

Domestic Fundamentals:

- Edible oils complex featured mixed trend at various market centers on Friday.
- Soy oil domestic and palm oil futures declined of demand concerns. BMD CPO rose on expectation of lower global supply while CBOT soy oil was closed on Independence Day in US.
- Import duty on palm stearin will be taxed at 7.5 percent, according to Finance Minister Nirmala Sitaraman in her first budget. Palm product with Free Fatty Acid (FFA) at or above 20 percent is subject to import duty. Palm stearin is used in various industrial applications including soaps. India imported palm stearin from Malaysia and Indonesia. Indian industry was asking for long to increase import duty on palm stearin which decreased refining margins of palm oil. This step will help Indian palm oil refiners.
- Palm oil prices are expected to be underpinned by expectation of rise in end stocks of palm oil in Malaysia in coming months, fall in exports of palm oil in Malaysia and slow fall of palm oil production in Malaysia and appreciation of ringgit.
Palm oil end stocks in Malaysia is expected to rise in Malaysia in June due to slow fall in production of palm oil in Malaysia and fall in exports of palm oil from the country.
- Production of palm oil is expected to fall in Malaysia but with a slower rate on seasonal downtrend of production. Data from Malaysia's Southern Peninsular Palm Oil Millers Association showed fall in production in June indicating that there is slowdown in production of palm oil. Production is expected to fall on labor shortage due to Ramadan holidays. However, production will pick up once the labor shortage is over in July.
- Exports of palm oil from Malaysia fell in June on weak demand from India and EU.
Demand from India weakened due to rise in stocks of palm oil at Indian ports, severe summer and lack of fresh demand triggers. Weak monsoon in India adversely affected demand. However, if monsoon remains weak then import demand from India will pick up draining palm oil stock in Malaysia.
Demand from China rose in June due to lower supply of soy oil in the country due to lower import of soybean on outbreak of swine flu in the country and US-China trade dispute. Further, demand rose due to demand at lower levels.
- Soy oil international prices are expected to be supported by lower area of soybean in US, lower stock of soybean in US, lower stocks of soy oil in US and rise in crude oil prices amid US-China trade settlement optimism.
Soybean planted area in US is much lower than trade estimate and last year figure as per USDA. Wet and cold weather stopped farmers to plant soybean. This will lead to lower soybean crop in US.
Soybean stocks in US is much lower than trade estimate as per USDA quarterly grain report.
Soy oil stocks fell in US in May as reported by NOPA on lower crush of soybean and higher domestic disappearance of soy oil in the country which will support soy oil prices.
China has started to liquidate soybean state reserves in a surprise move after indicating that it will accumulate soybean in state reserves weeks ago.
Trade talks between US and China has started on the sidelines of G-20 after US President and Chinese Premier met on the sidelines of G-20. US has postponed additional duties planned on US product.

Outlook: Edible oil basket is expected to feature steady to firm tone in near term.

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Jul-19	-3.55	742.25	745.90	736.80	740.55	12,060	8150	31540	-2870
Aug-19	-8.10	737.85	740.60	728.50	729.85	19,840	11450	35360	6770
Prices & Vol-OI are at 5:30 PM									

Spread	Jul-19	Aug-19
Spot	14.45	
Jul-19		-10.70
Aug-19		

MCX CPO Futures

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
July-19	-11.00	512.90	514.60	500.10	502.00	3906	3303	4563	-231
Aug-19	-12.10	516.70	517.30	502.00	503.90	1482	777	2463	266

Spread	July-19	Aug-19
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Spot	3.0	
July-19		1.9
Aug-19		

CBOT Soy Oil Futures (Projections):

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Jul	0.32	27.71	28.06	27.71	27.98
15-Aug	0.27	27.91	28.2	27.7	28.08
15-Sep	0.28	28.04	28.32	27.83	28.21
15-Oct	0.33	28	28.44	27.95	28.37
15-Dec	0.31	28.38	28.69	28.15	28.57

BMD CPO Futures:

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
15-Jul	14	1904	1907	1900	1909
15-Aug	10	1930	1943	1907	1938
15-Sep	8	1946	1969	1930	1960
15-Oct	5	1980	1996	1961	1989

Forex:

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
04/07/2019	6.88	14082	4.134	41.70	68.40	3.80	96.94	56.80

Edible Oil Prices at Key Market:

Commodity	Centre	Prices(Per 10 Kg)		Change
		5-Jul-19	4-Jul-19	
Refined Soybean Oil	Indore	755	755	Unch
	Indore (Soy Solvent Crude)	715	715	Unch
	Mumbai	750	750	Unch
	Mumbai (Soy Degum)	697	700	-3
	Kandla/Mundra	740	740	Unch
	Kandla/Mundra (Soy Degum)	700	702	-2
	Kolkata	735	735	Unch
	Delhi	775	775	Unch
	Nagpur	754	756	-2
	Rajkot	730	735	-5
	Kota	750	750	Unch

