

Domestic Fundamentals:

- Edible oils complex featured mixed trend in various markets centers on Tuesday.
- Soy oil domestic futures prices rose on weak supply concerns while palm oil futures rose on rise in international benchmark. BMD CPO rose on weak global supply prospects. CBOT soy oil rose on US-China trade settlement optimism.
- Palm oil prices are expected to be supported by expectation of fall in end stocks of palm oil in Malaysia, fall in production of palm oil in Malaysia, higher use of palm oil in biodiesel in Malaysia and Indonesia, dry conditions in Indonesia and rise in crude oil prices.
- Palm oil end stocks are expected to fall in Malaysia in coming months due to fall in production of palm oil and higher use of palm oil in biodiesel amid slow exports of palm oil from Malaysia.
- Palm oil production is expected to slow in coming months on seasonal downtrend of production and fall in production due to lower use of fertilizers and fall in production due to unusual haze due to burning of forests in Indonesia to clear it for palm plantation.
- Palm oil exports are expected to remain slow in Dec-Jan from Malaysia due to seasonal slowdown of exports due to winters. Exports of palm oil will remain slow to India while it will rise to China on demand ahead of Chinese New Year. Exports of palm oil is expected to slow to India from Malaysia in Dec due to India-Malaysia dispute over Kashmir. Exports are expected to pick up from Jan from Malaysia due to reduction of palm oil import duty by India which will reduce import duty differential between CPO and RBD palmolein from 11 percent to 7.5 percent. Palm oil imports by China is expected to remain firm in coming months on stocking ahead of Chinese New Year and lower production of soy oil in China will lead to higher imports palm oil to the country. However, palm oil prices are capped by appreciation of ringgit which makes palm uncompetitive compared to other oils. Rise in oils like soy oil CBOT and RBD palmolein China will support palm oil prices. Rise in crude oil prices are expected to support palm oil prices.
- Soy oil domestic prices are supported by positive import parity, positive refining margins, rise in competing oil and low production of soy oil in Indian markets due to weak domestic soybean crop. Soy oil international prices are supported by US-China trade settlement optimism, hike in export duty on soy oil by new Argentina government, low stocks of soy oil in US, firm demand of soybean from China and rise in crude oil prices.
- US-China has agreed for trade settlement which is seen as first phase of trade deal and both sides seem to be satisfied with the way trade talks are progressing. US trade secretary has said that the present trade deal will increase US farm exports to record. Most of the US agricultural trade between both countries are in soybeans. China has asked US to take back import duties. US has indefinitely postponed proposed trade tariffs to be imposed on Chinese goods from Dec 15. Final trade deal will only be signed in Jan 2020.
- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's Dec 1-20 palm oil exports fell 10.2 percent to 837,873 tons compared to 933,321 tons in corresponding period last month. Top buyers were European Union 210,690 tons (238,335 tons), China at 111,591 tons (121,670 tons), India at 59,400 tons (99,900 tons), Pakistan at 41,000 tons (32,000 tons) and United States at 34,300 tons (50,970 tons). Values in brackets are figures of corresponding period last month.

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 |
|----------|------|--------|--------|--------|--------|--------|---------------|-------|-----------|
| Jan-20 | 2.20 | 910.00 | 914.80 | 901.40 | 912.20 | 28,420 | 8625 | 49425 | -4650 |
| Feb-20 | 4.20 | 912.00 | 914.80 | 901.60 | 912.40 | 19,295 | 8360 | 47035 | 4880 |

Prices & Vol-OI are at 5:30 PM

| Spread | Jan-20 | Feb-20 |
|--------|--------|--------|
| Spot | -7.20 | |
| Jan-20 | | 0.20 |
| Feb-20 | | |

MCX CPO Futures

| Contract | +/- | Open | High | Low | Close | Volume | Volume Change | OI | OI Change |
|----------|------|--------|--------|--------|--------|--------|---------------|------|-----------|
| Dec-19 | 7.10 | 741.60 | 750.00 | 737.00 | 747.80 | 737 | 188 | 2124 | -201 |
| Jan-20 | 8.60 | 749.00 | 759.00 | 743.60 | 756.10 | 1679 | 660 | 5264 | 150 |

Spread
Dec-19
Jan-20
Spot
-0.8
Dec-19
8.3
Jan-20
CBOT Soy Oil Futures (Projections):

