

Domestic Fundamentals:

- Mostly weak sentiment featured in various edible oils at different centers Saturday.
- Exports of palm oil are still firm ahead of Ramadan. Exports of palm increased by 9.4 percent in first 20 days of the month. Demand from India has increased significantly on higher imports of RBD palmolein. Lower differential between Malaysia RBD Palm and CPO Indonesia has prompted India to purchase more from Malaysia. However, demand from China has waned on decrease of demand due to higher imports of soybean for crushing. Depreciation of Malaysian Ringgit will support prices in near term. Demand is expected to be firm in near term. Fall in stocks of palm will be limited on rising production.
Cascading impact of contagion in Chinese commodity markets is affecting palm oil prices in near term. Fall in commodity prices in Dalian and depreciation of Chinese Yuan will affect commodity markets across globe. Chinese debt fuelled economy and artificial stimulus to boost markets and support asset prices are expected to fall flat. Palm will not be left behind this trap. Rise in US dollar on expected FED hike expected in June will depresses asset prices across globe. However, palm fundamentals are not as bad as markets are behaving. Market participants should remain conscious of the impact of Chinese contagion on emerging markets and ability of dollar to affect asset prices. Prices of palm oil are in range.
- Chinese contagion and expected dollar rally in coming days will affect soy oil prices. Soy oil prices cannot escape both the external factors.
Sowing picked up in US last week above 5-year average but below last year's planting in corresponding period. More soybeans are expected to be planted in US on higher soybean/corn ratio. Upward revision of area is expected in July area report.
Losses of Argentina soybean crop are expected to support soybean complex prices in near term. Markets can become tight on supply shortage from Argentina and expectation of lower crop in US will support soybean complex prices in near term.
Soy oil stocks in US rose as reported by NOPA rose in April from a month ago is bearish for soy oil. Stocks of soy oil are 35 percent above last year level in corresponding period. However, soy oil production on lower in April compared to a month ago on lower crush if soybean. Processors did not get better margins for higher crush.
Fall in crude oil prices and rally in dollar will depress prices of soy oil in near term. Prices of soy oil are in range.
- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's May 1-20 palm oil exports rose 9.4 percent to 792,393 tons compared to 724,169 tons in the corresponding period last month. Top buyers were India at 259,680 tons (96,500 tons), European Union at 94,885 tons (88,774 tons), China at 62,650 tons (102,218 tons), Pakistan at 47,850 tons (16,500 tons) and United States at 35,265 tons (41,115 tons). Values in brackets are figures of corresponding period last month.

Outlook: Edible oil basket is expected to feature weak soy, palm and rapeseed oil in the spot market, in near-term.

NCDEX Soy Refined Oil:

Contract	+/-	Open	High	Low	Close
June-16	6.00	637.00	641.80	637.00	640.85
July-16	6.50	644.30	648.75	644.30	647.50

Prices are taken at 5:30 PM

Contract	Volume	Change	OI	Change
June-16	44,670	1330	117680	-3110
July-16	18,260	5750	83320	-1790

Vol-OI are taken at 5:30 PM

Spread	June-16	July-16
Basis	-15.85	-22.50
June-16		6.65
July-16		

MCX CPO:

Contract	+/-	Open	High	Low	Close
May-16	4.70	529.80	533.70	529.30	531.40
June-16	4.00	520.00	525.10	516.90	521.50

Prices are taken at 5:30 PM

Contract	Volume	Change	OI	Change
May-16	1111	-464	1895	-301
June-16	2434	574	4607	77

Vol-OI are taken at 5:30 PM

Spread	May-16	June-16
Basis	6.6	16.5
May-16		-9.9
June-16		

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

CBOT Soy Oil Futures (Projections):

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-July	-0.18	31.91	31.99	31.71	31.73
15-Aug	-0.19	32.04	32.11	31.83	31.84
15-Sep	-0.18	32.16	32.23	31.97	31.97
15-Oct	-0.20	32.28	32.35	32.07	32.07
15-Dec	-0.19	32.53	32.61	32.32	32.34

BMD CPO Futures:

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
15-June	6	2550	2569	2544	2557
15-July	11	2526	2559	2522	2548
15-Aug	8	2507	2539	2505	2528
15-Sep	7	2483	2509	2478	2499

Forex:

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
20/05/2016	6.55	13691	4.09	14.09	67.36	3.56	95.32	48.56

