

Domestic Fundamentals:

- Edible oil complex showed mixed trend at various market centers on Thursday.
- Soy oil and Palm oil Feb contract declined amid weak sentiments in the market. BMD CPO prices declined after selling pressures on account of worries over fast spreading coronavirus however CBOT soy oil 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 4.14/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 refiner's 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 | -0.97 | 849.20 | 852.20 | 839.80 | 841 | 4185 | -5,185 | 15025 | -1740 |
| Mar-20 | -1.48 | 837.80 | 842.00 | 824.20 | 825.4 | 24770 | -3,355 | 53545 | 1095 |

Prices & Vol-OI are at 5:30 PM

| Spread | Feb-20 | Mar-20 |
|--------|--------|--------|
| Spot | 9 | |
| Feb-20 | | 25 |
| Mar-20 | | |

MCX CPO Futures

| Contract | +/- | Open | High | Low | Close | Volume | Volume Change | OI | OI Change |
|----------|-------|--------|--------|--------|--------|--------|---------------|------|-----------|
| Feb-20 | -1.96 | 732.30 | 743.10 | 723.50 | 724 | 2292 | -522 | 4169 | -273 |
| Mar-20 | -1.97 | 725.00 | 735.30 | 716.40 | 717.00 | 1467 | -403 | 3248 | 858 |

Spread
Feb-20
Mar-20
Spot

95

Feb-20

102

Mar-20
CBOT Soy Oil Futures (Projections):

(Values in US cents/lb)

| Contract | +/- | Open | High | Low | Close |
|----------|------|-------|-------|-------|-------|
| 15-Mar | 0.31 | 30.75 | 31.07 | 30.54 | 31.03 |
| 15-May | 0.32 | 31.11 | 31.44 | 30.91 | 31.4 |
| 15-Jul | 0.31 | 31.5 | 31.8 | 31.28 | 31.77 |
| 15-Aug | 0.32 | 31.6 | 31.9 | 31.41 | 31.9 |
| 15-Sep | 0.31 | 31.86 | 32.03 | 31.54 | 32.03 |

BMD CPO Futures:

(Values in MYR/tonnes)

| Contract | +/- | Open | High | Low | Close |
|----------|-----|-------|-------|-------|-------|
| 15-Feb | -81 | 2,680 | - | - | 2,655 |
| 15-Mar | -66 | 2,719 | 2,602 | 2,966 | 2,663 |
| 15-Apr | -77 | 2,705 | 2,613 | 2,633 | 2,632 |
| 15-Jun | -75 | 2,679 | 2,585 | 2,667 | 2,612 |

Forex:

| Date/Currency | Chinese Yuan | Indonesian Rupiah | Malaysian Ringgit | Argentine Peso | Indian rupee | Brazilian Real | Dollar Index | Crude Oil WTI (\$/barrel) |
|---------------|--------------|-------------------|-------------------|----------------|--------------|----------------|--------------|---------------------------|
| 11/2/2020 | 6.98 | 13686.88 | 4.14 | 61.16 | 71.33 | 4.37 | 98.76 | 49.94 |

Edible Oil Prices at Key Market:

| Commodity | Centre | Prices(Per 10 Kg) | | Change |
|---------------------|----------------------------|-------------------|-----------|--------|
| | | 13-Feb-20 | 12-Feb-20 | |
| Refined Soybean Oil | Indore | 850 | 850 | Unch |
| | Indore (Soy Solvent Crude) | 800 | 810 | -10 |
| | Mumbai | 850 | 855 | -5 |
| | Mumbai (Soy Degum) | 800 | 805 | -5 |
| | Kandla/Mundra | 835 | 835 | Unch |
| | Kandla/Mundra (Soy Degum) | 795 | 800 | -5 |
| | Kolkata | 845 | 855 | -10 |
| | Delhi | 872 | 870 | 2 |
| | Nagpur | 845 | 846 | -1 |
| | Rajkot | 830 | 830 | Unch |
| | Kota | 860 | 870 | -10 |

