

Executive Summary

Domestic Veg. Oil Market Summary

Compared to the last week, most of the edible oils featured slightly weak tone during the week under review tracking lackluster buying at higher quotes and bearish cues from the international market. However, coconut oil quoted higher on weak copra arrivals and better buying.

On the currency front, Indian rupee against USD closed at 63.12, down 1.12 percent as compared to the previous week. Factors to watch in the coming weeks will be the movement of Indian rupee against US dollar, Chinese soybean demand, and Malaysian palm oil exports.

We expect edible oil complex to trade sideways to slightly weak in the coming days owing to lackluster buying, harvesting pressure, and bearish cues from the international oil & fats market. However, upcoming wedding season and winter seasonal demand for oils may cap excessive losses.

International Veg. Oil Market Summary

CBOT soy oil (Dec) is expected to stay in the range of 39.70 cents/lb to 42.50 cents/lb. CPO at BMD (Dec) is likely to trade in the range of 2495-2610 ringgit per tons.

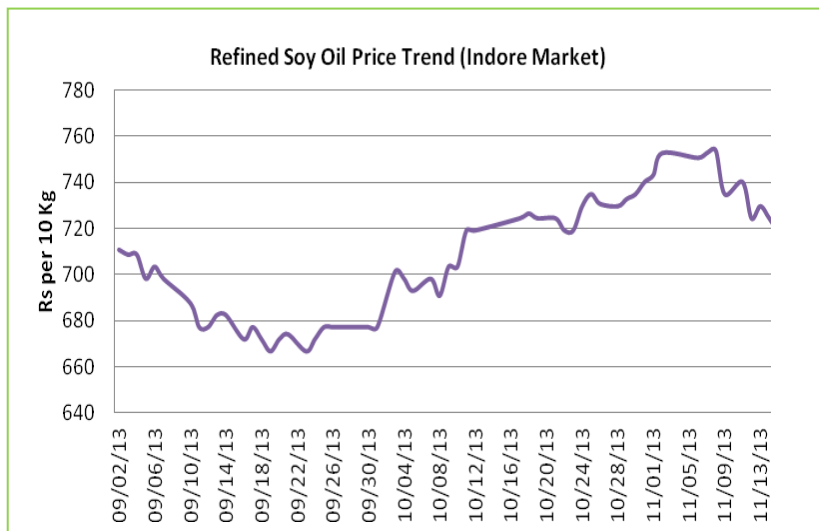
On the international front, favorable weather conditions over South American soybean growing regions, better soybean yield over key soy producing regions of US and new US soybean crop arrivals are likely to curb bulls in soy oil prices. However, good demand from china may limit excessive losses in bean and bean oil in the coming days.

Slower pace of palm oil production in South East Asian countries and coconut crop loss in Philippines support the palm oil prices. However, rising Malaysian palm oil inventories and in expectation of easing Malaysian palm oil exports in the coming days may limit excessive gains.

Soy oil Fundamental Analysis and Outlook:-

Domestic Front

- Soybean oil featured losses on lackluster buying activities at higher quotes and bearish cues from the international oil and fats market.
- As per SEA of India, veg. oils imports during Oil Year 2012-13 (Nov-Oct) including edible oil and non-edible oil recorded at 106.8 lakh tons, up by 4.77% as compared to the corresponding period of last year. USD 1,023 per tons sets as a new base import price for crude soybean oil.
- India imported 40,000 tons of U.S. soybean oil for delivery in the current marketing year (Oct-Nov) 2013/14. (Reuters).
- Edible oils stock as on 1 Nov. 2013 at various ports of India is estimated at 5.2 lakh tons which consist of (CPO 2.6 lakh tons, RBD Palmolein 85,000 tons, soybean degummed Oil 1.1 lakh tons, Crude Sunflower Oil 60,000 tons, Rapeseed Oil 5,000 tons) and 8.8 lakh tons in pipelines (SEA of India).
- As per Agriwatch second estimates, average yield to soybean in India would be around 1,033 kg/Hectare. Soybean seed sowing area was reported at 123.0 lakh hectares. Considering the above factors soybean production for 2013-14 is projected at 127.12 lakh tons which are higher than last year production estimate of 125 lakh tons.
- We expect soy oil may trade with a steady to weak tone in the coming days.



