

Domestic Fundamentals:

- Edible oils featured mostly firm tone in various market centers on Wednesday.
- Domestic soy oil futures and palm oil futures rose on firm international markets on higher demand prospects from India due to palm oil import duty reduction. International palm oil futures rose on demand prospects especially from India. CBOT soy oil will open higher on rise in palm oil prices. Rupee depreciated below 70/USD on fall in domestic equity markets. Crude oil prices were trading lower on Monday.
- According to Government of India (GOI) notification number 84/2018-Customs dated 31 December 2018, import duty on crude palm oil is reduced to 40 percent from 44 percent while on refined palm oil is reduced to 50 percent from 54 percent. This makes total import duty on crude palm oil to 44 percent and 55 percent on refined palm oil after applying all taxes. However, refined palm oil origin from Malaysia will be charged 45 percent import duty sourced from Malaysia. So, total import duty on imports of refined palm oil from Malaysia works out at 49.5 percent including all taxes.
- India reduced import duty on imports of CPO as well as RBD palmolein especially import duty on imports will attract 5.5 percent less import duty. This will make imports of refined palm oil uncompetitive. This will provide stimulus to palm oil prices in near term. However, in longer term high stocks of palm oil in Malaysia will weigh on prices. Reduction of palm oil import duty will reduced duty differential between crude and refined palm oil to 5 percent from 11 percent. This will adversely impact refiners in India who are struggling with high debt levels. Cheap imports of refined palm oil will destroy India edible oil refining industry.
- Palm oil- Palm oil prices are expected to be expected to underpin by expectation of rise in end stocks of palm oil in Malaysia in December on rise in production of palm oil in December. With reduction of palm oil import duty especially refined palm oil from Malaysia will support palm oil prices. End stocks of palm oil have already crossed 3 MMT in Malaysia in Nov and it is expected to top in Dec primarily due to rise in production in Dec. Data from Malaysia Palm Oil Association show production rose in first 20 days of December, raising expectation that production will end December in green in Malaysia. Exports are showing subdued performance from Malaysia in December mainly on low demand from top importer EU. China is buying more palm oil due to lower production of soy oil in China due to lower imports of soybean in November. China imported fewer soybeans due to outbreak of swine flu in the country and negative crush margins of soybean. This has led to lower supply of soy oil leading to higher imports of palm oil. Further, China will import more in Dec and Jan on demand ahead of Chinese New Year. India is buying to take advantage of low prices of palm oil and recent appreciation of Rupee has made palm oil cheaper to import. Fall in competing oils like CBOT soy oil and RBD Palmolein will support fall in palm oil prices. Weak crude oil prices will be drag on palm oil prices.
- According to cargo surveyor Societe Generale de Surveillance (SGS), Malaysia's Dec palm oil exports rose 7.9 percent to 1,339,879 tons compared to 1,241,467 tons last month. Top buyers were China at 322,610 tons (171,660 tons), India at 277,010 tons (224,126 tons), European Union 249,669 tons (283,168 tons), United States at 75,550 tons (43,524 tons) and Pakistan at 63,000 tons (34,400 tons). Values in brackets are figures last month.

Outlook: Edible oil basket is expected to feature range –bound to firm sentiment in near term.

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Jan-19	6.35	730.15	738.00	731.50	736.50	9,480	1340	35380	-3310
Feb-19	7.60	717.40	725.00	716.70	725.00	13,950	-1340	30100	6650

Prices & Vol-OI are at 5:30 PM

Spread	Jan-18	Feb-18
Spot	5.50	17.00
Jan-19		-11.50
Feb-19		

MCX CPO Futures

Contract	+/-	Open	High	Low	Close	Volume	Volume Change	OI	OI Change
Jan-18	7.60	519.80	523.50	516.40	521.60	1528	477	5925	-24
Feb-19	8.80	533.90	533.90	524.00	530.00	1280	576	4145	816

Spread	Jan-18	Feb-19
Spot	-23.6	-32
Jan-19		8.4
Feb-19		

CBOT Soy Oil Futures (Projections):

(Values in US cents/lb)

Contract	+/-	Open	High	Low	Close
15-Jan	0.02	27.57	27.71	27.52	27.54
15-Mar	UNCH	27.9	28.04	27.82	27.84
15-May	-0.01	28.18	28.3	28.08	28.09
15-Jul	0.01	28.45	28.56	28.35	28.37
15-Aug	0.04	28.66	28.7	28.51	28.55

BMD CPO Futures:

(Values in MYR/tonnes)

Contract	+/-	Open	High	Low	Close
Jan-19	71	2030	2075	2030	2070
Feb-19	55	2091	2134	2090	2128
Mar-19	43	2137	2171	2132	2166
Apr-19	39	2177	2207	2172	2202

Forex:

Date/Currency	Chinese Yuan	Indonesian Rupiah	Malaysian Ringgit	Argentine Peso	Indian rupee	Brazilian Real	Dollar Index	Crude Oil WTI (\$/barrel)
28/12/2018	6.86	14554	4.138	37.65	70.16	3.89	96.32	44.95

Edible Oil Prices at Key Market:

Commodity	Centre	Prices(Per 10 Kg)		Change
		2-Jan-19	31-Dec-18	
Refined Soybean Oil	Indore	742	730	12
	Indore (Soy Solvent Crude)	705	695	10
	Mumbai	735	740	-5
	Mumbai (Soy Degum)	705	705	Unch
	Kandla/Mundra	730	725	5
	Kandla/Mundra (Soy Degum)	702	702	Unch
	Kolkata	782	780	2
	Delhi	785	775	10
	Nagpur	745	736	9
Rajkot	728	720	8	

