

## VEGOIL DAILY

March 26th, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Refined soy oil prices improved significantly across domestic market amidst good demand. On improving sentiments for long-term demand induced stockists to pile up their inventories supported bullishness domestically. Friday gains at BMD with improved crude oil prices boosted CBOT soy oil futures overnight with spill over impact in domestic markets. In a recent release of USDA highlighted US census crush for soybeans stood at 3.7 million Metric tonne (MT) as compared to 3.68 million MT in last year. The CIF prices of crude soy oil increased further at \$685 per tonne on Saturday for April shipment as compared to \$ 676 per tonne on Friday.

#### FUTURES MARKET:

April contract of refined soy oil at NCDEX ended high on Saturday. Soy oil contract opened at Rs. 459 per 10kg against Friday's closing level of 457.5 per 10 Kg. Overnight firmed soy oil futures at CBOT had spill over impact on soy oil. Ideas of low oilseeds output in current oil year (Nov 06-Oct07) improved sentiments for long-term demand and market finished at Rs 460.1 per 10kg high Rs. 2.6 to Friday's closing levels.

#### PRICE DRIVERS:

1. Overnight firmed soy oil futures at CBOT
2. Improved domestic demand
3. Further improvement in crude soy oil CIF prices
4. Pressure from new mustard seeds
5. Stockists remained active in fresh buying

#### Weather

Mainly dry weather in major growing region would facilitate soybeans arrivals in short-term.

#### TECHNICALS

Refined soy oil remained showed follow-through firmness on Saturday. Hollow candlesticks indicate buyers stood dominant during trade-day. The prices were closed above 9-days and 18-days EMA, which suggests bullishness. MACD is rising and approach to positive territory. Stochastic moved further deep in neutral region. Both volume and open interest increased.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-April	453	456	460.1	465	467

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil April Contract:

**Buy Near** 458; T1 near 460, T2 461 and put stop loss at 456.

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

Centres	24.03.07	23.03.07	Change
Mumbai (Soy Ref oil)+VAT	446	445	+1
Indore (Soy Ref oil)	431	428	+3
Kota (Soy Ref. Oil)+VAT	445	440	+5
Hyderabad (Soy Ref)+VAT	460	458	+2
Rajkot (Soy Ref)+Tax	NA	437	-

## PALM OIL

### International Highlights

Crude Palm oil Futures Remained Closed on Saturday.

### Domestic Spot Market Highlights

Palm oil spot prices improved across domestic markets on good demand. Declining cotton oil prices capped the gains for palm oil to certain extent. As per trade sources, ample stocks of vanaspati of high melting temperature is waiting to clearance suppressed Kandla port. Overnight firmed soy oil futures at CBOT produced similar reflection in domestic market. The crude palm oil CIF prices increased further at \$627 per tonne for April shipment on Saturday as compared to Friday's \$617 per tonne. Traders are expecting palm oil prices are likely to remain range bound ahead amidst sluggish demand and lack of fresh fundamentals.

#### BMD: CPO Futures (23.03.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Apr.07	1976	1985	2010	1985	2010	+34	426
May.07	1967	1973	2006	1973	2006	+39	5085
Jun.07	1971	1976	2010	1975	2010	+39	9001
Jul.07	1971	1979	2005	1979	2005	+34	3154
Aug.07	1972	1990	2010	1990	2010	+38	187

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	24.03.07	23.03.07	Change
Kandla CPO (5 % FFA)	402	394	+8
Kandla RBD Palmolein +VAT	416	416	0
Mumbai RBD Palmolein +VAT	441	438	+3
Chennai RBD Palmolein +VAT	442	438	+4
Kakinada RBD Palmolein +VAT	425	421	+4
Hyderabad RBD Palmolein +VAT	445	443	+2
Delhi RDB Palmolein	460	455	+5

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

Edible Oil	24.03.07	23.03.07	Change
Crude Soy Oil	685	676	+9
Crude Palm Oil	627	617	+10
Sunflower Oil	710	710	0

### Rape/Mustard oil

Mustard oil prices firmed up further domestically on Improving demand. Arrivals of new mustard seeds were reported to remain steady in Kota region. Stockists remain active in fresh buying anticipates bullish lean season. The current good weather with forecast of mainly dry weather would be supportive for new mustard seeds arrivals in coming days.

### Groundnut Oil

Most of Spot markets traded range bound for groundnut oil on steady demand/supply. While few markets improved on good demand. Farmers and stockists were reported to hold back groundnut seeds at current prices pushed up underlying bullishness. The expectation of isolated rainfall in Andhra Pradesh in Tamil Nadu is likely to support gn oil prices there in near-term.

### 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 remained unchanged from last couple of days at \$710 per tonne for April shipment. Underlying weakness in other vegetable oils and current arrivals pressure is likely to remain a bearish factor in near-term.

### Refined Cotton Oil

Spot prices of cotton oil traded in bullish tone across domestic markets on improved demand. Some shortage for cotton oil accounted for bullishness in domestic markets. Rajkot market remained range bound on steady demand. Crushing for cotton seeds were reported to remain steady. Traders are expecting cotton oil prices likely to follow groundnut oil in coming days.

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

Centres	24.03.07	23.03.07	Change
Mumbai (Exp. Oil) +VAT	427	425	+2
Kota (Exp. Oil)+VAT	415	408	+7
Jaipur (Exp. Oil)+VAT	423	418	+5
Delhi (Exp. Oil)	448	440	+8
Neewai (Exp. Oil) +VAT	NA	410	-

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

Centres	24.03.07	23.03.07	Change
Mumbai +VAT	580	575	+5
Rajkot +VAT	630	630	0
Andhra Region +VAT	650	650	0
Chennai +VAT	585	575	+10
Delhi	660	660	0

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

Centres	24.03.07	23.03.07	Change
Mumbai +VAT	520	520	0
Chennai +VAT	530	530	0
Hyderabad +VAT	510	510	0

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

Centres	24.03.07	23.03.07	Change
Mumbai +VAT	445	442	+3
Hyderabad +VAT	450	448	+2
Rajkot + VAT	430	430	0
Delhi	445	440	+5

### Forex Rates

(As on 24.03.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.70
European Union	Euro	58.04
Japan	100 Yen	36.99
United Kingdom	Pound Sterling	85.74

## PORT-WATCH (Latest):

### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Chennai	Taipan	7,318	SFO	Arrived (22.3.2007)
Tuticorin	Spring Glory	4,982	Palm oil	Arrived (21.03.2007)
Kolkata	Madura	3,025	CPO	Arrived (23.03.2007)
	Sima Kazee	9,452	CPO	Arrived (23.03.2007)
	Siteam Panther	17,837	Soy oil	Arrived (20.03.07)
New-Manglore	Bum-Mi	5,000	CPO	Expected (26.03.2007)
Kandla	Global Eos	11,000	CPO	Expected (29.03.2007)
	AL. Kortoubi	12,281	Palm oil	Expected (29.03.2007)

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