

Veg. Oil Weekly Research Report

Contents

- ❖ Executive Summary
- ❖ Recommendations
- ❖ AW Edible Oils Index
- ❖ International Veg. Oil Market Summary
- ❖ Domestic Market Fundamentals
- ❖ Technical Analysis (Spot Market)
- ❖ Technical Analysis (Futures Market)
- ❖ Veg. Oil Prices at Key Spot Markets

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, groundnut oil and coconut oil prices closed higher while sunflower oil closed sideways.

On the currency front, Indian rupee against USD closed at 66.48, down 17 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 South America and strong USD may underpin prices.

Recommendation:

Weekly Call - : Market participants are advised to go long in RSO above 670 levels for a target of 685 and 690 with a stop loss at 660 on closing basis. We expect refined soy oil at Indore (with VAT) to stay in the range of Rs 620-700 per 10 Kg in the near term.

Market participants are advised to go long in CPO above 570 for a target of 585 and 590 with a stop loss at 560 on closing basis. We expect CPO Kandla 5 percent (with VAT) to stay in the range of Rs 540-620 per 10 Kg in the near term.

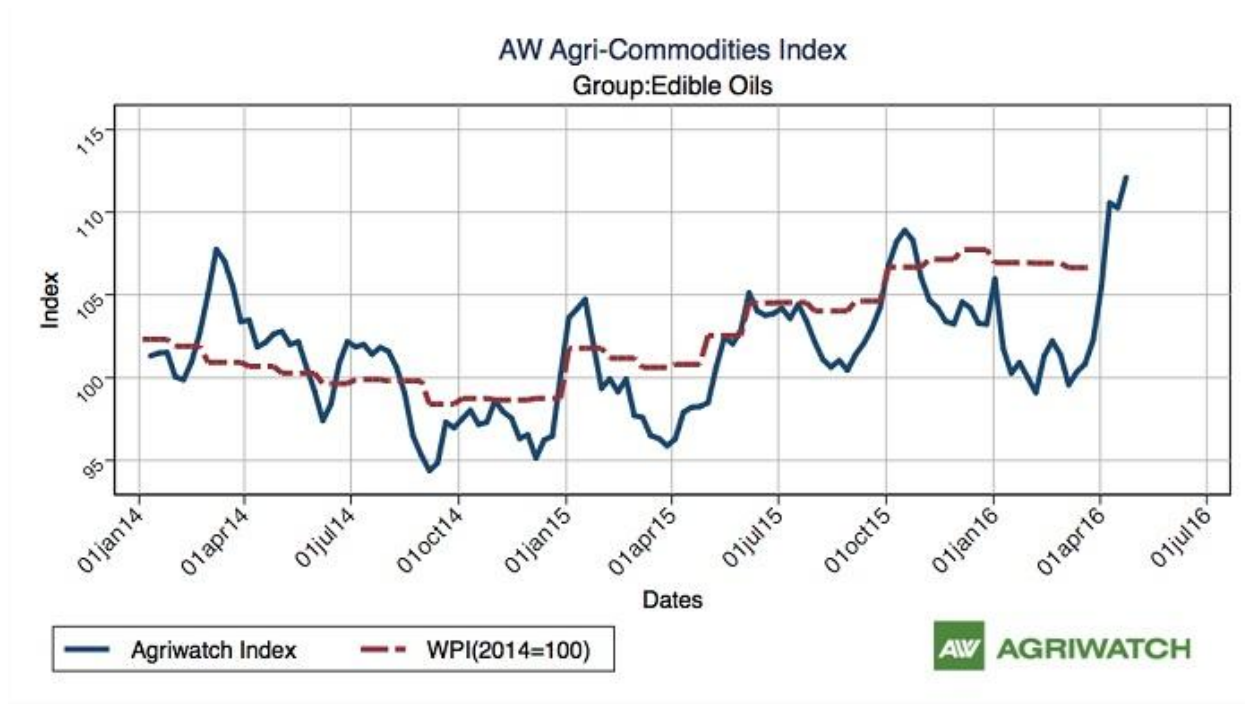
International Veg. Oil Market Summary

According to cargo surveyor Societe Generale de Surveillance, Malaysia's April 1-20 palm oil exports of rose by 0.9 percent to 724,169 tons compared to 717,670 tons in corresponding period last month. Top buyers were China at 102,218 tons (107,480 tons), India at 96,500 tons (117,750 tons), European Union at 88,774 tons (103,913 tons), United States at 41,115 tons (55,650 tons) and Pakistan at 16,500 tons (10,000 tons). Values in brackets are figures of corresponding period last month.

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

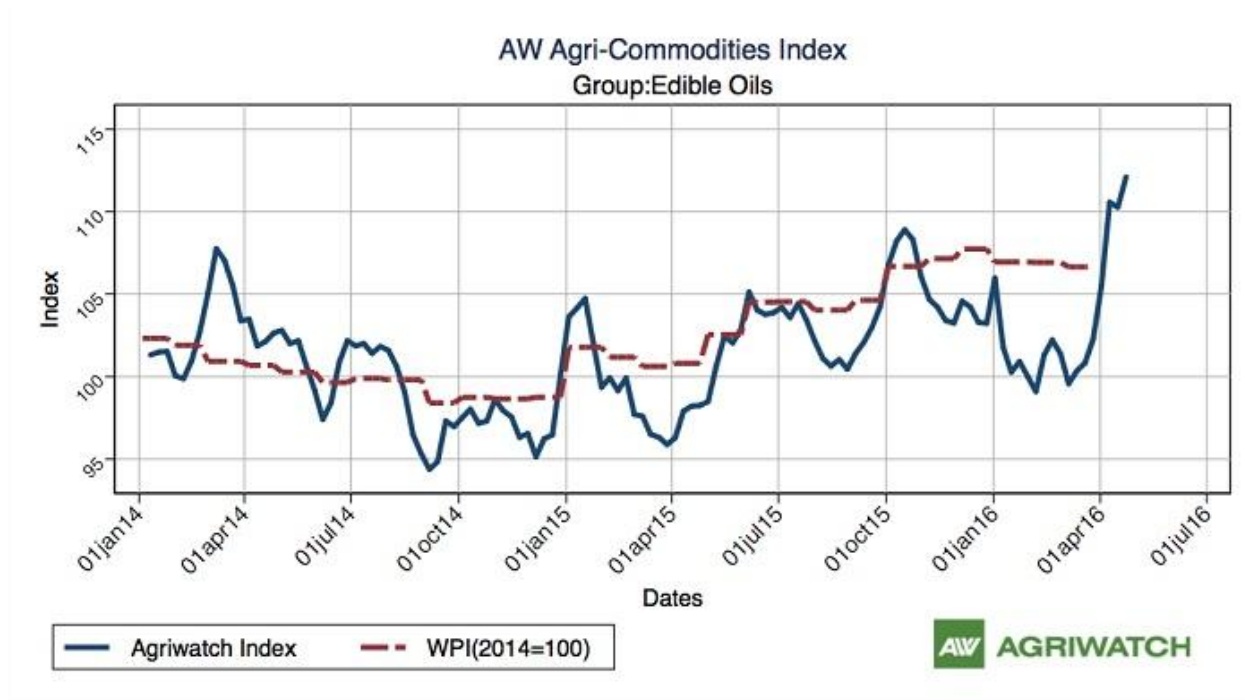
El Nino weather pattern, strong palm oil exports, crude oil prices and supportive biodiesel and tax policies by South East Asian countries may support the CPO prices. However, strong ringgit may underpin palm oil prices in medium term.

