# Veg. Oil Monthly Research Report

Contents

## *Outlook and Review:*

### *Domestic Front*

*Edible oil basket featured mixed tone during the month under review. Soy oil, palm oil and groundnut oil prices fell while coconut oil prices were unquoted. Rapeseed oil and sunflower oil prices rose.*

*Rapeseed oil (Jaipur) was the best performer among the edible oil complex due to firm demand. 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 75.77 compared to 76.17 last month. Rupee is expected to depreciate in May. Crude oil prices are expected to rise in May.*

### *Recommendation:*

*Market participants can buy refined soy oil in the cash markets at 790-800 for the target of 830-840 levels (Indore), if needed. Market participants can buy CPO Kandla 5% in the cash markets at 600-610 for the target of 640-650 levels, if needed.*

### *International Veg. Oil Market Summary*

*CBOT soy oil (July) is expected to stay in the range of 24 cents/lb to 30 cents/lb. CPO at BMD (June) is likely to stay in the range of 1800-2300 ringgits per ton. Focus during the coming days will be status of coronavirus in world, US-China trade tensions, crude oil prices, crop condition in Argentina, soy oil stocks in US, soybean demand by China, 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 and ringgit.*

*On the international front, rise in crude prices, lower stock of soy oil in US, weak crop condition in South America, lower stocks of soy oil in US, fresh demand of soybean by China and demand at lower levels is expected to support soy oil prices in coming days.*

*Expected rise in palm oil stocks in Malaysia, expected rise in production of palm oil in Malaysia and Indonesia, expected fall in exports of palm oil in Malaysia and Indonesia and weak demand from India and China are expected to underpin CPO prices in coming days.*

## Soy oil:
## Domestic Market Fundamentals

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

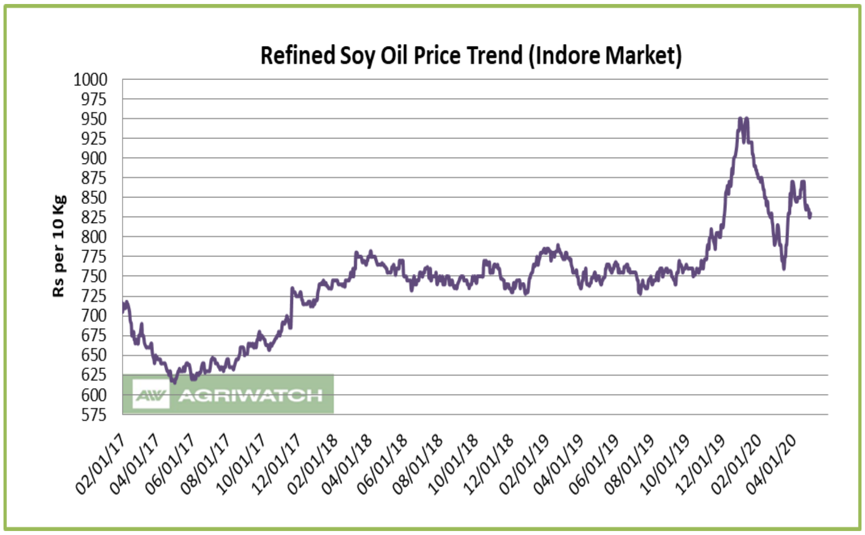
  Demand of soy oil fell in April due rise in its prices during lockdown amid weak supply of soy oil. Due to rise in prices of soy oil in Indian markets has led parity to rise.

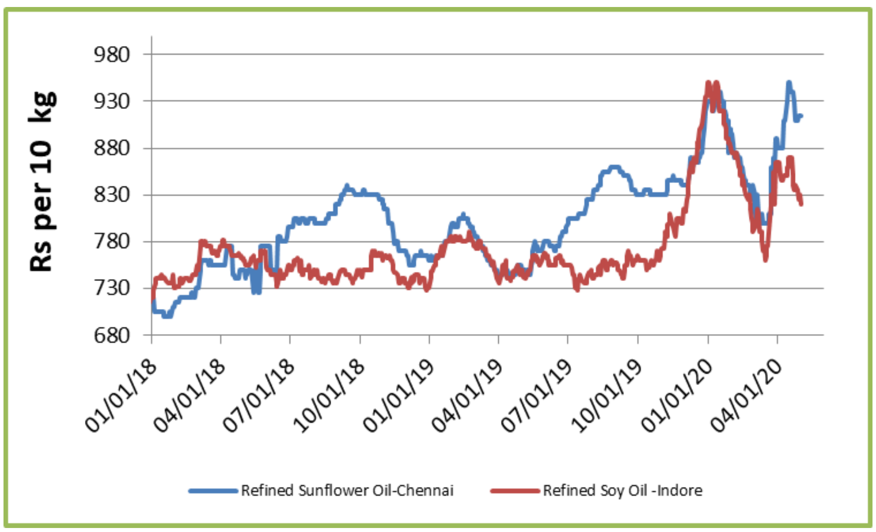
  Supply of soy oil fell in India in April due to lower demand of soymeal on weak poultry demand leading to lower crush of soybean leading to lower supply of domestic refined soy oil.

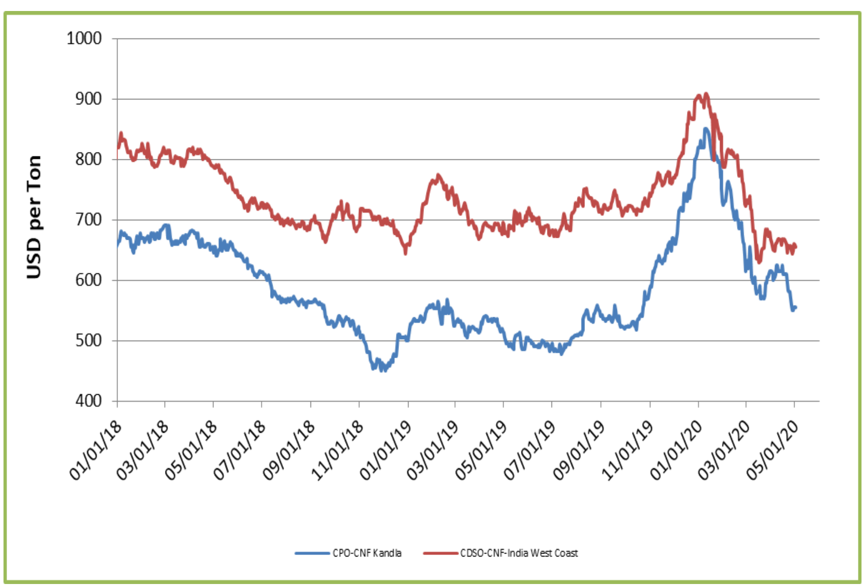
  Supply of soy oil in international market was restored across countries including Argentina and Brazil.

  Supply of soy oil in India is constrained due to congestion at Indian ports leading to slowdown of port operations. Opening of testing offices will increase discharge of vessels stranded. Clearing services have been restored. However, there is shortage of drivers of trucks.

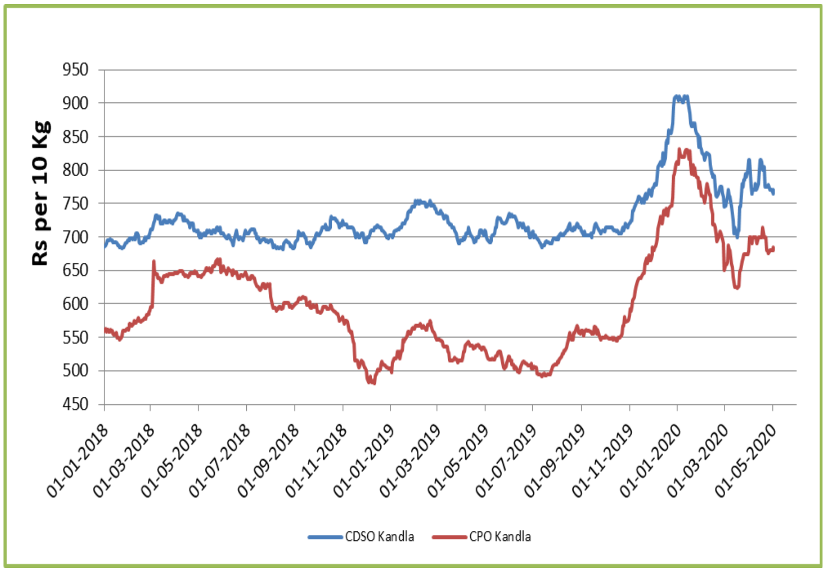
  Soy oil refineries are facing supply problems of raw materials, labor, and packaging material. Further, transporters are facing hurdles at various state borders as borders are sealed leading to long wait



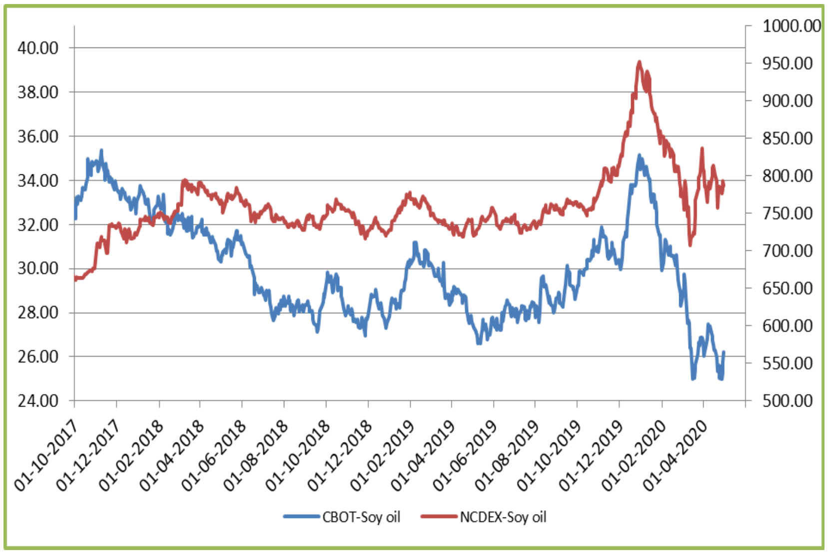



time at state borders.




Import prices of soy oil fell on weak demand and fall in soy oil prices in international markets. Sharp fall in crude oil prices, flaring of US-China trade dispute on coronavirus handling by China, impact of coronavirus in consuming products, weak demand of soybean in China, 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 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 Mar due to fall in prices of soy oil in international markets and is at Rs 85-90 per 10 kg compared to parity of Rs 25-30 per 10 kg in Mar.

Refining margins parity increased in April and is at Rs 85-90 per 10 kg compared to parity of Rs 35-40 per kg in Feb.

Positive import parity and firm refining margins will increase import demand of soy oil.

Refined soy oil premium over CPO has increased to Rs 191 (Rs 186 last month) per 10 Kg which is high and will underpin soy oil prices. Refined soy oil premium over RBD palmolein was at Rs 120 (Rs 30 last month) per 10 Kg, which is high and may decrease soy oil prices in domestic markets.

Refined soy oil premium over CDSO high seas is at Rs 45 (Rs 90) 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 fall in basis (spot prices – futures prices) due to low demand of soy oil from Argentina.

Imports of soy oil fell in Mar compared to Mar 2019 and Feb 2020. Import demand will remain weak in April due to shutdown of ports in first half of April and congestion in second half of April. Port stocks will fall due to weak imports and problems faced at ports indicating destocking at ports.

Soy oil carryout will fall in oil year 2019-20 due to lower production and higher consumption of soy oil in this oil year. Lower carryout in oil year will keep soy oil prices supporter in oil year 2019-20.

Prices of soy oil may fall due to weak demand. High premium over palm oil will underpin prices.

