



Veg. Oil Monthly Research Report

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Outlook and Review:
Domestic Front

Edible oil basket featured firm tone during the month under review. Soy oil, palm oil, rapeseed oil, sunflower oil, groundnut oil and coconut oil prices rose.

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

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

On the currency front, Indian rupee is hovering near 70.91 compared to 71.39 last month. Rupee is expected to appreciate in January. Crude oil prices are expected to rise in January.

Recommendation:

In NCDEX, market participants are advised to go long in RSO above 930 for a target of 950 and 955 with a stop loss at 920 on closing basis.

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

Market participants can buy refined soy oil in the cash markets at 920-940 for the target of 960-980 levels (Indore), if needed. Market participants can buy CPO Kandla 5% in the cash markets at 820-840 for the target of 850-870 levels, if needed.

International Veg. Oil Market Summary

CBOT soy oil (Mar) is expected to stay in the range of 30 cents/lb to 38 cents/lb. CPO at BMD (Feb) is likely to stay in the range of 2800-3300 ringgits per ton. Focus during the coming days will be trade settlement between US and China, soy oil stocks in US, soybean demand by China, soybean 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, 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 and rise in crude oil prices is expected to support CPO prices in near term.

Soy oil: Domestic Market Fundamentals

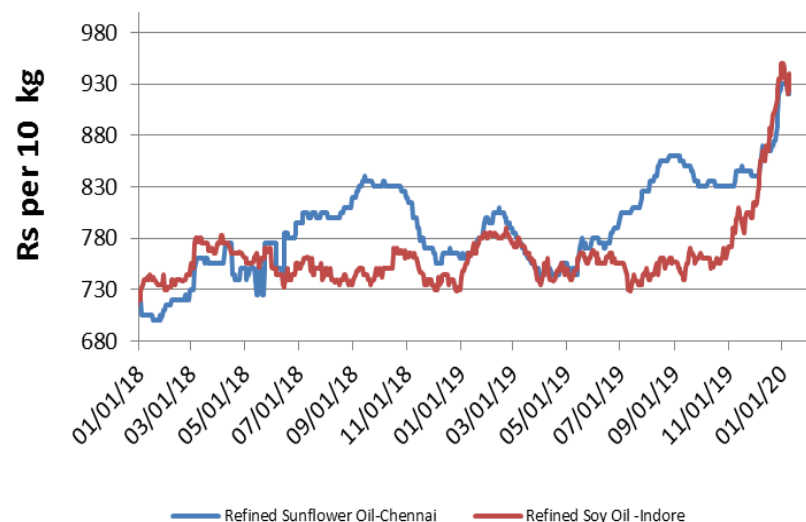
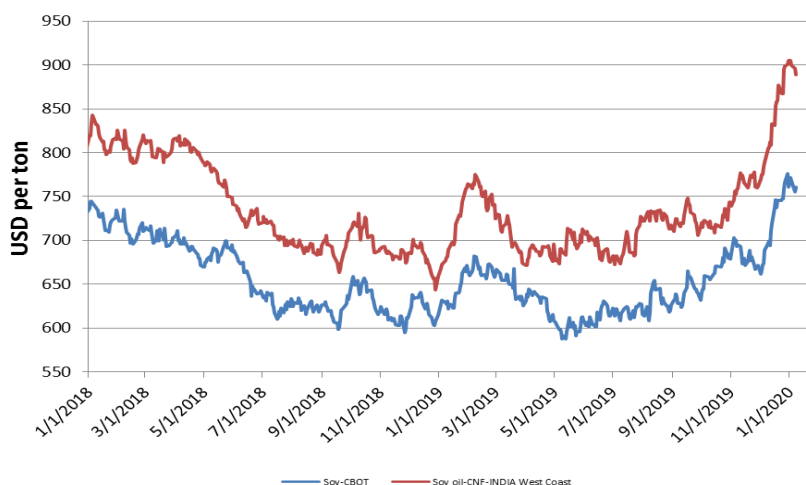
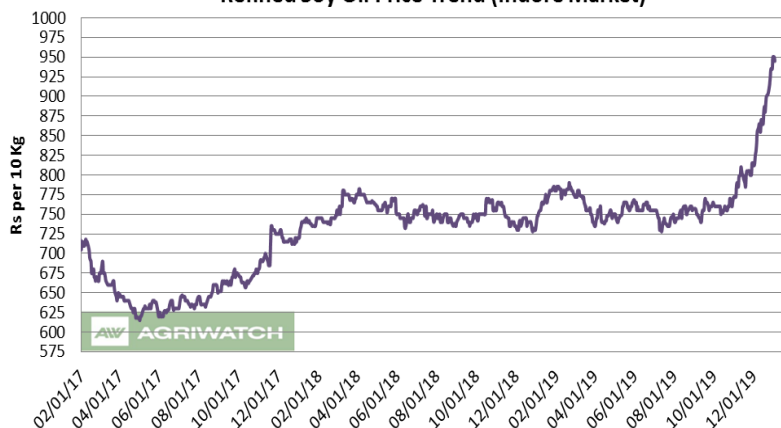
- Refined soybean oil prices featured uptrend at its benchmark market at Indore during the month of December on firm demand. Average prices of refined soy oil rose in December.
- Soy oil prices witnessed uptrend in month of Dec on firm demand.

Demand of soy oil is expected to rise in Jan on rise in parity 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 increased parity.

Import prices of soy oil rose on higher demand of soy oil in international markets from Argentina. US-China trade settlement optimism. Low stocks of soy oil in US, lower soybean crop in US, change in government in Argentina, and firm demand of soybean from China 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

Refined Soy Oil Price Trend (Indore Market)



seas.

Prices of CDSO CNF rose less compared to CDSO FOB indicating weak demand at CNF markets.

Import disparity of soy oil returned to parity due to rise in prices of soy oil in Indian markets and is at Rs 20-25 per 10 kg compared to disparity of Rs 0-5 per 10 kg in Nov.

Refining margins disparity returned to parity in Dec and is at Rs 20-25 per 10 kg compared to disparity of Rs 5-10 per 10 kg in Nov.

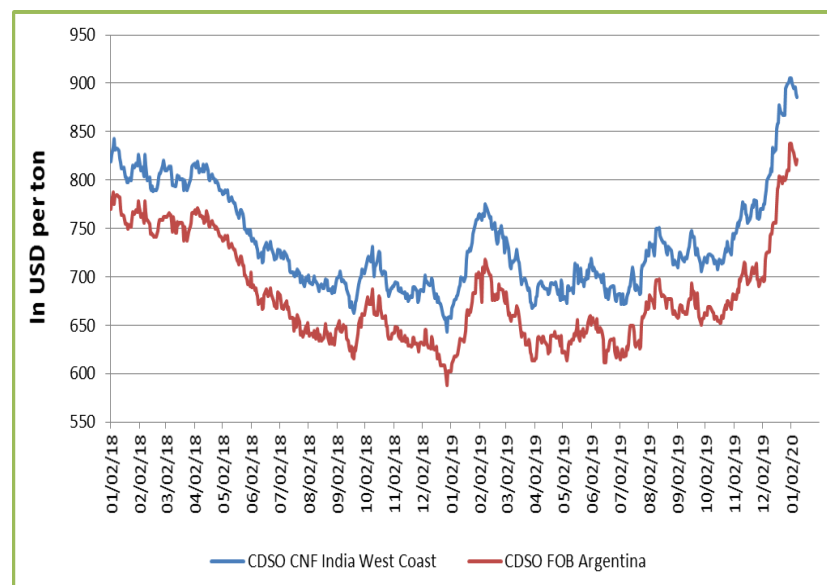
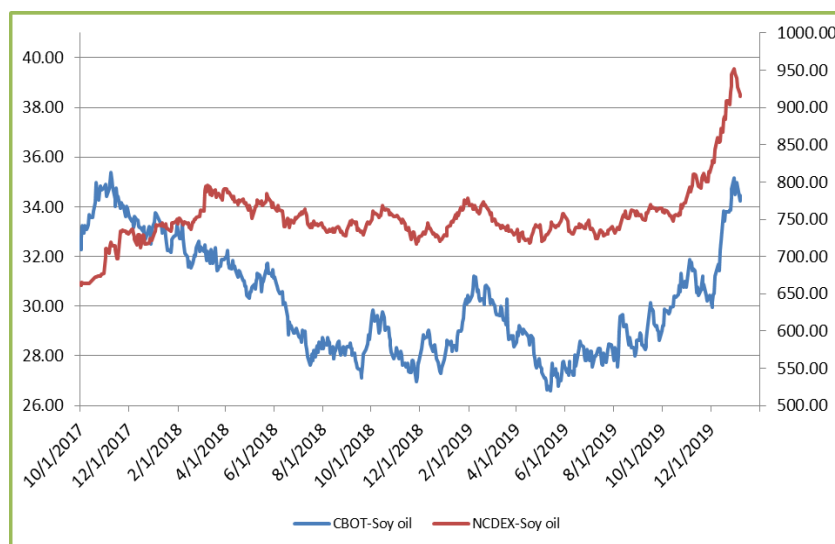
Both positive import parity and positive refining margins will lead to higher imports of soy oil in coming months.

Refined soy oil premium over CPO has increased to Rs 108 (Rs 142 last month) per 10 Kg which is low and will support soy oil prices. Refined soy oil premium over RBD palmolein was at Rs 60 (Rs 75 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 35 (Rs 45) per 10 kg indicating firm demand of CDSO compared to refined soy oil in domestic markets.

Landed cost and refining margins parity increased 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 Nov compared to Nov 2018 and Oct 2019 and stocks at ports fell. Port stocks fell less than fall in imports of soy oil indicating firm demand and destocking at ports.

Import parity of soy oil is in parity will increase imports.

Prices of soy oil may rise due to low premium over palm oil and positive import parity and positive refining margins and rise in prices of soy oil in international markets.

