

Domestic Veg. Oil Market Summary:

Edible oil basket traded with a steady to firm tone during the week on fair buying at physical counters and bullish Malaysian palm oil product export figures for the month of April.

Groundnut oil prices rose in major spot markets of Gujarat despite dull demand from retailers. However, low availability of groundnut seed led to low G/N oil supply. Good demand for ready to use palm olein noticed by vansapati millers to meet the ongoing marriage season demand.

As per third advanced crop estimate for 2011/12 by government of India, Soy production is estimated to be 12.24 million tons during 2011-12 compared to 12.74 million tons in the previous year. Moreover, RM seed production is estimated to be 6.96 million tons during 2011-12 compared to 8.18 million tons in the previous year on lower yield. Significant decline will affect domestic RM oil supply in current season.

International Veg. Oil Market Summary:

Edible oil prices at the benchmark market of CBOT stayed range bound during the week. CBOT closed at 54.66 cents/pound (May'12 contract) on 30 April 2012. Moreover, Malaysian palm oil futures trade sideways and fell by MYR 1 from MYR 3473/MT (24 April 2012) to MYR 3472/MT (30 April 2012) during the week.

According to SAFRAS and Mercado, Soybean growers in Brazil harvested 95 percent of the current crop as of 27 April 2012 up by 4 percent compared to W-o-W basis. Moreover, Buenos Aires Grain Exchange pegged Argentina's soy harvest at 56.1% till 26 April 2012. Market participants are expecting lower than expected South American soy crop this may strengthen bulls rally in the coming week. However, slower U.S. growth and downgrade Spain credit rating by S&P raised fears of a weaker global economic outlook.

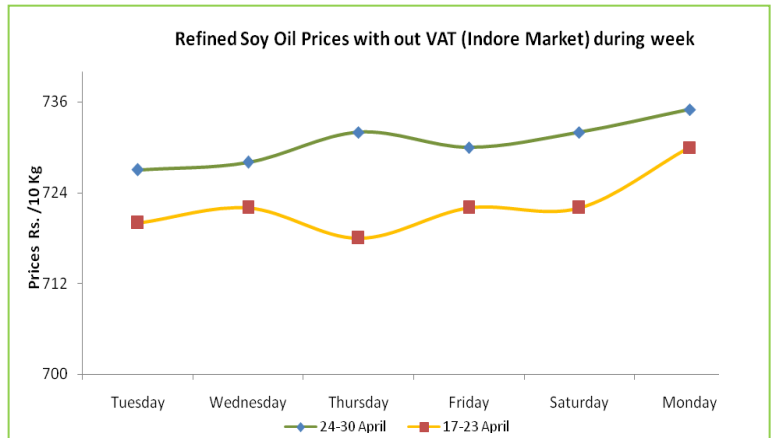
Low Malaysian palm oil ending stock for March and optimistic Malaysian 1-30 April palm oil products export figures support international palm futures market. However, gloomy global economic conditions limits upside.

As per Strategie Grains, European Union's rapeseed crop for 2011/12 estimate pegged 17.6 million tons due to deep winter frosts. Moreover, temperature swings in April add risks for standing crop. If unfavourable weather continue EU crop may further decline to 17.0 million tons.

