

Executive Summary

Domestic Veg. Oil Market Summary

Mixed sentiments witnessed in edible oil basket during the week in review on limited buying and strike wanes in Brazil.

On the currency front, Indian rupee against USD closed at 62.40, up 0.94 percent as compared to the previous week. Factors to watch in the coming weeks will be on the movement of Indian rupee against US dollar, crude oil prices, and oilseed's harvesting pace over South American soybean growing belt.

We expect edible oil complex to trade sideways due to limited buying with an approaching summer season and strike in Brazil wanes. However, expectation of easing palm oil inventories in Malaysia may limit excessive losses.

Recommendation:

Weekly Call - Market participant are advised to go short in RSO below 587 levels for a target of 581 and 579 with a stop loss at 585 on closing basis and go short in CPO below 460 for a target of 454 and 452 with a stop loss at 463.60 on closing basis.

International Veg. Oil Market Summary

Exports of Malaysian palm oil products for February fell 10.4 percent to 993,376 tons from 1,109,188 tons shipped during January, cargo surveyor Societe Generale de Surveillance.

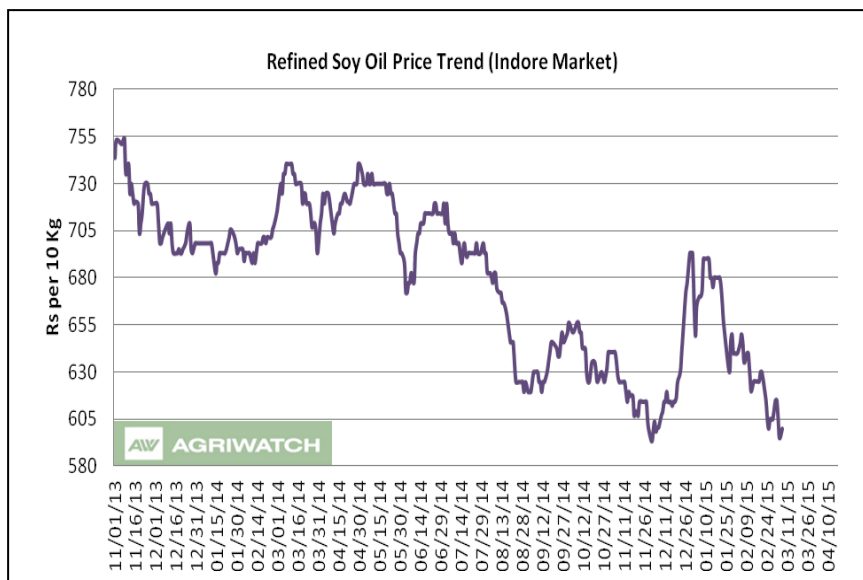
On the international front, talks of lower US Soybeans planted area for 2015-16 below trade assumptions, and good local demand for soybean against slow selling in US keep the market range bound to slightly higher. However, commencement of soybean harvesting season in South American countries and record soybean ending stocks projection keep the lid on bulls.

Palm oil supplies hurts in South East Asian countries due to floods and gains in the mineral oils may support the palm oil prices for short term. However, upcoming oilseed supplies from the South American countries and lower palm oil prices outlook for H2 may cap the bulls. Market participants eyed on the stock report of Malaysia in the coming week.

Soy oil Fundamental Analysis and Outlook:-

Domestic Front

- Soybean oil featured steady to weak tone during the week in review in line with the international soy oil market and limited buying.
- CIF soybean oil ready delivery featured losses after Brazil's strike wanes and quoted at USD 771 (804) per tons (March delivery) v/s USD 766 (768) per tons (April delivery) at Indian ports as on 9 March. CIF soybean oil quoted lower compared to February and monthly average CIF soy oil (Argentinean basis) was USD 799 per tons. Values in bracket depict last week prices.
- Indian buyers imported 2.474 lakh tons during 02 February-01 March 2015 majorly from Argentina and Brazil, up 23.4 percent from last month same period - IBIS data (data analyzed by Agriwatch). SEA of India revealed that Indian buyers imported 4.42 lakh tons during Nov 14-Jan 15 v/s 2.42 lakh tons same period of the last year. On the import front, India is likely to import 2.1 million tons of crude soybean oil in 2014-15 (AW proj.) v/s 1.95 million tons last year (SEA of India figures).
- New supplies from South American countries and weak meal demand may favor the bears in the coming days. However, diminishing oilseeds arrivals in major cash market, lower domestic oilseed production in the current season and in expectation of renewed demand at lower quotes keep the prices range bound.
- We have lowered India's soybean production forecast for 2014-15 to 10.5 MMT from last estimate of 11.1 MMT due to lower than preliminary potential yield output estimates, the yield is estimated to be 946 kg/ha v/s 1006 kg/ha (AW's Aug-Sept estimate) due to weather stress, lower than needed rains initially and prolonged dry weather. Last year soybean production estimate was 11 MMT. Subsequently, we have also lowered our estimates for domestic soy oil output for 2014/15 oil year to 1.615 MMT with a crushing of 9.5 MMT of soybean. We expect soy oil may trade range bound in the coming days.



