

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 losses in CBOT soy oil and BMD CPO. Soy oil, palm oil, rapeseed oil closed lower while groundnut oil and coconut oil closed sideways. Refined sunflower oil closed higher

On the currency front, Indian rupee against USD closed at 67.05, unchanged 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 depreciate and crude oil prices will fall.

We expect edible oil complex to trade sideways to firm tone in anticipation of firm demand. Low stocks at ports and pipelines will support prices in near term.

Recommendation:

Weekly Call - : Market participants are advised to go short in RSO below 650 levels for a target of 635 and 630 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 620-670 per 10 Kg in the near term.

Market participants are advised to go long in CPO above 550 for a target of 565 and 570 with a stop loss at 540 on closing basis. We expect CPO Kandla 5 percent (with VAT) to stay in the range of Rs 540-600 per 10 Kg in the near term.

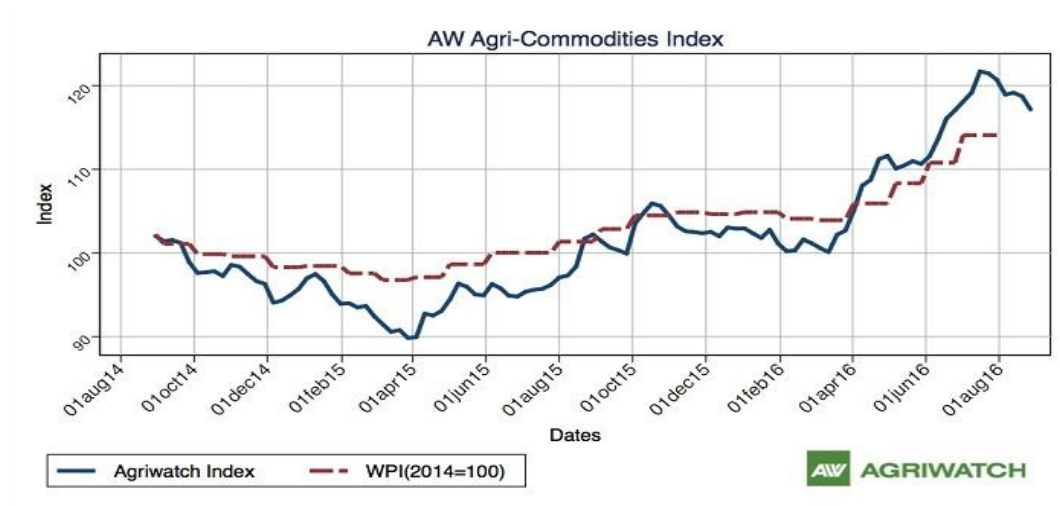
International Veg. Oil Market Summary

According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's August 1-25 palm oil exports rose 29.8 percent to 1,316,245 tons compared to 1,013,704 tons in the corresponding period last month. Top buyers were India at 392,416 tons (168,330 tons), European Union at 249,915 tons (217,388 tons), China at 216,550 tons (184,756 tons), United States at 60,385 tons (69,050 tons) and Pakistan at 17,000 tons (30,000 tons). Values in brackets are figures of corresponding period last month.

On the international front, soybean crop condition in US, weak exports of soy oil from Argentina, weak crude oil and from dollar due to expected FED rate hike is bearish for the soy complex in the coming days.

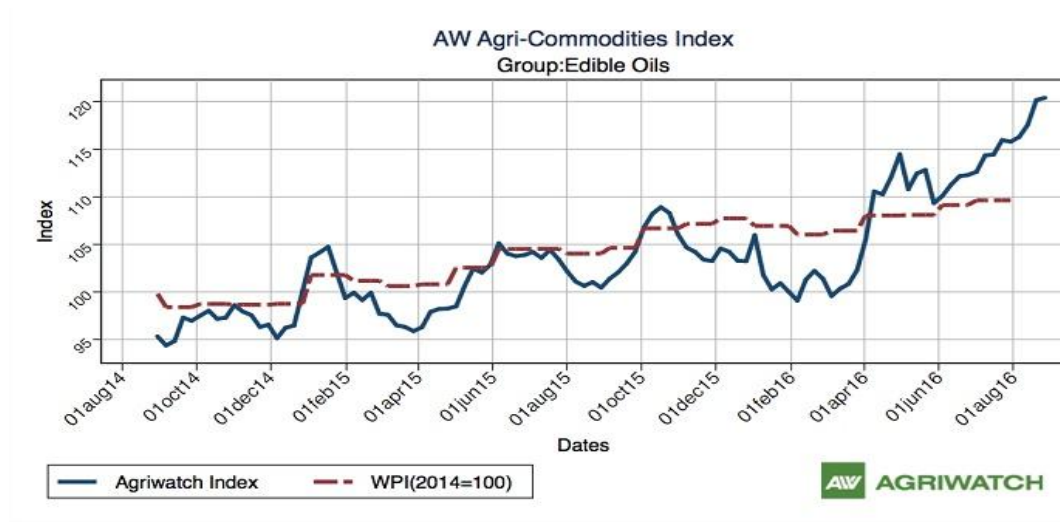
Indian and Chinese demand, firm exports of palm oil from Malaysia, stability in Chinese market and supportive biodiesel and tax policies in Southeast Asian countries will support CPO prices in near term. Global risk aversion may underpin prices in near term.

Agriwatch Index



- The Agriwatch Agri Commodities Index fell 1.33% to 117.15 during the week ended August 27, 2016 from 118.73 during the previous week, led by sharply lower pulses prices. The base for the Index and all sub-Indices is 2014 (= 100).
- Seven of the nine commodity group sub-Indices and 21 of the 29 individual commodity sub-Indices that constitute the main Index declined during the week.

