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 coconut oil prices fell while rapeseed oil and sunflower oil closed sideways. Palm oil and groundnut oil closed in green.

On the currency front, Indian rupee is hovering near 68.83, up by 22 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 740 levels for a target of 725 and 720 with a stop loss at 750 on closing basis. We expect refined soy oil at Indore (without GST) to stay in the range of Rs 710-760 per 10 Kg in the near term.

At MCX, Market participants are advised to go short in CPO below 600 for a target of 585 and 580 with a stop loss at 610 on closing basis. We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 570-630 per 10 Kg in the near term.

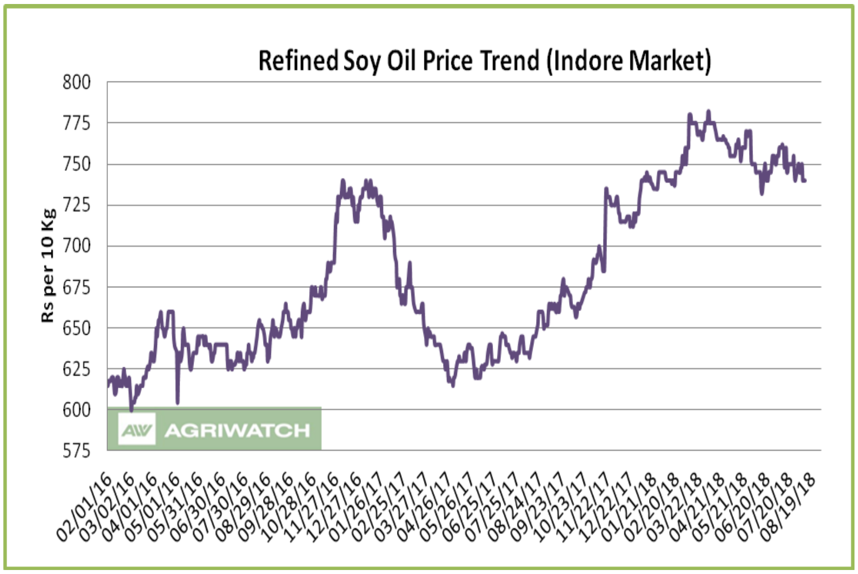
International Veg. Oil Market Summary

On the international front, trade dispute between US and China, record soybean crop in US, 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 underpin 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 oil in Malaysia, weak demand from China and weak competitive oils is expected to underpin CPO prices in near term.

Soy oil Fundamental Analysis and Outlook-:

Domestic Front



- Soy oil featured weak trend in domestic markets on weak demand. Prices of refined soy oil fell in Kandla/Mudra and Kolkata. Prices remained unchanged at Mumbai, New Delhi and Rajkot. Prices of CDSO remained unchanged at JNPT while it fell at 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.

  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 0.0-0.5 per kg. Prices are likely to fall due to parity in imports.

  Domestic demand is weak.

  Soy oil demand is weak at high seas as its prices fell at high seas while prices rose CNF markets compared to last week.

  Soy oil demand is firm at CNF markets as prices rose at CNF markets compared to FOB markets where prices fell 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.

  CDSO is trading at low premium over RBD palmolein at high seas at Rs 18 (Rs 30 last week) per 10 kg will increase CDSO import demand.

  Refined soy oil premium over RBD palmolein is unchanged at Rs 72 (Rs 87 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 122 (USD 127 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 USDA August estimate, India's soy oil imports estimate in 2018/19 is decreased to at 3.4 MMT from previous estimate of 3.6 lakh tons. Soy oil production estimate is unchanged at 1.62 MMT. Consumption estimate of soy oil is lowered to 4.9 MMT from previous estimate of 5.1 MMT. End stocks estimate of soy oil is kept unchanged at 0.361 lakh tons.
- All India sowing of soybean was reported at 110.72 lakh hectares as on 10.03.2018 compared to 101.56 lakh hectares in the corresponding period last year, higher by 9 percent y-o-y. Sowing in top producing state of MP was reported at 53.18 lakh hectares as on 10.08.2018 compared to 47.95 lakh hectares in corresponding period last year, higher by 10.9 percent.
- 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 692 (USD 692) per ton for Aug delivery, Sep delivery is quoted at USD 694 (USD 692) per ton, Oct delivery is quoted at USD 701 (USD 694) per ton and Nov delivery is quoted at USD 705 (USD 696) per ton. Values in brackets are figures of last week. Last month, CNF CDSO July average price was USD 708.58 (USD 747.64 per ton in June 2018) per ton.
- On the parity front, margins remained unchanged during the week on flat in prices of soy oil in international markets, and we expect margins to remain in firm in coming days. Currently refiners gain USD 15-20/ton v/s gain of USD 0-5/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, record soybean crop in US, higher soybean stock in US, high stock of soybean in China, weak demand of soybean from crushers 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. China imposed retaliatory tariffs on previous week. US has said that it will come up with sanction of USD 200 billion of goods. Trade dispute has led to lower sales of US soybean leading to record soybean stocks in a year when US is expected to harvest record stocks.

However, soybean exports from US is expected to pickup due to fall in prices of soybean from US origin due to trade dispute which may prompt major buyers to buy more soybean from US as current prices of US soybean will give crushers big margins.

USDA raise soybean crop of US to record levels in its August supply and demand estimates due to higher yields of soybean due to better than expected soybean crop condition in US. More rise in soybean crop is not ruled and exact amount of soybean produced in US is known by December when harvest ends in November.

