



Veg. Oil Monthly Research Report

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Outlook and Review:

Domestic Front

Edible oil basket featured weak tone during the month under review. Soy oil, palm oil, rapeseed oil, sunflower oil and coconut oil prices fell while groundnut oil prices closed in green.

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

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

On the currency front, Indian rupee is hovering near 73.32 compared to 71.21 last month. Rupee is expected to depreciate in March. Crude oil prices are expected to rise in March.

Recommendation:

In NCDEX, market participants are advised to go short in RSO below 790 for a target of 775 and 770 with a stop loss at 800 on closing basis.

In MCX, market participants are advised to go short in CPO below 670 for a target of 655 and 650 with a stop loss at 680 on closing basis.

Market participants can buy refined soy oil in the cash markets at 780-790 for the target of 820-830 levels (Indore), if needed. Market participants can buy CPO Kandla 5% in the cash markets at 650-660 for the target of 680-690 levels, if needed.

International Veg. Oil Market Summary

CBOT soy oil (May) is expected to stay in the range of 28 cents/lb to 34 cents/lb. CPO at BMD (Apr) is likely to stay in the range of 2200-2800 ringgits per ton. Focus during the coming days will be status of coronavirus in world, trade settlement between US and China, Chinese soybean demand, 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, outbreak of coronavirus in world, fading US-China trade optimism, higher stocks of soy oil in US, higher crop of soybean in South America, low demand of soybean by China, rise in US dollar and fall in crude oil prices is expected to underpin soy oil prices in coming days.

Expected rise in palm oil stocks in Malaysia, expected fall in exports of palm oil from Malaysia, rise in production of palm oil in Malaysia, weak demand from India and China, fall in competing oils, firm ringgit, fall in crude oil prices are expected to underpin CPO prices in near term.

Soy oil: Domestic Market Fundamentals

- Refined soybean oil prices featured downtrend at its benchmark market at Indore during the month of February on weak demand.

Demand of soy oil is expected to fall in Mar on fall in parity in import margins of soy oil due to fall in prices of soy oil in Indian markets. Due to fall in prices of soy oil in Indian markets has led parity to return to disparity.

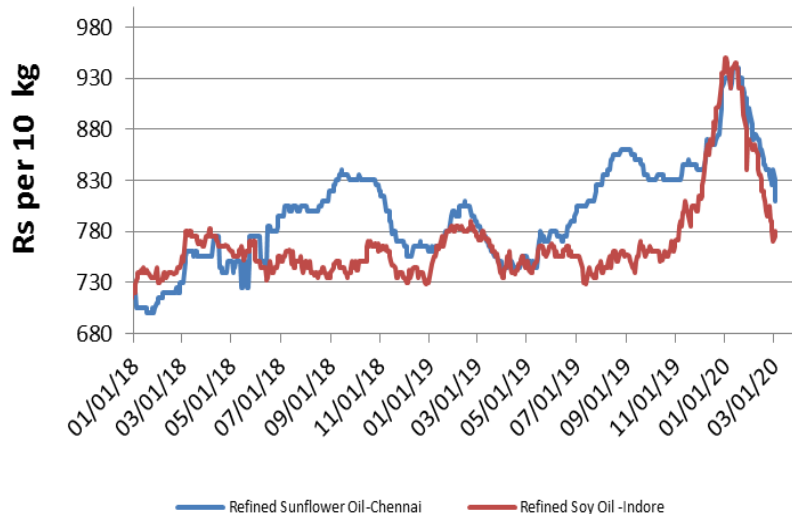
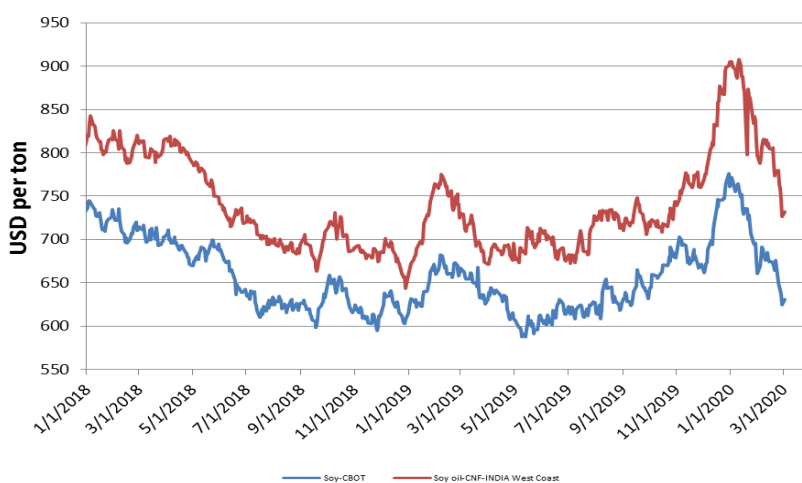
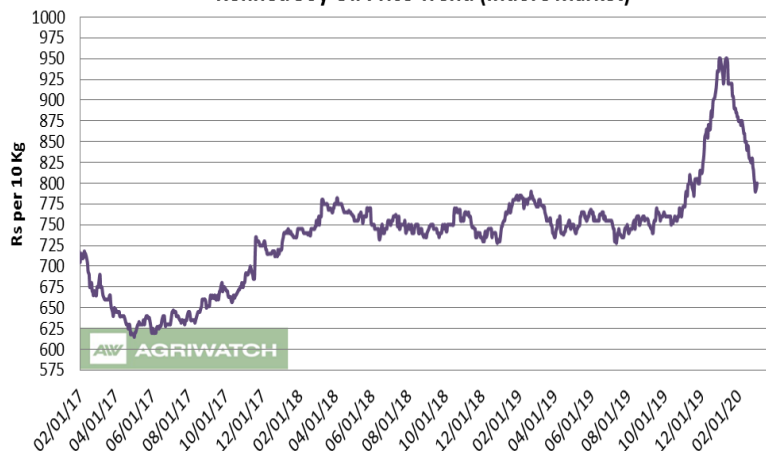
Import prices of soy oil fell on weak demand and fall in soy oil in international markets. Outbreak of coronavirus, weak demand of soybean in China, higher stocks of soy oil in US and higher soybean crop in South America will underpin international soy oil prices. Higher demand of soy oil from Argentina and high basis in soy oil leading to higher FOB prices of soy oil.

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

Prices of CDSO CNF fell more compared to CDSO FOB indicating weak demand at CNF markets.

Import parity of soy oil returned to disparity in Feb due to fall in prices of soy oil in Indian markets and is at Rs 10-15 per 10 kg compared to parity of Rs 10-15 per 10 kg in Jan.

Refined Soy Oil Price Trend (Indore Market)



Refining margins parity returned to disparity in Feb and is at Rs 15-20 per 10 kg compared to parity of Rs 10-15 per 10 kg in Jan.

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

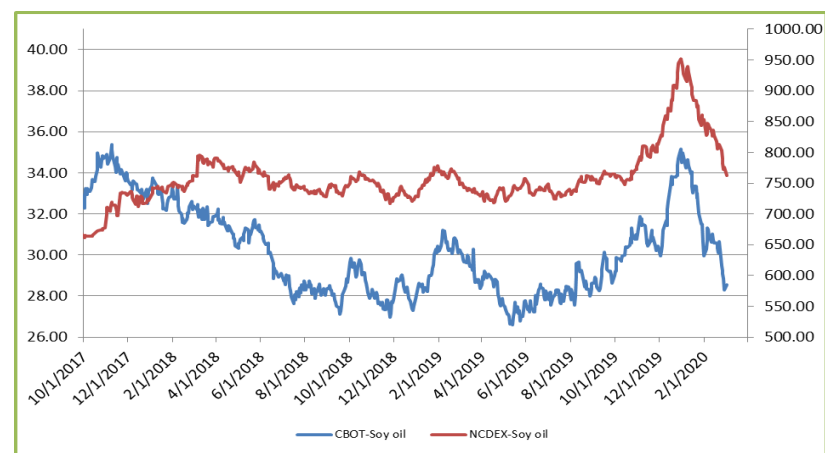
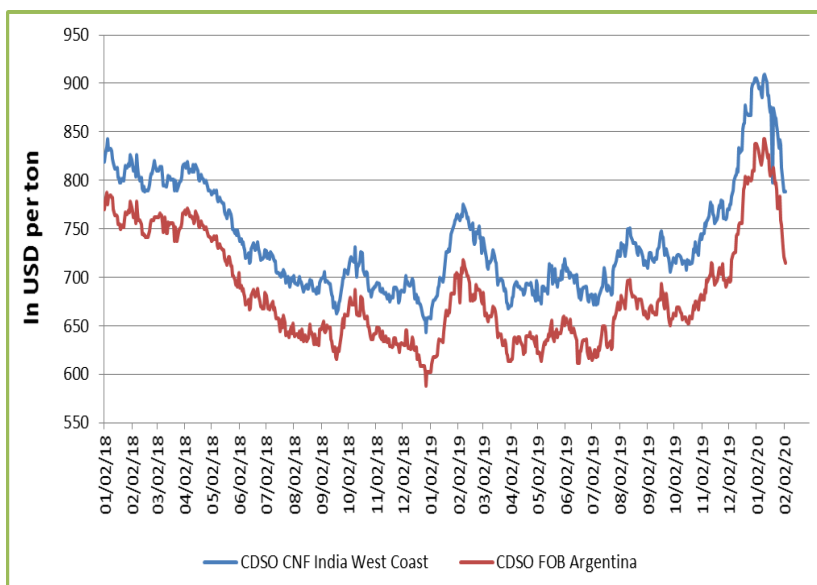
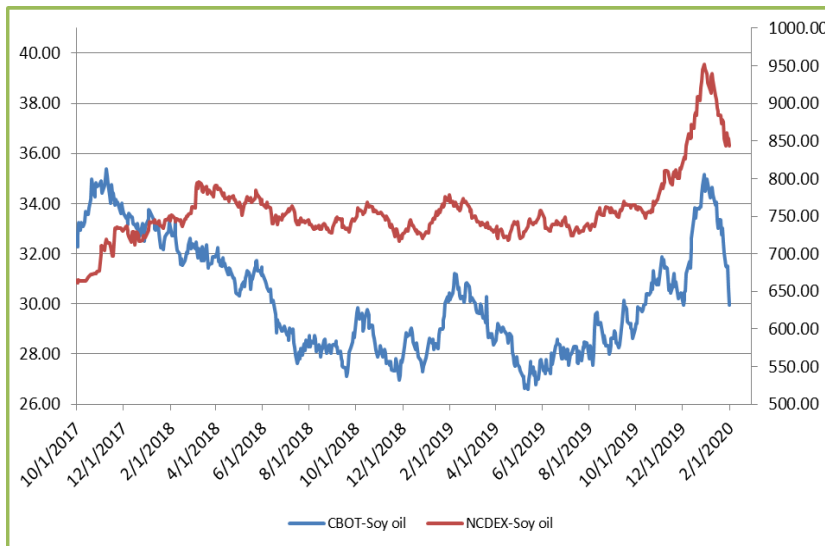
Refined soy oil premium over CPO has increased to Rs 130 (Rs 77 last month) per 10 Kg which is low and will support soy oil prices. Refined soy oil premium over RBD palmolein was at Rs 60 (Rs 50 last month) per 10 Kg, which is low and may increase soy oil prices in domestic markets.