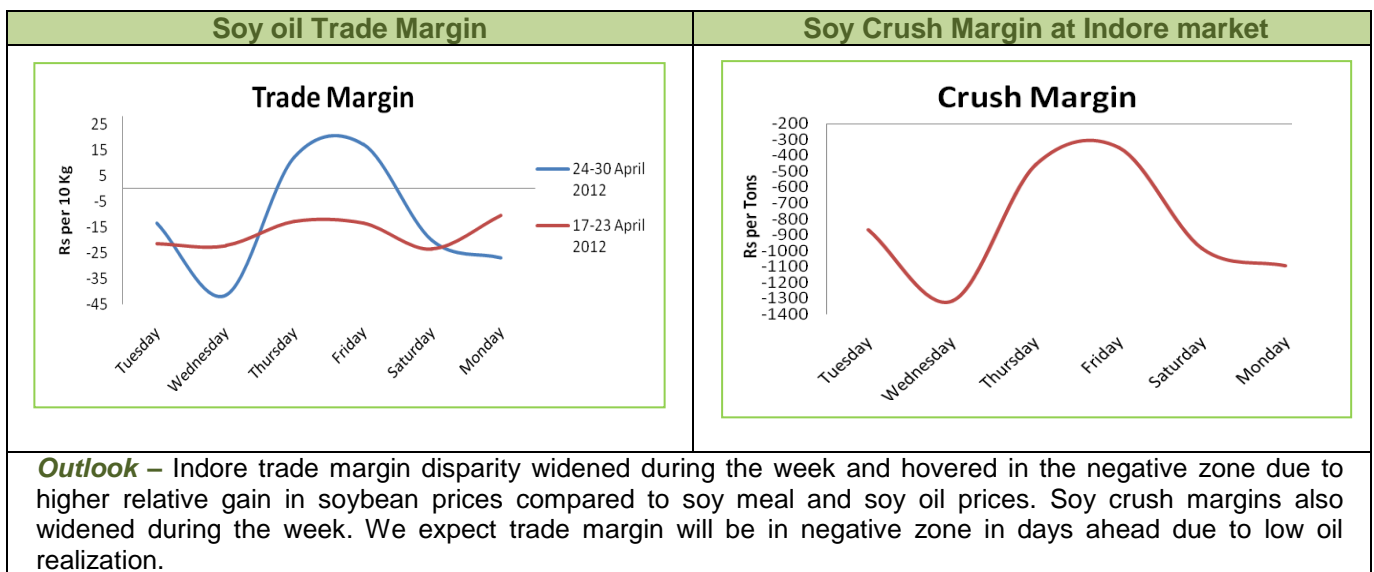
Soy oil:

Domestic Fundamentals:-

- Soy oil prices at its benchmark market Indore traded with a firm bias during the week on lower South American soy crop output and thin soybean arrivals in physical markets.
- As per third advanced crop estimate for 2011/12 by government of India, Soy production is estimated to be 12.24 million tons during 2011-12 compared to 12.74 million tons in the previous year.
- Average trade margin (Indore Based) during the week under review was Rs -14/10Kg compared to -17/10Kg during previous week. We expect a trade margin likely to remain in negative territory in the coming week due to higher soybean prices and poor off takes in soy oil.



Soy crush margin and Soy oil Trade Margin analysis Indore Market :-



International Fundamentals:-

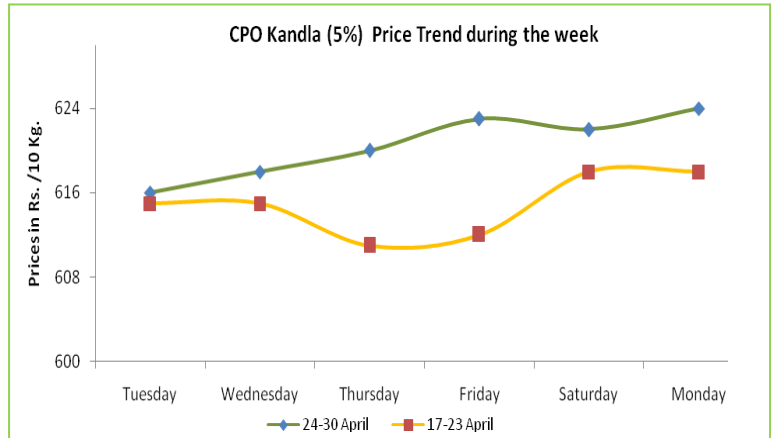
- As per International Grain Council, World soybean output estimate for 2011/12 pegged at 238.4 million tons fell by 11% from the previous year's record due to lower South American soybean crop. World soybean trade would likely to fall in 2011/12 to 88.6 Mln T.
- Buenos Aires grains exchange lowers Argentina's soy output estimate for 2011/12 by 1 million tons to 43 million tons down from previous year output, which was 44 million tons on lower yield expectations. As per latest report by Buenos Aires Grains Exchange, Argentine farmers have harvested 56.1 percent of the estimated soy crop till April 26.
- As per SAFRAS and Mercado, soybean harvest in Brazil has been completed by 95% of the estimated as of April 27. Last week it was complete in 91%.

