



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 and coconut oil prices rose.

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

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

On the currency front, Indian rupee is hovering near 76.17 compared to 73.32 last month. Rupee is expected to depreciate in April. Crude oil prices are expected to rise in April.

Recommendation:

In NCDEX: Market participants are advised to go long in RSO above 765 for a target of 785 and 790 with a stop loss at 755 on closing basis.

In MCX, Market participants are advised to go long in CPO above 620 for a target of 635 and 640 with a stop loss at 610 on closing basis.

Market participants can buy refined soy oil in the cash markets at 840-8500 for the target of 870-880 levels (Indore), if needed. Market participants can buy CPO Kandla 5% in the cash markets at 620-630 for the target of 650-660 levels, if needed.

International Veg. Oil Market Summary

CBOT soy oil (May) is expected to stay in the range of 24 cents/lb to 30 cents/lb. CPO at BMD (May) is likely to stay in the range of 2000-2600 ringgits per ton. Focus during the coming days will be status of coronavirus in world, supply disruptions in South America, supply disruptions in Southeast Asia, 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, escalation of coronavirus in world, expected shutdown of Argentina and Brazil, lower stocks of soy oil in US, fresh demand of soybean by China 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 shutdown of Malaysia and Indonesia, expected fall in production of palm oil in Malaysia and Indonesia, rise in competing oils, weak ringgit, rise in crude oil prices are expected to support CPO prices in coming days.

Soy oil: Domestic Market Fundamentals

- Refined soybean oil prices featured up at its benchmark market at Indore during the month of March on weak supply and firm demand.

Demand of soy oil rose in March due to lockdown of India leading to stocking of soy oil by citizens. Due to rise in prices of soy oil in Indian markets has led parity to rise.

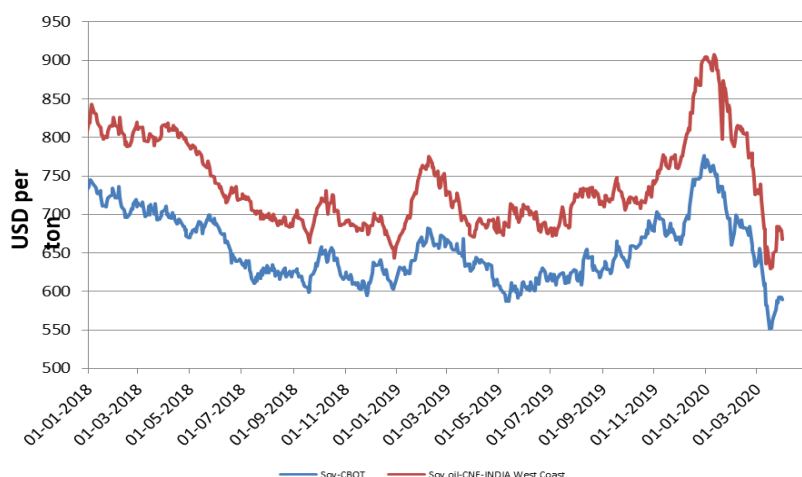
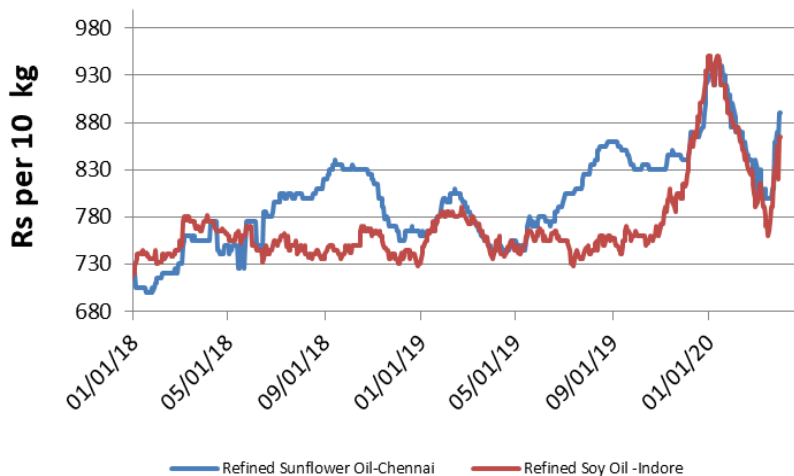
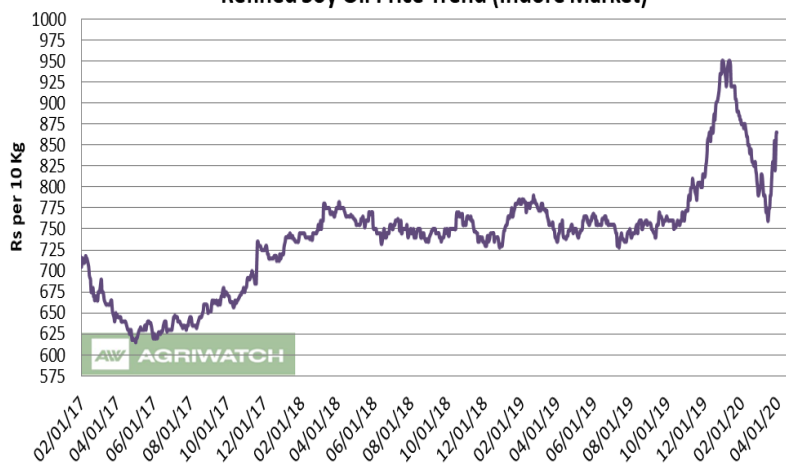
Supply of soy oil fell in India sharply in March due to lower demand of soymeal due to weak poultry demand leading to lower crush of soybean leading to lower supply of domestic refined soy oil.

Supply of soy oil in international market was partially cutoff due to lockdown of various ports in Argentina and Brazil. However, supply from both ports have been restored.

Supply of soy oil in India is constrained due to force majeure at Indian ports leading to shutdown of port operations. Closure of testing offices has led vessels stranded and are not discharged. Further, there is severe shortage of drivers of trucks.

Soy oil refineries are facing problems of raw materials, labor, and packaging material. Further,

Refined Soy Oil Price Trend (Indore Market)



transporters are facing hurdles at various state borders as borders are sealed leading to long wait time at state borders.

Import prices of soy oil fell on weak demand and fall in soy oil prices 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. Lower demand of soy oil from Argentina and falling basis in soy oil leading to lower FOB prices of soy oil.

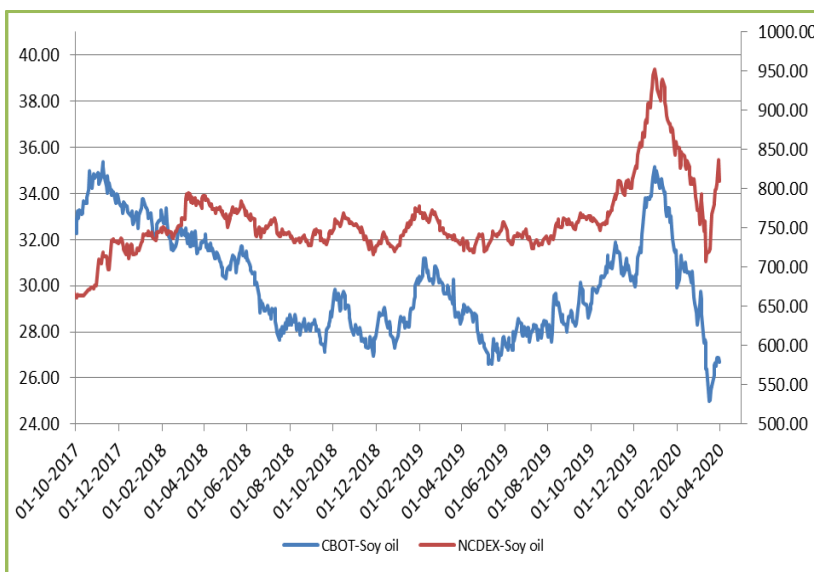
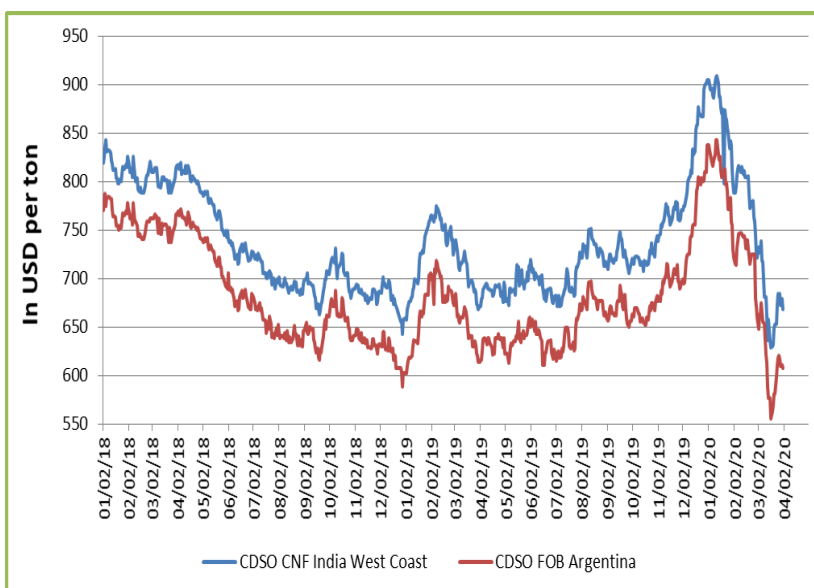
Prices of CDSO rose at high seas compared to CNF markets indicating weak supply at high seas.

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 Mar due to fall in prices of soy oil in Indian markets and is at Rs 25-30 per 10 kg compared to parity of Rs 10-15 per 10 kg in Jan.

Refining margins parity increased in Mar and is at Rs 35-40 per 10 kg compared to parity of Rs 10-15 per kg in Feb.

Refined soy oil premium over CPO has increased to Rs 186 (Rs 130 last month) per 10 Kg which is low and will support soy oil prices. Refined soy oil premium over RBD palmolein was at Rs 130 (Rs 60 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 90 (Rs 48) per 10 kg indicating firm 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 fall in basis (spot prices – futures prices) due to low demand of soy oil from Argentina.

