

RSBO (Refined Soybean Oil)

Technical Analysis:

- ✓ Soy oil price continue to remain range bound with positive bias. Bulls face resistance near peak.
- ✓ 640-655 continue to be the trading band for the price.
- ✓ Indication of short covering materialized, bulls have regain strength, and important resistance still needs to be crossed.
- ✓ 645, on the lower side become an important support juncture.
- ✓ Traders may remain cautious, as negative divergence on the intraday chart prevails.

Trade Recommendation-RSBO NCDEX (February)

Call	Entry	T1	T2	SL
BUY ABOVE	649	653	656	645
Support & Resistance				
S2	S1	PCP	R1	R2
644	647	652.80	656	659



CPO (Crude Palm Oil)

Technical Analysis:

- ✓ CPO price trend is range bound with positive bias. Price move higher but reach near a significant hurdle point.
- ✓ 559 remains the nearest reliable support on the lower side, while 567 on the higher side becomes an important resistance point.
- ✓ 559-567 becomes the current trading band for the price; drift in either direction will take it further in the respective same.

Trade Recommendation - CPO MCX (February)

Call	Entry	T1	T2	SL
BUY ABOVE	561	564	567	557
Support & Resistance				
S2	S1	PCP	R1	R2
556	559	564	567	570



Veg Oil Summary

- ✚ Vegetable oil price trend remain range bound. Alike sentiment in International markets remain prevalent. While positive developments remain discounted to an extent, negative drivers remain less effective until now.
- ✚ Projected Cut in Argentina's crop remain a supportive international factor however better prospect for Brazil's crop provide jitters to the market.

Port Watch

Port	Vessel Name	Volume(MT)	Commodity	Status
Kandla	Mt. Feng Hai 11	8000	Palm Oil	Vessel Expected to Arrive Port
	Mt. Ema Querida	18740	CPO	Vessel at Berth For Discharging
	Mt. Stx Forte	8000	Palm Oil	Vessel at Anchor Awaiting Berth
	Mt.Chembulk Ulsan	5000	CPO	Vessel at Anchor Awaiting Berth
	Mt. Global Challenge	15500	CPO	Vessel Expected to Arrive Port
	Mt. Ms Simon	10500	CDSBO	Vessel Expected to Arrive Port
Kakinada	Mt. G S Grnad	6000	Edible Oil	Vessel at Anchor Awaiting Berth
	Fair Apollon	4020	Edible Oil	Vessel at Berth For Discharging
	Earth Blue	2400	Edible Oil	Vessel at Anchor Awaiting Berth
	MT.World Bridge	9600	Edible Oil	Vessel at Anchor Awaiting Berth
	Paran Chemi	2500	Edible Oil	Vessel Expected to Arrive Port
Chennai	Ten Rose	6300	Palm Oil	Vessel at Anchor Awaiting Berth
	Samho Crystal	9170	CSFO	Vessel Expected to Arrive Port
	Torm Helvig	10000	CSFO	Vessel Expected to Arrive Port
	Theresa Leopard	21000	CSFO	Vessel at Berth For Discharging
	Liquid Crystal	2000	Palm Oil	Vessel at Berth For Discharging
	Feng Hai 13	3000	Palm Oil	Vessel at Berth For Discharging

Fundamental Analysis:

Soy oil price depicted firm trend in the spot market. Gains in overseas markets uplifted sentiment. Talk that China will buy a large quantity of US soybeans as the trade delegation from China visits Chicago this week helped to support the CBOT Soy markets. Cues from Malaysian Palm remain absent on the day however higher import data for first 20 days of January is likely to provide positive cues to it.

- **International fundamental developments:** World Oilseed ending stock projections are revised lower in Jan 2011 by 2.89% as compared to projections made in Dec 2010. The same is likely to face a decline of 5.42%YOY basis. **World Veg oil stocks are projected to plunge lower by 12.34% in 2010-11 as compared to 2009-10.**
- **Above two developments, combined together are the supportive reasons of the strength being depicted by the US Soy market.** However currently, Price trend remain driven by anticipated cuts in Argentina's production, however better prospects for Brazil's crop, offset the impact. Although China cancels some cargoes, upward revision of soy imports for January suggest otherwise.
- On the domestic front, Soy Arrivals remain steady in Madhya Pradesh on the day, however diminishing trend in the same over few weeks, remain supportive of the prices.
- Crush margins continue to stay negative as soared seed price weigh on the same, compared to Soy oil prices which remain contained by increasing soy supplies. Decline in YOY Vegoil imports also favor the price trend however, improvement in the same MOM offset the impact.
- India's annual vegetable oil imports in December fell 4.2 percent on high global prices, but monthly imports rose as buyers stepped up purchases ahead of Indonesia's export tax hike. The same bring in mixed impact but demand for oil still remain festive driven however it remain subject to higher price levels and fluctuate, based on that.

Soy oil price trend is likely to inhibit ranged nature. While fundamentals stay supportive, higher prices interrupts demand. Indecision in a Malaysian Palm adds to skepticism.

- ❖ **Palm oil price traded with strength in the spot market. While it remain shut on the day, Malaysian palm oil rose to a one week high, a day earlier. Persistent uncertainty about whether output can keep pace with robust demand, lay support beneath prices.**
- ❖ Exports of Malaysian palm oil products for Jan 1-20 rose 9.74 percent to 852,607 tonnes from 776,910 tonnes shipped during Dec 1-20 as put by cargo surveyor Intertek Testing Services. Exports to European Union, India and subcontinent increased while to china, decreased.
- ❖ Malaysian Palm price trend remain torn between production cuts due to disruptive weather and corresponding demand which remain subject to higher price level. Cuts in production in the December month as compared to November and cuts in the stocks favor the current price trend.

Edible Oil Prices at Key Markets

Commodity	Centre	Prices(Per 10 Kg)		Change
		20-01-11	19-01-11	
Refined Soybean Oil	Mumbai +VAT	620	617	+3
	Indore	614	609	+5
	Rajkot + VAT	605	600	+5
Palm Oil	Kandla CPO (5%FFA)	555	548	+7
	Mumbai RBD Pamolein+ VAT	580	577	+3
Refined Sunflower Oil	Mumbai + VAT	710	710	-
	Chennai + VAT	720	720	-
Groundnut Oil	Mumbai + VAT	770	770	-
	Rajkot + VAT	770	770	-
	Kota +VAT	590	590	-
Rapeseed Oil	Jaipur + VAT	600	600	-
	Delhi	617	618	-1
Refined Cottonseed Oil	Mumbai + VAT	610	605	+5
	Rajkot + VAT	595	595	-

*Indicates all paid price

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.