



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 oil, palm oil, rapeseed oil and refined sunflower oil witnessed gains while Groundnut oil and coconut oil ended down during the month on m-o-m basis.

Palm oil (Kandla) was the best performer among the edible oil complex tracking good demand in the cash market. However, groundnut oil was the worst performer ended in red owing to harvesting pressure and limited buying.

We expect soybean and palm, to trade with a sideways to firm tone due to strong fundamentals, strong demand. However, strong US harvest, Brazil sowing, weak crude oil prices and strong dollar may curb gains.

Recommendation:

We advise to go long in RSO above 590 for a target of 620 and 625 with a stop loss at 580 on closing basis and go long in CPO above 410 for a target of 450 and 455 with a stop loss at 390 on closing basis.

Market Participants can buy refined soy oil in the cash markets at 590-600 for the target of 650-660 levels (Indore including taxes), if needed. Market Participants can buy CPO Kandla 5% in the cash markets at 410-420 for the target of 460-470 levels, if needed.

International Veg. Oil Market Summary

CBOT soy oil (December) is expected to stay in the range of 26 cents/lb to 30 cents/lb. CPO at BMD (November) is likely to stay in the range of 2150-2700 ringgits per tons. Focus during the coming days will be on the Indian rupee against US dollar, Chinese and Indian demand, EL Nino weather pattern, crude oil price movement, US dollar, Ringgit, palm oil demand prospects & ending stocks, Brazil soybean sowing, US soybean crush and harvesting situation of soybean in US.

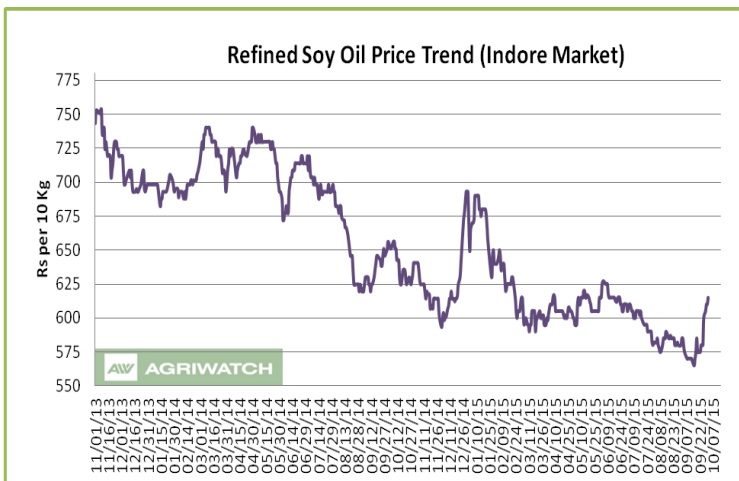
Malaysia's September palm oil exports rose by 0.7 percent at 1,552,149 tons (1,542,017 tons). Top buyers were India at 355,910 tons (284,150 tons), European Union at 291,260 tons (353,073 tons), China at 221,195 tons (227,510 tons) and United States at 71,619 tons (72,575 tons). Values in brackets are figures of August 2015.

On the international front, favorable harvest in US, weak crude oil prices, strong dollar and Brazil sowing is bearish for the soy complex in the coming days. Chinese demand and tight US soybean oil supplies may support prices.

Weak Ringgit and 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, low Chinese and Indian demand, weak crude oil prices and strong dollar is bearish for palm oil prices in medium term.

Soy oil: Domestic Market Fundamentals

- Refined soybean oil prices featured firm trend during the month in review in its bench market Indore on strong demand.
- Soybean oil import scenario - India imported 406,116 tons of Soybean Oil in August 2015 v/s 350,373 tons in August 2014, up 15.9 percent y-o-y. From November 2014 to August 2015, India imported 2,259,696 tons v/s 1,571,618 tons imported in the corresponding period in last oil year and is higher by 43.6 percent y-o-y: SEA
- USDA in its September estimate raised 2014/15 soybean oil imports of India by 1.5 LT to 27.5 LT on higher July shipments. Domestic consumption for 2015/16 has been estimated at 44.5 LT from 39 LT in 2014/15 higher by 14.1 percent y-o-y.
- Indian Meteorological Department (IMD) has reported monsoon rainfall in India until 30 September 2015, is 14 percent lower than LPA. Central India has reported 16 percent below LPA, South Peninsula is 16 percent below LPA, East & North East India is 8 percent below LPA and northwest India is 17 percent below LPA.
- Sowing of oilseeds in the current year, as of 1st October 2015 is reported at 184 lakh hectares, higher than 2014-15 acreage of 178 lakh hectares. Sowing of soybean in kharif season was 116.25-lakh hectares v/s 110.23 in the corresponding period last year. GOI estimates.
- Imported crude soybean oil CIF at west coast port is offered at USD 687 (USD 695) per ton for October delivery, December delivery is offered at USD 692 and January delivery is offered at USD 692 as on 30 September 2015. Last month, CIF CDSO July average price was USD 685.64 (USD 700.66) per ton. Values in brackets are last month quotes.
- On the parity front, margins had weakened for during the month but we expect margins to improve in the coming days. Currently refiners get USD 15-20/-ton v/s USD 30--35/ton (last month) margin in processing the imported Soybean Oil (Argentina Origin) but margins also weakened for US origin to USD 65-70/ ton v/s USD 75-80/ ton (last month). Positive import parity and lower crushing of soybean domestically due to negative crush margins will further increase imports.
- Soybean imports pick up in near term due to low premium of soybean-palm oil and high premium of sunflower-soybean oil.
- We expect soy oil to trade sideways to firm tone in the coming days.



International Market Fundamentals

- US soybean crop progress report, as on 27 September, about 74% of the crop is dropping leaves, which is above 5-year average of 74% and 66% during the corresponding period last year. Soybean harvested is reported by 21% which is up from 5 year average of 16% and up from 9% during the corresponding period last year. About 62% of the crop is in good to excellent condition, against 72% during the corresponding period last year: USDA
- The National Oilseed Processors Association (NOPA) reported that US soybean crushers crushed 135.304 million bushels (145.2 million bushels in July) of soybean in August, higher by 22 percent y-o-y. Trade estimates was 135.018 million bushels. Soybean stocks fell to 1.480 billion lbs in August v/s 1.624 billion in July 2015.
- According to US Energy Administration Agency (EIA), US July biodiesel output fell to 121 million gallons from 122 million gallons in June. Soy oil is the largest contributor to the biodiesel feedstock. 446 million lbs was used in July v/s 474 million lbs in June, approximately 50 percent of the total.
- 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 imported 37.2 percent of soy oil produced by Argentina.

