

**Domestic Fundamentals:**

- Edible oil complex featured weak tone at various market centers on Thursday.
- Soy oil and palm oil domestic futures prices fell on fall in international benchmarks and weak demand concerns. BMD CPO fell on oversupply concerns and CBOT soy oil fell on as US-China trade optimism faded.
- According to Solvent Extractors Association (SEA), India's December edible oil imports fell 3.41 percent y-o-y to 11.07 lakh tons from 11.46 lakh tons in Dec 2018. Palm oil imports in Dec fell 8.62 percent y-o-y to 7.42 lakh tons from 8.12 lakh tons in Dec 2018. CPO imports fell 5.67 percent in Dec y-o-y to 6.32 lakh tons from 6.70 lakh tons in Dec 2018. RBD palmolein imports fell by 27.48 percent in Dec y-o-y to 0.95 lakh tons from 1.31 lakh tons in Dec 2018. Soy oil imports rose 97.65 percent in Dec y-o-y to 1.68 lakh tons from 0.85 lakh tons in Dec 2018. Sunflower oil imports fell 16.1 percent y-o-y in Dec to 1.98 lakh tons from 2.36 lakh tons in Dec 2018. Rapeseed (canola) oil imports in Dec was zero compared to zero imports in Dec 2018.
- According to Solvent Extractors Association (SEA), India's December edible oil stocks at ports and pipelines fell 9.0 percent m-o-m to 13.75 lakh tons from 15.11 lakh tons in November 2019. Stocks of edible oil at ports in December fell to 860,000 tons (CPO 430,000 tons, RBD Palmolein 180,000 tons, Degummed Soybean Oil 135,000 tons and Crude Sunflower Oil 115,000 ton) and about 515,000 tons in pipelines. (Stocks at ports were 881,000 tons and in pipelines were 590,000 tons in November 2019). India is presently holding 22 days of edible oil requirement on 1st Jan, 2020 at 13.75 lakh tons compared to 24 days of requirements last month at 15.11 lakh tons last month. India held 20.25 lakh tons of stocks in ports and pipelines on 1st Jan 2019. India's monthly edible oil requirement is 19.0 lakh tons.
- Palm oil prices are expected to be supported by fall in end stocks of palm oil in Malaysia, fall in production of palm oil in Malaysia, rise in exports of palm oil from Malaysia and Indonesia, 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 fell in Malaysia in Dec on big fall in production and slow fall in exports to reach 2 MMT from 2.2 MMT. Palm oil end stocks are expected to fall further in Jan due to fall in production and rise in exports. Production is expected to fall in Malaysia and Indonesia due to seasonal fall in production, adverse effect of haze which occurred last year and lower use of fertilizers in first half of 2019 due to lower prices. Production of Malaysia is expected to fall in Malaysia in 2020 compared to 2019 due to above adverse factors. Production of palm oil is expected to rise modestly in Indonesia in 2020 due to maturing trees despite adverse factors. Stocks of palm oil is expected to fall in Indonesia in coming months due to seasonally weak production and surge in use of biodiesel. Exports of palm oil is expected to remain firm from Malaysia due to higher demand from China and EU despite weak demand from India. Import demand of palm oil is expected to rise from China due to lower supply of soy oil in the country due to lower imports if soybean on fall in swine count due to deadly swine flu cutting half breed of swine in China. Imports from India is expected to remain benign due India placing RBD palmolein imports to restricted list from free thereby ending OGL of RBD palmolein. Further India has asked its importers to refrain from buying palm oil from Malaysia due to Malaysia's stand on CAA and Kashmir issue. This will lead to surge in imports of CPO from Indonesia.

**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   | -14.40 | 925.60 | 929.00 | 912.20 | 912.60 | 4,510  | 45            | 5280  | -1720     |
| Feb-20   | -13.80 | 906.00 | 908.60 | 888.60 | 894.20 | 41,660 | 10680         | 58760 | -5260     |

Prices & Vol-OI are at 5:30 PM

| Spread | Jan-20 | Feb-20 |
|--------|--------|--------|
| Spot   | 7.40   |        |
| Jan-20 |        | -18.40 |
| Feb-20 |        |        |

**MCX CPO Futures**

| Contract | +/-    | Open   | High   | Low    | Close  | Volume | Volume Change | OI   | OI Change |
|----------|--------|--------|--------|--------|--------|--------|---------------|------|-----------|
| Jan-20   | -11.90 | 818.90 | 824.90 | 794.00 | 802.10 | 2154   | 36            | 3592 | 119       |
| Feb-20   | -12.30 | 813.40 | 817.60 | 787.00 | 797.50 | 2323   | -174          | 3467 | 521       |

