



Veg. Oil Monthly Research Report

Contents

- ❖ **Outlook and Review**
- ❖ **Recommendations**
- ❖ **AW Edible Oil Index**
- ❖ **International Veg. Oil Market Summary**
- ❖ **Domestic Market Fundamentals**
- ❖ **Technical Analysis (Spot Market)**
- ❖ **Technical Analysis (Futures Market)**
- ❖ **Monthly spot price comparison**

Outlook and Review:

Domestic Front

Edible oil basket featured mixed tone during the month under review. Soy oil, palm oil, sunflower oil and groundnut oil prices rose while rapeseed oil and coconut oil fell.

Palm oil (Kandla) was the best performer among the edible oil complex due to hike in import duty. Coconut oil (Kangayam) was the worst performer tracking weak demand.

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

On the currency front, Indian rupee is hovering near 64.98, down by 1 paise compared to last month. Rupee is expected to appreciate in April. Crude oil prices are expected to rise in April.

Recommendation:

In NCDEX, market participants are advised to go long in RSO above 780 for a target of 800 and 805 with a stop loss at 770 on closing basis. In MCX, market participants are advised to go long in CPO above 650 for a target of 670 and 675 with a stop loss at 640 on closing basis.

Market participants can buy refined soy oil in the cash markets at 770-780 for the target of 790-800 levels (Indore), if needed. Market participants can buy CPO Kandla 5% in the cash markets at 640-650 for the target of 670-680 levels, if needed.

International Veg. Oil Market Summary

CBOT soy oil (May) is expected to stay in the range of 29 cents/lb to 35 cents/lb. CPO at BMD (June) is likely to stay in the range of 2300-2700 ringgits per ton. Focus during the coming days will be trade tension between US and China, soybean area in US, soybean demand by China, palm oil stocks in Malaysia, palm oil exports from Malaysia, India and Chinese palm oil demand, Argentina soybean crop, production of palm oil in Malaysia, dollar and crude oil prices.

Malaysia's February palm oil stocks fell 2.85 percent to 24.78 lakh tons compared to 25.50 lakh tons in January. Production of palm oil in February fell 15.37 percent to 13.43 lakh tons compared to 15.87 lakh tons in January. Exports of palm oil in February fell 13.33 percent to 13.12 lakh tons compared to 15.14 lakh tons in January. Imports of palm oil in February rose 92.86 percent to 0.67 lakh tons compared to 0.35 lakh tons in January. Fall in palm oil end stocks in February was above trade estimates: MPOB

Soybean harvest in Brazil has reached 71 per cent till date compared to 74 per cent during the corresponding period previous year and above a five –year average of 69 per cent: AgRural

On the international front, lower soybean crop in Argentina, trade tension between US and China, lower area under soybean in US in 2018/19, higher soybean demand from China, higher soy oil demand from India, weak dollar and firm crude oil prices is bullish for the soy complex.

Extension of zero export duty on palm oil by Malaysia, firm exports of palm oil from Malaysia, firm demand of palm oil by India and China, fall in end stocks of palm oil in Malaysia and expected weak production of palm oil in Malaysia is bullish for palm oil prices.

Soy oil: Domestic Market Fundamentals

- Refined soybean oil prices featured uptrend at its benchmark market at Indore during the month in review on hike in import duty on palm oil. Average prices of refined soy oil increased in march. Prices of refined soy oil showed higher prices in major centers in India. CDSO prices rose at JNPT and Kandla/Mudra.
- Agriwatch view—Soy oil prices witnessed uptrend in month of march on hike in import duty on palm oil.

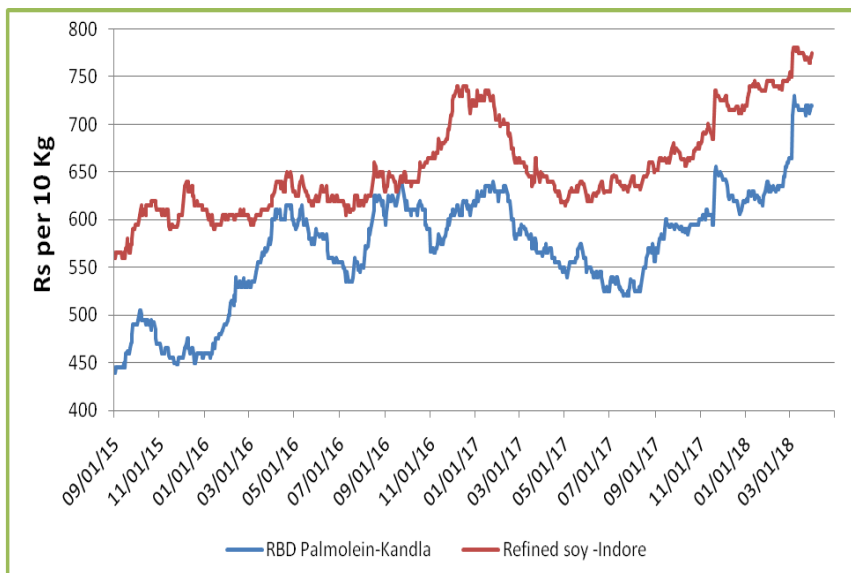
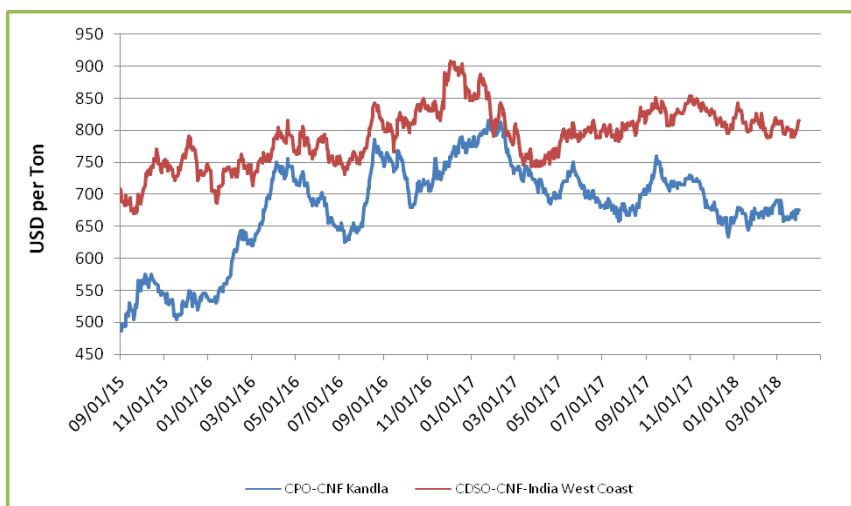
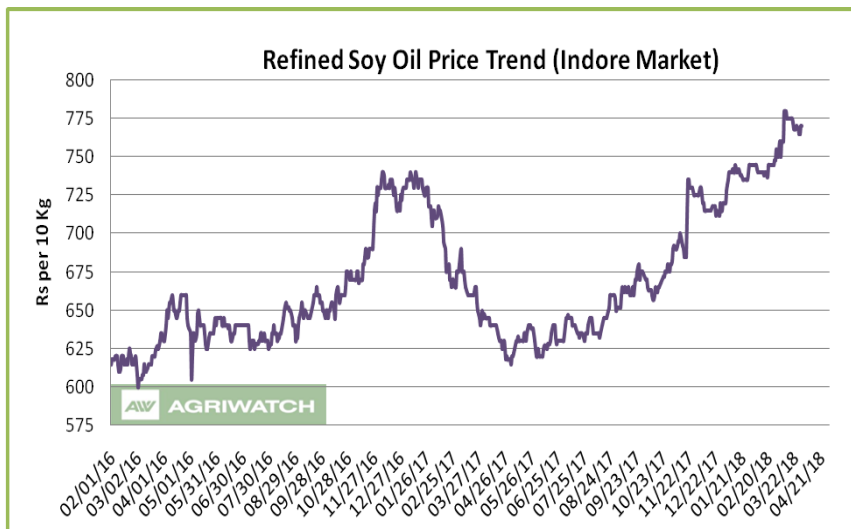
Prices of CDSO rose more high seas compared to CDSO CNF indicating firm demand.

Prices of CDSO CNF rose less at CNF markets compared to CDSO FOB indicating weak demand at CNF markets.

Refined soy oil premium over CPO has decreased to Rs 132 (Rs 155 last month) per 10 Kg which will support soy oil prices. Imports will increase on rising CDSO premium over CPO at USD 131.5 (USD 115 last month) per ton for Apr delivery which support prices of CPO.

Refined soy oil premium over RBD palmolein was at Rs 55 (Rs 90 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 48 (Rs 40) per 10



kg indicating firm refined soy oil in domestic markets compared to high seas.

Landed cost and refining margins have returned to parity after hike in import duty which will encourage imports.

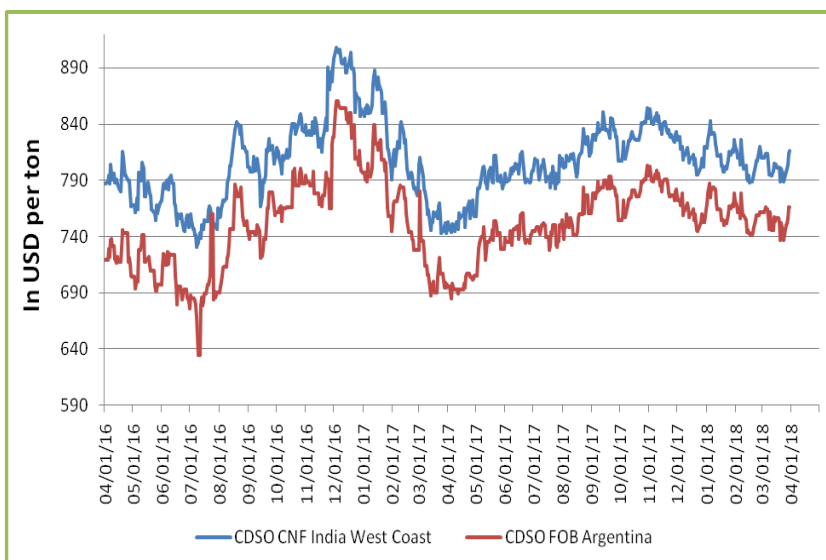
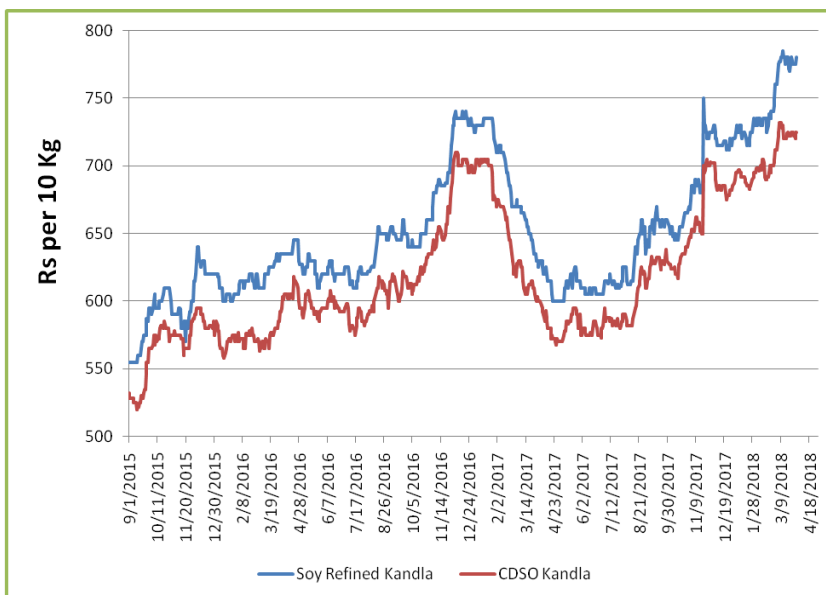
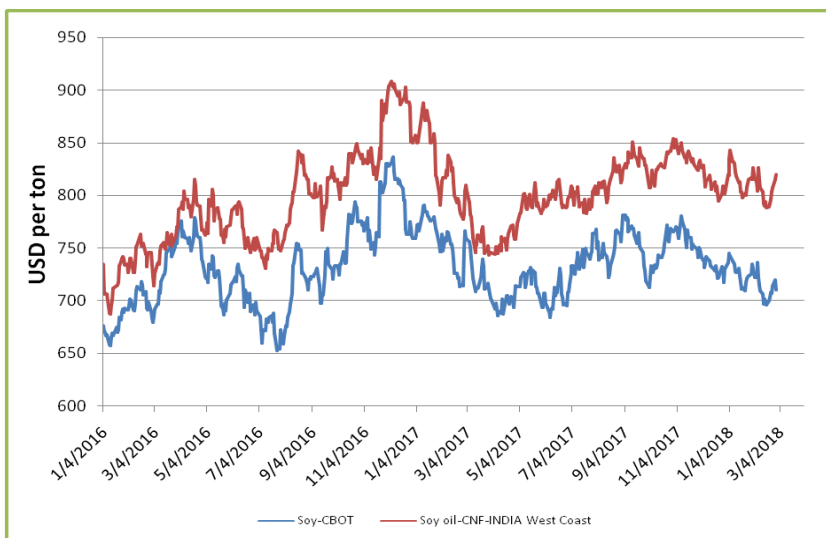
Difference increased between CDSO-CNF-India West coast and Soy oil CBOT due to increase in basis (spot prices – futures prices).

Refiners should wait to purchase consignment as prices of soy oil are not attractive. Basis, is at record highs due to trade war between US and China and may remain high as trade tension escalates. Basis increased on weak supply of soy oil from Argentina bad weather condition of soybean.

Export demand of soy meal has fallen due to appreciation of Rupee which had resulted in lower crushing of soybean. Soy meal exports remained subdued despite hike in import duty on edible oils and fall in soy meal prices.

Upward support of Rupee will continue which might make crush of soybean unviable and decrease crushing of soybean and will decrease soy oil supply in domestic markets.

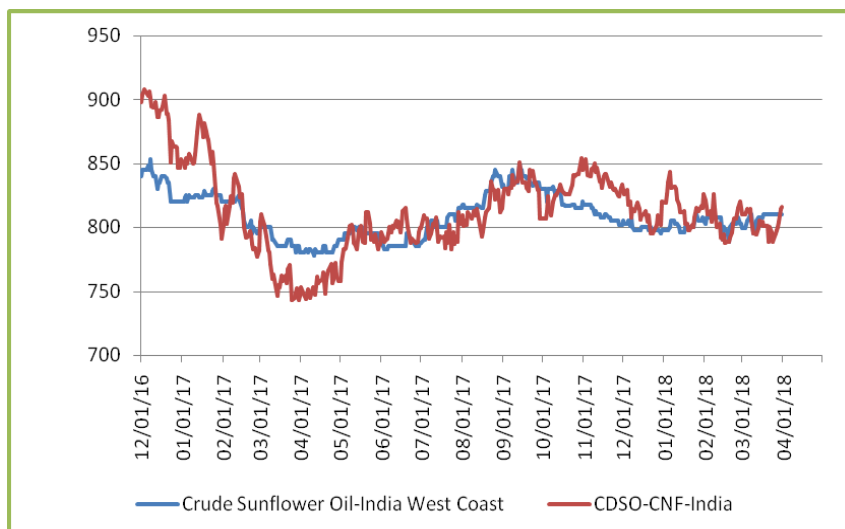
Imports of soy oil in February, fell compared to February 2017 and January 2018 while stocks at ports fell less than fall in imports in February compared to January



indicating weak demand.

