Veg. Oil Weekly Research Report

Contents

Executive Summary

Domestic Veg. Oil Market Summary

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

On the currency front, Indian rupee is hovering near 68.85, up by 25 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 firm. Higher stocks at ports and pipeline may underpin prices in near term.

Outook:

Weekly Call - : At NCDEX, market participants are advised to go long above 745 levels for a target of 760 and 765 with a stop loss at 735 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 long in CPO above 615 for a target of 630 and 635 with a stop loss at 605 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

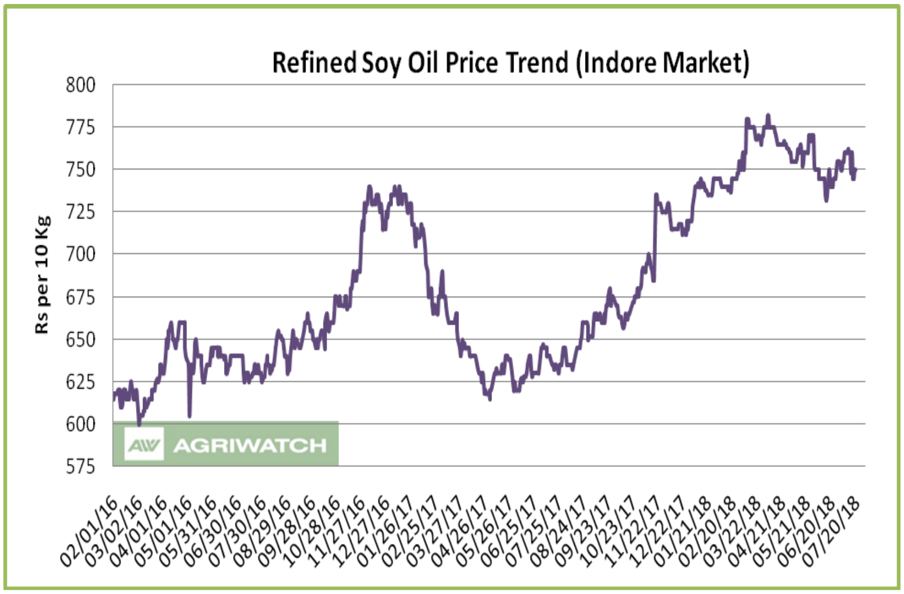
On the international front, lower soy oil stocks in US, deteoration of soybean crop condition in US, renewed demand at lower levels and rise in crude oil prices, is expected to support soy oil prices in coming days.

Improving palm oil exports from Malaysia, weak ringgit, firm demand from India and China, renewed demand at lower levels and rise in crude oil prcies is expected to support 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 international markets. Prices of refined soy oil fell in Kandla/Mudra, Mumbai and 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

  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 and weak demand of soybean by China 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 is at 0.6-0.8 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 weak.

  Soy oil demand is weak at high seas as its prices fell more at high seas compared to CNF markets.

  Soy oil demand is firm at CNF markets as prices fell less at CNF markets compared to FOB 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 June compared to June 2017 and May 2018. Imports fell 109,000 tons in June compared to May 2018 while port stocks fell 10,000 tons indicating weak demand in June. 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 65 (Rs 73 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 133 (USD 132.5 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 firm in near term.

- According to Solvent Extractors Association (SEA), India's June edible oil imports fell 22.12 percent y-o-y to 10.08 lakh tons from 12.94 lakh tons in June 2017. Palm oil imports in June fell 40.49 percent y-o-y to 4.88 lakh tons from 8.20 lakh tons in June 2017. CPO Imports fell 46.68 percent y-o-y to 3.05 lakh tons from 5.72 lakh tons in June 2017. RBD palmolein imports fell 26.56 percent y-o-y to 1.77 lakh tons from 2.41 lakh tons in June 2017. Soy oil imports fell marginally in June y-o-y to 2.89 lakh tons from 2.91 lakh tons in June 2017. Sunflower oil imports rose 30.77 percent y-o-y in June to 2.21 lakh tons from 1.69 lakh tons in June 2017. Rapeseed (canola) oil import fell to 15.38 percent 0.11 lakh tons compared 0.13 imports in June 2017.
- According to Solvent Extractors Association (SEA), India's June edible oil stocks at ports and pipelines fell 5.41 percent m-o-m to 25.18 lakh tons from 26.62 lakh tons in May 2018. Stocks of edible oil at ports fell to 948,000 tons (CPO 250,000 tons, RBD Palmolein 190,000 tons, Degummed Soybean Oil 240,000 tons, Crude Sunflower Oil 260,000 tons and 8,000 tons of Rapeseed (Canola) Oil and about 1,570,000 tons in pipelines. (Stocks at ports were 1,002,000 tons in May 2018). India is presently holding 40 days of edible oil requirement on 1st July, 2018 at 25.18 lakh tons compared to 42 days of requirements last month at 26.62 lakh tons. India's monthly edible oil requirement is 19.0 lakh tons.
- 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.
- 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 93.87 lakh hectares as on 20.07.2018 compared to 84.64 lakh hectares in the corresponding period last year, higher by 10.9 percent.
- Government of India hike MSP of soybean from Rs 3050/qtl to Rs 3399/qtl.
- Soy oil import scenario – According to SEA, soy oil imports fell marginally y-o-y in June to 2.89 lakh tons from 2.91 lakh tons in June 2017. In the period (Nov 2017-June 2018), imports of soy oil were 17.77 lakh tons compared to 19.81 lakh tons in corresponding period last oil year, lower by 10.30 percent.
- Imported crude soy oil CNF at West coast port is offered is offered at USD 703 (USD 705) per ton for July delivery and Aug delivery is quoted at USD 701 (USD 702) per ton, Sep delivery is quoted at USD 701 (USD 705) per ton and Oct delivery is quoted at USD 699 (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 0-5/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 firm in the coming days.

