

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, sunflower oil and coconut oil closed lower while groundnut oil closed higher.

On the currency front, Indian rupee against USD closed at 66.60, down 21 paise compared to the previous week. Factors to watch in the coming weeks will be movement of Indian rupee against US dollar and crude oil prices. Rupee is expected to appreciate and crude oil prices will fall.

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 640 levels for a target of 620 and 615 with a stop loss at 650 on closing basis. We expect refined soy oil at Indore (with VAT) to stay in the range of Rs 620-700 per 10 Kg in the near term.

Market participants are advised to go short in CPO below 525 for a target of 510 and 505 with a stop loss at 535 on closing basis. We expect CPO Kandla 5 percent (with VAT) to stay in the range of Rs 520-570 per 10 Kg in the near term.

International Veg. Oil Market Summary

Malaysia's March 1-10 palm oil exports fell 25.7 percent to 250,481 tons compared to 337,282 tons in corresponding period last month. Top buyers were China at 50,590 tons (76,500 tons), India at 35,300 tons (15,800 tons), European Union at 25,270 tons (38,500 tons), United States at 21,800 tons (21,130 tons) and Pakistan at 11,500 tons (12,000 tons). Values in brackets are figures of corresponding period last month: SGS

On the international front, record South American crops, higher soy oil end stocks in UD, weak Chinese soybean demand, weak Indian demand, weak crude oil prices and strong dollar due to faster than expected rise of interest rates by FED will underpin soy oil prices in coming days.

Strong ringgit, improvement in production of palm oil in Malaysia, weak exports to China and India, fall in competitive oils and fall in crude oil prices will underpin CPO prices in near term.

Agriwatch Index



- The Agriwatch Agri Commodities Index gained 0.98% to 110.22 during the week ended March 11, 2017 from 109.15 during the previous week, to end a 5-week falling streak. Cereals and pulses led the Index higher. The base for the Index and all sub-Indices is 2014 (= 100).
- The Pulses Index broke an even longer 11-week losing streak, during which it fell nearly 40%, on expectations of the government levying import duties on pulses.

Agriwatch edible oil index



- Agriwatch edible oil index fell 0.47 percent in the week ended March 11, 2017 to 105.22

"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 downtrend at its benchmark market in Indore during the week on firm supply. Prices of refined soy oil fell in Mumbai, Kolkata. and Kandla/Mudra. CDSO prices closed lower at JNPT and Kandla/Mudra at the end of the week.
- Agriwatch View- Soy oil prices fell during the week in Indore on firm supply. Demand is firm ahead of Holi festival.

CDSO prices fell lesser in India West coast compared to India CNF, indicating firm demand.

Prices fell lesser in India high seas compared to CNF markets indicating firm demand at high seas. However, demand in domestic market was firm.

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

Weak soybean prices supported the fall.

Weak palm oil prices supported the fall.

Imports of soy oil increased in January compared to December 2016 while it was much below January 2016. However, soy oil stocks at ports and pipelines decreased in January indicating weak supply.

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 and capped upside.

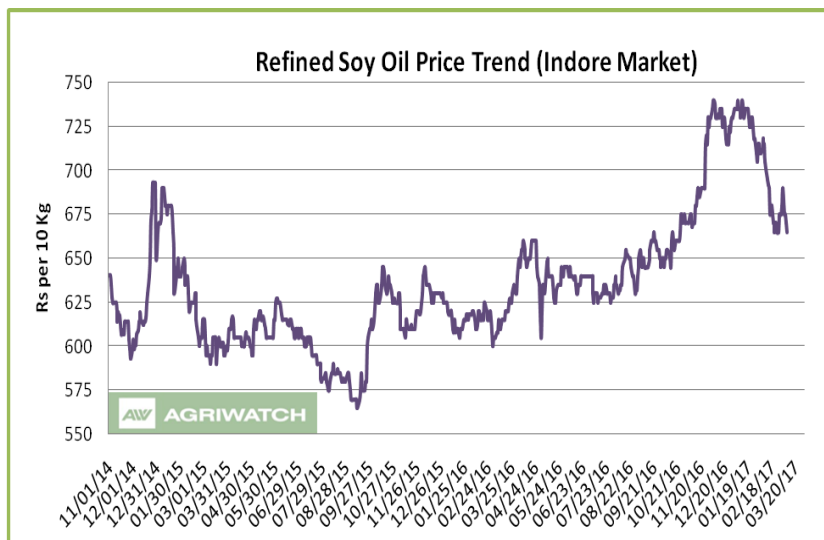
Imports of soy oil have returned to parity at high seas and refining margins have turned positive. With low soy oil premium over palm oil, demand may firm up in coming months.

Refined soy oil premium over RBD palmolein is decreased to Rs 78 (Rs 80 last week) per 10 Kg may support soy oil prices in domestic markets. In USD terms, premium of CDSO CNF over CPO CNF, which was quoted at USD 40.5 (USD 53 last week) per ton, indicating weak demand of CDSO at CNF markets compared to CPO CNF.

Demand of soy oil is high in domestic market as soy oil premium over palm oil is less at CNF markets while it is higher in domestic markets indicating firmer demand.

Prices of soy oil will fall on firm supply. Prices of soy oil are in a range.

- Soy oil import scenario – According to SEA, India imported 1.67 lakh tons of soy oil in January 2017 v/s 4.41 lakh tons in January 2016, down 164 percent y-o-y. India imported 5.63 lakh tons of soy oil in the period (November 2016-January 2017) compared to 11.89 lakh tons in the corresponding period last oil year, lower by 52.6 percent.



- Imported crude soy oil CIF at West coast port is offered at USD 763 (USD 783) per ton for March delivery. April delivery is offered at USD 755 (USD 783) per ton and May delivery is offered at USD 743 (USD 764) as on March 11, 2017. Values in brackets are figures of last week. Last month, CIF CDSO February average price was USD 806.87 (USD 854.08 per ton in January 2017) per ton.
- On the parity front, margins improved during the week on low prices of soy oil in international markets and we expect margins to improve in coming days. Currently refiners fetch USD 15-20/ton v/s loss of USD 10-15/ton (last month) margin in processing the imported Soybean Oil (Argentina Origin).
- We expect soy oil to trade sideways to weak in the coming days.

