

Veg. Oil Weekly Research Report

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Executive Summary

Domestic Veg. Oil Market Summary

Edible oil prices featured weak trend during this week in domestic market. CBOT soy oil and BMD palm oil rose during the week. Palm oil, rapeseed oil and groundnut oil prices fell while soy oil and sunflower oil closed sideways. Coconut oil prices closed in green.

On the currency front, Indian rupee is hovering near 70.36 against 70.68 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 firm. Higher stocks at ports and pipeline may underpin prices in near term.

Outlook:

Weekly Call - : In NCDEX, market participants are advised to go long above 725 levels for a target of 740 and 745 with a stop loss at 715 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 long in CPO above 485 for a target of 500 and 505 with a stop loss at 475 on closing basis. We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 460-530 per 10 Kg in the near term.

International Veg. Oil Market Summary

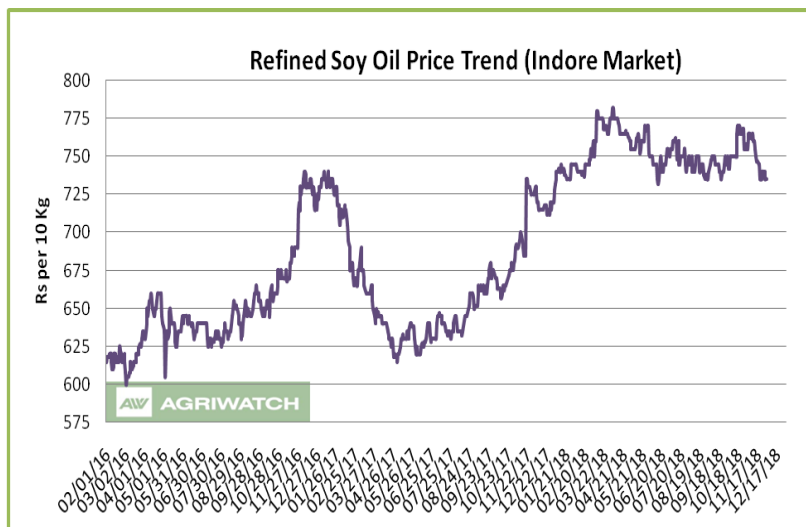
On the international front, near record soybean crop in US, better than expected soybean crop condition in Brazil, lower soybean demand from China, high stocks of soybean in China, liquidation of soybean state reserve in China, firm dollar and fall in crude oil prices is expected to underpin soy oil 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 on weak demand. However, recent appreciation of Rupee may curb further price in expectation of fresh buying activities of oil importers. Whereas, trade settlement between US, China will support international soybean complex situation amid 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. However prices trend is still bearish for prices.



Presently parity at ports is at 0.0-0.5 per kg. Prices are less likely to fall due to parity in imports.

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

Soy oil demand is firm at CNF markets as prices fell less at CNF compared to FOB markets compared to last week.

Weakness in soy oil prices at CBOT due to record soybean crop in Brazil and near record crop area in US and weak demand of soybean from China will pressurize soy oil prices in domestic market.

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 112 (Rs 98 last week) per 10 kg will decrease CDSO import demand.

Refined soy oil premium over RBD palmolein is unchanged at Rs 155 (Rs 143 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 217 (USD 228 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 682 (USD 678) per ton for Dec delivery, Jan delivery is quoted at USD 680 (USD 689) per ton and Feb delivery is quoted at USD 683 per ton. Values in

brackets are figures of last week. Last month, CNF CDSO Nov average price was USD 685.12 (USD 706.48 per ton in Oct 2018) per ton.

- On the parity front, margins returned to parity during the week on fall in prices of soy oil in international markets, and we expect margins to remain in disparity in coming days. Currently refiners fetch USD 0-5/ton v/s loss of USD 10-15/ton (last month) margin in processing the imported Soybean Oil (Argentina Origin).

International Front

Soy oil prices are expected to be supported by temporary settlement if by trade dispute between US and China and rise in crude oil prices

However, 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 temporary been settled with Trump-Xi meeting at G-20 where temporary solution of trade dispute was chalked out. US administration will not put any additional duty on Chinese goods for next 90 days and same will be adhered by China. China has agreed to most of US demands of access to US goods in China, opening of Chinese economy to US companies, bringing down tariff barriers for US goods, resume US agricultural goods including soybean and crude oil imports along with many other products.

This has given support to soybean complex prices as this will again open soybean imports to China but details are still awaited and market do not expect any immediate change in China's stand on US agricultural 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 harvested near 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.

