

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 weak sentiment during the week on losses in CBOT soy oil and BMD CPO. Soy oil, palm oil, rapeseeds oil and sunflower oil closed lower while coconut oil closed sideways. Groundnut oil closed higher.

On the currency front, Indian rupee against USD closed at 64.85, down 55 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 625 and 620 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 610-680 per 10 Kg in the near term.

Market participants are advised to go short in CPO below 515 for a target of 500 and 495 with a stop loss at 525 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 palm oil exports rose 6.9 percent to 1,088,677 tons compared to 1,018,604 tons last month. Top buyers were European Union at 222,584 tons (195,090 tons), India at 170,020 tons (139,790 tons), China at 114,990 tons (143,560 tons), United States at 54,120 tons (70,030 tons) and Pakistan at 37,500 tons (24,000 tons). Values in brackets are figures of last month: SGS

On the international front, record South American soybean crops, higher soy oil end stocks in US, expectation of higher soybean production in US, 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.

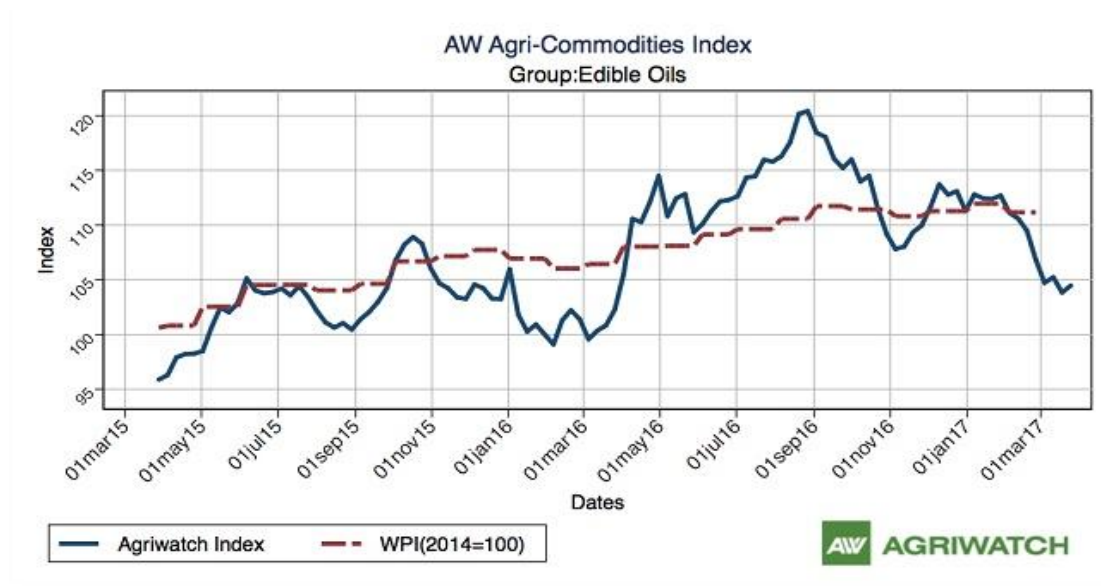
Strong ringgit, improvement in production of palm oil in Malaysia and Indonesia, weak exports to China and India, fall in competitive oils and fall in crude oil prices will underpin CPO prices in near term.

Agriwatch Index



- The Agriwatch Agri Commodities Index rose 0.74% to 110.34 during the week ended March 25, 2017 from 109.53 during the previous week led by higher cereals and pulses. The base for the Index and all sub-Indices is 2014 (= 100).
- Seven of the 9 commodity group sub-Indices and 15 of the 29 individual commodity sub-Indices that constitute the main Index gained during the week.

Agriwatch edible oil index



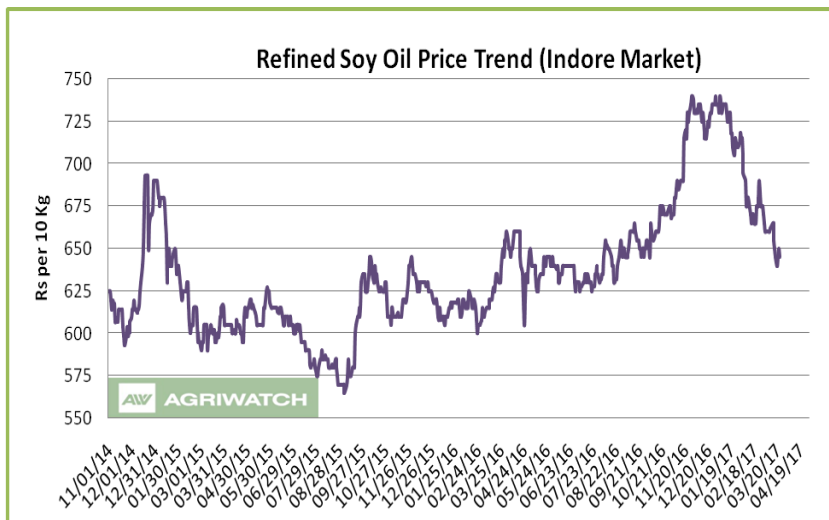
- Agriwatch edible oil index rose 0.60 percent in the week ended March 25, 2017 to 104.47

"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 weak international markets and weak competitive oils. 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 fall in CBOT soy oil and BMD CPO and fall in palm and rapeseed oil.



CDSO prices fell less in India West coast while it fell more in India CNF, indicating firm demand.

Prices were unchanged in India high seas compared to CNF markets, which fell indicating firm demand at high seas. Demand in domestic market was weak.

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

However, prices of refined soy oil fell in all major centers indicating weak demand.

Appreciation of Indian rupee has made imports of soy oil dearer in India, which will reflect in coming months.

Imports of soy oil increased in February compared to January 2017 while it was much below February 2016.

However, soy oil stocks at ports and pipelines remained unchanged in February indicating firm supply.

Crushing of soybean in India weakened due to weakening export demand of soy meal from India on appreciation of Rupee.

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 increased to Rs 85 (Rs 72 last week) per 10 Kg, which is low and may support soy oil prices in domestic markets. In USD terms, premium of CDSO CNF over CPO CNF, which was quoted at USD 25.5 (USD 21.5 last week) per ton, indicating weak demand of CDSO at CNF markets compared to CPO CNF.

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

Demand of CDSO is weak at CNF markets as prices of CDSO fell at CNF markets while it rose in FOB markets compared to previous week.

Prices of soy oil will fall on weak demand.

