Veg. Oil Monthly Research Report

Contents

Outlook and Review:
Domestic Front

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

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

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

On the currency front, Indian rupee is hovering near 71.88 compared to 70.77 last month. Rupee is expected to depreciate in September. Crude oil prices are expected to rise in September.

Recommendation:
In NCDEX, market participants are advised to go short in RSO below 760 for a target of 740 and 735 with a stop loss at 770 on closing basis.
In MCX, market participants are advised to go short in CPO below 565 for a target of and 545 and 540 with a stop loss at 575 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 540-550 for the target of 570-580 levels, if needed.

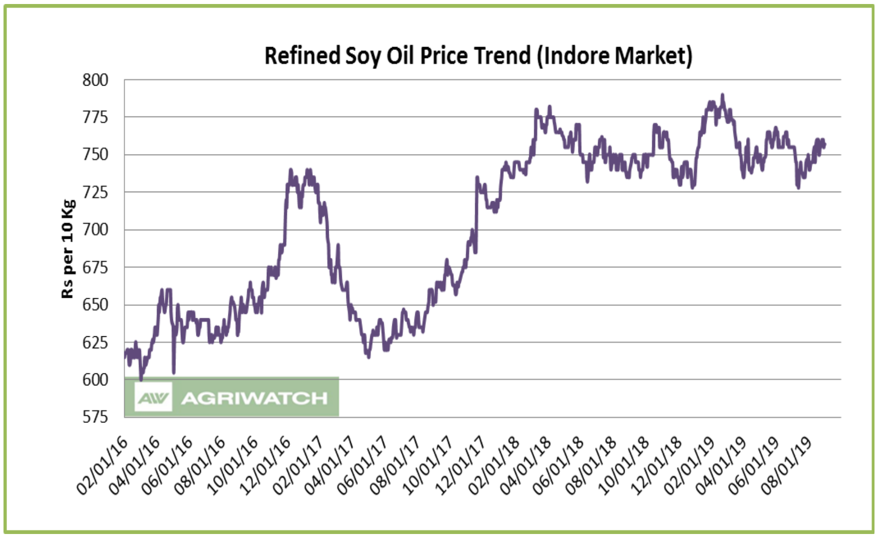
International Veg. Oil Market Summary
CBOT soy oil (Oct) is expected to stay in the range of 26 cents/lb to 32 cents/lb. CPO at BMD (Oct) is likely to stay in the range of 1800-2300 ringgits per ton. Focus during the coming days will be trade dispute between US and China, soy oil stocks in US, soybean demand by China, soybean crop in US, 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, crude oil prices and ringgit.

On the international front, fall in stock of soy oil in US, weak crop condition of soybean in US, fall in US dollar and rise in crude oil prices is expected to support soy oil prices in coming days.

Expected fall in palm oil stocks in Malaysia, rise in exports of palm oil from Malaysia, firm demand from India and China, slow rise in production of palm oil Malaysia and Indonesia, depreciation of ringgit and rise in crude oil prices is expected to support CPO prices in near term.

Soy oil:
Domestic Market Fundamentals

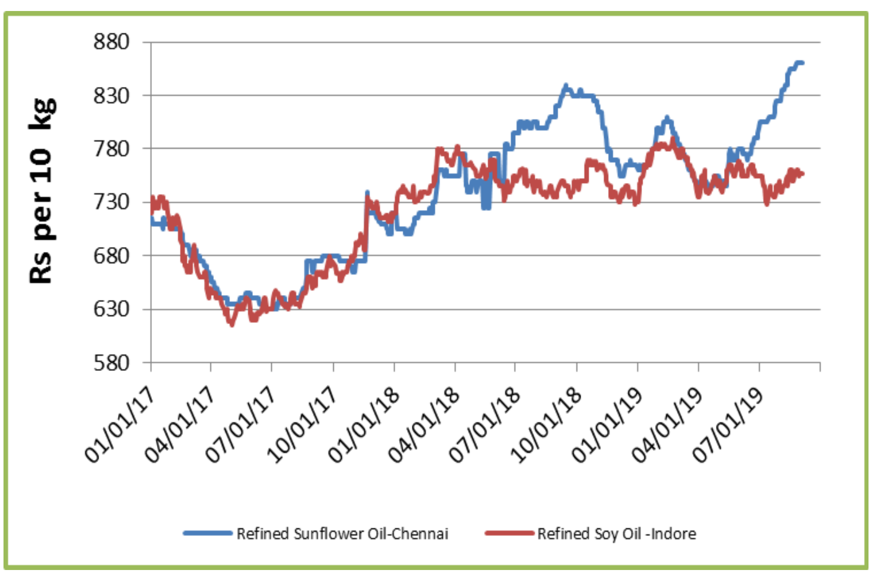
- Refined soybean oil prices featured downtrend at its benchmark market at Indore during the month of August on firm demand. Average prices of refined soy oil rose in August.



- Soy oil prices witnessed uptrend in month of Aug on firm demand.

Demand of soy oil is expected to fall in Sep on disparity in import margins of soy oil due to depreciation of Rupee and rise in prices of soy oil in international markets. Due to depreciation of Rupee and rise in prices of soy oil in international markets has increased disparity.

Import prices of soy oil is rose on higher demand of soy oil in international markets from Argentina. Lower soybean crop in US and lower stocks of soy oil in US supported soy oil international prices. Firm demand of soy oil from Argentina and rise in prices of soy oil at CBOT has increased basis in soy oil leading to higher FOB prices of soy oil. Despite Argentina Peso depreciation FOB prices increased due to strong demand soybean products from Argentina has led to rise in basis over CBOT.



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

Import parity of soy oil returned to disparity in August and is at Rs 1.5-2.0 per kg compared to parity of Rs 2.0-2.5 per kg in July.

Refining margins moved to disparity and is at Rs 2.0-2.5 per kg compared to parity of Rs 2.5-3.0 per kg in July.

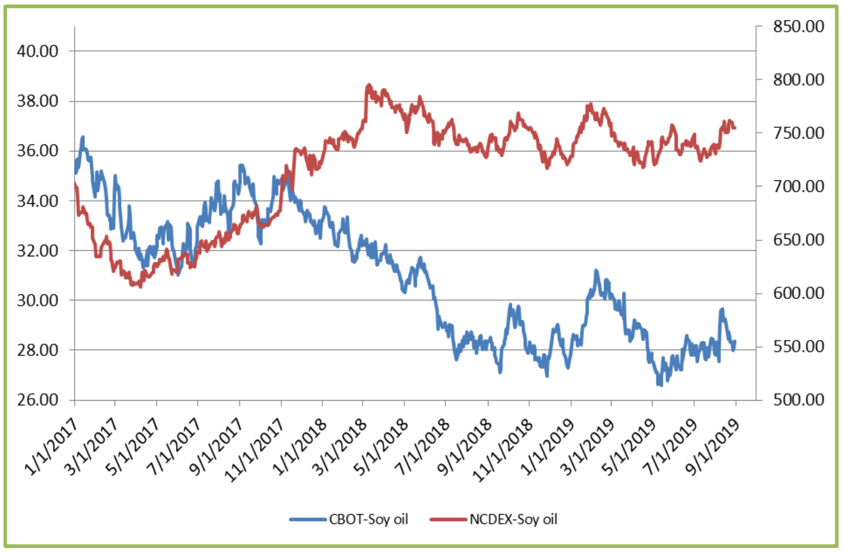
Both negative import parity and negative refining margins will lead to lower imports of soy oil in coming months.

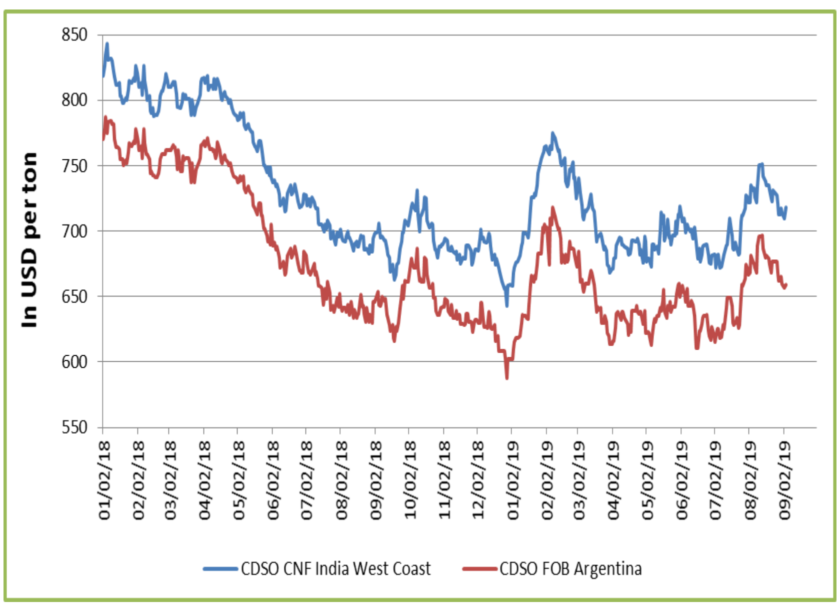
Refined soy oil premium over CPO has increased to Rs 193 (Rs 225 last month) per 10 Kg which is high and will underpin soy oil prices. Refined soy oil premium over RBD palmolein was at Rs 133 (Rs 160 last month) per 10 Kg, which is high and may underpin soy oil prices in domestic markets.

Refined soy oil premium over CDSO high seas is at Rs 43 (Rs 44) per 10 kg indicating firm demand of CDSO compared to refined soy oil in domestic markets.

Landed cost and refining margins have returned to disparity due to depreciation of Rupee and rise in prices of soy oil in international markets.

Difference increased between CDSO-CNF-India West coast and Soy oil CBOT due to rise in basis (spot prices – futures prices) due to firm demand of soy oil from Argentina.





Lower soy meal exports have resulted in lower crushing of soybean. Soy meal exports decreased due to sanction on Iran by US.

Imports of soy oil fell in July compared to July 2018 while it rose compared to June 2019 and stocks at ports rose less than rise in imports indicating firm demand and restocking at ports.

Import parity of soy oil have returned to disparity will decrease imports. .

Prices rose on seasonal uptrend of prices.

- According to Solvent Extractors Association (SEA), India's July edible oil imports rose 27.9 percent y-o-y to 13.48 lakh tons from 10.54 lakh tons in July 2018. Palm oil imports in July rose 47.8 percent y-o-y to 8.13 lakh tons from 5.5 lakh tons in July 2018. CPO imports rose 46.4 percent in July y-o-y to 5.33 lakh tons from 3.64 lakh tons in July 2018. RBD palmolein imports rose 47.2 percent in June y-o-y to 2.65 lakh tons from 1.80 lakh tons in July 2018. Soy oil imports fell 9.09 percent in July y-o-y to 3.20 lakh tons from 3.52 lakh tons in July 2018. Sunflower oil imports rose 44.6 percent y-o-y in July to 2.01 lakh tons from 1.39 lakh tons in July 2018. Rapeseed (canola) oil imports rose in July 20 percent in July at 0.15 lakh tons compared 0.12 imports in July 2018.
- According to Solvent Extractors Association (SEA), India's July edible oil stocks at ports and pipelines fell 7.21 percent m-o-m to 19.95 lakh tons from 21.50 lakh tons in June 2019. Stocks of edible oil at ports in June rose to 835,000 tons (CPO 320,000 tons, RBD Palmolein 210,000 tons, Degummed Soybean Oil 150,000 tons, Crude Sunflower Oil 150,000 ton and Rapessed Oil 5,000 tons and about 1,116,000 tons in pipelines. (Stocks at ports were 750,000 tons in June 2019). India is presently holding 32 days of edible oil requirement on 1st Aug, 2019 at 21.5 lakh tons compared to 34 days of requirements last month at 22.0 lakh tons. India's monthly edible oil requirement is 19.0 lakh tons.
- Soy oil import scenario – According to SEA, soy oil imports fell 9.09 percent y-o-y in July to 3.20 lakh tons from 3.52 lakh tons in July 2018. In the oil year 2018-19 (Nov 2018-July 2019), imports of soy oil were 20.12 lakh tons compared to 21.30 lakh tons in last oil year, lower by 5.54 percent in the corresponding period last oil year.
- All India sowing of soybean has reached 112.71 lakh hectares compared to 111.75 lakh hectares as on 30.08.2019. Sowing of soybean is higher in Madhya Pradesh and Maharashtra.
- Government of India has hiked MSP of soybean by Rs 311 per qtl to Rs 3710 per qtl from Rs 3,399 per qtl. Cost of cultivation of soybean is calculated at Rs 2,473 per qtl thereby giving a return 50 percent over and above cost of cultivation.
- Imported crude soy oil CIF at West coast port is offered at USD 720 (USD 715) per ton for Sep delivery, Oct delivery is offered at USD 722 (USD 704) per ton, Nov delivery is quoted at USD 725 per ton and Dec delivery is quoted at USD 727 per ton. Values in brackets are figures of last month. Last month, CNF CDSO Aug average price was USD 729.64 (USD 692.44 per ton in July 2019) per ton.
- On the parity front, margins decreased during the month on rise in prices of soy oil in international markets and depreciation of Rupee, and we expect margins to remain weak in coming days. Currently refiners lose USD

25-30/ton v/s gain of USD 35-40/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 firm tone in the month of Aug at its benchmark market at Kandla on firm demand and rise in prices of CPO in international markets.

