

Domestic Fundamentals:

- Firm sentiment featured in various edible oils at various centers on Monday.
- 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. Prices of palm oil are in a range.
- Rise in prices of competitive oils coupled with weaker Ringgit will support palm oil prices in near term. Soy oil CBOT, DALIAN and RBD DALIAN gains will support palm oil prices in near term. Exports are still weak in first 15 days of September primarily from India and China. Weak stocks of palm oil prices in Malaysia support palm oil prices in near term. Demand from India is weak as imports are almost covered for festival season in after Monsoon. However, stocks of palm will remain tight in Malaysia in September due to slow growth of production on lagged effect of El Nino. 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. Demand is weak as buyers are not placing orders as they expect prices to fall. Demand is expected to be firm from China in MY 2015/16. China's imports of soybean have been reduced by USDA in 2015/16 and 2016/17 on lower shipments from Brazil and liquidation of state reserves. Rise in crude oil prices and weakness in dollar due to delay in rise of interest rates by FED will support prices in near ter. Soy oil prices are in a range.
- 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.

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

NCDEX Soy Refined Oil:

| Contract | +/- | Open | High | Low | Close |
|----------|------|--------|--------|--------|--------|
| Oct-16 | 8.25 | 655.50 | 660.90 | 654.20 | 659.80 |
| Nov-16 | 9.25 | 657.00 | 663.30 | 655.25 | 661.95 |

Prices are taken at 5:05 PM

| Contract | Volume | Change | OI | Change |
|----------|--------|--------|-------|--------|
| Oct-16 | 43,390 | -5750 | 64550 | 8140 |
| Nov-16 | 6,600 | -2620 | 37810 | 1700 |

Vol-OI are taken at 5:05 PM

| Spread | Oct-16 | Nov-16 |
|--------|--------|--------|
| Basis | -4.80 | -6.95 |
| Oct-16 | | 2.15 |
| Nov-16 | | |

MCX CPO:

| Contract | +/- | Open | High | Low | Close |
|----------|-------|--------|--------|--------|--------|
| Aug-16 | 10.50 | 571.80 | 577.90 | 569.00 | 577.40 |
| Sep-16 | 11.70 | 550.00 | 561.10 | 550.00 | 560.50 |

Prices are taken at 5:05 PM

| Contract | Volume | Change | OI | Change |
|----------|--------|--------|------|--------|
| Aug-16 | 2412 | 186 | 4280 | 443 |
| Sep-16 | 1415 | 259 | 1578 | -81 |

Vol-OI are taken at 5:05 PM

| Spread | Aug-16 | Sep-16 |
|--------|--------|--------|
| Basis | 7.6 | 24.5 |
| Aug-16 | | -16.9 |
| 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 | 0.54 | 31.98 | 32.66 | 31.98 | 32.52 |
| 15-Dec | 0.54 | 32.31 | 32.92 | 32.23 | 32.77 |
| 15-Jan | 0.52 | 32.55 | 33.14 | 32.55 | 32.98 |
| 15-May | 0.50 | 32.77 | 33.34 | 32.77 | 33.19 |
| 15-July | 0.48 | 33.02 | 33.48 | 32.93 | 33.33 |

BMD CPO Futures:

(Values in MYR/tonnes)

| Contract | +/- | Open | High | Low | Close |
|----------|-----|------|------|------|-------|
| 15-Oct | 112 | 2738 | 2838 | 2738 | 2831 |
| 15-Nov | 98 | 2600 | 2702 | 2598 | 2691 |
| 15-Dec | 78 | 2578 | 2654 | 2567 | 2642 |
| 15-Jan | 67 | 2571 | 2639 | 2559 | 2625 |

Forex:

| Date/Currency | Chinese Yuan | Indonesian Rupiah | Malaysian Ringgit | Argentine Peso | Indian rupee | Brazilian Real | Dollar Index | Crude Oil WTI (\$/barrel) |
|---------------|--------------|-------------------|-------------------|----------------|--------------|----------------|--------------|---------------------------|
| 19/09/2016 | 6.675 | 13167 | 4.136 | 15.12 | 66.96 | 3.26 | 95.89 | 44.23 |

Edible Oil Prices at Key Market

| Commodity | Centre | Prices(Per 10 Kg) | | Change |
|---------------------|----------------------------|-------------------|-----------|--------|
| | | 19-Sep-16 | 17-Sep-16 | |
| Refined Soybean Oil | Indore | 655 | 650 | 5 |
| | Indore (Soy Solvent Crude) | 625 | 620 | 5 |
| | Mumbai | 655 | 650 | 5 |
| | Mumbai (Soy Degum) | 608 | 605 | 3 |
| | Kandla/Mundra | 635 | 630 | 5 |
| | Kandla/Mundra (Soy Degum) | 605 | 601 | 4 |
| | Kolkata | 645 | 645 | Unch |
| | Delhi | 675 | 675 | Unch |
| | Nagpur | 661 | 658 | 3 |
| | Rajkot | 630 | 630 | Unch |
| | Kota | 660 | 660 | Unch |
| | Hyderabad | 660 | 665 | -5 |
| | Akola | 701 | 697 | 4 |
| | Amrawati | 701 | 697 | 4 |
| | Bundi | 665 | 660 | 5 |
| | Jalna | NA | NA | - |
| | Alwar | NA | NA | - |
| | Solapur | NA | NA | - |
| | Dhule | NA | NA | - |
| Palm Oil | Kandla (Crude Palm Oil) | 585 | 580 | 5 |
| | Kandla (RBD Palm oil) | 605 | 600 | 5 |
| | Kandla RBD Pamolein | 630 | 620 | 10 |
| | Kakinada (Crude Palm Oil) | 550 | 550 | Unch |
| | Kakinada RBD Pamolein | 625 | 615 | 10 |



