



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.

Coconut oil (Kangayan) 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 firm on strong fundamentals.

On the currency front, Indian rupee is hovering near 69.22 compared to 70.26 last month. Rupee is expected to depreciate in April. Crude oil prices are expected to rise in April.

Recommendation:

In NCDEX, market participants are advised to go long in RSO above 725 for a target of 745 and 750 with a stop loss at 715 on closing basis.

In MCX, market participants are advised to go long in CPO above 540 for a target of 560 and 565 with a stop loss at 530 on closing basis.

Market participants can buy refined soy oil in the cash markets at 730-740 for the target of 760-770 levels (Indore), if needed. Market participants can buy CPO Kandla 5% in the cash markets at 520-530 for the target of 550-560 levels, if needed.

International Veg. Oil Market Summary

CBOT soy oil (May) is expected to stay in the range of 28 cents/lb to 32 cents/lb. CPO at BMD (May) 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.

Higher than expected fall in palm oil stocks in Malaysia, higher exports of palm oil from Malaysia, depreciation of Ringgit, firm India and China palm oil demand and rise in global crude oil prices is expected to support 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 March on weak demand. Average prices of refined soy oil fell in March.
- Soy oil prices witnessed downtrend in month of March on weak demand.

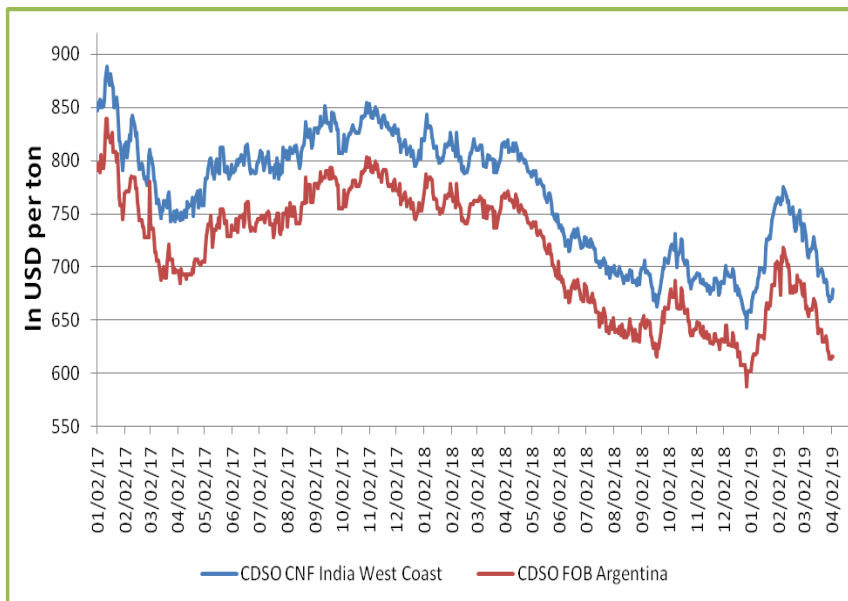
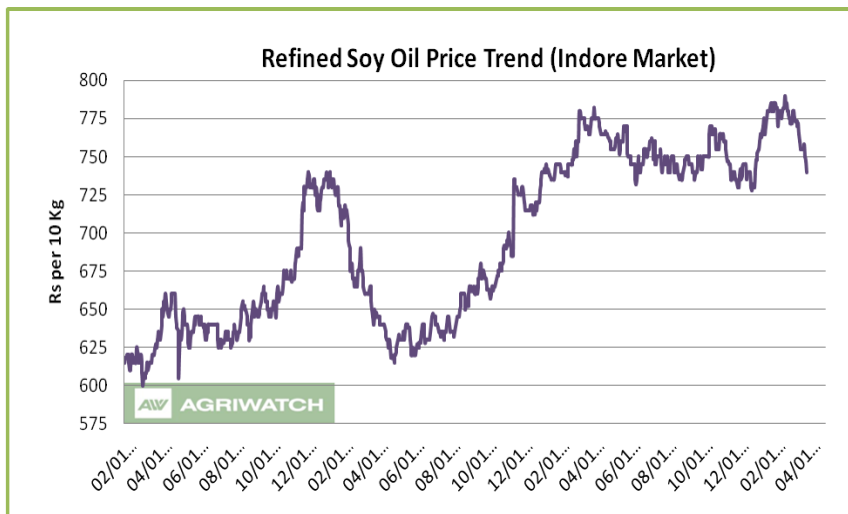
Demand of soy oil is expected to rise in Apr on parity import margins of soy oil. Due to appreciation of Rupee, imports have may return to parity.

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 less compared to CDSO FOB indicating firm demand at CNF markets.

Refined soy oil premium over CPO has increased to Rs 217 (Rs 224 last month) per 10 Kg which is high and will underpin soy oil prices. Refined soy oil premium over RBD palmolein was at Rs 150 (Rs 140 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 50 (Rs 35) per 10 kg indicating weak demand of CDSO compared to refined soy oil in domestic markets.



Landed cost and refining margins are in parity due to fall in prices of soy oil in international 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.

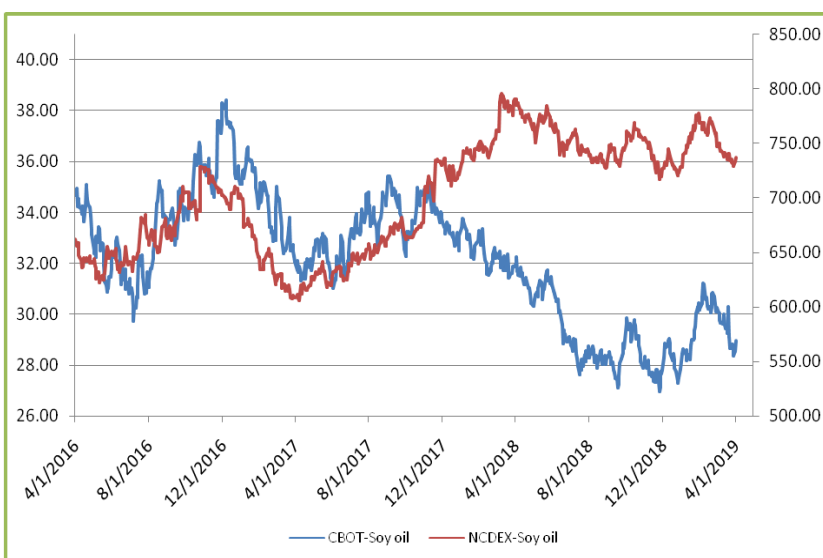
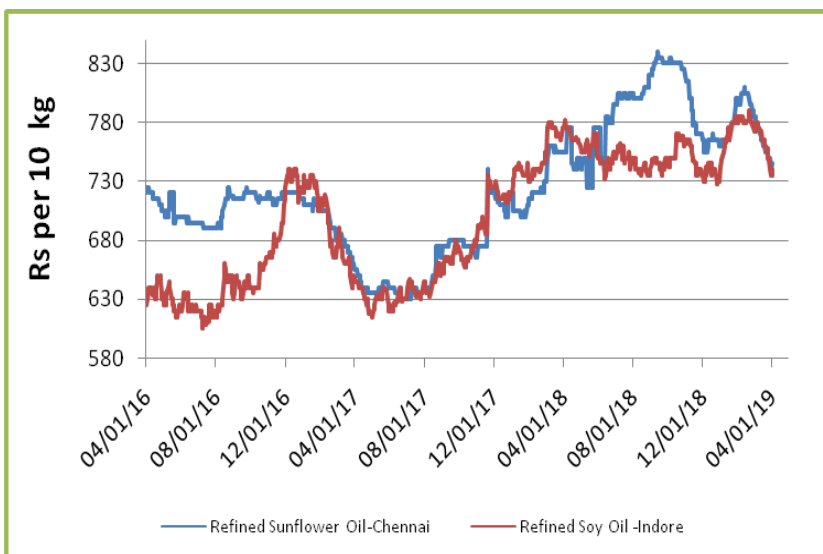
Higher soy meal exports have resulted in higher crushing of soybean. Soy meal exports improved after hike in import duty on edible oils and rise in demand from Iran.

Imports of soy oil fell in Feb compared to Feb 2018 and Jan 2019 and stocks at ports rose indicating firm demand and restocking at ports.

Import parity of soy oil have returned to parity due to fall in prices of soy oil in international 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 rose 64.20 percent y-o-y in Feb to 2.20 lakh tons from 1.34 lakh tons in Feb 2018. In the oil year 2018-19 (Nov 2018-Feb 2019), imports of soy oil were 6.95 lakh tons compared to 7.12 lakh tons in last oil year, lower by 2.39 percent y-o-y.
- Imported crude soy oil CIF at West coast port is offered at USD 681 (USD 701) per ton for Apr delivery, May delivery is offered at USD 676 (USD 700) per ton and June delivery is quoted at USD 679 per ton. Values in





brackets are figures of last month. Last month, CNF CDSO Mar average price was USD 705.76 (USD 753.86 per ton in Feb 2019) per ton.

