

Domestic Fundamentals:

- Edible oil complex depicted steady to weak tone at various market centers on Tuesday.
- Soy oil Feb contract rose while palm oil futures declined on selling pressures and demand prospects. BMD CPO and CBOT soy oil fell on firm supply prospects and concerns over coronavirus in China.
- 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 Feb 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 4.13/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	+0.40	846.60	849.00	837.00	849.00	8130	-1,320	20245	-1745
Mar-20	-0.31	832.80	833.80	823.00	830	14080	-1,800	54085	940

Prices & Vol-OI are at 5:30 PM

Spread	Feb-20	Mar-20
Spot	11	
Feb-20		30
Mar-20		

MCX CPO Futures

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Feb-20	-1.03	740.50	743.00	723.50	732.2	2814	1,175	4442	-83
Mar-20	-1.40	737.00	739.90	718.50	726.00	1870	1,222	2390	157

Spread

Feb-20

Mar-20

Spot

113

Feb-20

119

Mar-20

CBOT Soy Oil Futures (Projections):

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Mar	-0.35	31	31.27	30.51	30.62
15-May	-0.35	31.38	31.63	30.89	30.99
15-Jul	-0.33	31.71	32	31.26	31.37
15-Aug	-0.31	31.85	32.11	31.41	31.51
15-Sep	-0.3	32.04	32.22	31.54	31.63

BMD CPO Futures:

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
15-Feb	-40	2,824	-	-	2,760
15-Mar	-60	2,808	2,602	2,966	2,733
15-Apr	-61	2,777	2,693	2,695	2,693
15-Jun	-58	2,743	2,642	2,770	2,662

Forex:

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
10/2/2020	6.96	13670.14	4.13	61.11	71.27	4.33	98.76	50.32

Edible Oil Prices at Key Market:

Commodity	Centre	Prices(Per 10 Kg)		Change
		11-Feb-20	10-Feb-20	
Refined Soybean Oil	Indore	860	860	Unch
	Indore (Soy Solvent Crude)	820	822	-2
	Mumbai	850	865	-15
	Mumbai (Soy Degum)	820	827	-7
	Kandla/Mundra	840	855	-15
	Kandla/Mundra (Soy Degum)	808	822	-14
	Kolkata	855	865	-10
	Delhi	880	894	-14
	Nagpur	855	855	Unch
	Rajkot	840	840	Unch
	Kota	870	870	Unch

	Hyderabad	Unq	Unq	-
	Akola	875	875	Unch
	Amrawati	875	875	Unch
	Bundi	875	875	Unch
	Jalna	870	870	Unch
	Solapur	845	845	Unch
	Dhule	872	872	Unch
Palm Oil*	Kandla (Crude Palm Oil)	845	845	Unch
	Kandla (RBD Palm oil)	824	840	-16
	Kandla RBD Pamolein	856	872	-16
	Kakinada (Crude Palm Oil)	772	772	Unch
	Kakinada RBD Pamolein	863	872	-8
	Haldia Pamolein	877	882	-5
	Chennai RBD Pamolein	874	877	-3
	Chennai RBD Pamolein (Vitamin A&D Fortified)	936	942	-6
	KPT (krishna patnam) Pamolein	861	872	-11
	Mumbai RBD Pamolein	882	898	-16
	Mangalore RBD Pamolein	877	882	-5
	Tuticorin (RBD Palmolein)	882	882	Unch
	Delhi	885	900	-15
	Rajkot	861	861	Unch
	Hyderabad	867	867	Unch
	PFAD (Kandla)	546	536	11
	Refined Palm Stearin (Kandla)	772	772	Unch
	Superolien (Kandla)	893	908	-16
	Superolien (Mumbai)	919	929	-11
* inclusive of GST				
Refined Sunflower Oil	Chennai	870	870	Unch
	Mumbai	890	900	-10
	Mumbai(Expeller Oil)	815	825	-10
	Kandla (Ref.)	880	885	-5
	Hyderabad (Ref)	870	870	Unch
	Latur (Expeller Oil)	790	790	Unch
	Chellakere (Expeller Oil)	800	800	Unch
	Erode (Expeller Oil)	915	915	Unch
Groundnut Oil	Rajkot	1050	1050	Unch
	Chennai	1150	1150	Unch
	Delhi	1100	1100	Unch
	Hyderabad *	1110	1110	Unch
	Mumbai	1140	1140	Unch

	Gondal	1100	1100	Unch
	Jamnagar	1100	1100	Unch
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	825	840	-15
	Jaipur (Kacchi Ghani Oil)	845	860	-15
	Kota (Expeller Oil)	825	825	Unch
	Kota (Kacchi Ghani Oil)	835	850	-15
	Neewai (Expeller Oil)	815	830	-15
	Neewai (Kacchi Ghani Oil)	830	842	-12
	Bharatpur (Kacchi Ghani Oil)	845	845	Unch
	Sri-Ganga Nagar(Exp Oil)	820	830	-10
	Sri-Ganga Nagar (Kacchi Ghani Oil)	835	850	-15
	Mumbai (Expeller Oil)	870	870	Unch
	Kolkata(Expeller Oil)	1000	1040	-40
	New Delhi (Expeller Oil)	835	840	-5
	Hapur (Expeller Oil)	915	925	-10
	Hapur (Kacchi Ghani Oil)	945	955	-10
	Agra (Kacchi Ghani Oil)	850	850	Unch
Refined Cottonseed Oil	Rajkot	840	840	Unch
	Hyderabad	845	845	Unch
	Mumbai	850	840	10
	New Delhi	795	795	Unch
Coconut Oil	Kangayan (Crude)	1450	1450	Unch
	Cochin	1510	1500	10
Sesame Oil	New Delhi	1350	1350	Unch
	Mumbai	Unq	Unq	-
Kardi	Mumbai	Unq	Unq	-
Rice Bran Oil (40%)	New Delhi	647	650	-3
Rice Bran Oil (4%)	Punjab	740	740	Unch
Malaysia Palmolein USD/MT	FOB	1350	1350	Unch
	CNF India	Unq	Unq	-
Indonesia CPO USD/MT	FOB	Unq	Unq	-
	CNF India	640	647	-7
RBD Palm oil (Malaysia Origin USD/MT)	FOB	830	740	90
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB			
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	710	725	-15



Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	745	755	-10
Crude palm Kernel Oil India (USD/MT)	CNF India	708	715	-7
Ukraine Origin CSFO USD/MT Kandla	CIF	735	748	-13
Rapeseed Oil Rotterdam Euro/MT	FOB	708	723	-15
Argentina FOB (\$/MT)		10-Feb-20	7-Feb-20	Change
Crude Soybean Oil Ship		737	740	-3
Refined Soy Oil (Bulk) Ship		763	766	-3
Sunflower Oil Ship		755	755	Unch
Cottonseed Oil Ship		717	720	-3
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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