

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 BMD CPO. Palm oil, sunflower oil, groundnut oil and coconut oil closed higher while soy oil and rapeseed oil closed lower.

On the currency front, Indian rupee against USD closed at 66.08, up 10 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. Rupee is expected to appreciate and crude oil prices will rise.

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 670 and 675 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 550 for a target of 575 and 580 with a stop loss at 535 on closing basis. We expect CPO Kandla 5 percent (with VAT) to stay in the range of Rs 530-600 per 10 Kg in the near term.

International Veg. Oil Market Summary

According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's August 1-15 palm oil exports rose 31.6 percent to 750,942 tons compared to 570,631 tons in the corresponding period last month. Top buyers were India at 207,900 tons (71,800 tons), European Union at 131,771 tons (153,443 tons), China at 130,050 tons (88,356 tons), United States at 17,685 tons (16,300 tons) and Pakistan at 12,000 tons (20,000 tons). Values in brackets are figures of corresponding period last month.

On the international front, soy oil stocks in US, weak exports of soy oil from Argentina, firm Chinese soybean demand and firm crude oil and delayed FED rate hike is bullish for the soy complex in the coming days.

Indian and Chinese demand, firm exports of palm oil from Malaysia, stability in Chinese market and supportive biodiesel and tax policies in Southeast Asian countries will support CPO prices in near term. Global risk aversion may underpin prices in near term.

Agriwatch Index



- The Agriwatch Agri Commodities Index edged up 0.17% to 119.14 during the week ended August 13, 2016 from 118.94 during the previous week led by firm edible oils. The base for the Index and all sub-Indices is 2014 (= 100).
- Four of the nine commodity group sub-Indices and 15 of the 29 individual commodity sub-Indices that constitute the main Index gained during the week.

Agriwatch edible oil index



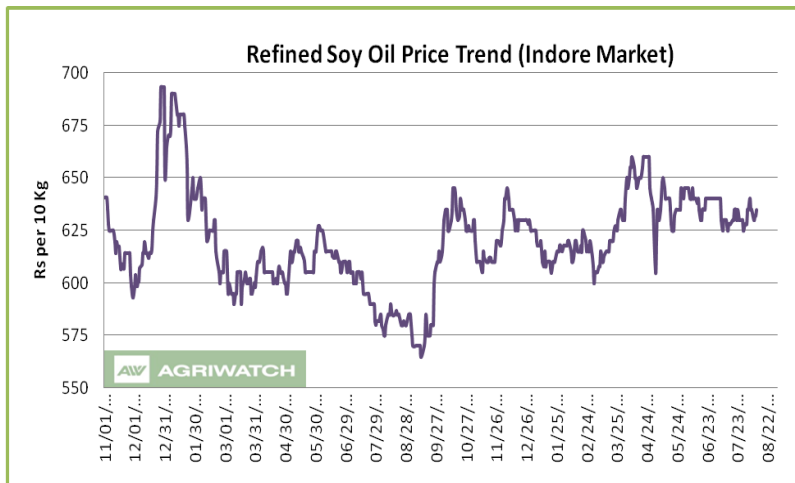
- Agriwatch edible oil index fell 1.11 percent last week to 117.58

"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. 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 on weak demand and firm supply. Prices were higher in Mumbai and Kolkata while it was unchanged in Kandla/Mudra. CDSO prices closed higher at JNPT and Kandla/Mudra at the end of the week.
- Agriwatch View- Soy oil prices witnessed downtrend during the week on weak demand and firm supplies. Despite rise



in CBOT soy oil, BMD palm oil and rise in CNF markets domestic prices fell indicating weak demand and firm supplies. Basis has fallen from highs seen while sellers are asking for premium over benchmark. Prices fell on weak soybean prices due to expectation of higher soybean crop in current Kharif season.

Prices of soy oil expected to improve on low premium of soy oil over palm oil at Rs 82 (Rs 97 last week) per 10 Kg. Weak refining margins may slow imports. In USD terms, premium of soy oil over palm oil is low and was USD 75.5 (USD 82 last week) which will increase imports.

Prices of soy oil are in a range.

- All India sowing of soybean has reached 112.35 lakh hectares as on 12 August 2016, compared to 111.35 lakh hectares in the corresponding period last year.
- United States Department of Agriculture (USDA) decreased palm oil imports in 2015/16 by 0.25 MMT to 9.25 MMT in its August estimate from 9.5 MMT in July estimate. Consumption in 2015/16 was lowered to 9.65 MMT in its August estimate from 9.8 MMT in July estimate. Palm oil end stocks of 2015/16 are decreased by 0.1 MMT to 0.446 MMT August estimate from 0.546 MMT in its July estimate.
- Soy oil import scenario – According to SEA India imported 3.86 lakh tons of soy oil in June 2016 v/s 1.54 lakh tons in June 2015, up 150 percent y-o-y. In the oil year 2015-16 (November 2015-June 2016) imports of soy oil is reported at 28.05 lakh tons v/s 15.04 lakh tons in corresponding period last oil year, higher by 86.5 percent y-o-y. In the period November 2015-June 2016, share of soft oil in imports has risen from 33 percent to 42 percent.
- Imported crude soy oil CIF at West coast port is offered at USD 803 (USD 767) per ton for August delivery. September delivery is offered at USD 799 (USD 760) per ton and October delivery is offered at USD 798 per ton as on August 12, 2016. Last month, CIF CDSO July average price was USD 750.65 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 70-75/ton v/s loss of USD 35-40/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 reported lower end stocks of soy oil in US in its August estimate. It decreased soy oil end stocks in 2016/17 and 2015/16 on lower on lower production of soy oil in 2015/16 compared to July estimate. Soy oil end stocks in 2016/16 were decreased due to lower opening stocks partially offset by higher production of soy oil in 2016/17.

