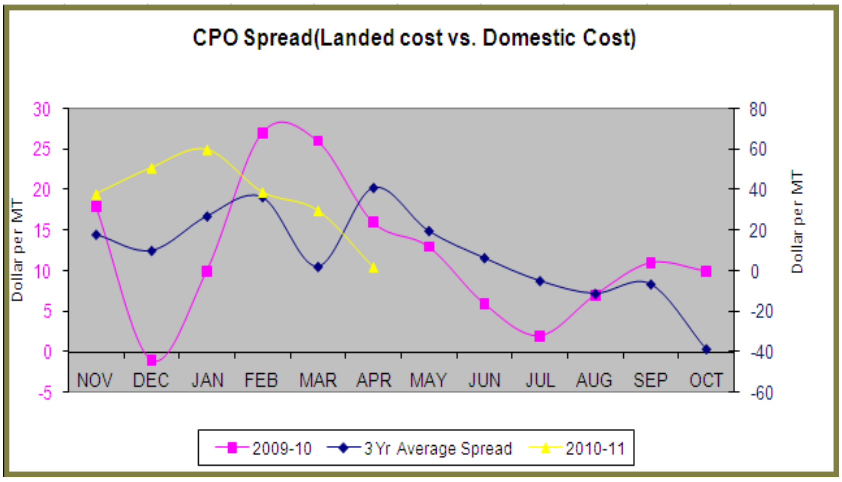
OIL COMPLEX-VEGETABLE OIL April 28 2011

Veg Oil Summary

- **Vegetable oil price may remain range bound. Lower Veg oil Imports remain supportive until now. Going forward sluggish demand and likely pick up in imports in the upcoming months may act as pessimistic drivers.**
- **Internationally, ongoing harvest pace in Brazil and Argentina which is nearing completion is likely weigh on the sentiment. Lowered Import revisions for China amidst cancellation of soy cargoes also remain a contemporary pessimistic cue.**

Palm oil price continue to depict mixed nature in the spot market. Weakness in Malaysian Palm restricted upside in the price on the domestic front.

- **India's CPO Import Parity, current and likely scenario**: Palm oil spread (Landed cost vs. domestic cost) reached at $ 2.1 per MT (Average 1-26 April) which is lower as compared to spread of $ 15.67 per MT in the same duration last year. Also it stands way below the average spread of $ 30 per MT in the previous month (March 2011).
- Current spread also remains much below the average 3 yrs spread and on the same average basis, the spread depicts a continuous decline from April Onwards until oil year end, which remains the likely scenario for the CPO Parity ahead (April 2011 onwards), which will bring in improvement in Palm Imports in the same period.
- Malaysian palm oil price inhibit weakness once again, as concerns about a higher production cycle along with sluggish exports in the current month until date weigh on the price. Pick up in Palm shipments to India and China remains a case as projected earlier, furtherance in the same may cap the downside for Malaysian Palm.



Soy oil price remain steady to higher in the spot market. Weakness in CBOT Soy remain a case, which further takes impact from little ease of seen in crude oil in the past two days, however the same hardly affected the day's price walk. Reduction in oil availability, due to reduction in crushing activity on fewer beans available for the same that too coming from the stockists, while most of is being kept for sowing for the upcoming season, remain a supportive domestic factor. Going forward likely persistent weakness in soy oil demand and Improvement in Imports is likely to keep the price under pressure.

- **Based on Vessel data, edible oil Imports depict an Improvement in April 2011 (until 26th) vis a vis previous month March 2011** and with four more days remaining in the month the shipments might enhance further. The projection of likely improvement in Month on Month Imports of Soy oil and Palm oil is indeed getting depicted, quantity wise.
- **Soy oil Import Parity, likely ahead**: Soy oil Import spread(Landed cost vs. domestic cost) reach at $ 9.55 per MT in April 2011 (Average 1-26) which still remains higher than the last years negative spread of $(5.77) per MT until same time last year but it is noticeably lower from the average spread of $ 31.82 in March 2011. Going forward the spread may further ease and incline towards 3 yrs average spread of $(3.1) per MT, which is going to be favorable for Soy oil Imports in April and further months.