China will have to buy soybean from China in 2018 as soybean stock position from South America becomes tight to tide over shortage of soybean when supply of soybean from Brazil will dry.

Brazil is the biggest beneficiary of US and China trade dispute, which historically gained in soybean farming in 1973 and 1980.

Brazil has reported steady rise in last year crop sales and forward sales. Brazil will gain in the US, China trade dispute but farmers will face headwinds on lower soybean prices, and rising farming costs apart from higher energy prices.

Argentina has said that it intends to export soy meal to China, but is skeptical as China mostly imports soybean and discourage soy meal imports. Argentina will have to import soybean from US to supply additional soy meal to China once China open up trade of soy meal with the country. US and China trade dispute may open trade opportunity for Argentina.

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 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. However, Europe is matured markets and growth rate of soybean import will be limited. EU is struggling with lower rapeseed and sunflower crop condition, which will lead to higher imports of soybean especially from US due to price competitiveness.

Soybean crop condition in US has fallen last week. However, 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.

Soybean disappearance in domestic market in US is strong due to fall in prices of soybean, which has led to record margins for crushers. Companies are recording record margins in their quarterly financial filings. This has led to higher supply of soy oil in US, which will raise soy oil stocks in US in coming months, which will underpin soy oil prices.

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 lower soybean import in any July, most of it from Brazil due to record stocks of soybean and soy meal in the country due to weak demand from crushers. Crushers of soybean are struggling from weak demand due to low growth rate of livestock herd growth. This may prompt China to import lower amount of soybean in coming months as present stocks will setoff lower imports in coming months.

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 CBOT soy oil is expected to trade weak due to strong supply scenario in Malaysia and US, which will underpin soy oil prices.

Soy oil prices corrected more than 20 percent in last couple of months due to trade dispute between US and China and good soybean crop condition, which is expected to reignite demand and support prices.

USDA kept soybean import estimate by China in 2018/19. However, end stocks of soybean increased due to lower crush. However, USDA indicated that to tide over lower imports of soybean by China will lead to higher import of canola meal and sunflower meal imports.

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.

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.

- According to United States Department of Agriculture (USDA) August estimate, U.S 2017/18 ending stocks of soy oil is fell 7.6 percent to 2,066 million lbs from 2,236 million lbs in July estimate. Opening stocks are lowered to 2,171 million lbs from 2,316 million lbs. Production of soy oil in 2017/18 is increased to 23,795 million lbs in August estimate from 23,620 million lbs in its July estimate. Imports in 2018/19 are kept unchanged at 300 million lbs. Biodiesel use in 2018/19 was unchanged at 7,800 million lbs. Food, feed and other industrial use in 2018/19 is increased to 14,200 million lbs in its August estimate compared to 14,000 million lbs its earlier estimate. Exports in 2018/19 were unchanged at 2,200 million lbs. Average price range estimate ended the year 2018/19 is kept unchanged at 28-32 cents/lbs. Fall in end stock is due to lower opening stocks, higher food, feed and industrial use partially offset by higher production of soy oil.
- The U.S. Department of Agriculture monthly supply and demand report for the month of August forecasts U.S. 2018/19 soybean stocks at 785 million bushels up from 580 million bushels in its earlier estimate. Opening stocks in 2018/19 is lowered to 430 million bushels 465 million bushels in its earlier estimate. Soybean production is estimated in 2018/19 is increased to 4,586 million bushels compared to 4,310 million bushels in its earlier estimate. U.S. soybean exports in 2018/19 estimate are increased to 2,060 million bushels compared to 2,040 million bushels. Imports in 2018/19 are estimated at 25 million bushels, unchanged from its earlier estimate. Crush in 2018/19 is estimated at 2,060 million bushels compared to 2,045 million lbs in its earlier estimate. Seed use in 2018/19 is kept unchanged at 103 million bushels. Residual use is increased to 33 millllion bushels compared to 32 million bushels. Average price range in 2018/19 is reduced to 7.65-10.15 cents/lbs lower from 8.0-10.5 cents/lbs.
- In the weekly USDA crop progress report released on 6 August; Soybeans blooming are reported at 92% which is up from 89% from the corresponding period last year and higher compared to the 5-year average of 86%. Soybean setting pods qare reported at 75% which is up from 63% in corresponding period last year and 5-year average of 48%. About 67% of the soybean planted crop is under good to excellent condition which is up from 60% 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 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 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.
- 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.

<u>Previous updates</u>

- 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 United States Department of Agriculture (USDA) August estimate, U.S 2017/18 ending stocks of soy oil is fell 7.6 percent to 2,066 million lbs from 2,236 million lbs in July estimate. Opening stocks are lowered to 2,171 million lbs from 2,316 million lbs. Production of soy oil in 2017/18 is increased to 23,795 million lbs in August estimate from 23,620 million lbs in its July estimate. Imports in 2018/19 are kept unchanged at 300 million lbs. Biodiesel use in 2018/19 was unchanged at 7,800 million lbs. Food, feed and other industrial use in 2018/19 is increased to 14,200 million lbs in its August estimate compared to 14,000 million lbs its earlier estimate. Exports in 2018/19 were unchanged at 2,200 million lbs. Average price range estimate ended the year 2018/19 is kept unchanged at 28-32 cents/lbs. Fall in end stock is due to lower opening stocks, higher food, feed and industrial use partially offset by higher production of soy oil.
- The U.S. Department of Agriculture monthly supply and demand report for the month of August forecasts U.S. 2018/19 soybean stocks at 785 million bushels up from 580 million bushels in its earlier estimate. Opening stocks in 2018/19 is lowered to 430 million bushels 465 million bushels in its earlier estimate. Soybean production is estimated in 2018/19 is increased to 4,586 million bushels compared to 4,310 million bushels in its earlier estimate. U.S. soybean exports in 2018/19 estimate are increased to 2,060 million bushels compared to 2,040 million bushels. Imports in 2018/19 are estimated at 25 million bushels, unchanged from its earlier estimate. Crush in 2018/19 is estimated at 2,060 million bushels compared to 2,045 million lbs in its earlier estimate. Seed use in 2018/19 is kept unchanged at 103 million bushels. Residual use is increased to 33 millllion bushels compared to 32 million bushels. Average price range in 2018/19 is reduced to 7.65-10.15 cents/lbs lower from 8.0-10.5 cents/lbs.
- 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