International Front

- As per Reuters, number of ships waiting to load soy at Brazilian ports jumped 61 percent this week compared to a week earlier. Moreover, there are 82 ships currently waiting to load the oilseed along the Brazilian coast, up from 51 seen last Friday and expected to load a total volume of 5.17 million tons of soybean. Supplies are likely to pick in the coming weeks.
- Brazil's 2014-15 soybean crop is now 38 percent sold, up 32 percent from a month ago, but last year 58 percent of the crop were sold at this time - Safras e Mercado. The analyst projected 95-million tons of soybean crop production in 2015.
- USDA pegged U.S. soybean acreage for 2015 at 83.5 million acres, which is lower by 200,000 acres from last 2014 due to lower prices of soybean and record production in the current season.
- USDA' WASDE February Oilseeds Highlights - USDA increased Argentina's soybean production estimates to 56 million tons, up one million tons from last month estimates and lower Brazil's soybean production estimates to 94.50 million tons v/s 95.50 million tons last month estimates. USDA lowers its US soybean ending stocks estimates for 2014-15 to 10.48 million tons, down 1.8 million tons from last month estimates due to expectation of higher exports (48.7 mln t v/s 44.8 mln t last month estimates) and higher crushing (48.8 mln t v/s 47.1 mln t last month estimates) in 2014-15.
- On the international front, talks of lower US Soybeans planted area for 2015-16 below trade assumptions, and good local demand for soybean against slow selling in US keep the market range bound to slightly higher.

However, commencement of soybean harvesting season in South American countries and record soybean ending stocks projection keep the lid on bulls.

Price Outlook:

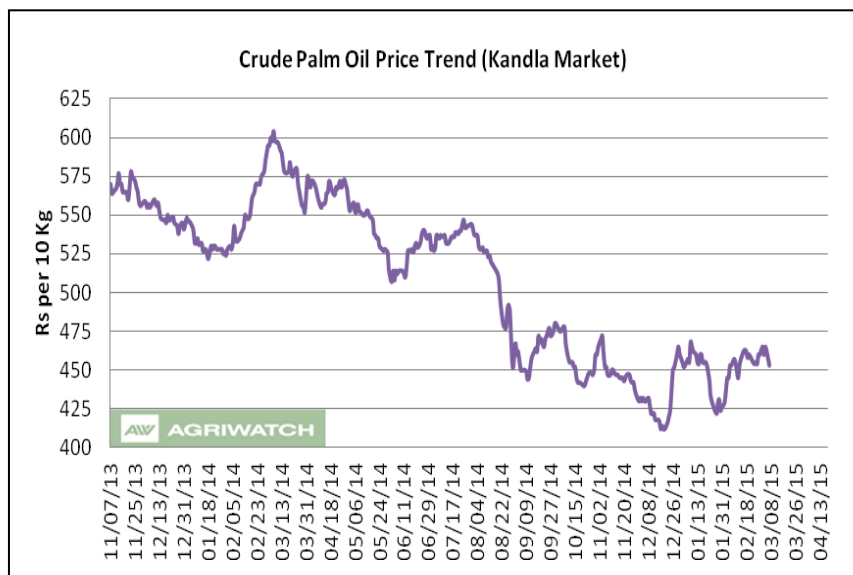
We expect refined soy oil at Indore (with VAT) to stay in the range of Rs 598-610 per 10 Kg in the near term.

Palm oil Fundamental Analysis and Outlook :-

Domestic Front

- Crude palm oil at Kandla witnessed sideways trend in line with the international palm oil market and need based buying.

- As per IBIS data (compiled by Agriwatch), Indian buyers imported 6.343 lakh tons of crude palm oil (down 34.70 percent m-o-m basis) and 1.450 lakh tons of RBD palmolein (up 40.07 percent m-o-m basis) from majorly Malaysia, Indonesia and Thailand during 02 February-01 March 2015. SEA revealed that India imports CPO 2.07 (1.57) lakh tons and 1.70 (5.80) lakh tons of RBD palmolein during Nov. 14-Jan. 15. Values in bracket



depicts last year same period import figures. India's import projections, India is likely to import 6.5 and 1.65 million tons of crude palm oil and RBD palmolein in 2014-15 (AW proj.) respectively. Last year, India imported 6.25 and 1.65 million tons of crude palm oil and RBD palmolein in 2013-14 (SEA of India figures) respectively.

- As per SEA of India, India's edible oil imports forecast at 12.5 million tons and palm oil imports estimate pegged at 8.65 million tons for 2014-15. As per industry expert, currently overall edible oil stocks (port and pipeline) are at around 1.7 million tons v/s 2.1 million tonnes end-December.
- Palm oil quoted lower at Indian ports compared to the last week. CNF CPO at Indian port is quoted at USD 655 (675) per tons for March delivery. Moreover, RBD palmolein (Malaysian origin) CNF at Indian port is offered at USD 655 (695) per tons for March delivery. CPO duty paid prices ready delivery quoted at Rs 460 per 10 Kg and March delivery is offered at Rs 453 per 10 Kg on 9 March 2015. Values in bracket depict last week quotes.
- New soybean supplies from South American countries and dull demand from top buyers support the bears. However, in expectation of lower palm oil ending stocks for February due to floods in Malaysia during January and lower stocks at Indian ports compared to Nov-Dec 2014 level may limit excessive losses.
- We expect palm oil likely to trade range bound in the days ahead.

