

VEGOIL DAILY

March 5th, 2007

REFINED SOY OIL

SPOT MARKET:

Spot market prices for refined soy oil traded in slightly bullish tone across domestic markets. In retail markets festive demand strengthened soy oil's demand, Low sentiments for soymeal in international markets as well as domestically had underlying bearishness for soy oil. Pressure from new mustard seeds in Rajasthan limited soy oil gains there. Cheap availability of cotton oil depressed Rajkot market. CIF prices for March shipment of crude soy oil increased at \$670/tonne on Saturday against Friday's \$665/tonne. Underlying bearishness in CBOT on good harvest conditions in Brazil likely to have reflects similar sentiments domestically in near-term.

FUTURES MARKET:

Today, the most active April contracts of refined soy oil futures finished up at NCDEX. April contract opened at Rs 447.8/10kg down Rs. 0.45 to previous closing level. Marginally improved soy oil at CBOT was the guiding force, which pulled the market. Lack of bullish sentiments for long term demand capped the gains to certain extend and April contract witnessed speculative buying. April contract ended Rs. 4.15 up at Rs. 452.4/10kg against previous closing at Rs. 448.25/10kg.

PRICE DRIVERS:

1. Crude soy oil CIF prices increased
2. Pressure from new mustard seeds
3. Steady demand
4. CBOT remained mixed
5. Delay harvest in Rajasthan region

Weather

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

TECHNICALS

Refined soy oil futures chart is showing recovery from recent losses. Buyers remained dominated on Saturday. The prices closed near 9-days and 18-days EMA. MACD remained in negative territory while stochastic is rising in neutral region. Both volume and open interest increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-April	442	444	452.40	457	459

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil April Contract:

Sell Below 451; T1 near 449 then 448 and put stop loss at 453.

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

Centres	03.03.07	02.03.07	Change
Mumbai (Soy Ref oil)+VAT	433	436	-3
Indore (Soy Ref oil)	418	418	0
Kota (Soy Ref. Oil)+VAT	428	428	0
Hyderabad (Soy Ref)+VAT	450	445	+5
Rajkot (Soy Ref)+Tax	432	432	0

PALM OIL

International Highlights

BMD Crude Palm oil Futures Remained Closed on Saturday.

Domestic Spot Market Highlights

Palm oil traded in mixed tone across domestic market on lacklustre trade activities. Cheap availability of cotton oil had underlying bearish impact. CIF prices for crude soy oil increased for March shipment on Saturday at \$595/tonne against Friday's \$590/tonne was remain supportive to spot market. Traders are expecting palm oil market is likely to follow BMD in near-term.

BMD: CPO Futures (02.03.2007)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Mar.07	1940	1930	1937	1927	1933	-7	118
Apr.07	1948	1930	1937	1926	1935	-13	582
May.07	1950	1927	1940	1925	1940	-10	3132
Jun.07	1948	1930	1941	1931	1936	-12	972
Jul.07	1949	1930	1939	1927	1935	-14	459

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price		(Rs. Per 10 kg)	
Centres	03.03.07	02.03.07	Change
Kandla CPO (5 % FFA)	NA	392	-
Kandla RBD Palmolein +VAT	414	415	-1
Mumbai RBD Palmolein +VAT	430	429	+1
Chennai RBD Palmolein +VAT	431	430	+1
Kakinada RBD Palmolein +VAT	418	420	-2
Hyderabad RBD Palmolein +VAT	440	440	0
Delhi RDB Palmolein	450	450	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	03.03.07	02.03.07	Change
Crude Soy Oil	670	665	+5
Crude Palm Oil	595	590	+5
Sunflower Oil	NA	699	-

Rape/Mustard oil

Spot prices of mustard oil traded in bullish tone across domestic market on improved demand. Fresh buying was reported from retailers on festival demand strengthens market. Mustard seeds arrivals declined supported reflected bullishness. Crusher/expellers maintained their regular offtake. Mustard oil prices likely to trade in bullish tone on delay harvest for new mustard seeds.

Groundnut Oil

Groundnut prices sharply declined in Chennai market on poor demand and pressure from other cheap edible oils. Few markets remains range bound on steady demand/supply. Arrivals for groundnut seeds were remained steady. Groundnut oil price likely to trades steady to bullish in coming days on dwindling quality seeds stocks for groundnut seeds.

Refined Sunflower Oil

Refined sunflower oil prices stood in bearish tone across domestic markets on steady demand. Arrivals for sunflower seeds were reported to remain steady. Solvent plants unloaded sunflower oil at current prices on underlying weakness ahead. Government's recent decision to reduce duty structure on sunflower oil likely to remain a bearish factor in coming days.

Refined Cotton Oil

Spot prices of refined cotton oil traded range bound on steady demand/supply. Mixed prices trend for groundnut oil unable to have clear direction to cotton oil. Crushing for cotton oil reported to remain steady. Traders are expecting cotton oil prices likely to follow groundnut oil in near-term.

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

Centres	03.03.07	02.03.07	Change
Mumbai (Exp. Oil) +VAT	432	434	-2
Kota (Exp. Oil)+VAT	404	400	+4
Jaipur (Exp. Oil)+VAT	413	410	+3
Delhi (Exp. Oil)	438	438	0
Neewai (Exp. Oil) +VAT	405	402	+3

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	03.03.07	02.03.07	Change
Mumbai +VAT	600	600	0
Rajkot +VAT	645	642	+3
Andhra Region +VAT	700	700	0
Chennai +VAT	640	660	-20
Delhi	650	650	0

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

Centres	03.03.07	02.03.07	Change
Mumbai +VAT	525	528	-3
Chennai +VAT	545	545	0
Hyderabad +VAT	540	540	0

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

Centres	03.03.07	02.03.07	Change
Mumbai +VAT	433	436	-3
Hyderabad +VAT	435	435	0
Rajkot + VAT	433	433	0
Delhi	424	424	0

Forex Rates

(As on 03.03.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.28
European Union	Euro	58.37
Japan	100 Yen	37.63
United Kingdom	Pound Sterling	86.01

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Maersk Barry (T)-III	10,000	Palm oil	Expected (05.03.2007)
	Samho Heron	5,000	Palm oil	Expected (06.03.2007)
	Spring Ursa	5,000	Palm oil	Expected (03.03.2007)
New-Manglore	Global Venus	8,500	CPO	Arrived (02.03.2007)
Kolkata	Shima Kaze	9,298	CPO	Arrived (22.02.2007)
Kandla	Hari Kripa	2,000	CFA	Arrived (26.02.2007)
	M.T. Pujawati	13,000	CDSBO	Arrived (27.02.2007)

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>
© 2005 Indian Agribusiness Systems Pvt Ltd.