

**Domestic Fundamentals:**

- Edible oil complex featured mostly weak tone at various market centers on Wednesday.
- Soy oil and palm oil domestic futures prices rose on demand prospects. CBOT soy oil declined on selling pressures while BMD CPO prices increased on lower supply concerns.
- According to Ministry of Finance (MOF), Government of India Notification number 42/2019-Customs dated 31st December 2019, India decreased import duty on RBD palmolein imports by 5% and to 45% and 2.5% on CPO to 37.5% under ASEAN agreement and the India-Malaysia Comprehensive Economic Cooperation Agreement (IMCECA). After the decrease import duty on imports of RBD palmolein stand at 49.5% after 10% cess and effective import duty on CPO stands at 41.25%. After this import duty reduction effective duty differential between CPO and RBD palmolein stands at 8.25% down from 11%. This reduction in import duty differential will increase import of refined palm oil which will be detrimental to Indian palm oil refining industry already reeling under overcapacity and debt. This will lead to idling of Indian palm oil refineries. Also, this will increase share of imports of refined palm oil in edible oils import basket.
- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's Dec palm oil exports fell 6.0 percent to 1,325,201 tons compared to 1,409,620 tons last month. Top buyers were European Union 285,463 tons (323,110 tons), China at 220,236 tons (340,080 tons), India at 89,600 tons (134,900 tons), United States at 61,600 tons (64,500 tons) and Pakistan at 56,798 tons (50,970 tons). Values in brackets are figures of last month.
- Palm oil prices are expected to rise 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, flood conditions in Indonesia and Malaysia, 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 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. 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, rise in crude oil prices due to US-Iran tensions, hike in export duty on soy oil by new Argentina government, low stocks of soy oil in US, and firm demand of soybean from China.

**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	9.00	922.00	934.00	911.60	925.60	12,825	-3030	22315	-1175
Feb-20	9.00	918.80	931.60	909.40	924.80	40,795	3700	57905	6745

Prices & Vol-OI are at 5:30 PM

Spread	Jan-20	Feb-20
Spot	-0.60	
Jan-20		-0.80
Feb-20		

**MCX CPO Futures**

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Jan-20	7.00	808.40	831.10	801.90	817.50	3936	214	3742	-52
Feb-20	8.00	810.70	832.70	805.30	820.50	1943	-18	1939	144

**Spread**
**Jan-20**
**Feb-20**

Spot

1.5

-1.5

Jan-20

3

Feb-20

**CBOT Soy Oil Futures (Projections):**

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Jan	0.04	34.5	34.5	34.5	34.5
15-Mar	-0.23	34.74	34.76	34.47	34.51
15-May	-0.20	35.02	35.05	34.78	34.84
15-Jul	-0.22	35.37	35.37	35.11	35.14
15-Aug	-0.20	35.31	35.39	35.17	35.22

**BMD CPO Futures:**

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
15-Jan	5	3043	3044	3043	3043
15-Feb	1	3057	3061	3031	3053
15-Mar	-4	3047	3059	3024	3038
15-Apr	-13	3050	3050	3017	3021

**Forex:**

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
8/1/2020	6.94	13888	4.102	59.74	71.68	4.06	97.14	62.59

**Edible Oil Prices at Key Market:**

Commodity	Centre	Prices(Per 10 Kg)		Change
		08-Jan-20	07-Jan-20	
Refined Soybean Oil	Indore	925	920	5
	Indore (Soy Solvent Crude)	865	875	-10
	Mumbai	940	945	-5
	Mumbai (Soy Degum)	890	890	Unch
	Kandla/Mundra	935	940	-5
	Kandla/Mundra (Soy Degum)	902	902	Unch
	Kolkata	945	935	10
	Delhi	980	985	-5
	Nagpur	916	916	Unch
	Rajkot	900	930	-30
	Kota	925	930	-5

