

Veg. Oil Weekly Research Report

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Executive Summary

Domestic Veg. Oil Market Summary

Almost all the edible oil witnessed sideways to weak trend in domestic market on higher supply and imports scenario during the week. Soy oil prices rose while rapeseed oil, sunflower oil and coconut oil prices were unchanged. Prices of palm oil and groundnut oil closed lower.

Firm CBOT soy oil and BMD CPO remained supportive domestic veg oil market.

On the currency front, Indian rupee is hovering near 64.37 against USD, down 23 paise from 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 in near-term.

We expect edible oil complex to remain under pressure on weak fundamentals. Lower stocks at ports and pipeline will limit the losses in near term.

Recommendation:

Weekly Call - : At NCDEX Market participants are advised to go short below 630 levels for a target of 615 and 610 with a stop loss at 640 on closing basis. We expect refined soy oil at Indore (with VAT) to stay in the range of Rs 590-650 per 10 Kg in the near term.

At MCX Market participants are advised to go short in CPO below 500 for a target of 485 and 480 with a stop loss at 510 on closing basis. We expect CPO Kandla 5 percent (with VAT) to stay in the range of Rs 480-540 per 10 Kg in the near term.

International Veg. Oil Market Summary

Malaysia's April palm oil exports rose 4.3 percent to 1,135,340 tons compared to 1,088,677 tons in corresponding period last month. Top buyers were European Union at 278,643 tons (222,584 tons), China at 137,450 tons (114,990 tons), India at 175,300 tons (170,020 tons), United States 59,465 tons (54,120 tons) and Pakistan 37,000 tons (37,500 tons). Values in brackets are figures of corresponding period last month: SGS

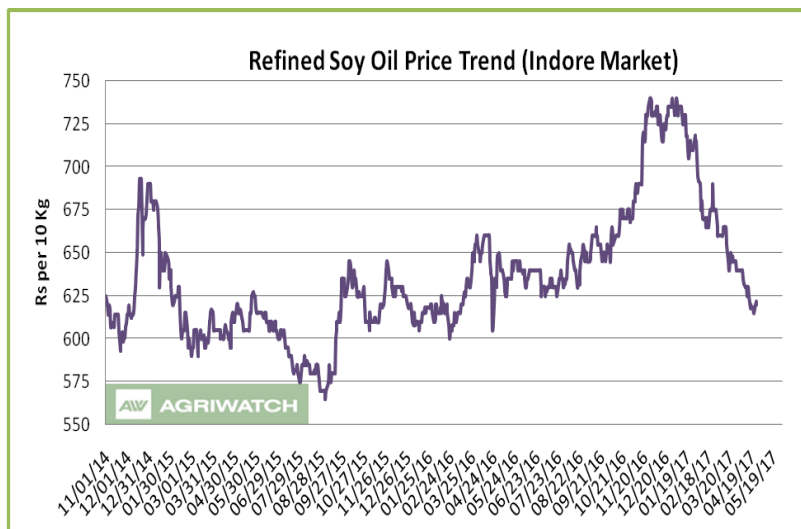
On the international front, record South American soybean crops, higher soy oil end stocks in US, expectation of higher soybean production in US, weak Indian demand, weak crude oil prices and strong dollar due to faster than expected rise of interest rates by FED will underpin soy oil prices in coming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

Strong ringgit, rise in stocks of palm oil in Malaysia, 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.

Soy oil Fundamental Analysis and Outlook:-

Domestic Front

- Soy oil featured gains in domestic and international markets. Refined soy oil prices gained in its benchmark market of Indore on firm demand. Prices of refined soy oil remained unchanged in Kandla/Mudra and Kolkata while it extended losses in Mumbai. CDSO prices closed higher at JNPT while it was unchanged at Kandla/Mudra at the end of the week.



- Agriwatch View- Soy oil prices closed higher during the week in Indore on firm demand and buying at lower quotes. CDSO prices rose less in India West coast compared to India CNF, indicating weak demand at high seas. Demand in domestic market was weak as refined soy oil prices were flat or fell at all other centers in India. CDSO demand was weak at CNF markets as CDSO CNF prices rose less than CDSO FOB Argentina compared to last week. Appreciation of Indian rupee has made imports of soy oil dearer in India, which will reflect in coming months. Imports of soy oil decreased in March compared to February 2017 and it was below March 2016. Stocks of CDSO at ports and pipelines fell in March. Crushing of soybean in India weakened due to weakening export demand of soy meal from India on appreciation of Rupee, rise of prices in domestic market and poor quality of soy meal. Imports of soy oil have returned to disparity at high seas and refining margins have turned negative. 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 77 (Rs 73 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 82 (USD 67 last week) per ton, indicating firm demand of CDSO at CNF markets compared to CPO CNF. Prices of soy oil will fall on weak demand.
- Soy oil import scenario – According to SEA, India imported 2.30 lakh tons of soy oil in March 2017 v/s 3.22 lakh tons in March 2016, down 29 percent y-o-y. India imported 10.45 lakh tons of soy oil in the period (November 2016-March 2017) compared to 18.93 lakh tons in the corresponding period last oil year, lower by 44.8 percent y-o-y.
- Imported crude soy oil CIF at West coast port is offered at USD 710 (USD 754) per ton for May delivery and June delivery is offered at USD 690 (USD 751) per ton as on May 5, 2017. Values in brackets are figures of last week. Last month, CIF CDSO April average price was USD 756.5 (USD 766.73 per ton in March 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 lose USD 30-35/ton v/s gain of USD 5-10/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 – Decision by United States trade commission to investigate allegation of dumping of soy oil based biodiesel from Argentina, which will result in punitive tariffs, will support soy oil prices in near to medium term. This decision comes in wake of US claimed that dumping of biodiesel by Argentina hurt US producers will support soy oil prices in medium term.

