

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. Soy oil, groundnut oil and coconut oil closed higher while sunflower oil closed sideways. Palm oil and rapeseed oil and closed lower.

On the currency front, Indian rupee against USD closed at 66.78, down 18 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 mixed tone on oil specific fundamentals. High stocks at ports and pipelines will underpin prices in near term.

Recommendation:

Weekly Call - : Market participants are advised to go long in RSO above 660 levels for a target of 675 and 680 with a stop loss at 650 on closing basis. We expect refined soy oil at Indore (with VAT) to stay in the range of Rs 630-690 per 10 Kg in the near term.

Market participants are advised to go short in CPO below 525 for a target of 510 and 505 with a stop loss at 535 on closing basis. We expect CPO Kandla 5 percent (with VAT) to stay in the range of Rs 510-560 per 10 Kg in the near term.

International Veg. Oil Market Summary

Malaysia's October 1-25 palm oil exports fell 10.9 percent to 998,101 tons compared to 1,120,493 tons in the corresponding period last month. Top buyers were European Union at 268,200 (215,605 tons), India at 157,224 tons (209,480 tons), China at 125,376 tons (186,030 tons), Pakistan at 47,770 tons (45,000 tons) and United States at 21,910 tons (30,635 tons). Values in brackets are figures of corresponding period last month: SGS

On the international front, soy oil stocks in US, strong demand of soybean from China, smaller soybean crop in Argentina and firm crude oil price bullish for the soy complex in the coming days.

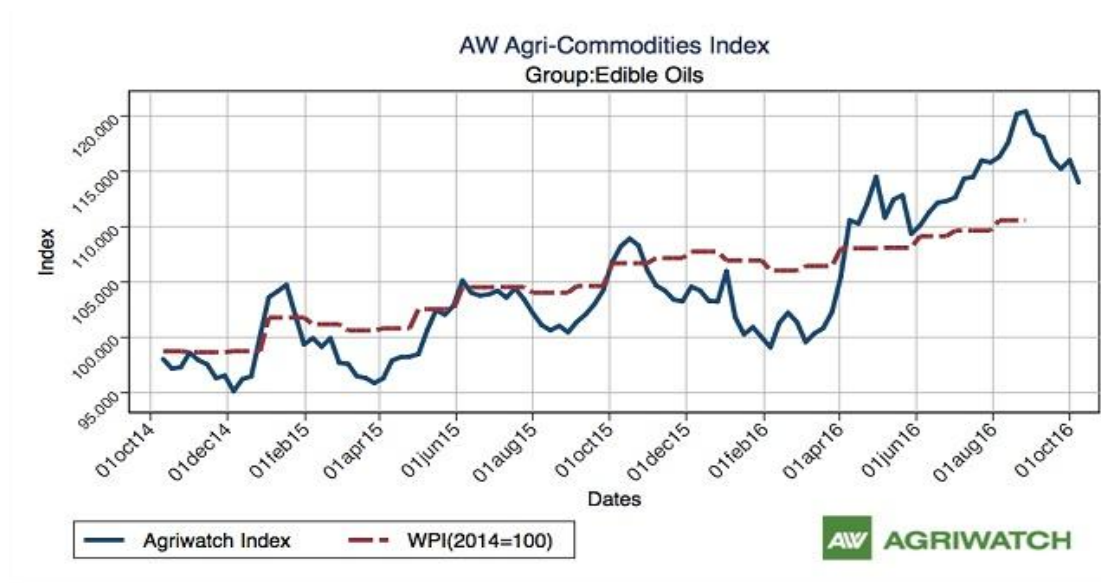
Lower exports of palm oil from Malaysia, higher production in Indonesia, weak demand from India and China and higher stocks of palm oil in Malaysia will underpin CPO prices in near term.

Agriwatch Index



- The Agriwatch Agri Commodities Index gained 0.25% to 116.19 during the week ended Oct 8, 2016 from 115.90 during the previous week. The base for the Index and all sub-Indices is 2014 (= 100).
- Higher cereals and cotton prices offset declines in edible oils and oilseeds prices. Five of the nine commodity group sub-Indices that constitute the main Index declined during the week.

Agriwatch edible oil index

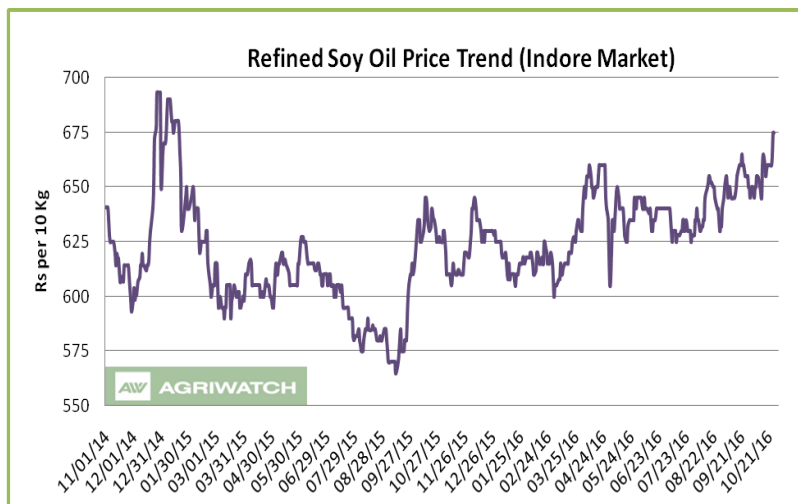


- Agriwatch edible oil index fell 1.74 percent in the week ended October 8, 2016 to 113.98.

"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 firm trend at its benchmark market in Indore during the week on firm demand. Prices closed unchanged in Mumbai while it closed higher in Kandla/Mudra and Kolkata. CDSO prices closed higher at JNPT and Kandla/Mudra at the end of the week.
- Agriwatch View- Soy oil prices witnessed uptrend during the week on firm demand.



India recorded record imports in

September as premium of soy oil over palm oil was low and prices fell in September to induce demand and demand ahead of festivals.

Higher supply is capping gains despite firm demand.

Soy oil CNF remained stable at the end of the week despite rise in CBO soy oil due to weakening of basis indicating weak demand at CNF markets and strong supply. Basis is expected to get negative in coming weeks as crushing improves in US and more supply comes from Argentina. Importers are advised to wait for further weakening of basis to purchase.

