

VEGOIL DAILY

April 28th, 2007

REFINED SOY OIL

SPOT MARKET:

Refined soy oil traded in bullish tone in domestic market amidst steady demand and bullish BMD CPO futures. As per market reports, solvents units are having ample soy oil stocks but weak demand domestically impeded to unload at current prices. CBOT soy futures turned bearish Thursday amidst weakness in other grains and crude oil prices coupled lack of fund buying. The USDA weekly exports sales stood bullish for soy complex. For soybeans stood at 434,100 metric tonnes (MT) against trade expectations between 200,000-250,000 MT and soy oil sales remained at 16,600 MT as compared to trade expectation between 0-10,000 MT. The Census crush reports for March month highlighted US soybeans crushing improved and totalled at 4.21 million tons against trade expectations nearly 4.18 million tons while soybeans oil remained at 1.52 million tons as compared to trade expectations at 1.54 million tons. Crude soy oil CIF prices declined sharply on Friday at \$745 per tonne for May shipment against \$755 per tonne on Thursday.

FUTURES MARKET:

NCDEX refined soy oil most active May settled bullish on Friday. Market opened weak on overnight bearish CBOT soy futures and recouped trading BMD CPO futures. The futures opened at Rs. 480.5 per 10kg against Thursday's closing of Rs 482.3 per 10 Kg and market closed Rs. 2.6 high at Rs 484.9 per 10 Kg to yesterday closing.

MCX refined soy oil futures May contract opened at Rs 483 per 10 Kg against Thursday's closing level of Rs 484.45 per 10 Kg. Market opened weak to overcome Thursday's indecisiveness and rebound on bullish BMD CPO futures and closed at Rs. 487.1 per 10 Kg against Thursday's closing level. The contract experienced high and low of Rs 488.15 and 482.8 per 10 Kg respectively during trade-session.

PRICE DRIVERS:

- Decline in Crude soy oil CIF prices
- Bullish BMD CPO futures
- Steady demand from soy oil
- Ample stocks of soy oil with solvent units

Weather

Mainly dry weather in major growing region (except Rajasthan, where isolated rainfall in expects) would facilitate soybeans arrivals.

TECHNICALS

Refined soy oil recouped on Thursday's indecisiveness. Prices closed above 9-days and 18-days EMA, indicates short-term firmness in the markets. MACD generated bearish momentum in positive territory. Stochastics and RSI are falling in neutral region. Volume increased while open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-May	476	478	484.9	491	493
MCX-May	478	480	487.1	492	495

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil May Contract:

BUY Above 484; T1 near 487, T2 488 and put stop loss at 481.

MCX Refined Soy Oil May Contract:

BUY Above 486; T1 near 489, T2 490 and put stop loss at 483.

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

Centres	27.04.07	26.04.07	Change
Mumbai (Soy Ref oil)+VAT	466	466	0
Indore (Soy Ref oil)	462	462	0
Kota (Soy Ref. Oil)+VAT	464	463	+1
Hyderabad (Soy Ref)+VAT	478	478	0
Rajkot (Soy Ref)+Tax	470	468	+2

PALM OIL

International Highlights

BMD Crude Palm oil Futures Surge on Friday

Dull trade activities with risk take traders ahead of upcoming holidays pushed up crude palm oil market on Bursa Malaysian Derivatives on Friday. Market also generated bullish momentum amidst decline in palm oil production in April month with anticipation of an increase in exports in coming month. The most active contract of crude palm oil settled MYR 48 high at MYR2,205 per metric tonne.

Domestic Spot Market Highlights

Domestic palm oil market remained mixed amidst steady demand and bullish BMD CPO futures while Indonesian CPO market turned bearish on profit taking and selling from local firms. Palm oil market showed unsustainability at higher prices as retailers tend to shift to other cheap available options. Recent sharp upsurge in BMD CPO futures with talk of low demand by Europe is likely to pressure BMD with spill over bearishness in domestic markets in near-futures.

