

# Veg. Oil Weekly Research Report

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## Executive Summary

### Domestic Veg. Oil Market Summary

*Edible oil witnessed firm sentiment during the week on gains in CBOT soybean oil and BMD CPO. Soy oil, palm oil, rapeseed oil and groundnut oil prices closed higher while refined sunflower oil closed sideways. Coconut oil prices closed in red.*

*On the currency front, Indian rupee against USD closed at 67.04, down 3 paise compared to the previous week. Factors to watch in the coming weeks will be movement of Indian rupee against US dollar and crude oil prices.*

*We expect edible oil complex to trade sideways to firm tone in anticipation of firm demand. High stocks at port and in pipelines, new supplies from US and strong USD may underpin prices.*

### Recommendation:

*Weekly Call - : Market participants are advised to go long in RSO above 620 levels for a target of 635 and 640 with a stop loss at 610 on closing basis. We expect refined soy oil at Indore (with VAT) to stay in the range of Rs 580-640 per 10 Kg in the near term.*

*Market participants are advised to go long in CPO above 500 for a target of 515 and 520 with a stop loss at 490 on closing basis. We expect CPO Kandla 5 percent (with VAT) to stay in the range of Rs 490-530 per 10 Kg in the near term.*

### International Veg. Oil Market Summary

*According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's March 1-10 palm oil exports rose by 56.5 percent to 308,348 tons from 196,968 tons in the corresponding period last month. Top buyers were India at 54,500 tons (42,500 tons), China at 32,150 tons (24,305 tons), United States at 30,550 tons (22,398 tons) and European Union at 11,430 tons (34,300 tons). Values in brackets are figures of corresponding period last month.*

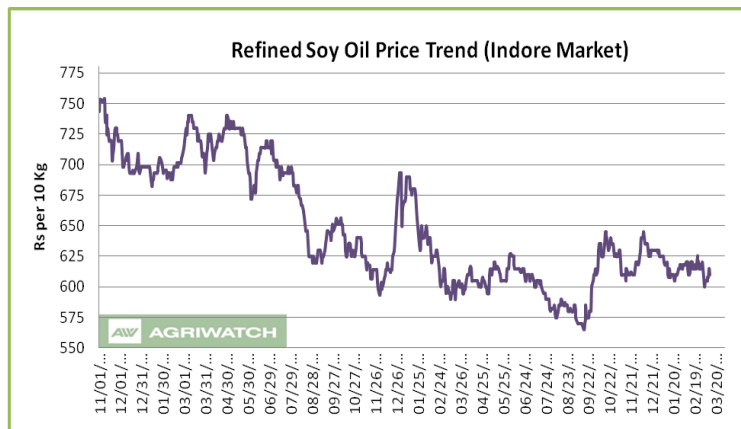
*On the international front, soybean crush in US, weak dollar, and strong crude oil prices are bullish for the soy complex in the coming days while Chinese soybean demand from United States, soybean crop prospect in South America, fine supplies of soybean from South America and US and underpin prices in medium term.*

*El Nino weather pattern, strong palm oil exports, crude oil prices and supportive biodiesel and tax policies by South East Asian countries may support the CPO prices. However, strong ringgit may underpin palm oil prices in medium term.*

## Soy oil Fundamental Analysis and Outlook:-

### Domestic Front

- Soy oil featured uptrend at its benchmark market in Indore during the week in review on improved demand.
- Agriwatch View- Soy oil prices witnessed uptrend during the week on higher demand. Prices are expected to recover on stocking ahead of festivals and seasonal uptrend of prices. Prices of soy oil expected to be firm on low premium of soy oil over palm oil Rs 102 (Rs 120) per 10 Kg. Weak refining margin may slow imports. In USD terms, premium of soy oil over palm oil was USD 84.5 (USD 78.5 last week). Rise in prices of palm oil will help prices. Prices of soy oil are expected to be firm in near term.
- United States Department of Agriculture (USDA) in its March report revised India's imports of soy oil in 2015/16 to 3.7 MMT from earlier estimate of 3.65 MMT. Imports of 2015/16 will be higher by 32.1 percent from 2014/15 which was reported at 2.799 MMT. Higher imports of soy oil are due to lower domestic production of soy oil, cottonseed oil and peanut oil. India's 2015/16 soy oil consumption estimate has been raised to 4.85 MMT from 4.8 MMT in its earlier estimate. Consumption of 2015/16 is higher by 19.75 percent from 2014/15 which was reported at 4.050 MMT.
- Soybean oil import scenario – According to SEA India imported 4.41 lakh tons of soybean oil in January 2016 v/s 2.24 lakh tons in January 2015, up 96.8 percent y-o-y. In the oil year 2015-16 (November 2015-January 2016) imports of soy oil is reported at 11.88 lakh tons v/s 4.42 lakh tons in corresponding period last oil year, higher by 168 percent.
- Imported crude soy oil CIF at West coast port is offered at USD 752 (USD 730) per ton for March delivery. April delivery is offered at USD 752 (USD 732) per ton and May delivery is offered at USD 745 (USD 717) as on March 11, 2016. Last month, CIF CDSO January average price was USD 742.24 per ton.
- On the parity front, margins were unchanged during the week and we expect margins to improve in coming days. Currently refiners get USD -50-55/ton v/s USD -50-55/ton (last month) margin in processing the imported Soybean Oil (Argentina Origin).
- We expect soy oil to trade sideways to firm in the coming days.



