

Domestic Fundamentals:

- Edible oils complex featured weak trend at various centers in India on Tuesday.
- Palm oil- Palm oil prices are expected to be underpinned by expectation of rise in stocks of palm oil in Malaysia and Indonesia, rise in production of palm oil in Malaysia and Indonesia, lower rate of growth of exports, weak demand from India and fall in crude oil prices.
Palm oil end stocks of Malaysia and Indonesia is expected to rise until Dec on rise in production of palm oil in both countries by December and lower rate of growth of exports. Stocks of palm oil in Malaysia is expected to rise above 3 MMT by Dec and above 5 MMT in Indonesia by Dec.
Production is expected to rise on seasonal uptrend of production. Production of Malaysia is expected to top by Nov. Production in Malaysia in 2018 will be marginally less than 20 MMT and will reach 21 MMT in 2019.
Production of palm oil is expected to rise in Indonesia at steady pace by Dec. Production of palm oil in Indonesia will rise 4 MMT in 2018, up from previous estimate of 2.5 MMT. Production will rise by 2 MMT in 2019 in Indonesia due to impact of El Nino.
Exports of palm oil fell 20 percent in Malaysia in October. EU and India were buyers which imported lower amount of palm oil.
India is importing less palm oil due to higher imports of palm oil in August and September which has increased port stocks. Further, stocking for festive season is over and there are no fresh triggers of demand in near term. Depreciation of Rupee also dent imports.
Imports from China rose due to slowdown of soybean crush in China due to outbreak of swine flu. Lower supply of soy oil led to higher imports of palm oil.
Competing oil like CBOT soy oil is expected to be underpinned by oversupply scenario.
- 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.

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	-1.30	756.50	757.00	754.30	755.80	2,060	-610	24010	-1120
Dec-18	-2.00	754.95	754.95	751.30	752.70	5,080	-760	43770	1960

Spread	Nov-18	Dec-18
Spot	7.20	10.30
Nov-18		-3.10
Dec-18		

MCX CPO Futures

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Nov-18	-1.10	562.50	563.50	561.50	562.10	157	-101	5959	-47
Dec-18	-2.40	564.50	564.50	562.80	562.80	75	-17	3147	16

Spread	Nov18	Dec-18
Spot	8.9	8.2
Nov-18		0.7
Dec-18		

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

Contract	+/-	Open	High	Low	Close
15-Dec	0.05	27.92	27.96	27.89	27.95
15-Jan	0.05	28.06	28.17	28.06	28.17
15-Mar	0.03	28.42	28.44	28.39	28.44
15-May	0.01	28.7	28.73	28.68	28.72
15-Jul	-0.02	28.99	29.01	28.98	28.98

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)
6/11/2018	6.92	14809	4.169	35.62	73.44	3.73	96.31	62.88

Edible Oil Prices at Key Market:

Commodity	Centre	Prices(Per 10 Kg)		Change
		6-Nov-18	5-Nov-18	
Refined Soybean Oil	Indore	763	765	-2
	Indore (Soy Solvent Crude)	722	725	-3
	Mumbai	755	755	Unch
	Mumbai (Soy Degum)	714	716	-2
	Kandla/Mundra	745	745	Unch
	Kandla/Mundra (Soy Degum)	714	718	-4
	Kolkata	770	770	Unch
	Delhi	800	800	Unch
	Nagpur	766	767	-1