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

- According to Solvent Extractors Association (SEA), India's February edible oil imports fell 8.85 percent y-o-y to 11.25 lakh tons from 12.34 lakh tons in February 2017. Palm oil imports in February rose 3.26 percent y-o-y to 5.46 lakh tons from 4.98 lakh tons in February 2017. CPO Imports rose 9.64 percent y-o-y to 6.73 lakh tons from 4.12 lakh tons in February 2017. RBD palmolein imports fell 13.24 percent y-o-y to 2.02 lakh tons from 2.33 lakh tons in February 2017. Soy oil imports fell 46.83 percent in February y-o-y to 1.34 lakh tons from 2.52 lakh tons in February 2017. Sunflower oil imports rose 1.9 percent y-o-y to 2.13 lakh tons from 2.09 lakh tons in February 2017. Rapeseed (canola) oil imports in February fell 51 percent to 0.17 lakh tons compared 0.18 lakh tons in February 2017.
- According to Solvent Extractors Association (SEA), India's February edible oil stocks at ports and pipelines rose marginally m-o-m to 21.97 lakh tons from 21.95 lakh tons in January 2018. Stocks of edible oil at ports fell to 757,000 tons (CPO 280,000 tons, RBD Palmolein 120,000 tons, Degummed Soybean Oil 170,000 tons, Crude Sunflower Oil 180,000 tons and 7,000 tons of Rapeseed (Canola) Oil) and about 1,440,000 tons in pipelines (stocks at ports were 855,000 tons in January 2018). India is presently holding 36 days of edible oil requirement on 1st March, 2018 at 21.97 lakh tons compared to 36 days of requirements last month at 21.95 lakh tons. India's monthly edible oil requirement is 18.25 lakh tons.
- Soy oil import scenario – According to SEA, soy oil imports fell 46.8 percent y-o-y in February to 1.34 lakh tons from 2.52 lakh tons in February 2017. In the period (Nov 2017-Feb 2018), imports of soy oil were 7.12 lakh tons compared to 8.15 lakh tons in corresponding period last oil year, lower by 12.6 percent..
- Imported crude soy oil CIF at West coast port is offered at USD 825 (USD 802) per ton for April delivery, May delivery is offered at USD 804 (USD 786) per ton and June delivery is quoted at USD 806 per ton. Values in brackets are figures of last week. Last month, CIF CDSO March average price was USD 802.12 (USD 804.67 per ton in February 2018) per ton.
- On the parity front, margins are in disparity during the week on low prices of soy oil in domestic markets, and we expect margins to remain in disparity in coming days. Currently refiners lose USD 15-20/ton v/s USD 15-20/ton (last month) 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- Escalation of trade war between US with China could hit US soybean exports as Trump administration imposed additional tariff of USD 60 billion of exports from China. China retaliated by imposing 25 percent import duty on imports of soybean from US. US is proposing additional USD 100 billion as early as this week.

Imposition of 25 percent import duty on soybean imports from US by China will increase demand from Brazil. Premium of Brazilian soybean will increase. Soybean prices will rise in China after the duty hike. However, there is not much China could do as there is short supply of soybeans in South America due to drought in Argentina.

- USDA increased 2017/18 end stocks of soy oil in US on higher soy oil production and lower biodiesel partially offset by higher food, feed and industrial use. This will underpin soy oil prices. USDA increased soybean end stocks of US in its March estimate on lower exports partially offset by higher crush. Higher soybean end stocks will underpin soybean complex prices.

Low exports, was due to competition by Brazil; the protein content in Brazil soybean is higher compared to US soybean.

- Surprise fall in forecast of soybean planting area in US will support soybean complex prices in medium term. This is the first time since 1983 when US farmers are planting soybean above corn. Area under soybean and corn has reduced. Area has shifted towards wheat and cotton. Area was below trade estimates.

Soybean stocks on March 1 was above market expectations and was 21 percent above last year stocks.

- Soybean harvest has picked up in Brazil with 71 percent of crop harvested. 74 percent of crop was harvested in corresponding period last year and 69 percent is the 5-year average. Harvest has picked up in last three weeks due to conducive harvest conditions. Further pickup is expected in coming weeks. Pickup in harvest of soybean will increase supply of soybean in international markets and underpin soybean complex prices.

Many agencies have increased estimate of soybean crop in Brazil, which is above last year production. USDA increased soybean crop estimate of Brazil to 113 MMT from 112 MMT in lines with hike by soybean crop in Brazil by CONAB. USDA is expected to hike soybean crop of Brazil to record levels in its April review.

In comparison to US, Brazil has increased share of imports of soybean by China on higher protein content demand from top importer.

USDA increased 2017/18 Brazil soybean exports to 70.5 MMT from 69 MMT on higher demand of soybean from China in its March review.

US has been facing stiff competition from Brazil for last 3 years. Lower protein content in US soybean compared to that of Brazil and new quarantine norm of China is the reason for low exports in 2017/18.

- Soybean crop is under drought conditions in Argentina leading to lower planed area and lower yields. This has led to lowering of crop estimates by Buenos Aires Grains Exchange, Rosario Exchange and Informa.

USDA cut soybean crop estimate of Argentina 47 MMT from 54 MMT on fall in yields on drought conditions in soybean growing regions in Argentina.

USDA cut 2017/18 soy oil export estimate of Argentina on lower crush of soybean due to lower soybean crop in the country.

USDA is expected to cut Argentina's soybean crop in its April estimate.

Buenos Aires Grains Exchange cut soybean crop estimate to 38 MMT from its earlier estimate of 39.5 MMT. Rabobank cut Argentina's crop below 40 MMT.

Rosario exchange cut soybean crop in Argentina to 40 MMT from 46.5 MMT on lower yields with possibility of further cut.

Fall in production of soybean in Argentina will help US and Brazil soy meal and soybean exports.

- China imported 36 percent lower soybean in February at 5.42 MMT. This is lowest figure since June 2016.

China had been recording higher imports as it intends to increase its cattle and swine herd counts, which is running low. However, lower soybean imports were expected in February due to Chinese New Year and shorter month of February.

China is expected to import 100 MMT of soybean in 2018 on higher demand. China intends to increase herd counts of poultry to swine.

- Soy oil prices are expected to fall on rise in end stocks of soy oil in US in February as reported by NOPA on higher crush of soybean in February. Weak demand of soy oil in US led to higher soy oil stocks.
- Crude oil have been in continuous upward move since last many months and WTI crude oil has reached around USD 65 per barrel. Agreement between OPEC and Russia to cut production by 1.8 million barrels until end 2018 despite rise in production of US shale coupled with good global demand as economic recovery across globe has supported crude oil prices. Bull run is expected to continue for WTI crude oil will reach USD 75 per barrel by August as Saudi Arabia intends to cut production in 2019. This will rebalance global crude oil markets earlier than expected.
- US dollar has been on a continuous losing spree since early 2017 and it has lost majorly since tax overhaul took place in US last month which led to lower dollar. Weak dollar is supporting risky investments across asset classes and money is moving out of US bonds which is expected to support soy oil prices in medium term.

Record imports by China will soak global incremental production of soybean and support prices in medium term.

Prices are in a range.

- According to consultancy, AgRural soybean harvest in Brazil has reached 71 per cent till date compared to 74 per cent during the corresponding period previous year and above a five –year average of 69 per cent.

- According to the planting intention report released by the USDA, soybean planted area for 2018 is estimated at 89.0 million acres, lower 1 per cent compared to previous year. It is below average trade estimates of 91.056 million acres.
- In the latest USDA quarterly stock report, it has been reported that the US soybeans stored in all positions on March 1, 2018 totaled 2.11 billion bushels, up 21 percent from March 1, 2017. It is higher than average trade estimate of 2.030 billion bushels. On -farm stocks are estimated at 855 million bushels, up 28 percent from a year ago. Off-farm stocks, at 1.25 billion bushels, are up 17 percent from last March. Indicated disappearance for the December 2017 - February 2018 quarter totaled 1.05 billion bushels, down 9 percent from the corresponding period a year earlier.
- According to consultancy, Agroconsult Brazil's soybean crop has been revised up to 118.9 MMT in 2017-18 following favorable weather in the growing regions. According to Agroconsult, Mato Grosso's yields are estimated to reach an average of 56.7 60-kg bags per hectare compared with 55.5 bags in the previous season.
- According to the data released by the General Administration of Customs, China's import of soybean declined by 2.05% to 5.42 MMT in the month of February 2018 compared to corresponding period previous year. In the first two months of the year 2018, total imports of soybean increased by 5.37% to 13.90 MMT compared to corresponding period previous year.
- According to the latest report released by the Buenos Aires Exchange, Argentina's soybean output in 2017-18 has been reduced to 39.5 MMT compared to its previous estimates of 42 MMT. Recent rains will provide some moisture. However, it is not sufficient for the crop.
- According to the latest monthly report released by Rabobank soybean output in Argentina is estimated at 40 MMT compared to previous month's estimates of 46 MMT.
- According to the latest attaché report released by the USDA, China's soybean imports in 2018/19 are estimated to be around 100 MMT compared to imports of 97 MMT in 2017/18. Rising incomes, urbanization and the modernization of the domestic feed and livestock sectors will continue fostering Chinese consumption of oilseed products. US soybean exports to China are likely to face competition from South American countries in 2017/18 and beyond. Moreover the stringent import norms introduced by China coupled with recent tariffs imposed by US on steel and aluminum imports from China will also weigh on soybean exports.
- According to Safras & Mercado, Brazil is expected to export a record 70 MMT of soybean in 2018-19. This is 12 per cent higher compared to previous year. Record harvest of soybean in Brazil this season and lower output in Argentina are cited the reasons for record exports of soybean.
- According to National Oilseed Processors Association (NOPA), U.S. February soybean crush fell 5.75 percent to 153.719 million bushels from 163.111 million bushels in January 2018. Crush of soybean in February 2017 was 142.792 million bushels. Soybean February crush is record since 2010. Soy oil stocks in U.S. at the end of February rose 7.4 percent m-o-m to 1.865 billion lbs compared to 1.728 billion lbs in end January 2018. Stocks of soy oil in end February 2018 was higher by 11.8 percent compared to end February 2017, which was reported at 1.668 million lbs.

- According to the Rosario Grains Exchange, soybean output of Argentina in 2017 -18 could be around 40 MMT as prolonged drought is likely to affect yield compared to previous estimates of 46.5 MMT. Rains are reported in certain areas. However it is not sufficient for the crop.
- According to United States Department of Agriculture (USDA) March estimate, U.S 2017/18 end stock estimate of soy oil is increased to 1,751 million lbs compared to its earlier estimate of 1,536 million lbs. Opening stocks are unchanged at 1,711 million lbs. Production of soy oil in 2017/18 is increased to 22,640 million lbs compared to 22,525 million lbs in its earlier estimate. Imports in 2017/18 were unchanged at 300 million. Biodiesel use estimate in 2017/18 is reduced to 7,200 million lbs from 7,500 million lbs in its earlier estimate. Food, feed and other industrial use in 2017/18 is increased to 13,800 million lbs compared to 13,600 million lbs in its earlier estimate. Exports in 2017/18 estimate are kept unchanged at 1,900 million lbs compared to its earlier estimate. Average price range estimate is reduced to 30-33 cents/lbs in 2017/18 compared to 31-34 cents/lbs in its earlier estimate.
- USDA increased 2017/18 soybean crop of Brazil to 113 MMT in its March estimate from earlier estimate to 112 MMT. Soybean exports from Brazil in 2017/18 has been increased from 69 MMT from 70.5 MMT.
- USDA decreased 2017/18 soybean crop of Argentina to 47 MMT from 54 MMT. Soy oil exports in 2017/18 from Argentina have been reduced to 5.12 MMT from 5.5 MMT its earlier estimate.
- According to China General Administration of Customs (CNGOIC), China's February edible vegetable oil imports fell 37.5 percent to 356,000 tons from 570,000 tons in January. Exports fell 13.2 percent from February 2017 reported at 410,000 tons. Year to date imports fell 3.1 percent to 926,000 tons compared to corresponding period in 2017.
- Informa has cut Argentina soybean crop to 44 MMT from its last estimate of 51 MMT. It has raised Brazil soybean crop to 114 MMT from 112.5 MMT in its earlier estimate.
- Brazil exported 2.07 MMT of soybean in January 2018 compared to 2.36 MMT in December 2017 and up by 720 per cent compared to corresponding period previous year. Brazil's share of soybean exports to China recorded the highest increase in 2017 and is expected to increase in 2018. Competitive price and higher protein content of soybean is helping Brazil to gain share in the global market.
- USDA WASDE Oilseeds Highlights: The season-average soybean price range forecast of \$9.00 to \$9.60 per bushel is unchanged at the midpoint. Soybean oil prices are forecast at 30 to 33 cents per pound, down 1 cent at the midpoint. Soybean meal prices are projected at \$325 to \$355 per short ton, up \$20.00 at the midpoint.

Previous update

- According to consultancy AgRural, farmers in Brazil have harvested 58 percent of the soybean area in 2017/18 season as on March 16, 2018 compared to 62 percent in corresponding period last year and 55 percent 5-year average.
- According to the latest report, Buenos Aires Exchange has reduced soybean output to 42 MMT compared to previous estimates of 44 MMT. Drought in the country's central grain belt has affected production.

