Veg. Oil Weekly Research Report

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Executive Summary

Domestic Veg. Oil Market Summary

Edible oil witnessed weak trend in domestic market in the week in review. CBOT soy oil and BMD palm oil fell during the week. Soy oil, palm oil, sunflower oil and coconut oil prices fell while rapeseed oil and groundnut oil prices rose.

On the currency front, Indian rupee is hovering near 68.60, down by 37 paise compared to previous week. Factors to watch in the coming weeks will be movement of Indian rupee against US dollar and crude oil prices. Rupee is expected to depreciate and crude oil prices will rise in near-term.

We expect soy oil and palm oil to trade weak. Higher stocks at ports and pipeline may underpin prices in near term.

Outook:

Weekly Call - : At NCDEX, market participants are advised to go short below 745 levels for a target of 730 and 725 with a stop loss at 755 on closing basis. We expect refined soy oil at Indore (without GST) to stay in the range of Rs 720-780 per 10 Kg in the near term.

At MCX, Market participants are advised to go short in CPO below 620 for a target of 605 and 600 with a stop loss at 630 on closing basis. We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 600-660 per 10 Kg in the near term.

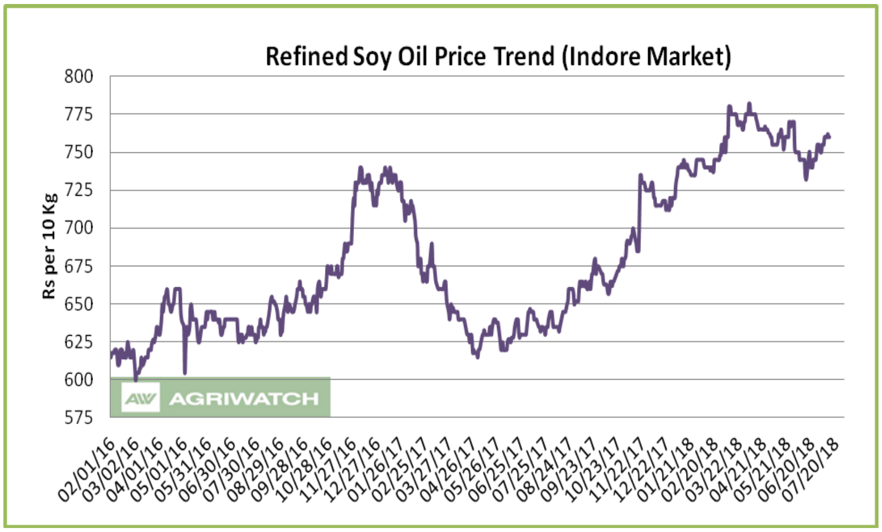
International Veg. Oil Market Summary

On the international front, trade war between China and US, good soybean crop condition in US, lower soybean export demand from US, lower soybean demand by China, depreciation of Argentina Peso, higher expected soybean crop in Brazil and Argentina in 2018/19 and dollar appreciation is expected to underpin soy oil prices in coming days.

Expectation of rise in stocks of palm oil in Malaysia, expectation of rise in production of palm oil in Malaysia, weak demand of palm oil from Malaysia, weak demand of palm oil from China is expected to underpin CPO prices in near term.

Soy oil Fundamental Analysis and Outlook-:

Domestic Front



- Soy oil featured weak trend in domestic markets on weak demand and fall in prices of soy oil in international markets. Prices of refined soy oil fell in Kandla/Mudra while it remained unchanged in Mumbai. Prices rose in Kolkata. Prices of CDSO fell at JNPT and Kandla/Mudra at the end of the week.
- Agriwatch View- Soy oil prices closed lower during the week in Indore on weak demand and fall in prices of soy oil in international markets.

  Imports of soy oil have returned to parity due fall of soy oil prices in international markets.

  However, due to sharp depreciation of Rupee, chances of returning to disparity have increased.

  Moreover, bearish international soybean complex situation on better than expected soybean crop condition in US and expectation of higher soybean crop in Brazil and Argentina in 2018/19 will be bearish for price. Further, due to parity in imports of soy oil is expected to increase and underpin prices. Presently parity at ports has increased to Rs 3 per kg. Prices are likely to fall due to parity in imports. Traders were unloading cargoes at USD 7.5-10 discount to CNF on expectation of fall in international soy oil prices.

  Domestic demand is firm.

  Soy oil demand is firm at high seas as its prices remained unchanged at high seas while prices fell at CNF markets.

  Soy oil demand is weak at CNF markets as prices fell more at CNF markets compared to FOM markets compared to last week.

  Depreciation of Argentina Peso has led to lowering of basis has led to fall in FOB soy oil prices. Its premium over CBOT has decreased and brought prices lower.

  Imports of soy oil increased in May compared to May 2017 while it is higher than April 2018. Imports rose 132,000 tons in May compared to April 2018 while port stocks fell 90,000 tons indicating firm supply in May. However, import parity and refining margin has returned to parity, which may improve demand.

  With recent hike in import duty of soy oil domestic crushing will benefit.

  CDSO is trading at low premium over RBD palmolein at high seas will increase CDSO import demand.

  Refined soy oil premium over RBD palmolein is unchanged at Rs 73 (Rs 62 last week) per 10 Kg, which is low and may support soy oil prices in domestic markets. In USD terms, premium of CDSO CNF over CPO CNF was quoted at USD 132.5 (USD 121.5 last week) per ton for July delivery, which is low and increase demand of CDSO at CNF markets compared to CPO CNF. Values in brackets are figures of last week.

  Prices of soy oil are expected to weak in near term.

- According to USDA July estimate, India's soy oil imports estimate in 2018/19 is decreased to at 36 lakh tons from previous estimate of 36.50 lakh tons. Soy oil production estimate is unchanged at 16.35 lakh tons. Consumption estimate of soy oil is unchanged at 51.0 lakh tons. End stocks estimate of soy oil is decreased to 3.61 lakh tons from 4.28 lakh tons in its previous estimate.
- According to Agriwatch sources import of soy oil in June from Kandla port was reported at 179,000 tons compared to 144,429 tons in May. This surge in imports of soy oil in June will prompt hike in import duty of soy oil in July/August.
- India's export of oil meals during April to June 2018 stands at 654,774 metric tonnes as compared to 599,346 metric tonnes in the corresponding period of previous year showing a decline of 9.25% according to data released by the Solvent Extractor's Association of India. The exports of rapeseed meal have increased by nearly 89% to 285,998 metric tonnes during the period. In the month of June 2018, export of oil meals declined 33.6% to 166,833 metric tonnes compared to 251,124 metric tonnes during the corresponding period period previous year. Soy meal exports during the period April –June 2018 was reported down at 248,378 metric tonnes compared to 219,249 metric tonnes during the corresponding period previous year, higher by 13.29%.
- All India sowing of soybean was reported at 76.50 lakh hectares as on 13.07.2018 compared to 73.87 lakh hectares in the corresponding period last year, higher by 3.57 percent.
- Government of India hike MSP of soybean from Rs 3050/qtl to Rs 3399/qtl.
- Government of India (GOI) hiked import duty on imports of soy oil and sunflower oil. Import duty on crude soy oil was hiked from 30% to 35% while on refined soy oil it was hiked to 45% from 35%. Import duty on crude sunflower oil was hiked to 35% from 25% and on refined sunflower oil was hiked to 45% from 35%. Import duty on crude rapeseed oil was hiked to 35% from 25% and on refined repeseed oil was hiked to 45% from 35%.
- Soy oil import scenario – According to SEA, soy oil imports rose 16.76 percent y-o-y in May to 3.97 lakh tons from 3.40 lakh tons in April 2017. In the period (Nov 2017-May 2018), imports of soy oil were 14.89 lakh tons compared to 16.90 lakh tons in corresponding period last oil year, lower by 11.9 percent.
- Imported crude soy oil CNF at West coast port is offered is offered at USD 705 (USD 719) per ton for July delivery and Aug delivery is quoted at USD 702 (USD 717) per ton, Sep delivery is quoted at USD 705 (USD 719) per ton and Oct delivery is quoted at USD 704 per ton. Values in brackets are figures of last week. Last month, CNF CDSO June average price was USD 727.64 (USD 768.18 per ton in May 2018) per ton.
- On the parity front, margins increased during the week on low prices of soy oil in international markets, and we expect margins to remain in firm in coming days. Currently refiners gain USD 25-30/ton v/s loss of USD 20-25/ton (last month) margin in processing the imported Soybean Oil (Argentina Origin).
- We expect soy oil to trade sideways to weak in the coming days.

International Front

Agriwatch view- Soy oil prices are expected to be underpinned by trade dispute between US and China, better than expected soybean crop condition in US, higher soybean stock in US, lower purchase of soybean by China from US, depreciation of Argentina Peso, higher soybean crop expected in Brazil and Argentina in 2018/19 and fall in competitive oils.

