

VEGOIL DAILY

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REFINED SOY OIL

SPOT MARKET:

Refined soy oil prices recover further on Friday following bullish BMD CPO futures on recent bullish exports figures and steady demand across domestic markets. As per media sources, the imported soy degum oil contract for May 20-25 shipments stood nearly at Rs. 432 per 10 kg. The USDA Weekly exports sales for soy complex stood within trade line; soybeans sales totalled at 204,200 metric tonne (MT) against trade expectation between 200,000-350,000 MT, meal sales stood at 84,700 MT against trade expectation between 75,000-125,000 MT while soy oil sales remained at 5,900 MT against trade expectation between 0-30,000 MT. The crude soy oil CIF prices increased on Friday at \$758 per tonne for May shipment against \$753 per tonne as on Thursday. In coming days, soy oil is likely to gather bullishness momentum in overseas markets amidst restricted soybeans exports from Brazil on weak dollar and fading fear of switching corn acreage to soybeans.

FUTURES MARKET:

NCDEX refined soy oil most active June contract settled marginally high to Thursday closing level. Market rose on the bullish support of BMD CPO futures but fears of increase supply in after mid May capped the gains and market closed on Rs. 480.25 per 10 kg. Contract opened at Rs. 480 per 10kg against previous closing level of Rs 479 per 10 Kg.

MCX refined soy oil futures June contract finished up on Friday on bullish BMD and CBOT soy oil futures and market closed at Rs. 480.8 per 10 kg. The contract opened at Rs 481.2 per 10 Kg against Thursday's closing of Rs 479.65 per 10 Kg. The contract touched a high and lows of Rs 483.1 and 480.65 per 10 kg respectively.

PRICE DRIVERS:

- Bullish BMD CPO futures
- Within trade line USDA weekly exports sales of soy complex
- Appreciating rupee V/s dollar
- Depleting crude palm oil stocks with Malaysia in April month
- Sluggish demand of soymeals at ports

Weather

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

TECHNICALS

Refined soy oil chart is showing insustainability at high prices. Prices fell into 2nd half on profit taking and closed above the short term and medium term EMA's suggests short-term firmness in the market. MACD fall in the positive territory. Stochastic attempt to make bullish crossover in neutral zone whereas RSI moved up. Volume increased while Open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-June	472	474	480.25	485	487
MCX-June	472	474	480.8	486	487

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil June Contract:

BUY Above 479; T1 near 482 and T2 near 483 and put stop loss at 477.

MCX Refined Soy Oil June Contract:

BUY Above 480; T1 near 483, T2 near 484 and put stop loss at 478.

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

Centres	11.05.07	10.05.07	Change
Mumbai (Soy Ref oil)+VAT	475	472	+3
Indore (Soy Ref oil)	468	465	+3
Kota (Soy Ref. Oil)+VAT	468	NA	0
Hyderabad (Soy Ref)+VAT	485	485	0
Rajkot (Soy Ref)+Tax	460	460	0

International Highlights

BMD Crude Palm oil Futures Establish Firm on Friday

Despite dull trades activities crude palm oil futures remained bullish on Friday on Bursa Malaysian Derivatives amidst recent bullish exports data by SGS and Malaysian palm oil Board. The most active July contract of CPO futures finished marginally MYR5 up at MYR2,325 per tonne. However, market lack fresh fundaments and most of the players were stayed away but anticipation for tight supply in nearby futures supported the prices.

Domestic Spot Market Highlights

Palm oil prices improved in domestic markets on steady demand and bullish BMD CPO futures on recent bullish exports data. Recent rise in cooking oil in Indonesia forces government to control palm oil prices and resulted low trade activities. According to recent DGFT notification, India can now import 3,12,500 metric tons of vanaspati (including bakery shortening and margarine) from Sri Lanka under Indo-Sri Lanka Trade agreement as compared to previous 2,50,000 metric tons. Tapering palm oil stocks in Malaysian with underlying bullishness at CBOT and currently higher spot prices domestically would produce mixed reaction ahead.

