

VEGOIL DAILY

May 17th, 2007

REFINED SOY OIL

SPOT MARKET:

Refined soy oil continued to trade bearish on sluggish demand and reseller's activities to increased soy oil influx prior to easy availability of imported soy oil. As per media sources, a trading company (India-based) is likely to import 15,000 tonnes crude soybean oil from South America at CIF cost of \$755 per metric tonne. However, BMD CPO futures firmed up amidst prospect of tight supply of palm oil ahead and traders preferred to hold their stocks. In Argentina 66% of soybeans harvest has completed as on May 10 as compared to 81% an same data last year. The shipment will likely to arrivals June end or first week of July. The crude soy oil CIF prices remained unchanged on Wednesday at \$775 per tonne for June shipment against \$775 per tonne as on Tuesday. Traders are keeping closing eye over the imported oil parity, that would propel the market ahead.

FUTURES MARKET:

Despite firmed up BMD CPO futures, **NCDEX** most active refined soy oil June contract traded weak on follow-through weakness. The contract opened at Rs. 479.45 per 10 kg against previous closing of Rs 478.15 per 10 Kg. Contract settled down at Rs 477.5 per 10 Kg.

The **MCX** refined soy oil June contract traded bearish on follow-through selling and weak physicals. The contract opened at Rs. 479.5 per 10 kg against previous closing of Rs 478.3 per 10 Kg. Contract finished low at Rs 477.6 per 10 Kg.

PRICE DRIVERS:

- Bullish overnight CBOT soy complex futures
- 66% of soybeans harvest completed in Argentina as on May 10
- Appreciating rupee v/s dollar
- Reseller's activities to unload soy oil at cheaper prices
- Weak demand of soymeal both at ports and domestically

Weather

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

TECHNICALS

Candlestick pattern shows follow-through bearishness. MACD and EMA indicate strong bearish trends. Stochastic attempts to make bearish crossover in neutral region and RSI fall in neutral region. Both volume and open interest increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-June	471	473	477.5	483	485
MCX-June	473	475	477.6	482	484

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil June Contract:

SELL Below 479; T1 near 477 and T2 at 476 and put stop loss at 481.

MCX Refined Soy Oil June Contract:

SELL Below 479; T1 near 477, T2 near 476 and put stop loss at 481.

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

Centres	16.05.07	15.05.07	Change
Mumbai (Soy Ref oil)+VAT	462	465	-3
Indore (Soy Ref oil)	468	468	0
Kota (Soy Ref. Oil)+VAT	460	460	0
Hyderabad (Soy Ref)+VAT	480	480	0
Rajkot (Soy Ref)+Tax	455	455	0

PALM OIL

International Highlights

BMD CPO futures Settle Firm on Wednesday

Despite bullish exports data CPO futures remained bullish on Bursa Malaysian Derivatives on Wednesday amidst concern of tight supply prospects. The most active August contract for palm oil futures rose by MYR27 at MYR2,323 per tonne. The palm oil producers were reluctant to sell-off on anticipation of further increase in prices ahead. Palm oil market also borrowed bullish momentum from overnight firmed up CBOT soy futures.

Domestic Spot Market Highlights

Domestic palm oil market improved in domestic markets on steady demand and bullish BMD CPO futures. While in Indonesia, crude palm oil prices fall amidst lackluster trade activities. The crude palm oil CIF prices dropped on Wednesday at \$ 750 per tonne as compared to 765 per tonne on Tuesday for June shipment. Traders expect that supply squeeze for palm oil is likely to keep prices steady to firm in medium term. Pressure of imported oils namely palms and soy oil is likely to pressure domestic prices further.