USDA increased soy oil end stocks estimate of US in 2018/19 on higher opening stocks, higher production, partially setoff by higher biodiesel use and higher exports. USDA reduced soy oil average prices estimate. Higher soy oil end stocks of soy oil in US will underpin soy oil prices.

USDA increased soybean end stocks in US in 2018/19 on higher production and lower exports partially set off by lower opening stocks and higher crush. USDA reduced soybean average prices estimate. Higher soybean end stocks estimate will underpin soybean complex prices.

Soybean planted crop condition is good, above corresponding period last year and above 5-year average. Crop health is better than corresponding period last year and 5-year average. Good rains in US Midwest will support planting of soybean and will improve yields.

USDA increased soybean crop in Brazil and Argentina on higher demand from China and increased end stocks of soybean on lower crush of soybean in both countries and higher exports of soybean.

Soybean crop in Brazil in 2018/19 is increased to 120.5 MMT from 118 MMT. Also, soybean crop in Argentina is increased to 57 MMT from 56 MMT in its earlier estimate.

USDA decreased soybean import estimate by China in 2018/19 due to trade dispute with US. Import estimate is reduced to 95 MMT from 103 MMT. It indicated that to tide over lower exports of soybean China will import rapeseed meal, sunflower meal, rapeseed, soy oil and palm oil in higher quantities. Lower soybean import estimate of soybean by China will underpin soybean prices.

China imported 8.7 MMT of soybean in June, 10 percent higher soybean y-o-y while soybean imports fell 13 percent m-o-m.

China agriculture ministry has stated that China will import 1.8 MMT lower soybean in 2018 due to China's trade dispute with US and will lead to rise cost of soybean in the country due to higher import duty on import of soybean from US. It stated that it will purchase more soybean from Brazil.

Soy oil stocks fell in US as reported by NOPA in May on higher use of soy oil despite higher production of soy oil due to record crush of soybean. Soy oil stocks in May were higher by 11 percent compared to May 2017. Higher domestic soybean crush will increase soy oil stocks in next couple of months will cap gains in soy oil prices.

Argentina Peso has depreciated by more than 50 percent in 2018, which has led to lowering of premium of soy oil over CBOT and brought down FOB prices of soy oil in Argentina. Despite bad soybean crop in Argentina in 2017/18, soy oil prices are lower.

China is liquidating soybean state reserves to tide over tight soybean supply conditions in the country.

Soybean area in Brazil in 2018/19 in estimated to be higher than 2017/18 on higher demand from China and favorable crop weather and soil condition in 2018/19.

USDA increased 2017/18 Brazil soybean exports to 72.95 MMT from 75 MMT on higher demand of soybean from China in its July review.

Depreciation of Brazilian Real with USD has led to lowering of international prices of soybean. Peso has depreciated by more than 20 percent in 2018.

Rosario exchange cut soybean crop of Argentina to 35 MMT from 37 MMT.

Buenos Aires Grains Exchange cut soybean crop estimate to 36 MMT from in its earlier estimate of 37 MMT.

Crude oil prices are expected to fall due to hike in production of crude oil in by OPEC, which is expected to underpin soy oil prices in near term.

Dollar Index is expected to rise on higher than expected hike in interest rates by US fed in 2018 will underpin soy oil prices in near term.

Prices are in a range.

- According to United States Department of Agriculture (USDA) July estimate, U.S 2018/19 end stock estimate of soy oil is increased to 2,236 million lbs compared to 2,176 million lbs in its earlier estimate. Opening stocks in 2018/19 is increased to 2,620 million lbs compared to 2,176 million lbs in its earlier estimate. Production of soy oil in 2018/19 is increased to 23,100 million lbs from 23,100 million lbs in its earlier estimate. Imports in 2018/19 were unchanged at 300 million. Biodiesel use estimate in 2018/19 is kept unchanged at 7,800 million lbs compared to 7,300 million lbs in its earlier estimate. Food, feed and other industrial use in 2018/19 is kept unchanged at 14,000 million lbs. Exports in 2018/19 estimate are increased to 2,200 million lbs compared to 2,100 million lbs in its earlier estimate. Average price range in 2018/19 is reduced to 28.00-32.00 unchanged at 29.50-33.50 cents/lbs in its earlier estimate.
- The U.S. Department of Agriculture's monthly supply and demand report for the month of July forecasts U.S. 2018/19 soybean stocks at 580 million bushels, from 385 million bushels in its earlier estimate. Opening stocks in 2018/19 is estimated at 465 million bushels compared to 505 million bushels in its earlier estimate. Soybean production is estimated in 2018/19 is at 4,310 million bushels compared to 4,280 million bushels in 2017/18. U.S. soybean exports in 2018/19 estimate is decreased to 2,040 million bushels compared to 2,290 million bushels. Imports in 2018/19 are estimated at 25 million bushels from its earlier estimate. Crush in 2018/19 is estimated at 2,045 million bushels compared to 2,000 million lbs in its earlier estimate. Seed use in 2018/19 is kept unchanged at 103 million bushels from its earlier estimate. Residual use is kept unchanged at 32 million lbs. Average price range in 2018/19 is reduced to 8.00-10.50 cents/lbs unchanged at 8.75-11.25 cents/lbs.
- According to China's General Administration of Customs, soybean imports in June 2018 increased by 10.1 per cent to 8.7 MMT compared to 9.68 MMT previous month. It increased by 13.28 per cent compared to 7.68 MMT in May 2017. During the period January –June 2018, China imported 44.87 MMT soybeans, higher by 13.1 per cent compared to previous year.
- USDA increased 2018/19 soybean crop of Brazil to120.5 MMT in its July estimate from earlier estimate to 118 MMT.
- USDA increased 2018/19 soybean crop of Argentina to 57 MMT from 56 MMT.
- According to China's Agriculture ministry, soybean imports in 2018-19 are expected to decline by 1.8 MMT to cent to 93.85 MMT compared to previous estimate. Imports are expected to decline for the first time in the last 15 years following trade rift between U.S. and China. Instead CNGOIC said that it will increase purchase of soybean from Brazil. It also said that cost of soybean is expected to rise due to imposition of 25 percent export duty. It said that Chinese companies will reduce purchase of US soybean due to lack of competitiveness due to imposition of import duty.
- In the weekly USDA crop progress report released on 9 July; Soybeans blooming are reported at 47% which is up from 32% from the corresponding period last year and higher compared to the 5-year average of 27%. Soybean setting pods qare reported at 11% which is up from 6% in corresponding period last year and 5-year average of 4%. About 71% of the soybean planted crop is under good to excellent condition which is up from 62% during the corresponding period last year.

- According to data released by the Trade Ministry, Brazil's exports of soybean decreased to 10.42 MMT in June 2018 compared to 12.35 MMT in May 2018 and 9.18 MMT in June 2017. Exports of soy meal fell to 1.56 MMT in June 2018 compared to 1.65 MMT in May 2018 and 1.39 MMT in June 2017.
- In the latest report released by Buenos Aires Grain Exchange (Bolsa DeCereals) Argentina's 2017/18 soy harvest ended at 36 million tons, much below the 54 million tons estimated at the beginning of the season due to a severe drought. This is the smallest crop of the past nine years, according to the exchange.
- According to National Oilseed Processors Association (NOPA), U.S. May soybean crush rose 1.53 percent to 163.572 million bushels from 161.106 million bushels in April 2018. Crush of soybean in May 2017 was 149.246 million bushels. Soy oil stocks in U.S. at the end of May fell 11.28 percent m-o-m to 1.856 billion lbs compared to 2.092 billion lbs in end April 2018. Stocks of soy oil in end May 2018 was higher by 6.12 percent compared to end May 2017, which was reported at 1.749 million lbs.
- According to the latest estimates by the Rosario Grains Exchange, Argentina's soybean output in 2017 -18 is estimated at 35 MMT compared to previous month's forecast of 37 MMT. Drought during the initial growing stage and recent excessive rains have affected the crop output.
- USDA WASDE Oilseeds Highlights: The U.S. season-average soybean price is forecast at $8.00 to $10.50 per bushel, down $0.75 at the midpoint. Soybean meal prices are forecast at $315 to $355 per short ton, down $15.00 at the midpoint. The soybean oil price forecast at 28 to 32 cents per pound, down 1.5 cents at the midpoint.

