

VEGOIL DAILY

April 11th, 2007

REFINED SOY OIL

SPOT MARKET:

Despite bullish oilseeds production data domestic refined soy oil trade weak amidst sluggish demand and actively unloading by resellers. In third advance estimation by Union Agriculture Minister on oilseeds production in 2006/07 reflected total oilseeds production drop by 17% at 23.96 million tonne against 27.98 million tonne in second advance estimation. However, Kharif soybeans estimation rose by 4.8% at 8.67 million tonne. Low prices of soybeans in USA and South America coupled with weak soy meal demand in China cast weakness for CBOT soy futures. As well as fear of bad weather conditions for corn plantation could translate acreage to soybean, supported CBOT bearishness. CIF prices of crude soy oil for April shipment dropped on Tuesday at \$710 per tonne against Monday's \$715 per tonne.

FUTURES MARKET:

NCDEX refined soy oil most active May contract finished down on Tuesday. Contract opened Rs. 0.85 down at Rs. 477 per 10kg as compared to Monday's closing level. Overnight weak soy oil futures with profit taking from recent rallies pushed down soy oil futures and markets closed Rs. 1.15 down at Rs. 476.7 per 10kg against Monday's closing at Rs 477.85 per 10 kg.

MCX May contract of refined soy oil ended weak on Tuesday. Soy oil futures contract opened Rs. 1.35 low at Rs. 476.5 per 10kg against previous closing level. Weakness in other related commodities with increased liquidation on fear of long-term demand dragged markets down and closed Rs. 1.25 down at Rs. 476.6 per 10kg to Monday's closing levels of 477.85 per 10 Kg.

PRICE DRIVERS:

1. Decline crude soy oil CIF prices
2. Low output of oilseeds in 2006/07 in recent advance estimation
3. Bullish BMD CPO futures
4. Resellers remain active in selling

Weather

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

TECHNICALS

Candlesticks chart pattern reflects sellers dominated on Tuesday. The prices were closed above 9-days while above 18-days EMA, indicates short-term firmness in the market. MACD is rising in positive territory. Stochastic and RSI turned downwards in neutral region. Both volume and open interest increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-May	469	471	476.7	483	487
MCX-May	469	471	476.6	482	484

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil May Contract:

SELL Below 477; T1 near 475, T2 474 and put stop loss at 479.

MCX Refined Soy Oil May Contract:

SELL Below 478; T1 near 476, T2 475 and put stop loss at 480.

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

Centres	10.04.07	09.04.07	Change
Mumbai (Soy Ref oil)+VAT	459	458	+1
Indore (Soy Ref oil)	456	460	-4
Kota (Soy Ref. Oil)+VAT	464	464	0
Hyderabad (Soy Ref)+VAT	475	477	-2
Rajkot (Soy Ref)+Tax	450	450	0

PALM OIL

International Highlights

BMD Crude Palm oil Futures Rise on Bullish Exports Data

Bullish palm oil demand and supply exports estimation by MPOB and SGS boosted crude palm oil futures at Bursa Malaysian Derivatives. The most active June contract of CPO futures rose by MYR 21 at MYR2,153 per metric tonne. However, weakness in other crude oil futures and CBOT capped the gains to some extent. SGS estimated Malaysian palm oil exports for April 1-10 highlighted palm oil exports sales increased by 49.7% at 431,121 metric tons (MT) against 288,038 MT during same period in February while Malaysian Palm Oil Board (MPOB) palm oil exports estimation for March month increased by 30% at 1.05 million metric tonne as compared to 809,533 metric tons in February month.

Domestic Spot Market Highlights

Improved demand boosted palm oil prices to trade on higher side in domestic markets. Currently low dollar v/s Rs. favored importers for fresh import orders helped in limited price upsurge. Talk of bad weather in major growing regions in Indonesia could tighten supply in near-term coupled with bullish BMD CPO futures supported palm oil prices domestically. Crude palm oil CIF prices increased significantly at \$680 per tonne on Tuesday for April shipment against Monday's \$665 per tonne. Currently good demand is likely to support the further upsurge of palm oil in near-term.

BMD: CPO Futures (10.04.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Apr.07	2165	2159	2217	2158	2195	+30	257
May.07	2152	2130	2207	2121	2170	+18	2376
Jun.07	2132	2112	2184	2112	2153	+21	6611
Jul.07	2130	2110	2168	2099	2135	+5	3179
Aug.07	2119	2105	2160	2105	2123	+4	543

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	10.04.07	09.04.07	Change
Kandla CPO (5 % FFA)	422	421	+1
Kandla RBD Palmolein +VAT	444	436	+8
Mumbai RBD Palmolein +VAT	450	447	+3
Chennai RBD Palmolein +VAT	454	452	+2
Kakinada RBD Palmolein +VAT	440	NA	-
Hyderabad RBD Palmolein +VAT	460	455	+5
Delhi RDB Palmolein	470	470	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	10.04.07	09.04.07	Change
Crude Soy Oil	710	715	-5
Crude Palm Oil	680	665	+15
Sunflower Oil	723	740	-17

Rape/Mustard oil

Following weak soy oil, mustard oil showed similar trends in domestic markets. Mustard seeds arrivals improved to Monday figures remained undertone for mustard oil. Few markets remained range bound on steady demand. Nafed has started procurement of mustard seeds in regions of Rajasthan at MSP (1715 per qtl). However, procurement is slow. Mustard oil prices are likely to trade steady to bearish on improve arrivals in near-term.

Groundnut Oil

Forecast of isolated rainfall in major growing region of Rabi groundnut supported groundnut oil prices improvement. Low demand in Delhi market results range bound prices while sluggish demand pushed price down in few markets. From March 10 to till date groundnut prices improved by 6% in Rajkot market. As current prices of groundnut oil is quite high with flat demand, which may bring further weakness for groundnut oil in coming days.

Refined Sunflower Oil

Sharp decrease in CIF prices with steady demand results sunflower oil traded undertone in domestic markets. Sunflower oil CIF price declined sharply on Tuesday at \$723 per tonne for April Shipment against \$740 per tonne on Monday. Traders are keeping close eye on developments in global and domestic markets and expecting similar reflection in near-term.

Refined Cottonseeds Oil

Weakness in other vegetable oil with lacklustre trade activities witnessed overall weakness of refined cottonseeds oil domestically. Actively selling is reported from resellers on sluggish demand. However, cottonseeds meal demand remained steady. The erratic demand with underlying firmness in other edible oil is likely to support gains for cotton oil in coming days.

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

Centres	10.04.07	09.04.07	Change
Mumbai (Exp. Oil) +VAT	451	455	-4
Kota (Exp. Oil)+VAT	432	435	-3
Jaipur (Exp. Oil)+VAT	440	440	0
Delhi (Exp. Oil)	455	455	0
Neewai (Exp. Oil) +VAT	435	435	0

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	10.04.07	09.04.07	Change
Mumbai +VAT	585	590	-5
Rajkot +VAT	665	667	-2
Andhra Region +VAT	695	NA	-
Chennai +VAT	625	620	+5
Delhi	690	690	0

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

Centres	10.04.07	09.04.07	Change
Mumbai +VAT	532	535	-3
Chennai +VAT	536	536	0
Hyderabad +VAT	535	535	0

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

Centres	10.04.07	09.04.07	Change
Mumbai +VAT	462	462	0
Hyderabad +VAT	465	470	-5
Rajkot + VAT	452	452	0
Delhi	455	455	0

Forex Rates

(As on 10.04.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	42.86
European Union	Euro	57.53
Japan	100 Yen	36.00
United Kingdom	Pound Sterling	84.40

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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