



FOR PRIVATE CIRCULATION ONLY

July 27, 2017

## MARKET OUTLOOK

**Edible oil Complex:** Soybean plat deliver at Indore market noticed sideways to weak tone on Wednesday amid weakness at CBOT market with lower buying interest in the cash market. . All India soybean arrivals in the cash markets declined to 81,030 bags compared to 96,515 bags on previous day.

However, the scenario was bit different for the futures market. The most active August future advanced a tad on Wednesday to close the session at Rs. 3028 up by Rs. 4 from the previous close. This morning the same counter is trading positive at Rs. 3047. The market is predominantly moving higher due to rise in other oil and oil seeds price at the global market this morning at the e-CBOT market and BMD Palm oil.

We believe soybean market on today's trading session may remain sideways to positive. From the charts perspective market has been moving sideways in the range of Rs. 2980 to Rs. 3050 per quintal however, upon break of 3050 may see price moving positive towards Rs. 3080. For the day we expect soybean to remain marginally positive at the domestic market

### Soy Oil-

Soy oil traded sideways on Wednesday's trading session to close the CBOT December at 34.21 ended just below the key resistance of 34.50 cents on a daily close basis. This morning also the same counter is trading just beneath the suggested key resistance levels. This means market is consolidating in the same range for the past one week and a close above 34.50 would clarify a clear positive trend.

However, the domestic soy oil price rebounded on Wednesday to end the session at Rs. 643.35 while the same counter is seen trading positive today at Rs 646.50. We believe the technical chart patterns have shifted the base and seen positive. From the chart analysis we now expect the August future to trade in the range of range of Rs. 644 to Rs. 650.

Note upon a clear break above 650 the trend may

## FUTURES PRICE MOVEMENT

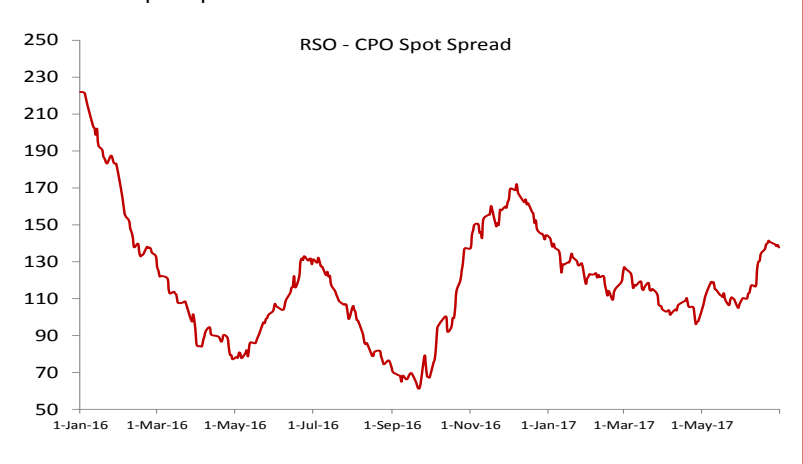
EDIBLE OIL COMPLEX							26-Jul-17	
Contract	Open	High	Low	Close	% Chg	Vol (MT)	OI	△ OI
<b>NCDEX - SOY BEANS Rs./Qtl</b>								
Aug-17	3010	3035	2997	3028	0.13%	26180	63210	-2260
Oct-17	3113	3160	3111	3154	0.51%	13800	32070	2920
Nov-17	3151	3200	3150	3193	0.60%	1330	13460	300
<b>NCDEX - REFINED SOY OIL Rs./10kg</b>								
Aug-17	641.2	645.25	640.55	643.35	0.15%	24270	44940	-2600
Sep-17	646.1	652.45	645.4	651.3	0.63%	15210	28930	2740
Oct-17	646	653.25	645.6	652.3	0.60%	1490	5320	-40
<b>NCDEX - MUSTARD SEED Rs./Qtl</b>								
Aug-17	3675	3709	3668	3696	0.35%	25600	56100	-4320
Sep-17	3705	3742	3701	3733	0.43%	6540	19390	2050
Oct-17	3740	3773	3740	3767	0.13%	1150	1740	450
<b>MCX - CRUDE PALM OIL Rs./10kg</b>								
Jul-17	483.9	487.5	482.7	486.1	0.21%	1756	1827	-698
Aug-17	479.9	486.9	478.7	484.6	0.81%	2195	4298	38
Sep-17	477	484.5	476.5	482.9	1.05%	456	709	33