Previous updates

- In the weekly USDA crop progress report released on 2 July; Soybeans blooming are reported at 27% which is up from 17% from the corresponding period last year and higher compared to the 5 year average of 13%. About 71% of the soybean planted crop is under good to excellent condition which is up from 64% during the corresponding period last year.
- According to data released by the Trade Ministry, Brazil's exports of soybean increased to 12.35 MMT in May 2018 compared to 10.26 MMT in April 2018 and 10.96 MMT during the same period previous year. Exports of soy meal increased to 1.65 MMT in May 2018 compared to 1.55 MMT in April 2018 and 1.63 MMT during the same period previous year.
- According to the latest estimates by the Buenos Aires Exchange, Argentina's soybean output has been reduced to 36 MMT compared to previous estimates of 38 MMT. Drought during the growth period and recent heavy rains during harvesting has affected output.
- According to National Oilseed Processors Association (NOPA), U.S. April soybean crush rose 15.73 percent to 161.016 million bushels from 139.134 million bushels in April 2017. Crush of soybean in March 2018 was 171.858 million bushels. Soy oil stocks in U.S. at the end of April rose 7.5 percent m-o-m to 2.092 billion lbs compared to 1.946 billion lbs in end March 2018. Stocks of soy oil in end April 2018 was higher by 21.27 percent compared to end April 2017, which was reported at 1.725 million lbs.
- According to United States Department of Agriculture (USDA) June estimate, U.S 2018/19 end stock estimate of soy oil is decreased to 2,176 million lbs compared to 1,836 million lbs in its earlier estimate. Opening stocks in 2018/19 is increased to 2,176 million lbs compared to 1,896 million lbs in its earlier estimate. Production of soy oil in 2018/19 is increased to 23,100 million lbs from 23,040 million lbs in its earlier estimate. Imports in

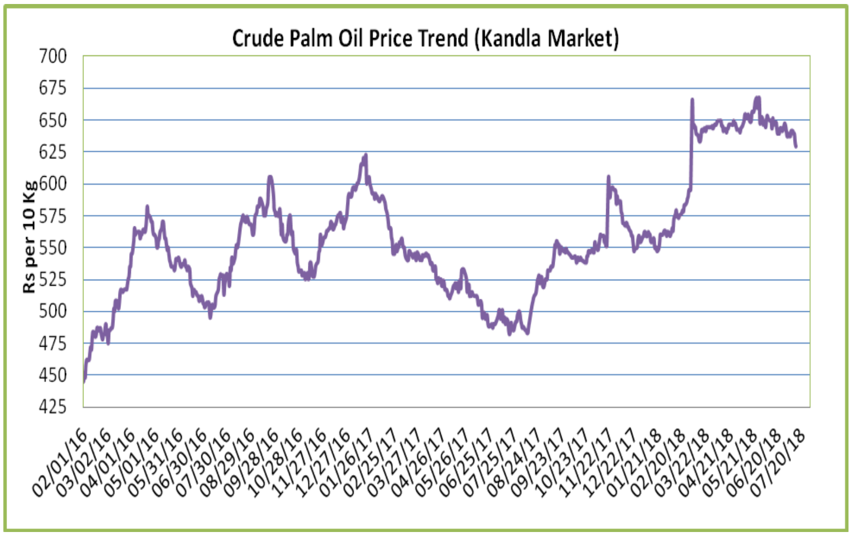
2018/19 were unchanged at 300 million. Biodiesel use estimate in 2018/19 is kept unchanged at 7,300 million lbs. Food, feed and other industrial use in 2018/19 is kept unchanged at 14,000 million lbs. Exports in 2018/19 estimate are unchanged at 2,100 million lbs. Average price range in 2018/19 is kept unchanged at 29.5-33.5 cents/lbs.

- The U.S. Department of Agriculture's monthly supply and demand report for the month of June forecasts U.S. 2018/19 soybean stocks at 385 million bushels, from 505 million bushels in its earlier estimate. Opening stocks in 2018/19 is estimated at 505 million bushels compared to 530 million bushels in its earlier estimate. Soybean production is estimated in 2018/19 is at 4,280 million bushels compared to 4,392 million bushels in 2017/18. U.S. soybean exports in 2018/19 estimate is kept unchanged at 2,290 million bushels. Imports in 2018/19 are estimated at 25 million bushels from its earlier estimate. Crush in 2018/19 is estimated at 2,000 million bushels compared to 1,995 million lbs in its earlier estimate. Seed use in 2018/19 is kept unchanged at 103 million bushels from its earlier estimate. Residual use is kept unchanged at 32 million lbs. Average price range in 2018/19 is kept unchanged at 8.75-11.25 cents/lbs.
- According to China's General Administration of Customs, soybean imports in May 2018 increased by 40 per cent to 9.69 MMT compared to previous month. It increased by 1 per cent compared to 9.59 MMT in May 2017. During the period January –May 2018, China imported 36.17 MMT soybeans, lower by 2.6 per cent compared to previous year.
- USDA increased 2018/19 soybean crop of Brazil to118 MMT in its June estimate from earlier estimate to 117 MMT.
- USDA increased 2018/19 soybean crop of Argentina to 56 MMT from 37 MMT.
- According to China's Agriculture ministry, soybean imports in 2018-19 are expected to decline by 0.3 per cent to 95.65 MMT compared to previous ar. Imports are expected to decline for the first time in the last 15 years following trade rift between U.S. and China. Soybean output is expected to increase by 4.9 per cent to 15.27 MMT in 2018 -19 compared to previous year.
- According to the latest report released by the Agriculture Ministry of Argentina, soybean output is estimated at 37.6 MMT in 2017 -18 compared to 55 MMT during previous year. Prolonged drought condition has affected current year's production.
- According to the latest report released by the Rosario Exchange, Argentina's soybean output in 2017 -18 is estimated at 37 MMT compared to previous estimates of 40 MMT. Prolonged drought in the soybean growing regions has affected yields.
- According to the latest report by consultancy AgRural, Brazil's soybean output in 2017/18 has been estimated at 119 MMT compared to previous month's estimate of 117.9 MMT. According to AgRural excellent yield in the agricultural frontier Matopiba is boosting output.
- USDA WASDE Oilseeds Highlights: Price forecasts for 2018/19 are unchanged this month. The 2018/19 season-average price for soybeans is forecast at $8.75 to $11.25 per bushel; soybean meal and oil prices are projected at $330 to $370 per short ton and 29.5 to 33.5 cents per pound, respectively.

Price Outlook: We expect refined soy oil (without GST) at Indore to stay in the range of Rs 720-780 per 10 Kg in the near term.

Palm oil Fundamental Analysis and Outlook -:

Domestic Front



- Crude palm oil featured weak trend at its benchmark market at Kandla on weak demand and fall in international prices of crude palm oil.

  RBD palmoelein closed lower at its benchmark market of Kandla on weak demand and fall in international prices of RBD palmolein.

  CPO prices fell in Krishnapatnam and Kolkata.

  RBD palmolein closed higher across board in India.

- Agriwatch View – Prices of CPO closed lower at Kandla on weak demand and fall in international prices of CPO.

  Prices of CPO fell less at high seas compared to CNF markets compared to last week indicating firm demand at high seas.

  Rupee depreciation and continuous fall in prices of CPO led to postponing of demand, which led to fall in prices. Rupee depreciated from 67 to 69 in course of 3 week which has led to tight trade conditions.

  Disparity decreased despite depreciation of Rupee, which stands at Rs 1 per kg led to fall in prices of CPO. Disparity decreased on fall in international prices of CPO.

  Lower disparity is likely increase imports of CPO. Traders are waiting to take advantage of fall in international prices of CPO which has led to weak demand. However, further depreciation of Rupee will increase disparity and lower imports. Higher disparity will not let prices fall. Lower Rupee increases domestic prices of palm oil and increases disparity which in turn dents demand.

  MPOB Malaysian palm oil June stocks showed surprise rise on higher than expected fall in exports of palm oil from Malaysia and despite higher than expected fall in production of palm oil in Malaysia.

  Disparity in imports of CPO has led to low demand and weaker imports.

  Prices of CPO have fell from higher levels due to decrease in disparity.

  Import demand of CPO is will firm due to lower disparity in imports. Data for cargo surveyor SGS show slight uptick in imports of palm oil by India from Malaysia in July.

  Stocks of CPO at ports were high which has slowed imports.

  Refiners have to import to cover their stocks.

  Decrease of export duty on exports of palm oil by Malaysia in Aug is unlikely to increase imports.

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

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

Import demand of RBD palmolein is weak due to hike in import duty on RBD palmolein, depreciation of Rupee, premium of RBD palmolein over CPO at CNF markets and continuous fall in international prices of RBD palmolein.

Disparity has decreased due to hike in import duty on soft oils and fall in international prices of RBD palmolein.

At present there is disparity of Rs 1.0 per kg due to loosening of tight conditions.

Due to lower disparity import demand will firm in July.

Stocks of RBD palmoelin at Indian ports have decreased in May will increase imports.

Demand of RBD palmolein was weak compared to CPO at high seas as premium RBD palmolein over CPO was at Rs 53 (Rs 58) per 10 kg compared to last week.

Margins are higher, in importing CPO and selling refined oil in domestic markets, than selling ready to use RBD palmolein in domestic markets. RBD palmolein is quoting above CPO at CNF markets.

