

Domestic Fundamentals:

- Mostly firm sentiment featured in various edible oils at various market centers on Friday.
- Edible oil imports improved in February after four months on higher demand of RBD palmolein and sunflower oil despite average demand of soy oil and CPO. Record oilseed crop in 2016/17 has led to lower imports of soy oil. Higher sunflower oil imports are due to low premium of sunflower oil over soy oil and palm oil. Soy oil imports are expected to decline in oil year 2016-17 compared to last oil year. Similarly CPO imports will be weak due to inverted tax structure in Malaysia which has led to record imports of RBD palmolein. Indian refiners are struggling with overcapacity due to this.
- Palm oil- Improvement in exports and concerns of El Nino weather Southeast Asia has supported palm oil prices in near term. There is 50 percent chance of occurrence of El Nino in 2017 which will reduce palm yields. El Nino weather phenomena are expected at a time when palm production is expected to improve after weak 2016 and first quarter of 2017. Weather has played a big role in palm oil pricing in last one year. Palm oil production is expected to rise to 19-20 MMT in Malaysia and to 35-36 MMT in Indonesia in 2017. However, weather may play disruptive role. Palm oil exports rebounded from Malaysia weak start of March. Expectation of rise in production of palm oil starting second quarter of 2017 and steadying after first half of 2017 will be bearish for palm oil in medium term. Appreciating ringgit will cap gains. Prices are in a range.
- Soy oil – US soy oil end stocks in February point to weak demand of soy oil export and domestic demand as crush was lower than market expectations which led to lower soy oil production. Higher soy oil stocks in US will underpin soy oil prices in medium term.
USDA increased US 2016/17 soy oil end stocks in its March estimate on higher production and imports partially set off by higher exports. Higher stocks of soy oil will underpin prices of soy oil in medium term.
Strong South American soybean production remains overhang on soybean complex market. USDA raised soybean crop of Brazil at 108 MMT. Conducive condition of soybean harvest has helped harvest to reach around 56 percent.
Fall in prices of crude oil will underpin prices. Prices are in a range.
- According to Solvent Extractors Association (SEA), India's February edible oil stocks at ports and pipelines rose 13.6 m-o-m to 19.65 lakh tons from 17.30 lakh tons in January 2017. Stocks of edible oil at ports rose to 775,000 tons (CPO 290,000 tons, RBD Palmolein 160,000 tons, Degummed Soybean Oil 180,000 tons, Crude Sunflower Oil 130,000 tons and 15,000 tons of Rapeseed (Canola) Oil) and about 1,190,000 tons in pipelines. (Stocks in pipelines were at 1,088,000 tons in January 2017). India is presently holding 36 days of edible oil requirement on 1st March, 2017 at 19.65 lakh tons compared to 32 days of requirements last month. India's monthly edible oil requirement is 16.5 lakh tons.
- According to Indonesia Palm Oil Association (GAPKI), Indonesia January palm oil exports rose 30 percent to 2.72 MMT compared to 2.1 MMT in January 2016. Exports rose 1.5 percent m-o-m from December 2016, which was reported at 2.68 MMT. Rise in shipments were primarily due to higher exports to India and Africa.

Outlook: Edible oil basket is expected to feature weak sentiment in near term.

NCDEX Soy Refined Oil:

| Contract | +/- | Open | High | Low | Close |
|----------|------|--------|--------|--------|--------|
| Apr-16 | 5.55 | 636.80 | 641.80 | 636.80 | 641.80 |
| May-16 | 3.05 | 625.40 | 628.00 | 624.70 | 627.05 |

Prices are taken at 5:05 PM

| Contract | Volume | Change | OI | Change |
|----------|--------|--------|-------|--------|
| Apr-16 | 30,960 | 640 | 55370 | -1170 |
| May-16 | 12,950 | -3390 | 43910 | 3110 |

Vol-OI are taken at 5:05 PM

| Spread | Apr-16 | May-16 |
|--------|--------|--------|
| Basis | 18.20 | 32.95 |
| Apr-16 | | -14.75 |
| May-16 | | |

MCX CPO:

| Contract | +/- | Open | High | Low | Close |
|----------|-------|--------|--------|--------|--------|
| Mar-16 | -0.90 | 530.60 | 533.40 | 527.40 | 530.00 |
| Apr-16 | -2.00 | 516.50 | 520.20 | 513.30 | 515.20 |

Prices are taken at 5:05 PM

| Contract | Volume | Change | OI | Change |
|----------|--------|--------|------|--------|
| Mar-16 | 1357 | -419 | 3480 | -176 |
| Apr-16 | 1686 | -355 | 3178 | 42 |