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



- According to Solvent Extractors Association (SEA), India's November edible oil imports rose 2.24 percent y-o-y to 10.97 lakh tons from 10.73 lakh tons in Nov 2018. Palm oil imports in Nov fell 1.88 percent y-o-y to 6.79 lakh tons from 6.92 lakh tons in Nov 2018. CPO imports fell 4.75 percent in Nov y-o-y to 5.41 lakh tons from 5.68 lakh tons in Nov 2018. RBD palmolein imports rose by 11.93 percent in Nov y-o-y to 1.22 lakh tons from 1.09 lakh tons in Nov 2018. Soy oil imports fell 19.12 percent in Nov y-o-y to 1.65 lakh tons from 2.04 lakh tons in Nov 2018. Sunflower oil imports rose 58.43 percent y-o-y in Nov to 2.63 lakh tons from 1.66 lakh tons in Nov 2018. Rapeseed (canola) oil imports in Nov was zero compared to 0.12 lakh tons imports in Nov 2018. Rise in imports of edible oil in the month of November was primarily due to rise in imports of sunflower oil.
- According to Solvent Extractors Association (SEA), India's November edible oil stocks at ports and pipelines fell 14.97 percent m-o-m to 15.11 lakh tons from 17.77 lakh tons in November 2019. Stocks of edible oil at ports in November rose to 881,000 tons (CPO 400,000 tons, RBD Palmolein 170,000 tons, Degummed Soybean Oil 160,000 tons, Crude Sunflower Oil 150,000 ton and Rapeseed Oil 1,000 tons) and about 590,000 tons in pipelines. (Stocks at ports were 1,062,000 tons and in pipelines were 715,000 tons in October 2019). India is presently holding 24 days of edible oil requirement on 1st Dec, 2019 at 15.11 lakh tons compared to 28 days of requirements last month at 17.77 lakh tons. India held 21.91 lakh tons of stocks in ports and pipelines on 1st Dec 2018. India's monthly edible oil requirement is 19.0 lakh tons.



- Soy oil import scenario – According to SEA, soy oil imports fell 19.12 percent y-o-y in November to 1.65 lakh tons from 2.04 lakh tons in November 2018.
- Imported crude soy oil CIF at West coast port is offered at USD 898 (USD 771) per ton for Jan delivery, Feb delivery is quoted at USD 889 (USD 778) per ton, Mar delivery is quoted at USD 867 (USD 768) per ton and Apr delivery is quoted at USD 847 per ton. Values in brackets are figures of last month. Last month, CNF CDSO Dec average price was USD 837.40 (USD 762.88 per ton in Nov 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 fetch USD 30-35/ton v/s loss of USD 10-15/ton (last month) margin in processing the imported Soybean Oil (Argentina Origin).

Price Outlook: We expect refined soy oil (without GST) at Indore to stay in the range of Rs 860-1000 per 10 Kg in the near term.

Palm oil: Domestic Market Fundamentals

- CPO prices witnessed firm tone in the month of December at its benchmark market at Kandla on rise in prices of CPO in international markets.

RBD palmolein prices witnessed firm tone in month of December on rise in prices of RBD palmolein in international markets.

- Crude palm oil prices rose in Kandla in the month of December on rise in prices of CPO in international markets.

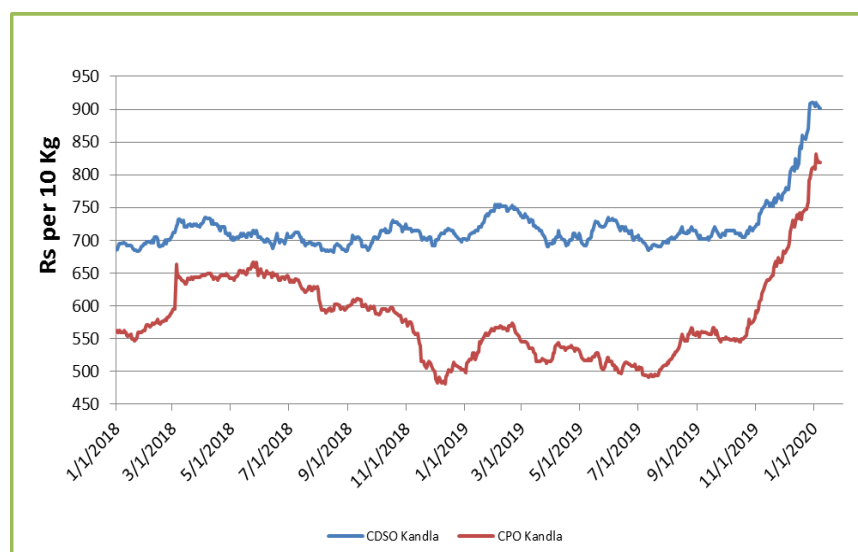
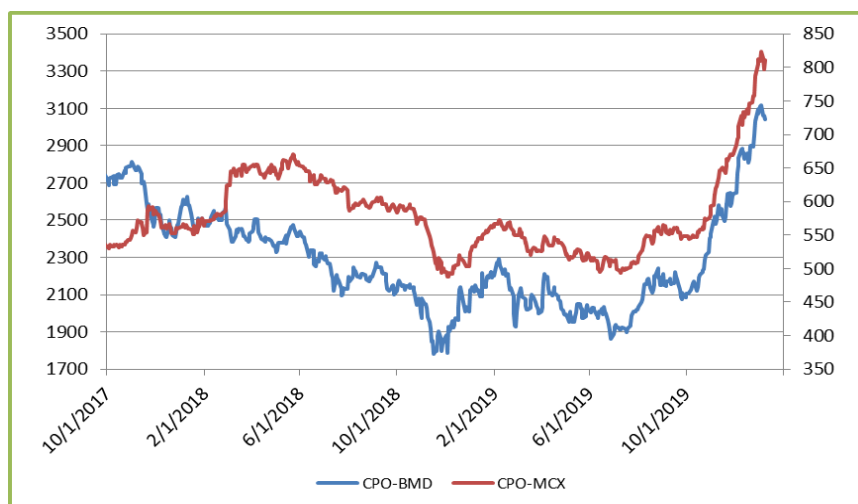
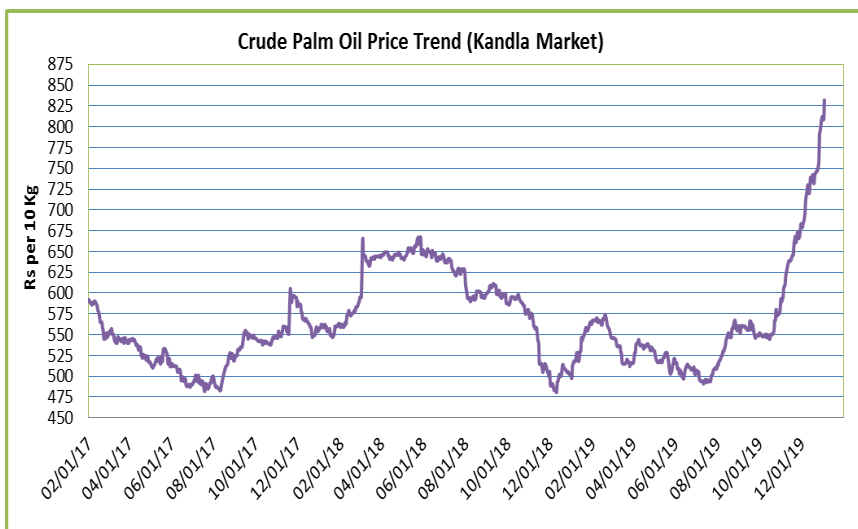
Prices of CPO rose less at high seas compared to CNF markets compared to last month indicating weak demand at high seas.

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

Rise in CPO prices is lower in Indian markets compared to international markets is due to fall in global end stocks of CPO.

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

Disparity in imports increased 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 rise more going ahead.



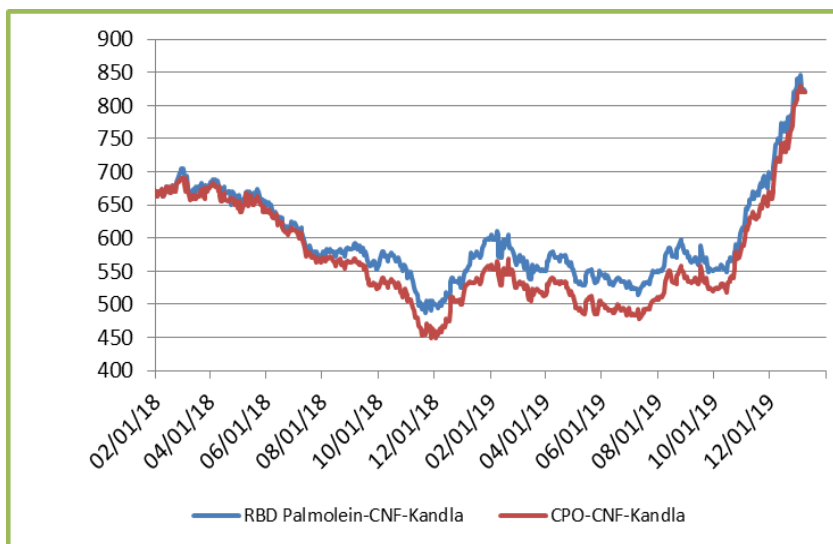
Rise in international prices of CPO has surged has made imports costly which will decrease imports in coming months. Depreciation of Rupee will increase disparity in Jan.

India put imports of RBD palmolein in restricted category from free category meaning that India has removed RBD palmolein from Open General License. Importers will have to take clearance DGFT to import RBD palmolein. This is a welcome step for Indian refiners and will benefit refiners grappling under overcapacity and debt. This will improve financial condition of refiners. This will lead to higher production of oilseeds due to costly imports.

India opted out of trade treaty RCEP which was to be signed between 16 countries which include India and Malaysia. This step 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.

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 fell due to lower imports and destocking at ports.



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

RBD palmolein featured firm tone in its benchmark market on 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.

Import parity of ready to use imported palmolein has risen above CPO on cut in import duty on imports of RBD palmolein. Duty differential between CPO and RBD palmolein has decreased from 11 percent to 7.5 percent due to cut in import duty on RBD palmolein.

CNF prices of RBD palmolein sourced from Indonesia and is quoted same from RBD palmolein sourced from Malaysia. Before cut 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 5-10 per ton to USD 25-30 per ton at CNF India.

In Rupee terms, disparity currently stands at Rs 25-30 per kg compared to parity of Rs 25-30 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 palmolein 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 48 (Rs 67 last month) per 10 kg indicating weak demand of RBD palmolein compared to CPO at high seas.

Import of CPO in November was lower than that of Nov 2018 and higher than Oct 2019. Stocks at ports fell in Nov compared to Oct 2019. Stocks at ports fell less than fall in imports indicating firm domestic demand in December.

Import of RBD palmolein is rose in Dec compared to Dec 2018 and Oct 2019. Imports rose in Nov compared to Oct 2019 and stocks rose at ports indicating weak demand in November.

Decrease in import duty on RBD palmolein and falling duty differential will lead to higher imports of RBD palmolein and higher imports of 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.

