

VEGOIL DAILY

March 15th, 2007

REFINED SOY OIL

SPOT MARKET:

On Wednesday, refined soy oil traded mixed in domestic market on lacklustre trade activities. Currently weak prices of soybeans pushed up trader's interest to other arrivals crop likely chana that sparked weakness on soy oil. Solvent plants were reported to kept steady their soybeans purchase on low crushing margin for soy oil. Bearish BMD and overnight CBOT influenced domestic market to trade in bearish tone. CIF prices of crude soy oil for April shipment declined at \$670/tonne on Wednesday as compared to Tuesday's \$678/tonne. News of advancing harvest in Brazil with completion of 31% harvest would pressure global prices of soy complex in near-term.

FUTURES MARKET:

On Wednesday, refined soy oil April futures contract settled down at NCDEX. Soy oil April futures contract opened at Rs. 454.3/10kg as compared to Tuesday's closing level of 456.65/10 Kg. Weakness at BMD and overnight CBOT well reflected on soy oil futures market. Profit taking from recent rallies added bearishness in the market. Contract closed at Rs 453/10kg down Rs. 3.65 to previous closing levels.

PRICE DRIVERS:

1. Improving sentiments for soymeal and soy oil
2. Improving weather conditions in Rajasthan
3. Sluggish demand
4. Bearish BMD and overnight CBOT

Weather

Expectation for isolated rainfall over northeast Madhya Pradesh would affect soybeans arrivals while clear weather over Rajasthan is likely to facilitate soybeans arrivals in approaching days.

TECHNICALS

Refined soy oil futures chart is showing bearish sentiments remained intact on Wednesday. The prices closed near 9-days and 18-days EMA, which suggests short-term bearishness. MACD remained in negative territory. Stochastics made bearish crossover in neutral region. Both volume and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-April	445	448	453	459	461

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil April Contract:

Sell Near 455; T1 near 453, T2 452 and put stop loss at 457.

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

Centres	14.03.07	13.03.07	Change
Mumbai (Soy Ref oil)+VAT	445	445	0
Indore (Soy Ref oil)	424	423	+1
Kota (Soy Ref. Oil)+VAT	430	433	-3
Hyderabad (Soy Ref)+VAT	455	455	0
Rajkot (Soy Ref)+Tax	432	432	0

PALM OIL

International Highlights

Crude Palm oil Futures Finish Down at BMD

On Wednesday, weak soy oil at CBOT pressured crude palm oil futures across the board at Bursa Malaysian Derivatives on lacklustre trade activities and the most active May contract ended MYR33 down at MYR 1,940 per tonne. Lower than expected demand for palm oil from bio-diesel sector under pressured crude oil prices sparked the bearishness. Poor excitement over SGS exports sales estimation for the period of March 1-15 had underlying bearish impact.

Domestic Spot Market Highlights

Palm oil prices remained mixed in spot market on sluggish demand. Weakness at BMD depressed palm oil in physical markets. Few market remains range bound on steady demand. CIF prices of crude palm oil remained unchanged on second consecutive day at \$600 per tonne for April shipment on Wednesday. In current oil year (Nov 06-Oct 07) palm oil import is likely to remain around 4.9 million tonne would reflect bearishness in long term.

BMD: CPO Futures (14.03.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Mar.07	1971	1970	1970	1945	1945	-26	46
Apr.07	1978	1971	1971	1948	1948	-30	808
May.07	1977	1973	1968	1941	1945	-32	2487
Jun.07	1973	1972	1978	1942	1945	-28	1236
Jul.07	1972	1960	1960	1944	1947	-25	58

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	14.03.07	13.03.07	Change
Kandla CPO (5 % FFA)	395	397	-2
Kandla RBD Palmolein +VAT	419	419	0
Mumbai RBD Palmolein +VAT	438	435	+3
Chennai RBD Palmolein +VAT	431	432	-1
Kakinada RBD Palmolein +VAT	422	422	0
Hyderabad RBD Palmolein +VAT	439	440	-1
Delhi RDB Palmolein	450	450	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	14.03.07	13.03.07	Change
Crude Soy Oil	670	678	-8
Crude Palm Oil	600	600	0
Sunflower Oil	696	700	-4

Rape/Mustard oil

Arrivals pressure of mustard seeds in Rajasthan claimed weak prices of mustard there. In few locations mustard oil trade range bound on steady demand. Resellers were reported to active in fresh selling induced bearishness. Traders are expecting mustard oil is likely to remains steady to improve ahead on Nafed's likely movement for fresh buying of mustard seeds.

Groundnut Oil

Good weather conditions for advancing harvest of new groundnut crop in Tamil Nadu with reports of harvest in parts in Andhra Pradesh and Karnataka brings bearish in the market. But equal aggressive buying from stockists reflected steadiness in many centres. Good arrivals of groundnut seeds in Hyderabad market depressed market there. Traders are expecting steady to bearish price range on arrivals pressure of groundnut seeds in coming days.

Refined Sunflower Oil

Lacklustre trades activities results mixed prices for refined sunflower oil in physical markets. Market responded well to bearish sentiments in global markets. The CIF prices for sunflower oil declined on Wednesday for April shipment at \$696/tonne as compared to Tuesdays' \$700/tonne. Traders are expecting steady to weak prices for sunflower oil on underlying weakness in overseas markets.

Refined Cotton Oil

Spot prices of refined cotton oil traded in bearish tone in domestic market on sluggish demand. Weakness in other vegetable oil depressed cotton oil domestically. Arrivals for cottonseeds were reported to remain steady. In current oil year (Nov 06-Oct 07) plenty cotton oil stocks is likely to check price improvement in coming days.

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

Centres	14.03.07	13.03.07	Change
Mumbai (Exp. Oil) +VAT	436	436	0
Kota (Exp. Oil)+VAT	414	416	-2
Jaipur (Exp. Oil)+VAT	422	424	-2
Delhi (Exp. Oil)	445	445	0
Neewai (Exp. Oil) +VAT	410	NA	-

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	14.03.07	13.03.07	Change
Mumbai +VAT	585	585	0
Rajkot +VAT	630	630	0
Andhra Region +VAT	650	665	-15
Chennai +VAT	585	590	-5
Delhi	660	660	0

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

Centres	14.03.07	13.03.07	Change
Mumbai +VAT	520	520	0
Chennai +VAT	530	530	0
Hyderabad +VAT	515	520	-5

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

Centres	14.03.07	13.03.07	Change
Mumbai +VAT	444	445	-1
Hyderabad +VAT	447	448	-1
Rajkot + VAT	437	438	-1
Delhi	440	440	0

Forex Rates

(As on 14.03.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.31
European Union	Euro	58.47
Japan	100 Yen	38.17
United Kingdom	Pound Sterling	85.47

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Samho Heron	4,000	Palm oil	Arrived (08.03.2007)
	Global Themis-III	10,500	Palm oil	Expected (17.03.2007)
Kolkata	Global Pallas	3,450	CPO	Arrived (12.03.2007)
	Starling	3,000	CPO	Arrived (12.03.2007)
Kandla	Hari Kripa	2,000	CFA	Arrived (26.02.2007)
	M.T. Pujawati	13,000	CDSBO	Arrived (27.02.2007)
Chennai	Maria E	4,998	CPO	Arrived (08.03.2007)

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