



Veg Oil Summary

- ❖ **Vegetable oil price may remain range bound. Normal demand, likely pick up in imports in the upcoming months, may act as pessimistic driver. Internationally, ongoing harvest pace in Brazil and Argentina which is nearing completion weigh on the sentiment. Weakness in crude oil price trend remains a pessimistic cue, barring few days' recovery.**

Soy oil price traded higher in the spot market. Price remains upright despite weakness in CBOT Soy oil on domestic factors. Lesser availability, as depicted by low stock at ports until first week of May also remains supportive along with catching up demand.

- **USDA Demand and Supply Report Analysis:** US Soybean ending stock witnessed a surge of 12.65% in 2010-11 to 4.63 million tonnes. Higher beginning stocks and lower domestic crush remain contributory to the same. Going forward in 2011-12, ending stock are projected to ease by 5.83% to 4.36 million metric tonnes on projected decline in production and exports in 2010-11.
- **US Soy oil ending stocks witness a decline of 26.32% in 2010-11** to 1.12 million tonnes, as caused by lower production and higher domestic use.
- **Going forward in 2011-12 ending stocks are projected to decline by 18.75% to 0.91 million tonnes on projected decline in production and less carry over stocks in 2011-2012.** Soy oil exports are projected to decline by 51.33% to 0.73 million tonnes in 2011-12 as compared to 2010-11.
- China soy oil imports are projected to grow by 5.71% in 2011-12 to 1.85 million tonnes as compared to 1.75 million tonnes in 2010-11. Projected growth of 8.92% in domestic use in 2011-12 is likely to cause the same.
- **Supply and demand Impact:** Higher soybean ending stocks estimates for US in 2010-11 provide pessimism in the immediate term but going forward lower stock projections in US, both for soybean and Soy oil along with higher Imports projections for China's soybean and soy oil imports, will remain optimistic factors, that will remain supportive of the price.
- **India, Soy oil domestic market sentiment:** According to market source, recent stability, seen in soy oil price has activated demand. Sources in Indore convey that refined soy is being transported to Maharashtra (Akola, Dhulia) apart from local demand. Recovery in mustard oil price as arrivals squeeze and demand improve; along with lesser palm availability at ports also remain indicative of improvement in demand for soy oil. RBD Palmolen stocks were at 34881.66 MT as on 02 May 2011 as compared to 42752.49 MT as on 25 the April.
- **In India, Total Edible oil Imports which may witness a surge of about 32.80% in April 2011 on MOM basis may still drift lower by 5.18% in Oil Year (Nov 2010-April 2011) as compared to same period last year.** Total Palm oil imports may face a decline of 2.05%, while CDSBO may plunge by 22.02% in same period, while on MOM basis palm oil imports may surge higher by 47.81% in April

US Soy Oil(Million Tons)	2009-10	2010-11	2011-12 Projected (May)	Projected % Change (2011-12)	Estimated % Change(2010-11)
Beginning Stocks	1.3	1.52	1.12	-26.32	16.92
Production	8.9	8.64	8.57	-0.81	-2.92
Imports	0.05	0.08	0.08	0.00	60.00
Domestic Use	7.2	7.62	8.14	6.82	5.83
Exports	1.52	1.5	0.73	-51.33	-1.32
Ending Stocks	1.52	1.12	0.91	-18.75	-26.32

Palm oil traded broadly higher in the spot market. Weakness intensified in Malaysian palm towards the later part of the session. Improved export demand gets discounted as a factor while higher stocks led by jump in production continue to weigh on the market.

- **India, CPO Malaysia FOB Rates have improved in May 2011, until 12 to \$1130 as compared to the rates witnessed in the start of the month, the same lead to widening of import spread:** The average spread (landed cost vs. domestic cost) reach at \$ 1.4 per MT (Average 1-12) leading to disparity, however the spread hovered at \$ 11.26 per MT same time year. Going forward the spread might widen a bit more towards the average spread (3 yrs) of \$ 20 per MT. The same indicate palm imports may bear a lowering impact in May but the same remains subject to further shaping of parity.
- **Groundnut oil price remain steady to higher in the spot market.** According to market sources arrivals are reducing which is leading to lesser supply being available for crushing and also contributing to disparity (currently at

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breakeven). Ground nut oil demand remain normal and going forward price is again likely to catch by from the current levels (Rs. 825) per 10 Kg.

