

Executive Summary

Domestic Veg. Oil Market Summary

Most of the edible oil featured steady tone during the week under review tracking recovery in the Indian rupee against US dollar and need based demand in the cash market. Moreover, higher Kharif oilseeds sowing due to timely onset of monsoon over key oilseeds producing regions support the veg. oil supply prospects.

Sown area for Kharif oilseed stood at 188.16 lakh hectares as on 29 Aug 2013. Oilseeds sowing were 167.13 lakh hectares in the corresponding period of last year – Ministry Of Agriculture.

On the currency front, Indian rupee against USD closed at 65.23, down 1.03 percent as compared to the previous week. We expect edible oil complex to trade range bound in the coming days.

We expect edible oil complex to trade sideways in the coming days owing to need based demand and recovery in the Indian rupee against US dollar.

International Veg. Oil Market Summary

CBOT soy oil (Oct) is expected to stay in the range of 41.90 cents/lb to 44.00 cents/lb. CPO at BMD (Oct) is likely to trade in the range of 2300-2510 ringgits per tons. Focus during the coming days will be on the US weather over key soybean growing regions amid concerns of crop damage, and Malaysian palm oil export and inventories figures.

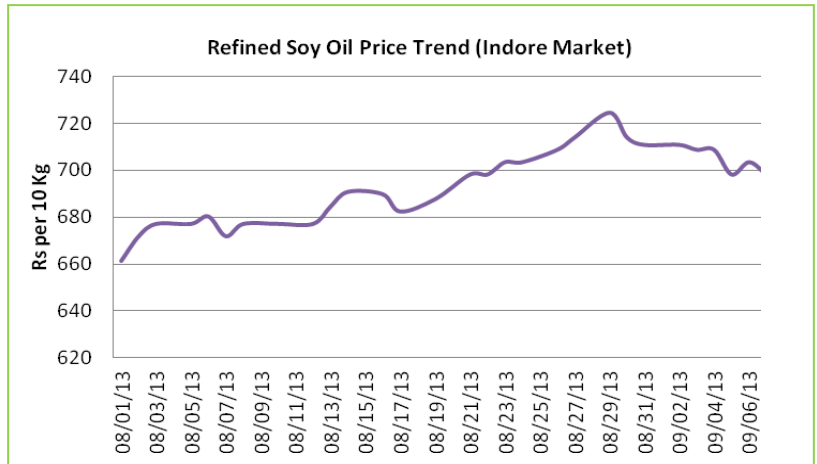
Weather concern over US soybean-growing regions and tight US old soybean crop support the bulls. However, rains forecast over US Midwest for the coming week may support the crop yield prospects and likely to curb gains in the soybean and oil prices in the days ahead. US soybean yields and demand from top buyers would be the key factors to be watch in the coming days.

Better buying from top palm oil buyers, i.e. India, China and weather concern over key US soybean areas may support the palm oil at BMD. However, South East Asian countries entering into seasonally high palm oil yield phase support the palm oil supply scenario in the medium term and raise the concerns about palm oil inventory levels climbing higher during the second half of 2013.

Soy oil Fundamental Analysis and Outlook:-

Domestic Front

- Soybean oil depicted weak tone on cautious buying and on hopes of higher soybean production in the current year.
- On the supply side, sown area for Kharif Soybean stood at 121.72 lakh hectares as on 29 Aug. However, soybean sowing was 106.83 lakh ha in the corresponding period last year. Last year India's total soybean acreage was 107.03 lakh Ha.
- Expected rise in oilseed production in the current season support edible oils supplies prospects. Moreover, new crop arrivals likely to add pressure to the market in the medium term. As per sources, new soybean crop arrivals noticed in some areas of Maharashtra and new crop arrivals from Rajasthan and MP likely to hit market in the coming 7-10 days.
- We expect soy oil may trade with a steady tone in the coming days owing to higher oilseed sowing and need based demand. However, weak Indian rupee against US dollar may limit excessive gains.



