

# Veg. Oil Weekly Research Report

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## **Executive Summary**

### **Domestic Veg. Oil Market Summary**

*Edible oil witnessed mixed sentiment during the week on gains in CBOT soy oil and losses in BMD CPO. Rapeseed oil, groundnut oil and coconut oil closed higher while palm oil closed sideways. Soy oil and sunflower oil prices closed lower.*

*On the currency front, Indian rupee against USD closed at 66.76, down 49 paisa 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. Rupee is expected to appreciate and crude oil prices will fall.*

*We expect edible oil complex to trade sideways to firm tone in anticipation of firm demand. High stocks at port and in pipelines may underpin prices.*

### **Recommendation:**

*Weekly Call - : Market participants are advised to go long in RSO above 650 levels for a target of 665 and 670 with a stop loss at 640 on closing basis. We expect refined soy oil at Indore (with VAT) to stay in the range of Rs 620-680 per 10 Kg in the near term.*

*Market participants are advised to go long in CPO above 525 for a target of 540 and 545 with a stop loss at 515 on closing basis. We expect CPO Kandla 5 percent (with VAT) to stay in the range of Rs 510-570 per 10 Kg in the near term.*

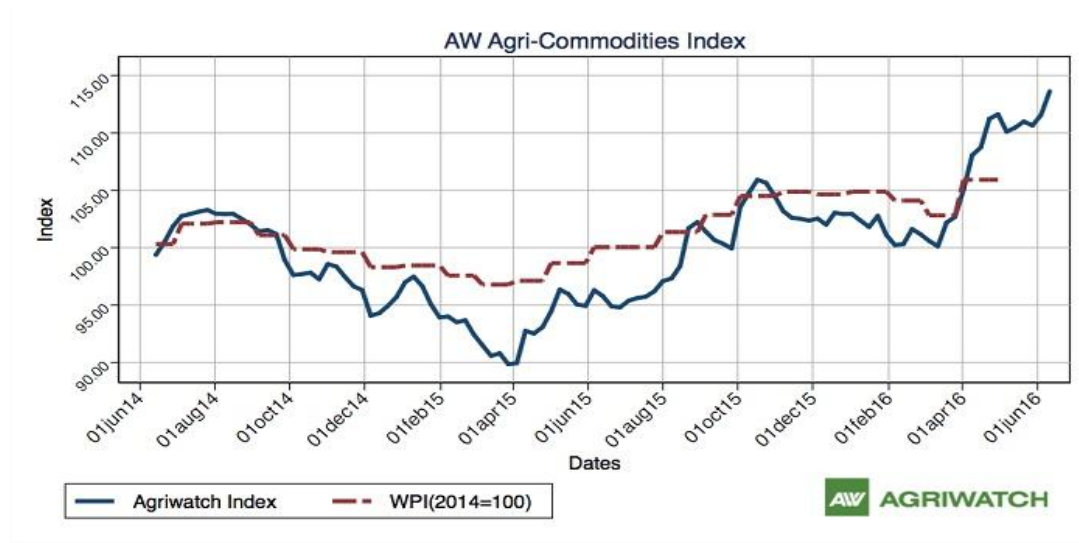
### **International Veg. Oil Market Summary**

*According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's June 1-10 palm oil exports fell by 10.3 percent to 362,486 tons compared to 404,248 tons in the corresponding period last month. Top buyers were European Union at 64,020 tons (69,035 tons), Pakistan at 50,000 tons (39,000 tons), India at 40,570 tons (102,680 tons), China at 33,225 tons (30,150 tons) and United States at 2,000 tons (12,295 tons). Values in brackets are figures of corresponding period last month.*

*On the international front, Argentina soybean crop condition, low soy oil share in soybean products and strong soybean exports from US is bullish for the soy complex in the coming days.*

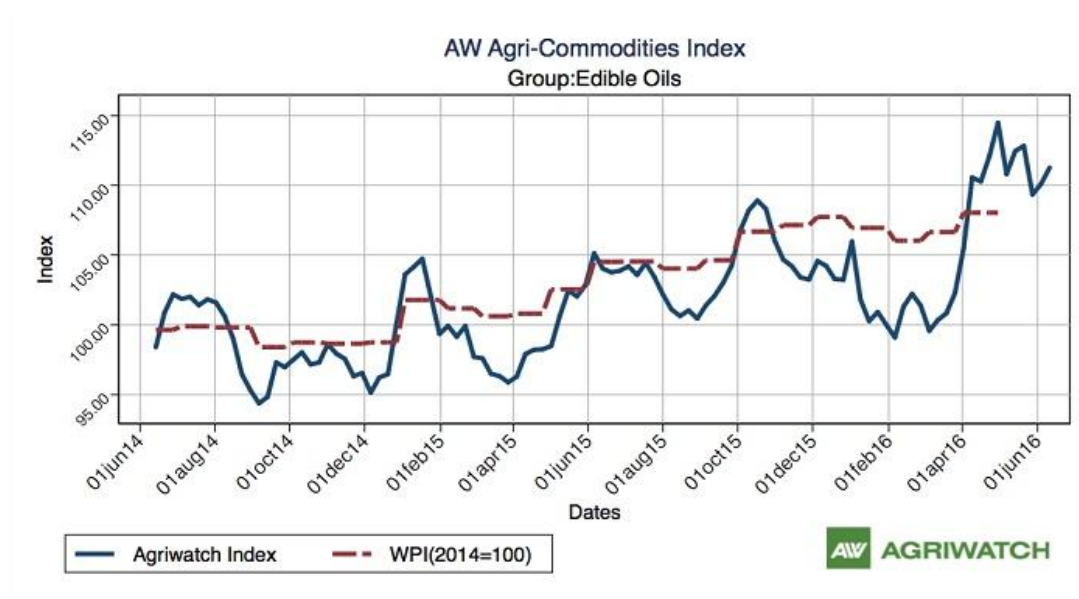
*Weak Ringgit, Indian demand from Malaysia and firm palm oil exports will support CPO prices in near term. Global risk aversion may underpin prices in near term.*

### Agriwatch Index



- The Agriwatch Agri Commodities Index hit a new 52-week high of 113.62 during the week ended June 11, 2016, up 1.84% from 111.57 during the previous week. The base for the Index and all sub-Indices is 2014 (= 100).
- All nine of the commodity group sub-Indices and 22 of the 29 individual commodity Indices that comprise the overall Index ended higher during the week.

