

**Domestic Fundamentals:**

- Edible oils complex featured weak trend at various market centers on Monday.
- Soy oil domestic and palm oil futures declined of demand concerns. BMD CPO fell on expectation of higher output concerns while CBOT soy oil fell in improved weather of soybean in US Midwest.
- 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 Indonesia, rise of palm oil production in Malaysia and Indonesia and appreciation of ringgit.  
Palm oil end stocks in Malaysia is expected to fall slowly in Malaysia in June and rise from July on rise in production and fall in exports.x
- 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 underpinned by improving weather in US Midwest and weak demand of soybean from China, higher crop of soybean in Brazil and Argentina. However, prices will 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 and 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.  
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 sideways to weak tone in near term.

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Jul-19	-6.95	738.55	739.55	732.50	733.70	10,960	1980	24400	-14890
Aug-19	-5.00	729.00	729.75	724.00	725.00	11,030	2450	37640	11990

Prices & Vol-OI are at 5:30 PM

Spread	Jul-19	Aug-19
Spot	11.30	20.00
Jul-19		-8.70
Aug-19		

**MCX CPO Futures**

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
July-19	-3.00	500.50	500.50	496.00	496.70	878	-144	4400	-676
Aug-19	-2.50	501.50	501.50	498.00	499.00	304	-227	2479	1110

Spread	July-19	Aug-19
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Spot	-2.7	-5
July-19		2.3
Aug-19		

**CBOT Soy Oil Futures (Projections):**

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Jul	0.09	27.65	27.79	27.61	27.65
15-Aug	0.08	27.78	27.9	27.73	27.77
15-Sep	0.08	27.84	28.01	27.84	27.87
15-Oct	0.1	28.07	28.23	28.03	28.1
15-Dec	0.11	28.28	28.4	28.26	28.32

**BMD CPO Futures:**

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
15-Jul	-2	1893	1972	1893	1891
15-Aug	-19	1937	1938	1912	1920
15-Sep	-18	1959	1964	1940	1945
15-Oct	-19	1989	1991	1968	1972

**Forex:**

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
08/07/2019	6.88	14109	4.139	41.79	68.66	3.82	97.30	57.45

**Edible Oil Prices at Key Market:**

Commodity	Centre	Prices(Per 10 Kg)		Change
		08-Jul-19	06-Jul-19	
Refined Soybean Oil	Indore	745	752	-7
	Indore (Soy Solvent Crude)	705	715	-10
	Mumbai	740	745	-5
	Mumbai (Soy Degum)	695	695	Unch
	Kandla/Mundra	720	725	-5
	Kandla/Mundra (Soy Degum)	695	698	-3
	Kolkata	732	732	Unch
	Delhi	755	775	-20
	Nagpur	751	754	-3
	Rajkot	720	725	-5
	Kota	740	750	-10

	Hyderabad	750	755	-5
	Akola	751	755	-4
	Amrawati	750	754	-4
	Bundi	745	755	-10
	Jalna	758	763	-5
	Solapur	735	742	-7
	Dhule	758	764	-6
Palm Oil*	Kandla (Crude Palm Oil)	519	521	-2
	Kandla (RBD Palm oil)	562	567	-5
	Kandla RBD Pamolein	593	596	-3
	Kakinada (Crude Palm Oil)	515	527	-13
	Kakinada RBD Pamolein	590	593	-3
	Haldia Pamolein	604	607	-3
	Chennai RBD Pamolein	593	593	Unch
	Chennai RBD Pamolein (Vitamin A&D Fortified)	658	658	Unch
	KPT (krishna patnam) Pamolein	586	590	-4
	Mumbai RBD Pamolein	614	614	Unch
	Mangalore RBD Pamolein	604	604	Unch
	Tuticorin (RBD Palmolein)	596	596	Unch
	Delhi	632	645	-13
	Rajkot	588	593	-5
	Hyderabad	575	589	-14
	PFAD (Kandla)	331	331	Unch
	Refined Palm Stearin (Kandla)	515	527	-13
	Superolien (Kandla)	630	630	Unch
	Superolien (Mumbai)	646	646	Unch
* inclusive of GST				
Refined Sunflower Oil	Chennai	805	805	Unch
	Mumbai	805	795	10
	Mumbai(Expeller Oil)	755	760	-5
	Kandla (Ref.)	785	785	Unch
	Hyderabad (Ref)	815	825	-10
	Latur (Expeller Oil)	790	785	5
	Chellakere (Expeller Oil)	750	740	10
	Erode (Expeller Oil)	845	840	5
Groundnut Oil	Rajkot	1150	1150	Unch
	Chennai	1060	1060	Unch
	Delhi	950	950	Unch
	Hyderabad *	1070	1070	Unch
	Mumbai	1110	1120	-10

	Gondal	1060	1080	-20
	Jamnagar	1150	1175	-25
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	785	785	Unch
	Jaipur (Kacchi Ghani Oil)	805	805	Unch
	Kota (Expeller Oil)	765	775	-10
	Kota (Kacchi Ghani Oil)	795	795	Unch
	Neewai (Expeller Oil)	765	770	-5
	Neewai (Kacchi Ghani Oil)	788	792	-4
	Bharatpur (Kacchi Ghani Oil)	785	790	-5
	Sri-Ganga Nagar(Exp Oil)	760	760	Unch
	Sri-Ganga Nagar (Kacchi Ghani Oil)	800	800	Unch
	Mumbai (Expeller Oil)	795	790	5
	Kolkata(Expeller Oil)	920	920	Unch
	New Delhi (Expeller Oil)	784	788	-4
	Hapur (Expeller Oil)	875	875	Unch
	Hapur (Kacchi Ghani Oil)	910	910	Unch
	Agra (Kacchi Ghani Oil)	790	795	-5
Refined Cottonseed Oil	Rajkot	770	775	-5
	Hyderabad	730	735	-5
	Mumbai	785	785	Unch
	New Delhi	745	750	-5
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	573	580	-7
Rice Bran Oil (4%)	Punjab	620	620	Unch
Malaysia Palmolein USD/MT	FOB	493	498	-5
	CNF India	523	523	Unch
Indonesia CPO USD/MT	FOB	458	460	-2
	CNF India	483	483	Unch
RBD Palm oil (Malaysia Origin USD/MT)	FOB	488	Closed	-
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	475	Closed	-
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	620	Closed	-
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	355	Closed	-



Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	Closed	-
Ukraine Origin CSFO USD/MT Kandla	CIF	795	795	Unch
Rapeseed Oil Rotterdam Euro/MT	FOB	760	Closed	-
Argentina FOB (\$/MT)		6-Jul-19	5-Jul-19	Change
Crude Soybean Oil Ship		Closed	613	-
Refined Soy Oil (Bulk) Ship		Closed	634	-
Sunflower Oil Ship		Closed	707	-
Cottonseed Oil Ship		Closed	593	-
Refined Linseed Oil (Bulk) Ship		Closed	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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