

Veg. Oil Weekly Research Report

Contents

- ❖ Executive Summary
- ❖ Recommendations
- ❖ AW Edible Oils Index
- ❖ International Veg. Oil Market Summary
- ❖ Domestic Market Fundamentals
- ❖ Technical Analysis (Spot Market)
- ❖ Technical Analysis (Futures Market)
- ❖ Veg. Oil Prices at Key Spot Markets

Executive Summary

Domestic Veg. Oil Market Summary

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

On the currency front, Indian rupee against USD closed at 68.14, up 190 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 depreciate and crude oil prices will fall.

We expect edible oil complex to trade mixed tone on oil specific fundamentals. Low stocks at ports and pipelines will support prices in near term.

Recommendation:

Weekly Call - : Market participants are advised to go long above 675 levels for a target of 695 and 700 with a stop loss at 65 on closing basis. We expect refined soy oil at Indore (with VAT) to stay in the range of Rs 650-720 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.

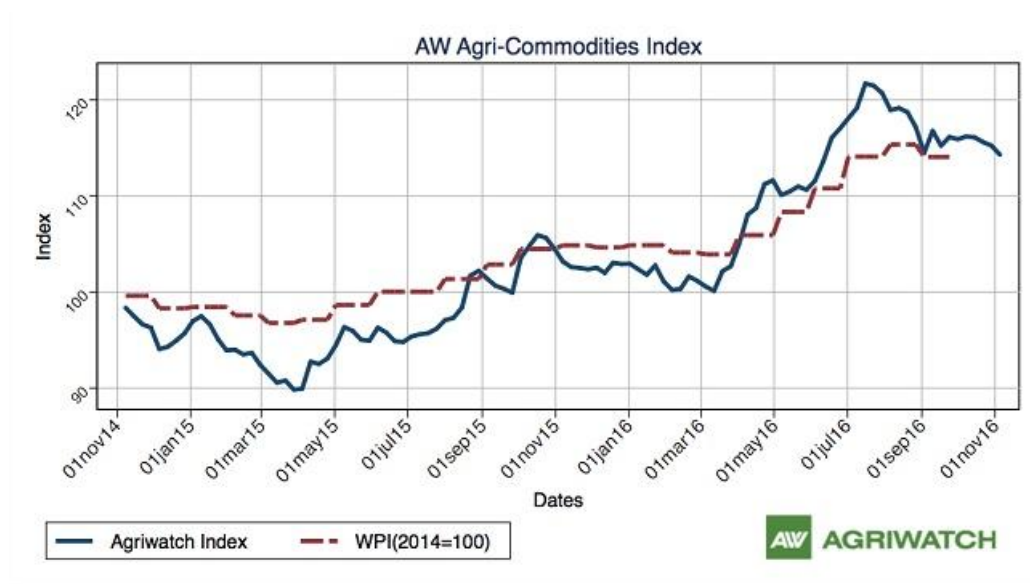
International Veg. Oil Market Summary

Malaysia's November 1-15 palm oil exports fell 18.9 percent to 513,745 tons compared to 633,252 tons in corresponding period last month. Top buyers were European Union at 118,500 tons (152,883 tons), China at 79,250 tons (93,580 tons), India at 18,800 tons (126,024 tons) and United States at 8,500 tons (16,160 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, appreciation of dollar and weak crude oil price bearish for the soy complex in the coming days.

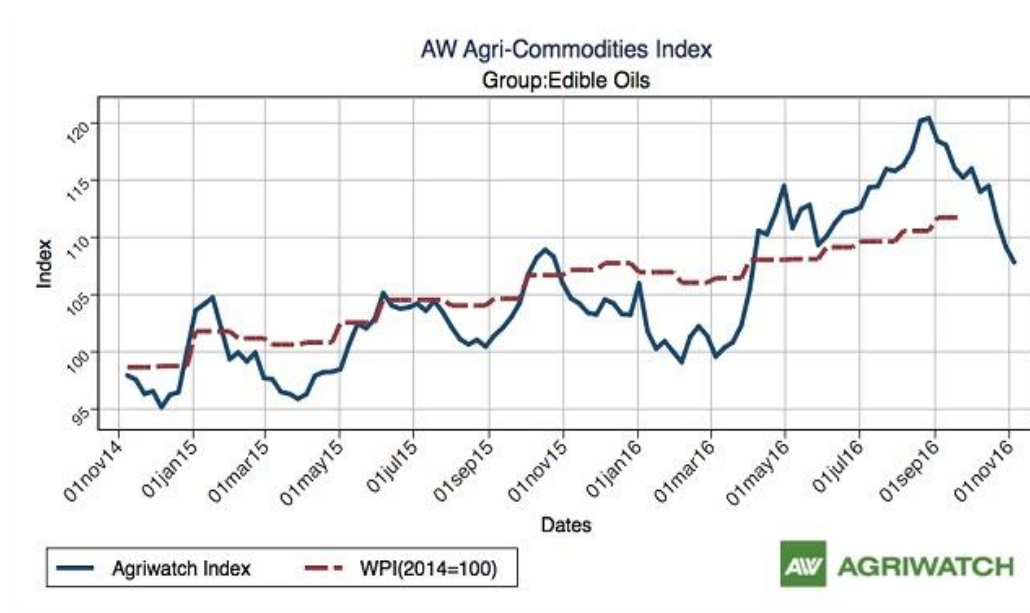
Lower exports of palm oil in Malaysia, weak demand from India and China and higher production of palm oil in Indonesia underpin CPO prices in near term.