- According to Director General of Foreign Trade (DGFT) notification 43/2105-20 dated 27 March 2017 under section 3 of Foreign Trade Regulation Act, 1992, central government has allowed export of edible oil in bulk.
- Soy oil import scenario – According to SEA, India imported 2.52 lakh tons of soy oil in February 2017 v/s 3.66 lakh tons in February 2016, down 31 percent y-o-y. India imported 8.15 lakh tons of soy oil in the period

(November 2016-February 2017) compared to 15.55 lakh tons in the corresponding period last oil year, lower by 48 percent y-o-y.

- Imported crude soy oil CIF at West coast port is offered at USD 743 (USD 766) per ton for April delivery. May delivery is offered at USD 741 (USD 745) per ton and June delivery is offered at USD 738 as on March 31, 2017. Values in brackets are figures of last week. Last month, CIF CDSO March average price was USD 766.73 (USD 806.87 per ton in February 2017) per ton.
- On the parity front, margins weakened 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 10-15/ton v/s gain 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 – Record area estimate of soybean in US due to higher returns in US and higher soybean stocks will underpin soy oil prices in medium term. Fall in area was more than estimate at 89.48 million acres compared to 83.4 million acres in 2016. Wheat contributed to most area shift as soybean has become more ruminative than wheat on higher China demand. Stocks of soybean on March 1 were 1.75 billion bushels, which is 13 percent higher than last year. USDA kept soybean stocks lower to support prices.

Recommendation by National Biodiesel Board (NBB) to Trump Administration to impose anti dumping duty on imports of soy oil from Argentina and Indonesia for two years has affected sentiment in soy oil markets. Both Argentina and Indonesia biodiesels producers has denied such accusations. US produces 2 billion gallons and imports 0.9 million gallons from Argentina, Indonesia and Canada. Two thirds of imports are from Argentina. Argentina exports soy oil based biodiesel and Indonesia exports crude palm oil based biodiesel. Imports of biodiesel from Argentina and Indonesia rose 464 percent from 2014 to 2016.

Same precedent happened in dispute between EU and Argentina where EU imposed anti dumping duty on imports of biodiesel from Argentina. However, WTO court ruled in favor of Argentina.

Trump administration has decided to delay set of 30 regulations of biodiesel prepared by Obama administration. Rise in soy oil end stocks in February as reported by NOPA indicate that demand is weak in US despite weak production of soy oil on lower crush will underpin soy oil prices in medium term. Stocks of soy oil in US in March is expected to be higher than February on higher production of soy oil due to higher crush of soybean and lower demand of soy oil will underpin soy oil prices in medium term.

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. Many rating agencies have increased their estimate of soybean production and exports of Brazil. Harvest has reached 74 percent in Brazil. Harvest in Mato Grosso is over. Many agencies including Informa has estimated current soybean crop in Brazil above 110 MMT. Soybean crop estimate is expected to rise to 115MMT If conditions of harvest continue to remain conducive.

Argentina crop is in very good condition and harvest has started. Buenos Aires Grains Exchange has increased their estimate of soybean crop to 56.5 MMT from 54.6 MMT and has stated that if condition prevails the crop

estimate could rise further. USDA retained soybean crop of Argentina at 56.5 MMT. Inforna has estimated Argentina soybean crop at 57.7 MMT.

Oversupply of edible oils in 2017 due to record of soybean in US, Brazil and Argentina coupled with record production of sunflower, rapeseed and recovery in production of palm oil after severe El Nino in 2015 and 2016 will underpin soy oil prices in medium term.

Supply of palm oil in 2017 will improve and most of the lost production of palm oil due to El Nino in 2016 is expected to be recovered in 2017. Recovery of production of palm oil in 2017, record production of soy oil, record production of sunflower oil in Ukraine and Russia and record production of canola will underpin soy oil prices.

Imports by China from Brazil are progressing at a very good pace. USDA increased China imports estimate of China to 87 MMT in 2016/17.

Competitive oils will underpin prices in near term.

Fall in crude oil prices and 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.

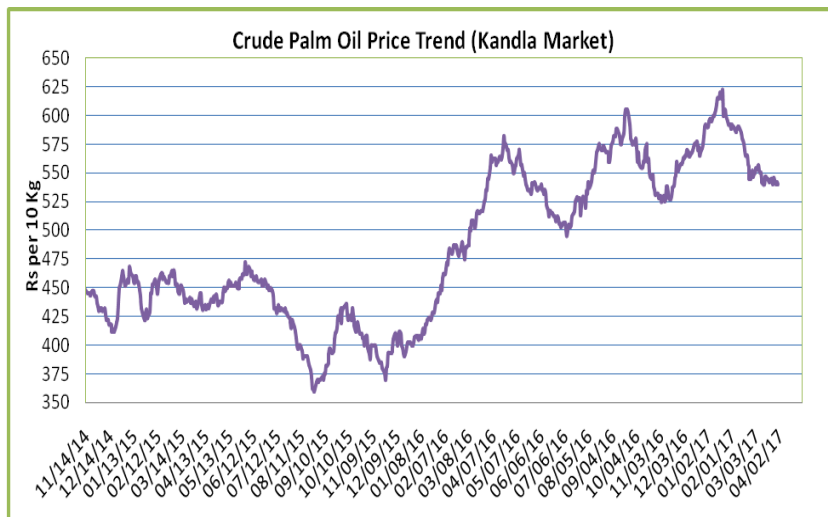
- According to National Oilseed Processors Association (NOPA), U.S. February soybean crush fell 11.1 percent to 142.792 million bushels from 160.621 million bushels in January 2017. Crush of soybean in February 2016 was 146.181 million bushels. Production of soy oil in U.S. in February fell to 1.668 billion lbs from 1.870 billion lbs in January 2017. Production in February 2016 was 1.708 billion lbs. Soy oil stocks in U.S. at the end of February rose 6.9 percent to 1.770 billion lbs compared to 1.655 billion lbs in January 2017. Stocks of soy oil in February were lower by 1.2 percent compared to February 2016, which was reported at 1.792 million lbs. Yield rose to 11.68 lbs/bushel in February from 11.65 lbs/bushel in January. Yield in February 2016 was reported at 11.68 lbs/bushel.
- 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.
- 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 610-680 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 spillover of fall in prices of palm oil in international markets and fall in competitive oils. CPO prices closed unchanged in Kakinada at the end of the week. RBD palmolein prices fell across board in India.



- Agriwatch View – Prices of CPO closed lower on fall in BMD CPO, which fell 3.5 percent during the week. Prices of CPO fell marginally at India

high seas while it fell at CNF markets indicating firm demand in domestic markets.