- On the parity front, margins increased during the month on fall in prices of soy oil in international markets, and we expect margins to remain weak in coming days. Currently refiners fetch USD 25-30/ton v/s loss of USD 10-15/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 720-800 per 10 Kg in the near term.

Palm oil: Domestic Market Fundamentals

- CPO prices witnessed weak tone in the month of March at its benchmark market at Kandla on weak demand.

RBD palmolein prices witnessed weak tone in month of March on weak demand.

- Crude palm oil prices fell in Kandla in the month of March 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 weak at CNF markets as prices fell more at CNF compared to FOB markets.

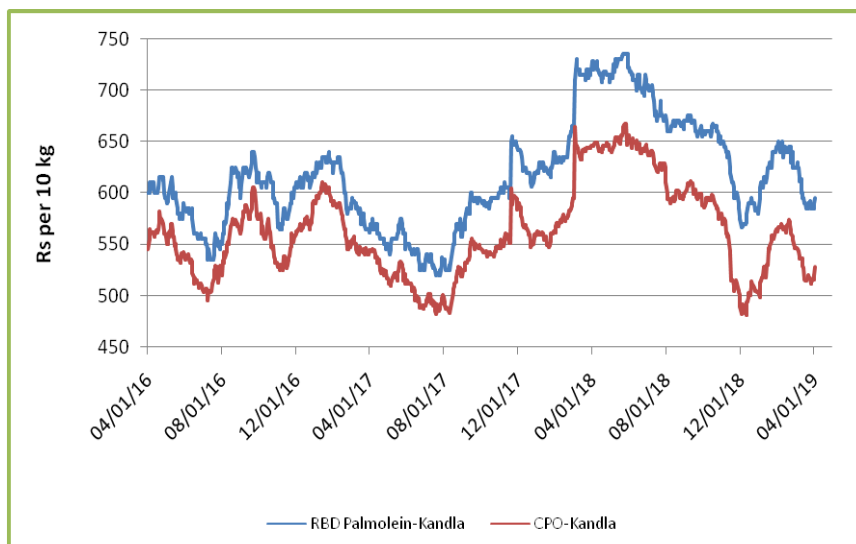
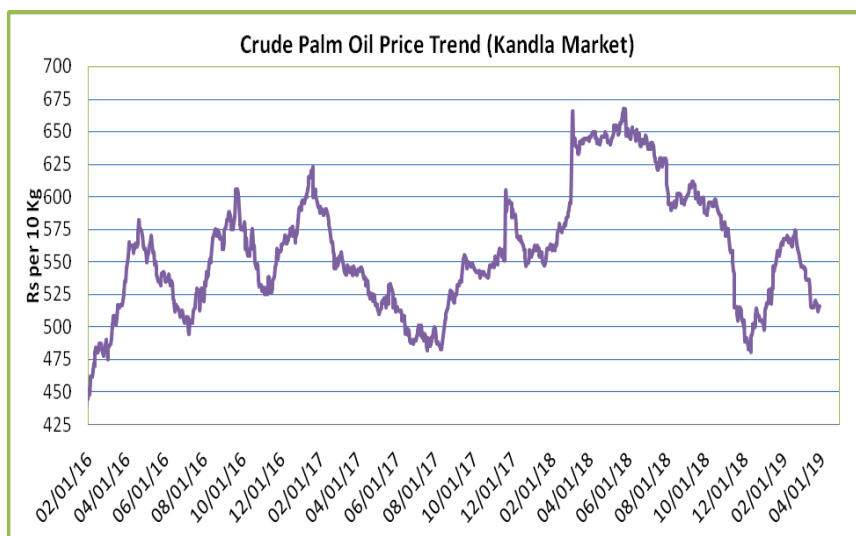
Supply of CPO has increased in Indian markets leading to rise in stocks at ports.

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 April.

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 March.

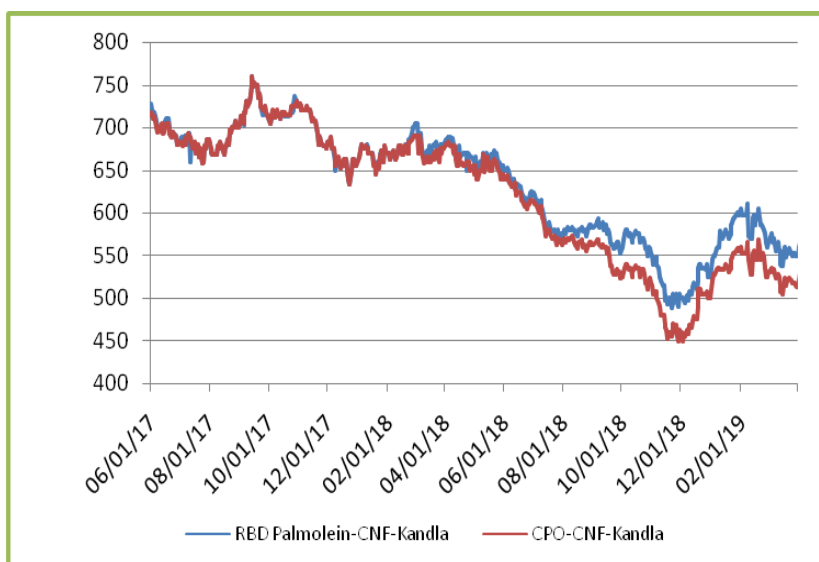
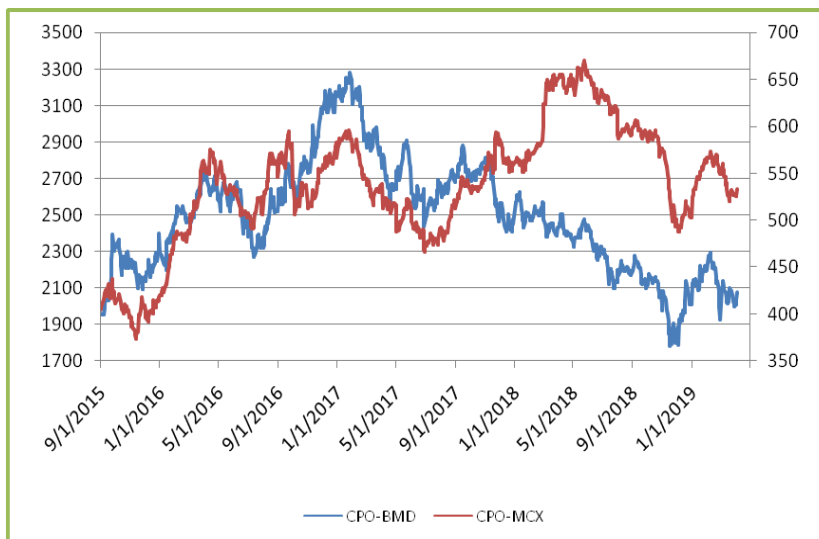
RBD palmolein featured weak tone in its benchmark market on weak demand. Prices of RBD palmolein fell less at high seas compared to CNF markets indicating firm demand at high seas.

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 \$35-40



premium over CPO compared to \$30-35 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.

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

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

RBD palmolein premium over CPO increased to Rs 67 (Rs 84 last month) per 10 kg indicating weak demand of CPO compared to RBD palmolein at high seas.

Import of CPO in Feb was lower than that of Feb 2018 and Jan 2019. Stocks at ports rose in Feb compared to Jan 2019

Import of RBD palmolein is rose in Feb compared to Feb 2018 and Jan 2019. Imports rose more in Feb compared to Jan 2018 and stocks rose more at ports indicating weak 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 217 (Rs 198 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 February at CNF markets. Higher premium of crude sunflower CNF India West coast and CPO CNF at USD 185 (USD 193) 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 158.5 (USD 198 last month) per 10 kg. Premium of CDSO soy oil high seas over CPO high seas is at Rs 167 (Rs 189 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 150 (Rs 140 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 Feb fell 1.05 percent y-o-y to 7.52 lakh tons from 7.60 lakh tons in Feb 2019. Imports in the oil year 2018-19 (November 2018-February 2019) are reported higher by 1.22 percent y-o-y at 30.71 lakh tons compared to 30.34 in last oil year.

Crude Palm oil import scenario- According to Solvent Extractors Association (SEA), CPO Imports fell 8.80 percent y-o-y in Feb to 4.98 lakh tons from 5.46 lakh tons in Feb 2019. Imports in oil year 2018-19 (November 2018-February 2019) were reported marginally lower y-o-y at 23.82 lakh tons compared to 23.87 lakh tons in last oil year.