International Front

Agriwatch view – Rise in soy oil 2016/17 end stocks by USDA will underpin soy oil prices in medium term. Rise in end stocks is due to rise in production and imports partially set off by rise in exports. Record soybean crop in Brazil and expectation of better than expected soybean crop in Argentina has underpinned soybean complex prices. USDA increased soybean crop estimate of Brazil at 108 MMT. USDA retained soybean crop of Argentina at 55.5 MMT.

Soybean harvest in Brazil is progressing at good pace and record crop is expected to be harvested. Harvest has reached 56 percent until last week which is above last year and 5-year average. Initial wet condition slowed harvest progress as early planting of soybean due to wet condition caused the crop to mature earlier. Top soybean producing state of Mato Grosso has reported harvest over 88 percent until the last report.

Soybean crop condition in Argentina is very good and if conditions remain conducive then soybean crop estimate is expected to be increased. Rosario grains increased soybean crop to 56 MMT. Crop moisture is adequate and there is no heat stress now. However, Argentina government decreased the area planted.

Trump administration has decided not to give executive order to exempt ethanol from production of biodiesel which would have increased corn based biodiesel and soy oil based biodiesel demand. However, Trump administration is preparing a plan to give tax credits for production of soy oil in US which will support soy oil prices in medium term. Trump administration appointed billionaire investor Carl Ichan as special advisor to President on regulations. Carl Ichan has in past-criticized EPA regulation on bio-fuel in its current form.

Oversupply of edible oils in 2017 due to record of soybean in US, Brazil and Argentina coupled with record production of sunflower and recover in production of palm oil after severe El Nino in 2015 and 2016. Supply of palm oil in 2017 will improve and most of the lost production of palm oil due to El Nino in 2016 will be recovered in 2017. Recovery of production of palm oil in 2017, record production of soy oil, record production of sunflower oil in Russia and record production of canola will underpin soy oil prices.

Increase in end stocks of soy oil in US as reported by NOPA for January will underpin soy oil prices. Soy oil stocks will increase in February due to higher crush which will further increase end stocks and underpin soy oil prices in medium term.

Exports of soybean from US is slow in near term due to arrival of record crop in Brazil. However, exports of soybean in current marketing season in US is at record levels which supported soybean complex prices in December and January with China as key driver of higher soybean imports despite trade dispute with US. Competitive oils will underpin prices in near term.

Fall in crude oil prices will underpin soy oil prices while dollar appreciation due to faster than expected FED rate hike in 2017 may underpin soy oil prices.

Prices of soy oil are in a range.

- According to United States Department of Agriculture (USDA) March estimate, U.S 2016/17 ending stocks of soy oil is increased to rise to 1,772 million lbs from 1,677 million lbs in February estimate. Opening stocks were unchanged at 1,687 million lbs. Production of soy oil in 2016/17 were increased to 22,560 million lbs compared to 22,390 million lbs in February estimate. Imports in 2016/17 were increased to 325 million lbs compared to 300 million lbs in February estimate. Biodiesel use in 2016/17 was unchanged at 6,200 million lbs. Food, feed and other industrial use in 2016/17 were unchanged at 14,350 million lbs. Exports in 2016/17 were increased to 2,250 million lbs compared to 2,150 million lbs in February estimate. Average price range estimate is unchanged at 32 - 35 cents/lbs. Rise in end stock is due to higher production and imports partially set off by higher exports of soy oil.
- Conab has once again raised Brazil's 2016/17 soybean crop production estimate 107.6 million tonnes which is up 2 million tons from its previous estimate in February 2017. The agency has projected Brazil's 2016/17 soybean exports at 59 million tons compared to 51.5 million tons in previous estimates. INTL FCStone have raised Brazil's 2016/17 soybean crop production estimate by 5 million tons to 109.7 million tons from its previous estimate and about 15 million tons from its previous season's estimate. The raise is attributed to higher yield potential on favorable weather.
- Brazil's 2016/17 soybean production is projected at 109.65 million tons compared to 105.02 million tons in February by Celeres. Besides, FC Stone has also increased soybean production estimate of the Brazil for 2016/17 at 109.07 million tons, up by 15 million compared to the previous season. Record output yield potential this season is attributed to the rise in the production estimate. AgRural has also raised the Brazil's 2016/17 soybean crop production estimate at 107 million tons against 105.4 million projected in February.
- Brazil's 2016/17 soybean harvest is 56% complete in the second week of March, up from 52% during the corresponding period last year and 47% for the 5-year average, said consultancy AgRural. The harvesting in the largest producing state Mato Grosso is sharply ahead of the other states and have reached 88% compared to 70% normal. Soybean cultivators have sold 45% of the crop so far. However, USDA kept its Argentina's 2016/17 soybean production estimate unchanged at 55.5 million tons. Besides, Buenos Aires Grains Exchange its Argentina's 2016/17 harvest estimate steady at 54.8 million tons
- China's February soybean imports surged by 23% year-on-year to 5.54 million tons it is the highest volume since the year 2010, according to the figures released by the General Administration of Customs of China. However, the imports are 28% lower from 7.66 million tons in January this year. China's cumulative soybean imports for January and February 2017 stood at 13.19 million tons, up 30% (10.17 million tons) from the corresponding period last year.
- According to China's General Administration of Customs (GACC), China's imports of edible vegetable oil in February fell 25.5 percent to 4.1 lakh tons compared to 5.5 lakh tons in January. Imports rose 2.5 percent compared to last year, which was at 4.0 lakh tons. Year to date imports of edible vegetable oil rose 2.6 percent to 9.6 lakh tons.
- Brazil's 2016/17 soybean production is projected at 109.65 million tons compared to 105.02 million tons in February by Celeres. Besides, FC Stone has also increased the Brazil's 2016/17 soybean production estimate

