

VEGOIL DAILY

March 3rd, 2007

REFINED SOY OIL

SPOT MARKET:

Refined soy oil remained range bound in most of markets on steady demand. Markets generated some bullish momentum, as farmers stood disinterested to unload soybeans as current prices resulting overall soybeans arrivals declined. There is news in the market that soy oil would be cheaper by Rs. 1.5 per kg after removal of SAD in recent Union Budget was considered a bearish factor. Weakness in overnight CBOT amidst weak USDA weekly exports sales for soy oil limited the gains in the markets. CIF prices for March shipment of crude soy oil declined sharply to \$665/tonne on Friday against Thursday's \$673/tonne.

FUTURES MARKET:

Today, the most active April contracts of refined soy oil futures settled weak at NCDEX. April contract opened at Rs 451.4/10kg down Rs. 0.6 to previous closing level. Bearish USDA weekly exports sales for soy oil had strong bearish impact on April contract. Weak BMD crude palm oil futures also had bearish impact and April contract witnessed speculative selling. April contract ended Rs. 3.85 down at Rs. 448.15/10kg against previous closing at Rs. 452/10kg.

PRICE DRIVERS:

1. Crude soy oil CIF prices declined sharply
2. Steady demand
3. BMD and CBOT remained Weak
4. Weak USDA Weekly exports sales figures
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 slipped sharply today extending the current weak trend. Charts are showing continued weakness in the market. The prices closed near 9-days but below 18-days EMA. MACD remained in negative region. However, stochastics remained in neutral region. Both volume and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-April	442	444	448.15	454	456

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil April Contract:

Sell Below 450; T1 near 448 then 447 and put stop loss at 452.

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

Centres	02.03.07	01.03.07	Change
Mumbai (Soy Ref oil)+VAT	436	436	0
Indore (Soy Ref oil)	418	417	+1
Kota (Soy Ref. Oil)+VAT	428	428	0
Hyderabad (Soy Ref)+VAT	445	445	0
Rajkot (Soy Ref)+Tax	432	432	0

PALM OIL

International Highlights

BMD Crude Palm oil Futures Settle Weak

Tracking soy oil at CBOT, crude palm oil futures finished weak on second consecutive day across the board at Bursa Malaysian Derivatives and most active May contract of crude palm oil dropped by MYR10 at MYR1,940/metric ton. However, improved crude oil futures limited the losses. Crude palm oil and soy oil usually move in tandem as both compete for same market. Still trader's anticipation for long-term demand remained less supportive.

Domestic Spot Market Highlights

Spot prices of palm oil traded in bearish tone domestically on subdued demand. Vanaspati market remains disinterested in fresh buying as demand for vanaspati is shifting to refined oil had underlying bearishness. CIF prices for crude soy oil declined for March shipment on Friday and quoted at \$590/tonne against Thursday' \$595/tonne pushed market down. BMD crude palm oil remained weak on second consecutive day aided bearishness. Traders are expecting steady to weak prices for palm oil in near-terms on underlying weakness in international markets.

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	02.03.07	01.03.07	Change
Kandla CPO (5 % FFA)	392	394	-2
Kandla RBD Palmolein +VAT	415	417	-2
Mumbai RBD Palmolein +VAT	429	431	-2
Chennai RBD Palmolein +VAT	430	431	-1
Kakinada RBD Palmolein +VAT	420	420	0
Hyderabad RBD Palmolein +VAT	440	440	0
Delhi RDB Palmolein	450	450	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	02.03.07	01.03.07	Change
Crude Soy Oil	665	674	-9
Crude Palm Oil	590	595	-5
Sunflower Oil	699	695	+4

Rape/Mustard oil

Mustard oil traded mixed on steady demand. Mustard oil prices declined in Rajasthan regions on poor demand and improved weather conditions. Mustard seeds arrivals remain steady. Festival demand in Delhi and Mumbai market kept bulls high. In few markets, stockists were reported to remain active in fresh buying anticipating bullish days ahead. Mustard oil prices likely to trade in bullish tone on delay harvest for new mustard seeds.

Groundnut Oil

Spot prices for groundnut oil remained range bound in most of market on steady demand. Crushing for groundnut oil declined on low crushing margins was considered a bullish impact. Harvest of Rabi groundnut is reported in parts of Karnataka and Andhra Pradesh was limited the gains there. Groundnut oil price likely to trades in bullish tone in coming days on low crushing margin for groundnut oil.

Refined Sunflower Oil

Refined sunflower oil prices remained range bound across domestic markets on steady demand. Crushing for sunflower oil remained steady. CIF prices of sunflower oil increased for March shipment on Friday remained at \$699/tonne as compare to Thursday's \$695/tonne. Government recent decision to reduce duty structure on sunflower oil likely to depressed markets further.

Refined Cotton Oil

Refined cotton oil traded mixed domestically on sluggish demand. Steadiness in groundnut oil had spill over impact. Reports of low crushing in few markets had underlying bullishness. Solvent plants were reported to sell off cotton oil at steady price. Traders are expecting cotton oil prices likely to follow groundnut oil in days to come.

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

Centres	02.03.07	01.03.07	Change
Mumbai (Exp. Oil) +VAT	434	431	+3
Kota (Exp. Oil)+VAT	400	405	-5
Jaipur (Exp. Oil)+VAT	410	412	-2
Delhi (Exp. Oil)	438	432	+6
Neewai (Exp. Oil) +VAT	402	402	0

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	02.03.07	01.03.07	Change
Mumbai +VAT	600	600	0
Rajkot +VAT	642	645	-3
Andhra Region +VAT	700	700	0
Chennai +VAT	660	NA	-
Delhi	650	650	0

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

Centres	02.03.07	01.03.07	Change
Mumbai +VAT	528	528	0
Chennai +VAT	545	NA	-
Hyderabad +VAT	540	540	0

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

Centres	02.03.07	01.03.07	Change
Mumbai +VAT	436	429	+7
Hyderabad +VAT	435	435	0
Rajkot + VAT	433	435	-2
Delhi	424	424	0

Forex Rates

(As on 02.03.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.28
European Union	Euro	58.32
Japan	100 Yen	37.64
United Kingdom	Pound Sterling	86.62

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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