

Domestic Fundamentals:

- Edible oil complex featured mostly weak trend in various markets centers on Thursday.
- Soy oil and palm oil domestic markets fell on fall in international benchmarks and demand concerns as India imports much lower edible oils imports especially palm oil imports. Soy oil imports also fell in May. BMD CPO fell on lower global demand prospects. CBOT soy oil fell on US-China standoff on China's handling of coronavirus and better than expected soybean crop condition in US.
- Palm oil international prices are expected to be supported by demand at lower levels, expectation of slow rise in end stocks of palm oil In Malaysia in May, expectation of fall in production of palm oil in Malaysia in May, rise in exports of palm oil from Malaysia, Higher palm oil demand from India and China, Indonesia keeping it biodiesel policy intact, Malaysia reducing crude palm oil export duty to zero, depreciation of ringgit and rise in crude oil prices.
- Palm oil stocks are expected to rise slowly in Malaysia in May due to higher seasonal production in April and rise in exports of palm oil from Malaysia in May.
- Production rose in Malaysia in April on seasonal uptrend of production. However, production is much higher than cycle indicating expectation of fall in prediction in May. Southern Peninsular Palm Oil Millers Association of Malaysia has estimated that production of palm oil in Malaysia in May 1-25 is expected to be 6 percent lower than April indication that production of Malaysia will end the month of May in red. Earlier, Malaysian palm oil Association estimated palm oil production to rise 11.8 percent in May in Malaysia.
- Exports of palm oil rose from Malaysia in May by 5 percent in higher imports by EU, China and India. Palm oil imports from all the destinations rose due to more than 30 percent fall in prices of palm oil from the beginning of 2020. Further, palm oil exports from Malaysia grew as various economies of world started to open their economies indicating that demand of palm oil will increase going ahead.
Exports of palm oil grew from Malaysia to China due to US-China tensions due to China's handling of coronavirus has led China to stock palm oil and it will continue in June also.
Exports of palm oil rose to India as Malaysia brought down crude palm oil export duty to zero and tempering down of India-Malaysia relations on Malaysia outing PM Mahatir Mohammed and vowing to reverse his policy by buying more Indian goods. Further, Malaysia CPO is trading at discount from Indonesia CPO.
Depreciation of ringgit and rise in crude oil prices will support palm oil prices.
- According to Indonesia trade ministry, Indonesia will not charge export duty on crude palm oil for June. Reference prices of June was set at USD 568.94 per ton compared to USD 635.15 per ton last month, below threshold price of USD 750 per ton. Export duty on CPO was brought down to zero ton in April due to fall in threshold price of USD 750 per ton. Indonesia charges export levy on CPO above USD 570 per ton. Earlier in the month Indonesia increased export levy by USD 5 per ton to fund ambitious biodiesel program after 2020.
- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's May palm oil exports rose 7.0 percent to 1,256,395 tons compared to 1,174,285 tons last month. Top buyers were European Union 269,125 tons (375,350 tons), China at 233,015 tons (207,530 tons) and India & subcontinent 197,600 tons (87,250 tons). Values in brackets are figures of last month.

Outlook: Edible oil basket is expected to feature sideways to firm tone in near term.

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Jun-20	-13.60	815.00	815.00	802.60	803.60	8,920	-3020	23655	-1650
Jul-20	-15.80	805.00	807.00	793.80	795.60	10,870	-3610	21265	400

Prices & Vol-OI are at 5:30 PM

Spread	Jun -20	Jul-20
Spot	16.40	
Jun-20		-8.00
Jul-20		

MCX CPO Futures

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
June-20	-11.90	652.30	656.00	646.50	649.40	1965	-523	2870	144
July-20	-11.20	641.00	645.70	638.00	639.70	781	313	1343	351

Spread	June-20	July-20
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Spot	33.6	
June-20		-9.7
July-20		

CBOT Soy Oil Futures (Projections):

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
Jul	-0.31	27.84	27.86	27.55	27.55
Aug	-0.30	28.01	28.01	27.74	27.75
Sep	-0.27	28.18	28.18	27.91	27.95
Oct	-0.27	28.2	28.2	28.1	28.1
Dec	-0.29	28.67	28.67	28.38	28.39

0.1

Forex:
BMD CPO Futures:

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
Jun	-77	2428	2458	2397	2669
Jul	-79	2400	2424	2350	2626
Aug	-69	2374	2387	2318	2585
Sep	-71	2355	2371	2310	2560

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
04/06/2020	7.12	14095	4.278	68.74	75.53	5.06	97.53	36.70

Edible Oil Prices at Key Market:

Commodity	Centre	Prices(Per 10 Kg)		Change
		04-Jun-20	03-Jun-20	
Refined Soybean Oil	Indore	820	820	Unch
	Indore (Soy Solvent Crude)	785	785	Unch
	Mumbai	810	810	Unch
	Mumbai (Soy Degum)	780	780	Unch
	Kandla/Mundra	800	800	Unch
	Kandla/Mundra (Soy Degum)	775	775	Unch
	Kolkata	800	800	Unch
	Delhi	855	855	Unch
	Nagpur	892	900	-8
	Rajkot	800	810	-10
	Kota	825	825	Unch
	Hyderabad	Unq	Unq	-

	Akola	833	840	-7
	Amrawati	838	840	-2
	Bundi	830	830	Unch
	Jalna	902	910	-8
	Solapur	882	890	-8
	Dhule	902	910	-8
Palm Oil*	Kandla (Crude Palm Oil)	717	713	4
	Kandla (RBD Palm oil)	725	725	Unch
	Kandla RBD Pamolein	777	777	Unch
	Kakinada (Crude Palm Oil)	696	698	-2
	Kakinada RBD Pamolein	777	777	Unch
	Haldia Pamolein	777	777	Unch
	Chennai RBD Pamolein	788	788	Unch
	Chennai RBD Pamolein (Vitamin A&D Fortified)	830	830	Unch
	KPT (krishna patnam) Pamolein	782	782	Unch
	Mumbai RBD Pamolein	790	790	Unch
	Mangalore RBD Pamolein	788	788	Unch
	Tuticorin (RBD Palmolein)	804	794	11
	Delhi	825	825	Unch
	Rajkot	788	788	Unch
	Hyderabad	810	810	Unch
	PFAD (Kandla)	494	494	Unch
	Refined Palm Stearin (Kandla)	696	698	-2
	Superolien (Kandla)	772	772	Unch
	Superolien (Mumbai)	782	782	Unch
* inclusive of GST				
Refined Sunflower Oil	Chennai	925	925	Unch
	Mumbai	925	925	Unch
	Mumbai (Expeller Oil)	875	875	Unch
	Kandla (Ref.)	880	880	Unch
	Hyderabad (Ref)	930	925	5
	Latur (Expeller Oil)	875	870	5
	Chellakere (Expeller Oil)	885	880	5
	Erode (Expeller Oil)	950	950	Unch
Groundnut Oil	Rajkot	1300	1300	Unch
	Chennai	1300	1350	-50
	Delhi	1330	1330	Unch
	Hyderabad *	1340	1375	-35
	Mumbai	1430	1430	Unch
	Gondal	1300	1280	20

	Jamnagar	1300	1275	25
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	984	987	-3
	Jaipur (Kacchi Ghani Oil)	1012	1015	-3
	Kota (Expeller Oil)	960	960	Unch
	Kota (Kacchi Ghani Oil)	1010	1010	Unch
	Neewai (Expeller Oil)	990	995	-5
	Neewai (Kacchi Ghani Oil)	1000	1005	-5
	Bharatpur (Kacchi Ghani Oil)	1000	1010	-10
	Sri-Ganga Nagar(Exp Oil)	960	970	-10
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1000	1010	-10
	Mumbai (Expeller Oil)	850	850	Unch
	Kolkata(Expeller Oil)	1000	1000	Unch
	New Delhi (Expeller Oil)	985	985	Unch
	Hapur (Expeller Oil)	913	908	5
	Hapur (Kacchi Ghani Oil)	943	938	5
	Agra (Kacchi Ghani Oil)	1005	1015	-10
Refined Cottonseed Oil	Rajkot	795	820	-25
	Hyderabad	810	820	-10
	Mumbai	825	825	Unch
	New Delhi	775	775	Unch
Coconut Oil	Kangayan (Crude)	1400	1400	Unch
	Cochin	1530	1530	Unch
Sesame Oil	New Delhi	1150	1150	Unch
	Mumbai	Unq	Unq	-
Kardi	Mumbai	Unq	Unq	-
Rice Bran Oil (40%)	New Delhi	725	725	Unch
Rice Bran Oil (4%)	Punjab	760	760	Unch
Malaysia Palmolein USD/MT	FOB	595	595	Unch
	CNF India	640	635	5
Indonesia CPO USD/MT	FOB	580	578	2
	CNF India	630	625	5
RBD Palm oil (Malaysia Origin USD/MT)	FOB	593	590	3
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	578	575	3
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	745	750	-5
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	535	533	2
Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	760	-

Ukraine Origin CSFO USD/MT Kandla	CIF	830	830	Unch
Rapeseed Oil Rotterdam Euro/MT	FOB	747	744	3
Argentina FOB (\$/MT)		3-Jun-20	2-Jun-20	Change
Crude Soybean Oil Ship		658	661	-3
Refined Soy Oil (Bulk) Ship		681	684	-3
Sunflower Oil Ship		735	725	10
Cottonseed Oil Ship		638	641	-3
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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