International Front

- Weekly review & Outlook – Exports of Malaysian palm oil products for February fell 10.4 percent to 993,376 tons from 1,109,188 tons shipped during January, cargo surveyor Societe Generale de Surveillance. Country wise export details – India imported 246,575 (162,900) tons, China 43,312 (209,800) tons and European Union 260,435 (185,706) tons. Values in brackets depict same period of the last month.
- South East Asian palm oil output and ending stocks report - As per Reuter's survey of seven planters, traders and analysts forecast palm oil stocks at a median 1.67 million tons at the end of February, down 5.4 percent from January and the weakest since June. Moreover, CPO production seen at 1.13 million tons, down 3 percent from last month due to floods in the key oil palm growing regions of Malaysia. Malaysian Palm Oil Board data due on March 10

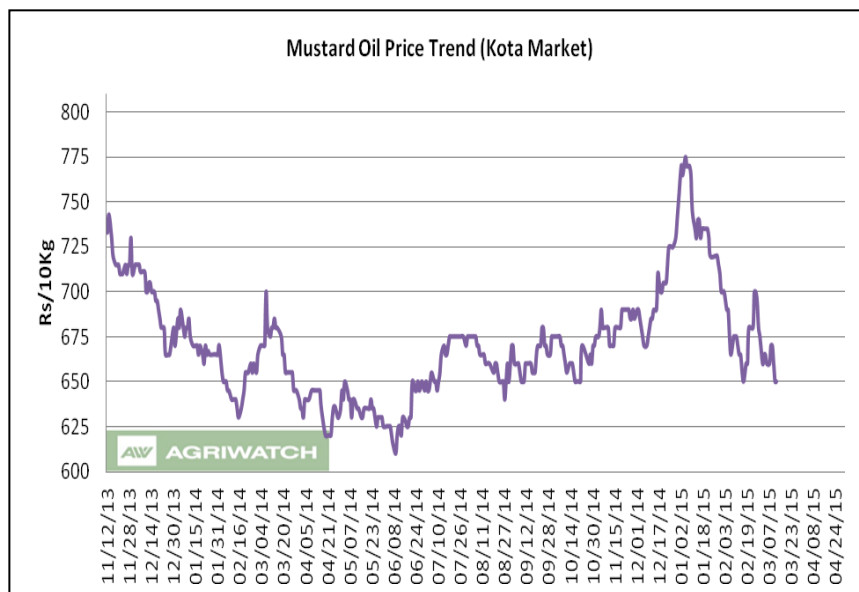
- As per Oil World, Indonesia palm oil production seen at 32.9 million tons for 2014-15 v/s 30.5 million tons last year and Malaysian palm oil production seen at 19.8 million tons for 2014-15. Moreover, CPO (at Rotterdam) and RBD palmolein (FOB Malaysia) prices for 2015 seen at USD 770 /T and USD 750/T respectively.
- As per Reuters survey, Indonesia crude palm oil production seen at 2.056 million tons in January v/s 2.165 million tons last month and exports also reported lower on m-o-m by 9.74 percent to 1.658 million tons. Indonesian CPO ending stocks seen at 2.413 million tons, slightly up by 3.73 percent.
- Policy development - Malaysia set its crude palm oil export tax for March at zero, unchanged from February. On the production front, combined crude palm oil output from Malaysia and Indonesia is expected to rise to 51.1 million tons in 2015 v/s 49.2 million tons last year – Malaysian government. Indonesia set its crude palm oil export tax for March at zero, unchanged from February – Indonesian Trade ministry.
- Palm oil supplies hurts in South East Asian countries due to floods and gains in the mineral oils may support the palm oil prices for short term. However, upcoming oilseed supplies from the South American countries and lower palm oil prices outlook for H2 may caps the bulls. Market participants eyed on the stock report of Malaysia in the coming week.

Price Outlook: We expect CPO Kandla 5 percent (with VAT) to stay in the range of Rs 447-462 per 10 Kg in the near term.

Rapeseed oil Fundamental Review and Analysis:-

Domestic Front

- Mustard oil featured consolidation tracking need based buying at lower quotes and lower crop prospects in the current season.
- We have lowered our mustard oil production forecast for 2014-15 at 2.318 MMT with a crushing of 6.1 MMT of mustard seed v/s 2.736 MMT last year. Lower production mainly attributed to lower area under rapeseed and heavy rains in the first week of March - Agriwatch estimates. India's import projections, India is likely to import 0.22 million tons of crude rapeseed oil in 2014-15 (AW proj.) v/s 0.199 million tons last year (SEA of India figures).
- Unseasonal rains and high winds during the last week over key rapeseed growing regions have caused damage to mustard seed crop. Most of the crop is in harvesting stage and grain development stage is over so the damage is not much as compared to wheat. Losses in crop yield and lower acreage in the current season may spur the bulls in the coming days. Around 120-140k bags of new mustard crop in Rajasthan reported on daily basis, higher compared to last week of pace (50-65k bags). Arrivals are likely to pick up pace from March onwards.
- On the planting front, Indian farmers have been sown 65.17 lakh hectares of mustard seed (2014-15 crop year) as on 26 Feb. 2015, which was 71.28 lakh ha. compared to the same period of last year. State wise details - in Rajasthan has been sown in 26.41 (30.50) lakh hectares, in MP sowing reached at 6.63 (8.14) lakh hectares and in UP sowing reached to 11.42 (10.67) lakh hectares. Values in bracket were last year same period figures. Three states above together account 70 percent of the total normal Rabi mustard acreage.
- India is set to harvest 7.36 million tonnes of rapeseed in the current crop year down from last year. Lower rapeseed production in the current season mainly attributed to the drop in India's mustard acreage (down 7 percent y-o-y) in the current season and dryness in the initial days of sowing - Farm Ministry.



