

VEGOIL DAILY

March 23rd, 2007

REFINED SOY OIL

SPOT MARKET:

On Thursday, sluggish demand depressed spot prices of refined soy oil in physical markets. Weakness in BMD and CBOT reflected similar sentiments in few markets. Declining crushing market induced bearishness for soy oil in Indore market. Further improved soy meal demand at ports was remain supportive for soy oil in Mumbai market. 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.

FUTURES MARKET:

April contract of refined soy oil at NCDEX finished down at on Wednesday. Soy oil contract opened at Rs. 456.2 per 10kg against Wednesday's closing level of 456.75 per 10 Kg. Soy oil market tracked the weakness at BMD and overnight CBOT. However, poor sentiments for short-term demand coupled with lack of fresh fundamentals pushed market down and Market finished down at Rs 454.75 per 10kg down Rs. 2 to Wednesday closing levels.

PRICE DRIVERS:

1. Weak BMD and CBOT
2. Improved demand for soy meal at ports
3. Declined crude soy oil CIF prices
4. Plenty soy oil stock in market
5. Pressure for new mustard crop

Weather

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

TECHNICALS

Refined soy oil futures slipped further. Chart is showing strong bearishness in the market. The prices closed between 9-days and 18-days EMA, which indicate short-term bearishness. MACD is running flat in the negative territory. Stochastics moved further down in neutral region. Both volume and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-April	445	448	454.75	461	464

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil April Contract:

SELL Near 456; T1 near 454, T2 453 and put stop loss at 458.

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

Centres	22.03.07	21.03.07	Change
Mumbai (Soy Ref oil)+VAT	448	445	+3
Indore (Soy Ref oil)	429	431	-2
Kota (Soy Ref. Oil)+VAT	438	438	0
Hyderabad (Soy Ref)+VAT	458	460	-2
Rajkot (Soy Ref)+Tax	433	433	0

PALM OIL

International Highlights

Crude Palm oil Futures Finish Down at BMD

On Thursday, crude palm oil futures moved down in tandem with weak overnight CBOT soy futures. The most active June contract of CPO finished MYR4 down at MYR1,963 pre tonne at Bursa Malaysian Derivatives. Stronger ringgits with poor sentiments for long-term demand suppressed traders to take fresh position at CPO futures. Market is also remained cautious on advancing harvest conditions for soybeans in South America.

Domestic Spot Market Highlights

Low vanaspati demand domestically pushed weakens palm oil market. In domestic markets palm oil traded in bearish tone amidst lack of fresh fundamentals. Weakness in palm oil futures in Malaysia with mixed Indonesia market also had underlying bearishness. The crude palm oil CIF prices quoted at \$610 per tonne for April shipment on Thursday. Traders are expecting palm oil prices are likely to remain range bound ahead amidst sluggish demand. s

BMD: CPO Futures (22.03.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Apr.07	1977	1970	1979	1966	1976	-1	679
May.07	1975	1967	1975	1960	1967	-8	610
Jun.07	1975	1971	1979	1963	1971	-4	3000
Jul.07	1974	1970	1980	965	1971	-3	1866
Aug.07	1972	0	0	0	1972	0	0

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	22.03.07	21.03.07	Change
Kandla CPO (5 % FFA)	396	396	0
Kandla RBD Palmolein +VAT	416	414	+2
Mumbai RBD Palmolein +VAT	438	438	0
Chennai RBD Palmolein +VAT	435	436	-1
Kakinada RBD Palmolein +VAT	421	422	-1
Hyderabad RBD Palmolein +VAT	440	443	-3
Delhi RDB Palmolein	455	455	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	22.03.07	21.03.07	Change
Crude Soy Oil	673	678	-5
Crude Palm Oil	610	NA	-
Sunflower Oil	710	710	0

Rape/Mustard oil

Spot prices of mustard oil prices traded in bullish tone in the physical market on improving sentiments for lean season demand. The recent rainfall in Rajasthan and in other parts of country took credit for drop in mustard seeds of new crop at 60.2 lakh tonnes as compared to last year's estimation at 67.7 lakh tonnes supported bullishness. While fresh arrival in Delhi market pushed mustard oil prices there. Anticipation for abound arrival in coming days would weaken mustard oil prices in Rajasthan with spill over impact in other centres.

Groundnut Oil

Good arrivals of groundnut seeds in pressured major growing regions. Stockists were reluctant to fresh purchase on fall short of bullish days ahead. Resellers were also remained active in releasing gn oil in the market in induced bearishness. Dwindling quality seeds stocks with arrivals pressure in few states likely to produce mixed reaction across domestic market in short-term.

Refined Sunflower Oil

Steady arrivals of sun seeds but less aggressive buying by plants in Hyderabad market depress sunflower oil prices there. Rest of markets remained range bound on balance demand/supply. CIF prices of sunflower oil remained unchanged on Thursday at \$710 per tonne for April shipment. Traders are expecting sunflower oil is likely to remain in sync with other edible oil in near-term.

Refined Cotton Oil

Spot prices of refined cotton oil traded in mixed tone in domestic markets on sluggish demand. Few market remained range bound on stagnant demand. Easy availability of mustard oil in Delhi market depressed cotton oil there. However cottonseeds arrivals remain steady in major growing areas. Sluggish demand for soy and gn oil in the market likely to push down cotton oil ahead in domestic market.

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

Centres	22.03.07	21.03.07	Change
Mumbai (Exp. Oil) +VAT	428	430	-2
Kota (Exp. Oil)+VAT	415	412	+3
Jaipur (Exp. Oil)+VAT	420	418	+2
Delhi (Exp. Oil)	440	442	-2
Neewai (Exp. Oil) +VAT	412	410	+2

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	22.03.07	21.03.07	Change
Mumbai +VAT	572	575	-3
Rajkot +VAT	632	635	-3
Andhra Region +VAT	650	660	-10
Chennai +VAT	575	575	0
Delhi	660	660	0

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

Centres	22.03.07	21.03.07	Change
Mumbai +VAT	520	520	0
Chennai +VAT	530	530	0
Hyderabad +VAT	510	515	-5

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

Centres	22.03.07	21.03.07	Change
Mumbai +VAT	444	444	0
Hyderabad +VAT	448	450	+2
Rajkot + VAT	430	430	0
Delhi	440	445	-5

Forex Rates

(As on 22.03.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.66
European Union	Euro	58.44
Japan	100 Yen	37.17
United Kingdom	Pound Sterling	85.91

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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