

**Domestic Fundamentals:**

- Edible oil complex featured mixed trend at various markets centers on Friday.
- Soy oil and palm oil domestic prices fell on weak demand and fall in international benchmarks. BMD CPO fell on expectation of rise in production of palm oil in Malaysia. CBOT soy oil fell on better than expected soybean crop condition in US. Favorable US soybean crop report as reported by USDA will supported losses. Rise in second wave of coronavirus in US will underpin soy oil prices.
- 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.
- 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.
- 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	-0.90	809.00	810.70	805.00	808.30	4,915	-1950	19645	-600
Aug-20	-2.20	807.00	807.50	800.00	804.40	7,505	-1305	20215	1005
Prices & Vol-OI are at 5:30 PM									

Spread	Jul -20	Aug1-20
Spot	1.70	
Jul-20		-3.90
Aug-20		

**MCX CPO Futures**

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
July-20	-3.40	669.00	669.10	655.10	661.10	1793	-243	4899	35
Aug-20	-1.40	661.90	662.00	647.20	655.10	887	-88	1817	216

Spread	July-20	Aug-20
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Spot	18.9	
July-20		-6
Aug-20		

**CBOT Soy Oil Futures (Projections):**

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
Jul	-0.28	28.21	28.45	27.91	27.93
Aug	-0.32	28.35	28.62	28.01	28.04
Sep	-0.30	28.49	28.78	28.18	28.22
Oct	-0.32	28.67	28.95	28.35	28.37
Dec	-0.32	28.98	29.3	28.68	28.69

-0.12

**Forex:**
**BMD CPO Futures:**

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
Jun	-18	2441	2441	2405	2405
Jul	-2	2390	2423	2366	2390
Aug	-3	2357	2394	2335	2359
Sep	-	2345	2379	2325	2349

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
03/07/2020	7.07	14540	4.286	70.56	74.65	5.36	97.27	40.02

**Edible Oil Prices at Key Market:**

Commodity	Centre	Prices(Per 10 Kg)		Change
		03-Jul-20	02-Jul-20	
Refined Soybean Oil	Indore	820	810	10
	Indore (Soy Solvent Crude)	785	775	10
	Mumbai	820	820	Unch
	Mumbai (Soy Degum)	775	770	5
	Kandla/Mundra	805	805	Unch
	Kandla/Mundra (Soy Degum)	770	765	5
	Kolkata	800	800	Unch
	Delhi	845	845	Unch
	Nagpur	900	900	Unch
	Rajkot	795	800	-5
	Kota	830	830	Unch

	Hyderabad	NA	NA	-
	Akola	830	833	-3
	Amrawati	830	835	-5
	Bundi	835	835	Unch
	Jalna	910	910	Unch
	Solapur	890	890	Unch
	Dhule	910	910	Unch
Palm Oil*	Kandla (Crude Palm Oil)	712	712	Unch
	Kandla (RBD Palm oil)	798	798	Unch
	Kandla RBD Pamolein	803	798	5
	Kakinada (Crude Palm Oil)	688	688	Unch
	Kakinada RBD Pamolein	777	777	Unch
	Haldia Pamolein	798	798	Unch
	Chennai RBD Pamolein	798	798	Unch
	Chennai RBD Pamolein (Vitamin A&D Fortified)	859	859	Unch
	KPT (krishna patnam) Pamolein	782	782	Unch
	Mumbai RBD Pamolein	822	819	3
	Mangalore RBD Pamolein	819	819	Unch
	Tuticorin (RBD Palmolein)	800	800	Unch
	Delhi	840	840	Unch
	Rajkot	788	798	-11
	Hyderabad	765	765	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)	925	925	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	1320	Unch
	Delhi	1400	1400	Unch
	Hyderabad *	1300	1300	Unch
	Mumbai	1370	1370	Unch

	Gondal	1350	1340	10
	Jamnagar	1350	1340	10
Rapeseed Oil/Mustard Oil	Jaipur (Expeller Oil)	1032	1022	10
	Jaipur (Kacchi Ghani Oil)	1060	1050	10
	Kota (Expeller Oil)	980	980	Unch
	Kota (Kacchi Ghani Oil)	1030	1025	5
	Neewai (Expeller Oil)	1020	1015	5
	Neewai (Kacchi Ghani Oil)	1030	1025	5
	Bharatpur (Kacchi Ghani Oil)	1030	1030	Unch
	Sri-Ganga Nagar(Exp Oil)	995	985	10
	Sri-Ganga Nagar (Kacchi Ghani Oil)	1035	1025	10
	Mumbai (Expeller Oil)	970	970	Unch
	Kolkata(Expeller Oil)	1050	1050	Unch
	New Delhi (Expeller Oil)	970	960	10
	Hapur (Expeller Oil)	960	938	22
	Hapur (Kacchi Ghani Oil)	990	968	22
	Agra (Kacchi Ghani Oil)	1035	1035	Unch
Refined Cottonseed Oil	Rajkot	825	820	5
	Hyderabad	800	800	Unch
	Mumbai	835	835	Unch
	New Delhi	770	785	-15
Coconut Oil	Kangayan (Crude)	1530	1530	Unch
	Cochin	1530	1530	Unch
Sesame Oil	New Delhi	1450	1550	-100
	Mumbai	NA	NA	-
Kardi	Mumbai	NA	NA	-
Rice Bran Oil (40%)	New Delhi	730	725	5
Rice Bran Oil (4%)	Punjab	760	760	Unch
Malaysia Palmolein USD/MT	FOB	605	603	2
	CNF India	625	625	Unch
Indonesia CPO USD/MT	FOB	590	583	7
	CNF India	615	615	Unch
RBD Palm oil (Malaysia Origin USD/MT)	FOB	603	600	3
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	580	580	Unch
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	700	695	5
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	510	505	5

Crude palm Kernel Oil India (USD/MT)	CNF India	NA	735	-
Ukraine Origin CSFO USD/MT Kandla	CIF	840	840	Unch
Rapeseed Oil Rotterdam Euro/MT	FOB	765	770	-5
Argentina FOB (\$/MT)		2-Jul-20	1-Jul-20	Change
Crude Soybean Oil Ship		655	660	-5
Refined Soy Oil (Bulk) Ship		678	683	-5
Sunflower Oil Ship		760	760	Unch
Cottonseed Oil Ship		635	640	-5
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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