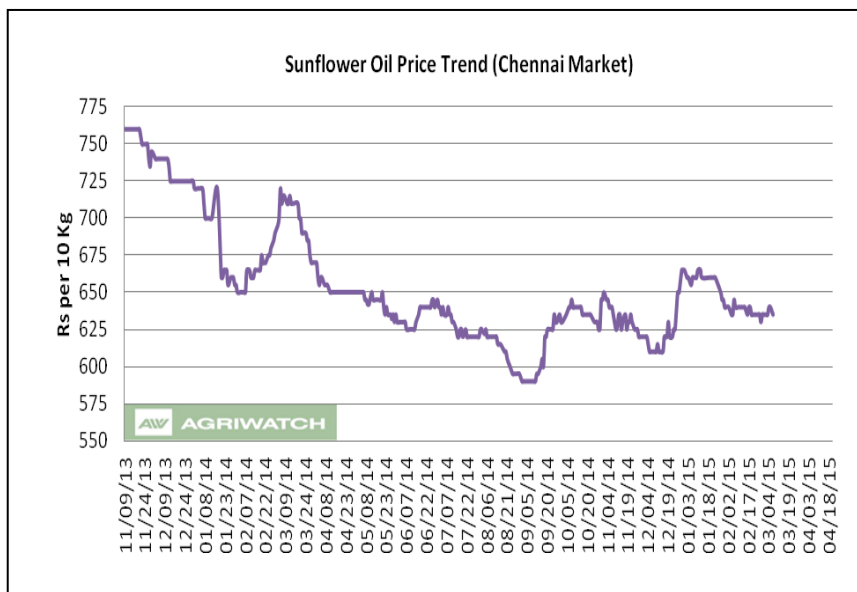
- USDA February report highlights - Global rapeseed production is projected at 71.24 million tons, up 1.11 percent on y-o-y basis tracking higher production in European Union. However, lower production figures witness from Canada and China. Global rapeseed exports during 2014-15 are likely to be 13.83 million tons v/s 15.10 million tons last year. Global ending stocks of rapeseed seen at 7.189 million tons (up 10.88 percent y-o-y basis)
- We expect RM seed oil prices may trade range bound in the coming days.

Price Outlook: Rapeseed oil (without VAT) prices in Kota may stay in the range of Rs 645-665 per 10 Kg.

Sunflower oil Fundamental Review and Analysis:-

Domestic Front

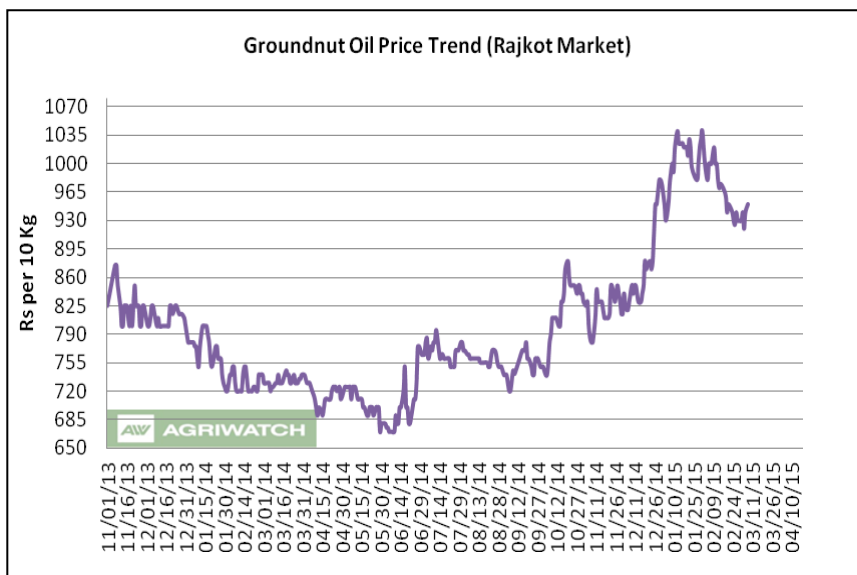
- Sunflower oil featured sideways trend during the week in review due to need-based demand. However, lower EU's sun seed production estimates for 2014/15 keep the sentiments slightly firm.
- On the domestic price front, sunflower oil CIF prices (Ukraine origin) quoted around USD 815 per tons for March delivery, as on 9 March 2015 v/s USD 817 per tons February average. Prices are likely to stay in the range of USD 805-822 per tons in the near term.
- On the planting front, Indian farmers have been sown 3.09 lakh hectares of Rabi sunseed as on 26 Feb. 2015, which was 28.3 percent lag compared to the last year same period. State wise details - in Karnataka sunflower has been sown in 2.03 (2.58) lakh hectares, and in Maharashtra sowing reached to 0.19 (0.35) lakh hectares. Values in bracket were last year same period figures.
- As per the industry experts, India's soft edible oils import seen at 4 million tons for 2015 v/s 3.6 million tons last year. AW's India's sun oil import projection - India is likely to import 1.46-1.48 million tons of crude sunflower oil in 2014-15 oil year (AW proj.) v/s 1.50 million tons last year (SEA of India figures). Lower global sunseed production estimates from European Union countries may keep the market premium compared to soy and rapeseed oil in the current season.
- As per IBIS (data analyzed by Agriwatch), Indian buyer imported 1.601 lakh tons of crude sunflower oil (down 58 percent on m-o-m basis) majorly from Ukraine and Argentina during 02Feb.-01 March 2015. As per SEA of India, Indian buyers imported 5.01 lakh tons of crude sunflower oil during Nov-Jan 2014-15 oil year majorly from Ukraine, up 38.3 percent from the corresponding period of the last year.
- European sun seed highlights – As per Strategie Grains' latest estimates for Europe's sunflower seed APY projection report for 2015-16, Europe rapeseed production is likely to fell 4.2 percent on y-o-y basis to 8.6 (8.9 last year) million tons for 2015-16, and area yield pegged at 4.3 million ha. v/s 4.2 million ha. last year.
- We expect sunflower oil prices may trade range bound in the coming days.