International Front

Agriwatch view- Soy oil prices are expected to be supported by fell in stocks of soy oil in US, weakening of soybean crop condition in US, bargain buying of soy oil, technical buying, firm competitive oil prices and rise in crude oil prices.

Trade dispute between US and China, higher soybean stock in US, lower purchase of soybean by China from US and firm dollar will weigh on soy oil.

Soy oil stocks fell in US in June in US as reported by NOPA despite higher production of soy oil due to record June crush will support soy oil prices. Firm US domestic demand weigh on stocks.

Soybean crop condition tapered in US as good to excellent crop condition fell from 71 percent to 69 percent. Crop in various states of US are in need of rains, which may adversely affect soybean crop. Weakening of soybean crop condition in US will support soybean complex prices.

Soy oil prices corrected more than 20 percent in last couple of months due to trade dispute with China and good soybean crop condition which is expected to reignite demand and support prices. More bargain buying by top importer India and other destinations will support soy oil prices.

Soy oil prices were trading in near territory for more than a month and were rise for technical rebound. Most of technical indicators were oversold, which will support soy oil prices.

Competitive oils have fallen in last two months and are expected to see strong rebound which will support soy oil prices.

Crude oil prices fell more than 10 percent in last fortnight due to hike in OPEC production is expected to show strong rebound as stocks in US is expected to fall below long term averages will support its prices which in turn will support soy oil prices.

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. 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.

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.

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.

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.

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.

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

Prices are in a range.

- In the weekly USDA crop progress report released on 16 July; Soybeans blooming are reported at 65% which is up from 49% from the corresponding period last year and higher compared to the 5-year average of 45%. Soybean setting pods qare reported at 26% which is up from 15% in corresponding period last year and 5-year average of 11%. About 69% of the soybean planted crop is under good to excellent condition which is up from 61% during the corresponding period last year.
- According to National Oilseed Processors Association (NOPA), U.S. June soybean crush fell 2.66 percent m-o-m to 159.228 million bushels from 163.572 million bushels in May 2018. Crush of soybean in June 2017 was 138.074 million bushels. Soy oil stocks in U.S. at the end of June fell 4.85 percent m-o-m to 1.766 billion lbs compared to 1.856 billion lbs in end May 2018. Stocks of soy oil in end June 2018 was higher by 3.7 percent compared to end June 2017, which was reported at 1.703 million lbs.
- 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.
- 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 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 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 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. 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

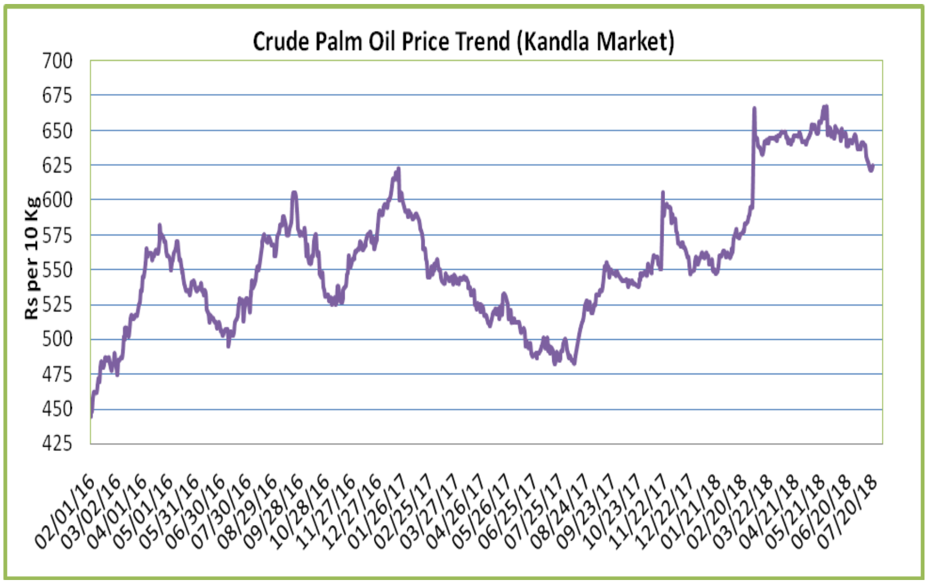
to 2.092 billion lbs in end April 2018. Stocks of soy oil in end May 2018 was higher by 6.12 percent compared to end May 2017, which was reported at 1.749 million lbs.

