

Veg. Oil Weekly Research Report

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Executive Summary

Domestic Veg. Oil Market Summary

Edible oil witnessed mixed sentiment during the week on losses in CBOT soy oil and firm BMD CPO. Palm oil, rapeseed oil and groundnut oil rose while soy oil closed sideways. Sunflower oil and coconut oil closed lower.

On the currency front, Indian rupee against USD closed at 66.24, up 54 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 depreciate 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 short below RSO above 680 levels for a target of 665 and 660 with a stop loss at 690 on closing basis. We expect refined soy oil at Indore (with VAT) to stay in the range of Rs 640-700 per 10 Kg in the near term.

Market participants are advised to go short in CPO below 535 for a target of 520 and 515 with a stop loss at 545 on closing basis. We expect CPO Kandla 5 percent (with VAT) to stay in the range of Rs 500-560 per 10 Kg in the near term.

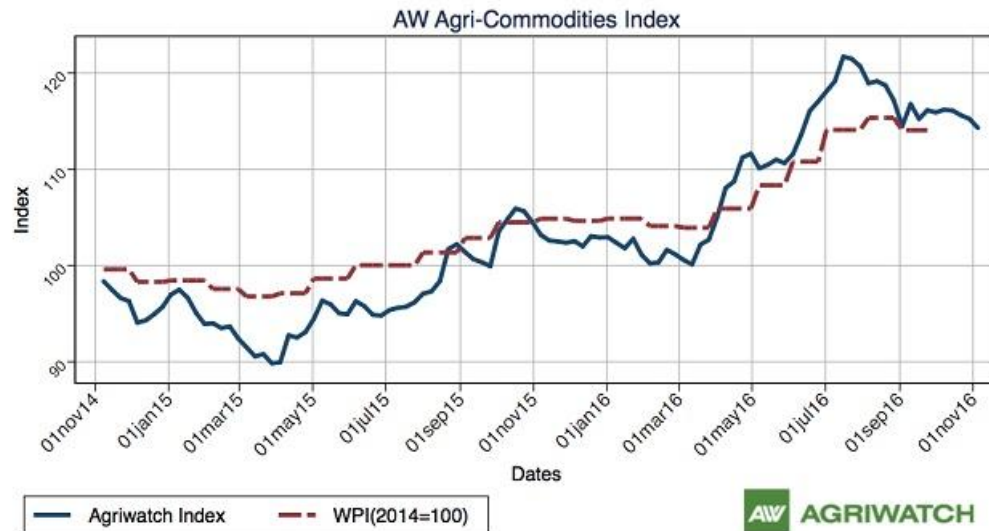
International Veg. Oil Market Summary

Malaysia's November 1-10 palm oil exports fell 13.8 percent to 347,760 tons compared to 403,650 tons in corresponding period last month. Top buyers were European Union at 95,000 tons (83,172 tons), China at 30,500 tons (74,780 tons), India at 8,300 tons (43,024 tons) and United States at 1,800 tons (6,050 tons). Values in brackets are figures of corresponding period 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.

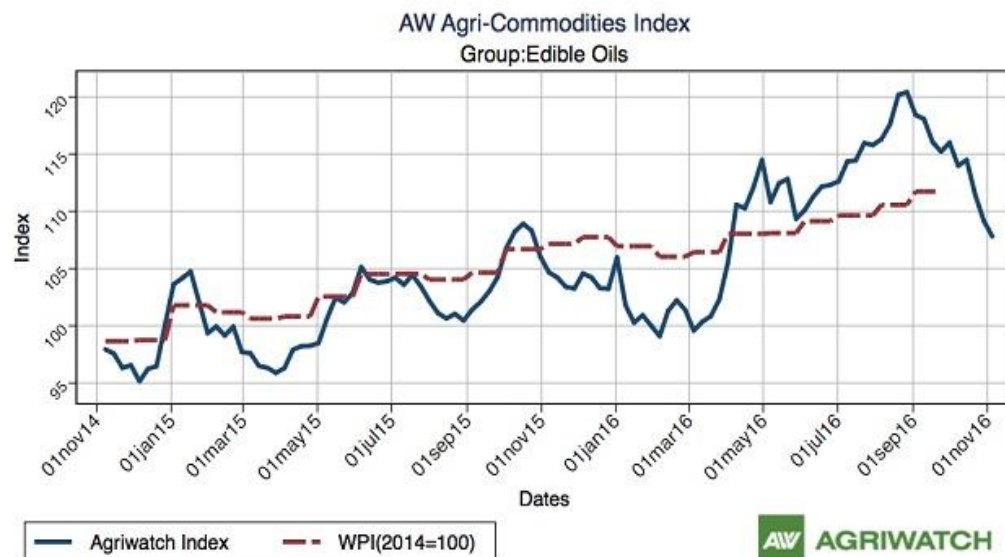
Higher stocks of palm oil in Malaysia, lower exports of palm oil from Malaysia, higher production in Indonesia and weak demand from India and China will underpin CPO prices in near term.

Agriwatch Index



- The Agriwatch Agri Commodities Index eased for the fourth straight week, declining 0.81% to 114.30 during the week ended Nov 5, 2016 from 115.24 during the previous week. The base for the Index and all sub-Indices is 2014 (= 100). The Index is now at its lowest since the week ending June 11, 2016 when it had closed at 113.62.
- Lower pulses, sugar and edible oils offset gains in cereals and vegetables this week.

Agriwatch edible oil index



- Agriwatch edible oil index fell 1.26 percent in the week ended November 5, 2016 to 107.81.

