

VEGOIL DAILY

April 03rd, 2007

REFINED SOY OIL

SPOT MARKET:

Lacklustre trade activities were reported in many markets on celebrations of 'Hanuman Jayanti'. Improving crushing margin for soy oil supported solvent plants to purchase soybeans at current prices. Additional bullish supports to soy oil provide by improving soy meals' demand at ports. As per trade and media sources around 70-75% soybeans have been crushed so far across domestic markets and rest of quality beans is hold by farmers and stockists, which waiting for better premium. The CIF prices of crude soy oil for April shipment rose on Monday at \$712 per MT against Saturday's \$709 per tonne. Improving crude oil prices would propel soy oil prices in global and domestic markets in days to follow.

FUTURES MARKET:

NCDEX April contract of refined soy oil settled high on Monday. Soy oil contract opened at Rs. 472 per 10kg against Saturday's closing level of 471 per 10 Kg. Talk of tapering soybeans stocks in physical markets coupled with improved crushing margin for soy oil induce soy oil futures of April contract and market ignored with weakness of CPO futures. Market closed at Rs. 473.25 per 10kg improved by Rs. 2.25 to Saturday's closing levels.

MCX April contract of refined soy oil upsurge on Monday. Refined soy oil contract opened firmed at Rs. 469.8 per 10kg against previous closing level of 468.35 per 10 Kg. Improving sentiments for long-term demand boosted soy oil futures contract and market finished at Rs. 472.9 per 10kg increased by Rs. 4.55 to Saturday's closing levels.

PRICE DRIVERS:

1. Bearish BMD
2. Improved crude soy oil CIF prices
3. Trade activities remained dull on 'Hanuman Jayanti'
4. Improving crushing margin for soy oil
5. Farmers reluctant to sell beans at current prices

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 Monday. During trade-session prices touched the highest of February 05th. The prices remained well above 9-days and 18-days EMA, indicating strong bullishness. MACD rose in positive territory. Stochastic penetrated in oversold region. Volume increased significantly while open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-April	464	467	473.25	478	480
MCX-April	463	465	472.9	478	480

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil April Contract:

Buy Near 473; **T1** near 475, **T2** 476 and put stop loss at 471.

MCX Refined Soy Oil April Contract:

Buy Near 472; **T1** near 474, **T2** 475 and put stop loss at 470.

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

Centres	02.04.07	31.03.07	Change
Mumbai (Soy Ref oil)+VAT	460	452	+8
Indore (Soy Ref oil)	448	447	+1
Kota (Soy Ref. Oil)+VAT	NA	465	-
Hyderabad (Soy Ref)+VAT	470	465	+5
Rajkot (Soy Ref)+Tax	437	437	0

PALM OIL

International Highlights

Crude Palm oil Futures Settle Sluggish at BMD

On Monday, crude palm oil futures finished dull on choppy trading amidst lack of fresh fundamentals at Bursa Malaysian Derivatives. Fridays` weakness at CBOT reflected on CPO futures. The most active June contract of CPO finished MYR9 down at MYR2,061 pre tonne. The SGS has released palm oil exports sales estimation for palm oil for March month highlighted exports increased by 16.3% at 998,759 metric tons (MT) against 858,485 MT during February month.

Domestic Spot Market Highlights

Palm oil spot prices improved in domestic markets amidst good demand. The upsurge in other available edible oil prices supported the gains for palm oil to certain extent. Choppy trading on BMD is unable to supported domestic markets to great extent. According to SGS exports estimation Malaysian palm oil sales to India stood at 12,400 metric tonne in March month against 26,685 metric tonne in February month. The crude palm oil CIF prices remained at \$650 per tonne for April shipment on Monday. Traders are expecting palm oil prices are likely to improve further amidst improve demand for edible oil.

