

VEGOIL DAILY

May 9th, 2007

REFINED SOY OIL

SPOT MARKET:

The spot prices of refined soy oil slightly recovered on Tuesday on improved demand to Monday while soy oil supplies continued to limit the upside movement of soy oil. Refined soy oil improved by 4.24% during April month at Rs. 467 per 10 kg as on April 30. The sharp break in corn, bearish palm oil futures and decline in crude oil prices influenced soy complex to trade low on CBOT on Monday but supportive weather conditions for corn plantation limited the weakness. The USDA weekly exports of soybeans stood at 29.78 thousand metric tons against trade expectation between 27-40.5 thousand metric tons. Traders are expecting currently higher prices of crude palm oil is likely to limit the exports from Malaysia in coming weeks and soy oil will move in tandem with palm oil as both share same market.

FUTURES MARKET:

NCDEX refined soy oil most active June contract traded bearish on Tuesday on follow-through weakness. Futures opened at Rs. 478.95 per 10kg against Monday's closing of Rs 479 per 10 Kg. Bearish BMD CPO futures and profit taking dragged the market down. Today markets generated bearish momentum and futures closed at Rs 475.3 per 10 Kg.

MCX refined soy oil futures June contract finished down on Tuesday amidst weakness in BMD CPO futures and build up sentiments for soy oil availability in the market and futures closed at Rs. 475.3 per 10 kg. The contract opened at Rs 478.6 per 10 Kg against previous closing of Rs 478.95 per 10 Kg. The contract touched a high and lows of Rs 480.35 and 475 per 10 kg respectively.

PRICE DRIVERS:

- Within trade line USDA weekly exports sales of soybeans
- Bearish BMD CPO futures
- Actively selling of soy oil by resellers
- Soybeans arrivals declined

Weather

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

TECHNICALS

Refined soy oil chart is showing follow-through weakness. Prices closed below 9-days suggests weakness in the market. MACD fall further in the positive territory. Stochastics and RSI are declining in neutral zone. Both volume and open interest increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-June	468	470	475.3	484	486
MCX-June	467	470	475.3	484	487

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil June Contract:

SELL Below 476; T1 near 474 and T2 473 and put stop loss at 480.

MCX Refined Soy Oil June Contract:

SELL Below 477; T1 near 474, T2 near 473 and put stop loss at 480.

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

Centres	08.05.07	07.05.07	Change
Mumbai (Soy Ref oil)+VAT	475	475	0
Indore (Soy Ref oil)	469	468	+1
Kota (Soy Ref. Oil)+VAT	468	468	0
Hyderabad (Soy Ref)+VAT	485	485	0
Rajkot (Soy Ref)+Tax	460	460	0

PALM OIL

International Highlights

BMD Crude Palm oil Futures Settled in Bearish Tone

Despite bullish forecast of palm oil futures by Dorab Mistry, traders preferred profit taking on Bursa Malaysian Derivatives on Tuesday. The most active July contract of CPO finished MYR7 down at MYR2,238 per tonne. As earlier forecast of tight palm oil supply in current year, sellers reluctant to loose the grip in the markets. Traders are expecting market will borrow some bullish momentum on SGS cargo exports sales estimation of palm oil for the period of May 1-10.

Domestic Spot Market Highlights

Spot prices of palm oil continued to trade bearish across domestic markets amidst sluggish demand and currently higher prices coupled with declined BMD CPO futures on Tuesday on follow-through weakness and overnight bearish CBOT soy futures. Indonesian CPO market also traded dull following bearish BMD CPO futures and under operations of government price control. The crude palm oil CIF prices declined on Tuesday at \$732 per tonne for May shipment against \$ 735 per tonne on Monday.

