

Domestic Fundamentals:

- Edible oils featured mostly firm tone in various market centers on Thursday.
- Domestic soy oil futures and palm oil futures rose on firm international markets on higher demand prospects from India due to palm oil import duty reduction. International palm oil futures rose on demand prospects especially from India. CBOT soy oil traded higher on rise in palm oil prices. Crude oil prices were trading lower on Thursday.
- According to Government of India (GOI) notification number 84/2018-Customs dated 31 December 2018, import duty on crude palm oil is reduced to 40 percent from 44 percent while on refined palm oil is reduced to 50 percent from 54 percent. This makes total import duty on crude palm oil to 44 percent and 55 percent on refined palm oil after applying all taxes. However, refined palm oil origin from Malaysia will be charged 45 percent import duty sourced from Malaysia. So, total import duty on imports of refined palm oil from Malaysia works out at 49.5 percent including all taxes.
- India reduced import duty on imports of CPO as well as RBD palmolein especially import duty on imports will attract 5.5 percent less import duty. This will make imports of refined palm oil uncompetitive. This will provide stimulus to palm oil prices in near term. However, in longer term high stocks of palm oil in Malaysia will weigh on prices. Reduction of palm oil import duty will reduced duty differential between crude and refined palm oil to 5 percent from 11 percent. This will adversely impact refiners in India who are struggling with high debt levels. Cheap imports of refined palm oil will destroy India edible oil refining industry.
- Palm oil- Palm oil prices are expected to be expected to underpin by expectation of rise in end stocks of palm oil in Malaysia in December on rise in production of palm oil in December. With reduction of palm oil import duty especially refined palm oil from Malaysia will support palm oil prices. End stocks of palm oil have already crossed 3 MMT in Malaysia in Nov and it is expected to top in Dec primarily due to rise in production in Dec. Data from Malaysia Palm Oil Association show production rose in first 20 days of December, raising expectation that production will end December in green in Malaysia. Exports are showing subdued performance from Malaysia in December mainly on low demand from top importer EU. China is buying more palm oil due to lower production of soy oil in China due to lower imports of soybean in November. China imported fewer soybeans due to outbreak of swine flu in the country and negative crush margins of soybean. This has led to lower supply of soy oil leading to higher imports of palm oil. Further, China will import more in Dec and Jan on demand ahead of Chinese New Year. India is buying to take advantage of low prices of palm oil and recent appreciation of Rupee has made palm oil cheaper to import. Fall in competing oils like CBOT soy oil and RBD Palmolein will support fall in palm oil prices. Weak crude oil prices will be drag on palm oil prices.
- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's Dec palm oil exports rose 7.9 percent to 1,339,879 tons compared to 1,241,467 tons last month. Top buyers were China at 322,610 tons (171,660 tons), India at 277,010 tons (224,126 tons), European Union 249,669 tons (283,168 tons), United States at 75,550 tons (43,524 tons) and Pakistan at 63,000 tons (34,400 tons). Values in brackets are figures last month.

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

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Jan-19	-0.65	739.85	742.00	738.80	739.20	5,660	-3820	32910	-2470
Feb-19	0.25	727.15	729.80	727.00	727.40	5,380	-8570	32270	2170

Prices & Vol-OI are at 5:30 PM

Spread	Jan-18	Feb-18
Spot	8.80	20.60
Jan-19		-11.80
Feb-19		

MCX CPO Futures

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Jan-18	2.90	522.40	529.30	522.40	527.40	1183	-345	5540	-385
Feb-19	1.40	532.00	535.40	531.70	532.90	475	-805	4333	188

Spread	Jan-18	Feb-19
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Spot	-14.4	-19.9
Jan-19		5.5
Feb-19		

CBOT Soy Oil Futures (Projections):

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Jan	0.13	28.04	28.04	28.02	28.03
15-Mar	0.09	28.25	28.33	28.2	28.27
15-May	0.10	28.51	28.6	28.46	28.54
15-Jul	0.08	28.75	28.86	28.73	28.79
15-Aug	0.12	28.89	28.99	28.88	28.97

BMD CPO Futures:

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
Jan-19	25	2090	2095	2090	2090
Feb-19	-9	2141	2143	2115	2120
Mar-19	-15	2178	2181	2150	2151
Apr-19	-8	2209	2218	2192	2194

Forex:

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
03/01/2019	6.87	14419	4.145	37.77	70.19	3.80	96.63	46.45

Edible Oil Prices at Key Market:

Commodity	Centre	Prices(Per 10 Kg)		Change
		3-Jan-19	2-Jan-19	
Refined Soybean Oil	Indore	748	742	6
	Indore (Soy Solvent Crude)	715	705	10
	Mumbai	745	735	10
	Mumbai (Soy Degum)	705	705	Unch
	Kandla/Mundra	735	730	5
	Kandla/Mundra (Soy Degum)	700	702	-2
	Kolkata	790	782	8
	Delhi	790	785	5
	Nagpur	746	745	1
	Rajkot	730	728	2

