



Veg. Oil Monthly Research Report

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Outlook and Review:
Domestic Front

Edible oil basket featured weak tone during the month under review. Soy oil, palm oil, mustard oil, sunflower oil and groundnut oil prices fell while coconut oil prices closed in green.

Coconut oil (Kangayan) was the best performer among the edible oil complex due to firm demand. Palm oil (Kandla) was the worst performer among the edible oil tracking weak demand.

We expect soy oil and palm oil to trade weak on weak fundamentals.

On the currency front, Indian rupee is hovering near 70.82 compared to 73.03 last month. Rupee is expected to appreciate in December. Crude oil prices are expected to rise in December.

Recommendation:

In NCDEX, market participants are advised to go short in RSO below 735 for a target of 715 and 710 with a stop loss at 745 on closing basis. In MCX, market participants are advised to go short in CPO below 500 for a target of 480 and 475 with a stop loss at 510 on closing basis.

Market participants can buy refined soy oil in the cash markets at 710-720 for the target of 740-750 levels (Indore), if needed. Market participants can buy CPO Kandla 5% in the cash markets at 480-490 for the target of 510-520 levels, if needed.

International Veg. Oil Market Summary

CBOT soy oil (Jan) is expected to stay in the range of 26 cents/lb to 32 cents/lb. CPO at BMD (Jan) is likely to stay in the range of 1700-2200 ringgits per ton. Focus during the coming days will be trade settlement between US and China, soy oil stocks in US, soybean demand by China, liquidation of soybean state reserves by China, soybean crop in Brazil, palm oil stocks in Malaysia and Indonesia, palm oil production in Malaysia and Indonesia, palm oil exports from Malaysia and Indonesia, India and China palm oil demand, ringgit, crude oil and dollar.

On the international front, trade settlement between US and China, lower soy oil stocks in US, rise in crude oil price and weak dollar is expected to support soy oil prices in coming days.

Expected rise in palm oil end stocks in Malaysia and Indonesia, rise in production of palm oil in Malaysia and Indonesia, slow rise in exports of palm oil from Malaysia and Indonesia and fall in competitive oil is expected to underpin CPO prices in near term.

Soy oil: Domestic Market Fundamentals

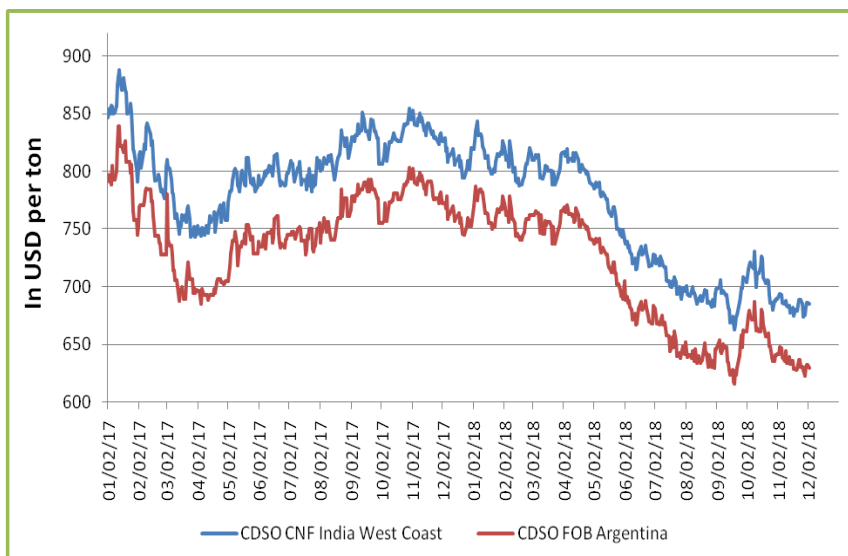
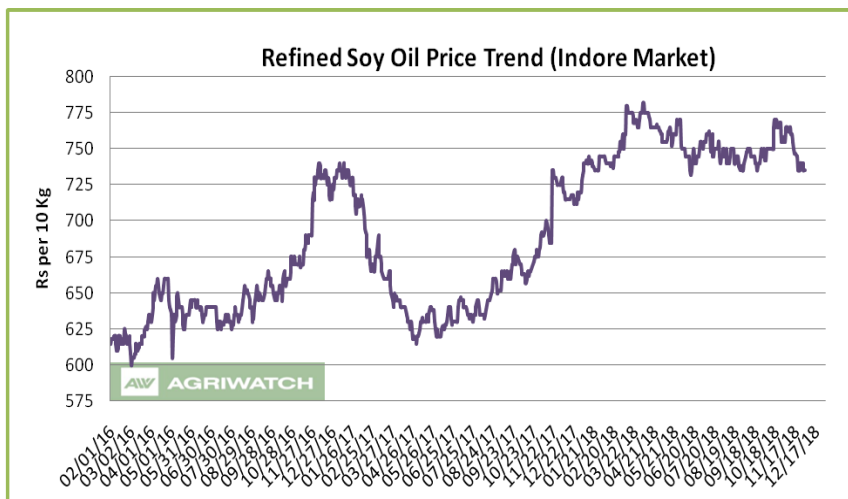
- Refined soybean oil prices featured downtrend at its benchmark market at Indore during the month of November on weak demand. Average prices of refined soy oil fell in November.
- Soy oil prices witnessed downtrend in month of November on weak demand.

Demand of domestic soy oil fell in Nov as import margins of soy oil was in disparity. Due to depreciation of Rupee, imports have returned to disparity. However, recent appreciation of Rupee has returned import parity.

Import prices of soy oil has fallen on depreciation of Argentina Peso which will make imports and prices of imports cheaper compared to other imported edible oils.

Prices of CDSO fell more at high seas compared to CDSO CNF indicating weak demand. Prices of CDSO CNF fell less compared to CDSO FOB indicating firm demand at CNF markets.

Refined soy oil premium over CPO has decreased to Rs 230 (Rs 192 last month) per 10 Kg which is high and will underpin soy oil prices. Refined soy oil premium over RBD palmolein was at Rs 165 (Rs 120 last month) per 10 Kg, which is high and may underpin soy oil prices in domestic markets.



Refined soy oil premium over CDSO high seas is at Rs 28 (Rs 47) per 10 kg indicating weak refined soy demand compared to CDSO in domestic markets.

Landed cost and refining margins are in disparity due to depreciation of Rupee will discourage imports.

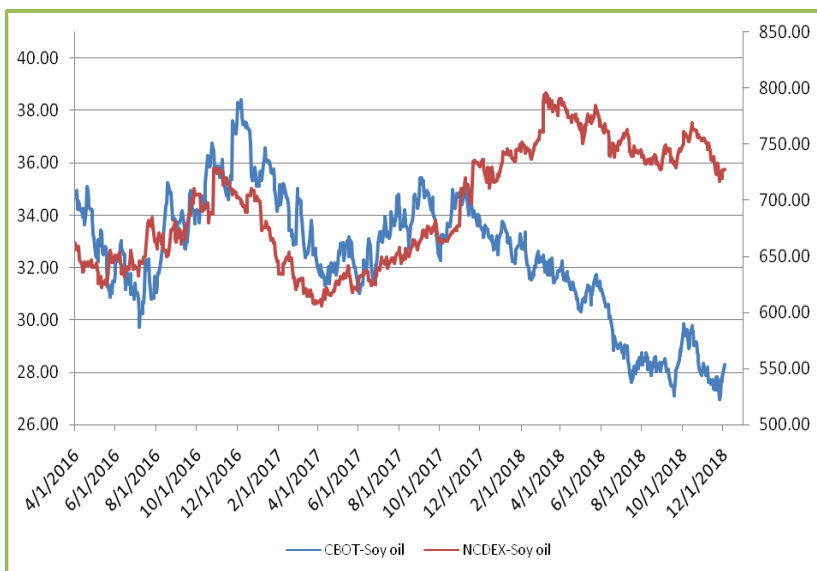
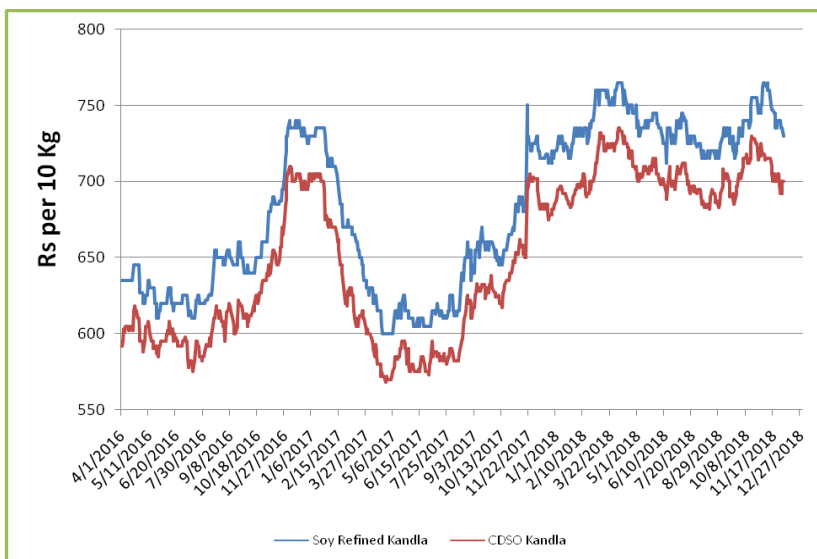
Difference decreased between CDSO-CNF-India West coast and Soy oil CBOT due to fall in basis (spot prices – futures prices) due to rise in CBOT soy oil and appreciation of Rupee.

Higher soy meal exports have resulted in higher crushing of soybean. Soy meal exports improved after hike in import duty on edible oils and fall in soy meal prices.

Imports of soy oil rose in Oct compared to Oct 2017 while it fell compared to fell Sep 2018 and stocks at ports fell indicating weak demand and destocking at ports.

Import parity of soy oil have returned to parity due to appreciation of Rupee which will increase imports.

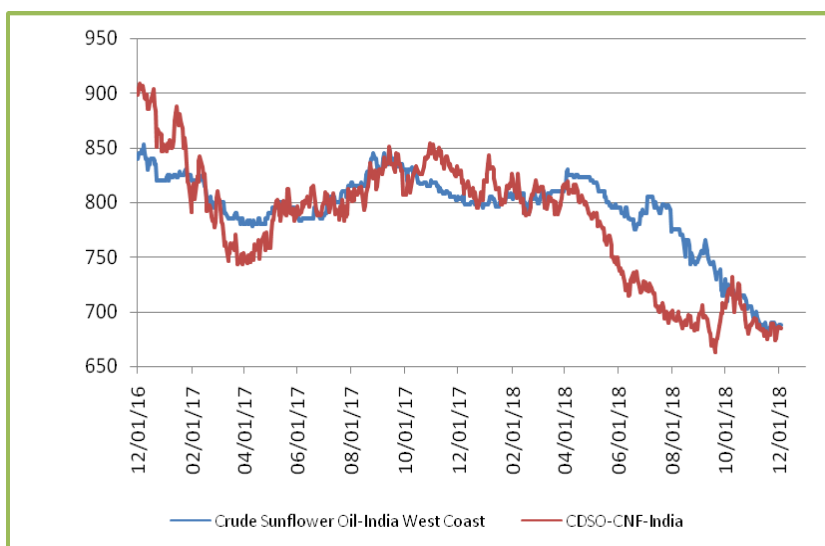
- Soy oil import scenario – According to SEA, soy oil imports rose 20.0 percent y-o-y in Oct to 2.64 lakh tons from 2.20 lakh tons in Oct 2017. In the oil year 2017-18 (Nov 2017-Oct 2018), imports of soy oil were 30.47 lakh tons compared to 33.16 lakh tons in last oil year, lower by 8.1 percent y-o-y.
- Imported crude soy oil CIF at West coast port is offered at USD 692 (USD 698) per ton for Dec delivery, Jan delivery is offered at USD 690 (USD



703) per ton and Feb delivery is quoted at USD 693 per ton. Values in brackets are figures of last month. Last month, CNF CDSO Nov average price was USD 684.12 (USD 706.48 per ton in Oct 2018) per ton.