(Values in US cents/lb)

| Contract | +/- | Open | High | Low | Close |
|----------|-------|-------|-------|-------|-------|
| 15-Jan | -0.16 | 33.73 | 33.76 | 33.54 | 33.62 |
| 15-Mar | -0.16 | 34.02 | 34.03 | 33.8 | 33.89 |
| 15-May | -0.16 | 34.32 | 34.32 | 34.1 | 34.19 |
| 15-Jul | -0.17 | 34.55 | 34.55 | 34.4 | 34.48 |
| 15-Aug | -0.15 | 34.6 | 34.6 | 34.45 | 34.55 |

BMD CPO Futures:

(Values in MYR/tonnes)

| Contract | +/- | Open | High | Low | Close |
|----------|-----|------|------|------|-------|
| 15-Jan | 1 | 2901 | 2907 | 2890 | 2902 |
| 15-Feb | 12 | 2894 | 2925 | 2894 | 2919 |
| 15-Mar | 16 | 2897 | 2926 | 2894 | 2923 |
| 15-Apr | 25 | 2874 | 2909 | 2873 | 2909 |

Forex:

| Date/Currency | Chinese Yuan | Indonesian Rupiah | Malaysian Ringgit | Argentine Peso | Indian rupee | Brazilian Real | Dollar Index | Crude Oil WTI (\$/barrel) |
|---------------|--------------|-------------------|-------------------|----------------|--------------|----------------|--------------|---------------------------|
| 24/12/2019 | 7.00 | 13975 | 4.136 | 59.93 | 71.17 | 4.08 | 97.78 | 60.64 |

Edible Oil Prices at Key Market:

| Commodity | Centre | Prices(Per 10 Kg) | | Change |
|---------------------|----------------------------|-------------------|-----------|--------|
| | | 24-Dec-19 | 23-Dec-19 | |
| Refined Soybean Oil | Indore | 905 | 902 | 3 |
| | Indore (Soy Solvent Crude) | 870 | 890 | -20 |
| | Mumbai | 890 | 890 | Unch |
| | Mumbai (Soy Degum) | 862 | 857 | 5 |
| | Kandla/Mundra | 885 | 885 | Unch |
| | Kandla/Mundra (Soy Degum) | 862 | 855 | 7 |
| | Kolkata | 875 | 875 | Unch |
| | Delhi | 937 | 937 | Unch |
| | Nagpur | 903 | 903 | Unch |
| | Rajkot | 900 | 880 | 20 |
| | Kota | 905 | 905 | Unch |
| | Hyderabad | Unq | Unq | - |

| | | | | |
|-----------------------|--|------|------|------|
| | Akola | 905 | 905 | Unch |
| | Amrawati | 905 | 907 | -2 |
| | Bundi | 910 | 910 | Unch |
| | Jalna | 893 | 893 | Unch |
| | Solapur | 890 | 890 | Unch |
| | Dhule | 894 | 894 | Unch |
| | | | | |
| Palm Oil* | Kandla (Crude Palm Oil) | 784 | 784 | Unch |
| | Kandla (RBD Palm oil) | 824 | 824 | Unch |
| | Kandla RBD Pamolein | 851 | 851 | Unch |
| | Kakinada (Crude Palm Oil) | 767 | 761 | 5 |
| | Kakinada RBD Pamolein | 845 | 845 | Unch |
| | Haldia Pamolein | 845 | 851 | -5 |
| | Chennai RBD Pamolein | 856 | 856 | Unch |
| | Chennai RBD Pamolein (Vitamin A&D Fortified) | 915 | 915 | Unch |
| | KPT (krishna patnam) Pamolein | 845 | 845 | Unch |
| | Mumbai RBD Pamolein | 856 | 856 | Unch |
| | Mangalore RBD Pamolein | 861 | 861 | Unch |
| | Tuticorin (RBD Palmolein) | 856 | 854 | 2 |
| | Delhi | 875 | 880 | -5 |
| | Rajkot | 845 | 840 | 5 |
| | Hyderabad | 817 | 820 | -3 |
| | PFAD (Kandla) | 530 | 530 | Unch |
| | Refined Palm Stearin (Kandla) | 767 | 761 | 5 |
| | Superolien (Kandla) | 887 | 887 | Unch |
| | Superolien (Mumbai) | 893 | 893 | Unch |
| * inclusive of GST | | | | |
| Refined Sunflower Oil | Chennai | 875 | 875 | Unch |
| | Mumbai | 910 | 910 | Unch |
| | Mumbai (Expeller Oil) | 860 | 860 | Unch |
| | Kandla (Ref.) | 890 | 890 | Unch |
| | Hyderabad (Ref) | 890 | 880 | 10 |
| | Latur (Expeller Oil) | 827 | 827 | Unch |
| | Chellakere (Expeller Oil) | 832 | 832 | Unch |
| | Erode (Expeller Oil) | 910 | 910 | Unch |
| | | | | |
| Groundnut Oil | Rajkot | 1050 | 1050 | Unch |
| | Chennai | 1120 | 1130 | -10 |
| | Delhi | 1100 | 1100 | Unch |
| | Hyderabad * | 1130 | 1100 | 30 |
| | Mumbai | 1135 | 1130 | 5 |
| | Gondal | 1125 | 1130 | -5 |

