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# 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, rapeseed oil, sunflower oil and coconut oil closed in red while groundnut oil prices closed in green.*

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

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

*On the currency front, Indian rupee is hovering near 70.26 compared to 71.44 last month. Rupee is expected to appreciate in March. Crude oil prices are expected to rise in March.*

**Recommendation:**

*In NCDEX, market participants are advised to go short in RSO below 770 for a target of 750 and 745 with a stop loss at 780 on closing basis.*

*In MCX, Market participants are advised to go short in CPO below 555 for a target of 535 and 530 with a stop loss at 565 on closing basis.*

*Market participants can buy refined soy oil in the cash markets at 750-760 for the target of 780-790 levels (Indore), if needed. Market participants can buy CPO Kandla 5% in the cash markets at 530-540 for the target of 560-570 levels, if needed.*

**International Veg. Oil Market Summary**

*CBOT soy oil (May) is expected to stay in the range of 28 cents/lb to 34 cents/lb. CPO at BMD (Apr) is likely to stay in the range of 1900-2400 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, soybean harvest in Brazil, soybean crop in Argentina, 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 and ringgit.*

*On the international front, rising soy oil stocks in US, faster rate of harvest in Brazil, lower soybean demand by China, higher soybean crop in Argentina is expected to underpin soy oil prices in coming days.*

*Lower than expected fall in palm oil stocks in Malaysia, lower than expected fall in production of palm oil in Malaysia, lower exports of palm oil from Malaysia, fall in competitive oils prices and firm ringgit 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 February on weak demand. Average prices of refined soy oil rose in February.
- Soy oil prices witnessed downtrend in month of February on weak demand.

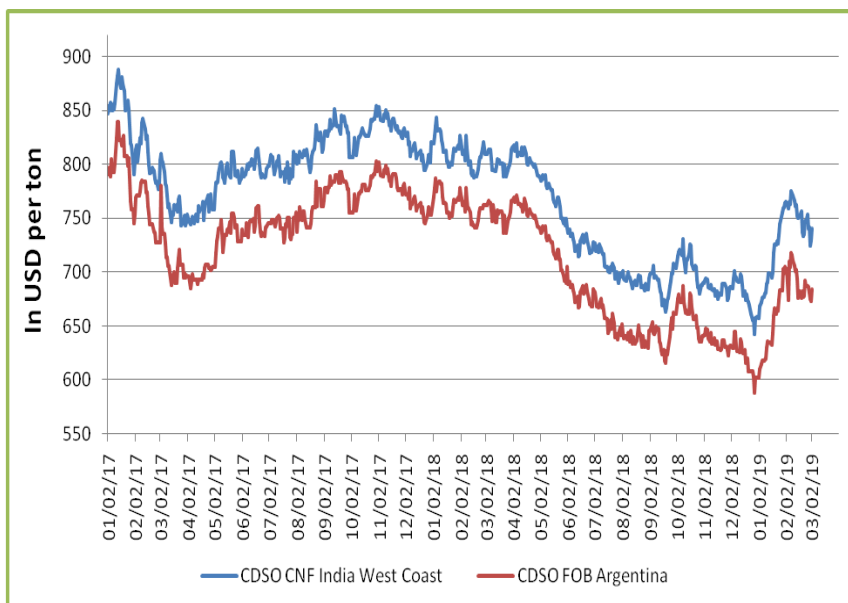
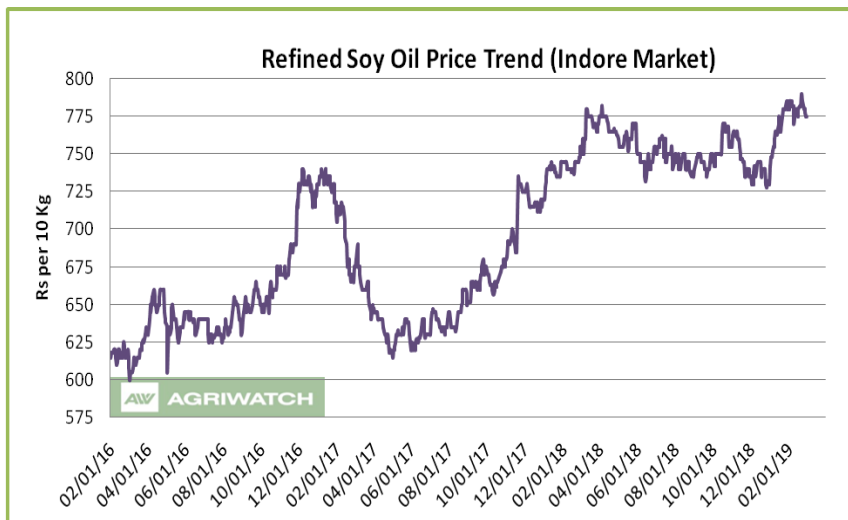
Demand of soy oil fell in Feb on disparity import margins of soy oil. Due to appreciation of Rupee, imports have may return to parity.

Import prices of soy oil has fallen on favorable crop condition of soybean in Argentina which will make imports cheaper to other imported edible oils.

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

Refined soy oil premium over CPO has increased to Rs 224 (Rs 202 last month) per 10 Kg which is high and will underpin soy oil prices. Refined soy oil premium over RBD palmolein was at Rs 140 (Rs 145 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 35 (Rs 40) per 10 kg indicating firm demand of CDSO



compared to refined soy oil in domestic markets.

Landed cost and refining margins are in disparity due to fall in prices of soy oil in domestic markets.

Difference increased between CDSO-CNF-India West coast and Soy oil CBOT due to fall in basis (spot prices – futures prices) due to good soybean crop expectation in Argentina.

Higher soy meal exports have resulted in higher crushing of soybean. Soy meal exports improved after hike in import duty on edible oils and rise in demand from Iran.

Imports of soy oil fell in Jan compared to Jan 2018 while it rose compared to Dec 2018 and stocks at ports fell indicating firm demand and destocking at ports.

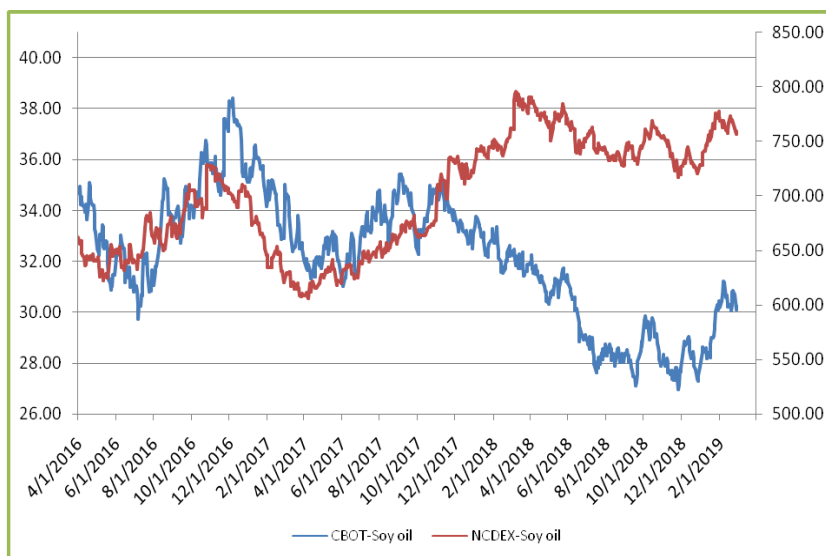
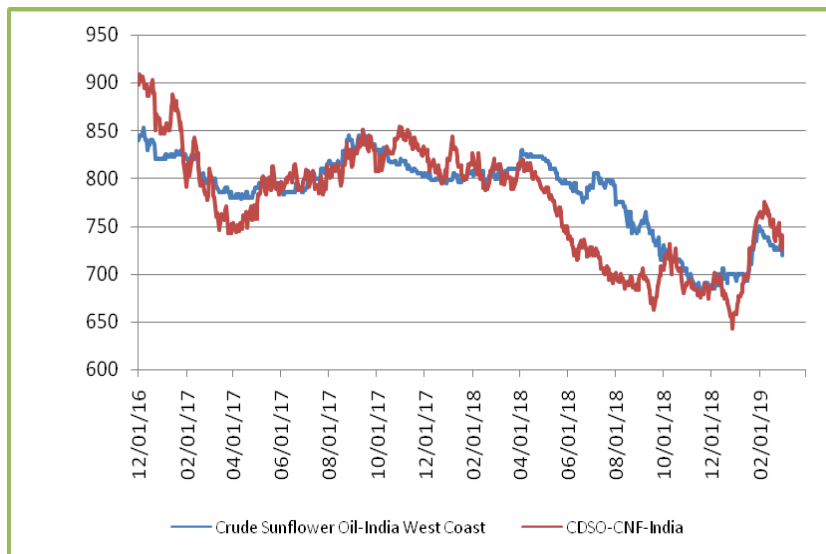
Import parity of soy oil have returned to disparity due to fall in prices of soy oil in domestic markets which will increase imports.

Prices fell on fall in prices of competing oils like palm oil.

- Soy oil import scenario – According to SEA, soy oil imports fell 17.33 percent y-o-y in Jan to 1.86 lakh tons from 2.25 lakh tons in Jan 2018. In the oil year 2018-19 (Nov 2018-Jan 2019), imports of soy oil were 4.75 lakh tons compared to 5.78 lakh tons in last oil year, lower by 17.82 percent y-o-y.
- Imported crude soy oil CIF at West coast port is offered at USD 723 (USD 739) per ton for Mar delivery, Apr delivery is offered at USD 701 (USD 720) per ton and May delivery is quoted at USD 700 per ton. Values in brackets are figures of last month. Last month, CNF CDSO Feb average price was USD 753.86 (USD 709 per ton in Jan 2019) per ton.
- On the parity front, margins decreased during the month on fall in prices of soy oil in Indian markets, and we expect margins to remain weak in coming days. Currently refiners lose USD 10-15/ton v/s gain of USD 30-35/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 740-820 per 10 Kg in the near term.



## Palm oil: Domestic Market Fundamentals

- CPO prices witnessed weak tone in the month of February at its benchmark market at Kandla on fall in prices of palm oil in international markets.
- Crude palm oil prices fell in Kandla in the month of February on fall in prices of palm oil in international markets.

