

VEGOIL DAILY

April 07th, 2007

REFINED SOY OIL

SPOT MARKET:

Spot prices of refined soy oil traded on higher side on steady demand and bullish BMD. Little shortage of soy oil in Hyderabad market supported bullishness there. USDA weekly exports sales for soybeans stood weak at 295,300 metric tonne (MT), for soy meal remained at 119,500 MT while bullish for soy oil at 13,800 MT against trade expectations. The CIF prices of crude soy oil for April shipment remained unchanged on Friday at \$715 per tonne. As per report In Argentina recent heavy rainfall dampened nearly 2.5-3.5 Million hectare land of matured soybean that could translate bullishness in global markets in short-term.

FUTURES MARKET:

NCDEX refined soy oil most active April contract finished weak on Friday. Contract opened at Rs. 476.9 per 10kg as compared to Thursday closing level of 478.6 per 10 Kg. Follow-through weakness with talk of market in overbought region depressed April contract. Overnight weakness at CBOT also forced market down to yesterday closing. Markets closed at Rs. 477.6 per 10kg dropped by Re 1 to Thursday's closing levels.

MCX April contract of refined soy oil declined on Friday. Contract opened weak at Rs. 477.15 per 10kg against previous closing level of 478.85 per 10 Kg. Overnight weakness at CBOT dragged market down to previous closing level and finished at Rs. 477.05 per 10kg down to Thursday's closing levels at Rs. 478.85 per 10 kg.

PRICE DRIVERS:

1. Bullish BMD
2. Unchanged crude soy oil CIF prices
3. Bullish USDA Weekly exports sales for soy oil
4. Dwindling quality beans stocks in the market

Weather

Mainly dry weather in major growing region would facilitate soybeans arrivals in short-term.

TECHNICALS

Refined soy oil chart is showing follow-through selling. Prices closed above 9-days EMA and 18-days EMA suggests short-term firmness. MACD is rising in positive territory. Stochastics and RSI made bearish cross over in overbought region. Both volume and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-April	467	470	477.6	485	488
MCX-April	467	470	477.05	482	485

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil April Contract:

SELL Below 479; T1 near 477, T2 476 and put stop loss at 481.

MCX Refined Soy Oil April Contract:

SELL Below 479; T1 near 477, T2 476 and put stop loss at 481.

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

Centres	06.04.07	05.04.07	Change
Mumbai (Soy Ref oil)+VAT	460	463	-3
Indore (Soy Ref oil)	457	457	0
Kota (Soy Ref. Oil)+VAT	469	468	+1
Hyderabad (Soy Ref)+VAT	478	475	-3
Rajkot (Soy Ref)+Tax	460	458	+2

PALM OIL

International Highlights

BMD Crude Palm oil futures Finish Up

Anticipation for long-term demand propelled crude palm oil futures at Bursa Malaysian Derivatives on Friday. CPO futures improved across the board and most active June contract finished MYR 19 up at MYR 2,109 per metric tonne. As per traders 'Good Friday' holiday in many countries limited the gains to certain extent resulting trade volume remained low.

Domestic Spot Market Highlights

Palm oil prices remained weak in physical markets on sluggish demand. Firmness in BMD on long-term demand prospective had bullish advice in Hyderabad market. The crude palm oil CIF prices quoted at \$665 per tonne for April shipment on Friday. Talk of tight supply on bad weather conditions in Indonesia is likely to support palm oil prices there with spill over impact in domestic markets.

BMD: CPO Futures (06.04.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Apr.07	2106	2112	2124	2108	2124	+18	48
May.07	2092	2096	2118	2084	2108	+16	294
Jun.07	2090	2087	2116	2076	2109	+19	3081
Jul.07	2083	2085	2110	2071	2100	+17	689
Aug.07	2076	2076	2104	2066	2091	+15	193

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	06.04.07	05.04.07	Change
Kandla CPO (5 % FFA)	425	425	0
Kandla RBD Palmolein +VAT	438	440	-2
Mumbai RBD Palmolein +VAT	450	455	-5
Chennai RBD Palmolein +VAT	452	452	0
Kakinada RBD Palmolein +VAT	442	442	0
Hyderabad RBD Palmolein +VAT	459	458	+1
Delhi RDB Palmolein	465	465	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	06.04.07	05.04.07	Change
Crude Soy Oil	715	715	0
Crude Palm Oil	665	NA	-
Sunflower Oil	725	725	0

Rape/Mustard oil

Mustard oil traded mixed across domestic markets. The continuous good demand from expellers cushioned mustard oil prices. Where as good arrivals of mustard seeds in Neewai regions pushed oil markets down. Mustard oil prices remained range bound in Rajasthan region on stable demand. Mustard oil prices are likely to trade steady on talk of increase seeds arrivals in coming days.

Groundnut Oil

Groundnut oil traded mixed in domestic markets on sluggish demand. In Tamil Nadu region nearly 50% crop has been harvested with increased groundnut seeds arrivals pressured oil market there. However, improving oil prices in a sign of relief for expellers on improving crushing margin for groundnut oil. The constantly building arrivals pressure of groundnut seeds is likely to depress oil price in coming days.

Refined Sunflower Oil

Spot prices of sunflower oil traded range bound across domestic markets on balance in demand/supply. Arrivals of sunflower seeds stood steady. Sunflower oil CIF price also remained unchanged on Friday at \$725 per tonne for April Shipment. Traders are keeping close eye on development in domestic as well global markets and expecting steady prices in short-term.

Refined Cotton Oil

Spot prices of refined cotton oil traded weak on lacklustre trade activities. As per media sources around 80% cotton had been arrivals in the markets and nearly 8 lakh tonne cotton oil has arrived. As the cotton oil crushing reached in tapering end so its prices are likely to improve.

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

Centres	06.04.07	05.04.07	Change
Mumbai (Exp. Oil) +VAT	460	455	+5
Kota (Exp. Oil)+VAT	445	445	0
Jaipur (Exp. Oil)+VAT	453	453	0
Delhi (Exp. Oil)	470	MC	-
Neewai (Exp. Oil) +VAT	435	440	-5

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	06.04.07	05.04.07	Change
Mumbai +VAT	590	590	0
Rajkot +VAT	665	665	0
Andhra Region +VAT	670	665	+5
Chennai +VAT	620	625	-5
Delhi	690	MC	-

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

Centres	06.04.07	05.04.07	Change
Mumbai +VAT	535	535	0
Chennai +VAT	530	530	0
Hyderabad +VAT	525	525	0

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

Centres	06.04.07	05.04.07	Change
Mumbai +VAT	466	467	-1
Hyderabad +VAT	465	465	0
Rajkot + VAT	455	456	-1
Delhi	465	MC	-

Forex Rates

(As on 06.04.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.15
European Union	Euro	57.63
Japan	100 Yen	36.36
United Kingdom	Pound Sterling	85.22

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Eastern Tera	6,600	CPO	Arrived (05.04.2007)
	Pacific Sound	9,307	CPO	Arrived (05.04.2007)
Kandla	Chemroad Echo	21,000	Palm oil	Expected (15.04.2007)
	Hari Kripa	2,000	CFA*	Expected (05.04.2007)
Mumbai	Global Themis-III	10,500	Palm oil	Expected (06.04.2007)

*Crude Fatty Acid

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