Edible Oil Prices at Key Market

Commodity	Centre	Prices(Per 10 Kg)		Change
		21-May-16	20-May-16	
Refined Soybean Oil	Indore	625	625	Unch
	Indore (Soy Solvent Crude)	595	595	Unch
	Mumbai	640	640	Unch
	Mumbai (Soy Degum)	582	585	-3
	Kandla/Mundra	620	620	Unch
	Kandla/Mundra (Soy Degum)	592	590	2
	Kolkata	620	630	-10
	Delhi	670	670	Unch
	Nagpur	Closed	622	-
	Rajkot	610	610	Unch
	Kota	620	620	Unch
	Akola	Closed	661	-
	Amrawati	Closed	661	-
	Bundi	635	635	Unch
	Jalna	NA	NA	-
	Alwar	NA	NA	-
	Solapur	NA	NA	-
	Dhule	NA	NA	-
Palm Oil	Kandla (Crude Palm Oil)	535	538	-3
	Kandla (RBD Palm oil)	555	562	-7
	Kandla RBD Pamolein	580	585	-5
	Kakinada (Crude Palm Oil)	525	525	Unch
	Kakinada RBD Pamolein	575	575	Unch
	Haldia Pamolein	575	575	Unch

	Chennai RBD Pamolein	582	582	Unch
	KPT (krishna patnam) Pamolein	575	575	Unch
	Mumbai RBD Pamolein	595	600	-5
	Delhi	640	640	Unch
	Rajkot	578	575	3
	Hyderabad	589	589	Unch
	Mangalore RBD Pamolein	582	582	Unch
	PFAD (Kandla)	400	400	Unch
	Refined Palm Stearin (Kandla)	470	465	5
Refined Sunflower Oil	Chennai	695	695	Unch
	Mumbai	750	750	Unch
	Mumbai(Expeller Oil)	655	655	Unch
	Kandla	760	760	Unch
	Kandla/Mundra (Crude)	NA	NA	-
	Hyderabad (Ref)	713	713	Unch
	Latur (Expeller Oil)	725	725	Unch
	Chellakere (Expeller Oil)	665	665	Unch
	Erode (Expeller Oil)	730	730	Unch
Groundnut Oil	Rajkot	1140	1140	Unch
	Chennai	1150	1150	Unch
	Delhi	1150	1150	Unch
	Hyderabad *	1170	1170	Unch
	Mumbai	1180	1180	Unch
	Gondal	1150	1150	Unch
	Jamnagar	1150	1150	Unch
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	802	797	5
	Jaipur (Kacchi Ghani Oil)	831	828	3
	Kota (Expeller Oil)	730	730	Unch
	Kota (Kacchi Ghani Oil)	825	825	Unch
	Neewai (Kacchi Ghani Oil)	775	775	Unch
	Bharatpur (Kacchi Ghani Oil)	850	850	Unch
	Alwar (Expeller Oil)	805	805	Unch
	Sri-Ganga Nagar(Exp Oil)	755	760	-5
	Sri-Ganga Nagar (Kacchi Ghani Oil)	815	810	5
	Mumbai (Expeller Oil)	817	817	Unch
	New Delhi (Expeller Oil)	788	788	Unch
	Hapur (Expeller Oil)	Closed	860	-
	Hapur (Kacchi Ghani Oil)	Closed	992	-

	Agra (Kacchi Ghani Oil)	855	855	Unch
Refined Cottonseed Oil	Rajkot	650	650	Unch
	Hyderabad	635	635	Unch
	Mumbai	648	648	Unch
	New Delhi	645	645	Unch
Coconut Oil	Kangayan (Crude)	775	785	-10
	Cochin	810	810	Unch
	Trissur	775	775	Unch
Sesame Oil	New Delhi	810	810	Unch
	Mumbai	760	760	Unch
Kardi	Mumbai	845	845	Unch
Rice Bran Oil (40%)	New Delhi	475	475	Unch
Rice Bran Oil (4%)	Punjab	565	565	Unch
Rice Bran Oil (4%)	Uttar Pradesh	565	565	Unch
Malaysia Palmolein USD/MT	FOB	688	690	-2
	CNF India	698	700	-2
Indonesia CPO USD/MT	FOB	658	673	-15
	CNF India	695	697	-2
RBD Palm oil (Malaysia Origin USD/MT)	FOB	Closed	683	-
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	Closed	625	-
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	Closed	1290	-
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	Closed	580	-
Crude palm Kernel Oil India (USD/MT)	CNF India	Closed	NA	-
Ukraine Origin CSFO USD/MT Kandla	CIF	880	883	-3
Rapeseed Oil Rotterdam Euro/MT	FOB	Closed	720	-
Argentina FOB (\$/MT)		20-May-16	19-May-16	Change
Crude Soybean Oil Ship		702	711	-9
Refined Soy Oil (Bulk) Ship		726	735	-9
Sunflower Oil Ship		Unq	Unq	-
Cottonseed Oil Ship		682	691	-9
Refined Linseed Oil (Bulk) Ship		Unq	Unq	-
* indicates including VAT				

Note - Domestic edible oil prices are in Indian rupees per 10 Kg, CNF/FOB/CIF prices are in USD per tons except Rapeseed oil Rotterdam (Euro per tons).

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