

VEGOIL DAILY

May 5th, 2007

REFINED SOY OIL

SPOT MARKET:

In the light of revenue losses, government is not planning to reduce import duty on edible again. Refined soy oil maintained its firmness in domestic markets on steady demand on overnight firmed CBOT soy oil futures amidst gains in corn. Brazilian Foreign Trade Ministry released soybeans exports data for April month totaled at 3.2 million metric tons in comparison to 2 million metric tons in March and 2.9 million metric tons in same period a year ago. Soy oil exports were stood at 153,600 metric tons in April against 102,800 metric tons in April 2006. Brazil shipped on daily basis decreased by 5.13% at 153,600 metric tonne in April against 161,900 same period a year ago. The USDA weekly exports sales remained in bullish tone, for soybeans turned bullish and totaled at 471,300 metric tons against trade expectation between 250,000-350,000 metric tons while for soymeal and soy oil remained in trade line at 124,400 metric tons and 3,500 metric tons respectively. Crude soy oil CIF prices remained unchanged on Friday at \$754 per tonne for May shipment.

FUTURES MARKET:

NCDEX refined soy oil most active June contract opened at Rs. 485.5 per 10kg against Thursday's closing of Rs 486.45 per 10 Kg. Weakness in BMD CPO futures with talk of approaching arrivals of imported soy oil after May 15 pushed back the futures and market closed at Rs 482.3.per 10 Kg.

MCX refined soy oil futures May contract traded bearish on profit-taking and sensing revision of import duty again. Market closed down at Rs. 482 per 10 Kg. The contract opened at Rs 484 per 10 Kg against previous closing of Rs 486.55 per 10 Kg. The contract touched a high and lows of Rs 485.65 and 481.5 per 10 kg respectively.

PRICE DRIVERS:

- USDA weekly exports sales reports remained bullish for soybeans
- Bearish BMD CPO futures
- Strengthening Rupees value
- Brazil soybeans exports increased by 10.34%
- Steady to weak soymeal demand at port

Weather

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

TECHNICALS

Refined soy oil chart shows the strong weakness and market retraced at lower level. Prices close near 9 days and well above 18 days EMA suggests short-term firmness. MACD is moving flat in positive territory. Stochastic moved further up in neutral zone while RSI show weakness in prices. Volume declined while open interest increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-June	475	478	482.3	488	491
MCX-June	475	477	482	488	490

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil June Contract:

BUY Above 482; T1 near 485 and T2 486 and put stop loss at 479.

MCX Refined Soy Oil June Contract:

BUY Above 482; T1 near 485, T2 near 486 and put stop loss at 479.

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

Centres	04.05.07	03.05.07	Change
Mumbai (Soy Ref oil)+VAT	475	472	+3
Indore (Soy Ref oil)	473	473	0
Kota (Soy Ref. Oil)+VAT	470	468	+2
Hyderabad (Soy Ref)+VAT	485	485	0
Rajkot (Soy Ref)+Tax	460	460	0

PALM OIL

International Highlights

BMD Crude Palm oil Futures Ends Weak

Profit-taking for Thursday rallies with diminishing yesterday talk of strong exports of palm oil made by senior analyst in an industrial conference in Indonesia, pushed down crude palm oil futures on Friday. The most active July contract of CPO futures dropped by MYR11 at MYR2,288 per tonne against Thursday's closing level of MYR2,299 per tonne. The overnight firmness in CBOT soy oil futures limited the losses to certain extent.

