

Executive Summary

Domestic Front

Most of the edible oils witnessed mixed tone during the week under review on need based buying and higher Rabi oilseed arrivals.

Crude palm oil (Kandla Based) was the top gainer among the edible oil pack on need-based demand, while weak global cues restrict excessive gains. On the other side, sunflower oil was the top loser in the edible oils complex on new Rabi crop arrival in the southern Indian market and limited buying.

Crude palm oil (Kandla Based) prices rose by 1.21 percent to Rs 459.50 per 10 Kg on weekly average basis and refined sun oil (Chennai basis) prices quoted lower to Rs 777 per 10 Kg weekly averages, down 1.29 percent compared to the last week average. However, soybean and mustard oil featured steady to slightly firm tone on renewed demand at lower levels.

Sown area for Rabi oilseed stood at 91.98 lakh hectares as on 28 March 2013 up 0.18 % compared to corresponding period last year - Ministry of Agriculture.

On the currency front, Indian rupee against USD closed at 54.27, down 0.08 percent as compared to the previous week. We expect edible oil complex to trade sideways to weak tone in the days on subdued demand in cash market and higher Rabi oilseed arrivals. While, restricted soybean selling and good demand for soy meal may limit downside risk in the prices.

International Front

CBOT soy oil (May) is expected to stay in the range 48.75 cents/lb to 51.75 cents/lb. CPO at BMD (May) is likely to trade in the range of 2280-2400 ringgits per tons. Focus during the coming days will be on the Malaysian palm oil export figures for March, Argentina soybean-harvesting pace, and Brazilian port activities.

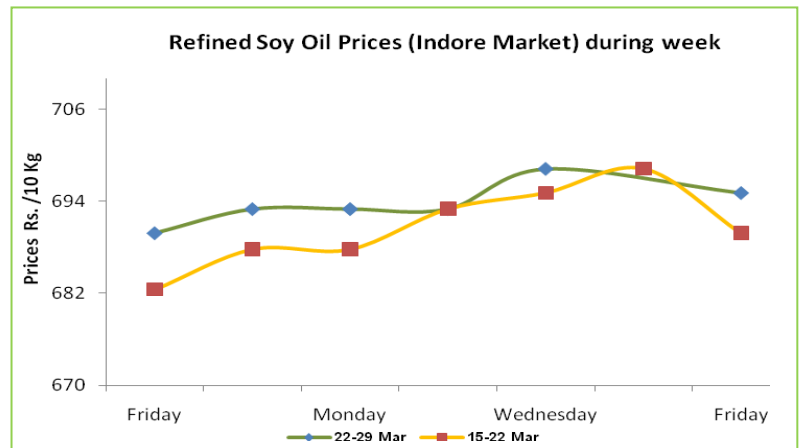
Tight US soybean supply and huge delays to load and ship vessels from Brazilian ports may limit excessive losses in the soybean prices for the short term. However, record soybean production in South American countries and picking up harvesting pace may weigh on the prices in the medium term.

Sluggish palm oil products demand from Indian, European buyers and financial crisis in Cyprus hurt the sentiments. Meanwhile, excessive losses could be curbed as palm oil is offered at higher discount and low palm oil producing phase in the South East Asian countries, which may ease palm oil stockpiles.

Soy oil:

Domestic Fundamentals:-

- Soybean oil featured steady to slight firm tone on improved buying due to thin soybean supplies in the cash market and good demand for soybean meal.
- Soybean oil parity weekly average significantly widens during the week and reported Rs 31 per 10 Kg against Rs -8 per 10 Kg in the bygone week on better soybean meal prices compared to soybean. Soy oil parity may hover in the positive side in the coming week due to recovery in the soy meal and oil prices, while, soybean may consolidate in the near term.
- India is expected to import in the range of 10.7-10.9 million tons of vegetable oils in the current oil year, up by 7 per cent from the last year. Domestic vegetable oil production is expected to improve marginally to 8.19 million tons in the current year – SEA of India.
- As per sources, good demand against thin soybean supplies support mild gains in refined soy oil prices. However, average demand from wholesalers and adequate edible oil stocks limit upside.
- We expect soy oil may trade range bound in the coming week on average demand. However, good demand for soy meal may limit downside risk in the prices.



