

VEGOIL DAILY

April 26th, 2007

REFINED SOY OIL

SPOT MARKET:

Sluggish demand of refined soy oil dragged domestic markets down except Hyderabad markets, which experienced exceeding demand over supply. As per recent estimation for Malaysian palm oil by SGS, exports increased by 27% at 907,330 metric tons (MT) during April 1-25 against 714,124 MT same period a month ago. CBOT reacted bearish amidst shift of corn to soybeans on wet soil conditions; rise in ending stock of soybeans with South America and increased canola plantation areas by 11.7% at 14.8 million acres in Canada. CIF prices of crude soy oil declined on second consecutive day at \$747 per tonne for May shipment against \$750 per tonne on Tuesday. Fading prospects for biodiesel in Europe amidst overcapacity for biodiesel would not able to support palm oil in Indonesia and Malaysia in near-futures.

FUTURES MARKET:

NCDEX refined soy oil most active May plunged on Wednesday. Increase in liquidation amidst lack of long-term demand with talk of easy availability of soy oil in coming month pushed market down. The futures opened at Rs. 484.3 per 10kg against Tuesday's closing of Rs 484.55 per 10 Kg and market closed Rs.4.45 down at Rs 480.1 per 10 Kg to yesterday's closing.

MCX refined soy oil futures May contract opened at Rs 484.1 per 10 Kg against Tuesday's closing level of Rs 485.4 per 10 Kg. Follow-through selling interest with bearish overnight CBOT and BMD CPO futures pushed market down and it closed at Rs. 482 per 10 Kg against Tuesday's closing level. The contract experienced high and low of Rs 485.7 and 480.4 per 10 Kg respectively during trade session.

PRICE DRIVERS:

- Increased Malaysian Palm oil exports by 27%
- Bearish overnight CBOT and BMD CPO futures
- CIF prices of crude soy oil decline further
- Declining soymeal sentiments domestically and at ports
- 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

Refined soy oil chart is showing increased buying interest on Wednesday. Prices closed below short term EMA suggests bearishness in the market. MACD generates bearish momentum in positive territory. Stochastics come closer in neutral region to make bearish crossover while RSI further deepen. Volume increased while open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-May	473	475	480.1	487	489
MCX-May	473	475	482	488	490

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil May Contract:

SELL Below 481; T1 near 478, T2 477 and put stop loss at 484.

MCX Refined Soy Oil May Contract:

SELL Below 483; T1 near 480, T2 479 and put stop loss at 486.

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

Centres	25.04.07	24.04.07	Change
Mumbai (Soy Ref oil)+VAT	466	466	0
Indore (Soy Ref oil)	462	464	-2
Kota (Soy Ref. Oil)+VAT	463	464	-1
Hyderabad (Soy Ref)+VAT	478	475	+3
Rajkot (Soy Ref)+Tax	468	470	-2

PALM OIL

International Highlights

BMD Crude Palm oil Plunge on Wednesday

Pressure from profit taking and an increased in selling interest depressed crude palm oil futures at Bursa Malaysian Derivatives on Wednesday. The most active July contract finished MYR27 down at MYR2,155 per tonne. Wednesday SGS highlighted palm oil exports surged by 27% at 907,330 metric tons (MT) during April 1-15 against 714,124 MT during same period a month ago.

Domestic Spot Market Highlights

Palm oil prices traded in bearish note in domestic markets on dull trade activities, actively selling by stockists and sluggish demand. Dull trade activities at BMD also influenced CPO futures in Indonesia to trade low. As per recent SGS Malaysian Palm oil exports estimations, India registered an increased in palm oil import by 154.58% at 69,245 MT during April 1-25 against 27,200 MT during corresponding period a month ago. Crude soy oil CIF prices remained unchanged on Wednesday for May shipment at \$ 740 per tonne. Recent sharp upside movement in BMD CPO futures with talk of low demand from Europe for biodiesel is likely to pressure BMD and domestic market 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	25.04.07	24.04.07	Change
Kandla CPO (5 % FFA)	424	424	0
Kandla RBD Palmolein +VAT	448	452	-4
Mumbai RBD Palmolein +VAT	452	457	-5
Chennai RBD Palmolein +VAT	456	460	-4
Kakinada RBD Palmolein +VAT	437	437	0
Hyderabad RBD Palmolein +VAT	457	456	+1
Delhi RDB Palmolein	490	490	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	25.04.07	24.04.07	Change
Crude Soy Oil	747	750	-3
Crude Palm Oil	740	740	0
Sunflower Oil	749	750	-1

Rape/Mustard oil

Low buying interest of expellers for mustard seeds on anticipation for further fall in prices pushed mustard oil prices down across domestic markets. Low demand for rapeseed meal both at ports and domestically extended the bearishness. Sensing markets sentiments mustard seeds arrivals also declined to Tuesday. In prevailing meals and seeds demand, mustard oil prices is likely to rule steady to bearish in near-term.

Groundnut Oil

Weakness in other edible oil with sluggish demand guided bearishness for groundnut oil in domestic markets. Amidst poor demand at higher prices, stockists were forced to offered groundnut oil at cheaper prices to induce bearishness. Fall in cottonseeds oil also negatively affectively groundnut oil. Under in sustainability of groundnut oil at higher level, further correction could be notice in near-futures.

Refined Sunflower Oil

Refined sunflower oil traded in bearish tone across domestic market amidst lackluster trades activities. Mumbai market tracked weak global markets and remained weak. CIF prices of sunflower oil declined marginally at \$749 per tonne for May shipment on Wednesday against \$750 per tonne as on Tuesday. Sluggish demand for meal with underlying bearishness in global markets is likely to pressure sunflower oil prices ahead.

Refined Cottonseeds Oil

Spot prices of cottonseeds oil fell across domestic markets. As cotton oil improved significantly in recent past and market showed instability at higher prices and pushed market. As prevailing low demand for cotton meal in domestic markets, which is likely to pressure cottonseeds oil in near-term.

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

Centres	25.04.07	24.04.07	Change
Mumbai (Exp. Oil) +VAT	473	475	-2
Kota (Exp. Oil)+VAT	440	442	-2
Jaipur (Exp. Oil)+VAT	450	452	-2
Delhi (Exp. Oil)	450	455	-5
Neewai (Exp. Oil) +VAT	435	440	-5

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	25.04.07	24.4.07	Change
Mumbai +VAT	575	580	-5
Rajkot +VAT	680	690	-10
Andhra Region +VAT	485	690	-5
Chennai +VAT	615	615	0
Delhi	700	700	0

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

Centres	25.04.07	24.04.07	Change
Mumbai +VAT	528	530	-2
Chennai +VAT	540	540	0
Hyderabad +VAT	535	535	0

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

Centres	25.04.07	24.04.07	Change
Mumbai +VAT	472	476	-4
Hyderabad +VAT	465	470	-5
Rajkot + VAT	467	470	-3
Delhi	458	462	-4

Forex Rates

(As on 25.04.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.97
European Union	Euro	56.91
Japan	100 Yen	34.62
United Kingdom	Pound Sterling	82.18

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Chennai	Spring Glory	4,100	CPO	Arrived (23.04.2007)
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)
Mumbai	Havi Ocean	3,000	Palm oil	Expected (30.04.2007)
New Manglore	Golden Elezebeth	5,000	CPO	Arrived (22.04.2007)

*Crude Fatty Acid

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