

Executive Summary

Domestic Veg. Oil Market Summary

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

On the currency front, Indian rupee against USD closed at 63.56, down 1.92 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 to firm tone due to need based buying ahead of wedding season and weak INR against USD. However, fine supplies from South American countries may cap excessive gains.

Recommendation:

Weekly Call - Market participant are advised to go long in RSO above 591 levels for a target of 599 and 602 with a stop loss at 586.20 on closing basis and go long in CPO above 442 for a target of 449 and 451.50 with a stop loss at 437.80 on closing basis.

International Veg. Oil Market Summary

Exports of Malaysian palm oil products for Apr. 1-20 rose 8.3 percent to 706,753 tonnes from 652,837 tonnes shipped during Mar. 1-20 - cargo surveyor Societe Generale de Surveillance. Country wise import details during April 1-20- European Union 107,412 mt (74,550 mt), China 140,985 mt (50,870 mt), Pakistan 28,380 mt (31,300 mt), United States 106,190 mt (52,615 mt), and India 82,300 mt (127,900 mt). Values in bracket depicts last month same period figures.

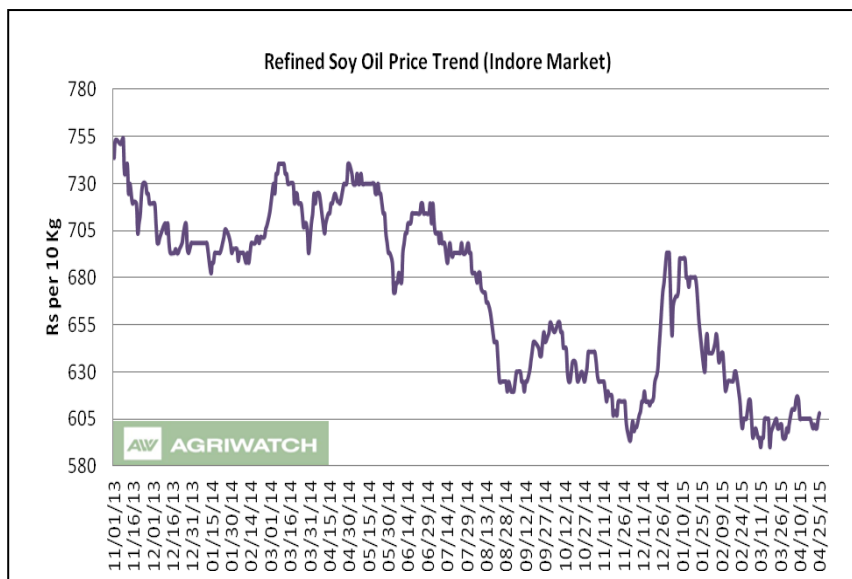
On the international front, new supplies from South American countries and downtrend in commodities support the bears. However, after the FED signaled a slower pace of interest rate hike and lower than expected US soy stocks, may curb excessive losses in the near term.

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 tracking depreciating Indian rupee against USD led to expensive imports and better buying ahead of wedding season.
- IMD's Operational long range Forecast for the 2015 Southwest monsoon rainfall is likely to be 93% of the Long Period Average (LPA) with a model error of $\pm 5\%$. The 5 climatological probability forecasts for the Seasonal (June to September) rainfall over the country as a whole as follows Deficient (16%), below (17%), Normal (33%), Above Normal (16%), & Excess (17%)
- Imported crude soybean oil CIF at west coast port is offered at USD 748 per tons for April/May delivery on 27 April. Last month, CIF CDSO March average price was USD 763 per tons. Soybean oil import scenario - As per IBIS (analyzed by Agriwatch), India imported 1.159 lakh tons of crude degummed soybean oil during 30 March – 19 April versus 1.603 lakh tons during last month same period. Lower margins after refining compared to palm oil products leads to lower shipments of cdso on m-o-m basis. During Nov 14-March 15, Indian buyers imported 8.73 lakh tons of cdso v/s 4.45 lakh tons same period of the last year.
- On the international front, supply side remain supporting the bears and soybean yield reported fair to good over key growing areas for South American countries. However, ongoing wedding season and lean season for oilseeds in the domestic cash market will keep the soy oil prices range bound to slightly firm tone.
- On the production front, we have intact our India's soybean production forecast for 2014-15 to 10.5 million tons and domestic soy oil output for 2014/15 oil year pegged at 1.615 million tons with a crushing of 9.5 MMT of soybean.
- We expect soy oil may trade range bound to slightly firm tone in the coming days.