- China imported 5.42 MMT of soybean in February, lower by 36 percent from January, which was reported at 8.48 MMT. China's Jan-Feb imports of soybean stood at 13.9 MMT compared to 13.20 MMT in corresponding period last year.
- According to National Oilseed Processors Association (NOPA), U.S. January soybean crush fell marginally to 163.111 million bushels from 163.305 million bushels in December 2017. Crush of soybean in January 2017 was 160.621 million bushels. Soy oil stocks in U.S. at the end of January rose 13.8 percent to 1.728 billion lbs compared to 1.518 billion lbs in end December 2017. Stocks of soy oil in end January 2017 was higher by 8 percent compared to end January 2017, which was reported at 1.603 million lbs.
- According to the Rosario Grains Exchange, soybean output of Argentina in 2017 -18 is estimated at 46.5 MMT down from 50 MMT in earlier estimate as prolonged drought is likely to affect yield. No significant rains are expected in the next 10-12 days, which is likely to affect the crop further. There could be some very isolated rains, which will not be beneficial for the crop.
- According to the latest forecast by the consultancy, Agroconsult Brazilian soybean output in 2017 -18 is estimated at 117.5 MMT compared to previous month's forecast of 114.1 MMT.
- According to United States Department of Agriculture (USDA) February estimate, U.S 2017/18 ending stock of soy oil is unchanged 1.536 million lbs compared to its earlier estimate. Opening stocks are unchanged at 1,711 million lbs. Production of soy oil in 2017/18 is unchanged at 22,525 million lbs compared to its earlier estimate. Imports in 2017/18 were unchanged at 300 million. Biodiesel use estimate in 2017/18 is unchanged at 7,500 million lbs. Food, feed and other industrial use in 2017/18 is unchanged at 13,600 million lbs compared to 13,500 million lbs in its earlier estimate. Exports in 2017/18 estimate are kept unchanged at 1.900 million lbs compared to its earlier estimate. Average price range estimate is reduced to 31-34 cents/lbs in 2017/18 compared to 32-35 cents/lbs in its earlier estimate.
- According to the data released by the General Administration of Customs, China's imports of soybean increased by 10.7 per cent to 8.48 MMT in January 2018 compared to corresponding period previous year and it declined by 11.20 per cent compared to December 2017. Imports declined compared to previous month following tighter specification pertaining to the import of the oilseed at the Beijing airport.
- According to Energy Information Administration (EIA), U.S. biodiesel production was unchanged in December 2017 compared to November 2017 at 148 million gallons. Soy oil remained largest feedstock with 594 million lbs use in December 2017 compared to 591 million lbs use in November 2017.
- Brazil's share of soybean exports to China reached record level in 2017. China is the world's top buyer of soybean, which imports 60 per cent of the soybeans traded worldwide. China bought 50.93 MMT of soybean from Brazil in 2017, accounting for 53.3 percent of total purchases, according to the recently released customs data. Brazil's soybean is often cheaper and contains more protein compared to U.S. soybean.
- According to Conab, Brazilian soybean output in 2017/18 has been increased by 1.2 MMT to 110.4 MMT in the latest monthly report compared to previous month's estimates. Output estimates are likely to increase in the forthcoming reports amid beneficial rains since early November in the growing regions.

- According to a Farm Futures survey of 925 growers in US, soybean acreage is likely to remain unchanged at 90.1 million acres in 2018 compared to previous year.
- The monthly supply and demand report of U.S. Department of Agriculture, for the month of February forecasts increase in U.S. soybean stocks to at 530 million bushels, up 60 million bushels from last month due to lower exports. U.S. soybean exports are forecast to decline by 60 million bushels to 2100 million bushels amid lagging sales and increased competition from Brazil. Total U.S. oilseed production for 2017/18 is projected at 131.3 MMT, unchanged from previous month. Soybean production is unchanged at 4,392 million bushels. Global oilseed production is forecast at 578.6 MMT, down 1.5 MMT with lower soybean production partly offset by higher cottonseed. Global oilseed ending stocks for 2017/18 are forecast at 110.43 MMT down 0.75 MMT from previous month, with reduced soybean stocks for Argentina, Bolivia, Paraguay, and India more than offsetting an increase for the United States.
- Informa lowered U.S. soybean acreage in 2017/18 to 91.197 million acres compared to its previous estimates of 91.387 million acres. According to USDA in 2017 U.S. soybean farmers had planted an all –time high of 90.142 million acres.
- USDA WASDE Oilseeds Highlights: The U.S. season-average soybean price range for 2017/18 is projected at \$8.90 to \$9.70 per bushel, unchanged at the midpoint. Soybean oil prices are forecast at 31 to 34 cents per pound, down 1 cent at the midpoint. Soybean meal prices are projected at \$305 to \$335 per short ton, up \$5 at the midpoint.

Price Outlook: We expect Ref. soy oil with VAT to trade in the price band of Rs 730-830 per 10 Kg.

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

	2016-17	2017-18-F	Nov-Jan	Feb-Apr-F	May-July-F	Aug-Oct-F
Opening Stock	6.20	2.92	2.92	2.30	2.69	3.36
Production (Domestic)	15.09	14.94	6.87	1.79	1.79	4.48
Imports	33.16	38.00	5.70	8.74	10.64	12.92
Imported oil processing	32.26	36.97	5.55	8.50	10.35	12.57
Total Production (Domestic production and imported oil production)	47.35	51.91	12.42	10.30	12.15	17.05
Total Supply	53.55	54.83				
Quarterly add-on			12.42	10.30	12.15	17.05
Consumption	50.63	52.15	13.04	9.91	11.47	17.73
Ending Stock	2.92	2.68	2.30	2.69	3.36	2.68

Source: AW estimates
Oil year- November-October

Highlights

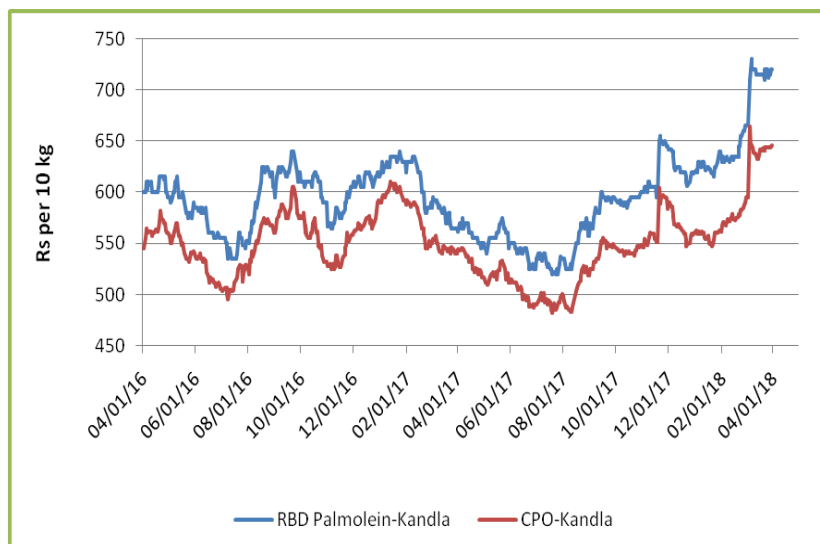
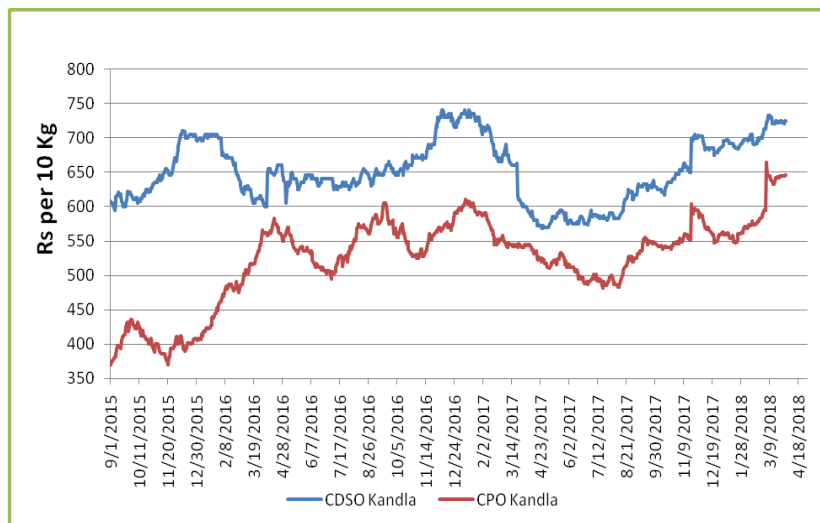
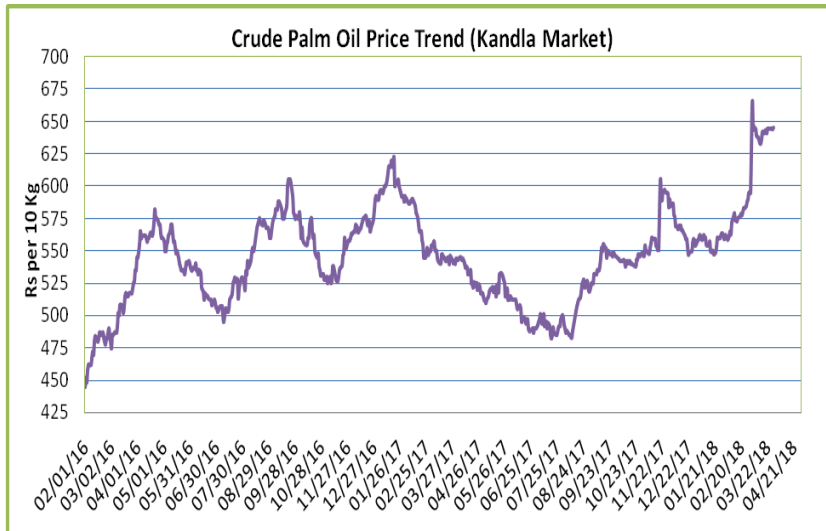
- Prices of soy oil in 2017-18 are expected to be higher on higher imports in oil year 2017-18 on higher domestic production.
- Soy oil production is expected to be lower in oil year 2017-18 on lower soybean crush due to lower soybean crop in 2017-18.
- Lower carry out in Nov-Jan and Feb-Apr is low due to lower imports.
- Carryout stocks of oil year 2016-17 is 2.92 lakh tons on higher soy oil imports.
- Carry out of oil 2017-18 is 2.68 lakh tons
- Carryout of 2017-18 is lower than 2016-17.

Palm oil: Domestic Market Fundamentals

- CPO prices witnessed firm tone in the month of March at its benchmark market at Kandla on hike in import duty. CPO prices rose across board in India. RBD palmolein prices rose across board in India. Superolein prices rose in Kandla and Mumbai. Vanaspati prices rose in Delhi, Kolkata and Mumbai. CPO-CNF and RBD palmolein-CNF India prices fell in March.

- Agriwatch view – Crude palm oil prices rose in Kandla in the month of March on hike in import duty on imports. .

Government of India raised import duty on crude palm oil and refined palm oil in an effort to stem the surge in imports of palm oil in the country. Now, CPO duty stands at 48.4 percent, RBD palmolein stands at 59.4 percent, soy oil at 33 percent, sunflower oil at 27.5 percent and rapeseed (canola) oil at 27.5 percent. This effectively reduces palm oil attractiveness compared to softer oils. This will open doors to higher imports of softer oil especially sunflower oil whose duty is less than soy oil and are quoting at lower prices than soy oil at CNF markets. However, this step will help domestic crushing and support oilseed farmers who are facing agrarian distress. The government must take steps to support domestic crushing and help oilseed farmers. This might not be



the last step on duty hikes.

BMD CPO prices fell in March while RBD palmolein DALIAN rose in March.

Supeolein saw firm trend. Vanaspati prices saw firm movement of prices in domestic markets.

Prices of CPO in India CNF fell more compared to CPO FOB Indonesia indicating weak demand at CNF markets.

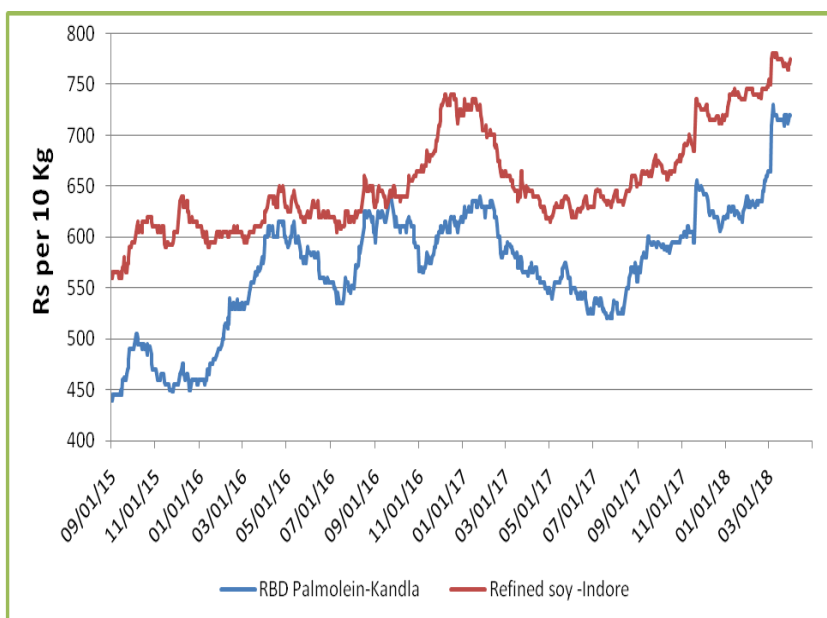
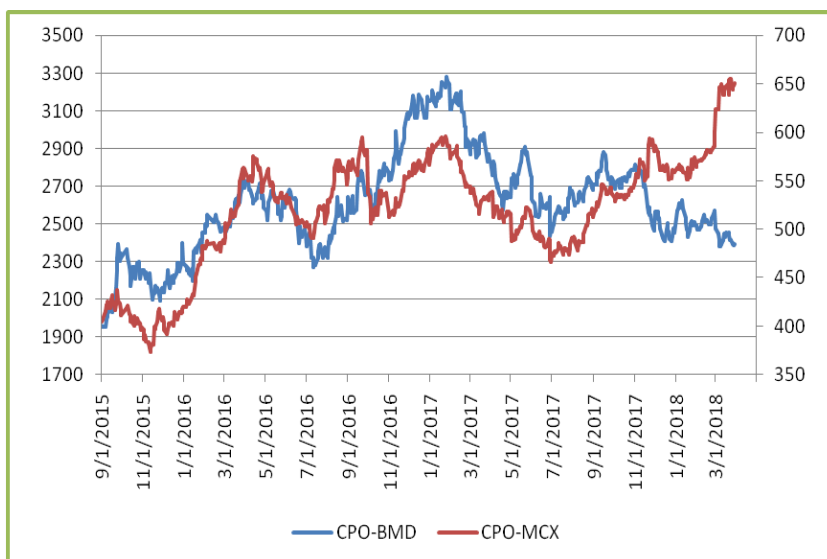
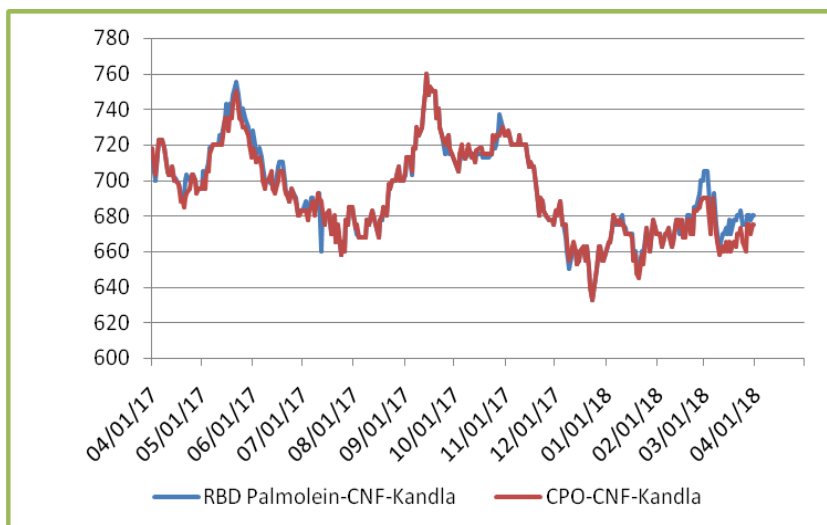
RBD palmolein at CNF markets fell equally compared to FOB markets indicating regular demand on CNF markets.