BMD: CPO Futures (11.05.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
May07	2450	2450	2480	2450	2470	+20	24
Jun.07	2387	2391	2423	2391	2400	+13	1188
Jul.07	2320	2327	2351	2323	2325	+5	11913
Aug.07	2260	2269	2300	2252	2275	+15	8378
Sep.07	2243	2255	2271	2243	2257	+14	1198

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	11.05.07	10.05.07	Change
Kandla CPO (5 % FFA)	417	415	+2
Kandla RBD Palmolein +VAT	445	445	+2
Mumbai RBD Palmolein +VAT	457	452	+5
Chennai RBD Palmolein +VAT	458	458	0
Kakinada RBD Palmolein +VAT	444	442	+2
Hyderabad RBD Palmolein +VAT	457	457	0
Delhi RDB Palmolein	490	490	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	11.05.07	10.05.07	Change
Crude Soy Oil	758	753	+5
Crude Palm Oil	NA	NA	-
Sunflower Oil	779	777	+2

Rape/Mustard oil

On Friday, mustard oil traded in bullish tone amidst steady demand. Few markets remained range bound balance in demand and supply. However, weak demand of rapeseeds meal in domestic market pulled the gains to certain extent. As per market observers, Nafed has procured nearly 60,000 tonne of mustard seeds so far. In weak rapemeal demand with low interest of stockists for stockpiling is likely to remain a bearish factor for oil in coming days.

Groundnut Oil

Groundnut oil prices improved in domestic markets on improved demand and slow harvest progress in Gujarat. Resellers on fall short of sudden fall in groundnut oil prices stalled the supply. In Rajkot market shelled groundnut quoted at Rs. 490-500 per 20 with arrivals of 10,000-12,000 bags. In the current scenario of groundnut harvest and low demand for meal, oil prices are likely to fall in short-term.

Refined Sunflower Oil

Costlier crude sunflower oil in Hyderabad market induced refined oil to trade bullish in major trade centers. The CIF prices of sunflower oil increased on Friday at \$ 779 per tonne for May shipment against \$777 per tonne on Thursday. Current underlying weakness in other edible oil is likely to pressure refined sunflower oil in coming days.

Refined Cottonseeds Oil

On Friday, cottonseeds oil tracked the gains of groundnut oil and remained firm. The low demand of cotton meal remained ignored on improved oil demand. Cottonseeds arrivals remained steady. Currently low crushing margins with weakness in other vegetable oil are like to pressure cotton oil in short-term.

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

Centres	11.05.07	10.05.07	Change
Mumbai (Exp. Oil) +VAT	462	461	+1
Kota (Exp. Oil)+VAT	431	431	0
Jaipur (Exp. Oil)+VAT	441	441	0
Delhi (Exp. Oil)	455	450	+5
Neewai (Exp. Oil) +VAT	428	428	0

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	11.05.07	10.05.07	Change
Mumbai +VAT	630	625	+5
Rajkot +VAT	670	665	+5
Andhra Region +VAT	685	685	0
Chennai +VAT	600	590	+10
Delhi	680	680	0

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

Centres	11.05.07	10.05.07	Change
Mumbai +VAT	525	520	+5
Chennai +VAT	540	535	+5
Hyderabad +VAT	545	545	0

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

Centres	11.05.07	10.05.07	Change
Mumbai +VAT	475	472	+3
Hyderabad +VAT	478	478	0
Rajkot + VAT	464	462	+2
Delhi	453	453	0

Forex Rates

(As on 11.05.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	41.34
European Union	Euro	55.74
Japan	100 Yen	34.49
United Kingdom	Pound Sterling	81.81

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	M.T. Integrity	8,000	CPO	Arrived (09.05.2007)
	Chemstar Seven	20,000	CPO	Expected (10.05.2007)
	Global Eros	11,059	CPO/CPS/PFAD	Expected (13.05.2007)
	Maersk Britol	12,000	CDSBO	Expected (16.05.2007)
	Hari Kripa	2,000	CFA*	Expected (10.05.2007)
	M.T. Gem of Dahej	9,200	CPO	Expected (20.05.2007)
	M.T. Integrity	15,000	CDSBO	Expected (20.05.2007)
Mumbai	Samho Heron	8,000	CPO	Expected (15.05.2007)
Tuticorin	Star Dust	8,200	Palm oil	Expected (14.05.2007)

*Crude Fatty Acid

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