

Veg. Oil Weekly Research Report

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Executive Summary**Domestic Veg. Oil Market Summary**

Edible oil prices declined during this week in domestic market. CBOT soy oil and BMD palm oil also show down trend in this week. Weekly average prices of Soy oil, palm oil and groundnut oil, refined cottonseed oil traded like steady to downside while mustard oil, coconut oil and refined sunflower oil quoted mixed price trend in the current week.

On the currency front, Indian rupee is hovering near 70.68 against 71.84 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 appreciate and crude oil prices will fall 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 - : In NCDEX, market participants are advised to go short below 720 levels for a target of 708 and 700 with a stop loss at 740 on closing basis. We expect refined soy oil at Indore (without GST) to stay in the range of Rs. 710-750 per 10 Kg. in the near term.

In MCX, market participants are advised to go short in CPO below 505 for a target of 485 and 475 with a stop loss at 520 on closing basis. We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 430-540 per 10 Kg in the near term.

International Veg. Oil Market Summary

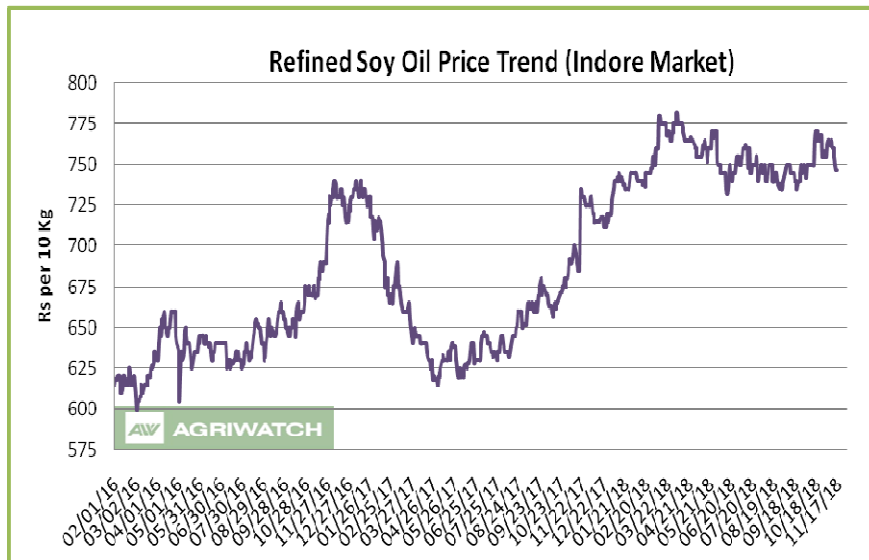
On the international front, trade dispute between US and China, near record soybean crop in US, faster planting progress in Brazil, lower soybean demand from China, high stocks of soybean in China, liquidation of soybean state reserve in China, firm dollar and fall in crude oil prices is expected to underpin soy oil prices in coming days.

Expected rise in palm oil end stocks in Malaysia and Indonesia, rise in production of palm oil in Malaysia and Indonesia, slow rise in exports of palm oil from Malaysia and Indonesia and fall in competitive oil is expected to underpin CPO prices in near term.

Soy oil Fundamental Analysis and Outlook:-

Domestic Front

- Soy oil continued on weak sentiments in domestic markets after low demand against higher supplies.
- Soy oil prices closed lower during the week in Indore weak demand. However, recent appreciation of Rupee may curb further price in expectation of fresh buying activities of oil importers.



Whereas, trade dispute between

US, China and 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.

Soy oil demand is moderate at CNF markets as prices are same at CNF and FOB markets compared to last week.

Weakness in soy oil prices at CBOT due to fall in soybean complex prices owing to steady harvest of soybean area in US Midwest of record soybean crop coupled with higher than expected pace of planting of soybean in Brazil and weak demand of soybean from China.

Basis rose due to fall in prices of soy oil at CBOT markets leading to higher FOB soy oil prices. Its premium over CBOT has increased and supported prices.

Imports of soy oil rose in Oct 2018 compared to Oct 2017 while it was lower than Sep 2018. Imports fell 77,000 tons in Oct compared to Sep 2018 while port stocks fell 15,000 tons indicating weak demand in Oct.

CDSO is trading at low premium over RBD palmolein at high seas at Rs 98 (Rs 80 last week) per 10 kg will decrease CDSO import demand.

Refined soy oil premium over RBD palmolein is unchanged at Rs 143 (Rs 125 last week) per 10 Kg, which is high and may cap soy oil prices in domestic markets. In USD terms, premium of CDSO CNF over CPO CNF was quoted at USD 228 (USD 204 last week) per ton for Dec delivery, which is high and decrease demand of CDSO at CNF markets compared to CPO CNF. Values in brackets are figures of last week.

- Soy oil import scenario – According to SEA, soy oil imports fell 1.68 percent y-o-y in September to 3.41 lakh tons from 3.57 lakh tons in September 2017. In the period (Nov 2017-Sep 2018), imports of soy oil were 27.83 lakh tons compared to 30.96 lakh tons in corresponding period last oil year, lower by 10.1 percent y-o-y.
- Imported crude soy oil CNF at West coast port is offered at USD 678 (USD 684) per ton for Nov delivery, Dec delivery is quoted at USD 678 (USD 684) per ton and Jan delivery is quoted at USD 689 per ton. Values in

brackets are figures of last week. Last month, CNF CDSO Oct average price was USD 706.48 (USD 687.87 per ton in Sep 2018) per ton.

International Front

Soy oil prices are expected to be underpinned by trade dispute between US and China, near record soybean crop in US, better than expected planting progress in Brazil, high stock of soybean in China, weak demand of soybean in China, liquidation of soybean state reserve by China, weak competitive oils and weak crude oil prices. However, current appreciation of Rupee against USD may limit soy oil prices falling trend.

Trade war between US and China has escalated with Trump Administration planning additional import duty on USD 270 billion goods.

