

Veg. Oil Weekly Research Report

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Executive Summary

Domestic Veg. Oil Market Summary

Edible oil witnessed mixed 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 and sunflower oil prices rose while groundnut oil and coconut oil closed in red.

On the currency front, Indian rupee is hovering near 69.73, up by 90 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.

Outlook:

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 710-760 per 10 Kg in the near term.

At MCX, market participants are advised to go short in CPO below 610 for a target of 595 and 590 with a stop loss at 620 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

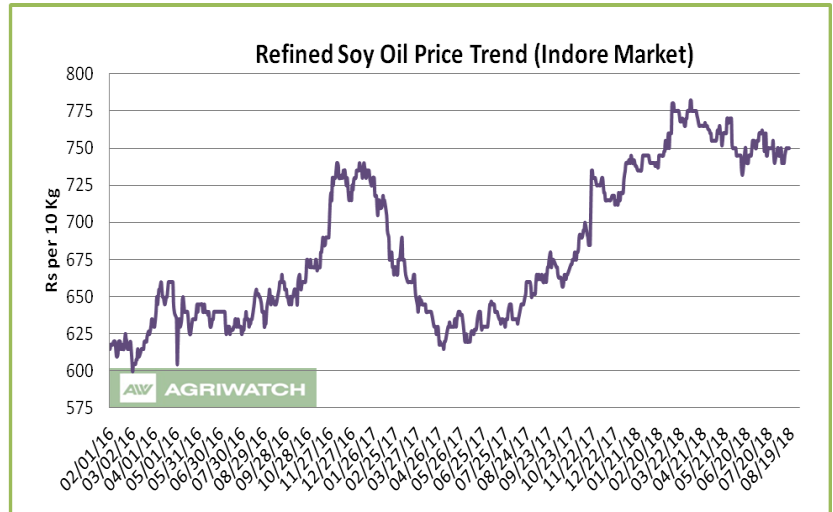
On the international front, trade dispute between US and China, record soybean crop in US, better than expected soybean crop condition in US, lower soybean demand from China, high stocks of soybean in China, liquidation of soybean state reserve in China, weak competitive oils and firm dollar is expected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

Rise in palm oil end stocks in Malaysia, rise in production of palm oil in Malaysia, fall in exports of palm oil from Malaysia, weak demand from China and India and weak competitive oils is expected to underpin CPO prices in near term.

Soy oil Fundamental Analysis and Outlook:-

Domestic Front

- Soy oil featured firm trend in domestic markets on depreciation of Rupee. Prices of refined soy oil rose in Kandla/Mudra and Kolkata. Prices remained unchanged at Mumbai and New Delhi while it rose in Rajkot. Prices of CDSO rose at JNPT and Kandla/Mudra at the end of the week.
- Agriwatch View- Soy oil prices closed higher during the week in Indore on depreciation of Rupee



Fall of Rupee from 68 to 70 per USD

last week pushed prices higher on higher translated price.

Imports of soy oil have returned to disparity due depreciation of Rupee.

Bearish international soybean complex situation on record soybean crop 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 disparity in imports of soy oil is expected to decrease and support prices. Presently disparity at ports is at 0.5-1.0 per kg. Prices are unlikely to fall due to parity in imports.

Domestic demand is weak.

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

Soy oil demand is weak at CNF markets as prices fell at CNF while it remained unchanged at 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 decreased in July compared to July 2017 while it is higher than June 2018. Imports rose 70,000 tons in June compared to May 2018 while port stocks rose 80,000 tons indicating weak demand in July.

CDSO is trading at low premium over RBD palmolein at high seas at Rs 22 (Rs 18 last week) per 10 kg will increase CDSO import demand.

Refined soy oil premium over RBD palmolein is unchanged at Rs 72 (Rs 72 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 126 (USD 122 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 July edible oil imports fell 29.21 percent y-o-y to 10.54 lakh tons from 14.89 lakh tons in July 2017. Palm oil imports in July fell 39.93 percent y-o-y to 5.50 lakh

tons from 8.20 lakh tons in July 2017. CPO Imports fell 29.32 percent in July y-o-y to 3.64 lakh tons from 5.15 lakh tons in July 2017. RBD palmolein imports fell 38.78 percent in July y-o-y to 1.80 lakh tons from 2.94 lakh tons in July 2017. Soy oil imports fell 24.79 percent in July y-o-y to 3.52 lakh tons from 4.68 lakh tons in July 2017. Sunflower oil imports rose 30.85 percent y-o-y in July to 1.39 lakh tons from 2.01 lakh tons in July 2017. Rapeseed (canola) oil import rose in July to 0.12 lakh tons compared 0.0 imports in July 2017.