RBD palmolein import scenario- RBD palmolein imports rose y-o-y in Feb by 19.30 percent to 2.41 lakh tons from 2.02 lakh tons in Feb 2018. Imports in oil year 2018-19 (November 2019-February 2019) were reported higher by 6.75 percent y-o-y at 6.48 lakh tons compared to 6.07 lakh tons in corresponding period last oil year.

- On the trade front, CNF CPO (Indonesian origin) at Indian port quoted at USD 522.5 (USD 525) per ton for Apr delivery. Last month, CNF CPO Mar average price was at USD 521.36 per ton (USD 547.36 per ton in Feb 2019). Values in brackets are figures of last week.

Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 562.5 (USD 557.5) per ton for Apr delivery. Last month, CIF RBD palmolein Mar average price was USD 556.12 (USD 588.37 in Feb 2019) per ton. Values in bracket depict last month quotes.

Ready lift CPO duty paid prices quoted at Rs 528 (Rs 546) per 10 Kg and Apr delivery duty paid is offered at Rs 530 (Rs 549) per 10 kg. Ready lift RBD palmolein is quoted at Rs 595 (Rs 630) per 10 kg as on Apr 3, 2019. Values in brackets are figures of last month.

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

Price Outlook: We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 500-580 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 March in various markets in India on weak demand and weak rapeseed prices.

Demand fell in the month of Mar on weak buying.

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

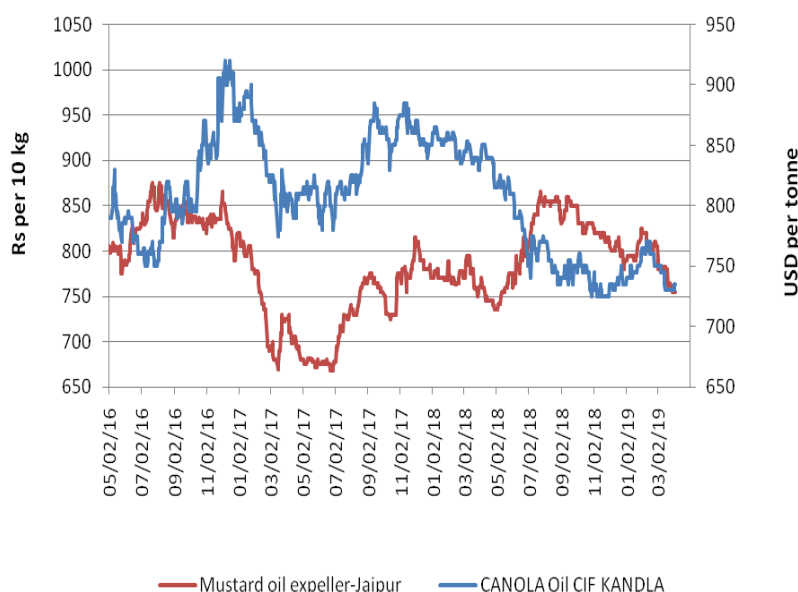
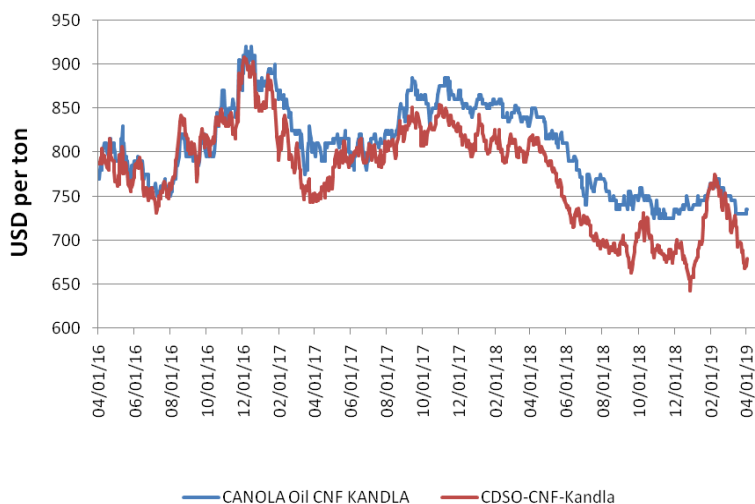
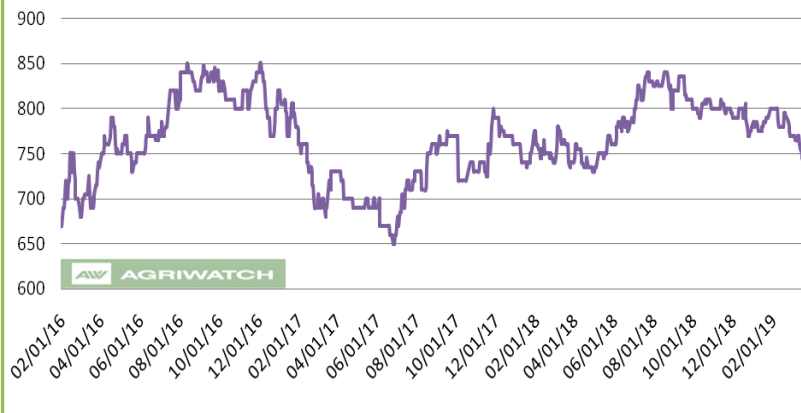
Stocked position is firm against weak demand position.

Rapeseed crop in current marketing year is higher than last year. Agriwatch forecasted rapeseed crop at 7.6 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 had peaked in in March and will fall in April.

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. Higher crush of rapeseed has led to

Mustard Oil Price Trend (Kota Market)



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 37 (Rs 31) 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 54 (USD 22) per ton and will increase imports.

Above chart shows that Canola and rapeseed expeller oil prices are falling. 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 15 (Rs 10) 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 150 (Rs 171) per 10 kg will underpin rapeseed oil prices.

Crushing has increased as supply of rapeseed in the market increased. NAFED has liquidated stocks of rapeseed and has started to buy new crop of rapeseed and is expected to buy aggressively in coming days will support mustard oil complex.

Currently NAFED is holding 0.07 lakh tons of rapeseed and 0.03 lakh tons with NCDEX.

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

- According to United States Department of Agriculture (USDA) March estimate, India is estimated to import 2.5 LT of rapeseed oil in 2018/19 compared to earlier estimate of 3.5 LT, lower by 28.6 percent y-o-y. Production of rapeseed oil is increased to 21.28 LT in 2018/19 from earlier estimate of 19.19 LT, higher by 10.9 percent. Consumption of rapeseed oil is increased to 24.3 LT from 23.1 LT from its earlier estimate, up 5.2 percent y-o-y. End stocks of rapeseed oil are lowered to 1.96 LT from 2.08 LT in its earlier estimate, down by 5.77 percent y-o-y. Fall in imports of rapeseed oil in India is due to higher production of rapeseed oil.
- Rapeseed oil import scenario- India imported 0.10 lakh tons of rapeseed (Canola) oil in Feb 2019 v/s 0.18 lakh tons in Feb 2018, lower by 44.44 percent y-o-y. In the oil year 2018-19 (Nov 2019-Feb 2019) imports were 0.44 lakh tons compared to 0.95 lakh tons in last oil year, lower by 54.70 percent y-o-y.
- CIF Canola oil premium over soybean oil is hovering at USD 54 (USD 22 last month) as on Apr 3, 2019.
- Currently, RM oil at Jaipur market (expeller) is offered at Rs 755 (Rs 790) per 10 Kg and at Kota market is quoted around Rs 745 (Rs 770) per 10 kg as on Apr 3, 2019. 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 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 March on weak demand
- Sunflower oil prices closed lower in month of March 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.