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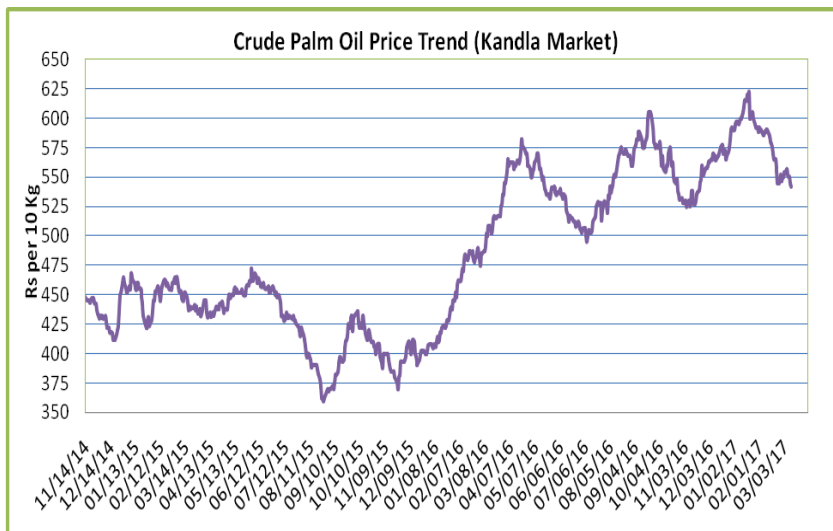
- Brazil's 2016/17 soybean crop production is forecast at 105 million tons which is up from 95.4 million tons estimated in 2015/16 by Oil World. Brazil is expected to export around 52.3 million tons during February/August 2017 against 47.8 million tons in the corresponding period last year.
- Informa Economics has raised its production estimate for Brazil's 2016/17 soybean to 108 million tons from 106.5 million tons projected previously. Informa has projected Argentina's 2016/17 soybean crop at 55.0 million tons.
- According to National Oilseed Processors Association (NOPA), U.S. December soybean crush rose marginally to 160.621 million bushels from 160.176 million bushels in December 2016. Crush of soybean in January 2016 was 150.453 million bushels. Production of soy oil in U.S. in January rose to 1.870 billion lbs from 1.861 billion lbs in December 2016. Production in January 2016 was 1.758 billion lbs. Soy oil stocks in U.S. at the end of January rose 13.6 percent to 1.629 billion lbs compared to 1.434 billion lbs in December 2016. Stocks of soy oil in January were higher by 3 percent compared to January 2016, which was reported at 1.582 million lbs. Yield rose to 11.65 lbs/bushel in January from 11.62 lbs/bushel in December. Yield in January 2016 was reported at 11.69 lbs/bushel.
- USDA WASDE Oilseeds Highlights: The season-average soybean price range forecast of \$9.30 to \$9.90 per bushel is raised 10 cents at the midpoint. Soybean oil prices are forecast at 32 to 35 cents per pound, down 2 cents at the midpoint. Soybean meal prices are unchanged at \$310 to \$340 per short ton

Price Outlook: We expect refined soy oil at Indore (with VAT) to stay in the range of Rs 620-700 per 10 Kg in the near term.

Palm oil Fundamental Analysis and Outlook :-

Domestic Front

- Crude palm oil at Kandla featured downtrend at its benchmark market at Kandla on weak demand. CPO prices were lower in Kakinada at the end of the week. RBD palmolein prices fell across board in India.
- Agriwatch View – Prices of CPO closed lower on weak demand. Prices of CPO fell more at India high seas while it fell less at CNF markets indicating weak demand in domestic markets.



Fall in soy oil prices supported the fall.

Demand of RBD palmolein is weak at high seas as fall in prices at high seas was more than fall at CNF India compared to last week.

Demand of RBD palmolein is weak at CNF markets as prices fell at CNF markets while it rose at Malaysia FOB compared to last week.

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

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

Demand of RBD palmolein on high seas is firmer than CPO at high seas as premium RBD palmolein over CPO increased to Rs 45 (Rs 41) per 10 kg.

Improving refining margins will increase imports of CPO and parity in RBD palmolein will increase imports in medium term.

Import in palm oil in January was lower than January 2016 and December 2016 despite reduction of import duty indicating weak demand. Stocks at ports and pipelines increased in January.

Low CDSO CNF premium over CPO CNF will decrease imports of palm oil in medium term USD 40.5 (USD 53 last week) per 10 kg. Premium of CDSO soy oil high seas over CPO high seas is at Rs 68 (Rs 74 last week) per 10 Kg will decrease CPO demand at high seas. Premium of refined soy oil over RBD palmolein is Rs 78 (Rs 80 last week) per 10 kg is low will decrease demand in near term.

Prices of CPO are expected to remain sideways to weak on weak demand

- According to United States Department of Agriculture (USDA) March estimates, India's will import 9.6 MMT of palm oil in 2016/17, down 0.4 MMT from its previous estimate of 10.0 MMT. Last year imports of palm oil by India were 8.857 MMT. Domestic consumption of palm oil is reduced from 10.15 to 9.75 MMT in its March estimate. Last year domestic consumption was 9.1 MMT.
- Palm oil import scenario – According to SEA, India imported 6.09 lakh tons of palm oil in January 2017 v/s 6.88 lakh tons in January 2016, down 11.5 percent y-o-y. Import of palm oil in the period (November 2016-January 2017) was at 21.33 lakh tons compared to 23.52 lakh tons in the corresponding period in last oil year, lower by 9.3 percent.

CPO imports slowed to 4.08 lakh tons in January compared to 5.30 lakh tons in January 2016, lower by 23 percent y-o-y. Import of CPO in the period (November 2016-January 2017) was at 14.39 lakh tons compared to 17.09 lakh tons in the corresponding period last oil year, lower by 15.8 percent

RBD palmolein imports rose 31.3 percent in January to 1.97 lakh tons from 1.50 lakh tons in January 2016. Import of CPO in the period (November 2016-January 2017) was at 6.83 lakh tons compared to 6.14 lakh tons in corresponding period last oil year, lower by 6.2 percent.

- On the trade front, CNF CPO (Indonesian origin) at Indian port quoted at USD 722.5 (USD 740) per ton for March delivery and April delivery is quoted at USD 712.5 (USD 725) per ton. Last month, CIF CPO February average price was USD 779.78 (USD 793.92 per ton in January 2017) per ton.

Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 720 (USD 732.5) per ton for March delivery while April delivery is offered at USD 712.5 (USD 725) per ton. Ready lift CPO duty paid prices quoted at Rs 542 (Rs 553) per 10 Kg and March delivery duty paid is offered at Rs 540 (Rs 550) per 10 kg on March 11, 2017. Last month, CIF RBD palmolein February average price was USD 768.61 (USD 784.72 last month) per ton. Values in bracket depict last week quotes.