Higher refining margins in domestic refined palmolein compared to imported ready to use palmolein. This will encourage imports of CPO compared to RBD palmolein.

Demand of RBD palmolein is weak at CNF markets as prices fell less at FOB markets compared to CNF markets.

Import of CPO in May was lower than that of May 2017 and lower than April 2018. Stocks at ports rose 160,000 tons in May compared to April while imports fell 225,000 indicating weak demand in May.

Import of RBD palmolein in May was lower than May 2017 and April 2018. Imports fell 50,000 tons in May compared to April while port stocks fell by 35,000 tons indicating weak demand of RBD palmolein in May.

Prices of CPO will show limited fall in July-August due to lower oilseeds crop in India.

CDSO CNF premium over CPO CNF is at USD 132.5 (USD 119.5 last week) per 10 kg which is low and will decrease imports. Low premium of CDSO soy oil high seas over CPO high seas is at Rs 71 (Rs 70 last week) per 10 Kg, will decrease CPO demand at high seas. Premium of refined soy oil over RBD palmolein at Rs 73 (Rs 62 last week) per 10 kg is low and will decrease RBD palmolein demand. RBD palmolein discount over sunflower at CNF markets is at USD 215 (207.5) per ton. Increasing premium of refined sunflower oil over RBD palmolein due to hike in import duty on sun oil at Rs 125 (Rs 105) per 10 kg, will increase RBD palmolein imports. Values in brackets are figures of last week.

Prices of CPO are expected to remain sideways to weak.

- According to USDA July estimate, India's palm oil imports estimate in 2018/19 is increased to at 10.6 MMT from from previous estimate of 11.5 MMT. Palm oil consumption estimate is increased to 11.82 MMT from 11.72 MMT. End stocks estimate of palm oil is kept unchanged at 0.47 MMT.
- According to Agriwatch sources imports of CPO from Kandla in June was reported at 55,000 tons compared to 64,568 tons in May, RBD palmolein was reported at 36,000 tons compared to 43,985 tons in May. Imports of palm oil by India will end weak June after weak May.
- Palm oil import scenario – According to Solvent Extractors Association (SEA), palm oil imports in June fell 37.7 percent y-o-y to 4.97 lakh tons from 7.98 lakh tons in May 2017. Imports in the period (November 2017-May 2018) are reported lower marginally y-o-y at 50.7 lakh tons compared to 51.05 in the corresponding period last oil year.

Crude Palm oil import scenario- According to Solvent Extractors Association (SEA), CPO Imports fell 32.5 percent y-o-y in may to 3.32 lakh tons from 4.92 lakh tons in May 2017. Imports in the period (November 2017-

May 2018) are reported higher by 13.77 percent y-o-y at 38.67 lakh tons compared to 33.99 lakh tons in the corresponding period last oil year.

RBD palmolein import scenario- RBD palmolein imports fell y-o-y in May by 46.26 percent to 1.58 lakh tons from 2.94 lakh tons in May 2017. Imports in the period (November 2017-May 2018) are reported lower by 31.5 percent y-o-y at 11.38 lakh tons compared to 16.62 lakh tons in the corresponding period last oil year.

- On the trade front, CNF CPO (Indonesian origin) at Indian port is quoted at USD 572.5 (USD 597.5) per ton for July delivery and Aug delivery is quoted at USD 572.5 per ton. Last month, CIF CPO June average price was at USD 623.24 per ton (USD 652.29 per ton in May 2018). Values in brackets are figures of last week.

  Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 580 (USD 605) per ton for July delivery and Aug delivery is quoted at USD 580 per ton. Last month, CIF RBD palmolein June average price was USD 630.72 (USD 661.66 in May 2018) per ton. Values in bracket depict last week quotes.

  Ready lift CPO duty paid prices quoted at Rs 627 (Rs 637) per 10 Kg and July delivery duty paid is offered at Rs 622 (Rs 637) per 10 kg. Ready lift RBD palmolein is quoted at Rs 675 (Rs 695) per 10 kg as on July 13, 2018. Values in brackets are figures of last week.
- On the parity front, margins increased during this week due to fall in prices of palm products in international markets. Currently refiners fetch USD 80-85/ton v/s gain of USD 75-80/ton (last month) margin in processing the imported CPO and imports of ready to use palmolein fetch USD 50-55/ton v/s gain of USD 50-55/ton (last month) parity.
- We expect palm oil to trade sideways to weak in the days ahead.

<u>International Front</u>

- Agriwatch View – Palm oil prices are expected to fall on rise in end stocks of palm oil in Malaysia in July, rise in production of palm oil in Malaysia in July, fall in exports of palm oil from Malaysia in July, weak demand of palm oil from China and India and weak competitive oils.

  Palm oil end stocks in Malaysia in July is expected rise due to rise in production of palm oil production in Malaysia in July and higher than expected fall in exports of palm oil from Malaysia in July.

  Palm oil end stocks in Malaysia in June unexpectedly rose due to higher than expected fall in exports of palm oil in Malaysia in June despite higher than expected fall in production of palm oil production in Malaysia in June.

  Palm oil exports fel 14-24 percent in first 10 days of July on lower demand from EU, China, Pakistan and other destinations except India.

  Demand from China has weakened due to higher imports of soybean by China and liquidation of soybean and soy oil stocks has led to lower prices of palm oil in China underpinning palm oil imports from Malaysia. However, demand of palm oil may pick up from China as prices of palm oil have fallen as China is a price sensitive country, which will buy more at lower prices.

  Demand from India is expected to pick up in July on fall in prices of palm oil as India is a price sensitive markets and stocking after two months of weak buying.

  Imports from other destinations except EU, China, US and India has weakened after Ramadan and fresh demand will come at lower prices.

  Production of palm oil is expected to fall in Malaysia in June is expected to fall due to man days lost due to Exports of palm oil is expected to fall in July due to lower buying by India and China.

India is expected import higher palm oil due to decrease in disparity in imports and lowering of stock at Indian ports. However, further depreciation of Rupee could lead to higher disparity in imports and decrease demand.

However, imports from India will not fall much in 2018, as lower oilseeds crop in India will increase demand of palm oil.

China has halted importing soybean from US as shown in data from CNGOIC, which will underpin soy oil prices.

Higher stocks of soy oil in US as reported by USDA due to trade dispute with China, good soybean crop condition in US and rise in production of soybean in US is expected to underpin soy oil prices, which will underpin palm oil prices.

Rise in crude oil due to limited hike in production of crude oil production by OPEC and fall in stocks of crude oil in US is expected to support palm oil prices in medium term.

Indonesia is working to increase biodiesel use in the country and is planning B30 norms which aims to blend 30 percent bio content on diesel.

Higher demand of palm oil in Indonesia will soak incremental supply of palm oil in Indonesia.

Ringgit has depreciated below important resistance of 4.00 per USD and is trading at 4.05 per USD, which will support palm oil prices.

Prices are in range.

- According to Malaysia Palm Oil Board (MPOB), Malaysia's June palm oil stocks rose 0.83 percent to 21.89 lakh tons compared to 21.71 lakh tons in May. Production of palm oil in June fell 12.63 percent to 13.33 lakh tons compared to 15.25 lakh tons in May. Exports of palm oil in June fell 12.57 percent to 11.29 lakh tons compared to 12.91 lakh tons in May. Imports of palm oil in June rose 166 percent to 0.86 lakh tons compared to 0.32 lakh tons in May. End stocks of palm oil rose against trade estimate of fall in end stocks.
- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's July 1-10 palm oil exports fell 23.1 percent to 257,096 tons compared to 334,132 tons in corresponding period last month. Top buyers are European Union at 94,149 tons (69,000 tons), India at 35,300 tons (18,670 tons), China at 22,700 tons (39,700 tons), Pakistan at 0 tons (32,600 tons) and United States at 0 tons (17,150 tons). Values in brackets are figures of corresponding period last month.
- According to cargo surveyor AmSpec Agri, Malaysia's July 1-10 palm oil exports fell 14.4 percent to 278,048 tons compared to 324,947 tons in corresponding period last month.
- According to Indonesia Palm Oil Association (GAPKI), Indonesia's May palm and palm kernel oil exports fell 18.3 percent m-o-m to 2.14 MMT compared to 2.62 MMT in May 2017. On m-o-m basis exports fell 3.6 percent. Exports were 2.22 MMT in April 2018. End stocks of palm oil in Indonesia rose to 4.76 MMT in May from 3.97 MMT in April, higher by 19.9 percent m-o-m.
- Policy update- According to Malaysia Palm Oil Board (MPOB), Malaysia reduced August crude palm oil export duty to 4.5 percent compared to 5 percent for July. Export duty of palm oil is calculated at reference price of 2,284.26 ringgit ($567.52) per ton. Tax is calculated above 2,250 ringgit starting from 4.5 percent to a maximum of 8.5 percent.