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

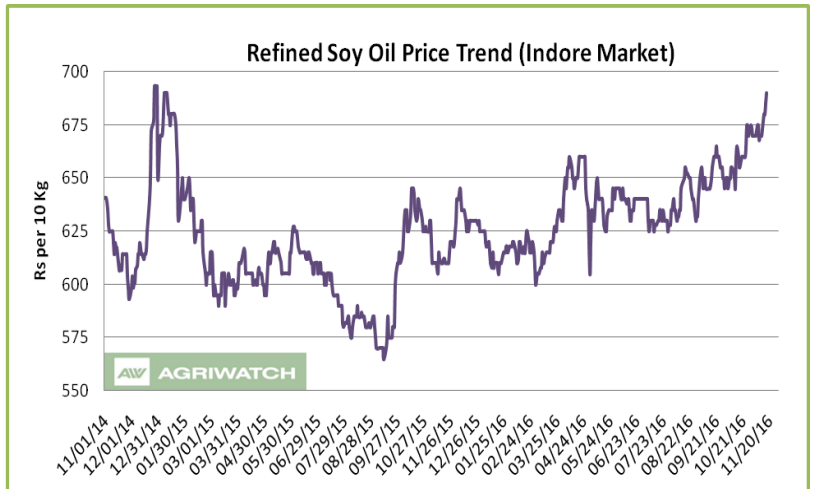


- Agriwatch edible oil index fell 1.26 percent in the week ended November 5, 2016 to 107.81.

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



Imports of soy oil decreased in October compared to September and October 2015 indicating weak supply.

Soy oil CNF fell less than CBOT soy oil to firming of basis indicating improving demand at CNF markets. Basis is expected to weaken in coming weeks as crushing improves in US in December. However, despite record soybean crop in US, basis is not weakening. Importers are advised to wait for weakening of basis to purchase.

Lower crushing of soybean in India due to low export demand of soy meal from India has led to weak supply of soy oil in domestic market. However, demand is firm ahead of winters.

Soy oil prices at CNF fell, while it rose in most places in domestic market 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 increased at high seas and refining margins are in disparity. However, with low soy oil premium over palm oil, demand is expected to improve in coming months.

Soy oil premium of soy oil over palm oil has increased to Rs 155 (Rs 132 last week) per 10 Kg indicating firm demand. Weak refining margins may slow imports. In USD terms, premium of soy oil over palm oil is low and was quoted at USD 98 (USD 90 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 2.78 lakh tons of soy oil in October 2016 v/s 4.05 lakh tons in October 2015, down 31 percent y-o-y. In the oil year 2015-16 (November 2015-October 2016) imports of soy oil is reported at 42.34 lakh tons v/s 29.85 lakh tons in corresponding period last oil year, higher by 41.8 percent y-o-y.
- According to Solvent Extractors Association (SEA), India's October edible oil imports fell 29.8 percent y-o-y to 11.58 lakh tons from 16.50 lakh tons in October 2015. Palm oil imports fell 33.8 percent y-o-y to 7.39 lakh tons y-o-y from 11.16 lakh tons in October 2015. CPO Imports fell 41.5 percent y-o-y to 5.14 lakh tons from 8.78 lakh tons in October 2015. RBD palmolein imports fell marginally y-o-y to 2.22 lakh tons from 2.28 lakh tons in October 2015. Soy oil imports rose 31.4 percent y-o-y to 2.78 lakh tons from 4.05 lakh tons in October 2015.

Sunflower oil imports fell by 15 percent y-o-y to 0.99 lakh tons from 1.13 lakh ton in October 2015. Rapeseed (Canola) oil imports rose 173 percent y-o-y to 0.44 lakh tons from 0.16 lakh tons in October 2015.

- According to Solvent Extractors Association (SEA), India's October edible oil stocks at ports and pipelines fell 7.4 m-o-m at 19.35 lakh tons from 20.9 lakh tons in September 2016. Stocks of edible oil at ports fell to 705,000 tons (CPO 210,000 tons, RBD Palmolein 95,000 tons, Degummed Soybean Oil 325,000 tons, Crude Sunflower Oil 55,000 tons and 20,000 tons of Rapeseed (Canola) Oil) and about 1,230,000 tons in pipelines (stocks in pipelines were at 1,300,000 tons in September). India is presently holding 35 days of edible oil requirement on 1st November, 2016 at 19.35 lakh tons compared to 38 days of requirements last month. India's monthly edible oil requirement is 16.5 lakh tons.
- Imported crude soy oil CIF at West coast port is offered at USD 818 (USD 845) per ton for November delivery. December delivery is offered at USD 818 (USD 845) per ton and January delivery is offered at USD 815 (USD 842) per ton as on November 18, 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 55-60/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 is almost complete in US and is above 5-year average. USDA estimated record soybean crop in US in November estimate on higher yields which was all time record. USDA raised estimate of soybean 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, Chinese New Year and 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.

Planting of soybean in Brazil is progressing at faster pace compared to corresponding period last year. It is almost complete in top producing state of Mato Grosso.

Rains in last couple of weeks supported sowing as farmers took advantage of moisture to increase planting. However, soybean yields may be affected, as crops will be harvested when it is wettest months of grains.

USDA kept soybean crop estimate unchanged at 102 MMT in 2016/17 due to higher area of soybean. Soybean crop in Brazil will be record in history. Brazil government has also kept soybean crop estimate above 100 MMT.

Crushing of soybean is progressing at record pace as reported by NOPA on higher processing margin which led to higher production of soy oil. If crushing progress at current pace, it will increase stocks of soy oil in US and underpin prices.

Crushing is running at full swing as demand of soy meal from feed mills has improved and soy meal prices have corrected to improve demand.

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.

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. 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.

However, supply of soy oil from South America and US has increased leading to lower price soy oil.

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 National Oilseed Processors Association (NOPA), U.S. October soybean crush fell to 164.641 million bushels from 129.405 million bushels in September, up by 27 percent m-o-m. Crush of soybean in October 2015 was 158.895 million bushels. Production of soy oil in U.S. in October rose to 1.911 billion lbs from 1.521 billion lbs in September 2016. Production in October 2015 was 1.844 billion lbs. Soy oil stocks in U.S. at the end of October fell by 2.4 percent to 1.343 billion lbs compared to 1.376 billion lbs in September 2016. Stocks of soy oil in October were lower by 4.6 percent compared to October 2015, which was reported at 1.408 million lbs. Yield fell to 11.61 lbs/bushel in October from 11.76 lbs/bushel in September. Yield in October 2015 was reported at 11.60 lbs/bushel.
- Planting of soybean in Brazil has reached 73 percent compared to 70 percent in corresponding period last year. In Mato Grosso planting reached 95 percent compared to 89 percent in corresponding period last year: AgRural
- According to USDA crop report dated 13 November, U.S soybean is 97 percent harvested compared to 97 percent in corresponding period last year and 95 percent 5-year average.
- 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 remained 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 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 650-720 per 10 Kg in the near term.