Low soy oil premium over crude palm oil which is hovering at Rs 108 (Rs 142 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 Dec at CNF markets. Falling premium of crude sunflower CNF India West coast and CPO CNF at USD 60 (USD 125) 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 78 (USD 112.5 last month) per 10 kg. Premium of CDSO soy oil high seas over CPO high seas is at Rs 73 (Rs 97 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 60 (Rs 75 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 Nonmember fell 1.88 percent y-o-y to 6.79 lakh tons from 6.92 lakh tons in November 2018.

Crude Palm oil import scenario- According to Solvent Extractors Association (SEA), CPO Imports fell 4.75 percent y-o-y in November to 5.41 lakh tons from 5.68 lakh tons in November 2018.

RBD palmolein import scenario- RBD palmolein imports rose 11.93 percent y-o-y in October to 1.22 lakh tons from 1.09 lakh tons in November 2018.

- According to ministry of commerce & industry notification no 39/2015-2020 dated 8th January, Indian has placed RBD palmolein imports to “Restricted” category from “Free”, which means that India has restricted imports of RBD palmolein from all destinations and any import will be only possible after permission from DGFT. So, RBD palmolein is removed from Open General License. This comes amid India-Malaysia tensions on Malaysia raising Kashmir issue at UN which has prompted India to retaliate. India imports RBD palmolein mainly from Malaysia. This will mean that any permission on imports of RBD palmolein will be only from Indonesia. This step is welcome step of palm oil refining industry which is reeling under overcapacity and rising debt. This step will increase capacity utilization and a welcome step from India refining industry. Further, this step will support farmers by restricting imports will get more incentive to grow oilseeds.
- According to Ministry of Finance (MOF), Government of India Notification number 42/2019-Customs dated 31st December 2019, India decreased import duty on RBD palmolein imports by 5% and to 45% and 2.5% on CPO to 37.5% under ASEAN agreement and the India-Malaysia Comprehensive Economic Cooperation Agreement (IMCECA). After the decrease import duty on imports of RBD palmolein stand at 49.5% after 10% cess and effective import duty on CPO stands at 41.25%. After this import duty reduction effective duty differential between CPO and RBD palmolein stands at 8.25% down from 11%. This reduction in import duty differential will increase import of refined palm oil which will be detrimental to Indian palm oil refining industry already

reeling under overcapacity and debt. This will lead to idling of Indian palm oil refineries. Also, this will increase share of imports of refined palm oil in edible oils import basket.

- On the trade front, CNF CPO (Indonesian origin) at Indian port quoted at USD 820 (USD 662.5) per ton for Jan delivery and Feb delivery is quoted at USD 830 per ton. Last month, CNF CPO Dec average price was at USD 735.80 per ton (USD 634.46 per ton in Nov 2019). Values in brackets are figures of last week.

Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 825 (USD 692.5) per ton for Jan delivery and Feb delivery is quoted at USD 840 per ton. Last month, CIF RBD palmolein Dec average price was USD 732.16 (USD 664.57 in Nov 2019) per ton. Values in bracket depict last month quotes.

Ready lift CPO duty paid prices quoted at Rs 832 (Rs 683) per 10 Kg and Jan delivery duty paid is offered at Rs 841 (Rs 683) per 10 kg. Ready lift RBD palmolein is quoted at Rs 880 (Rs 750) per 10 kg as on Jan 3, 2019. Values in brackets are figures of last month.

- On the parity front, margins decreased during the month of Dec 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 0-5/ton (Nov average) v/s gain of USD 0-5/ton (Nov average) margin in processing the imported CPO but on the imports of ready to use palmolein lose USD 40-45/ton (Dec average) v/s loss of USD 40-45 (Nov average).

Price Outlook: We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 790-880 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 fell in December.
- Rapeseed oil prices traded higher in the month of December in various markets in India on firm demand and rise in prices of competing oils.

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

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

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

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

Stock position is weak against firm demand position.

Rapeseed oil is moving out of Rajasthan at Rs 930-950 per 10 kg.

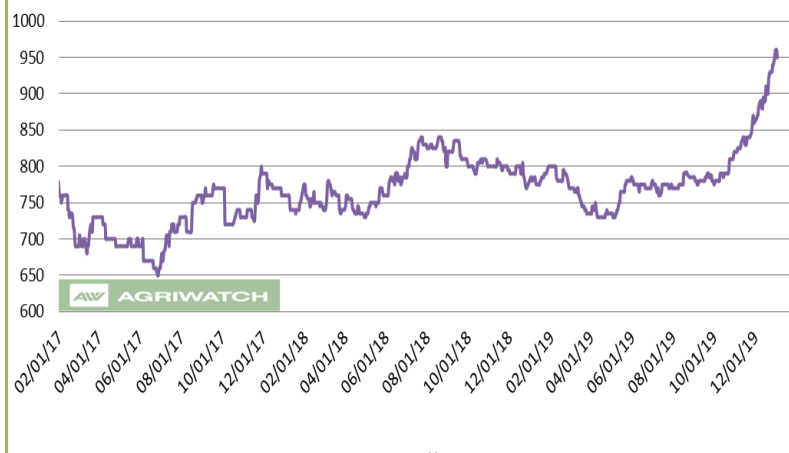
There is parity in crush of rapeseed.

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

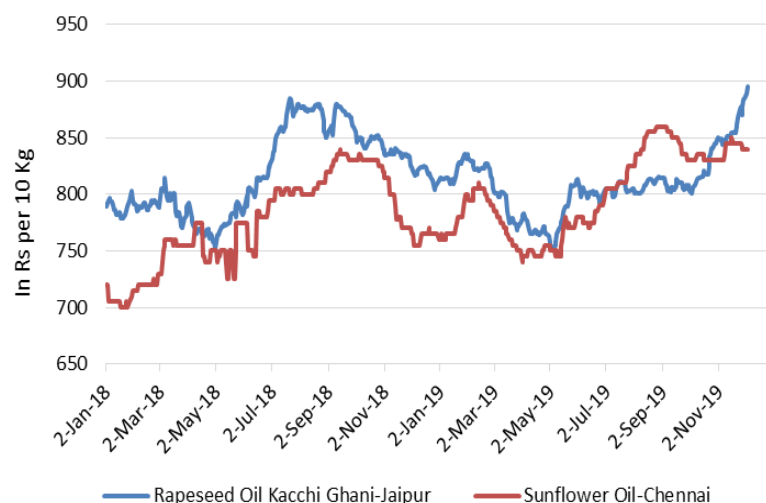
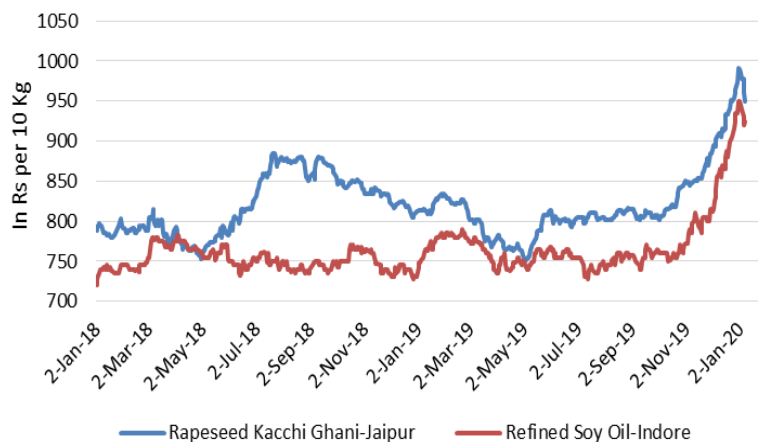
NAFED has procured 10.89 lakh tons of Rabi 2018-19 crop. Total balance quantity after sale is 6.86 lakh tons. Stock with NCDEX is 0.06 lakh tons.

So, total progressive sale is 4.03 lakh tons. Various state governments have given their estimate of mustard sales from Nov 2019-Jan 2020. About 7.48-

Mustard Oil Price Trend (Kota Market)



Comparison Between Rapeseed Oil & Refined Soy Oil



lakh tons estimate have been given by various state governments about the sale of rapeseed by Jan 2020. However, with the pace of sale of rapeseed by NAFED, sale will fall short of estimates.

NAFED has started sale of mustard procured in MY 2019-20 from July. However, NAFED said it will not sell rapeseed below Rs 4200/qrtl has led to slow sale of rapeseed leading to shortage of rapeseed and support rapeseed oil prices. NAFED will try to sell

maximum amount of stocks rapeseed. With prices rising above MSP sale of mustard by NAFED may accelerate.

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 till date due to higher soil moisture 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 2017-18 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 Jan.

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.

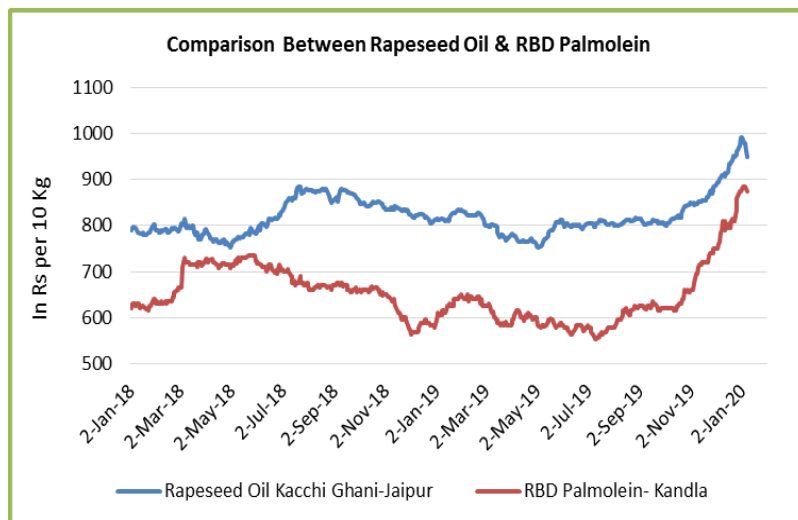
Prices are still lucrative to increase demand.

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

Low premium of Jaipur kacchi ghani rapeseed oil over refined soy oil in domestic market at Rs 38 (Rs 69) per 10 Kg, will cap rapeseed oil prices in medium term.

