



Veg Oil Summary

- ❖ Vegetable oil price trend may remain ranged. Developing import parity may facilitate higher import which is likely to weigh further on the prices. On going harvest in Brazil and continuous drift in the China's Soy imports, February onwards is likely to put pressure at every rise. Higher production and drifting Malaysian palm exports to weigh on the overall sentiment.

Palm oil price traded with positive bias in the spot market. Malaysian palm oil price surge on support from crude oil and further buoyed by potential import tariff cuts in top consumer China. Concerns of Increase in Monthly Palm Production to weigh on the price, going forward.

- Palm Recent shipments: Out of Total Edible Oil shipments of 472652 MT in Feb 2011, Palm oil shipments remain at 277812 MT. Projected Palm Oil total imports in oil year until 01st March 2011 are 2060086 MT based on account of shipments taken place from 01st March 2011 in addition to actual imports happened in Nov 2010, Dec 2010 and March 2011.

PALM OIL	QUANTITY IN MT
Total edible oil shipments in Feb.	472652
Edible oil shipments in march till date	75052
Palm shipments in Feb.	277812
Palm shipments in march till date	85,602
Palm imports in oil year 2010-11 till date	2,060,086

- CPO Import Parity has improved as on 1st March 2011 as compared to the situation, which existed in Mid February, due to drift in FOB rate within that duration. The spread (Landed cost vs. Domestic cost) has declined to \$ 35.52 per tonne as on 1st March 2011 as compared to \$ 73.81 per tonne as on 15 Feb 2011. The same is favorable for Imports.

- **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%.

CPO IMPORT PARITY		
Date	15-Feb-11	1-Mar-11
FOB USD per tonne	1288	1180
CIF USD per tonne	1318	1210
Total landed cost INR per tonne	60859	55607
Total landed cost USD per tonne	1337	1229
Domestic Market price INR per ton CPO Kandra	57500	54000
USD per tonne	1263.46	1193.11
Spread \$ per tonne	73.81	35.52

Soy oil price remain steady to higher in the spot market. Domestically, demand remains medium at corrected price levels as stated by market sources. Gains in CBOT Soy oil further rendered support which were backed by Ideas that wet weather in Brazil will keep harvest slow plus higher energy prices.

- Spread of Soy Degum Argentina vs. CPO Malaysia is likely to rise in March and April 2011 as compared to Average spread of \$27 in February 2011 as the drift in Palm Oil prices is likely to affect the same. The same shall make CPO Imports more attractive than Soy Oil in the upcoming months.
- On the parity front however, Soy oil Import Parity is improving and the imports get feasible from US and Argentina where as the same from Brazil remain uncompetitive at this point.
- The Soy oil average monthly spread (Landed cost vs. domestic cost) hover near \$ 30 per tonne 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 tonne, imports inhibit upward momentum.



NCDEX RSBO (Refined Soybean Oil)

Technical Analysis:

- ✓ Soy oil price trend continue to remain range bound. Bears hold the charge. Rest of the scenario remains same.
- ✓ 620-640 continue to remain the current trading band for the price.
- ✓ 645 level hold importance on the higher side, as a resistance juncture, until it remains un breached, sellers will continue to dominate.

Trade Recommendation-RSBO NCDEX (March)

Call	Entry	T1	T2	SL
SELL BELOW	635	630	626	640
Support & Resistance				
S2	S1	PCP	R1	R2
620	624	631.70	634	640



CPO (Crude Palm Oil)

Technical Analysis:

- ✓ CPO price remain in downtrend. Bears maintain the charge. Little indecision intervenes.
- ✓ Recent Candle stick formation suggests indecision near lows.
- ✓ 539 becomes the nearest reliable support on the lower side, while 555 on the higher side remains an important resistance level.

Trade Recommendation - CPO MCX (March)

Call	Entry	T1	T2	SL
SELL BELOW	554	551	546	559
Support & Resistance				
S2	S1	PCP	R1	R2
539	544	547.90	550	554



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

NCDEX Spread	March	April	May	June	July
March	-	6.5	11.6	14.45	24.25
April	-9.8	-	5.1	7.95	14.45
May	-16.3	-6.5	-	2.85	7.95