- On the parity front, margins was in disparity during the month on fall in prices of soy oil in Indian markets, and we expect margins to return to parity in coming days. Currently refiners lose USD 10-15/ton v/s loss of USD 40-45/ton (last month) margin in processing the imported Soybean Oil (Argentina Origin).

Price Outlook: We expect refined soy oil (without GST) at Indore to stay in the range of Rs 700-800 per 10 Kg in the near term.



Palm oil: Domestic Market Fundamentals

- CPO prices witnessed weak tone in the month of November at its benchmark market at Kandla on weak demand.
- Crude palm oil prices fell in Kandla in the month of November on weak demand

Prices of CPO fell more at high seas compared to CNF markets compared to last month indicating weak demand at high seas.

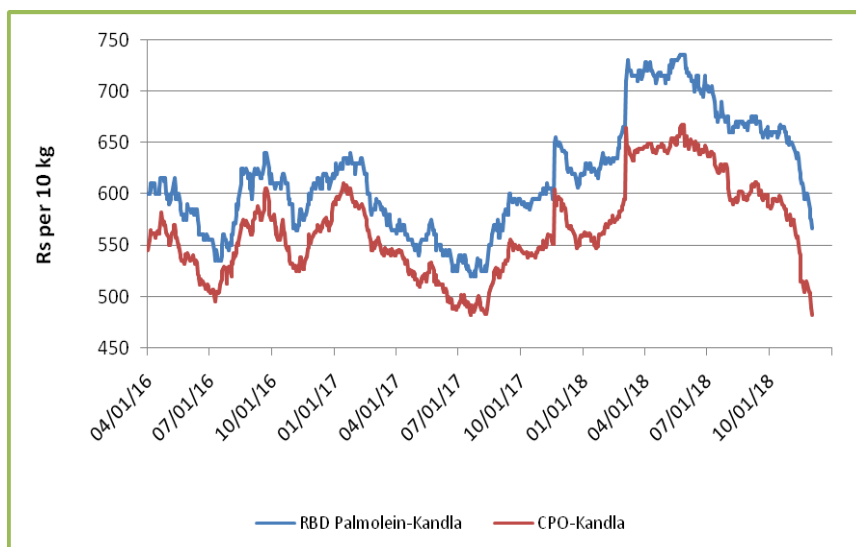
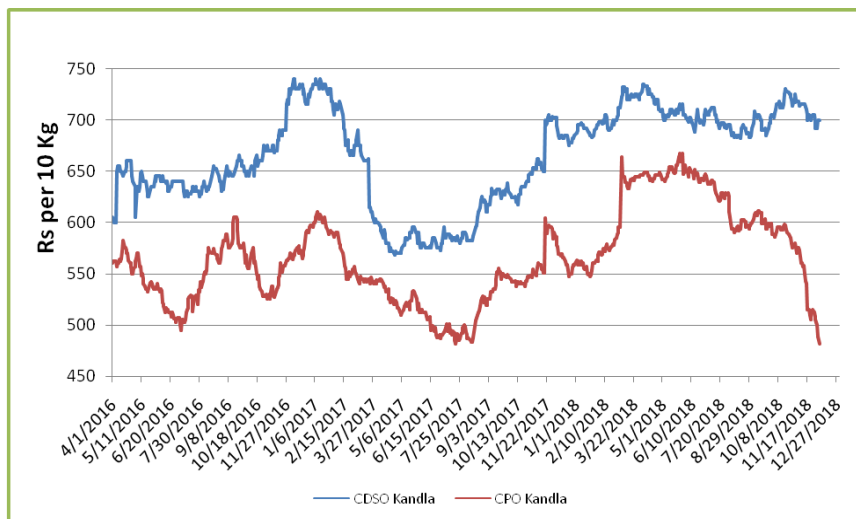
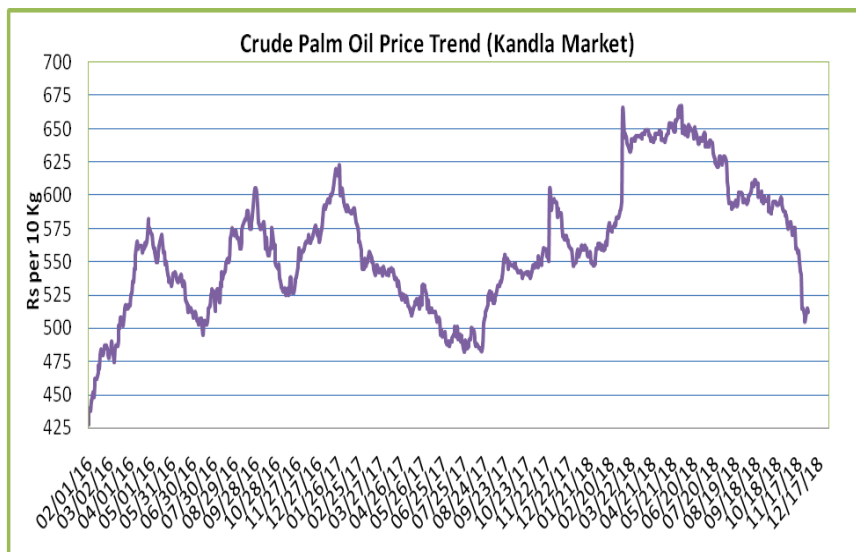
Demand of CPO is firm at CNF markets as prices fell less at CNF compared to FOB markets.

Supply of CPO has increased in Indian markets leading to rise in stocks at ports.

Depreciation of Rupee has led to disparity at ports. Depreciation of Rupee and fall of prices of palm oil in domestic market was the prime reason for increase in import disparity. Due to disparity in imports prices will not fall much going ahead.

Depreciation of Rupee has made imports costlier which will reduce imports in coming months. Depreciation of Rupee has increased. However, recent appreciation of Rupee will improve import disparity in December.

CPO trade is weak and traders are desperate to clear their stocks and are offering to sell CPO discount to



CNF prices to offload the stocks.

In Rupee terms, disparity in fresh imports of CPO has risen to Rs 1.5-2.0 per kg.

Stocks of CPO at Indian ports rose due to higher imports.

Data from cargo surveyor SGS shows a rise in imports of palm oil by India from Malaysia in November.

RBD palmolein featured weak tone in its benchmark market on weak demand, higher premium over CPO at CNF markets and continuous fall in prices of RBD palmolein in international markets.

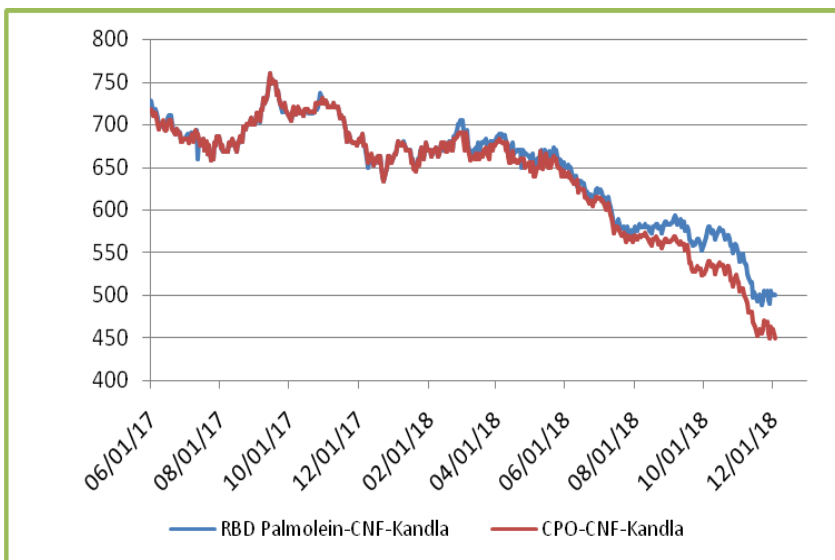
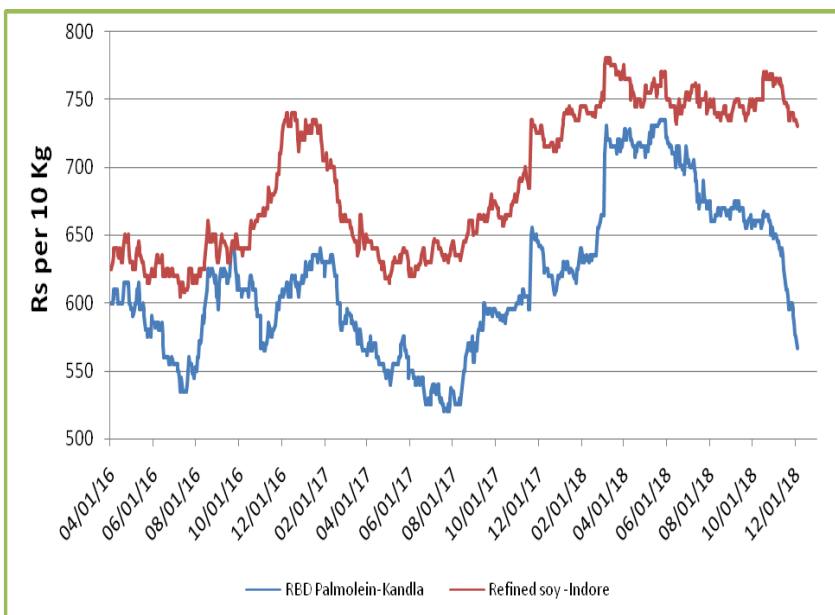
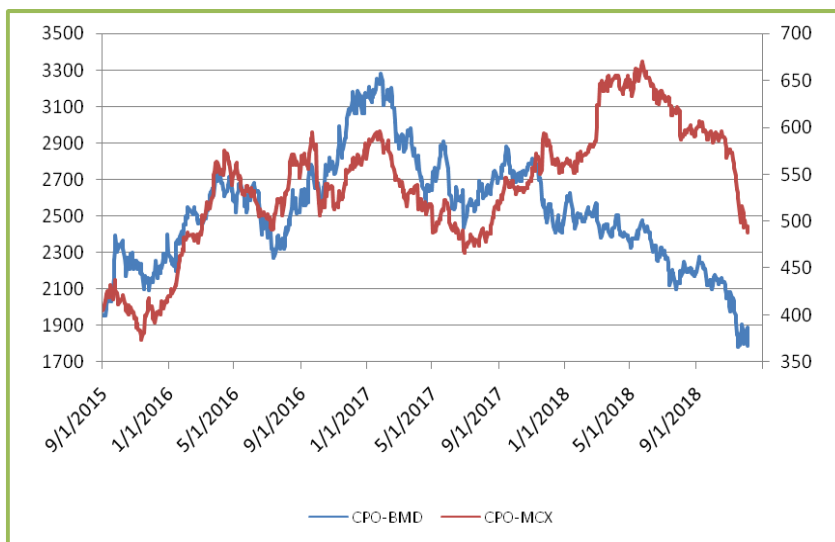
Prices of RBD palmolein fell more at high seas compared to CNF markets indicating weak demand at high seas.

Prices of RBD palmolein fell more at CNF markets compared to FOB markets indicating weak demand at CNF markets.

Higher import duty on RBD palmolein imports, depreciation of Rupee and price premium of RBD palmolein over CPO at CNF markets has weakened import demand.

RBD palmolein is offered at \$45-50 premium over CPO at CNF markets which has weakened demand. Increasing discount of RBD palmolein over soy oil, sunflower oil and rapeseed oil will improve demand.

Importers are selling cargoes at



discount to unload their stocks due to continuous fall in international prices.

Stocks of RBD palmolein at Indian ports have increased in oil year 2017-18 compared to oil year 2016-17.

Expectation of rise in stocks of palm oil in Indonesia and Malaysia in coming months due to rise in production of palm oil and slow rise in exports of palm oil will underpin RBD palmolein prices.

Demand of imported RBD palmolein has weakened in India in oil year 2017-18 (Nov 2017-Dec 2018) due to lower margins in selling it compared to palmolein obtained from domestic refining of CPO.

Superolein saw weak trend. Vanaspati prices saw weak movement of prices in domestic markets.

RBD palmolein premium over CPO decreased to Rs 65 (Rs 72 last month) per 10 kg indicating weaker demand of RBD palmolein compared to CPO at high seas.

