Veg. Oil Monthly Research Report

Contents

Outlook and Review:

Domestic Front

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

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

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

On the currency front, Indian rupee is hovering near 71.39 compared to 70.70 last month. Rupee is expected to appreciate in December. Crude oil prices are expected to rise in December.

Recommendation:

In NCDEX, market participants are advised to go long in RSO above 830 for a target of 850 and 855 with a stop loss at 820 on closing basis.

In MCX, market participants are advised to go long in CPO above 685 for a target of and 705 and 710 with a stop loss at 675 on closing basis.

Market participants can buy refined soy oil in the cash markets at 810-820 for the target of 840-850 levels (Indore), if needed. Market participants can buy CPO Kandla 5% in the cash markets at 670-680 for the target of 700-710 levels, if needed.

International Veg. Oil Market Summary

CBOT soy oil (Jan) is expected to stay in the range of 28 cents/lb to 34 cents/lb. CPO at BMD (Jan) is likely to stay in the range of 2500-3000 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 South America, 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.

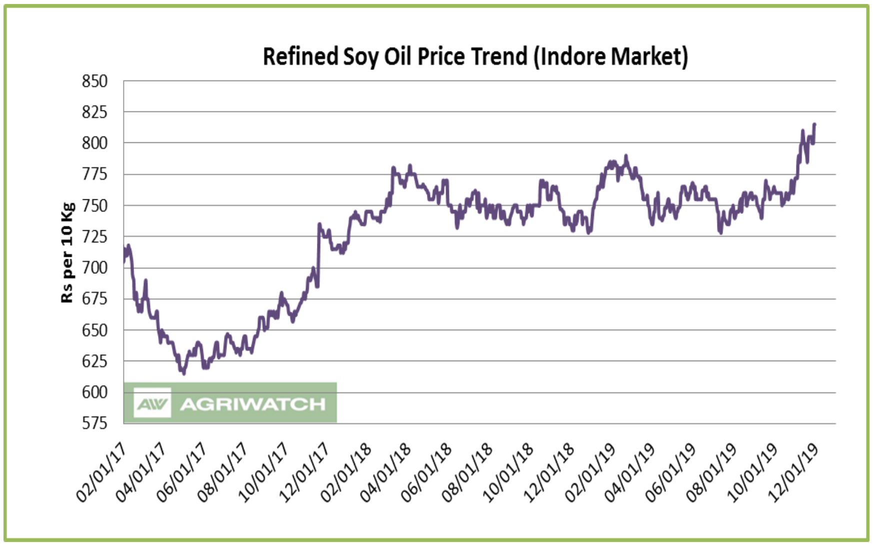
On the international front, US-China trade optimism, lower stocks of soy oil in US, change of government in Argentina, lower soybean crop in US, lower soybean crop in South America, higher demand of soybean by China fall in US dollar and rise in crude oil prices is expected to support soy oil prices in coming days.

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

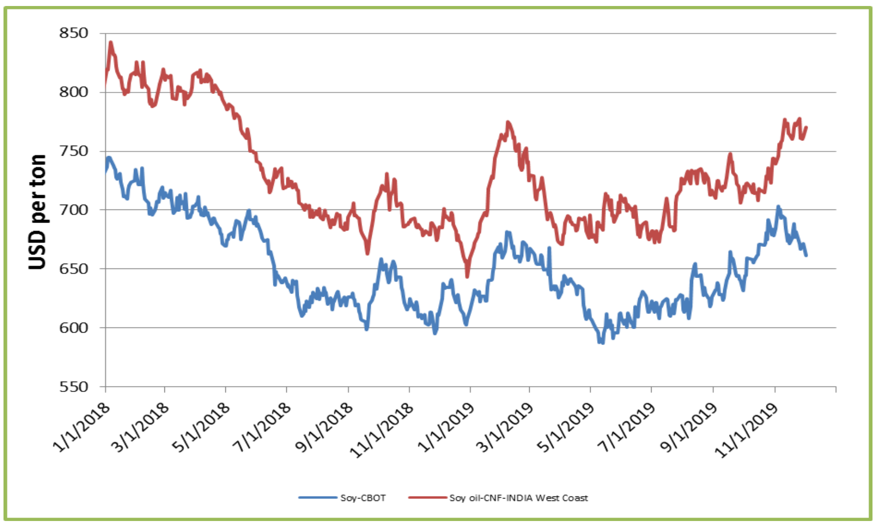
Soy oil:
Domestic Market Fundamentals

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

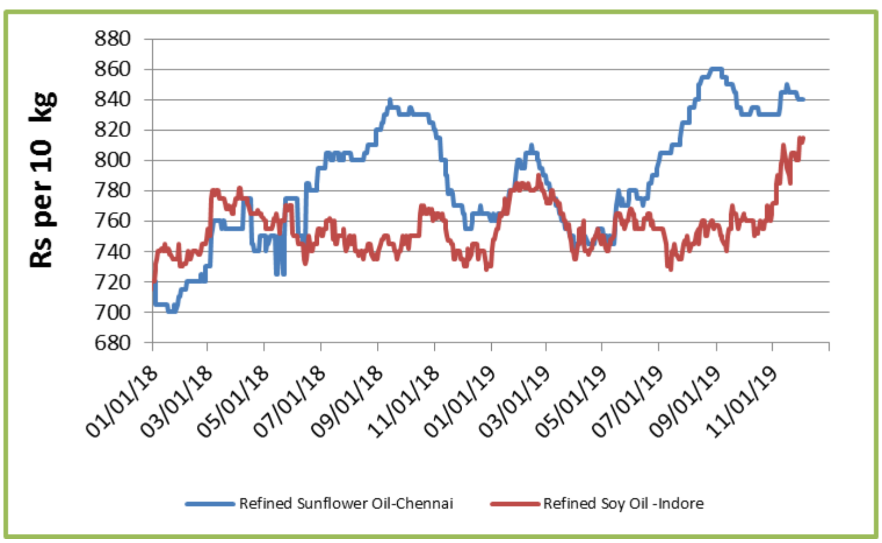
- Soy oil prices witnessed uptrend in month of Nov on firm demand.



Demand of soy oil is expected to rise in Nov on fall in disparity in import margins of soy oil due to rise in prices of soy oil in Indian markets. Due to rise in prices of soy oil in Indian markets has decreased disparity.



Import prices of soy oil is rose on higher demand of soy oil in international markets from Argentina. Lower soybean crop in US, change in government in Argentina, lower rate of planting of soybean in Brazil and US-China trade settlement optimism will increase international prices of soy oil. Higher demand of soy oil from Argentina and increased basis in soy oil leading to higher FOB prices of soy oil. Despite Argentina Peso depreciation FOB prices increased due to strong demand of soybean products from Argentina.



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

Prices of CDSO CNF rose more compared to CDSO FOB indicating firm demand at CNF markets.

Import disparity of soy oil decreased due to rise in prices of soy oil in Indian markets and is at Rs 0-5 per 10 kg compared to parity of Rs 10-15 per 10 kg in October.

Refining margins disparity decreased in November and is at Rs 5-10 per 10 kg compared to parity of Rs 10-15 per 10 kg in October.

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

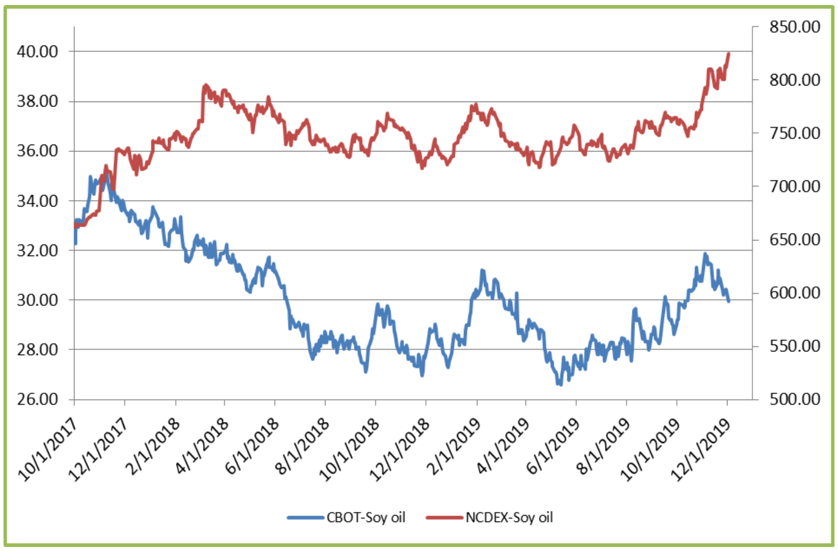
Refined soy oil premium over CPO has increased to Rs 142 (Rs 178 last month) per 10 Kg which is low and will support soy oil prices. Refined soy oil premium over RBD palmolein was at Rs 75 (Rs 113 last month) per 10 Kg, which is low and may increase soy oil prices in domestic markets.

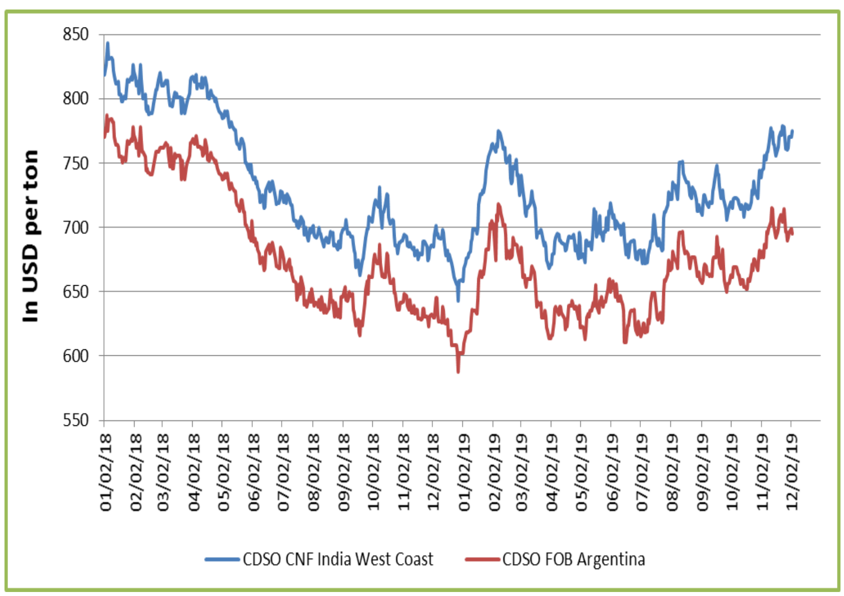
Refined soy oil premium over CDSO high seas is at Rs 45 (Rs 48) per 10 kg indicating firm demand of CDSO compared to refined soy oil in domestic markets.

Landed cost and refining margins disparity decreased due to rise in prices of soy oil in Indian markets.

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

Soybean crop in Indian has suffered heavy losses due to rains in Madhya Pradesh, Rajasthan and





Maharashtra. This has effectively cut more than 25% soybean crop in the country. With lower marketable surplus there will be less soy meal available for exports after negating domestic consumption.

Crushing season has started and is progressing at full swing but is much below last year will help soy oil domestic prices and will lead to higher imports of soy oil as soy oil premium over palm oil has fallen.

Imports of soy oil rose in October compared to October 2018 and September 2019 and stocks at ports rose. Port stocks rose less than rise in imports of soy oil indicating firm demand and restocking at ports.

Import parity of soy oil is in disparity will decrease imports.

Prices may rise on seasonal uptrend of prices and firm demand.

