

Domestic Fundamentals:

- Weak sentiment featured in various edible oils at various centers on Tuesday.
- Fall in CBOT soy oil and Dalian RBD palmolein have adversely affected palm oil prices in near term. Prices reached very high levels where demand tends to falter as soy oil premium over palm oil has decreased slowing demand. Demand from India and China has waned due to surge in prices on BMD CPO. Demand will only bounce back when market corrects.
China is expected to buy more ahead of festivals in September and higher buying in second half of 2016 to replenish stocks depleted in first half of 2016. India will buy more as its domestic palm oil market is undersupplied and any major correction will bring back demand from India.
Lower imports of palm oil by India in oil year 2015-16 (Nov.15-July-16) has created shortages of CPO in domestic market. Stocks are being drawn from port and pipelines. Stocks at ports and pipelines have stocks of 39 days of use which has reduced from 44 days of use in last two months.
Depreciation of Ringgit is expected to support prices in near term.
Prices of palm oil are in range.
- Soybean crop is in very good condition in US and record yield is expected in 2016/17 by USDA, according to its August estimate. Record US crop is estimated for US in 2016/17 by USDA.
Spreading of soy oil with soy meal is supporting soy oil prices on CBOT in near term.
According to NOPA, soy oil stocks reduced 12 percent in US in July due to lower production of soy oil and higher use which has supported soy oil prices in near term.
Stocks of soy oil is expected to drop further in US due to low crushing of soybean as farmers are awaiting record US crops. Crushers are working hand to mouth in US who will reduce stocks of soy oil of US in August and support prices. Stocks of soy oil are expected to fall in August due to lower production of soy oil due to lower crush of soybean.
Fall in crude oil prices will underpin prices. Prices of soy oil are in range.
- The US soybean crop is reported to be setting pod at 89% compared to 85% during the corresponding period last year and 5 year average. About 72% of the newly planted US soybean crop is under good to excellent conditions which is up from 63% during the same period last year, reported in the US crop progress report dated 21 August 2016.
- According to Malaysia Palm Oil Council (MPOC), crude palm oil prices (CPO) will average 2,678 ringgit per ton in 2016, 18 percent higher from 2015. Crude palm oil 2015 average prices were 2,528 ringgit per ton. India will remain the top imported of CPO in 2016. China will import more CPO in second half of 2016 to replenish stocks. China imported lower amount of oils and fats in 2016 due to higher carryover stocks in 2015. MPOC forecast palm oil production for 2016 for Malaysia at 19.1 MMT and Indonesia at 32.8 MMT. Production of palm oil in Malaysia will improve August onwards when the lagged effect of El Nino is over.

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
Sep-16	-1.60	660.00	660.50	655.10	658.70
Oct-16	-1.00	667.70	667.70	663.50	666.00

Prices are taken at 5:05 PM

Contract	Volume	Change	OI	Change
Sep-16	38,530	4940	64890	-4290
Oct-16	12,750	-4970	48110	3600

Vol-OI are taken at 5:05 PM

Spread	Sep-16	Oct-16
Basis	-8.70	-16.00
Sep-16		7.30
Oct-16		

MCX CPO:

Contract	+/-	Open	High	Low	Close
Aug-16	0.70	565.20	570.80	560.00	567.60
Sep-16	1.50	557.60	564.80	555.50	560.20

Prices are taken at 5:05 PM

Contract	Volume	Change	OI	Change
Aug-16	1193	50	2036	-439
Sep-16	2129	502	3525	272

Vol-OI are taken at 5:05 PM

Spread	Aug-16	Sep-16
Basis	2.4	9.8
Aug-16		-7.4
Sep-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-Sep	-0.08	33.86	33.92	33.56	33.81
15-Oct	-0.08	33.95	34.07	33.71	33.94
15-Dec	-0.09	34.25	34.39	33.97	34.22
15-Jan	-0.09	34.23	34.52	34.19	34.43
15-May	-0.09	34.58	34.68	34.31	34.54

BMD CPO Futures:

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
15-Sep	16	2800	2836	2794	2833
15-Oct	31	2620	2666	2616	2664
15-Nov	34	2526	2581	2522	2578
15-Dec	34	2493	2542	2489	2540

Forex:

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
23/08/2016	6.64	13230	4.03	14.83	67.05	3.20	94.34	47.02