International Fundamentals:-

- According to USDA's latest Prospective Plantings report, US soybean planted area for 2013 is estimated at 77.126 million acres, down slightly from last year's figure of 77.198 million acres. While, US soybean stocks (as on March 1 2013) were reported at 999.28 million bushels, higher than trade expectations at 935 million, but down from 1.374 billion bushels in March 2012.
- Chinese soybean imports in January to February 2013 is reported to 7.7 Mln. t, fell 9 percent compared to the same period of the last year. Moreover, soybean oil imports decreased by 39 percent to 158,000 tons y-o-y basis - Chinese customs authorities.
- According to Celeres, the soybean harvest in Brazil has hit 58 per cent of the soybean acreage by March 15 compared with 48 per cent in the previous week and 55% at the corresponding period last year. The average percentage for this time of the year is 43%.
- Tight US soybean supply and huge delays to load and ship vessels from Brazilian ports may limit excessive losses in the soybean prices for the short term. However, record soybean production in South American countries and picking up harvesting pace may weigh on the prices in the medium term.

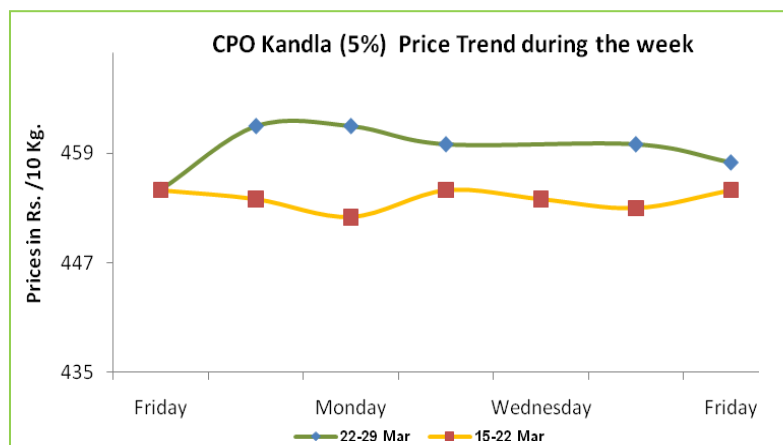
Price Outlook:

We expect refined soy oil at Indore (with VAT) to stay in the range of 671-703 per 10 Kg in the near term.

Palm Oil:

Domestic Fundamentals:-

- CPO Kandla 5% featured sideways to firm tone on need based buying. However, adequate stocks and weak global cues limit excessive gains.
- India's palm oil imports could rise more than 17 percent in the current oil year to 9 million tons due to cheaper palm oil products. Moreover, higher volumes of refined palm oil would coming into India due to 5 percent import duty differential between crude and refined oil grade, which may hurt domestic refineries – Ruchi soya.
- PEC Ltd has issue a tender to import 6,300 tons of RBD palm olein oil for shipments sought between 2-15 April. The last date for submission of bids is April 2.
- As per sources, subdued demand from vanaspati millers and higher palm oil ending stocks in the South East Asian palm oil producing countries hurts the sentiments. However, cheaper palm oil products may limit downside risk in the prices.
- We expect domestic palm oil prices may trade range bound to weak tone on limited buying and adequate palm oil stocks.