| | | | | |
|-----------------------|--|------|------|------|
| | Hyderabad | Unq | Unq | - |
| | Akola | 865 | 865 | Unch |
| | Amrawati | 865 | 865 | Unch |
| | Bundi | 865 | 875 | -10 |
| | Jalna | 855 | 860 | -5 |
| | Solapur | 836 | 836 | Unch |
| | Dhule | 858 | 862 | -4 |
| | | | | |
| Palm Oil* | Kandla (Crude Palm Oil) | 819 | 824 | -5 |
| | Kandla (RBD Palm oil) | 819 | 819 | Unch |
| | Kandla RBD Pamolein | 851 | 861 | -11 |
| | Kakinada (Crude Palm Oil) | 767 | 767 | Unch |
| | Kakinada RBD Pamolein | 853 | 853 | Unch |
| | Haldia Pamolein | 854 | 856 | -2 |
| | Chennai RBD Pamolein | 861 | 861 | Unch |
| | Chennai RBD Pamolein (Vitamin A&D Fortified) | 922 | 926 | -4 |
| | KPT (krishna patnam) Pamolein | 851 | 851 | Unch |
| | Mumbai RBD Pamolein | 866 | 866 | Unch |
| | Mangalore RBD Pamolein | 866 | 866 | Unch |
| | Tuticorin (RBD Palmolein) | 856 | 866 | -11 |
| | Delhi | 875 | 880 | -5 |
| | Rajkot | 845 | 845 | Unch |
| | Hyderabad | 850 | 850 | Unch |
| | PFAD (Kandla) | 530 | 530 | Unch |
| | Refined Palm Stearin (Kandla) | 767 | 767 | Unch |
| | Superolien (Kandla) | 877 | 882 | -5 |
| | Superolien (Mumbai) | 903 | 914 | -11 |
| * inclusive of GST | | | | |
| Refined Sunflower Oil | Chennai | 860 | 870 | -10 |
| | Mumbai | 890 | 890 | Unch |
| | Mumbai(Expeller Oil) | 815 | 815 | Unch |
| | Kandla (Ref.) | 875 | 875 | Unch |
| | Hyderabad (Ref) | 860 | 865 | -5 |
| | Latur (Expeller Oil) | 780 | 780 | Unch |
| | Chellakere (Expeller Oil) | 790 | 790 | Unch |
| | Erode (Expeller Oil) | 915 | 915 | Unch |
| | | | | |
| Groundnut Oil | Rajkot | 1100 | 1050 | 50 |
| | Chennai | 1120 | 1130 | -10 |
| | 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) | 820 | 825 | -5 |
| | Jaipur (Kacchi Ghani Oil) | 841 | 845 | -4 |
| | Kota (Expeller Oil) | 820 | 825 | -5 |
| | Kota (Kacchi Ghani Oil) | 830 | 835 | -5 |
| | Neewai (Expeller Oil) | 815 | 815 | Unch |
| | Neewai (Kacchi Ghani Oil) | 828 | 830 | -2 |
| | Bharatpur (Kacchi Ghani Oil) | 825 | 825 | Unch |
| | Sri-Ganga Nagar(Exp Oil) | 815 | 815 | Unch |
| | Sri-Ganga Nagar (Kacchi Ghani Oil) | 825 | 830 | -5 |
| | Mumbai (Expeller Oil) | 860 | 870 | -10 |
| | Kolkata(Expeller Oil) | 980 | 980 | Unch |
| | New Delhi (Expeller Oil) | 830 | 830 | Unch |
| | Hapur (Expeller Oil) | 915 | 915 | Unch |
| | Hapur (Kacchi Ghani Oil) | 945 | 945 | Unch |
| | Agra (Kacchi Ghani Oil) | 830 | 830 | Unch |
| | | | | |
| Refined Cottonseed Oil | Rajkot | 840 | 830 | 10 |
| | Hyderabad | 830 | 825 | 5 |
| | Mumbai | 835 | 840 | -5 |
| | New Delhi | 797 | 787 | 10 |
| | | | | |
| Coconut Oil | Kangayan (Crude) | 1440 | 1440 | Unch |
| | Cochin | 1500 | 1500 | Unch |
| | | | | |
| Sesame Oil | New Delhi | 1360 | 1360 | Unch |
| | Mumbai | Unq | Unq | - |
| Kardi | Mumbai | Unq | Unq | - |
| Rice Bran Oil (40%) | New Delhi | 632 | 630 | 2 |
| Rice Bran Oil (4%) | Punjab | 820 | 820 | Unch |
| | | | | |
| Malaysia Palmolein USD/MT | FOB | 693 | 690 | 3 |
| | CNF India | 723 | 720 | 3 |
| Indonesia CPO USD/MT | FOB | 695 | 698 | -3 |
| | CNF India | 715 | 720 | -5 |
| RBD Palm oil (Malaysia Origin USD/MT) | FOB | 688 | 688 | Unch |
| RBD Palm Stearin (Malaysia Origin USD/MT) | FOB | 693 | 698 | -5 |
| RBD Palm Kernel Oil (Malaysia Origin USD/MT) | FOB | 870 | 875 | -5 |



| | | | | |
|---|-----------|-----------|-----------|--------|
| Palm Fatty Acid Distillate (Malaysia Origin USD/MT) | FOB | 682 | 685 | -3 |
| Crude palm Kernel Oil India (USD/MT) | CNF India | Unq | 870 | - |
| Ukraine Origin CSFO USD/MT Kandla | CIF | 795 | 805 | -10 |
| Rapeseed Oil Rotterdam Euro/MT | FOB | 845 | 850 | -5 |
| | | | | |
| Argentina FOB (\$/MT) | | 12-Feb-20 | 11-Feb-20 | Change |
| Crude Soybean Oil Ship | | 747 | 741 | 6 |
| Refined Soy Oil (Bulk) Ship | | 773 | 767 | 6 |
| Sunflower Oil Ship | | 750 | 755 | -5 |
| Cottonseed Oil Ship | | 727 | 721 | 6 |
| 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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