NOPA reported lower stocks of soy oil in July compared to June due to lower production of soy oil on lower crush of soybean in July. Stocks and production came below expectations. Stocks of soy oil fell by 12.2 percent which is the biggest draw in last one year. Lower stocks of soy oil in US will support soy oil prices in near term.

USDA reduced end stocks of India in 2016/17 on lower soybean crop and lower crush of soybean in 2016/17. USDA has already slashed India's soy oil imports to 3.3 MMT in 2016/17 from 4.0 MMT in 2015/16. India being the top importer of soy oil in world will influence global soy oil prices due to lower end stocks in 2016/17.

USDA increased US soybean crop to record levels in 2016/17 due to very good conditions of soybean crop. End stocks of soybean in US were increased on higher production of soybean partially set off by higher crush and lower opening stocks.

Soybean crop condition is very good in US and soil moisture is good to support pod formation. All the parameters of crop are above 5-year average and better than last year. Better weather is forecast in August in Midwest in US for August, which will increase yields.

China slowed buying of soybean in July on higher prices of soybean while it purchased more palm oil. However, with fall in prices of soybean it has started purchases, which will support soybean complex prices in near term.

US soy oil market is expected to be tighter in coming months on higher exports of soy oil due to lower crush in Argentina due to bad roads and farmer retention of soybean.

Calm in Chinese markets and appreciation of Yuan has resulted in strengthening of soy oil prices in Dalian.

Strength in crude oil prices and weakness in dollar on expectation of delayed FED rate hike will support prices in near term.

Prices of soy oil are in a range.

- According to United States Department of Agriculture (USDA) August estimates, U.S 2016/17 soy oil end stocks fell by 8.1 percent m-o-m to 1,755 million lbs from 1,910 million lbs in July estimate. Opening stocks are reduced to 1,950 million lbs from 2,375 million lbs in July estimate. Production of soy oil in 2016/17 is increased to 22,405 million lbs v/s 22,235 million lbs in July estimate. Imports in 2016/17 are unchanged at 250 million lbs. Biodiesel use in 2016/17 was unchanged at 5,950 million lbs. Food, feed and other industrial use in 2016/17 are unchanged at 14,500 million lbs. Exports in 2016/17 are unchanged at 2,400 million. Average price range is unchanged at 29.5-32.5 cents/lbs in 2016/17. Fall in end stock is primarily due to lower opening stocks partially offset by rise in production.
- According to National Oilseed Processors Association (NOPA), U.S. July soybean crush fell to 143.715 million bushels from 145.050 million bushels in June, down by 1 percent m-o-m. Crush of soybean in July 2015 was 145.227 million bushels. Production of soy oil in U.S. in July fell marginally to 1.687 billion lbs from 1.692 billion lbs in June 2016. Production in July 2015 was 1.632 billion lbs. Soy oil stocks in U.S. at the end of July fell by 12.2 percent to 1.743 billion lbs compared to 1.985 billion lbs in June 2016. Stocks of soy oil in July 2015 were

higher by 7.24 percent compared to July 2015, which was reported at 1.624 million lbs. Yield fell to 11.74 lbs/bushel in June from 11.66 lbs/bushel in June. Yield in July 2015 was reported at 11.24 lbs/bushel.

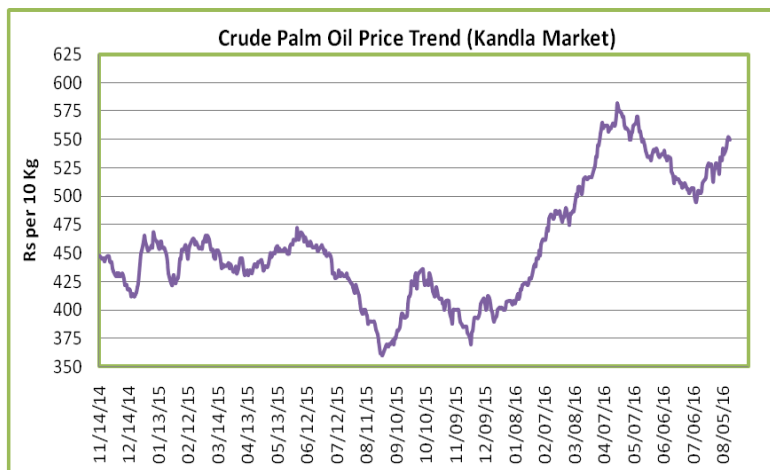
- The US soybean crop is reported to be blooming at 95% which is higher than 92% during the corresponding period last year and also up from 5 year average of 93%. About 80% soybean is setting pod which is higher than 76% during the corresponding period last year, and up from 5 year average of 75%. Also about 72% of the newly planted US soybean crop is under good to excellent conditions, which is higher than 63% during the same period last year, reported in the US crop progress report dated 14 August 2016.
- According to China's General Administration of Customs (CNGOIC), China's July imports of edible vegetable oil rose 45.2 percent to 4.1 LT compared to 3.1 LT in June 2016. Imports fell by 48.9 percent from July 2015, which was at 8.8 LT. Imports fell by 20.2 percent year to date at 28.9 LT.
- USDA WASDE Oilseeds Highlights: The U.S. season-average soybean price for 2016/17 is forecast at \$8.35 to \$9.85 per bushel, down 40 cents on both ends of the range. Soybean meal prices are forecast at \$305 to \$345 per short ton, down 20 dollars at the midpoint. The soybean oil price forecast is unchanged at 29.5 to 32.5 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 uptrend in its benchmark market at Kandla on weak supplies and spillover of rise in international palm oil prices. CPO prices in Kakinada closed higher at the end of the week.
- Agriwatch View – Prices of palm oil were firm during the week on weak supply and rise in BMD CPO. Sellers are asking for premium over benchmark at CNF markets. Low soy oil premium over palm oil, which is hovering at USD 75.5 (USD 82 last week)



per ton may bring down palm oil prices. Positive refining margins may increase imports and underpin prices. Higher prices will reduce demand in medium term. Imports of RBD palmolein will rise on low premium of its prices at CNF compared to CNF CPO. Prices at high sea are at disparity, disparity has decreased in recent weeks.