Soy oil end stocks increased by 2.5 percent in May in US as reported by NOPA due to higher production of soy oil on higher crush of soybean, which is bearish for soy oil in medium term. Soy oil stocks are expected to rise further in April, which will underpin soy oil prices in medium term.

USDA increased soy oil end stocks in US in its April demand and supply estimates. End stocks were increased due to lower food, feed and industrial demand. Production of soy oil in US will increase while demand will falter. Record area estimate of soybean in US due to higher returns in soybeans and higher soybean stocks will underpin soy oil prices in medium term. Rise in area was more than estimate at 89.48 million acres compared to 83.4 million acres in 2016. 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.

Some Republican Senators has moved a proposal to introduce tax credit on biodiesel, which expired last year, which will support soy oil demand if approved.

Soybean planting of soybean has reached 6 percent, which is higher than 5-year average. Rains in US Midwest last week will slow pace of planting but will not reduce planting in 2017/18.

Argentina harvest has reached 49 percent and if weather continues to remain stable the soybean crop will rise to 56.5 MMT, higher by 1 MMT, according to Buenos Aires Grains Exchange,

Harvest of soybean in Brazil is over and yields reported is very good which is expected to increase soybean crop estimate. Informa has raised soybean production of Brazil to 113 MMT from its previous estimate of 111 MMT. Exports of soybean have increased and China is buying more from Brazil compared to US. Brazil has slowed its soybean sales to take advantage of any increase in future prices. Sales reached 50 percent compared to 67 percent in corresponding period last year.

Trump administration has decided to delay set of 30 regulations of biodiesel prepared by Obama administration. 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 88 MMT in 2016/17 in its April report indicating strong demand.

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.

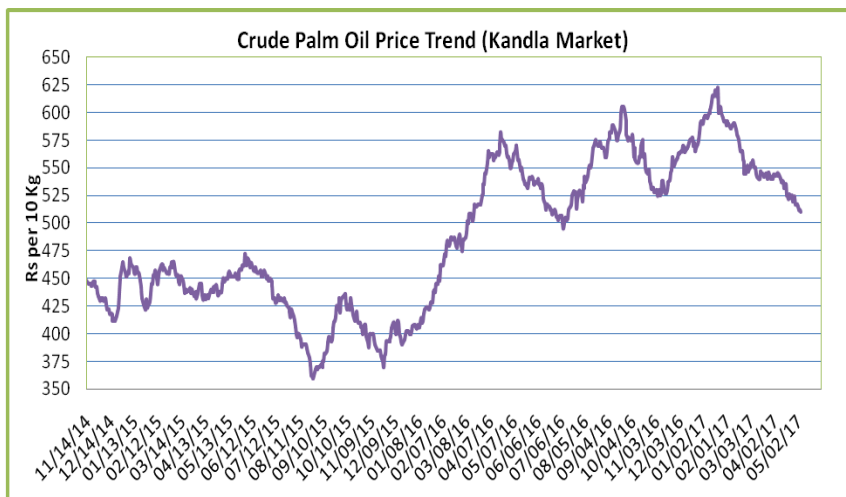
- According to National Oilseed Processors Association (NOPA), U.S. March soybean crush rose 7.2 percent to 153.060 million bushels from 142.792 million bushels in February 2017. Crush of soybean in March 2016 was 156.690 million bushels. Production of soy oil in U.S. in March rose to 1.790 billion lbs from 1.668 billion lbs in February 2017. Production in March 2016 was 1.842 billion lbs. Soy oil stocks in U.S. at the end of March rose 2.5 percent to 1.815 billion lbs compared to 1.770 billion lbs in February 2017. Stocks of soy oil in March were lower by 2.5 percent compared to March 2016, which was reported at 1.859 million lbs. Yield rose to 11.69 lbs/bushel in March from 11.68 lbs/bushel in February. Yield in March 2016 was reported at 11.75 lbs/bushel.
- According to United States Department of Agriculture (USDA) April estimate, U.S 2016/17 ending stocks of soy oil is increased to rise to 2,122 million lbs from 1,772 million lbs in March estimate. Opening stocks were unchanged at 1,687 million lbs. Production of soy oil in 2016/17 is unchanged at 22,560 million lbs. Imports in 2016/17 are kept unchanged at 325 million lbs. Biodiesel use in 2016/17 was unchanged at 6,200 million lbs. Food, feed and other industrial use in 2016/17 is decreased to 14,000 million lbs compared to 14,350 million lbs in its March estimate. Exports in 2016/17 are unchanged at 2,250 million lbs. Average price range estimate is decreased to 31-33 cents/lbs compared to 32 - 35 cents/lbs in its March estimate. Rise in end stock is due lower use in food, feed and industrial use.
- USDA WASDE Oilseeds Highlights: The season-average soybean price is lowered 5 cents at the midpoint to \$9.55 per bushel based on marketing to date and lower expected prices for the second half of the marketing year. Soybean oil prices are projected at 31 to 33 cents per pound, down 1.5 cents at the midpoint. Soybean meal prices are projected at \$310 to \$330 per short ton, down \$5.00 at the midpoint.

Price Outlook: We expect refined soy oil at Indore (with VAT) to stay in the range of Rs 590-650 per 10 Kg in the near term.

Palm oil Fundamental Analysis and Outlook -:

Domestic Front

- Crude palm oil at Kandla continued downward move at its benchmark market at Kandla on weak demand. CPO prices closed unchanged in Kakinada at the end of the week. RBD palmolein was unchanged in Kandla, Mangalore, Chennai, Kakinada and Krishnapatnam while it fell in Haldia and Mumbai.



