

VEGOIL DAILY

March 13th, 2007

REFINED SOY OIL

SPOT MARKET:

Improved demand raised spot prices of refined soy oil prices domestically. Reports of rainfall in parts of Rajasthan strengthened bullish sentiments of mustard seeds with spill over impact on soy oil. Dwindling soybeans stocks with disinterest of farmers and stockists at current prices aided bullish sentiments of soy oil. CIF prices of crude soy oil for April shipment remained unchanged on second consecutive day at \$678/tonne. Currently high US soy oil stocks coupled with good weather conditions for advancing harvest of soybeans are likely to pressure global prices of soy oil in short-term.

FUTURES MARKET:

April futures contract of refined soy oil finished weak high at NCDEX on Monday. Soy oil April futures contract opened at Rs. 457.4/10kg against Saturday's closing level of 456.8/10 Kg. Fear to continue rallies of soy oil on lack of long term bullish sentiments pushed soy oil futures down. However, bullish BMD provided underlying support and limit the losses. Contract closed at Rs 455/10kg down Rs. 1.8 to previous closing levels.

PRICE DRIVERS:

1. Disinterest of farmers and stockists for soybeans selling at current prices
2. Unchanged crude soy oil CIF prices
3. Rainfall in parts of Rajasthan
4. Steady soymeal sentiments at ports

Weather

Expectation for isolated rainfall over north Madhya Pradesh with isolated hail/squall over Rajasthan is likely to affect soybeans arrivals in near-term.

TECHNICALS

Refined soy oil chart is showing traders' profit taking from recent rallies. Filled candlestick with upper shadow is indicating seller's dominance during trade session. The prices closed well above 9-days and 18-days EMA, which shows the underlying firmness in the market sentiments. MACD remained in upward trends in negative territory, indicating decrease in bearish momentum. Stochastics is heading upward in neutral region. Volume declined while open interest increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-April	448	450	455	461	463

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil April Contract:

Sell Near 456; T1 near 454, T2 453 and put stop loss at 458.

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

Centres	12.03.07	10.03.07	Change
Mumbai (Soy Ref oil)+VAT	444	438	+6
Indore (Soy Ref oil)	423	420	+3
Kota (Soy Ref. Oil)+VAT	432	430	+2
Hyderabad (Soy Ref)+VAT	455	450	+5
Rajkot (Soy Ref)+Tax	432	432	0

PALM OIL

International Highlights

Crude Palm oil Futures Settle Mixed on Choppy Trade day

Crude palm oil futures settled mixed on Monday at Bursa Malaysian Derivatives on lacklustre trade activities and the most active May contract ended MYR9 high at MYR 1,972 per tonne. Malaysian Palm oil Board highlighted exports of palm oil fell by 15% in February month while production dropped by 11% in February to 988,562 metric ton aids bullish tone but gains are capped by bearish SGS exports sales estimation for March 1-10 which also dropped by 24.6% at 288,038 metric tons.

Domestic Spot Market Highlights

Spot prices of palm oil turned high on Monday on improved demand in firmed up BMD crude palm oil futures. The recent release by SGS highlighted palm oil exports to India stood at 2,900 metric tons during March 1-10 against nil exports during same period last month restricted the gains for palm oil to certain extent. CIF prices of crude palm oil for April shipment stood unchanged on Monday at \$605/tonne. Underlying bullishness at BMD on upcoming Industrial conference likely to push palm oil market on higher side in near-term.

BMD: CPO Futures (12.03.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Mar.07	1975	1973	1975	1971	1971	-4	144
Apr.07	1970	1971	1978	1968	1978	+8	965
May.07	1963	1956	1972	1953	1972	+9	2367
Jun.07	1956	1953	1970	1950	1970	+14	1395
Jul.07	1955	1962	1963	1962	1963	+8	40

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	12.03.07	10.03.07	Change
Kandla CPO (5 % FFA)	395	393	+2
Kandla RBD Palmolein +VAT	418	415	+3
Mumbai RBD Palmolein +VAT	434	431	+3
Chennai RBD Palmolein +VAT	431	430	+1
Kakinada RBD Palmolein +VAT	422	421	+1
Hyderabad RBD Palmolein +VAT	440	438	+2
Delhi RDB Palmolein	450	450	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	12.03.07	10.03.07	Change
Crude Soy Oil	678	678	0
Crude Palm Oil	605	605	0
Sunflower Oil	700	700	0

Rape/Mustard oil

Reports of rainfall in parts of Rajasthan and Punjab region settled spot prices of mustard oil in bullish tone domestically. Harvests of new mustard were reported to interfere by rainfall supports resellers' sentiments on Monday. Arrivals of mustard seeds declined helped the bullishness across domestic market. Nafed is likely to start procurement of new mustard seeds soon (may be in current week) would support bullishness ahead.

Groundnut Oil

News of increased in Kharif groundnut sowing area at 60,000 hectare in Saurashtra, Kutch region against 40,000 hectares a year ago had strong bearish impact on spot prices of groundnut oil domestically. Low demand also pressured groundnut oil prices in physical markets. In Rajkot market, shelled groundnut quoted at 480 per 20 kg with arrivals of 8,000-10,000 bags. Traders are expecting further decline in groundnut oil on increased in arrivals pressure of groundnut seeds in few states.

Refined Sunflower Oil

On Monday, refined sunflower oil traded mixed across domestic market on lacklustre trade activities. Improved sentiments for soy oil had spill over on sunflower oil in Hyderabad market while declining groundnut oil depressed Chennai market. The CIF prices for sunflower oil for April shipment stood unchanged at \$700/tonne on Monday. Movement in groundnut oil is likely to influence sunflower oil in near-term.

Refined Cotton Oil

Spot prices of refined cotton oil displayed bullish tone domestically on improved demand. Crushing for cottonseeds are declined provided some underlying support to cotton oil. Arrivals for cottonseeds reported to steady. On prevailing crushing condition, cotton oil prices likely to improved further in coming days.

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

Centres	12.03.07	10.03.07	Change
Mumbai (Exp. Oil) +VAT	433	432	+1
Kota (Exp. Oil)+VAT	412	408	+4
Jaipur (Exp. Oil)+VAT	420	416	+4
Delhi (Exp. Oil)	440	435	+5
Neewai (Exp. Oil) +VAT	405	403	+2

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	12.03.07	10.03.07	Change
Mumbai +VAT	585	587	-2
Rajkot +VAT	620	625	-5
Andhra Region +VAT	665	690	-25
Chennai +VAT	585	595	-10
Delhi	660	660	0

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

Centres	12.03.07	10.03.07	Change
Mumbai +VAT	510	510	0
Chennai +VAT	525	530	-5
Hyderabad +VAT	520	515	+5

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

Centres	12.03.07	10.03.07	Change
Mumbai +VAT	445	439	+6
Hyderabad +VAT	448	448	0
Rajkot + VAT	438	432	+6
Delhi	440	435	+5

Forex Rates

(As on 12.03.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.22
European Union	Euro	58.03
Japan	100 Yen	37.40
United Kingdom	Pound Sterling	85.51

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Mumbai	Samho Heron	4,000	Palm oil	Arrived (08.03.2007)
New-Manglore	Jin Hai Yang	8,000	CPO	Arrived (07.03.2007)
	S.C. Shang Hai	6,000	CPO	Arrived (09.03.2007)
Kolkata	Global Pallas	3,450	CPO	Expected (10.03.2007)
	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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