- Soy oil import scenario – According to SEA, soy oil imports fell marginally y-o-y in March to 2.92 lakh tons from 2.93 lakh tons in March 2019. In the oil year 2019-20 (Nov 2019-Mar 2020), imports of soy oil were 12.08 lakh tons compared to 9.89 lakh tons in corresponding perios last oil year, higher by 22.14 percent compared to corresponding period last oil year.
- According to Solvent Extractors Association (SEA), India's March edible oil imports fell 32.45 percent y-o-y to 9.41 lakh tons from 13.93 lakh tons in Mar 2019. Palm oil imports in Mar fell 58.16 percent y-o-y to 3.36 lakh tons from 8.03 lakh tons in Mar 2019. CPO imports fell 37.76 percent in Mar y-o-y to 3.05 lakh tons from 4.90 lakh tons in Mar 2019. RBD palmolein imports fell by 90.09 percent in Mar y-o-y to 0.31 lakh tons from 3.13 lakh tons in Mar 2019. Soy oil imports fell marginally in Mar y-o-y to 2.92 lakh tons from 2.93 lakh tons in Feb 2019. Sunflower oil imports fell marginally y-o-y in Mar to 2.97 lakh tons from 2.98 lakh tons in Mar 2019. Rapeseed (canola) oil imports in Mar was 0.17 lakh tons compared to zero imports in Mar 2019. Major fall in imports y-o-y is mainly due to fall in palm oil imports.
- According to United States Department of Agriculture (USDA) April estimate, India's 2019/20 soy oil import estimate have been reduced to 33.45 lakh tons from 35.0 lakh tons in its earlier estimate, lower by 4.43 percent. Soy oil consumption have been reduced to 48.50 lakh tons from 50.0 lakh tons in its earlier estimate, lower by 3.0 percent.
- Imported crude soy oil CIF at West coast port is offered at USD 637 (USD 653) per ton for May delivery, June delivery is quoted at USD 638 (USD 653) per ton and July delivery is quoted at USD 636 per ton. Values in brackets are figures of last month. Last month, CNF CDSO April average price was USD 658.12 (USD 676.29 per ton in Mar 2020) per ton. Refined soy oil (Indore) is quoted at Rs 815 (Rs 865) per 10 kg on May 4, 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 fetch USD 150-155/ton v/s gain of USD 45-50/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 780-900 per 10 Kg in the near term.

## Palm oil:
## Domestic Market Fundamentals

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

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

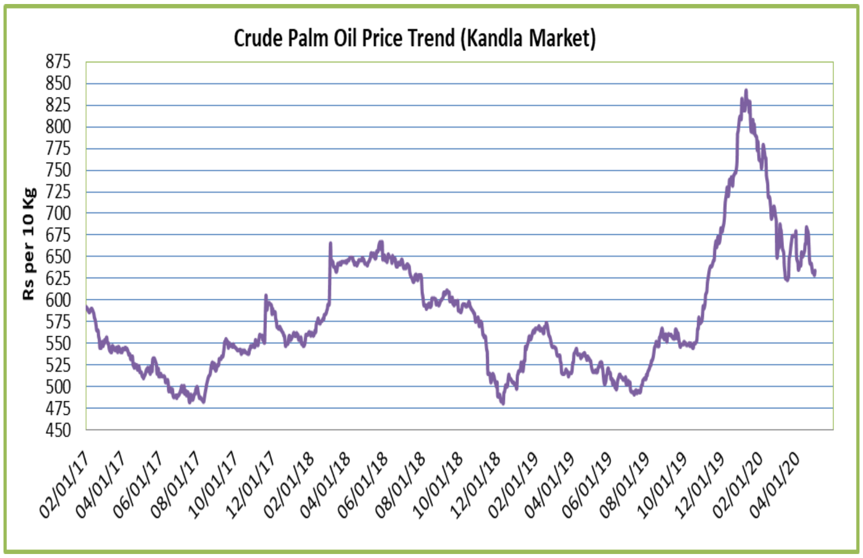
  Supply of CPO is weak at CNF markets as prices fell more at CNF compared to FOB markets.

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

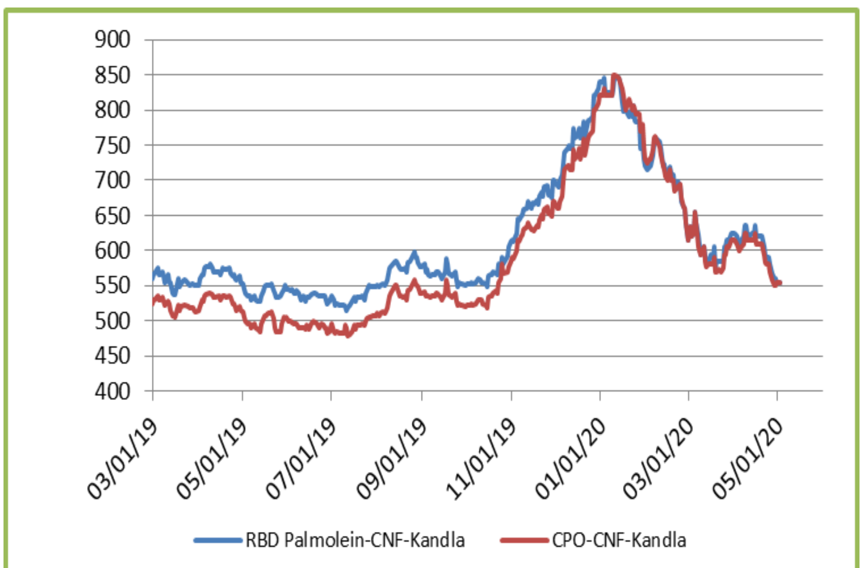
  Demand of palm oil weakened in India due to weak demand from retail market due to lockdown of India on coronavirus outbreak.

  Demand of palm oil is generally from street food, joints, and restaurants chains. However, due to lockdown of India no street sale of food and joints and restaurant chains are not working leading to lower demand palm oil.

  Palm oil consumption will fall in India in oil year 2019-20 from it earlier consumption estimate due to lockdown. Consumption will fall in 2019-20 from its previous year in more than two and half decades. Imports of palm oil will also be lower in oil year 2019-20 due to impact of coronavirus. This will lead to lower carryout of palm oil in oil year 2019-20.







There is short supply of palm oil in Indian market due to congestion at Indian ports which has led to delay in vessels discharge. Testing facilities offices have opened. Clearing houses have also opened. However, there is short supply of truck drivers leading to supply disruptions.

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

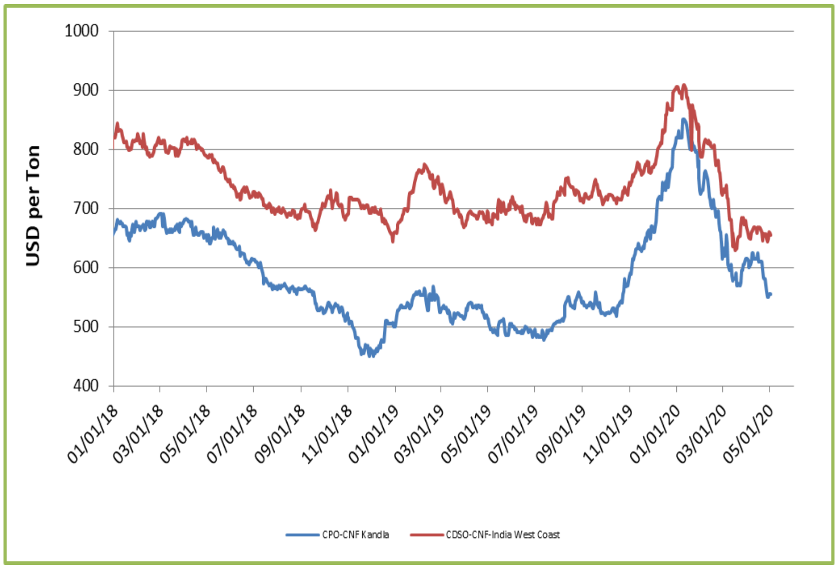
Transporters are getting delayed at state borders due to lockdown.

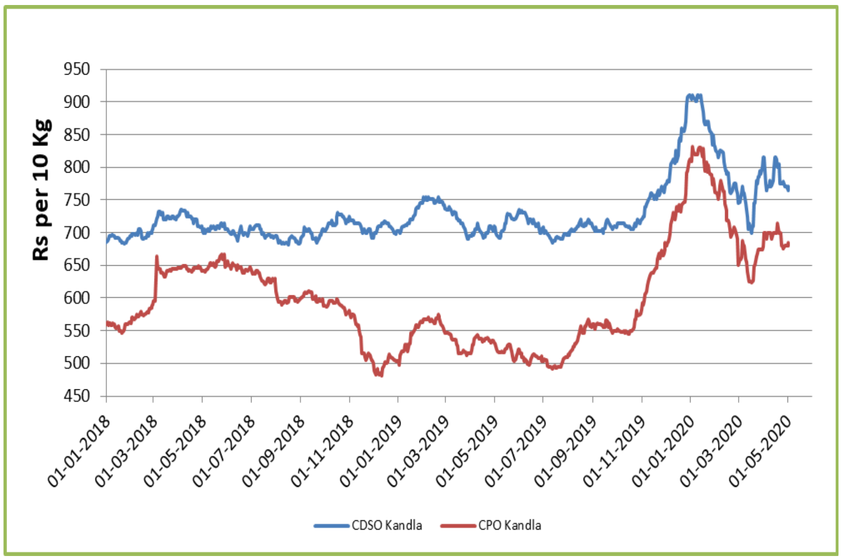
Disparity in imports decreased due to fall in prices of CPO in international markets. In Rupee terms, disparity currently stands at Rs 15-20 per 10 kg compared to Rs 25-30 per 10 kg last month.

Fall in Indian prices of CPO in international markets has made imports cheaper which will increase imports in coming months. However, depreciation of Rupee may increase disparity in Apr.

CPO trade is weak as traders are stuck at higher prices of CPO a due to fall in prices if CPO in Feb-Apr and fall in palm oil demand from the country. Traders were not able to offload stocks due to sharp fall in demand of palm oil.

Stocks of CPO at Indian ports will in fall in Mar-April due to closure of ports or congestion at ports.




Data from cargo surveyor SGS shows a higher imports of palm oil by India from Malaysia in April due to toning down of India-Malaysia relation after Malaysian PM Mahatir Mohammad was ousted and new Malaysian government vowed to reverse policy of earlier PM when India-Malaysia tensions flared due to Malaysia raising Kashmir issue at UN.

Indian did not renew 5 percent import duty imposed by it on Malaysian palmolein in 2019 as it showed that Malaysia imports of palmolein hurt Indian palm industry. This has led to confidence in Malaysia that India and Malaysia will reach some sort of trade deal to allow Malaysia palmolein imports into India.

However, contrary to this India tightened import process to stop RBD palmolein imports after it allowed pallmolein imports to the tune of 11 lakh tons under government license.

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

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

Import parity of ready to use imported palmolein abobe CPO and is in positive territory.

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, parity of RBD palmolein currently stands at Rs 20-25 per 10 kg compared to disparity of Rs 5-10 per 10 kg last month due to and fall in prices of RBD palmolein in international markets.

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

Higher discount of RBD palmolein over soy oil, sunflower oil and rapeseed oil will increase its demand.

Supply disruption of palm oil has been restored from Malaysia after 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 fall in prices of palm oil in international markets. Many countries are opening their economies after lockdown will support palm oil global 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.

RBD palmolein premium over CPO increased to Rs 71 (Rs 101 last month) per 10 kg indicating weak demand of RBD palmolein compared to CPO at high seas.

Import of CPO in March was lower than that of Mar 2019 and lower than Feb 2020. Stocks at ports will fall in March-April due to congestion at ports and lower imports. Further, imports will remain weak from India due to weak demand in India as it is mostly used in street foods, joints and restaurant chains which are closed.

Import of RBD palmolein is fell in Mar compared to Mar 2019 and Feb 2020. Imports of RBD palmolein will remain weak in India due to India restricting palmolein imports and weak demand in India as it is used in outside food and it is adversely affected due to lockdown. Further, RBD palmolein port stocks will fall due to lower imports and liquidation of its stocks from ports as it can be directly used without refining which is suffering due to lower capacity utilization on supply disruption.

