

# Veg. Oil Weekly Research Report

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## **Executive Summary**

### **Domestic Veg. Oil Market Summary**

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

*On the currency front, Indian rupee against USD closed at 67.80, up 5 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 rise.*

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

### **Recommendation:**

*Weekly Call - : Market participants are advised to go short below 715 levels for a target of 695 and 690 with a stop loss at 725 on closing basis. We expect refined soy oil at Indore (with VAT) to stay in the range of Rs 680-740 per 10 Kg in the near term.*

*Market participants are advised to go short in CPO below 565 for a target of 545 and 540 with a stop loss at 575 on closing basis. We expect CPO Kandla 5 percent (with VAT) to stay in the range of Rs 530-600 per 10 Kg in the near term.*

### **International Veg. Oil Market Summary**

*Malaysia's December 1-20 palm oil exports fell 16.9 percent to 606,937 tons compared to 730,257 tons last month. Top buyers were European Union at 129,445 tons (168,650 tons), China at 125,627 tons (130,350 tons), India at 65,525 tons (41,360 tons), Pakistan at 14,150 tons (12,000 tons) and United States at 14,075 tons (25,786 tons). Values in brackets are figures of corresponding period last month: SGS*

*On the international front, lower expected use of soy oil in biodiesel in US, higher soybean crop in Brazil and Argentina, strong planting of soybean in Argentina and weak demand of soy oil from India will underpin soy complex in the coming days.*

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

**Soy oil Fundamental Analysis and Outlook:-****Domestic Front**

- Soy oil featured downtrend at its benchmark market in Indore during the week on weak demand. Prices closed lower in Mumbai, Kandla/Mudra and Kolkata. CDSO prices closed lower at JNPT and Kandla/Mudra at the end of the week.

- Agriwatch View- Soy oil prices witnessed downtrend during the week on weak demand at higher prices.

Refined soy oil prices witnessed weak trend at different major markets in India

indicating weak demand. CDSO prices fell in India West coast.

CDSO demand was weak at CNF markets as CDSO CNF prices fell more than CDSO FOB Argentina compared to last week.

Fall in soybean and palm oil prices supported the fall.

Imports of soy oil decreased in November compared to October and November 2015. However, drawdown of soy oil stocks at ports and pipelines makes up lower imports compared to October and November 2015.

Higher crushing of soybean in India due to renewed export demand of soy meal from India has led to firm supply of soy oil in domestic market.

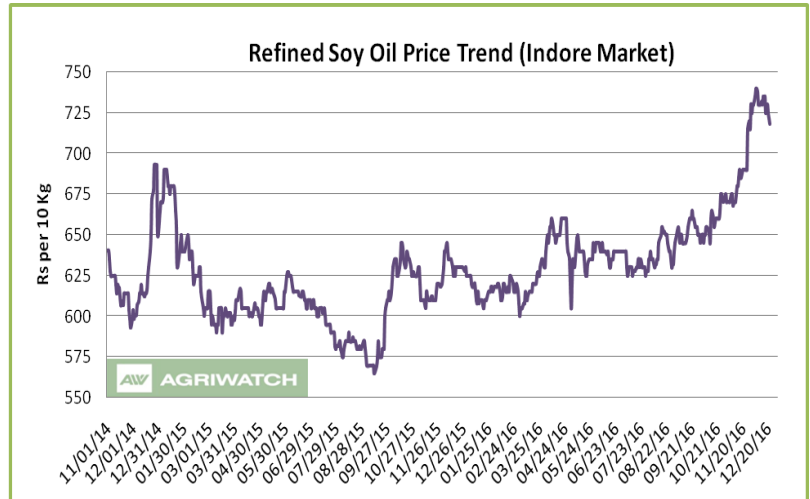
CDSO prices fell less at high seas compared to higher fall at CDSO CNF indicating firm domestic demand.

Disparity has decreased at high seas and refining margins are in disparity. However, with high soy oil premium over palm oil, demand may weaken in coming months.

Soy oil premium of soy oil over palm oil has decreased to Rs 147 (Rs 157 last week) per 10 Kg may support soy oil prices in domestic markets. Weak refining margins may slow imports. In USD terms, premium of soy oil over palm oil which was quoted at USD 102 (USD 107 last week), indicating weak demand of CDSO at CNF markets.

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 1.64 lakh tons of soy oil in November 2016 v/s 2.57 lakh tons in November 2015, down 36.2 percent y-o-y.
- Imported crude soy oil CIF at West coast port is offered at USD 867 (USD 887) per ton for December delivery. January delivery is offered at USD 869(USD 880) per ton and February delivery is offered at USD 887 (USD 887) per ton as on December 23, 2016. Values in brackets are figures of last week. Last month, CIF CDSO November average price was USD 843.12 (USD 825.5 last month) 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 – Appointment of oil man (Scott Pruitt) as head of EPA and appointment of Carl Icahn as advisor of regulations for Trump administration has led to speculation that the biodiesel regulation in US may be scrapped or quotas will be revised lower. Both of the appointee has questioned EPA regulations under Obama administration. Soy oil prices may be underpinned due to these steps.

Soy oil stocks in US in November fell as reported by NOPA on lower production of soy oil due to lower crush of soybean. Soy oil stocks are expected to fall further due to lower crush of soybean in US in December due to slow demand of soy meal.

Soy oil end stocks of US is estimated to fall in 2016/17, according to USDA November estimate. Fall in end stock is primarily due to lower opening stocks, higher biodiesel use partially set off by higher imports and lower Food, feed and other industrial use.

Higher production and exports of soy oil biodiesel from Argentina due to removal of anti dumping duty by EU court has indicated higher use of soy oil based biodiesel leading to drawdown of stocks of soy oil in Argentina and support prices in medium term.