Prices are expected to be sideways to firm in near term.

- Palm oil import scenario – According to SEA, India imported 6.07 lakh tons of palm oil in June 2016 v/s 7.34 lakh tons in June 2015, down 17.3 percent y-o-y. CPO imports slowed to 4.16 lakh tons in June compared to 5.71 lakh tons in June 2015, lower by 27.3 percent y-o-y. RBD palmolein imports surged to 1.90 lakh tons from 1.48 lakh tons in June 2015, up by 28.4 percent y-o-y. In the oil year 2015-16 (November 2015-June 2016) imports of palm oil is reported at 56.06 lakh tons v/s 58.51 lakh tons in corresponding period last oil year, lower by 4.2 percent y-o-y. RBD palmolein reported sharp rise at 17.77 lakh tons (November 2015-June 2016) v/s 9.14 lakh tons in corresponding period of oil year 2014-15, rise of 94.3 percent y-o-y. Crude palm imports in the period (November 2015-June 2016) fell to 37.67 lakh tons from 48.38 lakh tons in the corresponding period last oil year, fall of 22.1 percent y-o-y. In the period November 2015-April 2016, share of palm product imports fell to 58 percent from 67 percent in the corresponding period last oil year.
- On the trade front, CNF CPO (Indonesian origin) at Indian port quoted at USD 727.5 (USD 685) per ton for August delivery while September delivery is quoted at USD 722.5 (USD 675) per ton. Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 737.5 (USD 687.5) per ton for August delivery while September delivery is quoted at USD 732.5 (USD 677.5) per ton. Ready lift CPO duty paid prices quoted at Rs 553 (Rs 538) per 10 Kg and August delivery duty paid offered at Rs 550 (Rs 532) per 10 kg on August 12, 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 fetch USD 5-10/ton v/s USD 40-45/ton (last month) margin in processing the imported CPO and imports of ready to use palmolein fetches USD 5-10/ton v/s USD 45-50/ton (last month) parity.
- We expect palm oil to trade sideways to firm in the days ahead.

International Front

- Agriwatch View – Palm oil markets showed strength last week on higher purchases of palm oil by India and China.

Surprise palm oil exports rise from Malaysia more than 30 percent propelled prices higher. Higher imports by India between August 10-15 have surprised market when India doubled imports compared to first ten days of August. India is buying more as there is weak supply to market in India.

China is buying more palm oil ahead of festivals in September. India has started stocking ahead of festival season after September.

Rise in prices of soy oil on CBOT and support from Dalian RBD palmolein has supported prices in near term.

Stocks of palm oil are expected to decrease in August, as exports will more than set off higher production.

Production will increase in Malaysia in August but at a slower pace due to lagged effect of El Nino.

Appreciation of Ringgit will pressurize prices in near term.

Stability in China currency and domestic economy has meant support to commodity prices. However, market is expecting stimulus from China by either reducing interest rates or higher fiscal spending to accelerate growth and rebalance its domestic economy towards services which will increase demand of palm oil.

Rise in prices of competitive oils, crude oil and delayed FED rate hike will support palm oil prices in near term.

Prices are in range.

- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's August 1-15 palm oil exports rose 31.6 percent to 750,942 tons compared to 570,631 tons in the corresponding period last month. Top buyers were India at 207,900 tons (71,800 tons), European Union at 131,771 tons (153,443 tons), China at 130,050 tons (88,356 tons), United States at 17,685 tons (16,300 tons) and Pakistan at 12,000 tons (20,000 tons). Values in brackets are figures of corresponding period last month.
- According to Malaysia Palm Oil Board (MPOB), Malaysia kept September crude palm oil export duty unchanged at 5 percent. Tax is calculated at reference price of 2471.30 ringgit (USD 612.54) per ton. Prices above 2,250 ringgit are taxed with tax starting from 4.5 percent to a maximum of 8.5 percent.
- According to Malaysia Palm Oil Board (MPOB), Malaysia reported surprise fall in July palm oil stocks by 0.23 percent to 1,770,650 tons compared to 1,774,650 tons in June. Production in July rose by 3.48 percent to 1,585,882 tons from 1,532,613 tons in June. Exports in July rose by 21.24 percent to 1,384,220 tons from 1,141,673 tons in June. Imports in July fell by 34.7 percent to 12,823 tons from 19,636 tons in June.
- According to Indonesia Palm Oil Association (GAPKI), Indonesia's June palm, palm kernel oil, and biodiesel exports rose by 7.4 percent to 1.89 MMT from 1.76 MMT in May, exports in June 2015 stood at 2.27 MMT. Indonesia exported 1.78 MMT of palm oils excluding biodiesel compared to 1.76 MMT exported in May 2016. Production of palm oil in June was at 2.69 MMT while ending stocks were 1.80 MMT.

Price Outlook: We expect CPO Kandla 5 percent (with VAT) to stay in the range of Rs 530-600 per 10 Kg in the near term.

Rapeseed oil Fundamental Review and Analysis:-

Domestic Front

- Mustard oil prices featured sideways to downtrend at different centers in India. Average prices fell across India except Kota and New Delhi on weak demand, fall in rapeseed prices and higher imports of rapeseed (canola) oil.
- Agriwatch view: Prices of rapeseed oil expeller fell across board in India except Kota, New Delhi and Kolkata.