Agriwatch Index



- The Agriwatch Agri Commodities Index made another 12-month high, rising 2.28% to 111.23 during the week ended Apr 23, 2016 from 108.74 during the previous week. The base for the Index and all sub-Indices is 2014 (= 100).

Agriwatch edible oil index

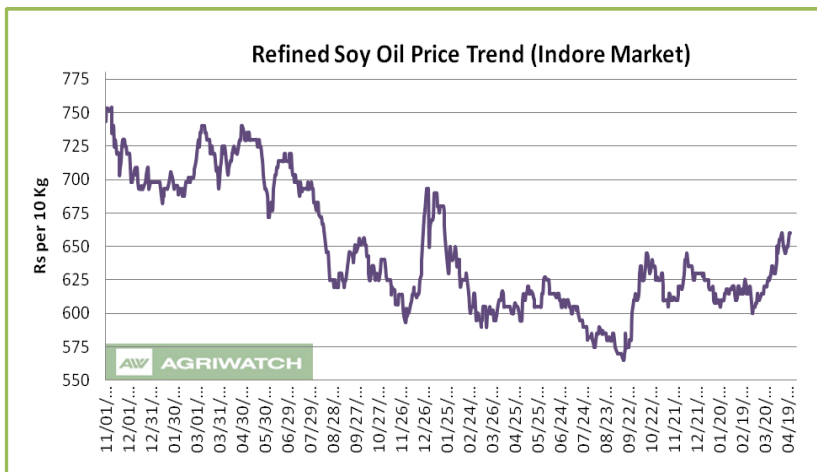


- Agriwatch edible oil index rose 1.66 percent in the last week.

Soy oil Fundamental Analysis and Outlook:-

Domestic Front

- Soy oil featured uptrend at its benchmark market in Indore during the week in review on firm demand. In Mumbai, Kolkata and Kandla/Mudra closed higher at the end of the week. CDSO prices closed higher at Kandla/Mudra and JNPT.
- Agriwatch View- Soy oil prices witnessed uptrend during the week on firm demand. Prices are expected to increase on seasonal uptrend of prices and spillover support from palm oil and rapeseed oil. Prices of soy oil expected to be firm on low premium of soy oil over palm oil Rs 85 (Rs 80 last week) per 10 Kg. Weak refining margin may slow imports. In USD terms, premium of soy oil over palm oil was USD 51.5 (USD 53 last week) which will increase imports. Rise in prices of palm oil and rapeseed oil will help prices. Prices of soy oil are expected to be firm in near term.
- Soybean oil import scenario – According to SEA India imported 3.22 lakh tons of soybean oil in March 2016 v/s 1.91 lakh tons in March 2015, up 68.58 percent y-o-y. In the oil year 2015-16 (November 2015-March 2016) imports of soy oil is reported at 18.96 lakh tons v/s 8.74 lakh tons in corresponding period last oil year, higher by 117 percent y-o-y. In the period November 2015-March 2016, share of soft oil in imports has risen from 34 percent to 42 percent.
- According to Solvent Extractors Association (SEA), India's import of edible oils in March rose by 11.6 percent y-o-y to 11.76 LT from 10.53 LT in March 2015. Imports of edible oil in March were up 7.5 percent from February 2016 m-o-m. Palm oil imports were 4.29 LT (6.16 LT), lower by 30.35 percent y-o-y. Soy oil imports were 3.22 LT (1.91 LT), higher by 68.58 percent y-o-y. Sunflower oil imports were 1.84 LT (1.62 LT), higher by 13.58 percent y-o-y. Rapeseed (canola) oil imports were 0.29 LT (0.18 LT), lower by 50 percent y-o-y. Values in brackets are figures of March 2015.
- According to Solvent Extractors Association (SEA), India's imports of edible oil in the first five months of oil year 2015-16 (November 2015 to March 2016) were 62.65 LT v/s 52.57 tons in the corresponding period last oil year, higher by 19.17 percent. Palm oil imports in first four months in the oil year 2015-16 were 36.03 LT (35.68 LT), higher by 1 percent y-o-y. Soy oil imports in the same period were 18.90 LT (8.76 LT), higher by 116 percent. Sunflower oil imports in the same period were 6.70 LT (7.27 LT), lower by 7.8 percent. Rapeseed (Canola) oil in the same period was 1.02 LT (1.68 LT), lower by 39 percent. Values in brackets are figures of first five months of oil year 2014-15.
- According to Solvent Extractors Association (SEA), India's edible oils stocks at ports and pipelines dropped to 23.10 LT in March from 23.60 LT in February 2016, lower by 2.2 percent m-o-m. Stocks at ports on 1st April 2016 were 8.90 LT (CPO 2.50 LT tons, RBD palmolein 1.70 LT, Degummed Soybean Oil 3.1 LT, Crude Sunflower Oil 1.35 LT and 0.25 LT tons of Rapeseed (Canola) Oil) and 14.2 LT tons in pipelines. Stock of at ports and pipelines were 42 days of India's monthly edible oil use. India typically uses 16.5 LT of edible oil in a month. As on 1st April, 2016 the total stock at ports and pipelines is higher by 3.0 LT tons compared to 1st April, 2015.
- Imported crude soy oil CIF at West coast port is offered at USD 794 (USD 778) per ton for April delivery. May delivery is offered at USD 794 (USD 778) per ton and MJJ delivery is offered at USD 798 (USD 784) as on April 22, 2016. Last month, CIF CDSO March average price was USD 748.30 per ton.
- On the parity front, margins were at disparity during the week and we expect disparity in margins in coming days. Currently refiners lose USD 45-50/ton v/s loss of 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