Imports of soy oil rose in Feb compared to Feb 2019 and Jan 2020 and stocks

at ports rose. Port stocks rose more compared to rise in imports of soy oil indicating weak demand and restocking at ports in Feb.

Prices of soy oil may rise due to weak supply. Low premium over palm oil and positive import parity and positive refining margins will support gains.



- Soy oil import scenario – According to SEA, soy oil imports rose 46.81 percent y-o-y in February to 3.23 lakh tons from 2.20 lakh tons in February 2019. In the oil year 2019-20 (Nov 2019-Feb 2020), imports of soy oil were 9.16 lakh tons compared to 6.95 lakh tons in last oil year, higher by 31.80 percent compared to last oil year.
- According to Solvent Extractors Association (SEA), India's February edible oil imports fell 7.78 percent y-o-y to 10.90 lakh tons from 11.82 lakh tons in Feb 2019. Palm oil imports in Feb fell 28.10 percent y-o-y to 5.40 lakh tons from 7.51 lakh tons in Feb 2019. CPO imports fell 2.05 percent in Feb y-o-y to 4.88 lakh tons from 4.98 lakh tons in Feb 2019. RBD palmolein imports fell by 85.89 percent in Feb y-o-y to 0.34 lakh tons from 2.41 lakh tons in Feb 2019. Soy oil imports rose 46.81 percent in Feb y-o-y to 3.23 lakh tons from 2.20 lakh tons in Feb 2019. Sunflower oil imports rose 13.5 percent y-o-y in Feb to 2.27 lakh tons from 2.00 lakh tons in Feb 2019. Rapeseed (canola) oil imports in Feb was zero compared to 0.10 lakh tons imports in Feb 2019.
- According to Solvent Extractors Association (SEA), India's February edible oil stocks at ports and pipelines fell 11.82 percent m-o-m to 15.30 lakh tons from 17.35 lakh tons in January 2020. Stocks of edible oil at ports in February rose to 1,100,000 tons (CPO 500,000 tons, RBD Palmolein 130,000 tons, Degummed Soybean Oil 260,000 tons and Crude Sunflower Oil 220,000 ton) and about 430,000 tons in pipelines. (Stocks at ports were 885,000 tons and in pipelines were 1,000,000 tons in January 2020). India is presently holding 24 days of edible oil requirement on 1st Mar, 2020 at 15.30 lakh tons compared to 27 days of requirements last month at 17.35 lakh tons last month. India held 21.95 lakh tons of stocks in ports and pipelines on 1st Mar 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 657 (USD 731) per ton for Apr delivery, May delivery is quoted at USD 653 (USD 709) per ton and June delivery is quoted at USD 653 per ton. Values in brackets are figures of last month. Last month, CNF CDSO Mar average price was USD 676.29 (USD 787.13 per ton in Feb 2020) per ton. Refined soy oil (Indore) is quoted at Rs 865 (Rs 790) per 10 kg on March 31, 2020.
- On the parity front, margins rose during the month on rise in prices of soy oil in Indian markets, and we expect margins to remain firm in coming days. Currently refiners lose USD 45-50/ton v/s gain of USD 15-20/ton (last month) margin in processing the imported Soybean Oil (Argentina Origin).

Price Outlook: We expect refined soy oil (without GST) at Indore to stay in the range of Rs 800-950 per 10 Kg in the near term.

Palm oil: Domestic Market Fundamentals

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

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

Supply of CPO is weak at CNF markets as prices rose at CNF while it fell at FOB markets.

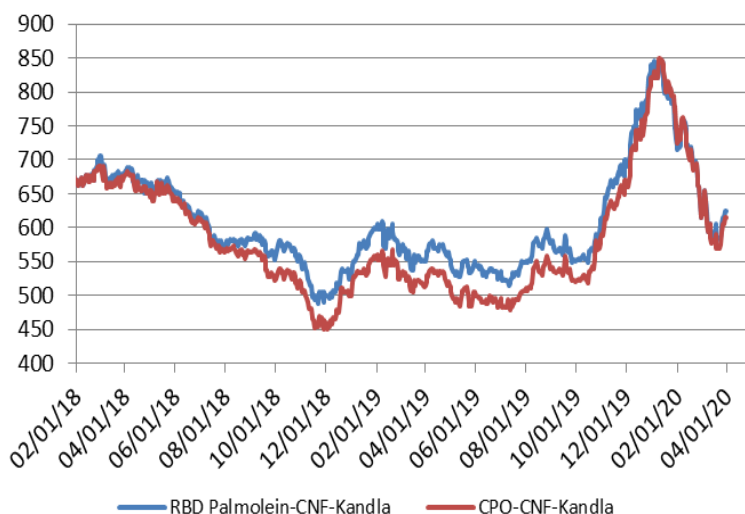
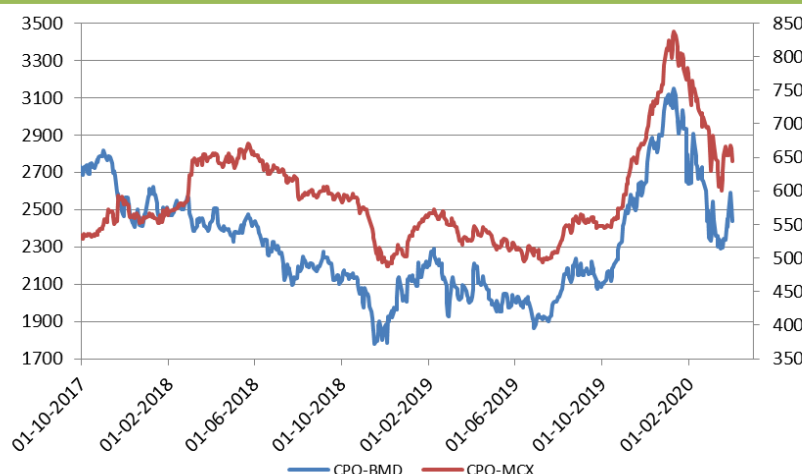
Rise in CPO prices is higher in Indian markets compared to international markets is due to weak supply.

Demand of palm oil weakened in India due to weak demand from retail market due to lockdown of India on coronavirus outbreak.

Demand of palm oil is generally from street food, outside food and restaurants. However, due to lockdown of India no street sale of food and restaurant chains are working leading to lower demand palm oil.

Palm oil consumption will fall in India in oil year 2019-20 from its earlier consumption estimate due to lockdown. Consumption will fall in 2019-20 from its previous year in more than two and half decades. This will have consequences in global palm oil balance sheet.

Crude Palm Oil Price Trend (Kandla Market)



There is short supply of palm oil in Indian market due to force majeure at Indian ports which has led to vessels stranded at Indian ports. Testing facilities offices are closed so vessels cannot be discharged. Clearing houses are also closed. Further, there is short supply of truck drivers leading to supply disruptions.

Refiners are running at very low capacity due to lower supply of raw material, labor shortage, packaging material shortage.

Transporters are facing difficulties to cross state borders due to sealing of borders.

SEA has asked government to look in to the complains of the industry and has ensured that the industry will ramp up production once supply bottlenecks are cleared.

Disparity in imports decreased due to rise in prices of CPO in Indian markets. In Rupee terms, disparity currently stands at Rs 25-30 per 10 kg compared to Rs 40-45 per 10 kg last month.

Fall in Indian prices of CPO has made imports cheaper which will increase imports in coming months. Depreciation of Rupee may increase disparity in Apr.

CPO trade is weak as traders are stuck at higher prices of CPO due to fall in prices of CPO in Feb-Mar.



Traders were not able to offload stocks due to sharp fall in prices of palm oil.

Stocks of CPO at Indian ports rose in Feb due to weak demand at high seas.

Data from cargo surveyor SGS shows a weak imports of palm oil by India from Malaysia in March due to Indian restricting RBD palmolein imports and lockdown of India.

RBD palmolein featured firm tone in its benchmark market on weak supply due to lockdown of India leading to breakdown of supply chain.

Prices of RBD palmolein rose more at high seas compared to CNF markets indicating weak supply at high seas.

Import parity of ready to use imported palmolein below CPO.

Premium of RBD palmolein over CPO at CNF India has risen from USD zero to 5-10 per ton at CNF India.

In Rupee terms, disparity of RBD palmolein currently stands at Rs 5-10 per 10 kg compared to parity of Rs 20-25 per 10 kg last month due to and rise in prices of RBD palmolein in Indian markets.

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.

There was supply disruption of palm oil from Malaysia due to lockdown of six districts of Sabah province in Malaysia which produces 25% of Malaysia's palm oil on breakout of coronavirus in these districts. This led rise in prices of palm oil in international markets. However, production has been restored in these provinces will lead to normal supply of palm oil in global markets.

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.

RBD palmolein premium over CPO increased to Rs 101 (Rs 70 last month) per 10 kg indicating weak supply of RBD palmolein compared to CPO at high seas.

Import of CPO in February was lower than that of Feb 2019 and higher than Jan 2020. Stocks at ports remained unchanged in Feb compared to Jan 2020. Stocks at ports rose while imports fell indicating weak domestic demand in Feb.

Import of RBD palmolein is fell in Feb compared to Feb 2019 and Jan 2020. Imports fell in Feb compared to Jan 2020 and stocks rose at ports indicating weak demand in Feb.

Rising soy oil premium over crude palm oil which is hovering at Rs 180 (Rs 130 last month) per 10 Kg will increase demand of CPO and decrease imports.

Previous chart in soy oil section shows that premium of soy oil over palm oil has increased in Mar at CNF and domestic markets. Low premium of crude sunflower CNF India West coast and CPO CNF at USD 110 (USD 100) 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 fall 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 40 (USD 90 last month) per 10 kg. Premium of CDSO soy oil high seas over CPO high seas is at Rs 100 (Rs 82 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 130 (Rs 60 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 February fell 28.10 percent y-o-y to 5.40 lakh tons from 7.51 lakh tons in January 2019. Imports in the oil year 2019-20 (November 2019-February 2020) are reported lower by 17.04 percent y-o-y at 25.46 lakh tons compared to 30.71 in last oil year.

Crude Palm oil import scenario- According to Solvent Extractors Association (SEA), CPO Imports in fell 2.05 percent y-o-y in February to 4.88 lakh tons from 4.98 lakh tons in February 2019. Imports in oil year 2019-20 (November 2019-February 2019) were reported lower by 8.06 percent y-o-y at 21.90 lakh tons compared to 23.82 lakh tons in last oil year.