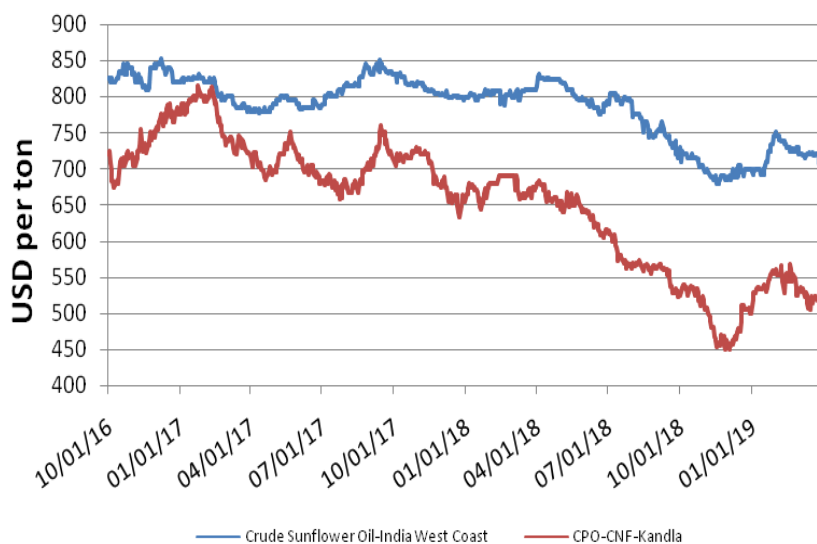
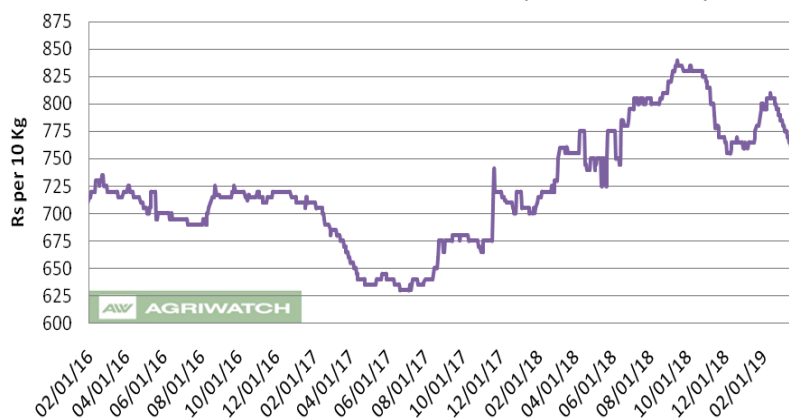
Prices of sunflower oil at CNF markets are softening as prices rose steadily after falling to 9 year low at CNF markets in January. Sunflower oil at CNF markets is underpinned by firm supply from Ukraine after weather disturbances. Due to surplus stock of sunflower in Ukraine will cap rise in sunflower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

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

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

Supply of sunflower oil increased

Sunflower Oil Price Trend (Chennai Market)



in Feb for third month in a row with imports higher than 2 lakh tons after 4 months of low imports after hike in its import duty. 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.

Recent fall in premium of CSFO over CDSO in CNF markets support prices in medium term. Imports are expected to be higher in Mar 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 March will support imports.

Fourth chart from above shows that sunflower oil prices are highly

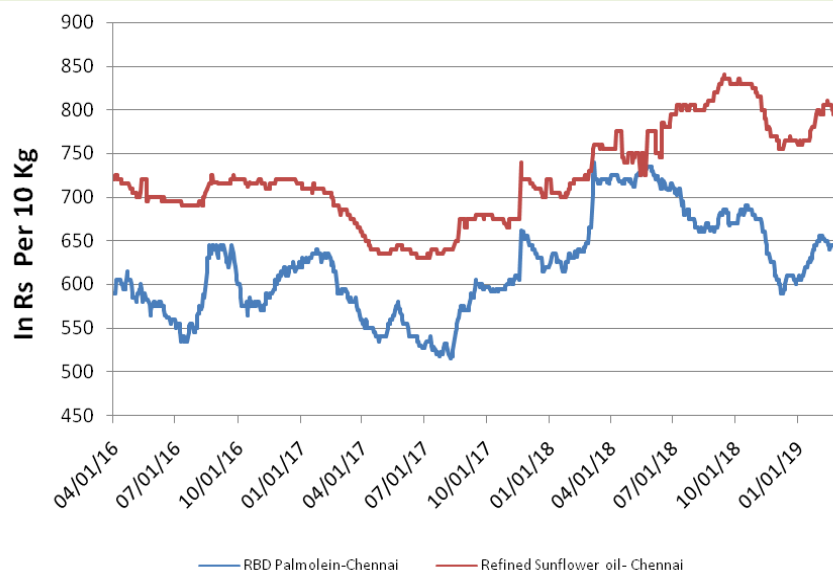
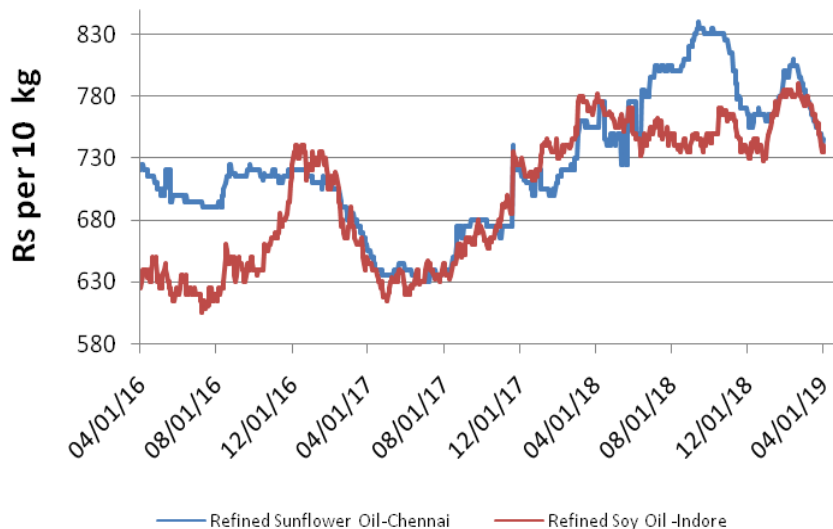
correlated to soy oil prices in domestics market. However, fifth chart from above shows that sunflower oil premium over RBD palmolein has increased from mid 2018.

Refiners and stockists are stocking as sunflower oil premium over soy oil is decreased to USD 26 (USD 16 last month) per ton.

In domestic market sunflower oil premium over soy oil is at Rs 0.0 (Rs 10) per 10 kg.

Refined sunflower oil premium over RBD palmolein has increased to Rs 150 (Rs 155 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 145 (USD 160) 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 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 and high premium over RBD palmolein. Prices of sunflower oil are expected to remain in a range with downward bias in April.

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

- Sunflower oil imports scenario- According to Solvent Extractors Association (SEA), Sunflower oil imports fell 6.13 percent y-o-y in Feb to 2.00 lakh tons from 2.13 lakh tons in Feb 2018. Imports in oil year 2018-19 (November 2018-February 2019) were reported lower by 1.47 percent y-o-y at 8.02 lakh tons compared to 8.14 lakh tons in last oil year.
- On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 707.5 (USD 717.5) per ton for AMJ delivery. CNF sun oil (Ukraine origin) Mar monthly average was at USD 718.6 per ton compared to USD 733.25 per ton in Feb. Values in brackets are figures of last week.
- Prices are likely to stay in the range of USD 700-760 per ton in the near term. CNF Sunflower oil premium over CDSO is hovering at USD 26 (USD 16 last week) per ton for April delivery. CNF sunflower oil premium over RBD palmolein is hovering around USD 145 (USD 155) per ton.
- Currently, refined sunflower oil at Chennai market is offered at Rs 745 (Rs 785) per 10 Kg, and at Kandla/Mudra market, it is offered at Rs 765 (Rs 795) per 10 kg as on Apr 3, 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 720-800 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 March on firm demand.

Groundnut oil demand remained moderated in the month of March 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 selling Kharif 2018 and Kharif 2017 groundnut crop and progressing at steady pace. At present quality of groundnut of Kharif 2018 is good for crushing.

NAFED has started sale of current season crop from 15 th February and 2017 Kharif crop with NAFED is 2.94 lakh tons and 2018 Kharif groundnut stock is 6.30 lakh tons.

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

Total progressive sale by NAFED in 2018 Karif is 0.73 lakh in current season.

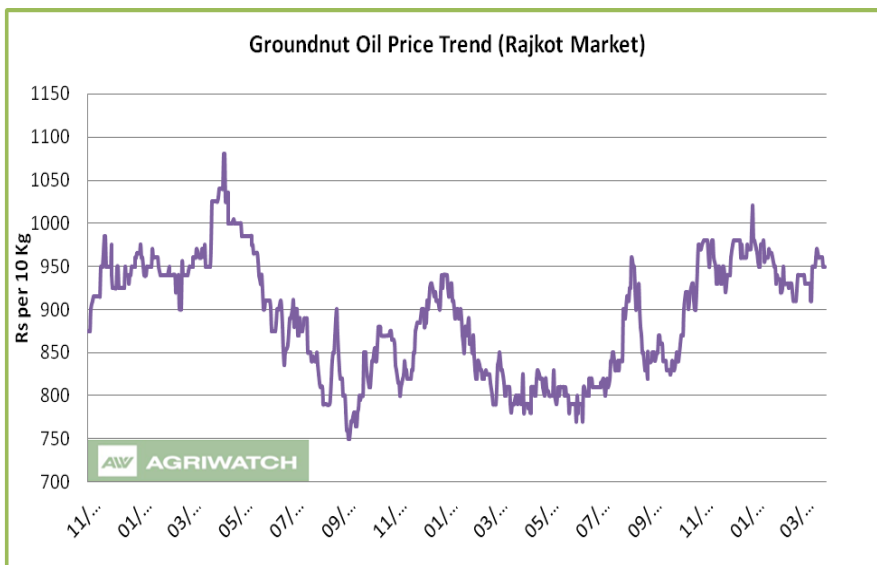
So, total stock in NAFED is 9.24 lakh tons apart from additional stocks with trade and farmers. High stocks are weighing on prices of groundnut.

