AgriWatch Veg. Oil Daily Report

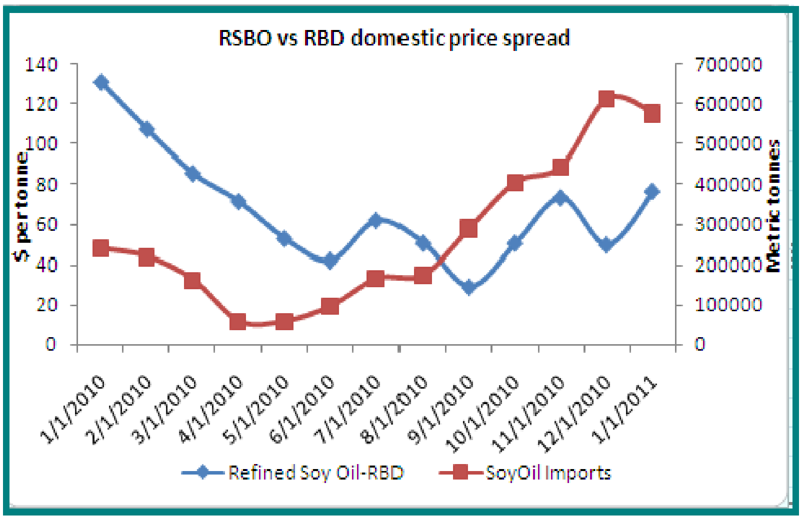
OIL COMPLEX-VEGETABLE OIL February 26, 2011

Veg Oil Summary

- **Vegetable oil price trend remain bearish. Continuous downturn in international prices to continue to affect. Pick up in Brazil's harvest, likely drift in China's Soy imports in February and ahead may play draggers. Also, developing import parity may facilitate higher import which is likely to weigh further on the prices.**

Both Palm oil and Soy oil prices featured a weak tone in the spot markets. Weakness in CBOT Soy oil also remains supportive. Meanwhile, likely shift in the domestic price spread due to drift in Palm oil price may impact the soy oil imports adversely, going forward.

- The Soy oil average monthly spread (Landed cost vs. domestic cost) hover near $ 30 per MT as on Jan 2011 and the same remains favorable for imports as it is inculcated from the historical pattern that incase of average spread below $50 per MT, imports inhibit upward momentum.
- Edible Oil Stocks at Chennai port hover near 8,000 MT as on 21st February 2011, the same were lower by 2,000 MT, reported until 05 February 2011. Edible oil total imports until in Oil year 2010-11 (Nov-Feb (till date)) remain at 2,501,059 MT.
- **Refined Soy Oil monthly average spread with palm oil is following an increasing trend since it has hit the lowest point in September 2010.** While the average domestic spread (Soy oil vs. RBD) of $76.31 per MT as on January 2011 remain lower from the level of $130.33 per MT as on January 2010.



- **Going forward, Palm oil prices are likely to bear impact, deriving it from weakness in Malaysian market** as production of palm head for a pick up in the coming months. The same shall widen this spread further and shall make the palm imports more attractive than Soy oil.
- **CPO Production in Malaysia is projected to drift lower to 988200 tonnes in February** as compared to 1321244 tonnes estimated in January which suggests a fall of 25% month on month and drift of 14.58% on YOY basis.
- While the impact of the same remain discounted to a large extent, going forward in March 2011 production is projected to start rising, with anticipated rise of 24.41%.
- **Current development in India's Import parity**: CPO Import Parity has improved as on 22nd February 2011 as compared to the situation, which existed a week back due to drift in FOB Rate within that duration. The spread (Landed cost vs. Domestic cost) has declined to $ 35.46 per tonne as on 22 Feb. 2011 as compared to $ 73.81 per tonne as on 15 Feb 2011.**And as per the established relation, the spread (Landed cost-Domestic cost), bear a significant impact on Import** and imports follow a rise when spread drift below $ 30 and same may continue and impact the CPO imports as we go forward.

NCDEX RSBO (Refined Soybean Oil)

Technical Analysis:

- ✓ **Hollow candlestick formation in the chart and declining volume and open interest suggest profit booking at current levels.**
- ✓ Overall soyoil trend remains weak and price may face resistance near 628 level from where some liquidation is expected.

Trade Recommendation–RSBO NCDEX (March)

Call	Entry	T1	T2	SL
SELL BELOW	629	624	618	634
Support & Resistance				
S2	S1	PCP	R1	R2
610	615	626.5	632	635

CPO (Crude Palm Oil)

Technical Analysis:

- ✓ **CPO price remain in downtrend. Filling of recent gap further strengthens the weakness.**
- ✓ Declining volume and rising prices suggests profit booking in prices
- ✓ 541 on the higher side becomes an important resistance level while 525 becomes the nearest reliable support on the lower side.