- Agriwatch View – Prices of CPO closed lower on weak demand.

Prices of CPO fell at India high seas while it rose at CNF markets indicating weak demand in domestic markets compared to last week.

Demand of RBD palmolein was weak at high seas as prices were unchanged at India high seas while it rose at CNF India compared to previous week.

Demand of RBD palmolein is firm at CNF markets as prices rose more at CNF markets v/s Malaysia FOB compared to previous week.

Imports of RBD palmolein is expected to remain firm as RBD palmolein is trading at parity 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 stronger than CPO at high seas as premium RBD palmolein over CPO increased to Rs 38 (Rs 28) per 10 kg.

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

Import of palm oil in March was lower than February 2017 while it was higher than March 2016. Stocks at ports and pipelines decreased in March.

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 82 (USD 67 last week) per 10 kg. Premium of CDSO soy oil high seas over CPO high seas is at Rs 63 (Rs 48 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 77 (Rs 73 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 6.8 lakh tons of palm oil in March 2017 v/s 6.42 lakh tons in March 2016, higher by 5.9 percent y-o-y. Import of palm oil in the period (November 2016-March 2017) was at 35.49 lakh tons compared to 36.05 lakh tons in the corresponding period in last oil year, lower by 1.6 percent.

CPO imports increased to 4.54 lakh tons in March compared to 4.29 lakh tons in March 2016, higher by 5.8 percent y-o-y. Import of CPO in the period (November 2016-March 2017) was at 23.91 lakh tons compared to 25.60 lakh tons in the corresponding period last oil year, lower by 6.6 percent

RBD palmolein imports rose 5.3 percent in March to 2.19 lakh tons from 2.08 lakh tons in March 2016. Import of CPO in the period (November 2016-March 2017) was at 11.36 lakh tons compared to 10.00 lakh tons in corresponding period last oil year, higher by 13.6 percent.

- On the trade front, CNF CPO (Indonesian origin) at Indian port quoted at USD 710 (USD 692.5) per ton for May delivery is June delivery is quoted at USD 690 (USD 674) per ton. Last month, CIF CPO April average price was USD 702.5 (USD 733.31 per ton in March 2017) per ton.

Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 715 (USD 707.5) per ton for May delivery while June delivery is offered at USD 695 (USD 675) per ton. Last month, CIF RBD palmolein April average price was USD 703.88 (USD 711.23 previous month) per ton. Values in bracket depict last week quotes.

Ready lift CPO duty paid prices quoted at Rs 512 (Rs 517) per 10 Kg and May delivery duty paid is offered at Rs 510 (Rs 503) per 10 kg on May 5, 2017.

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

International Front

Agriwatch View – Exports of palm oil completed the month of April with gain of 4.3 percent on higher demand from India and China at the fag end of month indicate demand will remain firm in near term and exports in first 10 days of may will record higher exports. However, exports to India is still weak on weak domestic market. Low soy oil premium over palm oil has led to weak demand from India. Stocks at ports and pipelines are less and may increase demand of palm oil in medium term.

Demand of palm oil from China has just improved post Chinese New Year. Palm oil stocks at ports in China is low.

Demand from top importing destinations is expected to improve ahead of Ramadan.

Palm oil end stocks in Malaysia are expected to increase in April on higher production and lower rate of growth of exports.

Palm oil end stocks rose more than expected in Malaysia in March on higher palm oil production partially set-off by higher exports. Palm oil end stocks rose 6.5 percent to 15.54 lakh tons compared to 14.59 lakh tons in February after hitting 6-year lows in February. However, palm oil stocks will rise slowly compared to rise in production.

Production rose 16 percent in March as lagged effect of El Nino fades and seasonal uptrend of production arrives. Production is expected to increase in April on seasonal uptrend of production. Production of palm oil is expected to recover in Malaysia and Indonesia as lagged effect of El Nino fades, and seasonal uptrend of production kicks in. Palm oil production loss in 2016 will recover completely in 2017 with Malaysia producing 19-

20 MMT and Indonesia at 35-36 MMT. Production is expected to improve from March and will gradually accelerate as the year progresses.

Palm oil stocks are expected to rise further in April on weak exports and seasonal uptrend of production which will underpin palm oil prices in medium term.

Palm oil prices are supported due to gains in CBOT soy oil in near term.

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.

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

Demand from India is expected to be weak in medium term due to low premium of soy oil and sunflower oil over palm oil. 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.

Malaysia reduced palm oil export duty to 7 percent for May, as Malaysian government feels that rise in export duty will hurt their competitiveness from Indonesia.

Indonesia has decreased palm export duties to zero 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, Malaysia's April palm oil exports rose 4.3 percent to 1,135,340 tons compared to 1,088,677 tons in corresponding period last month. Top buyers were European Union at 278,643 tons (222,584 tons), China at 137,450 tons (114,990 tons), India at 175,300 tons (170,020 tons), United States 59,465 tons (54,120 tons) and Pakistan 37,000 tons (37,500 tons). Values in brackets are figures of corresponding period last month.
- According to Malaysia Palm Oil Board (MPOB), Malaysia's March palm oil end stocks rose 6.5 percent to 15.54 lakh tons compared to 14.59 lakh tons in February. Production rose 16.33 percent in March to 14.64 lakh tons compared to 12.59 lakh tons in February. Exports in March rose 14.34 percent to 12.66 lakh tons compared to February exports of 11.07 lakh tons. Imports in March rose 153 percent to 1.02 lakh tons compared to 0.40 lakh tons in February.
- Policy update- Indonesia removed export duty on crude palm oil for May from USD 3 per ton in April.