	Rajkot	Closed	746	-
	Kota	760	760	Unch
	Hyderabad	760	760	Unch
	Akola	768	767	1
	Amrawati	767	767	Unch
	Bundi	770	770	Unch
	Jalna	773	773	Unch
	Alwar	Unq	Unq	-
	Solapur	754	754	Unch
	Dhule	774	774	Unch
Palm Oil*	Kandla (Crude Palm Oil)	602	604	-2
	Kandla (RBD Palm oil)	630	635	-5
	Kandla RBD Pamolein	677	677	Unch
	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	782	Unch
	KPT (krishna patnam) Pamolein	693	693	Unch
	Mumbai RBD Pamolein	693	693	Unch
	Mangalore RBD Pamolein	704	704	Unch
	Tuticorin (RBD Palmolein)	-	Closed	-
	Delhi	720	720	Unch
	Rajkot	-	677	-
	Hyderabad	706	710	-4
	PFAD (Kandla)	357	357	Unch
	Refined Palm Stearin (Kandla)	494	494	Unch
	Superolien (Kandla)	735	735	Unch
	Superolien (Mumbai)	782	782	Unch
* inclusive of GST				
Refined Sunflower Oil	Chennai	Closed	815	-
	Mumbai	820	820	Unch
	Mumbai(Expeller Oil)	745	745	Unch
	Kandla (Ref.)	800	800	Unch
	Kandla/Mundra (Crude)	Unq	Unq	-
	Hyderabad (Ref)	808	810	-2
	Latur (Expeller Oil)	Closed	770	-
	Chellakere (Expeller Oil)	770	770	Unch
	Erode (Expeller Oil)	Closed	Closed	-

Groundnut Oil	Rajkot	Closed	980	-
	Chennai	Closed	970	-
	Delhi	925	925	Unch
	Hyderabad *	1010	1020	-10
	Mumbai	1000	1000	Unch
	Gondal	Closed	960	-
	Jamnagar	Closed	960	-
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	820	820	Unch
	Jaipur (Kacchi Ghani Oil)	835	835	Unch
	Kota (Expeller Oil)	800	800	Unch
	Kota (Kacchi Ghani Oil)	825	825	Unch
	Neewai (Expeller Oil)	Closed	800	-
	Neewai (Kacchi Ghani Oil)	Closed	821	-
	Bharatpur (Kacchi Ghani Oil)	Closed	825	-
	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	825	Unch
	Mumbai (Expeller Oil)	825	825	Unch
	Kolkata(Expeller Oil)	960	960	Unch
	New Delhi (Expeller Oil)	855	855	Unch
	Hapur (Expeller Oil)	875	875	Unch
	Hapur (Kacchi Ghani Oil)	915	915	Unch
	Agra (Kacchi Ghani Oil)	Closed	830	-
Refined Cottonseed Oil	Rajkot	Closed	742	-
	Hyderabad	760	760	Unch
	Mumbai	775	775	Unch
	New Delhi	715	715	Unch
Coconut Oil	Kangayan (Crude)	Closed	Closed	-
	Cochin	1560	1560	Unch
	Trissur	Unq	Unq	-
Sesame Oil	New Delhi	1700	1700	Unch
	Mumbai	Unq	Unq	-
Kardi	Mumbai	870	870	Unch
Rice Bran Oil (40%)	New Delhi	725	725	Unch
Rice Bran Oil (4%)	Punjab	630	630	Unch
Rice Bran Oil (4%)	Uttar Pradesh	Unq	Unq	-

Malaysia Palmolein USD/MT	FOB	Closed	525	-
	CNF India	540	548	-8
Indonesia CPO USD/MT	FOB	Closed	490	-
	CNF India	500	508	-8
RBD Palm oil (Malaysia Origin USD/MT)	FOB	Closed	517	-
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	Closed	500	-
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	Closed	855	-
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	Closed	410	-
Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	820	-
Ukraine Origin CSFO USD/MT Kandla	CIF	695	700	-5
Rapeseed Oil Rotterdam Euro/MT	FOB	752	752	Unch
Argentina FOB (\$/MT)		5-Nov-18	3-Nov-18	Change
Crude Soybean Oil Ship		638	Closed	-
Refined Soy Oil (Bulk) Ship		660	Closed	-
Sunflower Oil Ship		665	Closed	-
Cottonseed Oil Ship		618	Closed	-
Refined Linseed Oil (Bulk) Ship		Unq	Closed	-
* 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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