RBD palmolein import scenario- RBD palmolein imports fell 85.89 percent y-o-y in February to 0.34 lakh tons from 2.41 lakh tons in February 2019. Imports in oil year 2019-20 (November 2019-February 2020) were reported lower by 53.54 percent y-o-y at 3.01 lakh tons compared to 6.48 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.
- On the trade front, CNF CPO (Indonesian origin) at Indian port quoted at USD 615 (USD 615) per ton for Apr delivery. Last month, CNF CPO Mar average price was at USD 598.36 per ton (USD 704.87 per ton in Feb 2020). Values in brackets are figures of last week.

Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 625 (USD 615) per ton for Apr delivery. Last month, CIF RBD palmolein Mar average price was USD 605.96 (USD 705.73 in Feb 2020) per ton. Values in bracket depict last month quotes.

Ready lift CPO duty paid prices quoted at Rs 679 (Rs 650) per 10 Kg and Apr delivery duty paid is offered at Rs 674 (Rs 650) per 10 kg. Ready lift RBD palmolein is quoted at Rs 775 (Rs 750) per 10 kg as on Mar 31, 2020. Values in brackets are figures of last month.

- On the parity front, margins rose during the month of Mar on higher price of palm oil products in Indian markets and we expect margins to remain firm in coming days. Currently refiners lose USD 5-10/ton (Feb average) v/s loss of USD 25-30/ton (Feb average) margin in processing the imported CPO but on the imports of ready to use palmolein lose USD 15-20/ton (Mar average) v/s loss of USD 35-40 (Feb 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 firm trend at various markets on firm demand, weak supply and rise in competing oils. All India arrivals of rapeseed rose in March.

Demand rose in the month of Mar on firm buying in cash markets due to stocking on lockdown.

Due to exceptional lockdown of India retail demand firmed to stock by citizens.

Supply of rapeseed oil fell due to closure of mandis.

Many mills are not able to operate as there is shortage of raw material, labor, packaging material.

Trucks are not available due to less availability of drivers.

Further, many borders are sealed due to lockdown and transporters are finding difficult to cross borders. There is limited availability of labor for loading and unloading.

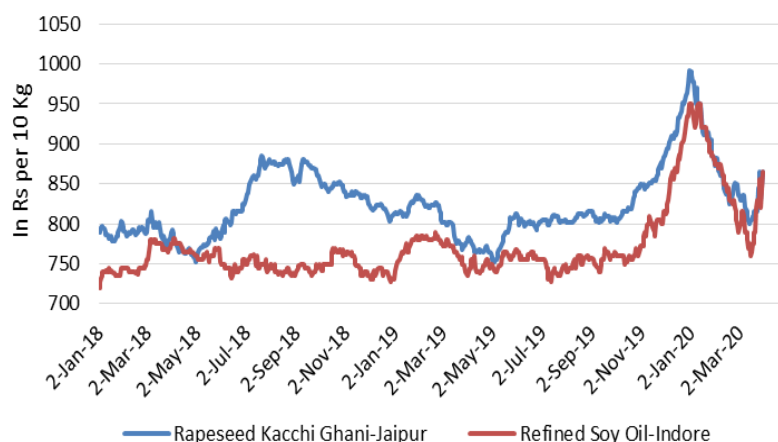
Due to lower supply of soy oil in India due to lower crush of soybean in India due to lower demand of soy meal on low poultry demand has increased rapeseed oil demand. Further, due to lower supply of palm oil and imported soy oil on force majeure at Indian ports has increased rapeseed oil demand.

NAFED has procured 10.89 lakh tons of Rabi 2018-19 crop. Total balance quantity after sale is 3.30 lakh tons.

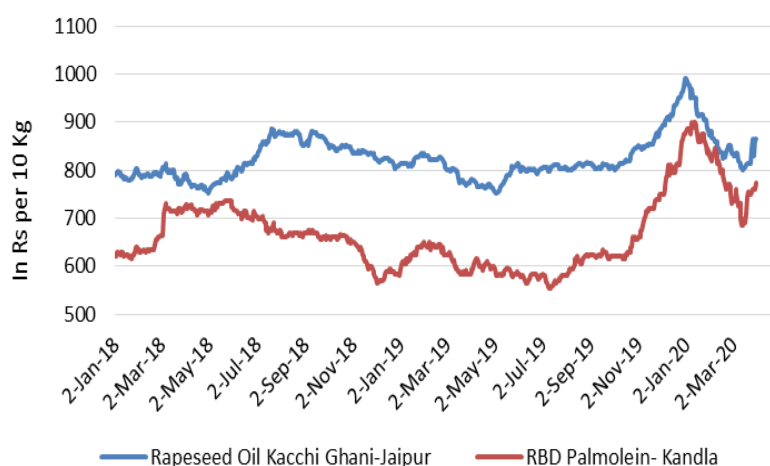
Mustard Oil Price Trend (Kota Market)



Comparison Between Rapeseed Oil & Refined Soy Oil



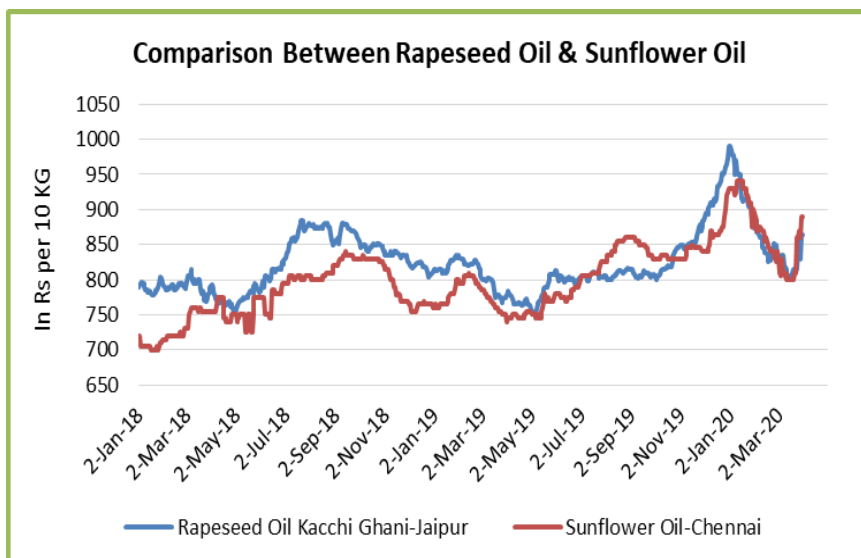
Comparison Between Rapeseed Oil & RBD Palmolein



Stock with NCDEX is 0.03 lakh tons.

So, total progressive sale is 7.59 lakh tons. However, with sale of rapeseed by NAFED is over, rest of stocks will be carried over to next year.

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.



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 30 (Rs 17) per 10 Kg, will support rapeseed oil prices in medium term.

There have been very little imports of canola oil in last 11 months. If rapeseed oil prices rises in oil year 2019-20 imports will start.

Carryout of rapeseed oil is expected to fall in oil year 2019-20 due to lower rapeseed crop and higher demand due to India 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 February. 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 170 (Rs 77) per 10 kg will underpin 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.

- Rapeseed oil import scenario- India imported zero rapeseed (Canola) oil in February 2020 v/s 0.10 lakh tons imports in February 2019. In the oil year 2019-20 (Nov 2019-Feb 2020) imports were 0.0 lakh tons compared to 0.44 lakh tons in last oil year.
- Currently, RM oil at Jaipur market (expeller) is offered at Rs 855 (Rs 820) per 10 Kg and at Kota market is quoted around Rs 860 (Rs 800) per 10 kg as on Apr 1, 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 800-950 per 10 Kg.

Sunflower oil: Domestic Market Fundamentals

- Sunflower oil featured firm trend at its benchmark market in Chennai during the month of March on weak supply, firm demand and rise in competing oils prices.

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

Sunflower oil prices rose in March due to rise in prices of palm oil and soy oil.

Demand of sunflower oil has firmed due to firm demand due to stocking by citizens on lockdown of India on coronavirus.

Demand of sunflower oil may slow due to rise in its prices. However, there is exceptional situation in the country which has kept demand firm. However, due to closure of retail outlets demand may slow.

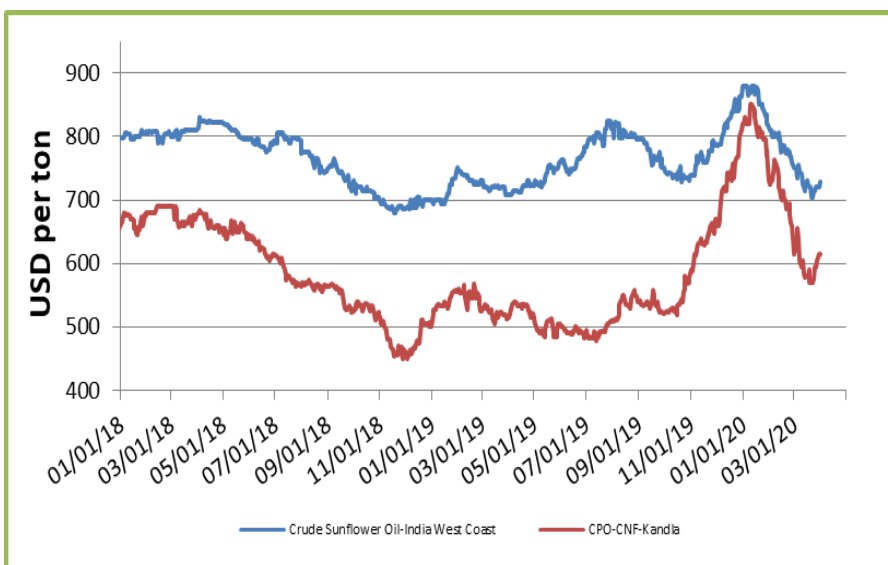
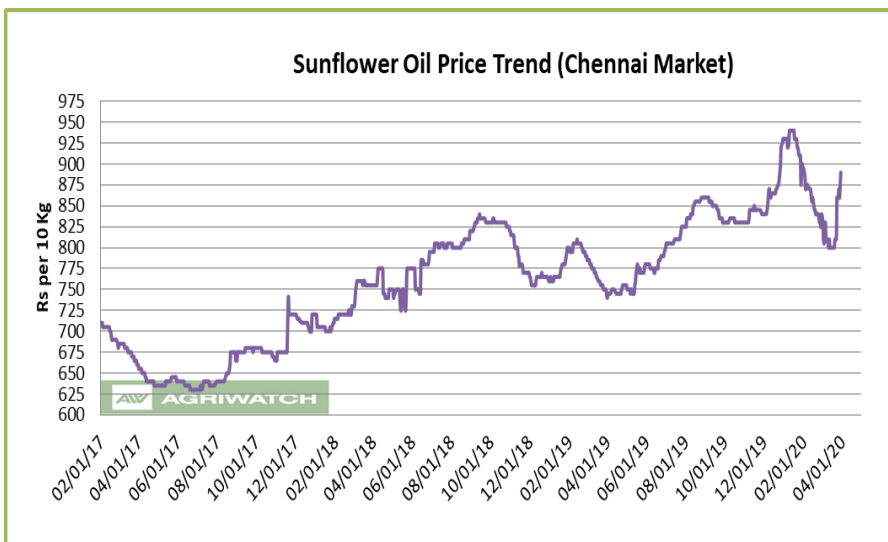
There is big supply problem of sunflower oil in the country.

