 835 per ton as on Sep 4, 2017. Last month, CIF sun oil (Ukraine origin) August monthly average was around USD 825.42 (USD 803.04 in July 2017) per ton. Values in brackets are figures of last month.
- Prices are likely to stay in the range of USD 810-870 per ton in the medium term. CIF Sunflower oil-CNF premium against CDSO CNF had weakened from last month and is hovering at USD 10.0 per ton versus USD 19.00 per ton previous month.
- Currently, refined sunflower oil at Chennai market is offered at Rs 675 (Rs 640) per 10 Kg, and at Hyderabad market, it is offered at Rs 665 (Rs 646) per 10 kg as on September 4, 2017. Values in brackets are figures of last month.
- We expect sunflower oil prices to trade sideways to firm tone in the coming days.

**Price Outlook:** We expect sunflower oil (Chennai) to trade in the price band of Rs 640-720 per 10 Kg.

**Balance Sheet- Sunflower Oil (quarterly), India**
*Fig. in lakh tons*

	2015-16	2016-17-F	Nov-Jan	Feb-Apr	May-July-F	Aug-Oct-F
<b>Opening Stock</b>	2.07	2.02	2.02	3.21	4.71	4.82
<b>Production</b>	1.12	0.96	0.18	0.14	0.32	0.32
<b>Imports</b>	15.16	21.22	5.52	6.26	4.88	4.56
<b>Total Supply</b>	18.35	24.20	7.71	9.61	9.91	9.70
<b>Exports</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>Consumption</b>	16.33	19.60	4.51	4.90	5.09	5.09
<b>Ending Stocks</b>	2.02	4.61	3.21	4.71	4.82	4.61

Source: AW estimates

Oil year- November-October

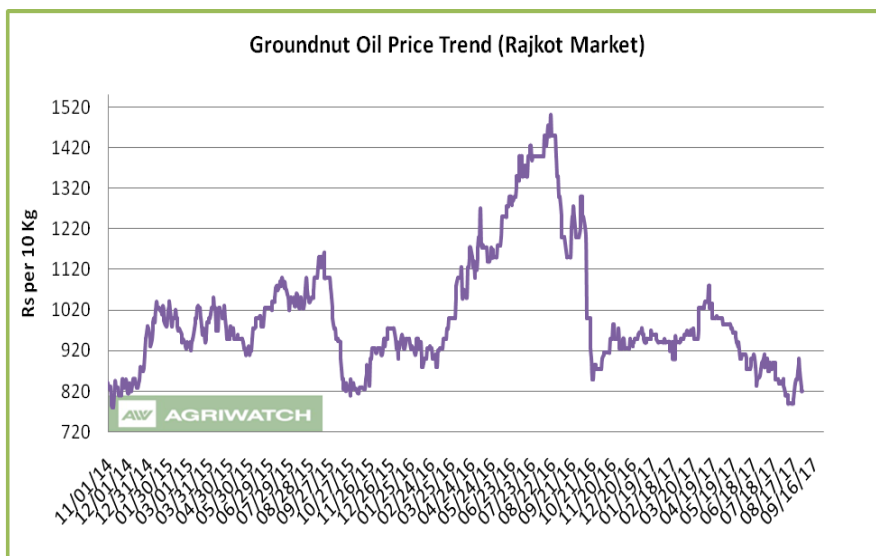
**Highlights**

- Prices will be weak in higher carry out for oil year 2016-17 compared to of 2015-16.
- Sunflower oil production is expected to be lower in oil year 2016-17 on lower sunflower crop.
- Carryout stocks of oil year 2015-16 is 2.02 lakh tons on higher sunflower oil imports.
- Carryout of 2016-17 is higher than 2015-16 due to higher imports.



## Groundnut oil: Domestic Market Fundamentals

- Groundnut oil featured downtrend during the month in review at its benchmark market in Rajkot on weak demand and fall in groundnut prices. Prices closed lower in Chennai and Mumbai while it remained unchanged in New Delhi. Prices closed lower in Jamnagar and Gondal at the end of the month. Groundnut oil expeller closed lower in Hyderabad.



- Agriwatch view: Groundnut oil prices decreased in August due to weak demand and lower price of groundnut.

Rains have been beneficial for groundnut in groundnut growing regions of Gujarat which led to lower groundnut prices.

Prices of groundnut decreased in month of August on marginally lower sowing of groundnut in Gujarat which was beneficial of crop and will increase its yield,

Weak retail demand led to fall prices of groundnut oil.

Weak palm oil and cottonseed oil led to fall in prices.

However, demand will recover in coming month on demand for Diwali.

Retail demand could recover on buying at lower quotes.

Low prices of groundnut oil may support buying by stockists and traders.

