

VEGOIL DAILY

April 05th, 2007

REFINED SOY OIL

SPOT MARKET:

Bullish BMD with good demand strengthened refined soy oil in physical markets. Pressure for marriage season in current and following months supported stockists to pile up inventories with edible oil with bullish reflection on soy oil. Suspended trade activities witnessed in Delhi on Thursday's Election while Hyderabad market remained closed. Weakness in soy futures at CBOT on bearish crude oil prices, fall in corn and wheat coupled with improved plantation conditions in Midwest force soy oil futures at CBOT. The CIF prices of crude soy oil for April shipment dropped on Wednesday at \$710 per MT against Tuesday's \$720 per tonne. Refined soy oil is likely to remain bullish ahead on bullish support from rising mustard oil prices with declining quality beans stocks in the markets.

FUTURES MARKET:

NCDEX refined soy oil the most active April contract finished up on Wednesday. Contract opened at Rs. 473.25 per 10kg as compared to Tuesday's closing level of 473.7 per 10 Kg. Fresh buying interest for medium-term firmness on ideas of depleting quality beans pulled soy oil futures. Market also generated bullish support amidst rise in BMD CPO futures and markets closed at Rs. 478.75 per 10kg increased by Rs 5.05 to Tuesday's closing levels.

MCX April contract of refined soy oil increased sharply on Wednesday. Contract opened weak at Rs. 473 per 10kg against previous closing level of 473.55 per 10 Kg. Sharp improvement in crude palm oil futures at BMD supported MCX soy oil futures markets and finished at Rs. 479.3 per 10kg at Monday's closing levels at Rs. 473.55 per 10 kg.

PRICE DRIVERS:

1. Bullish BMD
2. Declined crude soy oil CIF prices
3. Improving demand for soy oil and soy meal in domestic market
4. 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 recovery from Tuesday's weakness. Buyers actively participated in the market and propelled soy oil prices. Prices closed well above to 9-days EMA and 18-days EMA suggests medium-term firmness. MACD and RSI generate bullish momentum in positive territory while stochastics made bearish cross over in overbought region. Both volume and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-April	466	469	478.75	483	487
MCX-April	466	469	479.3	482	485

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil April Contract:

Buy Above 476; T1 near 478, T2 479 and put stop loss at 474.

MCX Refined Soy Oil April Contract:

Buy Near 476; T1 near 478, T2 479 and put stop loss at 474.

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

Centres	04.04.07	03.04.07	Change
Mumbai (Soy Ref oil)+VAT	463	462	+1
Indore (Soy Ref oil)	453	452	+1
Kota (Soy Ref. Oil)+VAT	468	468	0
Hyderabad (Soy Ref)+VAT	MC	470	-
Rajkot (Soy Ref)+Tax	445	445	0

PALM OIL

International Highlights

BMD Crude Palm oil futures Settle High

Despite weak overnight CBOT, crude palm oil futures improved across the board amidst follow-through rallies at Bursa Malaysian Derivatives. The most active June contract finished MYR 29 up at MYR 2,115/metric tonne and market touched the highest level since early January 1999 during trade session. Traders are suspicious over long-term demand on lack of fresh fundamentals with talk of market in over brought region.

Domestic Spot Market Highlights

Spot prices of palm oil traded in bullish tone in domestic market on steady demand to Tuesday. Follow-through firmness in BMD with firmed up Indonesia palm oil market on tight supply mirrored bullishness. The crude palm oil CIF prices improved further on Wednesday at \$670 per tonne for April shipment against Tuesday's 662 per tonne. Talk of tight supply on bad weather conditions in Indonesia is likely to support palm oil prices there with spill over impact in physical markets.

BMD: CPO Futures (04.04.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Apr.07	2094	2095	2111	2095	2111	+17	155
May.07	2090	2080	2118	2080	2118	+28	1030
Jun.07	2086	2076	2115	2076	2115	+29	3528
Jul.07	2086	2075	2110	2075	2103	+17	1952
Aug.07	2086	2080	2100	2080	2100	+14	48

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	04.04.07	03.04.07	Change
Kandla CPO (5 % FFA)	418	418	0
Kandla RBD Palmolein +VAT	436	438	-2
Mumbai RBD Palmolein +VAT	452	451	+1
Chennai RBD Palmolein +VAT	450	455	-5
Kakinada RBD Palmolein +VAT	MC	438	-
Hyderabad RBD Palmolein +VAT	MC	455	-
Delhi RDB Palmolein	465	465	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	04.04.07	03.04.07	Change
Crude Soy Oil	710	720	-10
Crude Palm Oil	670	662	+8
Sunflower Oil	718	725	-7

Rape/Mustard oil

The continuous buying pressure of mustard oil by stockists and resellers strengthened domestic markets. Trade activities remain suspended in Delhi markets on Thursday's election. The current prices of mustard seeds in open markets are still high and farmers disinterest to unload to Nafed at MSP supported bullishness. However, in few parts of Rajasthan mustard seeds yet to arrival that would determine its oil prices in near-term.

Groundnut Oil

Declining arrivals of groundnut seeds with less aggressive buying from stockists supported range bound prices of groundnut oil in most of markets. Due to higher prices of groundnut oil retailers disinterest for fresh buying induced steadiness. Groundnut seeds arrivals remain steady. Traders are expecting ground oil is likely to trade in bullish tone in coming day on improving sentiments for groundnut meals.

Refined Sunflower Oil

Spot prices of sunflower oil traded bullish in domestic markets on steady demand. Low sunflower seeds for crushing in current crop year (July-June) remained supportive for Chennai market. Sunflower oil CIF price declined on Wednesday at \$718 per tonne for April Shipment against Tuesday's \$725 per tonne. Improving sentiments for edible oil in domestic markets is likely to help bullishness for sunflower oil in near-term.

Refined Cotton Oil

Following groundnut oil, refined cotton oil prices also reflected steadiness in the spot market as both share same market. Demand for cotton oil remained steady. However, seed arrivals declined slightly but low buying by solvent plants on sluggish meal demand supported steadiness. Due to low crushing margin for cotton oil, its prices are likely to trade steady to bullish in near-terms.

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

Centres	04.04.07	03.04.07	Change
Mumbai (Exp. Oil) +VAT	455	450	+5
Kota (Exp. Oil)+VAT	445	444	+1
Jaipur (Exp. Oil)+VAT	453	452	+1
Delhi (Exp. Oil)	470	470	0
Neewai (Exp. Oil) +VAT	443	442	+1

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	04.04.07	03.04.07	Change
Mumbai +VAT	590	585	+5
Rajkot +VAT	665	665	0
Andhra Region +VAT	MC	660	-
Chennai +VAT	630	630	0
Delhi	670	670	0

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

Centres	04.04.07	03.04.07	Change
Mumbai +VAT	535	535	0
Chennai +VAT	530	525	+5
Hyderabad +VAT	MC	525	-

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

Centres	04.04.07	03.04.07	Change
Mumbai +VAT	465	463	+2
Hyderabad +VAT	MC	465	-
Rajkot + VAT	452	452	0
Delhi	458	458	0

Forex Rates

(As on 04.04.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	42.90
European Union	Euro	57.21
Japan	100 Yen	36.09
United Kingdom	Pound Sterling	84.69

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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