Import of CPO in Oct was higher than that of Oct 2017 and lower than Sep 2018. Stocks at ports rose in Oct compared to Sep while imports fell indicating weak demand in Oct.

Import of RBD palmolein is fell in Oct compared to Oct 2017 while it was lower than Sep 2018. Imports fell in Oct compared to Sep while stocks fell at ports indicating destocking at ports while the demand is weak.

Increase in import duty on crude palm oil and refined palm oil has led to lower imports of CPO from Indonesia and lower imports of RBD palmolein from Malaysia. Landed cost of CPO is in disparity and 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.

RBD palmolein is trading at high premium over CPO at India CNF due to sharp depreciation of Indonesia Rupiah on last 4 months compared to Malaysian Ringgit which has led buyers shift to Indonesian shipment.

Removal of levy on exports of palm products from Indonesia will increase CPO imports compared to RBD palmolein from Indonesia.

Increasing soy oil premium over crude palm oil which is hovering at Rs 235 (Rs 192 last month) per 10 Kg will increase demand of CPO and increase imports.

Previous chart in soy oil section shows that premium of soy oil over palm oil has increased in November at CNF markets. This will increase imports of CPO. Higher premium of crude sunflower CNF India West coast and CPO CNF at USD 235 (USD 187.5) per ton will increase CPO prices and RBD palmolein prices in medium term. Increase in premium of CSFO-CNF-India West coast over CPO-CNF indicates increase in supply of CPO at CNF markets compared to CSFO-CNF.

Increasing CDSO CNF premium over CPO CNF will increase imports of CPO in medium term at USD 237 (USD 190 last month) per 10 kg. Premium of CDSO soy oil high seas over CPO high seas is at Rs 202 (Rs 145 last week) per 10 Kg, which is high and will increase CPO demand at high seas. Premium of refined soy oil over RBD palmolein is Rs 165 (Rs 120 last week) per 10 kg is high and will increase RBD palmolein demand in near term. Values in brackets are figures of last week.

- Palm oil import scenario – According to Solvent Extractors Association (SEA), palm oil imports in Oct rose 1.07 percent y-o-y to 7.55 lakh tons from 7.47 lakh tons in Oct 2017. Imports in the oil year 2017-18 (November

2017-October 2018) are reported lower by 6.37 percent y-o-y at 87.01 lakh tons compared to 92.93 in last oil year.

Crude Palm oil import scenario- According to Solvent Extractors Association (SEA), CPO Imports rose 2.18 percent y-o-y in Oct to 6.10 lakh tons from 5.97 lakh tons in Oct 2017. Imports in oil year 2017-18 (November 2017-October 2018) are reported higher by 1.97 percent y-o-y at 64.60 lakh tons compared to 63.35 lakh tons in last oil year.

RBD palmolein import scenario- RBD palmolein imports fell y-o-y in Oct by 6.1 percent to 1.37 lakh tons from 1.47 lakh tons in Oct 2017. Imports in oil year 2017-18 (November 2017-October 2018) are reported lower by 25.64 percent y-o-y at 21.35 lakh tons compared to 28.71 lakh tons in last oil year.

- On the trade front, CNF CPO (Indonesian origin) at Indian port quoted at USD 455 (USD 510) per ton for Dec delivery and Jan delivery is quoted at USD 465 per ton. Last month, CNF CPO Nov average price was at USD 474.84 per ton (USD 529.12 per ton in Oct 2018). Values in brackets are figures of last week.

Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 495 (USD 550) per ton for Dec delivery and Jan delivery is quoted at USD 505 per ton. Last month, CIF RBD palmolein Nov average price was USD 512.12 (USD 574.62 in Oct 2018) per ton. Values in bracket depict last month quotes.

Ready lift CPO duty paid prices quoted at Rs 500 (Rs 573) per 10 Kg and Nov delivery duty paid is offered at Rs 500 (Rs 573) per 10 kg. Ready lift RBD palmolein is quoted at Rs 565 (Rs 645) per 10 kg as on Dec 3, 2018. Values in brackets are figures of last month.

- On the parity front, margins fell during the month of November on lower price of palm oil products in international markets and we expect margins to remain firm in coming days. Currently refiners fetch USD 35-40/ton (Oct average) v/s gain of USD 20-25/ton (Sep average) margin in processing the imported CPO but on the imports of ready to use palmolein lose USD 15-20/ton (Oct average) v/s gain of USD 35-40 (Oct average).

Price Outlook: We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 470-540 per 10 Kg in the near term.

Rapeseed oil: Domestic Market Fundamentals

- Rapeseed oil featured weak trend at various markets on weak demand and fall in rapeseed prices. All India arrivals of rapeseed fell in November.
- Rapeseed oil prices traded weak in the month of November in various markets in India on weak demand and weak rapeseed prices.

Demand fell in the month of Nov on lower buying.

Prices fell on fall in soy oil and palm oil prices.

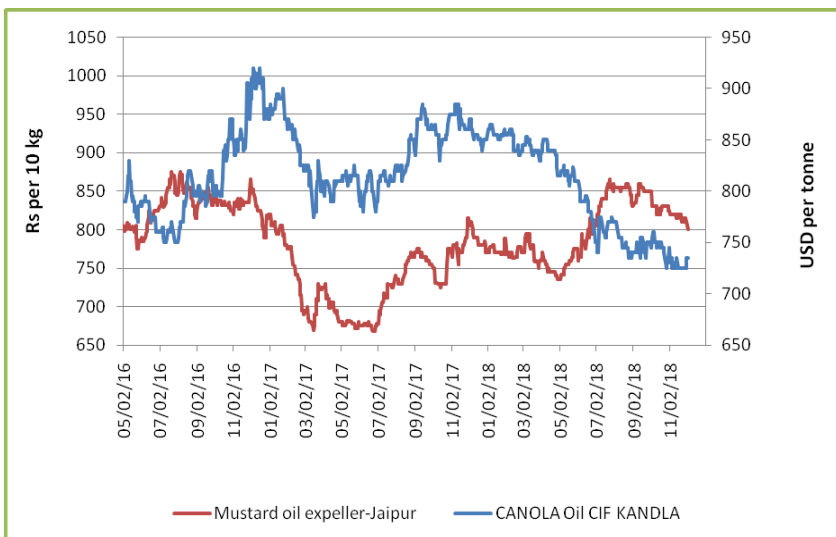
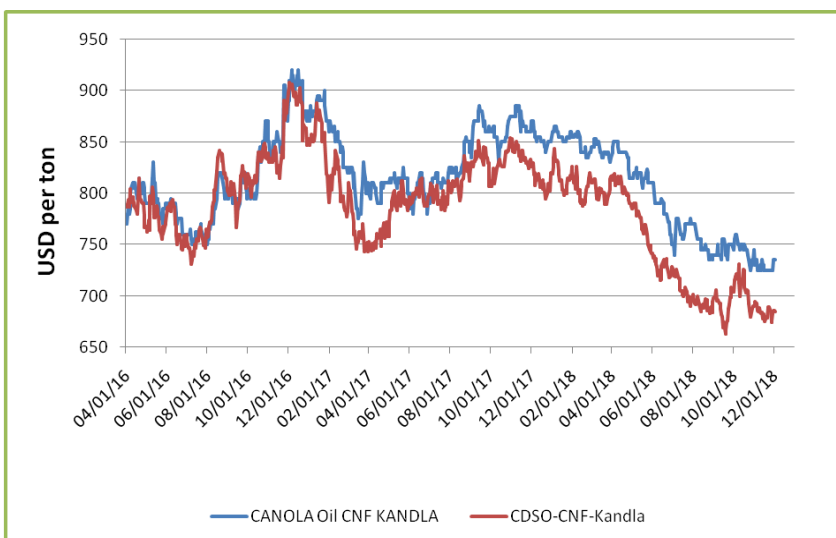
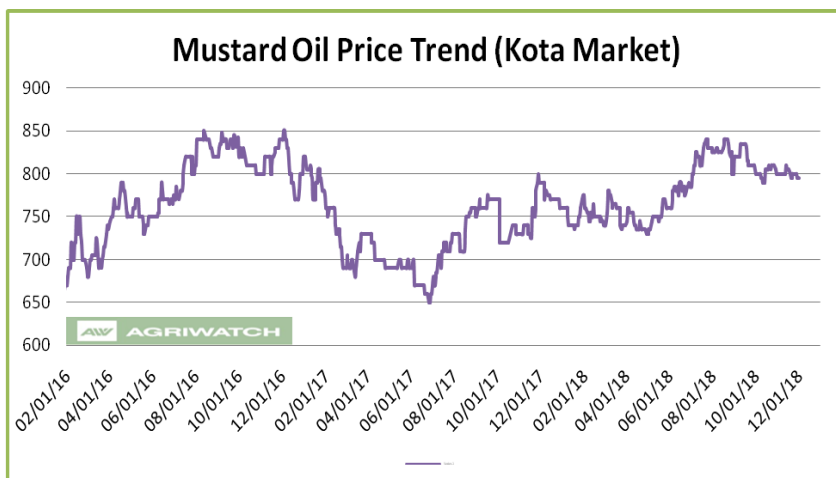
Festive demand in East and North India is over and market is adequately stocked against weak demand position.

Rapeseed crop in current marketing year is expected to be higher than last year. Agriwatch forecasted rapeseed crop at 6.45 MMT in 2017-18 compared to last year estimate of 6.8 MMT 2016-17. Rapeseed crop in 2018-19 is expected to be higher than 2017-18 on account of higher sowing area in the country, mostly in Rajasthan where yields are higher. Sowing of rapeseed in Rajasthan was substantially lower in 2017-18 which led to lower rapeseed crop.

Lower crop of rapeseed-mustard crop in 2017-18 oil year has decreased supplies of rapeseed oil.

Rise in prices of rapeseed in 2018-19 is due to increased crushing of rapeseed

on parity in crushing. Hike in import duty on rapeseed oil has led to higher crush margins. Crushers are taking advantage of crush margins. Higher crush of rapeseed has led to higher supply of rapeseed oil.



Demand is weak while the prices are lucrative.

Prices are expected to fall on seasonal downtrend of prices.

High discount of RBD palmolein prices to rapeseed kacchi ghani prices could cap rapeseed oil prices.

High premium of Jaipur kacchi ghani rapeseed oil over refined soy oil in domestic market was at Rs 90 (Rs 70) per 10 Kg, will cap rapeseed oil prices in medium term.

Kacchi Ghani and refined soy oil are trading range has increased, which will decrease demand of rapeseed oil.

Premium of canola oil compared to CDSO has decreased to USD 43 (USD 37) per ton and will increase imports.

Above chart shows that Canola oil prices are moving down while rapeseed expeller oil prices are rising. So, fall in canola oil prices will support mustard expeller prices.

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

High premium of expeller rapeseed oil over soy oil in domestic market was at Rs 60 (Rs 50) per 10 Kg, will underpin rapeseed oil prices in medium term.

Hike in import duty on import of canola oil will support rapeseed oil prices.

High premium of rapeseed expeller oil (Jaipur) over RBD palmolein (Kandla) at Rs 233 (Rs 190) per 10 kg will underpin rapeseed oil prices.

Crushing has slowed as there is less stocks of rapeseed in the market. NAFED has stopped auction of rapeseed in Rajasthan which it was liquidating. This has support prices. Lower crush of rapeseed will led to lower supply of rapeseed oil.

Prices of rapeseed oil are expected to trade sideways to weak on weak demand, fall in rapeseed prices and seasonal downtrend of prices.

- Rapeseed oil import scenario- India imported 0 tons of rapeseed (Canola) oil in Oct 2018 v/s 0.37 lakh tons in Oct 2017. In the oil year 2017-18 (Nov 2017-Oct 2018) imports were 2.41 lakh tons compared to 2.93 lakh tons in last oil year, lower by 17.75 percent y-o-y.
- CIF Canola oil premium over soybean oil is hovering at USD 46 (USD 37 last month) as on Dec 3, 2018.
- Currently, RM oil at Jaipur market (expeller) is offered at Rs 800 (Rs 820) per 10 Kg and at Kota market is quoted around Rs 790 (Rs 800) per 10 kg as on Dec 3, 2018. Values in brackets are figures of last month.
- We expect RM seed oil prices to trade sideways to weak tone in the coming days.

