

Weekly Indian Edible Oil Price Outlook and Strategy

Decision enabling market analysis & price outlook



Report for week beginning 17 April 2017

Indian Edible Oil Price Outlook Summary				
13 Apr 2017	Mustard Oil Jaipur Spot INR/10kg	Groundnut oil Expeller Rajkot Spot INR/10 Kg	Coconut Oil Kochi Spot INR/10Kg	Rice Bran Oil Khanna Spot INR/10Kg
Closing Prices	705	1023.95	1370	575
Change	-10	-12.6	-10	-8
Fundamental Summary	Critical Price drivers			Price Direction
	Falling summer demand of edible oils			Downward
	Oversupplies to remain in GN oil due to little potential for exports			Downward
	Decline in crushing due to summer			Upward
Price Outlook Summary	Mustard Oil Jaipur Spot market		Groundnut oil Expeller Rajkot	
	Prices are likely to trade mixed within INR 700 to INR 754 in coming 3 to 5 weeks.		Prices are likely to trade upward to INR 1080 by holding above INR 965 in coming 5 to 8 weeks.	
	0 to 1 Month	0 to 2 Months	0 to 1 Months	0 to 2 Months
	Upward	Upward	Upward	Upward
Direction	Upward	Upward	Upward	Upward
Price Range	700 to 754	700 to 780	1020 to 1080	1020 to 1150

Price Outlook	Coconut Oil Kochi	Rice Bran Oil Khanna
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Summary

Prices are likely to trade mixed within INR 1390 to INR 1190 ahead of turning weak in coming 5 to 8 weeks.

Prices are likely to trade mixed within INR 560 o INR 600 in coming 5 to 8 weeks.

Direction

0 to 1 Month	0 to 2 Months	0 to 1 Months	0 to 2 Months
Mixed	Downward	Mixed	Upward

Price Range

1390 to 1190	1390 to 1050	600 to 560	560 to 610
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Fundamental Analysis

- ✓ Indian edible oil spot prices edged lower with oversupply conditions amidst poor offtake during summer season. On the other hand, RBO prices fell due to falling olein prices.
- ✓ Rajasthan govt has estimateed Mustard production at 37.3 lakh tonnes revising from its previous estiamte of 35.3 lakh tons. The total production according to Ministry of Agriculture is estimated at 79.12 lakh tonnes.
- ✓ Due to increase in domestic supplies there was no booking for canola oil delivery in March month. Thus according data released by SEA, India didn't import any volume of canola oil in March. However since the parities are favoring for imports and there is demand of imported mustard oil for blending the imports is expected to restart after a couple of months.
- ✓ At groundnut oil front, even though the GOI has uplifted the prohibition on bulk exports of edible oil, oversupply situation is expected to remain. Since india can push hardly another 30 thd tons against usual exports of 10-14 thd tons, there is very feeble chances of stocks getting tighter. In fact it will only eat away surplus stocks. Domestic demand is expected get lowered given bearish competitive veg oils.
- ✓ At rice bran oil front, falling olein and mustard oil prices has minimized the propensity for blending of the the refined rice branoil produced. Thus such situation is expected to keep the bearish sentiments intact in rice bran oil.

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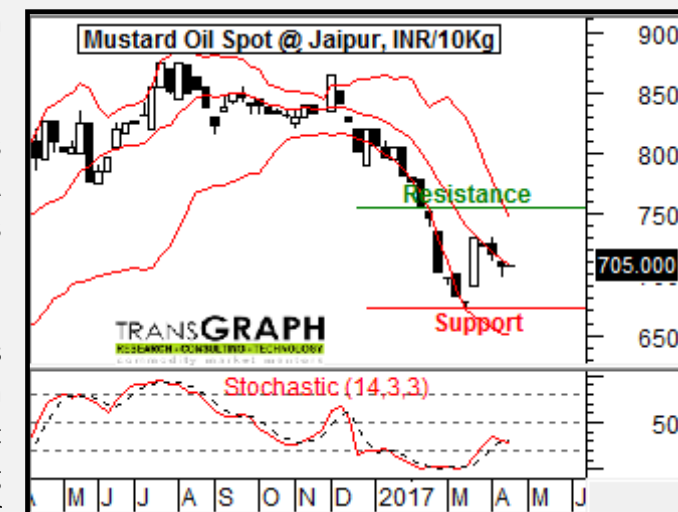
- At coconut oil front, more reports of falling production is coming from Nagapattinam and other parts of TN. Farmers are trying to water the plants with tanker but has been proving uneconomical. With summer season starting there are chances that many trees will die till the monsoon arrives. Moreover stressed plants is expected to take longer time to recover from such prolonged drought conditions.
- Thus the yields has fallen by half against the average annual per tree yield of 200 nuts. Moreover the acreages is also expected to shrink in these areas.
- With crude oil inching higher the coconut oil prices is expected to follow in coming weeks. However seasonal supply of coconut oil is expected to restrict aggressive gains.

