

**Domestic Fundamentals:**

- Edible oil complex featured mostly firm tone at various market centers on Thursday.
- Soy oil and palm oil domestic futures prices rose on demand prospects. CBOT soy oil rose on global buying due to US-Iran tensions while BMD CPO prices increased on lower supply concerns.
- According to ministry of commerce & industry notification no 39/2015-2020 dated 8th January, India has placed RBD palmolein imports to "Restricted" category from "Free", which means that India has restricted imports of RBD palmolein from all destinations and any import will be only possible after permission from DGFT. So, RBD palmolein is removed from Open General License. This comes amid India-Malaysia tensions on Malaysia raising Kashmir issue at UN which has prompted India to retaliate. India imports RBD palmolein mainly from Malaysia. This will mean that any permission on imports of RBD palmolein will be only from Indonesia. This step is welcome step of palm oil refining industry which is reeling under overcapacity and rising debt. This step will increase capacity utilization and a welcome step from India refining industry. Further, this step will support farmers by restricting imports will get more incentive to grow oilseeds.
- 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	5.20	934.00	940.60	930.60	935.20	11,020	-1805	18865	-3450
Feb-20	5.00	934.00	941.00	930.60	935.00	32,785	-8010	63255	5350

Prices & Vol-OI are at 5:30 PM

Spread	Jan-20	Feb-20
Spot	4.80	
Jan-20		-0.20
Feb-20		

**MCX CPO Futures**

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Jan-20	4.80	830.00	835.00	825.40	829.20	2242	-1694	3795	53
Feb-20	5.10	833.40	839.70	829.40	834.00	1202	-741	1987	48

**Spread**

Jan-20

Feb-20

Spot

4.8

Jan-20

4.8

Feb-20

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

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Jan	0.08	34.34	34.35	34.34	34.35
15-Mar	0.30	34.58	34.94	34.57	34.86
15-May	0.31	34.87	35.24	34.87	35.16
15-Jul	0.31	35.2	35.55	35.2	35.48
15-Aug	0.30	35.26	35.6	35.26	35.53

**BMD CPO Futures:**

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
15-Jan	82	3088	3120	3088	3120
15-Feb	68	3050	3134	3050	3120
15-Mar	72	3038	3124	3038	3113
15-Apr	56	3030	3097	3029	3085

**Forex:**

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
9/1/2020	6.94	13850	4.089	59.80	71.20	4.06	97.47	59.70

**Edible Oil Prices at Key Market:**

Commodity	Centre	Prices(Per 10 Kg)		Change
		9-Jan-20	8-Jan-20	
Refined Soybean Oil	Indore	940	925	15
	Indore (Soy Solvent Crude)	930	865	65
	Mumbai	955	940	15
	Mumbai (Soy Degum)	905	890	15
	Kandla/Mundra	950	935	15
	Kandla/Mundra (Soy Degum)	910	902	8
	Kolkata	950	945	5
	Delhi	985	980	5
	Nagpur	948	912	36
	Rajkot	930	930	Unch
	Kota	940	925	15

	Hyderabad	Unq	Unq	-
	Akola	950	922	28
	Amrawati	945	923	22
	Bundi	945	930	15
	Jalna	935	921	14
	Solapur	914	914	Unch
	Dhule	937	924	13
Palm Oil*	Kandla (Crude Palm Oil)	876	860	16
	Kandla (RBD Palm oil)	903	882	21
	Kandla RBD Pamolein	945	919	26
	Kakinada (Crude Palm Oil)	861	842	19
	Kakinada RBD Pamolein	935	908	26
	Haldia Pamolein	935	908	26
	Chennai RBD Pamolein	940	914	26
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1003	977	26
	KPT (krishna patnam) Pamolein	935	908	26
	Mumbai RBD Pamolein	950	914	37
	Mangalore RBD Pamolein	945	919	26
	Tuticorin (RBD Palmolein)	950	926	24
	Delhi	965	960	5
	Rajkot	924	903	21
	Hyderabad	950	925	25
	PFAD (Kandla)	593	583	11
	Refined Palm Stearin (Kandla)	861	842	19
	Superolien (Kandla)	982	956	26
	Superolien (Mumbai)	987	961	26
* inclusive of GST				
Refined Sunflower Oil	Chennai	925	920	5
	Mumbai	960	950	10
	Mumbai(Expeller Oil)	890	875	15
	Kandla (Ref.)	945	950	-5
	Hyderabad (Ref)	935	925	10
	Latur (Expeller Oil)	873	873	Unch
	Chellakere (Expeller Oil)	878	878	Unch
	Erode (Expeller Oil)	970	970	Unch
Groundnut Oil	Rajkot	1125	1100	25
	Chennai	1130	1130	Unch
	Delhi	1100	1100	Unch
	Hyderabad *	1200	1220	-20
	Mumbai	1130	1140	-10

	Gondal	1085	1075	10
	Jamnagar	1085	1075	10
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	950	930	20
	Jaipur (Kacchi Ghani Oil)	970	950	20
	Kota (Expeller Oil)	940	925	15
	Kota (Kacchi Ghani Oil)	940	940	Unch
	Neewai (Expeller Oil)	925	920	5
	Neewai (Kacchi Ghani Oil)	942	935	7
	Bharatpur (Kacchi Ghani Oil)	970	960	10
	Sri-Ganga Nagar(Exp Oil)	925	920	5
	Sri-Ganga Nagar (Kacchi Ghani Oil)	935	940	-5
	Mumbai (Expeller Oil)	950	940	10
	Kolkata(Expeller Oil)	1000	1000	Unch
	New Delhi (Expeller Oil)	945	930	15
	Hapur (Expeller Oil)	890	880	10
	Hapur (Kacchi Ghani Oil)	920	910	10
	Agra (Kacchi Ghani Oil)	975	965	10
Refined Cottonseed Oil	Rajkot	910	900	10
	Hyderabad	900	875	25
	Mumbai	900	910	-10
	New Delhi	870	853	17
Coconut Oil	Kangayan (Crude)	1360	1360	Unch
	Cochin	1510	1510	Unch
Sesame Oil	New Delhi	1450	1420	30
	Mumbai	Unq	Unq	-
Kardi	Mumbai	Unq	Unq	-
Rice Bran Oil (40%)	New Delhi	715	710	5
Rice Bran Oil (4%)	Punjab	735	735	Unch
Malaysia Palmolein USD/MT	FOB	790	786	4
	CNF India	830	820	10
Indonesia CPO USD/MT	FOB	790	783	7
	CNF India	850	820	30
RBD Palm oil (Malaysia Origin USD/MT)	FOB	788	783	5
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	775	768	7
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1090	1085	5
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	685	680	5

Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	1075	-
Ukraine Origin CSFO USD/MT Kandla	CIF	870	873	-3
Rapeseed Oil Rotterdam Euro/MT	FOB	Unq	875	-
Argentina FOB (\$/MT)		8-Jan-20	7-Jan-20	Change
Crude Soybean Oil Ship		824	819	5
Refined Soy Oil (Bulk) Ship		853	848	5
Sunflower Oil Ship		795	795	Unch
Cottonseed Oil Ship		804	799	5
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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