RBD palmolein premium over CPO increased to Rs 77 (Rs 70 last month) per 10 kg indicating firm demand of RBD palmolein compared to CPO at high seas.

Import of CPO in February was higher than that of February 2017 and lower than January 2018. Stocks at ports fell 75,000 tons in February compared to January while imports fell 126,000 indicating weak demand in February.

Hike in import duty on palm oil will cut incremental palm oil import by 1-3 lakh tons in oil year 2017-18 which was expected to rise by 5 lakh tons in oil year 2017-18.

Import of RBD palmolein in lower in February 2017 while it was higher compared to Jan 2018. Imports rose 48,000 tons in February compared to January while port stocks fell by



10,000 tons indicating firm demand of RBD palmolein in February. Demand in February was higher due to demand ahead of Holi festival and restocking after three months of lower imports.

Demand of CPO will remain elevated in March due to expiry of suspension of export duty by Malaysia in April. Demand will remain elevated in April and May due to demand ahead of Ramadan. However, due to high stocks at ports import demand may remain low.

Demand will regain from April when weak demand season ends. Prices of CPO will rise until June due to lower palm oil production in Malaysia due to man days lost due to Ramadan festival.

RBD palmolein demand imports are expected to remain firm in March on restocking due to low port stocks. Demand will remain elevated until June due to Ramadan demand and seasonal uptrend of demand.

Increase in import duty and higher differential between crude palm oil and refined palm oil has led to higher imports of CPO from Indonesia and lower imports of RBD palmolein from Malaysia. Landed cost is in disparity while refining margins are positive. Refining margins in imported CPO is higher than imports of ready to use RBD palmolein which will induce more imports of CPO from Indonesia compared to Malaysia.

Suspension of export duty on exports of crude palm oil from Malaysia will increase imports from Malaysia.

Further, RBD palmolein demand is regular at CNF markets while it firm domestic markets indicating that RBD palmolein prices will rise if imports of RBD palmolein pick up. RBD palmolein stocks at ports may increase imports in March.

The second 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 132 (Rs 155 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 March at CNF markets will increase imports. Higher premium of crude sunflower CIF India West coast and CPO CIF at USD 142.5 (USD 117.2) per ton will increase CPO prices and RBD palmolein prices in medium term. Increasing premium of CSFO-India West coast over CPO-CIF indicates lower demand of CPO at CNF markets compared to CSFO-CNF.

Increasing CDSO CIF premium over CPO CIF will increase imports of CPO in medium term at USD 131.5 (USD 125.5 last month) per 10 kg. Premium of CDSO soy oil high seas over CPO high seas is at Rs 84 (Rs 115 last week) per 10 Kg, which is low and will decrease CPO demand at high seas. Premium of refined soy oil over RBD palmolein is Rs 55 (Rs 90 last week) per 10 kg is low and will decrease RBD palmolein demand in near term. Values in brackets are figures of last week.

Prices of palm oil will rise in medium term.

- According to United States Department of Agriculture (USDA) in its February review, India's 2017/18 imports of palm oil is hiked 0.4 MMT to 10.6 MMT from 10.2 MMT in its earlier review. Consumption of palm oil in India in 2017/18 is increased to 10.6 MMT from 10.3 MMT in its earlier review. End stocks of palm oil in India in 2017/18 is increased 0.1 MMT to 0.590 MMT from 0.490 MMT.

- Government of India (GOI) hiked import duty on crude palm oil to 44 percent from 30 percent and RBD palmolein to 54 percent from 50 percent. This hike is to support oilseed farmers and domestic crushers. Low palm oil import duty has destroyed domestic crushing industry in last decade and has led farmers to shift from oilseeds to other crops. There is no hike in import duty on other major soft oils.
- Palm oil import scenario – According to Solvent Extractors Association (SEA), palm oil imports in February rose 3.26 percent y-o-y to 7.60 lakh tons from 7.36 lakh tons in February 2017. Imports in the period (November 2017-February 2018) are reported higher by 5.6 percent y-o-y at 30.34 lakh tons compared to 28.73 in the corresponding period last oil year.

RBD palmolein imports fell y-o-y in February by 13.3 percent to 2.02 lakh tons from 2.33 lakh tons in February 2017. Imports in the period (November 2017-February 2018) are reported lower by 33.7 percent y-o-y at 6.07 lakh tons compared to 9.16 lakh tons in the corresponding period last oil year.

Crude Palm oil import scenario- According to Solvent Extractors Association (SEA), CPO Imports rose 9.6 percent y-o-y in February to 5.46 lakh tons from 4.98 lakh tons in February 2017. Imports in the period (November 2017-February 2018) are reported higher by 22.98 percent y-o-y at 23.87 lakh tons compared to 19.41 lakh tons in the corresponding period last oil year.

- On the trade front, CNF CPO (Indonesian origin) at Indian port quoted at USD 682.5 (USD 697.5) per ton for April delivery. Last month, CNF CPO March average price was at USD 669.4 per ton (USD 674.17 per ton in February 2018). Values in brackets are figures of last month.

Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 687.5 (USD 707.5) per ton for April delivery. Last month, CIF RBD palmolein March average price was USD 677.76 (USD 675.70 in February 2018) per ton. Values in bracket depict last month quotes.

Ready lift CPO duty paid prices quoted at Rs 648 (Rs 595) per 10 Kg and April delivery duty paid is offered at Rs 648 (Rs 595) per 10 kg. Ready lift RBD palmolein is quoted at Rs 725 (Rs 660) per 10 kg as on April 4, 2018. Values in brackets are figures of last month.

- On the parity front, margins weakened during the month of March on higher price of palm oil products in international markets and we expect margins to improve in coming days. Currently refiners fetch USD 30-35/ton (March average) v/s gain of USD 40-45/ton (Feb average) margin in processing the imported CPO but on the imports of ready to use palmolein fetch USD 15-20/ton (Mar average) v/s gain of USD 40-45 (Feb average).
- We expect palm oil to trade sideways to firm tone in medium term.

International Market Fundamentals

- Agriwatch view – Palm oil prices are expected to be supported by fall in stocks of palm oil in Malaysia in coming months. Stocks of palm oil will fall on lower production and higher imports of palm oil from Malaysia. Trade tensions between US and China will support palm oil prices.

Exports grew 19-22 percent in March on higher purchases by India. India was the swing importer of palm oil from Malaysia in March. India imported higher amount of palm oil from Malaysia to take advantage of zero export duty on exports of palm oil by Malaysia. Malaysia suspended export duty on palm oil for 3 months ending on April 7. India was the swing importer and surprised markets as it hiked import duty on palm oil on March 1.

Exports are expected to remain firm in April-June on demand due to Ramadan.

Production is expected to rise in double digits in Malaysia in March after weak Jan and Feb. However, Jan, Feb and March production will be record monthly production in history.

However, production will fall from

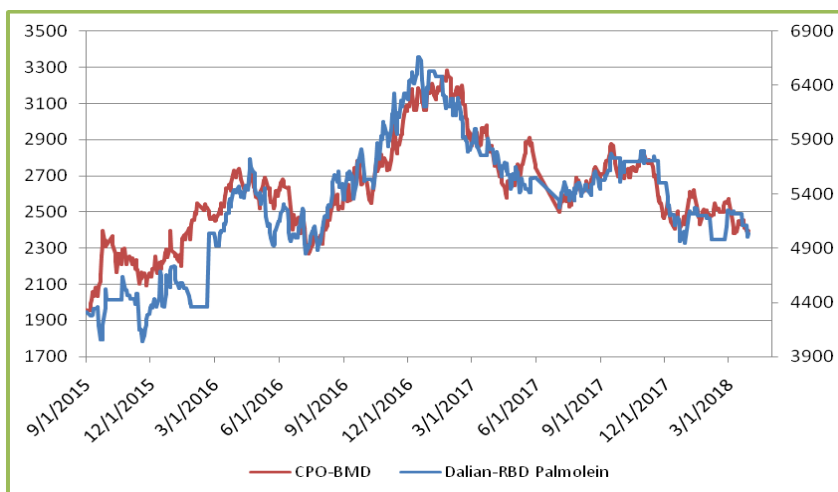
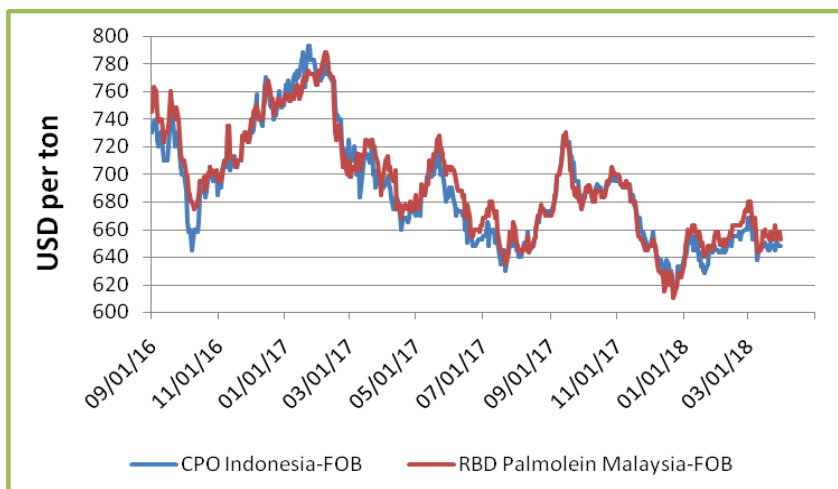
April as production peaks and will enter low production in May and June due to slowdown of production due to Ramadan in May and June.

Palm oil end stocks fell in Malaysia in January as reported by MPOB after reaching 2 year highs on lower production of palm oil and rise in exports of palm oil.

Palm oil production fell sharply in January in Malaysia on seasonal downtrend of production and due to record December production, which was not sustainable. Further fall in palm oil production is expected in February and March.

Palm oil exports showed surprise rise in January on suspension of export duty on exports of crude palm oil from Malaysia to clear stocks of palm oil, which reached 2 year highs.

Demand from China will increase from April as trade tensions between US and China escalates. Demand from Malaysia by China has suffered for many months due to oversupply of soy oil in Chinese market due to higher crush of soybean in China. This led to record imports of soybean by China which was aimed to increase livestock herd counts to meet demand in the country. However, imposition of import duty by China will increase prices of soy oil in the country and will help palm oil imports from Malaysia.



Extension of suspension of crude palm oil export duty by Malaysia for April after next 3 months to clear stock of palm oil from the country. Export duty will be re-imposed if stocks fall below 1.6 MMT. This step will increase drawdown of stocks from Malaysia and support palm oil prices.

Appreciation of ringgit, pose threat to bullish sentiment of palm oil as it makes palm oil uncompetitive compared to other competitive oils. Ringgit which has been appreciating for some time is expected to breach critical support of 3.86 per USD.

Indonesia kept export duty unchanged at zero percent for April, fourteenth month of zero tax. Indonesia kept export duty at zero as it expects that prices will miss certain thresholds.

Palm oil production will increase to 38.5 MMT in 2018 from 36.5 MMT in 2017, according to USDA. Malaysia's producing will reach record highs in 2018 compared to 2017.

Lower oilseed crop in India in 2017-18 will decrease production of edible oil in its domestic market and increase imports.

Indonesia biodiesel mandate will consume incremental production in medium term in 2017.

Higher competitive oils will support palm oil prices.

Prices are in range.

- According to Malaysia Palm Oil Board (MPOB), Malaysia's February palm oil stocks fell 2.85 percent to 24.78 lakh tons compared to 25.50 lakh tons in January. Production of palm oil in February fell 15.37 percent to 13.43 lakh tons compared to 15.87 lakh tons in January. Exports of palm oil in February fell 13.33 percent to 13.12 lakh tons compared to 15.14 lakh tons in January. Imports of palm oil in February rose 92.86 percent to 0.67 lakh tons compared to 0.35 lakh tons in January. Fall in palm oil end stocks in February was above trade estimates.
- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's March palm oil exports rose 19.4 percent to 1,394,973 tons compared to 1,167,908 tons last month. Top buyers are India at 412,783 tons (231,115 tons), European Union at 261,868 tons (306,371 tons), China at 122,364 tons (66,670 tons), Pakistan at 58,395 tons (27,000 tons) and United States at 53,175 tons (74,790 tons). Values in brackets are figures of last month.
- According to cargo surveyor AmSpec Agri, Malaysia's March palm oil exports rose 21.6 percent to 1,391,383 tons compared to 1,144,673 tons last month.
- According to China's General Administration of Customs (CNGOIC), China's February palm oil imports rose 9.93 percent to 3.73 lakh tons compared to February 2017. Year to date imports of palm oil fell 3.78 percent to 8.41 lakh tons. Imports from Indonesia in February rose 21.68 percent to 2.58 lakh tons compared to February 2017. Year to date imports of palm oil from Indonesia fell 1.32 percent to 5.78 lakh tons. Imports from Malaysia in February fell 9.7 percent to 1.15 lakh tons compared to February 2017. Year to date imports of palm oil from Malaysia fell 3.85 percent to 2.63 lakh tons.
- According to Indonesia Palm Oil Association (GAPKI), Indonesia's January palm and palm kernel oil exports rose 4.58 percent m-o-m to 2.74 MMT compared to 2.62 MMT in December. On y-o-y basis exports rose 0.74 percent. Exports were 2.72 MMT in January 2017.

- Policy update- According to Malaysian government, Malaysia imposed export duty on palm oil for April at 5 percent after three month suspension of export duty. Export duty of palm oil is calculated at reference price of 2,474.63 ringgit (\$633.38) 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 kept palm oil export duty for April unchanged at zero, below threshold prices of USD 750 per ton. This is 11th straight month of zero export duty, as palm oil is expected to miss certain thresholds.