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

Low premium of expeller rapeseed oil over soy oil in domestic market was at Rs 20 (Rs 50) 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 9 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 October. Imports of canola oil is weak in oil year 2018-19 (Nov 2018-Oct 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 80 (Rs 115) 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 66.62 lakh hectares as on 3.11.2019 compared to 67.03 lakh hectares in corresponding period last year. Sowing is slow in state of UP, Assam, Bihar, MP, West Bengal and Gujarat while it is higher in Rajasthan, Haryana and Jharkhand.
- 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. Imports of rapeseed oil in December 2019 was zero compared to 0.12 lakh tons Dec 2018.
- 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/qlt from Rs 4200/qlt, registering the rise of Rs 225/qlt. The total return for farmer is 90 percent above cost price of production.
- Currently, RM oil at Jaipur market (expeller) is offered at Rs 960 (Rs 865) per 10 Kg and at Kota market is quoted around Rs 960 (Rs 865) per 10 kg as on Dec 31, 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 900-1050 per 10 Kg.

Sunflower oil: Domestic Market Fundamentals

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

Sunflower oil prices rose more at high seas compared to CNF indicating firm demand at high seas.

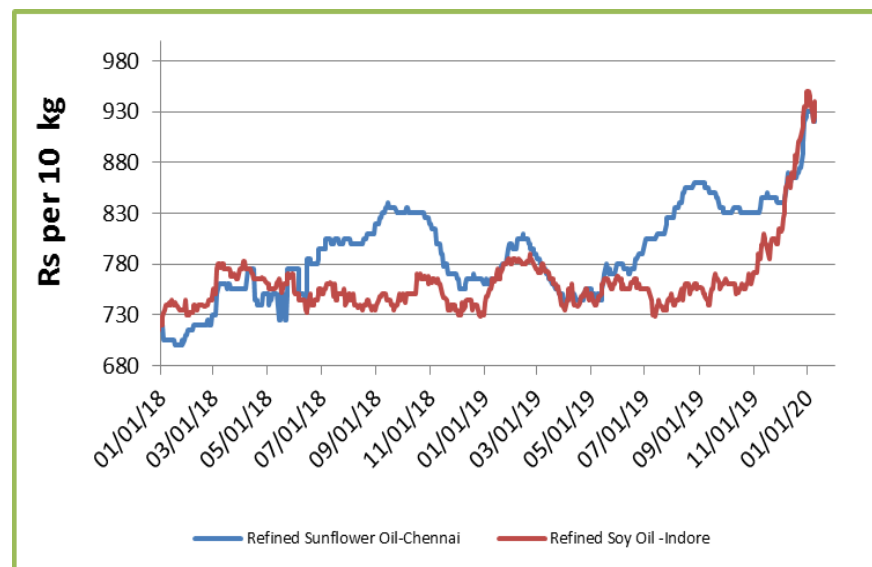
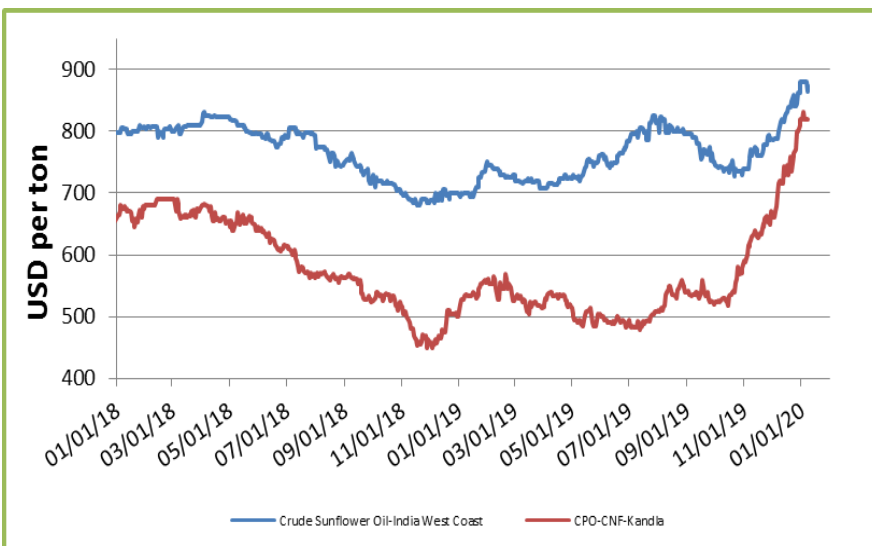
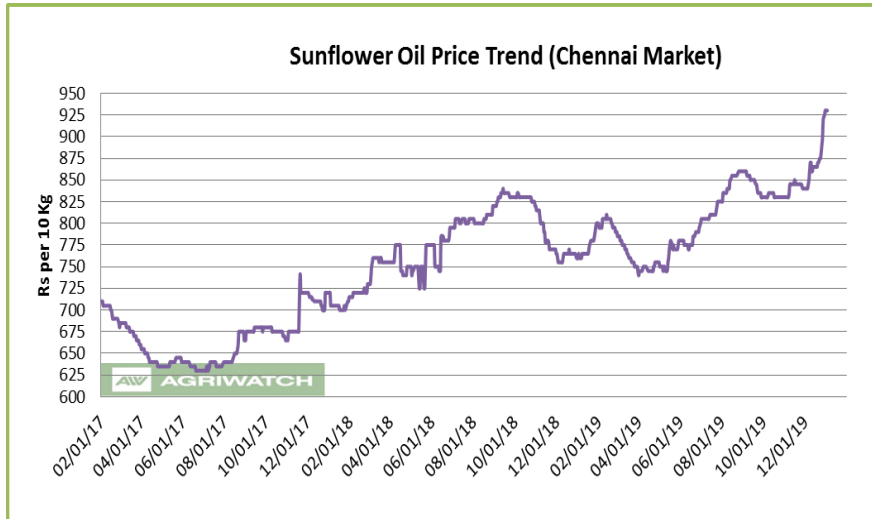
Sunflower oil prices rose in December due to surge in prices of palm oil and soy oil.

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 rise due to positive import parity and positive refining margins. Import parity and refining margins moved into parity after disparity last month.

Prices of sunflower oil at CNF markets are rising due to rising prices of competing oils 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 January.

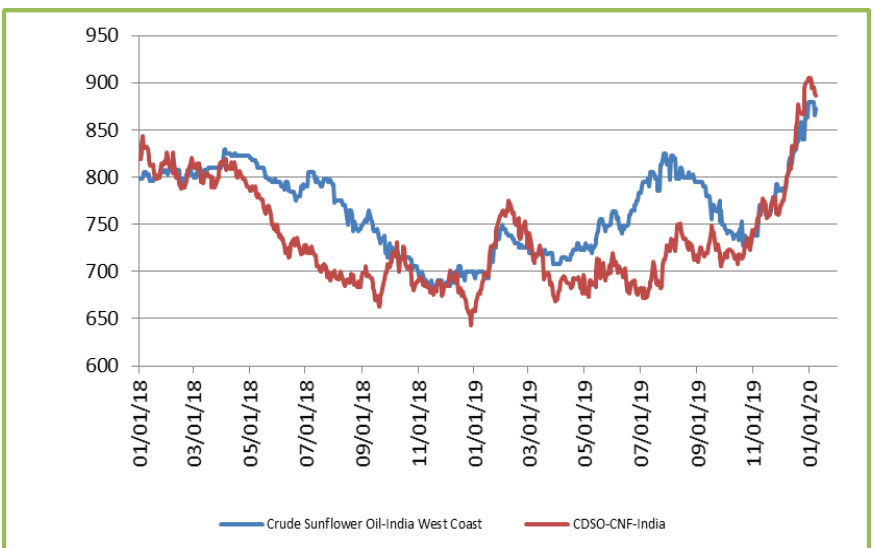
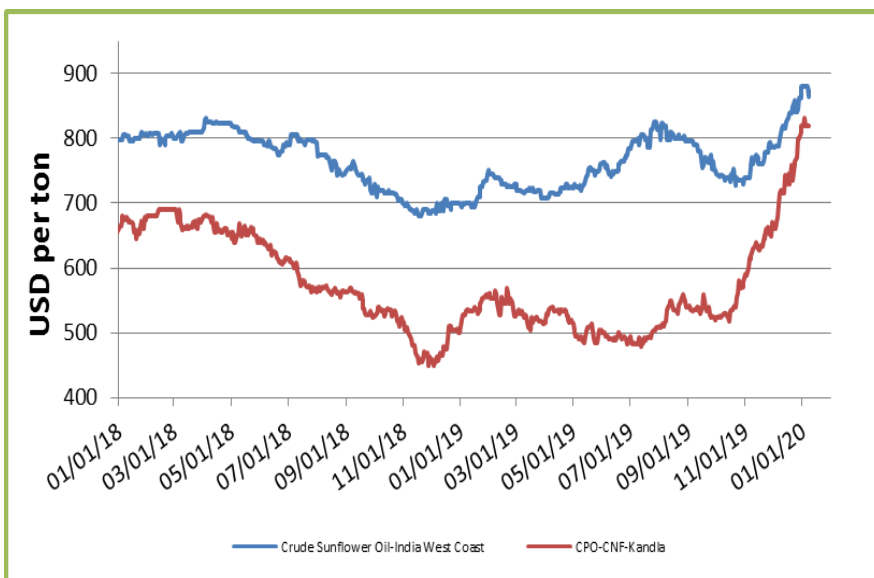
There is parity in imports of sunflower oil and refining margins are in parity.

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

Imports of sunflower oil rose in Nov compared to Oct 2019 noting rise for second month touching 2.63 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 very low and will support import demand of sunflower oil.

Negative premium of CSFO over CDSO in CNF markets will support prices in medium term. Imports are expected to be higher in Dec-Jan as crude sunflower oil CNF premium over CDSO CNF is negative. Imports of sunflower will rise due to regular rise in prices of sunflower oil at CNF markets. Third chart from above shows crude sunflower oil premium over CDSO is has decreased in December 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 December.

Refiners and stockists have increased stocking as sunflower oil premium over soy oil is increased to USD - 13.0 (USD 12.5 last month) per ton.

In domestic market sunflower oil premium over soy oil is at Rs -10 (Rs 15) per 10 kg indicating sunflower oil prices in domestic markets have converged with soy oil both in domestic market and CNF market.

