



Veg Oil Summary

- ❖ Vegetable oil price trend may remain weakly skewed, barring little recovery. Sluggish demand and higher availability is likely to affect the trend.
- ❖ 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.

Soy oil price traded mix in the spot market. After days gap, price could even record gains in few markets. Unfavorable developments seen for soy oil imports, like widening differential with CPO Malaysia and average spread(landed cost vs. domestic cost) sustaining at higher levels in March as compared to same month last year, may offer some support, however improvement in import parity ahead(based on 3 years average move) may again start to boost them. *Globally, drifting dollar offsets the impact of recovering FOB Argentina rates.*

- Soy oil Import Spread (Landed cost vs. Domestic cost) widens further due to recovery in FOB Rates in the past few days, which is more significant in Brazil as market anticipates negative impact of recent rains and harvest disruptions takes place.

Landed cost calculation as on (24/03/2011)	Argentina	Brazil	US
FOB USD per ton (April)	1183.45	1230.6	1204.15
CIF USD per ton	1248.45	1292.9	1266.19
Landed cost without customs duty in INR per ton	56277.71	58280.08	57077.06
Total landed cost INR per ton	56713.71	58716.08	57513.06
Total landed cost USD per ton	1267.35	1312.09	1285.21
Domestic Market price INR per ton in Kandla (Soy degum)	55500	55500	55500
USD per ton	1240.22	1240.22	1240.22
Spread(Landed cost vs. Domestic cost)	27.13	71.87	44.99

- Weakening of dollar however favor imports but fail to offset the prior's negative impact.
- 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 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 reached at 265830 MT until March 24th 2011: CDSBO shipments enhance to 49750 MT and Palm oil shipments stand at 191780 MT. Total Edible Oil Imports in Oil year starting Nov 2010 until March till date are likely at 2812718 MT

EDIBLE OIL SHIPMENTS AS ON 24TH MARCH 2011	QUANTITY IN MT.
Total Edible Oil shipments in March	265830
Soy oil(degummed) shipments in March till date	49,750
Palm shipments in March till date	191,780
Soy oil Imports in oil year 2010-11 till date (approx.)	309,605
Palm Imports in oil year 2010-11 till date (approx.)	2,254,737

- Palm oil price depicted mixed nature in the spot market. Cooling off exports dampen sentiment which did recoup in the start.
- Exports of Malaysian palm oil products for March 1-25 fell 3.7 percent to 937,591 tonnes from 973,441 tonnes shipped during Feb. 1-25 as put by cargo surveyor Intertek Testing Services. While exports to China improved, the same to India, European Union declined vis a vis same period previous month.
- CPO Production in Malaysia is likely to grow by 12.33% to 1229400 MT in March and 8.83% to 1338000 MT in April.
- India, CPO spread (landed cost vs. domestic cost), diminish further to \$ 10.34 per MT as on 23rd March after posting a recovery until \$42.34 per MT on 20th March due to recovery in FOB rates. The average spread (landed cost vs. domestic cost) until 23rd 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.



OIL COMPLEX-VEGETABLE OIL

March 26, 2011

- The average spread (CSO Argentina vs. CPO Malaysia) has increased to about \$64 per MT until 22nd 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 2011 as compared to March 2010.

NCDEX RSBO (Refined Soybean Oil)

Technical Analysis:

- ✓ Soy oil price trend remain weakly poised. Short covering may intervene although.
- ✓ 595-613 persist to be the relevant trading band for the price. Price trend to remain in the hands of bears until 630 on the higher side is broken.
- ✓ 595, continue to hold importance on the lower side as a support on closing basis,
- ✓ Candlestick formation suggests, that pullback has a chance.

