

## VEGOIL DAILY

February 15<sup>th</sup>, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Firm CBOT and BMD mirrored similar sentiments in the domestic market and refined soy oil traded steady to bullish across domestic market. Soybeans arrivals remained steady while offtake improved from solvent units. Improved sentiments for mustard oil had spill over impact. During first three months from November to January in current oil year (Nov 06-Oct 07) edible oil import increased nearly 20% at 932,214 metric tons against 776,894 metric tons last year while crude soy oil import declined by 45.74% at 144,990 metric tons against 267,208 metric tons a year ago. Crude soy oil CIF rates remain unchanged and quoted at \$663/tonne for March shipment on Wednesday.

#### FUTURES MARKET:

Today, most active March contracts of refined soy oil futures at NCDEX slightly down. March contract opened at Rs 448/10kg up Rs. 0.4 to yesterday closing level. Despite bullish CBOT and BMD domestic market remain weak amidst long-term demand and profit taking from recent rallies and market finished Rs. 0.1 high at Rs. 447.7/10kg to previous closing at Rs. 447.6/10kg.

#### PRICE DRIVERS:

1. Unchanged crude soy oil CIF prices
2. Improved soybeans prices
3. Edible oil import increased during Nov to Jan
4. Sluggish domestic demand
5. Bullish BMD and CBOT
6. Improved meal sentiment at ports

#### Weather

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

#### TECHNICALS

Refined soy oil chart showing indecisiveness between buyers and sellers. The price closed below 9-days and 18-days EMA indicating weak sentiments. MACD remained in negative territory showing bearishness. Stochastics made bullish crossover in the oversold region. Volume declined while open interest remains unchanged.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-March	441	444	447.75	453	456

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil March Contract:

**Sell Below 448; T1 446 then 445 and put stop loss at 450.**

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

Centres	14.02.07	13.02.07	Change
Mumbai (Soy Ref oil)+VAT	435	432	+3
Indore (Soy Ref oil)+VAT	416	416	0
Kota (Soy Ref. Oil)+VAT	425	NA	-
Hyderabad (Soy Ref)+VAT	450	448	+2
Rajkot (Soy Ref)+Tax	440	440	0

## PALM OIL

### International Highlights

#### Crude Palm oil Futures Finish up at BMD

Overnight firm CBOT coupled with anticipation for bullish exports figures in February month forced crude palm oil futures to finish high across the board on Bursa Malaysian Derivatives on Wednesday. The most active April contract settled MYR22 up at MYR1,907/tonne. Anticipation for bullish exports sales figures for the period of February 1-15 by SGS had underlying bullish impact.

### Domestic Spot Market Highlights

Palm oil prices trade in mixed trends across domestic market amidst sluggish demand and bullish BMD. During Nov-Jan. in current oil year (Nov. 06-Oct 07) crude palm oil imports increased by 77.63% at 700,265 metric tons as compared to 394,234 metric tons during same period a year ago. Crude palm oil CIF prices quoted at \$590/tonne for March shipment on Wednesday. Palm oil prices likely to trade in bearish tone in coming days as many vessels are expecting to fuel more palm oil in the market.

BMD: CPO Futures (14.02.2007)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Feb.07	1911	1934	1960	1934	1960	+49	35
Mar.07	1893	1893	1915	1893	1911	+18	403
Apr.07	1885	1888	1912	1887	1907	+22	3368
May.07	1886	1886	1886	1910	1906	+20	1446
Jun.07	1884	1907	1907	1907	1907	+23	5

\*BMD Remains Closed on Saturday and Sunday.

### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	14.02.07	13.02.07	Change
Kandla CPO (5 % FFA)	394	394	0
Kandla RBD Palmolein +VAT	414	414	0
Mumbai RBD Palmolein +VAT	435	432	+3
Chennai RBD Palmolein +VAT	435	438	-3
Kakinada RBD Palmolein +VAT	420	416	+4
Hyderabad RBD Palmolein +VAT	438	440	-2
Delhi RDB Palmolein	450	450	0

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

Edible Oil	14.02.07	13.02.07	Change
Crude Soy Oil	663	663	0
Crude Palm Oil	590	NA	-
Sunflower Oil	680	682	-2

### Rape/Mustard oil

Mustard oil prices remained steady to bullish across domestic market on improved sentiments for demand. Nafed did not sell mustard seeds on third consecutive day. Yesterday's rainfall with hail storm in parts of Rajasthan had bullish impact. In prevailing conditions traders are expecting further improvement in mustard oil prices in coming days.

### Groundnut Oil

Today, spot prices of groundnut oil traded steady in most of market. Crushing was reported low with sluggish demand. Stockists remain active in fresh buying. Rajkot market witnessed depleting quality seeds stock of groundnut seeds. Traders are expecting steady to bullish sentiments in coming days amidst reports of low crushing ahead.

### Refined Sunflower Oil

Declined sunflower oil CIF prices reflect bearishness in few markets. Crushing was reported to remain steady with poor demand. Hyderabad market remains range bound on steady demand/supply. Sunflower oil CIF rates declined and quoted at \$680/tonne against yesterday's \$682/tonne for March shipment on Wednesday. Sunflower oil prices likely to fall further on prevailing sluggish demand.

### Refined Cotton Oil

Higher prices and steady demand for groundnut helped in improving buying support for cotton oil across most of market while poor demand in Delhi result low prices. Cottonseeds arrivals remain steady. Trades are expecting its prices to moved according with developments in overseas market on lack of bullish sentiment ahead.

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

Centres	14.02.07	13.02.07	Change
Mumbai (Exp. Oil) +VAT	430	430	0
Kota (Expeller Oil)+VAT	409	409	0
Jaipur (Expeller Oil)+VAT	414	414	0
Delhi (Expeller Oil)	445	442	+3
Neewai (Expeller Oil) +VAT	411	410	+1

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

Centres	14.02.07	13.02.07	Change
Mumbai +VAT	605	605	0
Rajkot +VAT	625	625	0
Andhra Region +VAT	670	670	0
Chennai +VAT	NA	630	-
Delhi	650	650	0

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

Centres	14.02.07	13.02.07	Change
Mumbai +VAT	550	560	-10
Chennai +VAT	575	580	-5
Hyderabad +VAT	570	570	0

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

Centres	14.02.07	13.02.07	Change
Mumbai +VAT	435	433	+2
Hyderabad +VAT	440	435	+5
Rajkot + VAT	426	425	+1
Delhi	426	427	-1

### Forex Rates

(As on 14.02.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.16
European Union	Euro	57.56
Japan	100 Yen	36.41
United Kingdom	Pound Sterling	86.00

## PORT-WATCH (Latest):

### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Shima Kaze	6,950	CPO	Arrived (10/02/2007)
	Marida Princess	5,000	CPO	Arrived (11.02.2007)
	Mercure	14,500	Soy oil	Expected (13.02.2007)
	Spring Glory	4,100	CPO	Arrived (09.02.2007)
Chennai	Caroline 7	5,500	CPO	Berthed (09.02.2007)
Mumbai	Maersk Barry (T)-III	10,000	Palm oil	Expected (05.03.2007)

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