Veg. Oil Weekly Research Report

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Executive Summary

Domestic Veg. Oil Market Summary

Edible oil prices featured mixed trend during this week in domestic market. CBOT soy oil and BMD palm oil rose during the week. Soy oil, palm oil, rapeseed oil and groundnut oil prices closed higher while sunflower oil and coconut oil prices closed in red.

On the currency front, Indian rupee is hovering near 71.71 against 71.77 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 rise on strong fundamentals.

Outlook:

Weekly Call -: In NCDEX, market participants are advised to go long above 815 levels for a target of 830 and 835 with a stop loss at 805 on closing basis. We expect refined soy oil at Indore (without GST) to stay in the range of Rs. 780-840 per 10 Kg. in the near term.

In MCX, market participants are advised to go long in CPO above 675 for a target of 690 and 695 with a stop loss at 665 on closing basis. We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 640-700 per 10 Kg in the near term.

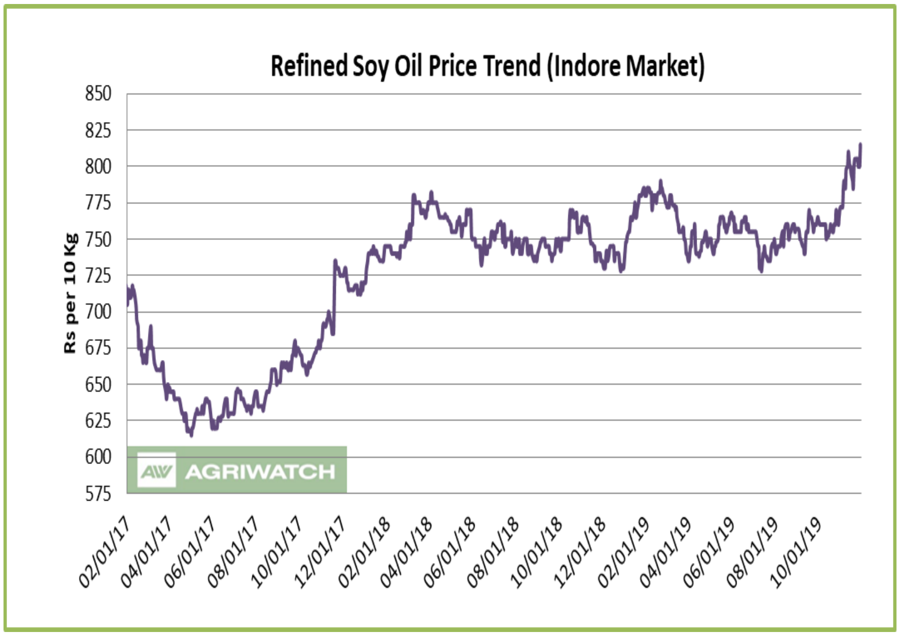
International Veg. Oil Market Summary

On the international front, fall in stocks of soy oil in US, US-China trade settlement optimism, change in government in Argentina, lower rate of planting of soybean in Brazil and Argentina and rise in crude oil prices support soy oil prices in coming days.

Expectation of fall in palm oil stocks in Malaysia, expected fall in production of palm oil in Malaysia and Indonesia, drought conditions in Indonesia, rise in exports of palm oil Malaysia and Indonesia, rise in competitive oils and rise in crude oil prices, are expected to support CPO prices in near term.

Soy oil Fundamental Analysis and Outlook-:

Domestic Front



- Soy oil featured firm sentiment in domestic markets in the week in review on firm demand and rise in competing oils.
- Soy oil prices closed higher during the week in Indore on firm demand and rise in prices of competing oils like palm oil and rapeseed oil.

US-China trade settlement optimism, change in movement in Argentina, lower stocks of soy oil in US and lower rate of planting in Brazil and Argentina and rise in competing oils will lead to strengthening of soy oil prices.

Import returned to parity during the week on rise in prices of soy oil in Indian markets and is quoted at parity of 0-5 per 10 kg compared to disparity of Rs 5-10 per 10 kg. Import demand are likely to rise due to parity in imports despite negative refining margins.

Soy oil demand is firm at high seas as its prices rose at high seas while it fell at 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.

Trade settlement was reached between US and China and it's a mini trade settlement in which China will purchase USD 20 billon of US farm products in return of removal of import duty imposed on USD 250 billion goods. Fine details of trade settlement is being worked out. However, China is not giving up demand of rollback of import duties by US, which has increased uncertainty whether the deal will go through or not.

Soybean demand from China has fallen in October due to outbreak of swine flu leading to 41 percent fall in swine counts in the country.

Soy oil stocks fell in US in October despite higher crush of soybean due to increase in disappearance of soy oil in US will lead to strengthening of soy oil international prices.

Basis of soy oil (Argentina) rose over soy oil CBOT on higher global demand of soy oil and lower soybean crop in Argentina leading to higher FOB soy oil (Argentina) prices. Its premium over CBOT is in positive territory.

Imports of soy oil rose in Oct 2019 compared to Oct 2018 and Sep 2019. Imports rose in Oct compared to Sep 2019 while port stocks rose less indicating firm demand in Oct.

CDSO is trading at low premium over RBD palmolein at high seas at Rs. 27 (Rs. 33 last week) per 10 kg will increase CDSO import demand. CDSO premium over CPO at high seas is at Rs 95 (Rs 118) per 10 kg is low and support soy oil prices. Refined soy oil discount over rapeseed oil Rs 50 (Rs 35) per 10 kg while refined soy oil discount over refined sunflower is at Rs 25 (Rs 45) per 10 kg. Sunflower oil CNF premium over soy oil CNF is at USD 25 (USD 0.0) per ton. Values in brackets are figures of last month.

Refined soy oil premium over RBD palmolein is higher at Rs 70 (Rs 78 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 92 (USD 132.5 last week) per ton for Dec delivery, which is low and increase demand of CDSO at CNF markets compared to CPO CNF. Values in brackets are figures of last week.

- According to Solvent Extractors Association (SEA), India's October edible oil imports rose 13.45 percent y-o-y to 13.32 lakh tons from 11.74 lakh tons in Oct 2018. Palm oil imports in Oct rose 3.32 percent y-o-y to 7.79 lakh tons from 7.54 lakh tons in Oct 2018. CPO imports rose 6.23 percent in Oct y-o-y to 6.48 lakh tons from 6.10 lakh tons in Oct 2018. RBD palmolein imports fell by 13.14 percent in Oct y-o-y to 1.19 lakh tons from 1.37 lakh tons in Oct 2018. Soy oil imports rose 49.24 percent in Oct y-o-y to 3.94 lakh tons from 2.64 lakh tons in Oct 2018. Sunflower oil imports rose 0.13 percent y-o-y in Oct to 1.59 lakh tons from 1.57 lakh tons in Oct 2018. Rapeseed (canola) oil imports in Oct was zero compared to zero imports in Oct 2018.
- According to Solvent Extractors Association (SEA), India's oil year 2018-19 (Nov-Oct) edible oil imports rose 2.73 percent y-o-y to 14.91 MMT from 14.52 MMT in oil year 2017-18. Palm oil imports in oil year 2018-19 rose 8.16 percent y-o-y to 9.41 MMT from 8.70 MMT in oil year 2017-18. CPO imports rose 1.08 percent in oil year 2018-19 y-o-y to 6.53 MMT from 6.46 MMT in oil year 2017-18. RBD palmolein imports rose by 27.57 percent in oil year 2018-19 y-o-y to 2.73 MMT from 2.14 MMT in oil year 2017-18. Soy oil imports rose 1.31 percent in oil year 2018-19 y-o-y to 3.09 MMT from 3.05 MMT in oil year 2017-18. Sunflower oil imports fell 7.12 percent y-o-y in oil year 2018-19 to 2.35 MMT from 2.53 MMT in oil year 2017-18. Rapeseed (canola) oil imports in oil year 2018-19 fell 75.52 percent y-o-y to 0.06 MMT from 0.24 MMT in oil year 2017-18. Rise in imports of edible oils in oil year 2018-19 was due to sharp rise in RBD palmolein imports especially from Malaysia.
- According to Solvent Extractors Association (SEA), India's October edible oil stocks at ports and pipelines fell 1.39 percent m-o-m to 17.77 lakh tons from 18.02 lakh tons in September 2019. Stocks of edible oil at ports in September rose to 1,187,000 tons (CPO 480,000 tons, RBD Palmolein 220,000 tons, Degummed Soybean Oil 335,000 tons, Crude Sunflower Oil 150,000 ton and Rapeseed Oil 2,000 tons) and about 590,000 tons in pipelines. (Stocks at ports were 1,062,000 tons and in pipelines were 740,000 tons in September 2019). India is presently holding 28 days of edible oil requirement on 1st Nov, 2019 at 17.77 lakh tons compared to 28 days of requirements last month at 18.02 lakh tons. India held 23.25 lakh tons of stocks in ports and pipelines on 1st Nov 2018. India's monthly edible oil requirement is 19.0 lakh tons.
- Soy oil import scenario – According to SEA, soy oil imports rose 49.24 percent y-o-y in October to 3.94 lakh tons from 2.64 lakh tons in October 2018. In the oil year 2018-19 (Nov 2018-Oct 2019), imports of soy oil were 30.94 lakh tons compared to 30.47 lakh tons in last oil year, higher by 1.31 percent compared to last oil year.
- Imported crude soy oil CNF at West coast port is offered at USD 762 (USD 779) per ton for Nov delivery, Dec delivery is quoted at USD 762 (USD 777) per ton, Jan delivery is quoted at USD 764 (USD 783) per ton and Feb delivery is quoted at USD 775 (USD 782) per ton. Values in brackets are figures of last week. Last month, CNF CDSO Oct average price was USD 720.69 (USD 723.84 per ton in Sep 2019) per ton. Soy refined (Indore) is quoted at Rs 800 (Rs 773 last week) per 10 kg.