NCDEX RSBO (Refined Soybean Oil)

Technical Analysis:

- ✓ Soy oil price remain range bound. Supports maintain, resistances do act.
- ✓ Candlestick formation indicates, selling pressure at higher levels.
- ✓ 615-625 becomes 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 favor bears.

Trade Recommendation-RSBO NCDEX (June)

Call	Entry	T1	T2	SL
SELL BELOW	625	621	617	629
Support & Resistance				
S2	S1	PCP	R1	R2
614	618	621.65	624	629



CPO (Crude Palm Oil)

Technical Analysis:

- ✓ CPO price remain range bound.
- ✓ 509 remains the nearest reliable support on the lower side.
- ✓ While 520 on the higher side becomes an important resistance level.
- ✓ 509-520 becomes the current trading range; drift in either direction will take the price further in the respective same.

Trade Recommendation – CPO MCX (June)

Call	Entry	T1	T2	SL
SELL BELOW	519	516	514	523
Support & Resistance				
S2	S1	PCP	R1	R2
509	512	515.30	521	524



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

NCDEX Spread	May	June	July	August
May	-	4.45	8.3	10.5
June	-4.45	-	3.85	6.05
July	-8.3	-3.85	-	2.2



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VESSEL	PORT	QUANTITY (MT.)	EDIBLE OIL	ETA	BERTH DATE	ETC	ACTIVITY
May Edible Oil Shipment							
Mt. Prosperity	Kandla	8,531	CPO	2/5/2011	2/5/2001	4/5/2011	Discharge
Mt.Anggarini	Kandla	13,995	CPO	13/5/2011			Discharge
Mt.Constance	Kandla	10540	CPO	3/5/2011			Discharge
Prisco Elizaveta	Haldia	13250	CDSBO	12/5/2011			Discharge
Wappen Von Stuttgart	Haldia	5,999	CPO	3/5/2011			Discharge
Fadl-E-Rabbi	Haldia	3,998	CPO	3/5/2011	6/5/2011	9/5/2011	Discharge
Titan Vision	Haldia	7,500	CPO	9/5/2011			Discharge
Lucky Mineral	Haldia	7,299	CPO	10/5/2011			Load
Grazia	Haldia	16,000	CDSBO	-	2/5/2011	6/5/2011	Discharge
Nord Strait	Haldia	14,500	CDSBO	-	-	2/5/2011	Discharge
Sun Bridge	Haldia	6,500	CPO	14/5/2011			Discharge
Angel No. 2	Haldia	7,299	CPO	13/5/2011			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 Valencia	Chennai	10,000	CSFO	15/5/2011			Discharge
Sun Bridge	Chennai	2,000	CPO	18/5/2011			Discharge
Golden Brilliance	Chennai	9,300	CPO	15/5/2011			Discharge
Wisdom	Chennai	7,840	CSFO	15/5/2011			Discharge
Samho Emerald	Chennai	5,100	CSFO	14/5/2011			Discharge
Samho Emerald	Chennai	5,100	CSFO	14/5/2011			Discharge
Sky Dream	Chennai	3,000	CPO	11/5/2011			Discharge
Sun Bridge	Chennai	2,000	CPO	12/5/2011			Discharge
Samho Valencia	Chennai	10,000	CSFO	15/5/2011			Discharge
Au Aries	Kolkata	4,000	CPO	6/5/2011	6/5/2011	8/5/2011	Discharge
Asia Adventurer	Kolkata	5,200	CPO	4/5/2011	5/5/2011	6/5/2011	Discharge
Titan Glory	Kakinada	3,200	Edible Oil	11/5/2011			Discharge
jin Hai Wan	Kakinada	8,000	Edible Oil	15/5/2011			Discharge
Palma Prima	Kakinada	4,500	Edible Oil	7/5/2011	8/5/2011	9/5/2011	Discharge
Au Aries	Kakinada	4,000	Edible Oil	2/5/2011			Discharge
Fair Faethon	Krishnapatnam	6,000	CPO	12/5/2011			Discharge