### International Front

- Agriwatch view – USDA increased exports of soy oil from Argentina on higher crush leading to higher production. Argentina will capture most of global soy oil export market in 2015/16 on reforms by new government and on depreciation of Peso. USDA retained soybean production of Argentina at 58.5 MMT. Brazil soybean harvest is progressing very well. USDA retained soybean production of Brazil at 100 MMT. Brazil government has also increased the soybean crop outlook. USDA cut US soy oil exports due to lower crush and competition from Argentina. However, ending stocks of US was raised on higher opening stocks and lower exports. Lower crush of soybean in US by US crushers as reported by USDA has raised expectation of weak supply of soy oil. Crush of soybean in US in February and March will be lower on lower prices of soy meal. Lower US soybean crop area, yield and production expectations in US will support prices. Soy oil premium over palm oil is very low which will replace palm in key importing destinations like India. Rise in prices of crude oil and weaker dollar will support prices. Prices of soy oil are in a range with upward bias.
- United States Department of Agriculture (USDA) increased soy oil end stocks of US by 120 million pounds in its March estimate to 2,185 million pounds. Opening stocks has been increased by 35 million pounds to 1,855 million pounds. U.S. 2015/16 soy oil production has been reduced by 115 million pounds to 21,730 million pounds. Lower production is due to lower crush in US on lower domestic disappearance of soy meal. Imports have been kept unchanged at to 300 million pounds. Exports have been reduced by 200 million pounds to 2,100 million pounds. Biodiesel use has been kept unchanged at 5,500 million pounds. Food, Feed & other Industrial

use has been kept unchanged at 14,100 million pounds. Higher closing stocks are due to higher opening stocks and lower exports partially offset by lower production. Soy oil price estimate is unchanged at 28.5 to 31.5 cents per pound.

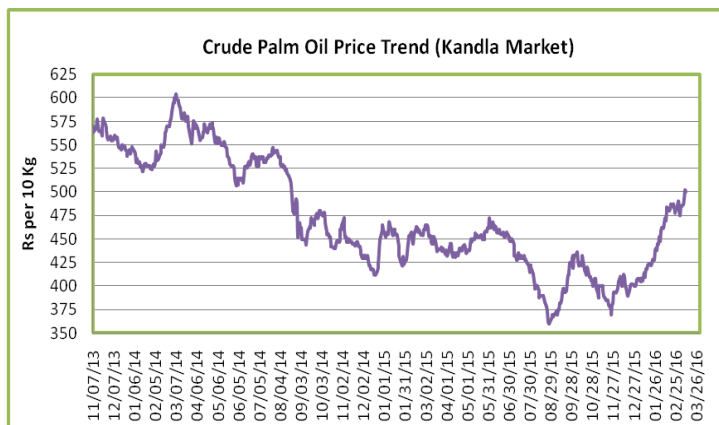
- The National Oilseed Processors Association (NOPA) reported US January 2016 soy oil stocks at 1.526 billion lbs v/s 1.481 billion lbs in December 2015, higher by 3 percent m-o-m. Soy oil stocks in January 2015 were 1.228 billion lbs. Crush of soybean in US in January 2016 is reported at 150.453 million bushels v/s 157.111 million bushels in December 2015, lower by 9.99 percent m-o-m. In January 2015 crush of soybean in US was reported at 162.675 million bushels. US soy oil production in January 2016 fell to 1,758.38 million lbs v/s 1,834.03 million lbs in December 2015, lower by 4.1 percent m-o-m. Soy oil production in January 2015 was reported at 1,823.89 million lbs. Yield of soy oil per bushel increased to 11.69 lbs in January 2016 from 11.63 lbs in December 2015 v/s 11.21 lbs in January 2015.
- Conab, the Brazil' government's crop supply agency, has raised its 2015/16 soybean crop to a record 101.18 million tons, which is up from 100.93 million tons of its previous estimate in February followed by increase in area planted and yields.
- According to China's General Administration of Customs, China imported 4.0 lakh tons of edible vegetable oil in February compared to 5.3 lakh tons in January, lower by 24.5 percent m-o-m. In February 2015 imports were 2.3 lakh tons. Imports in 2016 year to date were 9.30 lakh tons, higher by 35.8 percent y-o-y.
- USDA WASDE Oilseeds Highlights: The U.S. season-average soybean price for 2015/16 is projected at \$8.25 to \$9.25 per bushel, down 5 cents at the midpoint. The soybean meal price is projected at \$270 to \$300 per short ton, down \$5 at the midpoint. Soybean oil prices are projected at 28.5 to 31.5 cents pound, unchanged from last month.

**Price Outlook:** We expect refined soy oil at Indore (with VAT) to stay in the range of Rs 580-640 per 10 Kg in the near term.

## Palm oil Fundamental Analysis and Outlook -:

### Domestic Front

- Crude palm oil at Kandla featured uptrend in its benchmark market on firm demand.
- Agriwatch View – Low soy oil premium over palm oil, which is hovering at USD 84.5 (USD 78.5 last week) per ton, negative refining margins may decrease imports. Stocking ahead of festive season in North and East India, seasonal uptrend of prices of palm oil will improve prices in near term. Higher import of RBD palmolein has increased disparity on high seas. Disparity on high seas and high stocks on ports and in pipelines will cap gains. Prices of palm oil are low compared to other oils, which may induce demand. Prices are expected to be sideways to higher.
- United States Department of Agriculture (USDA) in its March report revised estimates of India's imports of palm oil to 9.425 MMT from 9.625 MMT in its earlier estimate. Imports of 2015/16 will be higher by 3.2 percent from 2014/15 which was reported at 9.129 MMT. Lower revisions of imports are due to tight palm oil global supplies. . India's 2015/16 palm oil consumption estimate has been lowered to 9.750 MMT from 10.025 MMT in its earlier estimate. Consumption estimates of 2015/16 are higher by 7.9 percent from 2014/15 which was reported at 4.050 MMT. India's 2015/16 palm oil end stocks has been raised to 0.675 MMT in its March estimate from 0.60 MMT in its earlier estimate. End stocks of palm oil in 2014/15 were reported at 0.80 MMT.
- Palm oil import scenario – According to SEA India imported 6.88 lakh tons of palm oil in January 2016 v/s 6.58 lakh tons in January 2015, up 4.5 percent y-o-y. In the oil year 2015-16 (November-January 2016) imports of palm oil is reported at 23.45 lakh tons v/s 22.94 lakh tons in corresponding period last oil year, higher by 2.22 percent y-o-y. RBD palmolein reported sharp rise at 6.11 lakh tons (November 2015-January 2016)v/s 1.73 lakh tons in corresponding period in oil year 2014-15, rise of 253 percent y-o-y. Crude palm imports in the period (November 2015-Jnauary 2016) fell to 17.08 lakh tons from 20.72 lakh tons in the corresponding period last oil year, fall of 17.57 percent y-o-y.
- On the trade front, CNF CPO (Indonesian origin) at Indian port quoted at USD 652.5 (USD 627.5) per ton for March delivery and April delivery is quoted at USD 667.5 per ton for April delivery. Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 662 (USD 627.5) per ton for March delivery and April delivery is offered at USD 662.5 per tons. Ready lift CPO duty paid prices quoted at Rs 508 (Rs 485) per 10 Kg and April delivery duty paid offered at Rs 513 (Rs 490) per 10 Kg on March 11, 2016. Values in bracket depict last week quotes.
- On the parity front, margins weakened during this week due to fall in prices of palm oil products. Currently refiners get USD -95-100/ton v/s USD 80-85/ton (last month) margin in processing the imported CPO and imports of ready to use palmolein fetches USD -75-80/ton v/s USD -70-75/ton (last month) parity.
- We expect palm oil to trade sideways to firm in the days ahead.