International Front

- As per the latest crop progress report released by USDA, the soybean crop condition declined in 14 of the top 18 producing states. 58 percent of the crop was rated at Good to Excellent condition, down from 62 percent in the previous week. Soybean blooming was reported at 96 per cent, up 4 per cent from last week but lower than 5-year average of 98 percent.
- The China National Grain and Oils Information Center has estimated that China's soy imports in August 2013 are likely to be at about 6 million tons and local crushers have boosted imports of cheap South American soy.
- Lanworth has trimmed its estimate for the US soybean harvest to 3.114 billion bushels, based on an average yield of 40.4 bushels per acre due to dry conditions and high temperatures across major production areas in the Midwest during the past month.
- Weather concern over US soybean-growing regions and tight US old soybean crop support the bulls. However, rains forecast over US Midwest for the coming week may support the crop yield prospects and likely to curb gains in the soybean and oil prices in the days ahead. US soybean yields and demand from top buyers would be the key factors to be watch in the coming days.

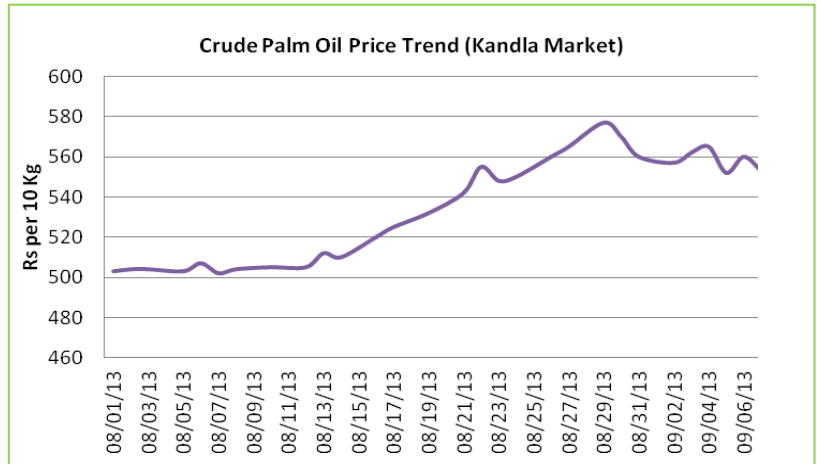
Price Outlook:

We expect refined soy oil at Indore (with VAT) to stay in the range of 678-700 per 10 Kg in the near term.

Palm oil Fundamental Analysis and Outlook -:

Domestic Front

- CPO Kandla 5% witnessed slight losses during the week in review on need based buying in the spot markets and recovery in the Indian rupee.
- On the demand side, palm oil demand at major cash markets were normal, market participants remain reluctant to take new position due to fluctuation in the Indian rupee against US dollar and on hopes of bumper soybean production.
- On the supply side, Indian buyers imported 44.4 lakh tons of crude palm oil in the current oil year until July, which is 14.43 percent higher against corresponding period of last year. Meanwhile, RBD palmolein imports were higher at 17.58 lakh tons during Nov'12-Jul'13 as compared to the same period of a last year.
- We expect domestic palm oil prices may trade range bound owing to recovery in Indian rupee against US dollar and expectation of good edible oils supplies in the coming weeks.



International Front

- As per Reuter's survey, Malaysia's August palm oil stocks likely grew to 1.73 million tons, up 4 percent from previous month. Moreover, survey depicts that production may surge by 5 percent from a month ago to 1.76 million tons. MPOB's report will be released on September 10.
- On the supply side, palm oil inventories rose 1.0 percent in July to 1.66 million tons, the first rise since December as production of the oil surged by 18.21 percent to 1.67 million tons in July - MPOB.
- Better buying from top palm oil buyers, i.e. India, China and weather concern over key US soybean areas may support the palm oil at BMD. However, South East Asian countries entering into seasonally high palm oil yield phase support the palm oil supply scenario in the medium term and raise the concerns about palm oil inventory levels climbing higher during the second half of 2013.