Government decision to allow bulk exports of edible oil has little impact on exports as prices of Indian groundnut oil is higher compared to other countries.

Millers are getting higher volume of groundnut which has resulted in higher crushing, resulting in higher supply of groundnut oil supporting fall in prices.

Stockists and traders have increased offtake as they feel that prices are at good levels.

There could be some bargain buying in coming days

Prices are expected to trade weak on lower demand, seasonal downtrend of prices, fall in competitive oil prices, and weak activity in cash markets.

Prices are expected to trade sideways to weak.

- All India sowing of groundnut reached 39.61 lakh hectares as on 1.09.2017 compared to 44.13 lakh hectares in corresponding period last year. Sowing in top producing state of Gujarat reported slightly lower sowing while sowing in Andhra Pradesh and Karnataka led to lower total sowing area.
- On the price front, currently the groundnut oil prices in Rajkot is hovering near Rs 8,200 (8,400) per quintal and quoting at Rs 8,600 (Rs 9,000) per quintal in Chennai market.
- Groundnut oil prices are likely to trade with a sideways to weak tone in the coming days.

**Price Outlook:** We expect Groundnut oil (Rajkot) to trade in the price band of Rs 750-900 per 10 Kg.

### **Balance Sheet- Groundnut Oil (quarterly), India**

*Fig. in lakh tons*

	2015-16	2016-17-F	Nov-Jan	Feb-Apr	May-July	Aug-Oct-F
<b>Opening stocks</b>	0.31	0.25	0.25	0.91	0.97	1.11
<b>Oil availability (Production)</b>	2.32	8.04	2.95	2.41	1.34	1.34
<b>Imports</b>	0	0	0	0	0	0
<b>Total Supply</b>	2.63	8.29				
<b>Quarterly add-on</b>			2.95	2.41	1.34	1.34
<b>Exports</b>	0.30	0.30	0.05	0.10	0.05	0.10
<b>Consumption</b>	2.08	6.80	2.24	2.24	1.16	1.16
<b>End stocks</b>	0.25	1.19	0.91	0.97	1.11	1.19

*Source: AW estimate*

*Oil year-November-October*

### **Highlights**

- Groundnut oil production is expected to be higher in oil year 2016-17 on higher groundnut crop.
- Higher oil production in 2016-17 is due to higher marketable surplus of groundnut seed resulting in higher crush.
- Carryout stocks of oil year 2015-16 is 0.25 lakh tons on lower groundnut oil production.
- Carryout stocks of oil year 2016-17 is 1.19 lakh tons on higher groundnut oil production.
- Higher supply of groundnut oil in 2016-17 is due to higher marketable surplus.
- Carryout of 2016-17 is higher than 2015-16 due to higher production of groundnut oil.

## Coconut oil: Domestic Market Fundamentals

- Coconut oil featured uptrend at its benchmark market in Kangeyan on weak supply and firm demand. Prices rose in Kochi at the end of the month.
- Agriwatch view: Prices of coconut oil rose in the month of August on weak supply and firm demand.

Rise in prices of copra led to rise in prices of coconut oil. Higher raw material prices led to rise in prices of end product.



Demand is firm on Onam festival in Kerala.

Firm retail demand pushed prices higher.

Rise in palm oil prices supported the rise.

Corporate demand which accounts for 80 percent of demand is firm.

Supply of milling copra is weak copra is weak as traders are holding stocks in expectation of higher prices. Coconut growing areas of Tamil Nadu has received rains in Tamil Nadu while deficit of rainfall has decreased in Kerala in current year. Key coconut growing regions of Tamil Nadu and Kerala have suffered due to deficit of rains for last two years.

Milling copra stocks are over in market. Old copra stocks are being released as prices are lucrative. Ball copra is being used for crushing which has surprised market participants and Coconut development board.

Coconut harvest is progressing at slower pace as it is despite peak season of harvest.

Prices of coconut oil increased on firm demand. Demand is expected to weaken on higher prices of coconut oil.

Coconut oil is costliest domestic edible oil, which may weaken demand.

Supply of coconut oil is weak while demand is firm.

Demand from North India is firm.

Export demand has weakened due to higher prices of coconut oil which has made coconut oil uncompetitive in international markets. Moreover, appreciation of Rupee will dent export demand. Bulk exports of coconut oil have weakened while 5 liter packs are exported in higher quantities.

Weak supply of copra has led to lower crushing and weak supply of coconut oil which led to the rise in prices.

Millers are not getting copra from traders, leading to weak supply of coconut oil supporting fall.

Millers are not holding oil as they are not confident of prices and are depending on ready markets.

Traders and upcountry buyers are holding copra as they expect spurt in copra prices.

Therefore, weak supply of raw material has demand to higher prices of coconut oil in the market.

