Veg. Oil Weekly Research Report

Contents

Executive Summary

Domestic Veg. Oil Market Summary

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

On the currency front, Indian rupee is hovering near 68.65, down by 20 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 605 for a target of 590 and 585 with a stop loss at 615 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.

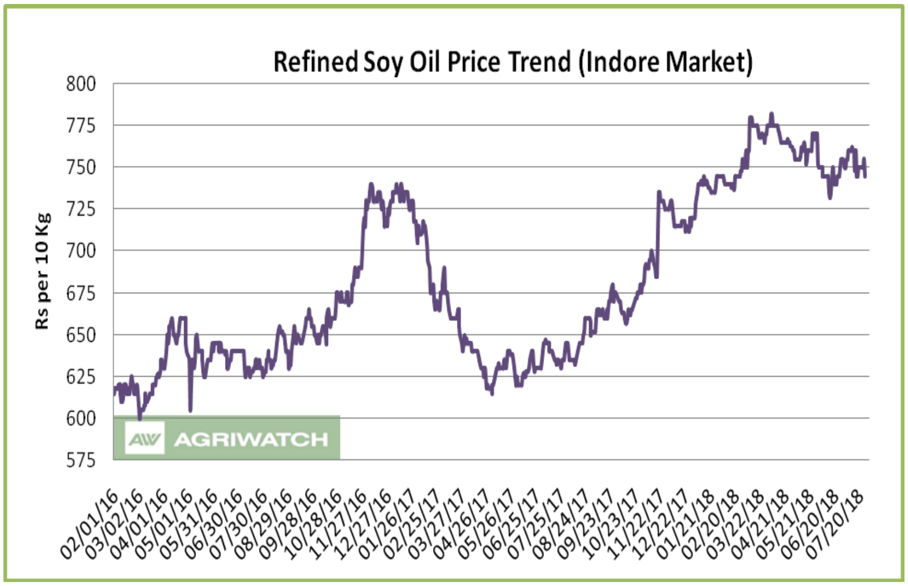
International Veg. Oil Market Summary

On the international front, trade dispute between US and China, better than expected soybean crop condition in US, lower soybean demand from China, high stocks of soybean in China, liquidation of soybean state reserve in China, weak competitive oils and firm dollar is expected to support soy oil prices in coming days.

Rise in palm oil end stocks in Malaysia, rise in production of palm oil in Malaysia, slow rise in exports of palm oi in Malaysia, weak demand from China and India and weak competitive oils 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 remained unchanged in Kandla/Mudra, while it fell in New Delhi, Rajkot and Kolkata. Prices rose in Mumbai. Prices of CDSO fell at JNPT while it remained unchanged in 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 0.1-0.4 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 firm at high seas as its prices remained unchanged at high seas compared to CNF markets.

  Soy oil demand is weak at CNF markets as prices fell more 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 75 (Rs 65 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 125 (USD 133 last week) per ton for Aug 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 weaken 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.
- All India sowing of soybean was reported at 101.53 lakh hectares as on 27.07.2018 compared to 95.70 lakh hectares in the corresponding period last year, higher by 6.09 percent. Sowing in top producing state of MP was reported at 47.87 lakh hectares as on 27.07.2018 compared to 45.56 lakh hectares in corresponding period last year, higher by 5.07 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 at USD 690 (USD 701) per ton for Aug delivery, Sep delivery is quoted at USD 695 (USD 701) per ton, Oct delivery is quoted at USD 695 (USD 699) per ton and Nov delivery is quoted at USD 700 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 fall in prices of soy oil in international markets, and we expect margins to remain in firm in coming days. Currently refiners gain USD 10-15/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 expected to be underpinned by trade dispute between US and China, higher soybean stock in US, higher soy oil stock in US as reported by USDA, better than expected soybean crop condition in US, high stock of soybean in China, liquidation of soybean state reserve by China, weak competitive oils and firm dollar.

Trade dispute between US and China has reached its peak with China virtually stopping import of soybean from US as imposition of import duty on import of soybean from US became uncompetitive. US traders rushed to ship soybean before import duty kicked in led to high GDP growth in US in second quarter of 2018.

Lower soybean sales from US have led to higher sale of soybean from Brazil and Argentina. This has led to expectation of rise in end stocks of soybean in oil year 2018/19.