Fall in soy oil prices supported losses.

Demand of RBD palmolein is firm at high seas as fall in prices at high seas were less than fall at CNF India compared to previous week.

Demand of RBD palmolein is firm at CNF markets as prices fell less at CNF markets while it fell more at Malaysia FOB compared to previous week.

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

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 weaker than CPO at high seas as premium RBD palmolein over CPO decreased to Rs 21 (Rs 24) per 10 kg.

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

Import of palm oil in February was higher than February 2016 and January 2017 indicating firm demand. Stocks at ports and pipelines increased in February.

Appreciation of Indian rupee has made imports of palm oil dearer in India, which will reflect in coming months.

Low CDSO CNF premium over CPO CNF will decrease imports of palm oil in medium term USD 25.5 (USD 21.5 last week) per 10 kg. Premium of CDSO soy oil high seas over CPO high seas is at Rs 54 (Rs 49 last week) per 10 Kg, which is low and will decrease CPO demand at high seas. Premium of refined soy oil over RBD palmolein is Rs 85 (Rs 72 last week) per 10 kg is low and will decrease demand in near term.

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

- Palm oil import scenario – According to SEA, India imported 7.35 lakh tons of palm oil in February 2017 v/s 5.95 lakh tons in February 2016, higher by 24 percent y-o-y. Import of palm oil in the period (November 2016-February 2017) was at 28.69 lakh tons compared to 29.47 lakh tons in the corresponding period in last oil year, lower by 2.6 percent.

CPO imports increased to 4.98 lakh tons in February compared to 4.08 lakh tons in February 2016, higher by 22 percent y-o-y. Import of CPO in the period (November 2016-February 2017) was at 19.37 lakh tons compared to 21.16 lakh tons in the corresponding period last oil year, lower by 8.5 percent

RBD palmolein imports rose 31 percent in February to 2.33 lakh tons from 1.78 lakh tons in February 2016. Import of CPO in the period (November 2016-February 2017) was at 9.16 lakh tons compared to 7.91 lakh tons in corresponding period last oil year, higher by 16 percent.

- On the trade front, CNF CPO (Indonesian origin) at Indian port quoted at USD 717.5 (USD 737.5) per ton for April delivery and May delivery is quoted at USD 712.5 per ton. Last month, CIF CPO March average price was USD 733.31 (USD 779.78 per ton in February 2017) per ton.

Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 727.5 (USD 735) per ton for April delivery while May delivery is offered at USD 707.5 per ton. Last month, CIF RBD palmolein March average price was USD 711.23 (USD 768.71 last month) per ton. Values in bracket depict last week quotes.

Ready lift CPO duty paid prices quoted at Rs 544 (Rs 546) per 10 Kg and April delivery duty paid is offered at Rs 539 (Rs 536) per 10 kg on March 31, 2017.

- On the parity front, margins improved during this week due to fall in prices of palm products in international markets. Currently refiners fetch USD 10-15/ton v/s gain of USD 15-20/ton (last month) margin in processing the imported CPO and imports of ready to use palmolein fetch USD 20-25/ton v/s gain of USD 25-30/ton (last month) parity.
- We expect palm oil to trade sideways to weak in the days ahead.

International Front

Agriwatch View – Palm oil prices are dragged due to fall in CBOT soy oil and DALIAN RBD palmolein. Record area of soybean and record crops of soybean has led to fall in CBOT soy oil, which has supported palm oil prices to fall. Other competitive oil has also dragged palm oil.

Exports have recovered in last March, which reported rise of 6-7 percent. However, March exports figure do not indicate that demand is strong as fewer days in February month and Chinese New Year in February make a base effect. Clear picture of exports will only come from April.

Demand is weak from India and China. Demands from top importing destinations are weak. Both the countries are looking for bargains to purchase. Inventory of palm oil in India and China at ports is very weak which will support demand in medium term. However, low premium of soy oil over palm oil will decrease demand in medium term.

Demand from China is weak after Chinese New Year.

Production of palm oil is expected to recover in Malaysia as lagged effect of El Nino fades.

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.

However, palm oil stocks will rise slowly compared to rise in production.

Palm oil production loss in 2016 will recover completely in 2017 with Malaysia producing 19-20 MMT and Indonesia at 35-36 MMT.

With higher production, stocks of palm oil from Malaysia will increase.

Strong ringgit will be drag on exports of palm oil from Malaysia.

Decision of Malaysia to increase imports of crude palm oil from Indonesia is bearish for palm oil. Both, Indonesia and Malaysia agreed in 2015 to reduce imports of CPO from Indonesia to support prices.

Concerns of El Nino weather Southeast Asia have supported palm oil prices in near term. There is 50 percent chance of occurrence of El Nino in 2017, which will reduce palm yields. El Nino weather phenomena are expected at a time when palm production is expected to improve after weak 2016 and first quarter of 2017. Weather has played a big role in palm oil pricing in last one year. Palm oil production is expected to rise to 19-20 MMT in Malaysia and to 35-36 MMT in Indonesia in 2017. However, weather may play disruptive role.

Palm oil end stocks in Malaysia is expected to recover from 5-year lows as reported by MPOB due to improvement in production and weak exports.

Production is expected to improve from April and will gradually accelerate as the year progresses.

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

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 of edible oil in its domestic market and slow imports.

Production of palm oil in Indonesia lost in 2016 will be fully recovered in 2017. GAPKI estimates palm oil production to 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 levels.

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 from top importing destinations is weak, 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 reduced palm oil export duty to 7.5 percent for April, as Malaysian government feels that rise in export duty will hurt their competitiveness from Indonesia.

Indonesia has decreased palm export duties as it expects palm oil prices to miss certain thresholds.

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 cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's March palm oil exports rose 6.9 percent to 1,088,677 tons compared to 1,018,604 tons last month. Top buyers were European Union at 222,584 tons (195,090 tons), India at 170,020 tons (139,790 tons), China at 114,990 tons (143,560 tons), United States at 54,120 tons (70,030 tons) and Pakistan at 37,500 tons (24,000 tons). Values in brackets are figures of last month.
- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's March palm oil exports rose 1.2 percent to 1,076,240 tons compared to 1,008,040 tons last month. Top buyers were India & subcontinent at 248,425

tons (181,860 tons), European Union at 241,572 tons (211,845 tons) and China at 106,750 tons (151,690 tons). Values in brackets are figures of last month.

