Veg. Oil Weekly Research Report

Contents

Executive Summary

Domestic Veg. Oil Market Summary

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

On the currency front, Indian rupee is hovering near 71.94 against 71.11 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 865 levels for a target of 880 and 885 with a stop loss at 855 on closing basis. We expect refined soy oil at Indore (without GST) to stay in the range of Rs. 800-880 per 10 Kg. in the near term.

In MCX, market participants are advised to go long in CPO above 720 for a target of 735 and 740 with a stop loss at 710 on closing basis. We expect CPO Kandla 5 percent (without GST) to stay in the range of Rs 690-750 per 10 Kg in the near term.

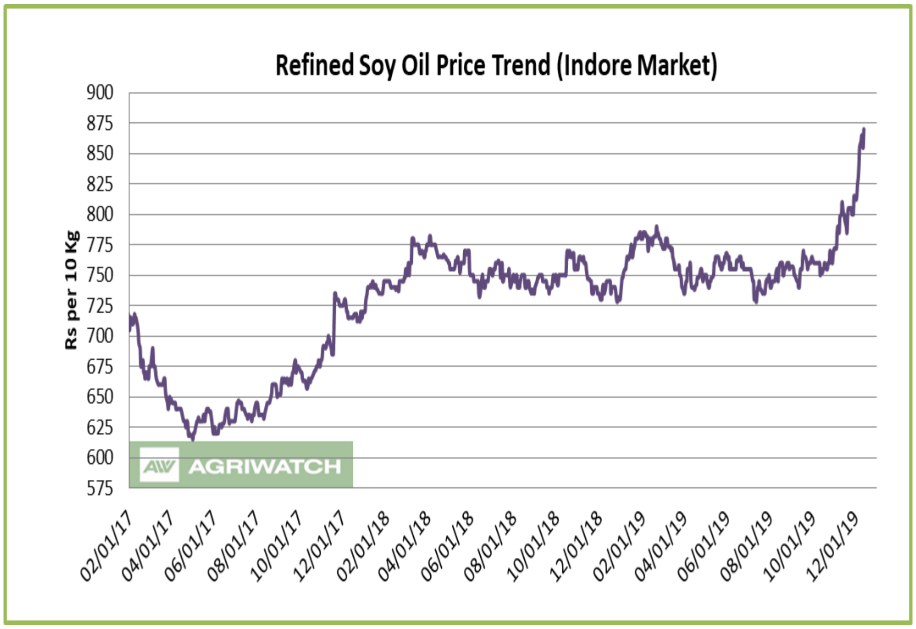
International Veg. Oil Market Summary

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 Argentina, firm Chinese soybean demand and rise in crude oil prices support soy oil prices in coming days.

Fall in palm oil stocks in Malaysia, fall in production of palm oil in Malaysia and Indonesia, drought conditions in Indonesia, slow fall in exports of palm oil from Malaysia and Indonesia, rise in biodiesel use in Indonesia and Malaysia, 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 government in Argentina and lower stocks of soy oil in US will lead to strengthening of soy oil prices.

Import parity increased during the week on rise in prices of soy oil in Indian markets and is quoted at parity of 25-30 per 10 kg compared to parity of Rs 10-15 per 10 kg. Import demand are likely to rise due to parity in imports and positive refining margins.

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

Soy oil demand is firm at CNF markets as prices rose more 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. Trade agreement has been reached to reduce import duties by both countries gradually. This will give boost to international soy oil prices. Hike in trade duty to imposed after Dec has been postponed. However, final draft of trade agreement will be important and will spell future course of soybean complex prices.

Soybean demand from China has risen in November due to arrival of soybean shipments from US despite new 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.

Argentina has increase export duty on exports of soy oil from 24.5 percent to 30 percent. This 5.5 percent rise in export duty on soy oil will increase FOB prices of soy oil and will lead to high CNF India of soy oil. More measures could be seen in the future by Argentina. This marks change in trade policy by new government in Argentina after loss of reformist government of Macri in recent elections.

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

Imports of soy oil fell in Nov 2019 compared to Nov 2018 and Oct 2019. Imports fell in Nov compared to Oct 2019 while port stocks rose less indicating weak demand in Nov and destocking at ports.

CDSO is trading at low premium over RBD palmolein at high seas at Rs. 15 (Rs. 25 last week) per 10 kg will increase CDSO import demand. CDSO premium over CPO at high seas is at Rs 82 (Rs 87) per 10 kg is low and support soy oil prices. Refined soy oil discount over rapeseed oil Rs 42 (Rs 57) per 10 kg while refined soy oil discount over refined sunflower is at Rs 0.0 (Rs 0.0) per 10 kg. Sunflower oil CNF premium over soy oil CNF is at USD -3.0 (USD 8.0) per ton. Values in brackets are figures of last month.