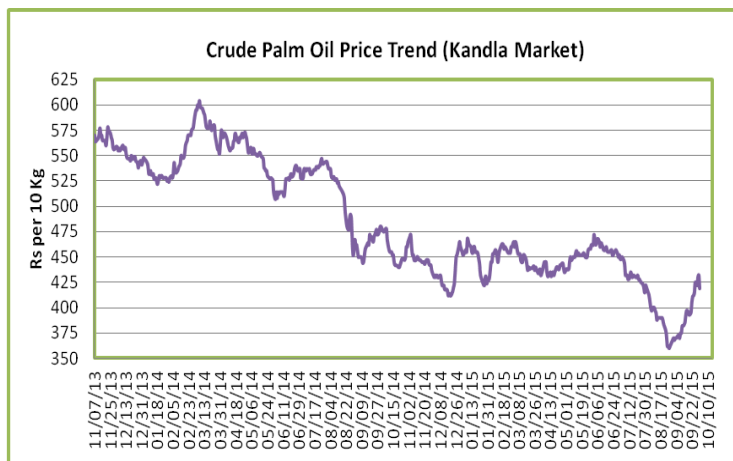
- USDA revised the imports of soybean oil into India from 0.15 million tons to 2.70 million tons for 2014/15. The agency kept ending stocks unchanged at 3.00 lakh tons for 2015/16.
- USDA' WASDE Oilseeds Highlights - The 2015/16 U.S. season-average soybean price is projected at \$8.40 to \$9.90 per bushel, unchanged from last month. Soybean meal prices are also unchanged at \$310 to \$350 per short ton. Soybean oil prices are projected at 27.5 to 30.5 cents per pound, down 2 cents on both ends of the range.
- USDA and NOPA reported lower ending stocks of soy oil in September which is an indication of higher use of soy oil is high in US. US soy oil prices are much lower than Argentina origin soy oil prices indicating that US could report higher exports in coming months and may further increase crush of soybean which is at record levels. US harvesting is moving at very high speed indicating that crop moisture is low and harvesting conditions are very conducive. Brazil soybean marketing season has extended due to record crop and competitive prices of Jan-March delivery due to depreciation of Real which is giving competition of US new season soybean crop. Conditions are conducive for record sowing of soybean crop in Brazil projected to be above 100 MMT. Expectation of lower crude oil prices along with expected dollar appreciation due to anticipation of hike in interest rates by FED in December 2015 could adversely affect prices.
- China struck deals worth 13.18 MMT with US suppliers on its Premier visit to US recently, allaying fears of slowdown of demand from China. However, imports by China are not expected to rise at the pace with which global production is rising. It is early marketing season for US and it is difficult to project the quantity China purchase by the end of marketing year. Recent purchase of soybean by China was intended to take advantage of lower prices.

Price Outlook: We expect Ref. soy oil with VAT to trade in the price band of Rs 600-660 per 10 Kg.

Palm oil:

Domestic Market Fundamentals

- CPO prices at Kandla featured firm tone due to strong domestic demand ahead of festive. Rise in prices of palm international palm oil market helped.
- Palm oil import scenario – Palm oil amounting to 810,594 tons in August 2015 v/s 805,131 tons in August 2014 higher by 1 percent on y-o-y basis. From November 2014 to August 2015, India imported 7,637,488 tons v/s 6,393,976 tons in corresponding period of last oil year, higher by 19.4 percent y-o-y: SEA
- On the trade front, CNF CPO (Indonesian origin) at Indian port is quoted at USD 552 (490 per ton) per ton for October delivery. Moreover, RBD palmolein (Malaysian origin) CNF at Indian port is offered at USD 582 (545 per ton) per ton for October delivery. Values in bracket depict last month quotes. CPO duty paid prices ready lift quoted at Rs 415 per 10 Kg and October delivery is offered at Rs 415 per 10 Kg on 30 September 2015. On the currency front, Indian rupee against USD appreciated by 1.4 percent and ended at 65.58.
- India hiked import duty on crude edible oils from 7.5 percent to 12.5 percent and on refined edible oils from 15 percent to 20 percent. Hike in import duty was lower that expectation of 25 percent on crude edible oils and 45 percent on refined edible oils. SEA has been regularly demanding hike in import duty. It has categorically stated that India is being used as a dumping ground of edible oils on global surplus of edible oils.
- Import duty was hiked to protect interest of the farmers and help struggling Indian oilseed industry. Farmers are losing hope to plant oilseeds due to low returns.
- Palm oil imports will slow in the near term owing to narrowing of CIF soybean oil premium versus crude palm oil, which is hovering at USD 157 per ton (USD 205 per ton last month). Demand of palm oil at lower prices



due to high elasticity of demand of Indian consumers and low import parity could slow down palm oil imports into India.

- On the parity front, margins had weakened during the month of September on lower price of palm oil and we expect margins to be steady in the coming days. Currently refiners get USD 45-50/ton v/s US \$95-100/ton (last month) margin in processing the imported CPO but on the imports of ready to use palmolein gets USD -5-10/ton (USD 55-60/ton last month) parity. Palm oil imports can slow in near term in the coming days due to low import parity.
- We expect palm oil to trade sideways to firm tone in the days ahead.

