

Domestic Veg. Oil Market Summary:

Edible oil market sentiment remained flat during the week (25th July to 1st Aug) owing to weak tone movement of international edible oils market. Buying activities from retailer's side remained restricted in expectation of fall in domestic edible oil price from its prevailing peak point. Meanwhile, traders also not keen in making any commitment in trading as international edible oil market also remained weak. Soybean crushing plants were incurring higher costs for raw material which forcing them to keep the prices of soy oil and groundnut oils in firm trend.

Moving forward, with the prevailing higher demand for edible oils in nearing festive season will keep the prices in steady to firm trend for coming week.

International Veg. Oil Market Summary:

Malaysian palm oil futures remained range bound with weak bias during the week as a result surging palm oil stocks on higher production. Palm products exports remained bullish factor but is offset by the threatening global debt crisis and improved weather for parched U.S. soy crops prompted investors to cut back positions. For the July month ending, total palm oil products exports from Malaysia stood at 1,633,186 metric tonnes.

Looking ahead, Malaysian palm oil prices likely to get support from the rising edible oil demand in the international market. Market talks that palm oil production during the month of August likely to drop slightly on prevailing hazy weather amid farmers/workers holidays on occasion of Muslim holy festival Ramadan could support the prices for firm trend in short to medium term.

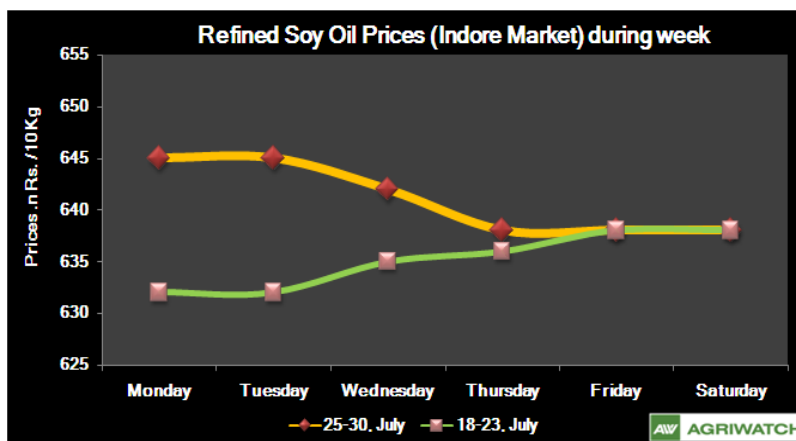
CBOT soy oil futures fall by 0.07 per cent to 56.91 cents per pound (Dec'11 contract) as a result of lower rains are expected to give the boost heading into August which is the most important month for the crop's development. Lower than expected soybean crush and inventory figures from US Census Bureau acted as a bearish factor for the soy oil futures prices during the week.

Moving forward, international edible oil market likely to remain with steady to firm sentiment as a result of existing notable demand in edible oils. Concerns of weather which likely to impact the US soybean crop which is near to its critical growth stage and likely drop in Malaysian palm oil production to support the prices in short to medium term.

Market Recap and Fundamental Analysis

Soy oil:

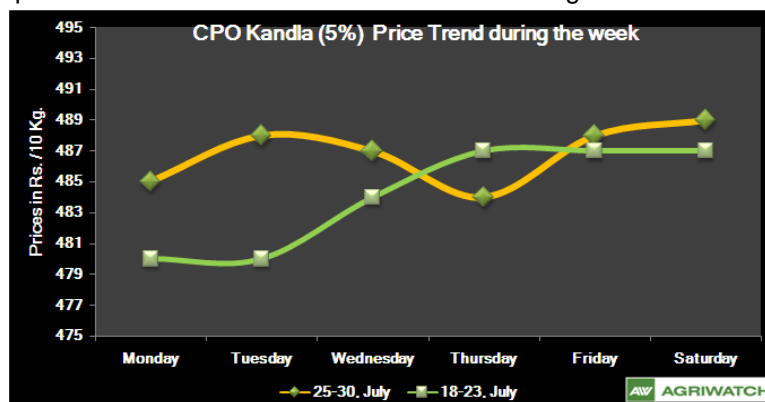
- As shown in graph, domestic market soy oil prices remained steady to weak during the week compared to previous week levels. Sluggish demand from the retailers noticed as they remained slightly inactive in expectation of further fall in domestic oil prices in tandem with falling international edible oil market prices.
- Soy oil prices in indicative market Indore remained to the previous week levels after taking a fall of 1.10 per cent to Rs. 632 per 10 kg compared to week beginning prices of Rs. 645 per 10kg.
- Lack of availability and prevailing higher prices of soybean seeds in the market forced the crushing mills to increase the price of soy oil.
- Retailers were not keen in buying soy oil on higher prices. But the any further pickup in market demand likely keep the price trend firm.