Refined sunflower oil premium over RBD palmolein has decreased to Rs 50 (Rs 90 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 60 (USD 95) 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, groundnut oil premium over sunflower oil at Chennai market is at Rs 270 (Rs 185 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 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 58.43 percent y-o-y in November to 2.63 lakh tons from 1.66 lakh tons in November 2018.
- All India Rabi progressive sowing of sunflower has reached 0.89 lakh hectares as on 3.01.2020 compared to 0.99 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 885 (USD 787.5) per ton for Dec delivery. CNF sun oil (Ukraine origin) Dec monthly average was at USD 827.58 per ton compared to USD 766.96 per ton in Nov. Values in brackets are figures of last week.
- Prices are likely to stay in the range of USD 800-100 per ton in the near term. CNF Sunflower oil premium over CDSO is hovering at USD 13.0 (USD 12.5 last week) per ton for Jan delivery. CNF sunflower oil premium over RBD palmolein is hovering around USD 60 (USD 92.5) per ton.
- Currently, refined sunflower oil at Chennai market is offered at Rs 930 (Rs 840) per 10 Kg, and at Kandla/Mudra market, it is offered at Rs 950 (Rs 835) per 10 kg as on Jan 3, 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 880-1000 per 10 Kg.

Groundnut oil: Domestic Market Fundamentals

➤ Groundnut oil featured firm trend during the month in review on firm demand.

➤ Groundnut oil prices rose in December on firm demand.

Demand increased due to arrival of demand season in Gujarat in Dec-Jan.

Due to fall in prices of groundnut oil retail demand improved.

Demand of groundnut oil decreased due rise in its prices.

Groundnut oil price rose on rise in prices of groundnut.

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

Retail demand of groundnut oil decreased due low volatility in prices and regular rise in prices. Crushing of groundnut is progressing at good pace 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.

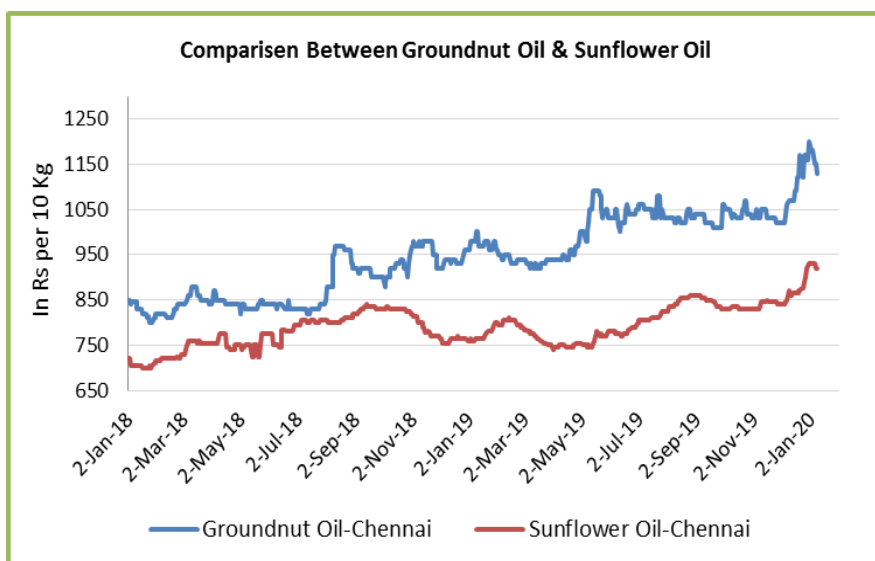
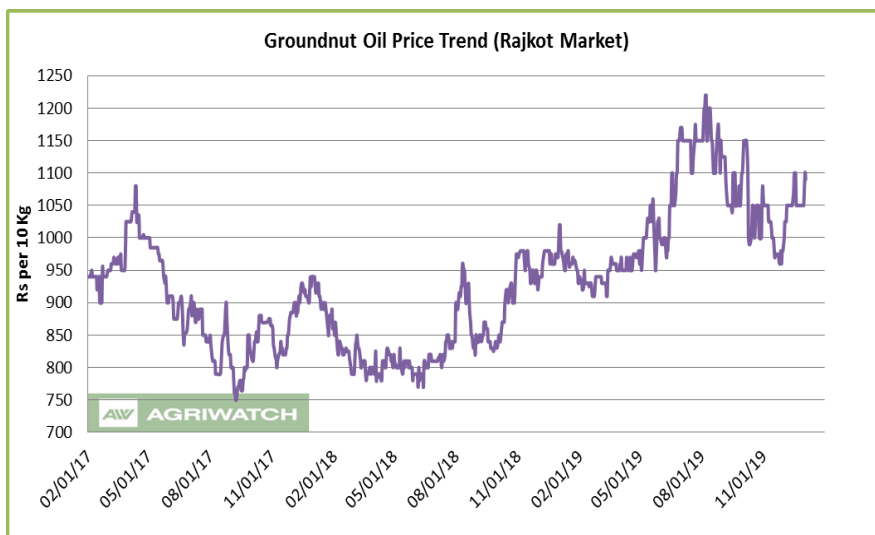
Groundnut crop harvest is over in Rajasthan and Gujarat.

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 has increased groundnut supply in the market leading to higher groundnut oil supply.

NAFED has procured 4.50 lakh tons of groundnut since the start if procurement.

NAFED stocks of K-18 and K-17 groundnut is 1.67 lakh tons at the end of sale of groundnut. So, with procurement of new season the total stocks with NAFED is 6.17 lakh tons.



Supply of groundnut oil is decreasing despite good crop of groundnut as groundnut prices offered in mandis are much lower than offered by NAFED due to which most of the groundnut is going towards NAFED has decreased supply of groundnut in the market leading to higher prices of groundnut oil.

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 will decrease between Rs 1200-1250 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 1080-1100 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 on firm 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 capping 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 rose in parity with Gujarat. However, prices of groundnut will stay moderated as demand season of groundnut oil is over. Stock position of groundnut oil is weak in the market. There is parity in crush of groundnut in South India. Groundnut arrivals will rise in December and arrivals will decrease in coming months after peak arrival in Dec. Also, with aggressive buying of groundnut by NAFED arrivals of groundnut in various mandis have fallen leading to lower crushing of groundnut supporting groundnut oil prices at a time when seasonal demand of groundnut oil remains high.

Further, due to good rains in groundnut growing regions of South India led to higher area planted in South India. Planting of Rabi groundnut in South India will rise due to good water supply position apart from adequate soil moisture due to good monsoon rains. .

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 3.01.2020 has reached 3.91 lakh hectares compared to 3.51 lakh hectares in corresponding period last year. Sowing is higher than corresponding period last year in Andhra Pradesh, Telangana, Tamil Nadu and Karnataka while it is slow in Orissa.
- On the price front, currently the groundnut oil prices in Rajkot is hovering near Rs 10,500 (9,800) per quintal and quoting at Rs 12,000 (Rs 10,200) 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 firm trend at its benchmark market in Kangeyam on firm demand.
- Prices of coconut oil traded higher in the month of December on firm demand. Demand strengthened as demand season has arrived.

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

Copra prices traded higher due to higher demand of copra. Coconut harvesting has picked up after monsoon.

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

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

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

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

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

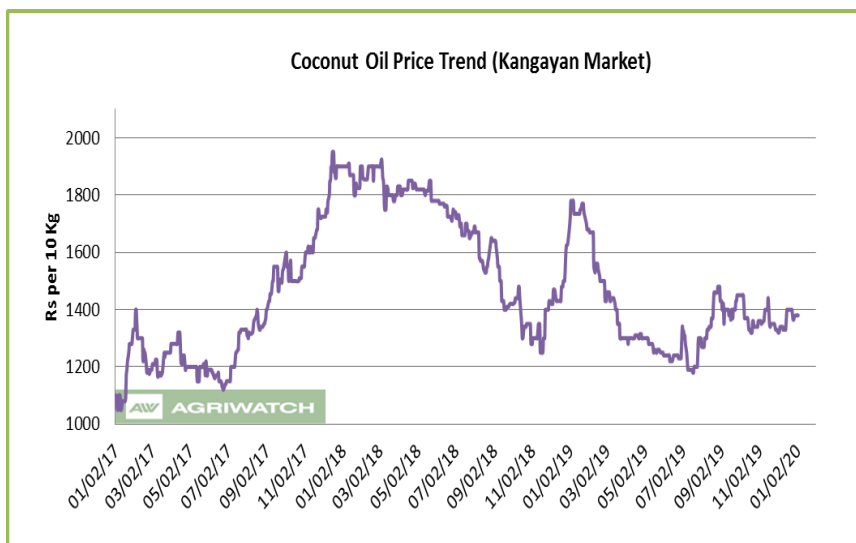
Household consumption will rise in Kerala in first quarter of 2020 after weak demand in 2019.

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

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 rise 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 January 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 15,000 (14,400) per quintal, and quoting Rs 13,800 (13,200) per quintal in Erode market on Dec 31, 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 1300-1500 per 10 Kg.

International Soy oil Market Fundamentals

- Soy oil prices are supported by US-China trade settlement optimism, low stock of soy oil in US, rise in crude oil prices due to US-Uren tensions, rise in demand of soybean from China and rise in competing oils prices.

However, higher crop of soybean in South America.

Trade settlement was reached between US and China in which China will purchase US farm products in return of removal of import duty to be imposed and gradual reduction in import duties by both countries. China has started purchase of soybean in large quantities from US and is expected to purchase other agricultural products in coming months. Trade agreement is expected to be signed in Jan 2020. This will give boost to international soy oil prices. However, final draft of trade agreement will be important and will spell future course of soybean complex prices.

This trade deal is not a comprehensive trade deal and there is possibility of various such trade deals. There are major differences between both sides as US wants a comprehensive trade deal while China wants blanket removal of import duties.

Soy oil prices are supported by rise in crude oil prices as US killed Iran general in a drone strike, which led to Iran declaring war against US. Due to this there has been escalation in tensions between both countries and further escalation is not ruled out. This will likely boost crude oil prices.

Soy oil stocks fell in US as reported by NOPA despite higher in crush of soybean indicating higher domestic disappearance of soy oil in US. Soy oil stocks seasonally rise, and the fall was unexpected. This will support soy oil prices. Higher domestic disappearance of soy oil on higher use in biodiesel and higher food, feed and industrial use.

USDA reduced soybean yield estimate of US due to weak crop condition in US in its Dec 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. USDA is expected to cut US soybean crop of 2019/20 further in its Jan estimate.

Argentina hiked export duties on exports of soy products from 24.5 percent to 30 percent. Argentina government has indicated that it will place more trade restrictions. This comes after appointment of conservative leader as Argentina agriculture minister. Pro reformist government of Macri lost to Alberto Fernandez, a conservative leader in Argentina polls. Trade reform under Macri was done mostly on corn and wheat while some reforms were done in soybean. This has led to expectation that more controls will come in corn and wheat. This has led to higher planting area of soybean in Argentina in 2019/20.

Planting progress in Argentina is lower than long-term averages. However, due to rains there is expectation that planting will rise in coming days. USDA is expected to raise Argentina's soybean production in Jan estimate.