Prices of Kacchi ghani rose fell in Kota,

Jaipur, Ganganagar, Neewai and Hapur while it was unchanged in Bharatpur and Agra.

Prices of rapeseed oil traded sideways to lower on fall in rapeseed prices during the week and weak demand at higher prices.

Moreover, higher imports of rapeseed (canola) oil in market sentiment. India imported 0.62 lakh tons of rapeseed (canola) oil that is higher in any month in oil year 2015-16.

Rapeseed oil stocks have decreased in the market.

Prices have risen continuously from February and prices are taking breadth at higher prices. However, prices of rapeseed oil are expected to rise on higher prices of rapeseed, seasonal uptrend of prices, strong demand.

Demand is expected to increase from pickle manufactures in near term, which will support prices.

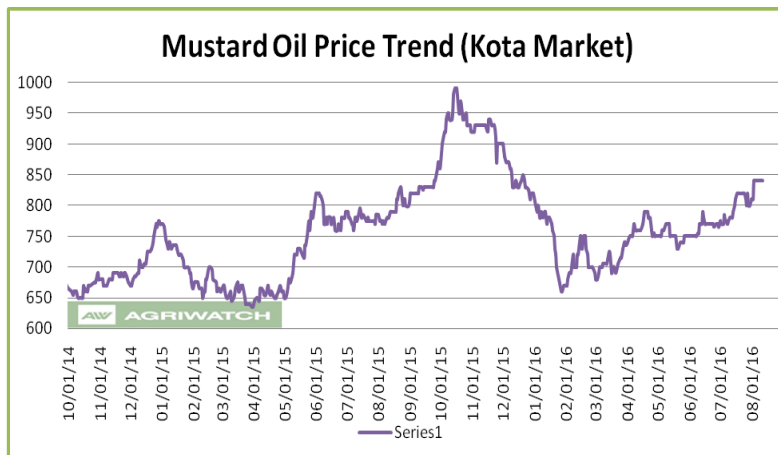
Demand will increase on low temperatures during monsoon from North and East India.

Demand is expected to be strong in medium term on higher demand from pickle manufacturers.

Prices will rise on seasonal uptrend of prices, firm demand and rise in prices of rapeseed in domestic market.

Markets are expected to trade sideways to firm tone in coming days.

- According to Agriwatch sources India imported 0.62 lakh tons of rapeseed (canola) oil in July, all from Kandla.
- India imported 0.18 lakh tons of rapeseed (Canola) oil in June 2016 v/s 0.20 lakh tons in June 2015, lower by 10 percent y-o-y. For oil year 2015-2016 (November 2015 – June 2016) India imported 1.90 lakh tons rapeseed (canola) oil v/s 2.31 lakh tons in corresponding period in the oil year 2014-15, lower by 17.7 percent y-o-y: SEA
- CIF canola premium over soybean oil is USD -18 (USD 10 last week) per ton as on August 12, 2016. Low premium of canola over soybean oil may increase imports of canola.
- Currently, RM oil at Jaipur market, (expeller) is offered at Rs 848 (Rs 875) per 10 Kg, and at Kota market, it is offered at Rs 840 (Rs 840) per 10 kg as on August 12, 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.

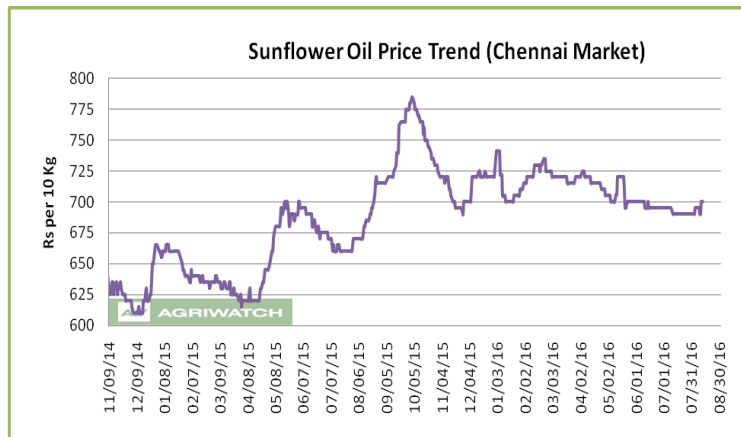


Price Outlook: Rapeseed oil (without VAT) prices in Kota may stay in the range of Rs 810-880 per 10 Kg.

Sunflower oil Fundamental Review and Analysis:-

Domestic Front

- Sunflower oil prices featured uptrend during the week at its benchmark market in Chennai on firm demand. Prices fell in Hyderabad while it closed unchanged at Kakinada at the end of week.
- Agriwatch view: Prices of sunflower oil traded higher on firm demand. Prices rose on seasonal uptrend of prices. Rise in palm oil prices helped. Moreover, prices rose on rise in international prices of sunflower oil.



Lower premium of sunflower oil over soy oil and palm oil has increased demand in domestic market and supported prices. Supplies of sunflower oil in the market are high which capped gains.

Refiners and traders are stocking on seasonal uptrend of prices.

Refiner's purchases of crude sunflower oil from international markets are continuing as the premium of sunflower oil over soybean oil is below USD 100/ton. Currently sunflower oil premium over soy oil is at USD 42 (USD 68 last week) per ton.

Imports of sunflower oil improved in June while sunflower oil stocks at ports and pipelines decreased, which has capped upside.