	Hyderabad	Unq	Unq	-
	Akola	922	922	Unch
	Amrawati	923	921	2
	Bundi	930	935	-5
	Jalna	921	921	Unch
	Solapur	914	914	Unch
	Dhule	927	927	Unch
Palm Oil*	Kandla (Crude Palm Oil)	860	860	Unch
	Kandla (RBD Palm oil)	882	882	Unch
	Kandla RBD Pamolein	919	924	-5
	Kakinada (Crude Palm Oil)	842	845	-3
	Kakinada RBD Pamolein	908	908	Unch
	Haldia Pamolein	908	903	5
	Chennai RBD Pamolein	914	919	-5
	Chennai RBD Pamolein (Vitamin A&D Fortified)	977	980	-3
	KPT (krishna patnam) Pamolein	908	908	Unch
	Mumbai RBD Pamolein	914	924	-11
	Mangalore RBD Pamolein	919	924	-5
	Tuticorin (RBD Palmolein)	926	924	2
	Delhi	960	962	-2
	Rajkot	903	914	-11
	Hyderabad	925	940	-15
	PFAD (Kandla)	583	583	Unch
	Refined Palm Stearin (Kandla)	842	845	-3
	Superolien (Kandla)	956	956	Unch
	Superolien (Mumbai)	961	961	Unch
* inclusive of GST				
Refined Sunflower Oil	Chennai	920	920	Unch
	Mumbai	950	960	-10
	Mumbai(Expeller Oil)	875	880	-5
	Kandla (Ref.)	950	945	5
	Hyderabad (Ref)	925	920	5
	Latur (Expeller Oil)	873	880	-7
	Chellakere (Expeller Oil)	878	885	-7
	Erode (Expeller Oil)	970	970	Unch
Groundnut Oil	Rajkot	1100	1100	Unch
	Chennai	1130	1150	-20
	Delhi	1100	1100	Unch
	Hyderabad *	1220	1200	20
	Mumbai	1140	1140	Unch

	Gondal	1075	1075	Unch
	Jamnagar	1075	1075	Unch
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	930	940	-10
	Jaipur (Kacchi Ghani Oil)	950	960	-10
	Kota (Expeller Oil)	925	930	-5
	Kota (Kacchi Ghani Oil)	940	950	-10
	Neewai (Expeller Oil)	920	925	-5
	Neewai (Kacchi Ghani Oil)	935	940	-5
	Bharatpur (Kacchi Ghani Oil)	960	960	Unch
	Sri-Ganga Nagar(Exp Oil)	920	925	-5
	Sri-Ganga Nagar (Kacchi Ghani Oil)	940	945	-5
	Mumbai (Expeller Oil)	940	940	Unch
	Kolkata(Expeller Oil)	1000	1000	Unch
	New Delhi (Expeller Oil)	930	930	Unch
	Hapur (Expeller Oil)	880	880	Unch
	Hapur (Kacchi Ghani Oil)	910	910	Unch
	Agra (Kacchi Ghani Oil)	965	965	Unch
Refined Cottonseed Oil	Rajkot	900	900	Unch
	Hyderabad	875	875	Unch
	Mumbai	910	920	-10
	New Delhi	853	853	Unch
Coconut Oil	Kangayan (Crude)	1360	1360	Unch
	Cochin	1510	1500	10
Sesame Oil	New Delhi	1420	1420	Unch
	Mumbai	Unq	Unq	-
Kardi	Mumbai	Unq	Unq	-
Rice Bran Oil (40%)	New Delhi	710	710	Unch
Rice Bran Oil (4%)	Punjab	735	735	Unch
Malaysia Palmolein USD/MT	FOB	786	788	-2
	CNF India	820	825	-5
Indonesia CPO USD/MT	FOB	783	785	-2
	CNF India	820	820	Unch
RBD Palm oil (Malaysia Origin USD/MT)	FOB	783	785	-2
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	768	770	-2
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1085	1100	-15
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	680	678	2



Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	1075	-
Ukraine Origin CSFO USD/MT Kandla	CIF	873	865	8
Rapeseed Oil Rotterdam Euro/MT	FOB	Unq	870	-
Argentina FOB (\$/MT)		7-Jan-20	6-Jan-20	Change
Crude Soybean Oil Ship		819	816	3
Refined Soy Oil (Bulk) Ship		848	845	3
Sunflower Oil Ship		795	795	Unch
Cottonseed Oil Ship		799	796	3
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.