



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. Palm oil, groundnut oil, sunflower oil and coconut oil ended in red during the month but soybean oil, rapeseed oil witnessed gains on m-o-m basis.

Rapeseed oil (Kota) was the best performer among the edible oil complex tracking good demand in the cash market. However, groundnut oil was the worst performer ending in red owing to limited demand, high supply.

We expect soybean and palm, to trade with a sideways to firm tone due to strong fundamentals, higher demand. However, supplies from US and better sowing of soybean in South America, weak crude oil prices and strong dollar may curb gains.

Recommendation:

We advise to go long in RSO above 600 for a target of 635 and 640 with a stop loss at 585 on closing basis and go long in CPO above 390 for a target of 425 and 430 with a stop loss at 375 on closing basis.

Market Participants can buy refined soy oil in the cash markets at 600-610 for the target of 660-670 levels (Indore including taxes), if needed. Market Participants can buy CPO Kandla 5% in the cash markets at 380-390 for the target of 430-440 levels, if needed.

International Veg. Oil Market Summary

CBOT soy oil (September) is expected to stay in the range of 26 cents/lb to 30 cents/lb. CPO at BMD (October) is likely to stay in the range of 2150-2500 ringgits per ton. 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, EL Nino in Southeast Asia, US soybean crush and crop sowing situation of soybean in South America.

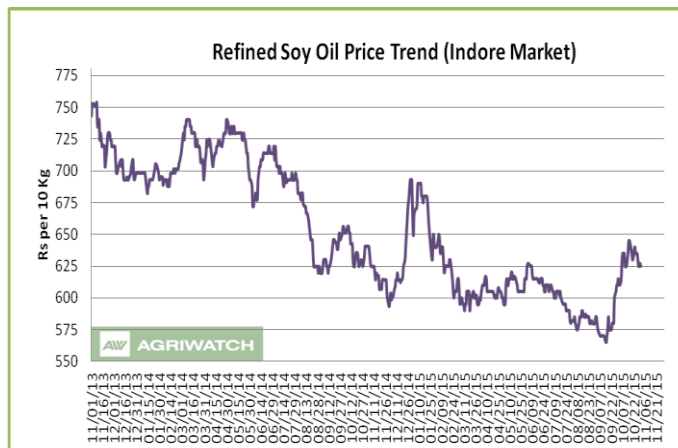
Malaysia exported 1,504,737 tons of palm oil in October compared to 1,551,149 tons in September, down by 3 percent m-o-m. Top buyers were India at 421,472 tons (355,910 tons), European Union at 267,625 tons (291,260 tons), China at 159,700 tons (221,195 tons) and United States at 136,134 tons (71,619 tons). Values in bracket depict last month import values in metric ton.

On the international front, favorable soybean harvest in US soybean belt, US soybean oil crush, favorable soybean sowing in South America, weak crude oil prices, Chinese demand, and strong dollar on FED hike of interest rate in December is bearish for the soy complex in the coming days.

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, high palm oil stocks in Malaysia, low Chinese and Indian demand, weak crude oil prices, strong dollar and US soy harvest is bearish for palm oil prices in medium term.

Soy oil: Domestic Market Fundamentals

- Refined soybean oil prices featured uptrend during the month in review on strong demand.
- Monthly review & Outlook--Soybean prices improved in month of October on increase in demand on festivals. Refining margins are improving. However, imports will be higher on low supply of soybean due to bad monsoon. Back to back droughts in India have adversely affected supply of soybean resulting in higher prices of soybean oil. Prices of soybean oil are expected to improve but gains will be capped by global surplus of soybean oil.
- Soybean oil import scenario - India imported 321,062 tons of soybean oil in September 2015 v/s 161,016 tons in September 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 of last oil year and is higher by 100 percent y-o-y: SEA
- USDA in its October estimate raised 2015/16 soybean oil imports of India by 0.5 LT to 28.5 LT. Domestic consumption for 2015/16 has been raised by 0.5 LT at 44 LT from 39 LT in 2014/15 higher by 12.8 percent y-o-y.
- Imported crude soybean oil CIF at West coast port is offered at USD 741 (700) per ton for November delivery. December delivery is offered at USD 741 (702) per ton and January delivery is offered at USD 732 (701) as on 31 October, 2015, CIF CDSO October average price was USD 667.44 per ton.
- On the parity front, margins had improved for during the month but we expect margins to improve further in the coming days. Currently refiners get USD 35-40 /-ton v/s USD 10-15/ton (last month) margin in processing the imported Soybean Oil (Argentina Origin) and for US origin to USD 125-130/ ton v/s USD 65-70/ ton (last month)..
- We expect soy oil to trade sideways to sideways tone in the coming days.



International Market Fundamentals

- Monthly review & Outlook - USDA in its October demand and supply report increased ending stock of soybean oil in US due to higher crush which is bearish for soybean in medium term. Harvesting of soybean has slowed down last week on rains in US Midwest. Any further delay is expected to help prices of soybean complex. China demand is firm and it is going to purchase more soybeans from US. Brazil's pace of soybean sowing is slower than its 5-year average and rains in the key producing belt are below average. The pace of sowing will increase if rains occur..
- US is set to harvest record crop if the yields go up. Incremental supply of soybean will be higher than incremental demand in the current year. Dollar appreciation due to FED hike in December and low crude oil will negatively affect soybean oil prices. Therefore, price appreciation of soybean complex is limited.
- In the US soybean crop progress report, as on 01 November, the soybean harvested is reported by 92% which is higher than 5 year average of 88% and higher than 81% during the corresponding period last year. The harvesting pace slowed due to rains in the US Mid West: USDA
- United States September soybean oil stocks fell by 8.4 percent m-o-m to 1,354,702 lbs (1,480,170 lbs), but up 44.5 percent higher y-o-y from 936,880 lbs. Values in brackets are figure of last month: National Oilseed Processors Association (NOPA)
- Brazil's soybean planting is lagging and it is below historical average primarily due to dry weather in center-west, reported AgRural, the area covered under soybean is reported at 31% compared to 42% five-year average. But the area coverage is up during the corresponding period last year which was 29%, said AgRural.
- According to US Energy Administration Agency (EIA), US August biodiesel output rose to 123 million gallons from 121 million gallons in July. Soy oil is the largest contributor to the biodiesel feedstock 464 million lbs was used in August v/s 446 million lbs in July, approximately 51 percent of the total.



