

Veg. Oil Weekly Research Report

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Executive Summary

Domestic Veg. Oil Market Summary

Edible oil witnessed mixed trend in domestic market on rise in CBOT soy oil and BMD CPO. Soy oil and sunflower oil prices closed higher while rapeseed oil prices and closed sideways. Palm oil, groundnut oil and coconut oil prices closed lower.

On the currency front, Indian rupee is hovering near 64.44 against USD, down 25 paisa 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 trade firm on strong fundamentals. Lower stocks at ports and pipeline will support prices in near term.

Recommendation:

Weekly Call - : At NCDEX, market participants are advised to go long above 615 levels for a target of 630 and 635 with a stop loss at 605 on closing basis. We expect refined soy oil at Indore (with VAT) to stay in the range of Rs 600-660 per 10 Kg in the near term.

At MCX, market participants are advised to go long in CPO above 495 for a target of 510 and 515 with a stop loss at 485 on closing basis. We expect CPO Kandla 5 percent (with VAT) to stay in the range of Rs 490-550 per 10 Kg in the near term.

International Veg. Oil Market Summary

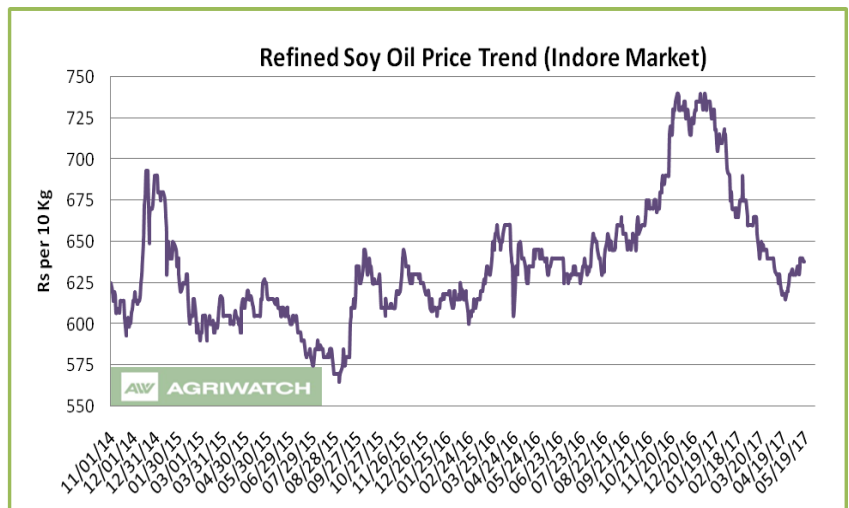
Malaysia's May 1-25 palm oil exports rose 18.6 percent to 1,006,853 tons compared to 891,725 tons in corresponding period last month. Top buyers were European Union at 210,765 tons (245,993 tons), India at 172,485 tons (135,300 tons), China at 98,130 tons (127,450 tons), Pakistan at 41,000 tons (10,000 tons) and United States at 37,520 tons (40,155 tons). Values in brackets are figures of corresponding period last month: SGS

On the international front, slow pace of planting of soybean in US, strong Chinese demand of soybean, lower soybean crop in US and South America in 2017/18 and low stocks of soy oil in US will support soy oil prices in coming days.

Weak ringgit, rise in exports of palm from Malaysia, slow rise in stocks of palm oil in Malaysia, slow rise in production of palm oil in Malaysia and Indonesia, firm exports to India and other locations ahead of Ramadan, and supportive biodiesel and tax policies in Southeast Asian countries will support CPO prices in near term.

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

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

Soy oil prices rose despite collapse in prices of soybean indicating firm demand.

CDSO prices were unchanged in India West coast compared to India CNF, where prices fell indicating firm demand at high seas.

Demand in domestic market was sideways to firm as refined soy oil prices rose 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.

Prices rose on seasonal uptrend of prices.

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 April compared to March 2017 and it was below April 2016. Stocks of CDSO at ports and pipelines rose 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 are in disparity at high seas and refining margins is 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 78 (Rs 65 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 71.5 (USD 66.5 last week) per ton, indicating improvement of demand of CDSO at CNF markets compared to CPO CNF.

Prices of soy oil will rise on firm demand, seasonal uptrend of prices, low premium of soy oil over palm oil.

- Soy oil import scenario – According to SEA, India imported 3.05 lakh tons of soy oil in April 2017 v/s 3.48 lakh tons in April 2016, down 12.36 percent y-o-y. India imported 13.50 lakh tons of soy oil in the period (November 2016-April 2017) compared to 22.41 lakh tons in the corresponding period last oil year, lower by 39.75 percent y-o-y.
- Imported crude soy oil CIF at West coast port is offered at USD 794 (USD 814) per ton for May delivery, June delivery is offered at USD 794 (USD 812) per ton and July delivery is quoted at USD 776 (USD 805) per ton as

on May 26, 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 were unchanged during the week on high prices of soy oil in international markets and low prices in domestic markets, and we expect margins to remain weak in coming days. Currently refiners lose USD 35-40/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 firm in the coming days.

International Front

- Agriwatch view- Soybean planting reached 53 percent on date ended 21 May, equivalent to 5-year average in corresponding period and higher than corresponding period last year. Planting of soybean accelerated despite wet weather reported in parts of US Midwest. More rains are forecast which may slow down planting.

Soy oil is falling due to spreading with soy meal. Weather in US is going to play major role in soybean complex prices in near to medium term.

Soy oil stocks in US decreased in April as reported by NOPA due to lower production of soy oil due to lower crush of soy oil is bullish for soy oil prices in medium term. Stocks were lower by 11 percent compared to last year in corresponding period.

USDA decreased soy oil end stocks in US in 2016/17 due to higher exports will support prices in medium term. However, lower production was reported, which is fully set-off by lower feed, food and other industrial use. USDA has decreased soybean crop in US in 2017/18, due to lower average yields on historical trends despite record soybean area in 2017/18.