- Internationally, Argentina (world's top supplier of soyoil) soy crushing fell by 10.7 percent to 3.3 million tonnes in June compared to June 2010 crushing's as a record 2009-10 crop and a smaller 2010-11 harvest.
- In June, Argentina produced 617,365 tonnes of soy oil or 10 percent less than in the same month in 2010.
- From export point of view, from April 2010 to May 2011, China virtually suspended Argentine soy oil imports due to a trade spat and complaints about quality. But the Asian country has announced that it will buy 500,000 tonnes of Argentine soy oil.
- Soy oil exports from Brazil for the month of July were down by 12.37 per cent to 162900 tonnes compared to June month exports of 185900 tonnes.
- CBOT soy oil futures remained with weak trend during the week as a result of projections of lower rains to boost soybean crops. However, considering first of week days of August month (1st and 2nd) price movement at CBOT is with firm trend as a result of strength in world vegoil markets amid support by ongoing concerns about soybean crop production. Threat of hot Midwest weather trimming soybean yields as the crop heading into its critical pod fill stage underpinning the prices.
- CBOT Dec soy oil (Dec'11 contract) finished down by 0.07 per cent to US\$ 57.48 per pound during previous week. We expect CBOT soy oil prices likely to be in firm range during the week with the range of 56.80 cents/pound to 58.80 cents/pound during coming week.

Palm Oil:

- Domestic market crude palm oil (CPO) prices at Kandla maintain its firm trend during the week under review as a result of higher demand for the oil which is available at cheaper cost compared to other edible oils. Stockists were active in buying palm oil as prevailing Malaysian palm oil prices are down.
- CPO Kandla (5%) prices were up by 0.41 per cent to Rs. 489 per 10 kg during the week compared to week ending prices.
- Buying support from the retailers especially from southern states likely kept prices in firm trend. However the trends likely to continue in coming days as festivities are in line and demand is expected stay firm.
- Malaysian palm oil futures prices remained range bound during the week period.
- As per SGS data, exports of Malaysian palm oil products for the July month rose by 13.50 per cent to 1.62 MMT from 1.1.43 MMT shipped during June month. Breakdown of SGS palm export figures for July month is shown in the following table (in tonnes):

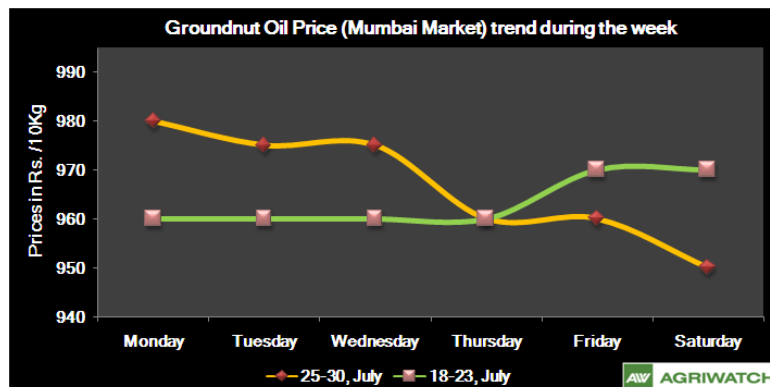


Palm Products	July 2011	June 2011
Crude Palm Oil	310,000	380,835
RBD Palm Oil	153,133	125,970
RBD Palmolein	744,924	591,884
RBD Palm Stearin	159,074	146,037
Total	1,628,688	1,434,464

- However, export figure for Malaysian palm oil and its products for the period of August 1-5 is projected to stay close to 1,843,866 MT as traders are expected to book palm oil in market talk which conveying production likely to slow down in August month. But the existing higher stock levels may hold the prices in range bound levels.

