



### Domestic Fundamentals:

- Edible oils complex featured firm trend in various markets centers on Saturday.
- 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
		07-Dec-19	06-Dec-19	
Refined Soybean Oil	Indore	855	840	15
	Indore (Soy Solvent Crude)	825	800	25
	Mumbai	840	830	10
	Mumbai (Soy Degum)	805	795	10
	Kandla/Mundra	835	825	10
	Kandla/Mundra (Soy Degum)	805	792	13
	Kolkata	840	820	20
	Delhi	875	875	Unch
	Nagpur	848	840	8
	Rajkot	830	820	10
	Kota	845	840	5
	Hyderabad	Unq	Unq	-

	Akola	849	842	7
	Amrawati	848	842	6
	Bundi	850	845	5
	Jalna	837	837	Unch
	Solapur	820	820	Unch
	Dhule	837	833	4
Palm Oil*	Kandla (Crude Palm Oil)	749	733	16
	Kandla (RBD Palm oil)	788	772	16
	Kandla RBD Pamolein	824	803	21
	Kakinada (Crude Palm Oil)	735	719	16
	Kakinada RBD Pamolein	814	809	5
	Haldia Pamolein	819	809	11
	Chennai RBD Pamolein	830	814	16
	Chennai RBD Pamolein (Vitamin A&D Fortified)	886	870	16
	KPT (krishna patnam) Pamolein	814	809	5
	Mumbai RBD Pamolein	840	830	11
	Mangalore RBD Pamolein	830	819	11
	Tuticorin (RBD Palmolein)	835	818	17
	Delhi	838	838	Unch
	Rajkot	819	798	21
	Hyderabad	800	795	5
	PFAD (Kandla)	504	525	-21
	Refined Palm Stearin (Kandla)	735	719	16
	Superolien (Kandla)	851	835	16
	Superolien (Mumbai)	861	845	16
* inclusive of GST				
Refined Sunflower Oil	Chennai	850	845	5
	Mumbai	870	850	20
	Mumbai(Expeller Oil)	805	805	Unch
	Kandla (Ref.)	860	840	20
	Hyderabad (Ref)	860	860	Unch
	Latur (Expeller Oil)	820	815	5
	Chellakere (Expeller Oil)	827	807	20
	Erode (Expeller Oil)	875	880	-5
Groundnut Oil	Rajkot	1050	1050	Unch
	Chennai	1060	1040	20
	Delhi	1100	1100	Unch
	Hyderabad *	1060	1060	Unch
	Mumbai	1035	1035	Unch
	Gondal	1040	1030	10

	Jamnagar	1040	1040	Unch
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	885	880	5
	Jaipur (Kacchi Ghani Oil)	905	902	3
	Kota (Expeller Oil)	885	880	5
	Kota (Kacchi Ghani Oil)	905	895	10
	Neewai (Expeller Oil)	870	870	Unch
	Neewai (Kacchi Ghani Oil)	893	890	3
	Bharatpur (Kacchi Ghani Oil)	900	900	Unch
	Sri-Ganga Nagar(Exp Oil)	890	885	5
	Sri-Ganga Nagar (Kacchi Ghani Oil)	905	905	Unch
	Mumbai (Expeller Oil)	870	870	Unch
	Kolkata(Expeller Oil)	930	930	Unch
	New Delhi (Expeller Oil)	878	878	Unch
	Hapur (Expeller Oil)	890	890	Unch
	Hapur (Kacchi Ghani Oil)	920	920	Unch
	Agra (Kacchi Ghani Oil)	905	905	Unch
Refined Cottonseed Oil	Rajkot	830	820	10
	Hyderabad	840	830	10
	Mumbai	835	825	10
	New Delhi	800	800	Unch
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	654	Unch
Rice Bran Oil (4%)	Punjab	660	660	Unch
Malaysia Palmolein USD/MT	FOB	700	688	12
	CNF India	740	723	17
Indonesia CPO USD/MT	FOB	685	680	5
	CNF India	715	698	17
RBD Palm oil (Malaysia Origin USD/MT)	FOB	Closed	683	-
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	Closed	678	-
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	Closed	940	-
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	Closed	560	-
Crude palm Kernel Oil India (USD/MT)	CNF India	Closed	895	-

Ukraine Origin CSFO USD/MT Kandla	CIF	800	788	12
Rapeseed Oil Rotterdam Euro/MT	FOB	Closed	825	-
Argentina FOB (\$/MT)		6-Dec-19	5-Dec-19	Change
Crude Soybean Oil Ship		732	715	17
Refined Soy Oil (Bulk) Ship		758	740	18
Sunflower Oil Ship		710	710	Unch
Cottonseed Oil Ship		712	695	17
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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