

Veg. Oil Weekly Research Report

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Executive Summary

Domestic Veg. Oil Market Summary

Edible oil witnessed weak sentiment during the week on losses in CBOT soy oil and BMD CPO. Soy oil, palm oil, rapeseed oil, groundnut oil and coconut oil closed higher while closed sunflower oil sideways.

On the currency front, Indian rupee against USD closed at 66.61, down 4 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 rise.

We expect edible oil complex to trade sideways to weak tone on weak fundamentals. High stocks at ports and pipelines will underpin prices in near term.

Recommendation:

Weekly Call - : Market participants are advised to go short in RSO below 660 levels for a target of 645 and 640 with a stop loss at 670 on closing basis. We expect refined soy oil at Indore (with VAT) to stay in the range of Rs 630-680 per 10 Kg in the near term.

Market participants are advised to go long in CPO above 535 for a target of 550 and 555 with a stop loss at 525 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.

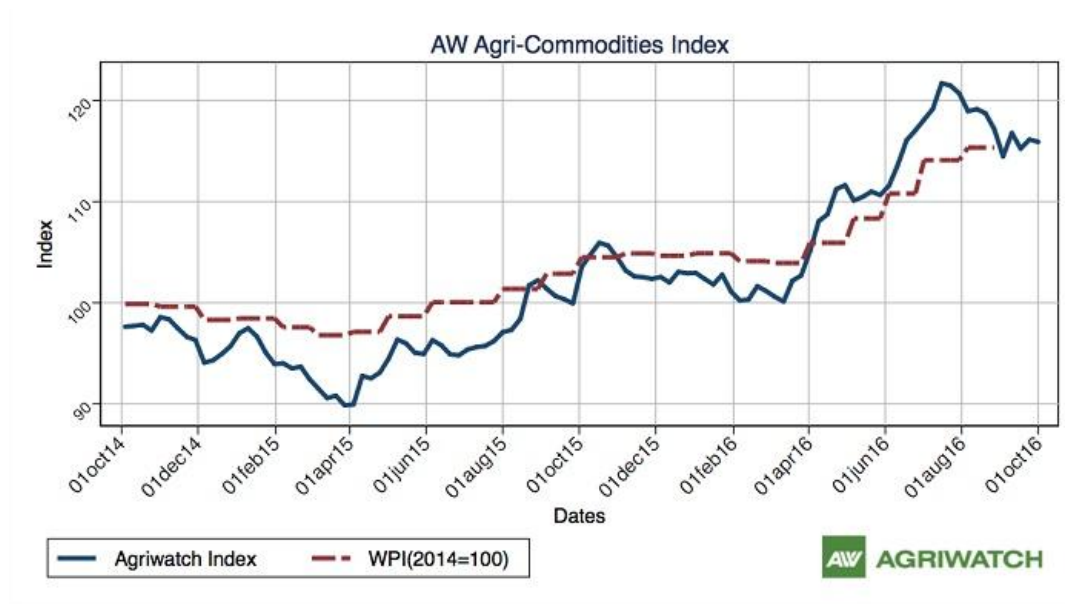
International Veg. Oil Market Summary

According to cargo surveyor Societe Generale de Surveillance, Malaysia's September palm oil exports fell 15.8 percent to 1,365,517 tons compared to 1,621,480 tons last month. Top buyers were India at 266,080 tons (450,929 tons), European Union at 252,399 tons (269,523 tons), China at 217,430 tons (289,550 tons), United States at 62,324 tons (78,535 tons) and Pakistan at 61,175 tons (31,000 tons). Values in brackets are figures of last month.

On the international front, soy oil stocks in US, slow pace of harvest in US, soybean crop condition in US, firm crude oil price, weak dollar due to expected FED rate hike is bullish for the soy complex in the coming days. However, record soybean crop in US could underpin prices.

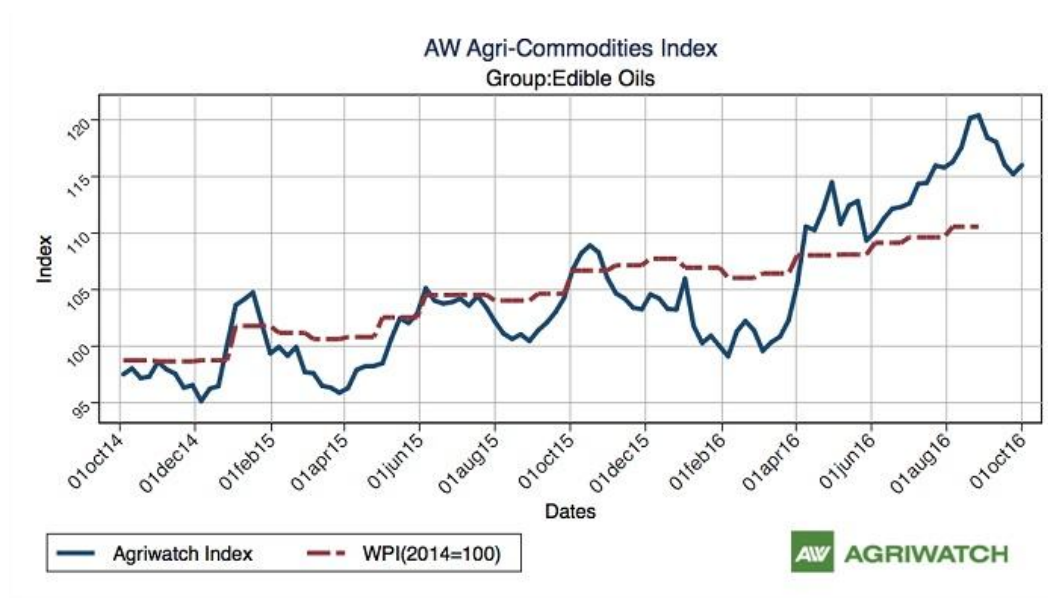
Firm Indian and Chinese demand, firm exports of palm oil from Malaysia and weak Ringgit, stability in Chinese market and supportive biodiesel and tax policies in Southeast Asian countries will support CPO prices in near term.