- According to Solvent Extractors Association (SEA), India's July edible oil stocks at ports and pipelines fell 1.70 percent m-o-m to 24.75 lakh tons from 25.18 lakh tons in May 2018. Stocks of edible oil at ports fell to 928,000 tons (CPO 250,000 tons, RBD Palmolein 160,000 tons, Degummed Soybean Oil 320,000 tons, Crude Sunflower Oil 190,000 tons and 8,000 tons of Rapeseed (Canola) Oil and about 1,547,000 tons in pipelines. (Stocks at ports were 948,000 tons in June 2018). India is presently holding 39 days of edible oil requirement on 1st August, 2018 at 24.75 lakh tons compared to 40 days of requirements last month at 25.18 lakh tons. India's monthly edible oil requirement is 19.0 lakh tons.
- According to the provisional data released by SEA, India exported 148983 tons of oilmeal in July 2018 as compared to 125904 tons in July 2017, in which soymeal exports recorded 63747 tons against 80797 tons in the same time frame. Rapemeal exports have been recorded at 46364 tons in July'18 against 14753 tons in July'17. Soymeal exports for the period Oct-July has been below last year in the same time frame by 17% and is at 9.44 lakh tons as compared to 11.41 lakh ton last marketing season.
- 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 July to 24.79 lakh tons from 4.68 lakh tons in July 2017. In the period (Nov 2017-July 2018), imports of soy oil were 21.30 lakh tons compared to 24.49 lakh tons in corresponding period last oil year, lower by 13 percent y-o-y.
- Imported crude soy oil CNF at West coast port is offered at USD 691 (USD 692) per ton for Aug delivery, Sep delivery is quoted at USD 691 (USD 694) per ton, Oct delivery is quoted at USD 698 (USD 701) per ton and Nov delivery is quoted at USD 703 (USD 705) 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 fell during the week on fall in prices of soy oil in Indian markets, and we expect margins to remain in parity in coming days. Currently refiners gain USD 0-5/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 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 in China due to outbreak of swine flu, liquidation of soybean state reserve by China, weak competitive oils and firm dollar.

There is expectation in market that US and China will work to negotiate trade dispute between both countries. Beijing has said that its trade representative will visit US in end August for trade negotiations. There is also expectation in market that China will buy US cargo to tide over deficit of soybean in fourth quarter of 2018 despite higher import duties on tighter supplies in South America. However, trade dispute between US and China has not been resolved, which will keep lid on import of soybean from US as imposition of import duty on import of soybean from US became uncompetitive. 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.

NOPA reported fall of soy oil end stocks in US in July due to higher domestic use despite higher production of soy oil in US in July due to record crush of soybean in any July in US. Lower prices of soybean and soy oil has propelled demand in the US market.

USDA raised 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 out and exact amount of soybean produced in US will be 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 rise in record end stocks of soybean in US in 2018/19.

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.

China imported lower soybean 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. Outbreak of swine flu has affected demand of feed which has led to lower soybean demand leading to shutdown of many crushers. 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, is expected to reignite demand and support prices.

USDA kept soybean import estimate by China unchanged in 2018/19 compared to 2017/18. 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.

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 National Oilseed Processors Association (NOPA), U.S. July soybean crush rose 5.34 percent m-o-m to 167.733 million bushels from 159.228 million bushels in June 2018. Crush of soybean in July 2017 was 144.718 million bushels. Soy oil stocks in U.S. at the end of July fell marginally m-o-m to 1.764 billion lbs compared to 1.766 billion lbs in end June 2018. Stocks of soy oil in end July 2018 was higher by 13.22 percent compared to end July 2017, which was reported at 1.558 million lbs.
- In the weekly USDA crop progress report released on 13 August; Soybeans blooming are reported at 96% which is up from 93% from the corresponding period last year and higher compared to the 5-year average of 92%. Soybean setting pods are reported at 84% which is up from 77% in corresponding period last year and 5-year average of 72%. About 66% of the soybean planted crop is under good to excellent condition which is up from 59% 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 millillion 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 the data released by China's General Administration of Customs China Imported 8.01 million tons of soybean as compared to 8.7 million tons last month. The imports is down by 2.07 million tons as compared to previous year figure in the same time frame.
- USDA WASDE Oilseeds Highlights The U.S. season-average soybean price for 2018/19 is forecast at \$8.90 per bushel at the midpoint, down 35 cents from last month. The soybean meal price forecast at \$295 to \$335 per short ton, down \$20 at the midpoint. The soybean oil price forecast is unchanged at 28.0 to 32.0 cents per pound.

Previous updates

- 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 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.

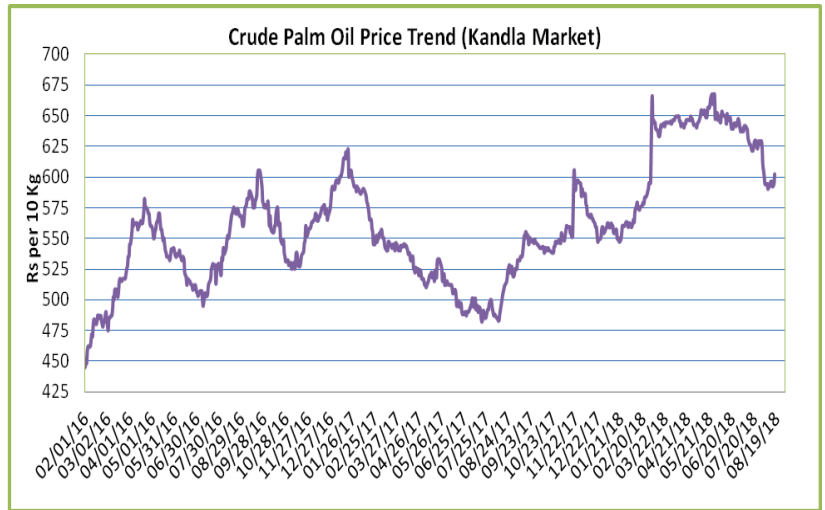
- The U.S. Department of Agriculture monthly supply and demand report for the month of August forecasts U.S. 2018/19 soybean stocks at 785 million bushels up from 580 million bushels in its earlier estimate. Opening stocks in 2018/19 is lowered to 430 million bushels 465 million bushels in its earlier 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 million 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.
- USDA increased 2018/19 soybean crop of Brazil to 120.5 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.
- 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 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 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 to 118 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 yr. 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: 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.