Trade Recommendation-RSBO NCDEX (April)

Call	Entry	T1	T2	SL
SELL BELOW	609	606	602	613
Support & Resistance				
S2	S1	PCP	R1	R2
595	600	604.60	606	613



CPO (Crude Palm Oil)

Technical Analysis:

- ✓ CPO price remain range bound with weak bias. Weakness may pertain, support lay ahead. Scenario has barely shifted.
- ✓ 505 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
WAIT	-	-	-	-
Support & Resistance				
S2	S1	PCP	R1	R2
503	508	514.80	519	523



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

NCDEX Spread	April	May	June	July
April	-	8.8	15.8	21.4
May	8.8	-	7	12.6
Jun	15.8	7	-	5.6



OIL COMPLEX-VEGETABLE OIL

March 26, 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.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
Torm Thyra	Haldia	March	15,500	CDSBO	28/3/2011	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	5,500	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
Eastern Glory	Mangalore	March	5,000	CPO	21/3/2011	2011	Discharge

OIL COMPLEX-VEGETABLE OIL

March 26, 2011

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			265,830				
Edible Oil Imports (Oil year 2010-11 till date)			2,812,718				

Edible Oil Prices at Key Markets

Commodity	Centre	Prices(Per 10 Kg)		Change
		25-03-11	24-03-11	
Refined Soybean Oil	Mumbai +VAT	598	590	+8
	Delhi (Loose)	595	595	-
	Indore (Loose)	562	560	+2
	Kota(Loose)	572	575	-3
	Hyderabad+VAT	630	640	-10
	Jaipur(Loose)	575	578	-3
	Rajkot(Loose)	575	575	-
	Akola(Loose)	609	609	-
	Amrawati(Loose)	609	609	-
	Haldiya Port(Loose)	596	601	-5
	Jalna	616	611	+5
	Kakinada	621	621	-
	Nagpur	604	604	-
	SoyDegumKandla/Mundra+VAT	558	555	+3
	Soy Degum Mumbai+VAT	560	560	-
Palm Oil	Kandla CPO (5%FFA)	508	503	+5
	Kandla RBD Palmolein +VAT	535	535	-
	Chennai RBD Palmolein (Loose)	550	550	-
	Kakinada RBD Palmolein (Loose)	540	550	-10
	Mumbai RBD Pamolein+ VAT	552	550	+2
	Hyd. RBD Palmolein VAT	575	585	-10
	Delhi RBD Palmolein (Loose)	575	575	-
Refined Sunflower Oil				

OIL COMPLEX-VEGETABLE OIL

March 26, 2011

	Hyderabad Exp +VAT	700	700	-
	Bellary (Exp. Oil)+VAT	621	621	-
	Chellakere (Exp. Oil)+VAT	624	623	+1
	Erode (Exp. Oil)+VAT	670	667	+3
	Latur (Exp. Oil)+VAT	631	-	-
	Kandla/Mundra	620	625	-5
	Mumbai + VAT	665	665	-
	Chennai (Loose)	665	660	+5
Groundnut Oil				
	Hyderabad +VAT	760	750	+10
	Chennai (Loose)	720	720	-
	Delhi (Loose)	785	785	-
	Gondal+VAT	755	765	-10
	Jamnagar +VAT	760	770	-10
	Narsarropeth+VAT	706	701	+5
	Prodattour+VAT	721	721	-
	Mumbai + VAT	755	760	-5
	Rajkot (Loose)	770	760	+10
Rapeseed Oil				
	Alwar (Expeller Oil)(Loose)	536	536	-
	Sri Ganga Nagar(Exp Oil-Loose)	536	537	-1
	Delhi (Exp. Oil) (Loose)	555	555	-
	Jaipur (Expeller Oil) (Loose)	542	540	+2
	Kota (Expeller Oil) (Loose)	531	533	-2
	Mumbai (Exp. Oil) +VAT	571	578	-7
Refined Cottonseed Oil				
	Mumbai +VAT	580	595	-15
	Hyderabad (Loose)	575	600	-25
	Rajkot (Loose)	580	580	-
	Delhi (Loose)	565	565	-
Malaysia Palmolein USD/MT				

OIL COMPLEX-VEGETABLE OIL

March 26, 2011

	FOB (Oct)	1162	1140	+22
	CNF (Oct) - India	1190	1167	+23
Indonesia/Malaysia CPO USD/MT	FOB (Oct)	1115	1072	+43
	CNF (Oct) - India	1142	1100	+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

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>
© 2005 Indian Agribusiness Systems Pvt Ltd.