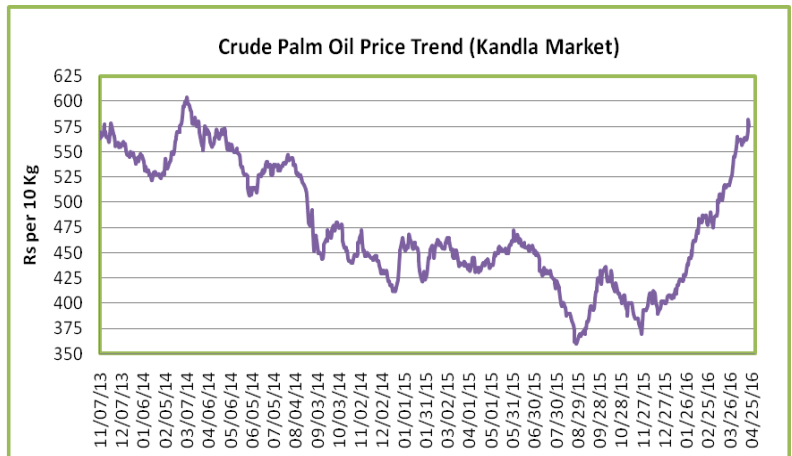
- Agriwatch view – Loss of soybean crop in Argentina due to incessant rains in last three weeks as reported by Argentina government and Buenos Aires Grains Exchange had supported prices of soybean complex last week. Crop losses are significant which will affect prices in near term. Harvesting has come to halt. Only 10 percent harvesting has been completed compared to 40 percent in the corresponding period last year. However, forecast of clear weather will boost harvest.
US supplies of soy oil increased in March as reported by NOPA on higher production of soy oil by US crushers of higher crush of soybean. Crush in March is second best March crush in history. USDA decreased end stocks of soybean in US on higher export sales of soybean. However, soybean end-stocks in 2015/16 v/s use are highest in history.
Appreciation of Brazilian Real supported prices of soybean in international markets while export numbers from United States have improved in recent weeks on buyers moving to US due to its competitive pricing. Brazil's soybean harvest will be complete in April and the crop will be lesser than previously estimated. USDA kept Brazil's soybean crop unchanged at 100 MMT. Brazilian government and other agencies have reduced Brazil's soybean crop on low yields.
China's demand prospects of soybean and edible vegetable oil will support prices of soy oil in near term. China's demand has rebounded after slow February. Commodities will get support on better than expected economic numbers from China.
Palm oil prices have risen closer to soy oil prices and if this trend continues then soy oil exports will rise from major producing countries supporting prices.
Crude oil prices and weak dollar will support prices in near term.
Prices of soy oil are in a range with upward bias.
- United States Department of Agriculture (USDA) kept soy oil ending stocks of US unchanged in its March estimate to 2,185 million pounds. Opening stocks were unchanged 1,855 million pounds. Soy oil production of US for 2015/16, is unchanged at 21,730 million pounds. Imports are unchanged at 300 million pounds. Exports are kept unchanged at 2,100 million pounds. Biodiesel use is unchanged at 5,500 million pounds. Food, Feed & other Industrial use remains unchanged at 14,100 million pounds. Closing stocks estimates were unchanged at 2,185 million lbs.. Soy oil price estimate has been narrowed at 29 to 31 cents per pound with midpoints unchanged.
- According to The National Oilseed Processors Association (NOPA), soy oil stocks in US at the end of March rose by 3.7 percent m-o-m to 1.858 billion lbs compared to 1.792 billion lbs in February 2016. March stock position reported at 1.858 billion lbs was higher by 31 percent from March 2015. Production of soy oil in March rose by 7.7 percent m-o-m to 1.840 billion lbs from 1.708 billion lbs. Production in March was higher by 1.00 percent from March 2015 which was reported at 1.822 billion lbs. Higher production in March was due to higher crush of soybean. Soybean processors crushed 156.69 million bushels in March compared to 146.18 million bushels, higher by 7.5 percent. Crush in March 2015 were 162.82 million bushels. Crush in March was second biggest in record.
- USDA WASDE Oilseeds Highlights: Forecast price ranges for soybeans and products have narrowed this month with midpoints all unchanged. The U.S. season-average soybean price for 2015/16 is projected at \$8.50 to \$9.00 per bushel, unchanged at the midpoint. The soybean meal price is projected at \$275 to \$295 per short ton, unchanged at the midpoint. Soybean oil prices are projected at 29 to 31 cents pound, unchanged at the midpoint.

Price Outlook: We expect refined soy oil at Indore (with VAT) to stay in the range of Rs 620-700 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 and limited supply. CPO prices in Kakinada were unchanged at the end of the week.
- Agriwatch View – Low soy oil premium over palm oil, which is hovering at USD 51.5 (USD 53 last week) per ton, negative refining margins may decrease imports. Prices are expected to rise on seasonal uptrend of demand and rise in prices of soy oil. Higher import of RBD palmolein has increased disparity on high seas.



Lower imports of crude palm oil (CPO) will decrease stocks at ports and pipelines. Latest data on stocks at ports show erosion of CPO stocks, which will support prices in near term. CNF RBD palmoilein and CNF CPO prices are at same levels. Processed palm oil is available at cost of raw material. This will decrease import of CPO and reduce port and pipelines stocks of CPO. However, RBD palmolein will continue to distress Indian refiners as their raw material is arriving at rate of processed oil. Duty differential between crude and refined edible oil is at 7.5 percent leading to higher imports of refined oils. Industry has asked duty differential of 15 percent between crude and refined edible oil import duties. Government intervention is expected in coming days. Prices are expected to be sideways to higher.

- Palm oil import scenario – According to SEA, India imported 6.43 lakh tons of palm oil in March 2016 v/s 6.82 lakh tons in March 2015, down 6.00 percent y-o-y. In the oil year 2015-16 (November 2015-March 2016) imports of palm oil is reported at 36 lakh tons v/s 35.68 lakh tons in corresponding period last oil year, higher by 1.00 percent y-o-y. RBD palmolein reported sharp rise at 9.77 lakh tons (November 2015-March 2016 v/s 3.03 lakh tons in corresponding period of oil year 2014-15, rise of 222 percent y-o-y. Crude palm imports in the period (November 2015-March 2016) fell to 25.60 lakh tons from 31.12 lakh tons in the corresponding period last oil year, fall of 21.50 percent y-o-y. In the period November 2015-March 2016, share of palm product imports fell to 58 percent from 66 percent in the corresponding period last oil year.
- On the trade front, CNF CPO (Indonesian origin) at Indian port quoted at USD 742.5 (USD 725) per ton for April delivery and May delivery quoted at USD 742.5 (USD 725) per ton. Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 740 (USD 725) per ton for April delivery and May delivery offered at USD 740 (USD 725) per ton. Ready lift CPO duty paid prices quoted at Rs 565 (Rs 561) per 10 Kg and May delivery duty paid offered at Rs 575 (Rs 570) per 10 Kg on April 22, 2016 while May delivery duty paid offered at Rs 577 (Rs 570) per 10 kg. Values in bracket depict last week quotes.
- On the parity front, margins disparity improved during this week due to rise in prices of palm oil products. Currently refiners lose USD 15-20/ton v/s negative margin of USD 115-120/ton (last month) margin in processing the imported CPO and imports of ready to use palmolein fetches USD 0-5/ton v/s loss of USD 100-105/ton (last month) parity.
- We expect palm oil to trade sideways to firm in the days ahead.