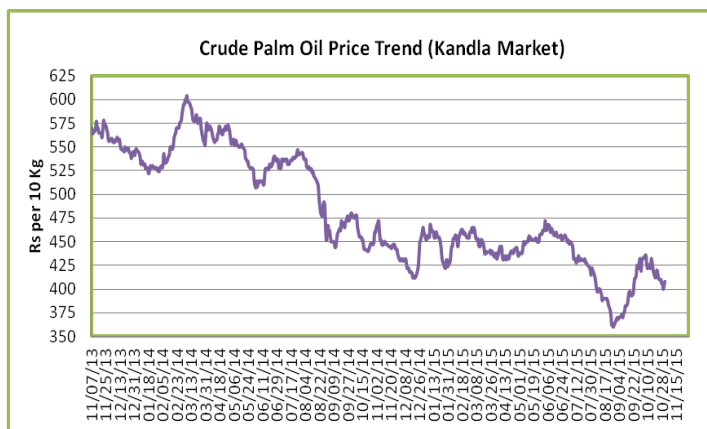
- USDA' WASDE Oilseeds Highlights - : The soybean price is projected at \$8.40 to \$9.90, unchanged from last month. Soybean meal and soybean oil price projections are also unchanged at \$310 to \$350 per short ton and 27.5 to 30.5 cents per pound, respectively.

Global soybean production is estimated at record 320.5 million tons, higher by 0.9 million tons with higher Brazil production. Lower crop expectation for the US, India, and Ukraine partly offset the higher Brazil crop. Brazil soybean production is estimated at record 100.0 million tons on higher area. Sharp depreciation in Brazilian Real in recent months is expected to increase in area despite low international soybean prices this year. Soybean crops in Ukraine and India have decreased on lower projected yields.

Price Outlook: We expect Ref. soy oil with VAT to trade in the price band of Rs 560-690 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.
- Monthly review & Outlook – Palm prices have fallen sharply in last 3-4 months, stimulating demand due which imports went up. This led to high soy oil premium over palm oil, which is hovering at USD 231 per ton (USD 155 per ton last month). High refining margins and festive demand, increased imports. Premium of soyoil over palm oil will decrease in coming month increasing price of palm oil relative to soyoil. Current prices are expected to improve demand, which faltered on sharp rise in domestic palm oil prices. High stocks at ports and in pipelines may underpin prices.
- Palm oil import scenario –India imported palm oil amounting to 783,734 tons in September 2015 v/s 699,471 tons in September 2014 higher by 12 percent on y-o-y basis. From November 2014 to September 2015, India imported 8,421,222 tons v/s 7,092,447 tons in corresponding period of last oil year, higher by 18.7 percent y-o-y: SEA
- On the trade front, CNF CPO (Indonesian origin) at Indian port is quoted at USD 510 (545 per ton) per ton for November delivery. Moreover, RBD palmolein (Malaysian origin) CNF at Indian port is offered at USD 545 (572.5 per ton) per ton for November delivery. Values in bracket depict last month quotes. CPO duty paid prices ready lift quoted at Rs 404 per 10 Kg and November delivery is offered at Rs 404 per 10 Kg on 31 October, 2015. On the currency front, Indian rupee appreciated against USD by 33 paisa and ended at 65.255.
- Palm oil imports will rise near term owing to widening of CIF soybean oil premium versus crude palm oil, which is hovering at USD 231 per ton (USD 155 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 strengthened during the month of October on lower price of palm oil and we expect margins to be steady in the coming days. Currently refiners get USD 35-40/ton v/s USD 45-50/ton (last month) margin in processing the imported CPO but on the imports of ready to use palmolein gets USD -5-10/ton (unchanged from last month) parity. Higher palm oil imports may be witnessed in the coming days due to high import parity.
- We expect palm oil to trade sideways to firm tone in the days ahead.



International Market Fundamentals

- Monthly review & Outlook –Depreciation of Ringgit improved prices from 6.5 year lows. Weather is expected to play major role in November- December 2015. India and China imports will be limited in the near term as Diwali orders are over and China demand will be low due to slowdown of Chinese economy. Therefore, any loss in production will be set-off by lower exports. However, India was aggressively purchasing in October which will falter November onwards.
Major importers like India and China are high price sensitive markets, which will not consume at higher prices. Importers have moved from Malaysia to Indonesia due to aggressive pricing by Indonesia. Despite weather concerns stocks in Malaysia is expected to increase. Therefore, any price appreciation will be limited. Prices will move in a range with upward bias.
- According to industry regulator Malaysian Palm Oil Board (MPOB), September palm oil stocks in Malaysia rose to 2.63 MMT from 2.49 MMT in August, higher by 5.46 percent m-o-m, but below the market expectation of

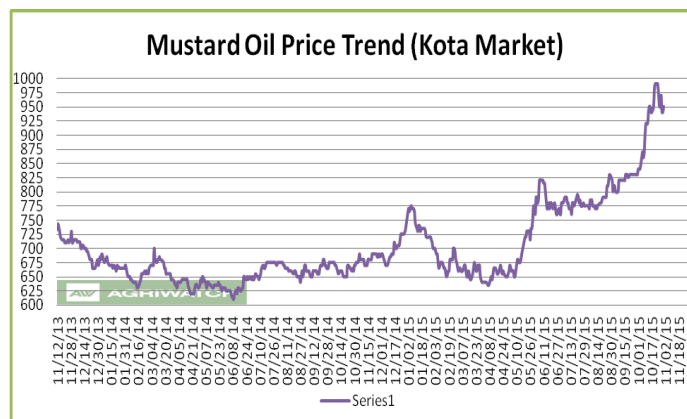
2.65 MMT. Production fell to 1.96 MMT in September (2.05 MMT), down by 4.48 percent m-o-m. September palm oil exports rose by 4.36 percent m-o-m to 1.68 MMT (1.61 MMT). Imports rose by 13.4 percent m-o-m to 0.76 MMT (0.67 MMT), according to industry regulator Malaysian Palm Oil Board (MPOB). Values in brackets are figure of August 2015.