  RBD palmolein prices witnessed firm tone in month of Aug on firm demand and rise in prices of RBD palmolein in international markets.

- Crude palm oil prices rose in Kandla in the month of Aug on firm demand and rise in prices of CPO in international markets.

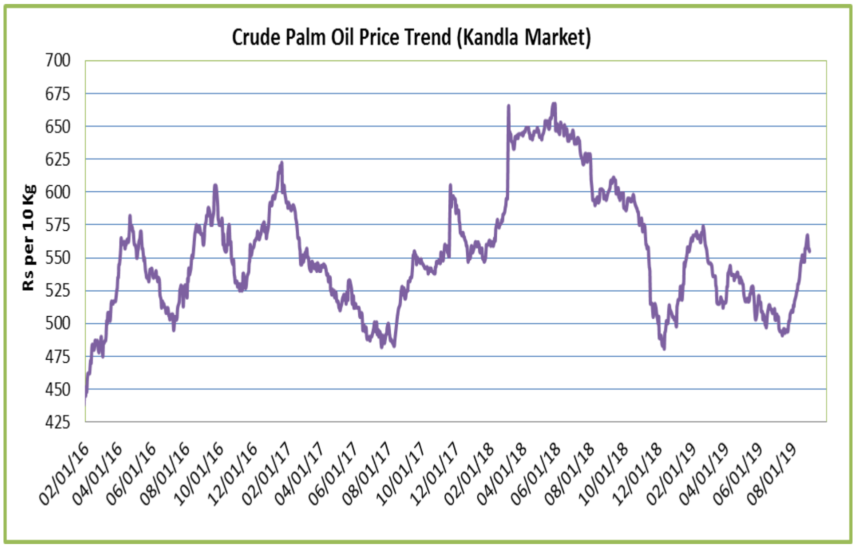
  Prices of CPO rose more at high seas compared to CNF markets compared to last month indicating firm demand at high seas.

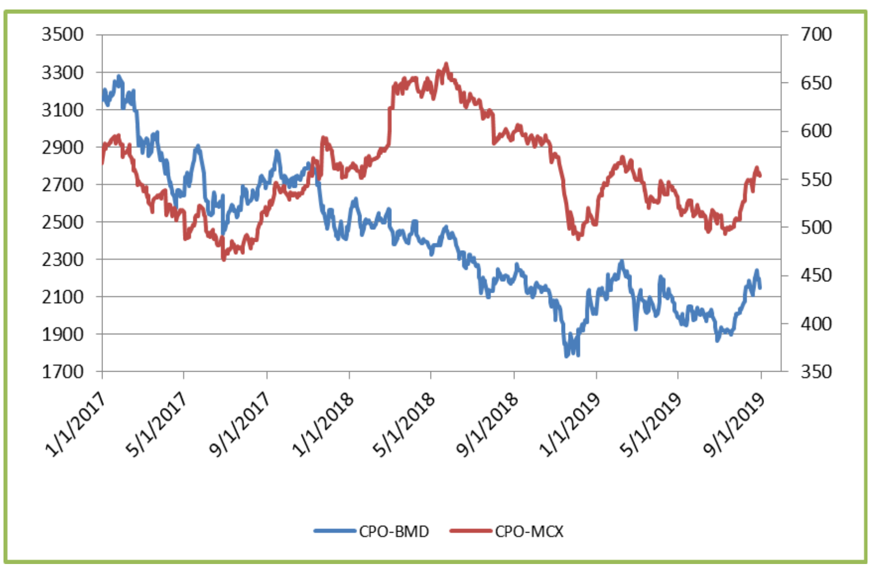
  Demand of CPO is weak at CNF markets as prices rose less at CNF compered to FOB markets.

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

  Disparity at ports increased due to rise in prices of palm oil in international markets and depreciation of Rupee. In Rupee terms, disparity currently stands at Rs 2.0-2.5 per kg compared to Rs 1.5-2.0 per kg last month. Due to disparity in imports prices will not fall much going ahead.

  Depreciation of Rupee has made imports costly which will decrease imports in coming months.





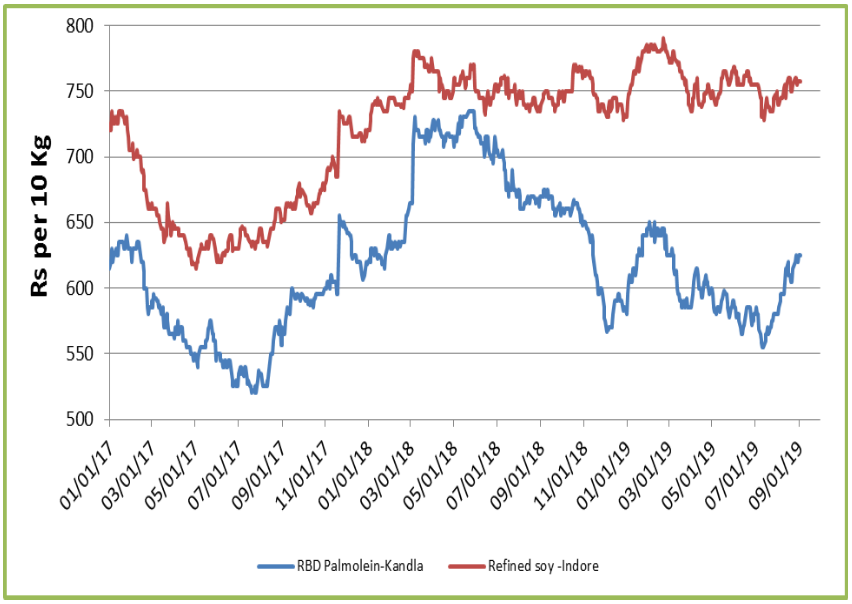
Depreciation of Rupee will increase import disparity in Sep.

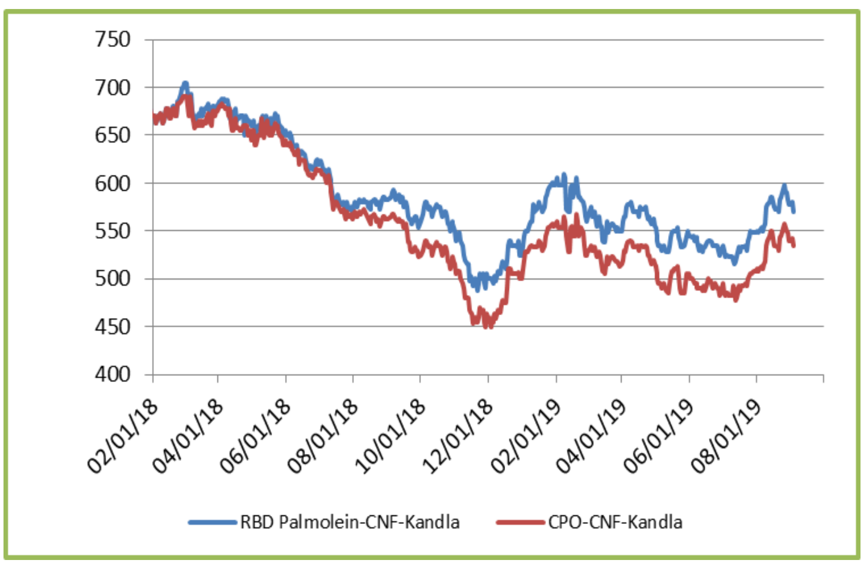
In a landmark step Indian government increased import duty on RBD palmolein imports from Malaysia by 5 percent for 180 days under India-Malaysia Comprehensive Economic Cooperation Agreement. This will increase the duty to 50 percent plus 10 percent cess making effective duty at 55 percent. This makes duty differential between CPO vs RBD palmolein to 11 percent from 5.5 percent. This step was taken to protect Indian refining industry which was idled due to cheap imports if RBD palmolein from Malaysia leading lower capacity utilization and surge in imports.

This will protect interests of Indian palm oil refining industry and lower imports of palm oil. Government has balanced the import duty differential to 11 percent between CPO and RBD palmolein which will limit benefit to imports of CPO and lower imports of RBD palmolein. This welcome step will definitely improve finances of palm oil refining industry already reeling under debt.

CPO trade is weak and traders are having high stocks and are offering to sell CPO discount to CNF prices to offload the stocks.

Stocks of CPO at Indian ports rose due to firm imports and restocking





at ports.

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

RBD palmolein featured firm tone in its benchmark market on firm demand and rise in prices of RBD palmolein in international markets. Prices of RBD palmolein rose more at high seas compared to CNF markets indicating firm demand at high seas.

Prices of RBD palmolein rose more at CNF markets compared to FOB markets indicating firm demand at CNF markets. Lower import duty on RBD palmolein imports, has improved import demand.

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

Import parity of ready to use imported palmolein has risen above CPO. Duty differential between CPO and RBD palmoelin has increased from 5.5 percent to 11 percent due to hike in import duty on RBD palmolein sourced from Malaysia.

In Rupee terms, disparity currently stands at Rs 1.0-1.5 per kg compared to parity of Rs 0.0-0.5 per kg last month. Due to disparity in imports prices will not fall much going ahead.

This will CPO competitive and refining margins of CPO will rise above imported palmolein from Malaysia.

RBD palmolein is offered at $35-40 premium over CPO compared to $40-45 premium over CPO at CNF markets last month which will increased 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 rise in international prices have decreased losses.

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

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

RBD palmolein premium over CPO decreased to Rs 60 (Rs 65 last month) per 10 kg indicating firm demand of CPO compared to RBD palmolein at high seas.

Import of CPO in July was higher than that of July 2018 and June 2019. Stocks at ports rose in July compared to June 2019. Stocks at ports rose less than rise in imports indicating firm domestic demand in July.

Import of RBD palmolein is rose in July compared to July 2018 and June 2019. Imports rose in July compared to June 2019 and stocks fell at ports indicating firm demand in July.

Increasing of in import duty on RBD palmolein from Malaysia and rising of duty differential will lead to lower imports of RBD palmolein from Malaysia and higher imports of RBD CPO from Indonesia. 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 higher premium over CPO at India CNF due to removal of export levy by Indonesia.

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 193 (Rs 225 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 Aug at CNF markets. Higher premium of crude sunflower CNF India West coast and CPO CNF at USD 260 (USD 312) 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 185 (USD 212 last month) per 10 kg. Premium of CDSO soy oil high seas over CPO high seas is at Rs 150 (Rs 181 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 133 (Rs 160 last week) per 10 kg is high and will increase RBD palmolein demand in near term. Values in brackets are figures of last week.

- According to Ministry of Finance (MOF), Government of India Notification number 29/2019-Customs dated 4th September 2019, India increased import duty on RBD palmolein imports by 5% sourced from Malaysia for a period of 180 days imported under India-Malaysia Comprehensive Economic Cooperation Agreement. After the hike import duty on imports of RBD palmolein from Malaysia stands at 50 percent plus 10 percent cess which makes effective duty at 55 percent. This brings import duty on Malaysian RBD Palmolein at par with other destinations and import duty differential between CPO and RBD palmolein imports stands at 11 percent.

  This hike in import duty has been done as imports of RBD palmolein surged from Malaysia in 2019 hurting Indian refining industry. Lower price imports led to idling of plants add domestic refining industry was not able to increase production despite significant capacities. Further, the market share of Indian refined RBD palmolein decreased significantly compared to imported RBD palmolein from Malaysia. The ministry quoted that any delay in imposing import duty will cause irreparable damage to the industry.

- Director General of Foreign Trade (DGFT), India has recommended increase of 5 percent in import duty on imports of RBD palmolein originating from Malaysia for a period of 180 days. DGFT has recommended hike to impose Provisional bilateral Safeguard measure in terms of Rule no 9 of India-Malaysia Comprehensive Economic Cooperation Agreement (Bilateral Safeguard Measures) Rules, 2017. This step has been taken after it was found that lowering of import duty on imports if RBD palmolein from Malaysia on 31st Dec, 2018 has hurt Indian industry under India-Malaysia Comprehensive Economic Cooperation Agreement. At present import duty of 45 percent is imposed on imports of RBD palmolein from Malaysia. Further, DGFT has asked for comments of preliminary findings to be examined. It will conduct oral hearing and give opportunity to all interested parties relevant to the investigation. Moreover, DGFT will conduct investigation wherever necessary.