Refined soy oil premium over RBD palmolein is higher at Rs 70 (Rs 75 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 115 (USD 84.5 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 November edible oil imports rose 2.24 percent y-o-y to 10.97 lakh tons from 10.73 lakh tons in Nov 2018. Palm oil imports in Nov fell 1.88 percent y-o-y to 6.79 lakh tons from 6.92 lakh tons in Nov 2018. CPO imports fell 4.75 percent in Nov y-o-y to 5.41 lakh tons from 5.68 lakh tons in Nov 2018. RBD palmolein imports rose by 11.93 percent in Nov y-o-y to 1.22 lakh tons from 1.09 lakh tons in Nov 2018. Soy oil imports fell 19.12 percent in Nov y-o-y to 1.65 lakh tons from 2.04 lakh tons in Nov 2018. Sunflower oil imports rose 58.43 percent y-o-y in Nov to 2.63 lakh tons from 1.66 lakh tons in Nov 2018. Rapeseed (canola) oil imports in Nov was zero compared to 0.12 lakh tons imports in Nov 2018. Rise in imports of edible oil in the month of November was primarily due to rise in imports of sunflower oil.
- According to Solvent Extractors Association (SEA), India's November edible oil stocks at ports and pipelines fell 14.97 percent m-o-m to 15.11 lakh tons from 17.77 lakh tons in November 2019. Stocks of edible oil at ports in November rose to 881,000 tons (CPO 400,000 tons, RBD Palmolein 170,000 tons, Degummed Soybean Oil 160,000 tons, Crude Sunflower Oil 150,000 ton and Rapeseed Oil 1,000 tons) and about 590,000 tons in pipelines. (Stocks at ports were 1,062,000 tons and in pipelines were 715,000 tons in October 2019). India is presently holding 24 days of edible oil requirement on 1st Dec, 2019 at 15.11 lakh tons compared to 28 days of requirements last month at 17.77 lakh tons. India held 21.91 lakh tons of stocks in ports and pipelines on 1st Dec 2018. India's monthly edible oil requirement is 19.0 lakh tons.
- Soy oil import scenario – According to SEA, soy oil imports fell 19.12 percent y-o-y in November to 1.65 lakh tons from 2.04 lakh tons in November 2018.
- Imported crude soy oil CNF at West coast port is offered at USD 830 (USD 792) per ton for Dec delivery, Jan delivery is quoted at USD 828 (USD 788) per ton, Feb delivery is quoted at USD 932 (USD 794) per ton and Mar delivery is quoted at USD 820 (USD 783) per ton. Values in brackets are figures of last week. Last month, CNF CDSO Nov average price was USD 762.88 (USD 720.69 per ton in Oct 2019) per ton. Soy refined (Indore) is quoted at Rs 845 (Rs 800 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 firm in coming days. Currently, refiners fetch USD 45-50/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 Argentina, firm Chinese soybean demand, rise in competing oils prices and rise in crude oil prices.

However, higher crop of soybean in South America will cap gains.

Trade settlement was reached between US and China and it's a mini trade settlement in which China will purchase USD 250 billon of US farm products in return of removal of import duty imposed on USD 250 billion goods. Trade agreement has been reached to reduce import duties by both countries gradually. This will give boost to international soy oil prices. Hike in trade duty to be imposed after Dec 15 has been postponed. However, final draft of trade agreement will be important and will spell future course of soybean complex prices.

Further, officials say that Hong Kong situation is not an impediment in trade talks. Meanwhile, China has given waivers to some shipments of soybean and meat in positive gesture. However, such gestures has come innumerable times since last year and no deal has been reached.

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.

In an unusual event Argentina hiked export duties on exports of soy products fron 24.5 percent to 30 percent. This comes after appointment of conservative leader as Argentina agriculture minister. Pro reformist government of Macri lost to Alberto Fernandez, a conservative leader in Argentina polls. There are rumors that Argentina may impose more export controls. Macri was seen pro market reform and pro trade and agriculture. With Macri's loss, farmers are expecting more barriers and taxes on trade of agriculture goods.

Trade reform under Macri was dome mostly on corn and wheat while some reforms was done in soybean. This has led to expectation that more controls will come in corn and wheat. This has led to higher planting area of soybean in Argentina in 2019/20. Planting in Argentina and is lower than long term averages. However, due to rains there is expectation that planting will rise in coming days. USDA is expected to raise Argentina's soybean production in Jan estimate.

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.

Planting of soybean is progressing at normal pace in Brazil and is expected to be completed this week due to favorable conditions in top producing states. With the current pace of planting Brazil is expected to plant record soybean area in 2019/20.

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 is expected to raise soybean crop in Brazil in Dec review.

USDA kept all the estimates of soy oil of US unchanged in 2019/20 in Dec estimate.

Soybean exports by Brazil to China is expected to fall in 2020 due to swine flu in China and China's protein diversification policy. However, if US-China trade deal goes through then exports to China will fall.

US has imposed trade tariffs on Brazil and Argentina to pressurize both countries to not give China and trade favors in response to US-China trade dispute. This will aggravate global soybean trade already reeling due to US-China trade dispute. The distortion in global soybean trade is expected to adversely affect trade for many years.

Soybean stocks estimate fell in 2019/20 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 96 MMT due to wet and cool spring, which stopped farmers plant soybean and adverse condition during crop progress.

USDA forecast soybean crop in US at 96 MMT in Dec review.

China reported higher soybean import demand in November after various US shipments reached China along with shipments from Brazil. China is restocking soybean after weak imports in 2019. China reported lower soybean imports in 2019 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.

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 reported 13 percent rise in soybean production in the country in the current year. However, it is insufficient to meet the county's demand.

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.

