



Domestic Fundamentals:

- Edible oil complex featured weak trend at various markets centers on Wednesday.
- Soy oil and palm oil domestic prices rose on rise in international benchmarks. BMD CPO rose on rise in crude oil prices and rise in competing oils prices. CBOT soy oil rose on lower soybean area in US while stocks of soybean in US was as per market estimate. Favorable US soybean crop report as reported by USDA will limit gains.
- In the weekly USDA crop progress report released on 29 June 2020; The US Soybeans planting is reported to have completed – 100%. Soybean emerged is reported at 95% up from 80% same period last year and 91% from 5 year average. Soybean blooming is reported at 14% up from 2% same period last year and 11% from 5 year average. About 58% of the crop is under good condition, 13% at excellent condition and 24% at fair condition.
- According to Indonesia trade ministry, Indonesia will not charge export duty on crude palm oil for July. Reference prices of July was set at USD 622.47 per ton compared to USD 568.94 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 of USD 55 per ton on CPO prices above USD 570 per ton.
- According to cargo surveyor Intertek Testing Services (ITS), Malaysia's June palm oil exports rose 29.1 percent to 1,622,432 tons compared to 1,256,395 tons last month. Top buyers were European Union 420,065 tons (269,125 tons), China at 365,300 tons (233,015 tons) and India & subcontinent 349,725 tons (197,600 tons). Values in brackets are figures of last month.
- Edible oil consumption is expected to fall in oil year 2018-19 on lower out of house consumption contributing 27% of total edible oil demand. Lower demand from biscuits, noodles and frying, confectionary, bakery, HoReCa, and non food sector led to lower demand. Lower out of house demand will cut India's consumption by 1.5-2 MMT. Most of the cut in demand will be due to lower demand of palm oil. Palm oil use in out of home is high and cut in consumption will cut palm oil import by 1.5-2 MMT to 7-7.5 MMT from 9-9.5 MMT last year.
- Palm oil international priced are expected underpinned by expectation of rise in production of palm oil in Malaysia and Indonesia, slow rise in exports of palm oil from Malaysia and slowing demand top importing destinations,
- Palm oil end stocks are expected to rise in Malaysia in in coming months due to rise in production of palm oil and slower rate of growth of exports of palm oil in Malaysia in coming months.
- Palm oil exports from Malaysia is expected to slow to all major locations. Demand of China will slow as record imports of soybean by then country will increase the supply of soy oil in the country thereby slowing demand of palm oil. Demand of palm oil is expected to slow from India due to rise in prices of palm oil in international markets. India restricting refined palm oil imports will slow imports of palm oil by the country.
- Global soy oil prices are expected to be supported by fall in stocks of soy oil in US as reported by NOPA, less water in Parana River in Argentina, gradual opening of economies in the world, higher demand of soybean by China and rise in crude oil prices. US soybean planting is progressing at pace higher than last year and 5-year average and crop condition is better than last year and 5-year average. Water in Parana river is down in Argentina leading to delay in shipments of soy oil leading to rise in basis of soy oil over CBOT.

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 |
|--------------------------------|------|--------|--------|--------|--------|--------|---------------|-------|-----------|
| Jul-20 | 6.70 | 803.80 | 808.80 | 801.40 | 805.80 | 11,660 | -250 | 21890 | -1950 |
| Aug-20 | 8.10 | 796.00 | 803.00 | 793.00 | 800.00 | 9,955 | 3170 | 16570 | 2485 |
| Prices & Vol-OI are at 5:30 PM | | | | | | | | | |

| Spread | Jul -20 | Aug-20 |
|--------|---------|--------|
| Spot | 4.20 | |
| Jul-20 | | -5.80 |
| Aug-20 | | |

MCX CPO Futures

| Contract | +/- | Open | High | Low | Close | Volume | Volume Change | OI | OI Change |
|----------|-------|--------|--------|--------|--------|--------|---------------|------|-----------|
| July-20 | 9.00 | 650.30 | 658.70 | 648.20 | 655.20 | 2541 | -978 | 4733 | -58 |
| Aug-20 | 11.30 | 639.60 | 650.60 | 637.00 | 645.60 | 957 | 631 | 1377 | 408 |

| Spread | July-20 | Aug-20 |
|--------|---------|--------|
|--------|---------|--------|

| | | |
|---------|------|------|
| Spot | 44.8 | |
| July-20 | | -9.6 |
| Aug-20 | | |

CBOT Soy Oil Futures (Projections):