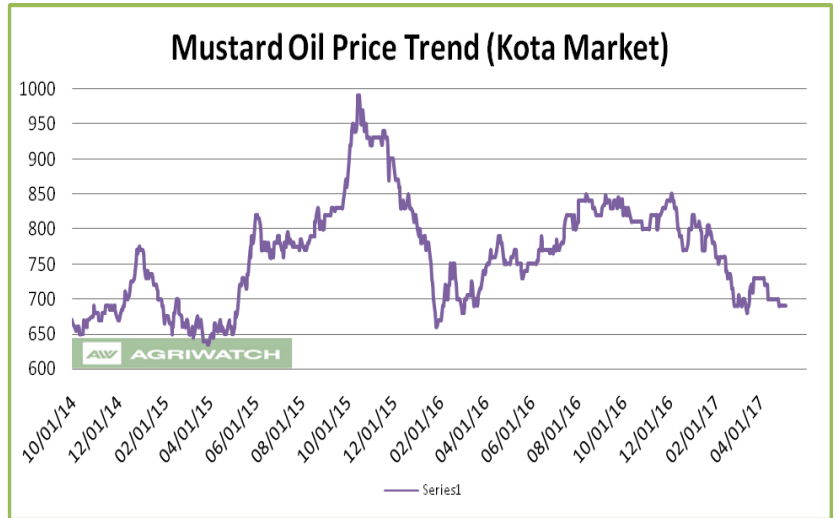
According to Malaysia Palm Oil Board (MPOB), Malaysia reduced May crude palm oil export duty to 7 percent from 7.5 percent in April. Tax is calculated at reference price of 3,008.09 ringgit (\$680.41) per ton. Tax is calculated above 2,250 ringgit starting from 4.5 percent to a maximum of 8.5 percent.

Price Outlook: We expect CPO Kandla 5 percent (with VAT) to stay in the range of Rs 480-540 per 10 Kg in the near term.

Rapeseed oil Fundamental Review and Analysis:-

Domestic Front

- Mustard oil prices featured flat trend last week at benchmark market of Kota on new crop crushing in full swing and strong seed supplies after good harvest during the week in review at major trading centers.
- Agriwatch view: Prices of rapeseed oil fell in Jaipur, Gujarat and Mumbai. Prices were unchanged in Hapur and Kolkata. Prices closed higher in Neewai and Ganganagar.



Kacchi ghani prices fell in Kota, Jaipur,

Ganganagar and Hapur. Prices closed higher in Bharatpur, Neewai and Agra. Canola oil prices rose last week.

Prices of rapeseed oil traded sideways in the week on sideways trend in rapeseed prices.

Demand has weakened with rise in temperatures across India.

Due to higher crop of rapeseed, prices of rapeseed are expected to remain weak in medium term.

Fall in palm oil capped gains.

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

Low premium of rapeseed oil over soy oil in domestic market Rs 68 (Rs 72) per 10 Kg 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 23 (USD 48) 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 fell in March, which will support rapeseed oil prices in medium term.

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

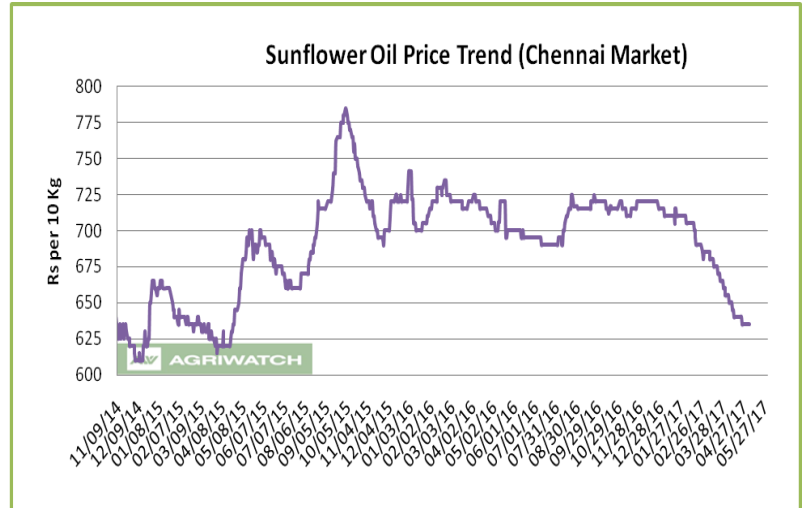
- There were no rapeseed (Canola) oil imports in March 2017 v/s 0.27 lakh tons in February 2016. Imports were 1.20 lakh tons in the period (November 2016-March 2017) compared to 1.02 lakh tons in corresponding period last oil year: SEA
- CIF canola premium over soybean oil is USD 23 (USD 48 last week) per ton for May delivery as on May 5, 2017.
- Currently, RM oil at Jaipur market, (expeller) is offered at Rs 675 (Rs 680) per 10 Kg, and at Kota market, it is offered at Rs 690 (Rs 690) per 10 kg as on May 5, 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 660-740 per 10 Kg.

Sunflower oil Fundamental Review and Analysis:-

Domestic Front

- Sunflower oil featured flat sentiment last week in its benchmark market of Chennai on firm supply and firm demand. Prices closed lower in Hyderabad and Kakinada while it rose in Mumbai. Prices were unchanged in Kandla/ Mudra. Sunflower expeller prices closed lower in Hyderabad while it was unchanged in Latur and Chellakere.



- Agriwatch view: Prices of sunflower oil traded sideways in Chennai on weak.

Prices of sunflower oil rose at CNF markets while it fell more in Chennai indicating weak demand.

Demand of sunflower oil was lower in Andhra Pradesh on weak demand.

Fall in palm oil capped gains.

Prices of sunflower oil are trading at low premium over soy oil, which has supported prices.

Premium of CSFO over CDSO at CNF has decreased to USD 10 (USD 23 last week) per ton for June 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 13 (Rs 17 last week) per 10 kg which is low indicating weak demand of sunflower oil.