Note : MCX OI in Lots

## INTERNATIONAL

Contract	Open	High	Low	Close	Change	% chg
<b>CBOT SOY BEAN US Cents / Bushel</b>						
Aug-17	980	991	973.25	988.8	7.25	0.74%
Sep-17	984.25	995.75	978	993.8	7.75	0.79%
<b>CBOT SOY MEAL US \$/short ton</b>						
Aug-17	317.9	321.3	314.4	319.8	1.5	0.47%
Sep-17	320	323.3	316.4	321.9	1.6	0.50%
<b>CBOT SOY BEAN OIL US Cents/Pound</b>						
Aug-17	33.49	33.87	33.38	33.73	0.23	0.69%
Sep-17	33.6	34	33.5	33.85	0.23	0.68%
<b>WCE CANOLA Canadian \$/ton</b>						
Nov-17	488.6	499.9	486	497.5	7.9	1.61%
Jan-17	494	505.5	491.5	502.7	7.7	1.56%
<b>BURSA MALAYSIA PALM MYR/ton</b>						
Oct-17	2610	2637	2599	2629	3	0.11

RSO – CPO Spot Spread





## MARKET OUTLOOK

continued to trade slow as palm oil was seen trading steady with higher production estimates for July however eventually the oil advanced in the later session. Further on the news, Europe may decide on lowering anti-dumping duty on Indonesia Argentina Biodiesel import.

**CPO-** CPO has advanced sharply on Wednesday and trading further positive on today's trading session. There has been clear break out on the chart pattern perhaps has pushed cpo price to trade positive. This morning BMD palm oil is trading at 2650+ MYR/MT and the effect is seen clearly on the domestic CPO contract. The august future is trading at Rs. 491. We expect in the near term the BMD palm oil may trade positive towards 2700 to 2720 MYR and accordingly the palm oil may trade positive towards Rs. 500 per 10 Kg at the domestic market.

Firm competitive oil prices, expectation of strong exports and weaker than estimated production is supporting palm oil price to trade higher. Exports raised 3-5 percent from Malaysia in first 25 days of July on higher buying by EU and China. India is buying less after Ramadan. Demand from China is expected to be robust in coming months as CNGOIC has stated that it will import 450,000 tons of palm oil refurbish stocks and improve stock position. Moreover, ringgit has depreciated which has supported palm oil prices in near term. Production is expected to rebound in Malaysia after fall in June as production picks up after arrival of Monsoon. Lagged effect of El Nino have pushed peak harvest season to October which will increase stocks in Malaysia. Further, Chinese buyers have purchased more than 100,000 tons of palm oil in last three days. Production will rise on seasonal uptrend of production and diminishing effect of EL Nino. Rise in crude oil prices will support prices in near term.

**Mustard Seed-** Mustard market has been trading steady for the past two weeks however, a bit of positive move is felt due to other oil seeds trending positive. We expect mustard seed to remain steady to

## MARKET ANALYSIS

Centre	Spot	Change
<b>SOY BEANS Rs./Qtl</b>		
Indore	2948	-10
Kota	2831	0
Nagpur	3045	-7
<b>REFINED SOY OIL Rs./10kg</b>		
Indore	630	-1
Mumbai	630	-1
Nagpur	644	2
<b>SOY MEAL Rs./ton</b>		
Indore	24625	-300
<b>MUSTARD SEED Rs./Qtl</b>		
Alwar	3806	0
Jaipur	3850	9

Source: NCDEX

## CRUSH MARGIN & OIL-MEAL SHARE

<b>Rape/Mustard Complex</b>	
Gross Crush (Rs.)	1950
Oil share	79.88%
Meal share	20.12%

<b>Soybean Complex</b>	
Gross Crush (Rs.)	1064.30
Oil share	34.1%
Meal share	65.9%

Source: SEA, KCSL

Currency	Type	Close	%Chg
USD/INR	Spot	64.36	-0.03

Oil (Crude)	C&F Rate- Mumbai	Imp Base Tariff	Landed Price	Domestic Price
Soyoil \$/ ton	795	803	898	593.35
Rs./ 10 kg	512	-	578	
Palm Oil \$/ ton	680	697	770	490
Rs./ 10 kg	438	-	492	

