

VEGOIL DAILY

February 22nd, 2007

REFINED SOY OIL

SPOT MARKET:

Spot prices of refined soy oil traded in bearish tone across domestic markets amidst sluggish demand and weakness in BMD crude and mixed overnight CBOT. Reports of solvents units are selling at cheaper prices induced bearishness. Farmers are still have ample stocks of soybeans and waiting for right time to sell-off. Crude soy oil CIF prices declined sharply and quoted at \$664/tonne against yesterday's \$672/tonne for March shipment on Wednesday. Market looking for direction and traders are expecting further weakness ahead of Union Budgets.

FUTURES MARKET:

Today, most active March contracts of refined soy oil futures settled weak at NCDEX. March contract opened at Rs 444/10kg down Rs. 1.15 to previous closing level. Market remained in negative tone on weak trades activities. Market witnessed speculative selling tracking bearishness at CBOT and BMD. March contract ended Rs. 4.05 down at Rs. 441.1/10kg to previous closing at Rs. 445.15/10kg.

PRICE DRIVERS:

1. Sharp declined crude soy oil CIF prices
2. Sentiments for soymeal improved at ports and domestically
3. Cheap availability of other edible oil
4. Sluggish demand

Weather

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

TECHNICALS

Refined soy oil futures slipped sharply today from yesterday's gains. The prices closed below 9-days and 18-days EMA, which suggests downtrend is intact. MACD remained in negative territory. Stochastics progressed to oversold region after bearish crossover. Both volume and open interest increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-March	436	438	445.2	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	21.02.07	20.02.07	Change
Mumbai (Soy Ref oil)+VAT	434	434	0
Indore (Soy Ref oil)+VAT	414	415	-1
Kota (Soy Ref. Oil)+VAT	424	NA	-
Hyderabad (Soy Ref)+VAT	444	447	-3
Rajkot (Soy Ref)+Tax	NA	432	-

PALM OIL

International Highlights

Crude Palm oil Futures Ends Down at BMD

Today, BMD crude palm oil futures settled down across the board at Bursa Malaysian Derivatives amidst poor sentiments for long term demand and overnight weakness at CBOT resulting most active May contract finished MYR16 down at MYR1,927/tonne. During the trade-session, SGS released exports sales estimation for the period of February 1-20 highlighted exports of palm oil increased by 5.1% at 635,215 metric tons as compared to corresponding period last month's 604,423 metric tons.

Domestic Spot Market Highlights

The recent exports sales of palm oil released by SGS highlighted nil import to India during February 1-20. Bearishness at BMD had spill over on palm oil in few markets. Demand remained sluggish. CIF prices of palm oil increased on second consecutive days and quoted at \$600/tonne against previous \$595/tonne March shipment on Wednesday. Palm oil prices likely to trade steady to bearish on lack of weak demand.

BMD: CPO Futures (21.02.2007)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Mar.07	1942	1935	1935	1920	1926	-16	878
Apr.07	1942	1932	1933	1922	1925	-17	2474
May.07	1941	1931	1933	1922	1925	-16	3462
Jun.07	1940	1930	1932	1923	1927	-13	249
Jul.07	1939	1930	1935	1920	1925	-14	206

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	21.02.07	20.02.07	Change
Kandla CPO (5 % FFA)	397	397	0
Kandla RBD Palmolein +VAT	414	418	-4
Mumbai RBD Palmolein +VAT	432	432	0
Chennai RBD Palmolein +VAT	437	437	0
Kakinada RBD Palmolein +VAT	421	421	0
Hyderabad RBD Palmolein +VAT	452	455	-3
Delhi RDB Palmolein	450	450	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	21.02.07	20.02.07	Change
Crude Soy Oil	664	672	-8
Crude Palm Oil	600	595	+5
Sunflower Oil	682	681	+1

Rape/Mustard oil

Spot prices of mustard oil traded most range bound across most of markets on steady demand. Nafed likely to start fresh buying from first week of March. Crushing for mustard oil reported to be in full swing as current prices remained in parity margin for mustard oil. Increase in arrivals pressure likely to depressed mustard oil prices in coming days.

Groundnut Oil

Groundnut oil prices remained mixed across domestic market. Hyderabad and Delhi markets remained weak on cheap availability of other vegetable oil while rest of markets remained range bound on steady demand. Groundnut oil likely to trades steady to bullish in coming days on similar sentiments for demand.

Refined Sunflower Oil

Improved sunflower seeds arrivals with declined other edible oils sentiments had underlying bearishness for spot prices of refined sunflower oil. CIF prices improved marginally at \$ 682/tonne against previous prices of \$681/tonne for March shipment on Wednesday. Traders are expecting its prices likely to remains steady in coming days amidst weakness in other vegetable oils.

Refined Cotton Oil

Mixed demand for refined cotton oil had mirrored similar sentiments in the spot market. In Hyderabad, poor demand pushed market down. Traders are expecting its prices likely to remained with groundnut oil in near-term.

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

Centres	21.02.07	20.02.07	Change
Mumbai (Exp. Oil) +VAT	434	434	0
Kota (Expeller Oil)+VAT	403	405	-2
Jaipur (Expeller Oil)+VAT	412	412	0
Delhi (Expeller Oil)	437	437	0
Neewai (Expeller Oil) +VAT	400	404	-4

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	21.02.07	20.02.07	Change
Mumbai +VAT	605	605	0
Rajkot +VAT	650	650	0
Andhra Region +VAT	664	667	-3
Chennai +VAT	665	665	0
Delhi	652	655	-3

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

Centres	21.02.07	20.02.07	Change
Mumbai +VAT	555	555	0
Chennai +VAT	575	575	0
Hyderabad +VAT	557	560	-3

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

Centres	21.02.07	20.02.07	Change
Mumbai +VAT	433	432	+1
Hyderabad +VAT	432	435	-3
Rajkot + VAT	435	435	0
Delhi	427	427	0

Forex Rates

(As on 21.02.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.19
European Union	Euro	58.07
Japan	100 Yen	36.71
United Kingdom	Pound Sterling	86.32

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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