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 depreciation of Rupee.
RBD palmolein closed higher at its benchmark market of Kandla on depreciation of Rupee.
CPO prices fell in Krishnapatnam, and Kakinada while it rose in Kolkata.
RBD palmolein closed sideways to higher across board in India.
- Agriwatch View – Prices of CPO closed higher at Kandla on depreciation of Rupee.



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

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

Rupee depreciated from 68 to 70 last week, which has led to disparity in imports of CPO.

Trade of CPO has returned to disparity on rise in prices of CPO in international markets, which stands at Rs 1.0-1.5 per kg.

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 will 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.

Imports of CPO fell in July on weak buying due to continuous fall in CPO prices, higher import duty on CPO, weak demand and expectation of depreciation of Rupee.

Disparity in imports of CPO will decrease demand.

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 fall in imports of palm oil by India from Malaysia in August due to weak buying.

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

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 firm tone in its benchmark market on depreciation of Rupee.

RBD palmolein prices rose at high seas while prices fell at CNF markets indicating weak supply.

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 of RBD palmolein are in disparity due to fall in prices of palm products in domestic market.

At present there is disparity of Rs 1.5-2.0 per kg due to tight conditions.

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

Stocks of RBD palmolein at Indian ports have decreased in July due to destocking at ports.

Demand of RBD palmolein was firm compared to CPO at high seas as premium RBD palmolein over CPO was at Rs 73 (Rs 70) 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 will encourage imports of CPO compared to RBD palmolein.

Demand of RBD palmolein is weak at CNF markets as prices fell more at CNF and FOB markets compared to last week.

Import of CPO in July was lower than that of July 2017 and higher than June 2018. Stocks of CPO at ports remained unchanged while imports rose 60,000 indicating increased demand in July.

Import of RBD palmolein in July was lower than July 2017 while it was marginally higher than June 2018. Imports of RBD palmolein fell marginally in July compared to June while port stocks rose by 30,000 tons indicating destocking of RBD palmolein in July.

CDSO CNF premium over CPO CNF is at USD 126 (USD 122 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 90 (Rs 88 last week) per 10 Kg, will decrease CPO demand at high seas. Premium of refined soy oil over RBD palmolein at Rs 72 (Rs 72 last week) per 10 kg is low and will decrease RBD palmolein demand. RBD palmolein discount over sunflower at CNF markets is at USD 200 (USD 190 last week) per ton. Increasing premium of refined sunflower oil over RBD palmolein due to hike in import duty on sun oil at Rs 135 (Rs 135) 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 July fell 39.9 percent y-o-y to 5.5 lakh tons from 8.2 lakh tons in July 2017. Imports in the period (November 2017-July 2018) are reported lower marginally y-o-y at 9.45 lakh tons compared to 67.47 in the corresponding period last oil year.

Crude Palm oil import scenario- According to Solvent Extractors Association (SEA), CPO Imports fell 29.32 percent y-o-y in July to 3.64 lakh tons from 5.15 lakh tons in July 2017. Imports in the period (November 2017-July 2018) are reported higher by 1.1 percent y-o-y at 45.36 lakh tons compared to 44.86 lakh tons in the corresponding period last oil year.

RBD palmolein import scenario- RBD palmolein imports fell y-o-y in July by 38.78 percent to 1.80 lakh tons from 2.94 lakh tons in July 2017. Imports in the period (November 2017-July 2018) are reported lower by 31.90 percent y-o-y at 14.96 lakh tons compared to 21.97 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 and Sep delivery is quoted at USD 565 (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 580) per ton for Aug delivery and Sep delivery is quoted at USD 580 (USD 580) per ton. Last month, CIF RBD palmolein July 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 602 (Rs 595) per 10 Kg and Aug delivery duty paid is offered at Rs 602 (Rs 595) per 10 kg. Ready lift RBD palmolein is quoted at Rs 670 (Rs 665) per 10 kg as on Aug 17, 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 55-60/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 August, expectation of higher production of palm oil in Malaysia in Aug-Sep, fall exports of palm oil from Malaysia in Aug-Sep, weak demand from China and India and fall in competitive oils.

Depreciation of Ringgit may support palm oil prices.

Palm oil end stocks is expected to rise in Malaysia in August on rise in production of palm oil in Malaysia in August and fall in exports of palm oil from Malaysia in August.

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.

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

Exports of palm oil are expected fell 10 percent in Malaysia in first 20 days of August on lower imports by China and India. Countries like Pakistan recorded negligible imports. Fall in imports of palm oil from Malaysia in August will adversely affect prices of palm oil.

Demand from India is expected to weaken due to depreciation of Rupee, weak demand, high stocks o palm oil at ports and disparity in imports of palm oil. However, India is a price sensitive country and will importer in higher amount if prices fall.