Depreciation of Brazilian Real has led to higher farmer release and higher booking of cargoes to take advantage of prices. Depreciation of Real brought down prices of soybean in international markets.

USDA decreased Brazil 2017/18 soybean crop on lower yields on lines of historical yields. USDA kept Brazil 2016/17 soybean crop estimate unchanged in its May report.

Argentina soybean crop condition is good. Harvest is in last phases and will be over by the end of month. Despite reports of wet weather, harvest is progressing at steady pace.

Argentina's agriculture ministry forecasted soybean crop of Argentina at 58 MMT in its first monthly estimate.

United States trade commission decision to investigate allegation of dumping of soy oil based biodiesel from Argentina, which will result in punitive tariffs on imports from Argentina, will support soy oil prices in near to medium term. This decision comes as US Commerce Department voted to investigate allegation of dumping and unfair trade practices by Argentina. The commission has said that dumping has caused harm to US producers.

Trump administration has decided to delay set of 30 regulations of biodiesel prepared by Obama administration. 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.

Exports of soybean have increased and China is buying more from Brazil compared to US. Brazil has accelaraed its soybean sales to take advantage on depreciation of Real.

Demand of soybean from China has been robust and USDA estimates import of 93 MMT from China in 2017/18 with upwards bias. China imported 89 MMT of soybean in 2016/17, according to USDA.

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.

Competitive oils will underpin soy oil prices in near term.

Fall in crude oil prices may underpin soy oil prices.

Prices of soy oil are in a range.

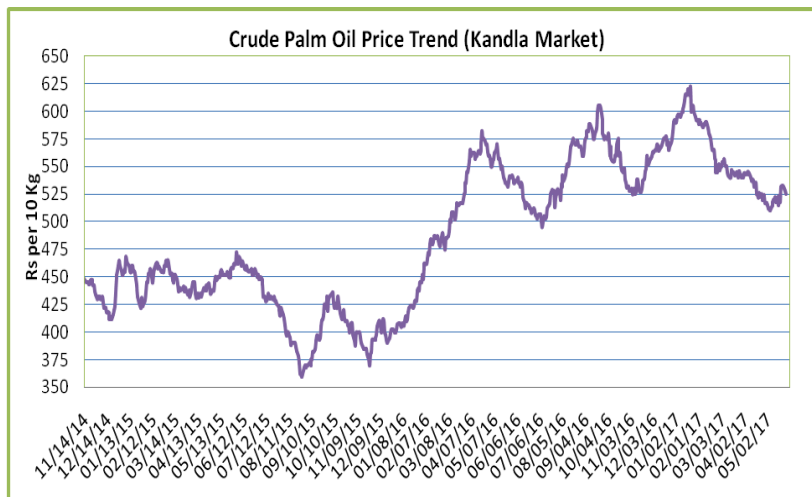
- According to United States Department of Agriculture (USDA) in its planting report at date ending 21st May US soybean planting rose to 53 percent from previous week levels of 32 percent, above to 5-year average of 52 percent and equivalent to corresponding period last year.
- According to Argentina's agriculture ministry, Argentina is estimated to produce 58 MMT soybeans in 2016/17. This was first monthly estimate by the government in 2016/17.
- According to National Oilseed Processors Association (NOPA), U.S. April soybean crush rose 9.0 percent to 139.134 million bushels from 153.060 million bushels in March 2017. Crush of soybean in April 2016 was 147.614 million bushels. Production of soy oil in U.S. in April rose to 1.627 billion lbs from 1.789 billion lbs in March 2017. Production in April 2016 was 1.729 billion lbs. Soy oil stocks in U.S. at the end of April fell 4.96 percent to 1.725 billion lbs compared to 1.815 billion lbs in March 2017. Stocks of soy oil in April were lower by 11.2 percent compared to April 2016, which was reported at 1.943 billion lbs. Yield was unchanged at 1.69 lbs/bushel in April compared to March. Yield in April 2016 was reported at 11.72 lbs/bushel.
- According to United States Department of Agriculture (USDA) May estimate, U.S 2016/17 ending stocks of soy oil is fell 2.83 percent to 2,062 million lbs from 2,122 million lbs in March estimate. Opening stocks were unchanged at 1,687 million lbs. Production of soy oil in 2016/17 is decreased to 22,350 million lbs from 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 13,800 million lbs compared to 14,000 million lbs in its April estimate. Exports in 2016/17 are increased to 2,300 million lbs at 2,240 million lbs. Average price range estimate ended the year 2016/17 at 31.75 cents/lbs compared to 29.86 cents/lbs in its 2015/16. Fall in end stock is due to higher exports of soy oil. Lower production was fully set-off by lower feed, food and other industrial use.
- USDA WASDE Oilseeds Highlights: The 2017/18 U.S. season-average soybean price range is forecast at \$8.30 to \$10.30 per bushel compared with \$9.55 per bushel in 2016/17. Soybean meal prices are forecast at \$295 to \$335 per short ton, compared with \$320 per ton for 2016/17. Soybean oil prices are forecast at 30.0 to 34.0 cents per pound compared with 31.75 cents for 2016/17.

Price Outlook: We expect refined soy oil at Indore (with VAT) to stay in the range of Rs 600-660 per 10 Kg in the near term.

Palm oil Fundamental Analysis and Outlook -:

Domestic Front

- Crude palm oil at Kandla featured weak trend at its benchmark market at Kandla on fall BMD CPO. CPO prices closed higher in Kakinada at the end of the week. RBD palmolein high seas closed sideways to lower across board in India except Haldia where it rose.
- Agriwatch View – Prices of CPO closed lower on fall in BMD CPO Prices of CPO fell less at India high seas while it fell more at CNF markets indicating firm demand in domestic markets compared to last week.



