

Domestic Fundamentals:

- Edible oil complex featured mostly weak tone at various market centers on Tuesday.
- Soy oil and palm oil futures rose on buying at lower quotes and rise in prices in international markets. BMD CPO and CBOT soy oil rose on technical buying and buying at lower quotes.
- According to Indonesia Palm Oil Association (GAPKI), exports of palm oil (CPO and PKO), biodiesel and oleochemical exports from Indonesia rose 4.2 percent in 2019 y-o-y to 36.18 MMT from 34.71 MMT in 2019. Production of palm oil in Indonesia in 2019 totaled 47.1 MMT while the stocks of palm oil at the end of 2019 was 4.6 MMT.
- According to Ministry of Finance (MOF), Government of India Notification number 01/2020-Customs dated 2nd February 2020, India increases import duty on crude palm oil imports by 6.5% on CPO to 44% from 37.5% earlier. This makes effective import duty to 48.4% from 41.25%. Import duty on imports if RBD palmolein stands at 45% making effective import duty at 49.5% after chess. This comes after India restricted imports of RBD palmolein in Jan this year and reduction of customs duty on CPO on Dec 31 2019 by 2.5% to 37.7% from 40% earlier. This hike in import duty on CPO is unprecedented and industry and markets are surprised by government move.
- In an unprecedented move Indian government hike import duty of CPO in the Budget 2020. Market and trade has been caught off-guard and surprised that recent bonanza given by government by restricting imports of RBD palmolein will come to an end so soon. Indian palm oil refiners margins will shrink already struggling by buying CPO at higher prices. This high volatility in palm oil prices have caught refiners off guard.
- 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.

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	9.60	841.60	849.40	836.40	846.40	13,655	-12085	37560	-2710
Mar-20	13.00	823.00	836.20	819.40	833.60	18,440	-3380	47885	-1945

Prices & Vol-OI are at 5:30 PM

Spread	Feb-20	Mar-20
Spot	23.60	
Feb-20		-12.80
Mar-20		

MCX CPO Futures

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Feb-20	17.50	732.00	747.90	725.70	745.40	3035	-205	4600	-259
Mar-20	16.40	727.00	740.00	720.00	737.00	873	-85	2527	224

Spread
Feb-20
Mar-20
Spot

47.6

Feb-20

-8.4

Mar-20
CBOT Soy Oil Futures (Projections):

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Mar	0.49	30.21	30.84	30.16	30.78
15-May	0.51	30.58	31.2	30.54	31.16
15-Jul	0.49	30.96	31.58	30.92	31.53
15-Aug	0.50	31.09	31.7	31.05	31.68
15-Sep	0.49	31.38	31.8	31.22	31.8

-0.22

Forex:
BMD CPO Futures:

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
15-Feb	21	2709	2750	2691	2691
15-Mar	49	2724	2737	2670	2707
15-Apr	59	2685	2697	2626	2672
15-Jun	61	2641	2658	2594	2637

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
3/2/2020	7.00	13714	4.111	60.39	71.27	4.25	97.87	50.80

Edible Oil Prices at Key Market:

Commodity	Centre	Prices(Per 10 Kg)		Change
		4-Feb-20	3-Feb-20	
Refined Soybean Oil	Indore	875	875	Unch
	Indore (Soy Solvent Crude)	825	835	-10
	Mumbai	880	880	Unch
	Mumbai (Soy Degum)	822	830	-8
	Kandla/Mundra	860	865	-5
	Kandla/Mundra (Soy Degum)	815	822	-7
	Kolkata	865	865	Unch
	Delhi	885	885	Unch
	Nagpur	870	879	-9
	Rajkot	840	840	Unch
	Kota	870	870	Unch

