

Weekly Sunflower Oil Price Outlook and Strategy

Decision enabling market analysis & price outlook



Report for week beginning 23 May 2017

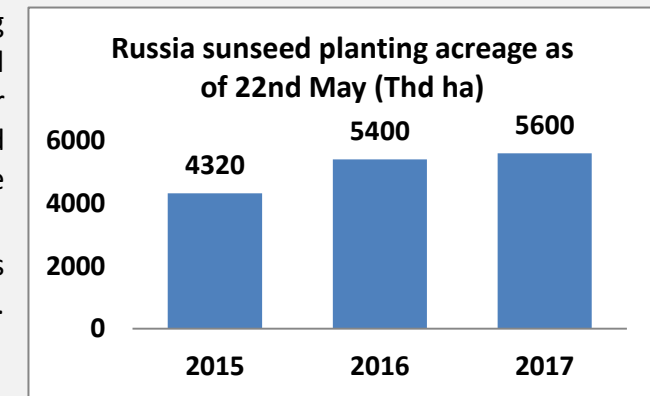
Sunflower Oil Price Outlook Summary

| 22 May 2017 | AR Sunflower Oil FOB 1M Forward USD/MT | UKR Sunflower Oil FOB 1M Forward USD/MT | USDARS |
|-----------------------|--|---|--|
| Closing Prices | 725 | 745 | 16.175 |
| Change | 5.00 | -2.50 | 0.015 |
| Fundamental Summary | Critical Price drivers | | Price Direction |
| | Good planting pace in Ukraine and Russia | | Downward |
| | Y-O-Y higher EU sunseed imports | | Upward |
| | Rising sun oil stocks at indian port | | Downward |
| Price Outlook Summary | Argentina Sunflower Oil 1M Forward | | Ukraine Sunflower Oil 1M Forward |
| | Prices are likely to find resistance around USD 735 and trade lower towards USD 715. | | Prices are likely to hold below resistance around USD 755 and trade lower towards USD 725. |
| Direction | 0 to 1 Month | 0 to 2 Months | 0 to 2 Months |
| | Mixed | Downward | Downward |
| Price Range | 735 to 720 | 735 to 710 | 755 to 725 |

The sun oil dynamics that shall take Centre stages are:

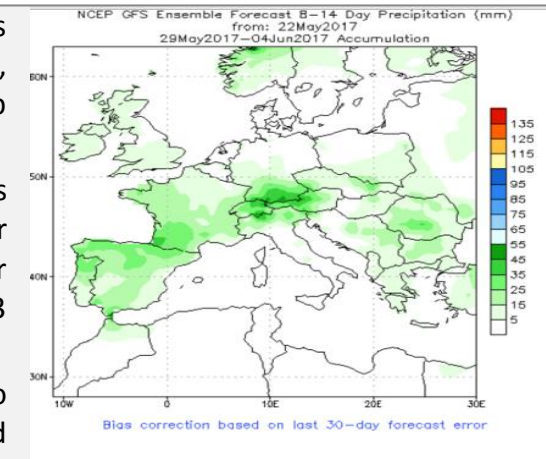
- Ongoing planting campaign in Ukraine and Russia amid congenial weather
- Stable sunseed product demand from EU
- M-O-M higher sun oil port stock at India for April'17
- Y-O-Y higher shipment for sun oil from Ukraine during Sep-Apr, 2016/17 MY

✓ Sunflower planting in Russia has completed over 78.6% or 5.6 million hectares as of 22nd May, 2017 vs. 5.4 million hectares last year during same time frame. In addition to this, Rapeseed and soybean planting have progressed over 622.6 Thd ha and 1.3 million ha vs. 642.1 Thd ha and 943.6 Thd ha last year planted acreage during same time frame respectively.



✓ Consequently, Ukraine sunseed planting has been completed over 5.048 mln ha or 94% vs. 4.8 mln ha last year planted acreage.

✓ In addition to this, weather forecast for next two weeks has been indicated congenial for sunseed crop planting, which would keep planting pace good for current crop cycle.



✓ Further, Ukraine exports of high-oleic sunflower oil has recorded at 94.6 thsd tonnes during September-April for 2016/17 crop season vs. 28.7 thd tonnes last year during same time frame, showing an increase of 3.3 times compared to last year.