International Front

- Soybean harvesting in Brazil is almost over and Argentina's farmers had brought 33 percent of the harvest as of second week of April, up 11 percent that had been collected by the same point last year – Government sources. Moreover, weather is dry and looks good for harvesting.
- Lower soybean prices slowed the offloading by Brazilian farmers. About 53 percent of soybean crop for 2014-15 had sold by farmers, with a production seen at 93.8 million tons v/s 63 percent last year and 64 percent 5 year average, said Agrural.
- 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.

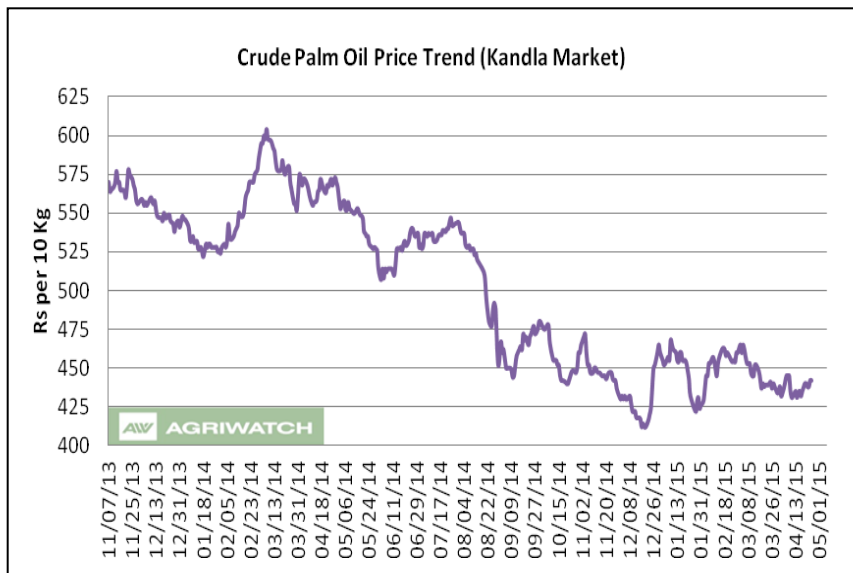
Price Outlook:

We expect refined soy oil at Indore (with VAT) to stay in the range of Rs 592-605 per 10 Kg in the near term.

Palm oil Fundamental Analysis and Outlook -:

Domestic Front

- Crude palm oil at Kandla witnessed sideways to firm tone 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 4.720 lakh tons of crude palm oil, up 11.6 percent on m-o-m basis and 1.13 lakh tons of RBD palmolein, up 37.2 percent on m-o-m basis during 30 March – 19 April. SEA revealed that India imports CPO 31.09 (22.7) lakh tons and 3.02 (8.17) lakh tons of RBD palmolein during Nov. 14-March. 15. Values in bracket depicts last year same period import figures.



- CNF CPO (Indonesian origin) at Indian port is quoted at USD 635 (632.50) per tons for May delivery. Moreover, RBD palmolein (Malaysian origin) CNF at Indian port is offered at USD 645 (640) per tons for May delivery. CPO duty paid prices ready lift quoted at Rs 444 per 10 Kg and April delivery is offered at Rs 447 per 10 Kg on 27 April 2015.
- As per the latest government notification, Indian Government has revised the tariff value for crude palm oil to US \$658, RBD palm oil to US \$682, Crude and refined palmolein to 684,687 (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