Agriwatch edible oil index

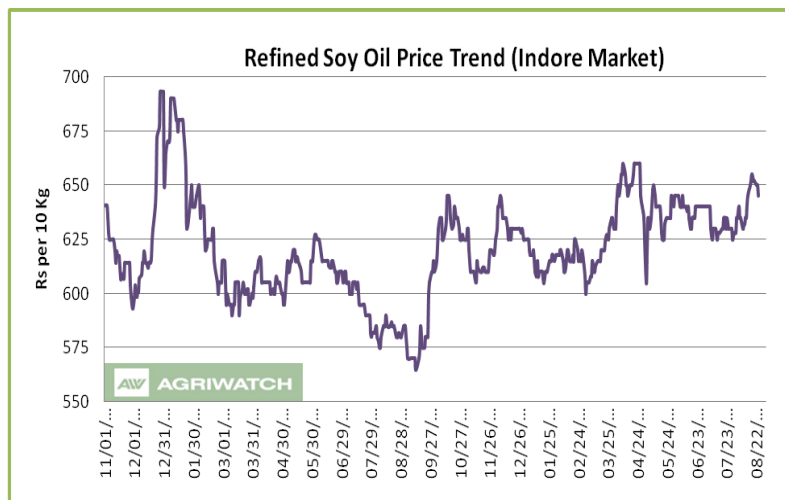


- Agriwatch edible oil index fell 0.19 percent last week to 120.41.

"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 higher supplies of soy oil. Prices were lower in Mumbai, Kolkata, and Kandla/Mudra. CDSO prices closed lower 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. Soy oil CBOT supported the fall. Moreover, fall in palm oil prices supported the fall.



Fall in prices of soybean spilled over to lower prices of soy oil.

Soy oil CNF fell less than fall in domestic soy oil prices indicating weak demand and higher supplies. Demand is firm on CNF markets while weak in domestic markets. Soy oil –Indore remains less affected by CNF prices at India West coast indicating weak demand and higher supplies.

Indian soy oil prices are partially disconnected from international prices of soy oil and are dependent on domestic markets.

There is limited supply of soybean in the market. However, harvest pressure of soybean will affect soy oil prices in medium term.

Basis has risen from last week indicating less sensitivity of domestic CNF prices from global benchmark prices. Firm demand in India CNF and tight supply situation exporting markets have increased basis.

Disparity has increased at high seas and refining margins have worsened. However, with low difference between soy oil premium over palm oil, demand is expected to improve in coming months. Demand is expected to improve on stocking ahead of festivals after monsoon.

Prices of soy oil expected to improve on low premium of soy oil over palm oil at Rs 72 (Rs 80 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 62.5 (USD 59 last week) which will increase imports.

Prices of soy oil are in a range.

- All India sowing of soybean has reached 112.82 lakh hectares as on 19 August 2016, compared to 112.77 lakh hectares in the corresponding period last year.
- Soy oil import scenario – According to SEA India imported 3.49 lakh tons of soy oil in July 2016 v/s 3.49 lakh tons in July 2015, unchanged y-o-y. In the oil year 2015-16 (November 2015-July 2016) imports of soy oil is reported at 31.54 lakh tons v/s 18.54 lakh tons in corresponding period last oil year, higher by 96 percent y-o-y. In the period November 2015-July 2016, share of soft oil in imports has risen from 33 percent to 43 percent.
- The domestic soybean crop is reportedly in a good condition across the key growing belts of Madhya Pradesh, Maharashtra and Rajasthan, with some exception in the low lying areas of Madhya Pradesh where heavy downpour in few pockets during the week have raised the crop concern. However, rains are needed in key soy

growing belts in Maharashtra as dry spell for last 15 days have lead to moisture stress. There are no reports of widespread disease or pest infestation in the crop with some exceptions in Marathwada, Maharashtra where green larvae have infested the crop in few small pockets. The plant size of the crop varies from 3 - 3.5 feet long and it is in blooming stage at around 65% in Madhya Pradesh and about 30% in Maharashtra. The overall rainfall over Madhya Pradesh, Maharashtra and Rajasthan is reportedly higher than the normal rains. IMD in its weekly Southwest monsoon progress report has reported India's actual rainfall at 606.2 mm against the normal 606.8 mm and departure stands at 0%, till 17 August 2016. In West Madhya Pradesh, departure of Southwest monsoon has improved to normal by +37%, actual rains is reported at 790 mm vs 577.2 mm normal till 17 August 2016 by IMD. Vidarbha reported the departure of +15%, actual rains 761.4 mm vs 664.6 mm normal. Marathwada reported the departure of +11% with actual rains of 476.5 mm vs 429.3 mm, East Rajasthan reported a departure of +48% with actual rains 626.6 mm vs 423.1 mm normal.

- Imported crude soy oil CIF at West coast port is offered at USD 820 (USD 829) per ton for September delivery. October delivery is offered at USD 816 (USD 828) per ton and November delivery is offered at USD 820 (USD 834) per ton as on August 26, 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 95-100/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 weak in the coming days.

International Front

Agriwatch view – Pro Farmer crop tour in US Midwest has indicated very good condition of soybean crop. USDA has reported very good crop condition of soybean in US, which has underpinned prices in last week. Despite good exports of soybean prices fell on CBOT.

NOPA reported lower stocks of soy oil in US in July due to lower production of soy oil on lower crush of soy oil. Soy oil stocks are expected to fall further in August on lower crush of soybean, which will lead to lower production of soy oil and lower stocks of soy oil. Crushers are not crushing soybean as old crop supplies are weak and they are waiting for prices of soybean to come down. Lower crush will decrease soy oil stocks of US. With tight supplies of soy oil in US soy oil will spread with soy meal.

USDA reduced 2016/17 soy oil ending stocks of US in its August estimate by lowering opening stocks partially offset by higher soy oil production due to higher soybean crush. Soy oil end stocks of 2015/16 were also lowered.

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 increased on higher production of soybean partially set off by higher crush and lower opening stocks.

USDA increased soy oil end stocks of Argentina in 2016/17 on lower exports of soy oil, which led to higher end stocks of soy oil, which will keep prices of Argentina lower than previously estimated.