However, trade deal between US and EU in which EU has agreed to import higher amount of soybean from US as soybean import from Brazil became costly. But, trade has cast apprehension on EU recent agreement and EU has not clarified clearly its stand of soybean from US since there is trade dispute between US and EU. Anything about the deal will become clear in coming days.

Soybean crop condition in US has improved last week with crop condition better than corresponding period last year and 5-year average. US is headed for another record crop in 2018/19 with yields expected to rise in coming months underpinning soybean complex prices.

Soy oil stock in US is expected to rise in 2018/19 on higher than expected production of soy oil partially setoff by higher biodiesel use and higher exports of soy oil. Higher end stocks of soy oil are expected to underpin soy oil prices.

However, 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.

China imported record soybean in any June, most of it from Brazil has led to record stocks of soybean in China. This may prompt China to import lower amount of soybean in coming months as present stocks will setoff lower imports in coming months.

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 is liquidating soybean state reserves in an effort to keep stock of soybean to loosen any tightness in soybean markets. Currently China is liquidating 2013 soybean stocks. China is also liquidating state soy oil stocks to loosen any tightness in edible oils markets. These steps have led to lower prices of soybean complex in China, which will underpin prices.

Competitive oils like BMD palm oil and DALIAN RBD palmolein is expected to trade weak due to strong supply scenario in Malaysia and China which will underpin soy oil 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.

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 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.

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 23 July; Soybeans blooming are reported at 78% which is up from 67% from the corresponding period last year and higher compared to the 5-year average of 63%. Soybean setting pods qare reported at 44% which is up from 27% in corresponding period last year and 5-year average of 23%. About 70% of the soybean planted crop is under good to excellent condition which is up from 69% 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 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 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

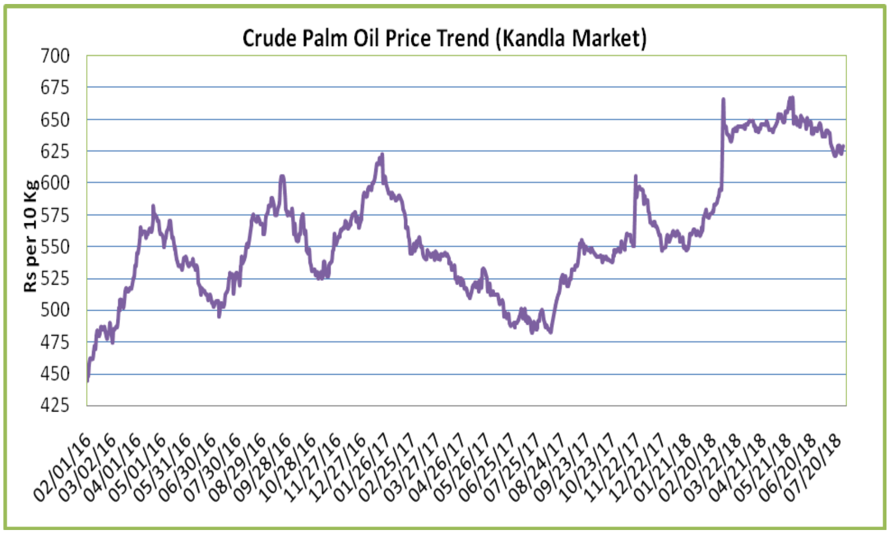
million bushels. Soy oil stocks in U.S. at the end of May fell 11.28 percent m-o-m to 1.856 billion lbs compared to 2.092 billion lbs in end April 2018. Stocks of soy oil in end May 2018 was higher by 6.12 percent compared to end May 2017, which was reported at 1.749 million lbs.

- 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.
- 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.
  RBD palmoelein closed lower at its benchmark market of Kandla on weak demand.
  CPO prices remained unchanged in Krishnapatnam while it closed lower in Kolkata.
  RBD palmolein closed sideways to lower across board in India.
- Agriwatch View – Prices of CPO closed lower at Kandla on weak demand.
  Prices of CPO fell less at high seas while it fell more 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 1.0-1.5 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.
  Parity is likely increase imports of CPO. Traders are expected to take advantage of international prices of CPO by increasing buying at lower levels.
  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 will increase demand and improve imports.
  Prices of CPO fell from higher levels due to return to parity.
  Import demand of CPO 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 are importing 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 weak at CNF markets as prices fell more 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.
  RBD palmolein prices fell more at high seas compared to CNF markets indicating weak demand.