Price Outlook: We expect refined soy oil at Indore (without VAT) to stay in the range of 730-742 per 10 Kg in the near term.

Palm Oil:

Domestic Fundamentals:-

- Palm oil prices traded with a firm bias during the week on good demand from retailers to meet the ongoing marriage season demand and bullish Malaysian palm oil product export figures for the month of April led to pullback in wholesale palm oil prices.
- Good demand from vanaspati miller and depreciating Indian rupee (Rs 52.72 as on 30 April 2012) add spillover support to the domestic palm oil prices.
- Palm oil in cash market is likely to trade with a steady to firm tone in the coming week tracking tight oilseed supply. Meanwhile, slow global economic growth conditions may limit upside.



International Fundamentals:-

- Palm oil products exports from Malaysia for the month of April rose by 10.4 per cent to 1,337,150 tons from 1,211,211 tons shipped during March - SGS.

Breakdown of SGS palm export figures for April compared to a month ago (in tons):

| Palm Products | April | March | %Change |
|---------------------------|--------|--------|--------------|
| Crude palm oil | 421060 | 316134 | +33.2 |
| RBD palm oil | 79622 | 89559 | -11.1 |
| RBD palm olein | 562687 | 463034 | +21.5 |
| RBD palm stearin | 73075 | 138821 | -47.4 |
| Crude palm kernel oil | 14400 | 16500 | -12.7 |
| Processed palm kernel oil | 42611 | 38998 | +9.3 |
| Oleochemicals | 44110 | 44200 | -0.2 |

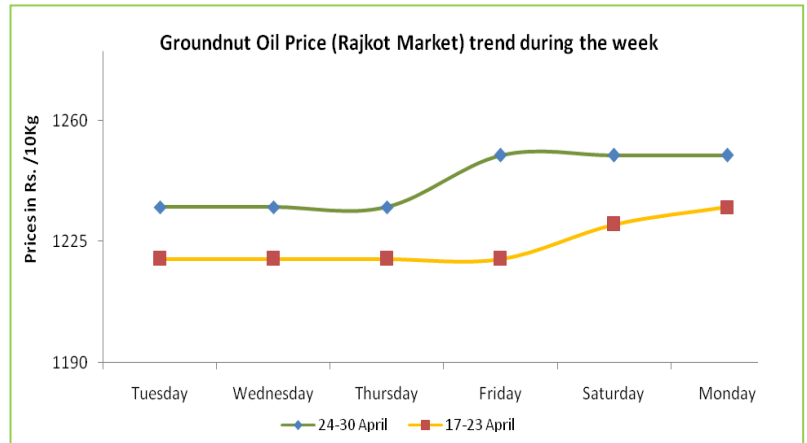
| Importers | April | March | %Change |
|-----------|--------|--------|--------------|
| EU | 267949 | 243375 | +10.1 |
| China | 300910 | 259730 | +15.9 |
| Pakistan | 77200 | 60500 | +27.6 |
| US | 83430 | 114640 | -27.2 |
| India | 247200 | 127580 | +93.8 |

- As per MPOB latest report, Malaysian palm oil ending stock for March dropped 5 percent to 1,959,240 tons from the 2,062,065 tons in February.
- As per Trade ministry official, Indonesia will increase its crude palm oil export tax by 1.5 percent to 19.5 percent for May as compared to previous month due to higher international palm oil products prices. The government will also raise its export tax for RBD palm olein to 10 percent versus 9 percent in April.
- Better buying from Asian countries and tight global soybean supply add spillover support to the international palm oil prices. However, European Union debt crisis may cap on excessive gains.