With higher crop of soybean in India, supply of soy oil is expected to remain firm. However, demand is expected to remain firm ahead of winters.

Soy oil at CNF remained unchanged, less than rise in domestic market prices indicating firm demand in domestic market. Indian soy oil prices are dependent on domestic markets and hence partially disconnected from international prices of soy oil.

Prices in Indian CNF markets are less sensitive than global benchmark. Despite surge in CBOT, soy oil CNF prices increase was limited due to lower basis and weak demand at CNF.

Basis has decreased from last week while were lower indicating less sensitivity of higher supply at CNF markets.

Disparity has decreased 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.

Soy oil premium of soy oil over palm oil has increased to Rs 138 (Rs 113 last week) per 10 Kg. Weak refining margins may slow imports. In USD terms, premium of soy oil over palm oil decreased and was at USD 117.5 (USD 129 last week), which will depress imports.

Prices of soy oil will increase on winters and seasonal uptrend of prices. Demand will increase on early arrival of winters in India, according to Agriwatch sources.

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

- The domestic soybean harvesting is in full swing and it is expected to complete more than 95% by the end of the week, or before diwali. The moisture in the bean is witnessed between 10 – 18% and the prices are quoted depending upon the quality and the moisture. The bean quality has suffered in Marathwada and some in

Vidarbha, Maharashtra due to rains over the region at maturity phase. The soybean prices are under pressure and they are likely to remain weak due to strong supplies.

- Soy oil import scenario – According to SEA India imported 4.70 lakh tons of soy oil in September 2016 v/s 3.21 lakh tons in September 2015, down 46.4 percent y-o-y. In the oil year 2015-16 (November 2015-September 2016) imports of soy oil is reported at 34.57 lakh tons v/s 25.81 lakh tons in corresponding period last oil year, higher by 33.95 percent y-o-y. In the period November 2015-September 2016, share of soft oil in imports has risen from 34 percent to 43 percent.
- Imported crude soy oil CIF at West coast port is offered at USD 835 (USD 834) per ton for October delivery. November delivery is offered at USD 835 (USD 838) per ton and December delivery is offered at USD 835 (USD 832) per ton as on October 29, 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 85-90/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 firm in the coming days.

International Front

Agriwatch view – Soybean harvesting in US is almost over while it was at 5year average when crop report came last week. Yields are reported at very good levels in top producing states indicating that USDA will increase yields of US soybean crop in November estimate to record levels. Crops of soybean, which is already at record levels, will be raised further.

Exports remained robust from US as China as record shipments were recorded last week. China is expected to buy soybean from US at steady pace as it is expected to stock ahead of winters and make up for the lower buying in last two months. Demand in China is robust as China is expected to increase hogs count, which is at low levels.

Demand of soybean in US is expected to be weak in last quarter of 2016 as cattle placements are expected to be weak on very low prices of beef indicating weak demand of soy meal ahead of winters.

Supply of soybean improved at crushers and elevators as pace soybean arrival has increased as farmers have run out of storage. Crushing is running at full swing at some crushers while it is still weak compared to corresponding period last year. Lower crush of soybean in October will decrease supply of soy oil and decrease stocks of soy oil in US in October and support prices.

Soybean planting has started in Brazil has started at very good pace while it reached 68 percent compared to 38 percent in corresponding period last year in top soybean producing state of Mato Grosso. Area under soybean increased significantly in the state. Rains in last week supported sowing as farmers took risk to sow early putting their crop at risk during harvesting when it is wettest months of grains. With increased sowing in Brazil and higher area of soybean crop, estimate of soybean crop is expected to increase by USDA in its November estimate.

Sowing of soybean has started in Argentina with adequate moisture in its top producing states which will support crop.

USDA kept soybean production estimate of soybean at 57 MMT for 2016/17, unchanged from last year. However, USDA attaché has estimated soybean crop in Argentina at 54.3 MMT in 2016/17.

However, Argentina reduced its soybean crop estimate for 2016/17 to 53 MMT from 56 MMT in 2015/16 due to postponing of export duty on soybean and soybean products to 2018. Area is expected to decrease under soybean and will rise for corn and soybean, whose export duties were removed when the present administration took over. Slash in export duties of soybean and soybean products were expected from present administration, which took over last December. Fiscal shortfall is described as the primary reason behind the postponement. Lower soybean crop in Argentina will increase demand of soybean and soybean products from US and Brazil supporting prices in longer term.

USDA reduced soy oil stocks of US ending stocks in 2016/17 on lower opening stocks partially set off by lower exports. Lower stocks of soy oil in US will support prices in medium term.

Rise in crude oil prices will support prices in near term.

Prices of soy oil are in a range.

- According to National Oilseed Processors Association (NOPA), U.S. September soybean crush fell to 129.405 million bushels from 131.822 million bushels in August, down by 1.8 percent m-o-m. Crush of soybean in September 2015 was 126.704 million bushels. Production of soy oil in U.S. in September fell to 1.522 billion lbs from 1.557 billion lbs in August 2016. Production in September 2015 was 1.451 billion lbs. Soy oil stocks in U.S. at the end of September fell by 15 percent to 1.376 billion lbs compared to 1.620 billion lbs in August 2016. Stocks of soy oil in September were higher by 1.5 percent compared to September 2015, which was reported at 1.355 million lbs. Yield fell to 11.76 lbs/bushel in September from 11.81 lbs/bushel in August. Yield in September 2015 was reported at 11.45 lbs/bushel.
- US soybean is 76% complete and it is at par with 5-year average but lagging from 84% harvesting during the same period last year.
- Argentina's 2016/17 soybean area is seen down at 20.4 million hectares. The soybean yield is expected 3% lower than the normal at 2.77 tons per hectares and eventually production is projected at 54.3 million tons.
- Paraguay's area under soybean is expected increase in 2016/17 due to favorable soy prices and expected better returns also production is forecast up at 8.6 million tons compared to 6.4 million tons last season.
- Informa Economics has projected 2017 US soybean planting up 5.7%. It has forecast US 2017 soybean planting at 88.487 million acres compared to 83.7 million acres of soybeans planted in 2016 (USDA figure)
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- Safras and Mercado, Brazil's crop analyst said Brazil's soybean is 17.3% planted, by October 14, the planting is ahead previous year's level of 11.2% during the corresponding period last year. The long period average is 11.7% to the same period. The total planted area under soybean is expected to reach 33.54 million hectares up

from 33.18 million hectares in 2015. Brazil's 2016/17 soybean crop is forecast at a record 103.48 million tons, up 97.15 million tons from the last year's crop.

