

## VEGOIL DAILY

April 25th, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Spot prices of refined soy oil traded mixed amidst steady demand domestically as stockists are waiting for further weakness in current prices. Latest data released by Agriculture Secretariat's of Argentina highlighted oilseeds stock on February 1 rose by 56% at 1,252,286 metric tons against same month in 2006. Soy oil stock rose by 39% at 346,045 metric tons as on February 1 against same period last year. Agriculture secretariat also highlighted Argentina could harvest soybeans nearly 45.5 million tons in 2006/07 against record harvest of 41.3 million tons in 2005/06. Plunge in corn, weakness in crude oil prices, supportive weather conditions in Argentina for soybeans with 50% harvest completion pressured CBOT soy futures while BMD CPO futures remained bullish on improving prospect for long-term demand. Sharp break in corn, CIF prices of crude soy oil declined for May shipment on Tuesday at \$750 per tonne against \$755 per tonne on Monday. Forecast of bad weather in few parts of Argentina might disturb and delay the remaining harvest that would eventually support CBOT in near-term.

#### FUTURES MARKET:

**NCDEX** refined soy oil most active May contract finished weak on Tuesday. Follow-through weakness with overnight bearish CBOT supported dull trade activities. The futures opened at Rs. 485.3 per 10kg against Monday's closing of Rs 486.55 per 10 Kg and market closed Rs. 2.05 down at Rs 484.5 per 10 Kg to Monday's closing.

**MCX** refined soy oil futures May contract opened at Rs 486.45 per 10 Kg against Monday's closing level of Rs 487.6 per 10 Kg. Follow-through selling interest talk of poor sustainability of bullish sentiments dragged market down and closed at Rs. 485 per 10 Kg against Monday's closing. The contract experienced high and low of Rs 487 and 483.1 per 10 Kg respectively during trade session.

#### PRICE DRIVERS:

1. Improved soy oil stocks with Argentina on February 1.
2. Bullish BMD CPO futures
3. CIF prices of crude soy oil declined
4. Steady soymeal sentiments domestically and at ports
5. 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.

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

Centres	24.04.07	23.04.07	Change
Mumbai (Soy Ref oil)+VAT	466	465	+1
Indore (Soy Ref oil)	464	466	-2
Kota (Soy Ref. Oil)+VAT	464	NA	-
Hyderabad (Soy Ref)+VAT	475	480	-5
Rajkot (Soy Ref)+Tax	470	470	0

#### TECHNICALS

Candlestick patterns, shows market is unsustainable at lower level and recovered in later half of trade day. Prices closed high to 9-days EMA suggest short-term bullishness. MACD generated bearish momentum in positive territory. Stochastics made bullish crossover in the neutral region while RSI plunge in neutral region. Volume increased while open interest declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-May	475	478	484.5	492	495
MCX-May	476	478	485	490	492

#### TRADE RECOMMENDATION:

**NCDEX** Refined Soy Oil May Contract:

**SELL Below 486; T1 near 483, T2 482 and put stop loss at 489.**

**MCX** Refined Soy Oil May Contract:

**SELL Below 486; T1 near 483, T2 482 and put stop loss at 489.**

## PALM OIL

### International Highlights

#### BMD Crude Palm oil Surge on Tight Supply Prospective

Anticipation for tight palm oil supply in near-futures boosted crude palm oil futures at Bursa Malaysian Derivatives on Tuesday. The most active July contract finished MYR13 high at MYR2,182 per tonne. A couple of bullish factors like low production expectation in current month, bullish palm oil exports sales during April 1-25 calm down by overnight bearish CBOT soy futures.

### Domestic Spot Market Highlights

Spot prices of palm oil traded bearish in most of physical markets amidst prevailing weak demand. As current prices are high for edible oil and cheap import of vanaspati from Nepal and other neighboring countries pressed domestic vanaspati markers for fresh demand. Indonesia CPO futures surged on Tuesday on tight palm oil supply and bullish BMD CPO futures. Crude soy oil CIF prices remained unchanged on second consecutive day for May shipment at \$ 740 per tonne. Traders are expecting palm oil prices are likely to trade bearish ahead on underlying bearishness at CBOT amidst current harvest of soybeans in Argentina.