Previous updates

- According to Malaysia Palm Oil Board (MPOB), Malaysia's January palm oil stocks fell 6.75 percent to 25.48 lakh tons compared to 27.32 lakh tons in December. Production of palm oil in January fell 13.49 percent to 15.87 lakh tons compared to 18.34 lakh tons in December. Exports of palm oil in January rose 6.01 percent to 15.13 lakh tons compared to 14.27 lakh tons in December. Imports of palm oil in January rose 132 percent to 0.35 lakh tons compared to 0.14 lakh tons in December. Fall in palm oil end stocks in January was below trade estimates.
- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's March 1-25 palm oil exports rose 10.6 percent to 1,190,261 tons compared to 1,076,563 tons in corresponding period last month. Top buyers are India at 313,233 tons (221,115 tons), European Union at 234,268 tons (305,721) tons, China at 106,864 tons (66,670 tons), Pakistan at 58,395 tons (27,000 tons) and United States at 42,575 tons (72,290 tons). Values in brackets are figures of corresponding period last month.
- According to cargo surveyor AmSpec Agri, Malaysia's March 1-25 palm oil exports rose 9.3 percent to 1,165,833 tons compared to 1,064,823 tons in corresponding period last month.
- According to China's General Administration of Customs (CNGOIC), China's January palm oil imports fell 12.49 percent to 4.68 lakh tons compared to January 2017. Imports from Indonesia in January fell 14.37 percent to 3.20 lakh tons compared to January 2017. Imports from Malaysia in January fell 8.17 percent to 1.48 lakh tons compared to January 2017.
- According to Indonesia Palm Oil Association (GAPKI), Indonesia's 2017 palm oil exports rose 23 percent to 31.05 MMT from 25.1 MMT in 2016. Exports to top importer India rose 32 percent in 2017. Production in 2017 rose 18 percent to 38.2 MMT. Total production including palm kernel oil rose to record 42 MMT in 2017 from 35.6 MMT in 2016. End stocks of palm oil in Indonesia in December was at 4.02 MMT
- According to Malaysia Palm Oil Board (MPOB), Malaysia's 2018 production is estimated to grow 3 percent to 20.5 MMT from 19.9 MMT in 2017. Malaysia's 2018 exports are estimated to rise 5.1 percent to 17.4 MMT. MPOB estimates palm oil stocks to fall 15.8 percent to 2.3 MMT.
- According to Indonesia Palm Oil Association (GAPKI), Indonesia's October palm oil (excluding biodiesel and oleochemicals) exports fell 5.6 percent to 2.6 MMT from 2.79 MMT in September and 2.41 MMT in October 2016. End stocks of palm oil in Indonesia in October rose 16 percent to 3.38 MMT from 2.92 MMT in

September 2017. Production of palm oil in Indonesia in October rose 3 percent to 4.16 MMT from 4.03 MMT in September 2017.

- According to Malaysian government, Malaysia's palm oil production is expected to rise 2.5 percent in 2018 to 20.5 MMT after rise of 15.5 percent rise in production in 2017 at 20 MMT. Malaysia palm oil output was 17.3 MMT in 2016. Average prices of palm oil in 2018 are estimated at 2,750 ringgit per ton due to higher demand by China, EU and India. Average prices of palm oil in 2017 are estimated at 2,700 ringgit (USD 638) per ton.
- Policy update- According to Malaysian government, the country has removed export duty on crude palm oil for three months starting January 8 to support prices. If stocks fall below 1.6 MMT before three months, export duty may be imposed earlier than three months, according to Malaysia's minister of plantation and industries. The step has been taken to reduce stocks of palm oil in the country.

According to Indonesia trade ministry, Indonesia keeps March crude palm oil export duty to zero, unchanged from last month. Tax is not charged if prices are 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 600-700 per 10 Kg.

Balance Sheet- Palm Oil (quarterly), India

Fig. in million tons

	2015-16	2016-17	2017-18-F	Nov-Jan-F	Feb-Apr-F	May-July-F	July-Oct-F
Opening Stock	1.74	1.20	1.15	1.15	1.16	1.27	1.18
Production	0.20	0.20	0.20	0.05	0.05	0.05	0.05
Imports	8.53	9.30	9.76	2.25	2.34	2.34	2.83
Total Supply	10.47	10.70	11.11				
Quarterly add-on				2.30	2.39	2.39	2.88
Consumption	9.27	9.55	9.93	2.28	2.28	2.48	2.88
Ending Stocks	1.20	1.15	1.18	1.16	1.27	1.18	1.18

Source: AW estimates

Oil year- November-October

Highlights

- Prices of palm oil in 2017-18 are expected to be weak on higher carryout compared to oil year 2016-17.
- Imports are expected to be higher in 2017-18 compared to last year oil year 2016-17.
- Carryout stocks of oil year 2016-17 are 1.15 million tons on lower carry in and higher rate of growth of consumption.
- Carryout of 2017-18 is higher than 2016-17 due to higher imports of palm oil.
- Carry out of first quarter of oil year 2017-18 will be lower than second quarter of oil year 2017-18.

Rapeseed oil: Domestic Market Fundamentals

➤ Rapeseed oil featured weak trend at various markets on weak demand and fall in rapeseed prices. Prices of expeller mustard oil closed lower in Jaipur and New Delhi while it remained unchanged in Kota, Ganganagar and Mumbai. Prices rose in Kolkata and Neewai. Kacchi Ghani prices fell in Ganganagar, Neewai and Kota while it rose in Jaipur, Agra, Bharatpur and Kolkata. Rapeseed (Canola) oil prices fell in March.

➤ Agriwatch view: Rapeseed oil prices traded weak in the month of March in various markets in India on weak demand, and weakness in rapeseed prices.

Rapeseed arrivals increased in the month of March compared to February with the full pace of harvest in various states.

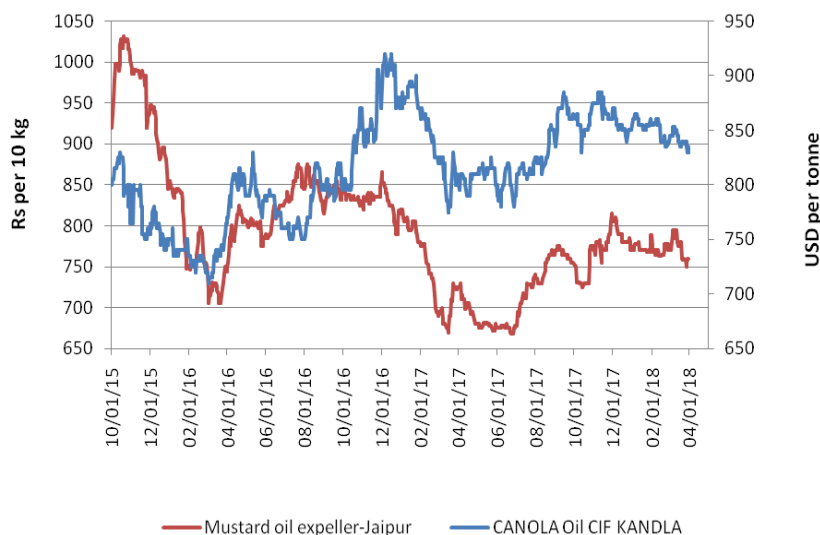
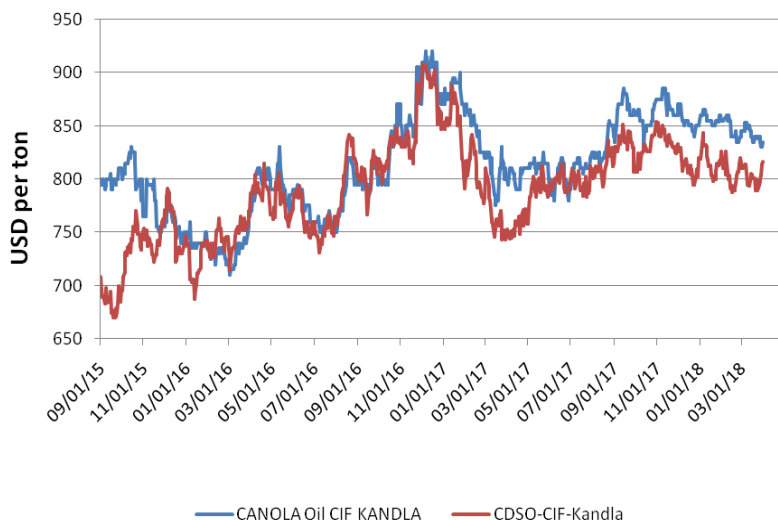
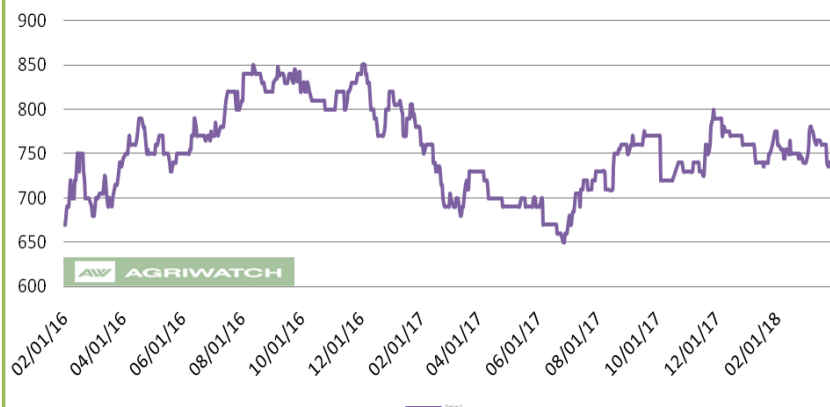
Demand fell in the month of March and winter ended in North and East India.

Rapeseed crop in current marketing year is lower than last year. Agriwatch expects rapeseed crop at 6.45 MMT compared to last year estimate of 6.8 MMT.

Lower area in Rajasthan contributed to lower crop. Yield was higher across states. Recovery of oil was higher by more than 2% across board.

Lower crop of rapeseed-mustard crop in 2017-18 oil year will decrease supplies of rapeseed oil in long run.

Mustard Oil Price Trend (Kota Market)



Rapeseed prices fell last week on arrival pressure as harvest is in full swing

Stockists and traders are well stocking against weak demand.

Demand is weak while the prices are lucrative.

Low discount of RBD palmolein prices to rapeseed kacchi ghani prices could support rapeseed oil prices.

Lower crop of rapeseed in MY 2018/19 will lead to lower supply of rapeseed for crushing which will support prices.

Low premium of Jaipur kacchi ghani rapeseed oil over refined soy oil in domestic market was at Rs 14 (Rs 40) per 10 Kg, will support rapeseed oil prices in medium term.

Kacchi Ghani and refined soy oil are trading in a very narrow range, which will stimulate demand of rapeseed oil. Traders and stockiest are advised to stock rapeseed oil, which is trading at very lucrative prices.

Premium of canola oil compared to CDSO has increased to USD 36 (USD 25) per ton will weaken imports. Low prices of rapeseed oil imports of canola oil is expected to be weak in coming months.

Lower prices of expeller rapeseed oil led to fall in import demand of canola oil in oil year 2017-18.

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

Above chart shows prices of canola oil at CIF markets are closely following soy oil-CIF so firmness in soy oil will support canola oil in CIF markets which will support canola oil prices.

Low premium of expeller rapeseed oil over soy oil in domestic market was at Rs -15 (Rs -10) per 10 Kg, will support rapeseed oil prices in medium term.

Hike in import duty on import of palm oil will support rapeseed oil prices in near term.

Low premium of rapeseed expeller oil (Jaipur) over RBD palmolein (Kandla) at Rs 30 (Rs 105) per 10 kg will support rapeseed oil prices.

Crush margins are positive due to hike in import duty of palm oil. Crushing is progressing at good pace as rapeseed prices are lucrative and margins are good. Higher crush of rapeseed has led to higher supply of rapeseed oil and underpin prices.

Prices of rapeseed oil are expected to trade sideways to firm on increased demand, low premium of rapeseed oil over soy oil and RBD palmolein, rise in rapeseed prices, seasonal uptrend of prices and rise in competitive oils prices.

- Rapeseed oil import scenario- India imported 0.18 lakh tons of rapeseed (Canola) oil in February 2018 v/s 0.37 lakh tons in January 2017, lower by 51.4 percent y-o-y. In the period (Nov 2017-Feb 2018) imports were 0.95 lakh tons compared to 1.20 lakh tons in the corresponding period last oil year, down 20.8 percent.
- CIF Canola oil premium over soybean oil is hovering at USD 32 (USD 35 last month) as on Feb 28, 2018.

- Currently, RM oil at Jaipur market (expeller) is offered at Rs 760 (Rs 770) per 10 Kg and at Kota market is quoted around Rs 740 (Rs 740) per 10 kg as on March 31, 2018. 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 720-820 per 10 Kg.

Balance Sheet- Rapeseed Oil, India

Fig. in lakh tons

	2012-13	2013-14	2014-15	2015-16-F	2016-17	2017-18-F
	1.49	1.73	3.86	1.39	1.41	1.68
Production	25.02	26.78	20.16	21.24	23.65	22.47
Imports	0.13	2.00	3.70	3.56	3.00	4.00
Total Supply	26.64	30.52	27.72	26.19	28.06	28.15
Exports	0.00	0.00	0.00	0.00	0.00	0.00
Consumption	24.91	26.66	26.33	24.77	26.38	26.91
Ending Stocks	1.73	3.86	1.39	1.41	1.68	1.24

Source: AW estimates

Oil year- November-October

➤ **Highlights**

- Prices of rapeseed oil in 2017-18 are expected to be firm on lower carryout.
- Rapeseed oil production is lower in oil year 2017-18 on higher rapeseed crop.
- Lower oil production in 2017-18 is due to lower marketable surplus of rapeseed resulting in lower crush.
- Carryout stocks of oil year 2016-17 is 1.68 lakh tons on higher rapeseed oil production.
- Carryout of 2017-18 is lower than 2016-17 due to lower production of rapeseed oil.

Sunflower oil: Domestic Market Fundamentals

➤ Sunflower oil featured firm trend at its benchmark market in Chennai during the month of March on firm demand and hike in import duty on palm oil. Prices closed higher in Mumbai, Kandla/Mudra and Latur. Sunflower expeller prices closed higher in Erode, Chellakere and Latur.

➤ Agriwatch view: Sunflower prices closed lower in month of March at its benchmark market of Chennai on firm demand and hike in import duty on palm oil.

Prices of sunflower oil rose more on high seas compared to CNF markets indicating firm demand of sunflower oil in Indian markets.