Refined soy oil premium over CDSO high seas is at Rs 48 (Rs 60) per 10 kg indicating weak demand of Refined soy oil compared to CDSO in domestic markets.

Difference increased between CDSO-CNF-India West coast and Soy oil CBOT rose due to rise 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 is progressing at a snail pace due to weak demand Indian soymeal in international markets and weak demand of soy oil. This will decrease 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 Jan compared to Jan 2019 and Dec 2019 and stocks at ports rose. Port stocks rose less compared to rise in imports of soy oil indicating firm demand and restocking at ports.

Prices of soy oil may fall due to weak demand and fall in prices of soy oil in international markets. Low premium over palm oil and positive import parity and positive refining margins will limit losses.



- Soy oil import scenario – According to SEA, soy oil imports rose 40.32 percent y-o-y in January to 2.61 lakh tons from 1.86 lakh tons in January 2019. In the oil year 2019-20 (Nov 2019-Jan 2020), imports of soy oil were 5.93 lakh tons compared to 4.75 lakh tons in last oil year, higher by 24.84 percent compared to last oil year.
- According to Solvent Extractors Association (SEA), India's January edible oil imports fell 4.46 percent y-o-y to 11.57 lakh tons from 12.11 lakh tons in Jan 2019. Palm oil imports in Jan fell 26.87 percent y-o-y to 5.96 lakh tons from 8.15 lakh tons in Jan 2019. CPO imports fell 17.98 percent in Jan y-o-y to 5.29 lakh tons from 6.45 lakh tons in Jan 2019. RBD palmolein imports fell by 70.05 percent in Jan y-o-y to 0.50 lakh tons from 1.67 lakh tons in Jan 2019. Soy oil imports rose 40.32 percent in Jan y-o-y to 2.61 lakh tons from 1.86 lakh tons in Jan 2019. Sunflower oil imports rose 51.0 percent y-o-y in Jan to 3.02 lakh tons from 2.00 lakh tons in Jan 2019. Rapeseed (canola) oil imports in Jan was zero compared to 0.09 lakh tons imports in Jan 2019.
- According to Solvent Extractors Association (SEA), India's January edible oil stocks at ports and pipelines fell 6.72 percent m-o-m to 17.35 lakh tons from 18.60 lakh tons in December 2019. Stocks of edible oil at ports in January rose to 885,000 tons (CPO 420,000 tons, RBD Palmolein 130,000 tons, Degummed Soybean Oil 165,000 tons and Crude Sunflower Oil 170,000 ton) and about 1,000,000 tons in pipelines. (Stocks at ports were 860,000 tons and in pipelines were 1,070,000 tons in December 2019). India is presently holding 27 days of edible oil requirement on 1st Feb, 2020 at 17.35 lakh tons compared to 29 days of requirements last month at 18.60 lakh tons last month. India held 21.10 lakh tons of stocks in ports and pipelines on 1st Feb 2019. India's monthly edible oil requirement is 19.0 lakh tons.
- Imported crude soy oil CIF at West coast port is offered at USD 735 (USD 792) per ton for Mar delivery, Apr delivery is quoted at USD 731 (USD 780) per ton and May delivery is quoted at USD 709 (USD 760) per. Values in brackets are figures of last month. Last month, CNF CDSO Feb average price was USD 787.13 (USD 869.92 per ton in Jan 2020) per ton.



- On the parity front, margins decreased during the month on fall in prices of soy oil in Indian markets, and we expect margins to remain weak in coming days. Currently refiners lose USD 15-20/ton v/s gain 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 700-900 per 10 Kg in the near term.

Palm oil: Domestic Market Fundamentals

- CPO prices witnessed weak tone in the month of February at its benchmark market at Kandla on weak demand and fall in prices of CPO in international markets.

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

Demand of CPO is regular at CNF markets as prices fell equally at CNF compared to FOB markets.

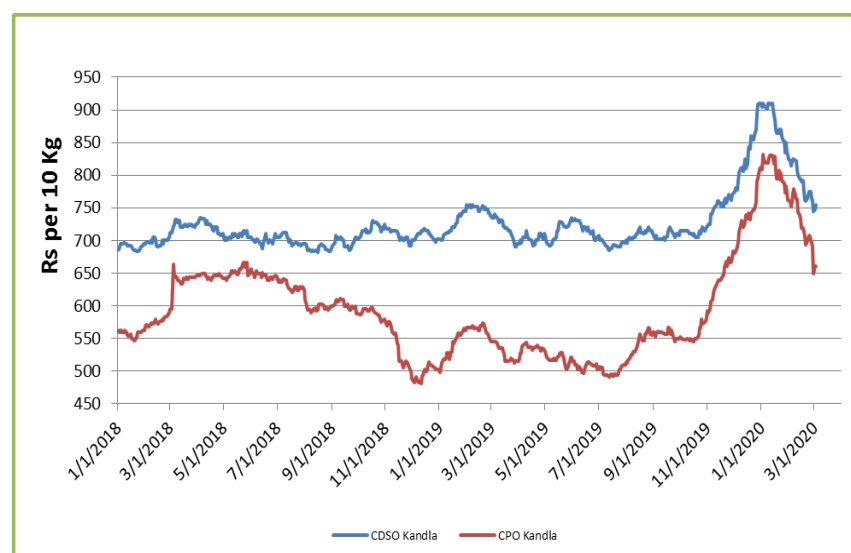
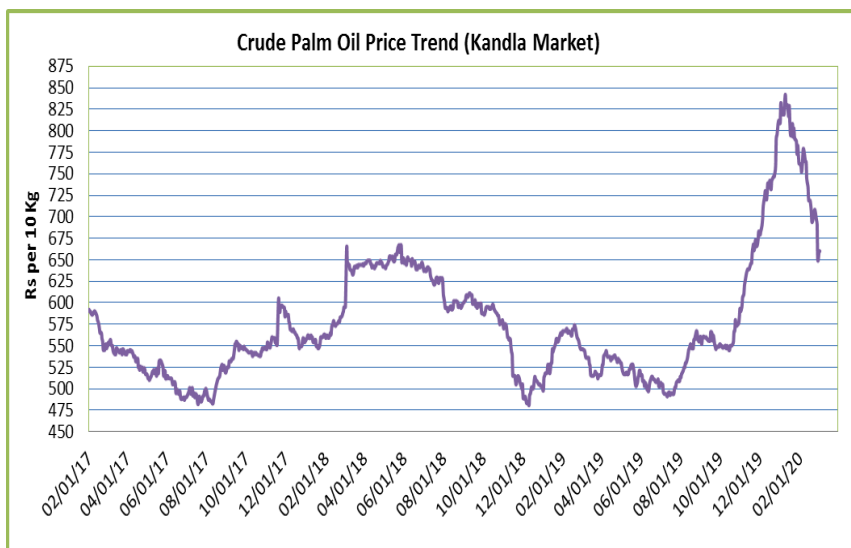
Fall in CPO prices is higher in Indian markets compared to international markets is due to weak.

Supply of CPO is decreasing in Indian markets leading to fall in stocks at ports.

Disparity in imports increased due to Indian restricting RBD palmolein imports, fall in prices of CPO in Indian markets and depreciation of Rupee. In Rupee terms, disparity currently stands at Rs 40-45 per 10 kg compared to Rs 25-30 per 10 kg last month. Due to disparity in imports prices will not fall more going ahead.

Fall in international prices of CPO has made imports cheaper which will increase imports in coming months. Depreciation of Rupee will increase disparity in Mar.

India increased import duty on CPO

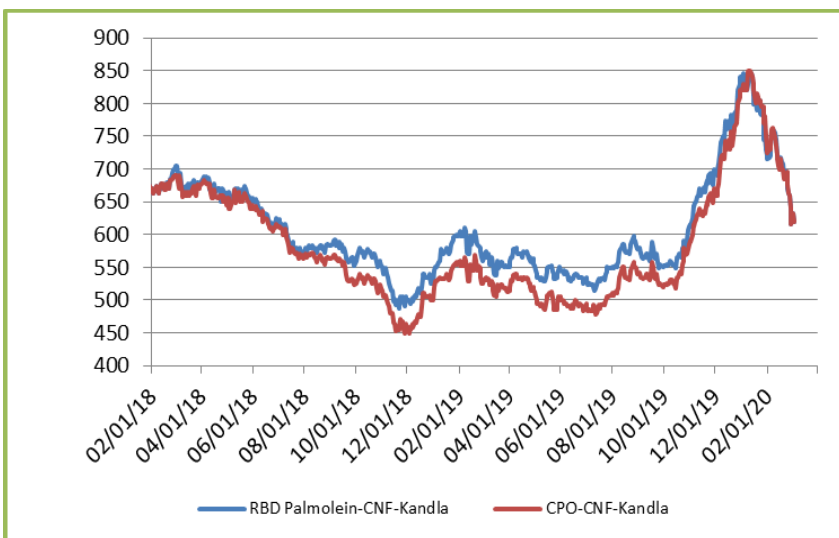
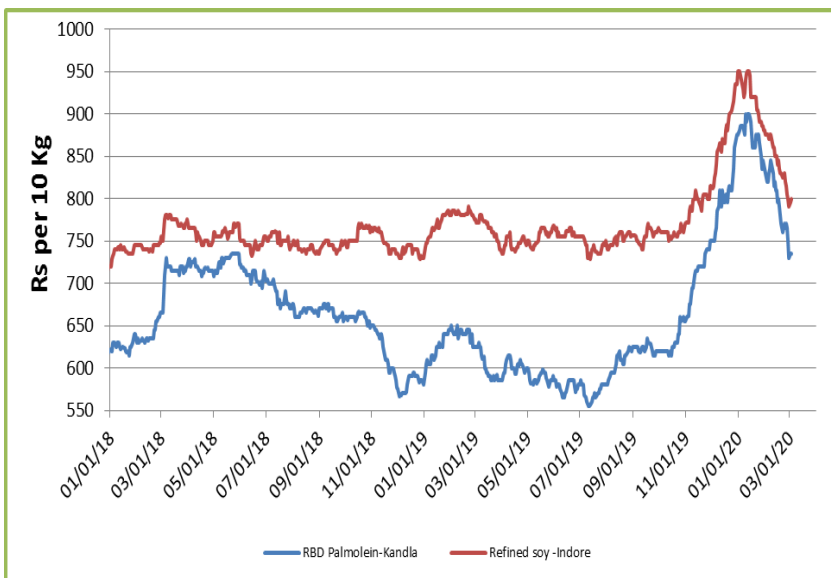


from 37.5 percent to 44 percent in an effort to decrease imports and support farmers. This hike in import duty is awaiting finance bill clearance in Parliament. This step will hurt Indian refiners as Malaysia and Indonesia increased export duty on exports of CPO.

