

Domestic Fundamentals:

- Edible oil complex showed steady to weak tone at various market centers on Friday.
- Soy oil rose while Palm oil Feb contract declined amid weak sentiments in the market. BMD CPO and CBOT Soy oil prices declined after selling pressures on account of worries over fast spreading coronavirus.
- 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	+0.12	838.00	845.00	836.40	842.40	5150	965	12175	-2850
Mar-20	-0.22	826.00	829.60	821.00	825.00	18610	-6,160	53880	335
Prices & Vol-OI are at 5:30 PM									

Spread	Feb-20	Mar-20
Spot	7.6	
Feb-20		25
Mar-20		

MCX CPO Futures

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Feb-20	-0.01	723.90	729.20	719.10	723.5	1665	-627	4294	125
Mar-20	-0.17	718.60	722.00	712.20	716.1	1550	83	3366	118

Spread
Feb-20
Mar-20
Spot

91

Feb-20

98

Mar-20
CBOT Soy Oil Futures (Projections):

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Mar	-0.31	31	31	30.41	30.72
15-May	-0.31	31.4	31.4	30.78	31.09
15-Jul	-0.3	31.7	31.72	31.15	31.47
15-Aug	-0.31	31.84	31.84	31.29	31.59
15-Sep	-0.31	31.98	31.98	31.49	31.72

BMD CPO Futures:

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
15-Feb	-10	2700	-	-	2655
15-Mar	43	2645	2602	2966	2701
15-Apr	34	2616	2626	2666	2659
15-Jun	21	2600	2601	2720	2629

Forex:

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
13/2/2020	6.98	13682.49	4.14	61.43	71.41	4.31	99.03	51.42

Edible Oil Prices at Key Market:

Commodity	Centre	Prices(Per 10 Kg)		Change
		14-Feb-20	13-Feb-20	
Refined Soybean Oil	Indore	850	850	Unch
	Indore (Soy Solvent Crude)	805	800	5
	Mumbai	850	850	Unch
	Mumbai (Soy Degum)	800	800	Unch
	Kandla/Mundra	830	835	-5
	Kandla/Mundra (Soy Degum)	795	795	Unch
	Kolkata	845	845	Unch
	Delhi	872	872	Unch
	Nagpur	845	845	Unch
	Rajkot	820	830	-10
	Kota	855	860	-5



	Hyderabad	Unq	Unq	-
	Akola	865	865	Unch
	Amrawati	865	865	Unch
	Bundi	860	865	-5
	Jalna	855	855	Unch
	Solapur	836	836	Unch
	Dhule	856	858	-2
Palm Oil*	Kandla (Crude Palm Oil)	814	819	-5
	Kandla (RBD Palm oil)	819	819	Unch
	Kandla RBD Pamolein	851	851	Unch
	Kakinada (Crude Palm Oil)	761	767	-5
	Kakinada RBD Pamolein	851	853	-2
	Haldia Pamolein	851	854	-3
	Chennai RBD Pamolein	856	861	-5
	Chennai RBD Pamolein (Vitamin A&D Fortified)	919	922	-3
	KPT (krishna patnam) Pamolein	845	851	-5
	Mumbai RBD Pamolein	861	866	-5
	Mangalore RBD Pamolein	861	866	-5
	Tuticorin (RBD Palmolein)	851	856	-5
	Delhi	875	875	Unch
	Rajkot	835	845	-11
	Hyderabad	850	850	Unch
	PFAD (Kandla)	530	530	Unch
	Refined Palm Stearin (Kandla)	761	767	-5
	Superolien (Kandla)	877	877	Unch
	Superolien (Mumbai)	903	903	Unch
* inclusive of GST				
Refined Sunflower Oil	Chennai	855	860	-5
	Mumbai	890	890	Unch
	Mumbai(Expeller Oil)	810	815	-5
	Kandla (Ref.)	875	875	Unch
	Hyderabad (Ref)	850	860	-10
	Latur (Expeller Oil)	780	780	Unch
	Chellakere (Expeller Oil)	790	790	Unch
	Erode (Expeller Oil)	915	915	Unch
Groundnut Oil	Rajkot	1050	1100	-50
	Chennai	1120	1120	Unch
	Delhi	1100	1100	Unch
	Hyderabad *	1100	1120	-20
	Mumbai	1140	1140	Unch

	Gondal	1080	1100	-20
	Jamnagar	1080	1100	-20
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	815	820	-5
	Jaipur (Kacchi Ghani Oil)	838	841	-3
	Kota (Expeller Oil)	820	820	Unch
	Kota (Kacchi Ghani Oil)	830	830	Unch
	Neewai (Expeller Oil)	820	815	5
	Neewai (Kacchi Ghani Oil)	827	828	-1
	Bharatpur (Kacchi Ghani Oil)	825	825	Unch
	Sri-Ganga Nagar(Exp Oil)	815	815	Unch
	Sri-Ganga Nagar (Kacchi Ghani Oil)	825	825	Unch
	Mumbai (Expeller Oil)	860	860	Unch
	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	835	840	-5
	Hyderabad	825	830	-5
	Mumbai	835	835	Unch
	New Delhi	797	797	Unch
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	632	Unch
Rice Bran Oil (4%)	Punjab	820	820	Unch
Malaysia Palmolein USD/MT	FOB	680	693	-13
	CNF India	710	723	-13
Indonesia CPO USD/MT	FOB	685	695	-10
	CNF India	705	715	-10
RBD Palm oil (Malaysia Origin USD/MT)	FOB	678	688	-10
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	685	693	-8
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	860	870	-10



Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	675	682	-7
Crude palm Kernel Oil India (USD/MT)	CNF India	870	870	Unch
Ukraine Origin CSFO USD/MT Kandla	CIF	775	795	-20
Rapeseed Oil Rotterdam Euro/MT	FOB	825	845	-20
Argentina FOB (\$/MT)		13-Feb-20	12-Feb-20	Change
Crude Soybean Oil Ship		738	747	-9
Refined Soy Oil (Bulk) Ship		764	773	-9
Sunflower Oil Ship		750	750	Unch
Cottonseed Oil Ship		718	727	-9
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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