- On the parity front, margins increased during the week on rise in Indian price of soy oil, and we expect margins to remain weak in coming days. Currently, refiners lose USD 0-5/ton v/s loss of USD 10-15/ton (Oct month) margin in processing the imported Soybean Oil (Argentina Origin).

International Front

Soy oil prices are expected to be supported by fall in stocks of soy oil in US, US-China trade settlement optimism, change in Argentina government, lower rate of planting in Brazil and Argentina, rise in competing oils prices and rise in crude oil prices.

However, weak demand of soybean from China will cap gains.

Trade settlement was reached between US and China and it is a mini trade settlement in which China will purchase big amount of US farm products in return of postponement of import duty imposed on USD 250 billion goods. However, there is uncertainty between both sides as US ratifies and by which criticized China action in Hong Kong. Both sides are finalizing trade terms to be announced after they finalize the deal. However, China is not giving up demand of rollback of import duties by US, which has increased uncertainty whether the deal will go through or not.

However, US President has said that US has not agreed to rollback import duties already imposed against China.

This trade deal is not a comprehensive trade deal and there is possibility of various such trade deals. There are major differences between both sides as US wants a comprehensive trade deal while China wants blanket removal of import duties.

Soy oil stocks fell in US as reported by NOPA despite surge in crush of soybean leading to higher production of soy oil. Fall in stocks of soy oil is due to higher domestic disappearance. Soy oil stocks seasonally fall, and the fall was less than trade estimate.

Soybean prices rose on rumors that Argentina may impose old soybean export controls after Argentina president Macri lost to Alberto Fernandez in the vote. Macri was seen pro market reform and pro trade and agriculture. With Macri's loss, farmers are expecting barriers and taxes on trade of agriculture goods. There is certainly going to be lower production of soybean in coming season with the change of government in Argentina.

Planting has started in Argentina and is lower than long term averages. However, due to rains there is expectation that planting will rise in coming days.

Planting of soybean is progressing at lower pace in Brazil due to dry conditions in top producing states. However, due to near term rains planting will progress smoothly. However, many areas are still in need for rains.

Soybean crop area is expected to be higher Brazil in 2019/20 leading to higher soybean in Brazil in 2019/20. USDA has estimated Brazil's soybean crop for 2019/20 at 123 MMT making Brazil as top soybean producer in the world. USDA kept soybean crop in Brazil for 208/19 at 117 MMT.

USDA decreased 2019/20 soy oil end stocks in its November estimate on lower production of soy oil partially set off by higher opening stocks and lower exports of soy oil.

USDA reduced soybean yield estimate of US due to weak crop condition in US in its Nov review. Soybean stocks estimate fell due to lowering of soybean crop in US. Soybean crop in US is weakest in years and all the crop parameters are at multi year lows. Soybean crop was below was reported at 97 MMT due to wet and cool spring, which stopped farmers plant soybean and adverse condition during crop progress. This led to fall in soybean area and delayed planting which led to weak condition of crop.

Soybean harvest picked up pace last week in US Midwest on dry conditions. Harvesting will be completed in normal time as dry conditions helped fast harvest. USDA forecast soybean crop in US at 96 MMT in Nov review.

China reported lower soybean import demand in October due to weak crush margins due to swine flu outbreak leading to 41 percent fall in swine count y-o-y in the and most of soybean came from Brazil. Premium of Brazil's soybean has risen above US soybean due to US-China trade dispute stroking expectation of record demand of soybean by China.

China is giving incentive of swine farmers like insurance and machinery incentive to increase swine count in the country after swine flu led to 41 percent contraction of swine count due to culling of swine to stop the spread of swine flu. This led to lower demand of soybean feed in the country in longer term. Lower feed demand will let China choose options from various destinations. This has led to surge in imports of edible vegetable oil by China in 2019.

China has opened soy meal market for imports from Argentina and Ukraine, in an effort to improve supply of soy meal in the country. Supplies of Argentina meal will start from the harvest of its crop in 2020. China has allowed poultry imports from Europe to tide over shortage of meat in its domestic market. Further, China has allowed cotton meal imports from Brazil and allowed poultry and meat imports from Canada and US to tide over rising domestic meat prices.

China started liquidating soybean state reserves and meat reserves to ease pressure of soybean and meat in the country.

Lower import of soybean by China will lead to shift of buyers from competing oils like palm oil leading to weakening of global soy oil prices.

Argentina's soybean exports is expected higher due to be higher Chinese demand.

Soy oil exports from Argentina are expected to accelerate due to firm demand from importing destinations.

Competitive oils like BMD palm oil and DALIAN RBD palmolein is expected to trade higher due to rising demand scenario.

Global crude oil prices are expected to rise on heightened tensions in Middle East. Further, oil prices are expected to rise due to OPEC cut in crude oil production, sanctions on Iran and rise in tensions between US will support soy oil prices.

- US soybean is 94% harvested compared to 94% in corresponding period last year and 5-year average of 97%, in the US crop progress report dated 24 November 2019 by United States Department of Agriculture (USDA).
- According to National Oilseed Processors Association (NOPA), U.S. October soybean crush rose by 16.93 percent m-o-m to 178.397 million bushels from 152.566 million bushels in September 2019, above market expectation. Crush of soybean in Oct was higher by 3.51 percent y-o-y compared to Oct 2018 figure of 172.346 million bushels. Soy oil stocks in U.S. at the end of Oct fell 1.32 percent m-o-m to 1.423 billion lbs compared to 1.442 billion lbs in end Sep 2019. Stocks of soy oil in end Oct was lower by 5.32 percent y-o-y compared to end Oct 2018, which was reported at 1.503 million lbs. Soy oil stocks was above trade expectation.
- According to United States Department of Agriculture (USDA) Nov estimate, U.S 2019/20 ending stocks of soy oil estimate has been decreased to 1,446 million lbs from 1,525 million lbs in its earlier estimate. Opening

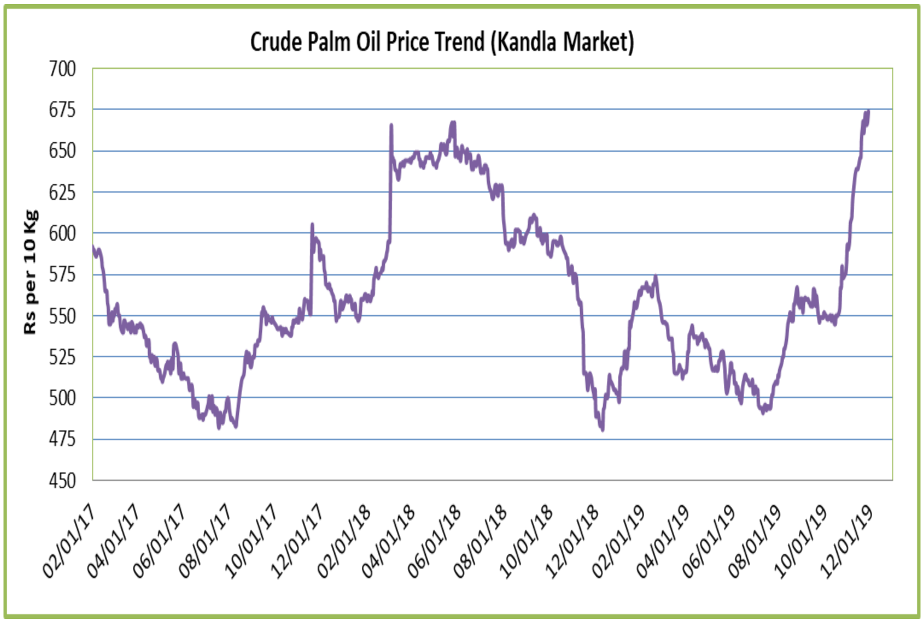
stocks are increased to 1,776 million lbs from 1,710 million bushels in its earlier estimate. Production of soy oil in 2019/20 is reduced to 24,420 million lbs from 24,590 million lbs in its earlier estimate. Imports in 2019/20 are kept unchanged at 450 million lbs. Biodiesel use in 2019/20 is unchanged at 8,500 million lbs. Food, feed and other industrial use in 2019/20 is unchanged at 15,000 million lbs. Exports in 2019/20 are reduced to 1,700 million lbs from 1,725 million lbs in its earlier estimate. Average price range estimate of 2019/20 is hiked to 31.00 cents/lbs from 30.0 cents/lbs in its earlier estimate.

