

Domestic Fundamentals:

- Edible oils complex featured mostly weak trend in various oils at various market centers on Thursday.
- Soy oil and palm oil domestic futures fell on demand concerns. BMD CPO fell on hike in import duty by India on RBD palmolein imports from Malaysia while CBOT soy rose on technical buying.
- According to Ministry of Finance (MOF), Government of India Notification number 29/2019-Customs dated 4th September 2019, India increased import duty on RBD palmolein imports by 5% sourced from Malaysia for a period of 180 days imported under India-Malaysia Comprehensive Economic Cooperation Agreement. After the hike import duty on imports of RBD palmolein from Malaysia stands at 50 percent plus 10 percent cess which makes effective duty at 55 percent. This brings import duty on Malaysian RBD Palmolein at par with other destinations and import duty differential between CPO and RBD palmolein imports stands at 11 percent.

This hike in import duty has been done as imports of RBD palmolein surged from Malaysia in 2019 hurting Indian refining industry. Lower price imports led to idling of plants add domestic refining industry was not able to increase production despite significant capacities. Further, the market share of Indian refined RBD palmolein decreased significantly compared to imported RBD palmolein from Malaysia. The ministry quoted that any delay in imposing import duty will cause irreparable damage to the industry.

- In a landmark decision Government of India (GOI) increased import duty on imports of RBD palmolein sourced from Malaysia by 5 percent under India-Malaysia Comprehensive Economic Cooperation Agreement. This step will curb surging imports of RBD palmolein from Malaysia which hampered local refining of palm oil. This step will give rise to higher CPO imports and lower RBD palmolein imports due to rise in differential between CPO and RBD palmolein imports from 5.5 percent to 11 percent. This step will also support Indonesia refiners who were struggling due to lower duty preference given to Malaysia. Secular duties are always preferable when dealing with equivalent trade partners. Further, this step will stem the rapid fall of palm oil stocks in Malaysia due to surge in imports by India. Malaysia being a benchmark market of palm oil, any fall in stocks in that country leads to rise in global palm oil prices.
- Palm oil prices are expected to be supported by expectation of fall in end stocks of palm oil in Malaysia in Aug, rise in exports of palm oil, fall in production of palm oil, depreciation of ringgit, rise in competitive oils and rise in crude oil prices.

Palm oil end stocks are expected to fall in Malaysia in August on slowdown of production in Malaysia and rise in exports from Malaysia in August.

Production of palm oil is expected to slowdown in August after rose 15 percent in July in Malaysia. Data from Malaysian Palm Oil Association showed slowdown of production of palm oil in first 20 days of August indicating that production will close the month of August with deficit.

Exports of palm oil rose from Malaysia in August on higher exports to China and India.

Exports of palm oil from Malaysia to India slowed in Aug due to rise in prices of palm oil, negative refining margins and high stocks of palm oil at Indian ports. However, palm oil imports are expected to remain firm in Aug and onwards on firm demand due to festive season and seasonal uptrend of demand.

Exports of palm oil is expected to rise to China on US-China trade dispute, removal of import quota of palm oil imports by the country and lower supply of soy oil the country due to lower imports of soybean in 2019 due to swine flu.

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
Sep-19	-4.25	756.00	756.00	749.25	751.10	10,690	6390	31140	440
Oct-19	-4.30	757.70	757.70	750.60	752.75	6,570	1050	29030	1880

Prices & Vol-OI are at 5:30 PM

Spread	Sep-19	Oct-19
Spot	-1.10	-2.75
Sep-19		1.65
Oct-19		

MCX CPO Futures

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Sep-19	-3.00	564.90	565.00	558.00	560.30	846	46	4886	-87
Oct-19	-2.40	566.70	567.00	561.30	564.00	204	-303	1433	117

Spread	Sep-19	Oct-19
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Spot	-3.3	-7
Sep-19		3.7
Oct-19		

CBOT Soy Oil Futures (Projections):

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Sep	-0.09	28.71	28.71	28.7	28.7
15-Oct	-0.02	28.84	28.84	28.67	28.82
15-Dec	-0.03	28.97	29	28.81	28.96
15-Jan	-0.02	29.15	29.22	29.05	29.19
15-Mar	-0.03	29.43	29.47	29.32	29.46

BMD CPO Futures:

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
15-Sep	-10	2080	2090	2070	2090
15-Oct	-13	2130	2154	2122	2142
15-Nov	-4	2167	2197	2163	2182
15-Dec	-	2205	2233	2200	2221

Forex:

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
05/09/2019	7.15	14142	4.192	55.92	70.84	4.10	98.15	56.09

Edible Oil Prices at Key Market:

Commodity	Centre	Prices(Per 10 Kg)		Change
		5-Sep-19	4-Sep-19	
Refined Soybean Oil	Indore	750	755	-5
	Indore (Soy Solvent Crude)	715	715	Unch
	Mumbai	755	755	Unch
	Mumbai (Soy Degum)	708	710	-2
	Kandla/Mundra	735	735	Unch
	Kandla/Mundra (Soy Degum)	702	708	-6
	Kolkata	755	750	5
	Delhi	773	775	-2
	Nagpur	759	765	-6
	Rajkot	735	730	5
	Kota	745	750	-5

	Hyderabad	Unq	Unq	-
	Akola	762	766	-4
	Amrawati	762	766	-4
	Bundi	750	755	-5
	Jalna	766	771	-5
	Solapur	760	762	-2
	Dhule	762	770	-8
Palm Oil*	Kandla (Crude Palm Oil)	585	586	-1
	Kandla (RBD Palm oil)	625	620	5
	Kandla RBD Pamolein	656	656	Unch
	Kakinada (Crude Palm Oil)	564	567	-3
	Kakinada RBD Pamolein	651	656	-5
	Haldia Pamolein	662	656	5
	Chennai RBD Pamolein	662	662	Unch
	Chennai RBD Pamolein (Vitamin A&D Fortified)	722	722	Unch
	KPT (krishna patnam) Pamolein	646	651	-5
	Mumbai RBD Pamolein	662	662	Unch
	Mangalore RBD Pamolein	672	672	Unch
	Tuticorin (RBD Palmolein)	667	667	Unch
	Delhi	686	680	6
	Rajkot	651	644	7
	Hyderabad	634	636	-2
	PFAD (Kandla)	373	383	-11
	Refined Palm Stearin (Kandla)	564	567	-3
	Superolien (Kandla)	693	693	Unch
	Superolien (Mumbai)	704	704	Unch
* inclusive of GST				
Refined Sunflower Oil	Chennai	860	860	Unch
	Mumbai	855	855	Unch
	Mumbai(Expeller Oil)	815	815	Unch
	Kandla (Ref.)	835	835	Unch
	Hyderabad (Ref)	855	855	Unch
	Latur (Expeller Oil)	815	815	Unch
	Chellakere (Expeller Oil)	815	815	Unch
	Erode (Expeller Oil)	885	885	Unch
Groundnut Oil	Rajkot	1125	1125	Unch
	Chennai	1040	1040	Unch
	Delhi	1100	1100	Unch
	Hyderabad *	1030	1030	Unch
	Mumbai	1070	1080	-10

	Gondal	1125	1125	Unch
	Jamnagar	1125	1125	Unch
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	788	790	-2
	Jaipur (Kacchi Ghani Oil)	809	810	-1
	Kota (Expeller Oil)	780	780	Unch
	Kota (Kacchi Ghani Oil)	792	795	-3
	Neewai (Expeller Oil)	780	780	Unch
	Neewai (Kacchi Ghani Oil)	795	795	Unch
	Bharatpur (Kacchi Ghani Oil)	800	800	Unch
	Sri-Ganga Nagar(Exp Oil)	770	770	Unch
	Sri-Ganga Nagar (Kacchi Ghani Oil)	790	790	Unch
	Mumbai (Expeller Oil)	805	815	-10
	Kolkata(Expeller Oil)	930	930	Unch
	New Delhi (Expeller Oil)	800	798	2
	Hapur (Expeller Oil)	885	885	Unch
	Hapur (Kacchi Ghani Oil)	920	920	Unch
	Agra (Kacchi Ghani Oil)	805	805	Unch
Refined Cottonseed Oil	Rajkot	780	780	Unch
	Hyderabad	Unq	Unq	-
	Mumbai	806	806	Unch
	New Delhi	748	748	Unch
Coconut Oil	Kangayan (Crude)	1420	1400	20
	Cochin	1400	1390	10
Sesame Oil	New Delhi	1600	1600	Unch
	Mumbai	Unq	Unq	-
Kardi	Mumbai	880	880	Unch
Rice Bran Oil (40%)	New Delhi	625	625	Unch
Rice Bran Oil (4%)	Punjab	620	620	Unch
Malaysia Palmolein USD/MT	FOB	535	540	-5
	CNF India	565	573	-8
Indonesia CPO USD/MT	FOB	505	510	-5
	CNF India	535	535	Unch
RBD Palm oil (Malaysia Origin USD/MT)	FOB	530	533	-3
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	545	550	-5
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	680	700	-20
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	448	448	Unch



Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	650	-
Ukraine Origin CSFO USD/MT Kandla	CIF	795	795	Unch
Rapeseed Oil Rotterdam Euro/MT	FOB	825	818	7
Argentina FOB (\$/MT)		4-Sep-19	3-Sep-19	Change
Crude Soybean Oil Ship		666	668	-2
Refined Soy Oil (Bulk) Ship		689	691	-2
Sunflower Oil Ship		715	715	Unch
Cottonseed Oil Ship		646	648	-2
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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