Soybean crop in Brazil is in good condition and weather is conducive for improvement of yields. Gains are in largest growing state of Mato Grosso. Brazil is expected to harvest another 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.

Crush margins of soybean has turned negative in China as 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 fall on realignment of US FED towards future rise in interest rates in 2018-19 will support on soy oil prices in near term.

Global crude oil prices have is expected to rise due to Saudi-Russia plan to cut crude oil production and expected meeting of OPEC on Dec 6 in Vienna. US sanction on Iran had no effect in oil markets in 2018 as all major producers of crude oil including Saudi Arabia ramping up production.

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 featured weak trend at its benchmark market at Kandla on weak demand. RBD palmolein also declined at its benchmark market of Kandla on weak 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.

Rupee appreciation during the week has lead to rise in imports of CPO.

CPO import disparity decreased on fall in prices of CPO in international markets, which stands at Rs 1.5-2.0 per kg. Lower disparity in imports will increase import demand and will let prices fall.

Any decrease in disparity is likely to increase 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.

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

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.

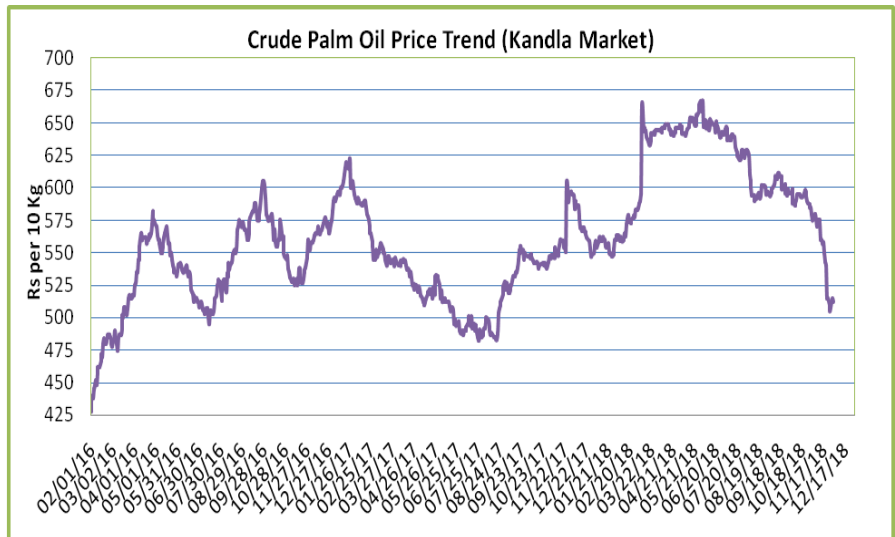
MPOB Malaysian palm oil Oct stocks rose less than expected on rise in production of palm oil and slow fall in exports of palm oil from Malaysia.

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.

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

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

Demand of RBD palmolein was weak compared to CPO at high seas as premium RBD palmolein over CPO was at Rs 80 (Rs 87) 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.

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 markets compared to 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 217 (USD 225 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. 192 (Rs 190 last week) per 10 Kg, will increase CPO demand at high seas. Premium of refined soy oil over RBD palmolein at Rs 155 (Rs 132 last week) per 10 kg. is high and will increase RBD palmolein demand. RBD palmolein discount over sunflower at CNF markets is at USD 180 (USD 197.5 last week) per ton. Increasing premium of refined sunflower oil over RBD palmolein due to hike in import duty on sun oil at Rs 190 (Rs 198) 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 465 (USD 452.5) per ton for Dec delivery and Jan delivery is quoted at USD 465 per ton. Last month, CNF CPO Nov average price was at USD 474.84 per ton (USD 529.12 per ton in Oct 2018). Values in brackets are figures of last week.

Moreover,

RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 505 (USD 505) per ton for Dec delivery and Jan delivery is quoted at USD 505 per ton. Last month, CIF RBD palmolein Nov average price was USD 512.12 (USD 574.62 in Oct 2018) per ton. Values in bracket depict last month quotes.

Ready lift CPO duty paid prices quoted at Rs 500 (Rs 515) per 10 Kg and Dec delivery duty paid is offered at Rs 500 (Rs 515) per 10 kg. Ready lift RBD palmolein is quoted at Rs 580 (Rs 602) per 10 kg as on Nov 30, 2018. Values in brackets are figures of last week.

- On the parity front, margins decreased during this week due to fall in prices of palm products in Indian markets. Currently refiners fetch USD 30-35/ton v/s gain of USD 35-40-25/ton (last month) margin in processing the imported CPO and imports of ready to use palmolein lose USD 15-20/ton v/s loss of USD 15-20/ton (last month) parity.