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 0.1-1.0 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 June will increase imports.

Demand of RBD palmolein was weak compared to CPO at high seas as premium RBD palmolein over CPO was at Rs 43 (Rs 53) 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.

CDSO CNF premium over CPO CNF is at USD 125 (USD 133 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 65 (Rs 67 last week) per 10 Kg, will decrease CPO demand at high seas. Premium of refined soy oil over RBD palmolein at Rs 75 (Rs 65 last week) per 10 kg is low and will decrease RBD palmolein demand. RBD palmolein discount over sunflower at CNF markets is at USD 224.5 (220) per ton. Increasing premium of refined sunflower oil over RBD palmolein due to hike in import duty on sun oil at Rs 135 (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 weak.

- 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 565 (USD 570) per ton for Aug delivery. 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 572.5 (USD 577.5) per ton for Aug delivery. 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 629) per 10 Kg and Aug delivery duty paid is offered at Rs 627 (Rs 629) per 10 kg. Ready lift RBD palmolein is quoted at Rs 670 (Rs 680) per 10 kg as on July 27, 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 95-100/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 weak in the days ahead.

International Front

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

  Depreciation of Ringgit and rise in exports of palm oil will support palm oil prices.

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

  Production of palm oil in Malaysia in July is expected to rise more than expected as laborers have returned to plantations and normal production of palm oil has commenced. Since July is seasonal uptrend of production, production will rise. Production will rise in coming months of seasonal uptrend of production which will underpin palm oil prices.

  Exports of palm oil are expected to rise at a slower rate in Malaysia in July on slow imports from China and India. Palm oil exports rose 5-6 percent in first 25 days of July on higher demand from EU and India. However, demand from India is expected to remain low due to higher inventory at ports and pipelines, slow demand in expectation of fall in palm oil prices and depreciation of Rupee.

  Demand of palm oil from China is expected to remain low due to record stocks of soybean in the country and liquidation of state reserves of soybean. This has led to higher supply of soy oil leading to its lower prices underpinning demand from the country.

  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.

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

  CBOT soy oil is expected to be underpinned by fall in soybean complex prices due to US and China trade dispute will underpin palm oil prices.

RBD palmolein DALIAN China is expected to be underpinned by weak demand from the country due to oversupply of competitive oils.

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.

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 Indonesia Palm Oil Association (GAPKI), Indonesia's June palm and palm kernel oil exports rose 7.5 percent m-o-m to 2.29 MMT compared to 2.13 MMT in June 2017. On m-o-m basis exports rose 7.0 percent. Exports were 2.14 MMT in May 2018. End stocks of palm oil in Indonesia rose to 4.85 MMT in June from 4.76 MMT in May, higher by 1.9 percent m-o-m.
- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's July 1-25 palm oil exports rose 5.6 percent to 910,774 tons compared to 862,215 tons in corresponding period last month. Top buyers are European Union at 226,761 tons (183,470 tons), India at 109,800 tons (101,100 tons), China at 106,725 tons (146,320 tons), United States at 41,098 tons (59,380 tons) and Pakistan at 27,000 tons (52,600 tons). Values in brackets are figures of corresponding period last month.
- According to Indonesia trade ministry, Indonesia kept palm oil export duty for August unchanged at zero, below threshold prices of USD 750 per ton.
- 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.
- 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