International Market Fundamentals

- Monthly review & Outlook – Intensification of EL Nino and Ringgit which has fallen to record lows are driving up prices of palm oil. Exports have slowed down in the end of September due to higher prices which retraced from 6.5 year lows. Lower production due to El Nino will help in drawdown of stocks in Malaysia. Haze has already affected pollination and harvest due to which September and October production will be below August production. Palm oil use Indonesia biodiesel mandate is still not clear as price of crude oil has crashed while Indonesian government has failed to implement its biodiesel mandate since last two years. US dollar rising to record levels due to expected FED rate hike in December 2015 is bearish for the palm oil prices.
- Hike in import duty by India on palm oil products could slow down imports from top importing nations slowing drawdown of stocks of palm oil in Malaysia and Indonesia. However, market participants are not convinced that this will slow imports as the prospect of domestic oilseeds is not going to change in the near term.
- Malaysia's palm oil stocks in August rose to 24.95 lakh tons from 22.67 lakh tons, higher by 10.04 percent m-o-m. Trade estimates of palm oil stocks were at 24.1 lakh tons. Production grew from 18.16 lakh tons to 20.51 lakh tons up by 12.96 percent m-o-m. Exports were 17 lakh tons v/s 16.95 lakh tons higher by 0.3 percent m-o-m. Imports were .66 lakh tons v/s 1.87 lakh tons down 183 percent m-o-m., according to industry regulator Malaysian Palm Oil Board (MPOB).
- Malaysia's September palm oil exports rose by 0.7 percent at 1,552,149 tons (1,542,017 tons). Top buyers were India at 355,910 tons (284,150 tons), European Union at 291,260 tons (353,073 tons), China at 221,195 tons (227,510 tons) and United States at 71,619 tons (72,575 tons). Values in brackets are figures of August 2015. SGS
- Exports of palm and palm kernel oil from Indonesia for August 2015 were at 2.1 MMT, unchanged from July 2015. Top export destinations were India at 355,490 tons (427,340 tons) , China at 301,470 tons (407,330 tons), European Union at 264,550 tons (380,130 tons), Pakistan at 268,330 tons (195,830 tons) , Bangladesh at 167,550 tons (47,000 tons) and Middle East 179,700 tons (100,320 tons). Values in brackets are figures of July 2015: GAPKI
- 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.
- Policy development - Indonesia kept export tariffs on Palm Oil at zero for October 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 for October 2015.
- Japan Meteorological Agency continues to maintain that El Nino is strengthening and its effect 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.
- World Meteorological Organization (WMO) has said that current year El Nino is strongest in history. It leads to dry pattern in Southeast Asia and will be followed by La Nina due to cooling of Pacific Ocean which brings heavy rains to the region. Both the weather pattern lower palm yields.

Price Outlook: We expect CPO Kandla 5% to trade in the price band of Rs 400-480 per 10 Kg.

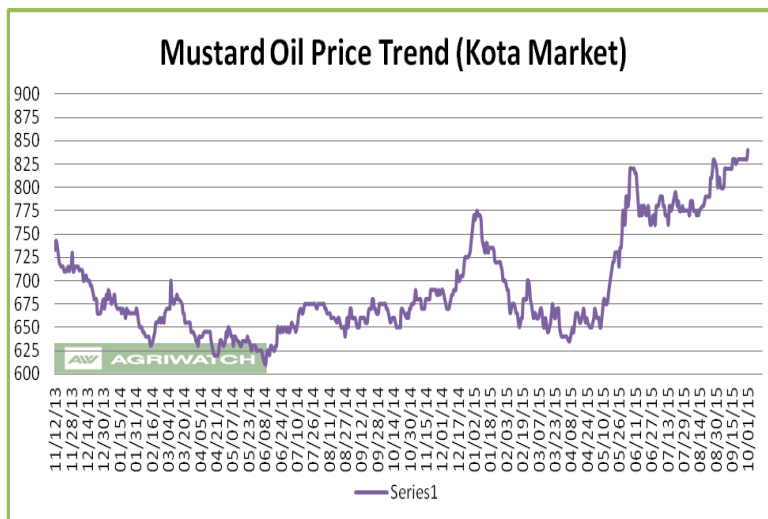
Globoil India Highlights:

In yearly congregation of edible oil industry experts, analysts, industry boards, industrialists, importers, traders, brokers and other participants held in Mumbai on 28th September to 30th September discussed various developments of edible oils industry globally where eminent speakers spoke about their views and outcomes of present developments and future prospects. Below are the views of major participants:

- Palm oil prices can rise to 2500 ringgit/ton for a brief period. Palm oil has bottomed out and trade between 2100-2400 Ringgit/ton. Prices above 2500 Ringgit is not sustainable at current crude oil prices. Palm biodiesel is not attractive if it is not backed by high crude oil prices. Palm could trade in the 2100-2400 Ringgit/tons if Ringgit trades above 4.50/dollar: Dorab Mistry
- Incremental global palm oil production growth in 2016 will be cut by 50 percent due to El Nino. Palm oil production of September will be below August production. Soybean futures prices will touch new lows on oversupply. Oil World has also stated that Indian farmers will move from rapeseed to pulses in the Rabi season. In the last quarter of 2015 and first quarter of 2016, global incremental production of palm oil will fall from 3 MMT to 1.5 MMT due to lower yields on El Nino: Oil World analyst Thomas Mielke.
- El Nino will limit production of global palm oil 2016. Incremental global demand of edible oil will surpass global supplies. RBD palm oil is expected to trade in the range USD 610-620 per ton in December quarter. RBD palm oil is expected to trade in the range USD 865-670 per ton in March-April 2016. Soy oil prices are expected to USD 670 per ton by end December 2015. Soy oil is expected to trade around USD 700 per ton by March-April 2016: Oil World analyst Thomas Mielke.
- Indonesia's 2016 palm oil production has been estimated at 31-31.5 MMT v/s 32.5 MMT in 2015 due to El Nino. Indonesia's El Nino conditions will be moderate between July and September mostly affecting from Sumatra to eastern Indonesia. Weather pattern could strengthen from September to December: Indonesia Palm Oil Association.
- Malaysia Palm Oil Council (MPOC) cut palm oil output in Malaysia by 1 MMT to 19 MMT in 2016. It also estimated that prices of palm oil could touch 3000 Ringgit/ton on lower production and weak Ringgit. It estimated that September output will be lower than August output on EL Nino. Palm oil reached peak production in August and it is estimated that output will come down in coming months. El Nino has been recently taken seriously on high probability of occurrence, according to the board.
- Palm oil output in 2016 will fall below 2015 output on El Nino. CPO prices are seen up by 40 percent from current prices to \$700/ton on the premise that Indonesia implements its biodiesel policy in its full extent. Global Soybean oil prices could trade at a discount to palm oil in mid 2016, according to analyst James Fry of LMC International.
- India will import 19 percent more vegetable oil at 14 MMT in the current year ending 30th October due to weak monsoon in 2014 which hit production of summer and winter oilseeds crops. It also asked government to reduce tax on soybean from 30 percent to 5-10 percent to utilize spare capacity and give much needed support to their business: Solvent Extractors Association (SEA).

