

Domestic Fundamentals:

- Edible oils complex featured weak trend at various market centers on Wednesday.
- Soy oil domestic and palm oil futures declined of demand concerns. BMD CPO fell on expectation of lower than expected fall in stocks of palm oil in Malaysia in June. CBOT soy oil fell in improved weather of soybean in US.
- Palm oil prices are expected to be underpinned by lower than expected fall in end stocks of palm oil in Malaysia in June, fall in exports of palm oil in Malaysia, expectation of rise of palm oil production in Malaysia and Indonesia from July and appreciation of ringgit.
Palm oil end stocks in Malaysia to fell lower than expected on lower exports and higher imports despite sharp fall in production of palm oil in June.
Production of palm oil is expected fell in Malaysia in June on seasonal downtrend of production and due to labor shortage as workers were off field due to holy month of Ramadan. However, as the Ramadan is over and labor has returned production of palm oil will rebound from July.
Exports of palm oil from Malaysia fell in July on weak demand from other destinations except India, EU and China. Demand from India is expected to weaken due to rise in stocks of palm oil at Indian ports, lack of fresh demand triggers and weak monsoon. If monsoon remains weak then import demand from India will pick up.
Demand from China rose in July 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. Appreciation of Ringgit has led to fall in palm oil prices as it makes palm uncompetitive to competing oils.
- The newly planted US soybean is planted at 96% which is down from 100% during the corresponding period last year and also down from 5-year average of 99%. About 90% soybean is emerged which is down from 100% during the corresponding period last year and also down from 5-year average of 98%. About 10% soybean is blooming which is down from 44% in corresponding period last year and 5-year average of 32%. Good to excellent condition at 53% compared to 71% in corresponding period last year reported in the US crop progress report dated 7 July 2019 by United States Department of Agriculture (USDA).
- 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	-0.05	729.70	731.50	728.70	728.90	4,340	-11070	15600	-2830
Aug-19	0.20	723.15	726.90	723.15	724.15	10,950	-7170	41380	3370
Prices & Vol-OI are at 5:30 PM									

Spread	Jul-19	Aug-19
Spot	1.10	5.85
Jul-19		-4.75
Aug-19		

MCX CPO Futures

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
July-19	-2.90	496.60	499.30	491.30	493.60	948	-276	4310	-3
Aug-19	-3.60	498.70	501.50	492.20	495.50	1148	520	2764	338

Spread	July-19	Aug-19
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Spot	0.4	-1.5
July-19		1.9
Aug-19		

CBOT Soy Oil Futures (Projections):

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Aug	-0.01	28.11	28.12	27.84	28
15-Sep	UNCH	28.23	28.23	27.97	28.13
15-Oct	-0.04	28.35	28.35	28.13	28.21
15-Dec	-0.02	28.58	28.6	28.32	28.47
15-Jan	-0.01	28.77	28.81	28.57	28.69

BMD CPO Futures:

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
15-Jul	-20	1870	1870	1870	1884
15-Aug	-4	1934	1934	1892	1913
15-Sep	-4	1948	1956	1916	1937
15-Oct	-2	1969	1978	1943	1963

Forex:

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
09/07/2019	6.88	14138	4.138	41.80	68.56	3.80	97.46	59.09

Edible Oil Prices at Key Market:

Commodity	Centre	Prices(Per 10 Kg)		Change
		10-Jul-19	9-Jul-19	
Refined Soybean Oil	Indore	730	745	-15
	Indore (Soy Solvent Crude)	695	705	-10
	Mumbai	735	740	-5
	Mumbai (Soy Degum)	690	692	-2
	Kandla/Mundra	710	715	-5
	Kandla/Mundra (Soy Degum)	690	692	-2
	Kolkata	723	727	-4
	Delhi	754	755	-1
	Nagpur	741	747	-6
	Rajkot	713	720	-7
	Kota	730	740	-10