Agriwatch Index



- The Agriwatch Agri Commodities Index edged down 0.20% to 115.90 during the week ended Oct 1, 2016 from 116.13 during the previous week. The base for the Index and all sub-Indices is 2014 (= 100).
- Declines in cereals and vegetables prices offset the gains in pulses and edible oils. Six of the 9 commodity groups and 19 of the 29 commodities that constitute the Index declined during the week.

Agriwatch edible oil index



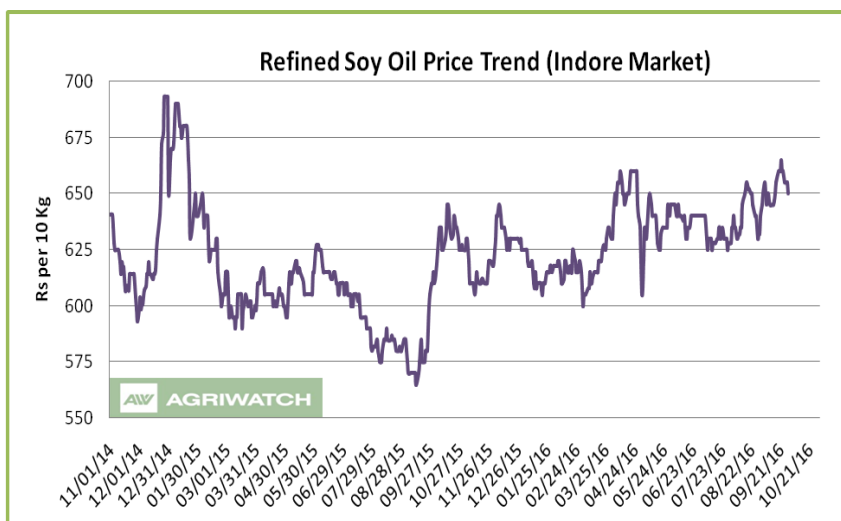
- Agriwatch edible oil index fell 0.68 percent last week to 116.0.

"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. Prices closed lower in Mumbai, Kandla/Mudra and Kolkata. CDSO prices closed lower at JNPT and Kandla/Mudra at the end of the week.
- Agriwatch View- Soy oil prices witnessed weak trend during the week on weak demand and fall in prices of palm oil due to reduction of import duty of palm oil.



Soy oil CNF is expected to be weak as basis of soy oil on CNF is expected to weaken on higher crushing of soybean in US as harvesting picks up and higher supply of soy oil from Argentina.

Prices of soy oil fell on fall in prices of soybean in domestic markets.

Prices of soy oil at CNF remained almost unchanged while it fell in domestic market indicating weak demand. Indian soy oil prices are dependent on domestic markets and hence disconnected from international prices of soy oil.

Basis is unchanged from last week while prices were unchanged indicating less sensitivity of domestic CNF prices from global benchmark prices.

Disparity has increased at high seas and refining margins are in disparity. However, with low soy oil premium over palm oil, demand is expected to improve in coming months.

Prices of soy oil expected to improve on low premium of soy oil over palm oil at Rs 73 (Rs 58 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 89 (USD 69.5 last week) which will increase imports.

Prices of soy oil after festivals in October depends on winter in India, and how it pans out in medium term which will decide the course of prices of soy oil in medium term

Prices of soy oil are in a range with weak bias.

- All India sowing of soybean has reached 114.71 lakh hectares as on 23 September 2016, compared to 116.28 lakh hectares in the corresponding period last year.
- Soy oil import scenario – According to SEA India imported 3.34 lakh tons of soy oil in August 2016 v/s 4.06 lakh tons in August 2015, down 17.73 percent y-o-y. In the oil year 2015-16 (November 2015-August 2016) imports of soy oil is reported at 34.87 lakh tons v/s 22.60 lakh tons in corresponding period last oil year, higher by 54.3 percent y-o-y. In the period November 2015-August 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 819 (USD 815) per ton for October delivery. November delivery is offered at USD 815 (USD 819) per ton and December delivery is offered at USD 815

(USD 819) per ton as on September 30, 2016. Last month, CIF CDSO September average price was USD 803.32 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 75-80/ton v/s loss of USD 70-75/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 – Improving harvest of soybean in US after rains delayed harvest has put pressure on soybean complex prices. Demand of export of soybean from US is firm on US Gulf. However, demand of soy oils and soy meal remain weak due to higher supply by South America soy meal and soy oil at competitive rates. Harvest in US have indicated very good yields except some area parched with rains. Weather has been forecasted to be drier in next ahead, which will increase pace of harvest. Harvest is expected to pick up pace in near term.

There is uncertainty in trade with China which imposed anti dumping duties on US animal feed.

Soybean crop condition averages has worsened last week due to rains in Midwest. However, soybean crop condition in US is not expected to worsen ahead.

CNGOIC expects lower imports of soybean in 2015/16 and 2016/17 due to higher crops in its domestic market and dilution of soybean reserves. Exports are expected to remain firm in near term.

USDA reported soybean, wheat and corn stocks at end of September within expectations, which will not affect prices of US soybean.

Crushers pace is expected to be weak as demand remains weak from poultry and livestock as they expect further weakening of prices in medium term which will lead to lower crush of soybean despite higher supply of soybean on increased pace of harvest. Lower crush of soybean will reduce soy oil production and reduce stocks of soy oil and support prices.

Soybean planting has started in Brazil with slower pace. Many areas of top producing state of Mato Grasso is dry which will lead to slow pace of planting of soybean. USDA expects lower growth of area of soybean as compared to corn as prices of corn has surged in Brazil resulting in shift of acreage towards corn. However, soybean crop in Brazil is expected to be at record levels with various agencies reporting soybean crop above 100 MMT in 2016/17.

Rise 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.

- About 68% of the US soybean crop is dropping leaves which down from 69% during the corresponding period last year but above from 64% with the 5 year average. Harvesting is reported at 10% down compared to 17% during the corresponding period last year and from 13% from 5-year average. About 73% of the newly planted US soybean crop is under good to excellent conditions, which is up from 62% during the same period last year, reported in the US crop progress report dated 26 Sept. 2016.