There has been restrictions on the supply of palm oil by Malaysia and soy oil by Argentina.

However, India imports 95% from Ukraine where operations are normal.

There is supply disruption in India as vessels arriving at Indian ports are not able to unload due to force majeure at major ports. Further, testing is not taking place as labs are closed. There is shortage of trucks due to unavailability of drivers to transport the oil.

There is shortage of various raw materials used in refining. There is shortage of packaging material due to closure of major facilities. Plants are operating at 40-50% of operation due to labor shortage.



Consignments are not able to cross various state borders as borders are closed. However, it being an essential commodities transport will be allowed freely in coming days.

Higher prices of sunflower oil will weaken demand. Carryout of sunflower oil will rise in oil year 2019-20 due to rise in imports. Further, imports will rise from here due to low premium over soy oil and palm oil may lead to rise in end stocks.

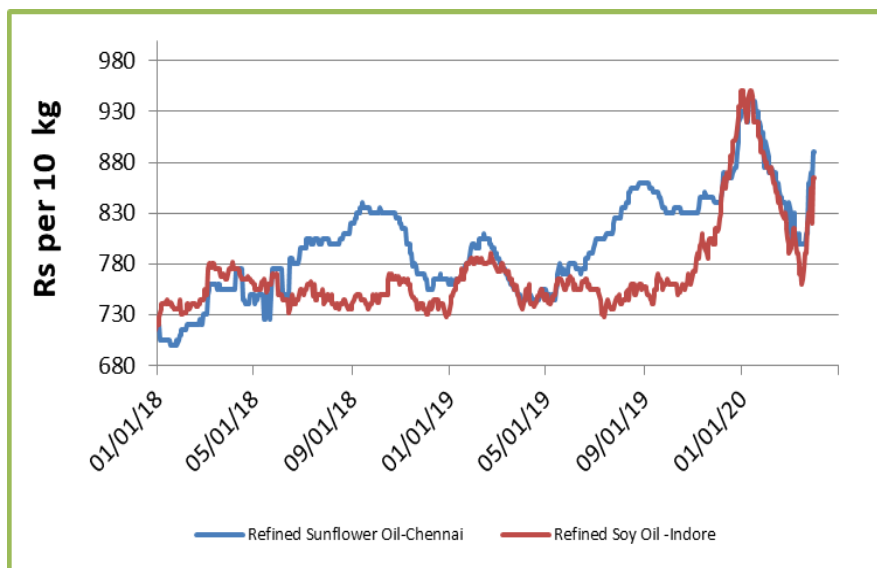
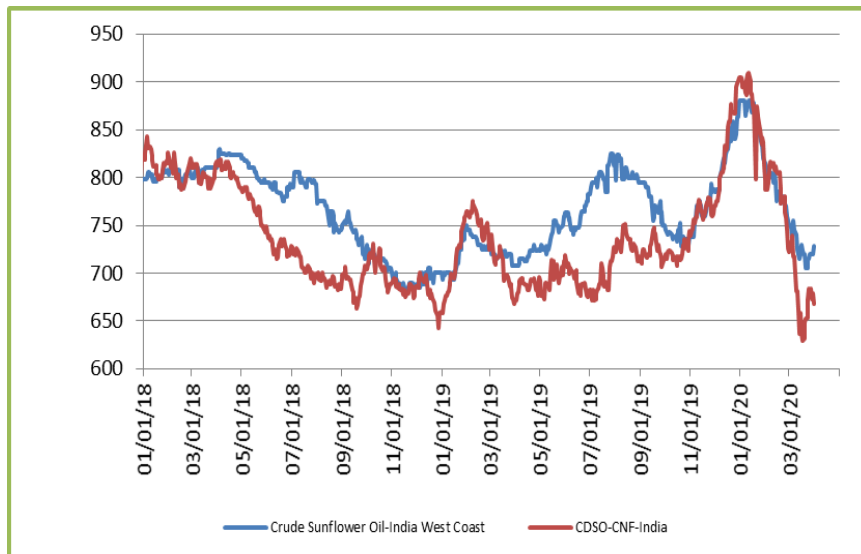
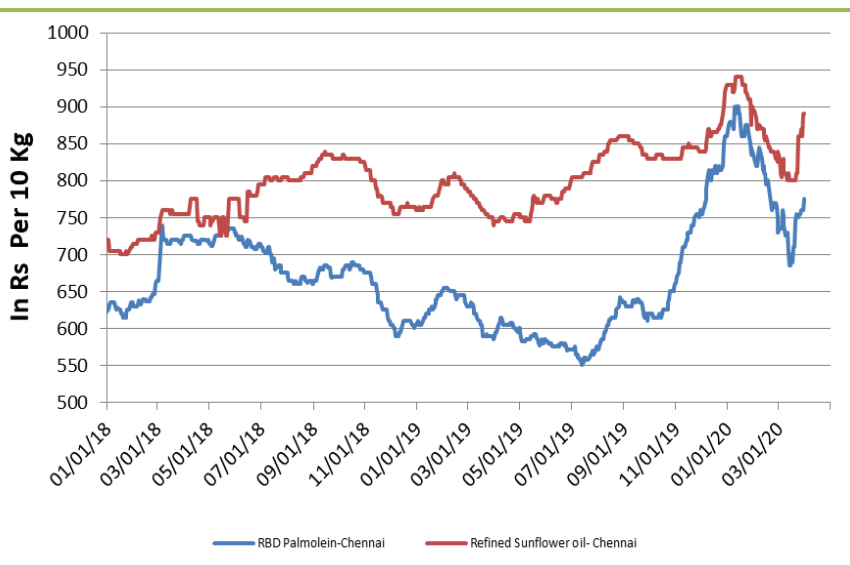
Import demand of sunflower oil may rise due to positive import parity and positive refining margins. Import parity and refining margins parity increased last month.

Prices of sunflower oil at CNF markets are falling due to 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 fell in Feb compared to Jan 2020. Stocks at ports rose despite fall in imports. Premium of CSFO over CPO at CNF markets is low and will support import demand of sunflower oil.

Rising premium of CSFO over CDSO in CNF markets will limit gains prices in medium term.



Imports are expected to be lower in March-April due to closure of ports and supply disruptions.

Fourth 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. Third chart from above shows that sunflower oil premium over RBD palmolein is low in March.

In domestic market, prices are expected to rise in medium term due to weak supply due to supply disruptions and rise in competing oils prices.

Prices are expected to rise on weak supply. Prices of sunflower oil are expected to remain in a range with upward bias in April.

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 13.50 percent y-o-y in February to 2.27 lakh tons from 2.00 lakh tons in February 2019. Imports in oil year 2019-20 (November 2019-February 2020) were reported higher by 23.44 percent y-o-y at 9.90 lakh tons compared to 8.02 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.
- On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 720 (USD 752) per ton for Apr delivery, May delivery is quoted at USD 725 (USD 760) per ton and June delivery is quoted at USD 730 per ton. CNF sun oil (Ukraine origin) March monthly average was at USD 726.36 per ton compared to USD 785.13 per ton in Feb. 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 75.0 (USD 10.0 last week) per ton for Apr delivery. CNF sunflower oil premium over RBD palmolein is hovering around USD 105 (USD 100) per ton.
- Currently, refined sunflower oil at Chennai market is offered at Rs 890 (Rs 805) per 10 Kg, and at Kandla/Mudra market, it is offered at Rs 860 (Rs 820) per 10 kg as on Apr 1, 2020. Values in brackets are figures of last month.
- We expect sunflower oil prices to trade sideways to firm tone in the coming days.

Price Outlook: We expect sunflower oil (Chennai) to trade in the price band of Rs 800-1000 per 10 Kg.

Groundnut oil: Domestic Market Fundamentals

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

Demand increased due to stocking by citizens lockdown of India due to coronavirus.

Further, due to lower availability of palm oil and sunflower due to supply chain disruptions due to lockdown of India.

However, demand of groundnut oil will slow due to lockdown leading to closure of retail trade.

There is shortage of raw material to the crushers as mandis are closed. Further, there is shortage of labor for loading, unloading and operations. Further, there is shortage of packaging material and closure of testing facilities. There is severe shortage of drivers for transportation. Transporters are facing hurdles on state borders as most of the state governments have sealed the border and it takes time to cross state borders.

Due to rise in prices of groundnut oil retail demand will weaken.