Sunflower oil premium over palm oil is USD 105 (USD 92 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 41 percent in November-March while stocks at ports and pipelines rose. Imports of sunflower oil will show steady rise in coming months 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 10 (USD 23 last week) per ton for May 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.

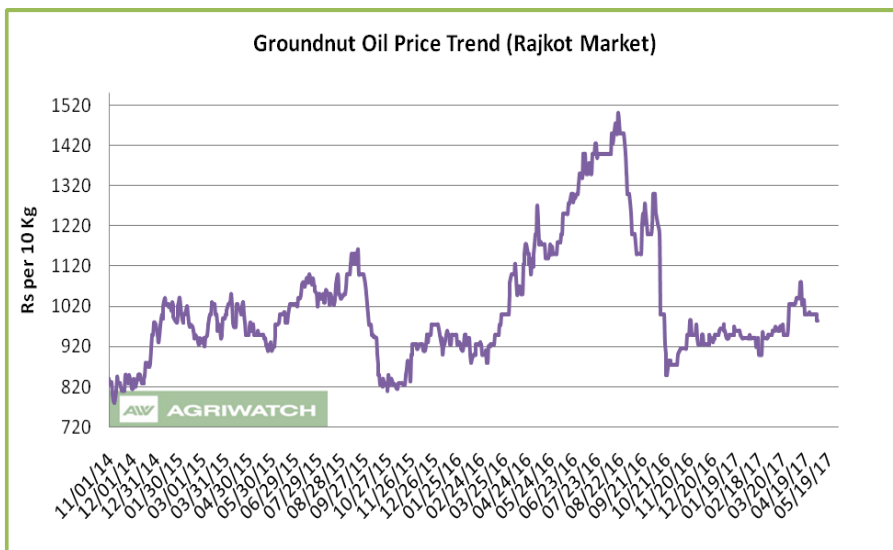
Prices are expected to trade sideways to weak in near term.

- Sunflower oil import scenario – According to SEA, India imported 1.77 lakh tons of crude sunflower oil during March 2017 v/s 1.85 lakh tons in March 2016, lower by 4.3 percent y-o-y. India imported 9.46 lakh tons of crude sunflower oil (November 2016-March 2017) compared to 6.70 lakh tons in corresponding period last oil year.
- Ukraine increased production of sunflower oil to 1.448 MMT in January-March 2017, which is higher by 35.7 percent compared to corresponding period last year: APK-Inform
- On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 795 (USD 780) per ton for June delivery and JAS delivery is quoted at USD 800 (USD 795) per ton. CIF sun oil (Ukraine origin) April monthly average was at 781.52 per ton compared to USD 790.51 per ton in March. 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 10 (USD 23 last week) per ton for June delivery.
- Currently, refined sunflower oil at Chennai market is offered at Rs 635 (Rs 635) per 10 Kg, and at Hyderabad market, it is offered at Rs 637 (Rs 651) per 10 kg as on May 5, 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 620-650 per 10 Kg.

Groundnut oil Fundamental Review and Analysis:-` Domestic Front

- Groundnut oil prices featured downtrend in Rajkot on weak demand. Prices were lower in Jamnagar, Gondal, Hyderabad and Mumbai. Prices were unchanged in New Delhi while it rose on Chennai.
- Agriwatch view: Prices of groundnut oil downtrend in Rajkot on weak demand. Demand weakened on higher prices of groundnut oil.



Fall in prices of groundnut supported the fall. Arrivals of groundnut were steady in the week in review.

Higher supply of groundnut seed has weakened in market as farmers are not releasing their produces to take advantage of higher prices of groundnut seed.

Weak retail demand and reduced off-take by stockists supported the losses.

Weak retail demand of groundnut oil led to weak demand in cash markets.

Stocks in of groundnut oil in market were adequate.

Rise in prices of soy oil and palm oil capped contained losses.

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

Government decision to allow bulk exports of edible oil has little impact on exports as prices of Indian groundnut oil is higher compared to other countries. China is the key market of groundnut oil from India.

Government removed bulk exports of groundnut oil, which led to higher prices of groundnut oil in medium term.

Groundnut oil prices are expected to trade sideways to weak in near term due to weak demand, lower groundnut prices and lower competitive oil prices.

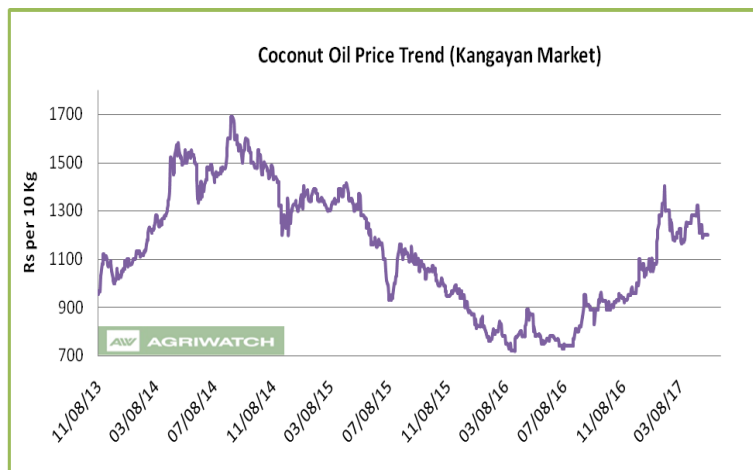
- On the price front, currently the groundnut oil prices in Rajkot is quoted at Rs 9,850 (Rs 10,000) per quintal and it was quoted at Rs 10,600 (Rs 10,500) per quintal in Chennai market on May 5, 2017. Values in brackets are values of last week.
- Groundnut oil prices are likely to trade sideways to weak in the coming days.