Domestic Front

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- Crude Palm Oil Price Trend (Kandla Market)**
- | Date | Price (Rs per 10 kg) |
|----------|----------------------|
| 11/14/14 | 445 |
| 12/14/14 | 415 |
| 01/13/15 | 465 |
| 02/12/15 | 425 |
| 03/14/15 | 465 |
| 04/13/15 | 445 |
| 05/13/15 | 435 |
| 06/12/15 | 465 |
| 07/12/15 | 455 |
| 08/11/15 | 425 |
| 09/10/15 | 365 |
| 10/10/15 | 435 |
| 11/09/15 | 395 |
| 12/09/15 | 375 |
| 01/08/16 | 405 |
| 02/07/16 | 485 |
| 03/08/16 | 505 |
| 04/07/16 | 575 |
| 05/07/16 | 585 |
| 06/06/16 | 545 |
| 07/06/16 | 525 |
| 08/05/16 | 505 |
| 09/04/16 | 575 |
| 10/04/16 | 605 |
| 11/03/16 | 525 |

sideways to firm at different centers in India despite fall in CNF India and Rupee depreciation indicating firm demand in domestic market.

Demonetization will affect demand in December, as shipments booked for November will arrive as per schedule. However, shipments for December and January are postponed as situation is not clear on ground due to demonetization.

Further, demonetization of higher currency notes will hit demand in India at high seas going ahead.

High seas prices of RBD palmolein at various centers in India is behaving differently due to demonetization.

Imports from Indonesia and Malaysia are expected to be weak going ahead due to demonetization.

Demand of CPO is firm at high seas as CPO prices fell less at high seas compared to CPO CNF. Prices of RBD palmolein is sideways to firm at high seas despite fall at CNF markets and Rupee depreciation indicating firm demand.

Imports are not rising as importers are looking for price correction.

Imports of RBD palmolein is expected to remain firm compared to CPO as CNF RBD palmolein is trading at discount to CPO CNF.

Finished palm oil is available at cost of raw material, which will weaken demand of CPO in medium term.

Demand of RBD palmolein on high seas is lower than CPO as premium RBD palmolein over CPO is Rs 45 (Rs 47) per 10 kg.

Negative refining margins will decrease imports of CPO and RBD palmolein in medium term. Refining margins have continuously decreased in past four weeks. Import in palm oil in October is lower than September 2016 despite reduction of import duty indicating weak demand.

Low CDSO CNF premium over CPO CNF will decrease imports of palm oil in medium term.

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.

There is uncertainty of demand in India in near term due to demonetization, which will underpin prices in near term. Prices are expected to be sideways to weak in near term on weak demand.

- Palm oil import scenario – According to SEA, India imported 7.39 lakh tons of palm oil in October 2016 v/s 11.16 lakh tons in October 2015, down 33.8 percent y-o-y. CPO imports slowed to 5.14 lakh tons in October

compared to 8.78 lakh tons in October 2015, lower by 41.5 percent y-o-y. RBD palmolein imports rose to 2.21 lakh tons from 2.29 lakh tons in October 2015, down by 3.5 percent y-o-y. In the oil year 2015-16 (November 2015-October 2016) imports of palm oil is reported at 84.42 lakh tons v/s 95.3 lakh tons in corresponding period last oil year, lower by 20 percent y-o-y. RBD palmolein reported sharp rise at 26.265 lakh tons (November 2015-October 2016) v/s 16.59 lakh tons in corresponding period of oil year 2014-15, rise of 58.3 percent y-o-y. Crude palm oil imports in the period (November 2015-October 2016) fell to 57.59 lakh tons from 77.24 lakh tons in the corresponding period last oil year, fall of 25.4 percent y-o-y.

- On the trade front, CNF CPO (Indonesian origin) at Indian port quoted at USD 720 (USD 755) per ton for November delivery and USD 720 (USD 755) 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 717.5 (USD 755) per ton for November delivery and USD 717.5 (USD 755) per ton for December delivery. Ready lift CPO duty paid prices quoted at Rs 535 (Rs 538) per 10 Kg and November delivery duty paid offered at Rs 535 (Rs 535) per 10 kg on November 18, 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 30-35/ton v/s gain of USD 10-15/ton (last month) margin in processing the imported CPO and imports of ready to use palmolein lose USD 10-15/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 – Palm oil exports are reported lower by 17-19 percent from Malaysia in first 15 days of November indicate weak demand of palm oil from top importing destinations.

Demand from India and China is weak and is expected to remain weak due to higher prices of palm oil.

China has not yet started stocking of palm oil for Chinese New Year.

Demand from India is expected to remain weak due to demonetization of higher denominated notes.

There is uncertainty in demand of palm oil and the prices offered are still high.

Forward prices are of CPO and RBD palmolein is quoted at discount indicating weak demand ahead. However, demand will improve if prices correct substantially.

Prices are expected to remain weak as production of palm oil in Indonesia is expected to be higher in November.

However, there is uncertainty in production of palm oil in Malaysia due to lagged effect of El Nino.

Prices surged on 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 were worried about production prospects in Malaysia in November which has helped BMD CPO to rise at highs of 2016.

However, weak exports to India and China as will underpin prices in near term.

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, as per CNGOIC.

However, prices on BMD Malaysia are high and major correction will only improve demand from India as India is price 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.

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

Recent depreciation of Ringgit will support prices in medium term.

Appreciation of dollar and outflow of money from emerging markets like Malaysia, Indonesia and India will underpin prices in near term.

