



Veg. Oil Monthly Research Report

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Outlook and Review:

Domestic Front

Edible oil basket featured mixed tone during the month under review. Soybean, Palm and RM seed oil ended in red during the month but Sunflower oil, Groundnut oil and Coconut witnessed gains on m-o-m basis.

Coconut Oil (Kangayam) was the best performer among the edible oil complex tracking good demand in the cash market and limited supply from producing regions. However, Palm oil was the worst performer ended in red owing to increase in imports, high stocks in ports and in pipelines and limited buying.

We expect soybean and palm, to trade with a weak to sideways tone due to weak fundamentals, limited demand and weak local currency. However, supplies from South American countries, weak crude oil prices and strong dollar may curb gains.

Recommendation:

We advise to go long in RSO above 540 for a target of 560 and 565 with a stop loss at 530 on closing basis and go long in CPO in above 390 for a target of 420 and 425 with a stop loss at 380 on closing basis. Market Participants can buy refined soy oil in the cash markets at 560-565 for the target of 585-590 levels (Indore including taxes), if needed. Market Participants can buy CPO Kandla 5% in the cash markets at 390-400 for the target of 425-430 levels, if needed.

International Veg. Oil Market Summary

CBOT soy oil (September) is expected to stay in the range of 28 cents/lb to 31 cents/lb. CPO at BMD (October) is likely to stay in the range of 1850-2100 ringgits per tons. Focus during the coming days will be on the Indian rupee against US dollar, Chinese demand, crude oil price movement, US dollar, Ringgit, palm oil demand prospects & ending stocks, US soybean crush and crop situation of soybean in US.

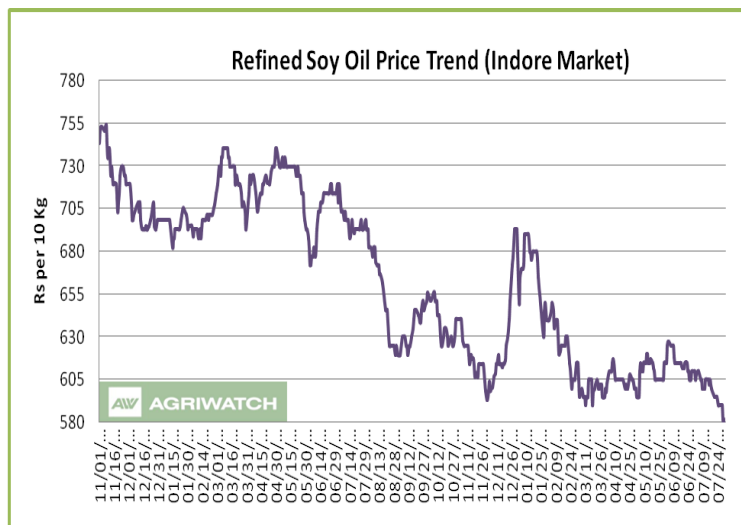
Exports of Malaysian Palm oil products for July 2015 fell by 9.2 percent to 1,539,583 tons from 1,696,096 tons shipped during June. Top Malaysian palm oil buyer's import position in June- India at 358,200 tons (411,930 tons), China at 299,947 tons (272,320 tons), European Union at 257,983 tons (360,354 tons), United States at 115,104 tons (59,170 tons), Pakistan at 30,300 tons, (49,850 tons). Values in bracket depict last month import values in metric ton.

On the international front, favorable weather in US Soybean belt, weak crude oil prices, Chinese stock market is bearish for the soy complex in the coming days. Further, supplies from South American countries and strong dollar due to expectation of interest rate hike by FED by September- December might add to bears.

Renewed demand at lower quotes from top importers, weak Ringgit, El-Nino impact coupled with supportive biodiesel and favorable tax policies by South East Asian countries may support the CPO prices in the near term. However, seasonally higher palm production period, low Chinese demand, weak crude oil prices, strong dollar and South American soy crop may cushion palm oil prices in medium term.

Soy oil: Domestic Market Fundamentals

- Refined soybean oil prices featured weak tone during the month in review on need based demand and high stocks in ports and in pipelines.
- Soybean oil import scenario - SEA reported imports of Soybean oil at 154,090 tons in June 2015 v/s 99,682 tons in June 2014, rise of 55 percent y-o-y. During November 2014 to June 2015 India imported 1.50 million tons v/s 0.92 million tons in the corresponding period in the oil year 2013-14, higher by 63 percent y-o-y.
- Indian Meteorological Department (IMD) has reported seasonal rainfall from 1st June to 30th July, 2015 which shows that all India total rainfall is 4 percent below Long-period average. Central India has reported 2 percent below Long period average, South Peninsula is 19 percent below Long period average, East & North East India is 9 percent below Long period average and Northwest India 12 percent above Long period average. In an earlier report Indian Meteorological Department (IMD) had slashed its rainfall forecast to 88 percent, down 5 percent from previous forecast, i.e. from 'below normal' to 'deficient'.
- Soybean sowing has been completed in 104.81 lakh hectares in current Kharif season as on 23 July 2015 compared to 77.77 lakh tons in the corresponding period last year: GOI
- Sowing of oilseeds has been reported higher than last year at 148.52 lakh hectares in current year v/s 135.60 lakh hectares in 2014-15: GOI estimates.
- CACP has revised MSP of Soybean Yellow for Kharif crops from Rs 2560 to Rs 2600, increase of Rs 40.
- Imported crude soybean oil CIF at west coast port is offered at USD 702 per ton for August-September delivery, October delivery is offered at USD 711 and OND delivery is offered at USD 713 as on 31 July 2015. Last month, CIF CDSO July average price was USD 722.46 per ton.
- On the parity front, margins had strengthened during the month of July due to lower prices of soybean oil and we expect margins to improve in the coming days. Currently refiners get USD 45-50 /-ton v/s USD 15-20/tons (last month) margin in processing the imported Soybean Oil (Argentina Origin). Positive import parity and lower supply of oilseeds domestically with negative crush margins domestically can significantly increase Soybean Oil imports in near term.
- Soybean imports could surge in July-August due to low premium with Palm Oil and higher Sunflower–Soybean oil premium. High imports coupled with limited crushing of soybean due to low crush margins and high soybean ending stocks along with better soybean crop prospect in 2015/16 may underpin soybean oil prices. Low international crude oil prices along with high stocks in ports and in pipelines will add to bearishness.
- We expect soy oil to trade weak to sideways tone in the coming days.



