



Domestic Fundamentals:

- Edible oils complex featured firm trend in various markets centers on Friday.
- Soy oil and palm oil domestic futures rose on and rise in international benchmarks. BMD CPO rose on weak supply worries. CBOT soy oil rose on US-China trade settlement optimism. Crude oil was trading higher on Friday.
- Palm oil prices are supported by expectation of fall in end stocks of palm oil in Malaysia and Indonesia, expectation of fall in production of palm oil in Malaysia, rise in exports of palm oil from Malaysia, depreciation of ringgit and rise in competing oils.
- Palm oil end stocks are expected to fall in Malaysia and Indonesia in coming months on slow rise in production of palm oil, rise in exports and strong domestic demand of palm oil in biodiesel in Indonesia and Malaysia.
Palm oil production is expected to fall in Malaysia and Indonesia on dry conditions, effect of haze and low use of fertilizer due to low prices of palm oil in the country. Production of palm oil in Malaysia will remain unchanged in 2020 compared to last year while it will see limited rise in Indonesia forcing supply limitation there by decrease stocks of palm oil globally amidst surge in palm oil imports from India and China.
- Palm oil exports are expected to rise in coming months from Malaysia and Indonesia on strong demand from China and India. Exports rose from Malaysia in Nov due to firm demand from EU despite weak demand from India and China. Imports by China is expected to remain firm in coming months on demand ahead of Chinese New Year, higher imports of palm oil due to shortage of soy oil in the country on swine flu leading to lower demand of soybean in the country. Palm oil imports from India will remain firm in 2020 due to dwindling stocks of palm oil in India due to stable palm oil imports from last 3 year despite rise in demand thereby reducing palm oil stocks in the country.
In near term palm oil imports may slow due to negative import parity and refining margins, lower discount over soy oil, sunflower oil and mustard oil.
- Soy oil domestic prices are supported by weak domestic production of soy oil, positive import parity and low premium of soy oil over palm oil. Further, stressed stocks scenario of soy oil in India supported the rise in current upswing.
- Soy oil international prices are expected to be underpinned US-China trade worries, weak China soybean demand, improving soybean crop weather in Brazil and Argentina and higher soybean area in Argentina. However, fall in stocks of soy oil in US, rise in competing oils and rise in crude oil prices will limit losses.
- US and China is strangled in trade tensions with trade settlement between both countries hanging between diverging views. US has passed a legislation condemning China over Hong Kong which has angered China. Further, China is struck over its stand that US should remove all the import duties imposed to get the trade deal pass through. With deadlock in settlement China has asked trade representatives to come to China to resolve issues.
- According to Indonesia trade ministry, Indonesia kept Dec crude palm oil export duty unchanged at zero. The reference price is set 14 percent higher from last month at USD 650.18 per ton, higher than lower threshold for export duty below USD 570 to calculate export levy. Indonesia taxes palm oil above trigger price of USD 750 per ton. Indonesia has kept crude palm oil export duty at zero since May 2017.
- US soybean is 96% harvested compared to 97% in corresponding period last year and 5-year average of 99%, in the US crop progress report dated 1 December 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
Dec-19	5.40	844.00	850.40	840.60	845.60	12,205	295	18560	-4690
Jan-19	5.40	839.80	845.20	837.80	842.80	21,385	4525	47225	-355

Prices & Vol-OI are at 5:30 PM

Spread	Dec-19	Jan-19
Spot	-5.60	
Dec-19		-2.80
Jan-19		

MCX CPO Futures

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Dec-19	9.90	695.00	708.00	695.00	706.20	2530	1234	3907	-589
Jan-19	12.10	696.60	707.70	693.30	706.50	1682	1153	2277	334

Spread
Dec-19
Jan-19
Spot
-8.2
Dec-19
0.3
Jan-19
CBOT Soy Oil Futures (Projections):

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Jan	0.29	30.53	30.83	30.49	30.79
15-Mar	0.28	30.83	31.13	30.79	31.07
15-May	0.29	31.16	31.46	31.11	31.41
15-Jul	0.31	31.47	31.75	31.44	31.74
15-Aug	0.27	31.62	31.79	31.62	31.79

BMD CPO Futures:

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
15-Jan	39	2781	2860	2781	2833
15-Feb	40	2812	2883	2801	2855
15-Mar	39	2800	2873	2793	2848
15-Apr	37	2774	2837	2766	2817

Forex:

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
06/12/2019	7.03	14035	4.159	59.96	71.28	4.19	97.43	58.41

Edible Oil Prices at Key Market:

