

Domestic Fundamentals:

- Edible oil complex featured mixed tone at various market centers on Thursday.
- Soy oil and palm oil futures fell on demand concerns and fall in international benchmarks. BMD CPO fell on weak global demand prospected and CBOT soy oil fell on fading 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
Feb-20	-6.00	876.80	881.60	874.40	876.80	17,495	-18350	53145	-2305
Mar-20	-8.40	871.00	876.60	866.00	868.40	7,970	-6605	29720	2515
Prices & Vol-OI are at 5:30 PM									

Spread	Feb-20	Mar-20
Spot	28.20	
Feb-20		-8.40
Mar-20		

MCX CPO Futures

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Feb-20	-6.80	796.90	804.70	794.50	797.00	1296	-528	3122	-299
Mar-20	-8.10	786.10	794.40	785.50	786.50	1917	-632	4567	-63

Spread

Feb-20

Mar-20

Spot

6.0

Feb-20

-10.5

Mar-20

CBOT Soy Oil Futures (Projections):

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Mar	-0.39	33.03	33.05	32.54	32.63
15-May	-0.40	33.35	33.38	32.88	32.95
15-Jul	-0.39	33.71	33.71	33.23	33.31
15-Aug	-0.39	33.76	33.76	33.34	33.4
15-Sep	-0.46	33.71	33.76	33.4	33.4

-0.22

Forex:
BMD CPO Futures:

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
15-Feb	-54	3025	3030	2973	2984
15-Mar	-46	2990	3008	2954	2967
15-Apr	-50	2958	2966	2912	2923
15-Jun	-49	2900	2908	2862	2876

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
23/1/2020	6.93	13634	4.069	59.98	71.24	4.18	97.51	55.84

Edible Oil Prices at Key Market:

Commodity	Centre	Prices(Per 10 Kg)		Change
		23-Jan-20	22-Jan-20	
Refined Soybean Oil	Indore	905	905	Unch
	Indore (Soy Solvent Crude)	870	870	Unch
	Mumbai	890	900	-10
	Mumbai (Soy Degum)	865	860	5
	Kandla/Mundra	895	915	-20
	Kandla/Mundra (Soy Degum)	870	865	5
	Kolkata	910	915	-5
	Delhi	940	935	5
	Nagpur	915	915	Unch
	Rajkot	880	885	-5
	Kota	910	900	10

	Hyderabad	Unq	Unq	-
	Akola	910	910	Unch
	Amrawati	910	910	Unch
	Bundi	915	905	10
	Jalna	915	915	Unch
	Solapur	880	880	Unch
	Dhule	915	915	Unch
Palm Oil*	Kandla (Crude Palm Oil)	843	833	11
	Kandla (RBD Palm oil)	900	900	Unch
	Kandla RBD Pamolein	919	914	5
	Kakinada (Crude Palm Oil)	830	835	-5
	Kakinada RBD Pamolein	908	908	Unch
	Haldia Pamolein	919	919	Unch
	Chennai RBD Pamolein	919	919	Unch
	Chennai RBD Pamolein (Vitamin A&D Fortified)	973	973	Unch
	KPT (krishna patnam) Pamolein	914	914	Unch
	Mumbai RBD Pamolein	924	924	Unch
	Mangalore RBD Pamolein	919	919	Unch
	Tuticorin (RBD Palmolein)	929	929	Unch
	Delhi	933	938	-5
	Rajkot	893	893	Unch
	Hyderabad	900	900	Unch
	PFAD (Kandla)	557	557	Unch
	Refined Palm Stearin (Kandla)	830	835	-5
	Superolien (Kandla)	914	914	Unch
	Superolien (Mumbai)	945	945	Unch
* inclusive of GST				
Refined Sunflower Oil	Chennai	920	920	Unch
	Mumbai	900	900	Unch
	Mumbai(Expeller Oil)	860	860	Unch
	Kandla (Ref.)	895	895	Unch
	Hyderabad (Ref)	915	915	Unch
	Latur (Expeller Oil)	870	870	Unch
	Chellakere (Expeller Oil)	880	880	Unch
	Erode (Expeller Oil)	975	975	Unch
Groundnut Oil	Rajkot	1100	1100	Unch
	Chennai	1130	1130	Unch
	Delhi	1100	1100	Unch
	Hyderabad *	1150	1150	Unch
	Mumbai	1140	1140	Unch

	Gondal	1090	1090	Unch
	Jamnagar	1080	1080	Unch
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	898	898	Unch
	Jaipur (Kacchi Ghani Oil)	915	915	Unch
	Kota (Expeller Oil)	875	875	Unch
	Kota (Kacchi Ghani Oil)	910	910	Unch
	Neewai (Expeller Oil)	870	875	-5
	Neewai (Kacchi Ghani Oil)	890	895	-5
	Bharatpur (Kacchi Ghani Oil)	910	910	Unch
	Sri-Ganga Nagar(Exp Oil)	875	875	Unch
	Sri-Ganga Nagar (Kacchi Ghani Oil)	890	890	Unch
	Mumbai (Expeller Oil)	910	920	-10
	Kolkata(Expeller Oil)	1040	1040	Unch
	New Delhi (Expeller Oil)	885	900	-15
	Hapur (Expeller Oil)	900	895	5
	Hapur (Kacchi Ghani Oil)	930	925	5
	Agra (Kacchi Ghani Oil)	915	915	Unch
Refined Cottonseed Oil	Rajkot	870	865	5
	Hyderabad	865	865	Unch
	Mumbai	880	885	-5
	New Delhi	834	834	Unch
Coconut Oil	Kangayan (Crude)	1460	1440	20
	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	702	Unch
Rice Bran Oil (4%)	Punjab	750	750	Unch
Malaysia Palmolein USD/MT	FOB	773	755	18
	CNF India	805	790	15
Indonesia CPO USD/MT	FOB	770	775	-5
	CNF India	805	800	5
RBD Palm oil (Malaysia Origin USD/MT)	FOB	770	750	20
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	760	755	5
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	1020	1010	10
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	700	690	10

Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	965	-
Ukraine Origin CSFO USD/MT Kandla	CIF	850	850	Unch
Rapeseed Oil Rotterdam Euro/MT	FOB	838	845	-7
Argentina FOB (\$/MT)		22-Jan-20	21-Jan-20	Change
Crude Soybean Oil Ship		800	796	4
Refined Soy Oil (Bulk) Ship		828	824	4
Sunflower Oil Ship		790	790	Unch
Cottonseed Oil Ship		780	776	4
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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