

## VEGOIL DAILY

March 29th, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Spot prices of refined soy oil upsurge on improved demand from retailers and skyrocketing BMD. Stockists shown good interest to build up their inventories for upcoming marriages season induced bullishness. Solvent plants were reported in fresh purchase of beans even current prices are high helped market to gain positive momentum. Solid gains in crude oil prices raised CBOT soy oil futures while forecast of rain in Argentina cushioned bearish soybeans futures to fall further. The CIF prices of crude soy oil increased at \$690 per tonne on Wednesday for April shipment against Tuesday's \$ 680 per tonne. The declining quality bean stocks in the market with improving demand for soy meal is likely to strengthened soy oil prices in short-term.

#### FUTURES MARKET:

Refined soy oil April contract at NCDEX gained sharply on Wednesday. Soy oil contract opened at Rs. 4459.65 per 10kg against yesterday's closing level of 4458.45 per 10 Kg. Improved sentiments for long-term demand boosted soy oil sentiments on NCDEX. Market also gained momentum on bullish CBOT; BMD and market finished at Rs. 465.15 per 10kg increased by Rs. 6.7 to Tuesday's closing levels.

#### PRICE DRIVERS:

1. Improved prices of crude oil
2. Bullish BMD and overnight CBOT
3. Improved crude soy oil CIF prices
4. Rising soy meal demand both at ports and domestically
5. Depleting solvent plants buffer stock of quality beans

#### Weather

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

#### TECHNICALS

Refined soy oil chart is showing recovery from recent losses. Buyers actively participated in the market and propelled soy oil prices closed to lower prices of 2<sup>nd</sup> February. Prices closed near 9-days EMA and 18-days EMA suggests short-term firmness. MACD is rising and generate bullish momentum in positive territory while stochastics moved upwards in neutral region. Volume increased significantly while open interest declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-April	454	457	465.15	470	473

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil April Contract:

**Buy Below 463; T1 near 465, T2 466 and put stop loss at 461.**

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

Centres	28.03.07	27.03.07	Change
Mumbai (Soy Ref oil)+VAT	448	447	+1
Indore (Soy Ref oil)	437	432	+5
Kota (Soy Ref. Oil)+VAT	460	445	+15
Hyderabad (Soy Ref)+VAT	460	460	0
Rajkot (Soy Ref)+Tax	437	437	0

## PALM OIL

### International Highlights

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

Upsurge in crude oil prices pulled crude palm oil futures high across the board at Bursa Malaysian Derivatives on Wednesday. However, the most active June contract of CPO futures settled MYR45 high at MYR2,048 per tonne and during trade session market breach the MYR2,030 per tonne (year to date high). Overnight bullish CBOT soy oil futures aided in gaining CPO futures. Rising crude oil futures also supported (in addition with CPO futures) the use of bio diesel in global markets.

### Domestic Spot Market Highlights

Domestic palm oil markets turned mixed on Wednesday amidst erratic demand. Upsurge in crude oil prices supported both Indonesian and BMD markets. Due to rising prices of palm oil and duty free import from neighboring countries depressed vanaspati markers to fresh demand of palm oil restricted the gains by spill over impact of rise global markets. The crude palm oil CIF prices quoted at \$ 630 per tonne for April shipment on Wednesday against Tuesday's \$622 per tonne. The traders are expecting steady to bullish sentiments for palm oil ahead improving global markets.

#### BMD: CPO Futures (28.03.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Apr.07	2003	2017	2046	2008	2044	+41	500
May.07	2000	2013	2044	2010	2042	+42	1443
Jun.07	2003	2013	2048	2013	2048	+45	5832
Jul.07	2001	2019	2046	2010	2045	+44	2490
Aug.07	2006	2015	2045	2015	2045	+39	319

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	28.03.07	27.03.07	Change
Kandla CPO (5 % FFA)	405	401	+5
Kandla RBD Palmolein +VAT	420	422	-2
Mumbai RBD Palmolein +VAT	433	441	+2
Chennai RBD Palmolein +VAT	440	440	0
Kakinada RBD Palmolein +VAT	426	427	-1
Hyderabad RBD Palmolein +VAT	445	445	0
Delhi RDB Palmolein	460	460	0

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

Edible Oil	28.03.07	27.03.07	Change
Crude Soy Oil	690	680	+10
Crude Palm Oil	630	622	+8
Sunflower Oil	NA	695	-

### Rape/Mustard oil

Improved sentiment for soy oil in global and physical markets had spill over impact on mustard oil domestically. Improved demand from stockists to pile up inventories for lean season amplified bullish sentiments. Good demand from Northeast parts of country cast firmness for mustard oil. The low production on rainfall during harvesting is likely to support mustard oil prices in coming days.

### Groundnut Oil

Groundnut oil prices trade range bound in most of markets on balance in demand/supply. The dwindle quality groundnut seeds stocks in the markets had underlying bullish impact domestically. The improved arrivals of groundnut seeds kept bears high in Mumbai markets. Groundnut oil is likely to trade steady to bullish in coming days on current crushing margin for soy oil.

### Refined Sunflower Oil

Refined sunflower oil traded in bullish tone in domestic markets on good demand. According to trade sources, declining crushing margin for sunflower oil had pressured the available stock of sunflower oil in few markets. The low quality seeds stocks of sunflower are likely to trade bullish in coming days in domestic markets.

### Refined Cotton Oil

Declining crushing margin for cotton oil and plenty cottonseeds stocks in the market supported oil prices across domestic markets. The higher prices of groundnut oil had spill over impact in Rajkot markets. The poor demand of cotton meals amidst higher prices would keep check upside movement in cotton oil in short-term.

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

Centres	28.03.07	27.03.07	Change
Mumbai (Exp. Oil) +VAT	438	435	+3
Kota (Exp. Oil)+VAT	430	420	+10
Jaipur (Exp. Oil)+VAT	436	428	+8
Delhi (Exp. Oil)	456	448	+8
Neewai (Exp. Oil) +VAT	425	412	+12

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

Centres	28.03.07	27.03.07	Change
Mumbai +VAT	580	582	-2
Rajkot +VAT	640	640	0
Andhra Region +VAT	650	650	0
Chennai +VAT	590	590	0
Delhi	660	660	0

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

Centres	28.03.07	27.03.07	Change
Mumbai +VAT	525	535	-10
Chennai +VAT	530	525	+5
Hyderabad +VAT	525	510	+15

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

Centres	28.03.07	27.03.07	Change
Mumbai +VAT	450	446	+4
Hyderabad +VAT	452	450	+2
Rajkot + VAT	439	438	+1
Delhi	450	445	+5

### Forex Rates

(As on 28.03.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.14
European Union	Euro	57.58
Japan	100 Yen	36.75
United Kingdom	Pound Sterling	84.71

## PORT-WATCH (Latest):

### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Sima Kazee	9,452	CPO	Arrived (23.03.2007)
	Global Venus	5,000	CPO	Arrived (25.03.2007)
New-Manglore	Bum-Mi	5,000	CPO	Arrived (26.03.2007)
Kandla	Global Eos	11,000	CPO	Expected (02.04.2007)
	AL. Kortoubi	12,281	Palm oil	Expected (29.03.2007)
	Hari Kripa	2,000	CFA*	Expected (31.03.2007)

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