	Hyderabad	755	755	Unch
	Akola	753	755	-2
	Amrawati	753	755	-2
	Bundi	755	755	Unch
	Jalna	763	765	-2
	Solapur	742	744	-2
	Dhule	764	766	-2
Palm Oil*	Kandla (Crude Palm Oil)	530	530	Unch
	Kandla (RBD Palm oil)	572	572	Unch
	Kandla RBD Pamolein	609	609	Unch
	Kakinada (Crude Palm Oil)	527	527	Unch
	Kakinada RBD Pamolein	601	599	2
	Haldia Pamolein	611	611	Unch
	Chennai RBD Pamolein	604	601	3
	Chennai RBD Pamolein (Vitamin A&D Fortified)	667	665	2
	KPT (krishna patnam) Pamolein	599	593	5
	Mumbai RBD Pamolein	614	614	Unch
	Mangalore RBD Pamolein	611	609	2
	Tuticorin (RBD Palmolein)	596	599	-2
	Delhi	645	645	Unch
	Rajkot	602	614	-13
	Hyderabad	589	589	Unch
	PFAD (Kandla)	331	331	Unch
	Refined Palm Stearin (Kandla)	527	527	Unch
	Superolien (Kandla)	630	630	Unch
	Superolien (Mumbai)	651	651	Unch
* inclusive of GST				
Refined Sunflower Oil	Chennai	805	805	Unch
	Mumbai	795	795	Unch
	Mumbai(Expeller Oil)	760	760	Unch
	Kandla (Ref.)	785	785	Unch
	Hyderabad (Ref)	825	825	Unch
	Latur (Expeller Oil)	785	785	Unch
	Chellakere (Expeller Oil)	740	740	Unch
	Erode (Expeller Oil)	840	840	Unch
Groundnut Oil	Rajkot	1150	1150	Unch
	Chennai	1060	1060	Unch
	Delhi	950	950	Unch
	Hyderabad *	1070	1070	Unch
	Mumbai	1120	1120	Unch

	Gondal	1080	1080	Unch
	Jamnagar	1175	1175	Unch
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	785	785	Unch
	Jaipur (Kacchi Ghani Oil)	805	805	Unch
	Kota (Expeller Oil)	775	775	Unch
	Kota (Kacchi Ghani Oil)	795	795	Unch
	Neewai (Expeller Oil)	770	770	Unch
	Neewai (Kacchi Ghani Oil)	792	792	Unch
	Bharatpur (Kacchi Ghani Oil)	795	800	-5
	Sri-Ganga Nagar(Exp Oil)	765	765	Unch
	Sri-Ganga Nagar (Kacchi Ghani Oil)	805	805	Unch
	Mumbai (Expeller Oil)	790	790	Unch
	Kolkata(Expeller Oil)	920	920	Unch
	New Delhi (Expeller Oil)	788	788	Unch
	Hapur (Expeller Oil)	865	865	Unch
	Hapur (Kacchi Ghani Oil)	900	900	Unch
	Agra (Kacchi Ghani Oil)	800	805	-5
Refined Cottonseed Oil	Rajkot	800	785	15
	Hyderabad	735	735	Unch
	Mumbai	790	775	15
	New Delhi	750	750	Unch
Coconut Oil	Kangayan (Crude)	1310	1310	Unch
	Cochin	1390	1390	Unch
Sesame Oil	New Delhi	1450	1450	Unch
	Mumbai	Unq	Unq	-
Kardi	Mumbai	880	880	Unch
Rice Bran Oil (40%)	New Delhi	580	580	Unch
Rice Bran Oil (4%)	Punjab	620	620	Unch
Malaysia Palmolein USD/MT	FOB	495	495	Unch
	CNF India	525	525	Unch
Indonesia CPO USD/MT	FOB	460	460	Unch
	CNF India	485	485	Unch
RBD Palm oil (Malaysia Origin USD/MT)	FOB	488	488	Unch
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	478	478	Unch
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	625	625	Unch
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	358	360	-2



Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	590	-
Ukraine Origin CSFO USD/MT Kandla	CIF	795	795	Unch
Rapeseed Oil Rotterdam Euro/MT	FOB	727	728	-1
Argentina FOB (\$/MT)		4-Jul-19	3-Jul-19	Change
Crude Soybean Oil Ship		622	621	1
Refined Soy Oil (Bulk) Ship		644	643	1
Sunflower Oil Ship		705	705	Unch
Cottonseed Oil Ship		602	601	1
Refined Linseed Oil (Bulk) Ship		Unq	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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