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

26.9

**Jan-20**

-4.6

**Feb-20**
**CBOT Soy Oil Futures (Projections):**

(Values in US cents/lb)

| Contract | +/-   | Open  | High  | Low   | Close |
|----------|-------|-------|-------|-------|-------|
| 15-Mar   | -0.13 | 33.3  | 33.45 | 33.11 | 33.17 |
| 15-May   | -0.12 | 33.65 | 33.77 | 33.46 | 33.52 |
| 15-Jul   | -0.13 | 34.04 | 34.15 | 33.83 | 33.88 |
| 15-Aug   | -0.14 | 34.15 | 34.22 | 33.91 | 33.96 |
| 15-Sep   | -0.17 | 34.24 | 34.25 | 33.99 | 33.99 |

-0.22

**Forex:**
**BMD CPO Futures:**

(Values in MYR/tonnes)

| Contract | +/- | Open | High | Low  | Close |
|----------|-----|------|------|------|-------|
| 15-Feb   | -11 | 2959 | 2994 | 2955 | 2970  |
| 15-Mar   | -22 | 2916 | 2959 | 2914 | 2923  |
| 15-Apr   | -21 | 2880 | 2926 | 2877 | 2888  |
| 15-Jun   | -21 | 2845 | 2886 | 2840 | 2849  |

| Date/Currency | Chinese Yuan | Indonesian Rupiah | Malaysian Ringgit | Argentine Peso | Indian rupee | Brazilian Real | Dollar Index | Crude Oil WTI (\$/barrel) |
|---------------|--------------|-------------------|-------------------|----------------|--------------|----------------|--------------|---------------------------|
| 16/1/2020     | 6.88         | 13636             | 4.063             | 59.85          | 70.90        | 4.17           | 97.18        | 57.89                     |

**Edible Oil Prices at Key Market:**

| Commodity           | Centre                     | Prices(Per 10 Kg) |           | Change |
|---------------------|----------------------------|-------------------|-----------|--------|
|                     |                            | 16-Jan-20         | 15-Jan-20 |        |
| Refined Soybean Oil | Indore                     | 920               | 920       | Unch   |
|                     | Indore (Soy Solvent Crude) | 885               | 875       | 10     |
|                     | Mumbai                     | 945               | 950       | -5     |
|                     | Mumbai (Soy Degum)         | 885               | 895       | -10    |
|                     | Kandla/Mundra              | 940               | 940       | Unch   |
|                     | Kandla/Mundra (Soy Degum)  | 885               | 892       | -7     |
|                     | Kolkata                    | 935               | 935       | Unch   |
|                     | Delhi                      | 950               | 975       | -25    |
|                     | Nagpur                     | 882               | Closed    | -      |
|                     | Rajkot                     | 890               | 910       | -20    |
|                     | Kota                       | 910               | 930       | -20    |

|                       |  |        |        |      |
|-----------------------|--|--------|--------|------|
|                       | Hyderabad                                    | Closed | Closed | -    |
|                       | Akola  | 925    | Closed | -    |
|                       | Amrawati                                     | 924    | Closed | -    |
|                       | Bundi  | 915    | 935    | -20  |
|                       | Jalna  | 940    | Closed | -    |
|                       | Solapur                                      | 925    | Closed | -    |
|                       | Dhule  | 933    | Closed | -    |
|                       |  |        |        |      |
| Palm Oil*             | Kandla (Crude Palm Oil)                      | 870    | 858    | 13   |
|                       | Kandla (RBD Palm oil)                        | 893    | 898    | -5   |
|                       | Kandla RBD Pamolein                          | 919    | 935    | -16  |
|                       | Kakinada (Crude Palm Oil)                    | -      | -      | -    |
|                       | Kakinada RBD Pamolein                        | 924    | 929    | -5   |
|                       | Haldia Pamolein                              | 924    | 929    | -5   |
|                       | Chennai RBD Pamolein                         | 935    | 935    | Unch |
|                       | Chennai RBD Pamolein (Vitamin A&D Fortified) | 1000   | 1000   | Unch |
|                       | KPT (krishna patnam) Pamolein                | 924    | 929    | -5   |
|                       | Mumbai RBD Pamolein                          | 945    | 950    | -5   |
|                       | Mangalore RBD Pamolein                       | 935    | 945    | -11  |
|                       | Tuticorin (RBD Palmolein)                    | -      | -      | -    |
|                       | Delhi  | 935    | 955    | -20  |
|                       | Rajkot                                       | 903    | 903    | Unch |
|                       | Hyderabad                                    | Closed | Closed | -    |
|                       | PFAD (Kandla)                                | 578    | 588    | -11  |
|                       | Refined Palm Stearin (Kandla)                | -      | -      | -    |
|                       | Superolien (Kandla)                          | 982    | 982    | Unch |
|                       | Superolien (Mumbai)                          | 987    | 987    | Unch |
| * inclusive of GST    |  |        |        |      |
| Refined Sunflower Oil | Chennai                                      | Closed | Closed | -    |
|                       | Mumbai                                       | 960    | 970    | -10  |
|                       | Mumbai(Expeller Oil)                         | 880    | 880    | Unch |
|                       | Kandla (Ref.)                                | 940    | 945    | -5   |
|                       | Hyderabad (Ref)                              | Closed | Closed | -    |
|                       | Latur (Expeller Oil)                         | 880    | Closed | -    |
|                       | Chellakere (Expeller Oil)                    | 885    | Closed | -    |
|                       | Erode (Expeller Oil)                         | Closed | Closed | -    |
|                       |  |        |        |      |
| Groundnut Oil         | Rajkot                                       | 1140   | 1170   | -30  |
|                       | Chennai                                      | Closed | Closed | -    |
|                       | Delhi  | 1100   | 1100   | Unch |
|                       | Hyderabad *                                  | Closed | Closed | -    |
|                       | Mumbai                                       | 1150   | 1150   | Unch |