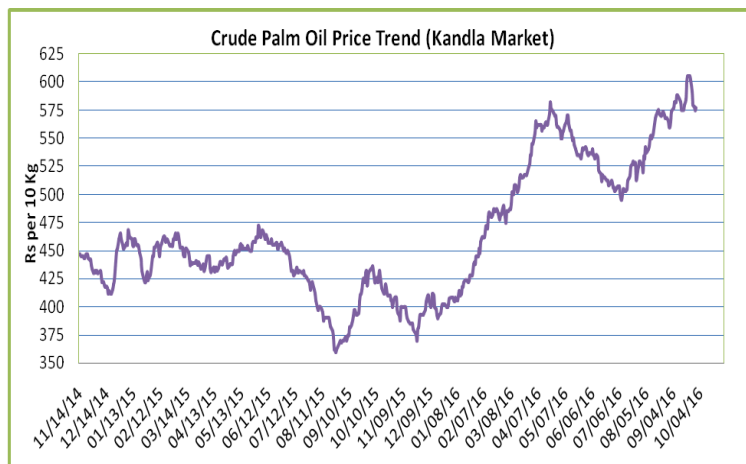
- In a major event Brazil's 2016/17 soybean planting has commenced and it is 1.2% complete in Mato Grosso by September 22. Brazil's rise in soybean area is likely to slow down in 2016//17 with cost of planting soybean up 8% and high price of corn, the cultivators are buying corn acres. Earlier, AgRual had forecast Brazil's 2016/17 soybean area at 33.54 million hectares, up just 1% from 2015/16.
- According to National Oilseed Processors Association (NOPA), U.S. August soybean crush fell to 131.822 million bushels from 143.715 million bushels in July, down by 7.9 percent m-o-m. Crush of soybean in August 2015 was 135.304 million bushels. Production of soy oil in U.S. in August fell to 1.557 billion lbs from 1.687 billion lbs in July 2016. Production in August 2015 was 1.534 billion lbs. Soy oil stocks in U.S. at the end of August fell by 7.00 percent to 1.620 billion lbs compared to 1.743 billion lbs in July 2016. Stocks of soy oil in August 2015 were higher by 9.46 percent compared to August 2015, which was reported at 1.480 million lbs. Yield rose to 11.81 lbs/bushel in August from 11.74 lbs/bushel in July. Yield in August 2015 was reported at 11.33 lbs/bushel.
- According to United States Department of Agriculture (USDA) September estimates, U.S 2016/17 ending stocks of soy oil fell by 1.14 percent m-o-m to 1,735 million lbs from 1,755 million lbs in August estimate. Opening stocks reduced to 1,820 million lbs from 1,950 million lbs in August estimate. Production of soy oil in 2016/17 increased to 22,525 million lbs v/s 22,405 million lbs in August 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 increased to 14,600 million lbs v/s 14,500 million lbs in August estimates. Exports in 2016/17 reduced to 2,300 million lbs v/s 2,400 million lbs in August estimate. Average price range reduced at 30.5-35.5 cents/lbs in 2016/17 up 1 cent on both ends. Fall in end stock is primarily due to lower opening stocks partially offset by rise in production and fall in exports.
- USDA WASDE Oilseeds Highlights: The U.S. season-average soybean price is forecast at \$8.30 to \$9.80 per bushel, down 5 cents on both ends of the range. Soybean meal prices are also projected lower at \$300 to \$340 per short ton, down 5 dollars on both ends of the range. Soybean oil prices are projected at 30.5 to 35.5 cents per pound, up 1 cent on both ends.

Price Outlook: We expect refined soy oil at Indore (with VAT) to stay in the range of Rs 630-680 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 reduction of import duty on palm oil. CPO prices in Kakinada closed lower at the end of the week.
- Agriwatch View – Prices of palm oil closed lower on reduction of import duty of palm oils. Demand of CPO is higher than RBD palmolein as difference between CPO CNF and RBD palmolein CNF has narrowed to zero from discount of CPO by USD 5 per ton



on 30 September, compared to last week. Demand is firm on high seas as fall in domestic prices are less than reduction in import duty. Benchmark BMD Malaysia fell 1.6 percent last week while adjusting domestic CPO prices with reduction in import duty and lower benchmark indicated compared to last week indicating firm demand.

Imports of RBD palmolein is expected to remain firm, as premium of RBD palmolein on CNF is very low.

Demand of RBD palmolein is firm on high seas as premium RBD palmolein over CPO is Rs 43 (Rs 35) per 10 kg indicating firm demand of RBD palmolein.

Refining margins are positive indicating demand of CPO and RBD palmolein. Import in palm oil October is expected to be firm due to reduction of import duty vs soy oil, firm demand and positive refining margins.

Buyers are booking more Malaysia RBD palmolein compared to CPO as RBD palmolein prices are competitive compared to CPO prices.

Low soy oil premium over palm oil, which is hovering at USD 89 (USD 69.5 last week) per ton may weaken demand in medicum term.

Forward discounts in domestic markets and CNF markets indicate that prices are competitive in coming days. There is uncertainty of prices post October and depends how winters in India will pan out. However, good correction on benchmark Malaysia will induce demand for CPO in coming months. Prices are expected to be sideways to firm in near term on firm demand.