### International Front

- Agriwatch View – Supply concerns on El Nino is driving prices of palm in international markets. Stocks of palm oil fell in Malaysia on low production on El Nino, despite low exports. MPOB reported drawdown of palm stocks in Malaysia. Low price differential between Malaysia RBD palmolein and Crude palm oil (CPO) Indonesia will improve demand of palm oil from Malaysia. Latest export numbers show that buyers have purchased at higher rate in first 10 days of March. Exports from Malaysia are expected to improve in March and seasonal increase of demand while production will be low on El Nino drawing stocks of palm oil in Malaysia. Malaysia did not impose export duties on palm oil on order to protect its market share despite higher prices of palm oil. Palm oil stocks are expected to be lower in coming months on reduced production of palm on El Nino. Malaysia's

production is weak while exports are expected to improve raising expectations of drawing stocks of palm oil in Malaysia. Ringgit appreciation is risk to prices. Prices are in range with upwards bias.

- In a conglomeration in Kuala Lumpur, various industry analysts expressed supply of palm as the leading driver of prices in 2016. Indonesia is expected to produce less palm oil in 2016 than 2015. Malaysia's production of palm oil will fall below last year production. Prices are expected to top Ringgit 2700-3000/ton by June 2016. Both El Nino and to some extent La Nina in second half of the year will limit production of palm in 2016. With higher prices, demand from price sensitive countries like India will decline. Sustenance of biodiesel policy of Indonesia will be tested in 2016 due to low crude oil prices. Incremental demand of palm over supply will lead prices higher in 2016.
- According to palm oil industry regulator Malaysia Palm Oil Board (MPOB), Malaysia's February palm oil ending stocks fell by 6.05 percent to 2.17 MMT from 2.30 MMT in January. Production fell by 7.7 percent to 1.04 MMT in February from 1.13 MMT in January. Exports fell by 15.15 percent to 1.09 MMT in January from 1.28 MMT in February. Imports of palm oil rose by 84.44 percent to 0.07 MMT in January from 0.04 MMT in February.
- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's March 1-10 palm oil exports rose by 56.5 percent to 308,348 tons from 196,968 tons in the corresponding period last month. Top buyers were India at 54,500 tons (42,500 tons), China at 32,150 tons (24,305 tons), United States at 30,550 tons (22,398 tons) and European Union at 11,430 tons (34,300 tons). Values in brackets are figures of corresponding period last month.
- Malaysia plans to implement 10 percent bio content blend in biodiesel in 2016 from present 7 percent, according to Malaysia's Plantations Minister at palm oil conference in Kuala Lumpur. The government is in detailed talks with all the stakeholders. The program will be called B10 program. This step will increase use of palm oil in second largest producer of palm oil reducing stocks in the country.
- According to Indonesia Palm Oil Association (GAPKI), Indonesia's palm oil production is expected to drop to 32.1 MMT in 2016 on drought caused due to El Nino, first fall since 1998. There will be drop in production despite new addition to harvest in 2016. This is in contrast to earlier production estimate of 35 MMT. Indonesia is estimated to export 23 MMT to 24 MMT in 2016 on higher biodiesel use, first drop in five years. Slowdown of Chinese economy will affect exports. The board raised price forecast of 2016 to annual average of 2,600 ringgit from earlier estimate of 2,450-2,500 ringgit.
- According to palm oil industry analyst and director of Godrej International Dorab Mistry, prices of palm oil could rise to 3,000 ringgit per ton on El Nino. Dry weather conditions in Malaysia and Indonesia will cut production in 2016. Prices of palm oil will rise to levels where demand begins to slow down in price sensitive importing countries, especially India. Global palm oil production will fall by almost 3.00 million tons in year to September 2016. Indonesia's palm oil output estimate is cut by 1.2 million tons. Malaysia's palm oil production estimate is cut by 1.5 million tons to 18.4 million tons. Consumers will get relief from July 2016. Palm oil stock buildup will possibly start from September 2016.
- According to LMC International's analyst James Fry, global production of palm oil is expected to fall by more than 2 million tons in 2016 on El Nino and to some extent La Nina. El Nino will pull down production by more than 2 million tons and additional 0.4 million will be lost by La Nina. Heavy rains in second half 2016 will lash Malaysia and Indonesia and disrupt production. He forecasted CPO price to climb to 2,750 ringgit by June if crude oil remains at \$35 per barrel and further rise to 2,900 ringgit if crude oil rises to \$40 per barrel.

