

Domestic Fundamentals:

- Steady to weak tone are featured in Edible oil Complex at various market centers on Tuesday.
- Soy oil and Palm oil future prices declined amid weak sentiments in the market. BMD CPO 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 4.15 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
Mar-20	-0.76	810.40	811.60	802.00	805.6	26690	22,395	53010	42880
Apr-20	-0.37	797.60	802.20	796.40	800.4	5450	-9,585	11985	-42340

Prices & Vol-OI are at 5:30 PM

Spread	Mar-20	Apr-20
Spot		
Mar-20	29.4	
Apr-20		35

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

42

Mar-20

48

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	31.87	31.41	31.46
15-Sep	-0.12	31.72	32.01	31.54	31.6

BMD CPO Futures:

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
15-Marh	5	2,725.00	2,600.00	-	2,725.00
15-Apr	-4	2,667.00	2,640.00	2,755.00	2,667.00
15-May	-7	2,634.00	2,631.00	2,647.00	2,634.00
15-Jun	-11	2,602.00	2,500.00	2,788.00	2,602.00

Forex:

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
17/2/2020	6.99	13682.73	4.15	61.65	71.58	4.35	99.38	51.78

Edible Oil Prices at Key Market:

Commodity	Centre	Prices(Per 10 Kg)		Change
		18-Feb-20	17-Feb-20	
Refined Soybean Oil	Indore	835	845	-10
	Indore (Soy Solvent Crude)	785	790	-5
	Mumbai	840	845	-5
	Mumbai (Soy Degum)	795	805	-10
	Kandla/Mundra	815	820	-5
	Kandla/Mundra (Soy Degum)	775	792	-17
	Kolkata	835	840	-5
	Delhi	845	855	-10
	Nagpur	845	845	Unch
	Rajkot	805	815	-10
	Kota	825	840	-15

	Hyderabad	Unq	Unq	-
	Akola	851	856	-5
	Amrawati	850	855	-5
	Bundi	830	845	-15
	Jalna	855	855	Unch
	Solapur	836	836	Unch
	Dhule	856	856	Unch
Palm Oil*	Kandla (Crude Palm Oil)	750	755	-5
	Kandla (RBD Palm oil)	793	798	-5
	Kandla RBD Pamolein	830	840	-11
	Kakinada (Crude Palm Oil)	730	735	-5
	Kakinada RBD Pamolein	830	835	-5
	Haldia Pamolein	837	840	-3
	Chennai RBD Pamolein	840	840	Unch
	Chennai RBD Pamolein (Vitamin A&D Fortified)	899	909	-11
	KPT (krishna patnam) Pamolein	824	835	-11
	Mumbai RBD Pamolein	851	851	Unch
	Mangalore RBD Pamolein	845	851	-5
	Tuticorin (RBD Palmolein)	840	840	Unch
	Delhi	850	865	-15
	Rajkot	814	824	-11
	Hyderabad	840	845	-5
	PFAD (Kandla)	530	530	Unch
	Refined Palm Stearin (Kandla)	730	735	-5
	Superolien (Kandla)	856	877	-21
	Superolien (Mumbai)	877	903	-26
* inclusive of GST				
Refined Sunflower Oil	Chennai	845	850	-5
	Mumbai	880	880	Unch
	Mumbai(Expeller Oil)	805	805	Unch
	Kandla (Ref.)	860	860	Unch
	Hyderabad (Ref)	835	840	-5
	Latur (Expeller Oil)	770	775	-5
	Chellakere (Expeller Oil)	780	785	-5
	Erode (Expeller Oil)	920	920	Unch
Groundnut Oil	Rajkot	1100	1100	Unch
	Chennai	1120	1120	Unch
	Delhi	1100	1100	Unch
	Hyderabad *	1090	1100	-10
	Mumbai	1140	1140	Unch

	Gondal	1100	1100	Unch
	Jamnagar	1100	1100	Unch
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	815	815	Unch
	Jaipur (Kacchi Ghani Oil)	825	835	-10
	Kota (Expeller Oil)	800	800	Unch
	Kota (Kacchi Ghani Oil)	830	830	Unch
	Neewai (Expeller Oil)	800	818	-18
	Neewai (Kacchi Ghani Oil)	815	825	-10
	Bharatpur (Kacchi Ghani Oil)	825	830	-5
	Sri-Ganga Nagar(Exp Oil)	820	820	Unch
	Sri-Ganga Nagar (Kacchi Ghani Oil)	830	830	Unch
	Mumbai (Expeller Oil)	850	860	-10
	Kolkata(Expeller Oil)	980	980	Unch
	New Delhi (Expeller Oil)	830	830	Unch
	Hapur (Expeller Oil)	920	915	5
	Hapur (Kacchi Ghani Oil)	950	945	5
	Agra (Kacchi Ghani Oil)	830	835	-5
Refined Cottonseed Oil	Rajkot	815	820	-5
	Hyderabad	805	815	-10
	Mumbai	832	832	Unch
	New Delhi	787	787	Unch
Coconut Oil	Kangayan (Crude)	1400	1440	-40
	Cochin	1500	1500	Unch
Sesame Oil	New Delhi	1360	1360	Unch
	Mumbai	Unq	Unq	-
Kardi	Mumbai	Unq	Unq	-
Rice Bran Oil (40%)	New Delhi	620	630	-10
Rice Bran Oil (4%)	Punjab	810	810	Unch
Malaysia Palmolein USD/MT	FOB	680	688	-8
	CNF India	710	718	-8
Indonesia CPO USD/MT	FOB	680	690	-10
	CNF India	700	715	-15
RBD Palm oil (Malaysia Origin USD/MT)	FOB	675	683	-8
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	685	693	-8
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	865	870	-5

Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	675	683	-8
Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	860	-
Ukraine Origin CSFO USD/MT Kandla	CIF	785	785	Unch
Rapeseed Oil Rotterdam Euro/MT	FOB	Unq	820	-
Argentina FOB (\$/MT)		17-Feb-20	15-Feb-20	Change
Crude Soybean Oil Ship		Unq	Closed	-
Refined Soy Oil (Bulk) Ship		Unq	Closed	-
Sunflower Oil Ship		Unq	Closed	-
Cottonseed Oil Ship		Unq	Closed	-
Refined Linseed Oil (Bulk) Ship		Unq	Closed	-
* 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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