

**Domestic Fundamentals:**

- Mixed sentiment featured in the various edible oils on in various markets on Monday.
- Expectation of fall in production in Malaysia in January and firm exports in first 10 days of February will support palm oil prices in near term.  
Palm oil sentiment looks tilted towards bears in medium term as exports continue to weaken in February and March on seasonal downtrend of demand. RM 3000 for March month contract on BMD is acting as support to palm. Palm prices may weaken after some pullback on lower demand from India and China.  
Leading analysts in Globe oil New Delhi have indicated that prices may face severe fall on higher crop in Indonesia and Malaysia in 2017. Expectation of soy oil is also weak as stocks of accumulate in Argentina due to lower exports of soy oil based biodiesel in the country due to Trump administration expectation of blocking of Argentina exports.  
Low premium of soy oil over palm oil at CNF markets in India may decrease demand in medium term. Demand from India is firm from Malaysia as CNF India RBD palmolein is quoted below CNF CPO.  
China RBD palmolein prices fell after opening from Chinese New year.  
Demand from Indonesia has weakened in December as shown by GAPKI in its export numbers. Demand has shifted towards Malaysia due to aggressive pricing by Malaysia. Data from India and China show demand is higher from China and India from Malaysia compared to Indonesia  
Strong ringgit will adversely affect prices in near term. Palm oil prices are in a range.
- Favorable crops condition in Argentina and favorable harvest in Brazil will underpin prices of soybean complex in near term. Losses in Argentina are less than expected and replanting has been also better than expected.  
Fall in Renewable Identification Numbers (RINs) in US which is used to value renewable credits which leads to higher soy oil consumption biodiesel in Argentina has adversely affected soy oil prices. US imports of RIN has caused Trump administration to delay 30 regulation finalized by Obama administration which may be replace by quota system.  
Rise in stocks of soy oil in US in January on higher production of soy oil will underpin soy oil prices. Crush in January is progressing at lower levels which may lower soy oil stocks and support soy oil prices.  
Rise in crude oil will provide support to soy oil prices in near term. Prices are in a range.
- In the monthly report Informa has raised the Brazil's 2016/17 soybean to 106.5 million tons, up 105 million in its previous estimate in December. It has kept the Argentina's 2016/17 soybean production unchanged at 55.0 million tons. The rise in production is attributed to favorable weather which has boosted the yield potential mainly in Midwest and Southeast. The harvest in Mato Grosso is expected to stand at 30.06 million tons, 9% above previous season. In the state of Parana it is expected 17.8 million tons, up 7%. In Rio Grande do Sul, the harvest is likely to reach 16.5 million tons, up 1% from 2015/16. Informa Economics has raised its Brazil's 2016/17 soybean crop and kept the Argentina's production estimate unchanged.

**Outlook:** Edible oil basket is expected to feature weak sentiment in near term.

**NCDEX Soy Refined Oil:**

Contract	+/-	Open	High	Low	Close
Feb-16	0.80	717.85	717.85	701.00	701.25
Mar-16	0.55	692.00	692.50	688.30	689.70

Prices are taken at 5:05 PM

Contract	Volume	Change	OI	Change
Feb-16	5,340	-3600	27970	-770
Mar-16	10,770	-3780	43770	2030

Vol-OI are taken at 5:05 PM

Spread	Feb-16	Mar-16
Basis	8.75	20.30
Feb-16		-11.55
Mar-16		

**MCX CPO:**

Contract	+/-	Open	High	Low	Close
Feb-16	1.70	577.50	579.60	576.70	578.40
Mar-16	2.40	566.00	567.50	563.70	566.50

Prices are taken at 5:05 PM

Contract	Volume	Change	OI	Change
Feb-16	629	22	3678	-26
Mar-16	302	-65	1314	74

Vol-OI are taken at 5:05 PM

Spread	Feb-16	Mar-16
Basis	7.6	19.5
Feb-16		-11.9
Mar-16		

\* CPO Kandla prices taken for spread calculated as at 5:30 PM

**CBOT Soy Oil Futures (Projections):**

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Mar	0.30	33.93	34.2	33.91	34.16
15-May	0.29	34.2	34.49	34.2	34.44
15-July	0.30	34.49	34.77	34.49	34.72
15-Aug	0.29	34.63	34.85	34.61	34.8
15-Sep	0.31	34.83	34.87	34.83	34.85

**BMD CPO Futures:**

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
15-Jan	7	3229	3265	3229	3262
15-Feb	12	3120	3152	3120	3152
15-Mar	15	3037	3070	3032	3068
15-Apr	10	2966	2992	2961	2991

**Forex:**

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
06/02/2017	6.86	13320	4.426	15.61	67.22	3.11	99.89	54.01

