

Executive Summary

Domestic Veg. Oil Market Summary

Steady to slightly firm sentiments witnessed in edible oil basket during the week in review on renewed buying at lower quotes. However, groundnut oil quoted down on w-o-w basis.

On the currency front, Indian rupee against USD closed at 62.32, up 0.31 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 need based buying ahead of wedding season. However, fine supplies from South American countries may cap excessive gains.

Recommendation:

Weekly Call - Market participant are advised to go short in RSO above 578 levels for a target of 570 and 568 with a stop loss at 582.80 on closing basis and go short in CPO above 436 for a target of 427 and 426 with a stop loss at 441.40 on closing basis.

International Veg. Oil Market Summary

Exports of Malaysian palm oil products for March rose 15 percent to 11,40,355 tons v/s 993,376 tons shipped during February - cargo surveyor Societe Generale de Surveillance. India & subcontinent imported 297,590 tons of palm oil products from Malaysia during March v/s 246,575 tons same period of the last month. Moreover, higher imports seen from Chinese buyers during March (138,870 tons v/s 43,312 last month).

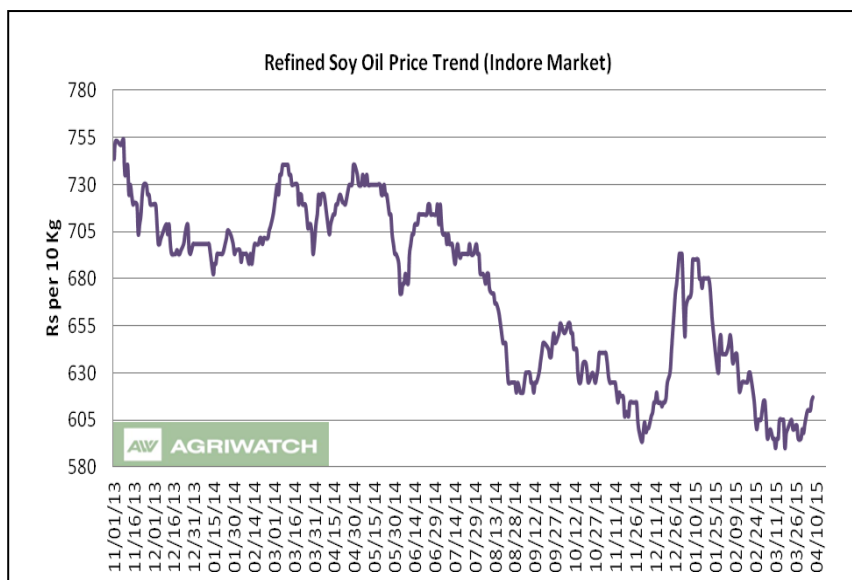
On the international front, new supplies from South American countries and downtrend in commodities support the bears. However, after the FED signaled a slower pace of interest rate hike and lower than expected US soy stocks, may curb excessive losses in the near term.

Rising palm oil inventories in South East Asian countries and new oilseed supplies from South American countries favor the bears for the coming weeks. However, renewed demand at lower quotes and supportive biodiesel policies by South East Asian countries may cap the excessive losses.

Soy oil Fundamental Analysis and Outlook:-

Domestic Front

- Soybean oil featured steady to firm tone during the week in review in line with the international soy oil market and better buying.
- As per IBIS (analyzed by Agriwatch), India imported 0.2649 lakh tons of crude degummed soybean oil during 30 March – 5 April (comprises of 0.143 lakh tons and 0.059 lakh tons from Argentina and Brazil respectively and the remaining imports were from Vietnam and Paraguay). SEA of India revealed that Indian buyers imported 6.82 lakh tons during Nov 14-Feb 15 v/s 3.39 lakh tons same period of the last year.
- USDA lower its India's soybean production estimate by 0.7 million tons to 9.8 million tons from previous estimates. Last year, India's soybean production was 9.5 million tons. India's soybean crushing for 2014-15 pegged at 7.5 million tons v/s 8.3 million tons last year due to slow selling by farmers, weak demand for meals and disparity in the crushing.
- We have intact our India's soybean production forecast for 2014-15 to 10.5 million tons from last estimate of 11.1 million tons. Moreover, domestic soy oil output for 2014/15 oil year pegged at 1.615 million tons with a crushing of 9.5 MMT of soybean. On the import front, India is likely to import 2.1 million tons of crude soybean oil in 2014-15 (AW proj.), up 7.6 percent from last year.
- Imported crude soybean oil CIF at west coast port is offered at USD 740 per tons for April/May delivery on 13 April versus USD 720 last week. Palm oil quoted slightly up on w-o-w basis due to gains in the crude oil and supportive biodiesel policy from Indonesian government. Last month, CIF CDSO March average price was USD 763 per tons.
- Soybean harvesting in South American countries is at normal pace and yields were reported fair to good. However, diminishing soybean arrivals in domestic cash market, wedding seasonal demand for oils and lower domestic oilseed production in the current season will keep the soy oil prices range bound for short term. Base import price for crude soybean oil is set at USD 734 per tons, effective from April 01, 2015.
- We expect soy oil may trade range bound in the coming days.