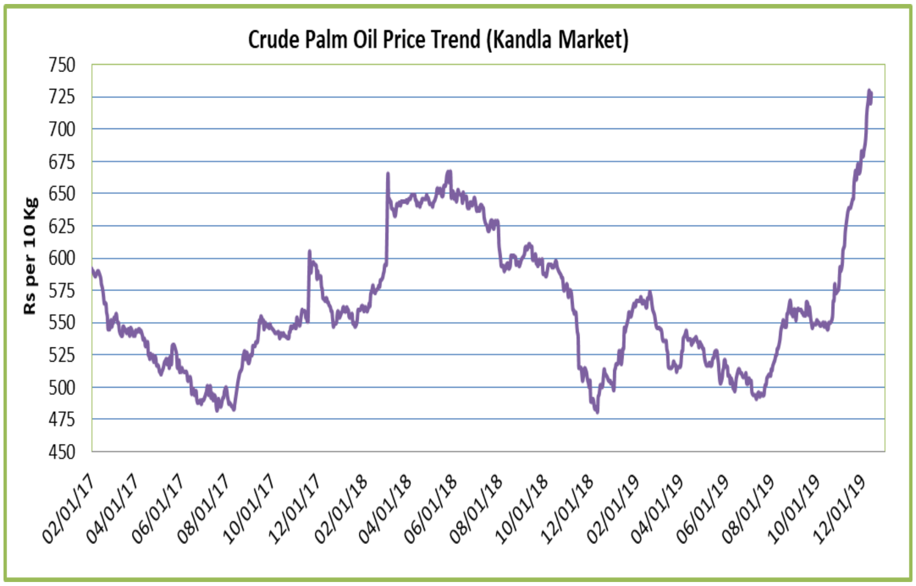
- According to China's General Administration of Customs (CNGOIC), China's November edible vegetable oils imports rose 16.1 percent m-o-m to 10.59 LT from 9.12 LT in Ocotber 2019. Imports in Nov was higher by 70.3 percent compared to Nov 2018 which was reported at 6.22 LT. Year to date imports of edible vegetable oil rose 55.5 percent to 86.29 lakh tons.

- According to China's General Administration of Customs (CNGOIC), China's Nov soybean imports rose 33.9 percent to 8.28 MMT from 6.18 MMT in Ocotber 2019. Imports in Nov are 53.8 percent lower than Nov 2018 import of 5.38 MMT. Year to date soybean imports fell 4.1 percent to 78.97 MMT.
- US soybean is 96% harvested compared to 97% in corresponding period last year and 5-year average of 99%, in the US crop progress report dated 1 December 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.
- USDA WASDE highlights:- The U.S. season-average soybean price for 2019/20 is forecast at $8.85 per bushel, down 15 cents. The soybean meal price forecast is reduced $15.00 to $310.00 per short ton. The soybean oil price forecast is unchanged at 31.0 cents per pound.

Price Outlook: We expect refined soy oil (without GST) at Indore to stay in the range of Rs 800-880 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 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.

  India has said that it will use available policy to restrict unusual imports of edible oils in the lines of increasing import duty on imports if RBD palmolein from Malaysia in Sep.

  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 weak supply position internationally due to fall in global production of palm oil, higher use if biodiesel and drought conditions in Indonesia, which will reduce production of CPO.

  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 fell in November compared to November 2018 and October 2019. Fall in CPO imports came on high base y-o-y. RBD palmolein imports rose in November compared to November 2018. Rise in imports of RBD palmolein in Nov came at low base y-o-y.

  Imports of CPO fell in November m-o-m due to weak refining margins and rise in palm oil prices. Stocks of CPO fell at ports in India in November on fall in imports. Fall in imports were higher than fall in stocks at ports indicating weak demand in November.

  Imports of CPO will rise due to posiitve refining margins. 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 fell during the week due to rise in prices of palm oil in Indan markets and is quoted at Rs 10-15 per 10 kg compared to Rs 25-30 per 10 kg last week.

Port stocks fall in Nov on fall in imports m-o-m and fall in port stocks was lower than fall in imports indicating weak demand in Nov and destocking 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 rose in November y-o-y. Rise 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 November due higher import duty on RBD palmolein, higher prices of RBD palmolein in international markets, negative import parity and negative reefing margins 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 fallen m-o-m on weak demand and destocking at ports. Port stocks fell on fall in imports of RBD palmolein indicating weak demand in November.

Demand of RBD palmolein was firm compared to CPO at high seas as premium of RBD palmolein over CPO was at Rs 67 (Rs 62) 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 35-40 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 115 (USD 84.5 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. 82 (Rs 87 last week) per 10 Kg will decrease CPO demand at high seas. Premium of refined soy oil over RBD palmolein at Rs 70 (Rs 75 last week) per 10 kg. will decrease RBD palmolein demand. RBD palmolein discount over sunflower at CNF markets is at USD 65 (USD 67.5 last week) per ton which is low. Low premium of refined sunflower oil over RBD palmolein remain at Rs 70 (Rs 75) 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 Nonmember fell 1.88 percent y-o-y to 6.79 lakh tons from 6.92 lakh tons in November 2018.

  Crude Palm oil import scenario- According to Solvent Extractors Association (SEA), CPO Imports fell 4.75 percent y-o-y in November to 5.41 lakh tons from 5.68 lakh tons in November 2018.

  RBD palmolein import scenario- RBD palmolein imports rose 11.93 percent y-o-y in October to 1.22 lakh tons from 1.09 lakh tons in November 2018.
- On the trade front, CNF CPO (Indonesian origin) at Indian port is quoted at USD 715 (USD 707.5) per ton for Dec delivery and Jan delivery is quoted at USD 730 per ton. Last month, CNF CPO Nov average price was at 634.46 per ton (USD 541.54 per ton in Oct 2019). Values in brackets are figures of last week.

  Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 745 (USD 732.5) per ton for Dec delivery and Jan delivery is quoted at USD 760 per ton. Last month, CIF RBD palmolein Nov average price was USD 664.57 (USD 567.98 in Oct 2019) per ton. Values in bracket depict last month quotes.

  Ready lift CPO duty paid prices quoted at Rs 728 (Rs 708) per 10 Kg and Dec delivery duty paid is offered at Rs 728 (Rs 708) per 10 kg. Ready lift RBD palmolein is quoted at Rs 795 (Rs 770) per 10 kg as on Dec 13, 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 15-20/ton v/s gain of USD 0-5/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 40-45/ton (last month) parity.

International Front

Palm oil prices are likely to rise due to fall in end stocks of palm oil in Malaysia, slowdown in production of palm oil in Malaysia, slow fall 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 fell in Malaysia in Dec due to slowdown of production of palm oil and slow fall in exports of palm oil in Dec from the country.

