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

On the currency front, Indian rupee against USD closed at 66.70, down 8 paisa compared to the previous week. Factors to watch in the coming weeks will be movement of Indian rupee against US dollar and crude oil prices. Rupee is expected to appreciate and crude oil prices will fall.

We expect edible oil complex to trade 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 520 for a target of 505 and 500 with a stop loss at 530 on closing basis. We expect CPO Kandla 5 percent (with VAT) to stay in the range of Rs 500-550 per 10 Kg in the near term.

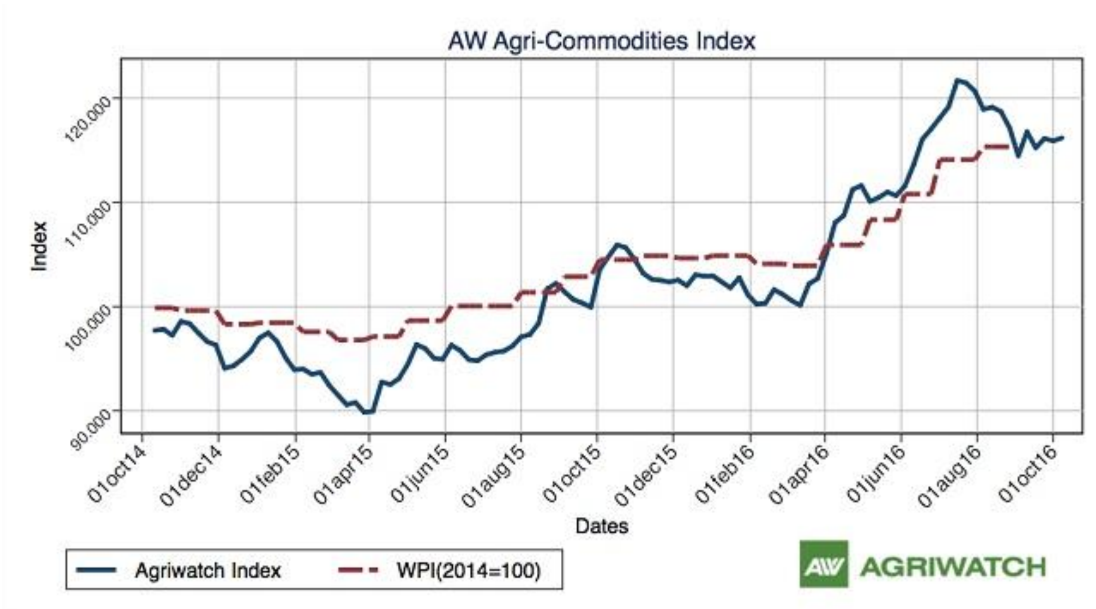
International Veg. Oil Market Summary

According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's October palm oil exports fell 5.1 percent to 1,295,576 tons compared to 1,365,517 tons in September. Top buyers were European Union at 307,685 tons (252,399 tons), India at 189,724 tons (266,080 tons), China at 178,711 tons (217,430 tons), Pakistan at 59,770 tons (61,175 tons) and United States at 41,270 tons (62,324 tons). Values in brackets are figures of last month: SGS

On the international front, higher soybean crop in US, soy oil stocks in US, good planting of soybean in South America, uncertainty in international markets due to US elections and weak crude oil price bearish for the soy complex in the coming days.

