

VEGOIL DAILY

May 29th, 2007

REFINED SOY OIL

SPOT MARKET:

Spot prices of refined soy oil traded bearish on weak demand and active unloading by resellers in domestic market. BMD CPO futures cautiously moving up amidst fear of sustainability at current level to high level helped support to domestic market. However uptrend remains intact in Malaysia palm oil amidst weak production, expectation of good demand and tapering stocks. As per media and trade sources, Malaysian palm oil stocks in May end is expecting at 1.07 million tonnes from 1.18 million tonnes in April end. The crude soy oil CIF prices for June shipment remained unchanged on Monday at \$811 per tonne. Indonesia government is unwilling to hike the exports taxes on palm oil as price control operation is likely to extend to June month to quell prices movement.

FUTURES MARKET:

The most active contract of refined soy oil at **NCDEX** settled marginally weak on Monday amidst profit-taking and fading prospect of supply shortage. Bullish BMD CPO futures limited the fall. The futures opened weak at Rs. 480.1 per 10 kg against previous close of Rs 480.75 per 10 Kg. Contract finished up at Rs 480.7 per 10 Kg.

MCX refined soy oil June contract ended marginally up on Monday on increase in selling pressure and profit taking. Traders suspects for supply shortage in near-futures pushed down market but market managed bullish support from BMD CPO futures. The contract opened slightly firmed at Rs. 480.2 per 10 kg against yesterday's closing of Rs 480.1 per 10 Kg and contract closed up at Rs 480.3 per 10 Kg.

PRICE DRIVERS:

- Bullish BMD CPO futures
- Appreciating rupees v/s dollar
- Low crushing margins for soy oil
- Delay vessels carrying crude soy oil
- Dwindling palm oil stocks in Malaysia and Indonesia with weak production

Weather

Weather in a major concerns, since soybeans season come to end.

TECHNICALS

Candlesticks chart pattern indicates selling pressure at higher level. MACD is rising in negative territory. Prices closed above short and medium term EMA indicates short-term firmness in the market. Stochastic is rising in neutral region. While RSI is falling in neutral zone. Market is expected to trades on softer side with steady to slightly weak opening. Volume increased significantly while open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-June	473	475	480.7	484	485
MCX-June	474	475	480.3	484	485

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil June Contract:

SELL Near 481; T1 near 478 and T2 near at 477 and put stop loss at 482.5.

MCX Refined Soy Oil June Contract:

SELL Near 481; T1 near 478 and T2 near at 477 and put stop loss at 482.5.

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

Centres	28.05.07	26.05.07	Change
Mumbai (Soy Ref oil)+VAT	460	460	0
Indore (Soy Ref oil)	462	462	0
Kota (Soy Ref. Oil)+VAT	456	457	-1
Hyderabad (Soy Ref)+VAT	475	485	-10
Rajkot (Soy Ref)+Tax	455	455	0

International Highlights**BMD CPO Futures Surge Further on Monday**

Fears of supplies shortage with bullish prospects for exports demand keep uptrend intact in crude palm oil at Bursa Malaysian Derivatives on Monday. The most active August futures contract ended high above psychological barrier of MYR2,500 per tonne by MYR37 high at MYR2,535 per tonne. The near month June contract finished at MYR2,676 per tonne. During the current month crude palm oil price has been escalated by 15% while the production is likely to fall.

Domestic Spot Market Highlights

Fears of supply shortage and bullish overseas markets of related commodities helped support domestic palm oil market. Indonesia crude palm oil traded dull on Monday as traders were stayed away. Indonesian government may extend prices control operation to June month while the low production, expectation of good exports demand and tight supply propelled BMD CPO futures. The crude palm oil CIF prices for June shipment remained unchanged on Monday at \$805 per tonne. As per market sources, squeezing supplies is expecting to contribute bullishness in Malaysian palm oil market with similar reflection in domestic market.