Planting of soybean is over in Brazil and has finished in normal time due to favorable conditions. With the planting Brazil has planted record soybean area in 2019/20.

Soybean crop area is expected to be higher Brazil in 2019/20 leading to higher soybean crop in Brazil in 2019/20. USDA has estimated Brazil's soybean crop for 2019/20 at 123 MMT making Brazil as top soybean producer in the world. USDA is expected to raise soybean crop in Brazil in Jan review.

USDA kept all the estimates of soy oil of US unchanged in 2019/20 in Dec estimate.

Soybean exports by Brazil to China is expected to fall in 2020 due to US-China trade settlement and China's protein diversification policy. However, China's restocking of soybean to increase swine count in 2020 will absorb surplus soybean stocks globally.

Soybean stocks estimate fell in US in 2019/20 due to lowering of soybean crop in US. Soybean crop in US was weakest in years. Soybean crop was below was reported at 96 MMT due to wet and cool spring, which stopped farmers plant soybean and adverse condition during crop progress.

USDA forecast soybean crop in US at 96 MMT in Dec review.

China reported higher soybean import demand in November after various US shipments reached China along with shipments from Brazil. China is restocking soybean after weak imports in 2019. China reported lower soybean imports in 2019 due to weak crush margins due to swine flu outbreak leading to 41 percent fall in swine count y-o-y in the and most of soybean came from Brazil. However, China has increase swine count for the first time in year. This will support soybean restocking by China

China is giving incentive of swine farmers like insurance and machinery incentive to increase swine count in the country after swine flu led to 41 percent contraction of swine count due to culling of swine to stop the spread of swine flu. This led to lower demand of soybean feed in the country in longer term. This has led to surge in imports of edible vegetable oil by China in 2019.

China has opened soy meal market for imports from Argentina and Ukraine, 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 has allowed poultry imports from Europe to tide over shortage of meat in its domestic market. Further, China has allowed cotton meal imports from Brazil and allowed poultry and meat imports from Canada and US to tide over rising domestic meat prices.

China reported 13 percent rise in soybean production in the country in the current year. However, it is insufficient to meet the county's demand.

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

Lower import of soybean by China will lead to shift of buyers from competing oils like palm oil leading to weakening of global soy oil prices.

Argentina's soybean exports is expected higher due to be higher Chinese demand.

Soy oil exports from Argentina are expected to accelerate due to firm demand from importing destinations.

Competitive oils like BMD palm oil and DALIAN RBD palmolein is expected to trade higher due to rising demand scenario.

- According to National Oilseed Processors Association (NOPA), U.S. November soybean crush fell by 7.56 percent m-o-m to 164.909 million bushels from 178.397 million bushels in October 2019, below market expectation. Crush of soybean in Nov was lower by 1.23 percent y-o-y compared to Nov 2018 figure of 166.959 million bushels. Soy oil stocks in U.S. at the end of Nov rose 1.76 percent m-o-m to 1.448 billion lbs compared to 1.423 billion lbs in end Oct 2019. Stocks of soy oil in end Nov was lower by 2.43 percent y-o-y compared to end Nov 2018, which was reported at 1.484 billion lbs. Soy oil stocks were above trade expectation.
- According to China's General Administration of Customs (GACC), China's November edible vegetable oils imports rose 16.1 percent m-o-m to 10.59 LT from 9.12 LT in October 2019. Imports in Nov were higher by 70.3 percent compared to Nov 2018 which was reported at 6.22 LT. Year to date imports of edible vegetable oil rose 55.5 percent to 86.29 lakh tons.
- According to China's General Administration of Customs (GACC), China's Nov soybean imports rose 33.9 percent to 8.28 MMT from 6.18 MMT in October 2019. Imports in Nov are 53.8 percent lower than Nov 2018 import of 5.38 MMT. Year to date soybean imports fell 4.1 percent to 78.97 MMT.
- 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 are 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 at 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.
- USDA WASDE highlights: The U.S. season-average soybean price for 2019/20 is forecast at \$8.85 per bushel, down 15 cents. The soybean meal price forecast is reduced \$15.00 to \$310.00 per short ton. The soybean oil price forecast is unchanged at 31.0 cents per pound.

Price Outlook: We expect Ref. soy oil with VAT to trade in the price band of Rs 860-1000 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, slowdown in production of palm oil in Malaysia, higher use of palm oil in biodiesel in Indonesia and Malaysia, flood condition in Indonesia and Malaysia, rise in crude oils prices rise in competing oils.

Palm oil stocks is expected to fall in Malaysia in coming months due to slowdown of production of palm oil and slow fall in exports of palm oil from the country.

End stocks of palm oil is expected to fall further in Dec due to fall in production in palm oil and slow fall in exports of palm from Malaysia.

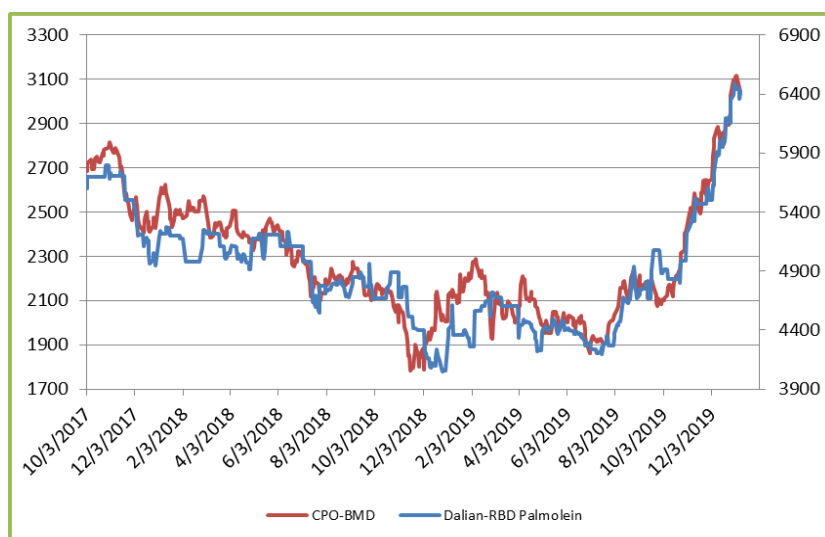
Production is expected to fall in Malaysia on seasonal downtrend of production. Production will fall due to adverse effect if haze, lower fertilizer use due to lower prices of palm oil, dry conditions in some areas and shift between peak production cycles. This may lead to lower production in coming months.

Further, flooding is reported in various areas in Indonesia and Malaysia which will slow harvest, transport and shipping of palm oil from both countries.

Exports of palm oil fell 5-7 percent in Malaysia in December due to weak demand from India and China.

Imports of palm oil fell from China in December due to rise in prices of palm oil and onset of winter. However, demand ahead of Chinese New Year will keep imports of palm oil elevated from China in coming months.

Imports from China is expected to firm due to lower import of soybean by China in 2019 leading to lower supply of soy oil in the country leading 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.

Exports of palm oil may weaken from Malaysia and Indonesia due to rise in prices of palm oil in international markets.

Palm oil imports by India from Malaysia is subdued in Dec due to rise in prices of palm oil, onset of winter in Indian subcontinent, higher import duty on RBD palmolein compared to CPO, higher stocks of palm oil at Indian ports and India-Malaysia dispute on Kashmir. However, due to reduction of palm oil import duty by India on CPO and RBD palmolein and reduction in import duty differential between CPO and RBD palmolein will improve imports by India from Jan from Malaysia. Due to higher import parity and refining margins will increase imports of palm oil.

Imported ready to use palmolein demand is expected to be more than domestic refined RBD palmolein due to lower refining margins. Falling stocks of palm oil at Indian ports will increase imports of palm oil in coming months.

Indian government has informally asked Indian refiners not to book palm oil cargoes from Malaysia in retaliation over Kashmir issue. Indian buyers had slowed booking palm oil cargoes from Malaysia in Nov-Dec on reports that India may restrict palm oil imports from Malaysia in retaliation for its support on Kashmir issue at United Nations. Further, India has opted out of the trade treaty RCEP to be signed between 16 countries, which includes India, and Malaysia, may hamper trade between both countries.

Haze is one of the reason for 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 in Indonesia due to above conditions. Production in Malaysia is expected to fall in 2020 compared to 2019.

Further, production of palm oil will fall in Indonesia in coming months due to flood condition after 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 slow in 2020 due to dry conditions in 2019, 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 in 2020. India's palm oil imports will rise to 10-11 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.

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.

Palm oil stocks in Indonesia fell in Sep due to fall in production in the country and rise in exports of palm oil from the country. 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 1.0 MMT in Indonesia in 2020 on higher produce from maturing plantation. Lower revision is due to dry conditions, lower fertilizer use and effect of haze.

Ringgit has appreciated and has reached 4.10/USD levels and is expected to cap in palm oil prices. This will make exports of palm oil uncompetitive compared to other oil and same oils with different destinations.

Malaysia hiked export duty on crude palm oil exports for the first time since August 2018 after international prices surged and palm oil end stocks fell in the country.

Indonesia imposed export levy on exports of palm products from the country due to rise in prices of palm oil and falling stocks of palm oil in the country. This will support palm oil prices in coming months.

Palm oil consumption in 2019 and 2020 will outstrip rise in production in both years mainly due to higher biodiesel demand from Indonesia and Malaysia, and rise in import demand from India and China. Stocks of palm oil is expected to fall by 3-4 MMT globally in 2020 from present global stock of 17-18 MMT. This will support prices of palm oil in 2020.

Increasing use of biodiesel in Indonesia will reduce palm oil stocks in the country. The country has mandated 30 percent bio content in all type of gasoline and has planned 40 percent bio content by 2020.

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 due to tension between US and Iran after US killed a Iran general in drone strike and Iran vowed to strike back thereby escalating tensions between both countries will support palm oil prices.