International Market Fundamentals

- Soybean planted area of United States for 2015 is estimated at a record high 85.1 million acres, up 2 percent from last year. Area for harvest is estimated at 84.4 million acres, up 2 percent from 2014 and will be record high, if realized. Record high planted acreage is estimated in Kentucky, Minnesota, Ohio, Pennsylvania, and Wisconsin. USDA will redo its fresh acreage survey in August due to wet weather.
- US soybean crop progress report, as on 26 July, about 71% of the crop is blooming which is slightly lower than the 5 year and last year average of 72% and 74% respectively. About 34% of the crop is reportedly in pod formation stage, which is higher than 5-year average of 31%, but slightly below 35% in last year, 62 % of the crop is in good to excellent condition against 71% during the same period last year 2015, up 20 percent from the same period last year. Soybean oil stocks fell from 1.578 billion lbs in May to 1.574 billion lbs in June.

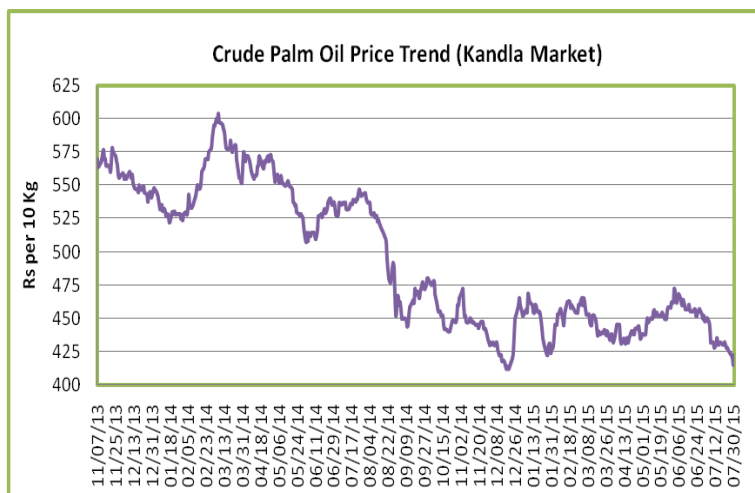
- Argentina crushed record amount of soybean in first half of current year with production of Soy oil at 3.6 million tons in first half v/s 3.5 million tons in first half of last year. India imports 37.2 percent of soy oil produced by Argentina.
- USDA revised the imports of soybean oil into India from 2.00 million tons to 2.5 million tons for 2014/15 a rise of 500,000 tons. The agency also revised ending stocks to 2.70 Lakh tons from 3.00 lakh tons.
- USDA' WASDE Oilseeds Highlights - The 2015/16 season-average projected price of Soybean oil is kept unchanged while for soybean it is revised higher this month- The U.S. season-average soybean price for 2015/16 is projected at \$8.50 to \$10.00 per bushel, up 25 cents on both ends of the range. Soybean meal prices are projected at \$315 to \$355 per short ton, up 10 dollars on both ends. The soybean oil price projection is unchanged at 30.5 to 33.5 cents per pound.
- Higher crush figures reported by NOPA and USDA monthly supply and demand report of Soy oil was bearish for the international soybean oil market on higher than expected ending stocks.
- Improved crop prospects in the second half of July due to favorable weather in soybean growing regions of United States raising expectations of higher yields. Chinese stock market crash and Greece crisis has also resulted in fall in prices soybean oil. Higher crush reported in June for United States, along with higher supplies from South American countries especially Argentina and Brazil coupled with strong dollar due to expected FED rate hike in September could underpin prices.
- But the crux of the problem is Chinese ability to consume which is going to falter due to blowout of Chinese commodity bubble. Crude oil is heading for its worst run since 1987 and US dollar is expected to break highs in more than a decade. These factors could lead to bearishness in prices of Soybean oil.
- US National Weather Service has forecasted that that El-Nino weather conditions will last until next summer. There is pressure on present US Soybean crop but the weather pattern may affect Soybean crops in South America.

Price Outlook: We expect Ref. soy oil with VAT to trade in the price band of Rs 550-590 per 10 Kg.

Palm oil:

Domestic Market Fundamentals

- CPO prices at Kandla featured weak tone due to high imports and high stocks in ports and in pipelines. Weakness in international palm oil market and need based buying was additional cause of fall in prices.
- Palm oil import scenario – India imported 734,358 tons of CPO during June 2015 v/s 598,247 lakh tons in the corresponding period last year. During November 2014 to June 2015 India imported 5.85 million tons compared to 4.93 million tons in the corresponding period in the oil year 2013-14 higher by 18.6 percent y-o-y.
- On the trade front, CNF CPO (Indonesian origin) at Indian port is quoted at USD 593 (616.3) per ton for August delivery. Moreover, RBD palmolein (Malaysian origin) CNF at Indian port is offered at USD 593 (617.6) per ton for July delivery. Values in bracket depict last month quotes. CPO duty paid prices ready lift quoted at Rs 420 per 10 Kg and August delivery is offered at Rs 423 per 10 Kg on 31 July 2015. On the currency front, Indian rupee against USD depreciated by 0.75 percent and ended at 64.13.
- Slowdown of exports from Malaysia and Indonesia and narrowing of CIF Soybean oil premium versus crude palm oil, which is hovering at USD 109 per ton (USD 112 per ton last month). High stocks at the port and in pipelines with pent-up demand at lower prices and positive import parity could push up palm oil imports into India and may underpin prices.
- On the parity front, margins had weakened during the month of July tracking low soybean oil-palm oil premium and we expect margins to be on shrink in the coming days if the Soybean-Palm oil premium stays low.



Currently refiners get USD 55-60/ton v/s US \$70-75/ton (last month) margin in processing the imported CPO but on the imports of ready to use palmolein gets USD 30-35/ton v/s USD 55-60/tons (last month) parity. Higher palm oil imports may be witnessed in the coming days due to lower oilseeds supplies, and positive import parity.

- We expect palm oil to trade weak to sideways tone in the days ahead.