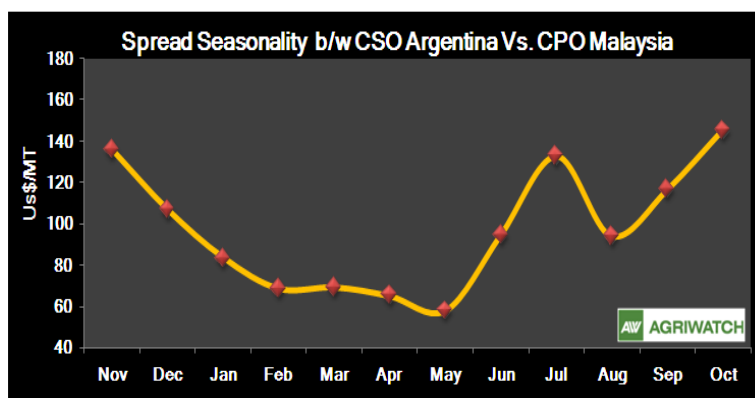
Groundnut Oil:

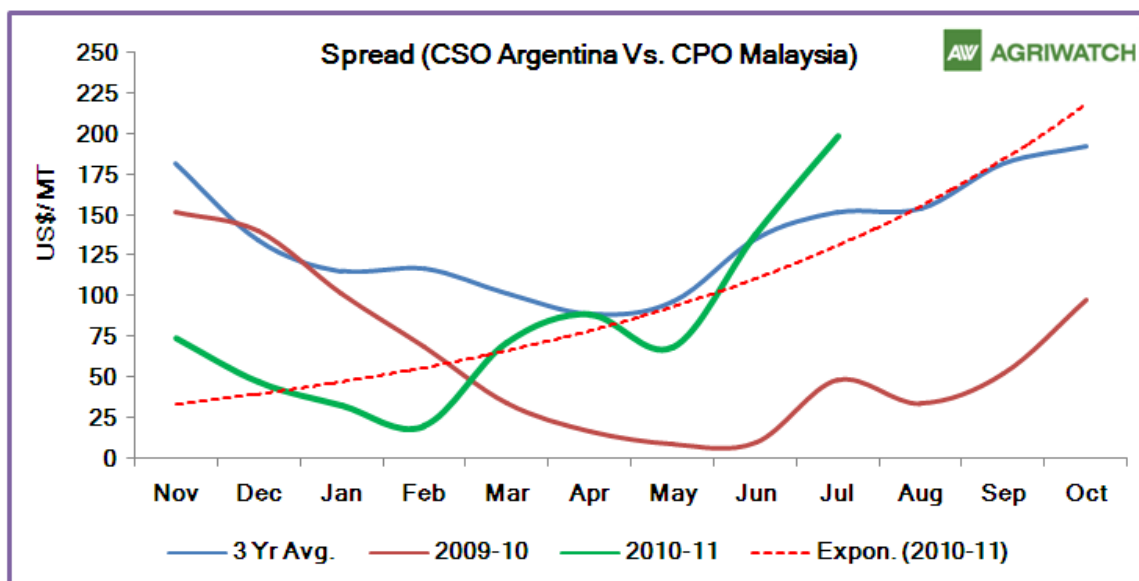
- Groundnut oil prices took correction at Rs. 980 per 10 kg levels and fall by 2.06 per cent to Rs. 950 per 10 kg during the week compared to week ending prices.
- Keeping in point of prevailing higher prices of groundnut seed, groundnut oil prices skyrocketing to the level of Rs. 1000 per 10 kg. Currently groundnut seeds prices hovering at Rs. 800 per quintal. Groundnut oil users were reduced the purchasing at higher costs which forced prices drop the level of Rs. 950 per 10 kg.
- Any considerable rise in demand amid rise in prices of other edible oil likely keep the groundnut oil prices again in firm trend. Lower kharif acreage anticipation and lower seed stocks are the factors seen positive for G/N oil prices for the medium term.



