

## VEGOIL DAILY

March 20th, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Spot prices of refined soy oil remained range bound on steady demand/supply. Trade activities remained slow in Indore due to celebration mood for Hindu New Year. Latest release from COOIT (Central Organization for Oil Industry and Trade) highlighted oilseed production in current crop year (July-June) estimates at 22.67 million tonnes (MT) against 23.97 MT a year ago. A fresh outbreak of bird flu was reported in North East Thailand region. CIF prices of crude soy oil dropped slightly on Monday for April shipment at \$675/tonne against \$676/ tonne on Saturday. Advancing harvest of soybeans in Brazil with good weather conditions would push bearishness in global markets.

#### FUTURES MARKET:

Refined soy oil April contract settled high at NCDEX on Monday. Contract opened at Rs. 4457.4 per 10kg as compared to Saturday's closing level of 456.05 per 10 Kg. Market remained bullish on Monday on forecast of isolated rainfall in parts of Rajasthan. Bullish BMD had spill over impact. As per new oilseeds' estimation coupled with anticipation for good import in lean season casts firmness to soy oil futures. Market closed down at Rs 457.55 per 10kg high Rs. 1.5 to previous closing levels.

#### PRICE DRIVERS:

1. Improving demand for soy oil and soy meal domestically
2. Holdback of quality soybeans seeds by farmers and stockists
3. Crude soy oil CIF decline further
4. Reports of bird flu in North East Thailand

#### Weather

Isolated rainfall in few places in West and East Rajasthan would affect soybeans arrivals in near-term.

#### TECHNICALS

Doji pattern candlestick is showing indecisive market on Monday. The prices remained well above 9-days and 18-days EMA, which indicating underlying firmness is intact in the market. MACD remained in upward trends in negative territory suggested fading bearish momentum. Stochastics made bearish cross over in neutral region. Both volume and open interest declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-April	447	450	457.55	461	464

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil April Contract:

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

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

Centres	19.03.07	17.03.07	Change
Mumbai (Soy Ref oil)+VAT	446	448	-2
Indore (Soy Ref oil)	430	430	0
Kota (Soy Ref. Oil)+VAT	440	NA	-
Hyderabad (Soy Ref)+VAT	459	459	0
Rajkot (Soy Ref)+Tax	433	433	0

## PALM OIL

### International Highlights

#### BMD Crude Palm oil Futures Settle High on Monday

Crude palm oil futures firmed up across the board at Bursa Malaysian Derivatives on Monday amidst anticipation for improve demand from India on in lean season due to low oilseeds output in current crop year (July-June). The most active June contract of crude palm oil futures improved by MYR23 at MYR1,970/metric ton. Anticipation for bullish exports sales estimation by SGS for the period of March 1-20 also led some support to CPO futures.

### Domestic Spot Market Highlights

Palm oil prices remained range bound in physical market on steady demand/supply. However, bullish BMD had underlying support to domestic market. Vanaspati markers were maintained their regular offtake of palm oil. Crude palm oil CIF prices remained unchanged on Monday, which quoted at \$605 per tonne for April shipment. Traders are keeping close eye on the development in overseas and domestic market and expecting bullish sentiments in coming days.

#### BMD: CPO Futures (19.03.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Apr.07	1958	1955	1972	1951	1972	+14	475
May.07	1955	1950	1969	1942	1965	+10	1023
Jun.07	1947	1947	1971	1942	1970	+23	3023
Jul.07	1951	1948	1969	1943	1968	+17	410
Aug.07	1950	1962	1966	1962	1966	+16	103

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	19.03.07	17.03.07	Change
Kandla CPO (5 % FFA)	397	397	0
Kandla RBD Palmolein +VAT	418	418	0
Mumbai RBD Palmolein +VAT	438	440	-2
Chennai RBD Palmolein +VAT	433	432	+1
Kakinada RBD Palmolein +VAT	425	425	0
Hyderabad RBD Palmolein +VAT	445	445	0
Delhi RDB Palmolein	455	NA	-

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

Edible Oil	19.03.07	17.03.07	Change
Crude Soy Oil	675	676	-1
Crude Palm Oil	605	605	0
Sunflower Oil	700	695	+5

### Rape/Mustard oil

On Monday, spot prices of mustard oil traded on higher side on lacklustre trade activities. Mustard seeds arrival declined as Mandi remained closed on Monday on Hindu New Year. Mumbai market prices remained range bound on steady demand. Bad weather conditions with forecast of isolated rainfall in part of Rajasthan would strengthen mustard oil prices in near-term.

### Groundnut Oil

Subdued trades activities in Mumbai and Chennai markets reflected bearishness on gn oil there. Rest of market remained range bound on lack of fresh fundamentals. Expellers/crushers slowed their demand on current higher prices of gn seeds and anticipation for drop in prices in coming day. The forecast of isolated rainfall in Tamil Nadu is likely to support bullishness there.

### Refined Sunflower Oil

Spot prices of refined sunflower oil traded range bound domestically on steady demand. Arrivals for sunflower seeds declined sharply as few markets remain closed on Monday. Sunflower oil CIF prices increased significantly on Monday at \$700 per tonne for April shipment against \$695 per tonne on Saturday. Traders are expecting seeds arrivals status would determine refined sunflower oil price in approaching day.

### Refined Cotton Oil

Refined cotton oil traded mostly range bound on lack of fresh fundamentals. Arrivals for cotton seeds declined had underlying bullishness. Although cottonseeds remained in parity but low demand in physical market weakens solvent plants to reduce their offtake led some bullish support. Traders are expecting, cotton oil prices likely to trade steady to bullish in sync with other vegetable oil.

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

Centres	19.03.07	17.03.07	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)	448	NA	-
Neewai (Exp. Oil) +VAT	414	413	+1

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

Centres	19.03.07	17.03.07	Change
Mumbai +VAT	575	580	-5
Rajkot +VAT	640	640	0
Andhra Region +VAT	655	655	0
Chennai +VAT	595	600	-5
Delhi	660	660	0

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

Centres	19.03.07	17.03.07	Change
Mumbai +VAT	520	520	0
Chennai +VAT	530	530	0
Hyderabad +VAT	515	515	0

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

Centres	19.03.07	17.03.07	Change
Mumbai +VAT	446	445	+1
Hyderabad +VAT	450	450	0
Rajkot + VAT	436	436	0
Delhi	445	NA	-

### Forex Rates

(As on 19.03.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.17
European Union	Euro	58.67
Japan	100 Yen	37.71
United Kingdom	Pound Sterling	85.58

## PORT-WATCH (Latest):

### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Global Themis-III	10,500	Palm oil	Arrived (17.03.2007)
Kandla	Hari Kripa	2,000	CFA	Expected (21.03.2007)
Chennai	Spring Wind	4,080	CPO	Arrived (16.3.2007)
Tuticorin	Pacific Sound	10,796	Palm oil	Expected (19.03.2007)
	Spring Glory	4,982	Palm oil	Expected (21.03.2007)

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