

Domestic Fundamentals:

- Edible oil complex featured firm trend at various markets centers on Monday.
- Soy oil and palm oil domestic futures prices rose on weak supply concerns and rise in international benchmarks. 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, rise in competing oils 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 Malaysia and Indonesia 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 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.
- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's Dec 1-25 palm oil exports fell 15.5 percent to 1,066,943 tons compared to 1,166,676 tons in corresponding period last month. Top buyers were European Union 240,140 tons (293,660 tons), China at 185,691 tons (226,030 tons), India at 81,900 tons (115,900 tons), United States at 48,863 tons (50,970 tons) and Pakistan at 41,000 tons (57,000tons). Values in brackets are figures of corresponding period last month.
- According to Indonesia trade ministry, Indonesia will charge export levy on exports of crude palm oil (CPO) at USD 50 per ton from Jan. The reference price is set at USD 729.72 per ton for Jan. Indonesia will charge export duty on exports of CPO above USD 750 per ton and above the threshold levy of USD 570 per ton. USD 10-15 per ton levy will be charged when reference prices rise above threshold prices and will be USD 20-50 per ton if prices rise above USD 619 per ton.

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	12.20	943.00	952.40	939.00	951.20	18,740	-21740	41470	-1280
Feb-20	10.80	942.00	948.60	937.60	947.40	15,640	-16360	50765	2075

Prices & Vol-OI are at 5:30 PM

Spread	Jan-20	Feb-20
Spot	-16.20	
Jan-20		-3.80
Feb-20		

MCX CPO Futures

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Dec-19	4.50	804.00	809.10	800.60	808.50	451	-1203	1478	-169
Jan-20	6.80	806.00	815.00	801.70	812.50	2191	-3815	4377	-280

Spread
Dec-19
Jan-20
Spot

0.5

Dec-19

4

Jan-20
CBOT Soy Oil Futures (Projections):

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Jan	0.29	34.7	35.07	34.66	35.02
15-Mar	0.27	34.99	35.37	34.95	35.31
15-May	0.27	35.25	35.65	35.22	35.59
15-Jul	0.26	35.54	35.93	35.51	35.87
15-Aug	0.25	35.58	35.94	35.54	35.89

BMD CPO Futures:

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
15-Jan	65	3015	3100	3010	3100
15-Feb	59	3062	3153	3057	3136
15-Mar	55	3069	3140	3052	3128
15-Apr	44	3041	3110	3032	3101

Forex:

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
30/12/2019	6.99	13924	4.107	59.81	71.35	4.05	96.83	61.91

Edible Oil Prices at Key Market:

Commodity	Centre	Prices(Per 10 Kg)		Change
		30-Dec-19	28-Dec-19	
Refined Soybean Oil	Indore	935	935	Unch
	Indore (Soy Solvent Crude)	895	885	10
	Mumbai	940	930	10
	Mumbai (Soy Degum)	905	905	Unch
	Kandla/Mundra	935	925	10
	Kandla/Mundra (Soy Degum)	910	908	2
	Kolkata	945	935	10
	Delhi	985	964	21
	Nagpur	932	920	12
	Rajkot	940	930	10
	Kota	950	950	Unch
	Hyderabad	Unq	Unq	-

	Akola	935	925	10
	Amrawati	935	925	10
	Bundi	955	955	Unch
	Jalna	940	907	33
	Solapur	935	900	35
	Dhule	940	918	22
Palm Oil*	Kandla (Crude Palm Oil)	849	835	15
	Kandla (RBD Palm oil)	877	872	5
	Kandla RBD Pamolein	919	908	11
	Kakinada (Crude Palm Oil)	851	840	11
	Kakinada RBD Pamolein	882	893	-11
	Haldia Pamolein	887	919	-32
	Chennai RBD Pamolein	903	903	Unch
	Chennai RBD Pamolein (Vitamin A&D Fortified)	956	960	-4
	KPT (krishna patnam) Pamolein	893	887	5
	Mumbai RBD Pamolein	924	914	11
	Mangalore RBD Pamolein	914	914	Unch
	Tuticorin (RBD Palmolein)	914	914	Unch
	Delhi	943	932	11
	Rajkot	903	893	11
	Hyderabad	910	875	35
	PFAD (Kandla)	567	583	-16
	Refined Palm Stearin (Kandla)	851	840	11
	Superolien (Kandla)	914	924	-11
	Superolien (Mumbai)	924	935	-11
* inclusive of GST				
Refined Sunflower Oil	Chennai	925	920	5
	Mumbai	940	925	15
	Mumbai(Expeller Oil)	900	890	10
	Kandla (Ref.)	935	925	10
	Hyderabad (Ref)	920	915	5
	Latur (Expeller Oil)	865	845	20
	Chellakere (Expeller Oil)	870	850	20
	Erode (Expeller Oil)	960	940	20
Groundnut Oil	Rajkot	1050	1050	Unch
	Chennai	1160	1160	Unch
	Delhi	1100	1100	Unch
	Hyderabad *	1220	1200	20
	Mumbai	1170	1155	15
	Gondal	1135	1135	Unch

	Jamnagar	1135	1130	5
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	945	940	5
	Jaipur (Kacchi Ghani Oil)	974	964	10
	Kota (Expeller Oil)	950	940	10
	Kota (Kacchi Ghani Oil)	970	960	10
	Neewai (Expeller Oil)	945	940	5
	Neewai (Kacchi Ghani Oil)	960	955	5
	Bharatpur (Kacchi Ghani Oil)	975	975	Unch
	Sri-Ganga Nagar(Exp Oil)	945	940	5
	Sri-Ganga Nagar (Kacchi Ghani Oil)	965	955	10
	Mumbai (Expeller Oil)	930	925	5
	Kolkata(Expeller Oil)	940	960	-20
	New Delhi (Expeller Oil)	953	945	8
	Hapur (Expeller Oil)	890	890	Unch
	Hapur (Kacchi Ghani Oil)	920	920	Unch
	Agra (Kacchi Ghani Oil)	980	970	10
Refined Cottonseed Oil	Rajkot	910	900	10
	Hyderabad	870	860	10
	Mumbai	880	890	-10
	New Delhi	885	865	20
Coconut Oil	Kangayan (Crude)	1380	1375	5
	Cochin	1485	1500	-15
Sesame Oil	New Delhi	1500	1500	Unch
	Mumbai	Unq	Unq	-
Kardi	Mumbai	Unq	Unq	-
Rice Bran Oil (40%)	New Delhi	715	715	Unch
Rice Bran Oil (4%)	Punjab	735	725	10
Malaysia Palmolein USD/MT	FOB	765	770	-5
	CNF India	830	820	10
Indonesia CPO USD/MT	FOB	765	765	Unch
	CNF India	810	800	10
RBD Palm oil (Malaysia Origin USD/MT)	FOB	763	755	8
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	755	750	5
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1125	1115	10
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	655	645	10
Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	Closed	-

Ukraine Origin CSFO USD/MT Kandla	CIF	863	863	Unch
Rapeseed Oil Rotterdam Euro/MT	FOB	Unq	Closed	-
Argentina FOB (\$/MT)		28-Dec-19	27-Dec-19	Change
Crude Soybean Oil Ship		Closed	815	-
Refined Soy Oil (Bulk) Ship		Closed	844	-
Sunflower Oil Ship		Closed	775	-
Cottonseed Oil Ship		Closed	795	-
Refined Linseed Oil (Bulk) Ship		Closed	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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