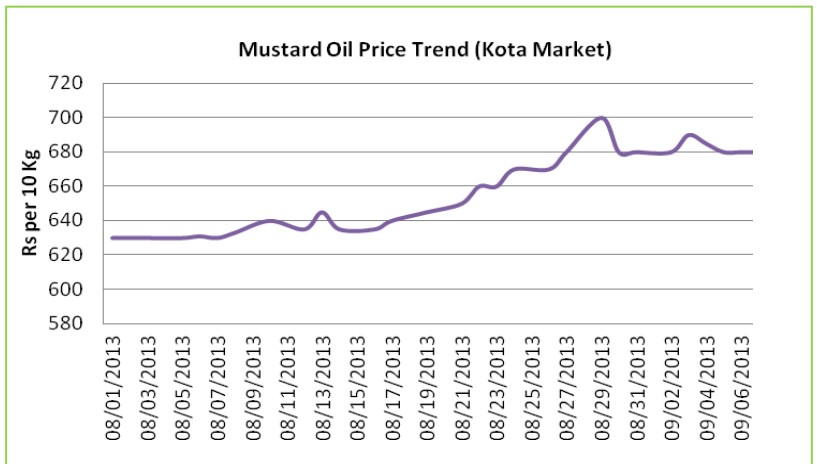
Price Outlook:

We expect CPO Kandla 5% (with VAT) to stay in the range of 540-560 per 10 Kg in the near term.

Rapeseed oil Fundamental Review and Analysis:-

Domestic Front

- Mustard oil featured firm tone during the week at the Kota market owing to bullish cues from international palm oil market and falling supplies of seed in the spot markets.
- On the supply side, As per the Fourth advance estimates of production released by Ministry of agriculture, the oilseed production for 2012/13 is estimated at 31.01 million tons, up 0.31 million tons from previous estimates. Mustard seed is estimated at 7.82 million tons, up .42 million tons from previous estimates. As per Agriwatch estimates, mustard oil output seen at 29.2 lakh tons, up 22 percent from the previous oil year.
- We expect RM seed oil prices may trade range bound.



International Front

- Oil World has revised the production figure for European Union's 2013 rapeseed harvest to 20.50 million tons from 20.40 million tons previously and up from 19.41 million tons in 2012.

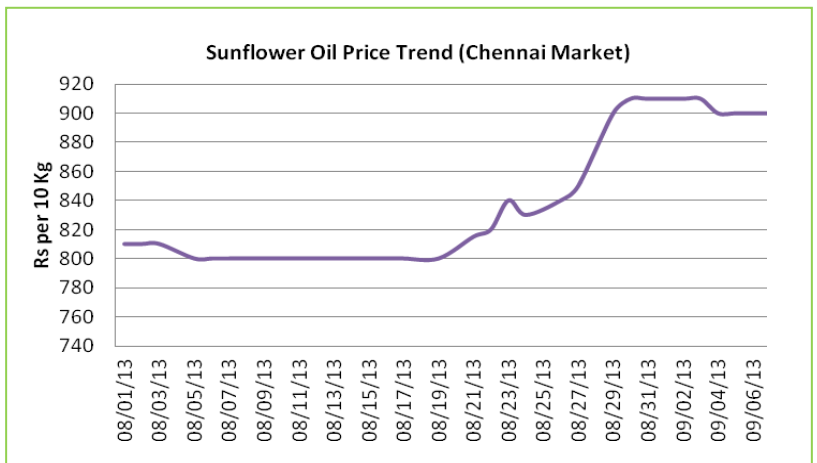
Price Outlook:

Rapeseed oil (without VAT) in Kota market is likely to trade in the price band of Rs 665-685 per 10 Kg.

Sunflower oil Fundamental Review and Analysis:-

Domestic Front

- Sunflower oil depicted gains at its benchmark market Chennai during the week due to better buying and lower imports during the last months.
- Planting of sunflower seed in the current season has progressed to 2.23 lakh hectares as of Aug 29, compared with 1.97 lakh hectares in the same period a year earlier. Higher sowing witnessed in states of Karnataka and Maharashtra due to better rainfall. Karnataka and Maharashtra covers 95 percent of the total sunflower seed acreage in the current season.
- At import front, SEA of India reports that crude sunflower oil imports by India reached 741,703 tons in the current oil year 2012-13 until July and were thus lower than the 900,281 tons imports against same period last year. However, imports were lower on m-o-m basis in July at 62,300 tons compared with 101,480 tons in June.
- We expect sunflower oil prices may trade with steady note in the near term.
- Global production of sunflower seeds is likely to rise 13 per cent to 40.2 million metric tons, up 1.5 million from the previous estimate, with the EU forecast raised to a record 8.6 million tons from 6.9 million tons last year - Oil World.

