

Domestic Fundamentals:

- Edible oil complex showed remain steady to weak tone at various market centers on Wednesday.
- Soy oil and Palm oil Feb contract increased after buying interest and demand prospects. BMD CPO and CBOT soy oil also rose on weak supply prospects.
- 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	+0.09	843.60	849.20	840.80	849.2	9370	1,240	16765	-3480
Mar-20	+0.94	826.20	838.20	821.20	837.4	28125	14,045	52450	-1635

Prices & Vol-OI are at 5:30 PM

Spread	Feb-20	Mar-20
Spot	10.8	
Feb-20		23
Mar-20		

MCX CPO Futures

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Feb-20	+0.72	727.20	739.50	722.10	738.30	2818	4	4186	-256
Mar-20	+0.58	720.00	733.00	715.60	730.5	2519	649	3050	660

Spread
Feb-20
Mar-20
Spot

107

Feb-20

115

Mar-20
CBOT Soy Oil Futures (Projections):

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Mar	0.1	30.69	30.95	30.4	30.72
15-May	0.09	31.08	31.32	30.77	31.08
15-Jul	0.09	31.45	31.68	31.14	31.46
15-Aug	0.07	31.61	31.79	31.28	31.58
15-Sep	0.09	31.74	31.84	31.41	31.72

BMD CPO Futures:

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
15-Feb	-	2,743	2,626	2,966	2,733
15-Mar	14	2,704	2,692	2,726	2,709
15-Apr	27	2,669	2,600	2,705	2,690
15-Jun	37	2,638	-	2,788	2,667

Forex:

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
11/2/2020	6.97	13665.16	4.13	61.22	71.30	4.34	98.76	49.94

Edible Oil Prices at Key Market:

Commodity	Centre	Prices(Per 10 Kg)		Change
		12-Feb-20	11-Feb-20	
Refined Soybean Oil	Indore	850	860	-10
	Indore (Soy Solvent Crude)	810	820	-10
	Mumbai	855	850	5
	Mumbai (Soy Degum)	805	820	-15
	Kandla/Mundra	835	840	-5
	Kandla/Mundra (Soy Degum)	800	808	-8
	Kolkata	855	855	Unch
	Delhi	870	880	-10
	Nagpur	846	855	-9
	Rajkot	830	840	-10
	Kota	870	870	Unch

	Hyderabad	Unq	Unq	-
	Akola	865	875	-10
	Amrawati	865	875	-10
	Bundi	875	875	Unch
	Jalna	860	870	-10
	Solapur	836	845	-9
	Dhule	862	872	-10
Palm Oil*	Kandla (Crude Palm Oil)	824	845	-21
	Kandla (RBD Palm oil)	819	824	-5
	Kandla RBD Pamolein	861	856	5
	Kakinada (Crude Palm Oil)	767	772	-5
	Kakinada RBD Pamolein	853	863	-11
	Haldia Pamolein	856	877	-21
	Chennai RBD Pamolein	861	874	-13
	Chennai RBD Pamolein (Vitamin A&D Fortified)	926	936	-10
	KPT (krishna patnam) Pamolein	851	861	-11
	Mumbai RBD Pamolein	866	882	-16
	Mangalore RBD Pamolein	866	877	-11
	Tuticorin (RBD Palmolein)	866	882	-16
	Delhi	880	885	-5
	Rajkot	845	861	-16
	Hyderabad	850	867	-17
	PFAD (Kandla)	530	546	-16
	Refined Palm Stearin (Kandla)	767	772	-5
	Superolien (Kandla)	882	893	-11
	Superolien (Mumbai)	914	919	-5
* inclusive of GST				
Refined Sunflower Oil	Chennai	870	870	Unch
	Mumbai	890	890	Unch
	Mumbai(Expeller Oil)	815	815	Unch
	Kandla (Ref.)	875	880	-5
	Hyderabad (Ref)	865	870	-5
	Latur (Expeller Oil)	780	790	-10
	Chellakere (Expeller Oil)	790	800	-10
	Erode (Expeller Oil)	915	915	Unch
Groundnut Oil	Rajkot	1050	1050	Unch
	Chennai	1130	1150	-20
	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	825	Unch
	Jaipur (Kacchi Ghani Oil)	845	845	Unch
	Kota (Expeller Oil)	825	825	Unch
	Kota (Kacchi Ghani Oil)	835	835	Unch
	Neewai (Expeller Oil)	815	815	Unch
	Neewai (Kacchi Ghani Oil)	830	830	Unch
	Bharatpur (Kacchi Ghani Oil)	825	845	-20
	Sri-Ganga Nagar(Exp Oil)	815	820	-5
	Sri-Ganga Nagar (Kacchi Ghani Oil)	830	835	-5
	Mumbai (Expeller Oil)	870	870	Unch
	Kolkata(Expeller Oil)	980	1000	-20
	New Delhi (Expeller Oil)	830	835	-5
	Hapur (Expeller Oil)	915	915	Unch
	Hapur (Kacchi Ghani Oil)	945	945	Unch
	Agra (Kacchi Ghani Oil)	830	850	-20
Refined Cottonseed Oil	Rajkot	830	840	-10
	Hyderabad	825	845	-20
	Mumbai	840	850	-10
	New Delhi	787	795	-8
Coconut Oil	Kangayan (Crude)	1440	1450	-10
	Cochin	1500	1510	-10
Sesame Oil	New Delhi	1360	1350	10
	Mumbai	Unq	Unq	-
Kardi	Mumbai	Unq	Unq	-
Rice Bran Oil (40%)	New Delhi	630	640	-10
Rice Bran Oil (4%)	Punjab	820	830	-10
Malaysia Palmolein USD/MT	FOB	690	710	-20
	CNF India	720	745	-25
Indonesia CPO USD/MT	FOB	698	708	-10
	CNF India	720	735	-15
RBD Palm oil (Malaysia Origin USD/MT)	FOB	688	708	-20
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	698	715	-17
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	875	895	-20



Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	685	700	-15
Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	870	-
Ukraine Origin CSFO USD/MT Kandla	CIF	805	795	10
Rapeseed Oil Rotterdam Euro/MT	FOB	850	805	45
Argentina FOB (\$/MT)		11-Feb-20	10-Feb-20	Change
Crude Soybean Oil Ship		741	737	4
Refined Soy Oil (Bulk) Ship		767	763	4
Sunflower Oil Ship		755	755	Unch
Cottonseed Oil Ship		721	717	4
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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