

Domestic Fundamentals:

- Edible oil complex featured mostly weak tone at various market centers on Monday.
- Soy oil and palm oil futures fell on demand worries and 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.
- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's Jan 1-25 palm oil exports fell 1.3 percent to 1,022,023 tons compared to 1,035,930 tons in corresponding period last month. Top buyers were European Union 269,256 tons (251,750 tons), India & subcontinent 168,900 tons (105,100 tons) and China at 160,690 tons (195,030 tons). Values in brackets are figures of corresponding period last month.
- 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 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 underpinned by fall 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	-21.20	863.00	863.00	837.60	847.00	33,515	20215	52480	-1500
Mar-20	-22.80	853.00	853.00	829.80	835.60	16,030	9855	33805	2320

Prices & Vol-OI are at 5:30 PM

Spread	Feb-20	Mar-20
Spot	43.00	
Feb-20		-11.40
Mar-20		

MCX CPO Futures

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Feb-20	-16.20	777.00	781.40	758.60	765.10	1247	-49	2369	-753
Mar-20	-19.20	763.00	764.50	738.00	748.60	1355	-562	4593	26

Spread

Feb-20

Mar-20

Spot

24.9

41.4

Feb-20

-16.5

Mar-20

CBOT Soy Oil Futures (Projections):

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Mar	-0.98	31.9	31.97	30.72	31.04
15-May	-0.98	32.25	32.3	31.08	31.39
15-Jul	-0.98	32.6	32.67	31.46	31.76
15-Aug	-0.98	32.72	32.77	31.56	31.85
15-Sep	-0.99	32.8	32.8	31.69	31.91

-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)
27/1/2020	6.94	13606	4.065	60.01	71.42	4.18	97.88	52.55

Edible Oil Prices at Key Market:

Commodity	Centre	Prices(Per 10 Kg)		Change
		27-Jan-20	25-Jan-20	
Refined Soybean Oil	Indore	890	890	Unch
	Indore (Soy Solvent Crude)	855	845	10
	Mumbai	890	910	-20
	Mumbai (Soy Degum)	855	857	-2
	Kandla/Mundra	880	890	-10
	Kandla/Mundra (Soy Degum)	852	855	-3
	Kolkata	875	880	-5
	Delhi	917	933	-16
	Nagpur	890	900	-10
	Rajkot	862	875	-13
	Kota	890	900	-10

	Hyderabad	Unq	Unq	-
	Akola	908	908	Unch
	Amrawati	898	904	-6
	Bundi	895	905	-10
	Jalna	885	898	-13
	Solapur	853	868	-15
	Dhule	885	898	-13
Palm Oil*	Kandla (Crude Palm Oil)	827	830	-2
	Kandla (RBD Palm oil)	877	882	-5
	Kandla RBD Pamolein	893	908	-16
	Kakinada (Crude Palm Oil)	814	824	-11
	Kakinada RBD Pamolein	898	914	-16
	Haldia Pamolein	872	914	-42
	Chennai RBD Pamolein	903	919	-16
	Chennai RBD Pamolein (Vitamin A&D Fortified)	960	973	-14
	KPT (krishna patnam) Pamolein	893	914	-21
	Mumbai RBD Pamolein	914	919	-5
	Mangalore RBD Pamolein	903	919	-16
	Tuticorin (RBD Palmolein)	919	924	-5
	Delhi	912	922	-10
	Rajkot	882	903	-21
	Hyderabad	900	905	-5
	PFAD (Kandla)	546	557	-11
	Refined Palm Stearin (Kandla)	814	824	-11
	Superolien (Kandla)	929	935	-5
	Superolien (Mumbai)	935	945	-11
* inclusive of GST				
Refined Sunflower Oil	Chennai	910	910	Unch
	Mumbai	900	920	-20
	Mumbai(Expeller Oil)	860	860	Unch
	Kandla (Ref.)	890	900	-10
	Hyderabad (Ref)	890	900	-10
	Latur (Expeller Oil)	850	865	-15
	Chellakere (Expeller Oil)	860	875	-15
	Erode (Expeller Oil)	970	970	Unch
Groundnut Oil	Rajkot	1100	1125	-25
	Chennai	1130	1130	Unch
	Delhi	1100	1100	Unch
	Hyderabad *	1130	1130	Unch
	Mumbai	1150	1140	10

	Gondal	1110	1100	10
	Jamnagar	1110	1100	10
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	885	885	Unch
	Jaipur (Kacchi Ghani Oil)	905	905	Unch
	Kota (Expeller Oil)	865	875	-10
	Kota (Kacchi Ghani Oil)	890	890	Unch
	Neewai (Expeller Oil)	865	870	-5
	Neewai (Kacchi Ghani Oil)	880	890	-10
	Bharatpur (Kacchi Ghani Oil)	890	910	-20
	Sri-Ganga Nagar(Exp Oil)	870	870	Unch
	Sri-Ganga Nagar (Kacchi Ghani Oil)	885	885	Unch
	Mumbai (Expeller Oil)	910	910	Unch
	Kolkata(Expeller Oil)	1050	1050	Unch
	New Delhi (Expeller Oil)	880	895	-15
	Hapur (Expeller Oil)	925	895	30
	Hapur (Kacchi Ghani Oil)	955	925	30
	Agra (Kacchi Ghani Oil)	895	915	-20
Refined Cottonseed Oil	Rajkot	870	850	20
	Hyderabad	865	845	20
	Mumbai	865	875	-10
	New Delhi	880	825	55
Coconut Oil	Kangayan (Crude)	1430	1430	Unch
	Cochin	1510	1510	Unch
Sesame Oil	New Delhi	1380	1390	-10
	Mumbai	Unq	Unq	-
Kardi	Mumbai	Unq	Unq	-
Rice Bran Oil (40%)	New Delhi	670	697	-27
Rice Bran Oil (4%)	Punjab	750	750	Unch
Malaysia Palmolein USD/MT	FOB	Closed	758	-
	CNF India	Closed	783	-
Indonesia CPO USD/MT	FOB	Closed	773	-
	CNF India	Closed	795	-
RBD Palm oil (Malaysia Origin USD/MT)	FOB	Closed	Closed	-
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	Closed	Closed	-
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	Closed	Closed	-
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	Closed	Closed	-



Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	Closed	-
Ukraine Origin CSFO USD/MT Kandla	CIF	833	843	-10
Rapeseed Oil Rotterdam Euro/MT	FOB	Unq	Closed	-
Argentina FOB (\$/MT)		25-Jan-20	24-Jan-20	Change
Crude Soybean Oil Ship		Closed	780	-
Refined Soy Oil (Bulk) Ship		Closed	807	-
Sunflower Oil Ship		Closed	790	-
Cottonseed Oil Ship		Closed	760	-
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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