

Domestic Fundamentals:

- Edible oil complex featured weak tone in various markets centers on Friday.
- Soy oil domestic futures fell on fall in international benchmarks. BMD CPO and CBOT soy oil fell on global selloff triggered by coronavirus worries and concerns of weak demand from China.
- 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	-9.40	778.60	778.80	763.00	770.80	29,650	12030	36645	-1720
Apr-20	-10.40	780.00	780.00	759.60	767.80	12,390	7105	20260	2050

Prices & Vol-OI are at 5:30 PM

Spread	Mar-20	Apr-20
Spot	29.20	
Mar-20		-3.00
Apr-20		

MCX CPO Futures

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Feb-20	-2.80	691.00	694.40	691.00	692.20	185	-229	946	10
Mar-20	-15.70	661.30	661.30	645.60	652.00	4062	1989	6483	260

Spread	Feb-20	Mar-20
Spot	-3.2	
Feb-20		-40.2
Mar-20		

CBOT Soy Oil Futures (Projections):

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Mar	-0.33	28.68	28.83	28.5	28.5
15-May	-0.35	29.05	29.21	28.83	28.84
15-Jul	-0.32	29.41	29.57	29.23	29.24
15-Aug	-0.31	29.64	29.73	29.41	29.41
15-Sep	-0.29	29.79	29.85	29.6	29.6

-0.22

Forex:
BMD CPO Futures:

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
Mar	-147	2450	2450	2350	2669
Apr	-142	2438	2439	2303	2626
May	-137	2420	2430	2288	2585
Jun	-140	2429	2432	2293	2560

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
27/2/2020	6.99	14336	4.22	62.03	72.17	4.49	98.39	45.77

Edible Oil Prices at Key Market:

Commodity	Centre	Prices(Per 10 Kg)		Change
		28-Feb-20	27-Feb-20	
Refined Soybean Oil	Indore	800	805	-5
	Indore (Soy Solvent Crude)	750	762	-12
	Mumbai	810	820	-10
	Mumbai (Soy Degum)	775	785	-10
	Kandla/Mundra	780	790	-10
	Kandla/Mundra (Soy Degum)	760	765	-5
	Kolkata	810	820	-10
	Delhi	825	840	-15
	Nagpur	845	845	Unch
	Rajkot	770	785	-15
	Kota	790	805	-15
	Hyderabad	Unq	Unq	-



	Akola	820	830	-10
	Amrawati	820	830	-10
	Bundi	795	810	-15
	Jalna	855	855	Unch
	Solapur	836	836	Unch
	Dhule	856	856	Unch
Palm Oil*	Kandla (Crude Palm Oil)	723	729	-5
	Kandla (RBD Palm oil)	756	761	-5
	Kandla RBD Pamolein	788	803	-16
	Kakinada (Crude Palm Oil)	683	698	-16
	Kakinada RBD Pamolein	782	798	-16
	Haldia Pamolein	793	803	-11
	Chennai RBD Pamolein	788	809	-21
	Chennai RBD Pamolein (Vitamin A&D Fortified)	857	872	-15
	KPT (krishna patnam) Pamolein	777	793	-16
	Mumbai RBD Pamolein	814	830	-16
	Mangalore RBD Pamolein	793	811	-18
	Tuticorin (RBD Palmolein)	793	798	-5
	Delhi	825	840	-15
	Rajkot	782	793	-11
	Hyderabad	815	825	-10
	PFAD (Kandla)	509	515	-5
	Refined Palm Stearin (Kandla)	683	698	-16
	Superolien (Kandla)	819	824	-5
	Superolien (Mumbai)	851	856	-5
* inclusive of GST				
Refined Sunflower Oil	Chennai	825	830	-5
	Mumbai	850	850	Unch
	Mumbai(Expeller Oil)	785	790	-5
	Kandla (Ref.)	830	835	-5
	Hyderabad (Ref)	810	820	-10
	Latur (Expeller Oil)	770	770	Unch
	Chellakere (Expeller Oil)	780	780	Unch
	Erode (Expeller Oil)	865	865	Unch
Groundnut Oil	Rajkot	1200	1200	Unch
	Chennai	1150	1140	10
	Delhi	Unq	Unq	-
	Hyderabad *	1220	1150	70
	Mumbai	1200	1200	Unch
	Gondal	1175	1175	Unch

	Jamnagar	1175	1175	Unch
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	835	835	Unch
	Jaipur (Kacchi Ghani Oil)	850	850	Unch
	Kota (Expeller Oil)	790	805	-15
	Kota (Kacchi Ghani Oil)	835	835	Unch
	Neewai (Expeller Oil)	805	815	-10
	Neewai (Kacchi Ghani Oil)	815	825	-10
	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	825	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	770	790	-20
	Hyderabad	770	780	-10
	Mumbai	810	815	-5
	New Delhi	760	760	Unch
Coconut Oil	Kangayan (Crude)	1430	1430	Unch
	Cochin	1500	1500	Unch
Sesame Oil	New Delhi	1300	1300	Unch
	Mumbai	Unq	Unq	-
Kardi	Mumbai	Unq	Unq	-
Rice Bran Oil (40%)	New Delhi	608	608	Unch
Rice Bran Oil (4%)	Punjab	800	800	Unch
Malaysia Palmolein USD/MT	FOB	620	625	-5
	CNF India	640	660	-20
Indonesia CPO USD/MT	FOB	610	628	-18
	CNF India	640	660	-20
RBD Palm oil (Malaysia Origin USD/MT)	FOB	618	620	-2
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	630	635	-5
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	795	810	-15
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	620	615	5
Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	785	-



Ukraine Origin CSFO USD/MT Kandla	CIF	755	760	-5
Rapeseed Oil Rotterdam Euro/MT	FOB	Unq	825	-
Argentina FOB (\$/MT)		27-Feb-20	26-Feb-20	Change
Crude Soybean Oil Ship		694	694	Unch
Refined Soy Oil (Bulk) Ship		718	718	Unch
Sunflower Oil Ship		720	720	Unch
Cottonseed Oil Ship		674	674	Unch
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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