

## VEGOIL DAILY

June 1st, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Refined soy oil traded mostly range bound on steady demand and bullish BMD CPO futures that recouped on Wednesday amidst prospects of tight supply and bullish exports data. SGS (a cargo surveyor) estimated Malaysian palm oil exports in May that increased by 4.7% at 1,184,606 metric tons (MT) against to 1,131,100 MT same period a month ago. Argentina National Office for the Control on Agricultural Trades released grain and oilseeds stocks data of April month highlighted soybeans stocks rose sharply by 46.167% at 14,296,714 metric tons in April against 9,781,396 metric tons same period a year ago thanks to current harvesting pressure. Uncertainty over southeast Corn Belt with solid gains in corn helped support to soy futures on CBOT. The crude soy oil CIF prices for June shipment increased on Thursday at \$825 per tonne as compared to \$808 per tonne on Wednesday.

#### FUTURES MARKET:

The most active July contract of refined soy oil at **NCDEX** ended high on Thursday on follow-thorough rallies with bullish reflection of overseas market of related commodities. The futures opened firmed at Rs. 481.5 per 10 kg against previous closing of Rs 480.5 per 10 Kg. Contract closed up at Rs 487 per 10 Kg.

**MCX** refined soy oil June contract finished up Thursday on improving fundamental of demand and supply. Market also generated bullish momentum from overnight CBOT and BMD palm oil futures. The contract opened firmed at Rs. 482 per 10 kg against previous closing Rs 480.3 per 10 Kg and contract closed up at Rs 486.95 per 10 Kg.

#### PRICE DRIVERS:

- Bullish CBOT and BMD CPO futures
- Crude soy oil CIF increased by \$17
- Malaysian Palm oil exports increased by 4.7% in May
- Soybeans stocks sharply rose in Argentina in April month
- Low meals demand in domestically and at ports
- Tapering palm oil stocks in Malaysia

#### Weather

Weather in a major concerns, since soybeans season come to end.

#### TECHNICALS

Candlesticks chart pattern indicates bullishness. MACD has moved further to positive territory. Prices closed above 9/18 days EMA suggest medium term firmness in the market. Stochastic is on verge of making bearish cross over in overbought region. RSI is moving up indicating short-term strength. Prices are expected to open firm and trade range bound. Volume increased while open interest declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-June	481	483	487	490	492
MCX-June	481	483	486.95	490	493

#### TRADE RECOMMENDATION:

**NCDEX** Refined Soy Oil June Contract:  
BUY Near 486; T1 near 489 and put stop loss at 484.

**MCX** Refined Soy Oil June Contract:  
BUY Near 486; T1 near 488 and put stop loss at 484.

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

Centres	31.05.07	30.05.07	Change
Mumbai (Soy Ref oil)+VAT	460	460	0
Indore (Soy Ref oil)	461	461	0
Kota (Soy Ref. Oil)+VAT	456	456	0
Hyderabad (Soy Ref)+VAT	477	474	+3
Rajkot (Soy Ref)+Tax	455	455	0

**International Highlights****Following CBOT, CPO Futures Surge on BMD**

Following overnight firmed CBOT with bullish exports figures raised CPO futures across the board on Bursa Malaysian Derivatives. The most active August futures contract ended MYR81 up at MYR2,581 per tonne. SGS estimated Malaysian palm oil exports in May increased by 4.7% at 1,184,606 metric tons (MT) against to 1,131,100 MT same period a month ago. CPO market also generated bullish support for fears of tight supply with expects of strong exports.

**Domestic Spot Market Highlights**

Domestic market improved further on steady demand and supply with bullish reflection of overseas market of related commodity. BMD CPO futures recovered on Wednesday's weakness aids bullishness domestically. Indonesian CPO market also surged on increase in buying interest. According to SGS exports sales estimation palm oil exports to India dropped significantly by 58.71% at 41,500 MT in May against 100,505 MT in last month. The expectation of strong exports and tapering palm oil stocks in major producing countries is likely to support bulls there with bullish reflection in domestic market.

**BMD: CPO Futures (31.05.2007)****(Ringgit/ton)**

Months	Previous	Open	High	Low	Close	Change	Volume
Jun 07	2643	2725	2710	2725	2724	+81	127
Jul 07	2572	2613	2665	2602	2665	+93	1122
Aug 07	2500	2526	2576	2522	2581	+81	7482
Sep 07	2450	2483	2519	2473	2519	+69	1916
Oct 07	2420	2440	2480	2440	2480	+60	138

\*BMD Remains Closed on Saturday and Sunday.