Procurement Strategy: Mustard Oil

Mustard Oil Jaipur Procurement Strategy for spot month*					
Open Position	Pricing Window			Already Priced	
	Start	End	Avg Till Date	Weighted Average Price	Quantity
	16 Apr 2017	15 May 2017	--	INR 700	50%
Strategy Review	Apr'17 buying requirements and 50% of MJ'17 buying requirements were covered at INR 700.				
	Market	Period	Procurement savings % (Bettering the market average)		
Closed Positions Audit	Mustard Oil	2010 to Till Date			1.35%
	Jaipur	Apr 2017			1.41%
* Please contact Engagement manager for forward / long term buying strategies					

Technical Outlook: Mustard oil Jaipur INR/10Kg

- Mustard Oil Jaipur Spot prices traded with negative momentum during the prior week and closed at INR 705.
- Prices are consolidating since past 3 weeks after a sharp bounce back from INR 670 to INR 730 thereby indicating lack of directional bias in the market in short term.
- On the weekly technical setup, momentum indicator Stochastic Oscillator (14,3,3) is turning flat hovering above its oversold region however, 14 – Week RSI is also turning flat above its oversold region thereby indicating mixed price action in coming weeks ahead of turning upward.
- On the upside INR 754 shall act as a resistance.
- On the downside INR 670 shall act as a support.



Concisely, prices are likely to trade mixed within INR 700 to INR 754 in coming 3 to 5 weeks.

Procurement Strategy: Groundnut Oil

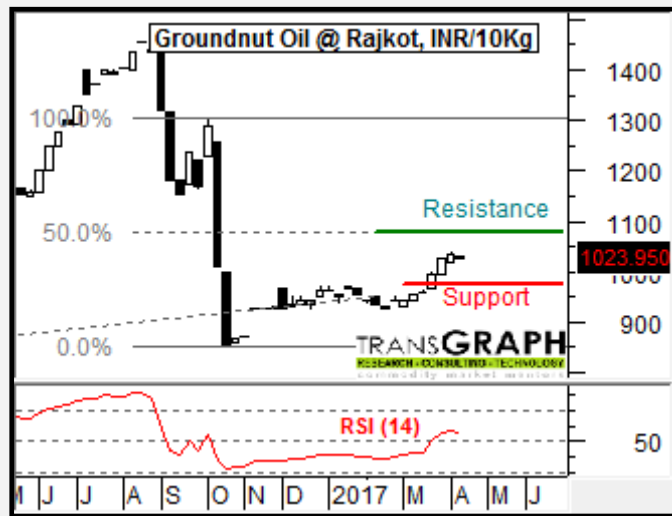
Groundnut oil Expeller Rajkot Procurement Strategy for spot month*					
Open Position	Pricing Window			Already Priced	
	Start	End	Avg Till Date	Weighted Average Price	Quantity
	16 Apr 2017	15 May 2017	--	1028.35	100%
Strategy Review	MJ'17 and 50% of JAS'17 buying requirements were covered at INR 1028.35				
	Market	Period	Procurement savings %		
Closed Positions	Mustard Oil	2010 to Till Date			1.35%
	Jaipur	Apr 2017			1.41%
* Please contact Engagement manager for forward / long term buying strategies					

Audit	(Bettering the market average)		
Groundnut oil Expeller Rajkot	2010 to Till Date		2.17%
	Apr 2017		- 1.95%

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Technical Outlook: Groundnut oil Expeller Rajkot INR/10Kg

- ✓ Groundnut Oil Rajkot Spot prices traded in a mixed tone during the prior week and closed at INR 1023.95.
- ✓ Prices broke above 3months consolidation range calling for resumption of positive momentum which is likely to extend its gains further towards INR 1080 in coming weeks.
- ✓ On the weekly technical setup, momentum indicators 14-week RSI is hovering above its equilibrium and turning down however, Stochastic Oscillator (14,3,3) is turning flat hovering in its overbought region thereby indicating mixed price action .
- ✓ Therefore prices are likely to trade mixed ahead of resumption of the positive trend in the coming weeks.
- ✓ On upside, INR 1080 shall act as a resistance.
- ✓ On downside, INR 965 shall act as an immediate support followed by INR 924.