**Edible Oil Prices at Key Market**

Commodity	Centre	Prices(Per 10 Kg)		Change
		6-Feb-17	4-Feb-17	
Refined Soybean Oil	Indore	710	710	Unch
	Indore (Soy Solvent Crude)	680	680	Unch
	Mumbai	700	700	Unch
	Mumbai (Soy Degum)	655	660	-5
	Kandla/Mundra	700	700	Unch
	Kandla/Mundra (Soy Degum)	670	672	-2
	Kolkata	715	715	Unch
	Delhi	735	735	Unch
	Nagpur	700	703	-3
	Rajkot	695	695	Unch
	Kota	715	715	Unch
	Hyderabad	703	703	Unch
	Akola	739	739	Unch
	Amrawati	739	739	Unch
	Bundi	720	720	Unch
	Jalna	748	750	-2
	Alwar	NA	NA	-
	Solapur	742	750	-8
	Dhule	746	749	-3
Palm Oil	Kandla (Crude Palm Oil)	586	588	-2
	Kandla (RBD Palm oil)	610	615	-5
	Kandla RBD Pamolein	630	630	Unch
	Kakinada (Crude Palm Oil)	585	585	Unch
	Kakinada RBD Pamolein	630	630	Unch



	Haldia Pamolein	625	625	Unch
	Chennai RBD Pamolein	635	635	Unch
	KPT (krishna patnam) Pamolein	625	625	Unch
	Mumbai RBD Pamolein	640	640	Unch
	Delhi	675	675	Unch
	Rajkot	627	625	2
	Hyderabad	594	594	Unch
	Mangalore RBD Pamolein	635	635	Unch
	PFAD (Kandla)	460	460	Unch
	Refined Palm Stearin (Kandla)	530	530	Unch
Refined Sunflower Oil	Chennai	705	705	Unch
	Mumbai	730	730	Unch
	Mumbai(Expeller Oil)	655	655	Unch
	Kandla (Ref.)	725	725	Unch
	Kandla/Mundra (Crude)	NA	NA	-
	Hyderabad (Ref)	722	722	Unch
	Latur (Expeller Oil)	730	730	Unch
	Chellakere (Expeller Oil)	665	665	Unch
	Erode (Expeller Oil)	730	735	-5
Groundnut Oil	Rajkot	950	940	10
	Chennai	930	940	-10
	Delhi	950	950	Unch
	Hyderabad *	1000	990	10
	Mumbai	1000	990	10
	Gondal	950	940	10
	Jamnagar	950	940	10
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	778	778	Unch
	Jaipur (Kacchi Ghani Oil)	801	801	Unch
	Kota (Expeller Oil)	760	750	10
	Kota (Kacchi Ghani Oil)	798	798	Unch
	Neewai (Expeller Oil)	755	755	Unch
	Neewai (Kacchi Ghani Oil)	785	785	Unch
	Bharatpur (Kacchi Ghani Oil)	810	805	5
	Alwar (Expeller Oil)	NA	NA	-
	Alwar (Kacchi Ghani Oil)	NA	NA	-
	Sri-Ganga Nagar(Exp Oil)	775	775	Unch
	Sri-Ganga Nagar (Kacchi Ghani Oil)	795	795	Unch
	Mumbai (Expeller Oil)	770	770	Unch
	Kolkata(Expeller Oil)	960	960	Unch



	New Delhi (Expeller Oil)	800	805	-5
	Hapur (Expeller Oil)	885	Closed	-
	Hapur (Kacchi Ghani Oil)	990	Closed	-
	Agra (Kacchi Ghani Oil)	815	810	5
Refined Cottonseed Oil	Rajkot	705	700	5
	Hyderabad	680	680	Unch
	Mumbai	695	695	Unch
	New Delhi	705	700	5
Coconut Oil	Kangayan (Crude)	1300	1400	-100
	Cochin	1140	1140	Unch
	Trissur	1370	1410	-40
Sesame Oil	New Delhi	780	780	Unch
	Mumbai	730	730	Unch
Kardi	Mumbai	730	730	Unch
Rice Bran Oil (40%)	New Delhi	530	535	-5
Rice Bran Oil (4%)	Punjab	595	595	Unch
Rice Bran Oil (4%)	Uttar Pradesh	595	595	Unch
Malaysia Palmolein USD/MT	FOB	778	773	5
	CNF India	790	788	2
Indonesia CPO USD/MT	FOB	770	768	2
	CNF India	798	793	5
RBD Palm oil (Malaysia Origin USD/MT)	FOB	773	Closed	-
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	768	Closed	-
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1970	Closed	-
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	713	Closed	-
Crude palm Kernel Oil India (USD/MT)	CNF India	NA	Closed	-
Ukraine Origin CSFO USD/MT Kandla	CIF	820	820	Unch
Rapeseed Oil Rotterdam Euro/MT	FOB	NA	NA	-
Argentina FOB (\$/MT)		4-Feb-17	3-Feb-17	Change
Crude Soybean Oil Ship		Closed	745	-
Refined Soy Oil (Bulk) Ship		Closed	784	-
Sunflower Oil Ship		Closed	743	-
Cottonseed Oil Ship		Closed	743	-
Refined Linseed Oil (Bulk) Ship		Closed	Unq	-
* indicates including VAT				

**Note - Domestic edible oil prices are in Indian rupees per 10 Kg, CNF/FOB/CIF prices are in USD per tons except Rapeseed oil Rotterdam (Euro per tons).**

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