Higher prices of coconut oil for a long period will shift demand towards palm oil and will weaken demand of coconut oil in medium to long term. However, government measure to control adulteration of coconut oil has yielded positive results.

Moreover, lower prices and high supply of palm kernel oil have helped shift in demand pattern away from coconut oil. Demand is expected to shift away from coconut oil to palm oil if prices of coconut oil do not correct.

Price momentum of coconut oil has turned positive which will lead to higher prices in medium term.

Prices are expected to be firm in September on firm retail demand and demand from corporates, higher prices of copra, firm demand and weak stock position. Prices are expected to trade sideways to firm in medium term.

- On the price front, currently the coconut oil prices in Kochi is hovering near Rs 14,500 (13,200) per quintal, and quoting Rs 13,700 (13,300) per quintal in Erode market on August 31, 2017.
- Coconut oil prices may trade sideways to firm tone tracking weak supply and firm demand in ready markets.

**Price Outlook:** We expect coconut oil (Erode) to trade in the price band of Rs 1200-1500 per 10 Kg.

#### Production and exports of coconut oil:

Estimated Production of Coconut Oil		
Month	Production (in lakh Tons)	Cumulative Production (in lakh Tons)
Jan-16	0.35	0.35
Feb-16	0.42	0.77
Mar-16	0.54	1.31
Apr-16	0.77	2.08
May-16	0.64	2.72
Jun-16	0.54	3.25
Jul-16	0.45	3.70
Aug-16	0.42	4.12
Sep-16	0.36	4.47
Oct-16	0.31	4.78
Nov-16	0.36	5.14
Dec-16	0.33	5.46

Source: Coconut Development Board

**Coconut oil balance sheet**
*Qty in '000 MT*

	2011- 2012	2012- 2013	2013- 2014	2014- 2015	2015- 2016
<b>Opening Stock</b>	20.90	89.33	41.60	9.78	18.15
<b>Production</b>	588.00	608.00	562.50	522.50	546.30
<b>Imports</b>	3.01	1.00	1.65	12.81	5.42
<b>Exports</b>	6.52	6.83	7.07	6.94	8.55
<b>Consumption/Crushing</b>	516.06	650.00	588.90	520.00	525.00
<b>Ending stock</b>	89.33	41.60	9.78	18.15	36.32

*Source: Coconut Development Board*
**Coconut products exports from India**
*Qty in '000 MT*

<b>Export of Coconut Products from India</b>							
<b>Sl.No</b>	<b>Item</b>	<b>2014-15</b>		<b>2015-16</b>		<b>2016-17</b>	
		<b>Quantity (in MT)</b>	<b>Value (Rs in Crores)</b>	<b>Quantity (in MT)</b>	<b>Value (Rs in Crores)</b>	<b>Quantity (in MT)</b>	<b>Value (Rs in Crores)</b>
1	Activated Carbon	54345.07	557.80	71672.71	747.56	85804.95	815.07
2	Coconut Oil (Refined oil and fractions)	7188.94	146.06	6731.12	138.16	17088.99	222.98
3	Coconut Dried excluding DC and Endocarp	66923.65	212.49	51802.54	145.85	26381.35	219.02
4	Coconut Oil (Crude oil and fractions)	27.63	0.51	75.43	1.80	16447.10	158.03
5	Desiccated Coconut	3243.82	26.41	3442.77	31.51	14907.47	147.71
6	Coconut Fresh excluding DC and Endocarp	29020.19	89.28	37467.06	112.79	51802.54	145.85
7	Copra	7284.49	80.93	4388.69	36.48	54132.48	142.41
8	Other Coconuts Excl Fresh and Dried & DC & Endocarp	11532.76	55.87	15446.50	71.11	33202.21	113.76
9	Shell Charcoal	27.90	59.60	8.82	26.05	28.31	68.40
10	Shell Charcoal (Other)	47.94	65.71	7.94	14.34	10.83	19.69
11	Fresh Endocarp	3680.97	10.64	2047.57	7.06	5416.14	13.54
12	Other Endocarp	488.69	2.37	390.18	1.88	1257.75	9.46
13	Shell unworked	574.83	3.34	330.35	2.20	183.30	1.66
14	Dried Endocarp	133.01	1.37	132.17	1.20	53850.67	0.08
15	Micellaneous	-	-	-	112.27	-	-
<b>Total</b>			<b>1312.38</b>		<b>1450.24</b>		<b>2077.65</b>