- According to Solvent Extractors Association (SEA), India's October edible oil imports rose 13.45 percent y-o-y to 13.32 lakh tons from 11.74 lakh tons in Oct 2018. Palm oil imports in Oct rose 3.32 percent y-o-y to 7.79 lakh tons from 7.54 lakh tons in Oct 2018. CPO imports rose 6.23 percent in Oct y-o-y to 6.48 lakh tons from 6.10 lakh tons in Oct 2018. RBD palmolein imports fell by 13.14 percent in Oct y-o-y to 1.19 lakh tons from 1.37 lakh tons in Oct 2018. Soy oil imports rose 49.24 percent in Oct y-o-y to 3.94 lakh tons from 2.64 lakh tons in Oct 2018. Sunflower oil imports rose 0.13 percent y-o-y in Oct to 1.59 lakh tons from 1.57 lakh tons in Oct 2018. Rapeseed (canola) oil imports in Oct was zero compared to zero imports in Oct 2018.
- According to Solvent Extractors Association (SEA), India's oil year 2018-19 (Nov-Oct) edible oil imports rose 2.73 percent y-o-y to 14.91 MMT from 14.52 MMT in oil year 2017-18. Palm oil imports in oil year 2018-19 rose 8.16 percent y-o-y to 9.41 MMT from 8.70 MMT in oil year 2017-18. CPO imports rose 1.08 percent in oil year 2018-19 y-o-y to 6.53 MMT from 6.46 MMT in oil year 2017-18. RBD palmolein imports rose by 27.57 percent in oil year 2018-19 y-o-y to 2.73 MMT from 2.14 MMT in oil year 2017-18. Soy oil imports rose 1.31 percent in oil year 2018-19 y-o-y to 3.09 MMT from 3.05 MMT in oil year 2017-18. Sunflower oil imports fell 7.12 percent y-o-y in oil year 2018-19 to 2.35 MMT from 2.53 MMT in oil year 2017-18. Rapeseed (canola) oil imports in oil year 2018-19 fell 75.52 percent y-o-y to 0.06 MMT from 0.24 MMT in oil year 2017-18. Rise in imports of edible oils in oil year 2018-19 was due to sharp rise in RBD palmolein imports especially from Malaysia.
- According to Solvent Extractors Association (SEA), India's October edible oil stocks at ports and pipelines fell 1.39 percent m-o-m to 17.77 lakh tons from 18.02 lakh tons in September 2019. Stocks of edible oil at ports in September rose to 1,187,000 tons (CPO 480,000 tons, RBD Palmolein 220,000 tons, Degummed Soybean Oil 335,000 tons, Crude Sunflower Oil 150,000 ton and Rapeseed Oil 2,000 tons) and about 590,000 tons in pipelines. (Stocks at ports were 1,062,000 tons and in pipelines were 740,000 tons in September 2019). India is presently holding 28 days of edible oil requirement on 1st Nov, 2019 at 17.77 lakh tons compared to 28 days of requirements last month at 18.02 lakh tons. India held 23.25 lakh tons of stocks in ports and pipelines on 1st Nov 2018. India's monthly edible oil requirement is 19.0 lakh tons.
- Soy oil import scenario – According to SEA, soy oil imports rose 49.24 percent y-o-y in October to 3.94 lakh tons from 2.64 lakh tons in October 2018. In the oil year 2018-19 (Nov 2018-Oct 2019), imports of soy oil were 30.94 lakh tons compared to 30.47 lakh tons in last oil year, higher by 1.31 percent compared to last oil year.

- All India sowing of soybean has reached 114.24 lakh hectares compared to 113.10 lakh hectares as on 04.10.2019. Sowing of soybean is higher in Madhya Pradesh and Rajasthan.
- Imported crude soy oil CIF at West coast port is offered at USD 775 (USD 738) per ton for Dec delivery, Jan delivery is quoted at USD 771 (USD 745) per ton, Feb delivery is quoted at USD 778 (USD 755) per ton and Mar delivery is quoted at USD 768 per ton. Values in brackets are figures of last month. Last month, CNF CDSO Nov average price was USD 762.88 (USD 721.67 per ton in Oct 2019) per ton.
- On the parity front, margins improved during the month on rise in prices of soy oil in Indian markets, and we expect margins to remain firm in coming days. Currently refiners lose USD 10-15/ton v/s loss of USD 15-20/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 790-860 per 10 Kg in the near term.

Palm oil:
Domestic Market Fundamentals

- CPO prices witnessed firm tone in the month of November 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 November on rise in prices of RBD palmolein in international markets.

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

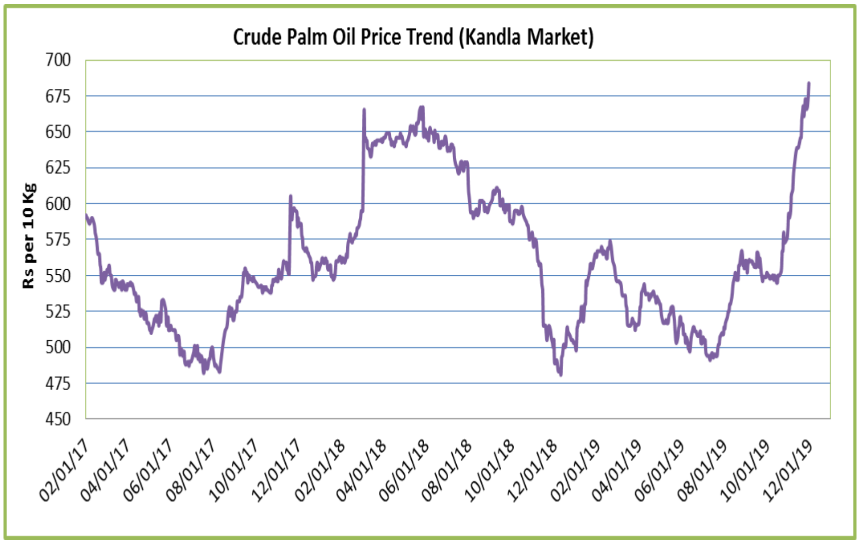
  Prices of CPO rose more at high seas compared to CNF markets compared to last month indicating firm demand at high seas.

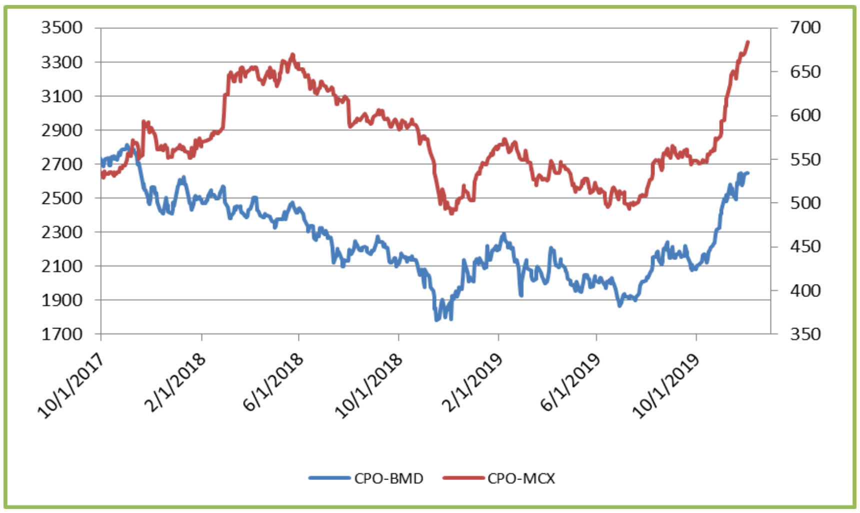
  Demand of CPO is firm at CNF markets as prices rose more at CNF compered to FOB markets.

  Rise in CPO prices is higher in Indian markets compared to international markets is due to fall in end stocks of CPO despite record imports.

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

  Disparity in imports decreased due to rise in prices of palm oil in Indian markets. In Rupee terms, disparity currently stands at Rs 20-25 per 10 kg compared to Rs 20-25 per 10 kg last month. Due to disparity in imports prices will not fall much



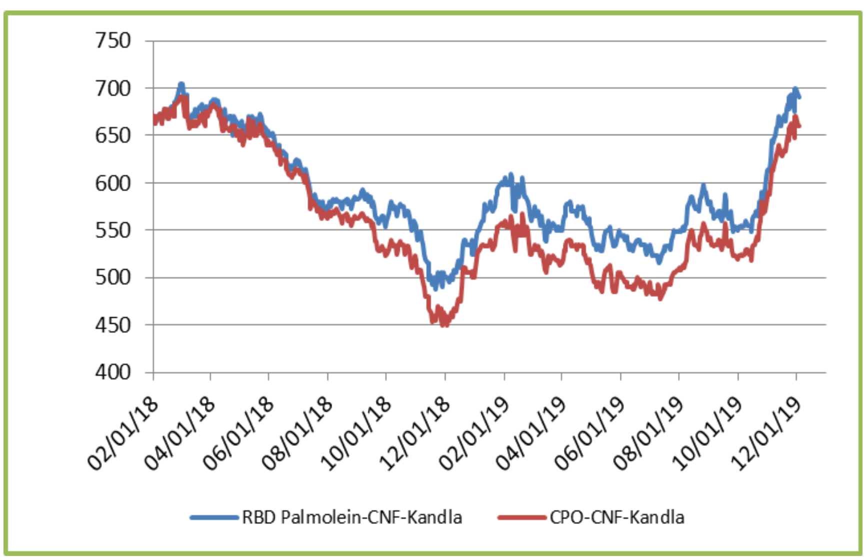


going ahead.

Rise in international CPO has surged has made imports costly which will decrease imports in coming months. Appreciation of Rupee will decrease disparity in Dec.

Indian palm oil buyers have started booking palm oil cargoes from Malaysia due to discount offered by Malaysia compared to other location. This comes after India-Malaysia dispute on Kashmir. However, there is no official statement by India government on trade of palm oil.

However, India has opted out of trade treaty RCEP which was to be signed between 16 countries which include India and Malaysia. This step has increased uncertainty about trade with Malaysia on palm oil. Malaysia would like to address India's concerns if it has to have good trade relations with India.



Indian government increased import duty on RBD palmolein imports from Malaysia by 5 percent. This increased 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 protects interest 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 will improve finances of palm oil refining industry already reeling under debt.

CPO trade is firm and despite traders having high stocks and are offering to sell CPO at discount to CNF prices to offload the stocks as rise in prices of CPO gives opportunity to offload additional stocks.

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

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

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. Higher import duty on RBD palmolein imports, will decrease 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 depsite hike in import duty on imports of RBD palmolein from Malaysia. 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.

CNF prices of RBD palmolein sourced from Indonesia and is quoted same from RBD palmolein sourced from Malaysia. Before hike in import duty RBD palmolein sourced from Malaysia was quoting at premium over Indonesia RBD palmolein.

Further, premium of RBD palmolein over CPO at CNF India has fallen from USD 25-30 per ton to USD 40-45 per ton at CNF India. This will help RBD palmolein imports from all destinations despite lower import parity of RBD palmolein over CPO.

In Rupee terms, disparity currently stands at Rs 25-30 per kg compared to parity of Rs 20-25 per kg last month due to and rise in prices of RBD palmolein in international markets. However, due to disparity in imports prices will not fall much going ahead.

This has made RBD palmiolein uncompetitive compared to CPO. Further, refining margins of CPO is above imported ready to use palmolein.

Falling discount of RBD palmolein over soy oil, sunflower oil and rapeseed oil will decrease its demand.

Importers are selling cargoes at discount to clear stocks as rise in international prices have increased opportunity to offload surplus stocks.

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

Import of CPO in October was higher than that of October 2018 and higher than September 2019. Stocks at ports rose in October compared to September 2019. Stocks at ports rose more than rise in imports indicating weak domestic demand in October.

Import of RBD palmolein is fell in October compared to October 2018 and September 2019. Imports fell in October compared to September 2019 and stocks fell at less at ports indicating weak demand in October.

Increasing 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 parity. Refining margins in imported CPO is higher than imports of ready to use RBD palmolein.

Low soy oil premium over crude palm oil which is hovering at Rs 142 (Rs 178 last month) per 10 Kg will decrease demand of CPO and increase imports.

Previous chart in soy oil section shows that premium of soy oil over palm oil has decreased in Nov at CNF markets. Falling premium of crude sunflower CNF India West coast and CPO CNF at USD 125 (USD 150) per ton will decrease CPO prices and RBD palmolein prices in medium term. Low premium of CSFO-CNF-India West coast over CPO-CNF indicates decrease in supply of CPO at CNF markets compared to CSFO-CNF.

Falling CDSO CNF premium over CPO CNF will decrease imports of CPO in medium term at USD 112.5 (USD 149 last month) per 10 kg. Premium of CDSO soy oil high seas over CPO high seas is at Rs 97 (Rs 130 last week) per 10 Kg, which is low and will decrease CPO demand at high seas. Premium of refined soy oil over RBD palmolein is Rs 75 (Rs 113 last week) per 10 kg is low and will decrease 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 October rose 3.32 percent y-o-y to 7.79 lakh tons from 7.54 lakh tons in October 2018. Imports in the oil year 2018-19 (November 2018-Ocotber 2019) are reported higher by 8.16 percent y-o-y at 94.1 lakh tons compared to 87.01 in last oil year.

  Crude Palm oil import scenario- According to Solvent Extractors Association (SEA), CPO Imports rose 6.23 percent y-o-y in October to 6.48 lakh tons from 6.46 lakh tons in October 2018. Imports in oil year 2018-19 (November 2018-October 2019) were reported higher by 1.08 percent y-o-y at 65.35 lakh tons compared to 64.60 lakh tons in last oil year.

  RBD palmolein import scenario- RBD palmolein imports fell 13.14 percent y-o-y in October to 1.19 lakh tons from 1.37 lakh tons in October 2018. Imports in oil year 2018-19 (November 2019-October 2019) were reported higher by 27.57 percent y-o-y at 27.31 lakh tons compared to 21.36 lakh tons in last oil year.