International Market Fundamentals

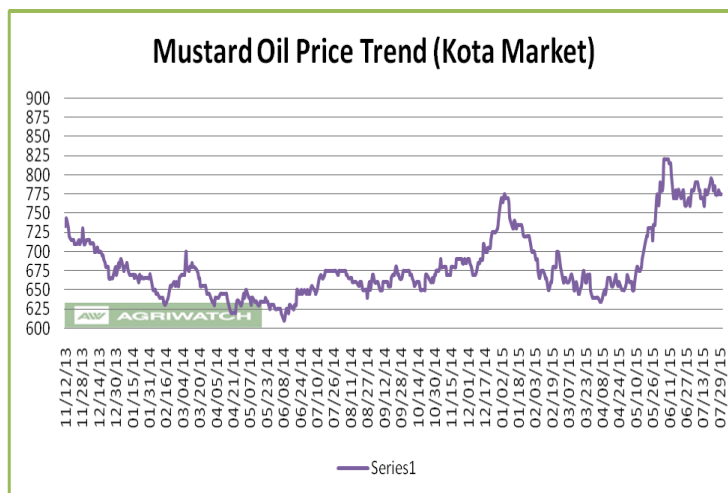
- Monthly review & Outlook – Exports of Palm oil from Malaysia was better than expected for July 2015. However, fall in exports of Palm oil to leading consuming destinations remains a concern, third quarter high production season looms will swell stocks in second leading palm oil producing country. Fall in exports will overweigh on loss of palm oil production in July due to Ramzan, swelling palm oil stocks in Malaysia. Both Malaysia and Indonesia has kept the export duty of Palm Oil zero. Chinese commodity market is heading for a collapse with crude oil heading towards its worst run since 1987 along with prospect of US dollar rising to record levels in the last decade due to expected FED rate hike in September–December 2015 is bearish for the prices. Ringgit has fallen to 11 year low which makes imports of palm oil attractive than other oils.
- Malaysia's Palm oil ending stocks for June 2015 was at 2,151,287 tons (2,248,577 tons.), down 4.33 percent from May 2015. Production for June was at 1,763,928 tons (1,810,709 tons), down by 2.58 percent from May. Exports were higher by 5.19 percent at 1,697,256 tons (1,613,566 tons). Imports were higher by 2.36 percent at 103,496 tons (101,108 tons), according to industry regulator Malaysian Palm Oil Board (MPOB). Values in brackets are figures of May 2015.
- Malaysia's July 2015 Palm oil exports fell by 9.2 percent to 1,539,583 tons (1,696,096 tons). Top buyers were India 358,200 tons (411,930 tons), China 299,947 tons (272,320 tons), European Union 257,983 tons (360,354 tons), United States 115,104 tons (59,170 tons), Pakistan 30,300 tons, (49,850 tons). Values in brackets are figures of June 2015: SGS
- Indonesia imposed \$50 levy on Palm Oil exports and \$30 for Palm oil products exports as part of new biodiesel regulation effective from July 15, 2015. It has started collecting levy from July 15, 2015, according to government sources.
- Malaysia intends to increase its biodiesel mandate by increase blending from 7 percent to 10 percent by October; 2015. This program is likely to use approximately 1 million tons of Crude Palm Oil per year.
- Exports of palm and palm kernel oils from Indonesia for May fell by 1 percent from April to 2.215 million tonnes: GAPKI. Estimates of June and July are expected this month.
- Policy development - According to Indonesian trade ministry, Indonesia, largest palm oil producer in the world kept export tariffs on Palm Oil at Zero for August 2015 with a threshold limit of \$750 per ton. Similarly, Malaysia the second largest palm oil producer in the world kept CPO export tax duty-free during the month of August 2015. The reference price is RM 2203.69(\$587.81) per ton. Price above RM 2250 incurs tax which starts from 4.5 percent to max of 8.5 percent.
- Japan Meteorological Agency is still maintaining that El Nino is strengthening and its effect that-could last until the winter may threaten key palm growing regions of South East Asia with the dry conditions. US weather agency has said that EL-Nino could extend until next summer.
- Indonesia weather agency has said that the prospect of El Nino will be very limited until November-December. El Nino could sap palm yields and affect palm production in Malaysia and Indonesia. This could shoot the Palm oil prices.

Price Outlook: We expect CPO Kandla 5% to trade in the price band of Rs 400-450 per 10 Kg.

Rapeseed oil: Domestic Market Fundamentals

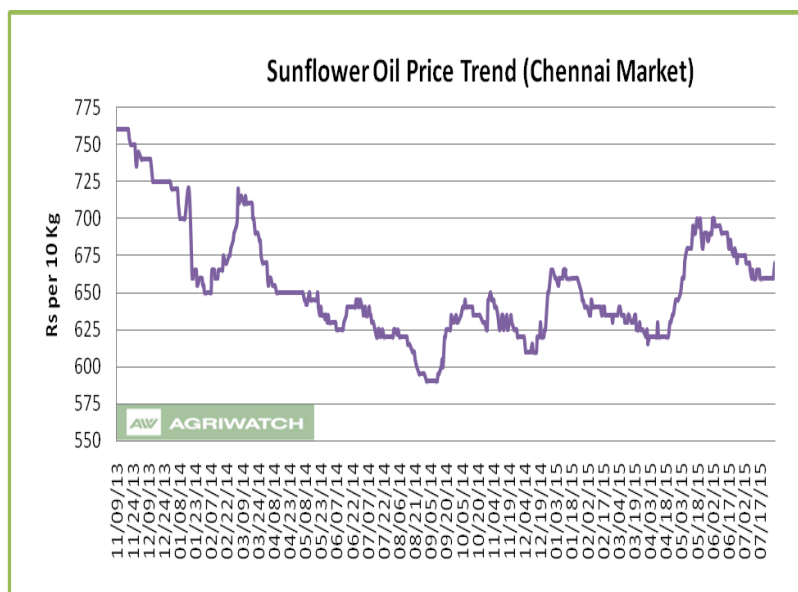
- Rapeseed oil featured weak to range bound tone during the month of July. Slowdown of demand amid limited supply coupled with fall of prices of competing oils.
- Currently, RM oil at Jaipur market (expeller) is offered at Rs 829 (825) per 10 Kg and at Kota market is quoted around Rs 785 (790) per 10 kg as on 31 July 2015. Values in brackets are figures of last month.
- Decrease in rapeseed oil production in the current year will lead to shortage of Rapeseed Oil in the country and will increase the Rapeseed Oil (Canola Oil) imports in year 2015/16.
- Joint agreement was signed between the export inspection council, ministry of commerce and industry of India and the general administration of quality supervision, inspection, and quarantine of China on health and safety regulations to import Indian rapeseed meal. Chinese imports of rapeseed meal are estimated at 200,000 tons during 2015/16 (Oct/Sep), which is higher by 100% from a year ago. China's demand is projected around 11.617 million tons for the year, according to a USDA estimate.
- Rapeseed Oil (Canola) imports to India during June 2015 were 20,450 tons v/s 7,332 tons in same period last year, up by 178 percent y-o-y. November 2014-June 2015 import of Rapeseed Oil (Canola) was 230,877 tons v/s 86,486 tons corresponding period in the oil year 2013-14, higher by 166 percent y-o-y: SEA
- Our mustard production forecast for India for 2014-15 is lowered to 5.9 million tons from last estimate of 6.3 million tons due to unseasonal rains, which lead to lower yield. The yield is estimated to be 905 kg/ha v/s 1084 kg/ha (AW's March estimate). Moreover, domestic RM seed oil output for 2014/15 oil year is expected at 2.242 million tons v/s 2.318 MMT previous estimates. Lower production was mainly due to lower area under rapeseed crop and adverse weather in March - Agriwatch estimates. Trade estimates for mustard seed output pegged at 52-54 lakh tons.
- Around 2.57 million hectares of mustard seed crop had been damaged due to unfavorable rains and hailstorm over key RM seed producing regions (Rajasthan-1.5 million ha., Haryana – 0.12 million ha., and UP – 0.95 million ha.).
- USDA Rapeseed Oil (Canola) update- India is expected to import 3.5 lakh tons of Rapeseed Oil (Canola) in 2015/16 compared 2.5 lakh tons in 2013/14, up by 40 percent y-o-y basis
- We expect RM seed oil prices to trade range bound to slightly firm tone in the coming days.