With US midterm elections over, Republicans gained in Senate majority indicating continuation of aggressive trade policy by Trump administration.

US has asked China to reduce trade deficit with US, open Chinese markets for US companies, provide level playing field for American companies, reform various industries and end subsidies to various industries including technology companies.

USDA reduced 2018/19 China's soybean import estimate to 90 MMT from 90 MMT in an effort by Beijing to move away from US soybean imports. Further cut in imports by China is expected in coming months.

China reduced protein requirement of soy meal used for swine and poultry feed in an effort to cut use of soy meal in protein sources to diversify from soybean use. More measures are expected in future.

China is expected to open more trade sources like import of soy meal from India and China buying more palm oil.

China has allowed rapeseed meal imports from India to diversify its protein demand. Further, soymeal imports will also be allowed from India.

China has already opened imports of soybean and soy oil from Argentina after years of ban. It has also allowed other destinations in Africa.

China has removed export incentives for exports of soy meal from the country. Last year China exported more than 1 MMT of soy meal.

Further, Chinese are enquiring on import of cottonseed meal, sunflower meal, rapeseed meal from India, Ukraine and Canada respectively to tide over tight situation, which will arise in fourth quarter of 2018.

Trade dispute has led to lower sales of US soybean in MY 2018/19 leading to record soybean stocks in a year when US is expected to harvest record soybean.

However, soybean exports from US will remain weak due to lower buying by China.

China is aggressively buying soybean from Brazil as the country is reporting 70 percent of exports of soybean in MY 2017/18 going to China.

USDA reduced US soybean crop from record levels in its November supply and demand estimates due to lower yields of soybean.

Planting of soybean in Brazil has started at a rapid pace and weather is conducive for further planting to progress. Gains are in largest growing state of Mato Grosso. Brazil is expected to plant another near record soybean crop in 2018/19.

China reduced soybean imports in October, most of it from Brazil due to slow restocking of soybean in the country.

Crushers of soybean in China are struggling from weak demand due to 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 offset lower imports.

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

Competitive oils like BMD palm oil and DALIAN RBD palmolein is expected to trade weak due to strong supply concerns which will underpin soy oil prices.

Soy oil prices corrected more than 25 percent in last couple of months due to trade dispute between US and China and good soybean crop in US and Brazil coupled with weak Chinese demand, is expected to reignite demand and support prices.

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.

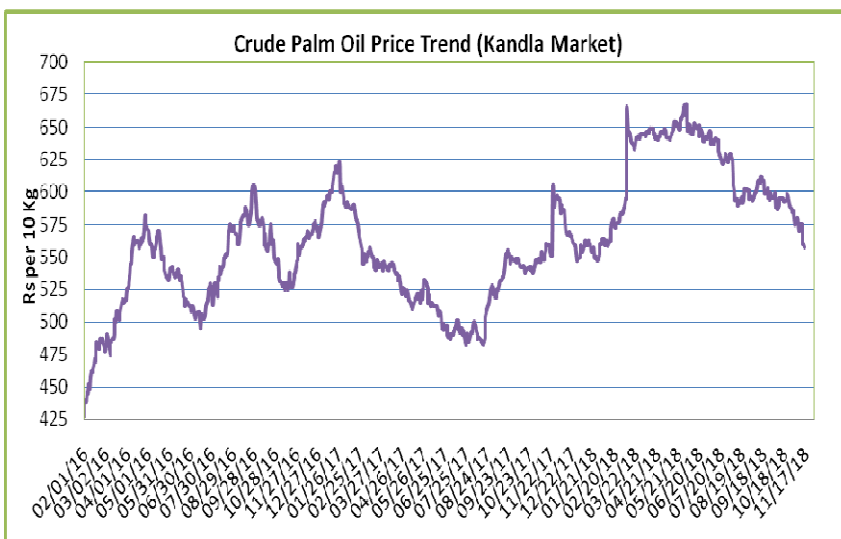
Global crude oil prices have cooled on expectation that US sanction on Iran will have limited effect in oil markets in 2018.

Price Outlook: We expect refined soy oil (without GST) at Indore to stay in the range of Rs 710-750 per 10 Kg in the near term.

Palm oil Fundamental Analysis and Outlook -:

Domestic Front

- Crude palm oil quoted remain weak trend at its benchmark market at Kandla on less demand. RBD palmolein also declined at its benchmark market of Kandla on poor demand.
- Prices of CPO closed lower at Kandla on weak demand
Prices of CPO fell more at high seas compared to CNF markets compared to last week indicating weak demand at high seas.



While, Rupee appreciation during

the week has led a little comfort zone in imports of CPO.

CPO import disparity decreased on fall in prices of CPO in international markets, which stands at Rs 1.0-1.5 per kg. Logal disparity will weaken import demand and will not let prices fall.

Any increase in disparity is likely to decrease imports of CPO.

Traders are expected to take advantage of fall in international prices of CPO by increasing buying at lower levels.

Appreciation of Rupee has decreased disparity and may increase imports. Higher Rupee decreases import prices of palm oil, which in turn decreases disparity if domestic prices do not fall, which in turn improves demand.

However, fall in international prices of CPO and reduction of export duty by Malaysia on exports of crude palm oil will increase imports by India.

Data from cargo surveyors show rise in imports of palm oil by India in November.

Imports of palm oil by India in Oct as reported by SEA showed 1.7 percent fall in imports compared to Oct 2017. CPO imports were elevated in Oct after strong Sep and Aug. Rise in CPO imports came on big base y-o-y. RBD palmolein imports fell 6.0 percent in Sep compared to Sep 2017.

In oil year 2017-18 (Nov 2017-Oct 2018) palm oil imports have fallen 6.0 percent on lower imports of RBD palmolein compared to corresponding period last oil year.

MPOB Malaysian palm oil Oct stocks rose less than expected on rise in production of palm oil and slow fall in exports of palm oil from Malaysia.