Edible Oil Prices at Key Market

Commodity	Centre	Prices(Per 10 Kg)		Change
		23-Aug-16	22-Aug-16	
Refined Soybean Oil	Indore	650	652	-2
	Indore (Soy Solvent Crude)	620	620	Unch
	Mumbai	670	670	Unch
	Mumbai (Soy Degum)	615	618	-3
	Kandla/Mundra	645	645	Unch
	Kandla/Mundra (Soy Degum)	610	615	-5
	Kolkata	650	650	Unch
	Delhi	680	690	-10
	Nagpur	655	655	Unch
	Rajkot	Closed	640	-
	Kota	650	650	Unch
	Hyderabad	665	675	-10
	Akola	693	693	Unch
	Amrawati	692	692	Unch
	Bundi	650	650	Unch
	Jalna	NA	NA	-
	Alwar	NA	NA	-
	Solapur	NA	NA	-
	Dhule	NA	NA	-
Palm Oil	Kandla (Crude Palm Oil)	570	570	Unch
	Kandla (RBD Palm oil)	595	600	-5
	Kandla RBD Pamolein	625	622	3
	Kakinada (Crude Palm Oil)	570	570	Unch
	Kakinada RBD Pamolein	615	620	-5



	Haldia Pamolein	620	620	Unch
	Chennai RBD Pamolein	635	640	-5
	KPT (krishna patnam) Pamolein	615	615	Unch
	Mumbai RBD Pamolein	630	630	Unch
	Delhi	650	650	Unch
	Rajkot	Closed	615	-
	Hyderabad	608	608	Unch
	Mangalore RBD Pamolein	635	640	-5
	PFAD (Kandla)	460	460	Unch
	Refined Palm Stearin (Kandla)	480	480	Unch
Refined Sunflower Oil	Chennai	725	715	10
	Mumbai	735	735	Unch
	Mumbai(Expeller Oil)	660	660	Unch
	Kandla	745	750	-5
	Kandla/Mundra (Crude)	NA	NA	-
	Hyderabad (Ref)	732	732	Unch
	Latur (Expeller Oil)	725	725	Unch
	Chellakere (Expeller Oil)	665	660	5
	Erode (Expeller Oil)	750	730	20
Groundnut Oil	Rajkot	Closed	1450	-
	Chennai	1100	1080	20
	Delhi	1200	1200	Unch
	Hyderabad *	1130	1130	Unch
	Mumbai	1440	1450	-10
	Gondal	1450	1450	Unch
	Jamnagar	1400	1400	Unch
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	850	855	-5
	Jaipur (Kacchi Ghani Oil)	933	943	-10
	Kota (Expeller Oil)	830	830	Unch
	Kota (Kacchi Ghani Oil)	945	950	-5
	Neewai (Expeller Oil)	866	866	Unch
	Neewai (Kacchi Ghani Oil)	918	918	Unch
	Bharatpur (Kacchi Ghani Oil)	930	930	Unch
	Alwar (Expeller Oil)	NA	NA	-
	Alwar (Kacchi Ghani Oil)	NA	NA	-
	Sri-Ganga Nagar(Exp Oil)	875	880	-5
	Sri-Ganga Nagar (Kacchi Ghani Oil)	915	925	-10
	Mumbai (Expeller Oil)	895	910	-15
	Kolkata(Expeller Oil)	1020	1020	Unch



	New Delhi (Expeller Oil)	885	890	-5
	Hapur (Expeller Oil)	900	900	Unch
	Hapur (Kacchi Ghani Oil)	950	950	Unch
	Agra (Kacchi Ghani Oil)	935	935	Unch
Refined Cottonseed Oil	Rajkot	Closed	715	-
	Hyderabad	695	695	Unch
	Mumbai	725	730	-5
	New Delhi	700	700	Unch
Coconut Oil	Kangayan (Crude)	950	950	Unch
	Cochin	782	782	Unch
	Trissur	960	960	Unch
Sesame Oil	New Delhi	700	700	Unch
	Mumbai	730	730	Unch
Kardi	Mumbai	830	830	Unch
Rice Bran Oil (40%)	New Delhi	535	535	Unch
Rice Bran Oil (4%)	Punjab	570	570	Unch
Rice Bran Oil (4%)	Uttar Pradesh	570	570	Unch
Malaysia Palmolein USD/MT	FOB	745	760	-15
	CNF India	770	780	-10
Indonesia CPO USD/MT	FOB	745	741	4
	CNF India	765	770	-5
RBD Palm oil (Malaysia Origin USD/MT)	FOB	738	753	-15
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	710	710	Unch
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1620	1625	-5
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	603	605	-2
Crude palm Kernel Oil India (USD/MT)	CNF India	NA	1530	-
Ukraine Origin CSFO USD/MT Kandla	CIF	855	855	Unch
Rapeseed Oil Rotterdam Euro/MT	FOB	743	745	-2
Argentina FOB (\$/MT)		20-Aug-16	19-Aug-16	Change
Crude Soybean Oil Ship		Closed	Unq	-
Refined Soy Oil (Bulk) Ship		Closed	Unq	-
Sunflower Oil Ship		Closed	790	-
Cottonseed Oil Ship		Closed	Unq	-
Refined Linseed Oil (Bulk) Ship		Closed	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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