### Agriwatch edible oil index

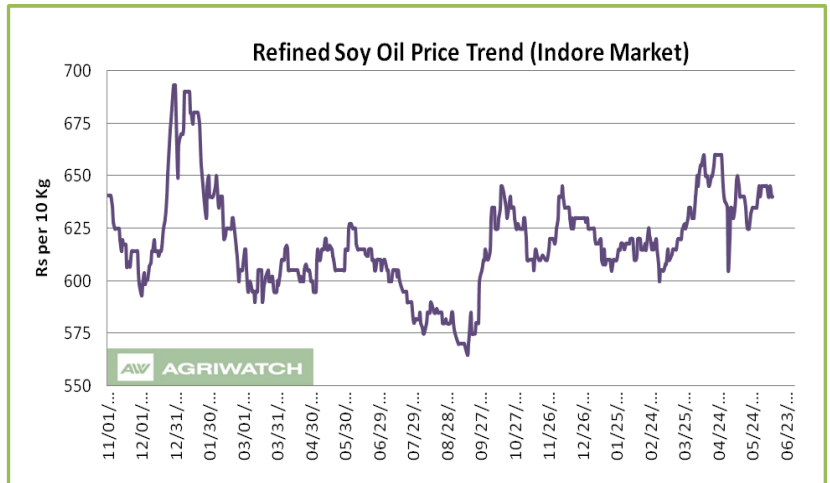


- Agriwatch edible oil index rose 1.06 percent last week to 111.27.

"Agriwatch has recently launched its AW Agri Commodity Indices to enable organizations access independent Indices to track and use to benchmark their purchases and sales. The Indices are based on the daily prices in the key benchmark markets for each commodity that AW has been covering for the past decade. The indices include an Aggregate Index, Category Indices and individual commodity indices. The weekly indices are free to access on our website [www.agriwatch.com](http://www.agriwatch.com). The daily indices are available on subscription. Please contact for more details."

**Soy oil Fundamental Analysis and Outlook:-****Domestic Front**

- Soy oil featured downtrend at its benchmark market in Indore during the week in review on weak demand. Prices were unchanged in Mumbai while it was higher at Kandla/Mudra and Kolkata at the end of the week. CDSO prices closed higher at Kandla/Mudra while it was unchanged at JNPT at the end of the week.
- Agriwatch View- Soy oil prices witnessed downtrend during the week



- in review on weak demand. Fall in prices of soybean translated into lower prices. Prices of soy oil expected to be firm on low premium of soy oil over palm oil at Rs 105 (Rs 107 last week) per 10 Kg. Weak refining margins may slow imports. Prospects of higher soybean crop in Kharif season due to better monsoons will depress imports. Demand will improve on onset of monsoons. Surge in imports of soy oil in April, which increased stocks at ports and pipelines may underpin prices. In USD terms, premium of soy oil over palm oil was USD 105.5 (USD 99.5 last week) which will increase imports. Prices of soy oil are expected to be firm in near term.
- USDA increased soy oil imports in 2015/16 to 4.00 MMT from 3.7 MMT in its June estimate on strong pace of trade, primarily from Argentina and reduction in imports of other edible oils (palm kernel oil and rapeseed oil). Domestic consumption is raised from 4.75 MMT to 4.95 MMT in 2015/16.
- Soybean oil import scenario – According to SEA India imported 3.48 lakh tons of soybean oil in April 2016 v/s 1.87 lakh tons in April 2015, up 86 percent y-o-y. In the oil year 2015-16 (November 2015-April 2016) imports of soy oil is reported at 22.39 lakh tons v/s 10.63 lakh tons in corresponding period last oil year, higher by 106 percent y-o-y. In the period November 2015-April 2016, share of soft oil in imports has risen from 34 percent to 42 percent.
- Imported crude soy oil CIF at West coast port is offered at USD 788 (USD 792) per ton for JJ delivery. AS delivery is offered at USD 791 (USD 794) per ton as on June 10, 2016. Last month, CIF CDSO May average price was USD 774.58 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 50-55/ton v/s loss of USD 55-60/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 – Soybean crop harvest in Argentina is lagging by 9.9 percent compared to corresponding period last year at 86.7 percent, according to Buenos Aires Grains Exchange. It retained Argentina crop unchanged at 56 MMT. USDA retained soybean crop of Argentina at 56.5 MMT. Soy oil exports of Argentina has increased by 0.15 MMT 6.3 MMT in larger imports by India.

USDA reduced Brazil's soybean crop by 2.0 MMT to 97 MMT.

Lower crop in Argentina and Brazil have helped US farmers, which has led to surge in exports and prices reaching 5-year highs. USDA reduced soybean end stocks in its June report. Soy meal demand from US is strong and USDA has upgraded export numbers. USDA increased stocks of soy oil on higher opening stocks.

Soy oil stocks in US rose as reported by NOPA in April from a month ago and stocks of soy oil are 35 percent above last year level in corresponding period. Soy oil production is expected to be higher in May on higher crush of soybean due to higher realizations on higher prices of soy meal.

Soy meal prices have risen by more than 50 percent in last month, which has reduced soy oil share in soybean crush in US to record low, which will support soy oil prices on spreading with soy meal.

Planting of soybean in US have increased pace with sowing reaching above 5-year average, crop condition is good. However, concerns of dryness in Midwest US due to La Nina will affect plantings. More area is not expected to be added to soybeans in US. Report of area is expected on 30 June.

Weakness in crude oil prices and strong dollar due global sell off in various asset classes on risk aversion will adversely affect soy oil prices.

Prices of soy oil are in a range.