Imports of CPO rose in Oct due to low prices of CPO in international markets, higher premium of RBD palmolein over CPO at CNF markets, higher premium over soy oil over CPO at CNF markets, restocking before festive season demand, weak oilseed crop in India especially groundnut crop whose oil recovery is much higher. Import demand of CPO will decrease in October due to disparity in imports.

Higher imports of CPO led to higher stocks of CPO at ports in Oct.

Demand of CPO is firm at CNF markets as prices fell less at CNF compared to FOB markets compared to last week.

RBD palmolein show remain lower prices in its benchmark market on lackluster trading activities..

RBD palmolein prices fell more at high seas compared to CNF markets indicating weak demand at high seas.

Import demand of RBD palmolein fell in Oct due to import disparity; fall in price of RBD palmolein in international markets, higher discount of RBD palmolein over soy oil and sunflower oil.

Import demand of RBD palmolein is weak in oil year 2017-18 (Nov 2017-Oct 2018) due to hike in import duty on RBD palmolein, higher differential of RBD palmolein import duty over CPO, premium of RBD palmolein over CPO at CNF markets, lower margins in imports of ready to use palmolein compared to domestic refined CPO.

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

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

Margins are higher in importing CPO and selling refined oil in domestic markets, than selling ready to use RBD palmolein in domestic 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 regular at CNF markets as prices fell equally at CNF markets and FOB markets compared to last week.

Import of RBD palmolein in Oct was lower than Oct 2017 while it was lower compared to Sep 2018. Imports of RBD palmolein fell in October compared to September and port stocks rose indicating destocking of RBD palmolein in October.

CDSO CNF premium over CPO CNF is at USD 225 (USD 228 last week) per 10 kg which is slightly down and may increase marginal imports quantity of CPO. Premium of CDSO soy oil high seas over CPO high seas is at Rs. 190 (Rs 185 last week) per 10 Kg, will increase CPO demand at high seas. Premium of refined soy oil over RBD palmolein at Rs 132 (Rs 128 last week) per 10 kg. is high and will increase RBD palmolein demand. RBD palmolein discount over sunflower at CNF markets is at USD 197.5 (USD 167.5 last week) per ton. Increasing premium of refined sunflower oil over RBD palmolein due to hike in import duty on sun oil at Rs 198 (Rs 165) per 10 kg, will increase RBD palmolein imports. Values in brackets are figures of last week.

- Palm oil import scenario – According to Solvent Extractors Association (SEA), palm oil imports in Oct rose 1.07 percent y-o-y to 7.55 lakh tons from 7.47 lakh tons in Oct 2017. Imports in the oil year 2017-18 (November 2017-October 2018) are reported lower by 6.37 percent y-o-y at 87.01 lakh tons compared to 92.93 in last oil year.

Crude Palm oil import scenario- According to Solvent Extractors Association (SEA), CPO Imports rose 2.18 percent y-o-y in Oct to 6.10 lakh tons from 5.97 lakh tons in Oct 2017. Imports in oil year 2017-18 (November 2017-October 2018) are reported higher by 1.97 percent y-o-y at 64.60 lakh tons compared to 63.35 lakh tons in last oil year.

RBD palmolein import scenario- RBD palmolein imports fell y-o-y in Oct by 6.1 percent to 1.37 lakh tons from 1.47 lakh tons in Oct 2017. Imports in oil year 2017-18 (November 2017-October 2018) are reported lower by 25.64 percent y-o-y at 21.35 lakh tons compared to 28.71 lakh tons in last oil year.

- On the trade front, CNF CPO (Indonesian origin) at Indian port is quoted at USD 450 (USD 480) per ton for Nov delivery and Dec delivery is quoted at USD 452.5 (USD 480) per ton. Last month, CNF CPO Oct average price was at USD 529.12 per ton (USD 548.5 per ton in Sep 2018). Values in brackets are figures of last week.

Moreover,

RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 485 (USD 520) per ton for Nov delivery and Dec delivery is quoted at USD 48.5 (USD 520) per ton. Last month, CIF RBD palmolein Oct average price was USD 574.62 (USD 579.84 in Sep 2018) per ton. Values in bracket depict last month quotes.

Ready lift CPO duty paid prices quoted at Rs 515 (Rs 557) per 10 Kg and Nov delivery duty paid is offered at Rs 515 (Rs 557) per 10 kg. Ready lift RBD palmolein is quoted at Rs 602 (Rs 635) per 10 kg as on Nov 16, 2018. Values in brackets are figures of last week.

International Front

Palm oil prices are likely to go down followed by ample stocks of palm oil in Malaysia and Indonesia by December, expectation of higher production of palm oil in Malaysia and Indonesia and slow exports of palm oil from Malaysia and Indonesia in coming months.

Production of palm oil rose in Oct on seasonal uptrend of production. More rise in production is expected from Nov-Dec.

Production of palm oil is expected to rise more than demand in 2018 and growth will slow in 2019 on effect of El Nino.

India purchased less in October as it is adequately stocked and port stocks are higher. Further, India is buying more consignments from Indonesia as Malaysian palm oil is priced higher due to higher depreciation of Indonesia Rupiah which has made FOB prices difference between Malaysia and Indonesia at USD 35 per ton.

Palm oil end stocks is expected to rise in Malaysia and Indonesia until December due to surge in production of palm oil in both countries outpacing demand.

India is a price sensitive country, is buying as the prices have fallen below 2,000 ringgit per ton.

Demand from China is expected remain low due to higher supply of soy oil in China due to higher crush of soybean in the country due to liquidation of soybean state reserves.

Palm oil end stocks are expected to reach 3-3.3 MMT in Malaysia by December, which are record highs. Same is with Indonesia where stocks of palm oil are expected to go above 5 MMT by December.

Primary cause of rise in stocks of palm oil is higher production outpacing demand.

Production is expected to rise in both countries in fourth quarter on seasonal uptrend of production. Production of palm oil is expected to rise above 40 MMT in Indonesia in 2018/19 on higher produce from maturing plantations.

