



#### Veg Oil Summary

- ❖ Vegetable oil price trend may remain range bound with weak bias. Medium demand and likely sluggish Imports amidst higher domestic availability may lead to the same.
- ❖ Internationally, Likely drift in China's Soy oil Imports and pick up in Palm Imports may produce an offsetting impact where as pressure of Brazil and Argentina Soy harvest will remain a price dragger.

*Soy oil price slipped further in the spot market. Persistent weakness in CBOT Soy oil amidst absence of any new positive fundamental development and ease off in crude prices remain a dragger along recovering import parity on the domestic front. USDA report also failed to provide any boost amidst least revisions and that too which remain already discounted.*

- **India's Soy oil Import Parity situation improves in the past few days as FOB Rates drift lower:** While Spread (Landed cost vs. domestic cost) reduces imports still remain unviable from Argentina and Brazil; however it remains cheaper to import from US as on 11 March 2011. Fluctuating FOB Rates still need to maintain themselves at the levels; any recovery in the same will affect the parity further.

| Landed cost calculation as on (11/03/2011)              | Argentina    | Brazil       | US           |
|---|--------------|--------------|--------------|
| FOB USD per ton   | 1235.04      | 1231.1       | 1188.28      |
| CIF USD per ton   | 1300.04      | 1293.41      | 1250.16      |
| Total landed cost INR per ton                           | 59443.32     | 59142.93     | 57181.47     |
| Total landed cost USD per ton                           | 1319.2       | 1312.54      | 1269.01      |
| Domestic Market price INR per ton in Kandla (Soy degum) | 57500        | 57500        | 57500        |
| USD per ton   | 1276.08      | 1276.08      | 1276.08      |
| <b>Spread(Landed cost vs. Domestic cost)</b>            | <b>43.12</b> | <b>36.46</b> | <b>-7.07</b> |

- **Total Edible Oil shipments in March remain at 119440 MT until March 10th 2011:** Out of the same CDSBO shipments in stand at 8350 MT and Palm oil shipments stand at 105090 MT. Total Edible Oil Imports in Oil year starting Nov 2010 until March till date are likely at 2666328 MT.

- **USDA Demand and Supply Report Bear a neutral Impact:** US Soybean supply and demand projections for 2010-11 remain unchanged in March as compared to February; however Soybean ending stocks are expected to decline by 7.06% in 2010-11 as compared to 2009-10.

| EDIBLE OIL SHIPMENT POSITION AS ON 10TH MARCH              | QUANTITY IN MT. |
|--|-----------------|
| Total edible oil shipments in Feb.                         | 472652          |
| Total palm shipments in Feb.                               | 277812          |
| Total soy oil(degummed) shipments in Feb.                  | 102705          |
| Edible oil shipments in march till date                    | 119440          |
| Soy oil(degummed) shipments in march till date             | 8,350           |
| Palm oil shipments in march till date                      | 105,090         |
| Edible oil imports in oil year 2010-11 till date (approx.) | 2,666,328       |

- **The major revision in March is depicted for US Soy oil ending stocks:** which are projected to plunge lower by 6.84% in 2010-11 from the projections made in February. Total ending stocks are projected to decline by 28.29% to 1.09 million tonnes in 2010-11 as compared to 1.52 million tonnes in 2009-10.
- **Palm oil price continue to trade weak in the spot market. Persistent Weakness in Malaysian Palm remain driven by lower exports, higher stocks and likely rise in production in the months ahead and put pressure on Indian Prices.**
- **India's Import parity:** CPO Spread (Landed cost vs. Domestic Cost) in March 2011 (till date) remain higher as compared to levels witnessed in same month, a year ago, until 9<sup>th</sup> March, however the same slips lower to \$5.49 per metric tonne as on March 11<sup>th</sup>, which also below the last year level of \$35.46 per metric until same date.



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- On average basis, CPO spread(Landed cost vs. Domestic cost) slipped below \$30 from March onwards in 2010 which led to the rise in Imports and same remains likely this season as well. The likely drift in FOB rates in the coming months on rise in Monthly CPO production in Malaysia may bring the average spread near \$ 30.

### NCDEX RSBO (Refined Soybean Oil)

#### Technical Analysis:

- ✓ Soy oil price remain in short term down trend. A dead cat bounce remains a hope for bulls. Scenario has barely shifted.
- ✓ 600-625 becomes the trading band for the price. Drift in either direction will take it further in the respective same.
- ✓ 625-635 level has importance on the higher side, as a resistance zone until it is breached; bears are likely to keep on smashing.
- ✓ Candlestick formation suggests weakness. RSI indicate oversold nature. Dead cat bounce can not be ruled out completely.