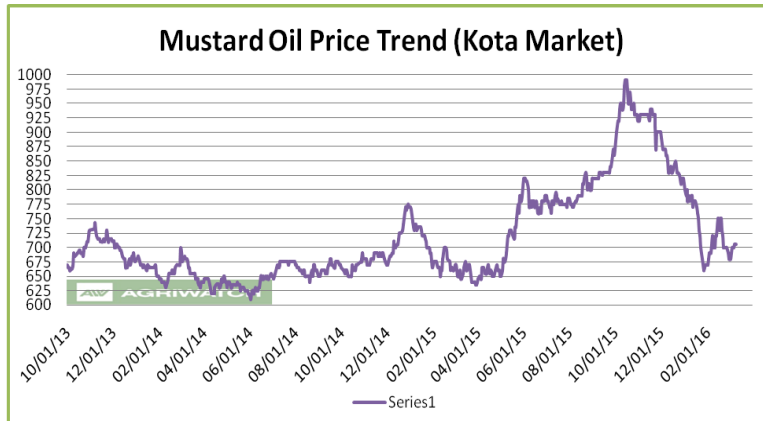
**Price Outlook:** We expect CPO Kandla 5 percent (with VAT) to stay in the range of Rs 480-530 per 10 Kg in the near term.



### Rapeseed oil Fundamental Review and Analysis:-

#### Domestic Front

- Mustard oil featured uptrend at its benchmark market Kota on firm demand.
- Agriwatch view: Prices of rapeseed oil expeller and kacchi ghani rose in Kota, Jaipur and Neewai on renewed demand at lower quotes. Rising demand from North and East India rose on stocking ahead of festive season will support prices. Removal of stocks limit on rapeseed oil has supported prices. However, price momentum of rapeseed oil and seasonal trend of prices is weak. Arrival of new rapeseed crop has increased in Rajasthan.



Harvesting has increased and yields and recovery is higher. Rise in palm oil has supported prices. According to Agriwatch estimates India's 2015/16 rapeseed-mustard production between 5.5 – 6.0 million tons Markets are expected to trade sideways to firm tone in coming days on buying at lower quotes and festive demand.

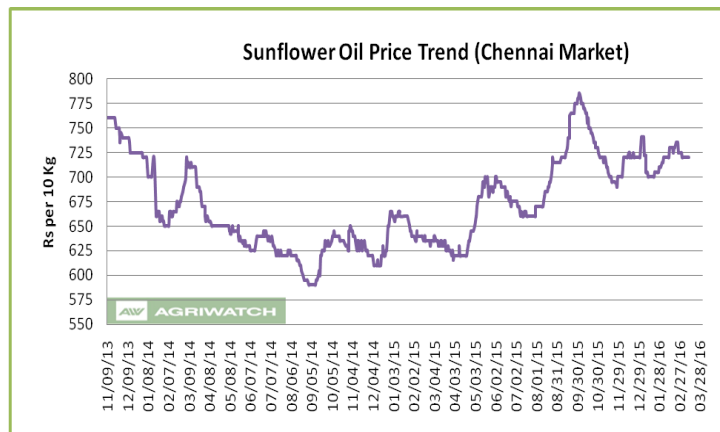
- Rajasthan government removed stock limit on rapeseed oil and rapeseed in a notification issued on 26 February 2016 after new rapeseed crop arrivals increased at various mandis across the State: Rajasthan government.
- India imported 0.07 lakh tons of rapeseed (Canola) oil in January 2016 v/s 0.43 lakh tons in January 2015, lower by 83.7 percent y-o-y. For oil year November 2015-2016 (November – January 2016) India imported 0.58 lakh tons v/s 1.17 lakh tons in corresponding period in the oil year 2014-15, lower by 50 percent y-o-y: SEA
- CIF canola premium over soybean oil is USD -12 (USD -5 last week) per ton as on 11 March 2016. Negative premium of canola over soybean oil may increase imports of canola.
- Currently, RM oil at Jaipur market, (expeller) is offered at Rs 729 (Rs 715) per 10 Kg, and at Kota market, it is offered at Rs 705 (Rs 690) per 10 kg as on March 11, 2016. Values in brackets are figures of last week.
- We expect RM seed oil prices to trade sideways to firm tone in the coming days.

**Price Outlook:** Rapeseed oil (without VAT) prices in Kota may stay in the range of Rs 670-740 per 10 Kg.

## Sunflower oil Fundamental Review and Analysis:-

### Domestic Front

- Sunflower oil prices featured flat trend at the end of week at its benchmark market in Chennai on firm demand. In Hyderabad, prices were stable while in Kakinada prices closed lower at the end of the week.
- Agriwatch view: Prices of sunflower oil were unchanged in Chennai on firm demand and adequate supplies. Prices were flat in Hyderabad on higher demand. Refiners and traders have resumed purchases and the trend is expected to improve as the premium of sunflower oil over soybean oil has weakened around USD 100/ton. Currently sunflower oil premium over soy oil is at USD 107 (USD 101 last week) per ton. Impact of local oils like cottonseed, rice bran oils has receded. In Hyderabad, prices of sunflower oil were flat on higher demand. Higher price of sunflower oil compared to competing edible oils, may adversely affect price. On the international front, higher sunflower exports from Ukraine this year will be bearish for prices of sunflower oil in international markets. In domestic market, prices are expected to be weak on higher prices compared to competing oils and seasonal downtrend in prices.
- Sunflower oil import scenario – According to SEA, India imported 1.18 lakh tons of crude sunflower oil during January 2016 versus 1.56 lakh tons in January 2015, down by 24 percent y-o-y. Imports during oil year 2015-16 (November 2015 –January 2016) were reported at 3.98 lakh tons compared to 5.01 lakh tons during the corresponding period in last oil year, down by 21 percent y-o-y.
- On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 825 (USD 825) per ton for April delivery, May delivery is quoted at USD 840 (USD 820) per ton, June delivery is quoted at USD 840 (USD 825) per ton . CIF sun oil (Ukraine origin) February monthly average was around USD 857.68 per ton. Values in brackets are figures of last week.
- Prices are likely to stay in the range of USD 800-860 per ton in the near term. CIF Sunflower oil premium over soybean oil decreased from last week and is hovering at USD 107 (USD 101 last week) per ton for April delivery.
- Sunflower oil global production is seen at 15.084 MMT in 2015/16 compared to 14.869 MMT in 2014/15 -USDA. India imports are projected at 1.55 MMT of Sunflower oil in 2015/16 up from 1.53 MMT 2014/15. India is the largest importer of sunflower oil in the world: USDA.
- Currently, refined sunflower oil at Chennai market is offered at Rs 720 (Rs 720) per 10 Kg, and at Hyderabad market, it is offered at Rs 727 (Rs 727) per 10 kg as on March 11, 2016. Values in brackets are figures of last week.
- We expect sunflower oil prices to trade sideways to weak tone in the coming days.

