

Domestic Fundamentals:

- Edible oil complex featured weak tone in various markets centers on Thursday.
- Soy oil domestic futures rose on demand prospects and buying at lower quotes while palm oil future declined amid weak sentiments in the market. BMD CPO rose on firm demand prospects while CBOT soy oil prices declined on lower demand prospects amid firm global supply prospects.
- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's Feb 1-20 palm oil exports rise 8.7 percent to 817,314 tons compared to 751,868 tons in corresponding period last month. Top buyers were European Union 223,084 tons (197,191 tons), China at 114,800 tons (131,730 tons) and India & subcontinent 65,300 tons (117,900 tons). Values in brackets are figures of corresponding period last month.
- 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, weak Indian demand and fall in competing oils.
Palm oil end stocks in Malaysia are expected to rise after steep fall noted in Jan. Stocks of palm oil in Malaysia are expected to rise on improvement in prosecution of palm oil and slowdown of exports from Malaysia.
Palm oil production in Malaysia is expected to rise on seasonal uptrend of production and exit from weak production cycle.
Palm oil showed surprise rise in Feb from Malaysia on demand from EU other destinations. Demand from India has collapsed and Chinese demand has slowed due to outbreak of coronavirus. However, palm oil exports from Malaysia is going to slow due to weak demand from China.
However, higher use of palm oil in biodiesel in Malaysia and Indonesia is expected to limit losses.
Imports from India is expected to remain benign due India placing RBD palmolein imports to restricted list. Higher export duty on CPO by Malaysia will slow CPO demand from India. Further, Indian government advisory to importers to slow purchase from Malaysia will slow exports of CPO from Malaysia.
However, exports of palm oil from Malaysia and Indonesia may rise on steep fall in prices if palm oil in last one month. Stocks of palm oil is expected to fall in Indonesia in coming months due to seasonally weak production and surge in use of biodiesel.
Further, higher use of biodiesel in Malaysia is expected to stimulate demand in coming months.
Ringgit has depreciated below 4.15 USD thereby making palm oil competitive compared to competing oils. Further, palm oil prices may be supported by rise in prices of crude oil.
- Soy oil international prices are expected to stay weak due to weak demand of soybean from China, rise in stocks of soy oil in US and higher production of soybean in Brazil and Argentina.
Soybean demand from China is uncertain in coming days given the condition of coronavirus. Demand of meat products has collapsed due that slowing demand of soy products and due to lower swine count caused by swine flu in 2109.
Soy oil stocks rose in US in Jan on rise in crush of soybean and lower domestic disappearance. Lower domestic disappearance is due to weak biodiesel demand in the country despite higher Food, Feed and Industrial use.
Bumper soybean crop in Brazil due to record planted area and yields due to good growing conditions.
Soybean crop in Argentina is in good condition and yields are expected to be higher.

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 | 5.80 | 798.20 | 812.80 | 797.80 | 807.80 | 28,335 | 4995 | 48440 | -2585 |
| Apr-20 | 5.60 | 800.40 | 810.80 | 797.00 | 806.00 | 7,600 | 20 | 13590 | 1390 |
| Prices & Vol-OI are at 5:30 PM | | | | | | | | | |

| Spread | Mar-20 | Apr-20 |
|--------|--------|--------|
| Spot | 22.20 | |
| Mar-20 | | -1.80 |
| Apr-20 | | |

MCX CPO Futures

| Contract | +/- | Open | High | Low | Close | Volume | Volume Change | OI | OI Change |
|----------|-------|--------|--------|--------|--------|--------|---------------|------|-----------|
| Feb-20 | -2.20 | 697.00 | 699.00 | 682.50 | 693.70 | 2409 | 703 | 2990 | -405 |
| Mar-20 | -2.50 | 689.90 | 693.00 | 676.10 | 686.00 | 3866 | 1873 | 5010 | 603 |

Spread
Feb-20
Mar-20
Spot

0.3

Feb-20

-7.7

Mar-20
CBOT Soy Oil Futures (Projections):

(Values in US cents/lb)

| Contract | +/- | Open | High | Low | Close |
|----------|-------|-------|-------|-------|-------|
| 15-Mar | 0.03 | 30.22 | 30.43 | 30.04 | 30.37 |
| 15-May | 0.02 | 30.59 | 30.79 | 30.39 | 30.72 |
| 15-Jul | 0.01 | 30.98 | 31.15 | 30.77 | 31.09 |
| 15-Aug | -0.02 | 31.18 | 31.3 | 30.94 | 31.22 |
| 15-Sep | -0.03 | 31.35 | 31.45 | 31.1 | 31.37 |