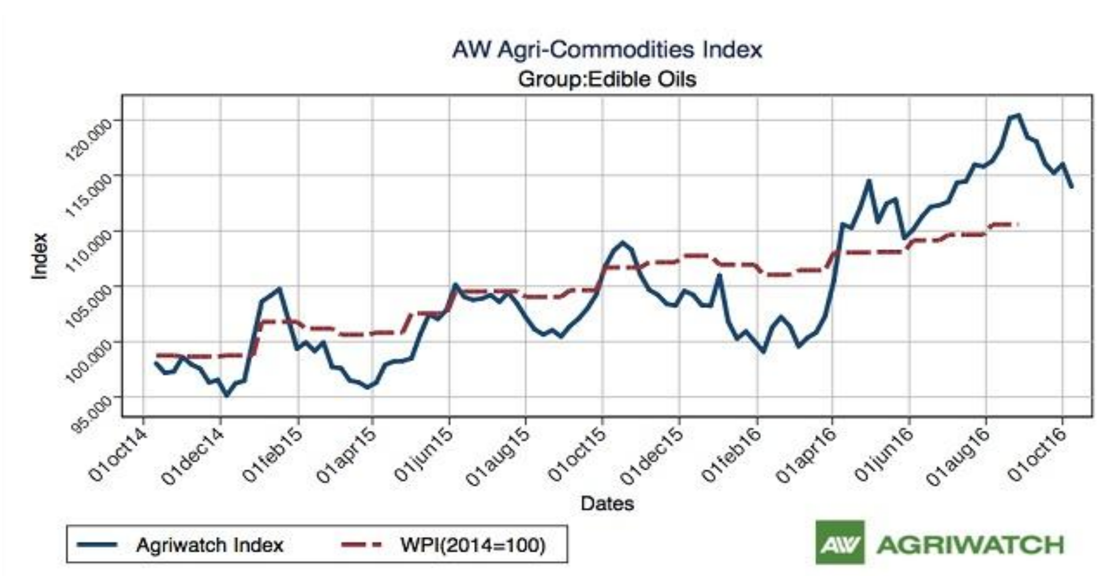
Higher stocks of palm oil in Malaysia, lower exports of palm oil from Malaysia, higher production in Indonesia and weak demand from India and China will underpin CPO prices in near term.

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

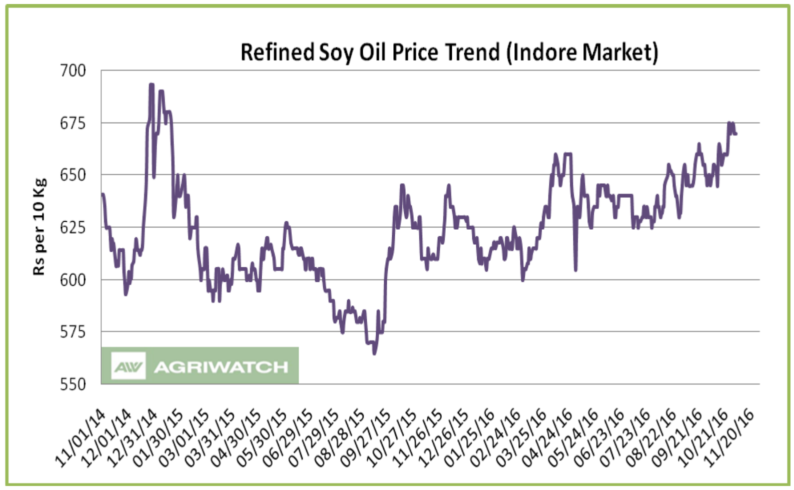


- Agriwatch edible oil index fell 1.74 percent in the week ended October 8, 2016 to 113.98.

"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 sideways trend at its benchmark market in Indore during the week on firm demand and higher supply. Prices closed lower 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 sideways trend during the week on firm demand and firm supply.

  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 fall in CBOT soy oil due to firming of basis indicating improving demand at CNF markets. 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 fell, while it rose 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.

  Basis has increased from last week indicating less sensitivity at CNF markets compared to international benchmark.

  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 142 (Rs 138 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 113 (USD 117.5 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.
- 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 828 (USD 838) per ton for November delivery. December delivery is offered at USD 825 (USD 832) per ton as on November 4, 2016. Last month, CIF CDSO October average price was USD 825.5 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 firm in the coming days.

International Front

Agriwatch view – Soybean harvesting in US is slightly delayed due to wet condition in some areas of Midwest led to slower harvest. 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 shipments were very good 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, as hogs margins are higher than last two years.

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 and has improved in near term. Higher crush of soybean in November will increase supply of soy oil, and increase stocks of soy oil in US in November after weak October and underpin prices.

Soybean planting has started in Brazil has started at very good pace while it reached 52.5 percent compared to 42.3 percent in corresponding period last year and 48.7 percent (5-year average). In top soybean producing state of Mato Grasso planting of soybean reached 82 percent which is higher than long term average in corresponding period. Area under soybean increased significantly in the state. Rains in last couple of weeks 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.