Concisely, prices are likely to trade upward to INR 1080 by holding above INR 965 in coming 5 to 8 weeks.

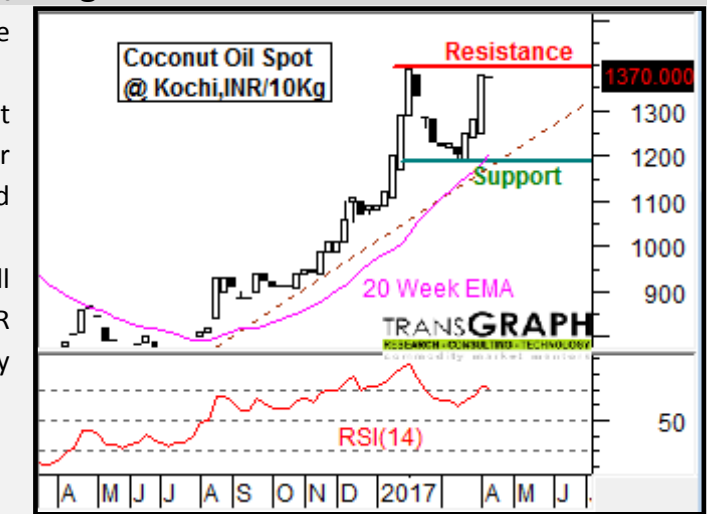
Procurement Strategy: Coconut Oil

Coconut Oil Kochi Procurement Strategy for spot month*					
Open Position	Pricing Window			Already Priced	
	Start	End	Avg Till Date	Weighted Average Price	Quantity
	16 Apr 2017	15 May 2017	--	--	--
	Yet to be Priced (Remaining quantity)				
				Wait	100%
Strategy Review	Apr'17 buying requirements were covered at INR 1370.				
Closed Positions Audit	Market	Period	Procurement savings % (Bettering the market average)		
	Coconut Oil Kochi	2011 to Till Date Apr 2017			1.30% -7.08%

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Technical Outlook: Coconut Oil Kochi INR/10Kg

- ✓ Coconut Oil Kochi prices traded in a mixed tone during the prior week and closed at INR 1370.
- ✓ Prices bounced back sharply honouring support of INR 1190 which is likely to hold honour previous swing high resistance of INR 1390 and turn weak in weeks ahead.
- ✓ A sharp and sustained break above INR 1390 shall call for further extension of gains towards INR 1475 in weeks ahead hence has to be carefully watched.



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- ✓ On the weekly technical setup, momentum indicators 14 – Week RSI is hovering around its overbought region and turning down however, Stochastic Oscillator (14,3,3) is turning positive hovering around its overbought region thereby indicating mixed price action ahead of turning weak.
- ✓ Therefore prices are likely to trade mixed in coming weeks ahead of resuming weakness.
- ✓ On upside, INR 1390 can act as a resistance.
- ✓ On downside, INR 1190 can act as a support.

Concisely, prices are likely to trade mixed within INR 1390 to INR 1190 ahead of turning weak in coming 5 to 8 weeks.

Procurement Strategy: Rice Bran Oil

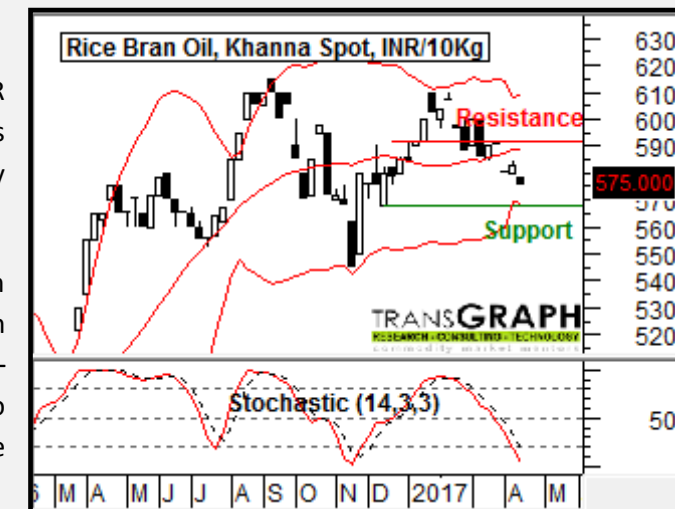
Rice Bran Oil Khanna Procurement Strategy for spot month*