End stocks of palm oil fell 4 percent in Nov in Malaysia to 22.56 lakh tons due to 14 percent fall in production of palm oil in Malaysia in Nov amid 14 percent fall in exports of palm oil from Malaysia in Nov. Trade was expecting more than 5 percent fall in end stocks on lower fall in exports of palm oil from Malaysia in Nov. End stocks of palm oil is expected to fall further in Dec due to fall in production in palm oil and slow fall in exports of palm from Malaysia.

Production fell in Malaysia in Nov on seasonal downtrend 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 11-12 percent in Malaysia in December due to weak demand from India and China.

Imports of palm oil fell from China in December due to rise in prices of palm oil and onset of winter. However, demand ahead of Chinese New Year will keep imports of palm oil elevated from China in coming months.

Imports from China was 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.

Exports of palm oil may weaken from Malaysia and Indonesia weaken due to rise in prices of palm oil in international markets.

Palm oil imports by India from Malaysia is subdued from Malaysia in Nov due to rise in prices of palm oil, onset of winter in Indian subcontinent, higher import duty on RBD palmolein compared to CPO, higher stocks of palm oil at Indian ports and India-Malaysia dispute on Kashmir. However, due to higher import parity and positive refining margins will increase imports of palm oil.

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.

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.

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 in coming months 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.

Palm oil stocks in Indonesia fell to 3.73 MMT in Sep due to fall in production in the country and rise in exports of palm oil from the country. 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 2020 on higher produce from maturing plantation. Lower revision is due to dry conditions, lower fertilizer use and effect of haze.

Ringgit has appreciatred and has reached 4.15/USD levels and is expected to cap in palm oil prices. This will make exports of palm oil uncompetitive compared to other oil and same oils with different destinations.

Malaysia hiked export duty on crude palm oil exports for the first time since August 2018 after international prices surged and palm oil end stocks fell 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. Stocks of palm oil is expected to fall by 3-4 MMT globally in 2020 from present global stock of 17-18 MMT. This will support prices of palm oil in 2020.

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 has planned 40 percent bio content by 2021.

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 Malaysia Palm Oil Board (MPOB), Malaysia's November palm oil stocks fell 4.08 percent to 22.56 lakh tons compared to 23.51 lakh tons in Ocotber 2019. Production of palm oil in Nov fell 14.35 percent to 15.38 lakh tons compared to 17.96 lakh tons in Oct 2019. Exports of palm oil in Nov fell 14.64 percent to 14.02 lakh tons compared to 16.42 lakh tons in Oct 2019. Imports of palm oil in Nov fell 12.17 percent to 0.75 lakh tons compared to 0.85 lakh tons in Oct 2019. End stocks of palm oil fell less compared to trade expectation. Fall in stocks was due to lower production partially setoff by fall in exports of palm oil.
- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's Dec 1-10 palm oil exports fell 11.4 percent to 376,659 tons compared to 425,010 tons in corresponding period last month. Top buyers were European Union 95,620 tons (93,810 tons), Pakistan at 41,000 tons (0 tons), China at 40,980 tons (89,170 tons), India at 31,300 tons (29,900 tons) and United States at 29,300 tons (41,270 tons) and. Values in brackets are figures of corresponding period last month.

- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's Dec 1-10 palm oil exports fell 12.3 percent to 361,220 tons compared to 412,040 tons in corresponding period last month. Top buyers were European Union 86,000 tons (74,325 tons), China at 82,630 tons (63,800 tons) and India & subcontinent 36,500 tons (34,500 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 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 hiked Jan crude palm oil export tax to 5.0percent. Export duty of palm oil is calculated at reference price of 2,571.16 ringgit (USD 616.59) per ton. Tax is calculated above 2,250 ringgit starting from 4.5 percent to a maximum of 8.5 percent. Malaysia imposed export duty on exports of crude palm oil after August 2018.

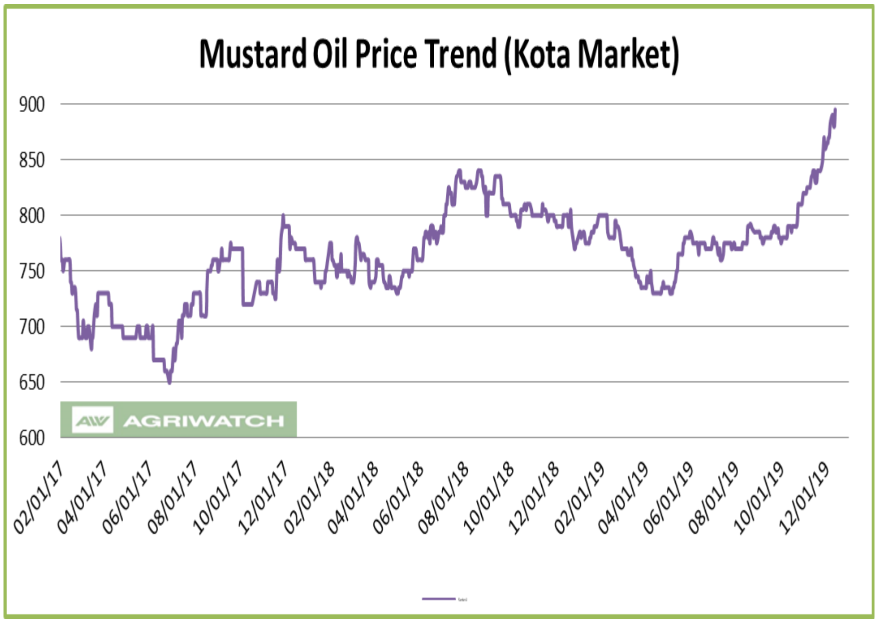
According to Indonesia trade ministry, Indonesia kept Dec crude palm oil export duty unchanged at zero. The reference price is set 14 percent higher from last month at USD 650.18 per ton, higher than lower threshold for export duty below USD 570 to calculate export levy. Indonesia taxes palm oil above 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 670-740 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.