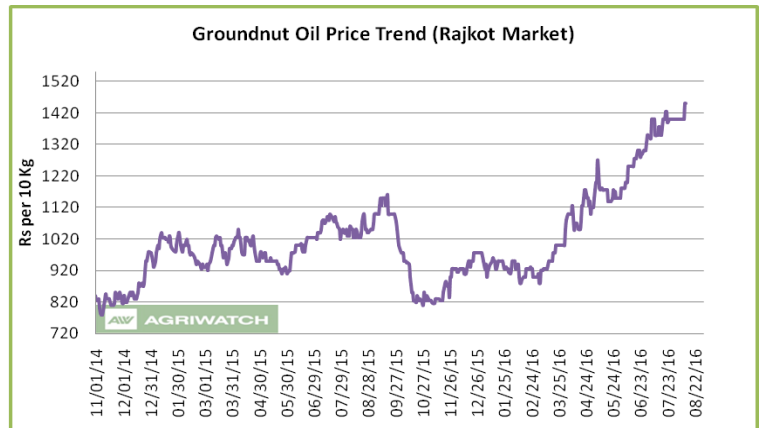
Prices are expected to trade firm on firm demand and seasonal uptrend of prices.

- Sunflower oil import scenario – According to SEA, India imported 1.47 lakh tons of crude sunflower oil during June 2016 v/s 1.05 lakh tons in June 2015, higher by 40 percent y-o-y. Imports during oil year 2015-16 (November 2015 –June 2016) were reported at 10.68 lakh tons v/s 11.37 lakh tons during the corresponding period in last oil year, down by 6 percent y-o-y.
- On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 845 (USD 820) per ton for August delivery, USD 835 (USD 820) per ton for September delivery, October delivery is quoted at USD 820 (USD 808) per ton and ND delivery is quoted at USD 810 (USD 800) per ton. CIF sun oil (Ukraine origin) July monthly average was around USD 847.85 per ton. Values in brackets are figures of last week.
- Prices are likely to stay in the range of USD 800-880 per ton in the near term. CIF Sunflower oil premium over soybean oil increased from last week and is hovering at USD 42 (USD 68 last week) per ton for August delivery.
- Currently, refined sunflower oil at Chennai market is offered at Rs 700 (Rs 695) per 10 Kg, and at Hyderabad market, it is offered at Rs 708 (Rs 713) per 10 kg as on August 12, 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 680-730 per 10 Kg.

Groundnut oil Fundamental Review and Analysis:-`
Domestic Front

- Groundnut oil prices featured uptrend in Rajkot on weak supplies. Prices in Chennai and Hyderabad were unchanged at the end of week. Prices in Mumbai, Jamnagar and Gondal rose at the end of the week.
- Agriwatch view: Prices of groundnut oil surged in the week on weak supplies. Prices have risen since October 2015 to reach record highs. Record prices have slowed demand. Demand tends to weaken after sudden spurt of prices in short term.



USDA increased demand estimate, production estimate and ending estimate of groundnut oil in 2016/17 due to higher sowing of groundnut in current Kharif season. However, groundnut crop will hit market in October and there is little stock of groundnut in market.

However, groundnut prices have seen record highs on expectation of shortage of groundnut oil.

There is shortage of groundnut oil in the market and crushing has almost come to halt as arrivals of groundnut are very weak which is unable to meet the demand of groundnut oil.

Prices of palm oil will support prices in near term.

Prices are supported by seasonal uptrend of prices.

Millers and stockists have slowed stocking due to spurt in prices.

Prices are expected to strengthen due to shortage of groundnut oil, firm demand, seasonal uptrend of prices and support from competitive oils. Any correction in prices is opportunity to buy. Groundnut oil prices are expected to trade sideways to firm in near term.

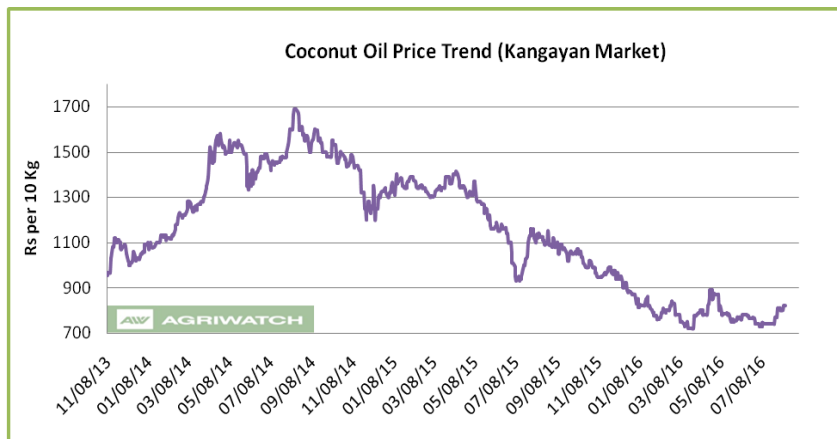
- All India sowing of groundnut has reached 42.69 lakh hectares as on 12 August 2016, compared to 32.42 lakh hectares in the corresponding period last year.
- USDA increased groundnut production 2016/17 to 5 MMT from 4.6 MMT in its August estimate. In 2015/16, groundnut crop according to USDA was 4.47 MMT. Groundnut oil consumption was increased to 0.96 MMT from 0.93 MMT in its August estimate. In 2015/16, groundnut oil consumption was 0.9 MMT. Ending stocks in 2016/17 have been increased to 0.033 MMT from 0.027 MMY in 2015/16.
- On the price front, currently the groundnut oil prices in Rajkot is hovering near Rs 14,500 (Rs 14,000) per quintal and quoting at Rs 11,100 (Rs 11,100) per quintal in Chennai market on August 12, 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 1350-1600 per 10 Kg.