International Front

- Mixed soybean yield reported from Brazil and soybean harvesting have been 84 percent completed. CONAB, forecast Brazil's soybean production for 2014-15 MY to 94.28 million tons v/s 93.26 million tons March estimate.
- Soybean stocks in US were reported 36,297,960 tons as on March 1, 2015 (comprise of 16,579,710 tons on farms and 19,718,260 tons off farms) v/s 27,047,570 tons last year (comprise of 10,393,610 tons on farms and 16,653,950 tons off farms) compared to the same period of last year. The U.S.D.A. stocks numbers were below trade expectations.
- Informa Economics trimmed its forecast for soybeans to 87.485 million acres. USDA in February said it expected 2015 corn plantings of 89.0 million acres and soybean seeding at 83.5 million.
- USDA' WASDE Oilseeds Highlights - Projected prices for soybeans and soybean oil are reduced this month. The range for the season-average soybean price is lowered 10 cents at the midpoint to \$9.60 to \$10.60 per bushel based on marketing to date and lower expected prices for the second half of the marketing year. Soybean oil prices are projected at 30 to 33 cents per pound, down 0.5 cents at the midpoint. Soybean meal prices are projected at \$355 to \$385 per short ton, unchanged at the midpoint.

- On the international front, new supplies from South American countries and bearish trend in commodities support the bears. However, after the FED signaled a slower pace of interest rate hike and lower than expected US soy stocks, may curb excessive losses in the near term.

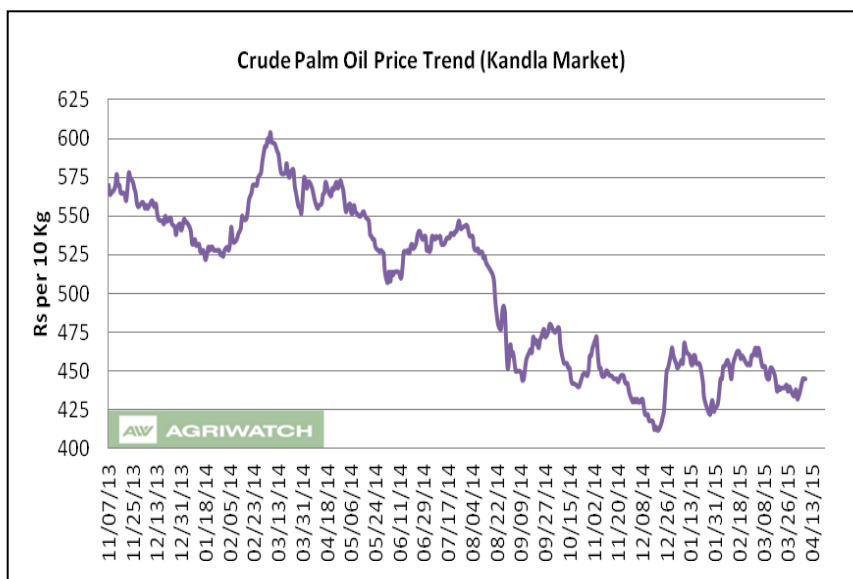
Price Outlook:

We expect refined soy oil at Indore (with VAT) to stay in the range of Rs 595-615 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.
- Palm oil import scenario - As per IBIS (analyzed by Agriwatch), India buyers imported 0.988 lakh tons of crude palm oil (comprises of 0.689 lakh tons from Indonesia and 0.256 lakh tons from Malaysia) and 0.173 lakh tons of RBD palmolein (comprises of 0.16 lakh tons from Indonesia and 0.01 lakh tons from Malaysia) during 30 March – 5 April. SEA revealed that India imports CPO 24.95 (18.48) lakh tons and 2.51 (7.05) lakh tons of RBD palmolein during Nov. 14-Feb. 15.



Values in bracket depicts last year same period import figures.