- According to United States Department of Agriculture (USDA), U.S. 2016/17 soy oil end stocks are estimated to fall by 16.1 percent to 2,045 million lbs from 2,375 million lbs in 2015/16. Opening stocks are increased from 2355 million lbs to 2375 million lbs in June estimate. Production of soy oil in 2016/17 is estimated at 22,120 million lbs v/s 21,900 million lbs, up by 1.00 percent y-o-y. Imports in 2016/17 are estimated to fall to 250 million lbs from 300 million lbs. Biodiesel use in 2016/17 is estimated at 5,800 million lbs v/s 5,500 million lbs in 2015/16. Food, feed and other industrial use in 2016/17 is estimated at 14,500 million lbs v/s 14,100 million lbs in 2015/16. Exports in 2016/17 are estimated at 2,400 million lbs v/s 2,100 million lbs. Average price range has increased from 30 cents/lbs in 2015/16 to a range of 30.50-33.50 cents/lbs in 2016/17.
- Argentina's soy oil exports are up 150,000 tons to 6.3 million tons reflecting the strong pace of trade to date and rising exports to India: USDA
- According to China's General Administration of Customs (CGNOIC), China's May imports of edible vegetable oil fell 40.4 percent to 2.8 LT compared to 4.7 LT in May 2015. Imports fell by 30 percent from March 2016 and were higher by 3.9 percent year to date.
- US soybean planting is 83% complete as on 5 June 2016 which is up from 77% during corresponding period last year and also above 5 year average of 77%. Further, about 65% of the newly planted US soybean has emerged which is above 60% during the corresponding period last year and also up from 5 year average of 57%. About 72% of the newly planted US soybean crop is under good to excellent conditions which up 69% during the same period last year.
- China's soybean imports for the month of May stood at 7.66 million tonnes, up 8.3% from 7.07 million tonnes in April, reported by General Administration of Customs of China. The country's May vegetable oils imports stood at 280,000 tonnes, down 30% from April. China is the top soy buyer due to its needs in cattle and livestock feed.
- According to National Oilseed Processors Association (NOPA), U.S. April soybean crush slowed to 147.614 billion bushels from 156.690 billion bushels in March, down by 6.15 percent m-o-m. Crush of soybean in April 2015 was 150.363 billion bushels which was record in history. April crush is second best in history. Production

of soy oil in U.S. in April fell to 1.729 billion lbs from 1.841 billion lbs, down by 6.5 percent m-o-m. Production in April 2015 was 1.698 billion lbs. Lower production in April was due to lower crush of soybean. Soy oil stocks in U.S. at the end of April rose by 4.5 percent m-o-m to 1.942 billion lbs compared to 1.858 billion lbs in March 2016. Stocks of soy oil in April were higher by 35 percent compared to April 2015 which was reported at 1.441 million lbs. Yield fell to 11.72 lbs/bushel in April from 11.75 lbs/bushel in March. Yield in April 2015 was reported at 11.30 lbs/bushel.

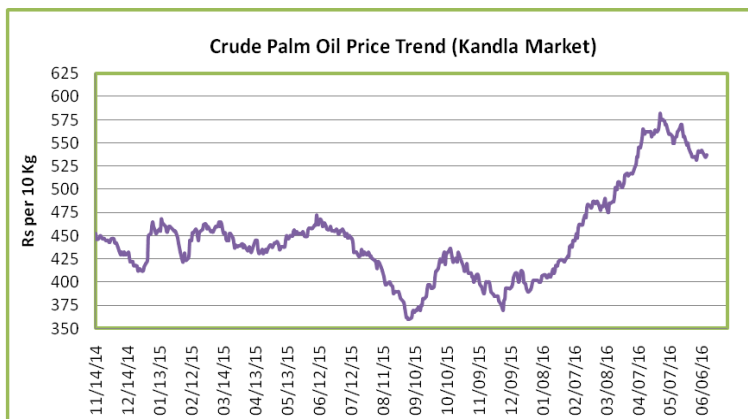
- **USDA WASDE Oilseeds Highlights:** The 2016/17 season-average price for soybeans is forecast at \$8.75 to \$10.25 per bushel, up 40 cents at the midpoint. Soybean meal prices are forecast at \$320 to \$360 per short ton, up \$20 at the midpoint. Soybean oil prices are unchanged at 30.5 to 33.5 cents per pound.

**Price Outlook:** We expect refined soy oil at Indore (with VAT) to stay in the range of Rs 620-680 per 10 Kg in the near term.

## Palm oil Fundamental Analysis and Outlook -:

### Domestic Front

- Crude palm oil at Kandla featured sideways trend in its benchmark market at Kandla on firm demand. CPO prices in Kakinada closed unchanged at the end of the week.
- Agriwatch View – Prices of palm oil were unchanged on renewed demand at lower quotes. Low soy oil premium over palm oil, which is hovering at USD 105 (USD 107 last week) per ton may bring down palm oil prices. Positive refining margins may increase imports. Prices are expected to rise on firm demand on expectation of monsoon. Cooling temperatures will improve demand. CNF RBD palmoilein and CNF CPO prices fell in the week while prices were unchanged in domestic markets. This will increase imports of CPO. Imports of RBD palmolein will rise on discount of its prices at CNF compared to CNF CPO. Prices will rise on renewed demand and improving refining margins. Prices are expected to be sideways to firm in near term.
- Palm oil import scenario – According to SEA, India imported 7.30 lakh tons of palm oil in April 2016 v/s 7.25 lakh tons in April 2015, up marginally y-o-y. CPO imports slowed to 3.92 lakh tons in April compared to 5.31 lakh tons in April 2015, lower by 35.5 percent y-o-y. RBD palmolein imports surged to 3.26 lakh tons from 1.88 lakh tons in April 2015, higher by 73.4 percent y-o-y. In the oil year 2015-16 (November 2015-April 2016) imports of palm oil is reported at 43.32 lakh tons v/s 42.11 lakh tons in corresponding period last oil year, higher by 2.9 percent y-o-y. RBD palmolein reported sharp rise at 13.23 lakh tons (November 2015-April 2016) v/s 4.93 lakh tons in corresponding period of oil year 2014-15, rise of 168 percent y-o-y. Crude palm imports in the period (November 2015-April 2016) fell to 29.53 lakh tons from 36.43 lakh tons in the corresponding period last oil year, fall of 23.36 percent y-o-y. In the period November 2015-April 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 682.5 (USD 692) per ton for June delivery and July delivery quoted at USD 677.5 (USD 690) per ton. Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 680 (USD 690) per ton for June delivery and July delivery offered at USD 675 (USD 687.5) per ton. Ready lift CPO duty paid prices quoted at Rs 538 (Rs 540) per 10 Kg and June delivery duty paid offered at Rs 535 (Rs 535) per 10 kg on June 10, 2016. Values in bracket depict last week quotes.
- On the parity front, margins improved during this week due to rise in prices of palm oil products. Currently refiners fetch USD 15-20/ton v/s USD 10-15/ton (last month) margin in processing the imported CPO and imports of ready to use palmolein fetches USD 10-15/ton v/s USD 5-10/ton (last month) parity.
- We expect palm oil to trade sideways to firm in the days ahead.





