

## VEGOIL DAILY

February 21<sup>st</sup>, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Today, refined soy oil traded range bound in most of markets on balanced demand/supply. Russia had confirmed bird flu outbreak while reports for same in Pakistan. Sentiments for soymeal improved both at ports and domestically. Cheap availability of cotton oil and palm oil had underlying bearishness. Crude soy oil CIF rates remained unchanged on second consecutive days and quoted at \$672/tonne for March shipment on Tuesday. Bullish reopening of BMD tomorrow would have same reflection domestically.

#### FUTURES MARKET:

Today, most active March contracts of refined soy oil futures finished up at NCDEX. March contract opened at Rs 444.1/10kg down Rs. 0.3 to previous closing level. Market remained on positive frame today on account of expiry of February contract, which settled at higher level. March contract ended Rs. 0.8 up at Rs. 445.2/10kg to previous closing at Rs. 444.1/10kg.

#### PRICE DRIVERS:

1. Reports of bird flu in Russia and Pakistan
2. Unchanged crude soy oil CIF prices
3. Sentiments for soymeal improved at ports and domestically
4. Cheap availability of other edible oil

#### Weather

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

#### TECHNICALS

Refined soy oil chart is showing recovery from recent losses. The hollow candlestick with long lower shadow indicating underlying bearish sentiments. The prices closed below 9-days and 18-days EMA. MACD is running smoothly in the negative territory. Stochastics made bearish crossover in the neutral region. Both volume and open interest declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-March	438	440	445.2	450	452

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil March Contract:

**Sell Near 445; T1 near 443 then 442 and put stop loss at 447.**

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

Centres	20.02.07	19.02.07	Change
Mumbai (Soy Ref oil)+VAT	434	434	0
Indore (Soy Ref oil)+VAT	415	418	-3
Kota (Soy Ref. Oil)+VAT	NA	426	-
Hyderabad (Soy Ref)+VAT	447	447	0
Rajkot (Soy Ref)+Tax	432	432	0

## PALM OIL

### International Highlights

BMD Crude Palm oil Futures Remained Closed on Tuesday.

### Domestic Spot Market Highlights

Spot prices of palm oil remained range bound on steady demand. Cheap availability of cotton oil and other vegetable oil diverted retailers from palm oil kept demand steady. CIF prices of palm oil increased and quoted at \$595/tonne against previous \$590/tonne March shipment on Tuesday. Palm oil prices likely to improved as BMD will reopen tomorrow.

BMD: CPO Futures (16.02.2007)							(Ringgit/ton)
Months	Previous	Open	High	Low	Close	Change	Volume
Mar.07	1931	1933	1944	1933	1942	+11	182
Apr.07	1928	1928	1943	1925	1942	+14	1417
May.07	1923	1924	1942	1920	1941	+18	2414
Jun.07	1921	1923	1940	1922	1940	+19	583
Jul.07	1920	1925	1937	1925	1937	+17	25

\*BMD Remains Closed on Saturday and Sunday.

### Palm oil – Spot Market Price (Rs. Per 10 kg)

Centres	20.02.07	19.02.07	Change
Kandla CPO (5 % FFA)	397	398	-1
Kandla RBD Palmolein +VAT	418	416	+2
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	455	455	0
Delhi RDB Palmolein	450	450	0

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

Edible Oil	20.02.07	19.02.07	Change
Crude Soy Oil	672	672	0
Crude Palm Oil	595	590	+5
Sunflower Oil	681	681	0

### Rape/Mustard oil

Mustard oil traded in bullish tone in most of markets. In Delhi fresh arrivals of mustard oil was reported. Mustard seeds arrivals over all improved in Rajasthan region. Stockists remained active in fresh buying. Increase in arrivals pressure ahead likely to depressed mustard oil.

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

Centres	20.02.07	19.02.07	Change
Mumbai (Exp. Oil) +VAT	434	432	+2
Kota (Expeller Oil)+VAT	405	405	0
Jaipur (Expeller Oil)+VAT	412	410	+2
Delhi (Expeller Oil)	437	445	-8
Neewai (Expeller Oil) +VAT	404	406	-2

### Groundnut Oil

Groundnut oil shortage with improving demands had strong bullish impact in Rajkot and Chennai markets. While rest of markets remains range bound on steady demand/supply. Crushing for groundnut oil remained steady. Expellers hesitated for fresh buying amidst high seeds prices. It prices likely trades steady to bullish on improving sentiments for demand.

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

Centres	20.02.07	19.02.07	Change
Mumbai +VAT	605	605	0
Rajkot +VAT	650	640	+10
Andhra Region +VAT	667	667	0
Chennai +VAT	665	660	+5
Delhi	655	655	0

### Refined Sunflower Oil

Spot prices of refined sunflower oil remained range bound on steady demand. Arrivals of sunflowers seeds were remained steady. CIF prices remained unchanged on second consecutive day and quoted at \$681/tonne for March shipment on Tuesday. Its prices likely to trades steady to bearish in near-term on weakness in other vegetable oil.

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

Centres	20.02.07	19.02.07	Change
Mumbai +VAT	555	555	0
Chennai +VAT	575	575	0
Hyderabad +VAT	560	560	0

### Refined Cotton Oil

Sluggish demand and improved sentiments for groundnut oil led to mixed sentiments across domestic markets. Prices improved in Rajkot market on tracking groundnut oil. Its prices likely to trade steady to bearish on lack of bullish sentiments for demand ahead.

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

Centres	20.02.07	19.02.07	Change
Mumbai +VAT	432	436	-4
Hyderabad +VAT	435	435	0
Rajkot + VAT	435	432	+3
Delhi	427	427	0

### Forex Rates

(As on 20.02.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.20
European Union	Euro	58.22
Japan	100 Yen	36.89
United Kingdom	Pound Sterling	86.28

## 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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