

## VEGOIL DAILY

March 26th, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Spot prices of refined soy oil escalated further in most of markets on rising demand. On going Navratra puja in many parts of country strengthened soy oil prices. The dwindled quality beans stocks in the market propelled bullishness amidst good demand from solvent plants. Early gains at BMD crude soy oil futures on Monday radiated bullishness domestically. The CIF prices of crude soy oil increased further at \$687 per tonne on Monday for April shipment as compared to \$ 685 per tonne on Saturday. The further upside movement of soy oil domestically is likely to influence by underlying bearishness on prevailing harvest of soybeans in South America.

#### FUTURES MARKET:

April contract of refined soy oil at NCDEX finished weak on Monday on choppy trade day. Soy oil contract opened at Rs. 461.2 per 10kg against Saturday's closing level of 460.25 per 10 Kg. Soy oil futures tracked BMD closely on Monday. Disinterest for long-term demand remained a bearish factor for Monday's weakness and market finished at Rs 459.5 per 10kg drop Rs. 0.75 to Saturday's closing levels.

#### PRICE DRIVERS:

1. Bearish BMD
2. Improved domestic demand for soy oil and meal
3. Escalated 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

Candlesticks chart pattern reflects bearishness in the market. Sellers were active and dragged the market closed to Saturday's opening prices. The prices were closed well above 9-days and 18-days EMA, suggests short-term firmness in the market. MACD is rising and approach to positive territory. Stochastic made bullish crossover in neutral region. Both volume and open interest declined.



#### SUPPORT / RESISTANCES:

| Contract    | S2  | S1  | PCP   | R1  | R2  |
|-------------|-----|-----|-------|-----|-----|
| NCDEX-April | 452 | 454 | 459.5 | 465 | 467 |

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil April Contract:

**Sell Below 461; T1 near 458, T2 457 and put stop loss at 463.**

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

| Centres                  | 26.03.07 | 24.03.07 | Change |
|--------------------------|----------|----------|--------|
| Mumbai (Soy Ref oil)+VAT | 447      | 446      | +1     |
| Indore (Soy Ref oil)     | 432      | 431      | +1     |
| Kota (Soy Ref. Oil)+VAT  | 445      | 445      | 0      |
| Hyderabad (Soy Ref)+VAT  | 460      | 460      | 0      |
| Rajkot (Soy Ref)+Tax     | 437      | NA       | -      |

## PALM OIL

### International Highlights

#### Crude Palm oil Futures Finish Down at BMD

On Monday, crude palm oil futures finished weak on choppy trade day amidst lack of fresh fundamentals at Bursa Malaysian Derivatives. The Friday's gains at CBOT supported CPO futures during most of trade-days. The most active June contract of CPO finished MYR15 down at MYR2,010 pre tonne. The SGS has released palm oil exports sales estimation for palm oil for March 1-25 highlighted exports down by 3.1% at 714,124 metric tons (MT) against 737,015 MT during same period in February month supported bearishness.

### Domestic Spot Market Highlights

Subdued demand and bearish BMD crude palm oil futures pushed palm oil prices down in domestic markets. However, physical markets gained some momentum on rising palm oil futures in Indonesia. The SGS exports sales reports for March 1-25 highlighted palm oil exports to India totaled at 12,400 metric tonne (MT) during March 1-25 against 14,350 MT corresponding period last month. Traders are expecting palm oil prices are likely to remain range bound ahead amidst sluggish demand and lack of fresh fundamentals.

#### BMD: CPO Futures (26.03.2007)

(Ringgit/ton)

| Months | Previous | Open | High  | Low  | Close | Change | Volume |
|--------|----------|------|-------|------|-------|--------|--------|
| Apr.07 | 2010     | 2020 | 2024  | 2000 | 2000  | -10    | 242    |
| May.07 | 2006     | 2018 | 2027  | 1992 | 1995  | -11    | 709    |
| Jun.07 | 2010     | 2021 | 2030  | 1991 | 1995  | -15    | 4565   |
| Jul.07 | 2005     | 2016 | 20258 | 1996 | 1998  | -7     | 1240   |
| Aug.07 | 2010     | 2010 | 2020  | 2005 | 2005  | -5     | 154    |