Price Outlook: We expect Rapeseed oil (Kota) to trade in the price band of Rs 750-850 per 10 Kg.

Sunflower oil: Domestic Market Fundamentals

- Sunflower oil featured weak trend at its benchmark market in Chennai during the month of November on weak demand and fall in prices of sunflower oil in international markets.
- Sunflower oil prices closed lower in month of November at its benchmark market of Chennai on weak demand and fall in prices of sunflower oil in international markets..

Sunflower oil prices fell more at high seas compared to sun oil CNF indicating weak demand at CNF markets.

Due to hike in import duty on sunflower oil, prices have firmed. Hike in import duty made import duty on sunflower oil equivalent to soy oil.

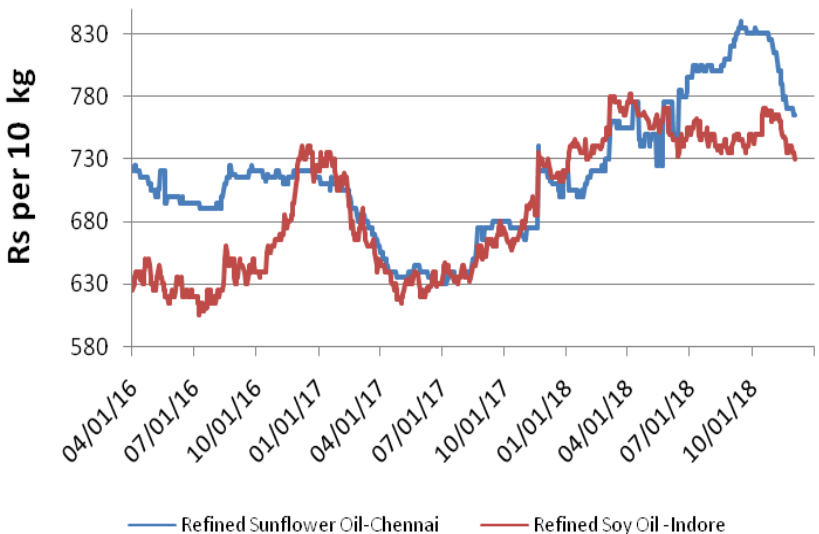
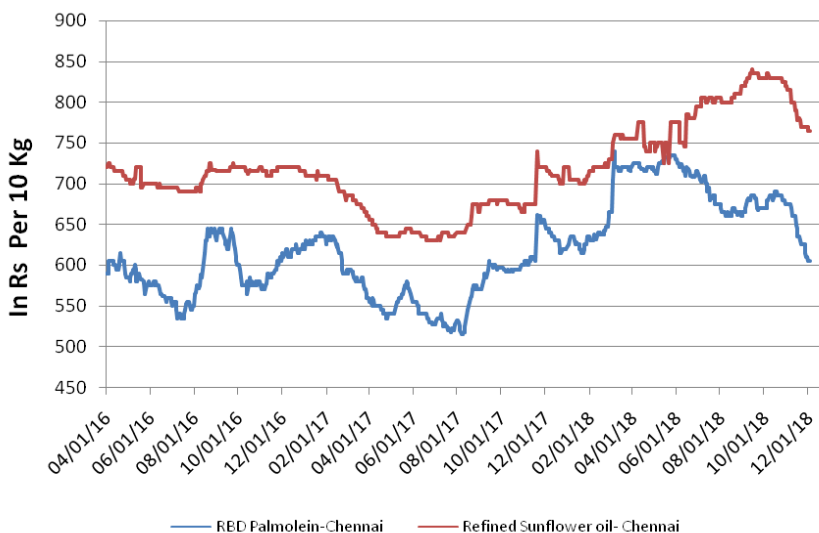
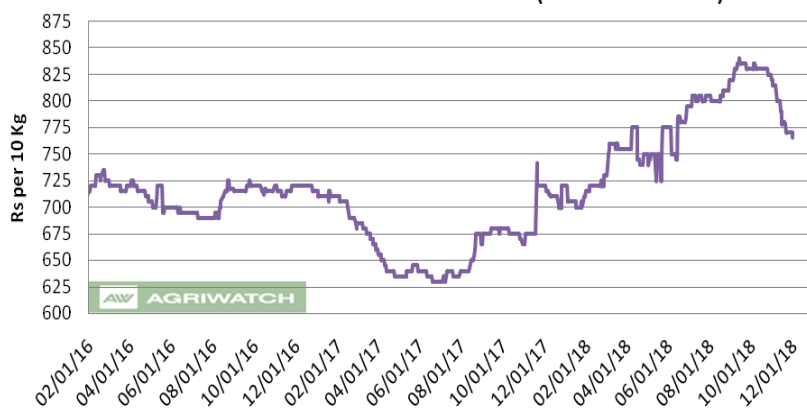
This step will stem surging imports in oil year 2017-18.

However, there is bargain buying at lower levels as prices have fallen to 9 year low at CNF markets. If prices of sunflower oil at CNF markets continue to remain low then more bargain buying can be seen.

There is parity in imports of sunflower oil and refining margins are in parity.

Appreciation of Rupee in November months will increase

Sunflower Oil Price Trend (Chennai Market)



imports of sunflower in coming months.

Supply has improved in markets as imports rose 16 percent in oil year 2017-18 (November 2017-Oct 2018) after 43 percent rise in oil year 2016-17 (November 2016-October 2017) indicating firm supply of sunflower oil in domestic market. Stocks at ports rose in oil year 2017-18 despite rise in imports indicating firm supply. Higher supply of sunflower oil in domestic market due to higher imports will underpin prices of sunflower oil.

Premium of CSFO over CPO at CNF markets is high and will decrease import demand of sunflower oil.

Depreciation of Indian rupee in 2017-18 has made imports of sunflower oil costlier in India, which will decrease imports in coming months.

Recent fall in premium of CSFO over CDSO in CNF markets will

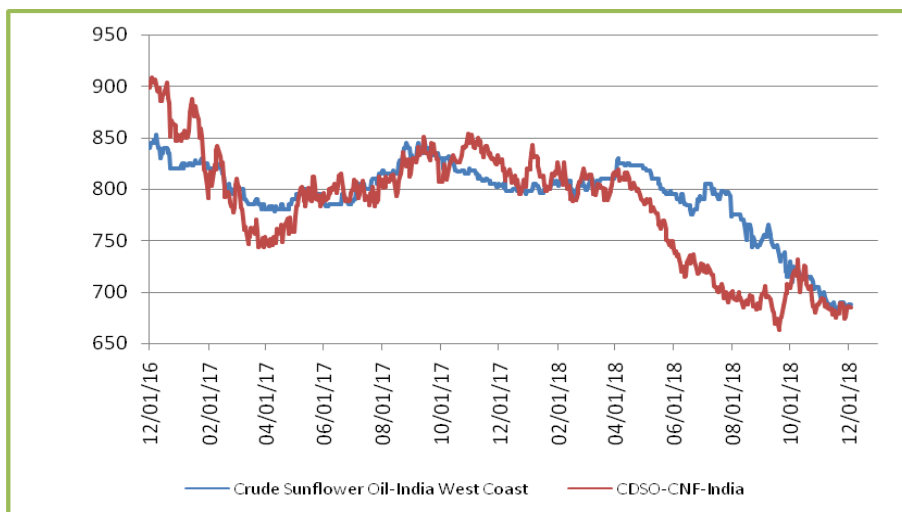
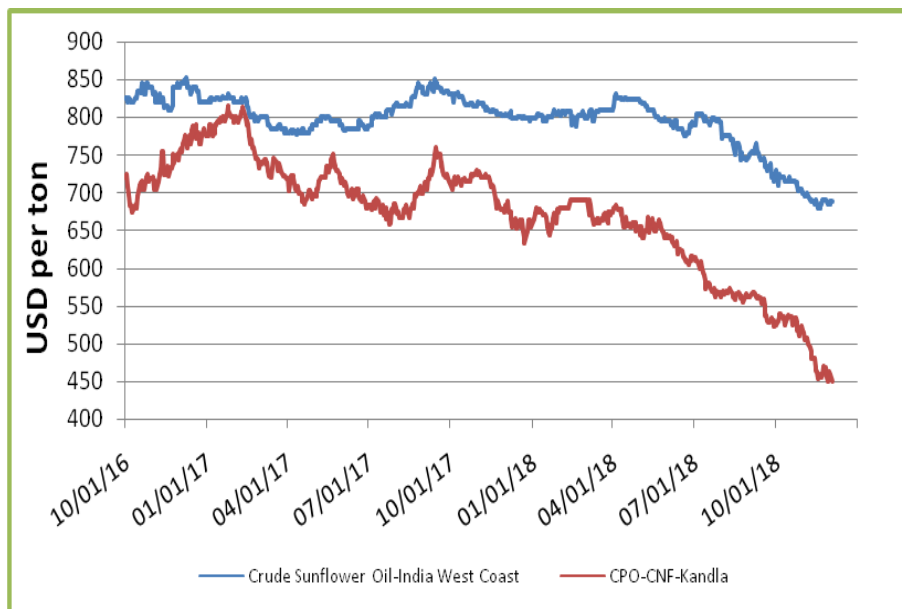
support prices in medium term. Imports are expected to be higher in Nov as crude sunflower oil CNF premium over CDSO CNF has decreased. Fifth chart from above shows crude sunflower oil premium over CDSO is decreasing will increase imports and underpin prices.

Second chart from above shows that sunflower oil prices has decreased from Apr 2018 after high correlation to soy oil since November 2016. Prices have diverged in after April due to hike in import duty on sunflower oil and firm demand.

Refiners and stockists are stocking as sunflower oil premium over soy oil is decreased to USD -2.0 (USD -0.5 last month) per ton.

In domestic market sunflower oil premium over soy oil is at Rs 35 (Rs 50) per 10 kg.

Refined sunflower oil premium over RBD palmolein has increased to Rs 205 (Rs 170 last month) per 10 kg is high. Higher premium of sunflower oil over RBD palmolein will cap sunflower oil prices.



Premium of CSFO over RBD palmolein is at USD 195 (USD 147.5) per ton at CNF markets. Premium of sunflower oil over RBD palmolein has shot up sharply which indicates that incentive of importing sunflower oil and selling in domestic market has increased.

In domestic market, prices is expected to fall in medium term as prices of sunflower oil are trading at high premium over soy oil and RBD palmolein.

Sunflower oil prices are expected to fall on seasonal downtrend of prices in medium term.

Prices are expected to improve on weak demand and seasonal downtrend of prices. Prices of sunflower oil are expected to remain in a range with downward bias in November.

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

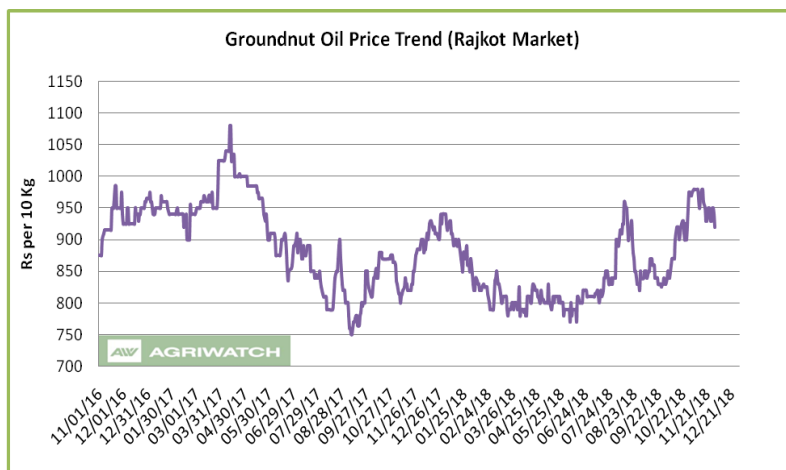
- Sunflower oil imports scenario- According to Solvent Extractors Association (SEA), Sunflower oil imports rose 21.7 percent y-o-y in Oct to 1.57 lakh tons from 1.29 lakh tons in Oct 2017. Imports in oil year 2017-18 (November 2017-October 2018) are reported higher by 16.4 percent y-o-y at 25.25 lakh tons compared to 21.69 lakh tons in last oil year.
- On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 690 (USD 697.5) per ton for Dec delivery and JFM delivery is quoted at USD 685 (USD 697.5) per ton. CNF sun oil (Ukraine origin) Nov monthly average was at USD 688.36 per ton compared to USD 714.36 per ton in Oct. Values in brackets are figures of last week.
- Prices are likely to stay in the range of USD 660-740 per ton in the near term. CNF Sunflower oil premium over CDSO is hovering at USD -2.0 (USD 0.5 last week) per ton for Dec delivery. CNF sunflower oil premium over RBD palmolein is hovering around USD 195 (USD 170) per ton.
- Currently, refined sunflower oil at Chennai market is offered at Rs 770 (Rs 815) per 10 Kg, and at Kandla/Mudra market, it is offered at Rs 780 (Rs 810) per 10 kg as on Nov 30, 2018. Values in brackets are figures of last month.
- We expect sunflower oil prices to trade sideways to weak tone in the coming days.