Price Outlook: We expect Rapeseed oil (Kota) to trade in the price band of Rs 760-820 per 10 Kg.



Sunflower oil: Domestic Market Fundamentals

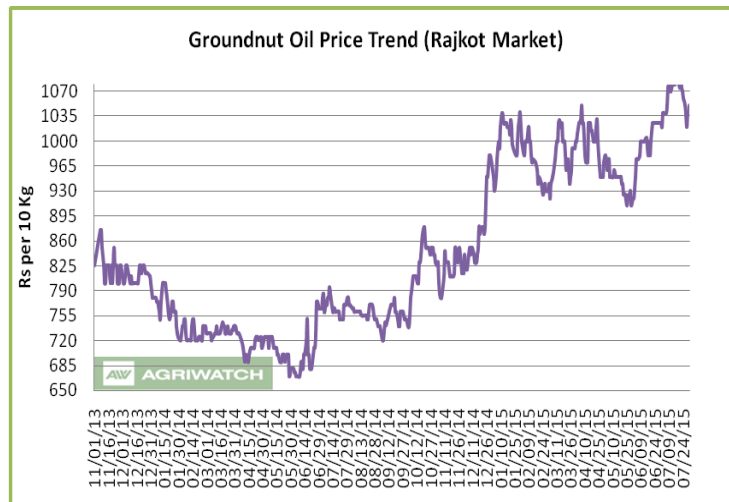
- Sunflower oil featured weak to range bound trend during the month and ended slightly higher in July in line with the competing edible oils coupled with increase in demand at lower quotes amid higher supplies.
- Sunflower oil import scenario - India imported 1.05 lakh tons of Sunflower Oil in June 2015 v/s 1.55 lakh tons in the same period last year lower by 32 percent y-o-y. India imported 1.137 million tons of Sunflower Oil from November 2014 to June 2015 v/s 1.123 million tons in the corresponding period in oil year 2013-14 higher by 11 percent y-o-y. Most of the imports were from Ukraine.
- Exports of Sunflower oil from Ukraine in the month of June 2015 were 384.4 thsd tonnes, 31 percent higher compared to May 2015, and down 8% y-o-y basis. India imported 30 percent of the total exports while Iran imported 12 percent and China imported 11 percent.
- According to preliminary data of the association Ukroliyaprom, Ukraine, the volume of sunflower production in 2014/15 is at 4.2 million tons and exports at 3.75 million tons down 205 thsd due to lowering of the yield.
- CIF sunflower oil prices (Ukraine origin) at west coast of India quoted around USD 920 per ton August-September delivery is offered at USD 905 per ton, October delivery is offered at USD 830 per ton and November- December delivery is offered at USD 820, as on 31 July 2015. Last month, CIF sun oil (Ukraine origin) monthly average was around USD 915.53 per ton.
- Prices are likely to stay in the range of USD 890-960 per ton in the near term. CIF Sunflower oil premium against crude soybean oil had widened from last month and is hovering at USD 218 per ton versus USD 163 last month. High sunflower oil premium with soybean oil may slow down imports of sunflower oil in India.
- Sunflower seed combined production in Ukraine and Russia seen at 19.12 million tons in 2014-15, down 2.8 million tons from last year record production - USDA.
- We expect sunflower oil prices may trade range bound to high in the coming days.



Price Outlook: We expect sunflower oil (Chennai) to trade in the price band of Rs 650-700 per 10 Kg.