Rapeseed oil: Domestic Market Fundamentals

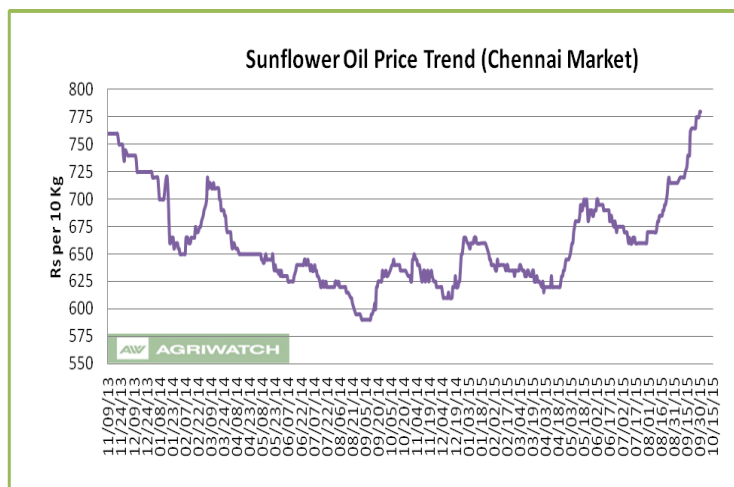
- Rapeseed oil featured firm trend during the month of September on higher demand and tight supplies. Rise in prices of competitive oils also helped rise in prices.
- Currently, RM oil at Jaipur market (expeller) is offered at Rs 915 (833) per 10 Kg and at Kota market is quoted around Rs 870 (800) per 10 kg as on 30 September 2015. Values in brackets are figures of last month.
- India imported 45,294 tons of Rapeseed Oil (Canola oil) in August 2015 v/s 25,492 tons in August 2014, higher by 77.6 percent y-o-y. From November 2014-July 2015 India imported 307,305 tons v/s 128,495 tons in the corresponding period of last oil year, higher by 139 percent y-o-y: SEA
- CIF Canola oil premium over soybean oil narrowed and is hovering at USD 100 (USD 113 last month) as on 30 September 2015. Imports of Canola oil will increase in near term due low premium of Canola oil over soybean oil
- According to International Grains Council (IGC), China has scrapped its domestic rapeseed support plan and liquidate domestic rapeseed oil stocks which is estimated at 6 MMT. China will sell 0.6 MMT of Rapeseed oil in the current year, according to IGC. This policy will lead to lower domestic prices of rapeseed oil in China and in turn will cut imports.
- USDA Rapeseed Oil (Canola oil) update- India is expected to import 2.00 lakh tons of Rapeseed Oil (Canola oil) in 2015/16 compared 2.75 lakh tons in 2014/15, down by 28 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 760-880 per 10 Kg.

Sunflower oil:
Domestic Market Fundamentals

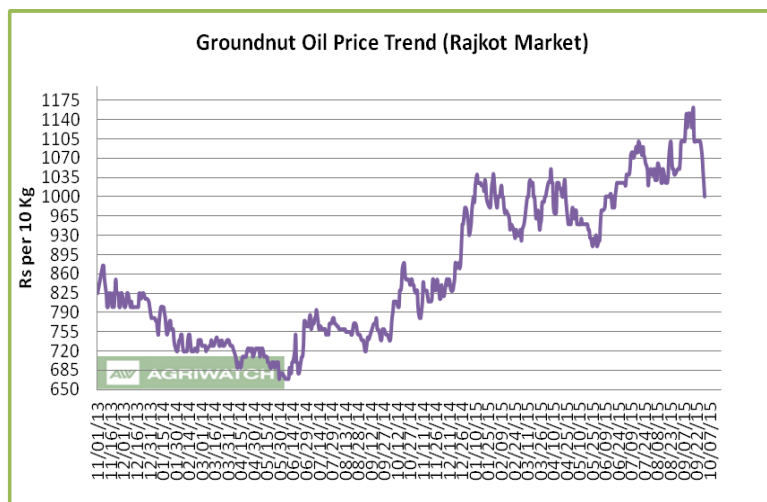
- Sunflower oil featured firm trend during the month in review in its benchmark market in Chennai due to firm demand. Rise in prices of competitive oils also helped.
- Sunflower oil import scenario – According to SEA, India imported 1.257 lakh tons of crude sunflower oil during August 2015 versus 1.40 lakh tons in July 2014, down by 10.2 percent y-o-y. Imports during November-August were reported at 13.61 lakh tons compared to 12.75 lakh tons during the corresponding period of last oil year, higher by 6.7 percent y-o-y. Most of the imports were from Ukraine.
- Kharif sowing of Sunflower seed until 1 October 2015 was reported lower at 1.50 lakh hectares v/s 1.95 lakh hectares in the corresponding period last year due to shortfall in rains in sunflower growing areas
- Sunflower oil global production is seen at 15.163 MMT in 2015/16 compared to 15.185 MMT in 2014/15 down 0.14 percent y-o-y basis. India imports are projected at 1.55 MMT of Sunflower oil in 2015/16 v/s 1.6 MMT in 2014/15. India is the largest importer of sunflower oil in the world: USDA.
- Production of crude sunflower oil in Ukraine between January-August 2015, reported at 2.083 MMT, down 25.2 percent compared to corresponding period in 2014. In August, production of crude sunflower oil was at 60.3 thsd, down 70.9 percent from July 2015 and down 66.3 percent compared to August 2014, according to State statistical service of 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.
- Global sunflower oil production is seen at 15.163 million tons in 2015/16, v/s 15.185 million tons. - USDA.
- CIF sunflower oil prices (Ukraine origin) at west coast of India quoted around USD 865 (USD 805) per ton for October delivery, November-December delivery is offered at 835 (USD 795) per ton, as on 30 September 2015. Last month, CIF sun oil (Ukraine origin) monthly average was around USD 829 per ton. Values in brackets are last month quotes.
- Prices are likely to stay in the range of USD 800-950 per ton in the near term. CIF Sunflower oil premium against crude soybean oil had narrowed from last month and is hovering at USD 178 per ton versus USD 155 last month. High premium of sunflower oil over soybean oil will slow down imports in the near term.
- We expect sunflower oil prices may trade sideways to firm tone in the coming days.



