

## VEGOIL DAILY

May 22nd, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Spot prices of refined soy oil traded on weaker side on sluggish demand. Vessel carrying crude soy oil has been arrived at port with follow up more vessels ahead. Stockists maintained the flow of soy oil in the market that favours the weakness. During May month refined soy oil prices declined steadily (as on 21/05/07) prices remained at Rs. 460 per 10 kg as compared to Rs. 471 per 10 kg as on May 1) in Indore market. Despite bullish exports data, BMD CPO futures settled on bearish tone on talk of spurt palm oil production in current month. SGS released Malaysian palm oil exports figures that increase marginally by 1.3% at 799,579 metric tons during May 1-20 against 789,644 metric tons in April 1-20. The crude palm oil CIF prices dropped slightly on Monday for June shipment at \$785 per tonne as compared to \$786 per tonne on Saturday.

#### FUTURES MARKET:

**NCDEX** most active refined soy oil June contract settled down on fears of oversupplies with mostly bearish BMD CPO futures. The contract open weak at Rs. 473.65 per 10 kg against previous closing of Rs 474.3 per 10 Kg and contract closed down at Rs 471.4 per 10 Kg.

**MCX** refined soy oil June contract settled weak on Monday in lack of fresh fundamentals and arrivals of few vessels at ports carrying CPO And CDSBO. Futures open at Rs. 474.05 per 10 kg against previous closing of Rs 475 per 10 Kg. Contract finished down at Rs 472.2 per 10 Kg.

#### PRICE DRIVERS:

- Malaysian palm oil export sales increased by 1.3%: SGS
- Weakness in other edible oil
- Pressure from weak mustard oil
- 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

Candlestick chart pattern shows weakness in prices. MACD and EMA favour strong bearish trends. Stochastic and RSI is moving down towards oversold region, which shows further weakness in prices. Market is expected to trade downward following steady to slightly firm opening with possibility of slight late upward movement. Volume improved significantly while open interest declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-June	466	467	471.4	473	474
MCX-June	467	468	472.2	474	476

#### TRADE RECOMMENDATION:

**NCDEX** Refined Soy Oil June Contract:

**SELL Below** 472; T1 near 469 and T2 near at 468 and put stop loss at 473.5.

**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`	21.05.07	19.05.07	Change
Mumbai (Soy Ref oil)+VAT	460	460	0
Indore (Soy Ref oil)	460	462	-2
Kota (Soy Ref. Oil)+VAT	460	460	0
Hyderabad (Soy Ref)+VAT	485	485	0
Rajkot (Soy Ref)+Tax	455	455	0

## International Highlights

### BMD CPO futures Settle Sluggish on Monday

Despite bullish export sales, crude palm oil futures turned bearish on lack of fresh fundamentals of demand and supply results most active August contract dropped marginally by MYR8 at MYR2,362 per tonne at Bursa Malaysian Derivatives. Drop in palm oil production in recent month propelled the CPO market high but talk of spurt production in May helped pressure the market. SGS released Malaysian palm oil exports that increased marginally by 1.3% at 799,579 metric tons during May 1-20 against 789,644 metric tons in April 1-20.

### Domestic Spot Market Highlights

Spot prices of palm oil traded mixed across domestic markets on sluggish demand and market also reflected weakness at BMD CPO futures on dull fundamentals while Indonesian market turned bullish on fears of tight supply. SGS highlighted Malaysian palm oil exports to India dropped significantly by 82.46% at 12,500 metric tons in May 1-20 against 71,265 metric tons during April 1-20. As currently few vessels are arrived at ports and many others are expects to fuel in near-term is likely to control upwardly prices movement of palm oil prices in coming days.