✓ 39 thsd tonnes of the sun product were exported to new geography. Italy, UK, Netherlands, France, and Malaysia remain the major buyer for current crop cycle with imports contribution of 16%, 16%, 12%, 10% and 9% respectively.

✓ Moving towards Russian trade, high-oleic sunflower oil shipment during September-April of 2016/17 MY totalled 2.5 thsd tonnes vs. 3.9 thsd tonnes last year during same time frame,

Fundamental Analysis

- ✓ Sun oil spot prices traded within range bound across origins over good planting pace at black sea origins on one hand and rising EU's demand for sunseed on other.

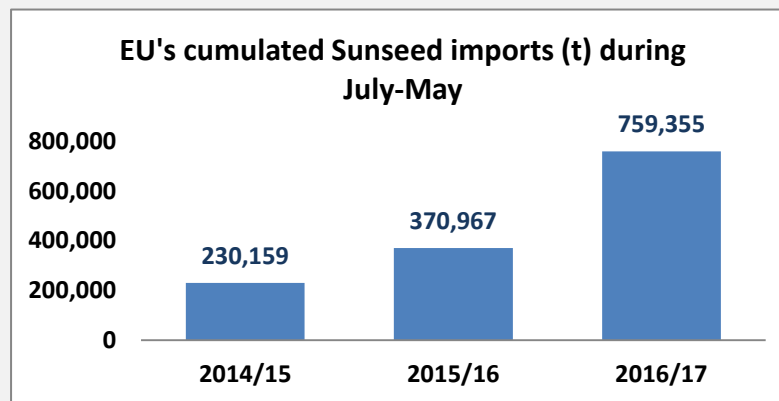
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showing a decrease of 34% over year. Where, France, Ukraine and United Arab Emirates are the major importers from Russia with import contribution of 78%, 9% and 7% respectively.

- ✓ Further, EU's cumulative sunseed imports for the week 17th May, 2017 were recorded at 0.759 million tons vs. 0.37 million tons last year. But sunmeal and oil demand has indicated same as last year pace, which were recorded 3.01 million tons and 1.23 million tons vs. 2.74 million tons and 1.15 million tons last year.



- ✓ Indian sunoil port stock expected at 210 thd. tons vs. 155 thd. tons in Mar'17 and 90 thd. tons during Apr'16, which would indicate Indian sun oil demand at a docile note for coming 2 to 3 months.

Competitive Oil Dynamics:

- Brisk pace of soybean harvesting campaign in Argentina
- M-O-M higher soybean export from Argentina
- Expected trigger in Brazilian soybean forward sale over depreciating currency
- Soybean planting in US amid favorable weather for next 15 days
- Expected M-O-M lower Chinese soybean imports on account of falling soybean crush margin
- Anticipated surge in palm oil production for May'17 M-o-M
- Higher palm oil spot demand due to oncoming Ramadan festival

Procurement Strategy: Argentina Sunflower Oil

Argentina Sunflower Oil Procurement Strategy for spot month*

Open Position

Pricing Window

Already Priced

Strategy Review

| Start | End | Avg Till Date | Weighted Average Price | Quantity |
|-----------|-------------|---------------|--|----------|
| | | | 707.50 | 100% |
| 1May 2017 | 31 May 2017 | 718.60 | Yet to be Priced (Remaining quantity) | |
| | | | 100% completed | |

May'17 buying requirement was covered at USD 707.5.

