

VEGOIL DAILY

March 28th, 2007

REFINED SOY OIL

SPOT MARKET:

On Tuesday, refined soy oil stood range bound on steady demand/supply. Trade activities remained suspended domestically on celebration of Ram Navami. Overnight CBOT remained weak amidst good weather conditions for soybeans plantation in Midwest coupled with advancing harvest in South America. However, some support for soy oil at CBOT was provided from upsurge in crude oil prices. The CIF prices of crude soy oil dropped at \$680 per tonne on Tuesday for April shipment as compared to \$ 687 per tonne on Monday. Soy oil is likely to trade steady ahead amidst March financial year closing.

FUTURES MARKET:

April contract of refined soy oil at NCDEX settled weak on Tuesday. Soy oil contract opened at Rs. 458.6 per 10kg against Monday's closing level of 459.5 per 10 Kg. Tracking BMD soy oil futures improved but profit taking and disinterest for short-term demand pushed market down and market finished at Rs. 458 per 10kg drop Rs. 1.5 to Monday's closing levels.

PRICE DRIVERS:

1. Suspended trade activities on celebration of Ram Navami
2. Bearish overnight CBOT
3. Declined crude soy oil CIF prices
4. Pressure from new mustard seeds
5. Depleting solvent plants buffer stock of quality beans

Weather

Mainly dry weather in major growing region would facilitate soybeans arrivals in short-term.

TECHNICALS

Refined soy oil chart is showing follow-through weakness. Sellers were active and dragged the market March 21st opening prices. The prices were closed near 9-days and 18-days EMA, suggests short-term weakness in the market. MACD penetrated into positive territory. Stochastic headed upward in neutral region. Volume increased but open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-April	452	454	458	463	466

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil April Contract:

Sell Below 459; T1 near 457, T2 456 and put stop loss at 461.

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

Centres	27.03.07	26.03.07	Change
Mumbai (Soy Ref oil)+VAT	447	447	0
Indore (Soy Ref oil)	432	432	0
Kota (Soy Ref. Oil)+VAT	445	445	0
Hyderabad (Soy Ref)+VAT	460	460	0
Rajkot (Soy Ref)+Tax	437	437	0

PALM OIL

International Highlights

BMD Crude Palm oil Futures Settle Mix

Despite overnight weak CBOT, crude palm oil futures remained dull at Bursa Malaysian Derivatives amidst lackluster trade activities. The most active June contract of CPO futures dropped by MYR8 at MYR2,003 per metric ton. Weak exports sales figures by SGS restricted the upside momentum on Tuesday. However, dormant long-term demand was remained supportive for CPO futures.

Domestic Spot Market Highlights

Spot prices of palm oil remained range bound across domestic markets on steady demand/supply coupled with lackluster trade activities. Lack of supportive fundamentals had bearish impact in Indonesia while BMD gained some momentum on rallies confirmed steadiness. The crude palm oil CIF prices quoted at \$ 622 per tonne for April shipment on Tuesday. The traders are expecting steady to bearish sentiments for palm oil ahead on lack of market propelling fundamentals.

BMD: CPO Futures (27.03.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Apr.07	1995	2003	2007	1999	2007	+12	154
May.07	1995	1994	2004	1994	2000	+5	486
Jun.07	1995	1990	2007	1990	2003	+8	2239
Jul.07	1998	1994	2005	1994	2003	+5	1129
Aug.07	2003	2000	2000	2000	2000	-3	5

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	27.03.07	26.03.07	Change
Kandla CPO (5 % FFA)	401	401	0
Kandla RBD Palmolein +VAT	422	422	0
Mumbai RBD Palmolein +VAT	441	441	0
Chennai RBD Palmolein +VAT	440	440	0
Kakinada RBD Palmolein +VAT	427	427	0
Hyderabad RBD Palmolein +VAT	445	445	0
Delhi RDB Palmolein	460	465	-5

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	27.03.07	26.03.07	Change
Crude Soy Oil	680	687	-7
Crude Palm Oil	622	NA	-
Sunflower Oil	695	710	-15

Rape/Mustard oil

Mustard oil traded range bound in domestic market on steady demand. Reports of Nafed have been purchased around 16,000-17,000 metric tonne mustard seeds so far in current season. Improved demand in Delhi supported price improvement there. Resellers remain active in fresh buying, as current prices are supportive. Further softening in mustard oil could be notice ahead on current harvesting conditions.

Groundnut Oil

Groundnut oil remained mixed across domestic markets on dull trade activities. The balance in demand and supply kept few markets range bound. Dwindle quality seeds stocks with active resellers fuelled Rajkot market. The depleting groundnut oil stocks boosted expellers to sell oil at higher prices had underlying bullishness in domestic markets. The forecast of isolated rainfall in parts of Tamil Nadu is likely to affect groundnut arrivals.

Refined Sunflower Oil

Refined soy oil prices remained mixed in domestic markets. Good demand supported sunflower oil prices in Mumbai market. The reports of sunflower oil unloading by new vessel depressed Chennai market. CIF prices of sunflower oil declined on Tuesday at \$695 per tonne for April shipment against Monday's \$710 per tonne. Traders are expecting steadiness for sunflower oil in coming days on underlying bearishness in domestic markets.

Refined Cotton Oil

Spot prices of refined cotton oil traded on higher side on lack of bullish sentiments for long-term demand. The poor demand of cotton meals amidst higher prices controlled upside movement of cotton oil. The ample quantity of cottonseeds in the market is likely to control cotton oil prices in near-term.

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

Centres	27.03.07	26.03.07	Change
Mumbai (Exp. Oil) +VAT	435	428	+7
Kota (Exp. Oil)+VAT	420	420	0
Jaipur (Exp. Oil)+VAT	428	428	0
Delhi (Exp. Oil)	448	446	+2
Neewai (Exp. Oil) +VAT	412	412	0

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	27.03.07	26.03.07	Change
Mumbai +VAT	582	585	-3
Rajkot +VAT	640	635	+5
Andhra Region +VAT	650	650	0
Chennai +VAT	590	580	+10
Delhi	660	660	0

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

Centres	27.03.07	26.03.07	Change
Mumbai +VAT	535	520	+15
Chennai +VAT	525	530	-5
Hyderabad +VAT	510	510	0

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

Centres	27.03.07	26.03.07	Change
Mumbai +VAT	446	446	0
Hyderabad +VAT	450	450	0
Rajkot + VAT	438	437	+1
Delhi	445	445	0

Forex Rates

(As on 27.03.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.39
European Union	Euro	57.60
Japan	100 Yen	36.77
United Kingdom	Pound Sterling	85.16

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Sima Kazee	9,452	CPO	Arrived (23.03.2007)
	Global Venus	5,000	CPO	Arrived (25.03.2007)
New-Manglore	Bum-Mi	5,000	CPO	Arrived (26.03.2007)
Kandla	Global Eos	11,000	CPO	Expected (02.04.2007)
	AL. Kortoubi	12,281	Palm oil	Expected (29.03.2007)
	Hari Kripa	2,000	CFA*	Expected (31.03.2007)

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