-0.22

Forex:
BMD CPO Futures:

(Values in MYR/tonnes)

| Contract | +/- | Open | High | Low | Close |
|----------|-----|------|------|------|-------|
| Mar | 24 | 2664 | 2669 | 2598 | 2669 |
| Apr | 38 | 2607 | 2630 | 2549 | 2626 |
| May | 38 | 2565 | 2592 | 2516 | 2585 |
| Jun | 37 | 2535 | 2570 | 2500 | 2560 |

| Date/Currency | Chinese Yuan | Indonesian Rupiah | Malaysian Ringgit | Argentine Peso | Indian rupee | Brazilian Real | Dollar Index | Crude Oil WTI (\$/barrel) |
|---------------|--------------|-------------------|-------------------|----------------|--------------|----------------|--------------|---------------------------|
| 20/2/2020 | 7.02 | 13747 | 4.184 | 61.64 | 71.64 | 4.37 | 99.86 | 53.73 |

Edible Oil Prices at Key Market:

| Commodity | Centre | Prices(Per 10 Kg) | | Change |
|---------------------|----------------------------|-------------------|-----------|--------|
| | | 20-Feb-20 | 19-Feb-20 | |
| Refined Soybean Oil | Indore | 830 | 830 | Unch |
| | Indore (Soy Solvent Crude) | 775 | 775 | Unch |
| | Mumbai | 835 | 835 | Unch |
| | Mumbai (Soy Degum) | 790 | 795 | -5 |
| | Kandla/Mundra | 800 | 810 | -10 |
| | Kandla/Mundra (Soy Degum) | 760 | 762 | -2 |
| | Kolkata | 825 | 835 | -10 |
| | Delhi | 843 | 843 | Unch |
| | Nagpur | 845 | 845 | Unch |
| | Rajkot | 795 | 790 | 5 |
| | Kota | 820 | 820 | Unch |
| | Hyderabad | Unq | Unq | - |



| | | | | |
|-----------------------|--|------|------|------|
| | Akola | 846 | 851 | -5 |
| | Amrawati | 850 | 850 | Unch |
| | Bundi | 825 | 825 | Unch |
| | Jalna | 855 | 855 | Unch |
| | Solapur | 836 | 836 | Unch |
| | Dhule | 856 | 856 | Unch |
| | | | | |
| Palm Oil* | Kandla (Crude Palm Oil) | 729 | 741 | -13 |
| | Kandla (RBD Palm oil) | 782 | 788 | -5 |
| | Kandla RBD Pamolein | 809 | 819 | -11 |
| | Kakinada (Crude Palm Oil) | 709 | 719 | -11 |
| | Kakinada RBD Pamolein | 809 | 819 | -11 |
| | Haldia Pamolein | 824 | 832 | -7 |
| | Chennai RBD Pamolein | 814 | 824 | -11 |
| | Chennai RBD Pamolein (Vitamin A&D Fortified) | 877 | 883 | -6 |
| | KPT (krishna patnam) Pamolein | 803 | 814 | -11 |
| | Mumbai RBD Pamolein | 830 | 830 | Unch |
| | Mangalore RBD Pamolein | 819 | 830 | -11 |
| | Tuticorin (RBD Palmolein) | 819 | 835 | -16 |
| | Delhi | 840 | 848 | -8 |
| | Rajkot | 814 | 809 | 5 |
| | Hyderabad | 825 | 830 | -5 |
| | PFAD (Kandla) | 525 | 530 | -5 |
| | Refined Palm Stearin (Kandla) | 709 | 719 | -11 |
| | Superolien (Kandla) | 851 | 851 | Unch |
| | Superolien (Mumbai) | 861 | 861 | Unch |
| * inclusive of GST | | | | |
| Refined Sunflower Oil | Chennai | 840 | 845 | -5 |
| | Mumbai | 875 | 875 | Unch |
| | Mumbai(Expeller Oil) | 800 | 800 | Unch |
| | Kandla (Ref.) | 850 | 850 | Unch |
| | Hyderabad (Ref) | 825 | 835 | -10 |
| | Latur (Expeller Oil) | 765 | 770 | -5 |
| | Chellakere (Expeller Oil) | 775 | 780 | -5 |
| | Erode (Expeller Oil) | 880 | 920 | -40 |
| | | | | |
| Groundnut Oil | Rajkot | 1100 | 1100 | Unch |
| | Chennai | 1120 | 1120 | Unch |
| | Delhi | 1100 | 1100 | Unch |
| | Hyderabad * | 1100 | 1090 | 10 |
| | Mumbai | 1135 | 1130 | 5 |
| | Gondal | 1100 | 1100 | Unch |

