

Domestic Fundamentals:

- Edible oil complex featured mixed tone at various market centers on Tuesday.
- Soy oil and palm oil domestic futures prices declined despite rise in international benchmarks. However, BMD CPO declined on technical selling 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 price sensitive country and stocking of palm oil will be over after Chinese New Year.
Imports from India are expected to remain benign due to 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 are 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
Feb-20	-1.63	892.00	892.80	876.40	883.4	27930	3,795	55290	45
Mar-20	-1.98	888.60	885.40	862.00	871	10435	5,305	27350	410

Prices & Vol-OI are at 5:30 PM

Spread	Feb-20	Mar-20
Spot	36.6	
Feb-20		49
Mar-20		

MCX CPO Futures

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Feb-20	-1.78	794.00	794.70	779.40	784.8	1955	308	4327	876
Mar-20	-2.12	780.10	788.00	772.80	776.0	228	-1,332	885	-3156

Spread

Feb-20

Mar-20

Spot

75

Feb-20

84

Mar-20

CBOT Soy Oil Futures (Projections):

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Mar	0.32	33.1	33.42	32.75	33.35
15-May	0.3	33.42	33.74	33.1	33.67
15-Jul	0.28	33.82	34.08	33.45	34.02
15-Aug	0.28	33.86	34.16	33.55	34.1
15-Sep	0.26	34	34.22	33.64	34.16

BMD CPO Futures:

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
15-Feb	-13	2966	-	3250	2960
15-Mar	-16	2932	2833	2950	2926
15-Apr	-12	2894	2870	2894	2890
15-Jun	-19	2854	2726	2975	2842

Forex:

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
21/1/2020	6.90	13660.69	4.071	60.05	71.18	4.20	97.56	58.87

Edible Oil Prices at Key Market:

Commodity	Centre	Prices(Per 10 Kg)		Change
		21-Jan-20	20-Jan-20	
Refined Soybean Oil	Indore	920	920	Unch
	Indore (Soy Solvent Crude)	870	870	Unch
	Mumbai	900	905	-5
	Mumbai (Soy Degum)	880	880	Unch
	Kandla/Mundra	920	920	Unch
	Kandla/Mundra (Soy Degum)	870	865	5
	Kolkata	925	925	Unch
	Delhi	945	950	-5
	Nagpur	915	921	-6
	Rajkot	890	880	10
	Kota	910	900	10

	Hyderabad	Unq	Unq	-
	Akola	925	925	Unch
	Amrawati	925	925	Unch
	Bundi	915	905	10
	Jalna	915	915	Unch
	Solapur	880	880	Unch
	Dhule	915	917	-2
Palm Oil*	Kandla (Crude Palm Oil)	848	835	14
	Kandla (RBD Palm oil)	900	903	-3
	Kandla RBD Pamolein	919	903	16
	Kakinada (Crude Palm Oil)	840	845	-5
	Kakinada RBD Pamolein	914	908	5
	Haldia Pamolein	935	924	11
	Chennai RBD Pamolein	929	924	5
	Chennai RBD Pamolein (Vitamin A&D Fortified)	980	977	3
	KPT (krishna patnam) Pamolein	924	908	16
	Mumbai RBD Pamolein	935	929	5
	Mangalore RBD Pamolein	924	924	Unch
	Tuticorin (RBD Palmolein)	935	943	-8
	Delhi	930	935	-5
	Rajkot	898	924	-26
	Hyderabad	900	930	-30
	PFAD (Kandla)	557	557	Unch
	Refined Palm Stearin (Kandla)	840	845	-5
	Superolien (Kandla)	914	924	-11
	Superolien (Mumbai)	945	945	Unch
* inclusive of GST				
Refined Sunflower Oil	Chennai	930	930	Unch
	Mumbai	900	920	-20
	Mumbai(Expeller Oil)	875	880	-5
	Kandla (Ref.)	925	925	Unch
	Hyderabad (Ref)	920	930	-10
	Latur (Expeller Oil)	870	870	Unch
	Chellakere (Expeller Oil)	880	880	Unch
	Erode (Expeller Oil)	975	970	5
Groundnut Oil	Rajkot	1050	1050	Unch
	Chennai	1150	1130	20
	Delhi	1100	1100	Unch
	Hyderabad *	1150	1200	-50
	Mumbai	1140	1140	Unch

	Gondal	1100	1100	Unch
	Jamnagar	1100	1100	Unch
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	898	898	Unch
	Jaipur (Kacchi Ghani Oil)	915	915	Unch
	Kota (Expeller Oil)	890	890	Unch
	Kota (Kacchi Ghani Oil)	910	910	Unch
	Neewai (Expeller Oil)	880	890	-10
	Neewai (Kacchi Ghani Oil)	900	910	-10
	Bharatpur (Kacchi Ghani Oil)	910	915	-5
	Sri-Ganga Nagar(Exp Oil)	890	875	15
	Sri-Ganga Nagar (Kacchi Ghani Oil)	900	885	15
	Mumbai (Expeller Oil)	920	930	-10
	Kolkata(Expeller Oil)	1040	1040	Unch
	New Delhi (Expeller Oil)	903	905	-2
	Hapur (Expeller Oil)	900	895	5
	Hapur (Kacchi Ghani Oil)	930	925	5
	Agra (Kacchi Ghani Oil)	915	920	-5
Refined Cottonseed Oil	Rajkot	870	890	-20
	Hyderabad	870	880	-10
	Mumbai	890	900	-10
	New Delhi	845	850	-5
Coconut Oil	Kangayan (Crude)	1380	1360	20
	Cochin	1520	1520	Unch
Sesame Oil	New Delhi	1390	1400	-10
	Mumbai	Unq	Unq	-
Kardi	Mumbai	Unq	Unq	-
Rice Bran Oil (40%)	New Delhi	701	698	3
Rice Bran Oil (4%)	Punjab	750	750	Unch
Malaysia Palmolein USD/MT	FOB	753	760	-7
	CNF India	798	790	8
Indonesia CPO USD/MT	FOB	778	785	-7
	CNF India	810	815	-5
RBD Palm oil (Malaysia Origin USD/MT)	FOB	750	758	-8
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	755	758	-3
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1010	1010	Unch
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	690	690	Unch



Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	1025	-
Ukraine Origin CSFO USD/MT Kandla	CIF	850	850	Unch
Rapeseed Oil Rotterdam Euro/MT	FOB	837	830	7
Argentina FOB (\$/MT)		20-Jan-20	18-Jan-20	Change
Crude Soybean Oil Ship		806	Closed	-
Refined Soy Oil (Bulk) Ship		834	Closed	-
Sunflower Oil Ship		790	Closed	-
Cottonseed Oil Ship		786	Closed	-
Refined Linseed Oil (Bulk) Ship		Unq	Closed	-
* 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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