Demand of RBD palmolein is firm at high seas as prices fell less at India high seas v/s CNF India compared to previous week.

Demand of RBD palmolein is weak at CNF markets as prices fell at CNF markets v/s Malaysia FOB which was unchanged compared to last week.

Imports of RBD palmolein is expected to remain firm as RBD palmolein is trading at low premium over CPO at CNF markets. However, RBD palmolein has moved over CPO after a long time which if sustains will result in higher CPO imports.

Importers are importing more in anticipation of higher demand and will stock on ports.

Demand of RBD palmolein on high seas is higher to CPO at high seas as premium RBD palmolein over CPO increased to Rs 41 (Rs 38) per 10 kg.

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

Import of CPO in April was higher than March 2017 and March 2016. Stocks at ports and pipelines decreased in April.

Import of RBD palmolein in April was higher than March 2017 while it was below March 2016. Stocks at ports and pipelines decreased in April.

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 at USD 71.5 (USD 66.5 last week) per 10 kg. Premium of CDSO soy oil high seas over CPO high seas is at Rs 55 (Rs 63 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 78 (Rs 65 last week) per 10 kg is low and will decrease demand in near term.

Prices of CPO are expected to remain sideways to firm.

- Palm oil import scenario – According to SEA, India imported 7.52 lakh tons of palm oil in April 2017 v/s 7.35 lakh tons in April 2016, higher by 2.3 percent y-o-y. Import of palm oil in the period (November 2016-April 2017) was at 43.02 lakh tons compared to 43.41 lakh tons in the corresponding period in last oil year, marginally lower in the corresponding period.

CPO imports increased to 5.11 lakh tons in April compared to 3.99 lakh tons in April 2016, higher by 28 percent y-o-y. Import of CPO in the period (November 2016-April 2017) was at 29.02 lakh tons compared to 29.59 lakh tons in the corresponding period last oil year, lower by 1.9 percent

RBD palmolein imports fell 28.8 percent in April to 2.32 lakh tons from 3.26 lakh tons in April 2016. Import of RBD palmolein in the period (November 2016-April 2017) was at 13.68 lakh tons compared to 13.26 lakh tons in corresponding period last oil year, higher by 3.2 percent.

- On the trade front, CNF CPO (Indonesian origin) at Indian port quoted at USD 730 (USD 747.5) per ton for May delivery is June delivery is quoted at USD 722.5 (USD 742.5) 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 735 (USD 755) per ton for May delivery while June delivery is offered at USD 730 (USD 747.5) per ton. Last month, CIF RBD palmolein April average price was USD 703.88 (USD 715 previous month) per ton. Values in bracket depict last week quotes.

Ready lift CPO duty paid prices quoted at Rs 519 (Rs 532) per 10 Kg and June delivery duty paid is offered at Rs 516 (Rs 516) per 10 kg on May 26, 2017.

- On the parity front, margins weakened during this week due to rise in fall of palm products in domestic 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 20-25/ton v/s gain of USD 30-35/ton (last month) parity.
- We expect palm oil to trade sideways to firm in the days ahead.

International Front

Agriwatch View – Palm oil exports rose 16-19 percent from Malaysia in first 25 days of May on demand ahead of Ramadan will support prices in near term. Exports have surged in last 10 days, which will lend support to prices.

India, Pakistan and Middle East led the surge in demand ahead of Ramadan. India is buying more ahead of demand season and fill the deficit in ports and pipelines which was running at very low levels.

Demand of China has remained weak from Malaysia as it is importing more from Indonesia as they are offering competitive prices. China is using more domestically crushed soy and canola oil. Demand from China has not firmed since Chinese New Year, which has led to low stocks at ports in the country.

With higher exports of palm oil from Malaysia in May and lower rate of growth of production in the country will decreased stocks at of palm oil in the country in May which will support prices.

Recent fall in prices of palm oil is primarily due to fall in prices of CBT soy oil and DALIAN RBD palmolein. Appreciation of ringgit will also led to fall in prices of palm oil.

Palm oil end stocks rose 3 percent on lower than expected rise in production which rose 5.7 percent. Production is rising on seasonal uptrend of production and diminishing effect of El Nino. Exports rose 1.4 percent due to buying by India and China at the fag end of April. Demand ahead of Ramadan helped demand recovery from other location.

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

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 gradually and 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.

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 lower on India ports compared to Indonesia CPO. Higher oilseed crop in India in 2016-17 has increased production of edible oils in its domestic market and slowed imports. USDA has decreased India's 2016/17 palm oil imports in its May estimate. Demand from India will slow if Monsoon in India increases production of oilseeds in its domestic market.

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.

Malaysia reduced palm oil export duty to 6 percent for June, 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 Malaysia Palm Oil Board (MPOB), Malaysia's April palm oil end stocks rose 3.02 percent to 16 lakh tons compared to 15.53 lakh tons in March. Production of palm oil in April rose 5.74 percent to 15.48 lakh tons compared to 14.64 lakh tons in March. Exports rose 1.39 percent to 12.83 lakh tons compared to 12.65 lakh tons in March. Imports of palm oil in April fell 46.57 percent to 0.54 lakh tons compared to 1.02 lakh tons in March. Stocks came below market expectations on lower than expected rise in production.
- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's May 1-25 palm oil exports rose 18.6 percent to 1,006,853 tons compared to 891,725 tons in corresponding period last month. Top buyers were European Union at 210,765 tons (245,993 tons), India at 172,485 tons (135,300 tons), China at 98,130 tons (127,450 tons), Pakistan at 41,000 tons (10,000 tons) and United States at 37,520 tons (40,155 tons). Values in brackets are figures of corresponding period last month.
- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's May 1-25 palm oil exports rose 16.2 percent to 1,006,757 tons v/s 866,297 tons in corresponding period last month. Top buyers were India & subcontinent at 245,885 tons (155,400 tons), European Union at 153,835 tons (172,063 tons) and China at 114,290 tons (120,811 tons). Values in brackets are figures of corresponding period last month.
- According to China's General Administration of Customs (CNGOIC), China's April palm oil imports rose 54.6 percent to 4.24 lakh tons compared to April 2016. Year to date imports of palm oil rose 16.91 percent to 16.76 lakh tons compared to corresponding period last year. Imports from Indonesia in April rose 117.02 percent to 2.94 lakh tons compared to April 2016. Year to date imports of palm oil from Indonesia rose 13.7 percent to 11.36 lakh tons compared to corresponding period last year. Imports from Malaysia in April rose 2.8 percent to 1.30 lakh tons compared to April 2016. Year to date imports rose 25.71 percent from Malaysia to 5.39 lakh tons compared to corresponding period last year.



