

**Domestic Fundamentals:**

- Edible oils featured steady tone on flat demand at various centers, Friday.
- Malaysia's palm oil stocks declined to their lowest volume in 5-months at the end of January 2017. The fall is attributed to fall in the production and rise in exports in 5-months.
- However, the inventories remained higher than the market/industry expectations.
- The January palm oil inventories fell to 7.6% to 1.54 million tonnes, reportedly first month-on-month fall since August, reported by Malaysian Palm Oil Board (MPOB).
- The fall in inventories supported the Malaysian palm oil prices at higher levels at BMD.
- Malaysia's February 1 – 10 palm oil exports fell 0.4 percent to 337,282 tons compared to 338,777 tons exported during Jan. 1 – 10. Top buyers were European Union at 38,500 tons (27,760 tons), China at 76,500 tons (50,000 tons), Pakistan at 12,000 tons (7,000 tons), United States at 21,130 tons (14,100 tons) and India at 15,800 tons (4,500 tons). Values in brackets are figures of Jan. 1 – 10, reported cargo surveyor Societe Generale de Surveillance (SGS).
- 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.
- 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.

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

**NCDEX Soy Refined Oil:**

Contract	+/-	Open	High	Low	Close
Feb-16	-3.15	709.95	711.00	701.60	703.0
Mar-16	-3.10	704.40	704.40	690.70	692.3

Prices are taken at 5:05 PM

Contract	Volume	Change	OI	Change
Feb-16	7840	-790	14680	-2650
Mar-16	21100	6800	49600	2270

Vol-OI are taken at 5:05 PM

Spread	Feb-16	Mar-16
Basis	12	
Feb-16		-10.75
Mar-16		

**MCX CPO:**

Contract	+/-	Open	High	Low	Close
Feb-16	0.60	586.10	589.10	586.10	587.7
Mar-16	-5.80	585.60	585.60	569.50	576.3

Prices are taken at 5:05 PM

Contract	Volume	Change	OI	Change
Feb-16	932	0	2006	0
Mar-16	2373	1178	3141	-263

Vol-OI are taken at 5:05 PM

Spread	Feb-16	Mar-16
Basis	2.3	
Feb-16		-11.4
Mar-16		

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

**Edible Oil Prices at Key Market**

Commodity	Centre	Prices(Per 10 Kg)		Change
		10-Feb-17	9-Feb-17	
Refined Soybean Oil	Indore	715	715	Unch
	Indore (Soy Solvent Crude)	680	680	Unch
	Mumbai	705	705	Unch
	Mumbai (Soy Degum)	655	650	5
	Kandla/Mundra	700	700	Unch
	Kandla/Mundra (Soy Degum)	670	670	Unch
	Kolkata	710	710	Unch
	Delhi	735	735	Unch
	Nagpur	702	702	Unch
	Rajkot	695	697	-2
	Kota	715	715	Unch
	Hyderabad	703	703	Unch
	Akola	742	742	Unch
	Amrawati	742	742	Unch
	Bundi	720	720	Unch
	Jalna	750	750	Unch
	Alwar	NA	NA	-
	Solapur	748	748	Unch
	Dhule	748	748	Unch
Palm Oil	Kandla (Crude Palm Oil)	590	590	Unch
	Kandla (RBD Palm oil)	615	612	3
	Kandla RBD Pamolein	635	635	Unch
	Kakinada (Crude Palm Oil)	585	580	5
	Kakinada RBD Pamolein	630	630	Unch
	Haldia Pamolein	630	630	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	630	635	-5
	Hyderabad	599	594	5
	Mangalore RBD Pamolein	635	635	Unch
	PFAD (Kandla)	480	465	15
	Refined Palm Stearin (Kandla)	540	535	5
Refined Sunflower Oil	Chennai	705	705	Unch

	Mumbai	730	730	Unch
	Mumbai(Expeller Oil)	655	655	Unch
	Kandla (Ref.)	720	720	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	730	Unch
Groundnut Oil	Rajkot	940	940	Unch
	Chennai	930	930	Unch
	Delhi	950	950	Unch
	Hyderabad *	1000	1000	Unch
	Mumbai	990	990	Unch
	Gondal	930	930	Unch
	Jamnagar	940	940	Unch
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	755	755	Unch
	Jaipur (Kacchi Ghani Oil)	798	799	-1
	Kota (Expeller Oil)	760	760	Unch
	Kota (Kacchi Ghani Oil)	790	790	Unch
	Neewai (Expeller Oil)	755	755	Unch
	Neewai (Kacchi Ghani Oil)	780	785	-5
	Bharatpur (Kacchi Ghani Oil)	800	820	-20
	Alwar (Expeller Oil)	NA	NA	-
	Alwar (Kacchi Ghani Oil)	NA	NA	-
	Sri-Ganga Nagar(Exp Oil)	760	760	Unch
	Sri-Ganga Nagar (Kacchi Ghani Oil)	790	790	Unch
	Mumbai (Expeller Oil)	775	770	5
	Kolkata(Expeller Oil)	960	960	Unch
	New Delhi (Expeller Oil)	805	805	Unch
	Hapur (Expeller Oil)	885	885	Unch
	Hapur (Kacchi Ghani Oil)	990	990	Unch
	Agra (Kacchi Ghani Oil)	805	825	-20
Refined Cottonseed Oil	Rajkot	700	705	-5
	Hyderabad	675	675	Unch
	Mumbai	700	700	Unch
	New Delhi	700	700	Unch
Coconut Oil	Kangayan (Crude)	1300	1300	Unch
	Cochin	1150	1140	10

	Trissur	1350	1350	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	788	-3
	CNF India	803	798	5
Indonesia CPO USD/MT	FOB	785	773	12
	CNF India	813	808	5
RBD Palm oil (Malaysia Origin USD/MT)	FOB	783	Closed	-
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	770	Closed	-
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1920	Closed	-
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	718	Closed	-
Crude palm Kernel Oil India (USD/MT)	CNF India	NA	1850	-
Ukraine Origin CSFO USD/MT Kandla	CIF	820	820	Unch
Rapeseed Oil Rotterdam Euro/MT	FOB	NA	NA	-
Argentina FOB (\$/MT)		9-Feb-17	8-Feb-17	Change
Crude Soybean Oil Ship		786	785	1
Refined Soy Oil (Bulk) Ship		814	812	2
Sunflower Oil Ship		735	735	Unch
Cottonseed Oil Ship		766	765	1
Refined Linseed Oil (Bulk) Ship		Unq	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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