BMD: CPO Futures (02.04.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Apr.07	2064	2060	2065	2055	2065	+1	76
May.07	2060	2054	2061	2048	2060	0	1065
Jun.07	2070	2053	2065	2049	2061	-9	5473
Jul.07	2062	2050	2063	2050	2061	-1	3583
Aug.07	2062	2060	2060	2046	2060	-2	227

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	02.04.07	31.03.07	Change
Kandla CPO (5 % FFA)	413	408	+5
Kandla RBD Palmolein +VAT	431	430	+1
Mumbai RBD Palmolein +VAT	450	446	+4
Chennai RBD Palmolein +VAT	446	MC	-
Kakinada RBD Palmolein +VAT	435	435	0
Hyderabad RBD Palmolein +VAT	455	451	+4
Delhi RDB Palmolein	465	465	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	02.04.07	31.03.07	Change
Crude Soy Oil	712	709	+3
Crude Palm Oil	650	NA	-
Sunflower Oil	720	720	0

Rape/Mustard oil

On Monday, balance in demand and supply kept mustard oil prices range bound in most of markets. Reports of fresh stock piling at stockists end firmed up Delhi markets. Arrivals of new mustard seeds improved in Rajasthan regions but equal aggressive buying by stockists sealed steadiness on mustard oil. Supportive weather conditions for harvesting would be supportive for good arrivals of new mustard seeds in coming days.

Groundnut Oil

Declining quality groundnut seeds stocks in Rajkot market raised oil prices while persistently cloudy weather conditions in parts of Tamil Nadu supported bullish sentiments. Improving crushing margin for groundnut oil ended fresh purchase of seeds, which reflected bullishness. In prevailing demand conditions of groundnut meals at ports and domestic market is likely to support oil prices in next week.

Refined Sunflower Oil

On Monday, refined sunflower oil remained range bound across domestic markets on steady demand and supply. The sunflower oil CIF price stood unchanged at \$720 per tonne for April Shipment on Monday. Traders are expecting slightly bullishness in sunflower oil prices in days to come on rising demand for edible oil domestically.

Refined Cotton Oil

Upsurge in cotton oil continued to Monday on slight increase in cotton meal demand. Rise in other edible oil demand supported cotton oil prices to flourish in domestic markets. Traders are expecting cotton oil would follow groundnut oil in near-terms as both share same markets.

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

Centres	02.04.07	31.03.07	Change
Mumbai (Exp. Oil) +VAT	450	450	0
Kota (Exp. Oil)+VAT	442	442	0
Jaipur (Exp. Oil)+VAT	452	452	0
Delhi (Exp. Oil)	470	467	+3
Neewai (Exp. Oil) +VAT	441	440	+1

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	02.04.07	31.03.07	Change
Mumbai +VAT	580	580	0
Rajkot +VAT	658	655	+3
Andhra Region +VAT	675	670	+5
Chennai +VAT	610	MC	-
Delhi	675	670	+5

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

Centres	02.04.07	31.03.07	Change
Mumbai +VAT	525	525	0
Chennai +VAT	530	MC	-
Hyderabad +VAT	530	530	0

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

Centres	02.04.07	31.03.07	Change
Mumbai +VAT	462	456	+6
Hyderabad +VAT	465	457	+8
Rajkot + VAT	447	446	+1
Delhi	460	462	-2

Forex Rates

(As on 02.04.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.59
European Union	Euro	58.14
Japan	100 Yen	37.00
United Kingdom	Pound Sterling	85.53

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Sima Kazee	9,452	CPO	Arrived (23.03.2007)
	Starling	3,300	CPO	Arrived (30.03.2007)
Kandla	Global Eos	11,000	CPO	Expected (01.04.2007)
	Maersk Barry	13,100	CPO	Arrived (30.03.2007)
	Ben-Aicha	12,330	Palm oil	Expected (02.04.2007)
	Hari Kripa	2,000	CFA*	Berthed (30.03.2007)
Chennai	Spring Wind	2,100	CPO	Arrived (30.03.2007)
Mumbai	Global Themis-III	10,500	Palm oil	Expected (05.04.2007)

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