Import demand of CPO and RBD palmolein may rise due to fall in prices of palm oil in international markets.

Rising soy oil premium over crude palm oil which is hovering at Rs 181 (Rs 180 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 April at CNF and domestic markets. High premium of crude sunflower CNF India West coast and CPO CNF at USD 220 (USD 110) per ton will increase CPO prices and RBD palmolein prices in medium term. Low premium of CSFO-CNF-India West coast over CPO-CNF indicates weak demand of CPO at CNF markets compared to CSFO-CNF.

Rising CDSO CNF premium over CPO CNF will increase imports of CPO in medium term at USD 87 (USD 40 last month) per 10 kg. Premium of CDSO soy oil high seas over CPO high seas is at Rs 146 (Rs 100 last week) per 10 Kg, which is high and will increase CPO demand at high seas. Premium of refined soy oil over RBD palmolein is Rs 120 (Rs 130 last week) per 10 kg is high and will increase 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 March fell 58.16 percent y-o-y to 3.36 lakh tons from 8.03 lakh tons in March 2019. Imports in the oil year 2019-20 (November 2019-March 2020) are reported lower by 25.61 percent y-o-y at 28.80 lakh tons compared to 38.72 in last oil year.

  Crude Palm oil import scenario- According to Solvent Extractors Association (SEA), CPO Imports in fell 37.76 percent y-o-y in March to 3.05 lakh tons from 4.90 lakh tons in March 2019. Imports in oil year 2019-20 (November 2019-March 2019) were reported lower by 14.24 percent y-o-y at 25.49 lakh tons compared to 29.12 lakh tons in last oil year.

  RBD palmolein import scenario- RBD palmolein imports fell 85.89 percent y-o-y in March to 0.34 lakh tons from 2.41 lakh tons in March 2019. Imports in oil year 2019-20 (November 2019-February 2020) were reported lower by 65.56 percent y-o-y at 3.31 lakh tons compared to 9.61 lakh tons in last oil year.

- As per Notification Number 2/2020-21 dated 13, April 2020, issued by Ministry of commerce and Industry, India has imposed more restriction on imports of RBD palmolein. With respect to notification number 39/2015-20 dated 8th Jan 2020 has been amended for the import policy of refined palm oil to “restricted” from “Free”. Further, more conditions have been imposed for palm oil imports as mentioned below:

  i. The applications for import authorization should be accompanied with prepurchase agreement and details of the import of the above items for past three years.

  ii. Validity period of import licenses/authorizations for refined palm oil will be 06 months in place of usual 18 months.

  iii. Total non-utilization of import authorization by the applicant will lead to disqualification of the importer from getting any further license for these items in future.

  iv. Customs will be required to diligently enforce the Rules of Origin criteria for import of these items originating from Nepal and Bangladesh.

This issues with the approval of competent Authority.

- 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 palmloein 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 550 (USD 615) per ton for May delivery and June delivery is quoted at USD 550 per ton. Last month, CNF CPO April average price was at USD 597.44 per ton (USD 598.36 per ton in Mar 2020). Values in brackets are figures of last week.

  Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 560 (USD 625) per ton for Apr delivery and May delivery is quoted at USD 560 per ton. Last month, CIF RBD palmolein April average price was USD 606.84(USD 605.96 in Mar 2020) per ton. Values in bracket depict last month quotes.

  Ready lift CPO duty paid prices quoted at Rs 624 (Rs 679) per 10 Kg and May delivery duty paid is offered at Rs 619 (Rs 674) per 10 kg. Ready lift RBD palmolein is quoted at Rs 695 (Rs 775) per 10 kg as on May 4, 2020. Values in brackets are figures of last month.

- On the parity front, margins rose during the month of April on lower price of palm oil products in international markets and we expect margins to remain firm in coming days. Currently refiners fetch USD 25-30/ton (Apr average) v/s loss of USD 5-10/ton (Mar average) margin in processing the imported CPO but on the imports of ready to use palmolein lose USD 30-35/ton (Apr average) v/s loss of USD 15-20 (Mar average).

  ***Price Outlook:*** We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 580-680 per 10 Kg in the near term.

## Rapeseed oil:
## Domestic Market Fundamentals

Rapeseed oil featured firm trend at various markets on firm demand and weak supply. All India arrivals of rapeseed fell in April due to closure of mandis in first half of the month.

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

Due to exceptional lockdown of India retail demand firmed as most of the population is confined at home and it is mostly used in home food. Rapeseed oil also substituted due to lower supply of domestic crushed soy oil as soy meal demand has waned on lower poultry demand leading to lower crush of soybean.

Further, palm oil is used in outside home and most of the population is confined at home leading to higher demand of rapeseed oil.

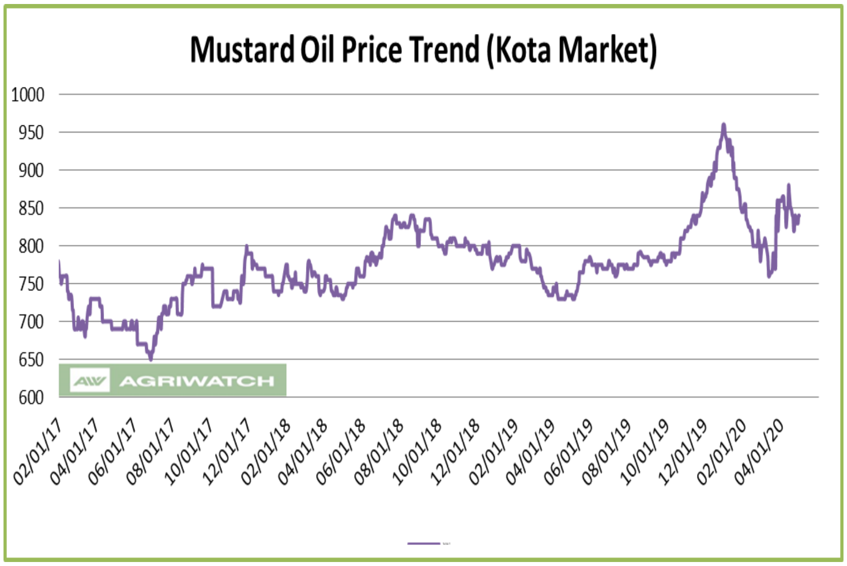
Supply of rapeseed oil has ruesumed due to opening of mandis.

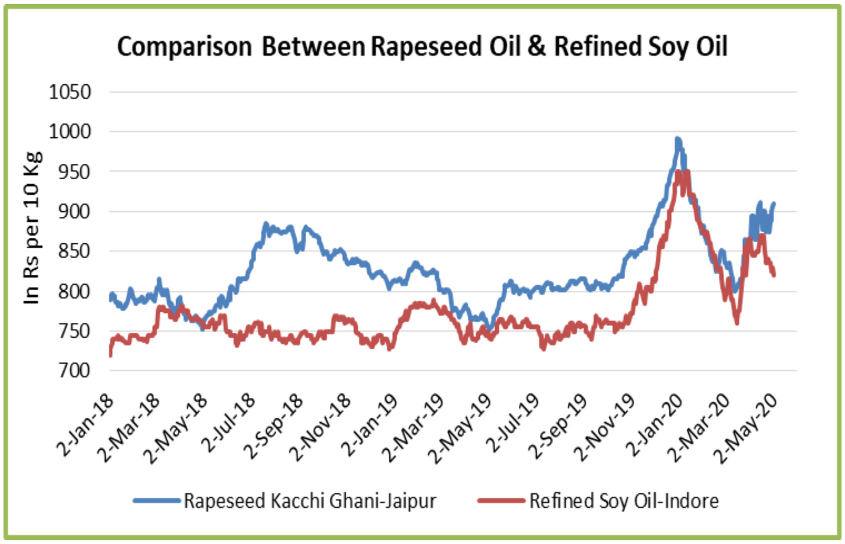
However, many mills are facing problem to operate as there is shortage of labor and packaging material.

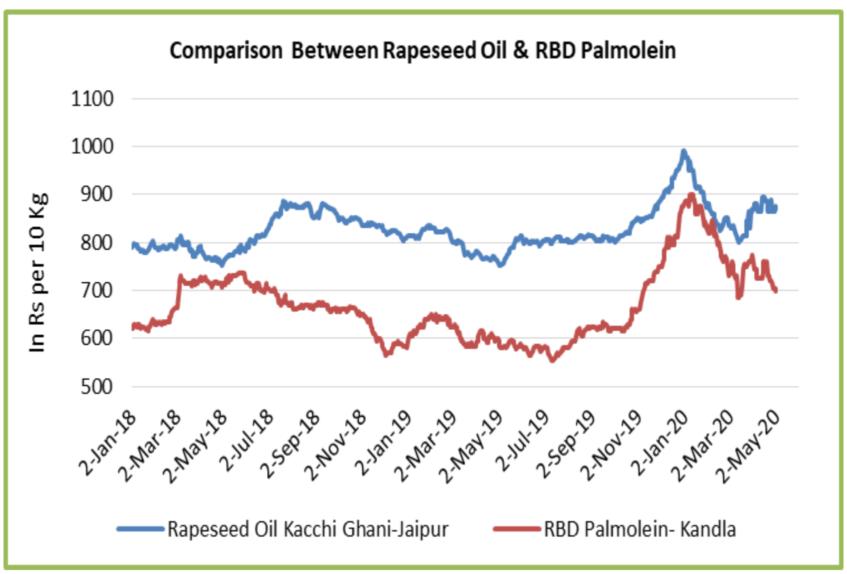
Trucks are less available due to less availability of drivers.

Further, transporters are facing problems in transit due to slow movement of goods due to lockdown. There is limited availability of labor for loading and unloading.

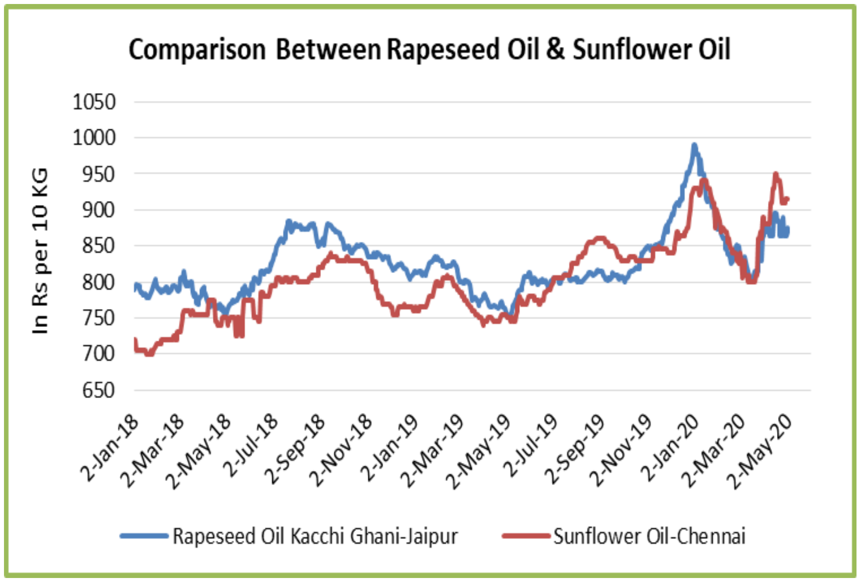
NAFED has started procuring



rapeseed since 15 April for the MY 2020-21 to support market. Total progressive purchase has been 3.16 lakh tons and most of the procurement is in Haryana with progressive purchase of 3.07 lakh tons.




Total stocks after sale of mustard seed in MY 2019-20 is 3.30 lakh tons. So, total stocks of rapeseed with NAFED stands at 6.46 lakh tons. Stock with NCDEX is 0.09 lakh tons.

Agriwatch estimated rapeseed crop last year at 79 lakh tons and with latest estimate rapeseed crop will not exceed 72 lakh tons. Due to crop damage and rains before harvest estimate of rapeseed crop will fall.