- Malaysia exported 1,504,737 tons of palm oil in October compared to 1,551,149 tons in September, down by 3 percent m-o-m. Top buyers were India at 421,472 tons (355,910 tons), European Union at 267,625 tons (291,260 tons), China at 159,700 tons (221,195 tons) and United States at 136,134 tons (71,619 tons). Values in brackets are figures of September 2015: SGS
- Indonesia's September palm and palm kernel oils exports rose by 11.4 percent to 2.34 MMT from 2.10 MMT in August. Leading export destinations were India at 611,020 tons (355,490 tons), European Union at 373,560 (264,550 tons), China at 278,990 tons (301,470 tons), Pakistan at 280,900 tons (268,330 tons), Bangladesh at 154,100 tons (167,550 tons) and Middle East at 141,970 (179,700 tons). Values in brackets are figures of August 2015: Indonesia Palm Oil Association (GAPKI)
- 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.
- Indonesia's palm oil output in 2016 will be at 33 MMT, 5.00 lakh tons less than previously estimated at 33.5 MMT due to El Nino. Current year output forecast is at 31.5 MMT. El Nino conditions in Indonesia will strengthen until December. Palm trees planted until 2010/11 will increase production in 2016. El Nino weather pattern will affect palm oil output next year also: Indonesian Palm Oil Board.
- Malaysia's palm oil stocks will fall to 2 MMT by end 2015 from 2.5 MMT in August 2015 on El Nino. Indonesia palm oil production will fall by 5-6 percent in 2016. Prices of palm oil are likely to trade around 2500 Ringgit/ton in January-March 2016 due to lower production. Yields are likely to fall due to prolonged dry spell. Higher biodiesel mandate will absorb excess supply of palm oil, according to the board: FELDA
- 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 drop in coming months. El Nino has recently been viewed seriously on high probability of occurrence, according to the board.
- Weather - Japan Meteorological Agency has maintained that El Nino effect will peak in December and its effect that-could last until the summer. World Meteorological Organization (WMO) has said that current year El Nino is strongest in history.

Price Outlook: We expect CPO Kandla 5% to trade in the price band of Rs 360-450 per 10 Kg.

Rapeseed oil: Domestic Market Fundamentals

- Rapeseed oil featured firm trend during the month of October on higher demand and tight supplies.
- Rapeseed oil prices are on uptrend in this year when rapeseed crop was damaged in the country resulting in lower rapeseed yields. This has resulted in sharp rise in imports of rapeseed (canola) oil. Lower availability of rapeseed in this period resulted in higher prices of rapeseed oil. Other competing oils like palm and soy oil prices have fallen in this period. Prices may rise as peak demand season approaches in Eastern India during winter. However, such high prices of rapeseed oil are not sustainable for prolonged period as Indian customer is price sensitive.
- Currently, RM oil at Jaipur market (expeller) is offered at Rs 1,003 (915) per 10 Kg and at Kota market is quoted around Rs 930 (860) per 10 kg as on 31 October, 2015. Values in brackets are figures of last month.
- India imported 32,495 tons of rapeseed (Canola) oil in September 2015 v/s 26,789 tons in September 2014, higher by 9.08 percent y-o-y. From November 2014-September 2015 India imported 339,800 tons v/s 155,284 tons in the corresponding period of last oil year, higher by 119 percent y-o-y: SEA
- CIF Canola oil premium over soybean oil narrowed and is hovering at USD 24 (USD 113 last month) as on 31 October, 2015. Low premium of canola oil over soybean oil may increase imports of canola oil. Low supply of mustard seed in domestic market is the reason of high import of canola oil in oil year 2014-15.
- USDA Rapeseed Oil (Canola oil) update- India is expected to import 2.00 lakh tons of Rapeseed Oil (Canola oil) in 2015/16 compared 3.25 lakh tons in 2014/15, down by 62.5 percent y-o-y basis
- We expect RM seed oil prices to trade sideways to weak tone in the coming days.



Price Outlook: We expect Rapeseed oil (Kota) to trade in the price band of Rs 800-1050 per 10 Kg.

Balance Sheet- Rapeseed Oil, India

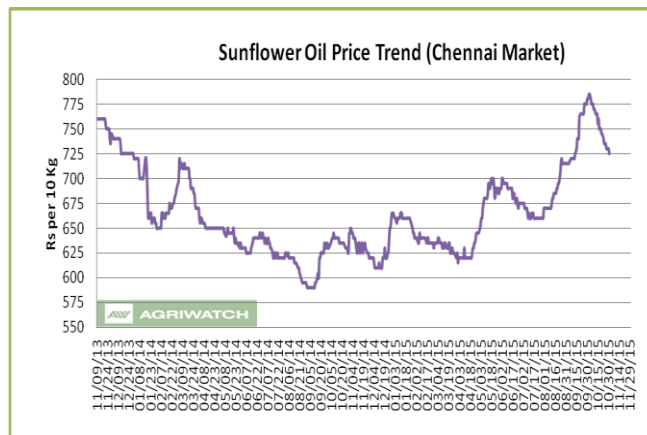
Fig. in lakh tons

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16-F
Opening Stock	1.67	1.79	1.49	1.69	1.78	1.25
Production	23.80	22.05	24.33	26.04	19.60	21.70
Imports	0.11	0.91	0.13	2.00	3.70	4.50
Total Supply	25.58	24.75	25.95	29.73	25.08	27.45
Exports	0.00	0.00	0.00	0.00	0.00	0.00
Consumption	23.79	23.27	24.26	27.94	23.83	25.97
Ending Stocks	1.79	1.49	1.69	1.78	1.25	1.48

- Prices of rapeseed oil in 2015-16 are expected to be steady on lower carryout in oil year 2014-15.
- Rapeseed oil production is expected to be higher in oil year 2015-16 on higher rapeseed crop.
- Higher oil production in 2015-16 is due to higher marketable surplus of rapeseed resulting in higher crush.
- Carryout stocks of oil year 2014-15 is 1.25 lakh tons on lower groundnut oil production.
- Carryout of 2015-16 is higher than 2014-15 due to higher production and import of rapeseed oil.