- Palm oil import scenario – According to SEA, India imported 7.55 lakh tons of palm oil in August 2016 v/s 8.1 lakh tons in July 2015, down 6.9 percent y-o-y. CPO imports slowed to 5.41 lakh tons in August compared to 6.46 lakh tons in August 2015, lower by 16.25 percent y-o-y. RBD palmolein imports rose to 2.12 lakh tons from 1.58 lakh tons in August 2015, up by 34.18 percent y-o-y. In the oil year 2015-16 (November 2015-August 2016) imports of palm oil is reported at 69.3 lakh tons v/s 76.38 lakh tons in corresponding period last oil year, lower by 9.23 percent y-o-y. RBD palmolein reported sharp rise at 21.96 lakh tons (November 2015-August 2016) v/s 12.57 lakh tons in corresponding period of oil year 2014-15, rise of 74.70 percent y-o-y. Crude palm imports in the period (November 2015-August 2016) fell to 46.70 lakh tons from 62.50 lakh tons in the corresponding period last oil year, fall of 25.28 percent y-o-y. In the period November 2015-August 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 720 (USD 732.5) per ton for October delivery, November delivery is quoted at USD 700 per ton while December delivery is quoted at USD 690 per ton. Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 727.5 (USD 740) per ton for October delivery, November delivery is quoted at USD 705 per ton while December delivery is quoted at USD 695 per ton. Ready lift CPO duty paid prices quoted at Rs 575 (Rs 602) per 10 Kg and October delivery duty paid offered at Rs 565 (Rs 600) per 10 kg on October 1, 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 in India. Currently refiners fetch USD 25-30/ton v/s USD 10-15/ton (last month) margin in processing the imported CPO and imports of ready to use palmolein fetch USD 20-25/ton v/s USD 0-5/ton (last month) parity.
- We expect palm oil to trade sideways to firm in the days ahead.

International Front

- Agriwatch View – Weak exports of palm oil from Malaysia which fell by more than 15 percent on lower buying from India and China and rise in production of palm oil in Malaysia will increase end stocks of palm oil in Malaysia in September and underpin prices.

India is buying less as its imports are covered for the festive season. Demand will be strong from India in medium term due to lowering of import duty by India, which will reduce palm oil stocks in Malaysia supporting prices. Any major correction in prices will be temporary.

Aggressive pricing by Malaysia by offering lower RBD palmolein prices compared to Indonesia CPO will support exports in near term.

China demand has weakened as it was covered for festivals in September. However, imports will be firm in 2016 on replenishing of stocks depleted in first half of 2016.

Production is expected to grow at a slower pace in September on lagged effect of El Nino. However, production will rise in October.

Forward deliveries of palm oil is quoted much lower indicating that if there is further correction demand will improve in near term.

India is expected to buy more in near term as demand is firm after reduction of import duty on palm oils supporting palm oil prices.

However, India is well stocked for festive season.

Demand of palm oil in medium term is dependent on how winter arrives in India, China and Europe.

La Nina weather pattern is still unclear and future expectation of La Nina will provide trend to prices.

Depreciation of Ringgit will support prices in near term.

Stability in Chinese currency and domestic economy will support commodity prices. Market are expecting stimulus from China on higher fiscal spending to accelerate growth and rebalance its domestic economy towards services, which will increase demand of palm oil.

Prices are in range.

- According to cargo surveyor Societe Generale de Surveillance, Malaysia's September palm oil exports fell 15.8 percent to 1,365,517 tons compared to 1,621,480 tons last month. Top buyers were India at 266,080 tons (450,929 tons), European Union at 252,399 tons (269,523 tons), China at 217,430 tons (289,550 tons), United

States at 62,324 tons (78,535 tons) and Pakistan at 61,175 tons (31,000 tons). Values in brackets are figures of last month.

- According to Malaysia Palm Oil Board (MPOB), Malaysia's August palm oil end stocks fell 17.29 percent m-o-m to 14.64 lakh tons compared to 17.71 lakh tons in July. Production rose in August by 7.32 percent to 17.02 lakh tons compared to 15.86 lakh tons in July. Exports rose by 30.89 percent in August to 18.12 lakh tons compared to 13.85 lakh tons in July. Imports fell 39.12 percent in August to 0.08 lakh tons from 0.12 lakh tons in July.

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.
- Agriwatch view: Prices of rapeseed oil expeller fell across board in India except Kolkata, which rose at the end of the week. Prices of Kacchi ghani fell across board in India.

Prices of rapeseed oil traded downtrend during the week on weak demand.

Prices of rapeseed oil fell due to fall in

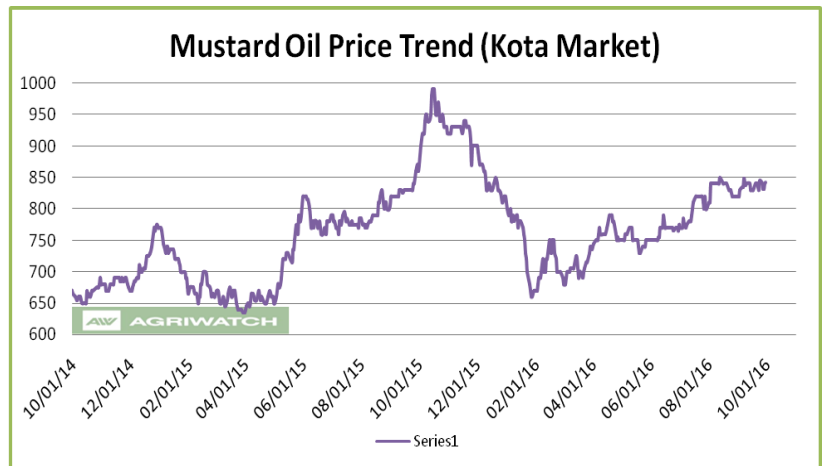
prices of rapeseed. Fall in prices of palm oil and soy oil supported fall. Fall in prices of canola oil prices also supported the fall.

Discount of canola oil compared to CDSO will increase imports in near term.

Prices will fall on weak demand, seasonal downtrend of prices, fall in prices of rapeseed and fall in prices of competitive oils prices in domestic market.

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

- India imported 0.48 lakh tons of rapeseed (Canola) oil in August 2016 v/s 0.45 lakh tons in August 2015, lower by 6.7 percent y-o-y. For oil year 2015-2016 (November 2015 – August 2016) India imported 3.04 lakh tons rapeseed (canola) oil v/s 3.07 lakh tons in corresponding period in the oil year 2014-15, marginally lower y-o-y: SEA
- CIF canola premium over soybean oil is USD -19 (USD -7 last week) per ton as on September 30, 2016. Negative premium of canola oil over soybean oil may increase imports of canola oil.
- Currently, RM oil at Jaipur market, (expeller) is offered at Rs 842 (Rs 845) per 10 Kg, and at Kota market, it is offered at Rs 820 (Rs 830) per 10 kg as on September 30, 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.