International Fundamentals:-

- Exports of Malaysian palm oil products for March 1-25 fell 7 percent to 1,055,914 tonnes compared with 1,134,872 tonnes shipped during Feb. 1-25, cargo surveyor Societe Generale de Surveillance

Breakdown of SGS palm export figures for 1-25 Mar. compared to a month ago (in tons):

Palm Products	1-25 Mar	1-25 Feb	% Change
Crude palm oil	114,782	329,294	-65.14
RBD palm oil	104,994	91,790	14.39
RBD palm olein	560,907	419,618	33.67
RBD palm stearin	90,938	120,004	-24.22
Crude palm kernel oil	18,590	7,440	149.87
Oleochemicals	38,540	29,070	32.58

Top Palm Products Importers	1-25 Mar	1-25 Feb	% Change
European Union	155,873	189,065	-17.56
China	323,870	246,289	31.50
Pakistan	63,000	102,900	-38.78
United States	66,837	117,955	-43.34
India	81,142	158,250	-48.73

- India imported 81,142 tons, down 48.7 percent compared to 158,250 tons during the same period of last month.
- Export tax for crude palm oil for April remains unchanged at 10.5 percent from the previous month. Moreover, Indonesian government also kept unchanged its export tax for RBD palm olein at 4 percent for April. While, Malaysia sets its crude palm oil export tax for April at 4.5 percent
- Sluggish palm oil products demand from Indian, European buyers and financial crisis in Cyprus hurt the sentiments. Meanwhile, excessive losses could be curbed as palm oil is offered at higher discount and low palm oil producing phase in the South East Asian countries, which may ease palm oil stockpiles.

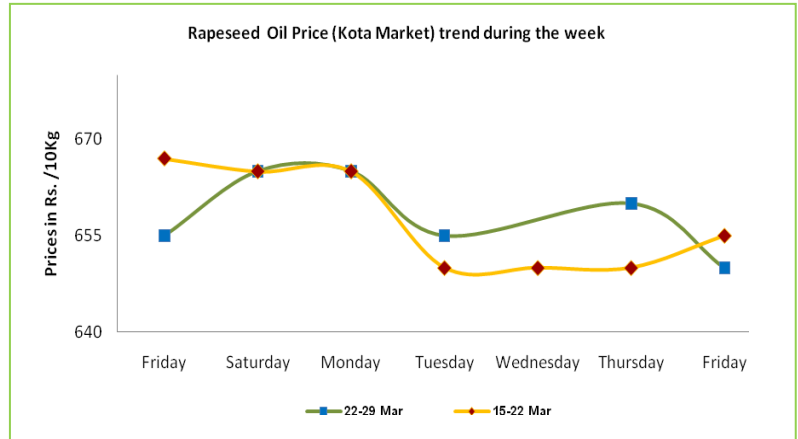
Price Outlook:

We expect CPO Kandla 5% (without VAT) to stay in the range of 443-465 per 10 Kg in the near term.

Rapeseed oil:

Domestic Market Fundamentals

- Rapeseed oil featured mild gains at Kota market during the bygone week on renewed demand. While, higher arrivals limit upside.
- Good demand from millers and slow mustard seed selling by farmers, in anticipation of higher prices support mustard oil prices. However, weakness in the international palm oil market and on an estimated rise in the mustard seed production limit upside risk in the prices.
- India's oilseeds output rose to 26.7 million tons, up 2.6 percent in the current crop year supported by a surge in the rapeseed crop acreage due to favorable weather conditions and higher prices – Trade body. As per Agriwatch estimates, mustard oil output seen at 29.2 lakh tons, up 22 percent from the previous oil year.
- We expect RM seed oil prices may trade range bound in the coming days. Prices are likely to trade steady to slightly weak tone in the coming weeks.