Rapeseed Oil:

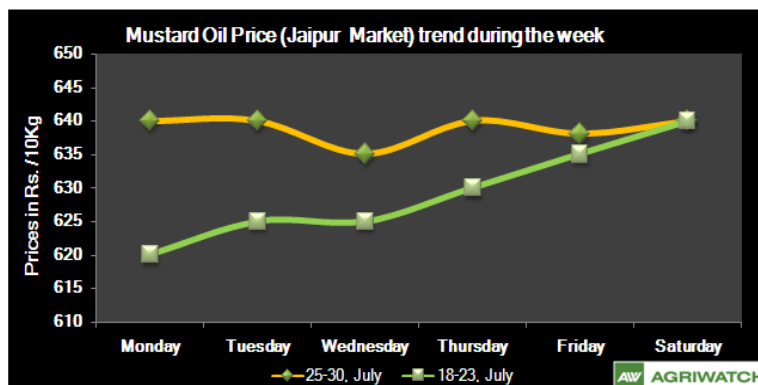
- Rape/Mustard seed oil prices remained rang bound during the week at Rs. 635-640 per 10kg levels.
- Prevailing local prices of expeller oil is at Rs. 641 per 10 kg which is below the crushing cost incurring by crushers. Therefore, steady movement in rape/mustard oil prices for short to medium term and any significant rise in other edible oil may keep the rape/mustard oil in firm tone.
- Upcoming festival in major consumption centre like West Bengal likely support the prices in short term.



Spread Status between CSO Argentina and CPO Malaysia: (USD/MT)


Average price spread between CSO Argentina and CPO Malaysia further narrowed by US\$ 18.50 per MT to US\$ 172 (average 25-30 July) per MT during the week compared to previous week average of US\$ 200 per MT owing to relatively lower CPO quotes when compared with soy oil prices.

During the week Argentina crude oil prices dropped by 1.13 per cent to US\$ 1242 per MT compared to previous week ending FOB quotes at US\$ 1256 per MT. Meanwhile, Malaysian CPO (FOB) quotes were remained range bound at previous week levels of US\$ 1070 per MT.



Considering the historical price spread we expect spread to narrow further till Aug which might stand supportive for palm oil import in India. Importers may go for higher imports of CPO within short term period.

Vessel Stock Position (July Month):