Prices are in range.

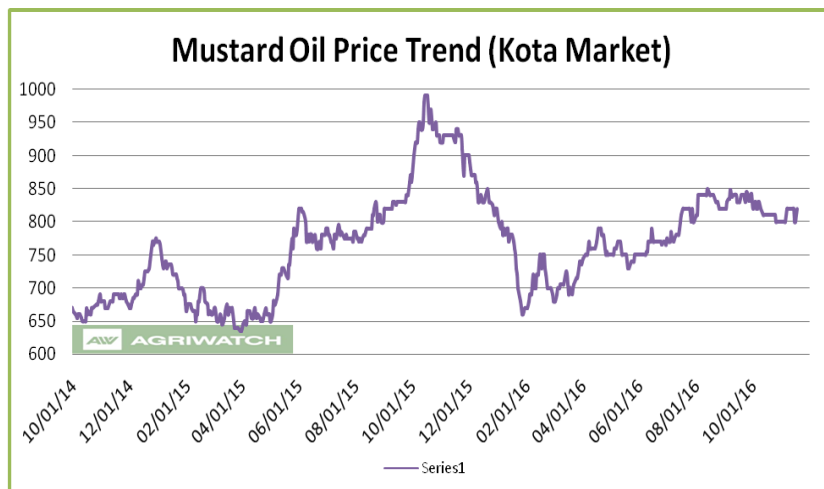
- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's November 1-15 palm oil exports fell 18.9 percent to 513,745 tons compared to 633,252 tons in corresponding period last month. Top buyers were European Union at 118,500 tons (152,883 tons), China at 79,250 tons (93,580 tons), India at 18,800 tons (126,024 tons) and United States at 8,500 tons (16,160 tons). Values in brackets are figures of corresponding period last month.
- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's November 1-15 palm oil exports fell 17 percent to 520,870 tons compared to 627,864 tons in corresponding period last month. Top buyers were European Union at 116,800 tons (145,597 tons), China at 70,570 tons (76,450 tons) and India & subcontinent at 30,800 tons (169,274 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.

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 sideways to weak trend during the week in review on weak demand.
- Agriwatch view: Prices of rapeseed oil expeller was unchanged in Kota while it rose in Jaipur. Prices closed lower in Neewai, Ganganagar, Gujarat, Kolkata and New Delhi. Prices of Kacchi ghani fell in Kota, Jaipur, Neewai Ganganagar and Gujarat. Prices rose in Bharatpur and Agra.



Rapeseed oil traded weak tone in various markets in India due to weak demand on higher than expected temperatures in North and East India. Demand weakened on demonetization of higher denominated currency. Stocking due to demonetization has weakened. Demand is not expected to improve from East and North India on demonetization and high temperatures.

Traders and stockists have lowered stocking on demonetization and higher temperatures.

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

Prices will fall on weak demand due to demonetization and higher than expected temperatures.

Markets are expected to trade sideways to weak tone in coming days on demonetization and warm winters.

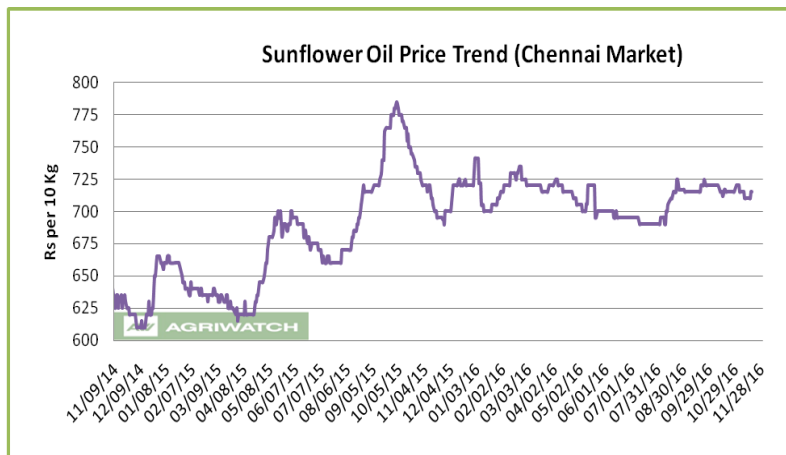
- India imported 0.44 lakh tons of rapeseed (Canola) oil in October 2016 v/s 0.16 lakh tons in October 2015, higher by 175 percent y-o-y. For oil year 2015-2016 (November 2015 – October 2016) India imported 3.77 lakh tons rapeseed (canola) oil v/s 3.56 lakh tons in corresponding period in the oil year 2014-15, higher by 6.2 percent: SEA
- CIF canola premium over soybean oil is USD 25 (USD 30 last week) per ton as on November 18, 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 832 (Rs 827) per 10 Kg, and at Kota market, it is offered at Rs 820 (Rs 820) per 10 kg as on November 18, 2016. Values in brackets are figures of last week.
- We expect RM seed oil prices to trade sideways to weak 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 uptrend during the week at its benchmark market in Chennai on firm demand. Prices closed lower in Hyderabad and Kakinada at the end of week.
- Agriwatch view: Prices of sunflower oil traded firm in Chennai on firm demand. However, demand was weak in Andhra Pradesh. Demand is weak at high seas. Demand was firm as international prices weakened compared to last week while domestic prices rose.



Prices rose in domestic market as prices of soy oil surged supporting sunflower oil prices.

Discount of CSFO over CDSO at CNF markets has increased demand in domestic market and support prices.

Supply was weak in market as imports were lower by 14 percent in October and stocks at ports and pipelines decreased. Stocks of crude sunflower oil decreased at ports and pipelines supporting prices.

Refiners are aggressively purchasing crude sunflower oil from international markets as CIF sunflower oil is trading at discount over CIF soybean oil. Currently sunflower oil premium over soy oil is at USD -10.5 (USD -15 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 rise on firm demand, weak supply due to demonetization of higher currency notes and low premium of sunflower oil over soy oil in domestic market.