Price Outlook: We expect CPO Kandla 5% (without VAT) to stay in the range of 622-635 per 10 Kg in the near term.

Groundnut Oil: Domestic Fundamentals:-

- G/N oil prices traded with a positive bias at Rajkot market on low availability of G/N seed. However, low retail demand and increased scrutiny over the rising prices at spot markets of Gujarat by state government limits upside. Domestic Rajkot groundnut oil prices gained during the week and prices rose by 1.50 per cent to Rs. 1243 per 10 kg w-o-w (average prices of week).
- Market participants are expecting new G/N summer crop likely to hit the market in second week of May, which might weigh on the G/N oil prices.
- We expect G/N oil prices to trade range bound with slightly firm bias in the coming week on low availability of G/N seed and non-aggressive crushing.

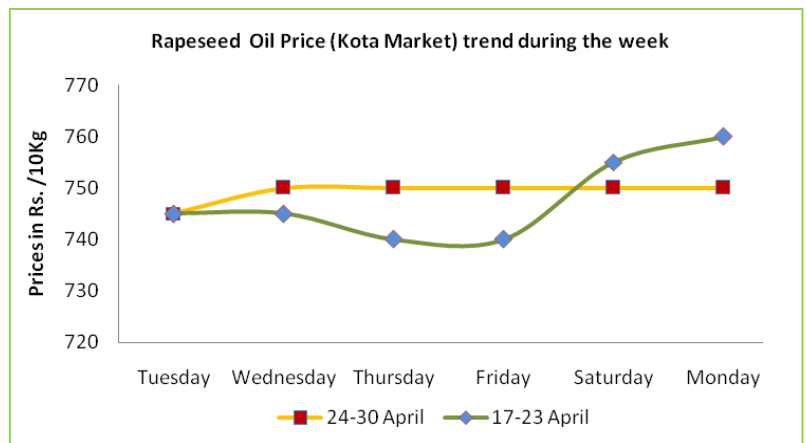


Price Outlook:

Groundnut oil prices in Rajkot may stay in the range of Rs 1245-1210 per 10 Kg.

Rapeseed oil: Domestic Market Fundamentals

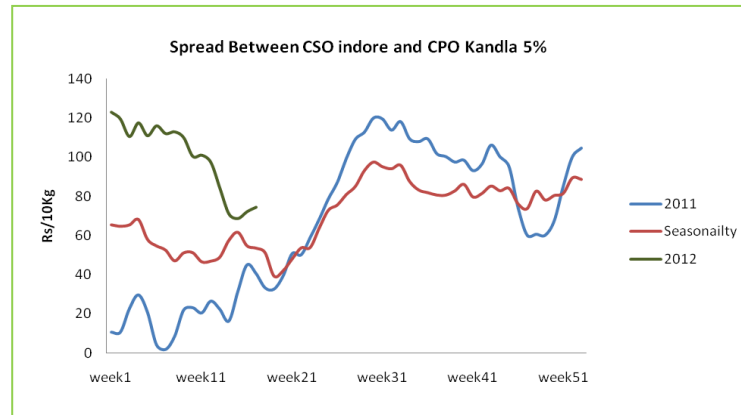
- RM seed oil prices stayed lower during the week on lackluster buying support. However, low RM seed arrivals in domestic markets and bullish oil complex fundamentals limit excessive downside.
- As per third advanced crop estimate for 2011/12 by government of India, RM seed production is estimated to be 6.96 million tons during 2011-12 compared to 8.18 million tons in the previous year on lower yield. Significant decline will affect domestic RM oil supply in current season.
- As per Strategie Grains, European Union's rapeseed crop for 2011/12 seen at 17.6 million tons due to deep winter frosts. Moreover, temperature swings in April add risks for standing crop. If unfavourable weather continue EU crop may further decline to 17.0 million tons.



