

Domestic Fundamentals:

- Edible oil complex featured weak tone at various market centers on Tuesday.
- Soy oil and palm oil futures rose on technical buying after selloff in last couple days. 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.
- 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 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.
- 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.
- 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.

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	8.40	839.80	865.00	823.00	849.80	54,140	40840	46035	-7945
Mar-20	10.00	830.60	855.00	810.00	840.60	31,735	25560	39500	8015

Prices & Vol-OI are at 5:30 PM

Spread	Feb-20	Mar-20
Spot	35.20	
Feb-20		-9.20
Mar-20		

MCX CPO Futures

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Feb-20	7.00	750.00	787.80	750.00	773.50	1081	74	1709	-417
Mar-20	7.20	742.00	775.50	724.90	754.50	5546	2809	4905	234

Spread

Feb-20

Mar-20

Spot

-0.5

Feb-20

-19

Mar-20

CBOT Soy Oil Futures (Projections):

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Mar	-0.65	31.59	31.63	30.56	30.87
15-May	-0.65	31.95	31.97	30.93	31.23
15-Jul	-0.64	32.32	32.33	31.31	31.61
15-Aug	-0.64	32.39	32.41	31.42	31.71
15-Sep	-0.64	32.47	32.48	31.53	31.78

-0.22

Forex:
BMD CPO Futures:

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
15-Feb	-276	2780	2784	2649	2649
15-Mar	-290	2829	2829	2616	2616
15-Apr	-286	2792	2798	2575	2575
15-Jun	-281	2755	2755	2531	2531

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
28/1/2020	6.94	13644	4.083	60.08	71.33	4.21	98.02	52.88

Edible Oil Prices at Key Market:

Commodity	Centre	Prices(Per 10 Kg)		Change
		28-Jan-20	27-Jan-20	
Refined Soybean Oil	Indore	885	890	-5
	Indore (Soy Solvent Crude)	840	855	-15
	Mumbai	875	890	-15
	Mumbai (Soy Degum)	840	855	-15
	Kandla/Mundra	840	880	-40
	Kandla/Mundra (Soy Degum)	835	852	-17
	Kolkata	850	875	-25
	Delhi	904	917	-13
	Nagpur	885	890	-5
	Rajkot	860	862	-2
	Kota	875	890	-15

	Hyderabad	Unq	Unq	-
	Akola	895	908	-13
	Amrawati	890	898	-8
	Bundi	880	895	-15
	Jalna	880	885	-5
	Solapur	850	853	-3
	Dhule	881	885	-4
Palm Oil*	Kandla (Crude Palm Oil)	812	827	-16
	Kandla (RBD Palm oil)	861	877	-16
	Kandla RBD Pamolein	877	893	-16
	Kakinada (Crude Palm Oil)	788	814	-26
	Kakinada RBD Pamolein	882	898	-16
	Haldia Pamolein	872	872	Unch
	Chennai RBD Pamolein	887	903	-16
	Chennai RBD Pamolein (Vitamin A&D Fortified)	942	960	-18
	KPT (krishna patnam) Pamolein	882	893	-11
	Mumbai RBD Pamolein	882	914	-32
	Mangalore RBD Pamolein	893	903	-11
	Tuticorin (RBD Palmolein)	903	919	-16
	Delhi	900	912	-12
	Rajkot	872	882	-11
	Hyderabad	880	900	-20
	PFAD (Kandla)	530	546	-16
	Refined Palm Stearin (Kandla)	788	814	-26
	Superolien (Kandla)	908	929	-21
	Superolien (Mumbai)	914	935	-21
* inclusive of GST				
Refined Sunflower Oil	Chennai	875	910	-35
	Mumbai	890	900	-10
	Mumbai(Expeller Oil)	850	860	-10
	Kandla (Ref.)	870	890	-20
	Hyderabad (Ref)	880	890	-10
	Latur (Expeller Oil)	840	850	-10
	Chellakere (Expeller Oil)	850	860	-10
	Erode (Expeller Oil)	955	970	-15
Groundnut Oil	Rajkot	1050	1100	-50
	Chennai	1120	1130	-10
	Delhi	1100	1100	Unch
	Hyderabad *	1130	1130	Unch
	Mumbai	1150	1150	Unch

	Gondal	1090	1110	-20
	Jamnagar	1090	1110	-20
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	865	885	-20
	Jaipur (Kacchi Ghani Oil)	885	905	-20
	Kota (Expeller Oil)	850	865	-15
	Kota (Kacchi Ghani Oil)	875	890	-15
	Neewai (Expeller Oil)	860	865	-5
	Neewai (Kacchi Ghani Oil)	870	880	-10
	Bharatpur (Kacchi Ghani Oil)	880	890	-10
	Sri-Ganga Nagar(Exp Oil)	850	870	-20
	Sri-Ganga Nagar (Kacchi Ghani Oil)	860	885	-25
	Mumbai (Expeller Oil)	900	910	-10
	Kolkata(Expeller Oil)	1030	1050	-20
	New Delhi (Expeller Oil)	872	880	-8
	Hapur (Expeller Oil)	925	925	Unch
	Hapur (Kacchi Ghani Oil)	955	955	Unch
	Agra (Kacchi Ghani Oil)	885	895	-10
Refined Cottonseed Oil	Rajkot	840	870	-30
	Hyderabad	825	865	-40
	Mumbai	855	865	-10
	New Delhi	875	880	-5
Coconut Oil	Kangayan (Crude)	1430	1430	Unch
	Cochin	1510	1510	Unch
Sesame Oil	New Delhi	1380	1380	Unch
	Mumbai	Unq	Unq	-
Kardi	Mumbai	Unq	Unq	-
Rice Bran Oil (40%)	New Delhi	670	670	Unch
Rice Bran Oil (4%)	Punjab	750	750	Unch
Malaysia Palmolein USD/MT	FOB	713	758	-45
	CNF India	745	783	-38
Indonesia CPO USD/MT	FOB	750	773	-23
	CNF India	770	795	-25
RBD Palm oil (Malaysia Origin USD/MT)	FOB	710	755	-45
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	720	758	-38
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	960	1010	-50
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	690	700	-10

Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	960	-
Ukraine Origin CSFO USD/MT Kandla	CIF	835	833	2
Rapeseed Oil Rotterdam Euro/MT	FOB	835	845	-10
Argentina FOB (\$/MT)		27-Jan-20	25-Jan-20	Change
Crude Soybean Oil Ship		772	780	-8
Refined Soy Oil (Bulk) Ship		799	807	-8
Sunflower Oil Ship		785	790	-5
Cottonseed Oil Ship		752	760	-8
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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