



Veg Oil Summary

- ❖ **Vegetable oil price trend may remain ranged but weak bias remains likely. 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, in upcoming months is likely to weigh on the international price sentiment. Higher production and drifting Malaysian palm exports are also likely to keep the pressure on prices, alive.**

Palm oil price depicted weak sentiment in the spot market. Malaysian crude palm oil dropped as much as 3.1 percent as the crude oil rally lost some steam, while prospects of a strong South American soy crop also weighed on sentiment. The same weighed on the domestic prices.

- **Palm oil production in Indonesia and Malaysia is likely to stay above 40 million tonnes per annum this year on improving yields.** Combined output in Indonesia and Malaysia will rise to 40.7 million tonnes this year and rise to 43.7 million tonnes in 2012 as erratic weather patterns fade.
- **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.
- **Price projection:** YOY Basis, CPO Imports are likely to rise in Feb and March upto 51.3% and 16.59% respectively. The same is likely to bear a flat impact on the prices on in Feb and March on YOY basis and that of +0.3% in February and +3.4% in March. However this is likely to bring down the March CPO Imports by upto 38.06% which may lead to surge of about 12% in the Domestic CPO Price (Kandla).
- **CPO Import Parity:** has improved as on 5th 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 \$38.14 per tonne as on 5th March 2011 as compared to \$73.81 per tonne as on 15 Feb 2011. However this spread has increased in the past 4 days from the level of \$27.09 per tonne witnessed on March 1, 2011.

Soy oil price continue to drift lower in the spot market. Weakness in CBOT Soy oil remains a dragger on the day. Cool off in energy price restricted the upside. Domestically, ample supplies may continue to weigh while likely drift in Soy oil imports may offset impact.

- **Edible Oil stock at Chennai Port hover at 20000 MT until March 07 th 2011, which include Soy oil, Palm and Sunflower oil.**
- Total Edible Oil shipments in February remain at 472652 MT and the same stands at 100001 MT until March 7th 2011:
- Out of the same CDSBO shipments in February remain at 102705 MT and in March until 3rd, the same stand at 8650 MT. Total Edible Oil Imports in Oil year starting Nov 2010 until March till date hover around 2646889 MT.
- **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.

Edible Oil	Quantity In MT
Vessel Line up at Chennai Port in March until date	38,849
Stocks at Chennai port until date	20000
Consumption	18,849

NCDEX RSBO (Refined Soybean Oil)

Technical Analysis:

- ✓ Soy oil price trend becomes weak. Ranged walk may coincide, bears keep the upper hand.
- ✓ 630-640 maintains however pertains as a trading band for the price. Drift in either direction will take it further in the respective same.
- ✓ 645 level hold importances on the higher side, as a resistance juncture, until it remains un breached, sellers will continue to dominate.
- ✓ Recent Candlestick formation suggest weakness may intensify.

Trade Recommendation–RSBO NCDEX (April)

Call	Entry	T1	T2	SL
SELL BELOW	635	631	627	639
Support & Resistance				
S2	S1	PCP	R1	R2
624	627	632.40	635	640



CPO (Crude Palm Oil)

Technical Analysis:

- ✓ CPO price trend gets weaker. Bears march ahead
- ✓ 545 becomes the nearest reliable support on the lower side, while 555 on the higher side remains an important resistance level.
- ✓ Recent candlestick formations indicate strengthens weakness.

Trade Recommendation – CPO MCX (April)

Call	Entry	T1	T2	SL
SELL BELOW	553	550	547	557
Support & Resistance				
S2	S1	PCP	R1	R2
544	547	549	554	560



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

NCDEX Spread	March	April	May	June	July
March	-	8.7	16.1	20.4	30.5
April	-10.1	-	7.4	11.7	20.4
May	-18.8	-8.7	-	4.3	11.7