International Fundamentals:-

- Canada is likely to produce 14.9 Mln. t of rapeseed in 2013/14 MY (Aug./July), up 12 percent from the previous year and exports seen at 7.8 v/s 7.2 Mln. t - US agricultural attaché

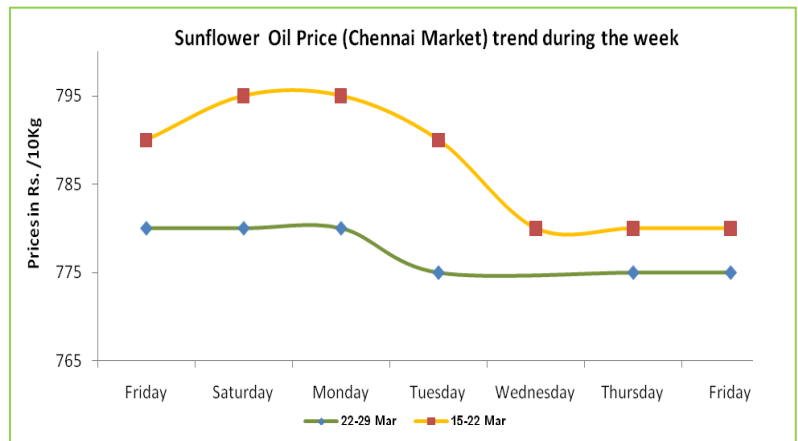
Price Outlook:

Rapeseed oil in Kota market is likely to trade in the price band of Rs 645-668 per 10 Kg.

Sunflower Oil:

Domestic Fundamentals:-

- Sunflower oil featured steady to weak tone at its benchmark market Chennai during the week on limited buying.
- New Rabi crop arrivals in the southern Indian market and limited buying in premium edible oils dampened bullish enthusiasm in the cash market. However, gains in the international sun oil market restrict excessive losses.
- India imported 84,310 tons of crude sunflower oil during January, down 35.2 percent on M-o-M basis. Moreover, imports were down during Nov 12-Jan 13 by 11.3 percent to 331,095 tons compared to the same period last month.
- Sown area for Rabi Sunflower stood at 5.34 lakh hectares as on 28 Mar. 2013 up 13.6 % compared to corresponding period last year. Higher planting witnessed in Karnataka, while lower sowing witnessed in A.P and Maharashtra - Ministry of Agriculture.
- We expect sunflower oil prices may trade range bound to slightly weak tone in the near term.