Production of palm oil will rise slower than expected in Malaysia due to weak plant profile, shortage of labor and lower fertilizer use and production will not cross 20 MMT in 2018.

RBD Palmolein Malaysia premium has increased over Indonesia CPO due to higher depreciation of Indonesia Rupiah compared to Ringgit with USD. Export demand will weaken due to high premium of Malaysian palmolein and buyers will shift to Indonesia.

Record stocks of soybean and soy meal in China and liquidation of state reserves of soybean may prompt lower imports of palm oil in coming months.

Competitive oils like RBD palmolein DALIAN and CBOT soy oil 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 and higher soybean output in US.

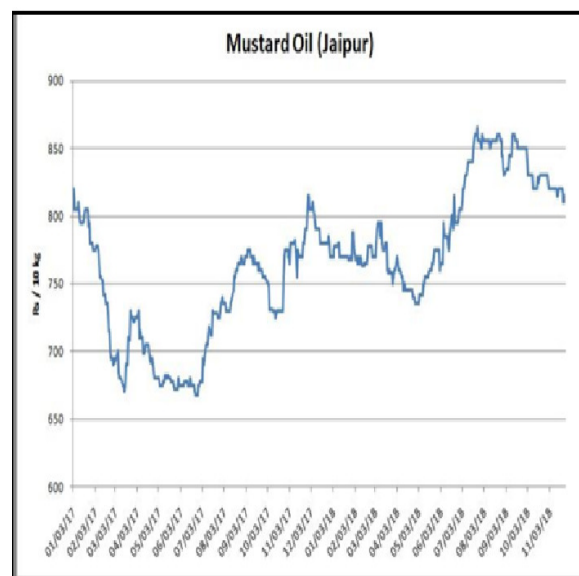
Global crude oil prices are expected to cool on expectation that US sanction on Iran will have limited effect in oil markets in 2018. However, its impact on oil markets is not known in 2019 as alignment of OPEC, EU and Russia coupled with US waivers expiry in March 2019 will have its impact in 2019.

Price Outlook: We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 420-520 per 10 Kg in the near term.

Rapeseed oil Fundamental Review and Analysis:-

Domestic Front

- Mustard oil prices show mixed trend in benchmark market ups and downs in demand and rise in prices of rapeseed. Arrivals of rapeseed rose last week.
- Agriwatch view: Prices of rapeseed oil expeller featured firm trend in its benchmark market on firm demand. Rise in rapeseed prices led to rise rapeseed oil prices. Rise in raw material prices led to higher product prices. Sale of rapeseed by NAFED have been stopped. NAFED is currently holding 6.0 lakh tons of rapeseed. Stock of rapeseed with NCDEX us 0.085 lakh tons. Stocks with trade are less.



Demand of rapeseed oil has firmed against weak stock position. Prices will support due to stocking of rapeseed oil before winters in East and North India.

Rapeseed end stocks in MY 2018-19 is expected to be much lower than expected on account of limited crop 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. There are limited supply of rapeseed which will limit fall rapeseed oil prices in coming months.

Rapeseed crop in 2018-19 is expected to be higher than last year. Area is expected to be higher.

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

Rising premium of Jaipur kacchi ghani rapeseed oil over refined soy oil in domestic market is at Rs 93 (Rs 75) per 10 Kg will cap rapeseed oil prices.

Jaipur kacchi ghani rapeseed oil premium over RBD palmolein is at Rs 236 (Rs 200) per 10 kg will cap gains in rapeseed oil prices.

Import of canola is weak in oil year 2017-18 (Nov-Oct) indicating weak demand of canola oil. Hike in import duty on canola oil slow import demand.

Kacchi Ghani and refined soy oil trading range is high, which will slow demand of rapeseed oil.

Premium of canola oil compared to CDSO has decreased to USD 36 (USD 47) per ton and will increase imports. Due to increase in prices of rapeseed oil, imports of canola oil are expected to rise in coming months.

Stocks of canola oil at ports have increased due to restocking at ports.

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 tons of rapeseed (Canola) oil in Oct 2018 v/s 0.37 lakh tons in Oct 2017. In the oil year 2017-18 (Nov 2017-Oct 2018) imports were 2.41 lakh tons compared to 2.93 lakh tons in last oil year, lower by 17.75 percent y-o-y.
- CNF canola oil premium over CDSO is USD 37 (USD 47 last week) per ton for ready delivery as on Nov 23, 2018.

- Currently, RM oil at Jaipur market, (expeller) is offered at Rs 835 (Rs 838) per 10 Kg, and at Kota market, it is offered at Rs 820 (Rs 825) per 10 kg as on Nov 23, 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 790-840 per 10 Kg.

Sunflower oil Fundamental Review and Analysis:-

Domestic Front

- Sunflower oil price traded weak during the week in Chennai on weak demand and fall in international prices of sunflower oil.
- Prices of sunflower oil traded weak in Chennai on weak demand

Sunflower oil prices fell more at high

seas compared to CNF markets indicating weak demand at high seas.

Prices of sunflower oil are expected to be supported by fall in sunflower oil premium over soy oil at CNF markets. Premium of sunflower oil over soy oil fell from above USD 100 per ton to current USD 7 per ton. Since both the import duty on soy oil is same, falling sunflower oil premium will increase import demand.

Fall in palm oil prices supported the fall.

Import demand of sunflower oil rose in October due to low sunflower oil premium over soy oil in Sep at CNF markets. Stocks of sunflower oil fell at ports in Oct compared to rise in imports in Sept indicating destocking at ports.

In domestic market, sunflower oil prices premium over soy oil is at Rs 50 (Rs 40 last week) per 10 kg, which indicates that chance of correction of sunflower oil prices as prices are converging at CNF markets..

Demand of sunflower oil is likely to capped due to high premium over RBD palmolein. However, rising discount over groundnut oil will support prices.