	Hyderabad	750	750	Unch
	Akola	742	749	-7
	Amrawati	742	748	-6
	Bundi	735	745	-10
	Jalna	751	754	-3
	Solapur	730	731	-1
	Dhule	749	752	-3
Palm Oil*	Kandla (Crude Palm Oil)	519	519	Unch
	Kandla (RBD Palm oil)	546	557	-11
	Kandla RBD Pamolein	586	588	-2
	Kakinada (Crude Palm Oil)	509	510	-1
	Kakinada RBD Pamolein	586	588	-2
	Haldia Pamolein	591	595	-4
	Chennai RBD Pamolein	588	588	Unch
	Chennai RBD Pamolein (Vitamin A&D Fortified)	653	653	Unch
	KPT (krishna patnam) Pamolein	578	583	-5
	Mumbai RBD Pamolein	599	599	Unch
	Mangalore RBD Pamolein	590	596	-6
	Tuticorin (RBD Palmolein)	583	583	Unch
	Delhi	625	628	-3
	Rajkot	588	585	3
	Hyderabad	580	568	12
	PFAD (Kandla)	331	331	Unch
	Refined Palm Stearin (Kandla)	509	510	-1
	Superolien (Kandla)	630	630	Unch
	Superolien (Mumbai)	641	641	Unch
* inclusive of GST				
Refined Sunflower Oil	Chennai	805	805	Unch
	Mumbai	805	805	Unch
	Mumbai(Expeller Oil)	755	755	Unch
	Kandla (Ref.)	790	800	-10
	Hyderabad (Ref)	810	810	Unch
	Latur (Expeller Oil)	790	790	Unch
	Chellakere (Expeller Oil)	762	750	12
	Erode (Expeller Oil)	845	845	Unch
Groundnut Oil	Rajkot	1150	1150	Unch
	Chennai	1050	1050	Unch
	Delhi	1050	1050	Unch
	Hyderabad *	1075	1070	5
	Mumbai	1100	1110	-10

	Gondal	1050	1060	-10
	Jamnagar	1125	1150	-25
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	778	780	-2
	Jaipur (Kacchi Ghani Oil)	798	798	Unch
	Kota (Expeller Oil)	770	765	5
	Kota (Kacchi Ghani Oil)	788	790	-2
	Neewai (Expeller Oil)	765	765	Unch
	Neewai (Kacchi Ghani Oil)	785	788	-3
	Bharatpur (Kacchi Ghani Oil)	790	790	Unch
	Sri-Ganga Nagar(Exp Oil)	755	755	Unch
	Sri-Ganga Nagar (Kacchi Ghani Oil)	790	795	-5
	Mumbai (Expeller Oil)	790	795	-5
	Kolkata(Expeller Oil)	920	920	Unch
	New Delhi (Expeller Oil)	784	784	Unch
	Hapur (Expeller Oil)	885	875	10
	Hapur (Kacchi Ghani Oil)	920	910	10
	Agra (Kacchi Ghani Oil)	795	795	Unch
Refined Cottonseed Oil	Rajkot	770	770	Unch
	Hyderabad	730	730	Unch
	Mumbai	775	785	-10
	New Delhi	735	735	Unch
Coconut Oil	Kangayan (Crude)	1190	1220	-30
	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	573	Unch
Rice Bran Oil (4%)	Punjab	620	620	Unch
Malaysia Palmolein USD/MT	FOB	483	493	-10
	CNF India	520	523	-3
Indonesia CPO USD/MT	FOB	458	458	Unch
	CNF India	493	483	10
RBD Palm oil (Malaysia Origin USD/MT)	FOB	485	488	-3
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	473	473	Unch
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	625	620	5
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	350	350	Unch



Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	590	-
Ukraine Origin CSFO USD/MT Kandla	CIF	790	800	-10
Rapeseed Oil Rotterdam Euro/MT	FOB	735	728	7
Argentina FOB (\$/MT)		9-Jul-19	8-Jul-19	Change
Crude Soybean Oil Ship		Unq	Unq	-
Refined Soy Oil (Bulk) Ship		Unq	Unq	-
Sunflower Oil Ship		Unq	Unq	-
Cottonseed Oil Ship		Unq	Unq	-
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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