

# Veg. Oil Weekly Research Report

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## **Executive Summary**

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

*Edible oil witnessed weak trend in domestic market on fall in CBOT soy oil and BMD CPO. Soy oil, palm oil, rapeseed oil, sunflower oil, groundnut oil and coconut oil closed lower.*

*On the currency front, Indian rupee is hovering near 64.52, higher by 10 paise compared to 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 weak on weak fundamentals. Lower stocks at ports and pipeline will support prices 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 580-660 per 10 Kg in the near term.*

*At MCX, market participants are advised to go short in CPO below 475 for a target of 465 and 460 with a stop loss at 485 on closing basis. We expect CPO Kandla 5 percent (with VAT) to stay in the range of Rs 460-520 per 10 Kg in the near term.*

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

*Malaysia's June 1-25 palm oil exports fell 2.1 percent to 985,534 tons v/s 1,006,757 tons in corresponding period last month. Top buyers were India & subcontinent at 233,100 tons (245,885 tons), European Union at 203,986 tons (153,835 tons) and China at 87,300 tons (114,290 tons). Values in brackets are figures of corresponding period last month. ITS*

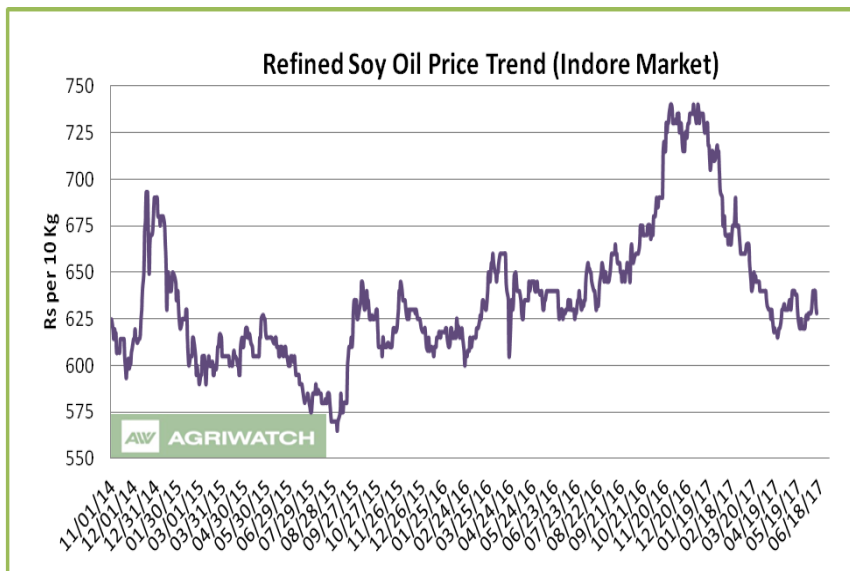
*On the international front, higher soy oil stocks in US, improved rate of planting of soybean in US, weak Chinese demand of soybean, higher soybean crop in US and South America in 2017/18 and fall in crude oil will underpin soy oil prices in coming days.*

*Weak exports of palm oil from Malaysia, weak demand of palm from China and India, rise in production of a palm oil in Malaysia and Indonesia, rise in stocks of palm oil in Malaysia, weak CBOT and DALIAN will underpin CPO prices in near term.*

### Soy oil Fundamental Analysis and Outlook:-

#### Domestic Front

- Soy oil featured losses in domestic markets on weak demand. Refined soy oil prices fell in its benchmark market of Indore on weak demand. Prices of refined soy oil fell in Kandla/Mudra while it was unchanged in Mumbai and Kolkata. CDSO prices fell at JNPT and Kandla/Mudra at the end of the week.



- Agriwatch View- Soy oil prices closed lower during the week in Indore on weak demand.

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

Demand in domestic market was weak as refined soy oil prices fell in other centers in India.

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

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 May compared to May 2017 and it was above May 2016. Stocks of CDSO at ports and pipelines fell in May.

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 103 (Rs 90 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 100 (USD 102.5 last week) per ton, indicating weakening of demand of CDSO at CNF markets compared to CPO CNF.

Prices of soy oil will fall on weak demand, weak competitive oils and weak CBOT soy oil..

- All India sowing of soybean has reached 5.67 lakh hectares as on 23.06.2017 compared to 3.01 lakh hectares in the corresponding period last year.
- Soy oil import scenario – According to SEA, India imported 3.40 lakh tons of soy oil in May 2017 v/s 1.78 lakh tons in May 2016, up 91 percent y-o-y. India imported 16.90 lakh tons of soy oil in the period (November 2016-May 2017) compared to 24.19 lakh tons in the corresponding period last oil year, lower by 30 percent y-o-y.
- According to Solvent Extractors Association (SEA), India's May edible oil imports rose 31.7 percent y-o-y to 13.24 lakh tons from 11.05 lakh tons in May 2016. Palm oil imports in May rose 21.5 percent y-o-y to 7.98 lakh tons from 6.57 lakh tons in May 2016. CPO Imports rose 25.5 percent y-o-y to 4.92 lakh tons from 3.92 lakh

tons in May 2016. RBD palmolein imports rose 12.6 percent y-o-y to 2.94 lakh tons from 2.61 lakh tons in May 2016. Soy oil imports fell 91 percent y-o-y to 3.40 lakh tons from 1.78 lakh tons in May 2016. Sunflower oil imports rose 3.3 percent y-o-y to 1.55 lakh tons from 1.50 lakh ton in May 2016. Rapeseed (Canola) oil rose to 0.29 lakh tons in May compared to from 0.18 lakh tons in May 2016.

- According to Solvent Extractors Association (SEA), India's May edible oil stocks at ports and pipelines rose 1.87 Percent m-o-m to 21.60 lakh tons from 21.20 lakh tons in April 2017. Stocks of edible oil at ports fell to 770,000 tons (CPO 230,000 tons, RBD Palmolein 160,000 tons, Degummed Soybean Oil 190,000 tons, Crude Sunflower Oil 170,000 tons and 20,000 tons of Rapeseed (Canola) Oil) and about 1,390,000 tons in pipelines (stocks at ports were 785,000 and in pipelines were at 2,120,000 tons in April 2017). India is presently holding 37 days of edible oil requirement on 1st June, 2017 at 21.60 lakh tons compared to 39 days of requirements last month. India's monthly edible oil requirement is 17.5 lakh tons.
- Imported crude soy oil CIF at West coast port is offered at USD 788 (USD 805) per ton for June delivery, July delivery is offered at USD 783 (USD 800) per ton, August delivery is quoted at USD 781 (USD 799) per ton and August delivery is quoted as USD 766 per ton as on June 23, 2017. Values in brackets are figures of last week. Last month, CIF CDSO May average price was USD 790.78 (USD 756.5 per ton in April 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 50-55/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- Soybean planting in US is progressing at steady pace due to conducive weather conditions in US Midwest. Planting of soybean is higher than corresponding period last year and higher than 5-year average. Crop condition is good and good to excellent condition rose by 2 percent from last week indication improving crop condition. Rains in Midwest last week were beneficial for crop development. Good condition of crop and higher planting will underpin soybean complex prices in medium term. USDA is expected to increase yield of soybean in US in its July estimate.