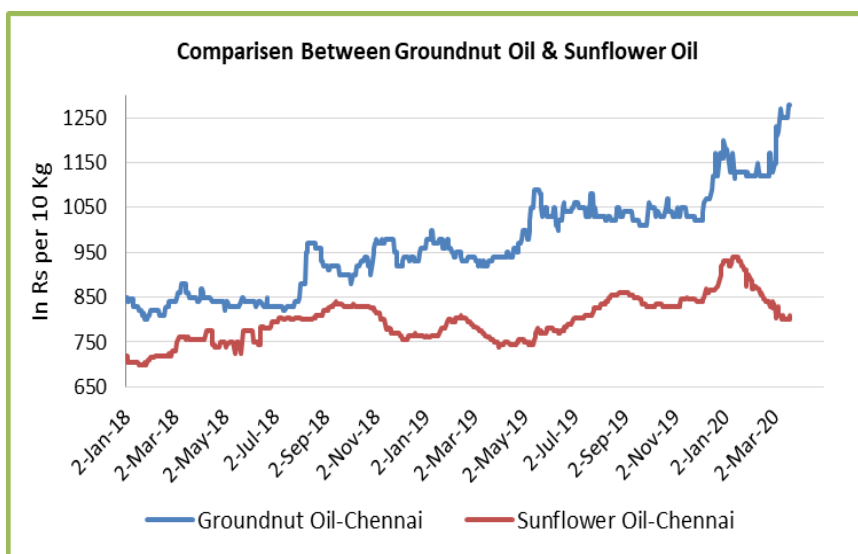
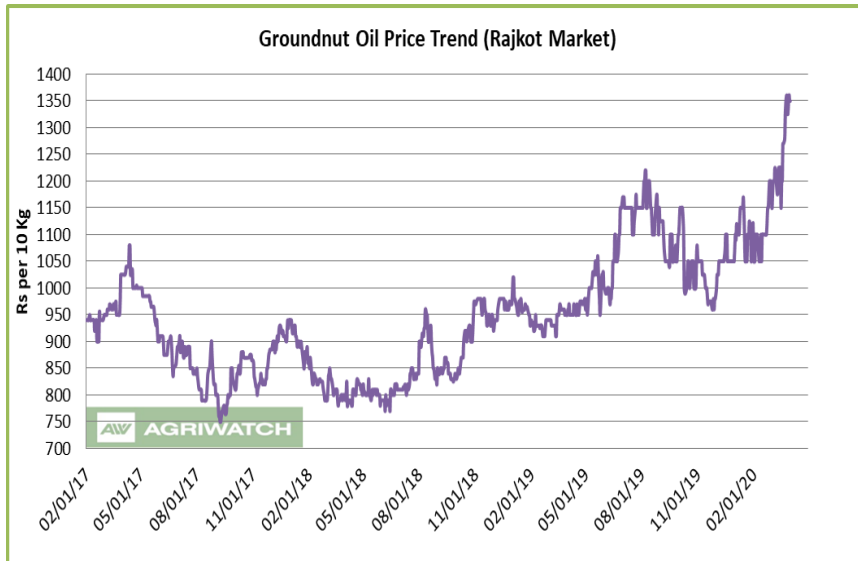
Demand of groundnut oil may decrease due rise in its prices.

Prices of groundnut oil on rise in price of palm oil.

NAFED procurement is over in Gujarat and Rajasthan. NAFED has procured 7.21 lakh tons of K-19 groundnut.

NAFED stocks of K-18 groundnut is 1.38 lakh tons at the end of sale of groundnut. So, total stocks of groundnut after procurement is 8.59 lakh tons.

Price will be supported as 70 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 20 percent crop is left for crushing, exports and direct consumption. This will support groundnut oil prices.

Demand of groundnut oil will decrease between Rs 1400-1500 per 10 kg levels.

There is no trade of groundnut as ports and mandis are closed. Further, many countries have closed to control cocornovirus.

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 weak supply. There is parity with Gujarat. Prices of groundnut will firm due to supply constraints in respective states. Stock position of groundnut oil is weak in the market. Groundnut arrivals will rise after mandis will open as harvest of froundnut is expected to start in South India.

Prices are expected to trade rise on weak supply in cash markets. 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 13,500 (12,000) per quintal and quoting at Rs 12,800 (Rs 12,300) 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 1300-1500 per 10 Kg.

Coconut oil: Domestic Market Fundamentals

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

Demand firmed due to stocking by citizens due to lock down of the country.

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

Copra prices traded higher due to shutdown of harvest due to lockdown. There is labor shortage

to harvest coconut. There is no availability of transport due to shortage of labor to transport copra.

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

There is shortage of coconut oil in the market due to unviability of coconut oil as very less crushers are running due to raw material shortage, labor shortage, packaging material shortage, no testing and limited availability of truck drivers.

Due to lockdown of India there is disruption in the supply chain leading to lower supply of coconut oil.

Further, demand of coconut oil is expected to slow due to lockdown and its higher prices.

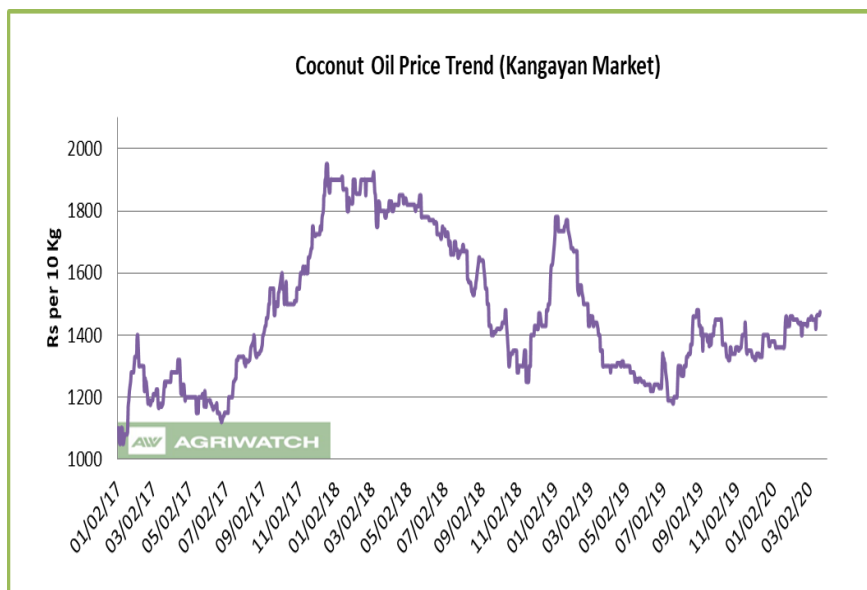
Government has decided to procure copra at MSP to support its prices. This is in lines of Tamil Nadu government procurement last year to support prices of copra.

Rise in palmolein prices will increase coconut oil consumption. Prices of RBD palmolein is competitive compared to coconut oil. However, coconut consumers generally do not shift out of its consumption irrespective of prices.

There is no trade of coconut products as many ports are shut down and testing facilities are closed. Plus labor availability and drivers availability has hit export-import trade. Further, many producing and consuming countries are closed due to coronavirus shutdown affect global trade of coconut products.

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.

Rains in 2017 and 2018 has led to higher coconut production. Higher rains in 2019 will increase coconut production in 2020.

Prices are expected to be rise in April on lower supply of coconut oil amid weak demand. Prices are expected to trade sideways to firm in medium term.

- The Cabinet Committee Of Economics Affairs Chaired by PM Narendra Modi hike the MSP of copra on the recommendation of CACP. The MSP of FAQ milling copra is hiked to Rs 9960/qrtl from Rs 9521/qrtl for 2020. MSP of ball copra is hiked to Rs 10300/qrtl from Rs 9920/qrtl. This gives more incentive for farmers and support prices. However, growers of ball copra was upset as the MSP hike is less than their expiation and incurs high cost of production of ball copra.
- On the price front, currently the coconut oil prices in Kochi is hovering near Rs 15,300 (15,000) per quintal, and quoting Rs 14,750 (14,500) per quintal in Erode market on Mar 21, 2020.
- Coconut oil prices may trade sideways to firm tone tracking weak supply in ready markets.

Price Outlook: We expect coconut oil (Erode) to trade in the price band of Rs 1400-1600 per 10 Kg.

International Soy oil Market Fundamentals

- Soy oil prices are expected to be supported by supply disruptions from South America, demand at lower levels, fall in stock of soy oil in US, improved demand of soybean from China and rise in competing oils prices.

Coronavirus has claimed more than 50000 lives across globe. The outbreak has reached more than 200 countries including US, Italy, Iran, South Korea, India, Japan, Pakistan, UK, France, Germany, Malaysia, Indonesia, Brazil and Argentina. This has led to lockdown of various countries leading to breakdown of global supply chain of soybean. US has closed doors for travelers from Europe. The cases of coronavirus in US is highest in US. China, Italy, Iran, South Korea are in state of complete shutdown. UK, France, Germany, Australia, Malaysia, Indonesia, Malaysia, Thailand and Indian have taken strong measures to control the epidemic.

US FED cut interest rate to zero from 1.75% in last one month and US has announced USD 2.2 trillion stimulus package. EU and Japan central bank have announced quantitative easing to support market. More measures from government in form of fiscal support can be seen in coming days. Total USD 5 trillion of fiscal support is being given G-20 nations.

China has lifted lockup in almost all provinces except Wuhan province when outbound travel restriction is still in place. With lifting of lockdown and fiscal stimulus measures Chinese economy is expected to pickup pace from next quarter when most of the world is going into lockdown. This has led to increase in meat consumption increasing demand of soybean in the country. However, 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 little purchase by China. However, with China restarting its economy and disruption of supply from Brazil will lead to higher demand of soybean from US supporting prices.

However, due to new crop harvest in Brazil, Brazilian soybean is quoted lower compared to US origin may lead to fresh demand from Brazil. However, there is lots of uncertainty over supply.

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

There are reports of possibility of lockdown of Brazil as Covid-19 has reached the country. Harvest of soybean is in progress in Brazil and is finished in more than 75 percent area, higher than corresponding period last year and 5-year average. Dry conditions has led to higher pace of harvest in last three weeks. There is uncertainty in transport and export due to shutdown of various transport and export lines. Brazil is expected to harvest lower soybean crop than earlier estimated due to dry conditions in harvest stage. However, Brazil is harvesting record soybean crop in 2019/20. USDA has pegged soybean crop in Brazil at 126 MMT in its Mar review compared to previous estimate of 125 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 not in good condition in Argentina with due to lack of rains in key areas have has led to lower moisture and crop development has suffered. Some rains brought relief to crop stress. Soybean crop area in Argentina is expected to be lower. USDA kept soybean crop unchanged for Argentina at 53 MMT. USDA is expected to lower soybean crop of Argentina in future estimates. Bionis Aires grains exchange has cut soybean crop in Argentina by 5.0 MMT to 49 MMT in its latest estimate. Further, there was shutdown of many export facilities in Argentina threatening supply of soybean from the country to global markets. However, supply from ports have been restored.

