



Veg Oil Summary

- ❖ **Vegetable oil price may continue to remain range bound with weak bias. 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. Weakness in crude oil price adds to the weakness.**

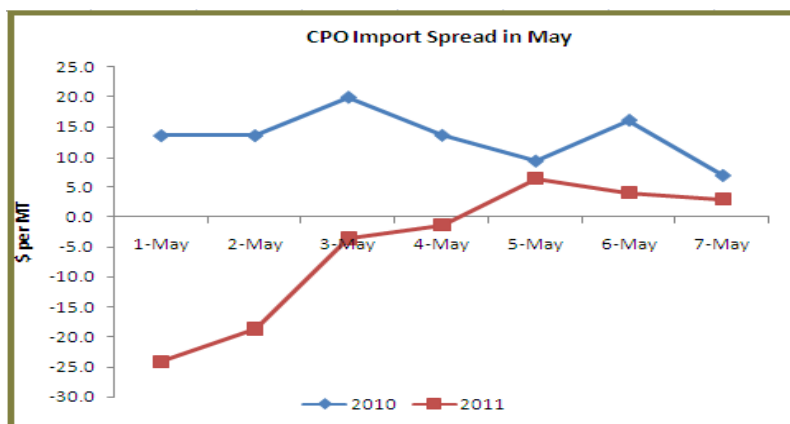
Palm oil remain steady to lower in the spot market. On the last trading day, Malaysian Palm ended lower on the day and continues to derive negative impact from likely improvement in MOM Production and stocks despite, alongside improvement in exports.

- **CPO Import spread remains volatile in May 2011 until 07 as FOB rates recover and then ease again.**

Despite the same move, the negative average spread of \$(4.91) per MT in May 2011 till date, indicate CPO import parity, while the average spread hovered at \$13.2 per MT in 2010.

- **India, purchase more palm oil to cover demand as port stocks run low**, although a decline in competing soy oil prices may prompt a shift in orders.

- Imported vegetable oil stocks at various ports stand at 415,000 tonnes at end-April, lower than the usual 650,000 tonnes, and this has spurred more imports even though the rapeseed crushing season is underway as put by Southeast Asian and Indian traders.



Soy oil price depicted mixed sentiment in the spot market. Weakness in CBOT Soy oil and crude oil continue affect the 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 further, add to the pessimism.

- **Average price spread between CSO Argentina and CPO Malaysia in May 2011 has narrow down further to \$62.25 per MT Average (1-7 May 2011) as compared to \$ 87.61 per MT in April.** The same indicate, attractiveness of soy oil continue to improve. While the spread was much lower at \$7.5 per MT same time last year (1-7 May 2010), indicating that palm oil remain a more attractive bet this year.
- **Total Edible oil Imports may witness a jump of 32.80% in April 2011 as compared to March.** Palm oil imports are likely higher by 43.08% in April at 363026 MT whereas soy oil imports may face a drop of about 26.97% in April 2010 as depicted by the comparison.
- **FOB Rates In Argentina, Brazil and US ease off in the recent days** which lead to improvement in import parity from all the destinations as depicted by the import spread, which is calculated as 05 May 2011 on at negative \$(38.88) per MT, \$ (43.27) Per MT and \$ (8.13) per MT respectively.
- **Mustard Oil price trade lower in the spot market.** While market sources attribute the recent recovery in the price to sudden demand generation, right from stockists to retailers and consumers, higher availability continues to suppress the upside. Mustard oil production is likely to depict a surge of 15.52% to 25.5 Lakh Tonnes in 2010-11 vis-à-vis previous year as mustard seed crush is anticipated higher in 2010-11 by 15.51% at 67 lakh tonnes as compared to 58 lakh tonnes in 2009-10.
- **Sunflower oil price remain steady in the spot market.** Demand from niche market remains of routine nature, sunflower Imports remain viable in April 2011 as the average import spread(Landed cost vs. domestic cost) hovered at negative \$(6.62) per MT. Going forward in May the spread widens to \$ 4.44 per MT. The same signifies that while the Imports may still be higher in April, little ease may be seen in the further months; however the same remain subject to further shaping up of the parity.



NCDEX RSBO (Refined Soybean Oil)

Technical Analysis:

- ✓ Soy oil price trend remain weak. Bears keep the charge, price also hover near significant support juncture.
- ✓ Candlestick formation indicates mild indecision near support.
- ✓ 600-615 persist to be the current trading band for the price. Drift in either direction will take the price further in the respective same.
- ✓ Positioning of RSI in the daily chart indicate weakness.