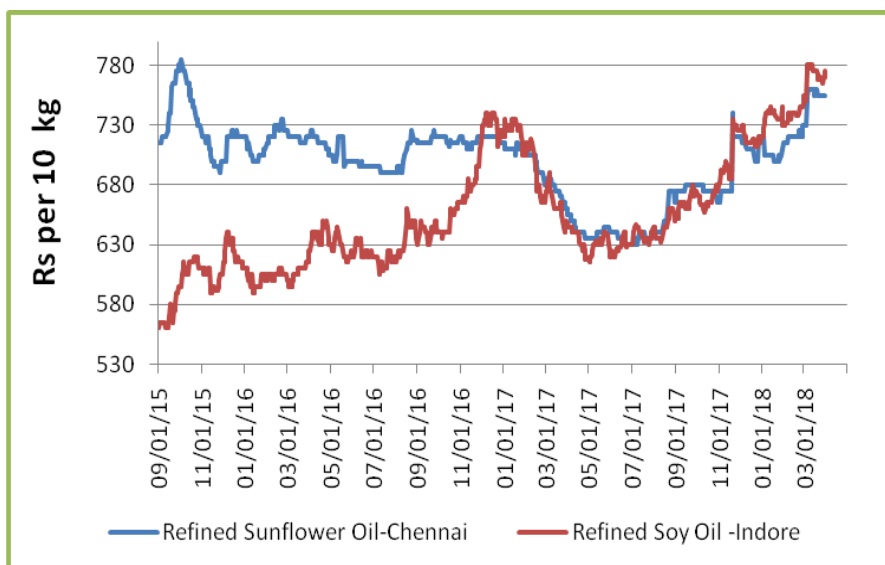
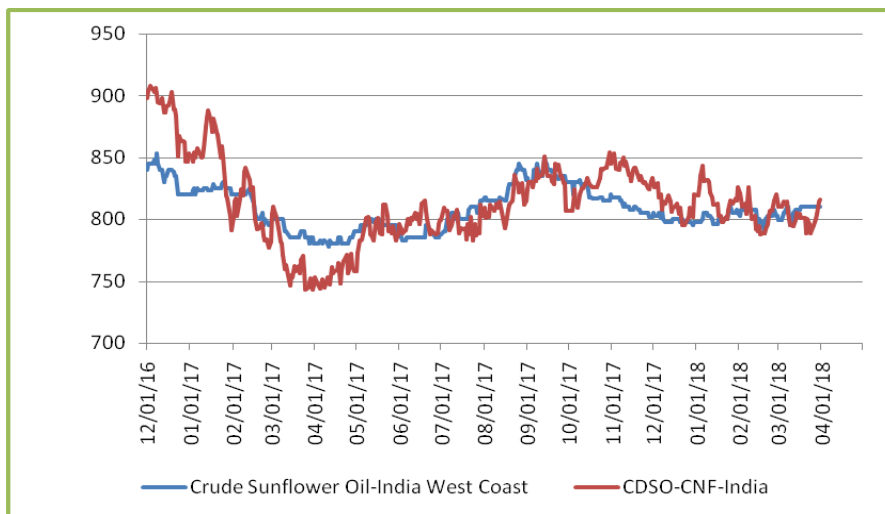
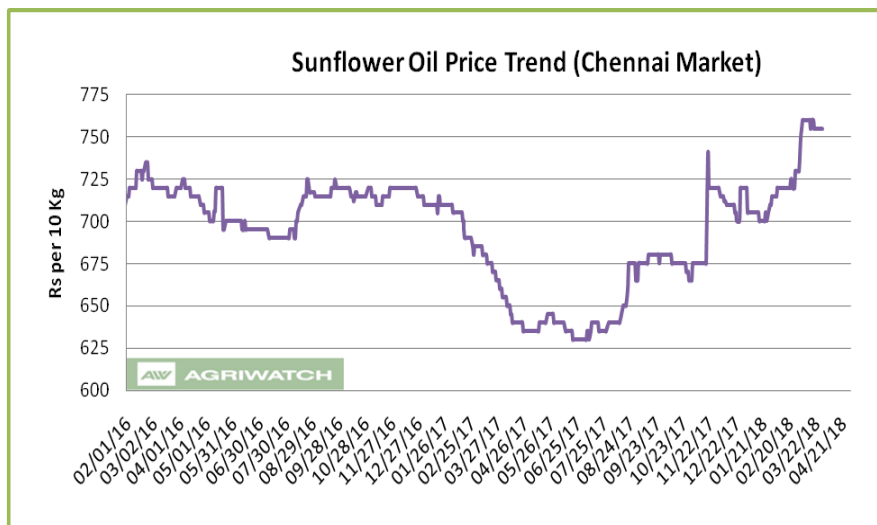
Hike in imports duty of palm oil and less supply of soy oil in international markets due to drought in Argentina will open flood gates for higher imports of sunflower oil as it is quoting at slight premium over soy oil at CNF markets. Sunflower oil attracts lower import duty compared to palm oil and soy oil.

Prices of sunflower oil will rise on hike in import duty of palm oil.

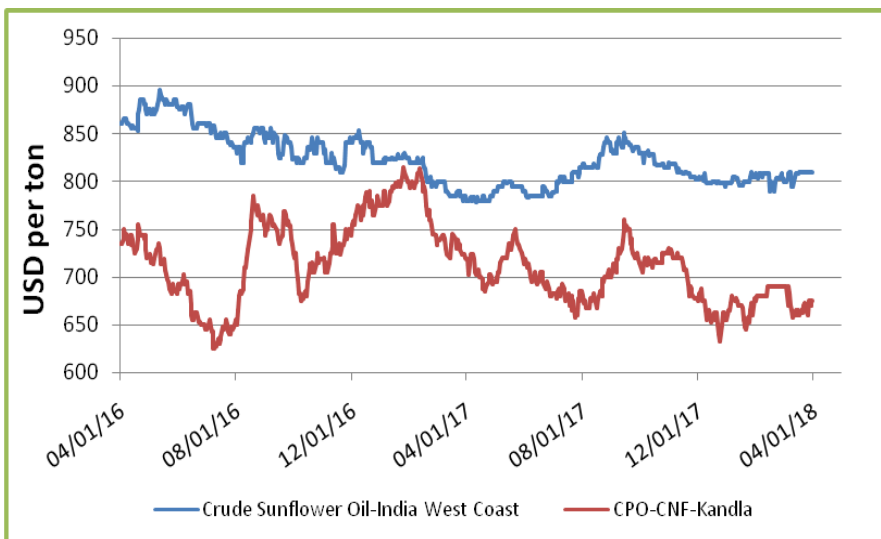
Rise in soy oil and palm oil will support the rise.

Supply has improved in markets

as imports rose 12 percent in oil year 2017-18 (November 2017-January 2018) after 43 percent rise in oil year



2016-17 (November-October) indicating firm supply of sunflower oil in domestic market. Stocks at ports rose more than rise in imports in oil year 2017-18 indicating that importers were active and stocking at ports to take advantage of hike in import duty on palm oil. Higher supply of sunflower oil in domestic market due to higher imports and higher port stocks will cap the prices.



Imports of sunflower oil will show steady rise in coming months due to low premium of sunflower oil over CDSO and low premium over CPO and appreciation of Rupee. Further, import duty on crude sunflower is lower than crude soy oil and palm oil which will support imports.

Importers are importing sunflower oil and stocking as it is quoted at slight premium over RBD palmolein and soy oil at high seas.

Lower sunflower oil production in Ukraine in 2017/18 will support prices in international markets which will increase imports by India.

Sunflower oil is stocked at Indian ports to take advantage when prices of sunflower oil recovers as crude sunflower is trading at discount over CDSO at CNF markets.

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

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

Second chart from above shows that sunflower oil prices are correlated to soy oil since November 2016.

Refiners and stockists are stocking as sunflower oil premium over soy oil is low at USD -21 (USD -14 last month).

Refined sunflower oil premium over RBD palmolein is at Rs 35 (Rs 65) per 10 kg decreased due to hike in import duty on palm oil. Higher duty on RBD palmolein has made premium of refined sunflower oil premium over RBD palmolein lower which will increase demand of sunflower oil.

However, premium of CSFO over RBD palmolein is at USD 130 (USD 103) per ton while premium in domestic markets of both oils, indicates less incentive for importers to import and sell refined sunflower oil at low

premium in domestic markets. This will slow imports if refined sunflower premium over RBD palmoein increases.

In domestic market, demand is expected to improve in medium term as prices of sunflower oil are 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.

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.

On the international front supply of sunflower oil is expected to fall while demand is low which will support prices of sunflower oil in international markets. Only demand from India is firm which is driving international prices higher.

Prices are expected to improve on seasonal uptrend of prices, firm demand and negative premium of sunflower oil over soy oil. Prices of sunflower oil are expected to remain in a range with upwards bias in January.

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

- Sunflower oil imports scenario- According to Solvent Extractors Association (SEA), Sunflower oil imports rose 1.9 percent y-o-y in February to 2.13 lakh tons from 2.09 lakh tons in February 2017. Imports in the period (November 2017-February 2018) is reported higher by 12.6 percent y-o-y at 7.12 lakh tons compared to 8.15 lakh tons in the corresponding period last oil year: SEA
- According to Ukraine government, Ukraine's January sunflower oil rose 2.0 percent compared to December 2017 to 42 lakh tons while it fell 10 percent compared to January 2017. In 5 months of 2017/18, Ukraine exported 2.1 MMT of sunflower oil, fall of 6 percent in the corresponding period in 2016/17. Shipments to India rose 5 percent in this period. Shipments in February 2018 fell 2.0 percent compared to February 2017 and higher than January 2018.
- On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 825 (USD 810) per ton for May delivery, June delivery is quoted at USD 830 (USD 815) per ton and JAS delivery is quoted at USD 835 per ton. CIF sun oil (Ukraine origin) March monthly average was at USD 807.56 per ton compared to USD 803.38 per ton in February. Values in brackets are figures of last month.
- Prices are likely to stay in the range of USD 800-850 per ton in the medium term. CIF Sunflower oil-CNF premium against CDSO CNF had improved from last month and is hovering at USD 21 per ton versus USD – 14 per ton previous month.
- Currently, refined sunflower oil at Chennai market is offered at Rs 755 (Rs 730) per 10 Kg, and at Kandla/Mudra market, it is offered at Rs 780 (Rs 740) per 10 kg as on March 31, 2018. 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 700-800 per 10 Kg.

Balance Sheet- Sunflower Oil (quarterly), India

Fig. in lakh tons

	2016-17	2017-18-F	Nov-Jan	Feb-Apr-F	May-July-F	Aug-Oct-F
Opening Stock	2.02	3.43	3.43	4.34	4.86	4.64
Production	0.96	0.80	0.15	0.12	0.27	0.27
Imports	21.68	22.11	6.08	6.19	5.53	4.31
Total Supply	24.66	26.34				
Quarterly add-on			6.23	6.31	5.80	4.58
Exports	0.00	0.00	0.00	0.00	0.00	0.00
Consumption	21.23	23.14	5.32	5.78	6.02	6.02
Ending Stocks	3.43	3.20	4.34	4.86	4.64	3.20

Source: AW estimates

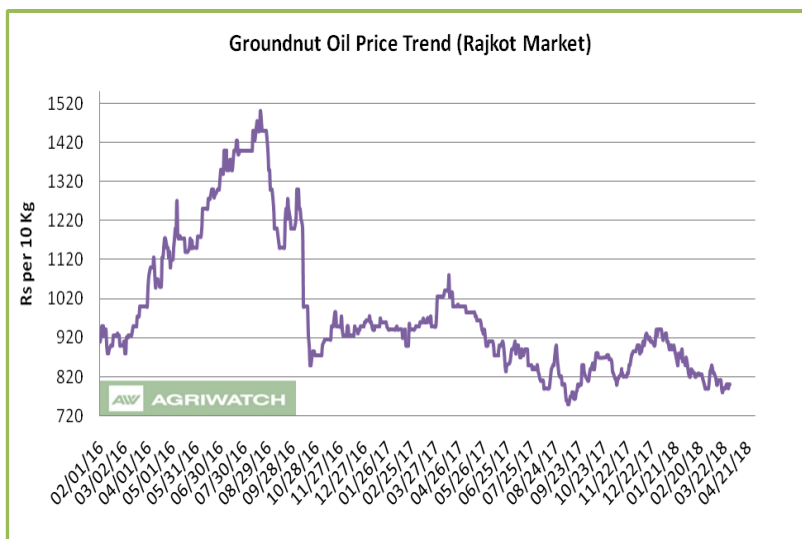
Oil year- November-October

Highlights

- Prices will be firm in lower carry out for oil year 2017-18 compared to of 2016-17.
- Sunflower oil production is expected to be lower in oil year 2017-18 on lower sunflower crop.
- Carryout stocks of oil year 2016-17 is 3.43 lakh tons on higher sunflower oil imports.
- Carryout of 2017-18 is lower than 2016-17 due to lower imports.
- Lower carry out in 2017-18 is due to higher consumption.

Groundnut oil: Domestic Market Fundamentals

- Groundnut oil featured uptrend during the month in review at its benchmark market in Rajkot on buying at lower quotes. Prices remained unchanged in Chennai and Mumbai while it fell New Delhi. Prices closed higher in Jamnagar and Gondal at the end of the month. Groundnut oil expeller closed lower in Hyderabad.
- Agriwatch view: Groundnut oil prices rose in March on buying at lower quotes.



Gujarat government has returned to the market and is disposing off old crop in Gujarat, most of which is going to crushing owing to low quality.

Gujarat government procured 9 lakh tons groundnut through NAFED in two rounds. Now government of Gujarat is expected to return in market to dispose 9 lakh tons of groundnut procured. Quality of groundnut has deteriorated and most of the groundnut will go towards crushing when the Gujarat government disposes stocks, underpinning groundnut oil prices.

However, Gujarat government has not given any tentative date on disposal of 9 lakh tons of groundnut procured.

Arrival has decreased in mandis. Stocks of groundnut with farmers are high which means any rise in prices of groundnut will not sustain. There is 20 lakh tons of groundnut stocks in market in Gujarat (10 lakh government+ 10 lakh tons with farmers).

Groundnut trade is weak and there is very little stock of groundnut with private traders.

There is disparity in crushing which will decrease supply of groundnut oil and support prices.

Groundnut oil demand is weak at higher levels and it picks up when prices fall lower.

Retail demand of groundnut oil is moderate at the moment and weak supply will support groundnut oil prices

Exports of groundnut procured by Gujarat government will not be possible, leading to diversion of groundnut towards crushing.

Crushers have no stocks and are only active in ready markets. Both groundnut oil and groundnut trade is weak and groundnut that is arriving in mandis are consumed in ready markets.

Oil demand will only rise when prices fall significantly.

Currently small exports are taking place especially to Africa due to higher prices of groundnut and better quality and lower prices of groundnut available in international markets.

Groundnut oil prices have weakened on reduced offtake from stockists and traders despite weak stock position.

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

There could be more bargain buying in coming days.