Harvesting of soybean has started in Brazil in state of Mato Grosso where wet conditions led to early planting. However, forward sales of Brazil crop is below corresponding period last year. Exports are expected to touch 60 MMT and soybean crop is expected to between 101-106 MMT by various agencies including USDA.

Planting pace of soybean in Argentina has improved after dryness in many parts of key soybean belts. Argentina increased planting area of soybean in 2016/17 as conditions of planting are adequate and good weather is expected in next few weeks when planting will be wrapped. This will lead to higher crops of soybean in Argentina which will underpin soybean complex prices in near term.

Exports of soybean US to China are robust as Chinese buyers are stocking ahead of Chinese new year and take advantage higher hogs margin. Higher exports of soybean from US will support soybean complex prices in medium term.

China's import of soybean in November is very good and is expected to remain firm until Chinese New year.

Demand of soy oil from India is expected to be weak in December due to demonetization and weak buying due to higher prices of soy oil in international markets.

Competitive oils will support prices in near term.

Rise in crude oil prices will support soy oil prices while dollar appreciation due to expected FED rate hike in December may underpin soy oil prices.

Weak Argentina Peso will support demand from top importing destinations.

Prices of soy oil are in a range.

- Argentina's 2016/17 area under soybean is forecast at 20.3 million hectares, which is up from the previous forecast of 20.2 million hectares, by the agriculture ministry in the monthly crop progress report.
- According to National Oilseed Processors Association (NOPA), U.S. November soybean crush fell to 160.742 million bushels from 164.641 million bushels in October, up by 2.4 percent m-o-m. Crush of soybean in November 2015 was 156.134 million bushels. Production of soy oil in U.S. in November fell to 1.856 billion lbs from 1.911 billion lbs in October 2016. Production in November 2015 was 1.802 billion lbs. Soy oil stocks in U.S. at the end of November fell marginally to 1.339 billion lbs compared to 1.343 billion lbs in October 2016. Stocks

of soy oil in November were lower by 9.3 percent compared to November 2015, which was reported at 1.477 million lbs. Yield fell to 11.55 lbs/bushel in October from 11.61 lbs/bushel in November. Yield in November 2015 was reported at 11.54 lbs/bushel.

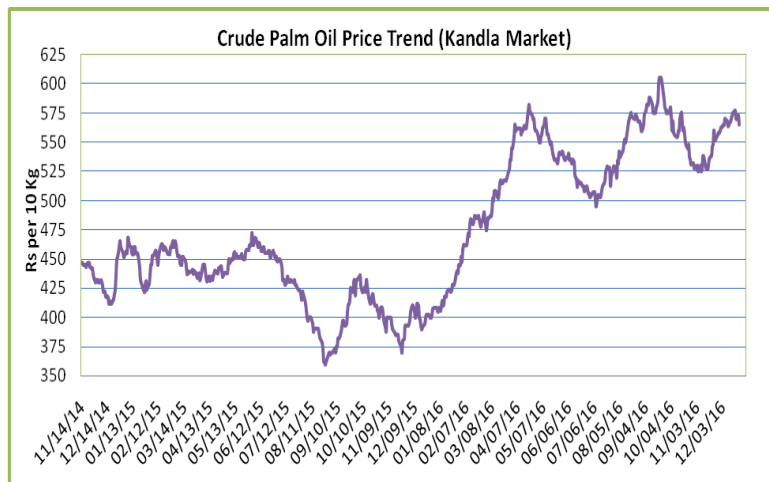
- According to United States Department of Agriculture (USDA) December estimates, U.S 2016/17 ending stocks of soy oil is estimated to fall to 1,522 million lbs from 1,658 million lbs in December estimate. Opening stocks reduced to 1,687 million lbs from 1,718 million lbs in its December estimate. Production of soy oil in 2016/17 is kept unchanged at 22,290 million lbs. Imports in 2016/17 are increased to 275 million lbs from 250 million lbs in its December estimate. Biodiesel use in 2016/17 was increased to 6,200 million lbs from 5,950 million lbs in its December estimate. Food, feed and other industrial use in 2016/17 are is reduced to 14,350 million lbs from 14,500 million lbs. Exports in 2016/17 are kept unchanged at 2,150 million lbs. Average price range estimate is increased to 34.50 - 37.50 cents/lbs from 32.5-35.5 cents/lbs in December estimate. Fall in end stock is primarily due to lower opening stocks, higher biodiesel use partially set off by higher imports and lower Food, feed and other industrial use.
- USDA WASDE Oilseeds Highlights: The U.S. season-average soybean price for 2016/17 is forecast at \$8.70 to \$10.20 per bushel, up 25 cents on both ends of the range. Soybean oil is forecast at 34.5 to 37.5 cents per pound, up 2 cents on both ends. The soybean meal price forecast is unchanged at \$305 to \$345 per short ton.

**Price Outlook:** We expect refined soy oil at Indore (with VAT) to stay in the range of Rs 700-760 per 10 Kg in the near term.

## Palm oil Fundamental Analysis and Outlook -:

### Domestic Front

- Crude palm oil at Kandla featured downtrend trend at its benchmark market at Kandla on weak demand. CPO prices in Kakinada rose at the end of the week.
- Agriwatch View – Prices of CPO closed lower on weak supply. Prices of CPO fell less in India high while it rose more at CNF indicating weak demand. Demand of CPO at India CNF is firm as Indonesia FOB fell more than CPO CNF India compared to last week. Demand of RBD palmolein at India



CNF is weak, as fall prices at Malaysia FOB is higher than fall in CNF India compared to last week indicating firm demand.

