

## VEGOIL DAILY

May 30th, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Spot prices of refined soy oil traded on higher side on Tuesday amidst steady demand. After fail to procure sufficient mustard seeds stock, NAFED is ready to import more edible oil to meet market requirement. Till date, NAFED has imported 15,000 tonnes of edible oil (90% palm oil) so far. BMD CPO futures continue to rise on fears of squeeze of supply. As per news sources, Brazilian farmers are currently unwilling to sell off their soybeans stocks on strengthening real resulting 65% soybeans crop has been sold so far as on May 25. As per trade sources, palm oil demand in global markets in current year is expecting at 13% while supplies limited to 9%. The crude soy oil CIF prices for June shipment increased on Tuesday at \$821 per tonne against \$811 per tonne on Monday. Traders are expecting uptrend in soy oil at CBOT is likely to continue amidst increasing prospects of shift of soybeans acreage to corn and rising demand from biodiesel sector.

#### FUTURES MARKET:

The most active contract of refined soy oil at **NCDEX** settled weak. The profit taking and dull sentiments for supply shortage pushed market down. The futures opened firmed at Rs. 481.8 per 10 kg against previous close of Rs 480.8 per 10 Kg. Contract closed down at Rs 480.5 per 10 Kg.

**MCX** refined soy oil June contract finished down on Tuesday amidst increase in selling pressure and profit taking. But downward movement is limited by bullish tone of BMD CPO futures. The contract opened firmed at Rs. 481.1 per 10 kg against previous closing Rs 480.4.1 per 10 Kg and contract closed unchanged at Rs 480.4 per 10 Kg.

#### PRICE DRIVERS:

- Bullish BMD CPO futures
- Crude soy oil CIF prices increased by \$10
- NAFED decided to import edible oil
- Global palm oil consumption is expecting to escalates to 13%
- Tapering palm oil stocks in Malaysia with strong exports demand

#### Weather

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

#### TECHNICALS

Refined soy oil chart is showing increase in selling interest at higher level. MACD and EMA pattern indicates firmness intact in the market. Stochastic is rising in neutral region. While RSI moved down. Market is expected to trades bearish with steady to slightly weak opening. Volume declined significantly while open interest declined marginally.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-June	476	477	480.5	484	485
MCX-June	476	477	480.4	484	485

#### TRADE RECOMMENDATION:

**NCDEX** Refined Soy Oil June Contract:

**SELL** Below 482; T1 near 480 and T2 near at 479 and put stop loss at 483.

**MCX** Refined Soy Oil June Contract:

**SELL** Below 482; T1 near 480 and T2 near at 479 and put stop loss at 483.

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

Centres	29.05.07	28.05.07	Change
Mumbai (Soy Ref oil)+VAT	460	460	0
Indore (Soy Ref oil)	464	462	+2
Kota (Soy Ref. Oil)+VAT	456	456	0
Hyderabad (Soy Ref)+VAT	475	475	0
Rajkot (Soy Ref)+Tax	455	455	0

## International Highlights

### Tight Supplies Boost CPO Futures at BMD on Tuesday

Profit-taking after reaching record high turned CPO futures mixed on Bursa Malaysian Derivatives on Tuesday. The most active contract has been rose 15% so far since the start of month. The most active August futures contract ended merely MYR3 high at MYR2,538 per tonne. The near month June contract finished at MYR2,686 per tonne as compared to MYR2,672 per tonne on Monday. Today, Dorab Mistry's prices forecast also contribute bullishness and pushed palm oil prices all the highs.

## Domestic Spot Market Highlights

Spot prices of palm oil traded on higher side on improved demand. The supply shortage in domestic and overseas market of related commodities aids bullish support. Supply shortage boosted Indonesian crude palm oil prices up on Tuesday. Palm oil production in Indonesia is expected **11-11.2** million tonnes while production is likely only 10.5 million tonne in current year as compared to **15.9** million tons of palm oil in 2006. As per market sources, squeezing supplies is expecting to contribute bullishness in Malaysian palm oil market with similar reflection in domestic market.