| | | | | |
|--------------------------|------------------------------------|------|------|------|
| | Haldia Pamolein | 630 | 620 | 10 |
| | Chennai RBD Pamolein | 630 | 620 | 10 |
| | KPT (krishna patnam) Pamolein | 620 | 610 | 10 |
| | Mumbai RBD Pamolein | 640 | 630 | 10 |
| | Delhi | 675 | 670 | 5 |
| | Rajkot | 630 | 620 | 10 |
| | Hyderabad | 618 | 608 | 10 |
| | Mangalore RBD Pamolein | 630 | 620 | 10 |
| | 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) | 650 | 645 | 5 |
| | Kandla | 740 | 740 | Unch |
| | Kandla/Mundra (Crude) | NA | NA | - |
| | Hyderabad (Ref) | 708 | 713 | -5 |
| | Latur (Expeller Oil) | 725 | 725 | Unch |
| | Chellakere (Expeller Oil) | 665 | 665 | Unch |
| | Erode (Expeller Oil) | 740 | 740 | Unch |
| Groundnut Oil | Rajkot | 1150 | 1150 | Unch |
| | Chennai | 980 | 980 | Unch |
| | Delhi | 960 | 970 | -10 |
| | Hyderabad * | 1050 | 1120 | -70 |
| | Mumbai | 1220 | 1210 | 10 |
| | Gondal | 1150 | 1150 | Unch |
| | Jamnagar | 1150 | 1150 | Unch |
| Rapeseed Oil/Mustard Oil | Jaipur (Expeller Oil) | 850 | 850 | Unch |
| | Jaipur (Kacchi Ghani Oil) | 925 | 915 | 10 |
| | Kota (Expeller Oil) | 840 | 830 | 10 |
| | Kota (Kacchi Ghani Oil) | 920 | 920 | Unch |
| | Neewai (Expeller Oil) | 855 | 845 | 10 |
| | Neewai (Kacchi Ghani Oil) | 903 | 893 | 10 |
| | Bharatpur (Kacchi Ghani Oil) | 940 | 935 | 5 |
| | Alwar (Expeller Oil) | NA | NA | - |
| | Alwar (Kacchi Ghani Oil) | NA | NA | - |
| | Sri-Ganga Nagar(Exp Oil) | 850 | 850 | Unch |
| | Sri-Ganga Nagar (Kacchi Ghani Oil) | 900 | 900 | Unch |
| | Mumbai (Expeller Oil) | 860 | 860 | Unch |
| | Kolkata(Expeller Oil) | 1030 | 1030 | Unch |

| | | | | |
|---|--------------------------|-----------|-----------|--------|
| | New Delhi (Expeller Oil) | 885 | 880 | 5 |
| | Hapur (Expeller Oil) | 920 | Closed | - |
| | Hapur (Kacchi Ghani Oil) | 1000 | Closed | - |
| | Agra (Kacchi Ghani Oil) | 945 | 940 | 5 |
| | | | | |
| Refined Cottonseed Oil | Rajkot | 695 | 690 | 5 |
| | Hyderabad | 685 | 680 | 5 |
| | Mumbai | 695 | 695 | Unch |
| | New Delhi | 660 | 660 | Unch |
| | | | | |
| Coconut Oil | Kangayan (Crude) | 930 | 890 | 40 |
| | Cochin | 785 | 785 | Unch |
| | Trissur | 930 | 910 | 20 |
| | | | | |
| Sesame Oil | New Delhi | 700 | 700 | Unch |
| | Mumbai | 730 | 730 | Unch |
| Kardi | Mumbai | 830 | 830 | Unch |
| Rice Bran Oil (40%) | New Delhi | 485 | 480 | 5 |
| Rice Bran Oil (4%) | Punjab | 600 | 590 | 10 |
| Rice Bran Oil (4%) | Uttar Pradesh | 600 | 590 | 10 |
| | | | | |
| Malaysia Palmolein USD/MT | FOB | 735 | Closed | - |
| | CNF India | 750 | 748 | 2 |
| Indonesia CPO USD/MT | FOB | 720 | Closed | - |
| | CNF India | 743 | 740 | 3 |
| RBD Palm oil (Malaysia Origin USD/MT) | FOB | 728 | Closed | - |
| RBD Palm Stearin (Malaysia Origin USD/MT) | FOB | 705 | Closed | - |
| RBD Palm Kernel Oil (Malaysia Origin USD/MT) | FOB | 1590 | Closed | - |
| Palm Fatty Acid Distillate (Malaysia Origin USD/MT) | FOB | 610 | Closed | - |
| Crude palm Kernel Oil India (USD/MT) | CNF India | NA | Closed | - |
| Ukraine Origin CSFO USD/MT Kandla | CIF | 828 | 828 | Unch |
| Rapeseed Oil Rotterdam Euro/MT | FOB | 750 | Closed | - |
| | | | | |
| Argentina FOB (\$/MT) | | 17-Sep-16 | 16-Sep-16 | Change |
| Crude Soybean Oil Ship | | Closed | Unq | - |
| Refined Soy Oil (Bulk) Ship | | Closed | Unq | - |
| Sunflower Oil Ship | | Closed | Unq | - |
| 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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