



Veg Oil Summary

- ❖ **Vegetable oil price may remain range bound. Weak demand and higher availability is likely to weigh on the price that may recoup led by developments on the import front.**
- ❖ **Internationally, ongoing normal harvest pace in Brazil and Argentina and likely cool off in China's soy demand in the months ahead remain negative drivers, while upward looking crude price remain supportive.**

- **Soy oil price traded mixed in the spot market. Higher close by CBOT Soy oil provided support.** Internationally, pacing up soy harvest in Brazil and Argentina, fears of export cancellation (April to May delivery) to china due to likely shift by the country to cheaper soy source Brazil as poor crush margins enforce the same, remain the negative drivers but firm tone in the energy markets keep on offsetting the impact.

- Domestically, higher oil availability and weak demand still exist as negative drivers; however likely decline in imports may as a contemporary positive cue.

- **On the domestic front: Edible Oil Shipments in April reach at 87241 MT.** Out of the same CSFO quantity reach at 35940 MT, CPO hover at 7299 MT, CDSBO at 31000 MT, other edible oil quantity remain at 13002 MT. Total Edible Oil imports until April likely remain at 2939561 MT.

- **Soy oil Imports remain unviable from Argentina, Brazil and US.** While spread (Landed cost vs. domestic from Argentina has increased to \$ 13.67 per MT as compared to \$ 5 per MT a week back, due to surge in FOB Rates. The spread from Brazil has eased from \$ 61 per MT to \$40.05 per until 4 April 2011 as FOB Rates declined.

- **According to market sources: soy oil demand still remain sluggish** due to seasonal low as well as higher prices, which hover at a higher level despite the current corrective move. Market participants suggest that price has to come down by atleast Rs. 10 per Kg to facilitate demand. Market also, second the view that soy oil imports are likely to slip lower due to import disparity, higher differential with palm and higher mustard availability around this time.

Landed cost calculation as on (04/04/2011)	Argentina	Brazil	US
FOB USD per ton (April)	1225.34	1254	1265
CIF USD per ton	1290.34	1316.54	1327.65
Total landed cost INR per ton	58106.56	59276.88	59773.03
Total landed cost USD per ton	1309.59	1335.97	1347.15
Domestic Market price INR per ton in Kandla (Soy degum)	57500	57500	57500
USD per ton	1295.92	1295.92	1295.92
Spread(Landed cost vs. domestic cost)	13.67	40.05	51.23

- **Palm oil price broadly traded lower in the spot market. Malaysian Palm price traded weak but loss remains contained. Likely improvement in demand at lower levels counter the pessimism generating from likely rise in production. CPO production in Malaysia is projected to surge by 12.33% in March and 8.83% in April, which is likely to weigh on the Malaysian Palm price sentiment.**

- Improvement in Palm Imports in India in coming months on widening differential with soy oil is likely to bear negligible impact as consumption remains higher, however it will thicken the supplies, as a immediate effect.

- As per the established relation between, CPO Spread (Landed cost vs. domestic cost) and CPO Imports, a spread above \$ 25 per MT keep the import quantity contained at lower levels.

- As per the current scenario, CPO imports in March may surge MOM basis as average spread reduced from the last month's level to \$ 28.96 per MT however on year on year basis imports may incorporate flat impact as spread remain above \$ 25 per MT and slightly above the last year's level of \$ 26 per MT.

- **Ground nut oil price continue to trade higher in the domestic market.** Market sources in Gujarat suggest, demand remain limited and the same gets diverted to Cotton seed oil and Palm oil. Arrivals (Groundnut in shell) remain lower, which further support the price trend. Groundnut oil availability to remain lower despite higher production as demand for groundnut remains on a rise, leaving less supply for crushing.

NCDEX RSBO (Refined Soybean Oil)

Technical Analysis:

- ✓ Soy oil price trend become range bound. Recovery persists, Resistances act.
- ✓ Candle stick formation suggests bulls get indecisive after encountering hurdle.
- ✓ 621-612 remains the broad trading band for the price. 630 becomes the next important resistance juncture.
- ✓ Remain cautious, resistances lay ahead as well.

Trade Recommendation-RSBO NCDEX (April)

Call	Entry	T1	T2	SL
BUY ABOVE	614	617	621	610
Support & Resistance				
S2	S1	PCP	R1	R2
605	612	618.20	621	625



CPO (Crude Palm Oil)

Technical Analysis:

- ✓ CPO price remain range bound. Indecision originates near resistance. Rest of the scenario remains same.
- ✓ 515 becomes the nearest reliable support on the lower side.
- ✓ While 528 on the higher side remains an important resistance level.
- ✓ 525-515 becomes the current trading range; drift in either direction will take the price further in the respective same.