- According to United States Department of Agriculture (USDA) October estimates, U.S 2016/17 ending stocks of soy oil is estimated to fall marginally to 1,725 million lbs from 1,735 million lbs in September estimate. Opening stocks reduced to 1,750 million lbs from 1,820 million lbs in September estimate. Production of soy oil in 2016/17 is unchanged at 22,525 million lbs. 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 14,600 million lbs. Exports in 2016/17 reduced to 2,250 million lbs v/s 2,300 million lbs in September estimate. Average price range estimate is unchanged at 30.5-35.5 cents/lbs. Fall in end stock is primarily due to lower opening stocks partially offset by fall in exports.
- USDA WASDE Oilseeds Highlights: The U.S. season-average soybean price is forecast at \$8.30 to \$9.80 per bushel, unchanged from last month. Soybean meal prices and soy oil price projection is also unchanged are projected at \$300 to \$340 per short ton. Soybean oil prices are projected at 30.5 to 35.5 cents per pound.

Price Outlook: We expect refined soy oil at Indore (with VAT) to stay in the range of Rs 630-690 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 weak demand. CPO prices in Kakinada closed unchanged at the end of the week.

- Agriwatch View – Prices of palm oil closed lower on weak demand. Prices fell in India despite rise in international prices of palm oil. Prices fell on seasonal downtrend of prices.

Demand of CPO is firmer than demand of RBD palmolein at CNF markets as rise in prices of

CPO markets at FOB markets are less than RBD palmolein CNF markets.

Supply of RBD palmolein at CNF markets is higher than CPO. Demand is weak on high seas as CPO prices fell in high seas while it rose on CNF markets. Rise in RBD palmolein at high seas fell while it rose in CNF markets indicating weak demand. Benchmark BMD Malaysia rose 2.2 percent last week while domestic CPO prices fell indicating weak demand. Imports are not rising as importers are looking for price correction.

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

Demand of RBD palmolein on high seas is higher than CPO as premium RBD palmolein over CPO is Rs 59 (Rs 60) per 10 kg.

Positive refining margins will increase imports. Import in palm oil in October is expected to higher than September due to reduction of import duty vs soy oil and positive refining margins.

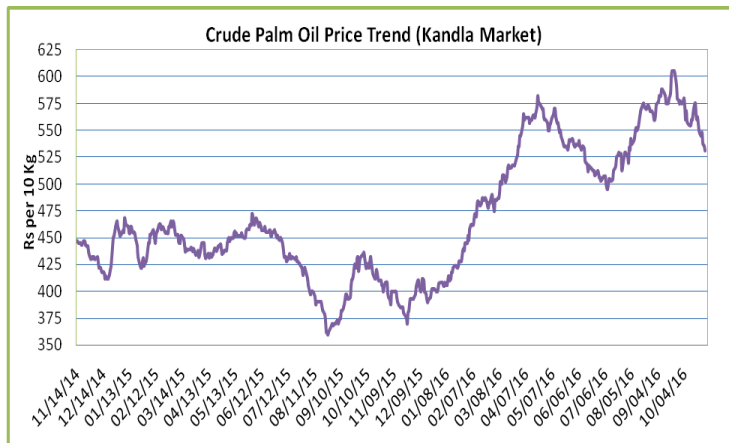
Buyers are booking more Malaysia RBD palmolein compared to CPO as RBD palmolein prices are competitive compared to CPO prices.

Soy oil premium over palm oil has decreased to USD 117.5 (USD 129 last week) per ton may weaken demand in medium term.

Positive refining margins will increase imports.

Forward discounts in high seas are higher than CNF markets indicating weak demand ahead. Buyers are booking shipments while demand in high seas in forward months is weak. 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 weak in near term on weak demand and seasonal downtrend of prices.

- Palm oil import scenario – According to SEA, India imported 7.73 lakh tons of palm oil in September 2016 v/s 7.83 lakh tons in September 2015, down 1.3 percent y-o-y. CPO imports slowed to 5.65 lakh tons in September compared to 5.96 lakh tons in September 2015, lower by 5.2 percent y-o-y. RBD palmolein imports rose to 2.05 lakh tons from 1.73 lakh tons in September 2015, up by 18.5 percent y-o-y. In the oil year 2015-16 (November 2015-September 2016) imports of palm oil is reported at 77.05 lakh tons v/s 84.21 lakh tons in corresponding period last oil year, lower by 8.5 percent y-o-y. RBD palmolein reported sharp rise at 24.01 lakh tons (November 2015-September 2016) v/s 14.30 lakh tons in corresponding period of oil year 2014-15, rise of 67.9 percent y-o-y. Crude palm imports in the period (November 2015-September 2016) fell to 52.35 lakh tons from 68.46 lakh



tons in the corresponding period last oil year, fall of 23.5 percent y-o-y. In the period November 2015-August 2016, share of palm product imports fell to 57 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 717.5 (USD 705) per ton for October delivery and November delivery is quoted at USD 717.5 (USD 705) per ton. Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 717.5 (USD 705) per ton for October delivery and November delivery is quoted at USD 717.5 (USD 705) per ton. Ready lift CPO duty paid prices quoted at Rs 532 (Rs 547) per 10 Kg and November delivery duty paid offered at Rs 530 (Rs 519) per 10 kg on October 29, 2016. Values in bracket depict last week quotes.
- On the parity front, margins weakened during this week due to rise in prices of palm oil prices overseas and fall in palm products prices in India. Currently refiners fetch USD 35-40/ton v/s USD 10-15/ton (last month) margin in processing the imported CPO and imports of ready to use palmolein fetch USD 50-55/ton v/s USD 0-5/ton (last month) parity.
- We expect palm oil to trade sideways to weak in the days ahead.