"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 uptrend at its sideways trend market in Indore during the week on firm demand and firm supply. Prices closed higher in Mumbai, Kandla/Mudra and Kolkata. CDSO prices closed unchanged at JNPT while closed higher at 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.

Rise in palm oil and rapeseed oil supported.

Soy oil CNF remained closed higher at the end of the week despite weak CBOT soy oil due to firming of basis indicating improving demand at CNF markets. Basis is expected weaken in coming weeks as crushing improves in US in November. However, despite record soybean crop in US, basis is not weakening. Importers are advised to wait for 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 rose, while it rose in most places 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.

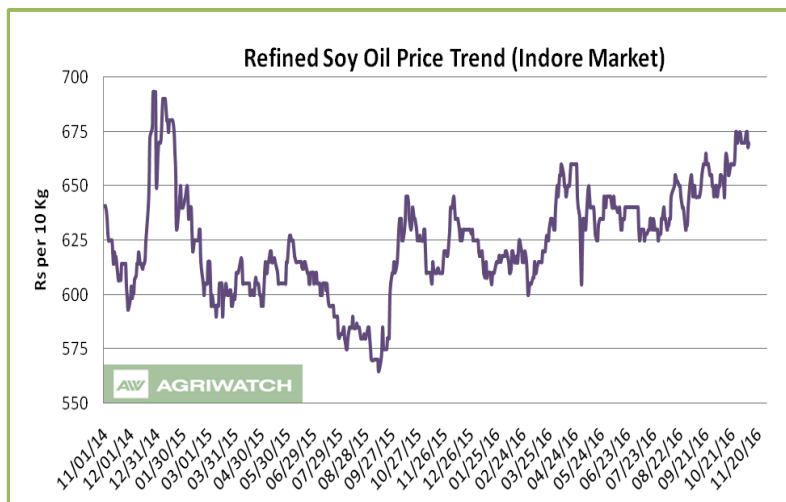
Basis has increased from last week indicating less sensitivity at CNF markets compared to international benchmark.

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 132 (Rs 142 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 90 (USD 113 last week), which will support imports.

Prices of soy oil will increase on winters and seasonal uptrend of prices. Prices of soy oil are in a range.

- 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.
- According to Agriwatch sources, India imported 1.77 lakh tons of CDSO from Kandla port in October.



- According to United States Department of Agriculture (USDA), India's soy oil imports in 2016/17 are estimated to rise by 0.4 MMT to 4.00 MMT from 3.6 MMT from its previous estimate. Domestic consumption is raised to 5.4 MMT from 5.0 MMT in its previous estimate. End stocks in 2016/17 are raised to 0.368 MMT from 0.308 MMT in its previous estimate. USDA increased India's 2015/16 soy oil imports by 1.36 MMT to 4.360 MMT from 4.2 MMT in its previous estimate. Consumption in 2015/16 is raised 0.1 MMT to 5.2 MMT from 5.1 MMT in its previous estimate.
- Imported crude soy oil CIF at West coast port is offered at USD 845 (USD 828) per ton for November delivery. December delivery is offered at USD 845 (USD 825) per ton and January delivery is offered at USD 842 per ton as on November 11, 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 65-70/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 progress in US is above 5-year average and below corresponding period last year. USDA estimated record soybean crop in US in November estimate on higher yields which was all time record. USDA raised crop in US from existing record levels.

Exports remained robust from US to China as shipments were very good since harvesting of current crop. 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.

However, data shown by CNGOIC is showing fall in imports of soybean in October by 6 percent on lower imports from Brazil and Argentina.

Supply of soybean improved at crushers and elevators as pace soybean arrival has increased as farmers have run out of storage. Crushing is not running at full swing as demand of soy meal from feed mills are weak compared to corresponding period last year. Demand is not improving from feed mills as they expect lower prices of soy meal. Lower crushing has supported soy oil prices in near term. Lower crush of soybean in November will decrease supply of soy oil, and decrease stocks of soy oil in US in November after weak October and support prices.

USDA reported lower soy oil stocks in US in 2016/17 due to lower opening stocks and lower production of soy oil partially set off by lower fed, food and industrial use and lower exports. Lower stocks of soy oil in US will support soy oil prices in medium term.

Soybean planting has started in Brazil has started at very good pace while it reached 63 percent compared to 60 percent in corresponding period last year. In top soybean producing state of Mato Grosso planting of soybean reached 90 percent which is higher than long term average in corresponding period. 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. USDA kept unchanged soybean crop of US 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 52.5 MMT from 56 MMT in 2015/16 due to postponing of export duty on soybean and soybean products, rising cultivation cost and lower bean prices. Area is expected to decrease by 2.5 percent. Planting of soybean has reached 11 percent. Area under corn and wheat will rise, 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 kept unchanged Argentina soybean crop at 57 MMT in 2016/16 in its November estimate. Fall in crude oil prices and dollar appreciation due to expected FED rate hike in December will underpin soy oil prices.

Prices of soy oil are in a range.