Rapeseed crop in MY 2020-21 will be lower than last year due to lower area in current year and lower yield. Yield will be lower due to lack of sunny days in growth phase. Seed size and seed numbers will be lower leading to lower yields in may states. In addition, yield will fall due to rains and hail before hail

COOIT has estimated 77 lakh tons of rapeseed crop in MY 2020-21 compared to crop of 75 lakh tons last year. In the second advanced estimate rapeseed crop has been estimated at 91.13 lakh tons compared to 92.56 lakh tons last year.

Lower crop of rapeseed in MY 2020-21 will support rapeseed and rapeseed oil prices.

Higher discount of RBD palmolein prices to rapeseed kacchi ghani prices underpin rapeseed oil prices.

Low premium of Jaipur kacchi ghani rapeseed oil over refined soy oil in domestic market at Rs 90 (Rs 30) per 10 Kg, will underpin rapeseed oil prices in medium term.

There was import of canola oil in March. Imports of canola oil is 0.17 lakh tons in oil year 2019-20 (Nov-19-March-20), first months of imports after 11 months. Import of canola is weak in current oil year after weak oil year 2018-19 (Nov 2018-Oct 2019) indicating weak demand of canola oil.

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.

High premium of rapeseed expeller oil (Jaipur) over RBD palmolein (Kandla) at Rs 210 (Rs 170) 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 weak on weak demand.

- Rapeseed oil import scenario- India imported 0.17 lakh tons rapeseed (Canola) oil in March 2020 v/s 0.0 lakh tons imports in March 2019. In the oil year 2019-20 (Nov 2019-Mar 2020) imports were 0.17 lakh tons compared to 0.44 lakh tons in last oil year, lower by 61.36 percent y-o-y.
- According to United States Department of Agriculture (USDA) April estimate, India's 2019/20 rapeseed oil import estimate have been reduced to 0.25 lakh tons from 1.2 lakh tons in its earlier estimate, lower by 79.2 percent. Rapeseed oil consumption have been reduced to 27.30 lakh tons from 27.80 lakh tons in its earlier estimate, lower by 1.8 percent. End stocks of rapeseed oil in 2019/20 raised to 1.89 lakh ton from 1.38 lakh tons, lower by 36.95 percent.
- Currently, RM oil at Jaipur market (expeller) is offered at Rs 895 (Rs 855) per 10 Kg and at Kota market is quoted around Rs 840 (Rs 860) per 10 kg as on May 4, 2020. Values in brackets are figures of last month.
- We expect RM seed oil prices to trade sideways to weak 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 firm demand and weak supply.

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

  Sunflower oil prices rose in April despite fall in prices of palm oil and soy oil indicating firm demand.

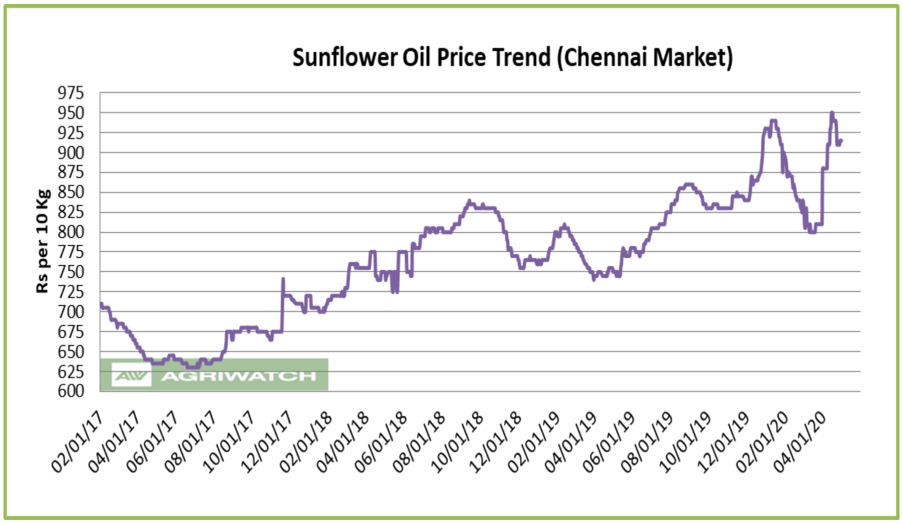
  Demand of sunflower oil may slow due to rise in its prices. However, due to opening of retail outlets demand may increase.

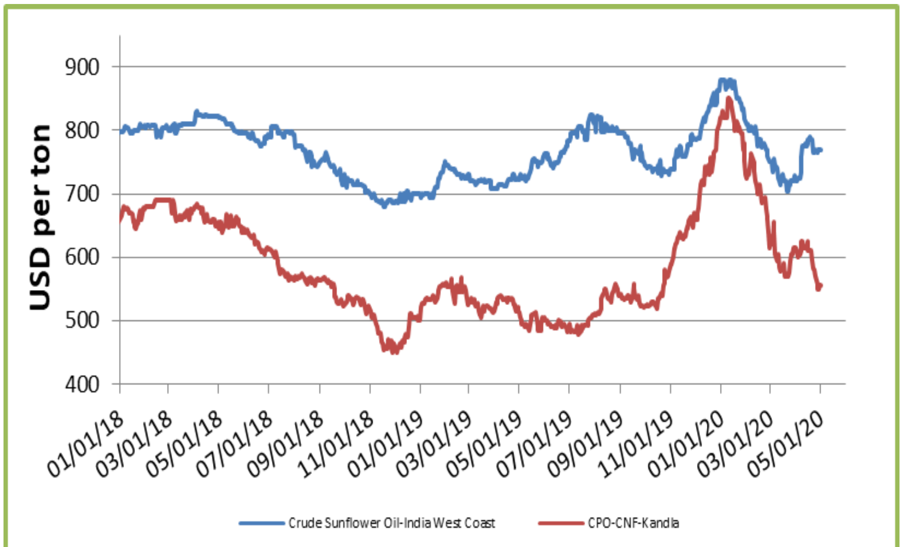
  There is big supply problem of sunflower oil in the country.

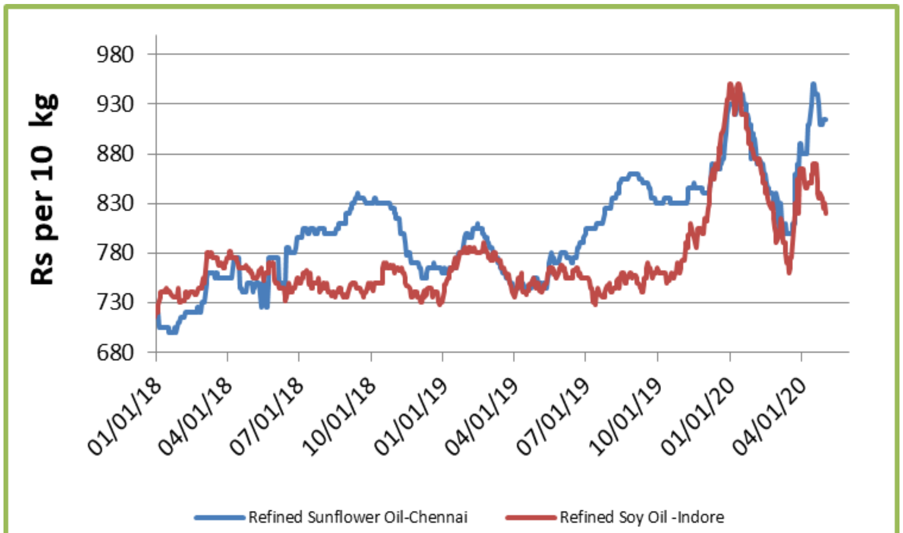
  Sunflower oil international prices rose as Russia announced quota system in various commodity exports leading to surge in sunflower oil CNF prices.

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

  There is supply disruption in India as vessels arriving at Indian ports are stuck sue to congestion at ports. There is shortage of trucks due to unavailability if drivers to



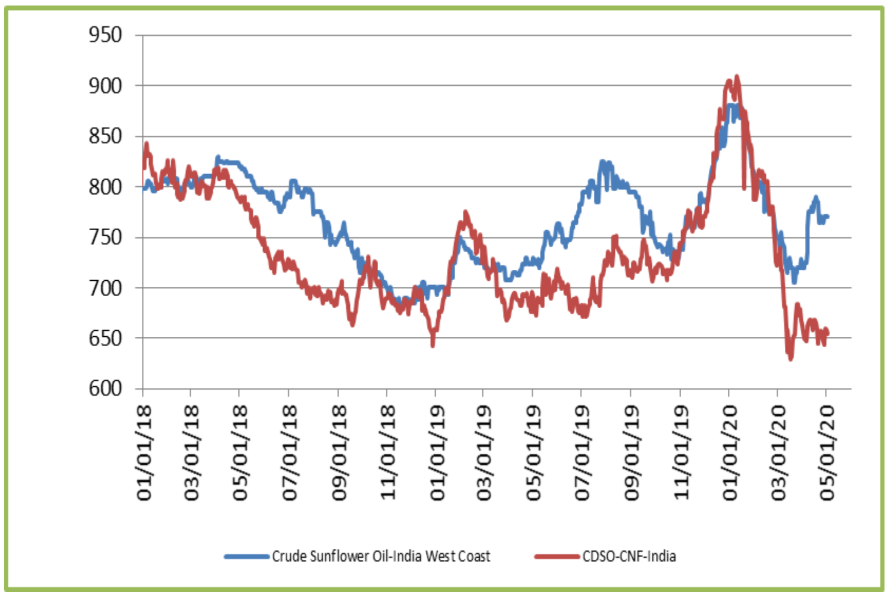



transport the oil.

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

Consignments are facing difficulty to cross various state borders as borders are closed.


Higher prices of sunflower oil will weaken its demand. Carryout of sunflower oil will fall in oil year 2019-20 due to rise in consumption. Further, imports will fall from here due to high premium over soy oil and palm oil may lead to fall 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 may fall due to surplus stock of sunflower in Ukraine, will cap sunflower oil prices at CNF markets in April.

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 Mar compared to Feb 2020 m-o-m. Imports of sunflower oil rise in March compared to March 2019 y-o-y. Imports will slow in April due to closure of ports in first half of month and port congestion towards second half of the month. Further, higher prices of sunflower oil over soy oil and palm oil at India CNF will slow its imports.

Rising premium of CSFO over CDSO in CNF markets will underpin prices in medium term. Imports are expected to be lower in April due to supply disruptions.

Third chart from above shows that sunflower oil prices are correlated to soy oil prices in domestic market. However, there is divergence in prices of sunflower oil and soy oil in domestic market last month. Third chart from above shows that sunflower oil premium over RBD palmolein is high in April.

In domestic market, prices is expected to fall in medium term due to weak demand and high premium over competing oils.

Prices are expected to fall on weak demand. Prices of sunflower oil are expected to remain in a range with downward bias in May.

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

- Sunflower oil imports scenario- According to Solvent Extractors Association (SEA), Sunflower oil imports fell marginally y-o-y in March to 2.97 lakh tons from 2.98 lakh tons in March 2019. Imports in oil year 2019-20 (November 2019-March 2020) were reported higher by 16.90 percent y-o-y at 12.86 lakh tons compared to 11.00 lakh tons in last oil year.
- On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 770 (USD 725) per ton for May delivery and June delivery is quoted at USD 760 (USD 730) per ton and June delivery is quoted at USD 730 per ton. CNF sun oil (Ukraine origin) April monthly average was at USD 764.6 per ton compared to USD 726.36 per ton in March. 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 133.0 (USD 75.0 last week) per ton for Apr delivery. CNF sunflower oil premium over RBD palmolein is hovering around USD 210 (USD 105) per ton.
- Currently, refined sunflower oil at Chennai market is offered at Rs 915 (Rs 890) per 10 Kg, and at Kandla/Mudra market, it is offered at Rs 880 (Rs 860) per 10 kg as on May 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 800-1000 per 10 Kg.