Demand of RBD palmolein is firm at high seas as prices fell less than rise at CNF India.

Imports of RBD palmolein is expected to remain firm at CNF India, as premium of RBD palmolein on CPO CNF is at parity.

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 weaker than CPO as premium RBD palmolein over CPO decreased to Rs 37 (Rs 45) per 10 kg.

Negative refining margins will decrease imports of CPO and RBD palmolein in medium term.

Import in palm oil in November was lower than November 2015 despite reduction of import duty indicating weak demand and effect of demonetization. Stocks at ports and pipelines increased in November. Stocks of palm oil at ports are expected to improve. Imports will be weak in December due demonetization and winters.

Fall in CDSO CNF premium over CPO CNF will increase imports of palm oil in medium term USD 102 (USD 107 last week) per ton. Premium of soy oil over CPO is Rs 147 (Rs 157 last week) per 10 kg will improve demand in medium term.

Prices of CPO are expected to remain sideways to weak on weak demand and seasonal downtrend of prices.

- Palm oil import scenario – According to SEA, India imported 8.01 lakh tons of palm oil in November 2016 v/s 8.74 lakh tons in November 2015, down 8.35 percent y-o-y. CPO imports slowed to 5.57 lakh tons in November compared to 6.27 lakh tons in November 2015, lower by 11.16 percent y-o-y. RBD palmolein imports rose marginally in November to 2.41 lakh tons from 2.32 lakh tons in November 2015.
- On the trade front, CNF CPO (Indonesian origin) at Indian port quoted at USD 765 (USD 780) per ton for December delivery and January delivery is quoted at USD 765 (USD 780) per ton. Last month, CIF CPO November average price was USD 730.77 (703.17) per ton.  
Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 765 (USD 775) per ton for December delivery and January delivery is quoted at USD 765 (USD 775) per ton. Ready lift CPO duty paid prices quoted at Rs 568 (Rs 573) per 10 Kg and January delivery duty paid is offered at Rs 568 (Rs 573) per 10

kg on December 16, 2016. Last month, CIF RBD palmolein November average price was USD 730.62 (USD 704.83) per ton. Values in bracket depict last week quotes.

- On the parity front, margins were in disparity during this week due to fall in palm products prices in India. Currently refiners lose USD 20-25/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 gain of 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 from Malaysia fell 14-17 percent in first 20 days of December indication weak demand from top importing destinations. Demand from China and India has waned in last 5 days since 15 December.

Palm oil demand slows in December-February due to seasonal downtrend in demand.

Chinese demand has increased earlier in the month due to stocking ahead of Chinese New Year and threat of depreciation of Chinese Yuan, which led to increase in imports from China.

Indian demand is weak as prices are higher and low demand due to demonetization.

Palm oil end stocks in Malaysia rose in November on lower than expected due to lower production of palm oil.

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

Palm oil stock are expected to rise in December though at lower rate.

Palm oil markets are expected to touch fresh highs on support from competitive oils, weak ringgit, weak production of palm oil in Malaysia and higher crude oil prices.

Palm oil is seen rising due to competitive oil like DALIAN soy oil, DALIAN RBD palmolein and CBOT soy oil in near term.

Chinese markets are supporting palm oil prices as rise in prices in China will compound to higher export demand from Malaysia.

Production is expected to be weak in Malaysia in December and is expected to remain weak until first quarter of 2017 due to lagged effect of El Nino, which will support prices.

Indonesia reported strong export numbers and lower rise in end stocks in October, which will support prices in medium term.

However, gains in production in Indonesia will be limited due to lagged effect of El Nino.

Moreover, biodiesel use in Indonesia will soak incremental production of palm oil. Higher use of palm oil in biodiesel will support prices in medium term.

Indonesia removed crude palm oil export duties to support exports of CPO, which has slowed due to aggressive pricing by Malaysia.

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

Higher use of palm oil in biodiesel in Malaysia will soak incremental palm oil production in near term.

Depreciation of Ringgit will support prices in medium term.

Competitive oils will support palm oil prices.

Prices are in range.

- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's December 1-20 palm oil exports fell 16.9 percent to 606,937 tons compared to 730,257 tons last month. Top buyers were European



Union at 129,445 tons (168,650 tons), China at 125,627 tons (130,350 tons), India at 65,525 tons (41,360 tons), Pakistan at 14,150 tons (12,000 tons) and United States at 14,075 tons (25,786 tons). Values in brackets are figures of corresponding period last month.

- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's December 1-20 palm oil exports fell 14.4 percent to 629,043 tons compared to 734,800 tons in corresponding period last month. Top buyers were European Union at 173,799 tons (164,720 tons), China at 129,135 tons (121,670 tons) and India & subcontinent at 100,650 tons (58,360 tons). Values in brackets are figures of corresponding period last month.
- According to Malaysia Palm Oil Board (MPOB), Malaysia increased crude palm oil export duty to 7 percent in for January from 6 percent in December. Tax is calculated at reference price of 3,119.48 ringgit (\$696.62) per ton. Prices above 2,250 are taxed starting from 4.5 percent to maximum of 8.5 percent.
- According to China's General Administration of Customs (CNGOIC), China's November palm oil imports fell 3.53 percent to 4.46 lakh tons. Year to date imports fell 27.53 percent to 37.99 lakh tons. Imports from Indonesia in November fell 15.9 percent to 2.63 lakh tons while year to date imports fell 24.75 percent to 21.70 lakh tons. Imports from Malaysia in November rose 25.33 percent to 1.83 lakh tons while Year to date imports fell 30.88 percent to 16.23 lakh tons.
- According to Malaysia Palm Oil Board (MPOB), Malaysia's November palm oil end stocks rise less than estimated by 5.18 percent to 16.56 lakh tons compared to 15.74 lakh tons in October. Market expectation was rise of end stocks by 7.4 percent to 16.9 lakh tons. Production dropped 6.14 percent in November to 15.75 lakh tons compared to 16.78 lakh tons in October. Exports in November fell 14.34 to 13.7 lakh tons compared to October exports at 14.31 lakh tons. Imports in November rose 159.45 percent to 0.56 lakh ton compared to 0.22 lakh tons in October.

