

**Domestic Fundamentals:**

- Edible oil complex featured mixed tone at various market centers on Wednesday.
- 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.
- 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.
- 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.

**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	15.60	851.00	867.00	851.00	864.60	21,715	8060	32625	-4935
Mar-20	16.40	838.20	856.00	838.20	852.60	26,175	7735	48835	950

Prices & Vol-OI are at 5:30 PM

Spread	Feb-20	Mar-20
Spot	5.40	
Feb-20		-12.00
Mar-20		

**MCX CPO Futures**

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Feb-20	20.40	752.70	772.00	752.70	768.70	3415	380	4408	-192
Mar-20	18.30	748.00	763.50	745.00	758.00	2355	1482	2190	-337

**Spread**
**Feb-20**
**Mar-20**
**Spot**

31.3

**Feb-20**

-10.7

**Mar-20**
**CBOT Soy Oil Futures (Projections):**

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Mar	0.34	30.83	31.17	30.64	31.07
15-May	0.36	31.23	31.53	31.05	31.46
15-Jul	0.36	31.58	31.91	31.41	31.84
15-Aug	0.37	31.74	32.04	31.55	31.99
15-Sep	0.35	31.88	32.18	31.79	32.09

-0.22

**Forex:**
**BMD CPO Futures:**

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
15-Feb	133	2780	2850	2780	2850
15-Mar	137	2745	2845	2745	2842
15-Apr	138	2710	2813	2704	2806
15-Jun	138	2680	2780	2667	2772

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
4/2/2020	6.98	13679	4.117	60.50	71.21	4.26	98.05	50.76

**Edible Oil Prices at Key Market:**

Commodity	Centre	Prices(Per 10 Kg)		Change
		5-Feb-20	4-Feb-20	
Refined Soybean Oil	Indore	870	875	-5
	Indore (Soy Solvent Crude)	830	825	5
	Mumbai	880	880	Unch
	Mumbai (Soy Degum)	825	822	3
	Kandla/Mundra	860	860	Unch
	Kandla/Mundra (Soy Degum)	820	815	5
	Kolkata	860	865	-5
	Delhi	900	885	15
	Nagpur	865	870	-5
	Rajkot	850	840	10
	Kota	870	870	Unch

	Hyderabad	Unq	Unq	-
	Akola	880	880	Unch
	Amrawati	880	880	Unch
	Bundi	875	875	Unch
	Jalna	870	870	Unch
	Solapur	840	848	-8
	Dhule	871	871	Unch
Palm Oil*	Kandla (Crude Palm Oil)	840	833	7
	Kandla (RBD Palm oil)	845	840	5
	Kandla RBD Pamolein	872	861	11
	Kakinada (Crude Palm Oil)	777	767	11
	Kakinada RBD Pamolein	861	856	5
	Haldia Pamolein	861	856	5
	Chennai RBD Pamolein	872	861	11
	Chennai RBD Pamolein (Vitamin A&D Fortified)	935	928	6
	KPT (krishna patnam) Pamolein	861	851	11
	Mumbai RBD Pamolein	887	893	-5
	Mangalore RBD Pamolein	877	866	11
	Tuticorin (RBD Palmolein)	877	861	16
	Delhi	890	890	Unch
	Rajkot	872	856	16
	Hyderabad	875	870	5
	PFAD (Kandla)	525	525	Unch
	Refined Palm Stearin (Kandla)	777	767	11
	Superolien (Kandla)	882	882	Unch
	Superolien (Mumbai)	919	919	Unch
* inclusive of GST				
Refined Sunflower Oil	Chennai	870	870	Unch
	Mumbai	900	900	Unch
	Mumbai(Expeller Oil)	830	830	Unch
	Kandla (Ref.)	885	880	5
	Hyderabad (Ref)	870	860	10
	Latur (Expeller Oil)	810	825	-15
	Chellakere (Expeller Oil)	820	835	-15
	Erode (Expeller Oil)	940	930	10
Groundnut Oil	Rajkot	1075	1100	-25
	Chennai	1120	1120	Unch
	Delhi	1100	1100	Unch
	Hyderabad *	1100	1120	-20
	Mumbai	1140	1140	Unch

	Gondal	1100	1100	Unch
	Jamnagar	1100	1100	Unch
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	845	845	Unch
	Jaipur (Kacchi Ghani Oil)	867	868	-1
	Kota (Expeller Oil)	855	855	Unch
	Kota (Kacchi Ghani Oil)	855	858	-3
	Neewai (Expeller Oil)	830	820	10
	Neewai (Kacchi Ghani Oil)	842	832	10
	Bharatpur (Kacchi Ghani Oil)	870	870	Unch
	Sri-Ganga Nagar(Exp Oil)	840	840	Unch
	Sri-Ganga Nagar (Kacchi Ghani Oil)	860	860	Unch
	Mumbai (Expeller Oil)	870	870	Unch
	Kolkata(Expeller Oil)	1050	1030	20
	New Delhi (Expeller Oil)	852	870	-18
	Hapur (Expeller Oil)	925	925	Unch
	Hapur (Kacchi Ghani Oil)	955	955	Unch
	Agra (Kacchi Ghani Oil)	875	875	Unch
Refined Cottonseed Oil	Rajkot	840	830	10
	Hyderabad	840	835	5
	Mumbai	842	842	Unch
	New Delhi	800	785	15
Coconut Oil	Kangayan (Crude)	1450	1450	Unch
	Cochin	1500	1500	Unch
Sesame Oil	New Delhi	1350	1350	Unch
	Mumbai	Unq	Unq	-
Kardi	Mumbai	Unq	Unq	-
Rice Bran Oil (40%)	New Delhi	640	675	-35
Rice Bran Oil (4%)	Punjab	740	740	Unch
Malaysia Palmolein USD/MT	FOB	705	690	15
	CNF India	735	720	15
Indonesia CPO USD/MT	FOB	720	715	5
	CNF India	743	730	13
RBD Palm oil (Malaysia Origin USD/MT)	FOB	700	688	12
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	698	690	8
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	895	895	Unch
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	683	675	8

Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	905	-
Ukraine Origin CSFO USD/MT Kandla	CIF	800	800	Unch
Rapeseed Oil Rotterdam Euro/MT	FOB	825	853	-28
Argentina FOB (\$/MT)		4-Feb-20	3-Feb-20	Change
Crude Soybean Oil Ship		732	725	7
Refined Soy Oil (Bulk) Ship		758	750	8
Sunflower Oil Ship		760	770	-10
Cottonseed Oil Ship		712	705	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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