- According to 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 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.
- 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 firm trend at its benchmark market at Kandla on depreciation of Rupee and technical buying.

  RBD palmoelein closed lower at its benchmark market of Kandla on weak demand.

  CPO prices fell in Krishnapatnam and Kolkata.

  RBD palmolein closed lower across board in India.

- Agriwatch View – Prices of CPO closed higher at Kandla on depreciation of Rupee.

  Prices of CPO rose at high seas while it fell at CNF markets compared to last week indicating weak supply at high seas.

  Rupee depreciation and continuous fall in prices of CPO led to postponing of demand.

  Rupee depreciated from 67 to 69, which has led to tight trade conditions.

  Trade of CPO has returned to parity despite depreciation of Rupee, which stands at Rs 0.6-0.8 per kg. Parity in imports came due to fall in international prices of CPO and hike in import duty of soy oil, sunflower oil and rapeseed oil.

  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 may return trade to disparity and lower imports. 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.

  Parity in imports of CPO has will increase demand and improve imports.

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

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

  Stocks of CPO at ports were high which has slowed imports in June

  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 firm at CNF markets as prices fell less at CNF compared to 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 June was lower than that of June 2017 and lower than May 2018. Stocks of CPO at ports fell 70,000 tons in June compared to May while imports fell 30,000 indicating destocking at ports.

Import of RBD palmolein in June was lower than June 2017 while it was higher than May 2018. Imports of RBD palmolein rose 20,000 tons in June compared to May while port stocks rose by 20,000 tons indicating weak demand of RBD palmolein in June.

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 133 (USD 132.5 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 67 (Rs 71 last week) per 10 Kg, will decrease CPO demand at high seas. Premium of refined soy oil over RBD palmolein at Rs 65 (Rs 73 last week) per 10 kg is low and will decrease RBD palmolein demand. RBD palmolein discount over sunflower at CNF markets is at USD 220 (215) per ton. Increasing premium of refined sunflower oil over RBD palmolein due to hike in import duty on sun oil at Rs 125 (Rs 125) 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 firm.

- 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.
- 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 46.68 percent y-o-y in June to 3.05 lakh tons from 5.72 lakh tons in June 2017. Imports in the period (November 2017-June 2018) are reported higher by 5.06 percent y-o-y at 41.72 lakh tons compared to 39.71 lakh tons in the corresponding period last oil year.

RBD palmolein import scenario- RBD palmolein imports fell y-o-y in June by 26.56 percent to 1.77 lakh tons from 2.41 lakh tons in June 2017. Imports in the period (November 2017-June 2018) are reported lower by 30.90 percent y-o-y at 13.15 lakh tons compared to 19.03 lakh tons in the corresponding period last oil year.

- On the trade front, CNF CPO (Indonesian origin) at Indian port is quoted at USD 570 (USD 572.5) per ton for July delivery and Aug delivery is quoted at USD 570 (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 577.5 (USD 580) per ton for July delivery and Aug delivery is quoted at USD 577.5 (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 629 (Rs 627) per 10 Kg and July delivery duty paid is offered at Rs 629 (Rs 622) per 10 kg. Ready lift RBD palmolein is quoted at Rs 680 (Rs 675) per 10 kg as on July 20, 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 90-95/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 65-70/ton v/s gain of USD 50-55/ton (last month) parity.
- We expect palm oil to trade sideways to firm in the days ahead.

International Front

- Agriwatch View – Palm oil prices are expected to rise on pickup of exports of palm oil from Malaysia, depreciation of Ringgit, improvement of palm oil of demand from India, bargain buying, rise in competitive oils, technical rebound and rise in palm oil prices.
  Expectation of rise in end stocks of palm oil in Malaysia in July and rise in production of palm oil in Malaysia in July will weigh on palm oil prices.
  Palm oil exports rebounded in last 10 days on firm buying from India after weak May and June. Exports rose 3.3 percent in first 20 days of July due to rise in demand from India. Exports faltered from May until first 10 days of July. Demand from India rose in July after weak two months due to depreciation of Rupee, disparity in imports and continuous fall in palm oil prices.
  Ringgit has depreciated below 4/$ and is trading at 4.06 levels. With the expectation rise in Dollar Index on aggressive hike in interest rate by US FED has led to expectation of further fall in Ringgit. Lower ringgit will support palm oil exports as lower ringgit makes palm oil more competitive compared to competitive oils.
  Due to sharp fall in palm oil prices bargain buying could be seen from India and China as both are prices sensitive markets and look for bargains to purchase. China is a weak link in exports from Malaysia, which may start buying due to lower prices of palm oil. Liquidation of state reserves by China and higher imports of soybean by China in June has slowed buying by China but due to trade dispute between US and China, it could look for buying of palm oil in coming days as it will look to restock palm oil.
  Competitive oils like CBOT soy oil and RBD palmolein DALIAN is expected to support palm oil prices.
  CBOT soy oil is expected to be supported by fall in soy oil stocks in US will support its prices.
  RBD palmolein DALIAN is expected to be supported by fresh demand from China in coming days.