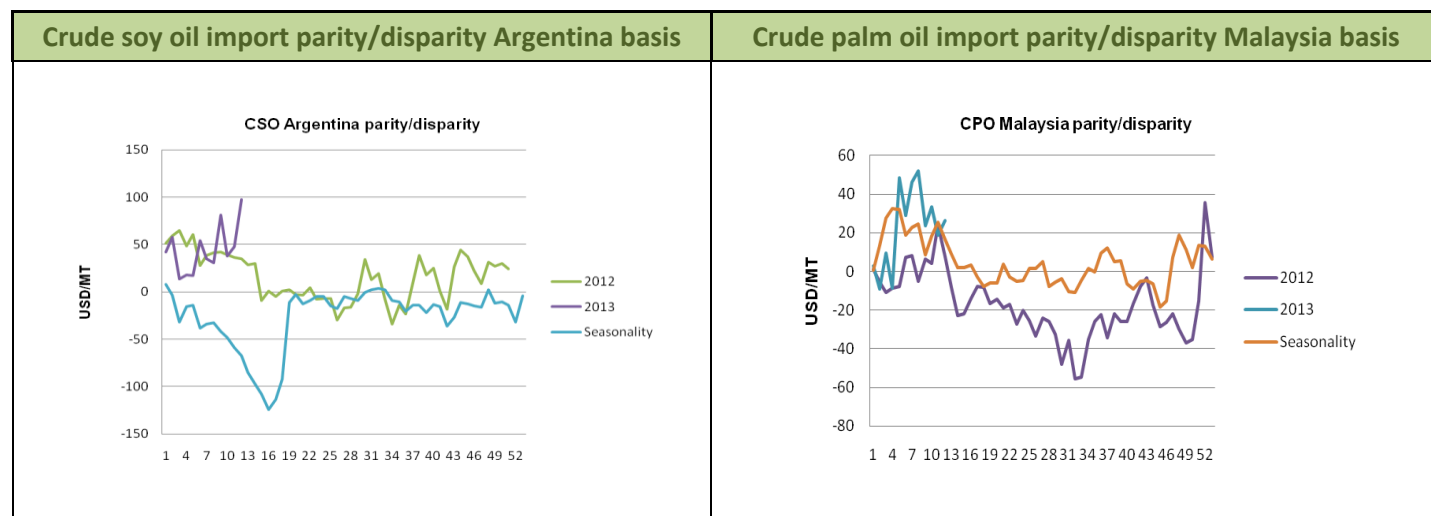
International Fundamentals:-

- According to Argentina's agriculture ministry, 77 percent of the sunflower seed was harvested as of March 22, 2013 ahead of last year's pace of 71%.
- Ukraine is likely to increase sunflower seed production by 11 percent in 2013 to 9.51 million tons due to higher yields. Higher sunflower seed yields would be offset a decrease in the sowing area and farmers were likely to sow 5.3 million hectares of sunflower this year against 5.7 million hectares in 2012 - UkrAgroConsult.

Price Outlook: Sunflower oil prices in Chennai may stay in the range of Rs 762-788 per 10 Kg.

Landed Cost at the Indian Ports - Crude soy oil

Landed Cost Calculation as on 26/3/2013	CSO Argentina	CSO Brazil	CSO US
FOB USD per ton	1025	NA	NA
Freight (USD/MT)	75	55	50
C & F	1100.0	55.0	50.0
Weight loss (0.25% of FOB)	2.56	-	-
Finance charges (0.4% on CNF)	4.10	-	-
Insurance (0.3% of C&F)	3	0	0
CIF (Indian Port - Kandla)	1110	-	-
CVD	0	0	0
Duty USD per ton	30.05	30.05	30.05
CVD value USD per ton	0	0	0
Cess (2% on duty) USD per ton	0.601	0.601	0.601
Exchange rate	54.2735	54.2735	54.2735
Landed cost without customs duty in INR per ton	60242	-	-
Customs duty %	2.5%	2.5%	2.5%
Base import price	1202	1202	1202
Fixed exchange rate by customs department	55.15	55.15	55.15
Duty component in INR per ton	1657.2575	1657.2575	1657.2575
Clearing charges INR per ton	353	353	353
Brokerage INR per ton	83	83	83
Total landed cost INR per ton	62335	-	-
Domestic Market price INR per ton Soy Degum Kandla	65700	65700	65700
Total landed cost USD per ton	1149	-	-
Domestic Market price USD per ton Soy Degum Kandla	1211	1211	1211
Parity INR/MT (Domestic - Landed)	3365	-	-
Parity USD/MT (Domestic - Landed)	62.00	-	-
Source: Agriwatch/ Reuters , Argentina prices - Ministry of Agriculture			