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

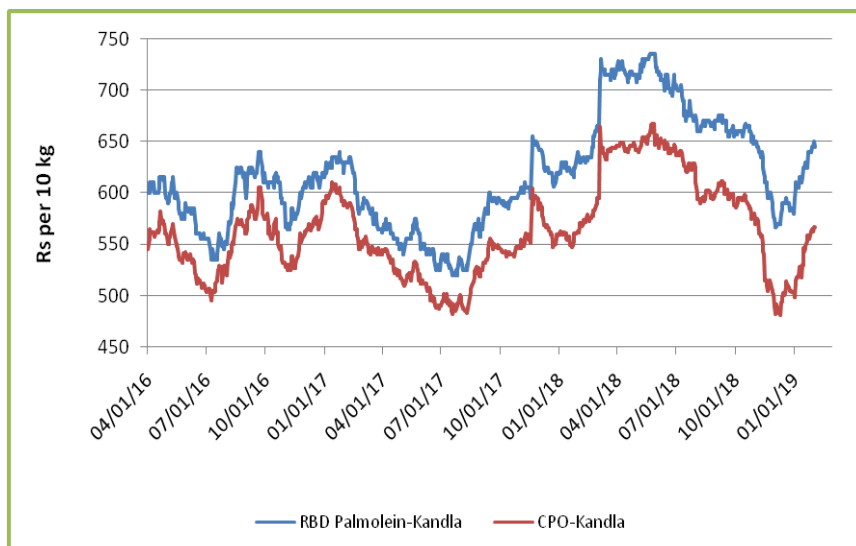
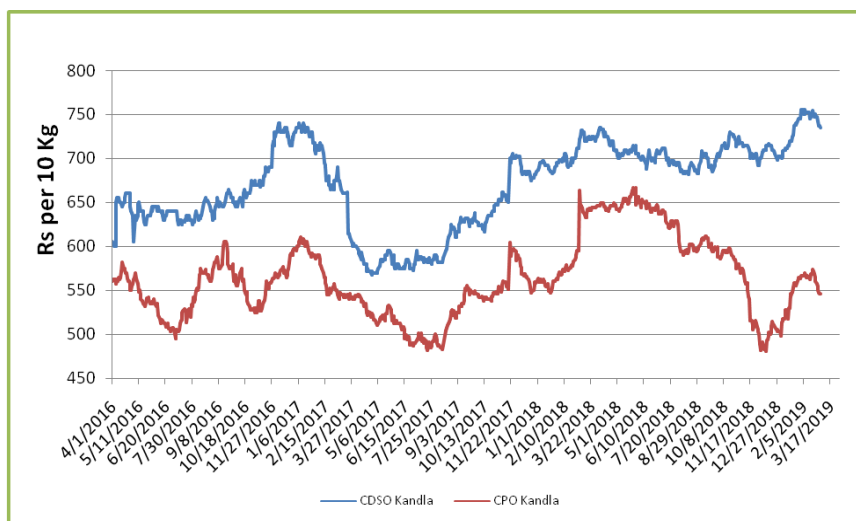
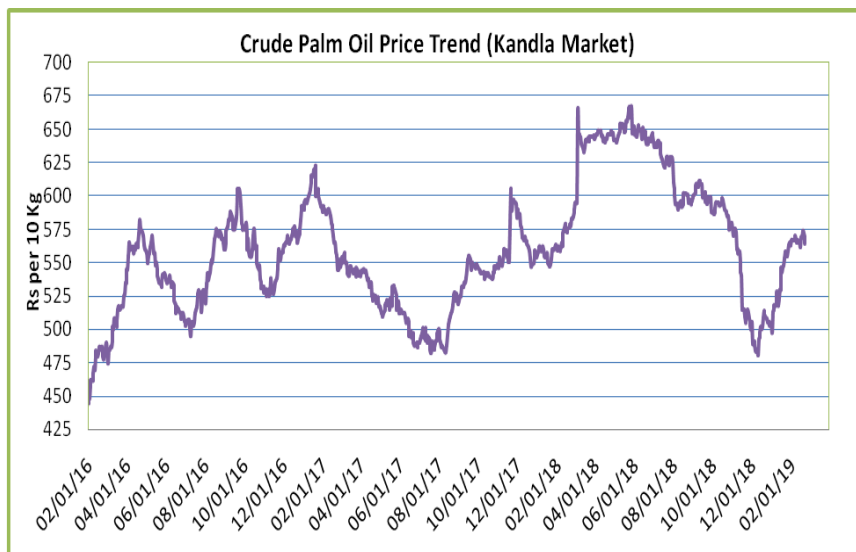
Demand of CPO is less at CNF markets as prices fell more at CNF compared to FOB markets.

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

Disparity at ports increased due to fall in prices of palm oil in Indian markets. Fall of prices of palm oil in Indian market was the prime reason for increase in import disparity. Due to disparity in imports prices will not fall much going ahead.

Appreciation of Rupee has made imports cheaper which will increase imports in coming months. Appreciation of Rupee will decrease import disparity in March.

CPO trade is weak and traders are having high 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 3.5-4.0 per kg.

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

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

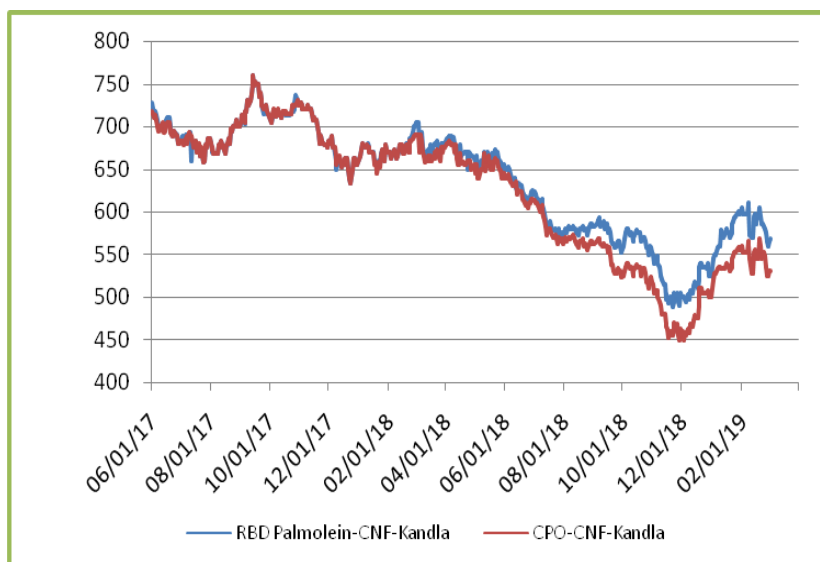
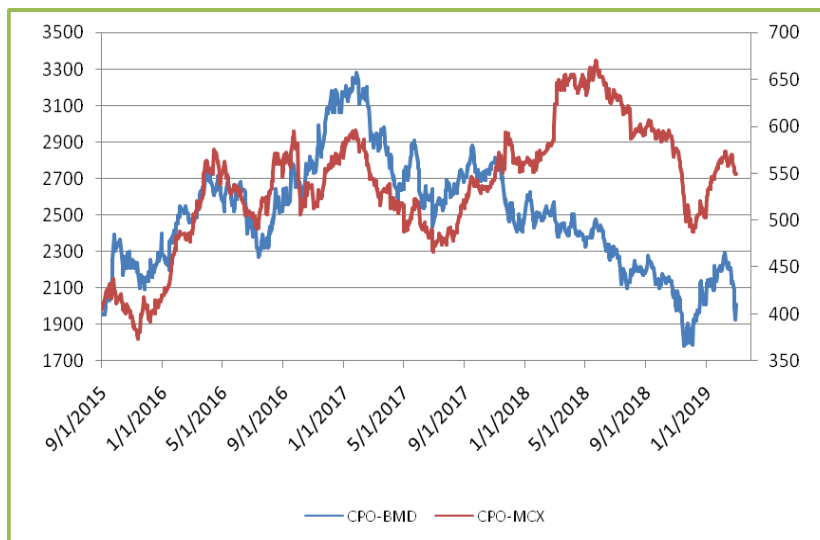
RBD palmolein featured weak tone in its benchmark market on fall in prices of palm oil in international markets. Prices of RBD palmolein fell less at high seas compared to CNF markets indicating firm demand at high seas.

Prices of RBD palmolein fell more at CNF markets compared to FOB markets indicating weak demand at CNF markets. Lower import duty on RBD palmolein imports, appreciation of Rupee and falling price premium of RBD palmolein over CPO at CNF markets has improved import demand.

Recent decrease in import duty of palm oil especially RBD palmolein from Malaysia will increase RBD palmolein imports.

Import parity of ready to use imported palmolein has risen above CPO. Duty differential between CPO and RBD palmolein has decreased from 11 percent to 5.5 percent. This has made CPO uncompetitive and refining margins of CPO will fall below imported palmolein from Malaysia.

RBD palmolein is offered at \$30-35





premium over CPO compared to \$45-45 premium over CPO at CNF markets last month which will increase RBD palmolein imports. Higher discount of RBD palmolein over soy oil, sunflower oil and rapeseed oil will improve demand.

Importers are selling cargoes at discount to clear stocks as fall in international prices have eroded gains.

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

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

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

RBD palmolein premium over CPO increased to Rs 84 (Rs 73 last month) per 10 kg indicating weak demand of CPO compared to RBD palmolein at high seas.

Import of CPO in Jan was lower than that of Jan 2018 and Dec 2018. Stocks at ports rose in Jan compared to Dec 2018

Import of RBD palmolein is rose in Jan compared to Jan 2018 and Dec 2018. Imports rose more in Jan compared to Dec 2018 and stocks rose less at ports indicating firm demand.

Lowering of in import duty on RBD palmolein from Malaysia and lowering of duty differential will lead to lower imports of CPO from Indonesia and higher imports of RBD palmolein from Malaysia. Landed cost of CPO is in disparity and refining margins are in disparity. Refining margins in imported CPO is higher than imports of ready to use RBD palmolein.

RBD palmolein is trading at premium over CPO at India CNF due to removal of export levy by Indonesia 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 Malaysia.

High soy oil premium over crude palm oil which is hovering at Rs 198 (Rs 218 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 decreased in January at CNF markets.. Higher premium of crude sunflower CNF India West coast and CPO CNF at USD 193 (USD 190) per ton will increase CPO prices and RBD palmolein prices in medium term. Higher premium of CSFO-CNF-India West coast over CPO-CNF indicates increase in supply of CPO at CNF markets compared to CSFO-CNF.

Higher CDSO CNF premium over CPO CNF will increase imports of CPO in medium term at USD 198 (USD 188 last month) per 10 kg. Premium of CDSO soy oil high seas over CPO high seas is at Rs 189 (Rs 202 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 140 (Rs 145 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 Jan fell 2.3 percent y-o-y to 8.15 lakh tons from 8.34 lakh tons in Jan 2019. Imports in the oil year 2018-19 (November



2018-January 2019) are reported higher by 1.93 percent y-o-y at 23.19 lakh tons compared to 22.75 in last oil year.

Crude Palm oil import scenario- According to Solvent Extractors Association (SEA), CPO Imports fell 4.17 percent y-o-y in Jan to 6.45 lakh tons from 6.73 lakh tons in Jan 2019. Imports in oil year 2018-19 (November 2018-January 2019) were reported higher by 2.34 percent y-o-y at 18.84 lakh tons compared to 18.41 lakh tons in last oil year.