Palm oil prices have fallen in last two months, which has send prices to oversold zone, which has made it ripe for technical rebound. With most of indicators in oversold territory will help in price rebound will support palm oil prices.

Crude oil prices fell more than 10 percent in last fortnight due to hike in OPEC production is expected to show strong rebound as stocks in US is expected to fall below long term averages will support its prices which in turn will support soy oil prices.

Palm oil end stocks in Malaysia in July is expected rise due to rise in production of palm oil production in 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.

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.

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.

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 1-20 palm oil exports rose 3.3 percent to 692,334 tons compared to 670,442 tons in corresponding period last month. Top buyers are European Union at 151,961 tons (156,770 tons), India at 91,300 tons (69,300 tons), China at 63,125 tons (101,000 tons), United States at 27,248 tons (41,440 tons) and Pakistan at 11,000 tons (52,600 tons). Values in brackets are figures of corresponding period last month.
- According to cargo surveyor AmSpec Agri, Malaysia's July 1-20 palm oil exports fell 1.3 percent to 681,178 tons compared to 690,015 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

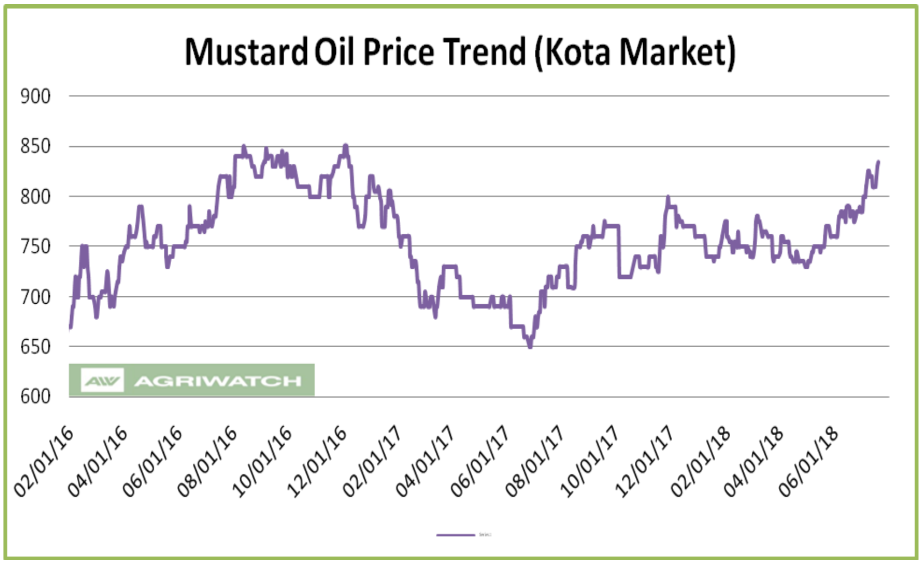
- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's July 1-15 palm oil exports fell 8.8 percent to 454,524 tons compared to 498,272 tons in corresponding period last month. Top buyers are European Union at 122,719 tons (109,340 tons), China at 51,125 tons (52,500 tons), India at 38,800 tons (40,670 tons), United States at 10,748 tons (36,540 tons) and Pakistan at 0 tons (52,600 tons). Values in brackets are figures of corresponding period last month.
- According to cargo surveyor AmSpec Agri, Malaysia's July 1-15 palm oil exports fell 14.4 percent to 486,609 tons compared to 500,197 tons in corresponding period 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 fell 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 remained unchanged 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. There is shortage of rapeseed in market due to lower crop and higher demand of rapeseed. More rise in rapeseed prices are expected due to short supply of rapeseed in coming months which will lead to higher rapeseed oil prices.

  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 135 (Rs 111) per 10 Kg will underpin rapeseed oil prices.

  Import of canola is weak as imports in oil year 2017-18 (Nov-Oct) while stocks at ports rose indicating weak demand of canola oil. Hike in import duty on canola oil and weak Rupee slow import demand.

  Kacchi Ghani and refined soy oil trading range has increased, 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 69 (USD 58) 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 coming months.