Price Outlook: We expect sunflower oil (Chennai) to trade in the price band of Rs 730-820 per 10 Kg.

Groundnut oil: Domestic Market Fundamentals

- Groundnut oil featured weak trend during the month in review on weak demand and fall in prices of groundnut.
- Groundnut oil prices fell in November on weak demand and fall in prices of groundnut.

Groundnut demand was weak in the month of November due to lean demand season. Retail demand weakened at higher prices.



Due to fall in prices of groundnut oil prices retail demand may weakened.

Demand of groundnut oil weakened due to high volatility of prices and regular fall in prices

High volatility in groundnut oil prices leads to postponement of demand. However, demand fell due to higher volatility in prices.

Rise in prices of groundnut supported the rise. Rise in raw material prices led to rise in product prices.

Groundnut prices have fell due to arrival pressure of groundnut crop in groundnut growing areas.

Fall in groundnut prices will support groundnut oil price fall..

Peak harvest of groundnut is over and arrivals have increased. In the South India (Rayalseema) groundnut crop is less severe deficit of rains.

NAFED is has started to procurement Kharif 2017 groundnut crop. At present quality of groundnut is good for crushing.

The pace of procurement of groundnut by Gujarat government is slow despite higher arrivals in the market. NAFED has started procurement of cureent season crop from 15 th October and carryout of last year is 5 lakh tons. NAFED has 4.0 lakh tons of groundnut while farmers and trade has around 1 lakh tons of groundnut.

Demand of groundnut oil will increase at around Rs 880-900 per 10 kg levels. However, due to peak demand season in December prices will rise.

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

Crushing has started due to higher supply of groundnut.

Retail demand of groundnut oil improves at lower levels.

Exports of groundnut less due to higher prices of domestic groundnut, leading to diversion of groundnut towards crushing.

Crushers have stocks and are active in ready markets. Both groundnut oil and groundnut trade has improved and groundnut is arriving in mandis are consumed in ready markets.

Groundnut oil prices will rise on increased offtake from stockists and traders on weak stock position.

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

Premium of groundnut oil over sunflower is high in Chennai indicating lower capacity for prices of groundnut to rise.

Production of groundnut is expected to fall substantially due dry condition for groundnut.

In Andhra Pradesh and Tamil Nadu prices of groundnut has fell with parity with Gujarat and weak demand. There is parity in crush of groundnut in south India. Groundnut arrivals are good expected to be normal in Dec.

Prices are expected to trade firm on firm demand and firm activity in cash markets.

Prices are expected to trade sideways to firm.

- On the price front, currently the groundnut oil prices in Rajkot is hovering near Rs 9,400 (9,750) per quintal and quoting at Rs 9,200 (Rs 9,800) per quintal in Chennai market.
- Groundnut oil prices are likely to trade with a sideways to firm tone in the coming days.

Price Outlook: We expect Groundnut oil (Rajkot) to trade in the price band of Rs 850-1050 per 10 Kg.

Coconut oil: Domestic Market Fundamentals

- Coconut oil featured firm trend at its benchmark market in Kangeyam on firm demand and rise in prices of copra. Prices rose in Kochi at the end of the month.
- Prices of coconut oil traded firm in the month of Nov on firm demand of coconut oil and rise in prices of copra.

Copra prices rose during the month. Rise in raw material prices led to lower prices of end product.

Prices of coconut oil despite fall in palm oil prices indicating firm demand.

Due to fall in coconut oil prices in 2018, demand has emerged at lower levels.

Coconut oil prices fell more than 30 percent in 2018 leading to firm demand at the end of the after postponement of consumption due to regular fall in prices.

Household consumption is expected to rise in Kerala in 2019 after tepid demand in most of 2018.

Production will increase 10-15% in 2018-19 from initial estimate of 15-20% gain in coconut oil production on account of production loss due to floods in Kerala. Yield will remain higher in Tamil Nadu, Karnataka and Andhra Pradesh compared to last three years.

Coconut supplies have improved will lead to higher supply of copra which will increase in production of coconut oil which will underpin coconut oil prices.

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

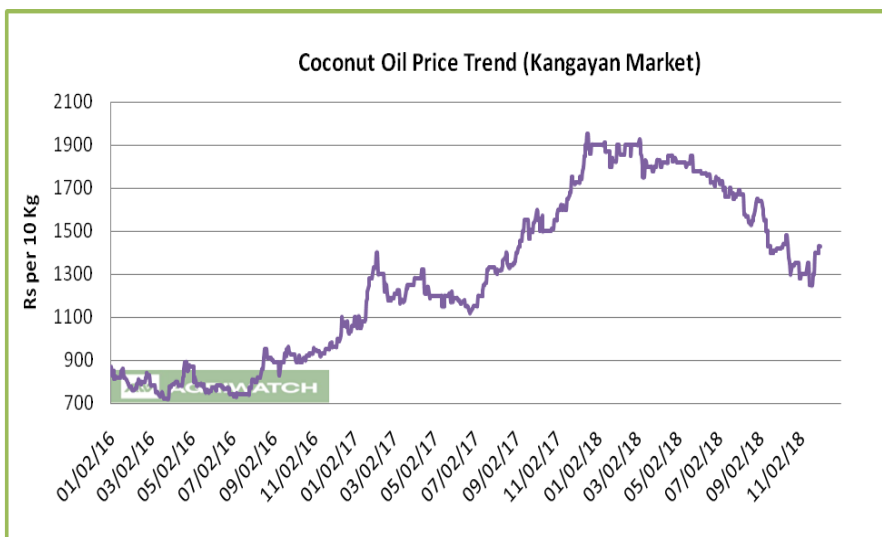
Adulteration of coconut oil is rampant in Kerala and the prices at which adulterated coconut oil sold is less than sales prices of coconut oil production.

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

Rains in 2017 and 2018 has led to higher coconut production which has led to moderation of prices in 2018.

However, coconut oil will show rise in prices in early 2019.

More than doubling of prices of coconut oil in 2017-18 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. Recent depreciation of Rupee will support export demand. Bulk exports of coconut oil have weakened.

Millers have increased stock of copra stocks and coconut oil. They are confident of prices active in ready markets.

Traders and upcountry buyers are staying are stocking as they expect more rise in coconut oil prices.

Lower and stable prices of coconut oil for a long period have increased demand which may medium to long term.

Prices are expected to be firm in December on firm retail demand, firm demand from corporates and higher prices of raw material. 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 15,400 (15,250) per quintal, and quoting Rs 14,300 (12,800) per quintal in Erode market on Nov 30, 2018.
- Coconut oil prices may trade sideways to firm tone tracking firm demand in ready markets.

Price Outlook: We expect coconut oil (Erode) to trade in the price band of Rs 1200-1600 per 10 Kg.

International Soy oil Market Fundamentals

Agriwatch view- Soy oil prices are expected to be supported by trade settlement between US-China and fall in stocks of soy oil in US.

Trade war between US and China has temporary been settled with Trump-Xi meeting at G-20 where temporary solution of trade dispute has been chalked out. US administration will not put any additional duty on Chinese goods for next 90 days and same will be adhered by China. China has agreed to most of US demands of access to US goods in China, opening of Chinese economy to US companies, bringing down tariff barriers for US goods, resume US agricultural goods imports including soybean and crude oil imports along with many other products.

This has given support to soybean complex prices as this will again open soybean imports to China but details are still awaited and market do not expect any immediate change in China's stand on US agricultural goods.

With US midterm elections over, Republicans gained in Senate majority indicating continuation of aggressive trade policy by Trump administration.

Soy oil stocks fell in US in October indicating firm domestic disappearance despite record crush of soybean in US. Low soy oil prices has led to higher US domestic disappearance while soybean crush margins are high and processors are running on record profits due to fall in soybean prices in US>

However, soy oil prices are expected to be underpinned by near record soybean crop in US, better than expected soybean crop in Brazil, weak demand of soybean by China, high stock of soybean in China, liquidation of soybean state reserve by China, weak competitive oils and firm dollar.

Due to trade settlement between US and China, US soybean prices have risen above Brazil soybean which may slow exports of soybean from Brazil as exports of soybean in 2018 touched 82 MMT from China due to trade dispute between US and China. 70 percent of soybean was going to China. However, soybean exports are expected to slow in 2019 from Brazil as Argentina's soybean supply will improve in 2019 and soybean demand will taper from China due to shift in domestic protein feed policy by China.

Soybean exports from US is expected to pickup due to fall in prices of soybean due to trade dispute which may prompt major buyers to buy more soybean from US as current prices of US soybean will give crushers big margins.

Soybean crop in Brazil in 2018/19 is increased to record in with record planted area. USDA has increased soybean crop in Brazil to 120.5 MMT. Soybean planting is progressing at faster pace than last year and 5 year average.

Also, soybean crop in Argentina is expected to touch 53- 57 MMT in 2018/19. USDA increased 2017/18 Brazil soybean exports to 77 MMT on higher demand of soybean from China in its Nov review.

Argentina has sold soybean and soy oil consignment to China indicating that China is hunting for options to replace US soybean imports. China has opened imports of soybean and soy oil from Argentina after years of ban. It is has also allowed other destinations in Africa.

China has removed export incentives for exports of soy meal from the country. Last year China exported more than 1 MMT of soy meal.

Crushers of soybean in China are struggling from weak demand due to low growth rate of livestock herd. Processing margins of soybean has turned to negative territory. Outbreak of swine flu has affected demand of

feed, which has led to lower soybean demand, leading to shutdown of many crushers. This may prompt China to import lower amount of soybean in coming months as present stocks will offset lower imports.

Further, Chinese are enquiring on import of cottonseed meal, sunflower meal, rapeseed meal from India, Ukraine and Canada respectively to tide over tight situation, which will arise in fourth quarter of 2018.

Recently, China removed ban on imports of Indian rapeseed meal.

China imported lower amount of soybean in any September, most of it from Brazil due to record stocks of soybean in China. This may prompt China to import lower amount of soybean in coming months as present stocks will set off lower imports in coming months.

China is liquidating soybean state reserves in an effort to keep stock of soybean to loosen any tightness in soybean markets. Currently China is liquidating 2013 soybean stocks. China is also liquidating state soy oil stocks to loosen any tightness in edible oils markets.

China is sitting on record stocks of soybean and soy meal and outbreak of swine flu in China will cut soybean imports in coming months. There are reports many outbreak of swine flu in China which has led to slaughtering swine to control its spread.

China reduced protein requirement of soy meal used for swine and poultry feed in an effort to cut use of soy meal in protein sources to diversify from soybean use. More measures are expected in future.

USDA cut soybean imports estimate by China from 95 MMT to below 90 MMT in 2018/19 due to weak demand from the country.

Competitive oils like BMD palm oil and DALIAN RBD palmolein is expected to trade weak due to strong supply concerns which will underpin soy oil prices.

Soy oil prices corrected more than 25 percent in last couple of months due to trade dispute between US and China and good soybean crop in US and Brazil coupled with weak Chinese demand, is expected to reignite demand and support prices.