	Kota	740	740	Unch
	Hyderabad	750	750	Unch
	Akola	746	736	10
	Amrawati	745	744	1
	Bundi	750	750	Unch
	Jalna	742	740	2
	Alwar	Unq	Unq	-
	Solapur	727	724	3
	Dhule	742	740	2
Palm Oil*	Kandla (Crude Palm Oil)	539	523	16
	Kandla (RBD Palm oil)	593	572	21
	Kandla RBD Pamolein	635	625	11
	Kakinada (Crude Palm Oil)	546	541	5
	Kakinada RBD Pamolein	630	635	-5
	Haldia Pamolein	635	632	3
	Chennai RBD Pamolein	635	641	-5
	Chennai RBD Pamolein (Vitamin A&D Fortified)	692	695	-3
	KPT (krishna patnam) Pamolein	625	630	-5
	Mumbai RBD Pamolein	646	635	11
	Mangalore RBD Pamolein	635	641	-5
	Tuticorin (RBD Palmolein)	639	630	9
	Delhi	655	645	10
	Rajkot	620	612	7
	Hyderabad	620	611	9
	PFAD (Kandla)	326	326	Unch
	Refined Palm Stearin (Kandla)	399	399	Unch
	Superolien (Kandla)	677	677	Unch
	Superolien (Mumbai)	692	695	-3
* inclusive of GST				
Refined Sunflower Oil	Chennai	765	760	5
	Mumbai	790	790	Unch
	Mumbai(Expeller Oil)	715	705	10
	Kandla (Ref.)	770	770	Unch
	Kandla/Mundra (Crude)	Unq	Unq	-
	Hyderabad (Ref)	775	775	Unch
	Latur (Expeller Oil)	750	750	Unch
	Chellakere (Expeller Oil)	710	710	Unch
	Erode (Expeller Oil)	795	795	Unch
Groundnut Oil	Rajkot	1020	1020	Unch
	Chennai	980	960	20

	Delhi	950	950	Unch
	Hyderabad *	980	980	Unch
	Mumbai	1015	1015	Unch
	Gondal	980	990	-10
	Jamnagar	980	990	-10
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	795	790	5
	Jaipur (Kacchi Ghani Oil)	814	814	Unch
	Kota (Expeller Oil)	785	785	Unch
	Kota (Kacchi Ghani Oil)	795	790	5
	Neewai (Expeller Oil)	790	790	Unch
	Neewai (Kacchi Ghani Oil)	798	798	Unch
	Bharatpur (Kacchi Ghani Oil)	820	815	5
	Alwar (Expeller Oil)	Unq	Unq	-
	Alwar (Kacchi Ghani Oil)	Unq	Unq	-
	Sri-Ganga Nagar(Exp Oil)	780	780	Unch
	Sri-Ganga Nagar (Kacchi Ghani Oil)	800	800	Unch
	Mumbai (Expeller Oil)	825	825	Unch
	Kolkata(Expeller Oil)	940	930	10
	New Delhi (Expeller Oil)	835	830	5
	Hapur (Expeller Oil)	910	910	Unch
	Hapur (Kacchi Ghani Oil)	950	950	Unch
	Agra (Kacchi Ghani Oil)	825	820	5
Refined Cottonseed Oil	Rajkot	700	695	5
	Hyderabad	690	685	5
	Mumbai	712	708	4
	New Delhi	690	680	10
Coconut Oil	Kangayan (Crude)	1780	1720	60
	Cochin	1480	1470	10
	Trissur	Unq	Unq	-
Sesame Oil	New Delhi	1600	1600	Unch
	Mumbai	Unq	Unq	-
Kardi	Mumbai	880	880	Unch
Rice Bran Oil (40%)	New Delhi	615	610	5
Rice Bran Oil (4%)	Punjab	605	605	Unch
Rice Bran Oil (4%)	Uttar Pradesh	Unq	Unq	-
Malaysia Palmolein USD/MT	FOB	518	510	8
	CNF India	550	545	5

Indonesia CPO USD/MT	FOB	508	495	13
	CNF India	528	520	8
RBD Palm oil (Malaysia Origin USD/MT)	FOB	510	503	7
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	505	500	5
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	880	875	5
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	358	353	5
Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	850	-
Ukraine Origin CSFO USD/MT Kandla	CIF	700	693	7
Rapeseed Oil Rotterdam Euro/MT	FOB	711	698	13
Argentina FOB (\$/MT)		2-Jan-19	31-Dec-18	Change
Crude Soybean Oil Ship		607	Unq	-
Refined Soy Oil (Bulk) Ship		628	Unq	-
Sunflower Oil Ship		610	Unq	-
Cottonseed Oil Ship		587	Unq	-
Refined Linseed Oil (Bulk) Ship		Unq	Unq	-
<i>* indicates including GST</i>				

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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