Price Outlook:

Rapeseed oil in Kota market is likely to trade in the price band of Rs 752-732 per 10 Kg.

Spread Status between CSO Indore and CPO Kandla 5%: (Rs/10 Kg)



Average weekly spread between CSO Indore and CPO Kandla (5%) marginal widened during the week and stood at Rs 74 per 10 Kg compared to 72/10 Kg during the previous week. Crude soy oil Indore prices gained relatively higher as compared to crude palm oil Kandla 5% on bullish global oilseed fundamentals.

Outlook and Strategy :-

We expect spread to widen further to some extent on tight soy complex supply and spread may hover between Rs 73/10Kg to 83/10 Kg.

Spread Status between CSO Argentina and CPO Malaysia: (Rs/10 Kg)

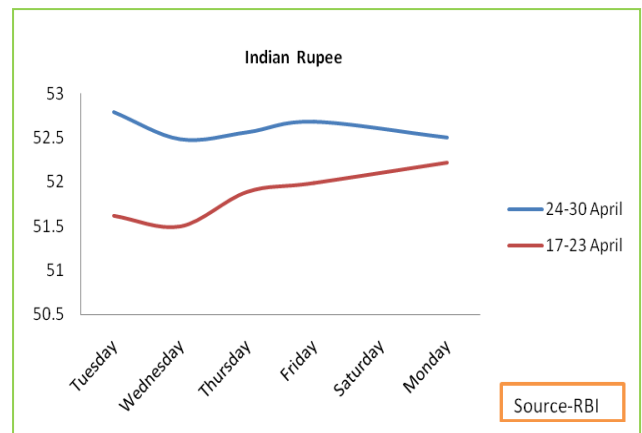
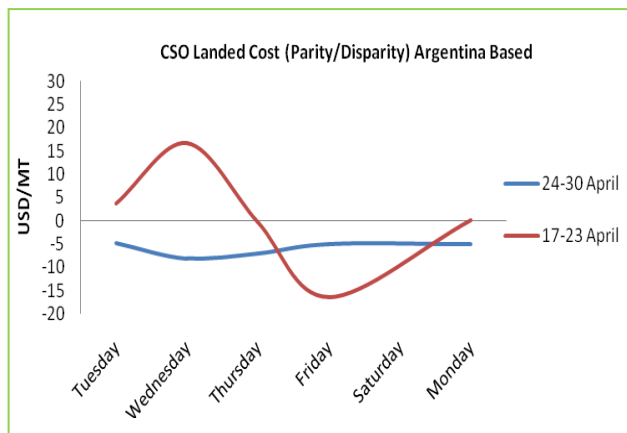


Average price spread between CSO Argentina and CPO Malaysia during the week stood at US\$ 87 per MT compared to previous week average of US\$ 107 per MT. FOB quotes of CPO Malaysia stood steady during the week. However, CSO Argentina corrected from higher levels tracking weakness in CBOT soy oil. We expect spread to hover between Rs 75/10Kg and 95/10 Kg. We expect CSO Argentina prices to trade with a steady to weak bias in the coming week due to new South American soy crop pressure and CPO Malaysia might trade range bound with a positive bias due to good demand from Asian and EU countries.

Crude Soy Oil Import Landed Cost Calculation (Parity/Disparity):

