

Domestic Fundamentals:

- Mostly firm sentiment featured in various edible oils at various centers on Saturday.
- India's import of edible oils fell 8.2 percent on higher import duty imposed on import. Higher base prices and exchange rate contributed to weak margins leading to weak imports. CPO imports were the major casualty of increase in import duty on edible oils. Soy oil was the major beneficiary of current import duty regime. Imports of soft oils increased from 34% to 42% while palm oil products share decreased to 58% from 66%. Shift of consumption pattern and inverted duty structure by palm oil exporting countries have led to record RBD palmolein imports in the current oil year. Palm oil industry is struggling from idle capacity while better monsoon after drought for two consecutive years have softened domestic crushed edible oils and crush has turned positive. With record US soybean crop, higher soy oil supply from Argentina and good domestic oilseed crop, prices of edible oil in domestic market is expected to soften which will dampen imports in coming months.
- Weak exports in first 15 days of September primarily from India and China coupled with weak CBOT soy oil and DALIAN RBD palmolein has underpin prices of palm oil in near term. Demand from India is weak as imports surged in August and stocks are 60-70 percent covered for demand season starting October. Market is adjusting to slowdown in demand. However, weak Ringgit is expected to support palm oil prices in near term. Ringgit depreciation will support prices in near term. Competitive oils will underpin prices in near term. Stability in Chinese financial markets has helped palm oil prices in near term and is expected to stable in near term.
- Soy oil stocks fell in US in August on lower production of soy oil due to lower crush of soybean. Fall in soybean crush was below market expectations. Soy oil stocks in US are has fallen consecutively for past three months and a rebound is not expected in September. Crushers are waiting for new crop to start crushing while demand for soy meal is low.
- According to National Oilseed Processors Association (NOPA), U.S. August soybean crush fell to 131.822 million bushels from 143.715 million bushels in July, down by 7.9 percent m-o-m. Crush of soybean in August 2015 was 135.304 million bushels. Production of soy oil in U.S. in August fell to 1.557 billion lbs from 1.687 billion lbs in July 2016. Production in August 2015 was 1.534 billion lbs. Soy oil stocks in U.S. at the end of August fell by 7.00 percent to 1.620 billion lbs compared to 1.743 billion lbs in July 2016. Stocks of soy oil in August 2015 were higher by 9.46 percent compared to August 2015, which was reported at 1.480 million lbs. Yield rose to 11.81 lbs/bushel in August from 11.74 lbs/bushel in July. Yield in August 2015 was reported at 11.33 lbs/bushel.
- According to Solvent Extractors Association (SEA), India's August edible oil stocks at ports and pipelines was lower by 4.65 m-o-m at 20.50 lakh tons from 21.50 lakh tons in July 2016. Stocks of edible oil at ports were at 755,000 tons (CPO 215,000 tons, RBD palmolein 110,000 tons, Degummed Soybean Oil 300,000 tons, Crude Sunflower Oil 105,000 tons and 25,000 tons of Rapeseed (Canola) Oil) and about 1,300,000 tons in pipelines. India is presently holding 37 days of edible oil requirement on 1st September, 2016 at 20.5 lakh tons compared to 39 days of requirements last month. India's monthly edible oil requirement is 16.5 lakh tons.

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

NCDEX Soy Refined Oil:

| Contract | +/- | Open | High | Low | Close |
|----------|------|--------|--------|--------|--------|
| Oct-16 | 6.50 | 645.40 | 653.00 | 645.40 | 651.80 |
| Nov-16 | 4.60 | 648.00 | 654.10 | 648.00 | 652.70 |

Prices are taken at 5:05 PM

| Contract | Volume | Change | OI | Change |
|----------|--------|--------|-------|--------|
| Oct-16 | 49,140 | -3300 | 56410 | -290 |
| Nov-16 | 9,220 | -2220 | 36110 | 370 |

Vol-OI are taken at 5:05 PM

| Spread | Oct-16 | Nov-16 |
|--------|--------|--------|
| Basis | -4.80 | -5.70 |
| Oct-16 | | 0.90 |
| Nov-16 | | |

MCX CPO:

| Contract | +/- | Open | High | Low | Close |
|----------|------|--------|--------|--------|--------|
| Aug-16 | 6.80 | 556.20 | 565.40 | 556.20 | 563.60 |
| Sep-16 | 4.70 | 542.30 | 548.00 | 540.30 | 546.50 |