International Front

- Agriwatch View – Slowdown of exports from Malaysia in first twenty days of April indicates that price rally on lower end stocks and higher stocks can come to halt. Production will show slower growth on El Nino and lagged effect will last until 2017. If exports fail to pick up in last ten days of April, stock draw will be limited. Low differential between Malaysia's RBD palmolein and Indonesia CPO has supported palm oil prices. Malaysia kept its export duty on CPO for May unchanged at 5 percent to divert more CPO towards processing as supply dwindles. Aggressive pricing by Malaysian refiners is expected to attract major buyers in near term.

Indonesia is expected to keep export duty of palm oil unchanged to counter aggressive pricing of palm by Malaysia.

Better economic numbers from China has raised expectation of price recovery of commodities. Pickup in demand of palm from China indicates that demand is still intact.

Soy oil premium over palm oil have reached a close range, which will adversely affect palm oil demand in near term. Ringgit appreciation will cap gains. Competitive oil prices will support palm prices. Prices are in range with upward bias

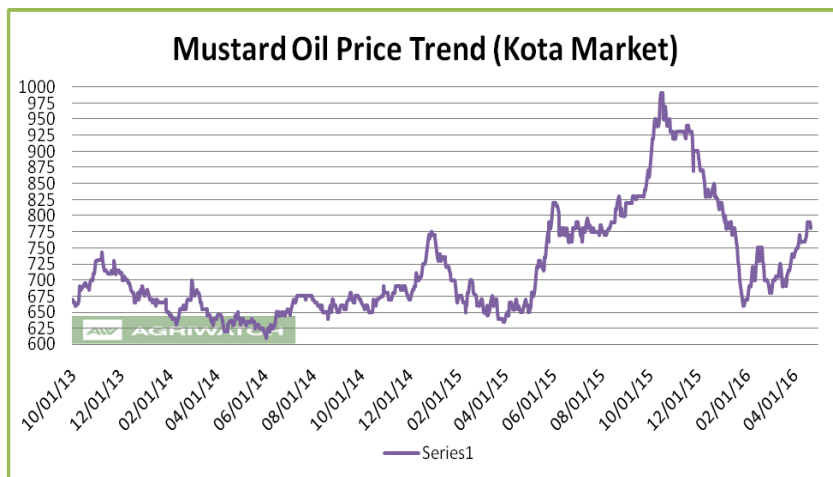
- According to cargo surveyor Societe Generale de Surveillance, Malaysia's April 1-20 palm oil exports of rose by 0.9 percent to 724,169 tons compared to 717,670 tons in corresponding period last month. Top buyers were China at 102,218 tons (107,480 tons), India at 96,500 tons (117,750 tons), European Union at 88,774 tons (103,913 tons), United States at 41,115 tons (55,650 tons) and Pakistan at 16,500 tons (10,000 tons). Values in brackets are figures of corresponding period last month.
- According to palm oil industry regulator Malaysia Palm Oil Board (MPOB), Malaysia's March palm oil ending stocks fell by 13.14 percent to 18.85 MMT from 2.17 MMT in February. Production rose by 16.94 percent to 1.22 MMT in March from 1.04 MMT in January. Exports rose by 22.95 percent to 1.33 MMT in March from 1.09 MMT in February. Imports of palm oil rose by 10.16 percent to 0.074 MMT in March from 0.068 MMT in February.
- China's March palm oil imports rose 66.74 percent compared to last year. Imports from Indonesia rose by 127.17 percent to 329,375 tons. Year to date imports from Indonesia was higher by 76.67 percent to 864,194 tons. Imports from Malaysia in March fell by 20.66 percent to 79,549 tons and year to date imports were lower by 35.88 percent to 295,186 tons.
- According to Indonesia's state owned palm oil industry researcher PT Riset Perkebunan Nusantara (RPN), Indonesia's 2016 CPO production could fall by 4 percent to 32 MMT from 33.4 MMT last year. Fall in production is due to El Nino weather pattern and the worst impact will be in March and April 2016. Situation will improve in second half of 2016.

Price Outlook: We expect CPO Kandla 5 percent (with VAT) to stay in the range of Rs 540-620 per 10 Kg in the near term.

Rapeseed oil Fundamental Review and Analysis:-

Domestic Front

- Mustard oil prices featured uptrend at its benchmark market Kota at the end of the week on renewed demand at lower quotes.
- Agriwatch view: Prices of rapeseed oil expeller were higher across board in India on renewed demand at lower quotes. Kacchi ghani prices were higher across board in India at the end of the week. Demand is firm while supplies are short. Rise in prices of rapeseed on decreased arrivals have heated rapeseed oil. Stockists are stocking ahead of seasonal uptrend in prices and buying at lower quotes. Seasonal uptrend in prices and shift of price momentum will support rapeseed oil. Moreover, rise in prices of palm and soy oil is expected to lend support. Removal of stock limit in Rajasthan on rapeseed oil will support prices. According to Agriwatch estimates India's 2015/16 rapeseed-mustard production is around 5.8 million tons Markets are expected to trade sideways to firm tone in coming days.
- COOIT estimated rabi production of rapeseed for 2015-16 at 58 lakh tons v/s 50 lakh tons rabi 2014-15. Production of rapeseed seed for 2015-16 (Kharif & Rabi) is estimated at 59.20 lakh tons v/s 50.80 lakh tons 2014-15. Rapeseed oil availability is reported at 18.55 lakh tons for 2015-16 v/s 15.77 lakh tons in 2014-15.
- India imported 0.27 lakh tons of rapeseed (Canola) oil in March 2016 v/s 0.18 lakh tons in March 2015, higher by 50 percent y-o-y. For oil year 2015-2016 (November 2015 – March 2016) India imported 1.02 lakh tons rapeseed (canola) oil v/s 1.68 lakh tons in corresponding period in the oil year 2014-15, lower by 39 percent y-o-y: SEA
- CIF canola premium over soybean oil is USD 6 (USD 37 last week) per ton as on 22 April 2016. Low premium of canola over soybean oil may increase imports of canola.
- Currently, RM oil at Jaipur market, (expeller) is offered at Rs 818 (Rs 795) per 10 Kg, and at Kota market, it is offered at Rs 780 (Rs 760) per 10 kg as on April 22, 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.