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 decrease between Rs 980-1000 per 10 kg levels. As peak demand season is over prices will remain moderated in April.

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

However, there is parity in crush of Kharif 2017 groundnut crop.



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 fell 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 have started and will remain elevated in April.

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

Prices are expected to trade sideways to firm.

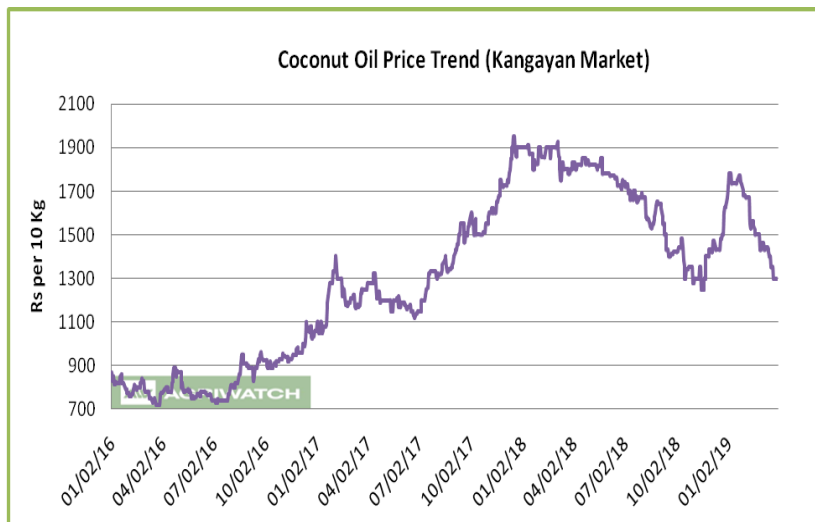
- On the price front, currently the groundnut oil prices in Rajkot is hovering near Rs 9,500 (9,400) per quintal and quoting at Rs 9,400 (Rs 9,400) per quintal in Chennai market.
- Groundnut oil prices are likely to trade with a sideways to firm tone in the coming days.

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 Mar 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 fell due to higher supply of copra due to good crop. This led 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 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 April 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 15,100 (15,400) per quintal, and quoting Rs 13,000 (14,300) per quintal in Erode market on mar 30, 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 1100-1500 per 10 Kg.

International Soy oil Market Fundamentals

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

Optimism in global market of trade settlement between US and China as trade talks are on. US President has stated that talks are progressing fruitfully and any breakthrough will take at least 4 weeks. China has started purchasing of soybean during current round of talks. Trade talks between US and China has begun from Jan 30 and is continuing into April 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. US President has stated that tariffs will remain after trade deal for China to comply to trade commitments made during talks. 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. Premiers of both countries will meet after final settlement. Trade settlement US and China is expected to support soybean complex prices.

Soy oil stocks rose in US in Feb as reported by NOPA despite rise in crush of soybean. Rise in stocks of soy oil in US is due to lower disappearance of soy oil in the country.

Soybean crop condition of Argentina has improved and yields indicating yields will come higher than expected. Harvest of soybean in Argentina has started and is above last year and 5-year average indicating that production will be higher than previously expected. Higher crop in Argentina will lead to fall in basis above CBOT soy oil and lead to fall in FOB soy oil prices at Argentina.

USDA kept unchanged soybean crop in Argentina to 55 MMT. Soybean exports of Argentina are expected Argentina Exchange has increased soybean crop estimate above 53 MMT on higher yields and conducive weather for harvesting.

Soybean harvest in Brazil is progressing at much higher pace than expected. Harvest is higher than last year and above 5-year average. Higher pace of harvest in Brazil and Argentina will lead to surge in supply of soybean in international markets thereby lead to loosening of tight condition in both countries and will give China additional tool in US-China trade talks.

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 116 MMT from 117 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.

China purchased 39 percent less soybean in February m-o-m and imports were 17 percent lower than Feb 2018.. China brought most of soybean in January from Brazil in February. 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 firm due to firm demand prospects, which will support soy oil prices.

Soy oil prices have fallen after rising more than 15 percent in 2019 due to trade optimism US and China and are 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 season-average soybean price range forecast of \$8.10 to \$9.10 per bushel is unchanged at the midpoint. Soybean oil and meal prices are also unchanged at 28.5 to 31.5 cents per pound and \$295 to \$335 per short ton, respectively.

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 rise due to expectation of higher than expected fall in end stocks of palm oil in Malaysia in March, rise in exports of palm oil from Malaysia, depreciation of Ringgit and rise in global crude oil prices. Further higher than expected fall in end stocks of palm oil in Indonesia and higher than expected exports from the country is expected to support palm oil prices.

However, rise in production of palm oil in Malaysia in March will limit fall in end stocks of palm oil in Malaysia. Further, US-China trade deal will limit the gains in exports of palm oil from Malaysia and Indonesia from China.



Palm oil end stocks is expected to fall below 3 MMT due to higher than expected exports of palm oil from Malaysia.

Exports grew 28 percent in March from Malaysia in March due to firm demand from India, China and EU.

Exports to India grew as it took advantage of lower prices to stock as it is price sensitive market. Further, bargain buying is expected in April. However, stocks of palm oil at Indian ports are surging which will limit imports in coming months.

China is expected to purchase more palm oil from Malaysia due to lower imports of soybean which has led to lower crush of soybean and lower supply of soy oil leading to higher imports of palm oil. Further, outbreak of swine flu in China has led to weak demand of soybean leading to lower demand of soybean. Further, China is diversifying from soybean to other sources of protein may lead to higher imports of palm oil.

However, trade settlement between US-China may limit gains in imports of palm oil as China will import more soybean thereby weakening import demand of palm oil.

Production of palm oil is expected to rise in Malaysia in March due to higher fertilizer use and maturing plants. MPOA showed unexpected rise in production of palm oil in Malaysia in first 20 days of March indicating that month will end in green thereby limiting fall in end stocks of palm oil in Malaysia.

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

Trade war has erupted between EU and Malaysia-Indonesia with former banning palm oil based biodiesel due to rapid deforestation by both Southeast Asian countries. Indonesia has threatened to walk away from Paris climate agreement. This has led to fluid situation in palm oil market and underpin prices in March.

Imports of palm oil to India showed firm trend in March 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.

Palm oil end stocks fell in Indonesia in Feb due to fall in production of palm oil in the country and rise in exports of palm oil. End stocks of palm oil fell below 3 MMT. Removal of export levy has led to clearing of palm oil stocks in the country and will palm oil prices in medium term.

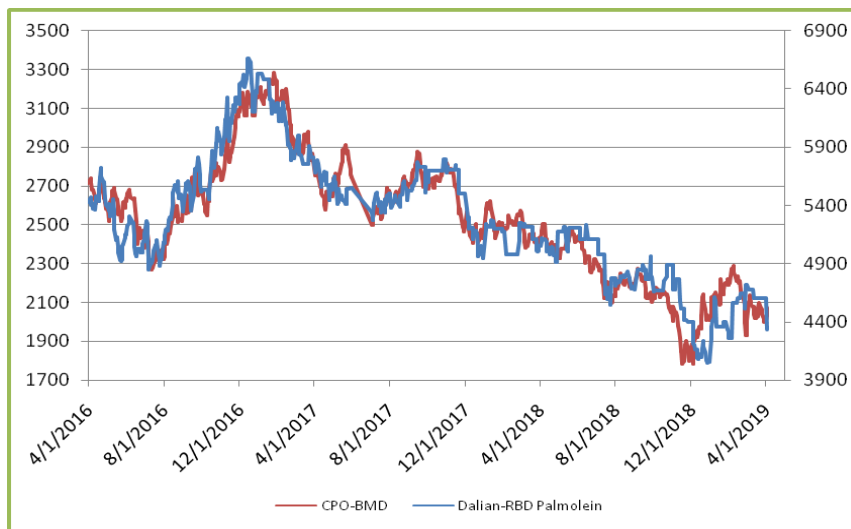
Indonesia has asked India to cut import duty on palm oil to bring it in lines with import duty on palm oil on Malaysia by India in exchange of higher sugar imports from in India by Indonesia.

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

Depreciation of Ringgit is expected to underpin palm oil prices. Ringgit has depreciated around 4.10/USD. This will make exports of palm oil competitive 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. Also, Indonesia is working on B30 standards which will increase bio component in gasoline to 30 percent to reduce imports of crude oil.



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 increased over Indonesia CPO due to firm demand. Export demand will fall due to rising 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 supported by rise in soybean complex prices due US-China trade settlement optimism.

Malaysia kept palm oil export duty for April to decrease stocks of palm oil in the country.