- According to United States Department of Agriculture (USDA) September estimate, India's 2019/20 palm oil imports estimate have been increased to 10.0 MMT from 9.75 MMT in its earlier estimate, higher by 2.56 percent. Palm oil consumption have been increased to 10.185 MMT from 9.925 MMT in its earlier estimate, higher by 2.62 percent. Further, palm oil import estimate of 2018/19 have been increased to 9.7 MMT from 9.5 MMT in its earlier estimate, higher by 2.11 percent. Consumption of palm oil have been increased to 9.805 MMT from 9.6 MMT in its earlier estimate, higher by 2.14 percent.

- 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.

- On the trade front, CNF CPO (Indonesian origin) at Indian port quoted at USD 562.5 (USD 597.5) per ton for Dec delivery. Last month, CNF CPO Nov average price was at USD 634.46 per ton (USD 541.54 per ton in Oct 2019). Values in brackets are figures of last week.

  Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 692.5 (USD 622.5) per ton for Nov delivery. Last month, CIF RBD palmolein Novt average price was USD 664.57 (USD 567.5 in Oct 2019) per ton. Values in bracket depict last month quotes.

  Ready lift CPO duty paid prices quoted at Rs 683 (Rs 593) per 10 Kg and Nov delivery duty paid is offered at Rs 683 (Rs 593) per 10 kg. Ready lift RBD palmolein is quoted at Rs 750 (Rs 660) per 10 kg as on Dec 3, 2019. Values in brackets are figures of last month.

- On the parity front, margins improved during the month of Nov on higher price of palm oil products in Indian markets and appreciation of Rupee and we expect margins to remain weak in coming days. Currently refiners fetch USD 0-5/ton (Nov average) v/s gain of USD 5-10/ton (Oct average) margin in processing the imported CPO but on the imports of ready to use palmolein lose USD 40-45/ton (Nov average) v/s loss of USD 25-30 (Oct average).

  Price Outlook: We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 560-640 per 10 Kg in the near term.

Rapeseed oil:
Domestic Market Fundamentals

- Rapeseed oil featured firm trend at various markets on firm demand. All India arrivals of rapeseed rose in November.
- Rapeseed oil prices traded higher in the month of November in various markets in India on firm demand and rise in prices of competing oils.

Demand rose in the month of Nov on firm buying in cash markets and demand ahead of winters.

Prices of rapeseed oil prices rose on surge in palm oil and soy oil prices.

Demand of rapeseed oil will increase in Dec due to demand on winters in East and North India.

Prices of rapeseed oil mar rise due to seasonal uptrend of prices.

Stock position is weak against firm demand position.

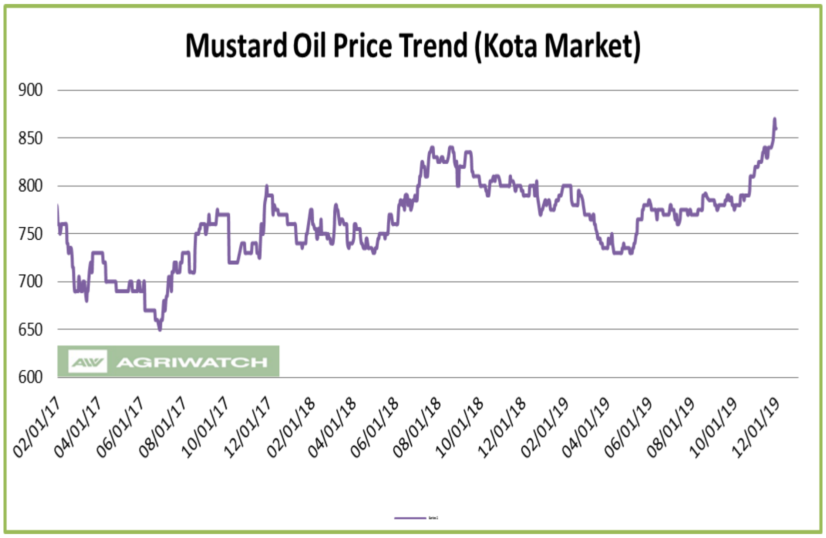
Rapeseed oil is moving out of Rajasthan at Rs 850-860 per 10 kg.

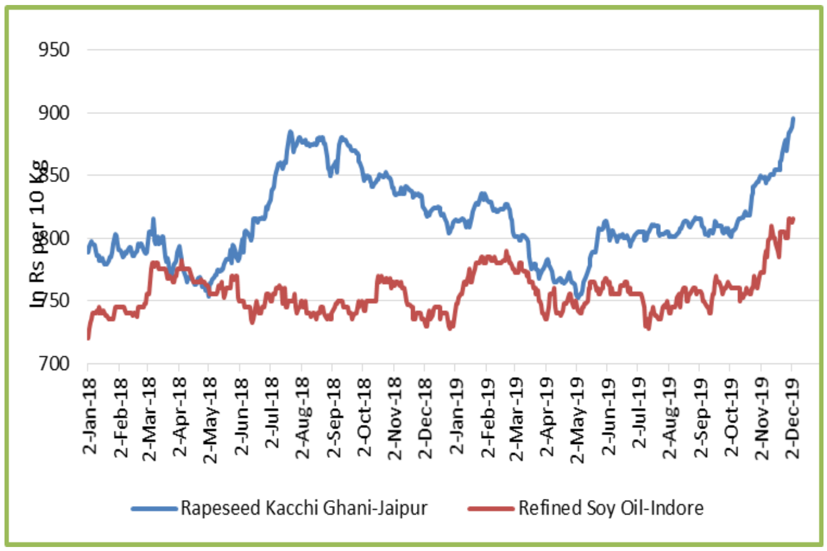
There is disparity in crush of rapeseed.

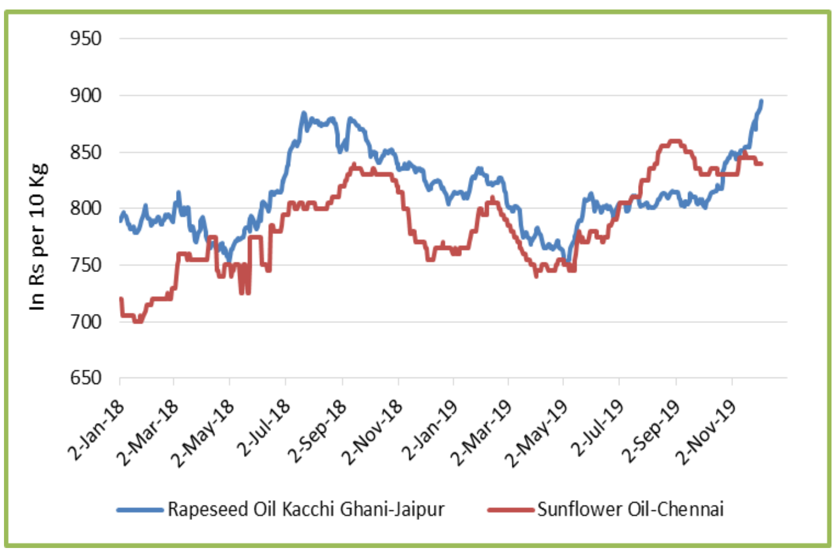
Higher crushing of rapeseed resulted in higher supply of rapeseed oil in the market.

NAFED has procured 10.89 lakh tons of Rabi 2018-19 crop. Total balance quantity after sale is 9.12 lakh tons. Stock with NCDEX is 0.0 lakh tons.

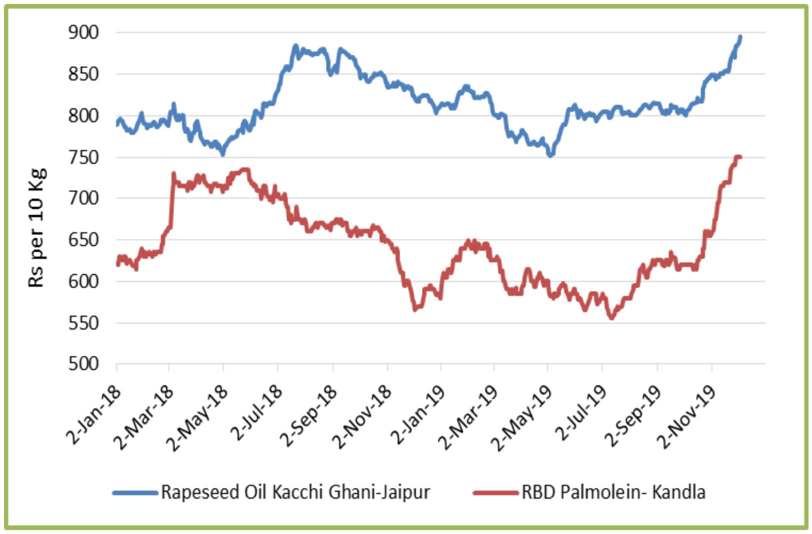
So, total progressive sale is 1.77 lakh tons. Various state governments have given their estimate of mustard sales







from Nov 2019-Jan 2020. About 7.48-lakh tons estimate have been given by various state governments about the sale of rapeseed by Jan 2020.



NAFED has started sale of mustard procured in MY 2019-20 from July. However, NAFED has said it will not sell rapeseed below Rs 4200/qtl has led to slow sale of rapeseed leading to shortage of rapeseed and support rapeseed oil pries. NAFED will try to sell maximum amount of stocks rapeseed. With prices rising above MSO sale of mustard by NAFED ma acclearate.

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 MY 2019-20 will be lower than MY 2018-19 crop of 7.9 MMT. Yields will be lower after high production for two consecutive years. Further, crop planting is lower due to high moisture in the soil due to vigorous monsoon in 2019.

Agriwatch forecasted rapeseed crop at 7.9 MMT in 2MY 018-19 compared to estimate of 7.1 MMT in MY 2017-18. Rapeseed crop in 2018-19 was 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 was also at record levels.

Arrivals of rapeseed had peaked in March-April and it may fall in Dec.

Fall in prices of rapeseed oil in oil year 2018-19 is was due to increased crushing of rapeseed in MY 2018-19 on parity in crushing. Crushers took advantage of crush margins. Higher crush of rapeseed has led to higher supply of rapeseed oil.

Prices are lucrative to increase demand.

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

Rising premium of Jaipur kacchi ghani rapeseed oil over refined soy oil in domestic market at Rs 69 (Rs 75) per 10 Kg, will cap rapeseed oil prices in medium term.

Kacchi Ghani and refined soy oil are trading range is rising, which may decrease demand of rapeseed oil.

Low premium of expeller rapeseed oil over soy oil in domestic market was at Rs 50 (Rs 55) per 10 Kg, will support rapeseed oil prices in medium term.

Hike in import duty on import of canola oil last year has led to low imports in oil year 2018-19. There have been very little imports of canola oil in last 8 months. However, if rapeseed oil prices continue to rise in oil year 2019-20 imports will rise.

Carryout of rapeseed oil is expected to fall in oil year 2019-20 due to lower rapeseed crop will lead to higher imports of canola.

Lower carryout of rapeseed oil in oil year 2019-20 will lead to higher prices of rapeseed oil in next oil year.

There was zero import of canola oil in Ocotber. 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 oil has slowed import demand. There are negligible stocks of canola oil at ports.

Low premium of rapeseed expeller oil (Jaipur) over RBD palmolein (Kandla) at Rs 115 (Rs 168) per 10 kg will support rapeseed oil prices.

Prices of rapeseed oil will remain be supported owing to falling stocks of rapeseed oil in domestic market.

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

- All India Rabi progressive sowing of rapeseed has reached 55.40 lakh hectares as on 29.11.2019 compared to 58.58 lakh hectares in corresponding period last year. Sowing is slow in state of MP, West Bengal and Gujarat while it is higher in Rajasthan and UP.
- Rapeseed oil import scenario- India imported zero rapeseed (Canola) oil in October 2019 v/s zero imports in October 2018. In the oil year 2018-19 (Nov 2019-Oct 2019) imports were 0.59 lakh tons compared to 2.41 lakh tons in last oil year, lower by 75.52 percent y-o-y.
- The Cabinet Committee on Economic Affairs (CCEA) has approved the increase in the Minimum Support Prices (MSPs) of Rapeseed (Mustard) for MY 2020-21 to Rs 4425/qtl from Rs 4200/qtl, registering the rise of Rs 225/qtl. The total return for famer is 90 percent above cost price of production.
- Currently, RM oil at Jaipur market (expeller) is offered at Rs 865 (Rs 825) per 10 Kg and at Kota market is quoted around Rs 865 (Rs 820) per 10 kg as on Dec 3, 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 820-900 per 10 Kg.

Sunflower oil:
Domestic Market Fundamentals

- Sunflower oil featured firm trend at its benchmark market in Chennai during the month of November on firm demand and rise in competing oils prices.
- Sunflower oil prices closed higher in month of November at various centers on firm demand and rise in competing oils prices.

Sunflower oil prices role less at high seas compared to CNF indicating weak demand at high seas.