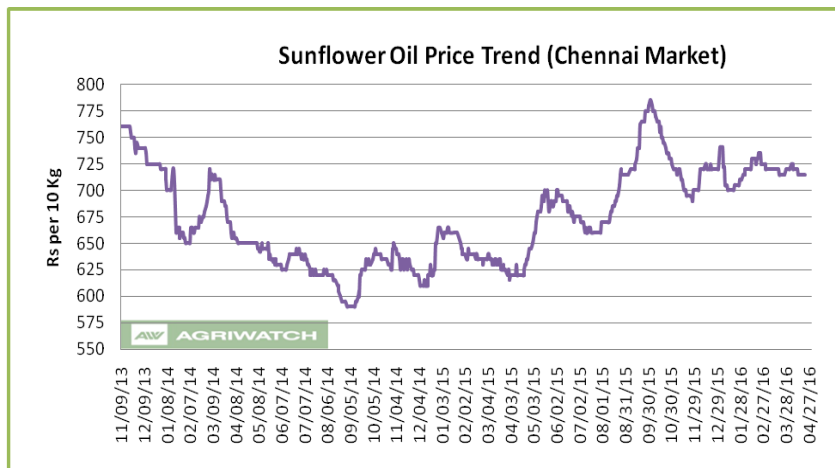


Price Outlook: Rapeseed oil (without VAT) prices in Kota may stay in the range of Rs 740-840 per 10 Kg.

Sunflower oil Fundamental Review and Analysis:-

Domestic Front

- Sunflower oil prices trades sideways during the week at its benchmark market in Chennai on firm demand and adequate supply.
- Agriwatch view: Prices of sunflower oil in Chennai, Hyderabad and Kakinada, prices were unchanged at the end of week on firm demand and adequate supplies. Demand is firm while supplies are adequate as refiners are unloading their produce. Refiners have been purchasing crude sunflower oil from international markets and the trend is expected to continue as the premium of sunflower oil over soybean oil has weakened below USD 100/ton. Imports of sunflower oil were high in March while stocks at ports and pipelines increased. Currently sunflower oil premium over soy oil is at USD 91 (USD 77 last week) per ton. Imports increased in March on higher demand from refiners on decreasing premium over soy oil and palm oil. Prices in Indian market were stable last week despite rise in prices of sunflower oil in international markets. Supply increased in the market on supplies from refiners who have been selling in the market at lower prices. Prices are expected to be firm on support from competing edible oils, firm demand and seasonal uptrend in prices.
- Sunflower oil import scenario – According to SEA, India imported 1.84 lakh tons of crude sunflower oil during March 2016 v/s 1.61 lakh tons in March 2015, up by 14.3 percent y-o-y. Imports during oil year 2015-16 (November 2015 –March 2016) were reported at 6.70 lakh tons v/s 7.26 lakh tons during the corresponding period in last oil year, down by 7.7 percent y-o-y.
- COOIT estimated rabi production of sunflower seed for MY 2015-16 at 2.4 lakh tons v/s 2.53 lakh tons rabi 2014-15. Production of sunflower seed for MY 2015-16 (Kharif & Rabi) is estimated at 3.20 lakh tons v/s 3.83 lakh tons 2014-15. Sunflower oil availability is reported at 1.12 lakh tons for MY 2015-16 v/s 1.34 lakh tons in 2014-15.
- On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 885 (USD 855) per ton for MJ delivery, JAS delivery is quoted at USD 890 (USD 860) per ton, CIF sun oil (Ukraine origin) March monthly average was around USD 844.5 per ton. Values in brackets are figures of last week.
- Prices are likely to stay in the range of USD 850-920 per ton in the near term. CIF Sunflower oil premium over soybean oil increased from last week and is hovering at USD 91 (USD 77 last week) per ton for May delivery.
- USDA reduced sunflower seed crop of India in 2015/16 to 0.390 MMT from 0.460 MMT in its April estimate v/s 0.420 MMT produced in 2014/15. Demand of sunflower oil was raised in 2015/16 from 1.685 MMT to 1.750 MMT in its April estimate v/s 1.700 MMT in 2014/15.
- Sunflower oil global production is raised to 15.134 from 15.084 MMT in 2015/16 compared to 14.971 MMT in 2014/15 -USDA. India imports are projected at 1.55 MMT of Sunflower oil in 2015/16 up from 1.531 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 715 (Rs 715) per 10 Kg, and at Hyderabad market, it is offered at Rs 732 (Rs 732) per 10 kg as on April 22, 2016. Values in brackets are figures of last week.
- We expect sunflower oil prices to trade sideways to firm tone in the coming days.

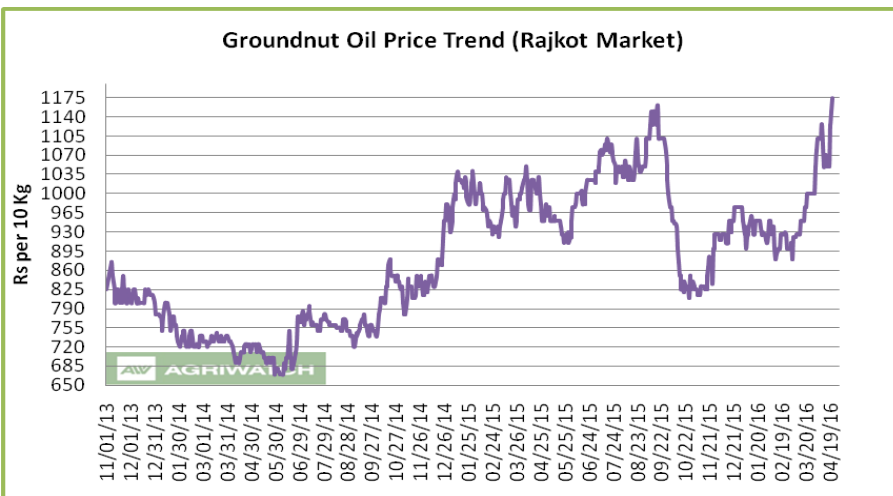


Price Outlook: Sunflower oil (with VAT) prices in Chennai may stay in the range of Rs 690-750 per 10 Kg.

Groundnut oil Fundamental Review and Analysis:-`

Domestic Front

- Groundnut oil prices featured uptrend in Rajkot on weak supplies. Prices in Chennai ended higher while in Hyderabad prices were stable at the end of week. Prices in Mumbai, Gondal and Jamnagar closed higher at the end of the week. Prices in Mumbai were unchanged.



- Agriwatch view: Prices of groundnut have surged on weak supplies and seasonal uptrend in prices. There is shortage of raw material in the market to

crush. Groundnut arrivals in market have been lower on festivals. Mills are quoting higher prices and stockiest are booking fresh orders but nobody is holding produce due to higher prices. Unexpected demand of groundnut oil from China has created shortage in the market. Demand is higher than quantity produced. Prices of palm, soy oil, cottonseed oil and rice bran oil have supported.