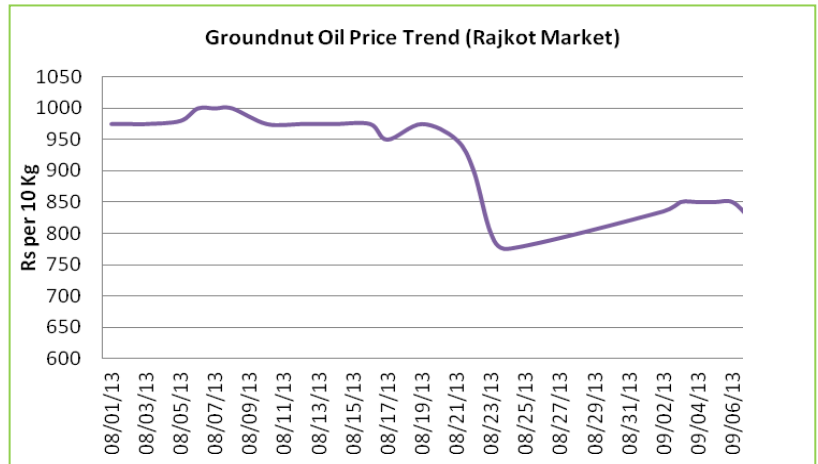


Price Outlook: Sunflower oil (with VAT) prices in Chennai may stay in the range of Rs 880-905 per 10 Kg.

Groundnut oil Fundamental Review and Analysis:-

Domestic Front

- Groundnut oil depicted gains at its benchmark market Rajkot during the week due to better buying at lower quotes.
- As per the latest report of Ministry of Agriculture, sown area for Kharif groundnut stood at 41.71 lakh hectares as on 29 Aug 2013. However, groundnut sowing was 37.02 lakh hectares in the corresponding period of last year. Last year India's groundnut seed acreage was 39.09 lakh Ha.
- As per trade sources, crop conditions are good over key groundnut producing regions of Gujarat and Rajasthan. Lower groundnut oil quotes offered by stockists may favor bulls for short term. While, on hopes of higher groundnut seed production in the current year may curb excessive gains.
- We expect groundnut oil prices may trade sideways in the days ahead.



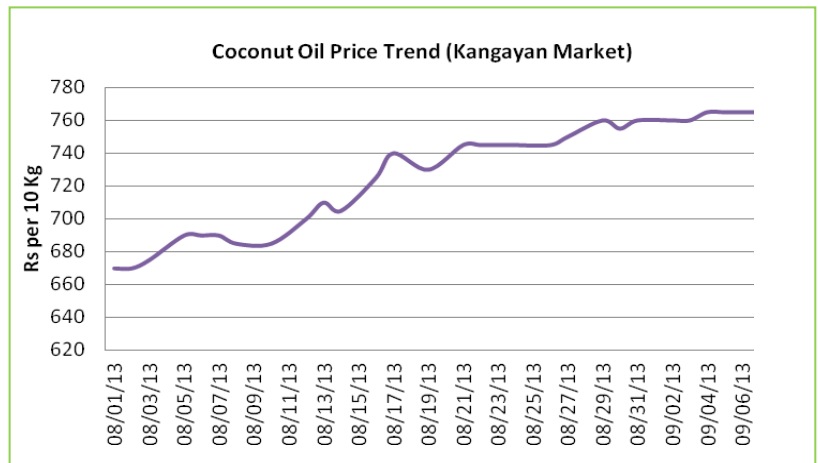
Price Outlook:

Groundnut oil (without VAT) in Rajkot market is likely to trade in the price band of Rs 750-850 per 10 Kg.

Coconut Oil Fundamental Review and Analysis:-

Domestic Front

- Coconut oil featured quoted higher at its benchmark market Erode during the week owing to weak copra arrivals and better buying from corporate.
- Coconut oil prices are likely to remain range bound in the coming days due to forecasts for ample domestic as well as global vegetable oil supplies. While; gains in the competing palm kernel oil prices, corporate buying and weak Indian rupee may support the bulls for short term.
- We expect coconut oil prices may trade range bound in the coming week.