International Front

- Agriwatch View – Exports of palm oil fell in first 25 days of October from Malaysia by 10-11 percent due to lower demand from India and China.

China has imported less palm oil in November due to higher prices of palm oil and depreciation of Yuan which increased prices of palm oil in its domestic markets dentins demand. However, China imported more form Malaysia and less from Indonesia due to aggressive pricing by Malaysia, according to CNGOIC.

India is buying less due to weak demand as stocks are covered for festivals.

Demand of palm oil is expected to remain low in medium term as winter approaches in Northern hemisphere. Winters are expected to arrive early in Northern hemisphere, according to Agriwatch sources.

Exports are weak in October from Malaysia despite lower export numbers in September indicating weakening demand of palm oil.

Lower exports will increase ending stocks in Malaysia affecting prices adversely.

However, production is expected to increase at lower pace from October on lagged effect of El Nino.

Production is expected to rise in Indonesia in October, according to GAPKI, which will underpin prices.

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

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

La Nina weather pattern is expected to intensify in November in Malaysia and Indonesia, which will delay harvest and slow down transport supporting prices of palm oil.

Depreciation of Ringgit will support prices in near term.

CBOT soy oil and Dalian RBD palmolein is expected to support palm oil prices in near term.

Prices are in range.

- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's October 1-25 palm oil exports fell 10.9 percent to 998,101 tons compared to 1,120,493 tons in the corresponding period last month. Top buyers were European Union at 268,200 (215,605 tons), India at 157,224 tons (209,480 tons), China at 125,376 tons (186,030 tons), Pakistan at 47,770 tons (45,000 tons) and United States at 21,910 tons (30,635 tons). Values in brackets are figures of corresponding period last month.

- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's October 1-25 palm oil exports fell 10.9 percent to 990,939 tons compared to 1,112,058 tons in corresponding period last month. Top buyers were European Union at 282,992 tons (263,504 tons), India & subcontinent at 247,924 tons (298,850 tons) and China at 94,250 tons (175,700 tons). Values in brackets are figures of corresponding period last month.
- According to Indonesia's trade ministry, Indonesia will reduce crude palm oil export duty to zero for November from present USD 3 per ton above benchmark prices of USD 750 per ton.
- According to Malaysian government, Malaysia's production in 2017 is expected to increase 5.6 y-o-y. Production in 2016 is expected lower by 9.8 percent to 18 MMT with yields declining 5.3 percent y-o-y. In 2016 production was hampered by El Nino weather pattern which soaked palm yield in the Southeast Asian country. Prices of CPO in 2016 are expected to average RM 2,500 per ton. Production is expected to increase in second half of 2016 due to decreasing effect of El Nino. Production of CPO is expected to rise for rest of 2016.
- According to China's General Administration of Customs (GACC), China's September imports fell 15.44 percent to 480,786 tons y-o-y. Year to date imports fell 28.57 percent compared to corresponding period last year. Imports from Malaysia in September increased 27.82 percent y-o-y to 275,237 tons. Year to date imports from Malaysia fell 1,292,465 tons compared to corresponding period last year. Imports from Indonesia in September fell 41.81 percent y-o-y to 205,543 tons. Year to date imports from Indonesia fell 22.34 y-o-y to 1,784,560 tons compared to corresponding period last year.
- According to Malaysia Palm Oil Board (MPOB), Malaysia's September palm oil end stocks rose 5.67 percent to 15.47 lakh tons compared to 14.64 lakh tons in August. Palm oil end stocks are above market expectations. Production rose marginally by 0.78 percent to 17.15 lakh tons compared to 17.02 lakh tons in August. Exports fell 20.42 percent in September to 14.51 lakh tons compared to 18.24 tons in August. Imports fell 80.51 percent in September to 0.18 lakh tons. Fall in end stocks are primarily due to lower exports and rise in production was marginal due to lagged effect of El Nino.

Price Outlook: We expect CPO Kandla 5 percent (with VAT) to stay in the range of Rs 510-560 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 in Jaipur, Hapur, Neewai, New Delhi, Mumbai and Gujarat. Prices were unchanged in Ganganagar while it rose in Kolkata. Prices of Kacchi ghani fell across board in India.

Rapeseed oil traded sideways to weak tone weak demand. Demand of festivals is

covered and fresh demand will depend upon movement of winters. Stocking ahead of winters will support prices in medium term. Demand is expected to increase from East and North India on stocking ahead of winters.

Fall in prices of rapeseed supported the fall.

Fall in prices of palm oil supported down side.

Rapeseed oil will depend upon the trend of winters, which will be clear in few days. However, according to Agriwatch sources winter is expected to arrive earlier which will increase demand from North and East India will support prices.

Traders and stockists have started stocking ahead of winters.

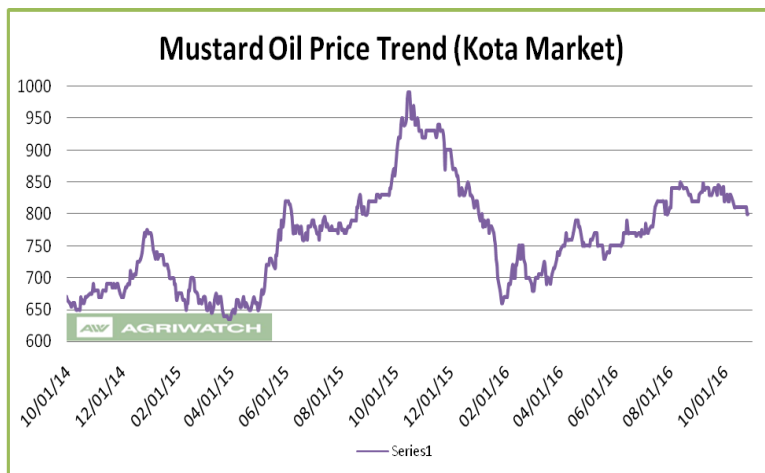
Low premium of canola oil compared to CDSO will increase imports in near term.

Lower demand and higher imports of CDSO has led to lower canola oil imports. Higher imports of soy oil depressed canola oil prices.

Prices will rise on firm demand ahead of winters.