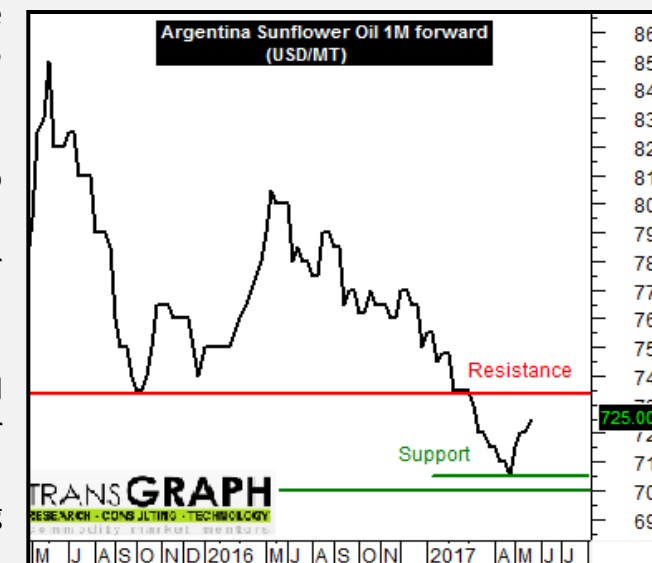
Closed Positions Audit

| Market | Period | Procurement savings % (Bettering the market average) |
|-----------------------------|-------------------|---|
| AR Sunflower Oil 1M Forward | 2011 to Till Date | 0.32% |
| | Apr 2017 | 0.00% |

* Please contact Engagement manager for forward / long term buying strategies

Technical Outlook: Argentina Sunflower Oil 1M Forward USD/MT

- ✓ SunOil forward prices continue to trade positive momentum after striking swing low at USD 705 for the past few weeks.
- ✓ However, on the upside previous support level around USD 735 shall provide new resistance to the market.
- ✓ The long term trend is still negative however fibonacci study suggest USD 705 to be potential bottom.
- ✓ Hence going forward prices are likely to find resistance around USD 735 and trade lower towards USD 715.
- ✓ On downside, USD 705-700 will act as strong



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accumulation zone.

- ✓ While on upside, Early gains above USD 735 shall negate expected downside potential and then USD 750 is possible.

Concisely, prices are likely to find resistance around USD 735 and trade lower towards USD 715.

Procurement Strategy: Ukraine Sunflower Oil

Ukraine Sunflower Oil Procurement Strategy for spot month*

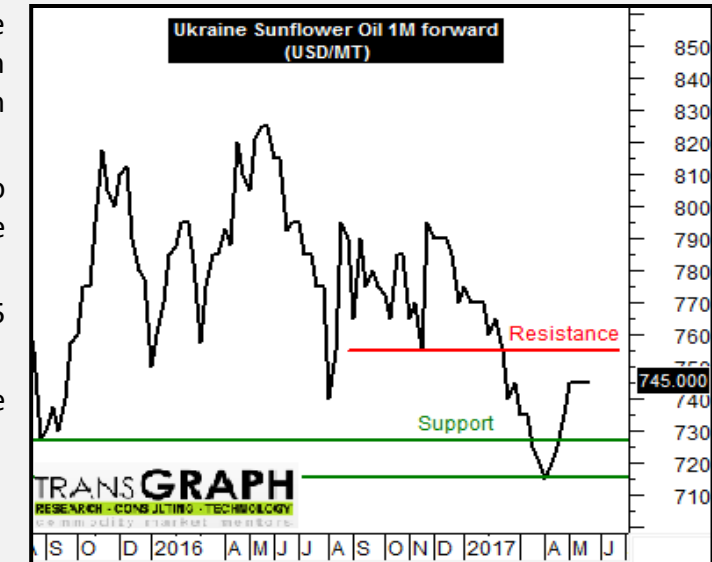
| Open Position | Pricing Window | | | Already Priced | |
|------------------------|---|-------------------------------|---|--|----------|
| | Start | End | Avg Till Date | Weighted Average Price | Quantity |
| | | | | 730 | 100% |
| | 01 May 2017 | 31 May 2017 | 746.60 | Yet to be Priced (Remaining quantity) | |
| | | | | 100% completed | |
| Strategy Review | May'17 buying requirement was covered at USD 730. | | | | |
| | Market | Period | Procurement savings % (Bettering the market average) | | |
| Closed Positions Audit | Ukraine Sunflower Oil 1M Forward | 2014 to Till Date Apr 2017 | 2.16% +0.83% | | |

