

Domestic Fundamentals:

- Edible oils complex featured mostly firm at various market centers on Wednesday.
- Soy oil and palm oil domestic futures fell on fall in international benchmarks. BMD CPO fell on technical selling while CBOT soy oil fell on US-China trade dispute and improved weather of soybean in US.
- Palm oil international prices are expected to be supported by expectation of slow rise in end stocks of palm oil in July, rise in exports of palm oil in Malaysia, slow rise in production of palm oil and rise in crude oil prices.
Palm oil end stocks are expected to rise slowly in Malaysia in July on rise in exports of palm oil and slow rise in production of palm oil in July.
Palm oil production in Malaysia in July is expected to rise on seasonal uptrend and return of labor after Ramadan in July.
Exports of palm oil rose in July from Malaysia on higher demand from top importing destinations especially India and EU. Further, fall in prices of palm oil will support bargain buying at lower levels.
Palm oil imports by India from Malaysia is expected to rise due to parity in refining, fall in prices of palm oil and lower import differential between CPO and RBD palmolein from Malaysia. However, high inventory at Indian ports will limit gains in imports.
Import demand from China has remained firm in July due to lower imports of soybean by the country due to outbreak of swine flu which has led to lower supply of soy oil leading to higher palm oil imports.
- Soy oil international prices are underpinned by US-China trade dispute and weak demand from China.
China halted all agriculture imports from US after US put China as currency manipulator. Trade talks failed between US and China failed earlier when trade talks ended earlier than expected. US slapped 10% import duty on \$300 billion additional on Chinese goods.
China has reported multiple breakouts of swine flu in the country. This has led to mass slaughter of swine in the country leading to 35 percent reduction in swine population in the country. Further, China is planning to alter the way it procures soybean after trade war with US. Moreover, China is liquidating state soybean reserves to loosen the tight condition of soybean in the country. This had led to weak demand of soybean from China leading to higher imports of edible vegetable oil from the country.
- According to Indonesia Palm Oil Association (GAPKI), exports of palm oil (CPO and PKO) from Indonesia fell 5.24 percent in June y-o-y to 2.17 MMT from 2.29 MMT in June 2018. Exports of palm oil (CPO and PKO) fell 9.58 percent m-o-m in June at 2.17 MMT compared to May 2019 at 2.40 MMT. Stocks of palm oil in June 2019 rose to 3.55 MMT from 3.53 MMT in May.
- The newly planted US soybean is blooming at 72% which is down from 91% during the corresponding period last year and also down from 5-year average of 87%. About 37% soybean is setting pods which is down from 73% in corresponding period last year and 5-year average of 63%. Good to excellent condition at 54% compared to 67% in corresponding period last year reported in the US crop progress report dated 4 August 2019 by United States Department of Agriculture (USDA).

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

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Aug-19	-0.20	740.05	741.95	740.00	740.40	2,820	-2430	15820	-2010
Sep-19	-2.85	741.25	741.25	737.00	737.65	8,980	520	30470	610
Prices & Vol-OI are at 5:30 PM									

Spread	Aug-19	Sep-19
Spot	4.60	7.35
Aug-19		-2.75
Sep-19		

MCX CPO Futures

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Aug-19	-0.20	527.90	528.80	526.20	526.70	294	-843	4438	101
Sep-19	1.00	530.20	530.60	528.40	529.90	138	-153	1380	89

Spread	Aug-19	Sep-19
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Spot	-1.7	-4.9
Aug-19		3.2
Sep-19		

CBOT Soy Oil Futures (Projections):

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Aug	0.12	27.6	27.6	27.6	27.6
15-Sep	0.12	27.62	27.8	27.61	27.68
15-Oct	0.12	27.73	27.91	27.73	27.8
15-Dec	0.13	27.98	28.18	27.98	28.06
15-Jan	0.12	28.27	28.4	28.26	28.3

BMD CPO Futures:

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
15-Aug	3	2029	2040	2029	2040
15-Sep	-	2063	2080	2063	2075
15-Oct	-	2091	2109	2091	2104
15-Nov	-1	2120	2135	2120	2131

Forex:

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
07/08/2019	7.05	14213	4.187	45.27	70.87	3.96	97.64	53.44

Edible Oil Prices at Key Market:

Commodity	Centre	Prices(Per 10 Kg)		Change
		7-Aug-19	6-Aug-19	
Refined Soybean Oil	Indore	745	745	Unch
	Indore (Soy Solvent Crude)	710	710	Unch
	Mumbai	750	750	Unch
	Mumbai (Soy Degum)	703	703	Unch
	Kandla/Mundra	730	730	Unch
	Kandla/Mundra (Soy Degum)	702	702	Unch
	Kolkata	740	735	5
	Delhi	770	773	-3
	Nagpur	750	745	5
	Rajkot	730	730	Unch
	Kota	735	735	Unch