## Groundnut oil:
## Domestic Market Fundamentals

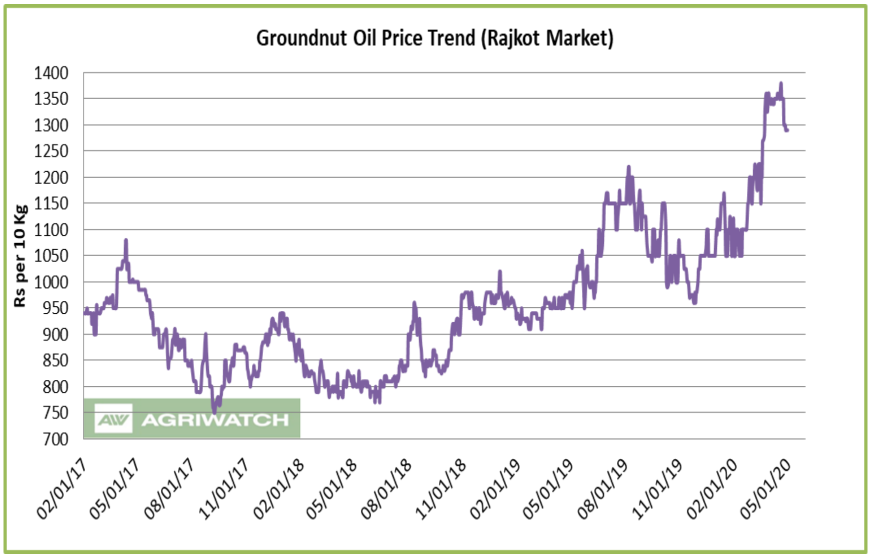
➢ Groundnut oil featured weak trend during the month in review on weak demand.

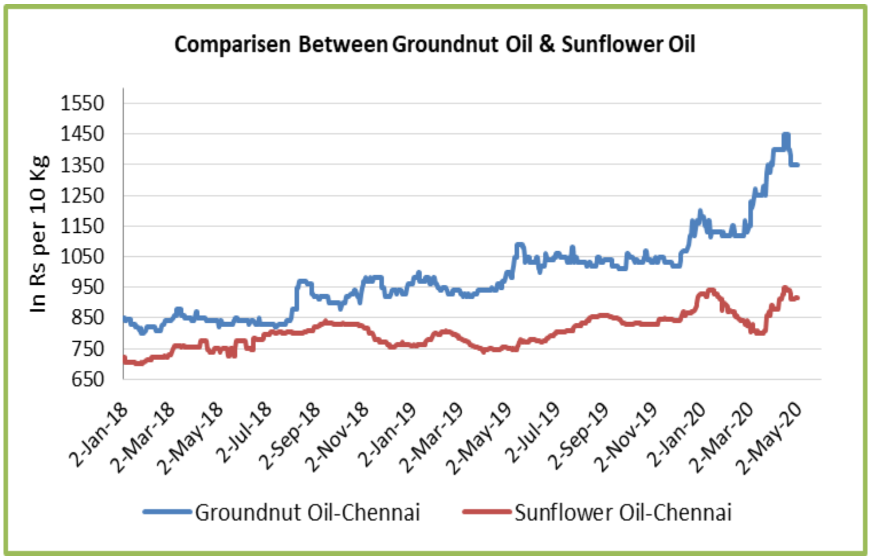
Demand decreased as prices of groundnut oil rose during lockdown of India due to coronavirus.

Further, improving availability of palm oil and sunflower demand of groundnut oil may slow.

Supplies of groundnut oil is being respired as mandis have opened. However, there is shortage of labor for loading, unloading and operations. There is shortage of labor in crushers. Further, there is shortage of packaging material and closure of testing facilities. There is shortage of drivers for transportation. Transporters are facing hurdles on state borders as and it takes time to cross state borders.

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




Prices of groundnut oil fell on fall 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 may be capped as 70 percent groundnut has been consumed either in crushing, NAFED auctions, crushing, direct consumption and exports. Moreover, additional groundnut will be used for 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 1300-1400 per 10 kg levels.

Trade of groundnut are improving as mandis have opened and ports have started to function. However, many countries have closed to control coronavirus.

High premium of groundnut oil over sunflower oil and palm oil will underpin of groundnut oil prices 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.

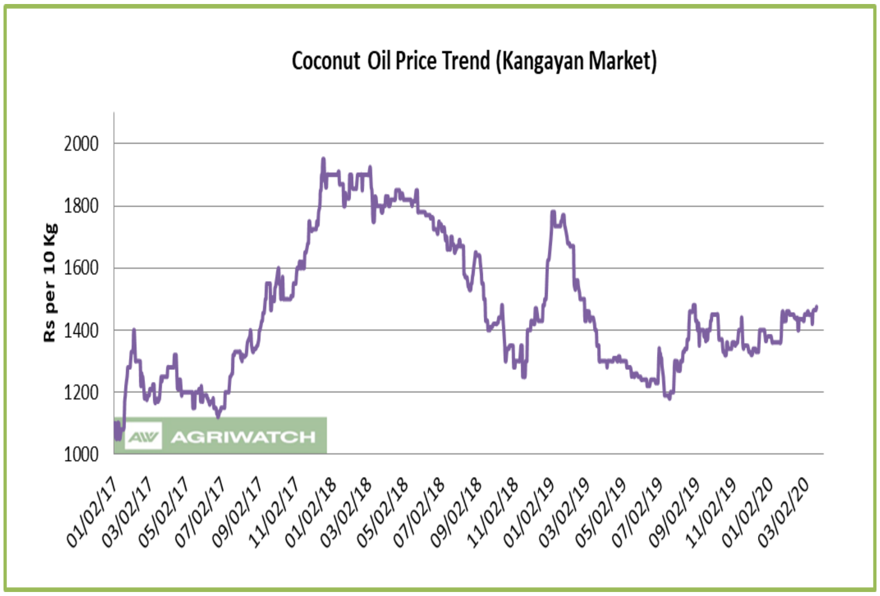
In Andhra Pradesh and Tamil Nadu prices fell on weak demand and parity with Gujarat. Prices of groundnut will remain supported due to arrival of demand season in South India when there is demand of pickles, chatnis and value added products. Prices will stay elevated as demand season will be there from May-July. Stock position of groundnut oil is firm in the market. Groundnut arrivals have risen as mandis have opened and harvest of froundnut is in progress in South India.

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

- On the price front, currently the groundnut oil prices in Rajkot is hovering near Rs 13,000 (12,500) per quintal and quoting at Rs 13,500 (Rs 14,000) per quintal in Chennai market.
- Groundnut oil prices are likely to trade with a sideways to weak tone in the coming days.

***Price Outlook:*** We expect Groundnut oil (Rajkot) to trade in the price band of Rs 1250-1450 per 10 Kg.

## Coconut oil:
## Domestic Market Fundamentals




- Coconut oil benchmark market Kangayam prices were unquoted for the month due to coronavirus lockdown.

  Demand may weaken die to surge in its prices as consumers are already stocked.

  Prices of coconut oil prices may fall on fall 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 less availability of transport due to shortage if drivers to transport copra.

  Prices of coconut oil fall on fall 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.

  Fall in palmolein prices may decrease 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 less trade of coconut products due to port congestion. 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 fall in May on weak demand. Prices are expected to trade sideways to weak 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/qtl from Rs 9521/qtl for 2020. MSP of ball copra is hiked to Rs 10300/qtl from Rs 9920/qtl. 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 (15,300) per quintal, and unquoted (14,750) per quintal in Erode market on April 30, 2020.
- Coconut oil prices may trade sideways to weak tone tracking weak demand in ready markets.

***Price Outlook:*** We expect coconut oil (Erode) to trade in the price band of Rs 1300-1600 per 10 Kg.

### International Soy oil Market Fundamentals

- Soy oil prices are expected to be supported by rise in crude oil prices, lower stock of soy oil in US, higher demand of soybean from China, drought in South America, and demand at lower levels.

  However, US-China trade dispute and adverse effect of coronavirus may impact prices adversely.

  Coronavirus has claimed more than 250,000 lives across globe. The outbreak has affected more than 200 countries including US, Italy, Spain, Iran, South Korea, India, Japan, Pakistan, UK, France, Germany, Malaysia, Indonesia, Brazil and Argentina. US is the most affected country with more than million cases and 65,000 deaths. US has blamed this outbreak on China and has vowed to punish China by hiking tariffs. This comes at a time when US-China trade settlement has started to show that China is expected to buy agricultural goods in bulk. Therefore, if tariffs are hiked by US then US-China trade settlement will fail.

  Due to coronavirus has led to lockdown of various countries for more than one month. Almost 50% of world is in lockdown. US has locked down many states and it is worst country affected by coronavirus. Further, Italy, Spain, Iran, South Korea, Japan, UK, France, Germany, Australia are in state shutdown. However, many economies are opening their countries partially to save themselves from economic disaster after health disaster. South America and Southeast Asia is also in lockdown. However, agricultural services like harvesting, processing and transit are normal. India increase the lockdown by 14 days until 17 May after 21 days and 19 days of previous lockdown. Many districts are allowed to function as they are in green zone while actively in red zone is very limited.

  US-China tensions flared in due to China's handling of coronavirus. US and Europe blames China for keeping information secret and is directly involved spread of coronavirus across globe. This has led US to retaliate against China by imposing additional tariffs. This will kill US-China trade settlement reached in Jan when China vowed to purchase US farm products including soybean. This will have adverse effect on global soy oil prices.

  US FED kept interest rate to zero and has undertaken USD 2.3 trillion of quantitative easing program. US has announced USD 2.7 trillion stimulus package. EU and Japan announced fiscal stimulus and their central banks have announced quantitative easing to support market. More measures from government in form of fiscal support can be seen in coming days. Total USD 10 trillion of fiscal support is being given globally.

  China has lifted lockup in almost all provinces and travel restriction have been removed. 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 50 percent drop in swine count led to lower demand of soybean by China.

  There has been surge in exports of soybean from Brazil especially import demand from China. Exports of Brazil was delayed due to disturbance caused by rains in Brazil. However, with weather becoming shipments of soybean has surged to China in March and April.

  However, if US increased additional duties on Chinese products then purchase of soybean by China from US will suffer.

Due to new crop harvested in Brazil, Brazilian soybean is quoted lower compared to US origin has led to surge in demand from Brazil.

Soybean crop in South America is facing severe heat pressure during harvest. Dry conditions during last phases of crop in Brazil and harvest has led to lowering of yields thereby reducing soybean crop of the country. USDA reduced soybean crop of the country to 124 MMT from 126 MMT making this year crop in Brazil to record in history.

Harvest of soybean is over in in Brazil. Dry conditions has led to higher pace of harvest. USDA has hiked exports of soybean from Brazil to 78.5 MMT from 77 MMT on higher global demand especially demand from China.

Soybean crop of Argentina is not in good shape and harvest has been started. This has led to reduction in yields and will lead to lower soybean crop. USDA cut soybean production forecast of Argentina to 52 MMT from 54 MMT. Buenos Aires Grains exchange has cut soybean crop to 49 MMT from 54 MMT citing dry conditions.

There has been fall in water levels of Parana river in Argentina leading to delay of shipments of soybean and downstream shifting of loading due to less water levels. Ships are loading at lower capacity due to lower water levels. This will lead to shortage of soy products in global markets.

Soy oil stocks fell in US in March as reported by NOPA despite higher 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 and higher Feed, Food and Industrial use.

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. USDA increased soybean import estimate of China 88 MMT in 2019/20 from 85 MMT.

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.

Soy oil prices are expected to be supported by rise in crude oil prices due to higher cut in global crude oil production especially Saudi and Russia.

- According to National Oilseed Processors Association (NOPA), U.S. March soybean crush rose by 9.07 percent m-o-m to 181.374 million bushels from 166.288 million bushels in February 2020, above market expectation. Crush of soybean in Mar was higher by 6.84 percent y-o-y compared to Mar 2019 figure of 170.011 million bushels. Soy oil stocks in U.S. at the end of Mar fell 1.20 percent m-o-m to 1.899 billion lbs compared to 1.922 billion lbs in end Feb 2020. Stocks of soy oil in end Mar was higher by 7.84 percent y-o-y compared to end Mar 2019, which was reported at 1.761 million lbs. Soy oil stocks was below trade expectation.