- CNF CPO (Indonesian origin) at Indian port is quoted at USD 635 per tons for April delivery. Moreover, RBD palmolein (Malaysian origin) CNF at Indian port is offered at USD 640 per tons for April delivery. CPO duty paid prices ready delivery quoted at Rs 435 per 10 Kg and April delivery is offered at Rs 437 per 10 Kg on 13 April 2015.
- Indian government has revise the tariff value for crude palm oil to US \$656/T, RBD palm oil to US \$ 665, crude and refined palmolein to 667, 670 (US dollar per metric tons) respectively. Tariff value is the base price at which the customs duty is determined to prevent under-invoicing.
- 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 March rose 15 percent to 11,40,355 tons v/s 993,376 tons shipped during February - cargo surveyor Societe Generale de Surveillance. India & subcontinent imported 297,590 tons of palm oil products from Malaysia during March v/s 246,575 tons same period of the last month. Moreover, higher imports witnessed from Chinese buyers during March (138,870 tons v/s 43,312 last month).
- As per Reuter's survey, Indonesian CPO production estimate pegged at 2.397 million tons versus 2.049 million tons in February and CPO exports in March climbed 3 percent in March to 1.8 million tons, up 2.85 percent m-o-m basis. Supply side outstripped the demand for palm oil during March, which led to increase in the Indonesian inventories to 2.667 million tons v/s 2.425 last month.
- As per MPOB's data, Malaysian palm oil end-stocks rose on m-o-m due to higher production of palm oil in March. Inventories in Malaysia rose 7.02 percent in March to 1.865 million tons against 1.743 tons month ago and production of palm oil during March was 1.494 million tons v/s 1.121 million tons last month. The report is bearish for edible oil complex.

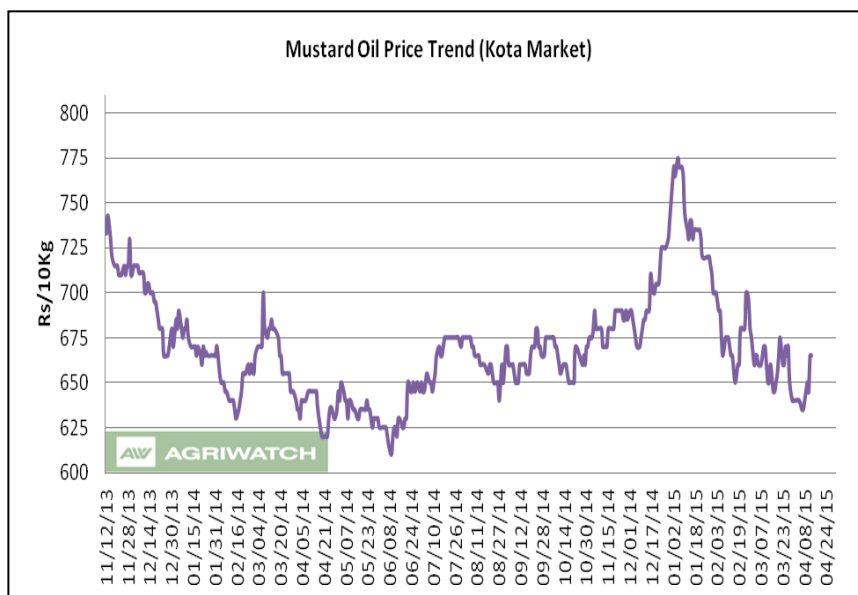
- Policy development - According to Indonesian trade ministry, Indonesia, largest palm oil producer in the world sets crude palm oil export tax at zero for April, unchanged from March. However, Malaysia set its crude palm oil export tax for April at 4.5 percent v/s zero last month.
- Rising palm oil inventories in South East Asian countries and new oilseed supplies from South American countries favor the bears for the coming weeks. However, renewed demand at lower quotes and supportive biodiesel policies by South East Asian countries may cap the excessive losses.

Price Outlook: We expect CPO Kandla 5 percent (with VAT) to stay in the range of Rs 430-442 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. Rising RM seed arrivals in the major cash market weigh on the market sentiments.
- Higher palm oil inventories in South East Asian countries, lower demand from top importers and rapeseed harvesting in India keep pressuring prices of mustard oil. However, lower RM seed production on y-o-y basis may cushion the losses. As per sources, more than 75 percent of the India's RM seed had been harvested as on first week of April.
- Indian government raise the benefits on rapeseed meal exports to 5 percent from earlier 2 percent and this benefit are covered under "Merchandise Exports from India Scheme" (MEIS). As per sources, India will start mustard cake exports to China very soon. Both the countries are likely to sign the MoU in the days ahead. China ban mustard meal imports from India after January 2012 due to quality concern, if export window opens, gains could be witness in mustard complex.
- We have lower our India's mustard production forecast for 2014-15 to 5.9 million tons from last estimate of 6.3 million tons due to unseasonal rains which lead to lower yield, the yield is estimated to be 905 kg/ha v/s 1084 kg/ha (AW's March estimate). Moreover, domestic RM seed oil output for 2014/15 oil year pegged at 2.242 million tons v/s 2.318 MMT previous estimates. Lower production mainly attributed to lower area under rapeseed and heavy rains in March - Agriwatch estimates.
- On the import front, 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).
- We expect RM seed oil prices may trade range bound in the coming days.