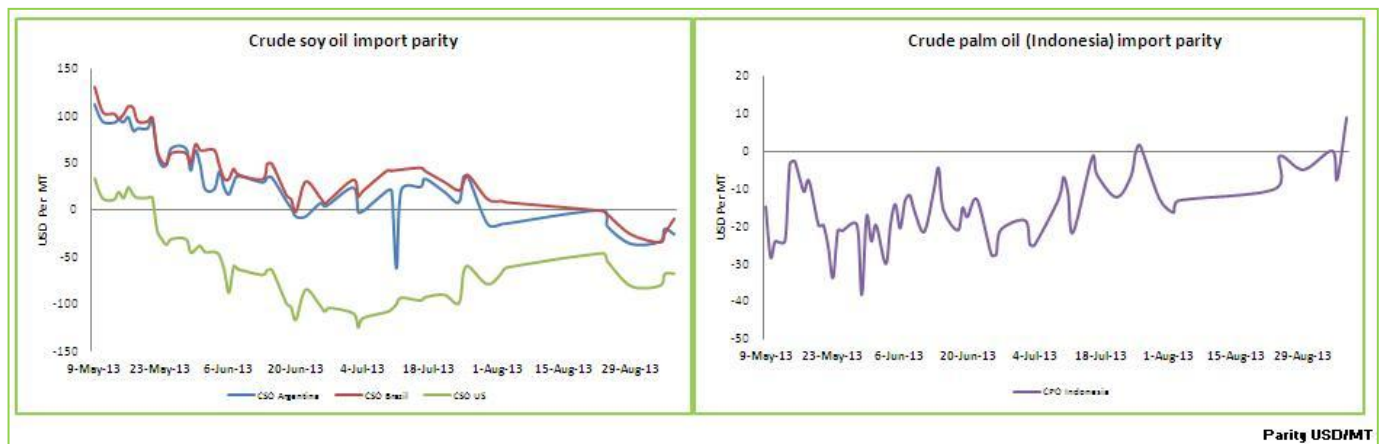


Price Outlook: Coconut oil (without VAT) prices in Erode may stay in the range of Rs 742-765 per 10 Kg.