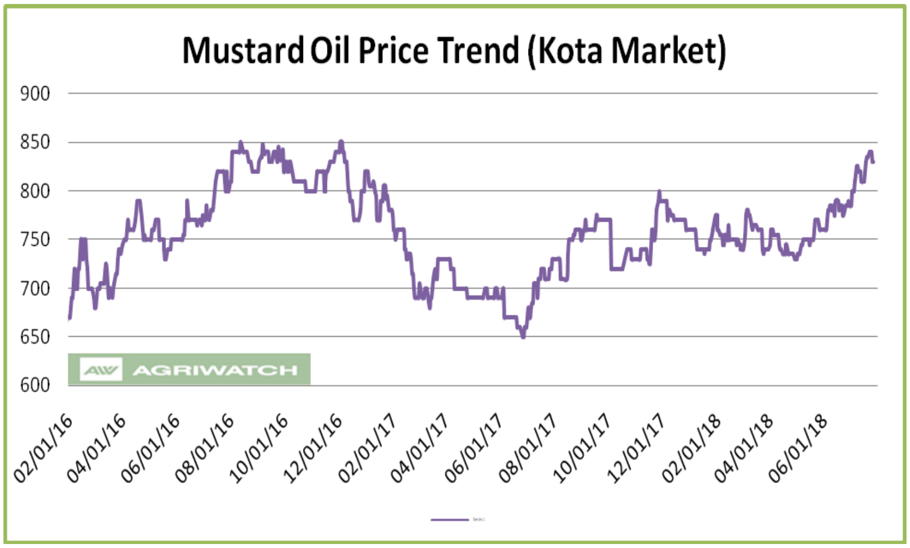
- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's July 1-20 palm oil exports rose 3.3 percent to 692,334 tons compared to 670,442 tons in corresponding period last month. Top buyers are European Union at 151,961 tons (156,770 tons), India at 91,300 tons (69,300 tons), China 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 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 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.
- 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 weak trend in benchmark market on fall in rapeseed prices. Arrivals of rapeseed fell last week.
- Agriwatch view: Prices of rapeseed oil expeller featured weak trend in various centers in India on fall in rapeseed prices.
  Prices of rapeseed oil expeller prices fell Neewai and Ganganagar while remained unchanged in Jaipur and Mumbai. Prices rose in Alwar, New Delhi and Kolkata.
  Prices of kacchi ghani traded lower in Jaipur, Agra, Neewai, Ganganagar and Bharatpur while it remined unchanged in Kota. Prices rose in Alwar and Kolakta.
  Canola oil CNF price rose at the end of the week.
  Fall in soy oil and palm oil prices supported the fall.
  Hike in import duty on rapeseed (canola) oil has weakened its demand.
  Decision of government of India to evaluate rapeseed sales held by NAFED by reviewing its area and yield led to fall in prices if rapeseed. NAFED is currently holding 8.5 lakh tons of rapeseed. This changed the sentiment and led to lower prices of rapeseed oil.
  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.
  There is less stocks of rapeseed in markets and stock of rapeseed is limited in the market against firm demand.
  Rapeseed end stocks in MY 2018-19 is expected to be much lower than expected on account of limited stocks of rapeseed. 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 fell on adequate stock in market against normal 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 128 (Rs 135) 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.

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.

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

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 85 (USD 69 last week) per ton for Aug delivery as on July 27, 2018.
- Currently, RM oil at Jaipur market, (expeller) is offered at Rs 855 (Rs 855) per 10 Kg, and at Kota market, it is offered at Rs 830 (Rs 835) per 10 kg as on July 27, 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.

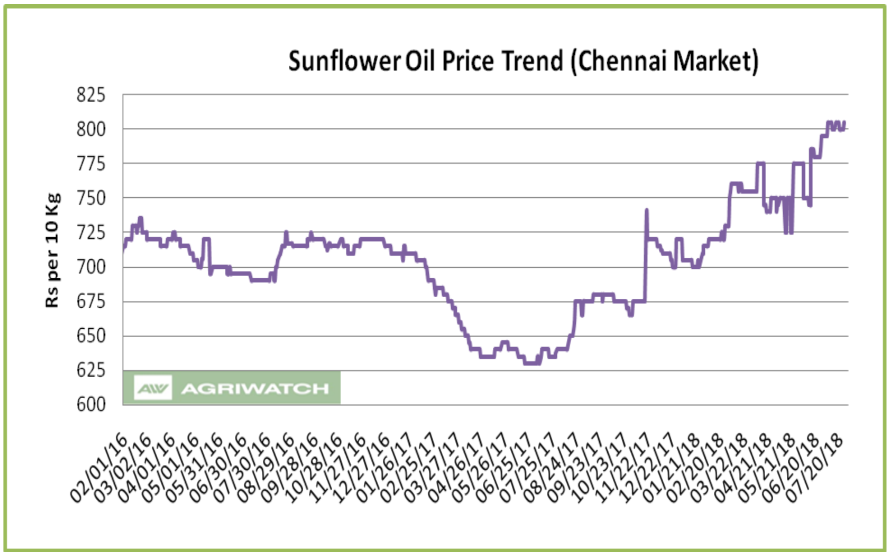
Price Outlook: Rapeseed oil (without GST) prices in Kota may stay in the range of Rs 800-880 per 10 Kg.

