

Veg Oil Summary

- ❖ Vegetable oil price trend may become range bound. Demand generation at corrected price level is likely to offset impact of higher availability.
- ❖ 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 along with higher production projections for the upcoming season will continue to restrict any upside, led by temporary factors viz disruption in harvest due to rains in some parts of Brazil.

Soy oil price traded mix in the spot market. Losses remain limited and in few markets price even recovered few points. CBOT Soy oil ended higher as rise in crude oil from the day's low renders support.

- Soy oil demand picks up in the domestic market at corrected price levels. Going forward likely drift in the soy oil spread (landed cost vs. domestic cost) may favor imports but likely rise in the price differential with CPO may offset the impact.

- Soy oil Imports get viable from Argentina, Brazil and US as depicted by negative price spread between Landed cost and domestic cost, calculated as on 16 th March 2011 based on FOB (April Rates).

| Soy oil Landed cost calculation as on (16/03/2011) | Argentina | Brazil | US |
|---|---------------|--------------|---------------|
| FOB USD per ton (April) | 1141.56 | 1163 | 1136.03 |
| CIF USD per ton | 1206.56 | 1224.63 | 1197.39 |
| Total landed cost INR per ton | 55264.5 | 56085.32 | 54848.57 |
| Total landed cost USD per ton | 1225.11 | 1243.3 | 1215.88 |
| Domestic Market price INR per ton in Kandla (Soy degum) | 56200 | 56200 | 56200 |
| USD per ton | 1245.84 | 1245.84 | 1245.84 |
| Spread(Landed cost vs. Domestic cost) | -20.73 | -2.54 | -29.96 |

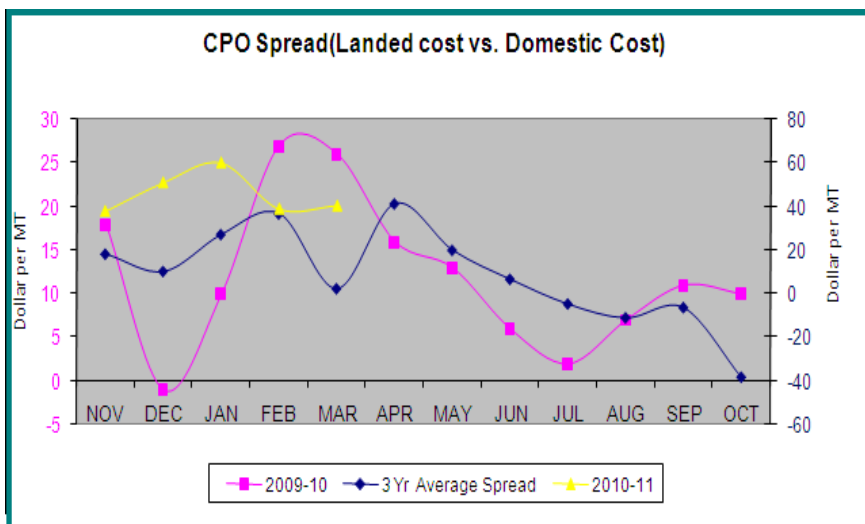
- Soy oil monthly average spread (landed cost vs. domestic cost) of \$50 per Metric tonne has a adverse bearing on Soy oil Imports, as depicted by the trend established based on spread and imports in the oil year 2009-10. Going forward in March this spread may reduce, based on 3 years average spread movement, the same is likely as FOB rates may continue to drift.

- The average spread until March 15th hover at \$48.42 per MT, which still remain close to the higher limit and thereby unfavorable for soy oil imports but the likely ease of in the same in the rest of the day's of the month may bring in respite.

- Total Edible Oil shipments in March reach at 205255 MT until March 16th 2011: Out of the same CDSBO shipments stand at 29165 MT and Palm oil shipments stand at 161890 MT. Total Edible Oil Imports in Oil year starting Nov 2010 until March till date are likely at 2752143 MT.

- Palm oil price traded broadly higher in the spot market. Malaysian palm oil dip further but loss was limited as demand at corrected levels offset impact of slipping exports and catching up production.

- CPO Monthly average spread (Landed cost vs. domestic cost for march 2011(until 17th) remain at \$ 40.45 per MT,



which remain higher than the spread of \$28.77 in March 2010 until same date which remain unfavorable development for palm imports, in the said month but going forward, the spread may face a decline based on 3 years average move on account of further drift in the FOB Rates.

