

Domestic Fundamentals:

- Mostly weak sentiment featured in the various edible oils on in various markets on Tuesday.
- 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. End stocks are expected to fall to 5-month low, according to poll.
Production of palm oil in Malaysia in January is the weak link in end stocks as production slides due to lagged effect of El Nino and due to flooding caused by monsoons. Lunar New Year holidays at the end of January exaggerate the fall in production. Seasonally adjusted too production will fall by minimum 7 percent compared to December. Agriwatch expects production will fall by 7-8 percent fall in production on headline number. Seasonally adjusted it will be in ranged of 5-6 percent m-o-m.
Exports are expected to be flat in January in Malaysia due to weak 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.
- Strong exports of soybean form US to China after Chinese New Year indicate that there is demand for US cargo while record crop in Brazil will underpin gains.
Favorable crops condition in Argentina in after floods destroyed major crop areas. However, crop losses were limited. Areas where replanting was done, crop is in good condition. Further, dry areas of the country received beneficial rains which is supporting crop.
Brazil soybean harvest is progressing at moderate pace. Despite early start to harvest, rains delayed harvest in many areas. However, co crop loss is reported.
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.

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

NCDEX Soy Refined Oil:

Contract	+/-	Open	High	Low	Close
Feb-16	-0.70	704.10	705.50	701.80	701.80
Mar-16	0.15	692.65	692.80	689.50	689.50

Prices are taken at 5:05 PM

Contract	Volume	Change	OI	Change
Feb-16	7,990	2650	24800	-3170
Mar-16	11,060	290	46670	2900

Vol-OI are taken at 5:05 PM

Spread	Feb-16	Mar-16
Basis	10.20	22.50
Feb-16		-12.30
Mar-16		

MCX CPO:

Contract	+/-	Open	High	Low	Close
Feb-16	-0.50	580.00	580.00	577.50	578.00
Mar-16	0.70	567.90	568.70	566.20	567.20

Prices are taken at 5:05 PM

Contract	Volume	Change	OI	Change
Feb-16	598	-31	3609	-69
Mar-16	387	85	1323	9

Vol-OI are taken at 5:05 PM

Spread	Feb-16	Mar-16
Basis	10.0	20.8
Feb-16		-10.8
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	0.04	34.48	34.64	34.37	34.48
15-May	0.09	34.8	34.94	34.66	34.83
15-July	0.06	35.01	35.19	34.92	35.05
15-Aug	0.10	35.1	35.25	34.99	35.17
15-Sep	0.09	35.11	35.18	35.03	35.18

BMD CPO Futures:

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
15-Feb	13	3280	3286	3265	3262
15-Mar	16	3170	3176	3144	3152
15-Apr	10	3090	3094	3057	3068
15-May	6	3012	3014	2980	2991

Forex:

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
07/02/2017	6.88	13329	4.436	15.77	67.22	3.12	99.89	52.83

Edible Oil Prices at Key Market

Commodity	Centre	Prices(Per 10 Kg)		Change
		7-Feb-17	6-Feb-17	
Refined Soybean Oil	Indore	712	710	2
	Indore (Soy Solvent Crude)	680	680	Unch
	Mumbai	705	700	5
	Mumbai (Soy Degum)	655	655	Unch
	Kandla/Mundra	700	700	Unch
	Kandla/Mundra (Soy Degum)	670	670	Unch
	Kolkata	710	715	-5
	Delhi	735	735	Unch
	Nagpur	695	700	-5
	Rajkot	695	695	Unch
	Kota	715	715	Unch
	Hyderabad	703	703	Unch
	Akola	736	739	-3
	Amrawati	736	739	-3
	Bundi	715	720	-5
	Jalna	743	748	-5
	Alwar	NA	NA	-
	Solapur	738	742	-4
	Dhule	741	746	-5
Palm Oil	Kandla (Crude Palm Oil)	588	586	2
	Kandla (RBD Palm oil)	610	610	Unch
	Kandla RBD Pamolein	630	630	Unch
	Kakinada (Crude Palm Oil)	585	585	Unch
	Kakinada RBD Pamolein	625	630	-5

	Haldia Pamolein	627	625	2
	Chennai RBD Pamolein	630	635	-5
	KPT (krishna patnam) Pamolein	620	625	-5
	Mumbai RBD Pamolein	640	640	Unch
	Delhi	675	675	Unch
	Rajkot	627	627	Unch
	Hyderabad	594	594	Unch
	Mangalore RBD Pamolein	630	635	-5
	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.)	720	725	-5
	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	730	Unch
Groundnut Oil	Rajkot	940	950	-10
	Chennai	930	930	Unch
	Delhi	950	950	Unch
	Hyderabad *	980	1000	-20
	Mumbai	1000	1000	Unch
	Gondal	940	950	-10
	Jamnagar	940	950	-10
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	775	778	-3
	Jaipur (Kacchi Ghani Oil)	798	801	-3
	Kota (Expeller Oil)	760	760	Unch
	Kota (Kacchi Ghani Oil)	795	798	-3
	Neewai (Expeller Oil)	755	755	Unch
	Neewai (Kacchi Ghani Oil)	785	785	Unch
	Bharatpur (Kacchi Ghani Oil)	810	810	Unch
	Alwar (Expeller Oil)	NA	NA	-
	Alwar (Kacchi Ghani Oil)	NA	NA	-
	Sri-Ganga Nagar(Exp Oil)	770	775	-5
	Sri-Ganga Nagar (Kacchi Ghani Oil)	790	795	-5
	Mumbai (Expeller Oil)	770	770	Unch
	Kolkata(Expeller Oil)	960	960	Unch



	New Delhi (Expeller Oil)	805	800	5
	Hapur (Expeller Oil)	885	885	Unch
	Hapur (Kacchi Ghani Oil)	990	990	Unch
	Agra (Kacchi Ghani Oil)	815	815	Unch
Refined Cottonseed Oil	Rajkot	700	705	-5
	Hyderabad	680	680	Unch
	Mumbai	695	695	Unch
	New Delhi	705	705	Unch
Coconut Oil	Kangayan (Crude)	1300	1300	Unch
	Cochin	1140	1140	Unch
	Trissur	1370	1370	Unch
Sesame Oil	New Delhi	780	780	Unch
	Mumbai	730	730	Unch
Kardi	Mumbai	730	730	Unch
Rice Bran Oil (40%)	New Delhi	530	530	Unch
Rice Bran Oil (4%)	Punjab	595	595	Unch
Rice Bran Oil (4%)	Uttar Pradesh	595	595	Unch
Malaysia Palmolein USD/MT	FOB	785	778	7
	CNF India	795	790	5
Indonesia CPO USD/MT	FOB	773	770	3
	CNF India	800	798	2
RBD Palm oil (Malaysia Origin USD/MT)	FOB	783	773	10
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	773	768	5
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1970	1970	Unch
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	715	713	2
Crude palm Kernel Oil India (USD/MT)	CNF India	NA	1820	-
Ukraine Origin CSFO USD/MT Kandla	CIF	820	820	Unch
Rapeseed Oil Rotterdam Euro/MT	FOB	NA	NA	-
Argentina FOB (\$/MT)		6-Feb-17	4-Feb-17	Change
Crude Soybean Oil Ship		771	Closed	-
Refined Soy Oil (Bulk) Ship		798	Closed	-
Sunflower Oil Ship		735	Closed	-
Cottonseed Oil Ship		751	Closed	-
Refined Linseed Oil (Bulk) Ship		Unq	Closed	-
* 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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