* Please contact Engagement manager for forward / long term buying strategies

Technical Outlook: Ukraine Sunflower Oil 1M Forward USD/MT

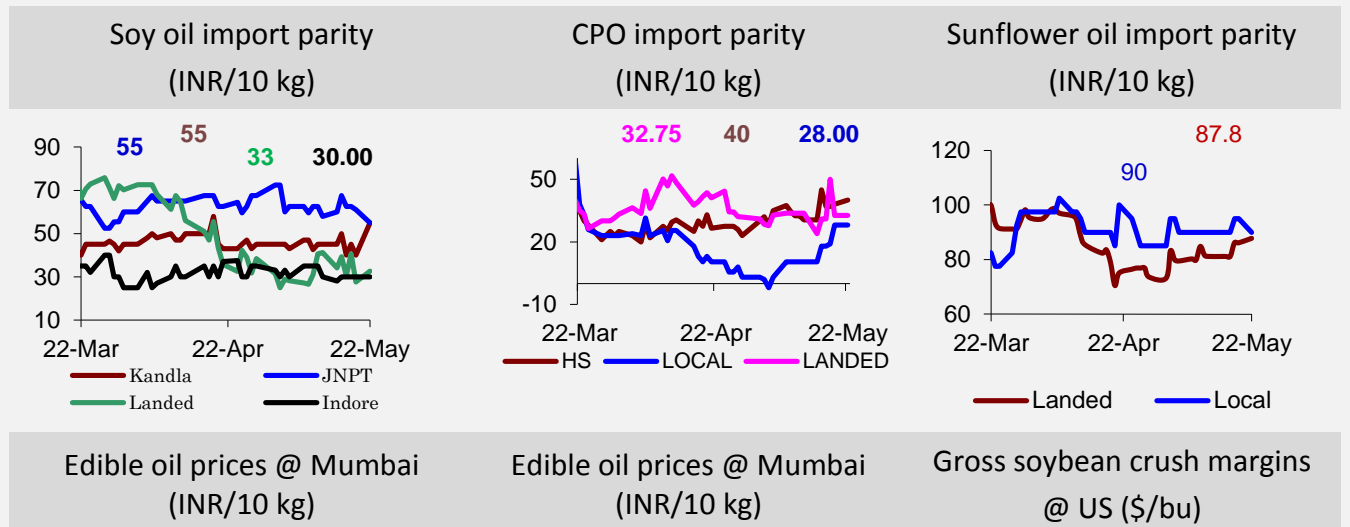
- ✓ Ukraine Sunflower Oil 1M Forward prices has turned sideways after striking USD 745 for past few weeks.

- ✓ For the upside momentum to resume support around USD 725 is crucial and then potential towards USD 755 shall remain open.
- ✓ Hence going forward prices are likely to hold below resistance at USD 755 and trade lower towards USD 730.
- ✓ On upside resistance is placed at USD 755 followed by USD 775.
- ✓ On the lower side USD 725 Shall provide structural support (swing low).



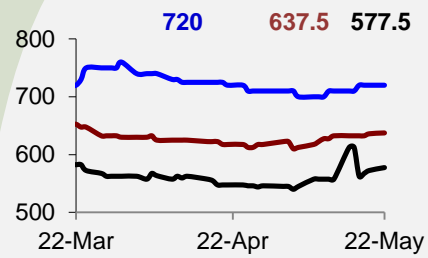
Concisely, prices are likely to hold below resistance at USD 755 and trade lower towards USD 725.

Mini Charts

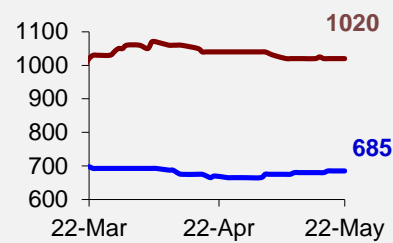


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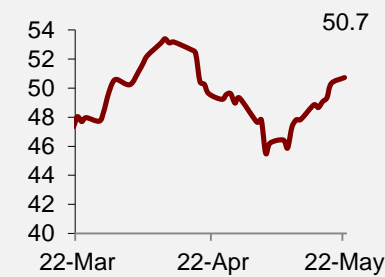
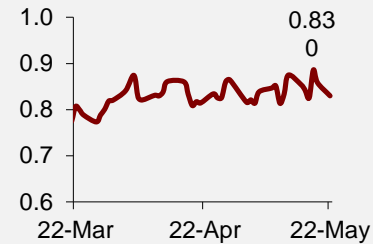
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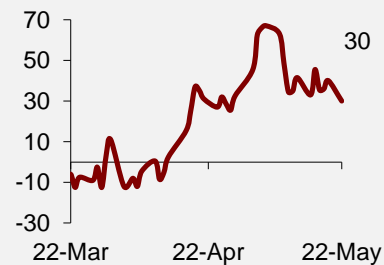
— Ref Soy — Repe Oil — Olein



