

Domestic Fundamentals:

- Edible oil complex featured mostly weak tone in various markets centers on Wednesday.
- Soy oil domestic futures fell on 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.
- 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.
- 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.

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	-4.40	793.00	794.80	783.00	785.80	21,330	-3705	38090	-1390
Apr-20	-5.20	793.00	795.20	782.80	785.80	12,075	-2480	16675	-145
Prices & Vol-OI are at 5:30 PM									

Spread	Mar-20	Apr-20
Spot	34.20	
Mar-20		0.00
Apr-20		

MCX CPO Futures

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Feb-20	-4.60	694.60	698.70	688.00	690.00	926	-359	1078	-662
Mar-20	-0.50	672.90	677.30	664.60	669.40	3232	-90	6136	374

Spread	Feb-20	Mar-20
Spot	9.0	
Feb-20		-20.6
Mar-20		

CBOT Soy Oil Futures (Projections):

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Mar	-0.1	29.2	29.37	29.01	29.13
15-May	-0.11	29.59	29.77	29.39	29.51
15-Jul	-0.11	29.99	30.15	29.79	29.9
15-Aug	-0.11	30.16	30.29	29.97	30.08
15-Sep	-0.1	30.32	30.46	30.17	30.27

-0.22

Forex:
BMD CPO Futures:

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
Mar	-20	2495	2495	2435	2669
Apr	-25	2470	2492	2401	2626
May	-17	2450	2482	2393	2585
Jun	-20	2449	2477	2391	2560

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
26/2/2020	7.03	13935	4.226	61.75	71.68	4.39	99.10	49.48

Edible Oil Prices at Key Market:

Commodity	Centre	Prices(Per 10 Kg)		Change
		26-Feb-20	25-Feb-20	
Refined Soybean Oil	Indore	815	820	-5
	Indore (Soy Solvent Crude)	770	770	Unch
	Mumbai	835	835	Unch
	Mumbai (Soy Degum)	790	790	Unch
	Kandla/Mundra	790	805	-15
	Kandla/Mundra (Soy Degum)	775	775	Unch
	Kolkata	825	825	Unch
	Delhi	840	845	-5
	Nagpur	845	845	Unch
	Rajkot	800	800	Unch
	Kota	810	810	Unch
	Hyderabad	Unq	Unq	-

	Akola	835	840	-5
	Amrawati	835	840	-5
	Bundi	815	815	Unch
	Jalna	855	855	Unch
	Solapur	836	836	Unch
	Dhule	856	856	Unch
Palm Oil*	Kandla (Crude Palm Oil)	734	739	-5
	Kandla (RBD Palm oil)	767	777	-11
	Kandla RBD Pamolein	809	803	5
	Kakinada (Crude Palm Oil)	698	704	-5
	Kakinada RBD Pamolein	798	803	-5
	Haldia Pamolein	814	819	-5
	Chennai RBD Pamolein	811	814	-3
	Chennai RBD Pamolein (Vitamin A&D Fortified)	873	877	-4
	KPT (krishna patnam) Pamolein	793	803	-11
	Mumbai RBD Pamolein	830	830	Unch
	Mangalore RBD Pamolein	814	819	-5
	Tuticorin (RBD Palmolein)	819	819	Unch
	Delhi	840	845	-5
	Rajkot	803	809	-5
	Hyderabad	825	830	-5
	PFAD (Kandla)	525	525	Unch
	Refined Palm Stearin (Kandla)	698	704	-5
	Superolien (Kandla)	835	851	-16
	Superolien (Mumbai)	856	861	-5
* inclusive of GST				
Refined Sunflower Oil	Chennai	830	835	-5
	Mumbai	850	855	-5
	Mumbai(Expeller Oil)	790	790	Unch
	Kandla (Ref.)	840	850	-10
	Hyderabad (Ref)	820	825	-5
	Latur (Expeller Oil)	760	760	Unch
	Chellakere (Expeller Oil)	770	770	Unch
	Erode (Expeller Oil)	870	880	-10
Groundnut Oil	Rajkot	1175	1150	25
	Chennai	1170	1170	Unch
	Delhi	Unq	Unq	-
	Hyderabad *	1150	1100	50
	Mumbai	1200	1200	Unch
	Gondal	1175	1150	25



	Jamnagar	1175	1150	25
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	820	825	-5
	Jaipur (Kacchi Ghani Oil)	850	851	-1
	Kota (Expeller Oil)	810	820	-10
	Kota (Kacchi Ghani Oil)	840	835	5
	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	830	Unch
	Sri-Ganga Nagar (Kacchi Ghani Oil)	840	840	Unch
	Mumbai (Expeller Oil)	830	830	Unch
	Kolkata(Expeller Oil)	980	970	10
	New Delhi (Expeller Oil)	830	830	Unch
	Hapur (Expeller Oil)	905	905	Unch
	Hapur (Kacchi Ghani Oil)	935	935	Unch
	Agra (Kacchi Ghani Oil)	835	835	Unch
Refined Cottonseed Oil	Rajkot	790	790	Unch
	Hyderabad	780	790	-10
	Mumbai	820	825	-5
	New Delhi	765	775	-10
Coconut Oil	Kangayan (Crude)	1435	1435	Unch
	Cochin	1500	1500	Unch
Sesame Oil	New Delhi	1350	1350	Unch
	Mumbai	Unq	Unq	-
Kardi	Mumbai	Unq	Unq	-
Rice Bran Oil (40%)	New Delhi	622	625	-3
Rice Bran Oil (4%)	Punjab	800	800	Unch
Malaysia Palmolein USD/MT	FOB	630	640	-10
	CNF India	663	670	-7
Indonesia CPO USD/MT	FOB	635	650	-15
	CNF India	663	675	-12
RBD Palm oil (Malaysia Origin USD/MT)	FOB	628	638	-10
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	638	655	-17
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	810	815	-5
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	618	630	-12
Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	810	-



Ukraine Origin CSFO USD/MT Kandla	CIF	770	770	Unch
Rapeseed Oil Rotterdam Euro/MT	FOB	790	797	-7
Argentina FOB (\$/MT)		25-Feb-20	24-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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