Sunflower oil: Domestic Market Fundamentals

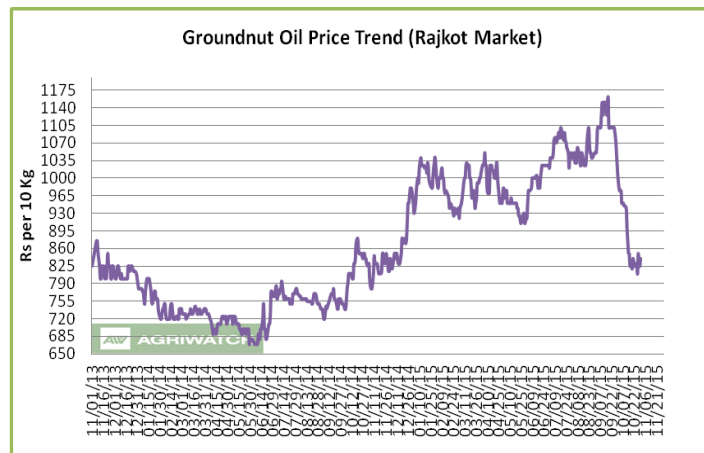
- Sunflower oil featured downtrend during the month and ended lower in October due to weak demand on higher levels.
- Sunflower prices shot up sharply this year due to which price sensitive consumers shifted from sunflower oil to cheaper oils. Such high prices of sunflower oil are unsustainable when other competing oils have fallen sharply during the year. Other oils like rice bran oil, cottonseed oil, palm oil found favor due to cheap availability. Price fall will be limited as it is preferred oil in South India.
- Sunflower oil import scenario – According to SEA, India imported 0.68 lakh tons of crude sunflower oil during September 2015 versus 1.32 lakh tons in September 2014, down by 49 percent y-o-y. Imports during November-September were reported at 14.29 lakh tons compared to 14.07 lakh tons during the corresponding period of last oil year, higher by 1.6 percent y-o-y. Most of the imports were from Ukraine.
- COOIT estimated kharif production of sunflower for MY 2015-16 at 0.8 lakh tons v/s 1.30 lakh tons kharif 2014-15. Kharif sunflower oil availability is reported at 0.28 lakh tons for MY 2015-16 v/s 0.46 lakh tons in kharif 2014-15.
- Production of crude sunflower oil in Ukraine between January-September 2015, reported at 2.387 MMT, down 22.5 percent compared to corresponding period in 2014. In September, production of crude sunflower oil was at 296 thsd, up 390 percent from August 2015 and up 0.9 percent compared to September 2014, according to State Statistical Service of Ukraine.
- Sunflower oil global production is seen at 15.425 MMT in 2015/16 compared to 15.219 MMT in 2014/15 up 1.35 percent y-o-y basis. India imports are projected at 15.50 lakh tons of Sunflower oil in 2015/16 down from 16 lakh tons in 2014/15. India is the largest importer of sunflower oil in the world: USDA.
- CIF sunflower oil prices (Ukraine origin) at west coast of India quoted around USD 880 per ton for December delivery, JFM delivery is offered at USD 855 per ton, as on 31 October, 2015. Last month, CIF sun oil (Ukraine origin) monthly average was around USD 882.24 per ton.
- 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 139 per ton versus USD 168 last month.
- We expect sunflower oil prices may trade sideways to weak tone in the coming days.



Price Outlook: We expect sunflower oil (Chennai) to trade in the price band of Rs 640-800 per 10 Kg.

Groundnut oil: Domestic Market Fundamentals

- Groundnut oil featured bearish tone during October tracking limited demand and higher supply.
- Groundnut prices fell on harvesting pressure and diversion of groundnut towards crushing due to export control by Vietnam, depreciation of Chinese Yuan and removal of interest subvention by government when other exporting is getting incentives to exports. Due to higher price of groundnut consumers shifted to other oils like cottonseed oil and palm oil whose prices are much below. It is difficult to see a reversal of shift in demand in short term when other healthy oils are making headway in Indian market. Prices fell during the months of festivals when the demand of oil is high. Traders and upcountry buyers are waiting for lower prices. Further fall in prices are not ruled out.
- Exports of groundnut are facing pressure due to depreciation of Chinese Yuan and weakness in European Union. Vietnam has suspended groundnut exports from India. While competing countries are providing incentives on export of groundnut, India has withdrawn interest subvention scheme that will lower exports of groundnut.
- COOIT estimated kharif production of groundnut for MY 2015-16 at 32.30 lakh tons v/s 35.70 lakh tons in kharif 2014-15. Kharif groundnut oil availability is reported at 1.64 lakh tons for MY 2015-16 v/s 1.2 lakh tons kharif 2014-15.
- USDA has projected India's total Groundnut oil consumption at 1.215 MMT in 2015/16 compared to 1.135 MMT in 2014/15 lower by 7 percent y-o-y. Groundnut seed production is projected at 5.4 MMT in 2015/16 v/s 4.8 MMT, up by 12.5 percent y-o-y basis. USDA raised Groundnut seed exports by 2.00 lakh tons in 2014/15 to 7.75 lakh tons.
- On the price front, currently the groundnut oil prices in Rajkot is hovering near Rs 8,400 (10,250) per quintal due to weak demand and higher supplies was and quoting at Rs 9,000 (Rs 9,300) per quintal in Chennai market.
- Groundnut oil prices are likely to trade with a sideways to weak tone in the coming days owing to weak demand.



