

## VEGOIL DAILY

February 27<sup>th</sup>, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Refined soy oil prices remained range bound in most of markets on steady demand/supply. There are rumours in the market for revision in import oil tariff duty in upcoming Union Budget had underlying bearishness. Overall soymeal's demand improved towards ports with steady soybeans arrivals. BMD remained firm today. CIF prices of crude soy oil increased further and quoted at \$680/tonne against yesterday's prices at \$676/tonne for March shipment on Monday.

#### FUTURES MARKET:

Today, the most active March contracts of refined soy oil futures settled high at NCDEX. March contract opened at Rs 438/10kg up Rs. 0.3 to previous closing level. March contract witnessed follow-through rallies. Bullishness at BMD had underlying support and market witnessed speculative buying. March contract ended Rs. 3.5 up at Rs. 441.2/10kg against previous closing at Rs. 437.7/10kg.

#### 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. Bullish BMD

#### Weather

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

#### TECHNICALS

Today, refined soy oil remained firm. Hollow candlesticks indicated buyers stood dominant during trade-session. The prices touched 9-days but remained below 18-days EMA, which suggests underlying bullishness. MACD remained in negative territory. Stochastics made bullish crossover in the oversold region. Volume increased while open interest declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-March	434	436	441.2	447	450

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil March Contract:

**Buy Near 440; T1 near 442 then 443 and put stop loss at 438.**

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

Centres	26.02.07	24.02.07	Change
Mumbai (Soy Ref oil)+VAT	433	433	0
Indore (Soy Ref oil)+VAT	410	408	+2
Kota (Soy Ref. Oil)+VAT	420	420	0
Hyderabad (Soy Ref)+VAT	440	440	0
Rajkot (Soy Ref)+Tax	432	432	0

## PALM OIL

### International Highlights

#### BMD Crude Palm oil Futures Settle High

Tracking soy oil at CBOT, crude palm oil futures finished high across the board at Bursa Malaysian Derivatives and most active May contract rose by MYR24 at MYR1,975/metric tons. Crude oil futures also improved provided sideline support. Today, SGS released exports sales data for the period of February 1-25, which rose by 0.4% at 737,015 metric tons against corresponding period a month ago.

### Domestic Spot Market Highlights

Palm oil spot prices remained range bound across domestic market on steady demand to supply and unchanged crude soy oil CIF prices, which quoted at \$ 595/tonne for February shipment on Monday. Crude palm oil futures improved at BMD had underlying bullish reflection. Traders are keeping close eye on the development in overseas and domestic market and expecting further weakness in coming days.

#### BMD: CPO Futures (26.02.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Mar.07	1948	1958	1979	1955	1979	+31	662
Apr.07	1950	1960	1979	1955	1979	+29	3595
May.07	1951	1957	1975	1955	1975	+24	8295
Jun.07	1944	1960	1973	1960	1973	+29	3955
Jul.07	1949	1960	1970	1959	1970	+21	302

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	26.02.07	24.02.07	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	418	420	-2
Hyderabad RBD Palmolein +VAT	443	447	-4
Delhi RDB Palmolein	450	450	0

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

Edible Oil	26.02.07	24.02.07	Change
Crude Soy Oil	680	676	+4
Crude Palm Oil	595	595	0
Sunflower Oil	688	688	0

### Rape/Mustard oil

Mustard oil prices remained range bound in most markets on steady demand. New arrivals of mustard oil in Mumbai market depress its prices. Arrivals for mustard seeds remained steady in Rajasthan. More weakness could be notice for mustard oil in coming days as current weather is suitable for harvest to stay in full swing.

### Groundnut Oil

Steady to bearish demand reflected similar sentiments for groundnut oil prices domestically. Some fresh demand and little shortage claimed prices improvement in Delhi markets. In Rajkot market shelled groundnut quoted at Rs. 485/20kg with arrivals of 15,000-20,000 bags. Depleting quality seeds stocks of groundnut seed and sluggish demand likely to reflect similar sentiments in coming days.

### Refined Sunflower Oil

Refined sunflower oil prices remained range bound across domestic markets on steady demand. Sunflower seeds arrivals remained steady. CIF prices of sunflower oil remained unchanged and quoted at \$688/tonne for March shipment on Monday. 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 in bearish tone across domestic markets amidst slower trade activities and sluggish demand. Arrivals for cottonseeds remain steady. Mixed sentiments for groundnut oil reflected same tone domestically. Further weakness in cotton oil could be notice ahead on steady to weak sentiments for groundnut oil.

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

Centres	26.02.07	24.02.07	Change
Mumbai (Exp. Oil) +VAT	427	428	-1
Kota (Exp. Oil)+VAT	395	395	0
Jaipur (Exp. Oil)+VAT	404	404	0
Delhi (Exp. Oil)	424	424	0
Neewai (Exp. Oil) +VAT	400	394	+6

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

Centres	26.02.07	24.02.07	Change
Mumbai +VAT	600	605	-5
Rajkot +VAT	640	640	0
Andhra Region +VAT	680	690	-10
Chennai +VAT	670	670	0
Delhi	665	650	+15

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

Centres	26.02.07	24.02.07	Change
Mumbai +VAT	540	540	0
Chennai +VAT	570	570	0
Hyderabad +VAT	545	545	0

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

Centres	26.02.07	24.02.07	Change
Mumbai +VAT	428	429	-1
Hyderabad +VAT	425	425	0
Rajkot + VAT	428	430	-2
Delhi	424	424	0

### Forex Rates

(As on 26.02.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.17
European Union	Euro	58.22
Japan	100 Yen	36.51
United Kingdom	Pound Sterling	86.69

## 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)

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