RBD palmolein import scenario- RBD palmolein imports rose y-o-y in Jan by 11.13 percent to 1.68 lakh tons from 1.51 lakh tons in Jan 2018. Imports in oil year 2018-19 (November 2019-January 2019) were reported marginally higher y-o-y at 4.07 lakh tons compared to 4.05 lakh tons in corresponding period last oil year.

- On the trade front, CNF CPO (Indonesian origin) at Indian port quoted at USD 525 (USD 570) per ton for Mar delivery. Last month, CNF CPO Feb average price was at USD 547.91 per ton (USD 539.2 per ton in Jan 2019). Values in brackets are figures of last week.

Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 557.5 (USD 610) per ton for Mar delivery. Last month, CIF RBD palmolein Feb average price was USD 588.37 (USD 575.04 in Jan 2019) per ton. Values in bracket depict last month quotes.

Ready lift CPO duty paid prices quoted at Rs 546 (Rs 567) per 10 Kg and Feb delivery duty paid is offered at Rs 549 (Rs 572) per 10 kg. Ready lift RBD palmolein is quoted at Rs 630 (Rs 640) per 10 kg as on Mar 4, 2019. Values in brackets are figures of last month.

- On the parity front, margins fell during the month of February on lower price of palm oil products in Indian markets and we expect margins to remain weak in coming days. Currently refiners lose USD 5-10/ton (Feb average) v/s gain of USD 10-15/ton (Jan average) margin in processing the imported CPO but on the imports of ready to use palmolein lose USD 15-20/ton (Feb average) v/s loss of USD 10-55 (Jan average).

**Price Outlook:** We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 520-600 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 increased in February.
- Rapeseed oil prices traded weak in the month of February in various markets in India on weak demand and weak rapeseed prices.

Demand fell in the month of Feb on weak buying.

Prices fell on fall in soy oil palm oil prices.

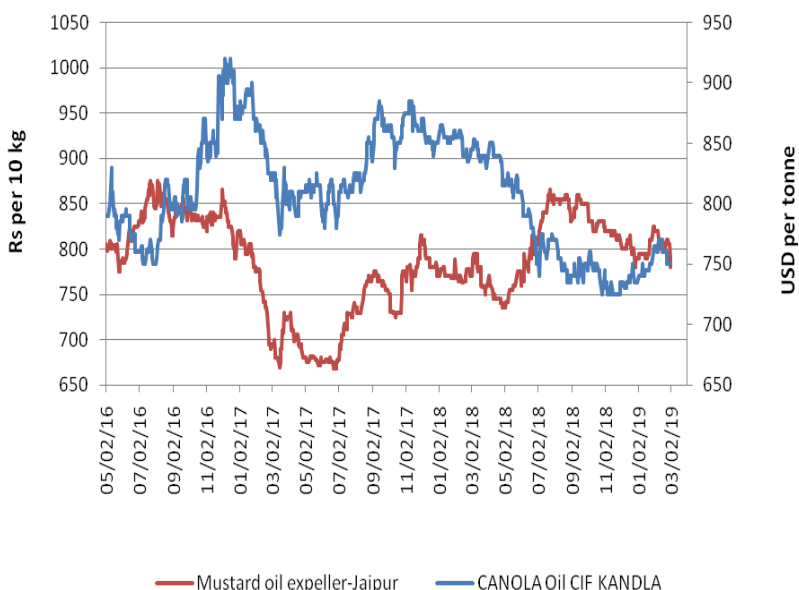
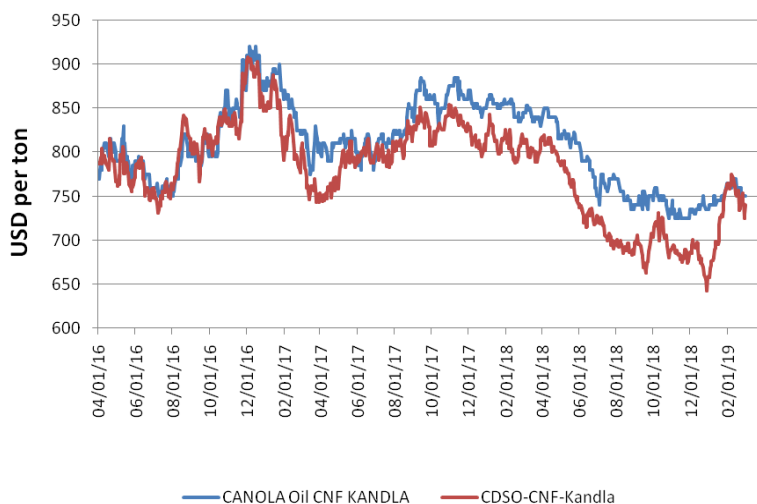
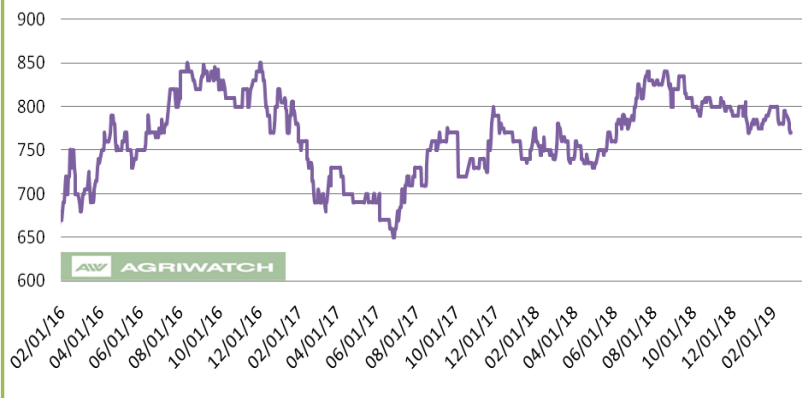
Stocked position is firm against weak demand position.

Rapeseed crop in current marketing year is expected to be higher than last year. Agriwatch forecasted rapeseed crop at 6.9 MMT in 2018-19 compared to estimate of 6.8 MMT 2017-18. Rapeseed crop in 2019-20 is expected to be higher than 2018-19 on account of higher sowing area in the country and record yields across board in India due to prolonged winter and beneficial rains. Recovery of oil is also at record levels.

Arrivals of rapeseed will peak in first half of March pressurizing rapeseed oil prices.

Fall in prices of rapeseed oil 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.

#### Mustard Oil Price Trend (Kota Market)



Higher crush of rapeseed has led to higher supply of rapeseed oil.

Prices are lucrative to increase demand.

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

Falling premium of Jaipur kacchi ghani rapeseed oil over refined soy oil in domestic market was at Rs 31 (Rs 47) per 10 Kg, will support rapeseed oil prices in medium term.

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

Premium of canola oil compared to CDSO has decreased to USD 22 (USD 8) per ton and will increase imports.

Above chart shows that Canola and rapeseed expeller oil prices are rising. So, rise 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 rise in soy oil will support canola oil in CNF markets.

Lower premium of expeller rapeseed oil over soy oil in domestic market was at Rs 10 (Rs 60) per 10 Kg, will support 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 171 (Rs 160) per 10 kg will underpin rapeseed oil prices.

Crushing has slowed as there is less stocks of rapeseed in the market. NAFED is liquidating stocks of rapeseed aggressively thereby sterilizing the prices of mustard complex.

Currently NAFED is holding 0.44 lakh tons of rapeseed and 0.03 lakh tons with NCDEX.

Prices of rapeseed oil are expected to trade sideways to firm on firm demand.

- Rapeseed oil import scenario- India imported 0.09 lakh tons of rapeseed (Canola) oil in Jan 2019 v/s 0.17 lakh tons in Jan 2018, lower by 47.06 percent y-o-y. In the oil year 2018-19 (Nov 2018-Jan 2019) imports were 0.35 lakh tons compared to 0.77 lakh tons in last oil year, lower by 54.55 percent y-o-y.
- CIF Canola oil premium over soybean oil is hovering at USD 22 (USD 8 last month) as on Mar 4, 2019.
- Currently, RM oil at Jaipur market (expeller) is offered at Rs 790 (Rs 820) per 10 Kg and at Kota market is quoted around Rs 770 (Rs 800) per 10 kg as on Mar 4, 2019. 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 740-840 per 10 Kg.

## Sunflower oil: Domestic Market Fundamentals

- Sunflower oil featured weak trend at its benchmark market in Chennai during the month of February on weak demand
- Sunflower oil prices closed lower in month of February at its benchmark market of Chennai on weak demand

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

Due to hike in import duty on sunflower oil will stop surging imports in oil year 2018-19 which will decrease carryout of sunflower oil in oil year 2018-19.

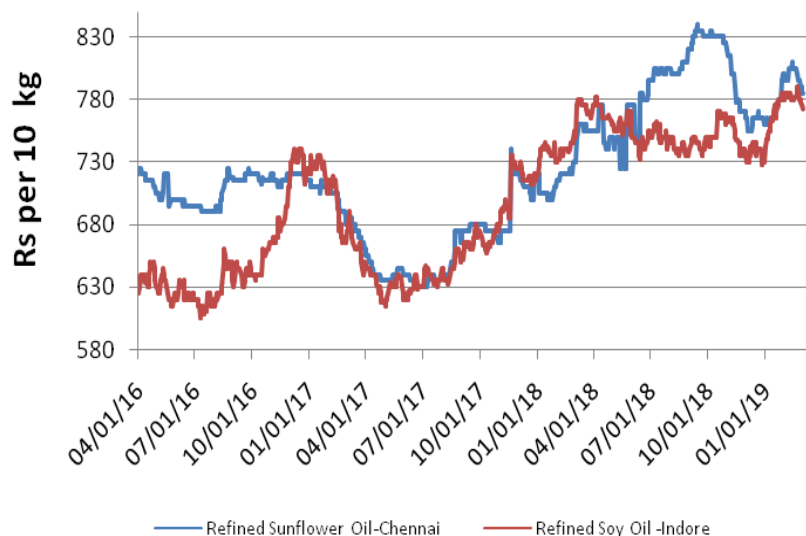
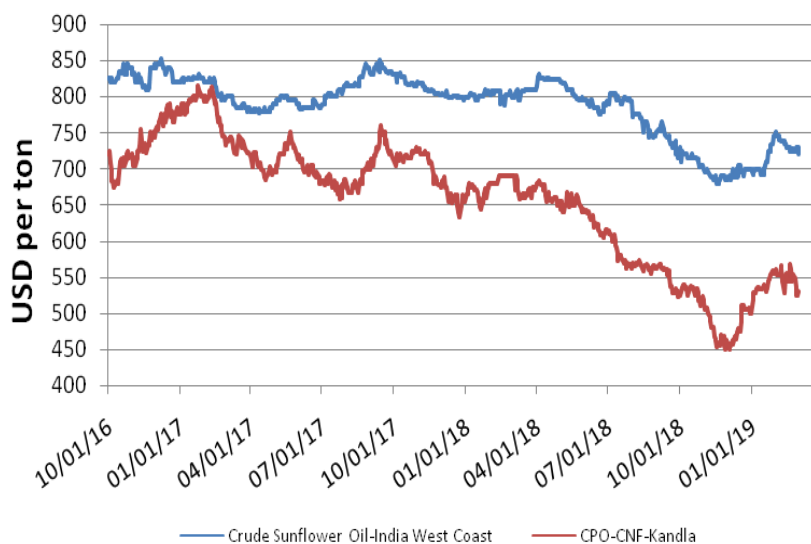
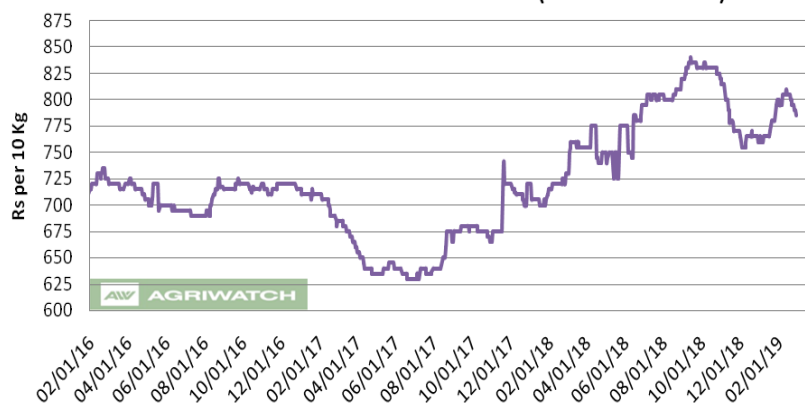
Prices at CNF markets are softening as prices rose steadily after falling to 9 year low at CNF markets in January. Sunflower oil at CNF markets is underpinned by firm supply from Ukraine after weather disturbances. Due to surplus stock of sunflower in Ukraine will cap rise in sunflower oil prices at CNF markets.