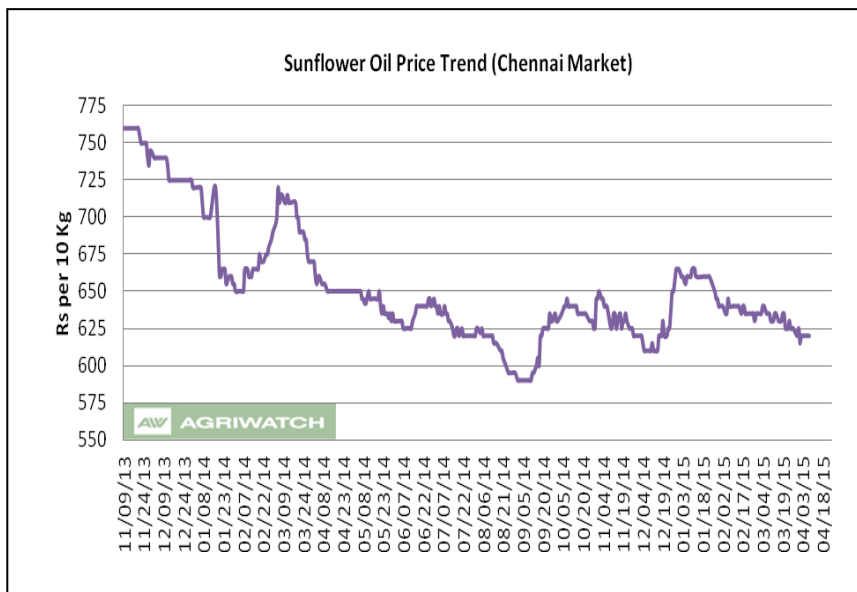


Price Outlook: Rapeseed oil (without VAT) prices in Kota may stay in the range of Rs 650-675 per 10 Kg.

Sunflower oil Fundamental Review and Analysis:-

Domestic Front

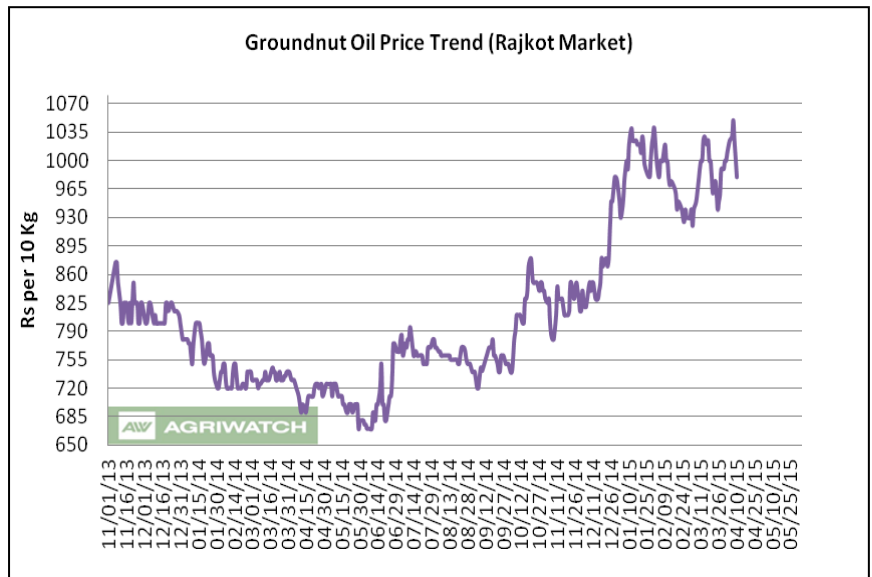
- Sunflower oil featured sideways to weak trend during the week in review due to need-based demand.
- On the domestic price front, sunflower oil CIF prices (Ukraine origin) quoted around USD 840 per tons f or AMJ delivery, as on 13 April 2015 v/s USD 824 per tons March average. Last week, CIF sun oil was around USD 825-830 per tons. Prices are likely to stay in the range of USD 832-852 per tons in the near term. Currently, CIF sun oil at Indian port is offered at USD 100 per tons premium against CIF soybean oil.
- India imported 0.22 lakh tons of crude sunflower oil, up 40 percent on m-o-m basis during 30 March – 5 April majorly from Ukraine – IBIS Data (analyzed by Agriwatch). As per SEA of India, Indian buyers imported 5.64 lakh tons of crude sunflower oil during Nov-Feb 2014-15 oil year majorly from Ukraine, up 34.2 percent from the corresponding period of the last year.
- Sunflower seed combined production in Ukraine and Russia seen at 19.12 million tons in 2014-15, down 2.8 million tons from last year record production - USDA.
- According to Ministry of Agrarian Policy and Food of Ukraine, the planted areas of sunflower seed reached to 12 thsd hectares as of April 2 v/s 256 thsd hectares same period of the last year. As per APK Inform-Agency, planted areas under sunflower seed in Ukraine are forecasted at 4.38 million hectares for 2015. On the production front, In January-February of 2015 the crude sunflower oil production in Ukraine totaled 0.649 million tons, down 8% compared with the same period in 2014.
- 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 615-635 per 10 Kg.