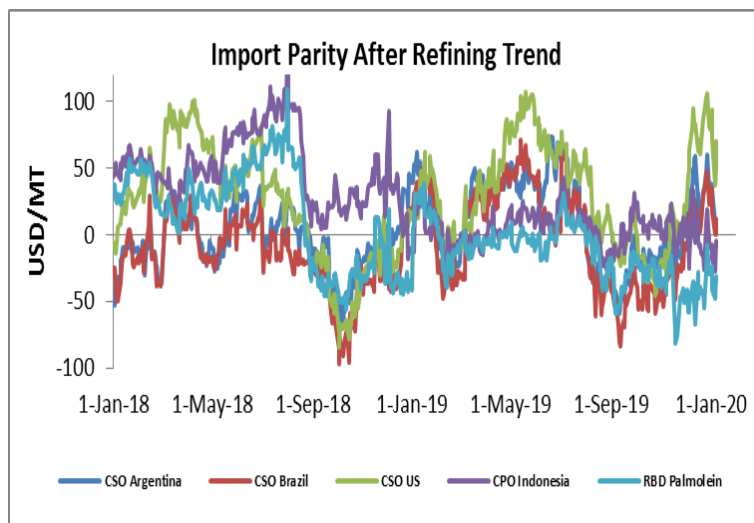
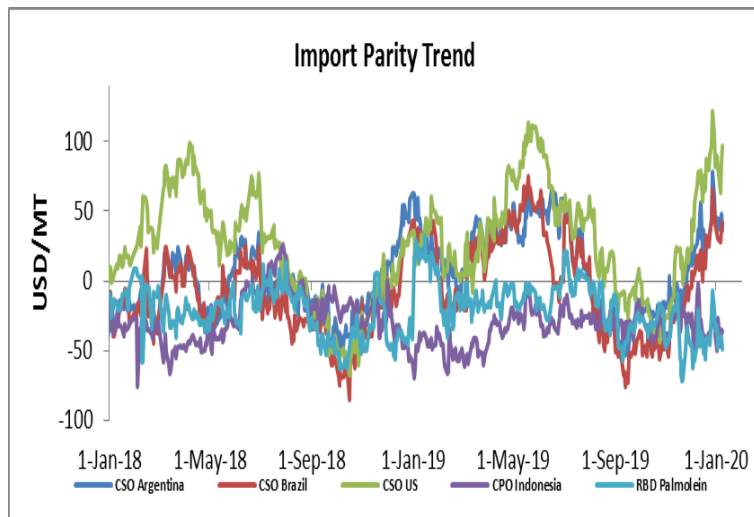
- According to Malaysia Palm Oil Board (MPOB), Malaysia's November palm oil stocks fell 4.08 percent to 22.56 lakh tons compared to 23.51 lakh tons in October 2019. Production of palm oil in Nov fell 14.35 percent to 15.38 lakh tons compared to 17.96 lakh tons in Oct 2019. Exports of palm oil in Nov fell 14.64 percent to 14.02 lakh tons compared to 16.42 lakh tons in Oct 2019. Imports of palm oil in Nov fell 12.17 percent to 0.75 lakh tons compared to 0.85 lakh tons in Oct 2019. End stocks of palm oil fell less compared to trade expectation. Fall in stocks was due to lower production partially setoff by fall in exports of palm oil.
- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's Dec palm oil exports fell 6.0 percent to 1,325,201 tons compared to 1,409,620 tons last month. Top buyers were European Union 285,463

tons (323,110 tons), China at 220,236 tons (340,080 tons), India at 89,600 tons (134,900 tons), United States at 61,600 tons (64,500 tons) and Pakistan at 56,798 tons (50,970 tons). Values in brackets are figures of last month.

- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's Dec palm oil exports fell 6.7 percent to 1,320,620 tons compared to 1,414,884 tons last month. Top buyers were European Union 373,690 tons (260,725 tons), China at 226,380 tons (362,660 tons) and India & subcontinent 160,200 tons (268,070 tons). Values in brackets are figures of last month.
- According to Indonesia trade ministry, Indonesia will charge export levy on exports of crude palm oil (CPO) at USD 50 per ton from Jan. The reference price is set at USD 729.72 per ton for Jan. Indonesia will charge export duty on exports of CPO above USD 750 per ton and above the threshold levy of USD 570 per ton. USD 10-15 per ton levy will be charged when reference prices rise above threshold prices and will be USD 20-50 per ton if prices rise above USD 619 per ton.
- 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.
- Policy review: According to Malaysia Palm Oil Board (MPOB), Malaysia hiked Jan crude palm oil export tax to 5.0percent. Export duty of palm oil is calculated at reference price of 2,571.16 ringgit (USD 616.59) per ton. Tax is calculated above 2,250 ringgit starting from 4.5 percent to a maximum of 8.5 percent. Malaysia imposed export duty on exports of crude palm oil after August 2018.

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 last 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.

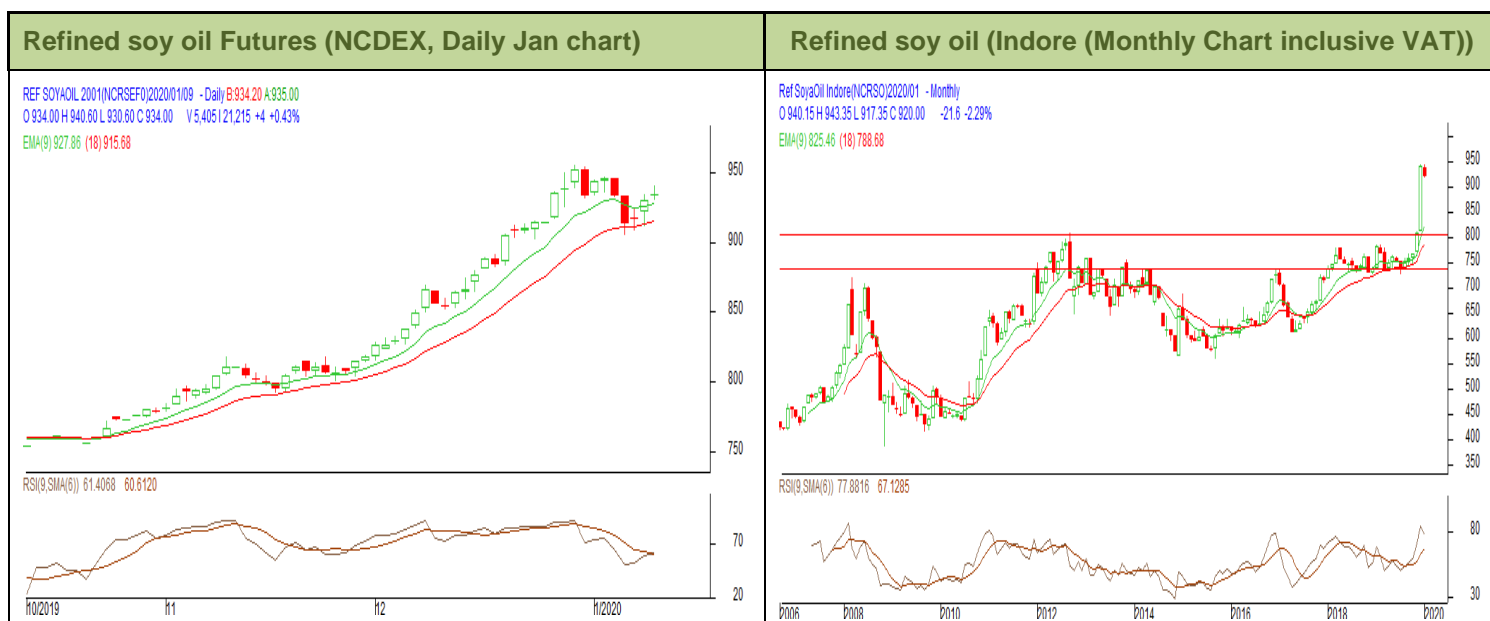
Price Outlook: We expect CPO Kandla 5% to trade in the price band of Rs 790-880 per 10 Kg.

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


	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
Oct, 2019	-18.87	-45.21	-24.33	9.07	-26.14
Nov, 2019	-11.29	-30.72	-0.69	2.39	-44.78
Dec, 2019	31.27	17.84	71.60	-0.56	-41.88

Outlook:-

Import disparity for CDSO Argentina returned to parity due to rise in prices of soy oil in Indian markets. We expect CDSO import parity to remain in parity in January due to firm prices of soy oil in Indian markets. Parity in CPO is higher than RBD palmolein. Disparity in CPO may decrease its imports. Palm oil parity will fall due to rise in prices of palm oil in international markets.

Technical Analysis (Refined soy oil Monthly Charts)


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

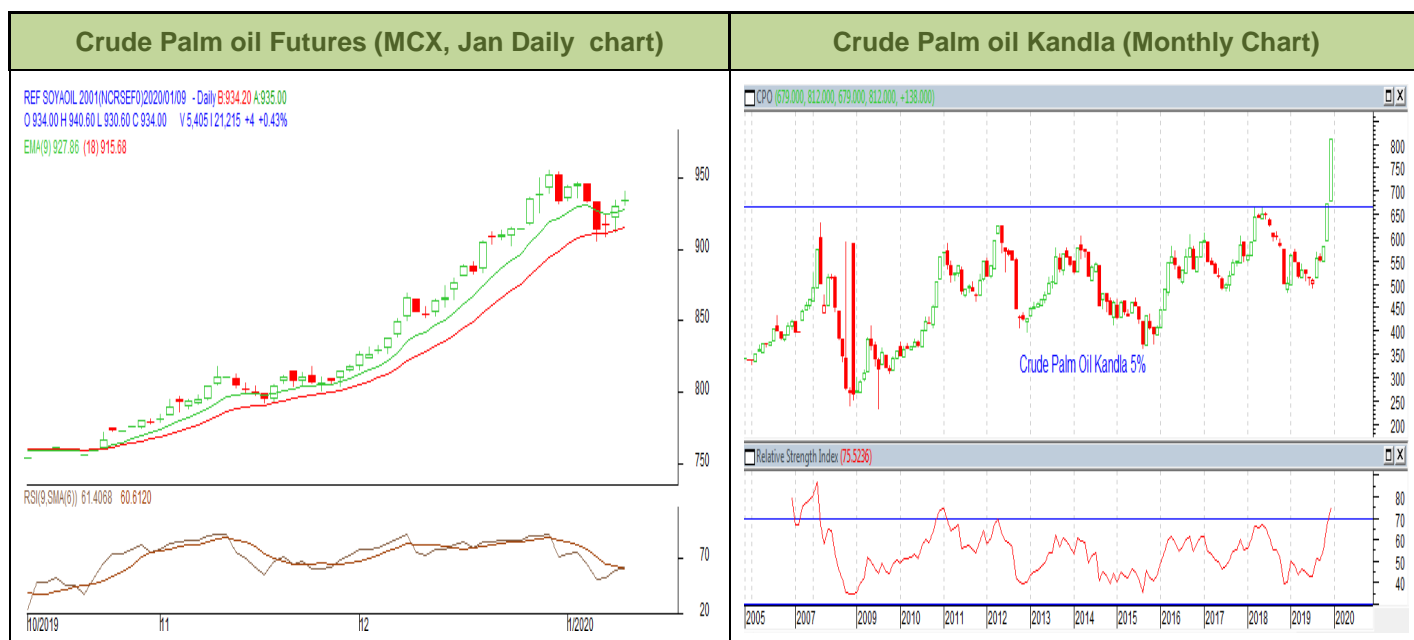
- Monthly chart of refined soy oil at NCDEX featured gains in the prices. We expect sideways to firm movement in the coming days.
- Any close above 950 in monthly chart will bring prices to 980 levels.
- Expected price band for next month is 860-1000 level in near to medium term. RSI and MACD are indicating uptrend at current levels.

