

VEGOIL DAILY

April 13th, 2007

REFINED SOY OIL

SPOT MARKET:

Cabinet committee on Thursday did not take any decision to revised import duty on edible oil. Overnight firmed up CBOT and sluggish demand continued to produce mixed reaction across domestic markets. Continues improving crushing margin for soy oil coupled with sharp increased in CDSBO CIF prices in April month by \$35 cushioned the weakness to soy oil to certain extent. Wednesday bullish BMD CPO futures coupled with low rainfall than forecasted in Midwest remain supportive for corn plantation and diminished fear of lose acreage to soybean helped soy futures to firm up at CBOT. Crude soy oil CIF prices increased on second consecutive day on Thursday at \$726 per tonne against \$720 per tonne on Wednesday. Suitable weather conditions for soybeans harvest in Argentina with completion of 75% harvest in Brazil would pressure CBOT on soybeans selling.

FUTURES MARKET:

NCDEX refined soy oil most active May contract settled down on Thursday. Contract opened mere difference of Rs. 0.05 up at Rs. 482 per 10kg against Wednesday's closing level. Bearish BMD CPO futures results in weakness for soy oil futures and markets closed Rs. 1.9 low at Rs. 480.35 per 10kg to Wednesday's closing levels of 482.25 per 10 Kg.

MCX May contract of refined soy oil settled weak on Wednesday. Soy oil futures contract opened Re 1 down at Rs. 481.25 per 10kg against Wednesday' closing level. Profit taking from recent rallies and bearish BMD CPO futures results in weakness for soy oil futures and markets closed Rs. 1.9 low at Rs. 480.35 per 10kg to Wednesday's closing levels of 482.25 per 10 Kg.

PRICE DRIVERS:

1. Increased crude soy oil CIF prices
2. Nearly 75% soybeans harvest completed in Brazil
3. Bullish Overnight soy oil futures at CBOT
4. Bullish support from rising mustard oil

Weather

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

TECHNICALS

Candlestick chart pattern shown selling at higher level. The prices closed above 9-days and 18-days EMA suggest short-term firmness intact in the market. MACD is moving progressively upward in positive territory. Stochastics made bullish crossover in neutral region while RSI made bearish crossover in neutral region. Volume increased while and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-May	470	473	479.9	487	489
MCX-May	472	475	480.35	488	490

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil May Contract:

BUY Near 481; T1 near 483, T2 484 and put stop loss at 479.

MCX Refined Soy Oil May Contract:

BUY Near 479; T1 near 481, T2 482 and put stop loss at 477.

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

Centres	12.04.07	11.04.07	Change
Mumbai (Soy Ref oil)+VAT	462	460	+2
Indore (Soy Ref oil)	456	455	+1
Kota (Soy Ref. Oil)+VAT	463	463	0
Hyderabad (Soy Ref)+VAT	475	475	0
Rajkot (Soy Ref)+Tax	452	451	+1

PALM OIL

International Highlights

BMD Crude Palm oil Futures Remains Dull on Thursday

Despite firm overnight soybeans complex futures at CBOT, crude palm oil futures raised on profit taking from recent rallies at Bursa Malaysian Derivatives. On Wednesday markets touched the highs since December 1998. The most active June contract of CPO futures declined MYR 13 at MYR2,175 per metric tonne. However, dull sentiments for long-term demand aided bearishness too.

Domestic Spot Market Highlights

Palm oil prices reacted mixed across domestic markets on erratic demand. On Thursday Cabinet Committee kept unchanged imported oil duty structure on edible oil. Profit taking from recent rallies turned crude palm oil futures low at BMD. Crude palm oil CIF prices increased further on Thursday at \$690 per tonne for April shipment against Wednesday's \$680 per tonne. As many vessel is expects to fuel domestic markets would control sudden improvement on palm oil in near-term.