Coconut Oil Fundamental Review and Analysis:- Domestic Front

- Coconut oil prices featured uptrend during the week at its benchmark market in Kangayam on buying ahead of Onam and buying at lower quotes. In Kochi and Trissur prices rose higher at the end of the week.
- Agriwatch view: Coconut oil prices closed higher during the week on renewed buying at lower quotes and demand ahead of Onam festival.



Onam is scheduled in September has seen demand picking up in near term. Prices rose on seasonal uptrend of prices.

Copra prices have risen sharply in recent weeks, which have supported prices of coconut oil prices from lows seen in July. Palm oil prices have surged in near term, which has supported prices.

Demand from North India has improved on intensification of monsoon.

Corporate demand, which accounts for 80 percent of demand, has improved at lower prices.

There is too much copra in market and prices have crashed which has led to higher production of coconut oil tanking prices but with demand coming in from all quarters prices of coconut oil has recovered in near term.

According to World Bank, demand of coconut and copra is expected to decline until 2019. Exports of coconut and copra have fallen by 5 percent in the year ending March, which has led to fall in prices of coconut and copra in domestic market.

Millers are not holding their produce in anticipation of fall of prices and relying on ready markets.

Stockists and upcountry are venturing in the market to take advantage of lower prices.

Domestic prices of coconut oil are lower than international prices, which may support price.

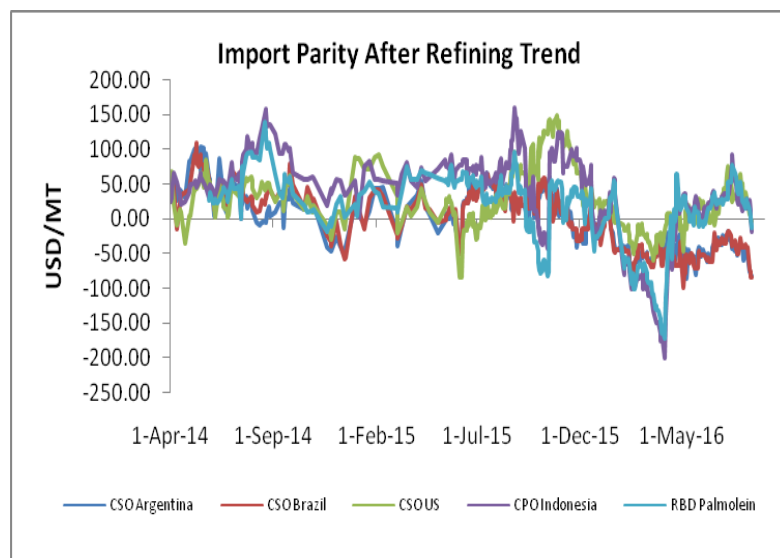
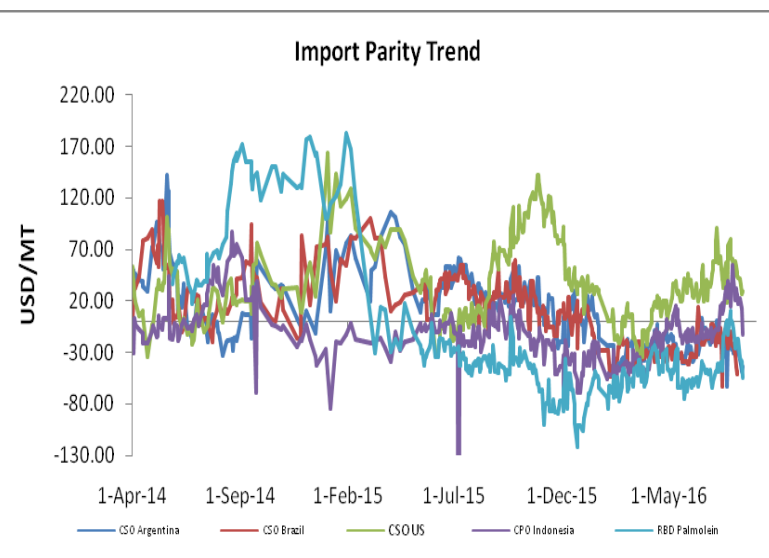
Coconut oil prices are expected to improve on improvement of demand, seasonal uptrend of prices and buying at lower quotes. Prices are expected to trade sideways to firm tone in near term.

- Kerala government has proposed tax on packaged foods, coconut oil and "fat tax" of 14.5 percent on various food items sold in retails chains in the State of Kerala. A levy of 5 percent has been imposed on coconut oil.
- On the price front, currently the coconut oil prices in Trissur is hovering near Rs 8,500 (8,400) per quintal, and was quoting Rs 8,200 (8,000) per quintal in Erode market on August 12, 2016.

Price Outlook: Coconut oil (withut VAT) prices in Erode may stay in the range of Rs 780-880 per 10 Kg.