- According to United States Department of Agriculture (USDA) November estimates, U.S 2016/17 ending stocks of soy oil is estimated to fall to 1,658 million lbs from 1,725 million lbs in October estimate. Opening stocks reduced to 1,718 million lbs from 1,750 million lbs in October estimate. Production of soy oil in 2016/17 is reduced to 22,290 million lbs from 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 is reduced to 14,500 million lbs from 14,600 million lbs . Exports in 2016/17 reduced to 2,150 million lbs v/s 2,250 million lbs in October estimate. Average price range estimate is increased to 32.5-35.5 cents/lbs from 30.5-33.5 cents/lbs. Fall in end stock is primarily due to lower opening stocks, lower production partially offset by lower Food, feed and other industrial use and lower exports.
- USDA weekly crop progress report has revealed that harvesting is complete by at 93% lower compared to 94% during the corresponding period last year but up from 91% from 5 year average, reported on 06 November 2016.
- According to AgRural, planting of soybean in Brazil has reached 63 percent compared to 53 percent last week and 60 percent last year. Planting in top soybean producing state of Mato Grosso has reached 90 percent while it reached 80 percent in second largest producing state of Parana.
- China's October soybean imports fell 6% on year to 5.21 million tons and down by 27.5% from 7.19 million tons in September. The imports volume were below market expectations and lowest monthly imports reported since February when the imports were reported at 5 million tons, reported by General Administration of Customs of China.
- Argentina's 2016 area under soybean is expected lower by 2.5% to 19.6 million hectares from last year. This fall is primarily due to the rising cultivation cost and lower bean prices, said Buenos Aires Grains Exchange. About 11% of the Argentina's soybean planting is complete. Argentina's 2016/17 soybean production is projected at 52.5 million tons by Rosario grains exchange in its first soy crop estimate of new season.
- According to China's General Administration of Customs (CNGOIC), China's imports of edible vegetable oil in October fell 40.4 percent to 3.10 lakh tons compared to 5.20 lakh tons in September. Imports fell 35.4 percent from October 2015 which was at 4.80 lakh tons. Year to date imports of edible vegetable oil fell 21.4 percent to 42.50 lakh tons.

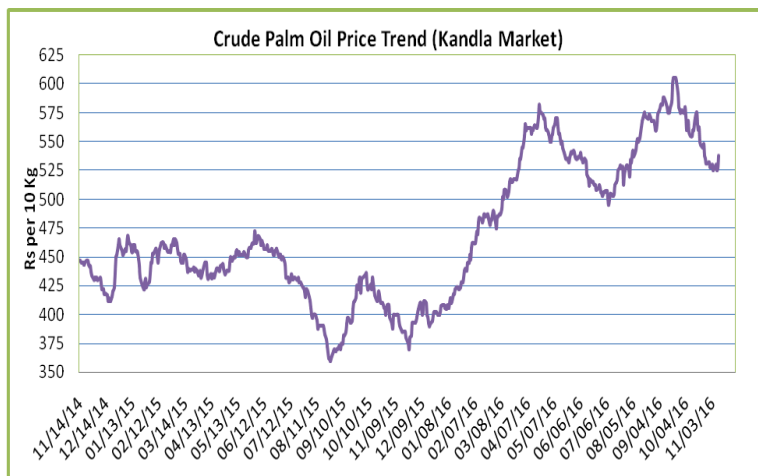
- India's soy meal exports and its other value added products (HS Code 2304) during October 2016 is stood at 19,139 tons compared to 42,104 tons in October 2015 showing a decrease of 54.5% over the same period of last year. On a financial year basis, the export during April'2016 to October'2016 is 94,871 tons as compared to 2,43,632 tons in the same period of previous year showing a decrease of 61%, as reported by SOPA. Myanmar (3995.2 MT), Japan (3193.49), Nepal (1945.43), Kenya (1653.36 MT) and USA (1306 MT) were the key buyers of Indian origin meal in October
- 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.
- USDA WASDE Oilseeds Highlights: The U.S. season-average soybean price range is projected at \$8.45 to \$9.95 per bushel, up 15 cents on both ends of the range reflecting reported early-season producer prices. Soybean meal prices are projected at \$305 to \$345 per short ton, up \$5.00 on both ends. Soybean oil prices are projected at 32.5 to 35.5 cents per pound, up 2 cents on both ends.

Price Outlook: We expect refined soy oil at Indore (with VAT) to stay in the range of Rs 640-700 per 10 Kg in the near term.

Palm oil Fundamental Analysis and Outlook -:

Domestic Front

- Crude palm oil at Kandla featured uptrend in its benchmark market at Kandla on rise in BMD Malaysia. CPO prices in Kakinada closed higher at the end of the week.
- Agriwatch View – Prices of palm oil closed higher on firm BMD. Prices less more in India compared to BMD CPO. However, RBD palmolein prices rose higher in CNF India compared Malaysia FOB indicating higher demand of RBD palmolein at CNF markets in India. However, imports of CPO from India were weaker compared to CPO



Demand is weak on high seas as CPO prices rose less in high seas compared to CNF markets. Rise in prices of RBD palmolein has lower than rise in CNF markets indicating weak demand. Benchmark BMD Malaysia surged last week while domestic palm oil prices were not as firm as international benchmark indicating weak demand. Imports are not rising as importers are looking for price correction.

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

Imports of RBD palmolein is expected to remain firm at CNF India, 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 47 (Rs 50) per 10 kg.

Negative refining margins will decrease imports of CPO in medium term while positive refining margins of RBD palmolein will support imports. However, refining margins have continuously decreased in past four weeks. Import in palm oil in October is expected to be higher than September due to reduction of import duty vs soy oil and positive refining margins.

Demand is weak in first ten days month of November from Malaysia as reported by SGS indicating weak demand at higher prices.

Soy oil premium over palm oil has decreased to USD 90 (USD 113 last week) per ton may decrease demand in medium term.

Forward at high seas are in discount while it is at flat at CNF markets indicating weak demand ahead. 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 weak in near term on weak 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.