Demand rose ahead of winters in North and East India.

Rapeseed oil is moving out of Rajasthan at Rs 860-880 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 1.77 lakh tons. So, total stock of rapeseed with NAFED stands at 9.12 lakh tons. Stock with NCDEX is 0.11 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 Assam, Bihar, Chhattisgarh, Jharkhand, MP, West Bengal and Gujarat. Sowing of rapeseed is expected to remain lower due to higher production in last 2 years despite higher MSP of rapeseed.

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 42 (Rs 57) per 10 Kg will support rapeseed oil prices.

Jaipur kacchi ghani rapeseed oil premium over RBD palmolein is at Rs 113 (Rs 132) 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.

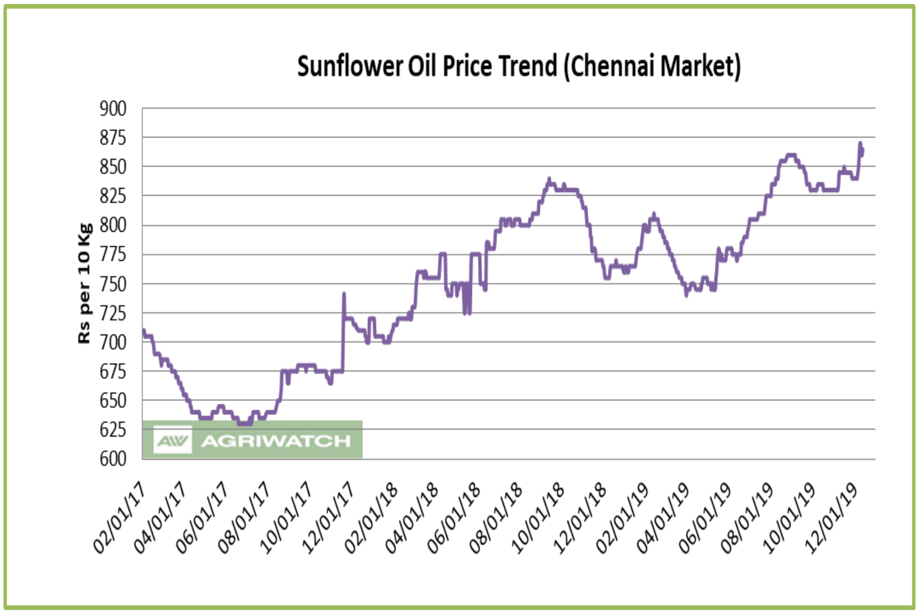
Markets are expected to trade sideways to firm tone in coming days on firm demand ahead of winters in North and East India.

- All India Rabi progressive sowing of rapeseed has reached 61.46 lakh hectares as on 13.12.2019 compared to 63.76 lakh hectares in corresponding period last year. Sowing is slow in state of, Assam, Bihar, Chhattisgarh, Jharkhand, MP, West Bengal and Gujarat while it is higher in Rajasthan, Haryana 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 November 2019 v/s 0.12 lakh tons imports in November 2018.
- Currently, RM oil at Jaipur market, (expeller) is offered at Rs 900 (Rs 860) per 10 Kg, and at Kota market, it is offered at Rs 895 (Rs 880) per 10 kg as on Dec 13, 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 860-940 per 10 Kg.

Sunflower oil Fundamental Review and Analysis-:

Domestic Front



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

Sunflower oil price rose lower at high seas compared to CNF markets indicating weak demand at high seas.

Prices of sunflower oil rose due to rise in palm oil and soy oil prices.

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 Nov while imports surged more than rise in stocks indicating firm demand in Nov.

Imports rose on positive import parity and positive refining margins along with low premium of sunflower oil over soy oil and palm oil at CNF markets and firm domestic demand.

In domestic market, sunflower oil prices premium over soy oil is at Rs 0.0 (Rs 0.0 last week) per 10 kg, which indicates that sunflower oil prices have converged at domestic markets and CNF markets. At present premium of sunflower oil over soy oil at CNF markets is at USD -3.0 (USD 8.0 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 65 (USD 67.5 last week) which will increase imports.

In domestic market refined sunflower oil (Chennai) premium over RBD palmolein (Chennai) is at Rs 70 (Rs 60) 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 205 (Rs 195 last week) per 10 kg will support sunflower oil prices.

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

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

Prices may be capped on seasonal downtrend of prices.

Imports of sunflower oil rose in November after fall last month and port stocks have remained unchanged indicating restocking is taking place at ports.

Firm domestic demand may support 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.