Trade Recommendation - CPO MCX (April)

Call	Entry	T1	T2	SL
WAIT	-	-	-	-
Support & Resistance				
S2	S1	PCP	R1	R2
513	516	520.20	525	527



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

NCDEX Spread	April	May	June	July
April	-	10.15	16.8	22.8
May	10.15	-	6.65	12.65
Jun	16.8	6.65	-	6

OIL COMPLEX-VEGETABLE OIL

April 06, 2011

VESSEL	PORT	QUANTITY (MT.)	EDIBLE OIL	ETA	BERTH DATE	ETC	ACTIVITY
April Edible Oil Shipment							
Torm Thyra	Haldia	15,500	CDSBO	29/3/2011	30/3/2011	1/4/2011	Discharge
Angel No. 2	Haldia	7,299	CPO	3/4/2011			Discharge
M.T.Prisco Elizaveta	Kandla	15,500	CDSBO	7/4/2011			Discharge
Rasim Akar	Kakinada	5,100	Edible Oil	2/4/2011			Discharge
Titan Glory	Kakinada	7,902	Edible Oil	30/3/2011	31/3/2011	2/4/2011	Discharge
Nilufer Sultan	Chennai	16,840	CSFO	30/3/2011	31/3/2011	3/4/2011	Discharge
Caribbean Renaissance	Chennai	8,000	CSFO	1/4/2011			Discharge
Caribbean Renaissance	Krishnapatnam	6,000	CSFO	7/4/2011			Discharge
Rasim Akar	Krishnapatnam	5,100	CSFO	31/3/2011	1/4/2011	2/4/2011	Discharge
Edible Oil Shipments for April 2011		87,241					
Edible Oil Imports (Oil year 2010-11 till date)		2,939,561					

Edible Oil Prices at Key Markets

Commodity	Centre	Prices(Per 10 Kg)		Change
		05-04-11	04-04-11	
Refined Soybean Oil	Mumbai +VAT	602	605	-3
	Delhi (Loose)	615	610	+5
	Indore (Loose)	580	580	-
	Kota(Loose)	580	580	-
	Hyderabad+VAT	650	660	-10
	Jaipur(Loose)	583	583	-
	Rajkot(Loose)	590	590	-
	Akola(Loose)	631	627	+4
	Amrawati(Loose)	631	627	+4
	Haldiya Port(Loose)	601	603	-2
	Jalna	626	626	-
	Kakinada	626	626	-
	Nagpur	636	631	+5
	SoyDegumKandla/Mundra+VAT	575	575	-
	Soy Degum Mumbai+VAT	570	575	-5

OIL COMPLEX-VEGETABLE OIL

April 06, 2011

Palm Oil				
	Kandla CPO (5%FFA)	520	520	-
	Kandla RBD Palmolein +VAT	554	551	+3
	Chennai RBD Palmolein (Loose)	550	555	-5
	Kakinada RBD Palmolein (Loose)	548	570	-22
	Mumbai RBD Pamolein+ VAT	560	563	-3
	Hyd. RBD Palmolein VAT	585	605	-20
	Delhi RBD Palmolein (Loose)	585	585	-
Refined Sunflower Oil				
	Hyderabad Exp +VAT	700	725	-25
	Bellary (Exp. Oil)+VAT	623	621	+2
	Chellakere (Exp. Oil)+VAT	625	624	+1
	Erode (Exp. Oil)+VAT	670	670	-
	Latur (Exp. Oil)+VAT	631	631	-
	Kandla/Mundra	630	630	-
	Mumbai + VAT	665	670	-5
	Chennai (Loose)	660	660	-
Groundnut Oil				
	Hyderabad +VAT	770	790	-20
	Chennai (Loose)	750	740	+10
	Delhi (Loose)	825	825	-
	Gondal+VAT	805	795	+10
	Jamnagar +VAT	805	800	+5
	Narsarropeth+VAT	751	741	+10
	Prodattour+VAT	731	731	-
	Mumbai + VAT	775	775	-
Rapeseed Oil	Rajkot (Loose)	810	800	+10
	Alwar (Expeller Oil)(Loose)	541	541	-
	Sri Ganga Nagar(Exp Oil-Loose)	536	536	-
	Delhi (Exp. Oil) (Loose)	555	555	-
	Jaipur (Expeller Oil) (Loose)	545	543	+2



OIL COMPLEX-VEGETABLE OIL

April 06, 2011

	Kota (Expeller Oil) (Loose)	537	535	+2
	Mumbai (Exp. Oil) +VAT	575	575	-
	Kolkata		-	-
	Hapur	560	560	-
	Kacchi Ghani Oil	565	565	-
Refined Cottonseed Oil				
	Mumbai +VAT	592	590	+2
	Hyderabad (Loose)	590	605	-15
	Rajkot (Loose)	600	605	-5
	Delhi (Loose)	585	585	-
Malaysia Palmolein USD/MT				
	FOB (Oct)	1187	1190	-3
	CNF (Oct) - India	1215	1217	-2
Indonesia/Malaysia CPO USD/MT	FOB (Oct)	1132	1132	-
	CNF (Oct) - India	1160	1160	-
Argentina FOB (\$/MT)		04-04-2011	1-04-2011	Change
Soybean Oil Ship(Sep)	Feb/Mar	1234	1236	-2
Refined Soy Oil (Bulk) Ship(Sep)	Feb/Mar	1277	1279	-2
Sunflower Oil Ship(Sep)	Feb/Mar	1260	-	-
Cottonseed Oil Ship(Sep)	Feb/Mar	1214	1216	-2
Refine Linseed Oil(Bulk) Ship(Sep)	Feb/Mar	1254	1256	-2

*Indicates all paid price

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