

VEGOIL DAILY

May 8th, 2007

REFINED SOY OIL

SPOT MARKET:

Spot prices of refined soy oil showed follow-through weakness on subdued demand. Resellers and solvents units were continued to unload soy oil at competitive rate on apprehensions of easy availability of import soy oil after mid May. Weak demand of soymeals at ports and domestically coupled with low crushing margins of soy oil aided bearishness. BMD CPO futures fell on Monday on diminishing prospects of long-term demand. The CIF prices of crude soy oil declined marginally on Monday at \$750 per tonne in comparison to \$751 per tonne on Saturday. As per media sources, the large biodiesel production margins in USA would pave the way for the establishments of new biodiesel plant there that expects to consume large quantity of soy oil in medium term.

FUTURES MARKET:

NCDEX refined soy oil most active June contract traded bearish on Monday. Futures opened at Rs. 480.6 per 10kg against Saturday's closing of Rs 481.5 per 10 Kg. Bearish BMD CPO futures and profit taking dragged the market and soy oil futures closed at Rs 479.1 per 10 Kg.

MCX refined soy oil futures June contract settled down on Monday amidst weakness in BMD CPO futures and on ideas of an increase in arrivals pressure of imported edible oil after mid May and market closed down at Rs. 479 per 10 Kg. The contract opened at Rs 481 per 10 Kg against previous closing of Rs 481.8 per 10 Kg. The contract touched a high and lows of Rs 482.4 and 478.5 per 10 kg respectively.

PRICE DRIVERS:

- Drop in CIF value of crude soy oil
- Bearish BMD CPO futures
- Actively selling of soy oil by resellers
- Low crushing margin for soy oil

Weather

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

TECHNICALS

Candlestick chart pattern indicates, profit taking and tenderness at higher level. Prices closed below 9-days and 18-days EMA, suggests market is losing firmness. MACD turns downward in positive territory. Stochastics and RSI fell in neutral region. Both volume and open interest increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-June	472	475	479.1	485	487
MCX-June	473	475	479	485	487

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil June Contract:

SELL Below 480; T1 near 478 and T2 477 and put stop loss at 483.

MCX Refined Soy Oil June Contract:

SELL Below 480; T1 near 478, T2 near 477 and put stop loss at 483.

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

Centres	07.05.07	05.05.07	Change
Mumbai (Soy Ref oil)+VAT	475	474	+1
Indore (Soy Ref oil)	468	472	-4
Kota (Soy Ref. Oil)+VAT	468	470	-2
Hyderabad (Soy Ref)+VAT	485	485	0
Rajkot (Soy Ref)+Tax	460	460	0

PALM OIL

International Highlights

BMD Crude Palm oil Futures End Down on Monday

On Monday, market experienced lack of fresh fundamentals and profit-taking that pushed crude palm oil futures down on Bursa Malaysian Derivatives. The most active July contract of CPO finished MYR43 down at MYR2,245 per tonne. As the current cash prices are high amidst tight supply and set back by cash buyers cast the weakness. Traders expects further weakness in CPO futures and the July contract may down to below psychological barrier of MYR2,200 per tonne.

Domestic Spot Market Highlights

Palm oil maintained weakness in prices in domestic markets amidst subdued demand and dull trade activities. Indonesian CPO prices dropped amidst lack of fresh fundamentals while BMD CPO futures trade weak too on profit-taking and diminishing prospects for long-term demand. The crude palm oil CIF prices quoted at \$ 735 per tonne for May shipment on Monday. Traders are expecting palm oil prices likely to react mix on prospects of tight supply and lack of fresh fundamentals.

BMD: CPO Futures (07.05.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
May07	2416	2385	2390	2381	2381	-35	303
Jun.07	2332	2315	2322	2293	2293	-39	1504
Jul.07	2288	2275	2275	2245	2245	-43	4293
Aug.07	2250	2239	2239	2200	2200	-50	123
Sep.07	2240	2220	2296	2188	2200	-40	123

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	07.05.07	05.05.07	Change
Kandla CPO (5 % FFA)	418	418	0
Kandla RBD Palmolein +VAT	447	447	0
Mumbai RBD Palmolein +VAT	458	458	0
Chennai RBD Palmolein +VAT	461	463	-2
Kakinada RBD Palmolein +VAT	441	442	-1
Hyderabad RBD Palmolein +VAT	455	460	-5
Delhi RDB Palmolein	490	490	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	07.05.07	05.05.07	Change
Crude Soy Oil	750	751	-1
Crude Palm Oil	735	NA	-
Sunflower Oil	780	785	-5

Rape/Mustard oil

Amidst balance in demand and supply, mustard oil traded range bound in domestic markets. Trade activities remained subdued. Weakness in edible oil radiated similar sentiments. However, mustard seeds arrivals declined but less aggressive buying from stockists (waiting prices to fall further), supported steadiness. Harvest in nearly completed in Rajasthan regions and farmers are hoarding seeds to their capacity would aid bullishness on mustard oil ahead.

Groundnut Oil

Groundnut oil continued to trade in bearish tone on poor demand. The stockists maintained groundnut oil flow into market on apprehensions of exceeding supply to demand. The low demand of groundnut meals in domestic markets as well as on ports aided bearishness. In the current scenario, when groundnut harvest in progress and low demand for oil and meal, is likely to pressure market ahead.

Refined Sunflower Oil

Spot prices of refined soy oil traded range bound on steady demand and supplies. Weakness in others edible oil also pressured the sunflower oil. The CIF prices of sunflower oil declined further on Monday at \$ 780 per tonne for May shipment against \$785 per tonne on Saturday. As per market talk, sunflower oil would move in tandem with soy oil ahead.

Refined Cottonseeds Oil

Cottonseeds oil on follow-through demand traded weak in domestic markets. Solvents units were remained disinterest to speed up cottonseeds crushing on low demand on weak meal demand. Traders are expecting cottonseeds oil would decline in groundnut oil ahead on on pressure from groundnut harvest progress in other parts of Gujarat.

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

Centres	07.05.07	05.05.07	Change
Mumbai (Exp. Oil) +VAT	466	466	0
Kota (Exp. Oil)+VAT	437	437	0
Jaipur (Exp. Oil)+VAT	447	447	0
Delhi (Exp. Oil)	450	450	0
Neewai (Exp. Oil) +VAT	433	435	-2

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	07.05.07	05.05.07	Change
Mumbai +VAT	630	635	-5
Rajkot +VAT	670	670	0
Andhra Region +VAT	685	685	0
Chennai +VAT	600	610	-10
Delhi	680	680	0

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

Centres	07.05.07	05.05.07	Change
Mumbai +VAT	525	525	0
Chennai +VAT	535	535	0
Hyderabad +VAT	535	535	0

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

Centres	07.05.07	05.05.07	Change
Mumbai +VAT	478	480	-2
Hyderabad +VAT	472	475	-3
Rajkot + VAT	464	465	-1
Delhi	460	460	0

Forex Rates

(As on 07.05.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.57
European Union	Euro	55.19
Japan	100 Yen	33.82
United Kingdom	Pound Sterling	80.97

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

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.