- On the parity front, margins improved during this week due to fall in prices of palm products in international markets. Currently refiners fetch USD 20-25/ton v/s gain of USD 0-5/ton (last month) margin in processing the imported CPO and imports of ready to use palmolein fetch USD 30-35/ton v/s gain of USD 15-20/ton (last month) parity.
- We expect palm oil to trade sideways to firm in the days ahead.

International Front

Agriwatch View – Palm oil end stocks in Malaysia fell to 5-year lows by MPOB due to weak production of palm oil despite fall in exports in February.

Production fell on lagged effect of El Nino and flooding in various parts of Malaysia.

Production will remain adversely affected in Malaysia until March 2017, which will support prices in near term.

However, production will increase and it is expected to be bearish

Palm oil prices are expected to correct as expectation of higher production builds in Malaysia for rest of the year.

Export demand from Malaysia is weak as India and China are not purchasing at higher levels. Imports by India are weak on weak demand.

Production of palm oil is expected to improve from next quarter starting April when lagged effect of El Nino expires and seasonal uptrend of production starts.

Palm oil exports from Malaysia fell by 25 percent in first 10 days of March indicating demand from India and China is not improving. Demand from China is weak post Chinese New Year. Indian and Chinese buyers are looking for bargains before they purchase in bulk.

Palm oil prices are still expected to be weak in near term in India on low premium of soy oil and sunflower oil over palm oil. Demand of palm oil is weak at India high seas. India is a price sensitive country, which may shift demand away from palm oil. India is importing more RBD palmolein from Malaysia as RBD palmolein prices quoted on India ports is lower than Indonesia CPO. India is world's largest importer of soy and palm oil. Higher oilseed crop in India in 2016-17 will increase production oil of edible oil in its domestic market and slow imports. Appreciation of ringgit will underpin palm oil prices in near term.

Production of palm oil in Indonesia lost in 2016 will not be fully recovered in 2017. GAPKI estimates palm oil production will exceed 35 MMT in 2017. New planting in 2013 will support palm oil production in Indonesia. MPOB expects improvement of palm oil production in Malaysia to pre El Nino production.

Aggressive pricing of RBD palmolein compared to Indonesia CPO has helped exports from Malaysia, reduced stocks of palm oil in Malaysia, and supported prices.

Prices of palm oil have stretched too far and demand is weak from top importing destinations, which will help in retracement of prices.

Palm oil is seen falling due to weak competitive oil markets like DALIAN RBD palmolein and CBOT soy oil in near term.

Malaysia increased palm oil export duty to 8 percent for March, as Malaysian government feels that rise in export duty will not hurt their competitiveness from Indonesia.

Indonesia kept palm oil export duty for March at USD 18 between USD 800-850 per ton of palm oil prices. Duty of USD 18 is over and above USD 50 levy imposed on July 2015.

Higher use of palm oil in biodiesel in Indonesia will soak incremental palm oil production in the country in medium term.

Fall in crude oil prices will underpin palm oil prices in near term. Prices are in range.

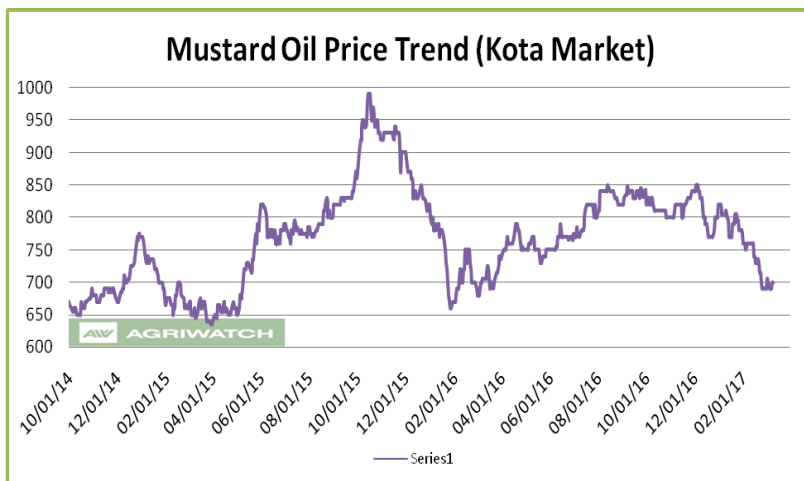
- According to Malaysia Palm Oil Board (MPOB), Malaysia's February palm oil end stocks fell 5.32 percent to 14.59 lakh tons compared to 15.41 lakh tons in January. Production dropped 1.43 percent in February to 12.59 lakh tons compared to 12.79 lakh tons in January. Exports in January fell 13.97 percent to 11.07 lakh tons compared to January exports at 12.86 lakh tons. Imports in February fell 43.66 percent to 0.40 lakh tons compared to 0.72 lakh tons in January.
- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's March 1-10 palm oil exports fell 25.7 percent to 250,481 tons compared to 337,282 tons in corresponding period last month. Top buyers were China at 50,590 tons (76,500 tons), India at 35,300 tons (15,800 tons), European Union at 25,270 tons (38,500 tons), United States at 21,800 tons (21,130 tons) and Pakistan at 11,500 tons (12,000 tons). Values in brackets are figures of corresponding period last month.
- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's March 1-10 palm oil exports fell 25.5 percent to 254,141 tons compared to 340,947 tons in corresponding period last month. Top buyers were India & subcontinent at 55,300 tons (34,860 tons), China at 52,950 tons (84,000 tons) European Union at 25,180 tons (30,500 tons). Values in brackets are figures of corresponding period last month.

Price Outlook: We expect CPO Kandla 5 percent (with VAT) to stay in the range of Rs 520-570 per 10 Kg in the near term.

Rapeseed oil Fundamental Review and Analysis:-

Domestic Front

- Mustard oil prices featured weak trend during the week in review at most trading centers. Benchmark market in Kota closed lower at the end of the week on fall in prices of rapeseed and higher supply.
- Agriwatch view: Prices of rapeseed oil expeller and kacchi ghani fell across board in India. Canola oil prices fell last week supporting losses.



Prices of rapeseed oil fell due to fall in

rapeseed prices due to harvest pressure. Record rapeseed crop in India has increased supply of rapeseed in markets, denting prices.

Demand is firm ahead of Holi. However, higher supply of rapeseed oil due to higher crushing of rapeseed has supported losses.

Fall in prices of soy oil and palm oil supported the fall.

