

Domestic Fundamentals:

- Edible oil complex featured mixed tone at various market centers on Monday.
- Soy oil and palm oil domestic futures prices rose on rise in international benchmarks. BMD CPO rose on technical buying while CBOT soy oil rose on US-China trade optimism.
- Palm oil prices are expected to be underpinned by expectation of rise in end stocks of palm oil in Malaysia, fall in exports of palm oil from Malaysia, appreciation of Ringgit and fall in competing oils.
Fall in production of palm oil in Malaysia, higher use of palm oil in biodiesel in Malaysia and Indonesia and rise in crude oil prices is expected to limit losses.
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 rise in Jan due to fall in exports amid rise in production of palm oil.
Palm oil exports are expected to fall from Malaysia due to weak demand from India and China.
Import demand of palm oil is expected to fall from China due to US-China trade settlement which will lead to higher imports of soybean will lead to higher supply of soy oil in the country leading to lower imports. Imports of palm oil will slow due to higher prices of palm oil as China is prices sensitive country and stocking of palm oil will be over after Chinese New Year.
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 has led various shipments of palm oil stuck at Indian ports awaiting import clearance. Further imports will fall due to higher prices of palm oil and higher stocks of palm oil at Indian ports. This will lead to surge in imports of CPO from Indonesia.
Production is expected to fall in Malaysia and Indonesia due to seasonal downtrend of 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.
Ringgit has appreciated above 4.15/USD thereby making palm oil uncompetitive compared to competing oils. Further, palm oil prices may be supported by rise in prices of crude oil.
- Soy oil prices are expected to be supported by positive import parity and positive refining margins, lower crop of soybean in India, lower premium over palm oil and firm demand due to winters.
- Soy oil international prices are expected to be supported by US-China trade settlement optimism, higher demand of soybean by China, rise in competing oils and rise in crude oil prices. However, rise in stocks of soy oil in US and expectation of higher crop of soybean in South America will cap gains.
- US-China trade agreement has been signed where China has vowed to purchase major amount of soybean in next two years. This will lead to higher exports of soybean to China if China adheres to the trade agreement. China is expected to purchase incremental amount of soybean to increase swine count in the country.

Outlook: Edible oil basket is expected to feature sideways to weak tone in near term.

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Jan-20	13.00	885.20	895.80	882.80	892.00	24,135	-11860	55245	-1595
Feb-20	11.60	878.80	884.80	874.20	882.60	5,130	-6785	26940	85

Prices & Vol-OI are at 5:30 PM

Spread	Jan-20	Feb-20
Spot	28.00	
Jan-20		-9.40
Feb-20		

MCX CPO Futures

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Jan-20	15.60	789.10	807.20	787.90	801.50	1647	-845	3451	-202
Feb-20	13.50	787.00	799.40	785.00	795.50	1560	-999	4041	128

Spread
Jan-20
Feb-20
Spot

-6.5

Jan-20

-6

Feb-20
CBOT Soy Oil Futures (Projections):

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Mar	-0.16	33.1	33.19	32.82	32.87
15-May	-0.16	33.42	33.51	33.15	33.21
15-Jul	-0.17	33.82	33.88	33.52	33.57
15-Aug	-0.15	33.86	33.97	33.62	33.67
15-Sep	-0.17	34	34	33.73	33.73

-0.22

Forex:
BMD CPO Futures:

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
15-Feb	49	2939	2982	2939	2971
15-Mar	62	2903	2947	2892	2940
15-Apr	64	2856	2907	2846	2901
15-Jun	60	2820	2865	2808	2861

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
20/1/2020	6.86	13640	4.059	60.00	71.09	4.17	97.68	58.87

Edible Oil Prices at Key Market:

Commodity	Centre	Prices(Per 10 Kg)		Change
		20-Jan-20	18-Jan-20	
Refined Soybean Oil	Indore	920	920	Unch
	Indore (Soy Solvent Crude)	870	870	Unch
	Mumbai	905	930	-25
	Mumbai (Soy Degum)	880	880	Unch
	Kandla/Mundra	920	920	Unch
	Kandla/Mundra (Soy Degum)	865	865	Unch
	Kolkata	925	925	Unch
	Delhi	950	945	5
	Nagpur	921	922	-1
	Rajkot	880	880	Unch
	Kota	900	900	Unch