Groundnut oil Fundamental Review and Analysis:- Domestic Front

- Groundnut oil prices featured losses on limited buying and cancellation of G/N seed exports.
- Groundnut oil quoted lower on w-o-w basis tracking lower groundnut export demand from top buyers and cancellation of export shipments. Groundnut seed oil quoted Rs 980 per 10 Kg, down Rs 30 per 10 Kg from last week quotes. Groundnut exporters have stopped shipments to Yemen due to uncertainty in Yemen. The exports of groundnut from India to Yemen stood at 5,879 tonnes in 2013-14. Last week; Vietnam has suspended Indian groundnut imports temporarily, citing the infestation of serratus pest (Carydon Serratus Oliver). The Plant Protection Department of Vietnam has been asked to closely supervise peanuts consignments and apply strict plant quarantine measures for all the imported groundnut consignments from India during the period before the decision takes effect (w.e.f. 7th April, 2015).
- As per the latest report by Ministry of agriculture, area coverage as on 19 March 2015 during Rabi 2014-15 is lower by 0.27 lakh ha to 8.33 lakh ha compared to corresponding period of rabi 2013-14. State wise details – in Telangana sowing reached to 1.43 (1.74) lakh hectares, in Karnataka sowing reached to 2.01 (2.16) lakh hectares and in Tamil Nadu sowing reached to 1.53 (1.75) lakh hectares. Values in bracket were last year same period figures. The less area coverage under rabi oilseeds during current year compared to last year is due to late onset of monsoon during Kharif resulted in late sowing and harvesting of the Kharif crops, which hampered the timely commencement of sowing of rabi oilseeds and high temperature during sowing period hampered planting prospects.
- USDA G/N seed March report highlight - global groundnut seed production is projected lower at 38.93 million tons for 2014-15 v/s 39.78 million tons last year and India's groundnut seed production is projected lower at 4.8 million tons for current year, down 15 percent y-o-y basis.
- Groundnut oil prices are likely to trade with a steady tone in the coming days.

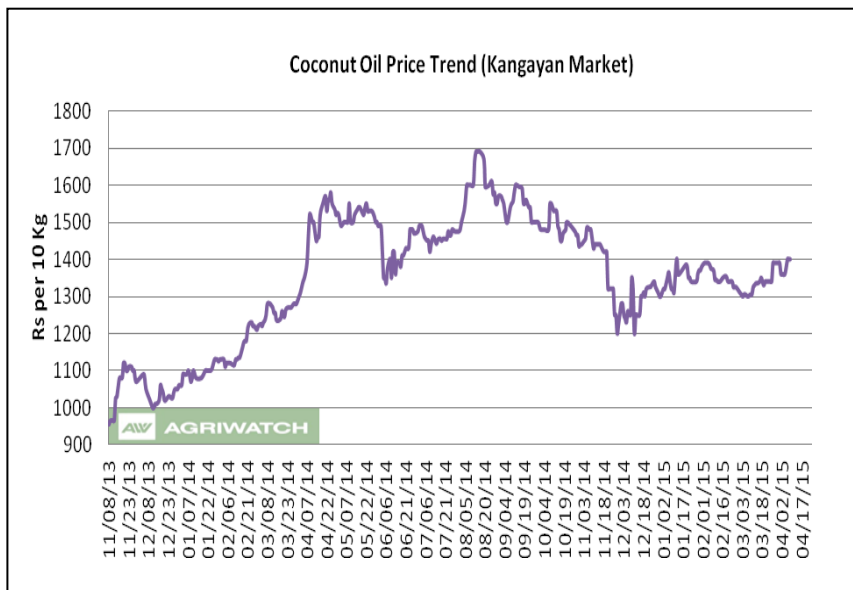


Price Outlook

Groundnut oil (without VAT) in Rajkot market is likely to trade in the price band of Rs 940-1010 per 10 Kg.

