

VEGOIL DAILY

March 14th, 2007

REFINED SOY OIL

SPOT MARKET:

On Tuesday, refined soy oil traded in bullish tone in domestic markets on improving demand. In a recent estimation by media and trade sources highlighted import of soy oil is likely to decline at 1.2-1.3 million tonnes (MT) in current oil year (Nov 06-Oct 07) as compared to 1.7 MT last year supported bullish sentiments. CIF prices of crude soy oil for April shipment remained unchanged at \$678/tonne. On Tuesday DGFT notified suspension of clearance of import of GM soy oil to India till Dec. 31,2007 is likely to check prices movement on long-term basis.

FUTURES MARKET:

Refined soy oil April futures contract finished up at NCDEX on Tuesday. Soy oil April futures contract opened at Rs. 456.4/10kg against Monday's closing level of 455.25/10 Kg. Up to mid-session soy oil futures borrowed momentum on bullish BMD and CBOT while recent notification of DGFT on import of GM soy oil pressured early gains on April contract and poor interest of traders to continue rallies capped early gains on April contract and contract closed at Rs 456.45/10kg high Rs. 1.2 to previous closing levels.

PRICE DRIVERS:

1. Recent notification of DFGT on imported soy oil
2. Cloudy weather conditions in parts of Rajasthan and Madhya Pradesh
3. Declining estimation for soy oil import in current oil year
4. Improving demand for soy oil
5. Bullish CBOT and BMD

Weather

Expectation for isolated rainfall over east Madhya Pradesh with isolated rain/thunderstorm over Rajasthan is likely to affect soybeans arrivals in coming days.

TECHNICALS

Doji pattern candlestick is showing indecisiveness between buyers and sellers and markets recovered marginally from yesterdays' weakness. 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, shows decrease in bearish momentum. Stochastics is heading upward in neutral region. Volume declined significantly while open interest increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-April	448	450	456.45	461	463

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil April Contract:

Sell Near 457; T1 near 455, T2 454 and put stop loss at 459.

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

Centres	13.03.07	12.03.07	Change
Mumbai (Soy Ref oil)+VAT	445	444	+1
Indore (Soy Ref oil)	423	423	0
Kota (Soy Ref. Oil)+VAT	433	432	+1
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 Tuesday, crude palm oil futures settled in bullish tone at Bursa Malaysian Derivatives on subdued trade activities. Most active May contract of crude palm oil settled MYR5 high at MYR1,977/tonne. Overnight firmness at CBOT strengthened crude palm oil futures. Market is still looking for direction for long-term demand. Anticipation for bullish outcome on approaching annual industry conference on price outlook led some support to CPO futures.

Domestic Spot Market Highlights

Continuation of good demand firmed up spot prices of palm oil in physical markets. BMD crude palm oil futures finished in bullish tone reflected bullish sentiments domestically. Improving sentiments for other edible oil had spill over impact on palm oil. CIF prices of crude palm oil declined for April shipment at \$600/tonne on Tuesday as compared to Monday's \$605/tonne. Industrial meeting for annual price outlook in Kuala Lumpur would likely to have bullish reflection at BMD and domestically too.

BMD: CPO Futures (13.03.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Mar.07	1971	0	1971	0	1971	0	0
Apr.07	1978	1986	1986	1973	1978	0	490
May.07	1972	1981	1981	1971	1977	+5	1424
Jun.07	1970	1975	1978	1970	1973	+3	681
Jul.07	1969	1970	1973	1968	1972	+3	72

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	13.03.07	12.03.07	Change
Kandla CPO (5 % FFA)	397	395	+2
Kandla RBD Palmolein +VAT	419	418	+1
Mumbai RBD Palmolein +VAT	435	434	+1
Chennai RBD Palmolein +VAT	432	431	+1
Kakinada RBD Palmolein +VAT	422	422	0
Hyderabad RBD Palmolein +VAT	440	440	0
Delhi RDB Palmolein	450	450	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	13.03.07	12.03.07	Change
Crude Soy Oil	678	678	0
Crude Palm Oil	600	605	-5
Sunflower Oil	700	700	0

Rape/Mustard oil

Improved demand boosted spot prices of mustard oil across domestic market. Bad weather conditions in parts of Rajasthan supported mustard oil prices there with spill over impact in other centres. Traders estimated some crop damage of new mustard but yet to quantify had underlying bullishness. Nafed is likely to start procurement of new mustard seeds soon (may be in current week) would support bullish sentiments ahead.

Groundnut Oil

Groundnut oil traded in bullish tone across domestic market on improved demand. The crushing for groundnut oil is lowering on high prices of quality groundnut seeds aided bullish tone. On improving sentiments for Kharif groundnut sowing is expects to pressure groundnut oil in coming days.

Refined Sunflower Oil

Refined sunflower oil increased in domestic markets on improved demand. Farmers and stockists were reported to hold back sunflower seeds at current prices supported bullishness. The CIF prices for sunflower oil for April shipment stood unchanged from last coupled of days at \$700/tonne on Tuesday. Sunflower oil is currently looking for direction and traders are keeping close eye on development domestically and in international markets.

Refined Cotton Oil

Steady demand domestically fixed refined cotton oil prices range bound in physical markets. Although crushing margin for cotton oil remained in parity but decreasing sentiments for fresh buying had underlying bullish impact. On prevailing crushing condition, cotton oil prices likely to trade steady to bullish in near-term.

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

Centres	13.03.07	12.03.07	Change
Mumbai (Exp. Oil) +VAT	436	433	+3
Kota (Exp. Oil)+VAT	416	412	+4
Jaipur (Exp. Oil)+VAT	424	420	+4
Delhi (Exp. Oil)	445	440	+5
Neewai (Exp. Oil) +VAT	NA	405	-

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	13.03.07	12.03.07	Change
Mumbai +VAT	585	585	0
Rajkot +VAT	630	625	+5
Andhra Region +VAT	665	665	0
Chennai +VAT	590	585	+5
Delhi	660	660	0

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

Centres	13.03.07	12.03.07	Change
Mumbai +VAT	520	510	+10
Chennai +VAT	530	525	+5
Hyderabad +VAT	420	520	0

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

Centres	13.03.07	12.03.07	Change
Mumbai +VAT	445	445	0
Hyderabad +VAT	448	448	0
Rajkot + VAT	438	438	0
Delhi	440	440	0

Forex Rates

(As on 13.03.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.22
European Union	Euro	58.24
Japan	100 Yen	37.68
United Kingdom	Pound Sterling	85.27

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Samho Heron	4,000	Palm oil	Arrived (08.03.2007)
	Global Themis-III	10,500	Palm oil	Expected (17.03.2007)
Kolkata	Global Pallas	3,450	CPO	Arrived (12.03.2007)
	Starling	3,000	CPO	Arrived (12.03.2007)
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	Arrived (08.03.2007)

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