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 US soy oil 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.

Fall in crude oil prices and uncertainty of US election will underpin prices in near term.

Prices of soy oil are in a range.

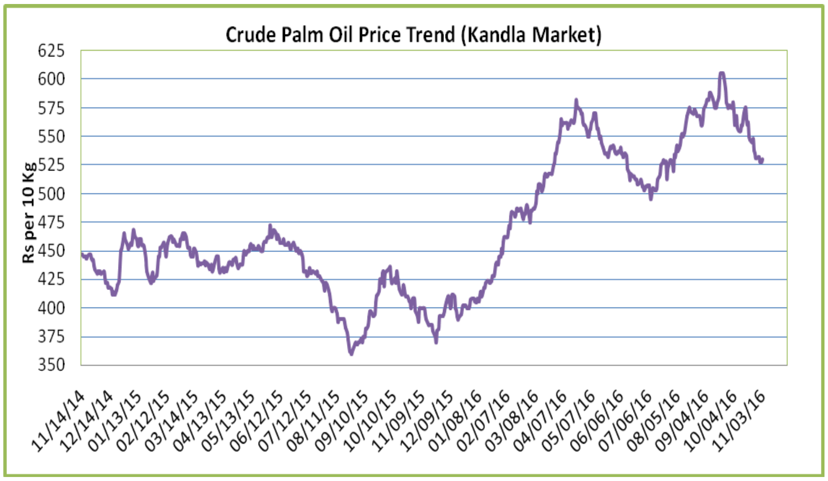
- According to Safras & Mercado, planting of soybean crop in Brazil has reached 52.5 percent as on November 4, 2016 compared to 42.3 percent in corresponding period last year and 48.7 percent (5-year average). Planting in Mata Grosso has reached 82 percent, higher than 70.2 percent average during this period. In second highest producing state of Parana, planting has reached 73 percent, higher than 72 percent average. Third highest soybean state planting is 9 percent compared to 14.4 percent due to heavy downpour in recent days.
- In the USDA crop report dated 1st November, 2016 soybean harvest in U.S. was reported at 87 percent of total area, up from 76 percent last week and above 85 percent (5-year average). In the corresponding period last year 91 percent of soybeans were harvested.
- According to U.S. Energy Information Administration (EIA), U.S. biodiesel production rose 1.43 percent in August to 142 million gallons compared to 142 million gallons in July. Soy oil contributed as the largest feedstock in August with 561 million lbs used compared to 536 million lbs used in July.
- 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.
- 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 640-690 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 BMD Malaysia. CPO prices in Kakinada closed lower at the end of the week.



- Agriwatch View – Prices of palm oil closed lower on weak BMD. Prices fell less in India despite larger fall in CNF prices of palm oil indicating moderate to firm demand. Prices fell on seasonal downtrend of prices.

  Demand is firm on high seas as CPO prices fell less in high seas compared to CNF markets. Fall in RBD palmolein has higher than fall in CNF markets indicating weak demand. Benchmark BMD Malaysia fell 1.4 percent last week while domestic CPO prices fell marginally indicating firm demand. Imports are not rising as importers are looking for price correction.

  Demand of RBD palmolein is weaker than CPO in domestic market as fall in high seas prices of RBD palmolein was higher than fall in CPO prices at high seas.

  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 lower than CPO as premium RBD palmolein over CPO is Rs 50 (Rs 59) per 10 kg.

  Positive refining margins will increase imports. However, refining margins have continuously decreased in past four weeks. 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 increased to USD 123 (USD 117.5 last week) per ton may improve demand in medium term.

  Positive refining margins will increase imports.

  Forward at high seas are in discount while it is at premium at 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 as trend of winters in India is not clear. 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 moderate to firm demand.

- 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 705 (USD 717.5) per ton for November delivery, USD 705 per ton for December delivery and USD 710 per ton for JFM delivery. Last month, CIF CPO October average price was USD 703.17 (750.32) per ton.

  Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 705 (USD 717.5) per ton for November delivery, USD 705 per ton for December delivery and USD 710 per ton for JFM delivery. Ready lift CPO duty paid prices quoted at Rs 528 (Rs 532) per 10 Kg and November delivery duty paid offered at Rs 525 (Rs 530) per 10 kg on November 4, 2016. Last month, CIF RBD palmolein October average price was USD 704.83 (USD 757.2) per ton. 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 20-25/ton v/s USD 10-15/ton (last month) margin in processing the imported CPO and imports of ready to use palmolein fetch USD 35-40/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 – Expectation of higher end stocks of palm oil in Malaysia in October on lower exports and increase in production will underpin prices in near term.

  Agriwatch expects that production will be unchanged on lagged effect of El Nino. Exports will increase in first ten days of November as demand improved since last five days in October into November.

  Exports of palm oil fell in October from Malaysia by 5-7 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, dented its demand. However, China imported more from Malaysia and less from Indonesia due to aggressive pricing by Malaysia, according to CNGOIC. Demand is expected improve from China as it will import more to cover stocks to control its domestic palm oil prices.

  Demand will improve from India in November as importers are buying to cover their stocks before winter. However, prices on BMD Malaysia are high and major correction will only improve demand from India as India is prices sensitive market.

  EU demand will remain firm to cover their stocks before winter.

  Severe winter is expected in Northern hemisphere by different weather agencies, which will underpin demand in medium term.

  Demand of palm oil is expected to remain low in medium term as winter approaches in Northern hemisphere.

  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.

US presidential election result will be seen next week, which will affect asset prices in near term. There is uncertainty in markets and bears love uncertainty.

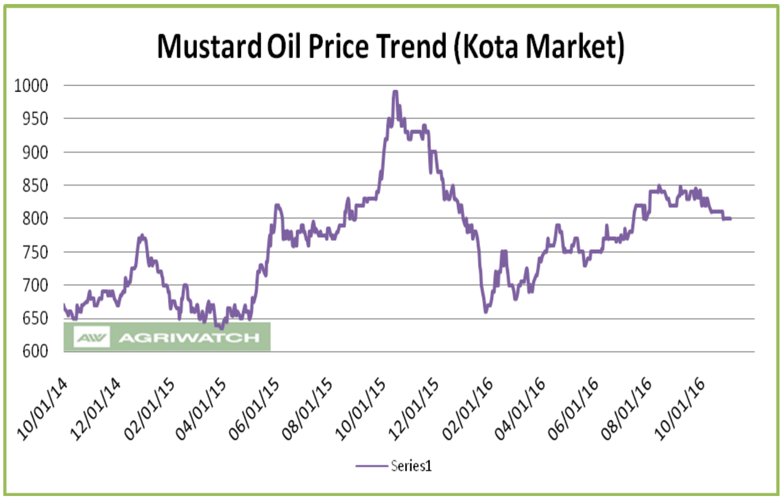
Prices are in range.

- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's October palm oil exports fell 5.1 percent to 1,295,576 tons compared to 1,365,517 tons in September. Top buyers were European Union at 307,685 tons (252,399 tons), India at 189,724 tons (266,080 tons), China at 178,711 tons (217,430 tons), Pakistan at 59,770 tons (61,175 tons) and United States at 41,270 tons (62,324 tons). Values in brackets are figures of last month.
- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's October palm oil exports fell 6.4 percent to 1,288,894 tons compared to 1,377,757 tons in September. Top buyers were European Union at 316,883 tons (296,634 tons), India & subcontinent at 304,741 tons (377,225 tons), and China at 139,585 tons (239,300 tons). Values in brackets are figures of last month.
- 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 lagged effect of El Nino.

Price Outlook: We expect CPO Kandla 5 percent (with VAT) to stay in the range of Rs 500-550 per 10 Kg in the near term.

Rapeseed oil Fundamental Review and Analysis-:

Domestic Front



- Mustard oil prices featured sideways trend at its benchmark market of Kota during the week in review on weak demand.
- Agriwatch view: Prices of rapeseed oil expeller rose in Jaipur, Hapur, Ganganagar, Neewai and New Delhi while it was unchanged in Mumbai and down in Gujarat. Prices were unchanged in Kolkata. Prices of Kacchi ghani rose in Kota, Jaipur, Neewai and Hapur. Prices fell in Ganganagar while it was unchanged in Bharatpur and Agra.