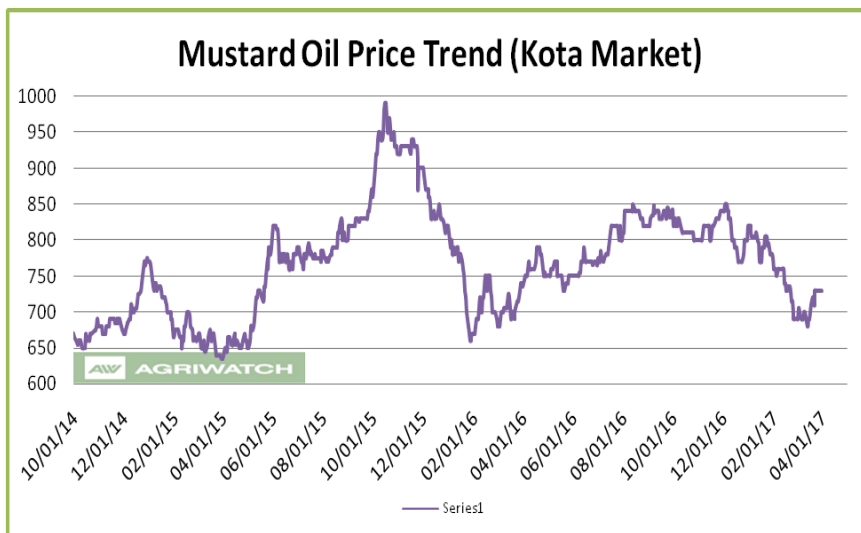
- According to Indonesia's trade ministry, Indonesia reduced April crude palm oil export duty at USD 3 per ton from USD 18 per ton in March. Reduction of export duty is due to fall in trigger prices, according to the ministry.
- According to Malaysia Palm Oil Board (MPOB), Malaysia's February palm oil 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.

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 downtrend during the week in review at most trading centers. Benchmark market in Kota closed sideways at the end of the week on weak demand.
- Agriwatch view: Prices of rapeseed oil fell in Jaipur, Ganganagar, Hapur and New Delhi. While it rose in Mumbai, Gujarat it remained unchanged in Newai and Kolkata. Kacchi ghani prices fell across board in India. Canola oil prices fell last week.



Prices of rapeseed oil traded lower due to weak demand and fall in rapeseed prices.

Demand has weakened with rise in temperatures across India.

Rapeseed prices continued their fall after rebound in previous week, which supported rapeseed oil prices.

However, due to higher crop of rapeseed, prices of rapeseed are not expected to remain weak in medium term.

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

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 oil prices in medium term.

Higher imports of rapeseed (canola) oil have suppressed prices in medium term.

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

Premium of canola oil compared to CDSO has decreased USD 57 (USD 73) per ton and which will support imports. However, fall in prices of canola oil will underpin rapeseed oil prices in medium term.

Imports of Canola oil increased in February, which will suppress rapeseed oil prices in medium term.

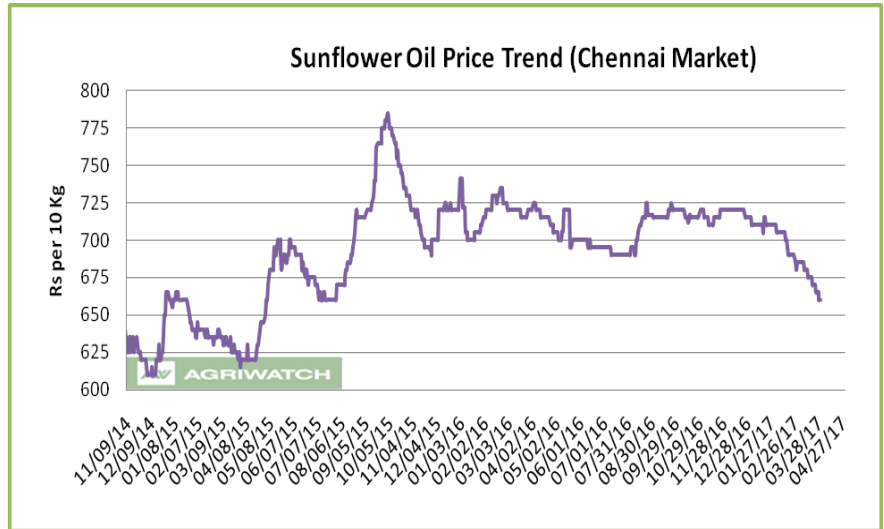
Markets are expected to trade sideways to weak tone in coming days on weak demand, seasonal downtrend of prices, high supply and weak competitive oils in domestic markets.

- India imported 0.37 lakh tons of rapeseed (Canola) oil in February 2017 v/s 0.17 lakh tons in February 2016, higher by 118 percent y-o-y. Imports were 1.20 lakh tons in the period (November 2016-February 2017) compared to 0.75 lakh tons in corresponding period last oil year: SEA
- CIF canola premium over soybean oil is USD 57 (USD 73 last week) per ton for April delivers as on March 31, 2017.
- Currently, RM oil at Jaipur market, (expeller) is offered at Rs 725 (Rs 730) per 10 Kg, and at Kota market, it is offered at Rs 730 (Rs 730) per 10 kg as on March 31, 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 700-760 per 10 Kg.

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

- Sunflower oil prices featured downtrend during the week at its benchmark market in Chennai on firm supply and weak demand. Prices remained unchanged in Hyderabad and Kakinada. Prices closed unchanged in Mumbai and Kandla/Mudra. Sunflower expeller prices closed lower in Erode while it closed unchanged in Hyderabad. Prices remained unchanged in Latur while it fell in Chellakere.



- Agriwatch view: Prices of sunflower oil traded lower in Chennai on firm supply and weak demand. Prices of sunflower oil fell less at CNF markets while it fell more in Chennai indicating weak demand. Prices of sunflower oil are trading at low premium over soy oil, which has reduced losses. Prices fell on seasonal downtrend of prices. Fall in prices of soy oil and palm oil supported fall. Premium of CSFO over CDSO at CNF has decreased to USD 37 (USD 42 last week) per ton for April delivery, indicating prices have ample space to rise as sunflower oil is considered superior oil. However, fall in prices of sunflower oil indicate weak demand and firm supply. In domestic market, sunflower oil premium over soy oil is at Rs 15 (Rs 15 last week) per 10 kg which is low indicating weak demand of sunflower oil. Sunflower oil premium over palm oil is USD 62.5 (USD 52.5 last week) which is low and may support imports. Sunflower oil is trading at low premium over soy oil in domestic market, which will increase demand in medium term. Appreciation of Indian rupee has made imports of sunflower oil dearer in India, which will reflect in coming months. Supply has improved in markets as imports rose 140 percent in February and stocks at ports and pipelines rose. Imports of sunflower oil will show steady rise in March due to low premium of sunflower oil over CDSO and CPO. Refiners are aggressively purchasing crude sunflower oil from international markets as CIF sunflower oil trading at low premium over CIF soybean oil. Currently sunflower oil premium over soy oil is at USD 37 (USD 42 last week) per ton for April delivery. Reduction of import duty on sunflower seed is expected to increase crushing in India and underpin prices in medium term. On the international front record volume of production and exports from Ukraine indicates firm supply, which has led sunflower oil to trade at low premium over soy oil and palm oil.