Price Outlook: We expect sunflower oil (Chennai) to trade in the price band of Rs 700-850 per 10 Kg.

Groundnut oil: Domestic Market Fundamentals

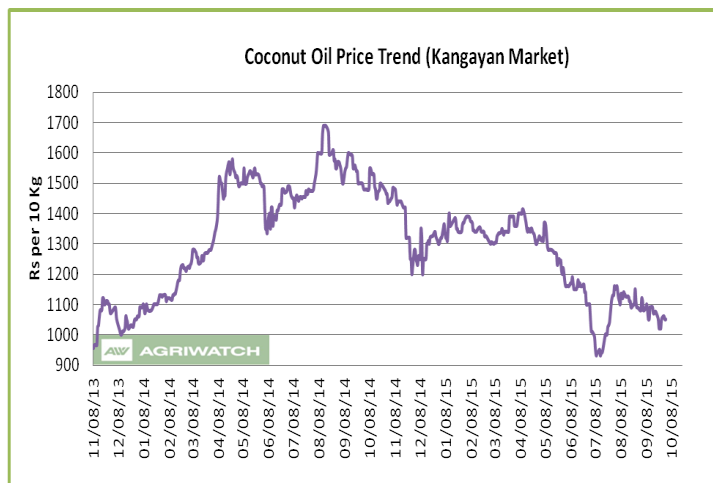
- Groundnut oil featured weak tone during September tracking limited demand for groundnut oil at higher quotes and harvesting pressure.
- Buying will be limited due to higher quotes and bring down prices in near term. Harvesting has picked up and will further bring down prices. Stocking ahead of festival season will provide support to prices.
- Exports of groundnut will pickup from October.
- Groundnut is the one of the costliest domestic oil in the country. Higher prices of groundnut oil have forced consumers to shift to cottonseed oil or palm oil.
- According to Department of Agriculture (GOI) sowing of Groundnut reported till October 1 2015-16, has been at 36.56 lakh hectares v/s 37.21 lakh hectares in 2014-15, fall of 1.7 percent y-o-y. Gujarat has sown 12.96 lakh hectares in current kharif season compared to 12.25 lakh hectares in 2014-15. Andhra Pradesh sown area is 6.70 lakh hectares v/s to 7.51 lakh hectares in corresponding period last year and Rajasthan sown area is 4.13 v/s 4.12 lakh hectares in corresponding period last year.
- As per IMD, monsoon rainfall in India until 30 September is 14 percent lower than LPA. Central India has reported 16 percent below LPA, South Peninsula is 16 percent below LPA, East & North East India is 8 percent below LPA and northwest India is 17 percent below LPA.
- India is projected to produce 4.7 million tons of Groundnut seed in 2015/16, lower than last year's production of 4.9 million tons, down by 12.5 percent y-o-y basis. Domestic consumption of Groundnut Oil will decrease from 1.124 million tons in 2014/15 to 1.042 million tons in 2015/16 down by 17.3 percent y-o-y basis. India's groundnut export has been raised by 2.00 lakh tons in 2014/15 to 7.75 lakh tons: USDA
- According to Ministry of Agriculture, GOI, total Oilseeds sown in the 2015-16 kharif season has risen to 184.64 lakh hectares v/s 178.24 lakh hectares as of 1st October 2015.
- Groundnut oil prices are likely to trade with a sideways to weak tone in the coming days owing to harvesting pressure. Demand due to festive season can push up prices.



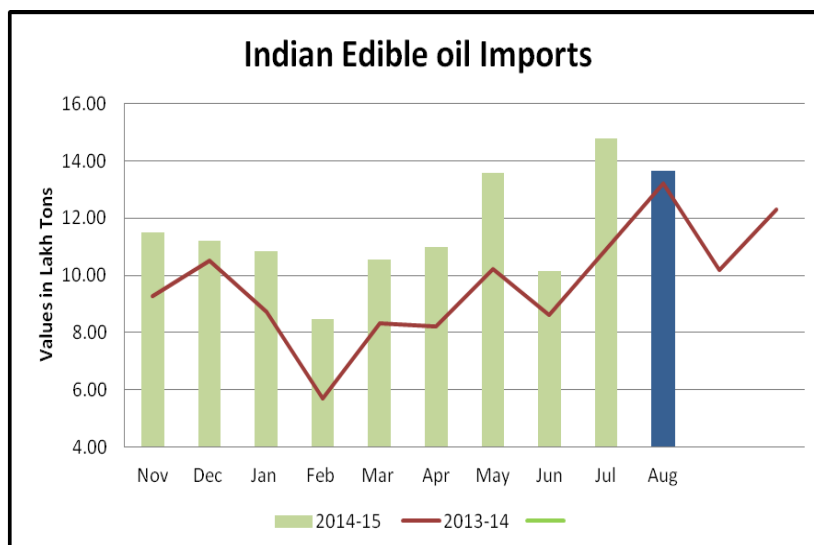
Price Outlook: We expect Groundnut oil (Rajkot) to trade in the price band of Rs 900-1100 per 10 Kg.

