

Domestic Fundamentals:

- Edible oil complex featured mostly weak tone at various market centers on Friday.
- Soy oil and palm oil futures fell on fall in international benchmarks. BMD CPO fell on weak global demand prospects and CBOT soy oil fell on fading US-China trade optimism and higher soybean crop in South America.
- Soy oil prices are expected to be underpinned by negative import parity and negative refining margins, lower demand of soy meal from India leading to lower soybean prices in India. Lower premium over palm oil will limit losses.
- Soy oil international prices are expected to be underpinned by fading US-China trade settlement optimism amid higher demand of soybean by China, fall in competing oils and fall in crude oil prices. Rise in stocks of soy oil in US and expectation of higher crop of soybean in South America will support losses.
Soybean crop of Argentina is in good condition and planting of soybean is almost complete. With rains in growing regions moisture is adequate for crop development and increase yield of soybean crop.
- 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. However, market is still waiting for major China soybean purchase from US. Further, soybean harvest is expected to start by the end of this month and prices of Brazil are quoted below US.
- 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 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. 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.
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.

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 | -1.60 | 872.00 | 877.40 | 870.00 | 873.20 | 13,300 | -4195 | 53980 | 835 |
| Mar-20 | -3.20 | 863.80 | 869.00 | 862.60 | 863.20 | 6,175 | -1795 | 31485 | 1765 |

Prices & Vol-OI are at 5:30 PM

| Spread | Feb-20 | Mar-20 |
|--------|--------|--------|
| Spot | 26.80 | |
| Feb-20 | | -10.00 |
| Mar-20 | | |

MCX CPO Futures

| Contract | +/- | Open | High | Low | Close | Volume | Volume Change | OI | OI Change |
|----------|--------|--------|--------|--------|--------|--------|---------------|------|-----------|
| Feb-20 | -9.80 | 793.00 | 793.00 | 786.00 | 786.10 | 1247 | -49 | 2369 | -753 |
| Mar-20 | -10.60 | 784.00 | 784.00 | 775.20 | 776.00 | 1355 | -562 | 4593 | 26 |

Spread

Feb-20

Mar-20

Spot

6.9

Feb-20

-10.1

Mar-20

CBOT Soy Oil Futures (Projections):

(Values in US cents/lb)

| Contract | +/- | Open | High | Low | Close |
|----------|-------|-------|-------|-------|-------|
| 15-Mar | -0.23 | 32.54 | 32.54 | 32.24 | 32.25 |
| 15-May | -0.24 | 32.87 | 32.87 | 32.58 | 32.58 |
| 15-Jul | -0.22 | 33.24 | 33.24 | 32.94 | 32.96 |
| 15-Aug | -0.22 | 33.33 | 33.33 | 33.04 | 33.06 |
| 15-Sep | -0.23 | 33.41 | 33.41 | 33.12 | 33.12 |

-0.22

Forex:
BMD CPO Futures:

(Values in MYR/tonnes)

| Contract | +/- | Open | High | Low | Close |
|----------|-----|------|------|------|-------|
| 15-Feb | -54 | 2979 | 2979 | 2931 | 2931 |
| 15-Mar | -57 | 2949 | 2950 | 2905 | 2909 |
| 15-Apr | -63 | 2930 | 2936 | 2859 | 2862 |
| 15-Jun | -64 | 2897 | 2897 | 2809 | 2812 |

| Date/Currency | Chinese Yuan | Indonesian Rupiah | Malaysian Ringgit | Argentine Peso | Indian rupee | Brazilian Real | Dollar Index | Crude Oil WTI (\$/barrel) |
|---------------|--------------|-------------------|-------------------|----------------|--------------|----------------|--------------|---------------------------|
| 24/1/2020 | 6.94 | 13594 | 4.06 | 59.99 | 71.29 | 4.17 | 97.85 | 55.31 |

Edible Oil Prices at Key Market:

| Commodity | Centre | Prices(Per 10 Kg) | | Change |
|---------------------|----------------------------|-------------------|-----------|--------|
| | | 24-Jan-20 | 23-Jan-20 | |
| Refined Soybean Oil | Indore | 900 | 905 | -5 |
| | Indore (Soy Solvent Crude) | 865 | 870 | -5 |
| | Mumbai | 900 | 890 | 10 |
| | Mumbai (Soy Degum) | 860 | 865 | -5 |
| | Kandla/Mundra | 890 | 895 | -5 |
| | Kandla/Mundra (Soy Degum) | 860 | 870 | -10 |
| | Kolkata | 880 | 910 | -30 |
| | Delhi | 933 | 940 | -7 |
| | Nagpur | 900 | 915 | -15 |
| | Rajkot | 880 | 880 | Unch |
| | Kota | 900 | 910 | -10 |