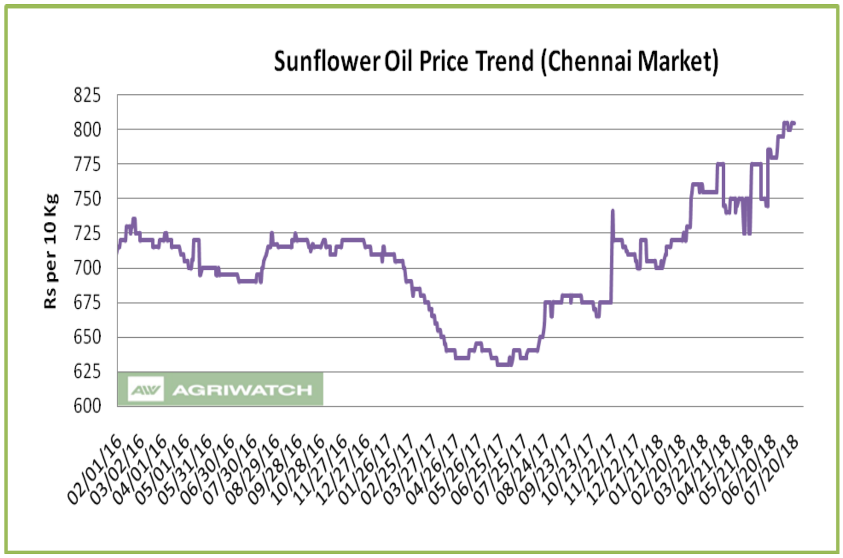
Markets are expected to trade sideways to firm tone in coming days on firm demand and rise in rapeseed prices.

- Rapeseed oil import scenario- India imported 0.11 lakh tons of rapeseed (Canola) oil in June 2018 v/s 0.13 lakh tons in June 2017, lower by 15.38. In the period (Nov 2017-June 2018) imports were 1.92 lakh tons compared to 1.95 lakh tons in the corresponding period last oil year, lower by 1.54 percent y-o-y.
- CNF canola oil premium over CDSO is USD 69 (USD 58 last week) per ton for July delivery as on July 20, 2018.
- Currently, RM oil at Jaipur market, (expeller) is offered at Rs 855 (Rs 840) per 10 Kg, and at Kota market, it is offered at Rs 835 (Rs 820) per 10 kg as on July 20, 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 800-880 per 10 Kg.

Sunflower oil Fundamental Review and Analysis-:

Domestic Front



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

  Prices remained unchanged in Kakinada, Mumbai and Krishnapatnam, Hyderabad Kandla/Mudra and Hyderabad while it fell Latur. Sunflower oil expeller prices rose in Erode and Chellakere while it remained unchanged in Hyderabad. Prices fell in Latur and at the end of the week.

- Agriwatch view: Prices of sunflower oil traded firm in Chennai on firm demand.

  Demand of sunflower oil firmed 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 translated into higher prices of sunflower oil in domestic market.

  Prices fell on fall in international prices of sunflower oil.

  There is disparity in imports of sunflower oil, which has weakened import 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-June 2018) by 19 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. At present destocking is taking place at ports.

  CSFO CNF premium over CDSO CNF markets is at USD 97 (USD 93 last week) per ton for Aug 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 220 (US 215 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 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.

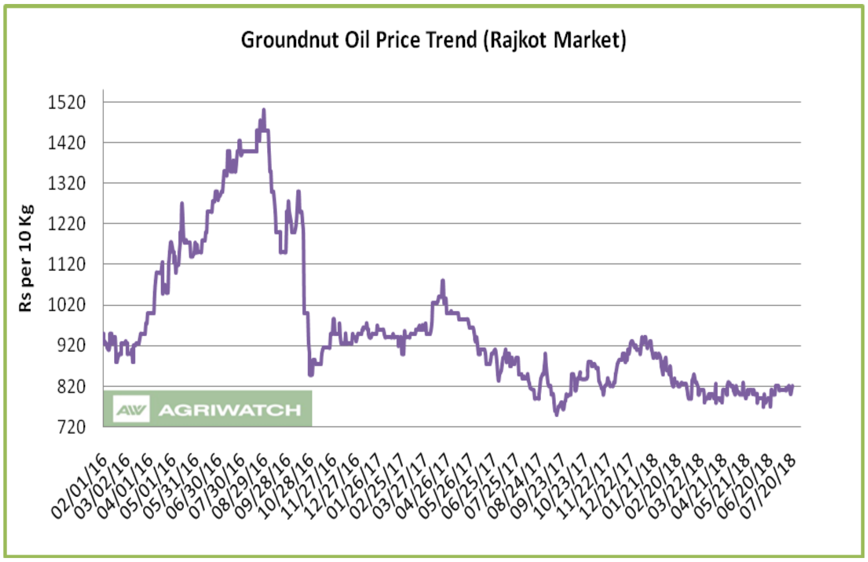
Refiners have slowed purchase of crude sunflower oil from international markets as CIF sunflower oil trading at high premium over CNF soybean oil. Currently sunflower oil premium over soy oil is at USD 98 (USD 93 last week) per ton for Aug delivery.

Prices of sunflower oil are expected to be supported by firm demand and seasonal uptrend of prices.

