

VEGOIL DAILY

February 20th, 2007

REFINED SOY OIL

SPOT MARKET:

Spot prices of refined soy oil traded in bearish tone in most of markets on poor demand. Solvents units disinterested to replenish their stocks amidst poor crushing margin for soy oil. Stockists are actively released soy oil to limit their losses induced strong bearishness. Crude soy oil CIF rates remained unchanged and quoted at \$672/tonne for March shipment on Monday. News of currently ample soybeans stocks in world and progress of soybeans harvests in Brazil likely have steady to bearish impact on CBOT and domestic markets in near terms.

FUTURES MARKET:

Today, most active March contracts of refined soy oil futures settled down at NCDEX. March contract opened at Rs 446.95/10kg down Rs. 0.2 to previous closing level. Refined soy oil March futures contract witnessed speculative selling on poor physical sentiments and lack of fundamental news and market finished Rs. 2.75 down at Rs. 444.4/10kg to previous closing at Rs. 447.15/10kg.

PRICE DRIVERS:

1. Low crushing margin for soy oil
2. Unchanged crude soy oil CIF prices
3. Poor demand in most of markets
4. Steady sentiments for soy meal

Weather

Mainly clear weather likely over major growing regions would facilitate beans arrivals in coming days.

TECHNICALS

Refined soy oil futures slipped further. Charts are showing strong bearishness in the market. The prices closed below 9-days and 18-days EMA, which suggests downtrend is intact. MACD generated bearish momentum in the negative territory. Stochastics headed to make bearish crossover in neutral region. Volume increased while open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-March	438	440	444.4	450	452

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil March Contract:

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

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

Centres	19.02.07	17.02.07	Change
Mumbai (Soy Ref oil)+VAT	434	433	+1
Indore (Soy Ref oil)+VAT	418	421	-3
Kota (Soy Ref. Oil)+VAT	426	NA	-
Hyderabad (Soy Ref)+VAT	447	MC	-
Rajkot (Soy Ref)+Tax	432	434	-2

PALM OIL

International Highlights

BMD Crude Palm oil Futures Remained Closed on Monday.

Domestic Spot Market Highlights

Palm oil spot prices remained range bound across domestic markets on steady demand to supply and lack of fresh fundamental news. According to trade sources, there are ample stocks of palm oil in the markets prevented fresh buying. Crude palm oil CIF prices quoted at \$590/tonne for March shipment on Monday. Traders are keeping close eye on the development in overseas and domestic markets and expecting steady to bearish sentiments in coming days.

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	19.02.07	17.02.07	Change
Kandla CPO (5 % FFA)	398	397	+1
Kandla RBD Palmolein +VAT	416	414	+2
Mumbai RBD Palmolein +VAT	432	432	0
Chennai RBD Palmolein +VAT	437	437	0
Kakinada RBD Palmolein +VAT	421	MC	-
Hyderabad RBD Palmolein +VAT	455	MC	-
Delhi RDB Palmolein	450	450	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	19.02.07	17.02.07	Change
Crude Soy Oil	672	672	0
Crude Palm Oil	590	NA	-
Sunflower Oil	681	681	0

Rape/Mustard oil

Spot prices of mustard oil remained in bearish tone across domestic markets. Pressure from news mustard seeds in Rajasthan had strong bearish impact. Weakness in soy had spill over impact. In Delhi prices remained range bound on steady demand/supply. Increase in arrivals pressure ahead likely to depressed mustard oil.

Groundnut Oil

Crushing for groundnut oil remained steady. Rates for quality seeds are high had spill over impact. Its prices improved in Delhi on little shortage. Stockists remained active in fresh buying. In Rajkot market shelled groundnut quoted at Rs. 480/20kg (bag) with arrivals of 15,000-20,000 bags. Its prices likely trades steady to bullish on improving sentiments for demand.

Refined Sunflower Oil

Refined sunflower oil traded steady to bullish in physical markets amidst mixed sentiments for demand. Sunflower seeds arrivals remained steady. CIF prices remained unchanged and quoted at \$681/tonne for March shipment on Monday. Its prices likely to trades steady to bearish in near-term on weakness in other vegetable oil.

Refined Cotton Oil

Improved groundnut oil prices in Rajkot market had similar reflection on refined cotton oil as share the same market while in rest of markets bearish sentiments had similar reflection. Stockists remained less active in fresh buying. Its prices likely to trade steady to bearish on lack of bullish sentiments for demand ahead as well as underlying weakness in other edible oils.

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

Centres	19.02.07	17.02.07	Change
Mumbai (Exp. Oil) +VAT	432	433	-1
Kota (Expeller Oil)+VAT	405	410	-5
Jaipur (Expeller Oil)+VAT	410	416	-6
Delhi (Expeller Oil)	452	452	0
Neewai (Expeller Oil) +VAT	406	412	-6

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	19.02.07	17.02.07	Change
Mumbai +VAT	605	605	0
Rajkot +VAT	640	635	+5
Andhra Region +VAT	667	MC	-
Chennai +VAT	660	660	0
Delhi	655	650	+5

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

Centres	19.02.07	17.02.07	Change
Mumbai +VAT	555	552	+3
Chennai +VAT	575	575	0
Hyderabad +VAT	560	MC	-

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

Centres	19.02.07	17.02.07	Change
Mumbai +VAT	436	438	-2
Hyderabad +VAT	435	MC	-
Rajkot + VAT	432	427	+5
Delhi	427	427	0

Forex Rates

(As on 19.02.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.07
European Union	Euro	57.97
Japan	100 Yen	36.92
United Kingdom	Pound Sterling	86.17

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Mercure	14,500	Soy oil	Arrived (14.02.2007)
	Star Dust	5,256	CPO	Arrived (15.02.2007)
	Vernal Grace	3,700	CPO	Arrived (16.02.2007)
	Spring Glory	4,100	CPO	Arrived (09.02.2007)
Mumbai	Maersk Barry (T)-III	10,000	Palm oil	Expected (05.03.2007)

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