International Front

- As per China's Ministry of Commerce, China is likely to import 5.95 million tons of soybeans in November 2013, up from its previous forecast of 2.97 million tons. Besides, the ministry also revised down its estimate for October soybean imports from 5.21 million tons to 4.53 million tons. Mosaic has estimated that the US 2014 soybean planting will be at 76 million to 78 million acres, compared with the 76.5 million acres planted in 2013.
- Strategie Grains has projected that the area sown with rapeseed for the 2014 harvest in the European Union will fall 1 percent from this year to 6.6 million hectares. Total oilseed area in the 28-country EU would fall 2 percent to 11.9 million hectares.
- As per the latest release by Buenos Aires Grain Exchange, farmers in Argentina have planted 21.8 percent of expected soybean area as of 14 Nov, in line with a year earlier, as recent rainfall improved seeding conditions in the key regions.
- On the international front, favorable weather conditions over South American soybean growing regions, better soybean yield over key soy producing regions of US and new US soybean crop arrivals are likely to curb bulls in soy oil prices. However, good demand from china may limit excessive losses in bean and bean oil in the coming days.

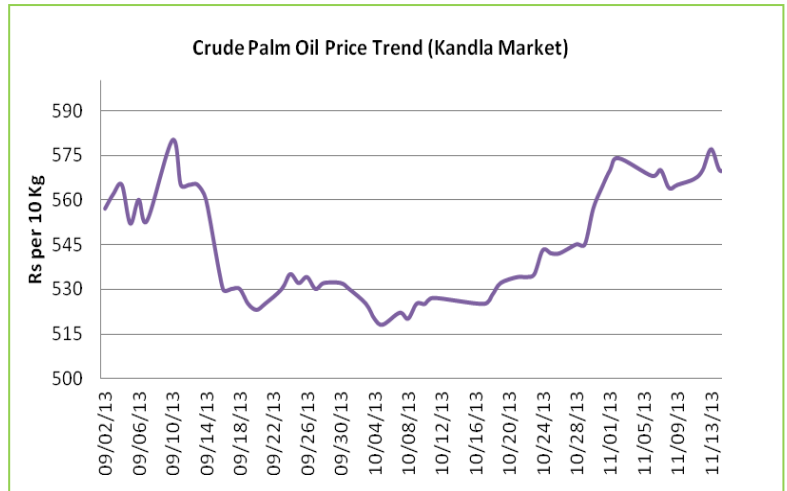
Price Outlook:

We expect refined soy oil at Indore (with VAT) to stay in the range of 697-718 per 10 Kg in the near term.

Palm oil Fundamental Analysis and Outlook -:

Domestic Front

- CPO Kandla 5% witnessed a range bound to slightly weak tone during the week in review on limited buying.
- As per sources, upcoming marriage season and winter seasonal demand may prop up the palm oil prices in the medium term. While, palm oil imports will be moderate due to higher quotes.
- Indian Government has revised the tariff value for of crude palm oil to US \$ 914 increased by US \$65 per tons and raised base import price on refined palmolein by \$60 per tons to US \$ 960 per tons.
- At the import front, Indian buyers imported 58.89 lakh tons of crude palm oil in the 2012-13 oil year(Nov-Oct), which is 1.93 percent lower against corresponding period of last year. Meanwhile, RBD palmolein imports were also higher at 22.2 lakh tons during 2012-13 oil year (Nov-Oct), up 41 percent compared to the last year (SEA of India).
- We expect domestic palm oil prices likely to trade range bound in the days ahead.



International Front

- BMD witnessed weekly gains on expectation of slower pace of palm oil production and rising exports. Malaysian 1-15 November palm oil exports down 4.6 on m-o-m basis. Malaysian government has set its crude palm oil export tax for December at 5.0 percent, up 0.5 percent from last month.
- Palm oil futures will probably trade in a range of 2,400 ringgit to 2,600 ringgit per tons and could surge to 2,800 ringgit (\$872) per tons in the next six months in expectation of lower Indonesian palm oil production and biodiesel developments in Indonesia. Moreover, global palm oil supply would rise by 2.5 million tons in the vegetable oil year starting from Oct. 2013, lower than his previous estimate of 3.5 million tons.
- As per the Malaysian Palm Oil Board (MPOB) palm oil statistics report, palm oil stocks in October 2013 grew by 3.46 percent to 1,845,312 tons against a revised 1,783,530 tons at the end of September. Palm oil output increased 3.14 percent to 1.97 million tons in October. Moreover, Exports were up 3.3% on m-o-m basis at 1.66 million tons.
- Slower pace of palm oil production in South East Asian countries and coconut crop loss in Philippines support the palm oil prices. However, rising Malaysian palm oil inventories and in expectation of easing Malaysian palm oil exports in the coming days may limit excessive gains.

