

VEGOIL DAILY

March 31st, 2007

REFINED SOY OIL

SPOT MARKET:

Refined soy oil traded in bullish tone in domestic markets on good demand. The disinterest of farmers and stockists to sell-off quality soybeans at current prices aided soy oil prices. USDA weekly exports sales for soybeans stood below trade expectation at 272,100 metric tonne (MT) while soy meals improved to trade expectation at 105,300 MT and on line for soy oil at 7,800 MT. The CIF prices of crude soy oil for April shipment increased sharply at \$707 per MT against Thursday's \$690 per tonne. As per media sources around 4.5 lakh tonne contract has been floated for April-June shipments, which would result in smooth supply of imported soy oil in coming months.

FUTURES MARKET:

NCDEX April contract of refined soy oil settled high on Friday. Soy oil contract opened at Rs. 466.9 per 10kg against Thursday's closing level of 465.9 per 10 Kg. Improving sentiments for short-term demand and bullish support from CBOT supported soy oil futures. Follow-through rallies supported prices gain and touched a fresh high of current month. Some bullish support also came from upsurge in BMD CPO futures and market closed at Rs. 468.7 per 10kg increased by Rs. 2.8 to Thursday's closing levels.

MCX April contract of refined soy oil settled high on Friday. Soy oil contract opened at Rs. 467.2 per 10kg against previous closing level of 465.6 per 10 Kg. Rise in global markets and follow-through rallies pushed up refined soy oil futures. Market finished at Rs. 468.5 per 10kg increased by Rs. 3 to Thursday's closing levels.

PRICE DRIVERS:

1. Upsurge overnight CBOT and BMD
2. Sharp increased crude soy oil CIF prices
3. Improved crude oil prices
4. Reports of fresh buying of solvent plants of beans
5. Improved soy meal sentiments domestically

Weather

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

TECHNICALS

Refined soy oil chart is showing follow-through rallies and prices touched the highest of 6th February. The prices were closed high to 9-days and 18-days EMA, which suggests firmness. MACD headed upwards in positive territory. Stochastic moved further up in neutral region. Both volume and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-April	461	463	468.7	472	475
MCX-April	459	461	468.5	471	473

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil April Contract:

Buy above 466; T1 near 468, T2 469 and put stop loss at 464.

MCX Refined Soy Oil April Contract:

Buy above 466; T1 near 468, T2 469 and put stop loss at 464.

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

Centres	30.03.07	29.03.07	Change
Mumbai (Soy Ref oil)+VAT	450	449	+1
Indore (Soy Ref oil)	442	442	0
Kota (Soy Ref. Oil)+VAT	465	NA	-
Hyderabad (Soy Ref)+VAT	465	460	+5
Rajkot (Soy Ref)+Tax	437	437	0

PALM OIL

International Highlights

BMD Crude Palm oil Futures Upsurge

Increased soy oil futures at CBOT coupled with upsurge in crude oil prices raised crude palm oil futures on Friday at Bursa Malaysian Derivatives. The most active June contract of CPO futures touched March month high since 1999 and finished MYR25 high at MYR2,070 per tonne. Talk of roaring crude oil futures would boost biodiesel demand globally and supported palm oil demand. However, market is lacking fresh fundamentals but anticipation for bullish crude oil and soy oil ahead supported market.

Domestic Spot Market Highlights

Spot prices of palm oil traded in bullish tone amidst good demand. Improved soy oil futures at CBOT coupled with upsurge in crude oil supported Indonesia and Malaysia market with spill over impact in domestic markets. Vanaspati maker's shows good interest in fresh buying on improve vanaspati demand and reflected bullishness. The crude palm oil CIF prices increased further on Friday at \$ 645 per tonne for April shipment against Thursday's \$640 per tonne. The bullish clues from International markets are likely to produce similar reflection on palm oil prices ahead in domestic markets.

BMD: CPO Futures (30.03.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Apr.07	2040	2060	2066	2057	2060	+20	156
May.07	2038	2060	2073	2056	2060	+22	729
Jun.07	2045	2062	2076	2057	2070	+25	5102
Jul.07	2042	2060	2073	2056	2062	+20	2078
Aug.07	2037	2060	2072	2060	2070	+33	302

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	30.03.07	29.03.07	Change
Kandla CPO (5 % FFA)	408	405	+3
Kandla RBD Palmolein +VAT	427	427	0
Mumbai RBD Palmolein +VAT	445	444	+1
Chennai RBD Palmolein +VAT	447	440	+7
Kakinada RBD Palmolein +VAT	435	432	+3
Hyderabad RBD Palmolein +VAT	449	447	+2
Delhi RDB Palmolein	465	465	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	30.03.07	29.03.07	Change
Crude Soy Oil	707	690	+17
Crude Palm Oil	645	640	+5
Sunflower Oil	718	700	+18

Rape/Mustard oil

Continuous buying of mustard seeds by stockists and expellers favored bullishness for mustard oil across domestic markets. Improved demand for Northeast parts of country supported mustard oil prices. Oval all arrivals off mustard seeds declined in physical markets strengthen mustard oil prices. Under prevailing conditions for mustard seeds and oil is likely to support bullishness in near-term.

Groundnut Oil

Groundnut oil prices remained range bound in few markets on steady demand/supply while dwindled stocks in other market supported bullishness. Poor availability of quality groundnut seeds results handful of crushers in operation enhanced bullishness. The prevailing demand conditions groundnut oil prices are expected to improve further.

Refined Sunflower Oil

Spot prices of refined sunflower oil remained mixed on sluggish demand in domestic markets. The declining crushing margin for sunflower oil and firmness in other edible oil had underlying bullish impact. The sunflower oil CIF price increased at \$718 per tonne for April Shipment on Friday against Thursday's \$700 per tonne. The improved sentiments for edible oil is reflect bullishness in day ahead.

Refined Cotton Oil

Following improvement in edible oil domestically and in global markets, cotton oil rose amidst good demand. However, ample cottonseeds stock is available in market but sluggish demand for cotton meals and dwindled crushing margin supported bullishness. Traders are expecting cotton oil would follow groundnut oil as both share same markets.

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

Centres	30.03.07	29.03.07	Change
Mumbai (Exp. Oil) +VAT	444	438	+6
Kota (Exp. Oil)+VAT	440	440	0
Jaipur (Exp. Oil)+VAT	445	445	0
Delhi (Exp. Oil)	472	470	+2
Neewai (Exp. Oil) +VAT	440	440	0

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	30.03.07	29.03.07	Change
Mumbai +VAT	578	578	0
Rajkot +VAT	650	645	+5
Andhra Region +VAT	665	665	0
Chennai +VAT	610	600	+10
Delhi	670	670	0

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

Centres	30.03.07	29.03.07	Change
Mumbai +VAT	522	520	+2
Chennai +VAT	530	530	0
Hyderabad +VAT	525	527	-2

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

Centres	30.03.07	29.03.07	Change
Mumbai +VAT	454	452	+2
Hyderabad +VAT	455	455	0
Rajkot + VAT	442	439	+3
Delhi	462	460	+2

Forex Rates

(As on 30.03.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.59
European Union	Euro	58.14
Japan	100 Yen	37.00
United Kingdom	Pound Sterling	85.53

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Sima Kazee	9,452	CPO	Arrived (23.03.2007)
	Global Venus	5,000	CPO	Arrived (25.03.2007)
Kandla	Global Eos	11,000	CPO	Expected (01.04.2007)
	AL. Kortoubi	12,281	Palm oil	Expected (29.03.2007)
	Hari Kripa	2,000	CFA*	Expected (31.03.2007)

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