- All India sunflower sowing was reported at 0.66 lakh hectares as on 20.07.2018 compared to 0.96 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 30.77 percent y-o-y in June to 2.21 lakh tons from 1.69 lakh tons in June 2017. Imports in the period (November 2017-June 2018) are reported higher by 19.35 percent y-o-y at 18.71 lakh tons compared to 15.09 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 798 (USD 795) per ton for Aug delivery, Sep delivery is quoted at USD 787 (USD 787.5) per ton, OND delivery is quoted at USD 765 (USD 775) 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 98 (USD 93 last week) per ton for Aug delivery. CNF sunflower oil premium over RBD palmolein is hovering around USD 220 (USD 205) per ton.
- Currently, refined sunflower oil at Chennai market is offered at Rs 805 (Rs 800) per 10 Kg, and at Kandla/Mudra market, it is offered at Rs 790 (Rs 790) per 10 kg as on July 20, 2018. Values in brackets are figures of last week.
- We expect sunflower oil prices to trade sideways to firm tone in the coming days.

Price Outlook: Sunflower oil (without GST) prices in Chennai may stay in the range of Rs 770-850 per 10 Kg.

Groundnut oil Fundamental Review and Analysis-:
Domestic Front



- Groundnut oil prices featured firm trend in Rajkot due to firm demand and rise in prices of groundnut..
  Prices rose in Chennai, Mumbai and New Delhi. 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 21 percent as of 20.07.2018 on major fall in groundnut sowing in Gujarat due to late rains and shift away from groundnut due to high stocks of groundnut and lower prevailing prices of groundnut. Lower groundnut sowing could lead to higher prices of groundnut in coming weeks.
  Gujarat is selling 2017 groundnut crop aggressively with NAFED most of which is of crushing quality. NAFED has increased auction price of groundnut, which has resulted in higher prices of groundnut oil in the markets.
  There is around 8 lakh tons of groundnut with NAFED, around 2 lakh tons with farmers and trade has no stock of groundnut and whatever is arriving in market is consumed in ready markets.
  If government decides to slow or postpone groundnut auction the there is possibility of surge in groundnut prices as there is less stock with farmer and no stocks with trade. This will lead to surge in prices of groundnut oil. Demand of groundnut oil has slowed down due to increase in prices of groundnut oil.
  There is demand of groundnut oil at lower prices and hike in import duties on import of soy oil, sunflower oil and rapeseed oil is helping prices of groundnut oil.
  However, there is no parity in crush of groundnut, and parity will only come if prices of groundnut fall or prcies of groundnut oil rise. Disparity in crushing may support groundnut oil prices.
  Groundnut oil demand has firmed on of hike in import duty and higher use demand.
  Retail demand is firm in Gujarat.
  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.
  Exports of 2017 crop are less and most of groundnut is diverted towards crushing underpinning prices.
  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.

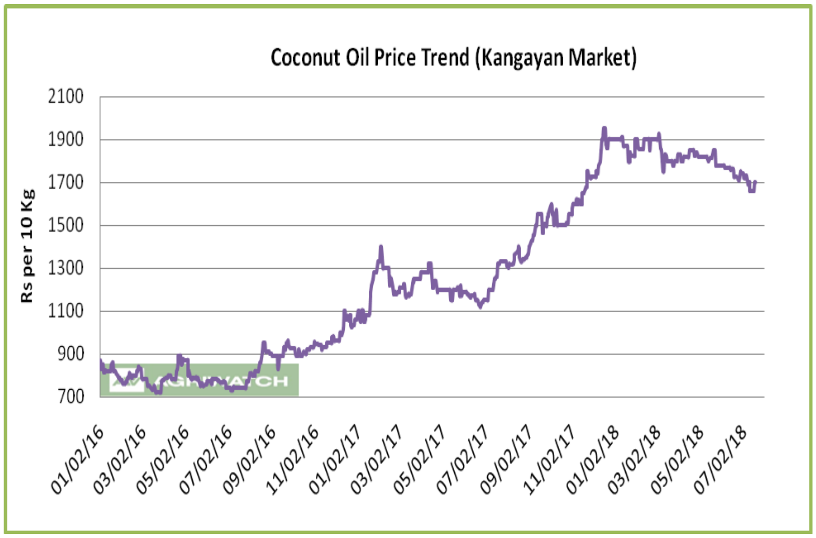
- All India groundnut sowing reached 23.01 lakh hectares as of 20.07.2018 compared to 29.08 lakh hectares in corresponding period last year, lower by 20.9 percent. Sowing of groundnut is lagging in top produces Guajrat which has received late rainfall.
- Government of India hike MSP of groundnut from Rs 4450/qtl to Rs 4890/qtl.
- On the price front, currently the groundnut oil prices in Rajkot is quoted at Rs 8,500 (Rs 8,200) per quintal and it was quoted at Rs 8,300 (Rs 8,200) per quintal in Chennai market on July 20, 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 800-900 per 10 Kg.

Coconut Oil Fundamental Review and Analysis-:
Domestic Front

- Coconut oil featured firm trend in its benchmark market of Kangayam on rise in prices of copra. Prices in Kochi fell at the end of the week.
- Agriwatch view: Coconut oil prices featured firm trend during the week on rise in prices of copra.