NCDEX RSBO (Refined Soybean Oil)

Technical Analysis:

- ✓ Soy oil price trend becomes range bound near lows. Recovery may find continuity, bears to exert pressure at highs.
- ✓ 600-625 continue to be the applicable trading band for the price. Decisive move likely beyond this range.
- ✓ Low risk takers may still wait for a fresh chance, keeping in mind likely continuity in short covering.
- ✓ Recent candlestick formation suggests, bounce on the higher side is likely.

Trade Recommendation–RSBO NCDEX (April)

| Call | Entry | T1 | T2 | SL |
|----------------------|-------|-----|-----|-----|
| SELL BELOW | 617 | 614 | 611 | 621 |
| Support & Resistance | | | | |
| S2 | S1 | PCP | R1 | R2 |
| 600 | 605 | 610 | 615 | 618 |



CPO (Crude Palm Oil)

Technical Analysis:

- ✓ CPO price trend gets ranged. Short covering may continue, resistances are likely to act.
- ✓ 514 persists to be the nearest reliable support on the lower side, while 530 on the higher side remain an important resistance level.
- ✓ RSI Indicate oversold nature; Bears are likely to maintain the upper hand.

Trade Recommendation – CPO MCX (April)

| Call | Entry | T1 | T2 | SL |
|----------------------|-------|--------|-----|-----|
| WAIT | - | - | - | - |
| Support & Resistance | | | | |
| S2 | S1 | PCP | R1 | R2 |
| 508 | 514 | 521.70 | 525 | 527 |



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

| NCDEX Spread | March | April | May | June | July |
|--------------|-------|-------|------|------|------|
| March | - | 5.4 | 9.05 | 13.5 | 16.3 |
| April | -2.8 | - | 3.65 | 8.1 | 13.5 |
| May | -8.2 | -5.4 | - | 4.45 | 8.1 |



OIL COMPLEX-VEGETABLE OIL

March 18, 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 |
| Baltic I | Kandla | March | 6386 | CDSBO | 10/3/2011 | 2011 | Discharge |
| Mt Gemini | Kandla | March | 16500 | CPO | 14/3/2011 | 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 |
| Ping An | Haldia | March | 7,500 | CPO | 19/3/2011 | 2011 | Discharge |
| Baltic I | Haldia | March | 14,429 | CDSBO | 20/3/2011 | 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 |
| Chemical Arrow | Chennai | March | 4,500 | Palm Oil | 18/3/2011 | 2011 | Discharge |
| Angel No. 2 | Chennai | March | 7,300 | CPO | 19/3/2011 | 2011 | Discharge |
| Cm Maya | Chennai | March | 4,000 | Palm Oil | 18/3/2011 | 2011 | Load |
| 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 | 11/3/2011 | 2011 | Discharge |
| Gemini | Mangalore | March | 11,000 | CPO | 19/3/2011 | 2011 | Discharge |
| Gogasan Johar | Mangalore | March | 7,000 | CPO | 5/3/2011 | 2011 | Discharge |
| Edible Oil Shipments for March 2011 | | | 205,255 | | | | |
| Edible Oil Imports (Oil year 2010-11 till date) | | | 2,752,143 | | | | |