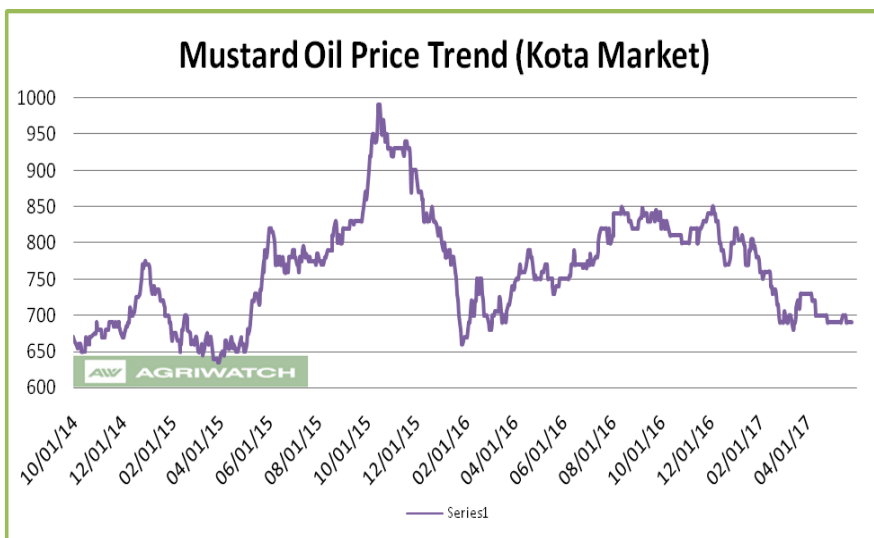
- Policy update- According to Malaysia Palm Oil Board (MPOB), Malaysia reduced June crude palm oil export duty to 6 percent from 7 percent in May. Tax is calculated at reference price of 2844.79 ringgit (\$657.53) per ton. Tax is calculated above 2,250 ringgit starting from 4.5 percent to a maximum of 8.5 percent. Indonesia removed export duty on crude palm oil for May from USD 3 per ton in April.

Price Outlook: We expect CPO Kandla 5 percent (with VAT) to stay in the range of Rs 490-550 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, Ganganagar, Neewai, Hapur, Kolkata and New Delhi while it was unchanged in Mumbai and Gujarat. Kacchi ghani



prices fell across board in India. Canola oil prices were unchanged last week.

Prices of rapeseed oil traded sideways to weak in the week on lower prices of rapeseed and weak demand. Rapeseed prices collapsed in the week in review which supported the fall.

All India arrivals of rapeseed increased which led to lower prices of rapeseed. Crushing increased in the week in review.

Mustard oil prices are trading at low premium over soy oil, which will support prices in medium term.

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

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

Low premium of rapeseed oil over soy oil in domestic market Rs 52 (Rs 60) per 10 Kg will support rapeseed oil 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 increased USD 22 (USD 25) 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 April, which will support rapeseed oil prices in medium term.

Markets are expected to trade sideways to firm tone in coming days on firm demand at lower levels, rise in rapeseed prices, and seasonal uptrend of prices.

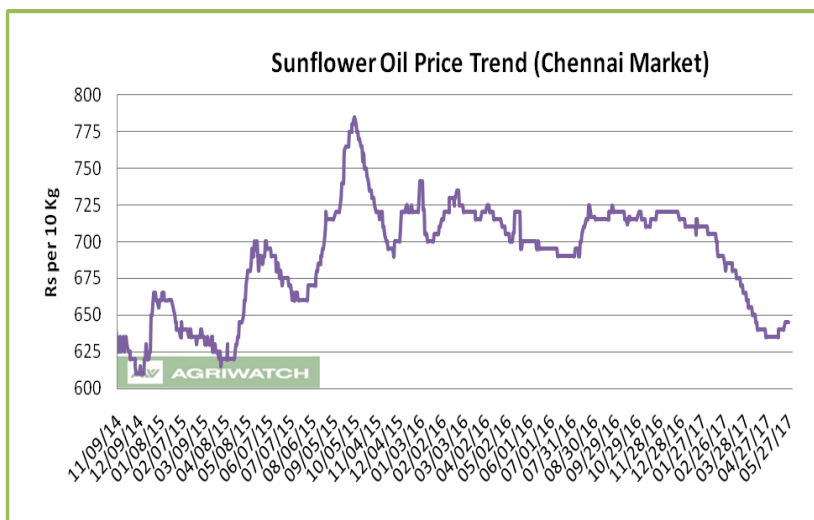
- India imports 0.32 lakh tons of rapeseed (Canola) oil imports in April 2017 v/s 0.51 lakh tons in April 2016. Imports were 1.52 lakh tons in the period (November 2016-April 2017) compared to 1.53 lakh tons in corresponding period last oil year: SEA
- CIF canola premium over soybean oil is USD 22 (USD 25 last week) per ton for June delivery as on May 26, 2017.
- Currently, RM oil at Jaipur market, (expeller) is offered at Rs 672 (Rs 680) per 10 Kg, and at Kota market, it is offered at Rs 690 (Rs 690) per 10 kg as on May 26, 2017. Values in brackets are figures of last week.
- We expect RM seed oil prices to trade sideways to firm tone in the coming days.