**Price Outlook:** We expect CPO Kandla 5 percent (with VAT) to stay in the range of Rs 540-600 per 10 Kg in the near term.



## Rapeseed oil Fundamental Review and Analysis:-

### Domestic Front

- Mustard oil prices featured downtrend during the week in review at most trading centers on higher sowing of rapeseed. Benchmark market in Kota closed lower at the end of the week.

- Agriwatch view: Prices of rapeseed oil expeller fell across board in India. Prices of Kacchi ghani fell across board in India.

Fall in palm and soy oil prices supported.

Fall in rapeseed prices due to higher sowing of rapeseed in Rabi season has put pressure on rapeseed oil.

Effect of demonetization is slowly waning.

Prices fell on seasonal downtrend of prices.

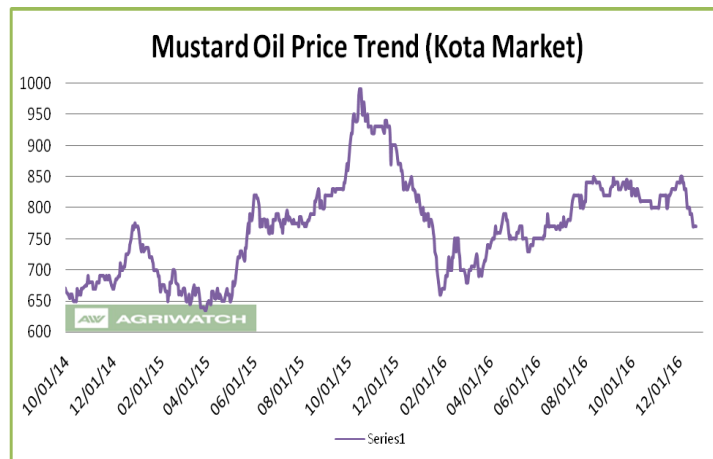
Higher imports of rapeseed (canola) oil suppressed prices in near term

Stockists are well stocked to meet demand for East and North India.

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

Markets are expected to trade sideways to weak tone in coming days on seasonal downtrend of prices, fall in prices of rapeseed due to higher sowing, fall in prices of competitive oils and weak demand at higher prices.

- All India sowing of rapeseed has reached 68.22 lakh hectares on 23 December 2016 compared to 60.10 lakh hectares in corresponding period last year.
- India imported 0.32 lakh tons of rapeseed (Canola) oil in November 2016 v/s 0.25 lakh tons in November 2015, lower by 28 percent y-o-y: SEA
- CIF canola premium over soybean oil is USD -8 (USD 13 last week) per ton as on December 23, 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 800 (Rs 825) per 10 Kg, and at Kota market, it is offered at Rs 700 (Rs 790) per 10 kg as on December 23, 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.

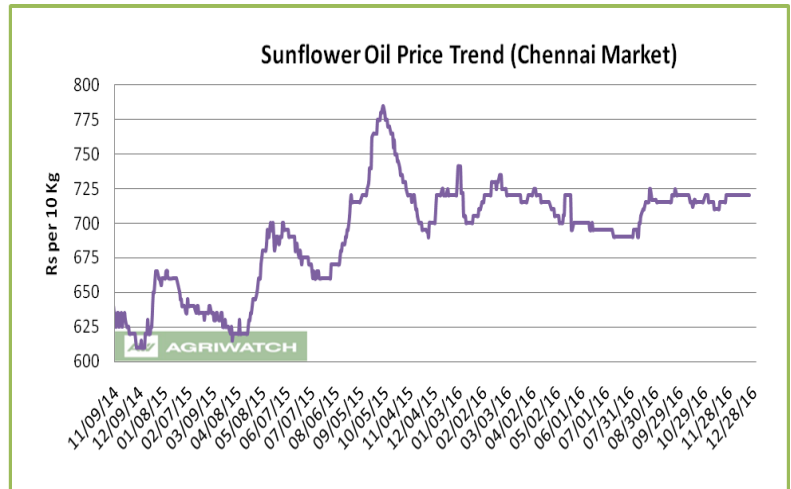


**Price Outlook:** Rapeseed oil (without VAT) prices in Kota may stay in the range of Rs 720-830 per 10 Kg.

## Sunflower oil Fundamental Review and Analysis:-

### Domestic Front

- Sunflower oil prices featured sideways trend during the week at its benchmark market in Chennai on weak demand and weak supply. Prices were unchanged in Hyderabad while it fell in Kakinada at the end of week.
- Agriwatch view: Prices of sunflower oil traded sideways in Chennai on firm demand and weak supply. Demonetization has weakened demand and supply.



Fall in soy oil and palm oil prices have capped gains sunflower oil prices indicating firm demand.

Prices of sunflower are generally sideways to weak when local oils are there in market like soy oil, groundnut oil, rice bran oil and cottonseed oil.

Prices of sunflower oil fell at CNF markets while prices in domestic were unchanged indicating form demand.

Discount of CSFO over CDSO at CNF has decreased to USD -49 (USD -52 last week) per ton for JFM delivery indicating weaker demand of sunflower oil compared to soy oil at CNF markets.

Supply was weak in market as imports were lower by 11 percent in November and stocks at ports and pipelines increased indicating weak demand.