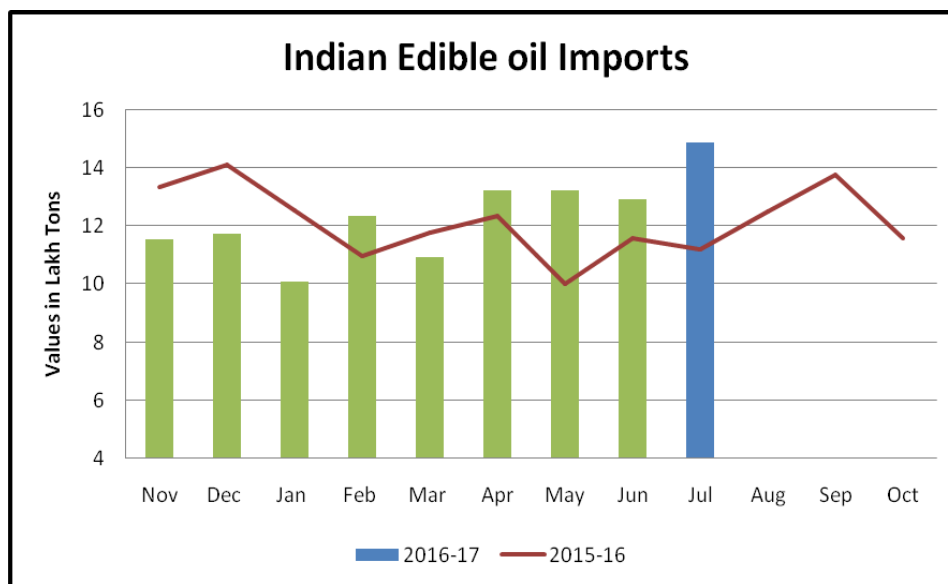
**Source: DGCIS, Kolkata**

## Qty in '000 MT

Import of Coconut Products from India							
Sl.No	Item	2014-15		2015-16		2016-17	
		Quantity (in MT)	Value (Rs in Crores)	Quantity (in MT)	Value (Rs in Crores)	Quantity (in MT)	Value (Rs in Crores)
1	Coconut Oil (Refined oil and fractions)	3467.91	30.76	2759.81	22.57	9.08	0.37
2	Coconut Oil (Crude oil and fractions)	6205.34	49.43	2415.00	18.90		
3	Copra	281.00	2.03	290.30	2.06		
4	Other residues of coconut or copra	32.50	0.07	0.27	0.28		
5	Shell Charcoal	14.88	40.42	14.21	45.06	0.35	1.08
6	Shell Charcoal (Other)	0.38	1.35	3.46	1.29	2.06	2.26
7	Desiccated Coconut	246.07	3.71	65.50	0.67		
8	Oil Cake Solvent Extracted Variety			589.99	1.19	873.20	1.79
9	Shell unworked					69.31	0.13
10	Oil Cake Expeller Variety	88289.75	136.19	188921.63	286.81	164421.90	263.51
11	Button of Coconut Shell/Wood	24.29	0.59	41.09	1.19	43.12	1.46
Total			264.54		380.02		270.59

Source: DGCIS, Kolkata



**Indian Edible Oil Imports Scenario –:**


As per Solvent Extractors' Association of India, India imported 14.42 million tons of veg. oils in the 2014/15 oil year. However, edible oils imports were 14.57 million tons 2015-16 (November 2015-October 2016). Edible oils (including CPO, CDSO, CSFO, and RBD Palmolein) imports for July is pegged at 14.89 lakh tons.

**Indian Supply and Demand Scenario:**

Balance sheet of Indian Edible Oil	2014-15	2015-16	2016-17-F	% Change
Value in million tons				
Beginning Stock	1.49	2.77	1.98	-28.54
Production	7.55	6.78	8.24	21.63
Imports	14.42	14.57	15.01	3.00
Total Supply	23.46	24.12	25.23	4.61
Exports	0.01	0.01	0.01	0.00
Total Demand(Consumption)	20.68	22.13	23.24	5.00
Ending Stock	2.77	1.98	1.99	0.27

\* Value in million tons

**Balance Sheet Highlights**

Net edible oil output is likely to be 8.24 million tons (up 21.63 percent y-o-y basis) in 2016-17 led by higher oilseed sowing in Kharif and Rabi season in the current oil year.

On import front, edible oil imports seen at 15.01 million tons for 2016/17 oil year v/s 14.57 million tons last year.