Strategy: Market participants are advised to go long in RSO above 930 for a target of 950 and 955 with a stop loss at 920 on closing basis.

RSO NCDEX

Support and Resistance				
S2	S1	PCP	R1	R2
880.00	900.00	935.40	950.00	970.00

Spot Market outlook: Refined soy oil Indore (including VAT) is likely to stay in the range of 860-1000 per 10 Kg.

Technical Analysis (Crude Palm oil Monthly Charts)


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

- Candlestick monthly chart of crude palm oil at MCX depicts rise in prices. We expect prices to feature sideways to firm tone in the near term.
- Any close above 840 in monthly chart might bring the prices to 870 levels.
- Expected price band for next month is 800-900 level in near to medium term. RSI and MACD are indicating uptrend.

Strategy: Market participants are advised to go long in CPO above 830 for a target of and 850 and 855 with a stop loss at 820 on closing basis.

CPO MCX

Support and Resistance				
S2	S1	PCP	R1	R2
800.00	820.00	834.00	850.00	870.00

Spot Market outlook: Crude palm oil Kandla is likely to stay in the range of 790-880 per 10 Kg.

Monthly spot prices comparison

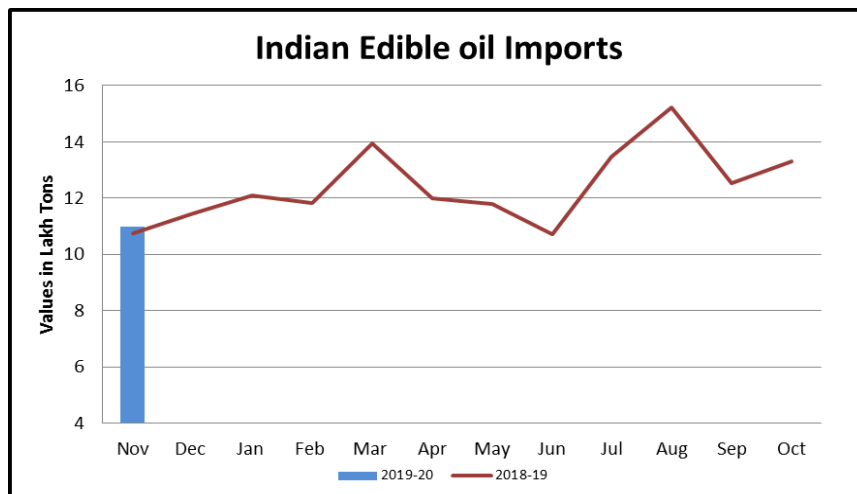
Commodity	Centre	Prices(Per 10 Kg)		Change
		31-Dec-19	30-Nov-19	
Refined Soybean Oil	Indore	950	815	135
	Indore (Soy Solvent Crude)	910	780	130
	Mumbai	945	815	130
	Mumbai (Soy Degum)	910	787	123
	Kandla/Mundra	945	815	130
	Kandla/Mundra (Soy Degum)	910	772	138
	Kolkata	940	795	145
	Delhi	985	839	146
	Nagpur	932	807	125
	Rajkot	950	800	150
	Kota	960	815	145
	Hyderabad	0	0	Unch
	Akola	940	811	129
	Amrawati	940	811	129
	Bundi	965	820	145
	Jalna	940	803	137
	Solapur	935	802	133
	Dhule	940	807	133
Palm Oil*	Kandla (Crude Palm Oil)	853	717	135
	Kandla (RBD Palm oil)	887	746	142
	Kandla RBD Pamolein	919	788	131
	Kakinada (Crude Palm Oil)	830	688	142
	Kakinada RBD Pamolein	893	788	105
	Haldia Pamolein	903	788	116
	Chennai RBD Pamolein	903	798	105
	KPT (krishna patnam) Pamolein	893	788	105
	Mumbai RBD Pamolein	924	809	116
	Mangalore RBD Pamolein	914	803	110
	Tuticorin (RBD Palmolein)	938	806	131
	Delhi	954	800	154
	Rajkot	914	777	137
	Hyderabad	935	790	145
	PFAD (Kandla)	567	488	79
	Refined Palm Stearin (Kandla)	830	688	142
	Superolien (Kandla)	956	809	147
	Superolien (Mumbai)	961	819	142
* inclusive of GST				
Refined Sunflower Oil	Chennai	930	840	90



	Mumbai	960	850	110
	Mumbai(Expeller Oil)	900	790	110
	Kandla (Ref.)	950	835	115
	Hyderabad (Ref)	930	850	80
	Latur (Expeller Oil)	875	805	70
	Chellakere (Expeller Oil)	880	800	80
	Erode (Expeller Oil)	960	880	80
Groundnut Oil	Rajkot	1050	980	70
	Chennai	1200	1020	180
	Delhi	1100	1100	Unch
	Hyderabad *	1230	1050	180
	Mumbai	1180	1020	160
	Gondal	1150	975	175
	Jamnagar	1150	980	170
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	955	865	90
	Jaipur (Kacchi Ghani Oil)	991	885	106
	Kota (Expeller Oil)	960	860	100
	Kota (Kacchi Ghani Oil)	970	875	95
	Neewai (Expeller Oil)	955	855	100
	Neewai (Kacchi Ghani Oil)	975	873	102
	Bharatpur (Kacchi Ghani Oil)	975	870	105
	Sri-Ganga Nagar(Exp Oil)	960	855	105
	Sri-Ganga Nagar (Kacchi Ghani Oil)	980	875	105
	Mumbai (Expeller Oil)	950	850	100
	Kolkata(Expeller Oil)	950	930	20
	New Delhi (Expeller Oil)	970	853	117
	Hapur (Expeller Oil)	885	875	10
	Hapur (Kacchi Ghani Oil)	915	910	5
	Agra (Kacchi Ghani Oil)	980	875	105
Refined Cottonseed Oil	Rajkot	920	800	120
	Hyderabad	915	810	105
	Mumbai	920	800	120
	New Delhi	890	775	115
Coconut Oil	Kangayan (Crude)	1380	1330	50
	Cochin	1500	1440	60
Sesame Oil	New Delhi	1500	1500	Unch
	Mumbai	-	-	-



Kardi	Mumbai	-	880	-
Rice Bran Oil (40%)	New Delhi	740	648	92
Rice Bran Oil (4%)	Punjab	735	625	110
Malaysia Palmolein USD/MT	FOB	780	660	120
	CNF India	840	700	140
Indonesia CPO USD/MT	FOB	785	630	155
	CNF India	820	670	150
RBD Palm oil (Malaysia Origin USD/MT)	FOB	778	658	120
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	770	663	107
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1140	875	265
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	660	540	120
Crude palm Kernel Oil India (USD/MT)	CNF India	1110	845	265
Ukraine Origin CSFO USD/MT Kandla	CIF	880	788	92
Rapeseed Oil Rotterdam Euro/MT	FOB	865	820	45
Argentina FOB (\$/MT)		31-Dec-19	30-Nov-19	Change
Crude Soybean Oil Ship		834	693	141
Refined Soy Oil (Bulk) Ship		863	717	146
Sunflower Oil Ship		780	710	70
Cottonseed Oil Ship		814	673	141
Refined Linseed Oil (Bulk) Ship		-	-	-
* indicates including GST				

Annexure:
Indian Edible Oil Imports Scenario –:


As per Solvent Extractors' Association of India, India imported 14.52 million tons of veg. oils in the 2017-18 oil year. Edible oils imports were 14.91 million tons 2018-19 (November 2018-October 2019). Edible oils (including CPO, CDSO, CSFO, and RBD Palmolein imports for November is pegged at 10.97 lakh tons. Edible oils (including CPO, CDSO, CSFO, and RBD Palmolein imports for (Nov 2018-Oct 2019) is pegged at 14.91 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 09/01/2020	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
FOB USD per ton	816	815	751	790	790
Freight (USD/MT)	47	47	47	35	29.0
C & F	863.0	862.0	798.0	825.0	819.0
Weight loss (0.25% of FOB)	2.04	2.04	1.88	1.98	1.98
Finance charges (0.4% on CNF)	3.45	3.45	3.19	3.30	3.28
Insurance (0.3% of C&F)	2.59	2.59	2.39	2.48	2.46
CIF (Indian Port - Kandla)	871	870	805	833	827
Duty (Values in USD per tons)	326.10	326.10	326.10	327.80	421.30
GST (5% on duty) USD per ton	16.30	16.30	16.30	16.39	21.07
Exchange rate	71.49	71.49	71.49	71.49	71.49
Landed cost without customs duty in INR per ton	62274	62201	57583	59533	59101
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	847	847	847	745	766
Fixed exchange rate by customs department	72.15	72.15	72.15	72.15	72.15
Duty component in INR per ton	23527.75	23527.75	23527.75	23650.77	30396.80
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	87201	87129	82510	84584	90898
Domestic Market price INR/ton Soy Degum Kandla/CPO Kandla/RBD Kandla	91000	91000	91000	83400	90000
Total landed cost USD per ton	1220	1219	1154	1183	1271
Domestic Market price USD/tons Soy Degum Kandla/CPO Kandla 5%	1273	1273	1273	1167	1259
Parity INR/MT (Domestic - Landed)	3799	3871	8490	-1184	-898
Parity USD/MT (Domestic - Landed)	53.14	54.15	118.75	-16.56	-12.56
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	91701.33	91629.17	87010.34	92084.07	93698.15
Soy/Palm oil imported Price (Including tax)	96286.40	96210.62	91360.86	96688.27	98383.06
Loose price of Soy/Palm in Indore and Delhi market	98700.00	98700.00	98700.00	96500.00	96500.00
Parity after processing and Taxes (Rs per MT)	2413.60	2489.38	7339.14	-188.27	-1883.06
Parity after processing and Taxes (USD per MT)	33.76	34.82	102.66	-2.63	-26.34
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
Production	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
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Source: USDA

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