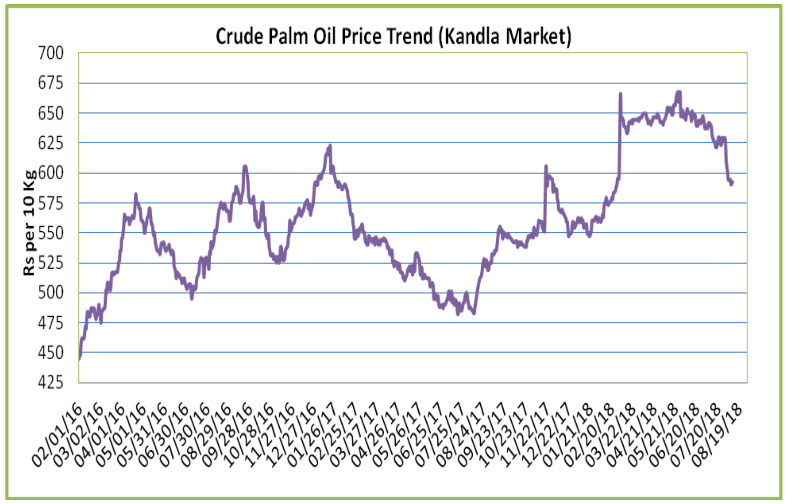
soy meal increased to 1.65 MMT in May 2018 compared to 1.55 MMT in April 2018 and 1.63 MMT during the same period previous year.

- 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.
- 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 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 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 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 710-760 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 rise in international prices of CPO.

  RBD palmolein closed higher at its benchmark market of Kandla on rise in prices of palm oil in international markets..

  CPO prices remained fell in Krishnapatnam, Kakinada and Kolkata.

  RBD palmolein closed mixed in various centers in India.

- Agriwatch View – Prices of CPO closed higher at Kandla on rise in prices of CPO in international markets.

  Prices of CPO fell at high seas while it rose more at CNF markets compared to last week indicating weak demand 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 disparity on rise in prices of CPO in international markets, which stands at Rs 0.5-1.0 per kg. Disparity in imports came due to rise in international prices of CPO and lower rise in prices of palm products in Indian market.

  Disparity is likely decrease imports of CPO. Traders are expected to take advantage of international prices of CPO by increasing buying at lower levels.

  Depreciation of Rupee may increase disparity and lower imports. Lower Rupee increases domestic prices of palm oil and increases disparity, which in turn dents demand.

  MPOB Malaysian palm oil July stocks rose on faster than expected rise in production of palm oil and higher than expected exports of palm oil from Malaysia.

  Disparity in imports of CPO will decrease demand and decrease imports.

  Prices of CPO rose from lower levels due to return to disparity.

  Import demand of CPO will decrease in August due to disparity in imports. Data for cargo surveyor SGS show uptick in imports of palm oil by India from Malaysia in August due to renewed buying at lower levels.

  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 firm at CNF markets as prices rose more at CNF compared to FOB markets compared to last week.

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

  RBD palmolein prices rose equally at high seas compared to CNF markets indicating regular 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.

Imports have returned to disparity due to fall in prices of palm products in domestic market.

At present there is disparity of Rs 1-1.5 per kg due to tight conditions.

Due to return to disparity import demand will firm in August.

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

Demand of RBD palmolein was firm compared to CPO at high seas as premium RBD palmolein over CPO was at Rs 70 (Rs 62) 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 regular at CNF markets as prices rose equally at CNF and FOB markets compared to last week.

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 122 (USD 127 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 88 (Rs 89 last week) per 10 Kg, will decrease CPO demand at high seas. Premium of refined soy oil over RBD palmolein at Rs 72 (Rs 87 last week) per 10 kg is low and will decrease RBD palmolein demand. RBD palmolein discount over sunflower at CNF markets is at USD 190 (200) per ton. Increasing premium of refined sunflower oil over RBD palmolein due to hike in import duty on sun oil at Rs 135 (Rs 144) 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.

- 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 565) per ton for Aug delivery and Sep delivery is quoted at USD 570 per ton. Last month, CNF CPO July average price was at USD 583.23 per ton (USD 623.24 per ton in June 2018). Values in brackets are figures of last week.

Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 580 (USD 575) per ton for Aug delivery and Sep delivery is quoted at USD 580 per ton. Last month, CIF RBD palmolein June average price was USD 591.77 (USD 630.72 in June 2018) per ton. Values in bracket depict last week quotes.

Ready lift CPO duty paid prices quoted at Rs 595 (Rs 594) per 10 Kg and Aug delivery duty paid is offered at Rs 595 (Rs 586) per 10 kg. Ready lift RBD palmolein is quoted at Rs 665 (Rs 656) per 10 kg as on Aug 10, 2018. Values in brackets are figures of last week.