| | | | | |
|-----------------------|--|------|------|------|
| | Hyderabad | Unq | Unq | - |
| | Akola | 910 | 910 | Unch |
| | Amrawati | 904 | 910 | -6 |
| | Bundi | 905 | 915 | -10 |
| | Jalna | 898 | 915 | -17 |
| | Solapur | 868 | 880 | -12 |
| | Dhule | 898 | 915 | -17 |
| | | | | |
| Palm Oil* | Kandla (Crude Palm Oil) | 833 | 843 | -11 |
| | Kandla (RBD Palm oil) | 893 | 900 | -7 |
| | Kandla RBD Pamolein | 919 | 919 | Unch |
| | Kakinada (Crude Palm Oil) | 824 | 830 | -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) | 969 | 973 | -4 |
| | KPT (krishna patnam) Pamolein | 914 | 914 | Unch |
| | Mumbai RBD Pamolein | 924 | 924 | Unch |
| | Mangalore RBD Pamolein | 924 | 919 | 5 |
| | Tuticorin (RBD Palmolein) | 924 | 929 | -5 |
| | Delhi | 922 | 933 | -11 |
| | Rajkot | 893 | 893 | Unch |
| | Hyderabad | 890 | 900 | -10 |
| | PFAD (Kandla) | 546 | 557 | -11 |
| | Refined Palm Stearin (Kandla) | 824 | 830 | -5 |
| | Superolien (Kandla) | 914 | 914 | Unch |
| | Superolien (Mumbai) | 935 | 945 | -11 |
| | | | | |
| * inclusive of GST | | | | |
| Refined Sunflower Oil | Chennai | 915 | 920 | -5 |
| | Mumbai | 910 | 900 | 10 |
| | Mumbai(Expeller Oil) | 860 | 860 | Unch |
| | Kandla (Ref.) | 900 | 895 | 5 |
| | Hyderabad (Ref) | 910 | 915 | -5 |
| | 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 | 1100 | 1090 | 10 |
| | Jamnagar | 1100 | 1080 | 20 |
| | | | | |
| Rapeseed Oil/Mustard Oil | Jaipur (Expeller Oil) | 885 | 898 | -13 |
| | Jaipur (Kacchi Ghani Oil) | 905 | 915 | -10 |
| | Kota (Expeller Oil) | 875 | 875 | Unch |
| | Kota (Kacchi Ghani Oil) | 900 | 910 | -10 |
| | Neewai (Expeller Oil) | 870 | 870 | Unch |
| | Neewai (Kacchi Ghani Oil) | 890 | 890 | Unch |
| | Bharatpur (Kacchi Ghani Oil) | 910 | 910 | Unch |
| | Sri-Ganga Nagar(Exp Oil) | 870 | 875 | -5 |
| | Sri-Ganga Nagar (Kacchi Ghani Oil) | 885 | 890 | -5 |
| | Mumbai (Expeller Oil) | 910 | 910 | Unch |
| | Kolkata(Expeller Oil) | 1050 | 1040 | 10 |
| | New Delhi (Expeller Oil) | 895 | 885 | 10 |
| | Hapur (Expeller Oil) | 900 | 900 | Unch |
| | Hapur (Kacchi Ghani Oil) | 930 | 930 | Unch |
| | Agra (Kacchi Ghani Oil) | 915 | 915 | Unch |
| | | | | |
| Refined Cottonseed Oil | Rajkot | 860 | 870 | -10 |
| | Hyderabad | 860 | 865 | -5 |
| | Mumbai | 875 | 880 | -5 |
| | New Delhi | 825 | 834 | -9 |
| | | | | |
| Coconut Oil | Kangayan (Crude) | 1460 | 1460 | Unch |
| | Cochin | 1510 | 1520 | -10 |
| | | | | |
| Sesame Oil | New Delhi | 1390 | 1390 | Unch |
| | Mumbai | Unq | Unq | - |
| Kardi | Mumbai | Unq | Unq | - |
| Rice Bran Oil (40%) | New Delhi | 697 | 702 | -5 |
| Rice Bran Oil (4%) | Punjab | 750 | 750 | Unch |
| | | | | |
| Malaysia Palmolein USD/MT | FOB | 763 | 773 | -10 |
| | CNF India | 785 | 805 | -20 |
| Indonesia CPO USD/MT | FOB | 778 | 770 | 8 |
| | CNF India | 800 | 805 | -5 |
| RBD Palm oil (Malaysia Origin USD/MT) | FOB | 755 | 770 | -15 |
| RBD Palm Stearin (Malaysia Origin USD/MT) | FOB | 758 | 760 | -2 |
| RBD Palm Kernel Oil (Malaysia Origin USD/MT) | FOB | 1010 | 1020 | -10 |
| Palm Fatty Acid Distillate (Malaysia Origin USD/MT) | FOB | 700 | 700 | Unch |

| | | | | |
|--------------------------------------|-----------|-----------|-----------|--------|
| Crude palm Kernel Oil India (USD/MT) | CNF India | Unq | 965 | - |
| Ukraine Origin CSFO USD/MT Kandla | CIF | 845 | 850 | -5 |
| Rapeseed Oil Rotterdam Euro/MT | FOB | 830 | 838 | -8 |
| | | | | |
| Argentina FOB (\$/MT) | | 23-Jan-20 | 22-Jan-20 | Change |
| Crude Soybean Oil Ship | | 787 | 800 | -13 |
| Refined Soy Oil (Bulk) Ship | | 815 | 828 | -13 |
| Sunflower Oil Ship | | 790 | 790 | Unch |
| Cottonseed Oil Ship | | 767 | 780 | -13 |
| 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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