

## VEGOIL DAILY

April 21st, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Refined soy oil reflected bearishness in physical markets amidst sluggish demand and weak BMD CPO futures.. USDA weekly exports sales for soybeans remained firm to trade expectation at 283,500 metric tonne, soymeal sales came within trade expectation at 103,900 metric tonne and soy oil stood below but within trade expectation at 900 metric tonne. CIF prices of crude soy oil declined for May shipment on Friday stood at \$738 per tonne against \$724 per tonne on Thursday. Argentina could benefit in coming months from rising soy oil demand from both India and China amidst high palm oil CIF prices in India, which rose sharply at \$735 per tonne as on April 17 against \$650 per tonne on April 2nd.

#### FUTURES MARKET:

**NCDEX** refined soy oil most active May contract traded bearish on Friday. The futures opened at Rs. 486 per 10kg against previous closing of Rs 487.05 per 10 Kg. The May contract witnessed profit taking from previous rallies and bearishness at BMD reflected well and market closed Rs. 2.05 at Rs 485 per 10 Kg dropped to Thursday closing.

**MCX** refined soy oil futures May contract also traded weak on Friday despite firmed up soy futures at CBOT. Short covering from recent rallies and liquidation coupled with bearish BMD CPO futures forced market down and the contract at Rs 485.25 per 10 Kg. The contract opened at Rs 486.3 per 10 Kg against Thursday closing of Rs 487.3 per 10 Kg. The contract touched a high of Rs 488.7 per 10 Kg.

#### PRICE DRIVERS:

1. Bearish BMD CPO futures
2. Improved 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

Refined soy oil chart is showing indecisiveness at higher levels. Prices closed well above 9 days EMA indicating intactness of short-term firmness. MACD generated bearish momentum in positive territory. Stochastic and RSI moved showed downward movement in neutral region. Both the Volume and Open interest declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-May	474	477	485	491	493
MCX-May	475	478	485.25	492	494

#### 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 484; T1 near 486, T2 487 and put stop loss at 481.**

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

Centres	20.04.07	19.04.07	Change
Mumbai (Soy Ref oil)+VAT	463	464	-1
Indore (Soy Ref oil)	463	465	-2
Kota (Soy Ref. Oil)+VAT	465	465	0
Hyderabad (Soy Ref)+VAT	475	475	0
Rajkot (Soy Ref)+Tax	463	465	-2

## PALM OIL

### International Highlights

#### BMD Crude Palm oil Succumb on Profit taking

Below expected exports figures coupled with profit taking directed CPO futures to bearish note on Friday at Bursa Malaysian Derivatives. The most active July contract of CPO futures dropped MYR 48 at MYR2,182 per metric tonne. Friday, SGS estimated Malaysian palm oil exports for the period of April 1-20, highlighted exports increased by 32.3% at 789,644 metric tons (MT) as compared to 596,774 MT during March 1-20. Ideas of markets reached upsurge in quick succession with reluctance of traders to hold long position reacted in profit taking.

### Domestic Spot Market Highlights

Palm oil spot prices traded mixed in domestic markets on sluggish demand. However, steady Indonesian crude palm oil market on tight supply prospective in near-terms limited the weakness while BMD CPO futures tend to pushed markets down on lack of fresh fundamentals. SGS on Friday, highlighted palm oil exports during April 1-20 to India surged by 474.72% at 71,265 metric tonne against 12,400 metric tonne during same period last month. Crude soy oil CIF prices rose for May shipment at \$ 727 per tonne on Friday against Thursday's \$710 per tonne. Traders are expecting bullishness in palm oil market ahead on underlying firmness in CPO futures both in Indonesia and Malaysia.

#### BMD: CPO Futures (20.04.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
May07	2297	2290	2290	2262	2274	-23	423
Jun.07	2255	2261	2261	2177	2220	-35	1569
Jul.07	2230	2236	2299	2139	2179	-48	11453
Aug.07	2205	2215	2215	2116	2156	-49	2080
Sep.07	2183	2175	2180	2130	2135	-48	502

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	20.04.07	19.04.07	Change
Kandla CPO (5 % FFA)	423	416	+7
Kandla RBD Palmolein +VAT	448	443	+5
Mumbai RBD Palmolein +VAT	456	457	-1
Chennai RBD Palmolein +VAT	458	460	-2
Kakinada RBD Palmolein +VAT	440	440	0
Hyderabad RBD Palmolein +VAT	458	457	+1
Delhi RDB Palmolein	484	485	-1

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

Edible Oil	20.04.07	19.04.07	Change
Crude Soy Oil	738	724	+14
Crude Palm Oil	727	710	+17
Sunflower Oil	753	758	-5

### Rape/Mustard oil

Hold back of mustard seeds by farmers of Haryana and Punjab for better premium in lean season supported mustard oil prices. Stockists remain active in purchasing mustard oil at current prices induced bullishness. Demand for oil retail end improved to Thursday. Mustard seeds arrivals also declined reflected bullishness. However, hoarding of seeds by stockists and farmers alike may induce firmness in short to medium term.

### Groundnut Oil

Spot prices of groundnut oil traded mixed on sluggish demand while Hyderabad market turned range bound on steady supply/demand. Reports of shortage of oil in Delhi markets brought underlying bullishness. However, crushing margin for groundnut oil showed weakness. The market seemed to have tracked general bearishness in edible oil sentiments.

### Refined Sunflower Oil

Good availability of sunflower oil on steady demand pushed down the prices. Weakness in other edible oil dragged soy oil market down. CIF prices of sunflower oil for May shipment declined and stood at \$ 753 per tonne on Friday as compared to Thursday's \$758 per tonne. Traders are keeping close eye on development domestically and globally and expecting sunflower oil prices likely to trade in steady to bullish in coming days.

### Refined Cottonseeds Oil

The higher prices and weak demand for groundnut oil induced shift of traders' interest to cottonseeds oil. However, good demand continues to support domestic markets of cotton oil. Reports of slow release by solvent units ends extended support. As enough cottonseeds stock is available in markets to support crushing for lean season, so abrupt increase can be neglected in near futures.

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

Centres	20.04.07	19.04.07	Change
Mumbai (Exp. Oil) +VAT	471	460	+11
Kota (Exp. Oil)+VAT	445	442	+3
Jaipur (Exp. Oil)+VAT	453	453	0
Delhi (Exp. Oil)	460	455	+5
Neewai (Exp. Oil) +VAT	NA	447	-

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

Centres	20.04.07	19.4.07	Change
Mumbai +VAT	NA	660	-
Rajkot +VAT	682	680	+2
Andhra Region +VAT	690	690	0
Chennai +VAT	610	620	-10
Delhi	705	705	0

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

Centres	20.04.07	19.04.07	Change
Mumbai +VAT	528	532	-4
Chennai +VAT	540	545	-5
Hyderabad +VAT	525	535	-10

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

Centres	20.04.07	19.04.07	Change
Mumbai +VAT	472	465	+7
Hyderabad +VAT	465	467	+2
Rajkot + VAT	470	470	0
Delhi	458	455	+3

### Forex Rates

(As on 20.04.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	41.99
European Union	Euro	57.22
Japan	100 Yen	35.36
United Kingdom	Pound Sterling	84.22

## 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

#### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.