

Domestic Fundamentals:

- Edible oil complex featured mixed tone in various markets centers on Tuesday.
- Soy oil domestic futures fell on demand worries and fall in international benchmarks. BMD CPO fell on weak global demand prospects and rising global supply while CBOT soy oil prices fell on coronavirus worries and weak global demand worries.
- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's Feb 1-25 palm oil exports fell 4.4 percent to 970,094 tons compared to 1,015,226 tons in corresponding period last month. Top buyers were European Union 214,626 tons (282,126 tons), China at 173,250 tons (140,860 tons), United States at 80,345 tons (58,485 tons), Pakistan at 30,820 tons (116,500 tons) and India at 25,269 tons (25,269 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 spread of coronavirus globally, 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	-11.60	802.60	804.80	787.40	791.00	25,035	6690	39480	-8005
Apr-20	-12.60	804.20	806.60	790.00	793.00	14,555	9030	16820	1820
Prices & Vol-OI are at 5:30 PM									

Spread	Mar-20	Apr-20
Spot	29.00	
Mar-20		2.00
Apr-20		

MCX CPO Futures

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Feb-20	-3.00	695.50	697.40	690.60	693.00	1285	281	1740	-622
Mar-20	-12.70	677.70	683.60	667.40	670.00	3322	1284	5762	429

Spread	Feb-20	Mar-20
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Spot	11.0	
Feb-20		-23
Mar-20		

CBOT Soy Oil Futures (Projections):

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Mar	-0.35	29.43	29.58	29.1	29.14
15-May	-0.37	29.78	29.97	29.49	29.5
15-Jul	-0.36	30.24	30.35	29.88	29.9
15-Aug	-0.35	30.39	30.51	30.07	30.07
15-Sep	-0.35	30.6	30.65	30.24	30.24

-0.22

Forex:
BMD CPO Futures:

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
Mar	-116	2560	2573	2480	2669
Apr	-117	2537	2551	2447	2626
May	-104	2515	2533	2435	2585
Jun	-97	2500	2521	2429	2560

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
25/2/2020	7.03	13902	4.24	61.74	71.88	4.39	99.37	51.47

Edible Oil Prices at Key Market:

Commodity	Centre	Prices(Per 10 Kg)		Change
		25-Feb-20	24-Feb-20	
Refined Soybean Oil	Indore	820	830	-10
	Indore (Soy Solvent Crude)	770	780	-10
	Mumbai	835	835	Unch
	Mumbai (Soy Degum)	790	800	-10
	Kandla/Mundra	805	805	Unch
	Kandla/Mundra (Soy Degum)	775	775	Unch
	Kolkata	825	830	-5
	Delhi	845	843	2
	Nagpur	845	845	Unch
	Rajkot	800	810	-10
	Kota	810	820	-10
	Hyderabad	Unq	Unq	-

	Akola	840	840	Unch
	Amrawati	840	842	-2
	Bundi	815	825	-10
	Jalna	855	855	Unch
	Solapur	836	836	Unch
	Dhule	856	856	Unch
Palm Oil*	Kandla (Crude Palm Oil)	739	741	-2
	Kandla (RBD Palm oil)	777	782	-5
	Kandla RBD Pamolein	803	809	-5
	Kakinada (Crude Palm Oil)	704	714	-11
	Kakinada RBD Pamolein	803	814	-11
	Haldia Pamolein	819	824	-5
	Chennai RBD Pamolein	814	819	-5
	Chennai RBD Pamolein (Vitamin A&D Fortified)	877	882	-5
	KPT (krishna patnam) Pamolein	803	809	-5
	Mumbai RBD Pamolein	830	830	Unch
	Mangalore RBD Pamolein	819	824	-5
	Tuticorin (RBD Palmolein)	819	824	-5
	Delhi	845	840	5
	Rajkot	809	814	-5
	Hyderabad	830	835	-5
	PFAD (Kandla)	525	536	-11
	Refined Palm Stearin (Kandla)	704	714	-11
	Superolien (Kandla)	851	851	Unch
	Superolien (Mumbai)	861	866	-5
* inclusive of GST				
Refined Sunflower Oil	Chennai	835	840	-5
	Mumbai	855	875	-20
	Mumbai (Expeller Oil)	790	800	-10
	Kandla (Ref.)	850	850	Unch
	Hyderabad (Ref)	825	825	Unch
	Latur (Expeller Oil)	760	765	-5
	Chellakere (Expeller Oil)	770	775	-5
	Erode (Expeller Oil)	880	880	Unch
Groundnut Oil	Rajkot	1150	1150	Unch
	Chennai	1170	1120	50
	Delhi	Unq	1100	-
	Hyderabad *	1100	1100	Unch
	Mumbai	1200	1150	50
	Gondal	1150	1150	Unch

	Jamnagar	1150	1150	Unch
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	825	805	20
	Jaipur (Kacchi Ghani Oil)	851	848	3
	Kota (Expeller Oil)	820	800	20
	Kota (Kacchi Ghani Oil)	835	810	25
	Neewai (Expeller Oil)	820	820	Unch
	Neewai (Kacchi Ghani Oil)	830	830	Unch
	Bharatpur (Kacchi Ghani Oil)	830	830	Unch
	Sri-Ganga Nagar(Exp Oil)	830	805	25
	Sri-Ganga Nagar (Kacchi Ghani Oil)	840	820	20
	Mumbai (Expeller Oil)	830	820	10
	Kolkata(Expeller Oil)	970	970	Unch
	New Delhi (Expeller Oil)	830	822	8
	Hapur (Expeller Oil)	905	915	-10
	Hapur (Kacchi Ghani Oil)	935	945	-10
	Agra (Kacchi Ghani Oil)	835	835	Unch
Refined Cottonseed Oil	Rajkot	790	815	-25
	Hyderabad	790	810	-20
	Mumbai	825	825	Unch
	New Delhi	775	778	-3
Coconut Oil	Kangayan (Crude)	1435	1435	Unch
	Cochin	1500	1500	Unch
Sesame Oil	New Delhi	1350	1360	-10
	Mumbai	Unq	Unq	-
Kardi	Mumbai	Unq	Unq	-
Rice Bran Oil (40%)	New Delhi	625	612	13
Rice Bran Oil (4%)	Punjab	800	810	-10
Malaysia Palmolein USD/MT	FOB	640	663	-23
	CNF India	670	693	-23
Indonesia CPO USD/MT	FOB	650	670	-20
	CNF India	675	695	-20
RBD Palm oil (Malaysia Origin USD/MT)	FOB	638	660	-22
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	655	675	-20
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	815	830	-15
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	630	645	-15
Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	830	-

Ukraine Origin CSFO USD/MT Kandla	CIF	770	775	-5
Rapeseed Oil Rotterdam Euro/MT	FOB	797	830	-33
Argentina FOB (\$/MT)		24-Feb-20	22-Feb-20	Change
Crude Soybean Oil Ship		Closed	Closed	-
Refined Soy Oil (Bulk) Ship		Closed	Closed	-
Sunflower Oil Ship		Closed	Closed	-
Cottonseed Oil Ship		Closed	Closed	-
Refined Linseed Oil (Bulk) Ship		Closed	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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