

**Domestic Fundamentals:**

- Veg oil prices noticed mostly steady to firm tone following improved demand.
- Refined soybean oil moved flat with firm biasness following demand from lower levels.
- Crude palm oil at Kandla traded flat to weak following sluggish BMD CPO.
- Demand of edible oil has improved slightly on recovery of rupee, which has made imports cheaper.
- Area under soybean cultivation is expected to rise by 4 percent in India in upcoming season on price rally. The prices have risen to 28 per cent since the commencement of season 2013/14, started from Oct. 1. It is believed that increased production, derived by higher acreage would lessen the dependency on overseas market for edible oil and it will also increase the oilmeal export to Asian countries from India, the world's top importer of edible oil.
- According to the third advance estimates released by Ministry of Agriculture soybean production would be around 11.95 million tonnes this year compared to 14.66 million tonnes previous year whereas production of total nine oilseed would be around 32.41 million tonnes compared to 30.94 million tonnes in 2012-13.

**International Market Fundamentals:**

- China will offer 300,000 tonnes of soybean to sell from its state reserve on Tuesday, May 27, the National Grain and Oil Trade Center said in a statement on Friday.
- Malaysian palm oil future noticed a biggest weekly drop in 3 week following stronger ringgit. Demand from overseas investors and refiners got diminished on the strong currency on one hand and the competitive prices of soybean oil on the other.
- China has sold around 80.93 percent of the 300,877 tonnes reserve soybean at Tuesday auction.
- Malaysian palm oil and products export during May 1-20 rose by 18.5 percent to the level 856,128 tonnes as compared to 722,170 tonnes exported in April 1-20, 2014
- Palm oil, Malaysia fell to its lowest level, recorded around three months back, on losses in soy oil market overseas and strong ringgit.
- Malaysian palm oil export during the initial 15 days of May 2014 rose to 28.0 percent to 640,101 tonnes from 500,057 tonnes exported during April 1-15, 2014 as reported by Reuters.
- Global Sunflower seed oil production is likely to decline in upcoming season, 2014/15 by 1.95 percent on reduced planting in EU Russia and Turkey. The production of same is expected around 15.52 million metric tonnes in 2014/15 which was 15.83 million metric tonnes in 2013/14, as estimated by USDA
- Palm oil in European vegetable oil market rose slightly on Monday following larger than expected export of Palm oil from Malaysia. Malaysian palm oil exports for May 1-10 rose 27.7 percent to 391,856 tonnes from 306,765 tonnes for April 1-10.
- Iraq has issued a tender on Monday to buy minimum 10,000 tonnes of sunflower oil, said trade ministry in a statement. The deadline of tender is 26 May, 2014 and offers must remain valid till 30 May, 2014. As per the ministry's statement oil could be sourced from any origin apart from China.
- As per the USDA latest report, Soybean production on global front is likely to be around 300 million tonnes, higher than 284 million tonnes in 2013/14, which is adding weight to the global soybean stocks and ultimately hurting the prices.
- Soybean crop in Brazil, which is in the end phase of harvesting will produce 86.57 million tonnes of oilseed, which was earlier expected to be around 86.08 million tonnes, as forecasted in April, said Conab, the Agriculture Ministry's crop supply agency.
- Ukraine, the major producer of sunflower oil in the world, is likely to produce 4.25 MMT of sunflower oil by the end of MY 2013/14, which is around 14 percent higher than the previous season. In MY 2014-15 the country is expected to produce 4.3 MMT of sunflower oil, recording another growth of 3 percent.
- Argentina soy crop production is likely to touch the level of 55.5 million tonnes this season. Earlier it was estimated to be around 54.5 million tonnes. Reason for the same is the yield, which stood higher what was expected earlier.
- Soybean imports in China during April 2014 is estimated around 6.5 million tons, nearly 40.6% higher than the imports in March 2014, which stood around 4.62 million tons.

**Outlook:** Edible oil basket is expected to feature steady tone with firm biasness in the near-term.



#### NCDEX Soy Refined Oil:

Contract	+/-	Open	High	Low	Close
Jun-14	-2.35	693.00	694.40	689.10	690.60
Jul-14	-3.7	678.70	680.80	675.70	676.00
Aug-14	-4.1	672.50	674.10	669.25	669.25
Sep-14	-4.75	667.75	670.00	666.05	666.10

Prices are taken at 5:30 PM

Contract	Volume	Change	OI	Change
Jun-14	43,950	-51,530	131250	-3580
Jul-14	32,210	-34,220	139270	2880
Aug-14	9,350	-14,500	29680	-270
Sep-14	1,410	-2,400	7200	210

Vol-OI are taken at 5:30 PM

Spread	Jun-14	Jul-14	Aug-14	Sep-14
Basis	18.90			
Jun-14		-14.60		
Jul-14			-6.75	
Aug-14				-3.15

\* Indore spot market prices taken for spread calculated as at 5:30 PM

#### MCX CPO:

Contract	+/-	Open	High	Low	Close
May-14	-5.6	536.70	537.00	532.30	532.50
Jun-14	-5.8	535.70	535.90	531.00	531.50
Jul-14	-6.1	534.00	534.50	530.20	530.70
Aug-14	-4.5	532.20	533.50	530.00	530.00