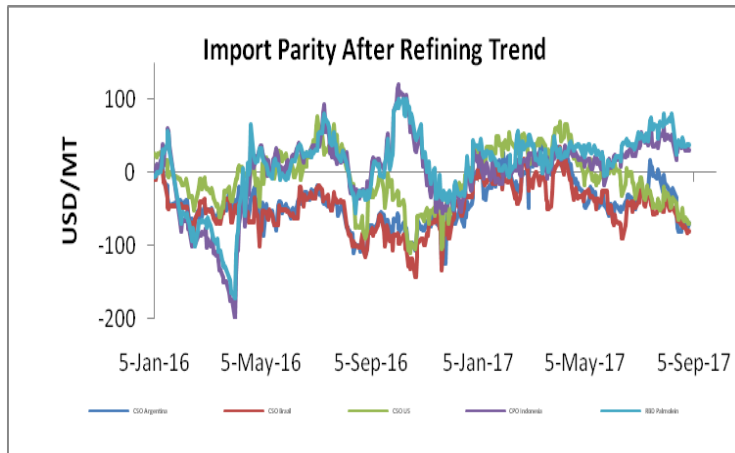
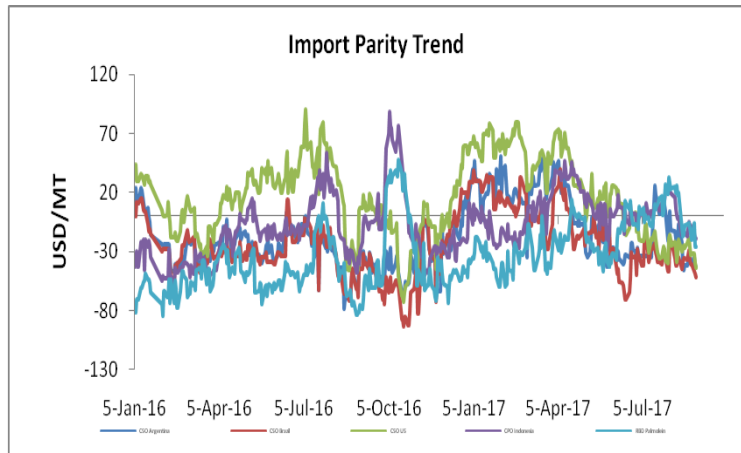
On the consumption side, India's edible oil consumption for 2016-17 oil year seen at 23.24 million tons, up 5 percent from last year. Ending stocks are projected higher compared to 2015-16 at 1.99 million tons.

**Note** - Values in Mln. Tons, Oil year (Nov.-Oct.) \*Including Production of Groundnut, Soy, Mustard, Sunflower, Sesame, Niger, Safflower, Cottonseed, Copra, Rice bran Oils. \*\* 2015-16- SEA of India & 2016-17 Agriwatch Estimates, \*\*\* (USDA estimates).



### Landed Cost at the Indian Ports - Crude soy oil and Crude palm oil

Landed Cost Calculation as on 30/08/2017	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
FOB USD per ton	761	773	756	673	670
Freight (USD/MT)	60	55	62	25	20.0
C & F	821.0	828.0	818.0	698.0	690.0
Weight loss (0.25% of FOB)	1.90	1.93	1.89	1.68	1.68
Finance charges (0.4% on CNF)	3.28	3.31	3.27	2.79	2.76
Insurance (0.3% of C&F)	2.46	2.48	2.45	2.09	2.07
CIF (Indian Port - Kandla)	829	836	826	705	697
Duty (Values in USD per tons)	143.15	143.15	143.15	102.30	175.25
GST (5% on duty) USD per ton	7.1575	7.1575	7.1575	5.115	8.7625
Exchange rate	63.94	63.94	63.94	63.94	63.94
Landed cost without customs duty in INR per ton	52984	53436	52790	45050	44535
Customs duty %	17.50%	17.50%	17.50%	15.00%	25.00%
Base import price	818	818	818	682	701
Fixed exchange rate by customs department	65.15	65.15	65.15	65.15	65.15
Duty component in INR per ton	9326.22	9326.22	9326.22	6664.85	11417.54
Clearing charges INR per ton	1200	1200	1200	1200	1200
Brokerage INR per ton	200	200	200	200	200
Total landed cost INR per ton	63710	64163	63516	53115	57352
Domestic Market price INR/ton Soy Degum Kandla/CPO Kandla/RBD Kandla	61000	61000	61000	51900	55700
Total landed cost USD per ton	996	1003	993	831	897
Domestic Market price USD/tons Soy Degum Kandla/CPO Kandla 5%	954	954	954	812	871
<b>Parity INR/MT (Domestic - Landed)</b>	<b>-2710</b>	<b>-3163</b>	<b>-2516</b>	<b>-1215</b>	<b>-1652</b>
<b>Parity USD/MT (Domestic - Landed)</b>	<b>-42.38</b>	<b>-49.46</b>	<b>-39.35</b>	<b>-19.00</b>	<b>-25.84</b>
Source: Agriwatch					
Refining/ Processing Cost per MT	3200.00	3200.00	3200.00	4700.00	....
Freight to Inland location (Indore for soy and Delhi for Palm oil)	2500.00	2500.00	2500.00	2800.00	2800.00
Cost of Imported oil after refining/Processing	69410.07	69862.70	69216.11	60614.95	60152.07
Soy/Palm oil imported Price (Including tax)	72880.58	73355.84	72676.92	63645.70	63159.67
Loose price of Soy/Palm in Indore and Delhi market	68250.00	68250.00	68250.00	65625.00	65625.00
<b>Parity after processing and Taxes (Rs per MT)</b>	<b>-4630.58</b>	<b>-5105.84</b>	<b>-4426.92</b>	<b>1979.30</b>	<b>2465.33</b>
<b>Parity after processing and Taxes (USD per MT)</b>	<b>-72.42</b>	<b>-79.85</b>	<b>-69.24</b>	<b>30.96</b>	<b>38.56</b>
Source: Agriwatch					

