

## VEGOIL DAILY

May 28th, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Spot prices of refined soy oil continue to recover in the domestic markets amidst delay shipment and supply shortage. The surge in crude oil prices opened the new door for alternative fuel like biodiesel and ethanol, which needs edible oil and corn for its production, had underlying bullish support to soybeans and palm oil in global markets. Malaysian palm oil prices rose sharply during the week and achieved 9-years high last week that supported most active August contract and it trade between MYR2,362 to MYR2,498 per metric ton. Fears of reduced soybeans acreage from corn as corn prices returns are better to soybeans fueling CBOT futures. As well as currently strengthening Brazilian real, which touched 6-years high in last week would be a setback for farmer that put the doubts over expansion of acreage to soybeans. The crude soy oil CIF prices for June shipment increased further on Saturday at \$811 per tonne as compared to \$802 per tonne on Friday.

#### FUTURES MARKET:

The **NCDEX** most active June contract of refined soy oil ended marginally high on Saturday on delay of vessels carrying soy oil and overnight firmed up CBOT soy futures. Bullish BMD CPO futures aid bullish support. The contract opened slightly weak at Rs. 480 per 10 kg against previous closing of Rs 480.7 per 10 Kg and contract closed down at Rs 481 per 10 Kg.

**MCX** refined soy oil June contract settled marginally down on Saturday amidst choppy trading and profit taking. However, overnight firmed up CBOT soy futures aided bullish support and limited the losses. The futures opened firmed at Rs. 479.8 per 10 kg against previous closing of Rs 480.45 per 10 Kg. Contract finished up at Rs 480.1 per 10 Kg.

#### PRICE DRIVERS:

- Bullish CBOT soy futures
- Crude soy oil CIF prices continues to increase
- Appreciating rupees v/s dollar
- Low crushing margins for soy oil
- Delay of vessels carrying crude soy oil

#### Weather

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

#### TECHNICALS

Candlesticks chart pattern indicates indecisiveness at higher level. MACD made bullish crossover in negative territory. Prices closed above 9/18 days EMA indicates short-term firmness in the market. Stochastic is rising in neutral region. RSI shows downward movement in neutral zone. Volume declined sharply while open interest marginally.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-June	476	477	481	486	488
MCX-June	476	477	480.1	485	486

#### TRADE RECOMMENDATION:

**NCDEX** Refined Soy Oil June Contract:

**BUY** Above 480; T1 near 482 and T2 near at 483 and put stop loss at 479.

**MCX** Refined Soy Oil June Contract:

**BUY** Above 480; T1 near 482, T2 near 483 and put stop loss at 479.

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

Centres	26.05.07	25.05.07	Change
Mumbai (Soy Ref oil)+VAT	460	458	+2
Indore (Soy Ref oil)	462	461	+1
Kota (Soy Ref. Oil)+VAT	457	457	0
Hyderabad (Soy Ref)+VAT	485	485	0
Rajkot (Soy Ref)+Tax	455	455	0

## PALM OIL

### International Highlights

BMD CPO futures Remained Closed on Saturday.

### Domestic Spot Market Highlights

Spot price of palm oil is continues to improve on steady demand and bullishness in overseas markets. However, SGS shows the significant drop in exports to India, which declined by 77.99% during May 1-25 at 12,400 MT against 74,505 MT during same period last year. The crude palm oil CIF prices for June shipment declined on Saturday at \$805 per tonne as compared to \$810 per tonne on Friday. As per market sources, shortage of palm oil is maintained in Malaysian, which is likely to support domestic palm oil market.

#### BMD: CPO Futures (25.05.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jun 07	2566	2590	2621	2589	2621	+55	635
Jul 07	2497	2522	2563	2522	2563	+66	2776
Aug 07	2445	2465	2503	2465	2498	+53	7711
Sep 07	2413	2430	2470	2430	2470	+57	1065
Oct 07	2388	2425	2432	2421	2430	+42	180

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	26.05.07	25.05.07	Change
Kandla CPO (5 % FFA)	424	425	-1
Kandla RBD Palmolein +VAT	448	447	+1
Mumbai RBD Palmolein +VAT	460	456	+4
Chennai RBD Palmolein +VAT	468	466	+2
Kakinada RBD Palmolein +VAT	452	451	+1
Hyderabad RBD Palmolein +VAT	470	468	+2
Delhi RDB Palmolein	490	490	0

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

Edible Oil	26.05.07	25.05.07	Change
Crude Soy Oil	811	802	+9
Crude Palm Oil	805	810	-5
Sunflower Oil	867	832	+5

### Rape/Mustard oil

Due to Saturday, trade activities remained low and mustard oil traded range bound in most of trading centres on balance in demand and supply. While slightly shortage of mustard oil supports price in rest of markets. Demand for rapeseeds meals improved marginally in domestic markets and in ports. 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

Groundnut oil continuous to improve in Rajkot and Mumbai markets limited inventories with hold back by stockists that waiting for further improvement in prices. Arrivals remained closed to 65-70,000 bags at prices of Rs. 515-525 per 20 kg. on currently strengthening rupees value over dollar, exporters remains disinterested to exports HPS (hand pick and selected) groundnut seeds to southeast Asia and European countries.

### Refined Sunflower Oil

Refined sunflower oil turned range bound on steady demand. Sunflower seeds arrivals remained steady on Saturday. **The CIF prices of sunflower oil for June shipment rose abruptly on Saturday at \$867 per tonne in comparison to \$832 per tonne on Friday.** Prospects of depleting oil inventories in domestic as well as in overseas markets would aid constantly bullish support.

### Refined Cottonseeds Oil

Follow cotton and groundnut oil, cottonseeds remained in bullish note. The limited cottonseeds stocks with increase attention of cottonseeds oil helped bullish support. However, currently crushing margin for cottonseeds oil is unable to support the fresh crushing supported gains. As cottonseeds oil and groundnut oil share same market, which is likely to move in tandem in approaching days.

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

Centres	26.05.07	25.05.07	Change
Mumbai (Exp. Oil) +VAT	466	462	+4
Kota (Exp. Oil)+VAT	432	432	0
Jaipur (Exp. Oil)+VAT	442	442	0
Delhi (Exp. Oil)	462	459	+3
Neewai (Exp. Oil) +VAT	432	432	0

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

Centres	26.05.07	25.05.07	Change
Mumbai +VAT	665	655	+10
Rajkot +VAT	685	675	+10
Andhra Region +VAT	680	680	0
Chennai +VAT	632	630	+2
Delhi	695	695	0

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

Centres	26.05.07	25.05.07	Change
Mumbai +VAT	535	535	0
Chennai +VAT	550	550	0
Hyderabad +VAT	550	550	0

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

Centres	26.05.07	25.05.07	Change
Mumbai +VAT	468	468	0
Hyderabad +VAT	473	472	+1
Rajkot + VAT	667	465	+2
Delhi	455	455	0

### Forex Rates

(As on 26.05.07)

Country/ Continent	Currency	Value In Rupees
USA	Dollar	40.60
European Union	Euro	54.65
Japan	100 Yen	33.34
United Kingdom	Pound Sterling	80.57

## 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)
Tuticorin	Chem Baltic	3,780	Palm oil	Expected (27.05.2007)
New Manglore	Eastern Daisis	7,500	SBO	Expected (02.06.2007)
Mundra	MT Nogogini	10,500	CPO/PFAD*	Expected (27.05.2007)
	Champion Bralii	23,600	DSBO	Expected (27.05.2007)
Kolkata	Sima Kazee	9,215	CPO	Arrived (24.05.2007)

**\*Palm Fatty Acid Distillate**

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