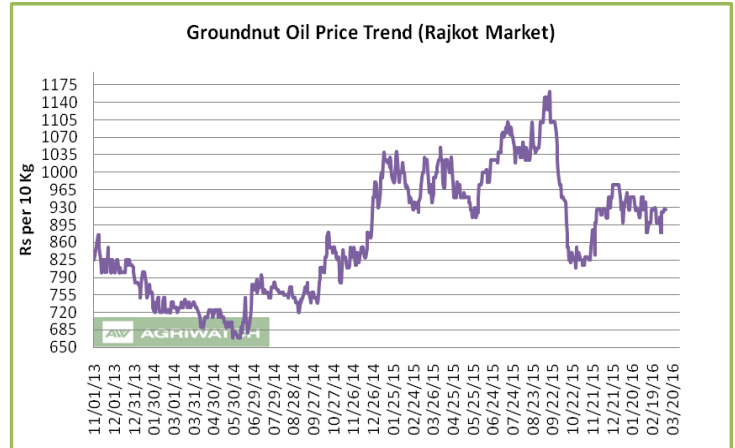


**Price Outlook:** Sunflower oil (with VAT) prices in Chennai may stay in the range of Rs 690-750 per 10 Kg.



### Groundnut oil Fundamental Review and Analysis:- Domestic Front

- Groundnut oil prices featured uptrend in Rajkot on lower supply. Prices in Chennai and Hyderabad closed lower at the end of week.
- Agriwatch view: Prices in Rajkot, Chennai and Hyderabad fell on lower supply. Restricted selling from oil mills and higher off take from retailers supported prices. Stocking ahead of festivals has improved demand and support prices in near term. Groundnut oil is the costliest domestic oil in India. High prices of groundnut oil compared to other oils can bring down prices. Prices sensitive Indian consumers are not expected to shell out extra when prices of other oils are ruling much lower. Prices of palm oil increased supporting prices of groundnut oil. Exports of groundnut have improved. Prices of groundnut oil may trade sideways to weak in coming days.
- USDA has increased India's groundnut production to 4.7 MMT from 4.1 MMT in 2015/16 in its March report v/s 4.9 MMT in 2014/15, lower by 4.65 percent y-o-y. Consumption has been increased to 1.040 MMT from 0.865 MMT in 2015/16 in its March estimate v/s 1.085 MMT in 2014/15, lower by 3.85 percent y-o-y.
- On the price front, currently the groundnut oil prices in Rajkot is hovering near Rs 9,250 (Rs 9,000) per quintal and quoting at Rs 8,700 (Rs 8,300) per quintal in Chennai market on March 11, 2016. Values in brackets are values of last week
- Groundnut oil prices are likely to trade sideways to weak in the coming days.

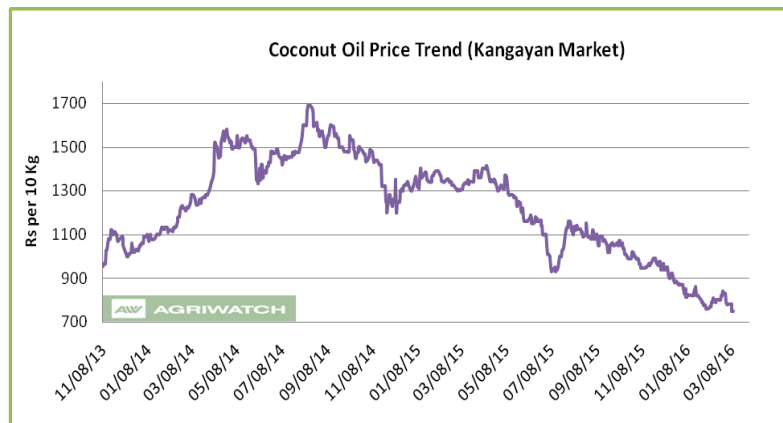


### Price Outlook

Groundnut oil (without VAT) in Rajkot market is likely to trade in the price band of Rs 890-980 per 10 Kg.