- According to Agriwatch sources, India imported 1.51 lakh tons of CPO from Kanda port in October and 0.28 lakh tons of RBD palmolein.
- According to United States Department of Agriculture (USDA), India's 2016/17 palm oil imports are estimated to fall to 10 MMT, down 0.25 MMT from 10.25 MMT in its previous estimate. End stocks are estimated down to 0.381 MMT from 0.546 MMT in its previous estimate. Domestic consumption is estimated at 10.2 MMT from 10.4 MMT in its previous estimate. Imports of palm oil in 2015/16 are decreased to 8.735 MMT from 9.25 MMT. Domestic consumption is decreased to 9.2 MMT from 9.6 MMT. End stocks in 2015/16 are reduced to 0.381 MMT from 0.496 MMT in its previous estimate.
- On the trade front, CNF CPO (Indonesian origin) at Indian port quoted at USD 755 (USD 705) per ton for November delivery and USD 755 (USD 705) per ton for December 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 755 (USD 705) per ton for November delivery and USD 755 (USD 705) per ton for December delivery. Ready lift CPO duty paid prices quoted at Rs 538 (Rs 528) per 10 Kg and November delivery duty paid offered at Rs 535 (Rs 525) per 10 kg on November 11, 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 lose USD 5-10/ton v/s gain of USD 10-15/ton (last month) margin in processing the imported CPO and imports of ready to use palmolein fetch USD 5-10/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 – Lower rise in end stocks of palm oil in Malaysia in October on decrease in production and lower fall in exports will support prices in near term.

Markets are worried about production prospects in Malaysia in November which has helped BMD CPO to rise at highs of 2016. However, exports are still weak and demand will be weak from India and China as prices have surged which will weaken demand in medium term.

Exports of palm oil fell in first 10 days of November by from Malaysia by 13-16 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 weaken at higher prices. Stocking of palm oil ahead of Chinese New year will support prices in medium term. However, stocks will start from December.

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.

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

Production fell in Malaysia in November due to lagged effect of El Nino.

Production is expected to remain weak in Indonesia in October.

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.

Huge ringgit depreciation will support palm oil prices in near term.

Prices are in range.

- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's November 1-10 palm oil exports fell 13.8 percent to 347,760 tons compared to 403,650 tons in corresponding period last month. Top buyers were European Union at 95,000 tons (83,172 tons), China at 30,500 tons (74,780 tons), India at 8,300 tons (43,024 tons) and United States at 1,800 tons (6,050 tons). Values in brackets are figures of corresponding period last month.
- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's November 1-10 palm oil exports fell 15.7 percent to 355,065 tons compared to 421,044 tons in corresponding period last month. Top buyers were European Union at 92,750 tons (90,672 tons), China at 45,500 tons (57,650 tons) and India & subcontinent at 8,300 tons (87,074 tons). Values in brackets are figures of corresponding period last month.
- According to Malaysia Palm Oil Board (MPOB), Malaysia's October palm oil end stocks rose 1.79 percent to 15.74 lakh tons compared to 15.46 lakh tons in September. Palm oil end stocks are much below market expectations. Production fell 2.17 percent to 16.78 lakh tons compared to 17.15 lakh tons in September. Exports fell 1.39 percent in October to 14.31 lakh tons compared to 14.51 tons in September. Imports rose in October to 0.27 lakh tons compared to 0.018 lakh in September. Slow rise in end stocks are primarily due to lower production on lagged effect of El Nino and less fall in exports than estimated.
- According to Indonesia Palm Oil Association (GAPKI), Indonesia's September palm oil exports fell 16.4 percent to 1.73 MMT compared to 2.07 MMT exported in August. Palm oil stocks rose 28 percent in September to 2.17 MMT from 1.695 MMT in August. Palm stocks rose due to lower stocks and higher production.

Price Outlook: We expect CPO Kandla 5 percent (with VAT) to stay in the range of Rs 500-560 per 10 Kg in the near term.

Rapeseed oil Fundamental Review and Analysis:-**Domestic Front**

- Mustard oil prices featured uptrend at its benchmark market of Kota during the week in review on firm demand.
- Agriwatch view: Prices of rapeseed oil expeller rose across board in India except Jaipur. Prices of Kacchi ghani rose across board in India except Jaipur.

Rapeseed oil traded firm tone in various markets in India firm demand on winters. Stocking on winters supported prices in medium term. Demand is expected to increase from East and North India on winters and support prices.

Rise in prices of soy oil and palm oil supported prices.

Prices rose on seasonal uptrend of prices.

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 on winters.

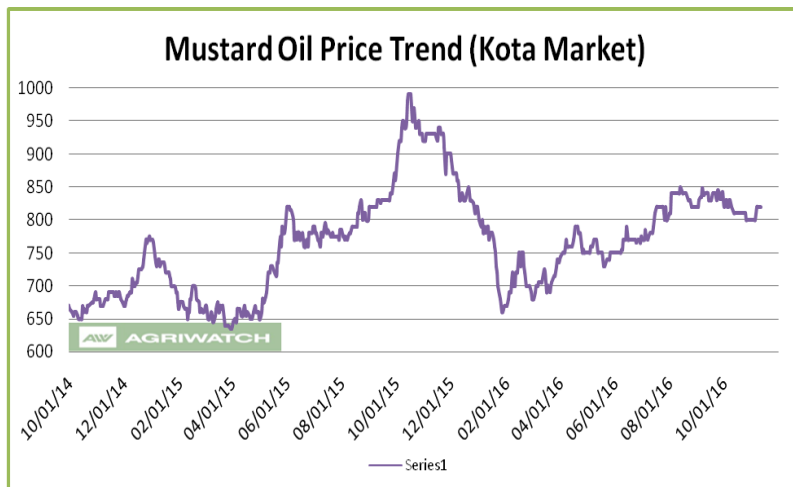
Low premium of canola oil compared to CDSO will increase imports in near term.