(Values in US cents/lb)

| Contract | +/- | Open | High | Low | Close |
|----------|-------|-------|-------|-------|-------|
| Jul | -0.05 | 27.89 | 27.93 | 27.89 | 27.93 |
| Aug | -0.04 | 28.14 | 28.2 | 28 | 28.1 |
| Sep | -0.02 | 28.25 | 28.35 | 28.16 | 28.28 |
| Oct | -0.06 | 28.41 | 28.51 | 28.4 | 28.41 |
| Dec | -0.04 | 28.76 | 28.87 | 28.67 | 28.77 |

-0.12

Forex:
BMD CPO Futures:

(Values in MYR/tonnes)

| Contract | +/- | Open | High | Low | Close |
|----------|-----|------|------|------|-------|
| Jun | 16 | 2400 | 2415 | 2390 | 2669 |
| Jul | 27 | 2361 | 2389 | 2353 | 2626 |
| Aug | 33 | 2322 | 2352 | 2308 | 2585 |
| Sep | 28 | 2277 | 2336 | 2277 | 2560 |

| Date/Currency | Chinese Yuan | Indonesian Rupiah | Malaysian Ringgit | Argentine Peso | Indian rupee | Brazilian Real | Dollar Index | Crude Oil WTI (\$/barrel) |
|---------------|--------------|-------------------|-------------------|----------------|--------------|----------------|--------------|---------------------------|
| 01/07/2020 | 7.07 | 14333 | 4.286 | 70.46 | 75.56 | 5.46 | 97.56 | 39.96 |

Edible Oil Prices at Key Market:

| Commodity | Centre | Prices(Per 10 Kg) | | Change |
|---------------------|----------------------------|-------------------|-----------|--------|
| | | 01-Jul-20 | 30-Jun-20 | |
| Refined Soybean Oil | Indore | 810 | 820 | -10 |
| | Indore (Soy Solvent Crude) | 775 | 785 | -10 |
| | Mumbai | 820 | 820 | Unch |
| | Mumbai (Soy Degum) | 770 | 780 | -10 |
| | Kandla/Mundra | 805 | 805 | Unch |
| | Kandla/Mundra (Soy Degum) | 760 | 772 | -12 |
| | Kolkata | 800 | 800 | Unch |
| | Delhi | 835 | 840 | -5 |
| | Nagpur | 900 | 904 | -4 |
| | Rajkot | 790 | 795 | -5 |
| | Kota | 830 | 830 | Unch |
| | Hyderabad | NA | NA | - |

| | | | | |
|-----------------------|--|------|------|------|
| | Akola | 835 | 837 | -2 |
| | Amrawati | 838 | 842 | -4 |
| | Bundi | 835 | 835 | Unch |
| | Jalna | 910 | 914 | -4 |
| | Solapur | 890 | 894 | -4 |
| | Dhule | 910 | 914 | -4 |
| | | | | |
| Palm Oil* | Kandla (Crude Palm Oil) | 735 | 734 | 1 |
| | Kandla (RBD Palm oil) | 814 | 814 | Unch |
| | Kandla RBD Pamolein | 798 | 819 | -21 |
| | Kakinada (Crude Palm Oil) | 688 | 688 | Unch |
| | Kakinada RBD Pamolein | 777 | 793 | -16 |
| | Haldia Pamolein | 798 | 809 | -11 |
| | Chennai RBD Pamolein | 798 | 809 | -11 |
| | Chennai RBD Pamolein (Vitamin A&D Fortified) | 859 | 865 | -6 |
| | KPT (krishna patnam) Pamolein | 782 | 798 | -16 |
| | Mumbai RBD Pamolein | 819 | 835 | -16 |
| | Mangalore RBD Pamolein | 819 | 830 | -11 |
| | Tuticorin (RBD Palmolein) | 800 | 800 | Unch |
| | Delhi | 840 | 845 | -5 |
| | Rajkot | 798 | 793 | 5 |
| | Hyderabad | 775 | 775 | Unch |
| | PFAD (Kandla) | 509 | 509 | Unch |
| | Refined Palm Stearin (Kandla) | 688 | 688 | Unch |
| | Superolien (Kandla) | 830 | 830 | Unch |
| | Superolien (Mumbai) | 840 | 840 | Unch |
| * inclusive of GST | | | | |
| Refined Sunflower Oil | Chennai | 925 | 925 | Unch |
| | Mumbai | 940 | 940 | Unch |
| | Mumbai (Expeller Oil) | 895 | 895 | Unch |
| | Kandla (Ref.) | 900 | 900 | Unch |
| | Hyderabad (Ref) | 935 | 935 | Unch |
| | Latur (Expeller Oil) | 875 | 875 | Unch |
| | Chellakere (Expeller Oil) | 885 | 885 | Unch |
| | Erode (Expeller Oil) | 960 | 960 | Unch |
| | | | | |
| Groundnut Oil | Rajkot | 1350 | 1350 | Unch |
| | Chennai | 1320 | 1350 | -30 |
| | Delhi | 1400 | 1400 | Unch |
| | Hyderabad * | 1350 | 1350 | Unch |
| | Mumbai | 1370 | 1370 | Unch |
| | Gondal | 1350 | 1350 | Unch |