| | | | | |
|---|------------------------------------|------|------|------|
| | Jamnagar | 1100 | 1100 | Unch |
| | | | | |
| Rapeseed Oil/Mustard Oil | Jaipur (Expeller Oil) | 808 | 815 | -7 |
| | Jaipur (Kacchi Ghani Oil) | 828 | 835 | -7 |
| | Kota (Expeller Oil) | 800 | 800 | Unch |
| | Kota (Kacchi Ghani Oil) | 810 | 830 | -20 |
| | Neewai (Expeller Oil) | 805 | 805 | Unch |
| | Neewai (Kacchi Ghani Oil) | 815 | 815 | Unch |
| | Bharatpur (Kacchi Ghani Oil) | 825 | 825 | Unch |
| | Sri-Ganga Nagar(Exp Oil) | 805 | 820 | -15 |
| | Sri-Ganga Nagar (Kacchi Ghani Oil) | 820 | 830 | -10 |
| | Mumbai (Expeller Oil) | 820 | 830 | -10 |
| | Kolkata(Expeller Oil) | 980 | 980 | Unch |
| | New Delhi (Expeller Oil) | 822 | 830 | -8 |
| | Hapur (Expeller Oil) | 905 | 920 | -15 |
| | Hapur (Kacchi Ghani Oil) | 935 | 950 | -15 |
| | Agra (Kacchi Ghani Oil) | 830 | 830 | Unch |
| | | | | |
| Refined Cottonseed Oil | Rajkot | 790 | 790 | Unch |
| | Hyderabad | 795 | 785 | 10 |
| | Mumbai | 810 | 820 | -10 |
| | New Delhi | 778 | 778 | Unch |
| | | | | |
| Coconut Oil | Kangayan (Crude) | 1435 | 1400 | 35 |
| | Cochin | 1500 | 1500 | Unch |
| | | | | |
| Sesame Oil | New Delhi | 1360 | 1360 | Unch |
| | Mumbai | Unq | Unq | - |
| Kardi | Mumbai | Unq | Unq | - |
| Rice Bran Oil (40%) | New Delhi | 612 | 615 | -3 |
| Rice Bran Oil (4%) | Punjab | 810 | 810 | Unch |
| | | | | |
| Malaysia Palmolein USD/MT | FOB | 650 | 678 | -28 |
| | CNF India | 690 | 708 | -18 |
| Indonesia CPO USD/MT | FOB | 660 | 680 | -20 |
| | CNF India | 685 | 700 | -15 |
| RBD Palm oil (Malaysia Origin USD/MT) | FOB | 650 | 673 | -23 |
| RBD Palm Stearin (Malaysia Origin USD/MT) | FOB | 665 | 685 | -20 |
| RBD Palm Kernel Oil (Malaysia Origin USD/MT) | FOB | 830 | 860 | -30 |
| Palm Fatty Acid Distillate (Malaysia Origin USD/MT) | FOB | 645 | 660 | -15 |
| Crude palm Kernel Oil India (USD/MT) | CNF India | Unq | 840 | - |

| | | | | |
|-----------------------------------|-----|-----------|-----------|--------|
| Ukraine Origin CSFO USD/MT Kandla | CIF | 773 | 775 | -2 |
| Rapeseed Oil Rotterdam Euro/MT | FOB | Unq | 825 | - |
| | | | | |
| Argentina FOB (\$/MT) | | 19-Feb-20 | 18-Feb-20 | Change |
| Crude Soybean Oil Ship | | 724 | 731 | -7 |
| Refined Soy Oil (Bulk) Ship | | 749 | 757 | -8 |
| Sunflower Oil Ship | | 740 | 750 | -10 |
| Cottonseed Oil Ship | | 704 | 711 | -7 |
| 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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