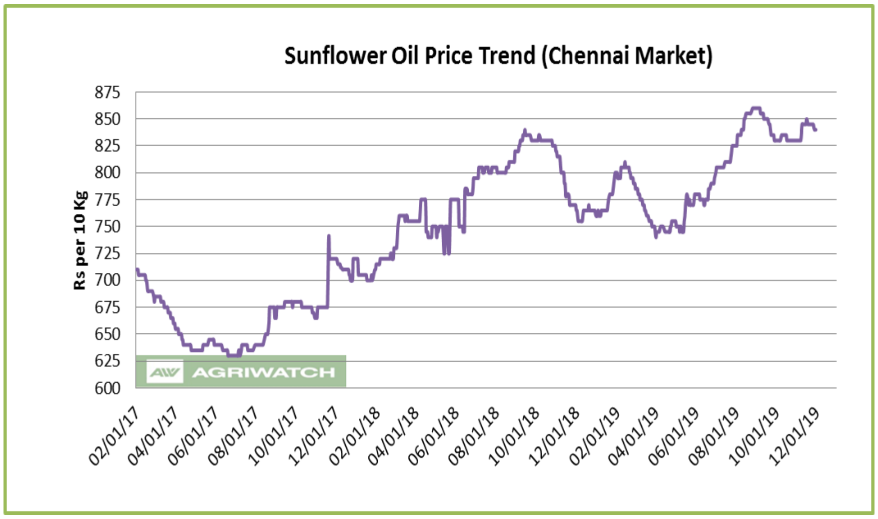
Sunflower oil prices rose in November due to surge in prices of palm oil and soy oil.

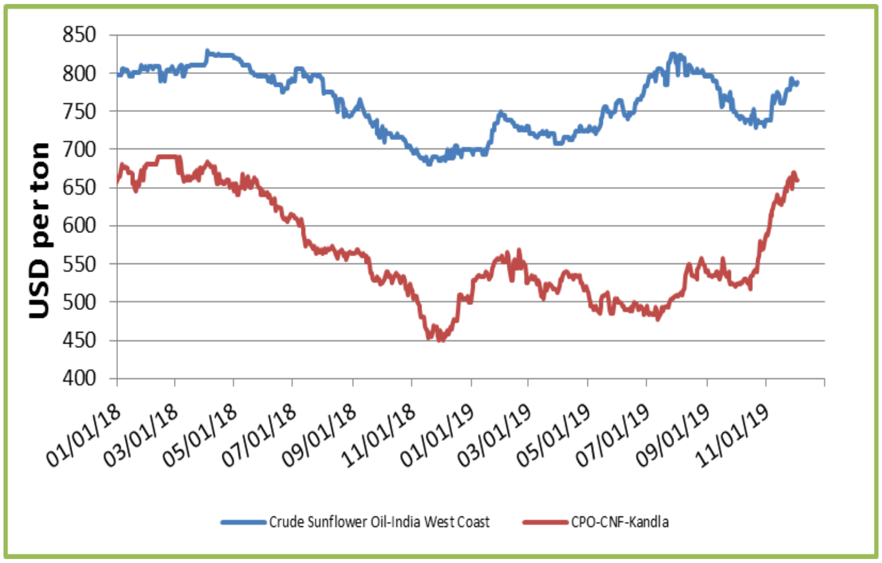
Higher prices of sunflower oil in last few months capped gains.

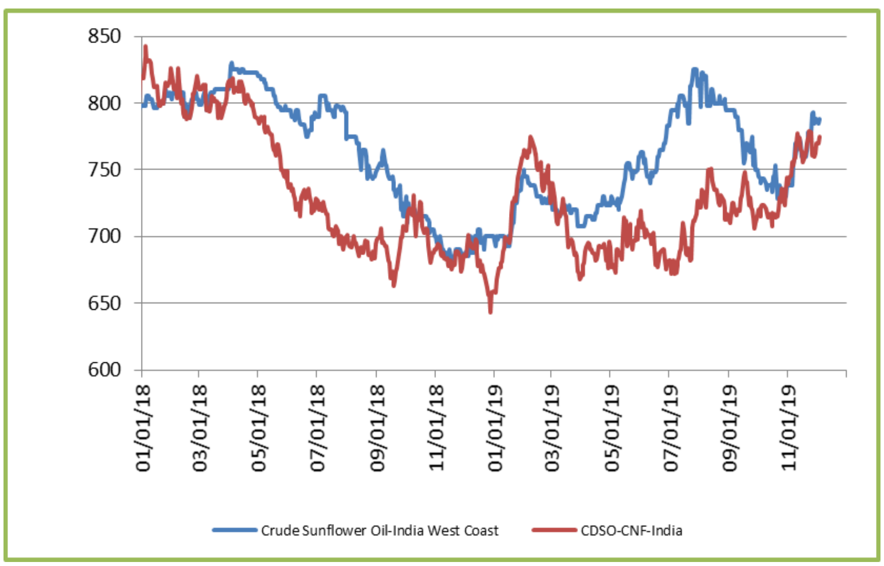
Lower import of sunflower oil in 2018-19 due to hike in import duty on sunflower oil has decreased carryout of sunflower oil in oil year 2018-19.

Import demand of sunflower oil may slow due to negative import parity and negative refining margins. Import parity and refining margins moved into disparity after parity last months.

Prices of sunflower oil at CNF markets are rising due to rising prices of competing oil despite record sunflower crop in Ukraine and record production of sunflower oil in the country







leading to surge in global sunflower oil supply. Further, price will be capped due surplus stock of sunflower in Ukraine will cap rise in sunflower oil prices at CNF markets in December.

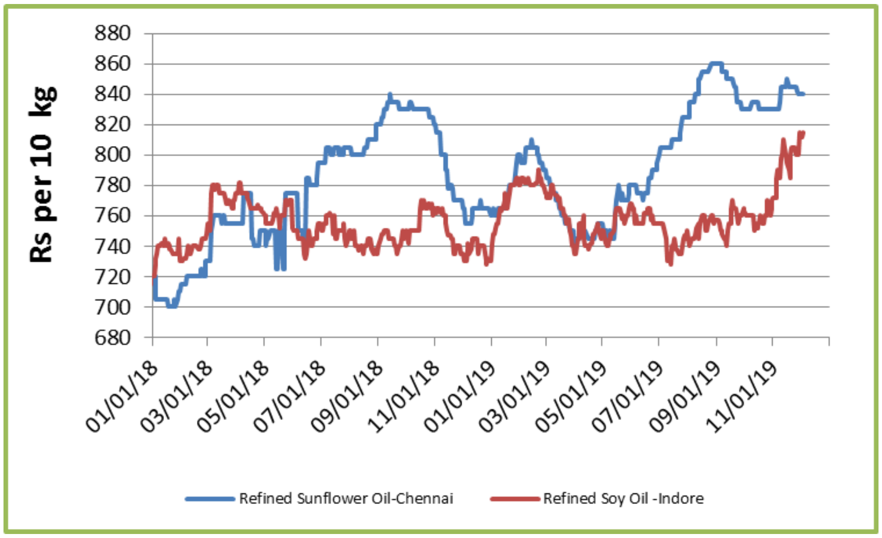
There is parity in imports of sunflower oil and refining margins are in parity.

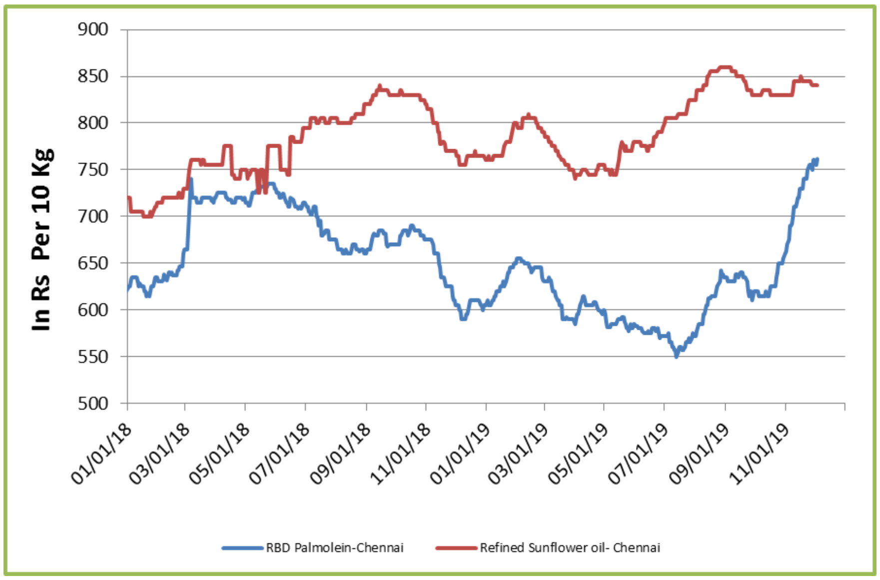
Appreciation of Rupee in coming months will increase imports of sunflower oil in coming months.

Imports of sunflower oil rose in Oct compared to Sep 2019 noting rise after fall in last month touching 1.59 lakh tons. Stocks at ports remained unchanged due to firm imports. Higher supply of sunflower oil in domestic market due to higher imports will cap prices of sunflower oil.

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

Fall in premium of CSFO over CDSO in CNF markets will support prices in medium term. Imports are expected to be higher in Nov as crude sunflower oil CNF premium over CDSO CNF is low. Imports of sunflower will slow due to rise in prices of sunflower oil at CNF markets. Third chart from above shows crude sunflower oil premium over CDSO is has decreased in November will increase imports.





Fourth chart from above shows that sunflower oil prices are not correlated to soy oil prices in domestic market. There is conversion in prices of sunflower oil and soy oil in domestic market. Fifth chart from above shows that sunflower oil premium over RBD palmolein has decreased in November.

Refiners and stockists have increased stocking as sunflower oil premium over soy oil is increased to USD 12.5 (USD 2.5 last month) per ton.

In domestic market sunflower oil premium over soy oil is at Rs 15 (Rs 57) per 10 kg indicating possibility of sunflower oil in domestic markets may converge with soy oil as prices at CNF market has converged.

Refined sunflower oil premium over RBD palmolein has decreased to Rs 90 (Rs 170 last month) per 10 kg is high. Low premium of sunflower oil over RBD palmolein will support sunflower oil prices.

Premium of CSFO over RBD palmolein is at USD 95 (USD 112.5) per ton at CNF markets. Premium of sunflower oil over RBD palmolein has decreased indicating that incentive of importing sunflower oil and selling in domestic market has increased.

In domestic market, falling groundnut oil premium over sunflower oil at Chennai market is at Rs 185 (Rs 220 last week) per 10 kg will cap gains 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 supported due to falling premium over RBD palmolein.

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

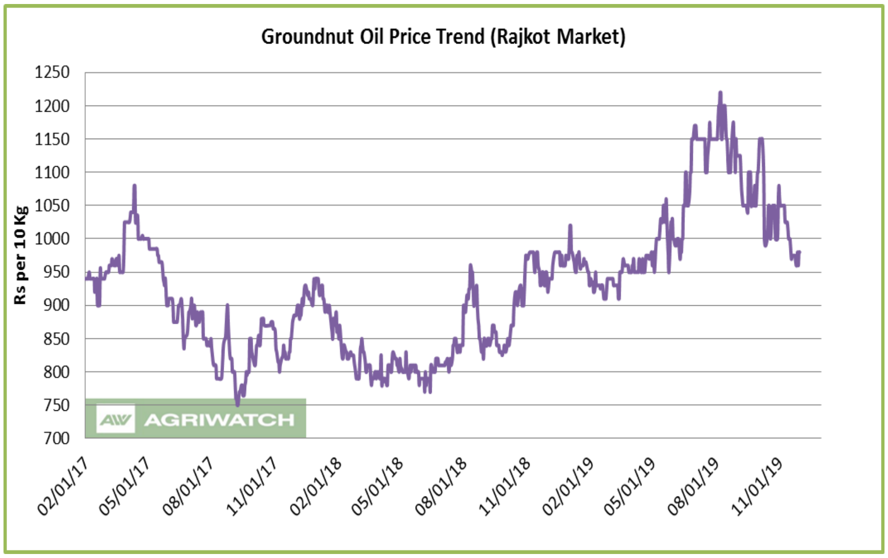
Prices are expected to rise on firm demand. Prices of sunflower oil are expected to remain in a range with upward bias in December.