India issued license to import 11 lakh tons of RBD palmolein from Indonesia, Bangladesh and Nepal has led to outrage in industry. Trade bodies are telling that this license is against the basic goal of increasing oilseeds farming. Big crop of mustard is expected and this permission will lead to lower capacity utilization of crushers and lower margins to palm oil refiners. This step is indeed in wrong direction. Government is saying that it will increase supply of RBD palmolein in Indian market due to restriction of palmolein imports in Jan has led to short supply of palmolein. India imported less CPO in Jan due to higher prices of CPO and inverted tax structure by Indonesia and Malaysia.

CPO trade is weak as traders are stuck at higher prices of CPO due to surge in prices of CPO in Oct-Jan. Traders took advantage of rise in prices of palm oil to offload old stocks.

Stocks of CPO at Indian ports fell due to low imports and destocking at ports.



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

RBD palmolein featured weak tone in its benchmark market on weak demand and fall in prices of RBD palmolein in international markets.

Prices of RBD palmolein fell less at high seas compared to CNF markets indicating weak supply at high seas.

Import parity of ready to use imported palmolein has risen above CPO on hike in import duty on imports of CPO. Duty differential between CPO and RBD palmolein has decreased from 7.5 percent to 1.0 percent due to hike in import duty on CPO.

CNF prices of RBD palmolein sourced from Indonesia is equal to CPO sourced from Indonesia. Also, prices of RBD palmolein FOB Malaysia is trading just above CPO Indonesia. Before cut in import duty RBD palmolein in Dec 2019 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 zero at CNF India.

In Rupee terms, disparity of RBD palmolein currently stands at Rs 20-25 per 10 kg compared to parity of Rs 0-5 per 10 kg last month due to and fall in prices of CPO in Indian markets. Due to disparity in imports prices will not fall much going ahead.

Refining margins of CPO is above imported ready to use palmolein.

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

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

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

RBD palmolein premium over CPO decreased to Rs 70 (Rs 27 last month) per 10 kg indicating weak supply of RBD palmolein compared to CPO at high seas.

Import of CPO in January was lower than that of Jan 2019 and higher than Dec 2019. Stocks at ports fell in Jan compared to Dec 2019. Stocks at ports fell less than fall in imports indicating weak domestic demand in Jan.

Import of RBD palmolein is fell in Jan compared to Jan 2019 and Dec 2019. Imports fell in Jan compared to Dec 2019 and stocks fell at ports indicating weak demand in Jan.

Decrease in import duty on RBD palmolein and hike in import duty of CPO will lead to 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 130 (Rs 77 last month) per 10 Kg will decrease demand of CPO and decrease imports.

Previous chart in soy oil section shows that premium of soy oil over palm oil has decreased in Feb at CNF markets. Low premium of crude sunflower CNF India West coast and CPO CNF at USD 100 (USD 75) 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 rise 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 90 (USD 73 last month) per 10 kg. Premium of CDSO soy oil high seas over CPO high seas is at Rs 82 (Rs 17 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 50 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 January fell 26.87 percent y-o-y to 5.96 lakh tons from 8.15 lakh tons in January 2019. Imports in the oil year 2019-20 (November 2019-January 2020) are reported lower by 11.60 percent y-o-y at 20.5 lakh tons compared to 23.19 in last oil year.

Crude Palm oil import scenario- According to Solvent Extractors Association (SEA), CPO Imports in fell 17.98 percent y-o-y in January to 5.29 lakh tons from 6.45 lakh tons in January 2019. Imports in oil year 2019-20 (November 2019-January 2019) were reported lower by 9.71 percent y-o-y at 17.01 lakh tons compared to 18.84 lakh tons in last oil year.

RBD palmolein import scenario- RBD palmolein imports fell 70.05 percent y-o-y in January to 0.50 lakh tons from 1.67 lakh tons in January 2019. Imports in oil year 2019-20 (November 2019-January 2020) were reported lower by 34.40 percent y-o-y at 2.67 lakh tons compared to 4.07 lakh tons in last oil year.

- Government of India has issued licenses to import RBD palmolein from Indonesia, Bangladesh and Nepal amounting to 11 lakh tons. This step will lower margins of local refiners and with inverted tax structure in Indonesia will lead to higher imports in coming months. However, this step will increase supply of RBD palmolein in Indian markets as restricting imports of RBD palmolein in Jan led to shortage of supply in Indian markets.
- According to United States Department of Agriculture (USDA) Feb estimate, India's 2019/20 palm oil import estimate have been reduced to 97.50 lakh tons from 100.0 lakh tons in its earlier estimate, higher by 2.5 percent. Palm oil consumption have been reduced to 100.35 lakh tons from 101.85 lakh tons in its earlier estimate, lower by 1.47 percent.
- According to Ministry of Finance (MOF), Government of India Notification number 01/2020-Customs dated 2nd February 2020, India increases import duty on crude palm oil imports by 6.5% on CPO to 44% from 37.5% earlier. This makes effective import duty to 48.4% from 41.25%. Import duty on imports if RBD palmolein stands at 45% making effective import duty at 49.5% after chess. This comes after India restricted imports of RBD palmolein in Jan this year and reduction of customs duty on CPO on Dec 31 2019 by 2.5% to 37.7% from 40% earlier. This hike in import duty on CPO is unprecedented and industry and markets are surprised by government move.
- 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.

- On the trade front, CNF CPO (Indonesian origin) at Indian port quoted at USD 645 (USD 730) per ton for Mar delivery and Apr delivery is quoted at USD 645 per ton. Last month, CNF CPO Feb average price was at USD 704.87 per ton (USD 810.57 per ton in Jan 2020). Values in brackets are figures of last week.

Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 645 (USD 717.5) per ton for Mar delivery and Apr delivery is quoted at USD 645 per ton. Last month, CIF RBD palmolein Feb average price was USD 705.73 (USD 732.16 in Jan 2020) per ton. Values in bracket depict last month quotes.

Ready lift CPO duty paid prices quoted at Rs 663 (Rs 793) per 10 Kg and Mar delivery duty paid is offered at Rs 670 (Rs 797) per 10 kg. Ready lift RBD palmolein is quoted at Rs 750 (Rs 820) per 10 kg as on Mar 4, 2020. Values in brackets are figures of last month.

- On the parity front, margins decreased during the month of Jan on lower price of palm oil products in Indian markets and we expect margins to remain weak in coming days. Currently refiners lose USD 25-30/ton (Feb average) v/s loss of USD 20-25/ton (Jan average) margin in processing the imported CPO but on the imports of ready to use palmolein lose USD 35-40/ton (Feb average) v/s loss of USD 15-20 (Jan average).

Price Outlook: We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 600-750 per 10 Kg in the near term.

Rapeseed oil: Domestic Market Fundamentals

- Rapeseed oil featured weak trend at various markets on weak demand and fall in competing oils. All India arrivals of rapeseed fell in February.

Demand fell in the month of Feb on weak buying in cash markets and winter demand faded.

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

Prices of rapeseed oil may fall due to seasonal downtrend of prices.

Stock position is firm against weak demand position.

Rapeseed oil is moving out of Rajasthan at Rs 820-840 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 4.21 lakh tons. Stock with NCDEX is 0.00 lakh tons.

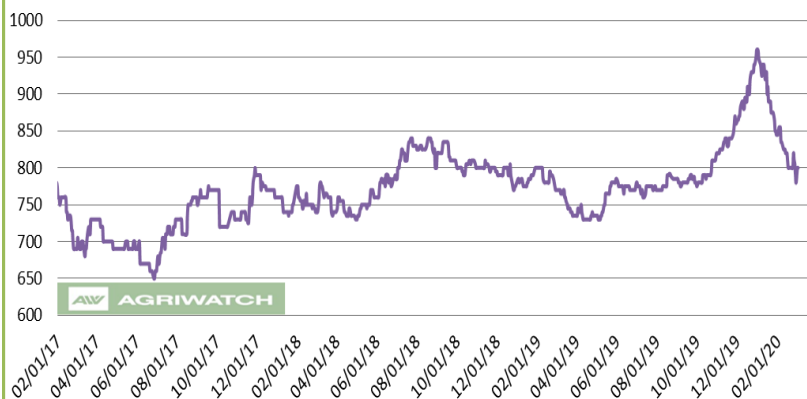
So, total progressive sale is 6.68 lakh tons. However, with the pace of sale of rapeseed by NAFED, sale will fall short of estimates.

NAFED is selling rapeseed below MSP this sale season.

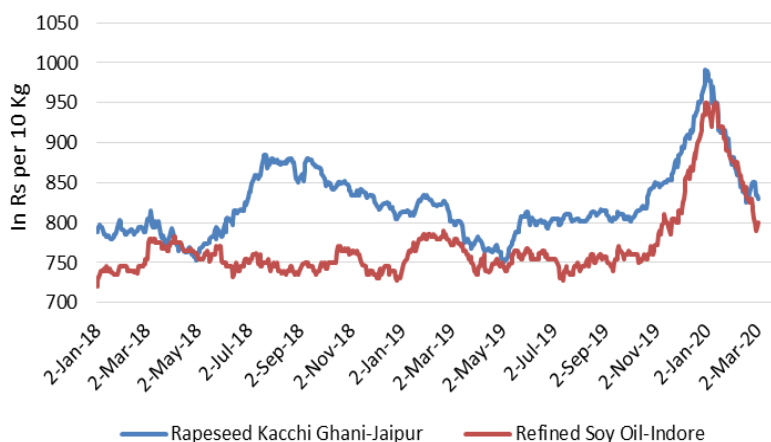
NAFED will try to sell maximum amount of stocks rapeseed.

Rapeseed crop in MY 2019-20 will be lower than MY 2018-19 crop of 7.9 MMT. Yields will be lower due to less sunny weather seen in winter. Crop planting is lower.

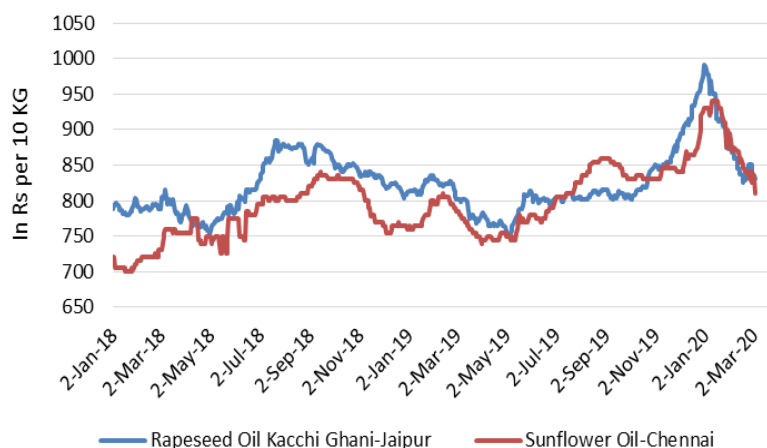
Mustard Oil Price Trend (Kota Market)



Comparison Between Rapeseed Oil & Refined Soy Oil



Comparison Between Rapeseed Oil & Sunflower Oil



Arrivals of rapeseed had peaked fall in Feb.

Prices are 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 17 (Rs -3.0) per 10 Kg, will support rapeseed oil prices in medium term.