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

- India imported 0.30 lakh tons of rapeseed (Canola) oil in September 2016 v/s 0.32 lakh tons in September 2015, lower by 6.25 percent y-o-y. For oil year 2015-2016 (November 2015 – September 2016) India imported 3.34 lakh tons rapeseed (canola) oil v/s 3.40 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 35 (USD 1 last week) per ton as on October 29, 2016. Low premium of canola oil over soybean oil may increase imports of canola oil.
- Currently, RM oil at Jaipur market, (expeller) is offered at Rs 825 (Rs 832) per 10 Kg, and at Kota market, it is offered at Rs 800 (Rs 810) per 10 kg as on October 28, 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.

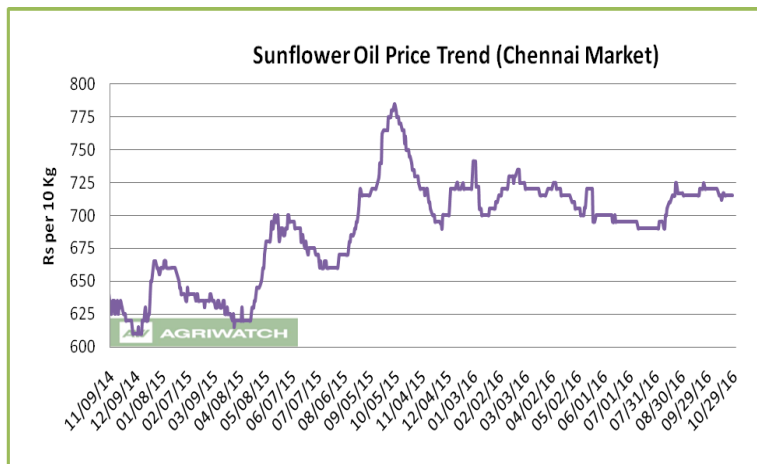


Price Outlook: Rapeseed oil (without VAT) prices in Kota may stay in the range of Rs 770-850 per 10 Kg.

Sunflower oil Fundamental Review and Analysis:-

Domestic Front

- Sunflower oil prices featured sideways trend during the week at its benchmark market in Chennai on weak demand and firm supply. Prices closed higher in Hyderabad and Kakinada at the end of week.
- Agriwatch view: Prices of sunflower oil traded sideways on weak demand and firm supply. Demand was weak as international prices increased compared to last week while domestic prices were unchanged.



Lower premium of sunflower oil over CDSO

CNF on CNF will increase supply in domestic market and underpin prices.

Supply was firm in market as imports were higher by 53 percent in September and stocks at ports and pipelines decreased.

Supplies are higher in market as sunflower oil premium over soy and palm oil is very low supporting imports in medium term.

Stocks are covered for festive season and prices are expected to remain weak in near term.

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 5 (USD -4 last week) per ton for November delivery.

Prices of sunflower oil in international markets has fallen due to record production and exports of sunflower oil from Ukraine and India imports 95 percent of sunflower oil from Ukraine.

Prices of sunflower oil are expected to fall due to seasonal downtrend of prices and weak demand and higher supplies.

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

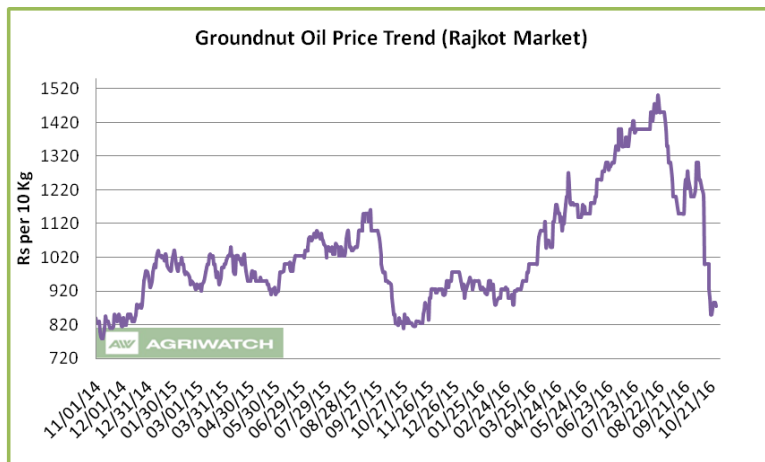
- Sunflower oil import scenario – According to SEA, India imported 1.04 lakh tons of crude sunflower oil during September 2016 v/s 0.68 lakh tons in September 2015, higher by 53 percent y-o-y. Imports during oil year 2015-16 (November 2015 –September 2016) were reported at 14.19 lakh tons v/s 14.29 lakh tons during the corresponding period in last oil year, down marginally y-o-y.
- On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 840 (USD 830) per ton for November delivery, USD 837.5 (USD 825) per ton for December delivery, JFM delivery is quoted at USD 837.5 (USD 822.5) 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 790-860 per ton in the near term. CIF Sunflower oil premium over soybean oil decreased from last week and is hovering at USD 5 (USD -4 last week) per ton for November delivery.

- Currently, refined sunflower oil at Chennai market is offered at Rs 715 (Rs 715) per 10 Kg, and at Hyderabad market, it is offered at Rs 722 (Rs 713) per 10 kg as on October 28, 2016. Values in brackets are figures of last week.
- We expect sunflower oil prices to trade sideways to weak 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 uptrend in Rajkot on firm demand despite heavy arrivals of groundnut from producing regions. Prices in Chennai and Hyderabad closed lower at the end of week. Prices fell in Jamnagar and Gondal while it fell in Mumbai and New Delhi at the end of the week.
- Agriwatch view: Prices of groundnut oil featured uptrend last week on firm demand ahead of festive season despite heavy arrivals of groundnut in markets from producing regions.



Arrivals of groundnut have surged and crushed prices of groundnut and the prices of groundnut have fallen below MSP. However, mandis are closed next week so any clear trend on groundnut oil will not be visible next week.

Groundnut prices collapsed in last couple of weeks which has induced temporary demand for ready markets. Fall in palm oil prices capped gains.

Millers are getting good quality groundnut to crush and supplies are very firm. Millers are stocking groundnut oil ahead of winter and take advantage of groundnut prices, which is running below MSP.

Stockists and traders have stated stocking as they expected prices to stabilize at current levels while ready markets are active until last week.