### International Front

- Agriwatch View – Palm oil end stocks fell by 8.8 percent in May in Malaysia on higher exports ahead of Ramadan, weak growth of production and weak imports. However, buyers have already covered exports of palm in first 10 days of June showing weakness in demand.

Fresh triggers of demand will be expected in Indian subcontinent when monsoon arrives.

Demand from China is weak, as buyers have moved to domestic crushed soy oil as soy oil premium over palm oil has weakened. Depreciation of Yuan has made palm oil imports costlier.

Depreciation of Ringgit is expected to support price in near term. Indian buyers have been active in Malaysia due to its competitive pricing against Indonesia CPO.

Indonesia's palm oil exports shot up in April on higher demand from India. Production of palm in Indonesia has touched bottom in April and is expected to improve from May. Major drawdown of palm oil stocks in Indonesia is expected in May in line with Malaysia.

Weather in Southeast Asia has improved which will help to improve production after June but growth in production will be gradual.

Malaysia has embarked on biodiesel mandate to increase the use of crude palm oil in domestic consumption. Malaysia imposed export duty to channel more CPO towards refining and biodiesel in place of exporting as raw product.

Aggressive pricing of palm products are expected to help exports from Malaysia in medium term especially India.

Prices are in range.

- According to Malaysia Palm Oil Board (MPOB), Malaysia's May palm oil end stocks fell by 8.78 percent to 16.46 lakh tons compared to 18.00 lakh tons in April 2016. Production in May rose by 4.86 percent to 13.65 lakh tons compared to 13.01 lakh tons in April. Exports in May rose by 9.33 percent to 12.82 lakh tons compared to 11.73 lakh tons in April. Imports in May fell by 71.07 percent to 0.11 lakh tons compared to 0.36 lakh tons in April.
- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's June 1-10 palm oil exports fell by 10.3 percent to 362,486 tons compared to 404,248 tons in the corresponding period last month. Top buyers were European Union at 64,020 tons (69,035 tons), Pakistan at 50,000 tons (39,000 tons), India at 40,570 tons (102,680 tons), China at 33,225 tons (30,150 tons) and United States at 2,000 tons (12,295 tons). Values in brackets are figures of corresponding period last month.

**Price Outlook:** We expect CPO Kandla 5 percent (with VAT) to stay in the range of Rs 510-570 per 10 Kg in the near term.

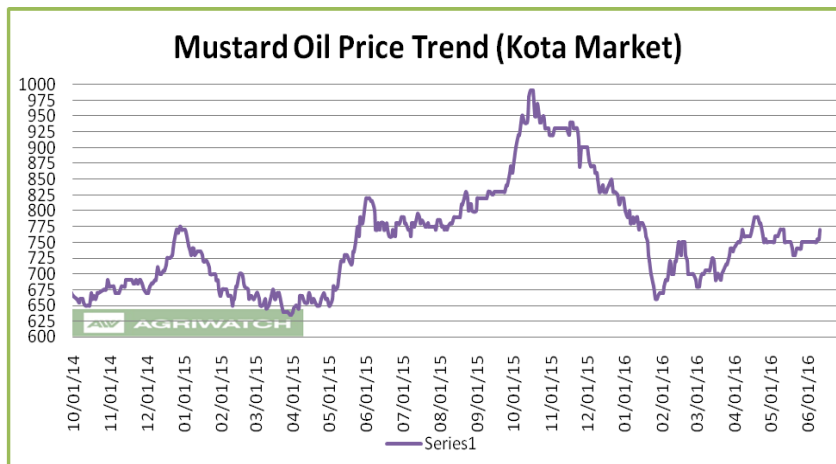


## Rapeseed oil Fundamental Review and Analysis:-

### Domestic Front

- Mustard oil prices featured uptrend at its benchmark market Kota at the end of the week on renewed demand and rise in prices of rapeseed.
- Agriwatch view: Prices of rapeseed oil expeller and kacchi ghani were up across board in India.

Prices of rapeseed oil traded higher on busy activity in cash markets and renewed demand. Demand is expected to improve on onset of



monsoon. Rapeseed prices surged along with lower arrivals which kept sentiment upbeat. It is all sentiment now. Stockists are stocking ahead of seasonal uptrend in prices and buying at lower quotes. Demand is expected to improve in second half of June when demand from pickle manufacturers increase and on seasonal uptrend of prices. Retail demand will improve when monsoon arrives. Markets are expected to trade sideways to firm tone in coming days.

- USDA reduced rapeseed oil imports to India by 1.00 lakh tons to 3.00 lakh tons from 4.00 lakh tons in 2015/16 on slower trade to date in its June estimate.
- India imported 0.51 lakh tons of rapeseed (Canola) oil in April 2016 v/s 0.34 lakh tons in April 2015, higher by 50 percent y-o-y. For oil year 2015-2016 (November 2015 – April 2016) India imported 1.53 lakh tons rapeseed (canola) oil v/s 2.01 lakh tons in corresponding period in the oil year 2014-15, lower by 31.4 percent y-o-y: SEA
- CIF canola premium over soybean oil is USD 2 (USD 2 last week) per ton as on 10 June 2016. Low premium of canola over soybean oil may increase imports of canola.
- Currently, RM oil at Jaipur market, (expeller) is offered at Rs 806 (Rs 785) per 10 Kg, and at Kota market, it is offered at Rs 770 (Rs 750) per 10 kg as on June 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.