Groundnut oil is the costliest domestic oil in India. Prices of groundnut oil may trade sideways to firm in coming days.

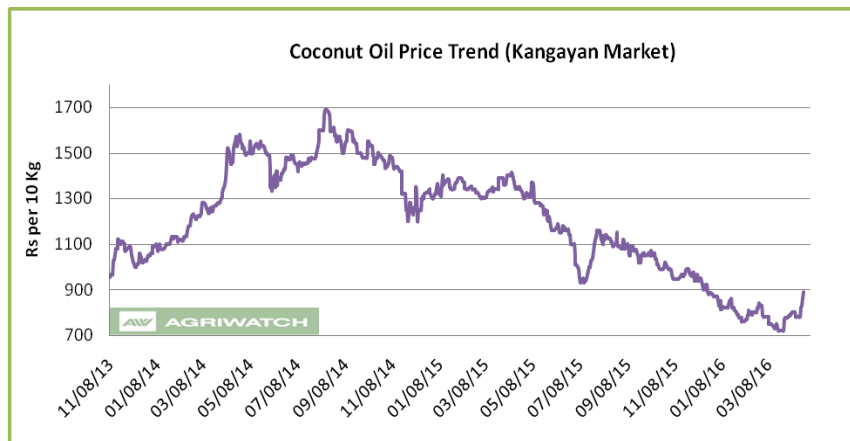
- COOIT estimated Rabi production of groundnut for MY 2015-16 at 12.40 lakh tons v/s 12.85 lakh tons in Rabi 2014-15. Total production of groundnut in MY 2015-16 (Kharif & Rabi) is 44.70 lakh tons v/s 48.55 lakh tons in MY 2014-15. Groundnut oil availability is reported at 2.32 lakh tons for MY 2015-16 v/s 1.72 lakh tons in MY 2014-15.
- USDA has increased India's groundnut production to 4.8 MMT from 4.7 MMT in 2015/16 in its April report v/s 4.9 MMT in 2014/15, lower by 2.00 percent y-o-y. Consumption has been increased to 1.080 MMT from 1.040 MMT in 2015/16 in its April estimate v/s 1.110 MMT in 2014/15, lower by 2.70 percent y-o-y.
- On the price front, currently the groundnut oil prices in Rajkot is hovering near Rs 11,750 (Rs 10,700) per quintal and quoting at Rs 11,200 (Rs 11,000) per quintal in Chennai market on April 22, 2016. Values in brackets are values of last week
- Groundnut oil prices are likely to trade sideways to firm in the coming days.

Price Outlook

Groundnut oil (without VAT) in Rajkot market is likely to trade in the price band of Rs 1150-1250 per 10 Kg.

Coconut Oil Fundamental Review and Analysis:- Domestic Front

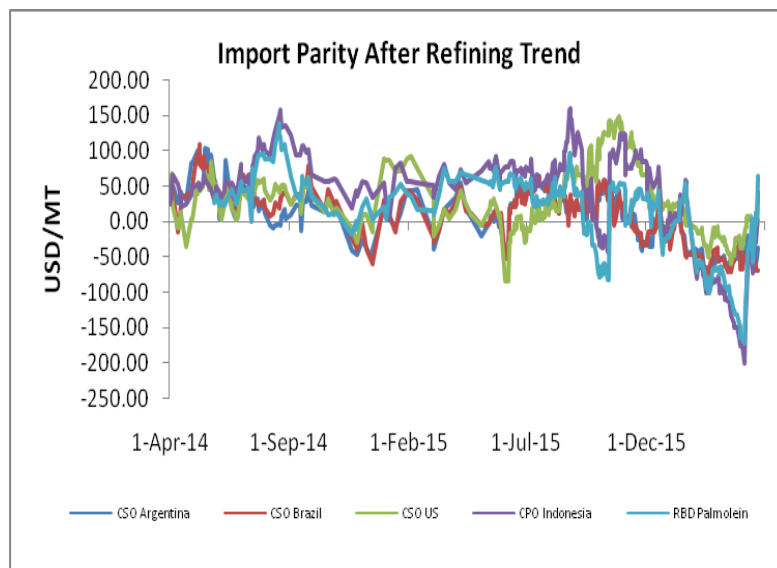
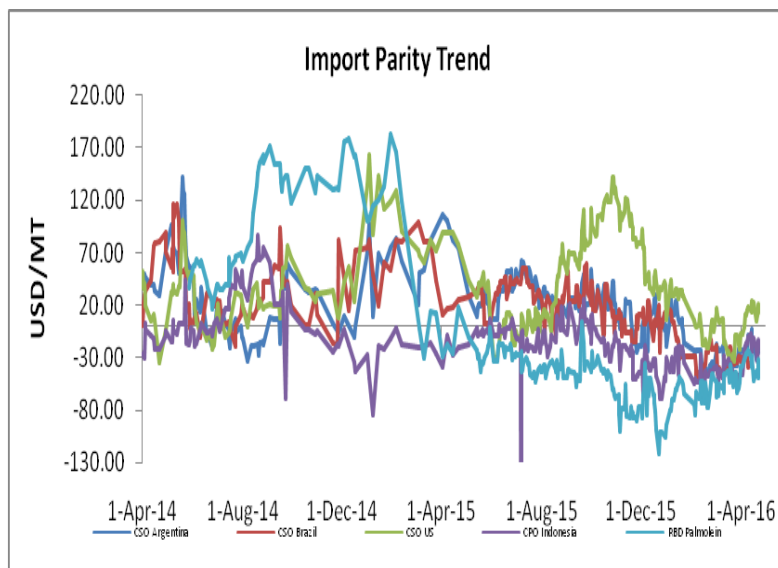
- Coconut oil prices featured uptrend during the week at its benchmark market in Kangeyam on firm demand. In Kochi and Trissur prices recovered at the end of the week.
- Agriwatch view: Coconut oil prices rose during the week on firm, buying at lower quotes and seasonal uptrend of prices. Demand from North India remained improved up. Mills crushed more copra to produce coconut oil. Supply of copra is high due to increased arrivals. Demand of copra has increased from North India. Higher prices of copra have been passed on to the consumers. Coconut harvesting is at elevated levels and prices have fallen. Coconut oil exports rose by 23 percent in 2015-16 while imports of coconut oil fell by 58 percent in the same period. Prices have been supported by rise in prices of palm oil and rice bran oil prices. Millers are depending on ready markets while the demand is firm. Fall in prices of coconut of coconut oil have improved demand, according to Coconut Development Board (CDB). Corporates, are expected to venture in the market as the price difference of palm kernel oil and coconut oil has narrowed. Traders and upcountry buyers have not started stocking and are relying on ready market. Recent trends of coconut oil are encouraging and prices are expected to rise on seasonal uptrend of prices, firm demand and buying at lower quotes. Competitive oil prices will support. Prices are expected to trade sideways to firm in near term.
- Exports of coconut oil in the 2015-16 (April 2015-March 2016) increased by 23 percent to 8549.97 tons compared to 6935.54 tons in 2014-15. Coconut Development Board (CDB) expects improvement in export prospects of coconut oil in 2016-17 (April 2016-March 2017) as prices are relatively low compared to prevailing prices in international markets. Imports of coconut oil fell by 58 percent in 2015-16 (April 2015-March 2016) at 5416.30 tons from 12811.92 tons in 2014-15.
- Nafed has fixed minimum support prices (MSP) for 2016 season at Rs 59.5/kg for milling copra and Rs 62.40/kg for ball copra for next three months.
- 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 8,600 (8,100) per quintal, and was quoting Rs 8,900 (7,800) per quintal in Erode market on April 22, 2016.



