

VEGOIL DAILY

May 7th, 2007

REFINED SOY OIL

SPOT MARKET:

On Saturday, refined soy oil trade in bearish tone on sluggish demand. Resellers were actively released refined soy oil in the market on apprehension of easy availability of imported soy oil after mid May. Both corn and soybeans are soaring high in overseas markets and moving in tandem amidst rising ethanol demand, according to media sources trading prices of corn and soybeans has been risen sharply by 30-50% in comparison to year levels. While delay corn plantation in US remained favorable for soybeans plantation and pressured CBOT soy futures. While Agricultural secretariat highlighted, despite wet conditions 59% soybeans crop harvest has been completed in Argentina as on May 3rd in comparison to 75% on same date last year. The CIF prices of crude soy oil declined further on Saturday at \$751 per tonne in comparison to \$754 per tonne on Friday.

FUTURES MARKET:

NCDEX refined soy oil most active June contract traded bearish on Saturday. Futures opened at Rs. 480.9 per 10kg against Friday's closing of Rs 482.45 per 10 Kg. Overnight weakness in soy oil futures at CBOT with improving prospects for imported oil in approaching days leave the market indecisive and closed at Rs 481.1 per 10 Kg.

MCX refined soy oil futures June contract traded bullish improving buying interest despite weakness on overnight CBOT soy futures. Market closed down at Rs. 481.8 per 10 Kg. The contract opened at Rs 481 per 10 Kg against previous closing of Rs 482.3 per 10 Kg. The contract touched a high and lows of Rs 482.2 and 480.45 per 10 kg respectively.

PRICE DRIVERS:

- Just 59% of soybean crop has been harvest so far on May 3rd
- Drop in CIF value of crude soy oil
- Bearish CBOT soy oil futures
- Hoarding of soy oil by stockists
- Sluggish demand of soymeal at ports and domestic market

Weather

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

TECHNICALS

Doji candlestick pattern indicate the indecisiveness on Saturday and market is unsustainable to Friday's close level. Prices close between 9/18 days EMA indicate weakness. MACD fell in positive territory. Stochastic made bearish crossover in near to borderline of neutral and overbought region while RSI show weakness in prices. Volume declined significantly as compared to open interest.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-June	472	475	481.1	486	488
MCX-June	473	475	481.80	488	490

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil June Contract:

SELL Below 482; T1 near 479 and T2 478 and put stop loss at 484.

MCX Refined Soy Oil June Contract:

SELL Below 482; T1 near 479, T2 near 478 and put stop loss at 484.

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

Centres	05.05.07	04.05.07	Change
Mumbai (Soy Ref oil)+VAT	474	475	-1
Indore (Soy Ref oil)	472	473	-1
Kota (Soy Ref. Oil)+VAT	470	470	0
Hyderabad (Soy Ref)+VAT	485	485	0
Rajkot (Soy Ref)+Tax	460	460	0

PALM OIL

International Highlights

BMD Crude Palm oil Futures Remained Closed on Monday.

Domestic Spot Market Highlights

Spot prices of palm oil traded mostly bearish domestically on sluggish demand. The delay shipment, which to suppose to fuel more palm oil later to mid May forced stockists to released oil in good quantity. The vanaspati makers were disappointed on recent government decision to continue to freeze imported oil duty and base import prices of edible oil. Traders are anticipating for further improvement in palm oil prices amidst spill over impact of recent Industrial conference in Indonesia.

BMD: CPO Futures (04.05.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
May07	2396	2385	2416	2382	2416	+20	386
Jun.07	2339	2363	2363	2318	2332	-7	1468
Jul.07	2299	2300	2305	2274	2288	-11	5441
Aug.07	2282	2293	2293	2248	2250	-32	3242
Sep.07	2260	2250	2250	2230	2240	-20	543

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	05.05.07	04.05.07	Change
Kandla CPO (5 % FFA)	418	420	-2
Kandla RBD Palmolein +VAT	447	448	-1
Mumbai RBD Palmolein +VAT	458	458	0
Chennai RBD Palmolein +VAT	463	464	-1
Kakinada RBD Palmolein +VAT	442	442	0
Hyderabad RBD Palmolein +VAT	460	460	0
Delhi RDB Palmolein	490	490	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	05.05.07	04.05.07	Change
Crude Soy Oil	751	754	-3
Crude Palm Oil	NA	735	-
Sunflower Oil	785	795	-10

Rape/Mustard oil

Spot prices of mustard oil traded dull in domestic markets on sluggish demand and lackluster trade activities. The low demand of rapeseed meal in domestic markets and heavy stocking of oil by stockists in recent past impeded the fresh demand. Traders are expecting further weakness in coming days to for fresh demand. In the current situation farmers educated themselves to hoarding seeds for better premium in off-season.

Groundnut Oil

Start of groundnut harvest had bearish impact on spot prices of groundnut oil and prices declined sharply in domestic markets. Delhi markets witnessed heavy groundnut oil selling results exceeding arrivals to demand. However, firmness in cottonseeds oil supported the groundnut oil to certain extent. Traders are expecting groundnut oil is likely to fall further amidst harvest progress in other parts of Gujarat.

Refined Sunflower Oil

Refined sunflower oil traded bearish in domestic markets. Prices of refined sunflower oil improved in traded range bound on steady demand and supply. The CIF prices of sunflower oil declined sharply on Saturday at \$ 785 per tonne for May shipment against \$795 per tonne on Friday. As per market talk, sunflower oil would move in tandem with soy oil ahead.

Refined Cottonseeds Oil

Refined cottonseeds oil traded mixed across domestic markets on steady demand with slow release by stockists. As per market sources, traders of Mumbai were imported around 9,000 cotton meal (average quality) bags from **South Africa**. Although, there is good stocks of cotton meals are available in Maharashtra. Traders are expecting cottonseeds oil would decline in coming days on pressure from harvest of groundnut progress in near-futures.

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

Centres	05.05.07	04.05.07	Change
Mumbai (Exp. Oil) +VAT	466	470	-4
Kota (Exp. Oil)+VAT	437	437	0
Jaipur (Exp. Oil)+VAT	447	447	0
Delhi (Exp. Oil)	450	457	-7
Neewai (Exp. Oil) +VAT	435	435	0

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	05.05.07	04.05.07	Change
Mumbai +VAT	635	640	-5
Rajkot +VAT	670	670	0
Andhra Region +VAT	685	692	-7
Chennai +VAT	610	610	0
Delhi	680	700	-20

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

Centres	05.05.07	04.05.07	Change
Mumbai +VAT	525	527	-2
Chennai +VAT	535	535	0
Hyderabad +VAT	535	535	0

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

Centres	05.05.07	04.05.07	Change
Mumbai +VAT	480	475	+5
Hyderabad +VAT	475	475	0
Rajkot + VAT	465	464	+1
Delhi	460	462	-2

Forex Rates

(As on 05.05.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.90
European Union	Euro	55.05
Japan	100 Yen	34.03
United Kingdom	Pound Sterling	81.51

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Havi Ocean	8,500	Palm oil	Expected (03.05.2007)
	SC 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	Expected (07.05.2007)
New Manglore	Maria E (Mli Tank)	10,000	CPO	Expected (05.05.2007)
Kolkata	Sima Kazee	9,300	CPO	Arrived (04.05.2007)
	Global Venus	8,400	CPO	Arrived (03.05.2007)
	Marida Princess	10,102	CPO	Arrived (04.05.2007)

*Crude Fatty Acid

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