- Palm oil import scenario – According to Solvent Extractors Association (SEA), palm oil imports in July rose 47.8 percent y-o-y to 8.13 lakh tons from 5.5 lakh tons in July 2019. Imports in the oil year 2018-19 (November 2018-July 2019) are reported higher by 12.90 percent y-o-y at 68.97 lakh tons compared to 61.09 in corresponding period last oil year.

Crude Palm oil import scenario- According to Solvent Extractors Association (SEA), CPO Imports rose 46.4 percent y-o-y in July to 5.33 lakh tons from 3.64 lakh tons in July 2019. Imports in oil year 2018-19 (November 2018-July 2019) were reported higher by 3.60 percent y-o-y at 46.99 lakh tons compared to 45.36 lakh tons in corresponding period last oil year.

RBD palmolein import scenario- RBD palmolein imports rose y-o-y in July by 47.2 percent to 2.65 lakh tons from 1.80 lakh tons in July 2018. Imports in oil year 2018-19 (November 2019-July 2019) were reported higher by 39.70 percent y-o-y at 20.90 lakh tons compared to 14.96 lakh tons in corresponding period last oil year.

- Import duty on palm stearin will be taxed at 7.5 percent, according to Finance Minister Nirmala Sitaraman, in her first budget. Palm product with Free Fatty Acid (FFA) at or above 20 percent is subject to import duty. Palm stearin is used in various industrial applications including soaps. India imported palm stearin from Malaysia and Indonesia. Indian industry was asking for long to increase import duty on palm stearin which decreased refining margins of palm oil. This step will help Indian palm oil refiners.

- On the trade front, CNF CPO (Indonesian origin) at Indian port quoted at USD 535 (USD 510) per ton for Sep delivery and Oct delivery is quoted at USD 540 per ton. Last month, CNF CPO Aug average price was at USD 533.96 per ton (USD 492.33 per ton in July 2019). Values in brackets are figures of last week.

  Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 570 (USD 550) per ton for Sep delivery and Oct delivery is quoted at USD 575 per ton. Last month, CIF RBD palmolein Aug average price was USD 572.72 (USD 531.88 in July 2019) per ton. Values in bracket depict last month quotes.

  Ready lift CPO duty paid prices quoted at Rs 555 (Rs 515) per 10 Kg and Sep delivery duty paid is offered at Rs 555 (Rs 515) per 10 kg. Ready lift RBD palmolein is quoted at Rs 615 (Rs 580) per 10 kg as on Sep 4, 2019. Values in brackets are figures of last month.

- On the parity front, margins fell during the month of Aug on higher price of palm oil products in international markets and depreciation of Rupee and we expect margins to remain weak in coming days. Currently refiners lose USD 5-10/ton (Aug average) v/s gain of USD 15-20/ton (July average) margin in processing the imported CPO but on the imports of ready to use palmolein lose USD 15-20/ton (Aug average) v/s loss of USD 10-15 (July 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 firm trend at various markets on firm demand and fall in rapeseed prices. All India arrivals of rapeseed decreased in July.
- Rapeseed oil prices traded higher in the month of August in various markets in India on firm demand and firm rapeseed prices.

Demand rose in the month of Aug on firm buying in cash markets.

Demand of rapeseed oil will increase in Sep due to demand ahead of festivals in East and North India.

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

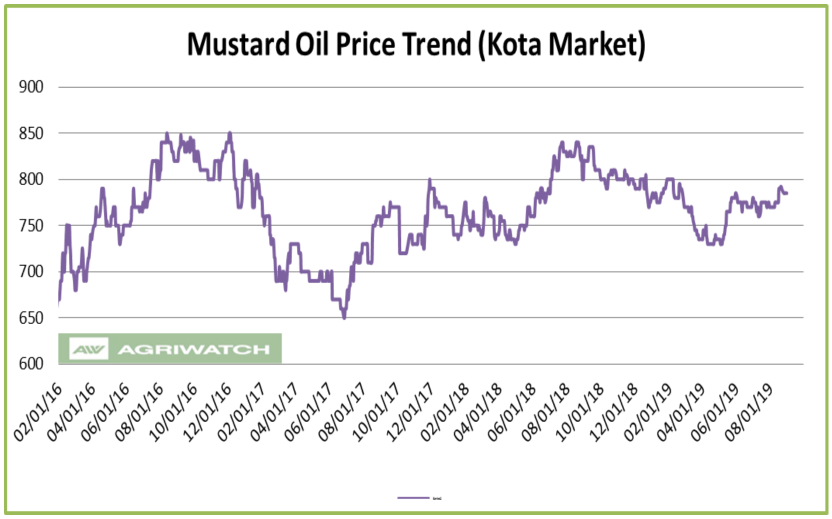
Stocked position is weak against firm demand position.

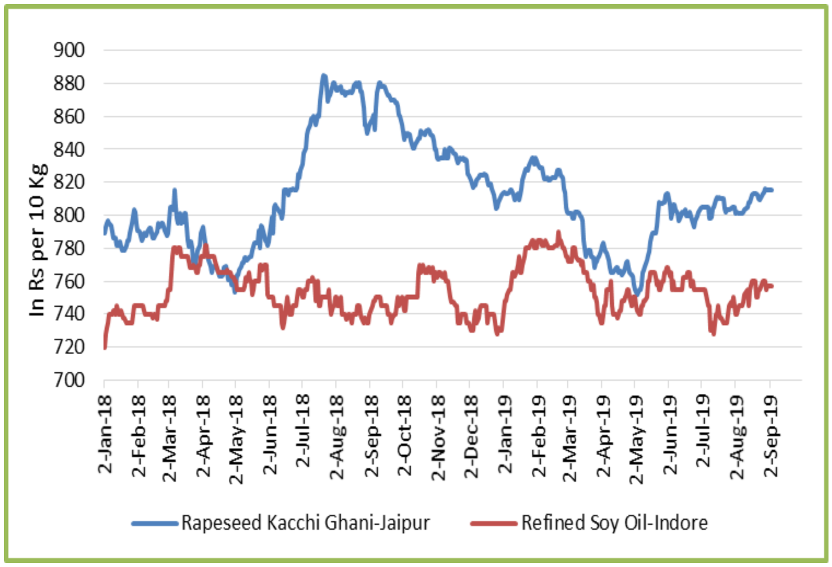
Rapeseed oil is moving out of Rajasthan at Rs 800 per 10 kg.

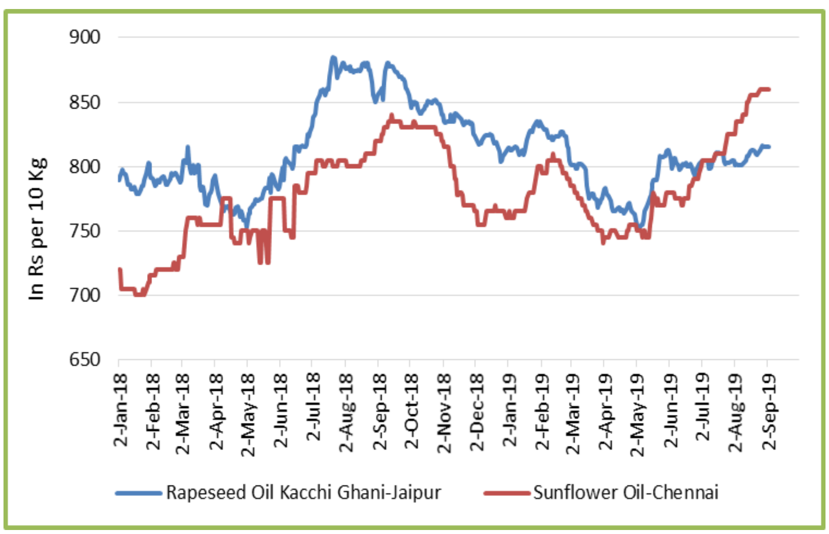
There is parity in crush of rapeseed.

Crushing has increased as supply of rapeseed in the market increased. NAFED has procured 10.79 lakh tons in Rabi 2018-19. Stock with NCDEX is 0.34 lakh tons.

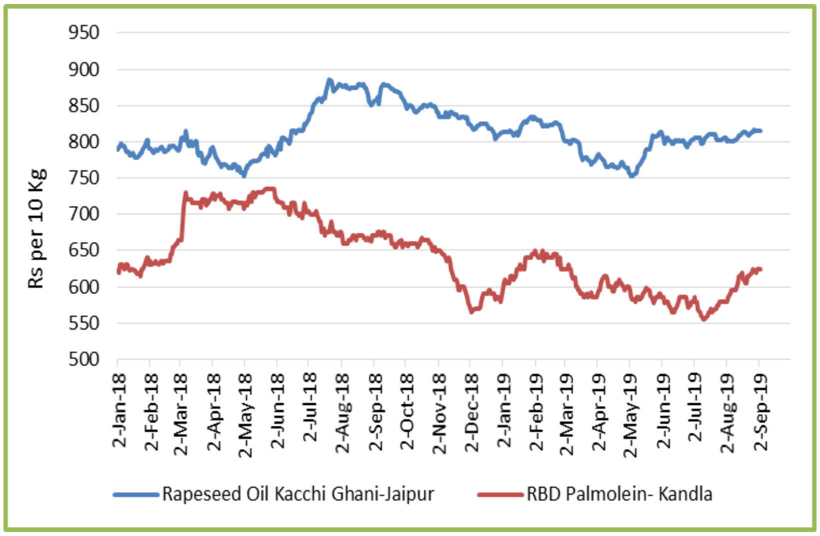
NAFED has started sale of mustard procured in MY 2019-20 from 26.07.2019 and it is expected that it will try to dispose all the stocks of mustard by Feb 2020.







NAFED has said that it will not sell rapeseed below MSP. However, this step of NAFED will backfire as during peak season demand in Sep when market will witness shortage of rapeseed on lower auction of rapeseed will lead to higher rapeseed oil prices and will lead to high palm oil prices thereby denting demand of rapeseed oil in medium term. This step will be counterproductive for NAFED.



In fourth advanced estimates, government estimates Mustard seed output at 93.4 lakh tons for 2018/19 from 84.3 lakh tons in 2017/18.

Rapeseed crop in current marketing year is higher than last year. Agriwatch forecasted rapeseed crop at 7.9 MMT in 2018-19 compared to estimate of 7.1 MMT 2017-18. Rapeseed crop in 2018-19 is 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 March-April and has continued its fall in August. It will continue its fall in Sep.

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 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.

Low premium of Jaipur kacchi ghani rapeseed oil over refined soy oil in domestic market was at Rs 60 (Rs 61) per 10 Kg, will support rapeseed oil prices in medium term.

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

Lower premium of expeller rapeseed oil over soy oil in domestic market was at Rs 40 (Rs 40) 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.

There was low import of canola oil in July. Imports of canola oil is weak in oil year 2018-19 (Nov 2018-July 2019) after weak oil year 2017-18 (Nov-Oct) indicating weak demand of canola oil. Hike in import duty on canola has slowed import demand. There are negligible stocks of canola oil at ports.

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 193 (Rs 221) per 10 kg will underpin rapeseed oil prices.

Prices of rapeseed oil will remain under pressure owing to high stocks of rapeseed in domestic market.

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

- Rapeseed oil import scenario- India imported 0.15 lakh tons of rapeseed (Canola) oil in July 2019 v/s 0.12 lakh tons in July 2018, lower by 20 percent y-o-y. In the oil year 2018-19 (Nov 2019-July 2019) imports were 0.59 lakh tons compared to 2.04 lakh tons in last oil year, lower by 77.07 percent y-o-y.
- Currently, RM oil at Jaipur market (expeller) is offered at Rs 790 (Rs 780) per 10 Kg and at Kota market is quoted around Rs 780 (Rs 777) per 10 kg as on Sep 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 750-850 per 10 Kg.

Sunflower oil:
Domestic Market Fundamentals

- Sunflower oil featured firm trend at its benchmark market in Chennai during the month of August on firm demand
- Sunflower oil prices closed higher in month of August at its benchmark market of Chennai on firm demand.