Vol-OI are taken at 5:05 PM

| Spread | Mar-16 | Apr-16 |
|--------|--------|--------|
| Basis | 15.0 | 29.8 |
| Mar-16 | | -14.8 |
| Apr-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-May | 0.18 | 32.27 | 32.52 | 32.2 | 32.44 |
| 15-July | 0.17 | 32.54 | 32.8 | 32.49 | 32.71 |
| 15-Aug | 0.17 | 32.63 | 32.88 | 32.63 | 32.8 |
| 15-Sep | 0.20 | 32.83 | 32.94 | 32.79 | 32.91 |
| 15-Oct | 0.20 | 32.8 | 33 | 32.8 | 32.94 |

BMD CPO Futures:

(Values in MYR/tonnes)

| Contract | +/- | Open | High | Low | Close |
|----------|-----|------|------|------|-------|
| 15-Apr | 6 | 2960 | 2969 | 2940 | 2966 |
| 15-May | 6 | 2857 | 2877 | 2841 | 2873 |
| 15-June | 8 | 2778 | 2809 | 2769 | 2803 |
| 15-July | 10 | 2727 | 2750 | 2714 | 2745 |

Forex:

| Date/Currency | Chinese Yuan | Indonesian Rupiah | Malaysian Ringgit | Argentine Peso | Indian rupee | Brazilian Real | Dollar Index | Crude Oil WTI (\$/barrel) |
|---------------|--------------|-------------------|-------------------|----------------|--------------|----------------|--------------|---------------------------|
| 17/03/2017 | 6.91 | 13339 | 4.435 | 15.55 | 65.46 | 3.12 | 100.36 | 49.05 |

Edible Oil Prices at Key Market

| Commodity | Centre | Prices(Per 10 Kg) | | Change |
|---------------------|----------------------------|-------------------|-----------|--------|
| | | 17-Mar-17 | 16-Mar-17 | |
| Refined Soybean Oil | Indore | 660 | 660 | Unch |
| | Indore (Soy Solvent Crude) | 625 | 625 | Unch |
| | Mumbai | 655 | 655 | Unch |
| | Mumbai (Soy Degum) | 598 | 600 | -2 |
| | Kandla/Mundra | 645 | 645 | Unch |
| | Kandla/Mundra (Soy Degum) | 610 | 605 | 5 |
| | Kolkata | 655 | 655 | Unch |
| | Delhi | 675 | 675 | Unch |
| | Nagpur | 702 | 702 | Unch |
| | Rajkot | 635 | 640 | -5 |
| | Kota | 660 | 660 | Unch |
| | Hyderabad | 679 | 675 | 4 |
| | Akola | 689 | 689 | Unch |
| | Amrawati | 688 | 688 | Unch |
| | Bundi | 665 | 660 | 5 |
| | Jalna | 700 | 700 | Unch |
| | Alwar | NA | NA | - |
| | Solapur | 702 | 702 | Unch |
| | Dhule | 699 | 699 | Unch |
| Palm Oil | Kandla (Crude Palm Oil) | 545 | 547 | -2 |
| | Kandla (RBD Palm oil) | 565 | 560 | 5 |
| | Kandla RBD Pamolein | 580 | 585 | -5 |
| | Kakinada (Crude Palm Oil) | 528 | 528 | Unch |
| | Kakinada RBD Pamolein | 575 | 575 | Unch |