Price Outlook: We expect Groundnut oil (Rajkot) to trade in the price band of Rs 750-1000 per 10 Kg.

Balance Sheet- Groundnut Oil, India

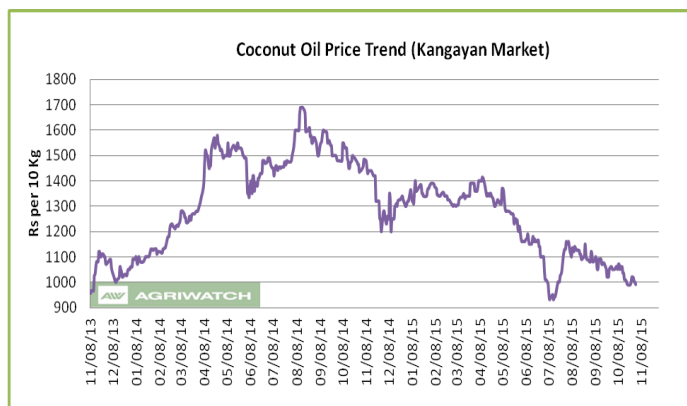
Fig. in lakh tons

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16-F
Opening Stock	0.37	0.89	0.54	0.20	0.81	0.31
Production	7.36	4.64	2.88	6.35	1.72	2.04
Imports	0	0	0	0	0	0
Total Supply	7.73	5.53	3.42	6.55	2.53	2.35
Exports	0.20	0.05	0.05	0.15	0.05	0.05
Consumption	6.64	4.94	3.17	5.59	2.17	1.87
Ending Stocks	0.89	0.54	0.20	0.81	0.31	0.43

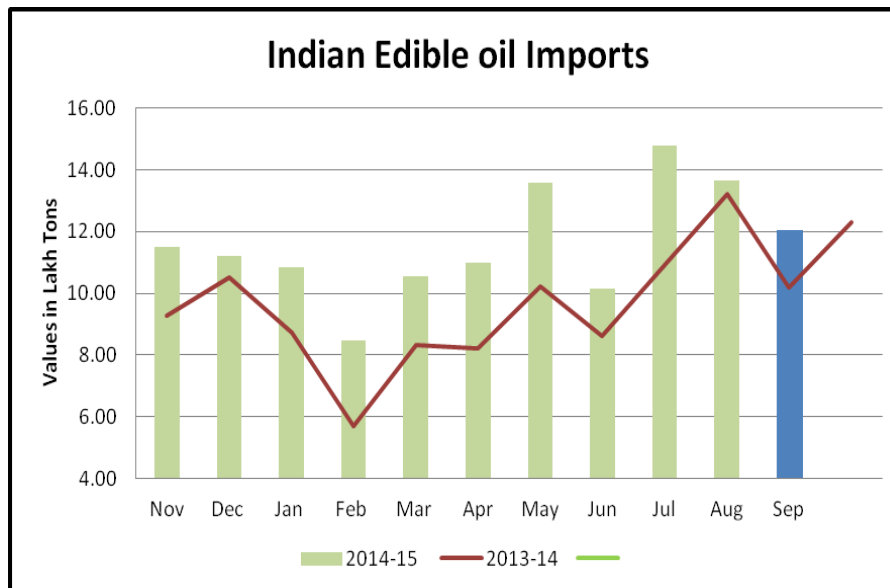
- Prices of groundnut oil in 2015-16 are expected to be firm on lower carryout in oil year 2014-15.
- Groundnut oil production is expected to be higher in oil year 2015-16 on higher groundnut crop.
- Higher oil production in 2015-16 is due to higher marketable surplus of groundnut seed on lower seeds exports and lower direct consumption of groundnut seed resulting in higher crush.
- Carryout stocks of oil year 2014-15 is 0.31 lakh tons on lower groundnut oil production.
- Lower supply of groundnut oil in 2015-16 is due to lower opening stocks.
- Carryout of 2015-16 is higher than last year due to lower consumption of groundnut oil.

Coconut oil: Domestic Market Fundamentals

- Coconut oil featured down trend at its benchmark market Kangeyam during the month on higher supply and need based demand.
- Prices of coconut are falling despite seasonal demand indicative of fact that if prices do not sustain at these levels there could be distressed selling of coconut by farmers. Prices are low and with Diwali and Sabarimala pilgrimage season in Kerala prices could rebound. However, buying at these levels is difficult given the fact that palm kernel oil and other alternate oils are available at low prices. Due to high prices of coconut oil there is shift in consumption pattern towards cheaper oils. Northeast monsoons are yet to intensify in Tamil Nadu and Andhra Pradesh, which could have slowed down harvesting limiting downside in prices. Farmers have huge stocks of copra and are unable to sell as crushers are having huge stocks of coconut oil.
- Coconut Development Board has indicated that coconut crop is low in four leading states (Kerala, Tamil Nadu, Karnataka and Andhra Pradesh) have lower crop due to poor monsoons and exports are also higher between April to September. Imports have also been lower in this period. It has also indicated that prices will rise in November on historical evidence of prices.
- Different boards and associations have failed to convince consumers that coconut oil is healthier than other competing oils and they should step-up efforts to improve demand. Indian consumers are price sensitive and the premium they pay on coconut oil is justified.
- Market participants believe that quantum of hike in import duty is not sufficient to stop rising imports of palm oil which has adversely affected coconut oil prices.
- Kerafed has said that production in 2015-16 will be lower than this year on failure of monsoons for two consecutive years. Coconut production slows down in third year after bad monsoon. Therefore, prices will stay elevated in oil year 2015-16 starting November.
- On the price front, currently the coconut oil prices in Trissur is hovering near Rs 10,200 (10,800) per quintal due to weak demand amid adequate supply of coconut oil, and quoting Rs 9,900 (10,500) per quintal in Erode market on October 31, 2015.
- Coconut oil prices may trade sideways to weak tone tracking need based demand and adequate supply coupled with cheap availability of edible oils like rice bran, sunflower oil and palm oil.