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

Appreciation of Rupee in March month will increase imports of sunflower in coming months.

Supply of sunflower oil increase in Jan for second month in a row with

**Sunflower Oil Price Trend (Chennai Market)**



imports higher than 2 lakh tons after 4 months of low imports after hike in its import duty which has led to destocking at ports. Stocks at ports fell due to firm demand despite firm imports of sunflower oil. 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.

Appreciation of Rupee in last month will increase imports of sunflower oil as it makes imports of sunflower oil attractive.

Recent fall in premium of CSFO over CDSO in CNF markets support prices in medium term. Imports are expected to be higher in Feb as crude sunflower oil CNF premium over CDSO CNF has decreased. Imports of sunflower increased due to fall in prices of sunflower oil at CNF markets. Fourth chart from above shows crude sunflower oil

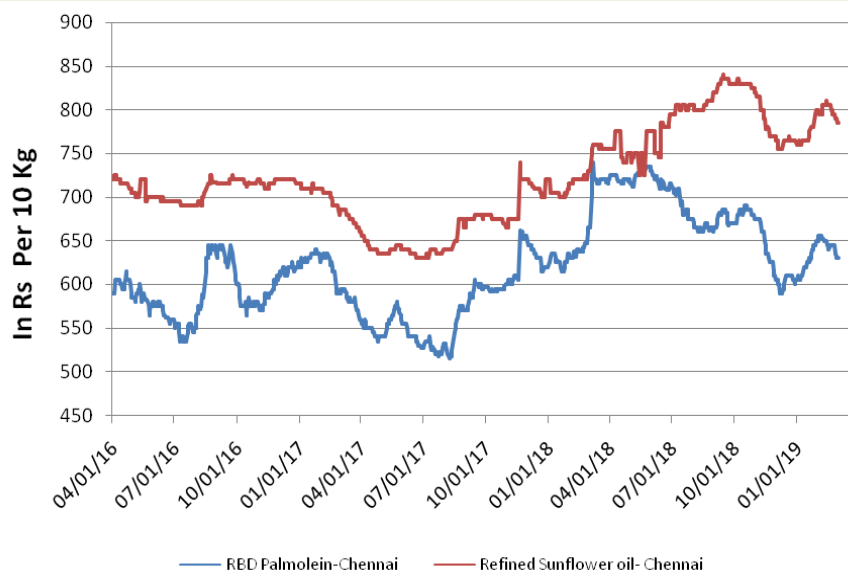
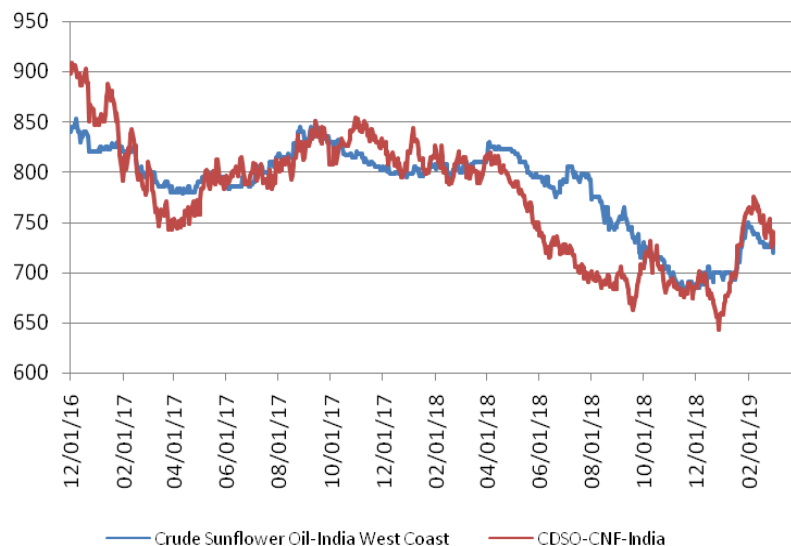
premium over CDSO is decreased in February will support imports.

Fourth chart from above shows that sunflower oil prices increase in Dec and Jan after has falling from Apr 2018 after high correlation to soy oil since November 2016. However, prices have converged in last five months due to hike in import duty on sunflower oil.

Refiners and stockists are stocking as sunflower oil premium over soy oil is decreased to USD 16 (USD -12 last month) per ton.

In domestic market sunflower oil premium over soy oil is at Rs 10 (Rs 15) per 10 kg.

Refined sunflower oil premium over RBD palmolein has increased to Rs 155 (Rs 160 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 160 (USD 145) per ton at CNF markets. Premium of sunflower oil over RBD palmolein has risen indicating that incentive of importing sunflower oil and selling in domestic market has decreased.

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 fall on weak demand. Prices of sunflower oil are expected to remain in a range with downward bias in March.

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 16.96 percent y-o-y in Jan to 2.00 lakh tons from 1.71 lakh tons in Jan 2018. Imports in oil year 2018-19 (November 2018-January 2019) were reported marginally higher y-o-y at 6.014 lakh tons compared to 6.013 lakh tons in last oil year.
- On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 717.5 (USD 737.5) per ton for AMJ delivery. CNF sun oil (Ukraine origin) Feb monthly average was at USD 733.25 per ton compared to USD 711.12 per ton in Jan. Values in brackets are figures of last week.
- Prices are likely to stay in the range of USD 700-780 per ton in the near term. CNF Sunflower oil premium over CDSO is hovering at USD 16 (USD -12 last week) per ton for April delivery. CNF sunflower oil premium over RBD palmolein is hovering around USD 155 (USD 145) per ton.
- Currently, refined sunflower oil at Chennai market is offered at Rs 785 (Rs 800) per 10 Kg, and at Kandla/Mudra market, it is offered at Rs 795 (Rs 810) per 10 kg as on Mar 1, 2019. Values in brackets are figures of last month.
- We expect sunflower oil prices to trade sideways to weak tone in the coming days.

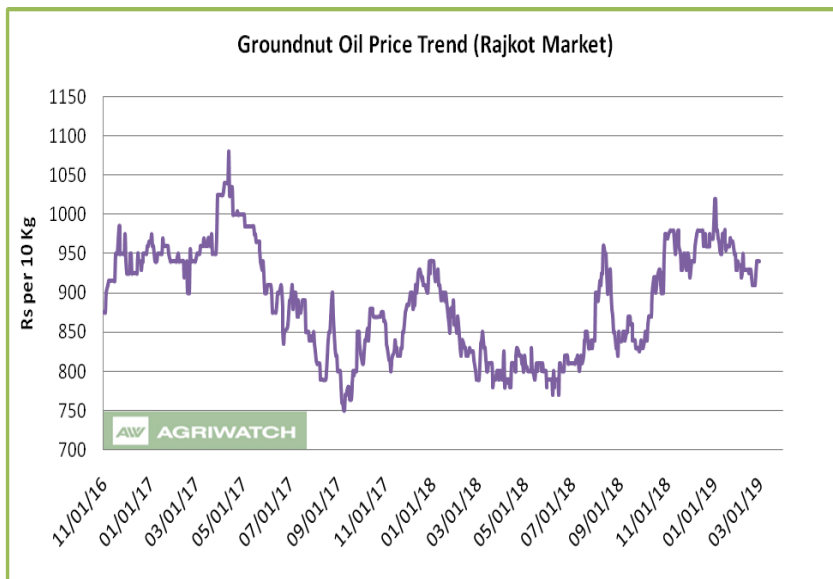
**Price Outlook:** We expect sunflower oil (Chennai) to trade in the price band of Rs 760-840 per 10 Kg.

## Groundnut oil: Domestic Market Fundamentals

- Groundnut oil featured firm trend during the month in review on firm demand.
- Groundnut oil prices rose in February on firm demand.

Groundnut oil demand remained moderate in the month of February as peak demand season over. Retail demand firmed at lower levels and stability in prices.

Due to stability in prices of groundnut oil prices retail demand improved due to renewed demand.



Demand of groundnut oil increased due to lower volatility of prices.

Lower volatility in groundnut oil prices leads to increase of demand.

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

Groundnut prices have risen due to lower crop of groundnut due to scanty rainfall.

Groundnut Rabi crop are is less South India (Rayalseema) due to severe deficit of rains.

NAFED has started to sell Kharif 2018 groundnut crop and progressing at steady pace. At present quality of groundnut is good for crushing.

NAFED has started sale of current season crop from 15 th February and 2017 Kharif crop with NAFED is 3.26 lakh tons and 2018 Kharif groundnut stock is 6.80 lakh tons.

Stocks with farmers and private traders were about 1.0 lakh tons.

Total progressive sale by NAFED in 2018 Karif is 0.23 lakh in current season.

So, total stock in NAFED is 10.06 lakh tons apart from additional stocks with trade and farmers. High stocks are weighing on prices of groundnut.

NAFED is planning to continue aggressive sale groundnut in open market. Total disposal groundnut with NAFED is greater than last year.

Demand of groundnut oil will increase at between Rs 900-920 per 10 kg levels. However, as peak demand season in February prices will remain moderated. However, demand ahead of Holi festival in March will support prices in March.

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



Crushing is progressing slowly due to moderate demand of groundnut oil.

Retail demand of groundnut oil increased at lower levels.

