

## VEGOIL DAILY

March 21st, 2007

### REFINED SOY OIL

#### SPOT MARKET:

On Tuesday, outpaced supply over stagnant demand pushed refined soy oil to trade in bearish tone in domestic markets. Trade activities remained slow in Hyderabad on extended celebration of Hindu New Year. Solvent plants were reported to unload soy oil at cheaper prices amidst sluggish demand induced bearishness in the market. The CIF prices of crude soy oil remain unchanged on Tuesday for April shipment at \$675 per tonne. The new trades estimation for vegetable oil (both Kharif and Rabi) in current oil years (Nov 06-Oct 07) is outlook at 77.2 lakh tonnes (LT) as compared to 80.3 LT last year could strengthen domestic market ahead.

#### FUTURES MARKET:

April contract of refined soy oil finished up at NCDEX on Tuesday. Contract opened at Rs. 458 per 10kg as compared to Monday's closing level of 457.6 per 10 Kg. In lack of fresh fundamnet and long term demand market responded well in bearish tone. However firm overnight CBOT and BMD unable to produce similar impact on weak physical sentiments. Market closed down at Rs 457.35 per 10kg down Rs. 0.25 to previous closing levels.

#### PRICE DRIVERS:

1. Improving demand for soy meal at ports and in domestic markets
2. Dwindle quality beans stocks in the market
3. Unchanged crude soy oil CIF prices
4. Bullish overnight CBOT and BMD

#### Weather

Isolated rainfall in few places in West Rajasthan and North-west Madhya Pradesh would affect soybeans arrivals in coming days.

#### TECHNICALS

Refined soy oil chart is showing bearishness in the futures market on Tuesday. The prices closed well above 9-days and 18-days EMA, which indicating suggests short-term firmness in the market. MACD touched the neutral line, indicates diminishing bearish momentum. Stochastics turned down after bearish cross over in neutral region. Volume increased but open interest declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-April	447	450	457.35	461	464

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil April Contract:

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

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

Centres	20.03.07	19.03.07	Change
Mumbai (Soy Ref oil)+VAT	446	446	0
Indore (Soy Ref oil)	430	430	0
Kota (Soy Ref. Oil)+VAT	438	440	-2
Hyderabad (Soy Ref)+VAT	459	459	0
Rajkot (Soy Ref)+Tax	433	433	0

## PALM OIL

### International Highlights

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

On Tuesday, crude palm oil futures settled high at Bursa Malaysian Derivatives across the board on tracking firm overnight CBOT. Most active June contract of crude palm oil settled MYR7 up at MYR1,977 per tonne. SGS released exports sales estimation for palm oil for the period of March 1-20 highlighted exports dropped by 6.1% at 596,774 metric tons against 635,215 metric tons during same period in last month restricted the upside movement of palm oil.

### Domestic Spot Market Highlights

On Tuesday, spot prices of palm oil remained range bound on balance in demand and supply. However, poor demand at Kandla port depressed palm oil prices there. The recent exports sales estimation for palm oil by SGS highlighted exports to India at 12,400 metric tonnes during period of March 1-20 against nil exports during same period last month induce bearishness. Crude palm oil CIF prices increased marginally at \$608 per tonne for April shipment as compared to Monday's \$605 per tonne. In lack of fresh fundamentals palm oil is likely to trade steady in near-term.

#### BMD: CPO Futures (20.03.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Apr.07	1972	1972	1981	1972	1980	+8	1630
May.07	1965	1970	1973	1967	1972	+7	4209
Jun.07	1970	1975	1978	1968	1977	+7	7378
Jul.07	1968	1970	1980	1970	1977	+9	3174
Aug.07	1966	1972	1972	1970	1970	+4	100

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	20.03.07	19.03.07	Change
Kandla CPO (5 % FFA)	396	397	-1
Kandla RBD Palmolein +VAT	417	418	-1
Mumbai RBD Palmolein +VAT	438	438	0
Chennai RBD Palmolein +VAT	435	433	+2
Kakinada RBD Palmolein +VAT	425	425	0
Hyderabad RBD Palmolein +VAT	445	445	0
Delhi RDB Palmolein	455	455	0

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

Edible Oil	20.03.07	19.03.07	Change
Crude Soy Oil	675	675	0
Crude Palm Oil	608	605	+3
Sunflower Oil	695	700	-5

### Rape/Mustard oil

Mustard oil prices traded bearish in domestic markets on poor demand and lacklustre trade activities. Expellers were reported to reduce their mustard seeds demand, as currently prices are high. In Mumbai market prices remained range bound on steady demand. Currently cloudy weather conditions with forecast of isolated rainfall in part of Rajasthan would strengthen mustard oil prices in coming days.

### Groundnut Oil

Currently good weather conditions with advancing harvest of groundnut seeds in Tamil Nadu and in parts of Karnataka and Andhra Pradesh had bearish impact on gn oil. Few markets remained range bound on steady demand/supply. In Rajkot market shelled groundnut seeds quoted at Rs. 480 per 20 kg with arrivals of 8,000-10,000 bags. Under prevailing harvest conditions for groundnut seeds oil price is likely to trade steady to bearish in near-term.

### Refined Sunflower Oil

Refined sunflower oil traded at Monday's prices on lack of fresh fundamentals for short-term demand and current sunflower seed's arrival pressure. Sunflower oil CIF prices declined on Tuesday at \$695 per tonne for April shipment against Monday's \$700 per tonne. Traders are expecting seeds arrivals status would determine refined sunflower oil price in coming days.

### Refined Cotton Oil

Improving cotton meal prices in physical market with disinterest of buyers had spill over impact on refined cotton oil in major markets. However, solvent plants were reported to maintain their regular offtake on bullish market ahead for both cotton meal and oil. In current oil year oil content in cottonseed is rose to 12% as compared to 11 per cent a year ago that bring bearishness. Traders are expecting, cotton oil prices likely to trade steady to bullish ahead in sync with other vegetable oil.

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

Centres	20.03.07	19.03.07	Change
Mumbai (Exp. Oil) +VAT	436	436	0
Kota (Exp. Oil)+VAT	412	415	-3
Jaipur (Exp. Oil)+VAT	NA	423	-
Delhi (Exp. Oil)	447	448	-1
Neewai (Exp. Oil) +VAT	410	414	-4

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

Centres	20.03.07	19.03.07	Change
Mumbai +VAT	575	575	0
Rajkot +VAT	633	640	-7
Andhra Region +VAT	655	655	0
Chennai +VAT	585	595	-10
Delhi	660	660	0

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

Centres	20.03.07	19.03.07	Change
Mumbai +VAT	520	520	0
Chennai +VAT	530	530	0
Hyderabad +VAT	515	515	0

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

Centres	20.03.07	19.03.07	Change
Mumbai +VAT	445	446	-1
Hyderabad +VAT	450	450	0
Rajkot + VAT	432	436	-4
Delhi	445	445	0

### Forex Rates

(As on 20.03.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.98
European Union	Euro	58.49
Japan	100 Yen	37.37
United Kingdom	Pound Sterling	85.59

## 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	Arrived (19.03.2007)
	Spring Glory	4,982	Palm oil	Expected (21.03.2007)
Kolkata	Madura	3,025	CPO	Arrived (16.03.2007)

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