

VEGOIL DAILY

March 2nd, 2007

REFINED SOY OIL

SPOT MARKET:

Refined soy oil traded slightly firm in most of markets on steady demand. Concerns of damage to mustard crop on poor weather conditions in Rajasthan supported the soy oil prices there. Further, firmness in soymeal and soybean also gave some supportive hand to the soy oil prices. Meanwhile, Madhya Pradesh Government removed Value Added Tax (VAT) on oilseeds in State budget for 2007/08, which capped the gains to some extent. CIF prices for March shipment of crude soy oil increased marginally to \$674/tonne Thursday against Wednesday's \$673/tonne. However, the prices are likely to remain on the softer side in coming days in sync with the prospective easing sentiments in Mustard in harvesting season.

FUTURES MARKET:

Today, the most active March contracts of refined soy oil futures settled weak at NCDEX. March contract opened at Rs 444.65/10kg down Rs. 1.1 to previous closing level. Recent rallies were short lived and profit taking pushed soy oil futures down. Bearishness at BMD crude palm oil futures well amplified and March contract witnessed speculative selling and March contract ended Rs. 0.35 down at Rs. 443.2/10kg against previous closing at Rs. 443.55/10kg.

PRICE DRIVERS:

1. Crude soy oil CIF prices declined
2. Improved demand
3. BMD remained weak while CBOT remained firmed
4. Recent heavy rainfall in Rajasthan

Weather

Isolated rainfall over north and south Rajasthan and in parts of Madhya Pradesh is likely to affect soybeans arrivals.

TECHNICALS

Refined soy oil chart is showing bearishness. The prices closed between 9-days and 18-days EMA, indicated underlying bearishness. MACD remained in negative territory while stochastics remained in neutral region. Volume and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-March	434	437	443.7	450	453

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil March Contract:

Sell Below 444; T1 near 442 then 441 and put stop loss at 446.

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

Centres	01.03.07	28.02.07	Change
Mumbai (Soy Ref oil)+VAT	436	431	+5
Indore (Soy Ref oil)	417	417	0
Kota (Soy Ref. Oil)+VAT	428	424	+4
Hyderabad (Soy Ref)+VAT	445	445	0
Rajkot (Soy Ref)+Tax	432	432	0

PALM OIL

International Highlights

Crude Palm oil Futures Settle Weak at BMD

Despite bullish crude soy oil futures at CBOT, crude palm oil futures at BMD remained weak concerning for weak demand. Crude Palm oil futures settled low across the board at Bursa Malaysian Derivatives while most active May contract finished MYR10 down at MYR1,950/tonne. SGS cargo crude palm oil exports sales estimation highlighted palm oil exports in January and February months declined by 20% and 10% respectively.

Domestic Spot Market Highlights

Spot prices of palm oil traded range bound to bullish domestically on improved demand. Cheap availability of cotton oil and extended winter season had underlying bearish impact. Crude soy oil CIF prices increased had bullish impact in few markets and quoted at \$595/tonne against Wednesday' \$585/tonne for March shipment on Thursday. BMD crude palm oil remained weak. Traders are expecting steady prices for palm oil domestically in near-terms on lack of long-term demand.

BMD: CPO Futures (01.03.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Mar.07	1952	1945	1948	1942	1944	-8	397
Apr.07	1960	1966	1964	1941	1941	-19	933
May.07	1960	1964	1965	1941	1950	-10	3817
Jun.07	1961	1965	1968	1946	1948	-13	1053
Jul.07	1962	1963	1963	1949	1949	-13	228

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	01.03.07	28.02.07	Change
Kandla CPO (5 % FFA)	394	392	+2
Kandla RBD Palmolein +VAT	417	412	+5
Mumbai RBD Palmolein +VAT	431	426	+5
Chennai RBD Palmolein +VAT	431	430	0
Kakinada RBD Palmolein +VAT	420	420	0
Hyderabad RBD Palmolein +VAT	440	443	-3
Delhi RDB Palmolein	450	450	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	01.03.07	28.02.07	Change
Crude Soy Oil	674	673	+1
Crude Palm Oil	595	585	+10
Sunflower Oil	695	692	+3

Rape/Mustard oil

Recent rainfall and hailstorm in Rajasthan had bullish impact on Mustard oil. Demand improved across domestic markets. Arrivals of new mustard seeds declined sharply in Rajasthan region. Expellers/crushers were maintained to replenish regular buffer stock. In upcoming Holi festivals, mustard oil prices likely to improved further.

Groundnut Oil

Groundnut oil improved in few markets on good demand while in Mumbai market remains range bound on steady demand. Expellers/crushers were reported to unloaded low groundnut oil in the market. Cheap availability of cotton oil and palm oil remains competitive. Groundnut oil price likely to trades in bullish tone in coming days on low crushing margin for groundnut oil.

Refined Sunflower Oil

Government's recent decision to reduced sunflower oil imported duty had strong bearish impact in Mumbai market while low output from solvent plants raised its prices in Hyderabad market. CIF prices of sunflower oil increased and quoted at \$695/tonne against Wednesday's \$692/tonne for March shipment on Thursday. Traders are expecting further weakness in sunflower oil on spill over impact of reduction in import duty.

Refined Cotton Oil

Spot prices of cotton oil traded in bullish tone across domestic markets on improved demand. In Rajkot market improved groundnut oil prices had spill over impact. Crushing for cotton seeds were reported to remain steady. Traders are expecting cotton oil prices likely to follow groundnut oil in coming days.

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

Centres	01.03.07	28.02.07	Change
Mumbai (Exp. Oil) +VAT	431	427	+4
Kota (Exp. Oil)+VAT	405	402	+3
Jaipur (Exp. Oil)+VAT	412	410	+2
Delhi (Exp. Oil)	432	424	+8
Neewai (Exp. Oil) +VAT	402	400	+2

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	01.03.07	28.02.07	Change
Mumbai +VAT	600	600	0
Rajkot +VAT	645	640	+5
Andhra Region +VAT	700	685	+15
Chennai +VAT	NA	664	-
Delhi	650	665	-15

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

Centres	01.03.07	28.02.07	Change
Mumbai +VAT	528	535	-7
Chennai +VAT	NA	550	-
Hyderabad +VAT	540	530	+10

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

Centres	01.03.07	28.02.07	Change
Mumbai +VAT	429	429	0
Hyderabad +VAT	435	428	+7
Rajkot + VAT	435	432	+3
Delhi	424	424	0

Forex Rates

(As on 01.03.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.27
European Union	Euro	58.53
Japan	100 Yen	37.43
United Kingdom	Pound Sterling	86.87

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Maersk Barry (T)-III	10,000	Palm oil	Expected (04.03.2007)
	Samho Heron	5,000	Palm oil	Expected (06.03.2007)
	Spring Ursa	5,000	Palm oil	Expected (03.03.2007)
New-Manglore	Global Venus	8,500	CPO	Expected (01.03.2007)
Kolkata	Shima Kaze	9,298	CPO	Arrived (22.02.2007)
Kandla	Hari Kripa	2,000	CFA	Arrived (26.02.2007)
	M.T. Pujawati	13,000	CDSBO	Arrived (27.02.2007)

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