

**Domestic Fundamentals:**

- Edible oil complex featured mixed tone at various market centers on Thursday.
- Soy oil and palm oil futures declined on selling at higher quotes despite 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	-1.09	861.80	863.40	849.20	849.2	23125	1,410	27035	-5590
Mar-20	-1.00	847.80	851.00	835.60	835.6	25085	-1,090	53015	4180

Prices & Vol-OI are at 5:30 PM

Spread	Feb-20	Mar-20
Spot	20.8	
Feb-20		34
Mar-20		

**MCX CPO Futures**

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Feb-20	-1.57	766.70	774.00	751.10	751.90	2797	-618	4379	-29
Mar-20	-1.31	757.10	763.30	744.00	744	1918	-437	1957	-233

Spread	Feb-20	Mar-20
Spot	102	
Feb-20		110
Mar-20		

**CBOT Soy Oil Futures (Projections):**

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Mar	0.59	30.83	31.69	30.64	31.32
15-May	0.59	31.23	32.07	31.05	31.69
15-Jul	0.57	31.58	32.44	31.41	32.05
15-Aug	0.56	31.74	32.56	31.55	32.18
15-Sep	0.56	31.88	32.66	31.79	32.3

**BMD CPO Futures:**

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
15-Feb	77	2,922	-	-	2,930
15-Mar	50	2,853	2,602	3,012	2,891
15-Apr	48	2,820	2,837	2,894	2,852
15-Jun	39	2,779	2,450	2,870	2,810

**Forex:**

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
5/2/2020	6.97	13629.02	4.12	60.67	71.20	4.27	97.86	52.24

**Edible Oil Prices at Key Market:**

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

	Hyderabad	Unq	Unq	-
	Akola	880	880	Unch
	Amrawati	875	880	-5
	Bundi	885	875	10
	Jalna	870	870	Unch
	Solapur	840	840	Unch
	Dhule	877	871	6
Palm Oil*	Kandla (Crude Palm Oil)	854	840	14
	Kandla (RBD Palm oil)	840	845	-5
	Kandla RBD Pamolein	877	872	5
	Kakinada (Crude Palm Oil)	777	777	Unch
	Kakinada RBD Pamolein	861	861	Unch
	Haldia Pamolein	877	861	16
	Chennai RBD Pamolein	872	872	Unch
	Chennai RBD Pamolein (Vitamin A&D Fortified)	937	935	2
	KPT (krishna patnam) Pamolein	866	861	5
	Mumbai RBD Pamolein	898	887	11
	Mangalore RBD Pamolein	877	877	Unch
	Tuticorin (RBD Palmolein)	887	877	11
	Delhi	920	890	30
	Rajkot	882	872	11
	Hyderabad	875	875	Unch
	PFAD (Kandla)	536	525	11
	Refined Palm Stearin (Kandla)	777	777	Unch
	Superolien (Kandla)	903	882	21
	Superolien (Mumbai)	924	919	5
* inclusive of GST				
Refined Sunflower Oil	Chennai	875	870	5
	Mumbai	900	900	Unch
	Mumbai(Expeller Oil)	830	830	Unch
	Kandla (Ref.)	885	885	Unch
	Hyderabad (Ref)	870	870	Unch
	Latur (Expeller Oil)	810	810	Unch
	Chellakere (Expeller Oil)	820	820	Unch
	Erode (Expeller Oil)	940	940	Unch
Groundnut Oil	Rajkot	1100	1075	25
	Chennai	1120	1120	Unch
	Delhi	1100	1100	Unch
	Hyderabad *	1100	1100	Unch
	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)	865	867	-2
	Kota (Expeller Oil)	835	855	-20
	Kota (Kacchi Ghani Oil)	855	855	Unch
	Neewai (Expeller Oil)	830	830	Unch
	Neewai (Kacchi Ghani Oil)	842	842	Unch
	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)	1040	1050	-10
	New Delhi (Expeller Oil)	855	852	3
	Hapur (Expeller Oil)	925	925	Unch
	Hapur (Kacchi Ghani Oil)	955	955	Unch
	Agra (Kacchi Ghani Oil)	875	875	Unch
Refined Cottonseed Oil	Rajkot	850	840	10
	Hyderabad	840	840	Unch
	Mumbai	842	842	Unch
	New Delhi	812	800	12
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	647	640	7
Rice Bran Oil (4%)	Punjab	740	740	Unch
Malaysia Palmolein USD/MT	FOB	723	705	18
	CNF India	753	735	18
Indonesia CPO USD/MT	FOB	730	720	10
	CNF India	760	743	17
RBD Palm oil (Malaysia Origin USD/MT)	FOB	720	700	20
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	715	698	17
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	905	895	10
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	705	683	22



Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	890	-
Ukraine Origin CSFO USD/MT Kandla	CIF	800	800	Unch
Rapeseed Oil Rotterdam Euro/MT	FOB	818	825	-7
Argentina FOB (\$/MT)		5-Feb-20	4-Feb-20	Change
Crude Soybean Oil Ship		743	732	11
Refined Soy Oil (Bulk) Ship		769	758	11
Sunflower Oil Ship		760	760	Unch
Cottonseed Oil Ship		723	712	11
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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