

## VEGOIL DAILY

March 10th, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Refined soy oil traded in bullish tone across domestic market on improved demand. Cloudy weather conditions with forecast of rainfall in Rajasthan had bullish impact on mustard with spill over impact on soy oil. Trade activities remained low on 'Rang Panchmi' in Indore market aided bullish sentiments. USDA weekly exports sales remained bullish for soybeans and soy oil which, stood at 566,000 metric tons (MT) and 8,000 MT respectively supported bullishness in domestically. CIF prices of crude soy oil for March shipment increased further on Friday at \$678/tonne as compare to Thursday's \$670/tonne.

#### FUTURES MARKET:

Refined soy oil April futures contract settled high at NCDEX on Friday. Soy oil April futures contract opened at Rs. 450.15/10kg against previous closing level of 450.6/10 Kg. Cloudy weather conditions with forecast of rainfall in Rajasthan supported bullish sentiments of soy oil. Overnight firmness at CBOT for soy oil also pushed market up and contract closed at Rs 451.8/10kg high Rs. 1.65 to previous closing levels.

#### PRICE DRIVERS:

1. Bullish USDA weekly exports sales for soybeans and soy oil
2. CIF prices for crude soy oil increased further
3. Mixed sentiments at CBOT and BMD
4. Overall soybeans arrivals declined

#### Weather

Expectation for isolated rainfall in southeast Madhya Pradesh and in Rajasthan is likely to affect soybeans arrivals in day to come.

#### TECHNICALS

Refined soy oil chart is showing follow-through firmness. Hollow candlesticks indicated buyers stood dominant during trade-session. The prices closed above 9-days and 18-days EMA, which suggests short-term firmness. MACD is heading upward in negative territory, which shows falling bearish momentum while stochastics turned downwards in neutral region. Both volumes and open interest declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-April	444	447	451.8	457	459

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil April Contract:

Buy near 451; T1 near 453, T2 454 and put stop loss at 449.

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

Centres	09.03.07	08.03.07	Change
Mumbai (Soy Ref oil)+VAT	438	436	+2
Indore (Soy Ref oil)	416	415	+1
Kota (Soy Ref. Oil)+VAT	430	NA	-
Hyderabad (Soy Ref)+VAT	450	450	0
Rajkot (Soy Ref)+Tax	432	432	0

## PALM OIL

### International Highlights

#### Crude Palm oil Futures Settle Mix on Dull Trade day

The mixed crude soy oil futures at CBOT reflected on crude palm oil futures at Bursa Malaysian Derivatives amidst lacklustre trade activities and most active may contract of crude palm oil futures finished unchanged to Thursday at MYR1,963/tonne. Traders were reluctant to take fresh position on lack of bullish sentiments for long demand and supply kept the bears up. Poor excitement over SGS exports sale estimation for period of March 1-10 also aided bearishness.

### Domestic Spot Market Highlights

On Friday, spot price of palm oil traded bullish across domestic market on bullish reflection on CBOT. However BMD remained mixed pulled the gains to certain extend. Lack of fresh news for long-term demand also aided bullishness. CIF prices of crude palm oil for March shipment remained unchanged on Friday at \$600/tonne. Traders are expecting underling bullishness at BMD likely to reflect similar sentiments on palm oil prices in coming days.

#### BMD: CPO Futures (09.03.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Mar.07	1974	1977	1982	1974	1974	0	160
Apr.07	1967	1972	1978	1966	1970	+3	1031
May.07	1963	1969	1970	1956	1963	0	3215
Jun.07	1960	1966	1969	1954	1956	-4	750
Jul.07	1957	1965	1965	1955	1955	-2	83

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	09.03.07	08.03.07	Change
Kandla CPO (5 % FFA)	394	394	0
Kandla RBD Palmolein +VAT	416	415	+1
Mumbai RBD Palmolein +VAT	431	430	+1
Chennai RBD Palmolein +VAT	431	430	+1
Kakinada RBD Palmolein +VAT	420	418	+2
Hyderabad RBD Palmolein +VAT	440	437	+3
Delhi RDB Palmolein	450	450	0

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

Edible Oil	09.03.07	08.03.07	Change
Crude Soy Oil	678	670	+8
Crude Palm Oil	600	600	0
Sunflower Oil	700	700	0

### Rape/Mustard oil

Spot prices of mustard oil remained in bullish tone across domestic market on improved demand. Mustard seeds arrivals remained steady in Rajasthan region. Cloudy weather condition in parts of Rajasthan supported bullish sentiments. Expellers were reported to maintain their regular offtake of mustard seeds on bullish days ahead supported the bulls. Mustard oil prices could improve further on forecast of isolated rainfall in parts of Rajasthan that might interfere in mustard seeds harvest.

### Groundnut Oil

Arrivals of new rabi groundnut seeds in Chennai market depressed spot prices of groundnut oil and it traded in bearish tone in domestic market. Steady demand with ample stock position in Delhi market kept gn oil price range bound while some shortage in Hyderabad market strengthen gn oil price. In Rajkot market shelled groundnut quoted at Rs. 500 per 20 kg with arrivals of 6,000-7,000 bags.

### Refined Sunflower Oil

Spot prices of refined sunflower oil subdued in Mumbai market amidst activities of resellers had strong bearishness. Solvent plants were reported to unload sunflower oil at cheaper prices induced bearishness. The CIF prices for sunflower oil for March shipment remained unchanged from last couple of days at \$700/tonne for March shipment on Friday. Sunflower oil prices likely to trade steady to bearish on weakness in other vegetable oil.

### Refined Cotton Oil

Refined cotton oil prices improved in domestic market amidst improved demand. Still cotton oil is choice for vanaspati makers due to cheap and easy availability had underlying bullishness. Arrivals for cottonseed remain steady. Current market is looking for direction and steady to weak trends could be notice in near-term on underlying

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

Centres	09.03.07	08.03.07	Change
Mumbai (Exp. Oil) +VAT	430	429	+1
Kota (Exp. Oil)+VAT	405	400	+5
Jaipur (Exp. Oil)+VAT	412	408	+4
Delhi (Exp. Oil)	432	430	+2
Neewai (Exp. Oil) +VAT	401	398	+3

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

Centres	09.03.07	08.03.07	Change
Mumbai +VAT	590	592	-2
Rajkot +VAT	630	635	-5
Andhra Region +VAT	700	695	+5
Chennai +VAT	605	NA	-
Delhi	660	660	0

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

Centres	09.03.07	08.03.07	Change
Mumbai +VAT	505	518	-13
Chennai +VAT	532	NA	-
Hyderabad +VAT	515	507	+8

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

Centres	09.03.07	08.03.07	Change
Mumbai +VAT	440	437	+3
Hyderabad +VAT	448	442	+6
Rajkot + VAT	432	432	0
Delhi	432	430	+2

### Forex Rates

(As on 09.03.2007)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.27
European Union	Euro	58.23
Japan	100 Yen	37.74
United Kingdom	Pound Sterling	85.54

## 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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