Competing oils like palm oil are expected to rise due to falling global supply due to supply constraints placed by Malaysia is expected to support 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.

China is expected to report higher soybean import demand in coming months especially from US due to exaptation of lockdown of Brazil. USDA increased soybean import estimate of China 88 MMT in 2019/20 from 85 MMT.

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.

Hike in export tax on soybean products after 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. 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 30 percent to 33 percent. This has led to expectation that more controls will come in corn and wheat.

Further, China removed import restrictions placed on imports of soybean from US including import duty on soybean imports will support soybean complex prices.

Argentina's soybean exports is expected lower due to trade restrictions and higher export tax apart from lower Chinese demand on US-China trade settlement.

Soy oil exports from Argentina are expected to slow due to trade restrictions placed by Argentina government and weak demand from importing destinations.

Soy oil prices are supported by rise in crude oil prices due Russia and OPEC expected settlement on production cuts on intervention of US.

- According to National Oilseed Processors Association (NOPA), U.S. February soybean crush fell by 6.02 percent m-o-m to 166.288 million bushels from 176.940 million bushels in January 2020, above market expectation. Crush of soybean in Feb was higher by 7.63 percent y-o-y compared to Feb 2019 figure of 154.498 million bushels. Soy oil stocks in U.S. at the end of Feb fell 4.52 percent m-o-m to 1.922 billion lbs compared to 2.013 billion lbs in end Jan 2020. Stocks of soy oil in end Feb was higher by 9.70 percent y-o-y

compared to end Feb 2019, which was reported at 1.752 million lbs. Soy oil stocks was below trade expectation.

- According to United States Department of Agriculture (USDA) March estimate, U.S 2019/20 ending stocks of soy oil estimate has been kept unchanged at 1,515 million lbs. Opening stocks are kept unchanged at 1,775 million lbs. Production of soy oil in 2019/20 is kept unchanged at 24,290 million. Imports in 2019/20 are kept unchanged at 450 million lbs. Biodiesel use in 2019/20 is reduced to 8,000 million lbs compared to 8,200 million lbs in its earlier estimate. Food, feed and other industrial use in 2019/20 is kept unchanged at 14,900 million lbs. Exports in 2019/20 are increased to 2,100 million lbs compared to 1,900 million lbs in its earlier estimate. Average price range estimate of 2019/20 is reduced to 31.50 cents/lbs from 33.5 cents/lbs in its earlier estimate.
- The U.S. Department of Agriculture monthly supply and demand report for the month of March forecasts U.S. 2019/20 soybean stocks at 425 million bushels unchanged from 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 kept unchanged at 1,825 million bushels. 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 Benn increased to 99 million bushels from 96 million bushels in its earlier estimate. Residual use is reduced to 29 million bushels from 32 million bushels from its earlier estimate. Average price range in 2019/20 is reduced to 8.70 cents/bushel from 8.75 cents/bushel in its earlier estimate.
- According to Argentina agriculture ministry, Argentina raised export tax on soybean products including soy oil to 33 percent from 30 percent. This comes after Argentina suspended agriculture exports registrations indicating prospect of more restrictions. This came due to government deciding to bridge deficit by increasing taxes. This step will slow exports and lead to lower planting of soybean from next year.
- USDA WASDE highlights: The U.S. season-average soybean price is projected at \$8.70 per bushel, down 5 cents. The soybean oil price is projected at 31.5 cents per pound, down 2 cents. Soybean meal prices are unchanged at \$305.00 per ton.

Price Outlook: We expect Ref. soy oil with VAT to trade in the price band of Rs 800-950 per 10 Kg.

International Palm oil Market Fundamentals

- Palm oil prices are likely to rise due to demand at lower levels, expectation of fall in end stocks of palm oil in Malaysia, slowdown of production of palm oil from Malaysia, depreciation of ringgit and rise in competing oils prices.

Palm oil stocks is expected to fall in Malaysia in March due to fall in production of palm oil as some restriction in the country on spread of coronavirus in Malaysia. However, restrictions have been removed for now but may be imposed in future if conditions worsen.

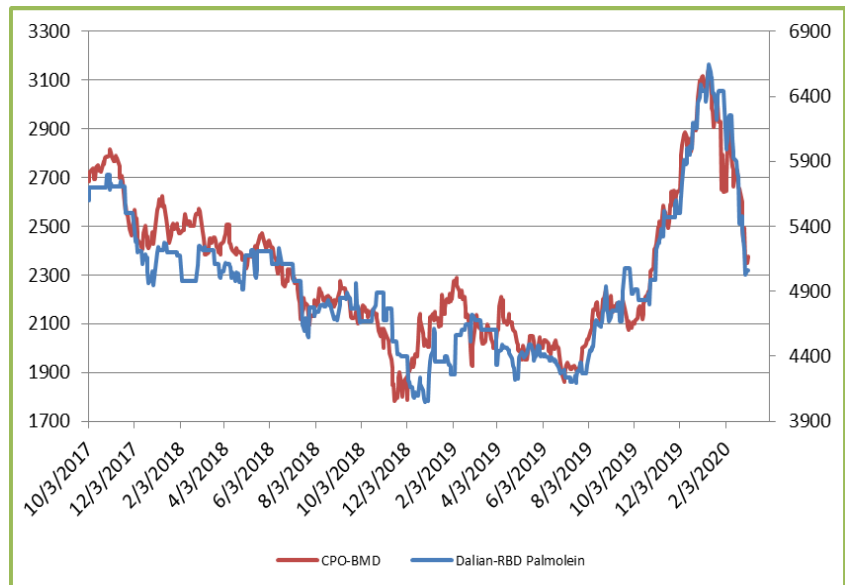
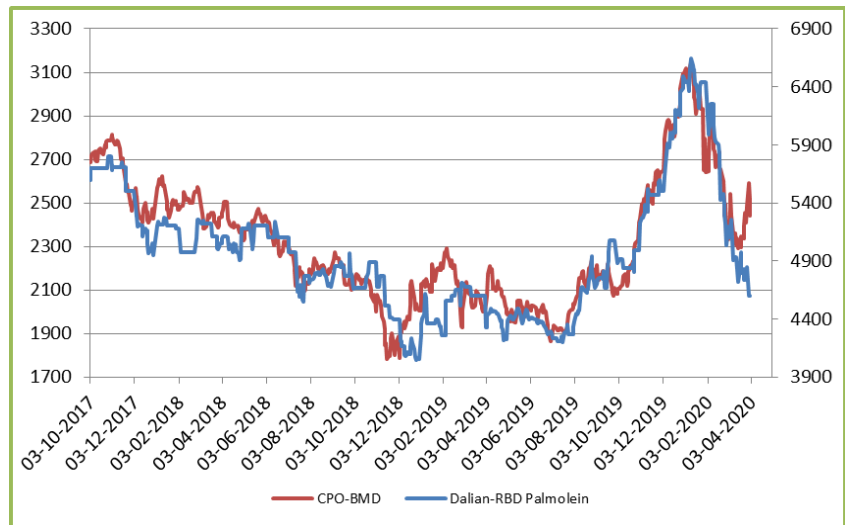
Indonesia is also expected to put some restrictions on coronavirus which will lead to lower production of palm oil and lower palm oil stocks. Further, shipping will be affected leading to lower exports.

End stocks of palm oil is expected to fall in coming months in Malaysia due to fall in production amid fall in exports of palm oil from Malaysia.

Production is expected to fall in Malaysia on expected curbs due to coronavirus. Production of palm plantations were halted in six districts of Sabah province after reports of coronavirus in these districts. Sabah province produces 25 percent of palm oil in Malaysia. At present palm oil production and shipping is progressing at normal rate. However, this is not expected to continue. Further, production will be lower due to dry conditions last year, adverse effect of haze and lower fertilizer use due to fall in palm oil prices.

Exports of palm oil rose 6 percent in Malaysia in Mar due to firm demand from EU and China.

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. This will lead to surge in exports of palm oil from Indonesia to India.

However, due to India not renewing 5 percent import duty on imports of palmolein from Malaysia imposed in Sep 2019 on reports that imports of palmolein from Malaysia hurt Indian palm oil industry. This has raised hopes that things may improve in coming months.

Due to formation of new government in Malaysia has vowed to reverse policy of previous government policy on Kashmir will lower trade tensions between both countries and may lead to some sort of trade agreement in future.

Demand of palm oil is expected to rise in India due to fall in prices of palm oil, fresh demand after winter in Indian subcontinent and 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

Further, production of palm oil will fall in Indonesia in coming months due to dry conditions in the country. Production of palm oil will fall in 2020 when standing fruits mature and yield will be lower. Production of palm oil will fall in 2020 due to dry conditions in 2019, haze and lower fertilizer use due to lower prices of palm oil.

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.

Ringgit has depreciated and has reached above 4.33/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 decreased export duty on crude palm oil exports at 5 percent as international prices fell.

Indonesia removed export taxes on exports of CPO from the country due to fall in prices of palm oil and falling stocks of palm oil in the country.

Palm oil consumption in 2020 will outstrip rise in production 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 2021.

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 rise on due to OPEC and Russia expected production cuts agreement on intervention of US will support palm oil prices.