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 on outbreak of swine flu in the country.. 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 4.09 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 has mandated biodiesel use in every vehicle from September which will increase palm oil consumption in the country. The country 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 cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's August 1-15 palm oil exports fell 11.1 percent to 403,862 tons compared to 454,524 tons in the corresponding period last month. Top buyers are European Union at 77,119 tons (122,719 tons), India at 62,200 tons (38,800 tons), United States at 29,141 tons (10,748 tons), China at 15,000 tons (51,125 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 1-15 palm oil exports fell 14.6 percent to 415,719 tons compared to 486,609 tons in corresponding period last month.
- 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 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 September crude palm oil export duty to 0.0 percent compared to 4.5 percent for August. Export duty of palm oil is calculated at reference price of 2,213.73 ringgit (\$541.25) 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.

Previous updates

- 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 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.
- 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.

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 firm trend in benchmark market on firm demand. Arrivals of rapeseed fell last week.

- Agriwatch view: Prices of rapeseed oil expeller featured firm trend in it benchmark market on firm demand.

Prices of rapeseed rose last week.

Prices of rapeseed oil expeller prices traded sideways to lower across board in India.

Prices of kacchi ghani traded

sideways to lower across board India except Jaipur and Bharatpur..

Canola oil CNF price remained fell at the end of the week.

Rise in soy oil and palm oil prices supported prices.

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.

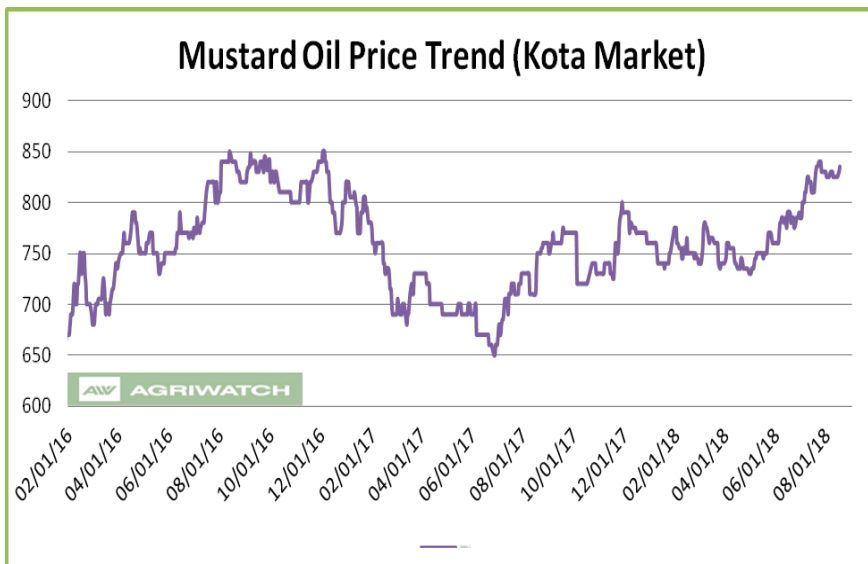
Rapeseed oil prices rose on weak stock in market against firm demand.

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

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

Increasing premium of Jaipur kacchi ghani rapeseed oil over refined soy oil in domestic market was at Rs 133 (Rs 135) per 10 Kg will underpin rapeseed oil prices.

Jaipur kacchi ghani rapeseed oil premium over RBD palmolein is at Rs 195 (Rs 207) 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 59 (USD 62) 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.

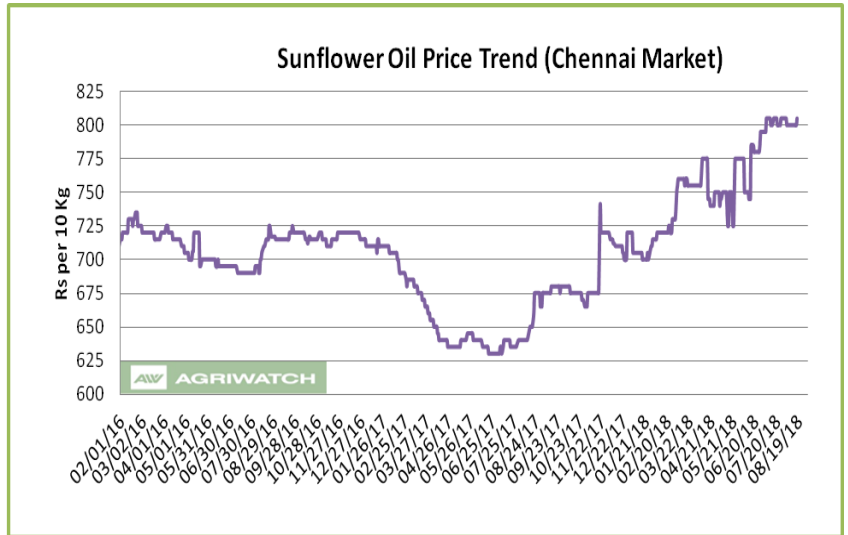
Markets are expected to trade sideways to firm tone in coming days on firm demand and rise in rapeseed prices.

- Rapeseed oil import scenario- India imported 0.12 lakh tons of rapeseed (Canola) oil in July 2018 v/s 0.0 lakh tons in July 2017. In the period (Nov 2017-July 2018) imports were 2.04 lakh tons compared to 1.95 lakh tons in the corresponding period last oil year, higher by 4.62 percent y-o-y.
- CNF canola oil premium over CDSO is USD 59 (USD 62 last week) per ton for Aug delivery as on Aug 17, 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 835 (Rs 825) per 10 kg as on Aug 17, 2018. Values in brackets are figures of last week.
- We expect RM seed oil prices to trade sideways to firm tone in the coming days.