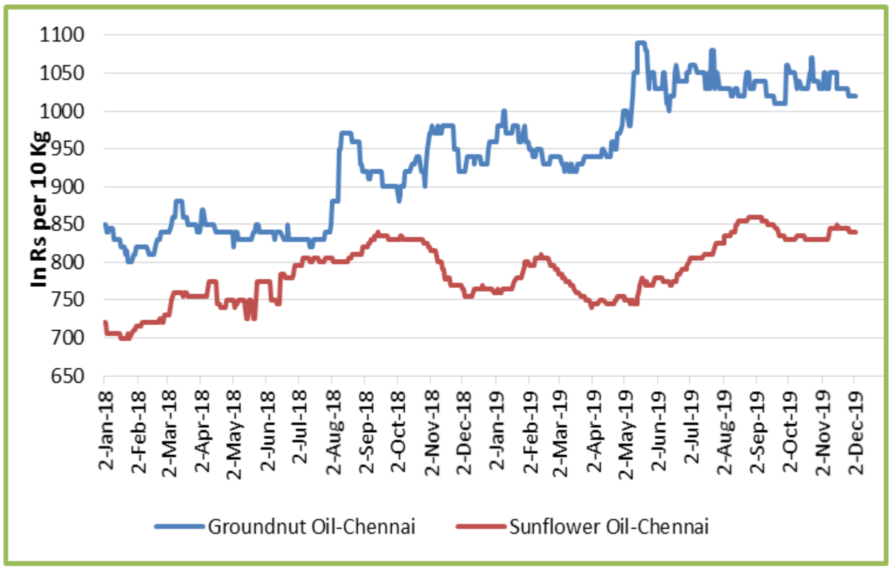
Prices are expected to trade sideways to firm in medium term.

- Sunflower oil imports scenario- According to Solvent Extractors Association (SEA), Sunflower oil imports rose 0.13 percent y-o-y in October to 1.59 lakh tons from 1.57 lakh tons in October 2018. Imports in oil year 2018-19 (November 2018-October 2019) were reported lower by 7.12 percent y-o-y at 23.51 lakh tons compared to 25.25 lakh tons in last oil year.
- All India Rabi progressive sowing of sunflower has reached 0.60 lakh hectares as on 29.11.2019 compared to 0.76 lakh hectares in corresponding period last year. Sowing is slow in state of Karnataka and Andhra Pradesh.
- On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 787.5 (USD 735) per ton for Dec delivery, JFM delivery is quoted at USD 787.5 (USD 732.5), AMJ delivery is quoted at USD 792.5 per ton and JAS delivery is quoted at USD 805 per ton. CNF sun oil (Ukraine origin) Nov monthly average was at USD 766.96 per ton compared to USD 738.67 per ton in Oct. Values in brackets are figures of last week.
- Prices are likely to stay in the range of USD 70-80 per ton in the near term. CNF Sunflower oil premium over CDSO is hovering at USD 12.5 (USD 2.5 last week) per ton for Dec delivery. CNF sunflower oil premium over RBD palmolein is hovering around USD 92.5 (USD 125) per ton.
- Currently, refined sunflower oil at Chennai market is offered at Rs 840 (Rs 830) per 10 Kg, and at Kandla/Mudra market, it is offered at Rs 835 (Rs 820) per 10 kg as on Nov 30, 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 800-880 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 November on weak demand.

Demand weakened due to higher supply optimism.

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

Demand of groundnut oil decreased due rise in its prices.

Groundnut oil price fell on fall in prices of groundnut.

Prices of groundnut oil fell despite rise in palm oil prices indicating weak demand.

Groundnut prices fell due to good crop of groundnut in Gujarat.

Retail demand of groundnut oil decreased due to expectation of fall in groundnut oil prices due to good groundnut crop leading to postponement of demand.

Crushing of groundnut has started and with good crop expected crushing of groundnut will benefit groundnut oil consumers.

Demand will rise as peak demand season has arrived in Gujarat will support prices. Prices will stay firm until Jan end when peak demand season ends.

Groundnut crop harvest is over in Rajasthan and Gujarat.

Fresh procurement of groundnut have been started by NAFED from November 1, where about 4.5 lakh farmers have registered in Gujarat.

Due to good groundnut crop will increase groundnut supply in the market leading to higher groundnut oil supply.

NAFED ended auctions of Kharif 2018 and Kharif 2017 groundnut crop in October.

Total progressive sale of Kharif 2018 was 5.64 lakh tons and balance quantity after 1.51 lakh tons. 2017 Kharif crop stocks with NAFED is 0.16 lakh tons and total progressive sale has been 10.29 lakh tons.

So total progressive sale by NAFED in 2018 and 2017 crop is 15.93 lakh tons.

So, total stock in NAFED is 1.67 lakh tons when auction ended.

NAFED has procured 0.98 lakh tons of groundnut which makes total stocks of groundnut with NAFED at 2.65 lakh tons. With good sale of groundnut of Kharif 2018 and Kharif 2017 will encourage NAFED to stock higher amount of groundnut compared to previous years.

Further, higher crop of groundnut in current MY will lead to higher supply of groundnut and will keep cap on groundnut oil prices.

Lower groundnut prices will lead to higher purchase of groundnut by NAFED.

Demand of groundnut oil increased between Rs 950-1000 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 960-980 per 10 kg.

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

Crushing has improved due to increase of supply of groundnut despite weak demand of groundnut oil.

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

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

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

Groundnut oil prices will increase on higher offtake from stockists and traders.

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

Falling premium of groundnut oil over sunflower oil and palm oil will support prices of groundnut oil in coming months.

Production of groundnut rose in 2019 substantially due to good rains which led to higher area planted and higher yields of 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 will rise in December due to end of groundnut harvest.

Further, late rains in groundnut growing regions of South India led to lower area planted in South India and lower yields. Further, incessant rains in last one month has adversely impacted standing groundnut crop. Planting of Rabi groundnut in South India will lag due to wet conditions. However, planting area will increase with good soil moisture and tanks are full.

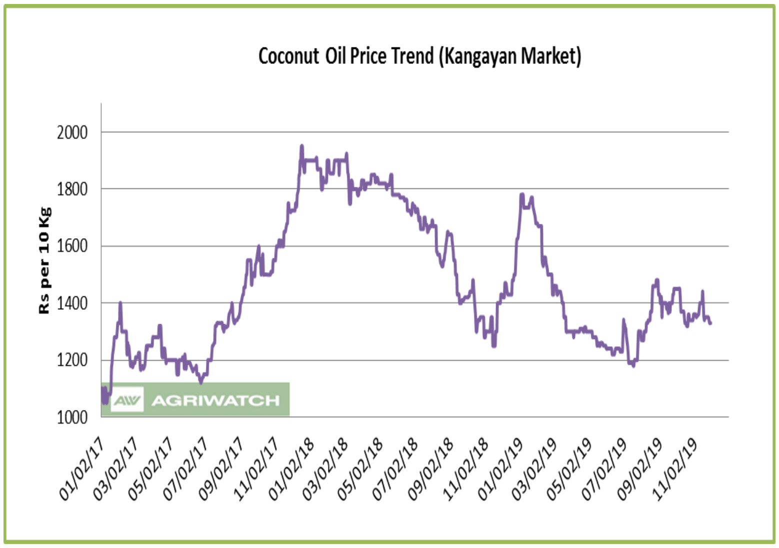
Prices are expected to trade rise on firm demand in cash markets and rise in competing oils prices.

Prices are expected to trade sideways to firm.

- All India Rabi progressive sowing of groundnut as on 29.11.2019 has reached 1.92 lakh hectares compared to 1.88 lakh hectares in corresponding period last year. Sowing is higher than corresponding period last year in Karnataka and Telangana.
- On the price front, currently the groundnut oil prices in Rajkot is hovering near Rs 10,500 (11,000) per quintal and quoting at Rs 10,300 (Rs 10,600) 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 950-1150 per 10 Kg.

Coconut oil:
Domestic Market Fundamentals



- Coconut oil featured weak trend at its benchmark market in Kangeyam on weak demand.
- Prices of coconut oil traded lower in the month of November on weak demand. Demand weakened as demand season is over.

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

  Copra prices traded lower due to higher supply of copra due to its higher imports. Coconut harvesting has picked up after monsoon when there was difficulty in drying of copra due to monsoon.

  Prices of coconut oil fell despite rise in palm oil prices indicating weak demand.

  Retail demand will improve due to low volatility in prices and regular fall in prices of coconut oil.

  Government is procuring coconut to support falling prices which will support prices in coming days. Tamil Nadu government has planned 50 thousand tons of copra procurement in coming days

  Rise in palmolein prices will increase coconut oil consumption. Prices will still be low compared to coconut oil. However, coconut consumers generally do not shift out of its consumption irrespective of prices. Demand fell at low demand at higher levels.

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

  Coconut demand will rise due to low volatility in prices which may lead to higher consumption.

  Household consumption will rise in Kerala in rest of 2019 after weak demand in three quarters of 2019.

  Coconut supplies have improved will lead to higher supply of copra which will increase in production of coconut oil which will underpin 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 weakened due to high discount of crude coconut oil over branded coconut oil leading to lower shift of consumers towards branded products of various companies like Marico. Recent fall in copra prices may lead to higher margins of branded coconut oil companies. Demand may revive in 2020 due to economic recovery.

  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. Higher rains in 2019 will increase coconut production in 2020.

Prices of coconut oil in end 2019 due to rise in demand in 2020.

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

Millers have high 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.

Regular price fall and high volatile prices of coconut oil for a long period will decrease demand in medium to long term.

Prices are expected to be rise in December on improving retail demand, improvement in demand from corporates. Prices are expected to trade sideways to firm in medium term.

- On the price front, currently the coconut oil prices in Kochi is hovering near Rs 14,400 (14,100) per quintal, and quoting Rs 13,200 (13,600) per quintal in Erode market on Nov 30, 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 1200-1400 per 10 Kg.

International Soy oil Market Fundamentals

- Soy oil prices are expected to rise due to US-China trade optimism, lower stocks soy oil in US, lower crop of soybean in US, loss of pro reformist government in Argentina, lower rate of planting of soybean in Brazil and rise in crude oil prices.

  Trade talks between US and China is stuck after mini trade agreement has been reached. However, trade deal between both countries is stuck as China has stuck on its stand of removal of import duties imposed by US. Further, law passed in US parliament to criticize China on Hong Kong has aggravated the differences. US President has said that he will wait for elections in US to arrive at trade talks. Further, US commerce department has said that it will go ahead to impose more import duties on China from Dec 15. This will lead to some sort of compromise by China in coming days and some trade deal will be arrived based on compromise. This will support soy oil prices.

  Soybean planting in Argentina has expanded this year as pro reformist government lost in Argentina in recent held election. Macri was considered pro market reformer who reformed the countries farm sector which led to opening of food markets of the country. However, he lost election and anti-reform government. This has led farmers to worry about future prospects on trade issues on corn and wheat as more reforms were in both crops. This has led farmers to plant more soybean in place of other crops.

  However, new Argentina government has indicated that some sort of trade measures will be taken for soybean which has led to rise in prices of soybean products in international markets and has led to rise in basis of soy oil above CBOT lead to rise in FOB prices of Argentina.

  USDA reduced soybean yield estimate of US due to weak crop condition in US in its Nov review. Soybean stocks estimate rose due to lowering of soybean crush in US. Soybean crop in US is weakest in years and all the crop parameters are at multi year lows. Soybean harvest is below last year and 5-year average. Soybean crop fell to 96 MMT due to wet and cool spring, which stopped farmers plant soybean. Further, harvest has progressed swiftly in many states in last four weeks due to dry conditions. So, harvest will complete in normal time.

  Soy oil stocks fell in US in October as reported by NOPA despite higher crush of soybean indicating firm domestic disappearance. This will support soy oil prices. Higher domestic disappearance of soy oil on higher use in biodiesel and higher food, feed and industrial use. Stocks of soy oil rises seasonally, but it fell and was against trade estimates.

  USDA decreased 2019/20 soy oil end stocks in its November estimate on higher opening stocks and lower exports partially set off by lower production of soy oil.

  China reported lower soybean import demand in October due to weak demand of soybean on swine flu in the country. Due to swine flu China reported 41 percent fall in swine population. However, when swine flu will be over then restocking of soybean in China will take place and will increase imports of soybean. Most of the soybean imported in September was from Brazil. Premium of Brazil's soybean will fall below US soybean due to US-China trade settlement stroking expectation of fall in demand of soybean by China. This lead to rise in global soybean complex prices.

China slaughtered swine to control multiple breakout of swine flu in various provinces. This led to mass slaughter of swine leading to 41 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 allowed meat imports from Europe, Ukraine, Argentina and Brazil. It lowered protein feed requirement, opened various destinations from import of oilseeds, and has decided to procure feed from 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 opened soy meal market for imports from Argentina in an effort to improve supply of soy meal in the country. Supplies of Argentina meal will start from the harvest of its crop in 2020.

China started liquidating soybean state reserves and meat reserves to ease pressure of soybean and meat in the country and has allowed meat imports from Brazil and US.

Lower import of soybean by China in in last in Oct has led to shift of buyers from competing oils like palm oil leading to strengthening in global palm oil prices.

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.

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 planting has started in Brazil in various provinces but is below averages due to dry condition in some areas. However, planting has accelerated in last three weeks as rains arrived in many areas. Planting is below last year while it is higher than 5-year average. Brazil is expected to plant soybean in record area and if conditions remain favorable than Brazil will harvest record soybean crop in 2019/20.

