

## VEGOIL DAILY

May 4th, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Refined soy oil continued to rule steady amidst poor trade activities at currently higher prices of soy oil domestically. The National Office for the Control of Agricultural Trade release grain stock data in March month highlighted total grain stocks dropped by 10% at 17.23 million metric tons in March as compared to 19.21 million metric tons same period last year. Soybeans stocks dropped significantly by 40.16% at 3,365,755 metric tons in March month against 5,624,746 metric tons same period a year ago. Crude soy oil CIF prices declined marginally on Thursday at \$754 per tonne for May shipment against Wednesday's \$755 per tonne. Envisaging, currently high ocean freight cost from South America, Asian countries drifted their soybeans demand to US amidst competitive freight cost and currently weak US dollar is likely to keeps firm US Soybeans markets ahead with spill over impact in domestic markets.

#### FUTURES MARKET:

**NCDEX** refined soy oil most active June contract settled high Thursday. The futures opened at Rs. 485.1 per 10kg against yesterday closing of Rs 484.8 per 10 Kg. Follow-through buying and bullish reflection of BMD CPO futures supported firmness on NCDEX soy futures and market closed at Rs 486.35 per 10 Kg continued yesterday firmness. The contract touched a high of Rs 488.4 per 10 Kg during trading session.

**MCX** refined soy oil futures May contract traded bullish on follow-through bullishness and well supported by roaring BMD futures. Ideas of market reached too high quickly pushed market down and closed at Rs 486.1 per 10 Kg. The contract opened at Rs 485.3 per 10 Kg against previous closing of Rs 485.05 per 10 Kg. The contract touched a high and lows of Rs 488.65 and 484.9 per 10 kg respectively.

#### PRICE DRIVERS:

- Competitive USA ocean freight cost
- Bullish BMD CPO futures
- Strengthening Rupees value
- Grains stocks dropped in Argentina
- Dull Trade activities

#### Weather

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

#### TECHNICALS

Candlesticks charts patterns indicate, indecisiveness at high level. Prices close well above 9 days and 18 days EMA on follow-through rallies. MACD moves up further in positive territory. Stochastic and RSI remains up rise in neutral zone. Both the Volume and Open interest increased.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-June	477	479	486.35	493	495
MCX-June	477	479	486.10	492	494

#### TRADE RECOMMENDATION:

**NCDEX** Refined Soy Oil June Contract:

**BUY** Above 485; T1 near 487 and T2 488 and put stop loss at 483.

**MCX** Refined Soy Oil June Contract:

**BUY** Above 485; T1 near 487, T2 near 488 and put stop loss at 483.

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

Centres	03.05.07	02.05.07	Change
Mumbai (Soy Ref oil)+VAT	472	468	+4
Indore (Soy Ref oil)	473	471	+2
Kota (Soy Ref. Oil)+VAT	468	468	0
Hyderabad (Soy Ref)+VAT	485	482	+3
Rajkot (Soy Ref)+Tax	460	460	0

## International Highlights

### BMD Crude Palm oil Rise Abruptly on Thursday

Amidst bullish talk of tight palm oil production in Malaysia and CPO futures may cross 2,400 per metric ton soon on strong exports by Dorab Mistry strengthened CPO futures on Thursday. The most active contract of crude palm oil futures rose sharply by MYR85 at MYR2,299 per tonne against Monday's closing of MYR2,214 per tonne. However, overnight weakness in CBOT soy oil futures failed to limit the gains on CPO futures.

## Domestic Spot Market Highlights

Domestic spot market prices of palm oil traded in bullish note on Thursday on firmed up BMD CPO futures amidst bullish talk with crude palm oil demand coupled with expectation of low palm oil production in near-futures. Bullishness in Indonesia CPO futures also reflected similar sentiments domestically. Crude soy oil CIF prices for rose sharply for May shipment at \$750 per tonne against Wednesday at \$735 per tonne. Traders are anticipating for further improvement in palm oil prices amidst spill over impact of recent Industrial conference in Indonesia.