Lower demand and higher imports of CDSO has led to lower canola oil imports.

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
- India imported 38,000 tons of rapeseed(canola) oil from Kandla in November according to Agriwatch sources.
- CIF canola premium over soybean oil is USD 30 (USD 7 last week) per ton as on November 11, 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 827 (Rs 830) per 10 Kg, and at Kota market, it is offered at Rs 820 (Rs 800) per 10 kg as on November 11, 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.

Domestic Front

- ### Sunflower Oil Price Trend (Chennai Market)
-
- | Date | Price (Rs per 10 Kg) |
|----------|----------------------|
| 11/09/14 | 640 |
| 12/09/14 | 635 |
| 01/08/15 | 665 |
| 02/07/15 | 665 |
| 03/09/15 | 650 |
| 04/08/15 | 640 |
| 05/08/15 | 615 |
| 06/07/15 | 615 |
| 07/07/15 | 700 |
| 08/06/15 | 670 |
| 09/05/15 | 670 |
| 10/05/15 | 785 |
| 11/04/15 | 785 |
| 12/04/15 | 720 |
| 01/03/16 | 720 |
| 02/07/16 | 740 |
| 03/03/16 | 730 |
| 04/02/16 | 715 |
| 05/02/16 | 720 |
| 06/01/16 | 700 |
| 07/01/16 | 695 |
| 08/30/16 | 695 |
| 09/29/16 | 720 |
| 10/29/16 | 715 |
| 11/28/16 | 710 |

- 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 830 (USD 820) per ton for December delivery, JFM delivery is quoted at USD 830 (USD 820) 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 was at discount to soybean from last week and is hovering at USD -15 (USD 8 last week) per ton for December delivery.

- Currently, refined sunflower oil at Chennai market is offered at Rs 710 (Rs 715) per 10 Kg, and at Hyderabad market, it is offered at Rs 717 (Rs 717) per 10 kg as on November 11, 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 680-740 per 10 Kg.

Groundnut oil Fundamental Review and Analysis:- Domestic Front

- Groundnut oil prices featured uptrend in at its benchmark market in Rajkot in week in review on firm demand. Prices in Gondal, Jamnagar, Chennai and Mumbai rose while it fell in Hyderabad. Prices closed unchanged in Delhi at the end of week.
- Agriwatch view: Prices of groundnut oil featured uptrend last week on firm demand and rise in prices of groundnut.

Groundnut prices have collapsed and have fallen below MSP, which has led to state agencies like NAFED and Gujarat cooperative unions intervening in market to support prices. However, downward pressure will continue in groundnut oil.

Prices fell on seasonal downtrend of prices.

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

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.

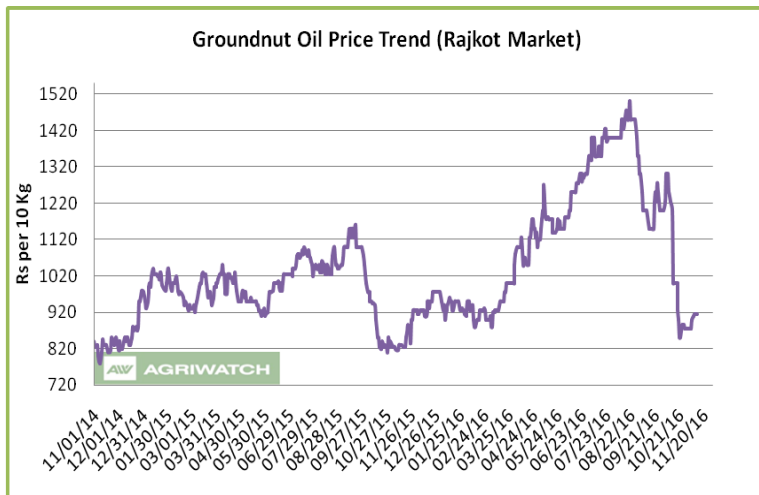
Stockists and traders have stopped stocking as they expected prices to fall from current levels.

Groundnut oil prices are expected to trade sideways to weak in near term on seasonal downtrend of prices, higher groundnut crop, firm supply and weak activity in cash markets due to central government decision to monetize 500 and 1000 notes.

- On the price front, currently the groundnut oil prices in Rajkot were last quoted prices were Rs 9,150 (Rs 8,750) per quintal and it was quoted at Rs 9,000 (Rs 8,600) per quintal in Chennai market on November 11, 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 800-980 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 rose while prices fell in Trissur at the end of the week.

- Agriwatch view: Coconut oil prices showed downtrend during the week, on weak demand.

Weak demand from North India ahead of winters has weakened demand.

Prices fell on seasonal downtrend of prices.

Harvest of coconut is has weakened on arrival on Northeast monsoon in Tamil Nadu and Kerala which has slowed harvesting supporting prices of copra. However, copra is available at very low prices.

Millers have taken advantage of low copra prices, which has created good stocks position with them pulling down prices.

Millers are not holding produce, as they are not certain of prices and are depending on ready markets.

Prices have rallied more than 25 percent, which has weakened demand, and buyers are waiting from price correction before buying.

Festive season is over and any fresh demand will only come when prices correct.