Prices are taken at 5:05 PM

| Contract | Volume | Change | OI | Change |
|----------|--------|--------|------|--------|
| Aug-16 | 2226 | -507 | 3837 | -72 |
| Sep-16 | 1156 | -232 | 1659 | 51 |

Vol-OI are taken at 5:05 PM

| Spread | Aug-16 | Sep-16 |
|--------|--------|--------|
| Basis | 11.4 | 28.5 |
| Aug-16 | | -17.1 |
| 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-Oct | 0.16 | 32.09 | 32.25 | 32.06 | 32.2 |
| 15-Dec | 0.16 | 32.33 | 32.48 | 32.29 | 32.44 |
| 15-Jan | 0.15 | 32.54 | 32.71 | 32.53 | 32.66 |
| 15-May | 0.14 | 32.79 | 32.95 | 32.77 | 32.9 |
| 15-July | 0.11 | 33.05 | 33.15 | 33.05 | 33.06 |

BMD CPO Futures:

(Values in MYR/tonnes)

| Contract | +/- | Open | High | Low | Close |
|----------|-----|------|------|------|-------|
| 15-Oct | 55 | 2650 | 2737 | 2643 | 2718 |
| 15-Nov | 30 | 2553 | 2610 | 2553 | 2594 |
| 15-Dec | 30 | 2520 | 2581 | 2520 | 2565 |
| 15-Jan | 30 | 2520 | 2571 | 2520 | 2558 |

Forex:

| Date/Currency | Chinese Yuan | Indonesian Rupiah | Malaysian Ringgit | Argentine Peso | Indian rupee | Brazilian Real | Dollar Index | Crude Oil WTI (\$/barrel) |
|---------------|--------------|-------------------|-------------------|----------------|--------------|----------------|--------------|---------------------------|
| 16/09/2016 | 6.67 | 13153 | 4.14 | 15.06 | 66.98 | 3.30 | 95.48 | 43.21 |

Edible Oil Prices at Key Market

| Commodity | Centre | Prices(Per 10 Kg) | | Change |
|---------------------|----------------------------|-------------------|-----------|--------|
| | | 17-Sep-16 | 16-Sep-16 | |
| Refined Soybean Oil | Indore | 650 | 647 | 3 |
| | Indore (Soy Solvent Crude) | 620 | 615 | 5 |
| | Mumbai | 650 | 655 | -5 |
| | Mumbai (Soy Degum) | 605 | 605 | Unch |
| | Kandla/Mundra | 630 | 630 | Unch |
| | Kandla/Mundra (Soy Degum) | 601 | 600 | 1 |
| | Kolkata | 645 | 645 | Unch |
| | Delhi | 675 | 675 | Unch |
| | Nagpur | 658 | 654 | 4 |
| | Rajkot | 630 | 630 | Unch |
| | Kota | 660 | 655 | 5 |
| | Hyderabad | 665 | 665 | Unch |
| | Akola | 697 | 694 | 3 |
| | Amrawati | 697 | 694 | 3 |
| | Bundi | 660 | 655 | 5 |
| | Jalna | NA | NA | - |
| | Alwar | NA | NA | - |
| | Solapur | NA | NA | - |
| | Dhule | NA | NA | - |
| Palm Oil | Kandla (Crude Palm Oil) | 580 | 575 | 5 |
| | Kandla (RBD Palm oil) | 600 | 595 | 5 |
| | Kandla RBD Pamolein | 620 | 620 | Unch |
| | Kakinada (Crude Palm Oil) | 550 | 550 | Unch |
| | Kakinada RBD Pamolein | 615 | 615 | Unch |

