

VEGOIL DAILY

March 06th, 2007

REFINED SOY OIL

SPOT MARKET:

Spot market prices for refined soy oil reflected mixed sentiments. The market reflected lack of active trading as most of the markets were reported closed. Subdued demand for soymeal at ports limited the gains, however, amidst limited availability of soybean and reduced offtake from solvent units, rates for soybean oil has firmed up few places. CIF prices for March shipment of crude soy oil stood at \$ 665/tonne on Monday, which had underlying bearishness.

FUTURES MARKET:

The NCDEX April contract opened at Rs 451.6/10kg against previous closing level of 452.40/10 Kg. Weak spot market sentiments for soybean oil amidst weak palm oil futures at BMD and predominant selling interest led the contract close at Rs 448.85 slightly below the previous closing levels.

PRICE DRIVERS:

1. Crude soy oil CIF prices declined
2. Pressure from new mustard seeds
3. Steady demand
4. Mixed sentiments at BMD
5. Delay harvest in Rajasthan region

Weather

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

TECHNICALS

Candlestick pattern indicates sideways trading. Prices managed to close between 9 day and 18 day EMA indicating short-term weakness as bears remained pre-dominant on Monday. MACD remained in negative territory while stochastic has become flat. Volume declined and open interest increased marginally.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-April	438	443	448.85	453	457

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil April Contract:

Sell Below 451; T1 near 445 and put stop loss at 453.

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

Centres	05.03.07	03.03.07	Change
Mumbai (Soy Ref oil)+VAT	436	433	+3
Indore (Soy Ref oil)	419	418	+1
Kota (Soy Ref. Oil)+VAT	430	428	+2
Hyderabad (Soy Ref)+VAT	445	450	-5
Rajkot (Soy Ref)+Tax	432	432	0

PALM OIL

International Highlights

BMD Crude Palm oil Futures reflected sluggishness.

CPO at BMD remained under pressure from weakness in soybean oil. Traders are waiting for annual price outlook conference in Kuala Lumpur. Fresh data on demand and supply condition after 12th of this month would pave in fresh sentiments. Trading is being done with a bit caution so as to prevent any adverse movement.

Domestic Spot Market Highlights

Palm oil sentiments remained mixed with lackluster trade. CIF prices for crude palm oil for March shipment on Monday stood at \$595/tonne. Traders are expecting palm oil market is likely to follow BMD in near-term.

BMD: CPO Futures (05.03.2007)						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Mar.07	1930	1927	1943	1927	1943	13	115
Apr.07	1925	1930	1935	1918	1935	10	1002
May.07	1940	1930	1930	1917	1923	-17	3667
Jun.07	1938	1930	1933	1920	1930	-8	1184
Jul.07	1935	1925	1928	1922z`	1928	-7	74

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price (Rs. Per 10 kg)

Centres	05.03.07	03.03.07	Change
Kandla CPO (5 % FFA)	391	NA	-
Kandla RBD Palmolein +VAT	410	414	-4
Mumbai RBD Palmolein +VAT	432	430	+2
Chennai RBD Palmolein +VAT	435	431	+4
Kakinada RBD Palmolein +VAT	418	418	0
Hyderabad RBD Palmolein +VAT	440	440	0
Delhi RDB Palmolein	450	450	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	05.03.07	03.03.07	Change
Crude Soy Oil	665	670	-5
Crude Palm Oil	595	595	0
Sunflower Oil	702	NA	-

Rape/Mustard oil

Spot prices of mustard oil firmed up marginally across markets in Rajasthan, however in other states prices softened on account of general weakness in edible oil sentiments in domestic market. Arrival pressure is building up across spot markets, which will mount pressure on mustard oil for the days to come.

Groundnut Oil

Groundnut prices sharply declined in Rajkot and Andhra region 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 firm at Mumbai and Chennai market. Arrivals for sunflower seeds were reported to remain steady. Solvent plants are steadily unloading oil stocks to take advantage of price situation. 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 firm on improved 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	05.03.07	03.03.07	Change
Mumbai (Exp. Oil) +VAT	430	432	-2
Kota (Exp. Oil)+VAT	405	404	+1
Jaipur (Exp. Oil)+VAT	402	413	-11
Delhi (Exp. Oil)	435	438	-3
Neewai (Exp. Oil) +VAT		405	

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	05.03.07	03.03.07	Change
Mumbai +VAT	600	600	0
Rajkot +VAT	640	645	-5
Andhra Region +VAT	690	700	-10
Chennai +VAT	640	640	0
Delhi	660	650	+10

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

Centres	05.03.07	03.03.07	Change
Mumbai +VAT	528	525	+3
Chennai +VAT	550	545	+5
Hyderabad +VAT	530	540	-10

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

Centres	05.03.07	03.03.07	Change
Mumbai +VAT	437	433	+4
Hyderabad +VAT	436	435	+1
Rajkot + VAT	NA	433	-
Delhi	430	424	+6

Forex Rates

(As on 05.03.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.49
European Union	Euro	58.53
Japan	100 Yen	38.46
United Kingdom	Pound Sterling	85.71

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)

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