

## VEGOIL DAILY

March 16th, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Spot prices of refined soy oil repeated Wednesday's sentiments in domestic markets. In February month crude soy oil import declined by 80.62% at 18,000 metric tons against 92,904 metric tons during same period last year induced bearishness in the market. NOPA's (National Oilseeds Processors Association) highlighted soybean crushing for February month at 130.78 million bushels as compared 148.9 million bushels in January month indicated low soy oil demand globally suppressed prices domestically. CIF prices of crude soy oil for April shipment remained unchanged on second consecutive day at \$670/tonne on Thursday. However, soy oil stock with NOPA for February month stood at 2.772 billion pounds as compared to 2.739 in January would depress soy futures at CBOT with bearish reflection domestically.

#### FUTURES MARKET:

Refined soy oil April futures contract finished high at NCDEX on Thursday. Soy oil April futures contract opened at Rs. 455.7 per 10kg as compared to Wednesday's closing level of 453 per 10 Kg. Improving physical sentiments for soymeal and soy oil strengthened bulls in the market. Firmed BMD also mirrored similar sentiments and contract closed at Rs 457.95 per 10kg high Rs. 4.95 to previous closing levels.

#### PRICE DRIVERS:

1. Improving sentiments for soymeal and soy oil
2. NOPA bearish crushing reports for soybeans
3. Floored soy oil import during February month
4. Bearish BMD crude palm oil futures
5. Unchanged crude soy oil CIF prices on second consecutive day

#### Weather

Mainly dry weather in major growing regions would facilitate soybeans arrival in coming days.

#### TECHNICALS

Refined soy oil chart is showing recovery from recent losses. The hollow candlestick with upper shadow is indicating dominance of buyers over sellers. The prices closed above 9-days 18-days EMA are indicating bullishness. MACD remains upward, suggesting fading bearish momentum in the negative territory while stochastics headed down after bearish crossover in neutral region. Both volume and open interest increased.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-April	449	452	457.95	461	464

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil April Contract:

**Buy Near** 456; T1 near 458, T2 459 and put stop loss at 454.

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

Centres	15.03.07	14.03.07	Change
Mumbai (Soy Ref oil)+VAT	445	445	0
Indore (Soy Ref oil)	422	424	-2
Kota (Soy Ref. Oil)+VAT	435	430	+5
Hyderabad (Soy Ref)+VAT	455	455	0
Rajkot (Soy Ref)+Tax	432	432	0

## PALM OIL

### International Highlights

#### Crude Palm oil Futures Finish in Bullish Tone at BMD

On Thursday, crude palm oil futures settled in bullish tone at Bursa Malaysian Derivatives on lacklustre trade activities. Most active May contract of crude palm oil settled MYR15 up at MYR1,960/tonne. Overnight weak soy oil at CBOT drag gains after bullish forecast by analysts in industrial conference. Volume remained below to routine trade days. SGS cargo surveyor also released palm oil estimation for March 1-15, which dropped by 3.1% at 496,977 metric tons against same period in last month pulled down the market to certain extend.

### Domestic Spot Market Highlights

Improving sentiments for palm oil fuelled palm oil prices in domestic markets. Recent trade estimation highlighted crude palm oil imports declined by 19.53% at 107,137 metric tons in February month against 133,139 metric tons during same period as well as SGS exports sales estimation palm oil for the period of March 1-15 stood at 12,400 metric tons against nil exports during same period in January. CIF prices of crude palm oil remained unchanged on third consecutive day at \$600 per tonne for April shipment on Thursday. In current oil year (Nov 06-Oct 07) palm oil import is likely to improve by 1 million would supports bullish sentiments in long term.

#### BMD: CPO Futures (15.03.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Mar.07	1945	0	0	0	1945	0	0
Apr.07	1950	1949	1959	1943	1959	+9	890
May.07	1945	1952	1960	1939	1960	+15	2602
Jun.07	1945	1950	1956	1940	1956	+11	1281
Jul.07	1947	1953	1953	1940	1946	-1	320

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	15.03.07	14.03.07	Change
Kandla CPO (5 % FFA)	395	395	0
Kandla RBD Palmolein +VAT	418	419	-1
Mumbai RBD Palmolein +VAT	438	438	0
Chennai RBD Palmolein +VAT	432	431	+1
Kakinada RBD Palmolein +VAT	423	422	+1
Hyderabad RBD Palmolein +VAT	443	439	+4
Delhi RDB Palmolein	455	450	+5

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

Edible Oil	15.03.07	14.03.07	Change
Crude Soy Oil	670	670	0
Crude Palm Oil	600	600	0
Sunflower Oil	693	696	-3

### Rape/Mustard oil

It is the arrivals pressure, which suppressing mustard oil in few market. Nafed has started fresh buying of new mustards seeds in Neewai region but higher prices in physical market, diverting sellers to other lucrative option supported the bulls in the market. Traders are expecting mustard oil is likely to remains steady to improve ahead on Nafed's likely movement for fresh buying of mustard seeds.

### Groundnut Oil

Declining arrivals of groundnut seeds with aggressive buying from stockists reflected bullishness on groundnut oil in Hyderabad and Chennai markets. Due to higher prices of groundnut oil retailers shifted to other edible oils results range bound prices in rest of markets. Groundnut seeds arrivals are likely to pick up in coming days would provide some direction to gn oil domestically.

### Refined Sunflower Oil

Improved demand boosted sentiments for sunflower oil demand domestically. In Mumbai market prices remains range bound on steady demand/supply. The CIF prices for sunflower oil declined on Thursday for April shipment at \$693/tonne as compared to Wednesday's \$696/tonne. Traders are expecting sunflower oil prices are likely to move according to other vegetable oil in near-term.

### Refined Cotton Oil

Refined cotton oil remains mixed in spot markets domestically. Declining cotton meal demand in market dragged the market down. However, crushing market for cotton oil remained in parity but low demand and plenty stock in the market pulled the market down. In coming days cotton meal demand is likely to determine cotton oil prices in coming days.

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

Centres	15.03.07	14.03.07	Change
Mumbai (Exp. Oil) +VAT	436	436	0
Kota (Exp. Oil)+VAT	415	414	+1
Jaipur (Exp. Oil)+VAT	423	422	+1
Delhi (Exp. Oil)	444	445	-1
Neewai (Exp. Oil) +VAT	412	410	+2

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

Centres	15.03.07	14.03.07	Change
Mumbai +VAT	585	585	0
Rajkot +VAT	630	630	0
Andhra Region +VAT	665	650	+15
Chennai +VAT	600	585	+15
Delhi	660	660	0

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

Centres	15.03.07	14.03.07	Change
Mumbai +VAT	520	520	0
Chennai +VAT	530	525	+5
Hyderabad +VAT	520	515	+5

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

Centres	15.03.07	14.03.07	Change
Mumbai +VAT	441	444	-3
Hyderabad +VAT	450	447	+3
Rajkot + VAT	436	437	-1
Delhi	442	440	+2

### Forex Rates

(As on 15.03.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.22
European Union	Euro	58.47
Japan	100 Yen	37.72
United Kingdom	Pound Sterling	85.51

## PORT-WATCH (Latest):

### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Global Themis-III	10,500	Palm oil	Expected (17.03.2007)
Kandla	Hari Kripa	2,000	CFA	Arrived (26.02.2007)
	M.T. Pujawati	13,000	CDSBO	Arrived (27.02.2007)
Chennai	Global Trader	4,754	CPO	Expected (15.03.2007)

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