

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 fall in the spot market. Cues from Malaysian Palm remain absent. However on the last trading day, Malaysian palm oil futures moved ahead in the negative territory as traders watched for possible food import tax changes in China.

- Malaysian Palm Oil Production, exports and ending stocks witness a drift in Jan 2011, both on Month on Month basis and Year on Year. The effect of the same remain discounted to an extent but given the continuous adverse weather in Malaysia/Indonesia.

Attribute	Dec-10	Jan-10	Jan-11	YOY % (change)	MOM% (change)
Production	1.23	1.32	1.05	-20.45	-14.63
Exports	1.29	1.46	1.21	-17.12	-6.20
Ending Stocks	1.6	2	1.42	-29.00	-11.25

- This situation may continue in the upcoming monthly figures and the same may provide support to the prices at lower levels. However the impact of the monthly reductions is yet not directed to the yearly projections for 2010-11 which continue to suggest the increase in the output despite the monthly drifts. Figures in the given tables are in Million Tonnes)

Country	Production 2010-11(Projection)	Production 2009/10	% Change
Indonesia	23	21	+9.52
Malaysia	18.6	17.76	+4.73
World	47.91	44.82	+6.89

- 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.
- 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 slipped lower in the spot market. 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 chart depict short term downtrend. Bears march ahead.
- ✓ 645-635 becomes the trading band. Drift in either direction will take it further in the respective same.
- ✓ Selling intensifies and price drift below significant support level.
- ✓ Weakness to persist until 655 on the higher side is crossed, however price also move in the oversold territory.

Trade Recommendation-RSBO NCDEX (March)

Call	Entry	T1	T2	SL
SELL BELOW	643	637	634	647
Support & Resistance				
S2	S1	PCP	R1	R2
628	632	638.50	642	645



CPO (Crude Palm Oil)

Technical Analysis:

- ✓ CPO price trend remain bearish. Losses extend.
- ✓ 554 becomes the nearest reliable support on the lower side, while 563-566 on the higher side becomes to be important resistance zone.
- ✓ 554-564 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	563	557	554	567
Support & Resistance				
S2	S1	PCP	R1	R2
550	554	557.90	563	566



NCDEX Soy Oil Price Spread

NCDEX Spread	Feb	March	April	May	June
Feb	-	-	-	-	-
March	-	-	-7.2	-12.05	-16.65
April	-	-	-	-4.85	-9.45
May	-	-	-	-	-4.66

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
Mt. Golden Dynasty	kandla	February	7,200	CPO	7/2/2011	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
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
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
Theresa Taurus	kakinada	February	16,024	Edible Oil	9/2/2011	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
Global Eos	Krishnapatnam	February	3,000	CPO	16/02/2011	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
Ms Simon	Haldia	February	10,264	CDSBO	7/2/2011	2011	Discharge
Bw Hudson	Haldia	February	17,791	CDSBO	14/02/2011	2011	Discharge
Cf Zachery	Haldia	February	9,204	CPO	12/2/2011	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

OIL COMPLEX-VEGETABLE OIL

February 21, 2011

World Bridge	Chennai	February	4,500	CPO	8/2/2011	2011	Discharge
Global Themis	Chennai	February	4,000	Palm Oil	7/2/2011	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
Golden Brilliance	Chennai	February	3,300	Palm Oil	16/02/2011	2011	Load
Titan Peace	Mangalore	February	8,200	CPO	9/2/2011	2011	Load
Therese Arise	Mangalore	February	6,000	CPO	19/02/2011	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
Edible Oil Shipments for February 2011			387,311				
Edible Oil Imports (Oil year 2010-11 till date)			2,461,547				

Edible Oil Prices at Key Markets

Commodity	Centre	Prices(Per 10 Kg)		Change
		19-02-11	18-02-11	
Refined Soybean Oil	Mumbai +VAT	615	625	-10
	Delhi (Loose)	640	645	-5
	Indore (Loose)	600	606	-6
	Kota(Loose)	614	617	-3
	Hyderabad+VAT	-	-	-
	Jaipur(Loose)	617	620	-3
	Rajkot(Loose)	615	610	+5
	Akola(Loose)	647	643	+4
	Amrawati(Loose)	647	643	-4
	Haldiya Port(Loose)	631	636	-5
	Jalna	644	649	-5
	Kakinada	646	646	-
	Nagpur	641	646	-5
	SoyDegumKandla/Mundra+VAT	592	595	-3
	Soy Degum Mumbai+VAT	592	595	-3
Palm Oil				
	Kandla CPO (5%FFA)	555	562	-7
	Kandla RBD Palmolein +VAT	580	585	-5
	Chennai RBD Palmolein (Loose)	600	605	-5
	Kakinada RBD Palmolein (Loose)	591	596	-5
	Mumbai RBD Pamolein+ VAT	585	593	-8

OIL COMPLEX-VEGETABLE OIL

February 21, 2011

	Hyd. RBD Palmolein VAT	-	-	-
	Delhi RBD Palmolein (Loose)	630	635	-5
Refined Sunflower Oil				
	Hyderabad Exp +VAT	-	-	-
	Bellary (Exp. Oil)+VAT	-	649	-
	Chellakere (Exp. Oil)+VAT	-	651	-
	Erode (Exp. Oil)+VAT	713	715	-2
	Latur (Exp. Oil)+VAT	-	671	-
	Kandla/Mundra	660	665	-5
	Mumbai + VAT	705	705	-
	Chennai (Loose)	700	705	-5
Groundnut Oil				
	Hyderabad +VAT	-	-	
	Chennai (Loose)	705	710	-5
	Delhi (Loose)	770	775	-5
	Gondal+VAT	745	-	-
	Jamnagar +VAT	750	-	-
	Narsarropeth+VAT	671	671	-
	Prodattour+VAT	691	691	-
	Mumbai + VAT	760	765	-5
	Rajkot (Loose)	750	750	-
Rapeseed Oil				
	Alwar (Expeller Oil)(Loose)	586	591	-5
	Sri Ganga Nagar(Exp Oil-Loose)	586	586	-
	Delhi (Exp. Oil) (Loose)	610	610	-
	Jaipur (Expeller Oil) (Loose)	590	592	-2
	Kota (Expeller Oil) (Loose)	583	585	-2
	Mumbai (Exp. Oil) +VAT	619	619	-
Refined Cottonseed Oil				
	Mumbai +VAT	615	615	-
	Hyderabad (Loose)	-	-	-
	Rajkot (Loose)6	615	615	-
	Delhi (Loose)	600	600	-
Malaysia Palmolein USD/MT				
	FOB (Oct)	1280	1290	-10
	CNF (Oct) - India	1310	1320	-10
Indonesia/Malaysia CPO USD/MT	FOB (Oct)	1230	1240	-10

OIL COMPLEX-VEGETABLE OIL

February 21, 2011

	CNF (Oct) - India	1260	1270	-10
Argentina FOB (\$/MT)				
		18-02-11	17-02-11	
Soybean Oil Ship(Sep)	Feb/Mar	1247	1282	-35
Refined Soy Oil (Bulk) Ship(Sep)	Feb/Mar	1291	1326	-35
Sunflower Oil Ship(Sep)	Feb/Mar	1320	-	-
Cottonseed Oil Ship(Sep)	Feb/Mar	1227	1262	-35
Refine Linseed Oil(Bulk) Ship(Sep)	Feb/Mar	1267	1302	-35

OIL COMPLEX-VEGETABLE OIL

February 21, 2011

*Indicates all paid price

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