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 supported by rise in soybean complex prices due to US and China trade settlement amid higher soybean output in US and Brazil.

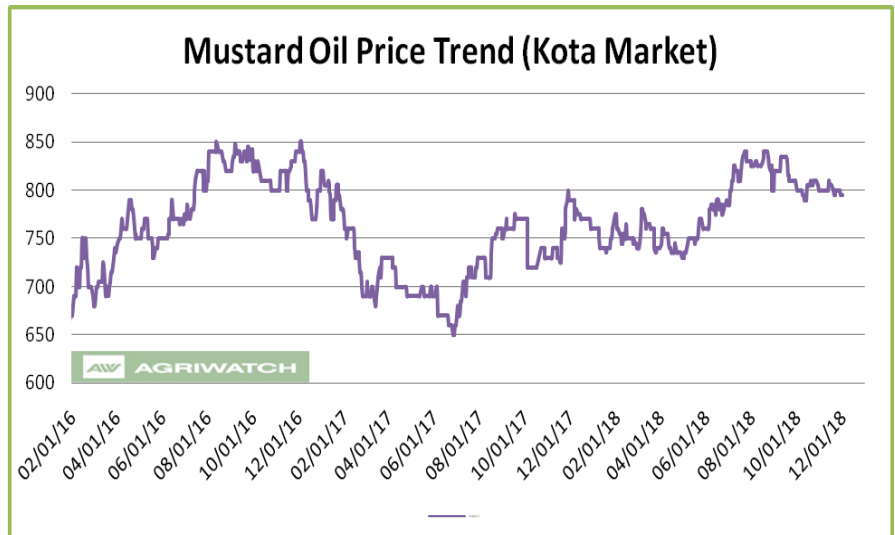
Global crude oil prices are expected to rise on expected cut on crude oil production by OPEC and Russia will support palm oil prices.

Price Outlook: We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 460-530 per 10 Kg in the near term.

Rapeseed oil Fundamental Review and Analysis:-

Domestic Front

- Mustard oil prices show weak trend in benchmark market weak demand and fall in prices of rapeseed. Arrivals of rapeseed fell last week.
- Agriwatch view: Prices of rapeseed oil expeller featured weak trend in its benchmark market on weak demand. Fall in rapeseed prices led to rise rapeseed oil prices. Fall in raw material prices led to lower product prices.



Fall in soy oil and palm oil prices supported the rise. Collapse in palm oil prices in last two months has led to fall in rapeseed oil prices as they are competitive oils.

Sale of rapeseed by NAFED in Rajasthan have been stopped. NAFED is currently holding 6.0 lakh tons of rapeseed.

Stock of rapeseed with NCDEX is 0.057 lakh tons. Stocks with trade are less.

Demand of rapeseed oil has weakened against good stock position. Prices will be supported 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 is 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 to 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 250 (Rs 236) per 10 kg will underpin 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 slows 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 53 (USD 36) per ton and will decrease imports. Due to fall in prices of rapeseed oil, imports of canola oil are expected to fall in coming months. Stocks of canola oil at ports have decreased due to destocking at ports.

Markets are expected to trade sideways to weak tone in coming days on weak demand and fall 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 53 (USD 36 last week) per ton for ready delivery as on Nov 30, 2018.
- Currently, RM oil at Jaipur market, (expeller) is offered at Rs 810 (Rs 810) per 10 Kg, and at Kota market, it is offered at Rs 795 (Rs 800) per 10 kg as on Nov 30, 2018. Values in brackets are figures of last week.
- We expect RM seed oil prices to trade sideways to weak tone in the coming days.

Price Outlook: Rapeseed oil (without GST) prices in Kota may stay in the range of Rs 760-840 per 10 Kg.

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

- Sunflower oil price traded weak during the week in Chennai on weak demand.

- 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 3 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 35 (Rs 35 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 165 (US 180 last week) which will decrease imports.

In domestic market refined sunflower oil (Chennai) premium over RBD palmolein (Chennai) is at Rs 165 (Rs 150 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 160 (Rs 180 last week) per 10 kg will support sunflower oil prices.