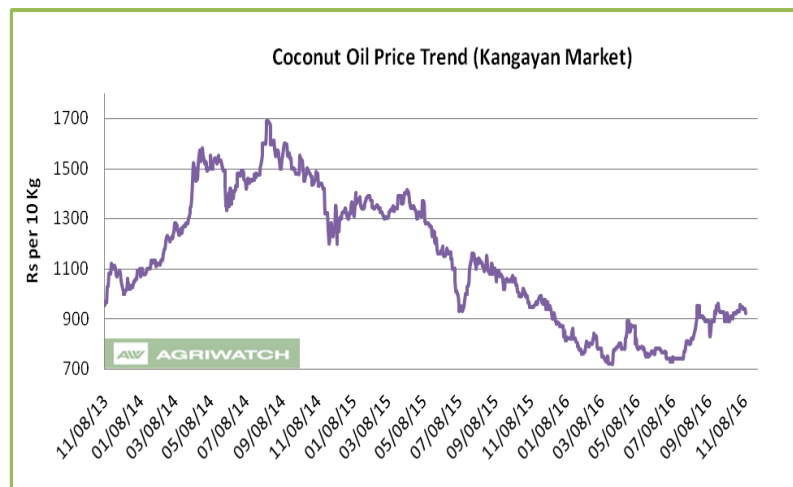
Prices of coconut oil rises before the onset of winter and current prices are attractive for fresh buying.

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

Traders and upcountry buyers are waiting for prices to correct.

Coconut oil prices are expected to fall on winters in North India, weak demand, seasonal downtrend of prices and weak competitive oils. Prices are expected to trade sideways to weak tone in near term.

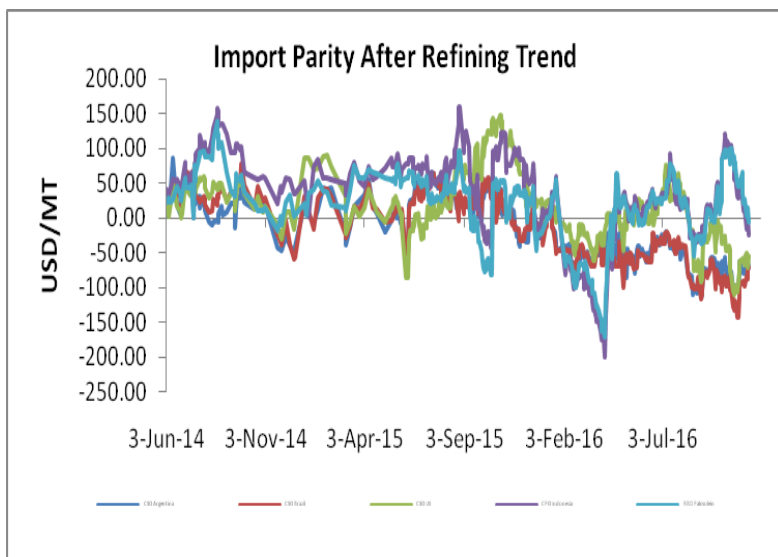
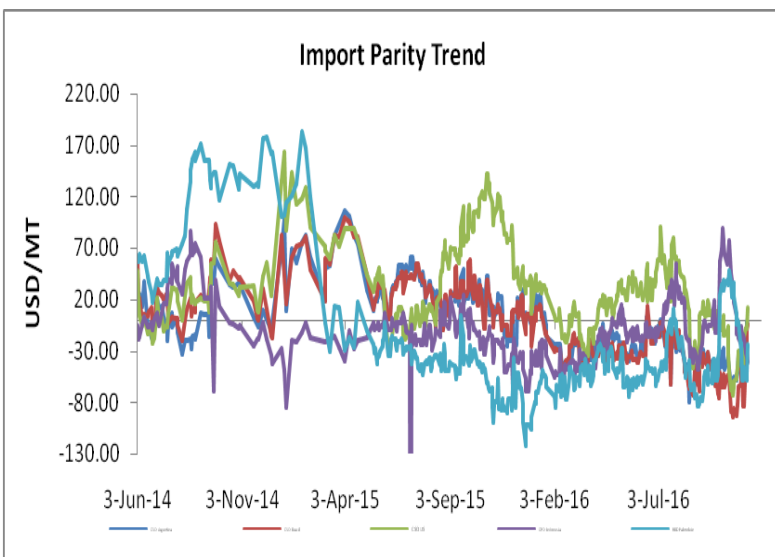
- On the price front, currently the coconut oil prices in Trissur is hovering near Rs 9,300 (9,450) per quintal, and was quoting Rs 9,200 (9,450) per quintal in Erode market on November 11, 2016.



Price Outlook: Coconut oil (withut VAT) prices in Erode may stay in the range of Rs 870-960 per 10 Kg.