Sunflower oil Fundamental Review and Analysis-:

Domestic Front

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

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



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

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

  Demand of sunflower oil is likely to weaken 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 107 (USD 99 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 60 (Rs 52 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 107 (USD 98 last week) per ton for Aug delivery.

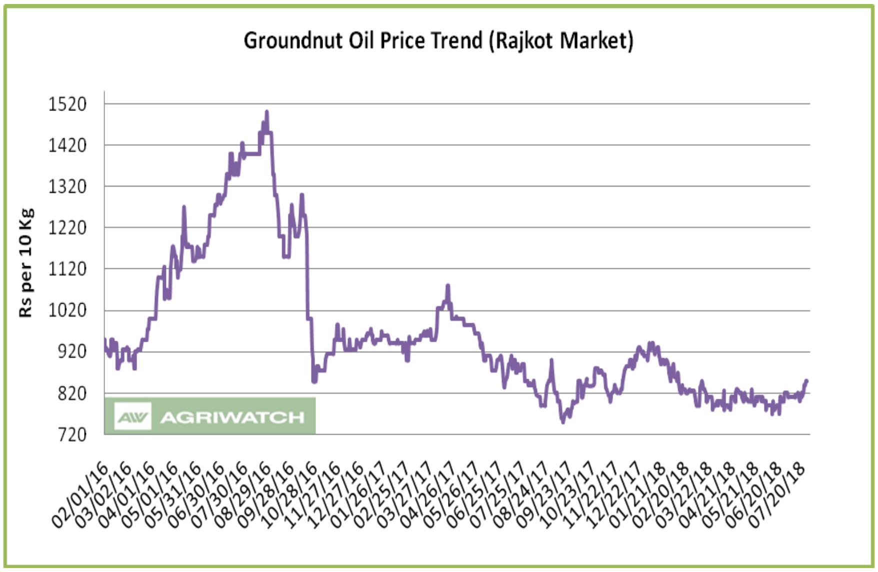
Prices of sunflower oil are expected to be supported by firm demand and seasonal uptrend of prices.

- All India sunflower sowing was reported at 0.70 lakh hectares as on 27.07.2018 compared to 1.12 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 797 (USD 798) per ton for Aug delivery, Sep delivery is quoted at USD 785 (USD 787) per ton, Oct delivery is quoted at USD 767 (USD 765) per ton and OND delivery is quoted at USD 767 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 107 (USD 98 last week) per ton for Aug delivery. CNF sunflower oil premium over RBD palmolein is hovering around USD 224.5 (USD 220) per ton.
- Currently, refined sunflower oil at Chennai market is offered at Rs 805 (Rs 805) per 10 Kg, and at Kandla/Mudra market, it is offered at Rs 790 (Rs 790) per 10 kg as on July 27, 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 weak demand.
  Prices rose in Chennai while it remined unchanged in Mumbai and New Delhi. Prices fell in Gondal and Jamnagar during the week. Prices of groundnut oil (expeller) fell in Hyderabad at the end of the week.



- Agriwatch view: Prices of groundnut oil featured downtrend in Rajkot on weak demand
  Sowing of groundnut is lagging by 12 percent as of 27.07.2018 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 weak demand of groundnut resulting in lower arrivals in the mandis.
  Crushing has slowed due to higher prices of groundnut.
  Groundnut oil prices has weakened at higher levels and will not fall much as there is demand at lower levels.
  There is around 8-9 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 prices of groundnut oil rise. Disparity in crushing may support groundnut oil prices.
  Retail demand is weakened 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.
  Crushers have no stocks and are dependent on ready markets. Groundnut oil and groundnut trade has weakened. However, the groundnuts arriving in mandis are consumed in ready markets.

In Andhra Pradesh prices of groundnut oil has fallen since June 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.