  Rapeseed oil traded sideways to firm tone firm demand ahead of winters. Stocking ahead of winters will support prices in medium term. Demand is expected to increase from East and North India on winters and support prices.

  Rise in prices of rapeseed supported the rise.

  Rapeseed oil prices will depend upon the trend of winters. 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.

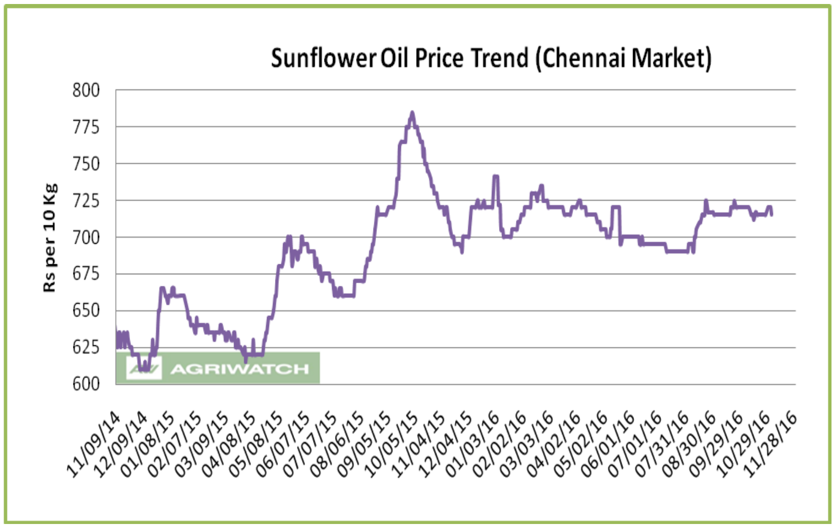
  Prices will rise on firm demand ahead of winters.

  Markets are expected to trade sideways to firm tone in coming days on seasonal uptrend of prices, higher rapeseed prices and firm demand ahead of winters.
- 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 7 (USD 35 last week) per ton as on November 4, 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 830 (Rs 825) per 10 Kg, and at Kota market, it is offered at Rs 800 (Rs 800) per 10 kg as on November 4, 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 firm supply. Prices closed lower in Hyderabad and Kakinada at the end of week.
- Agriwatch view: Prices of sunflower oil traded sideways to weak on firm supply. Demand was firm as international prices decreased compared to last week while domestic prices were unchanged.

  Lower premium of sunflower oil over CDSO CNF on CNF markets 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.

  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 8 (USD 5 last week) per ton for December 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.

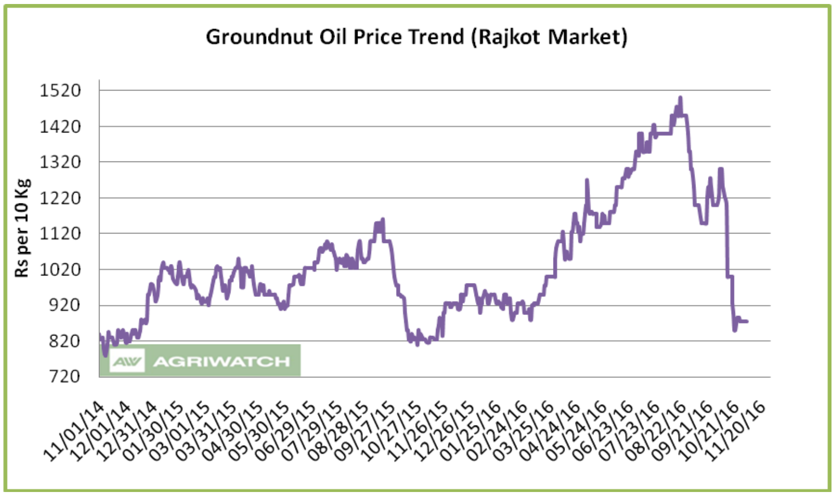
  Prices of sunflower oil are expected to fall due to seasonal downtrend of higher supplies.