Prices of sunflower oil are expected to trade sideways to weak on fall in prices of competitive oils, weak demand, seasonal downtrend of prices and firm supply.

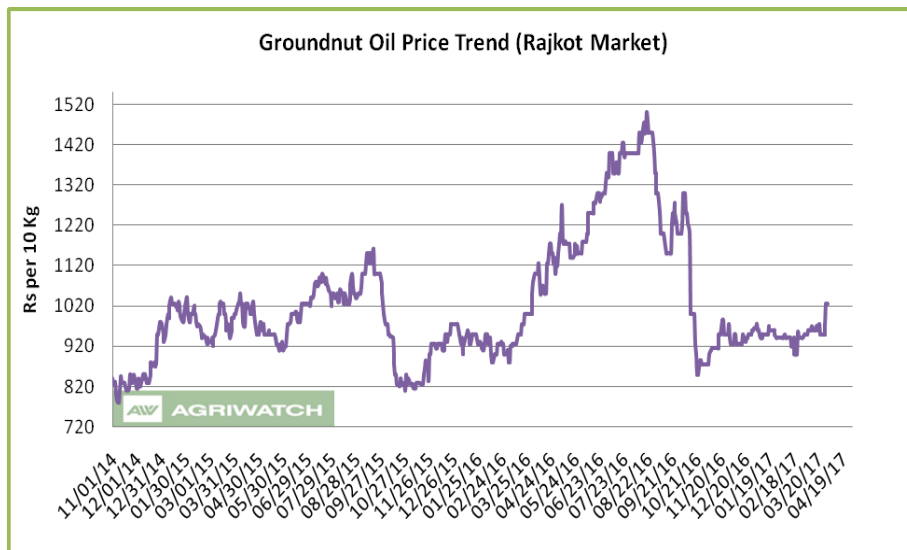
Prices are expected to trade sideways to weak in near term.

- According to State Statistics Service of Ukraine, Ukraine's Jan-Feb sunflower production rose 32.8 percent to 915 thousand tons compared to corresponding period last year. Production in February fell 7.7 percent compared to January at 439 thousand tons while it was higher by 17.6 percent compared to February 2016, according to APK-Inform.
- Sunflower oil import scenario – According to SEA, India imported 2.09 lakh tons of crude sunflower oil during February 2017 v/s 0.87 lakh tons in February 2016, higher by 140 percent y-o-y. India imported 7.68 lakh tons of crude sunflower oil (November 2016-February 2017) compared to 4.85 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 780 (USD 785) per ton for AMJ delivery and JAS delivery is quoted at USD 785 per ton. CIF sun oil (Ukraine origin) March monthly average was at 790.31 per ton compared to USD 811.17 per ton in February. Values in brackets are figures of last week.
- Prices are likely to stay in the range of USD 750-800 per ton in the near term. CIF Sunflower oil premium over CDSO is hovering at USD 37 (USD 42 last week) per ton for April delivery.
- Currently, refined sunflower oil at Chennai market is offered at Rs 660 (Rs 670) per 10 Kg, and at Hyderabad market, it is offered at Rs 684 (Rs 684) per 10 kg as on March 31, 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 650-700 per 10 Kg.

Groundnut oil Fundamental Review and Analysis:-` Domestic Front

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



- Agriwatch view: Prices of groundnut oil featured uptrend in Rajkot on firm demand from

retailers. Prices rose in most centers of India. Demand firmed on lower prices of groundnut oil.

Fall in prices of palm and soy oil capped gains.

Prices of groundnut surged in the week in review, which supported prices. Harvest is almost over.

Prices rose on seasonal uptrend of prices.

Arrival of groundnut is weak in market as farmers holding their produces to take advantage of higher prices of groundnut.

Higher prices of groundnut supported the rise in prices in many centers.

Retail demand has improved which was primary reason for rise in prices.

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

Crushing of groundnut is weak due to weak farmer release. Firm demand has kept prices sideways to higher.

Millers are getting raw material in limited 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, higher groundnut prices and seasonal uptrend of prices.

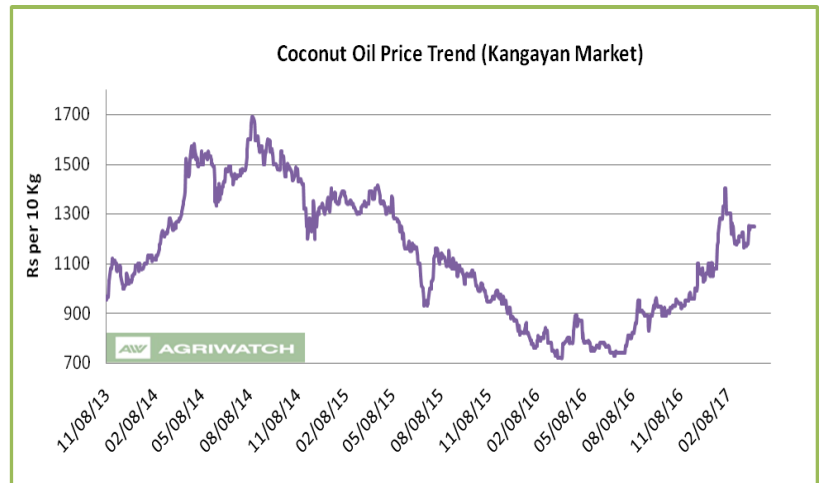
- On the price front, currently the groundnut oil prices in Rajkot is quoted at Rs 10,250 (Rs 9,500) per quintal and it was quoted at Rs 10,600 (Rs 10,200) per quintal in Chennai market on March 31, 2017. Values in brackets are values of last week.
- Groundnut oil prices are likely to trade sideways 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 950-1250 per 10 Kg.