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

Crushers have low 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.

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 rose in parity with Gujarat with regular demand. Stock position of groundnut oil is good in the market. There is parity in crush of groundnut in south India. Groundnut arrivals are expected to rise in March with harvest starting in last March.

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

Prices are expected to trade sideways to firm.

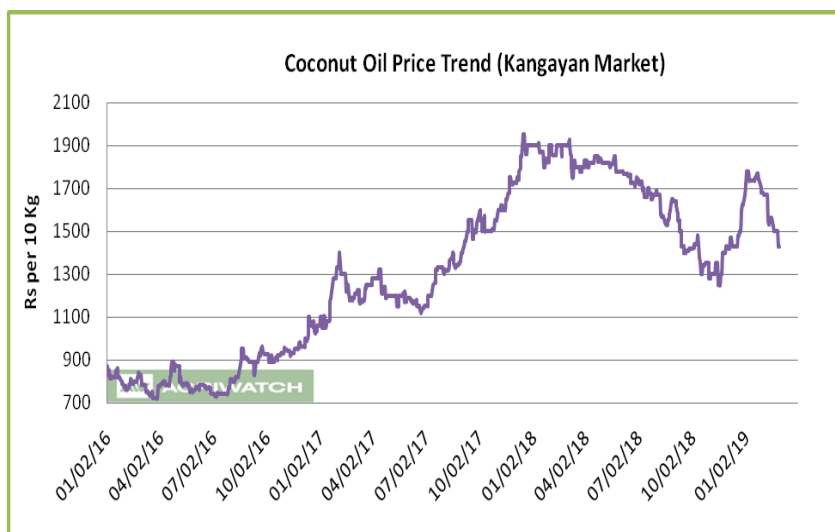
- On the price front, currently the groundnut oil prices in Rajkot is hovering near Rs 9,400 (9,350) per quintal and quoting at Rs 9,400 (Rs 9,500) per quintal in Chennai market.
- Groundnut oil prices are likely to trade with a sideways to firm tone in the coming days.

**Price Outlook:** We expect Groundnut oil (Rajkot) to trade in the price band of Rs 880-1000 per 10 Kg.

## Coconut oil: Domestic Market Fundamentals

- Coconut oil featured weak trend at its benchmark market in Kangeyam on weak demand, fall in prices of copra and fall in competitive oils.
- Prices of coconut oil traded weak in the month of Feb on weak demand, fall in prices of copra and fall in competitive oils.

Copra prices fell during the month. Fall in raw material prices led to lower prices of end product.



Copra prices rose due to higher supply of copra due to good crop. This let prices of coconut oil fall in 2019.

Prices of coconut oil fell on fall in palm oil prices.

Recent reduction in palmolein import duty adversely affected coconut oil consumption due to cheaper availability. However, coconut consumers generally do not shift out of its consumption irrespective of prices. Demand destruction takes place at higher prices.

Due to rise in coconut oil prices in end 2018, demand has fallen at higher levels.

Coconut demand has fallen due to regular fall in prices which led to postponement of consumption.

Household consumption has fallen in Kerala in 2019 after firm demand in last quarter of 2018.

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 firm.

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.

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.

Coconut oil will show fall in prices in early 2019.

Rise than prices of coconut oil in 2018 due to fall in production of coconut oil will lead 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. Bulk exports of coconut oil have weakened.

Millers have low stock of coconut oil. They are not confident of prices and are active in ready markets.



Traders and upcountry buyers are not stocking as they are not confident of coconut oil prices.

Higher and volatile prices of coconut oil for a long period will decrease demand in medium to long term.

Prices are expected to be weakened in March on weak retail demand, weak demand from corporates and weak prices of copra. 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 15,400 (15,300) per quintal, and quoting Rs 14,300 (16,800) per quintal in Erode market on Feb 28, 2019.
- 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 1200-1600 per 10 Kg.

## International Soy oil Market Fundamentals

- Soy oil prices are expected to be underpinned by higher than expected pace of harvest of soybean in Brazil, improvement of soybean crop condition in Argentina, weak demand of soybean by China and weak competitive oils prices amid optimism of US-China trade settlement.

Optimism in global market of trade settlement between US and China next week as trade talks are on. China has purchased 10.0 MMT of soybean during current round of talks. Trade talks between US and China has begun from Jan 30 and is continuing into March and both sides have expressed satisfaction. US President extended date of expiry of trade settlement when higher import duties were expected to be imposed on China by US. Trade talks are in progress between US. US President has called China to lift all agriculture tariffs including soybean tariffs. Trade is watching China buying intentions. Major breakthrough in talks and announcement of final terms is expected next week when final agreement will be signed. China has agreed to most of the trade demand of US. Premier of both countries will meet after final settlement. Trade settlement US and China is expected to support soybean complex prices.

Soybean harvest in Brazil is progressing at much higher pace than expected. Harvest has reached 45 percent above by 20 percent compared to corresponding period last year and 27 percent as 5-year average.

Higher rate of harvest of soybean in Brazil will mean that global soybean supplies are surging much faster which will lead to additional bargaining tool for China in US-China trade settlement. China will look for higher purchase of soybean from Brazil leading to higher than expected soybean stock in US.

USDA has cut soybean crop of Brazil in 2018/19 to 117 MMT from 122 MMT in its earlier estimate. Many other agencies including CONAB and AgRural has cut soybean production of Brazil and has also cut soybean exports from Brazil due to lower exportable surplus.

Soybean crop condition in Argentina has improved due to conducive weather in the country after flooding led to lower planted area. Better weather led to improvement of yield and ultimately lead to higher soybean crop in the country. This has led to lower premium of Argentina soy oil over CBOT soy oil leading to lower FOB prices. This may cut soybean imports by China leading to higher buying of US and Argentina's soybean in 2019.

USDA cut soybean crop in Argentina to 55 MMT from 55.5 MMT in its earlier estimate. Soybean exports of Argentina is expected. Soybean crop in Argentina looks below 50 MMT due to flooding. Argentina Exchange has reduced soybean crop estimate to 49-51 MMT.

China purchased 13 percent less soybean in January. However, January imports were 29 percent higher than Dec 2018. China has brought 10 MMT of soybean from US for deliver in first 3 months of 2019. China brought most of soybean in January from Brazil in January. Imports of soybean have been weak from US due to trade war between US and China.

Weak demand from China due to weak demand from feed sector due to lowering of protein feed quality, outbreak of swine flu, alternate source of protein and liquidation of soybean state reserves by China. Receding supply of soybean from Brazil and Argentina and increased edible vegetable oils imports to keep its oil market in check. However, China must import more soybeans to control soy meal prices in the country, which is reeling due to outbreak of swine flu and negative crush margins.

USDA reduced 2018/19 China's soybean import estimate to 88 MMT in an effort by Beijing to move away from US soybean imports.

China imported 88 MMT of soybean in 2018, according to CNGOIC, much lower than 95 MMT in 2017.

Trade dispute has led to lower sales of US soybean in MY 2018/19 leading to record soybean stocks in a year when US harvested near record soybean.

China is liquidating soybean state reserves, to loosen any tightness in soybean markets.

Soybean exports from Argentina is expected to rise in 2019 to 13-14 MMT, especially to China on strong demand from the country. Argentina's crushers operate at 65 percent of capacity, which leads to higher disposable soybean.

However, exports of soy meal are expected to fall from Argentina as US soy meal is attractively priced due to lower soybean prices.

Competitive oils like BMD palm oil and DALIAN RBD palmolein is expected to trade weak due to weak demand prospects, which will underpin soy oil prices.

Soy oil prices have risen after correcting more than 30 percent in 2018 due to trade dispute between US and China and record soybean crop in US coupled with weak Chinese demand, is expected to reignite demand and support prices.

Dollar Index is expected to fall on realignment of US FED towards future rise in interest rates in 2019 will support on soy oil prices in near term.

Global crude oil prices have is expected to rise due to OPEC plan to cut crude oil production. Resumption of US crude imports by China will support crude oil prices.

- **USDA WASDE Oilseeds Highlights-** The 2018/19 U.S. season-average farm price forecast for soybeans is projected at \$8.10 to \$9.10 per bushel, unchanged at the midpoint. The soybean meal price is forecast at \$295 to \$335 per short ton, up \$5.00 at the midpoint. The soybean oil price forecast of 28.5 to 31.5 cents per pound is unchanged at the midpoint.

**Price Outlook:** We expect Ref. soy oil with VAT to trade in the price band of Rs 740-820 per 10 Kg.

## International Palm oil Market Fundamentals

- Palm oil prices are likely to fall due to expectation of lower fall in end stocks of palm oil in Malaysia Feb and March, slow fall in production of palm oil in Malaysia, fall in exports of palm oil from Malaysia in February, US-China trade deal and appreciation of Ringgit.

Palm oil end stocks fell in Feb is expected to fall below 3 MMT but at a lower rate than previously expected due to slow fall in production of palm oil in Malaysia in Feb and weak exports of palm oil in Feb.

Production of palm oil is expected to fall in Malaysia in Feb on seasonal downtrend of production. However, fall will be limited due to maturing plants and production in Jan was record Jan in history.

Exports of palm oil has weakened in Feb due to weak demand from EU and China. However, imports from India was firm in Feb.

Exports rose in fell 15.3 percent in Feb, according to cargo surveyor SGS.

Reduction of palm oil import duty by India by favoring RBD palmolein imports from Malaysia will support palm oil prices.

Imports from EU is weak in Feb due to seasonally weak Feb, weak demand due to winters and rise in palm oil prices in Jan and Feb.

China is expected to import in smaller quantities in Feb-Mar due to weak demand post Chinese New Year when demand remain seasonally slow.

US-China trade settlement is expected in coming weeks and will be bearish for palm oil as US is buying record soybean from China to quench its hunger of soybean which is in short supply in the country. China has committed 10 MMT of soybean imports on Sunday in trade talks with US. Higher imports of soybean by China will lead to lower imports of palm oil by country. However, swine flu case in China is expected to keep demand of soybean under check.

Imports of palm oil to India showed firm trend in Feb due to import duty reduction on palm oil and preferential treatment given to Malaysia on imports of RBD palmoelin, low stocks of RBD palmoelin at Indian ports and positive import parity of RBD palmoelin on imports by India.

India will cut consignments from Indonesia as Malaysian RBD palmolein will attract Indian buyers.

Indonesia has asked India to cut import duty on palm oil to bring it in lines with import duty on palm oil on Malaysia by India in exchange of higher sugar imports from in India by Indonesia.



Production of palm oil is expected to rise 10 percent in Indonesia in 2019 on higher produce from maturing plantations, according to GAPKI.

Appreciation of Ringgit is expected to underpin palm oil prices. Ringgit has appreciated above 4.10/USD and is expected to touch 4.0/USD. This will make exports of palm oil uncompetitive compared to other oil and same oils with different destinations.