Weakness in crude oil prices and strength in dollar on expectation of delayed FED rate hike will underpin prices in near term.

Prices of soy oil are in a range.

- The four-day pro farmer crop tour of soybean in US has reported bumper soybean crop prospects across the US Midwest. It has reported above average soybean yield in few states like Minnesota. Pro Farmer has yet to come out with the average US soybean yield report, but it is optimistic on the productivity across the Midwest. USDA in its August report has pegged US soybean yield at record 48.9 bushels per acres.
- 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 setting pod at 89% compared to 85% during the corresponding period last year and 5-year average. About 72% of the newly planted US soybean crop is under good to excellent conditions, which is up from 63% during the corresponding period last year, reported in the US crop progress report dated 21 August 2016.
- 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.

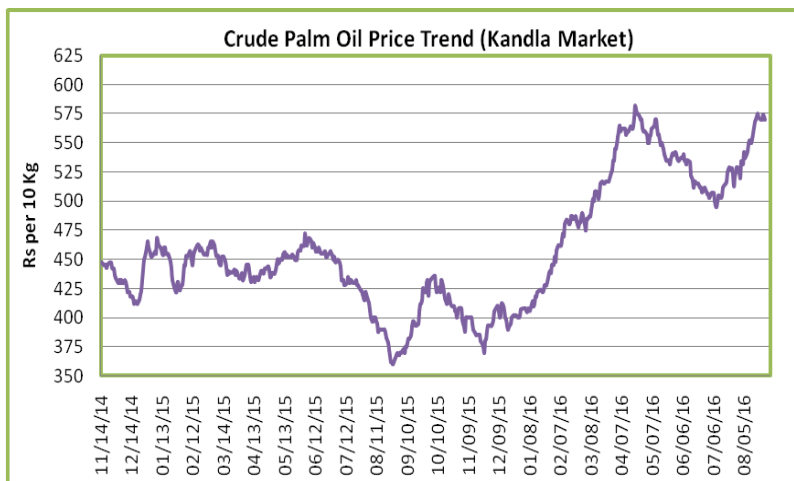
Price Outlook: We expect refined soy oil at Indore (with VAT) to stay in the range of Rs 620-670 per 10 Kg in the near term.

Palm oil Fundamental Analysis and Outlook :-

Domestic Front

- Crude palm oil at Kandla featured downtrend in its benchmark market at Kandla on spillover of fall in international palm oil prices. CPO prices in Kakinada closed lower at the end of the week.
- Agriwatch View – Prices of palm oil were weak during the week on fall in BMD CPO, CBOT soy oil and Dalian RBD palmolein.

Demand is firm in domestic market as CNF prices have fallen more than



benchmark market prices. Domestic prices of palm oil is holding while Malaysia FOB and CNF India is falling more than domestic prices indicating firm demand. Market is tight due to lower imports until July in the oil year 2015-16 (November-2015-July 2016). However, with demand season approaching, demand is expected to increase and buyers are expected to look for bargains in prices to book their purchases.

At present most of the imports are coming from Malaysia as premium of RBD palmolein of over CPO is very low. Demand of CPO is low due to negative margins last week. Buyers are booking more Malaysia RBD palmolein compared to CPO as RBD palmolein prices are competitive compared to CPO prices.

Demand is expected to remain firm and if imports do not improve then there will be drawdown from stocks at ports and pipelines. Low soy oil premium over palm oil, which is hovering at USD 62.5 (USD 59 last week) per ton may bring weaken demand and underpin prices.

Negative refining margins will slow imports of CPO and increase RBD palmolein imports.

Prices at high sea are at disparity, disparity has increased in last week.

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

- Palm oil import scenario – According to SEA, India imported 5.7 lakh tons of palm oil in July 2016 v/s 9.76 lakh tons in July 2015, down 41.6 percent y-o-y. CPO imports slowed to 3.63 lakh tons in July compared to 7.66 lakh tons in July 2015, lower by 52.6 percent y-o-y. RBD palmolein imports rose to 2.07 lakh tons from 1.85 lakh tons in July 2015, up by 11.9 percent y-o-y. In the oil year 2015-16 (November 2015-July 2016) imports of palm oil is reported at 61.75 lakh tons v/s 68.27 lakh tons in corresponding period last oil year, lower by 9.6 percent y-o-y. RBD palmolein reported sharp rise at 19.84 lakh tons (November 2015-July 2016) v/s 10.99 lakh tons in corresponding period of oil year 2014-15, rise of 80.5 percent y-o-y. Crude palm imports in the period (November 2015-July 2016) fell to 41.29 lakh tons from 56.04 lakh tons in the corresponding period last oil year, fall of 26.3 percent y-o-y. In the period November 2015-July 2016, share of palm product imports fell to 57 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 760 (USD 775) per ton for August delivery while September delivery is quoted at USD 757.5 (USD 775) per ton. Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 770 (USD 780) per ton for August delivery while September delivery is quoted at USD 767.5 (USD 775) per ton. Ready lift CPO duty paid prices quoted at Rs

568 (Rs 572) per 10 Kg and September delivery duty paid offered at Rs 563 (Rs 565) per 10 kg on August 26, 2016. Values in bracket depict last week quotes.

- On the parity front, margins were in disparity during this week due to rise in prices of imported palm oil and lower rise in prices of palm oil products in India. Currently refiners lose USD 25-30/ton v/s USD 40-45/ton (last month) margin in processing the imported CPO and imports of ready to use palmolein lose USD 30-35/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 exports in August from Malaysia has showed firm demand from top importing markets. Demand is firm from India and China.

Firm demand from India is the big surprise element in the latest export report from SGS. Exports are higher by 30 percent until 25 August. Demand from India is due to tight supplies in their domestic market. Demand is firm especially from Malaysia.

India is buying more from Malaysia due to competitive prices offered by Malaysia compared to Indonesia. Aggressive pricing by Malaysia has led to higher exports from Malaysia

Palm oil end stocks in Malaysia are expected to fall in August on higher rate of growth of exports and lower rate of growth of palm oil due to lagged effect of El Nino.