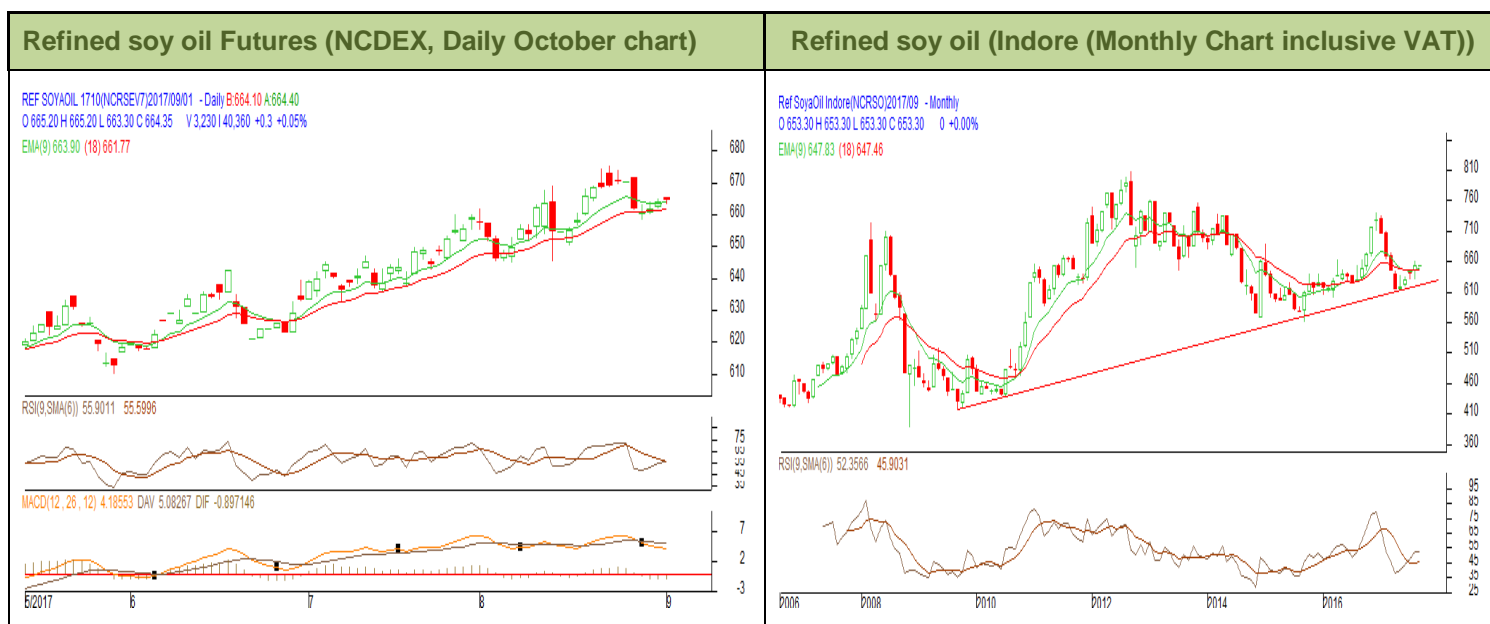
**Import Parity Trend**

**Import Parity after Refining in US dollar per tons (Monthly Average)**

	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
<b>June, 2017</b>	-45.03	-59.20	-5.45	20.31	27.29
<b>July, 2017</b>	-16.51	-40.14	-31.08	42.06	54.69
<b>Aug, 2017</b>	-47.49	-58.95	-48.36	40.00	52.82

**Outlook:-**

Import parity for CDSO Argentina and CDSO Brazil are in disparity due to costly imports. We expect CDSO import parity to remain in disparity in July. Parity in palm oil products may increase palm oil imports in the coming days.

