

RSBO (Refined Soybean Oil)

Technical Analysis:

- ✓ Soy oil price trend stay ranged with weak bias. Correction extends, price stand near trend line support. Scenario has barely shifted.
- ✓ 654-660 remains the trading band for the price. While bounce back from trend line support may happen, bears will have an upper hand until 665 on the higher side is taken.
- ✓ 648 level on the lower side hold a lot of importance, while correction may extend below the same, until it sustains (on closing basis), bulls may be able to keep medium term trend.
- ✓ 654 prevail as an immediate important support point.

Trade Recommendation-RSBO NCDEX (February)

Call	Entry	T1	T2	SL
SELL BELOW	662	657	654	666
Support & Resistance				
S2	S1	PCP	R1	R2
650	655	658.15	663	666



CPO (Crude Palm Oil)

Technical Analysis:

- ✓ CPO price trend remain positively skewed. Profit taking at highs continues to remain an open possibility.
- ✓ 584 remains the nearest reliable support on the lower side, while 591 on the higher side persist to be important resistance point.
- ✓ 584-591 becomes the broad 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	584	588	591	580
Support & Resistance				
S2	S1	PCP	R1	R2
580	585	588.50	591	594



Veg Oil Summary

- ✚ Vegetable oil price trend remain optimistic. Correction remains hindered as positive developments in the international market, resurrects strength in the same, thus providing the same to us. Severe rains in Malaysia disrupt production activity which aggravates supply concerns. However, possibility of correction is not ruled out, altogether as higher prices are bound to come in the way of demand.

Port Watch

Vessel	Port	Month	Quantity (MT)	Commodity	ETA	ETB	Year	Activity
Global Themis	Tuticorin	February	6,000	Palm Oil	1/2/2011	3/2/2011	2011	Discharge
Mt.Argent Hibiscus	Kandla	February	1,800	CPO	30/01/2011		2011	Discharge
Mt.Wildebest	Kandla	February	18,000	CDSBO	3/2/2011		2011	Discharge
Mt. Taurus	Kandla	February	8,000	Palm Oil	3/2/2011		2011	Discharge
AU Leo	kakinada	February	14,250	Edible Oil	25/01/2011	31/01/2011	2011	Discharge
Feng Hai	kakinada	February	4,500	Edible Oil	29/01/2011		2011	Discharge
Ubt Ocean	kakinada	February	3,560	Edible Oil	29/01/2011		2011	Discharge
Gs Grand	kakinada	February	6,000	Edible Oil	1/2/2011		2011	Discharge
Cm Maya	kakinada	February	8,000	Edible Oil	3/2/2011		2011	Discharge
Fair Pigasos	kakinada	February	5,000	Edible Oil	5/2/2011		2011	Discharge
Titan Glory	Krishnapatnam	February	5,051	Edible Oil	4/2/2011		2011	Discharge
Sun Bridge	Krishnapatnam	February	6,000	Edible Oil	4/2/2011		2011	Discharge
Angel No. 1	Haldia	February	7,200	CPO	26/01/2011	27/01/2011	2011	Berth for discharging
Torm Helving	Haldia	February	16,000	CDSBO	29/01/2011	31/01/2011	2011	Berth for discharging
Green Chemi	Haldia	February	1,997	CPO	1/2/2011		2011	Discharge
Java Palm	Haldia	February	8,000	CPO	1/2/2011		2011	Discharge
Sun Bridge	Chennai	February	3,500	Palm Oil	1/2/2011	2/2/2011	2011	Berth for discharging
Titan Glory	Chennai	February	3,050	Palm Oil	3/2/2011	3/2/2011	2011	Berth for discharging
Cf Zachary	Chennai	February	7,000	CPO		2/2/2011	2011	Discharge
Fair Apollon	Chennai	February	3,470	Palm Oil	5/2/2011		2011	Discharge

Fundamental Analysis:

Soy oil price remain steady to lower in the spot market. Price drifted lower on poor buying support in the market. Ideas that crops in Brazil and Argentina are doing better plus the overbought technical condition of the market helped spark long liquidation in the US markets which weighed on the domestic sentiment. CBOT Soy oil however managed to end higher despite slip in crude oil price.

- Global trend driving factor: World Veg oil stocks are projected to plunge lower by 12.34% in 2010-11 as compared to 2009-10. Total output is projected to rise by 5.28% in 2010-11 and, however total use growth is likely to outpace at 6.04%.
- US Veg oil stocks are projected to dip 18.88 percent in 2010-11 with also a projected decline in the total Veg oil output by 1.79% YOY. The anticipated withering of the stocks bear impact on the medium term trend of the market.
- In India, on the basis of Kharif sowing, major production shifts are seen for Ground nut and Soybean crop, which contribute to higher anticipated oilseed production. The corresponding oil availability is likely to be affected due to that. Total oil availability from kharif produce, is projected at 55.37 lakh tonnes.
- 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.
- In December, vegetable oil imports rose 12.5 percent from the previous month to 752,688 tonnes. But, in the November-December period, vegetable oil imports fell 6.7 percent from a year earlier to 1.4 million tonnes on better local oilseeds crushing as depicted by data from the Solvent Extractors' Association of India.
- Latest, US Weekly Net oil sales came in at 5,000 metric tonnes which was below trade expectations as there was a cancellation of 30,700 tonnes to unknown destination. Cumulative soybean oil sales stand at 85.7% of the USDA forecast for 2010/2011 (current) marketing year versus a 5 year average of 41.5%.

Soy oil price trend is likely to stay range bound. Lower imports until now in the season and diminished soy arrivals stay supportive however improvement in availability of the same due to higher production and improved crushing may bear offsetting impact. Strength in Malaysian Palm is likely to stay a major inspiration for the direction ahead.

Palm oil price traded higher in the spot market. Malaysian palm oil markets however deny cues as they are to remain closed until Feb 7 for Lunar New Year.

- ❖ Malaysian Palm current price trend remain driven by cuts in production in the December month as compared to November and cuts in the stocks also remains a favorable development, however profit taking become an open possibility as demand face obvious restriction at such high price levels.
- ❖ Palm oil imports in India, witnessed an increase of 2.89% in December 2010 as compared to same month last year, the same may find continuity as purchases might pace up, ahead of implementation of proposed hike of Indonesia's export tax hike in February, however lower differential with Soy oil may offset part of the same.

Edible Oil Prices at Key Markets

Commodity	Centre	Prices(Per 10 Kg)		Change
		05-02-11	04-02-11	
Refined Soybean Oil	Mumbai +VAT	635	635	-
	Indore	615	619	-4
	Rajkot + VAT	625	625	-
Palm Oil	Kandla CPO (5%FFA)	586	580	+6
	Mumbai RBD Pamolein+ VAT	610	607	+3
Refined Sunflower Oil	Mumbai + VAT	715	725	-10
	Chennai + VAT	715	715	-
Groundnut Oil	Mumbai + VAT	765	765	-
	Rajkot + VAT	750	750	-
	Kota +VAT	590	590	-
Rapeseed Oil	Jaipur + VAT	600	600	-
	Delhi	602	595	+7
Refined Cottonseed Oil	Mumbai + VAT	618	625	-7
	Rajkot + VAT	610	610	-

*Indicates all paid price

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