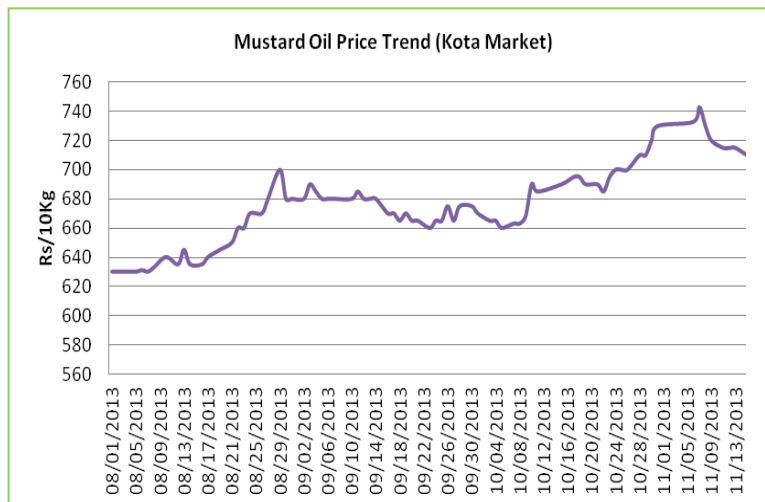
Price Outlook:

We expect CPO Kandla 5% (with VAT) to stay in the range of 552-578 per 10 Kg in the near term.

Rapeseed oil Fundamental Review and Analysis:-

Domestic Front

- Mustard oil featured lower during the week at the Kota market tracking losses in the competing soy oil and limited buying against good supplies. However, upcoming marriage season and winter seasonal demand likely to support the mustard oil prices in the near term.
- As per Ministry of Agriculture, sown area for Rabi mustard seed stood at 47.01 lakh hectares as on 13 Nov. 2013, up 9.61 lakh hectares compared to the corresponding period last year.
- On the supply side, as per the Fourth advance estimates of production released by Ministry of agriculture, mustard seed is estimated at 7.82 million tons, up 0.42 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. Meanwhile, the government target mustard seed production forecast for 2013/14 sets at 7.49 million tons.
- We expect RM seed oil prices may trade range bound in the days ahead.



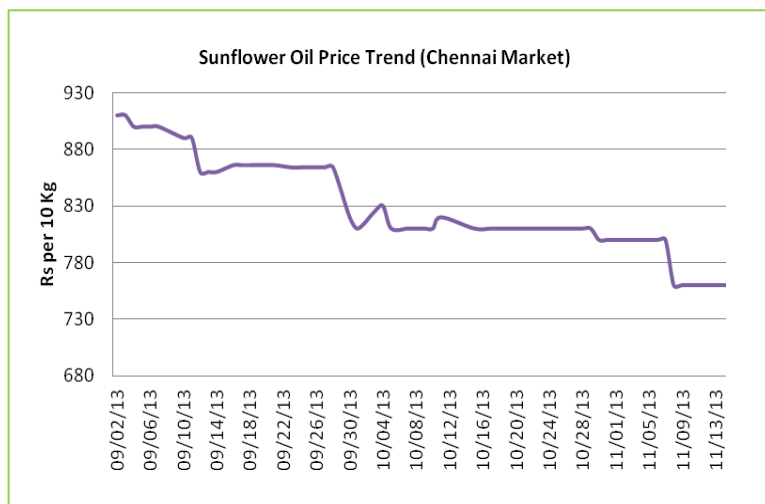
Price Outlook:

Rapeseed oil (without VAT) in Kota market is likely to trade in the price band of Rs 695-725 per 10 Kg.