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

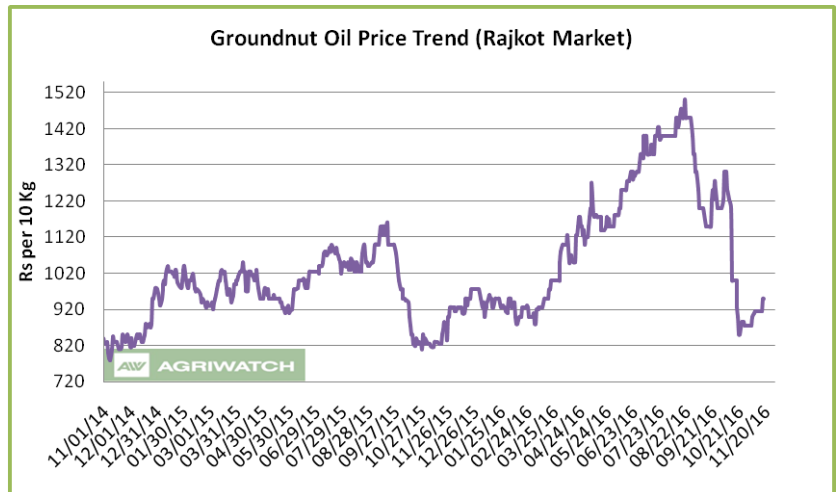
- Sunflower oil import scenario – According to SEA, India imported 0.97 lakh tons of crude sunflower oil during October 2016 v/s 1.13 lakh tons in October 2015, lower by 14.2 percent y-o-y. Imports during oil year 2015-16 (November 2015 –October 2016) were reported at 15.16 lakh tons v/s 15.43 lakh tons 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 807.5 (USD 830) per ton for December delivery, JFM delivery is quoted at USD 807.5 (USD 830) 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 premium to CDSO from last week and is hovering at USD -10.5 (USD -15 last week) per ton for December delivery.
- Currently, refined sunflower oil at Chennai market is offered at Rs 715 (Rs 710) per 10 Kg, and at Hyderabad market, it is offered at Rs 713 (Rs 717) per 10 kg as on November 18, 2016. Values in brackets are figures of last week.
- We expect sunflower oil prices to trade sideways to firm tone in the coming days.



Price Outlook: Sunflower oil (with VAT) prices in Chennai may stay in the range of Rs 680-740 per 10 Kg.

Groundnut oil Fundamental Review and Analysis:-`
Domestic Front

- Groundnut oil prices featured sideways to uptrend in at its benchmark market in Rajkot in week in review on weak supply. Prices in Jamnagar closed higher while prices were unchanged in Chennai, Hyderabad and New Delhi. Prices closed higher in Mumbai at the end of week.
- Agriwatch view: Prices of groundnut oil featured sideways to uptrend last week on weak supply.



There is uncertainty in market due to demonetization of higher denominated currency notes which has affected prices. Millers are not getting raw material due to cash crunch and low supply of groundnut as most of the mandis were closed in Gujarat.

Demand of groundnut oil is regular while supply is weak to meet demand.

Groundnut prices have collapsed since harvest started and have fallen below MSP, which has led to state agencies like NAFED and Gujarat cooperative unions intervening in market to support prices.

There is uncertainty in market due to demonetization.

Millers are unable to pay to traders of groundnut due to cash crunch. Groundnut oil markets are mostly dependent on cash transactions and millers are not able to get raw material and sell finished oil in market supporting prices.

If cash crunch does not improve prices may go upside.

Stockists and traders are unable to stocks due to cash crunch supporting prices.

Trade will take time to normalize, since then prices will move north.

Groundnut oil prices are expected to trade sideways to firm in near term on demonetization of higher denominated currency in markets.

- On the price front, currently the groundnut oil prices in Rajkot is quoted at Rs 9,500 (Rs 9,150 last reported on 11 October) per quintal and it was quoted at Rs 9,000 (Rs 9,000) per quintal in Chennai market on November 18, 2016. Values in brackets are values of last week
- Groundnut oil prices are likely to trade sideways to firm in the coming days.

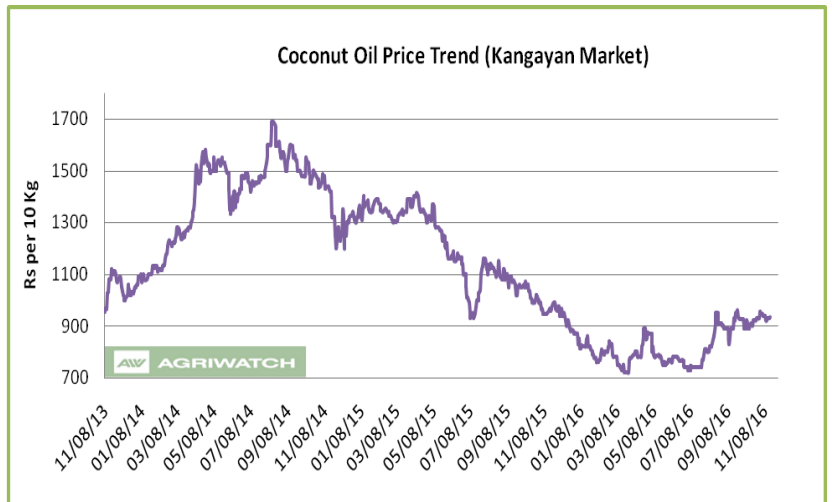
Price Outlook

Groundnut oil (without VAT) in Rajkot market is likely to trade in the price band of Rs 900-1,050 per 10 Kg.

**Coconut Oil Fundamental Review and Analysis:-
Domestic Front**

- Coconut oil prices featured uptrend during the week at its benchmark market in Kangayam on weak supply. In Kochi prices remained unchanged while prices closed higher in Trissur at the end of the week.
- Agriwatch view: Coconut oil prices showed uptrend during the week, on weak supply.

Millers are unable to get enough copra as raw material, as arrivals had weakened on demonetization of higher value notes.



