



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.**

Soy oil price traded with a positive bias in the spot market. Recent recovery in CBOT Soy oil prices provides little support. Domestically, demand remains medium at corrected price levels which also help in containing the downside.

- **Soy oil production in India is projected to surge by 10.24% at 1.4 million tonnes in 2010-11 as compared to 1.27 million tonnes in 2009-10**, which is likely to inflate the total supplies by 6.73% in 2010-11, while consumption is anticipated to grow by 6.43 percent in the same period. The same is likely to lead to 11.76% rise in ending stocks.

- **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.

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

- **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.

Palm oil price traded higher in the spot market. While cues from Malaysian Palm remain absent on the day, recent gains in the same on likely drift in monthly stocks render boost to the domestic sentiment.

- **Going Forward, Malaysian Palm Oil Production is projected to rise by 4.73% in 2010-11 as compared to 2009-10.** Exports are projected to surge by 3.67% 2010-11, while ending stocks are likely to drift lower by 3.33% in the same period. However on Monthly basis Palm exports witness a decline of about 14% in February 2011 on YOY basis while the same drifted lower by 8.26% in the same month as compared to January 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.
- **In India, 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.



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. Scenario has barely shifted.
- ✓ 630-640 persist to be 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
SELL BELOW	640	638	634	644
Support & Resistance				
S2	S1	PCP	R1	R2
627	633	636.65	641	645



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. Scenario remains same.
- ✓ 545 remains the nearest reliable support on the lower side, while 565 on the higher side becomes 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
SELL BELOW	559	556	552	563
Support & Resistance				
S2	S1	PCP	R1	R2
548	552	555	558	560



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

NCDEX Spread	March	April	May	June	July
March	-	7.95	13.55	17.95	29.55
April	-11.6	-	5.6	10	17.95
May	-19.55	-7.95	-	4.4	10

VESSEL	PORT	MONTH	QUANTITY (MT.)	EDIBLE OIL	ETA	YEAR	ACTIVITY
March Edible Oil Shipment							
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
Edible Oil Shipments for March 2011			102,251				
Edible Oil Imports (Oil year 2010-11 till date)			2,660,641				

Edible Oil Prices at Key Markets

Commodity	Centre	Prices(Per 10 Kg)		Change
		05-03-11	04-03-11	
Refined Soybean Oil	Mumbai +VAT	625	620	+5
	Delhi (Loose)	640	638	+2
	Indore (Loose)	604	604	-
	Kota(Loose)	608	608	-
	Hyderabad+VAT	660	660	-
	Jaipur(Loose)	611	611	-
	Rajkot(Loose)	600	600	-
	Akola(Loose)	641	641	-
	Amrawati(Loose)	641	641	-
	Haldiya Port(Loose)	631	631	-
	Jalna	643	643	-
	Kakinada	646	635	+11
	Nagpur	634	631	+3

OIL COMPLEX-VEGETABLE OIL

March 07, 2011

	Soy degum Kandla/Mundra+VAT	590	590	-
	Soy Degum Mumbai+VAT	590	595	-5
Palm Oil	Kandla CPO (5%FFA)	548	545	+3
	Kandla RBD Palmolein +VAT	570	570	-
	Chennai RBD Palmolein (Loose)	590	590	-
	Kakinada RBD Palmolein (Loose)	580	580	-
	Mumbai RBD Pamolein+ VAT	588	585	+3
	Hyd. RBD Palmolein VAT	620	615	+5
	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	644	-
	Erode (Exp. Oil)+VAT	690	690	-
	Latur (Exp. Oil)+VAT	651	651	-
	Kandla/Mundra	655	655	-
	Mumbai + VAT	710	710	-
	Chennai (Loose)	685	685	-
Groundnut Oil	Hyderabad +VAT	750	740	+10
	Chennai (Loose)	700	700	-
	Delhi (Loose)	780	780	-
	Gondal+VAT	755	745	+10
	Jamnagar +VAT	760	750	+10
	Narsarropeth+VAT	671	671	-
	Prodattour+VAT	706	706	-
	Mumbai + VAT	755	755	-
	Rajkot (Loose)	750	750	-
Rapeseed Oil	Alwar (Expeller Oil)(Loose)	581	584	-3
	Sri Ganga Nagar(Exp Oil-Loose)	586	586	-

OIL COMPLEX-VEGETABLE OIL

March 07, 2011

	Delhi (Exp. Oil) (Loose)	617	617	-
	Jaipur (Expeller Oil) (Loose)	594	588	+6
	Kota (Expeller Oil) (Loose)	584	578	+6
	Mumbai (Exp. Oil) +VAT	615	615	-
Refined Cottonseed Oil	Mumbai +VAT	615	612	+3
	Hyderabad (Loose)	610	610	-
	Rajkot (Loose)6	605	605	-
	Delhi (Loose)	590	590	-
Malaysia Palmolein USD/MT	FOB (Oct)	1255	1255	-
	CNF (Oct) - India	1285	1285	-
Indonesia/Malaysia CPO USD/MT	FOB (Oct)	1210	1210	-
	CNF (Oct) - India	1240	1240	-
Argentina FOB (\$/MT)				
		04-03-2011	03-03-2011	
Soybean Oil Ship(Sep)	Feb/Mar	1297	1285	+12
Refined Soy Oil (Bulk) Ship(Sep)	Feb/Mar	1342	1330	+12
Sunflower Oil Ship(Sep)	Feb/Mar	-	-	-
Cottonseed Oil Ship(Sep)	Feb/Mar	1277	1265	+12
Refine Linseed Oil(Bulk) Ship(Sep)	Feb/Mar	1317	1305	+12

*Indicates all paid price

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