Sunflower oil Fundamental Review and Analysis:-

Domestic Front

- Sunflower oil featured steady to weak tone at its benchmark market Chennai during the week owing to stable demand from stockists and higher imports during October.
- As per Ministry of Agriculture, sown area for Rabi sunflower seed stood at 2.45 lakh hectares as on 13 Nov. 2013, up 0.01 lakh hectares compared to the corresponding period last year.
- At import front, SEA of India reports that crude sunflower oil imports by India reached 9.73 lakh tons in the oil year 2012-13 and were thus lower than the 11.34 lakh tons imports against same period last year. However, imports were higher on m-o-m basis in October at 1.19 lakh tons compared with 48,498 tons in September.
- We expect sunflower oil prices may trade with steady tone in the near term.

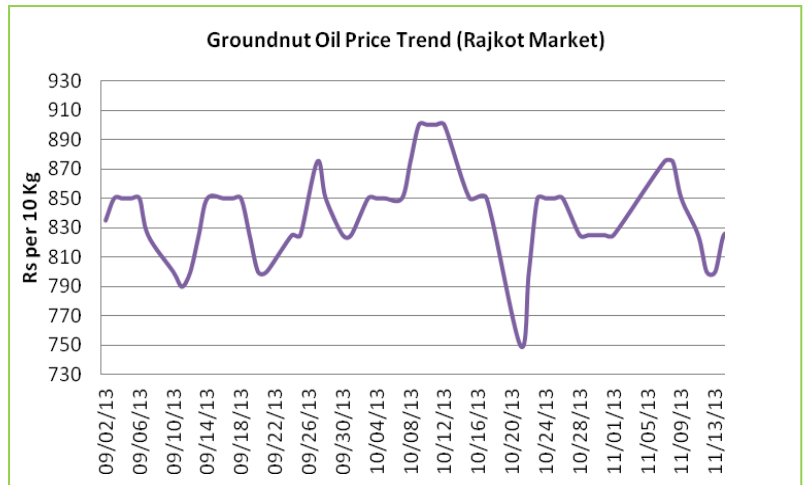


Price Outlook: Sunflower oil (with VAT) prices in Chennai may stay in the range of Rs 740-775 per 10 Kg.

Groundnut oil Fundamental Review and Analysis:-

Domestic Front

- Groundnut oil depicted range bound movement at its benchmark market Rajkot during the week due to need based buying and higher groundnut seed production.
- As per trade sources, good raw material supplies and need based demand at cash market may pressurize the groundnut oil prices in the near term.
- As per survey conducted by SEA of India, groundnut production could be around 25.95 lakh tons. While, last year groundnut production was seven lakh tons. As per sources, new crop arrivals registered in major market of Gujarat and crop damage noticed in some parts of Gujarat owing to rains during harvesting. While, excessive gains may curb due to higher groundnut seed production.
- We expect groundnut oil prices may trade sideways in the days ahead.



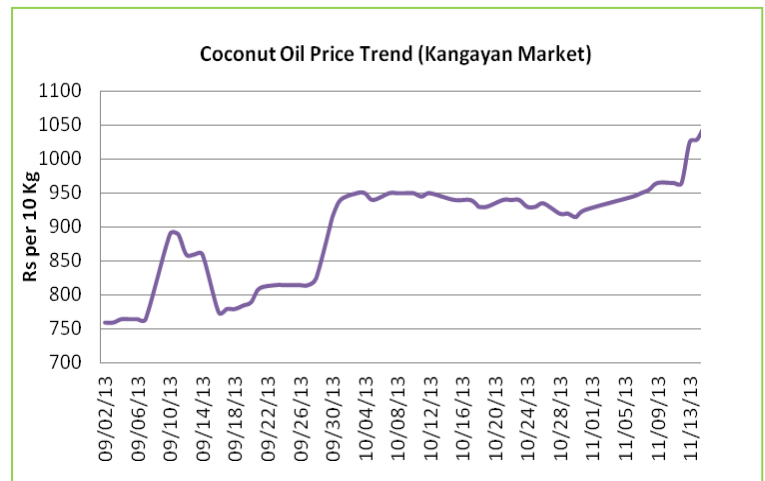
Price Outlook:

Groundnut oil (without VAT) in Rajkot market is likely to trade in the price band of Rs 815-860 per 10 Kg.