Prices of rapeseed are expected to fall below MSP in first half of March.

Agriwatch expects rapeseed crop at 6.9-7.00 MMT in 2017.

Low premium of rapeseed oil over soy oil in domestic market will support rapeseed prices in medium term.

Higher imports of rapeseed (canola) oil have suppressed prices in medium term. Further, fall in canola oil prices will affect sentiment.

Stockists and traders are stocking rapeseed oil to take advantage of the prevailing low prices.

Premium of canola oil compared to CDSO has increased USD 50 (USD 32) per ton and which will support imports. However, fall in prices of canola oil will underpin rapeseed oil prices.

Markets are expected to trade sideways to weak tone in coming days on weak demand, seasonal downtrend of prices, high supply, fall in prices of rapeseed and weak competitive oils in domestic markets.

- India imported 0.18 lakh tons of rapeseed (Canola) oil in January 2017 v/s 0.07 lakh tons in January 2016, higher by 157 percent y-o-y. Imports were 0.83 lakh tons in the period (November 2016-January 2017) compared to 0.58 lakh tons in corresponding period last oil year: SEA
- CIF canola premium over soybean oil is USD 50 (USD 32 last week) per ton as on March 11, 2017.
- Currently, RM oil at Jaipur market, (expeller) is offered at Rs 680 (Rs 700) per 10 Kg, and at Kota market, it is offered at Rs 700 (Rs 705) per 10 kg as on March 11, 2017. 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 650-740 per 10 Kg.

Domestic Front

- ### Sunflower Oil Price Trend (Chennai Market)
-
- | Date | Price (Rs per 10 Kg) |
|----------|----------------------|
| 11/09/14 | 640 |
| 12/09/14 | 620 |
| 01/08/15 | 615 |
| 02/07/15 | 665 |
| 03/09/15 | 640 |
| 04/08/15 | 635 |
| 05/08/15 | 625 |
| 06/07/15 | 620 |
| 07/07/15 | 700 |
| 08/06/15 | 695 |
| 09/05/15 | 665 |
| 10/05/15 | 715 |
| 11/04/15 | 785 |
| 12/03/15 | 705 |
| 01/04/15 | 690 |
| 02/02/16 | 740 |
| 03/03/16 | 715 |
| 04/02/16 | 730 |
| 05/02/16 | 715 |
| 06/01/16 | 700 |
| 07/01/16 | 720 |
| 08/01/16 | 695 |
| 09/01/16 | 690 |
| 10/29/16 | 720 |
| 11/28/16 | 715 |
| 12/27/16 | 715 |
| 01/26/17 | 705 |
| 03/28/17 | 680 |

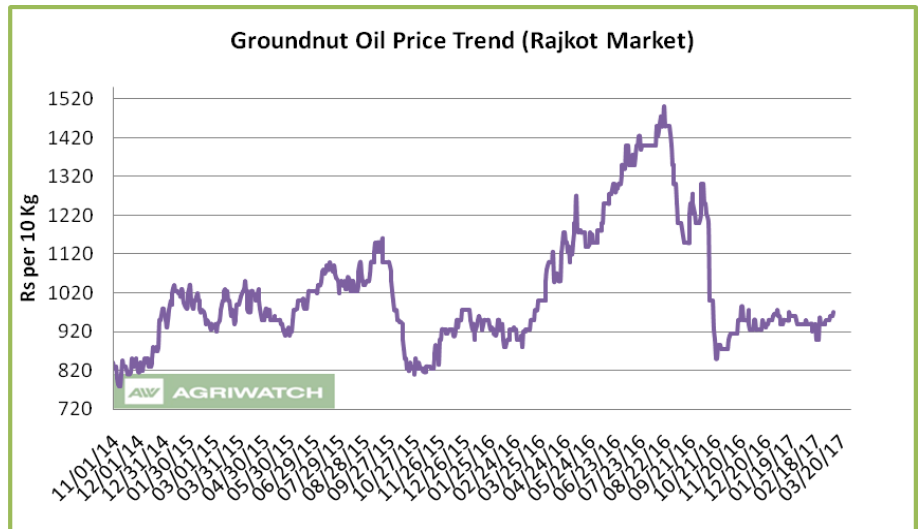
- Sunflower oil import scenario – According to SEA, India imported 2.15 lakh tons of crude sunflower oil during January 2017 v/s 1.18 lakh tons in January 2016, higher by 82 percent y-o-y. India imported 5.59 lakh tons of crude sunflower oil (November 2016-January 2017) compared to 3.98 lakh tons in corresponding period last oil year.

- On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 790 (USD 800) per ton for April delivery and MJ delivery is quoted at USD 795 (USD 802.5) per ton. CIF sun oil (Ukraine origin) February monthly average was around USD 811.17 per ton. Values in brackets are figures of last week.
- Prices are likely to stay in the range of USD 760-820 per ton in the near term. CIF Sunflower oil premium over CDSO is hovering at USD 35 (USD 17 last week) per ton for April delivery.
- Currently, refined sunflower oil at Chennai market is offered at Rs 680 (Rs 685) per 10 Kg, and at Hyderabad market, it is offered at Rs 703 (Rs 703) per 10 kg as on March 11, 2017. 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 650-720 per 10 Kg.

Groundnut oil Fundamental Review and Analysis:-` Domestic Front

- Groundnut oil prices featured uptrend trend in Rajkot in week in the review on firm demand and weak supply. Prices remained unchanged in Jamnagar while it rose in Gondal. Prices closed higher in Chennai and Hyderabad. Prices were unchanged in New Delhi while it closed higher in Mumbai at the end of week.



- Agriwatch view: Prices of groundnut oil featured uptrend in Rajkot on firm demand ahead of Holi festival. Demand firmed on lower prices of groundnut oil.

Prices of groundnut rose in the week in review. Harvest is progressing at very good pace. Arrival is weak in market as farmers are not releasing groundnut expecting the prices to improve.

Higher prices of groundnut supported the rise in prices.

Retail demand has improved ahead of festive season.

Prices rose on seasonal uptrend of prices.

Fall in prices of groundnut oil has increased offtake by stockists and traders

Crushing of groundnut is weak due to lower farmer release. However, firm demand has kept prices sideways to higher.

Millers are not getting raw material in adequate quantity, which has slowed crushing. Quality of groundnut is very good.