Groundnut oil: Domestic Market Fundamentals

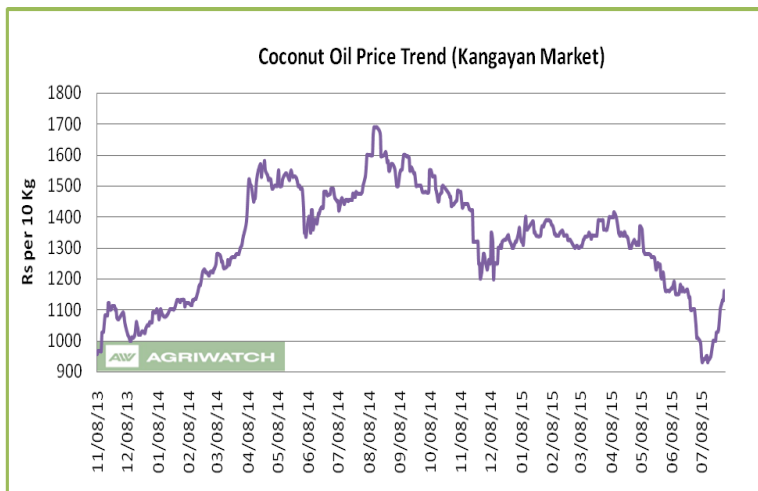
- Groundnut oil featured steady tone during July tracking increase demand for groundnut oil at current higher quotes and lower supply from producing regions.
- According to Saurashtra Oil Mills Association (SOMA), the groundnut mills are not getting adequate supply due to expected rise in as demand of oil. Limited supply and festive season setting in the prevailing condition will push prices of Groundnut oil up which is already ruling at high levels. Further increase in prices will push consumers to switch to other cheaper oils.
- Small mills have closed their production due to lack of inventory facility and limited supply of groundnut from producing regions.
- Sowing of Groundnut reported till July 31, 2015-16, has been reported at 27.12 lakh hectares v/s 22.55 lakh hectares in 2014-15, increase of 20 percent y-o-y. Sowing in Gujarat has reached 12.42 lakh hectares in current kharif season v/s 9.24 lakh hectares in 2014-15, Andhra Pradesh sown area is 2.69 lakh hectares in current Kharif v/s 4.05 lakh hectares in same period last year: GOI. Recent rains in Gujarat and Rajasthan will help to increase sowing in these states. But insufficient rains in Andhra Pradesh has led to lower sowing area in current Kharif season compared to last year.
- Summer groundnut production was seen at 91,966 tons in 2014/15 v/s 193,258 tons in 2013/14. On the export front, India exported 646,114 tons of groundnut from April 2014 to February 2015 while, exports was at 509,515 tons in 2013-14: Indian Oilseeds & Produce Export Promotion Council (IOPEPC).
- According to Agricultural and Processed Food Products Export Development Authority (APEDA), India has exported 708,386 tons groundnut during the year 2014/15 as v/s 509,664 tons in the 2013/14 higher by 39 percent y-o-y. This has been achieved due to lower prices of Indian groundnut compared to international markets. But with higher prices ruling in current year exports may suffer.
- India is projected to produce 5.4 million tons of Groundnut seed in 2015/16, higher than last year's production of 4.8 million tons, up by 12.5 percent y-o-y basis. Domestic consumption of Groundnut Oil will increase from 1.135 million tonnes in 2014/15 to 1.215 million tons in 2015/16 up by 12.5 percent y-o-y basis: USDA
- According to Ministry of Agriculture, GOI, total Oilseeds sown in the 2015-16 kharif season has risen from 125.50 lakh hectares to 148.50 lakh hectares as of 23 July 2015.
- Groundnut oil prices are likely to trade with a range bound to slightly firm tone in the coming days owing to good demand due to festive season from whole sellers and millers despite high prices.



Price Outlook: We expect Groundnut oil (Rajkot) to trade in the price band of Rs 1000-1100 per 10 Kg.

Coconut oil: Domestic Market Fundamentals

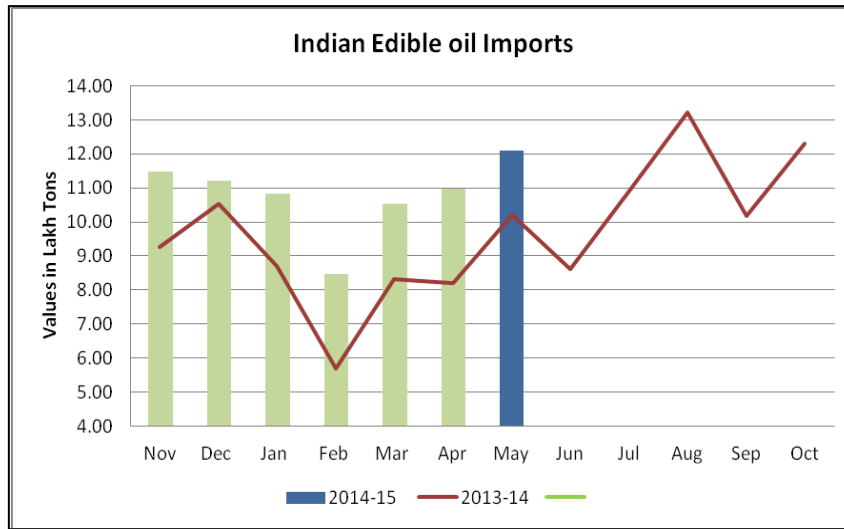
- Coconut oil featured up trend at its benchmark market Kangeyam during the month rebounding after months of downtrend on demand before festivals season amid limited supply.
- Coconut Development Board has succeeded in its effort to stop farmers from avoid distressed selling of stocks at lower prices and had said that the fall is temporary and prices will recover once the festival season sets. Slow movement of products and end of harvesting season was the key reason for fall in prices. Four leading producing states Kerala, Tamil Nadu, Karnataka and Andhra Pradesh



have lower crop compared to last year coupled with higher exports in June 2015 (11 percent higher) compared to May 2015 and low imports of raw materials are also dismal, according to the board. This move comes in wake of STC tender to import 2000 tons of coconut oil. The board also said that the price will not have great impact as prices were not impacted last year when STC imported 10000 tons of Coconut Oil.

- Kerala government had asked central government to reconsider its decision to import 2000 tons of coconut via STC tender. Coconut farmers are already under pressure due to rapid fall in prices that may affect the next year coconut crops.
- Kerafed has said that fresh corporate buying had also arrested the price fall leading to recovery in prices of coconut oil. In the last few weeks, Kerafed has intensified procurement of coconut to help coconut farmers.
- Low tariff rate in edible oil sector in India is the primary cause of higher imports of edible oils that has resulted in falling prices of coconut oil.
- Festive demand from traders, upcountry buyers and corporates have helped recovery of prices and limited selling of stocks by farmers. Efforts of Coconut Development Board, Kerafed, Kerala government and Cochin Oil Merchants Association (COMA) has helped in arresting steep fall in prices and led to recovery in prices.
- On the price front, currently the coconut oil prices in Trissur is hovering near Rs 11,900 per quintal due to festive demand amid limited supply of coconut oil, and quoting Rs 11,600 per quintal in Erode market on July 31 2015.
- Coconut oil prices may trade sideways to slightly firm tone tracking festival demand despite cheaper availability of edible oils like sunflower and palm oil.

Price Outlook: We expect coconut oil (Erode) to trade in the price band of Rs 1050-1250 per 10 Kg.

Indian Edible Oil Imports Scenario –:


As per Solvent Extractors' Association of India, India imported 11.61 million tons of veg. oils in the 2013/14 oil year. However, edible oils imports were 10.38 million tons in the corresponding period last year. Edible oils (including CPO, CDSO, CSFO, and RBD Palmolein) imports for May pegged at 11.8-12.3 lakh tons.