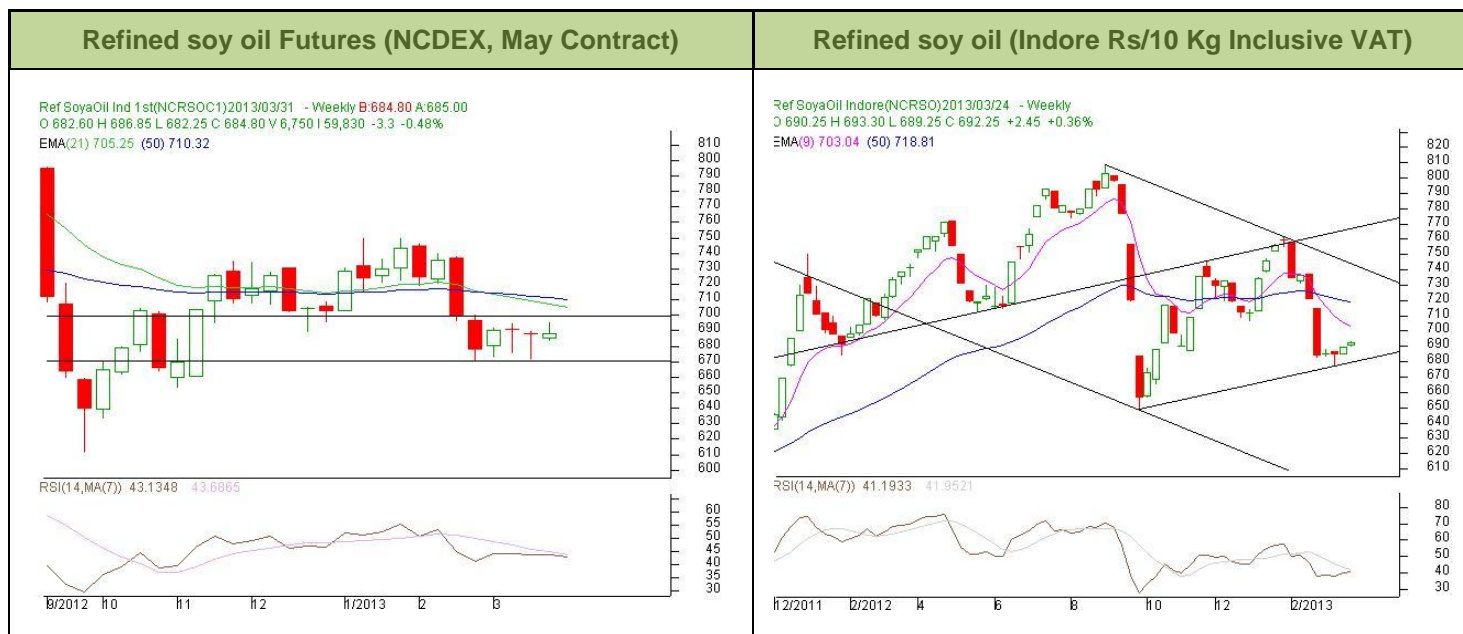


* Seasonality based on 2009-2012 data averages for CPO Malaysia and 2010-12 data averages for CSO Argentina.

Outlook:-

Import parity for crude soy oil from Argentina is hovering in positive territory due to higher international prices as compared to the domestic prices. We expect import parity to be in the positive side in the coming week due to higher soybean supplies from South American countries.

Technical Analysis (Refined soy oil Weekly Charts)



Outlook – Prices are likely to trade with a steady to weak tone in the days ahead. Investors are advised to sell refined soy oil (May. contract) between 679-682 levels.