Groundnut oil prices are expected to trade sideways to firm in near term due to firm demand ahead of festive season, higher groundnut prices and seasonal uptrend of prices.

- On the price front, currently the groundnut oil prices in Rajkot is quoted at Rs 9,700 (Rs 9,500) per quintal and it was quoted at Rs 9,800 (Rs 9,600) per quintal in Chennai market on March 11, 2017. 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 930-1050 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 remained unchanged and Trissur at the end of the week.
- Agriwatch view: Coconut oil prices showed downtrend during the week, on weak demand at higher levels.

Fall in prices of copra supported fall in prices.

Fall in prices of palm oil and soy oil supported losses.

Stockists of copra are staying away from market, as they are not confident of prices.

Corporate demand, which contributes about 80 percent of demand, is moderate.

Traders and upcountry buyers are releasing copra stocks to take advantage of prices. Supply of copra has improved on higher harvest of coconut. Traders are releasing copra stocked at lower levels to take advantage of prices.

Exports have weakened as higher prices is making Indian coconut oil uncompetitive in international markets.

Demand from North India is weak and demand will only rise when mercury rises.

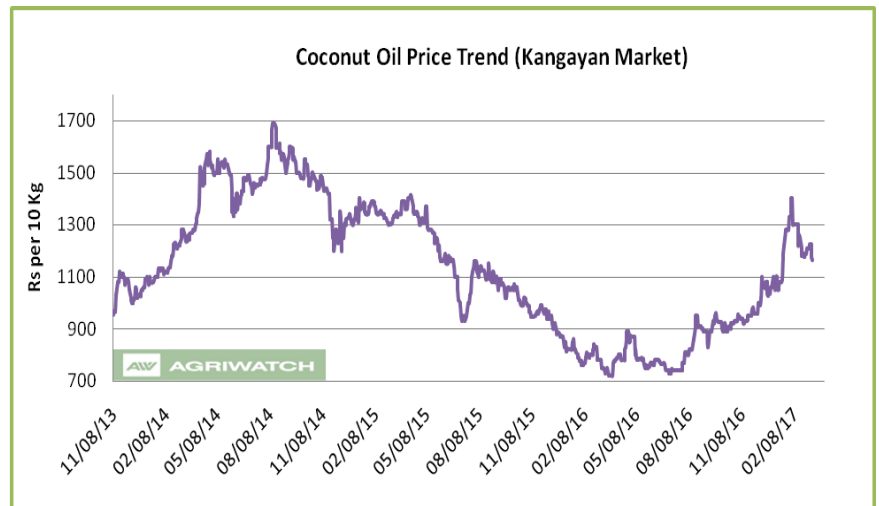
Crushing of coconut oil is firm on back of higher supply of copra. Demand of copra has moderated. Millers are not holding produce, as they are not confident of prices and are dependent on ready markets.

Regular supply of coconut oil has increased while demand is weaker than produce and lower raw material prices.

Coconut oil prices are expected to be weak due to weak demand, firm supply, higher supply of copra and fall in prices of palm oil.

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

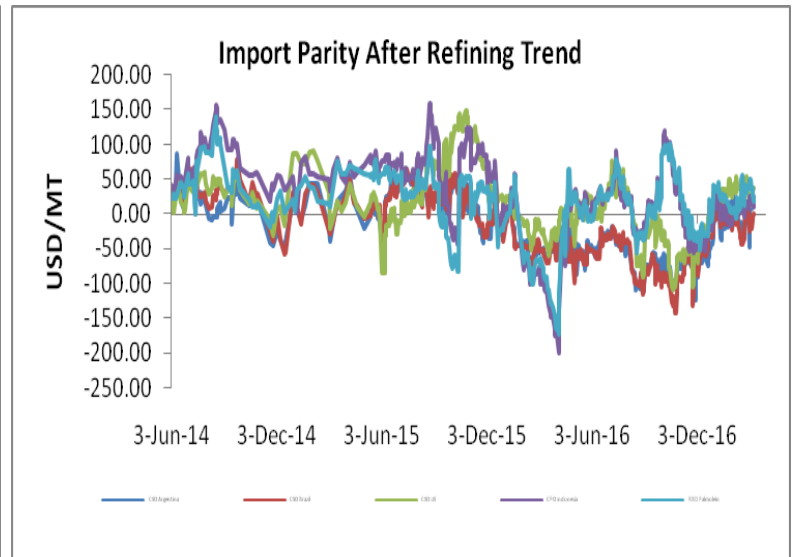
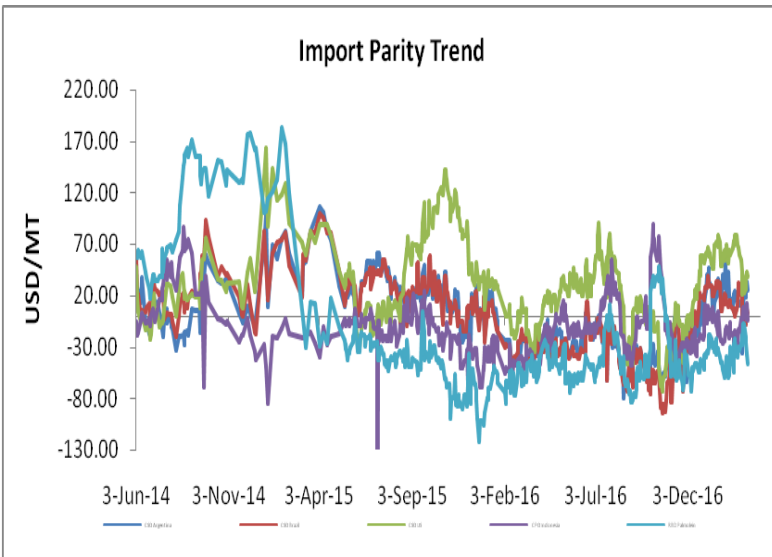
- On the price front, currently the coconut oil prices in Trissur is hovering near Rs 12,200 (12,200) per quintal, and was quoting Rs 11,650 (Rs 11,100) per quintal in Erode market on March 11, 2017.



Price Outlook: Coconut oil (withut VAT) prices in Erode may stay in the range of Rs 1100-1200 per 10 Kg.