BMD: CPO Futures (27.04.2007)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
May07	2262	2262	2262	2320	2320	+58	394
Jun.07	2208	2211	2260	2205	2250	+42	595
Jul.07	2157	2164	2210	2157	2205	+48	3552
Aug.07	2123	2135	2185	2130	2185	+62	914
Sep.07	2100	2105	2117	2105	2117	+17	324

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	27.04.07	26.04.07	Change
Kandla CPO (5 % FFA)	422	422	0
Kandla RBD Palmolein +VAT	448	445	+3
Mumbai RBD Palmolein +VAT	456	455	+1
Chennai RBD Palmolein +VAT	458	460	-2
Kakinada RBD Palmolein +VAT	435	436	-1
Hyderabad RBD Palmolein +VAT	457	457	0
Delhi RDB Palmolein	490	490	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	27.04.07	26.04.07	Change
Crude Soy Oil	745	755	-10
Crude Palm Oil	NA	735	-
Sunflower Oil	770	758	+12

Rape/Mustard oil

Improvement in demand for mustard oil with stockists for stockpiles reflected bullishness in domestic markets. Mustard seeds arrivals were stood steady as compared to Thursday. Few markets turned range bound on balance in demand/supply. In prevailing meals demand, mustard oil prices is likely to rule steady to bearish in near-term.

Groundnut Oil

Spot prices of groundnut oil turned bearish on Friday on poor demand. Only handful of expellers was extracting groundnut oil with is more to market requirement supported bearishness. In Rajkot market, shelled groundnut quoted at 500 per 20 kg with arrivals of 10,000-12,000 bags. As groundnut oil is unable to sustain at higher prices, market may witness further weakness in near-futures.

Refined Sunflower Oil

Poor demand with weakness in other edible oil depressed refined sunflower oil prices domestically. Arrivals of sunflower seeds are remained steady in major producing regions. CIF prices of sunflower oil recouped on Thursday at \$758 per tonne for May shipment against \$749 per tonne as on Wednesday. Traders are expecting further weakness on prevailing sluggish demand with underlying bearishness in global markets

Refined Cottonseeds Oil

Weakness in groundnut oil coupled with low crushing margin pressured refined cotton oil domestically. However, demand of cottonseeds oil remained steady. Solvent plants were reported to producing cotton oil as per market need. Traders are expecting cottonseeds oil is likely to trade steady to bullish ahead on declining crushing margin for cotton oil.

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

Centres	27.04.07	26.04.07	Change
Mumbai (Exp. Oil) +VAT	468	468	0
Kota (Exp. Oil)+VAT	437	435	+2
Jaipur (Exp. Oil)+VAT	447	440	+7
Delhi (Exp. Oil)	450	450	0
Neewai (Exp. Oil) +VAT	435	432	+3

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	27.04.07	26.4.07	Change
Mumbai +VAT	570	570	0
Rajkot +VAT	670	680	-10
Andhra Region +VAT	685	685	0
Chennai +VAT	600	610	-10
Delhi	710	700	+10

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

Centres	27.04.07	26.4.07	Change
Mumbai +VAT	525	528	-3
Rajkot +VAT	535	540	-5
Andhra Region +VAT	535	535	0

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

Centres	27.04.07	26.04.07	Change
Mumbai +VAT	470	472	-2
Hyderabad +VAT	472	465	+7
Rajkot + VAT	468	466	+2
Delhi	460	458	-2

Forex Rates

(As on 27.04.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	41.07
European Union	Euro	55.84
Japan	100 Yen	34.34
United Kingdom	Pound Sterling	81.69

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Chennai	Spring Glory	4,100	CPO	Arrived (23.04.2007)
	L. Star	5,200	CPO	Arrived (25.04.2007)
Kandla	Hari Kripa	2,000	CFA	Expected (24.04.2007)
	Global Themis	10,500	CPO	Expected (27.04.2007)
	Havi Ocean	8,500	Palm oil	Expected (03.05.2007)
	Global Neptune	12,250	CPO	Expected (1.05.2007)
Mumbai	Havi Ocean	3,000	Palm oil	Expected (30.04.2007)
Kolkata	Carolina-7	5,600	CPO	Arrived (25.04.2007)

*Crude Fatty Acid

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