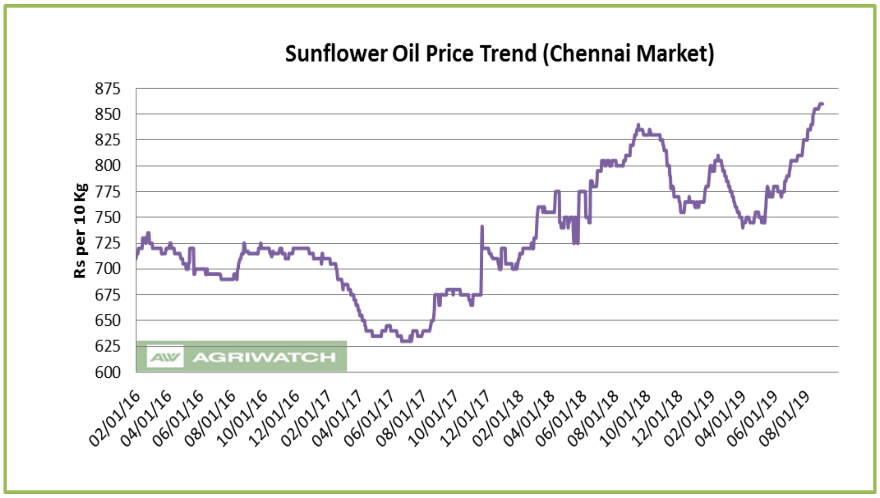
Sunflower oil prices rose at high seas while it fell at CNF indicating firm demand at high seas.

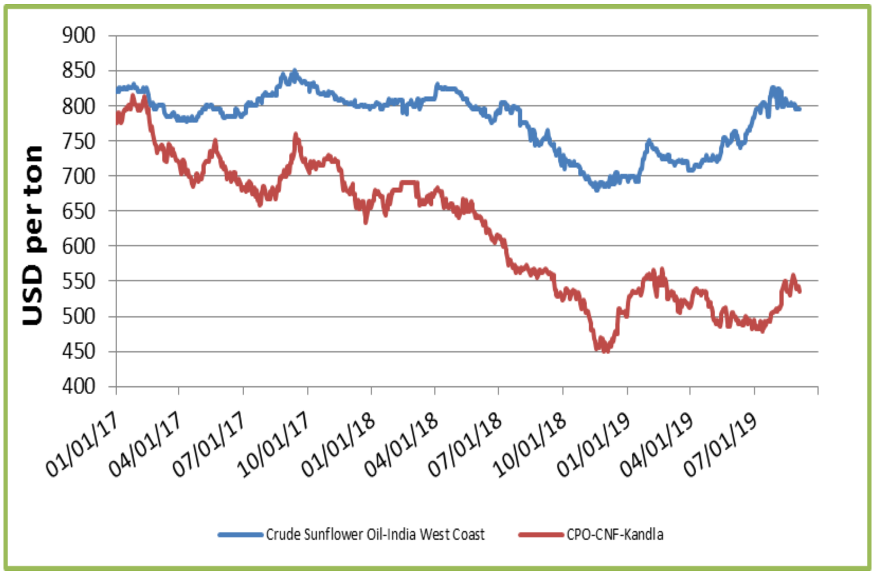
Due to hike in import duty on sunflower oil will stop surging imports in oil year 2018-19 will decrease carryout of sunflower oil in oil year 2018-19.

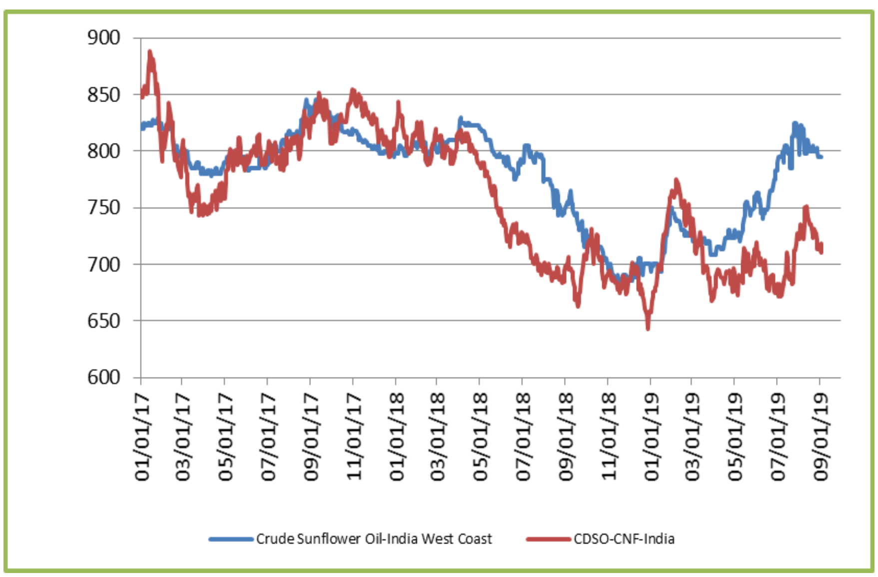
Prices of sunflower oil at CNF markets are falling due to record sunflower crop in Ukraine and record production of sunflower oil in the country leading to surge in global sunflower oil supply underpinning prices in August. Further, price will be capped due surplus stock of sunflower in Ukraine will cap rise in sunflower oil prices at CNF markets in September.

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

Depreciation of Rupee in in coming months will decrease imports of sunflower oil in coming







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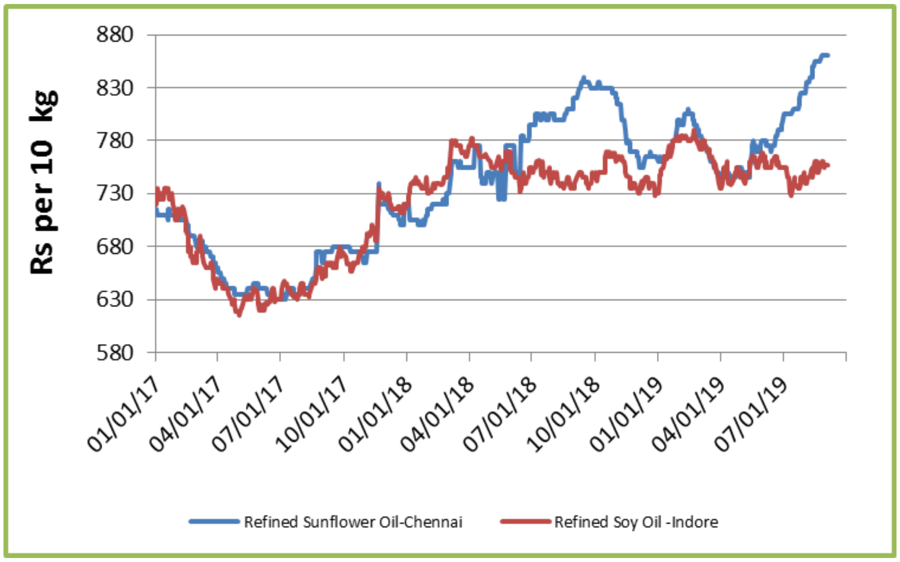
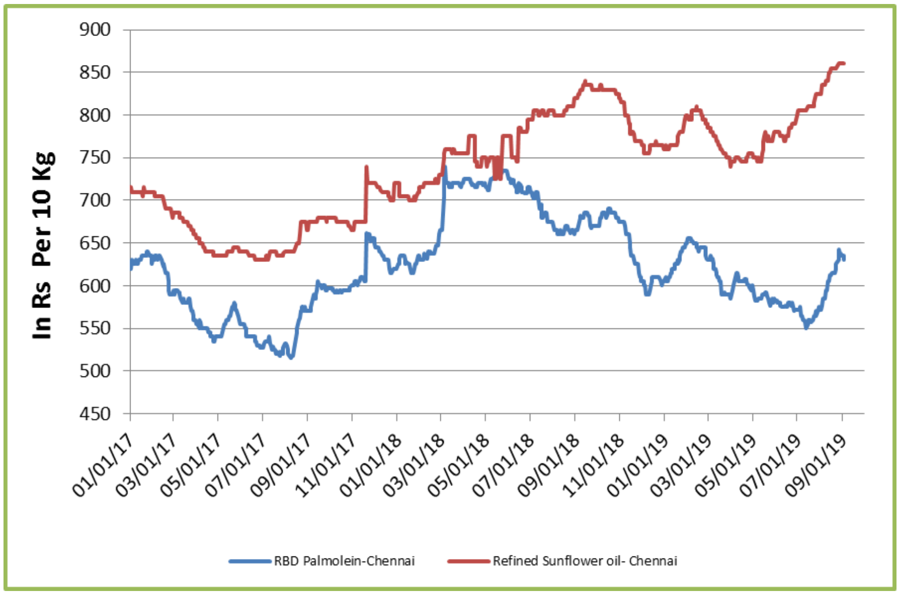


Imports of sunflower oil surged in July compared to June 2019 noting its second month of rise in imports touching 2.01 lakh tons. Stocks at ports rose due to firm exports. Higher supply of sunflower oil in domestic market due to higher imports will underpin prices of sunflower oil.

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

Rise in premium of CSFO over CDSO in CNF markets will cap gains prices in medium term. Imports are expected to be lower in August as crude sunflower oil CNF premium over CDSO CNF is high. Imports of sunflower will fall due to rise in prices of sunflower oil at CNF markets. Third chart from above shows crude sunflower oil premium over CDSO is has increased in August will weaken imports.



Fourth chart from above shows that sunflower oil prices are highly correlated to soy oil prices in domestic market. However, there is diversion in prices of sunflower oil and soy oil in domestic market. Fifth chart from above shows that sunflower oil premium over RBD palmolein has increased from mid-2018.

Refiners and stockists have stopped stocking as sunflower oil premium over soy oil is increased to USD 75 (USD 100 last month) per ton.

In domestic market sunflower oil premium over soy oil is at Rs 112 (Rs 95) per 10 kg.

Refined sunflower oil premium over RBD palmolein has decreased to Rs 245 (Rs 255 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 225 (USD 272.5) 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, rising groundnut oil premium over sunflower oil at Chennai market is at Rs 180 (Rs 205 last week) per 10 kg will support sunflower oil prices.

In domestic market, prices is expected to rise in medium term due to firm demand. However, prices of sunflower oil will be capped due to high premium over RBD palmolein.

Refiners have decreased purchase of crude sunflower oil from international markets as CNF sunflower oil premium over CNF soybean oil and palm oil has risen.

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

Prices are expected to rise on firm demand. Prices of sunflower oil are expected to remain in a range with upward bias in September.

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

- Sunflower oil imports scenario- According to Solvent Extractors Association (SEA), Sunflower oil imports fell 44.60 percent y-o-y in July to 2.01 lakh tons from 1.39 lakh tons in July 2018. Imports in oil year 2018-19 (November 2018-July 2019) were reported lower by 8.70 percent y-o-y at 18.35 lakh tons compared to 20.10 lakh tons in corresponding period last oil year.
- All India progressive sowing of sunflower oil has reached 0.90 lakh hectares as on 30.08.2019 compared to 1.08 lakh hectares in corresponding period last year. Sowing is slow in state of Karnataka on account of delayed rains.
- On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 795 (USD 800) per ton for Sep delivery, Oct delivery is quoted at USD 777.5 (USD 780) per ton and Nov delivery is quoted at USD 762.5 (USD 780) per ton and Dec delivery is quoted at USD 760 per ton. CNF sun oil (Ukraine origin) Aug monthly average was at USD 805.24 per ton compared to USD 802.48 per ton in July. Values in brackets are figures of last week.
- Prices are likely to stay in the range of USD 780-850 per ton in the near term. CNF Sunflower oil premium over CDSO is hovering at USD 75 (USD 100 last week) per ton for Sep delivery. CNF sunflower oil premium over RBD palmolein is hovering around USD 225 (USD 272.5) per ton.
- Currently, refined sunflower oil at Chennai market is offered at Rs 860 (Rs 835) per 10 Kg, and at Kandla/Mudra market, it is offered at Rs 835 (Rs 825) per 10 kg as on Sep 4, 2019. Values in brackets are figures of last month.
- We expect sunflower oil prices to trade sideways to firm tone in the coming days.

Price Outlook: We expect sunflower oil (Chennai) to trade in the price band of Rs 830-890 per 10 Kg.

Groundnut oil:
Domestic Market Fundamentals

- Groundnut oil featured weak trend during the month in review on weak demand.
- Groundnut oil prices fell in August on weak demand.

Demand weakened due to weak demand concerns.

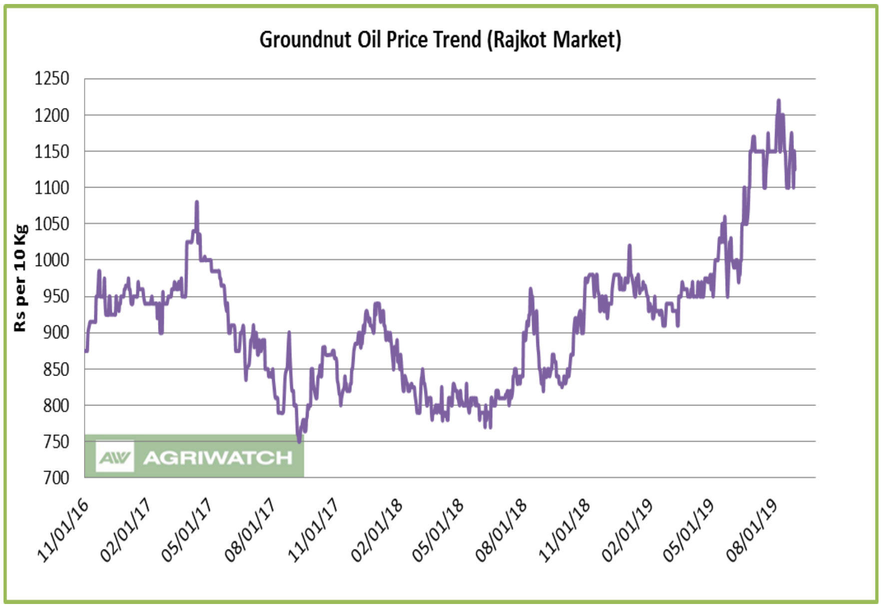
Due to volatility in prices of groundnut oil retail demand have weakened.

