

VEGOIL DAILY

February 24th, 2007

REFINED SOY OIL

SPOT MARKET:

Today, weakness in refined soy oil prices continued in domestic markets on poor demand. Solvent units unloaded soy oil cheaper prices to minimize their losses. In Kota region fresh arrivals of mustard seeds was remain a strong bearish factor. Sentiments for soymeal improved at ports. Overall soybeans arrivals declined. Firmness was maintained at BMD and CBOT. CIF prices of crude soy oil increased further and quoted at \$672/tonne against yesterday's prices at \$670/tonne for March shipment on Friday. Traders are expecting further weakness in soy oil could be notice in coming day on pressure from revision of duty structure of import oil in upcoming Union Budgets.

FUTURES MARKET:

Most active March contracts of refined soy oil futures settled weak at NCDEX. March contract opened at Rs 442/10kg up Rs. 0.9 to previous closing level. During the trades session March contract tested the lowest limit and late bounce back marginally despite firmness in overseas markets. Weak fundamental had bearish impact too and market witnessed speculative selling. March contract ended Rs. 6.9 down at Rs. 436/10kg to previous closing at Rs. 442.9/10kg.

PRICE DRIVERS:

1. Crude soy oil CIF prices improve gain
2. Overall soybeans arrivals declined
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 weakness in refined soy oil continued and market discovered the lowest prices for March contract. The prices closed below 9-days and 18-days EMA, which suggests downtrend is intact. MACD progressed deeper into negative territory. Stochastics penetrated into oversold region after bearish crossover. Volume increased while open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-March	432	434	436	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	23.02.07	22.02.07	Change
Mumbai (Soy Ref oil)+VAT	433	433	0
Indore (Soy Ref oil)+VAT	410	412	-2
Kota (Soy Ref. Oil)+VAT	415	423	-8
Hyderabad (Soy Ref)+VAT	445	445	0
Rajkot (Soy Ref)+Tax	432	432	0

PALM OIL

International Highlights

Crude Palm oil Futures Finish up at BMD

Today, BMD crude palm oil futures settled high across the board at Bursa Malaysian Derivatives amidst overnight gains at CBOT coupled with improved crude oil prices resulting most active May contract of crude palm oil finished MYR7 high at MYR1,951/tonne. However, sentiments for long-term demand remained sluggish.

Domestic Spot Market Highlights

Spot prices of palm oil remained range bound in most of markets on sluggish demand. BMD remained firmed today. Stockists remained active in releasing palm oil in the market on fear of further duty cut. Crude soy oil CIF prices quoted at \$595/tonne for March shipment on Friday. 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	23.02.07	22.02.07	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	437	-2
Kakinada RBD Palmolein +VAT	420	422	-2
Hyderabad RBD Palmolein +VAT	445	NA	-
Delhi RDB Palmolein	450	450	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	23.02.07	22.02.07	Change
Crude Soy Oil	672	670	+2
Crude Palm Oil	595	NA	-
Sunflower Oil	683	683	0

Rape/Mustard oil

Weakness in mustard oil continued across domestic markets. Solvent units were reported to reduce their offtake for fresh seeds while continued to sell-off mustard oil at cheaper prices. Continuous weakness in soy oil depressed markets too.

Groundnut Oil

Spot prices of groundnut oil stood range bound across domestic market on steady demand. Farmers remained unwilling to unload groundnut in bulk as expectations for improve prices are high in coming days. Weak demand in Delhi market depressed gnut oil prices. Harvests of new groundnut seeds in Tamil nadu is likely to begin by 2nd week of March.

Refined Sunflower Oil

Weakness in sunflower oil remained maintained across domestic market amidst pressure from weak soy oil and poor demand. CIF prices remained unchanged and quoted at \$683/tonne for March shipment on Friday. Traders are expecting further weakness on likely reduction in tariff duty ahead of Union Budgets.

Refined Cotton Oil

Refined cotton oil traded mixed across domestic markets amidst weakness in other vegetable oil and sluggish demand. Crushing for cotton oil affected and solvent units reduced their offtake on prevailing demand. Traders are expecting its prices likely to move with groundnut oil in near-term.

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

Centres	23.02.07	22.02.07	Change
Mumbai (Exp. Oil) +VAT	432	432	0
Kota (Exp. Oil)+VAT	397	400	-3
Jaipur (Exp. Oil)+VAT	405	408	-3
Delhi (Exp. Oil)	428	436	-8
Neewai (Exp. Oil) +VAT	398	400	-2

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	23.02.07	22.02.07	Change
Mumbai +VAT	608	608	0
Rajkot +VAT	650	650	0
Andhra Region +VAT	680	680	0
Chennai +VAT	670	670	0
Delhi	650	652	-2

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

Centres	23.02.07	22.02.07	Change
Mumbai +VAT	540	548	-8
Chennai +VAT	570	575	-5
Hyderabad +VAT	550	555	-5

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

Centres	23.02.07	22.02.07	Change
Mumbai +VAT	432	433	-1
Hyderabad +VAT	432	434	-2
Rajkot + VAT	435	435	0
Delhi	428	427	+1

Forex Rates

(As on 23.02.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.28
European Union	Euro	58.10
Japan	100 Yen	36.46
United Kingdom	Pound Sterling	86.64

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Maersk Barry (T)-III	10,000	Palm oil	Expected (05.03.2007)
Chennai	Hari Ocean	7,250	CPO	Arrived (21.02.2007)

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