

Domestic Fundamentals:

- Edible oil complex featured weak tone at various market centers on Wednesday.
- Soy oil futures fell on demand concerns while palm oil domestic futures prices rose on rise in international benchmarks. BMD CPO rose on buying at lower levels and 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 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
Feb-20	-5.60	876.00	883.60	862.20	874.80	35,845	11710	55450	205
Mar-20	-4.60	868.00	873.40	852.00	865.00	14,575	9445	27205	265

Prices & Vol-OI are at 5:30 PM

Spread	Feb-20	Mar-20
Spot	30.20	
Feb-20		-9.80
Mar-20		

MCX CPO Futures

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Feb-20	9.50	783.10	797.90	778.40	796.80	1824	177	3421	-30
Mar-20	5.50	780.10	788.00	771.70	786.60	2549	989	4630	589

Spread

Feb-20

Mar-20

Spot

-3.8

Feb-20

-10.2

Mar-20

CBOT Soy Oil Futures (Projections):

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Mar	0.59	32.8	33.37	32.61	33.34
15-May	0.59	33.14	33.7	32.95	33.68
15-Jul	0.60	33.51	34.07	33.31	34.05
15-Aug	0.60	33.67	34.17	33.43	34.14
15-Sep	0.57	33.74	34.18	33.54	34.18

-0.22

Forex:
BMD CPO Futures:

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
15-Feb	81	2950	3041	2942	3041
15-Mar	90	2908	3015	2895	3015
15-Apr	87	2869	2975	2853	2974
15-Jun	85	2820	2925	2804	2925

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	13647	4.066	60.10	71.19	4.21	97.59	58.03

Edible Oil Prices at Key Market:

Commodity	Centre	Prices(Per 10 Kg)		Change
		22-Jan-20	21-Jan-20	
Refined Soybean Oil	Indore	905	920	-15
	Indore (Soy Solvent Crude)	870	870	Unch
	Mumbai	900	900	Unch
	Mumbai (Soy Degum)	860	880	-20
	Kandla/Mundra	915	920	-5
	Kandla/Mundra (Soy Degum)	865	870	-5
	Kolkata	915	925	-10
	Delhi	935	945	-10
	Nagpur	915	915	Unch
	Rajkot	885	890	-5
	Kota	900	910	-10

	Hyderabad	Unq	Unq	-
	Akola	910	925	-15
	Amrawati	910	925	-15
	Bundi	905	915	-10
	Jalna	915	915	Unch
	Solapur	880	880	Unch
	Dhule	915	915	Unch
Palm Oil*	Kandla (Crude Palm Oil)	833	848	-16
	Kandla (RBD Palm oil)	900	900	Unch
	Kandla RBD Pamolein	914	919	-5
	Kakinada (Crude Palm Oil)	835	840	-5
	Kakinada RBD Pamolein	908	914	-5
	Haldia Pamolein	919	935	-16
	Chennai RBD Pamolein	919	929	-11
	Chennai RBD Pamolein (Vitamin A&D Fortified)	973	980	-6
	KPT (krishna patnam) Pamolein	914	924	-11
	Mumbai RBD Pamolein	924	935	-11
	Mangalore RBD Pamolein	919	924	-5
	Tuticorin (RBD Palmolein)	929	935	-5
	Delhi	938	930	8
	Rajkot	893	898	-5
	Hyderabad	900	900	Unch
	PFAD (Kandla)	557	557	Unch
	Refined Palm Stearin (Kandla)	835	840	-5
	Superolien (Kandla)	914	914	Unch
	Superolien (Mumbai)	945	945	Unch
* inclusive of GST				
Refined Sunflower Oil	Chennai	920	930	-10
	Mumbai	900	900	Unch
	Mumbai(Expeller Oil)	860	875	-15
	Kandla (Ref.)	895	925	-30
	Hyderabad (Ref)	915	920	-5
	Latur (Expeller Oil)	870	870	Unch
	Chellakere (Expeller Oil)	880	880	Unch
	Erode (Expeller Oil)	975	975	Unch
Groundnut Oil	Rajkot	1100	1050	50
	Chennai	1130	1130	Unch
	Delhi	1100	1100	Unch
	Hyderabad *	1150	1150	Unch
	Mumbai	1140	1140	Unch

	Gondal	1090	1100	-10
	Jamnagar	1080	1100	-20
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	898	898	Unch
	Jaipur (Kacchi Ghani Oil)	915	915	Unch
	Kota (Expeller Oil)	875	890	-15
	Kota (Kacchi Ghani Oil)	910	910	Unch
	Neewai (Expeller Oil)	875	880	-5
	Neewai (Kacchi Ghani Oil)	895	900	-5
	Bharatpur (Kacchi Ghani Oil)	910	910	Unch
	Sri-Ganga Nagar(Exp Oil)	875	890	-15
	Sri-Ganga Nagar (Kacchi Ghani Oil)	890	900	-10
	Mumbai (Expeller Oil)	920	920	Unch
	Kolkata(Expeller Oil)	1040	1040	Unch
	New Delhi (Expeller Oil)	900	903	-3
	Hapur (Expeller Oil)	895	900	-5
	Hapur (Kacchi Ghani Oil)	925	930	-5
	Agra (Kacchi Ghani Oil)	915	915	Unch
Refined Cottonseed Oil	Rajkot	865	870	-5
	Hyderabad	865	870	-5
	Mumbai	885	890	-5
	New Delhi	834	845	-11
Coconut Oil	Kangayan (Crude)	1440	1380	60
	Cochin	1520	1520	Unch
Sesame Oil	New Delhi	1390	1390	Unch
	Mumbai	Unq	Unq	-
Kardi	Mumbai	Unq	Unq	-
Rice Bran Oil (40%)	New Delhi	702	701	1
Rice Bran Oil (4%)	Punjab	750	750	Unch
Malaysia Palmolein USD/MT	FOB	755	753	2
	CNF India	790	798	-8
Indonesia CPO USD/MT	FOB	775	778	-3
	CNF India	800	810	-10
RBD Palm oil (Malaysia Origin USD/MT)	FOB	750	750	Unch
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	755	755	Unch
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	Unq	837	-
Argentina FOB (\$/MT)		21-Jan-20	20-Jan-20	Change
Crude Soybean Oil Ship		796	806	-10
Refined Soy Oil (Bulk) Ship		824	834	-10
Sunflower Oil Ship		790	790	Unch
Cottonseed Oil Ship		776	786	-10
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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