

Domestic Fundamentals:

- Edible oil complex featured mostly weak trend in various markets centers on Friday.
- Soy oil and palm oil domestic futures fell on demand concerns and fall in international benchmarks. BMD CPO & CBOT fell on oversupply concerns and worries over coronavirus.
- Palm oil prices are expected to be underpinned by expectation of slow fall in end stocks of palm oil in Malaysia, fall in exports of palm oil from Malaysia, rise in production of palm oil in Malaysia, weak Indian demand, fall in competing oils and fall in crude oil prices.

Palm oil end stocks in Malaysia are expected to fall slowly in Feb after steep fall noted in Jan. Stocks of palm oil in Malaysia are expected to rise on improvement in production of palm oil and fall of exports from Malaysia in coming months.

Palm oil production in Malaysia is expected to rise on seasonal uptrend of production and exit from weak production cycle.

Demand from India has collapsed while Chinese demand is firm due to firm demand on low demand of soy oil on coronavirus.

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. However, resignation of Malaysian premier and appointment of new government in Malaysia which has vowed to reverse last government policy vis-a-vis India will support imports from India. Indian government may remove advisory to importers to slow purchase from Malaysia in coming days.

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 and Indonesia is expected to stimulate demand in coming months.

Ringgit has appreciated above 4.20 USD thereby making palm oil uncompetitive compared to competing oils.

- According to Argentina agriculture ministry, Argentina raised export tax on soybean products including soy oil to 33 percent from 30 percent. This comes after Argentina suspended agriculture exports registrations indicating prospect of more restrictions. This came due to government deciding to bridge deficit by increasing taxes. This step will slow exports and lead to lower planting of soybean from next year.
- 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 and fall in crude oil prices.

Soybean demand from China is uncertain in coming days given the condition of coronavirus. Demand of meat products has collapsed due to 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	-5.60	797.00	801.00	793.20	794.40	12,025	-10900	22100	-1295
Apr-20	-10.20	784.00	786.00	777.20	777.40	11,410	-19465	30515	1540

Prices & Vol-OI are at 5:30 PM

Spread	Mar-20	Apr-20
Spot	20.60	
Mar-20		-17.00
Apr-20		

MCX CPO Futures

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Mar-20	-13.20	679.50	680.00	667.60	669.30	1900	-2667	4780	-210
Apr-20	-12.90	670.00	670.60	658.80	660.10	781	-445	2790	101

Spread	Mar-20	Apr-20
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Spot 12.7

Mar-20 -9.2

Apr-20

CBOT Soy Oil Futures (Projections):

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Mar	-0.02	29.08	29.08	29.08	29.08
15-May	-0.22	29.39	29.49	29.16	29.17
15-Jul	-0.23	29.74	29.84	29.52	29.52
15-Aug	-0.21	29.87	29.95	29.65	29.66
15-Sep	-0.17	30.02	30.02	29.85	29.85

-0.22

Forex:

BMD CPO Futures:

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
Mar	-84	2500	2530	2448	2669
Apr	-73	2488	2503	2435	2626
May	-74	2480	2494	2425	2585
Jun	-69	2489	2492	2428	2560

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
06/03/2020	6.92	14234	4.17	62.33	73.78	4.61	95.82	43.95

Edible Oil Prices at Key Market:

Commodity	Centre	Prices(Per 10 Kg)		Change
		6-Mar-20	5-Mar-20	
Refined Soybean Oil	Indore	815	815	Unch
	Indore (Soy Solvent Crude)	770	775	-5
	Mumbai	815	820	-5
	Mumbai (Soy Degum)	765	780	-15
	Kandla/Mundra	790	800	-10
	Kandla/Mundra (Soy Degum)	762	770	-8
	Kolkata	810	810	Unch
	Delhi	840	850	-10
	Nagpur	848	850	-2
	Rajkot	790	800	-10
	Kota	815	800	15