**Coconut Oil Fundamental Review and Analysis:-****Domestic Front**

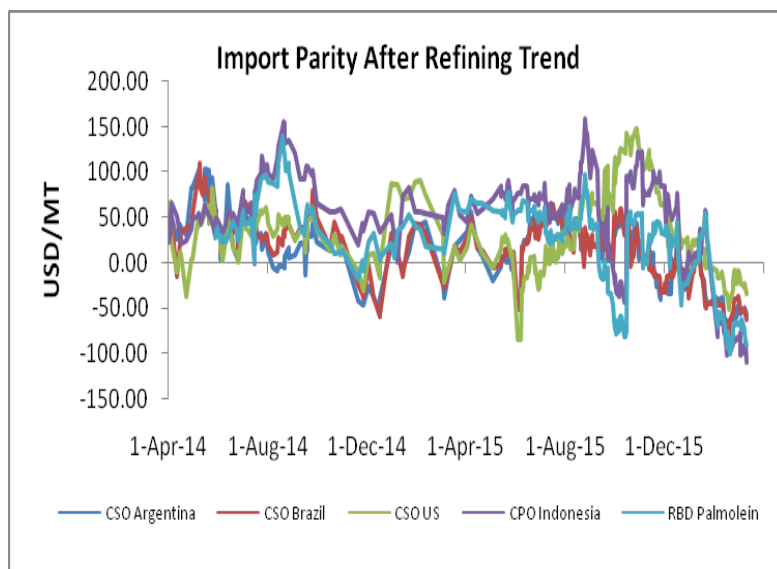
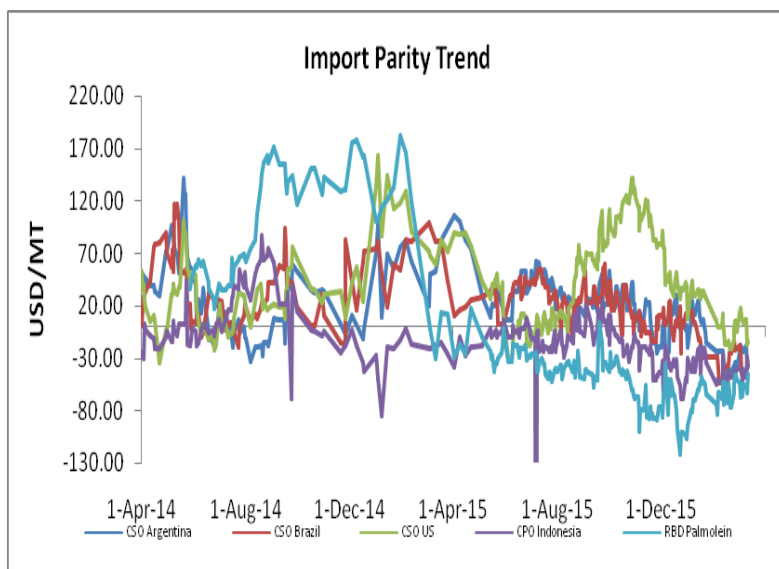
- Coconut oil prices featured downtrend during the week at its benchmark market in Kangeyam on higher supplies. In Kochi, prices were stable while in Trissur, prices fell.
- Agriwatch view: Coconut oil prices fell during the week on higher supplies. Downward price momentum of coconut oil is not expected to bounce back in near term. Coconut harvesting has increased and expected to be at elevated levels in next two months as it is peak period of coconut harvesting season. Supply of copra is robust in market due to increased arrivals of copra on higher harvesting of coconut. Millers are taking advantage of lower prices of copra. Millers are not holding produce of coconut oil, as they are not confident of the prices. Corporates, which command 80 percent of demand, are staying away from the market as they expect lower prices. Traders and upcountry buyers are staying away from market and are only relying on ready market. This fall in price of coconut oil has increased demand by 10-15 percent due to lower difference in prices compared to other edible oils, according to Cochin Oil Merchants Association (COMA). Exports of coconut oil have increased by 22 percent in first 10 months of 2015-16. Prices are expected to be sideways to lower in near term.
- Exports of coconut oil in the period April-January 2015-16 showed increase of 22 percent compared to corresponding period last year. India exported 6575.98 tons of coconut oil during this period. More than 51 percent of coconut oil was exported to GCC countries.
- Coconut Development Board has asked farmers to avoid distressed selling of coconut oil as production has not shown significant increase in 2015-16 compared to last year, according to survey conducted by board. Exports of coconut products have increased by 8.25 percent between April and December 2015. The board has asked farmers to take into consideration facts and act accordingly to improve their income.
- Government of India (GOI) has increased minimum support prices (MSP) for fair average quality (FAQ) of “milling copra” by Rs 400 to Rs 5,950/quintal for 2016 from 5,550/quintal in 2015. MSP for FAQ of “ball copra” has been increased to Rs 6,250/quintal for 2016 from Rs 5,830/quintal 2015. MSP has been increased to ensure appropriate minimum prices to the farmers and improve investment in coconut sector.
- On the price front, currently the coconut oil prices in Trissur is hovering near Rs 7,700 (8,300) per quintal, and was quoting Rs 7,500 (7,800) per quintal in Erode market on March 11, 2016.



