

Domestic Fundamentals:

- Edible oils complex featured sideways to weak trend at various market centers on Saturday.
- 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
		6-Jul-19	5-Jul-19	
Refined Soybean Oil	Indore	752	755	-3
	Indore (Soy Solvent Crude)	715	715	Unch
	Mumbai	745	750	-5
	Mumbai (Soy Degum)	695	697	-2
	Kandla/Mundra	725	740	-15
	Kandla/Mundra (Soy Degum)	698	700	-2
	Kolkata	732	735	-3
	Delhi	775	775	Unch
	Nagpur	754	754	Unch
	Rajkot	725	730	-5
	Kota	750	750	Unch

	Hyderabad	755	755	Unch
	Akola	755	753	2
	Amrawati	754	753	1
	Bundi	755	755	Unch
	Jalna	763	763	Unch
	Solapur	742	742	Unch
	Dhule	764	764	Unch
Palm Oil*	Kandla (Crude Palm Oil)	521	530	-9
	Kandla (RBD Palm oil)	567	572	-5
	Kandla RBD Pamolein	596	609	-13
	Kakinada (Crude Palm Oil)	527	527	Unch
	Kakinada RBD Pamolein	593	601	-7
	Haldia Pamolein	607	611	-4
	Chennai RBD Pamolein	593	604	-11
	Chennai RBD Pamolein (Vitamin A&D Fortified)	658	667	-8
	KPT (krishna patnam) Pamolein	590	599	-8
	Mumbai RBD Pamolein	614	614	Unch
	Mangalore RBD Pamolein	604	611	-7
	Tuticorin (RBD Palmolein)	596	596	Unch
	Delhi	645	645	Unch
	Rajkot	593	602	-8
	Hyderabad	589	589	Unch
	PFAD (Kandla)	331	331	Unch
	Refined Palm Stearin (Kandla)	527	527	Unch
	Superolien (Kandla)	630	630	Unch
	Superolien (Mumbai)	646	651	-5
* 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)	790	795	-5
	Sri-Ganga Nagar(Exp Oil)	760	765	-5
	Sri-Ganga Nagar (Kacchi Ghani Oil)	800	805	-5
	Mumbai (Expeller Oil)	790	790	Unch
	Kolkata(Expeller Oil)	920	920	Unch
	New Delhi (Expeller Oil)	788	788	Unch
	Hapur (Expeller Oil)	875	865	10
	Hapur (Kacchi Ghani Oil)	910	900	10
	Agra (Kacchi Ghani Oil)	795	800	-5
Refined Cottonseed Oil	Rajkot	775	800	-25
	Hyderabad	735	735	Unch
	Mumbai	785	790	-5
	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	498	495	3
	CNF India	523	525	-2
Indonesia CPO USD/MT	FOB	460	460	Unch
	CNF India	483	485	-2
RBD Palm oil (Malaysia Origin USD/MT)	FOB	Close d	488	-
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	Close d	478	-
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	Close d	625	-
Palm Fatty Acid Distillate (Malaysia Origin	FOB	Close	358	-

USD/MT)		d		
Crude palm Kernel Oil India (USD/MT)	CNF India	Close d	585	-
Ukraine Origin CSFO USD/MT Kandla	CIF	795	795	Unch
Rapeseed Oil Rotterdam Euro/MT	FOB	Close d	727	-
Argentina FOB (\$/MT)		5-Jul- 19	4-Jul- 19	Chan ge
Crude Soybean Oil Ship		613	622	-9
Refined Soy Oil (Bulk) Ship		634	644	-10
Sunflower Oil Ship		707	705	2
Cottonseed Oil Ship		593	602	-9
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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