

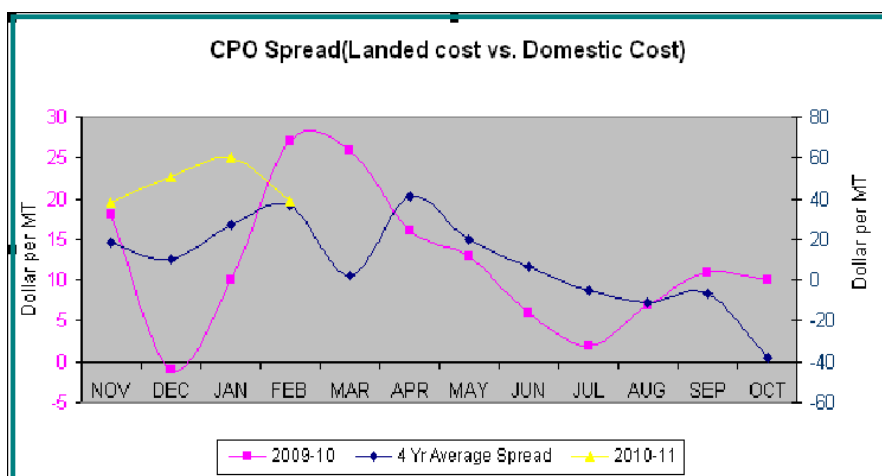


#### Veg Oil Summary

- ❖ **Vegetable oil price trend may remain ranged. Slipping soy oil import parity may restrict imports and may support prices a little. 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 depicted mixed trend in the spot market. Gains in Malaysian Palm on likely drift in monthly stocks render boost to the domestic sentiment.**

- CPO Imports are likely to remain feasible in March as spread (Landed cost vs. domestic Cost) is likely to get narrower on likely drift in FOB rates of Palm in the same month. The average monthly spread hover at \$39 per metric tonne in February 2011 and it may further reduce to near about 4 year average spread of \$ 2 per metric tonne in March and thereafter this drift may continue in further months.



- **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.
- 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.

**Soy oil price traded mix in the spot market. Domestically, demand remains medium at corrected price levels as stated by market sources.**

- Soy Import parity: Imports gets unviable amidst rising landed cost as compared to lower domestic price levels.

The same may affect the soy oil imports adversely and lay support for the prices

- Spread of Soy Degum Argentina vs. CPO

Landed cost calculation as on (03/03/2011)	Argentina	Brazil	US
FOB USD per ton	1275.82	1285.5	1251.55
CIF USD per ton	1340.82	1347.85	1314.07
Total landed cost INR per ton	61265.8	61584.73	60053.22
Total landed cost USD per ton	1360.25	1367.33	1333.33
Domestic Market price INR per ton in Kandla (Soy degum)	59000	59000	59000
USD per ton	1309.95	1309.95	1309.95
Spread(Landed cost vs. Domestic cost)	50.31	57.39	23.38

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.

#### NCDEX RSBO (Refined Soybean Oil)

##### Technical Analysis:

- ✓ Soy oil price trend continue to remain range bound. Short covering intervenes; selling pressure is likely near resistances.
- ✓ 630-640 becomes the current trading band for the price.
- ✓ 650 level hold importances on the higher side, as a resistance juncture, until it remains un breached, sellers will continue to dominate.
- ✓ Apply cautious approach as short covering might extend, give importance to supports and resistances.

#### Trade Recommendation-RSBO NCDEX (March)

Call	Entry	T1	T2	SL
<b>SELL BELOW</b>	646	642	638	650
Support & Resistance				
S2	S1	PCP	R1	R2
627	633	638.95	643	646



#### CPO (Crude Palm Oil)

##### Technical Analysis:

- ✓ CPO price gets ranged near lows. Short covering can not be ruled out, bears still have the upper hand
- ✓ 545 becomes the nearest reliable support on the lower side, while 555 on the higher side remains an important resistance level.
- ✓ Positioning of RSI in the daily chart suggest weakness is in place.