With prices of RBD palmolein at prices of CPO, it is being exported more to India. Market of palm oil is very tight in India as it has imported lower amount of palm oil in oil year 2015-16 compared corresponding period in last oil year.

India will stock ahead of festive season and more demand share is expected to come from Malaysia as its lower price advantage over Indonesia CPO.

China is buying more palm oil ahead of festivals in September.

Depreciation of Ringgit will support prices in near term.

Stability in China currency and domestic economy will support to commodity prices. Market are 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 1-25 palm oil exports rose 29.8 percent to 1,316,245 tons compared to 1,013,704 tons in the corresponding period last month. Top buyers were India at 392,416 tons (168,330 tons), European Union at 249,915 tons (217,388 tons), China at 216,550 tons (184,756 tons), United States at 60,385 tons (69,050 tons) and Pakistan at 17,000 tons (30,000 tons). Values in brackets are figures of corresponding period last month.
- According to China's General Administration of Customs (CNGOIC), China's July palm oil exports fell 53.73 percent to 332,568 compared to July 2015. Year to date (January 2016-July 2016) palm oil imports fell 31.14 to 2,198,299 tons compared to corresponding period in 2015. Imports from Indonesia in July fell 58.14 percent to 169,474 tons compared to July 2015. Year to date (January 2016-July 2016) palm oil imports from Indonesia imports fell 14.59 percent to 1,389,331 tons compared to corresponding period in 2015. Imports from Malaysia

fell 48.04 percent in July to 163,081 tons compared to July 2015. Year to date (January 2016-July 2016) palm oil imports from Malaysia fell 48.47 percent to 803,758 tons compared to corresponding period in 2015.

- According to Malaysia Palm Oil Council (MPOC), crude palm oil prices (CPO) will average 2,678 ringgit per ton in 2016, 18 percent higher from 2015. Crude palm oil 2015 average prices were 2,528 ringgit per ton. India will remain the top imported of CPO in 2016. China will import more CPO in second half of 2016 to replenish stocks. China imported lower amount of oils and fats in 2016 due to higher carryover stocks in 2015. MPOC forecast palm oil production for 2016 for Malaysia at 19.1 MMT and Indonesia at 32.8 MMT. Production of palm oil in Malaysia will improve August onwards when the lagged effect of El Nino is over.
- 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.

Price Outlook: We expect CPO Kandla 5 percent (with VAT) to stay in the range of Rs 540-600 per 10 Kg in the near term.

Rapeseed oil Fundamental Review and Analysis:-

Domestic Front

- Mustard oil prices featured downtrend at its benchmark market of Kota during the week in review on weak demand and fall in prices of rapeseed.

- Agriwatch view: Prices of rapeseed oil expeller fell across board in India. Prices of Kacchi ghani rose fell across board in India.

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

Fall in prices of palm oil and soy oil supported the decline. Moreover, canola oil supported the decline.

Higher imports of rapeseed (canola) oil affected market sentiment. India imported 0.67 lakh tons of rapeseed (canola) oil that is higher in any month in oil year 2015-16.

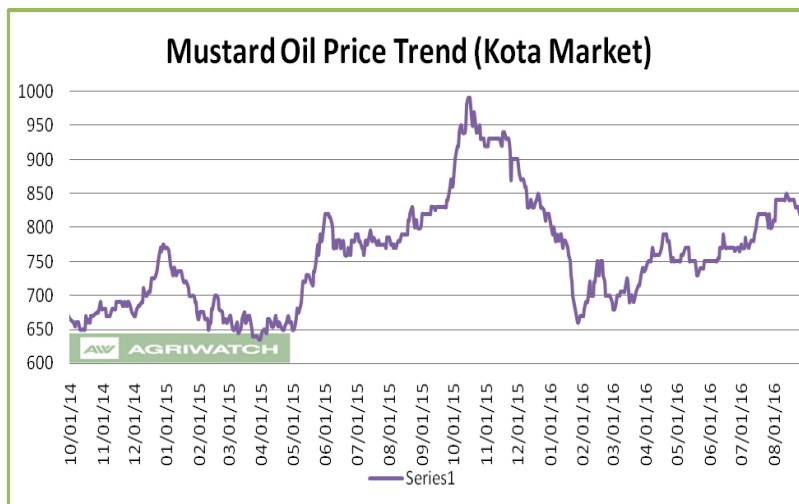
Prices have risen continuously from February and prices are taking breadth at higher prices. However, prices of rapeseed oil are expected to rise on higher prices of rapeseed, seasonal uptrend of prices and firm demand.

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

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.

- India imported 0.67 lakh tons of rapeseed (Canola) oil in July 2016 v/s 0.31 lakh tons in July 2015, lower by 116 percent y-o-y. For oil year 2015-2016 (November 2015 – July 2016) India imported 2.56 lakh tons rapeseed (canola) oil v/s 2.62 lakh tons in corresponding period in the oil year 2014-15, marginally higher y-o-y: SEA
- CIF canola premium over soybean oil is USD -25 (USD -9 last week) per ton as on August 26, 2016. Negative premium of canola over soybean oil may increase imports of canola.
- Currently, RM oil at Jaipur market, (expeller) is offered at Rs 837 (Rs 852) per 10 Kg, and at Kota market, it is offered at Rs 820 (Rs 840) per 10 kg as on August 26, 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.