- On the parity front, margins decreased during this week due to rise in prices of palm products in international markets. Currently refiners fetch USD 95-100/ton v/s gain of USD 90-95/ton (last month) margin in processing the imported CPO and imports of ready to use palmolein fetch USD 55-70/ton v/s gain of USD 65-70/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 rise in end stocks of palm oil in Malaysia in July, expectation of higher production of palm oil in Malaysia in Aug-Sep, slow rise exports of palm oil from Malaysia in Aug-Sep, weak demand from China and fall in competitive oils.

Depreciation of Ringgit may support palm oil prices.

Palm oil end stocks in Malaysia in July are rose on higher than expected production of palm oil in Malaysia in July and higher than expected exports of palm oil from Malaysia in July.

End stock rose 1.26 percent in July in Malaysia on 13 percent rise in production of palm oil, exports rose 6.75 percent. Rise in end stocks was less than trade estimates.

Production of palm oil in Malaysia in Aug-Sep is expected to rise on seasonal uptrend of production.

Exports of palm oil are expected rose 8-12 percent in Malaysia in first 10 days of August on higher imports by India. Other top destinations like EU and China recorded lower imports. Countries like Pakistan recorded negligible imports. This export numbers will not sustain if other destination imports do not pick up.

Demand from India rose due to bargain buying as prices fell below 2100 ringgit at BMD which prompted buying by Importers. India is a price sensitive country and it imports in higher amount when prices falls.

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.

Demand of soybean in China has wakened due to weak demand of livestock in the county. This has led to temporary shutdown of crushers has led to lower soy meal demand. China is sitting of record soy meal and soybean stocks.

Ringgit has depreciated below 4/$ and is trading at 4.08 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 due to rise in crude oil inventories in US. However due to sanctions on Iran and crude oil production by Saudi Arabia will lead to higher crude oil prices supporting palm oil prices.

Indonesia is has mandated biodiesel use in every vehicle from September which will increase palm oil consumption in the country. The country and is planning B30 norms which aims to blend 30 percent bio content on diesel. Indonesia intends to cut crude oil imports, which dents its current account deficit leading to lower Indonesia Rupiah.

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 July palm oil stocks rose 1.26 percent to 22.15 lakh tons compared to 21.87 lakh tons in June. Production of palm oil in July rose 12.79 percent to 15.03 lakh tons compared to 13.33 lakh tons in June. Exports of palm oil in July rose 6.75 percent to 12.06 lakh tons compared to 11.30 lakh tons in June. Imports of palm oil in July fell 50.6 percent to 0.37 lakh tons compared to 0.74 lakh tons in June. End stocks of palm oil rose less than market estimates. Primary reasons for slow rise in end stocks are due to better than expected exports and weaker than expected production of palm oil.
- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's August 1-10 palm oil exports rose 11.8 percent to 287,501 tons compared to 257,096 tons in the corresponding period last month. Top buyers are India at 53,200 tons (35,300 tons), European Union at 38,808 tons (94,149 tons), United States at 29,141 tons (0 tons), China at 15,000 tons (22,700 tons) and Pakistan at 0 tons (0 tons). Values in brackets are figures of corresponding period last month.
- According to cargo surveyor AmSpec Agri, Malaysia's August 1-10 palm oil exports rose 7.4 percent to 298,610 tons compared to 278,048 ton in corresponding period last month.
- 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.
- 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 August unchanged at zero, below threshold prices of USD 750 per ton.

<u>Previous updates</u>

- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's July palm oil exports fell 5.6 percent to 1,049,970 tons compared to 1,058,832 tons last month. Top buyers are European Union at 252,561 tons (244,329 tons), China at 139,225 tons (178,080 tons), India at 135,920 tons (124,100 tons), United States at 45,498 tons (63,580 tons) and Pakistan at 27,000 tons (52,600 tons). Values in brackets are figures of last month.

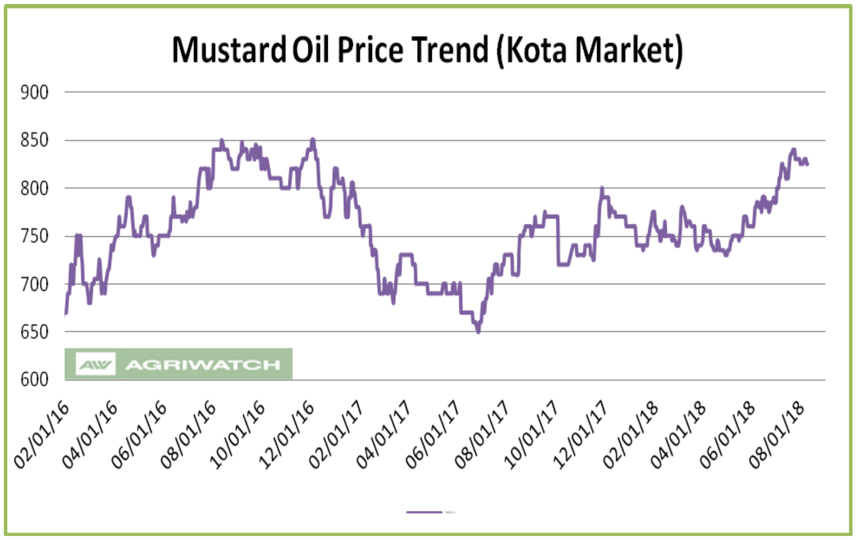
- According to cargo surveyor AmSpec Agri, Malaysia's July palm oil exports fell 3.9 percent to 1,030,909 tons compared to 1,073,224 ton last month.
- According to Malaysia Palm Oil Board (MPOB), Malaysia's June palm oil stocks rose 0.83 percent to 21.89 lakh tons compared to 21.71 lakh tons in May. 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 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 570-630 per 10 Kg in the near term.