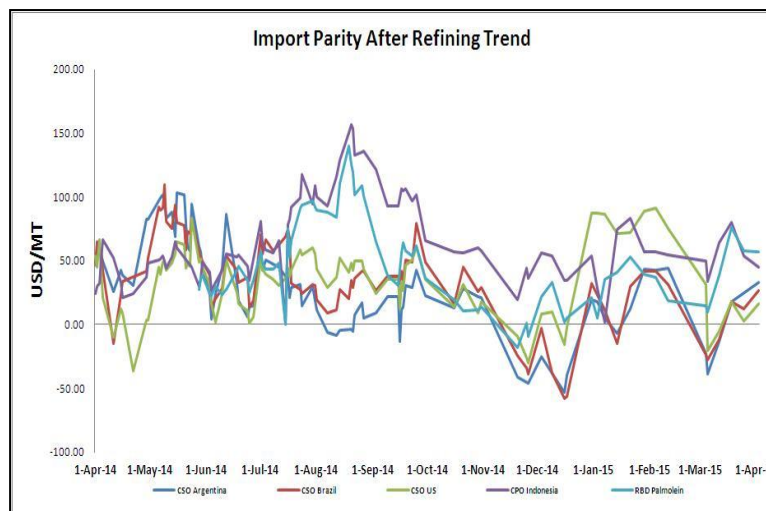
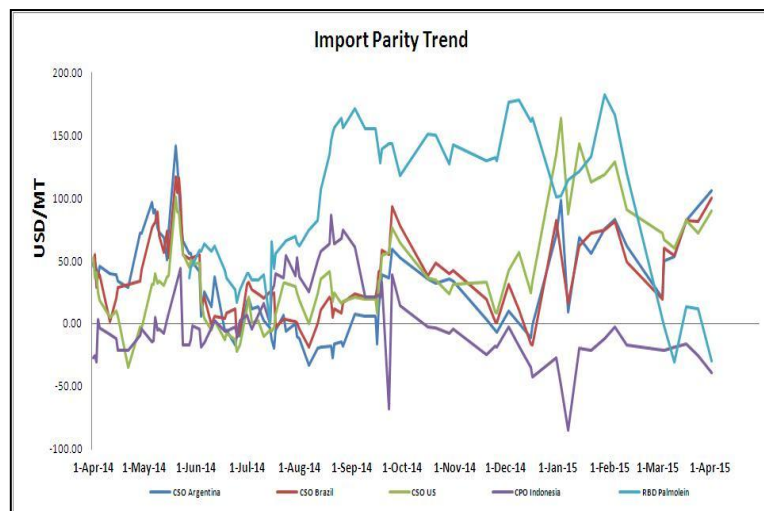
Coconut Oil Fundamental Review and Analysis:- Domestic Front

- Coconut oil featured sideways to slightly firm tone at its benchmark market Kangeyam during the week owing to need based buying. However, cheaper availability of edible oils caps the excessive gains.
- As per source, festival demand ahead of Vishu in Kerala next month supports the market sentiments and traders started stocking coconut oil in large quantities. Currently the coconut oil prices in Trissur is hovering near Rs 14,100 per quintal and quoting Rs 14,000 per quintal in Erode market on April 10.
- In expectation of renewed demand ahead of festivities in Southern India may support the coconut oil prices in the near term. However, cheaper availability of edible oils like sunflower and palm oil may limit the upside risk in the prices.



Price Outlook: Coconut oil (withut VAT) prices in Erode may stay in the range of Rs 1380-1450 per 10 Kg.

Import Parity Trend



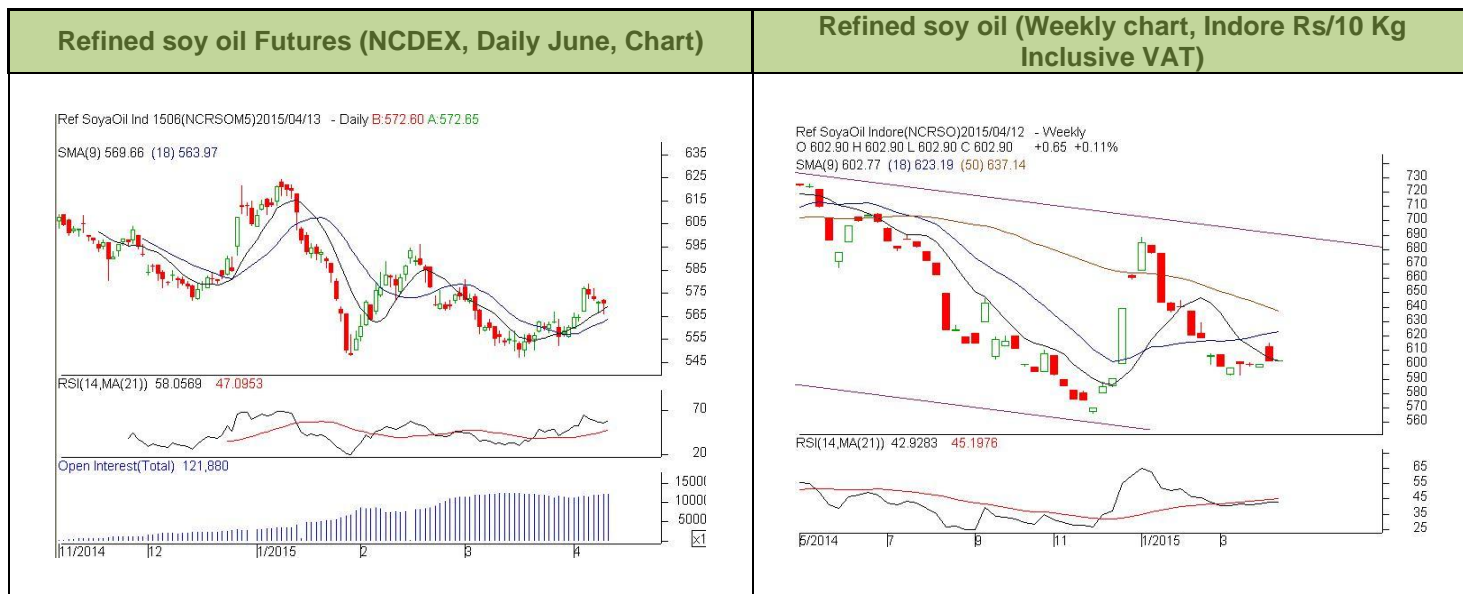
Import Parity After Refining in US dollar per tons (Monthly Average)