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

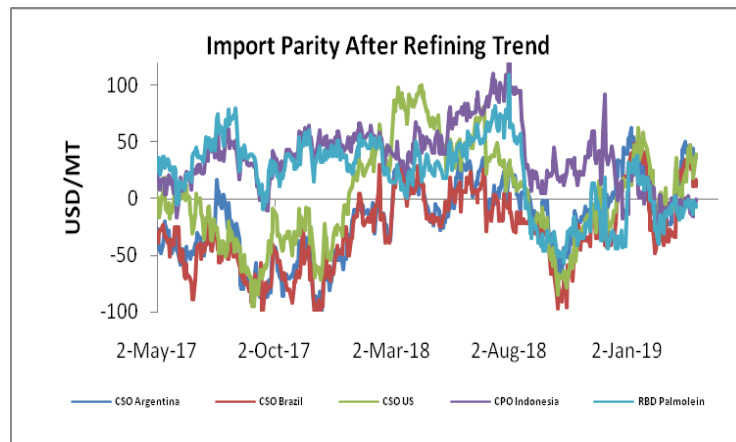
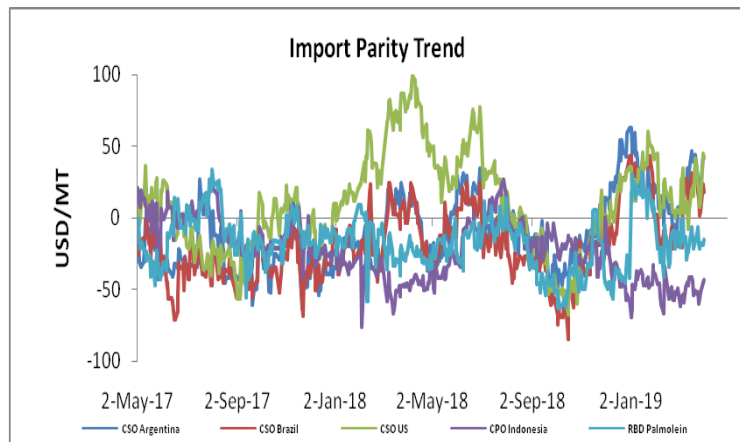
Global crude oil prices are expected to rise on expected cut on crude oil production by OPEC and Russia will support palm oil prices.

- According to Malaysia Palm Oil Board (MPOB), Malaysia's February palm oil stocks rose 1.34 percent to 30.46 lakh tons compared to 30.05 lakh tons in January 2019. Production of palm oil in Feb fell 11.10 percent to 15.45 lakh tons compared to 17.37 lakh tons in Jan 2019. Exports of palm oil in Feb fell 21.38 percent to 13.21 lakh tons compared to 16.81 lakh tons in Jan 2019. Imports of palm oil in Feb rose 15.71 percent to 0.94 lakh tons compared to 0.82 lakh tons in Jan 2019. End stocks of palm oil unexpectedly rose against trade expectation on fall in end stocks. Rise in end stocks was primarily due to fall in exports.
- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's Mar palm oil exports rose 28.1 percent to 1,577,521 tons compared to 1,231,858 tons last month. Top buyers were India at 355,015 tons (337,101 tons), European Union 312,540 tons (264,005 tons), China at 216,190 tons (98,635 tons), Pakistan at 126,000 tons (48,250 tons) and United States at 59,905 tons (62,335 tons). Values in brackets are figures of last month.
- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's Mar palm oil exports rose 22.4 percent to 1,522,204 tons compared to 1,243,308 tons last month. Top buyers were India & subcontinent 374,220 tons (303,114 tons), European Union 447,135 tons (476,575 tons) and China at 156,795 tons (99,925 tons). Values in brackets are figures of last month.
- According to Indonesia Palm Oil Association (GAPKI), exports of palm oil (CPO and PKO) from Indonesia rose 16.7 percent in Feb y-o-y to 2.77 MMT from 2.37 MMT in Feb 2018. Exports of palm oil (CPO and PKO) were fell 10.6 m-o-m in Feb at 2.77 MMT compared to Jan 2019 at 3.10 MMT. Stocks of palm oil in Feb 2019 fell to 2.5 MMT from 3.02 MMT in Jan, down 17 percent m-o-m.
- Policy update- According to Malaysia Palm Oil Board (MPOB), Malaysia kept April crude palm oil export duty unchanged at 0.0 percent. Export duty of palm oil is calculated at reference price of 2056.04 ringgit (\$502.70) per ton. Tax is calculated above 2,250 ringgit starting from 4.5 percent to a maximum of 8.5 percent.

According to Indonesia finance ministry, Indonesia kept March-May export duty unchanged at zero. Indonesia will put levy of USD 10-USD 25 if the government reference prices exceeds USD 570 per ton. If prices exceed above USD 619, USD 50 per ton levy will be imposed. 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

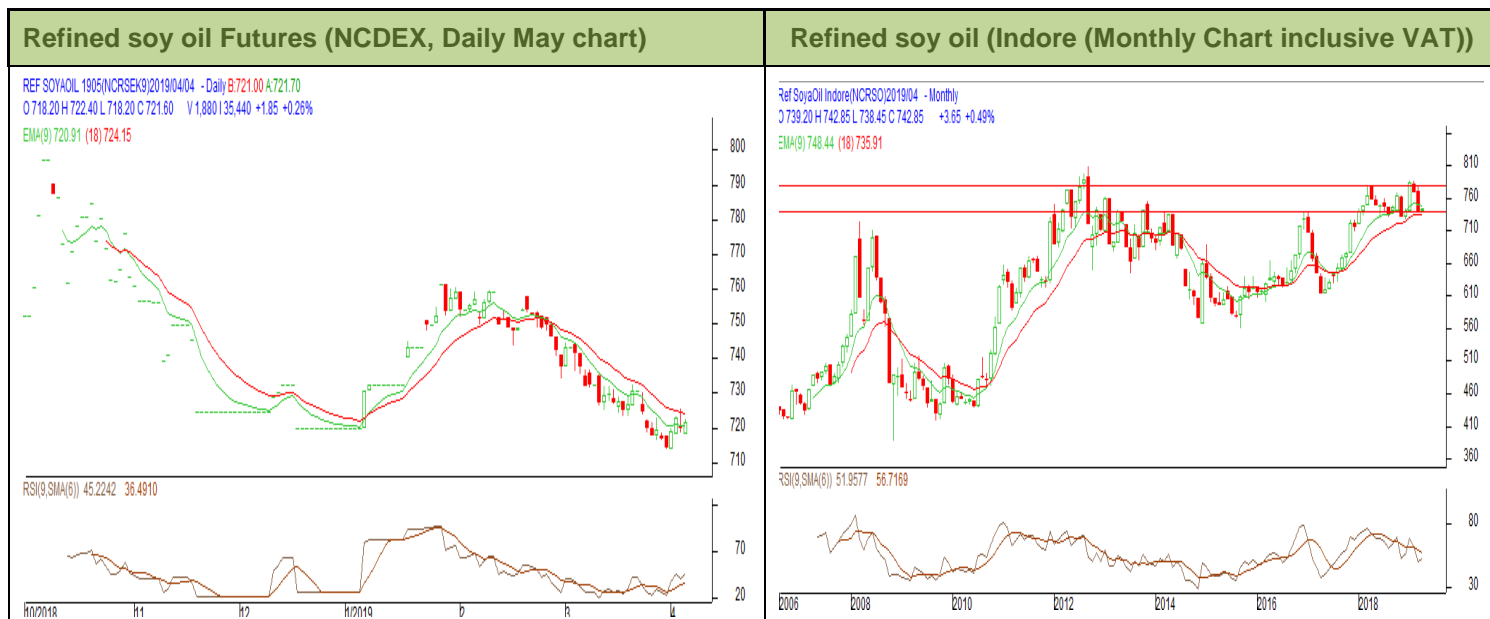


Import Parity after Refining in US dollar per tons (Monthly Average)

	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
Jan, 2019	32.50	32.11	36.83	11.58	19.21
Feb, 2019	-13.56	-33.12	-3.01	-6.56	-16.06
Mar, 2019	27.37	13.75	17.54	-5.95	-7.77

Outlook:-

Import parity for CDSO Argentina has increased due to fall in international prices of soy oil. We expect CDSO import parity to remain in parity in April due to weak prices of soy oil in international 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 buy refined soy oil (May contract) on dips.