Rapeseed oil Fundamental Review and Analysis-:

Domestic Front



- Mustard oil prices featured sideways trend in benchmark market on weak demand. Arrivals of rapeseed rose last week.
- Agriwatch view: Prices of rapeseed oil expeller featured sideway trend in it benchmark market on weak demand.

  Prices of rapeseed rose last week.

  Prices of rapeseed oil expeller prices remained unchanged in Jaipur, Neewai, Mumbai, Hapur and Kolkata while it rose in Alwar and Ganganagar. Prices fell in New Delhi.

  Prices of kacchi ghani traded lower in Jaipur, Kota, Agra and Bharatpur while it rose in Neewai, and Alwar. Prices remained unchanged in Ganganagar, Hapur and Kolkata.

  Canola oil CNF price remained fell at the end of the week which capped gains in rapeseed oil expeller prices.

  Fall in soy oil and palm oil prices capped gains.

  Hike in import duty on rapeseed (canola) oil has weakened its demand.

  Decision of government of India to sell rapeseed through by NAFED has changed sentiment in rapeseed oil market. However, there is limited supply of rapeseed in the market, which supported rapeseed prices. NAFED is currently holding 8.5 lakh tons of rapeseed.

  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 135 (Rs 132) per 10 Kg will underpin rapeseed oil prices.

  Jaipur kacchi ghani rapeseed oil premium over RBD palmolein is at Rs 207 (Rs 216) 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 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 62 (USD 68) 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 destocking at ports.

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.

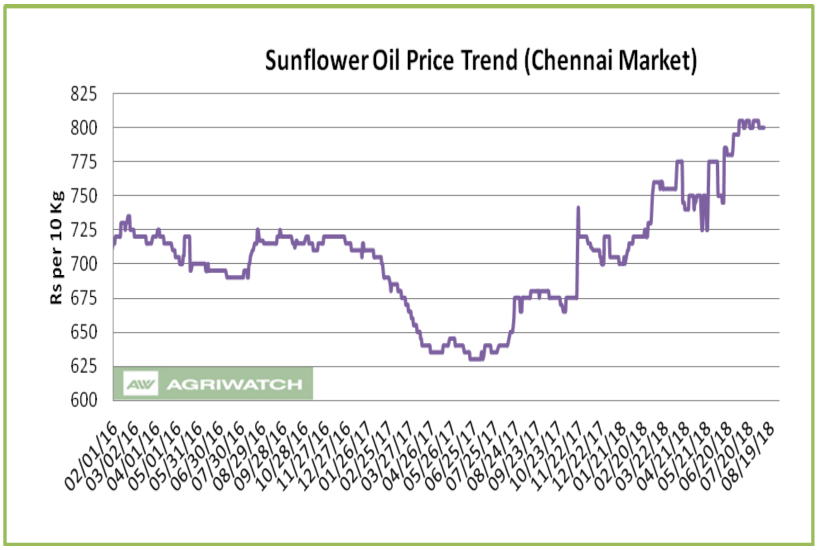
- NAFED has said to media that they are going to start tendering of mustard seed stock that they have procured under PSS scheme to a tune of 8.73 lakh tons from 3rd August in the open market. NAFED has also indicated that the floor price will not be less than rupees 4000 per quintal for the tenders.
- 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 68 (USD 85 last week) per ton for Aug delivery as on Aug 3, 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 825 (Rs 830) per 10 kg as on Aug 3, 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 Chennai on fall in international prices of sunflower oil.
- Prices price remained unchanged in Kakinada, Hyderabad and Kandla/Mudra while it fell Mumbai and Latur. Sunflower oil expeller prices fell in Erode while it rose in Hyderabad. Prices remained unchanged in Chellakere and Latur at the end of the week.



- Agriwatch view: Prices of sunflower oil traded lower in Chennai on fall in international prices of sunflower oil. Sunflower oil prices remined unchanged at high seas while it fell at CNF markets indicting firm demad at high seas.

  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.

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

  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 78 (USD 83 last week) per ton for Sep delivery, indicating limited space for prices to rise.

  In domestic market, sunflower oil prices premium over soy oil is by Rs 63 (Rs 57 last week) per 10 kg, which indicates that markets are returning to equilibrium.

  Sunflower oil premium over RBD palmolein at CNF India is USD 190 (US 200 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. 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.

  Higher stocks of sunflower oil at ports and pipelines due to higher imports of sun oil in oil year 2017-18 and 2016-17 will cap gains on sun oil prices. Higher supply in domestic market will keep lid on prices.

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 at CNF market is at USD 78 (USD 83 last week) per ton for Sep delivery.