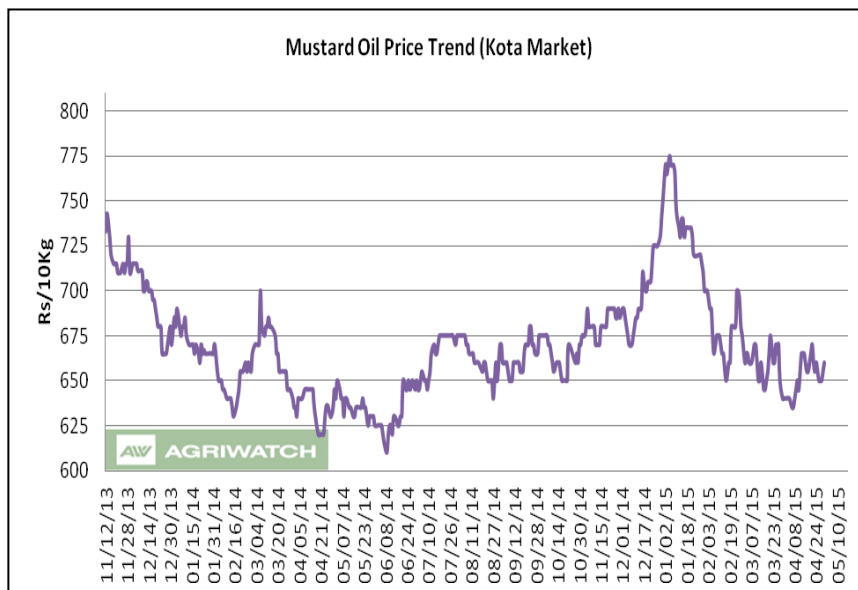
- Weekly review & Outlook – Exports of Malaysian palm oil products for Apr. 1-20 rose 8.3 percent to 706,753 tonnes from 652,837 tonnes shipped during Mar. 1-20 - cargo surveyor Societe Generale de Surveillance. Country wise import details during April 1-20- European Union 107,412 mt (74,550 mt), China 140,985 mt (50,870 mt), Pakistan 28,380 mt (31,300 mt), United States 106,190 mt (52,615 mt), and India 82,300 mt (127,900 mt). Values in bracket depicts last month same period figures.
- As per Malaysian Palm Oil Association, palm oil production in Malaysia may rose by 17 percent for April 1-20 compared with the same period a month ago.
- Indonesia's exports of palm and palm kernel oils for Jan-March 2015 stood at 5.63 million tons, up 14.1 percent from same period of the last year - Indonesian Palm Oil Association. On the production front, trade ideas expect palm oil output to reach 32.5 million tonnes in 2015, with about 21.5-22 million tons exported.
- 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.
- Policy development - Malaysia, the world's second-largest palm grower, will slash its crude palm oil export tax to zero for the month of May against 4.5 percent in April – Malaysian government circular. 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.
- 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 435-448 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.
- Unseasonal rains over key RM producing regions and restricted supply from farmers & stockists, despite of peak seasonal arrival period support the market sentiments. Moreover, trade ideas anticipating further gains in RM seed and oil prices in the coming days.
- As per sources, around 2.57 million hectares of mustard seed crop had damaged due to unseasonal rains and hailstorm over key RM seed producing regions (Rajasthan-1.5 million ha., Haryana – 0.12 million ha., and UP – 0.95 million ha.). As per sources, more than 78-84 percent of the India's RM seed had been harvested as of first week of April.
- 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.

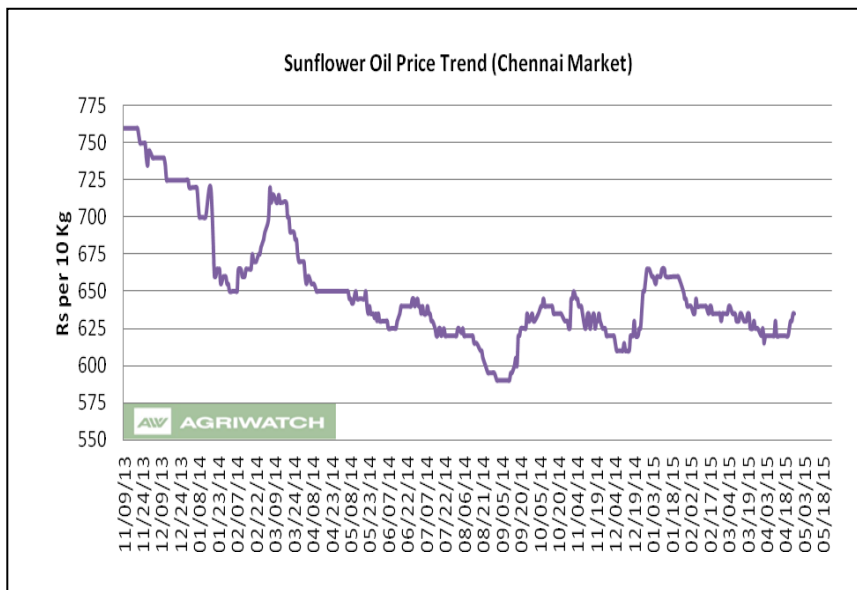


Price Outlook: Rapeseed oil (without VAT) prices in Kota may stay in the range of Rs 650-675 per 10 Kg.