Commodity	Centre	Prices(Per 10 Kg)		Change
		6-Dec-19	5-Dec-19	
Refined Soybean Oil	Indore	840	830	10
	Indore (Soy Solvent Crude)	800	790	10
	Mumbai	830	825	5
	Mumbai (Soy Degum)	795	790	5
	Kandla/Mundra	825	820	5
	Kandla/Mundra (Soy Degum)	792	778	14
	Kolkata	820	817	3
	Delhi	875	859	16
	Nagpur	840	823	17
	Rajkot	820	815	5
	Kota	840	825	15

	Hyderabad	Unq	Unq	-
	Akola	842	826	16
	Amrawati	842	826	16
	Bundi	845	830	15
	Jalna	837	817	20
	Solapur	820	810	10
	Dhule	833	822	11
Palm Oil*	Kandla (Crude Palm Oil)	733	725	8
	Kandla (RBD Palm oil)	772	751	21
	Kandla RBD Pamolein	803	798	5
	Kakinada (Crude Palm Oil)	719	704	16
	Kakinada RBD Pamolein	809	793	16
	Haldia Pamolein	809	795	14
	Chennai RBD Pamolein	814	809	5
	Chennai RBD Pamolein (Vitamin A&D Fortified)	870	857	14
	KPT (krishna patnam) Pamolein	809	798	11
	Mumbai RBD Pamolein	830	814	16
	Mangalore RBD Pamolein	819	814	5
	Tuticorin (RBD Palmolein)	818	814	4
	Delhi	838	828	10
	Rajkot	798	788	11
	Hyderabad	795	795	Unch
	PFAD (Kandla)	525	504	21
	Refined Palm Stearin (Kandla)	719	704	16
	Superolien (Kandla)	835	809	26
	Superolien (Mumbai)	845	819	26
* inclusive of GST				
Refined Sunflower Oil	Chennai	845	840	5
	Mumbai	850	845	5
	Mumbai(Expeller Oil)	805	790	15
	Kandla (Ref.)	840	840	Unch
	Hyderabad (Ref)	860	855	5
	Latur (Expeller Oil)	815	810	5
	Chellakere (Expeller Oil)	807	805	2
	Erode (Expeller Oil)	880	880	Unch
Groundnut Oil	Rajkot	1050	1025	25
	Chennai	1040	1020	20
	Delhi	1100	1100	Unch
	Hyderabad *	1060	1050	10
	Mumbai	1035	1030	5

	Gondal	1030	1020	10
	Jamnagar	1040	1015	25
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	880	875	5
	Jaipur (Kacchi Ghani Oil)	902	894	8
	Kota (Expeller Oil)	880	870	10
	Kota (Kacchi Ghani Oil)	895	890	5
	Neewai (Expeller Oil)	870	865	5
	Neewai (Kacchi Ghani Oil)	890	885	5
	Bharatpur (Kacchi Ghani Oil)	900	895	5
	Sri-Ganga Nagar(Exp Oil)	885	880	5
	Sri-Ganga Nagar (Kacchi Ghani Oil)	905	895	10
	Mumbai (Expeller Oil)	870	860	10
	Kolkata(Expeller Oil)	930	930	Unch
	New Delhi (Expeller Oil)	878	874	4
	Hapur (Expeller Oil)	890	885	5
	Hapur (Kacchi Ghani Oil)	920	915	5
	Agra (Kacchi Ghani Oil)	905	900	5
Refined Cottonseed Oil	Rajkot	820	820	Unch
	Hyderabad	830	830	Unch
	Mumbai	825	820	5
	New Delhi	800	792	8
Coconut Oil	Kangayan (Crude)	1340	1340	Unch
	Cochin	1450	1450	Unch
Sesame Oil	New Delhi	1380	1380	Unch
	Mumbai	Unq	Unq	-
Kardi	Mumbai	880	880	Unch
Rice Bran Oil (40%)	New Delhi	654	652	2
Rice Bran Oil (4%)	Punjab	660	650	10
Malaysia Palmolein USD/MT	FOB	688	670	18
	CNF India	723	708	15
Indonesia CPO USD/MT	FOB	680	670	10
	CNF India	698	678	20
RBD Palm oil (Malaysia Origin USD/MT)	FOB	683	668	15
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	678	670	8
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	940	930	10
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	560	550	10

Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	885	-
Ukraine Origin CSFO USD/MT Kandla	CIF	788	788	Unch
Rapeseed Oil Rotterdam Euro/MT	FOB	-	815	-
Argentina FOB (\$/MT)		5-Dec-19	4-Dec-19	Change
Crude Soybean Oil Ship		715	706	9
Refined Soy Oil (Bulk) Ship		740	731	9
Sunflower Oil Ship		710	710	Unch
Cottonseed Oil Ship		695	686	9
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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