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

| Centres                      | 26.03.07 | 24.03.07 | Change |
|------------------------------|----------|----------|--------|
| Kandla CPO (5 % FFA)         | 401      | 402      | -1     |
| Kandla RBD Palmolein +VAT    | 422      | 416      | +6     |
| Mumbai RBD Palmolein +VAT    | 441      | 441      | 0      |
| Chennai RBD Palmolein +VAT   | 440      | 442      | -2     |
| Kakinada RBD Palmolein +VAT  | 427      | 425      | +2     |
| Hyderabad RBD Palmolein +VAT | 445      | 445      | 0      |
| Delhi RDB Palmolein          | 465      | 460      | +5     |

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

| Edible Oil     | 26.03.07 | 24.03.07 | Change |
|----------------|----------|----------|--------|
| Crude Soy Oil  | 687      | 685      | +2     |
| Crude Palm Oil | NA       | 627      | -      |
| Sunflower Oil  | 710      | 710      | 0      |

### Rape/Mustard oil

Emergence of fresh demand strengthened mustard prices in Mumbai market. Stockists were reported in piled up their inventories with mustard seeds for lean season had spill over impact on mustard oil in Rajasthan region. Expellers/crushers were reported to decelerate mustard seeds buying on current higher prices supported bullishness. Weather is suitable for fieldwork for harvesting of mustard seeds that could be push oil prices in short-term.

### Groundnut Oil

Improved arrivals of groundnut seeds in Chennai market witnessed weakness in gn oil there while under Navratra puja, few markets firmed up. In Rajkot markets groundnut arrivals declined sharply as most of mandis remain closed on Monday (as per market sources). The forecast of isolated rainfall in Tamil Nadu is likely to affect groundnut arrivals there while clear weather in rest of season would welcome arrivals in coming days.

### Refined Sunflower Oil

Stagnancy for refined sunflower oil maintained in domestic markets on steady demand/supply. However, reports of weak demand for sunflower meals checked possibility for upside movement in oil prices. CIF prices of sunflower oil stood unchanged on Monday at \$710 per tonne for April shipment. Traders are expecting under prevailing sluggish demand for sunflower meal is likely to control any upside movement in sunflower oil in coming days.

### Refined Cotton Oil

Refined cotton oil prices traded on firmer side on improved demand. Solvent plants were reported to reduce their cottonseeds offtake amidst sluggish demand for cotton meal aided firmness in the market. Traders are expecting cotton oil prices likely to follow groundnut oil in ahead on lack of fresh fundamentals.

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

| Centres                | 26.03.07 | 24.03.07 | Change |
|------------------------|----------|----------|--------|
| Mumbai (Exp. Oil) +VAT | 428      | 427      | +1     |
| Kota (Exp. Oil)+VAT    | 420      | 415      | +5     |
| Jaipur (Exp. Oil)+VAT  | 428      | 423      | +5     |
| Delhi (Exp. Oil)       | 446      | 448      | -2     |
| Neewai (Exp. Oil) +VAT | 412      | NA       | -      |

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

| Centres            | 26.03.07 | 24.03.07 | Change |
|--------------------|----------|----------|--------|
| Mumbai +VAT        | 585      | 580      | +5     |
| Rajkot +VAT        | 635      | 630      | +5     |
| Andhra Region +VAT | 650      | 650      | 0      |
| Chennai +VAT       | 580      | 585      | -5     |
| Delhi              | 660      | 660      | 0      |

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

| Centres        | 26.03.07 | 24.03.07 | 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        | 26.03.07 | 24.03.07 | Change |
|----------------|----------|----------|--------|
| Mumbai +VAT    | 446      | 445      | +1     |
| Hyderabad +VAT | 450      | 450      | 0      |
| Rajkot + VAT   | 437      | 432      | +5     |
| Delhi          | 437      | 445      | +2     |

### Forex Rates

(As on 26.03.2007)

| Country/ Continent | Currency       | Value in Rupees |
|--------------------|----------------|-----------------|
| USA                | Dollar         | 43.39           |
| European Union     | Euro           | 57.60           |
| Japan              | 100 Yen        | 36.77           |
| United Kingdom     | Pound Sterling | 85.16           |

## PORT-WATCH (Latest):

### Current Vessels Positions

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

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