VESSEL	PORT	QUANTITY (MT.)	EDIBLE OIL	ETA	ACTIVITY
Mississippi star	Tuticorin	10499	Palm Oil	1/7/2011	Discharge
SICHEM MELBOURNE	Tuticorin	9500	Palm Oil	18/7/2011	Discharge
PALMA PRIMA	Tuticorin	8300	Palm Oil	16/7/2011	Discharge
YUE YOU 902	Tuticorin	6000	Palm Oil	30/7/2011	Discharge
M.T. MALPENSA	Kandla	7000	CPO	24/7/2011	Discharge
MT.CF ZACHARY	Kandla	6959	CPO	20/7/2011	Discharge
M.T.PITALOKA	Kandla	13000	CPO	26/7/2011	Discharge
M.T. MALPENSA	Kandla	7000	CPO	29/7/2011	Discharge
M.T. Argent bloom	Kandla	24018	CPO	2/7/2011	Discharge
M.T. Argent aster	Kandla	5000	CPO	2/7/2011	Discharge
M.T.Horizan Ammonia	Kandla	16000	CPO	1/7/2011	Discharge
M.T. Au leo	Kandla	5100	CPO	31/7/2011	Discharge
M.T. Golden Dynasty	Kandla	13500	CPO	10/7/2011	Discharge
M.T.CHEMBULK SINGAPORE	Kandla	19000	Palm Oil	28/7/2011	Discharge
M.T.GINGA BOBCAT	Kandla	6000	Palm Oil	30/7/2011	Discharge
M.T.HORIZON	Kandla	30000	Palm Oil	31/7/2011	Discharge
M.T. Chemroad Fuji	Kandla	20000	Palm Oil	4/7/2011	Discharge
M.T. DI Diamond	Kandla	7500	Palm Oil	4/7/2011	Discharge
M.T. Horizon	Kandla	12750	CPO	8/7/2011	Discharge
M.T. Crystal dream	Kandla	10000	CPO	12/7/2011	Discharge
M.T. Stx hero	Kandla	14000	CPO	13/7/2011	Discharge
M.T. ROYAL CRYSTAL 7	Kandla	9000	CPO	17/7/2011	Discharge
M.T. Chemroad vega	Kandla	5000	Palm Oil	7/7/2011	Discharge
M.T. Sunrise hamanasu	Kandla	9000	Palm Oil	13/7/2011	Discharge
M.T. Atlantic gemini	Kandla	11500	CDSBO	13/7/2011	Discharge
Titan peace	Chennai	5000	Palm Oil	9/7/2011	Load
Titan Vision	Chennai	3750	Palm Oil	22/7/2011	Discharge
YUE YOU	Chennai	6700	Palm Oil	9/7/2011	Discharge
Feng hai	Chennai	6000	Palm Oil	11/7/2011	Discharge
FENGA HAI 22	Chennai	7500	Palm Oil	16/7/2011	Discharge
Sun Bridge	Chennai	9500	Palm Oil	7/7/2011	Discharge
Au aries	Chennai	8110	Palm Oil	11/7/2011	Discharge
YUE YOU 902	Chennai	4400	CPO	29/7/2011	Discharge
SICHEM PANDORA	Chennai	4000	CPO	31/7/2011	Discharge
World Bridge	Chennai	8100	CPO	16/7/2011	Discharge
CAPE BANK	Chennai	7875	CSFO	29/7/2011	Discharge
NORLAKE	Chennai	15000	CSFO	27/7/2011	Discharge
Bunga Melati	Chennai	15000	CSFO	15/7/2011	Discharge
C.M. MAYA	Kolkata	5000	CPO	27/7/2011	Discharge
SUNNY DREAM	Kolkata	9000	CPO	29/7/2011	Discharge
SICHEM ANELINE	Kolkata	5500	CPO	15/7/2011	Discharge
DOLPHINA	Kolkata	7000	CPO	15/7/2011	Discharge