Edible Oil Imports in MT.	April(1-26)	March(1-31)	% Change
CDSBO	71250	49750	43.2
Palm Oil	351725	212260	65.7
CSFO	65480	29700	120.5
Other Edible Oil	29842	29202	2.2

- **Mustard Oil price depict mixed sentiment in the spot market.** Little ease off was witnessed in few markets after few days of recovery. Market sources suggest the recent recovery in the price is directed by sudden demand generation right from stockists to retailers and consumers. They have started demanding more oil for they have started stocking also, considering the price stability around current levels for quiet a while. Secondly, mustard seed arrivals have started to ease, which also contribute to the recent surge. Going forward, according to market participants price might recoup until first week of May but is likely to again ease off after that.

NCDEX RSBO (Refined Soybean Oil)

Technical Analysis:

- ✓ **Soy oil price trend become range bound with weak bias**
- ✓ Candlestick pattern indicate, weakness may pertain.
- ✓ 615-625 becomes the current trading band for the price. Drift in either direction will take the price further in the respective same.
- ✓ While bears keep an upper hand, lower supports may act.

Trade Recommendation–RSBO NCDEX (May)

Call	Entry	T1	T2	SL
SELL BELOW	620	616	613	624

Support & Resistance

S2	S1	PCP	R1	R2
612	615	617.50	625	628

CPO (Crude Palm Oil)

Technical Analysis:

- ✓ **CPO price remain range bound. Bulls may continue to encounter resistance. Scenario has barely shifted.**
- ✓ Candlestick formation indicates indecision still prevail.
- ✓ 510 remains the nearest reliable support on the lower side.
- ✓ While 525 on the higher side remains an important resistance level.
- ✓ 510-520 becomes the current trading range; drift in either direction will take the price further in the respective same.

Trade Recommendation – CPO MCX (May)

Call	Entry	T1	T2	SL
SELL BELOW	517	514	511	522

Support & Resistance

S2	S1	PCP	R1	R2
507	511	515.20	521	524

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

NCDEX Spread	May	June	July	August
May	-	8.25	14.05	18.15
June	-8.25	-	5.8	9.9
July	-14.05	-5.8	-	4.1

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
World Bridge	Haldia	5,001	CPO	17/4/2011	19/4/2011	21/4/2011	Discharge
Prisco Elizaveta	Haldia	13,250	CDSBO	25/4/2011			Discharge
Nord Strait	Haldia	14,500	CDSBO	26/4/2011			Discharge
Grazia	Haldia	16,000	CDSBO	28/4/2011			Discharge
Lucky Mineral	Haldia	7,299	CPO	30/4/2011			Discharge
Cm Maya	Haldia	9,369	CPO	24/4/2011			Discharge
Sichem Aneline	Haldia	7,500	CPO	20/4/2011	22/4/2011	24/4/2011	Discharge
Therisa Aries	Haldia	5,993	CPO	18/4/2011	18/4/2011	19/4/2011	Discharge
Angel No. 2	Haldia	7,299	CPO	30/4/2011			Discharge
Mt Liquid Silver	Kandla	8,500	Palm Oil	8/4/2011			Discharge
M.T.Olympic	Kandla	15,000	Palm Oil	18/4/2011			Discharge
Mt Basat	Kandla	1,000	CPO	23/4/2011	26/4/2011	27/4/2011	Discharge
M.T.Liquid Success	Kandla	7,500	CPO	16/4/2011			Discharge
Mt Feng Hai 11	Kandla	15,000	CPO	25/4/2011			Discharge
Mt Chemroad Vega	Kandla	20,000	Palm Oil	20/4/2011	23/4/2011	26/4/2011	Discharge
Mt Horizon	Kandla	30,172	CPO	12/4/2011			Discharge
Mt Pvt Sel Lion	Kandla	10,000	CPO	7/4/2011			Discharge
M.T.Prisco Elizaveta	Kandla	12,000	CDSBO	10/4/2011			Discharge
Green Chemi	Kakinada	1,250	Edible Oil	14/4/2011			Discharge
Toreach Pioneer	Kakinada	4,850	Edible Oil	26/4/2011			Discharge
Sp Auckland	Kakinada	4,590	Edible Oil	26/4/2011			Load
Rasim Akar	Kakinada	5,100	Edible Oil	2/4/2011			Discharge
Caribbean Renaissance	Kakinada	3,000	Edible Oil	16/4/2011			Discharge
Au Aries	Kakinada	8,000	Edible Oil	10/4/2011	10/4/2011	12/4/2011	Discharge
Titan Glory	Kakinada	7,902	Edible Oil	30/3/2011	31/3/2011	2/4/2011	Discharge
Star Dream	Ennore	2,600	Palm Oil	24/4/2011	24/4/2011	25/4/2001	Discharge
World Bridge	Chennai	3,000	Palm Oil	13/4/2011	13/4/2011	15/4/2011	Discharge
Titan Glory	Chennai	8,200	Palm Oil	17/4/2011			Discharge
Global Neptune	Chennai	10,000	Palm Oil	9/4/2011	13/4/2011	17/4/2011	Discharge
Sp Auckland	Chennai	3,611	Palm Oil	28/4/2011			Discharge
Samho Emerald	Chennai	5,100	CSFO	29/4/2011			Discharge