  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 820 (USD 837.5) per ton for December delivery, January delivery is quoted at USD 820 (USD 837.5) per ton. CIF sun oil (Ukraine origin) October monthly average was around USD 831.08 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 8 (USD 5 last week) per ton for December 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 717 (Rs 722) per 10 kg as on November 4, 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 downtrend in various markets in India as Gujarat markets were closed on occasion of Diwali. Prices fell on weak demand and harvest pressure. Prices in Chennai, Hyderabad, New Delhi and Mumbai closed lower at the end of week.
- Agriwatch view: Prices of groundnut oil featured downtrend last week on weak demand after festive season and heavy pressure of groundnut from producing regions.

  Groundnut prices have collapsed and have fallen below MSP. However, so any new trend on groundnut oil will not be visible this week. However, downward pressure will continue in groundnut oil.

  Fall in palm oil, cottonseed and rice bran oil prices supported losses.

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

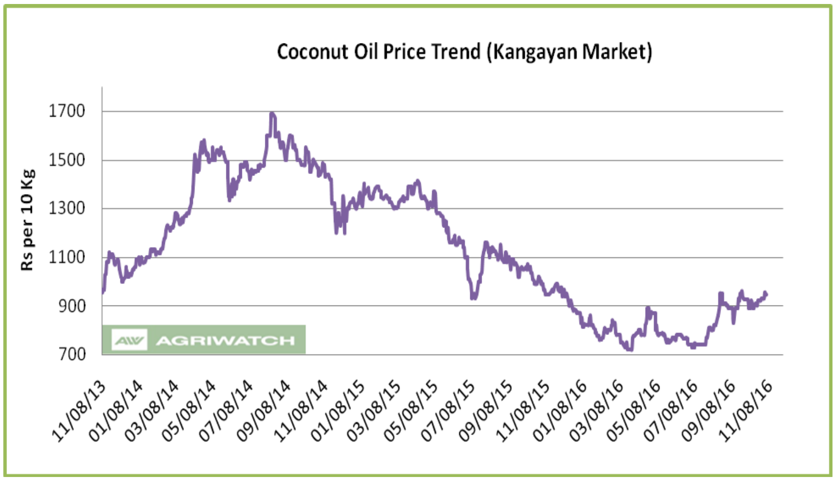
  Stockists and traders have stopped stocking as they expected prices to fall from current levels.

  Groundnut oil prices are expected to trade sideways to weak in near term on seasonal downtrend of prices, harvest pressure, weak demand and weak activity in cash markets.
- On the price front, currently the groundnut oil prices in Rajkot were unquoted last week as mandis were closed. Last quoted prices were Rs 8,500 per quintal and it was quoted at Rs 8,600 (Rs 9,000) per quintal in Chennai market on November 4, 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 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 fell 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 on arrival on Northeast monsoon in Tamil Nadu and Kerala which has slowed harvesting supporting prices of copra. Weak arrivals of copra have supporting its prices.

  Millers 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.

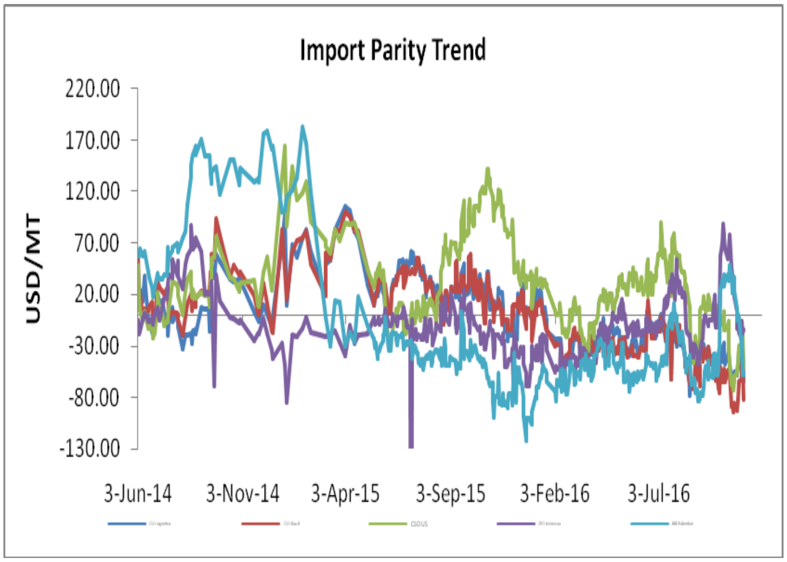
  Traders and upcountry buyers are stocking to replenish their stocks before winter.