Soy oil end stocks in US rose as reported by NOPA in May due to higher production of soy oil on higher crush of soybean will underpin soy oil prices in medium term. Stocks of soy oil will increase if crush of soybean increases in coming months.

Soy oil end stocks in US fell in 2017/18 due to lower opening stocks of soy oil, which will support prices in medium term, according to USDA. However, soy oil end stocks will rise in coming months as soybean production rises in coming months.

Demand of soybean by China is expected to be weak in July after record May and June which has led to glut of soybean in the country which has led to lower soy oil prices which at 5 year low which has affected soy oil global prices. Many cargoes are cancelled or are diverted due to glut created by record soybean imports. Soybean crush margins are negative in China, which has led to diversion of cargoes and cancellations.

China is purchasing more from Brazil which has led to weak demand of soybean from US which will lead to lower prices of soybean in international markets. Depreciation of Brazilian Real has supported exports from the country.

USDA decreased soy oil end stocks in US in 2016/17 due to higher exports will support prices in medium term. 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 increased Brazil 2016/17 soybean crop estimate unchanged in its June report to 114 MMT.

Argentina soybean harvest is over. USDA increased 2016/17 soybean crop in Argentina to 57.8 MMT from 57 MMT in its June estimate. However, Argentina government reduced soybean crop to 57 MMT from 58 MMT.

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 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.

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.

Good crop condition in US, strong supply from South America and weak Chinese demand has led to record short positions on CBOT by speculators.

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

- US soybean planting is 96% complete as on 18 June 2017 which is up from 95% in the corresponding period last year and also up from 5 year average of 93%. Soybean emergence is reported at 89% which is slightly up from 88% in the corresponding period last year and also up from 5 year average of 84%. About 67% of the soybean planted crop is under good to excellent condition which is down from 73% during the corresponding period last year.
- According to National Oilseed Processors Association (NOPA), U.S. May soybean crush rose 7.27 percent to 149.246 million bushels from 139.134 million bushels in April 2017. Crush of soybean in May 2016 was 152.280 million bushels. Production of soy oil in U.S. in May rose to 1.752 billion lbs from 1.627 billion lbs in April 2017. Production in May 2016 was 1.786 billion lbs. Soy oil stocks in U.S. at the end of May rose 1.37 percent to 1.749 billion lbs compared to 1.725 billion lbs in April 2017. Stocks of soy oil in May were lower by 12.26 percent compared to May 2016, which was reported at 1.994 billion lbs. Yield was higher at 11.74 lbs/bushel in May compared to April figure of 11.69 lbs/bushel. Yield in May 2016 was reported at 11.73 lbs/bushel.

- According to United States Department of Agriculture (USDA) June estimate, U.S 2017/18 ending stocks of soy oil is fell 3.36 percent to 2,157 million lbs from 2,232 million lbs in May estimate. Opening stocks were lower at 1,987 million lbs. Production of soy oil in 2017/18 is was unchanged at 22,620 million lbs. Imports in 2017/18 are kept unchanged at 300 million lbs. Biodiesel use in 2017/18 was unchanged at 6,450 million lbs. Food, feed and other industrial use in 2017/18 was unchanged at 14,000 million lbs. Exports in 2016/17 were unchanged at 2,300 million lbs. Average price range estimate ended the year 2017/18 at 30-34 cents/lbs compared to 31.75 cents/lbs in its 2016/17. Fall in end stock is due to lower opening stocks of soy oil.
- USDA WASDE Oilseeds Highlights: The 2017/18 season-average price for soybeans is forecast at \$8.30 to \$10.30 per bushel; soybean meal and oil prices are projected at \$295 to \$335 per short ton and 30 to 34 cents per pound, respectively.

### Previous updates

- US soybean planting is 92% complete as on 11 June 2017 which is up from 91% in the corresponding period last year and also up from 5 year average of 87%. Soybean emergence is reported at 77% which is at par with the corresponding period last year and also up from 5 year average of 73%. About 66% of the soybean planted crop is under good to excellent condition which is down from 74% during the corresponding period last year.
- According to National Oilseed Processors Association (NOPA), U.S. April soybean crush fell 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 million 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.
- China purchased 9.59 million tons of soybeans in May, highest on record. Higher volume of imports is primarily due to the backlog of previously purchased soy which landed in the country during the month. The oilseeds imports were up from 7.66 million tons during the corresponding period last year and 19.6% higher than 8.02 million tons purchased during April.
- According to China's General Administration of Customs (CNGOIC), China's imports of edible vegetable oil in May fell 25 percent to 4.2 lakh tons compared to 5.6 lakh tons in April. Imports rose 50 percent compared to last

year which was reported at 2.8 lakh tons. Year to date imports of edible vegetable oil rose 12 percent to 23.80 lakh tons.

- Argentina's state statistics agency INDEC, Argentina's first quarter (Jan-March 2017) output fell 4 percent to 177,950 tons compared to corresponding period last year. Argentina is in dispute with US over allegation of dumping of biodiesel by Argentina. If anti dumping duties are imposed then it will destroy domestic biodiesel industry.
- Conab has raised Brazil's 2016/17 soybean production estimate for the sixth time this year to 113.92 million tonnes, which is up from 113 million tons projected in May.
- Agroconsult has projected Brazil's soybean production estimate at 115 million tonnes and exports of 61 million tonnes during the season.

**Price Outlook:** We expect refined soy oil at Indore (with VAT) to stay in the range of Rs 580-660 per 10 Kg in the near term.



## Palm oil Fundamental Analysis and Outlook -:

### Domestic Front

- Crude palm oil featured weak trend at its benchmark market at Kandla on weak BMD CPO. CPO price fell in Kakinada. RBD palmolein high seas fell across board in India.

- Agriwatch View – Prices of CPO closed lower on fall in BMD CPO and CBOT soy oil.

Prices of CPO fell less at India high seas compared to CNF markets indicating firm demand in domestic markets compared to last week.

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

Demand of CPO was firm at CNF markets as prices fell less in CNF markets v/s Indonesia FOB which fell more compared to last week.

Demand of RBD palmolein weakened at CNF markets as prices fell more in CNF markets v/s Malaysia FOB which fell compared to last week.

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

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

Demand of RBD palmolein on high seas is lower than CPO at high seas as premium RBD palmolein over CPO decreased to Rs 37 (Rs 46) per 10 kg.

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

Import of CPO in May was lower than April 2017 and higher than May 2016. Stocks at ports and pipelines increased in May.