	Kota	740	740	Unch
	Hyderabad	750	750	Unch
	Akola	736	736	Unch
	Amrawati	744	735	9
	Bundi	750	750	Unch
	Jalna	740	735	5
	Alwar	Unq	Unq	-
	Solapur	724	719	5
	Dhule	740	735	5
	Kandla (Crude Palm Oil)	523	528	-5
	Kandla (RBD Palm oil)	572	562	11
	Kandla RBD Pamolein	625	609	16
	Kakinada (Crude Palm Oil)	541	541	Unch
	Kakinada RBD Pamolein	635	630	5
	Haldia Pamolein	632	627	5
	Chennai RBD Pamolein	641	635	5
	Chennai RBD Pamolein (Vitamin A&D Fortified)	695	692	3
	KPT (krishna patnam) Pamolein	630	625	5
	Mumbai RBD Pamolein	635	635	Unch
	Mangalore RBD Pamolein	641	635	5
	Tuticorin (RBD Palmolein)	630	628	2
	Delhi	645	640	5
	Rajkot	612	609	3
	Hyderabad	611	606	5
	PFAD (Kandla)	326	320	5
	Refined Palm Stearin (Kandla)	399	394	5
	Superolien (Kandla)	677	677	Unch
	Superolien (Mumbai)	695	692	3
* inclusive of GST				
	Chennai	760	760	Unch
	Mumbai	790	790	Unch
	Mumbai(Expeller Oil)	705	710	-5
	Kandla (Ref.)	770	760	10
	Kandla/Mundra (Crude)	Unq	Unq	-
	Hyderabad (Ref)	775	775	Unch
	Latur (Expeller Oil)	750	750	Unch
	Chellakere (Expeller Oil)	710	710	Unch
	Erode (Expeller Oil)	795	795	Unch
	Rajkot	1020	970	50
	Chennai	960	960	Unch

Palm Oil*
Refined Sunflower Oil
Groundnut Oil

	Delhi	950	950	Unch
	Hyderabad *	980	980	Unch
	Mumbai	1015	990	25
	Gondal	990	985	5
	Jamnagar	990	980	10
Rapeseed Oil/Mustard Oil				
	Jaipur (Expeller Oil)	790	790	Unch
	Jaipur (Kacchi Ghani Oil)	814	812	2
	Kota (Expeller Oil)	785	780	5
	Kota (Kacchi Ghani Oil)	790	790	Unch
	Neewai (Expeller Oil)	790	790	Unch
	Neewai (Kacchi Ghani Oil)	798	795	3
	Bharatpur (Kacchi Ghani Oil)	815	810	5
	Alwar (Expeller Oil)	Unq	Unq	-
	Alwar (Kacchi Ghani Oil)	Unq	Unq	-
	Sri-Ganga Nagar(Exp Oil)	780	780	Unch
	Sri-Ganga Nagar (Kacchi Ghani Oil)	800	800	Unch
	Mumbai (Expeller Oil)	825	830	-5
	Kolkata(Expeller Oil)	930	930	Unch
	New Delhi (Expeller Oil)	830	830	Unch
	Hapur (Expeller Oil)	910	905	5
	Hapur (Kacchi Ghani Oil)	950	945	5
	Agra (Kacchi Ghani Oil)	820	815	5
Refined Cottonseed Oil				
	Rajkot	695	695	Unch
	Hyderabad	685	695	-10
	Mumbai	708	705	3
	New Delhi	680	675	5
Coconut Oil				
	Kangayan (Crude)	1720	1670	50
	Cochin	1470	1480	-10
	Trissur	Unq	Unq	-
Sesame Oil				
	New Delhi	1600	1600	Unch
	Mumbai	Unq	Unq	-
Kardi	Mumbai	880	880	Unch
Rice Bran Oil (40%)	New Delhi	610	605	5
Rice Bran Oil (4%)	Punjab	605	605	Unch
Rice Bran Oil (4%)	Uttar Pradesh	Unq	Unq	-
Malaysia Palmolein USD/MT				
	FOB	510	508	2
	CNF India	545	525	20

Indonesia CPO USD/MT	FOB	495	485	10
	CNF India	520	500	20
RBD Palm oil (Malaysia Origin USD/MT)	FOB	503	493	10
RBD Palm Stearin (Malaysia Origin USD/MT)	FOB	500	493	7
RBD Palm Kernel Oil (Malaysia Origin USD/MT)	FOB	875	875	Unch
Palm Fatty Acid Distillate (Malaysia Origin USD/MT)	FOB	353	345	8
Crude palm Kernel Oil India (USD/MT)	CNF India	Unq	845	-
Ukraine Origin CSFO USD/MT Kandla	CIF	693	700	-7
Rapeseed Oil Rotterdam Euro/MT	FOB	698	707	-9
Argentina FOB (\$/MT)				
		31-Dec-18	28-Dec-18	Change
Crude Soybean Oil Ship		Unq	601	-
Refined Soy Oil (Bulk) Ship		Unq	622	-
Sunflower Oil Ship		Unq	610	-
Cottonseed Oil Ship		Unq	581	-
Refined Linseed Oil (Bulk) Ship		Unq	0	-
<i>* indicates including GST</i>				

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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