- The U.S. Department of Agriculture monthly supply and demand report for the month of Nov forecasts U.S. 2019/20 soybean stocks at 475 million bushels from 460 million bushels in its earlier estimate. Opening stocks in 2019/20 is unchanged at 913 million bushels. Soybean production is kept unchanged at 3,550 million bushels. U.S. soybean exports estimate are unchanged at 1,775 million bushels. Imports estimate is unchanged 20 million bushels. Crush in 2019/20 is hiked to 2,105 million bushels from 2,120 million bushels in its earlier estimate. Seed use in 2019/20 has been kept unchanged at 96 million bushels. Residual use is increased to 32 million bushels from 30 million bushels in its earlier estimate. Average price range in 2019/20 is kept unchanged at 9.00 cents/bushel.
- According to China's General Administration of Customs (CNGOIC), China's October edible vegetable oils imports rose 8.6 percent m-o-m to 9.12 LT from 8.40 LT in September 2019. Imports in Oct was higher by 93.6 percent compared to Oct 2018 which was reported at 4.71 LT. Year to date imports of edible vegetable oil rose 53.7 percent to 75.70 lakh tons.
- According to China's General Administration of Customs (CNGOIC), China's Oct soybean imports fell 24.6 percent to 6.18 MMT from 8.2 MMT in September 2019. Imports in Oct are 10.7 percent lower than Oct 2018 import of 6.92 MMT. Year to date soybean imports fell 8.1 percent to 70.69 MMT.
- USDA WASDE highlights The U.S. season-average soybean price for 2019/20 is forecast at $9.00 per bushel, unchanged from last month. The soybean meal price forecast is also unchanged at $325.00 per short ton. The soybean oil price is forecast at $0.31 per pound, up $0.01 from last month on sharply higher reported prices through October.

Price Outlook: We expect refined soy oil (without GST) at Indore to stay in the range of Rs 780-840 per 10 Kg in the near term.

Palm oil Fundamental Analysis and Outlook -:

Domestic Front



- Crude palm oil (CPO) featured firm trend at its benchmark market at Kandla on firm demand and rise in prices of CPO in international markets.

  RBD palmolein closed higher at its benchmark market of Kandla on firm demand and rise in prices of RBD palmolein in international markets.
- Prices of CPO closed higher at Kandla on firm demand and rise in prices of CPO international markets.

  Prices of CPO rose more at high seas compared to CNF markets compared to last week indicating firm demand at high seas.

  Indian traders have resumed booking Malaysian palm oil cargoes after Malaysian shipments were offered at discount to Indonesian palm oil. Imports fell due to news of Indian government plan to restrict palm oil imports from Malaysia in retaliation against Kashmir issue raised at UN by Malaysia. There is no official statement by Indian government. However, booking of cargoes will be not at full scale due to uncertainty of policy.

  India has opted out of major trade treaty of 16 country known as RCEP in which India and Malaysia are part which has created uncertainty of palm oil import policy.

  Traders are expected to cut buying at current international prices of CPO due to higher prices due to drought conditions in Indonesia, which will reduce production of CPO and higher use of CPO in biodiesel.

  Data from cargo surveyors show fall in imports of palm oil by India, in November from Malaysia. However, further fall in imports by India from Malaysia is highly unlikely.

  Imports of palm oil by India rose in October compared to October 2018 while it rose compared to September 2019. Fall in CPO imports came on high base y-o-y. RBD palmolein imports fell in October compared to Ocotber 2018.

  Imports of CPO rose in October m-o-m due to positive refining margins and expectation or rise in palm oil prices in coming months. Stocks of CPO surged at ports in India in October despite slow rise in imports indicating weak demand in October.

  Imports of CPO will weaken due to negative import parity. However, positive refining margins may encourage CPO imports. CPO imports will rise compared to RBD palmolein due to higher import parity compared to imported ready to use palmolein.

  Falling premium of RBD palmolein over CPO at CNF markets will decrease CPO imports.

CPO import disparity rose during the week due to rise in prices of palm oil in international markets and is quoted at Rs 15-20 per 10 kg compared to Rs 15-20 per 10 kg last week.

Port stocks rose in Oct on rise in imports m-o-m and rise in port stocks was higher than rise in imports indicating weak demand in Oct and restocking at ports.

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

RBD palmolein showed higher prices in its benchmark market on firm demand and rise in prices of RBD palmolein in international markets.

RBD palmolein prices rose more at high seas compared to CNF markets indicating firm demand at high seas.

Import demand of RBD palmolein fell in October y-o-y. Fall y-o-y was despite higher hike in import duty on imports of RBD palmolein sourced from Malaysia leading to duty differential between RBD palmolein and CPO.

Imports was low in October due higher import duty on RBD palmolein, higher prices of RBD palmolein in international markets, negative import parity leading to lower RBD palmolein imports.

Hike in import duty on imports of RBD palmolein from Malaysia the duty differential between CPO and RBD palmolein has doubled and will lead to lower RBD palmolein imports.

Import demand of RBD palmolein is expected to slow in oil year 2019-20 (Nov 2019-Oct 2020) after strong imports in oil year 2018-19. Imports of RBD palmolein will fall in oil year 2019-20 due to higher prices of RBD palmolein in international markets, high stocks of RBD palmolein at Indian ports, negative import parity and negative refining margins and higher differential of RBD palmolein import duty over CPO.

Stocks of RBD palmolein at Indian ports have risen m-o-m on weak demand and restocking at ports. Port stocks rose while imports of RBD palmolein fell m-o-m indicating weak demand in October.

Demand of RBD palmolein was weak compared to CPO at high seas as premium of RBD palmolein over CPO was at Rs 68 (Rs 85) per 10 kg compared to last week.

RBD palmolein import disparity decreased during the week on rise in prices of RBD palmolein in Indian markets and is quoted at Rs 25-30 per 10 kg compared to disparity of 45-50 per 10 kg last week.

Import parity of RBD palmolein is lower than CPO will decrease imports of RBD palmolein compared to CPO.

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 increase imports of CPO.

Demand of RBD palmolein is firm at CNF markets as prices rose more at CNF markets compared to FOB markets compared to last week.

CDSO CNF premium over CPO CNF is at USD 92 (USD 132.5 last week) per 10 kg which is low and may decrease imports quantity of CPO. Premium of CDSO soy oil high seas over CPO high seas is at Rs. 95 (Rs 118 last week) per 10 Kg will decrease CPO demand at high seas. Premium of refined soy oil over RBD palmolein at Rs 70 (Rs 78 last week) per 10 kg. will decrease RBD palmolein demand. RBD palmolein discount over sunflower at CNF markets is at USD 87.5 (USD 90 last week) per ton which is low. Low premium of refined sunflower oil over RBD palmolein remain at Rs 95 (Rs 123) per 10 kg will decrease 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 October rose 3.32 percent y-o-y to 7.79 lakh tons from 7.54 lakh tons in October 2018. Imports in the oil year 2018-19 (November 2018-Ocotber 2019) are reported higher by 8.16 percent y-o-y at 94.1 lakh tons compared to 87.01 in last oil year.

  Crude Palm oil import scenario- According to Solvent Extractors Association (SEA), CPO Imports rose 6.23 percent y-o-y in October to 6.48 lakh tons from 6.46 lakh tons in October 2018. Imports in oil year 2018-19 (November 2018-October 2019) were reported higher by 1.08 percent y-o-y at 65.35 lakh tons compared to 64.60 lakh tons in last oil year.