Coconut oil: Domestic Market Fundamentals

- Coconut oil featured down trend at its benchmark market Kangeyam during the month on weakness in demand after the festival season especially Onam and Bakrid.
- Coconut Development Board has said that consumption pattern of edible oils are shifting from coconut oil to cheaper oils like palm oil, sunflower oil, rice bran oil etc. Palm oil has emerged as the preferred cooking oil due its cheaper availability and abundant supply.
- Coconut Development Board has advised farmers to avoid distressed selling of stocks at lower prices. Four leading producing states Kerala, Tamil Nadu, Karnataka and Andhra Pradesh have lower crop compared to last year coupled with higher exports in first quarter and imports of raw materials are also dismal, according to the board.
- Coconut Development Board has allayed fears that external forces are playing dirty tricks to bring down prices of coconut with the intention of procuring coconut at lower prices. Prices of coconut oil stay low during monsoon and onset of winter, according to the board.
- Coconut Development Board has said that production of coconut will fall by 10 percent in the next year due to back to back draughts in past 2 years.
- Low import 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.
- Traders and crushers are holding huge stock of copra and they are not selling the produce because they expect prices to rise.
- Demand for coconut oil fell after Onam and Bakrid however, prices will pick up near North Indian festival season.
- On the price front, currently the coconut oil prices in Trissur is hovering near Rs 10,800 (Rs 12,000) per quintal due to weak demand amid adequate supply of coconut oil, and quoting Rs 10,500 (Rs 10,800) per quintal in Erode market on September 30 2015.
- Coconut oil prices may trade sideways to slightly firm tone tracking festival demand.



Price Outlook: We expect coconut oil (Erode) to trade in the price band of Rs 950-1150 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, Rape oil (Canola) and RBD Palmolein) imports for August pegged at 13.65 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.

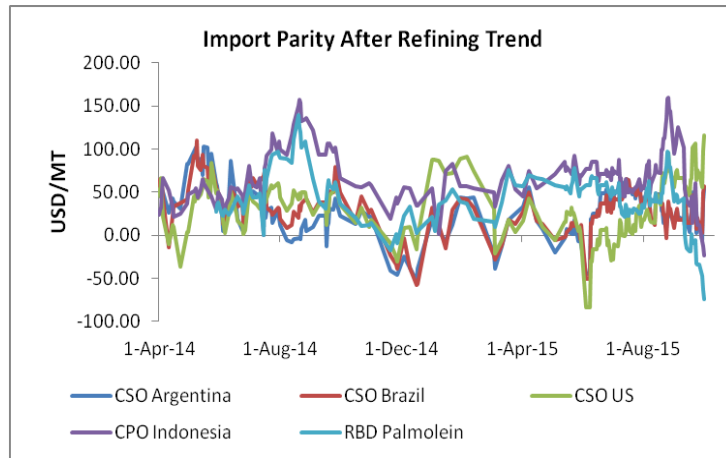
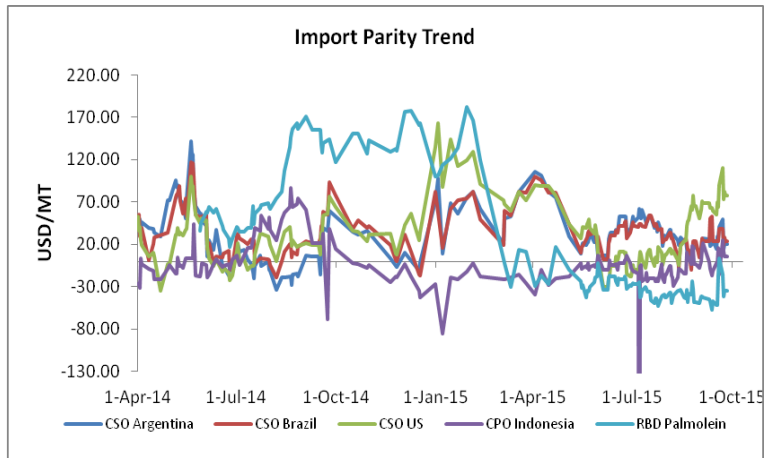
On the consumption side, India's edible oil consumption for 2014-15 oil year seen at 19.45 million tons, up 3.18 percent from last year. Ending stocks are projected higher compared to 2013-14 at 2.06 million tons.

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 01/10/2015	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
FOB USD per ton	623	629	575	540	585
Freight (USD/MT)	80	72	70	35	35.0
C & F	703.0	701.0	645.0	575.0	620.0
Weight loss (0.25% of FOB)	1.56	1.57	1.44	1.35	1.46
Finance charges (0.4% on CNF)	2.81	2.80	2.58	2.30	2.48
Insurance (0.3% of C&F)	2	2	2	2	2
CIF (Indian Port - Kandla)	709	707	651	580	626
CVD	0	0	0	0	0
Duty (Values in USD per tons)	87.00	87.00	87.00	63.50	113.80
CVD value USD per ton	0	0	0	0	0
Cess (2% on duty) USD per ton	1.74	1.74	1.74	1.27	2.276
Exchange rate	65.55	65.55	65.55	65.55	65.55
Landed cost without customs duty in INR per ton	46506	46375	42670	38044	41021
Customs duty %	12.50%	12.50%	12.50%	12.50%	20.00%
Base import price	696	696	696	508	569
Fixed exchange rate by customs department	67.05	67.05	67.05	67.05	67.05
Duty component in INR per ton	5833.35	5833.35	5833.35	4257.68	7630.29
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	53013	52882	49176	42974	49325
Domestic Market price INR/ton Soy Degum Kandla/CPO Kandla/RBD Kandla	56500	56500	56500	41900	46500
Total landed cost USD per ton	809	807	750	656	752
Domestic Market price USD/tons Soy Degum Kandla/ CPO Kandla 5%	862	862	862	639	709
Parity INR/MT (Domestic - Landed)	3487	3618	7324	-1074	-2825
Parity USD/MT (Domestic - Landed)	53.20	55.20	111.73	-16.39	-43.09
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	58112.67	57981.63	54276.29	48974.26	52124.64
Soy/Palm oil imported Price (Including tax)	61018.30	60880.71	56990.10	51422.97	54730.88
Loose price of Soy/Palm in Indore and Delhi market	64575.00	64575.00	64575.00	49875.00	49875.00
Parity after processing and Taxes (Rs per MT)	3556.70	3694.29	7584.90	-1547.97	-4855.88
Parity after processing and Taxes (USD per MT)	54.26	56.36	115.71	-23.62	-74.08
Source: Agriwatch					