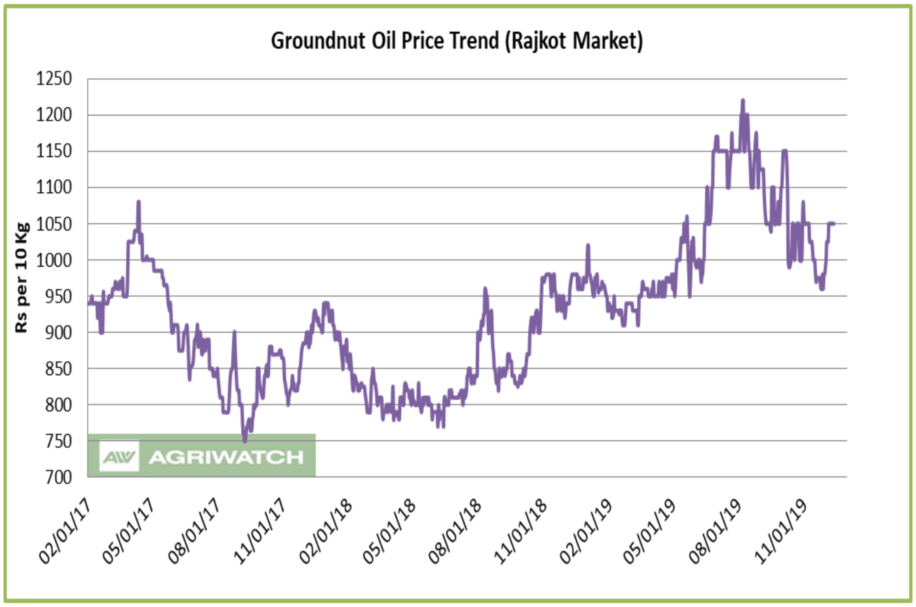
Refiners purchase of crude sunflower oil from international markets will increase as CNF sunflower oil premium over CNF soybean oil and palm oil has fallen.

Prices of sunflower oil are expected to rise on firm demand.

- Sunflower oil imports scenario- According to Solvent Extractors Association (SEA), Sunflower oil imports rose 58.43 percent y-o-y in November to 2.63 lakh tons from 1.66 lakh tons in November 2018.
- All India Rabi progressive sowing of sunflower has reached 0.69 lakh hectares as on 13.12.2019 compared to 0.93 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 825 (USD 800) per ton for JFM delivery and April delivery is quoted at USD 832.5 per ton. CNF sun oil (Ukraine origin) Nov monthly average was at USD 766.96 per ton compared to USD 738.66 per ton in Oct. Values in brackets are figures of last week.
- Prices are likely to stay in the range of USD 800-850 per ton in the near term. CNF Sunflower oil premium over CDSO is hovering remain at USD -3.0 (USD 8.0 last week) per ton for Dec delivery. CNF sunflower oil premium over RBD palmolein is hovering around USD 65 (USD 67.5) per ton.
- Currently, refined sunflower oil at Chennai market is offered at Rs 865 (Rs 845) per 10 Kg, and at Kandla/Mudra market, it is offered higher at Rs 860 (Rs 840) per 10 kg as on Dec 13, 2019. Values in brackets are figures of last week.
- We expect sunflower oil prices to trade sideways to firm tone in the coming days.

Price Outlook: Sunflower oil (without GST) prices in Chennai may stay in the range of Rs 840-900 per 10 Kg.

Groundnut oil Fundamental Review and Analysis-:
Domestic Front



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

Prices may rise in rise in groundnut prices. Rise in raw material prices may led to higher product prices.

Prices may rise rise in palm oil and sunflower oil prices.

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

Harvest of groundnut is over in Gujarat and yield reported were good. In South India, harvest is over. Harvest pressured groundnut oil prices.

NAFED has started procurement of groundnut from November 1 at MSP at various centers and around 4.5 lakh farmers have registered in Gujarat for the procurement.

NAFED has procured 1.81 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 3.48 lakh tons.

Supply of groundnut oil is decreasing despite good crop of groundnut as groundnut prices offered in mandis are much lower than offered by NAFED due to which most of the groundnut is going towards NAFED has decreased supply of groundnut in the market leading to higher 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 1000-1020 per 10 kg.

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

Demand season of groundnut oil is over. However, prices rose on parity with Gujarat. Since the demand season is over, prices will remain moderated.

In South India groundnut, planting of groundnut has started. 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 ending, groundnut crushing has started and will continue until January after which peak demand season ends in Gujarat.

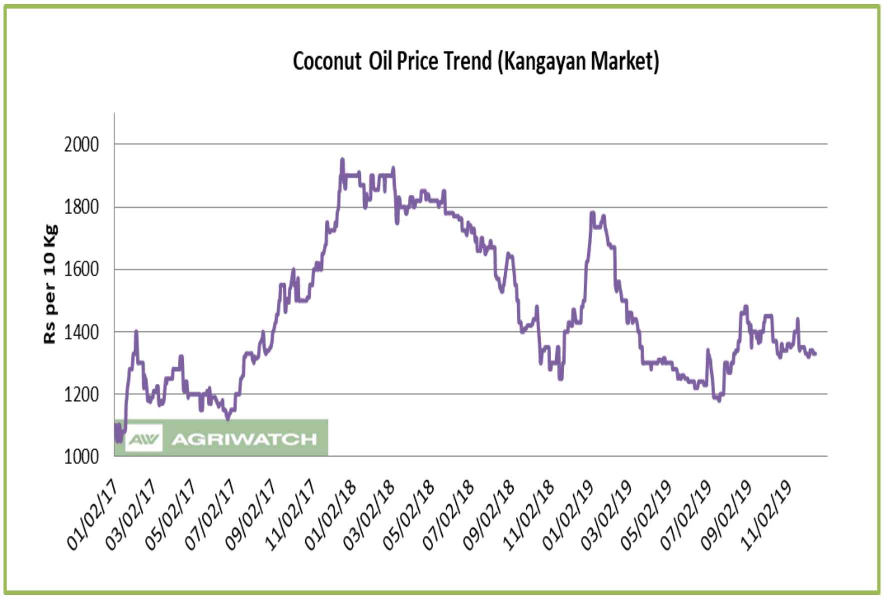
Exports of groundnut had decreased due to rise in prices of groundnut leading to diversion of groundnut towards crushing weakening prices.