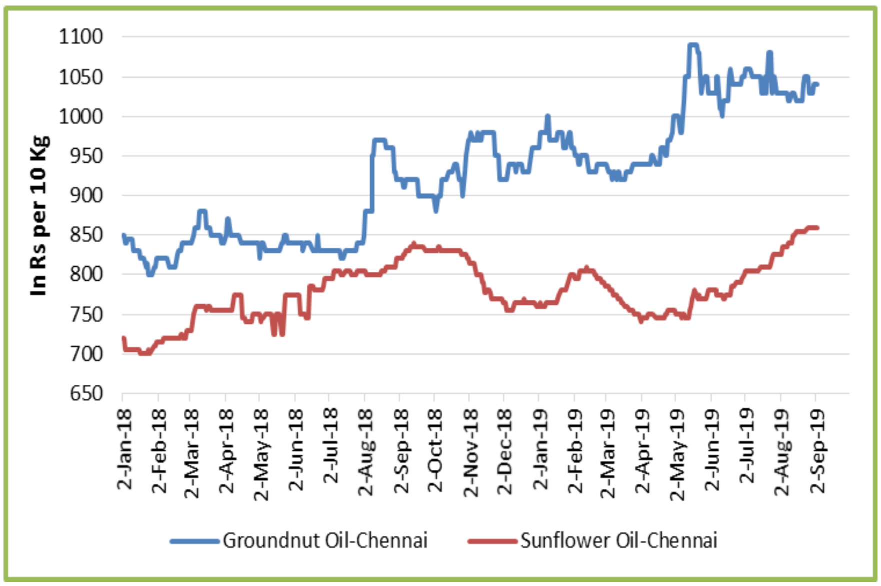
Demand of groundnut oil decreased due rise in its prices.

Groundnut oil price fell despite rise in prices of groundnut indicating weak demand.

Groundnut prices have risen due to rains in Gujarat and lower sale of groundnut by NAFED.

Retail demand of groundnut oil has decreased due to expectation of fall in groundnut oil prices due to rains which has raised groundnut crop expectation leading to postponement of demand.





Sale of groundnut by NAFED has slowed since last three weeks due to higher prices quoted by NAFED in auctions. This has increased decreased of groundnut in the market.

NAFED is aggressively selling Kharif 2018 and Kharif 2017 groundnut crop. At present quality of groundnut of Kharif 2018 is good for crushing.

NAFED has started sale of current season crop from 15th February. Total progressive sale of Kharif 2018 is 4.61 lakh tons and balance quantity after 2.55 lakh tons. 2017 Kharif crop stocks with NAFED is 0.18 lakh tons and total progressive sale has been 10.26 lakh tons so far.

Stocks with farmers and private traders is negligible.

So total progressive sale by NAFED in 2018 and 2019 crop is is 14.87 lakh tons.

So, total stock in NAFED is 2.73 lakh tons apart from lower stocks with trade and farmers. Given the pace of sale of groundnut and disappearance there is strong possibility that NAFED will be able to dispose most of the stocks by the end of marketing season 2018-19. Falling stocks are weighing on prices of groundnut.

NAFED is planning to continue aggressive sale groundnut in open market.

Higher groundnut prices had slowed NAFED aggressive sale. With this sale season end carry out stocks will be much less than last year carryout.

Demand of groundnut oil will decrease between Rs 1100-1200 per 10 kg levels.

There is disparity in premium quality of groundnut oil while there is parity in medium quality and most of the trade is in medium quality. Groundnut oil is going out of Gujarat at Rs 950-970 per 10 kg.

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 has slowed due to slowdown of supply of groundnut despite weak demand of groundnut oil.

Exports of groundnut and groundnut oil are have slowed due to rise in prices in domestic markets denting exports which leads to diversion of groundnut towards crushing underpinning prices.

Further, if prices of groundnut stays high and with hike in MSP of groundnut by Rs 200 per qtl to 5,090 per qtl will help farmers to plant more groundnut in Kharif 2019.

Crushers have low stocks and are active in ready markets. Both groundnut oil and groundnut trade has weekend and groundnut is not arriving in in mandis.

Groundnut oil prices will fall on reduced offtake from stockists and traders.

Current prices of groundnut oil will undermine 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 in 2018 substantially due dry condition for groundnut.

In Andhra Pradesh and Tamil Nadu prices of groundnut will stay moderated as demand season of groundnut oil is over. Demand stays high in Andhra Pradesh and Tamil Nadu from May-July when pickle and chatni and other value added products lead to high groundnut and groundnut oil demand. Stock position of groundnut oil is firm in the market. There is parity in crush of groundnut in south India. Groundnut arrivals have weakened and will fall in September.

Further, rains in groundnut growing regions of South India will benefit standing crop and will support Rabi groundnut crop as water availability has improved and tanks are full.

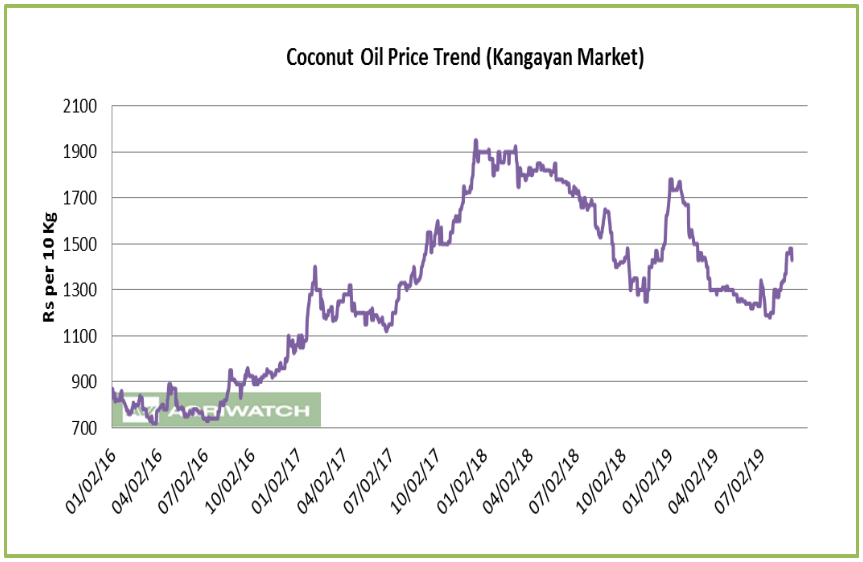
Prices are expected to trade weak on weak demand in cash markets.

Prices are expected to trade sideways to weak.

- All India progressive sowing of groundnut as on 30.08.2019 has reached 36.83 lakh hectares compared to 39.04 lakh hectares in corresponding period last year. Sowing is higher than corresponding period last year in Gujarat. However, sowing is lagging in Andhra Pradesh, Karnataka and Rajasthan.
- Government of India hiked MSP of groundnut for Kharif 2019 to Rs 5,090 per Qtl from Rs 4,890 per Qtl, rise of Rs 200 from last year. Cost of cultivation of groundnut is quoted at 3,394 per Qtl thereby giveng farmers return of 50 percent over and above cost of cultivation of farmers.
- On the price front, currently the groundnut oil prices in Rajkot is hovering near Rs 11,250 (11,500) per quintal and quoting at Rs 10,400 (Rs 10,300) per quintal in Chennai market.
- Groundnut oil prices are likely to trade with a sideways to weak tone in the coming days.

Price Outlook: We expect Groundnut oil (Rajkot) to trade in the price band of Rs 1050-1250 per 10 Kg.

Coconut oil:
Domestic Market Fundamentals



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

Copra prices rose during the month. Firm raw material prices led to firm end product prices.

Copra prices traded higher due to weak supply of copra due to coconut harvesting on monsoon and difficulty in drying of copra due to monsoon.

Prices of coconut oil rose on rise in palm oil prices.

Retail demand will improve due to fall in prices of coconut oil.

In addition, demand will firm up in September ahead of Onam in Kerala in September. Government is procuring coconut to support falling prices which will support prices in coming days. Tamil Nadu government has planned 30 thousand tons of copra procurement in coming days

Increase in palmolein import duty support coconut oil consumption palm oil prices will rise. However, prices will still be very low compared to coconut oil. However, coconut consumers generally do not shift out of its consumption irrespective of prices. Demand rose at demand at lower levels.

Due to fall in coconut oil prices in 2019, demand will rise at current levels.

Coconut demand has risen due to stability in prices which led to renewed consumption.

Household consumption has will rise in Kerala in 2019 after weak demand in first two quarters of 2019.

Coconut supplies have decreased will lead to lower supply of copra which will decrease in production of coconut oil which will support prices of coconut oil.

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

Demand of domestic coconut oil is less due to higher imports of copra under advance authorization license where imports of copra are made from Indonesia and Philippines and coconut oil is exported. So, domestic coconut oil exports are negligible.

Also, coconut oil cake is imported from Indonesia which is having 10-12 percent oil content compared to 6 percent oil content in India coconut oil cake. The oil from imported oilcake is refined, bleached and deodorized and mixed into edible coconut oil despite it being non edible which makes prices of local coconut oil uncompetitive.

There has been surge in imports of desiccated coconut (DC) from Sri Lanka, which has adversely affected demand of coconut as it is used in various industrial applications and feed industry, prompting higher supply of coconut towards crushing, thereby increasing supply of coconut oil.

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. However, FSSAI has banned various brands of coconut oil to control rampant adulteration.

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

Coconut oil consumers are loyal consumers and do not shift to other oils on higher prices but demand rise at lower levels. However, palm oil is cheap alternative in South India.

Rains in 2017 and 2018 has led to higher coconut production.

Fall than prices of coconut oil in 2019 due to rise in production of coconut oil will lead to fresh demand.

Export demand of coconut oil will rise due to fall in prices of coconut oil which has made coconut oil dearer in international markets. Bulk exports of coconut oil will strengthen.

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

Traders and upcountry buyers are stocking as they are confident of coconut oil prices.

Lower price and low volatile prices of coconut oil for a long period will increase demand in medium to long term.

Prices are expected to be rise in September on renewed retail demand, improved demand from corporates and seasonal uptrend of prices. Prices are expected to trade sideways to higher in medium term.

- On the price front, currently the coconut oil prices in Kochi is hovering near Rs 13,900 (13,900) per quintal, and quoting Rs 14,000 (12,700) per quintal in Erode market on Sep 4, 2019.
- Coconut oil prices may trade sideways to firm tone tracking firm demand in ready markets.

Price Outlook: We expect coconut oil (Erode) to trade in the price band of Rs 1250-1550 per 10 Kg.

International Soy oil Market Fundamentals

- Soy oil prices are expected to rise due to expectation of lower crop of soybean in US, low stock of soy oil in US as reported by USDA and NOPA, low stock of soybean in US in 2019/20

However, weak demand of soybean by China and US-China trade dispute will underpin soy oil prices.

US and China representatives are expected to meet in Sep to iron out differences. However, any deal is a distant possibility and both are not willing to compromise on any issue. China imposed countervailing duty on imports of agricultural goods from US and China stopped agricultural goods imports from US after US imposed 10 percent import duty on USD 300 billion worth of Chinese goods over and above 25 percent import duty on USD 250 billion worth Chinese goods imports and put China into currency manipulator list. However, US eased import duties on some goods, which are important for their national security. Trade dispute between both countries will roil international markets in coming days.

Soybean weather has improved in US Midwest with improved conditions supporting standing crops. However, crop condition is weakest in entire decade. Good to excellent percentage of soybean is much below past year and 5-year average. This will decrease soybean crop in US than previously expected. Due to late planting of soybean due to wet and cool weather has led to expectation that crop will face frost in autumn before harvest. USDA is expected to lower yields in coming estimates due to regular disruptions of weather. USDA forecast soybean crop in US at 100 MMT in Aug review against previous estimate of 104 MMT. Further lowering of soybean crop is expected in coming estimates.