Import Parity Trend

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

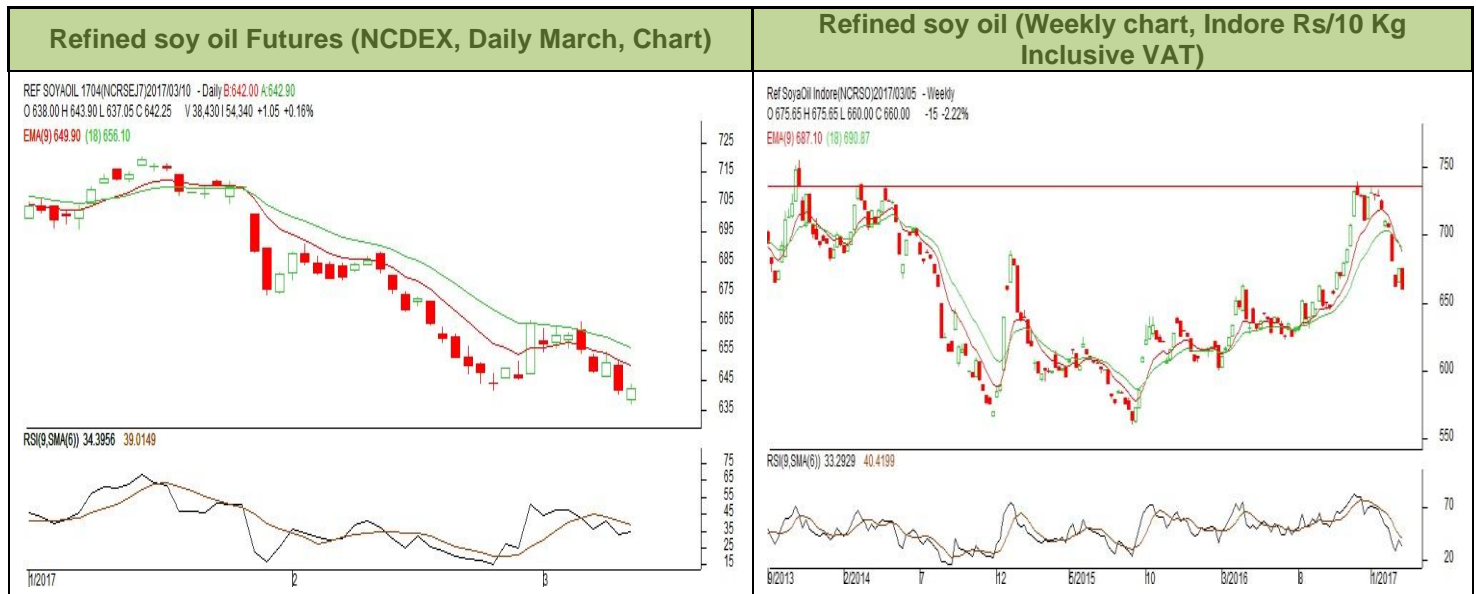


	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
Jan, 2017	-8.31	-7.38	31.24	1.15	22.76
Feb, 2017	-4.41	-12.57	39.53	5.89	21.73

Outlook:-

Import parity for crude soy oil from Argentina is in parity due to fall in prices of imported oils. We expect CDSO import parity to improve in medium term. Parity in palm oil products may increase palm oil imports in the coming days.

Technical Analysis (Refined soy oil)



Outlook – Refined soybean oil witnessed downtrend 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 600 in weekly might take the prices below 580 levels.
- Expected price band for next week is 600-660 level in near to medium term. RSI, stochastic and MACD is suggesting downtrend in market.

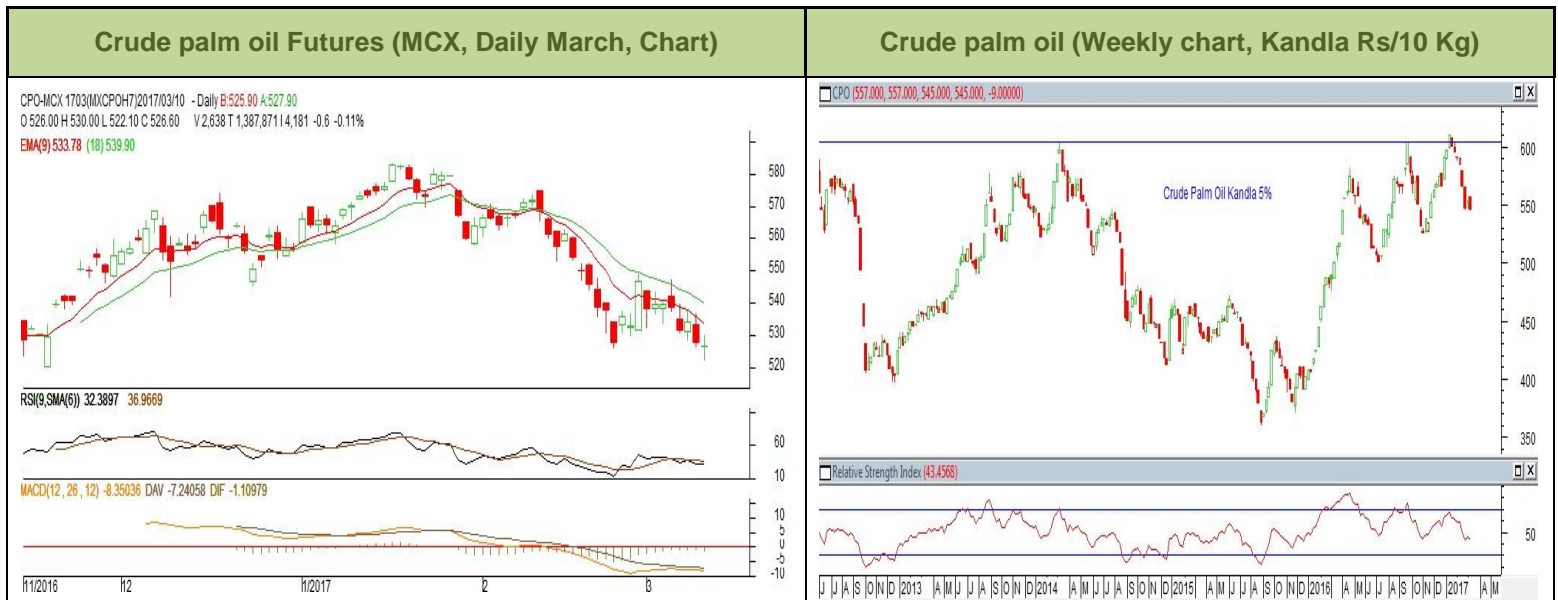
Strategy: Market participants are advised to go short below 640 levels for a target of 620 and 615 with a stop loss at 650 on closing basis.