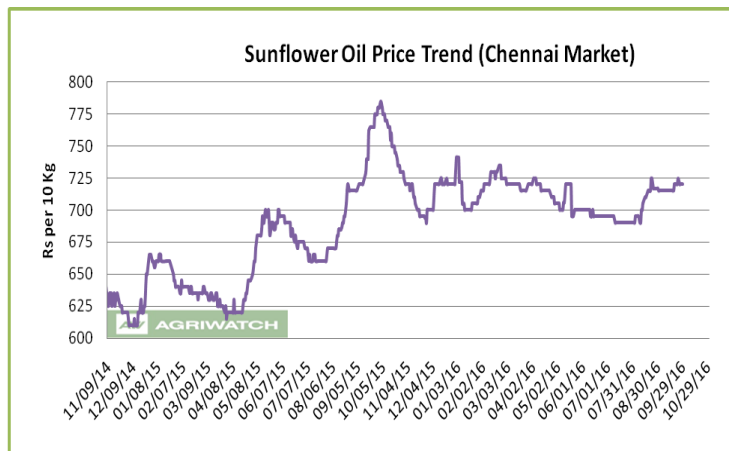


Price Outlook: Rapeseed oil (without VAT) prices in Kota may stay in the range of Rs 780-860 per 10 Kg.

Sunflower oil Fundamental Review and Analysis:-

Domestic Front

- Sunflower oil prices featured sideways trend during the week at its benchmark market in Chennai on firm demand and firm supply. Prices closed lower in Hyderabad and Kakinada at the end of week.
- Agriwatch view: Prices of sunflower oil traded sideways on firm demand and firm supply. Prices of sunflower oil closed sideways despite fall in international prices of sunflower oil indicating firm demand. Supplies in the market are strong capping upside.



Prices are expected to rise on seasonal uptrend of prices.

Lower premium of sunflower oil over soy oil on CNF and domestic market will increase demand in domestic market and support prices.

Refiners and traders are stocking on seasonal uptrend of prices.

Fall in palm and soy oil prices capped upside.

Refiners 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 6 (USD 23 last week) per ton for October delivery.

Imports of sunflower oil weakened in August compared to July while it was stronger compared to August 2015. Sunflower oil stocks at ports and pipelines decreased in August compared to July, which will support prices in near term.

Prices of sunflower oil has fallen due to record production and exports of sunflower oil from Ukraine as India imports 95 percent of sunflower oil from Ukraine. However, some shipments from Argentina have arrived in India in August.

Prices of sunflower oil are expected to rise 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.

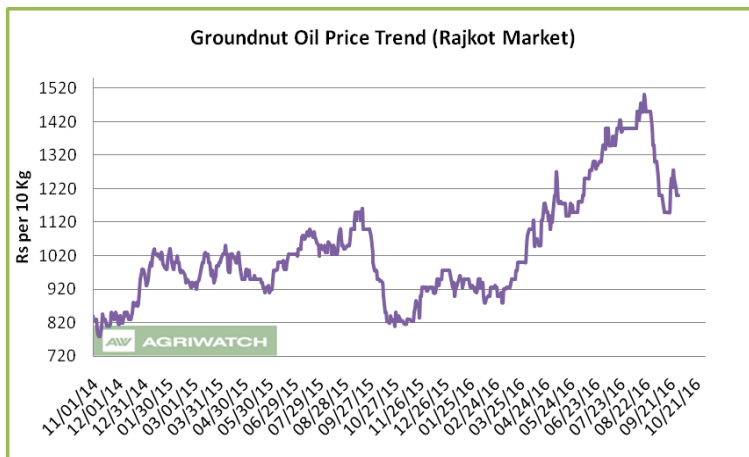
- All India sowing of sunflower has reached 1.61 lakh hectares as on 23 September 2016, compared to 1.48 lakh hectares in the corresponding period last year.
- Sunflower oil import scenario – According to SEA, India imported 1.13 lakh tons of crude sunflower oil during August 2016 v/s 1.03 lakh tons in August 2015, higher by 9.7 percent y-o-y. Imports during oil year 2015-16 (November 2015 –August 2016) were reported at 13.16 lakh tons v/s 13.61 lakh tons during the corresponding period in last oil year, down by 3.3 percent y-o-y.
- On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 825 (USD 840) per ton for October delivery, USD 815 (USD 835) per ton for November delivery, December delivery is quoted at USD 810 (USD 836) per ton. CIF sun oil (Ukraine origin) September monthly average was around USD 839.88 per ton. Values in brackets are figures of last week.

- Prices are likely to stay in the range of USD 800-900 per ton in the near term. CIF Sunflower oil premium over soybean oil increased from last week and is hovering at USD 6 (USD 23 last week) per ton for October delivery.
- Currently, refined sunflower oil at Chennai market is offered at Rs 720 (Rs 720) per 10 Kg, and at Hyderabad market, it is offered at Rs 717 (Rs 722) per 10 kg as on September 30, 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 downtrend in Rajkot on weak demand and arrival of fresh crop of groundnut. Prices in Chennai were unchanged while it closed lower in Hyderabad at the end of week. Prices fell in Jamnagar, Gondal and Mumbai while it was unchanged in New Delhi at the end of the week.
- Agriwatch view: Prices of groundnut oil featured downtrend last week on weak demand and start of harvest of groundnut crop.



Fall in palm oil and soy oil prices supported the fall.

Record prices of groundnut oil have weakened demand.

Stockists and traders have stopped stocking as they expected prices to fall in prices and are depending on ready markets.

Price sensitive Indian consumers decreased demand at retail levels due to higher prices, which led to lower demand. Groundnut oil is the costliest domestic oil at current prices and there is good possibility of prices to fall, as the prices are still very high.

Groundnut oil prices are expected to trade sideways to weak on increase in supply of groundnut due to start of groundnut harvest season, seasonal downtrend of prices, weak demand and fall in prices of competitive oils.