Price Outlook: Rapeseed oil (without VAT) prices in Kota may stay in the range of Rs 660-720 per 10 Kg.

Sunflower oil Fundamental Review and Analysis:-

Domestic Front

- Sunflower oil featured firm sentiment last week in its benchmark market of Chennai on firm demand. Prices closed unchanged in Hyderabad and Kakinada while it fell in Mumbai. Prices rose in Kandla/ Mudra. Sunflower expeller prices closed higher in Hyderabad while was unchanged Erode. Prices were unchanged Latur while it rose in Chellakere.
- Agriwatch view: Prices of sunflower oil traded higher in Chennai on firm demand.



Prices of sunflower oil were unchanged at CNF markets while it rose in Chennai indicating firm demand.

Demand of sunflower oil was higher in Andhra Pradesh.

Rise in soy oil supported prices.

Prices of sunflower oil are trading at low premium over soy oil, which will support prices.

Premium of CSFO over CDSO at CNF has decreased to USD 11 (USD 7 last week) per ton for June delivery, indicating prices have ample space to rise as sunflower oil is considered superior oil.

In domestic market, sunflower oil premium over soy oil is at Rs 7 (Rs 10 last week) per 10 kg which is low indicating weak demand of sunflower oil.

Sunflower oil premium over palm oil is USD 72.5 (USD 60 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 54 percent in November-April 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 11 (USD 7 last week) per ton for June 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 firm on firm demand, seasonal uptrend of prices and low premium of sunflower over soy oil and palm oil.

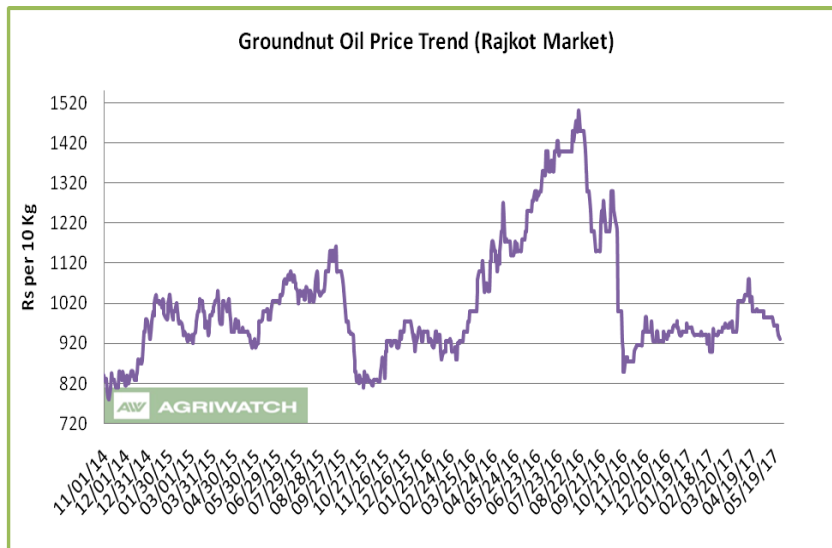
Prices are expected to trade sideways to firm in near term.

- Sunflower oil import scenario – According to SEA, India imported 2.35 lakh tons of crude sunflower oil during April 2017 v/s 1.00 lakh tons in April 2016, higher by 135 percent y-o-y. India imported 11.85 lakh tons of crude sunflower oil (November 2016-April 2017) compared to 7.71 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 795 (USD 795) per ton for June delivery, JAS delivery is quoted at USD 800 (USD 800) per ton. And OND delivers is quoted at USD 800 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 780-820 per ton in the near term. CIF Sunflower oil premium over CDSO is hovering at USD 11 (USD 4 last week) per ton for June delivery.
- Currently, refined sunflower oil at Chennai market is offered at Rs 645 (Rs 640) per 10 Kg, and at Hyderabad market, it is offered at Rs 656 (Rs 656) per 10 kg as on May 26 2017. Values in brackets are figures of last week.
- We expect sunflower oil prices to trade sideways to firm tone in the coming days.

Price Outlook: Sunflower oil (with VAT) prices in Chennai may stay in the range of Rs 630-660 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, Chennai, while it was unchanged New Delhi. Prices of groundnut (expeller) closed unchanged in Hyderabad.
- Agriwatch view: Prices of groundnut oil featured weak trend in Rajkot on weak demand. Demand weakened on higher prices of groundnut oil. Retail demand is weak at current prices. Stock position is adequate.



Groundnut prices fell in the week in review, which supported the fall.

Arrivals of groundnut were steady in the week in review.

Weak retail demand has led to reduced off-take by stockists

Prices fell on seasonal downtrend of prices.

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

Stocks in of groundnut oil in market were adequate.

Prices of palm oil supported the fall.

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

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

- On the price front, currently the groundnut oil prices in Rajkot is quoted at Rs 9,300 (Rs 9,650) per quintal and it was quoted at Rs 10,200 (Rs 10,500) per quintal in Chennai market on May 26, 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 850-1000 per 10 Kg.

Coconut Oil Fundamental Review and Analysis:-

Domestic Front

- Weak trend featured in the coconut oil in its benchmark market of Kangayan on weak demand. Prices closed higher in Kocchi.

- Agriwatch view: Coconut oil prices featured weak trend during the week on weak demand.

Demand of coconut oil has weakened at higher prices

Copra prices were steady during the week in review.

Fall prices of palm oil supported prices.

Onset of monsoon is expected at before normal time and pre monsoon showers has led to fall in prices.