BMD: CPO Futures (08.05.2007)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
May07	2381	2388	2388	2377	2381	0	591
Jun.07	2293	2290	2312	2286	2305	+12	1718
Jul.07	2245	2235	2263	2223	2238	-7	6267
Aug.07	2213	2204	2230	2188	2195	-18	2013
Sep.07	2199	2200	2200	2170	2176	-23	171

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	08.05.07	07.05.07	Change
Kandla CPO (5 % FFA)	417	418	-1
Kandla RBD Palmolein +VAT	445	447	-2
Mumbai RBD Palmolein +VAT	455	458	-3
Chennai RBD Palmolein +VAT	458	461	-3
Kakinada RBD Palmolein +VAT	442	441	+1
Hyderabad RBD Palmolein +VAT	454	455	-1
Delhi RDB Palmolein	490	490	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	08.05.07	07.05.07	Change
Crude Soy Oil	745	750	-5
Crude Palm Oil	732	735	-3
Sunflower Oil	785	780	+5

Rape/Mustard oil

Mustard oil continued to trade weak on lack of fresh fundamentals and sluggish demand across domestic markets. Overall mustard seeds arrivals increased in physical market by 25,000 bags at 1.5 lakh tonne. As currently rapeseed meal demands low at port amidst less number of buyers, expellers were reduced the mustard seeds off take on expectation of further fall in prices ahead aided bearishness.

Groundnut Oil

Spot prices of groundnut oil traded most range bound in domestic markets on arrested trade activities and progress of Rabi groundnut harvest in other regions of Gujarat. Currently low crushing margins of groundnut oil and sluggish demand pressured expellers to lower their crushing. The low demand of groundnut meals in domestic markets as well as on ports aided bearishness. In the current scenario of groundnut harvest and low demand for mea, is likely to pressure oil in short-term.

Refined Sunflower Oil

Ceased refined sunflower oil demand and steady seeds arrivals stalled market on Tuesday. The CIF prices of crude sunflower oil increased by 8.33% during April month. The CIF prices of sunflower oil increased on Tuesday at \$ 785 per tonne for May shipment against \$780 per tonne on Monday. Traders are expecting in lack of fresh fundamentals and likely steadiness in soy oil would mirror similar reflection on sunflower oil ahead.

Refined Cottonseeds Oil

Weakness in other edible oil and dull trade activities favoured mixed sentiments on refined cottonseeds oil. Balance in demand and supply turned few markets range bound. However, cottonseeds arrivals remained steady. As groundnut harvest in progress in Gujarat, which could pressure cottonseeds oil there with spill over impact in other trading centres.

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

Centres	08.05.07	07.05.07	Change
Mumbai (Exp. Oil) +VAT	464	466	-2
Kota (Exp. Oil)+VAT	434	437	-3
Jaipur (Exp. Oil)+VAT	444	447	-3
Delhi (Exp. Oil)	450	450	0
Neewai (Exp. Oil) +VAT	431	433	-2

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	08.05.07	07.05.07	Change
Mumbai +VAT	630	630	0
Rajkot +VAT	670	670	0
Andhra Region +VAT	685	685	0
Chennai +VAT	595	600	-5
Delhi	680	680	0

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

Centres	08.05.07	07.05.07	Change
Mumbai +VAT	525	525	0
Chennai +VAT	535	535	0
Hyderabad +VAT	535	535	0

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

Centres	08.05.07	07.05.07	Change
Mumbai +VAT	475	478	-3
Hyderabad +VAT	475	472	+3
Rajkot + VAT	464	464	0
Delhi	460	460	0

Forex Rates

(As on 08.05.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.78
European Union	Euro	55.53
Japan	100 Yen	34.01
United Kingdom	Pound Sterling	81.34

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Havi Ocean	8,500	Palm oil	Expected (03.05.2007)
	S C Shangahi	11,780	CPO	Expected (30.04.2007)
	Hari Kripa	2,000	CFA	Expected (01.05.2007)
	Global Neptune	12,250	CPO	Expected (01.05.2007)
	Fairchem Pegasus	11,060	CPO	Expected (04.05.2007)
Mumbai	Liquid Fortune	10,300	Palm oil	Arrived (03.05.2007)
	Golden Express	2,000	Palm oil	Arrived (08.05.2007)
Kolkata	Global Venus	8,400	CPO	Arrived (07.05.2007)
	Sima Kazee	9,300	CPO	Arrived (05.05.2007)

*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.