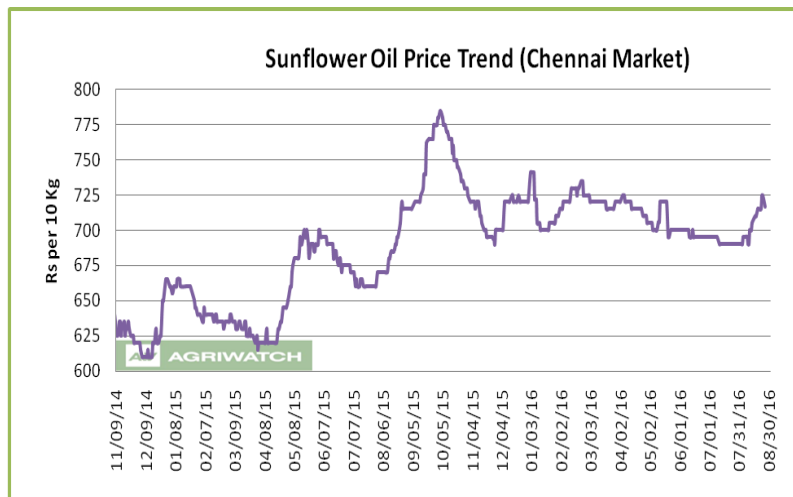


Price Outlook: Rapeseed oil (without VAT) prices in Kota may stay in the range of Rs 780-860 per 10 Kg.

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 were unchanged in Hyderabad and Kakinada at the end of week.
- Agriwatch view: Prices of sunflower oil traded higher on firm demand. Prices rose despite fall in prices of sunflower oil in international markets. Prices rose on seasonal uptrend of prices.



Lower premium of sunflower oil over soy

oil and palm oil has increased demand in domestic market and supported prices.

Refiners and traders are stocking on seasonal uptrend of prices.

Refiner's are aggressively purchasing crude sunflower oil from international markets as the premium of sunflower oil over soybean oil is very low. Currently sunflower oil premium over soy oil is at USD 35 (USD 14 last week) per ton.

Imports of sunflower oil improved in July while sunflower oil stocks at ports and pipelines increased, which has capped upside. Imports are expected to surge in August and September.

Prices of sunflower oil is expected to surge due to firm demand, seasonal uptrend of prices and low premium of sunflower oil over soy oil.

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

- All India sowing of sunflower has reached 1.44 lakh hectares as on 19 August 2016, compared to 0.82 lakh hectares in the corresponding period last year.
- Sunflower oil import scenario – According to SEA, India imported 1.38 lakh tons of crude sunflower oil during July 2016 v/s 1.22 lakh tons in July 2015, higher by 13.1 percent y-o-y. Imports during oil year 2015-16 (November 2015 –July 2016) were reported at 12.03 lakh tons v/s 12.58 lakh tons during the corresponding period in last oil year, down by 4.4 percent y-o-y.
- On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 855 (USD 855) per ton for September delivery, USD 847.5 (USD 850) per ton for October delivery, ND delivery is quoted at USD 837.5 (USD 845) 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 820-900 per ton in the near term. CIF Sunflower oil premium over soybean oil increased from last week and is hovering at USD 35 (USD 14 last week) per ton for September delivery.
- Currently, refined sunflower oil at Chennai market is offered at Rs 717 (Rs 715) per 10 Kg, and at Hyderabad market, it is offered at Rs 722 (Rs 722) per 10 kg as on August 26, 2016. Values in brackets are figures of last week.

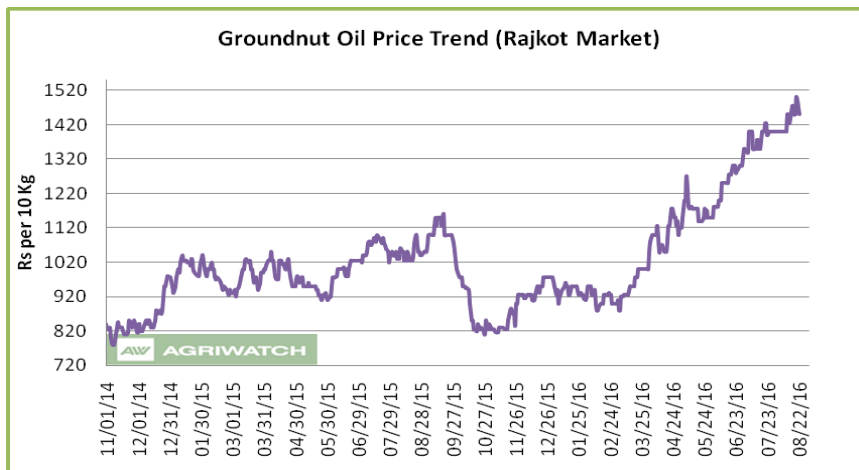


- We expect sunflower oil prices to trade sideways to firm tone in the coming days.

Price Outlook: Sunflower oil (with VAT) prices in Chennai may stay in the range of Rs 700-760 per 10 Kg.

Groundnut oil Fundamental Review and Analysis:-` Domestic Front

- Groundnut oil prices featured upward to sideways trend in Rajkot on weak supplies. Prices in Chennai fell while Hyderabad were higher at the end of week. Prices rose in Chennai while it was unchanged in Hyderabad. Prices fell in Jamnagar, New Delhi and Mumbai while it was unchanged in Gondal at the end of the week.



- Agriwatch view: Prices of groundnut oil featured upward to sideways trend on weak supplies. Prices rose to record highs last week and cooled off at the end of the week. Record prices have weakened demand.

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.

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. Groundnut prices have stabilized which kept lid on prices. However, if prices of groundnut increase then prices of groundnut oil will rise further.

Prices are supported by seasonal uptrend of prices.

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

Prices are expected to touch record highs due to shortage of groundnut oil, 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 43.29 lakh hectares as on 19 August 2016, compared to 33.68 lakh hectares in the corresponding period last year.
- On the price front, currently the groundnut oil prices in Rajkot is hovering near Rs 14,500 (Rs 14,500) per quintal and quoting at Rs 11,000 (Rs 10,800) per quintal in Chennai market on August 26, 2016. Values in brackets are values of last week
- Groundnut oil prices are likely to trade sideways to firm in the coming days.