Global crude oil prices have cooled as OPEC outside Iran ramped production along with US and Russia to tide over US sanction on Iran may have limited effect in oil markets in 2018. Crude oil is expected to rise in December as OPEC will cut crude oil output to stimulate prices when demand of crude oil is slowing.

- **USDA WASDE Oilseeds Highlights** The U.S. season-average soybean price range is forecast at \$7.60 to \$9.60 per bushel, unchanged at the midpoint. Soybean meal and soybean oil price forecasts are also unchanged at \$290 to \$330 per short ton and 28.0 to 32.0 cents per pound, respectively.
- **Price Outlook:** We expect Ref. soy oil with VAT to trade in the price band of Rs 700-800 per 10 Kg.

International Palm oil Market Fundamentals

- Palm oil prices are expected to fall on rise in end stocks of palm oil in Malaysia and Indonesia by Nov-Dec, higher than expected production of palm oil in Malaysia and Indonesia, slow rise exports of palm oil from Malaysia and Indonesia, weak demand of palm oil from top importing destinations after onslaught of winter.

Palm oil end stocks in Malaysia and Indonesia are expected to rise due to rise in production of palm oil and lower disappearance on lower rise in exports of palm oil from both countries

Production of palm oil is expected to rise more than demand in 2018 and growth will slow in 2019 on effect of El Nino.

Production of palm oil is expected to rise in Malaysia and Indonesia due to seasonal uptrend of production and higher yields. Production is expected to rise more in Indonesia due to better plant profile compared to Malaysia. Production in Indonesia is expected to surpass 41 MMT in 2018 in Indonesia and 20 MMT in Malaysia. Production in Malaysia rose less in 2018 due to old plant profile, lower use of fertilizers and labor shortage in Malaysia. This surge in production will increase end stocks of palm oil in both countries. Stocks of palm oil in Malaysia are expected to rise above 3 MMT in Malaysia by December while it will be above 5 MMT for Indonesia.

Indonesia removed export levy on exports of palm products from the country in an effort to relieve plantation which were struggling due to low prices of palm oil. This step is expected to increase exports of palm oil from the country.

Exports of palm oil will grow at a slower rate than production. Demand will slow down after arrival of winters in North Hemisphere.

Storage of palm oil is full in Indonesia and production will have to be slowed if demand does not increase.

RBD Palmolein Malaysia premium has increased over Indonesia CPO due to higher depreciation of Indonesia Rupiah compared to Ringgit with USD. Export demand from Malaysia will weaken due to high premium of Malaysian palmolein and buyers will shift to Indonesia.

Exports of palm oil fell 13 percent in November, according to cargo surveyor SGS, on weak demand from EU and China.

Demand from India was firm on appreciation of Rupee and bargain buying by India as it is price sensitive country.

Demand of palm oil from China fell due to higher supply of soy oil in China on higher production of soy oil due to liquidation of soybean state reserves. China is liquidation of state reserves of soybean to tide over tight soybean supply situation in the country.

Palm oil prices have corrected more than 25 percent in 2018 which may ignite demand. Important markets like India and China are price sensitive markets which will purchase more when prices fall.

India and China is expected to purchase more as prices are lucrative.

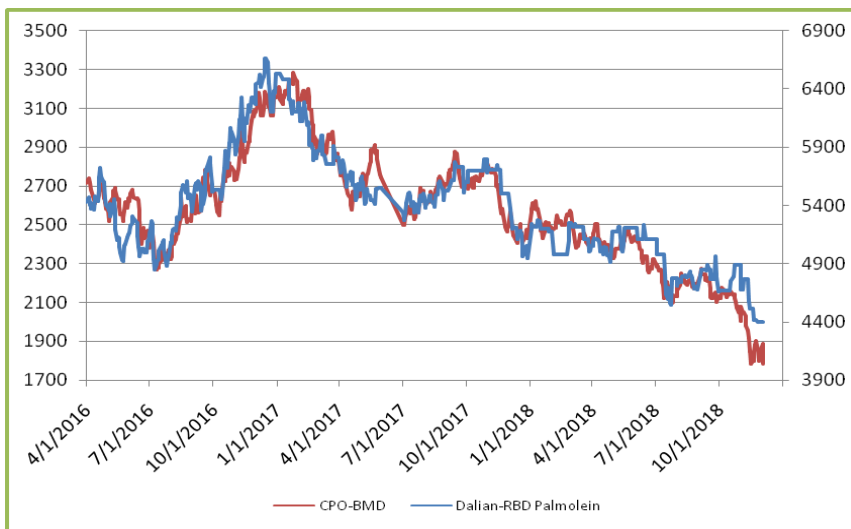
Trade war between US and China is expected to underpin CBOT soy oil prices as fall in soybean complex prices will prompt fall in palm oil prices.

Ringgit has fallen below 4.15 per USD which is below the psychological resistance. More depreciation in cards as expectation of more rate increases by Federal Reserve builds in 2018. Indonesia Rupiah has depreciated more than Ringgit which has led to high RBD palmolein FOB Malaysia premium over Indonesia CPO FOB which has led buyers shift to Indonesia leading to lower demand of palm oil from Malaysia thereby increasing stocks of palm oil in the country.

Trade settlement between US-China will increase soybean exports from US to China. However, China is yet to remove 25 percent import duty on imports of soybean from US.

CBOT soy oil is expected to be supported by rise in soybean complex prices due to US and China trade dispute and record soybean crop in US will underpin palm oil prices.

Crude oil prices are expected to rise due to cut in crude oil production by OPEC.



Indonesia is working to increase biodiesel use in the country and is planning B30 norms which aims to blend 30 percent bio content on diesel.

Malaysia is working on B10 biofuel standards from B7 to increase palm oil use in the country.

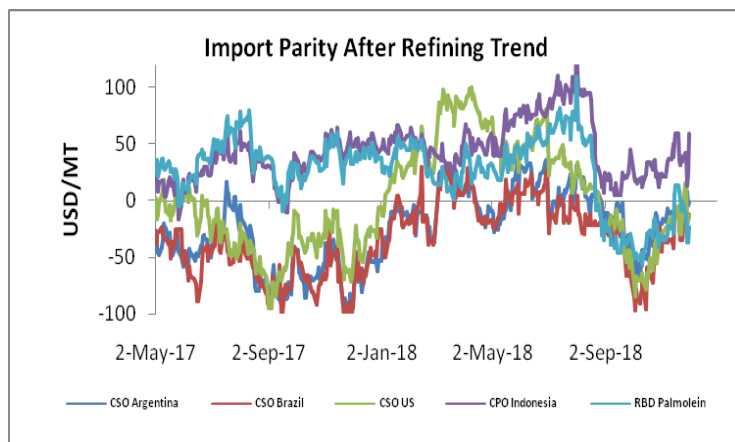
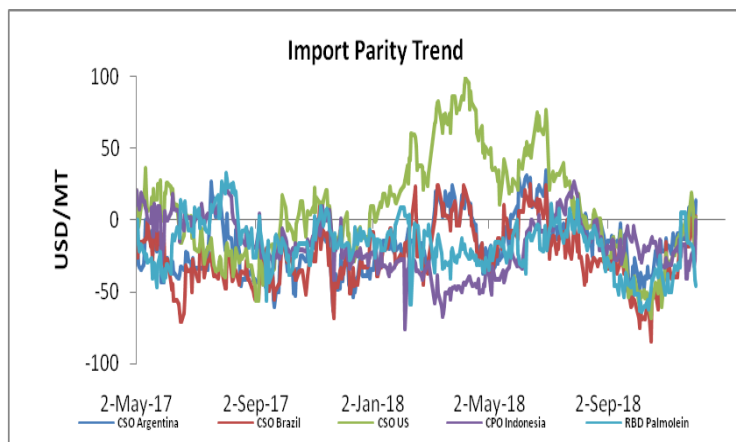
Malaysia abolished palm oil export duty for November to decrease rising stocks of palm oil in the country.

- According to Malaysia Palm Oil Board (MPOB), Malaysia's October palm oil stocks rose 7.63 percent to 27.22 lakh tons compared to 25.30 lakh tons in Sep. Production of palm oil in Oct rose 6.01 percent to 19.64 lakh tons compared to 18.54 lakh tons in Sep. Exports of palm oil in Oct fell 2.97 percent to 15.71 lakh tons compared to 16.19 lakh tons in Sep. Imports of palm oil in Oct rose 90.37 percent to 1.17 lakh tons compared to 0.62 lakh tons in Sep. End stocks of palm oil rose less than trade expectation on lower than expected fall in exports and lower than expected rose in production of palm oil.

- According to Indonesia's finance ministry, Indonesia will not charge levy on exports of palm products as long as CPO prices stay below threshold prices of USD 570 per ton. It will charge USD 10-15 per ton between prices range of USD 570-619 per ton. Levy will rise to USD 20-50 per ton above CPO prices of USD 619 per ton. Under the old rule exports of palm oil has to pay USD 20-50 per ton export levy on exports of palm oil irrespective of any thresholds which was used to fund biodiesel mandate in the country. With steep fall in palm oil prices in 2018, palm oil producers are bleeding which has led to removal of export levy. This step may lead more exports of palm oil from Indonesia which is reeling with oversupply of palm oil.
- According to Indonesia Palm Oil Association (GAPKI), exports of palm oil (CPO and PKO) from Indonesia rose 20.8 percent in October y-o-y to 3.14 MMT from were 2.60 MMT in Oct 2017. Exports of palm oil (CPO and PKO) were rose 5.02 m-o-m in Oct at 3.14 MMT compared to Sep 2018 at 2.99 MMT. Production of palm oil in Indonesia in October is reported at 4.51 MMT from 4.41 in Sep 2018, up 2 percent m-o-m. Stocks of palm oil in Oct 2018 rose to 4.407 MMT from 4.602 MMT in Sep 2018.
- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's Nov palm oil exports fell 13 percent to 1,241,467 tons compared to 1,427,539 tons in the corresponding period last month. Top buyers were European Union 283,168 tons (334,860 tons), India at 224,126 tons (81,700 tons), China at 171,660 tons (251,715 tons), United States at 43,524 tons (85,072 tons) and Pakistan at 34,400 tons (37,500 tons). Values in brackets are figures of last month.
- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's Nov palm oil exports fell 12.4 percent to 1,224,898 tons compared to 1,398,418 tons in corresponding period last month. Top buyers were and European Union 290,020 tons (242,082 tons), India & subcontinent 288,218 tons (321,281 tons) and China at 121,150 tons (242,435 tons). Values in brackets are figures of last month.
- Policy update- According to Malaysia Palm Oil Board (MPOB), Malaysia kept December crude palm oil export duty unchanged at 0.0 percent. Export duty of palm oil is calculated at reference price of 2,073.97 ringgit (\$499.51) 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 December CPO export duty unchanged at zero percent. CPO tax will remain zero below reference point of USD 750 per ton. CPO export duty has been at zero percent since May 2017.
- **Price Outlook:** We expect CPO Kandla 5% to trade in the price band of Rs 470-540 per 10 Kg.