  RBD palmolein import scenario- RBD palmolein imports fell 13.14 percent y-o-y in October to 1.19 lakh tons from 1.37 lakh tons in October 2018. Imports in oil year 2018-19 (November 2019-October 2019) were reported higher by 27.57 percent y-o-y at 27.31 lakh tons compared to 21.36 lakh tons in last oil year.
- On the trade front, CNF CPO (Indonesian origin) at Indian port is quoted at USD 670 (USD 660) per ton for Dec delivery. Last month, CNF CPO Oct average price was at 541.54 per ton (USD 534.68 per ton in Sep 2019). Values in brackets are figures of last week.

  Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 700 (USD 692.5) per ton for Dec delivery. Last month, CIF RBD palmolein Oct average price was USD 567.98 (USD 564.4 in Sep 2019) per ton. Values in bracket depict last month quotes.

  Ready lift CPO duty paid prices quoted at Rs 674 (Rs 661) per 10 Kg and Nov delivery duty paid is offered at Rs 667 (Rs 661) per 10 kg. Ready lift RBD palmolein is quoted at Rs 745 (Rs 735) per 10 kg as on Nov 29, 2019. Values in brackets are figures of last week.
- On the parity front, margins rose during this week due to rise in prices of palm products in Indian markets. Currently refiners fetch USD 5-10/ton v/s gain of USD 5-10/ton (last month) margin in processing the imported CPO and imports of ready to use palmolein lose USD 45-50/ton v/s loss of USD 30-35/ton (last month) parity.

International Front

Palm oil prices are likely to rise due to expectation of fall in end stocks of palm oil in Malaysia and Indonesia, expiation of slowdown in production of palm oil in Malaysia, rise in global palm oil demand, rise in global demand of palm oil due to higher biodiesel mandate in Indonesia and Malaysia, drought conditions in Indonesia, rise in competing oils.

Palm oil stocks are expected to fall in Malaysia in Nov due to slowdown of production of palm oil and rise in exports of palm oil in Nov from the country.

Production is expected to fall on seasonal downtrend of production. Palm oil production unexpectedly fell in Malaysia in Oct despite to seasonal uptrend of production. Production fell due to adverse effect if haze, lower fertilizer use due to lower prices of palm oil, dry conditions in some areas and shift between peak production cycles. This may lead to lower production in coming months.

Exports of palm oil fell 2-3 percent in Malaysia in November due to weak demand from India and EU.

Imports of palm oil surged from China in November despite weak demand of palm oil from India. Exports of palm oil may stay firm due to expectation of rise in prices of palm oil in international markets.

Imports from China is firm in Nov due to lower import of soybean by China in Oct leading to lower supply of soy oil in the country leasing to higher imports of palm oil. Further, removal of import quota by China led to higher imports by the country. Further, supply of soy oil in the country will remain low due to 41 percent fall in swine count in China leading to lower soybean imports and lower supply of soy oil supporting palm oil imports.

However, US-China trade settlement will increase soybean imports by China leading to lower palm oil imports by China, which is net negative for palm oil prices.

Palm oil imports by India from Malaysia was subdued from Malaysia in Oct due lower imports on higher import duty on RBD palmolein compared to CPO, higher stocks of palm oil at Indian ports and India-Malaysia dispute on Kashmir.

Indian palm oil buyers have started fresh booking of Malaysian cargoes due to discount offered by Malaysia over Indonesia. Earlier, Indian buyers stopped booking palm oil cargoes from Malaysia on reports that India may restrict palm oil imports from Malaysia in retaliation for its support on Kashmir issue ay United Nations. Further, trade treaty RCEP is expected to be signed between 16 countries, which includes India, and Malaysia, may not hamper trade between both countries.

There is no official statement by India on Indo-Malaysia trade issue.

Malaysia has vowed to solve the issue diplomatically if India restricts palm oil imports. Further, Malaysia has said that it will purchase more sugar and buffalo meat for concession on palm oil import restrictions.

End stocks of palm oil in Malaysia and Indonesia will fall in 2019.

This year dry conditions have prevailed in Indonesia, which has encouraged plantations to burn down forests illegally to clear it for palm plantation.

Haze is one of the reason for slowdown of production as fruits need oxygen to mature while dry condition in January and August in Indonesia has slowed fruit development. Further, lower fertilizer use due to low prices is also blamed for lower production of palm oil. Production rise will slow in 2020 in Indonesia due to above conditions. Production in Malaysia is expected to fall in 2020 compared to 2019.

Further, production of palm oil will fall in Indonesia due to drought conditions in the country. Production of palm oil will slowdown in 2020 when standing fruits mature and yield will be lower. Production of palm oil will rise in 2019 due to high production cycle while it will slow in 2020 due to dry conditions, haze and lower fertilizer use due to lower prices of palm oil. Production will rise lower than expected in 2020.

Exports of palm oil in 2019-20 will increase from Malaysia and Indonesia on higher demand from India and China. India’s palm oil imports will rise to 10-11 MMT due to lower soybean crop in the country. Exports to China will increase in 2019 due to lower imports of soybean by the country due to contraction of swine herd count due to deadly swine flu. Further, removal of import quota of palm oil by China will increase palm oil imports.

Rise in global demand will outpace rise in production in Malaysia and Indonesia in rest of 2019 and 2020, which will cut stock of palm by 3-4 MMT globally from present level of stocks at 17.5 MMT.

Exports of palm oil from Indonesia will increase in medium term. Record use of palm oil in biodiesel in Indonesia due to higher fuel standards will lead to lower stocks of palm oil in the country. This will decrease end stocks of palm oil in the country and supporting prices.

Imports from India is expected to weaken due to lower import parity of RBD palmolein compared to CPO, hike in import duty on imports of RBD palmolein from Malaysia compared to other destinations and higher stocks at ports will cap gains.

Imported ready to use palmolein demand is less than domestic refined RBD palmolein due to higher refining margins. High stocks of palm oil at Indian ports will slow imports of palm oil in coming months.

Palm oil stocks in Indonesia are rose to 3.8 MMT in August due to fall in exports from the country and rise in production of palm oil in the country. However, palm oil stocks will fall in coming months with slowdown of production, rise in exports and higher use of palm oil in biodiesel.

Production of palm oil is expected to rise 1.0 MMT in Indonesia in 2019 on higher produce from maturing plantation. Lower revision is due to dry conditions, lower fertilizer use and effect of haze.

Ringgit has depreciated and has reached 4.18/USD levels and is expected to support in palm oil prices. This will make exports of palm oil competitive compared to other oil and same oils with different destinations.

Malaysia intends to reduce palm oil export duty on crude palm oil from the country, in an effort to decrease stocks of palm oil in the country.

Indonesia removed export levy on exports of palm products from the country due to fall in prices of palm oil and record stocks of palm oil in the country. Further, Indonesia plans to remove palm oil export duty.

Palm oil consumption in 2019 and 2020 will outstrip rise in production in both years mainly due to higher biodiesel demand from Indonesia and Malaysia, and rise in import demand from India and China.

Increasing use of biodiesel in Indonesia will reduce palm oil stocks in the country. The country has mandated 30 percent bio content in all type of gasoline by 2020 and working on plant to raise to 100 percent bio content in next 5 years.

Malaysia has unveiled plans to double biodiesel production in the country and increase to 20 percent bio content in gasoline, in an effort to clear stocks of palm oil in the country. Palm oil based biodiesel production, will rise in Malaysia from 1.3 MMT to 1.6 MMT on higher biodiesel blending norms. This will cut palm oil end stocks in Malaysia.

RBD Palmolein Malaysia premium has decreased over Indonesia CPO will increase its demand. Export demand will rise from Malaysia due to decreasing premium of Malaysian palmolein over Indonesia CPO.

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

Global crude oil prices are expected to rise on Middle East tensions. Further, expected cut on crude oil production by OPEC, sanction on Iran and rise in tension between US and Iran will support palm oil prices.

- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's Nov 1-25 palm oil exports fell 3.0 percent to 1,166,676 tons compared to 1,202,649 tons in corresponding period last month. Top buyers were European Union 293,660 tons (291,575 tons), China at 226,030 tons (243,738 tons), India at 115,900 tons (148,870 tons), Pakistan at 57,000 tons (40,000 tons) and United States at 50,970 tons (46,100 tons) and. Values in brackets are figures of corresponding period last month.
- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's Nov 1-25 palm oil exports fell 2.1 percent to 1,187,970 tons compared to 1,213,699 tons in corresponding period last month. Top buyers were China at 290,910 tons (213,990 tons), European Union 231,275 tons (309,440 tons) and India & subcontinent 219,500 tons (255,370 tons). Values in brackets are figures of corresponding period last month.

