

Domestic Fundamentals:

- Edible oils complex featured mixed trend at various centers in India on Monday.
- International soy oil and palm oil traded lower on selloff due to oversupply concerns. Soy oil and palm oil futures fell on following international benchmarks and weak demand.
- Soy oil- Soy oil domestic prices are supported by disparity in imports due to depreciation of Rupee. Due to weak import demand due to depreciation of Rupee, domestic soy oil prices have benefitted.
India CNF prices fell due to fall in Argentina FOB as premium of Argentina FOB over CBOT fell due to fall in basis. Appreciation of Argentina Peso is the cause of fall in basis.
Further, international soy oil prices are underpinned by pickup in soybean harvest in US Midwest which was delayed due to rains. Harvest is expected to be finished in November, so USDA data on yields will be final for 2018/19. Planting of soybean is progressing at faster rate in Brazil and weather is conducive for advancement of planting which is expected to plant record crop.
Import demand of soybean from China is expected to fall due to outbreak of swine flu in the country which has led to mass scale slaughter of swine. Further, China is liquidating soybean state reserves.
China has mandated swine and poultry to use lower amount of protein to decrease use of soy meal in the country to cut dependence on soybean due to trade dispute with US. USDA is expected to cut soybean imports by China in 2018/19 to 85-90 MMT in its November estimate following major efforts by Chinese government diversify away from soybean as source of protein.
Swine flu has led to lower crush of soybean in China has led to rise in import demand of palm oil.
Fall in crude oil prices will underpin soy oil prices.
- Palm oil-During the palm oil conference in Indonesia, various speakers spoke on demand and supply prospects.
Production of palm oil is expected to rise to 40-42 MMT in 2018, rising almost 4 MMT in 2018 against expectation of rise of 2.5 MMT in its earlier estimate. Production will slow in 2019 and rise by only 2 MMT.
Production of palm oil in Malaysia remained stagnant in 2018 to 19-20 MMT while it is expected to rise to 20.5 MMT in 2018.
Stocks of palm oil in Indonesia are 5 MMT with expectation of further rise by November-December.
Stocks of palm oil in Malaysia are expected to rise above 3 MMT by Nov-Dec 2018 and will fall thereafter by almost 7-8 lakh tons in 2019
Prices are almost at bottom and are competitive to draw stocks of palm oil from 2019 as production will slow. Slowdown of production of palm oil is linked to EL Nino impact in 2019.
China will buy more palm oil in rest of 2018 and 2019 as it looks to diversify from soy oil.
Imports of palm oil will remain weak due to hike in import duty on palm oil by India.
Prices are either expected to average RM 2400 per ton in 2019 from RM 2300 in 2018 or it will rise USD 50-100 per ton in 2018 or average around USD 550 per ton FOB Indonesia.
Fall in crude oil prices are expected to underpin palm oil prices.

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

NCDEX Soy Refined Oil Futures

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Nov-18	-0.55	759.00	759.00	755.70	758.50	2,670	-8030	25130	-1970
Dec-18	0.10	757.00	757.50	753.80	755.65	5,840	-5740	41810	1240

Spread	Nov-18	Dec-18
Spot	6.50	9.35
Nov-18		-2.85
Dec-18		

MCX CPO Futures

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Nov-18	-2.50	566.30	566.90	562.00	564.20	258	-607	6006	69
Dec-18	-3.60	568.50	568.50	564.00	565.50	92	-213	3131	47

Spread	Nov18	Dec-18
Spot	8.8	7.5
Nov-18		1.3
Dec-18		

CBOT Soy Oil Futures (Projections):
 (Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Dec	-0.12	28.22	28.29	27.97	28.08
15-Jan	-0.12	28.5	28.51	28.2	28.3
15-Mar	-0.13	28.77	28.8	28.48	28.58
15-May	-0.10	29.06	29.06	28.78	28.9
15-Jul	-0.10	29.32	29.32	29.07	29.18

BMD CPO Futures:
 (Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
Nov-18	20	2005	2005	2005	1950
Dec-18	-37	2075	2075	2048	2052
Jan-19	-29	2145	2145	2118	2122
Feb-19	-29	2205	2206	2187	2190

Forex:

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
5/11/2018	6.93	14984	4.175	35.49	73.44	3.70	96.49	62.88

Edible Oil Prices at Key Market:

Commodity	Centre	Prices(Per 10 Kg)		Change
		5-Nov-18	3-Nov-18	
Refined Soybean Oil	Indore	765	765	Unch
	Indore (Soy Solvent Crude)	725	730	-5
	Mumbai	755	755	Unch
	Mumbai (Soy Degum)	716	716	Unch
	Kandla/Mundra	745	750	-5
	Kandla/Mundra (Soy Degum)	718	718	Unch
	Kolkata	770	765	5
	Delhi	800	793	7
	Nagpur	767	767	Unch