Import Parity Trend

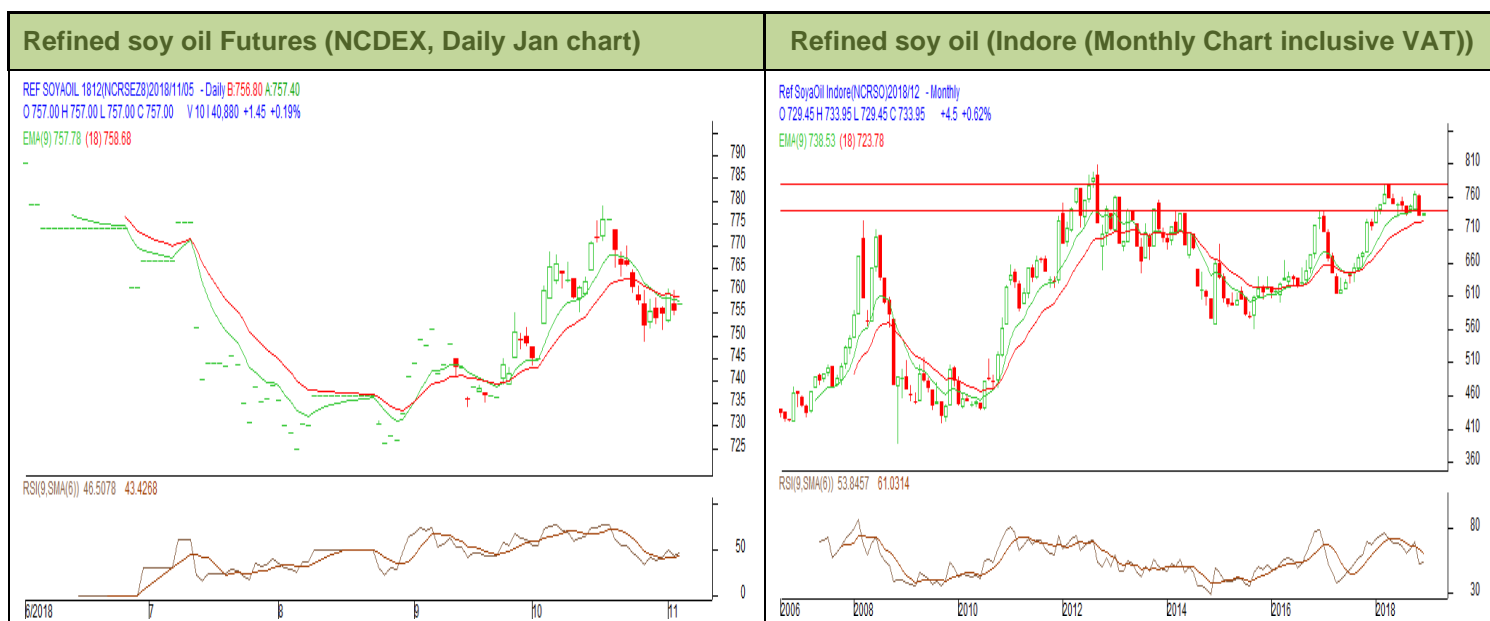


Import Parity after Refining in US dollar per tons (Monthly Average)

	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
Sep, 2018	7.38	-18.86	8.84	66.69	32.82
Oct, 2018	-21.14	-37.51	-28.67	17.97	-34.18
Nov, 2018	-11.43	-27.88	-17.98	36.32	-16.09

Outlook:-

Import parity for CDSO Argentina and CDSO Brazil is in disparity due to depreciation of Rupee. We expect CDSO import parity to remain in disparity in December due to weak Rupee. Parity in palm oil products will increase import. However, it may weaken due to depreciation of Rupee which may reduce imports.

Technical Analysis (Refined soy oil Monthly Charts)


Outlook – Prices are likely to trade lower to weak tone in the days ahead. Investors are advised to sell refined soy oil (Jan contract) on rise.

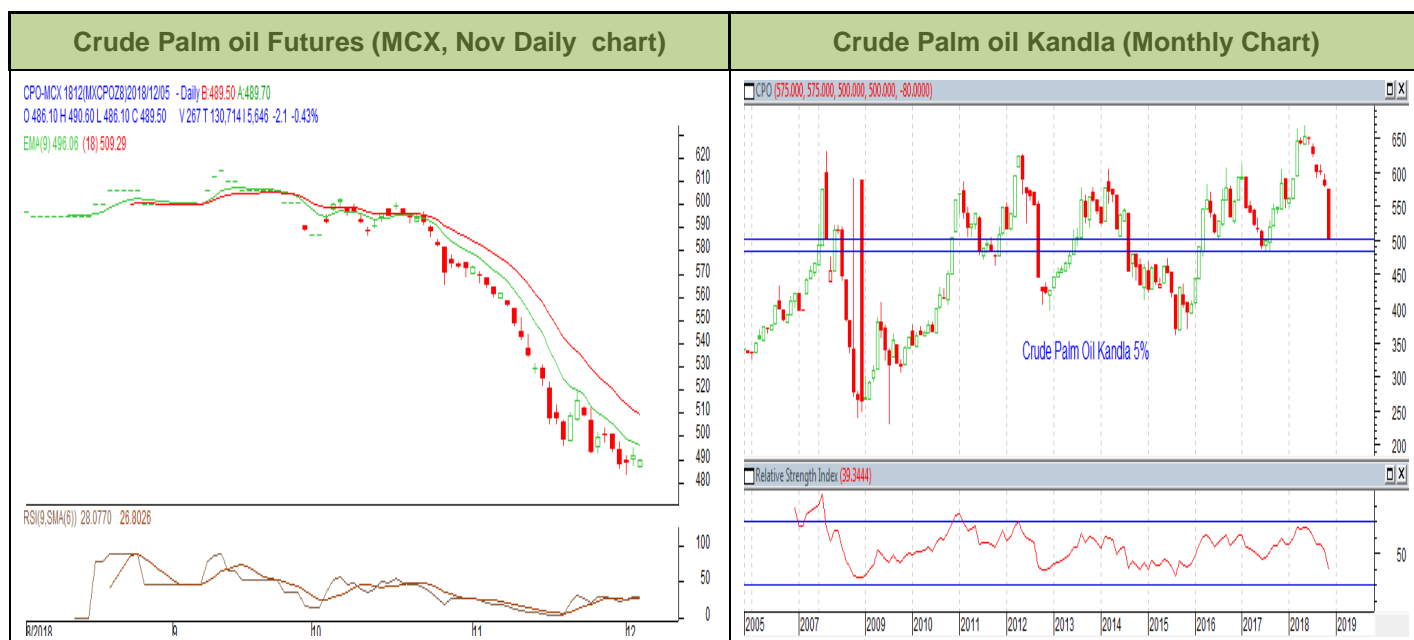
- Monthly chart of refined soy oil at NCDEX featured losses in the prices. We expect sideways to weak movement in the coming days.
- Any close below 720 in monthly chart will bring prices to 700 levels.
- Expected price band for next month is 700-770 level in near to medium term. RSI and MACD are indicating downtrend at current levels.

Strategy: Market participants are advised to go short in RSO below 735 for a target of 715 and 710 with a stop loss at 745 on closing basis.

RSO NCDEX

Support and Resistance				
S2	S1	PCP	R1	R2
721.00	743.00	731.5	765.00	780.00

Spot Market outlook: Refined soy oil Indore (including VAT) is likely to stay in the range of 700-800 per 10 Kg.

Technical Analysis (Crude Palm oil Monthly Charts)


Outlook - Prices may trade with a sideways to weak tone in the coming days. Investors are advised to sell MCX CPO (Dec contract) on rise.

- Candlestick monthly chart of crude palm oil at MCX depicts fall in prices. We expect prices to feature sideways to weak tone in the near term.
- Any close below 490 in monthly chart might bring the prices to 480 levels.
- Expected price band for next month is 460-540 level in near to medium term. RSI and MACD are indicating downtrend.

Strategy: Market participants are advised to go short in CPO below 500 for a target of 480 and 475 with a stop loss at 510 on closing basis.

CPO MCX

Support and Resistance				
S2	S1	PCP	R1	R2
450.00	480.00	492.3	500.00	520.00

Spot Market outlook: Crude palm oil Kandla is likely to stay in the range of 470-540 per 10 Kg.



Monthly spot prices comparison

Commodity	Centre	Prices(Per 10 Kg)		Change
		30-Nov-18	31-Oct-18	
Refined Soybean Oil	Indore	735	765	-30
	Indore (Soy Solvent Crude)	695	727	-32
	Mumbai	735	755	-20
	Mumbai (Soy Degum)	705	718	-13
	Kandla/Mundra	720	750	-30
	Kandla/Mundra (Soy Degum)	692	725	-33
	Kolkata	738	768	-30
	Delhi	760	791	-31
	Nagpur	729	771	-42
	Rajkot	720	745	-25
	Kota	730	765	-35
	Hyderabad	760	770	-10
	Akola	731	771	-40
	Amrawati	730	770	-40
	Bundi	740	775	-35
	Jalna	728	775	-47
	Alwar	Unq	Unq	-
	Solapur	718	756	-38
	Dhule	728	776	-48
Palm Oil *	Kandla (Crude Palm Oil)	525	609	-84
	Kandla (RBD Palm oil)	572	646	-74
	Kandla RBD Pamolein	606	683	-77
	Kakinada (Crude Palm Oil)	523	604	-81
	Kakinada RBD Pamolein	630	693	-63
	Haldia Pamolein	635	701	-66
	Chennai RBD Pamolein	635	709	-74
	KPT (krishna patnam) Pamolein	623	693	-70
	Mumbai RBD Pamolein	635	704	-68
	Mangalore RBD Pamolein	635	705	
	Tuticorin (RBD Palmolein)	641	707	-66
	Delhi	640	722	-82
	Rajkot	604	683	-79
	Hyderabad	615	710	-95
	PFAD (Kandla)	315	373	-58
	Refined Palm Stearin (Kandla)	420	509	-89
	Superolien (Kandla)	662	730	-68
	Superolien (Mumbai)	709	780	-71

* Inclusive of GST

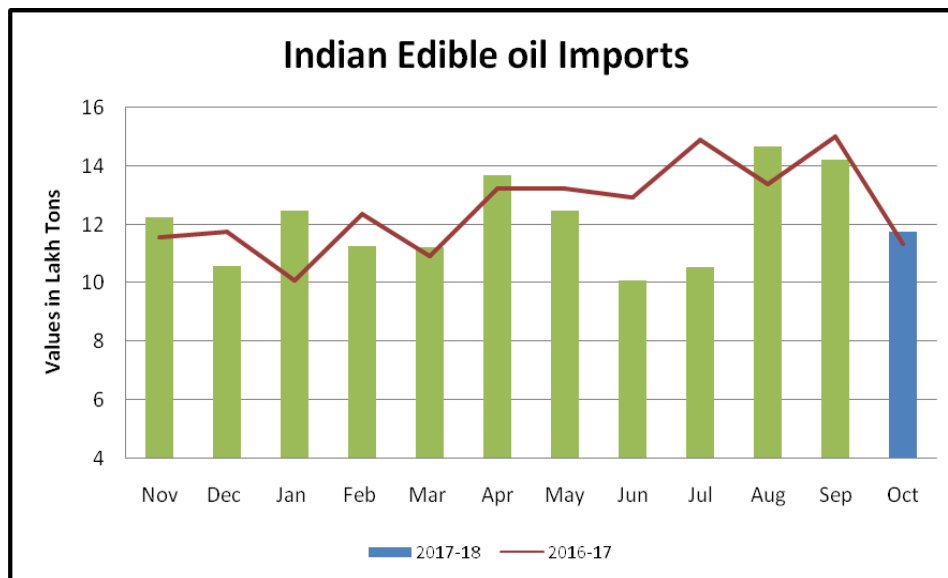


Refined Sunflower Oil	Chennai	770	820	-50
	Mumbai	810	825	-15
	Mumbai(Expeller Oil)	715	745	-30
	Kandla	780	810	-30
	Kandla/Mundra (Crude)	Unq	Unq	-
	Hyderabad (Ref)	775	810	-35
	Latur (Expeller Oil)	770	780	-10
	Chellakere (Expeller Oil)	705	765	-60
	Erode (Expeller Oil)	810	850	-40
Groundnut Oil	Rajkot	940	975	-35
	Chennai	920	960	-40
	Delhi	950	925	25
	Hyderabad *	1000	960	40
	Mumbai	960	995	-35
	Gondal	940	975	-35
	Jamnagar	940	975	-35
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	810	825	-15
	Jaipur (Kacchi Ghani Oil)	825	840	-15
	Kota (Expeller Oil)	795	800	-5
	Kota (Kacchi Ghani Oil)	820	830	-10
	Neewai (Kacchi Ghani Oil)	790	800	-10
	Neewai (Expeller Oil)	810	826	-16
	Bharatpur (Kacchi Ghani Oil)	810	830	-20
	Alwar (Kacchi Ghani Oil)	Unq	Unq	-
	Alwar (Expeller Oil)	Unq	Unq	-
	Sri-Ganga Nagar(Exp Oil)	815	815	Unch
	Sri-Ganga Nagar (Kacchi Ghani Oil)	825	830	-5
	Mumbai (Expeller Oil)	810	825	-15
	Kolkata(Expeller Oil)	970	960	10
	New Delhi (Expeller Oil)	840	847	-7
	Hapur (Expeller Oil)	890	885	5
	Hapur (Kacchi Ghani Oil)	930	925	5
	Agra (Kacchi Ghani Oil)	815	835	-20
Refined Cottonseed Oil	Rajkot	675	750	-75
	Hyderabad	690	760	-70
	Mumbai	710	775	-65
	New Delhi	678	710	-32
Coconut Oil	Kangayan (Crude)	1430	1280	150