Copra prices have surged due to lower supply as traders are facing liquidity crunch to pay to copra farmers. Therefore, lack of raw material and higher prices of copra has led to higher prices of coconut oil in the market. Millers are finding it difficult to supply to the market due to liquidity crunch and heavy dependence of cash transactions. Therefore, traders and upcountry buyers are not able to purchase coconut oil from millers due to liquidity crunch, supporting prices.

Lower supply of coconut oil in the market has led to higher prices.

Harvest of coconut is adversely affected due to cash crunch with copra traders.

Corporate demand accounts for 80 percent of demand are moderate. However, lower supply of coconut oil has affected prices.

Regular supply of coconut oil will take time to improve. If the situation continues, further firming of prices could be seen.

Coconut oil prices are expected to be firm due to low supply of raw material and regular demand of coconut oil.

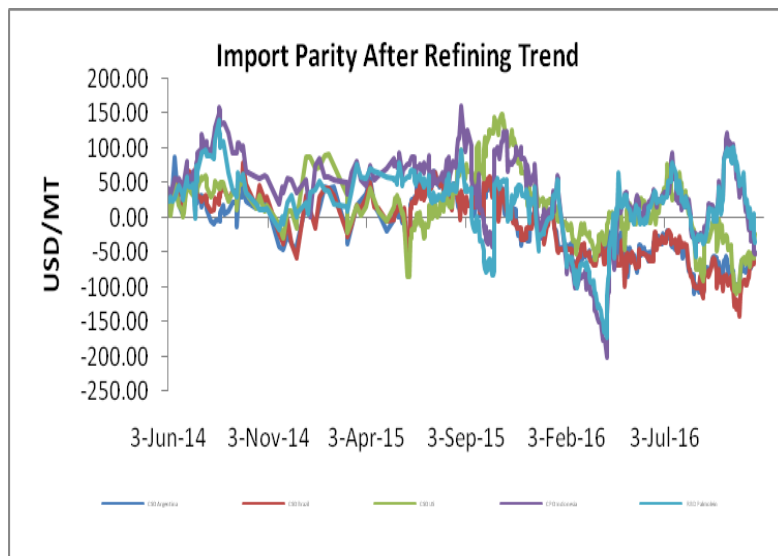
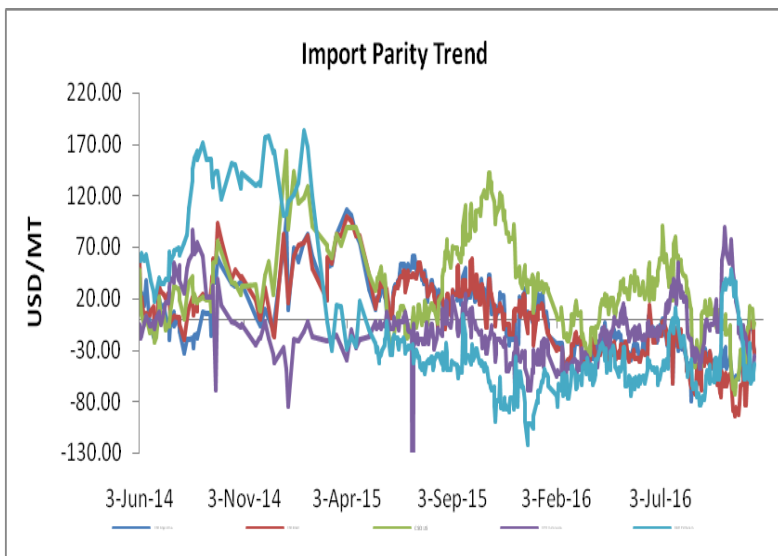
Prices are expected to trade sideways to firm tone in near term.

- On the price front, currently the coconut oil prices in Trissur is hovering near Rs 10,000 (9,300) per quintal, and was quoting Rs 9,350 (9,200) per quintal in Erode market on November 18, 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)