### BMD: CPO Futures (03.05.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
May07	2320	2327	2399	2323	2396	+76	659
Jun.07	2259	2267	2342	2266	2339	+80	2762
Jul.07	2214	2220	2300	2220	2299	+85	12067
Aug.07	2189	2203	2285	2203	2282	+93	7238
Sep.07	2185	2225	2225	2225	2255	+70	114

\*BMD Remains Closed on Saturday and Sunday.

### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	03.05.07	02.05.07	Change
Kandla CPO (5 % FFA)	420	421	-1
Kandla RBD Palmolein +VAT	450	445	+5
Mumbai RBD Palmolein +VAT	460	458	+2
Chennai RBD Palmolein +VAT	461	460	+1
Kakinada RBD Palmolein +VAT	442	438	+4
Hyderabad RBD Palmolein +VAT	460	457	+3
Delhi RDB Palmolein	490	490	0

### CIF Price Basis Kandla Port (\$/MT)

Edible Oil	03.05.07	02.05.07	Change
Crude Soy Oil	754	755	-1
Crude Palm Oil	750	735	+15
Sunflower Oil	787	NA	-

### Rape/Mustard oil

Mustard oil traded bearish across domestic markets on weak demand expect Delhi markets where prices improved on tight supply. However, arrivals of mustard seeds also improved in market supported the bearishness. Traders are expects tailing harvest is not able to support market as farmers are educated themselves to hoarding seeds for lean season.

### Groundnut Oil

Spot prices of groundnut oil trade mostly range bound on balance in demand and supply with active selling of groundnut seeds from stockists prior to arrivals of new nuts in short-term. Resellers also remain active in unloading groundnut oil at competitive prices on apprehensions of near-futures. Amidst prices difference with cottonseeds oil and actively selling by resellers is likely to pushed groundnut oil further down ahead.

### Refined Sunflower Oil

Prices of refined sunflower oil declined in most of domestic market on low demand. The National Office for the Control of Agricultural Trade release grain stock data in March month highlighted total grain stocks dropped by 10% at 17.23 million metric tons in March as compared to 19.21 million metric tons same period last year.sunflower seeds stock plunged by 33.47% at 1,373,709 metric tons in March month in comparison to 2,064,823 metric tons March 2006.

### Refined Cottonseeds Oil

Preference of cottonseeds oil over groundnut oil due to price difference continued to support the spot prices in major trading centres. However, demand remained erratic on Thursday. Traders are expecting cottonseeds oil is likely to move in tandem with soy oil ahead.

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

Centres	03.05.07	02.05.07	Change
Mumbai (Exp. Oil) +VAT	468	470	-2
Kota (Exp. Oil)+VAT	437	440	-3
Jaipur (Exp. Oil)+VAT	447	450	-3
Delhi (Exp. Oil)	460	455	+5
Neewai (Exp. Oil) +VAT	435	437	-2

### Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	03.05.07	02.05.07	Change
Mumbai +VAT	640	640	0
Rajkot +VAT	660	662	-2
Andhra Region +VAT	692	685	+7
Chennai +VAT	600	600	0
Delhi	700	700	0

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

Centres	03.05.07	02.05.07	Change
Mumbai +VAT	525	527	-2
Chennai +VAT	530	535	-5
Hyderabad +VAT	535	535	0

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

Centres	03.05.07	02.05.07	Change
Mumbai +VAT	476	474	+2
Hyderabad +VAT	475	475	0
Rajkot + VAT	466	465	+1
Delhi	460	462	-2

### Forex Rates

(As on 03.05.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	41.18
European Union	Euro	56.07
Japan	100 Yen	34.30
United Kingdom	Pound Sterling	82.02

## 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 Mangalore	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

#### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>  
© 2005 Indian Agribusiness Systems Pvt Ltd.