FENG HAI 21	Kolkata	7500	CPO	19/7/2011	Discharge
SUMATRA PALM	Kolkata	10000	CPO	23/7/2011	Discharge
FLORES PALM	Kolkata	9650	CPO	23/7/2011	Discharge
Star Asia	Kolkata	6000	CPO	4/7/2011	Discharge
Doris	Kolkata	7040	CPO	4/7/2011	Discharge
Java Palm	Kolkata	9801	CPO	1/7/2011	Discharge
MT ANTIPAROS	Mundra	259731.68	CPO	27/7/2011	Discharge
MT YANGTZE STAR	Mundra	268717	CPO	22/7/2011	Discharge
MT BUNGA ANGELICA	Mundra	7999.29	CPO	25/7/2011	Discharge
M.T.THERESA GEMINI	Mundra	6999.62	CPO	18/7/2011	Discharge
MT Atlantic Gemini	Mundra	12740	CSBO	6/7/2011	Discharge
MT Dalian Glory	Mundra	282206	CPO	8/7/2011	Discharge
APOLLON	Haldia	13377	CDSBO	26/7/2011	Discharge
Stena Concert	Haldia	15000	CDSBO	10/7/2011	Discharge
GLOBAL SEA	Haldia	4724	Palm Oil	16/7/2011	Discharge
SP AMSTERDAM	Haldia	7999	Palm Oil	14/7/2011	Discharge
FENG HAI 21	Haldia	1500	Palm Oil	26/7/2011	Discharge
SINAR BUSAN	Haldia	7500	Palm Oil	21/7/2011	Discharge
ANGEL NO.2	Haldia	7500	Palm Oil	26/7/2011	Discharge
TORM GERTRUD	Haldia	16500	CDSBO	20/7/2011	Discharge
Prita Dewi	Haldia	10600	CDSBO	6/7/2011	Discharge
TOREACH PIONEER	Haldia	7500	CPO	27/7/2011	Discharge
Blue Green Tigre	Haldia	7200	CPO	8/7/2011	Discharge
Sichem Aneline	Haldia	7800	CPO	2/7/2011	Discharge
SICHEM PADUA	Haldia	7800	CPO	9/7/2011	Discharge
Fair Pigasos	Haldia	9500	CPO	2/7/2011	Discharge
Angel No.2	Haldia	7299	CPO	5/7/2011	Discharge
MT.ARMADA GEMA	Krishnapatnam	8400	CPO	29/7/2011	Discharge
Eastern Glory	Krishnapatnam	6500	CPO	15/7/2011	Discharge
SUMATRA PALM	Krishnapatnam	5750	CPO	14/7/2011	Discharge
BUNGA MELATI	Krishnapatnam	6998.49	CPO	18/7/2011	Discharge
WORLD BRIDGE	Krishnapatnam	9500	CPO	31/7/2011	Discharge
GOLDEN BRILLIANCE	Manglore	4500	CPO	22/7/2011	Discharge
ASIA ADVENTURER	Manglore	6000	CPO	27/7/2011	Discharge
SOUTHERN HAWK	Manglore	9000	CPO	29/7/2011	Discharge
C.F.Zachary	Manglore	9500	CPO	10/7/2011	Load
CHEMROUTE SUN	Manglore	8500	CPO	14/7/2011	Load
HAPPY VENTURE	Mormugao	11000	CPO	31/7/2011	Discharge
MT FAIR PIGASOS	Paradip	5000	Palm Oil	27/7/2011	Discharge
Edible Oil Shipments for July 2011		1,523,893			
Edible Oil Imports (Oil year 2010-11 till date)		6,687,914			

Technical Analysis (Spot Market Weekly Chart)
SOYOIL REFINED (INDORE Rs/10 Kg)


- ❖ Domestic spot market soy oil prices remained steady to firm during the week.
- ❖ Prices took support at 631 levels and extending its gain further.
- ❖ Price is likely to test towards 665 levels which might act as a strong resistance in short to medium term.
- ❖ 638 levels acting as a strong support and it likely continue to support the prices in coming week till it touches the level of 656 which seems strong resistance.
- ❖ Looking forward, soy oil spot prices likely to remain range bound with bullish bias in the coming week.

Strategy: Buy Soy oil towards Rs 635 to 637/10 Kg and liquidate the same around 645 to 648 range for trading purpose.

CPO (KANDLA Rs/10 Kg)


- CPO spot market prices remained range bound with firm bias during the week and likely continue with the same trend in coming week.
- 483 level acting as strong support level where prices likely to get support for the further firm bias movement.
- 503 levels seems strong resistance upper side. If prices breaches the nearby support at 483, then it likely to fall up to 470 levels.
- Considering the above technical factors, palm oil price is likely to stay range bound for short term.

Strategy: Buying towards support is desirable.

Technical Analysis (Futures)

RSBO (Refined Soybean Oil): Weekly Continuous Chart



- ❖ **Soy oil prices stay range bound with firm bias during the week.**
- ❖ Prices taking support at 662 levels and likely the level will hold the prices in coming week wherein Bull Run continues for the short to medium term.
- ❖ 673 levels seems strong resistance higher side. If prices breach the immediate resistance level of 673, may act as support for the short term.
- ❖ Range bound with firm bias movement in prices expected to continue in coming week.

Strategy: Buying near support is desirable towards 662 for a target of 668/673 with stop loss at 658 levels.

RSO NCDEX (August)

Support & Resistance				
S2	S1	PCP	R1	R2
651.00	662.00	666.85	673.00	691

Technical Analysis: CPO (Crude Palm Oil): Weekly Continuous Chart



- ❖ CPO price likely to stay firm bias during the week.
- ❖ 485 levels acted as strong support for the prices to sustain during the week. A technical bounce at this level is likely in coming week.
- ❖ 502 levels seems strong resistance for the prices.
- ❖ Breaching the immediate support likely keep the prices in bearish till it touches the level of 475.