Landed Cost at the Indian Ports - Crude soy oil and Crude palm oil

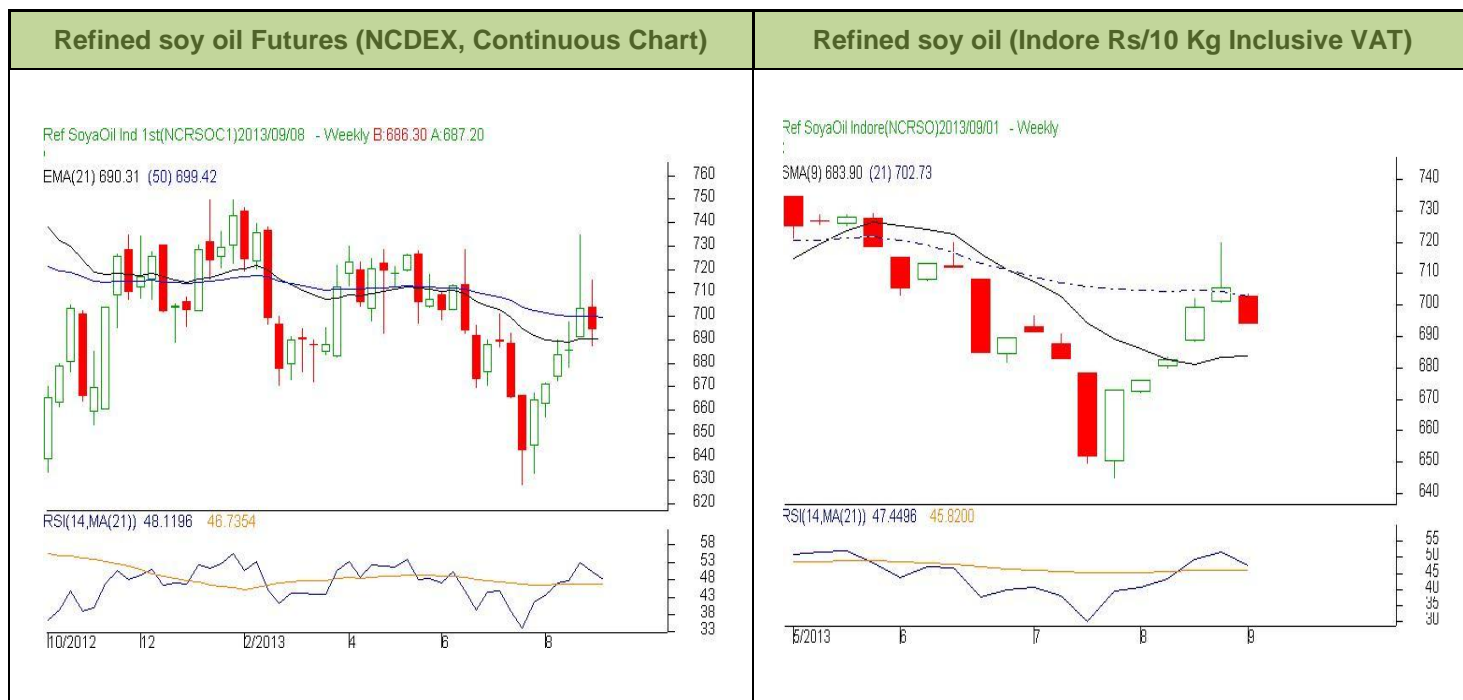
Landed Cost Calculation as on 07/9/2013	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia
FOB USD per ton	889	883	945	765
Freight (USD/MT)	75	65	60	35.0
C & F	964.0	948.0	1005.0	800.0
Weight loss (0.25% of FOB)	2.22	2.21	2.36	1.91
Finance charges (0.4% on CNF)	3.86	3.79	4.02	3.20
Insurance (0.3% of C&F)	3	3	3	2
CIF (Indian Port - Kandla)	973	957	1014	808
CVD	0	0	0	0
Duty USD per ton	23.78	23.78	23.78	20.83
CVD value USD per ton	0	0	0	0
Cess (2% on duty) USD per ton	0.4755	0.4755	0.4755	0.4165
Exchange rate	65.24	65.24	65.24	65.24
Landed cost without customs duty in INR per ton	63477	62424	66179	52682
Customs duty %	2.5%	2.5%	2.5%	2.5%
Base import price	951	951	951	833
Fixed exchange rate by customs department	65.30	65.30	65.30	65.30
Duty component in INR per ton	1552.51	1552.51	1552.51	1359.87
Clearing charges INR per ton	483	483	483	483
Brokerage INR per ton	190	190	190	190
Total landed cost INR per ton	65702	64650	68405	54715
Domestic Market price INR/ton Soy Degum Kandla/CPO Kandla 5%	64000	64000	64000	55300
Total landed cost USD per ton	1007	991	1049	839
Domestic Market price USD/tons Soy Degum Kandla/ CPO Kandla 5%	981	981	981	848
Parity INR/MT (Domestic - Landed)	-1702	-650	-4405	585
Parity USD/MT (Domestic - Landed)	-26.09	-9.96	-67.52	8.97

Source: Agriwatch/ Reuters


Outlook:-

Import parity for crude soy oil from Argentina is hovering in negative territory due to lower domestic prices as compared to the international prices. We expect import parity to be in the negative side in the coming week.

Technical Analysis (Refined soy oil Weekly Charts)



Outlook – Prices are likely to trade with a steady to slightly weak tone in the days ahead. Investors are advised to sell refined soy oil (Oct. contract) below 675 levels.