Import Parity Trend

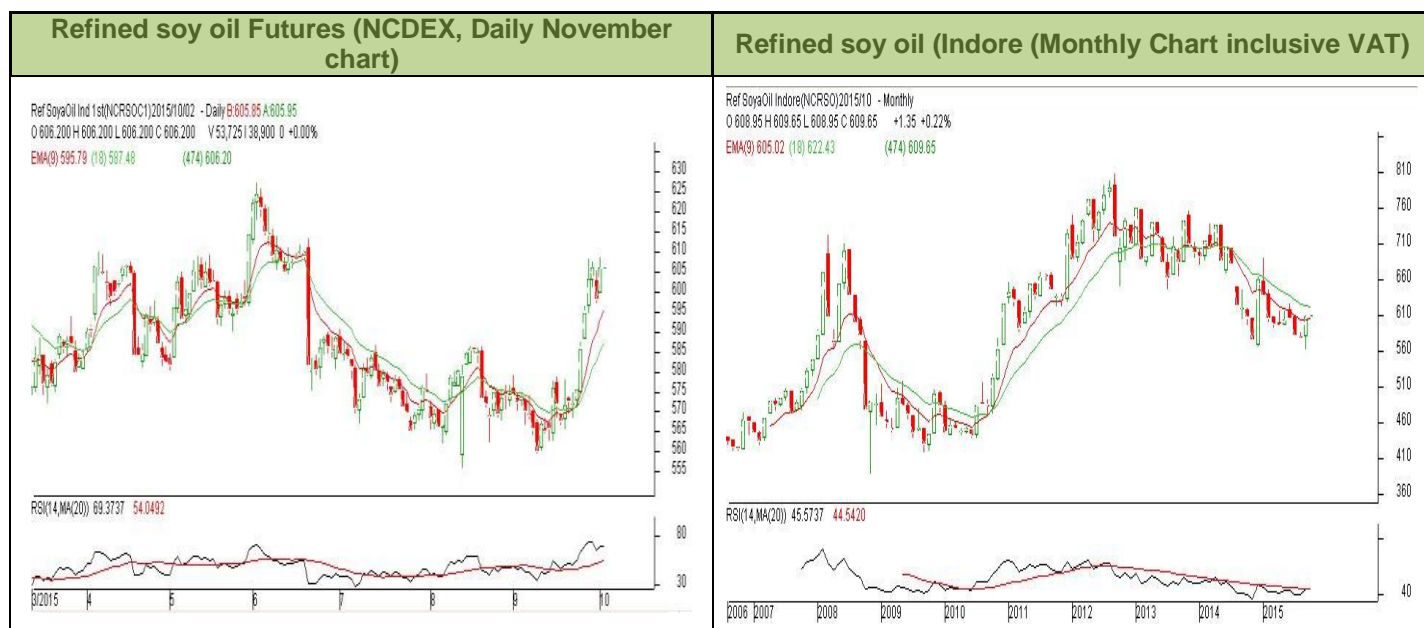


Import Parity after Refining in US dollar per tons (Monthly Average)

	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
July, 2015	52.45	48.76	7.39	59.7	33.82
Aug, 2015	33.35	31.45	47.84	98.41	58.07
Sep, 2015	18.93	24.23	69.65	48.28	-5.58

Outlook:-

Import parity for crude soy oil from US has moved above CDSO Argentina and CDSO Brazil due to cheaper imports from US. We expect CDSO import parity to continue in positive territory and stay firm for US, Brazil and Argentina. However, parity in palm oil products may slow palm oil imports in the coming days.

Technical Analysis (Refined soy oil Monthly Charts)


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

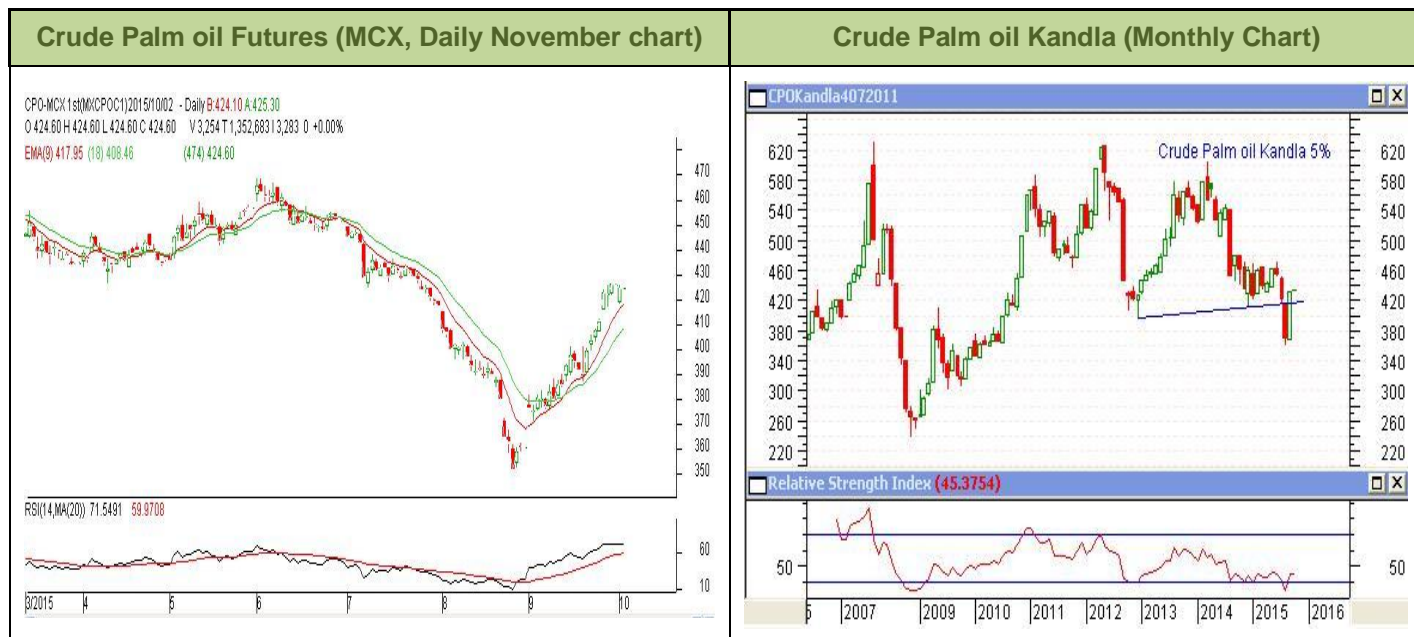
- ❖ Monthly chart of refined soy oil at NCDEX featured gains in the prices. We expect sideways to firm movement in the coming days.
- ❖ Any close below 630 in monthly chart shall change the sentiments and might take the prices to a bearish phase i.e. 660
- ❖ Expected price band for next month is 550-585 level in near to medium term. RSI is moving downwards indicating selling at higher levels.