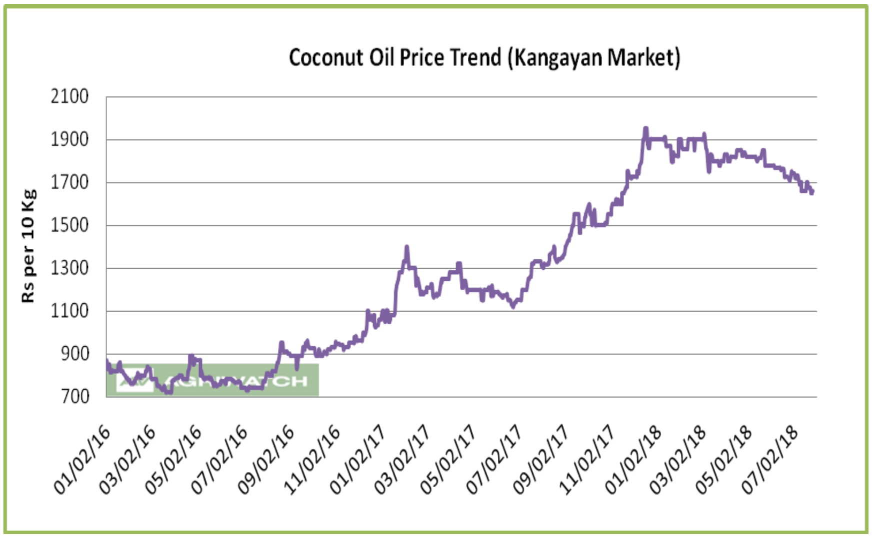
Groundnut oil prices are expected to trade sideways to firm on expectation of rise in groundnut prices and firm demand at lower levels.

- All India groundnut sowing reached 28.96 lakh hectares as of 27.07.2018 compared to 33.05 lakh hectares in corresponding period last year, lower by 12.38 percent y-o-y. Sowing of groundnut is lagging in top produces Gujarat that has received late rainfall. Area in top producing state of Gujarat is reported at 11.13 lakh hectares as of 27.07.2018 compared to 16.02 lakh hectares in corresponding period last year, down 30.5 percent y-o-y.
- 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 8,300 (Rs 8,500) per quintal and it was quoted at Rs 8,400 (Rs 8,300) per quintal in Chennai market on July 27, 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

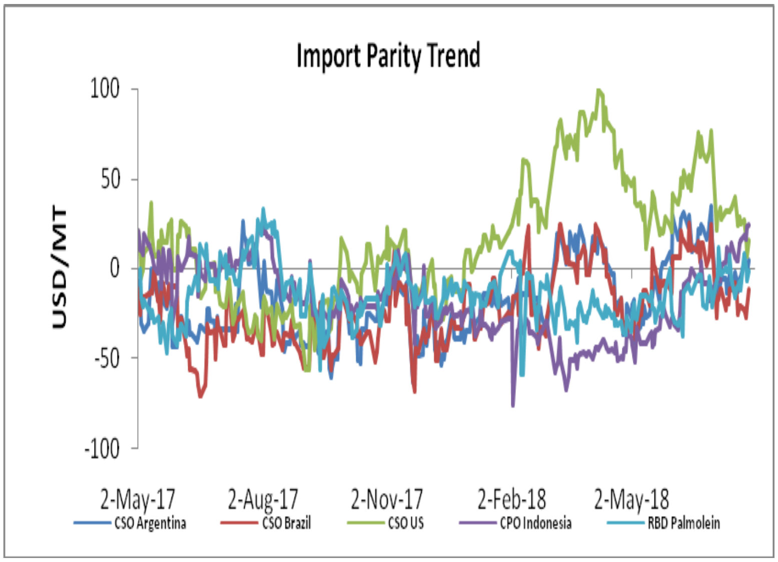


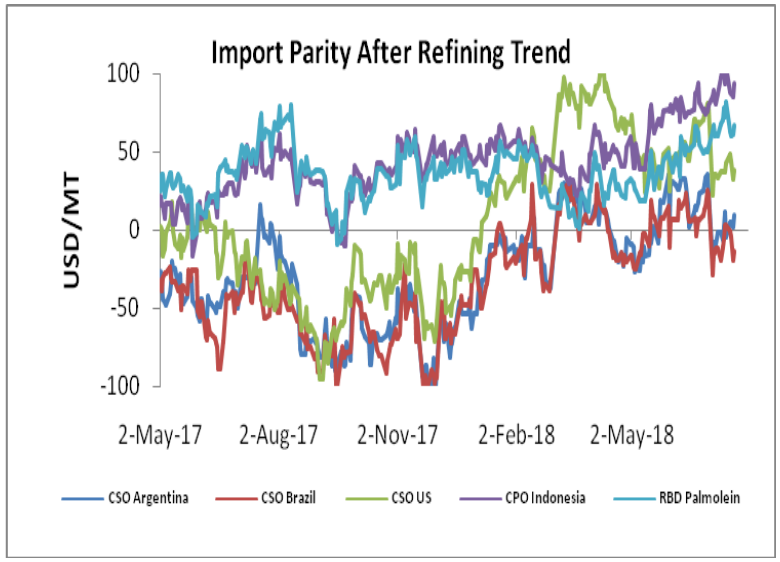
- Coconut oil featured weak trend in its benchmark market of Kangayam on weak demand. Prices in Kochi fell at the end of the week.
- Agriwatch view: Coconut oil prices featured weak trend during the week on weak demand.
  Coconut oil prices fell last week despite rise in copra prices indicating weak demand.
  Coconut oil is the costliest domestic edible oil, which has weakened demand.
  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 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 17,100 (17,300) per quintal, and was quoting Rs 16,600 (Rs 17,000) per quintal in Erode market on July 27, 2018.