Coconut Oil Fundamental Review and Analysis:-

Domestic Front

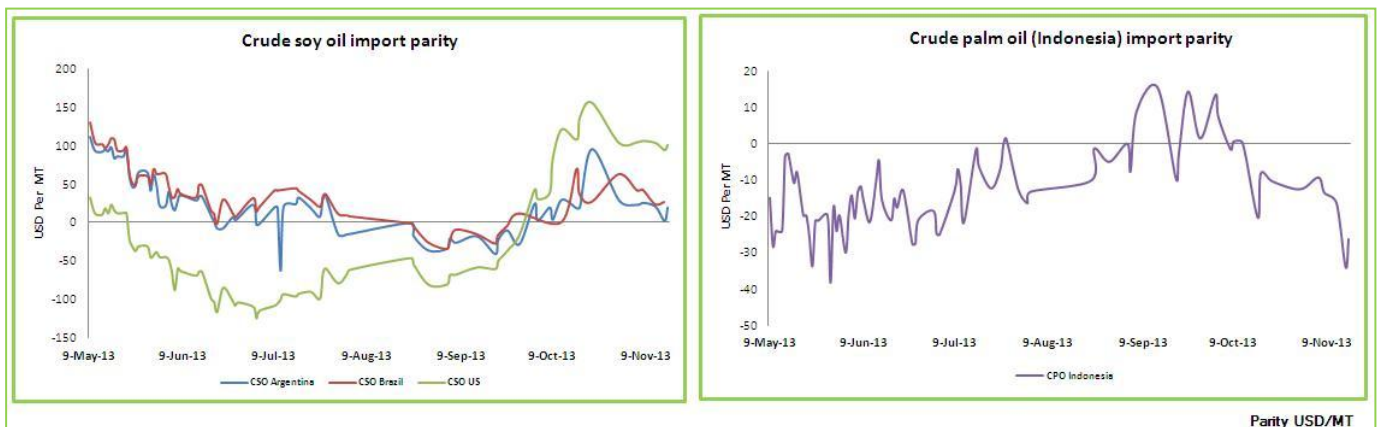
- Coconut oil featured steady to firm tone at its benchmark market Erode during the week due to better buying and weak copra arrivals.
- Lower arrivals of copra, shortage of copra for crushing, good demand ahead of festivities and active buying from stockists support the coconut oil prices and prices may further increase for the short term. However, forecasts for ample domestic as well as global vegetable oil supplies and limited buying at higher quotes may limit upside in the medium 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 1000-1090 per 10 Kg.