  Copra prices rose last week, which led to rise in prices of coconut oil.

  Higher raw material prices led to higher product prices.

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

  Prices of coconut oil rose due to rise in prices if palm kernel oil which is used in place of coconut oil. Palm kernel oil prices rose last week supporting coconut oil prices.

  Stockists and retailers are adequately stocked 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.

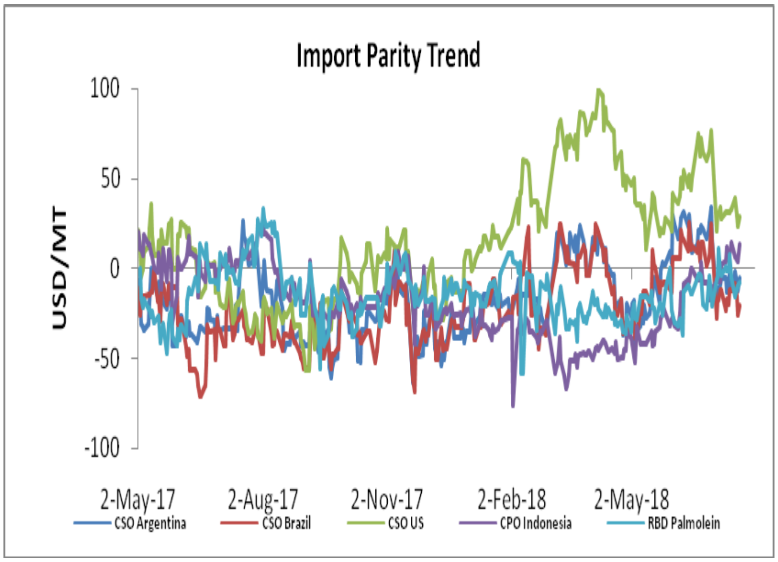
  Coconut oil prices are expected to be weak in days ahead.

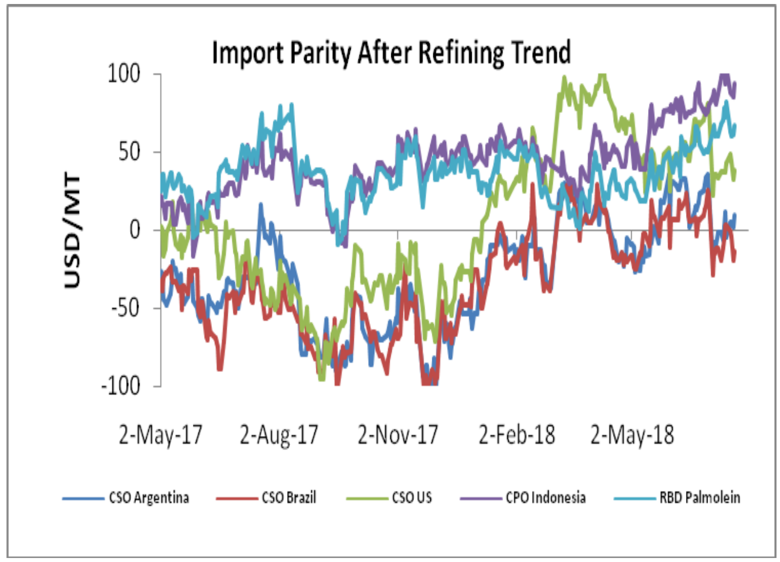
- On the price front, currently the coconut oil prices in Kochi is hovering near Rs 17,300 (17,500) per quintal, and was quoting Rs 17,000 (Rs 16,600) per quintal in Erode market on July 20, 2018.

Price Outlook: Coconut oil (without GST) prices in Erode may stay in the range of Rs 1600-1800 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 uptrend during the week in review and is likely to trade with a sideways to firm tone in the coming days.

- Weekly chart of refined soy oil at NCDEX depicts uptrend during the week in review. We expect prices to trade sideways to firm tone in the near term.
- Any close below 740 in weekly might take the prices below 730 levels.
- Expected price band for next week is 720-770 level in near to medium term. RSI and MACD is suggesting uptrend in the market.

Strategy: Market participants are advised to go long above 745 levels for a target of 760 and 765 with a stop loss at 735 on closing basis.

RSO NCDEX (Aug)

Support and Resistance				
S2	**S1**	**PCP**	**R1**	**R2**
720.00	732.00	747.5	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 uptrend in prices during the week. We expect that CPO July contract may trade sideways to firm note.

- Candlestick in weekly chart of crude palm oil at MCX depicts uptrend in the prices. We expect prices to trade with a sideways to firm note in the near term.
- Any close below 610 in weekly chart may bring the prices to 590 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 long in CPO above 615 for a target of 630 and 635 with a stop loss at 605 on closing basis.

