

## VEGOIL DAILY

March 24th, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Spot prices of refined soy oil remained mixed across domestic markets on lacklustre trade activities. Emergence of fresh demand strengthened soy oil prices in Rajkot market. As per media sources around 51 lakh tonne soybeans has been crushed in domestic markets. The USDA weekly exports sales for soybeans remained bullish at 523,300 metric tonne (MT) while for soy meal and soy oil stood in line with trade expectation i.e. at 111,400 MT and 10,100 MT respectively. The CIF prices of crude soy oil dropped at \$673 per tonne on Wednesday for April shipment as compared to \$ 678 per tonne on Wednesday. The new estimation for soybeans crop in Brazil stood at 58.6 million tonnes against USDA last estimation at 57 million tonne.

#### FUTURES MARKET:

Refined soy oil April contract at NCDEX finished up on Friday. Soy oil contract opened at Rs. 455.9 per 10kg against Thursday's closing level of 454.8 per 10 Kg. Refined soy oil tracked bullishness at overnight CBOT and firmed up. Market also gained some momentum with bullish BMD. However, market remained suspicious for long-term demand and market finished at Rs 457.2 per 10kg high Rs. 2.4 to Thursday's closing levels.

#### PRICE DRIVERS:

1. Bullish BMD and overnight CBOT
2. Improved demand for soy meal at ports
3. Improved crude soy oil CIF prices
4. Bullish reflection from USDA Weekly exports sales
5. Sluggish demand

#### Weather

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

#### TECHNICALS

On Friday, refined soy oil chart is showing recovery from recent losses. The hollow candlestick with upper shadow is indicating dominance of buyers over sellers. The prices closed near 9-days 18-days EMA are indicating short-term firmness. MACD remained in the negative territory while stochastics headed down in neutral region. Volume increased while open interest declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-April	450	452	457.2	461	464

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil April Contract:

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

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

Centres	23.03.07	22.03.07	Change
Mumbai (Soy Ref oil)+VAT	445	448	-3
Indore (Soy Ref oil)	428	429	-1
Kota (Soy Ref. Oil)+VAT	440	438	+2
Hyderabad (Soy Ref)+VAT	458	458	0
Rajkot (Soy Ref)+Tax	437	433	+4

## PALM OIL

### International Highlights

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

Technical pressure, firmed crude oil futures pulled crude palm oil futures high across the board at Bursa Malaysian Derivatives on Friday. However, some support also came from bullish overnight CBOT. The most active June contract of CPO futures breach the psychological barrier of MYR 2,000 per tonne during trade session and settled MYR39 high at MYR2,010 per tonne. Traders also anticipate for bullish SGS exports sales estimation for crude palm oil the period of March 1-25.

### Domestic Spot Market Highlights

Spot prices of palm oil traded mostly range bound in domestic markets on balance in demand/supply. Declining cotton oil prices capped the gains for palm oil to certain extent. Overnight bullish CBOT had similar reflection on BMD coupled with Indonesia market with spill over impact in Chennai and Hyderabad market. The crude palm oil CIF prices increased at \$617 per tonne for April shipment on Friday as compared to Thursday's \$610 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	23.03.07	22.03.07	Change
Kandla CPO (5 % FFA)	394	396	-4
Kandla RBD Palmolein +VAT	416	416	0
Mumbai RBD Palmolein +VAT	438	438	0
Chennai RBD Palmolein +VAT	438	435	+3
Kakinada RBD Palmolein +VAT	421	421	0
Hyderabad RBD Palmolein +VAT	443	440	+3
Delhi RDB Palmolein	455	455	0

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

Edible Oil	23.03.07	22.03.07	Change
Crude Soy Oil	676	673	+3
Crude Palm Oil	617	610	+7
Sunflower Oil	710	710	0

### Rape/Mustard oil

Improving arrivals of mustard seeds are pushing spot prices of mustard oil to downward in the physical markets. As per official sources, so far around 12, 000 metric tonne procurement had been completed by Nafed. In Delhi market mustard oil remained range bound on steady demand/supply. Currently weather is suitable for fieldwork and more arrivals of mustard seeds are expecting in coming days would pressure domestic market in coming days.

### Groundnut Oil

Due to higher prices of gn oil as compared to cheaper prices of cotton oil pushed Rajkot market down. Few markets remained range bound on balance demand/supply while some shortage account for upsurge in Mumbai market. In Rajkot market shelled groundnut quoted at Rs. 475-485 per 20 kg with arrivals of 7,000-8,000 bags. Dwindling quality seeds stocks with arrivals pressure in few states likely to produce mixed reaction across domestic market in short-term.

### Refined Sunflower Oil

Refined sunflower oil traded unchanged to last coupled of days domestically. Lack of excitement over long-term demand supported steadiness. CIF prices of sunflower oil remained unchanged on third consecutive day at \$710 per tonne for April shipment. Traders are keeping close eye on movement in domestic and international market and expecting steady prices of sunflower oil in coming days.

### Refined Cotton Oil

On Friday, refined cotton oil traded on softer side on steady demand. Pressure from new gn seeds in Mumbai market witnessed weakness for cotton oil prices there. Around 75 lakh tonnes cottonseeds are available for crushing for 2006/07, which is likely to produce around 9-lakh tonne cotton oil. This quantity of oil is able to control the upside movement for cotton oil in coming days.

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

Centres	23.03.07	22.03.07	Change
Mumbai (Exp. Oil) +VAT	425	428	-3
Kota (Exp. Oil)+VAT	408	415	-7
Jaipur (Exp. Oil)+VAT	418	420	-2
Delhi (Exp. Oil)	440	440	0
Neewai (Exp. Oil) +VAT	410	412	-2

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

Centres	23.03.07	22.03.07	Change
Mumbai +VAT	575	572	+3
Rajkot +VAT	630	632	-2
Andhra Region +VAT	650	650	0
Chennai +VAT	575	575	0
Delhi	660	660	0

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

Centres	23.03.07	22.03.07	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	23.03.07	22.03.07	Change
Mumbai +VAT	442	444	-2
Hyderabad +VAT	448	448	0
Rajkot + VAT	430	430	0
Delhi	440	440	0

### Forex Rates

(As on 23.03.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.70
European Union	Euro	58.25
Japan	100 Yen	37.00
United Kingdom	Pound Sterling	85.90

## PORT-WATCH (Latest):

### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Hari Kripa	2,000	CFA	Expected (22.03.2007)
Chennai	Taipan	7,318	SFO	Arrived (22.3.2007)
Tuticorin	Pacific Sound	10,796	Palm oil	Arrived (21.03.2007)
	Spring Glory	4,982	Palm oil	Arrived (21.03.2007)
Kolkata	Madura	3,025	CPO	Arrived (16.03.2007)
	Siteam Panther	17,837	Soy oil	Arrived (20.03.07)
New-Manglore	Bum-Mi	5,000	CPO	Expected (26.03.2007)

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