	Hyderabad	Unq	Unq	-
	Akola	925	925	Unch
	Amrawati	925	925	Unch
	Bundi	905	905	Unch
	Jalna	915	923	-8
	Solapur	880	900	-20
	Dhule	917	923	-6
Palm Oil*	Kandla (Crude Palm Oil)	835	835	Unch
	Kandla (RBD Palm oil)	903	894	9
	Kandla RBD Pamolein	903	903	Unch
	Kakinada (Crude Palm Oil)	845	845	Unch
	Kakinada RBD Pamolein	908	908	Unch
	Haldia Pamolein	924	924	Unch
	Chennai RBD Pamolein	924	924	Unch
	Chennai RBD Pamolein (Vitamin A&D Fortified)	977	977	Unch
	KPT (krishna patnam) Pamolein	908	908	Unch
	Mumbai RBD Pamolein	929	929	Unch
	Mangalore RBD Pamolein	924	924	Unch
	Tuticorin (RBD Palmolein)	943	945	-2
	Delhi	935	925	10
	Rajkot	924	893	32
	Hyderabad	930	930	Unch
	PFAD (Kandla)	557	546	11
	Refined Palm Stearin (Kandla)	845	845	Unch
	Superolien (Kandla)	924	924	Unch
	Superolien (Mumbai)	945	945	Unch
* inclusive of GST				
Refined Sunflower Oil	Chennai	930	930	Unch
	Mumbai	920	920	Unch
	Mumbai(Expeller Oil)	880	880	Unch
	Kandla (Ref.)	925	920	5
	Hyderabad (Ref)	930	930	Unch
	Latur (Expeller Oil)	870	870	Unch
	Chellakere (Expeller Oil)	880	880	Unch
	Erode (Expeller Oil)	970	Closed	-
Groundnut Oil	Rajkot	1050	1050	Unch
	Chennai	1130	1130	Unch
	Delhi	1100	1100	Unch
	Hyderabad *	1200	1200	Unch
	Mumbai	1140	1140	Unch

	Gondal	1100	1060	40
	Jamnagar	1100	1060	40
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	898	898	Unch
	Jaipur (Kacchi Ghani Oil)	915	912	3
	Kota (Expeller Oil)	890	890	Unch
	Kota (Kacchi Ghani Oil)	910	910	Unch
	Neewai (Expeller Oil)	890	900	-10
	Neewai (Kacchi Ghani Oil)	910	920	-10
	Bharatpur (Kacchi Ghani Oil)	915	920	-5
	Sri-Ganga Nagar(Exp Oil)	875	875	Unch
	Sri-Ganga Nagar (Kacchi Ghani Oil)	885	885	Unch
	Mumbai (Expeller Oil)	930	930	Unch
	Kolkata(Expeller Oil)	1040	1040	Unch
	New Delhi (Expeller Oil)	905	900	5
	Hapur (Expeller Oil)	895	895	Unch
	Hapur (Kacchi Ghani Oil)	925	925	Unch
	Agra (Kacchi Ghani Oil)	920	925	-5
Refined Cottonseed Oil	Rajkot	890	880	10
	Hyderabad	880	880	Unch
	Mumbai	900	900	Unch
	New Delhi	850	845	5
Coconut Oil	Kangayan (Crude)	1360	Closed	-
	Cochin	1520	1520	Unch
Sesame Oil	New Delhi	1400	1400	Unch
	Mumbai	Unq	Unq	-
Kardi	Mumbai	Unq	Unq	-
Rice Bran Oil (40%)	New Delhi	698	695	3
Rice Bran Oil (4%)	Punjab	750	750	Unch
Malaysia Palmolein USD/MT	FOB	760	758	2
	CNF India	790	800	-10
Indonesia CPO USD/MT	FOB	785	775	10
	CNF India	815	800	15
RBD Palm oil (Malaysia Origin USD/MT)	FOB	758	Closed	-
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	758	Closed	-
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1010	Closed	-
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	690	Closed	-

Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	Closed	-
Ukraine Origin CSFO USD/MT Kandla	CIF	850	873	-23
Rapeseed Oil Rotterdam Euro/MT	FOB	830	Closed	-
Argentina FOB (\$/MT)		18-Jan-20	17-Jan-20	Change
Crude Soybean Oil Ship		Closed	806	-
Refined Soy Oil (Bulk) Ship		Closed	834	-
Sunflower Oil Ship		Closed	795	-
Cottonseed Oil Ship		Closed	786	-
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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