

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.

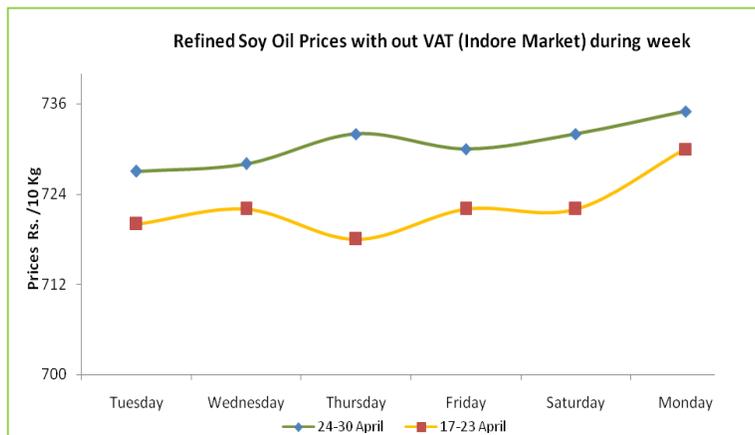
Low Malaysian palm oil ending stock for March and optimistic Malaysian 1-30 April palm oil products export figures support international palm futures market. However, gloomy global economic conditions limits upside.

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.

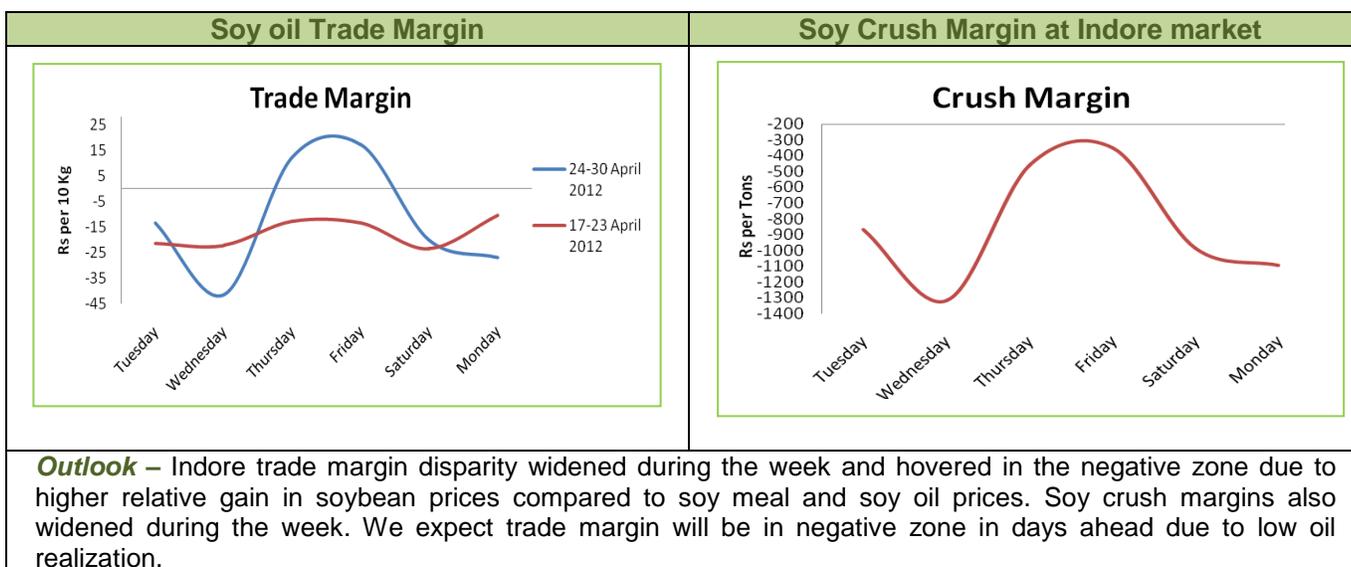
Soy oil:

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:-

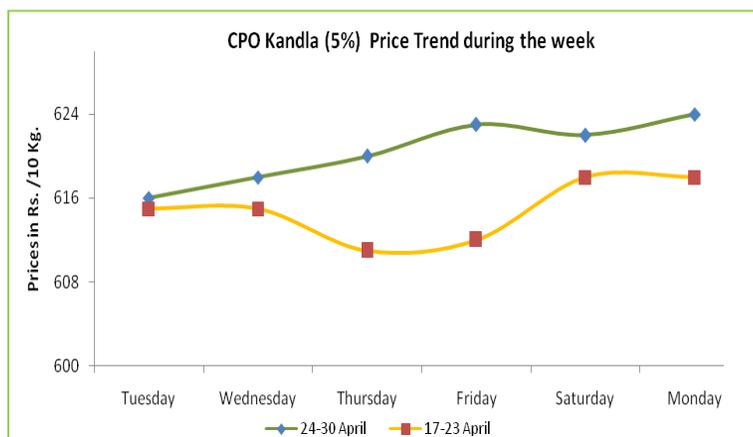
- As per International Grain Council, World soybean output estimate for 2011/12 pegged at 238.4 million tons fell by 11% from the previous year's record due to lower South American soybean crop. World soybean trade would likely to fall in 2011/12 to 88.6 Mln T.
- Buenos Aires grains exchange lowers Argentina's 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