	Hyderabad	Unq	Unq	-
	Akola	751	746	5
	Amrawati	751	746	5
	Bundi	740	740	Unch
	Jalna	746	742	4
	Solapur	740	735	5
	Dhule	748	744	4
Palm Oil*	Kandla (Crude Palm Oil)	551	548	3
	Kandla (RBD Palm oil)	588	588	Unch
	Kandla RBD Pamolein	625	625	Unch
	Kakinada (Crude Palm Oil)	546	541	5
	Kakinada RBD Pamolein	609	609	Unch
	Haldia Pamolein	620	616	3
	Chennai RBD Pamolein	614	614	Unch
	Chennai RBD Pamolein (Vitamin A&D Fortified)	675	675	Unch
	KPT (krishna patnam) Pamolein	609	609	Unch
	Mumbai RBD Pamolein	625	625	Unch
	Mangalore RBD Pamolein	625	625	Unch
	Tuticorin (RBD Palmolein)	617	616	1
	Delhi	655	655	Unch
	Rajkot	614	616	-2
	Hyderabad	595	597	-2
	PFAD (Kandla)	347	347	Unch
	Refined Palm Stearin (Kandla)	546	541	5
	Superolien (Kandla)	651	651	Unch
	Superolien (Mumbai)	656	656	Unch
* inclusive of GST				
Refined Sunflower Oil	Chennai	835	835	Unch
	Mumbai	840	840	Unch
	Mumbai(Expeller Oil)	795	795	Unch
	Kandla (Ref.)	835	825	10
	Hyderabad (Ref)	850	845	5
	Latur (Expeller Oil)	800	800	Unch
	Chellakere (Expeller Oil)	790	770	20
	Erode (Expeller Oil)	865	870	-5
Groundnut Oil	Rajkot	1220	1200	20
	Chennai	1030	1030	Unch
	Delhi	1100	1100	Unch
	Hyderabad *	1060	1070	-10
	Mumbai	1075	1075	Unch

	Gondal	1100	1100	Unch
	Jamnagar	1080	1075	5
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	780	780	Unch
	Jaipur (Kacchi Ghani Oil)	801	801	Unch
	Kota (Expeller Oil)	770	770	Unch
	Kota (Kacchi Ghani Oil)	790	790	Unch
	Neewai (Expeller Oil)	770	760	10
	Neewai (Kacchi Ghani Oil)	780	775	5
	Bharatpur (Kacchi Ghani Oil)	795	790	5
	Sri-Ganga Nagar(Exp Oil)	760	760	Unch
	Sri-Ganga Nagar (Kacchi Ghani Oil)	790	785	5
	Mumbai (Expeller Oil)	800	805	-5
	Kolkata(Expeller Oil)	920	920	Unch
	New Delhi (Expeller Oil)	795	798	-3
	Hapur (Expeller Oil)	875	875	Unch
	Hapur (Kacchi Ghani Oil)	910	910	Unch
	Agra (Kacchi Ghani Oil)	800	795	5
Refined Cottonseed Oil	Rajkot	785	785	Unch
	Hyderabad	Unq	Unq	-
	Mumbai	805	805	Unch
	New Delhi	758	760	-2
Coconut Oil	Kangayan (Crude)	1300	1300	Unch
	Cochin	1390	1390	Unch
Sesame Oil	New Delhi	1500	1500	Unch
	Mumbai	Unq	Unq	-
Kardi	Mumbai	880	880	Unch
Rice Bran Oil (40%)	New Delhi	605	604	1
Rice Bran Oil (4%)	Punjab	620	620	Unch
Malaysia Palmolein USD/MT	FOB	525	523	2
	CNF India	555	550	5
Indonesia CPO USD/MT	FOB	488	488	Unch
	CNF India	515	510	5
RBD Palm oil (Malaysia Origin USD/MT)	FOB	518	518	Unch
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	510	508	2
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	670	660	10
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	385	383	2

Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	620	-
Ukraine Origin CSFO USD/MT Kandla	CIF	820	818	2
Rapeseed Oil Rotterdam Euro/MT	FOB	765	768	-3
Argentina FOB (\$/MT)		6-Aug-19	5-Aug-19	Change
Crude Soybean Oil Ship		665	678	-13
Refined Soy Oil (Bulk) Ship		688	702	-14
Sunflower Oil Ship		725	725	Unch
Cottonseed Oil Ship		645	658	-13
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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