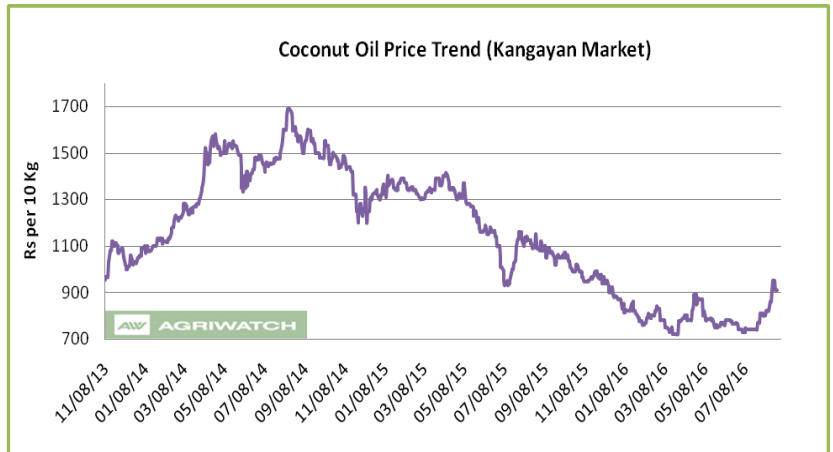
Price Outlook

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 sideways to 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 sideways to high during the week, on firm demand ahead of Onam



festival and buying at lower quotes. Onam is scheduled in September and has seen demand picking up in near term.

Moreover, prices rose on seasonal uptrend of prices.

Copra prices rose last week, which supported coconut oil prices.

Demand from North India has improved.

Corporate demand, which accounts for 80 percent of demand, has improved at lower prices and accumulating stocks to cater to demand ahead of festival season.

Millers are buying copra to take advantage of rise in prices of coconut oil and are expected to stock coconut oil in near term to take advantage of improved prices.

Stockists and upcountry are venturing in the market to take advantage of lower prices and stocking ahead of festival season and seasonal uptrend of prices.

There is good export demand and coconut oil is fetching higher prices in international markets supporting domestic coconut oil prices.

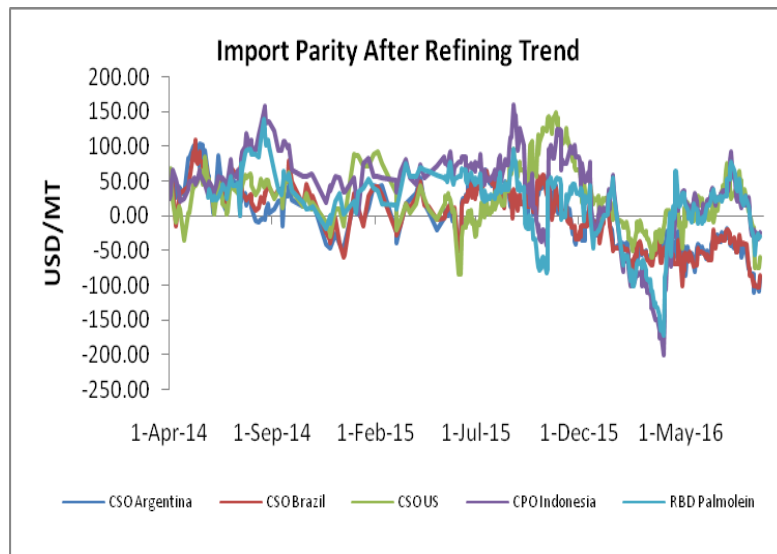
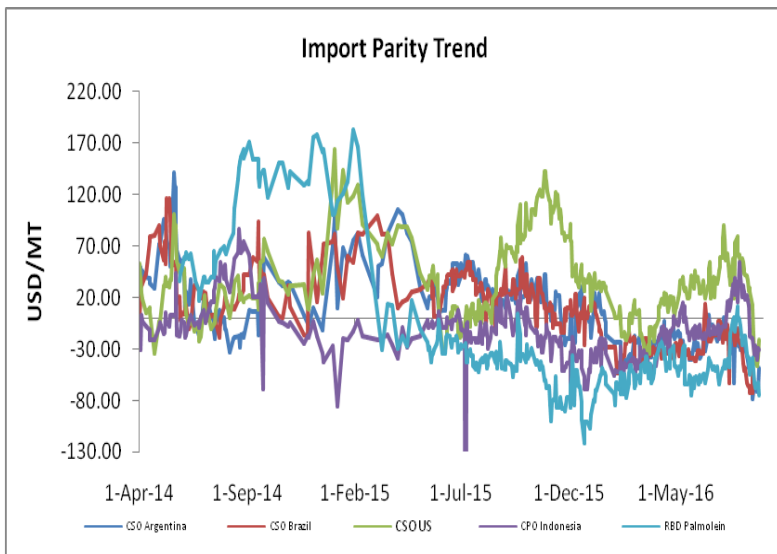
Coconut oil prices are expected to improve on improvement of demand especially corporate demand, which accounts of 80 percent of demand, seasonal uptrend of prices, export demand and buying at lower quotes. Prices are expected to trade sideways to firm tone in near term.

- Government of India is considering to offer coconut oil and sunflower to BPL holders. Present government offers palm oil. The subsidy will be given to coconut oil and sunflower also, according to Food and Civil Supplies Minister U.T. Khader. Tenders will be floated son to implement the program.
- On the price front, currently the coconut oil prices in Trissur is hovering near Rs 9,500 (9,300) per quintal, and was quoting Rs 9,100 (9,100) per quintal in Erode market on August 26, 2016.

Price Outlook: Coconut oil (withut VAT) prices in Erode may stay in the range of Rs 880-1020 per 10 Kg.