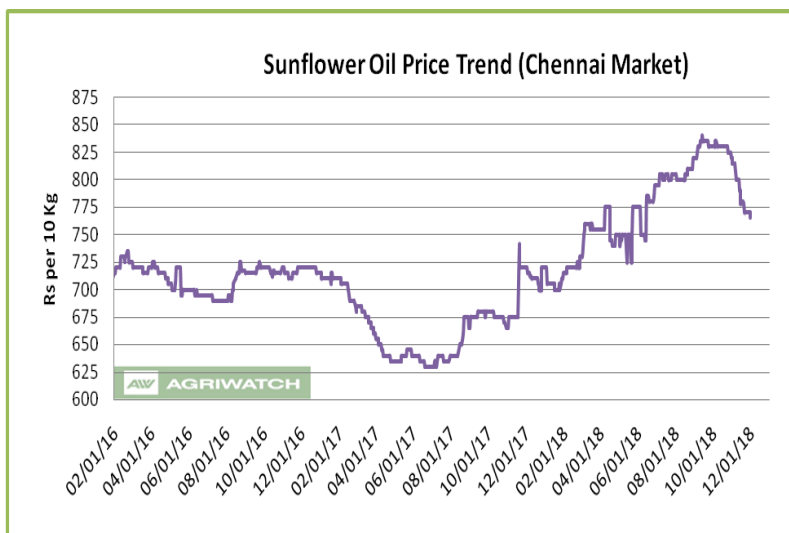
There is parity in imports of sunflower oil, which will increase import demand.

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 underpinned 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 685) per ton for Dec delivery and JFM delivery is quoted at USD 680 (USD 685) per ton. CNF sun oil (Ukraine origin) Nov monthly average was at USD 688.76 per ton compared to USD 714.36 per ton in Oct. 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 3.0 (USD 7 last week) per ton for Nov delivery. CNF sunflower oil premium over RBD palmolein is hovering around USD 165 (USD 180) 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 780) per 10 kg as on Nov 30, 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 weak demand.
- Groundnut oil prices declined after lower prices as prevailed in overall oil complex due to poor demand.

Groundnut prices have declined amid less global demand and further weak sentiments for all edible oil especially palm oil.

In the previous week, groundnut prices have driven higher due to procurement by NAFED. This has led to bullish sentiment in groundnut prices.

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 will rise due to lower volatility in prices.

There is demand at lower levels.

Demand of groundnut oil will rise at around Rs 900-920 per 10 kg levels.

Demand will firm in December due to peak demand season in December.

Harvest of export quality groundnut is progressing at full swing. Peak harvest is over. In the South India (Rayalseema) groundnut crop is less due to severe deficit of rains.

Crushers have higher stocks of groundnut but are not confident of prices and are dependent on ready markets. Groundnut oil and groundnut trade has weakened.

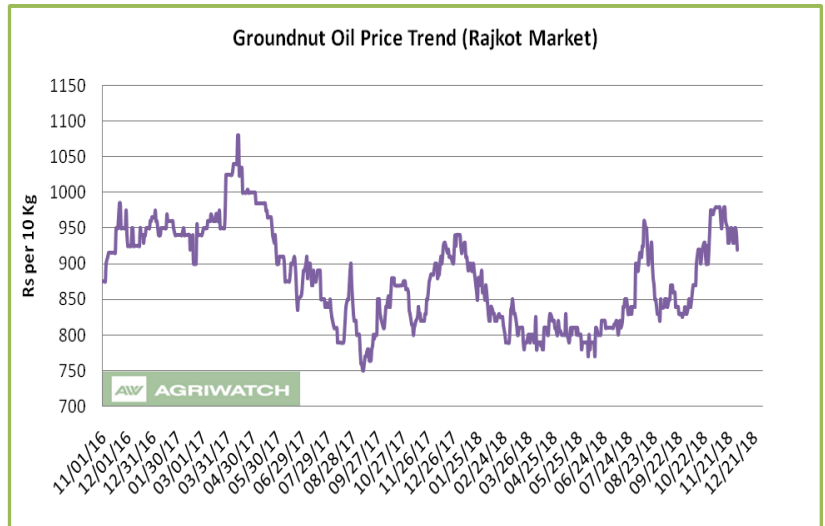
Large amount of groundnuts are arriving in mandis which has adversely affected prices.

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.

Groundnut oil prices are expected to rise on firm demand, rise in groundnut prices and seasonal uptrend of prices.

- On the price front, currently the groundnut oil prices in Rajkot is quoted at Rs 9,200 (9,500), per quintal and it was quoted at Rs 9,200 (Rs 9,800) per quintal in Chennai market on Nov 30, 2018. Values in brackets are figures of last week.
- Groundnut oil prices are likely to trade sideways to downside in the coming days.