- All India sowing of groundnut has reached 46.93 lakh hectares as on 23 September 2016, compared to 36.38 lakh hectares in the corresponding period last year.
- On the price front, currently the groundnut oil prices in Rajkot is hovering near Rs 12,000 (Rs 12,750) per quintal and quoting at Rs 10,000 (Rs 10,000) per quintal in Chennai market on September 30, 2016. Values in brackets are values of last week
- Groundnut oil prices are likely to trade sideways to weak in the coming days.

Price Outlook

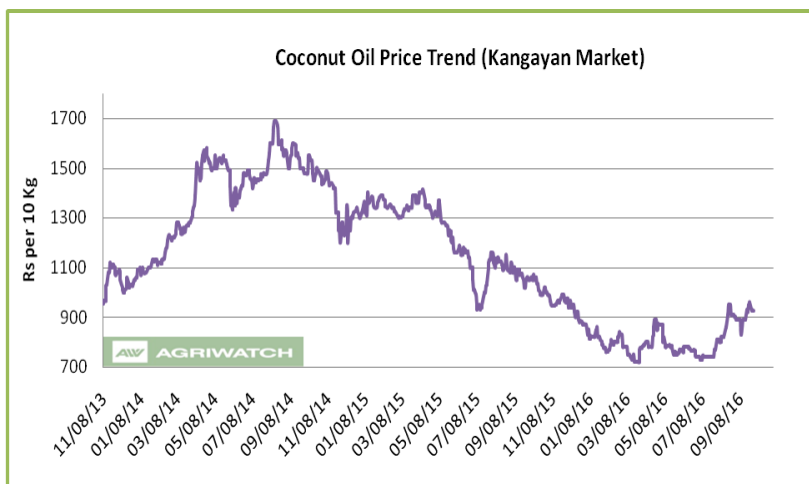
Groundnut oil (without VAT) in Rajkot market is likely to trade in the price band of Rs 1100-1300 per 10 Kg.

Coconut Oil Fundamental Review and Analysis:-
Domestic Front

- Coconut oil prices featured downtrend during the week at its benchmark market in Kangayam on weak demand. In Kochi prices were stable while prices fell in Trissur at the end of the week.
- Agriwatch view: Coconut oil prices closed lower during the week, on weak demand.

Fall in prices of copra led to the fall.

Fall in prices of palm oil supported the fall.



Markets have rallied in July, August and September and prices may have reached temporary highs demand has weakened on near term. However, with festive season in North India and festivals after monsoons, demand will improve in near term.

Harvest of coconut is steady and arrivals of copra have increased in markets denting its prices and denting coconut prices.

Millers are not holding produce as the prices have rallied in last three months and depending on ready markets. Corporate demand, which accounts for 80 percent of demand, will improve after weakening of prices of coconut oil. Traders and upcountry buyers are waiting for the prices to correct to start buying.

However, demand may weaken in medium term as winters are expected to set in from November, which will weaken demand from North India.

Markets have rallied since July by more than 20 percent, which may weaken demand in medium term.

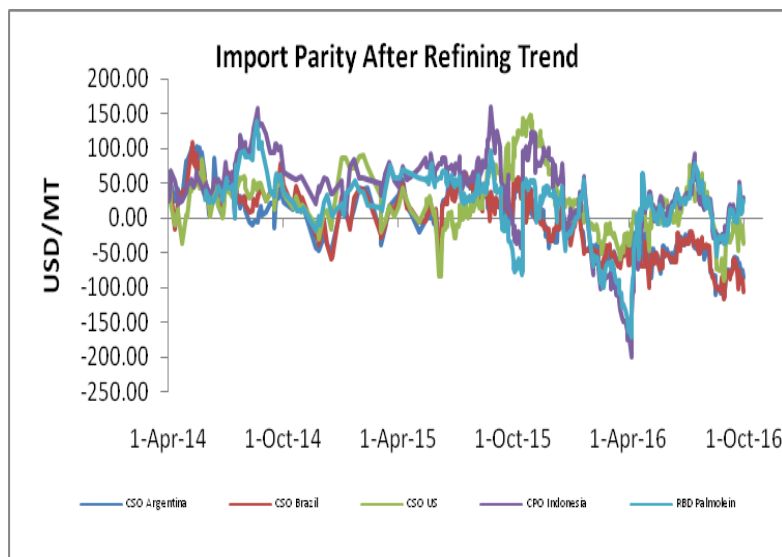
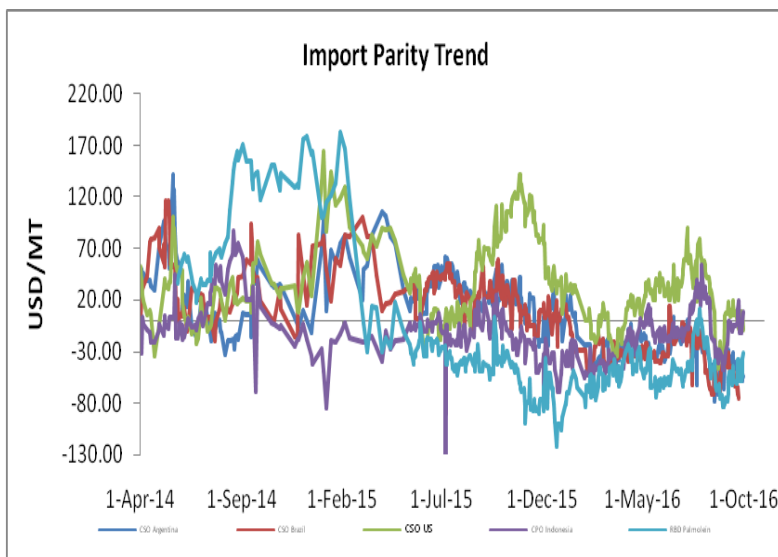
Coconut oil prices are expected to rise on firm demand. Prices are expected to trade sideways to firm tone in near term.

- On the price front, currently the coconut oil prices in Trissur is hovering near Rs 9,250 (9,400) per quintal, and was quoting Rs 9,250 (9,400) per quintal in Erode market on September 30, 2016.

Price Outlook: Coconut oil (withut VAT) prices in Erode may stay in the range of Rs 860-1000 per 10 Kg.