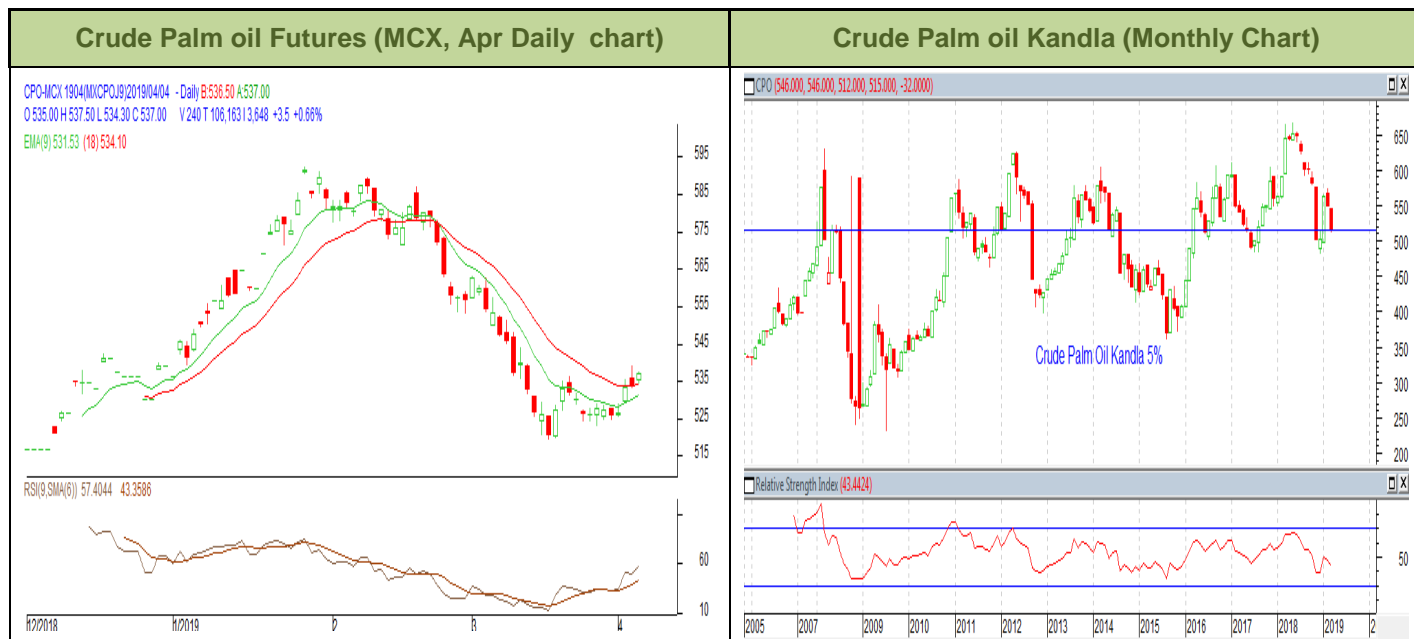
- Monthly chart of refined soy oil at NCDEX featured losses in the prices. We expect sideways to firm movement in the coming days.
- Any close above 740 in monthly chart will bring prices to 750 levels.
- Expected price band for next month is 720-790 level in near to medium term. RSI and MACD are indicating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

Strategy: Market participants are advised to go long in RSO above 725 for a target of 745 and 750 with a stop loss at 715 on closing basis.

RSO NCDEX

Support and Resistance				
S2	S1	PCP	R1	R2
700.00	720.00	731.65	750.00	765.00

Spot Market outlook: Refined soy oil Indore (including VAT) is likely to stay in the range of 720-800 per 10 Kg.

Technical Analysis (Crude Palm oil Monthly Charts)


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

- Candlestick monthly chart of crude palm oil at MCX depicts rise in prices. We expect prices to feature sideways to firm tone in the near term.
- Any close above 550 in monthly chart might bring the prices to 570 levels.
- Expected price band for next month is 500-600 level in near to medium term. RSI and MACD are indicating uptrend.

Strategy: Market participants are advised to go long in CPO above 540 for a target of 560 and 565 with a stop loss at 530 on closing basis.

CPO MCX

Support and Resistance				
S2	S1	PCP	R1	R2
530.00	540.00	548.3.00	565.00	580.00

Spot Market outlook: Crude palm oil Kandla is likely to stay in the range of 500-580 per 10 Kg.

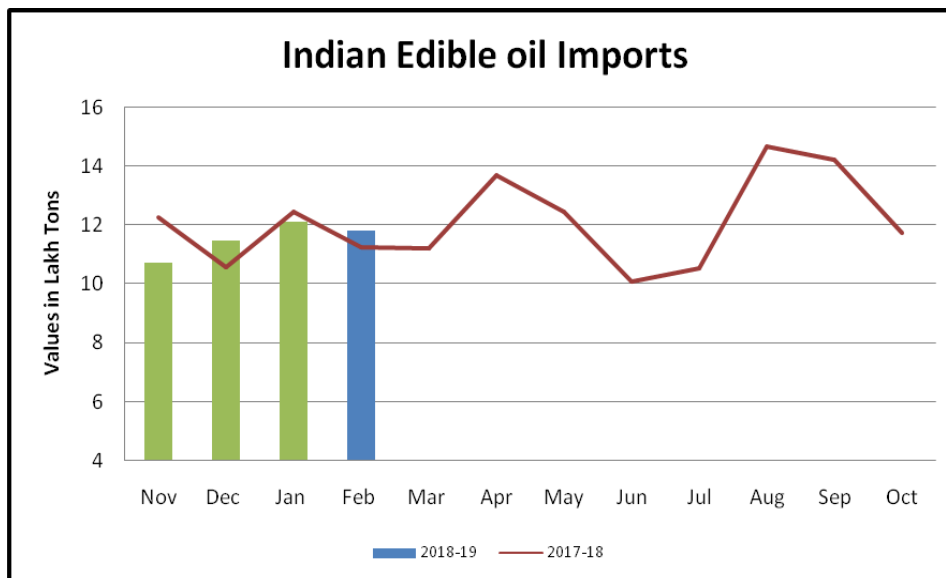
Monthly spot prices comparison

Commodity	Centre	Prices(Per 10 Kg)		Change
		30-Mar-19	28-Feb-19	
Refined Soybean Oil	Indore	740	775	-35
	Indore (Soy Solvent Crude)	695	740	-45
	Mumbai	740	770	-30
	Mumbai (Soy Degum)	692	730	-38
	Kandla/Mundra	720	765	-45
	Kandla/Mundra (Soy Degum)	695	737	-42
	Kolkata	742	780	-38
	Delhi	765	812	-47
	Nagpur	738	768	-30
	Rajkot	715	765	-50
	Kota	735	770	-35
	Hyderabad	755	760	-5
	Akola	741	769	-28
	Amrawati	740	769	-29
	Bundi	745	780	-35
	Jalna	744	775	-31
	Solapur	748	775	-27
	Dhule	746	774	-28
Palm Oil*	Kandla (Crude Palm Oil)	542	574	-33
	Kandla (RBD Palm oil)	578	609	-32
	Kandla RBD Pamolein	614	656	-42
	Kakinada (Crude Palm Oil)	544	572	-28
	Kakinada RBD Pamolein	614	656	-42
	Haldia Pamolein	622	664	-42
	Chennai RBD Pamolein	620	662	-42
	KPT (krishna patnam) Pamolein	609	651	-42
	Mumbai RBD Pamolein	625	667	-42
	Mangalore RBD Pamolein	620	662	-42
	Tuticorin (RBD Palmolein)	617	652	-35
	Delhi	650	688	-38
	Rajkot	611	649	-38
	Hyderabad	598	636	-38
	PFAD (Kandla)	336	336	Unch
	Refined Palm Stearin (Kandla)	544	572	-28
	Superolien (Kandla)	651	714	-63
	Superolien (Mumbai)	656	719	-63
* inclusive of GST				
Refined Sunflower Oil	Chennai	750	790	-40



	Mumbai	785	820	-35
	Mumbai(Expeller Oil)	700	730	-30
	Kandla (Ref.)	765	795	-30
	Hyderabad (Ref)	750	800	-50
	Latur (Expeller Oil)	775	775	Unch
	Chellakere (Expeller Oil)	710	740	-30
	Erode (Expeller Oil)	805	835	-30
Groundnut Oil	Rajkot	950	940	10
	Chennai	940	940	Unch
	Delhi	920	950	-30
	Hyderabad *	950	970	-20
	Mumbai	980	970	10
	Gondal	Closed	950	-
	Jamnagar	Closed	940	-
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	755	805	-50
	Jaipur (Kacchi Ghani Oil)	775	805	-30
	Kota (Expeller Oil)	735	770	-35
	Kota (Kacchi Ghani Oil)	750	800	-50
	Neewai (Expeller Oil)	740	775	-35
	Neewai (Kacchi Ghani Oil)	750	785	-35
	Bharatpur (Kacchi Ghani Oil)	780	800	-20
	Sri-Ganga Nagar(Exp Oil)	740	800	-60
	Sri-Ganga Nagar (Kacchi Ghani Oil)	755	805	-50
	Mumbai (Expeller Oil)	760	780	-20
	Kolkata(Expeller Oil)	900	930	-30
	New Delhi (Expeller Oil)	770	812	-42
	Hapur (Expeller Oil)	910	900	10
	Hapur (Kacchi Ghani Oil)	945	940	5
	Agra (Kacchi Ghani Oil)	785	805	-20
Refined Cottonseed Oil	Rajkot	725	725	Unch
	Hyderabad	710	715	-5
	Mumbai	740	742	-2
	New Delhi	702	718	-16
Coconut Oil	Kangayan (Crude)	1300	1430	-130
	Cochin	1510	1540	-30
Sesame Oil	New Delhi	1750	1700	50
	Mumbai	0	0	Unch