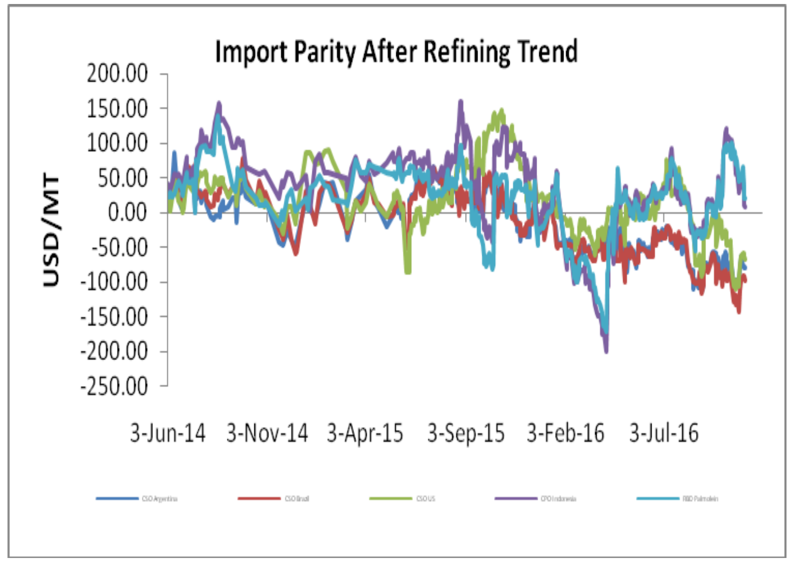
  Coconut oil prices are expected to rise before onset of winter and firm demand. Prices are expected to trade sideways to firm tone in near term.
- On the price front, currently the coconut oil prices in Trissur is hovering near Rs 9,450 (9,500) per quintal, and was quoting Rs 9,450 (9,300) per quintal in Erode market on November 4, 2016.

Price Outlook: Coconut oil (withut VAT) prices in Erode may stay in the range of Rs 890-980 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
Sep, 2016	-72.51	-81.47	-25.09	12.65	4.22
Oct, 2016	-81.35	-106.68	-67.93	78.49	78.96

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)

Refined soy oil Futures (NCDEX, Daily November, Chart)	Refined soy oil (Weekly chart, Indore Rs/10 Kg Inclusive VAT)
	

Outlook – Refined soybean oil witnessed downtrend during the week in review and is likely to trade with a sideways to firm tone in the coming days.

- Weekly chart of refined soy oil at NCDEX depicts 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	667.9	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)

Crude palm oil Futures (MCX, Daily November, Chart)	Crude palm oil (Weekly chart, Kandla Rs/10 Kg)

Outlook - Prices show downtrend 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 520 for a target of 505 and 500 with a stop loss at 530 on closing basis.

CPO MCX (November)

Support and Resistance				
S2	**S1**	**PCP**	**R1**	**R2**
497.00	503.00	515.4	531.00	550.00

Spot Market outlook: Crude palm oil is likely to stay in the range of Rs 500-550 per 10 Kg.

Veg. Oil Prices at Key Spot Markets

Commodity	Centre	Prices(Per 10 Kg)		Change
		4-Nov-16	28-Oct-16	
Refined Soybean Oil	Indore	670	670	Unch
	Indore (Soy Solvent Crude)	640	640	Unch
	Mumbai	670	680	-10
	Mumbai (Soy Degum)	635	633	2
	Kandla/Mundra	670	665	5
	Kandla/Mundra (Soy Degum)	645	637	8
	Kolkata	680	660	20
	Delhi	710	705	5
	Nagpur	664	673	-9
	Rajkot	665	665	Unch
	Kota	670	670	Unch
	Hyderabad	670	679	-9
	Akola	705	712	-7
	Amrawati	704	713	-9
	Bundi	675	680	-5
	Jalna	710	718	-8
	Alwar	NA	NA	-
	Solapur	713	719	-6
	Dhule	710	716	-6
Palm Oil	Kandla (Crude Palm Oil)	528	531	-3
	Kandla (RBD Palm oil)	550	580	-30
	Kandla RBD Pamolein	570	590	-20
	Kakinada (Crude Palm Oil)	525	530	-5
	Kakinada RBD Pamolein	570	577	-7
	Haldia Pamolein	580	585	-5
	Chennai RBD Pamolein	575	580	-5
	KPT (krishna patnam) Pamolein	555	565	-10
	Mumbai RBD Pamolein	565	585	-20
	Delhi	620	640	-20
	Rajkot	582	582	Unch
	Hyderabad	584	584	Unch
	Mangalore RBD Pamolein	575	580	-5
	PFAD (Kandla)	445	445	Unch
	Refined Palm Stearin (Kandla)	510	510	Unch
Refined Sunflower Oil	Chennai	715	715	Unch
	Mumbai	730	735	-5
	Mumbai(Expeller Oil)	660	670	-10