Price Outlook: Sunflower oil (with VAT) prices in Chennai may stay in the range of Rs 625-645 per 10 Kg.

Groundnut oil Fundamental Review and Analysis:- Domestic Front

- Groundnut oil prices trade with a slight gains at its benchmark market (Rajkot) during the week in review tracking renewed demand at lower quote. Moreover, shortage of raw material for crushing and lower crop estimates keeps the sentiments firm.
- As per sources, better buying at lower quotes and transportation hike may support the groundnut oil prices in the coming days. However, cheaper availability of edible oils (cottonseed and palm oil) and talks of inferior export quality of seed may curb excessive gains.
- The Railways hiked the basic freight charges of groundnut oil by nearly 6 percent, to Rs. 1,848 per tons from the present Rs. 1,746.60 per tons at an average lead of 1650 km. Hike in freight charges will lead to increase in prices of G/N oil.
- As per Ministry of agriculture, area coverage as on 26 Feb. 2015 during Rabi 2014-15 is lower by 13.05 percent to 7.26 lakh ha compared to corresponding period of rabi 2013-14. State wise details – in Telangana sowing reached to 1.32 (1.74) lakh hectares, in Karnataka sowing reached to 1.92 (2.16) lakh hectares and in Tamil Nadu sowing reached to 1.43 (1.72) lakh hectares. Values in bracket were last year same period figures.
- The directorate general of foreign trade (DGFT) has cut the minimum export price of edible oils in branded consumer packs of up to five kg to \$900 tons v/s \$1,100 a tons (previous), with immediate effect.
- Groundnut oil prices are likely to trade with a steady to slightly firm tone in the coming days owing to good demand from wholesalers and lower crop projection for 2015.

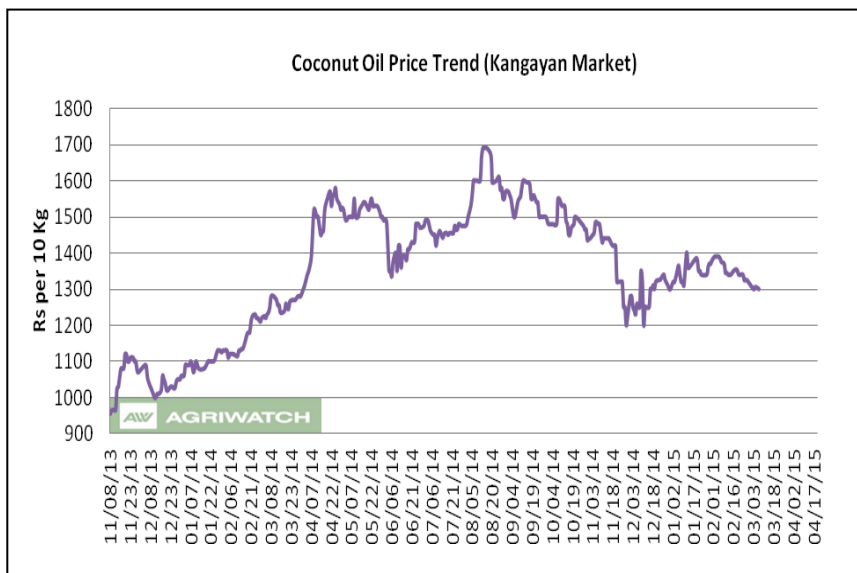


Price Outlook

Groundnut oil (without VAT) in Rajkot market is likely to trade in the price band of Rs 945-968 per 10 Kg.