| | | | | |
|--------------------------|------------------------------------|------|------|------|
| | Haldia Pamolein | 575 | 575 | Unch |
| | Chennai RBD Pamolein | 580 | 580 | Unch |
| | KPT (krishna patnam) Pamolein | 570 | 570 | Unch |
| | Mumbai RBD Pamolein | 585 | 585 | Unch |
| | Delhi | 625 | 625 | Unch |
| | Rajkot | 575 | 575 | Unch |
| | Hyderabad | 532 | 532 | Unch |
| | Mangalore RBD Pamolein | 580 | 580 | Unch |
| | PFAD (Kandla) | 440 | 440 | Unch |
| | Refined Palm Stearin (Kandla) | 510 | 510 | Unch |
| Refined Sunflower Oil | Chennai | 675 | 675 | Unch |
| | Mumbai | 715 | 715 | Unch |
| | Mumbai(Expeller Oil) | 605 | 605 | Unch |
| | Kandla (Ref.) | 685 | 685 | Unch |
| | Kandla/Mundra (Crude) | NA | NA | - |
| | Hyderabad (Ref) | 684 | 708 | -24 |
| | Latur (Expeller Oil) | 680 | 680 | Unch |
| | Chellakere (Expeller Oil) | 635 | 640 | -5 |
| | Erode (Expeller Oil) | 710 | 710 | Unch |
| Groundnut Oil | Rajkot | 970 | 960 | 10 |
| | Chennai | 1000 | 1000 | Unch |
| | Delhi | 950 | 950 | Unch |
| | Hyderabad * | 1060 | 1060 | Unch |
| | Mumbai | 1000 | 1000 | Unch |
| | Gondal | 950 | 960 | -10 |
| | Jamnagar | 960 | 960 | Unch |
| Rapeseed Oil/Mustard Oil | Jaipur (Expeller Oil) | 675 | 670 | 5 |
| | Jaipur (Kacchi Ghani Oil) | 732 | 730 | 2 |
| | Kota (Expeller Oil) | 700 | 690 | 10 |
| | Kota (Kacchi Ghani Oil) | 710 | 705 | 5 |
| | Neewai (Expeller Oil) | 705 | 695 | 10 |
| | Neewai (Kacchi Ghani Oil) | 720 | 715 | 5 |
| | Bharatpur (Kacchi Ghani Oil) | 755 | 750 | 5 |
| | Alwar (Expeller Oil) | NA | NA | - |
| | Alwar (Kacchi Ghani Oil) | NA | NA | - |
| | Sri-Ganga Nagar(Exp Oil) | 680 | 670 | 10 |
| | Sri-Ganga Nagar (Kacchi Ghani Oil) | 720 | 710 | 10 |
| | Mumbai (Expeller Oil) | 710 | 710 | Unch |
| | Kolkata(Expeller Oil) | NA | NA | - |



| | | | | |
|---|--------------------------|-----------|-----------|--------|
| | New Delhi (Expeller Oil) | 735 | 730 | 5 |
| | Hapur (Expeller Oil) | 740 | 750 | -10 |
| | Hapur (Kacchi Ghani Oil) | 840 | 860 | -20 |
| | Agra (Kacchi Ghani Oil) | 760 | 755 | 5 |
| | | | | |
| Refined Cottonseed Oil | Rajkot | 645 | 645 | Unch |
| | Hyderabad | 630 | 630 | Unch |
| | Mumbai | 650 | 650 | Unch |
| | New Delhi | 640 | 635 | 5 |
| | | | | |
| Coconut Oil | Kangayan (Crude) | 1175 | 1170 | 5 |
| | Cochin | 1230 | 1230 | Unch |
| | Trissur | 1220 | 1210 | 10 |
| | | | | |
| Sesame Oil | New Delhi | 770 | 770 | Unch |
| | Mumbai | 730 | 730 | Unch |
| Kardi | Mumbai | 730 | 730 | Unch |
| Rice Bran Oil (40%) | New Delhi | 545 | 545 | Unch |
| Rice Bran Oil (4%) | Punjab | 590 | 590 | Unch |
| Rice Bran Oil (4%) | Uttar Pradesh | 590 | 590 | Unch |
| | | | | |
| Malaysia Palmolein USD/MT | FOB | 725 | 715 | 10 |
| | CNF India | 743 | 738 | 5 |
| Indonesia CPO USD/MT | FOB | 715 | 713 | 2 |
| | CNF India | 743 | 745 | -2 |
| RBD Palm oil (Malaysia Origin USD/MT) | FOB | 723 | 693 | 30 |
| RBD Palm Stearin (Malaysia Origin USD/MT) | FOB | 695 | 693 | 2 |
| RBD Palm Kernel Oil (Malaysia Origin USD/MT) | FOB | 1370 | 1350 | 20 |
| Palm Fatty Acid Distillate (Malaysia Origin USD/MT) | FOB | 695 | 693 | 2 |
| Crude palm Kernel Oil India (USD/MT) | CNF India | NA | 1330 | - |
| Ukraine Origin CSFO USD/MT Kandla | CIF | 785 | 785 | Unch |
| Rapeseed Oil Rotterdam Euro/MT | FOB | 920 | 920 | Unch |
| | | | | |
| Argentina FOB (\$/MT) | | 16-Mar-17 | 15-Mar-17 | Change |
| Crude Soybean Oil Ship | | 700 | 700 | Unch |
| Refined Soy Oil (Bulk) Ship | | 725 | 725 | Unch |
| Sunflower Oil Ship | | 720 | 720 | Unch |
| Cottonseed Oil Ship | | 680 | 680 | Unch |
| Refined Linseed Oil (Bulk) Ship | | 720 | 720 | Unch |
| * 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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