OIL COMPLEX-VEGETABLE OIL

March 04, 2011

VESSEL	PORT	MONTH	QUANTITY (MT.)	EDIBLE OIL	ETA	YEAR	ACTIVITY
February Edible Oil Shipment							
Global Neptune	Tuticorin	March	19200	Palm Oil	1/3/2011	2011	Discharge
Mt. Au Leo	Kandla	March	11,502	CPO	1/3/2011	2011	Discharge
Mt. Palma Prima	Kandla	March	8,300	CPO	23/02/2011	2011	Discharge
Mt. Feng Hai 10	Kandla	March	11,500	CPO	23/02/2011	2011	Discharge
Atlantik Miracle	Kakinada	March	5,500	CPO	2/3/2011	2011	Discharge
Cm Maya	Kakinada	March	8,100	CPO	4/3/2011	2011	Discharge
Horizon Theano	Haldia	March	8,650	CDSBO	2/3/2011	2011	Discharge
Asian Glory	Chennai	March	8,500	Palm Oil	28/02/2011	2011	Berth
Pair Apollon	Chennai	March	6,000	CPO	6/3/2011	2011	Discharge
Gogasan Johar	Mangalore	March	7,000	CPO	5/3/2011	2011	Discharge
Edible Oil Shipments for March 2011			75,052				
Edible Oil Imports (Oil year 2010-11 till date)			2621940				

Edible Oil Prices at Key Markets

Commodity	Centre	Prices(Per 10 Kg)		Change
		03-03-11	02-03-11	
Refined Soybean Oil	Mumbai +VAT	620	610	+10
	Delhi (Loose)	635	-	-
	Indore (Loose)	598	598	-
	Kota(Loose)	608	608	-
	Hyderabad+VAT	660	-	-
	Jaipur(Loose)	611	611	-
	Rajkot(Loose)	605	-	-
	Akola(Loose)	641	-	-
	Amrawati(Loose)	641	-	-
	Haldiya Port(Loose)	631	-	-
	Jalna	644	-	-
	Kakinada	646	-	-
	Nagpur	631	-	-
	SoyDegumKandla/Mundra+VAT	590	590	-
	Soy Degum Mumbai+VAT	590	590	-



OIL COMPLEX-VEGETABLE OIL

March 04, 2011

Palm Oil				
	Kandla CPO (5%FFA)	548	545	+3
	Kandla RBD Palmolein +VAT	570	565	+5
	Chennai RBD Palmolein (Loose)	595	595	-
	Kakinada RBD Palmolein (Loose)	580	-	-
	Mumbai RBD Pamolein+ VAT	588	583	+5
	Hyd. RBD Palmolein VAT	615	-	-
	Delhi RBD Palmolein (Loose)	625	-	-
Refined Sunflower Oil				
	Hyderabad Exp +VAT	720	-	-
	Bellary (Exp. Oil)+VAT	641	-	-
	Chellakere (Exp. Oil)+VAT	643	-	-
	Erode (Exp. Oil)+VAT	695	690	+5
	Latur (Exp. Oil)+VAT	641	-	-
	Kandla/Mundra	660	665	-5
	Mumbai + VAT	710	710	-
	Chennai (Loose)	690	690	-
Groundnut Oil				
	Hyderabad +VAT	740	-	-
	Chennai (Loose)	700	700	-
	Delhi (Loose)	780	-	-
	Gondal+VAT	745	-	-
	Jamnagar +VAT	745	-	-
	Narsarropeth+VAT	671	-	-
	Prodattour+VAT	701	-	-
	Mumbai + VAT	755	755	-
	Rajkot (Loose)	750	-	-
Rapeseed Oil				
	Alwar (Expeller Oil)(Loose)	587	-	-
	Sri Ganga Nagar(Exp Oil-Loose)	589	-	-
	Delhi (Exp. Oil) (Loose)	615	-	-
	Jaipur (Expeller Oil) (Loose)	590	585	+5
	Kota (Expeller Oil) (Loose)	580	575	+5
	Mumbai (Exp. Oil) +VAT	610	606	+4



OIL COMPLEX-VEGETABLE OIL

March 04, 2011

Refined Cottonseed Oil				
	Mumbai +VAT	610	608	+2
	Hyderabad (Loose)	610	-	-
	Rajkot (Loose)6	605	-	-
	Delhi (Loose)	590	-	-
Malaysia Palmolein USD/MT				
	FOB (Oct)	1258	1233	+25
	CNF (Oct) - India	1288	1263	+25
Indonesia/Malaysia CPO USD/MT				
	FOB (Oct)	1210	1200	+10
	CNF (Oct) - India	1240	1230	+10
Argentina FOB (\$/MT)				
		02-03-2011	01-03-2011	
Soybean Oil Ship(Sep)	Feb/Mar	1288	1263	+25
Refined Soy Oil (Bulk) Ship(Sep)	Feb/Mar	1333	1307	+26
Sunflower Oil Ship(Sep)	Feb/Mar	1488	-	-
Cottonseed Oil Ship(Sep)	Feb/Mar	1268	1243	+25
Refine Linseed Oil(Bulk) Ship(Sep)	Feb/Mar	1308	1283	+25

*Indicates all paid price

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