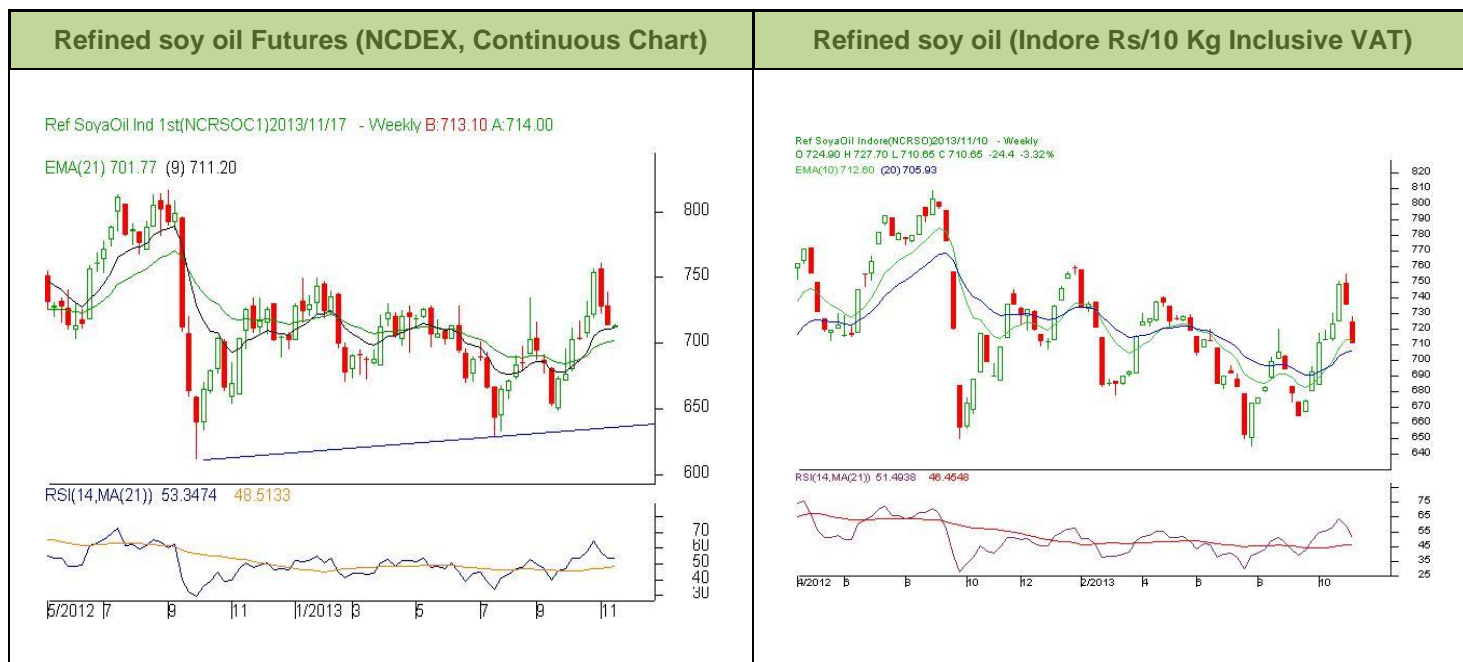
Landed Cost at the Indian Ports - Crude soy oil and Crude palm oil

Landed Cost Calculation as on 16/11/2013	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia
FOB USD per ton	931	928	865	870
Freight (USD/MT)	75	65	60	15.0
C & F	1006.0	993.0	925.0	885.0
Weight loss (0.25% of FOB)	2.33	2.32	2.16	2.18
Finance charges (0.4% on CNF)	4.02	3.97	3.70	3.54
Insurance (0.3% of C&F)	3	3	3	3
CIF (Indian Port - Kandla)	1015	1002	934	893
CVD	0	0	0	0
Duty USD per ton	25.58	25.58	25.58	22.85
CVD value USD per ton	0	0	0	0
Cess (2% on duty) USD per ton	0.5115	0.5115	0.5115	0.457
Exchange rate	62.71	62.71	62.71	62.71
Landed cost without customs duty in INR per ton	63674	62852	58548	56023
Customs duty %	2.5%	2.5%	2.5%	2.5%
Base import price	1023	1023	1023	914
Fixed exchange rate by customs department	63.10	63.10	63.10	63.10
Duty component in INR per ton	1613.78	1613.78	1613.78	1441.84
Clearing charges INR per ton	483	483	483	483
Brokerage INR per ton	190	190	190	190
Total landed cost INR per ton	65961	65139	60835	58138
Domestic Market price INR/ton Soy Degum Kandla/CPO Kandla 5%	67200	67200	67200	56500
Total landed cost USD per ton	1052	1039	970	927
Domestic Market price USD/tons Soy Degum Kandla/CPO Kandla 5%	1072	1072	1072	901
Parity INR/MT (Domestic - Landed)	1239	2061	6365	-1638
Parity USD/MT (Domestic - Landed)	19.76	32.86	101.50	-26.12
Source: Agriwatch/ Reuters				


Outlook:-

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

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 (Dec. contract).