Price Outlook

Groundnut oil (without VAT) in Rajkot market is likely to trade in the price band of Rs 900-1100 per 10 Kg.

Coconut Oil Fundamental Review and Analysis:- Domestic Front

- Flat trend featured in the coconut oil in its benchmark market of Kangan on weak demand. Prices were unchanged in Kocchi.
- Agriwatch view: Coconut oil prices featured flat trend during the week on weak demand. Copra prices fell during the week in review. Demand of coconut oil has weakened at higher prices. Falling prices of palm kernel oil capped gains.



Corporate demand, which contributes about 80 percent of demand, has weakened at higher prices.

Traders and upcountry buyers are releasing copra to take advantage of prices. Supply of copra has improved.

Traders are releasing copra to take advantage of prices after hike in MSP of copra.

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

Demand from North India is weak.

Millers are not holding produce, as they are not confident of prices and are dependent on ready markets.

Supply of coconut oil is firm while demand is weak.

Coconut oil prices have shot up in medium term, which may weaken demand in coming days.

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 to weak.

Coconut oil prices are expected to be weakened due to weak demand, seasonal downtrend of prices and lower prices of copra.

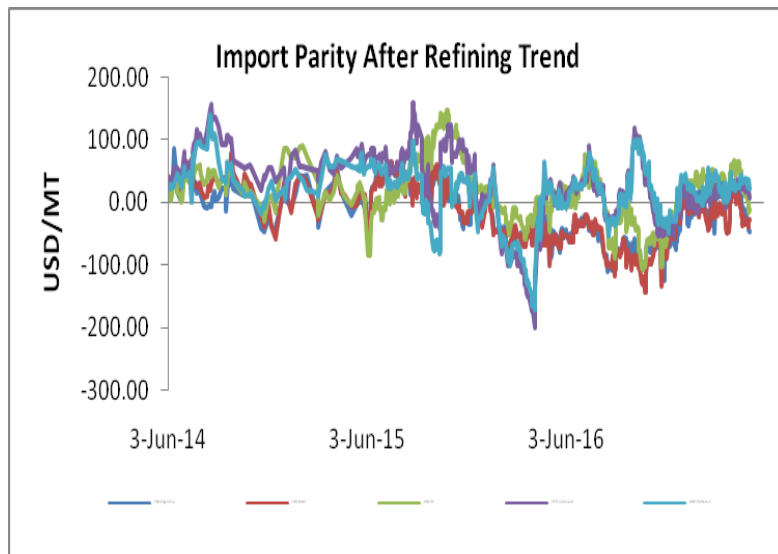
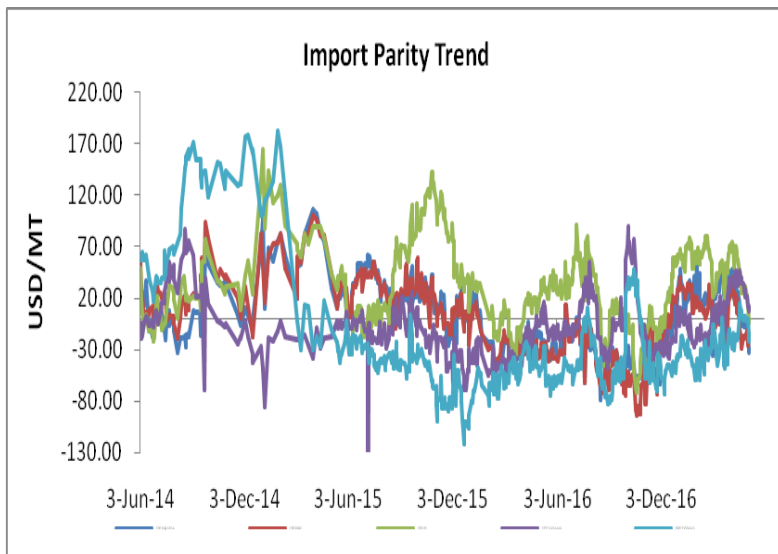
Prices are expected to trade sideways to weak tone in near term.

- On the price front, currently the coconut oil prices in Kochi is hovering near Rs 12,500 (12,500) per quintal, and was quoting Rs 12,000 (Rs 12,000) per quintal in Erode market on May 5, 2017.

Price Outlook: Coconut oil (withut VAT) prices in Erode may stay in the range of Rs 1150-1250 per 10 Kg.