Source: SEA, KCSL

Note: Domestic price: Soy oil Ex Indore  
Palm Oil Ex Kandla

## WARE HOUSE STOCKS in MT ( As on 13th July 2017)

NCDEX		
	Demat	In Process
<b>SOY BEAN</b>		
TOTAL	24861	2893
<b>MUSTARD SEED</b>		
TOTAL	27757	6415

COMMODITY	CONTRACT	SUPPORT	RESISTANCE	INTRADAY TREND
SOYBEAN	August	2970	3040	Bearish
RSO	August	636/638	646	Bearish
MUSTARD SEED	August	3650	3720	Bearish
CPO	July	478	489	Bearish

positive. At the physical market mustard seed prices traded steady in Jaipur market. The all India arrivals of the rapeseed-mustard remained steady at 1, 00,000 bags compared to previous day.

Overall mustard seed is expected to trade steady however, from the technical chart perspective we expect it to trade in the range of Rs. 3665 to Rs. 3716 and upon break of the same should see it advancing further towards Rs. 3760 per quintal.





Aurobinda Gayan- Vice President Research		aurobinda.gayan@kotakcommodities.com
<b>Fundamental Team</b>		
Faiyaz Hudani- DVP	Oilseeds; Pulses	faiyaz.hudani@kotakcommodities.com
Madhavi Mehta- AVP	Bullion; Energy	madhavi.mehta@kotakcommodities.com
Priyanka Jhaveri- AVP	Base Metals	priyanka.jhaveri@kotakcommodities.com
Sunandh Subramaniam- Asst. Manager	Spices	sunandh.subramaniam@kotakcommodities.com
<b>Technical Team</b>		
Karan Shah- Manager		shah.karan@kotakcommodities.com
Bhavin Shah- Manager		bhavins.shah@kotakcommodities.com
Rohan Patil- Manager		rohan.patil@kotakcommodities.com

## Disclaimer

This document is not for public distribution and has been furnished to you solely for your information and must not be reproduced or redistributed to any other person. Persons into whose possession this document may come are required to observe these restrictions.

This material is for the personal information of the authorized recipient and we are not soliciting any action based upon it. This report is not to be construed as an offer to sell or solicitation of an offer to buy any commodity or commodity derivative to any person in any jurisdiction where such an offer or solicitation would be illegal. It is for the general information of clients of Kotak Commodity Services Private Limited. It doesn't constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients.

We have reviewed the report, and in so far as it includes current or historical information, it is believed to be reliable though its accuracy or completeness cannot be guaranteed. Neither Kotak Commodity Services Private Limited, nor any person connected with it, accepts any liability arising from the use of this document. The recipients of this material should rely on their own investigations and take their own professional advice.

Price and value of the commodity referred to in this material may go up or down. Past performance is not a guide for future performance. Certain transactions including those involving commodity derivatives involve substantial risk and are not suitable for all investors. Reports based on technical analysis centers on studying charts of a commodity's price movement and trading volume as opposed to focusing on a commodity's fundamentals and as such may not match with a report on a commodity's fundamentals.

We do not have any information other than information available to general public. The report is based on information from sources like respective industry associations, FICCI, CII, companies, media and other public sources. Opinions expressed are our current opinions as of the date appearing on this material only. While we endeavor to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so. Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice. Our proprietary trading may make trading decisions that are inconsistent with the recommendations expressed herein.

We and our affiliates, officers, directors, and employees worldwide may: (a) from time to time, have long or short positions in, and buy or sell the commodities mentioned herein or (b) be engaged in any other transaction involving such commodities and earn brokerage or other compensation or act as a market maker in the commodity/ (ies) discussed herein or have other potential conflict of interest with respect to any recommendation and related information and opinions.

The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject commodity and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

No part of this material may be duplicated in any form and/or redistributed without Kotak Commodity Services Private Limited's prior written consent.

**Registered Office: Kotak Commodity Services Private Limited, Nirlon house, 1<sup>st</sup> Floor, Dr. Annie Besant Road, Opp. Sasmira, Worli, Mumbai-25**

CIN No. U65910MH1987PTC042230. Fax: +91 22 24924696. Customer care- 180010266776. Website- [www.kotakcommodities.com](http://www.kotakcommodities.com)