Sunflower oil premium over RBD palmolein at CNF India is at USD 135 (US 200 last week) which will decrease imports.

In domestic market refined sunflower oil (Chennai) premium over RBD palmolein (Chennai) is at Rs 150 (Rs 176 last week) per 10 kg which is high and cap gains in domestic market

In domestic market groundnut oil premium over sunflower oil at Chennai market is at Rs 180 (Rs 202 last week) per 10 kg will support sunflower oil prices.

There is parity in imports of sunflower oil, which will increase import demand.

Hike in import duty on sunflower oil has increased its premium over RBD palmolein in domestic markets.

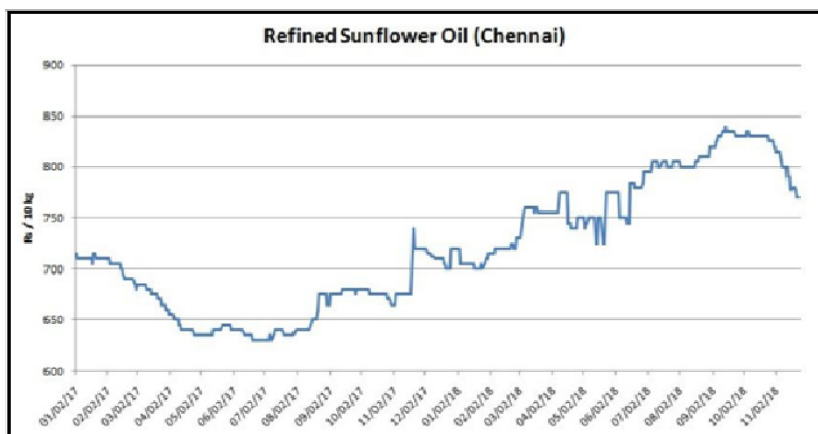
Prices of sunflower oil will be capped by higher supply due to higher imports of sunflower oil in oil year 2017-18 (Nov-Sep).

Imports of sunflower oil rose in oil year 2017-18 (Nov 2017-Oct 2018) by 16 percent compared to corresponding period in last oil after rise of 43 percent in 2016-17 oil year At present destocking is taking place at ports, due to higher sunflower port stocks.

Higher stocks of sunflower oil at ports and pipelines were 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 increased purchase of crude sunflower oil from international markets as CNF sunflower oil premium over CNF soybean oil has fallen.

Prices of sunflower oil are expected to be supported by weak demand and high premium over competing oils.

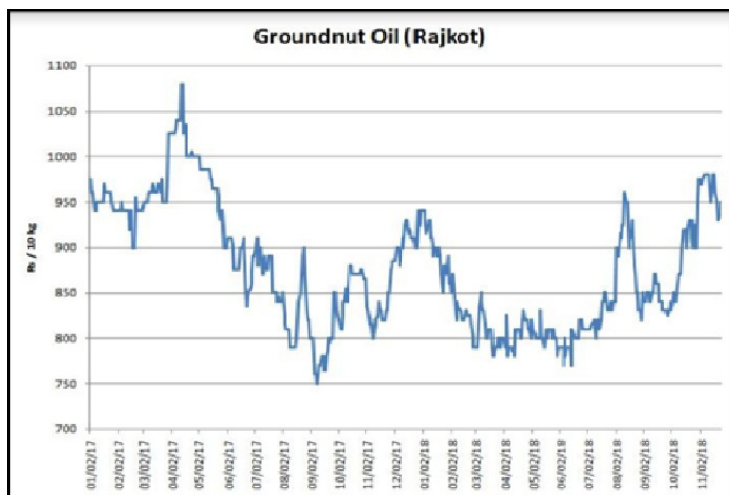


- Sunflower oil imports scenario- According to Solvent Extractors Association (SEA), Sunflower oil imports rose 21.7 percent y-o-y in Oct to 1.57 lakh tons from 1.29 lakh tons in Oct 2017. Imports in oil year 2017-18 (November 2017-October 2018) are reported higher by 16.4 percent y-o-y at 25.25 lakh tons compared to 21.69 lakh tons in last oil year.
- On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 685 (USD 687.5) per ton for Dec delivery and JFM delivery is quoted at USD 685 (USD 687.5) per ton. CNF sun oil (Ukraine origin) Oct monthly average was at USD 714.36 per ton compared to USD 741.37 per ton in Sep. Values in brackets are figures of last week.
- Prices are likely to stay in the range of USD 660-720 per ton in the near term. CNF Sunflower oil premium over CDSO is hovering at USD 7.0 (USD 3.5 last week) per ton for Nov delivery. CNF sunflower oil premium over RBD palmolein is hovering around USD 200 (USD 167.5) per ton.
- Currently, refined sunflower oil at Chennai market is offered at Rs 770 (Rs 780) per 10 Kg, and at Kandla/Mudra market, it is offered at Rs 780 (Rs 775) per 10 kg as on Nov 23, 2018. Values in brackets are figures of last week.
- We expect sunflower oil prices to trade sideways to weak tone in the coming days.

Price Outlook: Sunflower oil (without GST) prices in Chennai may stay in the range of Rs 740 to 790 per 10 Kg.

Groundnut oil Fundamental Review and Analysis:- Domestic Front

- Groundnut oil prices featured lower trend in Rajkot on account of week demand. Groundnut oil prices declined after lower prices as prevailed in overall oil complex due to poor demand. However, demand may weaken at higher prices. Groundnut prices have declined amid less global demand and further weak sentiments for all edible oil.



In the previous week, Groundnut prices have driven higher due to announcement of NAFED to start buying of groundnut from Nov 15. This has led to bullish sentiment in groundnut prices. Gujarat government will procure at Rs 1001 per 20 kg this year.

Total carry out stocks of groundnut in India is 4.6 lakh tons.

Stocks with farmers and private traders are about 1 lakh tons while NAFED has 3.6 lakh tons of groundnut stock.