Coconut Oil Fundamental Review and Analysis:- Domestic Front

- Coconut oil featured steady to weak tone at its benchmark market Kangeyam during the month owing to limited buying, demand shift to cheaper edible oils and new crop season.
- As per news sources, Marico imported 11,000 tons of coconut oil from Indonesia during the last 3 months for re-export the value added products to neighboring countries such as Bangladesh, West Asia and South-East Asia .
- According to the Cochin Oil Merchants Association, prices are likely to fall further from March when the season will be in full swing and

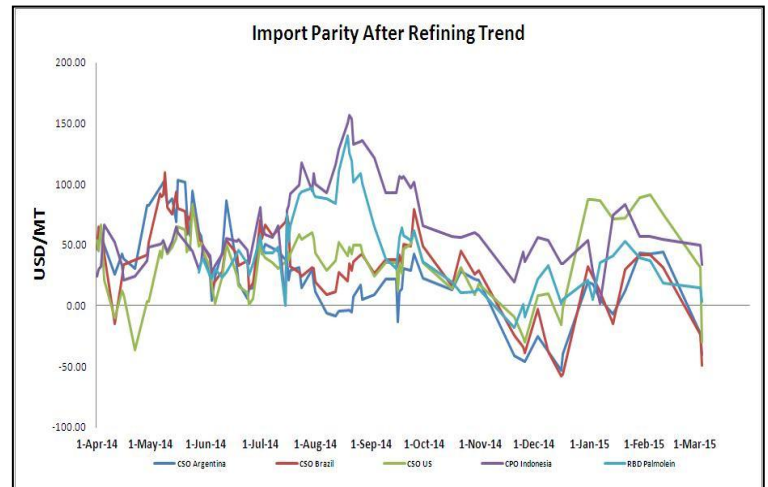
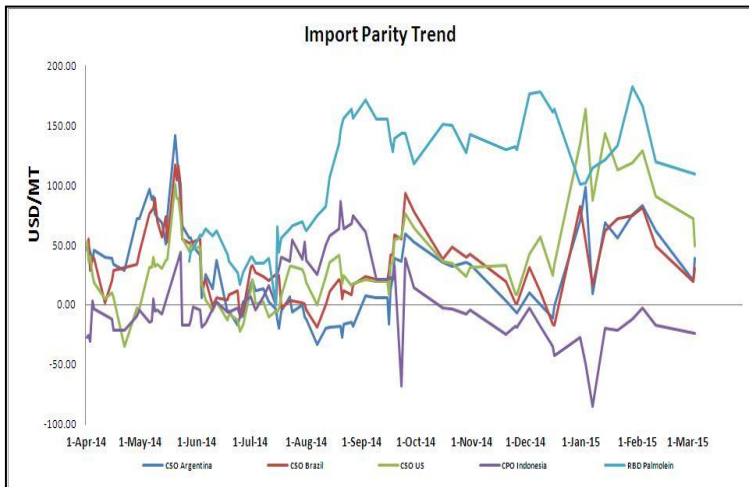


availability of copra at all producing centers surges.

- Weak trend in the crude oil prices, and demand shift to the cheaper edible oils like sunflower and palm oil may pressure the coconut oil prices in the near term. However, with the commencement of new season, renewed demand could witness at lower quotes.

Price Outlook: Coconut oil (without VAT) prices in Erode may stay in the range of Rs 1270-1350 per 10 Kg.

Import Parity Trend



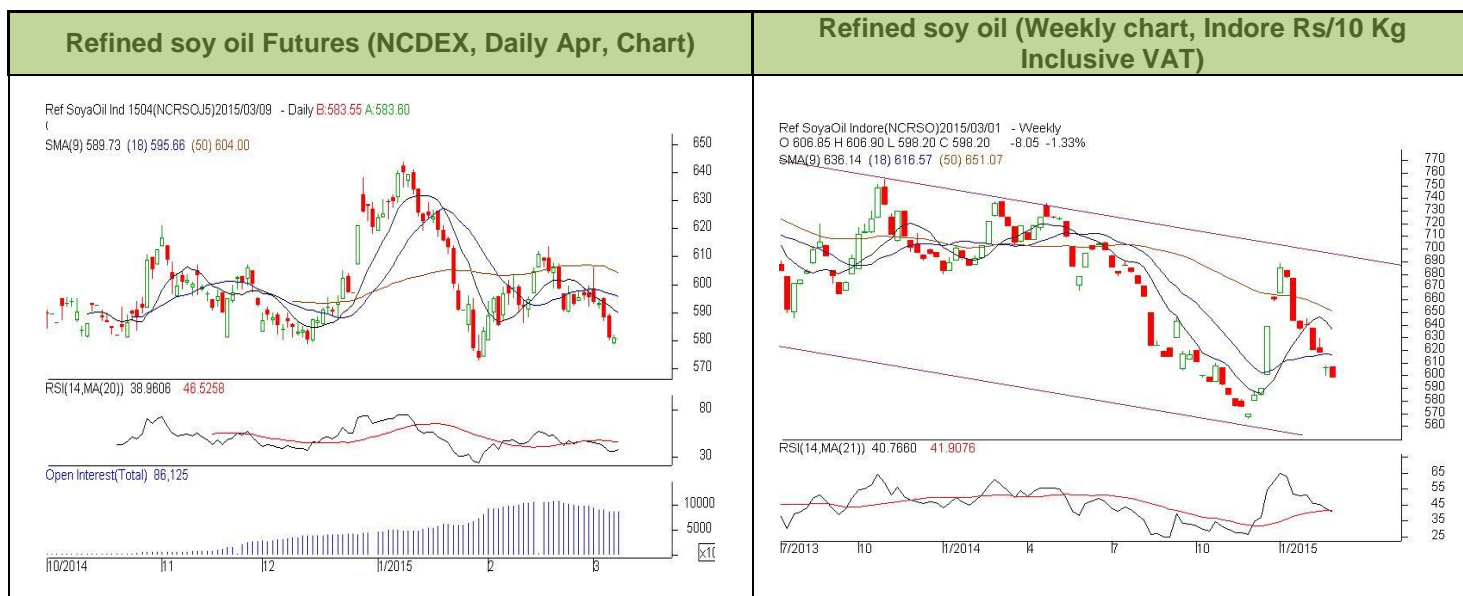
Import Parity After Refining in US dollar per tons (Monthly Average)

