

Domestic Fundamentals:

- Edible oil complex featured mostly firm trend in various markets centers on Friday.
- Soy oil and palm oil domestic markets rose on rise in international benchmarks. BMD CPO rose on fall in palm inventory in Indonesia. CBOT soy oil rose on fresh China soybean demand amid US-China trade dispute concerns. Escalating US-China trade tensions will keep edible oils complex under pressure in coming days.
- According to Indonesia Palm Oil Association (GAPKI), exports of palm oil (CPO and PKO), biodiesel and oleochemical exports from Indonesia fell 2.16 percent in Mar 2020 y-o-y to 2.72 MMT from 2.78 MMT in Mar 2019. Exports rose by 11.02 percent in Mar m-o-m to 2.72 MMT from 2.45 MMT in Feb 2020. Stocks of palm oil at the end of Mar was 3.42 MMT compared to Feb 2020 figure of 4.08 MMT, down 16.18 percent m-o-m.
- According to Malaysian Palm Oil Council (MPOC), production of crude palm oil production will fall by 1.0 percent in 2020 to 19.7 MMT. Dry weather in 2019 and lockdown of the country lead to fall in production. Less fertilizer use in 2019 due to low palm oil prices and dry weather in mid-2019 lead to fall in yields. Also, temporary halt to production on coronavirus in six districts in Sabah province is expected to lower production. Lockdown led to lower harvest, milling and labor shortage leading to supply chain problems and limited palm oil production. Palm oil stocks at the end of 2020 is expected to fall to 1.9 MMT compared to 2.0 MMT at the end of 2019. Palm oil global demand has fallen due to coronavirus leading to lockdown of 50 percent of global population.
- Palm oil international prices are expected to be underpinned by expectation of rise in stocks of palm oil in Malaysia, rise in production of palm oil from Malaysia, lower exports from Malaysia and lower use of palm oil in biodiesel in Indonesia. Palm oil end stocks are expected to rise in Malaysia in April due higher production amid firm exports. Production of palm oil will firm in Malaysia in April due to seasonal uptrend of production. MPOA reported 25 percent higher production of palm oil in Malaysia in April. This may lead to higher stocks despite higher exports from Malaysia. Palm oil exports are expected to remain firm from Malaysia in April-May due to firm demand from India and China. However, closure of half of the world due to coronavirus leading to lower consumption of palm oil which is mostly consumed outside house.
Palm oil imports from India is expected to remain weak from India due to lower consumption as palm oil is mostly consumed in street food, joints and restaurant chains. And due to lockdown of India the consumption of these food are not there. Further, due to supply chain disruption in India due to port problems, raw material shortage, labor shortage, packaging material shortage and shortage of trucks. Moreover, transit problems faced by trucks are slowing down transport of products.
- Soy oil international prices are expected to be supported by rise in crude oil prices, rise in import demand of soybean from China, fall in stocks of soy oil in US and lower soybean crop in Argentina and Brazil. However, adverse effect of coronavirus will underpin gains.
- Soy oil domestic prices are expected to be supported by weak supply due to lower supply of Indian crushed soy oil as soybean is crushed in less quantity due to weak demand of soy meal on weak poultry demand. Further, supply bottlenecks faced on Indian ports due to congestion, raw material shortage, labor shortage, packaging material shortage has led to refiners to run at 40-50% of their capacity. Further, there is shortage of trucks and trucks are facing problems in transit due to lockdown.

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
May-20	11.80	771.60	781.80	770.00	777.80	10,420	2710	23475	2150
Jun-20	12.40	741.00	751.80	741.00	749.00	10,055	3445	16335	-210
Prices & Vol-OI are at 5:30 PM									

Spread	May-20	Jun-20
Spot	22.20	
May-20		-28.80
Jun-20		

MCX CPO Futures

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
May-20	13.80	580.20	594.50	577.40	591.00	1672	371	3936	41
June-20	8.50	565.00	581.40	565.00	573.00	757	486	1557	120

Spread
May-20
June-20
Spot

15.0

May-20

-18

June-20
CBOT Soy Oil Futures (Projections):

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
May	0.15	26.21	26.42	26.16	26.41
Jul	0.14	26.4	26.59	26.36	26.58
Aug	0.12	26.56	26.74	26.56	26.72
Sep	-0.01	26.74	26.74	26.74	26.74
Oct	0.14	27.07	27.22	27	27.22

0.23

Forex:
BMD CPO Futures:

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
May	55	2028	2055	2028	2669
Jun	81	1989	2034	1982	2626
Jul	73	1970	2024	1968	2585
Aug	72	1972	2025	1971	2560

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
08/05/2020	7.08	14933	4.333	67.02	75.58	5.83	99.76	23.80

Edible Oil Prices at Key Market:

Commodity	Centre	Prices(Per 10 Kg)		Change
		08-May-20	07-May-20	
Refined Soybean Oil	Indore	800	800	Unch
	Indore (Soy Solvent Crude)	760	760	Unch
	Mumbai	800	800	Unch
	Mumbai (Soy Degum)	755	760	-5
	Kandla/Mundra	780	780	Unch
	Kandla/Mundra (Soy Degum)	745	745	Unch
	Kolkata	780	780	Unch
	Delhi	825	820	5
	Nagpur	880	885	-5
	Rajkot	815	810	5
	Kota	810	800	10
	Hyderabad	Unq	Unq	-

	Akola	830	835	-5
	Amrawati	830	835	-5
	Bundi	815	805	10
	Jalna	890	895	-5
	Solapur	870	875	-5
	Dhule	890	895	-5
Palm Oil*	Kandla (Crude Palm Oil)	636	642	-5
	Kandla (RBD Palm oil)	693	693	Unch
	Kandla RBD Pamolein	714	714	Unch
	Kakinada (Crude Palm Oil)	609	604	5
	Kakinada RBD Pamolein	704	704	Unch
	Haldia Pamolein	714	714	Unch
	Chennai RBD Pamolein	730	730	Unch
	Chennai RBD Pamolein (Vitamin A&D Fortified)	1010	1010	Unch
	KPT (krishna patnam) Pamolein	709	709	Unch
	Mumbai RBD Pamolein	730	730	Unch
	Mangalore RBD Pamolein	735	735	Unch
	Tuticorin (RBD Palmolein)	706	706	Unch
	Delhi	755	745	10
	Rajkot	704	704	Unch
	Hyderabad	780	780	Unch
	PFAD (Kandla)	452	452	Unch
	Refined Palm Stearin (Kandla)	609	604	5
	Superolien (Kandla)	735	735	Unch
	Superolien (Mumbai)	756	756	Unch
* inclusive of GST				
Refined Sunflower Oil	Chennai	890	890	Unch
	Mumbai	900	900	Unch
	Mumbai(Expeller Oil)	830	830	Unch
	Kandla (Ref.)	870	870	Unch
	Hyderabad (Ref)	885	885	Unch
	Latur (Expeller Oil)	835	830	5
	Chellakere (Expeller Oil)	845	835	10
	Erode (Expeller Oil)	830	830	Unch
Groundnut Oil	Rajkot	1350	1325	25
	Chennai	1400	1400	Unch
	Delhi	1360	1340	20
	Hyderabad *	1330	1330	Unch
	Mumbai	1380	1370	10
	Gondal	1350	1320	30



	Jamnagar	1350	1320	30
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	906	896	10
	Jaipur (Kacchi Ghani Oil)	935	925	10
	Kota (Expeller Oil)	860	850	10
	Kota (Kacchi Ghani Oil)	890	895	-5
	Neewai (Expeller Oil)	890	885	5
	Neewai (Kacchi Ghani Oil)	900	895	5
	Bharatpur (Kacchi Ghani Oil)	930	920	10
	Sri-Ganga Nagar(Exp Oil)	870	860	10
	Sri-Ganga Nagar (Kacchi Ghani Oil)	910	900	10
	Mumbai (Expeller Oil)	850	850	Unch
	Kolkata(Expeller Oil)	1050	1050	Unch
	New Delhi (Expeller Oil)	880	860	20
	Hapur (Expeller Oil)	916	916	Unch
	Hapur (Kacchi Ghani Oil)	946	946	Unch
	Agra (Kacchi Ghani Oil)	935	925	10
Refined Cottonseed Oil	Rajkot	820	805	15
	Hyderabad	820	810	10
	Mumbai	805	815	-10
	New Delhi	765	750	15
Coconut Oil	Kangayan (Crude)	1460	1460	Unch
	Cochin	1530	1530	Unch
Sesame Oil	New Delhi	1250	1200	50
	Mumbai	Unq	Unq	-
Kardi	Mumbai	Unq	Unq	-
Rice Bran Oil (40%)	New Delhi	640	635	5
Rice Bran Oil (4%)	Punjab	760	760	Unch
Malaysia Palmolein USD/MT	FOB	523	Closed	-
	CNF India	555	Closed	-
Indonesia CPO USD/MT	FOB	510	Closed	-
	CNF India	545	Closed	-
RBD Palm oil (Malaysia Origin USD/MT)	FOB	518	Closed	-
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	525	Closed	-
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	665	Closed	-
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	498	Closed	-
Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	620	-



Ukraine Origin CSFO USD/MT Kandla	CIF	770	770	Unch
Rapeseed Oil Rotterdam Euro/MT	FOB	750	715	35
Argentina FOB (\$/MT)		7-May-20	6-May-20	Change
Crude Soybean Oil Ship		566	562	4
Refined Soy Oil (Bulk) Ship		586	582	4
Sunflower Oil Ship		685	685	Unch
Cottonseed Oil Ship		546	542	4
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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