Coconut Oil Fundamental Review and Analysis:- Domestic Front

- Coconut oil prices featured sideways trend during the week at its benchmark market in Kangayam on weak supply and weak demand. Average prices of coconut increased last week compared to previous week. In Kochi and Trissur prices remained unchanged at the end of the week.
- Agriwatch view: Coconut oil prices sideways trend during the week, on weak supply and weak demand.



Rise in prices of copra-limited downside. Prices of coconut oil traded sideways on improved sentiment on hike of MSP of copra by central government.

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

Falling prices of Palm kernel oil capped gains.

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

Traders and upcountry buyers are holding copra to take advantage of prices. Supply of copra has is weak due to severe shortage of rains in key coconut producing areas. Coconuts are imported from outside Tamil Nadu and Kerala to meet demand. Some East India traders procured coconuts in large quantities from South India for crushing. Traders are holding copra to take advantage of prices after hike in MSP of copra.

Exports have weakened as higher prices and rupee appreciation has made Indian coconut oil uncompetitive in international markets.

Demand from North India is weak.

Crushing of copra is weak on back of limited 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.

Supply of coconut oil is weak while demand is moderate to weak.

Coconut oil prices have shot up in medium term, which had weakened demand.

Markets are waiting for further cues as season is changing and trend will emerge after some time, until then prices are expected to remain sideways.

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

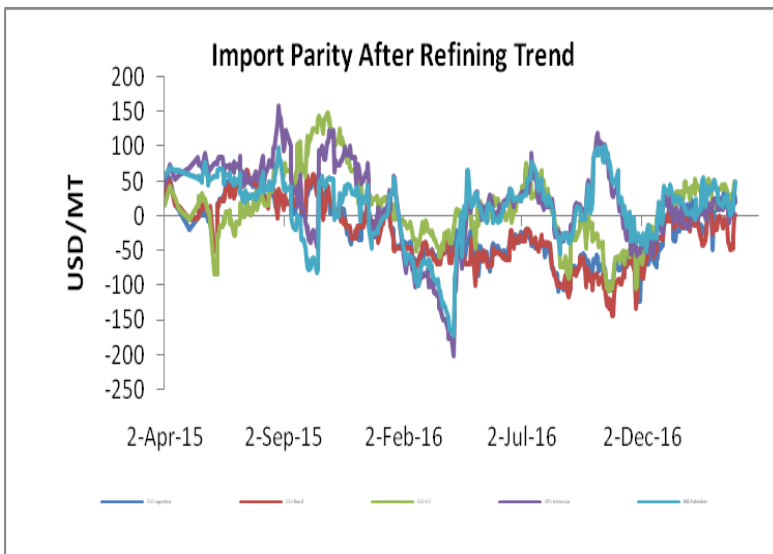
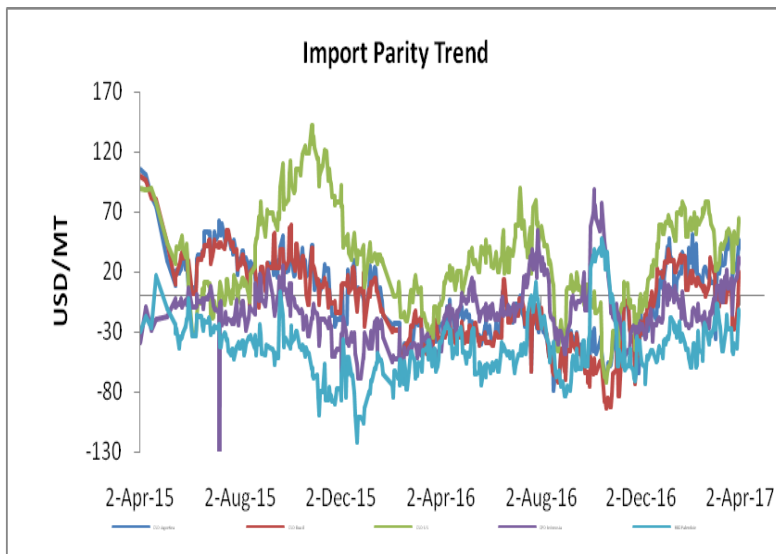
Prices are expected to trade sideways to weak tone in near term.

- On the price front, currently the coconut oil prices in Trissur is hovering near Rs 12,800 (12,800) per quintal, and was quoting Rs 12,500 (Rs 12,500) per quintal in Erode market on March 31, 2017.

Price Outlook: Coconut oil (withut VAT) prices in Erode may stay in the range of Rs 1150-1350 per 10 Kg.