RSO NCDEX (March)

Support and Resistance				
S2	S1	PCP	R1	R2
610.00	624.00	632.5	666.00	677.00

Spot Market outlook: Refined soy oil Indore (with VAT) is likely to stay in the range of Rs 620-700 per 10 Kg.

Technical Analysis (Crude Palm oil)



Outlook - Prices show downtrend in prices during the week. We expect that CPO March contract may trade sideways to firm 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 below 500 in weekly chart may bring the prices to 480 levels.
- Expected price band for next week is 510-560 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 525 for a target of 510 and 505 with a stop loss at 535 on closing basis.

CPO MCX (March)

Support and Resistance				
S2	S1	PCP	R1	R2
500.00	514.00	520.4.00	546.00	557.00

Spot Market outlook: Crude palm oil is likely to stay in the range of Rs 520-570 per 10 Kg.

Veg. Oil Prices at Key Spot Markets

Commodity	Centre	Prices(Per 10 Kg)		Change
		10-Mar-17	3-Mar-17	
Refined Soybean Oil	Indore	670	675	-5
	Indore (Soy Solvent Crude)	630	645	-15
	Mumbai	660	670	-10
	Mumbai (Soy Degum)	610	628	-18
	Kandla/Mundra	655	660	-5
	Kandla/Mundra (Soy Degum)	615	628	-13
	Kolkata	665	670	-5
	Delhi	680	690	-10
	Nagpur	655	671	-16
	Rajkot	655	665	-10
	Kota	670	685	-15
	Hyderabad	679	684	-5
	Akola	689	710	-21
	Amrawati	688	710	-22
	Bundi	670	685	-15
	Jalna	701	715	-14
	Alwar	NA	NA	-
	Solapur	702	717	-15
	Dhule	699	712	-13
Palm Oil	Kandla (Crude Palm Oil)	545	554	-9
	Kandla (RBD Palm oil)	560	575	-15
	Kandla RBD Pamolein	585	595	-10
	Kakinada (Crude Palm Oil)	530	535	-5
	Kakinada RBD Pamolein	585	590	-5
	Haldia Pamolein	585	590	-5
	Chennai RBD Pamolein	590	595	-5
	KPT (krishna patnam) Pamolein	580	585	-5
	Mumbai RBD Pamolein	585	595	-10
	Delhi	630	640	-10
	Rajkot	580	595	-15
	Hyderabad	537	546	-9
	Mangalore RBD Pamolein	590	595	-5
	PFAD (Kandla)	440	440	Unch
	Refined Palm Stearin (Kandla)	510	510	Unch
Refined Sunflower Oil	Chennai	680	685	-5
	Mumbai	715	715	Unch
	Mumbai(Expeller Oil)	620	630	-10
	Kandla	700	700	Unch
	Kandla/Mundra (Crude)	NA	NA	-

	Hyderabad (Ref)	703	703	Unch
	Latur (Expeller Oil)	700	725	-25
	Chellakere (Expeller Oil)	650	645	5
	Erode (Expeller Oil)	710	725	-15
Groundnut Oil	Rajkot	960	950	10
	Chennai	970	960	10
	Delhi	950	950	Unch
	Hyderabad *	1060	1015	45
	Mumbai	990	980	10
	Gondal	960	940	20
	Jamnagar	950	950	Unch
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	680	695	-15
	Jaipur (Kacchi Ghani Oil)	725	735	-10
	Kota (Expeller Oil)	700	705	-5
	Kota (Kacchi Ghani Oil)	710	725	-15
	Neewai (Kacchi Ghani Oil)	690	700	-10
	Neewai (Expeller Oil)	710	720	-10
	Bharatpur (Kacchi Ghani Oil)	750	760	-10
	Alwar (Kacchi Ghani Oil)	NA	NA	-
	Alwar (Expeller Oil)	NA	NA	-
	Sri-Ganga Nagar(Exp Oil)	675	700	-25
	Sri-Ganga Nagar (Kacchi Ghani Oil)	715	730	-15
	Mumbai (Expeller Oil)	700	715	-15
	Kolkata(Expeller Oil)	920	970	-50
	New Delhi (Expeller Oil)	735	755	-20
	Hapur (Expeller Oil)	750	878	-128
	Hapur (Kacchi Ghani Oil)	882	983	-101
	Agra (Kacchi Ghani Oil)	755	765	-10
Refined Cottonseed Oil	Rajkot	660	670	-10
	Hyderabad	635	635	Unch
	Mumbai	660	665	-5
	New Delhi	640	660	-20
Coconut Oil	Kangayan (Crude)	1175	1210	-35
	Cochin	1230	1230	Unch
	Trissur	1220	1220	Unch
Sesame Oil	New Delhi	770	770	Unch
	Mumbai	730	730	Unch
Kardi	Mumbai	730	730	Unch
Rice Bran Oil (40%)	New Delhi	545	540	5
Rice Bran Oil (4%)	Punjab	590	590	Unch
Rice Bran Oil (4%)	Uttar Pradesh	590	590	Unch

Malaysia Palmolein USD/MT	FOB	715	698	17
	CNF India	730	730	Unch
Indonesia CPO USD/MT	FOB	710	710	Unch
	CNF India	730	738	-8
RBD Palm oil (Malaysia Origin USD/MT)	FOB	723	713	10
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	700	700	Unch
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1350	1380	-30
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	698	695	3
Crude palm Kernel Oil India (USD/MT)	CNF India	1340	1355	-15
Ukraine Origin CSFO USD/MT Kandla	CIF	790	800	-10
Rapeseed Oil Rotterdam Euro/MT	FOB	NA	NA	-
Argentina FOB (\$/MT)		9-Mar-17	2-Mar-17	Change
Crude Soybean Oil Ship		717	745	-28
Refined Soy Oil (Bulk) Ship		742	768	-26
Sunflower Oil Ship		725	725	Unch
Cottonseed Oil Ship		697	725	-28
Refined Linseed Oil (Bulk) Ship		737	Unq	-
<i>* indicates including VAT</i>				

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