	Hyderabad	Unq	Unq	-
	Akola	880	880	Unch
	Amrawati	880	880	Unch
	Bundi	875	875	Unch
	Jalna	870	875	-5
	Solapur	848	848	Unch
	Dhule	871	878	-7
Palm Oil*	Kandla (Crude Palm Oil)	833	840	-7
	Kandla (RBD Palm oil)	840	840	Unch
	Kandla RBD Pamolein	861	861	Unch
	Kakinada (Crude Palm Oil)	767	767	Unch
	Kakinada RBD Pamolein	856	856	Unch
	Haldia Pamolein	856	856	Unch
	Chennai RBD Pamolein	861	861	Unch
	Chennai RBD Pamolein (Vitamin A&D Fortified)	928	928	Unch
	KPT (krishna patnam) Pamolein	851	851	Unch
	Mumbai RBD Pamolein	893	893	Unch
	Mangalore RBD Pamolein	866	866	Unch
	Tuticorin (RBD Palmolein)	861	872	-11
	Delhi	890	890	Unch
	Rajkot	856	851	5
	Hyderabad	870	880	-10
	PFAD (Kandla)	525	525	Unch
	Refined Palm Stearin (Kandla)	767	767	Unch
	Superolien (Kandla)	882	882	Unch
	Superolien (Mumbai)	919	919	Unch
* inclusive of GST				
Refined Sunflower Oil	Chennai	870	885	-15
	Mumbai	900	900	Unch
	Mumbai(Expeller Oil)	830	830	Unch
	Kandla (Ref.)	880	880	Unch
	Hyderabad (Ref)	860	870	-10
	Latur (Expeller Oil)	825	820	5
	Chellakere (Expeller Oil)	835	830	5
	Erode (Expeller Oil)	930	935	-5
Groundnut Oil	Rajkot	1100	1050	50
	Chennai	1120	1120	Unch
	Delhi	1100	1100	Unch
	Hyderabad *	1120	1110	10
	Mumbai	1140	1140	Unch

	Gondal	1100	1100	Unch
	Jamnagar	1100	1100	Unch
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	845	865	-20
	Jaipur (Kacchi Ghani Oil)	868	882	-14
	Kota (Expeller Oil)	855	855	Unch
	Kota (Kacchi Ghani Oil)	858	875	-17
	Neewai (Expeller Oil)	820	825	-5
	Neewai (Kacchi Ghani Oil)	832	835	-3
	Bharatpur (Kacchi Ghani Oil)	870	870	Unch
	Sri-Ganga Nagar(Exp Oil)	840	855	-15
	Sri-Ganga Nagar (Kacchi Ghani Oil)	860	870	-10
	Mumbai (Expeller Oil)	870	870	Unch
	Kolkata(Expeller Oil)	1030	1030	Unch
	New Delhi (Expeller Oil)	870	870	Unch
	Hapur (Expeller Oil)	925	915	10
	Hapur (Kacchi Ghani Oil)	955	945	10
	Agra (Kacchi Ghani Oil)	875	875	Unch
Refined Cottonseed Oil	Rajkot	830	830	Unch
	Hyderabad	835	835	Unch
	Mumbai	842	842	Unch
	New Delhi	785	785	Unch
Coconut Oil	Kangayan (Crude)	1450	1460	-10
	Cochin	1500	1500	Unch
Sesame Oil	New Delhi	1350	1350	Unch
	Mumbai	Unq	Unq	-
Kardi	Mumbai	Unq	Unq	-
Rice Bran Oil (40%)	New Delhi	675	675	Unch
Rice Bran Oil (4%)	Punjab	740	740	Unch
Malaysia Palmolein USD/MT	FOB	690	688	2
	CNF India	720	718	2
Indonesia CPO USD/MT	FOB	715	710	5
	CNF India	730	730	Unch
RBD Palm oil (Malaysia Origin USD/MT)	FOB	688	685	3
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	690	685	5
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	895	900	-5
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	675	670	5

Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	910	-
Ukraine Origin CSFO USD/MT Kandla	CIF	800	810	-10
Rapeseed Oil Rotterdam Euro/MT	FOB	853	848	5
Argentina FOB (\$/MT)		3-Feb-20	1-Feb-20	Change
Crude Soybean Oil Ship		725	Closed	-
Refined Soy Oil (Bulk) Ship		750	Closed	-
Sunflower Oil Ship		770	Closed	-
Cottonseed Oil Ship		705	Closed	-
Refined Linseed Oil (Bulk) Ship		Unq	Closed	-
* 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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