Open Position	Pricing Window			Already Priced	
	Start	End	Avg Till Date	Weighted Average Price	Quantity
	16 Apr 2017	15 May 2017	--	--	--
				Yet to be Priced (Remaining quantity)	
				Wait	100%
Strategy Review	Apr'17 buying requirements were covered at INR 575.				
Closed Positions Audit	Market	Period	Procurement savings % (Bettering the market average)		
	Rice Bran Oil Khanna	2016 to Till Date Apr 2017	0.67% 1.36%		

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Technical Outlook: Rice Bran Oil Khanna INR/10Kg

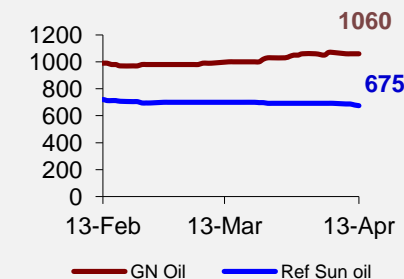
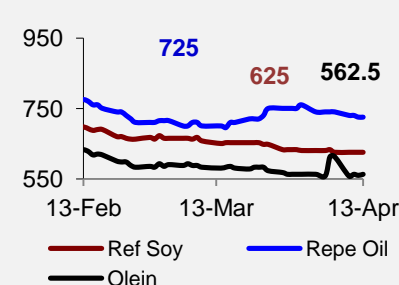
- ✓ Rice Bran Oil Khanna Spot prices traded with negative momentum during the prior week and closed at INR 575.
- ✓ Prices coiled back after honoring resistance of INR 610 and are gradually drifting downside which is likely to find support around INR 565/560 on any further dips and turn positive.
- ✓ On the weekly technical setup, momentum indicator Stochastic Oscillator (14,3,3) is hovering in its oversold region and turning down however, 14 – Week RSI is hovering below its equilibrium and also turning down thereby indicating negative price action in short term.
- ✓ On upside INR 600 shall act as a resistance followed by INR 620. An early break above INR 620 shall call for resumption of broad bullishness.
- ✓ On downside, INR 560 shall act as a good support zone.



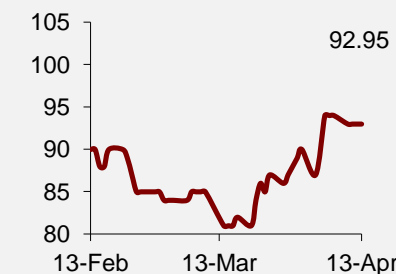
Concisely, prices are likely to trade mixed within INR 560 o INR 600 in coming 5 to 8 weeks.

Mini Charts

Edible oil prices @ Mumbai INR/10Kg



Landed Cost Price Spreads CNO - CPKO INR/10 Kg

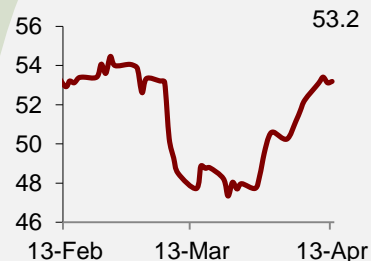


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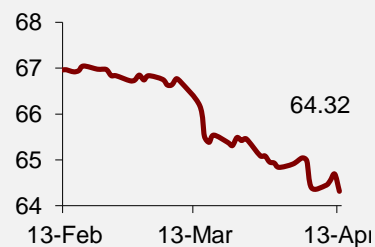
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NYMEX Crude USD/Barrel