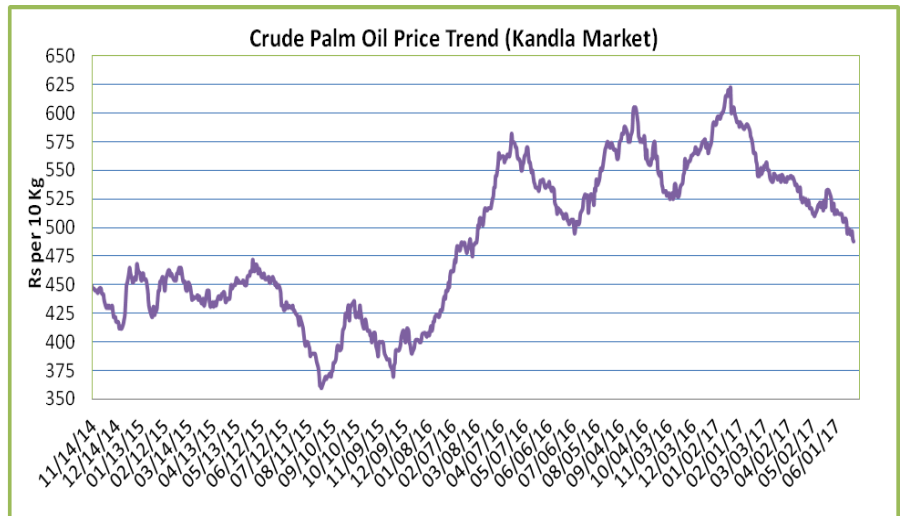
Import of RBD palmolein in May was higher than April 2017 and March 2016. Stocks at ports and pipelines increased in May.

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 100 (USD 102.5 last week) per 10 kg. Premium of CDSO soy oil high seas over CPO high seas is at Rs 87 (Rs 83 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 103 (Rs 90 last week) per 10 kg is low and will decrease demand in near term.

Prices of CPO are expected to remain sideways to weak.

- Palm oil import scenario – According to SEA, India imported 7.99 lakh tons of palm oil in May 2017 v/s 6.58 lakh tons in May 2016, higher by 21.4 percent y-o-y. Import of palm oil in the period (November 2016-May 2017) was





at 51.01 lakh tons compared to 49.97 lakh tons in the corresponding period in last oil year, lower by 2 in the corresponding period.

CPO imports increased to 4.92 lakh tons in May compared to 3.92 lakh tons in May 2016, higher by 25.5 percent y-o-y. Import of CPO in the period (November 2016-May 2017) was at 33.95 lakh tons compared to 33.50 lakh tons in the corresponding period last oil year, higher by 1.3 percent

RBD palmolein imports rose 12.64 percent in May to 2.94 lakh tons from 2.61 lakh tons in May 2016. Import of RBD palmolein in the period (November 2016-May 2017) was at 16.62 lakh tons compared to 15.87 lakh tons in corresponding period last oil year, higher by 4.7 percent.

- On the trade front, CNF CPO (Indonesian origin) at Indian port quoted at USD 687.5 (USD 702.5) per ton for June delivery is July delivery is quoted at USD 675 (USD 690) per ton. Last month, CIF CPO May average price was USD 723 (USD 702.5 per ton in April 2017) per ton.

Moreover, RBD palmolein (Malaysian origin) CNF at Indian port, offered at USD 687.5 (USD 707.5) per ton for June delivery while July delivery is offered at USD 677.5 (USD 692.5) per ton. Last month, CIF RBD palmolein May average price was USD 727.55 (USD 703.88 previous month) per ton. Values in bracket depict last week quotes.

Ready lift CPO duty paid prices quoted at Rs 488 (Rs 497) per 10 Kg and July delivery duty paid is offered at Rs 485 (Rs 491) per 10 kg on June 23, 2017.

- On the parity front, margins weakened during this week due to fall of 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 10-15/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 – Improvement of exports of palm oil from Malaysia from June 20-25 is expected to support palm oil prices in near term. Imports fell 2.1 percent in first 25 days of June. If improvement continues then exports of palm oil from Malaysia will end the month with gains in exports. However, expectation of production increase of palm oil in Malaysia will underpin palm oil prices in medium term. Production is expected to increase on seasonal uptrend of production and dominating impact of El Nino. This will lead to higher soy oil end stocks in Malaysia. Higher stocks of palm oil are expected to underpin palm oil prices in medium term.

However, production will rise from July as June production rise is expected to be weak due to lower labor availability due to Ramadan.

Demand from top importing destination have weakened from Malaysia in June. Demand is weak especially from China as record low prices of soy oil in the country due to glut of soybean on higher imports. Lower soy oil prices have led to weak imports. Imports will only improve when soy oil prices will improve in the country.

Demand of palm oil from India from Malaysia is expected to be low as demand of RBD palmolein slows on end to Ramadan season and low soy oil premium of soy oil over palm oil. Expectation of good monsoon will improve supply of domestic edible oils will decrease palm oil imports.

Palm oil exports fell 2.1 percent from Malaysia in first 25 days of June on weak demand after Ramadan. Stocks are almost covered for Ramadan and support to prices will depend upon fresh demand from top importing destinations.

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

Demand of China has remained weak from Malaysia as it is importing more from Indonesia as they are offering competitive prices. Demand from China will only originate when prices of soy oil rise in the country.

Demand from India has firmed in near term due to demand ahead of Ramadan. 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 as normal monsoon is expected this year.

Recent fall in prices of palm oil is primarily due to fall in prices of CBOT soy oil and DALIAN RBD palmolein. Depreciation of ringgit will support prices of palm oil from Malaysia in near term.

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.

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.

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 increased palm oil export duty to 6.5 percent for July, as Malaysian government feels that prices are in structural rise. However, Indonesia has maintained zero duty of crude palm oil.

Indonesia kept palm oil export duty as it expects palm oil prices will miss certain thresholds.

Palm oil stocks in Indonesia are very low and if demand remains steady then it will erode further.

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 Intertek Testing Services (ITS), Malaysia's June 1-25 palm oil exports fell 2.1 percent to 985,534 tons v/s 1,006,757 tons in corresponding period last month. Top buyers were India & subcontinent at 233,100 tons (245,885 tons), European Union at 203,986 tons (153,835 tons) and China at 87,300 tons (114,290 tons). Values in brackets are figures of corresponding period last month.
- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's June 1-20 palm oil exports fell 16.7 percent to 710,322 tons compared to 852,628 tons in corresponding period last month. Top buyers were European Union at 160,005 tons (182,095 tons), India at 126,250 tons (110,200 tons), China at 61,900 tons (78,130 tons), Pakistan at 58,830 tons (41,000 tons) and United States at 41,162 tons (32,020 tons). Values in brackets are figures of corresponding period last month.
- Policy update-Indonesia maintains zero export duty on crude palm oil for July as it expects that it will miss certain thresholds, according to Indonesia trade ministry. Indonesia keeps export taxes at zero on or below USD 750 per ton.
- According to Malaysia Palm Oil Board (MPOB), Malaysia's May palm oil end stocks fell 2.64 percent to 15.58 lakh tons compared to 16 lakh tons in April. Production of palm oil in May rose 6.88 percent to 16.54 lakh tons

compared to 15.48 lakh tons in April. Exports rose 17.33 percent to 15.06 lakh tons compared to 12.83 lakh tons in April. Imports of palm oil in May fell 12.9 percent to 0.47 lakh tons compared to 0.54 lakh tons in April. This was the weakest May since last eight years.

- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's June 1-15 palm oil exports fell 17.6 percent to 508,960 tons v/s 617,697 tons in corresponding period last month. Top buyers were India & subcontinent at 149,400 tons (135,400 tons), European Union at 108,210 tons (113,765 tons) and China at 40,900 tons (37,130 tons). Values in brackets are figures of corresponding period last month.
- According to Malaysia Palm Oil Board (MPOB), Malaysia's May palm oil end stocks fell 2.64 percent to 15.58 lakh tons compared to 16 lakh tons in April. Production of palm oil in May rose 6.88 percent to 16.54 lakh tons compared to 15.48 lakh tons in April. Exports rose 17.33 percent to 15.06 lakh tons compared to 12.83 lakh tons in April. Imports of palm oil in May fell 12.9 percent to 0.47 lakh tons compared to 0.54 lakh tons in April. This was the weakest May since last eight years.
- Policy update- According to Malaysia Palm Oil Board (MPOB), Malaysia increased July crude palm oil export duty to 6.5 percent from 6 percent in June. Tax is calculated at reference price of 2890.04 ringgit (\$676.53) per ton. Tax is calculated above 2,250 ringgit starting from 4.5 percent to a maximum of 8.5 percent.

### Previous updates

- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's June 1-20 palm oil exports fell 14.8 percent to 721,020 tons v/s 846,705 tons in corresponding period last month. Top buyers were India & subcontinent at 191,400 tons (179,100 tons), European Union at 142,508 tons (121,765 tons) and China at 87,300 tons (94,330 tons). Values in brackets are figures of corresponding period last month.
- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's June 1-15 palm oil exports fell 14.7 percent to 523,505 tons compared to 613,465 tons in corresponding period last month. Top buyers were European Union at 130,710 tons (148,095 tons), India at 103,250 tons (66,400 tons), Pakistan at 43,830 tons (41,000 tons) China at 32,900 tons (42,630 tons), and United States at 8,000 tons (30,020 tons). Values in brackets are figures of corresponding period last month.
- According to Indonesia Palm Oil Association (GAPKI), Indonesia's palm oil end stocks at the end of April fell to 0.89 MMT from 1.4 MMT in April, lower by 36.6 percent m-o-m. Stocks of palm oil at the end of 2016 stood at 3.75 MMT. Stocks fell due to strong demand compared to production. Production of palm oil rose 14 percent to 11.4 MMT in the period January-April in the corresponding period last year.
- According to Indonesia Palm Oil Association (GAPKI), Indonesia's April palm and palm kernel oil exports rose 4 percent to 2.57 MMT compared to 2.47 MMT in March. Exports rose 23 percent compared to April 2016. Exports in the period January-April rose 23 percent to 10.7 MMT compared to 8.7 MMT in the corresponding period last year.
- 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.

- 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.

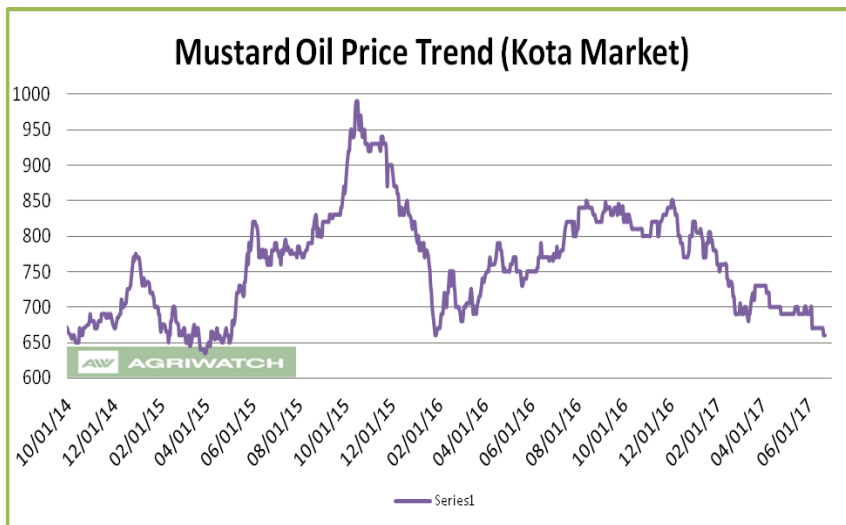
**Price Outlook:** We expect CPO Kandla 5 percent (with VAT) to stay in the range of Rs 460-520 per 10 Kg in the near term.

## Rapeseed oil Fundamental Review and Analysis:-

### Domestic Front

- Mustard oil prices featured weak trend last week at benchmark market of Kota on weak demand and 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 expeller fell across board in India except Kolkata where prices rose at the end of the week. Kacchi ghani prices fell in Kota, Jaipur,



Ganganagar, Neewai and Hapur while it was unchanged in Bharatpur and Agra. Canola oil prices fell last week. Prices of rapeseed oil traded weak trend at Kota and it was mostly lower in other major centers in India on weak demand and firm supply. All India arrivals of rapeseed increased during the week, which led to lower prices of rapeseed. Crushing increased in the week in review. Higher crushing of rapeseed led to higher rapeseed oil prices.

Fall in soy oil and palm oil supported the fall.

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 at Rs 32 (Rs 40) 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 decreased to USD 17 (USD 15) per ton and which will support imports.

Imports of Canola oil rose in May, which will support rapeseed oil prices in medium term.

Markets are expected to trade sideways to weak tone in coming days on weak demand, firm supply due to higher crushing of rapeseed, lower competitive oil prices and fall in rapeseed prices.

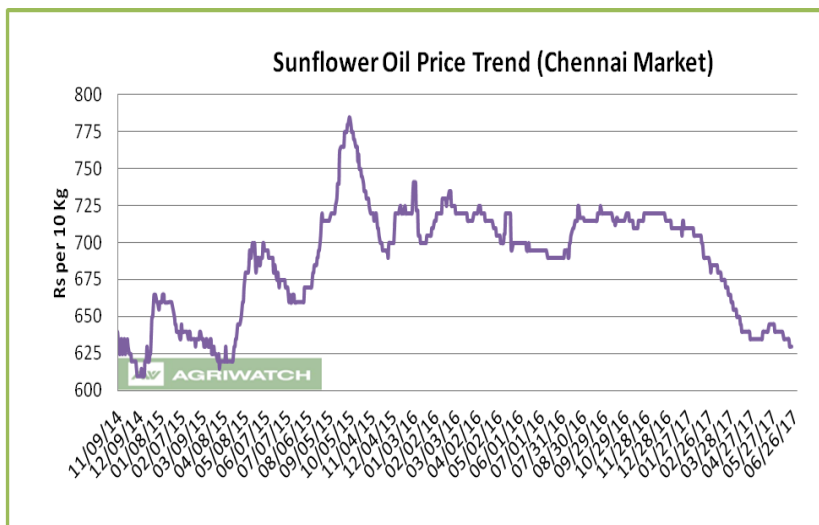
- India imported 0.29 lakh tons of rapeseed (Canola) oil imports in May 2017 v/s 0.19 lakh tons in May 2016. Imports were 1.81 lakh tons in the period (November 2016-May 2017) compared to 1.72 lakh tons in corresponding period last oil year: SEA
- CIF canola premium over soybean oil is USD 17 (USD 15 last week) per ton for June delivery as on June 16, 2017.
- Currently, RM oil at Jaipur market, (expeller) is offered at Rs 668 (Rs 678) per 10 Kg, and at Kota market, it is offered at Rs 660 (Rs 670) per 10 kg as on June 23, 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 630-700 per 10 Kg.

### **Sunflower oil Fundamental Review and Analysis:-**

#### **Domestic Front**

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



Prices of sunflower oil were lower in Chennai despite rise at CNF markets compared to last week indicating weak demand.

