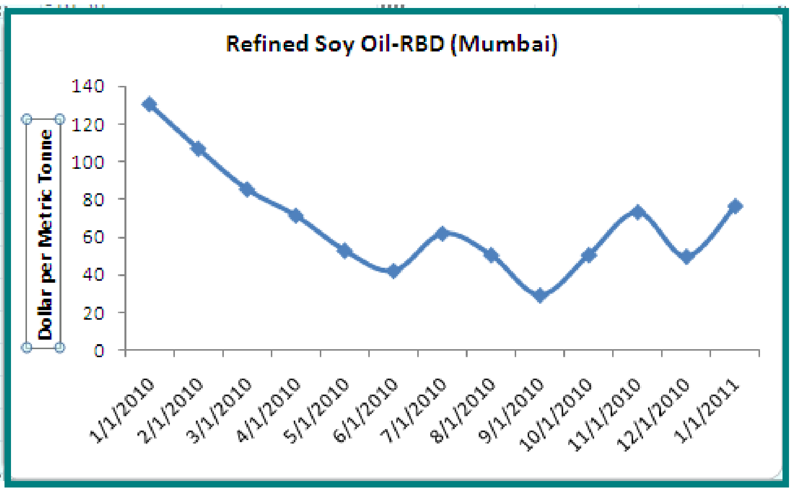
OIL COMPLEX-VEGETABLE OIL February 19, 2011

Veg Oil Summary

- **Vegetable oil price trend remain negatively skewed, ranged walk may intervene. International price loose strength at higher levels amidst lack of positive drivers. Pick up in Brazil's harvest, likely drift in China's Soy imports in February may play draggers. Weakness in Malaysian Palm is likely to contribute to the sentiment. Domestically, Lower Soy Imports and arrivals, however may bring in little offsetting impact.**

Palm oil price continue to drift lower in the spot market. Malaysian palm oil futures moved ahead in the negative territory as traders watched for possible food import tax changes in China. The affected the sentiment on the domestic front.

- Differential between Soy oil and Palm oil(Mumbai) continue to hover at lower level at around $76 per metric tonne in Jan 2011 as compared to $130 per metric tonnes same month last year. However in the last few months this differential has risen as compared to lowest levels shown in September 2010 which may impact the imports.



- India's Imports of Palm oil drifted lower; recording a drop of 19% MOM and 6.8% Quarter on Quarter. Imports of RBD Palm plunged lower by 22.34% MOM in January 2011 and the same slipped by 2% QOQ.
- Palm spread (Landed cost-Domestic cost), bear a significant impact on its imports. CPO Imports drift lower in Jan 2011 as monthly average spread hover at the higher level around $ 60 per Metric Tonne. Imports may continue to drift lower until average monthly spread slips below $ 30 as after the same happened last year same time, CPO Imports found a significant boost.

Soy oil price recouped, in the spot market. Continued weakness in Malaysian Palm limited the upside, although. Sluggish demand play a dampener domestically, lower Veg oil Imports, however may bring in some offsetting impact.

- **India's Imports:** Edible oil imports declined by 9% in first quarter of the oil year. Out of the same Soy Oil Imports witnessed a major drop of 56% to 0.49 lakh tonnes in January 2011 as compared to 1.1 lakh tonne, same month last year. Import disparity, and higher domestic crushing were the working factors behind.
- **Soy Oil current Import Parity Situation**: Soy Oil Imports remain unviable to import from Argentina and Brazil as Landed cost stay higher vis-à-vis Domestic cost and the spread between the two remain at $33 and $22.49 respectively as on 14 February 2011.However Imports from US remain viable as the ease of in the recent Ease off in the FOB rates led to a favorable spread between the landed cost and Domestic cost calculated as on 14 February.

Soy oil price trend is likely to stay range bound with weak bias. Improved availability and sluggish demand at higher price level remain negative drivers.

NCDEX RSBO (Refined Soybean Oil)

Technical Analysis:

- ✓ **Soy oil price trend continue to favor bears. Short covering did occur, continuity of the same remain skeptical.**
- ✓ **Rest of the scenario remains same.**
- ✓ 655-640 becomes the trading band. Drift in either direction will take it further in the respective same.
- ✓ Selling pressure at highs is likely to remain a case. Bears to keep an upper hand until 665 on the higher side are breached.