	Kandla	745	750	-5
	Kandla/Mundra (Crude)	NA	NA	-
	Hyderabad (Ref)	717	722	-5
	Latur (Expeller Oil)	740	740	Unch
	Chellakere (Expeller Oil)	665	660	5
	Erode (Expeller Oil)	740	745	-5
Groundnut Oil	Rajkot	875	875	Unch
	Chennai	860	900	-40
	Delhi	900	900	Unch
	Hyderabad *	920	950	-30
	Mumbai	925	960	-35
	Gondal	875	875	Unch
	Jamnagar	875	875	Unch
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	830	825	5
	Jaipur (Kacchi Ghani Oil)	871	859	12
	Kota (Expeller Oil)	800	800	Unch
	Kota (Kacchi Ghani Oil)	862	860	2
	Neewai (Kacchi Ghani Oil)	825	800	25
	Neewai (Expeller Oil)	845	825	20
	Bharatpur (Kacchi Ghani Oil)	890	890	Unch
	Alwar (Kacchi Ghani Oil)	NA	NA	-
	Alwar (Expeller Oil)	NA	NA	-
	Sri-Ganga Nagar(Exp Oil)	820	830	-10
	Sri-Ganga Nagar (Kacchi Ghani Oil)	860	865	-5
	Mumbai (Expeller Oil)	820	820	Unch
	Kolkata(Expeller Oil)	1040	1040	Unch
	New Delhi (Expeller Oil)	831	830	1
	Hapur (Expeller Oil)	880	850	30
	Hapur (Kacchi Ghani Oil)	930	920	10
	Agra (Kacchi Ghani Oil)	895	895	Unch
Refined Cottonseed Oil	Rajkot	630	705	-75
	Hyderabad	645	670	-25
	Mumbai	665	705	-40
	New Delhi	640	650	-10
Coconut Oil	Kangayan (Crude)	945	930	15
	Cochin	790	790	Unch
	Trissur	945	950	-5

Sesame Oil	New Delhi	700	700	**Unch**
	Mumbai	730	730	**Unch**
Kardi	Mumbai	830	830	**Unch**
Rice Bran Oil (40%)	New Delhi	485	470	**15**
Rice Bran Oil (4%)	Punjab	610	600	**10**
Rice Bran Oil (4%)	Uttar Pradesh	610	600	**10**
Malaysia Palmolein USD/MT	FOB	700	703	**-3**
	CNF India	715	720	**-5**
Indonesia CPO USD/MT	FOB	695	698	**-3**
	CNF India	715	720	**-5**
RBD Palm oil (Malaysia Origin USD/MT)	FOB	695	698	**-3**
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	713	715	**-2**
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1620	1600	**20**
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	640	640	**Unch**
Crude palm Kernel Oil India (USD/MT)	CNF India	1495	1410	**85**
Ukraine Origin CSFO USD/MT Kandla	CIF	820	835	**-15**
Rapeseed Oil Rotterdam Euro/MT	FOB	NA	850	**-**

Argentina FOB ($/MT)	**3-Nov-16**	**27-Oct-16**	**Change**
Crude Soybean Oil Ship	788	782	**6**
Refined Soy Oil (Bulk) Ship	816	809	**7**
Sunflower Oil Ship	765	770	**-5**
Cottonseed Oil Ship	768	762	**6**
Refined Linseed Oil (Bulk) Ship	808	802	**6**
			**** indicates including VAT***

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