



Veg Oil Summary

- ❖ Vegetable oil price may continue to 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. Cancellation of soy oil cargoes by China and lower soy import revisions by it remain pessimistic global cues. Range bound trend of crude oil continue to create skepticism.
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- Palm oil price remain steady to lower in the spot market. Ranged move by Malaysian Palm led to the same sentiment, on another day. While negative bias until now is derived from rise in production that is likely to thicken the stocks.
 - Malaysian Palm oil prices may rebound in the last two quarters of 2011 on the back of demand revival in top consumers India and China. Chinese demand has waned in recent months following regular government auctions of soybean and rapeseed reserves to rein in edible oil prices. But China may soon need to replenish stocks, and its crude palm oil demand will be boosted by the onset of warmer weather.
 - CPO Average Spread (Landed cost vs. domestic cost) has reduced to negative \$(0.2) per MT in April 2011, which is lower than the last year's level of \$16 per MT. Going forward in May (until date), this spread has further reduced to negative \$(11.9) per MT. The same remains favorable for CPO Imports.
 - CPO, FOB rates (Malaysia), which witnessed a rise in after 20th April 2011 have again started easing, which lead to the improvement in import parity.
 - Soy oil price traded weak in the spot market. Weakness in CBOT Soy oil which remain further directed by decline in crude oil price added to the pessimism.
 - India is not planning to reduce orders despite warnings Argentine import curbs on Indian goods could hit trade in the edible oil. India's ambassador to Buenos Aires warned earlier this year that the purchase of Argentine soy oil could be affected by Buenos Aires' decision to increase curbs on the import of manufactured goods from countries including India.
 - India, CSO Import spread (landed cost vs. domestic cost) has declined in the recent weak due to decline seen in FOB rates: As a result of the same average spread has narrowed to \$5.51 per MT in April 2011, which although remains higher than the negative spread of \$ 5.5 per MT in the same duration last year but has declined from as high as \$ 31.81 per MT in March 2011.
 - Average price spread between CSO Argentina and CPO Malaysia reach at \$ 87.61 per MT in April 2011 which remains higher than the last year's level of \$ 18.57 per MT until same time previous year. The spread hovered at \$72 per MT in March 2011. The same implicate that CPO Imports may improve both vis a vis last year April and previous month March 2011.
 - Domestic sentiment: Sluggish demand and higher availability continue to be the draggers on the domestic front. Going forward Soy oil Imports may find a boost in the upcoming month on improvement in Import parity which may add to the pessimism.

Landed cost calculation as on (03/05/2011)	Argentina	Brazil	US
FOB USD per ton (May Contract)	1208	1210.8	1250.23
CIF USD per ton	1273	1272.1	1312.73
Total landed cost INR per ton	57511.71	57471.71	59291.86
Total landed cost USD per ton	1292.11	1291.21	1332.1
Domestic Market price INR per ton in Kandla (Soy degum)	58200	58200	58200
USD per ton	1307.57	1307.57	1307.57
Spread(Landed cost vs. domestic cost)	-15.46	-16.36	24.53

NCDEX RSBO (Refined Soybean Oil)

Technical Analysis:

- ✓ Soy oil price continue to remain range bound. Lower Trend line support prevail, break below the same will indicate weakness.
- ✓ Candlestick formation indicate indecision prevail
- ✓ 620-635 remains the trading band for the price. Drift in either direction will take the price further in the respective same.
- ✓ While more of short covering may take place, strong resistances stay ahead, stay cautious.

Trade Recommendation–RSBO NCDEX (May)

Call	Entry	T1	T2	SL
SELL BELOW	617	615	612	621
Support & Resistance				
S2	S1	PCP	R1	R2
614	617	620.15	624	628



CPO (Crude Palm Oil)

Technical Analysis:

- ✓ CPO price remain range bound. Scenario has barely shifted.
- ✓ 510 remains the nearest reliable support on the lower side.
- ✓ While 525 on the higher side remains an important resistance level.
- ✓ 510-525 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
WAIT	-	-	-	-
Support & Resistance				
S2	S1	PCP	R1	R2
508	512	516	524	528



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

NCDEX Spread	May	June	July	August
May	-	8.45	13.85	17.2
June	-8.45	-	5.4	8.75
July	-13.85	-5.4	-	3.35