Price Outlook: We expect coconut oil (Erode) to trade in the price band of Rs 850-1050 per 10 Kg.

Indian Edible Oil Imports Scenario –:


As per Solvent Extractors' Association of India, India imported 12.77 million tons of veg. oils in the 2014/15 oil year. However, edible oils imports were 9.44 million tons in the corresponding period last year. Edible oils (including CPO, CDSO, CSFO, and RBD Palmolein) imports for September is pegged at 12.06 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.

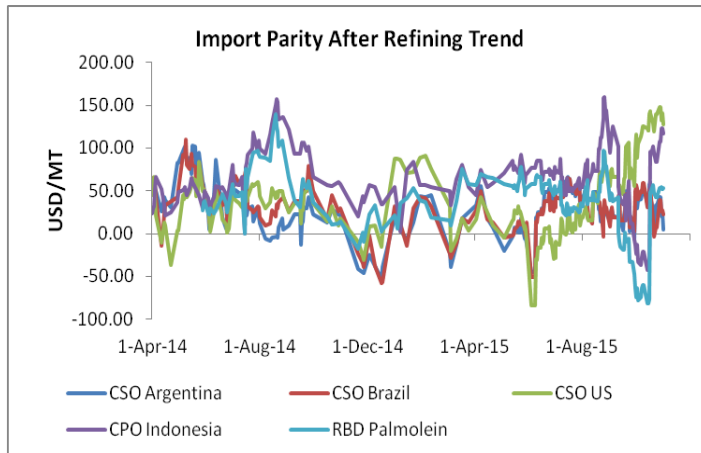
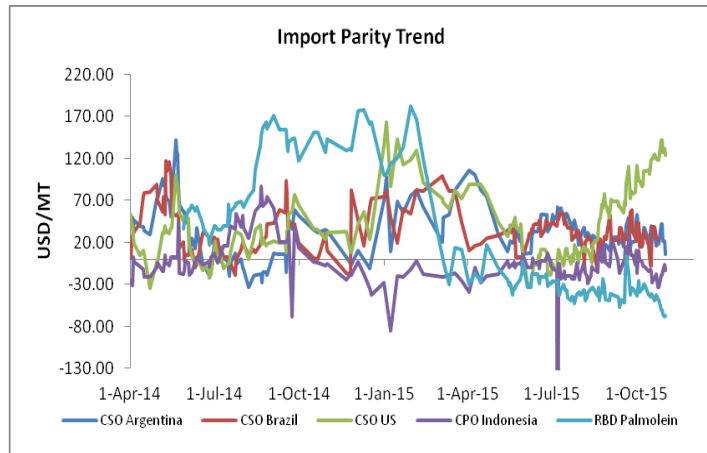
On the consumption side, India's edible oil consumption for 2014-15 oil year seen at 19.45 million tons, up 3.18 percent from last year. Ending stocks are projected higher compared to 2013-14 at 2.06 million tons.

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 31/10/2015	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
FOB USD per ton	690	681	583	510	568
Freight (USD/MT)	80	72	70	35	35.0
C & F	770.0	753.0	653.0	545.0	603.0
Weight loss (0.25% of FOB)	1.73	1.70	1.46	1.28	1.42
Finance charges (0.4% on CNF)	3.08	3.01	2.61	2.18	2.41
Insurance (0.3% of C&F)	2	2	2	2	2
CIF (Indian Port - Kandla)	777	760	659	550	609
CVD	0	0	0	0	0
Duty (Values in USD per tons)	88.13	88.13	88.13	71.63	122.40
CVD value USD per ton	0	0	0	0	0
Cess (2% on duty) USD per ton	1.7625	1.7625	1.7625	1.4325	2.448
Exchange rate	65.25	65.25	65.25	65.25	65.25
Landed cost without customs duty in INR per ton	50707	49588	43002	35893	39714
Customs duty %	12.50%	12.50%	12.50%	12.50%	20.00%
Base import price	705	705	705	573	612
Fixed exchange rate by customs department	65.35	65.35	65.35	65.35	65.35
Duty component in INR per ton	5758.97	5758.97	5758.97	4680.69	7998.84
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	57139	56020	49434	41247	48386
Domestic Market price INR/ton Soy Degum Kandla/CPO Kandla/RBD Kandla	57500	57500	57500	40400	44000
Total landed cost USD per ton	876	859	758	632	742
Domestic Market price USD/tons Soy Degum Kandla/ CPO Kandla 5%	881	881	881	619	674
Parity INR/MT (Domestic - Landed)	361	1480	8066	-847	-4386
Parity USD/MT (Domestic - Landed)	5.54	22.68	123.62	-12.98	-67.21
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	62238.72	61120.24	54533.58	47247.07	51185.67
Soy/Palm oil imported Price (Including tax)	65350.66	64176.25	57260.26	49609.42	53744.95
Loose price of Soy/Palm in Indore and Delhi market	65625.00	65625.00	65625.00	57225.00	57225.00
Parity after processing and Taxes (Rs per MT)	274.34	1448.75	8364.74	7615.58	3480.05
Parity after processing and Taxes (USD per MT)	4.19	22.15	127.86	116.41	53.20
Source: Agriwatch					