  According to Indonesia trade ministry, Indonesia kept palm oil export duty for July unchanged at zero, below threshold prices of USD 750 per ton. This is 15th straight month of zero export duty, as palm oil is expected to miss certain thresholds.

Previous updates

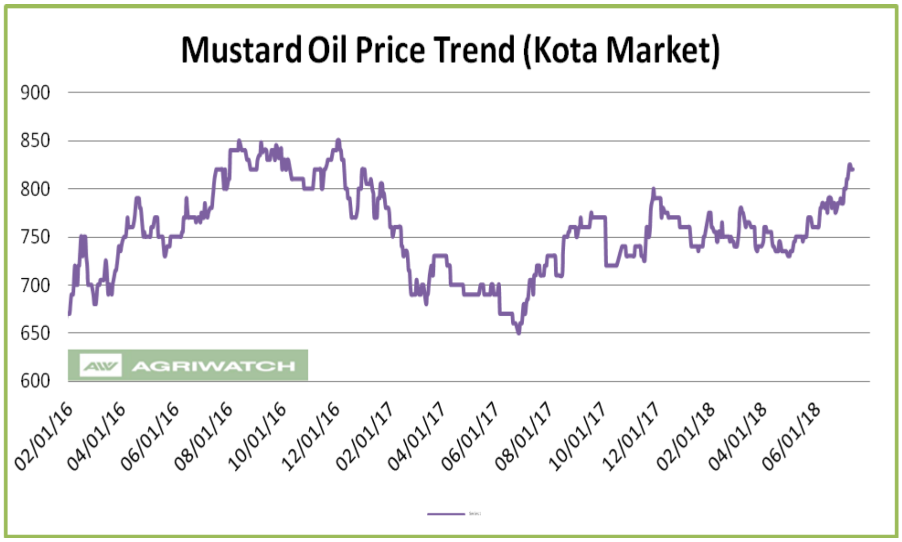
- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's June palm oil exports fell 11.8 percent to 1,058,832 tons compared to 1,199,876 tons last month. Top buyers are European Union at 244,329 tons (280,563 tons), China at 178,080 tons (190,903 tons), India at 124,100 tons (91,920 tons), United States at 63,580 tons (74,500 tons) and Pakistan at 52,600 tons (102,400 tons), and Values in brackets are figures of last month.
- According to cargo surveyor AmSpec Agri, Malaysia's June palm oil exports fell 10.3 percent to 1,073,224 tons compared to 1,196,805 tons last month.
- According to Malaysia Palm Oil Board (MPOB), Malaysia's May palm oil stocks fell 0.51 percent to 21.70 lakh tons compared to 21.81 lakh tons in April. Production of palm oil in May fell 2.11 percent to 15.25 lakh tons compared to 15.58 lakh tons in April. Exports of palm oil in May fell 15.65 percent to 12.91 lakh tons compared to 15.30 lakh tons in April. Imports of palm oil in May fell 9.44 percent to 0.32 lakh tons compared to 0.36 lakh tons in April. Fall in end stocks of palm is lower than trade estimates.
- According to Indonesia Palm Oil Association (GAPKI), Indonesia's April palm and palm kernel oil exports fell 13.6 percent m-o-m to 2.22 MMT compared to 2.57 MMT in April 2017. On m-o-m basis exports fell 7.4 percent. Exports were 2.40 MMT in March 2018. End stocks of palm oil in Indonesia rose to 3.97 MMT in April from 3.65 MMT in March, higher by 8.77 percent m-o-m.
- According to China's General Administration of Customs (CNGOIC), China's March palm oil imports rose 27.13 percent to 4.80 lakh tons compared to March 2017. Year to date imports of palm oil rose 5.53 percent to 13.21 lakh tons. Imports from Indonesia in March rose 35.29 percent to 3.47 lakh tons compared to March 2017. Year to date imports of palm oil from Indonesia rose 9.84 percent to 9.25 lakh tons. Imports from Malaysia in March rose 9.7 percent to 1.32 lakh tons compared to March 2017. Year to date imports of palm oil from Malaysia fell 3.39 percent to 3.95 lakh tons.
- Policy update- According to Malaysia Palm Oil Board (MPOB), Malaysia kept crude palm oil export duty unchanged at 5 percent for July. Export duty of palm oil is calculated at reference price of 2,407.20 ringgit ($611.41) per ton. Tax is calculated above 2,250 ringgit starting from 4.5 percent to a maximum of 8.5 percent.

  According to Indonesia trade ministry, Indonesia kept palm oil export duty for June unchanged at zero, below threshold prices of USD 750 per ton. This is 14th straight month of zero export duty, as palm oil is expected to miss certain thresholds.

  Price Outlook: We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 600-660 per 10 Kg in the near term.

Rapeseed oil Fundamental Review and Analysis-:

Domestic Front



- Mustard oil prices featured firm trend in benchmark market on rise in rapeseed prices and firm demand. Arrivals of rapeseed rose last week.
- Agriwatch view: Prices of rapeseed oil expeller featured firm trend in various centers in India on firm demand and rise in rapeseed prices.

  Prices of rapeseed oil expeller rose across board in India.

  Prices of kacchi ghani traded higher across board in India.

  Canola oil CNF price rose at the end of the week.

  Rapeseed oil prices rose on firm demand. Rise in rapeseed prices supported the rise.

  Hike in import duty on rapeseed (canola) oil supported the rise.

  Rise in prices of rapeseed has reduced crushing of rapeseed. Hike in import duty on soy oil and canola oil has led to higher crush margins. Crushers will taking advantage of crush margins.

  Agriwatch estimated rapeseed crop at 6.45 MMT in the current marketing year.

  Rapeseed oil prices rose on low stock in market against firm demand.

  high discount of RBD palmolein and soy oil prices to rapeseed kacchi ghani prices is likely underpin rapeseed oil prices.

  Lower crop of rapeseed in MY 2018/19 will lead to lower supply of rapeseed for crushing which will support prices.

  Increasing premium of Jaipur kacchi ghani rapeseed oil over refined soy oil in domestic market was at Rs 111 (Rs 93) per 10 Kg will underpin rapeseed oil prices.

  Import of canola is firm as imports fell by 6000 tons while stocks at ports fell 9000 tons indicating firm demand of canola oil. However, hike in import duty on canola oil and weak Rupee slow import demand.

  Kacchi Ghani and refined soy oil trading range has, which will slow demand of rapeseed oil. Traders and stockiest are advised to stock rapeseed oil, which is trading at very lucrative prices.

  Premium of canola oil compared to CDSO has increased to USD 58 (USD 43) per ton will increase imports. Due to increase in prices of rapeseed oil, imports of canola oil are expected to be rise in coming months. Stocks of canola oil at ports have decreased due to firm demand.

  Lower prices of expeller rapeseed oil led to fall in import demand of canola oil in oil year 2017-18.

  Government hiked import duty on canola oil, soy oil and sun oil, which will support rapeseed crushing. It will increase rapeseed crushing and increase crush margins.

  Hike in import duty on rapeseed (canola) oil led to lower imports of canola oil in June.

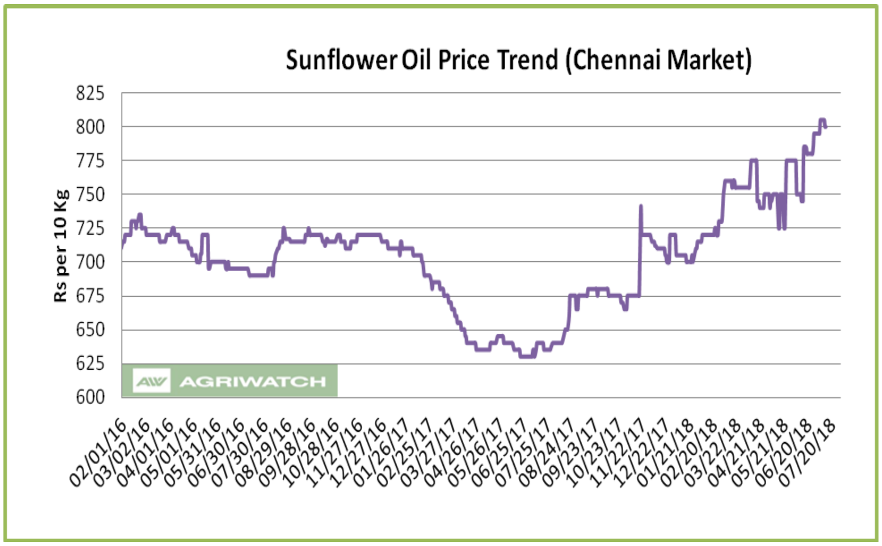
Markets are expected to trade sideways to firm tone in coming days on firm demand.