| Landed Cost Calculation as on 27/04/2012 | CSO Argentina | CSO Brazil | CSO US |
|----------------------------------------------------|---------------|-------------|--------------|
| FOB USD per ton | 1230.00 | 1227.30 | 1183.42 |
| Freight (USD/MT) | 65 | 55 | 50 |
| C & F | 1295.0 | 1282.3 | 1233.4 |
| Weight loss (0.25% of FOB) | 3.08 | 3.07 | 2.96 |
| Finance charges (0.4% on CNF) | 4.92 | 4.91 | 4.73 |
| Insurance (0.3% of C&F) | 4 | 4 | 4 |
| CIF (Indian Port - Kandla) | 1307 | 1294 | 1245 |
| CVD | 0 | 0 | 0 |
| Duty USD per ton | 0 | 0 | 0 |
| CVD value USD per ton | 0 | 0 | 0 |
| E cess (2% on duty) USD per ton | 0 | 0 | 0 |
| Exchange rate | 52.68 | 52.68 | 52.68 |
| Landed cost without customs duty in INR per ton | 68846 | 68174 | 65577 |
| Customs duty % | 0% | 0% | 0% |
| Base import price | 580 | 580 | 580 |
| Fixed exchange rate by customs department | 49.40 | 49.40 | 49.40 |
| Duty component in INR per ton | 0 | 0 | 0 |
| Clearing charges INR per ton | 353 | 353 | 353 |
| Brokerage INR per ton | 83 | 83 | 83 |
| Total landed cost INR per ton | 69282 | 68610 | 66013 |
| Domestic Market price INR per ton Soy Degum Kandla | 69000 | 69000 | 69000 |
| Total landed cost USD per ton | 1315 | 1302 | 1253 |
| Domestic Market price USD per ton Soy Degum Kandla | 1310 | 1310 | 1310 |
| Parity INR/MT (Domestic - Landed) | -282 | 390 | 2987 |
| Parity USD/MT (Domestic - Landed) | -5.36 | 7.39 | 56.71 |

Source: Agriwatch/ Reuters , Argentina prices - Ministry of Agriculture

Landed Cost Parity/Disparity Argentina based and Indian rupee during the week.

Outlook:-

Import parity for crude soy oil from Argentina is hovering in negative territory during the week on lower domestic prices as compared to international prices. We expect import parity to continue to be in the negative side in the coming week. Meanwhile, a continuously depreciating INR against USD may further support disparity for soy oil imports.

Technical Analysis (Spot Market Weekly Charts)
SOYOIL REFINED (INDORE Rs/10 Kg Exclusive VAT)



- ❖ Domestic soy oil prices trade with a steady to firm note during the week. We expect RSO Indore prices to trade with a positive bias in the coming week.
- ❖ Breaching the immediate resistance zone of 750, prices shall test 755-758 zones. RSI is in overbought zone and stayed in tune with the prices with no indication of any convergence/ divergence.
- ❖ Expected price band for next week is 730-742 level in near to medium term.

Strategy: Market Participants can wait to liquidate Ref. soy oil (INDORE Rs/10 Kg without VAT) stocks.

| Support and Resistance | | | | |
|------------------------|-----|-----|-----|-----|
| S2 | S1 | PCP | R1 | R2 |
| 716 | 721 | 735 | 750 | 756 |

Technical Analysis (Spot Market Weekly Charts)
CPO (5%) KANDLA (Rs/10 Kg)


- ❖ Candlesticks depict consolidation in the CPO prices during the week. Prices may trade sideways to slightly positive note in the coming week.
- ❖ Rs 608 per 10 Kg levels could act as an immediate support; meanwhile we expect prices to stay on the range of 622-635 level in near term. However, breaching 630 levels may strengthen bulls rally.
- ❖ RSI stayed in tandem with the prices with no indication of any convergence/divergence.

Strategy: Investors can liquidate CPO Kandla 5% in the coming week in the range of 634-636 level.

| Support and Resistance | | | | |
|------------------------|-----|-----|-----|-----|
| S2 | S1 | PCP | R1 | R2 |
| 608 | 613 | 624 | 636 | 641 |

Technical Analysis (Futures)
RSO (Refined Soybean Oil April Contract)



Outlook – Prices are likely to trade sideways with a slightly firm tone in the coming week. We recommend investors to go long in refined soy oil in May contract from lower levels.