There could be temporary rise in prices of groundnut oil due to rise in prices of palm oil. However, price trend will be towards downside.

Groundnut oil demand in South India is firm as groundnut oil premium over sunflower oil is very less. Demand has improved due to marriage season.

There is parity of Gujarat groundnut oil in Andhra Pradesh. Demand of groundnut oil will improve in Andhra Pradesh from mid April when pickle demand increases.

There is parity in crushing of groundnut in Andhra Pradesh. Stocks of groundnut oil in Andhra Pradesh market are good.

Groundnut area in Gujarat is expected to fall by 5-10 percent in 2018 Kharif due to lower prices of groundnut. However, area under groundnut is expected to rise by more than 5 percent in South India due to higher realization of groundnut, good water levels in dams, good quality of groundnut and hike in import duty on palm oil.

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

Prices are expected to trade sideways to weak.

- On the price front, currently the groundnut oil prices in Rajkot is hovering near Rs 8,000 (7,900) per quintal and quoting at Rs 8,400 (Rs 8,400) 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

	2016-17	2017-18-F	Nov-Jan-F	Feb-Apr-F	May-July-F	Aug-Oct-F
Opening stocks	0.25	1.19	1.19	1.46	1.23	1.15
Oil availability (Production)	8.04	7.50	2.75	2.25	1.25	1.25
Imports	0	0	0	0	0	0
Total Supply	8.29	8.69				
Quarterly add-on			2.75	2.25	1.25	1.25
Exports	0.30	0.40	0.10	0.10	0.10	0.10
Consumption	6.80	7.21	2.38	2.38	1.23	1.23
End stocks	1.19	1.08	1.46	1.23	1.15	1.08

Source: AW estimate

Oil year-November-October

Highlights

- Groundnut oil production is expected to be lower in oil year 2017-18 on lower groundnut crop.
- Lower oil production in 2017-18 is due to lower marketable surplus of groundnut seed resulting in lower crush.
- Carryout stocks of oil year 2016-17 is 1.19 lakh tons on higher groundnut oil production.
- Carryout stocks of oil year 2017-18 is 1.08 lakh tons on lower groundnut oil production.
- Lower supply of groundnut oil in 2017-18 is due to lower marketable surplus.
- Carryout of 2017-18 is lower than 2016-17 due to lower production of groundnut oil.

Coconut oil: Domestic Market Fundamentals

- Coconut oil featured sideways to weak trend at its benchmark market in Kangeyam on weak demand and fall in copra prices. Prices rose in Kochi at the end of the month.
- Agriwatch view: Prices of coconut oil traded weak in the month of March on weak demand of coconut oil and weak prices of copra.

Due to rise in coconut oil prices in last year and half, demand destruction has taken place in top consuming areas.

Fall in prices of copra led to weak prices of coconut oil. Weak material prices led to weak prices of end product.

Average prices of raw material like coconut prices rose from Rs 20 to Rs 45 on lower rains in coconut growing areas of Tamil Nadu, Kerala, Karnataka and Andhra Pradesh in 2015-16 and 2016-17 which led to higher raw material prices.

Short supply of coconut led to lower supply of copra which led to sharp fall in production of coconut oil which supported coconut oil prices.

Household consumption contracted in Kerala and no oil replaced the gap.

Of the total production of 6 lakh tons of coconut oil corporate consumes around 2.5 lakh tons whose demand is slightly weak.

Adulteration of coconut oil is rampant in Kerala and the prices at which adulterated coconut oil sold is less than sales prices of coconut oil production.

There are more than 250 brands in market and competition is high which leads to rampant adulteration.

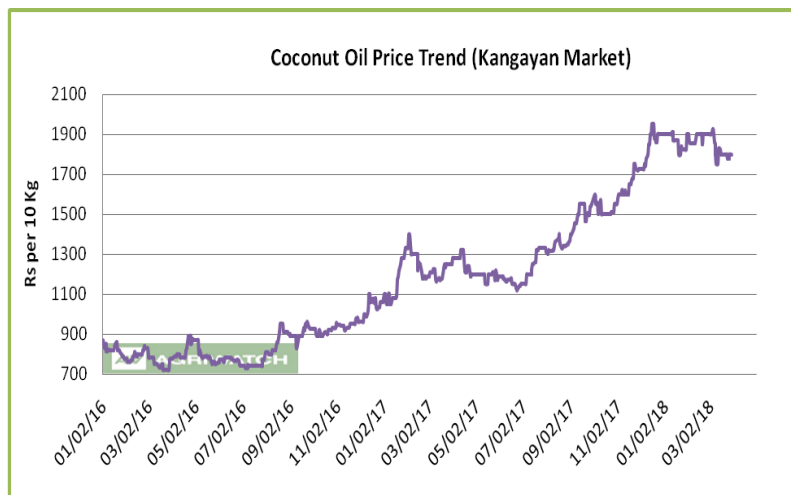
5 kg of coconut is used to produce 1 kg of coconut oil which means Rs 225 is production cost and actual selling prices should be above these prices whereas market prices are ruling below these prices.

Ball copra is now not used in crushing for production of coconut oil as its prices are around milling copra prices. Ball copra is only used when price difference between milling copra and ball copra is high.

There is shortage of milling copra in the market which has kept its prices elevated.

There will be no crash in prices of coconut oil in 2018 as prices of coconut are expected to fall to Rs 35 per unit from Rs 45 per unit.

Rains in 2017 has led to expectation that this year coconut production will rise and its prices will moderate.



So, coconut prices will show moderate correction in 2018.

More than doubling of prices of coconut oil within a year due to fall in production of copra led to demand destruction.

Export demand of coconut oil 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.

Millers have limited copra stocks and coconut oil. They are not confident of prices and are depending on ready markets.

Traders and upcountry buyers are staying away from market as they expect more fall in coconut oil prices.

Higher prices of coconut oil for a long period have weakened demand towards in medium to long term.

Prices are expected to be weak in April on weak retail demand, weak demand from corporates, lower prices of raw material and seasonal downtrend of prices. Prices are expected to trade sideways to weak in medium term.

- On the price front, currently the coconut oil prices in Kochi is hovering near Rs 19,300 (18,900) per quintal, and quoting Rs 18,300 (19,000) per quintal in Erode market on March 31, 2018.
- Coconut oil prices may trade sideways to weak tone tracking weak demand in ready markets.

Price Outlook: We expect coconut oil (Erode) to trade in the price band of Rs 1700-2000 per 10 Kg.

Production and exports of coconut oil:

Annexure-3(b)										
Estimated Production of Copra(Milling and Edible) in '000 MT										
STATE/UT	2012-13		2013-14		2014-15		2015-16		2016-17*	
	Milling	Edible	Milling	Edible	Milling	Edible	Milling	Edible	Milling	Edible
1. Kerala	401	45	384	42	317	35	478	53	480	53
2. Karnataka	77	192	60	148	57	141	59	153	59	153
3. Tamil nadu	455	44	424	42	440	43	406	40	406	40
4. Andhra Pradesh	25	33	24	31	11	14	17	24	17	24
5. A&N Island and Lakshadweep	15	2	8	2	11	3	11	3	11	3
All India	973	316	900	265	836	236	971	273	973	273
Estimated production of Coconut Oil @62.5%(in Lakh Tonnes)	6.081		5.625		5.225		6.069		6.081	
Estimated production of Oil Cake @35%(in Lakh Tonnes)	3.405		3.150		2.926		3.399		3.406	

* First advance estimate, Department of Agriculture & Cooperation(Horticulture Division), Ministry of Agriculture, Govt. of India

Coconut oil balance sheet

Qty in '000 MT

Demand and Supply Balance - Coconut Oil					
Qty in '000 MT					
	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017E
Opening Stock	89.33	41.60	9.78	14.74	37.10
Production	608.00	562.50	522.50	606.90	608.10
Imports	1.00	1.65	9.67	5.17	0.01
Exports	6.83	7.07	7.21	6.81	33.54
Consumption/Crushing	650.00	588.90	520.00	582.90	601.35
Ending stock	41.60	9.78	14.74	37.10	10.32
<i>E - Estimated (likely to be revised subsequently)</i>					
Note - Consumption/Crushing of coconut oil estimated based on the details collected through various Offices of the Board and in consultation with industry sources.					

Source: Coconut Development Board

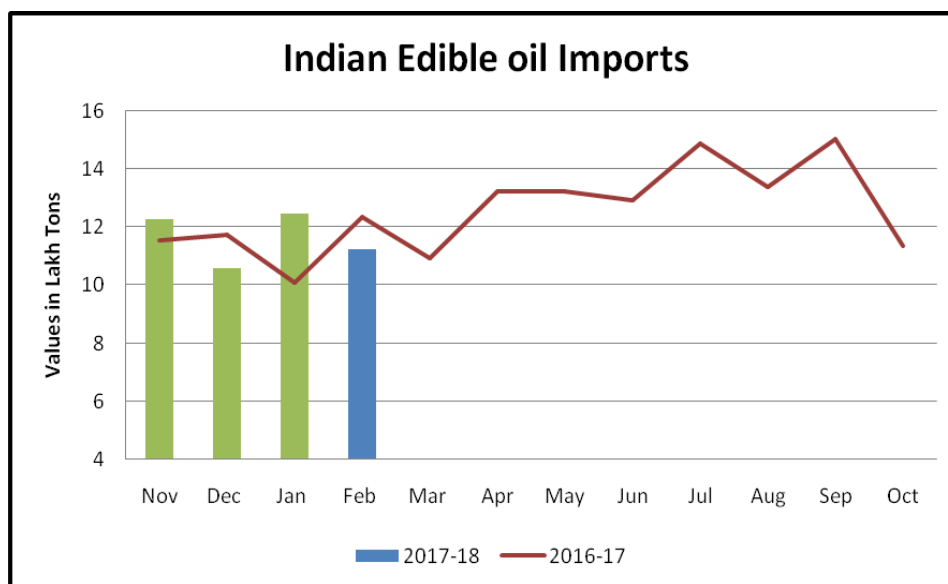
Coconut products exports from India
Qty in '000 MT

Export 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	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	27899.00	59.60	8819.00	26.05	28306.00	68.40
10	Shell Charcoal (Other)	47941.00	65.71	7942.00	14.34	10828.00	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	711.85	5.38
15	Micellaneous	-	-	-	112.27	-	0.79
Total			1312.38		1450.24		2083.74

Source: Coconut Development Board

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	351.00	1.08
6	Shell Charcoal (Other)	0.38	1.35	3.46	1.29	2058.00	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 14.57 million tons of veg. oils in the 2015-16 oil year. Edible oils imports were 15.08 million tons 2016-17 (November 2016-October 2017). Edible oils (including CPO, CDSO, CSFO, and RBD Palmolein imports for February is pegged at 11.25 lakh tons.

Indian Supply and Demand Scenario:

Balance sheet of Indian Edible Oil	2015-16	2016-17	2017-18-F	% Change
Value in million tons				
Beginning Stock	2.29	1.78	1.74	-2.57%
Production	7.20	8.49	7.70	-9.31%
Imports	14.57	15.08	16.44	9.00%
Total Supply	24.06	25.35	25.88	2.06%
Exports	0.01	0.01	0.02	100.00%
Total Demand(Consumption)	22.27	23.61	24.55	4.00%
Ending Stock	1.78	1.74	1.30	-24.91%

* Value in million tons

Balance Sheet Highlights

Net edible oil output is likely to be 7.70 million tons (down 9.31 percent y-o-y basis) in 2017-18 led by lower oilseed sowing in Kharif and Rabi season in the current oil year.

On import front, edible oil imports seen at 16.44 million tons for 2017/18 oil year v/s 15.08 million tons last year.

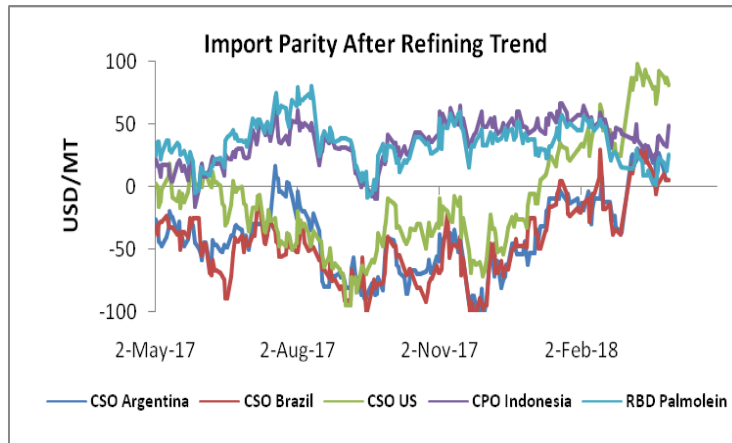
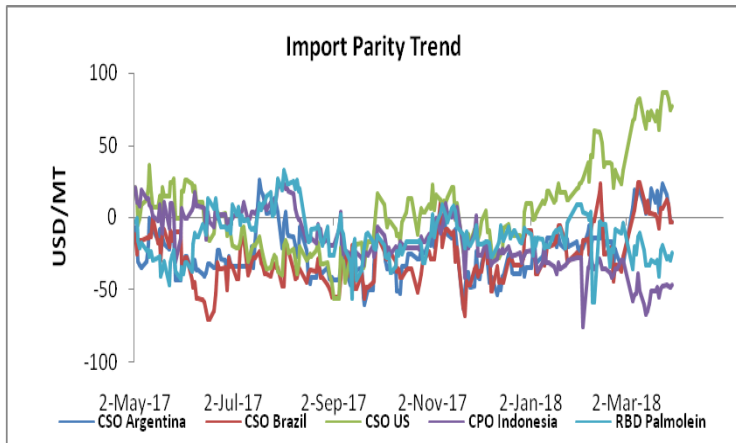
On the consumption side, India's edible oil consumption for 2017-18 oil year seen at 24.55 million tons, up 4 percent from last year. Ending stocks are projected higher compared to 2016-17 at 1.74 million tons.