Sunflower oil Fundamental Review and Analysis:-

Domestic Front

- Sunflower oil featured sideways to firm trend during the week in review due to good demand.
- Sunflower oil import scenario - India imported 1.194 lakh tons of crude sunflower oil during 30 March – 19 April versus 1.347 lakh tons in last month same period majorly from Ukraine. 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.
- CIF sunflower oil prices (Ukraine origin) at west coast of India quoted around USD 875 per tons for AMJ delivery and JAS delivery is offered at USD 880 per tons, as on 27 April 2015 v/s USD 824 per tons March average. Last week, CIF sun oil was around USD 835-840 per tons.
- Prices are likely to stay in the range of USD 865-890 per tons in the near term. CIF Sunflower oil premium against crude soybean oil narrows during the week and hovering at USD 127 per tons versus USD 90-95 last week. Higher sun oil shipments likely to witness in the coming days from Ukraine.
- Sunflower seed combined production in Ukraine and Russia seen at 19.12 million tons in 2014-15, down 2.8 million tons from last year record production - USDA.
- We expect sunflower oil prices may trade range bound 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

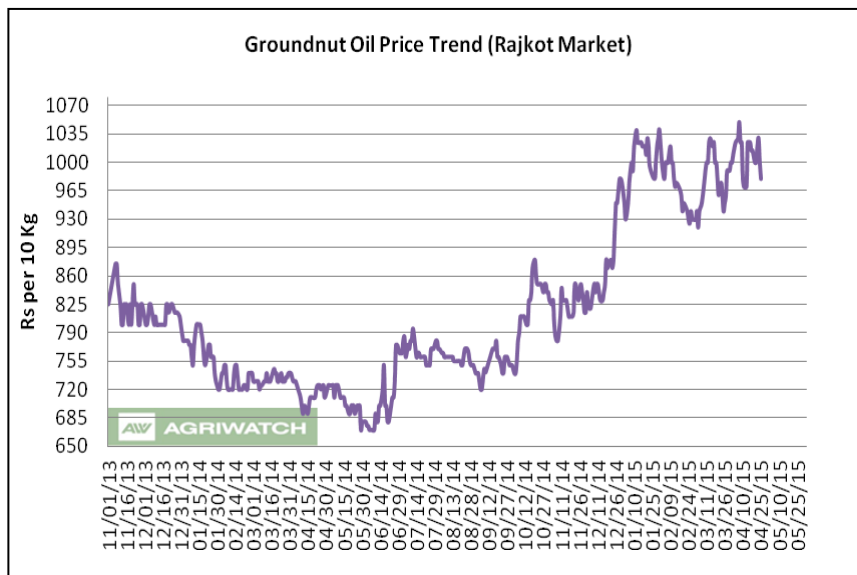
- Groundnut oil prices featured sideways trend on need based buying. However, cancellation of G/N seed exports caps the excessive gains.
- As per sources, cotton area in Saurashtra Gujarat may shift to Groundnut and Guar in the coming Kharif season (2015-16) due to lower prices of cotton compared to groundnut & Guar. However, lower rainfall prediction over India in the coming monsoon season may check the crop shifting.
- 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.