Strategy: Buy on dips near 482-485 levels for the target of 492/498 and a stop loss of 478.

CPO MCX (August)

Support & Resistance				
S2	S1	PCP	R1	R2
479.00	485.00	490.70	502.00	511.00

Edible Oil Prices at Key Markets (Week on Week)

Commodity	Centre	Prices(Per 10 Kg)		Change
		30- 07- 2011	23- 07- 2011	
Refined Soybean Oil	Mumbai +VAT	638	645	-7
	Delhi (Loose)	668	675	-7
	Indore (Loose)	635	638	-3
	Kota(Loose)	641	645	-4
	Hyderabad+ VAT	715	720	-5
	Jaipur (Loose)	650	660	-10
	Rajkot (Loose)	620	645	-25
	Akola (Loose)	682	688	-6
	Amrawati (Loose)	682	688	-6
	Haldiya Port (Loose)	636	638	-2
	Jalna	677	678	-1
	Nagpur	676	689	-13
	Soy Degum Kandla/Mundra+VAT	606	610	-4
	Soy Degum Mumbai+VAT	606	610	-4
Palm Oil	Kandla CPO (5%FFA)	489	487	+2
	Kandla RBD Palmolein +VAT	515	515	Unch
	Chennai RBD Palmolein (Loose)	555	550	+5
	Kakinada RBD Palmolein (Loose)	546	539	+7
	Mumbai RBD Pamolein+ VAT	554	552	+2
	Hyd. RBD Palmolein VAT	590	580	+10
	Delhi RBD Palmolein (Loose)	580	580	Unch
Refined Sunflower Oil	Hyderabad Exp +VAT	765	760	+5
	Bellary (Exp. Oil)+VAT	643	641	+2
	Chellakere (Exp. Oil)+VAT	671	661	+10
	Erode (Exp. Oil)+VAT	715	715	Unch
	Latur (Exp. Oil)+VAT	666	671	-5
	Kandla/Mundra	655	660	-5
	Mumbai + VAT	655	660	-5
	Chennai (Loose)	735	725	+10
Groundnut Oil	Hyderabad +VAT	990	990	Unch
	Chennai (Loose)	890	890	Unch
	Delhi (Loose)	980	1005	-25
	Gondal+VAT	995	990	+5
	Jamnagar +VAT	955	990	-35
	Narsarropeth+VAT	801	861	-60
	Prodattour+VAT	861	871	-10

	Mumbai + VAT	965	970	-5
	Rajkot (Loose)	950	990	-40
Rapeseed Oil	Alwar (Expeller Oil)(Loose)	641	636	+5
	Sri Ganga Nagar(Exp Oil-Loose)	627	625	+2
	Delhi (Exp. Oil) (Loose)	655	658	-3
	Jaipur (Expeller Oil) (Loose)	640	640	Unch
	Kota (Expeller Oil) (Loose)	625	630	-5
	Mumbai (Exp. Oil) +VAT	667	662	+5
	Hapur+VAT	670	671	-1
	Agra (Kacchi Ghani Oil) +VAT	-	-	-
Refined Cottonseed Oil	Mumbai +VAT	658	664	-6
	Hyderabad (Loose)	680	670	+10
	Rajkot (Loose)	665	615	+50
	Delhi (Loose)	648	665	-17
Malaysia Palmolein USD/MT	FOB (Oct)	1165	1173	-8
	CNF (Oct) - India	1200	1203	-3
Indonesia/Malaysia CPO USD/MT	FOB (Oct)	1070	1070	Unch
	CNF (Oct) - India	1105	1100	+5
Argentina FOB (\$/MT)		29-07-2011	25-07-2011	Change
Soybean Oil Ship(Sep)		1242	1251	-9
Refined Soy Oil (Bulk) Ship(Sep)		1285	1294	-9
Sunflower Oil Ship(Sep)		-	-	-
Cottonseed Oil Ship(Sep)		1222	1231	-9
Refine Linseed Oil(Bulk) Ship(Sep)		1262	1277	-15

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