Fall in palm oil and soy oil prices supported losses.

Prices of sunflower oil are trading at minor premium over soy oil, indicating weak demand.

CSFO prices in CNF markets has fallen below CDSO at CNF and has decreased to USD 7 (USD -5 last week) per ton for July delivery, indicating prices have ample space to rise as sunflower oil is considered superior oil.

Crude sunflower oil is imported at prices near CDSO. However, sunflower oil is trading at premium over soy oil in domestic market indicating if weak demand persists then prices of sunflower oil will fall below soy oil.

In domestic market, sunflower oil premium over soy oil is at Rs 2 (Rs 5 last week) per 10 kg which is low indicating weak demand of sunflower oil.

Sunflower oil premium over palm oil is USD 115 (USD 95 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.

Supply has improved in markets as imports rose 45 percent in November-May while stocks at ports and pipelines fell indicating firm demand at high seas. 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 7 (USD -5 last week) per ton for July 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 weak demand, fall in competitive oil prices and fall in prices of sunflower oil in international markets. Prices are expected to trade sideways to weak in near term.

- All India sowing of sunflower has reached 0.16 lakh hectares as on 23.06.2017 compared to 0.38 lakh hectares in the corresponding period last year.
- Sunflower oil import scenario – According to SEA, India imported 1.55 lakh tons of crude sunflower oil during May 2017 v/s 1.50 lakh tons in May 2016, higher by 3.3 percent y-o-y. India imported 13.40 lakh tons of crude sunflower oil (November 2016-May 2017) compared to 9.21 lakh tons in corresponding period last oil year.
- On the trade front, CIF sunflower oil prices (Ukraine origin) at West coast of India quoted at USD 790 (USD 785) per ton for July delivery, JAS delivery is quoted at USD 795 (USD 790) per ton and S/O/N/D delivery is quoted at USD 790 (USD 792.5) per ton. CIF sun oil (Ukraine origin) May monthly average was at 795.03 per ton compared to USD 781.5 per ton in April. Values in brackets are figures of last week.
- Prices are likely to stay in the range of USD 770-810 per ton in the near term. CIF Sunflower oil premium over CDSO is hovering at USD 7 (USD -5 last week) per ton for July delivery.
- Currently, refined sunflower oil at Chennai market is offered at Rs 630 (Rs 635) per 10 Kg, and at Hyderabad market, it is offered at Rs 632 (Rs 637) per 10 kg as on June 23, 2017. Values in brackets are figures of last week.
- We expect sunflower oil prices to trade sideways to weak tone in the coming days.

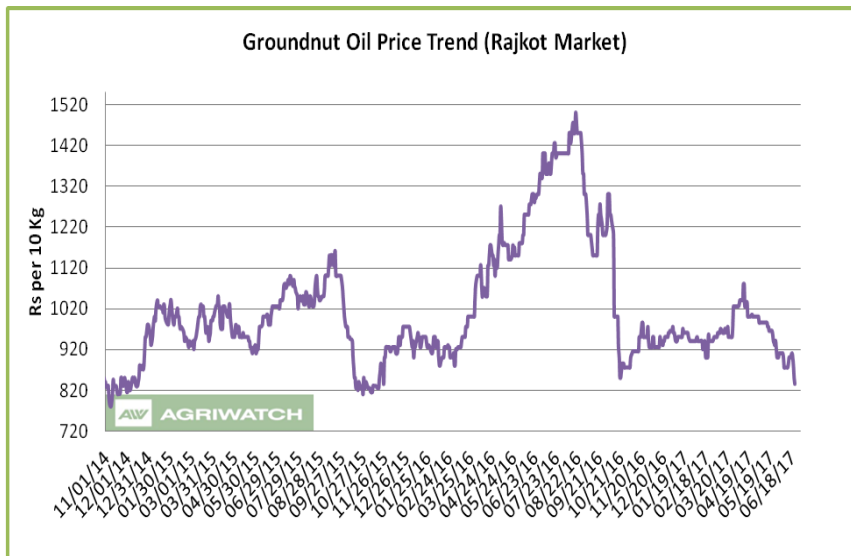
**Price Outlook:** Sunflower oil (with VAT) prices in Chennai may stay in the range of Rs 620-650 per 10 Kg.



### Groundnut oil Fundamental Review and Analysis:-`

#### Domestic Front

- Groundnut oil prices featured downtrend in Rajkot on weak sentiment due to higher sowing of groundnut. Prices fell in Jamnagar and Gondal. Prices remained unchanged in Chennai and New Delhi while it closed lower in Mumbai. Prices of groundnut (expeller) fell in Hyderabad.



- Agriwatch view: Prices of groundnut oil featured downtrend in Rajkot on weak sentiment due to higher sowing of groundnut. Higher sowing

is due to good remuneration received by farmers in last Kharif season.

Fall in palm oil and soy oil supported the fall.

Retail demand has improved at current prices.

Groundnut prices were lower in the week in review on higher farmer release of groundnut.

Firm retail demand has led to increased off-take by stockists and retailers.

Firm retail demand of groundnut oil led to firm demand in cash markets.

Stocks of groundnut oil in market were good.

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

Sowing of groundnut has started and higher groundnut crop is expected in current Kharif season. Higher groundnut crop is expected as bulk exports of edible oils have been allowed by government. Groundnut oil is expected to benefit most in exports, primarily to China.

Groundnut oil prices are expected to trade sideways to weak in near term due to weak demand and higher sowing of groundnut.

- All India sowing of groundnut reached 4.70 lakh hectares as on 23.06.2017 compared to 3.15 lakh hectares in corresponding period last year.
- On the price front, currently the groundnut oil prices in Rajkot is quoted at Rs 8,350 (Rs 9,000) per quintal and it was quoted at Rs 8,800 (Rs 8,800) per quintal in Chennai market on June 23, 2017. Values in brackets are figures of last week.
- Groundnut oil prices are likely to trade sideways to firm in the coming days.

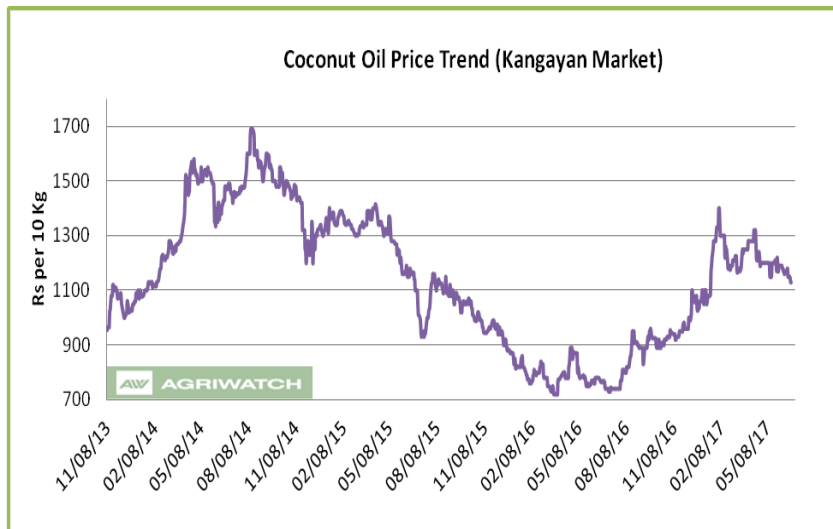
#### Price Outlook

Groundnut oil (without VAT) in Rajkot market is likely to trade in the price band of Rs 780-900 per 10 Kg.