Soy oil stocks fell in US in July as reported by NOPA despite higher crush of soybean. Higher domestic disappearance of soy oil on higher use in biodiesel and higher food, feed and industrial use. Stocks of soy oil falls seasonally, but the fall was larger than trade estimates. Lower stocks of soy oil will support its prices.

China reported higher soybean import demand of soybean in July due to firm crush margins in last few months and most of soybean came from Brazil. Premium of Brazil's soybean rise of US soybean due to US-China trade dispute stroking expectation of record demand of soybean by China. This lead to rise in global soybean complex prices.

China reported multiple breakout of swine flu in various provinces. This has led to mass slaughter of swine leading to 32 percent fall in swine population in the country. This has led to lower demand of soybean feed in the country in longer term. Lower feed demand will let China choose options from various destinations. This comes after China decided to diversify protein feed requirement of the country. It lowered protein feed requirement, opened various destinations from import of oilseeds, exploring various options to procure feed from various destinations including Argentina, diversify for soybean as feed requirement with other oilseeds and import higher amount of edible vegetable oil to reduced dependence of soybean as oil medium. This has led to surge in imports of edible vegetable oil by China in 2019. Lower import of soybean by China in 2019 has led to shift of buyers to other competing oils like palm oil leading to weakness in global soy oil prices.

China has offered Argentina to dredge Parana canal, which move 80 percent of soybean cargo in the country in exchange of more control over trade route. This step will increase soybean exports to China in longer term.

China started liquidating soybean state reserves and meat reserves to ease pressure of soybean and meat in the country.

Soybean exports is expected higher due to be higher Chinese demand. China has sent team to visit soybean crushers Argentina, in a step to source soy meal from the country in a step to diversify from US soybean. However, market is skeptical about Chinese action as its record is weak. However, China is importing soybean from Argentina.

Soy oil exports from Argentina are expected to accelerate due to firm demand from importing destinations and lower soybean crop in US, which will cut soy oil supplies in US. This has led to rise in basis over CBOT soy oil due to firm demand from the country.

This has led to rise in basis below CBOT soy oil and lead to rise in FOB soy oil prices at Argentina.

All the above factors has led to rise in soybean complex prices especially soy oil prices.

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 50 percent of capacity, which leads to higher disposable soybean.

Soybean crop in Brazil is much higher than previous estimate due to higher yields due to improvement of weather conditions in soybean growing areas as harvesting approached. USDA kept increased soybean crop estimate of Brazil to 117 MMT.

Soybean crop area is expected to be higher in 2019/20 leading to higher soybean in Brazil in 2019/20. Soybean crop is hiked to 122 MMT in 2019/20 by Brazil's states agency CONAB. USDA has previously estimate Brazil's soybean crop for 2019/20 at 123 MMT and is expected to rise further making Brazil as top soybean producer in the world. USDA kept soybean crop in Brazil for 208/19 at 117 MMT.

Many other agencies including CONAB and AgRural has increased soybean production of Brazil but has cut soybean exports from Brazil due to outbreak of swine flu in China which has led to mass slaughtering of swine and lead to major slowdown of demand of Brail and US soybean. This has aggravated soybean stocks position in the globe. However, Brazil is looking for higher meat and poultry exports to China to make for loss of soybean exports due to swine slaughtering in China. This will increase soybean use in Brazil. Argentina too is looking for higher meat exports to China.

Higher crop in Brazil and Argentina has led 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 is purchasing higher amount of soybean from Brazil in July as supply from the country increased while imports from US was weak compared to corresponding period last year.

China purchased lower amount soybean in July m-o-m. China brought less soybean in July from both Brazil and US. Despite rising supply of soybean from Brazil exports were lower.

Weak demand of soybean from China due to outbreak of swine flu in the country. This has led to mass slaughtering of swine to control disease. Swine herd in China has decreased by 32 percent due to swine flu.

This has led to weak demand of soybean from China. However, China will try to increase herd count of swine once the disease is controlled. This will lead to surge in imports of soybean by China in 2019/20. However, China is liquidating soybean and meat state reserves.

Lower imports of soybean has led to increased edible vegetable oils imports to keep its oil market in check. However, China must import more soybeans to control soy meal prices it 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 83 MMT in an effort by Beijing to move away from US soybean imports. Further, USDA decreased Chinese import of soybean to 85 MMT from 87 MMT in its earlier estimate.

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

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

Soy oil prices have fallen in 2019 due to firm supply of soybean in global markets are expected to reignite demand and support prices.

Dollar Index is expected to weaken on expected of changed of interest rate policy by US FED in 2019 due to slowdown of US economy will support soy oil prices in near term.

Global crude oil prices have is expected to rise due to OPEC plan to cut crude oil production and US sanctions in Iran and Venezuela.

- The newly planted US soybean is blooming at 96% which is down from 100% during the corresponding period last year and also down from 5-year average of 100%. About 86% soybean is setting pods which is down from 98% in corresponding period last year and 5-year average of 96%. Good to excellent condition at 55% compared to 66% in corresponding period last year reported in the US crop progress report dated 1 September 2019 by United States Department of Agriculture (USDA).
- According to National Oilseed Processors Association (NOPA), U.S. July soybean crush rose by 12.93 percent to 168.093 million bushels from 148.843 million bushels in June 2019. Crush of soybean in July was lower by 0.2 percent compared to July 2018 figure of 167.733 million bushels. Soy oil stocks in U.S. at the end of July fell 4.43 percent to 1.467 billion lbs compared to 1.535 billion lbs in end June 2019. Stocks of soy oil in end July was lower by 16.84 percent compared to end July 2018, which was reported at 1.764 million lbs. Soybean oil stocks was below trade expectation.
- According to United States Department of Agriculture (USDA) Aug estimate, U.S 2019/20 ending stocks of soy oil estimate has been lowered to 1,500 million lbs from 1,535 million lbs in its earlier estimate. Opening stocks are decreased to 1,740 million lbs from 1,875 million bushels in its earlier estimate. Production of soy oil in 2019/20 is kept unchanged at 24,535 million lbs. Imports in 2019/20 are kept unchanged at 450 million lbs. Biodiesel use in 2019/20 is reduced to 8,600 million lbs compared to 8,700 million lbs. Food, feed and other industrial use in 2019/20 is kept unchanged at 14,900 million lbs. Exports in 2019/20 are kept unchanged at 1,725 million lbs. Average price range estimate of 2019/20 is kept unchanged at 29.50 cents/lbs.

- The U.S. Department of Agriculture monthly supply and demand report for the month of Aug forecasts U.S. 2019/20 soybean stocks at 755 million bushels, down from 795 million bushels in its earlier estimate. Opening stocks in 2019/20 is increased to 1,070 million bushels from 1,050 million bushels in its earlier estimate. Soybean production is estimate is lowered to 3,680 million bushels from 3,845 million bushels in its earlier estimate. U.S. soybean exports estimate are lowered to 1,775 million bushels from 1,875 million bushels in its earlier estimate. Imports estimate is unchanged 20 million bushels. Crush in 2019/20 is estimated at 2,115 million bushels, unchanged from its earlier estimate. Seed use in 2019/20 has been kept unchanged at 96 million bushels. Residual use is lowered to 30 million bushels from 34 million bushels in its earlier estimate. Average price range in 2019/20 is kept unchanged at 8.40 cents/bushel.

- According to China's General Administration of Customs (CNGOIC), China's July edible vegetable oils imports rose 7.33 percent m-o-m to 8.64 LT from 8.05 LT in June 2019. Year to date imports of edible vegetable oil rose 49.9 percent to 49.11 lakh tons.

- According to China's General Administration of Customs (CNGOIC), China's July soybean imports fell 32.72 percent to 8.64 MMT from 6.51 MMT in June 2019. Imports in July are 25.1 percent lower than July 2018 import of 8.70 MMT. Year to date soybean imports fell 11.2 percent to 46.91 MMT.

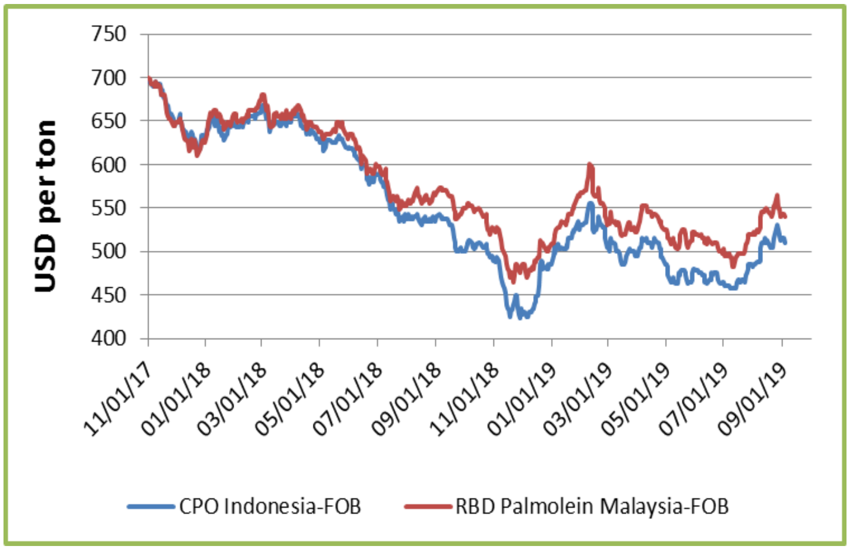
- USDA WASDE highlights: The U.S. season-average soybean price for 2019/20 is forecast at $8.40 per bushel, unchanged from last month. The soybean meal and oil price forecasts are also unchanged at $300 per short ton and 29.5 cents per pound, respectively.

Price Outlook*:* We expect Ref. soy oil with VAT to trade in the price band of Rs 720-800 per 10 Kg.

International Palm oil Market Fundamentals

- Palm oil prices are likely to rise due to expectation of fall in end stocks of palm oil in Malaysia in Aug and fall of stocks of palm oil in Indonesia, slowdown in production of palm oil in Malaysia, drought conditions in Indonesia, rise in exports of palm oil, rise in competitive oils prices, weak Ringgit and rise in crude oil prices.

US-China trade dispute will improve exports of palm oil from Malaysia and Indonesia to China.



Moreover, rise in biodiesel production in Indonesia and Malaysia in 2019 and rise in crude oil prices is likely to support palm oil prices.

Also, removal of quota limits of import of palm oil by China will increase imports from Malaysia and Indonesia.

Palm oil stocks are expected to fall in Malaysia in Aug due to slowdown in production of palm oil and rise in exports of soy oil from Malaysia.

Production of palm oil will rise due to seasonal uptrend of production but at a lower pace. Data from Malaysia palm oil association show slowdown of palm oil production of palm oil in first 20 days indication that production will end Aug with sow growth.

Further, production of palm oil will fall in Indonesia due to drought conditions in the country. Production of palm oil will rise in 2019 and will only fall in 2020 when standing fruits mature and yield will be lower. Production of palm oil will rise in 2019 due to high production cycle.

However, rise in global demand will outpace rise in production in Malaysia and Indonesia in rest of 2019.

Exports of palm oil from Indonesia will increase in medium term. Record use of palm oil in biodiesel in Indonesia due to higher fuel standards will lead to lower stocks of palm oil in the country. This will decrease end stocks of palm oil in the country and supporting prices.

Exports rose 17-19 percent in August on firm demand from India and China.

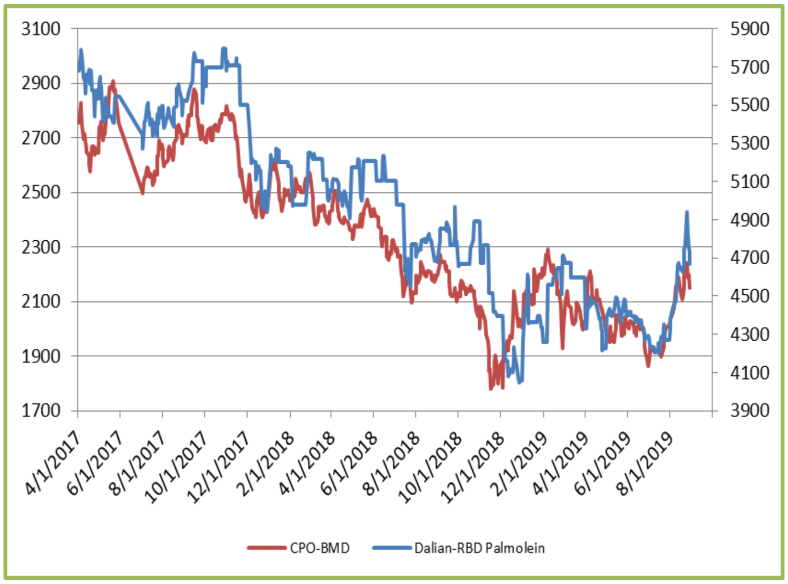
Imports from India increased in August due to firm demand due to fall in prices of palm oil, parity in imports and refining parity, expectation of lower oilseeds crop in the country. Import parity has also improved in July and imported ready to use palmolein demand is more than domestic refined RBD palmolein.