	Cochin	1540	1525	15
	Trissur	Unq	Unq	-
Sesame Oil	New Delhi	1700	1700	Unch
	Mumbai	Unq	Unq	-
Kardi	Mumbai	870	840	30
Rice Bran Oil (40%)	New Delhi	620	725	-105
Rice Bran Oil (4%)	Punjab	640	660	-20
Rice Bran Oil (4%)	Uttar Pradesh	Unq	Unq	-
Malaysia Palmolein USD/MT	FOB	485	525	-40
	CNF India	500	553	-53
Indonesia CPO USD/MT	FOB	428	490	-62
	CNF India	460	518	-58
RBD Palm oil (Malaysia Origin USD/MT)	FOB	480	520	-40
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	443	513	-70
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	800	855	-55
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	318	425	-107
Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	820	-
Ukraine Origin CSFO USD/MT Kandla	CIF	685	700	-15
Rapeseed Oil Rotterdam Euro/MT	FOB	740	753	-13
Argentina FOB (\$/MT)		29-Nov-18	30-Oct-18	Change
Crude Soybean Oil Ship		628	638	-10
Refined Soy Oil (Bulk) Ship		650	660	-10
Sunflower Oil Ship		638	665	-27
Cottonseed Oil Ship		608	618	-10
Refined Linseed Oil (Bulk) Ship		Unq	Unq	-
* indicates including GST				

Annexure:

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 Oct is pegged at 11.74 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	8.12	-4.36%
Imports	14.57	15.08	14.82	-1.72%
Total Supply	24.06	25.35	24.68	-2.67%
Exports	0.01	0.01	0.02	100.00%
Total Demand(Consumption)	22.27	23.61	23.61	0.00%
Ending Stock	1.78	1.74	1.05	-39.47%

* Value in million tons

Balance Sheet Highlights

Net edible oil output is likely to be 8.12 million tons (down 4.36 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 14.82 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 23.61 million tons, unchanged from last year. Ending stocks are projected lower compared to 2016-17 at 1.05 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 & 2017-18 Agriwatch Estimates, *** (USDA estimates).

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

Landed Cost Calculation as on 04/12/2018	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
FOB USD per ton	630	657	627	428	475
Freight (USD/MT)	47	47	62	35	25.0
C & F	677.0	704.0	689.0	463.0	500.0
Weight loss (0.25% of FOB)	1.58	1.64	1.57	1.07	1.19
Finance charges (0.4% on CNF)	2.71	2.82	2.76	1.85	2.00
Insurance (0.3% of C&F)	2.03	2.11	2.07	1.39	1.50
CIF (Indian Port - Kandla)	683	711	695	467	505
Duty (Values in USD per tons)	272.20	272.20	272.20	224.09	320.17
GST (5% on duty) USD per ton	13.61	13.61	13.61	11.20	16.01
Exchange rate	70.34	70.34	70.34	70.34	70.34
Landed cost without customs duty in INR per ton	48064	49982	48914	32871	35500
Customs duty %	35.00%	35.00%	35.00%	44.00%	54.00%
Social Welfare Surcharge@10%	3.50%	3.50%	3.50%	4.40%	5.40%
Total Duty %	38.50%	38.50%	38.50%	48.40%	59.40%
Base import price	707	707	707	463	539
Fixed exchange rate by customs department	72.95	72.95	72.95	72.95	72.95
Duty component in INR per ton	19856.63	19856.63	19856.63	16347.51	23356.11
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	69321	71238	70170	50618	60256
Domestic Market price INR/ton Soy Degum Kandla/CPO Kandla/RBD Kandla	70200	70200	70200	48900	56800
Total landed cost USD per ton	986	1013	998	720	857
Domestic Market price USD/tons Soy Degum Kandla/CPO Kandla 5%	998	998	998	695	808
Parity INR/MT (Domestic - Landed)	879	-1038	30	-1718	-3456
Parity USD/MT (Domestic - Landed)	12.50	-14.76	0.42	-24.43	-49.13
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	73820.93	75738.15	74670.39	58118.17	63055.83
Soy/Palm oil imported Price (Including tax)	77511.98	79525.06	78403.91	61024.08	66208.62
Loose price of Soy/Palm in Indore and Delhi market	76650.00	76650.00	76650.00	67500.00	67500.00
Parity after processing and Taxes (Rs per MT)	-861.98	-2875.06	-1753.91	6475.92	1291.38
Parity after processing and Taxes (USD per MT)	-12.25	-40.87	-24.93	92.07	18.36
Source: Agriwatch					

Balance Sheets of various edible oils

Balance Sheet (Quarterly)- Soy Oil, India

Fig. in lakh tons

	2016-17	2017-18-F	Nov-Jan	Feb-Apr	May-July	Aug-Oct-F
Opening Stock	7.32	5.67	5.67	4.86	3.10	5.35
Production (Domestic)	15.09	14.94	6.87	1.79	1.79	4.48
Imports	33.16	31.67	5.78	5.14	9.75	11.00
Imported oil processing	32.26	30.81	5.62	5.00	9.49	10.70
Total Production (Domestic production and imported oil production)	47.35	45.75	12.50	6.79	11.28	15.19
Total Supply	54.68	51.43				
Quarterly add-on			12.50	6.79	11.28	15.19
Consumption	49.00	47.53	13.31	8.56	9.03	16.64
Ending Stock	5.67	3.89	4.86	3.10	5.35	3.89

Source: AW estimates

Oil year- November-October

Highlights

- Prices of soy oil in 2017-18 are expected to be higher on lower imports in oil year 2017-18 on lower 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 Aug-Oct is due to higher consumption.
- Carryout stocks of oil year 2016-17 is 5.97 lakh tons on higher soy oil imports.
- Carry out of oil 2017-18 is 3.89 lakh tons
- Carryout of 2017-18 is lower than 2016-17.

Balance Sheet- Palm Oil (quarterly), India
Fig. in million tons

	2016-17	2017-18-F	Nov-Jan	Feb-Apr	May-July	July-Oct-F
Opening Stock	1.20	1.14	1.14	1.22	1.32	1.08
Production	0.20	0.20	0.05	0.05	0.05	0.05
Imports	9.29	8.80	2.27	2.30	1.58	2.65
Total Supply	10.69	10.14				
Quarterly add-on			2.32	2.35	1.63	2.70
Consumption	9.55	9.36	2.25	2.25	1.87	2.99
Ending Stocks	1.14	0.78	1.22	1.32	1.08	0.78

Source: AW estimates

Oil year- November-October

Highlights

- Prices of palm oil in 2017-18 are expected to be firm on lower carryout compared to oil year 2016-17.
- Imports are expected to be lower in 2017-18 compared to last year oil year 2016-17.
- Carryout stocks of oil year 2016-17 are 0.78 million tons fall in imports.
- Carryout of 2017-18 is lower than 2016-17 due to lower imports of palm oil.
- Carry out of fourth quarter of oil year 2017-18 will be lower than third quarter of oil year 2017-18.

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	3.81	5.09	6.80
Production	0.96	0.80	0.15	0.12	0.27	0.27
Imports	21.68	25.52	6.02	7.18	7.22	5.10
Total Supply	24.66	29.75				
Quarterly add-on			6.17	7.30	7.49	5.37
Exports	0.00	0.00	0.00	0.00	0.00	0.00
Consumption	21.23	23.14	5.78	6.02	5.78	5.55
Ending Stocks	3.43	6.61	3.81	5.09	6.80	6.61

Source: AW estimates

Oil year- November-October

Highlights

- Prices will be weak in higher 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 higher than 2016-17 due to lower imports.

- Higher carry out in 2017-18 is due to higher imports.

Balance Sheet- Rapeseed Oil, India

Fig. in lakh tons

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18-F
	1.49	1.73	3.86	1.39	1.41	1.93
Production	25.02	26.78	20.16	21.24	27.88	27.09
Imports	0.13	2.00	3.70	3.56	2.93	3.00
Total Supply	26.64	30.52	27.72	26.19	32.22	32.02
Exports	0.00	0.00	0.00	0.00	0.00	0.00
Consumption	24.91	26.66	26.33	24.77	30.29	30.90
Ending Stocks	1.73	3.86	1.39	1.41	1.93	1.13

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 1.93 lakh tons on higher rapeseed oil production.
- Carryout of 2017-18 is lower than 2016-17 due to lower production of rapeseed oil.

Balance Sheet- Groundnut Oil (quarterly), India

Fig. in lakh tons

	2016-17	2017-18-F	Nov-Jan	Feb-Apr	May-July	Aug-Oct-F
Opening stocks	0.10	0.34	0.34	0.64	0.44	0.39
Oil availability (Production)	8.04	7.50	2.75	2.25	1.25	1.25
Imports	0	0	0	0	0	0
Total Supply	8.14	7.84				
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	7.50	7.11	2.35	2.35	1.21	1.21
End stocks	0.34	0.33	0.64	0.44	0.39	0.33

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 0.34 lakh tons on higher groundnut oil production.
- Carryout stocks of oil year 2017-18 is 0.33 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 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

International Balance Sheets

Balance Sheet (Annual) - Soy Oil, United States

Fig. in million tons

	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Beginning Stocks	0.529	0.841	0.765	0.776	0.978
Production	9.706	9.956	10.035	10.725	10.845
Imports	0.12	0.13	0.145	0.159	0.136
Total Supply	10.355	10.927	10.945	11.66	11.959
Exports	0.914	1.017	1.159	1.111	0.998
Industrial Dom. Cons.	2.286	2.572	2.812	3.175	3.538
Food Use Dom. Cons.	6.314	6.573	6.198	6.396	6.441
Domestic Consumption	8.6	9.145	9.01	9.571	9.979
Ending Stocks	0.841	0.765	0.776	0.978	0.982

Source: USDA

Balance Sheet (Annual) - Soybean, United States
Fig. in million tons

	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Beginning Stocks	2.504	5.188	5.354	8.208	10.738
Production	106.878	106.857	116.92	119.518	127.726
Imports	0.904	0.641	0.606	0.599	0.68
Total Supply	110.286	112.686	122.88	128.325	139.144
Exports	50.136	52.87	58.96	57.969	56.064
Crush	50.975	51.335	51.742	55.928	56.336
Domestic Consumption	54.962	54.462	55.712	59.618	60.082
Ending Stocks	5.188	5.354	8.208	10.738	22.998
Yield (MT/HA)	3.2	3.23	3.49	3.3	3.55

Source: USDA

Balance Sheet (Annual) - Soybean, Brazil
Fig. in million tons

	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Beginning Stocks	15.82	19.078	18.558	26.462	23
Production	97.2	96.5	114.6	119.5	120.5
Imports	0.305	0.41	0.252	0.185	0.35
Total Supply	113.325	115.988	133.41	146.147	143.85
Exports	50.612	54.383	63.137	76.7	75
Crush	40.435	39.747	40.411	43	42.7
Domestic Consumption	43.635	43.047	43.811	46.447	46.2
Ending Stocks	19.078	18.558	26.462	23	22.65
Yield (MT/HA)	3.03	2.9	3.38	3.41	3.21

Source: USDA

Balance Sheet (Annual) - Soybean, Argentina
Fig. in million tons

	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Beginning Stocks	25.271	31.75	33.65	35.47	32.67
Production	61.45	58.8	55	37.8	57
Imports	0.002	0.676	1.674	3.9	2.22
Total Supply	86.723	91.226	90.324	77.17	91.89
Exports	10.575	9.922	7.026	2.1	8
Crush	40.235	43.267	43.303	37.7	43
Domestic Consumption	44.398	47.654	47.828	42.4	47.92
Ending Stocks	31.75	33.65	35.47	32.67	35.97
Yield (MT/HA)	3.18	3.04	3.17	2.32	3

Source: USDA



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