### Technical Analysis (Refined soy oil Monthly Charts)



**Outlook – Prices are likely to trade sideways to firm tone in the days ahead. Investors are advised to buy refined soy oil (October contract) on dips.**

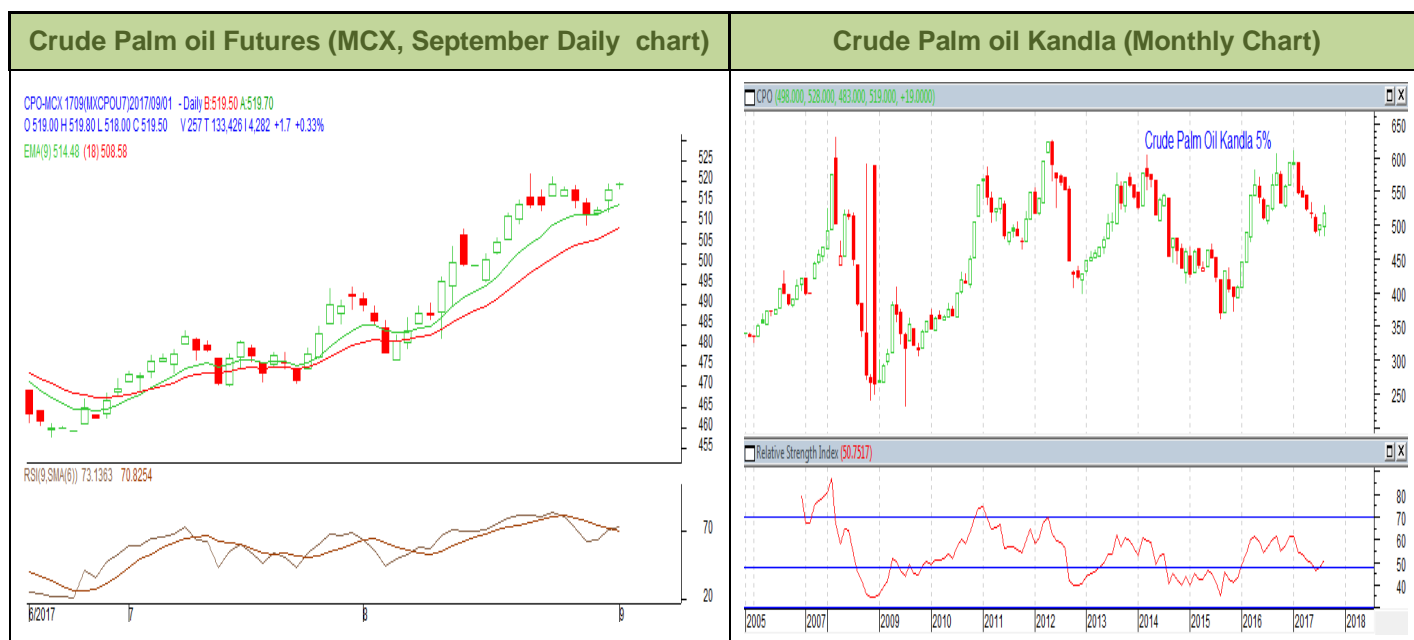
- Monthly chart of refined soy oil at NCDEX featured gains in the prices. We expect sideways to firm movement in the coming days.
- Any close below 640 in monthly chart will change the sentiment and bring prices to 620 levels.
- Expected price band for next month is 630-700 level in near to medium term. RSI, Stochastic and MACD are indicating uptrend at current levels.

**Strategy:** Market participants are advised to go long in RSO above 655 for a target of 675 and 680 with a stop loss at 6645 on closing basis.

#### RSO NCDEX

Support and Resistance				
S2	S1	PCP	R1	R2
646.00	654.00	661.25	680.00	695.00

**Spot Market outlook:** Refined soy oil Indore (including VAT) is likely to stay in the range of 630-700 per 10 Kg.

**Technical Analysis (Crude Palm oil Monthly Charts)**


**Outlook - Prices may trade with a sideways to firm tone in the coming days. Investors are advised to buy MCX CPO (September contract) on dips.**

- Candlestick monthly chart of crude palm oil at MCX depicts rise in prices. We expect prices to feature sideways to firm tone in the near term.
- Any close below 500 in monthly chart might bring the prices to 480 levels.
- Expected price band for next month is 430-530 level in near to medium term. RSI along with Stochastic and MACD are indicating downtrend.

**Strategy:** Market participants are advised to go long in CPO above 515 for a target of 535 and 540 with a stop loss at 505 on closing basis.