Refiners are aggressively purchasing crude sunflower oil from international markets as CIF sunflower oil trading at discount over CIF soybean oil. Currently sunflower oil premium over soy oil is at USD -49 (USD -52 last week) per ton for JFM delivery.

Prices of sunflower oil are expected to trade sideways on firm demand.

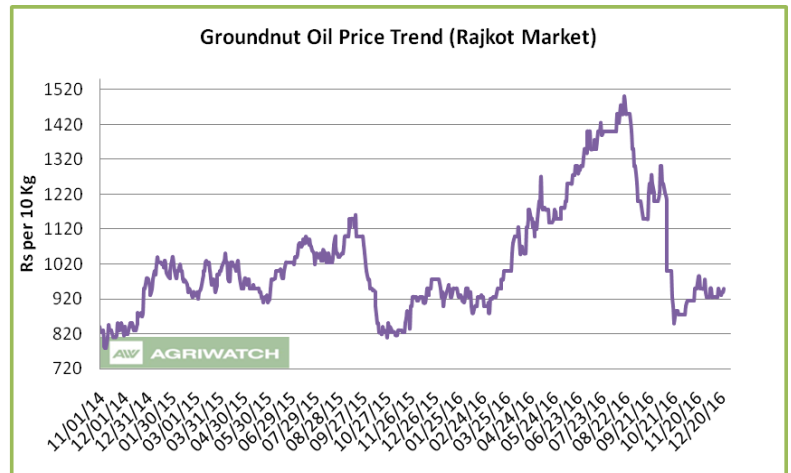
Prices are expected to trade sideways to firm in near term.

- All India sowing of sunflower has reached 1.29 lakh hectares on 23 December 2016 compared to 2.54 lakh hectares in corresponding period last year.
- Sunflower oil import scenario – According to SEA, India imported 1.58 lakh tons of crude sunflower oil during November 2016 v/s 1.78 lakh tons in November 2015, lower by 11.24 percent y-o-y.
- On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 820 (USD 835) per ton for JFM delivery. CIF sun oil (Ukraine origin) November monthly average was around USD 824.46 per ton. Values in brackets are figures of last week.
- Prices are likely to stay in the range of USD 800-860 per ton in the near term. CIF Sunflower oil premium over CDSO is hovering at USD -49 (USD -54 last week) per ton for JFM delivery.
- Currently, refined sunflower oil at Chennai market is offered at Rs 720 (Rs 720) per 10 Kg, and at Hyderabad market, it is offered at Rs 732 (Rs 732) per 10 kg as on December 23, 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 680-750 per 10 Kg.

**Groundnut oil Fundamental Review and Analysis:-`**  
**Domestic Front**

- Groundnut oil prices featured sideways trend in Rajkot in week in review on weak supply of raw material. Prices in Jamnagar rose while it fell in Gondal. Prices were unchanged in Chennai and Hyderabad. Prices closed higher in New Delhi at the end of week.
- Agriwatch view: Prices of groundnut oil featured sideways trend at its benchmark market on weak supply and weak demand oil.



Farmers are slowly releasing groundnut as they that prices have risen to levels where they will not get good bargain after their crop traded below MSP for a brief period after harvesting which lead to intervention of NAFED and Gujarat state corporative union to step in to shore up prices.

Millers are now getting raw material and crushing has improved. Demand is starting to wane, as demand season in Gujarat will be over by end of December.

Higher crops of groundnut are affecting sentiment.

Demonetization has affect supply of groundnut in certain pockets. However, condition has improved. Lower prices of groundnut have capped gains of groundnut oil.

Groundnut oil prices are expected to trade sideways to weak in near term due to firm supply and weak demand.

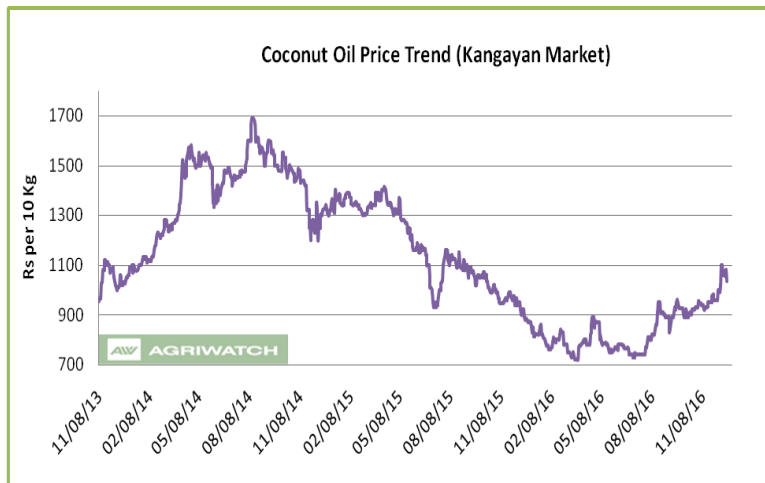
- All India sowing of groundnut has reached 3.72 lakh hectares on 23 December 2016 compared to 3.00 lakh hectares in corresponding period last year.
- On the price front, currently the groundnut oil prices in Rajkot is quoted at Rs 9,500 (Rs 9,500) per quintal and it was quoted at Rs 9,600 (Rs 9,600) per quintal in Chennai market on December 23, 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 900-1000 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. Demand from North has waned due to winters. Fall in prices of palm oil and soy oil supported losses.



Millers are now getting copra and adequately stocked. Supply of copra has increased with rise in prices of copra in the market. This has led to higher crushing by millers.

Traders and upcountry buyers have stopped stocking on expectation that prices may correct after sustained rally since July.

Demand is waning due to higher prices of coconut oil, which has rallied August, and demand will only improve when prices correct.

