

VEGOIL DAILY

May 14th, 2007

REFINED SOY OIL

SPOT MARKET:

On Saturday, refined soy oil firmed up amidst on the back of overnight firmed up CBOT amidst bullish USDA supply and demand projection, which highlighted world soy oil ending stocks in May month is projected at 2.77 million metric tons (MMT) as compared to April month 2.76 MMT. Soy oil production in May is expecting at 35.92 MMT against April month 35.82 MMT. In India soy oil production is estimation at 1.14 MMT, which is unchanged to April month projection. The crude soy oil CIF prices marginally increased on Friday at \$759 per tonne for May shipment against \$758 per tonne as on Friday. Soy oil is overseas market is likely to gather bullishness momentum amidst restricted soybeans exports from Brazil on weak dollar and declining demand from biodiesel sector amidst narrow production margins as compared to local diesel prices. As well as diminishing fear of switching corn acreage to soybeans will be provides supportive hand at CBOT.

FUTURES MARKET:

NCDEX refined soy oil most active June contract settled high on Friday on follow-through buying interest and market closed at Rs. 482.7 per 10 kg. Contract opened at Rs. 480.9 per 10kg against pervious closing level of Rs 480.5 per 10 Kg.

MCX refined soy oil futures June contract finished up on Saturday on bullish CBOT soy complex futures and market closed at Rs. 483.6 per 10 kg. The contract opened at Rs 483.5 per 10 Kg against Friday's closing of Rs 480.95 per 10 Kg. The contract touched a high and lows of Rs 484.9 and 483.15 per 10 kg respectively.

PRICE DRIVERS:

- Bullish overnight CBOT soy complex futures
- Bullish WASDE monthly supply and demand report of May month
- Appreciating rupee v/s dollar
- Improved palm oil demand
- Weak demand of soymeal both at ports and domestically

Weather

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

TECHNICALS

Candlestick pattern suggests indecisiveness at higher level. Prices dropped in ending session of trading day and market closed above the short term and medium term EMA's suggests short-term firmness in the market. MACD is recovering in the positive territory. Stochastic made bullish crossover whereas RSI moved up in neutral zone. Both volume and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-June	475	477	482.7	485	487
MCX-June	475	477	483.6	486	487

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil June Contract:

BUY Above 481; T1 near 483 and T2 near 484 and put stop loss at 479.

MCX Refined Soy Oil June Contract:

BUY Above 482; T1 near 484, T2 near 485 and put stop loss at 480.

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

Centres	12.05.07	11.05.07	Change
Mumbai (Soy Ref oil)+VAT	NA	475	-
Indore (Soy Ref oil)	470	468	+2
Kota (Soy Ref. Oil)+VAT	469	468	+1
Hyderabad (Soy Ref)+VAT	485	485	0
Rajkot (Soy Ref)+Tax	458	460	-2

PALM OIL

International Highlights

BMD Crude Palm oil Futures Remained Closed on Saturday.

Domestic Spot Market Highlights

Spot prices of palm oil improved in across domestic markets amidst improved demand and bullish CBOT market. The recent government moves to increase the import limit of vanaspati from Sri Lanka under Free Trade Agreement was a set back of vanaspati makers and increasing palm oil prices would discourage them further. The crude soy oil CIF prices quoted at \$740 per tonne on Saturday for May shipment. The increasing palm oil demand from China (one of major buyer) amidst costlier soy oil prices will support Malaysian market ahead.