VESSEL	PORT	QUANTITY (MT.)	EDIBLE OIL	ETA	ACTIVITY
May Edible Oil Shipment					
Samho Valencia	Chennai	10,000	CSFO	4/5/2011	Discharge
Sun Bridge	Chennai	2,000	CPO	9/5/2011	Discharge
Samho Emerald	Chennai	5,100	CSFO	3/5/2011	Discharge
Mt. Prosperity	Kandla	8,531	CPO	1/5/2011	Discharge
Mt. Constance	Kandla	10540	CPO	3/5/2011	Discharge
Prisco Elizaveta	Haldia	13250	CDSBO	5/5/2011	Discharge
Wappen Von Stuttgart	Haldia	5,999	CPO	3/5/2011	Discharge
Fadl-E-Rabbi	Haldia	3,998	CPO	3/5/2011	Discharge
Lucky Mineral	Haldia	7,299	CPO	5/5/2011	Load
Sun Bridge	Haldia	6,500	CPO	9/5/2011	Discharge
Angel No. 2	Haldia	7,299	CPO	5/5/2011	Discharge
Mt. Prosperity	Kanda	8,531	CPO	2/5/2011	Discharge
Mt. Constancy	Kandla	10,540	CPO	3/5/2011	Discharge
Au Aries	Kandla	4,000	Edible Oil	2/5/2011	Discharge
Samho Emerald	Kandla	4,950	Edible Oil	3/5/2011	Discharge
Samho Emerald	Chennai	5,100	CSFO	3/5/2011	Discharge
Samho Valencia	Chennai	10,000	CSFO	4/5/2011	Discharge
Au Aries	Kakinada	4,000	Edible Oil	2/5/2011	Discharge
Liquid Plaiza	Mangalore	7,500	Sunflower Oil	3/5/2011	Discharge
Edible Oil Shipments for May 2011		135,137			
Edible Oil Imports (Oil year 2010-11 till date)		3,534,705			

Commodity	Centre	Prices(Per 10 Kg)		Change
		04-05-11	03-05-11	
Refined Soybean Oil	Mumbai +VAT	600	605	-
	Delhi (Loose)	615	620	-5
	Indore (Loose)	582	584	-2
	Kota(Loose)	600	605	-5
	Hyderabad+VAT	640	640	-
	Jaipur(Loose)	-	-	-
	Rajkot(Loose)	590	590	-

OIL COMPLEX-VEGETABLE OIL

May 05 2011

	Akola(Loose)	636	638	-2
	Amrawati(Loose)	636	638	-2
	Haldiya Port(Loose)	601	601	-
	Jalna	634	636	-2
	Kakinada	616	616	-
	Nagpur	641	644	-3
	SoyDegumKandla/Mundra+VAT	582	582	-
	Soy Degum Mumbai+VAT	580	582	-2
Palm Oil				
	Kandla CPO (5%FFA)	520	523	-3
	Kandla RBD Palmolein +VAT	540	540	-
	Chennai RBD Palmolein (Loose)	560	560	-
	Kakinada RBD Palmolein (Loose)	550	550	-
	Mumbai RBD Pamolein+ VAT	578	578	-
	Hyd. RBD Palmolein VAT	585	590	-5
	Delhi RBD Palmolein (Loose)	595	600	-5
Refined Sunflower Oil				
	Hyderabad Exp +VAT	705	705	-
	Bellary (Exp. Oil)+VAT	624	624	-
	Chellakere (Exp. Oil)+VAT	626	626	-
	Erode (Exp. Oil)+VAT	680	680	-
	Latur (Exp. Oil)+VAT	626	626	-
	Kandla/Mundra	625	625	-
	Mumbai + VAT	675	675	-
	Chennai (Loose)	670	670	-
Groundnut Oil				
	Hyderabad +VAT	850	865	-15
	Chennai (Loose)	840	830	+10
	Delhi (Loose)	855	860	-5
	Gondal+VAT	830	835	-5
	Jamnagar +VAT	835	835	-
	Narsarropeth+VAT	811	811	-

OIL COMPLEX-VEGETABLE OIL

May 05 2011

	Prodattour+VAT	851	851	-
	Mumbai + VAT	840	840	-
	Rajkot (Loose)	835	835	-
Rapeseed Oil				
	Alwar (Expeller Oil)(Loose)	566	561	+5
	Sri Ganga Nagar(Exp Oil-Loose)	547	551	-4
	Delhi (Exp. Oil) (Loose)	570	570	-
	Jaipur (Expeller Oil) (Loose)	560	554	+6
	Kota (Expeller Oil) (Loose)	550	552	-2
	Mumbai (Exp. Oil) +VAT	590	589	+3
	Kolkata	-	-	-
	Hapur	580	580	-
	Kacchi Ghani Oil	578	585	-7
Refined Cottonseed Oil				
	Mumbai +VAT	595	596	-1
	Hyderabad (Loose)	590	595	-5
	Rajkot (Loose)	600	600	-
	Delhi (Loose)	580	585	-5
Malaysia Palmolein USD/MT				
	FOB (Oct)	1190	1205	-15
	CNF (Oct) - India	1218	1223	-5
Indonesia/Malaysia CPO USD/MT	FOB (Oct)	1120	1125	-5
	CNF (Oct) - India	1148	1153	-5
Argentina FOB (\$/MT)		03-05-2011	02-05-2011	Change
Soybean Oil Ship(Sep)	Feb/Mar	1207	1220	-13
Refined Soy Oil (Bulk) Ship(Sep)	Feb/Mar	1249	1262	-13
Sunflower Oil Ship(Sep)	Feb/Mar	-	1290	-
Cottonseed Oil Ship(Sep)	Feb/Mar	1187	1200	-13
Refine Linseed Oil(Bulk) Ship(Sep)	Feb/Mar	1227	1240	-13

***Indicates all paid price**

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