### BMD: CPO Futures (29.05.2007)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jun 07	2672	2663	2715	2650	2686	+14	500
Jul 07	2615	2610	2660	2600	2615	0	2493
Aug 07	2535	2540	2583	2527	2538	+3	9364
Sep 07	2508	2491	2540	2491	2500	-8	1720
Oct 07	2478	2485	2525	2485	2495	+17	139

\*BMD Remains Closed on Saturday and Sunday.

### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	29.05.07	28.05.07	Change
Kandla CPO (5 % FFA)	427	425	+2
Kandla RBD Palmolein +VAT	454	450	+4
Mumbai RBD Palmolein +VAT	461	460	+1
Chennai RBD Palmolein +VAT	471	470	+1
Kakinada RBD Palmolein +VAT	455	454	+1
Hyderabad RBD Palmolein +VAT	475	474	+1
Delhi RDB Palmolein	490	490	0

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

Edible Oil	29.05.07	28.05.07	Change
Crude Soy Oil	821	811	+10
Crude Palm Oil	NA	805	-
Sunflower Oil	867	867	0

### Rape/Mustard oil

In major trading centres, mustard oil traded range bound on steady demand and supply. There is ample mustard oil stocks is available in the markets that controlling the upside movement in prices. Trade activities remained dull on Tuesday while retailers remain less interest in fresh buying amidst low offtake to their ends. Traders are expecting, mustard oil to trade steady in coming days on sluggish demand from other states

### Groundnut Oil

As groundnut oil had moved up quick succession and reached to a level, which is not supporting its prices to trade in major trading centres. Arrivals pressure of groundnut seeds in Rajkot witnessed fall in oil prices. While most of market remained range bound on balance in demand and supply. As currently only handful of crushers with sluggish demand of oil is likely to pressure market in near-term.

### Refined Sunflower Oil

Refined sunflower oil prices moved up after three consecutive of steadiness. On Tuesday, market witness improved demand while oil stocks remained limited. The CIF prices of sunflower oil for June shipment remained unchanged on second consecutive day at \$867 per tonne. Traders are expecting the sunflower prices is likely to trade steady with firm tone ahead as other cheaper substitutes are available in the market.

### Refined Cottonseeds Oil

Bt cotton seeds demand shows a phenomenal growth in Andhra Pradesh as planting season is suppose to start by May end to June with monsoon season has arrived in country. The refined cottonseeds oil improved at tag in Mumbai while remained unchanged in rest of markets. As currently palm oil prices are approaching closed cottonseeds oil, it move in tandem in coming days.

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

Centres	29.05.07	28.05.07	Change
Mumbai (Exp. Oil) +VAT	466	466	0
Kota (Exp. Oil)+VAT	432	432	0
Jaipur (Exp. Oil)+VAT	442	442	0
Delhi (Exp. Oil)	463	463	0
Neewai (Exp. Oil) +VAT	432	432	0

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

Centres	29.05.07	28.05.07	Change
Mumbai +VAT	665	665	0
Rajkot +VAT	680	685	-5
Andhra Region +VAT	685	685	0
Chennai +VAT	640	640	0
Delhi	695	695	0

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

Centres	29.05.07	28.05.07	Change
Mumbai +VAT	538	535	+3
Chennai +VAT	550	550	0
Hyderabad +VAT	555	550	+5

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

Centres	29.05.07	28.05.07	Change
Mumbai +VAT	472	471	+1
Hyderabad +VAT	475	475	0
Rajkot + VAT	468	468	0
Delhi	455	455	0

### Forex Rates

(As on 29.05.07)

Country/ Continent	Currency	Value In Rupees
USA	Dollar	40.45
European Union	Euro	54.37
Japan	100 Yen	33.33
United Kingdom	Pound Sterling	80.30

## 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	Expected (30.05.2007)
New Mangalore	Eastern Oyasis	7,500	SBO	Expected (02.06.2007)
Mundra	Champion Bralii	23,600	DSBO	Arrived (29.05.2007)
Kolkata	Marida Princess	9,944	CPO	Arrived (26.05.2007)
	Spring Glory	3,988	CPO	Arrived (28.05.2007)
	S.C. Tianjin	6,000	CPO	Arrived (26.05.2007)
	Sima Kazee	9,215	CPO	Arrived (27.05.2007)
	Pacific Sound	8,979	CPO+PFAD*	Arrived (27.05.2007)

\*Palm Fatty Acid Distillate

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