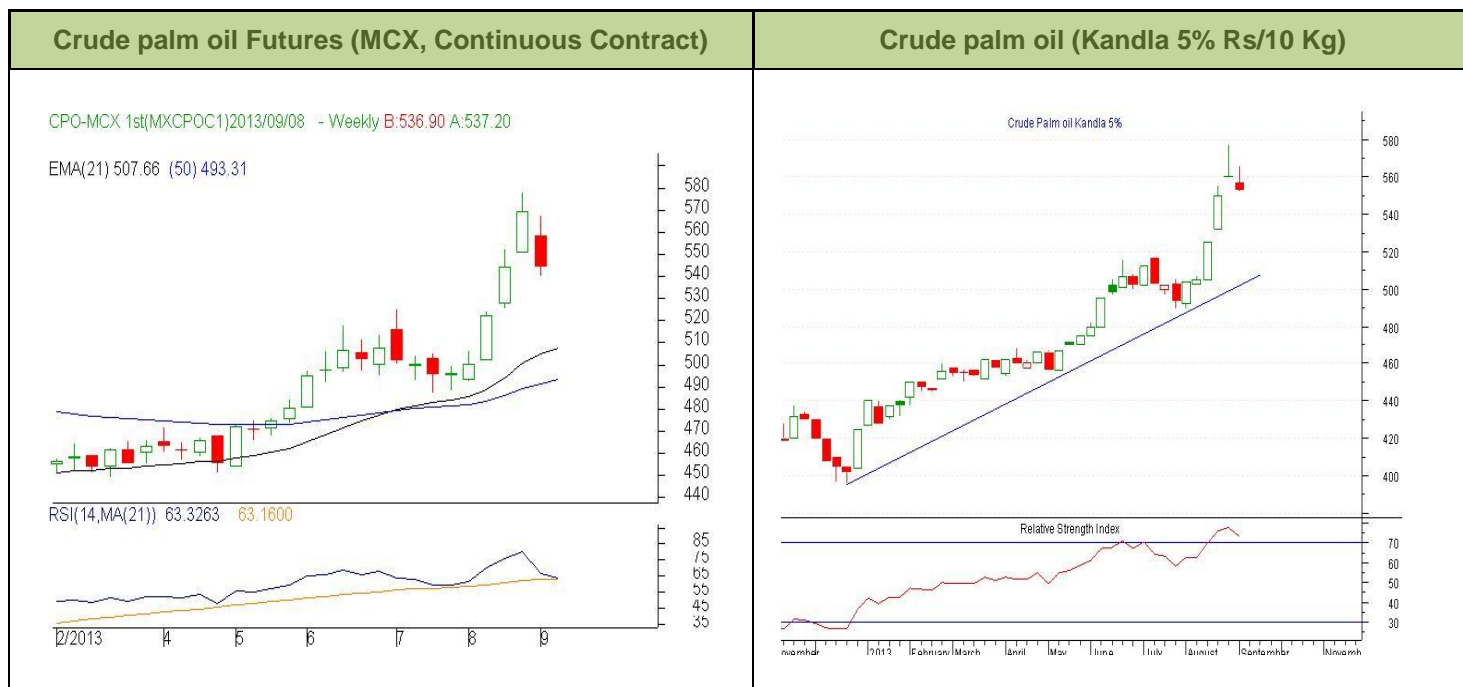
- ❖ Weekly chart of refined soy oil at NCDEX depicts losses. We expect prices may trade with a steady to slightly weak note in the near term.
- ❖ Any close above 681 in weekly chart shall change the sentiments and might take the prices to a bullish phase.
- ❖ Expected price band for next week is 660-675 level in near to medium term. RSI is near to oversold zone and shows no evidence of divergence with the ref. soy oil prices.

Strategy: Market participants are advised to go short in RSO below 675 levels for a target of 663 and 660 with a stop loss at 681 on closing basis.

RSO NCDEX

Support and Resistance				
S2	S1	PCP	R1	R2
649.00	655.00	676.00	684.00	688.00

Spot Market outlook: Refined soy oil Indore is likely to stay in the range of 678-700 per 10 Kg.

Technical Analysis (Crude Palm oil Weekly Charts)


Outlook - Prices may trade with a steady to weak tone in the coming days. Investors are advised to sell MCX CPO Oct contract below 542.

- ❖ Candlestick Weekly chart of crude palm oil at MCX depicts losses in the prices. We expect prices may trade with a steady to weak note in the near term.
- ❖ Any close below 548 in weekly chart shall change the sentiments and might bring the prices to a bullish phase.
- ❖ Expected price band for next week is 525-542 level in near to medium term. RSI is between oversold and neutral zone and shows no evidence of divergence in line with the CPO prices.

Strategy: Market participants are advised to go short in CPO below 542 for a target of 530 and 525 with a stop loss at 548 on closing basis.

CPO MCX

Support and Resistance				
S2	S1	PCP	R1	R2
518.00	522.00	541.60	552.00	555.00

Spot Market outlook: Crude palm oil 5% is likely to trade sideways to weak tone in the coming week. The prices are likely to stay in the range of 540-560 per 10 Kg.