- According to Agriwatch sources import of rapeseed (canola) oil in June from Kandla were reported at 10,600 tons compared to 22,030 tons in May. Most of import of canola oil comes from Kandla. Hike in import duty on canola oil led to fall in imports in June.
- Rapeseed oil import scenario- India imported 0.22 lakh tons of rapeseed (Canola) oil in May 2018 v/s 0.29 lakh tons in May 2017. In the period (Nov 2017-May 2018) imports were 1.81 lakh tons compared to 1.81 lakh tons in the corresponding period last oil year, up marginally y-o-y.
- CNF canola oil premium over CDSO is USD 58 (USD 43 last week) per ton for July delivery as on July 13, 2018.
- Currently, RM oil at Jaipur market, (expeller) is offered at Rs 840 (Rs 825) per 10 Kg, and at Kota market, it is offered at Rs 820 (Rs 810) per 10 kg as on July 13, 2018. Values in brackets are figures of last week.
- We expect RM seed oil prices to trade sideways to firm tone in the coming days.

Price Outlook: Rapeseed oil (without GST) prices in Kota may stay in the range of Rs 780-850 per 10 Kg.

Sunflower oil Fundamental Review and Analysis-:

Domestic Front



- Sunflower oil price traded weak trend during the week in its benchmark market of Chennai on weak demand.

  Prices remained in Kakinada, Mumbai and Krishnapatnam while it rose in Kandla/Mudra, Hyderabad and Latur. Sunflower oil expeller prices rose in Erode, Hyderabad, Latur and Chellakere at the end of the week.
- Agriwatch view: Prices of sunflower oil traded weak in Chennai on weak demand.

  Demand of sunflower oil weakened after hike in import duties in mid June.

  Demand of sunflower oil weakened due to high premium over RBD palmolein and rising premium over soy oil and lower discount over groundnut oil.

  Rupee depreciation has led to weakening of demand.

  Prices fell on fall in international prices of sunflower oil.

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

  There is disparity in imports of sunflower oil, which has weakened demand.

  Hike in import duty on sunflower oil has increased its premium over RBD palmolein and soy oil.

  Prices of sunflower oil will be capped by higher supply due to higher imports of sunflower oil in oil year 2017-18 (Nov-Oct).

  Imports of sunflower oil rose in oil year 2017-18 (Nov 2017-May 2018) by 23.13 compared to corresponding period in last oil after rise of 43 percent in 2016-17 oil year. Stock at ports has risen tons indicating firm supply.

  CSFO CNF premium over CDSO CNF markets is at USD 93 (USD 88 last week) per ton for July delivery, indicating limited space for prices to rise.

  In domestic market, sunflower oil prices premium over soy oil is by Rs 52 (Rs 48 last week) per 10 kg, which indicates that markets are returning to equilibrium.

  Sunflower oil premium over RBD palmolein at CNF India is USD 215 (US 207.5 last week) which is high and will decrease imports.

  Imports of sunflower oil will fall with hike in import duty to match with soy oil and lower difference with palm oil apart from weak Rupee. Imports data of sunflower oil from Kandla in June show tapering demand of sunflower oil post hike in import duty on sunflower oil. Moreover, increase in premium of sunflower oil over soy oil and RBD palmolein led to tapering of import demand.

Refiners have slowed purchase of crude sunflower oil from international markets as CIF sunflower oil trading at high premium over CNF soybean oil. Currently sunflower oil premium over soy oil is at USD 93 (USD 88 last week) per ton for Aug delivery.

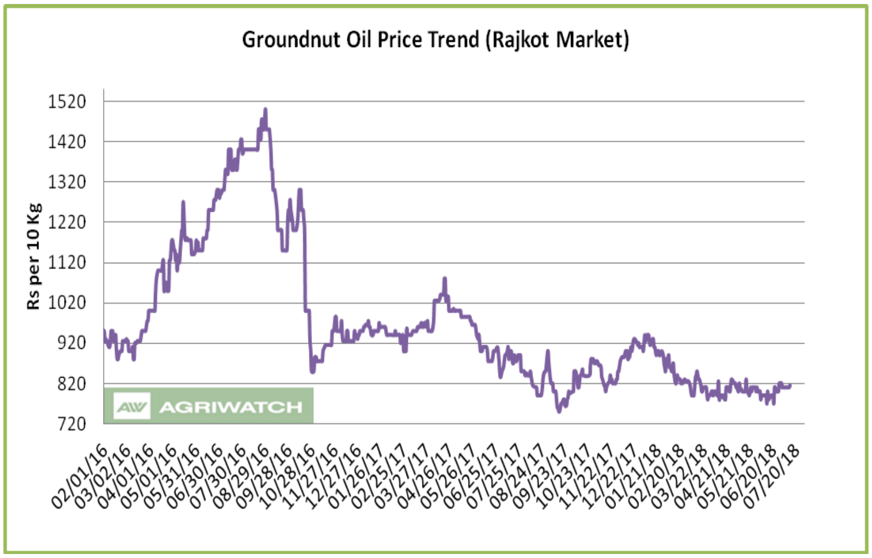
Prices of sunflower oil are expected to be underpinned by weak demand and high premium of sunflower oil over RBD palmolein and soy oil.

- According to Agriwatch sources import of sunflower oil from Kandla port in June were reported at 21,000 tons compared to 40,500 tons.
- All India sunflower sowing was reported at 0.60 lakh hectares as on 13.07.2018 compared to 0.92 lakh hectares in corresponding period last year
- Government of India has hiked MSP of sunflower from Rs 4100/qtl to Rs 5388/qtl.
- Sunflower oil imports scenario- According to Solvent Extractors Association (SEA), Sunflower oil imports rose 113.5 percent y-o-y in May to 3.31 lakh tons from 1.55 lakh tons in May 2017. Imports in the period (November 2017-May 2018) are reported higher by 23.13 percent y-o-y at 16.50 lakh tons compared to 13.40 lakh tons in the corresponding period last oil year.
- On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 795 (USD 800) per ton for Aug delivery, Sep delivery is quoted at USD 787.5 (USD 792.5) per ton, OND delivery is quoted at USD 775 (USD 780) per ton and JFM delivery is quoted at USD 780 per ton. CNF sun oil (Ukraine origin) June monthly average was at USD 787.08 per ton compared to USD 823.72 per ton in May. Values in brackets are figures of last week.
- Prices are likely to stay in the range of USD 780-820 per ton in the near term. CNF Sunflower oil premium over CDSO is hovering at USD 93 (USD 88 last week) per ton for Aug delivery. CNF sunflower oil premium over RBD palmolein is hovering around USD 215 (USD 207.5) per ton.
- Currently, refined sunflower oil at Chennai market is offered at Rs 800 (Rs 805) per 10 Kg, and at Kandla/Mudra market, it is offered at Rs 790 (Rs 780) per 10 kg as on July 13, 2018. Values in brackets are figures of last week.
- We expect sunflower oil prices to trade sideways to weak tone in the coming days.

Price Outlook: Sunflower oil (without GST) prices in Chennai may stay in the range of Rs 750-850 per 10 Kg.

Groundnut oil Fundamental Review and Analysis-:
Domestic Front

- Groundnut oil prices featured firm trend in Rajkot due to firm demand. Prices fell in Chennai while it remained unchanged in New Delhi. Prices fell in Mumbai. Prices rose in Gondal and Jamnagar during the week. Prices of groundnut oil (expeller) remained unchanged in Hyderabad at the end of the week.
- Agriwatch view: Prices of groundnut oil featured uptrend in Rajkot on firm demand



Sowing of groundnut is lagging by 36 percent as of 13.07.2018 on major fall in groundnut sowing in Gujarat due to lack of rains and shift away from groundnut due to high stocks of groundnut with farmers and government of Gujarat which has led to prospect of higher prices in groundnut marketing season.

Gujarat is selling 2017 groundnut crop aggressively with NAFED most of which is of crushing quality. This will increase supply of groundnut oil.

However, there is no parity in crush of groundnut, which may support prices.

There is limited supply of groundnut in the market.

Groundnut oil demand has firmed on of hike in import duty and higher use demand.

Retail demand is firm in Gujarat.

There is demand of groundnut oil at lower levels.

With the rise in MSP of groundnut and floating prices of groundnut oil and groundnut cake finding profitable crush margin will be even more difficult and thus crushers will try to crush on off days when the availability of other oilseeds decline.

Total stocks of groundnut with government is 8 lakh tons and with farmers as 3-4 lakh tons. There have been little rains in groundnut growing areas of Gujarat.

Central government is planning to crush 1 lakh tons of groundnut with NAFED to supply to PDS. On the policy of aggressive selling of groundnut by NAFED, oil millers have asked for favorable policy to increase consumption of groundnut oil.

Exports of 2017 crop are less and most of groundnut is diverted towards crushing underpinning prices. However, demand picks up when prices fall.

