

VEGOIL DAILY

April 10th, 2007

REFINED SOY OIL

SPOT MARKET:

Spot prices of refined soy oil traded mixed on lacklustre trade activities with firmed up CPO futures at BMD. However, crushing margin for soy oil improves significantly from March month, which cushioned weakness of soy oil. Low preference for soy oil in Rajkot market as compared to cottonseeds and groundnut oil results fall in prices there. Firmness in other related commodities boosted CPO futures with spill over impact on NBOT and Indore physical market. CIF prices of crude soy oil for April shipment increased on Monday at \$715 per tonne against Saturday's \$713 per tonne. Mustard seeds arrivals are likely to improve in coming days, which would depress mustard oil prices with spill over impact on refined soy oil.

FUTURES MARKET:

NCDEX refined soy oil most active May contract settled up on Monday. Contract opened at Rs. 477.5 per 10kg against Saturday's closing level of 475.4 per 10 Kg. Follow though rallies coupled with firmness in other related commodities forced soy oil futures up. Markets closed at Rs. 477.8 per 10kg improved by Rs. 2.4 to Saturday's closing levels.

MCX May contract of refined soy oil rose sharply on Monday. Soy oil futures contract opened firmed at Rs. 476 per 10kg against previous closing level of 475.25 per 10 Kg. Tracking BMD CPO futures, soy oil futures turned up and closed Rs. 2.65 at Rs. 477.9 per 10kg high to Saturday's closing levels.

PRICE DRIVERS:

1. Increased crude soy oil CIF prices
2. Bullish BMD CPO futures
3. Improving crushing margin for soy oil
4. Sluggish demand for soy oil

Weather

Expectation for isolated rainfall in major growing areas would affect soybeans arrivals in near-term.

TECHNICALS

Doji candlestick pattern is showing indecisive market sentiments between bulls and bears. Closing prices manages to settle at 9-days that indicates short-term firmness. MACD remains upward, generating bullish momentum in the positive territory while stochastics and RSI stood flat in neutral region. Volume declined while open interest increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-May	469	472	477.8	483	487
MCX-May	469	472	477.9	482	484

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil May Contract:

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

MCX Refined Soy Oil May Contract:

SELL Below 479; T1 near 477, T2 476 and put stop loss at 481.

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

Centres	09.04.07	07.04.07	Change
Mumbai (Soy Ref oil)+VAT	458	458	0
Indore (Soy Ref oil)	460	455	+5
Kota (Soy Ref. Oil)+VAT	464	465	-1
Hyderabad (Soy Ref)+VAT	477	475	+2
Rajkot (Soy Ref)+Tax	450	455	-5

PALM OIL

International Highlights

BMD Crude Palm oil Futures Move Up on Monday

Firmness in other related commodities boosted crude palm oil futures at Bursa Malaysian Derivatives and touched high since last eight year. The most active June contract of CPO futures gained MYR 23 at MYR 2,132 per tonne. CPO futures gained further on anticipation for bullish exports sales for the period of April 1-10.

Domestic Spot Market Highlights

Spot prices of palm oil traded undertone in domestic markets on sluggish demand. As cotton oil and mustard oil are in range of palm oil, retailers preferred other option, which bring underlying bearishness. Sharp gains on crude palm oil futures at BMD with spill over impact on Indonesia markets cushioned markets to further fall. Crude palm oil CIF prices remained unchanged on third consecutive days at \$665 per tonne on Monday for April shipment. Currently palm oil market is looking for direction and will move with BMD and Indonesia ahead.

BMD: CPO Futures (09.04.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Apr.07	2124	2148	2165	2146	2165	+41	130
May.07	2111	2115	2152	2115	2152	+41	1805
Jun.07	2109	2112	2141	2112	2132	+23	5272
Jul.07	2100	2109	2137	2109	2130	+30	3531
Aug.07	2091	2110	2119	2110	2119	+28	120

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	09.04.07	07.04.07	Change
Kandla CPO (5 % FFA)	421	425	-4
Kandla RBD Palmolein +VAT	436	439	-3
Mumbai RBD Palmolein +VAT	447	447	0
Chennai RBD Palmolein +VAT	452	452	0
Kakinada RBD Palmolein +VAT	NA	440	-
Hyderabad RBD Palmolein +VAT	455	455	0
Delhi RDB Palmolein	470	470	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	09.04.07	07.04.07	Change
Crude Soy Oil	715	713	+2
Crude Palm Oil	665	665	0
Sunflower Oil	740	723	+17

Rape/Mustard oil

Mustard oil traded in bearish tone in physical markets on sluggish demand. Stockists and expellers were reported to reduce their offtake of mustard oil on apprehensions of more weakness ahead. However, good demand for mustard seeds maintained in major producing areas with improved arrivals mustard seeds arrivals to Saturday. Mustard oil prices are likely to improve on increase demand from retailers in coming days.

Groundnut Oil

Mimicking other vegetable oil, groundnut oil remained weak in spot markets. Although, demand stood dull with lackluster trade activities induced bearishness in the markets. Few markets remained range bound on steady demand/supply. Due to sharp increase in groundnut oil in recent past stockists hesitated for a fresh buying. 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

Slight improvement in demand in Chennai market witnessed improvement in sunflower oil there while rest of markets remained range bound on stable demand. Sunflower oil CIF price increased sharply on Monday at \$740 per tonne for April Shipment against \$723 per tonne on Saturday. Due to low demand of other vegetable oil, sunflower oil is likely to behave accordingly in near-term.

Refined Cottonseeds Oil

Refined cottonseeds oil improved in domestic markets on good demand. Crushing margin for cottonseeds oil remained dull which supported the underlying bullishness on depleting stocks. Resellers improved their offtake on fall short of abrupt fall in cotton oil prices. The sluggish demand for cotton oil is likely to limit the gains for cotton oil in coming days.

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

Centres	09.04.07	07.04.07	Change
Mumbai (Exp. Oil) +VAT	455	457	-2
Kota (Exp. Oil)+VAT	435	435	0
Jaipur (Exp. Oil)+VAT	440	440	0
Delhi (Exp. Oil)	455	460	-5
Neewai (Exp. Oil) +VAT	435	435	0

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	09.04.07	07.04.07	Change
Mumbai +VAT	590	590	0
Rajkot +VAT	667	670	-3
Andhra Region +VAT	NA	660	-
Chennai +VAT	620	630	-10
Delhi	690	690	0

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

Centres	09.04.07	07.04.07	Change
Mumbai +VAT	535	535	0
Chennai +VAT	536	535	+1
Hyderabad +VAT	535	535	0

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

Centres	09.04.07	07.04.07	Change
Mumbai +VAT	462	464	-2
Hyderabad +VAT	470	460	+10
Rajkot + VAT	452	452	0
Delhi	455	450	+5

Forex Rates

(As on 09.04.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	42.88
European Union	Euro	57.27
Japan	100 Yen	35.95
United Kingdom	Pound Sterling	84.22

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kolkata	Eastern Tera	6,600	CPO	Arrived (05.04.2007)
	Pacific Sound	9,307	CPO	Arrived (05.04.2007)
Kandla	Chemroad Echo	21,000	Palm oil	Expected (15.04.2007)
	Hari Kripa	2,000	CFA*	Expected (05.04.2007)
Mumbai	Global Themis-III	10,500	Palm oil	Expected (06.04.2007)

*Crude Fatty Acid

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