

## VEGOIL DAILY

March 07th, 2007

### REFINED SOY OIL

#### SPOT MARKET:

On Tuesday refined soy oil traded in bearish tone in domestic markets amidst sluggish demand. Solvent plants were reported to have good stock positions for soy oil but lack of fresh demand results selling at cheaper prices. Resellers were also remains active in selling induced bearishness. Weak overnight CBOT had bearish reflection too. CIF prices of crude soy oil for March shipment increased on Tuesday at \$670/tonne against Monday's \$665/tonne. Traders are expecting steady to bearish market ahead on underlying bearishness at CBOT and BMD.

#### FUTURES MARKET:

Refined soy oil April futures contract finished weak at NCDEX. April futures contract opened at Rs 449.6/10kg against previous closing level of 448.85/10 Kg. In lack of long term demand and selling pressure by solvent plants had bearish impact. Weakness at CBOT also aided bearish reflection and contract closed at Rs 448.35 slightly below to the previous closing levels.

#### PRICE DRIVERS:

1. Crude soy oil CIF prices improved
2. Weakness in other vegetable oil
3. Sluggish demand
4. Weak overnight soy futures at CBOT
5. Resellers remained active

#### Weather

Mainly dry weather over major growing region likely to facilitate soybeans arrivals in coming days.

#### TECHNICALS

Refined soy oil chart is showing follow through selling on April contract. Prices closed between 9 day and 18 day EMA indicating short-term weakness. MACD remained in negative territory. Stochastic made bearish crossover in neutral region. Both volume and open interest declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-April	442	444	448.85	453	457

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil April Contract:

**Sell Below 450; T1 near 448, T2 447 and put stop loss at 452.**

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

Centres	06.03.07	05.03.07	Change
Mumbai (Soy Ref oil)+VAT	436	436	0
Indore (Soy Ref oil)	417	419	-2
Kota (Soy Ref. Oil)+VAT	428	430	-2
Hyderabad (Soy Ref)+VAT	448	445	+3
Rajkot (Soy Ref)+Tax	432	432	0

## PALM OIL

### International Highlights

#### BMD Crude Palm oil Futures Settle High

Firmness in other commodities boosted crude palm oil futures across the board at Bursa Malaysian Derivatives on Tuesday. The most active May contract of crude palm oil rose by MYR20 at MYR1,943/metric ton on lacklustre trade day. However, traders were reluctant to take fresh positions ahead of conference and Malaysian Palm oil Board (MPOB) exports estimation of palm oil for February month.

### Domestic Spot Market Highlights

On Tuesday, spot prices of palm oil traded mixed on sluggish demand. Cheap availability of cotton oil had underlying bearishness. Many vessels are expected to bring more palm oil in the market in coming day. However, bullish BMD capped the gains to certain extend. CIF prices for crude palm oil for March shipment stood unchanged at \$595/tonne on Tuesday. Traders are expecting further weakness for palm oil in upcoming election in few States.

#### BMD: CPO Futures (06.03.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Mar.07	1943	1942	1951	1942	1948	+5	108
Apr.07	1930	1935	1945	1935	1941	+11	367
May.07	1923	1929	1943	1929	1943	+20	1964
Jun.07	1930	1934	1940	1929	1940	+10	409
Jul.07	1928	1930	1933	1929	1933	+5	224

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	06.03.07	05.03.07	Change
Kandla CPO (5 % FFA)	395	391	+4
Kandla RBD Palmolein +VAT	415	415	0
Mumbai RBD Palmolein +VAT	432	432	0
Chennai RBD Palmolein +VAT	431	435	-4
Kakinada RBD Palmolein +VAT	419	418	+1
Hyderabad RBD Palmolein +VAT	437	440	-3
Delhi RDB Palmolein	450	450	0

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

Edible Oil	06.03.07	05.03.07	Change
Crude Soy Oil	673	665	+8
Crude Palm Oil	595	595	0
Sunflower Oil	700	700	0

### Rape/Mustard oil

Mustard oil traded bearish domestically on sluggish demand. New mustard seeds arrivals pressure depressed mustard oil in Rajasthan. Crush/expellers were reported to take regular offtake of mustard seeds. Weakness in other vegetable oil had underlying bearishness. Arrival pressure is building up across spot markets, which will mount pressure on mustard oil in days to come.

### Groundnut Oil

Groundnut oil traded in bearish tone across domestic markets on sluggish demand. In Rajkot and Chennai markets gnut oil prices remains range bound on steady demand while poor demand in few markets reflected bearishness. In Rajkot market shelled groundnut prices quoted at Rs. 485/10kg (bags) with arrivals of 15,000-20,000 bags.

### Refined Sunflower Oil

Spot prices for refined sunflower oil prices traded in bearish tone across domestic markets. Solvent units were reported to unload sunflower oil at competitive prices to other oil had kept the bears up. CIF prices of sunflower oil for March shipment remained unchanged and quoted at \$700/tonne. Weakness in other vegetable oils and current arrivals pressure is likely to remain a bearish factor in near-term.

### Refined Cotton Oil

Refined cotton oil traded in range bound domestically on steady demand. Stockists are holding ample quantity of cottonseeds. Demand for cotton meals remains steady. Traders are expecting steady crushing for cottonseeds likely to pave steadiness in days to come.

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

Centres	06.03.07	05.03.07	Change
Mumbai (Exp. Oil) +VAT	430	430	0
Kota (Exp. Oil)+VAT	400	405	-5
Jaipur (Exp. Oil)+VAT	411	415	-4
Delhi (Exp. Oil)	435	435	0
Neewai (Exp. Oil) +VAT	400	NA	-

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

Centres	06.03.07	05.03.07	Change
Mumbai +VAT	595	600	-5
Rajkot +VAT	640	640	0
Andhra Region +VAT	695	690	+5
Chennai +VAT	630	640	-10
Delhi	660	660	0

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

Centres	06.03.07	05.03.07	Change
Mumbai +VAT	525	528	-3
Chennai +VAT	545	550	-5
Hyderabad +VAT	510	530	-20

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

Centres	06.03.07	05.03.07	Change
Mumbai +VAT	437	437	0
Hyderabad +VAT	436	436	0
Rajkot + VAT	433	NA	-
Delhi	430	430	0

### Forex Rates

(As on 06.03.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.56
European Union	Euro	58.40
Japan	100 Yen	38.30
United Kingdom	Pound Sterling	85.79

## PORT-WATCH (Latest):

### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Samho Heron	4,000	Palm oil	Expected (08.03.2007)
	Spring Ursa	5,000	Palm oil	Arrived (03.03.2007)
New-Manglore	Jin Hai Yang	8,000	CPO	Expected (07.03.2007)
	S.C. Shang Hai	6,000	CPO	Expected (09.03.2007)
Kolkata	Shima Kaze	9,298	CPO	Arrived (22.02.2007)
	Pacific Sound	2,442	CPO	Arrived (05.03.2007)
	Vernal Grace	3,631	CPO	Arrived (05.03.2007)
Kandla	Hari Kripa	2,000	CFA	Arrived (26.02.2007)
	M.T. Pujawati	13,000	CDSBO	Arrived (27.02.2007)

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