Import Parity Trend

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

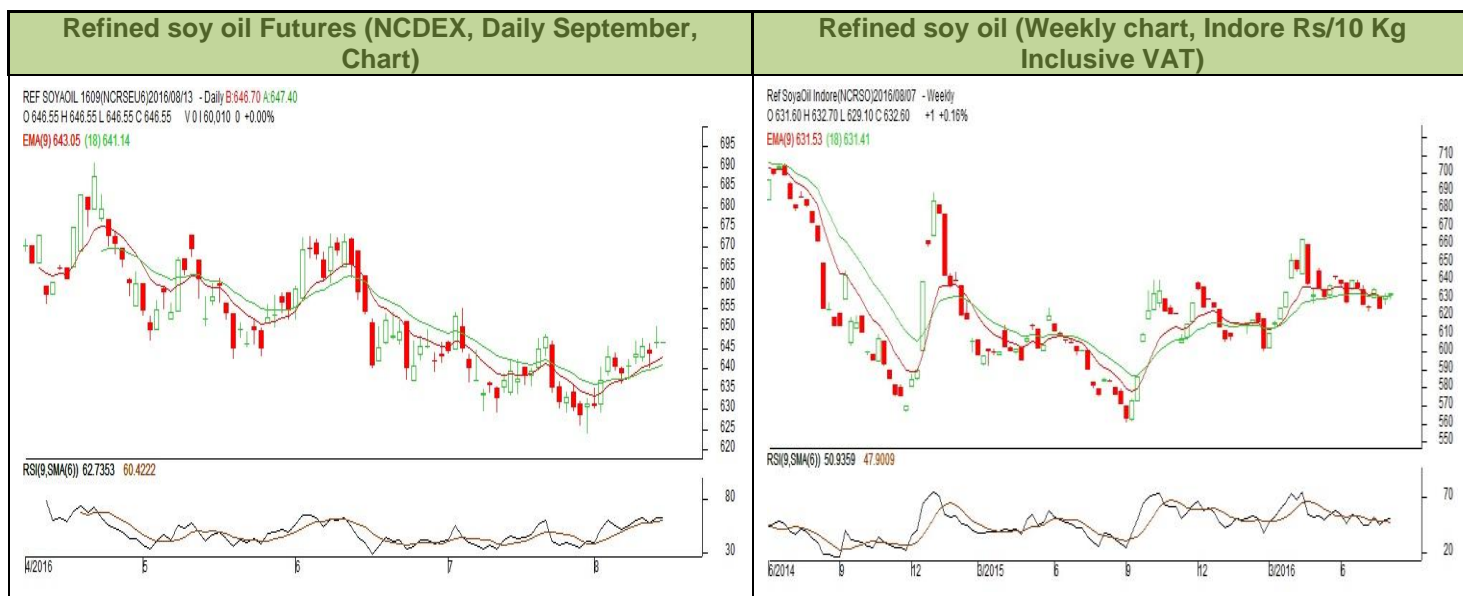


	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
June, 2016	-42.57	-45.44	12.04	22.94	18.73
July, 2016	-37.53	-34.65	43.54	40.63	46.42

Outlook:-

Import parity for crude soy oil from Argentina is 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 uptrend during the week in review and is likely to trade with a sideways to firm tone in the coming days.

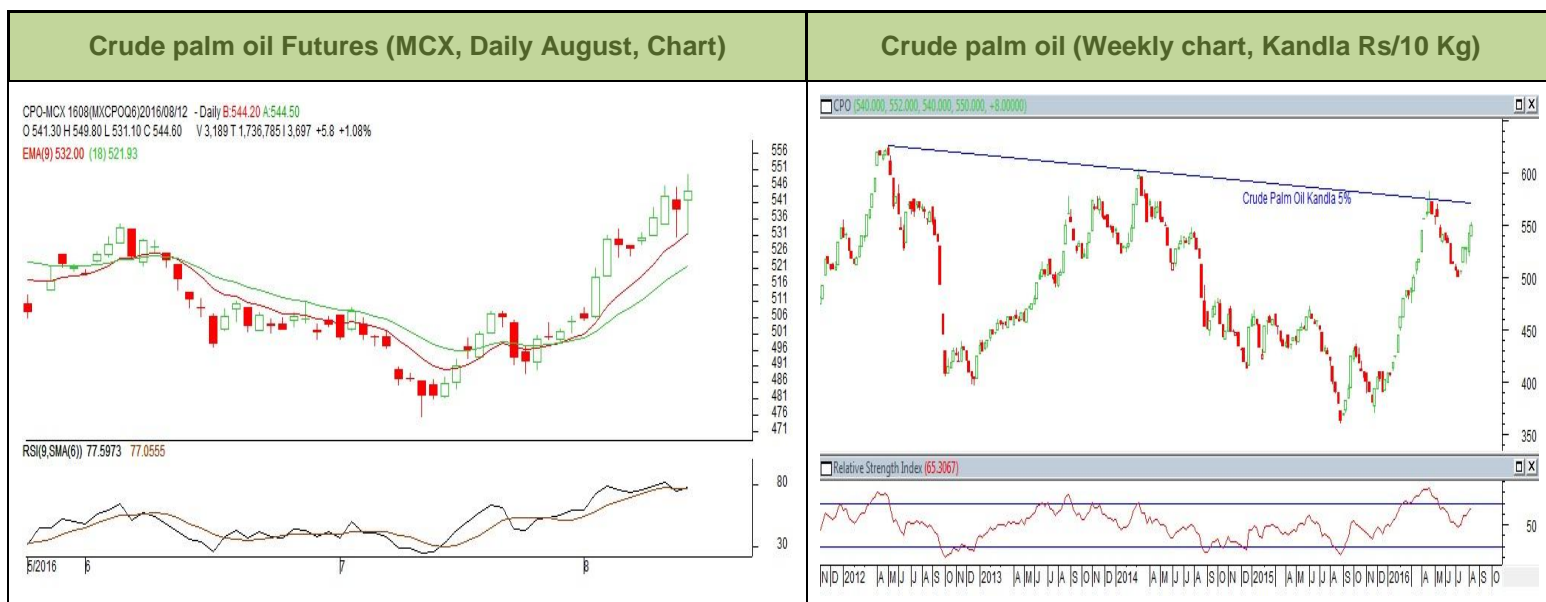
- Weekly chart of refined soy oil at NCDEX depicts uptrend during the week in review. We expect prices to trade sideways to firm tone in the near term.
- Any close below 675 in weekly chart will change the sentiment and might take the prices below 690-700 levels.
- Expected price band for next week is 630-690 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 670 and 675 with a stop loss at 640 on closing basis.

