

VEGOIL DAILY

March 19th, 2007

REFINED SOY OIL

SPOT MARKET:

Refined soy oil prices improved further in physical market amidst improved demand. In Madhya Pradesh solvent plants were worry on depleting their buffer stock of beans on lack of easy availability of soybean seeds as farmers and stockists were reported to interest to unload beans in Maharashtra, where plants were paying good prices of beans. Solvents were not interested to hike soybeans prices in Madhya Pradesh, as currently low crushing margin for soy oil would deep further in coming days. CIF prices of crude soy oil declined marginally on Saturday for April shipment remained at \$676/tonne against \$677/ tonne on Friday. Currently soymeal demand is improving in domestic market, which support soy oil prices in near-term.

FUTURES MARKET:

April futures contract for refined soy oil settled down at NCDEX on Saturday. Soy oil April futures contract opened at Rs. 458.45 per 10kg as compared to Friday's closing level of 457.4 per 10 Kg. On Saturday market ignored the bullish CBOT on poor sentiments for short-term demand and pressured April contract of refined soy oil. However, market moved in both territories during trade-session and closed down at Rs 455.8 per 10kg down Rs. 1.4 to previous closing levels.

PRICE DRIVERS:

1. Improving demand for soy oil and soy meal domestically
2. Holdback of quality soybeans seeds by farmers and stockists
3. Declined crude soy oil CIF prices
4. Forecast of low soy oil import during lean season

Weather

Mainly dry weather in major growing regions would facilitate soybeans arrival in coming days.

TECHNICALS

Refined soy oil chart is showing bearishness on Saturday. Filled candlestick with nearly upper and lower shadow, indicating indecisiveness. The prices closed well above 9-days and 18-days EMA, which shows the short-term firmness in the market. MACD remained in upward trends in negative territory, suggests decreasing bearish momentum. Stochastics made bullish crossover in neutral region. Both volume and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-April	447	450	455.8	461	464

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil April Contract:

BUY Near 456; T1 near 458, T2 459 and put stop loss at 454.

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

Centres	17.03.07	16.03.07	Change
Mumbai (Soy Ref oil)+VAT	448	445	0
Indore (Soy Ref oil)	430	424	+6
Kota (Soy Ref. Oil)+VAT	NA	445	-
Hyderabad (Soy Ref)+VAT	459	458	+1
Rajkot (Soy Ref)+Tax	433	433	0

PALM OIL

International Highlights

Crude Palm oil Futures Remained Closed on Saturday.

Domestic Spot Market Highlights

Spot prices of palm oil remained on bullish tone to Friday's on improved demand with increasing activities from vanaspati makers in the domestic market. Crude palm oil CIF prices improved on Saturday, which quoted at \$605 per tonne for April shipment as compared to Friday's \$600 per tonne. Traders are keeping close eye on the development in overseas and domestic market and expecting bullish sentiments in coming days.

BMD: CPO Futures (16.03.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Apr.07	1959	1958	1962	1948	1958	-1	197
May.07	1960	1959	1959	1947	1955	-5	789
Jun.07	1956	1951	1958	1947	1947	-9	1168
Jul.07	1955	1950	1957	1946	1955	0	126
Aug.07	1951	1943	1943	1943	1943	-8	40

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	17.03.07	16.03.07	Change
Kandla CPO (5 % FFA)	397	396	+1
Kandla RBD Palmolein +VAT	418	418	0
Mumbai RBD Palmolein +VAT	440	438	+2
Chennai RBD Palmolein +VAT	432	432	0
Kakinada RBD Palmolein +VAT	425	425	0
Hyderabad RBD Palmolein +VAT	445	443	+2
Delhi RDB Palmolein	NA	455	-

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	17.03.07	16.03.07	Change
Crude Soy Oil	676	677	-1
Crude Palm Oil	605	600	+5
Sunflower Oil	695	695	0

Rape/Mustard oil

Arrivals pressure of mustard seeds increased in Rajasthan region. Nafed were reported to procured seeds parallel with other stockists were capped the losses to certain extend. Few market remained range bound on steady demand. On increasing sentiments for further procurement by Nafed and other stockists are likely to have bullish impact in coming days.

Groundnut Oil

Good arrivals of groundnut in few markets depressed gn oil prices there. Hyderabad market remained range bound on steady demand. Depleting quality seeds in Rajkot market supported bulls there. Good weather conditions in major growing region are supporting harvest there. Groundnut seeds arrivals are likely to pick up in coming days would pressure on gn oil domestically.

Refined Sunflower Oil

There is not significant change reported for refined sunflower oil to Friday. Steady demand with steady seeds arrivals kept refined sunflower prices in steady tone domestically. Sunflower oil CIF prices kept unchanged at \$695 per tonne for April shipment on Saturday. Traders are expecting its prices likely to move according to other vegetable oils.

Refined Cotton Oil

The long liquation of cotton seeds are expecting this year on ideas of bumper harvest of cotton crop in 2006 against a year ago supported bears in the domestic market. Mixed sentiments of other vegetable oil confirmed bearish sentiments. Traders are expecting, cotton oil prices likely to move according with gn oil in day to come.

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

Centres	17.03.07	16.03.07	Change
Mumbai (Exp. Oil) +VAT	436	436	0
Kota (Exp. Oil)+VAT	414	416	-2
Jaipur (Exp. Oil)+VAT	422	424	-2
Delhi (Exp. Oil)	NA	445	-
Neewai (Exp. Oil) +VAT	413	413	0

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	17.03.07	16.03.07	Change
Mumbai +VAT	580	582	-2
Rajkot +VAT	640	635	+5
Andhra Region +VAT	655	655	0
Chennai +VAT	595	600	-5
Delhi	NA	660	-

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

Centres	17.03.07	16.03.07	Change
Mumbai +VAT	520	520	0
Chennai +VAT	530	527	+3
Hyderabad +VAT	515	515	0

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

Centres	17.03.07	16.03.07	Change
Mumbai +VAT	445	445	0
Hyderabad +VAT	450	452	-2
Rajkot + VAT	436	437	-1
Delhi	NA	442	-

Forex Rates

(As on 17.03.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.17
European Union	Euro	58.81
Japan	100 Yen	37.83
United Kingdom	Pound Sterling	85.79

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	Expected (19.03.2007)
	Spring Glory	4,982	Palm oil	Expected (21.03.2007)

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