Groundnut oil prices are expected to trade sideways to firm in near term on buying at lower quotes and inducement of demand at lower prices.

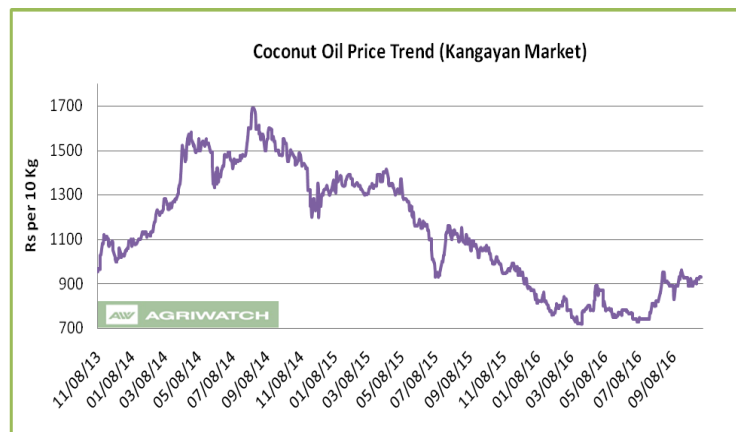
- On the price front, currently the groundnut oil prices in Rajkot is hovering near Rs 8,750 (Rs 8,500) per quintal and quoting at Rs 9,000 (Rs 9,600) per quintal in Chennai market on October 28, 2016. Values in brackets are values of last week.
- Groundnut oil prices are likely to trade sideways to firm in the coming days.

Price Outlook

Groundnut oil (without VAT) in Rajkot market is likely to trade in the price band of Rs 750-950 per 10 Kg.

Coconut Oil Fundamental Review and Analysis:- Domestic Front

- Coconut oil prices featured uptrend trend during the week at its benchmark market in Kangayam on firm demand. In Kochi prices remained unchanged while prices rose in Trissur at the end of the week.
- Agriwatch view: Coconut oil prices showed uptrend during the week, on firm demand. Rise in copra prices supported the rise. Fall in prices of palm oil capped upside. Harvest of coconut is has weakened and arrivals of copra have decreased in markets, supporting its prices.



Millers have less stocks of coconut oil are not holding produce as they are not certain of prices and are depending on ready markets.

Coconut production has slowed, as there has been severe shortage of rains in Erode and many parts of Kerala, which has decreased production in medium term. However, supply of copra is high and stockists are stocking copra to take advantage when coconut oil prices improve and supply of copra fades.

Prices of coconut oil rises before the onset of winter and current prices are attractive for fresh buying.

Corporate demand, which accounts for 80 percent of demand, is moderate supporting prices.

Traders and upcountry buyers are stocking to replenish their stocks before winter.

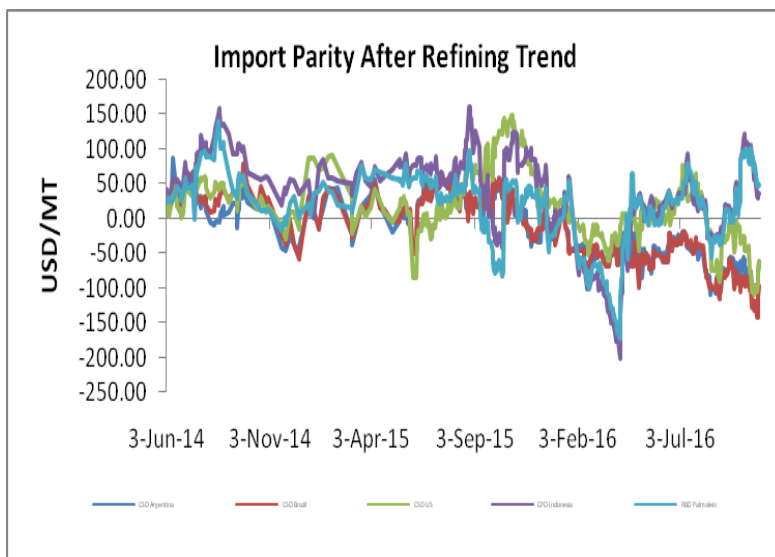
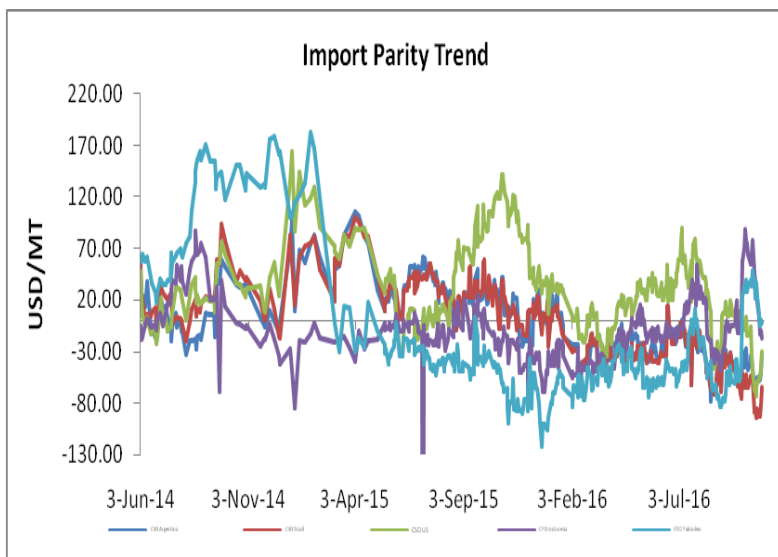
Coconut oil prices are expected to rise before onset of winter and firm demand. Prices are expected to trade sideways to firm tone in near term.

- On the price front, currently the coconut oil prices in Trissur is hovering near Rs 9,500 (9,150) per quintal, and was quoting Rs 9,500 (9,200) per quintal in Erode market on October 28, 2016.

Price Outlook: Coconut oil (withut VAT) prices in Erode may stay in the range of Rs 880-980 per 10 Kg.

