

## VEGOIL DAILY

March 12th, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Refined soy oil traded range bound in domestic market on higher side on steady demand. Improving sentiments of soy oil and soymeal induced solvent plants to replenish their soybeans stocks supported bullishness in the market. USDA ending stocks for soybean oil declined by 25 million pounds at 2.664 billion pounds for current oil years against 3.019 billion pounds a year ago helped soy oil prices domestically. CIF prices of crude soy oil for March shipment remained unchanged on Saturday at \$678/tonne. However, world ending stocks for soybeans were stood at 57.5 million ton rose from 57.43 million tons from last month is likely to check price movement for soy oil in coming days.

#### FUTURES MARKET:

Refined soy oil April futures contract settled high at NCDEX on Saturday. Soy oil April futures contract opened at Rs. 451.85/10kg against previous closing level of 451.8/10 Kg. Forecast of bad weather conditions in Rajasthan with isolated rainfall in parts of Punjab had spill over impact on soy oil contract. Week global ending stocks for soy oil aided the bullishness and soy oil market breach the upper limit for today and contract closed at Rs 456.3/10kg high Rs. 4.5 to previous closing levels.

#### PRICE DRIVERS:

1. USDA ending stocks for soy oil declined
2. CIF prices for crude soy oil stood unchanged
3. Overall soybeans arrivals improved
4. Forecast of bad weather conditions in Rajasthan

#### Weather

Expectation for isolated rainfall in southeast Madhya Pradesh and over Rajasthan is likely to affect soybeans arrivals in near-term.

#### TECHNICALS

On Saturday, refined soy oil improved significantly on aggressive mood of buyers. Hollow candlesticks suggested buyers remained dominated during the trade day. The prices closed above 9-days and 18-days EMA, indicated bullishness. MACD remained in upward trends in negative territory, which indicating fading bearish momentum Stochastics made bullish crossover in neutral region. Volume increased significantly while and open interest also increased.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-April	448	450	456.8	461	463

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil April Contract:

**Buy Above 455; T1 near 457, T2 458 and put stop loss at 453.**

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

Centres	10.03.07	09.03.07	Change
Mumbai (Soy Ref oil)+VAT	438	438	0
Indore (Soy Ref oil)	420	416	+4
Kota (Soy Ref. Oil)+VAT	430	430	0
Hyderabad (Soy Ref)+VAT	450	450	0
Rajkot (Soy Ref)+Tax	432	432	0

## PALM OIL

### International Highlights

#### Crude Palm oil Futures Remained Closed on Saturday

### Domestic Spot Market Highlights

Sluggish demand domestically depressed palm oil spot prices on Saturday. Few markets remained range bound on steady demand/supply. Retailers were reluctant for fresh buying of palm oil on poor demand at consumer level had underlying bearishness. CIF prices of crude palm oil for March shipment increased on Saturday at \$605/tonne against Friday's \$600/tonne. Underlying bullishness at BMD is likely to reflect similar sentiments on palm oil prices domestically in coming days.

#### BMD: CPO Futures (09.03.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Mar.07	1974	1977	1982	1974	1974	0	160
Apr.07	1967	1972	1978	1966	1970	+3	1031
May.07	1963	1969	1970	1956	1963	0	3215
Jun.07	1960	1966	1969	1954	1956	-4	750
Jul.07	1957	1965	1965	1955	1955	-2	83

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	10.03.07	09.03.07	Change
Kandla CPO (5 % FFA)	393	394	-1
Kandla RBD Palmolein +VAT	415	416	-1
Mumbai RBD Palmolein +VAT	431	431	0
Chennai RBD Palmolein +VAT	430	431	-1
Kakinada RBD Palmolein +VAT	421	420	+1
Hyderabad RBD Palmolein +VAT	438	440	-2
Delhi RDB Palmolein	450	450	0

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

Edible Oil	10.03.07	09.03.07	Change
Crude Soy Oil	678	678	0
Crude Palm Oil	605	600	+5
Sunflower Oil	700	700	0

### Rape/Mustard oil

Bullish sentiments for mustard oil maintained on second consecutive day on forecast of isolated rainfall in Rajasthan. Friday's rain in few parts of Rajasthan aided bullish impact. Arrivals of mustard seeds remained steady to yesterday induced bullishness. Nafed is likely to start procurement of new mustard seeds would support bullishness in near-term.

### Groundnut Oil

Advancing harvest of Rabi groundnut seeds in Tamil Nadu and in parts of Andhra Pradesh and Karnataka depressed spot market of groundnut oil there with spill over impact in other markets. Arrivals of groundnut seeds improved in Chennai region. Stockists were reported to engage in purchase of Rabi groundnut seeds had limited the losses to certain extend. Groundnut oil price likely to depressed further domestically on advancing harvest on Rabi groundnut.

### Refined Sunflower Oil

Refined sunflower oil traded mixed domestically on sluggish demand. Traders were reported to shift their preference to Rabi groundnut had underlying bearishness. Arrivals of sunflower seeds were reported to remain steady. The CIF prices for sunflower oil for March shipment remained unchanged from last couple of days at \$700/tonne for March shipment on Saturday.

### Refined Cotton Oil

Spot prices of refined cotton oil remained mixed in domestic market amidst sluggish demand. Declining groundnut oil also pressured cotton oil. Crushing margin for cotton oil is reported to declining due to improving prices of cottonseeds in the market. Advancing harvest of groundnut seeds are likely to produce spill over impact on cotton oil in near-term.

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

Centres	10.03.07	09.03.07	Change
Mumbai (Exp. Oil) +VAT	432	430	+2
Kota (Exp. Oil)+VAT	408	405	+3
Jaipur (Exp. Oil)+VAT	416	413	+3
Delhi (Exp. Oil)	435	435	0
Neewai (Exp. Oil) +VAT	403	401	+2

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

Centres	10.03.07	09.03.07	Change
Mumbai +VAT	587	590	-3
Rajkot +VAT	625	630	-5
Andhra Region +VAT	690	700	-10
Chennai +VAT	595	605	-10
Delhi	660	660	0

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

Centres	10.03.07	09.03.07	Change
Mumbai +VAT	510	505	+5
Chennai +VAT	530	532	-2
Hyderabad +VAT	515	515	0

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

Centres	10.03.07	09.03.07	Change
Mumbai +VAT	439	440	-1
Hyderabad +VAT	448	448	0
Rajkot + VAT	432	432	0
Delhi	435	432	+3

### Forex Rates

(As on 10.03.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.27
European Union	Euro	58.06
Japan	100 Yen	37.41
United Kingdom	Pound Sterling	85.62

## PORT-WATCH (Latest):

### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Samho Heron	4,000	Palm oil	Arrived (08.03.2007)
New-Manglore	Jin Hai Yang	8,000	CPO	Arrived (07.03.2007)
	S.C. Shang Hai	6,000	CPO	Arrived (09.03.2007)
Kolkata	Global Pallas	3,450	CPO	Expected (10.03.2007)
	Shima Kaze	5,350	CPO	Arrived (07.03.2007)
Kandla	Hari Kripa	2,000	CFA	Arrived (26.02.2007)
	M.T. Pujawati	13,000	CDSBO	Arrived (27.02.2007)
Chennai	Maria E	4,998	CPO	Berthed (08.03.2007)

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