Prices fell on seasonal downtrend of prices..

Corporate demand, which contributes about 80 percent of demand, has weakened at higher prices of coconut oil and weak prices of palm kernel oil.

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.

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

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

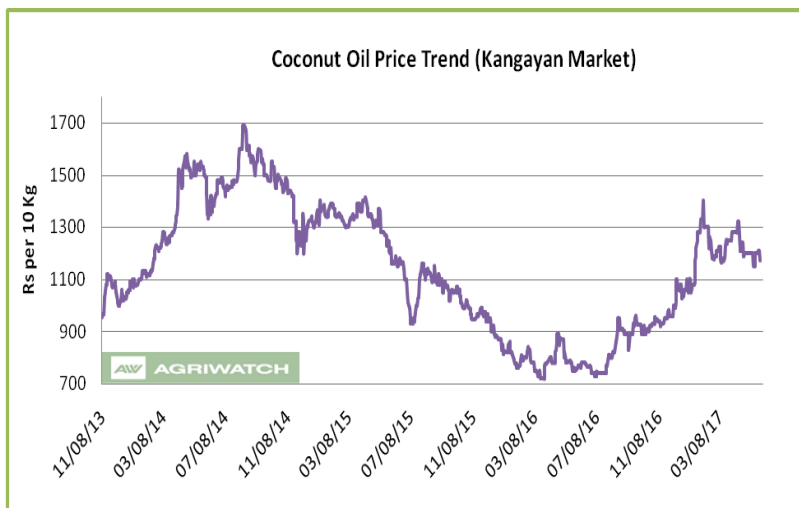
Coconut oil is costliest domestic edible oil, which has weakened demand.

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 to weak.

Coconut oil prices are expected to be weaken 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.

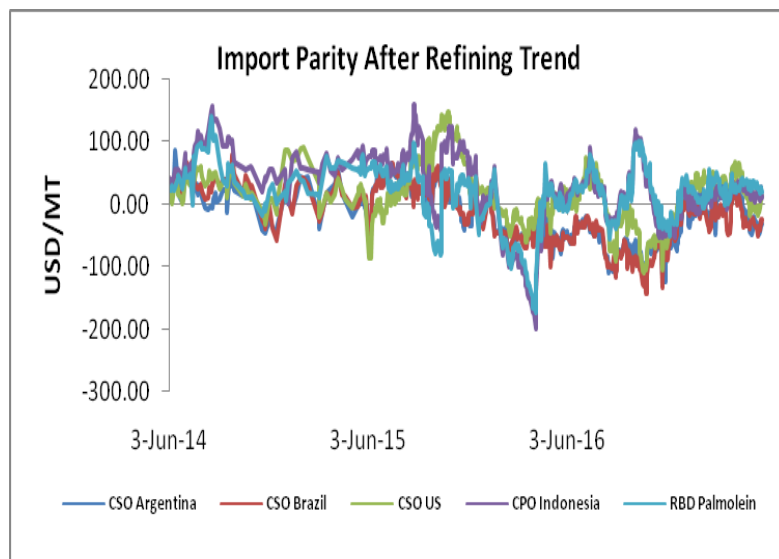
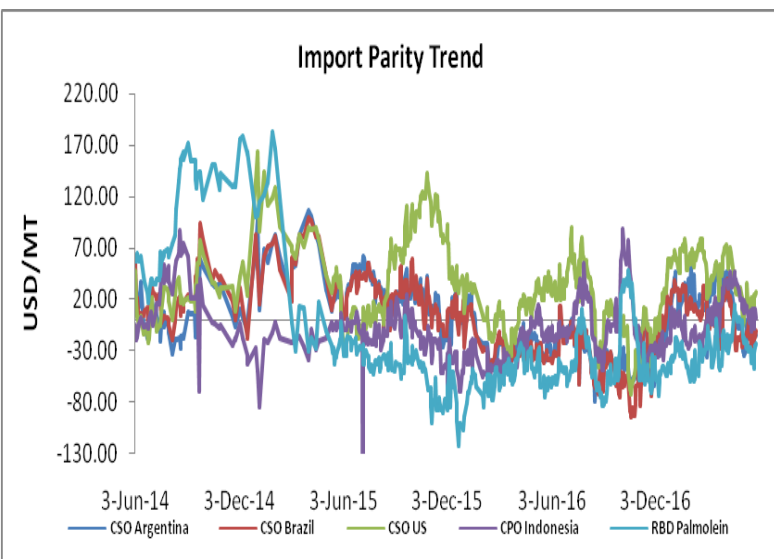
- On the price front, currently the coconut oil prices in Kochi is hovering near Rs 12,800 (12,600) per quintal, and was quoting Rs 11,700 (Rs 12,000) per quintal in Erode market on May 26, 2017.



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)