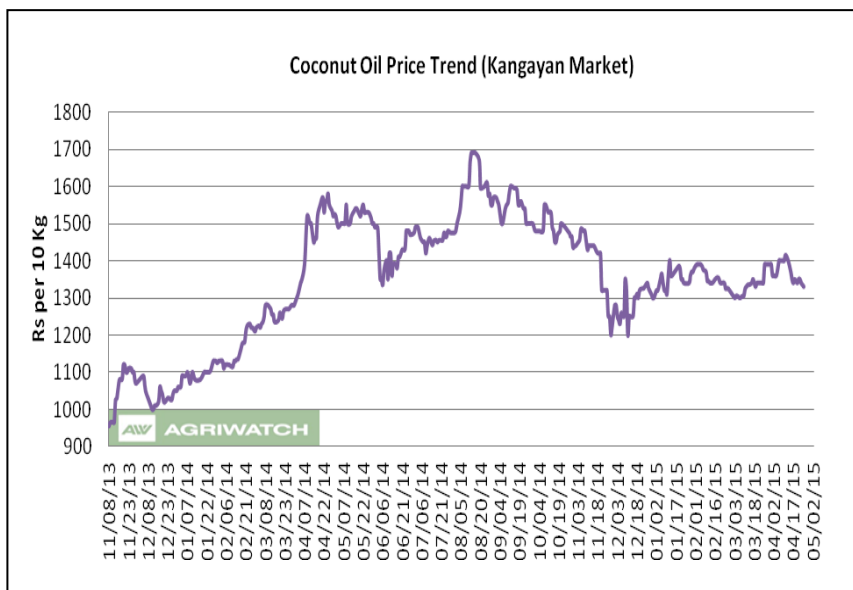
Price Outlook

Groundnut oil (without VAT) in Rajkot market is likely to trade in the price band of Rs 990-1050 per 10 Kg.



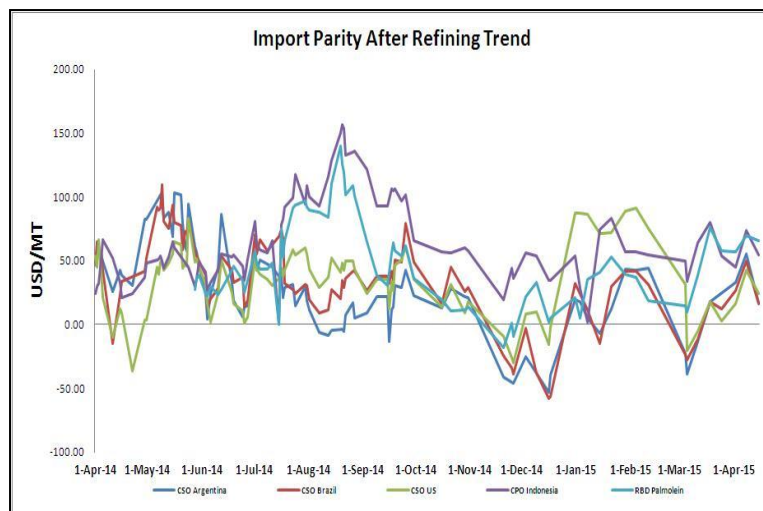
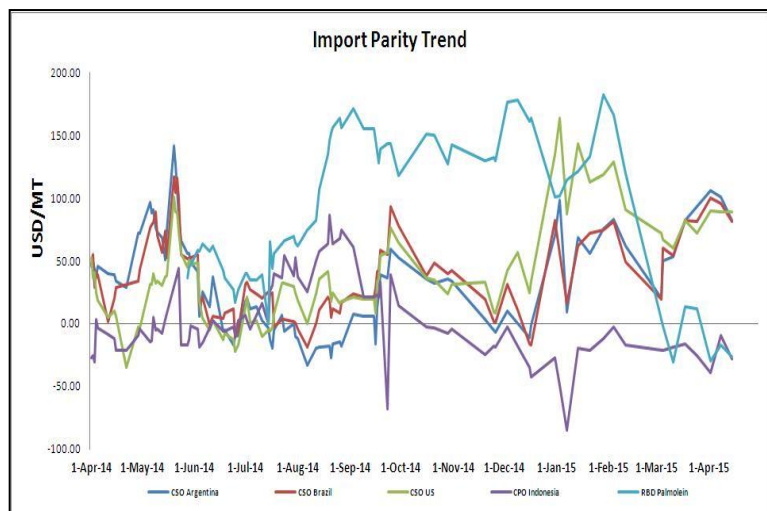
Coconut Oil Fundamental Review and Analysis:- Domestic Front

- Coconut oil featured sideways to weak tone at its benchmark market Kangeyam during the week owing to need based buying and cheaper availability of edible oils.
- As per news sources, KLF Nirmal is entering the market with “Cocodaily” (which has 20 percent coconut oil and 80 per cent sunflower oil). KLF Nirmal is looking at Karnataka, Tamil Nadu and the Gulf markets for promoting the product. On the price front, currently the coconut oil prices in Trissur is hovering near Rs 13,800 per quintal and quoting Rs 13,300 per quintal in Erode market on April 25.
- Coconut oil prices may trade sideways tracking cheaper availability of edible oils like sunflower and palm oil and need based demand.



