

## VEGOIL DAILY

March 1<sup>st</sup>, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Upsurge in refined soy oil continued in domestic market on second consecutive day on improved demand. Government removed SAD on edible oil while kept import duty on soy oil unchanged in Budget. Improved demand strengthens soy oil prices in Kota region. Plants were courageous to unload soy oil at higher prices in Indore market. CBOT remained weak while BMD remained mixed on Wednesday. CIF prices of crude soy oil declined and quoted at \$673/tonne against Tuesday's prices at \$678/tonne for March shipment on Wednesday. Soy oil prices likely to improve in coming days due to Holi festival.

#### FUTURES MARKET:

Today, the most active March contracts of refined soy oil futures settled high at NCDEX. March contract opened at Rs 436.6/10kg down Rs. 1.9 to previous closing level. March contract rose sharply on bullish sentiments for rallies and tracking BMD. Government decision to keep unchanged base import prices of soy oil also aids bullishness resulting market witnessed speculative buying. March contract ended Rs. 5.2 up at Rs. 443.7/10kg against previous closing at Rs. 438.5/10kg.

#### PRICE DRIVERS:

1. Base import prices of soy oil remained unchanged
2. SAD removed on all edible oil
3. Crude soy oil CIF prices declined
4. Improved demand
5. Mixed BMD with weak sentiments at CBOT

#### Weather

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

#### TECHNICALS

On Wednesday, refined soy oil bounce back from recent losses and improved significantly. Hollow candlesticks with short upper and long lower shadow indicated buyers remained dominated during the trade day. Market touched afresh low during early trade-session. The prices closed between 9-days and 18-days EMA, indicated bullishness. MACD made bullish crossover in negative territory. Stochastics remained in the oversold region. Volume increased significantly while open interest declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-March	434	436	443.7	450	453

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil March Contract:

**BUY Above 442; T1 near 444 then 445 and put stop loss at 440.**

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

Centres	28.02.07	27.02.07	Change
Mumbai (Soy Ref oil)+VAT	431	433	-2
Indore (Soy Ref oil)+VAT	417	412	+5
Kota (Soy Ref. Oil)+VAT	424	422	+2
Hyderabad (Soy Ref)+VAT	445	445	0
Rajkot (Soy Ref)+Tax	432	432	0

## PALM OIL

### International Highlights

#### Crude Palm oil Futures Finish Mixed at BMD

On Wednesday, crude palm oil futures settled mixed at Bursa Malaysian Derivatives on subdued trade activities. Most active May contract of crude palm oil settled MYR9 high at MYR1,960/tonne. Overnight weakness at CBOT limited the gains. Market is still looking for direction for long-term demand. SGS released palm oil exports for February month highlighted palm oil exports declined by 10% during the current month against a month ago.

#### Domestic Spot Market Highlights

Spot prices of palm oil trade mostly range bound on steady demand/supply. Government kept base import prices of palm oil unchanged. Vanaspati market kept steady palm offtake as cotton oil is a cheaper option in the market. Crude soy oil CIF prices declined sharply and quoted at \$585/tonne against Tuesday' \$620/tonne for March shipment on Wednesday. BMD crude palm oil remained in bullish tone today. Traders are expecting prices improvement in coming days on upcoming festival.

#### BMD: CPO Futures (28.02.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Mar.07	1955	1936	1957	1935	1957	+2	278
Apr.07	1956	1935	1966	1927	1960	+4	895
May.07	1951	1935	1989	1935	1960	+9	5591
Jun.07	1960	1935	1992	19352	1958	-2	914
Jul.07	1957	1939	1966	1939	1962	+5	462

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	28.02.07	27.02.07	Change
Kandla CPO (5 % FFA)	392	398	-6
Kandla RBD Palmolein +VAT	412	416	-2
Mumbai RBD Palmolein +VAT	426	428	-2
Chennai RBD Palmolein +VAT	430	435	-5
Kakinada RBD Palmolein +VAT	420	420	0
Hyderabad RBD Palmolein +VAT	443	443	0
Delhi RDB Palmolein	450	450	0

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

Edible Oil	28.02.07	27.02.07	Change
Crude Soy Oil	673	678	-5
Crude Palm Oil	585	620	-35
Sunflower Oil	692	688	+4

### Rape/Mustard oil

Mustard oil remained in bullish tone across domestic markets on improved sentiments for demand. Bad weather in parts of Rajasthan regions helped gains in mustard oil. Expellers/crushers maintained their regular offtake. In upcoming Holi festivals, mustard oil prices likely to improve further.

### Groundnut Oil

Groundnut oil remained mixed in domestic markets on lacklustre trade activities. Few markets remained range bound on steady demand/supply. Cheap availability of cotton oil depressed groundnut oil. Crushing for groundnut remained steady under prevailing crushing conditions its prices likely to increase further in coming days.

### Refined Sunflower Oil

Government decision to reduction in imported oil duty on sunflower oil by 15% to 50% had strong bearish impact across domestic markets. Demand remained poor. 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 cheap availability of other edible oil in the markets.

### Refined Cotton Oil

Cotton oil remained range bound in few markets on steady demand/supply. In Rajkot availability at cheaper prices had bullish impact. Arrivals for cotton oil remained weak. Crushing for cotton seeds were reported to remain steady. Due to bumper crop and steady releases for solvent exporters, cotton oil prices likely to trade steady to weak in near-terms.

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

Centres	28.02.07	27.02.07	Change
Mumbai (Exp. Oil) +VAT	427	427	0
Kota (Exp. Oil)+VAT	402	400	+2
Jaipur (Exp. Oil)+VAT	410	408	+2
Delhi (Exp. Oil)	424	424	0
Neewai (Exp. Oil) +VAT	400	398	+2

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

Centres	28.02.07	27.02.07	Change
Mumbai +VAT	600	600	0
Rajkot +VAT	640	642	-2
Andhra Region +VAT	685	685	0
Chennai +VAT	664	660	+4
Delhi	665	665	0

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

Centres	28.02.07	27.02.07	Change
Mumbai +VAT	535	535	0
Chennai +VAT	550	560	-10
Hyderabad +VAT	530	535	-5

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

Centres	28.02.07	27.02.07	Change
Mumbai +VAT	429	429	0
Hyderabad +VAT	428	428	0
Rajkot + VAT	432	429	+3
Delhi	424	424	0

### Forex Rates

(As on 28.02.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.31
European Union	Euro	58.58
Japan	100 Yen	37.45
United Kingdom	Pound Sterling	86.96

## 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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