#### BMD: CPO Futures (21.05.2007)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jun 07	2515	2517	2520	2489	2503	-12	750
Jul 07	2428	2424	2438	2401	2422	-6	2234
Aug 07	2370	2365	2383	2350	2362	-8	4493
Sep 07	2330	2341	2346	2314	2333	+3	658
Oct 07	2308	0	2329	0	2308	0	0

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	21.05.07	19.05.07	Change
Kandla CPO (5 % FFA)	418	420	-2
Kandla RBD Palmolein +VAT	440	443	-3
Mumbai RBD Palmolein +VAT	450	452	-2
Chennai RBD Palmolein +VAT	460	461	-1
Kakinada RBD Palmolein +VAT	448	444	+4
Hyderabad RBD Palmolein +VAT	460	NA	-
Delhi RDB Palmolein	490	490	0

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

Edible Oil	21.05.07	19.05.07	Change
Crude Soy Oil	785	786	-1
Crude Palm Oil	NA	770	-
Sunflower Oil	830	825	+5

### Rape/Mustard oil

Trade activities remained subdued on Monday pushed back mustard oil prices in domestic markets. Plenty supplies and sluggish demand pressured Delhi and Jaipur markets. Stockists preferred to stay away from markets on expectations of mustard seeds prices would drop further. In prevailing conditions of holding back seeds and weakness in edible oil, mustard oil prices are likely to react mixed in approaching days.

### Groundnut Oil

Spot prices of groundnut oil witnessed dull trade activities and low demand results markets to trade on softer side. Weakness in other edible oil aids the weakness on groundnut oil As per trade source groundnut harvest is full swing with currently supportive weather conditions. The low demand of groundnut meals helped oil prices to remain steady.

### Refined Sunflower Oil

Spot prices of refined sunflower oil firmed up in Hyderabad markets on supply shortage. Harvesting of sunflower had entered in tailing part in Karnataka. The CIF prices of sunflower oil increased further on Monday at \$830 per tonne as compared to \$825 for June shipment on Saturday. As per trade sources, refined sunflower oil is likely to trade steady to bullish on limited oil inventories stocks in the market.

### Refined Cottonseeds Oil

Refined cottonseeds oil trade bearish across domestic markets on poor demand. As per market sources, in currently cotton acreage would improve to last years as farmers received better returns than groundnut with expectation of acreage translation from groundnut to cotton that may be nearly 10-15%. 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	21.05.07	19.05.07	Change
Mumbai (Exp. Oil) +VAT	460	460	0
Kota (Exp. Oil)+VAT	432	430	+2
Jaipur (Exp. Oil)+VAT	440	442	-2
Delhi (Exp. Oil)	454	460	-6
Neewai (Exp. Oil) +VAT	NA	433	-

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

Centres	21.05.07	19.05.07	Change
Mumbai +VAT	645	645	0
Rajkot +VAT	660	660	0
Andhra Region +VAT	675	680	-5
Chennai +VAT	NA	630	-
Delhi	695	695	0

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

Centres	21.05.07	19.05.07	Change
Mumbai +VAT	530	530	0
Chennai +VAT	NA	547	-
Hyderabad +VAT	552	545	+7

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

Centres	21.05.07	19.05.07	Change
Mumbai +VAT	470	472	-2
Hyderabad +VAT	474	475	-1
Rajkot + VAT	463	463	0
Delhi	450	455	-5

### Forex Rates

(As on 21.05.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.60
European Union	Euro	54.87
Japan	100 Yen	33.48
United Kingdom	Pound Sterling	80.13

## PORT-WATCH (Latest):

### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Maersk Bristol	12,000	CDSBO	Berthed (18.05.2007)
	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)
Mumbai	Samho Heron	8,000	CPO	Arrived (15.05.2007)
	Madura	4,550	PFAD*	Arrived (18.05.2007)
	Global Neptune	5,950	CPO	Expected (22.05.2007)
	Star Dream	4,000	Palm oil	Expected (27.05.2007)
Tuticorin	Star Dust	8,200	Palm oil	Arrived (16.05.2007)
	Spring Wind	4,100	Palm oil	Arrived (18.05.2007)
New Manglore	Global Neptune	6,400	CPO	Expected (19.05.2007)
Kolkata	Zhong Hua-7	6,500	CPO	Expected (19.05.2007)

\*Palm Fatty Acid Distillate

\*\*Crude Fatty Acid

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