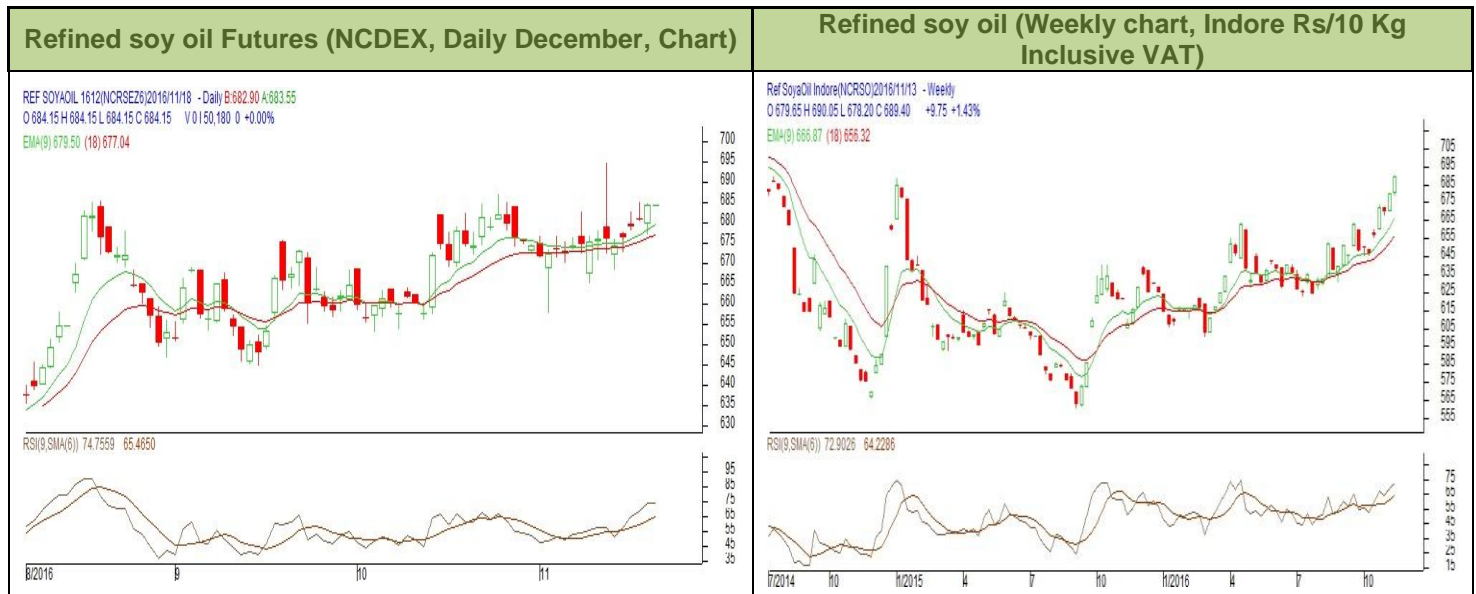


| | CSO Argentina | CSO Brazil | CSO US | CPO Indonesia | RBD Palmolein |
|------------------|---------------|------------|--------|---------------|---------------|
| Sep, 2016 | -72.51 | -81.47 | -25.09 | 12.65 | 4.22 |
| Oct, 2016 | -81.35 | -106.68 | -67.93 | 78.49 | 78.96 |

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 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 660-720 level in near to medium term. RSI, stochastic and MACD is suggesting uptrend in market.

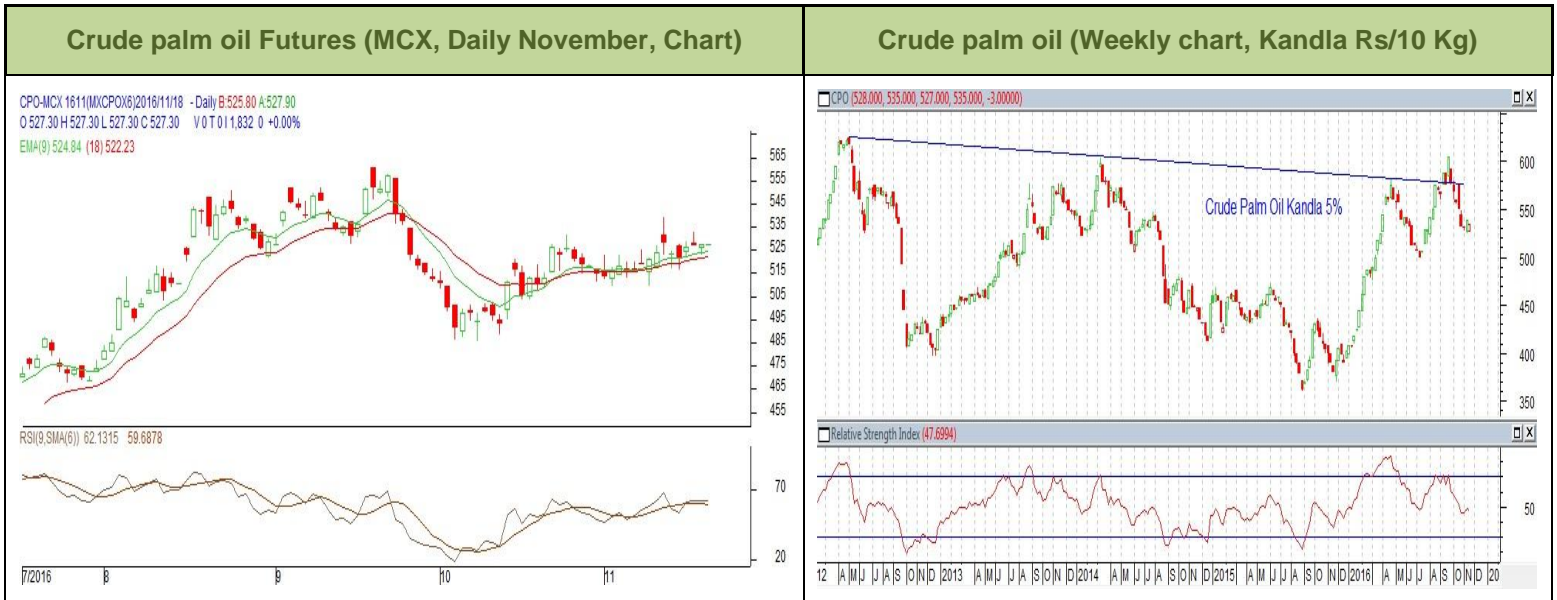
Strategy: Market participants are advised to go long above 675 levels for a target of 695 and 700 with a stop loss at 65 on closing basis.

RSO NCDEX (December)

| Support and Resistance | | | | |
|------------------------|--------|--------|--------|--------|
| S2 | S1 | PCP | R1 | R2 |
| 638.00 | 651.00 | 684.15 | 700.00 | 715.00 |

Spot Market outlook: Refined soy oil Indore (with VAT) is likely to stay in the range of Rs 650-720 per 10 Kg.

Technical Analysis (Crude Palm oil)