#### Trade Recommendation—RSBO NCDEX (April)

| Call                 | Entry | T1     | T2  | SL  |
|----------------------|-------|--------|-----|-----|
| <b>SELL BELOW</b>    | 619   | 615    | 611 | 624 |
| Support & Resistance |       |        |     |     |
| S2                   | S1    | PCP    | R1  | R2  |
| 602                  | 607   | 614.90 | 618 | 624 |



### CPO (Crude Palm Oil)

#### Technical Analysis:

- ✓ CPO price trend depict weakness. Short covering may come in handy. Rest of the scenario remains same.
- ✓ 515 remains the nearest reliable support on the lower side, while 535 on the higher side becomes an important resistance level.
- ✓ Bulls, keep hopes set on 520 as a support. Price also reaches oversold territory.

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

| Call                 | Entry | T1  | T2  | SL  |
|----------------------|-------|-----|-----|-----|
| <b>SELL BELOW</b>    | 530   | 527 | 524 | 535 |
| Support & Resistance |       |     |     |     |
| S2                   | S1    | PCP | R1  | R2  |
| 515                  | 520   | 525 | 528 | 532 |



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

| NCDEX Spread | March  | April | May   | June | July  |
|--------------|--------|-------|-------|------|-------|
| <b>March</b> | -      | 8     | 14.35 | 18.3 | 26.15 |
| <b>April</b> | -7.85  | -     | 6.35  | 10.3 | 18.3  |
| <b>May</b>   | -15.85 | -8    | -     | 3.95 | 10.3  |



| 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 |
| Global Venus   | Tuticorin     | March | 8000             | Palm Oil   | 5/3/2011  | 2011 | Discharge |
| Fair Apollon   | Tuticorin     | March | 2000             | Palm Oil   | 1/3/2011  | 2011 | Discharge |
| Baltic I   | Kandla        | March | 6386             | CDSBO      | 10/3/2011 | 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 |
| Au Aries   | Kakinada      | March | 8,200            | Edible Oil | 12/3/2011 | 2011 | Discharge |
| Cm Maya  | Kakinada      | March | 3,000            | Edible Oil | 11/3/2011 | 2011 | Discharge |
| Titan Glory  | Krishnapatnam | March | 5,050            | CPO        | 11/3/2011 | 2011 | Load      |
| Ubt Ocean  | Haldia        | March | 7,989            | CPO        | 6/3/2011  | 2011 | Discharge |
| Horizon Theano   | Haldia        | March | 8,350            | CDSBO      | 3/3/2011  | 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   | Cochin        | March | 8,750            | Palm Oil   | 6/3/2011  | 2011 | Discharge |
| Liquid Success   | Kolkata       | March | 6,000            | CPO        | 9/3/2011  | 2011 | Discharge |
| Gogasan Johar  | Mangalore     | March | 7,000            | CPO        | 5/3/2011  | 2011 | Discharge |
| <b>Edible Oil Shipments for March 2011</b>             |               |       | <b>140,026</b>   |            |           |      |           |
| <b>Edible Oil Imports (Oil year 2010-11 till date)</b> |               |       | <b>2,686,914</b> |            |           |      |           |

### Edible Oil Prices at Key Markets

| Commodity           | Centre         | Prices(Per 10 Kg) |          | Change |
|---------------------|----------------|-------------------|----------|--------|
|                     |                | 12-03-11          | 11-03-11 |        |
| Refined Soybean Oil | Mumbai +VAT    | 600               | 600      | -      |
|                     | Delhi (Loose)  | 610               | 615      | -5     |
|                     | Indore (Loose) | 577               | 582      | -5     |
|                     | Kota(Loose)    | 585               | 590      | -5     |
|                     | Hyderabad+VAT  | 645               | 645      | -      |
|                     | Jaipur(Loose)  | 588               | 593      | -5     |