### Coconut Oil Fundamental Review and Analysis:-

#### Domestic Front

- Weak trend featured in the coconut oil in its benchmark market of Kanganayon on weak demand. Prices closed unchanged in Kochi.
- Agriwatch view: Coconut oil prices featured weak trend during the week on weak to moderate demand and weak prices of copra. Fall in copra prices supported the fall. Fall in raw material prices led to the fall in coconut oil prices. Fall in palm oil prices supported losses.



Onset of monsoon on Kerala and rain in parts of Tamil Nadu has improved sentiment of better coconut crop in the current season. However, rains have slowed harvest of coconut.

There is short supply of milling copra as less rains in 2016 has affected the coconut production. Ball copra is being used for production of coconut oil in near term.

Monsoon is expected to be normal in Kerala and Tamil Nadu after weak 3 years of monsoon in Kerala and Tamil Nadu. This will improve the supply of coconut.

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

Demand from North India is moderate.

Some traders in Tamil Nadu is having old copra which they are using for production of coconut oil.

Bulk exports of coconut oil are less due to appreciation of Rupee and rise in prices of coconut oil in domestic market. However, exports in 5 kg pack are good.

Traders and upcountry have limited stocks of copra.

Millers have limited stocks of coconut oil.

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

Coconut oil is costliest domestic edible oil, which will weaken demand.

Monsoon has reached Kerala and Tamil Nadu and beneficial rains has occurred in Kerala and Tamil Nadu which has improved sentiment of coconut oil markets.

Coconut oil prices are expected to be weak due to shift in sentiment in market for higher production and fall in prices of copra.

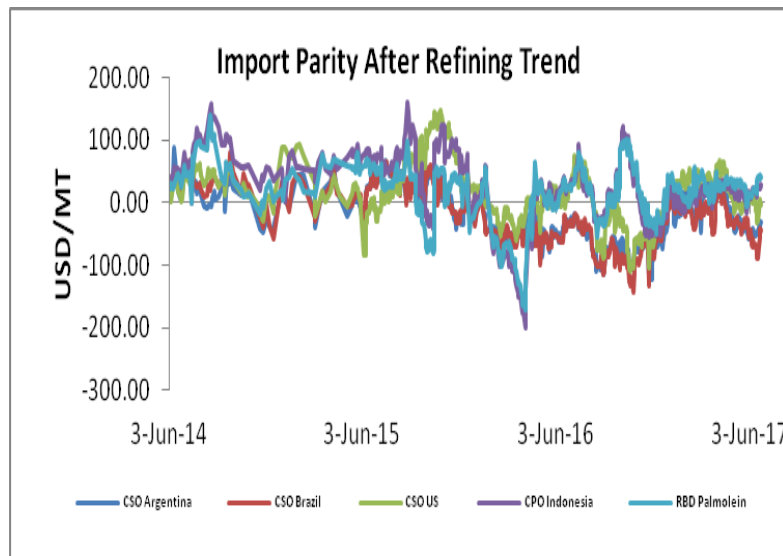
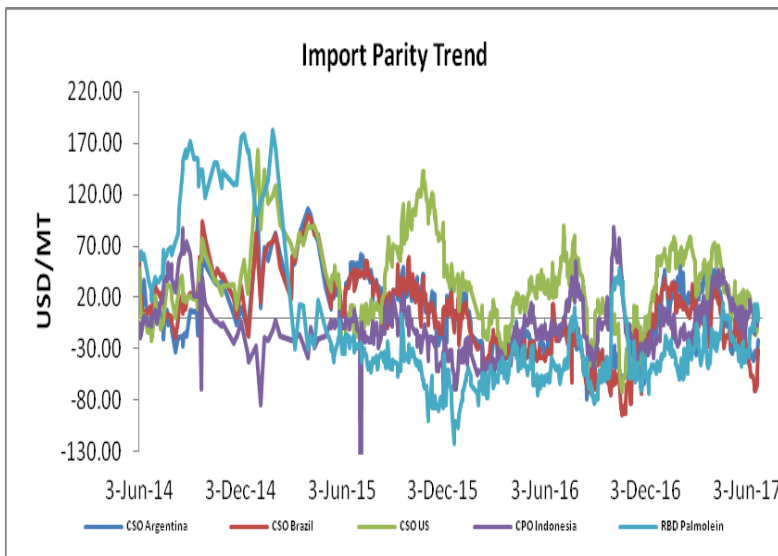
Prices are expected to trade sideways to weak tone in near term.

- On the price front, currently the coconut oil prices in Kochi is hovering near Rs 12,900 (12,900) per quintal, and was quoting Rs 11,300 (Rs 11,800) per quintal in Erode market on June 23, 2017.