However, import demand of RBD palmolein from Malaysia is expected to slow due to hike of 5 percent in import duty on RBD palmolein imports from Malaysia. This hike in duty will bring RBD palmolein import duty of Malaysia and Indonesia in similar lines which lead to surge in imports in 2019. Further, this hike will increase CPO imports by the country.

Further, disparity in imports and refining and high stocks of palm oil at ports will decrease palm oil imports by the country. Moreover, improvement of monsoon will support oilseeds crop and reduce palm oil imports by the country.

Palm oil imports by India will increase in Sep and Oct due to festivals season in the country.

Demand of palm oil from China rose due outbreak of swine flu in the country which has led to higher imports of edible vegetable oil in 2019 until date. China has reduced quota restrictions on imports of palm oil from Malaysia and Indonesia will increase exports from both countries. This comes amid lower imports of soybean by China in 2019, which has led to lower crush of soybean in the country leading to lower supply of soy oil leading to higher imports of palm oil. Lower imports of soybean are due to US-China trade dispute and outbreak of swine flu in the country.



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. 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.

Trade dispute between US-China may support imports of palm oil as China will import less soybean thereby supporting import demand of palm oil.

Palm oil stocks in Indonesia are expected to fall below 3 MMT in July-Oct due to rise in biodiesel demand in the country and slow rise in production of palm oil compared to rise in palm oil demand in the country. Higher, use of palm oil in biodiesel in the country, contributed to fall in stocks of palm oil in last six months.

Production of palm oil is expected to rise 3.5 percent in Indonesia in 2019 on higher produce from maturing plantations, according to GAPKI. Any bad effect of drought will only be visible in 2020.

Removal of export levy has led to clearing of palm oil stocks in the country and will support palm oil prices in medium term. Stocks will fall in June as production will be slow in July due to switch between peak production cycle and exports will rise.

Production of palm oil is expected to rise 3.5 percent in Indonesia in 2019 on higher produce from maturing plantations, according to GAPKI.

Depreciation of Ringgit is expected to support palm oil prices. Ringgit has depreciated below 4.15/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 and also working to increase 100 percent bio content in gasoline. Indonesia will to B30 by the end of 2020 to reduce imports of crude oil.

Malaysia has unveiled plans to double biodiesel production in the country and increase to 20 percent bio content in gasoline in an effort to clear stocks of palm oil in the country.

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

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 falling global soybean supply situation amid US-China trade dispute.

Malaysia kept palm oil export duty at zero for Sep and has indicated that it will keep palm oil export duty unchanged at zero until Dec to clear stocks of palm oil from the country.

Indonesia has also kept palm oil export duty unchanged at zero for Sep. Rise production of palm oil in Indonesia will be lower than rise in exports of palm oil from the country will lead to fall in palm oil stocks in the country in 2019.

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 sanctions on Iran and Venezuela will support palm oil prices.

- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's Aug palm oil exports rose 15.6 percent to 1,661,984 tons compared from 1,437,790 tons last month. Top buyers were India at 498,080 tons (424,525 tons), China at 347,253 tons (135,690 tons), European Union 274,919 tons (304,615 tons), United States at 56,788 tons (75,078 tons) and Pakistan at 41,000 tons (39,000 tons). Values in brackets are figures of last month.
- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's August palm oil exports rose 16.0 percent to 1,637,752 tons compared to 1,411,535 tons last month. Top buyers were India & subcontinent 580,430 tons (489,795 tons), China at 338,025 tons (116,990 tons) and European Union 322,485 tons (306,335 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 fell 5.24 percent in June y-o-y to 2.17 MMT from 2.29 MMT in June 2018. Exports of palm oil (CPO and PKO) fell

9.58 percent m-o-m in June at 2.17 MMT compared to May 2019 at 2.40 MMT. Stocks of palm oil in June 2019 rose to 3.55 MMT from 3.53 MMT in May.

- According to Malaysia Palm Oil Board (MPOB), Malaysia's July palm oil stocks fell 0.79 percent to 23.92 lakh tons compared to 24.11 lakh tons in June 2019. Production of palm oil in July rose 15.06 percent to 17.38 lakh tons compared to 15.11 lakh tons in June 2019. Exports of palm oil in July rose 7.37 percent to 14.85 lakh tons compared to 13.83 lakh tons in June 2019. Imports of palm oil in July fell 63.79 percent to 0.37 lakh tons compared to 1.01 lakh tons in June 2019. End stocks of palm oil fell compared trade expectation of rise in end stocks. Production was higher than trade expectation.

- Policy review: According to Malaysia Palm Oil Board (MPOB), Malaysia kept Sep crude palm oil export tax unchanged at 0.0 percent. Export duty of palm oil is calculated at reference price of 1907.62 ringgit ($455.82) per ton. Tax is calculated above 2,250 ringgit starting from 4.5 percent to a maximum of 8.5 percent.

  According to Indonesia trade ministry, Indonesia kept Sep crude palm oil export duty unchanged at zero. The reference price is set at USD 555.6 per ton, lower than lower threshold for export duty below USD 570 to calculate export levy. Indonesia taxes palm oil above trigger price of USD 750 per ton. Indonesia has kept crude palm oil export duty at zero since May 2017.

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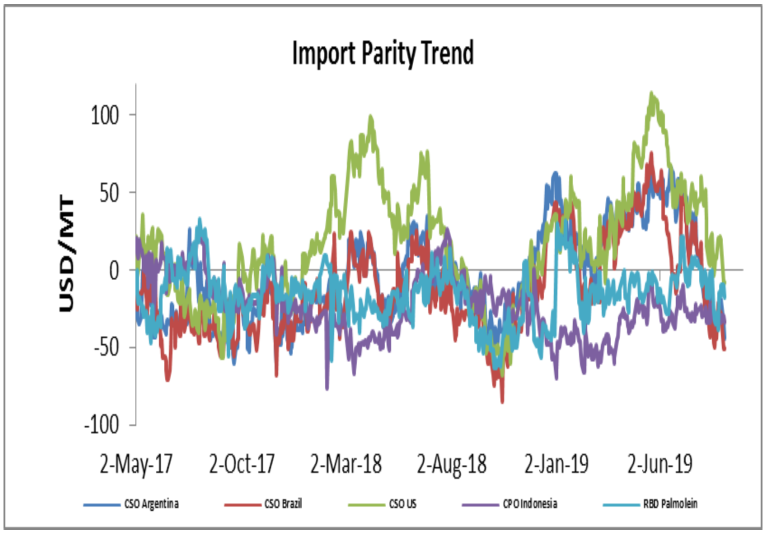
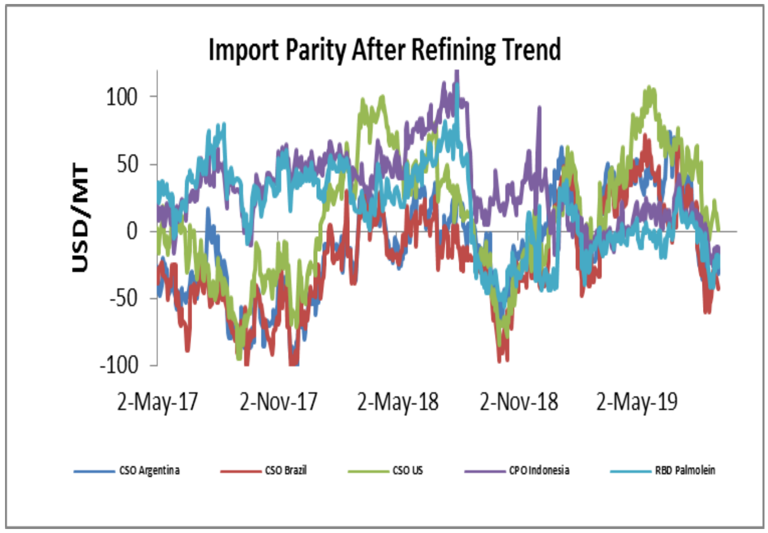
Price Outlook: We expect CPO Kandla 5% to trade in the price band of Rs 520-600 per 10 Kg.

Import Parity Trend





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

	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
June, 2019	48.13	12.68	67.51	12.17	-4.33
July, 2019	37.60	30.53	54.22	18.19	11.50
Aug, 2019	-28.63	-33.84	18.55	-6.76	-18.41

Outlook-:

Import parity for CDSO Argentina has decreased due to rise in international prices of soy oil and depreciation of Rupee. We expect CDSO import parity to remain in disparity in September due to firm 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)

Refined soy oil Futures (NCDEX, Daily Oct chart)	Refined soy oil (Indore (Monthly Chart inclusive VAT))
	

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

- Monthly chart of refined soy oil at NCDEX featured gains in the prices. We expect sideways to weak movement in the coming days.
- Any close below 750 in monthly chart will bring prices to 730 levels.
- Expected price band for next month is 700-780 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 760 for a target of 740 and 735 with a stop loss at 770 on closing basis.

RSO NCDEX

Support and Resistance				
S2	**S1**	**PCP**	**R1**	**R2**
722.00	740.00	752.50	765.00	780.00

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)

Crude Palm oil Futures (MCX, Sep Daily chart)	Crude Palm oil Kandla (Monthly Chart)
	

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

- Candlestick monthly chart of crude palm oil at MCX depicts fall in prices. We expect prices to feature sideways to weak tone in the near term.
- Any close below 550 in monthly chart might bring the prices to 530 levels.
- Expected price band for next month is 520-590 level in near to medium term. RSI and MACD are indicating downtrend.

Strategy: Market participants are advised to go short in CPO below 565 for a target of and 545 and 540 with a stop loss at 575 on closing basis.

CPO MCX

Support and Resistance				
S2	**S1**	**PCP**	**R1**	**R2**
530.00	540.00	559.40	574.00	585.00

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
		31-Aug-19	31-Jul-19	
Refined Soybean Oil	Indore	757	750	7
	Indore (Soy Solvent Crude)	720	715	5
	Mumbai	760	745	15
	Mumbai (Soy Degum)	715	695	20
	Kandla/Mundra	740	725	15
	Kandla/Mundra (Soy Degum)	710	697	13
	Kolkata	752	730	22
	Delhi	775	773	2
	Nagpur	770	751	19
	Rajkot	740	725	15
	Kota	755	735	20
	Hyderabad	Unq	0	-
	Akola	771	752	19
	Amrawati	771	751	20
	Bundi	760	740	20
	Jalna	774	745	29
	Solapur	764	740	24
	Dhule	773	748	25
Palm Oil*	Kandla (Crude Palm Oil)	588	534	54
	Kandla (RBD Palm oil)	620	572	47
	Kandla RBD Pamolein	656	609	47
	Kakinada (Crude Palm Oil)	580	530	49
	Kakinada RBD Pamolein	662	593	68
	Haldia Pamolein	656	609	47
	Chennai RBD Pamolein	667	601	66
	KPT (krishna patnam) Pamolein	659	593	66
	Mumbai RBD Pamolein	667	614	53
	Mangalore RBD Pamolein	677	609	68
	Tuticorin (RBD Palmolein)	672	603	69
	Delhi	680	642	38
	Rajkot	646	607	39
	Hyderabad	639	581	58
	PFAD (Kandla)	399	336	63
	Refined Palm Stearin (Kandla)	580	530	49
	Superolien (Kandla)	693	630	63
	Superolien (Mumbai)	704	641	63
* inclusive of GST				
Refined Sunflower Oil	Chennai	860	825	35

	Mumbai	855	830	25
	Mumbai(Expeller Oil)	815	795	20
	Kandla (Ref.)	845	825	20
	Hyderabad (Ref)	855	830	25
	Latur (Expeller Oil)	820	790	30
	Chellakere (Expeller Oil)	820	760	60
	Erode (Expeller Oil)	885	865	20
Groundnut Oil	Rajkot	1125	1150	-25
	Chennai	1040	1030	10
	Delhi	1100	1100	Unch
	Hyderabad *	1030	1070	-40
	Mumbai	1085	1100	-15
	Gondal	1150	1100	50
	Jamnagar	1150	1100	50
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	795	785	10
	Jaipur (Kacchi Ghani Oil)	815	805	10
	Kota (Expeller Oil)	785	770	15
	Kota (Kacchi Ghani Oil)	798	795	3
	Neewai (Expeller Oil)	780	775	5
	Neewai (Kacchi Ghani Oil)	792	790	2
	Bharatpur (Kacchi Ghani Oil)	805	805	Unch
	Sri-Ganga Nagar(Exp Oil)	780	770	10
	Sri-Ganga Nagar (Kacchi Ghani Oil)	800	795	5
	Mumbai (Expeller Oil)	815	790	25
	Kolkata(Expeller Oil)	930	910	20
	New Delhi (Expeller Oil)	800	797	3
	Hapur (Expeller Oil)	885	880	5
	Hapur (Kacchi Ghani Oil)	920	915	5
	Agra (Kacchi Ghani Oil)	810	810	Unch
Refined Cottonseed Oil	Rajkot	780	790	-10
	Hyderabad	Unq	0	-
	Mumbai	806	810	-4
	New Delhi	751	755	-4
Coconut Oil	Kangayan (Crude)	1430	1300	130
	Cochin	1390	1390	Unch
Sesame Oil	New Delhi	1600	1500	100
	Mumbai	Unq	0	-