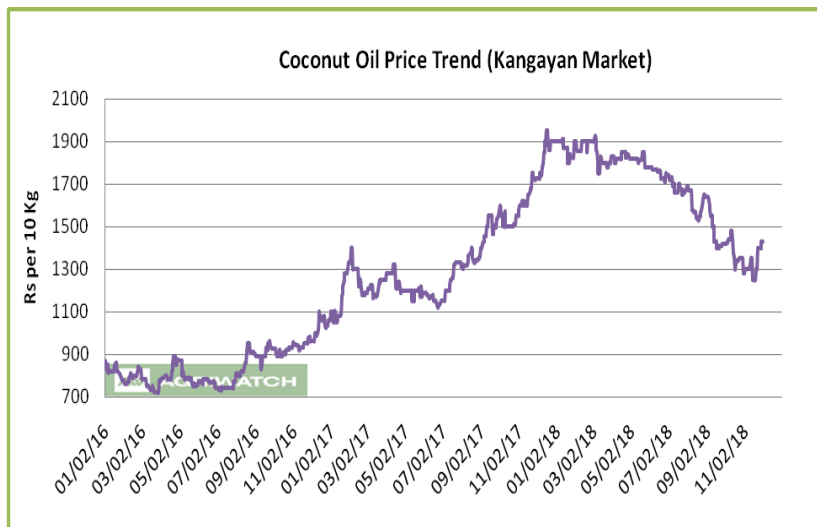


Price Outlook:

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 firm trend during the week on firm demand. Coconut oil prices rose last week on firm against weak stocks position. Prices rose on rise in prices of copra. Higher raw material prices led to higher product prices, There is no fresh trigger of demand in near trend.



Winter in North India, which may weaken demand.

Retail demand has firmed due to stability in prices of coconut oil which has led to improvement.

Stockists and retailers are stocking in anticipation of firm demand.

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

Traders and upcountry buyers are stocking as they are 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.

Coconut oil prices are expected to rise on firm demand, rise in copra prices and seasonal uptrend of prices.

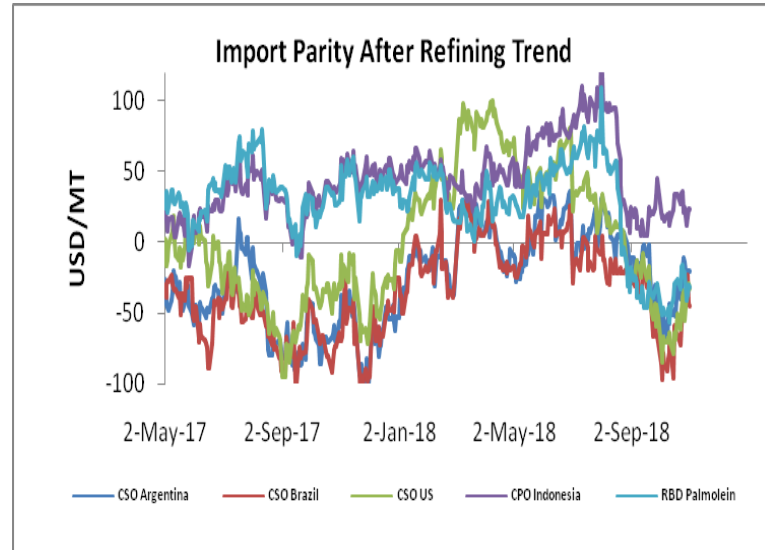
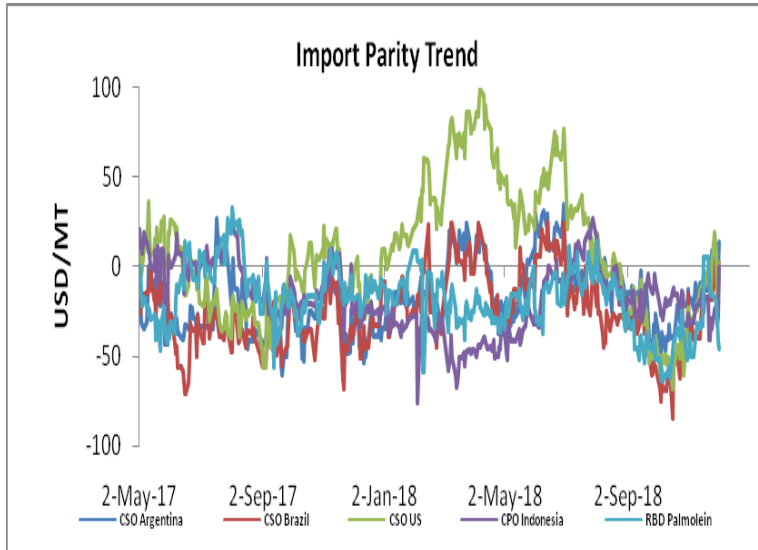
Coconut oil prices are expected to be weak in days ahead.