Trade Recommendation – CPO MCX (March)

Call	Entry	T1	T2	SL
SELL BELOW	541	534	531	545
Support & Resistance				
S2	S1	PCP	R1	R2
525	529	539.5	544	547

NCDEX Soy Oil Price Spread (Far Month vs. Near Month)

NCDEX Spread	March	April	May	June	July
March	-	7.9	13.55	16.85	17.5
April	-7.9	-	5.65	8.95	9.6
May	-13.55	-5.65	-	3.3	3.95

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
Au Aries	kakinada	February	4,500	Edible Oil	21/02/2011	2011	Discharge
Topazt	kakinada	February	6,000	Edible Oil	22/02/2011	2011	Discharge
Liquid Success	kakinada	February	5,000	Edible Oil	26/02/2011	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	Palm Oil	19/02/2011	2011	Discharge
Torm Helving	Haldia	February	16,000	CDSBO	29/01/2011	2011	Berth
Blue Green Tiger	Haldia	February	7,022	Palm Oil	16/02/2011	2011	Discharge
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
Eastern Glory	Chennai	February	6,240	Palm Oil	21/02/2011	2011	Discharge
Topazt	Chennai	February	7,250	CSFO	20/02/2011	2011	Discharge
Global Themis	Chennai	February	4,000	Palm Oil	7/2/2011	2011	Discharge
Global Neptune	Chennai	February	6,000	Palm Oil	25/02/2011	2011	Discharge
World Bridge	Chennai	February	9,500	CPO	8/2/2011	2011	Discharge
Global Eos	Chennai	February	5,000	Palm Oil	14/02/2011	2011	Discharge
Golden Brillance	Chennai	February	3,300	Palm Oil	16/02/2011	2011	Load
Titan Peace	Mangalore	February	8,200	CPO	9/2/2011	2011	Load
Gemini	Mangalore	February	8,500	CPO	22/02/2011	2011	Discharge
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			**426,823**				
Edible Oil Imports (Oil year 2010-11 till date)			**2,501,059**				

Edible Oil Prices at Key Markets

Commodity	**Centre**	**Prices(Per 10 Kg)**		**Change**
		25-02-11	**24-02-11**	
Refined Soybean Oil	**Mumbai +VAT**	600	605	-5
	Delhi (Loose)	635	630	+5
	Indore (Loose)	595	593	+2
	Kota(Loose)	602	605	-3
	Hyderabad+VAT	625	630	-5
	Jaipur(Loose)	605	608	-3
	Rajkot(Loose)	600	600	0
	Akola(Loose)	634	637	-3
	Amrawati(Loose)	634	637	-3
	Haldiya Port(Loose)	621	623	-2

	Jalna	634	636	-2
	Kakinada	636	635	+1
	Nagpur	631	631	
	SoyDegumKandla/Mundra+VAT	580	600	-20
	Soy Degum Mumbai+VAT	580	575	+5
Palm Oil				
	Kandla CPO (5%FFA)	532	530	+2
	Kandla RBD Palmolein +VAT	562	570	-8
	Chennai RBD Palmolein (Loose)	585	585	0
	Kakinada RBD Palmolein (Loose)	572	575	-3
	Mumbai RBD Pamolein+ VAT	568	570	-2
	Hyd. RBD Palmolein VAT	605	610	-5
	Delhi RBD Palmolein (Loose)	615	625	-10
Refined Sunflower Oil				0
	Hyderabad Exp +VAT	720	651	+10
	Bellary (Exp. Oil)+VAT	641	641	0
	Chellakere (Exp. Oil)+VAT	644	643	+1
	Erode (Exp. Oil)+VAT	690	695	-5
	Latur (Exp. Oil)+VAT	651	646	+5
	Kandla/Mundra	650	-	-
	Mumbai + VAT	690	690	0
	Chennai (Loose)	690	690	0
Groundnut Oil				
	Hyderabad +VAT	740	740	0

	Chennai (Loose)	700	700	0
	Delhi (Loose)	770	765	+5
	Gondal+VAT	745	740	+5
	Jamnagar +VAT	750	745	+5
	Narsarropeth+VAT	671	670	+1
	Prodattour+VAT	691	690	+1
	Mumbai + VAT	755	755	0
	Rajkot (Loose)	740	740	0
Rapeseed Oil				
	Alwar (Expeller Oil)(Loose)	588	582	+6
	Sri Ganga Nagar(Exp Oil-Loose)	581	582	-1
	Delhi (Exp. Oil) (Loose)	612	610	+2
	Jaipur (Expeller Oil) (Loose)	585	582	+3
	Kota (Expeller Oil) (Loose)	575	572	+3
	Mumbai (Exp. Oil) +VAT	606	619	-13
Refined Cottonseed Oil				
	Mumbai +VAT	605	610	-5
	Hyderabad (Loose)	600	605	-5
	Rajkot (Loose)6	600	600	0
	Delhi (Loose)	592	590	+2
Malaysia Palmolein USD/MT				
	FOB (Oct)	1210	1215	-5
	CNF (Oct) - India	1240	1245	-5

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Indonesia/Malaysia CPO USD/MT	FOB (Oct)	1170	1155	+15
	CNF (Oct) - India	1200	1185	+15
Argentina FOB ($/MT)				
		24-02-11	23-02-11	
Soybean Oil Ship(Sep)	Feb/Mar	516	1201	-
Refined Soy Oil (Bulk) Ship(Sep)	Feb/Mar	1252	1263	-11
Sunflower Oil Ship(Sep)	Feb/Mar	1290	1295	-5
Cottonseed Oil Ship(Sep)	Feb/Mar	1190	1201	-11
Refine Linseed Oil(Bulk) Ship(Sep)	Feb/Mar	1230	1241	-11

*Indicates all paid price