**Price Outlook:** Coconut oil (withut VAT) prices in Erode may stay in the range of Rs 1000-1200 per 10 Kg.

### Import Parity Trend

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

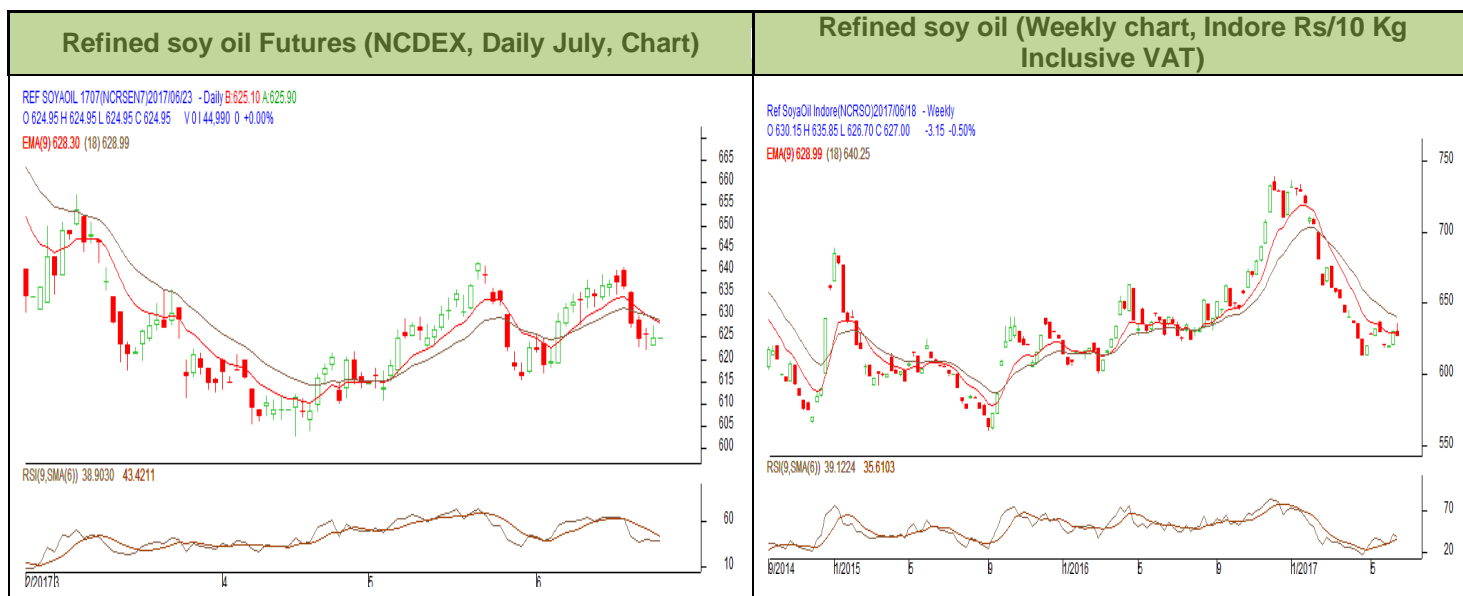


|                  | CSO Argentina | CSO Brazil | CSO US | CPO Indonesia | RBD Palmolein |
|------------------|---------------|------------|--------|---------------|---------------|
| <b>Apr, 2017</b> | 7.03          | -5.60      | 42.64  | 25.12         | 31.46         |
| <b>May, 2017</b> | -37.47        | -33.28     | -1.10  | 12.52         | 25.02         |

### Outlook:-

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

### Technical Analysis (Refined soy oil)



**Outlook – Refined soybean oil witnessed downtrend during the week in review and is likely to trade with a sideways to weak tone in the coming days.**

- Weekly chart of refined soy oil at NCDEX depicts downtrend during the week in review. We expect prices to trade sideways to weak tone in the near term.
- Any close below 600 in weekly might take the prices below 580 levels.
- Expected price band for next week is 590-650 level in near to medium term. RSI, stochastic and MACD is suggesting downtrend in the market.

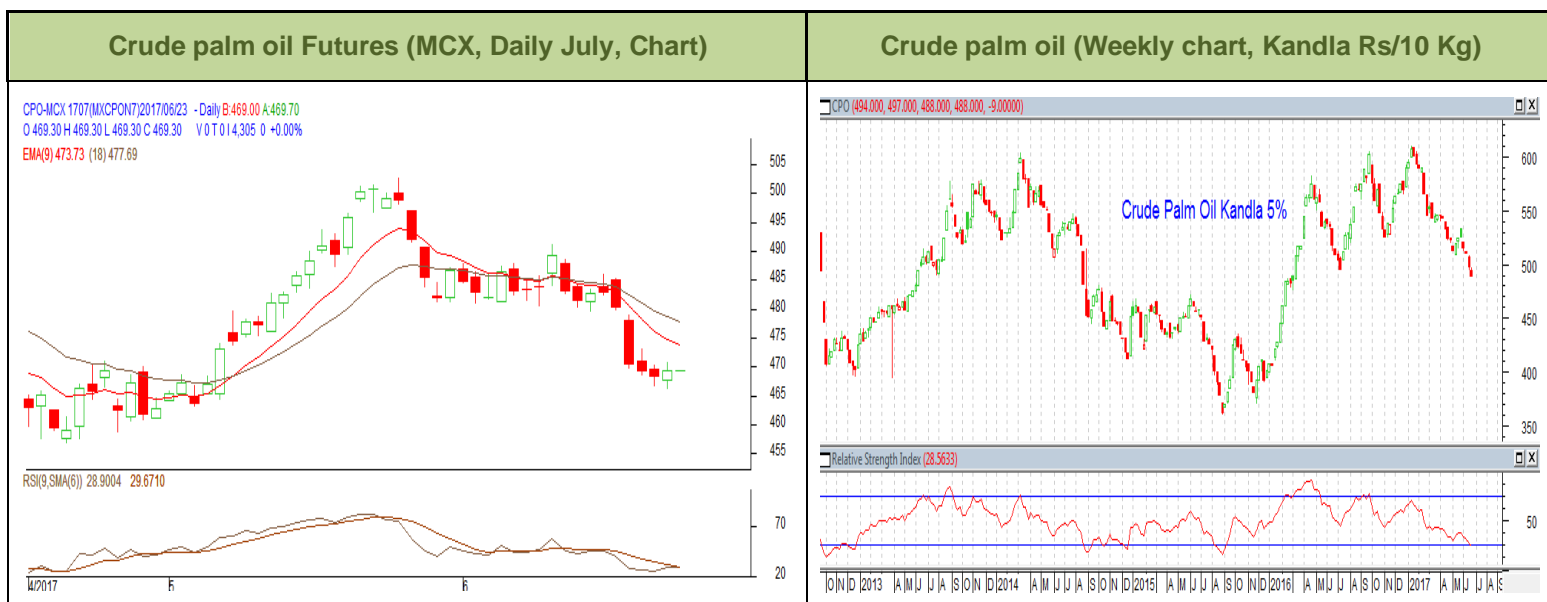
**Strategy:** Market participants are advised to go short below 630 levels for a target of 615 and 610 with a stop loss at 640 on closing basis.

#### RSO NCDEX (July)

| Support and Resistance |        |        |        |        |
|------------------------|--------|--------|--------|--------|
| S2                     | S1     | PCP    | R1     | R2     |
| 585.00                 | 600.00 | 624.95 | 646.00 | 666.00 |

**Spot Market outlook:** Refined soy oil Indore (with VAT) is likely to stay in the range of Rs 580-660 per 10 Kg.

### Technical Analysis (Crude Palm oil)



**Outlook - Prices show downtrend in prices during the week. We expect that CPO July 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 460 in weekly chart may bring the prices to 440 levels.
- Expected price band for next week is 430-500 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 475 for a target of 465 and 460 with a stop loss at 485 on closing basis.

#### CPO MCX (July)

| Support and Resistance |     |       |     |     |
|------------------------|-----|-------|-----|-----|
| S2                     | S1  | PCP   | R1  | R2  |
| 450                    | 465 | 469.3 | 528 | 541 |