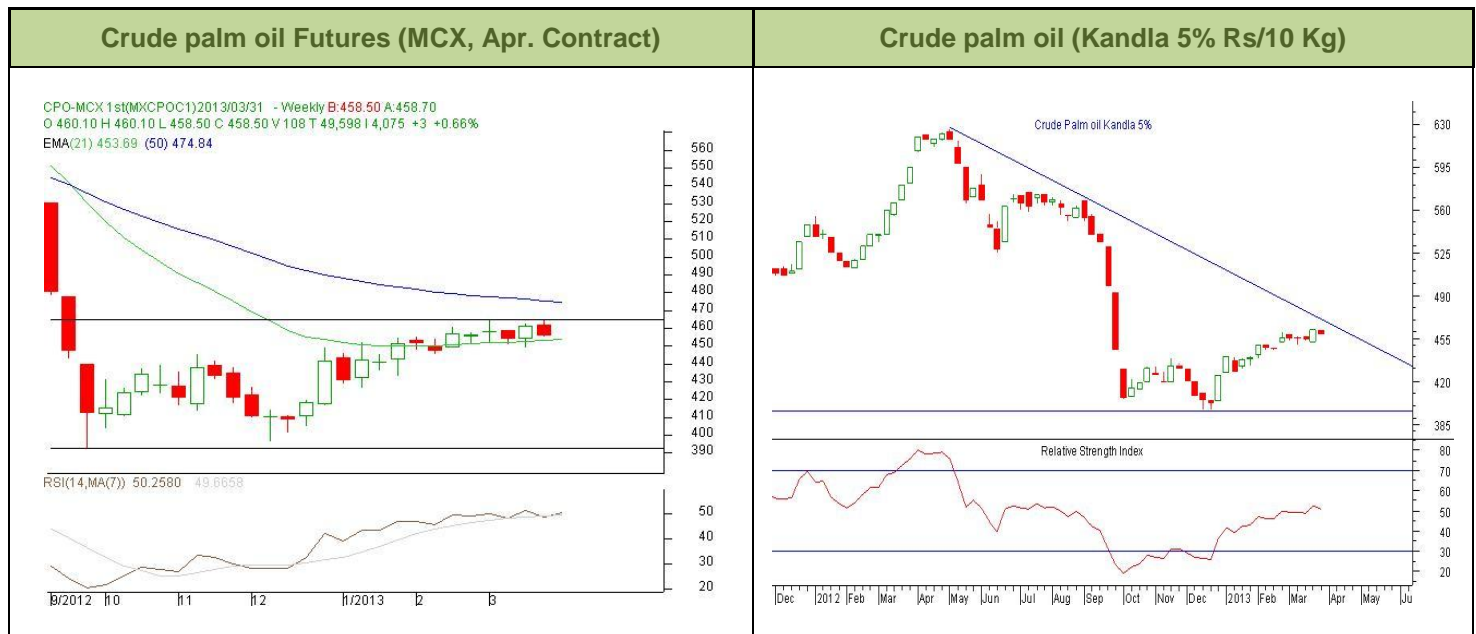
- ❖ Weekly chart of refined soy oil at NCDEX featured sideways movement. However, primary trend depicts consolidation in the market.
- ❖ Any close above 665.25 in weekly chart shall change the sentiments and might take the prices to a bullish phase.
- ❖ Expected price band for next week is 682-663 level in near to medium term. RSI is in neutral zone and shows no evidence of divergence with the ref. soy oil prices.

Strategy: Market participants are advised to go short in RSO at 679-682 levels for a target of 667 and 663 with a stop loss at 688 on closing basis.

RSO NCDEX

Support and Resistance				
S2	S1	PCP	R1	R2
656.00	659.00	679.55	691.00	696.00

Spot Market outlook: Refined soy oil Indore is likely to stay in the range of 671-703 per 10 Kg.

Technical Analysis (Crude Palm oil Weekly Charts)


Outlook - Prices may trade with a steady to weak tone in the coming days. Investors are advised to sell MCX CPO Apr. contract.

- ❖ Candlestick Weekly chart of crude palm oil at MCX depicts sideways movement in the prices. We expect prices may trade with a steady to weak note in the near term.
- ❖ Any close above 466 in weekly chart shall change the sentiments and might bring the prices to a bullish phase.
- ❖ Expected price band for next week is 462-452 level in near to medium term. RSI is in neutral zone and shows no evidence of divergence in line with the CPO prices.

Strategy: Market participants are advised to go short in CPO 461-462 for a target of 455 and 452 with a stop loss at 466.00 on closing basis.

CPO MCX

Support and Resistance				
S2	S1	PCP	R1	R2
436.50	443.00	460.80	469.20	473.00

Spot Market outlook: Crude palm oil 5% is likely to trade sideways in the coming week. The prices are likely to stay in the range of 443-465 per 10 Kg.

