

## VEGOIL DAILY

April 17th, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Spot prices of refined soy oil traded on higher side on low trades activities with firmed up BMD CPO futures amidst SGS Malaysian palm oil exports estimation that rose by 29.3% during April 1-15 against same period in March and anticipation for bulk import demand from India on recent reduction of imported oil duty on CPO and RBD palmolein. As the current soy oil prices are high with improving soybeans price, crushing margin for soy oil declined that extended bullish support. CIF prices of crude soy oil for May shipment kept unchanged on Monday at \$745 per tonne.

#### FUTURES MARKET:

**NCDEX** refined soy oil most active May contract settled high on Monday. Contract opened Rs. 0.35 high at Rs. 488 per 10kg against Saturday's closing level. Soy oil futures remained weak on ideas of markets reached high in quick succession and a healthy correction is required as well as profit taking pushed markets down and market closed Rs. 2.4 down at Rs. 485.25 per 10kg against Saturday's closing level at Rs 487.65 per 10 kg.

**MCX** refined soy oil futures May contract settled weak on Monday. Soy oil futures opened Rs. 0.25 high at Rs. 486.15 per 10 kg against Saturday's closing level. Profit taking from recent rallies dragged market down and market ignored the bullish BMD CPO futures. Market closed down Rs. 0.75 at Rs. 485.15 per 10 kg as compared to Saturday's closing level at Rs. 485.9 per 10 kg.

#### PRICE DRIVERS:

1. Bullish BMD CPO futures
2. Unchanged crude soy oil CIF prices
3. Bullish support from rising mustard oil prices
4. Tapering quality soybeans stocks
5. Declining crushing margin for soy oil

#### Weather

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

#### TECHNICALS

Candlestick chart pattern shows selling at higher level after touching a fresh high of May Soy oil futures contract. Prices closed well above 9-days and 18-days EMA indicate persistent firmness in the market. MACD turned flat in positive territory. Stochastics rises while RSI made bearish crossover in neutral region. Both volume and open interest declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-May	474	477	485.25	492	494
MCX-May	475	478	485.15	492	494

#### TRADE RECOMMENDATION:

**NCDEX** Refined Soy Oil May Contract:

**BUY** Near 485; T1 near 487, T2 488 and put stop loss at 482.

**MCX** Refined Soy Oil May Contract:

**BUY** Near 485; T1 near 487, T2 488 and put stop loss at 482.

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

Centres	16.04.07	14.04.07	Change
Mumbai (Soy Ref oil)+VAT	468	468	0
Indore (Soy Ref oil)	463	460	+3
Kota (Soy Ref. Oil)+VAT	470	470	0
Hyderabad (Soy Ref)+VAT	475	475	0
Rajkot (Soy Ref)+Tax	458	457	+1

## PALM OIL

### International Highlights

#### BMD Crude Palm oil Futures Remain Firm on Monday

Prevailing bullish sentiments for demand prospective in near-term propelled crude palm oil futures at Bursa Malaysian Derivatives. CPO futures remain high of last eight and half year and closed MYR 50 up at MYR2,250 per metric tonne. Bullish sentiments also fuelled by recent India's reduction of imported oil duty on palm oil and palmolein. Bullish exports sales data release by SGS for the period of April 1-15 highlighted palm oil exports increased by 29.3%. Dwindling global sentiments for palm oil as source for biodiesel capped the gains to certain extent.

### Domestic Spot Market Highlights

Domestic palm oil markets strengthened on improved demand as well as bullish global palm oil markets. Recent reduction in duty on palm oil and palmolein boosted Indonesia and Malaysia market anticipating good demand from Indian in coming months. Expectations of more palm oil in domestic markets are likely to check the abrupt movement in domestically in near-term.