- According to China's General Administration of Customs (CNGOIC), China's March edible vegetable oils imports fell 19.28 percent m-o-m to 4.69 LT from 5.81 LT in March 2019. Year to date imports of edible vegetable oil fell 14 percent to 16.88 lakh tons.

- According to China's General Administration of Customs (CNGOIC), China's March soybean imports fell 13.05 percent to 4.69 MMT from 5.81 MMT in Mar 2019. Year to date soybean imports rose 6.20 percent to 17.75 MMT.

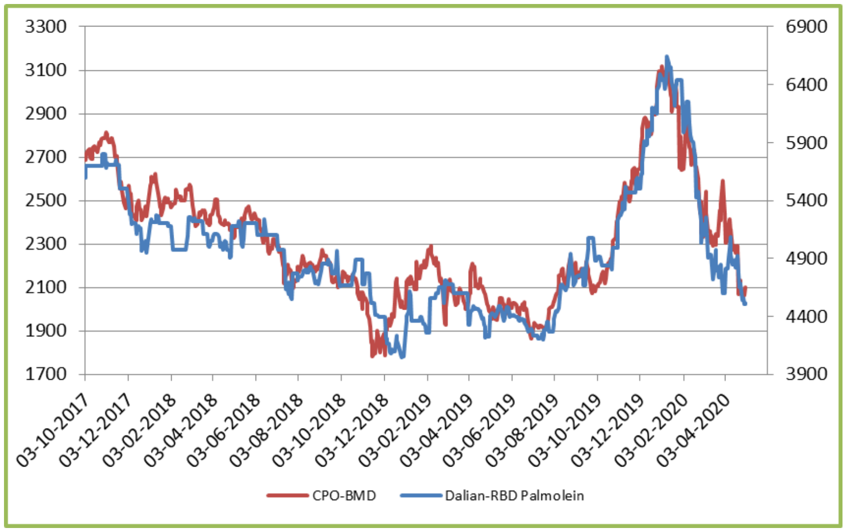
- According to United States Department of Agriculture (USDA) April estimate, U.S 2019/20 ending stocks of soy oil estimate has been raised to 1,830 million lbs compared to 1,515 million lbs. Opening stocks are kept unchanged at 1,775 million lbs. Production of soy oil in 2019/20 is raised to 24,480 million lbs from 24,290 million lbs in its earlier estimate. Imports in 2019/20 are reduced to 375 million lbs compared to 450 million lbs in its earlier estimate. Biodiesel use in 2019/20 is reduced to 7,700 million lbs compared to 8,000 million lbs in its earlier estimate.  Food, feed and other industrial use in 2019/20 is reduced to 14,700 million lbs compared to 14,900 million lbs in its earlier estimate. Exports in 2019/20 are increased to 2,400 million lbs compared to 2,100 million lbs in its earlier estimate. Average price range estimate of 2019/20 is reduced to 30.0 cents/lbs from 31.5 cents/lbs in its earlier estimate.

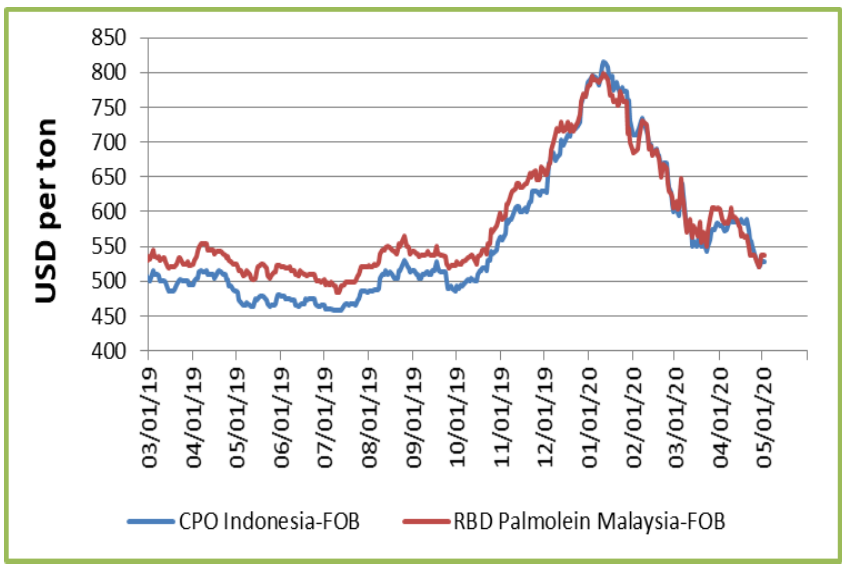
- The U.S. Department of Agriculture monthly supply and demand report for the month of April forecasts U.S. 2019/20 soybean stocks at 480 million bushels compared to 425 million bushels in its earlier estimate. Opening stocks in 2019/20 is unchanged at 909 million bushels. Soybean production is kept unchanged at 3,558 million bushels. U.S. soybean exports estimate are reduced to 1,775 million bushels compared to 1,825 million bushels in its earlier estimate. Imports estimate is unchanged 15 million bushels. Crush in 2019/20 is increased to 2,125 million bushels compared to 2,105 million bushels in its earlier estimate. Seed use in 2019/20 has been increased to 97 million bushels from 99 million bushels in its earlier estimate. Residual use is reduced to 5 million bushels from 29 million bushels from its earlier estimate. Average price range in 2019/20 is reduced to 8.65 cents/bushel from 8.70 cents/bushel in its earlier estimate.

- USDA WASDE highlights:- The season-average soybean price is forecast at $8.65 per bushel, down 5 cents. The soybean oil price is projected at 30.0 cents per pound, down 1.5 cents reflecting increased production and ending stocks.  Soybean meal prices are unchanged at $305 per short ton.

**Price Outlook***:* We expect Ref. soy oil with VAT to trade in the price band of Rs 780-900 per 10 Kg.

## International Palm oil Market Fundamentals




- Palm oil prices are likely to fall due to weak global demand, expectation of rise in end stocks of palm oil in Malaysia, rise of production of palm oil in Malaysia and lower use of palm oil in biodiesel.

  Palm oil stocks rose in Malaysia in March due to rise in production of palm and slow rate of growth of palm oil exports from Malaysia.

  Palm oil stocks are expected to rise more in April in Malaysia on higher production of palm oil amid higher exports.

  Palm oil production is expected to rise in Malaysia in April due to seasonal uptrend of production. Malaysian Palm Oil Association (MPOA) estimated palm oil production to rise by 25 percent during April 1-20.

  Malaysia has allowed such estates to continue to production that are not infected. Sabah province produces 25 percent of palm oil in Malaysia.

  Palm oil global demand is expected to fall in coming weeks on weak demand and demand foregone due to coronavirus.

  Exports of palm oil rose 4 percent in Malaysia in April due to firm demand from India and China.

  Global demand of palm oil will remain muted in coming months due to closure of 50 percent of the world and most of the palm oil use is outside the home and at present most of the people is confined in their homes due to coronavirus. Further, there is no trigger of demand in coming months.

  Ramadan demand has not come due to shutdown of various countries including India. Seasonally demand slows and production of palm oil rise globally thereby adding global stocks of palm oil in coming months.

  Further, demand of palm oil will be lost for Ramadan as most of the Muslim world is closed due to coronavirus. However, partial opening of many economies globally will support palm oil demand in coming months.

  Opening of China for trade will benefit palm oil exports from Malaysia, as it will start to stock palm oil after closure of Chinese provinces to tackle coronavirus. China will take advantage of lower prices of palm oil to stock. However, palm oil demand from China remains seasonally weak may not import palm oil in large quantities.

Palm oil demand by India from Malaysia has increased in April compared to March due to buying at lower levels and toning down of tensions between India and Malaysia due to ouster of Mahatir Mohammad as PM of Malaysia.

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.

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. More restriction have been placed by India on imports of RBD palmolein after allowing 11 lakh tons import quota of imports. This will lead to surge in exports of CPO from Indonesia to India.

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 fall in India due to restrictions imposed by India to control coronavirus. Palm oil imports by India will remain muted until April-May and only pickup after lockdown is completely lifted. Congestion at Indian ports has led to vessels being stuck. Supply constrains like raw material shortage, labor shortage, packaging material shortage and truck shortage are the constrains.

Palm oil demand in India is mainly driven by street food, joints and restaurant chains which are closed due to lockdown will keep palm oil import demand muted for some time.

Prices of palm oil will be expected to be supported by demand and lower levels as prices are down more than 30 percent in 2020 stroking fresh demand in coming days. Palm oil discount has increased over various oils may support palm oil prices.

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 decrease from Malaysia and Indonesia on lower demand from EU due to lockdown imposed in many countries. India’s palm oil imports will come down below last year level of 9-10 MMT on coronavirus reasons despite lower soybean crop in the country.

Global demand will not outpace production in Malaysia and Indonesia in 2020, which will add stock of palm by 0-1 MMT globally from present level of stocks at 17.5 MMT.

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 4.30/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 4.5 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 not outstrip rise in production due to lower biodiesel demand from Indonesia and Malaysia due to fall in prices of crude oil and import demand from India and EU due to coronavirus. Stocks of palm oil is expected to rise globally in 2020 from present global stock of 17-18 MMT. This will underpin prices of palm oil in 2020.

Use of biodiesel in Malaysia will slow in 2020. Malaysia has delayed the launch of B20 biodiesel program due to lower crude oil prices. This will decrease use of palm oil in biodiesel. Palm oil based biodiesel production will stay unchanged in Malaysia at 1.3 MMT. This will not cut palm oil end stocks in Malaysia as previously expected.

However, Indonesia has stuck with its biodiesel program despite fall in crude oil prices. The country has mandated 30 percent bio content in all type of gasoline and has planned 40 percent bio content by 2021.

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

Competitive oils like RBD palmolein DALIAN and CBOT soy oil is expected to support palm oil prices.

Palm oil prices are supported by rise in crude oil prices due to lower rise in supplies and Saudi and Russia vowing to cut higher amount of crude oil production to rebalance global crude oil markets.

- According to Malaysia Palm Oil Board (MPOB), Malaysia's March palm oil stocks rose 1.67 percent to 17.29 lakh tons compared to 17.00 lakh tons in Feb 2020. Production of palm oil in Mar rose 8.8 percent to 13.97 lakh tons compared to 12.89 lakh tons in Feb 2020. Exports of palm oil in Mar rose 9.15 percent to 11.81 lakh tons compared to 10.82 lakh tons in Feb 2020. Imports of palm oil in Mar rose 12.77 percent to 0.48 lakh tons compared to 0.29 lakh tons in Feb 2020. End stocks of palm oil rose more compared to trade expectation.

- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's April palm oil exports rose 3.8 percent to 1,174,285 tons compared to 1,131,283 tons last month. Top buyers were European Union 375,350 tons (381,956 tons), China at 207,530 tons (189,740 tons) and India & subcontinent 87,250 tons (71,150 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 11.81 percent in Feb 2020 y-o-y to 2.54 MMT from 2.88 MMT in Feb 2019. Exports rose by 6.28 percent in Feb m-o-m to 2.54 MMT from 2.39 MMT in Jan 2020. Stocks of palm oil at the end of Feb was 4.08 MMT compared to Jan 2020 figure of 4.54 MMT, down 10.13 percent m-o-m.

- Policy review: According to Malaysia Palm Oil Board (MPOB), Malaysia reduced May crude palm oil export tax to 4.5 percent from 5.0 percent last month. Export duty of palm oil is calculated at reference price of 2460.89 ringgit 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 May. Reference prices of April was set at USD 635.15 per ton below threshold price of USD 750 per ton. Export duty on CPO was brought down to zero ton in April due to fall in threshold price of USD 750 per ton.

