

Domestic Fundamentals:

- Edible oil complex featured mostly firm tone at various market centers on Wednesday.
- Soy oil and palm oil futures rose on technical buying after selloff in last few days. BMD CPO rose on weak supply worries and CBOT soy oil rose on technical buying after fall for last some days.
- According to Indonesia trade ministry, Indonesia will charge export duty on crude palm oil for the first time after May 2017. The export tax will be USD 18 per ton for crude palm oil with reference prices at USD 839.7 per ton, up 15.07 percent from Jan at USD 729.7 per ton. Due to reference prices above USD 750 per ton, it has to be taxed at USD 18 per ton. Over and above export tax, export levy of USD 50 per ton is charged on exports of crude palm oil if prices are above USD 619 per ton.
- 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 4.10/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.

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	8.00	860.40	870.00	856.40	861.00	20,655	-33485	43985	-2050
Mar-20	4.80	850.00	858.00	844.60	848.00	12,770	-18965	42400	2900

Prices & Vol-OI are at 5:30 PM

Spread	Feb-20	Mar-20
Spot	19.00	
Feb-20		-13.00
Mar-20		

MCX CPO Futures

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Feb-20	14.00	780.00	790.00	777.50	784.70	369	-712	1637	-72
Mar-20	12.10	759.00	776.00	759.00	765.50	2139	-3407	5237	332

Spread
Feb-20
Mar-20
Spot

-1.7

Feb-20

-19.2

Mar-20
CBOT Soy Oil Futures (Projections):

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Mar	0.54	31.47	32.11	31.43	32
15-May	0.54	31.84	32.47	31.79	32.37
15-Jul	0.53	32.22	32.84	32.17	32.74
15-Aug	0.62	32.31	32.93	32.3	32.92
15-Sep	0.63	32.38	33	32.38	33

-0.22

Forex:
BMD CPO Futures:

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
15-Feb	154	2794	2794	2794	2794
15-Mar	140	2681	2841	2681	2756
15-Apr	153	2653	2810	2653	2728
15-Jun	156	2620	2768	2620	2687

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	13632	4.08	60.10	71.25	4.20	98.10	53.88

Edible Oil Prices at Key Market:

Commodity	Centre	Prices(Per 10 Kg)		Change
		29-Jan-20	28-Jan-20	
Refined Soybean Oil	Indore	885	885	Unch
	Indore (Soy Solvent Crude)	840	840	Unch
	Mumbai	900	875	25
	Mumbai (Soy Degum)	850	840	10
	Kandla/Mundra	870	840	30
	Kandla/Mundra (Soy Degum)	850	835	15
	Kolkata	875	850	25
	Delhi	917	904	13
	Nagpur	885	885	Unch
	Rajkot	860	860	Unch
	Kota	875	875	Unch

	Hyderabad	Unq	Unq	-
	Akola	890	895	-5
	Amrawati	890	890	Unch
	Bundi	880	880	Unch
	Jalna	882	880	2
	Solapur	850	850	Unch
	Dhule	887	881	6
Palm Oil*	Kandla (Crude Palm Oil)	822	812	11
	Kandla (RBD Palm oil)	856	861	-5
	Kandla RBD Pamolein	887	877	11
	Kakinada (Crude Palm Oil)	767	788	-21
	Kakinada RBD Pamolein	898	882	16
	Haldia Pamolein	877	872	5
	Chennai RBD Pamolein	903	887	16
	Chennai RBD Pamolein (Vitamin A&D Fortified)	956	942	14
	KPT (krishna patnam) Pamolein	893	882	11
	Mumbai RBD Pamolein	908	882	26
	Mangalore RBD Pamolein	903	893	11
	Tuticorin (RBD Palmolein)	898	903	-5
	Delhi	933	900	33
	Rajkot	882	872	11
	Hyderabad	890	880	10
	PFAD (Kandla)	536	530	5
	Refined Palm Stearin (Kandla)	767	788	-21
	Superolien (Kandla)	914	908	5
	Superolien (Mumbai)	924	914	11
* inclusive of GST				
Refined Sunflower Oil	Chennai	900	875	25
	Mumbai	910	890	20
	Mumbai(Expeller Oil)	855	850	5
	Kandla (Ref.)	890	870	20
	Hyderabad (Ref)	880	880	Unch
	Latur (Expeller Oil)	835	840	-5
	Chellakere (Expeller Oil)	845	850	-5
	Erode (Expeller Oil)	955	955	Unch
Groundnut Oil	Rajkot	1075	1050	25
	Chennai	1130	1120	10
	Delhi	1100	1100	Unch
	Hyderabad *	1150	1130	20
	Mumbai	1140	1150	-10

	Gondal	1100	1090	10
	Jamnagar	1100	1090	10
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	865	865	Unch
	Jaipur (Kacchi Ghani Oil)	885	885	Unch
	Kota (Expeller Oil)	850	850	Unch
	Kota (Kacchi Ghani Oil)	875	875	Unch
	Neewai (Expeller Oil)	850	860	-10
	Neewai (Kacchi Ghani Oil)	860	870	-10
	Bharatpur (Kacchi Ghani Oil)	875	880	-5
	Sri-Ganga Nagar(Exp Oil)	860	850	10
	Sri-Ganga Nagar (Kacchi Ghani Oil)	870	860	10
	Mumbai (Expeller Oil)	900	900	Unch
	Kolkata(Expeller Oil)	1030	1030	Unch
	New Delhi (Expeller Oil)	875	872	3
	Hapur (Expeller Oil)	905	925	-20
	Hapur (Kacchi Ghani Oil)	935	955	-20
	Agra (Kacchi Ghani Oil)	880	885	-5
Refined Cottonseed Oil	Rajkot	850	840	10
	Hyderabad	840	825	15
	Mumbai	860	855	5
	New Delhi	880	875	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	675	670	5
Rice Bran Oil (4%)	Punjab	750	750	Unch
Malaysia Palmolein USD/MT	FOB	720	713	7
	CNF India	750	745	5
Indonesia CPO USD/MT	FOB	760	750	10
	CNF India	780	770	10
RBD Palm oil (Malaysia Origin USD/MT)	FOB	718	710	8
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	713	720	-7
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	950	960	-10
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	693	690	3

Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	930	-
Ukraine Origin CSFO USD/MT Kandla	CIF	820	835	-15
Rapeseed Oil Rotterdam Euro/MT	FOB	855	835	20
Argentina FOB (\$/MT)		28-Jan-20	27-Jan-20	Change
Crude Soybean Oil Ship		765	772	-7
Refined Soy Oil (Bulk) Ship		792	799	-7
Sunflower Oil Ship		785	785	Unch
Cottonseed Oil Ship		745	752	-7
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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