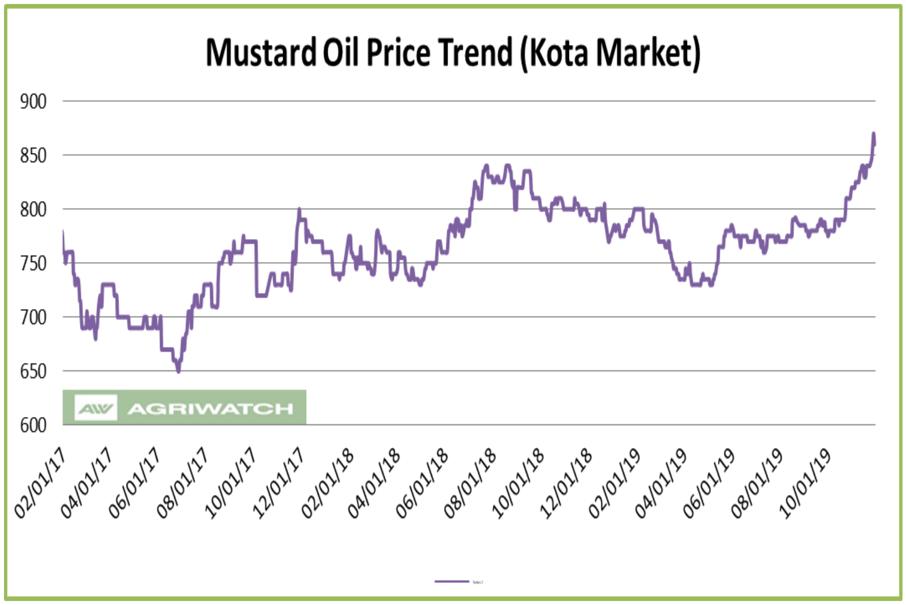
- According to Indonesia Palm Oil Association (GAPKI), exports of palm oil (CPO and PKO) from Indonesia fell 0.33 percent in September y-o-y to 2.98 MMT from 2.99 MMT in September 2018. Exports of palm oil (CPO and PKO) rose 18 percent m-o-m in Sep at 2.98 MMT compared to Aug 2019 at 2.53 MMT. Stocks of palm oil in Sep 2019 fell to 3.73 MMT from 3.8 MMT in Aug 2019, lower by 1.84 percent m-o-m.
- Malaysia has planned to cut export duty on exports of crude palm oil from 2020, according to Malaysian Finance ministry. Export duty will start from 3 percent in place of 4.5 percent when prices are between RM 2,250 (USD 538.54) to RM 2,400 per ton. Export duty will rise to 4.5 percent in prices between RM 2,401 to RM 2,550 per ton and prices will rise by 0.5 percent incrementally to maximum of 8 percent until the prices reach RM 3,450 per ton. This measure has been taken to reduce rising palm oil stocks in Malaysia and compete with Indonesia CPO in global market.
- According to Malaysia Palm Oil Board (MPOB), Malaysia's September palm oil stocks rose 9.27 percent to 24.48 lakh tons compared to 22.41 lakh tons in August 2019. Production of palm oil in Sep rose 1.15 percent to 18.42 lakh tons compared to 18.22 lakh tons in Aug 2019. Exports of palm oil in Sep fell 18.77 percent to 14.10 lakh tons compared to 17.36 lakh tons in Aug 2019. Imports of palm oil in Sep rose 39.28 percent to 0.71 lakh tons compared to 0.51 lakh tons in Aug 2019. End stocks of palm oil rose more than trade expectation on lower exports.
- According to Chief Economic Minister of Indonesia, Indonesia will not charge levies on export of palm oil until Jan 1, 2020. At present Indonesia charges USD 10-15 per ton as export levy on palm exports above reference price above USD 570 per ton and levy increase if prices exceed USD 619 per ton.
- Policy review: According to Malaysia Palm Oil Board (MPOB), Malaysia kept Oct crude palm oil export tax unchanged at 0.0 percent. Export duty of palm oil is calculated at reference price of 2145.75 ringgit 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 Nov crude palm oil export duty unchanged at zero. The reference price is set at USD 571 per ton, just higher than lower threshold for export duty below USD 570 to calculate export levy. Indonesia taxes palm oil above trigger price of USD 750 per ton. Indonesia has kept crude palm oil export duty at zero since May 2017.

.***Price Outlook:*** We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 640-700 per 10 Kg in the near term.

Rapeseed oil Fundamental Review and Analysis-

Domestic Front



- Mustard oil prices showed firm trend in benchmark market on firm demand and rise in prices of competing oils. Arrivals of rapeseed fell last week.
- Prices of rapeseed oil expeller featured firm trend in its benchmark market on firm demand and rise in competing oils.

Prices rose on rise in rapeseed prices.

Prices rose on rise in soy oil and palm oil prices.

Rapeseed oil is moving out of Rajasthan at Rs 840-850 per 10 kg.

There is parity in crush of rapeseed.

NAFED has started sale of mustard procured in MY 2019-20. However, NAFED is not selling mustard below Rs, 4200/qtl, which has led to slow sale. If the present slow rate of sale continues than NAFED will be left with substantial stocks. This slow sale of mustard has led to higher prices of mustard and supported mustard oil prices.

Various state governments have given their estimate of mustard sales from Nov 2019-Jan 2020. About 7.48-lakh tons sales estimate have been given by various state governments of rapeseed by Jan 2020. Total progressive purchase by NAFED have been 10.89 lakh tons with good stocks with traders and farmers. Total sale has been 0.87 lakh tons. So, total stock of rapeseed with NAFED stands at 10.02 lakh tons. Stock with NCDEX is 0.13 lakh tons.

Arrivals of rapeseed fell at various key markets during the week.

Sowing of rapeseed has started and is progressing at good pace in Rajasthan and UP. Sowing is reported lower in MP and West Bengal. Sowing of rapeseed is expected to remain lower due to higher production in last 2 years despite higher MSP of rapeseed.

However, rapeseed crop in MY 2020-21 will be lower than last year due to higher production in last two years on lower yields after higher yields in last two years. Agriwatch estimated MY 2019-20 rapeseed crop to be 7.9 MMT, which is above 2018-19 crop of 7.1 MMT due to higher rapeseed sown area and higher yields.

Lower crop of rapeseed in MY 2020-21 will support rapeseed and rapeseed oil prices.

In fourth advanced estimates, government estimates Mustard seed output at 93.4 lakh tons for 2018/19 from 84.3 lakh tonnes in 2017/18.

Falling discount of soy oil prices to rapeseed kacchi ghani prices is likely to support rapeseed oil prices.

Low premium of Jaipur kacchi ghani rapeseed oil over refined soy oil in domestic market is at Rs 68 (Rs 57) per 10 Kg will support rapeseed oil prices.

Jaipur kacchi ghani rapeseed oil premium over RBD palmolein is at Rs 138 (Rs 127) per 10 kg which is low will increase rapeseed oil prices.

There was no import of canola oil in October. Imports of canola oil is weak in oil year 2018-19 (Nov 2018-Oct 2019) after weak oil year, 2017-18 (Nov-Oct) indicating weak demand of canola oil. Hike in import duty on canola has slowed import demand. There are negligible stocks of canola oil at ports.

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

Markets are expected to trade sideways to firm tone in coming days on firm demand ahead of winters in North and East India.