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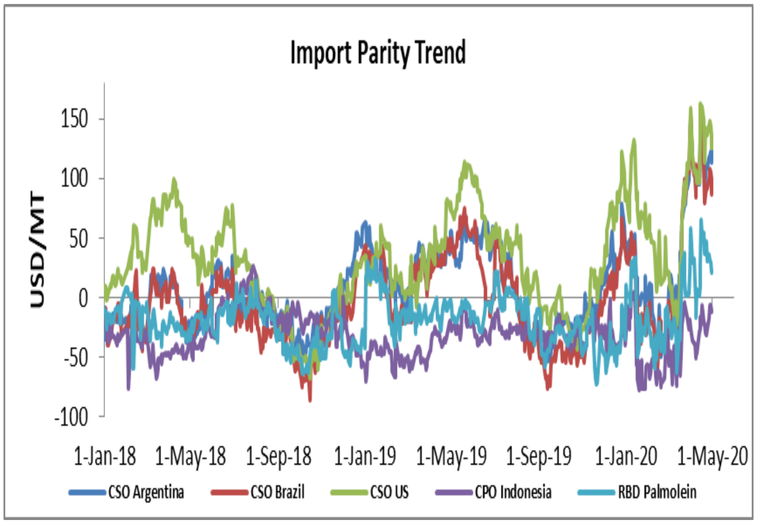
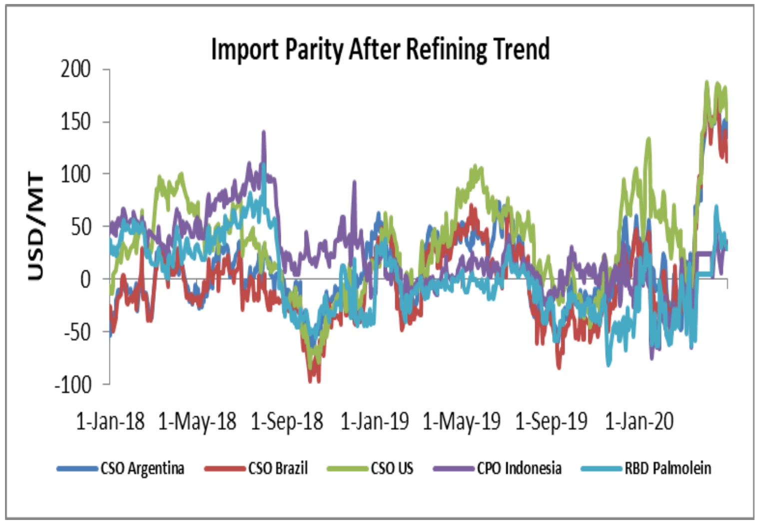
***Price Outlook:*** We expect CPO Kandla 5% to trade in the price band of Rs 580-700 per 10 Kg.

## Import Parity Trend

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




| | CSO Argentina | CSO Brazil | CSO US | CPO Indonesia | RBD Palmolein |
|---|---|---|---|---|---|
| **Feb, 2020** | -15.22 | -21.48 | 46.17 | -29.06 | -35.41 |
| **Mar, 2020** | 49.06 | 44.79 | 52.61 | -6.49 | -19.39 |
| **Apr, 2020** | 150.20 | 144.04 | 167.41 | 25.36 | 30.44 |

## Outlook-:

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

### Technical Analysis (Refined soy oil Monthly Charts)

| Refined soy oil Futures (NCDEX, Daily June chart) | Refined soy oil (Indore (Monthly Chart inclusive VAT)) |
|---|---|
|  |  |

**Outlook – Prices are likely to trade sideways to firm tone in the days ahead. Investors are advised to buy refined soy oil (June 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 740 in monthly chart will bring prices to 720 levels.
- Expected price band for next month is 720-820 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 755 for a target of 735 and 730 with a stop loss at 765 on closing basis.

### RSO NCDEX

| Support and Resistance | | | | |
|---|---|---|---|---|
| **S2** | **S1** | **PCP** | **R1** | **R2** |
| 736.00 | 746.00 | 751.00 | 770.00 | 790.00 |

**Spot Market outlook:** Refined soy oil Indore (including VAT) is likely to stay in the range of 780-900 per 10 Kg.

## Technical Analysis (Crude Palm oil Monthly Charts)

| Crude Palm oil Futures (MCX, May Daily chart) | Crude Palm oil Kandla (Monthly Chart) |
|---|---|
|  |  |

**Outlook - Prices may trade with a sideways to weak tone in the coming days. Investors are advised to buy MCX CPO (May 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 580 in monthly chart might bring the prices to 560 levels.
- Expected price band for next month is 540-650 level in near to medium term. RSI and MACD are indicating downtrend.

**Strategy:** Market participants are advised to go short in CPO below 590 for a target of and 570 and 565 with a stop loss at 600 on closing basis.

**CPO MCX**

| Support and Resistance | | | | |
|---|---|---|---|---|
| **S2** | **S1** | **PCP** | **R1** | **R2** |
| 560.00 | 575.00 | 586.90 | 600.00 | 620.00 |

**Spot Market outlook:** Crude palm oil Kandla is likely to stay in the range of 580-680 per 10 Kg.

## Monthly spot prices comparison

| Commodity | Centre | Prices(Per 10 Kg) | | Change |
|---|---|---|---|---|
| | | 30-Apr-20 | 31-Mar-20 | |
| Refined Soybean Oil | Indore | 825 | 865 | -40 |
| | Indore (Soy Solvent Crude) | 785 | 830 | -45 |
| | Mumbai | 820 | 870 | -50 |
| | Mumbai (Soy Degum) | 780 | 830 | -50 |
| | Kandla/Mundra | 800 | 860 | -60 |
| | Kandla/Mundra (Soy Degum) | 768 | 815 | -47 |
| | Kolkata | 800 | 855 | -55 |
| | Delhi | 845 | - | - |
| | Nagpur | 890 | - | - |
| | Rajkot | 830 | - | - |
| | Kota | 840 | 855 | -15 |
| | Hyderabad | - | - | Unch |
| | Akola | 840 | - | - |
| | Amrawati | 845 | - | - |
| | Bundi | 845 | 860 | -15 |
| | Jalna | 900 | - | - |
| | Solapur | 880 | - | - |
| | Dhule | 900 | - | - |
| | | | | |
| Palm Oil* | Kandla (Crude Palm Oil) | 660 | 713 | -53 |
| | Kandla (RBD Palm oil) | 714 | 735 | -21 |
| | Kandla RBD Pamolein | 740 | 814 | -74 |
| | Kakinada (Crude Palm Oil) | 625 | - | - |
| | Kakinada RBD Pamolein | 735 | 814 | -79 |
| | Haldia Pamolein | 740 | 819 | -79 |
| | Chennai RBD Pamolein | 746 | 819 | -74 |
| | KPT (krishna patnam) Pamolein | 735 | 824 | -89 |
| | Mumbai RBD Pamolein | 761 | 819 | -58 |
| | Mangalore RBD Pamolein | 761 | 819 | -58 |
| | Tuticorin (RBD Palmolein) | 742 | 777 | -35 |
| | Delhi | 775 | - | - |
| | Rajkot | 735 | - | - |
| | Hyderabad | 815 | - | - |
| | PFAD (Kandla) | 494 | 483 | 11 |
| | Refined Palm Stearin (Kandla) | 625 | - | - |
| | Superolien (Kandla) | 788 | 819 | -32 |
| | Superolien (Mumbai) | 798 | 830 | -32 |
| * inclusive of GST | | | | |
| Refined Sunflower Oil | Chennai | 915 | - | - |

| | | | | |
|---|---|---|---|---|
| | Mumbai | 910 | 890 | 20 |
| | Mumbai(Expeller Oil) | 840 | 820 | 20 |
| | Kandla (Ref.) | 880 | 860 | 20 |
| | Hyderabad (Ref) | 885 | - | - |
| | Latur (Expeller Oil) | 835 | - | - |
| | Chellakere (Expeller Oil) | 840 | - | - |
| | Erode (Expeller Oil) | Closed | Closed | - |
| | | | | |
| **Groundnut Oil** | Rajkot | 1290 | - | - |
| | Chennai | 1350 | - | - |
| | Delhi | 1350 | 1350 | Unch |
| | Hyderabad * | 1320 | - | - |
| | Mumbai | 1340 | 1350 | -10 |
| | Gondal | Closed | Closed | - |
| | Jamnagar | Closed | Closed | - |
| | | | | |
| **Rapeseed Oil/Mustard Oil** | Jaipur (Expeller Oil) | 885 | 855 | 30 |
| | Jaipur (Kacchi Ghani Oil) | 900 | 865 | 35 |
| | Kota (Expeller Oil) | 840 | 860 | -20 |
| | Kota (Kacchi Ghani Oil) | 865 | 860 | 5 |
| | Neewai (Expeller Oil) | 865 | - | - |
| | Neewai (Kacchi Ghani Oil) | 885 | - | - |
| | Bharatpur (Kacchi Ghani Oil) | 910 | - | - |
| | Sri-Ganga Nagar(Exp Oil) | 860 | 860 | Unch |
| | Sri-Ganga Nagar (Kacchi Ghani Oil) | 895 | 870 | 25 |
| | Mumbai (Expeller Oil) | 850 | 850 | Unch |
| | Kolkata(Expeller Oil) | 1040 | 960 | 80 |
| | New Delhi (Expeller Oil) | 855 | - | - |
| | Hapur (Expeller Oil) | 915 | 920 | -5 |
| | Hapur (Kacchi Ghani Oil) | 945 | 950 | -5 |
| | Agra (Kacchi Ghani Oil) | 915 | - | - |
| | | | | |
| **Refined Cottonseed Oil** | Rajkot | 840 | - | - |
| | Hyderabad | 835 | - | - |
| | Mumbai | 825 | 890 | -65 |
| | New Delhi | 775 | - | - |
| | | | | |
| **Coconut Oil** | Kangayan (Crude) | Closed | Closed | - |
| | Cochin | 1530 | 1530 | Unch |
| | | | | |
| **Sesame Oil** | New Delhi | 1200 | - | 1200 |
| | Mumbai | - | - | Unch |

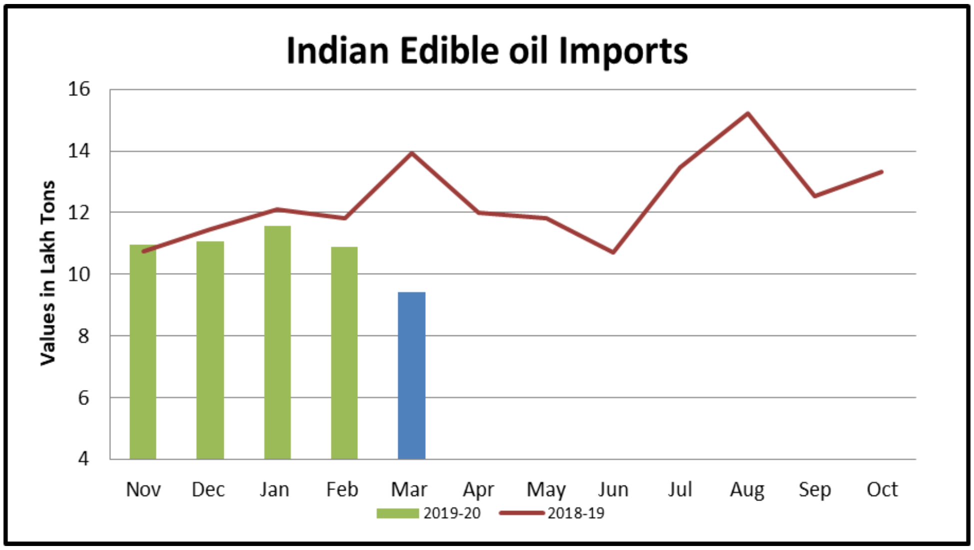
| | | | | |
|---|---|---|---|---|
| **Kardi** | Mumbai | - | - | **Unch** |
| **Rice Bran Oil (40%)** | New Delhi | 660 | - | **-** |
| **Rice Bran Oil (4%)** | Punjab | 760 | 760 | **Unch** |
| | | | | |
| **Malaysia Palmolein USD/MT** | FOB | 538 | 605 | **-67** |
| | CNF India | 555 | 625 | **-70** |
| **Indonesia CPO USD/MT** | FOB | 528 | 583 | **-55** |
| | CNF India | 555 | 615 | **-60** |
| **RBD Palm oil (Malaysia Origin USD/MT)** | FOB | 533 | 603 | **-70** |
| **RBD Palm Stearin (Malaysia Origin USD/MT)** | FOB | 555 | 618 | **-63** |
| **RBD Palm Kernel Oil (Malaysia Origin USD/MT)** | FOB | 650 | 770 | **-120** |
| **Palm Fatty Acid Distillate (Malaysia Origin USD/MT)** | FOB | 520 | 585 | **-65** |
| **Crude palm Kernel Oil India (USD/MT)** | CNF India | 640 | 760 | **-120** |
| **Ukraine Origin CSFO USD/MT Kandla** | CIF | 770 | 728 | **42** |
| **Rapeseed Oil Rotterdam Euro/MT** | FOB | 705 | 680 | **25** |

| **Argentina FOB ($/MT)** | **30-Apr-20** | **31-Mar-20** | **Change** |
|---|---|---|---|
| **Crude Soybean Oil Ship** | 584 | 611 | **-27** |
| **Refined Soy Oil (Bulk) Ship** | 604 | 632 | **-28** |
| **Sunflower Oil Ship** | 700 | 640 | **60** |
| **Cottonseed Oil Ship** | 564 | 591 | **-27** |
| **Refined Linseed Oil (Bulk) Ship** | Unq | - | **-** |