- According to Malaysia Palm Oil Board (MPOB), Malaysia's February palm oil stocks fell 4.20 percent to 16.81 lakh tons compared to 20.11 lakh tons in January 2020. Production of palm oil in Feb rose 9.9 percent to 12.89 lakh tons compared to 11.72 lakh tons in Jan 2020. Exports of palm oil in Feb fell 10.81 percent to 10.82 lakh tons compared to 12.14 lakh tons in Jan 2020. Imports of palm oil in Feb fell 47.28 percent to 0.30 lakh tons compared to 0.56 lakh tons in Jan 2020. End stocks of palm oil fell more compared to trade expectation.
- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's March palm oil exports rose 6.1 percent to 1,131,283 tons compared to 1,066,334 tons last month. Top buyers were European Union 381,956 tons (270,464 tons), China at 189,740 tons (171,650 tons) and India & subcontinent 71,150 tons (66,500 tons). Values in brackets are figures of last month.
- According to Indonesia Palm Oil Association (GAPKI), exports of palm oil (CPO and PKO), biodiesel and oleochemical exports from Indonesia fell 26.5 percent in Jan 2020 y-o-y to 2.39 MMT from 3.25 MMT in Jan 2019. Exports fell by 35.75 percent in Jan m-o-m to 2.39 MMT from 3.72 MMT in Dec 2019. Production of palm oil in Indonesia in Jan 2020 totaled 3.48 MMT compared to 3.45 MMT in Dec 2019. Stocks of palm oil at the end of Jan was 4.54 MMT compared to Dec figure of 4.6 MMT, down 1.3 percent m-o-m.
- Policy review: According to Malaysia Palm Oil Board (MPOB), Malaysia reduced April crude palm oil export tax to 5.0 percent from 6.0 percent last month. Export duty of palm oil is calculated at reference price of 2,631.07

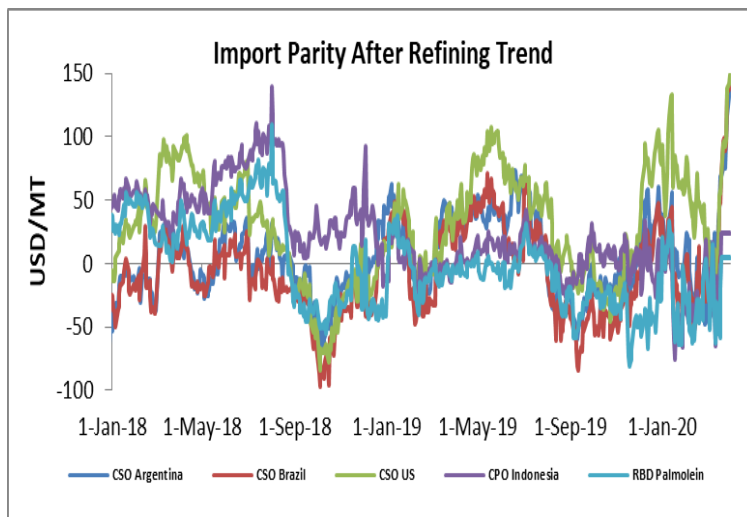
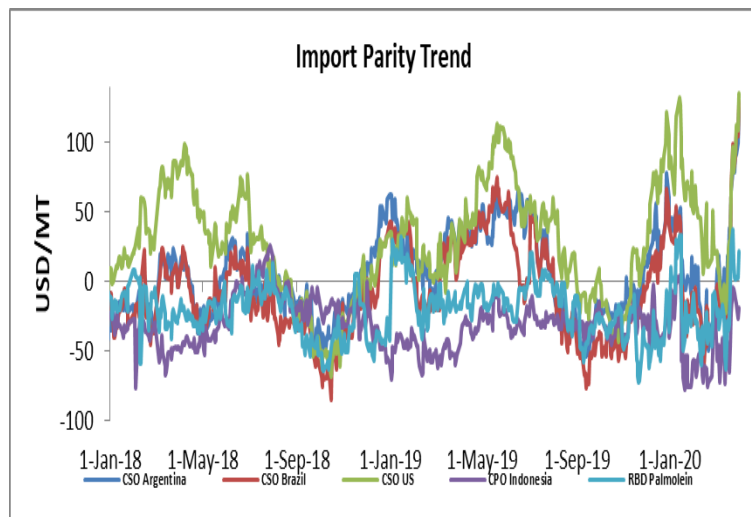


ringgit (USD 612.02) per ton. Tax is calculated between 2,250-2,400 ringgit per ton at 3.0 percent and is taxed maximum of 8.0 percent when prices are above 3,450 ringgit per ton.

According to Indonesia trade ministry, Indonesia will not charge export duty on crude palm oil for April. Reference prices of April was set at USD 653.76 per ton below threshold price of USD 750 per ton. Export duty on CPO was brought down from USD 3 per ton in Mar due to fall in threshold price of USD 750 per ton.

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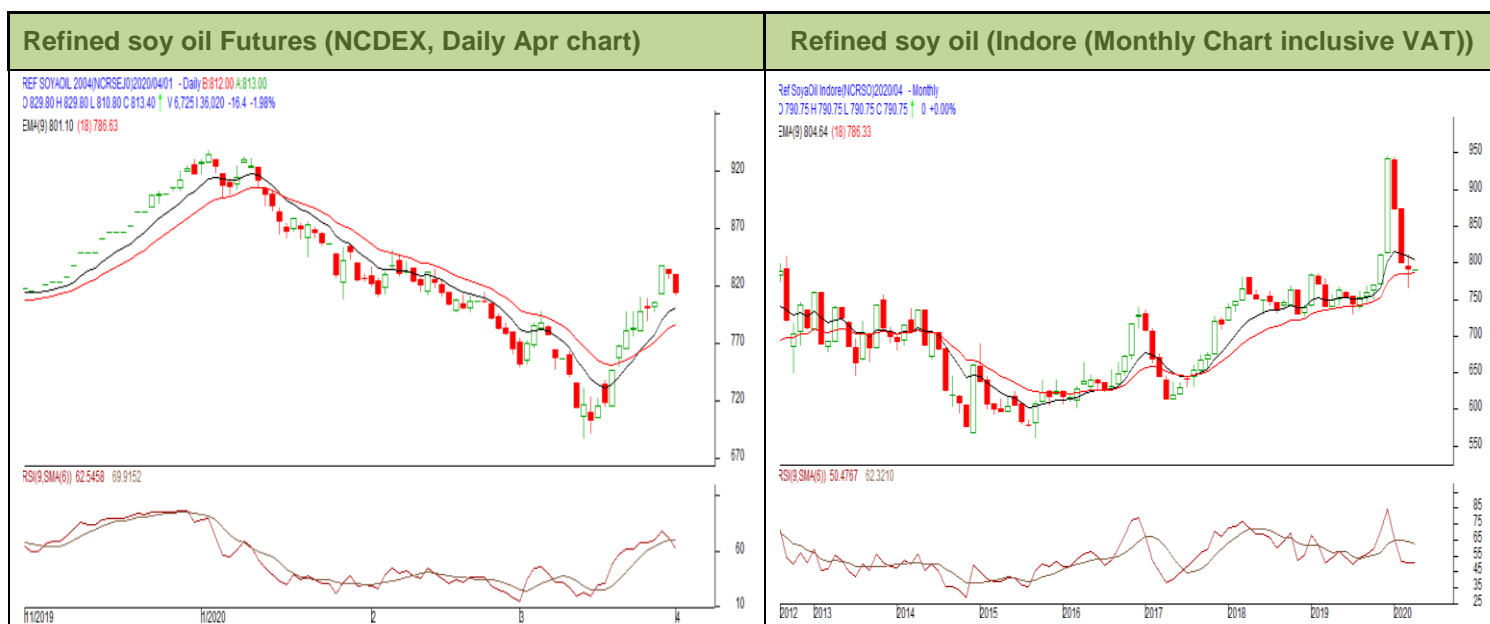
Price Outlook: We expect CPO Kandla 5% to trade in the price band of Rs 600-750 per 10 Kg.

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


	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
Jan, 2020	12.26	-3.13	77.88	-23.99	-16.01
Feb, 2020	-15.22	-21.48	46.17	-29.06	-35.41
Mar, 2020	49.06	44.79	52.61	-6.49	-19.39

Outlook:-

Import parity for CDSO Argentina rose due to rise in prices of soy oil in Indian markets. We expect CDSO import parity to rise in April due to rise prices of soy oil in Indian markets. Parity in CPO is higher than RBD palmolein. Disparity in CPO may decrease its imports. Palm oil disparity will rise due to fall in prices of palm oil in Indian 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 (May contract) on rise.

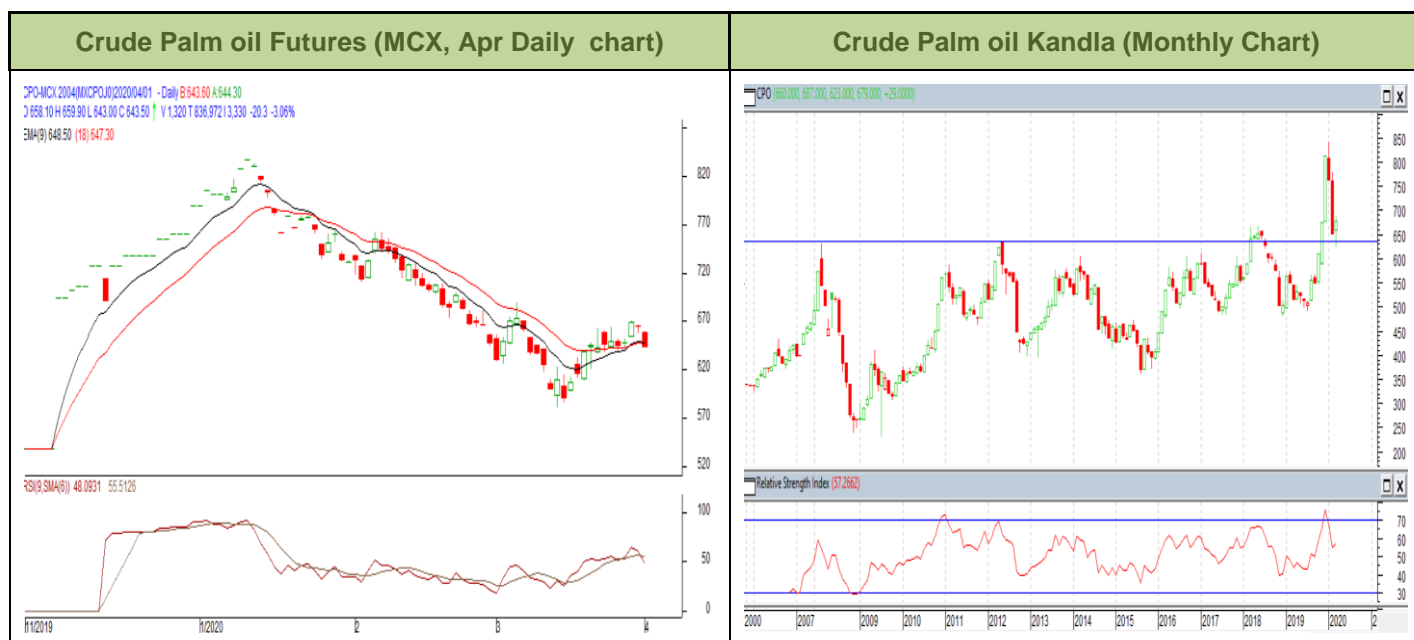
- Monthly chart of refined soy oil at NCDEX featured losses in the prices. We expect sideways to firm movement in the coming days.
- Any close below 750 in monthly chart will bring prices to 730 levels.
- Expected price band for next month is 720-820 level in near to medium term. RSI and MACD are indicating uptrend at current levels.