	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
Jan., 2015	14.36	17.11	81.11	48.89	34.87
Feb., 2015	21.43	16.44	65.90	55.87	27.76

Outlook:-

Import parity for crude soy oil from Argentina and palm oil after refining is hovering in negative territory due to expensive imported oils. We expect CDSO/palm oil import parity to be in the negative side. New Rabi oilseed arrivals, harvesting pressure from South American countries and disparity in veg. oil may favor lower imports during first half of March.

Technical Analysis (Refined soy oil)



Outlook – Refined soybean oil witnessed sideways trend during the week in review and likely to trade with a steady to weak tone in the coming days.

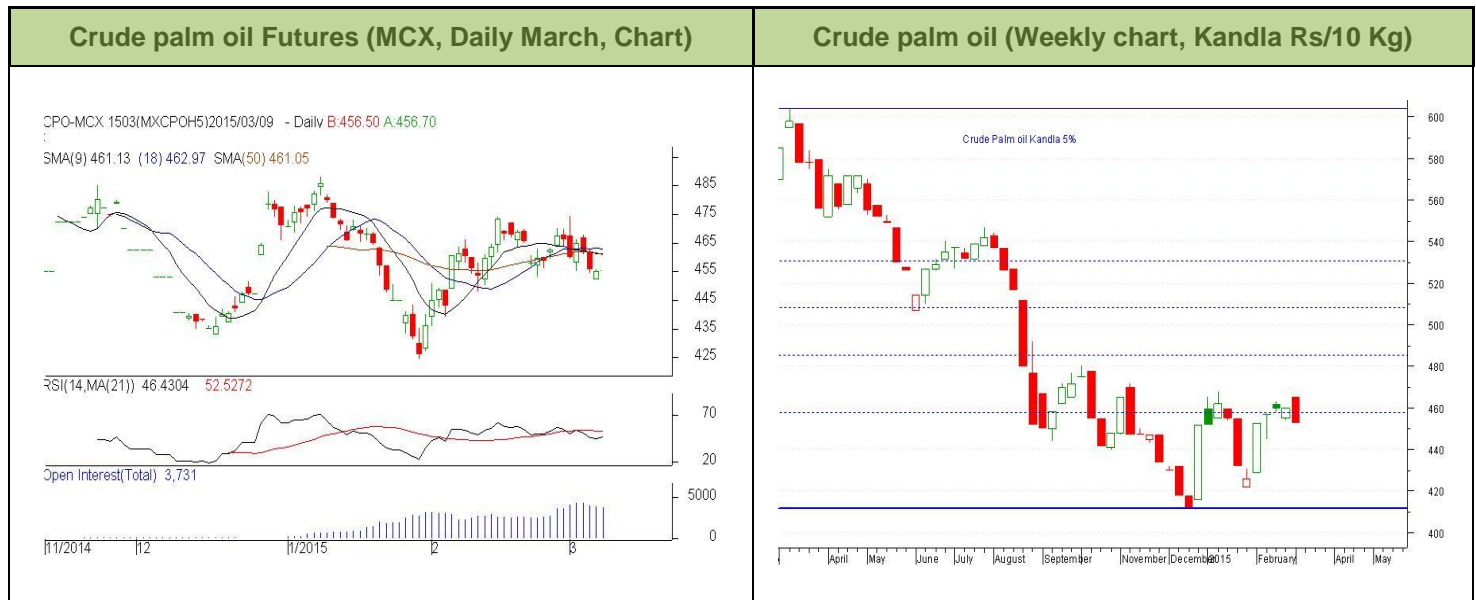
- ❖ Weekly chart of refined soy oil at NCDEX depicts consolidation during the week in review. We expect prices may trade with a steady to slightly weak note in the near term.
- ❖ Any close above 590.60 in weekly chart shall change the sentiments and might take the prices to a bullish phase.
- ❖ Expected price band for next week is 579-587 level in near to medium term. RSI is neutral region and no evidence of divergence with the ref. soy oil prices noticed.

Strategy: Market participant are advised to go short in RSO below 587 levels for a target of 581 and 579 with a stop loss at 585 on closing basis.

RSO NCDEX (Apr.)

Support and Resistance				
S2	S1	PCP	R1	R2
565.00	570.00	581.00	593.00	598.50

Spot Market outlook: Refined soy oil Indore (with VAT) is likely to stay in the range of Rs 598-610 per 10 Kg.

Technical Analysis (Crude Palm oil)


Outlook - Prices are showing sideways during the week. We expect CPO March contract may trade sideways to slightly weak note.

- ❖ Candlestick weekly chart of crude palm oil at MCX depicts consolidation in the prices. We expect prices may trade with a steady to firm note in the near term.
- ❖ Any close above 463.60 in weekly chart shall change the sentiments and might bring the prices to a bullish tone.
- ❖ Expected price band for next week is 452-460 level. RSI is in neutral region suggesting range bound to firm movement in the coming week.