Samho Valencia	Chennai	10,000	CSFO	29/4/2011			Discharge
Borchali	Chennai	13,500	CSFO	22/4/2011	22/4/2011	26/4/2011	Discharge
Golden Brilliance	Chennai	2,650	Palm Oil	26/4/2011			Discharge
Titan Vision	Chennai	3,500	Palm Oil	14/4/2011	14/4/2011	16/4/2011	Discharge
Nilufer Sultan	Chennai	17,780	CSFO	30/3/2011	31/3/2011	5/4/2011	Discharge
Caribbean Renaissance	Chennai	8,000	CSFO	1/4/2011	4/4/2011	6/4/2011	Discharge
Pratibha Neera	Cochin	55,000	Palm Oil	26/4/2011			Load
Bharati Dasan	Cochin	21,000	Palm Oil	27/4/2011			Discharge
Caribbean Renaissance	Krishnapatnam	6,000	CSFO	9/4/2011			Discharge
Titan Peace	Krishnapatnam	8,200	CPO	28/4/2011			Discharge
Fair Artemis	Krishnapatnam	7,000	CPO	27/4/2011			Discharge
Fair Faethon	Krishnapatnam	5,000	CPO	8/4/2011	8/4/2011	9/4/2011	Discharge
Rasim Akar	Krishnapatnam	5,100	CSFO	31/3/2011	1/4/2011	2/4/2011	Discharge
Feng Hai-15	Kolkata	6,501	CPO	11/4/2011			Discharge
Fari Pigasos	Kolkata	4,500	CPO	20/4/2011	22/4/2011	5/4/2011	Discharge
Sichem Padua	Kolkata	3,249	CPO	23/4/2011			Discharge
Sunrise Hamanasu	Kolkata	5,001	CPO	21/4/2011			Discharge
Eastern Glory	Kolkata	6,250	CPO	16/4/2011			Discharge
Green Chemi	Kolkata	5,000	CPO	18/4/2011	21/4/2011	23/4/2011	Discharge
Titan Vision	Kolkata	4,500	CPO	18/4/2011	21/4/2011	22/4/2011	Discharge
Royal Crystal	Mangalore	6,000	CPO	28/4/2011			Discharge
Sunrice Westeria	Mangalore	11,000	CPO	27/4/2011			Discharge
Liquid Success	Mangalore	5,000	CPO	15/4/2011			Discharge
Mt Fair Pig Asos	Paradip	5,000	Palm Oil	18/4/2011			Discharge
Horizon	Mangalore	6,830	CPO	9/4/2011			Discharge
Edible Oil Shipments for April 2011		**519,647**					
Edible Oil Imports (Oil year 2010-11 till date)		**3,371,967**					

