

**Domestic Fundamentals:**

- Steady to weak tone are continued in Edible oil Complex 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	-0.89	810.80	815.00	805.40	805.6	23340	-3,350	51025	-1985
Apr-20	-0.45	804.20	811.80	803.60	804	7580	2,130	12200	215
Prices & Vol-OI are at 5:30 PM									

Spread	Mar-20	Apr-20
Spot		
Mar-20	24.4	
Apr-20		26

**MCX CPO Futures**

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Feb-20	-2.17	713.00	717.00	700.00	700.30	1706	356	3395	-277
Mar-20	-2.37	707.10	710.40	692.10	693.00	1993	505	4407	304

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

41

**Mar-20**

48

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

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Mar	-0.09	30.71	30.77	30.33	30.48
15-May	-0.1	31.09	31.13	30.69	30.84
15-Jul	-0.11	31.47	31.5	31.08	31.22
15-Aug	-0.09	31.6	31.62	31.22	31.37
15-Sep	-0.08	31.74	31.75	31.39	31.52

**BMD CPO Futures:**

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
Marh	-84	2,712	2,600	-	2,646
Apr	-88	2,669	2,580	2,672	2,586
May	-92	2,638	2,538	2,557	2,547
Jun	-86	2,603	2,500	2,788	2,521

**Forex:**

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
18/2/2020	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
		19-Feb-20	18-Feb-20	
Refined Soybean Oil	Indore	830	835	-5
	Indore (Soy Solvent Crude)	775	785	-10
	Mumbai	835	840	-5
	Mumbai (Soy Degum)	795	795	Unch
	Kandla/Mundra	810	815	-5
	Kandla/Mundra (Soy Degum)	762	775	-13
	Kolkata	835	835	Unch
	Delhi	843	845	-2
	Nagpur	845	845	Unch
	Rajkot	790	805	-15
	Kota	820	825	-5

	Hyderabad	Unq	Unq	-
	Akola	851	851	Unch
	Amrawati	850	850	Unch
	Bundi	825	830	-5
	Jalna	855	855	Unch
	Solapur	836	836	Unch
	Dhule	856	856	Unch
Palm Oil*	Kandla (Crude Palm Oil)	741	750	-8
	Kandla (RBD Palm oil)	788	793	-5
	Kandla RBD Pamolein	819	830	-11
	Kakinada (Crude Palm Oil)	719	730	-11
	Kakinada RBD Pamolein	819	830	-11
	Haldia Pamolein	832	837	-5
	Chennai RBD Pamolein	824	840	-16
	Chennai RBD Pamolein (Vitamin A&D Fortified)	883	899	-16
	KPT (krishna patnam) Pamolein	814	824	-11
	Mumbai RBD Pamolein	830	851	-21
	Mangalore RBD Pamolein	830	845	-16
	Tuticorin (RBD Palmolein)	835	840	-5
	Delhi	848	850	-2
	Rajkot	809	814	-5
	Hyderabad	830	840	-10
	PFAD (Kandla)	530	530	Unch
	Refined Palm Stearin (Kandla)	719	730	-11
	Superolien (Kandla)	851	856	-5
	Superolien (Mumbai)	861	877	-16
* inclusive of GST				
Refined Sunflower Oil	Chennai	845	845	Unch
	Mumbai	875	880	-5
	Mumbai(Expeller Oil)	800	805	-5
	Kandla (Ref.)	850	860	-10
	Hyderabad (Ref)	835	835	Unch
	Latur (Expeller Oil)	770	770	Unch
	Chellakere (Expeller Oil)	780	780	Unch
	Erode (Expeller Oil)	920	920	Unch
Groundnut Oil	Rajkot	1100	1100	Unch
	Chennai	1120	1120	Unch
	Delhi	1100	1100	Unch
	Hyderabad *	1090	1090	Unch
	Mumbai	1130	1140	-10



	Gondal	1100	1100	Unch
	Jamnagar	1100	1100	Unch
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	815	815	Unch
	Jaipur (Kacchi Ghani Oil)	835	825	10
	Kota (Expeller Oil)	800	800	Unch
	Kota (Kacchi Ghani Oil)	830	830	Unch
	Neewai (Expeller Oil)	805	800	5
	Neewai (Kacchi Ghani Oil)	815	815	Unch
	Bharatpur (Kacchi Ghani Oil)	825	825	Unch
	Sri-Ganga Nagar(Exp Oil)	820	820	Unch
	Sri-Ganga Nagar (Kacchi Ghani Oil)	830	830	Unch
	Mumbai (Expeller Oil)	830	850	-20
	Kolkata(Expeller Oil)	980	980	Unch
	New Delhi (Expeller Oil)	830	830	Unch
	Hapur (Expeller Oil)	920	920	Unch
	Hapur (Kacchi Ghani Oil)	950	950	Unch
	Agra (Kacchi Ghani Oil)	830	830	Unch
Refined Cottonseed Oil	Rajkot	790	815	-25
	Hyderabad	785	805	-20
	Mumbai	820	832	-12
	New Delhi	778	787	-9
Coconut Oil	Kangayan (Crude)	1400	1400	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	615	620	-5
Rice Bran Oil (4%)	Punjab	810	810	Unch
Malaysia Palmolein USD/MT	FOB	678	680	-2
	CNF India	708	710	-2
Indonesia CPO USD/MT	FOB	680	680	Unch
	CNF India	700	700	Unch
RBD Palm oil (Malaysia Origin USD/MT)	FOB	673	675	-2
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	685	685	Unch
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	860	865	-5

Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	660	675	-15
Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	860	-
Ukraine Origin CSFO USD/MT Kandla	CIF	775	785	-10
Rapeseed Oil Rotterdam Euro/MT	FOB	825	845	-20
Argentina FOB (\$/MT)		18-Feb-20	17-Feb-20	Change
Crude Soybean Oil Ship		731	734	-3
Refined Soy Oil (Bulk) Ship		757	760	-3
Sunflower Oil Ship		750	750	Unch
Cottonseed Oil Ship		711	714	-3
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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