

## VEGOIL DAILY

March 5th, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Spot market prices for refined soy oil traded in slightly bullish tone across domestic markets. In retail markets festive demand strengthened soy oil's demand, Low sentiments for soymeal in international markets as well as domestically had underlying bearishness for soy oil. Pressure from new mustard seeds in Rajasthan limited soy oil gains there. Cheap availability of cotton oil depressed Rajkot market. CIF prices for March shipment of crude soy oil increased at \$670/tonne on Saturday against Friday 's \$665/tonne. Underlying bearishness in CBOT on good harvest conditions in Brazil likely to have reflects similar sentiments domestically in near-term.

#### FUTURES MARKET:

Today, the most active April contracts of refined soy oil futures finished up at NCDEX. April contract opened at Rs 447.8/10kg down Rs. 0.45 to previous closing level. Marginally improved soy oil at CBOT was the guiding force, which pulled the market. Lack of bullish sentiments for long term demand was capped the gains to certain extend and April contract witnessed speculative buying. April contract ended Rs. 4.15 up at Rs. 452.4/10kg against previous closing at Rs. 448.25/10kg.

#### PRICE DRIVERS:

1. Crude soy oil CIF prices increased
2. Pressure from new mustard seeds
3. Steady demand
4. CBOT remained mixed
5. Delay harvest in Rajasthan region

#### Weather

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

#### TECHNICALS

Refined soy oil futures chart is showing recovery from recent losses. Buyers remained dominated on Saturday. The prices closed near 9-days and 18-days EMA. MACD remained in negative territory while stochastic stood in neutral region. Both volume and open interest increased.



#### SUPPORT / RESISTANCES:

| Contract    | S2  | S1  | PCP    | R1  | R2  |
|-------------|-----|-----|--------|-----|-----|
| NCDEX-April | 442 | 444 | 452.40 | 457 | 459 |

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil April Contract:

**Sell Below 451; T1 near 449 then 448 and put stop loss at 453.**

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

| Centres                  | 03.03.07 | 02.03.07 | Change |
|--------------------------|----------|----------|--------|
| Mumbai (Soy Ref oil)+VAT | 433      | 436      | -3     |
| Indore (Soy Ref oil)     | 418      | 418      | 0      |
| Kota (Soy Ref. Oil)+VAT  | 428      | 428      | 0      |
| Hyderabad (Soy Ref)+VAT  | 450      | 445      | +5     |
| Rajkot (Soy Ref)+Tax     | 432      | 432      | 0      |

## PALM OIL

### International Highlights

BMD Crude Palm oil Futures Remained Closed on Saturday.

### Domestic Spot Market Highlights

Palm oil traded in mixed tone across domestic market on lacklustre trade activities. Cheap availability of cotton oil had underlying bearish impact. CIF prices for crude soy oil increased for March shipment on Saturday at \$595/tonne against Friday's \$590/tonne was remain supportive to spot market. Traders are expecting palm oil market is likely to follow BMD in near-term.

#### BMD: CPO Futures (02.03.2007)

(Ringgit/ton)

| Months | Previous | Open | High | Low  | Close | Change | Volume |
|--------|----------|------|------|------|-------|--------|--------|
| Mar.07 | 1940     | 1930 | 1937 | 1927 | 1933  | -7     | 118    |
| Apr.07 | 1948     | 1930 | 1937 | 1926 | 1935  | -13    | 582    |
| May.07 | 1950     | 1927 | 1940 | 1925 | 1940  | -10    | 3132   |
| Jun.07 | 1948     | 1930 | 1941 | 1931 | 1936  | -12    | 972    |
| Jul.07 | 1949     | 1930 | 1939 | 1927 | 1935  | -14    | 459    |

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

| Centres                      | 03.03.07 | 02.03.07 | Change |
|------------------------------|----------|----------|--------|
| Kandla CPO (5 % FFA)         | NA       | 392      | -      |
| Kandla RBD Palmolein +VAT    | 414      | 415      | -1     |
| Mumbai RBD Palmolein +VAT    | 430      | 429      | +1     |
| Chennai RBD Palmolein +VAT   | 431      | 430      | +1     |
| Kakinada RBD Palmolein +VAT  | 418      | 420      | -2     |
| Hyderabad RBD Palmolein +VAT | 440      | 440      | 0      |
| Delhi RDB Palmolein          | 450      | 450      | 0      |

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

| Edible Oil     | 03.03.07 | 02.03.07 | Change |
|----------------|----------|----------|--------|
| Crude Soy Oil  | 670      | 665      | +5     |
| Crude Palm Oil | 595      | 590      | +5     |
| Sunflower Oil  | NA       | 699      | -      |

### Rape/Mustard oil

Spot prices of mustard oil traded in bullish tone across domestic market on improved demand. Fresh buying was reported from retailers on festival demand strengthens market. Mustard seeds arrivals declined supported reflected bullishness. Crusher/expellers maintained their regular offtake. Mustard oil prices likely to trade in bullish tone on delay harvest for new mustard seeds.