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

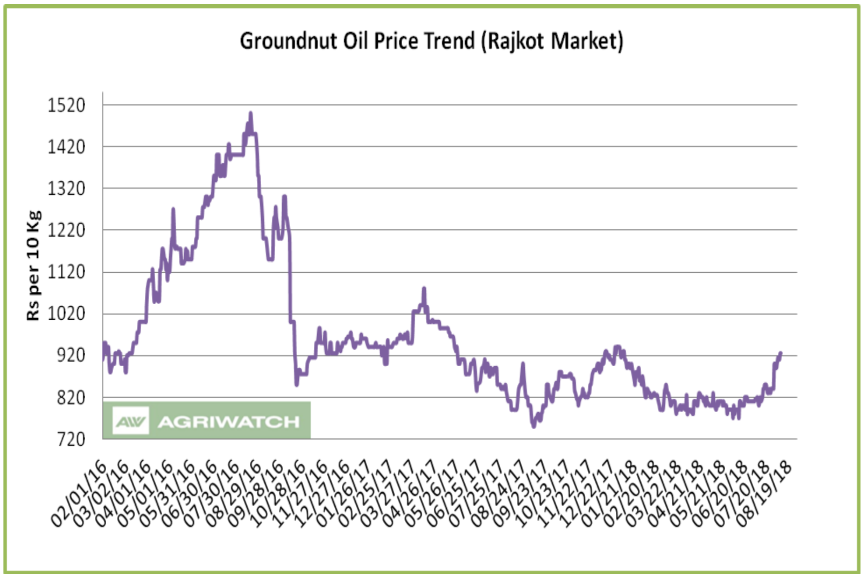
- According to USDA August estimate, India's sunflower oil imports estimate in 2018/19 is increased to 2.0 MMT from from previous estimate of 1.8 MMT. Sunflower oil consumption estimate is increased to 2.2 MMT from 2.0 MMT.
- All India sunflower sowing was reported at 0.78 lakh hectares as on 10.08.2018 compared to 1.17 lakh hectares in corresponding period last year
- 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 770 (USD 775) per ton for Sep delivery, Oct delivery is quoted at USD 755 (USD 762) per ton and ND delivery is quoted at USD 750 (USD 755) per ton. CNF sun oil (Ukraine origin) July monthly average was at USD 797.23 per ton compared to USD 787.08 per ton in June. Values in brackets are figures of last week.
- Prices are likely to stay in the range of USD 760-800 per ton in the near term. CNF Sunflower oil premium over CDSO is hovering at USD 78 (USD 83 last week) per ton for Sep delivery. CNF sunflower oil premium over RBD palmolein is hovering around USD 190 (USD 200) per ton.
- Currently, refined sunflower oil at Chennai market is offered at Rs 800 (Rs 800) per 10 Kg, and at Kandla/Mudra market, it is offered at Rs 780 (Rs 780) per 10 kg as on Aug 10, 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 supply 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) rose in Hyderabad at the end of the week.



- Agriwatch view: Prices of groundnut oil featured uptrend in Rajkot on weak supply and rise in prices of groundnut.

  Sowing of groundnut is lagging by 3.45 percent as of 10.08.2018 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.

  Groundnut prices rose last week on firm demand from oil millers, which led to higher prices of groundnut oil. Higher raw material prices led to higher product prices.

  Gujarat is selling 2017 groundnut crop 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 rose from lower levels as demand pushed prices higher.

  There is around 8-9 lakh tons of groundnut with NAFED, around 1-2 lakh tons with farmers and trade has no stock of groundnut and whatever is arriving in market is consumed in ready markets.

  Government slowed groundnut auction, which led to lower supply of groundnut in market which pushed prices of groundnut higher. Prices could of groundnut oil may surge more as there is less stock with farmer and no stocks with trade. Demand of groundnut oil may slow 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.

  Retail demand has increased in Gujarat.

  Exports of 2017 crop are less and most of groundnut is diverted towards crushing.

  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 and Tamil Nadu prices of groundnut oil has rose due to firm demand against weak stock position. Prices of groundnut oil in both state rose due rise in groundnut oil prices in Gujarat. Retail demand of groundnut oil is moderate. There is parity in crush of groundnut in Andhra Pradesh.

There is limited stocks of groundnut with farmers across India which has supported prices higher.

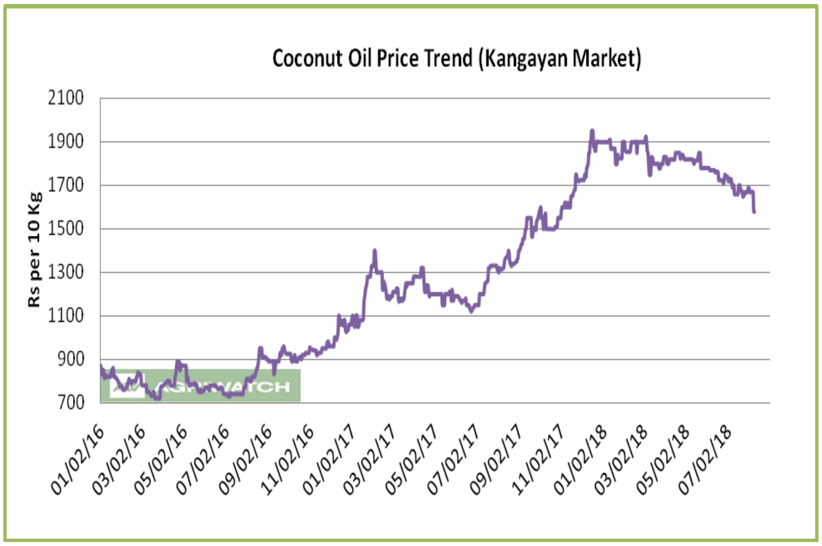
Groundnut oil prices are expected to trade sideways to firm on expectation of rise in groundnut prices and firm demand at lower levels.