There have been very little imports of canola oil in last 10 months. If rapeseed oil prices continue to remain low in oil year 2019-20 imports will remain low.

Carryout of rapeseed oil is expected to fall in oil year 2019-20 due to lower rapeseed crop and higher demand due to India restricting palmolein imports may 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 January. Imports of canola oil is weak in oil year 2019-20 (Nov 2019-Oct 2020) after weak oil year 2018-19 (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 77 (Rs 47) 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 69.51 lakh hectares as on 31.01.2020 compared to 69.76 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, Chattisgarh and Jharkhand.
- Rapeseed oil import scenario- India imported zero rapeseed (Canola) oil in January 2019 v/s 0.09 lakh tons imports in January 2019. In the oil year 2019-20 (Nov 2019-Jan 2020) imports were 0.0 lakh tons compared to 0.36 lakh tons in last oil year.
- Currently, RM oil at Jaipur market (expeller) is offered at Rs 820 (Rs 845) per 10 Kg and at Kota market is quoted around Rs 800 (Rs 855) per 10 kg as on Mar 4, 2020. Values in brackets are figures of last month.
- We expect RM seed oil prices to trade sideways to firm tone in the coming days.

Price Outlook: We expect Rapeseed oil (Kota) to trade in the price band of Rs 750-850 per 10 Kg.

Sunflower oil: Domestic Market Fundamentals

- Sunflower oil featured weak trend at its benchmark market in Chennai during the month of February on weak demand and fall in competing oils prices.

Sunflower oil prices fell less at high seas compared to CNF indicating firm demand at high seas.

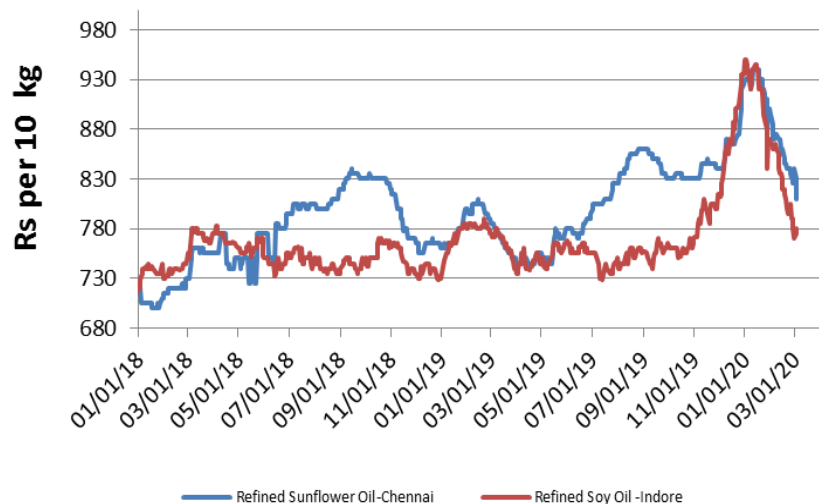
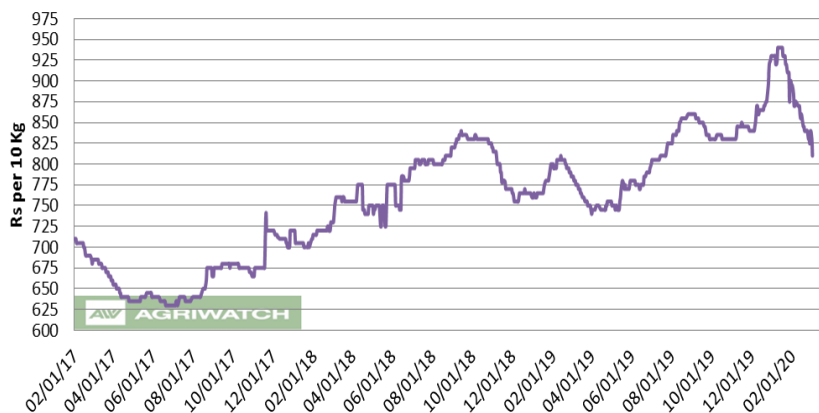
Sunflower oil prices fell in February due to fall in prices of palm oil and soy oil.

Higher prices of sunflower oil in last few months has weakened demand. 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. Carryout of sunflower oil will rise in oil year 2019-20 due to surge in imports and India restriction palmolein imports. Further, imports will surge from here due to low premium over soy oil and palm oil may lead to rise in end stocks.

Import demand of sunflower oil may rise due to positive import parity and positive refining margins. Import parity and refining margins parity increased last month.

Prices of sunflower oil at CNF markets are falling due to falling

Sunflower Oil Price Trend (Chennai Market)



prices of competing oils. Further, due surplus stock of sunflower in Ukraine, will cap sunflower oil prices at CNF markets in March.

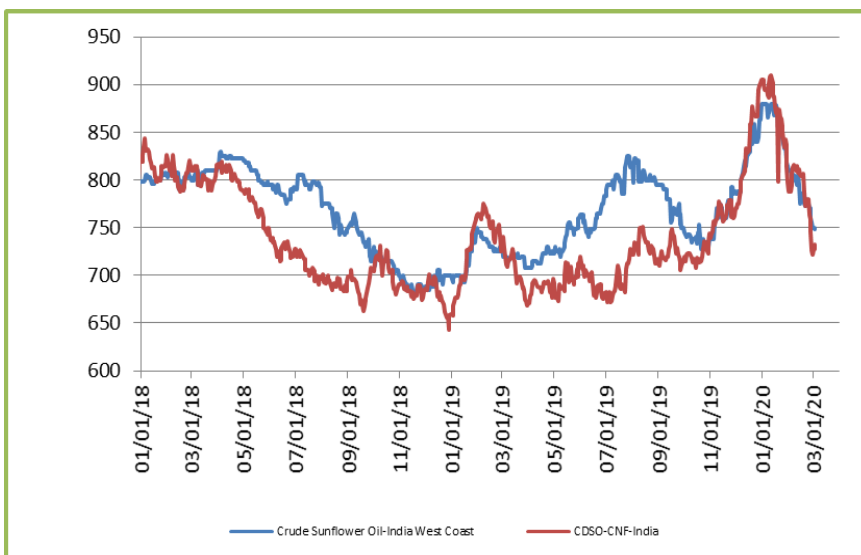
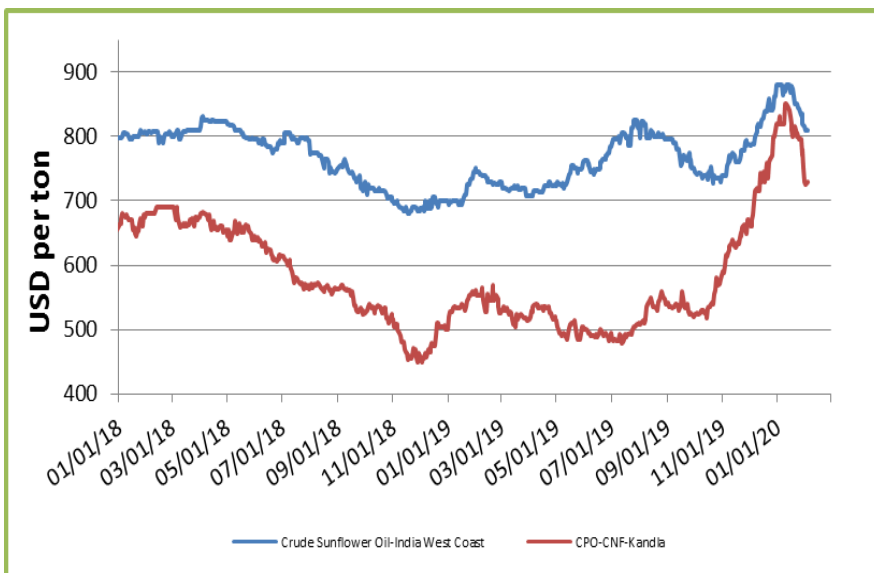
Depreciation of Rupee in coming months will make imports costlier and will limit sunflower oil imports in coming months.

Imports of sunflower oil rose in Jan compared to Dec 2019. Stocks at ports rose due to firm imports. Higher supply of sunflower oil in domestic market due to higher imports will underpin prices of sunflower oil.

Premium of CSFO over CPO at CNF markets is 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 Feb as crude sunflower oil CNF premium over CDSO CNF is negative and over palmolein is low. Sixth chart from above shows crude sunflower oil premium over CDSO is has low in Feb will increase imports.

Third chart from above shows that sunflower oil prices are correlated to soy oil prices in domestic market. There is convergence in prices of sunflower oil and soy oil in domestic market. Fifth chart from above shows that sunflower oil premium over RBD palmolein is



low in Feb.

Refiners and stockists have increased stocking as sunflower oil premium over soy oil is increased to USD 10 (USD -3.0 last month) per ton.

In domestic market sunflower oil premium over soy oil is at Rs -5 (Rs 0.0) 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 55 (Rs 50 last month) per 10 kg is low. Low premium of sunflower oil over RBD palmolein will support sunflower oil prices.

Premium of CSFO over RBD palmolein is at USD 100 (USD 75) 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 425 (Rs 250 last week) per 10 kg will support sunflower oil prices.

In domestic market, prices is expected to fall in medium term due to firm supply due to India restricting RBD palmolein imports. Low premium over palm oil and soy oil prices will limit losses. Supply will rise due to extra import of sunflower oil on above factors.

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 fall on firm supply. Prices of sunflower oil are expected to remain in a range with downward bias in February.

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

- Sunflower oil imports scenario- According to Solvent Extractors Association (SEA), Sunflower oil imports rose 51.0 percent y-o-y in January to 3.02 lakh tons from 2.00 lakh tons in January 2019. Imports in oil year 2019-20 (November 2019-January 2020) were reported higher by 26.96 percent y-o-y at 7.63 lakh tons compared to 6.01 lakh tons in last oil year.
- According to United States Department of Agriculture (USDA) Feb estimate, India's 2019/20 sunflower oil import estimate have been raised to 27.50 lakh tons from 26.50 lakh tons in its earlier estimate, higher by 3.77 percent. Sunflower oil consumption have been raised to 28.75 lakh tons from 27.75 lakh tons in its earlier estimate, higher by 3.60 percent.
- All India Rabi progressive sowing of sunflower has reached 1.04 lakh hectares as on 31.01.2020 compared to 1.13 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 745 (USD 800) per ton for Mar delivery, Apr delivery is quoted at USD 752.5 (USD 810) per ton and May delivery is quoted at USD 760 (USD 810) per ton. CNF sun oil (Ukraine origin) Feb monthly average was at USD 785.13 per ton compared to USD 859.38 per ton in Jan. Values in brackets are figures of last week.



- Prices are likely to stay in the range of USD 700-800 per ton in the near term. CNF Sunflower oil premium over CDSO is hovering at USD 10.0 (USD -3.0 last week) per ton for Jan delivery. CNF sunflower oil premium over RBD palmolein is hovering around USD 100 (USD 75) per ton.
- Currently, refined sunflower oil at Chennai market is offered at Rs 805 (Rs 870) per 10 Kg, and at Kandla/Mudra market, it is offered at Rs 820 (Rs 880) per 10 kg as on Mar 4, 2020. Values in brackets are figures of last month.
- We expect sunflower oil prices to trade sideways to weak tone in the coming days.

