

**Domestic Fundamentals:**

- Mixed tone are featured in Edible oil Complex at various market centers on Monday.
- Soy oil and Palm oil Feb contract declined amid weak sentiments in the market. BMD CPO rose on buying activities and CBOT Soyoil 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	-0.74	838.00	838.60	830.60	833	4295	-855	10130	-2045
Mar-20	-0.86	818.00	821.40	810.60	811.4	15035	-3,575	54325	445
Prices & Vol-OI are at 5:30 PM									

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

**MCX CPO Futures**

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Feb-20	-0.93	718.10	724.50	710.10	712.20	1840	175	3923	-371
Mar-20	-0.84	709.50	715.20	702.70	704.1	1434	-116	3565	199

**Spread**
**Feb-20**
**Mar-20**
**Spot**
**Feb-20**

43

**Mar-20**

51

**CBOT Soy Oil Futures (Projections):**

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Mar	-0.15	30.72	31.02	30.53	30.57
15-May	-0.15	31.09	31.38	30.89	30.94
15-Jul	-0.14	31.47	31.75	31.28	31.33
15-Aug	-0.13	31.59	31.86	31.41	31.46
15-Sep	-0.12	31.72	31.98	31.55	31.6

**BMD CPO Futures:**

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
15-Feb	25	2,710	2,602	-	2,725
15-Mar	23	2,671	2,661	2,755	2,683
15-Apr	23	2,640	2,647	2,654	2,650
15-Jun	21	2,613	2,500	2,788	2,617

**Forex:**

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
15/2/2020	6.98	13659.10	4.14	61.54	71.41	4.31	99.14	52.05

**Edible Oil Prices at Key Market:**

Commodity	Centre	Prices(Per 10 Kg)		Change
		17-Feb-20	15-Feb-20	
Refined Soybean Oil	Indore	845	840	5
	Indore (Soy Solvent Crude)	790	790	Unch
	Mumbai	845	850	-5
	Mumbai (Soy Degum)	805	800	5
	Kandla/Mundra	820	820	Unch
	Kandla/Mundra (Soy Degum)	792	790	2
	Kolkata	840	840	Unch
	Delhi	855	870	-15
	Nagpur	845	845	Unch
	Rajkot	815	815	Unch
	Kota	840	855	-15



	Hyderabad	Unq	Unq	-
	Akola	856	860	-4
	Amrawati	855	860	-5
	Bundi	845	860	-15
	Jalna	855	855	Unch
	Solapur	836	836	Unch
	Dhule	856	856	Unch
Palm Oil*	Kandla (Crude Palm Oil)	755	755	Unch
	Kandla (RBD Palm oil)	798	803	-5
	Kandla RBD Pamolein	840	835	5
	Kakinada (Crude Palm Oil)	735	746	-11
	Kakinada RBD Pamolein	835	835	Unch
	Haldia Pamolein	840	840	Unch
	Chennai RBD Pamolein	840	840	Unch
	Chennai RBD Pamolein (Vitamin A&D Fortified)	909	909	Unch
	KPT (krishna patnam) Pamolein	835	835	Unch
	Mumbai RBD Pamolein	851	851	Unch
	Mangalore RBD Pamolein	851	851	Unch
	Tuticorin (RBD Palmolein)	840	840	Unch
	Delhi	865	870	-5
	Rajkot	824	830	-5
	Hyderabad	845	845	Unch
	PFAD (Kandla)	530	530	Unch
	Refined Palm Stearin (Kandla)	735	746	-11
	Superolien (Kandla)	877	877	Unch
	Superolien (Mumbai)	903	903	Unch
* inclusive of GST				
Refined Sunflower Oil	Chennai	850	860	-10
	Mumbai	880	880	Unch
	Mumbai(Expeller Oil)	805	805	Unch
	Kandla (Ref.)	860	860	Unch
	Hyderabad (Ref)	840	840	Unch
	Latur (Expeller Oil)	775	780	-5
	Chellakere (Expeller Oil)	785	790	-5
	Erode (Expeller Oil)	920	915	5
Groundnut Oil	Rajkot	1100	1100	Unch
	Chennai	1120	1120	Unch
	Delhi	1100	1100	Unch
	Hyderabad *	1100	1100	Unch
	Mumbai	1140	1140	Unch



	Gondal	1100	1080	20
	Jamnagar	1100	1080	20
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	815	815	Unch
	Jaipur (Kacchi Ghani Oil)	835	838	-3
	Kota (Expeller Oil)	800	820	-20
	Kota (Kacchi Ghani Oil)	830	830	Unch
	Neewai (Expeller Oil)	818	820	-2
	Neewai (Kacchi Ghani Oil)	825	827	-2
	Bharatpur (Kacchi Ghani Oil)	830	830	Unch
	Sri-Ganga Nagar(Exp Oil)	820	820	Unch
	Sri-Ganga Nagar (Kacchi Ghani Oil)	830	830	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)	835	835	Unch
Refined Cottonseed Oil	Rajkot	820	820	Unch
	Hyderabad	815	810	5
	Mumbai	832	835	-3
	New Delhi	787	785	2
Coconut Oil	Kangayan (Crude)	1440	1435	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	630	Unch
Rice Bran Oil (4%)	Punjab	810	810	Unch
Malaysia Palmolein USD/MT	FOB	688	683	5
	CNF India	718	713	5
Indonesia CPO USD/MT	FOB	690	685	5
	CNF India	715	700	15
RBD Palm oil (Malaysia Origin USD/MT)	FOB	683	Closed	-
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	693	Closed	-
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	870	Closed	-



Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	683	Closed	-
Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	Closed	-
Ukraine Origin CSFO USD/MT Kandla	CIF	785	785	Unch
Rapeseed Oil Rotterdam Euro/MT	FOB	820	Closed	-
Argentina FOB (\$/MT)		15-Feb-20	14-Feb-20	Change
Crude Soybean Oil Ship		Closed	734	-
Refined Soy Oil (Bulk) Ship		Closed	760	-
Sunflower Oil Ship		Closed	750	-
Cottonseed Oil Ship		Closed	714	-
Refined Linseed Oil (Bulk) Ship		Closed	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).**

### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> 2020 Indian Agribusiness Systems Ltd.