	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
Feb., 2015	21.43	16.44	65.90	55.87	27.76
Mar., 2015	-14.09	-6.64	5.23	56.32	39.44

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 import parity to be in the negative side. However, parity in palm oil products may favor higher palm oil imports in the coming days.

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 note in the near term.
- ❖ Any close above 582.80 in weekly chart shall change the sentiments and might take the prices to a bullish phase.
- ❖ Expected price band for next week is 568-578 level in near to medium term. RSI is neutral region and no evidence of divergence with the ref. soy oil prices noticed.

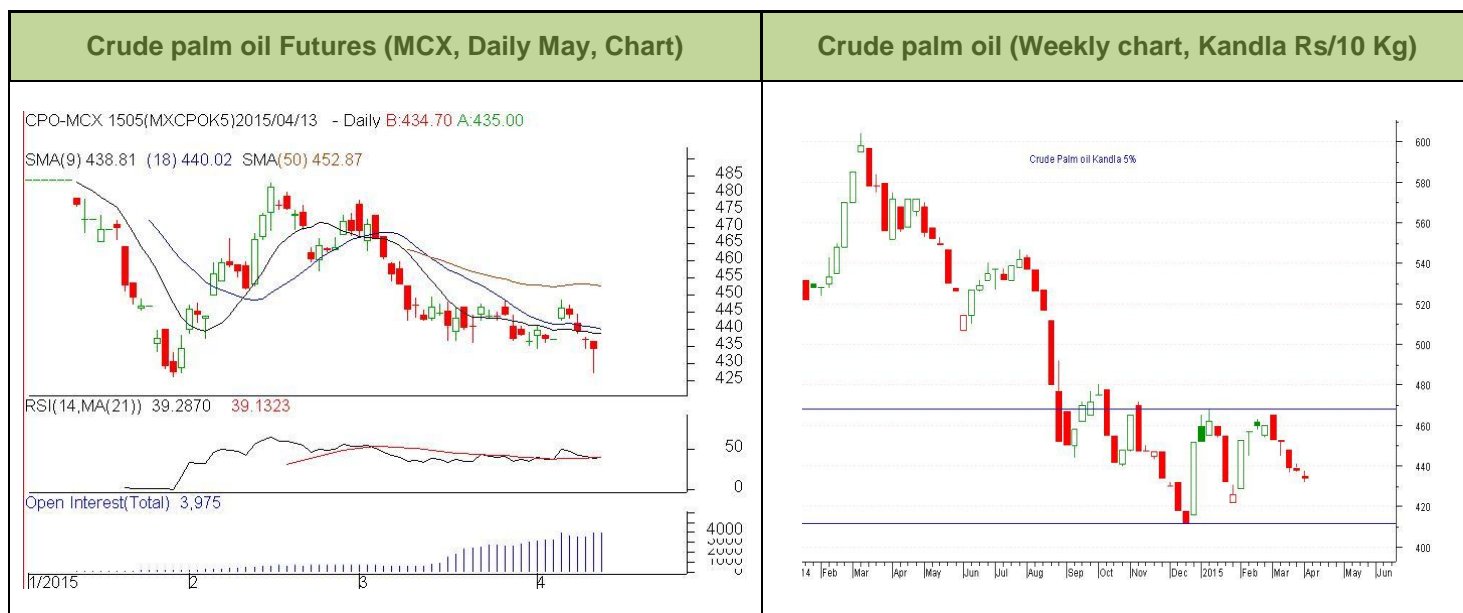
Strategy: Market participant are advised to go short in RSO above 578 levels for a target of 570 and 568 with a stop loss at 582.80 on closing basis.

RSO NCDEX (June)

Support and Resistance				
S2	S1	PCP	R1	R2
556.50	560.00	570.55	581.50	585.00

Spot Market outlook: Refined soy oil Indore (with VAT) is likely to stay in the range of Rs 595-615 per 10 Kg.

Technical Analysis (Crude Palm oil)



Outlook - Prices are showing sideways during the week. We expect CPO May contract may trade sideways 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 441.40 in weekly chart shall change the sentiments and might bring the prices to a bullish tone.
- ❖ Expected price band for next week is 426-436 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 above 436 for a target of 427 and 426 with a stop loss at 441.40 on closing basis.

CPO MCX (May)

Support and Resistance				
S2	S1	PCP	R1	R2
420	424	436.90	445	448

Spot Market outlook: Crude palm oil is likely to stay in the range of Rs 430-442 per 10 Kg.