### Groundnut Oil

Groundnut prices sharply declined in Chennai market on poor demand and pressure from other cheap edible oils. Few markets remains range bound on steady demand/supply. Arrivals for groundnut seeds were remained steady. Groundnut oil price likely to trades steady to bullish in coming days on dwindling quality seeds stocks for groundnut seeds.

### Refined Sunflower Oil

Refined sunflower oil prices stood in bearish tone across domestic markets on steady demand. Arrivals for sunflower seeds were reported to remain steady. Solvent plants unloaded sunflower oil at current prices on underlying weakness ahead. Government's recent decision to reduce duty structure on sunflower oil likely to remain a bearish factor in coming days.

### Refined Cotton Oil

Spot prices of refined cotton oil traded range bound on steady demand/supply. Mixed prices trend for groundnut oil unable to have clear direction to cotton oil. Crushing for cotton oil reported to remain steady. Traders are expecting cotton oil prices likely to follow groundnut oil in near-term.

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

| Centres                | 03.03.07 | 02.03.07 | Change |
|------------------------|----------|----------|--------|
| Mumbai (Exp. Oil) +VAT | 432      | 434      | -2     |
| Kota (Exp. Oil)+VAT    | 404      | 400      | +4     |
| Jaipur (Exp. Oil)+VAT  | 413      | 410      | +3     |
| Delhi (Exp. Oil)       | 438      | 438      | 0      |
| Neewai (Exp. Oil) +VAT | 405      | 402      | +3     |

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

| Centres            | 03.03.07 | 02.03.07 | Change |
|--------------------|----------|----------|--------|
| Mumbai +VAT        | 600      | 600      | 0      |
| Rajkot +VAT        | 645      | 642      | +3     |
| Andhra Region +VAT | 700      | 700      | 0      |
| Chennai +VAT       | 640      | 660      | -20    |
| Delhi              | 650      | 650      | 0      |

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

| Centres        | 03.03.07 | 02.03.07 | Change |
|----------------|----------|----------|--------|
| Mumbai +VAT    | 525      | 528      | -3     |
| Chennai +VAT   | 545      | 545      | 0      |
| Hyderabad +VAT | 540      | 540      | 0      |

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

| Centres        | 03.03.07 | 02.03.07 | Change |
|----------------|----------|----------|--------|
| Mumbai +VAT    | 433      | 436      | -3     |
| Hyderabad +VAT | 435      | 435      | 0      |
| Rajkot + VAT   | 433      | 433      | 0      |
| Delhi          | 424      | 424      | 0      |

### Forex Rates

(As on 03.03.2007)

| Country/ Continent | Currency       | Value in Rupees |
|--------------------|----------------|-----------------|
| USA                | Dollar         | 44.28           |
| European Union     | Euro           | 58.37           |
| Japan              | 100 Yen        | 37.63           |
| United Kingdom     | Pound Sterling | 86.01           |

## PORT-WATCH (Latest):

### Current Vessels Positions

| Ports        | Vessels              | Volume (Ton) | Carrying | Status                   |
|--------------|----------------------|--------------|----------|--------------------------|
| Mumbai       | Maersk Barry (T)-III | 10,000       | Palm oil | Expected<br>(05.03.2007) |
|              | Samho Heron          | 5,000        | Palm oil | Expected<br>(06.03.2007) |
|              | Spring Ursa          | 5,000        | Palm oil | Expected<br>(03.03.2007) |
| New-Manglore | Global Venus         | 8,500        | CPO      | Arrived<br>(02.03.2007)  |
| Kolkata      | Shima Kaze           | 9,298        | CPO      | Arrived<br>(22.02.2007)  |
| Kandla       | Hari Kripa           | 2,000        | CFA      | Arrived<br>(26.02.2007)  |
|              | M.T. Pujawati        | 13,000       | CDSBO    | Arrived<br>(27.02.2007)  |

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