

VEGOIL DAILY

February 28th, 2007

REFINED SOY OIL

SPOT MARKET:

Today, refined soy oil traded in bullish tone across domestic markets amidst improved demand. Solvent plants were reported to have good stock positions for soy oil but lack of fresh demand compromising them to unload at cheaper prices. Resellers were also remains active in selling. BMD remained bearish while overnight CBOT stood mixed. CIF prices of crude soy oil declined and quoted at \$678/tonne against yesterday's prices at \$680/tonne for March shipment on Tuesday. Market is looking the direction and is watching closely over any revision in import oil tariff structures in Union Budget.

FUTURES MARKET:

Today, the most active March contracts of refined soy oil futures finished weak at NCDEX. March contract opened at Rs 439.8/10kg down Rs. 1.15 to previous closing level. March contract took profit taking with strong bearish impact of BMD resulting market witnessed speculative selling. March contract ended Rs. 2.45 up at Rs. 438.5/10kg against previous closing at Rs. 440.95/10kg.

PRICE DRIVERS:

1. Crude soy oil CIF prices declined
2. Sluggish demand
3. Bearish BMD with mixed sentiments at CBOT
4. Resellers remains active

Weather

Isolated rainfall over north and south Rajasthan and in parts of Madhya Pradesh is likely to affect soybeans arrivals.

TECHNICALS

Refined soy oil chart is showing bearishness today. Filled candlesticks with upper and lower shadow indicated indecisiveness between buyers and sellers. The prices closed below 9-days and 18-days EMA, which suggests underlying bearishness. MACD remained in negative territory. Stochastics remained in the oversold region after bullish crossover. Both volume and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-March	434	436	438.5	447	450

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil March Contract:

Sell Near 440; T1 near 438 then 437 and put stop loss at 442.

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

Centres	27.02.07	26.02.07	Change
Mumbai (Soy Ref oil)+VAT	433	433	0
Indore (Soy Ref oil)+VAT	412	410	+2
Kota (Soy Ref. Oil)+VAT	422	420	+2
Hyderabad (Soy Ref)+VAT	445	440	+5
Rajkot (Soy Ref)+Tax	432	432	0

PALM OIL

International Highlights

Crude Palm oil Futures Settle Weak at BMD

Despite bullish crude soy oil futures at CBOT, crude palm oil futures at BMD remained weak concerning for weak demand and profit taking. Crude Palm oil futures settled low across the board at Bursa Malaysian Derivatives while most active May contract finished MYR24 down at MYR1,951/tonne. There is also poor excitement over SGS exports sales estimation for palm oil for the period of February month had underlying bearish impact.

Domestic Spot Market Highlights

Palm oil spot prices remained range bound across most of domestic markets on steady demand to supply. Crude soy oil CIF prices increased sharply and quoted at \$620/tonne against yesterday` \$595/tonne for March shipment on Tuesday. BMD crude palm oil remained bearish today. Traders are keeping close eye over development in domestic market and expecting further weakness in upcoming Union Budgets.

BMD: CPO Futures (26.02.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Mar.07	1979	1970	1979	1955	1955	-24	543
Apr.07	1979	1980	1985	1956	1956	-23	2871
May.07	1975	1979	1982	1951	1951	-24	5321
Jun.07	1973	1967	1980	1960	1960	-13	2106
Jul.07	1970	1965	1975	1957	1957	-13	221

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	27.02.07	26.02.07	Change
Kandla CPO (5 % FFA)	398	397	+1
Kandla RBD Palmolein +VAT	416	414	+2
Mumbai RBD Palmolein +VAT	428	428	0
Chennai RBD Palmolein +VAT	435	435	0
Kakinada RBD Palmolein +VAT	420	418	+2
Hyderabad RBD Palmolein +VAT	443	443	0
Delhi RDB Palmolein	450	450	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	27.02.07	26.02.07	Change
Crude Soy Oil	678	680	-2
Crude Palm Oil	620	595	+25
Sunflower Oil	688	688	0

Rape/Mustard oil

Mustard oil remained mixed across domestic markets on steady to bearish sentiments for demand. Few markets remained range bound on steady demand/supply while low arrivals of fresh mustard seeds had bullish impact in Rajasthan. More weakness could be notice for mustard oil in coming days as current weather is suitable for fresh arrivals of mustard seeds.

Groundnut Oil

Good demand for groundnut seeds and oil on ideas off-season prices would remain high had bullish impact in the domestic market in Hyderabad and Delhi markets. Crushing for groundnut remained steady While few of markets remained range bound on steady demand/supply. Under prevailing well demand, its prices likely to increase further in coming days.

Refined Sunflower Oil

Refined sunflower oil prices remained weak across domestic markets on poor demand. Sunflower seeds arrivals remained steady. CIF prices of sunflower oil remained unchanged and quoted at \$688/tonne for March shipment on Tuesday. Traders are expecting further weakness in sunflower oil on rumours of Government likely to revise tariff duty on impacted oil in upcoming Union Budgets.

Refined Cotton Oil

Following groundnut oil, refined cotton oil prices improved in the spot market as both are arrivals crop and share same markets but weak demand limited the gains. Seed arrivals declined slightly had mixed reaction. Due to bumper crop and steady releases for solvent exporters, cotton oil prices likely to decline in near-terms.

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

Centres	27.02.07	26.02.07	Change
Mumbai (Exp. Oil) +VAT	427	427	0
Kota (Exp. Oil)+VAT	400	395	+5
Jaipur (Exp. Oil)+VAT	408	404	+4
Delhi (Exp. Oil)	424	424	0
Neewai (Exp. Oil) +VAT	398	400	-2

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	27.02.07	26.02.07	Change
Mumbai +VAT	600	600	0
Rajkot +VAT	642	640	+2
Andhra Region +VAT	685	680	+5
Chennai +VAT	660	670	-10
Delhi	665	665	0

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

Centres	27.02.07	26.02.07	Change
Mumbai +VAT	535	540	-5
Chennai +VAT	560	570	-10
Hyderabad +VAT	535	545	-10

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

Centres	27.02.07	26.02.07	Change
Mumbai +VAT	429	428	+1
Hyderabad +VAT	428	425	+3
Rajkot + VAT	429	428	+1
Delhi	424	424	0

Forex Rates

(As on 27.02.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.20
European Union	Euro	58.23
Japan	100 Yen	36.78
United Kingdom	Pound Sterling	86.72

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Maersk Barry (T)-III	10,000	Palm oil	Expected (04.03.2007)
	Samho Heron	5,000	Palm oil	Expected (06.03.2007)
	Spring Ursa	5,000	Palm oil	Expected (04/03/2007)
New-Manglore	Global Venus	8,500	CPO	Expected
Tutikorin	Spring Wind	4,100	Palm oil	Arrived (27.02.2007)
Kolkata	Shima Kaze	9,298	CPO	Arrived (22.02.2007)
	Madhura	7,500	CPO	Arrived (24.02.2007)

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