Outlook - Prices show downtrend in prices during the week. We expect that CPO November 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 | 527.3 | 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 |
|-----------------------|-------------------------------|-------------------|-----------|--------|
| | | 18-Nov-16 | 11-Nov-16 | |
| Refined Soybean Oil | Indore | 690 | 670 | 20 |
| | Indore (Soy Solvent Crude) | 658 | 638 | 20 |
| | Mumbai | 675 | 675 | Unch |
| | Mumbai (Soy Degum) | 635 | 635 | Unch |
| | Kandla/Mundra | 680 | 685 | -5 |
| | Kandla/Mundra (Soy Degum) | 645 | 655 | -10 |
| | Kolkata | 685 | 690 | -5 |
| | Delhi | 710 | 712 | -2 |
| | Nagpur | 679 | 680 | -1 |
| | Rajkot | 675 | 675 | Unch |
| | Kota | 695 | 680 | 15 |
| | Hyderabad | 670 | 665 | 5 |
| | Akola | 718 | 720 | -2 |
| | Amrawati | 718 | 719 | -1 |
| | Bundi | 690 | 685 | 5 |
| | Jalna | NA | 727 | - |
| | Alwar | NA | NA | - |
| | Solapur | NA | 726 | - |
| | Dhule | NA | 725 | - |
| Palm Oil | Kandla (Crude Palm Oil) | 535 | 538 | -3 |
| | Kandla (RBD Palm oil) | 565 | 565 | Unch |
| | Kandla RBD Pamolein | 580 | 585 | -5 |
| | Kakinada (Crude Palm Oil) | 540 | 540 | Unch |
| | Kakinada RBD Pamolein | 585 | 592 | -7 |
| | Haldia Pamolein | 595 | 592 | 3 |
| | Chennai RBD Pamolein | 590 | 590 | Unch |
| | KPT (krishna patnam) Pamolein | 575 | 585 | -10 |
| | Mumbai RBD Pamolein | 590 | 592 | -2 |
| | Delhi | 600 | 625 | -25 |
| | Rajkot | 565 | 570 | -5 |
| | Hyderabad | 584 | 603 | -19 |
| | Mangalore RBD Pamolein | 590 | 590 | Unch |
| | PFAD (Kandla) | 450 | 460 | -10 |
| | Refined Palm Stearin (Kandla) | 495 | 510 | -15 |
| Refined Sunflower Oil | Chennai | 715 | 710 | 5 |
| | Mumbai | 740 | 745 | -5 |

| | | | | |
|--------------------------|------------------------------------|--------|------|------|
| | Mumbai(Expeller Oil) | 665 | 670 | -5 |
| | Kandla | 740 | 740 | Unch |
| | Kandla/Mundra (Crude) | NA | NA | - |
| | Hyderabad (Ref) | 713 | 717 | -4 |
| | Latur (Expeller Oil) | 750 | 740 | 10 |
| | Chellakere (Expeller Oil) | 655 | 660 | -5 |
| | Erode (Expeller Oil) | 740 | 740 | Unch |
| | | | | |
| Groundnut Oil | Rajkot | 950 | 915 | 35 |
| | Chennai | 900 | 900 | Unch |
| | Delhi | 900 | 900 | Unch |
| | Hyderabad * | 900 | 900 | Unch |
| | Mumbai | 1010 | 1000 | 10 |
| | Gondal | 950 | 925 | 25 |
| | Jamnagar | NA | 925 | - |
| | | | | |
| Rapeseed Oil/Mustard Oil | Jaipur (Expeller Oil) | 832 | 827 | 5 |
| | Jaipur (Kacchi Ghani Oil) | 868 | 870 | -2 |
| | Kota (Expeller Oil) | 820 | 820 | Unch |
| | Kota (Kacchi Ghani Oil) | 865 | 880 | -15 |
| | Neewai (Kacchi Ghani Oil) | 815 | 835 | -20 |
| | Neewai (Expeller Oil) | 840 | 860 | -20 |
| | Bharatpur (Kacchi Ghani Oil) | 900 | NA | - |
| | 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) | 860 | 880 | -20 |
| | Mumbai (Expeller Oil) | 840 | 830 | 10 |
| | Kolkata(Expeller Oil) | 1000 | 1030 | -30 |
| | New Delhi (Expeller Oil) | 840 | 860 | -20 |
| | Hapur (Expeller Oil) | Closed | 900 | - |
| | Hapur (Kacchi Ghani Oil) | Closed | 960 | - |
| | Agra (Kacchi Ghani Oil) | 905 | NA | - |
| | | | | |
| Refined Cottonseed Oil | Rajkot | 670 | 660 | 10 |
| | Hyderabad | 645 | 650 | -5 |
| | Mumbai | 670 | 665 | 5 |
| | New Delhi | 660 | 655 | 5 |
| | | | | |
| Coconut Oil | Kangayan (Crude) | 935 | 920 | 15 |
| | Cochin | 800 | 800 | Unch |
| | Trissur | 1000 | 930 | 70 |

| | | | | |
|--|---------------|------------------|------------------|---------------|
| | | | | |
| Sesame Oil | New Delhi | 700 | 700 | Unch |
| | Mumbai | 730 | 730 | Unch |
| Kardi | Mumbai | 830 | 830 | Unch |
| Rice Bran Oil (40%) | New Delhi | 495 | 495 | Unch |
| Rice Bran Oil (4%) | Punjab | 610 | 610 | Unch |
| Rice Bran Oil (4%) | Uttar Pradesh | 610 | 610 | Unch |
| | | | | |
| Malaysia Palmolein USD/MT | FOB | 705 | 735 | -30 |
| | CNF India | 723 | 755 | -32 |
| Indonesia CPO USD/MT | FOB | 705 | 735 | -30 |
| | CNF India | 725 | 755 | -30 |
| RBD Palm oil (Malaysia Origin USD/MT) | FOB | 698 | 725 | -27 |
| RBD Palm Stearin (Malaysia Origin USD/MT) | FOB | 705 | 745 | -40 |
| RBD Palm Kernel Oil (Malaysia Origin USD/MT) | FOB | 1620 | 1750 | -130 |
| Palm Fatty Acid Distillate (Malaysia Origin USD/MT) | FOB | 645 | 675 | -30 |
| Crude palm Kernel Oil India (USD/MT) | CNF India | NA | 1510 | - |
| Ukraine Origin CSFO USD/MT Kandla | CIF | 810 | 825 | -15 |
| Rapeseed Oil Rotterdam Euro/MT | FOB | NA | NA | - |
| | | | | |
| Argentina FOB (\$/MT) | | 17-Nov-16 | 10-Nov-16 | Change |
| Crude Soybean Oil Ship | | Unq | 790 | - |
| Refined Soy Oil (Bulk) Ship | | Unq | 818 | - |
| Sunflower Oil Ship | | Unq | Unq | - |
| Cottonseed Oil Ship | | Unq | 770 | - |
| Refined Linseed Oil (Bulk) Ship | | Unq | 810 | - |
| <i>* indicates including VAT</i> | | | | |

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