BMD: CPO Futures (11.05.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
May07	2450	2450	2480	2450	2470	+20	24
Jun.07	2387	2391	2423	2391	2400	+13	1188
Jul.07	2320	2327	2351	2323	2325	+5	11913
Aug.07	2260	2269	2300	2252	2275	+15	8378
Sep.07	2243	2255	2271	2243	2257	+14	1198

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	12.05.07	11.05.07	Change
Kandla CPO (5 % FFA)	418	417	+1
Kandla RBD Palmolein +VAT	445	445	0
Mumbai RBD Palmolein +VAT	457	457	0
Chennai RBD Palmolein +VAT	459	458	+1
Kakinada RBD Palmolein +VAT	446	444	+2
Hyderabad RBD Palmolein +VAT	461	457	+4
Delhi RDB Palmolein	495	490	+5

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	12.05.07	11.05.07	Change
Crude Soy Oil	759	758	+1
Crude Palm Oil	740	NA	-
Sunflower Oil	NA	779	-

Rape/Mustard oil

Spot prices of mustard oil increased across domestic markets in the wake of recent USDA month report. Mustard seeds arrivals declined in major trading centers supported oil prices. As per media sources, Nafed has procured nearly 60,000 tonnes mustard seeds so far. In weak rapemeal demand with low demand from Northeast zone of country is likely to remain a bearish factor for mustard oil in coming days.

Groundnut Oil

Groundnut oil prices stood mixed in domestic markets on steady demand. The recent Andhra Pradesh state government move to subsidize 5.5 lakh quintals of groundnut seeds to farmers discouraged stockists, who stock for same purpose. In Rajkot market shelled groundnut quoted at Rs. 490-500 per 20 with arrivals of 10,000-12,000 bags. As per traders, groundnut oil prices are likely to drop ahead on expending groundnut harvest in other regions in Gujarat.

Refined Sunflower Oil

Spot prices of refined sunflower oil dropped in major trading centers on dull demand and slower trade activities. As per market sources, costlier crude sunflower oil capped the gains to certain extent. However, meal demand remained weak while sunflower seeds arrivals remained steady. Sluggish demand for meal with underlying bearishness in global markets is likely to pressure sunflower oil prices ahead.

Refined Cottonseeds Oil

Spot prices of cottonseeds oil improved across domestic markets on increased demand. Increased groundnut oil supported cotton oil to trade bearish in Rajkot market. However, weak demand of cotton meals limited the upside movement in cotton oil. As prevailing low demand for cotton meal with diminishing crushing margins is likely to pressure cotton oil in short-term.

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

Centres	12.05.07	11.05.07	Change
Mumbai (Exp. Oil) +VAT	NA	462	-
Kota (Exp. Oil)+VAT	435	431	+4
Jaipur (Exp. Oil)+VAT	445	441	+4
Delhi (Exp. Oil)	462	455	+7
Neewai (Exp. Oil) +VAT	434	428	+6

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	12.05.07	11.05.07	Change
Mumbai +VAT	NA	630	-
Rajkot +VAT	675	670	+5
Andhra Region +VAT	685	685	0
Chennai +VAT	590	600	-10
Delhi	700	680	+20

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

Centres	12.05.07	11.05.07	Change
Mumbai +VAT	525	525	0
Chennai +VAT	530	540	-10
Hyderabad +VAT	540	545	-5

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

Centres	12.05.07	11.05.07	Change
Mumbai +VAT	NA	475	-
Hyderabad +VAT	580	478	+2
Rajkot + VAT	470	464	+6
Delhi	462	453	+9

Forex Rates

(As on 12.05.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.74
European Union	Euro	55.07
Japan	100 Yen	33.89
United Kingdom	Pound Sterling	80.76

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	M.T. Integrity	8,000	CPO	Arrived (09.05.2007)
	Chemstar Seven	20,000	CPO	Berthed (10.05.2007)
	Global Eros	11,059	CPO/CPS/PFAD	Expected (13.05.2007)
	Maersk Britol	12,000	CDSBO	Expected (16.05.2007)
	Hari Kripa	2,000	CFA*	Expected (11.05.2007)
	M.T. Gem of Dahej	9,200	CPO	Expected (20.05.2007)
	M.T. Integrity	15,000	CDSBO	Expected (20.05.2007)
Mumbai	Samho Heron	8,000	CPO	Expected (15.05.2007)
Tuticorin	Star Dust	8,200	Palm oil	Expected (14.05.2007)
	Spring Wind	4,100	Palm oil	Expected (16.05.2007)

*Crude Fatty Acid

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