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 123.5 MMT in 2019/20 by Brazil's states agency CONAB. USDA has estimated Brazil's soybean crop for 2019/20 at 123 MMT making Brazil as top soybean producer in the world.

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.

Lower imports of soybean by China 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 effect of swine flu.

Planting of soybean is expected is accelerating in Argentina and soybean crop area is expected to be higher due to change in government in Argentina. USDA estimated soybean crop in Argentina in 2019/20 at 53 MMT while Argentina government estimate at 51 MMT in its last estimate. USDA is expected to increase soybean crop in Argentina in its Dec report due to higher expected crop area.

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.

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 tensions in Middle East.

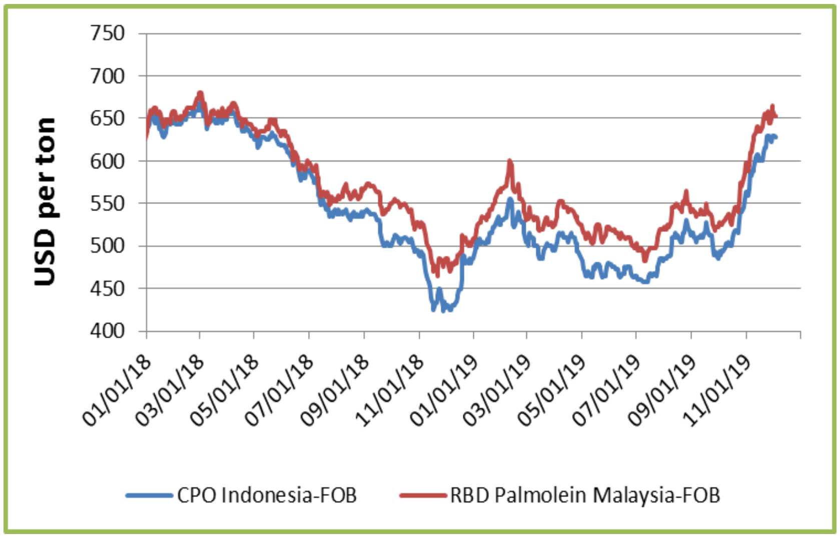
- US soybean is 96% harvested compared to 97% in corresponding period last year and 5-year average of 99%, in the US crop progress report dated 1 December 2019 by United States Department of Agriculture (USDA).
- According to National Oilseed Processors Association (NOPA), U.S. October soybean crush rose by 16.93 percent m-o-m to 178.397 million bushels from 152.566 million bushels in September 2019, above market expectation. Crush of soybean in Oct was higher by 3.51 percent y-o-y compared to Oct 2018 figure of 172.346 million bushels. Soy oil stocks in U.S. at the end of Oct fell 1.32 percent m-o-m to 1.423 billion lbs compared to 1.442 billion lbs in end Sep 2019. Stocks of soy oil in end Oct was lower by 5.32 percent y-o-y compared to end Oct 2018, which was reported at 1.503 million lbs. Soy oil stocks was above trade expectation.
- According to United States Department of Agriculture (USDA) Nov estimate, U.S 2019/20 ending stocks of soy oil estimate has been decreased to 1,446 million lbs from 1,525 million lbs in its earlier estimate. Opening stocks are increased to 1,776 million lbs from 1,710 million bushels in its earlier estimate. Production of soy oil in 2019/20 is reduced to 24,420 million lbs from 24,590 million lbs in its earlier estimate. Imports in 2019/20 are kept unchanged at 450 million lbs. Biodiesel use in 2019/20 is unchanged at 8,500 million lbs. Food, feed and other industrial use in 2019/20 is unchanged at 15,000 million lbs. Exports in 2019/20 are reduced to 1,700 million lbs from 1,725 million lbs in its earlier estimate. Average price range estimate of 2019/20 is hiked to 31.00 cents/lbs from 30.0 cents/lbs in its earlier estimate.

- The U.S. Department of Agriculture monthly supply and demand report for the month of Nov forecasts U.S. 2019/20 soybean stocks at 475 million bushels from 460 million bushels in its earlier estimate. Opening stocks in 2019/20 is unchanged at 913 million bushels. Soybean production is kept unchanged at 3,550 million bushels. U.S. soybean exports estimate are unchanged at 1,775 million bushels. Imports estimate is unchanged 20 million bushels. Crush in 2019/20 is hiked to 2,105 million bushels from 2,120 million bushels in its earlier estimate. Seed use in 2019/20 has been kept unchanged at 96 million bushels. Residual use is increased to 32 million bushels from 30 million bushels in its earlier estimate. Average price range in 2019/20 is kept unchanged at 9.00 cents/bushel.
- According to China's General Administration of Customs (CNGOIC), China's October edible vegetable oils imports rose 8.6 percent m-o-m to 9.12 LT from 8.40 LT in September 2019. Imports in Oct was higher by 93.6 percent compared to Oct 2018 which was reported at 4.71 LT. Year to date imports of edible vegetable oil rose 53.7 percent to 75.70 lakh tons.
- According to China's General Administration of Customs (CNGOIC), China's Oct soybean imports fell 24.6 percent to 6.18 MMT from 8.2 MMT in September 2019. Imports in Oct are 10.7 percent lower than Oct 2018 import of 6.92 MMT. Year to date soybean imports fell 8.1 percent to 70.69 MMT.
- USDA WASDE highlights: The U.S. season-average soybean price for 2019/20 is forecast at $9.00 per bushel, unchanged from last month. The soybean meal price forecast is also unchanged at $325.00 per short ton. The soybean oil price is forecast at $0.31 per pound, up $0.01 from last month on sharply higher reported prices through October.

Price Outlook*:* We expect Ref. soy oil with VAT to trade in the price band of Rs 790-860 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 and Indonesia, slowdown in production of palm oil in Malaysia, slow rise in global palm oil demand, rise in global demand of palm oil due to higher biodiesel mandate in Indonesia and Malaysia, drought conditions in Indonesia, and rise in crude oil prices.



Palm oil stocks are expected to fall in Malaysia in Nov due to slowdown of production of palm oil and slow rise in exports of palm oil in Nov from the country.

Palm oil production is expected to fall in Malaysia in Nov due to seasonal downtrend of production. Production will slow down due to adverse effect if haze, lower fertilizer use due to lower prices of palm oil and shift between peak production cycles.

Exports of palm oil has fell 2-3 percent in Malaysia in November due to weak demand from India and EU amid strong imports by China.

Imports of palm oil fell from EU in Nov, especially in last 15 days due to higher prices of palm oil.

Imports from China was firm in Nov due to lower import of soybean by China in Oct leading to lower supply of soy oil in the country leasing to higher imports of palm oil. Further, removal of import quota by China led to higher imports by the country. Further, supply of soy oil in the country will remain low due to 41 percent fall in swine count in China leading to lower soybean imports and lower supply of soy oil supporting palm oil imports.

However, US-China trade settlement will increase soybean imports by China leading to lower palm oil imports by China, which is net negative for palm oil prices.

Palm oil imports by India from Malaysia was subdued from Malaysia in Oct due lower imports on higher import duty on RBD palmolein compared to CPO, higher stocks of palm oil at Indian ports and India-Malaysia dispute on Kashmir.

Indian palm oil buyers have started booking palm oil cargoes from Malaysia due to discount offered on Malaysian shipments compared to other locations. Palm oil imports from Malaysia fell in last two months due to India-Malaysia on Kashmir issue. India government has said that trade should not suffer on diplomatic issue between both countries. However, trade treaty RCEP was not signed by India which increasing uncertainty on palm oil trade policy especially with Malaysia.

Malaysia has vowed to solve the issue diplomatically if India restricts palm oil imports. Further, Malaysia has said that it will purchase more sugar and buffalo meat for concession on palm oil import restrictions.

End stocks of palm oil in Malaysia and Indonesia will fall in 2019.

Haze is prime reason of slowdown of production as fruits need oxygen to mature while dry condition in January and August in Indonesia has slowed fruit development. Further, lower fertilizer use due to low prices is also blamed for lower production of palm oil. Production rise will slow in 2020 due to above conditions. Production in Malaysia is expected to rise in 2019 and fall in 2020. High plant cycle will increase production in 2019.

Further, production of palm oil will fall in Indonesia due to drought conditions in the country. Production of palm oil will slowdown in 2020 when standing fruits mature and yield will be lower. Production of palm oil will rise in 2019 due to high production cycle while it will slow in 2020 due to dry conditions, haze and lower fertilizer use due to lower prices of palm oil. Production will rise lower than expected in 2020.

Exports of palm oil in 2019-20 will increase from Malaysia and Indonesia on higher demand from India and China. India imports will rise around 10 percent to 10.5 MMT due to lower soybean crop in the country. Exports to China will increase in 2019 due to lower imports of soybean by the country due to contraction of swine herd count due to deadly swine flu. Further, removal of import quota of palm oil by China will increase palm oil imports.

However, rise in global demand will outpace rise in production in Malaysia and Indonesia in rest of 2019 and 2020, which will cut stock of palm by 3-4 MMT globally from present level of stocks at 17.5 MMT.

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.

Imports from India is expected to weaken due to lower in import parity of RBD palmolein compared to CPO, hike in import duty on imports of RBD palmolein from Malaysia compared to other destinations and higher stocks at ports will cap gains. However, firm demand ahead of festivals will support demand.

Imported ready to use palmolein demand is less than domestic refined RBD palmolein due to higher refining margins. High stocks of palm oil at Indian ports will slow imports of palm oil in coming months.

Palm oil stocks in Indonesia are rose to 3.73 MMT in September due to rise in use of palm oil in biodiesel in Indonesia despite fall in exports of palm oil from the country. However, palm oil stocks will fall in coming months with slowdown of production, rise in exports and higher use of palm oil in biodiesel.

Production of palm oil is expected to rise 3.5 percent in Indonesia in 2019 on higher produce from maturing plantations, according to GAPKI. However, this estimate is expected to be reviles lower substantially.

Depreciation of Ringgit is expected to support palm oil prices. Ringgit has depreciated around 4.18/USD. This will make exports of palm oil competitive compared to other oil and same oils with different destinations.

Malaysia intends to reduce palm oil export duty on crude palm oil from the country in an effort to decrease stocks of palm oil in the country.

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. Further, Indonesia plans to remove palm oil export duty.

Palm oil consumption in 2019 and 2020 will outstrip rise in production in both year mainly due to higher biodiesel demand from Indonesia and Malaysia, and rise in import demand from India and China.

Increasing use of biodiesel in Indonesia will reduce palm oil stocks in the country. The country has mandated 20 percent bio content in all type of gasoline use in the country and is expected to implement B30 mandate in 2020. Further it is working on plant to raise to 50 percent bio content by 2022.

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. Palm oil based biodiesel production will rise in Malaysia from 1.3 MMT to 1.6 MMT on higher biodiesel blending norms. This will cut palm oil end stocks in Malaysia.

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

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 Middle East tensions. Further, expected cut on crude oil production by OPEC, sanction on Iran and rise in tension between US and Iran will support palm oil prices.

- According to Malaysia Palm Oil Board (MPOB), Malaysia's October palm oil stocks fell 4.10 percent to 23.48 lakh tons compared to 24.49 lakh tons in September 2019. Production of palm oil in Oct fell 2.53 percent to 17.96 lakh tons compared to 18.42 lakh tons in Sep 2019. Exports of palm oil in Oct rose 16.43 percent to 16.42 lakh tons compared to 14.10 lakh tons in Sep 2019. Imports of palm oil in Oct rose 19.58 percent to 0.85 lakh tons compared to 0.71 lakh tons in Sep 2019. End stocks of palm oil unexpectedly fell compared to trade expectation of rise in end stocks. Fall in stocks was due to lower production and exports of palm oil.
- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's Nov palm oil exports fell 2.9 percent to 1,414,884 tons compared to 1,456,624 tons last month. Top buyers were China at 362,660 tons (231,990 tons), India & subcontinent 268,070 tons (290,370 tons) and European Union 260,725 tons (356,055 tons) and. Values in brackets are figures of last month.
- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's Nov 1-25 palm oil exports fell 3.0 percent to 1,166,676 tons compared to 1,202,649 tons in corresponding period last month. Top buyers were European Union 293,660 tons (291,575 tons), China at 226,030 tons (243,738 tons), India at 115,900 tons (148,870 tons), Pakistan at 57,000 tons (40,000 tons) and United States at 50,970 tons (46,100 tons) and. Values in brackets are figures of corresponding period last month.

- According to Indonesia Palm Oil Association (GAPKI), exports of palm oil (CPO and PKO) from Indonesia fell 0.33 percent in September y-o-y to 2.98 MMT from 2.99 MMT in September 2018. Exports of palm oil (CPO and PKO) rose 18 percent m-o-m in Sep at 2.98 MMT compared to Aug 2019 at 2.53 MMT. Stocks of palm oil in Sep 2019 fell to 3.73 MMT from 3.8 MMT in Aug 2019, lower by 1.84 percent m-o-m.