- On the price front, currently the coconut oil prices in Kochi is hovering near Rs 15,400 (15,700) per quintal, and was quoting Rs 14,300 (Rs 14,000) per quintal in Erode market on Nov 30, 2018.

Price Outlook: Coconut oil (without GST) prices in Erode may stay in the range of Rs 1200-1500 per 10 Kg.

Import Parity Trend

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

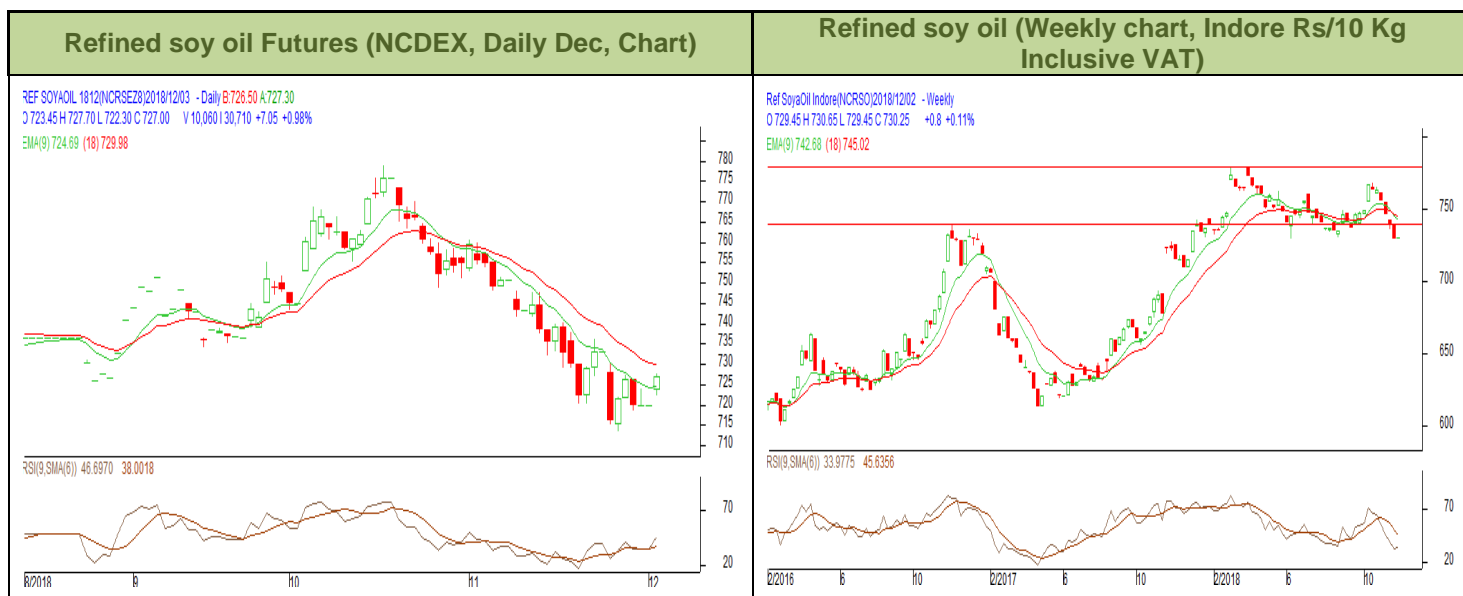


	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
Oct, 2018	-42.70	-69.39	-60.07	20.03	-37.78
Nov, 2018	-11.43	-27.88	-17.98	36.31	-16.08

Outlook:-

Import parity for crude soy oil from Argentina have returned to parity due to appreciation of Rupee. We expect CDSO import parity to remain in parity in medium term. Parity on import of CPO from Indonesia is higher than import of RBD palmolein from Malaysia.

Technical Analysis (Refined soy oil)



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

- Weekly chart of refined soy oil at NCDEX depicts uptrend during the week in review. We expect prices to trade sideways to firm tone in the near term.
- Any close above 730 in weekly might take the prices below 740 levels.
- Expected price band for next week is 700-750 level in near to medium term. RSI and MACD is suggesting uptrend in the market.

