

VEGOIL DAILY

March 22nd, 2007

REFINED SOY OIL

SPOT MARKET:

Spot prices of refined soy oil seen mixed in domestic markets on Wednesday amidst steady demand. However, soy meal demand is improving both at ports and domestic markets, which strengthens soy oil price in Indore market. Depleting solvent plants' buffer stock of soybeans in Madhya Pradesh as farmers and stockists were hold back beans at current prices helped market to firm up. In prevailing shortage of quality bean in Madhya Pradesh, few solvent plants on the verge to shut down. The CIF prices of crude soy oil increased on Wednesday for April shipment at \$678 per tonne as compared to \$ 675 per tonne on Tuesday. The recent reports for soybeans harvest in Brazil stood at 42% as compared to last year's 32% would push global prices of soy oil ahead.

FUTURES MARKET:

Refined soy oil April contract finished down at NCDEX on Wednesday. Contract opened at Rs. 458.55 per 10kg against Monday's closing level of 457.6 per 10 Kg. Follow-through bearish sentiments for long-term demand dragged market down. Up to mid-session market stood firm on buyers' dominance but later mixed BMD forced soy oil futures market to close down, which ignored bullish overnight CBOT. Market closed down at Rs 456.9 per 10kg down Rs. 0.7 to Tuesday closing levels.

PRICE DRIVERS:

1. Improving demand for soy meal at ports
2. Dwindle quality beans stocks in the market
3. Unchanged crude soy oil CIF prices
4. Declining buffer stocks of soybeans with solvent plants

Weather

Isolated rainfall in few places in West Rajasthan and North-west Madhya Pradesh would affect soybeans arrivals in coming days.

TECHNICALS

Dark candlesticks, indicates sellers remained dominated over buyers on Wednesday's trade day. The prices are still holding near 9-days and 18-days EMA, which suggests short-term firmness in the market. MACD is running flat in negative territory. Stochastics turned down in neutral region. Both volume and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-April	450	453	456.9	461	464

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil April Contract:

SELL Near 458; T1 near 456, T2 455 and put stop loss at 460.

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

Centres	21.03.07	20.03.07	Change
Mumbai (Soy Ref oil)+VAT	445	446	-1
Indore (Soy Ref oil)	431	430	+1
Kota (Soy Ref. Oil)+VAT	438	438	0
Hyderabad (Soy Ref)+VAT	460	459	+1
Rajkot (Soy Ref)+Tax	433	433	0

PALM OIL

International Highlights

BMD Crude Palm oil Futures Settle Mix on Wednesday

Despite overnight firm CBOT, crude palm oil futures remained mixed at Bursa Malaysian Derivatives on choppy trade day. However, sluggish demand and lack of long-term demand drag palm oil futures market to negative territory. The most active June contract of crude palm oil futures dropped marginally by MYR2 at MYR1,975 per metric ton. Strong ringgit induced bearishness too.

Domestic Spot Market Highlights

Spot prices of palm oil remained mixed in domestic market on lacklustre trade activities. However, improving temperature in Chennai market strengthened palm price there. Palm oil production is not up to mark in Indonesia amidst erratic rainy conditions there. Lack of direction for long-term demand in Indonesia and Malaysia might seen weakness on crude palm oil futures there with spill over impact in domestic market in coming days.

BMD: CPO Futures (21.03.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Apr.07	1980	1980	1987	1973	1977	-3	895
May.07	1972	1976	1983	1969	1975	+3	1506
Jun.07	1977	1981	1987	1970	1975	-2	4190
Jul.07	1977	1974	1986	1968	1974	-3	1872
Aug.07	1975	1980	1980	1978	1978	+3	121

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	21.03.07	20.03.07	Change
Kandla CPO (5 % FFA)	396	396	0
Kandla RBD Palmolein +VAT	414	417	-3
Mumbai RBD Palmolein +VAT	438	438	0
Chennai RBD Palmolein +VAT	436	435	+1
Kakinada RBD Palmolein +VAT	422	425	-2
Hyderabad RBD Palmolein +VAT	443	445	-2
Delhi RDB Palmolein	455	455	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	21.03.07	20.03.07	Change
Crude Soy Oil	678	675	+3
Crude Palm Oil	NA	608	-
Sunflower Oil	710	695	+15

Rape/Mustard oil

Although, arrival pressure of new mustard is mounting these days amidst advancing harvest in major growing region had underlying bearishness. In past 10 days, Nafed procured just 3,000 metric tons of new mustard seeds because of other stockists offered higher prices to MSP in Rajasthan fuelled mustard oil to remain steady there. In current arrivals condition of mustard seeds oil prices likely to fall in near-term.

Groundnut Oil

Fresh purchase of groundnut oil from stockists and resellers supported bullish sentiments in Rajkot and Hyderabad markets while good arrivals conditions in Chennai depressed gn oil prices there. In current oil year (Nov 06-Oct 07) gn oil production is estimated to lower by 9 lakh tonne (LT) to 53.5 LT fuelled stockists sentiment for long-term demand. Dwindling quality seeds stocks with arrivals pressure in few states likely to produce mixed reaction domestically in coming days.

Refined Sunflower Oil

Refined sunflower oil traded range bound on Wednesday on lack of fresh development and steady demand. In sync with other oilseeds sunflower seeds stock is also short in current oil year. But cheap availability of imported oil has affected sunflower seeds crushing kept the bearishness in the market. CIF prices abruptly increased on Wednesday at \$710 per tonne for April shipment against Tuesday's \$695 per tonne. Traders are expecting seeds arrivals status would determine refined sunflower oil price in coming days.

Refined Cotton Oil

Refined cotton oil traded in bearish tone in domestic market on sluggish demand. However, in current oil year about 75 LT cottonseeds available for crushing, which is enough to depress oil market in short-term. Due to higher prices of gn oil countrywide consumers shifted to cotton oil resulting consumption of around 4 LT in Rajkot along. Traders are expecting, cotton oil prices likely to trade steady to bullish ahead in sync with other vegetable oil.

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

Centres	21.03.07	20.03.07	Change
Mumbai (Exp. Oil) +VAT	430	436	-6
Kota (Exp. Oil)+VAT	412	412	0
Jaipur (Exp. Oil)+VAT	418	NA	-
Delhi (Exp. Oil)	442	447	-5
Neewai (Exp. Oil) +VAT	410	410	0

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	21.03.07	20.03.07	Change
Mumbai +VAT	575	575	0
Rajkot +VAT	635	633	+2
Andhra Region +VAT	660	655	+5
Chennai +VAT	575	585	-10
Delhi	660	660	0

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

Centres	21.03.07	20.03.07	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	21.03.07	20.03.07	Change
Mumbai +VAT	444	445	-1
Hyderabad +VAT	450	450	0
Rajkot + VAT	430	432	-2
Delhi	445	445	0

Forex Rates

(As on 21.03.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.63
European Union	Euro	58.08
Japan	100 Yen	37.20
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	Arrived (19.03.2007)
	Spring Glory	4,982	Palm oil	Expected (21.03.2007)
Kolkata	Madura	3,025	CPO	Arrived (16.03.2007)

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