

Domestic Fundamentals:

- Edible oils complex featured mostly weak trend in various oils at various market centers on Friday.
- Soy oil and palm oil domestic futures fell on demand concerns. BMD CPO rose on firm global demand scenario while CBOT soy rose on technical buying. Crude oil was trading higher on Friday.
- 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, slow rise in production of palm oil, 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 it 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.
- 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.
- 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.

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	-0.70	750.00	750.80	747.55	748.70	6,340	-4350	30000	-1140
Oct-19	0.20	751.80	752.50	749.70	751.60	4,580	-1990	29540	510

Prices & Vol-OI are at 5:30 PM

Spread	Sep-19	Oct-19
Spot	1.30	-1.60
Sep-19		2.90
Oct-19		

MCX CPO Futures

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Sep-19	0.70	556.80	559.10	555.00	557.50	1186	340	4484	-402
Oct-19	0.90	560.00	562.00	557.00	560.90	1057	853	1728	295

Spread	Sep-19	Oct-19
--------	--------	--------

Spot	3.5	0.1
Sep-19		3.4
Oct-19		

CBOT Soy Oil Futures (Projections):

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Sep	0.08	28.47	28.56	28.46	28.54
15-Oct	0.08	28.65	28.74	28.64	28.72
15-Dec	0.07	28.86	28.95	28.86	28.93
15-Jan	0.07	29.14	29.23	29.13	29.21
15-Mar	0.07	29.5	29.54	29.47	29.53

BMD CPO Futures:

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
15-Sep	27	2117	2117	2117	2116
15-Oct	27	2123	2175	2123	2168
15-Nov	21	2171	2216	2163	2201
15-Dec	17	2210	2248	2205	2238

Forex:

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
06/09/2019	7.12	14095	4.18	56.01	71.70	4.11	98.49	55.31

Edible Oil Prices at Key Market:

Commodity	Centre	Prices(Per 10 Kg)		Change
		6-Sep-19	5-Sep-19	
Refined Soybean Oil	Indore	750	750	Unch
	Indore (Soy Solvent Crude)	715	715	Unch
	Mumbai	755	755	Unch
	Mumbai (Soy Degum)	705	708	-3
	Kandla/Mundra	735	735	Unch
	Kandla/Mundra (Soy Degum)	702	702	Unch
	Kolkata	755	755	Unch
	Delhi	765	773	-8
	Nagpur	Closed	759	-
	Rajkot	735	735	Unch
	Kota	745	745	Unch

	Hyderabad	Unq	Unq	-
	Akola	Closed	762	-
	Amrawati	Closed	762	-
	Bundi	750	750	Unch
	Jalna	Closed	766	-
	Solapur	Closed	760	-
	Dhule	Closed	762	-
Palm Oil*	Kandla (Crude Palm Oil)	589	588	1
	Kandla (RBD Palm oil)	609	625	-16
	Kandla RBD Pamolein	656	656	Unch
	Kakinada (Crude Palm Oil)	562	564	-2
	Kakinada RBD Pamolein	651	651	Unch
	Haldia Pamolein	662	662	Unch
	Chennai RBD Pamolein	662	662	Unch
	Chennai RBD Pamolein (Vitamin A&D Fortified)	722	722	Unch
	KPT (krishna patnam) Pamolein	646	646	Unch
	Mumbai RBD Pamolein	662	662	Unch
	Mangalore RBD Pamolein	672	672	Unch
	Tuticorin (RBD Palmolein)	670	667	3
	Delhi	680	686	-6
	Rajkot	649	651	-2
	Hyderabad	632	634	-2
	PFAD (Kandla)	373	373	Unch
	Refined Palm Stearin (Kandla)	562	564	-2
	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)	880	885	-5
Groundnut Oil	Rajkot	1100	1125	-25
	Chennai	1040	1040	Unch
	Delhi	1100	1100	Unch
	Hyderabad *	1040	1030	10
	Mumbai	1070	1070	Unch

	Gondal	1100	1125	-25
	Jamnagar	1100	1125	-25
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	788	788	Unch
	Jaipur (Kacchi Ghani Oil)	808	809	-1
	Kota (Expeller Oil)	775	780	-5
	Kota (Kacchi Ghani Oil)	792	792	Unch
	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)	775	770	5
	Sri-Ganga Nagar (Kacchi Ghani Oil)	800	790	10
	Mumbai (Expeller Oil)	805	805	Unch
	Kolkata(Expeller Oil)	930	930	Unch
	New Delhi (Expeller Oil)	796	800	-4
	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	742	748	-6
Coconut Oil	Kangayan (Crude)	1350	1420	-70
	Cochin	1400	1400	Unch
Sesame Oil	New Delhi	1650	1600	50
	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	538	535	3
	CNF India	563	565	-2
Indonesia CPO USD/MT	FOB	505	505	Unch
	CNF India	533	535	-2
RBD Palm oil (Malaysia Origin USD/MT)	FOB	533	530	3
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	548	545	3
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	680	680	Unch
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	448	448	Unch



Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	635	-
Ukraine Origin CSFO USD/MT Kandla	CIF	795	795	Unch
Rapeseed Oil Rotterdam Euro/MT	FOB	815	825	-10
Argentina FOB (\$/MT)		5-Sep-19	4-Sep-19	Change
Crude Soybean Oil Ship		664	666	-2
Refined Soy Oil (Bulk) Ship		687	689	-2
Sunflower Oil Ship		713	715	-2
Cottonseed Oil Ship		644	646	-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).

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> 2019 Indian Agribusiness Systems Ltd.