Price Outlook: We expect sunflower oil (Chennai) to trade in the price band of Rs 750-850 per 10 Kg.

Groundnut oil: Domestic Market Fundamentals

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

Demand increased due to at lower levels. Demand rose despite weak demand season in Gujarat.

Prices of groundnut oil rose due to weak stocks position of various oil in market due to sharp fall in prices leading buyers absent in the market. This led to shift in oils towards groundnut oil despite being premium oil.

Prices rose on rise in groundnut prices.

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

Demand of groundnut oil may decrease due rise in its prices.

Prices of groundnut oil rose despite fall in price of palm oil indicating firm demand.

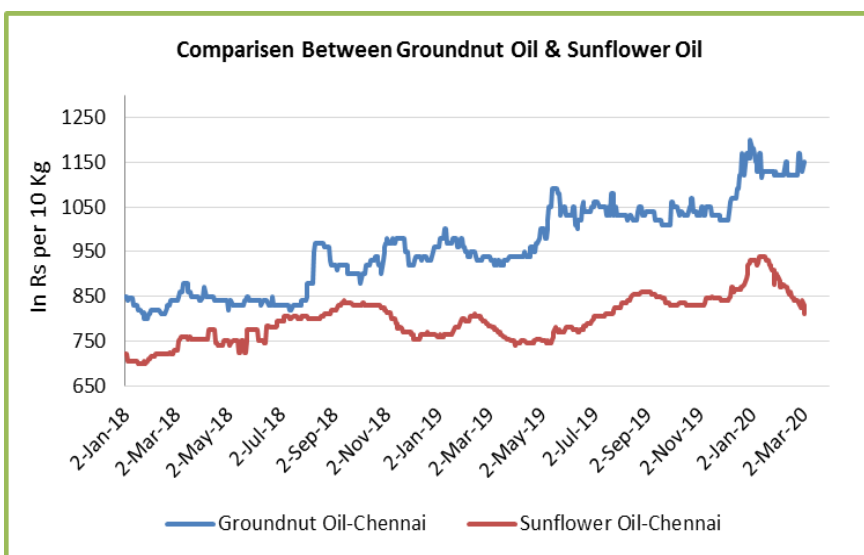
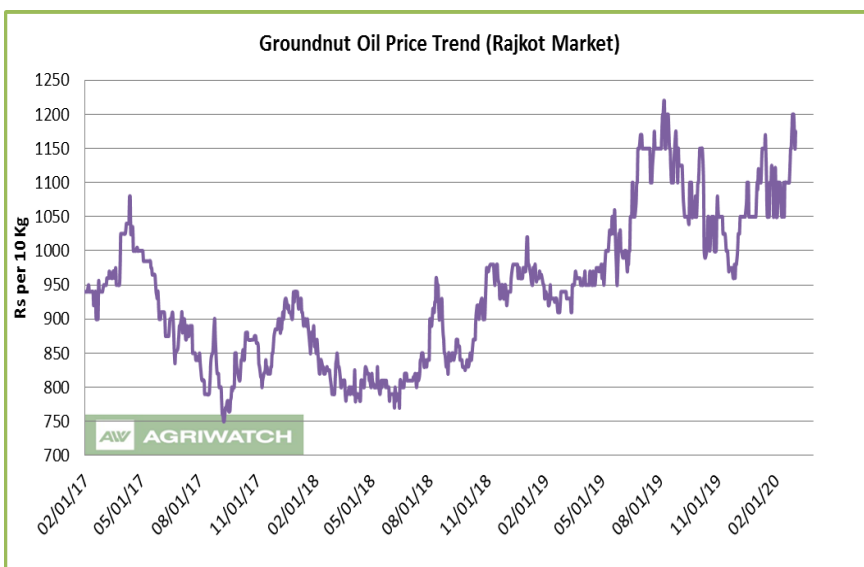
Retail demand of groundnut oil rose due low volatility in prices and regular rise in prices. Crushing of groundnut is progressing at good pace will benefit groundnut oil consumers.

Demand will fall as peak demand season is over in Gujarat.

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

NAFED procurement is over in Gujarat and Rajasthan. However, NAFED is procuring in South India. NAFED has procured 7.18 lakh tons of groundnut since the start if procurement.

NAFED stocks of K-18 groundnut is 1.38 lakh tons at the end of sale of groundnut. So, with procurement of new season the total stocks with NAFED is 8.56 lakh tons.



However, price will be supported as 60 percent groundnut has been consumed either in crushing, NAFED auctions, crushing, direct consumption and exports. Moreover, additional groundnut will be used seed (around 15 percent). So only 25 percent crop is left for crushing, exports and direct consumption. This will support losses of groundnut oil prices.

Demand of groundnut oil will decrease between Rs 1200-1250 per 10 kg levels.

There is parity in premium quality of groundnut oil and there is parity in medium quality and most of the trade is in medium quality. Groundnut oil is going of Gujarat at Rs 1060-1080 per 10 kg.

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. However, government intends to ban exports of groundnut oil will underpin its 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 and Rabi 2019-20.

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

High premium of groundnut oil over sunflower oil and palm oil will limit gains of groundnut oil in coming months.

Production of groundnut rose in 2019-20 substantially due to good rains which led to higher area planted and higher yields of groundnut.

In Andhra Pradesh and Tamil Nadu prices rose on firm demand. There is no parity with Gujarat. 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 fell in Feb and arrivals will increase in Mar when fresh crop of groundnut will be harvested. Further, due to good rains in groundnut growing regions of South India led to higher area harvest in South India. Planting of Rabi groundnut in South India rose 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 weak supply position in the market. Prices are expected to trade sideways to higher.

- All India Rabi progressive sowing of groundnut as on 31.01.2020 has reached 4.75 lakh hectares compared to 4.59 lakh hectares in corresponding period last year. Sowing is higher than corresponding period last year in Andhra Pradesh, Telangana, and Karnataka while it is slow in Tamil Nadu and Orissa.
- On the price front, currently the groundnut oil prices in Rajkot is hovering near Rs 12,000 (11,200) per quintal and quoting at Rs 12,300 (Rs 11,200) 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 1100-1300 per 10 Kg.

Coconut oil: Domestic Market Fundamentals

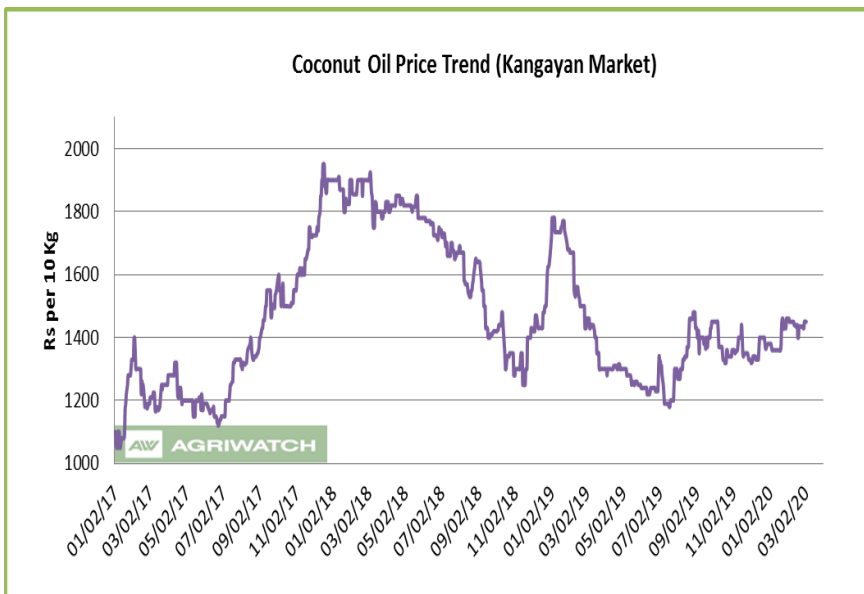
- Coconut oil featured weak trend at its benchmark market in Kangeyam on weak demand.

Demand weakened despite demand season.

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

Copra prices traded higher due to pickup of harvest and peak harvest season.

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



Retail demand will improve due to low volatility in prices. However, regular fall in prices may slow demand.

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.

Fall in palmolein prices will decrease coconut oil consumption. Prices of RBD palmolein is 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 2020, demand will rise from 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.

India has imposed higher import duty on desiccated coconut (DC) to stop surge in imports of desiccated coconut (DC), 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. Import above Rs 150 per kg is free while below these prices imports are restricted.

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

Traders and upcountry buyers are stocking as they are 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 March 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 (15,000) per quintal, and quoting Rs 14,500 (14,600) per quintal in Erode market on Mar 4, 2020.
- 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 1350-1550 per 10 Kg.

International Soy oil Market Fundamentals

- Soy oil prices are underpinned by coronavirus uncertainty, high stock of soy oil in US, higher crop of soybean in Brazil and Argentina, lower demand of soybean from China, fall in competing oils prices and fall in crude oil prices.

However, cancellation of export leases by Argentina will limit losses as it will lead to higher prices of soy oil in international markets. This is happening due to new conservative government winning polls in the country. The government raised export tax on exports of soy products paving way from more controls. Government in Argentina is fighting to control fiscal deficit and inflation, which has led to big depreciation of Argentina Peso in last 4 years.

Argentina hiked export duties on exports of soy products from 24.5 percent to 30 percent. This has led to expectation that more controls will come in corn and wheat.

Coronavirus has claimed more than 3000 lives across globe. The outbreak has reached 29 countries including Italy, Iran, South Korea and Japan. This has led to lockdown of China and other countries leading to breakdown of global supply chain of soybean. Further, this has led to lower meat consumption in China leading to lower demand of soybean in the country. Moreover, lower swine count in China due to swine flu in 2019, which led to 40 percent drop in swine count led to lower demand of soybean by China.

US-China trade settlement has been applicable from Feb 15 and there has been no major purchase by China leading to uncertainty in demand from US. Trade settlement optimism is fading and its success will only support market.

China is expected to buy soybean from Brazil in near term due to new crop harvest in Brazil and Brazilian soybean is quoted lower compared to US origin.

Soy oil stocks rose in US as reported by NOPA on higher in crush of soybean and lower domestic disappearance leading to higher supply of soy oil. Rise was more than trade estimate. Lower domestic disappearance in US is due to lower biodiesel demand despite higher Feed, Food and Industrial use.

Harvest of soybean is progressing in Brazil and has been finisher in 43 percent area lower than corresponding period last year and 5-year average. Wet conditions has led to lower pace of harvest and lower rate to transport. With the harvest, Brazil is harvesting record soybean crop in 2019/20. USDA has pegged soybean crop in Brazil at 125 MMT in its Feb review compared to previous estimate of 123 MMT. Exports of soybean from Brazil has been hiked to 77 MMT from 76 MMT on higher global demand despite weak demand from China.