Kardi	Mumbai	880	880	Unch
Rice Bran Oil (40%)	New Delhi	595	620	-25
Rice Bran Oil (4%)	Punjab	605	605	Unch
Malaysia Palmolein USD/MT	FOB	523	530	-7
	CNF India	550	560	-10
Indonesia CPO USD/MT	FOB	495	505	-10
	CNF India	513	525	-12
RBD Palm oil (Malaysia Origin USD/MT)	FOB	518	525	-7
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	505	525	-20
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	690	745	-55
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	465	460	5
Crude palm Kernel Oil India (USD/MT)	CNF India	680	750	-70
Ukraine Origin CSFO USD/MT Kandla	CIF	708	730	-22
Rapeseed Oil Rotterdam Euro/MT	FOB	710	720	-10
Argentina FOB (\$/MT)		30-Mar-19	28-Feb-19	Change
Crude Soybean Oil Ship		613	669	-56
Refined Soy Oil (Bulk) Ship		634	692	-58
Sunflower Oil Ship		635	650	-15
Cottonseed Oil Ship		593	649	-56
Refined Linseed Oil (Bulk) Ship		0	0	Unch
* indicates including GST				

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 Feb is pegged at 11.82 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	8.16	0.53%
Imports	15.08	14.52	15.39	6.00%
Total Supply	25.75	24.99	25.37	1.52%
Exports	0.01	0.02	0.02	0.00%
Total Demand(Consumption)	23.39	23.16	23.62	2.00%
Ending Stock	2.35	1.82	1.73	-4.64%

* Value in million tons

Balance Sheet Highlights

Net edible oil output is likely to be 8.16 million tons (up 0.53 percent y-o-y basis) in 2018-19 led by higher oilseed sowing in Kharif and rabi season in the current oil year.

On import front, edible oil imports seen at 15.39 million tons for 2018/19 oil year v/s 14.52 million tons last year.

On the consumption side, India's edible oil consumption for 2018-19 oil year seen at 23.62 million tons, higher by 2.0 percent from last year. Ending stocks are projected higher compared to 2018-19 at 1.73 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 0/04/2019	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
FOB USD per ton	613	637	613	500	530
Freight (USD/MT)	47	47	47	35	29.0
C & F	660.0	684.0	660.0	535.0	559.0
Weight loss (0.25% of FOB)	1.53	1.59	1.53	1.25	1.33
Finance charges (0.4% on CNF)	2.64	2.74	2.64	2.14	2.24
Insurance (0.3% of C&F)	1.98	2.05	1.98	1.61	1.68
CIF (Indian Port - Kandla)	666	690	666	540	564
Duty (Values in USD per tons)	273.74	273.74	273.74	232.76	280.67
GST (5% on duty) USD per ton	13.69	13.69	13.69	11.64	14.03
Exchange rate	69.11	69.11	69.11	69.11	69.11
Landed cost without customs duty in INR per ton	46038	47712	46038	37319	38994
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	711	711	711	529	567
Fixed exchange rate by customs department	70.00	70.00	70.00	70.00	70.00
Duty component in INR per ton	19161.45	19161.45	19161.45	16293.20	19646.55
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	66599	68274	66599	55012	60041
Domestic Market price INR/ton Soy Degum Kandla/CPO Kandla/RBD Kandla	69500	69500	69500	52000	59000
Total landed cost USD per ton	964	988	964	796	869
Domestic Market price USD/tons Soy Degum Kandla/CPO Kandla 5%	1006	1006	1006	752	854
Parity INR/MT (Domestic - Landed)	2901	1226	2901	-3012	-1041
Parity USD/MT (Domestic - Landed)	41.97	17.74	41.97	-43.59	-15.06
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	71099.25	72773.65	71099.25	62512.25	62841.04
Soy/Palm oil imported Price (Including tax)	74654.21	76412.33	74654.21	65637.87	65983.09
Loose price of Soy/Palm in Indore and Delhi market	77175.00	77175.00	77175.00	65500.00	65500.00
Parity after processing and Taxes (Rs per MT)	2520.79	762.67	2520.79	-137.87	-483.09
Parity after processing and Taxes (USD per MT)	36.48	11.04	36.48	-1.99	-6.99
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	Feb-Apr-F	May-July-F	Aug-Oct-F
Opening Stock	5.67	2.73	2.73	1.88	2.42	2.97
Production (Domestic)	14.94	18.72	9.36	2.81	2.81	3.74
Imports	30.47	31.35	4.75	7.84	7.84	10.93
Imported oil processing	29.65	30.50	4.62	7.63	7.63	10.63
Total Production (Domestic production and imported oil production)	44.59	49.22	13.98	10.43	10.43	14.37
Total Supply	50.26	51.95				
Quarterly add-on			13.98	10.43	10.43	14.37
Consumption	47.53	49.44	14.83	9.89	9.89	14.83
Ending Stock	2.73	2.51	1.88	2.42	2.97	2.51

Source: AW estimates

Oil year- November-October

Highlights

- Prices of soy oil in 2018-19 are expected to be higher on lower carryout in oil year 2018-19.
- 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 lower imports.
- Carryout stocks of oil year 2018-19 is 2.51 lakh tons on higher soy oil imports.
- Carry out of oil 2017-18 is 2.73 lakh tons
- Carryout of 2018-19 is lower than 2017-18 on higher consumption.

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

	2017-18	2018-19-F	Nov-Jan	Feb-Apr-F	May-July-F	July-Oct-F
Opening Stock	1.14	0.68	0.68	1.11	1.71	1.34
Production	0.20	0.20	0.05	0.05	0.05	0.05
Imports	8.70	10.01	2.32	2.50	2.50	2.68
Total Supply	10.04	10.89				
Exports	0.00	0.00	0.00	0.00	0.00	0.00
Quarterly add-on			2.37	2.55	2.55	2.73
Consumption	9.36	9.73	1.95	1.95	2.92	2.92
Ending Stocks	0.68	1.16	1.11	1.71	1.34	1.16

Source: AW estimates

Oil year- November-October

Highlights

- Prices of palm oil in 2018-19 are expected to be weak on higher carryout compared to oil year 2018-19.
- 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 second quarter of oil year 2018-19 will be higher than first quarter of oil year 2018-19

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

	2017-18-F	2018-19-F	Nov-Jan	Feb-Apr-F	May-July-F	Aug-Oct-F
Opening Stock	3.43	4.00	4.00	3.42	2.91	2.55
Production	0.80	0.80	0.15	0.12	0.27	0.27
Imports	25.25	24.49	6.02	6.12	6.12	6.23
Total Supply	29.48	29.29				
Quarterly add-on			6.17	6.24	6.39	6.49
Exports	0.00	0.00	0.00	0.00	0.00	0.00
Consumption	25.47	27.00	6.75	6.75	6.75	6.75
Ending Stocks	4.00	2.29	3.42	2.91	2.55	2.29

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.

Balance Sheet- Rapeseed Oil, India

Fig. in lakh tons

	2017-18	2018-19-F	Nov-Jan	Feb-Apr-F	May-July-F	Aug-Oct-F
	1.93	2.65	2.65	2.28	10.39	10.52
Production	29.82	31.92	5.964	15.96	7.98	2.016
Imports	2.40	1.84	0.34	0.50	0.50	0.50
Total Supply	34.15	36.41	8.96	18.74	18.87	13.04
Exports	0.00	0.00	0.00	0.00	0.00	0.00
Consumption	31.50	33.39	6.68	8.35	8.35	10.02
Ending Stocks	2.65	3.02	2.28	10.39	10.52	3.02

Source: AW estimates

Oil year- November-October

Highlights

- Prices of rapeseed oil in 2018-19 are expected to be weak on higher 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 2.65 lakh tons on higher rapeseed oil production.
- Carryout of 2018-19 is higher than 2017-18 due to higher production of rapeseed oil.
- Carryout in second quarter of 2018-19 is higher than first quarter of 2018-19.

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
Opening stocks	0.31	0.32	0.32	0.43	0.30	0.23
Oil availability (Production)	7.35	3.55	1.30	1.07	0.59	0.59
Imports	0	0	0	0	0	0
Total Supply	7.66	3.87				
Quarterly add-on			1.30	1.07	0.59	0.59
Exports	0.40	0.40	0.10	0.10	0.10	0.10
Consumption	6.94	3.31	1.09	1.09	0.56	0.56
End stocks	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

Demand and Supply Balance - Coconut Oil					
	Qty in '000 MT				
	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
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
E - Estimated (likely to be revised subsequently)					
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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