Import Parity Trend

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

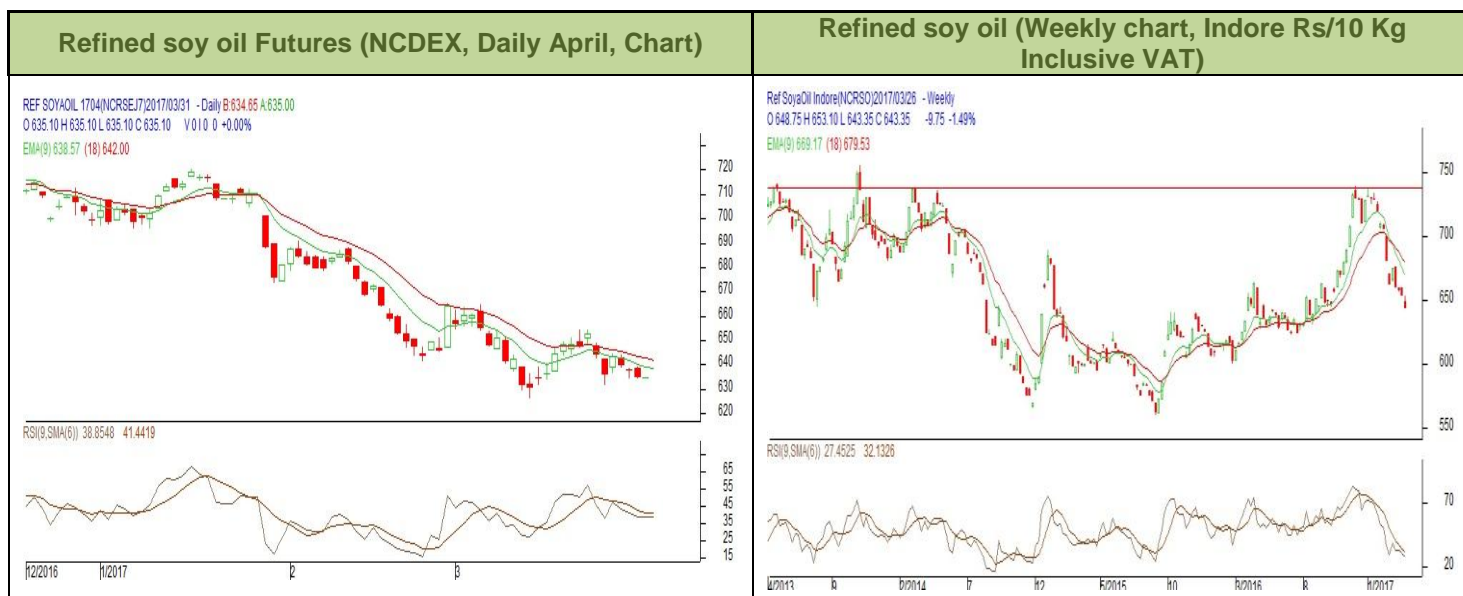


| | CSO Argentina | CSO Brazil | CSO US | CPO Indonesia | RBD Palmolein |
|------------------|---------------|------------|--------|---------------|---------------|
| Feb, 2017 | -4.41 | -12.57 | 39.53 | 5.89 | 21.73 |
| Mar, 2017 | 14.48 | -15.56 | 29.41 | 15.58 | 26.41 |

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 620 in weekly might take the prices below 600 levels.
- Expected price band for next week is 610-660 level in near to medium term. RSI, stochastic and MACD is suggesting downtrend in the market.

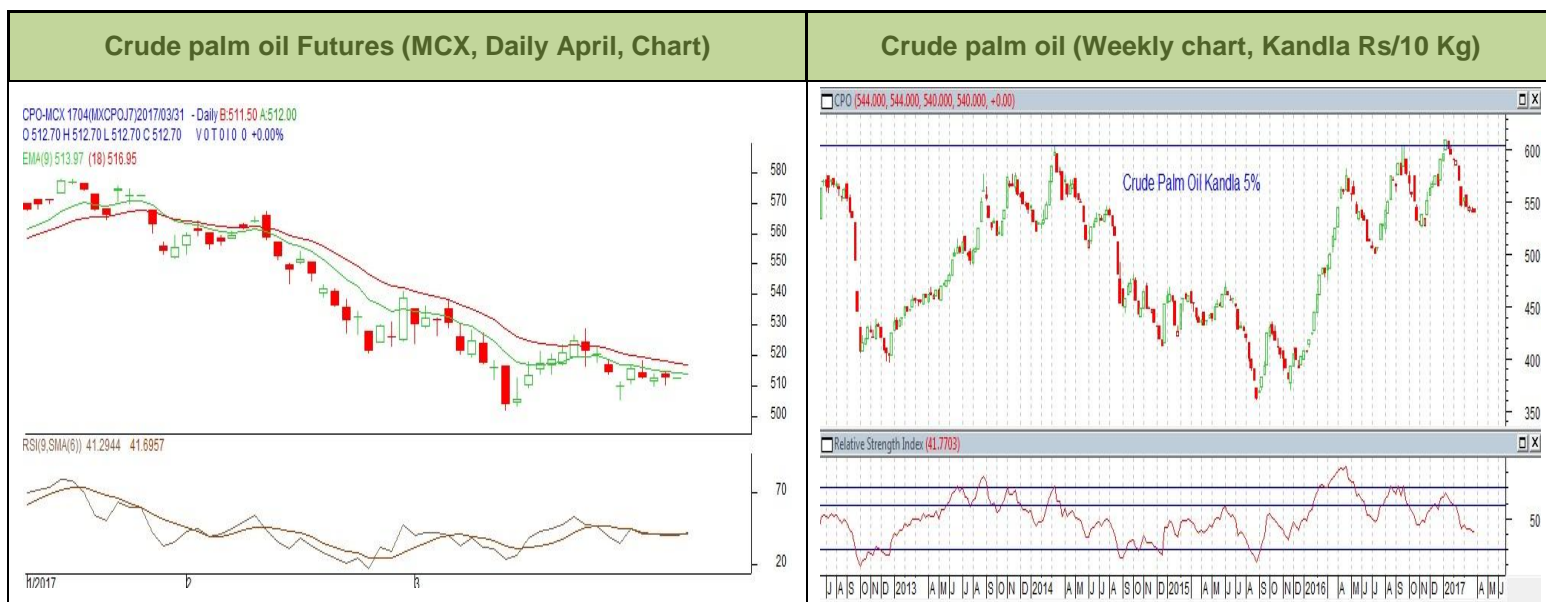
Strategy: Market participants are advised to go short below 640 levels for a target of 625 and 620 with a stop loss at 650 on closing basis.

RSO NCDEX (April)

| Support and Resistance | | | | |
|------------------------|--------|-------|--------|--------|
| S2 | S1 | PCP | R1 | R2 |
| 610.00 | 624.00 | 635.1 | 666.00 | 677.00 |

Spot Market outlook: Refined soy oil Indore (with VAT) is likely to stay in the range of Rs 610-680 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 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 below 500 in weekly chart may bring the prices to 480 levels.
- Expected price band for next week is 480-540 level. RSI, Stochastic, and MACD are suggesting downtrend in prices in the coming week.

Strategy: Market participants are advised to go short in CPO below 515 for a target of 500 and 495 with a stop loss at 525 on closing basis.

CPO MCX (April)

| Support and Resistance | | | | |
|------------------------|--------|-------|--------|--------|
| S2 | S1 | PCP | R1 | R2 |
| 590.00 | 500.00 | 512.7 | 527.00 | 546.00 |