Price Outlook: Coconut oil (without GST) prices in Erode may stay in the range of Rs 1550-1750 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 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 downtrend in the market.

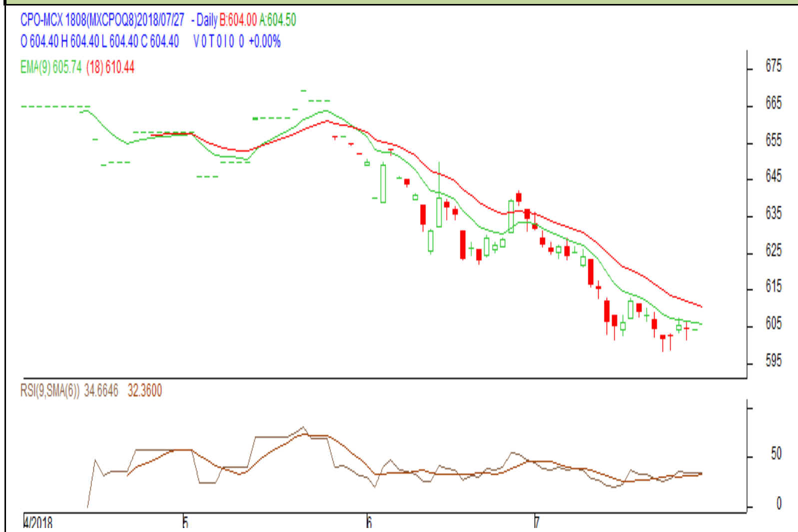
Strategy: Market participants are advised to go short below 745 levels for a target of 730 and 725 with a stop loss at 755 on closing basis.

RSO NCDEX (Aug)

Support and Resistance				
S2	**S1**	**PCP**	**R1**	**R2**
720.00	732.00	742.9	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 Aug, Chart)	Crude palm oil (Weekly chart, Kandla Rs/10 Kg)
	

Outlook - Prices show downtrend in prices during the week. We expect that CPO August 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 590 levels.
- Expected price band for next week is 580-630 level. RSI and MACD are suggesting downtrend in prices in the coming week.

Strategy: Market participants are advised to go short in CPO below 605 for a target of 590 and 585 with a stop loss at 615 on closing basis.

CPO MCX (July)

Support and Resistance				
S2	**S1**	**PCP**	**R1**	**R2**
585.00	600.00	603.80	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) 27-Jul-18	Prices(Per 10 Kg) 20-Jul-18	Change
Refined Soybean Oil	Indore	745	750	-5
	Indore (Soy Solvent Crude)	705	710	-5
	Mumbai	760	755	5
	Mumbai (Soy Degum)	702	705	-3
	Kandla/Mundra	725	725	Unch
	Kandla/Mundra (Soy Degum)	695	695	Unch
	Kolkata	725	727	-2
	Delhi	780	782	-2
	Nagpur	765	767	-2
	Rajkot	723	725	-2
	Kota	745	740	5
	Hyderabad	785	NR	-
	Akola	766	767	-1
	Amrawati	765	766	-1
	Bundi	745	745	Unch
	Jalna	762	768	-6
	Alwar	Unq	Unq	-
	Solapur	753	757	-4
	Dhule	762	768	-6
Palm Oil *	Kandla (Crude Palm Oil)	658	660	-2
	Kandla (RBD Palm oil)	672	677	-5
	Kandla RBD Pamolein	709	709	Unch
	Kakinada (Crude Palm Oil)	644	NR	-
	Kakinada RBD Pamolein	704	714	-11
	Haldia Pamolein	712	719	-7
	Chennai RBD Pamolein	709	716	-7
	Chennai RBD Pamolein (Vitamin A&D Fortified)	798	798	Unch
	KPT (krishna patnam) Pamolein	698	709	-11
	Mumbai RBD Pamolein	725	725	Unch
	Mangalore RBD Pamolein	709	740	-32
	Tuticorin (RBD Palmolein)	707	716	-9
	Delhi	750	752	-2
	Rajkot	709	714	-5
	Hyderabad	700	682	18
	PFAD (Kandla)	410	410	Unch
	Refined Palm Stearin (Kandla)	557	562	-5
	Superolien (Kandla)	767	767	Unch