Domestic Spot Market Highlights

Government on Friday showed disinterest in revising import duty on edible oil amidst concern of revenue losses on each duty cut. Palm oil traded mostly range bound on steady demand and supply. BMD CPO futures remained sluggish on weak demand for long-term. Crude soy oil CIF prices pushed back again on Friday at \$735 per tonne for May shipment against \$750 per tonne on Thursday. 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	04.05.07	03.05.07	Change
Kandla CPO (5 % FFA)	420	420	0
Kandla RBD Palmolein +VAT	448	450	-2
Mumbai RBD Palmolein +VAT	458	460	-2
Chennai RBD Palmolein +VAT	464	461	+3
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	04.05.07	03.05.07	Change
Crude Soy Oil	754	754	0
Crude Palm Oil	735	750	-15
Sunflower Oil	795	787	+8

Rape/Mustard oil

Spot prices of mustard oil traded in bullish tone in domestic markets amidst stagnant demand coupled with steady seeds arrivals. The continuous sluggish demand of rapeseed meal is not supportive to expellers these days but expellers maintained their regular seed buying on ideas of off-season premium would be high. Traders are expects tailing harvest added the bullishness in the markets as farmers educated themselves to hoarding seeds for lean season.

Groundnut Oil

Groundnut oil prices turned from Thursday weakness and turned in bullish tone in domestic markets on steady demand. However, few markets remain range bound on balance in demand/supply. As per market news harvest of Rabi groundnut has started in parts of Gujarat. In Rajkot market shelled groundnut quoted at Rs. 495 per 20 kg with arrivals of 10,000-12,000 bags.

Refined Sunflower Oil

Prices of refined sunflower oil improved in major trading centers on steady demand and firmness in other edible oil. The arrivals of sunflower seeds remained steady supported the bullishness. The CIF prices of sunflower oil improved on Friday at \$ 795 per tonne for May shipment against \$787 per tonne on Thursday. As per market talk, sunflower oil tend to trace the refined soy oil ahead.

Refined Cottonseeds Oil

Refined cotton oil remained mixed in domestic market on sluggish demand and dull trade activities. Expectation that coming days would bring the weakness for groundnut oil ahead stimulate resellers to release more cottonseeds oil in the markets. Traders are expecting cottonseeds oil would decline further on pressure from harvest of groundnut progress in near-futures.

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

Centres	04.05.07	03.05.07	Change
Mumbai (Exp. Oil) +VAT	470	468	+2
Kota (Exp. Oil)+VAT	437	437	0
Jaipur (Exp. Oil)+VAT	447	447	0
Delhi (Exp. Oil)	462	460	+2
Neewai (Exp. Oil) +VAT	435	435	0

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	04.05.07	03.05.07	Change
Mumbai +VAT	640	640	0
Rajkot +VAT	670	660	+10
Andhra Region +VAT	692	692	0
Chennai +VAT	610	600	+10
Delhi	700	700	0

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

Centres	04.05.07	03.05.07	Change
Mumbai +VAT	527	525	+2
Chennai +VAT	535	530	+5
Hyderabad +VAT	535	535	0

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

Centres	04.05.07	03.05.07	Change
Mumbai +VAT	475	476	-1
Hyderabad +VAT	475	475	0
Rajkot + VAT	464	466	-2
Delhi	462	460	+2

Forex Rates

(As on 04.05.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.90
European Union	Euro	55.47
Japan	100 Yen	34.01
United Kingdom	Pound Sterling	81.29

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Chennai	Spring Wind	4,010	CPO	Arrived (13.04.2007)
Kandla	Sanmar Majesty	5,000	Palm oil	Berthed (16.04.2007)
	Royal Emerald	6,110	CPO	Expected (19.04.2007)
	Havi Ocean	8,500	Palm oil	Expected (28.04.2007)
Mumbai	Kamogawa-III	10,101	Palm oil	Arrived (14.04.2007)
	Global Eos	11,000	Palm oil	Expected (21.04.2007)
New Manglore	Mojito	8,000	CPO	Expected (21.04.2007)
	Golden Elezebeth	5,000	CPO	Expected (21.04.2007)
	Maria E	10,000	CPO	Arrived (16.04.2007)
Kolkata	Sima Kazee	9,286	CPO	Arrived (16.04.2007)
	Marida Princess	10,110	CPO	Arrived (14.04.2007)

*Crude Fatty Acid

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