#### Trade Recommendation – CPO MCX (March)

Call	Entry	T1	T2	SL
<b>SELL BELOW</b>	559	556	552	563
Support & Resistance				
S2	S1	PCP	R1	R2
544	548	552.10	555	560



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

NCDEX Spread	March	April	May	June	July
<b>March</b>	-	7.5	12.5	15.95	27.5
<b>April</b>	-11.55	-	5	8.45	15.95
<b>May</b>	-19.05	-7.5	-	3.45	8.45



OIL COMPLEX-VEGETABLE OIL

March 05, 2011

VESSEL	PORT	MONTH	QUANTITY (MT.)	EDIBLE OIL	ETA	YEAR	ACTIVITY
<b>March Edible Oil Shipment</b>							
Global Neptune	Tuticorin	March	19200	Palm Oil	1/3/2011	2011	Discharge
Fair Apollon	Tuticorin	March	2000	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
Golden Brilliance	Chennai	March	5,999	CPO	3/3/2011	2011	Discharge
Pair Apollon	Chennai	March	6,000	CPO	6/3/2011	2011	Discharge
Gogasan Johar	Mangalore	March	7,000	CPO	5/3/2011	2011	Discharge
<b>Edible Oil Shipments for March 2011</b>			<b>102,251</b>				
<b>Edible Oil Imports (Oil year 2010-11 till date)</b>			<b>2,660,641</b>				

### Edible Oil Prices at Key Markets

Commodity	Centre	Prices(Per 10 Kg)		Change
		04-03-11	03-03-11	
Refined Soybean Oil	Mumbai +VAT	620	620	-
	Delhi (Loose)	638	635	+3
	Indore (Loose)	604	598	+6
	Kota(Loose)	608	608	-
	Hyderabad+VAT	660	660	-
	Jaipur(Loose)	611	611	-
	Rajkot(Loose)	600	605	-5
	Akola(Loose)	641	641	-
	Amrawati(Loose)	641	641	-
	Haldiya Port(Loose)	631	631	-
	Jalna	643	644	-1
	Kakinada	635	646	-11
	Nagpur	631	631	-
	SoyDegumKandla/Mundra+VAT	590	590	-
	Soy Degum Mumbai+VAT	595	590	+5

Palm Oil	Kandla CPO (5%FFA)	545	548	-3
	Kandla RBD Palmolein +VAT	570	570	-
	Chennai RBD Palmolein (Loose)	590	595	-5
	Kakinada RBD Palmolein (Loose)	580	580	-
	Mumbai RBD Pamolein+ VAT	585	588	-3
	Hyd. RBD Palmolein VAT	615	615	-
	Delhi RBD Palmolein (Loose)	625	625	-
Refined Sunflower Oil	Hyderabad Exp +VAT	720	720	-
	Bellary (Exp. Oil)+VAT	641	641	-
	Chellakere (Exp. Oil)+VAT	644	643	+1
	Erode (Exp. Oil)+VAT	690	695	-5
	Latur (Exp. Oil)+VAT	651	641	+10
	Kandla/Mundra	655	660	-5
	Mumbai + VAT	710	710	-
	Chennai (Loose)	685	690	-5
Groundnut Oil	Hyderabad +VAT	740	740	-
	Chennai (Loose)	700	700	-
	Delhi (Loose)	780	780	-
	Gondal+VAT	745	745	-
	Jamnagar +VAT	750	745	+5
	Narsarropeth+VAT	671	671	-
	Prodattour+VAT	706	701	+5
	Mumbai + VAT	755	755	-
	Rajkot (Loose)	750	750	-
Rapeseed Oil	Alwar (Expeller Oil)(Loose)	584	587	-3
	Sri Ganga Nagar(Exp Oil-Loose)	586	589	-3
	Delhi (Exp. Oil) (Loose)	617	615	+2
	Jaipur (Expeller Oil) (Loose)	588	590	-2
	Kota (Expeller Oil) (Loose)	578	580	-2
	Mumbai (Exp. Oil) +VAT	615	610	+5
Refined Cottonseed Oil	Mumbai +VAT	612	610	+2
	Hyderabad (Loose)	610	610	-

	Rajkot (Loose)6	605	605	-
	Delhi (Loose)	590	590	-
Malaysia Palmolein USD/MT	FOB (Oct)	1255	1258	-3
	CNF (Oct) - India	1285	1288	-3
Indonesia/Malaysia CPO USD/MT	FOB (Oct)	1210	1210	-
	CNF (Oct) - India	1240	1240	-
Argentina FOB (\$/MT)				
		03-03-2011	02-03-2011	
Soybean Oil Ship(Sep)	Feb/Mar	1285	1288	-3
Refined Soy Oil (Bulk) Ship(Sep)	Feb/Mar	1330	1333	-3
Sunflower Oil Ship(Sep)	Feb/Mar	-	1488	-
Cottonseed Oil Ship(Sep)	Feb/Mar	1265	1268	-3
Refine Linseed Oil(Bulk) Ship(Sep)	Feb/Mar	1305	1308	-3

\*Indicates all paid price

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