

VEGOIL DAILY

April 18th, 2007

REFINED SOY OIL

SPOT MARKET:

Spot market of refined soy oil traded on weaker side on steady demand with weak BMD CPO futures on profit taking. Weak crude oil prices coupled with supportive weather conditions in Midwest pressured corn with spill over impact on CBOT soy futures on Monday. As per reports of NOPA, with in line of trade expectations of USA soybeans crushing around 4 million metric tonne (MMT) during March. Soy oil stocks on March stood at 1.33 MMT against February's stock of 1.28 MMT. CIF prices of crude soy oil for May shipment kept unchanged on third consecutive day at \$745 per tonne. Low production of palm oil in Malaysia in March month with bullish anticipation for April month is likely to support CPO futures and domestic markets.

FUTURES MARKET:

NCDEX refined soy oil most active May contract settled weak on Tuesday. Contract opened Rs. 0.95 down at Rs. 484.6 per 10kg against Monday's closing level. Weakness in BMD CPO futures and CBOT Soy oil futures reflected similarly on soy oil futures May contract and market closed Rs. 4.15 down at Rs. 481.4 per 10kg against Monday's closing level at Rs 485.55 per 10 kg.

MCX refined soy oil futures May contract settled weak on Tuesday. Soy oil futures opened Rs. 1.5 down at Rs. 484.15 per 10 kg against Monday closing level. Follow-through weakness with bearish global related commodities markets dragged market down. Market closed down Rs. 4.05 at Rs. 481.6 per 10 kg as compared to Monday's closing level at Rs. 485.65 per 10 kg.

PRICE DRIVERS:

1. Bearish BMD CPO futures and CBOT soy futures
2. Unchanged crude soy oil CIF prices
3. Resellers remain active
4. Handful of quality soybeans stocks with farmers
5. Declining crushing margin for soy oil

Weather

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

TECHNICALS

Refined soy oil chart in showing follow-through weakness. Prices closed near 9-days suggests short-term firmness in the market. MACD remained flat in positive territory. Stochastics made bearish crossover in overbought region while RSI remained weak in neutral region. Both volume and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-May	471	475	481.40	490	492
MCX-May	474	477	481.6	489	492

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil May Contract:

SELL Below 483; T1 near 481, T2 480 and put stop loss at 486.

MCX Refined Soy Oil May Contract:

SELL Below 483; T1 near 481, T2 480 and put stop loss at 486.

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

Centres	17.04.07	16.04.07	Change
Mumbai (Soy Ref oil)+VAT	468	468	0
Indore (Soy Ref oil)	459	463	-4
Kota (Soy Ref. Oil)+VAT	470	470	0
Hyderabad (Soy Ref)+VAT	475	475	0
Rajkot (Soy Ref)+Tax	458	458	0

PALM OIL

International Highlights

BMD Crude Palm oil Down on Profit Taking

Profit taking from recent rallies dragged crude palm oil futures at Bursa Malaysian Derivatives on Tuesday. Most active July contract of CPO futures dropped MYR 47 at MYR2,203 per metric tonne. Traders anticipated for underlying firmness despite today's weakness and weak fresh fundamentals. Overnight weakness of soy oil futures at CBOT pressured palm oil to move in tandem.

Domestic Spot Market Highlights

Steady demand with weak BMD CPO futures results in mixed reaction across domestic markets. Indonesia palm oil market remained firmed on low supply prospective in near-term with forecast of more rain in coming days. Market also borrowed bullish supported from rising mustard oil prices. 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 (17.04.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
May07	2303	2305	2311	2272	2286	-17	645
Jun.07	2277	2265	2275	2228	2240	-37	2318
Jul.07	2250	2238	2246	2190	2203	-47	8946
Aug.07	2216	2190	2220	2160	2176	-40	1618
Sep.07	2187	2160	2185	2135	2147	-40	407

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	17.04.07	16.04.07	Change
Kandla CPO (5 % FFA)	424	424	0
Kandla RBD Palmolein +VAT	450	452	-2
Mumbai RBD Palmolein +VAT	461	463	-2
Chennai RBD Palmolein +VAT	458	458	0
Kakinada RBD Palmolein +VAT	445	443	+2
Hyderabad RBD Palmolein +VAT	460	457	+3
Delhi RDB Palmolein	480	470	+10

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	17.04.07	16.04.07	Change
Crude Soy Oil	745	745	0
Crude Palm Oil	735	NA	-
Sunflower Oil	753	750	+3

Rape/Mustard oil

Anticipation for low production of mustard seeds supported bullish sentiments for fresh buying in domestic markets. Stockists were reported to maintain their buying for better premium in lean season. However, good demand for palm oil as compared to mustard oil supported weakness. Prevailing good demand of mustard seeds by stockists and resellers would reflect similar impact on mustard oil in coming days.

Groundnut Oil

Continuation of harvests of Rabi groundnut in Andhra Pradesh and Tamil Nadu produced mixed reaction on resellers' activity. Unchanged crop size of 2 lakh tonne for Rabi groundnut in Gujarat supported bullishness in Rajkot market. Currently higher prices of groundnut oil with cheaper cotton oil are like to pressure prices in near-term.

Refined Sunflower Oil

Steady demand with improved CIF prices supported sunflower oil to trade in bullish tone in domestic market. Weather conditions are improving for Rabi sunflower in Tamil Nadu while forecast of isolated rainfall in parts of Maharashtra produced mixed reaction. CIF rate of sunflower oil increased for May shipment at \$ 753 per tonne on Tuesday against Monday's \$750 per tonne.

Refined Cottonseeds Oil

Improved groundnut oil strengthened cotton oil in domestic markets. Few markets turned range bound on steady demand/supply while improved palm oil prices pressured cotton oil in Delhi market. Although, cottonseeds arrivals remained steady. In prevailing improving prices of edible oil is likely to support cotton oil in near-term.

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

Centres	17.04.07	16.04.07	Change
Mumbai (Exp. Oil) +VAT	468	467	+1
Kota (Exp. Oil)+VAT	445	443	+2
Jaipur (Exp. Oil)+VAT	457	452	+5
Delhi (Exp. Oil)	465	470	-5
Neewai (Exp. Oil) +VAT	445	444	+1

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	17.04.07	16.04.07	Change
Mumbai +VAT	585	585	0
Rajkot +VAT	690	685	+5
Andhra Region +VAT	690	695	-5
Chennai +VAT	615	610	+5
Delhi	695	695	0

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

Centres	17.04.07	16.04.07	Change
Mumbai +VAT	533	530	+3
Chennai +VAT	545	545	0
Hyderabad +VAT	525	525	0

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

Centres	17.04.07	16.04.07	Change
Mumbai +VAT	472	472	0
Hyderabad +VAT	470	470	0
Rajkot + VAT	472	470	+2
Delhi	457	460	-3

Forex Rates

(As on 17.04.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	41.73
European Union	Euro	56.50
Japan	100 Yen	34.97
United Kingdom	Pound Sterling	83.11

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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