	Rajkot	746	748	-2
	Kota	760	765	-5
	Hyderabad	760	760	Unch
	Akola	767	767	Unch
	Amrawati	767	767	Unch
	Bundi	770	775	-5
	Jalna	773	773	Unch
	Alwar	Unq	Unq	-
	Solapur	754	754	Unch
	Dhule	774	774	Unch
Palm Oil*	Kandla (Crude Palm Oil)	602	602	Unch
	Kandla (RBD Palm oil)	635	646	-11
	Kandla RBD Pamolein	677	683	-5
	Kakinada (Crude Palm Oil)	609	609	Unch
	Kakinada RBD Pamolein	693	693	Unch
	Haldia Pamolein	698	698	Unch
	Chennai RBD Pamolein	709	709	Unch
	Chennai RBD Pamolein (Vitamin A&D Fortified)	782	780	2
	KPT (krishna patnam) Pamolein	693	693	Unch
	Mumbai RBD Pamolein	693	704	-11
	Mangalore RBD Pamolein	709	709	Unch
	Tuticorin (RBD Palmolein)	700	Closed	-
	Delhi	720	720	Unch
	Rajkot	677	680	-3
	Hyderabad	710	709	1
	PFAD (Kandla)	357	368	-11
	Refined Palm Stearin (Kandla)	494	504	-11
	Superolien (Kandla)	735	730	5
	Superolien (Mumbai)	782	780	2
* inclusive of GST				
Refined Sunflower Oil	Chennai	815	815	Unch
	Mumbai	820	820	Unch
	Mumbai(Expeller Oil)	745	745	Unch
	Kandla (Ref.)	800	810	-10
	Kandla/Mundra (Crude)	Unq	Unq	-
	Hyderabad (Ref)	810	808	2
	Latur (Expeller Oil)	770	770	Unch
	Chellakere (Expeller Oil)	770	775	-5
	Erode (Expeller Oil)	Closed	850	-
Groundnut Oil	Rajkot	980	975	5



	Chennai	970	980	-10
	Delhi	925	925	Unch
	Hyderabad *	1020	1020	Unch
	Mumbai	1000	1000	Unch
	Gondal	960	970	-10
	Jamnagar	960	970	-10
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	820	820	Unch
	Jaipur (Kacchi Ghani Oil)	835	834	1
	Kota (Expeller Oil)	800	800	Unch
	Kota (Kacchi Ghani Oil)	825	830	-5
	Neewai (Expeller Oil)	800	795	5
	Neewai (Kacchi Ghani Oil)	821	821	Unch
	Bharatpur (Kacchi Ghani Oil)	825	830	-5
	Alwar (Expeller Oil)	Unq	Unq	-
	Alwar (Kacchi Ghani Oil)	Unq	Unq	-
	Sri-Ganga Nagar(Exp Oil)	815	815	Unch
	Sri-Ganga Nagar (Kacchi Ghani Oil)	825	830	-5
	Mumbai (Expeller Oil)	825	820	5
	Kolkata(Expeller Oil)	960	950	10
	New Delhi (Expeller Oil)	855	845	10
	Hapur (Expeller Oil)	875	880	-5
	Hapur (Kacchi Ghani Oil)	915	920	-5
	Agra (Kacchi Ghani Oil)	830	835	-5
Refined Cottonseed Oil	Rajkot	742	745	-3
	Hyderabad	760	740	20
	Mumbai	775	770	5
	New Delhi	715	710	5
Coconut Oil	Kangayan (Crude)	Closed	1300	-
	Cochin	1560	1590	-30
	Trissur	Unq	Unq	-
Sesame Oil	New Delhi	1700	1700	Unch
	Mumbai	Unq	Unq	-
Kardi	Mumbai	870	840	30
Rice Bran Oil (40%)	New Delhi	725	725	Unch
Rice Bran Oil (4%)	Punjab	630	660	-30
Rice Bran Oil (4%)	Uttar Pradesh	Unq	Unq	-
Malaysia Palmolein USD/MT	FOB	525	528	-3



	CNF India	548	543	5
Indonesia CPO USD/MT	FOB	490	493	-3
	CNF India	508	508	Unch
RBD Palm oil (Malaysia Origin USD/MT)	FOB	517	Closed	-
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	500	Closed	-
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	855	Closed	-
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	410	Closed	-
Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	Closed	-
Ukraine Origin CSFO USD/MT Kandla	CIF	700	695	5
Rapeseed Oil Rotterdam Euro/MT	FOB	752	Closed	-
Argentina FOB (\$/MT)		3-Nov-18	2-Nov-18	Change
Crude Soybean Oil Ship		Closed	643	-
Refined Soy Oil (Bulk) Ship		Closed	666	-
Sunflower Oil Ship		Closed	Unq	-
Cottonseed Oil Ship		Closed	623	-
Refined Linseed Oil (Bulk) Ship		Closed	Unq	-
* indicates including GST				

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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