CPO MCX (July)

Support and Resistance				
S2	**S1**	**PCP**	**R1**	**R2**
585.00	600.00	619.00	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

Commodity	Centre	Prices(Per 10 Kg)		Change
		20-Jul-18	13-Jul-18	
Refined Soybean Oil	Indore	750	760	-10
	Indore (Soy Solvent Crude)	710	720	-10
	Mumbai	755	765	-10
	Mumbai (Soy Degum)	705	713	-8
	Kandla/Mundra	725	733	-8
	Kandla/Mundra (Soy Degum)	695	705	-10
	Kolkata	727	737	-10
	Delhi	782	780	2
	Nagpur	767	774	-7
	Rajkot	725	730	-5
	Kota	740	750	-10
	Hyderabad	NR	NR	-
	Akola	767	768	-1
	Amrawati	766	768	-2
	Bundi	745	745	Unch
	Jalna	768	774	-6
	Alwar	Unq	Unq	-
	Solapur	757	776	-19
	Dhule	768	771	-3
Palm Oil *	Kandla (Crude Palm Oil)	656	660	-4
	Kandla (RBD Palm oil)	677	688	-11
	Kandla RBD Pamolein	709	725	-16
	Kakinada (Crude Palm Oil)	NR	NR	-
	Kakinada RBD Pamolein	714	730	-16
	Haldia Pamolein	719	730	-11
	Chennai RBD Pamolein	716	735	-19
	Chennai RBD Pamolein (Vitamin A&D Fortified)	798	819	-21
	KPT (krishna patnam) Pamolein	709	719	-11
	Mumbai RBD Pamolein	725	746	-21
	Mangalore RBD Pamolein	740	740	
	Tuticorin (RBD Palmolein)	716	727	-11
	Delhi	752	760	-8
	Rajkot	714	709	5
	Hyderabad	682	685	-3
	PFAD (Kandla)	410	410	Unch
	Refined Palm Stearin (Kandla)	562	562	Unch
	Superolien (Kandla)	767	788	-21

	Superolien (Mumbai)	798	819	-21
* Inclusive of GST				
Refined Sunflower Oil	Chennai	805	800	5
	Mumbai	820	820	Unch
	Mumbai(Expeller Oil)	755	755	Unch
	Kandla	790	790	Unch
	Kandla/Mundra (Crude)	Unq	Unq	-
	Hyderabad (Ref)	815	815	Unch
	Latur (Expeller Oil)	800	805	-5
	Chellakere (Expeller Oil)	775	770	5
	Erode (Expeller Oil)	840	835	5
Groundnut Oil	Rajkot	850	820	30
	Chennai	830	820	10
	Delhi	850	825	25
	Hyderabad *	850	855	-5
	Mumbai	870	840	30
	Gondal	840	815	25
	Jamnagar	840	820	20
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	855	840	15
	Jaipur (Kacchi Ghani Oil)	881	859	22
	Kota (Expeller Oil)	835	820	15
	Kota (Kacchi Ghani Oil)	870	855	15
	Neewai (Kacchi Ghani Oil)	850	830	20
	Neewai (Expeller Oil)	866	840	26
	Bharatpur (Kacchi Ghani Oil)	900	870	30
	Alwar (Kacchi Ghani Oil)	840	850	-10
	Alwar (Expeller Oil)	860	870	-10
	Sri-Ganga Nagar(Exp Oil)	855	845	10
	Sri-Ganga Nagar (Kacchi Ghani Oil)	875	855	20
	Mumbai (Expeller Oil)	840	840	Unch
	Kolkata(Expeller Oil)	920	890	30
	New Delhi (Expeller Oil)	872	850	22
	Hapur (Expeller Oil)	NR	NR	-
	Hapur (Kacchi Ghani Oil)	NR	NR	-
	Agra (Kacchi Ghani Oil)	905	875	30
Refined Cottonseed Oil	Rajkot	785	765	20
	Hyderabad	765	765	Unch
	Mumbai	785	783	2
	New Delhi	760	740	20

Coconut Oil	Kangayan (Crude)	1700	1660	**40**
	Cochin	1730	1750	**-20**
	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	558	568	**-10**
	CNF India	580	590	**-10**
Indonesia CPO USD/MT	FOB	543	558	**-15**
	CNF India	573	583	**-10**
RBD Palm oil (Malaysia Origin USD/MT)	FOB	555	568	**-13**
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	563	570	**-7**
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	990	980	**10**
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	490	485	**5**
Crude palm Kernel Oil India (USD/MT)	CNF India	710	720	**-10**
Ukraine Origin CSFO USD/MT Kandla	CIF	795	800	**-5**
Rapeseed Oil Rotterdam Euro/MT	FOB	920	920	**Unch**

Argentina FOB ($/MT)	**19-Jul-18**	**12-Jul-18**	**Change**
Crude Soybean Oil Ship	651	663	**-12**
Refined Soy Oil (Bulk) Ship	674	686	**-12**
Sunflower Oil Ship	718	715	**3**
Cottonseed Oil Ship	631	643	**-12**
Refined Linseed Oil (Bulk) Ship	Unq	Unq	**-**

**** indicates including GST***

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