

Domestic Fundamentals:

- Edible oils complex featured mixed trend at various markets centers on Tuesday.
- Soy oil and palm oil futures rose on rise in international benchmarks. CPO BMD and CBOT soy oil rose on demand prospects. Crude oil prices were trading lower on Tuesday.
- Palm oil prices are expected to be underpinned by expectation of slow fall in end stocks of palm oil in Malaysia, slow fall in production of palm oil in Malaysia and slow rise in exports of palm oil from Malaysia.
However, depreciation of Ringgit and rise in crude oil prices will limit losses.
Palm oil end stocks in Malaysia is expected to fall slowly in April due to slow rise in exports of palm oil from Malaysia in April and rise in production of palm oil in Malaysia in April.
Palm oil production is expected to rise in Malaysia in April as continued elevated production will continue in April in Malaysia. However, production is expected to fall in Indonesia due to lean production season.
Palm oil production will rise to 20 MMT in Malaysia in 2019 from earlier estimate of 19.5 MMT on higher maturing plants. Palm oil production will rise in Indonesia in 2019 by 10 percent to 44 MMT on maturing plants.
Palm oil exports rose from Malaysia in April due to firm demand from India and China. However, rise was limited.
Palm oil exports to India rose due to lower import duty differential between CPO and RBD palmolein especially from Malaysia, positive refining margins and demand at lower levels.
China is purchased more palm oil as it is importing lower amount of soybean due to swine flu and diversification of protein sources in the country. This has led to lower supply of soy oil leading to higher imports of palm oil.
Ringgit has depreciated below 4.10/USD leading to higher demand of palm oil compared to competitive oils.
Rise in crude oil due to OPEC supply cuts is expected to support palm oil prices.
- Soy oil international prices are underpinned by US-China trade dispute, higher than expected soybean crop in Brazil, higher soybean crop in Argentina and weak demand of soybean from China
US President has said that US will impose 25% import duty on goods worth USD 200 billion import from China from 10% earlier. This statement has come due to slow progress of trade talks. US-China trade settlement is taking more time than expected due to deadlock on various issues. This has send shock waves across commodity space including soybean complex prices.
Due to rains in corn belts of US Midwest some farmers are expected to shift to soybean as corn cannot be grown in wet areas. This happens at a time when US is sitting on record soybean stocks.
Soybean crop in Brazil is larger than estimated due to higher yield due to improved weather during harvest phase in various parts of the country and harvest is higher than last year and 5-year average. This has led various agencies to increase soybean crop of Brazil thereby giving China additional support in US-China trade negotiations.
Soybean crop condition in Argentina has improved in Argentina and harvest is progressing more than last year and 5-year average. This has led various agencies to hike soybean crop of Argentina above 55 MMT.
- Malaysia intends to keep crude palm oil export duty unchanged at zero until December in an effort to reduce high stocks of palm oil in the country, according to trade minister of Malaysia. Malaysia is grappling with high stocks and low prices. Lower prices are hitting margins and will ultimately lead to lower production in longer run. Plantations are bleeding with low prices of palm oil. Followed by this step, Malaysia intends to increase its biodiesel output to recede increasing high palm oil stocks.

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

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
May-19	5.15	731.25	737.90	732.55	736.40	8,450	1700	17010	-1120
June-19	5.25	718.95	726.90	716.65	724.20	11,150	4950	33120	1620
Prices & Vol-OI are at 5:30 PM									

Spread	May-19	June-19
Spot	3.60	15.80
May-19		-12.20
June-19		

MCX CPO Futures

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
May-19	5.70	516.50	521.70	516.50	519.20	957	593	5361	-396
June-19	5.30	517.50	520.90	517.00	518.50	616	190	1148	293

Spread	May-19	June-19
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Spot	-2.2	-1.5
May-19		-0.7
June-19		

CBOT Soy Oil Futures (Projections):

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Jul	-0.01	26.96	27.15	26.96	27.12
15-Aug	UNCH	27.08	27.27	27.08	27.27
15-Sep	UNCH	27.26	27.42	27.26	27.41
15-Oct	-0.04	27.35	27.51	27.35	27.51
15-Dec	0.03	27.71	27.89	27.7	27.89

BMD CPO Futures:

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
15-Jun	53	1978	2015	1974	2014
15-Jul	55	2004	2042	2000	2040
15-Aug	53	2032	2068	2025	2064
15-Sep	48	2061	2092	2054	2090

Forex:

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
07/05/2019	6.77	14285	4.144	44.69	69.43	3.97	97.57	61.67

Edible Oil Prices at Key Market:

Commodity	Centre	Prices(Per 10 Kg)		Change
		7-May-19	6-May-19	
Refined Soybean Oil	Indore	740	740	Unch
	Indore (Soy Solvent Crude)	710	710	Unch
	Mumbai	730	730	Unch
	Mumbai (Soy Degum)	682	682	Unch
	Kandla/Mundra	730	730	Unch
	Kandla/Mundra (Soy Degum)	692	692	Unch
	Kolkata	765	765	Unch
	Delhi	762	761	1
	Nagpur	Closed	739	-
	Rajkot	720	718	2

	Kota	735	740	-5
	Hyderabad	745	745	Unch
	Akola	Closed	740	-
	Amrawati	Closed	740	-
	Bundi	740	745	-5
	Jalna	Closed	744	-
	Solapur	Closed	734	-
	Dhule	Closed	750	-
Palm Oil*	Kandla (Crude Palm Oil)	543	543	Unch
	Kandla (RBD Palm oil)	583	583	Unch
	Kandla RBD Pamolein	609	611	-2
	Kakinada (Crude Palm Oil)	520	520	Unch
	Kakinada RBD Pamolein	611	611	Unch
	Haldia Pamolein	620	622	-2
	Chennai RBD Pamolein	611	611	Unch
	Chennai RBD Pamolein (Vitamin A&D Fortified)	677	677	Unch
	KPT (krishna patnam) Pamolein	604	604	Unch
	Mumbai RBD Pamolein	641	641	Unch
	Mangalore RBD Pamolein	611	622	-11
	Tuticorin (RBD Palmolein)	612	609	3
	Delhi	645	644	1
	Rajkot	609	605	4
	Hyderabad	594	594	Unch
	PFAD (Kandla)	352	352	Unch
	Refined Palm Stearin (Kandla)	520	520	Unch
	Superolien (Kandla)	662	662	Unch
	Superolien (Mumbai)	667	667	Unch
* inclusive of GST				
Refined Sunflower Oil	Chennai	745	750	-5
	Mumbai	780	780	Unch
	Mumbai(Expeller Oil)	705	705	Unch
	Kandla (Ref.)	760	760	Unch
	Hyderabad (Ref)	750	750	Unch
	Latur (Expeller Oil)	755	755	Unch
	Chellakere (Expeller Oil)	700	700	Unch
	Erode (Expeller Oil)	780	780	Unch
Groundnut Oil	Rajkot	1000	985	15
	Chennai	980	980	Unch
	Delhi	960	960	Unch
	Hyderabad *	1050	1050	Unch

	Mumbai	1010	1020	-10
	Gondal	960	950	10
	Jamnagar	975	975	Unch
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	735	730	5
	Jaipur (Kacchi Ghani Oil)	755	755	Unch
	Kota (Expeller Oil)	730	730	Unch
	Kota (Kacchi Ghani Oil)	745	740	5
	Neewai (Expeller Oil)	728	730	-2
	Neewai (Kacchi Ghani Oil)	740	743	-3
	Bharatpur (Kacchi Ghani Oil)	770	770	Unch
	Sri-Ganga Nagar(Exp Oil)	720	715	5
	Sri-Ganga Nagar (Kacchi Ghani Oil)	750	740	10
	Mumbai (Expeller Oil)	745	745	Unch
	Kolkata(Expeller Oil)	880	890	-10
	New Delhi (Expeller Oil)	752	751	1
	Hapur (Expeller Oil)	865	850	15
	Hapur (Kacchi Ghani Oil)	900	885	15
	Agra (Kacchi Ghani Oil)	775	775	Unch
Refined Cottonseed Oil	Rajkot	730	725	5
	Hyderabad	705	705	Unch
	Mumbai	745	746	-1
	New Delhi	707	707	Unch
Coconut Oil	Kangayan (Crude)	1300	1300	Unch
	Cochin	1450	1450	Unch
Sesame Oil	New Delhi	1750	1750	Unch
	Mumbai	Unq	Unq	-
Kardi	Mumbai	880	880	Unch
Rice Bran Oil (40%)	New Delhi	580	580	Unch
Rice Bran Oil (4%)	Punjab	605	605	Unch
Malaysia Palmolein USD/MT	FOB	510	508	2
	CNF India	530	535	-5
Indonesia CPO USD/MT	FOB	465	465	Unch
	CNF India	490	495	-5
RBD Palm oil (Malaysia Origin USD/MT)	FOB	503	503	Unch
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	470	465	5
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	660	650	10

Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	420	418	2
Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	645	-
Ukraine Origin CSFO USD/MT Kandla	CIF	723	725	-2
Rapeseed Oil Rotterdam Euro/MT	FOB	720	720	Unch
Argentina FOB (\$/MT)		6-May-19	4-May-19	Change
Crude Soybean Oil Ship		617	Closed	-
Refined Soy Oil (Bulk) Ship		639	Closed	-
Sunflower Oil Ship		655	Closed	-
Cottonseed Oil Ship		597	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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