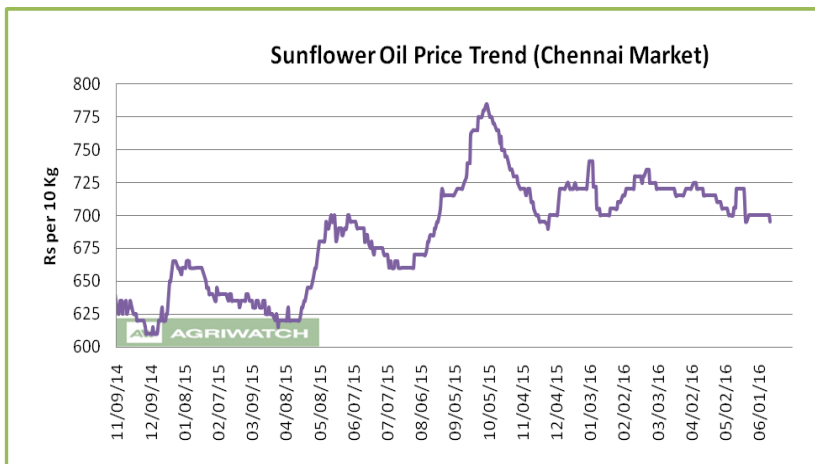
**Price Outlook:** Rapeseed oil (without VAT) prices in Kota may stay in the range of Rs 740-820 per 10 Kg.

## Sunflower oil Fundamental Review and Analysis:-

### Domestic Front

- Sunflower oil prices featured downtrend during the week at its benchmark market in Chennai on weak demand. Prices fell in Hyderabad. Prices in Kakinada closed unchanged at the end of week

- Agriwatch view: Prices of sunflower oil traded lower on muted activity in markets and weak demand. Despite rise in international prices of sunflower oil prices were not able to hold. Prices



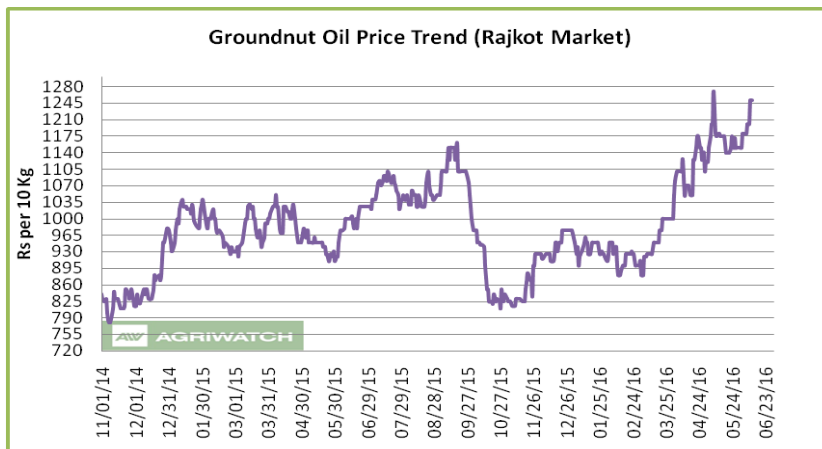
are expected to increase with an expectation of renewed demand in second half of June on arrival of monsoon. Refiners and traders are stocking ahead of seasonal uptrend of prices. Refiners purchase of crude sunflower oil from international markets has increased as the premium of sunflower oil over soybean oil has fallen below USD 100/ton. Currently sunflower oil premium over soy oil is at USD 92 (USD 78 last week) per ton. Imports of sunflower oil were low in April while stocks at ports and pipelines decreased. Prices are expected to trade sideways to firm on firm demand and seasonal uptrend of prices.

- Sunflower oil import scenario – According to SEA, India imported 1.01 lakh tons of crude sunflower oil during April 2016 v/s 1.52 lakh tons in April 2015, down by 50 percent y-o-y. Imports during oil year 2015-16 (November 2015 –April 2016) were reported at 7.70 lakh tons v/s 8.79 lakh tons during the corresponding period in last oil year, down by 14.2 percent y-o-y.
- On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 880 (USD 870) per ton for JA delivery, AS delivery is quoted at USD 870 (USD 880) per ton and OND delivery is quoted at USD 840 (USD 835) per ton. CIF sun oil (Ukraine origin) May monthly average was around USD 880.62 per ton. Values in brackets are figures of last week.
- Prices are likely to stay in the range of USD 840-940 per ton in the near term. CIF Sunflower oil premium over soybean oil increased from last week and is hovering at USD 92 (USD 78 last week) per ton for July delivery.
- Currently, refined sunflower oil at Chennai market is offered at Rs 695 (Rs 700) per 10 Kg, and at Hyderabad market, it is offered at Rs 717 (Rs 720) per 10 kg as on June 11, 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 670-730 per 10 Kg.

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

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



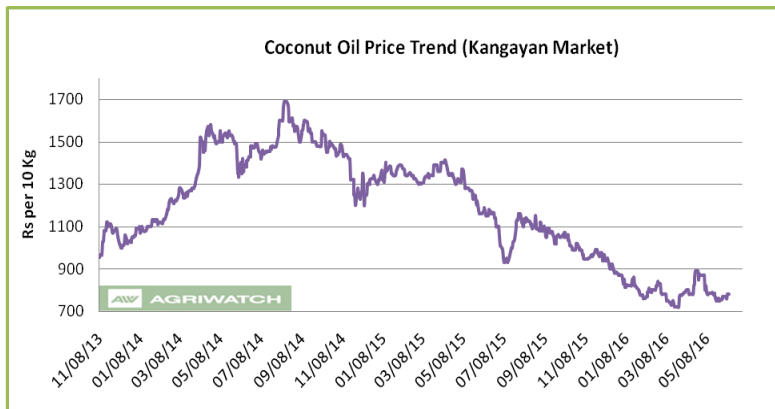
- Agriwatch view: Prices of groundnut rose on weak supplies and renewed demand on arrival of expectation of arrival of monsoon. There is shortage of good quality groundnut oil in the market. Exports are still steady. Supply of groundnut is weak from producing regions and is not able to meet demand. Prices have been supported by seasonal uptrend of prices. Demand is expected to improve on monsoons. Price will surge in second half of the month when demand improves after the onset of monsoon. Rise in prices of groundnut in near term has supported prices. Mills and stockists are stocking ahead of seasonal uptrend of demand and expectation of pickup in demand in second half of June. Prices are expected to touch record highs in medium term. Any correction in prices is an opportunity to buy. Groundnut oil prices are expected to trade sideways to firm in near term.
- USDA has increased India's groundnut production to 4.6 MMT in 2016/17 from 4.47 MMT in 2015/16 in its May report, higher by 2.9 percent y-o-y. Consumption has been increased to 0.93 MMT in 2016/17 from 0.90 MMT in 2015/16 in its May estimate, higher by 3.33 percent y-o-y.
- On the price front, currently the groundnut oil prices in Rajkot is hovering near Rs 12,500 (Rs 11,800) per quintal and quoting at Rs 11,800 (Rs 11,800) per quintal in Chennai market on June 11, 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 1200-1350 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 renewed buying at lower quotes and weak supply of copra. In Kochi prices were unchanged and prices in Trissur closed higher at the end of the week.

