

VEGOIL DAILY

May 23rd, 2007

REFINED SOY OIL

SPOT MARKET:

Spot prices of refined soy oil dropped further in major trading centres on poor demand and exceeding supplies. On firm support of CBOT, BMD CPO futures turned bullish. As on May 18, Brazil has harvested 99% of soybeans crop while sell-off only 64% crop as farmers reluctant to unload on currently prices are not lucrative. Solid gains in corn with surge in soy meals pulled soy futures at CBOT. USDA weekly crush of soybeans totalled at 302.4 thousand metric tons as compared to trade expectation at 189-297 thousand metric tons, USDA also announced China's purchase of 110,000 tonnes U.S. soybeans for 07/08 delivery. The crude palm oil CIF prices remained unchanged on Tuesday at \$785 per tonne for June shipment. As per market observers, edible oil consumption is likely to fall in country as higher prices of edible oil in not supportive for certain strata, which may results into drop in edible oil import estimation to nearly 4.8 million metric tons as compared to earlier estimation nearly 5-5.1 million metric tons.

FUTURES MARKET:

Most active June contract of refined soy oil at **NCDEX** finished up on firm support of bullish BMD and CBOT. Short covering also aid support. The contract open weak at Rs. 471.3 per 10 kg against previous closing of Rs 471.25 per 10 Kg and contract closed down at Rs 472.05 per 10 Kg.

MCX refined soy oil June contract settled bullish on Tuesday. Talk of country would less dependent on imported oil supported had underlying bullish support to market. Futures open at Rs. 471.6 per 10 kg against previous closing of Rs 471.95 per 10 Kg. Contract finished down at Rs 472.7 per 10 Kg.

PRICE DRIVERS:

- Bullish BMD and CBOT
- Nearly 99% of soybeans crop has been harvested in Brazil as on May 18
- Appreciating rupees v/s dollar
- Low soy meal demand in domestic market

Weather

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

TECHNICALS

Long upper shadow candlestick shows insustainability at higher level. MACD and EMA pattern favours strong bearish trends. Stochastic is moving down in oversold region while RSI in moving up in oversold region. Market is expected to trade down following steady to slightly firm opening. Volume declined significantly while open interest declined marginally.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-June	468	469	472.05	474	475
MCX-June	467	468	472.7	475	476

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil June Contract:

SELL Below 473; T1 near 471 and T2 near at 470 and put stop loss at 474.

MCX Refined Soy Oil June Contract:

SELL Below 473; T1 near 470, T2 near 469 and put stop loss at 474.5.

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

Centres	22.05.07	21.05.07	Change
Mumbai (Soy Ref oil)+VAT	458	460	-2
Indore (Soy Ref oil)	458	460	-2
Kota (Soy Ref. Oil)+VAT	NA	460	-
Hyderabad (Soy Ref)+VAT	485	485	0
Rajkot (Soy Ref)+Tax	455	455	0

International Highlights**BMD CPO futures Turns Bullish on Tuesday**

Malaysian crude palm oil futures settled up across the board on Bursa Malaysian Derivatives amidst underlying bullish prospects of demand and supply. The most active August contract increased marginally by MYR13 at MYR2,375 per tonne. However, lack of fresh fundamental with choppy trading capped the gains to certain extent. In cash market, stronger ringgit and short covering turned palm oil product prices high on Tuesday.

Domestic Spot Market Highlights

Domestic palm oil market remained in bullish tone track bullish BMD CPO futures with steady demand. Indonesian CPO markets declined on Tuesday on exceeding supplies to demand under currently strengthened rupiah value that propelled sellers to liquidate local market while Malaysian CPO futures firmed on bullish support of overnight CBOT. The crude palm oil CIF prices quoted at \$780 per tonne from June shipment on Tuesday.

BMD: CPO Futures (22.05.2007)**(Ringgit/ton)**

Months	Previous	Open	High	Low	Close	Change	Volume
Jun 07	2503	2500	2510	2495	2503	0	721
Jul 07	2422	2416	2428	2415	2428	+6	2383
Aug 07	2362	2361	2376	2358	2375	+13	4209
Sep 07	2333	2332	2345	2330	2337	+4	707
Oct 07	2308	0	0	0	2308	0	0

*BMD Remains Closed on Saturday and Sunday.