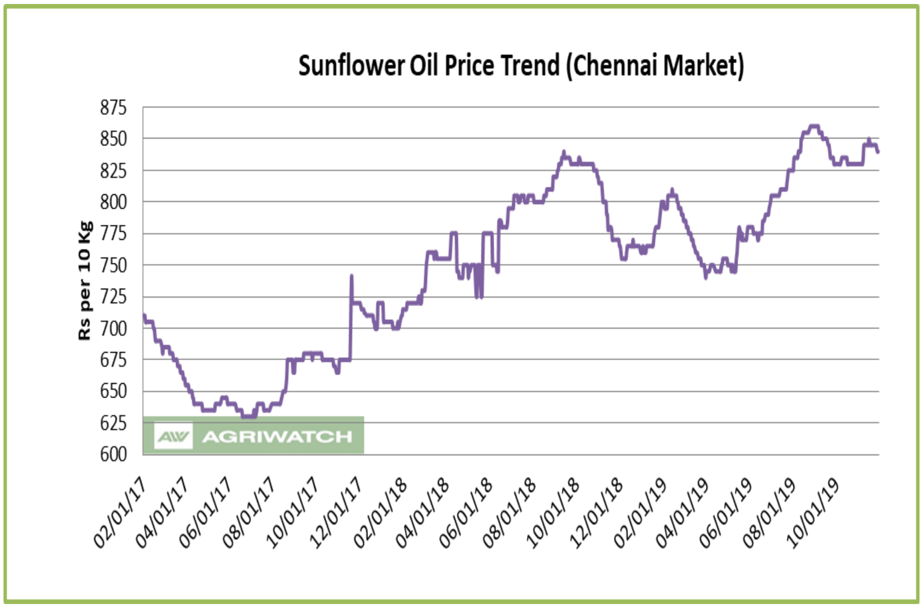
- All India Rabi progressive sowing of rapeseed has reached 55.40 lakh hectares as on 29.11.2019 compared to 58.58 lakh hectares in corresponding period last year. Sowing is slow in state of MP, West Bengal and Gujarat while it is higher in Rajasthan and UP.
- The Cabinet Committee on Economic Affairs (CCEA) has approved the increase in the Minimum Support Prices (MSPs) of Rapeseed (Mustard) for MY 2020-21 to Rs 4425/qtl from Rs 4200/qtl, registering the rise of Rs 225/qtl. The total return for famer is 90 percent above cost price of production.
- Rapeseed oil import scenario- India imported zero rapeseed (Canola) oil in October 2019 v/s zero imports in October 2018. In the oil year 2018-19 (Nov 2019-Oct 2019) imports were 0.59 lakh tons compared to 2.41 lakh tons in last oil year, lower by 75.52 percent y-o-y.
- Currently, RM oil at Jaipur market, (expeller) is offered at Rs 855 (Rs 840) per 10 Kg, and at Kota market, it is offered at Rs 860 (Rs 840) per 10 kg as on Nov 29, 2019. 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 800-900 per 10 Kg.

Sunflower oil Fundamental Review and Analysis-:

Domestic Front

- Sunflower oil price traded lower during the week in Chennai on weak demand.
- Prices of sunflower oil traded lower in Chennai on weak demand.



Sunflower oil price closed lower at high seas while it rose CNF markets indicating weak demand at high seas.

Demand may weaken due to higher prices of sunflower oil.

Import demand of sunflower oil is expected to rise due to falling sunflower oil premium over palm oil and soy oil.

Stocks of sunflower oil remained unchanged at ports in Oct while imports rose more than rise in stocks indicating firm demand in Oct.

In domestic market, sunflower oil prices premium over soy oil is at Rs 25 (Rs 40 last week) per 10 kg, which indicates chance of correction of sunflower oil prices, as prices have converged at CNF markets. At present premium of sunflower oil over soy oil at CNF markets is at USD 25 (USD 0.5 last week) per ton.

Demand of sunflower is likely to strengthen due to falling premium over RBD palmolein.

Sunflower oil premium over RBD palmolein at CNF India is at USD 87.5 (USD 85 last week) which will increase imports.

In domestic market refined sunflower oil (Chennai) premium over RBD palmolein (Chennai) is at Rs 80 (Rs 95) per 10 kg which is low will support sunflower oil in domestic market.

In domestic market, high groundnut oil premium over sunflower oil at Chennai market is at Rs 180 (Rs 185 last week) per 10 kg will support sunflower oil prices.

There is disparity in imports of sunflower oil and refining margins are negative, which will decrease import demand.

Prices of sunflower oil will be underpinned by higher stocks of sunflower oil at ports.

Prices may fall on seasonal downtrend of prices.

Imports of sunflower oil rose in October after last month and port stocks have remained unchanged indicating restocking is taking place at ports. Restocking at ports can be seen due to parity in imports.

Weak domestic demand may underpin prices.

India imported one third of sunflower exported by Ukraine in 2018-19. Sunflower harvest and yield, is higher than last year in current year. This is despite record sunflower crop in 2017-18. This will keep sunflower CNF prices capped in coming months.

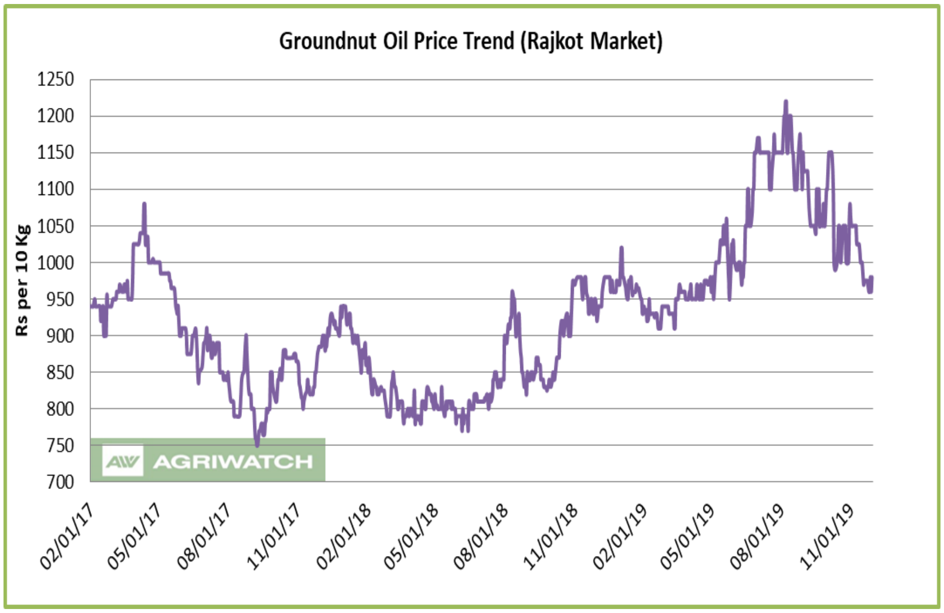
Refiners purchase of crude sunflower oil from international markets will increase as CNF sunflower oil premium over CNF soybean oil and palm oil has fallen.

Prices of sunflower oil are expected to fall on weak demand.

- Sunflower oil imports scenario- According to Solvent Extractors Association (SEA), Sunflower oil imports rose 0.13 percent y-o-y in October to 1.59 lakh tons from 1.57 lakh tons in October 2018. Imports in oil year 2018-19 (November 2018-October 2019) were reported lower by 7.12 percent y-o-y at 23.51 lakh tons compared to 25.25 lakh tons in last oil year.
- All India Rabi progressive sowing of sunflower has reached 0.60 lakh hectares as on 29.11.2019 compared to 0.76 lakh hectares in corresponding period last year. Sowing is slow in state of Karnataka and Andhra Pradesh.
- On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 787.5 (USD 777.5) per ton for Dec delivery and Jan delivery is quoted at USD 787.5 (USD 785) per ton. CNF sun oil (Ukraine origin) Oct monthly average was at USD 738.66 per ton compared to USD 774.96 per ton in Sep. Values in brackets are figures of last week.
- Prices are likely to stay in the range of USD 700-780 per ton in the near term. CNF Sunflower oil premium over CDSO is hovering remain at USD 25.5 (USD 0.5 last week) per ton for Dec delivery. CNF sunflower oil premium over RBD palmolein is hovering around USD 87.5 (USD 85) per ton.
- Currently, refined sunflower oil at Chennai market is offered at Rs 840 (Rs 845) per 10 Kg, and at Kandla/Mudra market, it is offered higher at Rs 835 (Rs 845) per 10 kg as on Nov 29, 2019. 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 800-860 per 10 Kg.

Groundnut oil Fundamental Review and Analysis-:
Domestic Front



- Groundnut oil prices featured firm trend in Rajkot on account firm demand.
- Prices of groundnut oil traded higher during the week on firm demand.

Prices rose despite fall in groundnut prices indicating firm demand.

Prices rose rise in palm oil prices.

Prices of groundnut oil may rise in December as seasonal uptrend of demand arrives in Gujarat.

Harvest of groundnut is going at full swing in Gujarat and yield reported are good. Conditions are favorable for completion of harvest. In South India, harvest is over. Harvest pressured groundnut oil prices.

Further, demand has weakened as harvest in Gujarat has led to fall in prices of groundnut leading to lower prices of groundnut oil leading to postponement of demand and underpin prices.

NAFED has started procurement of groundnut from November 1 at MSP at various centers and around 5.0 lakh farmers have registered in Gujarat for the procurement.

NAFED has procured 0.59 lakh tons of groundnut since the start if procurement.

NAFED stocks of K-18 and K-17 groundnut is 1.67 lakh tons at the end of sale of groundnut. So, with procurement of new season the total stocks with NAFED is 2.26 lakh tons.