Crop is in good condition in Argentina with beneficial rains in key areas have has led to good moisture aiding crop development. Soybean crop area in Argentina is expected to be higher than due to higher yields. USDA kept soybean crop unchanged for Argentina at 53 MMT. USDA is expected to hike soybean crop of Argentina in March estimate. Buenos Aires grains exchange has hiked soybean crop in Argentina by 3 MMT to 54 MMT in its latest estimate.

Competing oils like palm oil are expected to fall due to falling global demand is expected to underpin soy oil prices in coming days.

USDA increased soybean crop of US in 2020/21 on higher area and higher yields. Crop size is 17 percent higher than 2019/20 crop. However, stocks of soybean will be lower due to higher exports especially to China and improving US global share of soybean exports.

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 just above at 96 MMT due to wet and cool spring, which stopped farmers plant soybean and adverse condition during crop progress.

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.

China is expected to report higher soybean import demand in coming months especially from US. Lower imports of soybean in near term, restocking of soybean and higher demand to increase swine count in the country will lead to higher imports of soybean in 2020. USDA increased soybean import estimate of China 88 MMT in 2019/20 from 85 MMT.

However, import demand will stay moderated in long term as China is diversifying protein sources. 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 may lead 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 country's demand.

Lower import of soybean by China will lead to shift of buyers to palm oil due to lower supply soy oil on lower soybean imports. Higher demand of palm will lead to lower soy oil prices.

Argentina's soybean exports is expected lower due to be lower Chinese demand on US-China trade settlement.

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

Soy oil prices are underpinned by fall in crude oil prices due to outbreak of coronavirus in Middle East apart from China, South Korea and Japan.

- According to National Oilseed Processors Association (NOPA), U.S. January soybean crush rose by 1.22 percent m-o-m to 176.940 million bushels from 174.812 million bushels in December 2019, above market expectation. Crush of soybean in Jan was higher by 3.09 percent y-o-y compared to Jan 2019 figure of 171.630 million bushels. Soy oil stocks in U.S. at the end of Jan rose 14.57 percent m-o-m to 2.013 billion lbs compared to 1.757 billion lbs in end Dec 2019. Stocks of soy oil in end Jan was higher by 29.95 percent y-o-y compared to end Jan 2019, which was reported at 1.549 million lbs. Soy oil stocks was above trade expectation.
- According to China's General Administration of Customs (CNGOIC), China's December edible vegetable oils imports rose 14.6 percent m-o-m to 9.04 LT from 10.59 LT in November 2019. Imports in Dec was higher by 21.8 percent compared to Dec 2018 which was reported at 7.42 LT. Year to date imports of edible vegetable oil rose 51.5 percent to 95.33 lakh tons.
- According to China's General Administration of Customs (CNGOIC), China's Dec soybean imports rose 15.3 percent to 9.54 MMT from 8.28 MMT in Nov 2019. Imports in Dec are 66.80percent higher than Dec 2018 import of 5.72 MMT. Year to date soybean imports rose 0.5 percent to 88.511 MMT.
- The U.S. Department of Agriculture monthly supply and demand report for the month of Feb forecasts U.S. 2019/20 soybean stocks at 425 million bushels from 475 million bushels in its earlier estimate. Opening stocks in 2019/20 is unchanged at 909 million bushels. Soybean production is kept unchanged at 3,558 million bushels. U.S. soybean exports estimate are increased to 1,825 million bushels compared to 1,775 million bushels in its earlier estimate. Imports estimate is unchanged 15 million bushels. Crush in 2019/20 is kept unchanged at 2,105 million bushels. Seed use in 2019/20 has been kept unchanged at 96 million bushels. Residual use is kept unchanged at 32 million bushels. Average price range in 2019/20 is reduced to 8.75 cents/bushel from 9.00 cents/bushel in its earlier estimate.
- According to Malaysia Palm Oil Board (MPOB), Malaysia's January palm oil stocks fell 12.69 percent to 17.56 lakh tons compared to 20.11 lakh tons in December 2019. Production of palm oil in Jan fell 12.60 percent to 11.66 lakh tons compared to 13.34 lakh tons in Dec 2019. Exports of palm oil in Jan fell 13.20 percent to 12.14 lakh tons compared to 13.98 lakh tons in Dec 2019. Imports of palm oil in Jan fell 30.88 percent to 0.85 lakh tons compared to 1.23 lakh tons in Dec 2019. End stocks of palm oil fell more compared to trade expectation. Fall in stocks was due to lower production partially setoff by fall in exports of palm oil.
- USDA WASDE highlights: The U.S. season-average soybean price for 2019/20 is forecast at \$8.75 per bushel, down 25 cents reflecting reported prices to date. The soybean oil price forecast is lowered 0.5 cents to 33.5 cents per pound. The soybean meal price forecast is unchanged at \$305.00 per short ton.

Price Outlook: We expect Ref. soy oil with VAT to trade in the price band of Rs 700-900 per 10 Kg.

International Palm oil Market Fundamentals

- Palm oil prices are likely to fall due to coronavirus worries, expectation of rise in end stocks of palm oil in Malaysia, slowdown of exports of palm oil from Malaysia, expectation of rise in production of palm oil in Malaysia, fall in competing oils prices and fall in crude oil prices.

However, depreciation of ringgit and higher use of palm oil in biodiesel in Indonesia and Malaysia will limit losses.

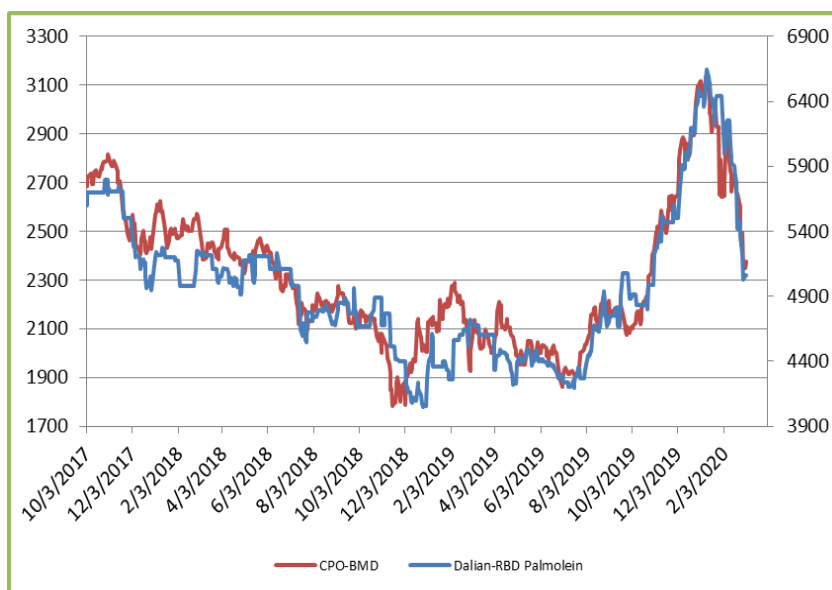
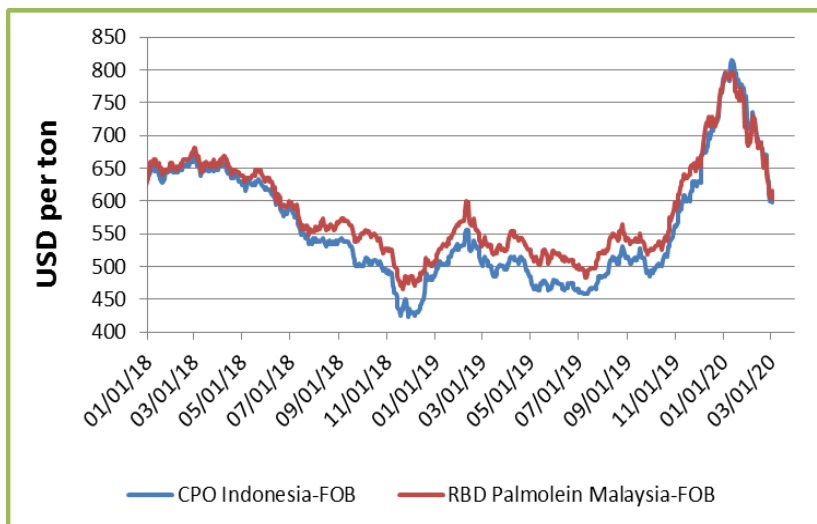
Palm oil stocks fell in Malaysia in Jan due to slowdown of production of palm oil and slow fall in exports of palm oil from the country. End stocks of palm oil fell to 1.75 MMT from 2.0 MMT. Production fell 13 percent in Jan and exports fell 13 percent in Jan. End stocks of palm oil is expected to rise in Malaysia in 2020 and end the year at 2.6 MMT.

End stocks of palm oil is expected to rise in Feb due to higher production but at a lower rate due to fall in exports of palm oil from Malaysia and rise in production of palm oil from Malaysia.

Production is expected to rise in Malaysia on production rebound from weak production in last 3 months. Production fell in Dec-Jan 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.

Exports of palm oil fell 4-5 percent in Malaysia in Feb due to weak demand from India amid higher demand from China.

Imports of palm oil rose to China in Feb due to lower imports of soybean by the country due to coronavirus leading to cut in supply chain in the country. Further, swine count in China is lower by 40 percent in 2020 due to swine flu in 2019. This has led to lower import demand soybean. Lower soybean imports has led to lower supply of soy oil leading to higher imports of palm oil from the country. Imports of palm oil by China will remain firm in coming months.



US-China trade settlement will increase soybean imports by China. However, there has been no major purchase of soybean by China from US despite trade agreement in Jan leading to higher palm oil imports by China, which is net positive for palm oil prices.

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

Palm oil imports by India from Malaysia will fall due to India placing restrictions on RBD palmolein imports especially to stop RBD palmolein imports from Malaysia due to standoff between both countries on Kashmir. Further, India has asked imports to stop purchasing palm oil from Malaysia to stop CPO imports from Malaysia. This will lead to surge in exports of palm oil from Indonesia to India.

Demand of palm oil is expected to rise due to fall in prices of palm oil, fresh demand after winter in Indian subcontinent, restocking of palm oil at Indian ports.

However, lower import parity, negative refining margins, lower discount over soy oil and sun oil will slow import demand

Haze is one of the one reason for slowdown of production as fruits need oxygen to mature while dry condition in in Indonesia has slowed fruit development. Further, lower fertilizer use due to low prices is blamed for lower production of palm oil. Production rise will fall 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 dry 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 EU 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

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 1-2 MMT globally from present level of stocks at 17.5 MMT, which is lower than last estimate.

Exports of palm oil from Indonesia will increase in medium term due to India issuing licenses to import RBD palmolein amounting to 11 lakh tons from Indonesia, India restricting RBD palmolein imports and asking its traders to stop buying palm oil from Malaysia.

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.

Production of palm oil is expected to fall by 1.0 MMT in Indonesia in 2020 on lower produce due to dry condition and lower production due to lower use of fertilizer in 2019. Lower revision is due to dry conditions, lower fertilizer use and effect of haze.

Ringgit has depreciated and has reached above 4.22/USD levels and is expected to support in palm oil prices. This will make exports of palm oil competitive compared to other oil and same oils with different destinations.