- ❖ Weekly chart of refined soy oil at NCDEX showed a consolidation in the prices. However, prices are likely to move in the narrow channel. Breakout in narrow channel may confirm bearish phase in refined soy oil at NCDEX.
- ❖ Any close below 765 in weekly chart shall change the sentiments and might bring the prices to a bearish phase.
- ❖ Expected price band for next week is 770-785 level in near to medium term. RSI is in oversold zone and shows no evidence of divergence in line with the ref. soy oil prices.

Strategy: Market participants advised to go short in RSO in the range of 770-772 for a target of 780 and 783 with a stop loss at 765.50 on closing basis.

RSO NCDEX (May)

| Support and Resistance | | | | |
|------------------------|--------|--------|--------|--------|
| S2 | S1 | PCP | R1 | R2 |
| 756.00 | 763.00 | 775.70 | 788.00 | 793.00 |

Technical Analysis (Futures)
CPO (Crude Palm Oil April Contract)



Outlook - Prices are likely to trade with a steady to firm tone in the short term. Investors are advised to buy on the dips.

- ❖ Candlestick Weekly chart of crude palm oil at MCX shows a consolidation phase in the prices. In addition to this, prices are likely to trade slightly weak in the initial days of the week; this may act as a buying opportunity.
- ❖ Any close above 619.00 in weekly chart shall change the sentiments and might bring the prices to a bearish phase.
- ❖ Expected price band for next week is 623.00-635 level in near to medium term. RSI is in oversold zone and shows no evidence of divergence in line with the CPO prices.

Strategy: Buy CPO in MCX (May contract) in the range of 623.00-625.00 for a target of 632 and 634 with a stop loss at 619 on closing basis.

CPO MCX (May)

| Support and Resistance | | | | |
|------------------------|--------|--------|--------|--------|
| S2 | S1 | PCP | R1 | R2 |
| 610.00 | 616.00 | 628.20 | 639.00 | 644.00 |

Edible Oil Prices at Key Markets (Week on Week Prices)

| Commodity | Centre | Prices(Per 10 Kg) | | Change |
|-----------------------|-------------------------------|-------------------|-----------|--------|
| | | 30.4.2012 | 24.4.2012 | |
| Refined Soybean Oil | Kota(Loose) | 722 | 720 | 2 |
| | Rajkot (Loose) | 710 | 695 | 15 |
| | Jaipur (Loose) | 730 | 725 | 5 |
| | Hyderabad+ VAT | 731 | 736 | -5 |
| | Delhi (Loose) | 780 | 765 | 15 |
| | Kakinada | - | - | - |
| | Mumbai +VAT | 733 | 730 | 3 |
| | Indore | 735 | 727 | 8 |
| | Soy Degum Mumbai+VAT | 692 | 690 | 2 |
| | SoyDegum Kandla/Mundra+VAT | 692 | 690 | 2 |
| | Haldiya Port (Loose) | - | - | - |
| | Akola (Loose) | 761 | 756 | 5 |
| | Amrawati (Loose) | 761 | 756 | 5 |
| | Jalna | 756 | 741 | 15 |
| | Nagpur | 767 | 761 | 6 |
| Palm Oil | Chennai.RBD.Palmolein.(Loose) | 652 | 655 | -3 |
| | Hyd. RBD Palmolein VAT | 700 | 700 | Unch |
| | Delhi RBD Palmolein (Loose) | 715 | 700 | 15 |
| | Kandla CPO (5%FFA) | 624 | 616 | 8 |
| | Kakinada.RBD.Palmolein(Loose) | 646 | 651 | -5 |
| | Mumbai RBD Pamolein+ VAT | 662 | 655 | 7 |
| | Kandla RBD Palmolein +VAT | 658 | 650 | 8 |
| Refined Sunflower Oil | Mumbai + VAT | 740 | 740 | Unch |
| | Kandla/Mundra | 670 | 665 | 5 |
| | Erode (Exp. Oil)+VAT | 725 | 720 | 5 |
| | Hyderabad Exp +VAT | 696 | 706 | -10 |
| | Chennai (Loose) | 750 | 750 | Unch |
| | Bellary (Exp. Oil)+VAT | 656 | 651 | 5 |
| | Latur (Exp. Oil)+VAT | 681 | 681 | Unch |
| | Chellakere (Exp. Oil)+VAT | 671 | 671 | Unch |
| Groundnut Oil | Rajkot (Loose) | 1250 | 1235 | 15 |
| | Chennai (Loose) | 1100 | 1100 | Unch |
| | Delhi (Loose) | 1300 | 1225 | 75 |
| | Hyderabad Exp +VAT | 1104 | 1104 | Unch |
| | Mumbai + VAT | 1250 | 1235 | 15 |