Parity in crush of groundnut on higher prices of groundnut oil will support groundnut demand.

Retail demand is also weak during this week. High volatility in groundnut oil prices leads to postponement of demand. However, demand arose due to lower volatility in prices.

Demand of groundnut oil will weaken at around Rs 980-1000 per 10 kg levels.

Demand will moderate in November before picking up in demand season of December.

Harvest of export quality groundnut has started. Peak harvest will reach by Nov 15. In the South India (Rayalseema) groundnut crop is less severe deficit of rains.

Crushers have less stocks of groundnut and are dependent on ready markets. Groundnut oil and groundnut trade has improved. However, the groundnuts arriving in mandis are consumed in ready markets.

There is limited stock of groundnut with farmers across India, which may support prices.

Lower crop of groundnut will lead to higher product prices in the long run.

- On the price front, currently the groundnut oil prices in Rajkot is quoted at Rs 9,500 (9800), per quintal and it was quoted at Rs 9,800 (Rs 9,800) per quintal in Chennai market on Nov 23, 2018. Values in brackets are figures of last week.
- Groundnut oil prices are likely to trade sideways to downside in the coming days.

Price Outlook:

Groundnut oil (without GST) in Rajkot market is likely to trade in the price band of Rs 900-1100 per 10 Kg.

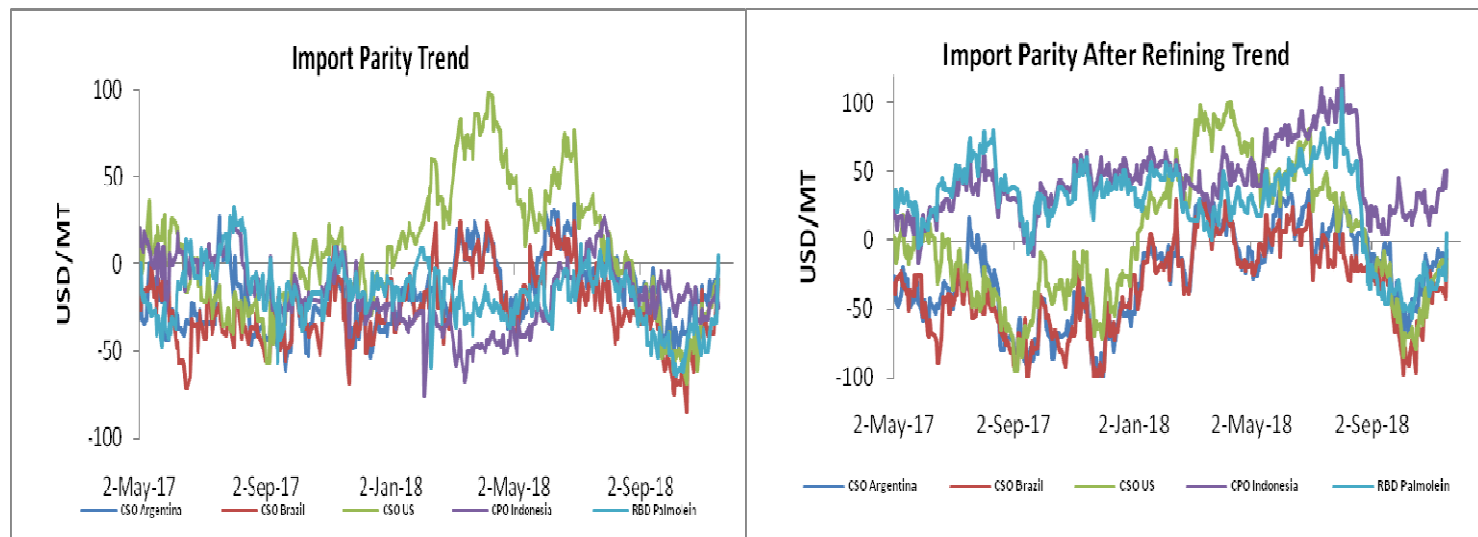
Coconut Oil Fundamental Review and Analysis:-
Domestic Front

- Higher prices trend was seen in its benchmark market of Kangayam on improved demand.
- Overall Coconut oil prices show mixed trend during the week on ups and downs in demand.
Coconut oil prices fell last week on weak demand as festive season is over market and markets are well stocked against weak demand.
Prices fell on fall in prices of copra. Lower raw material prices led to lower product prices,
There is no fresh trigger of demand in near trend.
Coconut oil prices fell on fall in palm oil prices.
Also, winter is expected to arrive in North India which may weaken demand.
Retail demand has weakened due to regular fall in prices of coconut oil which has led to postponement of demand in anticipation of better prices.
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 are dependent on ready market as they are not confident about prices.
Production will increase 10-15% in 2018-19 from initial estimate of 15-20% gain, on account of production loss due to floods in Kerala. Yield will remain higher in Tamil Nadu, Karnataka and Andhra Pradesh compared to last three years.
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.
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.
Price momentum of prices is biased towards downside.
Coconut oil prices are expected to fall on higher coconut oil production, weak demand, 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 15,700 per quintal.

Price Outlook: Coconut oil (without GST) prices in Erode may stay in the range of Rs 1100-1500 per 10 Kg.

