

## VEGOIL DAILY

March 30th, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Upsurge in mustard oil prices domestically on strong buying from stockists had spill over impact on soy oil in the spot markets. Improving crushing margin for soy oil and good demand for soy meal both at ports and domestic markets strengthened solvent plants for fresh buying of soybeans. Firmed up crude oil futures fuelled soy oil coupled with rainfall and flood conditions in parts of Argentina could hamper matured soybeans supported soy oil futures at CBOT with bullish refection in domestic markets. The CIF prices of crude soy oil stood unchanged on Thursday at \$690 per tonne for April shipment. The currently bullish conditions in CBOT are likely to push soy oil prices in physical markets ahead.

#### FUTURES MARKET:

NCDEX April contract of refined soy oil ended marginally up after approached afresh high on Thursday. Soy oil contract opened at Rs. 466 per 10kg against yesterday's closing level of 465.1 per 10 Kg. Tracking CBOT and BMD, refined soy oil remained firmed towards first half of trade but liquation in second half with bearish BMD weakened soy oil futures and market finished at Rs. 465.8 per 10kg increased by Rs. 0.7 to Wednesday's closing levels.

MCX April contract of refined soy oil settled high on Thursday. Soy oil contract opened at Rs. 465.5 per 10kg against previous closing level of 464.55 per 10 Kg. BMD and suspect over long-term demand restricted early gains by firm overnight CBOT and dragged market to finished marginally. Market finished at Rs. 465.6 per 10kg increased by Rs. 1.05 to Wednesday's closing levels.

#### PRICE DRIVERS:

1. Roaring overnight CBOT
2. Unchanged crude soy oil CIF prices
3. Bullish support from mustard seeds and oil
4. Reports of fresh buying of solvent plants of beans

#### Weather

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

#### TECHNICALS

Refined soy oil chart is showing follow-through firmness on Thursday. Candlesticks pattern indicates buyers stood dominant during trade-day. The prices were closed high above 9-days and 18-days EMA, which suggests bullishness. MACD is rising in positive territory. Stochastic moved further up in neutral region. Both volume and open interest declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-April	455	458	465.15	472	475
MCX-April	459	461	465.6	470	472

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil April Contract:

**Buy above 464; T1 near 466, T2 467 and put stop loss at 462.**

MCX Refined Soy Oil April Contract:

**Buy above 464; T1 near 466, T2 467 and put stop loss at 462.**

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

Centres	29.03.07	28.03.07	Change
Mumbai (Soy Ref oil)+VAT	449	448	+1
Indore (Soy Ref oil)	442	437	+5
Kota (Soy Ref. Oil)+VAT	NA	460	-
Hyderabad (Soy Ref)+VAT	460	460	0
Rajkot (Soy Ref)+Tax	437	437	0

## PALM OIL

### International Highlights

#### BMD Crude Palm oil Futures Settle Weak on Thursday

Profit-taking from recent rallies cast weakness for crude palm oil futures at Bursa Malaysian Derivatives. The most active June contract of CPO futures finished MYR3 down at MYR2,045 per tonne. Earlier the day market tracked overnight CBOT soy oil futures and breached psychological barrier of MYR 2,055 per tonne. Profit-taking from these rallies pushed market to negative territory. Uncertainty over long-term demand remained a bearish factor for CPO futures.

### Domestic Spot Market Highlights

The spot prices of palm oil traded in bullish tone in domestic markets on improved demand from retailers. Ideas of drop in palm oil production in Indonesia on recent unsupportive weather conditions induced bullishness while suspect about long-term demand in Malaysia controlled upside movement in palm oil prices in domestic markets. The crude palm oil CIF prices increased further on Thursday at \$ 640 per tonne for April shipment against Wednesday's \$630 per tonne. The traders are expecting steady to bullish sentiments for palm oil ahead improving global markets.

#### BMD: CPO Futures (29.03.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Apr.07	2044	2040	2049	2033	2039	-5	300
May.07	2042	2048	2053	2031	2038	-4	555
Jun.07	2048	2047	2055	2033	2045	-3	3192
Jul.07	2045	2048	2054	2033	2042	-3	1001
Aug.07	2045	2034	2040	2033	2037	-8	172

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	29.03.07	28.03.07	Change
Kandla CPO (5 % FFA)	405	405	0
Kandla RBD Palmolein +VAT	427	420	+7
Mumbai RBD Palmolein +VAT	444	443	+1
Chennai RBD Palmolein +VAT	440	440	0
Kakinada RBD Palmolein +VAT	432	426	+6
Hyderabad RBD Palmolein +VAT	447	445	+2
Delhi RDB Palmolein	465	460	+5

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

Edible Oil	29.03.07	28.03.07	Change
Crude Soy Oil	690	690	0
Crude Palm Oil	640	630	+10
Sunflower Oil	700	NA	-

### Rape/Mustard oil

Aggressive buying of mustard seeds by expellers/crushers and stockists had spill over impact on mustard oil. Stockists were reported to remain active in fresh buying of mustard oil on fall short of bearish market ahead amplified bullishness domestically. The low production of mustard seeds in current crop year (July-June) is likely to support oil prices in coming days.

### Groundnut Oil

The improving demand for mustard oil and soy oil helped groundnut oil prices to remain firmed across domestic markets. Declining crushing margin for groundnut oil hampered weakens sentiments for crushing supported bullishness. Improving weather conditions for groundnut in Tamil Nadu and in parts of Andhra Pradesh, Karnataka and Maharashtra would support steady to bullish sentiments for groundnut oil in coming days.

### Refined Sunflower Oil

Spot prices of refined sunflower oil remained mixed on erratic demand in domestic markets. The balance demand/supply kept sunflower oil prices range bound in Chennai Markets. The sunflower oil CIF price remained at \$ 700 per tonne for April Shipment on Thursday. The low yield of sunflower in current crop year (July-June) is likely to support bullishness for sunflower oil in coming days.

### Refined Cotton Oil

Firmness in edible oil helped skyrocketing for cotton oil on Thursday. However, cottonseeds were remained steady but equal aggressive buying supported bullishness domestically while cotton oil remained range bound on Rajkot market on steady demand. 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	29.03.07	28.03.07	Change
Mumbai (Exp. Oil) +VAT	438	438	0
Kota (Exp. Oil)+VAT	440	430	+10
Jaipur (Exp. Oil)+VAT	445	436	+9
Delhi (Exp. Oil)	470	456	+14
Neewai (Exp. Oil) +VAT	440	425	+15

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

Centres	29.03.07	28.03.07	Change
Mumbai +VAT	578	580	+8
Rajkot +VAT	645	640	+5
Andhra Region +VAT	665	650	+15
Chennai +VAT	600	590	+10
Delhi	670	660	+10

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

Centres	29.03.07	28.03.07	Change
Mumbai +VAT	520	525	-5
Chennai +VAT	530	530	0
Hyderabad +VAT	527	525	+2

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

Centres	29.03.07	28.03.07	Change
Mumbai +VAT	452	450	+2
Hyderabad +VAT	455	452	+3
Rajkot + VAT	439	439	0
Delhi	460	450	+10

### Forex Rates

(As on 29.03.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.47
European Union	Euro	57.89
Japan	100 Yen	37.06
United Kingdom	Pound Sterling	85.36

## 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)
Kandla	Global Eos	11,000	CPO	Expected (01.04.2007)
	AL. Kortoubi	12,281	Palm oil	Expected (29.03.2007)
	Hari Kripa	2,000	CFA*	Expected (31.03.2007)

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