**** 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 March is pegged at 9.41 lakh tons. Edible oils (including CPO, CDSO, CSFO, and RBD Palmolein imports for (Nov 2019-Mar 2020) is pegged at 53.92 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 | 4.37 | -34.31% |
| Production | 8.50 | 8.39 | 8.45 | 0.72% |
| Imports | 14.52 | 14.91 | 14.68 | -1.54% |
| Total Supply | 30.79 | 30.79 | 27.50 | -8.19% |
| Exports | 0.02 | 0.02 | 0.02 | 0.00% |
| Total Demand(Consumption) | 24.12 | 24.12 | 25.82 | 1.00% |
| Ending Stock | 6.65 | 4.37 | 1.66 | -61.96% |

* 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 14.68 million tons for 2019/20 oil year v/s 14.91 million tons last year.

On the consumption side, India's edible oil consumption for 2019-20 oil year seen at 25.82 million tons, higher by 1.0 percent from last year. Ending stocks are projected higher compared to 2019-20 at 1.66 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 05/05/2020** | **CSO Argentina** | **CSO Brazil** | **CSO US** | **CPO Indonesia** | **RBD Palmolein** |
|---|---|---|---|---|---|
| FOB USD per ton | 556 | 591 | 543 | 510 | 525 |
| Freight (USD/MT) | 47 | 47 | 47 | 35 | 29.0 |
| C & F | 603.0 | 638.0 | 590.0 | 545.0 | 554.0 |
| Weight loss (0.25% of FOB) | 1.39 | 1.48 | 1.36 | 1.28 | 1.31 |
| Finance charges (0.4% on CNF) | 2.41 | 2.55 | 2.36 | 2.18 | 2.22 |
| Insurance (0.3% of C&F) | 1.81 | 1.91 | 1.77 | 1.64 | 1.66 |
| CIF (Indian Port - Kandla) | 609 | 644 | 595 | 550 | 559 |
| Duty (Values in USD per tons) | 252.56 | 252.56 | 252.56 | 249.56 | 315.81 |
| GST (5% on duty) USD per ton | 12.63 | 12.63 | 12.63 | 12.48 | 15.79 |
| Exchange rate | 75.75 | 75.75 | 75.75 | 75.75 | 75.75 |
| Landed cost without customs duty in INR per ton | 46102 | 48779 | 45108 | 41669 | 42359 |
| 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 | 656 | 656 | 656 | 605 | 638 |
| Fixed exchange rate by customs department | 77.65 | 77.65 | 77.65 | 77.65 | 77.65 |
| Duty component in INR per ton | 19611.28 | 19611.28 | 19611.28 | 19378.53 | 24522.65 |
| 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 | 67114 | 69790 | 66119 | 62448 | 68281 |
| Domestic Market price INR/ton Soy Degum Kandla/CPO Kandla/RBD Kandla | 76000 | 76000 | 76000 | 62400 | 69500 |
| Total landed cost USD per ton | 886 | 921 | 873 | 824 | 901 |
| Domestic Market price USD/tons Soy Degum Kandla/ CPO Kandla 5% | 1003 | 1003 | 1003 | 824 | 917 |
| **Parity INR/MT (Domestic - Landed)** | **8886** | **6210** | **9881** | **-48** | **1219** |
| **Parity USD/MT (Domestic - Landed)** | **117.31** | **81.98** | **130.44** | **-0.63** | **16.09** |
| 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 | 71613.57 | 74290.00 | 70619.46 | 69947.85 | 71081.33 |
| Soy/Palm oil imported Price (Including tax) | 75194.25 | 78004.50 | 74150.44 | 73445.24 | 74635.39 |
| Loose price of Soy/Palm in Indore and Delhi market | 85575.00 | 85575.00 | 85575.00 | 76000.00 | 76000.00 |
| Parity after processing and Taxes (Rs per MT) | **10380.75** | **7570.50** | **11424.56** | **2554.76** | **1364.61** |
| Parity after processing and Taxes (USD per MT) | **137.04** | **99.94** | **150.82** | **33.73** | **18.01** |
| 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 | Feb-Apr | May-July-F | Aug-Oct-F |
|---|---|---|---|---|---|---|
| **Opening Stock** | 24.32 | 16.63 | 16.63 | 11.52 | 11.45 | 9.56 |
| **Production (Domestic)** | 14.28 | 11.90 | 5.95 | 1.43 | 2.14 | 2.38 |
| **Imports** | 31.00 | 33.00 | 5.94 | 8.14 | 9.00 | 9.92 |
| **Total Supply** | 69.60 | 61.53 | 28.52 | 21.09 | 22.59 | 21.86 |
| **Exports** | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Consumption** | 52.97 | 56.68 | 17.00 | 9.64 | 13.04 | 17.00 |
| **Ending Stock** | 16.63 | 4.86 | 11.52 | 11.45 | 9.56 | 4.86 |

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.
- Lower carry out in Nov-Jan is due to higher consumption.
- Carryout stocks of oil year 2019-20 is 4.86 lakh tons due to lower soy oil production.
- Carry out of oil 2018-19 is 16.63 lakh tons and carryout of oil year 2019-20 is 4.86 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 | Feb-Apr | May-July-F | July-Oct-F |
|---|---|---|---|---|---|---|
| **Opening Stock** | 1.57 | 1.04 | 1.04 | 1.18 | 0.94 | 0.83 |
| **Production** | 0.20 | 0.25 | 0.06 | 0.06 | 0.06 | 0.07 |
| **Imports** | 9.48 | 8.53 | 1.96 | 1.11 | 2.64 | 2.82 |
| **Total Supply** | 11.25 | 9.82 | 3.06 | 2.35 | 3.65 | 3.71 |
| **Exports** | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Consumption** | 10.21 | 9.39 | 1.88 | 1.41 | 2.82 | 3.29 |
| **Ending Stocks** | 1.04 | 0.43 | 1.18 | 0.94 | 0.83 | 0.43 |

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 lower in 2019-20 compared to last year oil year 2018-19.
- Carryout stocks of oil year 2018-19 are 1.04 million tons fall in imports.
- Carryout of 2019-20 is lower than 2018-19 due to lower imports of palm oil.
- Carry out of third quarter of oil year 2019-20 will be lower 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 | Feb-Apr | May-July-F | Aug-Oct-F |
|---|---|---|---|---|---|---|
| **Opening Stock** | 7.13 | 4.78 | 4.78 | 5.30 | 4.96 | 4.48 |
| **Production** | 0.60 | 0.50 | 0.09 | 0.08 | 0.17 | 0.17 |
| **Imports** | 23.50 | 27.03 | 7.57 | 7.30 | 6.49 | 5.68 |
| **Total Supply** | 31.23 | 32.31 | 12.44 | 12.67 | 11.62 | 10.32 |
| **Exports** | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Consumption** | 26.44 | 28.56 | 7.14 | 7.71 | 7.14 | 6.57 |
| **Ending Stocks** | 4.78 | 3.75 | 5.30 | 4.96 | 4.48 | 3.75 |

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 4.78 lakh tons on higher sunflower oil imports.
- Carryout of 2019-20 is lower than 2018-19 due to higher consumption.
- 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 | Feb-Apr | May-July-F | Aug-Oct-F |
|---|---|---|---|---|---|---|
| **Opening Stock** | 4.63 | 4.14 | 4.14 | 0.92 | 2.27 | 7.42 |
| **Production** | 30.66 | 30.24 | 4.23 | 9.1 | 12.10 | 4.84 |
| **Imports** | 0.59 | 1.37 | 0.00 | 0.37 | 0.50 | 0.50 |
| **Total Supply** | 35.88 | 35.75 | 8.37 | 10.37 | 14.87 | 12.76 |
| **Exports** | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Consumption** | 31.74 | 32.37 | 7.45 | 8.09 | 7.45 | 9.39 |
| **Ending Stocks** | 4.14 | 3.37 | 0.92 | 2.27 | 7.42 | 3.37 |

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 4.14 lakh tons on higher rapeseed oil production.
- Carryout of 2019-20 is lower than 2018-19 due to higher consumption of rapeseed oil.
- Carryout in third 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 | 0.15 | 0.70 |
| **Oil availability (Production)** | 9.24 | 10.50 | 3.85 | 2.45 | 2.45 | 1.75 |
| **Imports** | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Supply** | 9.71 | 10.90 | 4.25 | 3.28 | 2.60 | 2.45 |
| **Exports** | 0.10 | 0.09 | 0.01 | 0.02 | 0.03 | 0.03 |
| **Consumption** | 9.21 | 10.36 | 3.42 | 3.11 | 1.86 | 1.97 |
| **End stocks** | 0.40 | 0.45 | 0.83 | 0.15 | 0.70 | 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.

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

## Coconut oil balance sheet

*Qty in '000 MT*

| Demand and Supply Balance -Coconut Oil | | | | | |
|---|---|---|---|---|---|
| | | | | | Qty in Lakh tons |
| | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19-F |
| **Opening Stocks** | 9.78 | 14.74 | 37.1 | 30.53 | 26.35 |
| **Prodcution** | 562.5 | 522.5 | 606.9 | 635 | 621.3 |
| **Imports** | 9.67 | 5.17 | 0.01 | 0.57 | 0.47 |
| **Exports** | 7.21 | 6.81 | 33.5 | 7.32 | 6.81 |
| **Consumption/Crushing** | 520 | 582.9 | 579.98 | 632.42 | 615.65 |
| **Ending Stock** | 14.74 | 37.1 | 30.53 | 26.35 | 25.65 |

*Source: Coconut Development Board*

## International Balance Sheets

## Balance Sheet (Annual) - Soy Oil, Global

*Fig in million tons.*

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

## Balance Sheet (Annual) - Soy Oil, United States

*Fig. in million tons*

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

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

Source: USDA

## Balance Sheet (Annual) - Soybean, United States

*Fig. in million tons*

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

Source: USDA

## Balance Sheet (Annual) - Soybean, Brazil

*Fig. in million tons*

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

Source: USDA

## Balance Sheet (Annual) - Soybean, Argentina

*Fig. in million tons*

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

| | | | | | |
|---|---|---|---|---|---|
| **Ending Stocks** | 27.16 | 27.00 | 23.73 | 29.20 | 26.95 |

Source: USDA