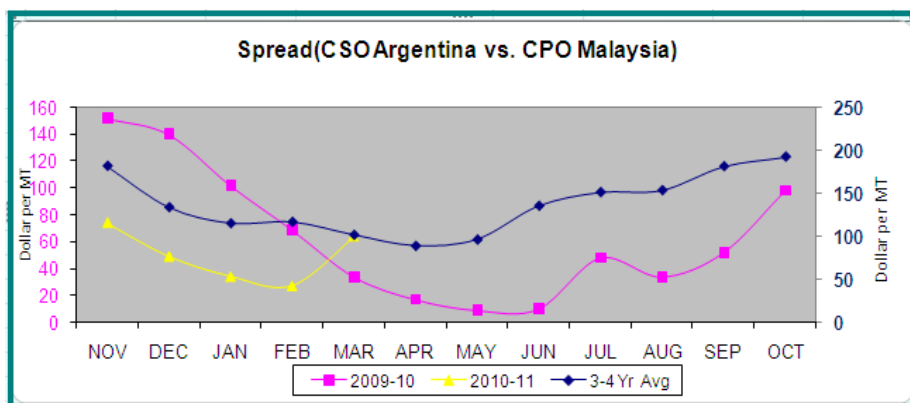


#### Veg Oil Summary

- ❖ Vegetable oil price trend may remain weakly skewed. Demand loses steam after festivity bounce. This along with likely pick up in imports may weigh further.
- ❖ Internationally, likely drift in China's Soy oil Imports and pick up in Palm Imports may produce an offsetting impact. Gaining pace of Brazil's harvest is also to play a negative factor with higher production projections being made, however disruptions due to rain may bring in respite but in the least.

Palm oil price plunged lower in the spot market. Malaysia's palm oil tumbles to a four-month low, as expectations of strong production triggered a sell-off. Reduction in loss later could hardly support. Rise in Production in the upcoming months is likely to pressure the price trend however rise in China's Palm Imports may act as a support.

- CPO Production in Malaysia is likely to grow by 12.33% to 1229400 MT in March and 8.83% to 1338000 MT in April. While exports may also catch up as China may increase purchase to make for the shortage at the ports. Corrected price levels are also likely to encourage the same.
- India, CPO spread (landed cost vs. domestic cost), diminish further to \$ 10.34 per MT as on 23<sup>rd</sup> March after posting a recovery until \$42.34 per MT on 20<sup>th</sup> March due to recovery in FOB rates. The average spread (landed cost vs. domestic cost) until 23<sup>rd</sup> March hover at \$36.52 per MT which remain higher than the last year's level of \$28.18 Per MT until same time last year. Going forward this spread is likely to reduce further which is likely to be favorable for CPO Imports in the month ahead.
- The average spread (CSO Argentina vs. CPO Malaysia) has increased to about \$64 per MT until 22<sup>nd</sup> March 2011, depicting a surge from February when it stood at \$ 27 per Metric Tonne.
- However, going forward in March this spread may further widen on more drift in CPO Malaysia (FOB Rate).
- Palm Oil Imports are likely to be benefitted from this development as widening differential indicate shift from Soy oil to Palm Oil. More so this price differential stand higher than the last year's level of about \$32.47 per MT, the same indicates palm oil imports may remain higher in March 20011 as compared to March 2010.



Soy oil price slipped further in the spot market. Sluggish demand and likely improvement in import parity to remain price dampeners. Weakness in CBOT Soy oil, remain a weak factor on global front with no soy oil demand from China being one of the causes.

- Soy oil availability is projected at 14.79 Lakh tonnes in 2010-11 depicting a surge of 15.54% from 2009-10 as put by Sea of India, however According to AW Estimates Soy oil availability may surge about 18.5% to 15 lakh tonnes in 2011-10. Mustard oil production is likely to remain at is projected to depict a surge of 18.59% to 22.77 Lakh Tonnes in 2010-11 vis-à-vis previous year. Reduction may however be noticed in sunflower oil production in 2010-11 which may decline by about 32% on lower crop this season, both kharif and Rabi.
- India, total edible oil shipments in March remain at 249830 MT until March 23<sup>rd</sup> 2011: Out of the same CDSBO shipments stand at 34250 MT and Palm oil shipments stand at 209059 MT. Total Edible Oil Imports in Oil year starting Nov 2010 until March till date are likely at 2796718 MT.
- Soy oil Imports remain unviable, from Argentina, Brazil and US as depicted by the surge in spread (landed cost vs. domestic cost), while calculating import parity from these destinations. Soy oil Imports may get hindered as a outcome. Recent recovery in the FOB Rates contributes to the same.
- 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. The average spread until 23<sup>rd</sup> March 2011 hover at \$33 per MT.

- Going forward in March this spread may reduce further, based on 3 years average spread movement, the same is likely as FOB rates may continue to drift. The 3 year average spread stand at negative \$26.7 per MT.

#### NCDEX RSBO (Refined Soybean Oil)

##### Technical Analysis:

- ✓ Soy oil price trend remain weakly skewed. Price stay near important support. Bears still have an upper hand.
- ✓ While 595-612 remains the current trading band for the price. Price trend to remain in the hands of bears until 630 on the higher side is broken.
- ✓ 595, hold importance on the lower side as a support on closing basis, until it prevail, short covering may be the intervening case.
- ✓ Recent candlestick formation, suggest dead cat bounce can not be ruled out.

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

Call	Entry	T1	T2	SL
<b>SELL BELOW</b>	605	602	598	615
Support & Resistance				
S2	S1	PCP	R1	R2
591	595	599.40	602	606



#### CPO (Crude Palm Oil)

##### Technical Analysis:

- ✓ CPO price remain range bound with weak bias. Weakness may pertain, support lay ahead. Scenario has barely shifted
- ✓ 502 becomes the nearest reliable support on the lower side, while 520 on the higher side remain an important resistance level.
- ✓ RSI Indicate oversold nature; little bounce can not be ruled out.

