

VEGOIL DAILY

February 23rd, 2007

REFINED SOY OIL

SPOT MARKET:

Refined soy oil prices remained mixed in domestic markets amidst sluggish demand. BMD and CBOT remained firm. Abrupt increased groundnut oil prices in Hyderabad market had spill over impact on soy oil. Reports of Argentina's soybeans crop of 2006/07 stood around 43.5 million tonnes remained up from last projection at 41.1 million tonnes. CIF prices of crude soy oil increased and quoted at \$670/tonne against last days prices at \$664/tonne for March shipment on Thursday. Traders are expecting further weakness in soy oil on low crushing margin for soy oil.

FUTURES MARKET:

Most active March contracts of refined soy oil futures settled high at NCDEX. March contract opened at Rs 442.55/10kg up Rs. 1.25 to previous closing level. During the trade session March contract tasted the lowest level despite firmness in overseas markets. Weak fundamental had bearish impact too and market witnessed speculative selling. March contract ended Rs. 1.5 up at Rs. 442.8/10kg to previous closing at Rs. 441.3/10kg.

PRICE DRIVERS:

1. Sharp increased crude soy oil CIF prices
2. Sentiments for soymeal remained steady
3. Cheap availability of other edible oil
4. Sluggish demand
5. Pressure from new mustard seeds

Weather

Mainly clear weather likely over major growing regions would facilitate beans arrivals in near-term.

TECHNICALS

Refined soy oil futures chart is showing indecisiveness between buyers and sellers and markets recovered marginally from yesterdays' weakness. The prices closed below 9-days and 18-days EMA, which suggests downtrend is intact. MACD remained in negative territory. Stochastics touched oversold region after bearish crossover. Volume increased while open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-March	436	438	442.8	450	452

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil March Contract:

Sell Near 443; T1 near 441 then 440 and put stop loss at 445.

Refined Soybean Oil: Spot Market Prices (Rs/10Kg excluding VAT)

Centres	22.02.07	21.02.07	Change
Mumbai (Soy Ref oil)+VAT	433	434	-1
Indore (Soy Ref oil)+VAT	412	414	-2
Kota (Soy Ref. Oil)+VAT	423	424	-1
Hyderabad (Soy Ref)+VAT	445	444	+1
Rajkot (Soy Ref)+Tax	432	432	0

PALM OIL

International Highlights

Crude Palm oil Futures Finish up at BMD

BMD crude palm oil futures settled up across the board at Bursa Malaysian Derivatives on Thursday and most active April contract settled MYR19 high at MYR1,944/tonne. Overnight firmness at CBOT reflected with similar sentiments. Still market is looking for direction on unclear sentiments for long-term demand. Production for palm oil currently remained low.

Domestic Spot Market Highlights

Spot prices of palm oil remained range bound in most of markets on sluggish demand. BMD remained firmed today. There is ample vanaspati in the markets and vanaspati makers stood away from fresh demand. Palm oil prices likely to trade steady to bearish on lack of weak demand.

BMD: CPO Futures (22.02.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Mar.07	1926	1933	1942	1930	1937	+11	1075
Apr.07	1925	1938	1944	1929	1940	+15	2407
May.07	1925	1938	1944	1929	1944	+19	4174
Jun.07	1924	1933	1943	1929	1943	+19	1190
Jul.07	1921	1929	1940	1926	1940	+19	874

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	22.02.07	21.02.07	Change
Kandla CPO (5 % FFA)	397	397	0
Kandla RBD Palmolein +VAT	414	414	0
Mumbai RBD Palmolein +VAT	428	432	-4
Chennai RBD Palmolein +VAT	437	437	0
Kakinada RBD Palmolein +VAT	422	421	+1
Hyderabad RBD Palmolein +VAT	NA	452	-
Delhi RDB Palmolein	450	450	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	22.02.07	21.02.07	Change
Crude Soy Oil	670	664	+6
Crude Palm Oil	NA	600	-
Sunflower Oil	683	682	+1

Rape/Mustard oil

Mustard oil prices remained in bearish tone across domestic markets. Mustard's harvest reported to be in full swing in Rajasthan region. Stockists remained active in releasing stocks. Mustard oil prices likely to trade in bearish tone on poor demand and pressure from new seeds in near-term.

Groundnut Oil

Groundnut crushing is affected as currently less mill/crushers stood in operation for seeds. Stocks for quality seeds are declining in the market. Good demand in Hyderabad and Chennai markets had bullish impact. In Rajkot market shelled groundnut quoted at Rs. 490/20kg with arrivals of 15-20,000 bags. Groundnut oil likely to trade steady in coming days amidst pressure from Rabi groundnut from southern part of Country.

Refined Sunflower Oil

Weakness in other vegetable oil coupled with weak demand depressed refined sunflower oil in the physical markets. CIF prices improved marginally again at \$683/tonne against previous prices of \$682/tonne for March shipment on Thursday. Traders are expecting its prices likely to remain steady to bearish in coming days amidst weakness in other edible oils.

Refined Cotton Oil

Refined cotton oil traded range bound in most of markets on steady demand. Crushing for cotton remained steady with lacklustre sentiments for demand. Improved demand in Hyderabad market mirrored similar sentiments. Traders are expecting its prices likely to move with groundnut oil in near-term.

Rape Oil: Spot Market Price (Rs/10 kg)

Centres	22.02.07	21.02.07	Change
Mumbai (Exp. Oil) +VAT	432	434	-2
Kota (Exp. Oil)+VAT	400	403	-3
Jaipur (Exp. Oil)+VAT	408	412	-4
Delhi (Exp. Oil)	436	437	-1
Neewai (Exp. Oil) +VAT	400	400	0

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	22.02.07	21.02.07	Change
Mumbai +VAT	608	605	+3
Rajkot +VAT	650	650	0
Andhra Region +VAT	680	664	+16
Chennai +VAT	670	665	+5
Delhi	652	652	0

Refined Sunflower Oil: Spot Market prices (Rs/10 Kg)

Centres	22.02.07	21.02.07	Change
Mumbai +VAT	548	555	-7
Chennai +VAT	575	575	0
Hyderabad +VAT	555	557	-2

Refined Cotton Oil: Spot Market prices (Rs/10 Kg)

Centres	22.02.07	21.02.07	Change
Mumbai +VAT	433	433	0
Hyderabad +VAT	434	432	+2
Rajkot + VAT	435	435	0
Delhi	427	427	0

Forex Rates

(As on 22.02.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.25
European Union	Euro	58.10
Japan	100 Yen	36.56
United Kingdom	Pound Sterling	86.41

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Spring Glory	4,100	CPO	Arrived (09.02.2007)
Mumbai	Maersk Barry (T)-III	10,000	Palm oil	Expected (05.03.2007)
Chennai	Hari Ocean	7,250	CPO	Expected (20.02.2007)

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