|   |                                    |        |        |      |
|---|------------------------------------|--------|--------|------|
|   | Gondal                             | 1100   | Closed | -    |
|   | Jamnagar                           | 1100   | Closed | -    |
|   |                                    |        |        |      |
| Rapeseed Oil/Mustard Oil                            | Jaipur (Expeller Oil)              | 898    | 915    | -17  |
|   | Jaipur (Kacchi Ghani Oil)          | 915    | 932    | -17  |
|   | Kota (Expeller Oil)                | 900    | 930    | -30  |
|   | Kota (Kacchi Ghani Oil)            | 910    | 930    | -20  |
|   | Neewai (Expeller Oil)              | 885    | 890    | -5   |
|   | Neewai (Kacchi Ghani Oil)          | 900    | 905    | -5   |
|   | Bharatpur (Kacchi Ghani Oil)       | 900    | 920    | -20  |
|   | Sri-Ganga Nagar(Exp Oil)           | 890    | 910    | -20  |
|   | Sri-Ganga Nagar (Kacchi Ghani Oil) | 900    | 930    | -30  |
|   | Mumbai (Expeller Oil)              | 930    | 945    | -15  |
|   | Kolkata(Expeller Oil)              | 1040   | 1040   | Unch |
|   | New Delhi (Expeller Oil)           | 908    | 915    | -7   |
|   | Hapur (Expeller Oil)               | 895    | 895    | Unch |
|   | Hapur (Kacchi Ghani Oil)           | 925    | 925    | Unch |
|   | Agra (Kacchi Ghani Oil)            | 905    | 925    | -20  |
|   |                                    |        |        |      |
| Refined Cottonseed Oil                              | Rajkot                             | 900    | 885    | 15   |
|   | Hyderabad                          | Closed | Closed | -    |
|   | Mumbai                             | 910    | 915    | -5   |
|   | New Delhi                          | 850    | 875    | -25  |
|   |                                    |        |        |      |
| Coconut Oil   | Kangayan (Crude)                   | Closed | Closed | -    |
|   | Cochin                             | 1510   | 1510   | Unch |
|   |                                    |        |        |      |
| Sesame Oil  | New Delhi                          | 1400   | 1420   | -20  |
|   | Mumbai                             | Unq    | Unq    | -    |
| Kardi   | Mumbai                             | Unq    | Unq    | -    |
| Rice Bran Oil (40%)                                 | New Delhi                          | 702    | 710    | -8   |
| Rice Bran Oil (4%)                                  | Punjab                             | 750    | 750    | Unch |
|   |                                    |        |        |      |
| Malaysia Palmolein USD/MT                           | FOB                                | 768    | 780    | -12  |
|   | CNF India                          | 798    | 810    | -12  |
| Indonesia CPO USD/MT                                | FOB                                | 793    | 795    | -2   |
|   | CNF India                          | 820    | 830    | -10  |
| RBD Palm oil (Malaysia Origin USD/MT)               | FOB                                | 765    | 775    | -10  |
| RBD Palm Stearin (Malaysia Origin USD/MT)           | FOB                                | 765    | 770    | -5   |
| RBD Palm Kernel Oil (Malaysia Origin USD/MT)        | FOB                                | 1020   | 1025   | -5   |
| Palm Fatty Acid Distillate (Malaysia Origin USD/MT) | FOB                                | 685    | 685    | Unch |



|                                      |           |           |           |        |
|--------------------------------------|-----------|-----------|-----------|--------|
| Crude palm Kernel Oil India (USD/MT) | CNF India | Unq       | 1045      | -      |
| Ukraine Origin CSFO USD/MT Kandla    | CIF       | 873       | 868       | 5      |
| Rapeseed Oil Rotterdam Euro/MT       | FOB       | 838       | 855       | -17    |
|                                      |           |           |           |        |
| Argentina FOB (\$/MT)                |           | 15-Jan-20 | 14-Jan-20 | Change |
| Crude Soybean Oil Ship               |           | 810       | 822       | -12    |
| Refined Soy Oil (Bulk) Ship          |           | 838       | 851       | -13    |
| Sunflower Oil Ship                   |           | 800       | 800       | Unch   |
| Cottonseed Oil Ship                  |           | 790       | 802       | -12    |
| 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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