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

Sunflower oil Fundamental Review and Analysis:-**Domestic Front**

- Sunflower oil price traded firm during the week in its benchmark market Chennai on depreciation of Rupee.
- Prices remained unchanged in Kakinada and Mumbai while it rose in Hyderabad, Kandla/Mudra, Krishnapatnam and Latur. Sunflower oil expeller prices rose in Erode and Hyderabad. Prices remained unchanged in Chellakere and Latur at the end of the week.



- Agriwatch view: Prices of sunflower oil traded higher in Chennai on fall depreciation of Rupee.

Sunflower oil prices rose at high seas while it fell at CNF markets indicating weak supply at high seas.

Rupee depreciated from 68 to 70 per USD last week which translated into higher prices of sunflower oil.

Demand of sunflower oil is likely to be capped due to high premium over RBD palmolein and rising premium over soy oil while rising discount over groundnut oil will support prices.

Prices rose on rise 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-July 2018) by 18 percent compared to corresponding period in last oil year 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 which has reduced sunflower port stocks in last two months.

CSFO CNF premium over CDSO CNF markets is at USD 74 (USD 78 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 At Rs 63 (Rs 63 last week) per 10 kg, which indicates that markets are returning to equilibrium.

Sunflower oil premium over RBD palmolein at CNF India is USD 200 (US 190 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 July and July show tapering of import demand of sunflower oil post hike in import duty on sunflower oil in June. 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 74 (USD 78 last week) per ton for Sep delivery.

Prices of sunflower oil are expected to be supported by depreciation of Rupee 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 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 fell 30.85 percent y-o-y in July to 1.39 lakh tons from 2.01 lakh tons in July 2017. Imports in the period (November 2017-July 2018) are reported higher by 17.6 percent y-o-y at 20.10 lakh tons compared to 17.09 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 760 (USD 770) per ton for Sep delivery, Oct delivery is quoted at USD 750 (USD 755) per ton and ND delivery is quoted at USD 745 (USD 750) 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 750-800 per ton in the near term. CNF Sunflower oil premium over CDSO is hovering at USD 74 (USD 78 last week) per ton for Sep delivery. CNF sunflower oil premium over RBD palmolein is hovering around USD 200 (USD 190) per ton.
- Currently, refined sunflower oil at Chennai market is offered at Rs 805 (Rs 800) per 10 Kg, and at Kandla/Mudra market, it is offered at Rs 785 (Rs 780) per 10 kg as on Aug 17, 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 weak trend in Rajkot due to weak demand. Prices rose in Chennai while it fell in Mumbai. Prices closed unchanged in New Delhi. Prices fell 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 downtrend in Rajkot on weak demand.

Prices of groundnut rose from Rs 800 per 10 kg to Rs 900 per 10 kg

which weakened demand. This rise took place in short span of time.

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.

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 6-7 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.

Groundnut auction slowed due to hike in auction price, 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.

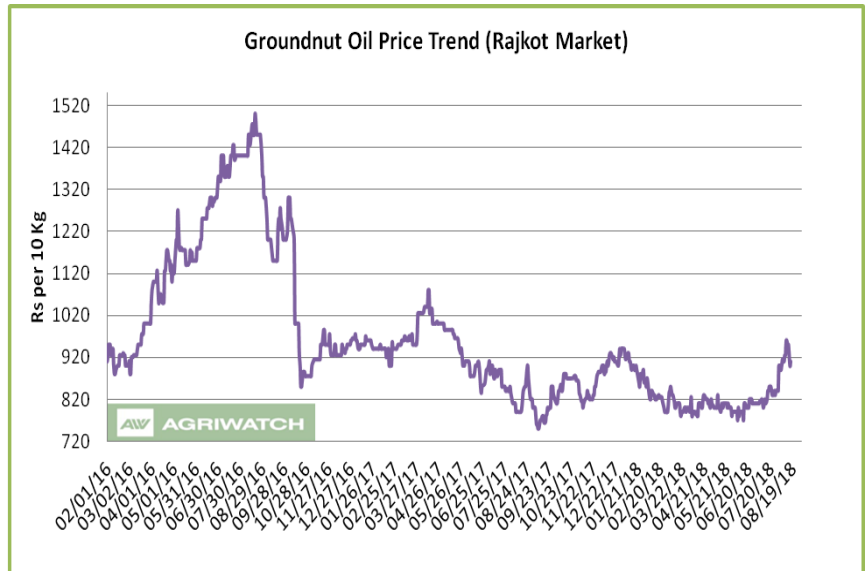
Retail demand has is weak in Gujarat.

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 firmer. There is parity in crush of groundnut in Tamil Nadu and 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.