**Price Outlook:** Coconut oil (withut VAT) prices in Erode may stay in the range of Rs 700-800 per 10 Kg.

### Import Parity Trend

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

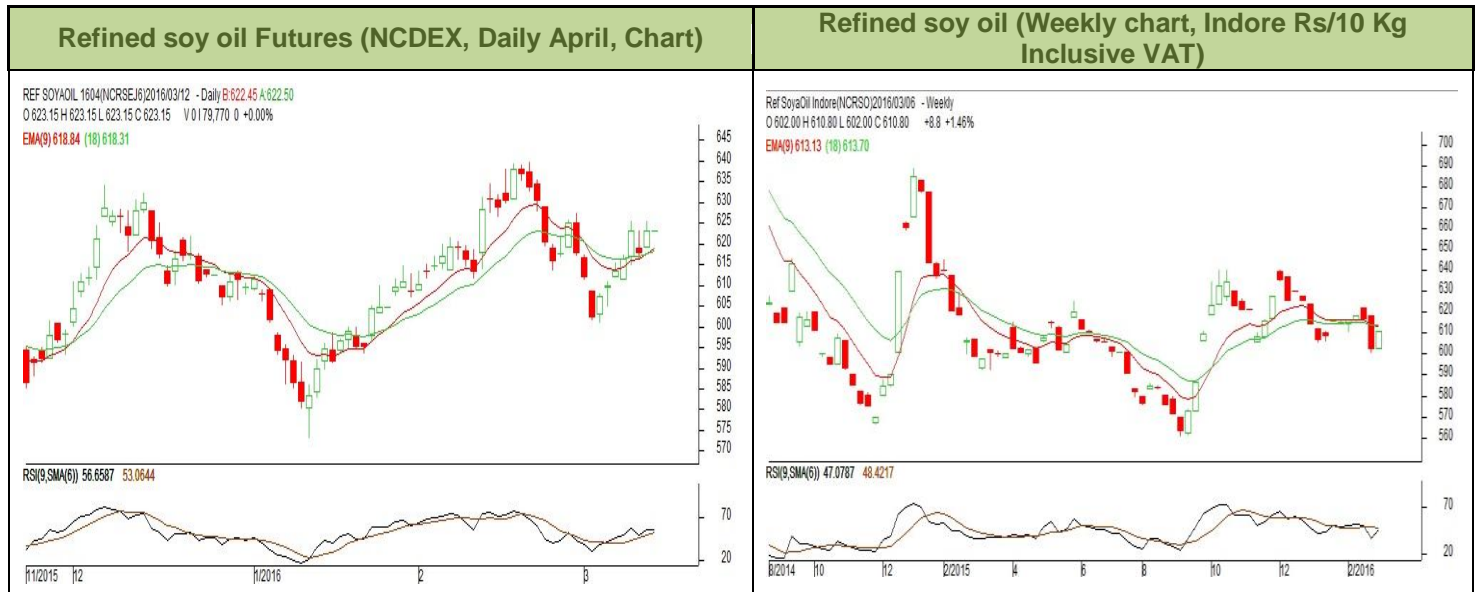


	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
<b>Jan, 2016</b>	-8.57	-14.53	16.32	22.56	19.05
<b>Feb, 2016</b>	-53.56	-54.36	-23.88	-80.77	-71.57

### Outlook:-

Import parity for crude soy oil from Argentina and palm oil after refining is hovering in negative territory due to rise in prices of imported oils. We expect CDSO import parity to remain negative. Disparity in palm oil products may slow palm oil imports in the coming days.

### Technical Analysis (Refined soy oil)



**Outlook – Refined soybean oil witnessed uptrend during the week in review and is likely to trade with a sideways to firm tone in the coming days.**

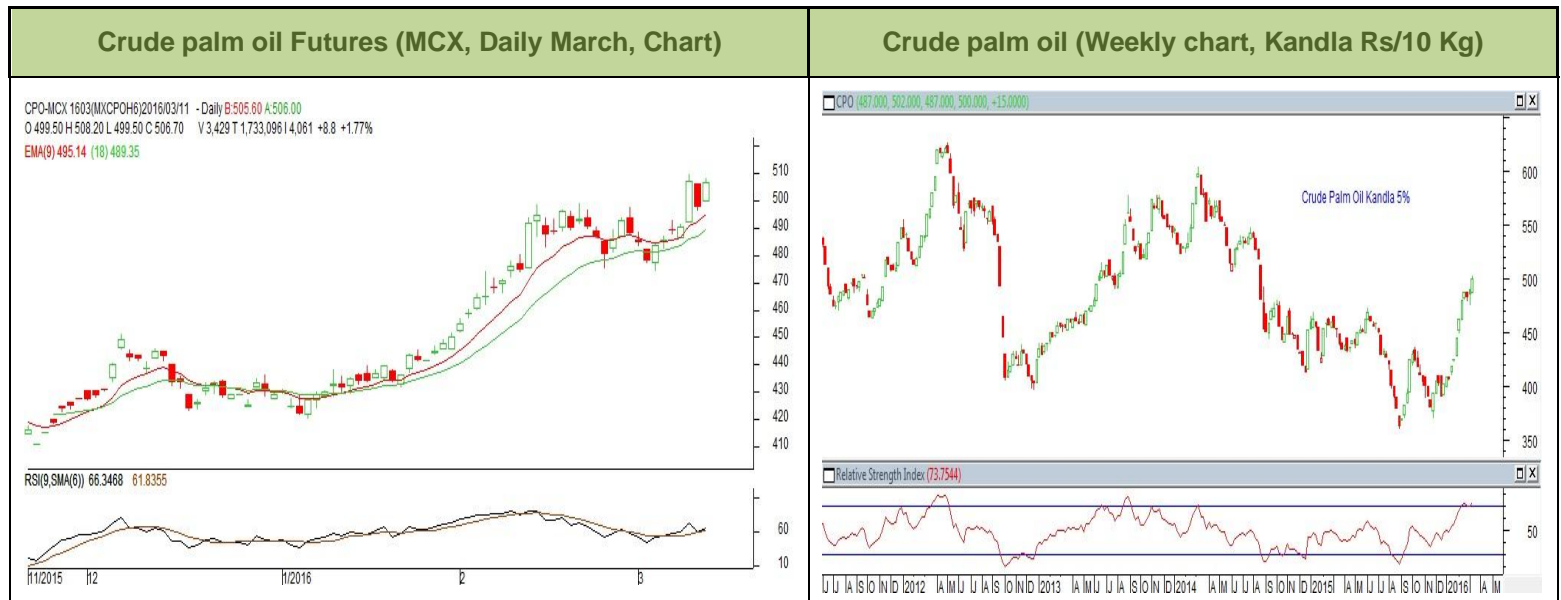
- ❖ Weekly chart of refined soy oil at NCDEX depicts gains during the week in review. We expect prices to trade sideways to firm tone in the near term.
- ❖ Any close above 640 in weekly chart shall change the sentiments and might take the prices to 660 levels.
- ❖ Expected price band for next week is 610-650 level in near to medium term. RSI, Stochastic, and MACD are going up indicating uptrend in prices.

**Strategy:** Market participants are advised to go long in RSO above 620 levels for a target of 635 and 640 with a stop loss at 610 on closing basis.

#### RSO NCDEX (Apr)

Support and Resistance				
S2	S1	PCP	R1	R2
580.00	599.00	623.15	639.00	656.00

**Spot Market outlook:** Refined soy oil Indore (with VAT) is likely to stay in the range of Rs 580-640 per 10 Kg.

**Technical Analysis (Crude Palm oil)**


**Outlook - Prices show uptrend during the week. We expect that CPO March contract may trade sideways to firm note.**

- ❖ Candlestick in weekly chart of crude palm oil at MCX depicts uptrend in the prices. We expect prices to trade with a sideways to firm note in the near term.
- ❖ Any close above 520 in weekly chart shall change the sentiments and might bring the prices to 540 levels.
- ❖ Expected price band for next week is 480-540 level. RSI, Stochastic, and MACD going up suggesting uptrend in prices in the coming week.