- All India groundnut sowing reached 35.32 lakh hectares as of 10.08.2018 compared to 36.59 lakh hectares in corresponding period last year, lower by 3.45 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 14.54 lakh hectares as of 10.08.2018 compared to 16.20 lakh hectares in corresponding period last year, down 10.25 percent y-o-y.
- On the price front, currently the groundnut oil prices in Rajkot is quoted at Rs 9,250 (Rs 8,900) per quintal and it 8was quoted at Rs 9,500 (Rs 8,800) per quintal in Chennai market on Aug 10, 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 850-1000 per 10 Kg.

Coconut Oil Fundamental Review and Analysis-:
Domestic Front



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

  Coconut oil prices fell last week despite on fall in prices of copra. Lower prices of raw material translated in lower product prices.

  Prices of coconut oil has weakened on rise in prices of coconut oil in last one and half yeat.

  Stockists and retailers are not stocking in anticipation of weak demand.

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

  Traders and upcountry buyers depending on ready market 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, 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.

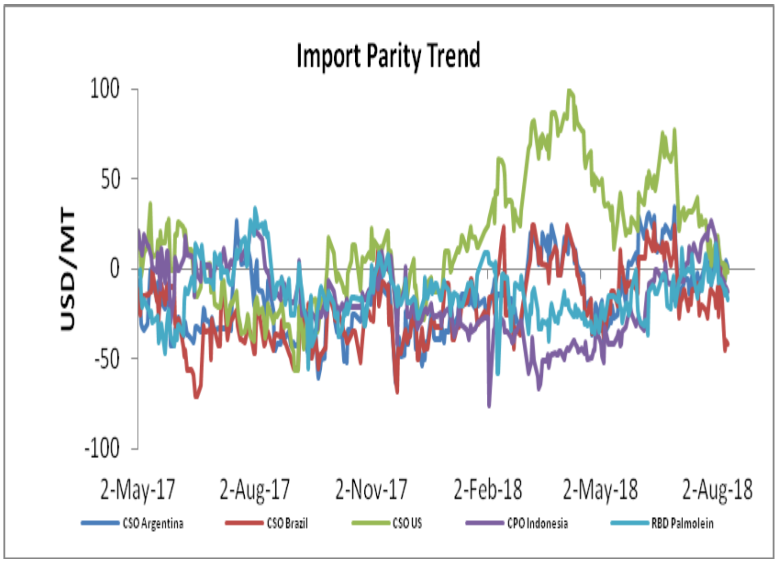
  Coconut oil prices is expected to fall on higher coconut oil production, fall in copra prices and seasonal downtrend of prices.

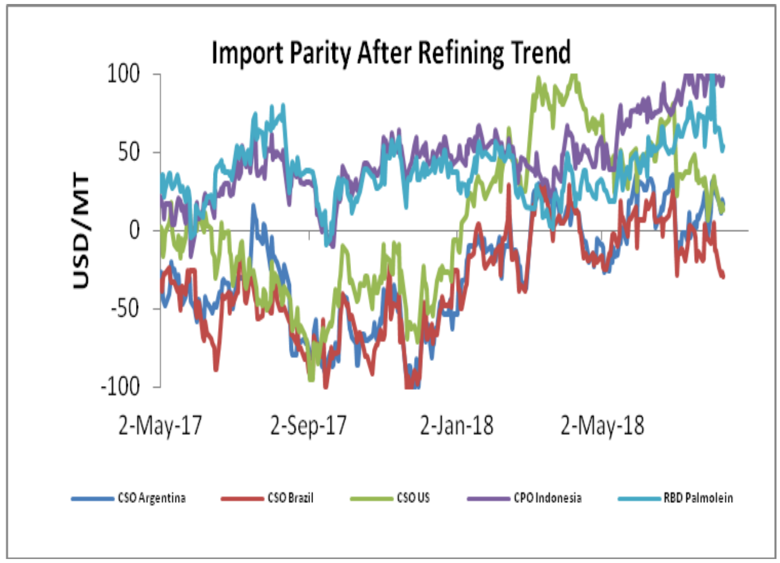
  Coconut oil prices are expected to be weak in days ahead.
- On the price front, currently the coconut oil prices in Kochi is hovering near Rs 16,900 (17,000) per quintal, and was quoting Rs 15,800 (Rs 16,700) per quintal in Erode market on Aug 10, 2018.

Price Outlook: Coconut oil (without GST) prices in Erode may stay in the range of Rs 1500-1650 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
June, 2018	24.29	11.38	59.4	79.04	50.86
July, 2018	2.92	-10.31	33.11	94.05	68.10

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 Sep, Chart)	Refined soy oil (Weekly chart, Indore Rs/10 Kg Inclusive VAT)
	

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

- Weekly chart of refined soy oil at NCDEX depicts downtrend during the week in review. We expect prices to trade sideways to weak tone in the near term.
- Any close below 730 in weekly might take the prices below 720 levels.
- Expected price band for next week is 710-760 level in near to medium term. RSI and MACD is suggesting downtrend in the market.

Strategy: Market participants are advised to go short below 740 levels for a target of 725 and 720 with a stop loss at 750 on closing basis.

RSO NCDEX (Sep)

Support and Resistance				
S2	**S1**	**PCP**	**R1**	**R2**
720.00	732.00	735.2	756.00	768.00

Spot Market outlook: Refined soy oil Indore (without GST) is likely to stay in the range of Rs 710-760 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 uptrend 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 590 in weekly chart may bring the prices to 580 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 600 for a target of 585 and 580 with a stop loss at 610 on closing basis.

CPO MCX (Aug)

Support and Resistance				
S2	**S1**	**PCP**	**R1**	**R2**
570.00	585.00	596.2	602.00	626.00

Spot Market outlook: Crude palm oil (without GST) is likely to stay in the range of Rs 570-630 per 10 Kg.