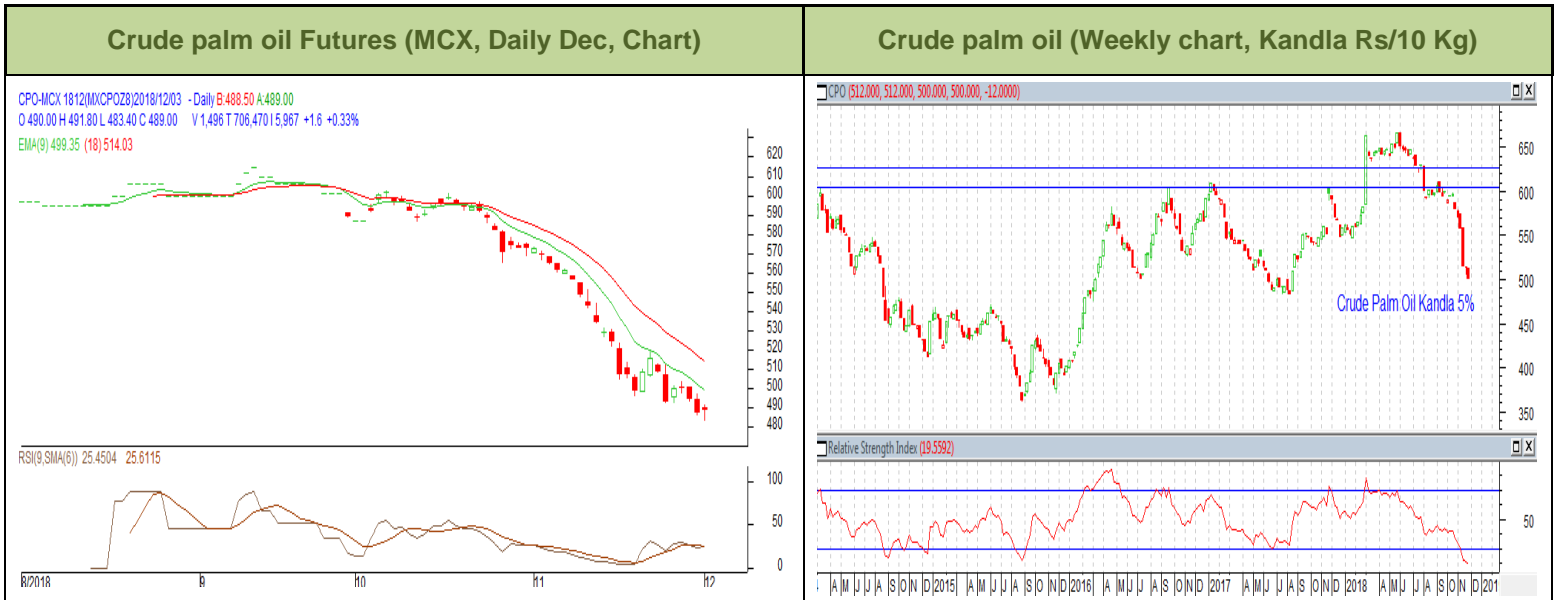
Strategy: Market participants are advised to go long above 725 levels for a target of 740 and 745 with a stop loss at 715 on closing basis.

RSO NCDEX (Dec)

Support and Resistance				
S2	S1	PCP	R1	R2
690	700	728.7	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 Dec contract may trade sideways to firm note.

- Candlestick in weekly chart of crude palm oil at MCX depicts uptrend in the prices. We expect prices to trade with a sideways to firm note in the near term.
- Any close above 500 in weekly chart may bring the prices to 510 levels.
- Expected price band for next week is 470-520 level. RSI and MACD are suggesting uptrend in prices in the coming week.

Strategy: Market participants are advised to go long in CPO above 485 for a target of 500 and 505 with a stop loss at 475 on closing basis.

CPO MCX (Dec)

Support and Resistance				
S2	S1	PCP	R1	R2
465	475	490.8	510	520

Spot Market outlook: Crude palm oil (without GST) is likely to stay in the range of Rs 460-530 per 10 Kg.