Import Parity Trend

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

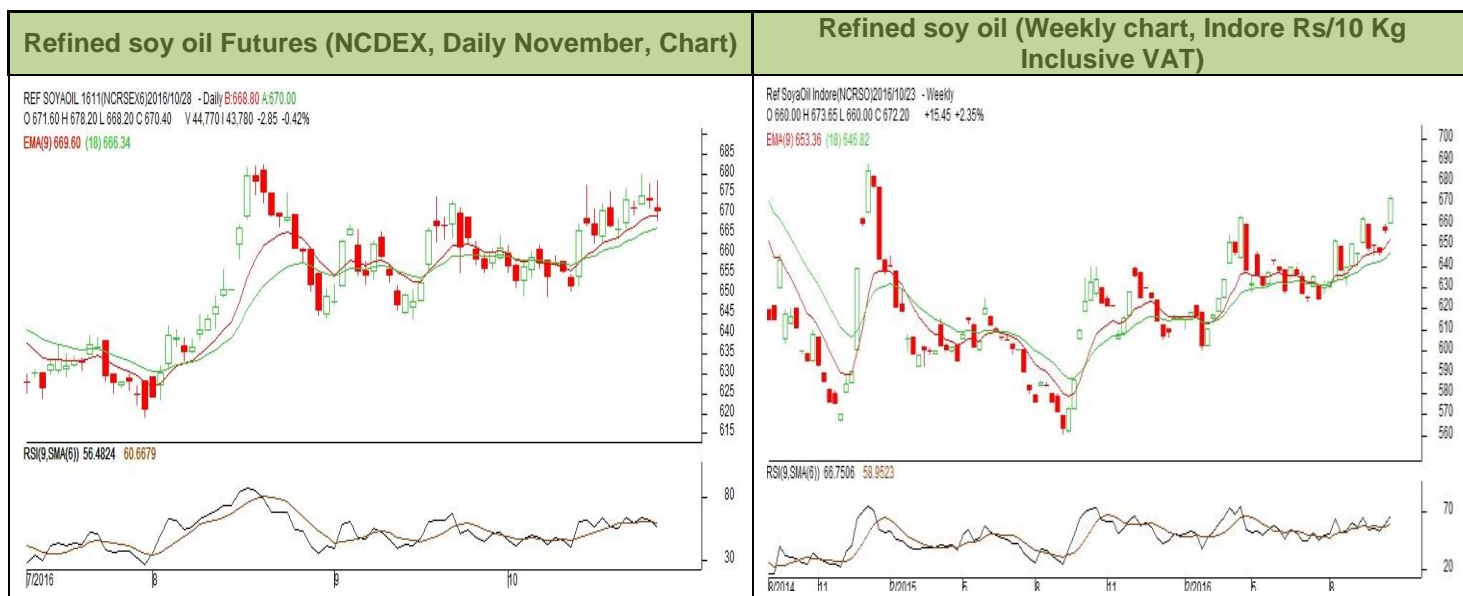


	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
Aug, 2016	-82.87	-81.31	-27.15	-11.00	-12.64
Sep, 2016	-72.51	-81.47	-25.09	12.65	4.22

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 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 650 in weekly chart will change the sentiment and might take the prices below 630 levels.
- Expected price band for next week is 640-690 level in near to medium term. RSI, stochastic and MACD is suggesting uptrend in market.

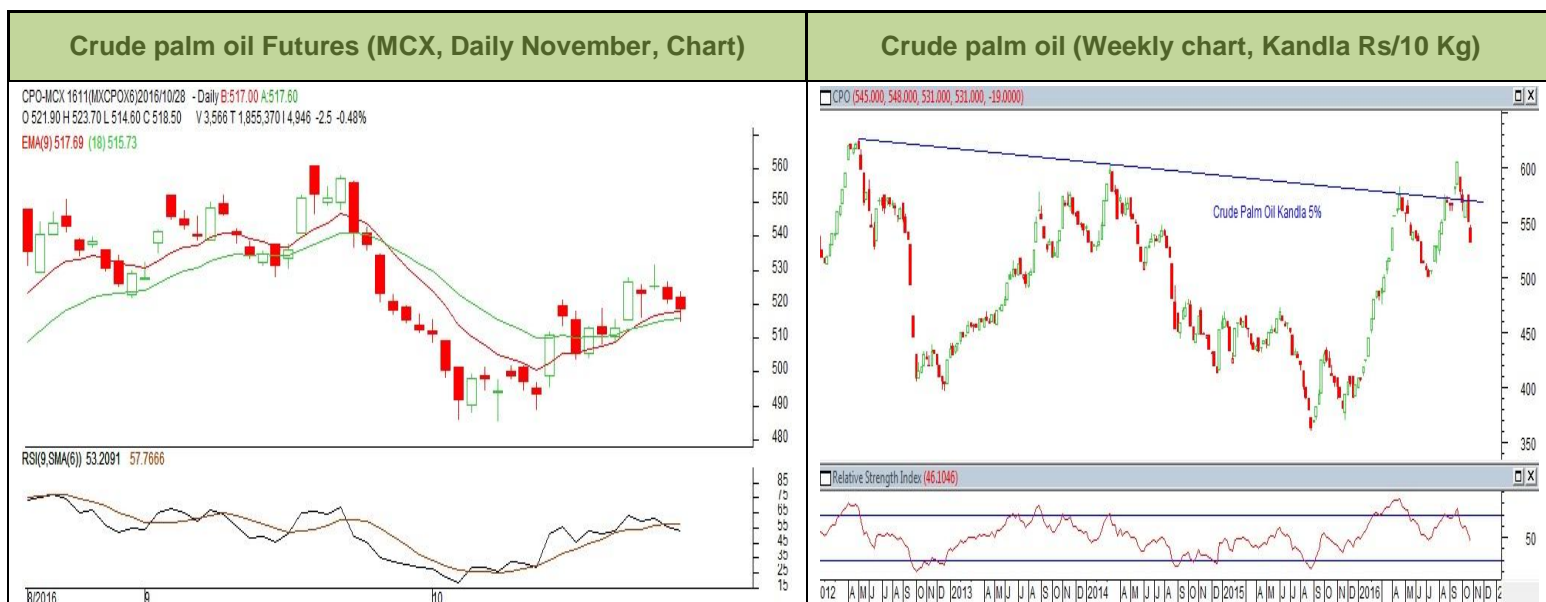
Strategy: Market participants are advised to go long in RSO above 660 levels for a target of 675 and 680 with a stop loss at 650 on closing basis.

