

VEGOIL DAILY

April 04th, 2007

REFINED SOY OIL

SPOT MARKET:

Spot prices of refined soy oil traded in bullish tone in domestic markets on improved demand. Significant improvement in soy oil prices major trading centres strengthened Rajkot markets although demand remained steady here. However, pressure from weakness in crude oil, corn selling coupled with higher USA soybeans prices to South Americas' negated by the bounce back of soy oil and soybeans combining with dry weather conditions for corn plantation in Southern and Eastern of Midwest. The CIF prices of crude soy oil for April shipment improved further on Tuesday at \$720 per MT against Monday's \$712 per tonne.

FUTURES MARKET:

NCDEX April contract of refined soy oil settled marginally high on Tuesday. Soy oil contract opened at Rs. 475.8 per 10kg as compared to Monday's closing level of 473.55 per 10 Kg. Ideas of market reached in overbought region on recently rallies and profit taking pushed markets down but bullish global markets limited the losses and markets closed at Rs. 474 per 10kg improved by Rs. 0.45 to Monday's closing levels.

MCX April contract of refined soy oil rose on Tuesday. Refined soy oil contract opened high at Rs. 476 per 10kg against previous closing level of 473.15 per 10 Kg. Profit taking from recent rallies dragged market closed to Monday closing prices and market finished at Rs. 473.75 per 10kg improved marginally by Rs. 0.6 to Monday's closing levels.

PRICE DRIVERS:

1. Bullish overnight CBOT and BMD
2. Sharp increase in crude soy oil CIF prices
3. Improved crushing margin for soy oil
4. Solvent plants selling soy oil at higher prices
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

Candlestick chart pattern is showing sellers dominate during trade-session. The prices closed well above 9-days and 18-days EMA, which suggested firmness remains intact, the market. MACD rise in upward territory. Stochastics and RSI are running flat in over brought region. Volume increased while open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-April	465	468	474	481	484
MCX-April	465	467	473.75	481	484

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil April Contract:

Buy Above 474; T1 near 476, T2 477 and put stop loss at 472.

MCX Refined Soy Oil April Contract:

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

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

Centres	03.04.07	02.04.07	Change
Mumbai (Soy Ref oil)+VAT	462	460	+2
Indore (Soy Ref oil)	452	448	+4
Kota (Soy Ref. Oil)+VAT	468	NA	-
Hyderabad (Soy Ref)+VAT	470	470	0
Rajkot (Soy Ref)+Tax	445	437	+8

PALM OIL

International Highlights

BMD Crude Palm oil Futures Rise

Strong gains in soy oil futures at overnight CBOT supported eight-year high crude palm oil futures at Bursa Malaysian Derivatives on Tuesday. The most active June contract of CPO finished MYR25 high at MYR2,086 pre tonne. Rise in crude oil prices, buying interest with bullish technical pushed up CPO futures markets. An increase in exports sales of palm oil in March month (as per recent SGS report) provided bullish support.

Domestic Spot Market Highlights

Improving demand with bullish global markets forced palm oil prices in physical markets. Due to increased in cotton oil prices, vanaspati makers` opted palm oil as sources oil strengthening prices domestically. Rise in influencing overseas markets like Indonesia and Malaysia reflected bullishness domestically. The crude palm oil CIF prices improved sharply on Tuesday at \$662 per tonne for April shipment against Monday's 650 per tonne. The forecast of bad weather conditions in Indonesia is likely to support palm oil prices there with spill over impact in physical markets.

BMD: CPO Futures (03.04.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Apr.07	2064	2078	2110	2073	2094	+30	41
May.07	2060	2075	2104	2071	2090	+30	3887
Jun.07	2061	2076	2103	2072	2086	+25	7577
Jul.07	2061	2072	2101	2072	2086	+25	3205
Aug.07	2061	2080	2097	2080	2097	+36	139

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	03.04.07	02.04.07	Change
Kandla CPO (5 % FFA)	418	413	+5
Kandla RBD Palmolein +VAT	438	431	+7
Mumbai RBD Palmolein +VAT	451	450	+1
Chennai RBD Palmolein +VAT	455	446	+9
Kakinada RBD Palmolein +VAT	438	435	+3
Hyderabad RBD Palmolein +VAT	455	453	+2
Delhi RDB Palmolein	465	465	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	03.04.07	02.04.07	Change
Crude Soy Oil	720	712	+8
Crude Palm Oil	662	650	+12
Sunflower Oil	725	720	+5

Rape/Mustard oil

Higher prices of mustard oil in physical markets restricted mustard seeds selling by Nafed around 20,000 metric tonne (as per official sources) with bullish supported to mustard oil domestically. Few markets remained range bound on stable demand. However, in few parts of Rajasthan mustard seeds yet to arrival would determine mustard oil in near-term.

Groundnut Oil

Declining arrivals of groundnut seeds in Chennai markets strengthened oil prices there. Tapering arrivals of groundnut seeds in Rajkot markets supported groundnut oil prices. Groundnut seeds arrivals in Rajkot market stood in range between 4,000-5,000 bags. Under declining crushing margin, groundnut oil is likely to improve further.

Refined Sunflower Oil

Good availability of sunflower oil with steady demand witnessed fall in prices in few markets while bullish influence of other edible oil had similar impact in Mumbai market. Sunflower oil CIF price increased further on Tuesday at \$725 per tonne for April Shipment against Monday's \$720 per tonne. Sunflower oil price is likely move accordingly to International and domestic developments in near-term.

Refined Cotton Oil

Cotton oil remained in bullish tone in domestic markets on improved demand. On Tuesday market took cue from bullishness in other vegetable oil. However cotton meal demand remained steady. Underlying bullishness in global markets is likely to support upsurge in cotton oil in approaching days.

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

Centres	03.04.07	02.04.07	Change
Mumbai (Exp. Oil) +VAT	450	450	0
Kota (Exp. Oil)+VAT	444	442	+2
Jaipur (Exp. Oil)+VAT	452	452	0
Delhi (Exp. Oil)	470	470	0
Neewai (Exp. Oil) +VAT	442	441	+1

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	03.04.07	02.04.07	Change
Mumbai +VAT	585	580	+5
Rajkot +VAT	665	660	+5
Andhra Region +VAT	660	675	-15
Chennai +VAT	630	610	+20
Delhi	670	675	-5

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

Centres	03.04.07	02.04.07	Change
Mumbai +VAT	535	525	+10
Chennai +VAT	525	530	-5
Hyderabad +VAT	525	530	-5

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

Centres	03.04.07	02.04.07	Change
Mumbai +VAT	463	462	+1
Hyderabad +VAT	465	465	0
Rajkot + VAT	452	447	+5
Delhi	458	460	-2

Forex Rates

(As on 03.04.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.13
European Union	Euro	57.64
Japan	100 Yen	36.48
United Kingdom	Pound Sterling	85.36

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Starling	3,300	CPO	Arrived (30.03.2007)
Kandla	Ben-Aicha	12,330	Palm oil	Berthed (02.04.2007)
	Hari Kripa	2,000	CFA*	Expected (05.04.2007)
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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