Note - Values in Mln. Tons, Oil year (Nov.-Oct.) *Including Production of Groundnut, Soy, Mustard, Sunflower, Sesame, Niger, Safflower, Cottonseed, Copra, Rice bran Oils. ** 2016-17- 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 3/04/2018	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
FOB USD per ton	757	762	679	658	663
Freight (USD/MT)	52	52	62	25	20.0
C & F	809.0	814.0	741.0	683.0	683.0
Weight loss (0.25% of FOB)	1.89	1.91	1.70	1.65	1.66
Finance charges (0.4% on CNF)	3.24	3.26	2.96	2.73	2.73
Insurance (0.3% of C&F)	2.43	2.44	2.22	2.05	2.05
CIF (Indian Port - Kandla)	817	822	748	689	689
Duty (Values in USD per tons)	267.30	267.30	267.30	328.64	416.39
GST (5% on duty) USD per ton	13.365	13.365	13.365	16.4318	20.8197
Exchange rate	65.02	65.02	65.02	65.02	65.02
Landed cost without customs duty in INR per ton	53092	53421	48627	44826	44827
Customs duty %	30.00%	30.00%	30.00%	44.00%	54.00%
Social Welfare Surcharge@10%	3.00%	3.00%	3.00%	4.40%	5.40%
Total Duty %	33.00%	33.00%	33.00%	48.40%	59.40%
Base import price	810	810	810	679	701
Fixed exchange rate by customs department	65.80	65.80	65.80	65.80	65.80
Duty component in INR per ton	17588.34	17588.34	17588.34	21624.25	27398.73
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	72081	72409	67616	67851	73626
Domestic Market price INR/ton Soy Degum Kandla/CPO Kandla/RBD Kandla	73200	73200	73200	64600	72800
Total landed cost USD per ton	1109	1114	1040	1044	1132
Domestic Market price USD/tons Soy Degum Kandla/ CPO Kandla 5%	1126	1126	1126	994	1120
Parity INR/MT (Domestic - Landed)	1119	791	5584	-3251	-826
Parity USD/MT (Domestic - Landed)	17.21	12.17	85.88	-50.00	-12.70
Source: Agriwatch					
Refining/ Processing Cost per MT	2000.00	2000.00	2000.00	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	76580.78	76908.97	72115.79	75350.73	76426.02
Soy/Palm oil imported Price (Including tax)	80409.82	80754.42	75721.58	79118.26	80247.32
Loose price of Soy/Palm in Indore and Delhi market	81375.00	81375.00	81375.00	83475.00	83475.00
Parity after processing and Taxes (Rs per MT)	965.18	620.58	5653.42	4356.74	3227.68
Parity after processing and Taxes (USD per MT)	14.84	9.54	86.95	67.01	49.64
Source: Agriwatch					

Import Parity Trend

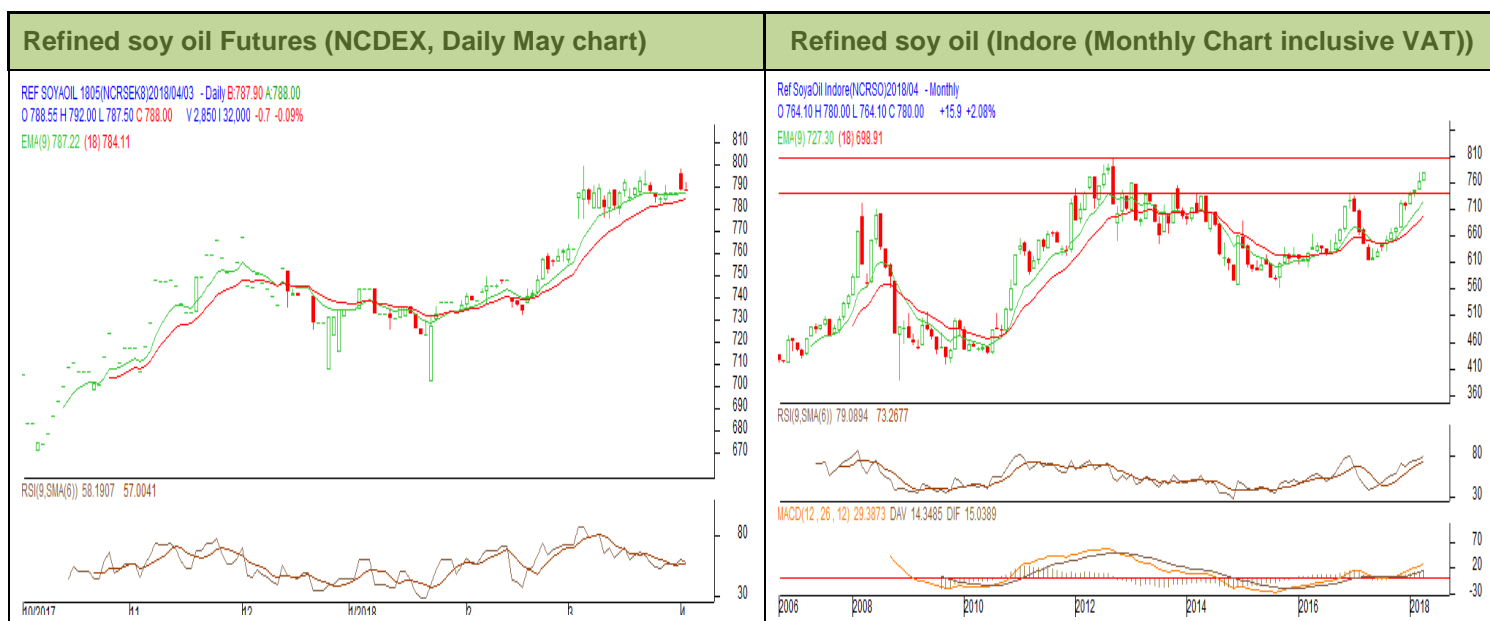


Import Parity after Refining in US dollar per tons (Monthly Average)

	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
Jan, 2017	-19.04	-21.40	-15.94	53.53	37.89
Feb, 2018	-17.13	-16.80	39.43	49.45	39.68
Mar, 2018	18.69	13.21	84.05	34.30	14.80

Outlook:-

Import parity for CDSO Argentina and CDSO Brazil has returned to parity due to rise in prices of soy oil in domestic market on hike in import duty on palm oil. We expect CDSO import parity to improve in April. 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 (May contract) on dips.

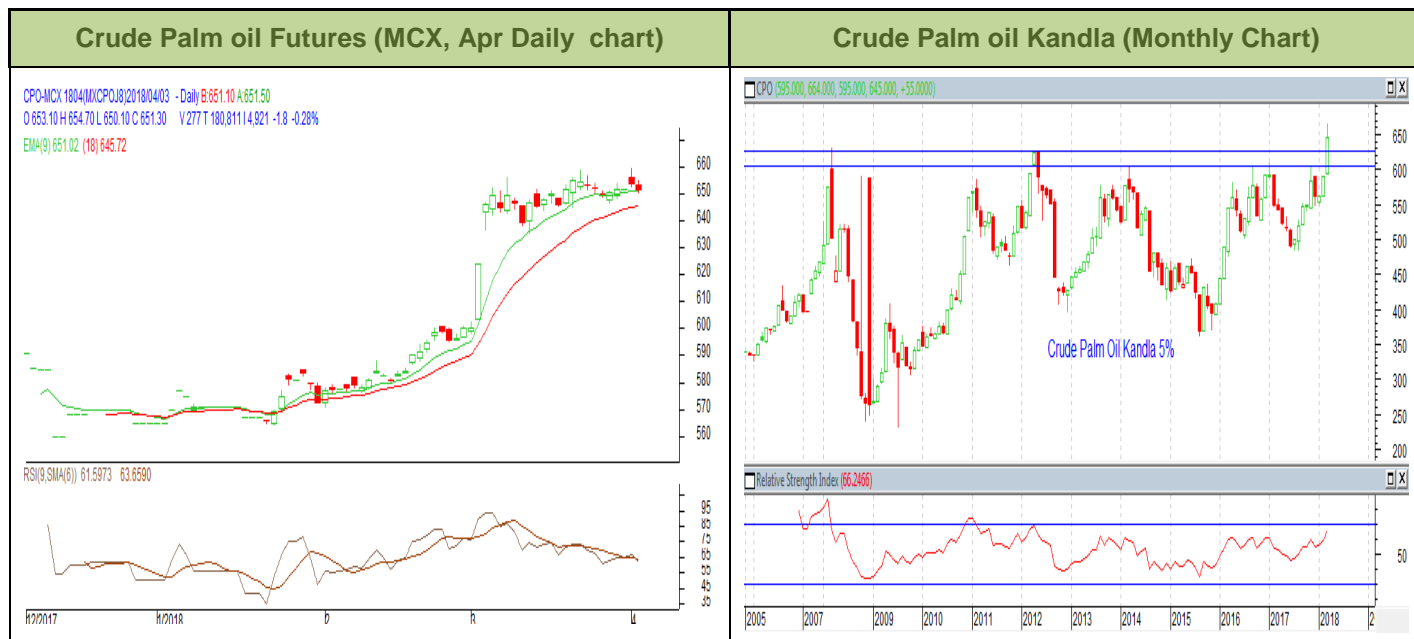
- Monthly chart of refined soy oil at NCDEX featured gains in the prices. We expect sideways to firm movement in the coming days.
- Any close below 770 in monthly chart will change the sentiment and bring prices to 760 levels.
- Expected price band for next month is 750-850 level in near to medium term. RSI and MACD are indicating uptrend at current levels.

Strategy: Market participants are advised to go long in RSO above 780 for a target of 800 and 805 with a stop loss at 770 on closing basis.

RSO NCDEX

Support and Resistance				
S2	S1	PCP	R1	R2
756.00	770.00	786.6	800.00	820.00

Spot Market outlook: Refined soy oil Indore (including VAT) is likely to stay in the range of 740-830 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 (April 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 640 in monthly chart might bring the prices to 630 levels.
- Expected price band for next month is 600-700 level in near to medium term. RSI and MACD are indicating uptrend.

Strategy: Market participants are advised to go long in CPO above 650 for a target of 670 and 675 with a stop loss at 640 on closing basis.

CPO MCX

Support and Resistance				
S2	S1	PCP	R1	R2
611.00	625.00	654.8	660.00	675.00

Spot Market outlook: Crude palm oil Kandla is likely to stay in the range of 600-700 per 10 Kg.

Monthly spot prices comparison

Commodity	Centre	Prices(Per 10 Kg)		Change
		31-Mar-18	28-Feb-18	
Refined Soybean Oil	Indore	775	748	27
	Indore (Soy Solvent Crude)	730	710	20
	Mumbai	780	750	30
	Mumbai (Soy Degum)	735	710	25
	Kandla/Mundra	760	745	15
	Kandla/Mundra (Soy Degum)	725	705	20
	Kolkata	780	750	30
	Delhi	810	785	25
	Nagpur	768	782	-14
	Rajkot	760	735	25
	Kota	755	740	15
	Hyderabad	NR	NR	-
	Akola	767	773	-6
	Amrawati	767	773	-6
	Bundi	760	744	16
	Jalna	759	784	-25
	Alwar	NA	NA	-
	Solapur	756	771	-15
	Dhule	766	785	-19
Palm Oil *	Kandla (Crude Palm Oil)	678	620	59
	Kandla (RBD Palm oil)	714	646	68
	Kandla RBD Pamolein	756	698	58
	Kakinada (Crude Palm Oil)	NR	NR	-
	Kakinada RBD Pamolein	751	688	63
	Haldia Pamolein	754	688	66
	Chennai RBD Pamolein	756	698	58
	Chennai RBD Pamolein (Vitamin A&D Fortified)	796	719	
	KPT (krishna patnam) Pamolein	748	683	65
	Mumbai RBD Pamolein	772	714	58
	Mangalore RBD Pamolein	756	698	
	Tuticorin (RBD Palmolein)	756	688	68
	Delhi	785	710	75
	Rajkot	756	685	71
	Hyderabad	NR	NR	-
	PFAD (Kandla)	441	436	5
	Refined Palm Stearin (Kandla)	494	488	5



	Superolien (Kandla)	782	693	89
	Superolien (Mumbai)	803	740	63
* Inclusive of GST				
Refined Sunflower Oil	Chennai	755	730	25
	Mumbai	800	750	50
	Mumbai(Expeller Oil)	715	682	33
	Kandla	780	740	40
	Kandla/Mundra (Crude)	NA	NA	-
	Hyderabad (Ref)	NR	NR	-
	Latur (Expeller Oil)	775	725	50
	Chellakere (Expeller Oil)	727	700	27
	Erode (Expeller Oil)	780	755	25
Groundnut Oil	Rajkot	800	790	10
	Chennai	840	840	Unch
	Delhi	850	915	-65
	Hyderabad *	880	890	-10
	Mumbai	845	845	Unch
	Gondal	790	800	-10
	Jamnagar	790	790	Unch
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	760	770	-10
	Jaipur (Kacchi Ghani Oil)	789	788	1
	Kota (Expeller Oil)	740	740	Unch
	Kota (Kacchi Ghani Oil)	770	785	-15
	Neewai (Kacchi Ghani Oil)	763	758	5
	Neewai (Expeller Oil)	758	770	-12
	Bharatpur (Kacchi Ghani Oil)	800	790	10
	Alwar (Kacchi Ghani Oil)	NA	NA	-
	Alwar (Expeller Oil)	NA	NA	-
	Sri-Ganga Nagar(Exp Oil)	765	765	Unch
	Sri-Ganga Nagar (Kacchi Ghani Oil)	775	785	-10
	Mumbai (Expeller Oil)	750	740	10
	Kolkata(Expeller Oil)	NA	NA	-
	New Delhi (Expeller Oil)	780	795	-15
	Hapur (Expeller Oil)	NR	NR	-
	Hapur (Kacchi Ghani Oil)	NR	NR	-
	Agra (Kacchi Ghani Oil)	805	795	10
Refined Cottonseed Oil	Rajkot	740	710	30
	Hyderabad	NR	NR	-
	Mumbai	760	742	18

	New Delhi	725	710	15
Coconut Oil	Kangayan (Crude)	1830	1900	-70
	Cochin	1930	1890	40
	Trissur	NA	NA	-
Sesame Oil	New Delhi	1000	995	5
	Mumbai	NA	NA	-
Kardi	Mumbai	870	780	90
Rice Bran Oil (40%)	New Delhi	530	560	-30
Rice Bran Oil (4%)	Punjab	620	580	40
Rice Bran Oil (4%)	Uttar Pradesh	NA	NA	-
Malaysia Palmolein USD/MT	FOB	653	673	-20
	CNF India	680	700	-20
Indonesia CPO USD/MT	FOB	648	660	-12
	CNF India	675	690	-15
RBD Palm oil (Malaysia Origin USD/MT)	FOB	655	673	-18
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	665	678	-13
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1145	1270	-125
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	590	620	-30
Crude palm Kernel Oil India (USD/MT)	CNF India	NA	1210	-
Ukraine Origin CSFO USD/MT Kandla	CIF	810	803	7
Rapeseed Oil Rotterdam Euro/MT	FOB	920	900	20
Argentina FOB (\$/MT)		30-Mar-18	27-Feb-18	Change
Crude Soybean Oil Ship		NA	NA	-
Refined Soy Oil (Bulk) Ship		NA	NA	-
Sunflower Oil Ship		NA	NA	-
Cottonseed Oil Ship		NA	NA	-
Refined Linseed Oil (Bulk) Ship		NA	NA	-
* indicates including GST				

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp> © 2018 Indian Agribusiness Systems Ltd.