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

Centres	22.05.07	21.05.07	Change
Kandla CPO (5 % FFA)	418	418	0
Kandla RBD Palmolein +VAT	441	440	+1
Mumbai RBD Palmolein +VAT	450	450	0
Chennai RBD Palmolein +VAT	459	460	-1
Kakinada RBD Palmolein +VAT	450	448	+2
Hyderabad RBD Palmolein +VAT	460	460	0
Delhi RDB Palmolein	490	490	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	22.05.07	21.05.07	Change
Crude Soy Oil	785	785	0
Crude Palm Oil	780	NA	-
Sunflower Oil	830	830	0

Rape/Mustard oil

On Tuesday, mustard oil prices remained mixed on erratic demand. Daily arrivals of new mustard seeds declined on Tuesday at 1 lakh bags against 1.1 lakh bags on Monday. Slight improved demand supported prices in Delhi market. Expellers were maintained their mustard seeds demand. Currently weakness in other edible oil with steady demand of rapeseeds meal in domestic markets is likely to push back mustard oil prices in near-term.

Groundnut Oil

Groundnut oil prices stood range bound on Tuesday on balance in demand and supply. Currently low crushing margin for groundnut oil with poor offtake from expellers' ends had underlying weakness in domestic market. Forecast of mainly dry weather in coming days would support Rabi groundnut harvest in Gujarat. Currently low demand of groundnut meal with reduced crushing would pressure oil prices in coming days.

Refined Sunflower Oil

Spot prices of refined sunflower oil remained range bound on stagnant demand. The CIF prices of sunflower oil has been rose sharply in May month, i.e. as on 22/05/07, it remains at \$830 per tonne as compared to \$789 per tonne on May 2. The CIF prices of sunflower oil remained unchanged on Tuesday at \$830 per tonne for June shipment. As per trade sources, refined sunflower oil is likely to trade steady to bullish on limited oil inventories with stockists in the market.

Refined Cottonseeds Oil

The refined cottonseeds oil trade in bearish tone on follow-through weakness. Weak palm oil also aids pressure on cotton oil. The low demand of cotton meals results in low crushing with plenty oil stocks in the market with stockists. 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	22.05.07	21.05.07	Change
Mumbai (Exp. Oil) +VAT	460	460	0
Kota (Exp. Oil)+VAT	430	432	-2
Jaipur (Exp. Oil)+VAT	440	440	0
Delhi (Exp. Oil)	458	454	+4
Neewai (Exp. Oil) +VAT	433	NA	-

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	22.05.07	21.05.07	Change
Mumbai +VAT	645	645	0
Rajkot +VAT	660	660	0
Andhra Region +VAT	675	675	0
Chennai +VAT	625	NA	-
Delhi	695	695	0

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

Centres	22.05.07	21.05.07	Change
Mumbai +VAT	530	530	0
Chennai +VAT	547	NA	0
Hyderabad +VAT	552	552	0

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

Centres	22.05.07	21.05.07	Change
Mumbai +VAT	467	470	-3
Hyderabad +VAT	474	474	0
Rajkot + VAT	462	463	-1
Delhi	450	450	0

Forex Rates

(As on 22.05.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.64
European Union	Euro	54.74
Japan	100 Yen	33.50
United Kingdom	Pound Sterling	80.17

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	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)
	Sichem Edinburgh	12,000	PFAD*	Expected (25.05.2007)
	Neveska Lady	26,340	CDSB 0	Expected (25.05.2007)
Mumbai	Global Neptune	5,950	CPO	Expected (22.05.2007)
	Star Dream	4,000	Palm oil	Expected (30.05.2007)
Tuticorin	Star Dust	8,200	Palm oil	Arrived (16.05.2007)
	Spring Wind	4,100	Palm oil	Arrived (18.05.2007)
New Manglore	Maria-E	10,000	CPO	Expected (23.05.2007)
Kolkata	Zhong Hua-7	6,500	CPO	Arrived (19.05.2007)
Chennai	S.C.Guoji	6,000	CPO	Arrived (22.05.2007)

*Palm Fatty Acid Distillate

**Crude Fatty Acid

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