| | | | | |
|---|------------------------------------|------|------|------|
| | Jamnagar | 1350 | 1350 | Unch |
| | | | | |
| Rapeseed Oil/Mustard Oil | Jaipur (Expeller Oil) | 1012 | 1012 | Unch |
| | Jaipur (Kacchi Ghani Oil) | 1040 | 1040 | Unch |
| | Kota (Expeller Oil) | 980 | 980 | Unch |
| | Kota (Kacchi Ghani Oil) | 1025 | 1025 | Unch |
| | Neewai (Expeller Oil) | 1005 | 1005 | Unch |
| | Neewai (Kacchi Ghani Oil) | 1015 | 1015 | Unch |
| | Bharatpur (Kacchi Ghani Oil) | 1010 | 1010 | Unch |
| | Sri-Ganga Nagar(Exp Oil) | 980 | 980 | Unch |
| | Sri-Ganga Nagar (Kacchi Ghani Oil) | 1020 | 1020 | Unch |
| | Mumbai (Expeller Oil) | 970 | 980 | -10 |
| | Kolkata(Expeller Oil) | 1050 | 1050 | Unch |
| | New Delhi (Expeller Oil) | 965 | 960 | 5 |
| | Hapur (Expeller Oil) | 938 | 938 | Unch |
| | Hapur (Kacchi Ghani Oil) | 968 | 968 | Unch |
| | Agra (Kacchi Ghani Oil) | 1015 | 1015 | Unch |
| | | | | |
| Refined Cottonseed Oil | Rajkot | 820 | 810 | 10 |
| | Hyderabad | 800 | 800 | Unch |
| | Mumbai | 830 | 835 | -5 |
| | New Delhi | 785 | 785 | Unch |
| | | | | |
| Coconut Oil | Kangayan (Crude) | 1530 | 1530 | Unch |
| | Cochin | 1520 | 1530 | -10 |
| | | | | |
| Sesame Oil | New Delhi | 1550 | 1550 | Unch |
| | Mumbai | Unq | Unq | - |
| Kardi | Mumbai | Unq | Unq | - |
| Rice Bran Oil (40%) | New Delhi | 725 | 725 | Unch |
| Rice Bran Oil (4%) | Punjab | 770 | 760 | 10 |
| | | | | |
| Malaysia Palmolein USD/MT | FOB | 600 | 608 | -8 |
| | CNF India | 620 | 630 | -10 |
| Indonesia CPO USD/MT | FOB | 580 | 588 | -8 |
| | CNF India | 610 | 620 | -10 |
| RBD Palm oil (Malaysia Origin USD/MT) | FOB | 598 | 603 | -5 |
| RBD Palm Stearin (Malaysia Origin USD/MT) | FOB | 585 | 590 | -5 |
| RBD Palm Kernel Oil (Malaysia Origin USD/MT) | FOB | 695 | 690 | 5 |
| Palm Fatty Acid Distillate (Malaysia Origin USD/MT) | FOB | 505 | 515 | -10 |
| Crude palm Kernel Oil India (USD/MT) | CNF India | Unq | 735 | - |

| | | | | |
|-----------------------------------|-----|-----------|-----------|--------|
| Ukraine Origin CSFO USD/MT Kandla | CIF | 840 | 840 | Unch |
| Rapeseed Oil Rotterdam Euro/MT | FOB | 774 | 765 | 9 |
| | | | | |
| Argentina FOB (\$/MT) | | 30-Jun-20 | 29-Jun-20 | Change |
| Crude Soybean Oil Ship | | 659 | 660 | -1 |
| Refined Soy Oil (Bulk) Ship | | 682 | 683 | -1 |
| Sunflower Oil Ship | | 760 | 760 | Unch |
| Cottonseed Oil Ship | | 639 | 640 | -1 |
| Refined Linseed Oil (Bulk) Ship | | NA | NA | - |
| * 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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