Effect of demonetization is waning and supplies are improving. Coconut harvest has improved with rise in prices of copra.

Therefore, with improved supply of raw material led to higher supply of coconut oil in the market.

Retail demand is very weak.

Corporate demand accounts for 80 percent of demand have weakened.

Regular supply of coconut oil has improved

If the situation continues, prices could move southwards.

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

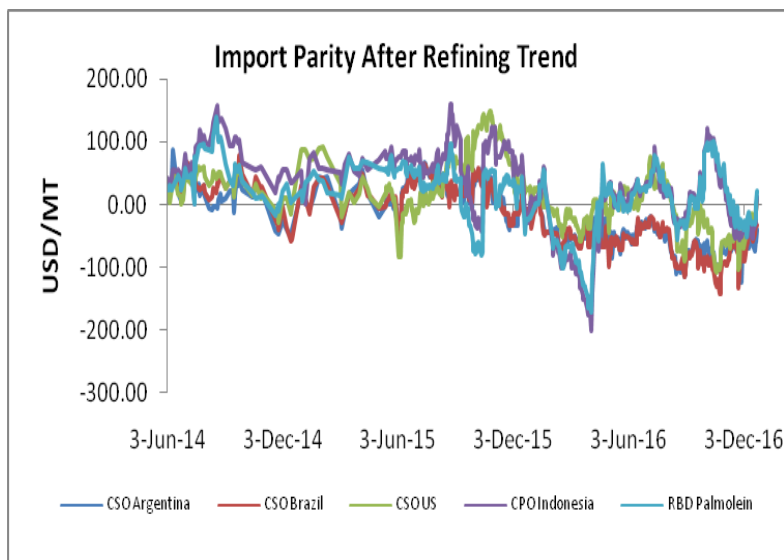
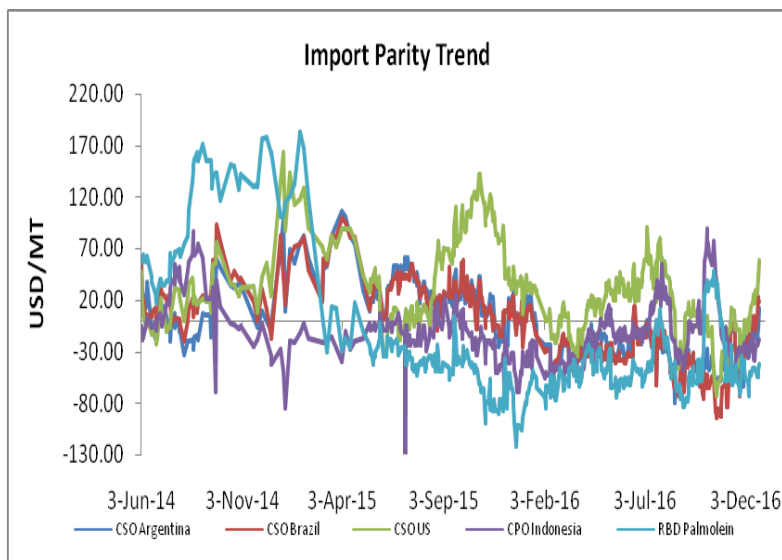
Prices are expected to trade sideways to weak tone in near term.

- MSP of "milling" copra has been hiked to Rs 5,950 per quintal while "ball copra" is increased to Rs 6,250 per quintal for 2016-17.
- On the price front, currently the coconut oil prices in Trissur is hovering near Rs 10,600 (11,100) per quintal, and was quoting Rs 10,350 (Rs 10,600) per quintal in Erode market on December 23, 2016.

**Price Outlook:** Coconut oil (withut VAT) prices in Erode may stay in the range of Rs 1000-1100 per 10 Kg.

### Import Parity Trend

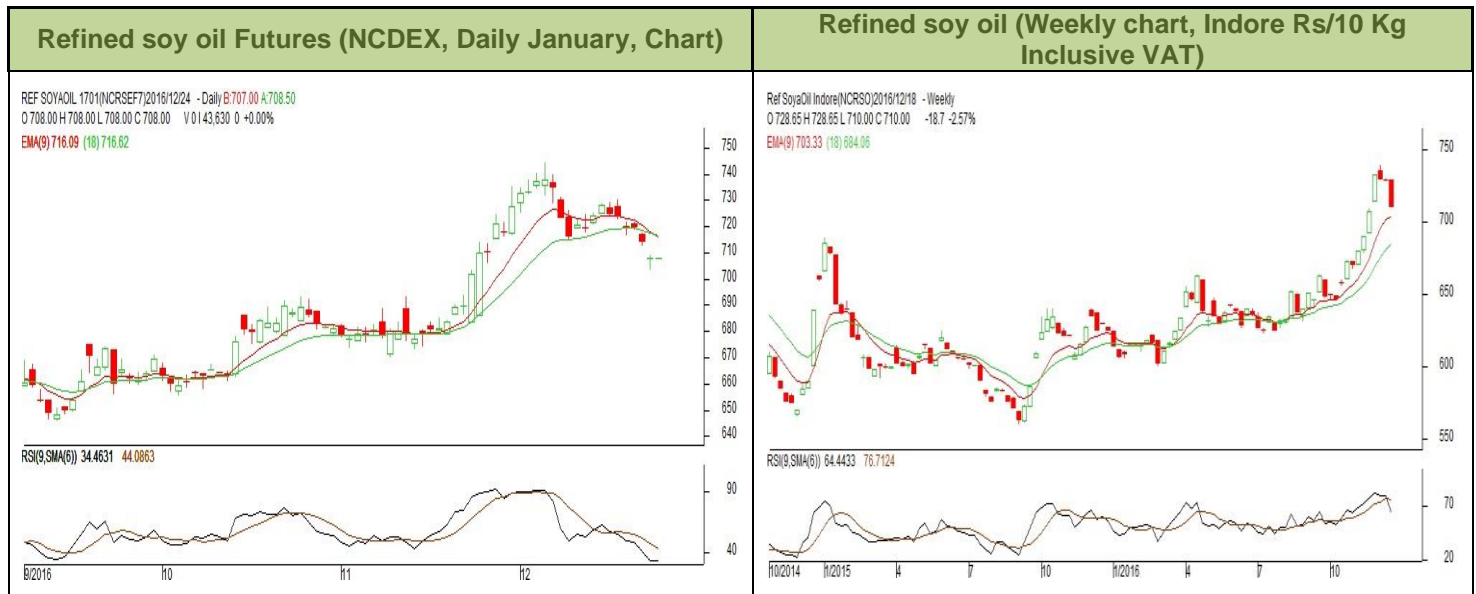
#### Import Parity After Refining in US dollar per ton (Monthly Average)