BMD: CPO Futures (16.05.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jun 07	2438	2470	2486	2462	2476	+38	484
Jul 07	2346	2356	2398	2356	2388	+42	3630
Aug 07	2296	2308	2343	2307	2323	+27	8815
Sep 07	2269	2279	2310	2278	2295	+26	2960
Oct 07	2241	2280	2291	2275	2280	+39	77

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	16.05.07	15.05.07	Change
Kandla CPO (5 % FFA)	417	416	+1
Kandla RBD Palmolein +VAT	444	436	+8
Mumbai RBD Palmolein +VAT	458	453	+5
Chennai RBD Palmolein +VAT	461	460	+1
Kakinada RBD Palmolein +VAT	446	444	+2
Hyderabad RBD Palmolein +VAT	463	465	-2
Delhi RDB Palmolein	490	490	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	16.05.07	15.05.07	Change
Crude Soy Oil	775	775	0
Crude Palm Oil	750	765	-15
Sunflower Oil	814	NA	-

Rape/Mustard oil

Despite firmed up mustard seeds prices, mustard oil continued to trade bearish on sluggish demand and weakness in other vegetable oil. Expellers units restricted fresh buying of mustard seeds until imported oil land in the markets. Mustard seeds arrivals plummeted in domestic market by 1 lakh from previous 1.25 lakh bags. Traders are keeping closing eye over the imported oil parity, that would propel the market ahead.

Groundnut Oil

On Wednesday, groundnut oil trade range bound on balance in demand and supply. Due to currently higher prices of groundnut oil, buyers stepped back. Stockists and expellers are expects to speed up their groundnut seeds demand on anticipation of an increase in groundnut seeds arrivals pressure ahead. As current weather is suitable for groundnut harvest, oil prices are expects to fall in major trading centers is likely ahead.

Refined Sunflower Oil

Refined soy oil prices increased in major trading centers on improved demand and increased CIF prices. CIF prices has crossed \$800 per tonne and on Wednesday, quoted at \$ 814 per tonne for June shipment. The weak demand for sunflower meals limited the gains of sunflower oil. As per market observers, the demand for sunflower oil at retail end continues to remain firm on local preference and price advantage over substitute available oils in South India.

Refined Cottonseeds Oil

Refined cottonseeds oil dropped further on poor demand and pressure from weakness in soy oil domestically and globally. It is expected that the crop area would increase by 4% to 2.5 million hectares in this cotton year in Gujarat, according to the Gujarat State Co-operative Cotton Federation Ltd. According to traders, cottonseeds oil prices are likely to fall further to move in tandem with imported soy oil.

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

Centres	16.05.07	15.05.07	Change
Mumbai (Exp. Oil) +VAT	466	467	-1
Kota (Exp. Oil)+VAT	435	435	0
Jaipur (Exp. Oil)+VAT	445	445	0
Delhi (Exp. Oil)	457	460	-3
Neewai (Exp. Oil) +VAT	438	438	0

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	16.05.07	15.05.07	Change
Mumbai +VAT	645	645	0
Rajkot +VAT	675	675	0
Andhra Region +VAT	680	680	0
Chennai +VAT	610	610	0
Delhi	690	690	0

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

Centres	16.05.07	15.05.07	Change
Mumbai +VAT	535	535	0
Chennai +VAT	545	540	+5
Hyderabad +VAT	545	540	+5

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

Centres	16.05.07	15.05.07	Change
Mumbai +VAT	473	473	0
Hyderabad +VAT	477	478	-1
Rajkot + VAT	465	466	-1
Delhi	454	455	-1

Forex Rates

(As on 16.05.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.84
European Union	Euro	55.56
Japan	100 Yen	33.97
United Kingdom	Pound Sterling	81.13

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Maersk Bristol	12,000	CDSBO	Expected (17.05.2007)
	M.T. Gem of Dahej	9,200	CPO	Expected (20.05.2007)
	M.T. Integrity	15,000	CDSBO	Expected (20.05.2007)
	M.T.Purvati	18,500	CDSBO	Expected (18.05.07)
Mumbai	Samho Heron	8,000	CPO	Expected (15.05.2007)
Tuticorin	Star Dust	8,200	Palm oil	Expected (16.05.2007)
	Spring Wind	4,100	Palm oil	Expected (19.05.2007)

*Crude Fatty Acid

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