Prices are taken at 5:30 PM

Contract	Volume	Change	OI	Change
May-14	455	-541	608	-85
Jun-14	777	-1561	3329	152
Jul-14	610	-264	2975	31
Aug-14	8	5	24	4

Vol-OI are taken at 5:30 PM

Spread	May-14	Jun-14	Jul-14	Aug-14
Basis	20.5			
May-14		-1		
Jun-14			-0.8	
Jul-14				-0.7

\* CPO Kandla prices taken for spread calculated as at 5:30 PM

#### BMD CPO Futures: (Values in MYR/tons)

Contract	+/-	Open	High	Low	Close
Jun-14	-15	2554	2560	2534	2535
Jul-14	-8	2540	2548	2519	2523
Aug-14	-7	2528	2537	2509	2515
Sep-14	-6	2525	2532	2506	2512

Friday's Quotes

**Edible Oil Prices at Key Market as on 23 May 2014**

Commodity	Centre	Prices(Per 10 Kg)		Change
		23-May-14	22-May-14	
Refined Soybean Oil	Kota(Loose)	660	660	Unch
	Rajkot (Loose)	650	650	Unch
	Jaipur (Loose)	NA	NA	-
	Hyderabad+ VAT	NA	NA	-
	New Delhi (Loose)	700	700	Unch
	Kakinada	NA	NA	-
	Mumbai +VAT	672	672	Unch
	Indore	690	695	-5
	Soy Degum Mumbai+VAT	625	622	3
	SoyDegum Kandla/Mundra+VAT	625	622	3
	Haldiya Port (Loose)	NA	NA	-
	Akola (Loose)	691	691	Unch
	Amrawati (Loose)	687	687	Unch
	Jalna	NR	NR	-
	Nagpur	NR	NR	-
Palm Oil	Chennai.RBD.Palmolein.(Loose)	580	583	-3
	Hyd. RBD Palmolein VAT	605	605	Unch
	New Delhi RBD Palmolein (Loose)	625	625	Unch
	Kandla CPO (5%FFA)	535	535	Unch
	Kakinada.RBD.Palmolein(Loose)	572	570	2
	Mumbai RBD Pamolein+ VAT	590	585	5
	Kandla RBD Palmolein +VAT	572	570	2
Sunflower Oil	Mumbai + VAT	680	680	Unch
	Kandla/Mundra	585	585	Unch
	Erode (Exp. Oil)+VAT	660	660	Unch
	Hyderabad Exp +VAT	NR	NR	-
	Chennai (Loose)	640	635	5
	Bellary (Exp. Oil)+VAT	NR	NR	-
	Latur (Exp. Oil)+VAT	NR	NR	-
	Chellakere (Exp. Oil)+VAT	590	595	-5
Groundnut Oil	Rajkot (Loose)	700	700	Unch
	Chennai (Loose)	740	740	Unch
	New Delhi (Loose)	720	720	Unch
	Hyderabad Exp +VAT	NR	NR	-
	Mumbai + VAT	750	750	Unch
	Gondal+VAT	NR	NR	-



	Jamnagar +VAT	700	700	Unch
	Narsarropeth+VAT	NR	NR	-
	Prodattour+VAT	NR	NR	-
Rapeseed Oil	Mumbai (Exp. Oil) +VAT	655	655	Unch
	Alwar (Expeller Oil)(Loose)	NR	NR	-
	Kota (Expeller Oil) (Loose)	630	630	Unch
	Jaipur (Expeller Oil) (Loose)	653	651	2
	New Delhi (Exp. Oil) (Loose)	665	665	Unch
	Sri-GangaNagar(ExpOil-Loose)	640	635	5
	Hapur +VAT	700	690	10
	Kolkata	NA	NA	-
	Agra (Kacchi Ghani Oil) + VAT	695	695	Unch
Refined Cottonseed Oil	Mumbai +VAT	655	655	Unch
	Rajkot (Loose)	635	635	Unch
	New Delhi (Loose)	630	630	Unch
	Hyderabad (Loose)	600	590	10
Coconut Oil	Kangayan (Crude)	1530	1550	-20
	Cochin	1560	1550	10
	Trissur	1570	1580	-10
Sesame Oil	New Delhi	915	915	Unch
	Mumbai	930	935	-5
Kardi	Mumbai	930	930	Unch
Rice Bran Oil (40%)	New Delhi	525	NR	-
Rice Bran Oil (4%)	Punjab	550	550	Unch
Malaysia Palmolein USD/MT	FOB	825	825	Unch
	CNF India	865	865	Unch
Indonesia CPO USD/MT	FOB	845	845	Unch
	CNF India	875	875	Unch
Argentina FOB (\$/MT)		22-May-14	21-May-14	Change
Crude Soybean Oil Ship		879	860	19
Refined Soy Oil (Bulk) Ship		909	890	19
Sunflower Oil Ship		NA	NA	-
Cottonseed Oil Ship		859	840	19
Refined Linseed Oil (Bulk) Ship		NA	NA	-

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