Import Parity Trend

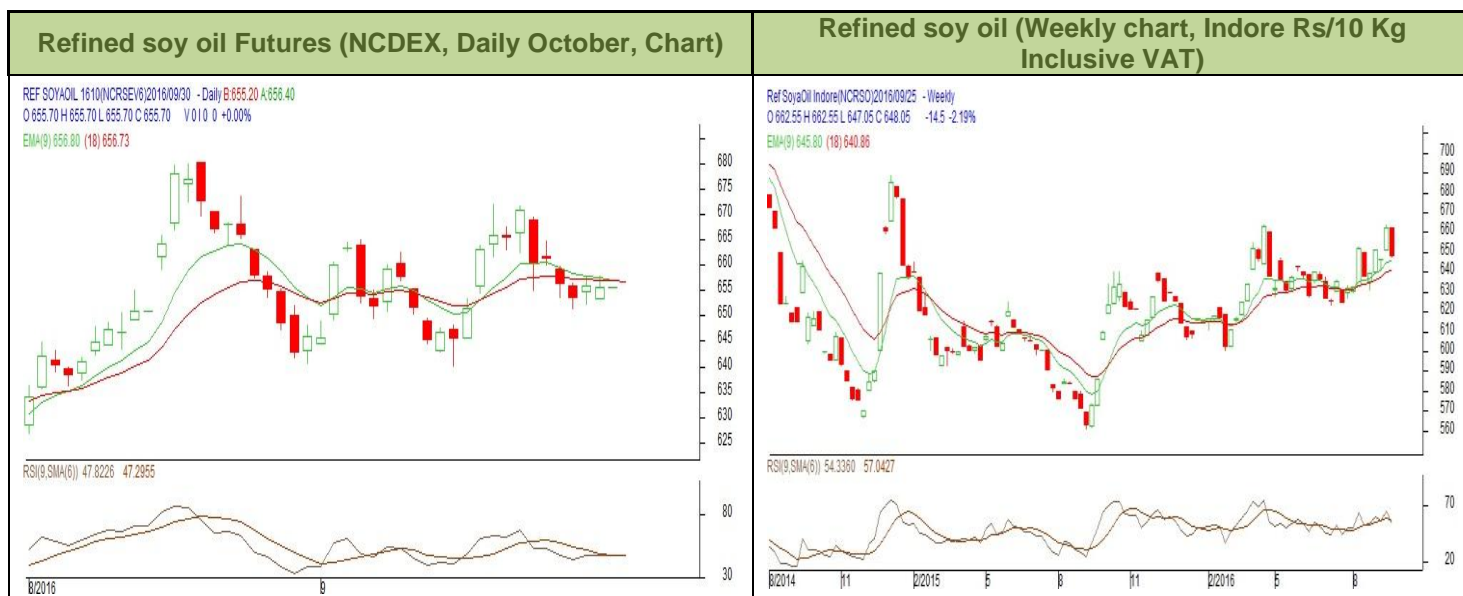
Import Parity After Refining in US dollar per ton (Monthly Average)



	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
Aug, 2016	-82.87	-81.31	-27.15	-11.00	-12.64
Sep, 2016	-72.51	-81.47	-25.09	12.65	4.22

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 increase 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 630-680 level in near to medium term. RSI, stochastic and MACD is suggesting downtrend in market.

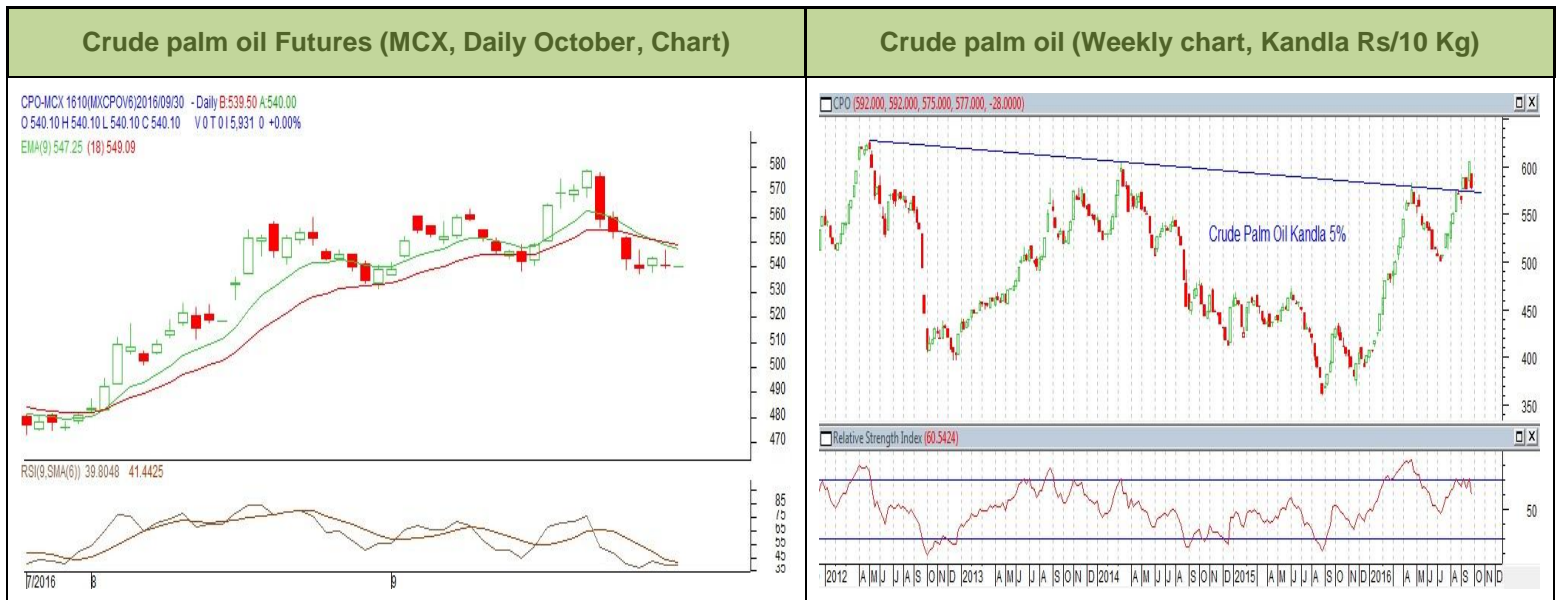
Strategy: Market participants are advised to go short in RSO below 660 levels for a target of 645 and 640 with a stop loss at 670 on closing basis.