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

Centres	31.05.07	30.05.07	Change
Kandla CPO (5 % FFA)	425	425	0
Kandla RBD Palmolein +VAT	452	451	+1
Mumbai RBD Palmolein +VAT	456	456	0
Chennai RBD Palmolein +VAT	475	470	+5
Kakinada RBD Palmolein +VAT	456	452	+4
Hyderabad RBD Palmolein +VAT	476	475	+1
Delhi RDB Palmolein	492	490	+2

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

Edible Oil	31.05.07	30.05.07	Change
Crude Soy Oil	825	808	+17
Crude Palm Oil	NA	830	-
Sunflower Oil	872	872	0

### Rape/Mustard oil

Despite firmness in overseas markets, domestic mustard oil market remains dull on Thursday amidst sluggish demand with increased supplies. Whereas mustard oil prices gained in Delhi market on improve demand. Mustard seeds arrivals plunged on Thursday at 50 thousand bags against 90 though bags on yesterday. Traders are expecting, mustard oil to trade steady to bullish on limited availability with steady demand from other states in near-term.

### Groundnut Oil

Spot prices of groundnut oil declined across the market on sluggish demand. As current groundnut oil prices are high and likely to improve further on limited nuts stocks, traders are expecting nut acreage to improve by 5-6% in upcoming Kharif season. The low demand of groundnut meals is reported in domestically supported bears. Amidst currently only handful of crushers is engaged in crush activities with sluggish demand of oil is likely to react mixed in near-term.

### Refined Sunflower Oil

Refined sunflower oil remained unchanged on balance in demand and supplies. The Argentina's National Office for the Control on Agricultural Trade released grains and oilseeds stocks of April, highlighted sunflower seeds stocks dropped by 11.07% at 1,221,578 metric tons in April as compared to 1,373,709 metric tons same month last year. The CIF prices of sunflower oil for June shipment remained unchanged on Thursday at \$872 per tonne as compared to \$867 per tonne on Tuesday.

### Refined Cottonseeds Oil

Spot prices of refined cottonseeds oil remained in bullish tone across the markets except Mumbai market, where prices dropped on following groundnut oil. As currently palm oil prices are moving close to cottonseeds oil that may influence its prices accordingly in near-term.

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

Centres	31.05.07	30.05.07	Change
Mumbai (Exp. Oil) +VAT	463	463	0
Kota (Exp. Oil)+VAT	435	438	-3
Jaipur (Exp. Oil)+VAT	445	448	-5
Delhi (Exp. Oil)	465	460	+5
Neewai (Exp. Oil) +VAT	435	437	-2

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

Centres	31.05.07	30.05.07	Change
Mumbai +VAT	660	665	-5
Rajkot +VAT	670	675	-5
Andhra Region +VAT	670	670	0
Chennai +VAT	NA	650	-
Delhi	690	695	-5

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

Centres	31.05.07	30.05.07	Change
Mumbai +VAT	538	538	0
Chennai +VAT	550	550	0
Hyderabad +VAT	550	550	0

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

Centres	31.05.07	30.05.07	Change
Mumbai +VAT	470	472	-2
Hyderabad +VAT	478	473	+5
Rajkot + VAT	466	465	+1
Delhi	460	455	+5

### Forex Rates

(As on 31.05.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.73
European Union	Euro	54.74
Japan	100 Yen	33.49
United Kingdom	Pound Sterling	80.43

## PORT-WATCH (Latest):

### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Star Dream	6,000	Palm oil	Expected (01.06.2007)
	Sichem Edinburgh	12,000	PFAD*	Expected (27.05.2007)
	Neveska Lady	26,340	CDSB 0	Expected (26.05.2007)
Mumbai	Star Dream	4,000	Palm oil	Berthed (30.05.2007)
New Manglore	Eastern Oyasis	7,500	SBO	Expected (02.06.2007)
Kolkata	Marida Princess	9,944	CPO	Arrived (26.05.2007)
	Spring Glory	3,988	CPO	Arrived (28.05.2007)
	Pacific Sound	8,979	CPO+PFAD*	Arrived (30.05.2007)

**\*Palm Fatty Acid Distillate**

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