Import Parity Trend

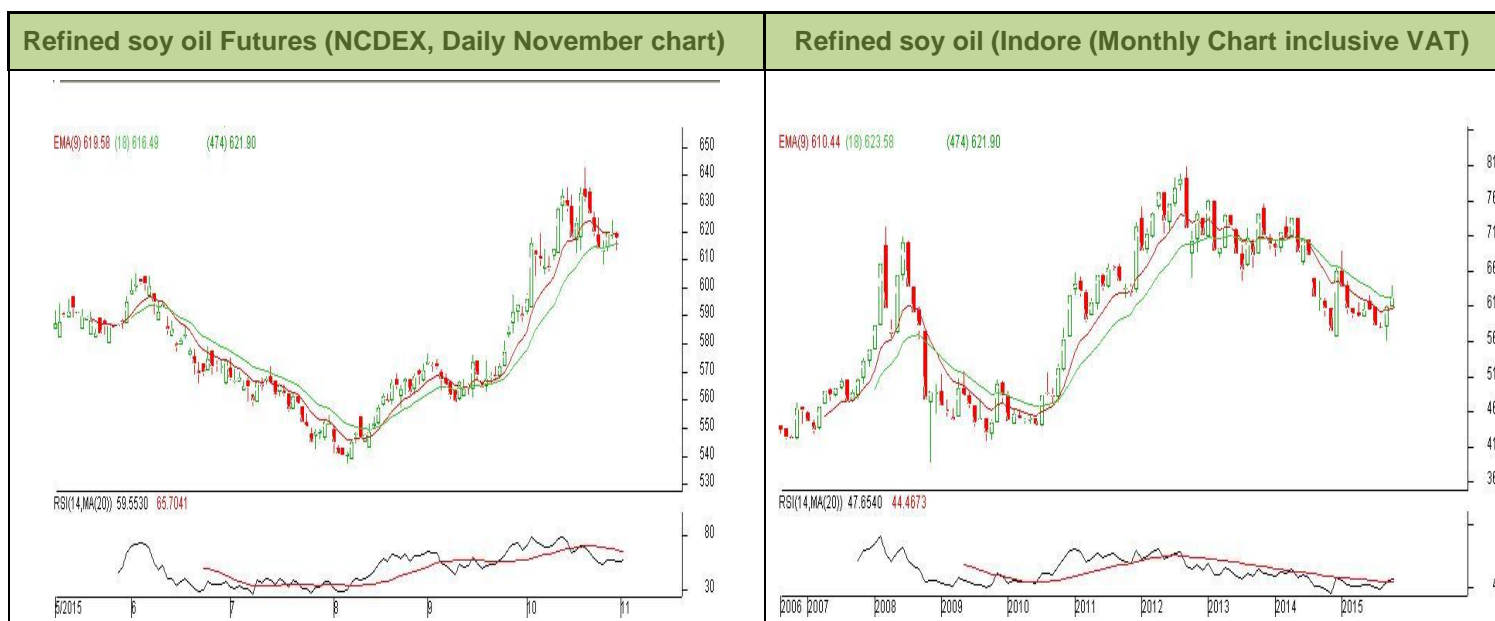


Import Parity after Refining in US dollar per tons (Monthly Average)

	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
Aug, 2015	33.35	31.45	47.84	98.41	58.07
Sep, 2015	18.93	24.23	69.65	48.28	-5.58
Oct, 2015	37.55	37.15	127.58	39.65	-7.82

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 increase palm oil imports in the coming days.

Technical Analysis (Refined soy oil Monthly Charts)


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

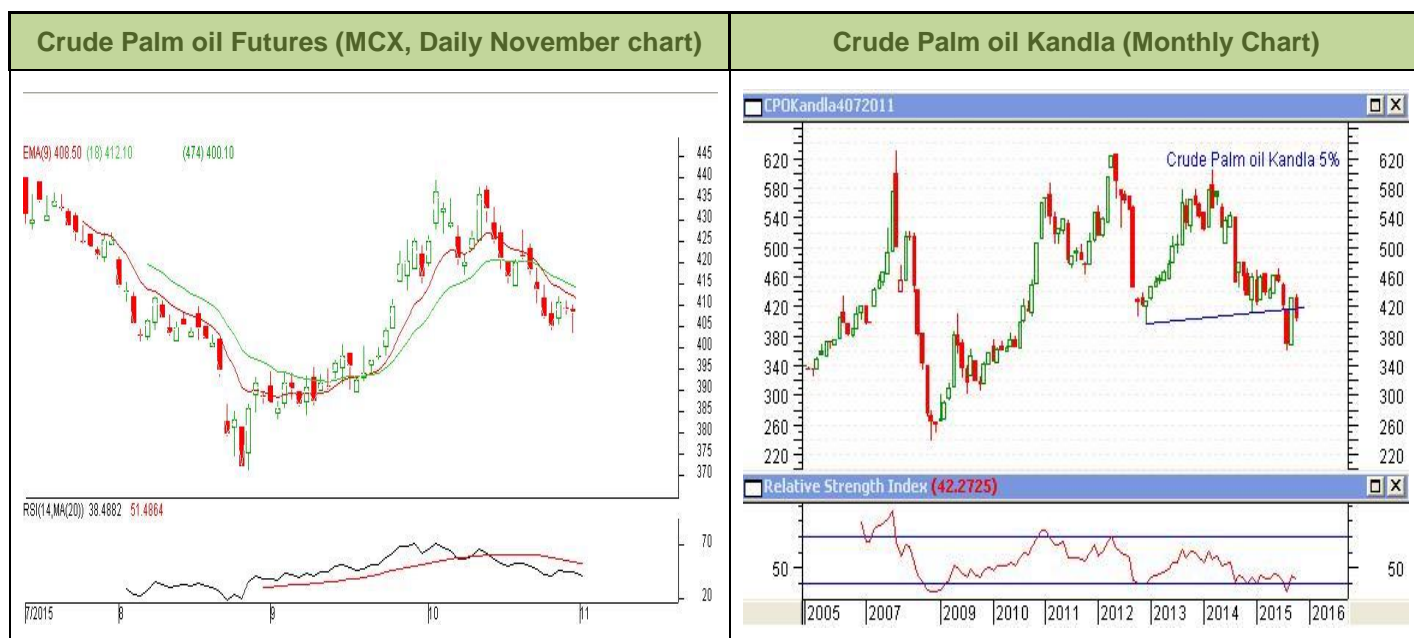
- ❖ Monthly chart of refined soy oil at NCDEX featured gains in the prices. We expect weak to sideways to firm movement in the coming days.
- ❖ Any close below 580 in monthly chart shall change the sentiments and might take the prices to a bearish phase i.e. 550
- ❖ Expected price band for next month is 570-660 level in near to medium term. RSI is moving upwards indicating buying at lower levels.