Strategy: Market participants are advised to go long in RSO above 590 for a target of 620 and 625 with a stop loss at 580 on closing basis.

RSO NCDEX

Support and Resistance				
S2	S1	PCP	R1	R2
551.00	580.00	600.3	607.00	624.00

Spot Market outlook: Refined soy oil Indore (including VAT) is likely to stay in the range of 590-660 per 10 Kg.

Technical Analysis (Crude Palm oil Monthly Charts)


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

- ❖ Candlestick monthly chart of crude palm oil at MCX depicts uptrend in prices. We expect prices may feature sideways to slightly firm tone in the near term.
- ❖ Any close above 450 in monthly chart shall change the sentiments and might bring the prices to 500 levels.
- ❖ Expected price band for next month is 400-480 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 410 for a target of and 450 and 455 with a stop loss at 390 on closing basis.

CPO MCX

Support and Resistance				
S2	S1	PCP	R1	R2
350	395	424.6	441	447

Spot Market outlook: Crude palm oil Kandla is likely to stay in the range of 400-480 per 10 Kg.

Monthly spot prices comparison
Edible Oil Prices at Key Market

Commodity	Centre	Prices(Per 10 Kg)		Change
		30-Sep-15	31-Aug-15	
Refined Soybean Oil	Kota	615	585	30
	Rajkot	595	560	35
	Delhi	610	610	Unch
	Mumbai	595	572	23
	Indore	610	580	30
	Kandla/Mundra	595	560	35
	Kolkata	595	545	50
	Indore (Soy Solvent Crude)	595	545	50
	Mumbai (Soy Degum)	565	540	25
	Kandla/Mundra (Soy Degum)	565	528	37
	Akola	640	609	31
	Amrawati	640	608	32
	Jalna	650	616	34
	Nagpur	650	609	41
	Alwar	NR	NR	-
	Solapur	650	618	32
	Bundi	615	590	25
	Dhule	650	616	34
Palm Oil	Rajkot	490	437	53
	Hyderabad	489	447	42
	Delhi	475	515	-40
	Kandla (Crude Palm Oil)	432	368	64
	Kandla (RBD Palm oil)	460	405	55
	Mumbai RBD Pamolein	492	437	55
	Kandla RBD Pamolein	490	445	45
	Mangalore RBD Pamolein	495	442	53
	Chennai RBD Pamolein	495	442	53
	Kakinada RBD Pamolein	490	420	70
	KPT (krishna patnam)	485	415	70
	Haldia	500	435	65
	PFAD (Kandla)	335	300	35
	Refined Palm Stearin (Kandla)	330	290	40
Refined Sunflower Oil	Mumbai	770	720	50
	Mumbai(Expeller Oil)	685	660	25

	Kandla/Mundra (Crude)	685	660	25
	Erode (Expeller Oil)	810	745	65
	Hyderabad (Ref)	760	694	66
	Chennai	780	715	65
	Latur (Expeller Oil)	700	680	20
	Chellakere (Expeller Oil)	700	660	40
Groundnut Oil	Rajkot	1025	1050	-25
	Chennai	950	980	-30
	Delhi	930	935	-5
	Hyderabad *	1000	1005	-5
	Mumbai	1100	1040	60
	Gondal	1040	1050	-10
	Jamnagar	1040	1050	-10
Rapeseed Oil/Mustard Oil	Mumbai (Expeller Oil)	875	865	10
	Sri-GangaNagar(Exp Oil)	900	840	60
	Alwar (Expeller Oil)	NA	NA	-
	Kota (Expeller Oil)	860	800	60
	Jaipur (Expeller Oil)	915	833	82
	New Delhi (Expeller Oil)	825	815	10
	Hapur (Expeller Oil)	920	850	70
	Sri-Ganga Nagar (Kacchi Ghani Oil)	970	890	80
	Kota (Kacchi Ghani Oil)	990	900	90
	Jaipur (Kacchi Ghani Oil)	960	891	69
	Agra (Kacchi Ghani Oil)	1025	920	105
	Bharatpur (Kacchi Ghani Oil)	1020	915	95
	Neewai (Kacchi Ghani Oil)	930	865	65
	Hapur (Kacchi Ghani Oil)	960	900	60
Refined Cottonseed Oil	Mumbai	650	610	40
	Rajkot	620	615	5
	New Delhi	598	580	18
	Hyderabad	620	590	30
Coconut Oil	Kangayan (Crude)	1050	1080	-30
	Cochin	1110	1160	-50
	Trissur	1080	1200	-120
Sesame Oil	New Delhi	700	700	Unch
	Mumbai	720	730	-10
Kardi	Mumbai	880	870	10



Rice Bran Oil (40%)	New Delhi	415	440	-25
Rice Bran Oil (4%)	Punjab	490	500	-10
Rice Bran Oil (4%)	Uttar Pradesh	490	500	-10
Malaysia Palmolein USD/MT	FOB	583	513	70
	CNF India	600	545	55
Indonesia CPO USD/MT	FOB	540	455	85
	CNF India	565	490	75
RBD Palm oil (Malaysia Origin USD/MT)	FOB	563	503	60
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	455	410	45
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	980	740	240
Crude palm Kernel Oil India (USD/MT)	CNF India	940	690	250
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	385	380	5
Ukraine Origin CSFO USD/MT Kandla	CIF	865	795	70
Rapeseed Oil Rotterdam Euro/MT	FOB	710	675	35
Argentina FOB (\$/MT)		29-Sep-15	31-Aug-15	Change
Crude Soybean Oil Ship		625	653	-28
Refined Soy Oil (Bulk) Ship		646	676	-30
Sunflower Oil Ship		NA	NA	-
Cottonseed Oil Ship		605	633	-28
Refined Linseed Oil (Bulk) Ship		NA	NA	-
* indicates including VAT				

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