**CPO MCX**

Support and Resistance				
S2	S1	PCP	R1	R2
490.00	509.00	524.4	546.00	557.00

**Spot Market outlook:** Crude palm oil Kandla is likely to stay in the range of 500-560 per 10 Kg.



### Monthly spot prices comparison

Commodity	Centre	Prices(Per 10 Kg)		Change
		31-Aug-17	31-Jul-17	
Refined Soybean Oil	Indore	652	645	7
	Indore (Soy Solvent Crude)	622	615	7
	Mumbai	663	650	13
	Mumbai (Soy Degum)	617	595	22
	Kandla/Mundra	640	625	15
	Kandla/Mundra (Soy Degum)	610	590	20
	Kolkata	670	635	35
	Delhi	680	670	10
	Nagpur	708	700	8
	Rajkot	635	620	15
	Kota	650	640	10
	Hyderabad	680	660	20
	Akola	700	688	12
	Amrawati	700	688	12
	Bundi	650	640	10
	Jalna	708	697	11
	Alwar	NA	NA	-
	Solapur	708	700	8
	Dhule	710	695	15
Palm Oil	Kandla (Crude Palm Oil)	519	500	19
	Kandla (RBD Palm oil)	557	520	37
	Kandla RBD Pamolein	557	535	22
	Kakinada (Crude Palm Oil)	500	480	20
	Kakinada RBD Pamolein	560	528	32
	Haldia Pamolein	575	535	40
	Chennai RBD Pamolein	570	532	38
	KPT (krishna patnam) Pamolein	565	525	40
	Mumbai RBD Pamolein	585	540	45
	Delhi	620	590	30
	Rajkot	557	537	20
	Hyderabad	532	494	38
	Mangalore RBD Pamolein	570	532	38
	PFAD (Kandla)	430	425	5
	Refined Palm Stearin (Kandla)	455	460	-5
Refined Sunflower Oil	Chennai	665	640	25
	Mumbai	710	700	10
	Mumbai(Expeller Oil)	630	615	15
	Kandla	685	670	15
	Kandla/Mundra (Crude)	NA	NA	-
	Hyderabad (Ref)	665	654	11

	Latur (Expeller Oil)	670	660	10
	Chellakere (Expeller Oil)	630	610	20
	Erode (Expeller Oil)	710	670	40
Groundnut Oil	Rajkot	820	840	-20
	Chennai	860	900	-40
	Delhi	900	900	Unch
	Hyderabad *	870	930	-60
	Mumbai	840	890	-50
	Gondal	790	850	-60
	Jamnagar	800	850	-50
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	765	740	25
	Jaipur (Kacchi Ghani Oil)	796	770	26
	Kota (Expeller Oil)	760	730	30
	Kota (Kacchi Ghani Oil)	790	765	25
	Neewai (Kacchi Ghani Oil)	765	735	30
	Neewai (Expeller Oil)	780	755	25
	Bharatpur (Kacchi Ghani Oil)	795	770	25
	Alwar (Kacchi Ghani Oil)	NA	NA	-
	Alwar (Expeller Oil)	NA	NA	-
	Sri-Ganga Nagar(Exp Oil)	765	735	30
	Sri-Ganga Nagar (Kacchi Ghani Oil)	785	755	30
	Mumbai (Expeller Oil)	785	750	35
	Kolkata(Expeller Oil)	870	820	50
	New Delhi (Expeller Oil)	770	765	5
	Hapur (Expeller Oil)	800	776	24
	Hapur (Kacchi Ghani Oil)	880	820	60
	Agra (Kacchi Ghani Oil)	800	775	25
Refined Cottonseed Oil	Rajkot	650	680	-30
	Hyderabad	650	630	20
	Mumbai	685	695	-10
	New Delhi	650	665	-15
Coconut Oil	Kangayan (Crude)	1370	1330	40
	Cochin	1450	1320	130
	Trissur	NA	NA	-
Sesame Oil	New Delhi	770	770	Unch
	Mumbai	NA	NA	-
Kardi	Mumbai	NA	750	-
Rice Bran Oil (40%)	New Delhi	500	485	15
Rice Bran Oil (4%)	Punjab	585	550	35
Rice Bran Oil (4%)	Uttar Pradesh	NA	550	-
Malaysia Palmolein USD/MT	FOB	670	665	5



	CNF India	700	685	15
Indonesia CPO USD/MT	FOB	673	655	18
	CNF India	700	685	15
RBD Palm oil (Malaysia Origin USD/MT)	FOB	665	660	5
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	665	635	30
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1335	1215	120
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	628	630	-2
Crude palm Kernel Oil India (USD/MT)	CNF India	1290	1130	160
Ukraine Origin CSFO USD/MT Kandla	CIF	832	815	17
Rapeseed Oil Rotterdam Euro/MT	FOB	736	748	-12
<b>Argentina FOB (\$/MT)</b>		<b>30-Aug-17</b>	<b>29-Jul-17</b>	<b>Change</b>
Crude Soybean Oil Ship		768	755	13
Refined Soy Oil (Bulk) Ship		795	781	14
Sunflower Oil Ship		740	725	15
Cottonseed Oil Ship		748	735	13
Refined Linseed Oil (Bulk) Ship		788	775	13
* indicates including VAT				

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