Strategy: Market participants are advised to go long in RSO above 600 for a target of 635 and 640 with a stop loss at 585 on closing basis.

RSO NCDEX

Support and Resistance				
S2	S1	PCP	R1	R2
551.00	599.00	617.45	635.00	655.00

Spot Market outlook: Refined soy oil Indore (including VAT) is likely to stay in the range of 560-690 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 dips.

- ❖ Candlestick monthly chart of crude palm oil at MCX depicts rebound in prices. We expect prices to feature sideways to slightly firm tone in the near term.
- ❖ Any close below 380 in monthly chart shall change the sentiments and might bring the prices to next bear phase.
- ❖ Expected price band for next month is 360-450 level in near to medium term. RSI along with Stochastic and MACD is moving down in oversold zone where it is expected to get support supporting price rebound.

Strategy: Market participants are advised to go long in CPO in above 390 for a target of and 425 and 430 with a stop loss at 375 on closing basis.

CPO MCX

Support and Resistance				
S2	S1	PCP	R1	R2
350.00	380.00	408.30	427.00	441.00

Spot Market outlook: Crude palm oil Kandla is likely to stay in the range of 360-450 per 10 Kg.

Monthly spot prices comparison
Edible Oil Prices at Key Market

Commodity	Centre	Prices(Per 10 Kg)		Change
		31-Oct-15	30-Sep-15	
Refined Soybean Oil	Kota	620	615	5
	Rajkot	605	595	10
	Delhi	670	610	60
	Mumbai	620	595	25
	Indore	625	610	15
	Kandla/Mundra	610	595	15
	Kolkata	590	595	-5
	Indore (Soy Solvent Crude)	605	595	10
	Mumbai (Soy Degum)	565	565	Unch
	Kandla/Mundra (Soy Degum)	575	565	10
	Akola	634	640	-6
	Amrawati	634	640	-6
	Jalna	645	650	-5
	Nagpur	637	650	-13
	Alwar	NR	NR	-
	Solapur	647	650	-3
	Bundi	625	615	10
	Dhule	644	650	-6
Palm Oil	Rajkot	466	490	-24
	Hyderabad	499	489	10
	Delhi	545	475	70
	Kandla (Crude Palm Oil)	404	432	-28
	Kandla (RBD Palm oil)	440	460	-20
	Mumbai RBD Pamolein	480	492	-12
	Kandla RBD Pamolein	470	490	-20
	Mangalore RBD Pamolein	480	495	-15
	Chennai RBD Pamolein	480	495	-15
	Kakinada RBD Pamolein	465	490	-25
	KPT (krishna patnam)	460	485	-25
	Haldia	465	500	-35
	PFAD (Kandla)	280	335	-55
	Refined Palm Stearin (Kandla)	310	330	-20
Refined Sunflower Oil	Mumbai	755	770	-15
	Mumbai(Expeller Oil)	670	685	-15
	Kandla/Mundra (Crude)	675	685	-10

	Erode (Expeller Oil)	760	810	-50
	Hyderabad (Ref)	722	760	-38
	Chennai	725	780	-55
	Latur (Expeller Oil)	700	700	Unch
	Chellakere (Expeller Oil)	660	700	-40
Groundnut Oil	Rajkot	840	1025	-185
	Chennai	900	950	-50
	Delhi	930	930	Unch
	Hyderabad *	950	1000	-50
	Mumbai	880	1100	-220
	Gondal	840	1040	-200
	Jamnagar	850	1040	-190
Rapeseed Oil/Mustard Oil	Mumbai (Expeller Oil)	970	875	95
	Sri-GangaNagar(Exp Oil)	1000	900	100
	Alwar (Expeller Oil)	NA	NA	-
	Kota (Expeller Oil)	930	860	70
	Jaipur (Expeller Oil)	1003	915	88
	New Delhi (Expeller Oil)	980	825	155
	Hapur (Expeller Oil)	1000	920	80
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1055	970	85
	Kota (Kacchi Ghani Oil)	1080	990	90
	Jaipur (Kacchi Ghani Oil)	1065	960	105
	Agra (Kacchi Ghani Oil)	1035	1025	10
	Bharatpur (Kacchi Ghani Oil)	1030	1020	10
	Neewai (Kacchi Ghani Oil)	1040	930	110
	Hapur (Kacchi Ghani Oil)	1050	960	90
Refined Cottonseed Oil	Mumbai	618	650	-32
	Rajkot	595	620	-25
	New Delhi	600	598	2
	Hyderabad	585	620	-35
Coconut Oil	Kangayan (Crude)	990	1050	-60
	Cochin	1050	1110	-60
	Trissur	1020	1080	-60
Sesame Oil	New Delhi	740	700	40
	Mumbai	710	720	-10
Kardi	Mumbai	880	880	Unch
Rice Bran Oil (40%)	New Delhi	420	415	5

Rice Bran Oil (4%)	Punjab	520	490	30
Rice Bran Oil (4%)	Uttar Pradesh	520	490	30
Malaysia Palmolein USD/MT	FOB	568	583	-15
	CNF India	577	600	-23
Indonesia CPO USD/MT	FOB	510	540	-30
	CNF India	545	565	-20
RBD Palm oil (Malaysia Origin USD/MT)	FOB	553	563	-10
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	460	455	5
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	900	980	-80
Crude palm Kernel Oil India (USD/MT)	CNF India	870	940	-70
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	375	385	-10
Ukraine Origin CSFO USD/MT Kandla	CIF	880	865	15
Rapeseed Oil Rotterdam Euro/MT	FOB	737	710	27
Argentina FOB (\$/MT)		30-Oct-15	29-Sep-15	Change
Crude Soybean Oil Ship		676	625	51
Refined Soy Oil (Bulk) Ship		700	646	54
Sunflower Oil Ship		NA	NA	-
Cottonseed Oil Ship		656	605	51
Refined Linseed Oil (Bulk) Ship		NA	NA	-
<i>* indicates including VAT</i>				

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