Veg. Oil Prices at Key Spot Markets

Commodity	Centre	Prices(Per 10 Kg)		Change
		10-Apr-15	2-Apr-15	
Refined Soybean Oil	Kota	602	605	-3
	Rajkot	588	583	5
	Delhi	NR	635	-
	Mumbai	585	575	10
	Indore	605	603	2
	Kandla/Mundra	590	580	10
	Kolkata	600	592	8
	Indore (Soy Solvent Crude)	590	578	12
	Mumbai (Soy Degum)	545	542	3
	Kandla/Mundra (Soy Degum)	560	565	-5
	Akola	627	619	8
	Amrawati	627	620	7
	Jalna	639	634	5
	Nagpur	628	625	3
	Alwar	NR	NR	-
	Solapur	637	634	3
	Bundi	615	610	5
	Dhule	638	632	6
Palm Oil	Rajkot	475	483	-8
	Hyderabad	490	494	-4
	Delhi	NR	540	-
	Kandla (Crude Palm Oil)	431	434	-3
	Kandla (RBD Palm oil)	460	460	Unch
	Mumbai RBD Pamolein	488	490	-2
	Kandla RBD Pamolein	485	490	-5
	Mangalore RBD Pamolein	495	487	8
	Chennai RBD Pamolein	490	478	12
	Kakinada RBD Pamolein	480	475	5
	KPT (krishna patnam)	475	475	Unch
	Haldia	500	495	5
	PFAD (Kandla)	360	350	10
	Refined Palm Stearin (Kandla)	370	360	10
Refined Sunflower Oil	Mumbai	640	640	Unch
	Mumbai(Expeller Oil)	585	575	10
	Kandla/Mundra (Crude)	590	580	10
	Erode (Expeller Oil)	640	640	Unch
	Hyderabad (Ref)	627	618	9



	Chennai	630	620	10
	Latur (Expeller Oil)	600	595	5
	Chellakere (Expeller Oil)	575	570	5
Groundnut Oil	Rajkot	980	1010	-30
	Chennai	900	850	50
	Delhi	NR	840	-
	Hyderabad *	950	910	40
	Mumbai	980	970	10
	Gondal	975	1010	-35
	Jamnagar	975	1000	-25
Rapeseed Oil/Mustard Oil	Mumbai (Expeller Oil)	678	665	13
	Sri-GangaNagar(Exp Oil)	675	655	20
	Alwar (Expeller Oil)	NA	710	-
	Kota (Expeller Oil)	660	645	15
	Jaipur (Expeller Oil)	688	678	10
	New Delhi (Expeller Oil)	NR	675	-
	Hapur (Expeller Oil)	770	725	45
	Sri-Ganga Nagar (Kacchi Ghani Oil)	718	690	28
	Kota (Kacchi Ghani Oil)	710	685	25
	Jaipur (Kacchi Ghani Oil)	722	709	13
	Agra (Kacchi Ghani Oil)	755	745	10
	Bharatpur (Kacchi Ghani Oil)	750	740	10
	Neewai (Kacchi Ghani Oil)	707	697	10
	Hapur (Kacchi Ghani Oil)	780	775	5
Refined Cottonseed Oil	Mumbai	588	575	13
	Rajkot	560	555	5
	New Delhi	NR	545	-
	Hyderabad	555	550	5
Coconut Oil	Kangayan (Crude)	1400	1360	40
	Cochin	1340	1340	Unch
	Trissur	1410	1380	30
Sesame Oil	New Delhi	NR	740	-
	Mumbai	780	770	10
Kardi	Mumbai	870	870	Unch
Rice Bran Oil (40%)	New Delhi	NA	440	-
Rice Bran Oil (4%)	Punjab	480	480	Unch
Rice Bran Oil (4%)	Uttar Pradesh	480	480	Unch

Malaysia Palmolein USD/MT	FOB	610	610	Unch
	CNF India	638	638	Unch
Indonesia CPO USD/MT	FOB	618	633	-15
	CNF India	633	633	Unch
RBD Palm oil (Malaysia Origin USD/MT)	FOB	608	610	-2
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	605	610	-5
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1040	1020	20
Crude palm Kernel Oil India (USD/MT)	CNF India	NA	1020	-
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	583	585	-2
Ukraine Origin CSFO USD/MT Kandla	CIF	840	830	10
Rapeseed Oil Rotterdam Euro/MT	FOB	NA	695	-
Argentina FOB (\$/MT)		9-Apr-15	1-Apr-15	Change
Crude Soybean Oil Ship		652	645	7
Refined Soy Oil (Bulk) Ship		674	667	7
Sunflower Oil Ship		NA	NA	-
Cottonseed Oil Ship		NA	615	-
Refined Linseed Oil (Bulk) Ship		NA	NA	-
<i>* indicates including VAT</i>				

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