	Hyderabad	Unq	Unq	-
	Akola	810	810	Unch
	Amrawati	819	822	-3
	Bundi	820	805	15
	Jalna	858	860	-2
	Solapur	838	840	-2
	Dhule	858	860	-2
Palm Oil*	Kandla (Crude Palm Oil)	716	721	-5
	Kandla (RBD Palm oil)	746	767	-21
	Kandla RBD Pamolein	790	798	-8
	Kakinada (Crude Palm Oil)	704	693	11
	Kakinada RBD Pamolein	793	793	Unch
	Haldia Pamolein	788	793	-5
	Chennai RBD Pamolein	803	803	Unch
	Chennai RBD Pamolein (Vitamin A&D Fortified)	858	862	-4
	KPT (krishna patnam) Pamolein	793	793	Unch
	Mumbai RBD Pamolein	809	814	-5
	Mangalore RBD Pamolein	803	803	Unch
	Tuticorin (RBD Palmolein)	-	-	-
	Delhi	820	815	5
	Rajkot	777	798	-21
	Hyderabad	815	820	-5
	PFAD (Kandla)	494	504	-11
	Refined Palm Stearin (Kandla)	704	693	11
	Superolien (Kandla)	819	830	-11
	Superolien (Mumbai)	830	840	-11
* inclusive of GST				
Refined Sunflower Oil	Chennai	830	820	10
	Mumbai	850	850	Unch
	Mumbai(Expeller Oil)	770	785	-15
	Kandla (Ref.)	820	830	-10
	Hyderabad (Ref)	830	835	-5
	Latur (Expeller Oil)	765	765	Unch
	Chellakere (Expeller Oil)	775	775	Unch
	Erode (Expeller Oil)	855	855	Unch
Groundnut Oil	Rajkot	1200	1200	Unch
	Chennai	1220	1210	10
	Delhi	Unq	Unq	-
	Hyderabad *	1220	1220	Unch
	Mumbai	1225	1225	Unch

	Gondal	1220	1200	20
	Jamnagar	1200	1200	Unch
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	825	820	5
	Jaipur (Kacchi Ghani Oil)	835	830	5
	Kota (Expeller Oil)	805	800	5
	Kota (Kacchi Ghani Oil)	820	820	Unch
	Neewai (Expeller Oil)	790	790	Unch
	Neewai (Kacchi Ghani Oil)	810	810	Unch
	Bharatpur (Kacchi Ghani Oil)	825	825	Unch
	Sri-Ganga Nagar(Exp Oil)	820	815	5
	Sri-Ganga Nagar (Kacchi Ghani Oil)	825	820	5
	Mumbai (Expeller Oil)	830	830	Unch
	Kolkata(Expeller Oil)	950	950	Unch
	New Delhi (Expeller Oil)	833	830	3
	Hapur (Expeller Oil)	905	905	Unch
	Hapur (Kacchi Ghani Oil)	935	935	Unch
	Agra (Kacchi Ghani Oil)	830	830	Unch
Refined Cottonseed Oil	Rajkot	780	790	-10
	Hyderabad	810	815	-5
	Mumbai	805	810	-5
	New Delhi	750	760	-10
Coconut Oil	Kangayan (Crude)	1460	1460	Unch
	Cochin	1520	1510	10
Sesame Oil	New Delhi	1350	1350	Unch
	Mumbai	Unq	Unq	-
Kardi	Mumbai	Unq	Unq	-
Rice Bran Oil (40%)	New Delhi	605	610	-5
Rice Bran Oil (4%)	Punjab	795	795	Unch
Malaysia Palmolein USD/MT	FOB	623	648	-25
	CNF India	640	655	-15
Indonesia CPO USD/MT	FOB	640	640	Unch
	CNF India	640	655	-15
RBD Palm oil (Malaysia Origin USD/MT)	FOB	620	643	-23
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	640	643	-3
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	805	805	Unch
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	633	635	-2

Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	775	-
Ukraine Origin CSFO USD/MT Kandla	CIF	755	745	10
Rapeseed Oil Rotterdam Euro/MT	FOB	Unq	810	-
Argentina FOB (\$/MT)		5-Mar-20	4-Mar-20	Change
Crude Soybean Oil Ship		664	674	-10
Refined Soy Oil (Bulk) Ship		687	698	-11
Sunflower Oil Ship		700	705	-5
Cottonseed Oil Ship		644	654	-10
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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