

VEGOIL DAILY

April 19th, 2007

REFINED SOY OIL

SPOT MARKET:

Bearish BMD CPO futures and CBOT soy oil futures pressured domestic refined soy oil markets. Apprehensions of weak demand ahead induced resellers to unload at cheaper prices supported bearishness. As per market reports so far 3 lakh tonne contracted have been made for imported soybean oil and first consignment of it is expected to arrive in May. The recent heavy rainfall and flood conditions in Argentina raise the possibility of increased moisture content with poor quality of soybeans. The high production against low demand of soybean in USA and South America coupled with slow export demand both domestically and export countries resulted in low soybean crushing there. Low demand also results in drop in soybeans exports (average 580.5 metric tonne during March month) to just 337.5 metric tonne in last week ended on April 12. CIF prices of crude soy oil declined for May shipment on Wednesday at \$738 per tonne against \$745 per tonne on Tuesday.

FUTURES MARKET:

NCDEX refined soy oil most active May contract ended weak on Wednesday. Contract opened Rs. 0.8 weak at Rs. 481.2 per 10kg against Tuesday's closing level. Overnight CBOT soy oil weakness coupled with bearish BMD CPO futures reflected bearishness on May contract and market closed Rs. 1.0 down at Rs. 481 per 10kg against Tuesday's closing level at Rs 482 per 10 kg.

MCX refined soy oil futures May contract also finished down on Wednesday. Soy oil futures opened Rs. 1.05 down at Rs. 481.1 per 10 kg against Tuesday closing level. Follow-through weakness with poor CPO and Soy oil futures at BMD and CBOT respectively results bearish Soy oil futures and market closed down Rs. 1.15 at Rs. 481 per 10 kg as compared to Tuesday's closing level at Rs. 482.15 per 10 kg.

PRICE DRIVERS:

1. Bearish BMD CPO futures and CBOT soy futures
2. Declined crude soy oil CIF prices
3. Resellers remain active
4. Farmers reluctant to unload soybeans at current prices
5. Resellers actively unloading soy oil at cheaper prices

Weather

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

TECHNICALS

Doji candlestick pattern is showing recovering in later half of trade day. Prices closed marginally low to 9-days suggest short-term bearishness. MACD made bearish crossover in positive territory. Stochastics and RSI showed downtrends in neutral region. Volume increased while open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-May	469	473	481	489	492
MCX-May	470	473	481	488	491

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil May Contract:

BUY Above 482; T1 near 484, T2 485 and put stop loss at 479.

MCX Refined Soy Oil May Contract:

BUY Above 482; T1 near 484, T2 485 and put stop loss at 479.

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

Centres	18.04.07	17.04.07	Change
Mumbai (Soy Ref oil)+VAT	466	468	-2
Indore (Soy Ref oil)	456	459	-3
Kota (Soy Ref. Oil)+VAT	465	470	-2
Hyderabad (Soy Ref)+VAT	470	475	-5
Rajkot (Soy Ref)+Tax	456	458	-2

PALM OIL

International Highlights

BMD Crude Palm oil Down on Wednesday

CPO futures fall on Wednesday at Bursa Malaysian Derivatives amidst fading bullish demand on recent sharp increase in palm oil prices coupled with sharp losses on overnight CBOT soy oil futures. The most active July contract of CPO futures dropped MYR 43 at MYR2,160 per metric tonne. Traders are expecting palm oil would move in tandem with soy oil futures in coming days on lack of fresh fundamentals.

Domestic Spot Market Highlights

Bearish BMD and Indonesia crude palm oil futures coupled with sluggish demand pushed back palm oil prices in domestic markets. Weak soy oil futures at NBOT pressures soy oil with spill over impact on palm oil. Crude soy oil CIF prices for May shipment quoted at \$ 735 per tonne on Tuesday. Underlying bullishness in Indonesian and Malaysian palm oil markets is likely to support palm oil prices in domestic markets in near-term.

