

VEGOIL DAILY

March 09th, 2007

REFINED SOY OIL

SPOT MARKET:

Spot price of refined soy oil traded mixed domestically on lacklustre trade activities. Poor demand in Mumbai and Indore markets cast weakness for soy oil there. Sentiments for soymeal firmed up on bullish CBOT both at ports and domestically capped the losses to certain extent. CIF prices of crude soy oil for March shipment increased on Thursday at \$670/tonne as compare to Wednesday's \$665/tonne. Anticipation for bullish outcome of forth-coming annual industry conference at Kuala Lumpur would strength BMD with similar reflection in domestic market.

FUTURES MARKET:

Refined soy oil April futures contract finished high at NCDEX. April futures contract opened at Rs. 447.4/10kg against previous closing level of 446.95/10 Kg. Firmness in other related commodities like soy oil and palm oil led bullish reflection on soy oil futures. While supportive weather conditions for mustard harvest tends to pull market and results contract closed at Rs 450.25/10kg high to the previous closing levels.

PRICE DRIVERS:

1. CIF prices for crude soy oil increased
2. Firmness at both CBOT and BMD
3. Soybeans prices remained weak
4. Sluggish demand
5. Improved sentiments for soymeal at ports and domestically.

Weather

Expectation of isolated rainfall in southeast Madhya Pradesh is likely to affect soybeans arrivals in near-term.

TECHNICALS

Refined soy oil chart is showing recovery from recent losses. The hollow candlestick with upper shadow is indicating dominance of buyers over sellers. The prices closed near 9-days 18-days EMA are indicating short-term firmness. MACD remained in the negative territory while stochastics headed down in neutral region. Both volume and open interest increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-April	442	445	450.25	456	459

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil April Contract:

Sell Below 450; T1 near 448, T2 447 and put stop loss at 452.

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

Centres	08.03.07	07.03.07	Change
Mumbai (Soy Ref oil)+VAT	436	438	-2
Indore (Soy Ref oil)	415	416	-1
Kota (Soy Ref. Oil)+VAT	NA	425	-
Hyderabad (Soy Ref)+VAT	450	448	+2
Rajkot (Soy Ref)+Tax	432	432	0

PALM OIL

International Highlights

BMD Crude Palm oil Futures Finish Up

Crude palm oil futures firmed up across the board at Bursa Malaysian Derivatives on Thursday amidst roaring other related commodities likely soy oil and crude oil. The most active May contract of crude palm oil futures rose by MYR30 at MYR1,963/metric ton. Anticipation for bullish outcome of forth-coming annual industry conference led some support to CPO futures.

Domestic Spot Market Highlights

Lack excitement in physical markets results in range bound prices for palm oil in domestic markets. However, bullishness at BMD strengthens steadiness. Many new vessels are expected to fuel more palm oil in the market in coming days would expose underlying bearishness. CIF prices of crude palm oil for March shipment improved on Thursday at \$600/tonne as compare to Wednesday's \$595/tonne. Traders are expecting underling bullishness at BMD likely to boost palm oil prices in coming days.

BMD: CPO Futures (08.03.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Mar.07	1949	1956	1975	1956	1975	+26	216
Apr.07	1940	1943	1968	1945	1968	+28	859
May.07	1933	1940	1963	1947	1963	+30	5106
Jun.07	1940	1945	1960	1945	1960	+20	1677
Jul.07	1939	1950	1957	1950	1957	+18	282

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	08.03.07	07.03.07	Change
Kandla CPO (5 % FFA)	394	393	+1
Kandla RBD Palmolein +VAT	415	415	0
Mumbai RBD Palmolein +VAT	430	430	0
Chennai RBD Palmolein +VAT	430	430	0
Kakinada RBD Palmolein +VAT	418	419	-1
Hyderabad RBD Palmolein +VAT	437	437	0
Delhi RDB Palmolein	450	450	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	08.03.07	07.03.07	Change
Crude Soy Oil	670	665	+5
Crude Palm Oil	600	595	+5
Sunflower Oil	700	700	0

Rape/Mustard oil

Mustard oil traded range bound in domestic market on steady demand. Reports of harvest is over in Kota region while in full swing in other regions had mixed reaction. Some fresh arrival in Delhi had bearish impact. Resellers remain active in fresh buying, as current prices are supportive. Further softening in mustard oil could be notice ahead on current harvesting conditions.

Groundnut Oil

Groundnut oil traded in bearish tone in physical market on sluggish demand. Weakness in cotton oil had spill over impact on gn oil as both compete for same market. Few markets remains range bound on steady demand. Solvent plants were reported to unload at cheaper prices on sluggish demand. Currently weak sentiments for crushing for groundnut are likely to support steady to bullish sentiments in coming days.

Refined Sunflower Oil

Refined sunflower oil prices improved in physical market on improved demand. Arrivals of sunflower seeds were reported to remain steady. The CIF prices for sunflower oil for March shipment remained unchanged on third consecutive day at \$700/tonne for March shipment on Thursday. Sunflower oil prices likely to trade steady to bearish on weakness in other vegetable oil.

Refined Cotton Oil

Refined cotton oil remained in bearish tone across domestic markets on sluggish demand and pressure from cottonseeds arrivals. However, trade activities remain suspended on Thursday. Current market is looking for direction and slightly weakness could be notice in near-term on underlying weakness in soy oil domestically and globally.

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

Centres	08.03.07	07.03.07	Change
Mumbai (Exp. Oil) +VAT	429	429	0
Kota (Exp. Oil)+VAT	400	400	0
Jaipur (Exp. Oil)+VAT	408	408	0
Delhi (Exp. Oil)	430	432	-2
Neewai (Exp. Oil) +VAT	398	398	0

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	08.03.07	07.03.07	Change
Mumbai +VAT	592	595	-3
Rajkot +VAT	635	640	-5
Andhra Region +VAT	695	695	0
Chennai +VAT	NA	640	-
Delhi	660	660	0

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

Centres	08.03.07	07.03.07	Change
Mumbai +VAT	518	515	+3
Chennai +VAT	NA	540	-
Hyderabad +VAT	507	505	+2

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

Centres	08.03.07	07.03.07	Change
Mumbai +VAT	437	438	-1
Hyderabad +VAT	436	436	0
Rajkot + VAT	432	433	-1
Delhi	430	430	0

Forex Rates

(As on 08.03.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.44
European Union	Euro	58.54
Japan	100 Yen	38.06
United Kingdom	Pound Sterling	85.89

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)
	Maersk Barry	13,100	Palm oil	Arrived (07.03.2007)
New-Manglore	Jin Hai Yang	8,000	CPO	Arrived (07.03.2007)
	S.C. Shang Hai	6,000	CPO	Expected (09.03.2007)
Kolkata	Pacific Sound	2,442	CPO	Arrived (06.03.2007)
	Vernal Grace	3,631	CPO	Arrived (05.03.2007)
	Shima Kaze	5,350	CPO	Arrived (07.03.2007)
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	Berthed (08.03.2007)

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