Indian Supply and Demand Scenario:

Balance sheet of Indian Edible Oil	2012-13	2013-2014	2014-2015	% Change
Value in million tons				
Beginning Stock	1.14	1.04	1.65	57.90
Production	7.61	7.97	7.515	-5.76
Imports	10.20	11.48	12.35	7.58
Total Supply	18.94	20.50	21.51	4.95
Exports	0.012	0.01	0.01	0.00
Total Demand(Consumption)	17.90	18.85	19.45	3.18
Ending Stock	1.04	1.65	2.06	25.17

* Value in million tons

Balance Sheet Highlights

Net edible oil output is likely to be 7.515 million tons (down 5.76 percent y-o-y basis) in 2014-15 on the back of lower oilseed sowing in Kharif and losses in Rabi season in the current oil year.

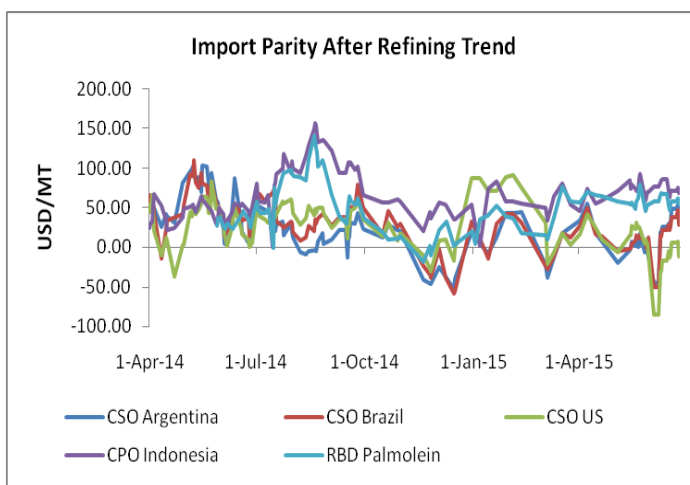
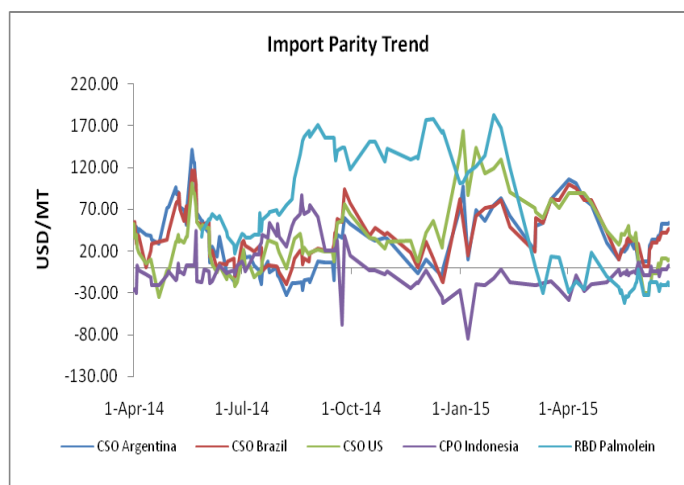
On import front, edible oil imports seen at 12.35 million tons for 2014/15 oil year v/s 11.48 million tons last year.

On the consumption side, India's edible oil consumption for 2014-15 oil year seen at 19.45 million tons, up 3.18 percent from last year. Ending stocks are projected higher compared to 2013-14 at 2.06 million tons.

Note - Values in Mln. Tons, Oil year (Nov.-Oct.) *Including Production of Groundnut, Soy, Mustard, Sunflower, Sesame, Niger, Safflower, Cottonseed, Copra, Rice bran Oils. ** 2013-14- SEA of India & 2014-15 Agriwatch Estimates, *** (USDA estimates).

Landed Cost at the Indian Ports - Crude soy oil and Crude palm oil

Landed Cost Calculation as on 31/7/2015	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
FOB USD per ton	636	646	666	575	593
Freight (USD/MT)	80	72	70	35	35.0
C & F	716.0	718.0	736.0	610.0	628.0
Weight loss (0.25% of FOB)	1.59	1.62	1.67	1.44	1.48
Finance charges (0.4% on CNF)	2.86	2.87	2.94	2.44	2.51
Insurance (0.3% of C&F)	2	2	2	2	2
CIF (Indian Port - Kandla)	723	725	743	616	634
CVD	0	0	0	0	0
Duty (Values in USD per tons)	59.18	59.18	59.18	49.28	102.75
CVD value USD per ton	0	0	0	0	0
Cess (2% on duty) USD per ton	1.1835	1.1835	1.1835	0.9855	2.055
Exchange rate	64.05	64.05	64.05	64.05	64.05
Landed cost without customs duty in INR per ton	46283	46413	47577	39436	40600
Customs duty %	7.50%	7.50%	7.50%	7.50%	15.00%
Base import price	789	789	789	657	685
Fixed exchange rate by customs department	62.95	62.95	62.95	62.95	62.95
Duty component in INR per ton	3725.07	3725.07	3725.07	3101.86	6468.11
Clearing charges INR per ton	483	483	483	483	483
Brokerage INR per ton	190	190	190	190	190
Total landed cost INR per ton	50681	50811	51975	43211	47741
Domestic Market price INR/ton Soy Degum Kandla/CPO Kandla/RBD Kandla	52500	52500	52500	42200	45000
Total landed cost USD per ton	791	793	811	675	745
Domestic Market price USD/tons Soy Degum Kandla/ CPO Kandla 5%	820	820	820	659	703
Parity INR/MT (Domestic - Landed)	1819	1689	525	-1011	-2741
Parity USD/MT (Domestic - Landed)	28.40	26.36	8.19	-15.78	-42.80
Source: Agriwatch					
Refining/ Processing Cost per MT	2600.00	2600.00	2600.00	3200.00
Freight to Inland location (Indore for soy and Delhi for Palm oil)	2500.00	2500.00	2500.00	2800.00	2800.00
Cost of Imported oil after refining/Processing	55780.72	55911.32	57075.50	49210.93	50541.03
Soy/Palm oil imported Price (Including tax)	58569.76	58706.89	59929.27	51671.47	53068.08
Loose price of Soy/Palm in Indore and Delhi market	61110.00	61110.00	61110.00	55125.00	55125.00
Parity after processing and Taxes (Rs per MT)	2540.24	2403.11	1180.73	3453.53	2056.92
Parity after processing and Taxes (USD per MT)	39.66	37.52	18.43	53.92	32.11
Source: Agriwatch					