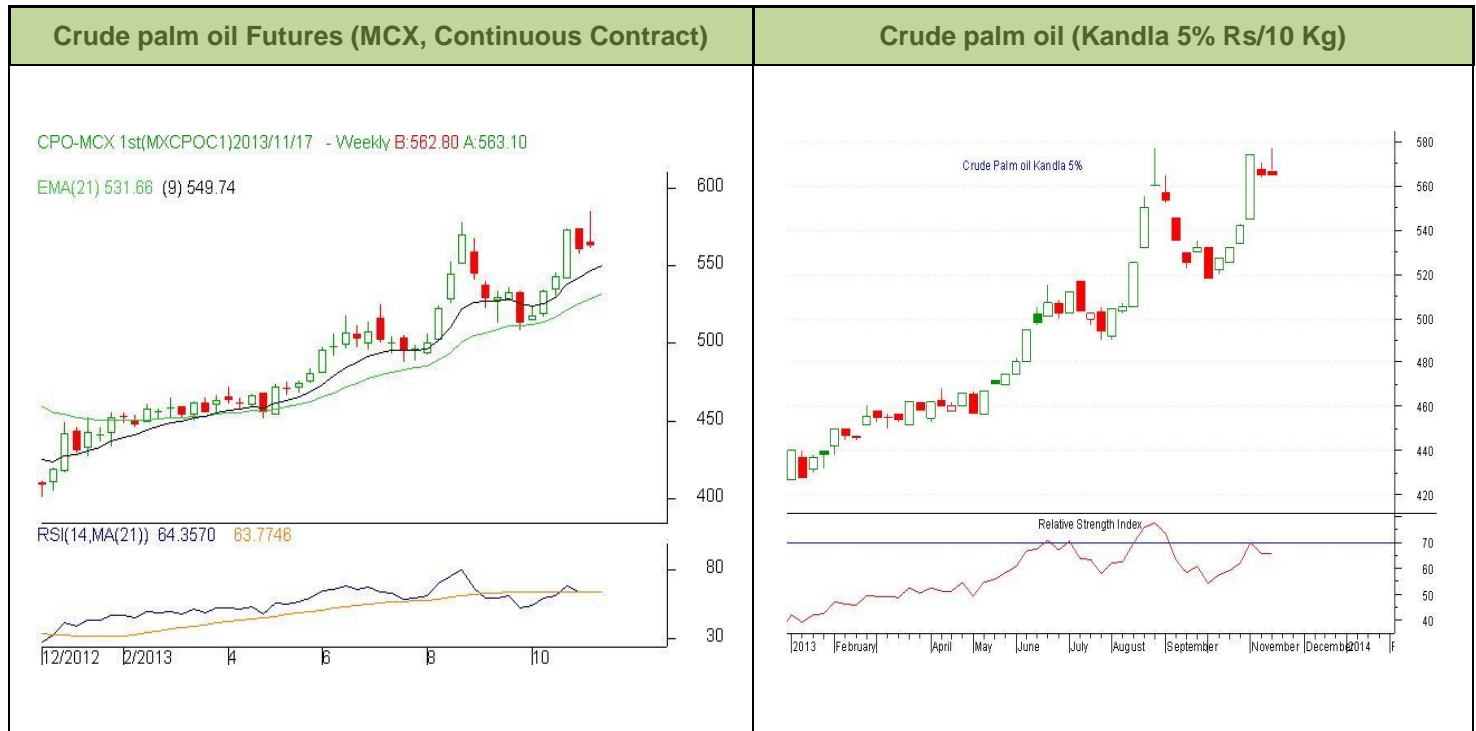
- ❖ Weekly chart of refined soy oil at NCDEX depicts losses. We expect prices may trade with a steady to slightly weak note in the near term.
- ❖ Any close above 732 in weekly chart shall change the sentiments and might take the prices to a bullish phase.
- ❖ Expected price band for next week is 724-708 level in near to medium term. RSI is near to neutral zone and shows evidence of divergence with the ref. soy oil prices.

Strategy: Market participants are advised to go short in RSO below 724 levels for a target of 712 and 708 with a stop loss at 732 on closing basis.

RSO NCDEX

Support and Resistance				
S2	S1	PCP	R1	R2
692.00	699.00	714.70	735.00	742.00

Spot Market outlook: Refined soy oil Indore is likely to stay in the range of 697-718 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 - Dec. contract.

- ❖ 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 above 576 in weekly chart shall change the sentiments and might bring the prices to a bullish phase.
- ❖ Expected price band for next week is 570-555 level. RSI is moving towards neutral zone suggesting likely price correction in the coming week.

Strategy: Market participants are advised to go short in CPO below 570 for a target of 560 and 555 with a stop loss at 576 on closing basis.