	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
<b>Oct, 2016</b>	-81.35	-106.68	-67.93	78.49	78.96
<b>Nov, 2016</b>	-77.74	-81.04	-56.37	-23.77	-8.06

### 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. Disparity in palm oil products may decrease 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 above 730 in weekly might take the prices below 750 levels.
- Expected price band for next week is 680-730 level in near to medium term. RSI, stochastic and MACD is suggesting downtrend in market.

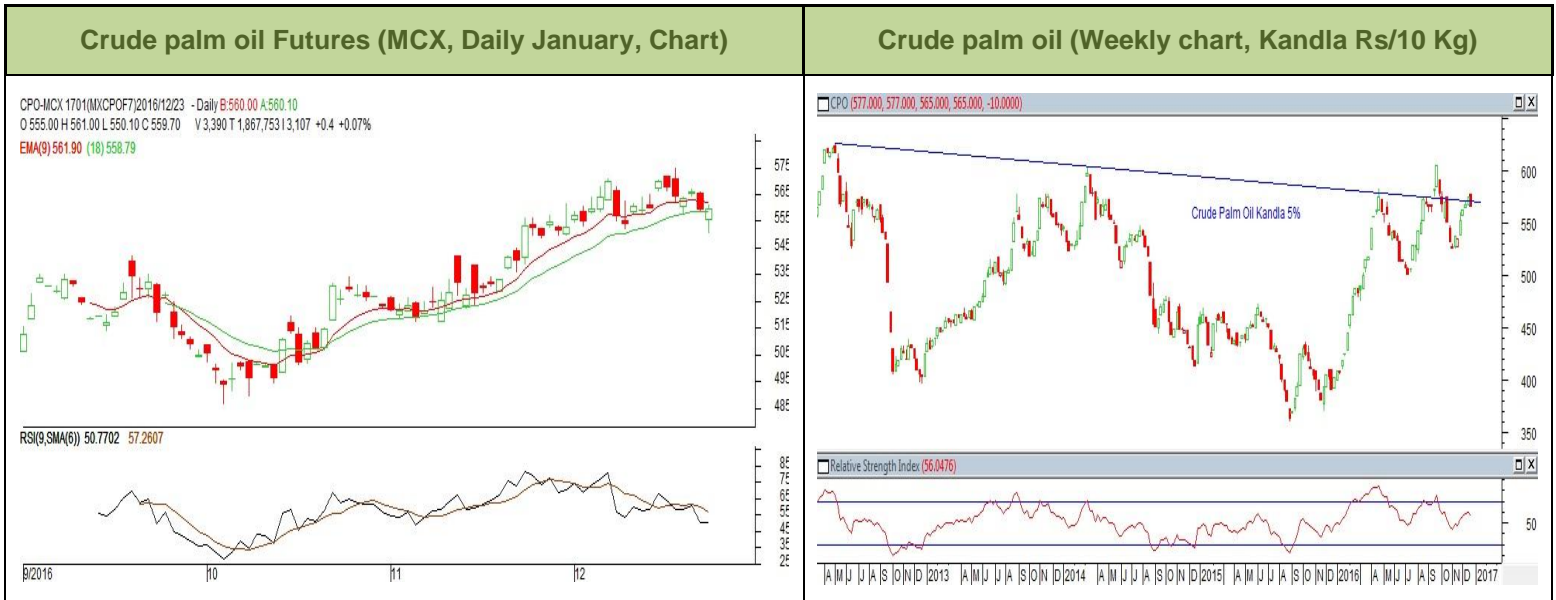
**Strategy:** Market participants are advised to go short below 715 levels for a target of 695 and 690 with a stop loss at 725 on closing basis.

**RSO NCDEX (January)**

Support and Resistance				
S2	S1	PCP	R1	R2
689.00	695.00	708.00	729.00	744.00

**Spot Market outlook:** Refined soy oil Indore (with VAT) is likely to stay in the range of Rs 680-740 per 10 Kg.

### Technical Analysis (Crude Palm oil)



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

- Candlestick in weekly chart of crude palm oil at MCX depicts uptrend in the prices. We expect prices to trade with a sideways to firm note in the near term.
- Any close above 590 in weekly chart may bring the prices to 610 levels.
- Expected price band for next week is 530-580 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 565 for a target of 545 and 540 with a stop loss at 575 on closing basis.