Price Outlook: Coconut oil (withut VAT) prices in Erode may stay in the range of Rs 1315-1415 per 10 Kg.

Import Parity Trend



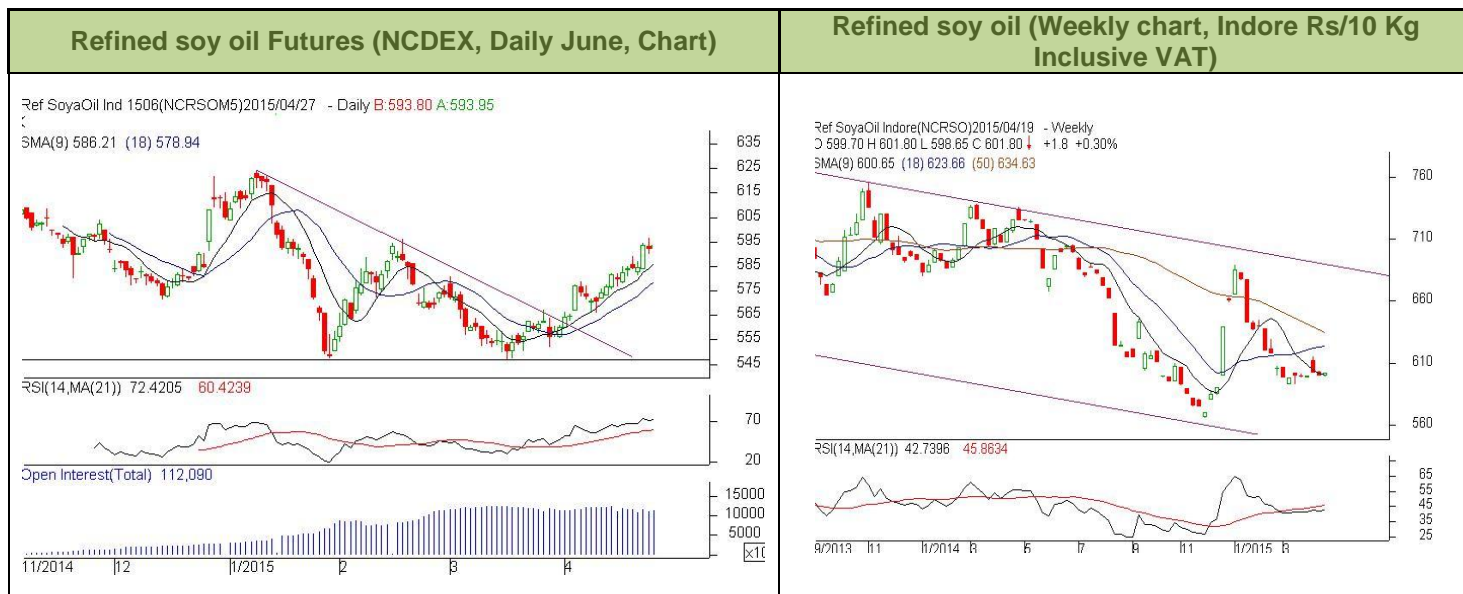
Import Parity After Refining in US dollar per tons (Monthly Average)

	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 below 586.2 in weekly chart shall change the sentiments and might take the prices to a bearish phase.
- ❖ Expected price band for next week is 591-602 level in near to medium term. RSI is neutral region and no evidence of divergence with the ref. soy oil prices noticed.