CPO MCX

Support and Resistance				
S2	S1	PCP	R1	R2
546.00	550.00	564.40	582.00	590.00

Spot Market outlook: Crude palm oil 5% is likely to trade sideways in the coming week. The prices are likely to stay in the range of 552-578 per 10 Kg.

Veg. Oil Prices at Key Spot Markets

Commodity	Centre	Prices(Per 10 Kg)		Change
		11/15/2013	11/8/2013	
Refined Soybean Oil	Kota(Loose)	710	730	-20
	Rajkot (Loose)	700	702	-2
	Jaipur (Loose)	NA	NA	-
	Hyderabad+ VAT	NA	NA	-
	Delhi (Loose)	750	755	-5
	Kakinada	NA	NA	-
	Mumbai +VAT	710	715	-5
	Indore	685	718	-33
	Soy Degum Mumbai+VAT	672	675	-3
	SoyDegum Kandla/Mundra+VAT	672	675	-3
	Haldiya Port (Loose)	711	NA	-
	Akola (Loose)	721	743	-22
	Amrawati (Loose)	721	743	-22
	Jalna	716	NA	-
	Nagpur	731	753	-22
Palm Oil	Chennai.RBD.Palmolein.(Loose)	615	602	13
	Hyd. RBD Palmolein VAT	600	605	-5
	Delhi RBD Palmolein (Loose)	640	635	5
	Kandla CPO (5%FFA)	570	564	6
	Kakinada.RBD.Palmolein(Loose)	595	596	-1
	Mumbai RBD Pamolein+ VAT	612	607	5
	Kandla RBD Palmolein +VAT	610	608	2
Refined Sunflower Oil	Mumbai + VAT	750	770	-20
	Kandla/Mundra	670	670	Unch
	Erode (Exp. Oil)+VAT	760	770	-10
	Hyderabad Exp +VAT	711	716	-5
	Chennai (Loose)	760	760	Unch
	Bellary (Exp. Oil)+VAT	671	676	-5
	Latur (Exp. Oil)+VAT	681	691	-10
	Chellakere (Exp. Oil)+VAT	671	671	Unch
Groundnut Oil	Rajkot (Loose)	825	875	-50
	Chennai (Loose)	780	800	-20
	Delhi (Loose)	760	760	Unch



	Hyderabad Exp +VAT	841	841	Unch
	Mumbai + VAT	870	870	Unch
	Gondal+VAT	NA	NA	-
	Jamnagar +VAT	NA	NA	-
	Narsarropeth+VAT	680	700	-20
	Prodattour+VAT	NA	746	-
Rapeseed Oil	Mumbai (Exp. Oil) +VAT	735	745	-10
	Alwar (Expeller Oil)(Loose)	706	731	-25
	Kota (Expeller Oil) (Loose)	710	730	-20
	Jaipur (Expeller Oil) (Loose)	737	741	-4
	Delhi (Exp. Oil) (Loose)	753	750	3
	SriGangaNagar(ExpOil-Loose)	725	738	-13
	Hapur+VAT	785	790	-5
	Kolkata	NA	NA	-
	Agra (Kacchi Ghani Oil) +VAT	770	780	-10
Refined Cottonseed Oil	Mumbai +VAT	665	688	-23
	Rajkot (Loose)	645	680	-35
	Delhi (Loose)	665	670	-5
	Hyderabad (Loose)	NA	650	-
Coconut Oil	Kangayan (Crude)	NA	955	-
	Cochin	1060	960	100
	Trissur	1020	975	45
Sesame Oil	Delhi	1150	1150	Unch
	Mumbai	1180	1060	120
Kardi	Mumbai	1000	1000	Unch
Rice Bran Oil (40%)	Delhi	NA	NA	-
Rice Bran Oil (4%)	Punjab	620	620	Unch
Malaysia Palmolein USD/MT	FOB	848	833	15
	CNF India	883	865	18
Indonesia CPO USD/MT	FOB	870	850	20
	CNF India	895	873	22
Argentina FOB (\$/MT)		11/14/2013	11/7/2013	Change
Crude Soybean Oil Ship		NA	932	-
Refined Soy Oil (Bulk) Ship		NA	964	-



Sunflower Oil Ship	NA	NA	-
Cottonseed Oil Ship	NA	912	-
Refined Linseed Oil (Bulk) Ship	NA	NA	-

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