Import Parity Trend

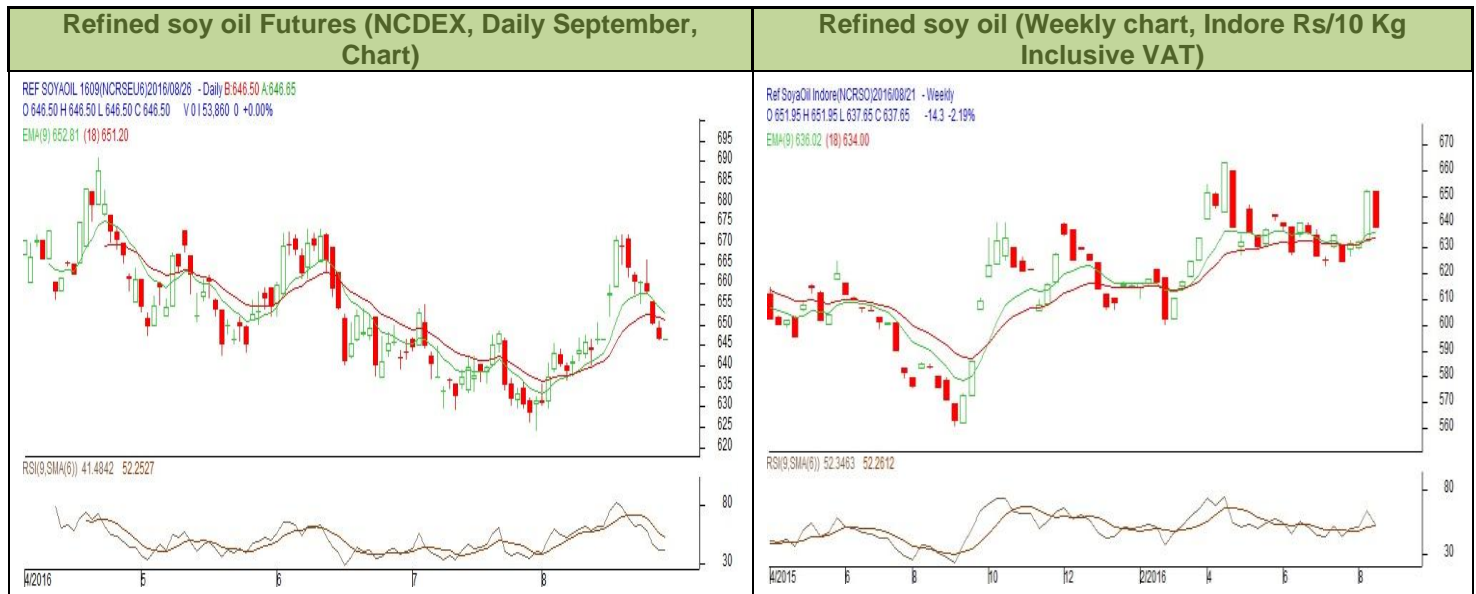
Import Parity After Refining in US dollar per ton (Monthly Average)



	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. Disparity in palm oil products may decrease 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 weak 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 weak tone in the near term.
- Any close below 630 in weekly chart will change the sentiment and might take the prices below 600-620 levels.
- Expected price band for next week is 620-670 level in near to medium term. RSI, stochastic and MACD is suggesting downtrend in market.

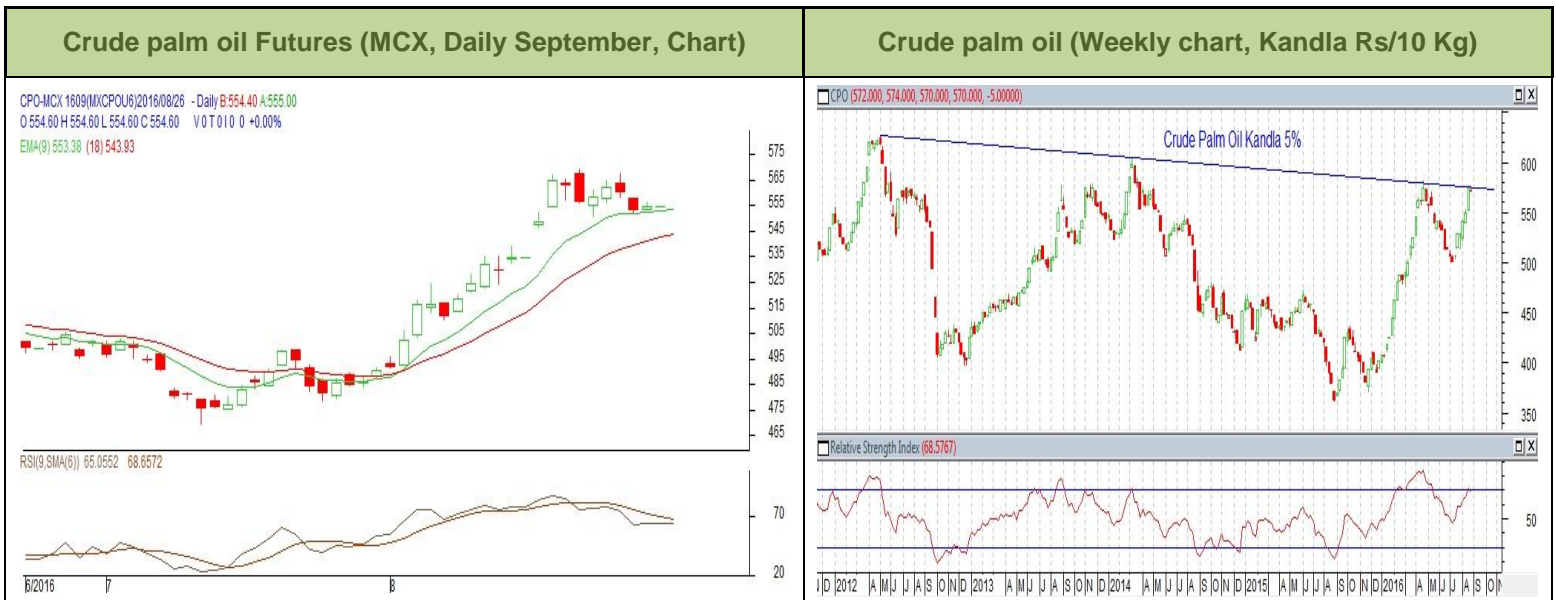
Strategy: Market participants are advised to go short in RSO below 650 levels for a target of 635 and 630 with a stop loss at 660 on closing basis.