	Superolien (Mumbai)	798	798	Unch
* Inclusive of GST				
Refined Sunflower Oil	Chennai	805	805	Unch
	Mumbai	820	820	Unch
	Mumbai(Expeller Oil)	760	755	5
	Kandla	790	790	Unch
	Kandla/Mundra (Crude)	Unq	Unq	-
	Hyderabad (Ref)	825	815	10
	Latur (Expeller Oil)	810	800	10
	Chellakere (Expeller Oil)	775	775	Unch
	Erode (Expeller Oil)	845	840	5
Groundnut Oil	Rajkot	830	850	-20
	Chennai	840	830	10
	Delhi	850	850	Unch
	Hyderabad *	855	850	5
	Mumbai	870	870	Unch
	Gondal	840	840	Unch
	Jamnagar	830	840	-10
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	855	855	Unch
	Jaipur (Kacchi Ghani Oil)	873	881	-8
	Kota (Expeller Oil)	830	835	-5
	Kota (Kacchi Ghani Oil)	870	870	Unch
	Neewai (Kacchi Ghani Oil)	842	850	-8
	Neewai (Expeller Oil)	862	866	-4
	Bharatpur (Kacchi Ghani Oil)	870	900	-30
	Alwar (Kacchi Ghani Oil)	860	840	20
	Alwar (Expeller Oil)	880	860	20
	Sri-Ganga Nagar(Exp Oil)	850	855	-5
	Sri-Ganga Nagar (Kacchi Ghani Oil)	870	875	-5
	Mumbai (Expeller Oil)	840	840	Unch
	Kolkata(Expeller Oil)	950	920	30
	New Delhi (Expeller Oil)	880	872	8
	Hapur (Expeller Oil)	870	NR	-
	Hapur (Kacchi Ghani Oil)	910	NR	-
	Agra (Kacchi Ghani Oil)	875	905	-30
Refined Cottonseed Oil	Rajkot	790	785	5
	Hyderabad	782	765	17
	Mumbai	795	785	10
	New Delhi	765	760	5

Coconut Oil	Kangayan (Crude)	1660	1700	-40
	Cochin	1710	1730	-20
	Trissur	Unq	Unq	-
Sesame Oil	New Delhi	1000	1000	Unch
	Mumbai	Unq	Unq	-
Kardi	Mumbai	870	880	-10
Rice Bran Oil (40%)	New Delhi	680	Unq	-
Rice Bran Oil (4%)	Punjab	660	660	Unch
Rice Bran Oil (4%)	Uttar Pradesh	Unq	Unq	-
Malaysia Palmolein USD/MT	FOB	553	558	-5
	CNF India	575	580	-5
Indonesia CPO USD/MT	FOB	540	543	-3
	CNF India	568	573	-5
RBD Palm oil (Malaysia Origin USD/MT)	FOB	555	555	Unch
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	560	563	-3
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1015	990	25
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	490	490	Unch
Crude palm Kernel Oil India (USD/MT)	CNF India	705	710	-5
Ukraine Origin CSFO USD/MT Kandla	CIF	797	795	2
Rapeseed Oil Rotterdam Euro/MT	FOB	720	710	10

Argentina FOB ($/MT)	26-Jul-18	19-Jul-18	Change
Crude Soybean Oil Ship	643	651	-8
Refined Soy Oil (Bulk) Ship	666	674	-8
Sunflower Oil Ship	720	718	2
Cottonseed Oil Ship	623	631	-8
Refined Linseed Oil (Bulk) Ship	Unq	Unq	-

*** indicates including GST***

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