BMD: CPO Futures (12.04.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Apr.07	2240	2205	2205	2250	2205	-35	121
May.07	2215	2218	2225	2225	2201	-14	1762
Jun.07	2188	2192	2197	2155	2175	-13	9152
Jul.07	2166	2168	2174	2122	2150	-16	6465
Aug.07	2150	2144	2145	2110	2125	-25	160

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	12.04.07	11.04.07	Change
Kandla CPO (5 % FFA)	427	430	-3
Kandla RBD Palmolein +VAT	447	442	+5
Mumbai RBD Palmolein +VAT	452	455	-3
Chennai RBD Palmolein +VAT	455	455	0
Kakinada RBD Palmolein +VAT	445	442	+3
Hyderabad RBD Palmolein +VAT	460	460	0
Delhi RDB Palmolein	470	470	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	12.04.07	11.04.07	Change
Crude Soy Oil	726	720	+6
Crude Palm Oil	690	680	+10
Sunflower Oil	745	NA	-

Rape/Mustard oil

Despite mixed reaction on soy oil and palm oil, spot prices of mustard oil traded bullish across domestic markets on improved demand. As per official sources Nafed has procured so far 21,000-21,500 metric tonne of mustard seed. Emergence of fresh demand from Northeast part of country influenced bullishness. Begin of mustard seeds arrivals from major producing regions in Rajasthan is likely to pushed back oil price in near-term.

Groundnut Oil

Lackluster trade activities with stagnant demand cast weakness for groundnut oil in domestic markets. However, improving crushing margin for groundnut oil left unnoticed on steady to weak demand. In Rajkot markets shelled groundnut quoted at Rs. 410-415 per 20 kg with an arrivals of 15,000-20,000 bags. Currently higher prices of groundnut oil domestically results stagnant demand, which is likely to dominant in near-term.

Refined Sunflower Oil

Refined sunflower oil traded range bound on steady demand/supply. Unchanged imported oil duty structures results in dull trade activities. However, arrivals of sunflower seeds remain steady. The CIF rate of sunflower oil quoted at \$ 745 per tonne for April shipment. Traders are expecting sunflower oil is likely to remains with other vegetable oil in coming days.

Refined Cottonseeds Oil

Mixed prices for groundnut oil reflected similar reaction on refined cotton oil. However, around 28-32% cottonseeds stock is available of crushing in Rajkot markets, which would be quite sufficient for short-term demand prospective. Due to higher prices of groundnut oil, which would likely to influence cotton oil to some extent.

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

Centres	12.04.07	11.04.07	Change
Mumbai (Exp. Oil) +VAT	455	452	+3
Kota (Exp. Oil)+VAT	435	432	+3
Jaipur (Exp. Oil)+VAT	444	440	+4
Delhi (Exp. Oil)	465	456	+9
Neewai (Exp. Oil) +VAT	442	433	+9

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	12.04.07	11.04.07	Change
Mumbai +VAT	580	585	-5
Rajkot +VAT	670	665	+5
Andhra Region +VAT	695	695	0
Chennai +VAT	620	625	-5
Delhi	690	690	0

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

Centres	12.04.07	11.04.07	Change
Mumbai +VAT	532	532	0
Chennai +VAT	542	542	0
Hyderabad +VAT	535	535	0

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

Centres	12.04.07	11.04.07	Change
Mumbai +VAT	464	465	-1
Hyderabad +VAT	465	465	0
Rajkot + VAT	458	457	+1
Delhi	458	452	+6

Forex Rates

(As on 12.04.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	42.86
European Union	Euro	57.71
Japan	100 Yen	35.90
United Kingdom	Pound Sterling	84.75

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
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 (15.04.2007)
	Havi Ocean	8,500	Palm oil	Expected (22.04.2007)
	Chemroad Echo	21,000	Palm oil	Expected (25.04.2007)
	Gemini	10,500	Palm oil	Expected (15.04.2007)
Mumbai	Kamogawa-III	10,101	Palm oil	Expected (14.04.2007)
New Manglore	Bow Pioneer	9,000	CPO	Expected (11.04.2007)
	Golden Elezebeth	5,000	CPO	Expected (21.04.2007)

*Crude Fatty Acid

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