RSO NCDEX (September)

Support and Resistance				
S2	S1	PCP	R1	R2
625.00	638.00	646.5	655.00	666.00

Spot Market outlook: Refined soy oil Indore (with VAT) is likely to stay in the range of Rs 620-670 per 10 Kg.

Technical Analysis (Crude Palm oil)



Outlook - Prices show downtrend in prices during the week. We expect that CPO September 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 570 in weekly chart may bring the prices to 590 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 565 and 570 with a stop loss at 540 on closing basis.

CPO MCX (September)

Support and Resistance				
S2	S1	PCP	R1	R2
535.00	547.00	554.6	566.00	578.00

Spot Market outlook: Crude palm oil is likely to stay in the range of Rs 540-600 per 10 Kg.

Veg. Oil Prices at Key Spot Markets

Commodity	Centre	Prices(Per 10 Kg)		Change
		26-Aug-16	19-Aug-16	
Refined Soybean Oil	Indore	645	655	-10
	Indore (Soy Solvent Crude)	615	620	-5
	Mumbai	665	675	-10
	Mumbai (Soy Degum)	615	618	-3
	Kandla/Mundra	650	655	-5
	Kandla/Mundra (Soy Degum)	612	618	-6
	Kolkata	650	655	-5
	Delhi	680	690	-10
	Nagpur	637	655	-18
	Rajkot	640	635	5
	Kota	640	660	-20
	Hyderabad	660	684	-24
	Akola	678	693	-15
	Amrawati	678	692	-14
	Bundi	640	657	-17
	Jalna	NA	NA	-
	Alwar	NA	NA	-
	Solapur	NA	NA	-
	Dhule	NA	NA	-
Palm Oil	Kandla (Crude Palm Oil)	570	575	-5
	Kandla (RBD Palm oil)	590	610	-20
	Kandla RBD Pamolein	620	625	-5
	Kakinada (Crude Palm Oil)	560	575	-15
	Kakinada RBD Pamolein	635	620	15
	Haldia Pamolein	635	620	15
	Chennai RBD Pamolein	645	630	15
	KPT (krishna patnam) Pamolein	630	615	15
	Mumbai RBD Pamolein	635	640	-5
	Delhi	650	645	5
	Rajkot	615	615	Unch
	Hyderabad	603	632	-29
	Mangalore RBD Pamolein	645	630	15
	PFAD (Kandla)	460	475	-15
	Refined Palm Stearin (Kandla)	480	500	-20
Refined Sunflower Oil	Chennai	717	715	2
	Mumbai	735	740	-5

	Mumbai(Expeller Oil)	660	660	Unch
	Kandla	745	750	-5
	Kandla/Mundra (Crude)	NA	NA	-
	Hyderabad (Ref)	722	722	Unch
	Latur (Expeller Oil)	725	725	Unch
	Chellakere (Expeller Oil)	665	660	5
	Erode (Expeller Oil)	745	730	15
Groundnut Oil	Rajkot	1450	1450	Unch
	Chennai	1100	1080	20
	Delhi	1150	1200	-50
	Hyderabad *	1130	1130	Unch
	Mumbai	1400	1450	-50
	Gondal	1450	1450	Unch
	Jamnagar	1400	1450	-50
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	837	852	-15
	Jaipur (Kacchi Ghani Oil)	925	951	-26
	Kota (Expeller Oil)	820	840	-20
	Kota (Kacchi Ghani Oil)	935	940	-5
	Neewai (Kacchi Ghani Oil)	845	880	-35
	Neewai (Expeller Oil)	905	930	-25
	Bharatpur (Kacchi Ghani Oil)	945	950	-5
	Alwar (Kacchi Ghani Oil)	NA	NA	-
	Alwar (Expeller Oil)	NA	NA	-
	Sri-Ganga Nagar(Exp Oil)	855	870	-15
	Sri-Ganga Nagar (Kacchi Ghani Oil)	895	920	-25
	Mumbai (Expeller Oil)	890	910	-20
	Kolkata(Expeller Oil)	1020	970	50
	New Delhi (Expeller Oil)	880	890	-10
	Hapur (Expeller Oil)	900	910	-10
	Hapur (Kacchi Ghani Oil)	950	960	-10
	Agra (Kacchi Ghani Oil)	950	955	-5
Refined Cottonseed Oil	Rajkot	715	725	-10
	Hyderabad	695	690	5
	Mumbai	720	740	-20
	New Delhi	690	700	-10
Coconut Oil	Kangayan (Crude)	910	910	Unch
	Cochin	785	780	5
	Trissur	950	930	20

Sesame Oil	New Delhi	700	700	Unch
	Mumbai	730	730	Unch
Kardi	Mumbai	830	830	Unch
Rice Bran Oil (40%)	New Delhi	480	535	-55
Rice Bran Oil (4%)	Punjab	570	570	Unch
Rice Bran Oil (4%)	Uttar Pradesh	570	570	Unch
Malaysia Palmolein USD/MT	FOB	748	765	-17
	CNF India	773	795	-22
Indonesia CPO USD/MT	FOB	735	748	-13
	CNF India	763	785	-22
RBD Palm oil (Malaysia Origin USD/MT)	FOB	743	758	-15
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	710	723	-13
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1630	1640	-10
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	600	613	-13
Crude palm Kernel Oil India (USD/MT)	CNF India	1520	1520	Unch
Ukraine Origin CSFO USD/MT Kandla	CIF	850	850	Unch
Rapeseed Oil Rotterdam Euro/MT	FOB	733	744	-11
Argentina FOB (\$/MT)		25-Aug-16	18-Aug-16	Change
Crude Soybean Oil Ship		765	Unq	-
Refined Soy Oil (Bulk) Ship		792	Unq	-
Sunflower Oil Ship		Unq	790	-
Cottonseed Oil Ship		745	Unq	-
Refined Linseed Oil (Bulk) Ship		785	Unq	-
<i>* indicates including VAT</i>				

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