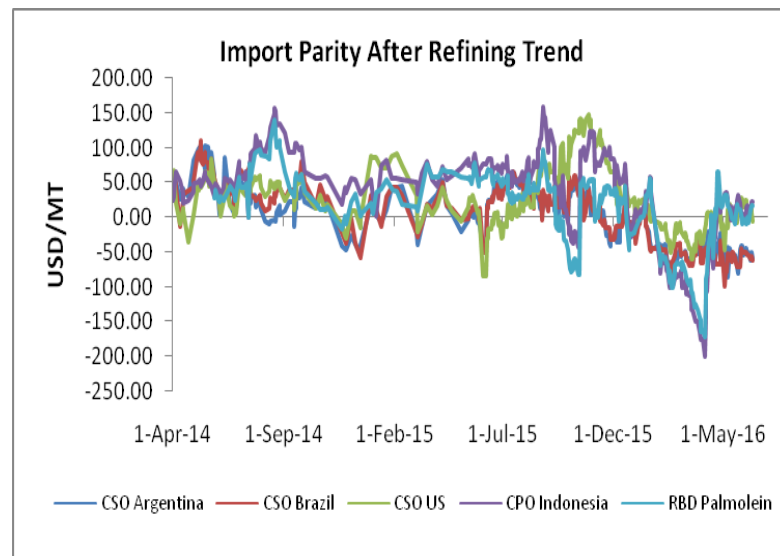
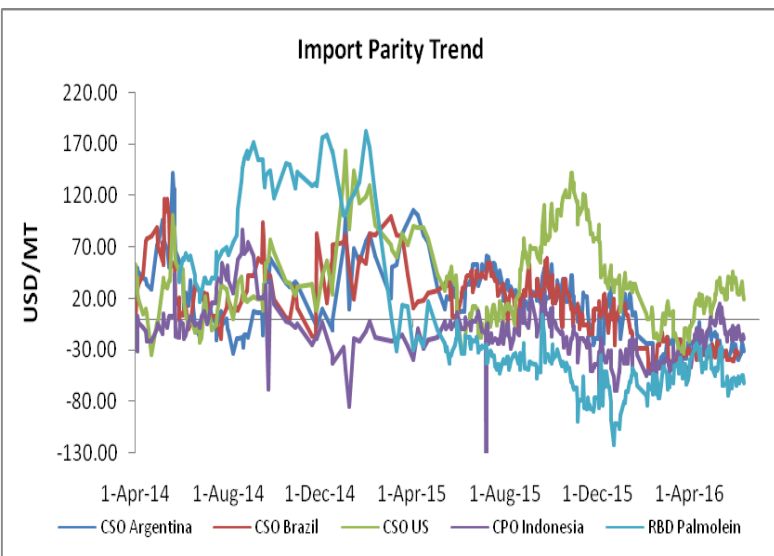


- Agriwatch view: Coconut oil prices closed higher during the week on renewed demand at lower quotes and weak supplies of raw material due to onset of monsoon. Rise in prices of copra last week has translated into higher price of coconut oil. Harvesting of coconut has slowed due to monsoon. Corporate demand is still weak. Demand from North India is expected to improve with arrival of monsoon. Decision of Tamil Nadu government to procure copra has improved sentiment. Kerala government is thinking on lines with Tami Nadu to procure copra. It is all about sentiment now. Domestic prices of coconut oil are lower than international prices, which helped prices. Recent ban on 14 brands of adulterated coconut oil has helped support demand. Prices are expected to trade sideways to firm tone in near term.
- Tamil Nadu government will procure copra for the next six months from June 15, by opening Direct Procurement Centers (DPCs). DPC will be opened in 20 districts where copra is produced in higher quantities. Milling copra will be procured at a cost of Rs 59.50 per kg and ball copra will be procured at Rs 62.40 per kg.
- Coconut Development Board (CDB) has expressed that with the onset of monsoon coconut oil prices will inch higher on slowdown of copra harvesting on rains, which will support copra prices thereby supporting coconut oil prices.
- The Commissioner of Food Safety has banned the production, procurement, and distribution of 14 brands of coconut oil available in the market as these were-found to be adulterated.
- On the price front, currently the coconut oil prices in Trissur is hovering near Rs 7,900 (7,800) per quintal, and was quoting Rs 7,800 (7,700) per quintal in Erode market on June 11, 2016.