RSO NCDEX (September)

Support and Resistance				
S2	S1	PCP	R1	R2
638.00	646.00	654.2	665.00	680.00

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 uptrend in prices during the week. We expect that CPO August 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 below 500 in weekly chart may bring the prices to 480 levels.
- Expected price band for next week is 530-600 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 550 for a target of 575 and 580 with a stop loss at 535 on closing basis.

CPO MCX (August)

Support and Resistance				
S2	S1	PCP	R1	R2
535.00	547.00	559.7	566.00	578.00

Spot Market outlook: Crude palm oil is likely to stay in the range of Rs 530-600 per 10 Kg.

Veg. Oil Prices at Key Spot Markets

Commodity	Centre	Prices(Per 10 Kg)		Change
		12-Aug-16	5-Aug-16	
Refined Soybean Oil	Indore	635	640	-5
	Indore (Soy Solvent Crude)	605	610	-5
	Mumbai	645	640	5
	Mumbai (Soy Degum)	605	592	13
	Kandla/Mundra	625	625	Unch
	Kandla/Mundra (Soy Degum)	600	593	7
	Kolkata	625	622	3
	Delhi	670	665	5
	Nagpur	621	622	-1
	Rajkot	625	615	10
	Kota	640	640	Unch
	Hyderabad	656	646	10
	Akola	659	661	-2
	Amrawati	660	661	-1
	Bundi	635	635	Unch
	Jalna	664	671	-7
	Alwar	NA	NA	-
	Solapur	668	679	-11
	Dhule	667	668	-1
Palm Oil	Kandla (Crude Palm Oil)	550	542	8
	Kandla (RBD Palm oil)	565	555	10
	Kandla RBD Pamolein	590	572	18
	Kakinada (Crude Palm Oil)	525	505	20
	Kakinada RBD Pamolein	580	570	10
	Haldia Pamolein	580	565	15
	Chennai RBD Pamolein	585	575	10
	KPT (krishna patnam) Pamolein	580	562	18
	Mumbai RBD Pamolein	595	575	20
	Delhi	622	610	12
	Rajkot	590	570	20
	Hyderabad	594	580	14
	Mangalore RBD Pamolein	585	575	10
	PFAD (Kandla)	470	450	20
	Refined Palm Stearin (Kandla)	500	490	10
Refined Sunflower Oil	Chennai	700	695	5
	Mumbai	725	735	-10

	Mumbai(Expeller Oil)	650	655	-5
	Kandla	735	750	-15
	Kandla/Mundra (Crude)	NA	NA	-
	Hyderabad (Ref)	708	713	-5
	Latur (Expeller Oil)	725	725	Unch
	Chellakere (Expeller Oil)	660	660	Unch
	Erode (Expeller Oil)	720	715	5
Groundnut Oil	Rajkot	1450	1400	50
	Chennai	1110	1110	Unch
	Delhi	1200	1200	Unch
	Hyderabad *	1120	1120	Unch
	Mumbai	1400	1370	30
	Gondal	1425	1375	50
	Jamnagar	1425	1400	25
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	848	875	-27
	Jaipur (Kacchi Ghani Oil)	955	961	-6
	Kota (Expeller Oil)	840	840	Unch
	Kota (Kacchi Ghani Oil)	950	975	-25
	Neewai (Kacchi Ghani Oil)	890	895	-5
	Neewai (Expeller Oil)	940	941	-1
	Bharatpur (Kacchi Ghani Oil)	965	965	Unch
	Alwar (Kacchi Ghani Oil)	NA	NA	-
	Alwar (Expeller Oil)	NA	NA	-
	Sri-Ganga Nagar(Exp Oil)	870	905	-35
	Sri-Ganga Nagar (Kacchi Ghani Oil)	925	945	-20
	Mumbai (Expeller Oil)	880	890	-10
	Kolkata(Expeller Oil)	970	970	Unch
	New Delhi (Expeller Oil)	895	890	5
	Hapur (Expeller Oil)	920	950	-30
	Hapur (Kacchi Ghani Oil)	980	1050	-70
	Agra (Kacchi Ghani Oil)	970	970	Unch
Refined Cottonseed Oil	Rajkot	715	725	-10
	Hyderabad	675	670	5
	Mumbai	725	730	-5
	New Delhi	690	700	-10
Coconut Oil	Kangayan (Crude)	820	800	20
	Cochin	777	776	1
	Trissur	850	840	10

Sesame Oil	New Delhi	700	700	Unch
	Mumbai	730	730	Unch
Kardi	Mumbai	830	830	Unch
Rice Bran Oil (40%)	New Delhi	475	470	5
Rice Bran Oil (4%)	Punjab	570	570	Unch
Rice Bran Oil (4%)	Uttar Pradesh	570	570	Unch
Malaysia Palmolein USD/MT	FOB	700	648	52
	CNF India	730	688	42
Indonesia CPO USD/MT	FOB	695	645	50
	CNF India	720	685	35
RBD Palm oil (Malaysia Origin USD/MT)	FOB	703	650	53
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	670	643	27
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1520	1460	60
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	585	573	12
Crude palm Kernel Oil India (USD/MT)	CNF India	1410	1390	20
Ukraine Origin CSFO USD/MT Kandla	CIF	840	835	5
Rapeseed Oil Rotterdam Euro/MT	FOB	725	714	11
Argentina FOB (\$/MT)		11-Aug-16	4-Aug-16	Change
Crude Soybean Oil Ship		742	713	29
Refined Soy Oil (Bulk) Ship		768	738	30
Sunflower Oil Ship		Unq	Unq	-
Cottonseed Oil Ship		722	693	29
Refined Linseed Oil (Bulk) Ship		762	733	29
<i>* indicates including VAT</i>				

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