Trade Recommendation–RSBO NCDEX (March)

Call	Entry	T1	T2	SL
SELL BELOW	656	652	645	660
Support & Resistance				
S2	S1	PCP	R1	R2
638	642	647.05	651	655

CPO (Crude Palm Oil)

Technical Analysis:

- ✓ **CPO price trend remain bearish. Short covering may intervene.**
- ✓ 564 remains the nearest reliable support on the lower side, while 569-575 on the higher side becomes to be important resistance zone.
- ✓ 564-569 becomes the broad trading band for the price; drift in either direction will take it further in the respective same.

Trade Recommendation – CPO MCX (March)

Call	Entry	T1	T2	SL
SELL BELOW	569	567	565	573
Support & Resistance				
S2	S1	PCP	R1	R2
560	564	566.50	569	575

NCDEX Soy Oil Price Spread

NCDEX Spread	Feb	March	April	May	June
Feb	-	-15.9	-23.2	-28.3	-32.85
March	-	-	-7.3	-12.4	-16.95
April	-	-	-	-9.65	-9.65
May	-	-	-	-	-4.55

VESSEL	PORT	MONTH	QUANTITY (MT.)	EDIBLE OIL	ETA	YEAR	ACTIVITY
February Edible Oil Shipment							
Global Themis	Tuticorin	February	6,000	Palm Oil	1/2/2011	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. Golden Top	Kandla	February	12,000	Palm Oil	15/02/2011	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	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	2011	Berth
Torm Helving	Haldia	February	16,000	CDSBO	29/01/2011	2011	Berth
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	2011	Berth
Titan Glory	Chennai	February	3,050	Palm Oil	3/2/2011	2011	Berth
Cf Zachary	Chennai	February	7,000	CPO		2011	Discharge
Fair Apollon	Chennai	February	3,470	Palm Oil	5/2/2011	2011	Discharge
World Bridge	Chennai	February	4,500	CPO	8/2/2011	2011	Discharge
Senmar Sernade	Cochin	February	10,200	Palm Oil	6/2/2011	2011	Load
Oriental Kerria	Mumbai	February	1,000	Veg Oil	5/2/2011	2011	Berth
Mt. Golden Dynasty	kandla	February	7,200	CPO	7/2/2011	2011	Discharge
Theresa Taurus	kakinada	February	16,024	Edible Oil	9/2/2011	2011	Discharge
Sun Bridge	Krishnapatnam	February	6,000	CPO	4/2/2011	2011	Berth
Ms Simon	Haldia	February	10,264	CDSBO	7/2/2011	2011	Discharge
Bw Hudson	Haldia	February	17,791	CDSBO	14/02/2011	2011	Discharge
Global Themis	Chennai	February	4,000	Palm Oil	7/2/2011	2011	Discharge
MT. Dongbu Promy 2	Kandla	February	7,200	CPO	12/2/2011		Discharge
Sun Bridge	Krishnapatnam	February	6,000	CPO	4/2/2011	2011	Berth

Cf Zachery	Haldia	February	9,204	CPO	12/2/2011	2011	Discharge
Global Themis	Chennai	February	4,000	Palm Oil	7/2/2011	2011	Discharge
Cm Maya	kakinada	February	8,000	Edible Oil	3/2/2011	2011	Discharge
Mt. Stolt Peak	Kandla	February	21,500	CDSBO	10/2/2011	2011	Discharge
Mt. Horizon Theano	Kandla	February	10,500	CDSBO	12/2/2011	2011	Discharge
Mt. Sampurna Swarajya	Kandla	February	27,500	CPO	12/2/2011	2011	Discharge
Titan Peace	Mangalore	February	8,200	CPO	9/2/2011	2011	Load
Mt Argent Iris	Kandla	February	30,250	CPO	15/02/2011	2011	Discharge
Mt. Gemini	Kandla	February	27,500	CPO	13/2/2011	2011	Discharge
World Bridge	Chennai	February	9,500	CPO	8/2/2011	2011	Discharge
Eastern Glory	Chennai	February	6,500	Palm Oil	19/02/2011	2011	Discharge
Global Eos	Chennai	February	5,000	Palm Oil	14/02/2011	2011	Discharge
Therese Arise	Mangalore	February	6,000	CPO	19/02/2011	2011	Discharge
Golden Brillance	Chennai	February	3,300	Palm Oil	16/02/2011	2011	Load
Global Eos	Krishnapatnam	February	3,000	CPO	16/02/2011	2011	Discharge
Edible Oil Shipments for February 2011			**418,511**				
Edible Oil Imports (Oil year 2010-11 till date)			**2,492,747**				