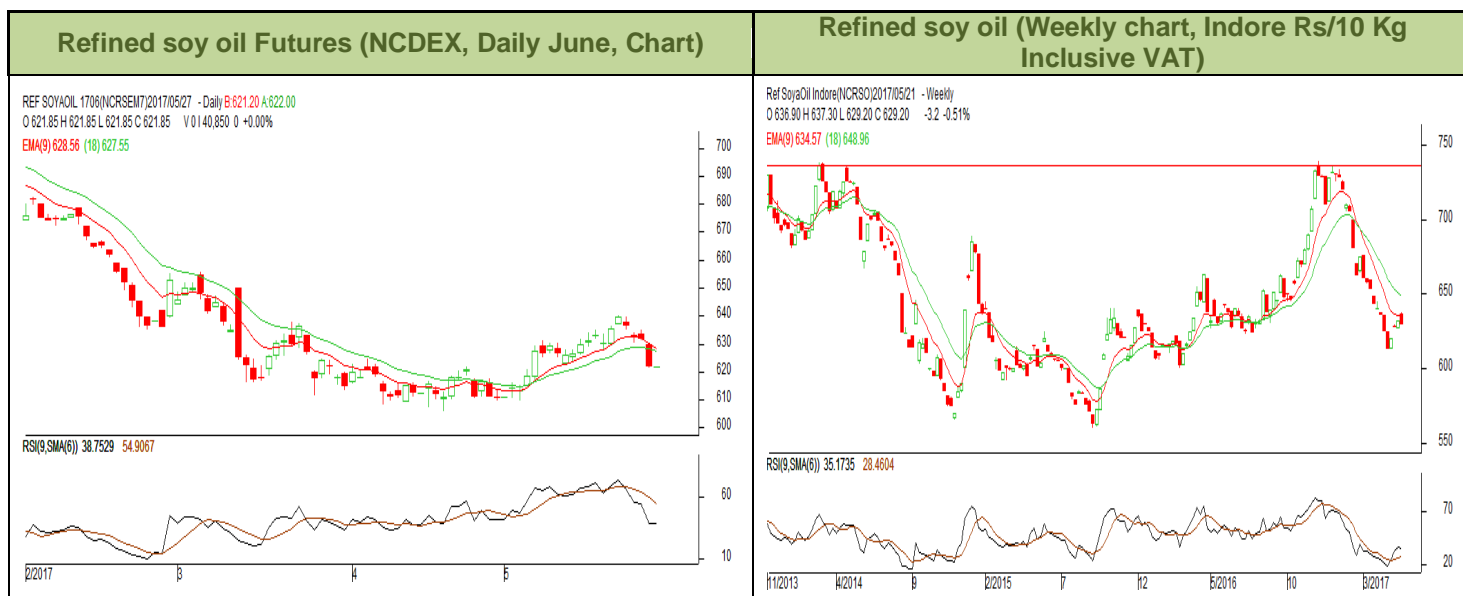


	CSO Argentina	CSO Brazil	CSO US	CPO Indonesia	RBD Palmolein
Mar, 2017	14.48	-15.56	29.41	15.58	26.41
Apr, 2017	7.03	-5.60	42.64	25.12	31.46

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 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 uptrend during the week in review. We expect prices to trade sideways to firm 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 600-650 level in near to medium term. RSI, stochastic and MACD is suggesting uptrend in the market.

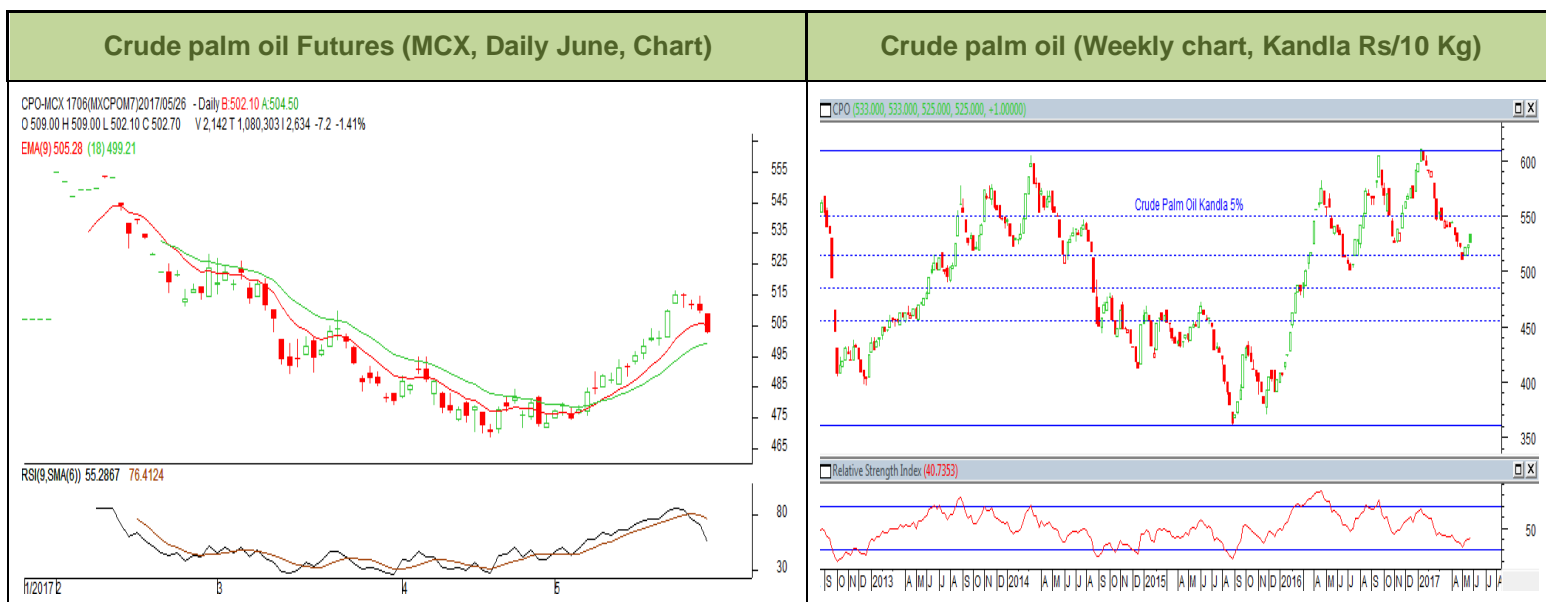
Strategy: Market participants are advised to go long above 615 levels for a target of 630 and 635 with a stop loss at 605 on closing basis.

RSO NCDEX (June)

Support and Resistance				
S2	S1	PCP	R1	R2
585.00	600.00	621.85	646.00	666.00

Spot Market outlook: Refined soy oil Indore (with VAT) is likely to stay in the range of Rs 600-660 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 firm note.