Strategy: Market participants are advised to go long in RSO above 765 for a target of 785 and 790 with a stop loss at 755 on closing basis.

RSO NCDEX

Support and Resistance				
S2	S1	PCP	R1	R2
730.00	750.00	765.80	780.00	800.00

Spot Market outlook: Refined soy oil Indore (including VAT) is likely to stay in the range of 800-950 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 buy MCX CPO (Apr contract) on dips.

- Candlestick monthly chart of crude palm oil at MCX depicts rise in prices. We expect prices to feature sideways to firm tone in the near term.
- Any close below 620 in monthly chart might bring the prices to 600 levels.
- Expected price band for next month is 580-700 level in near to medium term. RSI and MACD are indicating uptrend.

Strategy: Market participants are advised to go long in CPO above 620 for a target of 635 and 640 with a stop loss at 610 on closing basis.

CPO MCX

Support and Resistance				
S2	S1	PCP	R1	R2
590.00	610.00	627.80	640.00	660.00

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
		31-Mar-20	29-Feb-20	
Refined Soybean Oil	Indore	865	790	75
	Indore (Soy Solvent Crude)	830	735	95
	Mumbai	870	800	70
	Mumbai (Soy Degum)	830	760	70
	Kandla/Mundra	860	770	90
	Kandla/Mundra (Soy Degum)	815	745	70
	Kolkata	855	800	55
	Delhi	Closed	820	-
	Nagpur	Closed	845	-
	Rajkot	Closed	760	-
	Kota	Closed	780	-
	Hyderabad	Closed	0	-
	Akola	Closed	800	-
	Amrawati	Closed	800	-
	Bundi	Closed	785	-
	Jalna	Closed	855	-
	Solapur	Closed	836	-
	Dhule	Closed	856	-
Palm Oil*	Kandla (Crude Palm Oil)	713	683	30
	Kandla (RBD Palm oil)	735	746	-11
	Kandla RBD Pamolein	814	767	47
	Kakinada (Crude Palm Oil)	-	667	-
	Kakinada RBD Pamolein	814	772	42
	Haldia Pamolein	819	777	42
	Chennai RBD Pamolein	819	777	42
	KPT (krishna patnam) Pamolein	824	767	58
	Mumbai RBD Pamolein	819	788	32
	Mangalore RBD Pamolein	819	782	37
	Tuticorin (RBD Palmolein)	-	782	-
	Delhi	-	800	-
	Rajkot	-	767	-
	Hyderabad	Closed	800	-
	PFAD (Kandla)	483	499	-16
	Refined Palm Stearin (Kandla)	-	667	-

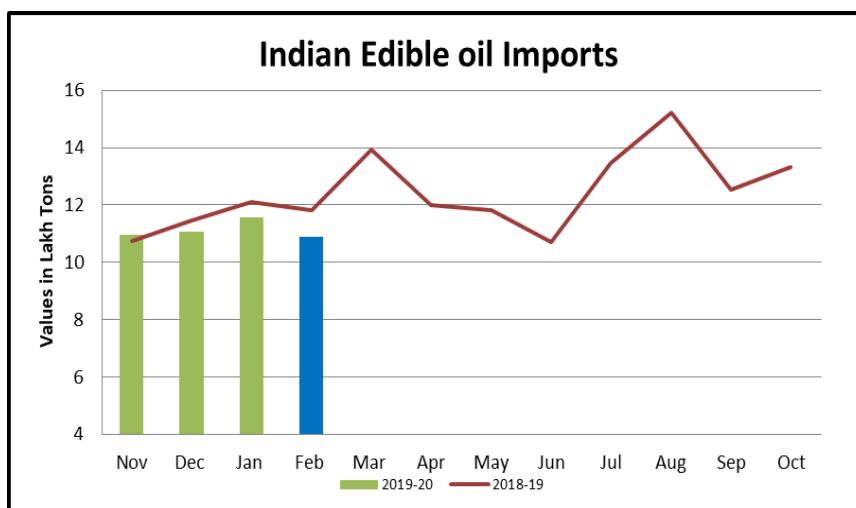


	Superolien (Kandla)	819	788	32
	Superolien (Mumbai)	830	819	11
* inclusive of GST				
Refined Sunflower Oil	Chennai	Closed	840	-
	Mumbai	890	835	55
	Mumbai(Expeller Oil)	820	770	50
	Kandla (Ref.)	860	820	40
	Hyderabad (Ref)	Closed	800	-
	Latur (Expeller Oil)	Closed	760	-
	Chellakere (Expeller Oil)	Closed	770	-
	Erode (Expeller Oil)	Closed	855	-
Groundnut Oil	Rajkot	Closed	1200	-
	Chennai	Closed	1130	-
	Delhi	Closed	0	-
	Hyderabad *	Closed	1220	-
	Mumbai	1350	1200	150
	Gondal	Closed	1160	-
	Jamnagar	Closed	1175	-
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	855	825	30
	Jaipur (Kacchi Ghani Oil)	865	835	30
	Kota (Expeller Oil)	Closed	780	-
	Kota (Kacchi Ghani Oil)	860	825	35
	Neewai (Expeller Oil)	Closed	805	-
	Neewai (Kacchi Ghani Oil)	Closed	815	-
	Bharatpur (Kacchi Ghani Oil)	Closed	830	-
	Sri-Ganga Nagar(Exp Oil)	Closed	820	-
	Sri-Ganga Nagar (Kacchi Ghani Oil)	Closed	825	-
	Mumbai (Expeller Oil)	850	830	20
	Kolkata(Expeller Oil)	960	980	-20
	New Delhi (Expeller Oil)	Closed	825	-
	Hapur (Expeller Oil)	Closed	905	-
	Hapur (Kacchi Ghani Oil)	Closed	935	-
	Agra (Kacchi Ghani Oil)	Closed	835	-
Refined Cottonseed Oil	Rajkot	Closed	760	-
	Hyderabad	Closed	770	-

	Mumbai	890	800	90
	New Delhi	Closed	740	-
Coconut Oil	Kangayan (Crude)	Closed	1450	-
	Cochin	1530	1500	30
Sesame Oil	New Delhi	Closed	1300	-
	Mumbai	Unq	0	-
Kardi	Mumbai	Unq	0	-
Rice Bran Oil (40%)	New Delhi	Closed	600	-
Rice Bran Oil (4%)	Punjab	760	795	-35
Malaysia Palmolein USD/MT	FOB	605	605	Unch
	CNF India	625	615	10
Indonesia CPO USD/MT	FOB	583	600	-17
	CNF India	615	615	Unch
RBD Palm oil (Malaysia Origin USD/MT)	FOB	603	618	-15
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	618	630	-12
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	770	795	-25
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	585	620	-35
Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	755	-
Ukraine Origin CSFO USD/MT Kandla	CIF	728	750	-22
Rapeseed Oil Rotterdam Euro/MT	FOB	Unq	760	-
Argentina FOB (\$/MT)		30-Mar-20	29-Feb-20	Change
Crude Soybean Oil Ship		611	669	-58
Refined Soy Oil (Bulk) Ship		632	692	-60
Sunflower Oil Ship		640	710	-70
Cottonseed Oil Ship		591	649	-58
Refined Linseed Oil (Bulk) Ship		Unq	0	-
* 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 February is pegged at 10.90 lakh tons. Edible oils (including CPO, CDSO, CSFO, and RBD Palmolein imports for (Nov 2019-Feb 2020) is pegged at 44.51 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 03/04/2020	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
FOB USD per ton	602	600	595	580	603
Freight (USD/MT)	47	47	47	35	29.0
C & F	649.0	647.0	642.0	615.0	632.0
Weight loss (0.25% of FOB)	1.51	1.50	1.49	1.45	1.51
Finance charges (0.4% on CNF)	2.60	2.59	2.57	2.46	2.53
Insurance (0.3% of C&F)	1.95	1.94	1.93	1.85	1.90
CIF (Indian Port - Kandla)	655	653	648	621	638
Duty (Values in USD per tons)	249.87	249.87	249.87	242.55	307.40
GST (5% on duty) USD per ton	12.49	12.49	12.49	12.13	15.37
Exchange rate	75.87	75.87	75.87	75.87	75.87
Landed cost without customs duty in INR per ton	49698	49545	49162	47097	48400
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	649	649	649	588	621
Fixed exchange rate by customs department	76.35	76.35	76.35	76.35	76.35
Duty component in INR per ton	19077.19	19077.19	19077.19	18518.69	23469.61
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	70176	70023	69640	67015	73269
Domestic Market price INR/ton Soy Degum Kandla/CPO Kandla/RBD Kandla	81500	81500	81500	64900	77500
Total landed cost USD per ton	925	923	918	883	966
Domestic Market price USD/tons Soy Degum Kandla/ CPO Kandla 5%	1074	1074	1074	855	1021
Parity INR/MT (Domestic - Landed)	11324	11477	11860	-2115	4231
Parity USD/MT (Domestic - Landed)	149.26	151.28	156.33	-27.88	55.76
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	74675.68	74522.50	74139.55	74515.37	76069.47
Soy/Palm oil imported Price (Including tax)	78409.47	78248.63	77846.53	78241.14	79872.94
Loose price of Soy/Palm in Indore and Delhi market	90825.00	90825.00	90825.00	NA	NA
Parity after processing and Taxes (Rs per MT)	12415.53	12576.37	12978.47	NA	NA
Parity after processing and Taxes (USD per MT)	163.64	165.76	171.06	NA	NA
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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