- Malaysia has planned to cut export duty on exports of crude palm oil from 2020, according to Malaysian Finance ministry. Export duty will start from 3 percent in place of 4.5 percent when prices are between RM 2,250 (USD 538.54) to RM 2,400 per ton. Export duty will rise to 4.5 percent in prices between RM 2,401 to RM 2,550 per ton and prices will rise by 0.5 percent incrementally to maximum of 8 percent until the prices reach RM 3,450 per ton. This measure has been taken to reduce rising palm oil stocks in Malaysia and compete with Indonesia CPO in global market.

- According to Chief Economic Minister of Indonesia, Indonesia will not charge and levies on export of palm oil until Jan 1, 2020. At present Indonesia charges USD 10-15 per ton as export levy on palm exports above reference price above USD 570 per ton and levy increase if prices exceed USD 619 per ton.

- Policy review: According to Malaysia Palm Oil Board (MPOB), Malaysia kept Oct crude palm oil export tax unchanged at 0.0 percent. Export duty of palm oil is calculated at reference price of 2145.75 ringgit 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 Dec crude palm oil export duty unchanged at zero. The reference price is set 14 percent higher from lat month at USD 650.18 per ton, higher 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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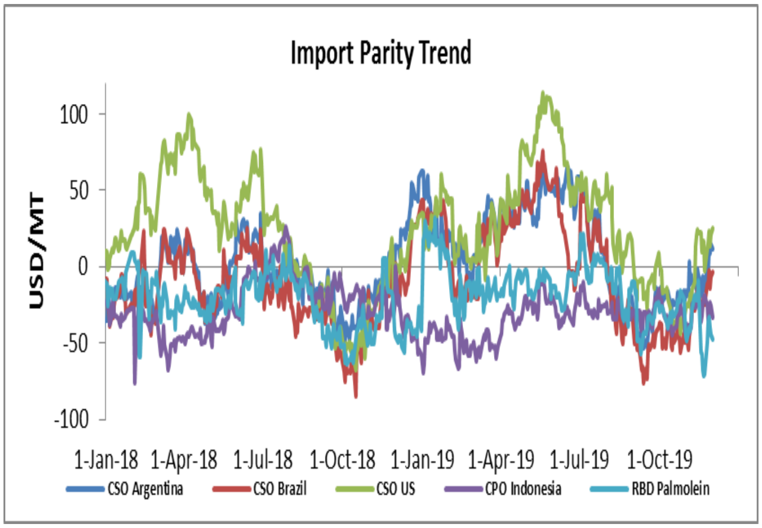
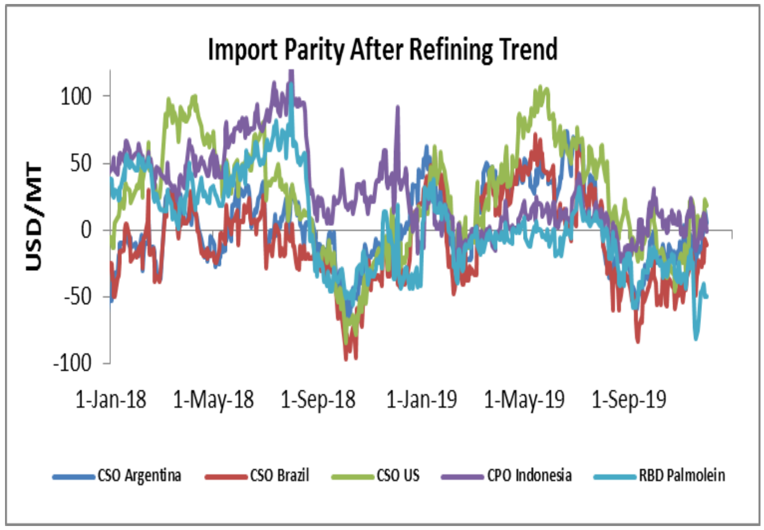
Price Outlook: We expect CPO Kandla 5% to trade in the price band of Rs 640-720 per 10 Kg.

Import Parity Trend

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





	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
Sep, 2019	-35.75	-52.27	-6.18	-2.12	-35.22
Oct, 2019	-18.87	-45.21	-24.33	9.07	-26.14
Nov, 2019	-11.29	-30.72	-0.69	2.39	-44.78

Outlook-:

Import disparity for CDSO Argentina has decreased due to rise in prices of soy oil in Indian markets. We expect CDSO import parity to remain in parity in December due to firm prices of soy oil in Indian markets. Parity in CPO is higher than RBD palmolein. Parity in CPO may increase its imports. Palm oil parity will rise due to rise in prices of palm oil in Indian markets.

Technical Analysis (Refined soy oil Monthly Charts)

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

Outlook – Prices are likely to trade sideways to firm tone in the days ahead. Investors are advised to buy refined soy oil (January contract) on dips.

- Monthly chart of refined soy oil at NCDEX featured gains in the prices. We expect sideways to firm movement in the coming days.
- Any close below 830 in monthly chart will bring prices to 810 levels.
- Expected price band for next month is 790-860 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 830 for a target of 850 and 855 with a stop loss at 820 on closing basis.

RSO NCDEX

Support and Resistance				
S2	**S1**	**PCP**	**R1**	**R2**
800.00	820.00	832.00	850.00	870.00

Spot Market outlook: Refined soy oil Indore (including VAT) is likely to stay in the range of 790-860 per 10 Kg.

Technical Analysis (Crude Palm oil Monthly Charts)

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

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

- Candlestick monthly chart of crude palm oil at MCX depicts rise in prices. We expect prices to feature sideways to firm tone in the near term.
- Any close below 680 in monthly chart might bring the prices to 660 levels.
- Expected price band for next month is 640-720 level in near to medium term. RSI and MACD are indicating uptrend.

Strategy: Market participants are advised to go long in CPO above 685 for a target of and 705 and 710 with a stop loss at 675 on closing basis.

CPO MCX

Support and Resistance				
S2	**S1**	**PCP**	**R1**	**R2**
650.00	670.00	688.20	700.00	720.00

Spot Market outlook: Crude palm oil Kandla is likely to stay in the range of 640-720 per 10 Kg.

Monthly spot prices comparison

Commodity	Centre	Prices(Per 10 Kg)		Change
		30-Nov-19	31-Oct-19	
Refined Soybean Oil	Indore	815	770	45
	Indore (Soy Solvent Crude)	780	735	45
	Mumbai	815	760	55
	Mumbai (Soy Degum)	787	722	65
	Kandla/Mundra	815	755	60
	Kandla/Mundra (Soy Degum)	772	720	52
	Kolkata	795	765	30
	Delhi	839	794	45
	Nagpur	807	773	34
	Rajkot	800	750	50
	Kota	815	770	45
	Hyderabad	0	0	Unch
	Akola	811	778	33
	Amrawati	811	778	33
	Bundi	820	775	45
	Jalna	803	767	36
	Solapur	802	755	47
	Dhule	807	770	37
Palm Oil*	Kandla (Crude Palm Oil)	718	611	107
	Kandla (RBD Palm oil)	746	651	95
	Kandla RBD Pamolein	788	688	100
	Kakinada (Crude Palm Oil)	688	616	71
	Kakinada RBD Pamolein	788	688	100
	Haldia Pamolein	788	685	103
	Chennai RBD Pamolein	798	693	105
	KPT (krishna patnam) Pamolein	788	688	100
	Mumbai RBD Pamolein	809	704	105
	Mangalore RBD Pamolein	803	698	105
	Tuticorin (RBD Palmolein)	806	714	92
	Delhi	800	728	72
	Rajkot	777	698	79
	Hyderabad	790	710	80
	PFAD (Kandla)	488	394	95
	Refined Palm Stearin (Kandla)	688	616	71
	Superolien (Kandla)	809	719	89
	Superolien (Mumbai)	819	725	95

* inclusive of GST

Refined Sunflower Oil	Chennai	840	830	10
	Mumbai	850	820	30
	Mumbai(Expeller Oil)	790	765	25
	Kandla (Ref.)	835	820	15
	Hyderabad (Ref)	850	825	25
	Latur (Expeller Oil)	805	795	10
	Chellakere (Expeller Oil)	800	770	30
	Erode (Expeller Oil)	880	865	15
Groundnut Oil	Rajkot	980	1080	-100
	Chennai	1020	1030	-10
	Delhi	1100	1100	Unch
	Hyderabad *	1050	1025	25
	Mumbai	1020	1020	Unch
	Gondal	975	1010	-35
	Jamnagar	980	1000	-20
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	865	825	40
	Jaipur (Kacchi Ghani Oil)	885	848	37
	Kota (Expeller Oil)	860	820	40
	Kota (Kacchi Ghani Oil)	875	835	40
	Neewai (Expeller Oil)	855	820	35
	Neewai (Kacchi Ghani Oil)	873	835	38
	Bharatpur (Kacchi Ghani Oil)	870	840	30
	Sri-Ganga Nagar(Exp Oil)	855	825	30
	Sri-Ganga Nagar (Kacchi Ghani Oil)	875	835	40
	Mumbai (Expeller Oil)	850	805	45
	Kolkata(Expeller Oil)	930	920	10
	New Delhi (Expeller Oil)	853	840	13
	Hapur (Expeller Oil)	875	880	-5
	Hapur (Kacchi Ghani Oil)	910	915	-5
	Agra (Kacchi Ghani Oil)	875	845	30
Refined Cottonseed Oil	Rajkot	800	785	15
	Hyderabad	810	Unq	-
	Mumbai	800	820	-20
	New Delhi	775	735	40
Coconut Oil	Kangayan (Crude)	1330	1360	-30
	Cochin	1440	1410	30
Sesame Oil	New Delhi	1500	1450	50

	Mumbai	0	0	Unch
Kardi	Mumbai	880	880	**Unch**
Rice Bran Oil (40%)	New Delhi	648	622	**26**
Rice Bran Oil (4%)	Punjab	625	620	**5**
Malaysia Palmolein USD/MT	FOB	660	598	**62**
	CNF India	700	613	**87**
Indonesia CPO USD/MT	FOB	630	563	**67**
	CNF India	670	585	**85**
RBD Palm oil (Malaysia Origin USD/MT)	FOB	658	590	**68**
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	663	590	**73**
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	875	700	**175**
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	540	475	**65**
Crude palm Kernel Oil India (USD/MT)	CNF India	845	725	**120**
Ukraine Origin CSFO USD/MT Kandla	CIF	788	738	**50**
Rapeseed Oil Rotterdam Euro/MT	FOB	820	805	**15**

Argentina FOB ($/MT)	**29-Nov-19**	**31-Oct-19**	**Change**
Crude Soybean Oil Ship	693	674	**19**
Refined Soy Oil (Bulk) Ship	717	698	**19**
Sunflower Oil Ship	710	660	**50**
Cottonseed Oil Ship	673	654	**19**
Refined Linseed Oil (Bulk) Ship	Unq	0	**-**
			**** indicates including GST***

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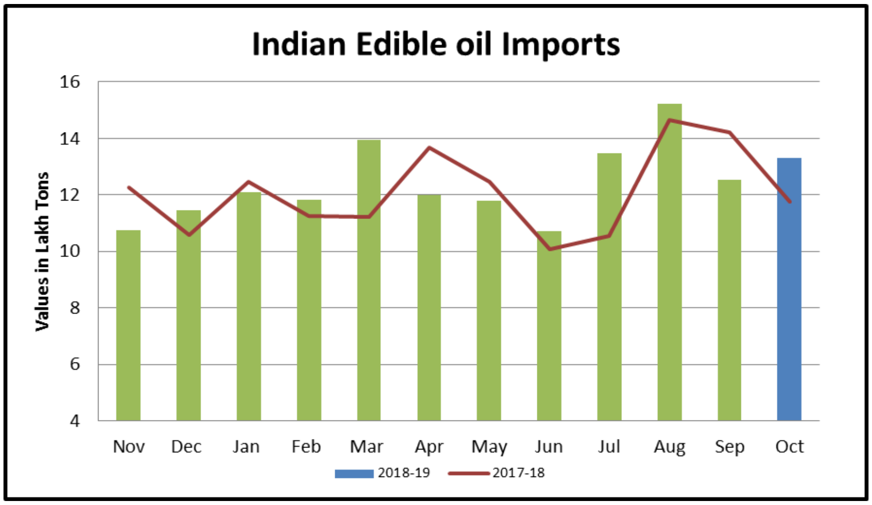
Annexure:

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 Ocotber is pegged at 13.32 lakh tons. Edible oils (including CPO, CDSO, CSFO, and RBD Palmolein imports for (Nov 2018-Oct 2019) is pegged at 149.13 lakh tons.