#### CPO MCX (January)

Support and Resistance				
S2	S1	PCP	R1	R2
539.00	551.00	559.70	580.00	600.00

**Spot Market outlook:** Crude palm oil is likely to stay in the range of Rs 530-600 per 10 Kg.



Veg. Oil Prices at Key Spot Markets

Commodity	Centre	Prices(Per 10 Kg)		Change
		23-Dec-16	16-Dec-16	
Refined Soybean Oil	Indore	718	735	-17
	Indore (Soy Solvent Crude)	680	705	-25
	Mumbai	730	745	-15
	Mumbai (Soy Degum)	675	690	-15
	Kandla/Mundra	720	740	-20
	Kandla/Mundra (Soy Degum)	695	705	-10
	Kolkata	730	735	-5
	Delhi	750	750	Unch
	Nagpur	713	729	-16
	Rajkot	715	740	-25
	Kota	735	750	-15
	Hyderabad	703	713	-10
	Akola	762	768	-6
	Amrawati	750	767	-17
	Bundi	735	747	-12
	Jalna	NA	NA	-
	Alwar	NA	NA	-
	Solapur	NA	NA	-
	Dhule	NA	NA	-
Palm Oil	Kandla (Crude Palm Oil)	565	575	-10
	Kandla (RBD Palm oil)	590	600	-10
	Kandla RBD Pamolein	610	620	-10
	Kakinada (Crude Palm Oil)	560	570	-10
	Kakinada RBD Pamolein	605	612	-7
	Haldia Pamolein	600	610	-10
	Chennai RBD Pamolein	615	620	-5
	KPT (krishna patnam) Pamolein	600	605	-5
	Mumbai RBD Pamolein	615	625	-10
	Delhi	655	640	15
	Rajkot	600	620	-20
	Hyderabad	608	627	-19
	Mangalore RBD Pamolein	615	620	-5
	PFAD (Kandla)	465	475	-10
	Refined Palm Stearin (Kandla)	530	555	-25
Refined Sunflower Oil	Chennai	720	720	Unch
	Mumbai	725	745	-20

	Mumbai(Expeller Oil)	660	670	-10
	Kandla	745	755	-10
	Kandla/Mundra (Crude)	NA	NA	-
	Hyderabad (Ref)	732	732	Unch
	Latur (Expeller Oil)	730	730	Unch
	Chellakere (Expeller Oil)	670	670	Unch
	Erode (Expeller Oil)	740	750	-10
Groundnut Oil	Rajkot	950	950	Unch
	Chennai	960	960	Unch
	Delhi	950	950	Unch
	Hyderabad *	1025	1020	5
	Mumbai	1000	1010	-10
	Gondal	940	940	Unch
	Jamnagar	950	940	10
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	800	825	-25
	Jaipur (Kacchi Ghani Oil)	829	861	-32
	Kota (Expeller Oil)	770	790	-20
	Kota (Kacchi Ghani Oil)	835	860	-25
	Neewai (Kacchi Ghani Oil)	785	820	-35
	Neewai (Expeller Oil)	815	840	-25
	Bharatpur (Kacchi Ghani Oil)	835	880	-45
	Alwar (Kacchi Ghani Oil)	NA	NA	-
	Alwar (Expeller Oil)	NA	NA	-
	Sri-Ganga Nagar(Exp Oil)	800	820	-20
	Sri-Ganga Nagar (Kacchi Ghani Oil)	832	865	-33
	Mumbai (Expeller Oil)	820	840	-20
	Kolkata(Expeller Oil)	1040	1030	10
	New Delhi (Expeller Oil)	835	850	-15
	Hapur (Expeller Oil)	Closed	Closed	-
	Hapur (Kacchi Ghani Oil)	Closed	Closed	-
	Agra (Kacchi Ghani Oil)	840	885	-45
Refined Cottonseed Oil	Rajkot	670	705	-35
	Hyderabad	670	700	-30
	Mumbai	690	700	-10
	New Delhi	685	695	-10
Coconut Oil	Kangayan (Crude)	1035	1060	-25
	Cochin	1000	940	60
	Trissur	1060	1110	-50

<b>Sesame Oil</b>	New Delhi	750	750	Unch
	Mumbai	730	730	Unch
<b>Kardi</b>	Mumbai	830	830	Unch
<b>Rice Bran Oil (40%)</b>	New Delhi	545	545	Unch
<b>Rice Bran Oil (4%)</b>	Punjab	610	610	Unch
<b>Rice Bran Oil (4%)</b>	Uttar Pradesh	610	610	Unch
<b>Malaysia Palmolein USD/MT</b>	FOB	743	765	-22
	CNF India	765	783	-18
<b>Indonesia CPO USD/MT</b>	FOB	740	770	-30
	CNF India	765	788	-23
<b>RBD Palm oil (Malaysia Origin USD/MT)</b>	FOB	740	760	-20
<b>RBD Palm Stearin (Malaysia Origin USD/MT)</b>	FOB	753	765	-12
<b>RBD Palm Kernel Oil (Malaysia Origin USD/MT)</b>	FOB	1750	1775	-25
<b>Palm Fatty Acid Distillate (Malaysia Origin USD/MT)</b>	FOB	688	695	-7
<b>Crude palm Kernel Oil India (USD/MT)</b>	CNF India	1675	1685	-10
<b>Ukraine Origin CSFO USD/MT Kandla</b>	CIF	820	840	-20
<b>Rapeseed Oil Rotterdam Euro/MT</b>	FOB	NA	NA	-
<b>Argentina FOB (\$/MT)</b>		<b>22-Dec-16</b>	<b>15-Dec-16</b>	<b>Change</b>
Crude Soybean Oil Ship		820	840	-20
Refined Soy Oil (Bulk) Ship		849	869	-20
Sunflower Oil Ship		765	765	Unch
Cottonseed Oil Ship		800	820	-20
Refined Linseed Oil (Bulk) Ship		840	860	-20
<i>* indicates including VAT</i>				

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