Veg. Oil Prices at Key Spot Markets

Commodity	Centre	Prices(Per 10 Kg)		Change
		27-Jul-18	27-Jul-18	
Refined Soybean Oil	Indore	737	743	-6
	Indore (Soy Solvent Crude)	700	710	-10
	Mumbai	750	750	Unch
	Mumbai (Soy Degum)	695	695	Unch
	Kandla/Mundra	715	720	-5
	Kandla/Mundra (Soy Degum)	685	690	-5
	Kolkata	718	720	-2
	Delhi	770	770	Unch
	Nagpur	751	759	-8
	Rajkot	715	715	Unch
	Kota	725	740	-15
	Hyderabad	770	775	-5
	Akola	753	760	-7
	Amrawati	752	759	-7
	Bundi	735	745	-10
	Jalna	755	760	-5
	Alwar	Unq	Unq	-
	Solapur	745	752	-7
	Dhule	753	763	-10
Palm Oil *	Kandla (Crude Palm Oil)	625	624	1
	Kandla (RBD Palm oil)	651	662	-11
	Kandla RBD Pamolein	698	693	5
	Kakinada (Crude Palm Oil)	627	630	-3
	Kakinada RBD Pamolein	693	693	Unch
	Haldia Pamolein	698	695	3
	Chennai RBD Pamolein	693	698	-5
	Chennai RBD Pamolein (Vitamin A&D Fortified)	782	793	-11
	KPT (krishna patnam) Pamolein	688	688	0
	Mumbai RBD Pamolein	709	709	0
	Mangalore RBD Pamolein	698	698	0
	Tuticorin (RBD Palmolein)	Closed	701	-
	Delhi	740	735	5
	Rajkot	698	689	9
	Hyderabad	710	710	Unch
	PFAD (Kandla)	394	404	-10
	Refined Palm Stearin (Kandla)	541	551	-10
	Superolien (Kandla)	751	761	-10
	Superolien (Mumbai)	782	793	-11

* Inclusive of GST

Refined Sunflower Oil	Chennai	800	800	Unch
	Mumbai	820	820	Unch
	Mumbai(Expeller Oil)	745	750	-5
	Kandla	780	780	Unch
	Kandla/Mundra (Crude)	Unq	Unq	-
	Hyderabad (Ref)	810	810	Unch
	Latur (Expeller Oil)	800	800	Unch
	Chellakere (Expeller Oil)	770	770	Unch
	Erode (Expeller Oil)	835	840	-5
Groundnut Oil	Rajkot	925	890	35
	Chennai	950	880	70
	Delhi	925	850	75
	Hyderabad *	950	890	60
	Mumbai	955	920	35
	Gondal	925	900	25
	Jamnagar	915	910	5
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	855	855	Unch
	Jaipur (Kacchi Ghani Oil)	873	876	-3
	Kota (Expeller Oil)	825	825	Unch
	Kota (Kacchi Ghani Oil)	860	862	-2
	Neewai (Kacchi Ghani Oil)	840	840	Unch
	Neewai (Expeller Oil)	860	858	2
	Bharatpur (Kacchi Ghani Oil)	870	880	-10
	Alwar (Kacchi Ghani Oil)	860	850	10
	Alwar (Expeller Oil)	880	870	10
	Sri-Ganga Nagar(Exp Oil)	845	840	5
	Sri-Ganga Nagar (Kacchi Ghani Oil)	860	860	Unch
	Mumbai (Expeller Oil)	875	875	Unch
	Kolkata(Expeller Oil)	950	950	Unch
	New Delhi (Expeller Oil)	865	870	-5
	Hapur (Expeller Oil)	865	865	Unch
	Hapur (Kacchi Ghani Oil)	905	905	Unch
	Agra (Kacchi Ghani Oil)	875	885	-10
Refined Cottonseed Oil	Rajkot	810	805	5
	Hyderabad	790	790	Unch
	Mumbai	815	810	5
	New Delhi	780	775	5

Coconut Oil	Kangayan (Crude)	1580	1670	**-90**
	Cochin	1690	1700	**-10**
	Trissur	Unq	Unq	-
Sesame Oil	New Delhi	1000	1000	**Unch**
	Mumbai	Unq	Unq	-
Kardi	Mumbai	870	870	**Unch**
Rice Bran Oil (40%)	New Delhi	675	675	**Unch**
Rice Bran Oil (4%)	Punjab	660	660	**Unch**
Rice Bran Oil (4%)	Uttar Pradesh	Unq	Unq	-
Malaysia Palmolein USD/MT	FOB	570	555	**15**
	CNF India	583	578	**5**
Indonesia CPO USD/MT	FOB	540	538	**2**
	CNF India	573	568	**5**
RBD Palm oil (Malaysia Origin USD/MT)	FOB	568	555	**13**
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	565	560	**5**
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1005	1000	**5**
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	490	488	**2**
Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	Unq	-
Ukraine Origin CSFO USD/MT Kandla	CIF	775	775	**Unch**
Rapeseed Oil Rotterdam Euro/MT	FOB	748	722	**26**
Argentina FOB ($/MT)		**9-Aug-18**	**2-Aug-18**	**Change**
Crude Soybean Oil Ship		642	644	**-2**
Refined Soy Oil (Bulk) Ship		664	667	**-3**
Sunflower Oil Ship		713	713	**Unch**
Cottonseed Oil Ship		622	624	**-2**
Refined Linseed Oil (Bulk) Ship		Unq	Unq	-
				**** indicates including GST***

******