Production of palm oil will rise in Malaysia in 2019 and exports will rise in 2019 compared to 2018. Higher plant cycle and increasing use of fertilizer due to rise in prices of palm oil will support production.

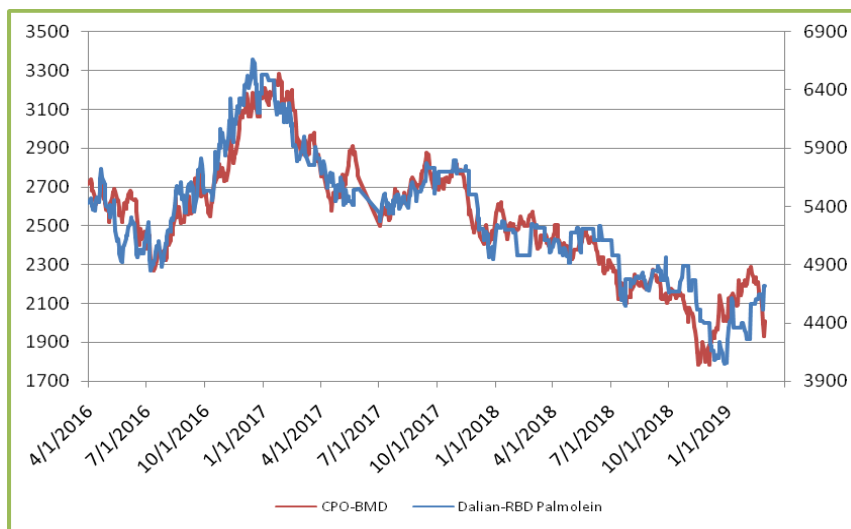
Increasing use of biodiesel in Indonesia will reduce palm oil stocks in the country. The country has mandated 20 percent bio content in any type of gasoline use in the country.

Malaysia has unveiled plans to double biodiesel production in the country in an effort to clear stocks of palm oil in the country.

RBD Palmolein Malaysia premium has decreased over Indonesia CPO due to weak demand. Export demand will rise due to falling premium of Malaysian palmolein.

Production of palm oil is expected to rise 10 percent in Indonesia in 2019 on higher produce from maturing plantations, according to GAPKI.

Indonesia removed export levy on exports of palm products from the country due to fall in prices of palm oil and record stocks of palm oil in the country. Plantations were bleeding due to fall in prices of palm oil and Indonesia intends to clear extra stocks of palm oil due to record production of palm oil.



CBOT soy oil is expected to be underpinned by fall in soybean complex prices due to higher supply of soybean in global markets and weak demand of soybean from China.

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 March to decrease rising stocks of palm oil in the country.

Competitive oils like RBD palmolein DALIAN and CBOT soy oil is expected to underpin palm oil prices.

Global crude oil prices are expected to rise on expected cut on crude oil production by OPEC and Russia will support palm oil prices.

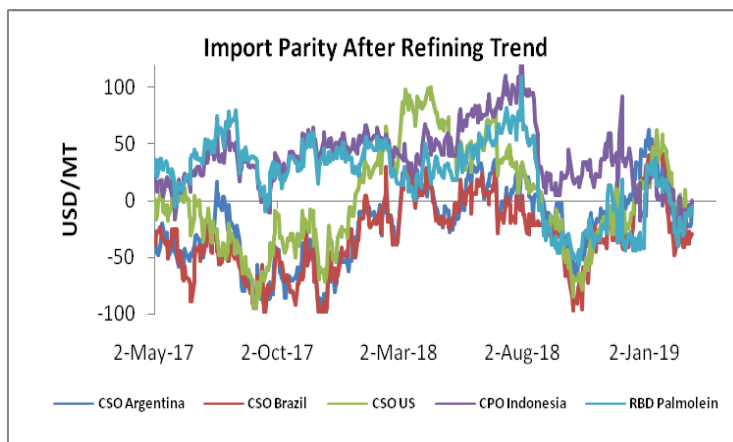
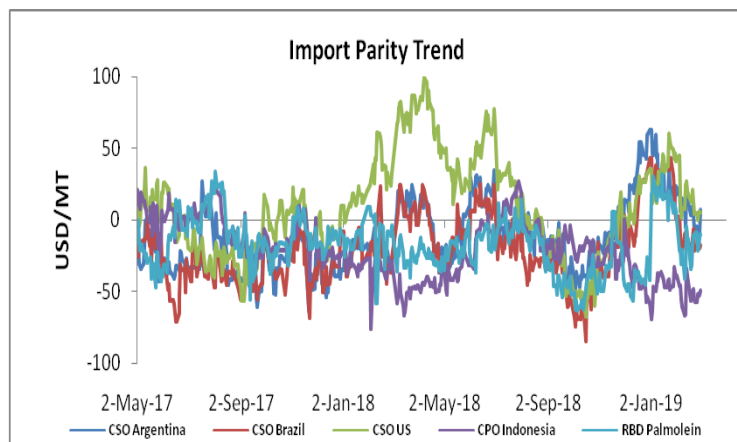


- According to Malaysia Palm Oil Board (MPOB), Malaysia's January palm oil stocks fell 6.69 percent to 30.12 lakh tons compared to 32.16 lakh tons in December 2018. Production of palm oil in Jan fell 3.90 percent to 17.37 lakh tons compared to 18.08 lakh tons in Dec 2018. Exports of palm oil in Jan rose 21.19 percent to 16.76 lakh tons compared to 13.83 lakh tons in Dec 2018. Imports of palm oil in Jan fell 25.35 percent to 0.81 lakh tons compared to 1.09 lakh tons in Dec 2018. End stocks of palm oil fell more than trade expectation on higher than expected rise in exports.
- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's Feb palm oil exports fell 15.3 percent to 1,231,858 tons compared to 1,453,589 tons last month. Top buyers were India at 377,031 tons (253,450 tons), European Union 264,005 tons (405,867 tons), China at 98,635 tons (264,722 tons), United States at 62,335 tons (83,100 tons) and Pakistan at 48,250 tons (29,000 tons). Values in brackets are figures of corresponding period last month.
- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's Feb palm oil exports fell 15.2 percent to 1,243,308 tons compared to 1,466,932 tons last month. Top buyers were India & subcontinent 476,575 tons (329,575 tons), European Union 303,114 tons (402,246 tons) and China at 99,925 tons (255,350 tons). Values in brackets are figures of last month.
- 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 13.1 percent in Jan y-o-y to 3.10 MMT from were 2.74 MMT in Jan 2018. Exports of palm oil (CPO and PKO) were rose 5.1 m-o-m in Jan at 3.10 MMT compared to Dec 2018 at 2.95 MMT. Stocks of palm oil in Jan 2019 rose to 3.02 MMT, up 7 percent y-o-y.
- Policy update- According to Malaysia Palm Oil Board (MPOB), Malaysia kept March crude palm oil export duty unchanged at 0.0 percent. Export duty of palm oil is calculated at reference price of 2084.37 ringgit (\$511.88) per ton. Tax is calculated above 2,250 ringgit starting from 4.5 percent to a maximum of 8.5 percent.

According to Indonesia Palm Oil Association (GAPKI), Indonesia kept March export duty unchanged at zero. Indonesia relaxed crude palm oil levy rules in which there will be no threshold prices until further decision. In place of monthly levy review, now levy review will take place every three months. Indonesia has kept crude palm oil export duty at zero since May 2017.

- **Price Outlook:** We expect CPO Kandla 5% to trade in the price band of Rs 520-600 per 10 Kg.

### Import Parity Trend

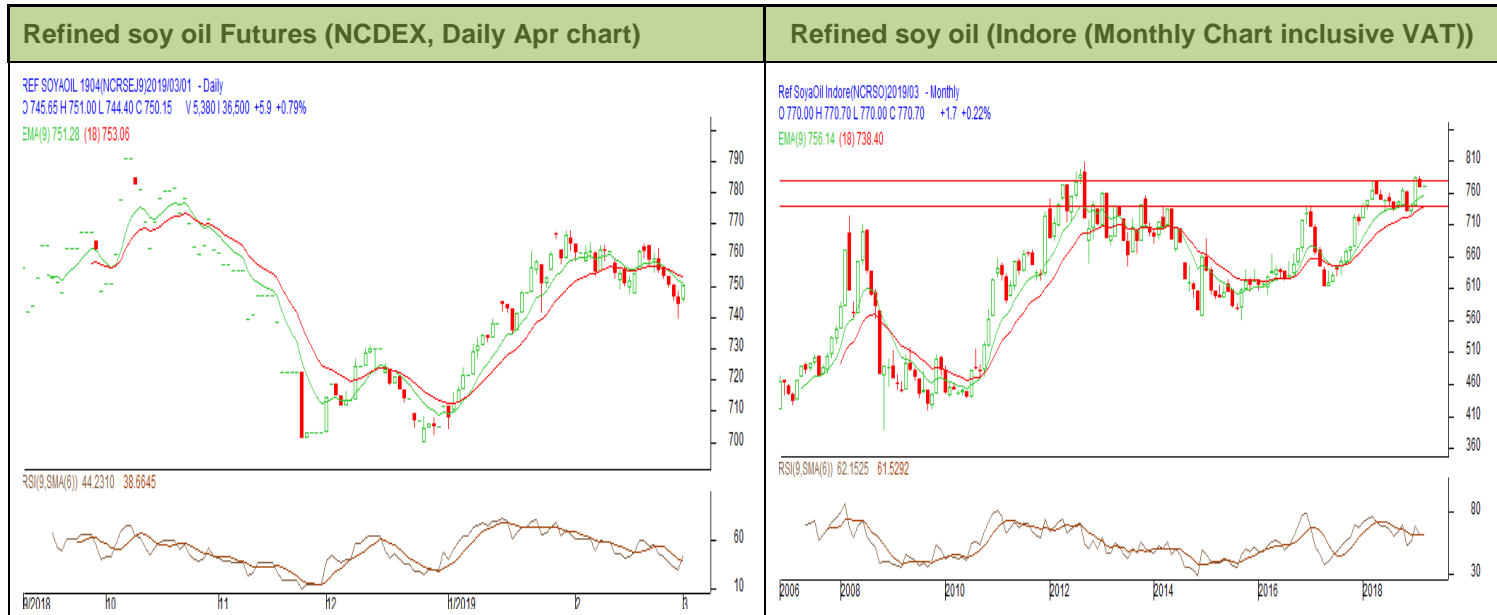


### Import Parity after Refining in US dollar per tons (Monthly Average)

	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
<b>Dec, 2018</b>	10.54	-16.33	-8.87	27.63	-32.68
<b>Jan, 2018</b>	32.50	32.11	36.83	11.58	19.21
<b>Feb, 2018</b>	-13.56	-33.12	-3.01	-6.56	-16.06

### Outlook:-

Import parity for CDSO Argentina has decreased due to fall in domestic prices of soy oil. We expect CDSO import parity to remain in disparity in March due to weak prices of soy oil in Indian markets. Parity in CPO is higher than RBD palmolein. Disparity in imports of palm oil may increase due to rise in prices of palm oil in international markets.