Import Parity Trend

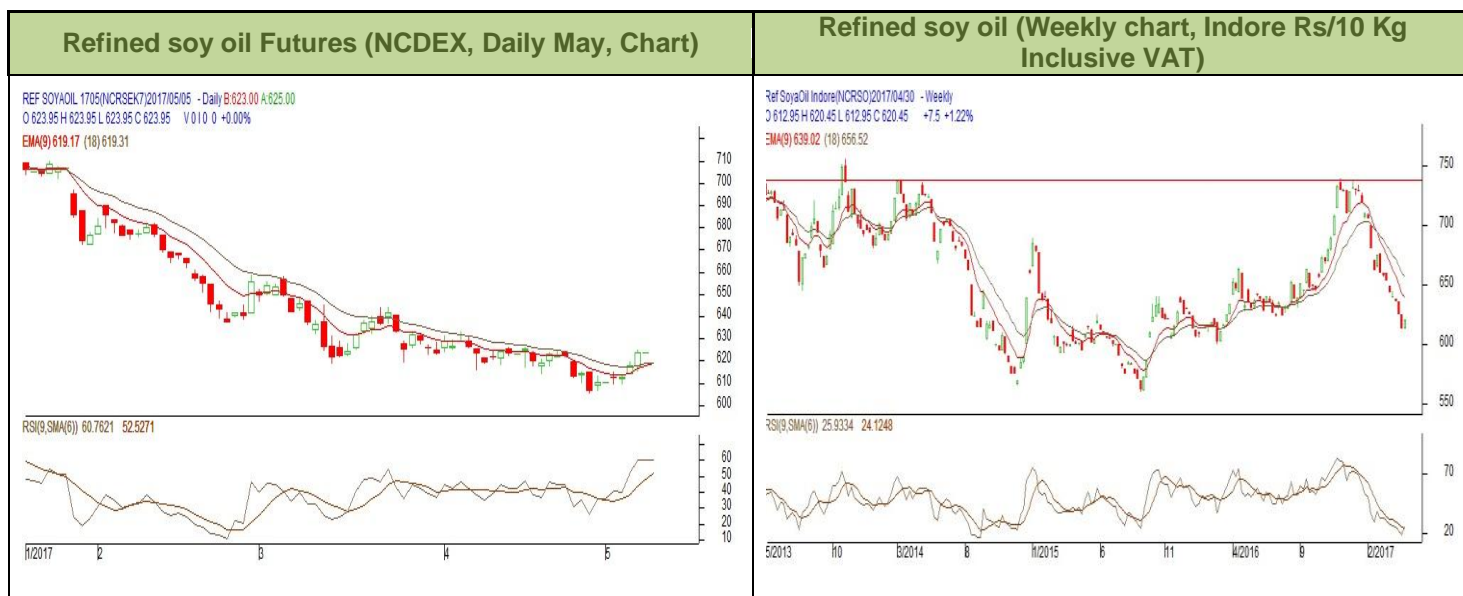
Import Parity After Refining in US dollar per ton (Monthly Average)



	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
Mar, 2017	14.48	-15.56	29.41	15.58	26.41
Apr, 2017	7.03	-5.60	42.64	25.12	31.46

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 weaken 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 uptrend during the week in review and is likely to trade with a sideways to weak tone in the coming days.

- Weekly chart of refined soy oil at NCDEX depicts downtrend during the week in review. We expect prices to trade sideways to weak tone in the near term.
- Any close below 600 in weekly might take the prices below 580 levels.
- Expected price band for next week is 580-650 level in near to medium term. RSI, stochastic and MACD is suggesting downtrend in the market.

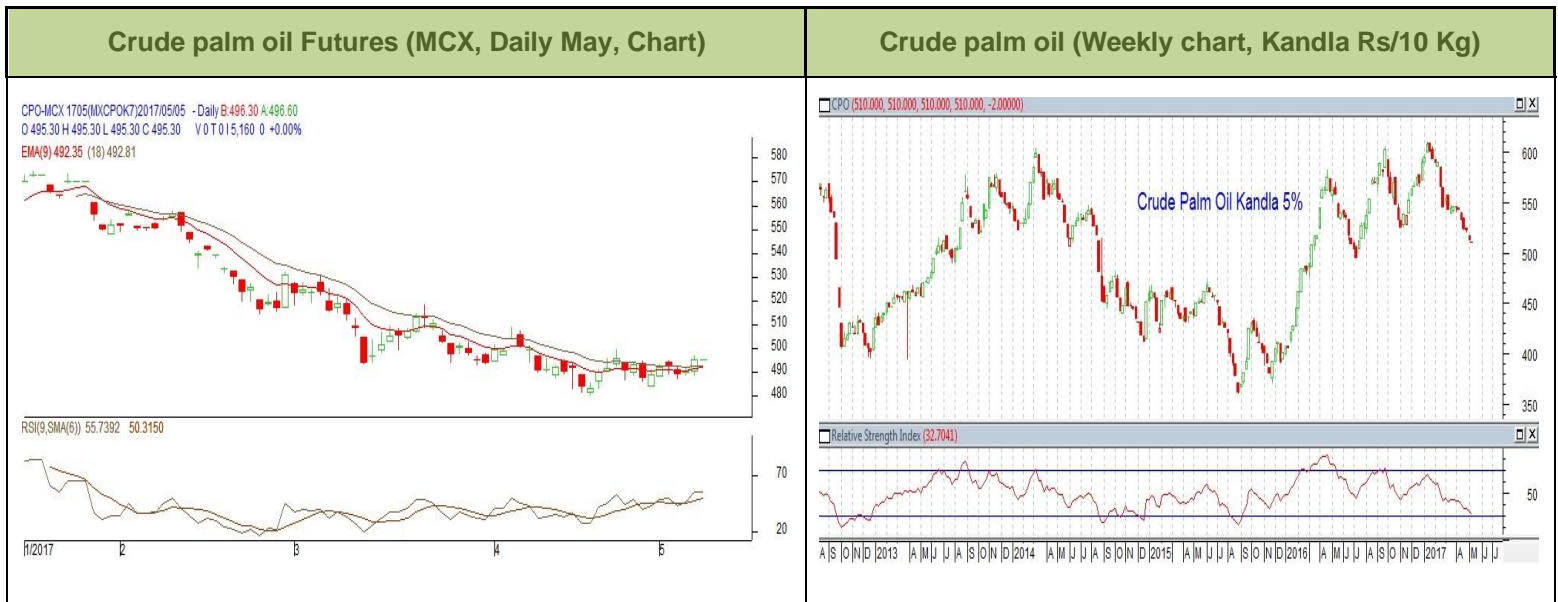
Strategy: Market participants are advised to go short below 630 levels for a target of 615 and 610 with a stop loss at 640 on closing basis.

RSO NCDEX (May)

Support and Resistance				
S2	S1	PCP	R1	R2
585.00	600.00	623.95	646.00	666.00

Spot Market outlook: Refined soy oil Indore (with VAT) is likely to stay in the range of Rs 590-650 per 10 Kg.

