

## VEGOIL DAILY

April 14th, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Government has reduced import duty on CPO and palmolein by 10% a 50% and 57.5% respectively against previous 60% and 67.5% respectively. Spot prices of refined soy oil traded in bullish tone in domestic markets amidst improved demand coupled with bullish BMC CPO futures. Recovery in other related commodities, record high soy oil stocks with USA and apprehensions of arrivals pressure from Brazil with supportive weather conditions for soybeans harvest in Argentina helped pressure soy futures at CBOT. USDA weekly exports sales for soybeans stood bearish at 143,300 metric tonne (MT) against trade expectations bullish for soy meal at 221,100 MT while within line for soy oil at 3,400 MT. In first five months (Nov-March) in current oil year (Nov 06-Oct 07) crude soy oil import declined by 58.76% at 218,442 MT against 529,712 MT during period under consideration. Crude soy oil CIF prices continuously increased on Friday at \$735 per tonne for May shipment against \$726 per tonne on Thursday.

#### FUTURES MARKET:

**NCDEX** refined soy oil most active May contract settled up on Friday. Contract opened with the difference of Rs. 1.3 up at Rs. 481 per 10kg against Thursday's closing level. Soy oil futures remained traded BMD CPO futures with bullish sentiments for short-term demand. Market closed Rs. 5.9 high at Rs. 485.6 per 10kg against Thursday's closing at Rs 479.7 per 10 kg.

**MCX** May contract of refined soy oil settled high on Friday. Soy oil futures contract opened Rs. 2.25 up at Rs. 482.2 per 10kg against Thursday's closing level. Rallies with rising buying interest fuelled soy oil future. Market also generated bullish support from BMD CPO futures. Markets closed Rs. 5.85 high at Rs. 485.8 per 10kg to Friday's closing levels of 479.95 per 10 Kg.

#### PRICE DRIVERS:

1. Government reduced 10% import duty reduce on CPO and Palmolein
2. Increased crude soy oil CIF prices
3. Crude soy oil import decline by 58.76% upto March
4. Bullish BMD CPO futures

#### Weather

Mainly dry weather in major growing areas would facilitates soybeans arrivals in near-term.

#### TECHNICALS

Refined soy oil chart is showing buying at higher level on Friday and market touched afresh high of May contract. The prices closed well above 9-days and 18-days EMA indicating firmness intact in the market. MACD rise in positive territory. Stochastics and RSI headed upward in neutral region. Volume declined while open interest increased.

O 481.00 H 486.55 L 481.00 C 485.80 V 41,440 I 48,720 +5.7  
EMA(9) 479.17 (18) 475.55



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-May	468	471	485.6	489	492

#### TRADE RECOMMENDATION:

**NCDEX** Refined Soy Oil May Contract:

**SELL** Near 482; T1 near 480, T2 479 and put stop loss at 484.

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

Centres	13.04.07	12.04.07	Change
Mumbai (Soy Ref oil)+VAT	464	462	+2
Indore (Soy Ref oil)	458	456	+2
Kota (Soy Ref. Oil)+VAT	470	463	+3
Hyderabad (Soy Ref)+VAT	475	475	0
Rajkot (Soy Ref)+Tax	452	452	0

## PALM OIL

### International Highlights

#### BMD Crude Palm oil Futures Upsurge

Crude palm oil futures finished up at Bursa Malaysia Derivative on improved prospective for long-term demand and market breached psychological barrier of MYR 2,200 ignoring overnight weak soy oil futures at CBOT. The most active June contract of CPO futures rose sharply by MYR44 at MYR2,219 per metric tonne. MPOB estimation on low palm oil production in Malaysia also fuelled bullish sentiments.

### Domestic Spot Market Highlights

Government has reduced import duty on CPO and palmolein by 10% at 50% and 57.5% respectively against previous 60% and 67.5% respectively. Spot prices of palm oil increased on Friday amidst bullish BMD CPO futures and improved demand. Dull trade activities with waits for clear prices direction for next week results weakness for CPO futures at Indonesia limited capped the gains to certain extent. Upto March in current oil year (Nov.-Oct) crude palm oil imports increased by 39.75% at 1,019,330 MT against 729,395 MT. As many vessel is expects to fuel domestic markets would control sudden improvement on palm oil in near-term. Crude palm oil CIF prices increased further on Friday at \$700 per tonne for May shipment against \$690 per tonne on Thursday.