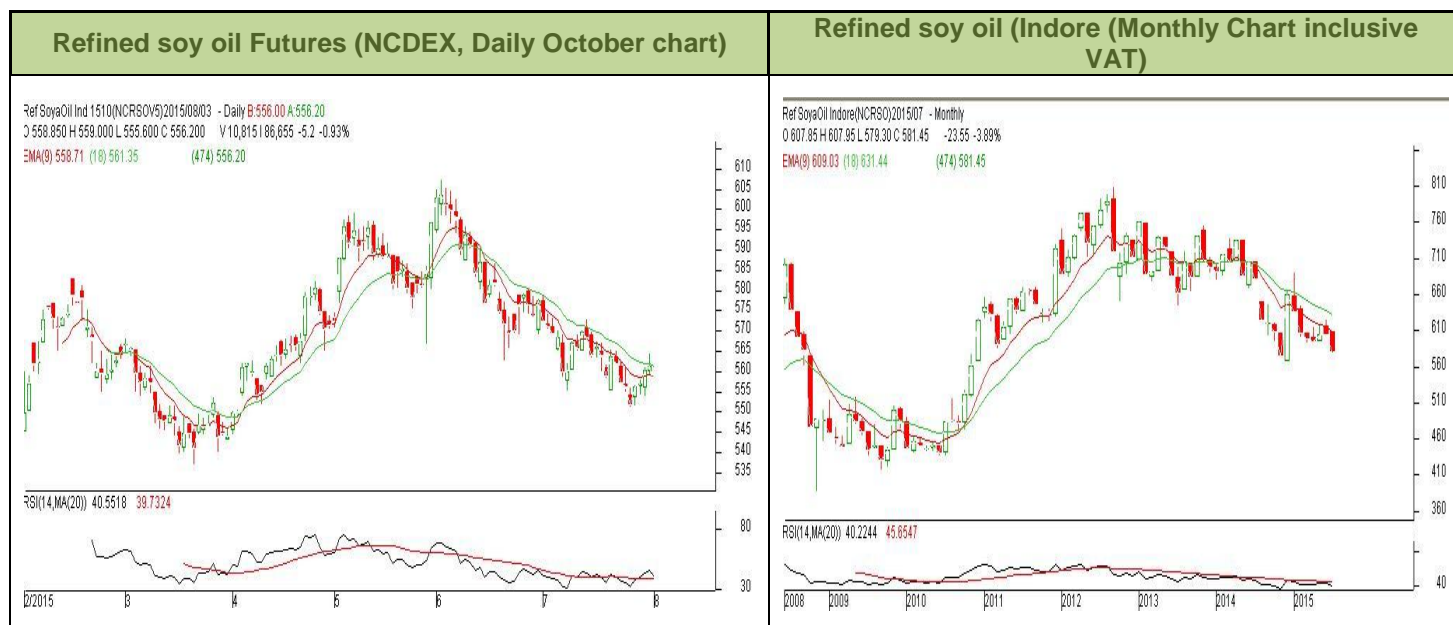
Import Parity Trend

Import Parity After Refining in US dollar per tons (Monthly Average)

	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
May., 2015	-0.53	5.96	14.93	74.40	57.57
June, 2015	15.65	9.93	-28.28	75.36	58.24
July, 2015	52.45	48.76	7.39	59.7	33.82

Outlook:-

Import parity for crude soy oil from US has moved in positive territory due to cheaper imported oils. CSO Argentina and Brazil is also on positive territory due to cheap imports from these countries. We expect CDSO import parity continue in positive territory and stay firm for Brazil and Argentina. However, parity in palm oil products may favor higher palm oil imports in the coming days.

Technical Analysis (Refined soy oil Monthly Charts)


Outlook – Prices are likely to trade with weak to sideways tone in the days ahead. Investors are advised to sell refined soy oil (October contract) on pullbacks.

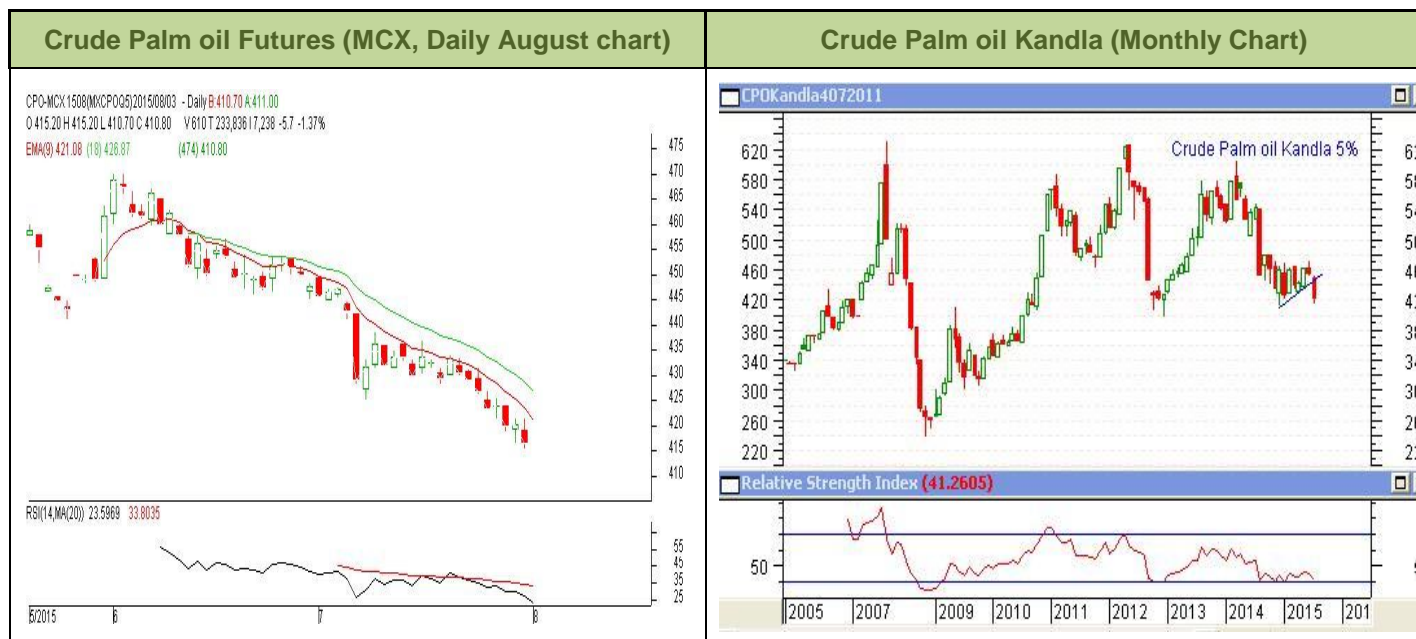
- ❖ Monthly chart of refined soy oil at NCDEX featured losses in the prices. We expect weak to sideways movement in the coming days.
- ❖ Any close below 550 in monthly chart shall change the sentiments and might take the prices to a bearish phase.
- ❖ Expected price band for next month is 540-570 level in near to medium term. RSI is moving towards oversold zone and indicating selling at higher levels.