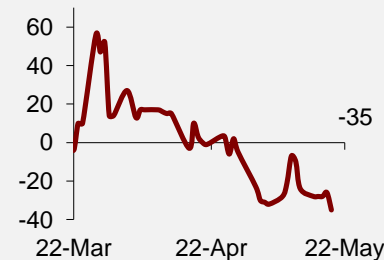
— GN Oil — Ref Sun oil



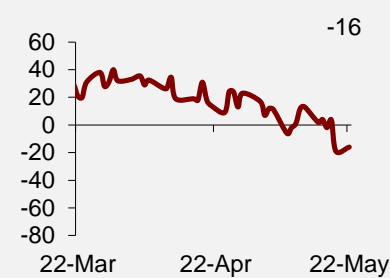
Soy-RBD Olein price spread
(At origin, \$/ton)



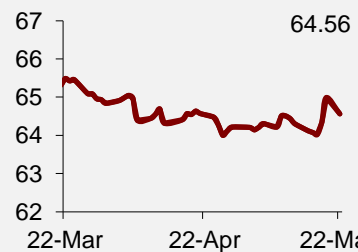
Sun-Soy price spread
(FOB Argentina, \$/ton)



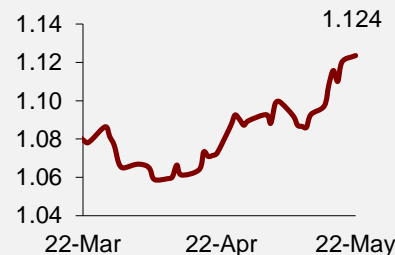
Sun-Soy price spread
(CNF India, \$/ton)



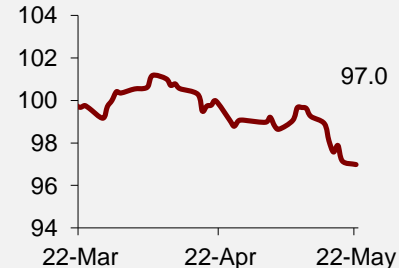
INR vs. USD



Euro vs. USD



Dollar Index



NYMEX Crude (\$/barrel)

Market Prices

| Market | Commodity | 22 May 2017 | 15 May 2017 | Change | Change % |
|-----------|---|-------------|-------------|--------|----------|
| Ukraine | Sunflower oil FOB, Ukraine One month forward USD/MT | 745 | 747.5 | -2.50 | -0.3% |
| Argentina | Sunflower oil FOB, Argentina One month forward USD/MT | 725 | 720 | 5.00 | 0.7% |
| Rotterdam | Sunflower oil FOB, Rotterdam forward USD/MT | 745 | 740 | 5.00 | 0.7% |
| CME | Soy oil futures at CBOT, Jun'17 USc/Lb | 32.94 | 33.02 | -0.08 | -0.2% |
| Argentina | Soy oil FOB, Argentina One month forward USD/MT | 750.46 | 745.61 | 4.85 | 0.7% |
| BMD | Crude palm oil futures at BMD, Jun'17 MYR/MT | 2781 | 2684 | 97.00 | 3.6% |

Our Extensive coverage of Edible Oilseeds & Oils Complex

| Report | Coverage # | Price Outlook & Strategies |
|--|--|--|
| Daily BMD Palm Oil Price Outlook and Strategy | NU, FA, WA, PI, TA, TS, PO, FF, MP, 5D | MY.CPO.BMD |
| 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 | NU, FA, WA, PI, TA, TS, PO, | IN.CPO.MCX, IN.SB.NCDEX, IN.SBO.NCDEX, IN.RMS,NCDEX, |

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TRANSGRAPH
RESEARCH - CONSULTING - TECHNOLOGY
commodity market mentors

| | | |
|---|--|--|
| Price Outlook and Strategy | FF, MP, 5D | 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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