#### BMD: CPO Futures (13.04.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Apr.07	2227	0	0	0	2227	0	0
May.07	2202	2202	2260	2191	2255	+53	1611
Jun.07	2175	2175	2227	2164	2219	+44	8426
Jul.07	2150	2150	2203	2140	2200	+50	7726
Aug.07	2135	2120	2180	2120	2175	+40	301

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	13.04.07	12.04.07	Change
Kandla CPO (5 % FFA)	430	427	+3
Kandla RBD Palmolein +VAT	450	447	+3
Mumbai RBD Palmolein +VAT	456	452	+4
Chennai RBD Palmolein +VAT	456	455	+1
Kakinada RBD Palmolein +VAT	445	445	0
Hyderabad RBD Palmolein +VAT	460	460	0
Delhi RDB Palmolein	470	470	0

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

Edible Oil	13.04.07	12.04.07	Change
Crude Soy Oil	735	726	+9
Crude Palm Oil	700	690	+10
Sunflower Oil	750	745	+5

### Rape/Mustard oil

Spot prices of mustard oil traded in bullish note in domestic market on steady demand. Expellers were reported to maintain their regular offtake of mustard seeds on anticipation for good demand in coming days. Currently weather is suitable for mustard seeds harvesting in regions of Rajasthan. Abound arrivals of mustard seeds is expecting from major producing regions would pressure mustard oil ahead.

### Groundnut Oil

Currently higher prices of groundnut oil domestically are impeding fresh demand in few markets. Cheap availability of cotton oil in the market has added pressured to groundnut oil. Stockists were busy in emptying their inventories prior to new groundnut seeds in May month helped the prices to steady. Currently stagnant demand, which are likely to dominant ahead would control upside movement of groundnut oil.

### Refined Sunflower Oil

Steadily increased CIF prices with stalled demand strengthened refined sunflower oil prices to range bound. Sunflower oil import increased in first five month in current oil year by 42.77% at 107,566 MT against 75,344 MT same period a year ago. The CIF rate of sunflower oil increased on Friday at \$ 750 per tonne for May shipment against Thursday's \$745 per tonne. Traders are expecting sunflower oil is likely to remains with other vegetable oil in coming days.

### Refined Cottonseeds Oil

Mixed trends in refined cottonseeds oil continued across domestic markets on erratic demand. Due to higher prices of groundnut oil, cotton oil is the preference by stockists and retailers induced firmness in Rajkot and Mumbai markets while sluggish demand in Delhi markets reflected bearishness. Due to easy availability in the markets, cottonseeds oil is likely to trade steady to bullish.

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

Centres	13.04.07	12.04.07	Change
Mumbai (Exp. Oil) +VAT	457	455	+2
Kota (Exp. Oil)+VAT	435	435	0
Jaipur (Exp. Oil)+VAT	445	444	+1
Delhi (Exp. Oil)	465	465	0
Neewai (Exp. Oil) +VAT	442	442	0

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

Centres	13.04.07	12.04.07	Change
Mumbai +VAT	582	580	+2
Rajkot +VAT	670	670	0
Andhra Region +VAT	695	695	0
Chennai +VAT	615	620	-5
Delhi	690	690	0

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

Centres	13.04.07	12.04.07	Change
Mumbai +VAT	532	532	0
Chennai +VAT	540	542	-2
Hyderabad +VAT	535	535	0

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

Centres	13.04.07	12.04.07	Change
Mumbai +VAT	467	464	+3
Hyderabad +VAT	465	465	0
Rajkot + VAT	460	458	+2
Delhi	455	458	-3

### Forex Rates

(As on 13.04.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	42.74
European Union	Euro	57.79
Japan	100 Yen	36.01
United Kingdom	Pound Sterling	84.90

## PORT-WATCH (Latest):

### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Pacific Sound	9,307	CPO	Arrived (05.04.2007)
Kandla	Hari Kripa	2,000	CFA*	Expected (15.04.2007)
	Ym Earth	4,103	CDSBO	Expected (14.04.2007)
	Sanmar Majesty	5,000	Palm oil	Expected (15.04.2007)
	Havi Ocean	8,500	Palm oil	Expected (22.04.2007)
	Chemroad Echo	21,000	Palm oil	Expected (25.04.2007)
	Gemini	10,500	Palm oil	Expected (15.04.2007)
Mumbai	Kamogawa-III	10,101	Palm oil	Expected (14.04.2007)
New Manglore	Bow Pioneer	9,000	CPO	Expected (11.04.2007)
	Golden Elezebeth	5,000	CPO	Expected (21.04.2007)

\*Crude Fatty Acid

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