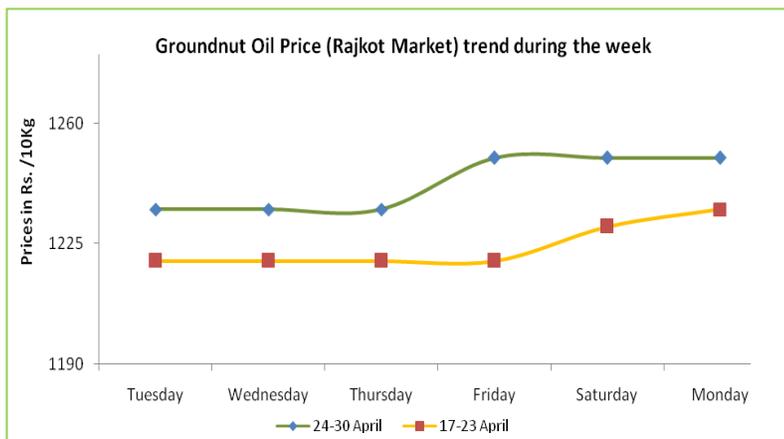
Importers	April	March	%Change
EU	267949	243375	+10.1
China	300910	259730	+15.9
Pakistan	77200	60500	+27.6
US	83430	114640	-27.2
India	247200	127580	+93.8

- 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.

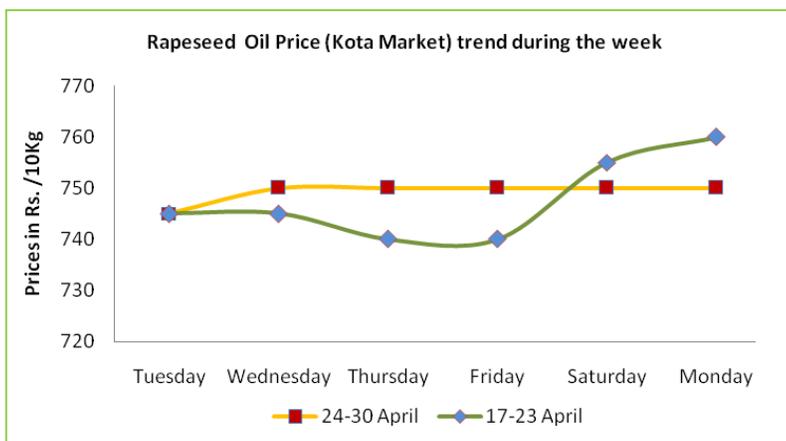


Price Outlook:

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

Rapeseed oil:
Domestic Market Fundamentals

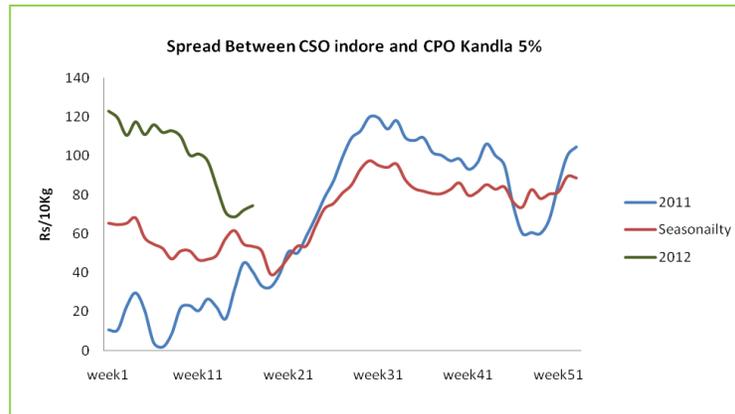
- RM seed oil prices stayed lower during the week on lackluster buying support. However, low RM seed arrivals in domestic markets and bullish oil complex fundamentals limit excessive downside.
- As per third advanced crop estimate for 2011/12 by government of India, RM seed production is estimated to 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)



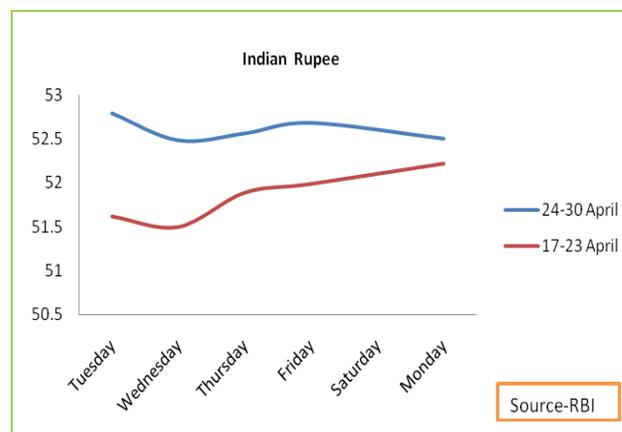
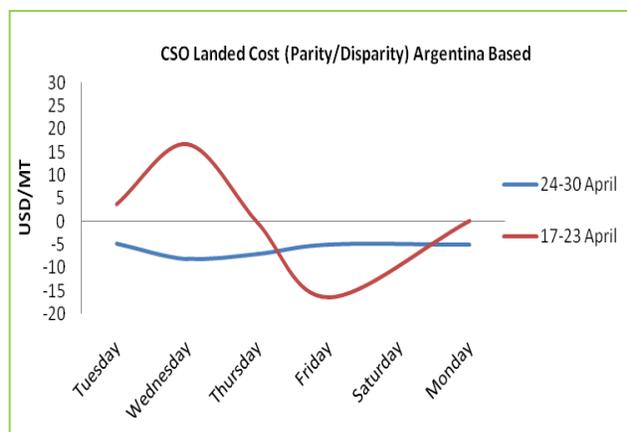
Average price spread between CSO Argentina and CPO Malaysia during the week stood at US\$ 87 per MT compared to previous week average of US\$ 107 per MT. FOB quotes of CPO Malaysia stood steady during the week. However, CSO Argentina corrected from higher levels tracking weakness in CBOT soy oil. We 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)				
	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.