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|                       |                                |     |     |     |
|-----------------------|--------------------------------|-----|-----|-----|
|                       | Rajkot(Loose)                  | 580 | 585 | -5  |
|                       | Akola(Loose)                   | 621 | 627 | -5  |
|                       | Amrawati(Loose)                | 621 | 627 | -5  |
|                       | Haldiya Port(Loose)            | 626 | 631 | -5  |
|                       | Jalna                          | 626 | 629 | -3  |
|                       | Kakinada                       | 631 | 636 | -5  |
|                       | Nagpur                         | 613 | 621 | -8  |
|                       | SoyDegumKandla/Mundra+VAT      | 570 | 575 | -5  |
|                       | Soy Degum Mumbai+VAT           | 570 | 570 | -   |
|                       |                                |     |     |     |
| Palm Oil              |                                |     |     |     |
|                       | Kandla CPO (5%FFA)             | 518 | 530 | -12 |
|                       | Kandla RBD Palmolein +VAT      | 550 | 550 | -   |
|                       | Chennai RBD Palmolein (Loose)  | 575 | 580 | -5  |
|                       | Kakinada RBD Palmolein (Loose) | 565 | 565 | -   |
|                       | Mumbai RBD Pamolein+ VAT       | 568 | 572 | -5  |
|                       | Hyd. RBD Palmolein VAT         | 600 | 600 | -   |
|                       | Delhi RBD Palmolein (Loose)    | 600 | 600 | -   |
|                       |                                |     |     |     |
| Refined Sunflower Oil |                                |     |     |     |
|                       | Hyderabad Exp +VAT             | 715 | 715 | -   |
|                       | Bellary (Exp. Oil)+VAT         | 636 | 636 | -   |
|                       | Chellakere (Exp. Oil)+VAT      | 638 | 638 | -   |
|                       | Erode (Exp. Oil)+VAT           | 631 | 631 | -   |
|                       | Latur (Exp. Oil)+VAT           | 641 | 641 | -   |
|                       | Kandla/Mundra                  | 640 | 645 | -5  |
|                       | Mumbai + VAT                   | 690 | 700 | -10 |
|                       | Chennai (Loose)                | 680 | 685 | -5  |
| Groundnut Oil         |                                |     |     |     |
|                       | Hyderabad +VAT                 | 750 | 750 | -   |
|                       | Chennai (Loose)                | 700 | 700 | -   |
|                       | Delhi (Loose)                  | 770 | 770 | -   |
|                       | Gondal+VAT                     | 740 | 735 | +5  |
|                       | Jamnagar +VAT                  | 745 | 740 | +5  |

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|                                    |                                |            |            |     |
|------------------------------------|--------------------------------|------------|------------|-----|
|                                    | Narsarropeth+VAT               | 691        | 681        | +10 |
|                                    | Prodattour+VAT                 | 701        | 701        | -   |
|                                    | Mumbai + VAT                   | 745        | 750        | -5  |
|                                    | Rajkot (Loose)                 | 735        | 740        | -5  |
|                                    |                                |            |            |     |
| Rapeseed Oil                       |                                |            |            |     |
|                                    | Alwar (Expeller Oil)(Loose)    | 556        | 559        | -3  |
|                                    | Sri Ganga Nagar(Exp Oil-Loose) | 566        | 566        | -   |
|                                    | Delhi (Exp. Oil) (Loose)       | 590        | 595        | -5  |
|                                    | Jaipur (Expeller Oil) (Loose)  | 560        | 562        | -2  |
|                                    | Kota (Expeller Oil) (Loose)    | 547        | 550        | -3  |
|                                    | Mumbai (Exp. Oil) +VAT         | 582        | 587        | -5  |
|                                    |                                |            |            |     |
| Refined Cottonseed Oil             |                                |            |            |     |
|                                    | Mumbai +VAT                    | 595        | 598        | -3  |
|                                    | Hyderabad (Loose)              | 600        | 600        | -   |
|                                    | Rajkot (Loose)                 | 580        | 580        | -   |
|                                    | Delhi (Loose)                  | 570        | 575        | -5  |
|                                    |                                |            |            |     |
| Malaysia Palmolein USD/MT          |                                |            |            |     |
|                                    | FOB (Oct)                      | 1210       | 1230       | -20 |
|                                    | CNF (Oct) - India              | 1240       | 1260       | -20 |
| Indonesia/Malaysia CPO USD/MT      | FOB (Oct)                      | 1140       | 1160       | -20 |
|                                    | CNF (Oct) - India              | 1190       | 1190       | -   |
|                                    |                                |            |            |     |
| Argentina FOB (\$/MT)              |                                | 11-03-2011 | 10-03-2011 |     |
|                                    |                                |            |            |     |
| Soybean Oil Ship(Sep)              | Feb/Mar                        | 1225       | 1242       | -17 |
| Refined Soy Oil (Bulk) Ship(Sep)   | Feb/Mar                        | 1268       | 1285       | -17 |
| Sunflower Oil Ship(Sep)            | Feb/Mar                        | 1280       | -          | -   |
| Cottonseed Oil Ship(Sep)           | Feb/Mar                        | 1205       | 1222       | -17 |
| Refine Linseed Oil(Bulk) Ship(Sep) | Feb/Mar                        | 1245       | 1262       | -17 |
|                                    |                                |            |            |     |



\*Indicates all paid price

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