| | | | | |
|---|------------------------------------|------|------|------|
| | Jamnagar | 1125 | 1130 | -5 |
| | | | | |
| Rapeseed Oil/Mustard Oil | Jaipur (Expeller Oil) | 940 | 915 | 25 |
| | Jaipur (Kacchi Ghani Oil) | 950 | 951 | -1 |
| | Kota (Expeller Oil) | 930 | 930 | Unch |
| | Kota (Kacchi Ghani Oil) | 950 | 930 | 20 |
| | Neewai (Expeller Oil) | 915 | 915 | Unch |
| | Neewai (Kacchi Ghani Oil) | 935 | 935 | Unch |
| | Bharatpur (Kacchi Ghani Oil) | 950 | 950 | Unch |
| | Sri-Ganga Nagar(Exp Oil) | 940 | 940 | Unch |
| | Sri-Ganga Nagar (Kacchi Ghani Oil) | 950 | 950 | Unch |
| | Mumbai (Expeller Oil) | 910 | 900 | 10 |
| | Kolkata(Expeller Oil) | 960 | 960 | Unch |
| | New Delhi (Expeller Oil) | 935 | 935 | Unch |
| | Hapur (Expeller Oil) | 890 | 890 | Unch |
| | Hapur (Kacchi Ghani Oil) | 920 | 920 | Unch |
| | Agra (Kacchi Ghani Oil) | 955 | 955 | Unch |
| | | | | |
| Refined Cottonseed Oil | Rajkot | 870 | 840 | 30 |
| | Hyderabad | 850 | 850 | Unch |
| | Mumbai | 875 | 875 | Unch |
| | New Delhi | 835 | 838 | -3 |
| | | | | |
| Coconut Oil | Kangayan (Crude) | 1400 | 1400 | Unch |
| | Cochin | 1485 | 1485 | Unch |
| | | | | |
| Sesame Oil | New Delhi | 1500 | 1500 | Unch |
| | Mumbai | Unq | Unq | - |
| Kardi | Mumbai | Unq | Unq | - |
| Rice Bran Oil (40%) | New Delhi | 697 | 697 | Unch |
| Rice Bran Oil (4%) | Punjab | 700 | 700 | Unch |
| | | | | |
| Malaysia Palmolein USD/MT | FOB | 728 | 723 | 5 |
| | CNF India | 785 | 785 | Unch |
| Indonesia CPO USD/MT | FOB | 723 | 720 | 3 |
| | CNF India | 765 | 760 | 5 |
| RBD Palm oil (Malaysia Origin USD/MT) | FOB | 725 | 720 | 5 |
| RBD Palm Stearin (Malaysia Origin USD/MT) | FOB | 725 | 725 | Unch |
| RBD Palm Kernel Oil (Malaysia Origin USD/MT) | FOB | 1030 | 1025 | 5 |
| Palm Fatty Acid Distillate (Malaysia Origin USD/MT) | FOB | 630 | 630 | Unch |
| Crude palm Kernel Oil India (USD/MT) | CNF India | Unq | Unq | - |



| | | | | |
|-----------------------------------|-----|-----------|-----------|--------|
| Ukraine Origin CSFO USD/MT Kandla | CIF | 840 | 858 | -18 |
| Rapeseed Oil Rotterdam Euro/MT | FOB | Unq | 848 | - |
| | | | | |
| Argentina FOB (\$/MT) | | 23-Dec-19 | 21-Dec-19 | Change |
| Crude Soybean Oil Ship | | 798 | Closed | - |
| Refined Soy Oil (Bulk) Ship | | 826 | Closed | - |
| Sunflower Oil Ship | | 760 | Closed | - |
| Cottonseed Oil Ship | | 778 | Closed | - |
| Refined Linseed Oil (Bulk) Ship | | Unq | Closed | - |
| * 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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