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


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

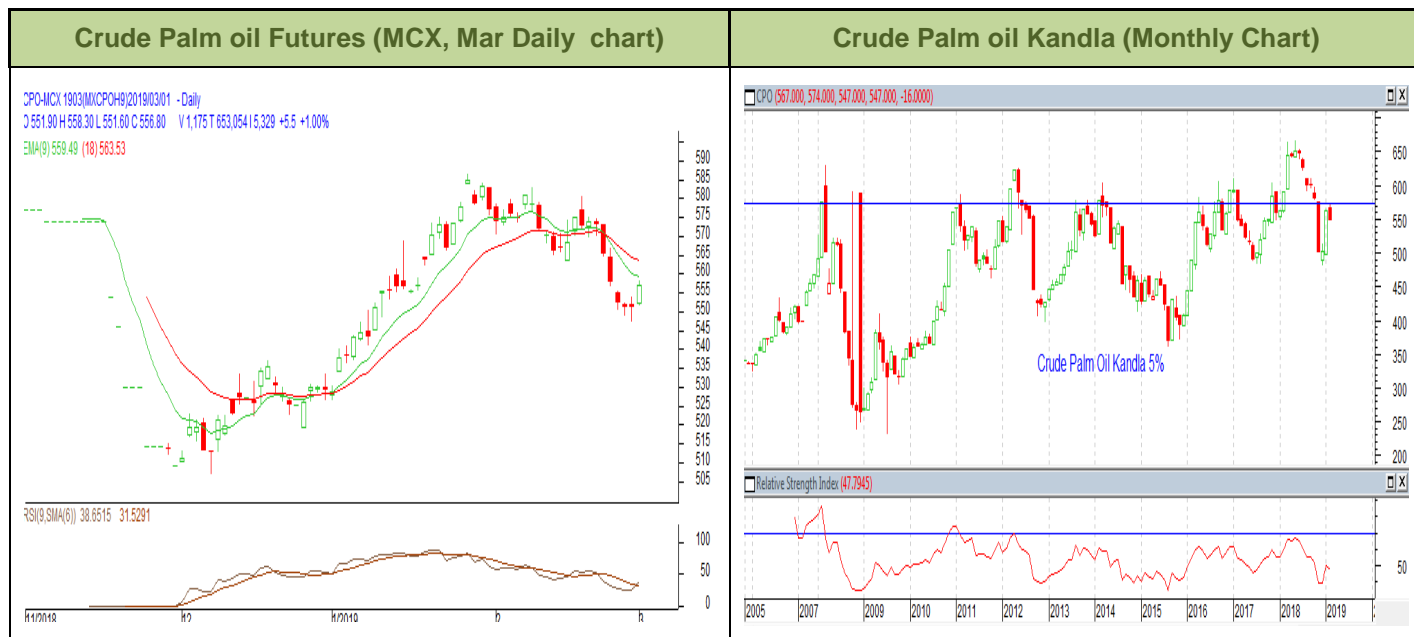
- Monthly chart of refined soy oil at NCDEX featured losses in the prices. We expect sideways to weak movement in the coming days.
- Any close below 750 in monthly chart will bring prices to 740 levels.
- Expected price band for next month is 720-790 level in near to medium term. RSI and MACD are indicating downtrend at current levels.

**Strategy:** Market participants are advised to go short in RSO below 770 for a target of 750 and 745 with a stop loss at 780 on closing basis.

**RSO NCDEX**

Support and Resistance				
S2	S1	PCP	R1	R2
733.00	750.00	763.40	780.00	800.00

**Spot Market outlook:** Refined soy oil Indore (including VAT) is likely to stay in the range of 740-820 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 (Mar 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 above 580 in monthly chart might bring the prices to 590 levels.
- Expected price band for next month is 500-600 level in near to medium term. RSI and MACD are indicating downtrend.

**Strategy:** Market participants are advised to go short in CPO below 555 for a target of 535 and 530 with a stop loss at 565 on closing basis.

**CPO MCX**

Support and Resistance				
S2	S1	PCP	R1	R2
530.00	540.00	548.00	565.00	580.00

**Spot Market outlook:** Crude palm oil Kandla is likely to stay in the range of 520-600 per 10 Kg.

**Monthly spot prices comparison**

Commodity	Centre	Prices(Per 10 Kg)		Change
		28-Feb-19	31-Jan-19	
Refined Soybean Oil	Indore	775	780	-5
	Indore (Soy Solvent Crude)	740	745	-5
	Mumbai	770	780	-10
	Mumbai (Soy Degum)	730	740	-10
	Kandla/Mundra	765	775	-10
	Kandla/Mundra (Soy Degum)	737	745	-8
	Kolkata	780	815	-35
	Delhi	812	822	-10
	Nagpur	768	778	-10
	Rajkot	765	765	Unch
	Kota	770	780	-10
	Hyderabad	760	760	Unch
	Akola	769	779	-10
	Amrawati	769	779	-10
	Bundi	780	793	-13
	Jalna	775	781	-6
	Solapur	775	770	5
	Dhule	774	779	-5
Palm Oil*	Kandla (Crude Palm Oil)	574	591	-17
	Kandla (RBD Palm oil)	609	625	-16
	Kandla RBD Pamolein	656	677	-21
	Kakinada (Crude Palm Oil)	572	588	-16
	Kakinada RBD Pamolein	656	677	-21
	Haldia Pamolein	664	677	-14
	Chennai RBD Pamolein	662	683	-21
	KPT (krishna patnam) Pamolein	651	672	-21
	Mumbai RBD Pamolein	667	683	-16
	Mangalore RBD Pamolein	662	683	-21
	Tuticorin (RBD Palmolein)	652	688	-36
	Delhi	688	710	-22
	Rajkot	649	667	-18
	Hyderabad	636	660	-24
	PFAD (Kandla)	336	362	-26
	Refined Palm Stearin (Kandla)	572	588	-16
	Superolien (Kandla)	714	704	11
	Superolien (Mumbai)	719	714	5
* inclusive of GST				
Refined Sunflower Oil	Chennai	790	800	-10

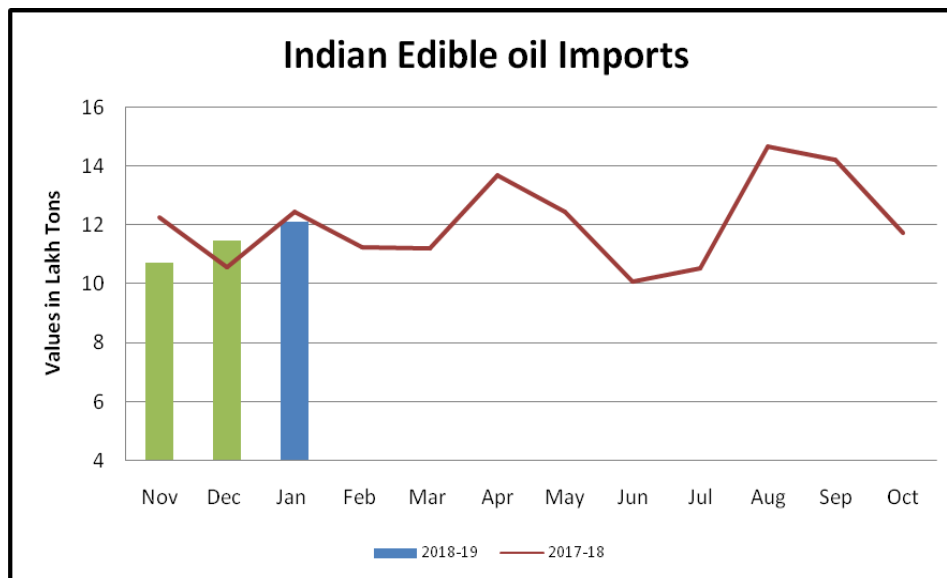


	Mumbai	820	820	Unch
	Mumbai(Expeller Oil)	730	740	-10
	Kandla (Ref.)	795	800	-5
	Hyderabad (Ref)	800	810	-10
	Latur (Expeller Oil)	775	770	5
	Chellakere (Expeller Oil)	740	735	5
	Erode (Expeller Oil)	835	835	Unch
Groundnut Oil	Rajkot	940	930	10
	Chennai	940	960	-20
	Delhi	950	950	Unch
	Hyderabad *	970	970	Unch
	Mumbai	970	970	Unch
	Gondal	950	940	10
	Jamnagar	940	940	Unch
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	805	820	-15
	Jaipur (Kacchi Ghani Oil)	805	835	-30
	Kota (Expeller Oil)	770	800	-30
	Kota (Kacchi Ghani Oil)	800	815	-15
	Neewai (Expeller Oil)	775	808	-33
	Neewai (Kacchi Ghani Oil)	785	818	-33
	Bharatpur (Kacchi Ghani Oil)	800	820	-20
	Sri-Ganga Nagar(Exp Oil)	800	805	-5
	Sri-Ganga Nagar (Kacchi Ghani Oil)	805	815	-10
	Mumbai (Expeller Oil)	780	805	-25
	Kolkata(Expeller Oil)	930	930	Unch
	New Delhi (Expeller Oil)	812	847	-35
	Hapur (Expeller Oil)	900	885	15
	Hapur (Kacchi Ghani Oil)	940	925	15
	Agra (Kacchi Ghani Oil)	805	825	-20
Refined Cottonseed Oil	Rajkot	725	740	-15
	Hyderabad	715	750	-35
	Mumbai	742	760	-18
	New Delhi	718	740	-22
Coconut Oil	Kangayan (Crude)	1430	1680	-250
	Cochin	1540	1530	10
Sesame Oil	New Delhi	1700	1560	140
	Mumbai	0	0	Unch

Kardi	Mumbai	880	880	Unch
Rice Bran Oil (40%)	New Delhi	620	630	-10
Rice Bran Oil (4%)	Punjab	605	605	Unch
Malaysia Palmolein USD/MT	FOB	530	568	-38
	CNF India	560	600	-40
Indonesia CPO USD/MT	FOB	505	530	-25
	CNF India	525	558	-33
RBD Palm oil (Malaysia Origin USD/MT)	FOB	525	563	-38
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	525	558	-33
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	745	865	-120
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	460	433	27
Crude palm Kernel Oil India (USD/MT)	CNF India	750	800	-50
Ukraine Origin CSFO USD/MT Kandla	CIF	730	750	-20
Rapeseed Oil Rotterdam Euro/MT	FOB	720	735	-15
Argentina FOB (\$/MT)		28-Feb-19	31-Jan-19	Change
Crude Soybean Oil Ship		669	698	-29
Refined Soy Oil (Bulk) Ship		692	722	-30
Sunflower Oil Ship		650	645	5
Cottonseed Oil Ship		649	678	-29
Refined Linseed Oil (Bulk) Ship		Unq	0	-
* indicates including GST				

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**Annexure:**
**Indian Edible Oil Imports Scenario –:**


As per Solvent Extractors' Association of India, India imported 15.08 million tons of veg. oils in the 2016-17 oil year. Edible oils imports were 14.52 million tons 2017-18 (November 2017-October 2018). Edible oils (including CPO, CDSO, CSFO, and RBD Palmolein imports for Jan is pegged at 12.11 lakh tons.