Price Outlook: Coconut oil (withut VAT) prices in Erode may stay in the range of Rs 850-950 per 10 Kg.

Import Parity Trend

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

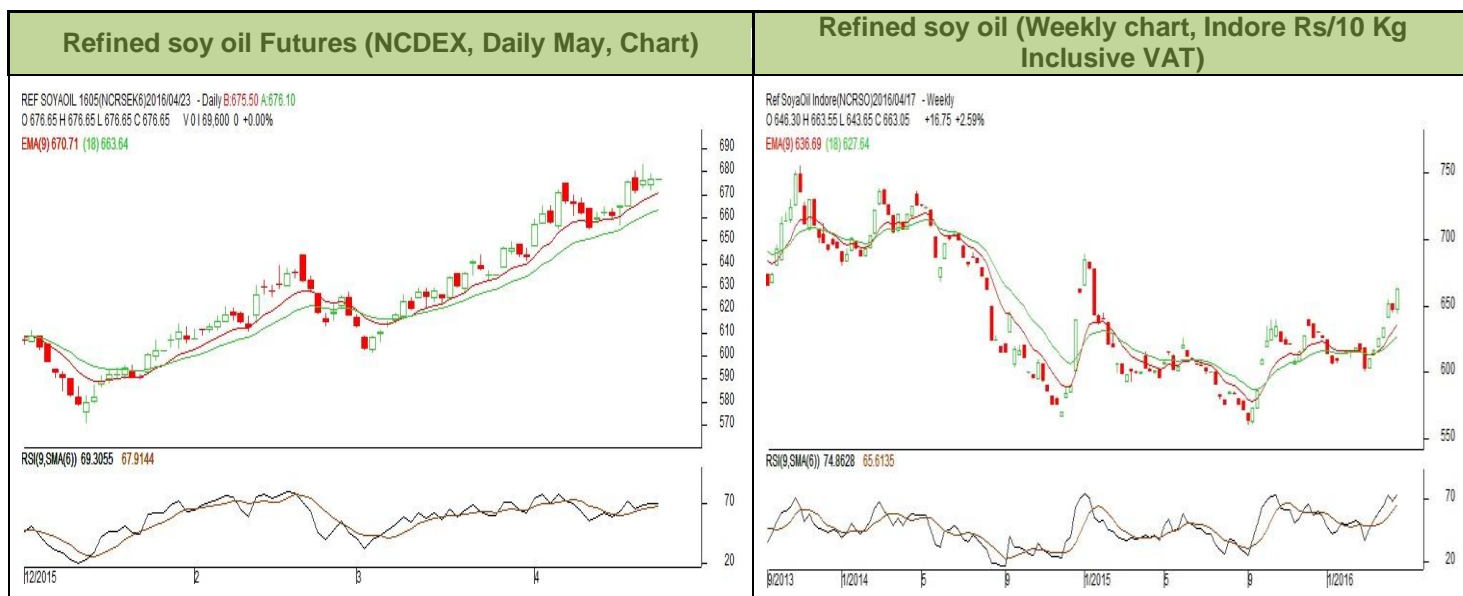


	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
Feb, 2016	-53.56	-54.36	-23.88	-80.77	-71.57
March, 2016	-52.40	-53.87	-32.74	-124.22	-105.20

Outlook:-

Import parity for crude soy oil from Argentina and palm oil after refining is hovering in disparity due to rise in prices of imported oils. We expect CDSO import parity to remain in disparity. 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 680 in weekly chart shall change the sentiments and might take the prices above 700 levels.
- ❖ Expected price band for next week is 640-700 level in near to medium term. RSI and stochastic is going up towards overbought zone. MACD is still pointing upward trend.

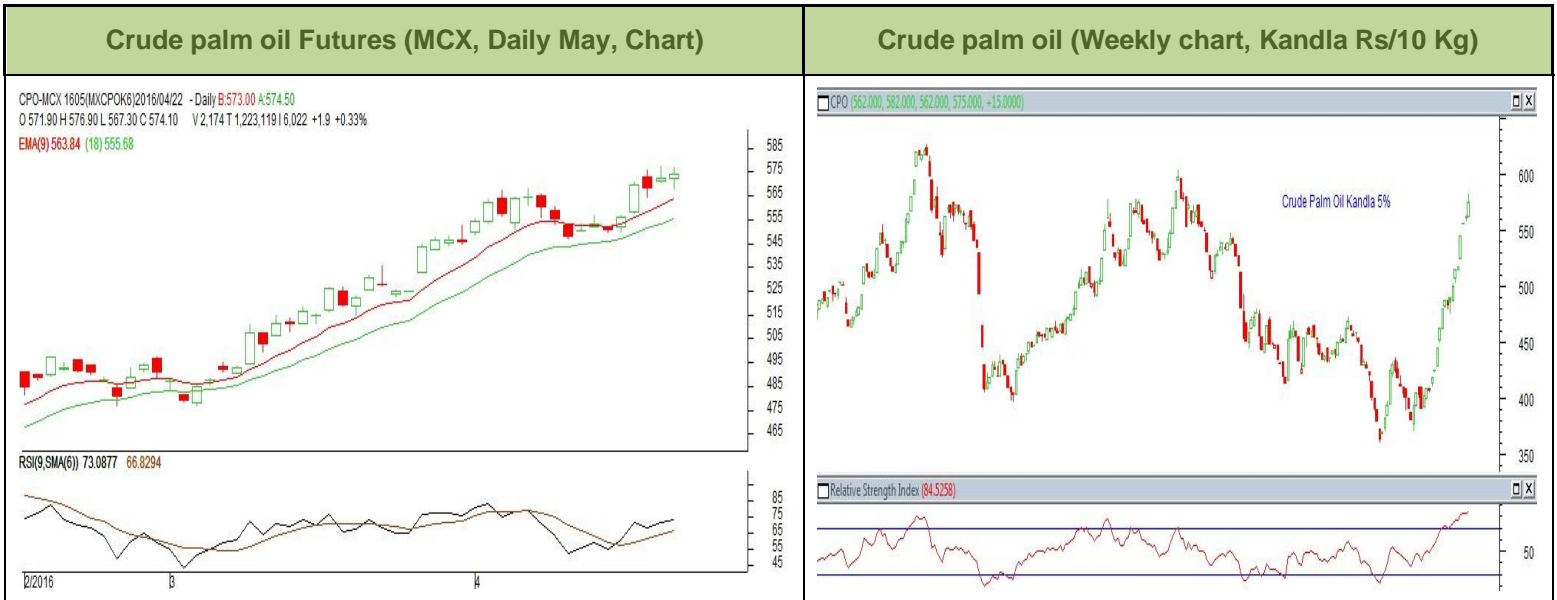
Strategy: Market participants are advised to go long in RSO above 670 levels for a target of 685 and 690 with a stop loss at 660 on closing basis.