Veg. Oil Prices at Key Spot Markets

Commodity	Centre	Prices(Per 10 Kg)		Change
		29/3/2013	22/3/2013	
Refined Soybean Oil	Kota(Loose)	680	665	15
	Rajkot (Loose)	670	670	Unch
	Jaipur (Loose)	-	-	-
	Hyderabad+ VAT	-	-	-
	Delhi (Loose)	710	695	15
	Kakinada	-	-	-
	Mumbai +VAT	655	645	10
	Indore	662	657	5
	Soy Degum Mumbai+VAT	650	640	10
	SoyDegum Kandla/Mundra+VAT	660	660	Unch
	Haldiya Port (Loose)	-	-	-
	Akola (Loose)	-	664	-
	Amrawati (Loose)	-	664	-
	Jalna	-	660	-
	Nagpur	-	664	-
Palm Oil	Chennai.RBD.Palmolein.(Loose)	510	510	Unch
	Hyd. RBD Palmolein VAT	505	495	10
	Delhi RBD Palmolein (Loose)	550	545	5
	Kandla CPO (5%FFA)	458	455	3
	Kakinada.RBD.Palmolein(Loose)	-	501	-
	Mumbai RBD Pamolein+ VAT	515	507	8
	Kandla RBD Palmolein +VAT	512	505	7
Refined Sunflower Oil	Mumbai + VAT	775	775	Unch
	Kandla/Mundra	680	680	Unch
	Erode (Exp. Oil)+VAT	755	755	Unch
	Hyderabad Exp +VAT	-	716	-
	Chennai (Loose)	775	780	-5
	Bellary (Exp. Oil)+VAT	-	631	-
	Latur (Exp. Oil)+VAT	-	706	-
	Chellakere (Exp. Oil)+VAT	-	681	-
Groundnut Oil	Rajkot (Loose)	1200	1180	20
	Chennai (Loose)	980	1000	-20
	Delhi (Loose)	1000	1000	Unch
	Hyderabad Exp +VAT	-	1072	-



	Mumbai + VAT	1210	1200	10
	Gondal+VAT	-	1180	-
	Jamnagar +VAT	-	1180	-
	Narsarropeth+VAT	-	1031	-
	Prodattour+VAT	-	1051	-
Rapeseed Oil	Mumbai (Exp. Oil) +VAT	672	670	2
	Alwar (Expeller Oil)(Loose)	-	669	-
	Kota (Expeller Oil) (Loose)	650	645	5
	Jaipur (Expeller Oil) (Loose)	-	669	-
	Delhi (Exp. Oil) (Loose)	695	705	-10
	SriGangaNagar(ExpOil-Loose)	-	-	-
	Hapur+VAT	-	765	-
	Kolkata	-	-	-
	Agra (Kacchi Ghani Oil) +VAT	710	720	-10
Refined Cottonseed Oil	Mumbai +VAT	625	605	20
	Rajkot (Loose)	600	602	-2
	Delhi (Loose)	600	585	15
	Hyderabad (Loose)	565	562	3
Sesame Oil	Delhi	1300	1300	Unch
	Mumbai	1350	1330	20
Coconut Oil	(Crude Rs/10kg) - Kangayan	620	605	15
Kardi	Mumbai	1250	1250	Unch
Rice Bran Oil (40%)	Delhi	490	490	Unch
Rice Bran Oil (4%)	Punjab	490	500	-10
Rice Bran Oil (70%)	Delhi	-	-	-
Malaysia Palmolein USD/MT	FOB (April Shipment)	813	815	-2
	CNF (April) India	845	853	-8
Indonesia/Malaysia CPO USD/MT	FOB (April Shipment)	-	795	-
	CNF (April) India	815	825	-10
Argentina FOB (\$/MT)		28/03/2013	21/03/2013	Change
Crude Soybean Oil Ship		-	1012	-
Refined Soy Oil (Bulk) Ship		-	1047	-
Sunflower Oil Ship		-	-	-
Cottonseed Oil Ship		-	992	-
Refined Linseed Oil (Bulk) Ship		-	-	-



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