Edible Oil Prices at Key Markets

Commodity	Centre	Prices(Per 10 Kg)		Change
		27-04-11	**26-04-11**	
Refined Soybean Oil	**Mumbai +VAT**	605	605	-
	Delhi (Loose)	630	630	-
	Indore (Loose)	684	684	-

	Kota(Loose)	578	575	+3
	Hyderabad+VAT	650	645	+5
	Jaipur(Loose)	581	578	+3
	Rajkot(Loose)	590	590	-
	Akola(Loose)	639	639	-
	Amrawati(Loose)	639	639	-
	Haldiya Port(Loose)	-	601	-
	Jalna	636	636	-
	Kakinada	616	616	-
	Nagpur	646	646	-
	SoyDegumKandla/Mundra+VAT	582	582	-
	Soy Degum Mumbai+VAT	582	583	-1
Palm Oil				
	Kandla CPO (5%FFA)	520	521	-1
	Kandla RBD Palmolein +VAT	550	550	-
	Chennai RBD Palmolein (Loose)	560	560	-
	Kakinada RBD Palmolein (Loose)	545	548	-3
	Mumbai RBD Pamolein+ VAT	565	564	+1
	Hyd. RBD Palmolein VAT	590	585	+5
	Delhi RBD Palmolein (Loose)	605	605	-
Refined Sunflower Oil				
	Hyderabad Exp +VAT	710	705	+5
	Bellary (Exp. Oil)+VAT	-	623	-
	Chellakere (Exp. Oil)+VAT	-	626	-
	Erode (Exp. Oil)+VAT	685	682	+3
	Latur (Exp. Oil)+VAT	626	641	-15
	Kandla/Mundra	625	625	-
	Mumbai + VAT	667	667	-
	Chennai (Loose)	660	665	-5
Groundnut Oil				
	Hyderabad +VAT	850	850	-
	Chennai (Loose)	820	820	-

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	Delhi (Loose)	885	885	-
	Gondal+VAT	840	840	-
	Jamnagar +VAT	840	840	-
	Narsarropeth+VAT	791	791	-
	Prodattour+VAT	831	821	+10
	Mumbai + VAT	840	840	-
	Rajkot (Loose)	850	850	-
Rapeseed Oil				
	Alwar (Expeller Oil)(Loose)	551	551	-
	Sri Ganga Nagar(Exp Oil-Loose)	543	543	-
	Delhi (Exp. Oil) (Loose)	575	575	-
	Jaipur (Expeller Oil) (Loose)	552	553	-1
	Kota (Expeller Oil) (Loose)	547	545	+2
	Mumbai (Exp. Oil) +VAT	578	585	-7
	Kolkata	-	629	-
	Hapur	580	580	-
	Kacchi Ghani Oil	580	580	-
Refined Cottonseed Oil				
	Mumbai +VAT	594	598	-4
	Hyderabad (Loose)	595	590	+5
	Rajkot (Loose)	595	600	-5
	Delhi (Loose)	600	595	+5
Malaysia Palmolein USD/MT				
	FOB (Oct)	1190	1190	-
	CNF (Oct) - India	1217	1217	-
Indonesia/Malaysia CPO USD/MT	FOB (Oct)	1122	1127	-5
	CNF (Oct) - India	1150	1155	-5
Argentina FOB ($/MT)		26-04-2011	25-04-2011	Change
Soybean Oil Ship(Sep)	Feb/Mar	1218	-	-
Refined Soy Oil (Bulk)	Feb/Mar	1260	-	-

Ship(Sep)				
Sunflower Oil Ship(Sep)	**Feb/Mar**	-	-	-
Cottonseed Oil Ship(Sep)	**Feb/Mar**	1198	-	-
Refine Linseed Oil(Bulk) Ship(Sep)	**Feb/Mar**	1238	-	-

***Indicates all paid price**