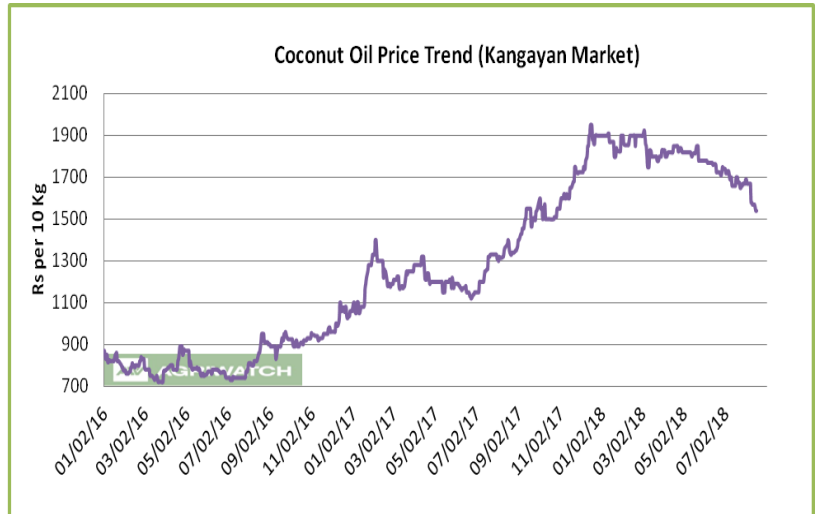
- All India groundnut sowing reached 35.32 lakh hectares as of 10.08.2018 compared to 36.59 lakh hectares in corresponding period last year, lower by 3.45 percent y-o-y. Sowing of groundnut is lagging in top produces Gujarat that has received late rainfall. Area in top producing state of Gujarat is reported 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 9,000 (Rs 9,250) per quintal and it was quoted at Rs 9,700 (Rs 9,500) per quintal in Chennai market on Aug 17, 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 on fall in prices of copra. Lower prices of raw material translated in lower product prices.



Demand of coconut oil has weakened on rise in prices of coconut oil in last one and half year.

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 flood situation in Kerala, 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.

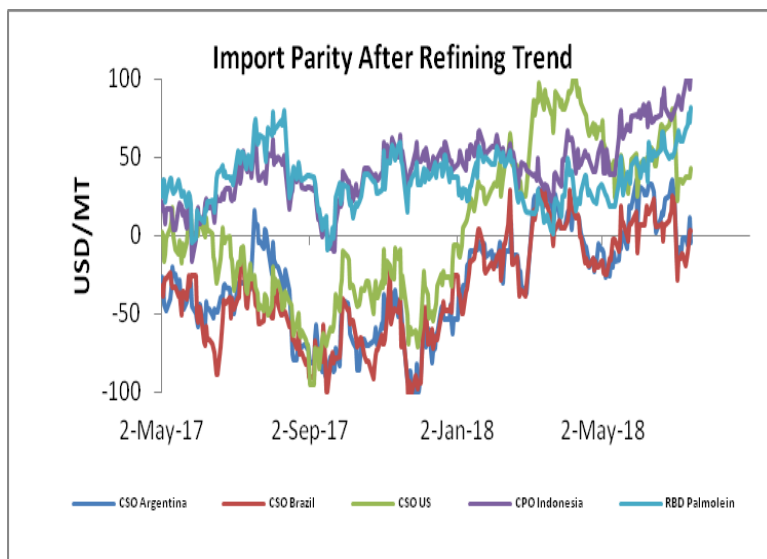
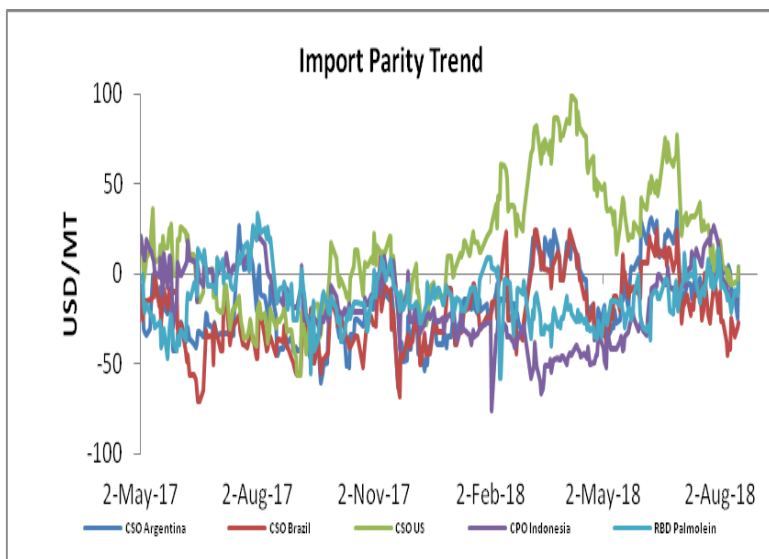
Coconut oil prices are expected to be weak in days ahead.

- On the price front, currently the coconut oil prices in Kochi is hovering near Rs 16,800 (16,900) per quintal, and was quoting Rs 15,400 (Rs 15,800) per quintal in Erode market on Aug 17, 2018.

Price Outlook: Coconut oil (without GST) prices in Erode may stay in the range of Rs 1400-1650 per 10 Kg.