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 13.12.2019 has reached 2.83 lakh hectares compared to 2.68 lakh hectares in corresponding period last year. Sowing is higher than corresponding period last year in Andhra Pradesh, Telangana and Karnataka while it is slow in Orissa.
- On the price front, currently the groundnut oil prices in Rajkot is quoted at Rs 10,500 (Rs 9,500) per quintal and it was quoted at Rs 10,700 (Rs 10,400) per quintal in Chennai market on Dec 13, 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 950-1100 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 fell on fall in prices of copra. Fall in raw material prices led to lower product prices.

Prices closed lower despite rise in prices palm oil 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 has improved after 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 firm 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 rise due to firm demand. Household consumption will rise due to lower prices of coconut oil.

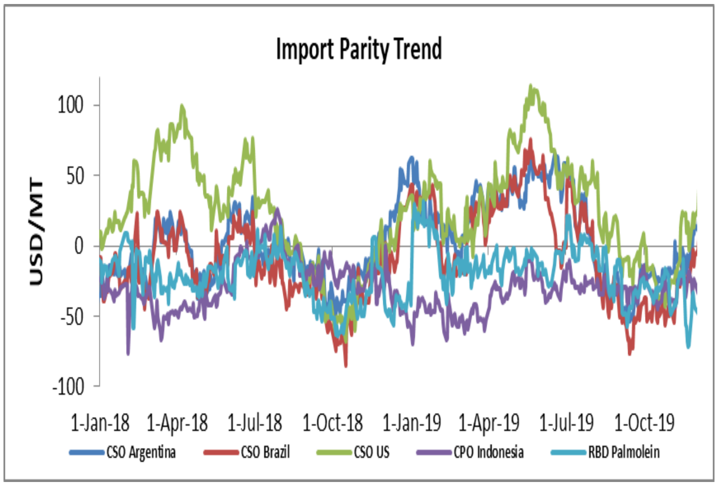
Coconut oil prices are expected to be firm in days ahead.

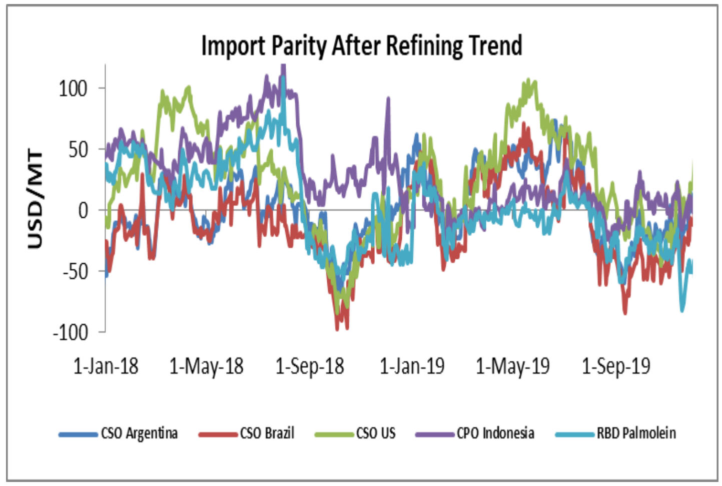
- On the price front, currently the coconut oil prices in Kochi is hovering remain at Rs 14,700 (Rs 14,500) per quintal, and was quoting Rs 13,300 (Rs 13,400) per quintal in Erode market on Dec 13, 2019.

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 23-Nov 29, 2019	-4.14	-20.47	6.88	5.61	-43.74
Nov 30-Dec 6, 2019	17.06	1.80	41.23	-7.84	-51.85
Dec 7-Dec 13, 2019	48.23	23.64	84.27	15.79	-46.06

Outlook-:

Refining margins parity rose for crude soy oil from Argentina due to rise in prices of soy oil in Indian markets. We expect soy oil refining margins parity to remain strong in medium term due to expectation of higher prices of soy oil in Indian markets.

Refining margins CPO returned to parity will lead to higher imports while refining margins of RBD palmolein is in disparity lead to lower imports. We expected CPO parity to remain firm in medium term due to rise in prices of CPO Indian markets. RBD palmolein 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 Jan, 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 860 in weekly might take the prices below 850 levels.
- Expected price band for next week is 830-700 level in near to medium term. RSI and MACD is suggesting uptrend in the market.

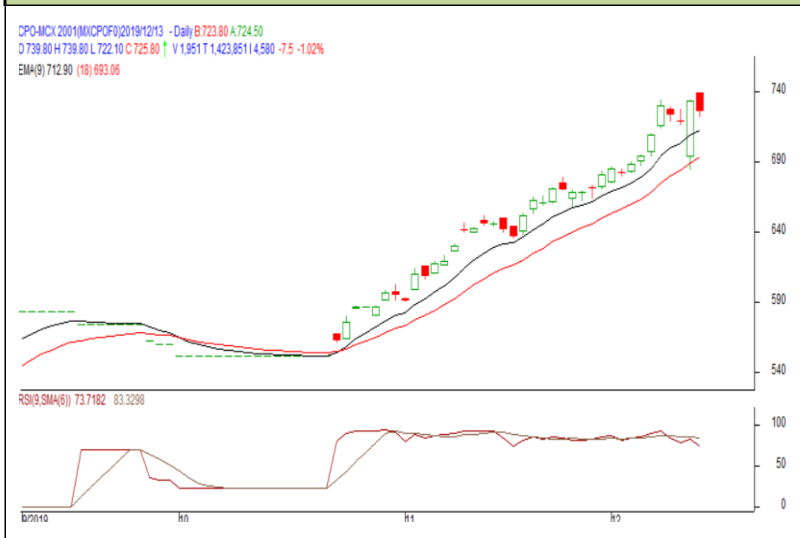
Strategy: Market participants are advised to go long above 865 levels for a target of 880 and 885 with a stop loss at 855 on closing basis.