**Spot Market outlook:** Crude palm oil is likely to stay in the range of Rs 460-520 per 10 Kg.

Veg. Oil Prices at Key Spot Markets

| Commodity             | \Centre                       | Prices(Per 10 Kg) |           | Change |
|-----------------------|-------------------------------|-------------------|-----------|--------|
|                       |                               | 23-Jun-17         | 16-Jun-17 |        |
| Refined Soybean Oil   | Indore                        | 628               | 630       | -2     |
|                       | Indore (Soy Solvent Crude)    | 595               | 600       | -5     |
|                       | Mumbai                        | 630               | 630       | Unch   |
|                       | Mumbai (Soy Degum)            | 578               | 582       | -4     |
|                       | Kandla/Mundra                 | 605               | 610       | -5     |
|                       | Kandla/Mundra (Soy Degum)     | 575               | 580       | -5     |
|                       | Kolkata                       | 610               | 610       | Unch   |
|                       | Delhi                         | 630               | 635       | -5     |
|                       | Nagpur                        | 668               | 667       | 1      |
|                       | Rajkot                        | 605               | 610       | -5     |
|                       | Kota                          | 620               | 625       | -5     |
|                       | Hyderabad                     | 632               | 632       | Unch   |
|                       | Akola                         | 661               | 666       | -5     |
|                       | Amrawati                      | 661               | 666       | -5     |
|                       | Bundi                         | 620               | 630       | -10    |
|                       | Jalna                         | 667               | 671       | -4     |
|                       | Alwar                         | NA                | NA        | -      |
|                       | Solapur                       | 668               | 667       | 1      |
|                       | Dhule                         | 667               | 670       | -3     |
| Palm Oil              | Kandla (Crude Palm Oil)       | 488               | 497       | -9     |
|                       | Kandla (RBD Palm oil)         | 515               | 525       | -10    |
|                       | Kandla RBD Pamolein           | 525               | 543       | -18    |
|                       | Kakinada (Crude Palm Oil)     | 480               | 495       | -15    |
|                       | Kakinada RBD Pamolein         | 520               | 535       | -15    |
|                       | Haldia Pamolein               | 535               | 545       | -10    |
|                       | Chennai RBD Pamolein          | 530               | 540       | -10    |
|                       | KPT (krishna patnam) Pamolein | 515               | 525       | -10    |
|                       | Mumbai RBD Pamolein           | 540               | 550       | -10    |
|                       | Delhi                         | 580               | 590       | -10    |
|                       | Rajkot                        | 525               | 537       | -12    |
|                       | Hyderabad                     | 494               | 499       | -5     |
|                       | Mangalore RBD Pamolein        | 530               | 540       | -10    |
|                       | PFAD (Kandla)                 | 440               | 440       | Unch   |
|                       | Refined Palm Stearin (Kandla) | 475               | 480       | -5     |
| Refined Sunflower Oil | Chennai                       | 630               | 635       | -5     |
|                       | Mumbai                        | 690               | 690       | Unch   |
|                       | Mumbai(Expeller Oil)          | 590               | 590       | Unch   |
|                       | Kandla                        | 650               | 660       | -10    |
|                       | Kandla/Mundra (Crude)         | NA                | NA        | -      |

|                          |                                    |      |      |      |
|--------------------------|------------------------------------|------|------|------|
|                          | Hyderabad (Ref)                    | 632  | 637  | -5   |
|                          | Latur (Expeller Oil)               | 665  | 670  | -5   |
|                          | Chellakere (Expeller Oil)          | 600  | 595  | 5    |
|                          | Erode (Expeller Oil)               | 670  | 665  | 5    |
|                          |                                    |      |      |      |
| Groundnut Oil            | Rajkot                             | 835  | 900  | -65  |
|                          | Chennai                            | 880  | 880  | Unch |
|                          | Delhi                              | 1080 | 1080 | Unch |
|                          | Hyderabad *                        | 1000 | 1000 | Unch |
|                          | Mumbai                             | 925  | 940  | -15  |
|                          | Gondal                             | 860  | 900  | -40  |
|                          | Jamnagar                           | 850  | 900  | -50  |
|                          |                                    |      |      |      |
| Rapeseed Oil/Mustard Oil | Jaipur (Expeller Oil)              | 668  | 680  | -12  |
|                          | Jaipur (Kacchi Ghani Oil)          | 699  | 705  | -6   |
|                          | Kota (Expeller Oil)                | 660  | 670  | -10  |
|                          | Kota (Kacchi Ghani Oil)            | 695  | 705  | -10  |
|                          | Neewai (Kacchi Ghani Oil)          | 665  | 670  | -5   |
|                          | Neewai (Expeller Oil)              | 685  | 690  | -5   |
|                          | Bharatpur (Kacchi Ghani Oil)       | 725  | 725  | Unch |
|                          | Alwar (Kacchi Ghani Oil)           | NA   | NA   | -    |
|                          | Alwar (Expeller Oil)               | NA   | NA   | -    |
|                          | Sri-Ganga Nagar(Exp Oil)           | 670  | 675  | -5   |
|                          | Sri-Ganga Nagar (Kacchi Ghani Oil) | 685  | 690  | -5   |
|                          | Mumbai (Expeller Oil)              | 700  | 690  | 10   |
|                          | Kolkata(Expeller Oil)              | 850  | 830  | 20   |
|                          | New Delhi (Expeller Oil)           | 700  | 710  | -10  |
|                          | Hapur (Expeller Oil)               | 740  | 760  | -20  |
|                          | Hapur (Kacchi Ghani Oil)           | 810  | 820  | -10  |
|                          | Agra (Kacchi Ghani Oil)            | 730  | 730  | Unch |
|                          |                                    |      |      |      |
| Refined Cottonseed Oil   | Rajkot                             | 625  | 635  | -10  |
|                          | Hyderabad                          | 600  | 600  | Unch |
|                          | Mumbai                             | 632  | 640  | -8   |
|                          | New Delhi                          | 605  | 620  | -15  |
|                          |                                    |      |      |      |
| Coconut Oil              | Kangayan (Crude)                   | 1130 | 1180 | -50  |
|                          | Cochin                             | 1290 | 1290 | Unch |
|                          | Trissur                            | NA   | NA   | -    |
|                          |                                    |      |      |      |
| Sesame Oil               | New Delhi                          | 770  | 770  | Unch |
|                          | Mumbai                             | NA   | NA   | -    |
| Kardi                    | Mumbai                             | 740  | 740  | Unch |
| Rice Bran Oil (40%)      | New Delhi                          | 510  | 500  | 10   |
| Rice Bran Oil (4%)       | Punjab                             | 590  | 590  | Unch |
| Rice Bran Oil (4%)       | Uttar Pradesh                      | 590  | 590  | Unch |





|   |           |           |           |        |
|---|-----------|-----------|-----------|--------|
| Malaysia Palmolein USD/MT                           | FOB       | 655       | 668       | -13    |
|   | CNF India | 688       | 708       | -20    |
| Indonesia CPO USD/MT                                | FOB       | 648       | 660       | -12    |
|   | CNF India | 688       | 700       | -12    |
| RBD Palm oil (Malaysia Origin USD/MT)               | FOB       | 650       | 665       | -15    |
| RBD Palm Stearin (Malaysia Origin USD/MT)           | FOB       | 608       | 615       | -7     |
| RBD Palm Kernel Oil (Malaysia Origin USD/MT)        | FOB       | 1085      | 1100      | -15    |
| Palm Fatty Acid Distillate (Malaysia Origin USD/MT) | FOB       | 608       | 613       | -5     |
| Crude palm Kernel Oil India (USD/MT)                | CNF India | 1070      | 1095      | -25    |
| Ukraine Origin CSFO USD/MT Kandla                   | CIF       | 790       | 785       | 5      |
| Rapeseed Oil Rotterdam Euro/MT                      | FOB       | 705       | 740       | -35    |
|   |           |           |           |        |
| Argentina FOB (\$/MT)                               |           | 22-Jun-17 | 15-Jun-17 | Change |
| Crude Soybean Oil Ship                              |           | 728       | 753       | -25    |
| Refined Soy Oil (Bulk) Ship                         |           | 753       | 779       | -26    |
| Sunflower Oil Ship                                  |           | 710       | 715       | -5     |
| Cottonseed Oil Ship                                 |           | 715       | 733       | -18    |
| Refined Linseed Oil (Bulk) Ship                     |           | 755       | 773       | -18    |
| * indicates including VAT                           |           |           |           |        |

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