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Global Neptune	Mangalore	12,000	CPO	12/5/2011			Load
Liquid Plaiza	Mangalore	7,500	Sunflower Oil	3/5/2011			Discharge
Edible Oil Shipments for May 2011		252,172					
Edible Oil Imports (Oil year 2010-11 till date)		3,651,740					

Edible Oil Prices at Key Markets

Commodity	Centre	Prices(Per 10 Kg)		Change
		12-05-11	11-05-11	
Refined Soybean Oil	Mumbai +VAT	600	598	+2
	Delhi (Loose)	628	622	+6
	Indore (Loose)	593	587	+6
	Kota(Loose)	608	600	+8
	Hyderabad+VAT	650	650	-
	Jaipur(Loose)	618	610	+8
	Rajkot(Loose)	595	595	-
	Akola(Loose)	646	636	+10
	Amrawati(Loose)	646	636	+10
	Haladiya Port(Loose)	606	603	+3
	Jalna	639	636	+3
	Kakinada	613	616	-3
	Nagpur	639	636	+3
	SoyDegumKandla/Mundra+VAT	578	575	+3
	Soy Degum Mumbai+VAT	578	575	+3
Palm Oil	Kandla CPO (5%FFA)	522	522	-
	Kandla RBD Palmolein +VAT	552	548	+4
	Chennai RBD Palmolein (Loose)	570	570	-
	Kakinada RBD Palmolein (Loose)	562	555	+7
	Mumbai RBD Pamolein+ VAT	572	572	-
	Hyd. RBD Palmolein VAT	600	595	+5
	Delhi RBD Palmolein (Loose)	600	605	-5
Refined Sunflower Oil				

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	Hyderabad Exp +VAT	705	700	+5
	Bellary (Exp. Oil)+VAT	624	621	+3
	Chellakere (Exp. Oil)+VAT	626	624	+2
	Erode (Exp. Oil)+VAT	678	680	-2
	Latur (Exp. Oil)+VAT	636	636	-
	Kandla/Mundra	622	620	+2
	Mumbai + VAT	670	667	+3
	Chennai (Loose)	670	670	-
Groundnut Oil				
	Hyderabad +VAT	880	865	+15
	Chennai (Loose)	840	840	-
	Delhi (Loose)	850	860	-10
	Gondal+VAT	825	820	+5
	Jamnagar +VAT	825	820	+5
	Narsarropeth+VAT	-	811	-
	Prodattour+VAT	826	826	-
	Mumbai + VAT	830	830	-
	Rajkot (Loose)	825	825	-
Rapeseed Oil				
	Alwar (Expeller Oil)(Loose)	569	563	+6
	Sri Ganga Nagar(Exp Oil-Loose)	566	556	+10
	Delhi (Exp. Oil) (Loose)	595	590	+5
	Jaipur (Expeller Oil) (Loose)	575	568	+7
	Kota (Expeller Oil) (Loose)	568	560	+8
	Mumbai (Exp. Oil) +VAT	600	590	+10
	Kolkata	-	-	-
	Hapur(Exp.Oil)+VAT	605	-	-
	Agra (Kacchi Ghani Oil) +VAT	610	600	+10
Refined Cottonseed Oil				
	Mumbai +VAT	600	596	+4
	Hyderabad (Loose)	605	600	+5
	Rajkot (Loose)	605	600	+5

	Delhi (Loose)	592	588	+4
Malaysia Palmolein USD/MT				
	FOB (Oct)	1210	1210	-
	CNF (Oct) - India	1237	1237	-
Indonesia/Malaysia CPO USD/MT				
	FOB (Oct)	1130	1140	-10
	CNF (Oct) - India	1157	1167	-10
Argentina FOB (\$/MT)		11-05-2011	10-05-2011	Change
Soybean Oil Ship(Sep)	Feb/Mar	1181	1188	-7
Refined Soy Oil (Bulk) Ship(Sep)	Feb/Mar	1222	1229	-7
Sunflower Oil Ship(Sep)	Feb/Mar	1275	-	-
Cottonseed Oil Ship(Sep)	Feb/Mar	1161	1168	-7
Refine Linseed Oil(Bulk) Ship(Sep)	Feb/Mar	1201	1208	-7

*Indicates all paid price

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