

## VEGOIL DAILY

April 27th, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Spot markets prices of refined soy oil turned range bound in domestic markets on steady demand/supply and bullish overnight CBOT amidst gains in other related commodities and strengthened crude oil prices. Domestic edible oil producers dropped Re 1 on various edible oils amidst strengthening rupee (by 6% over the period of last one month) to feed the benefit to consumers. As per recent data on grains stocks by Argentina's National Office for the Control on Agricultural Trade highlighted stocks rose by 7.6% at 13.84 million metric tons as on February 28 against 12.86 million metric tons same period a year ago. Soybeans stocks increased by 72.12% at 1,994,439 metric tons on February 28 as compared to 1,158,782 metric tons same period last year and sunflower seeds stocks dropped by 8.76% at 988,086 metric tons on February 28 as compared to 1,082,905 metric tons a year ago. Crude soy oil CIF prices for May shipment improved on Thursday at \$755 per tonne against \$747 per tonne on Wednesday.

#### FUTURES MARKET:

**NCDEX** refined soy oil most active May showed indecisiveness on Thursday. Market opened firmed on back of overnight bullish CBOT but later dropped down on supportive news and profit taking. The futures opened at Rs. 482.2 per 10kg against Wednesday's closing of Rs 480.25 per 10 Kg and market closed Rs. 1.85 high at Rs 482.1 per 10 Kg to previous closing.

**MCX** refined soy oil futures May contract opened at Rs 484.15 per 10 Kg against Wednesday's closing level of Rs 482.15 per 10 Kg. Follow-through weakness with reluctance of traders to take fresh positions pushed markets down and it closed at Rs. 484 per 10 Kg against Wednesday's closing level. The contract experienced high and low of Rs 487.1 and 484 per 10 Kg respectively during trade hours.

#### PRICE DRIVERS:

- Crude soy oil CIF prices increased
- Improved soybeans stocks with Argentina
- Bullish overnight CBOT soy oil futures
- Steady mustard oil sentiments in domestic markets
- Dwindle crushing margin for soy oil

#### Weather

Mainly dry weather in major growing region (expect Rajasthan, where isolated rainfall in expects) would facilitate soybeans arrivals.

#### TECHNICALS

Candlestick pattern is showing indecisiveness on Thursday. Prices closed below 9-days and 18-days EMA suggest bearishness remains intact in the markets. MACD fell in positive territory. Stochastics and RSI are falling in neutral region. Volume declined while open interest increased.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-May	474	476	482.1	489	491
MCX-May	476	478	484	489	492

#### TRADE RECOMMENDATION:

**NCDEX** Refined Soy Oil May Contract:

**SELL Below 483; T1 near 480, T2 479 and put stop loss at 487.**

**MCX** Refined Soy Oil May Contract:

**SELL Below 485; T1 near 482, T2 481 and put stop loss at 488.**

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

Centres	26.04.07	25.04.07	Change
Mumbai (Soy Ref oil)+VAT	466	466	0
Indore (Soy Ref oil)	462	462	0
Kota (Soy Ref. Oil)+VAT	463	463	0
Hyderabad (Soy Ref)+VAT	478	478	0
Rajkot (Soy Ref)+Tax	468	468	0

## PALM OIL

### International Highlights

BMD Crude Palm oil Remained Closed on Thursday on Market holiday.

### Domestic Spot Market Highlights

Palm oil traded mixed across domestic markets on sluggish demand, bullish overnight CBOT soy oil futures. Indonesia CPO prices firmed up amidst bullish reflection from auction houses despite market lack such supportive news. Crude soy oil CIF prices declined on Thursday at \$ 735 per tonne for May shipment against Wednesday's \$ 740 per tonne. Recent sharp upside movement in BMD CPO futures with talk of low demand is likely to pressure BMD with spill over bearishness in domestic markets in near-futures.