Kardi	Mumbai	880	880	**Unch**
Rice Bran Oil (40%)	New Delhi	623	600	**23**
Rice Bran Oil (4%)	Punjab	620	620	**Unch**
Malaysia Palmolein USD/MT	FOB	543	520	**23**
	CNF India	578	548	**30**
Indonesia CPO USD/MT	FOB	515	483	**32**
	CNF India	540	508	**32**
RBD Palm oil (Malaysia Origin USD/MT)	FOB	Closed	515	**-**
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	Closed	493	**-**
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	Closed	670	**-**
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	Closed	368	**-**
Crude palm Kernel Oil India (USD/MT)	CNF India	Closed	645	**-**
Ukraine Origin CSFO USD/MT Kandla	CIF	795	813	**-18**
Rapeseed Oil Rotterdam Euro/MT	FOB	Closed	770	**-**
Argentina FOB ($/MT)		**30-Aug-19**	**31-Jul-19**	**Change**
Crude Soybean Oil Ship		666	655	**11**
Refined Soy Oil (Bulk) Ship		689	678	**11**
Sunflower Oil Ship		720	720	**Unch**
Cottonseed Oil Ship		646	635	**11**
Refined Linseed Oil (Bulk) Ship		Unq	0	**-**
				**** indicates including GST***

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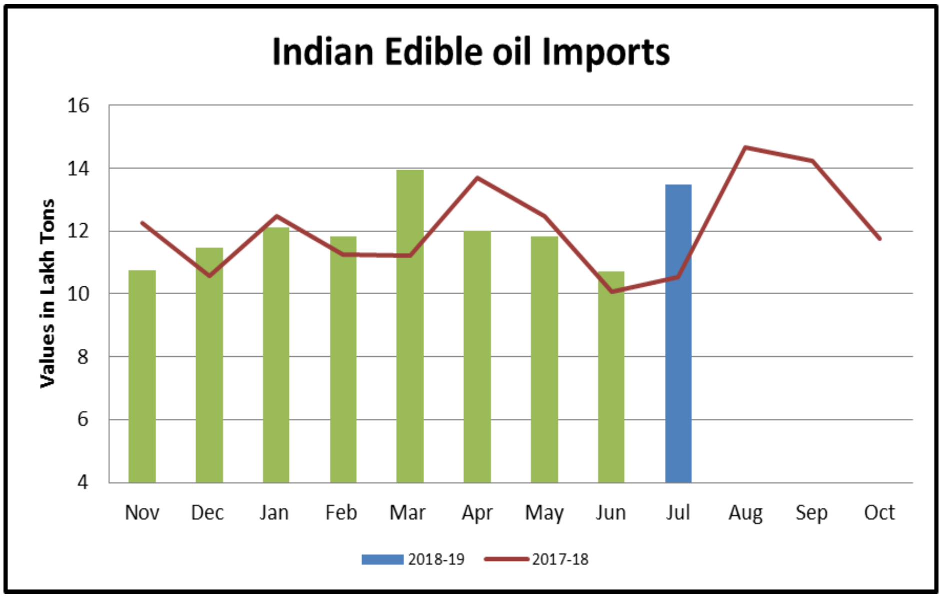
Annexure:

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 July is pegged at 13.47 lakh tons. Edible oils (including CPO, CDSO, CSFO, and RBD Palmolein imports for (November 2018-July 2019) is pegged at 108.04 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. ** 2017-18- SEA of India & 2018-19 Agriwatch Estimates, *** (USDA estimates).

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

Landed Cost Calculation as on 04/09/2019	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
FOB USD per ton	665	673	638	510	540
Freight (USD/MT)	47	47	47	35	29.0
C & F	712.0	720.0	685.0	545.0	569.0
Weight loss (0.25% of FOB)	1.66	1.68	1.60	1.28	1.35
Finance charges (0.4% on CNF)	2.85	2.88	2.74	2.18	2.28
Insurance (0.3% of C&F)	2.14	2.16	2.06	1.64	1.71
CIF (Indian Port - Kandla)	719	727	691	550	574
Duty (Values in USD per tons)	285.67	285.67	285.67	243.76	291.06
GST (5% on duty) USD per ton	14.28	14.28	14.28	12.19	14.55
Exchange rate	71.99	71.99	71.99	71.99	71.99
Landed cost without customs duty in INR per ton	51735	52317	49773	39601	41346
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	742	742	742	554	588
Fixed exchange rate by customs department	71.85	71.85	71.85	71.85	71.85
Duty component in INR per ton	20525.39	20525.39	20525.39	17514.16	20912.66
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	73661	74242	71699	58515	63659
Domestic Market price INR/ton Soy Degum Kandla/CPO Kandla/RBD Kandla	70800	70800	70800	55800	62500
Total landed cost USD per ton	1023	1031	996	813	884
Domestic Market price USD/tons Soy Degum Kandla/ CPO Kandla 5%	983	983	983	775	868
Parity INR/MT (Domestic - Landed)	**-2861**	**-3442**	**-899**	**-2715**	**-1159**
Parity USD/MT (Domestic - Landed)	**-39.74**	**-47.81**	**-12.48**	**-37.72**	**-16.10**
					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	78160.75	78742.14	76198.56	66015.14	66458.89
Soy/Palm oil imported Price (Including tax)	82068.79	82679.25	80008.48	69315.89	69781.84
Loose price of Soy/Palm in Indore and Delhi market	79275.00	79275.00	79275.00	68000.00	68000.00
Parity after processing and Taxes (Rs per MT)	**-2793.79**	**-3404.25**	**-733.48**	**-1315.89**	**-1781.84**
Parity after processing and Taxes (USD per MT)	**-38.81**	**-47.29**	**-10.19**	**-18.28**	**-24.75**
					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	May-July-F	Aug-Oct-F
Opening Stock	5.67	2.73	2.73	1.88	2.21	2.84
Production (Domestic)	14.94	18.72	9.36	2.81	2.81	3.74
Imports	30.47	31.69	4.75	7.62	7.92	11.40
Imported oil processing	29.65	30.83	4.62	7.41	7.71	11.09
Total Production (Domestic production and imported oil production)	44.59	49.55	13.98	10.22	10.52	14.83
Total Supply	50.26	52.28				
Quarterly add-on			13.98	10.22	10.52	14.83
Consumption	47.53	49.44	14.83	9.89	9.89	14.83
Ending Stock	2.73	2.84	1.88	2.21	2.84	2.84

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.
- Higher carry out in Aug-Oct is due to higher imports.
- Carryout stocks of oil year 2018-19 is 2.84 lakh tons on higher soy oil imports.
- Carry out of oil 2017-18 is 2.73 lakh tons
- Carryout of 2018-19 is higher than 2017-18 on higher production.

Balance Sheet- Palm Oil (quarterly), India

Fig. in million tons

	2017-18	2018-19-F	Nov-Jan	Feb-Apr	May-July-F	July-Oct-F
Opening Stock	1.14	0.68	0.68	1.11	1.47	1.10
Production	0.20	0.20	0.05	0.05	0.05	0.05
Imports	8.70	10.01	2.32	2.26	2.50	2.92
Total Supply	10.04	10.89				
Exports	0.00	0.00	0.00	0.00	0.00	0.00
Quaterly add-on			2.37	2.31	2.55	2.97
Consumption	9.36	9.73	1.95	1.95	2.92	2.92
Ending Stocks	0.68	1.16	1.11	1.47	1.10	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 third quarter of oil year 2018-19 will be higher 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	Feb-Apr	May-July-F	Aug-Oct-F
Opening Stock	3.43	4.00	4.00	3.41	4.19	3.83
Production	0.80	0.80	0.15	0.12	0.27	0.27
Imports	25.25	24.49	6.01	7.41	6.12	4.95
Total Supply	29.48	29.29				
Quaterly add-on			6.16	7.53	6.39	5.21
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	3.41	4.19	3.83	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	May-July-F	Aug-Oct-F
	1.55	1.86	2.36	2.36	1.40	8.17
Production	26.46	28.35	31.92	4.47	14.68	7.98
Imports	2.93	2.40	1.34	0.34	0.10	0.40
Total Supply	30.94	32.61	35.62	7.17	16.18	16.55
Exports	0.00	0.00	0.00	0.00	0.00	0.00
Consumption	29.08	30.24	32.06	5.77	8.01	8.01
Ending Stocks	1.86	2.36	3.57	1.40	8.17	8.54

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 1.86 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 third quarter of 2018-19 is higher than second quarter of 2018-19.

Balance Sheet- Groundnut Oil (quarterly), India

Fig. in lakh tons

	2017-18	2018-19-F	Nov-Jan	Feb-Apr	May-July-F	Aug-Oct-F
Opening stocks	0.31	0.32	0.32	0.48	0.37	0.27
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	0.39	0.05	0.08	0.12	0.14
Consumption	6.93	3.32	1.09	1.09	0.56	0.56
End stocks	0.32	0.16	0.48	0.37	0.27	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 Lakh tons
	2014-15	2015-16	2016-17	2017-18	2018-19-F
Opening Stocks	9.78	14.74	37.1	30.53	26.35
Prodcution	562.5	522.5	606.9	635	621.3
Imports	9.67	5.17	0.01	0.57	0.47
Exports	7.21	6.81	33.5	7.32	6.81
Consumption/Crushing	520	582.9	579.98	632.42	615.65
Ending Stock	14.74	37.1	30.53	26.35	25.65

Source: Coconut Development Board

International Balance Sheets

Balance Sheet (Annual) - Soy Oil, United States

Fig. in million tons

	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Beginning Stocks	0.841	0.765	0.776	0.905	0.885
Production	9.956	10.035	10.783	11.115	11.129
Imports	0.13	0.145	0.152	0.181	0.204
Total Supply	10.927	10.945	11.711	12.201	12.218
Exports	1.017	1.159	1.11	0.975	0.816
Industrial Dom. Cons.	2.572	2.812	3.236	3.719	3.946
Food Use Dom. Cons.	6.573	6.198	6.46	6.622	6.759
Domestic Consumption	9.145	9.01	9.696	10.341	10.705
Ending Stocks	0.765	0.776	0.905	0.885	0.697

Source: USDA

Balance Sheet (Annual) - Soybean, United States

Fig. in million tons

	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020

Beginning Stocks	5.188	5.354	8.208	11.923	29.127
Production	106.869	116.931	120.065	123.664	112.945
Imports	0.641	0.606	0.594	0.463	0.544
Total Supply	112.698	122.891	128.867	136.05	142.616
Exports	52.87	58.96	57.945	46.266	53.07
Crush	51.335	51.742	55.926	57.153	57.561
Domestic Consumption	54.474	55.723	58.999	60.657	61.093
Ending Stocks	5.354	8.208	11.923	29.127	28.453
Yield (MT/HA)	3.23	3.49	3.31	3.47	3.33

Source: USDA

Balance Sheet (Annual) - Soybean, Brazil

Fig. in million tons

	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Beginning Stocks	24.428	24.558	33.212	32.7	26
Production	96.5	114.6	122	117	123
Imports	0.41	0.252	0.175	0.15	0.2
Total Supply	121.338	139.41	155.387	149.85	149.2
Exports	54.383	63.137	76.175	78.5	75
Crush	39.747	40.411	44.515	42.7	43.75
Domestic Consumption	42.397	43.061	46.512	45.35	46.5
Ending Stocks	24.558	33.212	32.7	26	27.7
Yield (MT/HA)	2.9	3.38	3.47	3.24	3.33

Source: USDA

Balance Sheet (Annual) - Soybean, Argentina

Fig. in million tons

	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Beginning Stocks	27.069	27.156	26.995	23.753	29.45
Production	58.8	55	37.8	56	53
Imports	0.676	1.674	4.703	6.35	3.9
Total Supply	86.545	83.83	69.498	86.103	86.35
Exports	9.922	7.026	2.112	7.75	7
Crush	43.267	43.309	36.933	42	45
Domestic Consumption	49.467	49.809	43.633	48.903	52.15
Ending Stocks	27.156	26.995	23.753	29.45	27.2
Yield (MT/HA)	3.04	3.17	2.32	3.28	3.03

Source: USDA