BMD: CPO Futures (18.04.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
May07	2282	2230	2250	2219	2235	-47	887
Jun.07	2240	2202	2212	2183	2192	-48	2617
Jul.07	2203	2168	2180	2154	2160	-43	11127
Aug.07	2169	2138	2155	2129	2140	-29	4654
Sep.07	2147	2110	2119	2100	2110	-37	411

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	18.04.07	17.04.07	Change
Kandla CPO (5 % FFA)	417	424	-7
Kandla RBD Palmolein +VAT	446	450	-4
Mumbai RBD Palmolein +VAT	456	461	-5
Chennai RBD Palmolein +VAT	460	458	+2
Kakinada RBD Palmolein +VAT	435	445	-10
Hyderabad RBD Palmolein +VAT	456	460	-4
Delhi RDB Palmolein	480	480	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	18.04.07	17.04.07	Change
Crude Soy Oil	738	745	-7
Crude Palm Oil	720	735	-15
Sunflower Oil	753	753	0

Rape/Mustard oil

Low prices of mustard seeds results suspended trade activities by expellers and stockists waiting for further fall in prices had induced bearishness in domestic markets. Fresh arrivals of mustard oil in Delhi markets induced bearishness. Currently improving sentiments for demand from Northeast region of country is likely to support mustard oil prices in near-term.

Groundnut Oil

As per market observers, groundnut seeds harvest is nearly over in Chennai region and stockists had piled up their inventories supported groundnut oil prices there. Current stagnant demand with handful of expellers supported underlying bullishness. Groundnut oil prices are likely to trades steady to bullish in coming days on low crushing margin in near-term.

Refined Sunflower Oil

Refined sunflower oil traded range bound on steady demand/supply. Sunflower seeds arrivals remained steady. CIF prices of sunflower oil stood unchanged for May shipment at \$ 753 per tonne on Tuesday against Monday's \$750 per tonne. Currently stagnant demand is likely to favor steadiness for refined sunflower oil prices in coming days.

Refined Cottonseeds Oil

Poor demand with weakness in other edible oil prices forces cotton oil prices to trade in bearish tone across domestic markets. The cottonseeds oil consumption in current oil year (Nov-Oct) is expecting at 9.12 lakh tonne. Traders are expecting cottonseeds oil is likely to move in tandem with soy oil ahead.

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

Centres	18.04.07	17.04.07	Change
Mumbai (Exp. Oil) +VAT	466	468	-2
Kota (Exp. Oil)+VAT	445	445	0
Jaipur (Exp. Oil)+VAT	457	457	0
Delhi (Exp. Oil)	455	465	-10
Neewai (Exp. Oil) +VAT	437	445	-8

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	18.04.07	17.04.07	Change
Mumbai +VAT	585	585	0
Rajkot +VAT	685	690	-5
Andhra Region +VAT	690	690	0
Chennai +VAT	630	615	+15
Delhi	698	695	+3

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

Centres	18.04.07	17.04.07	Change
Mumbai +VAT	533	533	0
Chennai +VAT	545	545	0
Hyderabad +VAT	525	525	0

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

Centres	18.04.07	17.04.07	Change
Mumbai +VAT	468	472	-4
Hyderabad +VAT	464	470	-6
Rajkot + VAT	465	472	-7
Delhi	450	457	-7

Forex Rates

(As on 18.04.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	41.89
European Union	Euro	56.93
Japan	100 Yen	35.24
United Kingdom	Pound Sterling	84.17

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Chennai	Spring Wind	4,010	CPO	Arrived (13.04.2007)
Kandla	Sanmar Majesty	5,000	Palm oil	Berthed (16.04.2007)
	Royal Emerald	6,110	CPO	Expected (19.04.2007)
	Havi Ocean	8,500	Palm oil	Expected (28.04.2007)
Mumbai	Kamogawa-III	10,101	Palm oil	Arrived (14.04.2007)
	Global Eos	11,000	Palm oil	Expected (21.04.2007)
New Manglore	Mojito	8,000	CPO	Expected (21.04.2007)
	Golden Elezebeth	5,000	CPO	Expected (21.04.2007)
	Maria E	10,000	CPO	Arrived (16.04.2007)
Kolkata	Sima Kazee	9,286	CPO	Arrived (16.04.2007)
	Marida Princess	10,110	CPO	Arrived (14.04.2007)

*Crude Fatty Acid

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