Edible Oil Prices at Key Markets

Commodity	Centre	Prices(Per 10 Kg)		Change
		18-02-11	**17-02-11**	
Refined Soybean Oil	**Mumbai +VAT**	625	615	+10
	Delhi (Loose)	645	640	+5
	Indore (Loose)	606	600	+6
	Kota(Loose)	617	612	+5
	Hyderabad+VAT	-	-	-
	Jaipur(Loose)	620	615	+5
	Rajkot(Loose)	610	615	-5
	Akola(Loose)	643	649	-6
	Amrawati(Loose)	643	649	-6
	Haldiya Port(Loose)	636	636	-
	Jalna	649	644	+5
	Kakinada	646	646	-
	Nagpur	646	646	-
	SoyDegumKandla/Mundra+VAT	595	595	-
	Soy Degum Mumbai+VAT	595	595	-

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Palm Oil	Kandla CPO (5%FFA)	562	563	-1
	Kandla RBD Palmolein +VAT	585	590	-5
	Chennai RBD Palmolein (Loose)	605	610	-5
	Kakinada RBD Palmolein (Loose)	596	593	+3
	Mumbai RBD Pamolein+ VAT	593	600	-7
	Hyd. RBD Palmolein VAT	-	-	-
	Delhi RBD Palmolein (Loose)	635	630	+5
Refined Sunflower Oil	Hyderabad Exp +VAT	-	-	-
	Bellary (Exp. Oil)+VAT	649	646	+3
	Chellakere (Exp. Oil)+VAT	651	648	+3
	Erode (Exp. Oil)+VAT	715	710	+5
	Latur (Exp. Oil)+VAT	671	671	
	Kandla/Mundra	665	670	-5
	Mumbai + VAT	705	700	+5
	Chennai (Loose)	705	710	-5
Groundnut Oil	Hyderabad +VAT	-	-	
	Chennai (Loose)	710	710	-
	Delhi (Loose)	775	770	+5
	Gondal+VAT	-	745	-
	Jamnagar +VAT	-	750	-
	Narsarropeth+VAT	671	676	-5
	Prodattour+VAT	691	691	-
	Mumbai + VAT	765	765	-
	Rajkot (Loose)	750	740	+10
Rapeseed Oil	Alwar (Expeller Oil)(Loose)	591	586	+5
	Sri Ganga Nagar(Exp Oil-Loose)	586	583	+3
	Delhi (Exp. Oil) (Loose)	610	610	-
	Jaipur (Expeller Oil) (Loose)	592	590	+2
	Kota (Expeller Oil) (Loose)	585	580	+5
	Mumbai (Exp. Oil) +VAT	619	613	+6
Refined Cottonseed Oil	Mumbai +VAT	615	618	-3
	Hyderabad (Loose)	-	-	-
	Rajkot (Loose)6	615	615	-

	Delhi (Loose)	600	600	-
Malaysia Palmolein USD/MT				
	FOB (Oct)	1290	1290	-
	CNF (Oct) - India	1320	1320	-
Indonesia/Malaysia CPO USD/MT	FOB (Oct)	1240	1243	-3
	CNF (Oct) - India	1270	1273	-3
Argentina FOB ($/MT)				
		17-02-11	16-02-11	
Soybean Oil Ship(Sep)	Feb/Mar	1282	1251	+31
Refined Soy Oil (Bulk) Ship(Sep)	Feb/Mar	1326	1294	+32
Sunflower Oil Ship(Sep)	Feb/Mar	-	1330	-
Cottonseed Oil Ship(Sep)	Feb/Mar	1262	1231	+31
Refine Linseed Oil(Bulk) Ship(Sep)	Feb/Mar	1302	1271	+31

*Indicates all paid price