

VEGOIL DAILY

April 20th, 2007

REFINED SOY OIL

SPOT MARKET:

Tracking overseas firmness in palm oil, soybean oil in domestic market traded firm. A steady decline in CIF prices of crude soybean oil suggests for more imports likely in ensuing months that may witness stiff competition with palm oils to gain substantial market share in India. CIF prices of crude soy oil declined for May shipment declined further on Thursday to \$ 724 per tonne against \$738 per tonne on Wednesday. As per trade sources, good lots of soybean oil [80,000 MT] have been registered for export from Argentina to India and China combined for this month. The prospects of imports of soy oil during April-September 2007 from Argentina holds firm on account of higher prices of palm oil in overseas. General strength in vegetable oil prices, particularly palm oil prices, due to expanding world biodiesel production, along with high crude oil prices account for the strength in soybean oil prices. Sentiments for Crude palm oil hold firm on account of firm palm oil prices in Indonesia, reports of good export demand for CPO from April 1 to 20 and forecast for scattered rains over regions of Malaysia and Indonesia till weekend. However, strengthening of ringgits means higher prices of CPO even if prices are not revised up and may undermine profit margins of biodiesel sector in long term.

FUTURES MARKET:

NCDEX refined soy oil most active May contract traded firm on Thursday. The futures opened at Rs. 480.35 per 10kg against previous closing of Rs 481/10 Kg. Tracking firm palm oil futures at BMD, the futures closed at Rs 486.65/10 Kg recouping previous loss. The contract touched a high of Rs 487.85 by end of trading session.

MCX refined soy oil futures May contract traded bullish on Thursday despite weakness in soy futures at CBOT. Firm palm oil futures at BMD provided the underlying support to close the contract at Rs 487.1/10 Kg. The contract opened at Rs 481.1/10 Kg against previous closing of Rs 480.4/10 Kg. The contract touched a high of Rs 488.2/10 Kg.

PRICE DRIVERS:

1. Firm palm oil futures at BMD
2. Declined crude soy oil CIF prices
3. Resellers remain active
4. Farmers reluctant to unload soybeans at current prices
5. Restricted selling from resellers.

Weather

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

TECHNICALS

Chart pattern indicates bullish candlestick with slight tentativeness at higher levels. Prices recouped previous loss and closed well above the short term EMA's. MACD is hovering in positive regions. Stochastic has plunged whereas RSI is recovering. Both the Volume and Open interest increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-May	478	479	481	490	494
MCX-May	477	480	481	490	493

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil May Contract:

BUY Above 484; T1 near 488 and put stop loss at 481.

MCX Refined Soy Oil May Contract:

BUY Above 485; T1 near 489 and put stop loss at 483.

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

Centres	19.04.07	18.04.07	Change
Mumbai (Soy Ref oil)+VAT	464	466	-2
Indore (Soy Ref oil)	465	456	+9
Kota (Soy Ref. Oil)+VAT	465	465	0
Hyderabad (Soy Ref)+VAT	475	470	+5
Rajkot (Soy Ref)+Tax	465	456	+9

PALM OIL

International Highlights

BMD Crude Palm oil Settled Up on Thursday

The benchmarks July contract for palm oil futures traded firm on Thursday. The contract closed at MYR 2230/ton, 70 MYR over previous closing level of MYR 2160/ton. Volumes were high at 11774 lots. The contract touched a high of MYR 2231 during trade session. Traders expect the contract to trade firm amidst low stockpiles and supply demand mismatch.

Domestic Spot Market Highlights

Weal soy futures at CBOT amidst firm palm oil futures at BMD featured trading sentiments for Thursday. Tracking overseas firmness soybean oil at NBOT too traded firm. Crude soy oil CIF prices for May shipment quoted at \$ 724 per tonne on Thursday. Rapeseed expeller oil and groundnut oil traded weak, whereas cottonseed oil traded firm taking advantage of relatively cheaper price in comparison to other available edible oils. Near term bullish prospects for palm oil is likely to provide some support to otherwise weak so futures at CBOT.

BMD: CPO Futures (19.04.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
May07	2234	2232	2299	2231	2299	+65	536
Jun.07	2192	2177	2258	2177	2255	+63	1999
Jul.07	2160	2139	2231	2139	2230	+70	11744
Aug.07	2140	2120	2205	2116	2205	+65	5334
Sep.07	2118	2107	2185	2107	2185	+67	501

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	19.04.07	18.04.07	Change
Kandla CPO (5 % FFA)	416	417	-1
Kandla RBD Palmolein +VAT	443	446	-3
Mumbai RBD Palmolein +VAT	457	456	+1
Chennai RBD Palmolein +VAT	460	460	0
Kakinada RBD Palmolein +VAT	440	435	+5
Hyderabad RBD Palmolein +VAT	457	456	+1
Delhi RDB Palmolein	485	480	+5

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	19.04.07	18.04.07	Change
Crude Soy Oil	724	738	-14
Crude Palm Oil	710	720	-10
Sunflower Oil	758	753	+5

Rape/Mustard oil

Spot market sentiments for expeller oil showed steady to weak sentiments despite firm sentiments for seeds across spot markets. Demand for oil retail end remained subdued. However, hoarding of seeds by stockists and farmers alike may induce firmness in short to medium term.

Groundnut Oil

Groundnut oil traded weak except for slight firmness in Delhi region. Rates remained range bound in Andhra region as most of the nuts have been stockpiled up with the stockists and processing units. The market seemed to have tracked general bearishness in edible oil sentiments. Harvest of groundnut is almost complete and arrivals are likely to be witnessed from next month onwards.

Refined Sunflower Oil

Refined sunflower oil traded almost range bound on steady demand/supply except for slight firmness in Hyderabad region. Sunflower seeds arrivals remained steady. CIF prices of sunflower oil for May shipment stood at \$ 758 per tonne on Thursday against Wednesday's \$753 per tonne. A hike in CIF prices was said to have firmed up rates for sunflower oil at Hyderabad.

Refined Cottonseeds Oil

The demand for cottonseed oil firmed up at most of the places on account of good demand at retail end. Preference for cottonseed oil in Saurashtra region is picking up against groundnut oil on account of pricing and good availability. 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	19.04.07	18.04.07	Change
Mumbai (Exp. Oil) +VAT	460	466	-6
Kota (Exp. Oil)+VAT	442	445	-3
Jaipur (Exp. Oil)+VAT	445	457	-12
Delhi (Exp. Oil)	455	455	0
Neewai (Exp. Oil) +VAT	447	440	+7

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	19.4.07	1804.07	Change
Mumbai +VAT	660	685	-15
Rajkot +VAT	680	685	-5
Andhra Region +VAT	690	690	0
Chennai +VAT	620	630	-10
Delhi	705	698	+7

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

Centres	19.04.07	18.04.07	Change
Mumbai +VAT	532	533	-1
Chennai +VAT	545	545	0
Hyderabad +VAT	535	525	+10

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

Centres	19.04.07	18.04.07	Change
Mumbai +VAT	465	468	-3
Hyderabad +VAT	467	464	+3
Rajkot + VAT	470	465	+5
Delhi	455	450	+5

Forex Rates

(As on 19.04.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	42.15
European Union	Euro	57.22
Japan	100 Yen	35.77
United Kingdom	Pound Sterling	84.38

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 Mangalore	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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