Trade Recommendation-RSBO NCDEX (May)

Call	Entry	T1	T2	SL
SELL BELOW	613	609	606	617
Support & Resistance				
S2	S1	PCP	R1	R2
598	604	609.70	612	615



CPO (Crude Palm Oil)

Technical Analysis:

- ✓ CPO price remain range bound. 508 remains the nearest reliable support on the lower side. Rest of the scenario
- ✓ While 516 on the higher side becomes an important resistance level.
- ✓ 508-516 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	516	513	510	520
Support & Resistance				
S2	S1	PCP	R1	R2
505	508	512.20	515	518



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

NCDEX Spread	May	June	July	August
May	-	6	10.4	13.9
June	-6	-	4.4	7.9
July	-10.4	-4.4	-	3.5

OIL COMPLEX-VEGETABLE OIL

May 09 2011

VESSEL	PORT	QUANTITY (MT.)	EDIBLE OIL	ETA	BERTH DATE	ETC	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	2/5/2011	2/5/2001	4/5/2011	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
Grazia	Haldia	16,000	CDSBO	29/4/2011	2/5/2011	5/5/2011	Discharge
Nord Strait	Haldia	14,500	CDSBO	26/4/2011	27/4/2011	2/5/2011	Discharge
Sun Bridge	Haldia	6,500	CPO	9/5/2011			Discharge
Angel No. 2	Haldia	7,299	CPO	7/5/2011			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
Sun Bridge	Chennai	2,000	CPO	9/5/2011			Discharge
Samho Valencia	Chennai	10,000	CSFO	8/5/2011			Discharge
Asia Adventurer	Kolkata	5,200	CPO	4/5/2011	5/5/2011	6/5/2011	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		172,837					
Edible Oil Imports (Oil year 2010-11 till date)		3,572,405					

Edible Oil Prices at Key Markets

Commodity	Centre	Prices(Per 10 Kg)		Change
		07-05-11	06-05-11	
Refined Soybean Oil	Mumbai +VAT	590	595	-5
	Delhi (Loose)	-	610	-

OIL COMPLEX-VEGETABLE OIL

May 09 2011

	Indore (Loose)	579	577	+2
	Kota(Loose)	600	600	-
	Hyderabad+VAT	655	650	+5
	Jaipur(Loose)	610	610	-
	Rajkot(Loose)	590	585	+5
	Akola(Loose)	636	633	+3
	Amrawati(Loose)	636	633	+3
	Haldiya Port(Loose)	602	602	-
	Jalna	634	631	+3
	Kakinada	611	616	-5
	Nagpur	636	636	-
	SoyDegumKandla/Mundra+VAT	565	570	-5
	Soy Degum Mumbai+VAT	565	570	-5
Palm Oil				
	Kandla CPO (5%FFA)	516	516	-
	Kandla RBD Palmolein +VAT	542	542	-
	Chennai RBD Palmolein (Loose)	560	560	-
	Kakinada RBD Palmolein (Loose)	550	555	-5
	Mumbai RBD Pamolein+ VAT	568	570	-2
	Hyd. RBD Palmolein VAT	590	590	-
	Delhi RBD Palmolein (Loose)	-	590	-
Refined Sunflower Oil				
	Hyderabad Exp +VAT	705	705	-
	Bellary (Exp. Oil)+VAT	621	621	-
	Chellakere (Exp. Oil)+VAT	623	624	-1
	Erode (Exp. Oil)+VAT	680	680	-
	Latur (Exp. Oil)+VAT	636	-	-
	Kandla/Mundra	620	620	-
	Mumbai + VAT	665	665	-
	Chennai (Loose)	670	670	-
Groundnut Oil				
	Hyderabad +VAT	870	870	-

OIL COMPLEX-VEGETABLE OIL

May 09 2011

	Chennai (Loose)	840	840	-
	Delhi (Loose)	-	850	-
	Gondal+VAT	820	820	-
	Jamnagar +VAT	820	820	-
	Narsarropeth+VAT	816	801	+15
	Prodattour+VAT	846	845	+1
	Mumbai + VAT	830	835	-5
	Rajkot (Loose)	820	815	+5
Rapeseed Oil				
	Alwar (Expeller Oil)(Loose)	564	569	-5
	Sri Ganga Nagar(Exp Oil-Loose)	546	546	-
	Delhi (Exp. Oil) (Loose)	-	570	-
	Jaipur (Expeller Oil) (Loose)	557	557	-
	Kota (Expeller Oil) (Loose)	547	547	-
	Mumbai (Exp. Oil) +VAT	582	585	-3
	Kolkata	-	634	-
	Hapur	-	-	-
	Kacchi Ghani Oil	590	590	-
Refined Cottonseed Oil				
	Mumbai +VAT	588	593	-5
	Hyderabad (Loose)	600	600	-
	Rajkot (Loose)	595	593	+2
	Delhi (Loose)	-	580	-
Malaysia Palmolein USD/MT				
	FOB (Oct)	1182	1185	-3
	CNF (Oct) - India	1210	1212	-2
Indonesia/Malaysia CPO USD/MT	FOB (Oct)	1110	1110	-
	CNF (Oct) - India	1137	1137	-
Argentina FOB (\$/MT)		06-05-2011	05-05-2011	Change
Soybean Oil Ship(Sep)	Feb/Mar	1158	1160	-2

OIL COMPLEX-VEGETABLE OIL

May 09 2011

Refined Soy Oil (Bulk) Ship(Sep)	Feb/Mar	1198	1200	-2
Sunflower Oil Ship(Sep)	Feb/Mar	1275	1280	-5
Cottonseed Oil Ship(Sep)	Feb/Mar	1138	1140	-
Refine Linseed Oil(Bulk) Ship(Sep)	Feb/Mar	1178	1180	-2

*Indicates all paid price

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