BMD: CPO Futures (28.05.2007)**(Ringgit/ton)**

Months	Previous	Open	High	Low	Close	Change	Volume
Jun 07	2620	2629	2676	2626	2676	+56	194
Jul 07	2563	2565	2620	2565	2615	+52	2342
Aug 07	2498	2504	2560	2503	2535	+37	10507
Sep 07	2470	2474	2524	2465	2508	+38	5106
Oct 07	2440	2480	2490	2480	2490	+50	57

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price**(Rs. Per 10 kg)**

Centres	28.05.07	26.05.07	Change
Kandla CPO (5 % FFA)	425	424	+1
Kandla RBD Palmolein +VAT	450	448	+2
Mumbai RBD Palmolein +VAT	460	460	0
Chennai RBD Palmolein +VAT	470	468	+2
Kakinada RBD Palmolein +VAT	454	452	+2
Hyderabad RBD Palmolein +VAT	474	470	+4
Delhi RDB Palmolein	490	490	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	28.05.07	26.05.07	Change
Crude Soy Oil	811	811	0
Crude Palm Oil	805	805	0
Sunflower Oil	867	867	0

Rape/Mustard oil

Spot prices of mustard oil traded in bullish note in domestic markets amidst steady demand. As current prices are stalled from last few days, stockists stayed away from market from aggressive buying. However, realization of rapeseed meals and oil, are supporting seeds crushing by expellers, which limits the upside movement. As currently steady demand from other states with ample crushing are likely to support steadiness in the market ahead.

Groundnut Oil

Groundnut oil prices remained in bullish tone in domestic markets amidst limited stocks with stalled demand. Chennai markets improved a little on tight supplies. As per market observers, expellers are waiting for groundnut seeds prices to drop in order to increase demand. Currently only handful of expellers are working even prevailing poor realization against meal and oil. The good demand of HPS groundnut seeds from importing nations would cut quality seeds for crushing, in turn supports oil prices ahead in coming days.

Refined Sunflower Oil

Spot prices of refined sunflower oil traded almost range bound domestically on balance in demand and supply and dull trade activities. The CIF prices of sunflower oil for June shipment remained unchanged on Monday at \$867 per tonne. Prospects of depleting oil inventories in domestic as well as in overseas markets would aid constantly bullish support on refined sunflower oil.

Refined Cottonseeds Oil

Slight improved demand with bullish rival palm oil fuelled refined cottonseeds oil in major trading centres. As monsoon has hit the **Kerala** that would spread further in south and central India. The cotton crop is usually planted in May end and June, and proper rainfall would support cotton plantation. As cottonseeds oil and groundnut oil share same market, which is likely to move in tandem in approaching days.

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

Centres	28.05.07	26.05.07	Change
Mumbai (Exp. Oil) +VAT	466	466	0
Kota (Exp. Oil)+VAT	432	432	0
Jaipur (Exp. Oil)+VAT	442	442	0
Delhi (Exp. Oil)	463	462	+1
Neewai (Exp. Oil) +VAT	432	432	0

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	28.05.07	26.05.07	Change
Mumbai +VAT	665	665	0
Rajkot +VAT	685	685	0
Andhra Region +VAT	685	680	+5
Chennai +VAT	640	632	+8
Delhi	695	695	0

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

Centres	28.05.07	26.05.07	Change
Mumbai +VAT	535	535	0
Chennai +VAT	550	550	0
Hyderabad +VAT	550	550	0

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

Centres	28.05.07	26.05.07	Change
Mumbai +VAT	471	468	+3
Hyderabad +VAT	475	473	+2
Rajkot + VAT	468	467	+1
Delhi	455	455	0

Forex Rates

(As on 28.05.07)

Country/ Continent	Currency	Value In Rupees
USA	Dollar	40.53
European Union	Euro	54.52
Japan	100 Yen	33.32
United Kingdom	Pound Sterling	80.41

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Star Dream	6,000	Palm oil	Expected (01.06.2007)
	Sichem Edinburgh	12,000	PFAD*	Expected (27.05.2007)
	Neveska Lady	26,340	CDSB 0	Expected (26.05.2007)
Mumbai	Star Dream	4,000	Palm oil	Expected (30.05.2007)
Tuticorin	Chem Baltic	3,780	Palm oil	Expected (27.05.2007)
New Manglore	Eastern Daisis	7,500	SBO	Expected (02.06.2007)
Mundra	MT Nogogini	10,500	CPO/PFAD*	Expected (27.05.2007)
	Champion Bralii	23,600	DSBO	Expected (27.05.2007)
Kolkata	Sima Kazee	9,215	CPO	Arrived (24.05.2007)

***Palm Fatty Acid Distillate**

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