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

Commodity	Centre	Prices(Per 10 Kg)		Change
		30-Nov-18	23-Nov-18	
Refined Soybean Oil	Indore	735	735	Unch
	Indore (Soy Solvent Crude)	695	690	5
	Mumbai	735	740	-5
	Mumbai (Soy Degum)	705	712	-7
	Kandla/Mundra	720	730	-10
	Kandla/Mundra (Soy Degum)	692	703	-11
	Kolkata	738	740	-2
	Delhi	760	780	-20
	Nagpur	729	739	-10
	Rajkot	720	730	-10
	Kota	730	735	-5
	Hyderabad	760	760	Unch
	Akola	731	740	-9
	Amrawati	730	740	-10
	Bundi	740	745	-5
	Jalna	728	733	-5
	Alwar	Unq	Unq	-
	Solapur	718	724	-6
	Dhule	728	734	-6
Palm Oil *	Kandla (Crude Palm Oil)	525	538	-13
	Kandla (RBD Palm oil)	572	583	-11
	Kandla RBD Pamolein	606	630	-24
	Kakinada (Crude Palm Oil)	523	536	-13
	Kakinada RBD Pamolein	630	643	-13
	Haldia Pamolein	635	641	-5
	Chennai RBD Pamolein	635	656	-21
	Chennai RBD Pamolein (Vitamin A&D Fortified)	709	726	-17
	KPT (krishna patnam) Pamolein	623	637	-15
	Mumbai RBD Pamolein	635	646	-11
	Mangalore RBD Pamolein	635	656	-21
	Tuticorin (RBD Palmolein)	641	651	-11
	Delhi	640	670	-30
	Rajkot	604	628	-24
	Hyderabad	615	610	5
	PFAD (Kandla)	315	326	-11
	Refined Palm Stearin (Kandla)	420	441	-21

	Superolien (Kandla)	662	672	-11
	Superolien (Mumbai)	709	726	-17
* Inclusive of GST				
Refined Sunflower Oil	Chennai	770	770	Unch
	Mumbai	810	820	-10
	Mumbai(Expeller Oil)	715	715	Unch
	Kandla	780	780	Unch
	Kandla/Mundra (Crude)	Unq	Unq	-
	Hyderabad (Ref)	775	783	-8
	Latur (Expeller Oil)	770	770	Unch
	Chellakere (Expeller Oil)	705	760	-55
	Erode (Expeller Oil)	810	810	Unch
Groundnut Oil	Rajkot	940	950	-10
	Chennai	920	980	-60
	Delhi	950	960	-10
	Hyderabad *	1000	1000	Unch
	Mumbai	960	985	-25
	Gondal	940	950	-10
	Jamnagar	940	950	-10
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	810	810	Unch
	Jaipur (Kacchi Ghani Oil)	825	835	-10
	Kota (Expeller Oil)	795	800	-5
	Kota (Kacchi Ghani Oil)	820	820	Unch
	Neewai (Kacchi Ghani Oil)	790	805	-15
	Neewai (Expeller Oil)	810	820	-10
	Bharatpur (Kacchi Ghani Oil)	810	840	-30
	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	825	Unch
	Mumbai (Expeller Oil)	810	810	Unch
	Kolkata(Expeller Oil)	970	970	Unch
	New Delhi (Expeller Oil)	840	870	-30
	Hapur (Expeller Oil)	890	895	-5
	Hapur (Kacchi Ghani Oil)	930	935	-5
	Agra (Kacchi Ghani Oil)	815	845	-30
Refined Cottonseed Oil	Rajkot	675	710	-35
	Hyderabad	690	710	-20
	Mumbai	710	720	-10

	New Delhi	678	685	-7
Coconut Oil	Kangayan (Crude)	1430	1400	30
	Cochin	1540	1570	-30
	Trissur	Unq	Unq	-
Sesame Oil	New Delhi	1700	1900	-200
	Mumbai	Unq	Unq	-
Kardi	Mumbai	870	840	30
Rice Bran Oil (40%)	New Delhi	620	635	-15
Rice Bran Oil (4%)	Punjab	640	660	-20
Rice Bran Oil (4%)	Uttar Pradesh	Unq	Unq	-
Malaysia Palmolein USD/MT	FOB	485	485	Unch
	CNF India	500	505	-5
Indonesia CPO USD/MT	FOB	428	450	-22
	CNF India	460	470	-10
RBD Palm oil (Malaysia Origin USD/MT)	FOB	480	480	Unch
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	443	445	-2
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	800	820	-20
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	318	333	-15
Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	Unq	-
Ukraine Origin CSFO USD/MT Kandla	CIF	685	690	-5
Rapeseed Oil Rotterdam Euro/MT	FOB	740	745	-5
Argentina FOB (\$/MT)		29-Nov-18	22-Nov-18	Change
Crude Soybean Oil Ship		628	634	-6
Refined Soy Oil (Bulk) Ship		650	656	-6
Sunflower Oil Ship		638	645	-7
Cottonseed Oil Ship		608	614	-6
Refined Linseed Oil (Bulk) Ship		Unq	Unq	-
<i>* indicates including GST</i>				

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