Import Parity Trend

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

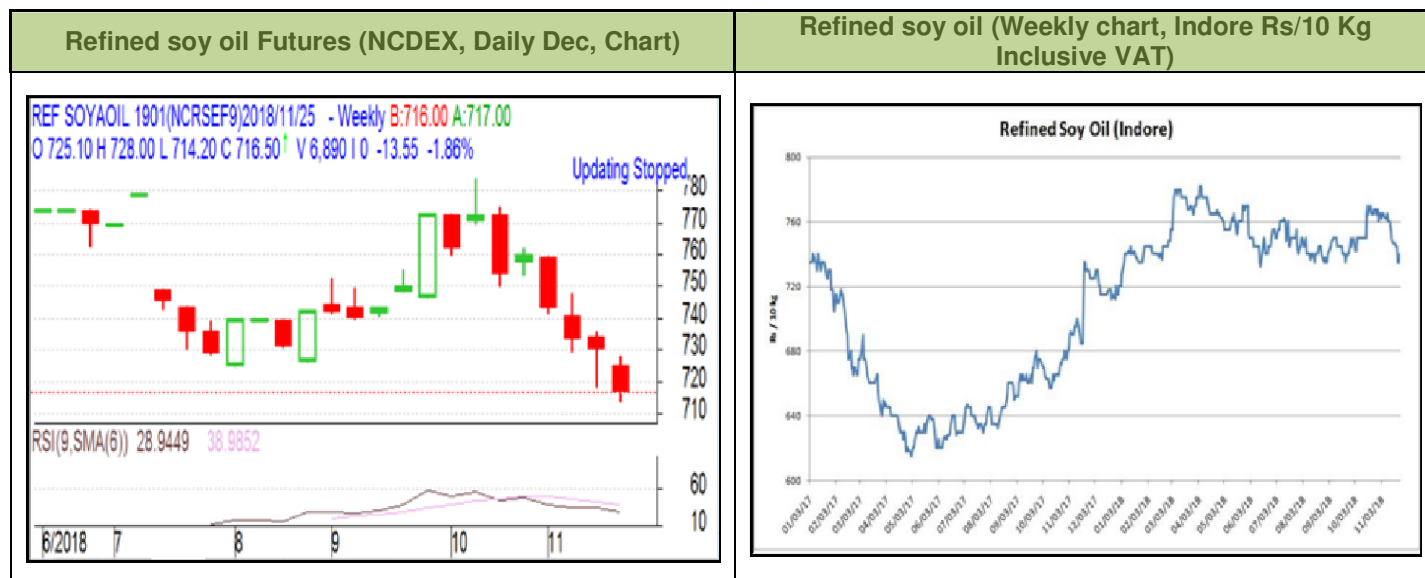


	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
Sep, 2018	-20.38	-37.51	-28.41	18.53	-33.82
Oct, 2018	-42.70	-69.39	-60.07	20.03	-37.78

Outlook:-

Import parity for crude soy oil from Argentina is in disparity due to depreciation of Rupee. We expect CDSO import parity to remain in disparity 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 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 715 in weekly might take the prices below 710 levels.
- Expected price band for next week is 700-747 level in near to medium term. RSI and MACD is suggesting downtrend in the market.

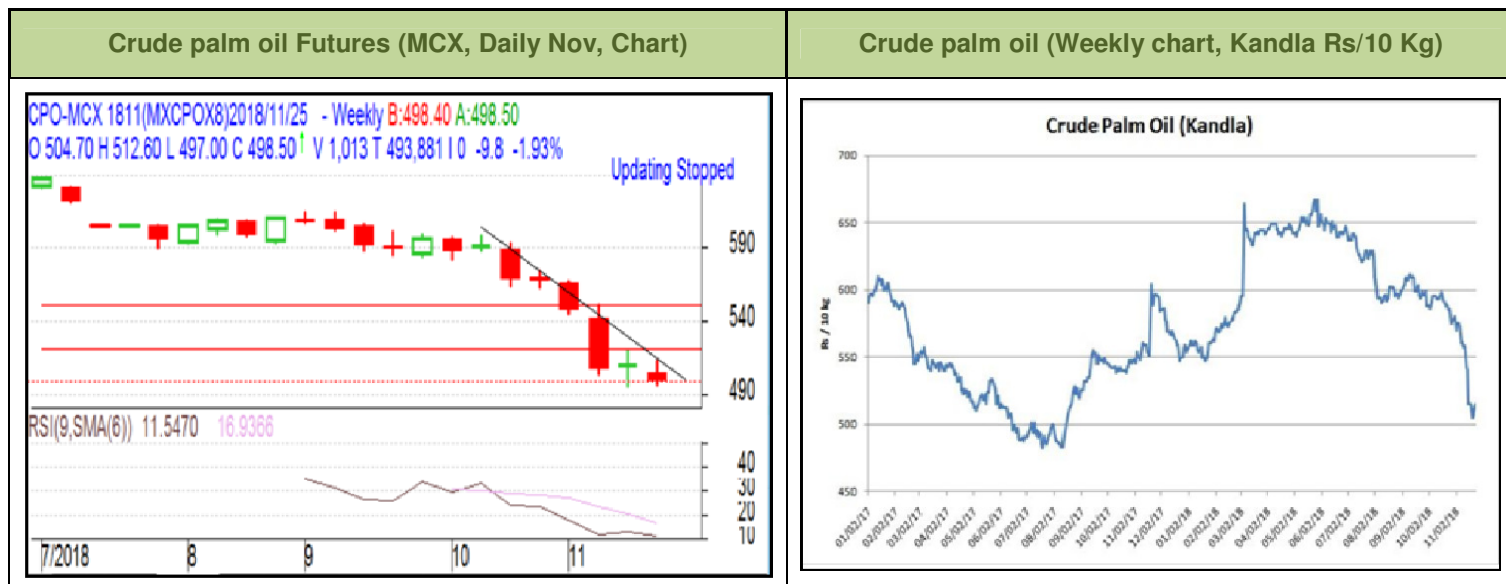
Strategy: Market participants are advised to go short below 716 levels for a target of 710 and 700 with a stop loss at 740 on closing basis.

RSO NCDEX (Dec)

Support and Resistance				
S2	S1	PCP	R1	R2
690	700	716.5	740	750

Spot Market outlook: Refined soy oil Indore (without GST) is likely to stay in the range of Rs 710-750 per 10 Kg.

Technical Analysis (Crude Palm oil)



Outlook - Prices show downtrend in prices during the week. We expect that CPO Nov 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 498 in weekly chart may bring the prices to 485 levels.
- Expected price band for next week is 470-520 level. RSI and MACD are suggesting downtrend in prices in the coming week.