Strategy: Market participants are advised to go short in CPO below 460 for a target of 454 and 452 with a stop loss at 463.60 on closing basis.

CPO MCX (March)

Support and Resistance				
S2	S1	PCP	R1	R2
445.00	450.00	455.00	473.00	478.00

Spot Market outlook: Crude palm oil is likely to stay in the range of Rs 447-462 per 10 Kg.

Veg. Oil Prices at Key Spot Markets

Commodity	Centre	Prices(Per 10 Kg)		Change
		5-Mar-15	27-Feb-15	
Refined Soybean Oil	Kota	610	615	-5
	Rajkot	597	600	-3
	Delhi	655	660	-5
	Mumbai	600	610	-10
	Indore	595	605	-10
	Kandla/Mundra	605	610	-5
	Kolkata	630	640	-10
	Indore (Soy Solvent Crude)	580	585	-5
	Mumbai (Soy Degum)	555	565	-10
	Kandla/Mundra (Soy Degum)	572	572	Unch
	Akola	640	641	-1
	Amrawati	639	640	-1
	Jalna	652	651	1
	Nagpur	645	643	2
	Alwar	NR	NR	-
	Solapur	653	651	2
	Bundi	615	630	-15
	Dhule	652	650	2
Palm Oil	Rajkot	510	515	-5
	Hyderabad	523	513	10
	Delhi	565	560	5
	Kandla (Crude Palm Oil)	462	460	2
	Kandla (RBD Palm oil)	500	500	Unch
	Mumbai RBD Pamolein	518	515	3
	Kandla RBD Pamolein	520	515	5
	Mangalore RBD Pamolein	525	518	7
	Chennai RBD Pamolein	520	515	5
	Kakinada RBD Pamolein	505	498	7
	KPT (krishna patnam)	505	498	7
	Haldia	518	517	1
	PFAD (Kandla)	370	360	10
	Refined Palm Stearin (Kandla)	390	380	10
Refined Sunflower Oil	Mumbai	635	635	Unch
	Mumbai(Expeller Oil)	580	570	10
	Kandla/Mundra (Crude)	580	580	Unch



	Erode (Expeller Oil)	670	665	5
	Hyderabad (Ref)	637	637	Unch
	Chennai	640	635	5
	Latur (Expeller Oil)	615	615	Unch
	Chellakere (Expeller Oil)	580	575	5
Groundnut Oil	Rajkot	940	930	10
	Chennai	870	850	20
	Delhi	800	830	-30
	Hyderabad *	895	895	Unch
	Mumbai	940	940	Unch
	Gondal	965	920	45
	Jamnagar	960	930	30
Rapeseed Oil/Mustard Oil	Mumbai (Expeller Oil)	660	695	-35
	Sri-GangaNagar(Exp Oil)	710	690	20
	Alwar (Expeller Oil)	Closed	740	-
	Kota (Expeller Oil)	650	660	-10
	Jaipur (Expeller Oil)	683	693	-10
	New Delhi (Expeller Oil)	745	750	-5
	Hapur (Expeller Oil)	730	720	10
	Sri-Ganga Nagar (Kacchi Ghani Oil)	730	710	20
	Kota (Kacchi Ghani Oil)	692	700	-8
	Jaipur (Kacchi Ghani Oil)	709	718	-9
	Agra (Kacchi Ghani Oil)	750	745	5
	Bharatpur (Kacchi Ghani Oil)	745	740	5
	Neewai (Kacchi Ghani Oil)	695	705	-10
	Hapur (Kacchi Ghani Oil)	770	750	20
Refined Cottonseed Oil	Mumbai	580	582	-2
	Rajkot	525	557	-32
	New Delhi	575	585	-10
	Hyderabad	570	580	-10
Coconut Oil	Kangayan (Crude)	1305	NR	-
	Cochin	1350	1370	-20
	Trissur	1300	1320	-20
Sesame Oil	New Delhi	750	750	Unch
	Mumbai	840	840	Unch

Kardi	Mumbai	870	870	Unch
Rice Bran Oil (40%)	New Delhi	NA	NA	-
Rice Bran Oil (4%)	Punjab	480	480	Unch
Rice Bran Oil (4%)	Uttar Pradesh	480	480	Unch
Malaysia Palmolein USD/MT	FOB	673	663	10
	CNF India	691	691	Unch
Indonesia CPO USD/MT	FOB	660	655	5
	CNF India	680	678	2
RBD Palm oil (Malaysia Origin USD/MT)	FOB	668	663	5
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	663	663	Unch
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1240	1250	-10
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	625	625	Unch
Ukraine Origin CSFO USD/MT Kandla	CIF	835	806	29
Rapeseed Oil Rotterdam Euro/MT	FOB (Dec delivery)	NA	NA	-
Argentina FOB (\$/MT)		4-Mar-15	26-Feb-15	Change
Crude Soybean Oil Ship		703	724	-21
Refined Soy Oil (Bulk) Ship		727	749	-22
Sunflower Oil Ship		NA	NA	-
Cottonseed Oil Ship		683	NA	-
Refined Linseed Oil (Bulk) Ship		NA	NA	-
* indicates including VAT				

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