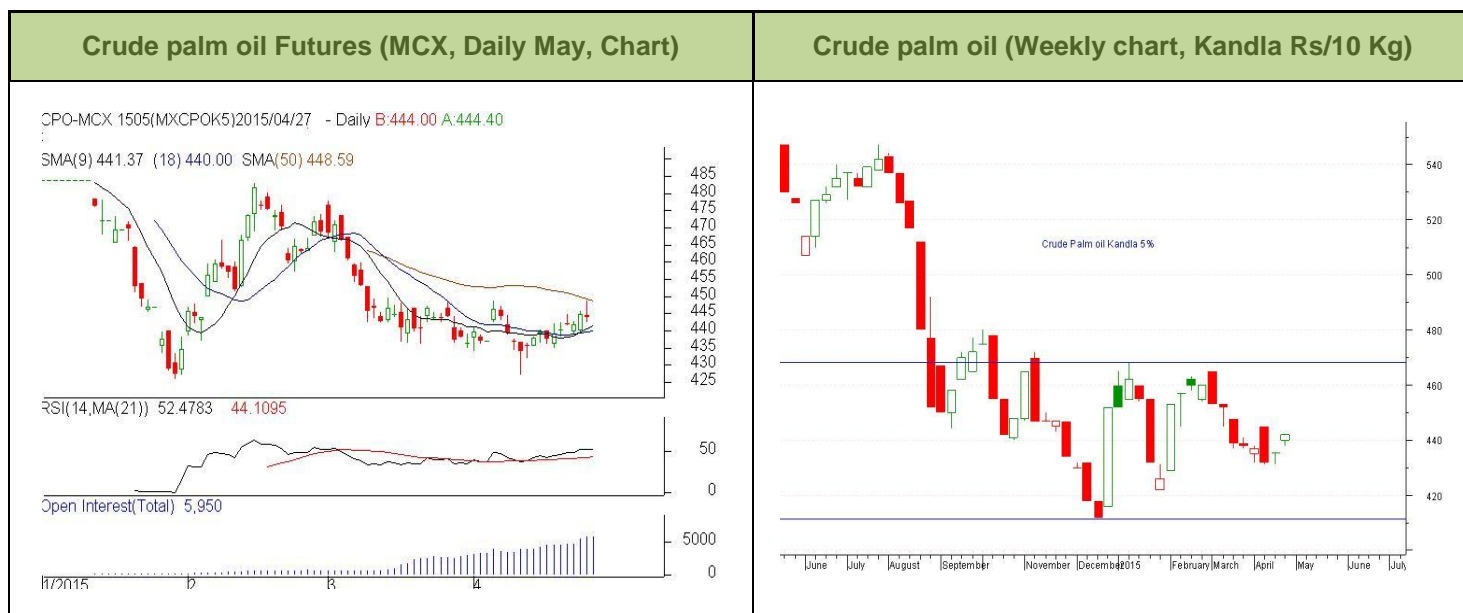
Strategy: Market participant are advised to go long in RSO above 591 levels for a target of 599 and 602 with a stop loss at 586.20 on closing basis.

RSO NCDEX (June)

Support and Resistance				
S2	S1	PCP	R1	R2
576.00	581.00	591.85	604.00	608.00

Spot Market outlook: Refined soy oil Indore (with VAT) is likely to stay in the range of Rs 600-615 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 below 437.80 in weekly chart shall change the sentiments and might bring the prices to a bearish tone.
- ❖ Expected price band for next week is 442-451.50 level. RSI is in neutral region suggesting range bound to firm movement in the coming week.

Strategy: Market participants are advised to go long in CPO above 442 for a target of 449 and 451.50 with a stop loss at 437.80 on closing basis.

CPO MCX (May)

Support and Resistance				
S2	S1	PCP	R1	R2
431.00	435.00	444.00	454.00	458.00

Spot Market outlook: Crude palm oil is likely to stay in the range of Rs 438-453 per 10 Kg.