Strategy: Market participants are advised to go short in CPO below 498 for a target of 485 and 475 with a stop loss at 520 on closing basis.

CPO MCX (Nov)

Support and Resistance				
S2	S1	PCP	R1	R2
465	475	498	510	520

Spot Market outlook: Crude palm oil (without GST) is likely to stay in the range of Rs 430-540 per 10 Kg.

Veg. Oil Prices at Key Spot Markets
Edible Oil Prices at Key Market:

Commodity	Centre	Prices(Per 10 Kg)		Change
		23-Nov-18	16-Nov-18	
Refined Soybean Oil	Indore	735	747	-12
	Indore (Soy Solvent Crude)	690	715	-25
	Mumbai	740	740	Unch
	Mumbai (Soy Degum)	712	715	-3
	Kandla/Mundra	730	737	-7
	Kandla/Mundra (Soy Degum)	703	705	-2
	Kolkata	740	740	Unch
	Delhi	780	780	Unch
	Nagpur	739	755	-16
	Rajkot	730	730	Unch
	Kota	735	745	-10
	Hyderabad	760	760	Unch
	Akola	740	758	-18
	Amrawati	740	757	-17
	Bundi	745	755	-10
	Jalna	733	763	-30
	Alwar	Unq	Unq	-
	Solapur	724	749	-25
	Dhule	734	760	-26
Palm Oil *	Kandla (Crude Palm Oil)	538	541	-3
	Kandla (RBD Palm oil)	583	604	-21
	Kandla RBD Pamolein	630	646	-16
	Kakinada (Crude Palm Oil)	536	562	-26
	Kakinada RBD Pamolein	643	656	-14
	Haldia Pamolein	641	667	-26
	Chennai RBD Pamolein	656	667	-11
	Chennai RBD Pamolein (Vitamin A&D Fortified)	726	740	-15
	KPT (krishna patnam) Pamolein	637	651	-14
	Mumbai RBD Pamolein	646	667	-21
	Mangalore RBD Pamolein	656	662	-5
	Tuticorin (RBD Palmolein)	651	669	-18
	Delhi	670	675	-5
	Rajkot	628	641	-13

	Hyderabad	610	670	-60
	PFAD (Kandla)	326	341	-16
	Refined Palm Stearin (Kandla)	441	452	-11
	Superolien (Kandla)	672	693	-21
	Superolien (Mumbai)	726	740	-15
* Inclusive of GST				
Refined Sunflower Oil	Chennai	770	778	-8
	Mumbai	820	820	Unch
	Mumbai (Expeller Oil)	715	720	-5
	Kandla	780	775	5
	Kandla/Mundra (Crude)	Unq	Unq	-
	Hyderabad (Ref)	783	780	3
	Latur (Expeller Oil)	770	770	Unch
	Chellakere (Expeller Oil)	760	770	-10
	Erode (Expeller Oil)	810	825	-15
Groundnut Oil	Rajkot	950	980	-30
	Chennai	980	980	Unch
	Delhi	960	960	Unch
	Hyderabad *	1000	1000	Unch
	Mumbai	985	1005	-20
	Gondal	950	960	-10
	Jamnagar	950	965	-15
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	810	820	-10
	Jaipur (Kacchi Ghani Oil)	835	839	-4
	Kota (Expeller Oil)	800	805	-5
	Kota (Kacchi Ghani Oil)	820	825	-5
	Neewai (Kacchi Ghani Oil)	805	810	-5
	Neewai (Expeller Oil)	820	825	-5
	Bharatpur (Kacchi Ghani Oil)	840	840	Unch
	Alwar (Kacchi Ghani Oil)	Unq	Unq	-
	Alwar (Expeller Oil)	Unq	Unq	-
	Sri-Ganga Nagar (Exp Oil)	815	815	Unch
	Sri-Ganga Nagar (Kacchi Ghani Oil)	825	830	-5
	Mumbai (Expeller Oil)	810	820	-10
	Kolkata (Expeller Oil)	970	960	10
	New Delhi (Expeller Oil)	870	840	30
	Hapur (Expeller Oil)	895	885	10
	Hapur (Kacchi Ghani Oil)	935	925	10
	Agra (Kacchi Ghani Oil)	845	845	Unch

Refined Cottonseed Oil	Rajkot	710	720	-10
	Hyderabad	710	730	-20
	Mumbai	720	738	-18
	New Delhi	685	705	-20
Coconut Oil	Kangayan (Crude)	1400	1250	150
	Cochin	1570	1580	-10
	Trissur	Unq	Unq	-
Sesame Oil	New Delhi	1900	1900	Unch
	Mumbai	Unq	Unq	-
Kardi	Mumbai	840	840	Unch
Rice Bran Oil (40%)	New Delhi	635	725	-90
Rice Bran Oil (4%)	Punjab	660	660	Unch
Rice Bran Oil (4%)	Uttar Pradesh	Unq	Unq	-
Malaysia Palmolein USD/MT	FOB	485	478	7
	CNF India	505	500	5
Indonesia CPO USD/MT	FOB	450	433	17
	CNF India	470	463	7
RBD Palm oil (Malaysia Origin USD/MT)	FOB	480	473	7
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	445	443	2
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	820	745	75
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	333	350	-17
Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	680	-
Ukraine Origin CSFO USD/MT Kandla	CIF	690	685	5
Rapeseed Oil Rotterdam Euro/MT	FOB	745	763	-18
Argentina FOB (\$/MT)		22-Nov-18	15-Nov-18	Change
Crude Soybean Oil Ship		634	634	Unch
Refined Soy Oil (Bulk) Ship		656	656	Unch
Sunflower Oil Ship		645	655	-10
Cottonseed Oil Ship		614	614	Unch
Refined Linseed Oil (Bulk) Ship		Unq	Unq	-
* indicates including GST				

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