Import Parity Trend

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

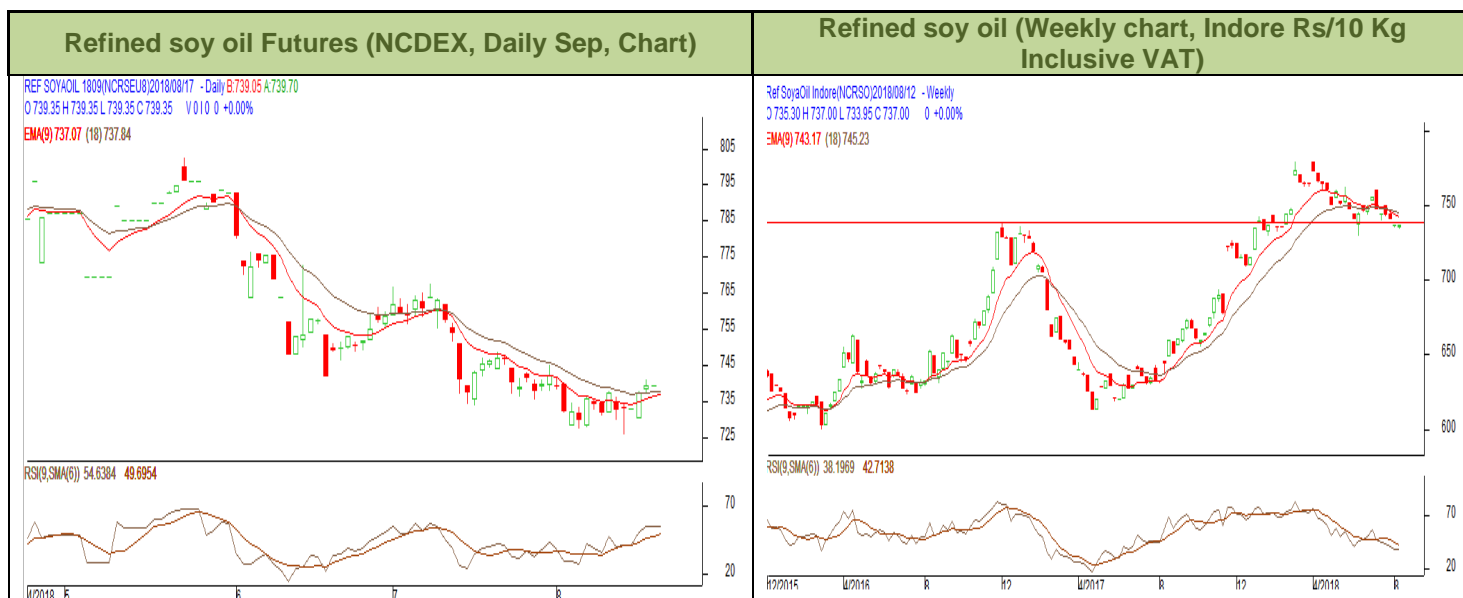


	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
June, 2018	24.29	11.38	59.4	79.04	50.86
July, 2018	2.92	-10.31	33.11	94.05	68.10

Outlook:-

Import parity for crude soy oil from Argentina has returned to disparity due to depreciation of Rupee. We expect CDSO import parity to return to 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)



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

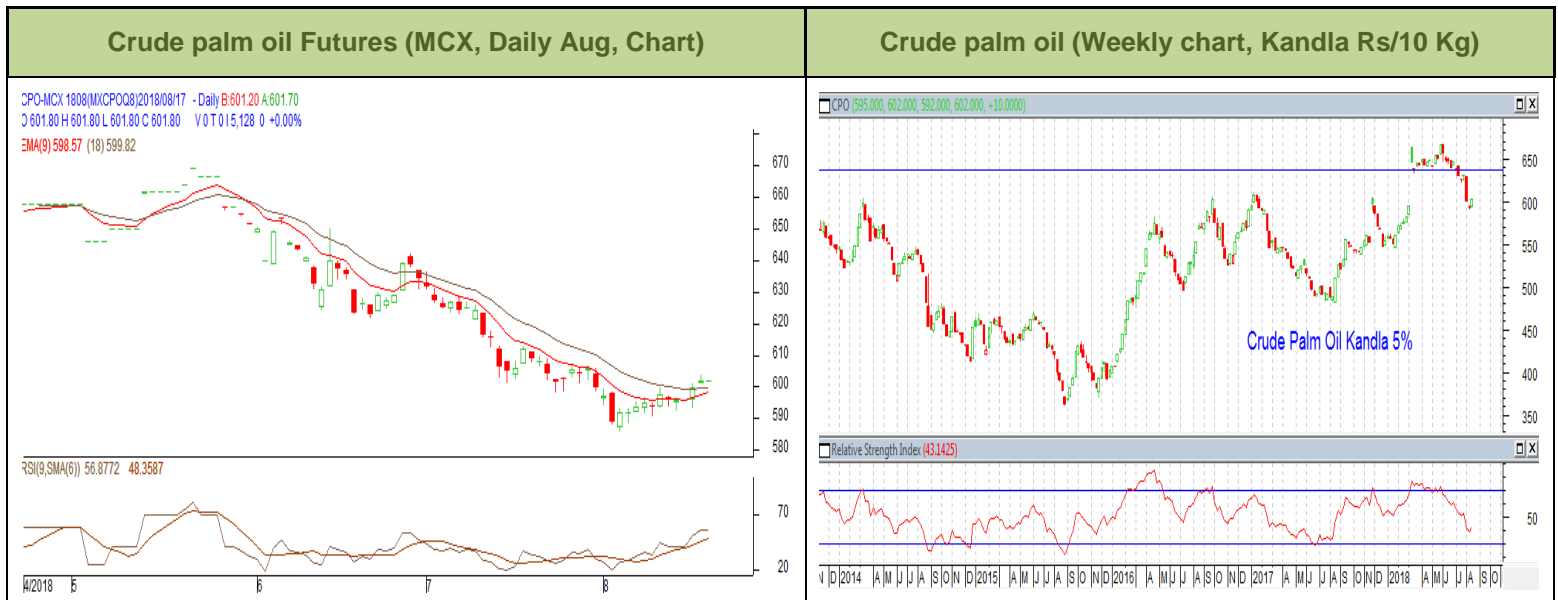
- Weekly chart of refined soy oil at NCDEX depicts downtrend during the week in review. We expect prices to trade sideways to weak tone in the near term.
- Any close below 730 in weekly might take the prices below 720 levels.
- Expected price band for next week is 710-760 level in near to medium term.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

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

RSO NCDEX (Sep)

Support and Resistance				
S2	S1	PCP	R1	R2
720.00	732.00	740.4	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)


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 610 for a target of 595 and 590 with a stop loss at 620 on closing basis.