#### BMD: CPO Futures (16.04.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
May07	2255	2280	2339	2280	2303	+48	1026
Jun.07	2219	2239	2239	2307	2277	+58	6310
Jul.07	2200	2235	2288	2217	2250	+50	10837
Aug.07	2185	2216	2265	2196	2216	+31	1445
Sep.07	2156	2198	2218	2172	2192	+36	281

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	16.04.07	14.04.07	Change
Kandla CPO (5 % FFA)	424	425	-1
Kandla RBD Palmolein +VAT	452	450	+2
Mumbai RBD Palmolein +VAT	463	460	+3
Chennai RBD Palmolein +VAT	458	457	+1
Kakinada RBD Palmolein +VAT	443	445	+2
Hyderabad RBD Palmolein +VAT	457	460	-3
Delhi RDB Palmolein	470	NA	-

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

Edible Oil	16.04.07	14.04.07	Change
Crude Soy Oil	745	745	0
Crude Palm Oil	NA	NA	-
Sunflower Oil	750	750	0

### Rape/Mustard oil

Spot prices of mustard oil traded in bullish tone in domestic markets on continuous good demand. Good buying from expellers for mustard seeds anticipations for good demand in lean season extended the bullish support. Mustard oil also received bullish support to remain in sync with rising cottonseeds oil. Prevailing good demand of mustard seeds by mustard seeds is likely to produce spill over impact on mustard oil in coming days.

### Groundnut Oil

Anticipation for delay arrivals of Rabi groundnut seeds in Rajkot supported groundnut oil prices there. Suspended trade activities in rest of market resulting range bound prices of groundnut oil. As per trade sources Rabi groundnut crop size in Gujarat expected around 2 lakh tonne, which is nearly similar to last year estimation is likely to support groundnut oil prices in near-term.

### Refined Sunflower Oil

Good availability of imported and local sunflower oil eased its prices in Hyderabad market. Dull trade activities in rest of markets results range bound prices. CIF rate of sunflower oil remained unchanged on second consecutive day and quoted at \$ 750 per tonne on Monday for May shipment. Currently good and easy availability of sunflower oil in physical markets is likely to check upside movement in prices in coming days.

### Refined Cottonseeds Oil

Rising demand coupled with declining cottonseeds oil stock supported prices in domestic markets. In Rajkot markets cotton oil rose by 7.23% in last one month on shift of demand from groundnut oil. The crushing margin for cotton oil declining over last month also supported oil prices. In prevailing crushing markets with low cotton meal demand is likely to support cottonseeds oil ahead.

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

Centres	16.04.07	14.04.07	Change
Mumbai (Exp. Oil) +VAT	467	464	+3
Kota (Exp. Oil)+VAT	443	442	+1
Jaipur (Exp. Oil)+VAT	452	452	0
Delhi (Exp. Oil)	470	466	+4
Neewai (Exp. Oil) +VAT	444	444	0

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

Centres	16.04.07	14.04.07	Change
Mumbai +VAT	585	585	0
Rajkot +VAT	685	680	+5
Andhra Region +VAT	695	695	0
Chennai +VAT	610	NA	-
Delhi	695	695	0

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

Centres	16.04.07	14.04.07	Change
Mumbai +VAT	530	530	0
Chennai +VAT	545	NA	-
Hyderabad +VAT	525	535	-10

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

Centres	16.04.07	14.04.07	Change
Mumbai +VAT	472	464	+8
Hyderabad +VAT	470	465	+5
Rajkot + VAT	470	465	+5
Delhi	460	460	0

### Forex Rates

(As on 16.04.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	42.30
European Union	Euro	57.30
Japan	100 Yen	35.42
United Kingdom	Pound Sterling	84.11

## PORT-WATCH (Latest):

### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Chennai	Spring Wind	4,010	CPO	Arrived (13.04.2007)
Kolkata	Pacific Sound	9,307	CPO	Arrived (05.04.2007)
Kandla	Hari Kripa	2,000	CFA*	Expected (15.04.2007)
	Ym Earth	4,103	CDSBO	Expected (14.04.2007)
	Sanmar Majesty	5,000	Palm oil	Expected (16.04.2007)
	Havi Ocean	8,500	Palm oil	Expected (28.04.2007)
	Chemroad Echo	21,000	Palm oil	Expected (25.04.2007)
	Gemini	10,500	Palm oil	Expected (16.04.2007)
	Kamogawa-III	10,101	Palm oil	Expected (14.04.2007)
Mumbai				
New Manglore	Bow Pioneer	9,000	CPO	Arrived (11.04.2007)
	Golden Elezebeth	5,000	CPO	Expected (21.04.2007)
	Maria E	10,000	CPO	Expected (16.04.2007)

\*Crude Fatty Acid

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