Strategy: Market participants are advised to go long in RSO above 540 for a target of 560 and 565 with a stop loss at 530 on closing basis.

RSO NCDEX

Support and Resistance				
S2	S1	PCP	R1	R2
540.00	551.00	561.4	599.00	619.00

Spot Market outlook: Refined soy oil Indore (including VAT) is likely to stay in the range of 550-590 per 10 Kg.

Technical Analysis (Crude Palm oil Monthly Charts)


Outlook - Prices may trade with a weak to sideways tone in the coming days. Investors are advised to sell MCX CPO (August contract) on pullbacks.

- ❖ Candlestick monthly chart of crude palm oil at MCX depicts downtrend in prices. We expect prices may feature range bound to slightly bearish tone in the near term.
- ❖ Any close below 390 in monthly chart shall change the sentiments and might bring the prices to next bear phase.
- ❖ Expected price band for next month is 390-430 level in near to medium term. RSI along with Stochastic and MACD is moving down in oversold zone indicating downtrend.

Strategy: Market participants are advised to go long in CPO in above 390 for a target of 420 and 425 with a stop loss at 380 on closing basis.

CPO MCX

Support and Resistance				
S2	S1	PCP	R1	R2
390	404	416.5	447	456

Spot Market outlook: Crude palm oil Kandla is likely to stay in the range of 390-430 per 10 Kg.

Monthly spot prices comparison

Edible Oil Prices at Key Market

Commodity	Centre	Prices(Per 10 Kg)		Change
		31-Jul-15	30-Jun-15	
Refined Soybean Oil	Kota	575	615	-40
	Rajkot	552	578	-26
	Delhi	610	635	-25
	Mumbai	572	598	-26
	Indore	582	610	-28
	Kandla/Mundra	550	580	-30
	Kolkata	555	600	-45
	Indore (Soy Solvent Crude)	555	590	-35
	Mumbai (Soy Degum)	525	562	-37
	Kandla/Mundra (Soy Degum)	525	562	-37
	Akola	611	642	-31
	Amrawati	611	642	-31
	Jalna	621	652	-31
	Nagpur	610	644	-34
	Alwar	NR	NR	-
	Solapur	621	650	-29
	Bundi	585	616	-31
	Dhule	622	650	-28
Palm Oil	Rajkot	467	503	-36
	Hyderabad	485	513	-28
	Delhi	525	560	-35
	Kandla (Crude Palm Oil)	422	450	-28
	Kandla (RBD Palm oil)	450	485	-35
	Mumbai RBD Pamolein	478	505	-27
	Kandla RBD Pamolein	468	505	-37
	Mangalore RBD Pamolein	478	500	-22
	Chennai RBD Pamolein	478	500	-22
	Kakinada RBD Pamolein	465	485	-20
	KPT (krishna patnam)	460	480	-20
	Haldia	475	498	-23
	PFAD (Kandla)	355	385	-30
	Refined Palm Stearin (Kandla)	345	365	-20
Refined Sunflower Oil	Mumbai	690	705	-15

	Mumbai(Expeller Oil)	610	625	-15
	Kandla/Mundra (Crude)	615	630	-15
	Erode (Expeller Oil)	690	705	-15
	Hyderabad (Ref)	689	670	19
	Chennai	670	675	-5
	Latur (Expeller Oil)	620	650	-30
	Chellakere (Expeller Oil)	620	620	Unch
Groundnut Oil	Rajkot	1050	1025	25
	Chennai	1000	980	20
	Delhi	940	950	-10
	Hyderabad *	1030	990	40
	Mumbai	1000	970	30
	Gondal	1060	1025	35
	Jamnagar	1075	1025	50
Rapeseed Oil/Mustard Oil	Mumbai (Expeller Oil)	830	840	-10
	Sri-GangaNagar(Exp Oil)	820	795	25
	Alwar (Expeller Oil)	NA	NA	-
	Kota (Expeller Oil)	785	790	-5
	Jaipur (Expeller Oil)	829	825	4
	New Delhi (Expeller Oil)	810	814	-4
	Hapur (Expeller Oil)	860	878	-18
	Sri-Ganga Nagar (Kacchi Ghani Oil)	885	860	25
	Kota (Kacchi Ghani Oil)	895	866	29
	Jaipur (Kacchi Ghani Oil)	888	883	5
	Agra (Kacchi Ghani Oil)	920	935	-15
	Bharatpur (Kacchi Ghani Oil)	915	930	-15
	Neewai (Kacchi Ghani Oil)	870	870	Unch
	Hapur (Kacchi Ghani Oil)	900	920	-20
Refined Cottonseed Oil	Mumbai	602	612	-10
	Rajkot	605	615	-10
	New Delhi	590	605	-15
	Hyderabad	595	590	5
Coconut Oil	Kangayan (Crude)	1160	1100	60
	Cochin	1010	1220	-210
	Trissur	1190	1150	40
Sesame Oil	New Delhi	740	800	-60
	Mumbai	770	815	-45

Kardi	Mumbai	830	860	-30
Rice Bran Oil (40%)	New Delhi	445	440	5
Rice Bran Oil (4%)	Punjab	500	500	Unch
Rice Bran Oil (4%)	Uttar Pradesh	500	500	Unch
Malaysia Palmolein USD/MT	FOB	593	628	-35
	CNF India	618	662	-44
Indonesia CPO USD/MT	FOB	575	610	-35
	CNF India	593	633	-40
RBD Palm oil (Malaysia Origin USD/MT)	FOB	585	625	-40
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	513	560	-47
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	895	930	-35
Crude palm Kernel Oil India (USD/MT)	CNF India	870	950	-80
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	500	550	-50
Ukraine Origin CSFO USD/MT Kandla	CIF	920	910	10
Rapeseed Oil Rotterdam Euro/MT	FOB	700	728	-28
Argentina FOB (\$/MT)		30-Jul-15	29-Jun-15	Change
Crude Soybean Oil Ship		635	685	-50
Refined Soy Oil (Bulk) Ship		657	708	-51
Sunflower Oil Ship		NA	NA	-
Cottonseed Oil Ship		615	665	-50
Refined Linseed Oil (Bulk) Ship		NA	NA	-
* indicates including VAT				

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