#### BMD: CPO Futures (24.04.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
May07	2267	2266	2280	2262	2272	+5	438
Jun.07	2209	2231	2269	2203	2222	+13	1025
Jul.07	2169	2190	2190	2160	2182	+13	4686
Aug.07	2145	2156	2159	2136	2158	+13	916
Sep.07	2120	2120	2135	2120	2135	+15	204

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	24.04.07	23.04.07	Change
Kandla CPO (5 % FFA)	424	427	-3
Kandla RBD Palmolein +VAT	452	453	-1
Mumbai RBD Palmolein +VAT	457	458	-1
Chennai RBD Palmolein +VAT	460	458	+2
Kakinada RBD Palmolein +VAT	437	441	-4
Hyderabad RBD Palmolein +VAT	456	456	0
Delhi RDB Palmolein	490	495	-5

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

Edible Oil	24.04.07	23.04.07	Change
Crude Soy Oil	750	755	-5
Crude Palm Oil	740	740	0
Sunflower Oil	750	754	-4

### Rape/Mustard oil

On Tuesday, mustard oil traded in bearish note in domestic markets on steady demand. Nafed is reported to purchased so far 22,000 metric tonne. As current prices of mustard seeds declining, stockists were reluctant for fresh demand. As per market observers, mustard oil prices are likely to trade steady to slight firm in tone on prevailing stable demand ahead.

### Groundnut Oil

Low crushing margin of groundnut oil with easy availability of cotton oil continuously pressure its prices to trade mixed in spot markets. Low meal demand domestically as well as on ports failed to induced fresh sentiments for groundnut crushing with bearish impact on groundnut oil. As Rabi groundnut arrivals are likely to hit Gujarat market by 3<sup>rd</sup> week of May, which is likely to influence groundnut oil bearishly.

### Refined Sunflower Oil

Balance in demand and supply confirmed range bound prices of refined sunflower oil across domestic markets. Low demand for sunflower meal domestically also influenced negative to sunflower oil. CIF prices of sunflower oil declined for May shipment at \$ 750 per tonne on Tuesday against \$755 per tonne as on Monday. As per traders sunflower oil prices is likely to trade steady in near-futures on tracking other edible oil.

### Refined Cottonseeds Oil

Poor demand with low crushing margin for cottonseeds oil directed its prices bearish across domestic markets. Enough quality seeds stocks is pertaining with stockists which waits for better premium. As the cotton meal demand is low in domestic markets, which is likely to pressure cottonseeds oil in near-term.

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

Centres	24.04.07	23.04.07	Change
Mumbai (Exp. Oil) +VAT	475	477	-2
Kota (Exp. Oil)+VAT	442	442	0
Jaipur (Exp. Oil)+VAT	452	454	-2
Delhi (Exp. Oil)	455	455	0
Neewai (Exp. Oil) +VAT	440	440	0

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

Centres	24.4.07	23.04.07	Change
Mumbai +VAT	580	575	+5
Rajkot +VAT	690	690	0
Andhra Region +VAT	690	690	0
Chennai +VAT	615	615	0
Delhi	700	710	-10

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

Centres	24.04.07	23.04.07	Change
Mumbai +VAT	530	530	0
Chennai +VAT	540	540	0
Hyderabad +VAT	535	535	0

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

Centres	24.04.07	23.04.07	Change
Mumbai +VAT	476	478	-2
Hyderabad +VAT	468	470	-2
Rajkot + VAT	472	470	+2
Delhi	458	462	-4

### Forex Rates

(As on 24.04.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	41.64
European Union	Euro	56.46
Japan	100 Yen	35.15
United Kingdom	Pound Sterling	83.11

## 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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