#### BMD: CPO Futures (25.04.2007)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
May07	2272	2266	2279	2263	2263	-9	510
Jun.07	2222	2220	2231	2206	2208	-14	971
Jul.07	2182	2179	2187	2153	2157	-25	6440
Aug.07	2158	2153	2158	2125	2129	-29	1607
Sep.07	2135	2125	2125	2100	2100	-35	51

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	26.04.07	25.04.07	Change
Kandla CPO (5 % FFA)	422	424	-2
Kandla RBD Palmolein +VAT	445	448	-3
Mumbai RBD Palmolein +VAT	455	452	+3
Chennai RBD Palmolein +VAT	460	456	+4
Kakinada RBD Palmolein +VAT	436	437	-1
Hyderabad RBD Palmolein +VAT	457	457	0
Delhi RDB Palmolein	490	490	0

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

Edible Oil	26.04.07	25.04.07	Change
Crude Soy Oil	755	747	+8
Crude Palm Oil	735	740	-5
Sunflower Oil	758	749	+9

### Rape/Mustard oil

Anticipation for further fall in mustard oil prices dragged domestic markets down while Delhi markets turned range bound on balance in demand/supply. Low rapeseeds meals demand domestically and in overseas markets aided bearishness. However, mustard seeds arrivals declined and cushioned weakness to certain extent. In prevailing meals demand, mustard oil prices is likely to rule steady to bearish in near-term.

### Groundnut Oil

Groundnut oil traded in bearish note on lack of fresh fundamentals and sluggish demand. As per markets observer expellers were reluctant on fall short of bullish market ahead. Few markets remained range bound on steady demand. As groundnut oil is unable to sustain at higher prices, so market may witness steady to weakness in near-futures.

### Refined Sunflower Oil

Refined sunflower oil traded range bound across domestic markets on steady demand/supply. As per recent data on grains stocks by Argentina's National Office for the Control on Agricultural Trade highlighted sunflower seeds stocks dropped by 8.76% at 988,086 metric tons on February 28 as compared to 1,082,905 metric tons a year ago. CIF prices of sunflower oil recouped on Thursday at \$758 per tonne for May shipment against \$749 per tonne as on Wednesday.

### Refined Cottonseeds Oil

Steady supply/demand for cottonseeds oil turned most of domestic markets range bound. Rajkot market declined marginally on suspended trade activities. Prevailing sluggish demand for cotton meals in domestic markets also radiated bearishness. Traders are expecting cottonseeds oil is likely to trade steady to bullish ahead on declining crushing margin for cotton oil.

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

Centres	26.04.07	25.04.07	Change
Mumbai (Exp. Oil) +VAT	468	473	-5
Kota (Exp. Oil)+VAT	435	440	-5
Jaipur (Exp. Oil)+VAT	440	450	-10
Delhi (Exp. Oil)	450	450	0
Neewai (Exp. Oil) +VAT	432	435	-3

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

Centres	26.4.07	25.04.07	Change
Mumbai +VAT	570	575	-5
Rajkot +VAT	680	680	0
Andhra Region +VAT	685	685	0
Chennai +VAT	610	615	-5
Delhi	700	700	0

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

Centres	26.04.07	25.04.07	Change
Mumbai +VAT	528	528	0
Chennai +VAT	540	540	0
Hyderabad +VAT	535	535	0

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

Centres	26.04.07	25.04.07	Change
Mumbai +VAT	472	472	0
Hyderabad +VAT	465	465	0
Rajkot + VAT	466	467	-1
Delhi	458	458	0

### Forex Rates

(As on 26.04.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.78
European Union	Euro	55.66
Japan	100 Yen	34.32
United Kingdom	Pound Sterling	81.79

## PORT-WATCH (Latest):

### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Chennai	Spring Glory	4,100	CPO	Arrived (23.04.2007)
	L. Star	5,200	CPO	Arrived (25.04.2007)
Kandla	Hari Kripa	2,000	CFA	Expected (24.04.2007)
	Global Themis	10,500	CPO	Expected (27.04.2007)
	Havi Ocean	8,500	Palm oil	Expected (03.05.2007)
	Global Neptune	12,250	CPO	Expected (1.05.2007)
Mumbai	Havi Ocean	3,000	Palm oil	Expected (30.04.2007)
Kolkata	Carolina-7	5,600	CPO	Arrived (25.04.2007)

\*Crude Fatty Acid

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