Indian Supply and Demand Scenario:

Balance sheet of Indian Edible Oil	2017-18	2018-19	2019-20-F	% Change
Value in million tons				
Beginning Stock	7.77	6.65	4.57	-31.30%
Production	8.50	8.39	8.45	0.72%
Imports	14.52	15.11	17.26	14.26%
Total Supply	30.79	30.15	30.29	0.43%
Exports	0.02	0.02	0.02	0.00%
Total Demand(Consumption)	24.12	25.56	27.10	6.00%
Ending Stock	6.65	4.57	3.17	-30.68%

* Value in million tons

Balance Sheet Highlights

Net edible oil output is likely to be 8.45 million tons (up 0.72 percent y-o-y basis) in 2019-20 led by higher oilseed sowing in Kharif and rabi season in the current oil year.

On import front, edible oil imports seen at 17.26 million tons for 2019/20 oil year v/s 15.11 million tons last year.

On the consumption side, India's edible oil consumption for 2019-20 oil year seen at 27.10 million tons, higher by 6.0 percent from last year. Ending stocks are projected higher compared to 2019-20 at 3.17 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. **** 2019-19- SEA of India & 2019-20 Agriwatch Estimates, *** (USDA estimates).

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

Landed Cost Calculation as on 3/12/2019	**CSO Argentina**	**CSO Brazil**	**CSO US**	**CPO Indonesia**	**RBD Palmolein**
FOB USD per ton	695	709	672	628	653
Freight (USD/MT)	47	47	47	35	29.0
C & F	742.0	756.0	719.0	663.0	682.0
Weight loss (0.25% of FOB)	1.74	1.77	1.68	1.57	1.63
Finance charges (0.4% on CNF)	2.97	3.02	2.88	2.65	2.73
Insurance (0.3% of C&F)	2.23	2.27	2.16	1.99	2.05
CIF (Indian Port - Kandla)	749	763	726	669	688
Duty (Values in USD per tons)	296.07	296.07	296.07	286.00	379.50
GST (5% on duty) USD per ton	14.80	14.80	14.80	14.30	18.98
Exchange rate	71.60	71.60	71.60	71.60	71.60
Landed cost without customs duty in INR per ton	53623	54635	51961	47916	49290
Customs duty %	35.00%	35.00%	35.00%	40.00%	50.00%
Social Welfare Surcharge@10%	3.50%	3.50%	3.50%	4.00%	5.00%
Total Duty %	38.50%	38.50%	38.50%	44.00%	55.00%
Base import price	769	769	769	650	690
Fixed exchange rate by customs department	72.75	72.75	72.75	72.75	72.75
Duty component in INR per ton	21538.73	21538.73	21538.73	20806.50	27608.63
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	76562	77574	74900	70122	78299
Domestic Market price INR/ton Soy Degum Kandla/CPO Kandla/RBD Kandla	78000	78000	78000	68400	75000
Total landed cost USD per ton	1069	1083	1046	979	1094
Domestic Market price USD/tons Soy Degum Kandla/ CPO Kandla 5%	1089	1089	1089	955	1047
Parity INR/MT (Domestic - Landed)	**1438**	**426**	**3100**	**-1722**	**-3299**
Parity USD/MT (Domestic - Landed)	**20.08**	**5.95**	**43.30**	**-24.05**	**-46.07**
					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	81062.22	82074.15	79399.78	77622.01	81098.53
Soy/Palm oil imported Price (Including tax)	85115.34	86177.85	83369.77	81503.11	85153.46
Loose price of Soy/Palm in Indore and Delhi market	85575.00	85575.00	85575.00	82200.00	82200.00
Parity after processing and Taxes (Rs per MT)	**459.66**	**-602.85**	**2205.23**	**696.89**	**-2953.46**
Parity after processing and Taxes (USD per MT)	**6.42**	**-8.42**	**30.80**	**9.73**	**-41.25**
					Source: Agriwatch

Balance Sheets of various edible oils

Balance Sheet (Quarterly) - Soy Oil, India

Fig. in lakh tons

	2018-19	2019-20-F	Nov-Jan-F	Feb-Apr-F	May-July-F	Aug-Oct-F
Opening Stock	24.32	16.63	16.63	12.58	10.03	10.98
Production (Domestic)	14.28	11.90	5.95	1.79	1.79	2.38
Imports	31.00	35.00	7.00	7.00	10.50	10.50
Total Supply	69.60	63.53	29.58	21.36	22.31	23.86
Exports	0.00	0.00	0.00	0.00	0.00	0.00
Consumption	52.97	56.68	17.00	11.34	11.34	17.00
Ending Stock	16.63	6.86	12.58	10.03	10.98	6.86

Source: AW estimates
Oil year- November-October

Highlights

- Prices of soy oil in 2019-20 are expected to be higher on lower carryout in oil year 2019-20.
- Soy oil production is expected to be lower in oil year 2019-20 on lower soybean crush due to lower soybean crop in 2019-20.
- Higher carry out in Nov-Jan is due to higher opening stocks.
- Carryout stocks of oil year 2019-20 is 6.86 lakh tons due to lower soy oil production
- Carry out of oil 2018-19 is 16.63 lakh tons
- Carryout of 2019-20 is higher than 2018-19 on higher production.

Balance Sheet- Palm Oil (quarterly), India

Fig. in million tons

	2018-19	2019-20-F	Nov-Jan-F	Feb-Apr-F	May-July-F	July-Oct-F
Opening Stock	1.57	0.74	0.74	0.71	0.68	0.61
Production	0.20	0.25	0.06	0.06	0.06	0.07
Imports	9.48	10.60	2.12	2.12	3.18	3.18
Total Supply	11.25	11.59	2.92	2.89	3.92	3.86
Exports	0.00	0.00	0.00	0.00	0.00	0.00
Consumption	10.51	11.04	2.21	2.21	3.31	3.31
Ending Stocks	0.74	0.55	0.71	0.68	0.61	0.55

Source: AW estimates
Oil year- November-October

Highlights

- Prices of palm oil in 2019-20 are expected to be firm on lower carryout compared to oil year 2018-19.
- Imports are expected to be higher in 2019-20 compared to last year oil year 2018-19.
- Carryout stocks of oil year 2018-19 are 0.74 million tons fall in imports.
- Carryout of 2019-20 is lower than 2018-19 due to higher consumption of palm oil.
- Carry out of firm quarter of oil year 2019-20 will be higher than second quarter of oil year 2019-20

Balance Sheet- Sunflower Oil (quarterly), India

Fig. in lakh tons

	2018-19	2019-20-F	Nov-Jan-F	Feb-Apr-F	May-July-F	Aug-Oct-F
Opening Stock	7.13	5.77	5.77	5.33	6.21	5.84
Production	0.60	0.50	0.09	0.08	0.17	0.17
Imports	24.49	26.94	6.73	8.08	6.73	5.39
Total Supply	32.22	33.21	12.60	13.48	13.11	11.40
Exports	0.00	0.00	0.00	0.00	0.00	0.00
Consumption	26.44	29.09	7.27	7.27	7.27	7.27
Ending Stocks	5.77	4.12	5.33	6.21	5.84	4.12

Source: AW estimates
Oil year- November-October

Highlights

- Prices will be firm in lower carry out for oil year 2019-20 compared to of 2018-19.
- Sunflower oil production is expected to be lower in oil year 2019-20 on lower sunflower crop.
- Carryout stocks of oil year 2018-19 is 5.77 lakh tons on higher sunflower oil imports.
- Carryout of 2019-20 is lower than 2018-19 due to lower imports.
- Carryout of first quarter of 2019-20 is higher than second quarter of 2019-20

Balance Sheet- Rapeseed Oil, India

Fig. in lakh tons

	2018-19	2019-20-F	Nov-Jan-F	Feb-Apr-F	May-July-F	Aug-Oct-F
Opening Stock	4.62	4.43	4.43	1.05	8.11	9.20
Production	30.66	28.49	3.99	13.1	7.12	4.27
Imports	0.90	2.74	0.80	0.50	0.50	0.94
Total Supply	36.18	35.67	9.22	14.65	15.74	14.42
Exports	0.00	0.00	0.00	0.00	0.00	0.00
Consumption	31.74	32.70	8.17	6.54	6.54	11.44
Ending Stocks	4.43	2.97	1.05	8.11	9.20	2.97

Source: AW estimates
Oil year- November-October

Highlights

- Prices of rapeseed oil in 2019-20 are expected to be firm on lower carryout.
- Rapeseed oil production is lower in oil year 2019-20 on lower rapeseed crop.
- Lower oil production in 2019-20 is due to lower marketable surplus of rapeseed resulting in lower crush.
- Carryout stocks of oil year 2018-19 is 4.43 lakh tons on higher rapeseed oil production.
- Carryout of 2019-20 is lower than 2018-19 due to lower production of rapeseed oil.
- Carryout in firm quarter of 2019-20 is higher than second quarter of 2019-20.

Balance Sheet- Groundnut Oil (quarterly), India

Fig. in lakh tons

	2018-19	2019-20-F	Nov-Jan	Feb-Apr	May-July-F	Aug-Oct-F
Opening stocks	0.47	0.40	0.40	0.83	0.54	0.50
Oil availability (Production)	9.24	10.50	3.85	3.15	1.75	1.75
Imports	0	0	0	0	0	0
Total Supply	9.71	10.90	4.25	3.98	2.29	2.25
Exports	0.10	0.09	0.01	0.02	0.03	0.03
Consumption	9.21	10.36	3.42	3.42	1.76	1.76
End stocks	0.40	0.45	0.83	0.54	0.50	0.45

Source: AW estimate
Oil year-November-October

Highlights

- Groundnut oil production is expected to be higher in oil year 2019-20 on higher groundnut crop.

- Lower oil production in 2019-20 is due to higher marketable surplus of groundnut seed resulting in higher crush.
- Carryout stocks of oil year 2018-19 is 0.40 lakh tons on lower groundnut oil production.
- Carryout stocks of oil year 2019-20 is 0.45 lakh tons on higher groundnut oil production.
- Higher supply of groundnut oil in 2019-20 is due to higher marketable surplus.
- Carryout of 2019-20 is higher than 2018-19 due to higher 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, Global

Fig in million tons.

	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Beginning Stocks	4.46	3.75	3.76	3.47	3.77
Production	51.56	53.81	55.15	56.12	57.20
Imports	11.70	10.93	9.81	11.04	11.74
Total Supply	67.71	68.49	68.71	70.62	72.71
Exports	11.77	11.33	10.54	11.33	11.87
Food Use Dom. Cons.	43.03	43.75	44.16	44.69	46.00
Domestic Consumption	52.19	53.41	54.71	55.52	57.17
Ending Stocks	3.75	3.76	3.47	3.77	3.68

Balance Sheet (Annual) - Soy Oil, United States

Fig. in million tons

	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Beginning Stocks	0.84	0.76	0.78	0.91	0.78
Production	9.96	10.04	10.78	11.02	11.15

Imports	0.13	0.15	0.15	0.18	0.20
Total Supply	10.93	10.94	11.71	12.10	12.13
Exports	1.02	1.16	1.11	0.92	0.78
Industrial Dom. Cons.	2.57	2.81	3.24	3.63	3.86
Food Use Dom. Cons.	6.57	6.20	6.46	6.78	6.80
Domestic Consumption	9.15	9.01	9.70	10.41	10.66
Ending Stocks	0.76	0.78	0.91	0.78	0.69

Source: USDA

Balance Sheet (Annual) - Soybean, United States

Fig. in million tons

	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Beginning Stocks	5.19	5.35	8.21	11.92	24.85
Production	106.87	116.93	120.07	120.52	96.62
Imports	0.64	0.61	0.59	0.38	0.54
Total Supply	112.70	122.89	128.87	132.82	122.02
Exports	52.87	58.96	58.07	47.56	48.31
Domestic Consumption	54.48	55.72	58.87	60.41	61.19
Ending Stocks	5.35	8.21	11.92	24.85	12.52

Source: USDA

Balance Sheet (Annual) - Soybean, Brazil

Fig. in million tons

	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Beginning Stocks	24.43	24.56	33.21	32.74	28.84
Production	96.50	114.60	122.00	117.00	123.00
Imports	0.41	0.25	0.18	0.15	0.20
Total Supply	121.34	139.41	155.39	149.89	152.04
Exports	54.38	63.14	76.14	75.40	76.50
Domestic Consumption	42.40	43.06	46.51	45.65	46.54
Ending Stocks	24.56	33.21	32.74	28.84	29.00

Source: USDA

Balance Sheet (Annual) - Soybean, Argentina

Fig. in million tons

	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Beginning Stocks	27.07	27.16	27.00	23.73	29.20
Production	58.80	55.00	37.80	55.30	53.00
Imports	0.68	1.67	4.70	6.47	3.90
Total Supply	86.55	83.83	69.50	85.50	86.10
Exports	9.92	7.03	2.13	8.15	8.00
Domestic Consumption	49.47	49.81	43.63	48.15	51.15

Ending Stocks	27.16	27.00	23.73	29.20	26.95

Source: USDA