RSO NCDEX (November)

Support and Resistance				
S2	S1	PCP	R1	R2
638.00	651.00	669.15	680.00	700.00

Spot Market outlook: Refined soy oil Indore (with VAT) is likely to stay in the range of Rs 630-690 per 10 Kg.

Technical Analysis (Crude Palm oil)



Outlook - Prices show uptrend in prices during the week. We expect that CPO October contract may trade sideways to weak note.

- Candlestick in weekly chart of crude palm oil at MCX depicts downtrend in the prices. We expect prices to trade with a sideways to weak note in the near term.
- Any close above 540 in weekly chart may bring the prices to 560 levels.
- Expected price band for next week is 490-540 level. RSI, Stochastic, and MACD are suggesting downtrend in prices in the coming week.

Strategy: Market participants are advised to go short in CPO below 525 for a target of 510 and 505 with a stop loss at 535 on closing basis.

CPO MCX (November)

Support and Resistance				
S2	S1	PCP	R1	R2
497.00	503.00	518.1	531.00	550.00

Spot Market outlook: Crude palm oil is likely to stay in the range of Rs 510-560 per 10 Kg.

Veg. Oil Prices at Key Spot Markets

Commodity	Centre	Prices(Per 10 Kg)		Change
		28-Oct-16	21-Oct-16	
Refined Soybean Oil	Indore	675	660	15
	Indore (Soy Solvent Crude)	640	625	15
	Mumbai	680	680	Unch
	Mumbai (Soy Degum)	633	628	5
	Kandla/Mundra	665	655	10
	Kandla/Mundra (Soy Degum)	637	622	15
	Kolkata	660	650	10
	Delhi	705	675	30
	Nagpur	673	662	11
	Rajkot	665	650	15
	Kota	670	660	10
	Hyderabad	679	679	Unch
	Akola	712	699	13
	Amrawati	713	699	14
	Bundi	680	660	20
	Jalna	718	710	8
	Alwar	NA	NA	-
	Solapur	719	711	8
	Dhule	716	708	8
Palm Oil	Kandla (Crude Palm Oil)	531	550	-19
	Kandla (RBD Palm oil)	580	595	-15
	Kandla RBD Pamolein	590	610	-20
	Kakinada (Crude Palm Oil)	530	525	5
	Kakinada RBD Pamolein	577	575	2
	Haldia Pamolein	585	580	5
	Chennai RBD Pamolein	580	575	5
	KPT (krishna patnam) Pamolein	565	555	10
	Mumbai RBD Pamolein	585	590	-5
	Delhi	640	650	-10
	Rajkot	582	600	-18
	Hyderabad	584	580	4
	Mangalore RBD Pamolein	580	575	5
	PFAD (Kandla)	445	460	-15
	Refined Palm Stearin (Kandla)	510	510	Unch
Refined Sunflower Oil	Chennai	715	715	Unch
	Mumbai	735	735	Unch

	Mumbai(Expeller Oil)	670	665	5
	Kandla	750	745	5
	Kandla/Mundra (Crude)	NA	NA	-
	Hyderabad (Ref)	722	713	9
	Latur (Expeller Oil)	740	730	10
	Chellakere (Expeller Oil)	660	665	-5
	Erode (Expeller Oil)	745	745	Unch
Groundnut Oil	Rajkot	875	850	25
	Chennai	900	960	-60
	Delhi	900	950	-50
	Hyderabad *	950	950	Unch
	Mumbai	960	1000	-40
	Gondal	875	825	50
	Jamnagar	875	825	50
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	825	832	-7
	Jaipur (Kacchi Ghani Oil)	859	875	-16
	Kota (Expeller Oil)	800	810	-10
	Kota (Kacchi Ghani Oil)	860	872	-12
	Neewai (Kacchi Ghani Oil)	800	820	-20
	Neewai (Expeller Oil)	825	845	-20
	Bharatpur (Kacchi Ghani Oil)	890	900	-10
	Alwar (Kacchi Ghani Oil)	NA	NA	-
	Alwar (Expeller Oil)	NA	NA	-
	Sri-Ganga Nagar(Exp Oil)	830	835	-5
	Sri-Ganga Nagar (Kacchi Ghani Oil)	865	870	-5
	Mumbai (Expeller Oil)	820	830	-10
	Kolkata(Expeller Oil)	1040	1010	30
	New Delhi (Expeller Oil)	830	860	-30
	Hapur (Expeller Oil)	850	880	-30
	Hapur (Kacchi Ghani Oil)	920	930	-10
	Agra (Kacchi Ghani Oil)	895	905	-10
Refined Cottonseed Oil	Rajkot	705	730	-25
	Hyderabad	670	695	-25
	Mumbai	705	735	-30
	New Delhi	650	690	-40
Coconut Oil	Kangayan (Crude)	930	920	10
	Cochin	790	790	Unch
	Trissur	950	915	35

Sesame Oil	New Delhi	700	700	Unch
	Mumbai	730	730	Unch
Kardi	Mumbai	830	830	Unch
Rice Bran Oil (40%)	New Delhi	470	490	-20
Rice Bran Oil (4%)	Punjab	600	600	Unch
Rice Bran Oil (4%)	Uttar Pradesh	600	600	Unch
Malaysia Palmolein USD/MT	FOB	703	688	15
	CNF India	720	705	15
Indonesia CPO USD/MT	FOB	698	683	15
	CNF India	720	705	15
RBD Palm oil (Malaysia Origin USD/MT)	FOB	698	685	13
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	715	693	22
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1600	1475	125
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	640	630	10
Crude palm Kernel Oil India (USD/MT)	CNF India	1410	1390	20
Ukraine Origin CSFO USD/MT Kandla	CIF	835	840	-5
Rapeseed Oil Rotterdam Euro/MT	FOB	850	843	7
Argentina FOB (\$/MT)		27-Oct-16	20-Oct-16	Change
Crude Soybean Oil Ship		782	788	-6
Refined Soy Oil (Bulk) Ship		809	816	-7
Sunflower Oil Ship		770	770	Unch
Cottonseed Oil Ship		762	768	-6
Refined Linseed Oil (Bulk) Ship		802	808	-6
<i>* indicates including VAT</i>				

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