Stocks of groundnut with farmers and government are high.

Groundnut exports are very less, as prices of groundnut is higher than international markets.

Due to low exports of groundnut, most of groundnut is shifted towards crushing.

Crushers have no stocks and are dependent on ready markets. Groundnut oil and groundnut trade has firmed. However, the groundnuts arriving in mandis are consumed in ready markets.

In Andhra Pradesh prices of groundnut oil has fallen in last two weeks on arrival of monsoon which has led to culmination of pickle demand season in the state. Markets are adequately stocked. Retail demand of groundnut oil is moderate. There is parity in crush of groundnut in Andhra Pradesh.

Stocks of groundnut oil in Andhra Pradesh market are good.

Groundnut oil prices are expected to trade sideways to firm on expectation of rise in groundnut prices and firm demand.

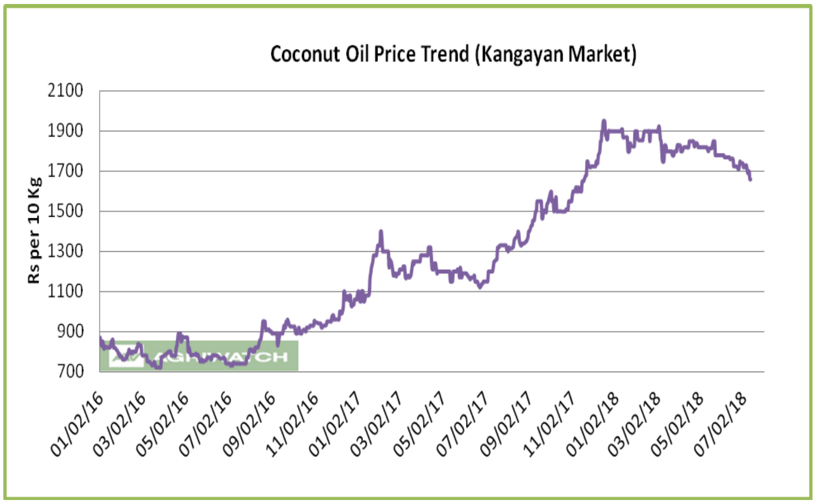
- All India groundnut sowing reached 15.90 lakh hectares as of 13.07.2018 compared to 25 lakh hectares in corresponding period last year, lower by 36.36 percent. Sowing of groundnut is lagging in top produces Guajrat which has received scanty rainfall.
- Government of India hike MSP of groundnut from Rs 4450/qtl to Rs 4890/qtl.
- Saurashtra Oil Mills Association thus is asking the center to set peanut oil promotion council to encourage groundnut oil consumption and also urged the govt to take groundnut oil in the mid-day meal scheme as well as distribution through PDS.
- On the price front, currently the groundnut oil prices in Rajkot is quoted at Rs 8,200 (Rs 8,150) per quintal and it was quoted at Rs 8,200 (Rs 8,300) per quintal in Chennai market on July 13, 2018. Values in brackets are figures of last week.
- Groundnut oil prices are likely to trade sideways to firm in the coming days.

Price Outlook:

Groundnut oil (without GST) in Rajkot market is likely to trade in the price band of Rs 770-870 per 10 Kg.

Coconut Oil Fundamental Review and Analysis-:
Domestic Front

- Coconut oil featured weak trend in its benchmark market of Kangayam on weak demand and fall in prices of copra. Prices in Kochi fell at the end of the week.



- Agriwatch view: Coconut oil prices featured weak trend during the week on weak demand and fall in prices of copra.

  Coconut oil is the costliest domestic edible oil, which has weakened demand-underpinning prices.

  Copra prices fell last week, which led to fall in prices of coconut oil.

  Lower raw material prices led to lower product prices.

  Prices of coconut oil fell due to fall in prices if palm kernel oil which is used in place of coconut oil. Palm kernel oil prices fell last week underpinning coconut oil prices.

  Stockists and retailers are adequately stocks against weak demand.

  Corporate demand, which is one of the major contributors, is weak.

  Traders and upcountry buyers have stopped stocking as they do not feel confident on prices.

  Due to good rains in 2017-18 in coconut growing regions of South India, production of coconut is expected to increase.

  Due to active monsoon there is harvest problem of coconut.

  With the start of peak coconut production season from July, production will increase 15-20% in 2018-19 underpinning prices of coconut oil. Yield will remain higher than last three years.

  Prices of coconut oil will not implode and prices will taper in coming months.

  Copra supply is improving, as stocks buildup has started in the market despite higher exports and diversion of coconut products to other value added products. There is good export demand of copra from West Asian markets and Chinese markets.

  Demand of coconut oil has shrunk due to higher prices of coconut oil 2017-18. Household consumption contracted and no other oil has replaced the gap.

  Coconut oil prices is expected to fall on higher coconut oil production, fall in copra prices and seasonal downtrend of prices.

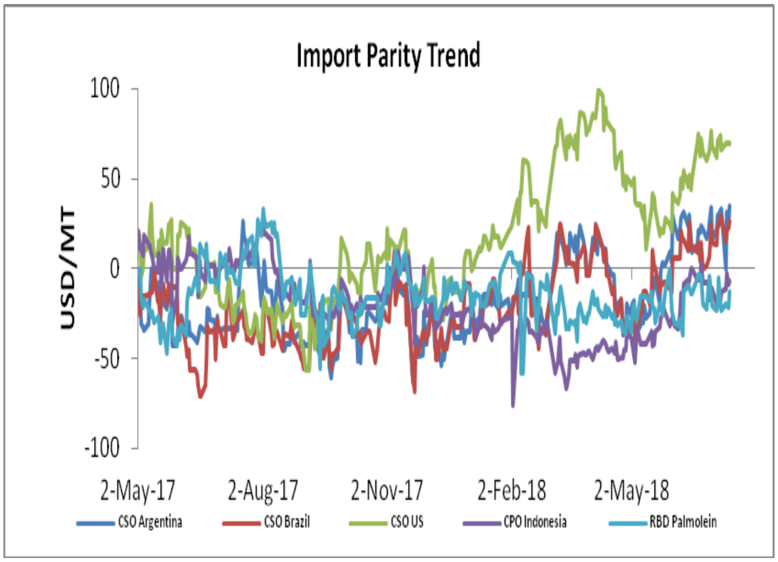
  Coconut oil prices are expected to be weak in days ahead.

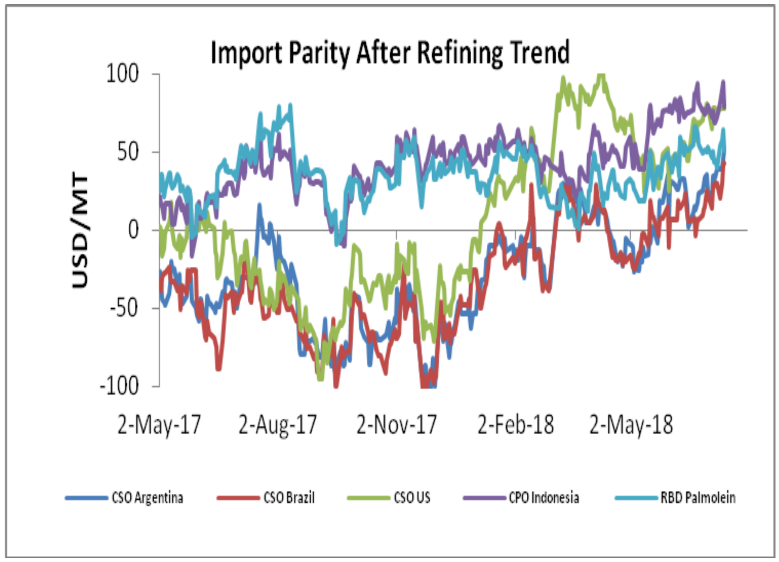
- On the price front, currently the coconut oil prices in Kochi is hovering near Rs 17,500 (17,800) per quintal, and was quoting Rs 16,600 (Rs 17,300) per quintal in Erode market on July 13, 2018.

Price Outlook: Coconut oil (without GST) prices in Erode may stay in the range of Rs 1500-1700 per 10 Kg.

Import Parity Trend

Import Parity After Refining in US dollar per ton (Monthly Average)





	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
May, 2018	-4.94	-4.68	45.14	59.15	32.72
June, 2018	24.29	11.38	59.4	79.04	50.86

Outlook-:

Import parity for crude soy oil from Argentina has returned to parity due to fall in prices of soy oil in international markets. We expect CDSO import parity to remain in parity in medium term. Parity on import of CPO from Indonesia is higher than import of RBD palmolein from Malaysia.