| | | | | |
|--------------------------|------------------------------------|------|--------|------|
| | Haldia Pamolein | 620 | 620 | Unch |
| | Chennai RBD Pamolein | 620 | 620 | Unch |
| | KPT (krishna patnam) Pamolein | 610 | 610 | Unch |
| | Mumbai RBD Pamolein | 630 | 630 | Unch |
| | Delhi | 670 | 665 | 5 |
| | Rajkot | 620 | 615 | 5 |
| | Hyderabad | 608 | 608 | Unch |
| | Mangalore RBD Pamolein | 620 | 620 | Unch |
| | PFAD (Kandla) | 470 | 470 | Unch |
| | Refined Palm Stearin (Kandla) | 520 | 520 | Unch |
| | | | | |
| Refined Sunflower Oil | Chennai | 715 | 715 | Unch |
| | Mumbai | 735 | 735 | Unch |
| | Mumbai(Expeller Oil) | 645 | 645 | Unch |
| | Kandla | 740 | 740 | 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) | 740 | Closed | - |
| | | | | |
| Groundnut Oil | Rajkot | 1150 | 1150 | Unch |
| | Chennai | 980 | 980 | Unch |
| | Delhi | 970 | 980 | -10 |
| | Hyderabad * | 1120 | 1120 | Unch |
| | Mumbai | 1210 | 1200 | 10 |
| | Gondal | 1150 | 1150 | Unch |
| | Jamnagar | 1150 | 1150 | Unch |
| | | | | |
| Rapeseed Oil/Mustard Oil | Jaipur (Expeller Oil) | 850 | 840 | 10 |
| | Jaipur (Kacchi Ghani Oil) | 915 | 918 | -3 |
| | Kota (Expeller Oil) | 830 | 830 | Unch |
| | Kota (Kacchi Ghani Oil) | 920 | 900 | 20 |
| | Neewai (Expeller Oil) | 845 | 845 | Unch |
| | Neewai (Kacchi Ghani Oil) | 893 | 893 | Unch |
| | Bharatpur (Kacchi Ghani Oil) | 935 | 940 | -5 |
| | Alwar (Expeller Oil) | NA | NA | - |
| | Alwar (Kacchi Ghani Oil) | NA | NA | - |
| | Sri-Ganga Nagar(Exp Oil) | 850 | 840 | 10 |
| | Sri-Ganga Nagar (Kacchi Ghani Oil) | 900 | 880 | 20 |
| | Mumbai (Expeller Oil) | 860 | 860 | Unch |
| | Kolkata(Expeller Oil) | 1030 | 1030 | Unch |



| | | | | |
|---|--------------------------|-----------|-----------|--------|
| | New Delhi (Expeller Oil) | 880 | 880 | Unch |
| | Hapur (Expeller Oil) | Closed | 900 | - |
| | Hapur (Kacchi Ghani Oil) | Closed | 1000 | - |
| | Agra (Kacchi Ghani Oil) | 940 | 945 | -5 |
| | | | | |
| Refined Cottonseed Oil | Rajkot | 690 | 690 | Unch |
| | Hyderabad | 680 | 680 | Unch |
| | Mumbai | 695 | 700 | -5 |
| | New Delhi | 660 | 660 | Unch |
| | | | | |
| Coconut Oil | Kangayan (Crude) | 890 | 890 | Unch |
| | Cochin | 785 | 785 | Unch |
| | Trissur | 910 | 910 | Unch |
| | | | | |
| Sesame Oil | New Delhi | 700 | 700 | Unch |
| | Mumbai | 730 | 730 | Unch |
| Kardi | Mumbai | 830 | 830 | Unch |
| Rice Bran Oil (40%) | New Delhi | 480 | 480 | Unch |
| Rice Bran Oil (4%) | Punjab | 590 | 590 | Unch |
| Rice Bran Oil (4%) | Uttar Pradesh | 590 | 590 | Unch |
| | | | | |
| Malaysia Palmolein USD/MT | FOB | Closed | Closed | - |
| | CNF India | 748 | 748 | Unch |
| Indonesia CPO USD/MT | FOB | Closed | Closed | - |
| | CNF India | 740 | 740 | Unch |
| RBD Palm oil (Malaysia Origin USD/MT) | FOB | Closed | Closed | - |
| RBD Palm Stearin (Malaysia Origin USD/MT) | FOB | Closed | Closed | - |
| RBD Palm Kernel Oil (Malaysia Origin USD/MT) | FOB | Closed | Closed | - |
| Palm Fatty Acid Distillate (Malaysia Origin USD/MT) | FOB | Closed | Closed | - |
| Crude palm Kernel Oil India (USD/MT) | CNF India | Closed | 1520 | - |
| Ukraine Origin CSFO USD/MT Kandla | CIF | 828 | 825 | 3 |
| Rapeseed Oil Rotterdam Euro/MT | FOB | Closed | 750 | - |
| | | | | |
| Argentina FOB (\$/MT) | | 16-Sep-16 | 15-Sep-16 | Change |
| Crude Soybean Oil Ship | | Unq | 735 | - |
| Refined Soy Oil (Bulk) Ship | | Unq | 761 | - |
| Sunflower Oil Ship | | Unq | Unq | - |
| Cottonseed Oil Ship | | Unq | 715 | - |
| Refined Linseed Oil (Bulk) Ship | | Unq | 755 | - |
| * 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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