**Strategy:** Market participants are advised to go long in CPO above 500 for a target of 515 and 520 with a stop loss at 490 on closing basis.

**CPO MCX (Mar)**

Support and Resistance				
S2	S1	PCP	R1	R2
448	473	506.7	530	547

**Spot Market outlook:** Crude palm oil is likely to stay in the range of Rs 480-530 per 10 Kg.

Veg. Oil Prices at Key Spot Markets

Commodity	Centre	Prices(Per 10 Kg)		Change
		11-Mar-16	4-Mar-16	
Refined Soybean Oil	Kota	620	610	10
	Rajkot	600	585	15
	Delhi	630	630	Unch
	Mumbai	625	605	20
	Indore	610	605	5
	Kandla/Mundra	605	600	5
	Kolkata	620	610	10
	Indore (Soy Solvent Crude)	585	585	Unch
	Mumbai (Soy Degum)	565	560	5
	Kandla/Mundra (Soy Degum)	565	567	-2
	Akola	641	631	10
	Amrawati	640	630	10
	Jalna	NR	NR	-
	Nagpur	NR	NR	-
	Alwar	NA	NA	-
	Solapur	NR	NR	-
	Bundi	613	610	3
	Dhule	NR	NR	-
Palm Oil	Rajkot	545	530	15
	Hyderabad	542	542	Unch
	Delhi	530	530	Unch
	Kandla (Crude Palm Oil)	500	485	15
	Kandla (RBD Palm oil)	530	505	25
	Mumbai RBD Pamolein	555	535	20
	Kandla RBD Pamolein	550	535	15
	Mangalore RBD Pamolein	550	535	15
	Chennai RBD Pamolein	552	535	17
	Kakinada RBD Pamolein	535	510	25
	KPT (krishna patnam)	535	510	25
	Haldia	535	512	23
	PFAD (Kandla)	410	395	15
	Refined Palm Stearin (Kandla)	420	405	15
Refined Sunflower Oil	Mumbai	765	760	5
	Mumbai(Expeller Oil)	675	675	Unch
	Kandla/Mundra (Crude)	NA	NA	-
	Erode (Expeller Oil)	750	760	-10
	Hyderabad (Ref)	727	727	Unch



	Chennai	720	720	Unch
	Latur (Expeller Oil)	700	700	Unch
	Chellakere (Expeller Oil)	675	680	-5
Groundnut Oil	Rajkot	925	880	45
	Chennai	870	830	40
	Delhi	830	830	Unch
	Hyderabad *	920	900	20
	Mumbai	930	925	5
	Gondal	940	900	40
	Jamnagar	930	910	20
Rapeseed Oil/Mustard Oil	Mumbai (Expeller Oil)	720	720	Unch
	Sri-GangaNagar(Exp Oil)	710	690	20
	Alwar (Expeller Oil)	NA	NA	-
	Kota (Expeller Oil)	705	690	15
	Jaipur (Expeller Oil)	729	715	14
	New Delhi (Expeller Oil)	745	745	Unch
	Hapur (Expeller Oil)	780	750	30
	Sri-Ganga Nagar (Kacchi Ghani Oil)	765	740	25
	Kota (Kacchi Ghani Oil)	755	740	15
	Jaipur (Kacchi Ghani Oil)	765	741	24
	Agra (Kacchi Ghani Oil)	780	785	-5
	Bharatpur (Kacchi Ghani Oil)	775	780	-5
	Neewai (Kacchi Ghani Oil)	750	725	25
	Hapur (Kacchi Ghani Oil)	850	830	20
Refined Cottonseed Oil	Mumbai	610	602	8
	Rajkot	595	585	10
	New Delhi	540	540	Unch
	Hyderabad	580	575	5
Coconut Oil	Kangayan (Crude)	750	780	-30
	Cochin	885	885	Unch
	Trissur	770	830	-60
Sesame Oil	New Delhi	670	670	Unch
	Mumbai	610	650	-40
Kardi	Mumbai	840	840	Unch
Rice Bran Oil (40%)	New Delhi	420	420	Unch
Rice Bran Oil (4%)	Punjab	490	490	Unch
Rice Bran Oil (4%)	Uttar Pradesh	490	490	Unch

<b>Malaysia Palmolein USD/MT</b>	FOB	640	618	<b>22</b>
	CNF India	665	638	<b>27</b>
<b>Indonesia CPO USD/MT</b>	FOB	640	628	<b>12</b>
	CNF India	645	628	<b>17</b>
<b>RBD Palm oil (Malaysia Origin USD/MT)</b>	FOB	633	608	<b>25</b>
<b>RBD Palm Stearin (Malaysia Origin USD/MT)</b>	FOB	603	585	<b>18</b>
<b>RBD Palm Kernel Oil (Malaysia Origin USD/MT)</b>	FOB	1218	1135	<b>83</b>
<b>Crude palm Kernel Oil India (USD/MT)</b>	CNF India	1165	1095	<b>70</b>
<b>Palm Fatty Acid Distillate (Malaysia Origin USD/MT)</b>	FOB	578	558	<b>20</b>
<b>Ukraine Origin CSFO USD/MT Kandla</b>	CIF	838	825	<b>13</b>
<b>Rapeseed Oil Rotterdam Euro/MT</b>	FOB	688	684	<b>4</b>
<b>Argentina FOB (\$/MT)</b>		<b>10-Mar-16</b>	<b>3-Mar-16</b>	<b>Change</b>
Crude Soybean Oil Ship		674	657	<b>17</b>
Refined Soy Oil (Bulk) Ship		698	680	<b>18</b>
Sunflower Oil Ship		Unq	Unq	-
Cottonseed Oil Ship		654	637	<b>17</b>
Refined Linseed Oil (Bulk) Ship		Unq	Unq	-
<b>* indicates including VAT</b>				

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