RSO NCDEX (May)

Support and Resistance				
S2	S1	PCP	R1	R2
639.00	655.00	676.65	700.00	715.00

Spot Market outlook: Refined soy oil Indore (with VAT) is likely to stay in the range of Rs 620-700 per 10 Kg.

Technical Analysis (Crude Palm oil)



Outlook - Prices show uptrend in prices during the week. We expect that CPO May 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 580 in weekly chart might bring the prices to 600 levels.
- ❖ Expected price band for next week is 550-620 level. RSI, Stochastic, and MACD are suggesting uptrend in prices in the coming week.

Strategy: Market participants are advised to go long in CPO above 570 for a target of 585 and 590 with a stop loss at 560 on closing basis.

CPO MCX (May)

Support and Resistance				
S2	S1	PCP	R1	R2
535	545	574.1	586.00	600

Spot Market outlook: Crude palm oil is likely to stay in the range of Rs 540-620 per 10 Kg.

Veg. Oil Prices at Key Spot Markets

Commodity	Centre	Prices(Per 10 Kg)		Change
		21-Apr-16	14-Apr-16	
Refined Soybean Oil	Kota	660	660	Unch
	Rajkot	645	635	10
	Delhi	690	680	10
	Mumbai	660	650	10
	Indore	660	648	12
	Kandla/Mundra	645	640	5
	Kolkata	645	635	10
	Indore (Soy Solvent Crude)	625	622	3
	Mumbai (Soy Degum)	612	597	15
	Kandla/Mundra (Soy Degum)	615	602	13
	Akola	690	681	9
	Amrawati	690	681	9
	Jalna	NA	NA	-
	Nagpur	650	643	7
	Alwar	NA	NA	-
	Solapur	NA	NA	-
	Bundi	662	653	9
	Dhule	NA	NA	-
Palm Oil	Rajkot	615	600	15
	Hyderabad	618	608	10
	Delhi	685	630	55
	Kandla (Crude Palm Oil)	575	560	15
	Kandla (RBD Palm oil)	575	580	-5
	Mumbai RBD Pamolein	595	605	-10
	Kandla RBD Pamolein	615	600	15
	Mangalore RBD Pamolein	615	600	15
	Chennai RBD Pamolein	605	600	5
	Kakinada RBD Pamolein	605	592	13
	KPT (krishna patnam)	600	592	8
	Haldia	600	590	10
	PFAD (Kandla)	410	450	-40
	Refined Palm Stearin (Kandla)	510	510	Unch
Refined Sunflower Oil	Mumbai	770	760	10
	Mumbai(Expeller Oil)	685	685	Unch
	Kandla/Mundra (Crude)	NA	NA	-
	Erode (Expeller Oil)	735	745	-10
	Hyderabad (Ref)	732	732	Unch

	Chennai	715	715	Unch
	Latur (Expeller Oil)	725	725	Unch
	Chellakere (Expeller Oil)	665	670	-5
Groundnut Oil	Rajkot	1175	1070	105
	Chennai	1120	1100	20
	Delhi	1210	1100	110
	Hyderabad *	1200	1200	Unch
	Mumbai	1170	1110	60
	Gondal	1150	1050	100
	Jamnagar	1125	1050	75
Rapeseed Oil/Mustard Oil	Mumbai (Expeller Oil)	860	840	20
	Sri-GangaNagar(Exp Oil)	805	760	45
	Alwar (Expeller Oil)	820	780	40
	Kota (Expeller Oil)	780	760	20
	Jaipur (Expeller Oil)	818	795	23
	New Delhi (Expeller Oil)	830	770	60
	Hapur (Expeller Oil)	860	810	50
	Sri-Ganga Nagar (Kacchi Ghani Oil)	840	810	30
	Kota (Kacchi Ghani Oil)	857	825	32
	Jaipur (Kacchi Ghani Oil)	855	821	34
	Agra (Kacchi Ghani Oil)	875	855	20
	Bharatpur (Kacchi Ghani Oil)	870	850	20
	Neewai (Kacchi Ghani Oil)	837	800	37
	Hapur (Kacchi Ghani Oil)	940	900	40
Refined Cottonseed Oil	Mumbai	670	660	10
	Rajkot	680	655	25
	New Delhi	660	630	30
	Hyderabad	650	630	20
Coconut Oil	Kangayan (Crude)	890	780	110
	Cochin	830	800	30
	Trissur	860	810	50
Sesame Oil	New Delhi	845	825	20
	Mumbai	670	660	10
Kardi	Mumbai	830	830	Unch
Rice Bran Oil (40%)	New Delhi	465	460	5
Rice Bran Oil (4%)	Punjab	570	560	10
Rice Bran Oil (4%)	Uttar Pradesh	570	560	10



Malaysia Palmolein USD/MT	FOB	715	708	7
	CNF India	740	738	2
Indonesia CPO USD/MT	FOB	725	713	12
	CNF India	743	738	5
RBD Palm oil (Malaysia Origin USD/MT)	FOB	710	700	10
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	668	663	5
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1425	1385	40
Crude palm Kernel Oil India (USD/MT)	CNF India	1360	1325	35
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	610	603	7
Ukraine Origin CSFO USD/MT Kandla	CIF	885	858	27
Rapeseed Oil Rotterdam Euro/MT	FOB	715	715	Unch
Argentina FOB (\$/MT)		21-Apr-16	13-Apr-16	Change
Crude Soybean Oil Ship		743	728	15
Refined Soy Oil (Bulk) Ship		769	753	16
Sunflower Oil Ship		775	770	5
Cottonseed Oil Ship		723	708	15
Refined Linseed Oil (Bulk) Ship		Unq	Unq	-
* indicates including VAT				

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