**Indian Supply and Demand Scenario:**

Balance sheet of Indian Edible Oil	2016-17	2017-18	2018-19-F	% Change
Value in million tons				
Beginning Stock	2.18	2.35	1.82	-22.75%
Production	8.49	8.12	7.77	-4.37%
Imports	15.08	14.52	15.83	9.00%
Total Supply	25.75	24.99	25.41	1.67%
Exports	0.01	0.02	0.02	0.00%
Total Demand(Consumption)	23.39	23.16	23.39	1.00%
Ending Stock	2.35	1.82	2.00	10.17%

\* Value in million tons

**Balance Sheet Highlights**

Net edible oil output is likely to be 7.77 million tons (down 4.37 percent y-o-y basis) in 2017-18 led by lower oilseed sowing in Kharif and Kharif season in the current oil year.

On import front, edible oil imports seen at 15.83 million tons for 2018/19 oil year v/s 15.52 million tons last year.

On the consumption side, India's edible oil consumption for 2018-19 oil year seen at 23.39 million tons, higher by 1.0 percent from last year. Ending stocks are projected higher compared to 2017-18 at 2.0 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**

<b>Landed Cost Calculation as on 01/03/2019</b>	<b>CSO Argentina</b>	<b>CSO Brazil</b>	<b>CSO US</b>	<b>CPO Indonesia</b>	<b>RBD Palmolein</b>
FOB USD per ton	664	689	651	505	535
Freight (USD/MT)	47	47	62	35	29.0
C & F	711.0	736.0	713.0	540.0	564.0
Weight loss (0.25% of FOB)	1.66	1.72	1.63	1.26	1.34
Finance charges (0.4% on CNF)	2.84	2.94	2.85	2.16	2.26
Insurance (0.3% of C&F)	2.13	2.21	2.14	1.62	1.69
CIF (Indian Port - Kandla)	718	743	720	545	569
Duty (Values in USD per tons)	289.91	289.91	289.91	251.68	297.99
GST (5% on duty) USD per ton	14.50	14.50	14.50	12.58	14.90
Exchange rate	70.96	70.96	70.96	70.96	70.96
Landed cost without customs duty in INR per ton	50924	52714	51064	38676	40396
Customs duty %	35.00%	35.00%	35.00%	40.00%	45.00%
Social Welfare Surcharge@10%	3.50%	3.50%	3.50%	4.00%	4.50%
Total Duty %	38.50%	38.50%	38.50%	44.00%	49.50%
Base import price	753	753	753	572	602
Fixed exchange rate by customs department	72.00	72.00	72.00	72.00	72.00
Duty component in INR per ton	20873.16	20873.16	20873.16	18120.96	21455.28
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	73197	74988	73337	58197	63252
Domestic Market price INR/ton Soy Degum Kandla/CPO Kandla/RBD Kandla	73700	73700	73700	54700	62500
Total landed cost USD per ton	1032	1057	1034	820	891
Domestic Market price USD/tons Soy Degum Kandla/CPO Kandla 5%	1039	1039	1039	771	881
<b>Parity INR/MT (Domestic - Landed)</b>	<b>503</b>	<b>-1288</b>	<b>363</b>	<b>-3497</b>	<b>-752</b>
<b>Parity USD/MT (Domestic - Landed)</b>	<b>7.09</b>	<b>-18.14</b>	<b>5.11</b>	<b>-49.28</b>	<b>-10.59</b>
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	77696.68	79487.53	77837.29	65697.18	66051.78
Soy/Palm oil imported Price (Including tax)	81581.52	83461.91	81729.15	68982.03	69354.37
Loose price of Soy/Palm in Indore and Delhi market	81375.00	81375.00	81375.00	69000.00	69000.00
<b>Parity after processing and Taxes (Rs per MT)</b>	<b>-206.52</b>	<b>-2086.91</b>	<b>-354.15</b>	<b>17.97</b>	<b>-354.37</b>
<b>Parity after processing and Taxes (USD per MT)</b>	<b>-2.91</b>	<b>-29.41</b>	<b>-4.99</b>	<b>0.25</b>	<b>-4.99</b>
Source: Agriwatch					

## Balance Sheets of various edible oils

### Balance Sheet (Quarterly)- Soy Oil, India

*Fig. in lakh tons*

	2017-18	2018-19-F	Nov-Jan-F	Feb-Apr-F	May-July-F	Aug-Oct-F
Opening Stock	5.67	3.89	3.89	5.00	4.09	6.56
Production (Domestic)	14.94	18.72	8.61	2.25	2.25	5.62
Imports	31.67	33.25	6.65	5.99	9.98	10.64
Imported oil processing	30.81	32.36	6.47	5.82	9.71	10.35
Total Production (Domestic production and imported oil production)	45.75	51.08	15.08	8.07	11.95	15.97
Total Supply	51.43	54.97				
Quarterly add-on			15.08	8.07	11.95	15.97
Consumption	47.53	49.91	13.98	8.98	9.48	17.47
Ending Stock	3.89	5.06	5.00	4.09	6.56	5.06

Source: AW estimates

Oil year- November-October

### Highlights

- Prices of soy oil in 2017-18 are expected to be lower on higher imports in oil year 2018-19 and higher domestic production.
- Soy oil production is expected to be higher in oil year 2018-19 on higher soybean crush due to higher soybean crop in 2018-19.
- Lower carry out in Nov-Jan is due to higher consumption.
- Carryout stocks of oil year 2017-18 is 3.89 lakh tons on higher soy oil imports.
- Carry out of oil 2018-19 is 5.06 lakh tons
- Carryout of 2018-19 is higher than 2017-18.

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

	2017-18-F	2018-19	Nov-Jan-F	Feb-Apr-F	May-July-F	July-Oct-F
<b>Opening Stock</b>	1.14	0.68	0.68	1.00	1.01	1.42
<b>Production</b>	0.20	0.20	0.05	0.05	0.05	0.05
<b>Imports</b>	8.70	10.01	2.60	2.30	2.30	2.80
<b>Total Supply</b>	10.04	10.89				
<b>Exports</b>	0.00	0.00				
<b>Quarterly add-on</b>			2.65	2.35	2.35	2.85
<b>Consumption</b>	9.36	9.73	2.34	2.34	1.95	3.11
<b>Ending Stocks</b>	0.68	1.16	1.00	1.01	1.42	1.16

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 2017-18.
- Imports are expected to be higher in 2018-19 compared to last year oil year 2017-18.
- Carryout stocks of oil year 2017-18 are 0.68 million tons fall in imports.
- Carryout of 2018-19 is higher than 2017-18 due to higher imports of palm oil.
- Carry out of first quarter of oil year 2018-19 will be lower than second quarter of oil year 2018-19

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

	2017-18-F	2018-19-F	Nov-Jan-F	Feb-Apr-F	May-July-F	Aug-Oct-F
<b>Opening Stock</b>	3.43	4.00	4.00	3.04	2.99	3.35
<b>Production</b>	0.80	0.80	0.15	0.12	0.27	0.27
<b>Imports</b>	25.25	23.99	5.52	6.72	6.72	5.04
<b>Total Supply</b>	29.48	28.79				
<b>Quarterly add-on</b>			5.66	6.84	6.98	5.30
<b>Exports</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>Consumption</b>	25.47	26.49	6.62	6.89	6.62	6.36
<b>Ending Stocks</b>	4.00	2.30	3.04	2.99	3.35	2.30

Source: AW estimates

Oil year- November-October

**Highlights**

- Prices will be firm in lower carry out for oil year 2018-19 compared to of 2017-18.
- Sunflower oil production is expected to be sideways in oil year 2018-19 on lower sunflower crop.
- Carryout stocks of oil year 2017-18 is 4.0 lakh tons on higher sunflower oil imports.

- Carryout of 2018-19 is lower than 2017-18 due to lower imports.
- Lower carry out in 2018-19 is due to lower imports.

### Balance Sheet- Rapeseed Oil, India

*Fig. in lakh tons*

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19-F
	1.73	3.86	1.39	1.41	1.93	1.13
<b>Production</b>	26.78	20.16	21.24	27.88	27.09	28.14
<b>Imports</b>	2.00	3.70	3.56	2.93	3.00	3.00
<b>Total Supply</b>	30.52	27.72	26.19	32.22	32.02	32.27
<b>Exports</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>Consumption</b>	26.66	26.33	24.77	30.29	30.90	31.51
<b>Ending Stocks</b>	3.86	1.39	1.41	1.93	1.13	0.75

Source: AW estimates

Oil year- November-October

### Highlights

- Prices of rapeseed oil in 2018-19 are expected to be firm on lower carryout.
- Rapeseed oil production is higher in oil year 2018-19 on higher rapeseed crop.
- Higher oil production in 2018-19 is due to higher marketable surplus of rapeseed resulting in higher crush.
- Carryout stocks of oil year 2017-18 is 1.13 lakh tons on lower rapeseed oil production.
- Carryout of 2018-19 is lower than 2017-18 due to higher consumption of rapeseed oil.

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

*Fig. in lakh tons*

	2017-18	2018-19-F	Nov-Jan-F	Feb-Apr-F	May-July-F	Aug-Oct-F
<b>Opening stocks</b>	0.31	0.32	0.32	0.43	0.30	0.23
<b>Oil availability (Production)</b>	7.35	3.55	1.30	1.07	0.59	0.59
<b>Imports</b>	0	0	0	0	0	0
<b>Total Supply</b>	7.66	3.87				
<b>Quarterly add-on</b>			1.30	1.07	0.59	0.59
<b>Exports</b>	0.40	0.40	0.10	0.10	0.10	0.10
<b>Consumption</b>	6.94	3.31	1.09	1.09	0.56	0.56
<b>End stocks</b>	0.32	0.16	0.43	0.30	0.23	0.16

Source: AW estimate

Oil year-November-October

### Highlights

- Groundnut oil production is expected to be lower in oil year 2018-19 on lower groundnut crop.
- Lower oil production in 2018-19 is due to lower marketable surplus of groundnut seed resulting in lower crush.
- Carryout stocks of oil year 2017-18 is 0.32 lakh tons on higher groundnut oil production.
- Carryout stocks of oil year 2018-19 is 0.16 lakh tons on lower groundnut oil production.
- Lower supply of groundnut oil in 2018-19 is due to lower marketable surplus.
- Carryout of 2018-19 is lower than 2017-18 due to lower production of groundnut oil.

### Coconut oil balance sheet

Qty in '000 MT

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

Source: Coconut Development Board

### International Balance Sheets

#### Balance Sheet (Annual) - Soy Oil, United States

Fig. in million tons

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