| | | | | |
|---------------------------------------|-------------------------------|------------------|------------------|---------------|
| | Gondal+VAT | 1300 | 1240 | 60 |
| | Jamnagar +VAT | 1300 | 1250 | 50 |
| | Narsarropeth+VAT | 1071 | 1081 | -10 |
| | Prodattour+VAT | 1071 | 1071 | Unch |
| | | | | |
| Rapeseed Oil | Mumbai (Exp. Oil) +VAT | 790 | 777 | 13 |
| | Alwar (Expeller Oil)(Loose) | 816 | 803 | 13 |
| | Kota (Expeller Oil) (Loose) | 750 | 745 | 5 |
| | Jaipur (Expeller Oil) (Loose) | 765 | 770 | -5 |
| | Delhi (Exp. Oil) (Loose) | 805 | 770 | 35 |
| | SriGangaNagar(ExpOil-Loose) | 771 | 761 | 10 |
| | Hapur+VAT | 822 | 830 | -8 |
| | Kolkatta | - | - | - |
| | Agra (Kacchi Ghani Oil) +VAT | 810 | 795 | 15 |
| | | | | |
| Refined Cottonseed Oil | Mumbai +VAT | 704 | 698 | 6 |
| | Rajkot (Loose) | 665 | 675 | -10 |
| | Delhi (Loose) | 685 | 665 | 20 |
| | Hyderabad (Loose) | 705 | 705 | Unch |
| Sesame Oil | Delhi | 875 | 850 | 25 |
| | Mumbai | 820 | 785 | 35 |
| Coconut Oil | (Crude Rs/10kg) - Erode | - | - | - |
| | (Refined Rs/15 kg) – Erode | - | - | - |
| | (Crude Rs/10kg) - Kangayan | 640 | 645 | -5 |
| | (Refined Rs/15 kg) – Kangayan | - | - | - |
| Kardi | Mumbai | 910 | 930 | -20 |
| Rice Bran Oil (40%) | Delhi | 625 | 605 | 20 |
| | Punjab | 585 | 570 | 15 |
| Rice Bran Oil (70%) | Delhi | 585 | 545 | 40 |
| | | | | |
| Malaysia Palmolein USD/MT | FOB (March Shipment) | 1173 | 1160 | 13 |
| | CNF(March) - India | 1195 | 1195 | Unch |
| Indonesia/Malaysia CPO USD/MT | FOB (March Shipment) | 1155 | 1143 | 12 |
| | CNF(March) - India | 1175 | 1168 | 7 |
| | | | | |
| Argentina FOB (\$/MT) | | 27.4.2012 | 23.4.2012 | Change |
| Crude Soybean Oil Ship (April) | | 1230 | 1236 | -6 |
| Refined Soy Oil (Bulk) Ship (April) | | 1273 | 1279 | -6 |
| Sunflower Oil Ship (April) | | 1200 | 1195 | 5 |
| Cottonseed Oil Ship (April) | | 1210 | 1216 | -6 |
| Refine Linseed Oil(Bulk) Ship (April) | | 1250 | 1256 | -6 |



Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php> © 2005 Indian Agribusiness Systems Pvt Ltd.