Veg. Oil Prices at Key Spot Markets

Commodity	Centre	Prices(Per 10 Kg)		Change
		9/6/213	8/30/213	
Refined Soybean Oil	Kota(Loose)	680	680	Unch
	Rajkot (Loose)	665	NA	-
	Jaipur (Loose)	NA	NA	-
	Hyderabad+ VAT	NA	NA	-
	Delhi (Loose)	715	NA	-
	Kakinada	NA	NA	-
	Mumbai +VAT	675	712	-37
	Indore	670	680	-10
	Soy Degum Mumbai+VAT	655	660	-5
	SoyDegum Kandla/Mundra+VAT	655	655	Unch
	Haldiya Port (Loose)	NA	NA	-
	Akola (Loose)	711	731	-20
	Amrawati (Loose)	711	731	-20
	Jalna	708	721	-13
	Nagpur	711	731	-20
Palm Oil	Chennai.RBD.Palmolein.(Loose)	620	635	-15
	Hyd. RBD Palmolein VAT	605	608	-3
	Delhi RBD Palmolein (Loose)	650	NA	-
	Kandla CPO (5%FFA)	560	570	-10
	Kakinada.RBD.Palmolein(Loose)	591	611	-20
	Mumbai RBD Pamolein+ VAT	610	620	-10
	Kandla RBD Palmolein +VAT	605	615	-10
Refined Sunflower Oil	Mumbai + VAT	830	840	-10
	Kandla/Mundra	740	750	-10
	Erode (Exp. Oil)+VAT	870	885	-15
	Hyderabad Exp +VAT	816	801	15
	Chennai (Loose)	900	910	-10
	Bellary (Exp. Oil)+VAT	744	739	5
	Latur (Exp. Oil)+VAT	751	751	Unch
	Chellakere (Exp. Oil)+VAT	761	771	-10
Groundnut Oil	Rajkot (Loose)	850	NA	-
	Chennai (Loose)	800	810	-10
	Delhi (Loose)	800	NA	-



	Hyderabad Exp +VAT	883	883	Unch
	Mumbai + VAT	880	850	30
	Gondal+VAT	850	800	50
	Jamnagar +VAT	850	800	50
	Narsarropeth+VAT	740	730	10
	Prodattour+VAT	776	761	15
Rapeseed Oil	Mumbai (Exp. Oil) +VAT	705	713	-8
	Alwar (Expeller Oil)(Loose)	686	676	10
	Kota (Expeller Oil) (Loose)	680	680	Unch
	Jaipur (Expeller Oil) (Loose)	697	697	Unch
	Delhi (Exp. Oil) (Loose)	705	NA	-
	SriGangaNagar(ExpOil-Loose)	681	673	8
	Hapur+VAT	671	675	-4
	Kolkata	NA	NA	-
	Agra (Kacchi Ghani Oil) +VAT	735	735	Unch
Refined Cottonseed Oil	Mumbai +VAT	675	705	-30
	Rajkot (Loose)	655	NA	-
	Delhi (Loose)	635	NA	-
	Hyderabad (Loose)	600	605	-5
Coconut Oil	Kangayan (Crude)	765	755	10
	Cochin	800	750	50
	Trissur	790	785	5
Sesame Oil	Delhi	900	NA	-
	Mumbai	930	915	15
Kardi	Mumbai	1050	1050	Unch
Rice Bran Oil (40%)	Delhi	575	NA	-
Rice Bran Oil (4%)	Punjab	520	520	Unch
Malaysia Palmolein USD/MT	FOB (September Shipment)	785	790	-5
	CNF (September Shipment) India	810	815	-5
Indonesia/Malaysia CPO USD/MT	FOB (October Shipment)	760	NA	-
	CNF (September Shipment) India	803	805	-2
Argentina FOB (\$/MT)		9/5/2013	8/29/2013	Change
Crude Soybean Oil Ship		885	895	-10
Refined Soy Oil (Bulk) Ship		916	926	-10



Sunflower Oil Ship	NA	NA	-
Cottonseed Oil Ship	865	875	-10
Refined Linseed Oil (Bulk) Ship	NA	NA	-

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