

Domestic Fundamentals:

- Mixed tone are featured in Edible oil Complex at various market centers on Saturday.
- 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)
14/2/2020	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
		15-Feb-20	14-Feb-20	
Refined Soybean Oil	Indore	840	850	-10
	Indore (Soy Solvent Crude)	790	805	-15
	Mumbai	850	850	Unch
	Mumbai (Soy Degum)	800	800	Unch
	Kandla/Mundra	820	830	-10
	Kandla/Mundra (Soy Degum)	790	795	-5
	Kolkata	840	845	-5
	Delhi	870	872	-2
	Nagpur	845	845	Unch
	Rajkot	815	820	-5
	Kota	855	855	Unch

	Hyderabad	Unq	Unq	-
	Akola	860	865	-5
	Amrawati	860	865	-5
	Bundi	860	860	Unch
	Jalna	855	855	Unch
	Solapur	836	836	Unch
	Dhule	856	856	Unch
Palm Oil*	Kandla (Crude Palm Oil)	755	771	-16
	Kandla (RBD Palm oil)	803	819	-16
	Kandla RBD Pamolein	835	851	-16
	Kakinada (Crude Palm Oil)	746	761	-16
	Kakinada RBD Pamolein	835	851	-16
	Haldia Pamolein	840	851	-11
	Chennai RBD Pamolein	840	856	-16
	Chennai RBD Pamolein (Vitamin A&D Fortified)	909	919	-9
	KPT (krishna patnam) Pamolein	835	845	-11
	Mumbai RBD Pamolein	851	861	-11
	Mangalore RBD Pamolein	851	861	-11
	Tuticorin (RBD Palmolein)	840	851	-11
	Delhi	870	875	-5
	Rajkot	830	835	-5
	Hyderabad	845	850	-5
	PFAD (Kandla)	530	530	Unch
	Refined Palm Stearin (Kandla)	746	761	-16
	Superolien (Kandla)	877	877	Unch
	Superolien (Mumbai)	903	903	Unch
* inclusive of GST				
Refined Sunflower Oil	Chennai	860	855	5
	Mumbai	880	890	-10
	Mumbai(Expeller Oil)	805	810	-5
	Kandla (Ref.)	860	875	-15
	Hyderabad (Ref)	840	850	-10
	Latur (Expeller Oil)	780	770	10
	Chellakere (Expeller Oil)	790	790	Unch
	Erode (Expeller Oil)	915	915	Unch
Groundnut Oil	Rajkot	1100	1050	50
	Chennai	1120	1120	Unch
	Delhi	1100	1100	Unch
	Hyderabad *	1100	1100	Unch
	Mumbai	1140	1140	Unch

	Gondal	1080	1080	Unch
	Jamnagar	1080	1080	Unch
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	815	815	Unch
	Jaipur (Kacchi Ghani Oil)	838	838	Unch
	Kota (Expeller Oil)	820	820	Unch
	Kota (Kacchi Ghani Oil)	830	830	Unch
	Neewai (Expeller Oil)	820	820	Unch
	Neewai (Kacchi Ghani Oil)	827	827	Unch
	Bharatpur (Kacchi Ghani Oil)	830	825	5
	Sri-Ganga Nagar(Exp Oil)	820	815	5
	Sri-Ganga Nagar (Kacchi Ghani Oil)	830	825	5
	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)	835	830	5
Refined Cottonseed Oil	Rajkot	820	835	-15
	Hyderabad	810	825	-15
	Mumbai	835	835	Unch
	New Delhi	785	797	-12
Coconut Oil	Kangayan (Crude)	1435	1440	-5
	Cochin	1500	1500	Unch
Sesame Oil	New Delhi	1360	1360	Unch
	Mumbai	Unq	Unq	-
Kardi	Mumbai	Unq	Unq	-
Rice Bran Oil (40%)	New Delhi	630	632	-2
Rice Bran Oil (4%)	Punjab	810	820	-10
Malaysia Palmolein USD/MT	FOB		680	3
	CNF India	713	710	3
Indonesia CPO USD/MT	FOB	685	685	Unch
	CNF India	700	705	-5
RBD Palm oil (Malaysia Origin USD/MT)	FOB	Closed	678	-
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	Closed	685	-
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	Closed	860	-



Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	Closed	675	-
Crude palm Kernel Oil India (USD/MT)	CNF India	Closed	870	-
Ukraine Origin CSFO USD/MT Kandla	CIF	785	775	10
Rapeseed Oil Rotterdam Euro/MT	FOB	Closed	825	-
Argentina FOB (\$/MT)		14-Feb-20	13-Feb-20	Change
Crude Soybean Oil Ship		734	738	-4
Refined Soy Oil (Bulk) Ship		760	764	-4
Sunflower Oil Ship		750	750	Unch
Cottonseed Oil Ship		714	718	-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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