

## VEGOIL DAILY

February 26<sup>th</sup>, 2007

### REFINED SOY OIL

#### SPOT MARKET:

USDA bullish weekly sales report for soy oil remained at 1,800 metric tons while for soybeans and soymeal stood at 675,300 metric tons and 209,900 metric tons. Prices for refined soy oil remained mixed domestically on steady to bearish sentiments for demand. Soy oil prices improved in Kota market on improved demand. Currently parity for soy oil remained low and solvent units were hesitated for afresh off take of soybeans. CIF prices of crude soy oil increased further and quoted at \$676/tonne against yesterdays' prices at \$672/tonne for March shipment on Saturday. Soy oil prices likely to fall further on pressure from new mustard seeds.

#### FUTURES MARKET:

The most active March contracts of refined soy oil futures finished high at NCDEX. March contract opened at Rs 436/10kg down Rs. 0.25 to previous closing level. During the trades session March contract tested the lowest limit and late bounce back. Despite weak fundamentals market witnessed speculative selling on short covering. March contract ended Rs. 0.85 down at Rs. 437.1/10kg to previous closing at Rs. 434.5/10kg.

#### PRICE DRIVERS:

1. Crude soy oil CIF prices improve further
2. Weakness in other edible oils
3. Sluggish demand
4. Pressure from new mustard seeds
5. USDA weekly export sales release

#### Weather

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

#### TECHNICALS

Chart is showing recovering today. During the trade-session market touched new low. The prices closed below 9-days and 18-days EMA, which suggests downtrend is intact. MACD remained in negative territory. Stochastics progressed further deeper into oversold region. Volume increased while open interest declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-March	431	433	437.1	444	446

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil March Contract:

**Sell Near 437; T1 near 435 then 434 and put stop loss at 439.**

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

Centres	24.02.07	23.02.07	Change
Mumbai (Soy Ref oil)+VAT	433	433	0
Indore (Soy Ref oil)+VAT	408	410	-2
Kota (Soy Ref. Oil)+VAT	420	415	+5
Hyderabad (Soy Ref)+VAT	440	445	-5
Rajkot (Soy Ref)+Tax	432	432	0

## PALM OIL

### International Highlights

Crude Palm oil Futures Remained Closed on Saturday.

### Domestic Spot Market Highlights

Palm oil prices in the spot market remained range bound on steady demand. Rumours in the market for further cut in imported palm oil duty had deep bearish impact and importers are waiting right time to float new orders. Crude palm oil CIF prices remained unchanged to yesterday and quoted at \$595/tonne for March shipment on Saturday. In present condition traders are expecting further weakness for palm oil in days to come.

#### BMD: CPO Futures (23.02.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Mar.07	1937	1934	1949	1934	1948	+11	419
Apr.07	1940	1934	1952	1934	1950	+10	2715
May.07	1944	1939	1952	1939	1951	+7	4152
Jun.07	1943	1941	1952	1941	1952	+9	761
Jul.07	1940	1944	1950	1943	1950	+10	68

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	24.02.07	23.02.07	Change
Kandla CPO (5 % FFA)	397	397	0
Kandla RBD Palmolein +VAT	414	414	0
Mumbai RBD Palmolein +VAT	428	428	0
Chennai RBD Palmolein +VAT	435	435	0
Kakinada RBD Palmolein +VAT	420	420	0
Hyderabad RBD Palmolein +VAT	447	445	+2
Delhi RDB Palmolein	450	450	0

#### CIF Price Basis Kandla Port (\$/MT)

Edible Oil	24.02.07	23.02.07	Change
Crude Soy Oil	676	672	+4
Crude Palm Oil	595	595	0
Sunflower Oil	688	683	+5

### Rape/Mustard oil

Weakness in mustard oil continued across domestic markets. Expellers were reported to unload mustard oil at cheaper prices. Arrivals for mustard seeds improved in Rajasthan and Madhya Pradesh. Overall mustard seeds improved. More weakness could be noticed for mustard oil in coming days as current weather is suitable for harvest to stay in full swing.

### Groundnut Oil

Groundnut oil prices remained mixed in the domestic market on steady to bearish sentiments for demand. In Hyderabad market slightly shortage of gnut oil helped gains. Resellers remain active in releasing groundnut oil in the market. Harvests of new groundnut seeds in Tamil nadu is likely to begin by 2<sup>nd</sup> week of March likely to have underlying bearish impact.

### Refined Sunflower Oil

Refined sunflower oil prices remained range bound in few markets on steady demand while weakness in Hyderabad markets soy oil depressed sunflower oil. CIF prices of sunflower oil increased and quoted at \$688/tonne against yesterday's \$683/tonne for March shipment on Saturday. Traders are expecting steady to weak prices for sunflower oil ahead on underlying weakness in other vegetable oil.

### Refined Cotton Oil

Refined cotton oil traded bearish across domestic markets amidst weakness in other vegetable oil and poor demand. Solvent units were active in releasing cotton oil at cheaper prices induced bearishness. Arrivals for cottonseeds remain steady. Further weakness in cotton oil could be noticed ahead on steady to weak sentiments for groundnut oil.

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

Centres	24.02.07	23.02.07	Change
Mumbai (Exp. Oil) +VAT	428	432	-4
Kota (Exp. Oil)+VAT	395	397	-2
Jaipur (Exp. Oil)+VAT	404	405	-1
Delhi (Exp. Oil)	424	428	-4
Neewai (Exp. Oil) +VAT	394	398	-4

### Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	24.02.07	23.02.07	Change
Mumbai +VAT	605	608	-3
Rajkot +VAT	640	650	-10
Andhra Region +VAT	690	680	+10
Chennai +VAT	670	670	0
Delhi	650	650	0

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

Centres	24.02.07	23.02.07	Change
Mumbai +VAT	540	540	0
Chennai +VAT	570	570	0
Hyderabad +VAT	545	550	-5

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

Centres	24.02.07	23.02.07	Change
Mumbai +VAT	429	432	-3
Hyderabad +VAT	425	432	-7
Rajkot + VAT	430	435	-5
Delhi	424	428	-4

### Forex Rates

(As on 24.02.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.28
European Union	Euro	58.30
Japan	100 Yen	36.57
United Kingdom	Pound Sterling	86.90

## PORT-WATCH (Latest):

### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Maersk Barry (T)-III	10,000	Palm oil	Expected (03.03.2007)
	Samho Heron	5,000	Palm oil	Expected (06.03.2007)
Chennai	Hari Ocean	7,250	CPO	Arrived (21.02.2007)
Tutikorin	Spring Wind	4,100	Palm oil	Expected
Kolkata	Shima Kaze	9,298	CPO	Arrived (22.02.2007)
	Madhura	7,500	CPO	Arrived (23.02.2007)

#### 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.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.