RSO NCDEX (January)

Support and Resistance				
S2	**S1**	**PCP**	**R1**	**R2**
830.00	850.00	868.00	870.00	890.00

Spot Market outlook: Refined soy oil Indore (without GST) is likely to stay in the range of Rs 800-880 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 720 in weekly chart may bring the prices to 710 levels.
- Expected price band for next week is 680-760 level. RSI and MACD are suggesting uptrend in prices in the coming week.

Strategy: Market participants are advised to go long in CPO above 720 for a target of 735 and 740 with a stop loss at 710 on closing basis.

CPO MCX (December)

Support and Resistance				
S2	**S1**	**PCP**	**R1**	**R2**
640.00	660.00	726.00	700.00	720.00

Spot Market outlook: Crude palm oil (without GST) is likely to stay in the range of Rs 690-750 per 10 Kg.

Veg. Oil Prices at Key Spot Markets

Edible Oil Prices at Key Market:

Commodity	Centre	Prices(Per 10 Kg) 13-Dec-19	Prices(Per 10 Kg) 06-Dec-19	Change
Refined Soybean Oil	Indore	870	840	30
	Indore (Soy Solvent Crude)	825	800	25
	Mumbai	865	830	35
	Mumbai (Soy Degum)	823	795	28
	Kandla/Mundra	850	825	25
	Kandla/Mundra (Soy Degum)	825	792	33
	Kolkata	845	820	25
	Delhi	895	875	20
	Nagpur	858	840	18
	Rajkot	840	820	20
	Kota	860	840	20
	Hyderabad	Unq	0	-
	Akola	863	842	21
	Amrawati	862	842	20
	Bundi	865	845	20
	Jalna	856	837	19
	Solapur	853	820	33
	Dhule	855	833	22
Palm Oil*	Kandla (Crude Palm Oil)	764	733	32
	Kandla (RBD Palm oil)	819	772	47
	Kandla RBD Pamolein	851	803	47
	Kakinada (Crude Palm Oil)	756	719	37
	Kakinada RBD Pamolein	840	809	32
	Haldia Pamolein	840	809	32
	Chennai RBD Pamolein	856	814	42
	KPT (krishna patnam) Pamolein	840	809	32
	Mumbai RBD Pamolein	866	830	37
	Mangalore RBD Pamolein	861	819	42
	Tuticorin (RBD Palmolein)	856	818	38
	Delhi	860	838	22
	Rajkot	830	798	32
	Hyderabad	815	795	20
	PFAD (Kandla)	504	525	-21
	Refined Palm Stearin (Kandla)	756	719	37
	Superolien (Kandla)	866	835	32
	Superolien (Mumbai)	887	845	42

* inclusive of GST

Refined Sunflower Oil	Chennai	865	845	20
	Mumbai	870	850	20
	Mumbai(Expeller Oil)	820	805	15
	Kandla (Ref.)	860	840	20
	Hyderabad (Ref)	875	860	15
	Latur (Expeller Oil)	825	815	10
	Chellakere (Expeller Oil)	830	807	23
	Erode (Expeller Oil)	900	880	20
Groundnut Oil	Rajkot	1050	1050	Unch
	Chennai	1070	1040	30
	Delhi	1100	1100	Unch
	Hyderabad *	1075	1060	15
	Mumbai	1060	1035	25
	Gondal	1050	1030	20
	Jamnagar	1040	1040	Unch
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	900	880	20
	Jaipur (Kacchi Ghani Oil)	915	902	13
	Kota (Expeller Oil)	895	880	15
	Kota (Kacchi Ghani Oil)	915	895	20
	Neewai (Expeller Oil)	880	870	10
	Neewai (Kacchi Ghani Oil)	895	890	5
	Bharatpur (Kacchi Ghani Oil)	920	900	20
	Sri-Ganga Nagar(Exp Oil)	890	885	5
	Sri-Ganga Nagar (Kacchi Ghani Oil)	915	905	10
	Mumbai (Expeller Oil)	885	870	15
	Kolkata(Expeller Oil)	930	930	Unch
	New Delhi (Expeller Oil)	885	878	7
	Hapur (Expeller Oil)	890	890	Unch
	Hapur (Kacchi Ghani Oil)	920	920	Unch
	Agra (Kacchi Ghani Oil)	925	905	20
Refined Cottonseed Oil	Rajkot	840	820	20
	Hyderabad	845	830	15
	Mumbai	850	825	25
	New Delhi	807	800	7
Coconut Oil	Kangayan (Crude)	1330	1340	-10
	Cochin	1470	1450	20
Sesame Oil	New Delhi	1380	1380	Unch

	Mumbai	Unq	0	-
Kardi	Mumbai	Unq	880	-
Rice Bran Oil (40%)	New Delhi	670	654	**16**
Rice Bran Oil (4%)	Punjab	680	660	**20**
Malaysia Palmolein USD/MT	FOB	728	688	**40**
	CNF India	773	723	**50**
Indonesia CPO USD/MT	FOB	703	680	**23**
	CNF India	743	698	**45**
RBD Palm oil (Malaysia Origin USD/MT)	FOB	723	683	**40**
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	720	678	**42**
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	990	940	**50**
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	610	560	**50**
Crude palm Kernel Oil India (USD/MT)	CNF India	950	895	**55**
Ukraine Origin CSFO USD/MT Kandla	CIF	815	788	**27**
Rapeseed Oil Rotterdam Euro/MT	FOB	850	825	**25**

Argentina FOB ($/MT)	13-Dec-19	6-Dec-19	Change
Crude Soybean Oil Ship	758	732	**26**
Refined Soy Oil (Bulk) Ship	785	758	**27**
Sunflower Oil Ship	730	710	**20**
Cottonseed Oil Ship	738	712	**26**
Refined Linseed Oil (Bulk) Ship	Unq	0	-
			**** indicates including GST***

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