Import Parity Trend

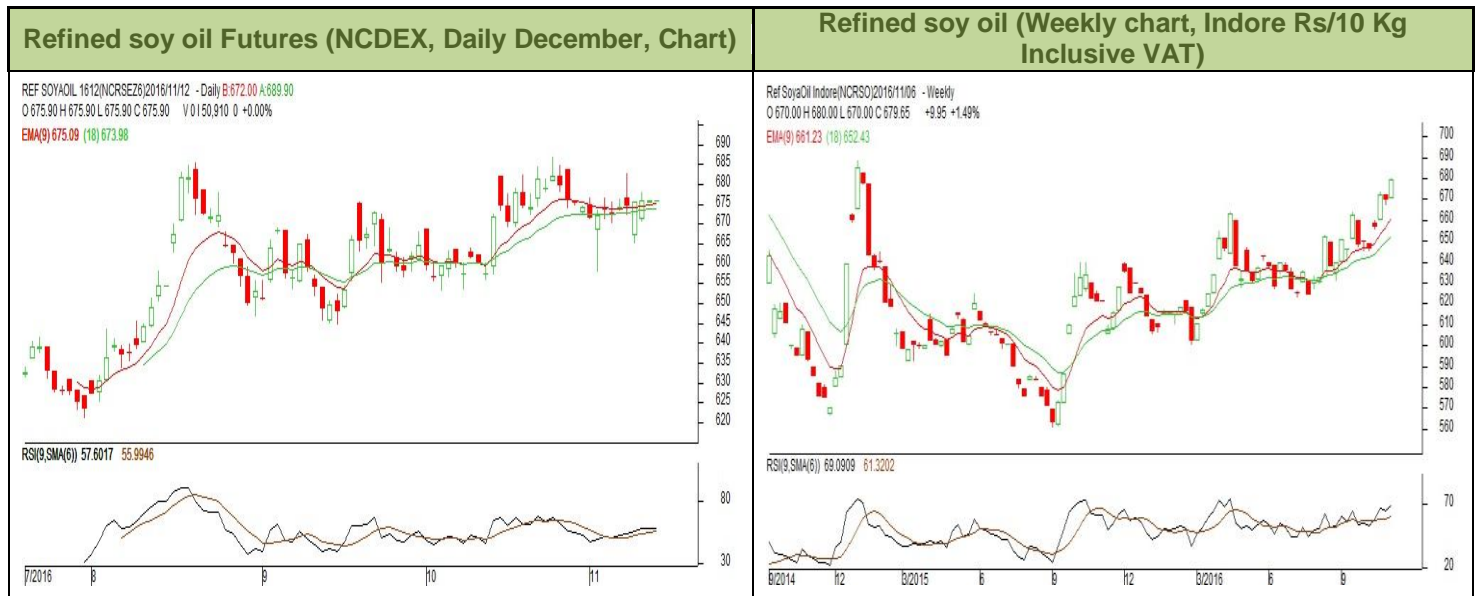
Import Parity After Refining in US dollar per ton (Monthly Average)



	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)


Outlook – Refined soybean oil witnessed uptrend 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 650 in weekly chart will change the sentiment and might take the prices below 630 levels.
- Expected price band for next week is 640-700 level in near to medium term. RSI, stochastic and MACD is suggesting downtrend in market.

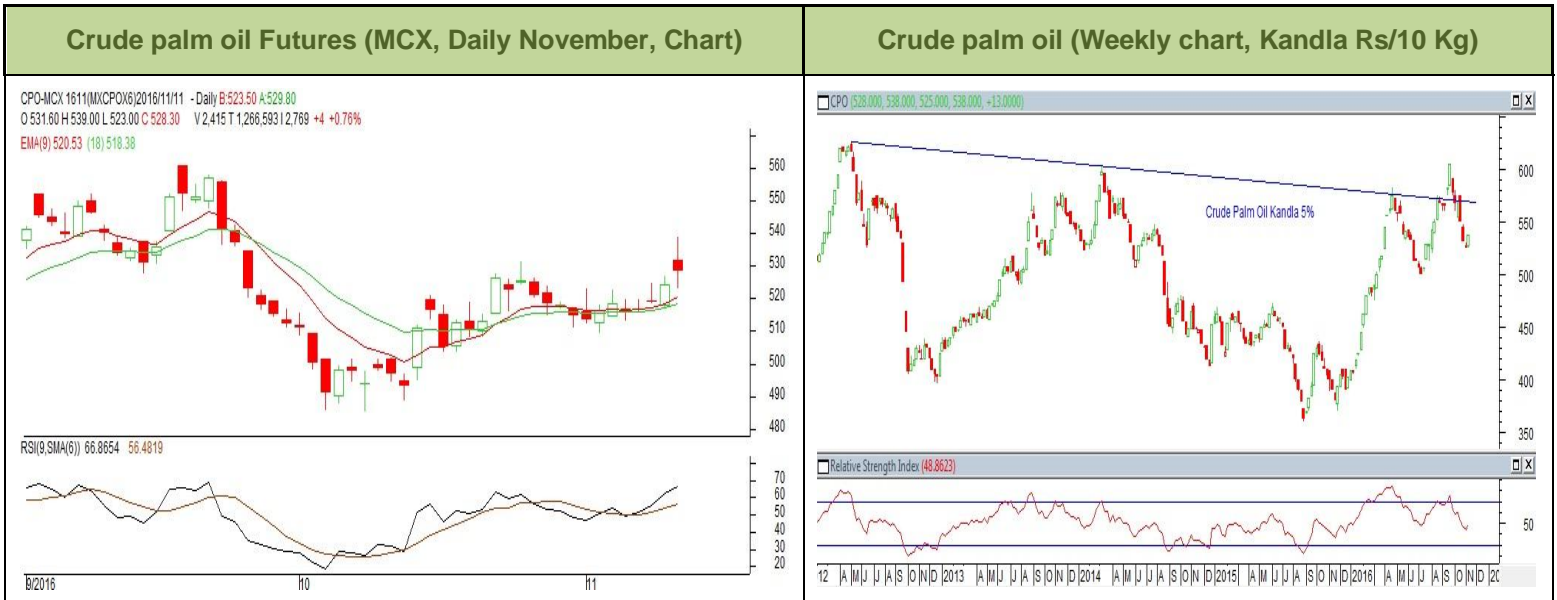
Strategy: Market participants are advised to go short below RSO above 680 levels for a target of 665 and 660 with a stop loss at 690 on closing basis.