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 |
|-----------------------|-------------------------------|-------------------|-----------|--------|
| | | 31-Mar-17 | 24-Mar-17 | |
| Refined Soybean Oil | Indore | 645 | 655 | -10 |
| | Indore (Soy Solvent Crude) | 620 | 625 | -5 |
| | Mumbai | 630 | 645 | -15 |
| | Mumbai (Soy Degum) | 585 | 595 | -10 |
| | Kandla/Mundra | 630 | 640 | -10 |
| | Kandla/Mundra (Soy Degum) | 600 | 610 | -10 |
| | Kolkata | 635 | 640 | -5 |
| | Delhi | 660 | 672 | -12 |
| | Nagpur | 685 | 702 | -17 |
| | Rajkot | 625 | 635 | -10 |
| | Kota | 650 | 670 | -20 |
| | Hyderabad | 660 | 665 | -5 |
| | Akola | 668 | 687 | -19 |
| | Amrawati | 667 | 687 | -20 |
| | Bundi | 645 | 670 | -25 |
| | Jalna | 680 | 698 | -18 |
| | Alwar | NA | NA | - |
| | Solapur | 685 | 702 | -17 |
| | Dhule | 679 | 695 | -16 |
| Palm Oil | Kandla (Crude Palm Oil) | 544 | 546 | -2 |
| | Kandla (RBD Palm oil) | 545 | 555 | -10 |
| | Kandla RBD Pamolein | 565 | 568 | -3 |
| | Kakinada (Crude Palm Oil) | 525 | 525 | Unch |
| | Kakinada RBD Pamolein | 555 | 565 | -10 |
| | Haldia Pamolein | 565 | 570 | -5 |
| | Chennai RBD Pamolein | 560 | 575 | -15 |
| | KPT (krishna patnam) Pamolein | 545 | 555 | -10 |
| | Mumbai RBD Pamolein | 565 | 575 | -10 |
| | Delhi | 610 | 625 | -15 |
| | Rajkot | 563 | 572 | -9 |
| | Hyderabad | 527 | 537 | -10 |
| | Mangalore RBD Pamolein | 560 | 575 | -15 |
| | PFAD (Kandla) | 455 | 440 | 15 |
| | Refined Palm Stearin (Kandla) | 500 | 520 | -20 |
| Refined Sunflower Oil | Chennai | 660 | 670 | -10 |
| | Mumbai | 705 | 705 | Unch |
| | Mumbai(Expeller Oil) | 595 | 615 | -20 |
| | Kandla | 675 | 680 | -5 |

| | | | | |
|--------------------------|------------------------------------|------|------|------|
| | Kandla/Mundra (Crude) | NA | NA | - |
| | Hyderabad (Ref) | 684 | 684 | Unch |
| | Latur (Expeller Oil) | 680 | 680 | Unch |
| | Chellakere (Expeller Oil) | 620 | 625 | -5 |
| | Erode (Expeller Oil) | 700 | 705 | -5 |
| | | | | |
| Groundnut Oil | Rajkot | 1025 | 950 | 75 |
| | Chennai | 1060 | 1020 | 40 |
| | Delhi | 1000 | 950 | 50 |
| | Hyderabad * | 1050 | 1060 | -10 |
| | Mumbai | 1060 | 1030 | 30 |
| | Gondal | 1010 | 1000 | 10 |
| | Jamnagar | 1030 | 1000 | 30 |
| | | | | |
| Rapeseed Oil/Mustard Oil | Jaipur (Expeller Oil) | 725 | 730 | -5 |
| | Jaipur (Kacchi Ghani Oil) | 765 | 775 | -10 |
| | Kota (Expeller Oil) | 730 | 730 | Unch |
| | Kota (Kacchi Ghani Oil) | 760 | 780 | -20 |
| | Neewai (Kacchi Ghani Oil) | 750 | 760 | -10 |
| | Neewai (Expeller Oil) | 730 | 730 | Unch |
| | Bharatpur (Kacchi Ghani Oil) | 780 | 800 | -20 |
| | Alwar (Kacchi Ghani Oil) | NA | NA | - |
| | Alwar (Expeller Oil) | NA | NA | - |
| | Sri-Ganga Nagar(Exp Oil) | 722 | 725 | -3 |
| | Sri-Ganga Nagar (Kacchi Ghani Oil) | 745 | 755 | -10 |
| | Mumbai (Expeller Oil) | 760 | 750 | 10 |
| | Kolkata(Expeller Oil) | 900 | 900 | Unch |
| | New Delhi (Expeller Oil) | 730 | 750 | -20 |
| | Hapur (Expeller Oil) | 778 | 780 | -2 |
| | Hapur (Kacchi Ghani Oil) | 884 | 886 | -2 |
| | Agra (Kacchi Ghani Oil) | 785 | 805 | -20 |
| | | | | |
| Refined Cottonseed Oil | Rajkot | 655 | 660 | -5 |
| | Hyderabad | 625 | 635 | -10 |
| | Mumbai | 640 | 640 | Unch |
| | New Delhi | 630 | 640 | -10 |
| | | | | |
| Coconut Oil | Kangayan (Crude) | 1250 | 1250 | Unch |
| | Cochin | 1230 | 1230 | Unch |
| | Trissur | 1280 | 1280 | Unch |
| | | | | |
| Sesame Oil | New Delhi | 770 | 770 | Unch |
| | Mumbai | 730 | 730 | Unch |
| Kardi | Mumbai | 730 | 730 | Unch |
| Rice Bran Oil (40%) | New Delhi | 550 | 550 | Unch |
| Rice Bran Oil (4%) | Punjab | 590 | 590 | Unch |
| Rice Bran Oil (4%) | Uttar Pradesh | 590 | 590 | Unch |



| | | | | |
|---|-----------|------------------|------------------|---------------|
| Malaysia Palmolein USD/MT | FOB | 685 | 720 | -35 |
| | CNF India | 713 | 728 | -15 |
| Indonesia CPO USD/MT | FOB | 695 | 700 | -5 |
| | CNF India | 718 | 733 | -15 |
| RBD Palm oil (Malaysia Origin USD/MT) | FOB | 693 | 710 | -17 |
| RBD Palm Stearin (Malaysia Origin USD/MT) | FOB | 655 | 673 | -18 |
| RBD Palm Kernel Oil (Malaysia Origin USD/MT) | FOB | 1180 | 1300 | -120 |
| Palm Fatty Acid Distillate (Malaysia Origin USD/MT) | FOB | 675 | 680 | -5 |
| Crude palm Kernel Oil India (USD/MT) | CNF India | 1210 | 1270 | -60 |
| Ukraine Origin CSFO USD/MT Kandla | CIF | 780 | 790 | -10 |
| Rapeseed Oil Rotterdam Euro/MT | FOB | 900 | 900 | Unch |
| | | | | |
| Argentina FOB (\$/MT) | | 30-Mar-17 | 23-Mar-17 | Change |
| Crude Soybean Oil Ship | | 690 | 708 | -18 |
| Refined Soy Oil (Bulk) Ship | | 714 | 733 | -19 |
| Sunflower Oil Ship | | 715 | 720 | -5 |
| Cottonseed Oil Ship | | 670 | 688 | -18 |
| Refined Linseed Oil (Bulk) Ship | | 710 | 728 | -18 |
| * indicates including VAT | | | | |

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