

VEGOIL DAILY

May 21st, 2007

REFINED SOY OIL

SPOT MARKET:

Fears of oversupplies of imported edible oil with subdued domestic demand results refined soy oil prices traded on softer side on weekend. During May, June and July nearly 1.75 million metric tons of imported edible oil is expected to hit the Indian market. Out of huge quantity just few vessels have arrived at ports carrying CPO, Palm oil and CDSBO. During the weekly CBOT remained firmed amidst strong exports demand, fears of reduce soybeans plantation, bright prospects for biodiesel pulled soybeans prices up as well market gathered firm support from rise in palm oil and crude oil. On the other hand news of Brazil would not increase soybeans plantation in next year on strengthening Brazilian real, aided support to the market. The crude soy oil CIF prices increased on Saturday for June shipment at \$786 per tonne as compared to \$780 per tonne as on Friday.

FUTURES MARKET:

NCDEX most active refined soy oil June contract settled down on selling pressure and fear is over supplies in coming days. The contract open weak at Rs. 477.15 per 10 kg against previous closing of Rs 476.85 per 10 Kg and contract closed down at Rs 473.7 per 10 Kg.

MCX refined soy oil June contract settled weak on Saturday on lack of fresh fundamentals and arrivals of few vessels at ports carrying CPO And CDSBO. Futures open at Rs. 477.4 per 10 kg against previous closing of Rs 477.65 per 10 Kg. Contract finished down at Rs 475 per 10 Kg.

PRICE DRIVERS:

- Mixed CBOT soy futures
- Huge quantity of imported edible oil is expecting in coming month
- Crude soy oil CIF prices increased
- Pressure from low mustard oil
- Appreciating rupees v/s dollar

Weather

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

TECHNICALS

Refined soy oil chart patterns are indicates follow-through bearishness. Prices closed below short and medium term EMA indicates medium-term bearishness. MACD penetrated into negative zone. Stochastic continues to fall in the neutral zone. RSI drop further and attempt to enter oversold region. Volume declined significantly while open interest increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-June	466	468	473.7	481	483
MCX-June	468	470	475	480	482

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil June Contract:

SELL Near 475; T1 near 472 and T2 near at 471 and put stop loss at 478.

MCX Refined Soy Oil June Contract:

SELL Near 476; T1 near 474, T2 near 473 and put stop loss at 479.

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

Centres	19.05.07	18.05.07	Change
Mumbai (Soy Ref oil)+VAT	460	460	0
Indore (Soy Ref oil)	462	462	0
Kota (Soy Ref. Oil)+VAT	460	460	0
Hyderabad (Soy Ref)+VAT	485	485	0
Rajkot (Soy Ref)+Tax	455	455	0

PALM OIL

International Highlights

BMD CPO futures Remained Closed on Saturday.

Domestic Spot Market Highlights

Domestic palm oil market continues to rule on firmer side on steady demand. Fear of oversupplies of imported edible oil ahead continues to limit the gains in physical market. During the week BMD CPO futures remained firm had underlying bullish support to domestic markets. The crude palm oil CIF prices quoted at \$770 per tonne for June shipment on Saturday. As currently few vessels are arrived at ports and many others are expected to fuel in near-term is likely to control upwardly prices movement of palm oil prices in coming days.

BMD: CPO Futures (18.05.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jun 07	2480	2490	2528	2484	2515	+35	666
Jul 07	2393	2407	2445	2403	2428	+35	3201
Aug 07	2333	2350	2382	2342	2370	+37	6084
Sep 07	2293	2316	2343	2308	2330	+37	978
Oct 07	2271	2310	2330	2310	2308	+37	2

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	19.05.07	18.05.07	Change
Kandla CPO (5 % FFA)	420	417	+3
Kandla RBD Palmolein +VAT	443	443	0
Mumbai RBD Palmolein +VAT	452	452	0
Chennai RBD Palmolein +VAT	461	460	+1
Kakinada RBD Palmolein +VAT	444	447	-3
Hyderabad RBD Palmolein +VAT	465	465	0
Delhi RBD Palmolein	490	490	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	19.05.07	18.05.07	Change
Crude Soy Oil	786	780	+6
Crude Palm Oil	770	NA	-
Sunflower Oil	825	817	+8