Technical Analysis (Refined soy oil)

Refined soy oil Futures (NCDEX, Daily Aug, Chart)	Refined soy oil (Weekly chart, Indore Rs/10 Kg Inclusive VAT)
	

Outlook – Refined soybean oil witnessed downtrend during the week in review and is likely to trade with a sideways to weak tone in the coming days.

- Weekly chart of refined soy oil at NCDEX depicts downtrend during the week in review. We expect prices to trade sideways to weak tone in the near term.
- Any close below 730 in weekly might take the prices below 720 levels.
- Expected price band for next week is 720-770 level in near to medium term. RSI and MACD is suggesting downtrend in the market.

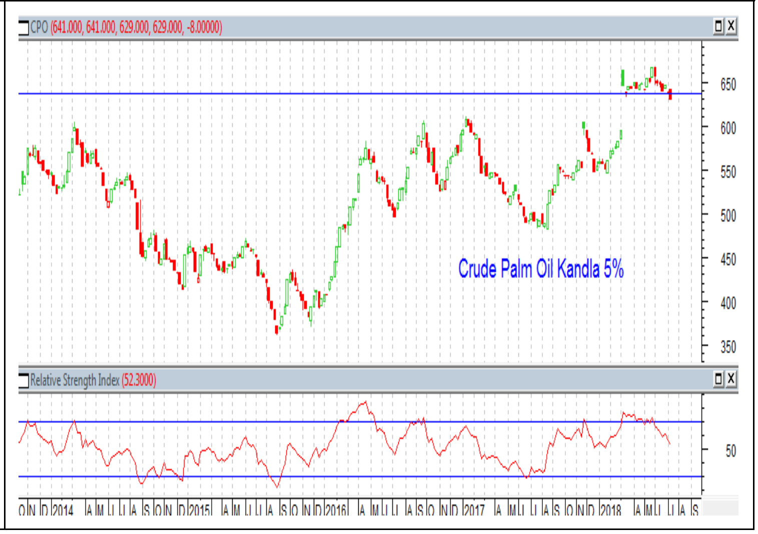
Strategy: Market participants are advised to go short below 745 levels for a target of 730 and 725 with a stop loss at 755 on closing basis.

RSO NCDEX (Aug)

Support and Resistance				
S2	**S1**	**PCP**	**R1**	**R2**
720.00	732.00	740.75	756.00	768.00

Spot Market outlook: Refined soy oil Indore (without GST) is likely to stay in the range of Rs 720-780 per 10 Kg.

Technical Analysis (Crude Palm oil)

Crude palm oil Futures (MCX, Daily July, Chart)	Crude palm oil (Weekly chart, Kandla Rs/10 Kg)
	

Outlook - Prices show downtrend in prices during the week. We expect that CPO July contract may trade sideways to weak note.

- Candlestick in weekly chart of crude palm oil at MCX depicts downtrend in the prices. We expect prices to trade with a sideways to weak note in the near term.
- Any close below 600 in weekly chart may bring the prices to 580 levels.
- Expected price band for next week is 580-650 level. RSI and MACD are suggesting uptrend in prices in the coming week.

Strategy: Market participants are advised to go short in CPO below 620 for a target of 605 and 600 with a stop loss at 630 on closing basis.

CPO MCX (July)

Support and Resistance				
S2	S1	PCP	R1	R2
585.00	600.00	614.00	626.00	644.00

Spot Market outlook: Crude palm oil (without GST) is likely to stay in the range of Rs 600-660 per 10 Kg.

Veg. Oil Prices at Key Spot Markets

Edible Oil Prices at Key Market:

Commodity	Centre	Prices(Per 10 Kg)		Change
		13-Jul-18	6-Jul-18	
Refined Soybean Oil	Indore	748	755	-4
	Indore (Soy Solvent Crude)	720	720	Unch
	Mumbai	765	765	Unch
	Mumbai (Soy Degum)	713	717	-4
	Kandla/Mundra	733	755	-22
	Kandla/Mundra (Soy Degum)	705	712	-7
	Kolkata	737	730	7
	Delhi	780	786	-6
	Nagpur	774	768	6
	Rajkot	730	735	-5
	Kota	750	750	Unch
	Hyderabad	Unq	Unq	-
	Akola	768	767	1
	Amrawati	768	766	2
	Bundi	745	742	3
	Jalna	774	767	7
	Alwar	Unq	Unq	-
	Solapur	776	771	5
	Dhule	771	767	4
Palm Oil *	Kandla (Crude Palm Oil)	660	679	-19
	Kandla (RBD Palm oil)	688	706	-18
	Kandla RBD Pamolein	725	746	-21
	Kakinada (Crude Palm Oil)	NR	NR	-
	Kakinada RBD Pamolein	730	746	-16
	Haldia Pamolein	730	746	-16
	Chennai RBD Pamolein	735	751	-16
	Chennai RBD Pamolein (Vitamin A&D Fortified)	819	824	-5
	KPT (krishna patnam) Pamolein	719	746	-26
	Mumbai RBD Pamolein	746	767	-21
	Mangalore RBD Pamolein	740	743	-3
	Tuticorin (RBD Palmolein)	727	746	-19
	Delhi	760	780	-20
	Rajkot	709	740	-33
	Hyderabad	685	NR	-

	PFAD (Kandla)	410	410	Unch
	Refined Palm Stearin (Kandla)	562	546	16
	Superolien (Kandla)	788	772	16
	Superolien (Mumbai)	819	798	21
* Inclusive of GST				
Refined Sunflower Oil	Chennai	800	805	-5
	Mumbai	820	820	Unch
	Mumbai(Expeller Oil)	755	760	-5
	Kandla	790	780	10
	Kandla/Mundra (Crude)	Unq	Unq	-
	Hyderabad (Ref)	815	810	5
	Latur (Expeller Oil)	805	800	5
	Chellakere (Expeller Oil)	770	755	15
	Erode (Expeller Oil)	835	830	5
Groundnut Oil	Rajkot	820	815	5
	Chennai	820	830	-10
	Delhi	825	825	Unch
	Hyderabad *	855	855	Unch
	Mumbai	840	830	10
	Gondal	815	810	5
	Jamnagar	820	810	10
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	840	825	15
	Jaipur (Kacchi Ghani Oil)	855	849	6
	Kota (Expeller Oil)	820	810	10
	Kota (Kacchi Ghani Oil)	855	825	30
	Neewai (Kacchi Ghani Oil)	840	832	8
	Neewai (Expeller Oil)	830	820	10
	Bharatpur (Kacchi Ghani Oil)	870	840	30
	Alwar (Kacchi Ghani Oil)	870	NR	-
	Alwar (Expeller Oil)	850	NR	-
	Sri-Ganga Nagar(Exp Oil)	835	820	15
	Sri-Ganga Nagar (Kacchi Ghani Oil)	850	830	20
	Mumbai (Expeller Oil)	840	825	15
	Kolkata(Expeller Oil)	890	875	15
	New Delhi (Expeller Oil)	850	835	15
	Hapur (Expeller Oil)	NR	NR	-
	Hapur (Kacchi Ghani Oil)	NR	NR	-
	Agra (Kacchi Ghani Oil)	875	845	30

Refined Cottonseed Oil	Rajkot	765	770	**-5**
	Hyderabad	765	NR	**-**
	Mumbai	783	770	**13**
	New Delhi	740	730	**10**
Coconut Oil	Kangayan (Crude)	1660	1730	**-70**
	Cochin	1750	1780	**-30**
	Trissur	Unq	Unq	**-**
Sesame Oil	New Delhi	1000	1000	**Unch**
	Mumbai	Unq	Unq	**-**
Kardi	Mumbai	880	880	**Unch**
Rice Bran Oil (40%)	New Delhi	Unq	Unq	**-**
Rice Bran Oil (4%)	Punjab	660	660	**Unch**
Rice Bran Oil (4%)	Uttar Pradesh	Unq	Unq	**-**
Malaysia Palmolein USD/MT	FOB	568	588	**-20**
	CNF India	590	613	**-23**
Indonesia CPO USD/MT	FOB	558	580	**-22**
	CNF India	583	605	**-22**
RBD Palm oil (Malaysia Origin USD/MT)	FOB	568	585	**-17**
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	570	588	**-18**
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	980	975	**5**
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	485	493	**-8**
Crude palm Kernel Oil India (USD/MT)	CNF India	910	940	**-30**
Ukraine Origin CSFO USD/MT Kandla	CIF	800	805	**-5**
Rapeseed Oil Rotterdam Euro/MT	FOB	708	745	**-37**

Argentina FOB ($/MT)	**12-Jul-18**	**5-Jul-18**	**Change**
Crude Soybean Oil Ship	663	673	**-10**
Refined Soy Oil (Bulk) Ship	686	697	**-11**
Sunflower Oil Ship	715	712	**3**
Cottonseed Oil Ship	643	653	**-10**
Refined Linseed Oil (Bulk) Ship	Unq	Unq	**-**
			**** indicates including GST***

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