Technical Analysis (Crude Palm oil)



Outlook - Prices show uptrend in prices during the week. We expect that CPO May 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 480 in weekly chart may bring the prices to 460 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 500 for a target of 485 and 480 with a stop loss at 510 on closing basis.

CPO MCX (May)

Support and Resistance				
S2	S1	PCP	R1	R2
465	480	495.3	528	541

Spot Market outlook: Crude palm oil is likely to stay in the range of Rs 480-540 per 10 Kg.

Veg. Oil Prices at Key Spot Markets

Commodity	Centre	Prices(Per 10 Kg)		Change
		5-May-17	28-Apr-17	
Refined Soybean Oil	Indore	622	618	4
	Indore (Soy Solvent Crude)	587	585	2
	Mumbai	615	620	-5
	Mumbai (Soy Degum)	565	565	Unch
	Kandla/Mundra	600	600	Unch
	Kandla/Mundra (Soy Degum)	572	570	2
	Kolkata	600	600	Unch
	Delhi	625	630	-5
	Nagpur	647	634	13
	Rajkot	598	595	3
	Kota	615	620	-5
	Hyderabad	618	627	-9
	Akola	641	630	11
	Amrawati	641	632	9
	Bundi	622	615	7
	Jalna	649	642	7
	Alwar	NA	NA	-
	Solapur	647	643	4
	Dhule	647	640	7
Palm Oil	Kandla (Crude Palm Oil)	510	522	-12
	Kandla (RBD Palm oil)	530	540	-10
	Kandla RBD Pamolein	545	545	Unch
	Kakinada (Crude Palm Oil)	470	480	-10
	Kakinada RBD Pamolein	535	535	Unch
	Haldia Pamolein	540	545	-5
	Chennai RBD Pamolein	540	540	Unch
	KPT (krishna patnam) Pamolein	530	530	Unch
	Mumbai RBD Pamolein	550	552	-2
	Delhi	585	590	-5
	Rajkot	540	545	-5
	Hyderabad	499	504	-5
	Mangalore RBD Pamolein	540	540	Unch
	PFAD (Kandla)	450	450	Unch
	Refined Palm Stearin (Kandla)	485	490	-5
Refined Sunflower Oil	Chennai	635	635	Unch
	Mumbai	690	680	10
	Mumbai(Expeller Oil)	585	580	5
	Kandla	660	660	Unch
	Kandla/Mundra (Crude)	NA	NA	-

	Hyderabad (Ref)	637	651	-14
	Latur (Expeller Oil)	635	635	Unch
	Chellakere (Expeller Oil)	590	590	Unch
	Erode (Expeller Oil)	660	665	-5
Groundnut Oil	Rajkot	985	1000	-15
	Chennai	1060	1050	10
	Delhi	1100	1100	Unch
	Hyderabad *	1060	1070	-10
	Mumbai	1030	1040	-10
	Gondal	980	990	-10
	Jamnagar	975	1000	-25
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	675	680	-5
	Jaipur (Kacchi Ghani Oil)	715	716	-1
	Kota (Expeller Oil)	690	690	Unch
	Kota (Kacchi Ghani Oil)	705	710	-5
	Neewai (Kacchi Ghani Oil)	697	695	2
	Neewai (Expeller Oil)	707	705	2
	Bharatpur (Kacchi Ghani Oil)	740	710	30
	Alwar (Kacchi Ghani Oil)	NA	NA	-
	Alwar (Expeller Oil)	NA	NA	-
	Sri-Ganga Nagar(Exp Oil)	670	680	-10
	Sri-Ganga Nagar (Kacchi Ghani Oil)	695	700	-5
	Mumbai (Expeller Oil)	700	710	-10
	Kolkata(Expeller Oil)	900	900	Unch
	New Delhi (Expeller Oil)	695	702	-7
	Hapur (Expeller Oil)	750	750	Unch
	Hapur (Kacchi Ghani Oil)	820	840	-20
	Agra (Kacchi Ghani Oil)	745	715	30
Refined Cottonseed Oil	Rajkot	620	630	-10
	Hyderabad	595	600	-5
	Mumbai	625	625	Unch
	New Delhi	600	600	Unch
Coconut Oil	Kangayan (Crude)	1200	1200	Unch
	Cochin	1250	1250	Unch
	Trissur	NA	NA	-
Sesame Oil	New Delhi	800	800	Unch
	Mumbai	735	735	Unch
Kardi	Mumbai	740	740	Unch
Rice Bran Oil (40%)	New Delhi	555	560	-5
Rice Bran Oil (4%)	Punjab	590	590	Unch
Rice Bran Oil (4%)	Uttar Pradesh	590	590	Unch



Malaysia Palmolein USD/MT	FOB	680	673	7
	CNF India	710	695	15
Indonesia CPO USD/MT	FOB	675	673	2
	CNF India	705	693	12
RBD Palm oil (Malaysia Origin USD/MT)	FOB	673	675	-2
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	603	603	Unch
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1105	1100	5
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	618	618	Unch
Crude palm Kernel Oil India (USD/MT)	CNF India	1050	1050	Unch
Ukraine Origin CSFO USD/MT Kandla	CIF	795	785	10
Rapeseed Oil Rotterdam Euro/MT	FOB	767	775	-8
Argentina FOB (\$/MT)		4-May-17	27-Apr-17	Change
Crude Soybean Oil Ship		724	707	17
Refined Soy Oil (Bulk) Ship		749	732	17
Sunflower Oil Ship		710	705	5
Cottonseed Oil Ship		704	687	17
Refined Linseed Oil (Bulk) Ship		744	727	17
<i>* indicates including VAT</i>				

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