OIL COMPLEX-VEGETABLE OIL

March 09, 2011

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
Global Venus	Tuticorin	March	8000	Palm Oil	5/3/2011	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
Atlantik Miracle	Kakinada	March	5,500	CPO	2/3/2011	2011	Discharge
Titan Glory	Kakinada	March	3,000	Edible Oil	7/3/2011	2011	Discharge
Cm Maya	Kakinada	March	8,100	Edible Oil	4/3/2011	2011	Discharge
Titan Glory	Krishnapatnam	March	5,050	CPO	10/3/2011	2011	Load
Horizon Theano	Haldia	March	8,650	CDSBO	2/3/2011	2011	Discharge
Golden Brilliance	Chennai	March	5,999	CPO	3/3/2011	2011	Discharge
Global Themis	Chennai	March	10,000	Palm Oil	7/3/2011	2011	Discharge
Earth Blue	Chennai	March	8,100	Palm Oil	10/3/2011	2011	Discharge
Pair Apollon	Chennai	March	6,000	CPO	6/3/2011	2011	Discharge
Jag Preeti	Chennai	March	8,750	Palm Oil	6/3/2011	2011	Discharge
Gogasan Johar	Mangalore	March	7,000	CPO	5/3/2011	2011	Discharge
Edible Oil Shipments for March 2011			116,851				
Edible Oil Imports (Oil year 2010-11 till date)			2,663,739				

Edible Oil Prices at Key Markets

Commodity	Centre	Prices(Per 10 Kg)		Change
		08-03-11	07-03-11	
Refined Soybean Oil	Mumbai +VAT	615	620	-5
	Delhi (Loose)	630	635	-5
	Indore (Loose)	591	604	-13
	Kota(Loose)	600	606	-6
	Hyderabad+VAT	650	650	-
	Jaipur(Loose)	603	609	-6
	Rajkot(Loose)	598	600	-2
	Akola(Loose)	636	639	-3
	Amrawati(Loose)	636	639	-3
	Haldiya Port(Loose)	632	631	+1
	Jalna	636	639	-3

	Kakinada	641	641	-
	Nagpur	626	631	-5
	SoyDegumKandla/Mundra+VAT	580	585	-5
	Soy Degum Mumbai+VAT	580	585	-5
Palm Oil				
	Kandla CPO (5%FFA)	543	548	-5
	Kandla RBD Palmolein +VAT	563	568	-5
	Chennai RBD Palmolein (Loose)	590	590	-
	Kakinada RBD Palmolein (Loose)	580	580	-
	Mumbai RBD Pamolein+ VAT	583	588	-5
	Hyd. RBD Palmolein VAT	615	615	-
	Delhi RBD Palmolein (Loose)	618	620	-2
Refined Sunflower Oil				
	Hyderabad Exp +VAT	720	720	-
	Bellary (Exp. Oil)+VAT	641	641	-
	Chellakere (Exp. Oil)+VAT	643	644	-1
	Erode (Exp. Oil)+VAT	700	700	-
	Latur (Exp. Oil)+VAT	651	651	-
	Kandla/Mundra	660	665	-5
	Mumbai + VAT	700	710	-10
	Chennai (Loose)	685	685	-
Groundnut Oil				
	Hyderabad +VAT	740	740	-
	Chennai (Loose)	700	700	-
	Delhi (Loose)	770	780	-10
	Gondal+VAT	735	745	-10
	Jamnagar +VAT	740	750	-10
	Narsarropeth+VAT	681	671	+10
	Prodattour+VAT	701	706	-5
	Mumbai + VAT	755	755	-
	Rajkot (Loose)	740	755	-15
Rapeseed Oil				
	Alwar (Expeller Oil)(Loose)	579	579	-



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	Sri Ganga Nagar(Exp Oil-Loose)	581	581	-
	Delhi (Exp. Oil) (Loose)	600	610	-10
	Jaipur (Expeller Oil) (Loose)	582	594	-12
	Kota (Expeller Oil) (Loose)	570	584	-14
	Mumbai (Exp. Oil) +VAT	610	615	-5
Refined Cottonseed Oil				
	Mumbai +VAT	610	615	-5
	Hyderabad (Loose)	610	610	-
	Rajkot (Loose)	598	605	-7
	Delhi (Loose)	585	585	-
Malaysia Palmolein USD/MT				
	FOB (Oct)	1260	-	-
	CNF (Oct) - India	1285	-	-
Indonesia/Malaysia CPO USD/MT	FOB (Oct)	1220	-	-
	CNF (Oct) - India	1245	-	-
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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