**Price Outlook:** Coconut oil (withut VAT) prices in Erode may stay in the range of Rs 750-830 per 10 Kg.

### Import Parity Trend

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

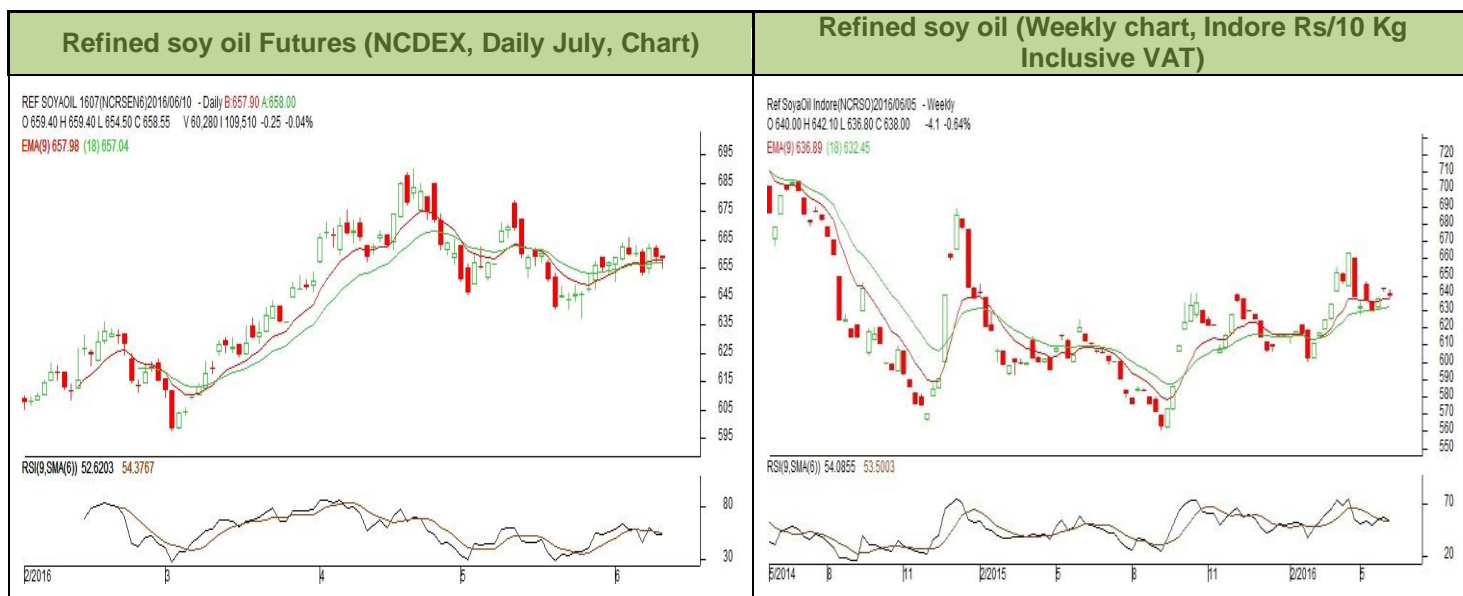


	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
<b>Apr, 2016</b>	-38.73	-55.38	-7.45	-49.67	-33.15
<b>May, 2016</b>	-57.34	-62.40	4.06	14.68	8.56

### 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. Parity in palm oil products may improve palm oil imports in the coming days.

### Technical Analysis (Refined soy oil)



**Outlook – Refined soybean oil witnessed downtrend 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 downtrend during the week in review. We expect prices to trade sideways to firm tone in the near term.
- Any close below 620 in weekly chart shall change the sentiments and might take the prices below 600 levels.
- Expected price band for next week is 620-680 level in near to medium term. RSI, stochastic and MACD is suggesting uptrend in market.

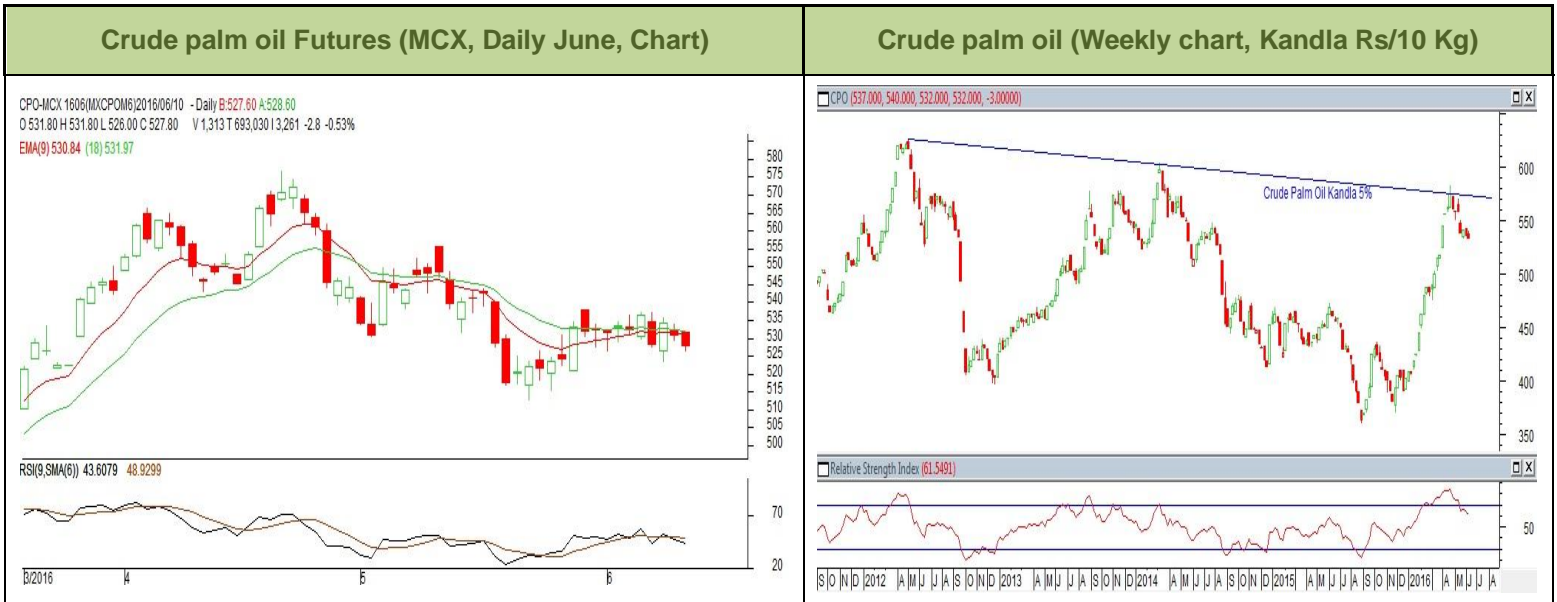
**Strategy:** Market participants are advised to go long in RSO above 650 levels for a target of 665 and 670 with a stop loss at 640 on closing basis.