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

Call	Entry	T1	T2	SL
<b>SELL BELOW</b>	515	512	508	519
Support & Resistance				
S2	S1	PCP	R1	R2
502	507	510.40	513	519



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

NCDEX Spread	April	May	June	July
April	-	7.25	12.3	16.9
May	7.25	-	5.05	9.65
Jun	12.3	5.05	-	4.6



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.Ct Dublin	Kandla	March	5085	CDSBO	19/3/2011	2011	Discharge
Mt.Eships Eagle	Kandla	March	4000	Palm Oil	22/3/2011	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
Palma Prima	Kakinada	March	5,000	Edible Oil	20/3/2011	2011	Discharge
Rising Sun	Kakinada	March	5,100	Edible Oil	20/3/2011	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
Atlantik Miracle	Krishnapatnam	March	16,020	CPO	22/3/2011	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	26/3/2011	2011	Discharge
Baltic I	Haldia	March	14,429	CDSBO	22/3/2011	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	18/3/2011	2011	Discharge
Feng Hai 15	Chennai	March	3,370	Palm Oil	22/3/2011	2011	Discharge
Cm Maya	Chennai	March	5,000	Palm Oil	19/3/2011	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



### OIL COMPLEX-VEGETABLE OIL

March 25, 2011

Eastern Glory	Mangalore	March	5,000	CPO	21/3/2011	2011	Discharge
Gemini	Mangalore	March	11,000	CPO	21/3/2011	2011	Discharge
Gogasan Johar	Mangalore	March	7,000	CPO	5/3/2011	2011	Discharge
Edible Oil Shipments for March 2011			249,830				
Edible Oil Imports (Oil year 2010-11 till date)			2,796,718				

### Edible Oil Prices at Key Markets

Commodity	Centre	Prices(Per 10 Kg)		Change
		24-03-11	23-03-11	
Refined Soybean Oil	Mumbai +VAT	590	600	-10
	Delhi (Loose)	595	600	-5
	Indore (Loose)	560	568	-8
	Kota(Loose)	575	575	-
	Hyderabad+VAT	640	640	-
	Jaipur(Loose)	578	578	-
	Rajkot(Loose)	575	590	-15
	Akola(Loose)	609	616	-7
	Amrawati(Loose)	609	616	-7
	Haldiya Port(Loose)	601	606	-5
	Jalna	611	618	-7
	Kakinada	621	621	-
	Nagpur	604	609	-5
	SoyDegumKandla/Mundra+VAT	555	558	-3
	Soy Degum Mumbai+VAT	560	565	-5
Palm Oil				
	Kandla CPO (5%FFA)	503	517	-14
	Kandla RBD Palmolein +VAT	535	552	-17
	Chennai RBD Palmolein (Loose)	550	555	-5
	Kakinada RBD Palmolein (Loose)	550	550	-
	Mumbai RBD Pamolein+ VAT	550	565	-15
	Hyd. RBD Palmolein VAT	585	585	-
	Delhi RBD Palmolein (Loose)	575	590	-15



### OIL COMPLEX-VEGETABLE OIL

March 25, 2011

Refined Sunflower Oil				
	Hyderabad Exp +VAT	700	700	-
	Bellary (Exp. Oil)+VAT	621	626	-5
	Chellakere (Exp. Oil)+VAT	623	628	-5
	Erode (Exp. Oil)+VAT	667	670	-3
	Latur (Exp. Oil)+VAT	-	626	-
	Kandla/Mundra	625	635	-10
	Mumbai + VAT	665	675	-10
	Chennai (Loose)	660	665	-5
Groundnut Oil				
	Hyderabad +VAT	750	750	-
	Chennai (Loose)	720	720	-
	Delhi (Loose)	785	790	-5
	Gondal+VAT	765	765	-
	Jamnagar +VAT	770	770	-
	Narsarropeth+VAT	701	701	-
	Prodattour+VAT	721	721	-
	Mumbai + VAT	760	760	-
	Rajkot (Loose)	760	775	-15
Rapeseed Oil				
	Alwar (Expeller Oil)(Loose)	536	541	-5
	Sri Ganga Nagar(Exp Oil-Loose)	537	551	-14
	Delhi (Exp. Oil) (Loose)	555	562	-7
	Jaipur (Expeller Oil) (Loose)	540	545	-5
	Kota (Expeller Oil) (Loose)	533	538	-5
	Mumbai (Exp. Oil) +VAT	578	578	-
Refined Cottonseed Oil				
	Mumbai +VAT	595	595	-
	Hyderabad (Loose)	600	600	-
	Rajkot (Loose)	580	590	-10
	Delhi (Loose)	565	565	-





### OIL COMPLEX-VEGETABLE OIL

March 25, 2011

Malaysia Palmolein USD/MT				
	FOB (Oct)	1140	1180	-40
	CNF (Oct) - India	1167	1200	-33
Indonesia/Malaysia CPO USD/MT	FOB (Oct)	1072	1115	-43
	CNF (Oct) - India	1100	1142	-42
Argentina FOB (\$/MT)		23-03-2011	22-03-2011	Change
Soybean Oil Ship(Sep)	Feb/Mar	1190	-	-
Refined Soy Oil (Bulk) Ship(Sep)	Feb/Mar	1232	-	-
Sunflower Oil Ship(Sep)	Feb/Mar	-	-	-
Cottonseed Oil Ship(Sep)	Feb/Mar	1170	-	-
Refine Linseed Oil(Bulk) Ship(Sep)	Feb/Mar	1210	-	-

\*Indicates all paid price

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