INR vs. USD



Market Prices

Markets	Commodities	13 April 2017	07 April 2017	Change	% Change
Alwar	Rapeseed Alwar	38319	38190	129.0	0.34%
Jaipur	Rapeseed Jaipur	39378	39377	1.50	0.00%
Jaipur	Rapeseed Ref. Oil Jaipur	70000	71500	-1500.0	-2.10%
Mumbai	Rapeseed Ref. Oil Mumbai	72500	74000	-1500.0	-2.03%
Rajkot	Groundnut Expeller oil, Rajkot	1030	1045	-15.0	-1.44%
Mumbai	Groundnut Expeller oil, Mumbai	1060	1070	-10.0	-0.93%
Kolkata	Sesame Oil	770	820	-50.0	-6.10%
Punjab	Crude Rice Bran Oil	575	584	-9.0	-1.54%
Kochi	Coconut oil Loose, Kochi	13100	13200	-100.0	-0.76%
Kochi	Copra Kochi	9100	9200	-100.0	-1.09%

Our Extensive coverage of Edible Oilseeds & Oils Complex

Report	Coverage #	Price Outlook & Strategies
Daily BMD Palm Oil Price Outlook	NU, FA, WA, PI, TA, TS, PO,	MY.CPO.BMD

and Strategy	FF, MP, 5D	
Daily CME Soy Complex Price Outlook and Strategy	NU, FA, WA, PI, TA, TS, PO, FF, MP, 5D	USA.SB.CME, USA.SM.CME, USA.SBO.CME
Daily Indian Edible Oil and Oilseed Price Outlook and Strategy	NU, FA, WA, PI, TA, TS, PO, FF, MP, 5D	IN.CPO.MCX, IN.SB.NCDEX, IN.SBO.NCDEX, IN.RMS,NCDEX, IN.SM.KANDLA
Weekly Edible oil and Oilseeds Price Outlook and Strategy	NU, FA, WA, PI, TA, PS, PO, FF, MP, 2M	AR.SBO.1M, USA.SBO.CME, MY.CPO.BME, MY.RBDO.FOB, IN.SBO.NCDEX, IN.SBO.INDORE, IN.CPO.MCX
Weekly Edible oil Elliott wave analyser	EWA, PO, 6W	MY.CPO.BMD, USA.SBO,CME, PH.CNO.1M, AR.SFO.1M, UKR.SFO.1M
Weekly Indian Edible Oil Price Outlook and Strategy	NU, FA, WA, PI, TA, PS, PO, FF, MP, 2M	IN.RSO.JAIPUR, IN.GNO,RAJKOT, IN.CNO,KOCHI, IN.RBO,KHANNA
Weekly Lauric Oil Price Outlook and Strategy	NU, FA, WA, PI, TA, PS, PO, FF, MP, 2M	MY.PKO.1M, RTDM.CNO.1M, MY.PS.SPOT, MY.PFAD.SPOT
Weekly Palm Oil Price Outlook and Strategy	NU, FA, WA, PI, TA, PS, PO, FF, MP, 2M	MY.RBD.1M, ID.CPO.1M
Weekly Soy Oil Price Outlook and Strategy	NU, FA, WA, PI, TA, PS, PO, FF, MP, 2M	AR.SBO.1M
Weekly Sunflower Oil Price Outlook and Strategy	NU, FA, WA, PI, TA, PS, PO, FF, MP, 2M	AR.SFO.1M, UKR.SFO.1M
Bi-Weekly Poultry Feed Market Analysis and Price Outlook	NU, FA, WA, PI, TA, PS, PO, FF, MP, 2M	IN.SB.NCDEX, IN.SM.INDORE, IN.MZ.NIZAMABAD
Monthly Edible oil and Oilseed Complex Special Report	FA, BS, WA, PI, TA, PO, 2-3M	USA.SB.CME, USA.SM.CME, USA.SBO.CME, AR.SBO.1M, DXY.SPOT, USDBRL, USDARS, UKR.SFO.1M, MY.CPO.BMD, ID.CPO.1M, USDIDR, USDMYR, MY.CPKO.1M, PH.CNO.1M, IN.SBO.NCDEX, IN.SB.NCDEX, IN.RS.NCDEX.IN.RSE.KANDLA, IN.RSO.JAIPUR, IN.CPO.MCX, IN.CPO.KANDLA, IN.RS.RAJKOT

News Update **NU**, Fundamental Analysis **FA**, Balance Sheets **BS**, Weather Analysis **WA**, Policy Impact **PI**, Technical Analysis **TA**, Trading Strategies **TS**, Procurement Strategies **PS**, Price Outlook **PO**, Market Intelligence **MI**, Facts & Figures **FF**, Market Prices **MP**, Price Spreads **PS**, Forward Curves **FC**, Elliott Wave Analysis **EWA**, 5D, 2W, 6W, 2M, 4-6M

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