

VEGOIL DAILY

April 12th, 2007

REFINED SOY OIL

SPOT MARKET:

Refined soy oil remained mixed domestically on stagnant demand, dull trade activities and bullish global markets of related commodities. The recent USDA reported highlighted world ending stocks for soybeans were increased at 61.02 million metric tonnes (MMT) against 53.79 MMT a year ago. Brazil soybean crop is increased by 1.8 MMT at record 58.8 MMT as compared to last year's 55 MMT while it also increased for Argentina by 1.5 MMT to 45.5 MMT. CIF prices of crude soy oil for April shipment dropped on Tuesday at \$710 per tonne against Monday's \$715 per tonne. As on April 5th Brazil soybeans harvesting completed by 70% with slow harvest in these days due to recent heavy rainfall in region of Brazil is likely to support global market in near-term.

FUTURES MARKET:

NCDEX refined soy oil most active May contract finished up on Wednesday. Contract opened Rs. 1.1 up at Rs. 477.75 per 10kg against Tuesday's closing level. Overnight firmed up CBOT with bullish BMD CPO futures dragged soy oil futures. Trade volume increased significantly and market closed Rs. 5.25 high at Rs. 481.9 per 10kg against Tuesday's closing at Rs 476.65 per 10 kg.

MCX May contract of refined soy oil settled firm Wednesday. Soy oil futures contract opened Rs. 0.5 weak at Rs. 478.3 per 10kg against yesterday's closing level. Follow-through rallies with bullish global markets forced markets high and closed Rs. 5.5 high at Rs. 482.3 per 10kg to Tuesday's closing levels of 476.8 per 10 Kg.

PRICE DRIVERS:

1. Increased crude soy oil CIF prices
2. Record revised soybeans production in Brazil and Argentina
3. Bullish BMD and overnight soy oil futures at CBOT
4. Stagnant demand for soy oil

Weather

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

TECHNICALS

Refined soy oil chart is showing bullishness on Wednesday and market touched afresh high during trade session. The prices closed nearly 9-days and 18-days EMA suggests short-term firmness. MACD rise in positive territory. Stochastics headed down while RSI made bullish crossover in neutral region. Both volume and open interest increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-May	468	472	481.9	487	489
MCX-May	469	471	482.3	486	488

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil May Contract:

BUY Near 480; T1 near 482, T2 483 and put stop loss at 478.

MCX Refined Soy Oil May Contract:

BUY Near 481; T1 near 483, T2 484 and put stop loss at 479.

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

Centres	11.04.07	10.04.07	Change
Mumbai (Soy Ref oil)+VAT	460	459	+1
Indore (Soy Ref oil)	455	456	-1
Kota (Soy Ref. Oil)+VAT	463	464	-1
Hyderabad (Soy Ref)+VAT	475	475	0
Rajkot (Soy Ref)+Tax	451	450	+1

PALM OIL

International Highlights

BMD Crude Palm oil Futures Upsurge on Wednesday

Overnight firmed up CBOT soy oil futures supported crude palm oil futures at Bursa Malaysian Derivatives and market touched the highs since December 1998. The most active June contract of CPO futures rose by MYR 35 at MYR2,188 per metric tonne. During the trade-session markets crossed psychological barrier of 2,200 per metric tonne. Declining palm oil stock by 11% at 1.34 million metric tonne as highlighted by Malaysian Palm oil Board (MPOB) supported the bullishness.

Domestic Spot Market Highlights

Upsurge in palm oil continued across domestic markets on good demand and firmed up global markets for related commodities. During first 10 days of April month CPO CIF prices rose sharply by \$30 at \$680 per against \$ 650 per tonne as on April 2nd supported bullishness domestically. Bad weather continued to support Indonesia palm oil market while upsurge in soy oil futures at CBOT helped BMD CPO futures. Crude palm oil CIF prices increased significantly at \$680 per tonne on Tuesday for April shipment against Monday's \$665 per tonne. Bad weather condition in Indonesia with fear of affected supply is likely to produce bullishness in domestic palm oil markets in near-term.

BMD: CPO Futures (11.04.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Apr.07	2185	2219	2248	2219	2245	+60	204
May.07	2170	2184	2230	2184	2223	+53	2920
Jun.07	2153	2166	2205	2165	2188	+35	7205
Jul.07	2135	2149	2184	2147	2166	+31	3486
Aug.07	2124	2137	2182	2137	2150	+26	549

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	11.04.07	10.04.07	Change
Kandla CPO (5 % FFA)	430	422	+8
Kandla RBD Palmolein +VAT	442	444	-2
Mumbai RBD Palmolein +VAT	455	450	+5
Chennai RBD Palmolein +VAT	455	454	+1
Kakinada RBD Palmolein +VAT	442	440	+2
Hyderabad RBD Palmolein +VAT	460	460	0
Delhi RDB Palmolein	470	470	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	11.04.07	10.04.07	Change
Crude Soy Oil	720	710	+10
Crude Palm Oil	690	680	+10
Sunflower Oil	NA	723	-

Rape/Mustard oil

Spot prices of mustard oil traded in bullish tone in domestic markets on steady demand. Mustard seeds arrivals declined but slightly improved buying supported oil prices. Due to higher prices and good stocking couple of days ago impeding fresh demand from stockists. Few markets remained range bound on balance demand and supply. Begin of mustard seeds arrivals from major producing regions in Rajasthan is likely to pushed back oil price in near-term.

Groundnut Oil

Recent 3rd advance estimation by Union Agriculture Ministry highlighted groundnut production affected severely by unfavorable conditions during sowing dropped significantly by 46.8% at 3.35 million tonne in Kharif season while for Rabi it projected to decline by 3.6% to 1.63 million tonne. Currently higher prices of groundnut oil domestically results creep demand, which is likely to dominant in coming days.

Refined Sunflower Oil

Ample stock position in domestic markets led range bound prices of sunflower oil. Cheap availability of cotton oil and palm oil pressured sunflower oil domestically. However, crushing is reported to steady in Mumbai market. Traders are expecting sunflower oil is likely to remains with other vegetable oil in coming days.

Refined Cottonseeds Oil

Steady demand with higher prices of groundnut oil supported cottonseeds oil prices in domestic markets. As per trade sources, crushing margin for cotton oil improved to last week, which is remain supportive for it. Stagnant demand in Hyderabad markets led cotton oil prices unchanged to Tuesday. Due to higher prices of groundnut oil which would remain supportive for cotton oil ahead.

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

Centres	11.04.07	10.04.07	Change
Mumbai (Exp. Oil) +VAT	452	451	+1
Kota (Exp. Oil)+VAT	432	432	0
Jaipur (Exp. Oil)+VAT	440	440	0
Delhi (Exp. Oil)	456	455	+1
Neewai (Exp. Oil) +VAT	433	435	-2

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	11.04.07	10.04.07	Change
Mumbai +VAT	585	585	0
Rajkot +VAT	665	665	0
Andhra Region +VAT	695	695	0
Chennai +VAT	625	625	0
Delhi	690	690	0

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

Centres	11.04.07	10.04.07	Change
Mumbai +VAT	532	532	0
Chennai +VAT	542	536	+6
Hyderabad +VAT	535	535	0

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

Centres	11.04.07	10.04.07	Change
Mumbai +VAT	465	462	+3
Hyderabad +VAT	465	465	0
Rajkot + VAT	457	452	+5
Delhi	452	455	-3

Forex Rates

(As on 11.04.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	42.87
European Union	Euro	57.56
Japan	100 Yen	35.98
United Kingdom	Pound Sterling	84.79

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)
	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	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 (10.04.2007)

*Crude Fatty Acid

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