Malaysia kept export duty on crude palm oil exports at 6 percent as international prices surged and palm oil end stocks fell in the country.

Indonesia imposed export taxes on exports of CPO and higher 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 1-2 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 apart from higher exports to India. 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. This will increase use of palm oil in biodiesel by 0.5 MMT. 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 underpin palm oil prices.

Global crude oil prices are expected to fall on due to coronavirus outbreak in Middle East after China will underpin palm oil prices.

- According to Malaysia Palm Oil Board (MPOB), Malaysia's January palm oil stocks fell 12.69 percent to 17.56 lakh tons compared to 20.11 lakh tons in December 2019. Production of palm oil in Jan fell 12.60 percent to 11.66 lakh tons compared to 13.34 lakh tons in Dec 2019. Exports of palm oil in Jan fell 13.20 percent to 12.14 lakh tons compared to 13.98 lakh tons in Dec 2019. Imports of palm oil in Jan fell 30.88 percent to 0.85 lakh tons compared to 1.23 lakh tons in Dec 2019. End stocks of palm oil fell more 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 Feb 1-25 palm oil exports fell 4.4 percent to 970,094 tons compared to 1,015,226 tons in corresponding period last month. Top buyers were European Union 214,626 tons (282,126 tons), China at 173,250 tons (140,860 tons), United States at 80,345 tons (58,485 tons), Pakistan at 30,820 tons (116,500 tons) and India at 25,269 tons (25,269 tons). Values in brackets are figures of corresponding period last month.
- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's Feb 1-25 palm oil exports fell 5.0 percent to 970,764 tons compared to 1,022,023 tons in corresponding period last month. Top buyers were European Union 242,244 tons (269,256 tons), China at 147,050 tons (160,690 tons) and India & subcontinent 65,300 tons (168,900 tons). Values in brackets are figures of corresponding period last month.
- According to Indonesia Palm Oil Association (GAPKI), exports of palm oil (CPO and PKO), biodiesel and oleochemical exports from Indonesia rose 4.2 percent in 2019 y-o-y to 36.18 MMT from 34.71 MMT in 2019. Production of palm oil in Indonesia in 2019 totalled 47.1 MMT while the stocks of palm oil at the end of 2019 was 4.6 MMT.

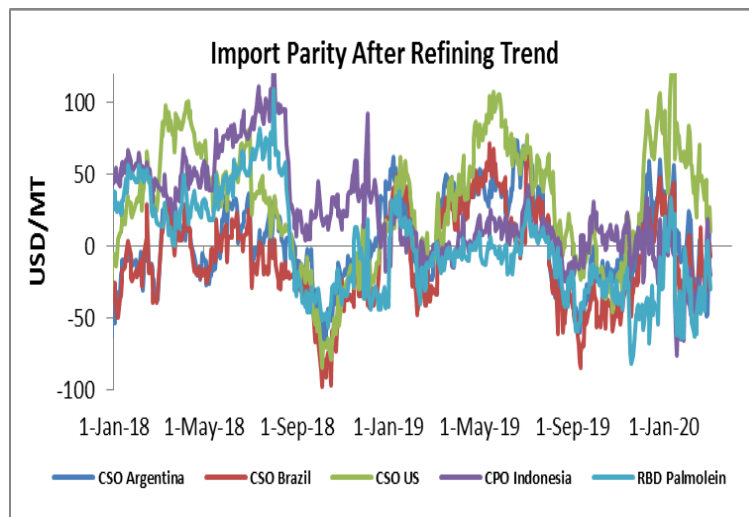
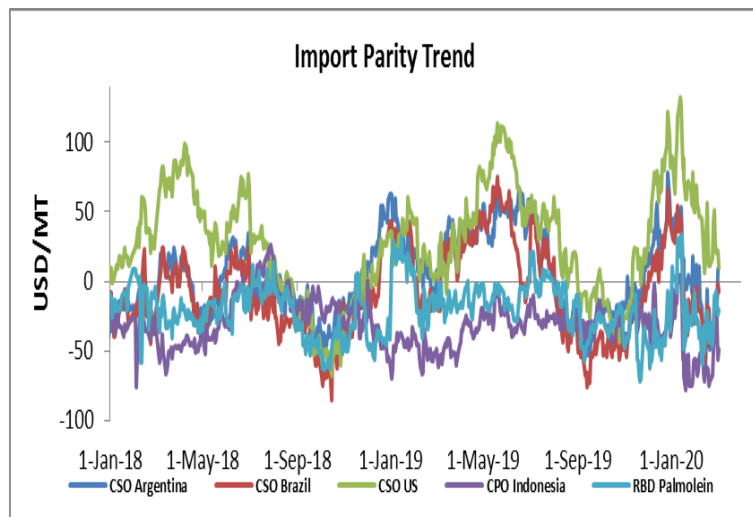


- **Policy review:** According to Malaysia Palm Oil Board (MPOB), Malaysia kept March crude palm oil export tax unchanged at 6.0 percent. Export duty of palm oil is calculated at reference price of 2,982.63 ringgit (USD 616.59) per ton. Tax is calculated between 2,250-2,400 ringgit per ton at 3.0 percent and is taxed maximum of 8.0 percent when prices are above 3,450 ringgit per ton.

According to Indonesia trade ministry, Indonesia will charge export duty on crude palm oil for March at USD 3 per ton. Reference prices of March was set at USD 786.63 per ton. Export duty on CPO was brought down from USD 18 per ton in Feb due to fall in reference price at USD 839.69 per ton.

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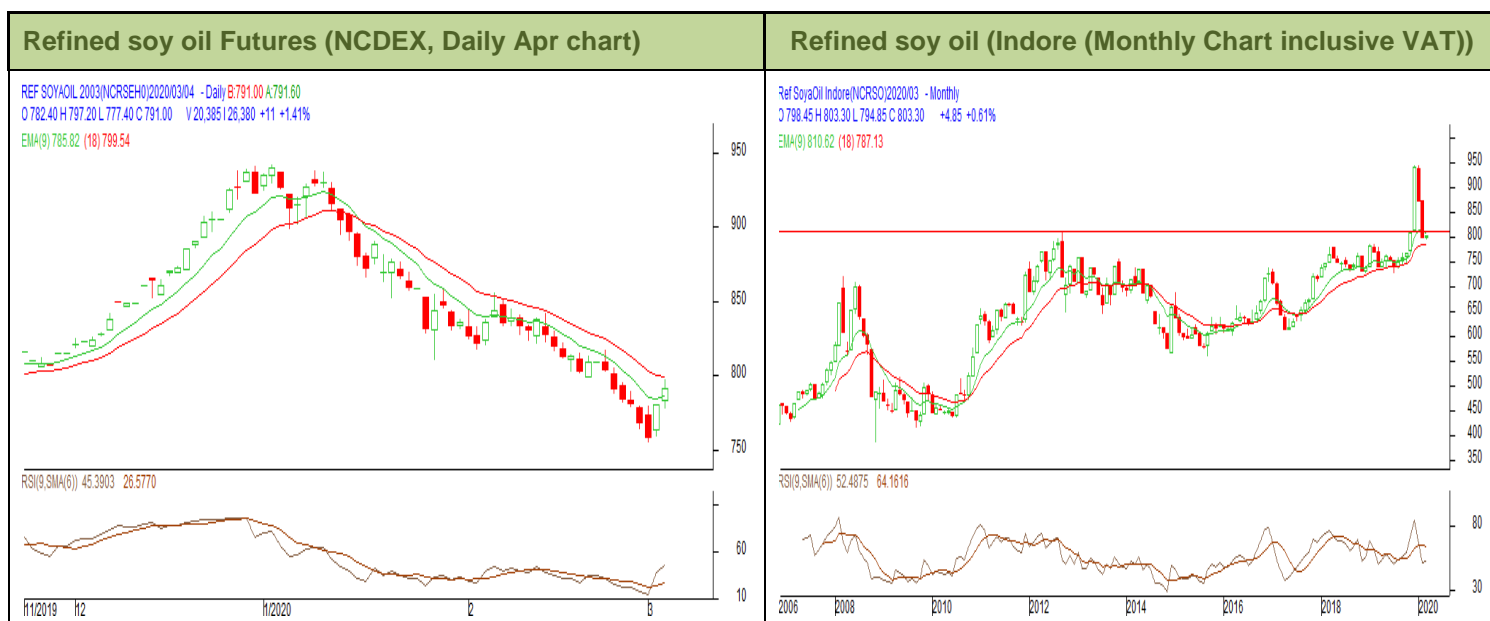
Price Outlook: We expect CPO Kandla 5% to trade in the price band of Rs 600-750 per 10 Kg.

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


	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
Dec, 2019	31.27	17.84	71.60	-0.56	-41.88
Jan, 2020	12.26	-3.13	77.88	-23.99	-16.01
Feb, 2020	-15.22	-21.48	46.17	-29.06	-35.41

Outlook:-

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

Technical Analysis (Refined soy oil Monthly Charts)


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

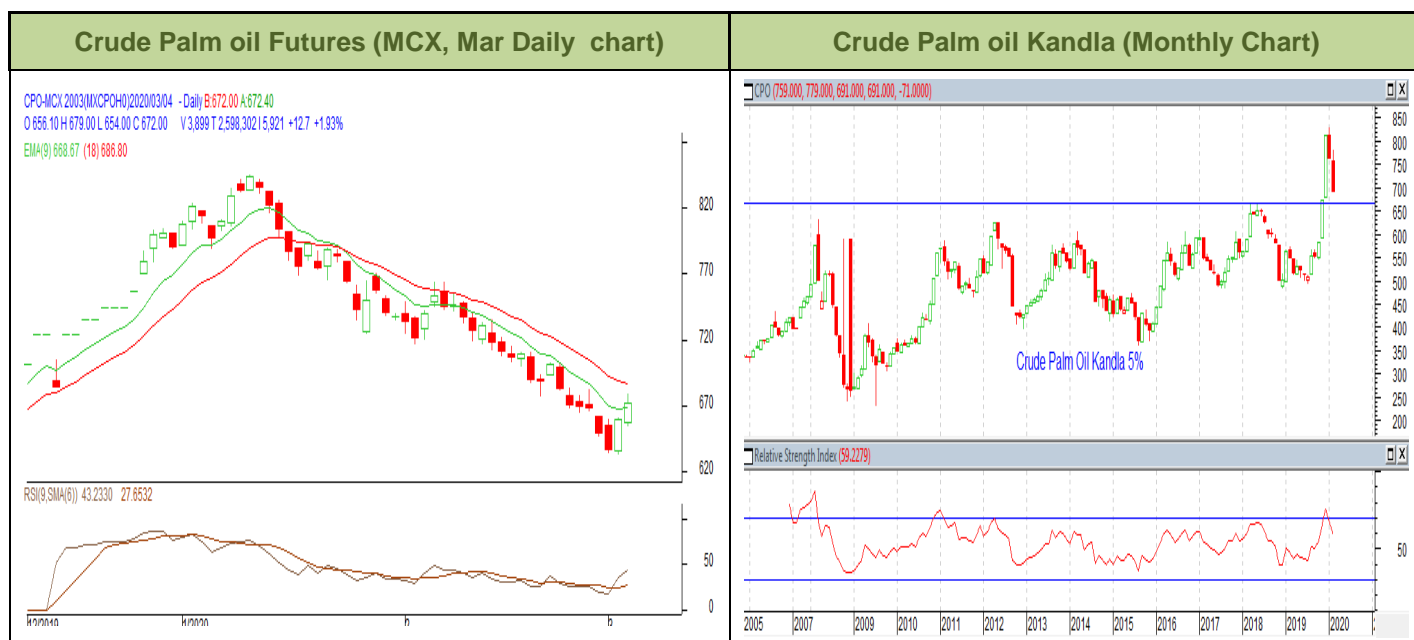
- Monthly chart of refined soy oil at NCDEX featured losses in the prices. We expect sideways to weak movement in the coming days.
- Any close below 780 in monthly chart will bring prices to 750 levels.
- Expected price band for next month is 740-860 level in near to medium term. RSI and MACD are indicating downtrend at current levels.