RSO NCDEX (October)

Support and Resistance				
S2	S1	PCP	R1	R2
625.00	638.00	655.7	666.00	680.00

Spot Market outlook: Refined soy oil Indore (with VAT) is likely to stay in the range of Rs 630-680 per 10 Kg.

Technical Analysis (Crude Palm oil)



Outlook - Prices show downtrend in prices during the week. We expect that CPO October 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 560 in weekly chart may bring the prices to 580 levels.
- Expected price band for next week is 520-580 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 535 for a target of 550 and 555 with a stop loss at 525 on closing basis.

CPO MCX (September)

Support and Resistance				
S2	S1	PCP	R1	R2
535.00	547.00	540.1	578.00	590.00

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
		30-Sep-16	23-Sep-16	
Refined Soybean Oil	Indore	650	665	-15
	Indore (Soy Solvent Crude)	620	635	-15
	Mumbai	660	665	-5
	Mumbai (Soy Degum)	615	622	-7
	Kandla/Mundra	640	645	-5
	Kandla/Mundra (Soy Degum)	610	620	-10
	Kolkata	640	660	-20
	Delhi	690	675	15
	Nagpur	668	673	-5
	Rajkot	630	645	-15
	Kota	650	660	-10
	Hyderabad	670	670	Unch
	Akola	708	710	-2
	Amrawati	708	710	-2
	Bundi	650	661	-11
	Jalna	NA	NA	-
	Alwar	NA	NA	-
	Solapur	NA	NA	-
	Dhule	NA	NA	-
Palm Oil	Kandla (Crude Palm Oil)	577	605	-28
	Kandla (RBD Palm oil)	600	622	-22
	Kandla RBD Pamolein	620	640	-20
	Kakinada (Crude Palm Oil)	555	570	-15
	Kakinada RBD Pamolein	590	635	-45
	Haldia Pamolein	610	635	-25
	Chennai RBD Pamolein	600	640	-40
	KPT (krishna patnam) Pamolein	580	630	-50
	Mumbai RBD Pamolein	595	645	-50
	Delhi	665	695	-30
	Rajkot	610	640	-30
	Hyderabad	589	613	-24
	Mangalore RBD Pamolein	600	640	-40
	PFAD (Kandla)	465	480	-15
	Refined Palm Stearin (Kandla)	530	550	-20
Refined Sunflower Oil	Chennai	720	720	Unch
	Mumbai	740	745	-5

	Mumbai(Expeller Oil)	670	660	10
	Kandla	740	750	-10
	Kandla/Mundra (Crude)	NA	NA	-
	Hyderabad (Ref)	717	722	-5
	Latur (Expeller Oil)	725	725	Unch
	Chellakere (Expeller Oil)	675	680	-5
	Erode (Expeller Oil)	740	745	-5
Groundnut Oil	Rajkot	1200	1275	-75
	Chennai	1000	1000	Unch
	Delhi	950	950	Unch
	Hyderabad *	980	1050	-70
	Mumbai	1190	1260	-70
	Gondal	1200	1250	-50
	Jamnagar	1150	1250	-100
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	842	845	-3
	Jaipur (Kacchi Ghani Oil)	883	909	-26
	Kota (Expeller Oil)	820	830	-10
	Kota (Kacchi Ghani Oil)	880	912	-32
	Neewai (Kacchi Ghani Oil)	825	850	-25
	Neewai (Expeller Oil)	865	895	-30
	Bharatpur (Kacchi Ghani Oil)	900	930	-30
	Alwar (Kacchi Ghani Oil)	NA	NA	-
	Alwar (Expeller Oil)	NA	NA	-
	Sri-Ganga Nagar(Exp Oil)	840	855	-15
	Sri-Ganga Nagar (Kacchi Ghani Oil)	875	900	-25
	Mumbai (Expeller Oil)	840	870	-30
	Kolkata(Expeller Oil)	1050	1030	20
	New Delhi (Expeller Oil)	860	880	-20
	Hapur (Expeller Oil)	850	900	-50
	Hapur (Kacchi Ghani Oil)	940	980	-40
	Agra (Kacchi Ghani Oil)	905	935	-30
Refined Cottonseed Oil	Rajkot	690	695	-5
	Hyderabad	680	680	Unch
	Mumbai	705	715	-10
	New Delhi	660	670	-10
Coconut Oil	Kangayan (Crude)	925	940	-15
	Cochin	790	790	Unch
	Trissur	925	940	-15

Sesame Oil	New Delhi	700	700	Unch
	Mumbai	730	730	Unch
Kardi	Mumbai	830	830	Unch
Rice Bran Oil (40%)	New Delhi	495	485	10
Rice Bran Oil (4%)	Punjab	615	600	15
Rice Bran Oil (4%)	Uttar Pradesh	615	600	15
Malaysia Palmolein USD/MT	FOB	710	748	-38
	CNF India	725	763	-38
Indonesia CPO USD/MT	FOB	700	730	-30
	CNF India	725	755	-30
RBD Palm oil (Malaysia Origin USD/MT)	FOB	700	743	-43
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	710	725	-15
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1475	1590	-115
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	623	630	-7
Crude palm Kernel Oil India (USD/MT)	CNF India	1450	1530	-80
Ukraine Origin CSFO USD/MT Kandla	CIF	825	845	-20
Rapeseed Oil Rotterdam Euro/MT	FOB	760	763	-3
Argentina FOB (\$/MT)		29-Sep-16	22-Sep-16	Change
Crude Soybean Oil Ship		767	775	-8
Refined Soy Oil (Bulk) Ship		794	802	-8
Sunflower Oil Ship		Unq	770	-
Cottonseed Oil Ship		747	755	-8
Refined Linseed Oil (Bulk) Ship		787	795	-8
* indicates including VAT				

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