

Domestic Fundamentals:

- Edible oil complex featured mostly weak tone in various markets centers on Thursday.
- Soy oil domestic futures fell on rise in international benchmarks. BMD CPO rose on technical buying after long selloff seen in last few weeks. CBOT soy oil prices rose as Argentina suspended registration of agriculture product exports and coronavirus worries ebbed.
- 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	6.20	783.00	789.00	778.00	789.00	17,620	-3710	38365	275
Apr-20	4.40	783.00	787.40	778.00	787.00	5,285	-6790	18210	1535

Prices & Vol-OI are at 5:30 PM

Spread	Mar-20	Apr-20
Spot	16.00	
Mar-20		-2.00
Apr-20		

MCX CPO Futures

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Feb-20	7.00	690.00	700.50	688.50	696.40	414	-512	936	-142
Mar-20	7.90	670.50	681.60	665.30	676.50	2073	-1159	6223	87

Spread
Feb-20
Mar-20
Spot

-2.4

Feb-20

-19.9

Mar-20
CBOT Soy Oil Futures (Projections):

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Mar	0.18	29.03	29.31	28.99	29.25
15-May	0.19	29.45	29.7	29.37	29.64
15-Jul	0.20	29.8	30.09	29.76	30.03
15-Aug	0.21	29.98	30.25	29.93	30.21
15-Sep	0.23	30.15	30.39	30.14	30.39

-0.22

Forex:
BMD CPO Futures:

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
Mar	37	2467	2497	2467	2669
Apr	41	2441	2480	2419	2626
May	41	2438	2470	2407	2585
Jun	49	2420	2470	2405	2560

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
27/2/2020	7.01	13040	4.21	62.00	71.55	4.45	98.79	47.70

Edible Oil Prices at Key Market:

Commodity	Centre	Prices(Per 10 Kg)		Change
		27-Feb-20	26-Feb-20	
Refined Soybean Oil	Indore	805	815	-10
	Indore (Soy Solvent Crude)	762	770	-8
	Mumbai	820	835	-15
	Mumbai (Soy Degum)	785	790	-5
	Kandla/Mundra	790	790	Unch
	Kandla/Mundra (Soy Degum)	765	775	-10
	Kolkata	820	825	-5
	Delhi	840	840	Unch
	Nagpur	845	845	Unch
	Rajkot	785	800	-15
	Kota	805	810	-5
	Hyderabad	Unq	Unq	-

	Akola	830	835	-5
	Amrawati	830	835	-5
	Bundi	810	815	-5
	Jalna	855	855	Unch
	Solapur	836	836	Unch
	Dhule	856	856	Unch
Palm Oil*	Kandla (Crude Palm Oil)	729	734	-5
	Kandla (RBD Palm oil)	761	767	-5
	Kandla RBD Pamolein	803	809	-5
	Kakinada (Crude Palm Oil)	698	698	Unch
	Kakinada RBD Pamolein	798	798	Unch
	Haldia Pamolein	803	814	-11
	Chennai RBD Pamolein	809	811	-2
	Chennai RBD Pamolein (Vitamin A&D Fortified)	872	873	-1
	KPT (krishna patnam) Pamolein	793	793	Unch
	Mumbai RBD Pamolein	830	830	Unch
	Mangalore RBD Pamolein	811	814	-3
	Tuticorin (RBD Palmolein)	798	819	-21
	Delhi	840	840	Unch
	Rajkot	793	803	-11
	Hyderabad	825	825	Unch
	PFAD (Kandla)	515	525	-11
	Refined Palm Stearin (Kandla)	698	698	Unch
	Superolien (Kandla)	824	835	-11
	Superolien (Mumbai)	856	856	Unch
* inclusive of GST				
Refined Sunflower Oil	Chennai	830	830	Unch
	Mumbai	850	850	Unch
	Mumbai (Expeller Oil)	790	790	Unch
	Kandla (Ref.)	835	840	-5
	Hyderabad (Ref)	820	820	Unch
	Latur (Expeller Oil)	770	760	10
	Chellakere (Expeller Oil)	780	770	10
	Erode (Expeller Oil)	865	870	-5
Groundnut Oil	Rajkot	1200	1175	25
	Chennai	1140	1170	-30
	Delhi	Unq	Unq	-
	Hyderabad *	1150	1150	Unch
	Mumbai	1200	1200	Unch
	Gondal	1175	1175	Unch

	Jamnagar	1175	1175	Unch
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	835	820	15
	Jaipur (Kacchi Ghani Oil)	850	850	Unch
	Kota (Expeller Oil)	805	810	-5
	Kota (Kacchi Ghani Oil)	835	840	-5
	Neewai (Expeller Oil)	815	820	-5
	Neewai (Kacchi Ghani Oil)	825	830	-5
	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	980	Unch
	New Delhi (Expeller Oil)	825	830	-5
	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	780	Unch
	Mumbai	815	820	-5
	New Delhi	760	765	-5
Coconut Oil	Kangayan (Crude)	1430	1435	-5
	Cochin	1500	1500	Unch
Sesame Oil	New Delhi	1300	1350	-50
	Mumbai	Unq	Unq	-
Kardi	Mumbai	Unq	Unq	-
Rice Bran Oil (40%)	New Delhi	608	622	-14
Rice Bran Oil (4%)	Punjab	800	800	Unch
Malaysia Palmolein USD/MT	FOB	625	630	-5
	CNF India	660	663	-3
Indonesia CPO USD/MT	FOB	628	635	-7
	CNF India	660	663	-3
RBD Palm oil (Malaysia Origin USD/MT)	FOB	620	628	-8
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	635	638	-3
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	810	810	Unch
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	615	618	-3
Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	810	-

Ukraine Origin CSFO USD/MT Kandla	CIF	760	770	-10
Rapeseed Oil Rotterdam Euro/MT	FOB	825	790	35
Argentina FOB (\$/MT)		26-Feb-20	25-Feb-20	Change
Crude Soybean Oil Ship		694	Closed	-
Refined Soy Oil (Bulk) Ship		718	Closed	-
Sunflower Oil Ship		720	Closed	-
Cottonseed Oil Ship		674	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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