RSO NCDEX (December)

Support and Resistance				
S2	S1	PCP	R1	R2
638.00	651.00	675.9	680.00	700.00

Spot Market outlook: Refined soy oil Indore (with VAT) is likely to stay in the range of Rs 640-700 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 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 490-560 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 535 for a target of 520 and 515 with a stop loss at 545 on closing basis.

CPO MCX (November)

Support and Resistance				
S2	S1	PCP	R1	R2
497.00	503.00	528.3	531.00	550.00

Spot Market outlook: Crude palm oil is likely to stay in the range of Rs 500-560 per 10 Kg.

Veg. Oil Prices at Key Spot Markets

Commodity	Centre	Prices(Per 10 Kg)		Change
		11-Nov-16	4-Nov-16	
Refined Soybean Oil	Indore	670	670	Unch
	Indore (Soy Solvent Crude)	638	640	-2
	Mumbai	675	670	5
	Mumbai (Soy Degum)	635	635	Unch
	Kandla/Mundra	685	670	15
	Kandla/Mundra (Soy Degum)	655	645	10
	Kolkata	690	680	10
	Delhi	712	710	2
	Nagpur	680	664	16
	Rajkot	675	665	10
	Kota	680	670	10
	Hyderabad	665	670	-5
	Akola	720	705	15
	Amrawati	719	704	15
	Bundi	685	675	10
	Jalna	727	710	17
	Alwar	NA	NA	-
	Solapur	726	713	13
	Dhule	725	710	15
Palm Oil	Kandla (Crude Palm Oil)	538	530	8
	Kandla (RBD Palm oil)	565	550	15
	Kandla RBD Pamolein	585	570	15
	Kakinada (Crude Palm Oil)	540	525	15
	Kakinada RBD Pamolein	592	570	22
	Haldia Pamolein	592	580	12
	Chennai RBD Pamolein	590	575	15
	KPT (krishna patnam) Pamolein	585	555	30
	Mumbai RBD Pamolein	592	565	27
	Delhi	625	620	5
	Rajkot	570	582	-12
	Hyderabad	603	584	19
	Mangalore RBD Pamolein	590	575	15
	PFAD (Kandla)	460	445	15
	Refined Palm Stearin (Kandla)	510	510	Unch
Refined Sunflower Oil	Chennai	710	715	-5
	Mumbai	745	730	15

	Mumbai(Expeller Oil)	670	660	10
	Kandla	740	745	-5
	Kandla/Mundra (Crude)	NA	NA	-
	Hyderabad (Ref)	717	717	Unch
	Latur (Expeller Oil)	740	740	Unch
	Chellakere (Expeller Oil)	660	665	-5
	Erode (Expeller Oil)	740	740	Unch
Groundnut Oil	Rajkot	915	875	40
	Chennai	900	860	40
	Delhi	900	900	Unch
	Hyderabad *	900	920	-20
	Mumbai	1000	925	75
	Gondal	925	875	50
	Jamnagar	925	875	50
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	827	830	-3
	Jaipur (Kacchi Ghani Oil)	870	871	-1
	Kota (Expeller Oil)	820	800	20
	Kota (Kacchi Ghani Oil)	880	862	18
	Neewai (Kacchi Ghani Oil)	835	825	10
	Neewai (Expeller Oil)	860	845	15
	Bharatpur (Kacchi Ghani Oil)	NA	890	-
	Alwar (Kacchi Ghani Oil)	NA	NA	-
	Alwar (Expeller Oil)	NA	NA	-
	Sri-Ganga Nagar(Exp Oil)	835	820	15
	Sri-Ganga Nagar (Kacchi Ghani Oil)	880	860	20
	Mumbai (Expeller Oil)	830	820	10
	Kolkata(Expeller Oil)	1030	1040	-10
	New Delhi (Expeller Oil)	860	831	29
	Hapur (Expeller Oil)	900	880	20
	Hapur (Kacchi Ghani Oil)	960	930	30
	Agra (Kacchi Ghani Oil)	NA	895	-
Refined Cottonseed Oil	Rajkot	660	630	30
	Hyderabad	650	645	5
	Mumbai	665	665	Unch
	New Delhi	655	640	15
Coconut Oil	Kangayan (Crude)	920	945	-25
	Cochin	800	790	10
	Trissur	930	945	-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	610	610	Unch
Rice Bran Oil (4%)	Uttar Pradesh	610	610	Unch
Malaysia Palmolein USD/MT	FOB	735	700	35
	CNF India	755	715	40
Indonesia CPO USD/MT	FOB	735	695	40
	CNF India	755	715	40
RBD Palm oil (Malaysia Origin USD/MT)	FOB	725	695	30
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	745	713	32
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1750	1620	130
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	675	640	35
Crude palm Kernel Oil India (USD/MT)	CNF India	1510	1495	15
Ukraine Origin CSFO USD/MT Kandla	CIF	825	820	5
Rapeseed Oil Rotterdam Euro/MT	FOB	NA	NA	-
Argentina FOB (\$/MT)		10-Nov-16	3-Nov-16	Change
Crude Soybean Oil Ship		790	788	2
Refined Soy Oil (Bulk) Ship		818	816	2
Sunflower Oil Ship		Unq	765	-
Cottonseed Oil Ship		770	768	2
Refined Linseed Oil (Bulk) Ship		810	808	2
* indicates including VAT				

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