#### RSO NCDEX (July)

Support and Resistance				
S2	S1	PCP	R1	R2
634.00	645.00	656.95	665.00	677.00

**Spot Market outlook:** Refined soy oil Indore (with VAT) is likely to stay in the range of Rs 620-680 per 10 Kg.

### Technical Analysis (Crude Palm oil)



**Outlook - Prices show downtrend in prices during the week. We expect that CPO June contract may trade sideways to firm note.**

- Candlestick in weekly chart of crude palm oil at MCX depicts downtrend in the prices. We expect prices to trade with a sideways to weak note in the near term.
- Any close below 520 in weekly chart will change the sentiment and may bring the prices to 500 levels.
- Expected price band for next week is 500-560 level. RSI, Stochastic, and MACD are suggesting downtrend in prices in the coming week.

**Strategy:** Market participants are advised to go long in CPO above 525 for a target of 540 and 545 with a stop loss at 515 on closing basis.

#### CPO MCX (June)

Support and Resistance				
S2	S1	PCP	R1	R2
497.00	514.00	527.8	546.00	566.00

**Spot Market outlook:** Crude palm oil is likely to stay in the range of Rs 510-570 per 10 Kg.



Veg. Oil Prices at Key Spot Markets

Commodity	Centre	Prices(Per 10 Kg)		Change
		10-Jun-16	3-Jun-16	
Refined Soybean Oil	Indore	640	645	-5
	Indore (Soy Solvent Crude)	610	615	-5
	Mumbai	640	640	Unch
	Mumbai (Soy Degum)	590	595	-5
	Kandla/Mundra	630	620	10
	Kandla/Mundra (Soy Degum)	600	595	5
	Kolkata	630	620	10
	Delhi	670	665	5
	Nagpur	634	619	15
	Rajkot	630	625	5
	Kota	650	635	15
	Hyderabad	641	641	Unch
	Akola	671	658	13
	Amrawati	670	658	12
	Bundi	640	638	2
	Jalna	NA	NA	-
	Alwar	NA	NA	-
	Solapur	NA	NA	-
	Dhule	NA	NA	-
Palm Oil	Kandla (Crude Palm Oil)	535	535	Unch
	Kandla (RBD Palm oil)	555	560	-5
	Kandla RBD Pamolein	580	585	-5
	Kakinada (Crude Palm Oil)	528	528	Unch
	Kakinada RBD Pamolein	570	572	-2
	Haldia Pamolein	580	577	3
	Chennai RBD Pamolein	575	575	Unch
	KPT (krishna patnam) Pamolein	570	572	-2
	Mumbai RBD Pamolein	585	590	-5
	Delhi	635	625	10
	Rajkot	580	585	-5
	Hyderabad	589	589	Unch
	Mangalore RBD Pamolein	580	578	2
	PFAD (Kandla)	400	390	10
	Refined Palm Stearin (Kandla)	470	450	20
Refined Sunflower Oil	Chennai	695	700	-5
	Mumbai	745	740	5
	Mumbai(Expeller Oil)	655	660	-5

	Kandla	750	745	5
	Kandla/Mundra (Crude)	NA	NA	-
	Hyderabad (Ref)	717	720	-3
	Latur (Expeller Oil)	722	725	-3
	Chellakere (Expeller Oil)	665	665	Unch
	Erode (Expeller Oil)	730	730	Unch
Groundnut Oil	Rajkot	1250	1180	70
	Chennai	1180	1180	Unch
	Delhi	1150	1150	Unch
	Hyderabad *	1170	1170	Unch
	Mumbai	1240	1190	50
	Gondal	1250	1200	50
	Jamnagar	1250	1200	50
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	798	785	13
	Jaipur (Kacchi Ghani Oil)	841	820	21
	Kota (Expeller Oil)	755	750	5
	Kota (Kacchi Ghani Oil)	835	823	12
	Neewai (Kacchi Ghani Oil)	795	765	30
	Neewai (Expeller Oil)	830	805	25
	Bharatpur (Kacchi Ghani Oil)	870	835	35
	Alwar (Kacchi Ghani Oil)	780	780	Unch
	Alwar (Expeller Oil)	800	800	Unch
	Sri-Ganga Nagar(Exp Oil)	790	760	30
	Sri-Ganga Nagar (Kacchi Ghani Oil)	835	810	25
	Mumbai (Expeller Oil)	850	825	25
	Kolkata(Expeller Oil)	940	930	10
	New Delhi (Expeller Oil)	792	777	15
	Hapur (Expeller Oil)	892	886	6
	Hapur (Kacchi Ghani Oil)	998	992	6
	Agra (Kacchi Ghani Oil)	875	840	35
Refined Cottonseed Oil	Rajkot	670	655	15
	Hyderabad	630	635	-5
	Mumbai	655	650	5
	New Delhi	650	635	15
Coconut Oil	Kangayan (Crude)	780	770	10
	Cochin	780	780	Unch
	Trissur	790	780	10

Sesame Oil	New Delhi	780	810	-30
	Mumbai	790	800	-10
Kardi	Mumbai	840	840	Unch
Rice Bran Oil (40%)	New Delhi	480	480	Unch
Rice Bran Oil (4%)	Punjab	570	565	5
Rice Bran Oil (4%)	Uttar Pradesh	570	565	5
Malaysia Palmolein USD/MT	FOB	683	680	3
	CNF India	690	690	Unch
Indonesia CPO USD/MT	FOB	668	655	13
	CNF India	695	693	2
RBD Palm oil (Malaysia Origin USD/MT)	FOB	675	675	Unch
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	635	625	10
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1450	1350	100
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	578	580	-2
Crude palm Kernel Oil India (USD/MT)	CNF India	1380	1290	90
Ukraine Origin CSFO USD/MT Kandla	CIF	878	875	3
Rapeseed Oil Rotterdam Euro/MT	FOB	725	725	Unch
Argentina FOB (\$/MT)		9-Jun-16	2-Jun-16	Change
Crude Soybean Oil Ship		730	722	8
Refined Soy Oil (Bulk) Ship		755	747	8
Sunflower Oil Ship		800	Unq	-
Cottonseed Oil Ship		710	702	8
Refined Linseed Oil (Bulk) Ship		Unq	Unq	-
* indicates including VAT				

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