- Candlestick in weekly chart of crude palm oil at MCX depicts uptrend in the prices. We expect prices to trade with a sideways to firm note in the near term.
- Any close below 480 in weekly chart may bring the prices to 460 levels.
- Expected price band for next week is 500-540 level. RSI, Stochastic, and MACD are suggesting uptrend in prices in the coming week.

Strategy: Market participants are advised to go long in CPO above 495 for a target of 510 and 515 with a stop loss at 485 on closing basis.

CPO MCX (June)

Support and Resistance				
S2	S1	PCP	R1	R2
465	480	502.7	528	541

Spot Market outlook: Crude palm oil is likely to stay in the range of Rs 490-550 per 10 Kg.

Veg. Oil Prices at Key Spot Markets

Commodity	Centre	Prices(Per 10 Kg)		Change
		26-May-17	19-May-17	
Refined Soybean Oil	Indore	638	635	3
	Indore (Soy Solvent Crude)	600	605	-5
	Mumbai	640	637	3
	Mumbai (Soy Degum)	585	590	-5
	Kandla/Mundra	615	620	-5
	Kandla/Mundra (Soy Degum)	590	595	-5
	Kolkata	620	620	Unch
	Delhi	640	645	-5
	Nagpur	668	674	-6
	Rajkot	610	612	-2
	Kota	635	630	5
	Hyderabad	637	627	10
	Akola	668	667	1
	Amrawati	669	666	3
	Bundi	627	630	-3
	Jalna	668	675	-7
	Alwar	NA	NA	-
	Solapur	668	674	-6
	Dhule	671	671	Unch
Palm Oil	Kandla (Crude Palm Oil)	519	532	-13
	Kandla (RBD Palm oil)	550	545	5
	Kandla RBD Pamolein	565	570	-5
	Kakinada (Crude Palm Oil)	525	515	10
	Kakinada RBD Pamolein	570	570	Unch
	Haldia Pamolein	570	565	5
	Chennai RBD Pamolein	572	575	-3
	KPT (krishna patnam) Pamolein	558	560	-2
	Mumbai RBD Pamolein	575	575	Unch
	Delhi	605	608	-3
	Rajkot	560	560	Unch
	Hyderabad	527	527	Unch
	Mangalore RBD Pamolein	572	570	2
	PFAD (Kandla)	455	460	-5
	Refined Palm Stearin (Kandla)	490	495	-5
Refined Sunflower Oil	Chennai	645	640	5
	Mumbai	695	700	-5
	Mumbai(Expeller Oil)	595	590	5
	Kandla	675	670	5
	Kandla/Mundra (Crude)	NA	NA	-

	Hyderabad (Ref)	656	656	Unch
	Latur (Expeller Oil)	670	670	Unch
	Chellakere (Expeller Oil)	600	590	10
	Erode (Expeller Oil)	675	675	Unch
Groundnut Oil	Rajkot	930	965	-35
	Chennai	1020	1050	-30
	Delhi	1100	1100	Unch
	Hyderabad *	1070	1070	Unch
	Mumbai	1010	1020	-10
	Gondal	900	965	-65
	Jamnagar	910	965	-55
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	672	678	-6
	Jaipur (Kacchi Ghani Oil)	700	718	-18
	Kota (Expeller Oil)	690	690	Unch
	Kota (Kacchi Ghani Oil)	710	715	-5
	Neewai (Kacchi Ghani Oil)	670	680	-10
	Neewai (Expeller Oil)	690	700	-10
	Bharatpur (Kacchi Ghani Oil)	730	740	-10
	Alwar (Kacchi Ghani Oil)	NA	NA	-
	Alwar (Expeller Oil)	NA	NA	-
	Sri-Ganga Nagar(Exp Oil)	665	670	-5
	Sri-Ganga Nagar (Kacchi Ghani Oil)	690	700	-10
	Mumbai (Expeller Oil)	720	720	Unch
	Kolkata(Expeller Oil)	860	880	-20
	New Delhi (Expeller Oil)	700	710	-10
	Hapur (Expeller Oil)	740	750	-10
	Hapur (Kacchi Ghani Oil)	800	820	-20
	Agra (Kacchi Ghani Oil)	735	745	-10
Refined Cottonseed Oil	Rajkot	640	645	-5
	Hyderabad	615	615	Unch
	Mumbai	642	635	7
	New Delhi	620	620	Unch
Coconut Oil	Kangayan (Crude)	1170	1200	-30
	Cochin	1280	1260	20
	Trissur	NA	NA	-
Sesame Oil	New Delhi	780	780	Unch
	Mumbai	735	735	Unch
Kardi	Mumbai	740	740	Unch
Rice Bran Oil (40%)	New Delhi	520	540	-20
Rice Bran Oil (4%)	Punjab	590	590	Unch
Rice Bran Oil (4%)	Uttar Pradesh	590	590	Unch



Malaysia Palmolein USD/MT	FOB	715	715	Unch
	CNF India	740	748	-8
Indonesia CPO USD/MT	FOB	703	705	-2
	CNF India	730	743	-13
RBD Palm oil (Malaysia Origin USD/MT)	FOB	713	705	8
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	638	630	8
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1250	1250	Unch
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	638	628	10
Crude palm Kernel Oil India (USD/MT)	CNF India	1195	1190	5
Ukraine Origin CSFO USD/MT Kandla	CIF	795	795	Unch
Rapeseed Oil Rotterdam Euro/MT	FOB	747	768	-21
Argentina FOB (\$/MT)		25-May-17	18-May-17	Change
Crude Soybean Oil Ship		740	732	8
Refined Soy Oil (Bulk) Ship		766	758	8
Sunflower Oil Ship		720	725	-5
Cottonseed Oil Ship		720	712	8
Refined Linseed Oil (Bulk) Ship		760	752	8
* indicates including VAT				

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