Veg. Oil Prices at Key Spot Markets

Commodity	Centre	Prices(Per 10 Kg)		Change
		24-Apr-15	17-Apr-15	
Refined Soybean Oil	Kota	613	610	3
	Rajkot	585	585	Unch
	Delhi	650	648	2
	Mumbai	590	585	5
	Indore	605	605	Unch
	Kandla/Mundra	590	590	Unch
	Kolkata	605	598	7
	Indore (Soy Solvent Crude)	590	585	5
	Mumbai (Soy Degum)	550	550	Unch
	Kandla/Mundra (Soy Degum)	555	568	-13
	Akola	625	624	1
	Amrawati	625	624	1
	Jalna	637	632	5
	Nagpur	628	625	3
	Alwar	NR	NR	-
	Solapur	635	632	3
	Bundi	615	610	5
	Dhule	635	634	1
Palm Oil	Rajkot	489	485	4
	Hyderabad	504	499	5
	Delhi	550	543	7
	Kandla (Crude Palm Oil)	442	432	10
	Kandla (RBD Palm oil)	470	465	5
	Mumbai RBD Pamolein	500	487	13
	Kandla RBD Pamolein	495	490	5
	Mangalore RBD Pamolein	505	495	10
	Chennai RBD Pamolein	505	495	10
	Kakinada RBD Pamolein	485	480	5
	KPT (krishna patnam)	480	475	5
	Haldia	502	497	5
	PFAD (Kandla)	380	370	10
	Refined Palm Stearin (Kandla)	385	380	5
Refined Sunflower Oil	Mumbai	660	640	20
	Mumbai(Expeller Oil)	600	585	15
	Kandla/Mundra (Crude)	600	590	10
	Erode (Expeller Oil)	655	640	15
	Hyderabad (Ref)	627	627	Unch



	Chennai	635	620	15
	Latur (Expeller Oil)	615	600	15
	Chellakere (Expeller Oil)	585	575	10
Groundnut Oil	Rajkot	1000	1015	-15
	Chennai	930	920	10
	Delhi	NR	NR	-
	Hyderabad *	1000	1000	Unch
	Mumbai	960	980	-20
	Gondal	950	1000	-50
	Jamnagar	960	1015	-55
Rapeseed Oil/Mustard Oil	Mumbai (Expeller Oil)	688	695	-7
	Sri-GangaNagar(Exp Oil)	660	680	-20
	Alwar (Expeller Oil)	740	NA	-
	Kota (Expeller Oil)	655	655	Unch
	Jaipur (Expeller Oil)	694	692	2
	New Delhi (Expeller Oil)	690	695	-5
	Hapur (Expeller Oil)	760	777	-17
	Sri-Ganga Nagar (Kacchi Ghani Oil)	725	730	-5
	Kota (Kacchi Ghani Oil)	722	725	-3
	Jaipur (Kacchi Ghani Oil)	741	731	10
	Agra (Kacchi Ghani Oil)	770	765	5
	Bharatpur (Kacchi Ghani Oil)	765	760	5
	Neewai (Kacchi Ghani Oil)	725	723	2
	Hapur (Kacchi Ghani Oil)	790	780	10
Refined Cottonseed Oil	Mumbai	600	590	10
	Rajkot	585	572	13
	New Delhi	570	550	20
	Hyderabad	570	560	10
Coconut Oil	Kangayan (Crude)	1335	1340	-5
	Cochin	1340	1340	Unch
	Trissur	1385	1400	-15
Sesame Oil	New Delhi	NR	NR	-
	Mumbai	785	780	5
Kardi	Mumbai	870	870	Unch
Rice Bran Oil (40%)	New Delhi	NR	NR	-
Rice Bran Oil (4%)	Punjab	480	480	Unch
Rice Bran Oil (4%)	Uttar Pradesh	480	480	Unch



Malaysia Palmolein USD/MT	FOB	630	615	15
	CNF India	650	640	10
Indonesia CPO USD/MT	FOB	615	615	Unch
	CNF India	640	635	5
RBD Palm oil (Malaysia Origin USD/MT)	FOB	628	613	15
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	618	610	8
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1040	1035	5
Crude palm Kernel Oil India (USD/MT)	CNF India	1010	1020	-10
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	590	585	5
Ukraine Origin CSFO USD/MT Kandla	CIF	865	840	25
Rapeseed Oil Rotterdam Euro/MT	FOB	690	705	-15
Argentina FOB (\$/MT)		23-Apr-15	16-Apr-15	Change
Crude Soybean Oil Ship		682	676	6
Refined Soy Oil (Bulk) Ship		706	700	6
Sunflower Oil Ship		NA	NA	-
Cottonseed Oil Ship		662	656	6
Refined Linseed Oil (Bulk) Ship		NA	NA	-
<i>* indicates including VAT</i>				

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