Supply of groundnut oil is increasing as higher pace of harvest has increased supply of groundnut in the market leading to lower prices of groundnut oil.

Demand of groundnut oil may rise due to fall in prices of groundnut oil.

Retail demand may increase due to lower volatility in prices.

Prices of groundnut oil may rise due to low volatility in its prices. Low volatility leads to rise in demand.

There is disparity in all quality of groundnut oil while most of the trade is in medium quality. Groundnut oil is going out of Gujarat at Rs 920-940 per 10 kg.

In South India, prices may fall as festival season is over.

Demand season of groundnut oil is over. Since the demand season is over, prices will remain moderated.

In South India groundnut, harvest is nearing end. However, due to continuous rains, harvest was delayed and there was loss in the crop. Further, pods were smaller in South India.

With groundnut harvesting season, prices of groundnut crushing has started and will continue until January after which peak demand season ends in Gujarat.

Exports of groundnut had decreased due to rise in prices of groundnut leading to diversion of groundnut towards crushing weakening prices.

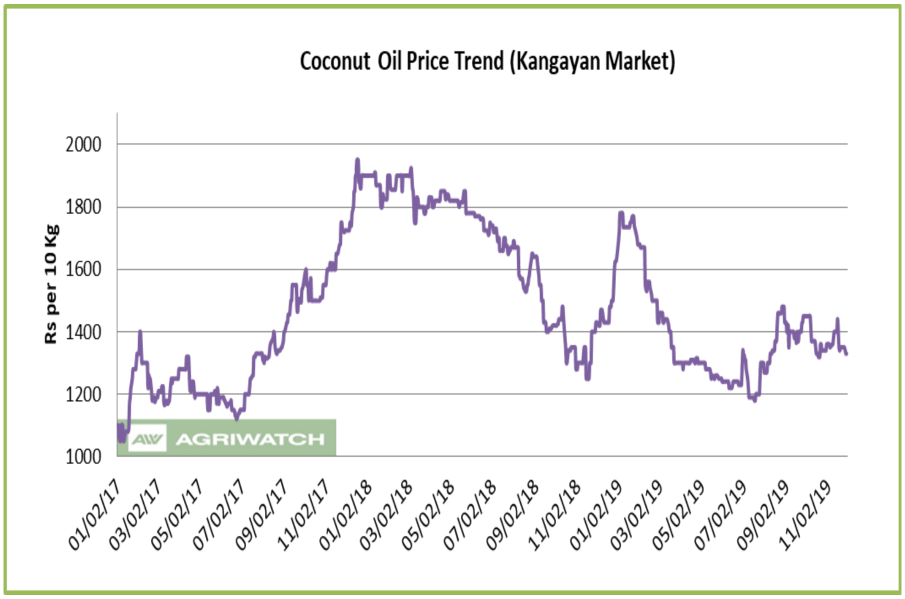
Groundnut oil prices are expected to rise on rise on arrival of demand season of groundnut oil in Gujarat.

- All India Rabi progressive sowing of groundnut as on 29.11.2019 has reached 1.92 lakh hectares compared to 1.88 lakh hectares in corresponding period last year. Sowing is higher than corresponding period last year in Karnataka and Telangana.
- On the price front, currently the groundnut oil prices in Rajkot is quoted at Rs 9,800 (Rs 9,750) per quintal and it was quoted at Rs 10,200 (Rs 10,300) per quintal in Chennai market on Nov 29, 2019. Values in brackets are figures of last week.
- Groundnut oil prices are likely to trade higher 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



- Weak price trend was seen in its benchmark market of Kangayam on weak demand.
- Overall coconut oil prices showed weak trend during the week on weak demand.

  Prices of coconut oil on lower prices of copra. Fall in raw material prices led to lower product prices.

  Prices closed lower despite rise in palm oil prices indicating weak demand.

  Palm oil is cheap alternative in South India.

  Retail demand has increased due to fall in prices of coconut oil.

  In addition, demand will strengthen on firm demand at lower prices.

  Prices may fall on seasonal downtrend of prices.

  Government is procuring coconut to support falling prices. This may support prices in coming days. Tamil Nadu government is procuring 50 thousand tons of copra procurement.

  Further, supply of copra declined due to low harvesting of coconut on monsoons.

  Demand from North India is weak.

  Demand of domestic coconut oil is less due to higher imports of copra under advance authorization license where imports of copra are made from Indonesia and Philippines and coconut oil is exported. Therefore, domestic coconut oil exports are negligible.

  In addition, coconut oil cake is imported from Indonesia, which is having 10-12 percent oil content compared to 6 percent oil content in India coconut oil cake. The oil from imported oilcake is refined, bleached, deodorized, and mixed into edible coconut oil despite it being non-edible, which makes prices of local coconut oil uncompetitive.

  There has been surge in imports of desiccated coconut (DC) from Sri Lanka, which has adversely affected demand of coconut as it is used in various industrial applications and feed industry, prompting higher supply of coconut towards crushing, thereby increasing supply of coconut oil.

  Stockists and retailers are not stocking, as the prices have not stabilized.

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

  Traders and upcountry buyers are not stocking as they are not confident about prices.

  Crushers have low stocks of coconut oil on weak demand.

  Due to fall in prices of coconut oil, demand may shift to coconut oils from other oils. Fresh demand is expected at current levels.

  However, price trend is biased towards downside.

Demand may firm due to low volatility in prices of coconut oil.

Consumers tend to increase demand when there is low volatility in prices.

Demand of coconut oil may fall due to higher prices. Household consumption will fall due to higher prices of coconut oil.

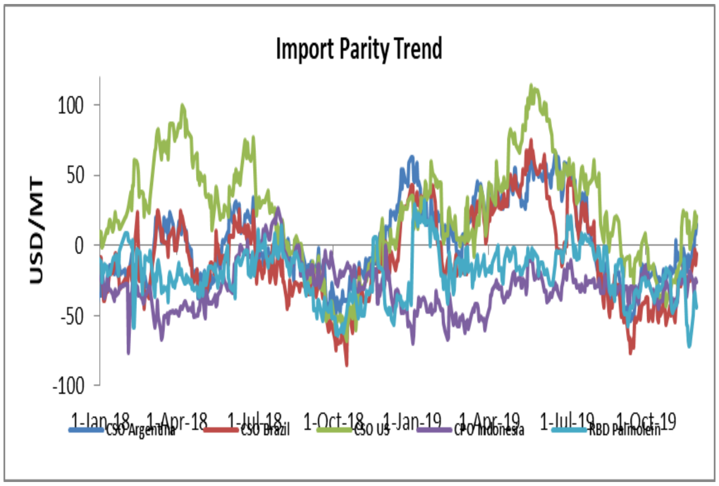
Coconut oil prices are expected to be weak in days ahead.

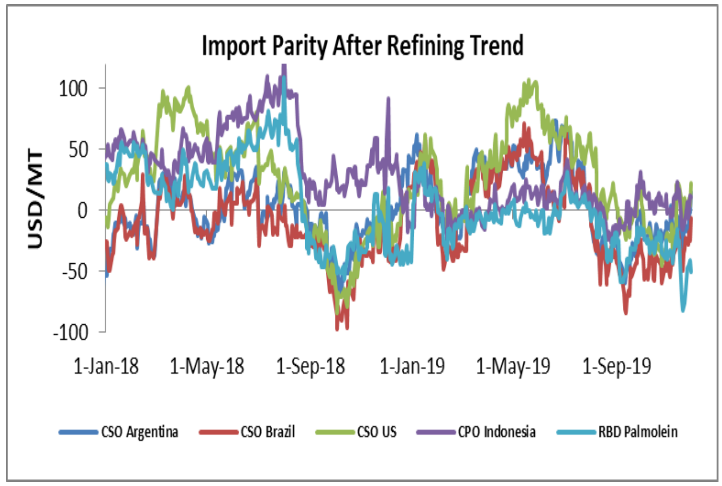
- On the price front, currently the coconut oil prices in Kochi is hovering remain at Rs 14,400 (Rs 14,300) per quintal, and was quoting Rs 13,300 (Rs 13,500) per quintal in Erode market on Nov 29, 2019.

Price Outlook: Coconut oil (without GST) prices in Erode may stay in the range of Rs 1200-1400 per 10 Kg.