Rape/Mustard oil

Due to Saturday, trade activities remained low and mustard oil traded range bound on balance in demand and supply. Stockists preferred to stay away from markets on expectations of mustard seeds prices would drop further. Demand for rapeseeds meals improved marginally in domestic markets and in ports. In prevailing conditions of holding back seeds and weakness in edible oil, mustard oil prices are likely to react mixed in approaching days.

Groundnut Oil

Groundnut oil drops further in Rajkot market on arrivals pressure, which remain closed to yesterday's range (25,000-30,000 bags) at prices of Rs. 490-500 per 20 kg. The steady prices in other edible oil, with selective buying on groundnut oil supported prices to remained range bound. As per trade sources, groundnut harvest is nearly 10% has been completed in Gujarat region. The low demand of groundnut meals helped oil prices to remain steady.

Refined Sunflower Oil

Refined sunflower oil turned range bound from Friday's weakness. Sunflower seeds arrivals remained steady on Saturday. The CIF prices of sunflower oil increased on second consecutive day at \$825 per tonne as compared to \$817 for June shipment on Friday. As per trade sources, refined sunflower oil is likely to trade steady to bullish on limited oil inventories stocks in the market.

Refined Cottonseeds Oil

Spot prices of refined cottonseeds oil remained weak domestically on sluggish demand and lack of fresh fundamentals. However, cotton sowing has begun in Saurashtra region, which is expects to pace ahead. According to trade sources, cottonseeds oil is likely to trade steady to bearish ahead amidst low demand of cotton meals in domestic markets.

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

Centres	19.05.07	18.05.07	Change
Mumbai (Exp. Oil) +VAT	460	460	0
Kota (Exp. Oil)+VAT	430	430	0
Jaipur (Exp. Oil)+VAT	442	442	0
Delhi (Exp. Oil)	460	458	+2
Neewai (Exp. Oil) +VAT	433	433	0

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	19.05.07	18.05.07	Change
Mumbai +VAT	645	645	0
Rajkot +VAT	660	665	-5
Andhra Region +VAT	680	680	0
Chennai +VAT	630	630	0
Delhi	695	690	+5

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

Centres	19.05.07	18.05.07	Change
Mumbai +VAT	530	530	0
Chennai +VAT	547	547	0
Hyderabad +VAT	545	545	0

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

Centres	19.05.07	18.05.07	Change
Mumbai +VAT	472	473	-1
Hyderabad +VAT	475	475	0
Rajkot + VAT	463	464	-1
Delhi	455	455	0

Forex Rates

(As on 19.05.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.90
European Union	Euro	55.06
Japan	100 Yen	33.77
United Kingdom	Pound Sterling	80.79

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Maersk Bristol	12,000	CDSBO	Berthed (18.05.2007)
	Gem of Dahej	9,200	CPO	Expected (21.05.2007)
	Hari Kripa	2,000	CFA**	Expected (21.05.2007)
	Integrity	15,000	CDSBO	Expected (22.05.2007)
Mumbai	Samho Heron	8,000	CPO	Arrived (15.05.2007)
	Madura	4,550	PFAD*	Arrived (18.05.2007)
	Global Neptune	5,950	CPO	Expected (22.05.2007)
	Star Dream	4,000	Palm oil	Expected (27.05.2007)
Tuticorin	Star Dust	8,200	Palm oil	Arrived (16.05.2007)
	Spring Wind	4,100	Palm oil	Arrived (18.05.2007)
New Manglore	Global Neptune	6,400	CPO	Expected (19.05.2007)
Kolkata	Zhong Hua-7	6,500	CPO	Expected (19.05.2007)

*Palm Fatty Acid Distillate

**Crude Fatty Acid

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