CPO MCX (Aug)

Support and Resistance				
S2	S1	PCP	R1	R2
570.00	585.00	603.00	626.00	635.00

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
		17-Aug-18	10-Aug-18	
Refined Soybean Oil	Indore	740	737	3
	Indore (Soy Solvent Crude)	700	700	Unch
	Mumbai	750	750	Unch
	Mumbai (Soy Degum)	697	695	2
	Kandla/Mundra	720	715	5
	Kandla/Mundra (Soy Degum)	690	685	5
	Kolkata	724	718	6
	Delhi	770	770	Unch
	Nagpur	753	751	2
	Rajkot	720	715	5
	Kota	735	725	10
	Hyderabad	775	770	5
	Akola	755	753	2
	Amrawati	755	752	3
	Bundi	745	735	10
	Jalna	757	755	2
	Alwar	Unq	Unq	-
	Solapur	747	745	2
	Dhule	751	753	-2
Palm Oil *	Kandla (Crude Palm Oil)	632	625	7
	Kandla (RBD Palm oil)	662	651	11
	Kandla RBD Pamolein	704	698	6
	Kakinada (Crude Palm Oil)	621	627	-6
	Kakinada RBD Pamolein	693	693	Unch
	Haldia Pamolein	709	698	11
	Chennai RBD Pamolein	698	693	5
	Chennai RBD Pamolein (Vitamin A&D Fortified)	782	782	0
	KPT (krishna patnam) Pamolein	688	688	0
	Mumbai RBD Pamolein	709	709	0
	Mangalore RBD Pamolein	698	698	0
	Tuticorin (RBD Palmolein)	Closed	Closed	-
	Delhi	740	740	Unch
	Rajkot	704	698	6
	Hyderabad	712	710	2
	PFAD (Kandla)	399	394	5
	Refined Palm Stearin (Kandla)	546	541	5
	Superolien (Kandla)	751	751	0

	Superolien (Mumbai)	782	782	0
* Inclusive of GST				
Refined Sunflower Oil	Chennai	805	800	5
	Mumbai	820	820	Unch
	Mumbai(Expeller Oil)	755	745	10
	Kandla	785	780	5
	Kandla/Mundra (Crude)	Unq	Unq	-
	Hyderabad (Ref)	815	810	5
	Latur (Expeller Oil)	800	800	Unch
	Chellakere (Expeller Oil)	770	770	Unch
	Erode (Expeller Oil)	840	835	5
Groundnut Oil	Rajkot	910	925	-15
	Chennai	970	950	20
	Delhi	925	925	Unch
	Hyderabad *	970	950	20
	Mumbai	940	955	-15
	Gondal	900	925	-25
	Jamnagar	900	915	-15
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	855	855	Unch
	Jaipur (Kacchi Ghani Oil)	876	873	3
	Kota (Expeller Oil)	835	825	10
	Kota (Kacchi Ghani Oil)	860	860	Unch
	Neewai (Kacchi Ghani Oil)	840	840	Unch
	Neewai (Expeller Oil)	860	860	Unch
	Bharatpur (Kacchi Ghani Oil)	875	870	5
	Alwar (Kacchi Ghani Oil)	840	860	-20
	Alwar (Expeller Oil)	860	880	-20
	Sri-Ganga Nagar(Exp Oil)	840	845	-5
	Sri-Ganga Nagar (Kacchi Ghani Oil)	860	860	Unch
	Mumbai (Expeller Oil)	870	875	-5
	Kolkata(Expeller Oil)	960	950	10
	New Delhi (Expeller Oil)	865	865	Unch
	Hapur (Expeller Oil)	860	865	-5
	Hapur (Kacchi Ghani Oil)	900	905	-5
	Agra (Kacchi Ghani Oil)	800	875	-75
Refined Cottonseed Oil	Rajkot	810	810	Unch
	Hyderabad	800	790	10
	Mumbai	827	815	12
	New Delhi	790	780	10

Coconut Oil	Kangayan (Crude)	1540	1580	-40
	Cochin	1680	1690	-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	558	570	-12
	CNF India	580	583	-3
Indonesia CPO USD/MT	FOB	538	540	-2
	CNF India	565	573	-8
RBD Palm oil (Malaysia Origin USD/MT)	FOB	560	568	-8
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	558	565	-7
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1035	1005	30
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	483	490	-7
Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	Unq	-
Ukraine Origin CSFO USD/MT Kandla	CIF	765	775	-10
Rapeseed Oil Rotterdam Euro/MT	FOB	755	748	7
Argentina FOB (\$/MT)		16-Aug-18	9-Aug-18	Change
Crude Soybean Oil Ship		639	642	-3
Refined Soy Oil (Bulk) Ship		661	664	-3
Sunflower Oil Ship		713	713	Unch
Cottonseed Oil Ship		619	622	-3
Refined Linseed Oil (Bulk) Ship		Unq	Unq	-
* indicates including GST				

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