

VEGOIL DAILY

March 08th, 2007

REFINED SOY OIL

SPOT MARKET:

Spot prices of refined soy oil traded on softer side in domestic markets on lacklustre trade activities. Solvent plants were reported to disinterested in fresh buying for soybeans due to low crushing margin for soy oil. Farmers and stockists were holdback their soybean stocks, as current prices are not supportive induced bearishness. Overnight weakness at CBOT amplified bearish sentiment domestically. CIF prices of crude soy oil for March shipment declined sharply on Wednesday at \$665/tonne against Tuesday's \$670/tonne. Reports of new estimation for Brazil's soybeans crop at 58 million metric ton (mmt) against 57 mmt in February month likely to depress CBOT and would have bearish reflection too in domestic market in near term.

FUTURES MARKET:

Refined soy oil April futures contract settled weak at NCDEX. April futures contract opened at Rs. 447.8/10kg against previous closing level of 448.45/10 Kg. Weakness at CBOT and BMD reflected cast weakness for April contract and market remained weak. Ideas of supportive weather conditions in Rajasthan and Madhya Pradesh had underlying bearishness and contract closed at Rs 446.85 below to the previous closing levels.

PRICE DRIVERS:

1. CIF prices for crude soy oil declined
2. Weakness at CBOT and BMD
3. Low crushing margin for soy oil
4. Soybeans prices remained weak
5. Sluggish demand

Weather

Mainly dry weather over major growing region likely to facilitate soybeans arrivals in coming days.

TECHNICALS

Refined soy oil futures slipped further. Charts are showing strong bearishness in the market. The prices closed below 9-days and 18-days EMA, which suggests downtrend is intact. MACD generated bearish momentum in the negative territory. Stochastics remained in neutral region after bearish crossover. Both volume and open interest increased marginally.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-April	441	443	446.85	452	454

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil April Contract:

Sell Below 448; T1 near 446, T2 445 and put stop loss at 450.

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

Centres	07.03.07	06.03.07	Change
Mumbai (Soy Ref oil)+VAT	438	436	+2
Indore (Soy Ref oil)	416	417	-1
Kota (Soy Ref. Oil)+VAT	425	428	-3
Hyderabad (Soy Ref)+VAT	448	448	0
Rajkot (Soy Ref)+Tax	432	432	0

PALM OIL

International Highlights

BMD Crude Palm oil Futures Finish Mixed

Crude palm oil futures finished in bearish tone at Bursa Malaysian Derivatives amidst sluggish demand. The most active May contract of crude palm oil futures ended MYR 10 down at MYR1,933/tonne. Trade volume remained weak on Wednesday. Weakness at CBOT reflected bearish sentiments. Currently market is waiting fresh data for February month to be release by Malaysia Palm oil Board (MPOB) on 12 of March and SGS crude palm oil estimation for March 1-10.

Domestic Spot Market Highlights

Spot price of palm oil remained in bearish tone in the domestic market on lack of supportive demand. Vanaspati makers preferred to purchase cheaper option to palm oil in the market had underlying bearishness. Mixed sentiments at BMD aided bearish impact too. CIF prices of crude palm oil for March shipment stood unchanged from last couple of days at \$595/tonne on Wednesday. Traders are expecting further weakness for palm oil in upcoming election in few States.

BMD: CPO Futures (07.03.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Mar.07	1950	1949	1952	1946	1952	+2	141
Apr.07	1941	1941	1942	1934	1940	-1	675
May.07	1943	1937	1940	1930	1933	-10	1849
Jun.07	1940	1938	1940	1933	1940	0	404
Jul.07	1938	0	1938	0	1938	0	0

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	07.03.07	06.03.07	Change
Kandla CPO (5 % FFA)	393	395	-2
Kandla RBD Palmolein +VAT	415	415	0
Mumbai RBD Palmolein +VAT	430	432	-2
Chennai RBD Palmolein +VAT	430	431	-1
Kakinada RBD Palmolein +VAT	419	419	0
Hyderabad RBD Palmolein +VAT	437	437	0
Delhi RDB Palmolein	450	450	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	07.03.07	06.03.07	Change
Crude Soy Oil	665	670	-5
Crude Palm Oil	595	595	0
Sunflower Oil	700	700	0

Rape/Mustard oil

Spot price of mustard oil remained traded bearish in the domestic market amidst poor demand. Weak sentiments for soy oil in Madhya Pradesh and Rajasthan had spill over impact. Weather is supportive for harvest to run in full swing in major growing regions had underlying bearishness. Mustard oil is likely to trades steady to bearish on fresh arrivals pressure of new mustard seeds these days.

Groundnut Oil

Spot price of groundnut oil traded range bound on steady demand/supply. Farmers and stockists were reported to hold back groundnut seeds at current prices supported steadiness. There is report of harvest for Rabi groundnut in parts Karnataka and Andhra Pradesh capped the gains to certain extent. Currently weak sentiments for crushing for groundnut are likely to support bullishness in coming days.

Refined Sunflower Oil

Spot prices of refined sunflower oil prices remained weak domestically on poor demand. The CIF prices for sunflower oil for March shipment remained unchanged at \$700/tonne on second consecutive day. Reports of domestic sunflower oil consumption is likely to improved in current oil year (Nov 06-Oct 07) at 587 thousand metric tons (TMT) as compare to a year ago 553 TMT would likely to support bullishness in days to come.

Refined Cotton Oil

On Wednesday, spot prices of refined cotton oil traded range bound on lacklustre trade activities. Stockists were reported to have ample stock of cottonseeds had slightly bearishness. Resellers were remains active induced bearishness. Current market is looking for direction and slightly weakness could be notice in near-term.

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

Centres	07.03.07	06.03.07	Change
Mumbai (Exp. Oil) +VAT	429	430	-1
Kota (Exp. Oil)+VAT	400	400	0
Jaipur (Exp. Oil)+VAT	408	411	-3
Delhi (Exp. Oil)	432	435	-3
Neewai (Exp. Oil) +VAT	398	400	-2

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	07.03.07	06.03.07	Change
Mumbai +VAT	595	595	0
Rajkot +VAT	640	640	0
Andhra Region +VAT	695	695	0
Chennai +VAT	640	630	+10
Delhi	660	660	0

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

Centres	07.03.07	06.03.07	Change
Mumbai +VAT	515	525	-10
Chennai +VAT	540	545	-5
Hyderabad +VAT	505	510	-5

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

Centres	07.03.07	06.03.07	Change
Mumbai +VAT	438	437	+1
Hyderabad +VAT	436	436	0
Rajkot + VAT	433	433	0
Delhi	430	430	0

Forex Rates

(As on 07.03.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.50
European Union	Euro	58.39
Japan	100 Yen	38.23
United Kingdom	Pound Sterling	85.86

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Samho Heron	4,000	Palm oil	Expected (08.03.2007)
	Spring Ursa	5,000	Palm oil	Arrived (03.03.2007)
New-Manglore	Jin Hai Yang	8,000	CPO	Expected (07.03.2007)
	S.C. Shang Hai	6,000	CPO	Expected (09.03.2007)
Kolkata	Shima Kaze	9,298	CPO	Arrived (22.02.2007)
	Pacific Sound	2,442	CPO	Arrived (05.03.2007)
	Vernal Grace	3,631	CPO	Arrived (05.03.2007)
Kandla	Hari Kripa	2,000	CFA	Arrived (26.02.2007)
	M.T. Pujawati	13,000	CDSBO	Arrived (27.02.2007)

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