Edible Oil Prices at Key Markets

| Commodity | Centre | Prices(Per 10 Kg) | | Change |
|-----------------------|--------------------------------|-------------------|----------|--------|
| | | 17-03-11 | 16-03-11 | |
| Refined Soybean Oil | Mumbai +VAT | 592 | 592 | - |
| | Delhi (Loose) | 605 | 605 | - |
| | Indore (Loose) | 576 | 568 | +8 |
| | Kota(Loose) | 575 | 575 | - |
| | Hyderabad+VAT | 630 | 625 | +5 |
| | Jaipur(Loose) | 578 | 578 | - |
| | Rajkot(Loose) | 580 | 580 | - |
| | Akola(Loose) | 616 | 611 | +5 |
| | Amrawati(Loose) | 616 | 611 | +5 |
| | Haldiya Port(Loose) | 611 | 618 | -7 |
| | Jalna | 615 | 611 | +4 |
| | Kakinada | 626 | 626 | - |
| | Nagpur | 611 | 608 | +3 |
| | SoyDegumKandla/Mundra+VAT | 565 | 562 | +3 |
| | Soy Degum Mumbai+VAT | 565 | 562 | +3 |
| | | | | |
| Palm Oil | Kandla CPO (5%FFA) | 518 | 512 | +6 |
| | Kandla RBD Palmolein +VAT | 545 | 540 | +5 |
| | Chennai RBD Palmolein (Loose) | 555 | 555 | - |
| | Kakinada RBD Palmolein (Loose) | 545 | 548 | -3 |
| | Mumbai RBD Pamolein+ VAT | 557 | 555 | +2 |
| | Hyd. RBD Palmolein VAT | 575 | 580 | -5 |
| | Delhi RBD Palmolein (Loose) | 590 | 590 | - |
| | | | | |
| Refined Sunflower Oil | Hyderabad Exp +VAT | 700 | 705 | -5 |
| | Bellary (Exp. Oil)+VAT | 621 | 621 | - |
| | Chellakere (Exp. Oil)+VAT | 623 | 623 | - |
| | Erode (Exp. Oil)+VAT | 670 | 672 | -2 |

| | | | | |
|-------------------------------|--------------------------------|------|------|-----|
| | Latur (Exp. Oil)+VAT | 621 | 621 | - |
| | Kandla/Mundra | 635 | 635 | - |
| | Mumbai + VAT | 675 | 675 | - |
| | Chennai (Loose) | 665 | 665 | - |
| | | | | |
| Groundnut Oil | | | | |
| | Hyderabad +VAT | 750 | 750 | - |
| | Chennai (Loose) | 700 | 700 | - |
| | Delhi (Loose) | 780 | 765 | +15 |
| | Gondal+VAT | 755 | 745 | +10 |
| | Jamnagar +VAT | 760 | 750 | +10 |
| | Narsarropeth+VAT | 671 | 676 | -5 |
| | Prodattour+VAT | 701 | 701 | - |
| | Mumbai + VAT | 745 | 745 | - |
| | Rajkot (Loose) | 750 | 750 | - |
| | | | | |
| | | | | |
| Rapeseed Oil | | | | |
| | Alwar (Expeller Oil)(Loose) | 541 | 539 | +2 |
| | Sri Ganga Nagar(Exp Oil-Loose) | 553 | 551 | +2 |
| | Delhi (Exp. Oil) (Loose) | 595 | 595 | - |
| | Jaipur (Expeller Oil) (Loose) | 557 | 547 | +10 |
| | Kota (Expeller Oil) (Loose) | 545 | 537 | +8 |
| | Mumbai (Exp. Oil) +VAT | 580 | 580 | - |
| | | | | |
| Refined Cottonseed Oil | | | | |
| | Mumbai +VAT | 585 | 585 | - |
| | Hyderabad (Loose) | 600 | 600 | - |
| | Rajkot (Loose) | 572 | 572 | - |
| | Delhi (Loose) | 565 | 565 | - |
| | | | | |
| Malaysia Palmolein USD/MT | | | | |
| | FOB (Oct) | 1175 | 1150 | -25 |
| | CNF (Oct) - India | 1205 | 1180 | -25 |
| Indonesia/Malaysia CPO USD/MT | | | | |
| | FOB (Oct) | 1107 | 1100 | -7 |
| | CNF (Oct) - India | 1137 | 1130 | -7 |

OIL COMPLEX-VEGETABLE OIL

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| Argentina FOB (\$/MT) | | 16-03-2011 | 15-03-2011 | |
|---|----------------|-------------------|-------------------|------------|
| | | | | |
| Soybean Oil Ship(Sep) | Feb/Mar | 1150 | 1160 | -10 |
| Refined Soy Oil (Bulk) Ship(Sep) | Feb/Mar | 1190 | 1201 | -11 |
| Sunflower Oil Ship(Sep) | Feb/Mar | 1240 | 1260 | -20 |
| Cottonseed Oil Ship(Sep) | Feb/Mar | 1130 | 1140 | -10 |
| Refine Linseed Oil(Bulk) Ship(Sep) | Feb/Mar | 1170 | 1180 | -10 |
| | | | | |

*Indicates all paid price

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