Import Parity Trend

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





	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
Nov 09-Nov 15, 2019	-8.45	-21.17	14.86	16.06	-23.13
Nov 16-Nov 22, 2019	-22.60	-36.17	3.26	-11.09	-75.28
Nov 23-Nov 29, 2019	-4.14	-20.47	6.88	5.61	-43.74

Outlook-:

Import disparity for crude soy oil from Argentina decreased due to rise in prices of soy oil in Indian markets. We expect CDSO import parity to remain strong in medium term due to expectation of higher prices of soy oil in Indian markets.

Import of CPO is in parity will lead to higher imports while imports of RBD palmolein is in disparity lead to lower imports. We expected CPO parity to remain weak in medium term due to rise in prices of CPO international markets. RBD palmolein import parity will remain in disparity in medium term due to high premium of RBD palmolein over CPO at CNF markets and higher duty differential between CPO and RBD palmolein. Margins on imports of CPO is higher than parity in import of RBD palmolein.

Technical Analysis (Refined soy oil)

Refined soy oil Futures (NCDEX, Daily Dec, Chart)	Refined soy oil (Weekly chart, Indore Rs/10 Kg Inclusive VAT)
	

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

- Daily 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 below 810 in weekly might take the prices below 800 levels.
- Expected price band for next week is 780-830 level in near to medium term. RSI and MACD is suggesting uptrend in the market.

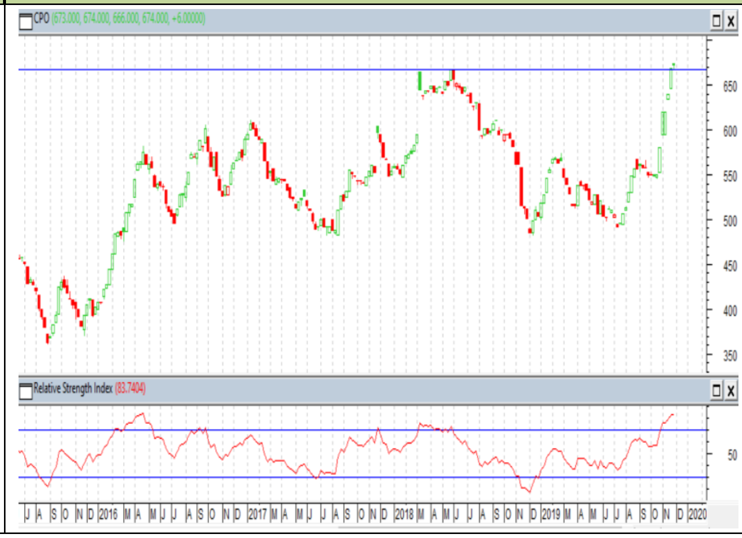
Strategy: Market participants are advised to go long above 815 levels for a target of 830 and 835 with a stop loss at 805 on closing basis.

RSO NCDEX (December)

Support and Resistance				
S2	**S1**	**PCP**	**R1**	**R2**
780.00	790.00	818.20	820.00	830.00

Spot Market outlook: Refined soy oil Indore (without GST) is likely to stay in the range of Rs 780-840 per 10 Kg.

Technical Analysis (Crude Palm oil)

Crude palm oil Futures (MCX, Daily Dec, Chart)	Crude palm oil (Weekly chart, Kandla Rs/10 Kg)
	

Outlook - Prices show uptrend 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 firm trend in the prices. We expect prices to trade with a sideways to firm note in the near term.
- Any close below 670 in weekly chart may bring the prices to 650 levels.
- Expected price band for next week is 640-710 level. RSI and MACD are suggesting uptrend in prices in the coming week.

Strategy: Market participants are advised to go long in CPO above 675 for a target of 690 and 695 with a stop loss at 665 on closing basis.

CPO MCX (December)

Support and Resistance				
S2	**S1**	**PCP**	**R1**	**R2**
640.00	660.00	681.80	700.00	720.00

Spot Market outlook: Crude palm oil (without GST) is likely to stay in the range of Rs 640-700 per 10 Kg.

Veg. Oil Prices at Key Spot Markets

Commodity	Centre	Prices(Per 10 Kg) 29-Nov-19	Prices(Per 10 Kg) 22-Nov-19	Change
Refined Soybean Oil	Indore	815	805	10
	Indore (Soy Solvent Crude)	775	765	10
	Mumbai	815	800	15
	Mumbai (Soy Degum)	790	782	8
	Kandla/Mundra	815	790	25
	Kandla/Mundra (Soy Degum)	770	758	12
	Kolkata	790	780	10
	Delhi	839	830	9
	Nagpur	807	795	12
	Rajkot	800	785	15
	Kota	810	815	-5
	Hyderabad	Unq	0	-
	Akola	807	798	9
	Amrawati	807	798	9
	Bundi	815	820	-5
	Jalna	803	792	11
	Solapur	802	785	17
	Dhule	807	794	13
Palm Oil*	Kandla (Crude Palm Oil)	708	701	6
	Kandla (RBD Palm oil)	746	725	21
	Kandla RBD Pamolein	788	756	32
	Kakinada (Crude Palm Oil)	683	667	16
	Kakinada RBD Pamolein	782	761	21
	Haldia Pamolein	777	746	32
	Chennai RBD Pamolein	798	777	21
	KPT (krishna patnam) Pamolein	782	761	21
	Mumbai RBD Pamolein	809	772	37
	Mangalore RBD Pamolein	803	777	26
	Tuticorin (RBD Palmolein)	793	782	11
	Delhi	814	790	24
	Rajkot	777	751	26
	Hyderabad	790	790	Unch
	PFAD (Kandla)	483	462	21
	Refined Palm Stearin (Kandla)	683	667	16
	Superolien (Kandla)	809	798	11
	Superolien (Mumbai)	819	809	11
*** inclusive of GST**				
Refined Sunflower Oil	Chennai	840	845	-5

	Mumbai	850	860	-10
	Mumbai(Expeller Oil)	795	790	5
	Kandla (Ref.)	835	845	-10
	Hyderabad (Ref)	850	845	5
	Latur (Expeller Oil)	805	810	-5
	Chellakere (Expeller Oil)	800	815	-15
	Erode (Expeller Oil)	880	875	5
Groundnut Oil	Rajkot	980	975	5
	Chennai	1020	1030	-10
	Delhi	1100	1100	Unch
	Hyderabad *	1050	1050	Unch
	Mumbai	1030	1020	10
	Gondal	975	970	5
	Jamnagar	980	970	10
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	855	840	15
	Jaipur (Kacchi Ghani Oil)	884	862	22
	Kota (Expeller Oil)	860	840	20
	Kota (Kacchi Ghani Oil)	875	855	20
	Neewai (Expeller Oil)	855	836	19
	Neewai (Kacchi Ghani Oil)	870	850	20
	Bharatpur (Kacchi Ghani Oil)	870	870	Unch
	Sri-Ganga Nagar(Exp Oil)	850	840	10
	Sri-Ganga Nagar (Kacchi Ghani Oil)	870	860	10
	Mumbai (Expeller Oil)	840	830	10
	Kolkata(Expeller Oil)	930	930	Unch
	New Delhi (Expeller Oil)	853	835	18
	Hapur (Expeller Oil)	870	875	-5
	Hapur (Kacchi Ghani Oil)	905	910	-5
	Agra (Kacchi Ghani Oil)	875	875	Unch
Refined Cottonseed Oil	Rajkot	800	770	30
	Hyderabad	810	790	20
	Mumbai	800	785	15
	New Delhi	775	755	20
Coconut Oil	Kangayan (Crude)	1330	1350	-20
	Cochin	1440	1430	10
Sesame Oil	New Delhi	1500	1450	50
	Mumbai	Unq	0	-

Kardi	Mumbai	880	880	Unch
Rice Bran Oil (40%)	New Delhi	648	638	10
Rice Bran Oil (4%)	Punjab	625	627	-2
Malaysia Palmolein USD/MT	FOB	665	650	15
	CNF India	700	678	22
Indonesia CPO USD/MT	FOB	630	615	15
	CNF India	670	645	25
RBD Palm oil (Malaysia Origin USD/MT)	FOB	658	648	10
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	663	648	15
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	875	890	-15
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	540	528	12
Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	840	-
Ukraine Origin CSFO USD/MT Kandla	CIF	788	778	10
Rapeseed Oil Rotterdam Euro/MT	FOB	820	820	Unch

Argentina FOB ($/MT)	**28-Nov-19**	**21-Nov-19**	**Change**
Crude Soybean Oil Ship	691	701	-10
Refined Soy Oil (Bulk) Ship	715	726	-11
Sunflower Oil Ship	710	705	5
Cottonseed Oil Ship	671	681	-10
Refined Linseed Oil (Bulk) Ship	Unq	0	-
**** indicates including GST***			

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