Strategy: Market participants are advised to go short in RSO below 790 for a target of 775 and 770 with a stop loss at 800 on closing basis.

RSO NCDEX

Support and Resistance				
S2	S1	PCP	R1	R2
750.00	770.00	783.00	800.00	820.00

Spot Market outlook: Refined soy oil Indore (including VAT) is likely to stay in the range of 700-900 per 10 Kg.

Technical Analysis (Crude Palm oil Monthly Charts)


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

- Candlestick monthly chart of crude palm oil at MCX depicts fall in prices. We expect prices to feature sideways to weak tone in the near term.
- Any close below 670 in monthly chart might bring the prices to 650 levels.
- Expected price band for next month is 630-750 level in near to medium term. RSI and MACD are indicating downtrend.

Strategy: Market participants are advised to go short in CPO below 670 for a target of 655 and 650 with a stop loss at 680 on closing basis.

CPO MCX

Support and Resistance				
S2	S1	PCP	R1	R2
640.00	660.00	678.00	690.00	720.00

Spot Market outlook: Crude palm oil Kandla is likely to stay in the range of 600-750 per 10 Kg.

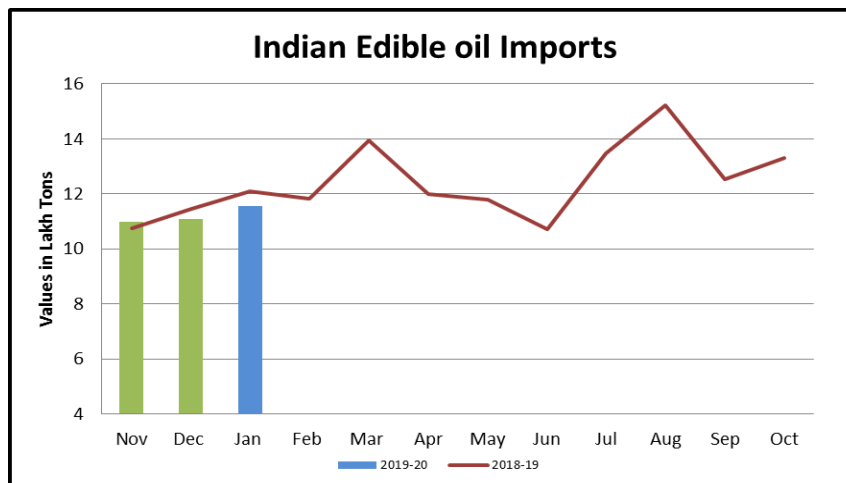
Monthly spot prices comparison

Commodity	Centre	Prices(Per 10 Kg)		Change
		29-Feb-20	31-Jan-20	
Refined Soybean Oil	Indore	790	880	-90
	Indore (Soy Solvent Crude)	735	840	-105
	Mumbai	800	890	-90
	Mumbai (Soy Degum)	760	845	-85
	Kandla/Mundra	770	865	-95
	Kandla/Mundra (Soy Degum)	745	832	-87
	Kolkata	800	835	-35
	Delhi	820	912	-92
	Nagpur	845	879	-34
	Rajkot	760	850	-90
	Kota	780	875	-95
	Hyderabad	0	0	Unch
	Akola	800	885	-85
	Amrawati	800	885	-85
	Bundi	785	880	-95
	Jalna	855	875	-20
	Solapur	836	848	-12
	Dhule	856	878	-22
Palm Oil*	Kandla (Crude Palm Oil)	683	800	-118
	Kandla (RBD Palm oil)	746	851	-105
	Kandla RBD Pamolein	767	877	-110
	Kakinada (Crude Palm Oil)	667	767	-100
	Kakinada RBD Pamolein	772	872	-100
	Haldia Pamolein	777	872	-95
	Chennai RBD Pamolein	777	877	-100
	KPT (krishna patnam) Pamolein	767	866	-100
	Mumbai RBD Pamolein	788	903	-116
	Mangalore RBD Pamolein	782	877	-95
	Tuticorin (RBD Palmolein)	782	889	-107
	Delhi	800	900	-100
	Rajkot	767	856	-89
	Hyderabad	800	870	-70
	PFAD (Kandla)	499	536	-37
	Refined Palm Stearin (Kandla)	667	767	-100
	Superolien (Kandla)	788	914	-126
	Superolien (Mumbai)	819	919	-100
* inclusive of GST				
Refined Sunflower Oil	Chennai	840	895	-55



	Mumbai	835	900	-65
	Mumbai(Expeller Oil)	770	845	-75
	Kandla (Ref.)	820	880	-60
	Hyderabad (Ref)	800	870	-70
	Latur (Expeller Oil)	760	835	-75
	Chellakere (Expeller Oil)	770	845	-75
	Erode (Expeller Oil)	855	955	-100
Groundnut Oil	Rajkot	1200	1120	80
	Chennai	1130	1120	10
	Delhi	0	1100	-1100
	Hyderabad *	1220	1110	110
	Mumbai	1200	1140	60
	Gondal	1160	1100	60
	Jamnagar	1175	1100	75
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	825	865	-40
	Jaipur (Kacchi Ghani Oil)	835	873	-38
	Kota (Expeller Oil)	780	845	-65
	Kota (Kacchi Ghani Oil)	825	875	-50
	Neewai (Expeller Oil)	805	825	-20
	Neewai (Kacchi Ghani Oil)	815	835	-20
	Bharatpur (Kacchi Ghani Oil)	830	850	-20
	Sri-Ganga Nagar(Exp Oil)	820	855	-35
	Sri-Ganga Nagar (Kacchi Ghani Oil)	825	870	-45
	Mumbai (Expeller Oil)	830	900	-70
	Kolkata(Expeller Oil)	980	1030	-50
	New Delhi (Expeller Oil)	825	870	-45
	Hapur (Expeller Oil)	905	920	-15
	Hapur (Kacchi Ghani Oil)	935	950	-15
	Agra (Kacchi Ghani Oil)	835	855	-20
Refined Cottonseed Oil	Rajkot	760	830	-70
	Hyderabad	770	810	-40
	Mumbai	800	848	-48
	New Delhi	740	785	-45
Coconut Oil	Kangayan (Crude)	1450	1460	-10
	Cochin	1500	1510	-10
Sesame Oil	New Delhi	1300	1350	-50
	Mumbai	0	0	Unch

Kardi	Mumbai	0	0	Unch
Rice Bran Oil (40%)	New Delhi	600	675	-75
Rice Bran Oil (4%)	Punjab	795	750	45
Malaysia Palmolein USD/MT	FOB	605	690	-85
	CNF India	615	720	-105
Indonesia CPO USD/MT	FOB	600	715	-115
	CNF India	615	730	-115
RBD Palm oil (Malaysia Origin USD/MT)	FOB	618	688	-70
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	630	690	-60
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	795	915	-120
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	620	685	-65
Crude palm Kernel Oil India (USD/MT)	CNF India	755	910	-155
Ukraine Origin CSFO USD/MT Kandla	CIF	750	815	-65
Rapeseed Oil Rotterdam Euro/MT	FOB	760	850	-90
Argentina FOB (\$/MT)		28-Feb-20	31-Jan-20	Change
Crude Soybean Oil Ship		669	725	-56
Refined Soy Oil (Bulk) Ship		692	750	-58
Sunflower Oil Ship		710	770	-60
Cottonseed Oil Ship		649	705	-56
Refined Linseed Oil (Bulk) Ship		0	0	Unch
* indicates including GST				

Annexure:
Indian Edible Oil Imports Scenario –:


As per Solvent Extractors' Association of India, India imported 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 December is pegged at 11.57 lakh tons. Edible oils (including CPO, CDSO, CSFO, and RBD Palmolein imports for (Nov 2019-Jan 2019) is pegged at 33.61 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 03/03/2020	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
FOB USD per ton	648	665	648	598	603
Freight (USD/MT)	47	47	47	35	29.0
C & F	695.0	712.0	695.0	633.0	632.0
Weight loss (0.25% of FOB)	1.62	1.66	1.62	1.50	1.51
Finance charges (0.4% on CNF)	2.78	2.85	2.78	2.53	2.53
Insurance (0.3% of C&F)	2.09	2.14	2.09	1.90	1.90
CIF (Indian Port - Kandla)	701	719	701	639	638
Duty (Values in USD per tons)	304.15	304.15	304.15	296.18	371.25
GST (5% on duty) USD per ton	15.21	15.21	15.21	14.81	18.56
Exchange rate	73.07	73.07	73.07	73.07	73.07
Landed cost without customs duty in INR per ton	51258	52511	51258	46686	46614
Customs duty %	35.00%	35.00%	35.00%	37.50%	45.00%
Social Welfare Surcharge@10%	3.50%	3.50%	3.50%	3.75%	4.50%
Total Duty %	38.50%	38.50%	38.50%	41.25%	49.50%
Base import price	790	790	790	718	750
Fixed exchange rate by customs department	72.65	72.65	72.65	72.65	72.65
Duty component in INR per ton	22096.50	22096.50	22096.50	21517.11	26971.31
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	74754	76008	74754	69603	74985
Domestic Market price INR/ton Soy Degum Kandla/CPO Kandla/RBD Kandla	75500	75500	75500	66000	73500
Total landed cost USD per ton	1023	1040	1023	953	1026
Domestic Market price USD/tons Soy Degum Kandla/ CPO Kandla 5%	1033	1033	1033	903	1006
Parity INR/MT (Domestic - Landed)	746	-508	746	-3603	-1485
Parity USD/MT (Domestic - Landed)	10.21	-6.95	10.21	-49.31	-20.32
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	79254.01	80508.00	79254.01	77103.44	77784.97
Soy/Palm oil imported Price (Including tax)	83216.71	84533.40	83216.71	80958.61	81674.22
Loose price of Soy/Palm in Indore and Delhi market	84000.00	84000.00	84000.00	79500.00	79500.00
Parity after processing and Taxes (Rs per MT)	783.29	-533.40	783.29	-1458.61	-2174.22
Parity after processing and Taxes (USD per MT)	10.72	-7.30	10.72	-19.96	-29.76
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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