

VEGOIL DAILY

June 12th, 2007

REFINED SOY OIL

SPOT MARKET:

Spot prices of refined soy oil remained mixed on subdued demand and collapsed BMD CPO futures on fall short of palm oil figures of June 1-10 and fears of shipment cancellation. The General Administration of highlighted China soybeans imports during Jan-May increased by 9.2% at 11.34 million tonnes as compared 10.38 million tonnes same period a year ago. SGS estimated Malaysian palm oil exports for June 1-10 fell by 23.5% at 345,849 metric tons (MT) against 451,816 MT last month. Malaysian Palm Oil Board (MPOB) released palm oil exports sales estimates in May surged by 2.2% at 1.15 million metric tonne as compared to 1.12 metric tons in April. Crude palm oil production in April increased by 6.7% at 1.2 million metric tonne against 1.13 metric tonne a month ago while stock by May end dropped by 6.1% at 1.12 million metric tons against 1.19 million metric tons last month. The crude soy oil CIF prices for July shipment increased on Monday at \$848 per tonne against \$843 per tonne on Saturday.

FUTURES MARKET:

Sharp fall in BMD and diminishing prospect of tight supply pushed NCDEX refined soy oil July contract down on Monday. The July futures contract opened firmed at Rs. 492.9 per 10 kg as compared to yesterday close at Rs 492.15 per 10 Kg. Contract fell sharply closing and settled at Rs 488.05 per 10 Kg.

MCX refined soy oil July contract settled down on Monday amidst profit taking from previous rallies with spill over impact on plunged BMD CPO futures. The contract opened firmed at Rs. 492.95 per 10 kg against previous closing level at Rs 492.05 per 10 Kg and contract closed at Rs 488.25 per 10 Kg.

PRICE DRIVERS:

- BMD CPO futures collapsed
- Malaysian palm oil exports increases by 2.2% in May end.
- June 1-10 Malaysian palm oil exports dropped by 23.5%: SGS
- USDA soybeans stock is expected to fall
- Crude soy oil CIF prices increased by \$5

Weather

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

TECHNICALS

Long upper shadow indicates for selling pressures at higher level. MACD and EMA patterns hint for weakness in the market. Stochastic and RSI is falling in neutral regions. Market is expected to trade downwards with steady to slightly firm opening. Both volumes and open interest increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-July	481	482	488.05	493	494
MCX-July	481	483	488.25	494	495

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil July Contract:

SELL Below 489; T1 near 486 and T2 near at 485 and put stop loss at 490.5.

MCX Refined Soy Oil July Contract:

SELL Below 490; T1 near 487 and T2 near at 486 and put stop loss at 491.5.

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

Centres	11.06.07	09.06.07	Change
Mumbai (Soy Ref oil)+VAT	465	465	0
Indore (Soy Ref oil)	470	466	+4
Kota (Soy Ref. Oil)+VAT	NA	465	-
Hyderabad (Soy Ref)+VAT	482	484	-2
Rajkot (Soy Ref)+Tax	465	465	0

International Highlights

BMD CPO Futures Collapse on Monday

Crude palm oil futures collapsed on Monday amidst below trade expected exports figures by Malaysian Palm oil Board (MPOB) for May coupled with SGS and Intertek for June 1-10. as well as fears of shipment cancellation. The most active August contract of CPO plunged by MYR151 at MYR2,320 per tonne. Malaysian Palm Oil Board (MPOB) released palm oil exports sales estimation for May, exports surged by 2.2% at 1.15 million metric tonne as compared to 1.12 metric tons in April. SGS (a cargo surveyor) estimated Malaysian palm oil exports for the period of June 1-10 highlighted exports fell by 23.5% at 345,849 metric tons (MT) against 451,816 MT during May 1-10.

Domestic Spot Market Highlights

Spot prices of palm oil fall in domestic markets on steady demand with fears of plenty palm oil product supplies ahead. BMD CPO futures collapse on second consecutive day on fall short of exports figures while Indonesian CPO futures remained steady on dull trade activities. SGS estimated Malaysian palm oil exports to India for June 1-10 dropped abruptly by 75% at 2,250 MT against 9,000 MT same period last month. The crude palm oil CIF prices for July shipment quoted at \$774 per tonne Monday. As BMD CPO futures is compressed in last two days with more weakness ahead domestic palm oil is likely to stay in sync in approaching days.

BMD: CPO Futures (11.06.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jun 07	2715	2700	2700	2483	2483	-232	67
Jul 07	2585	2590	2620	2413	2418	-167	3474
Aug 07	2471	2484	2523	2315	2320	-151	16247
Sep 07	2399	2395	2446	2255	2255	-144	5053
Oct 07	2360	2371	2371	2220	2220	-140	242

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	11.06.07	09.06.07	Change
Kandla CPO (5 % FFA)	430	431	-1
Kandla RBD Palmolein +VAT	462	462	0
Mumbai RBD Palmolein +VAT	465	465	0
Chennai RBD Palmolein +VAT	470	475	-5
Kakinada RBD Palmolein +VAT	455	457	-2
Hyderabad RBD Palmolein +VAT	475	485	-10
Delhi RDB Palmolein	495	500	-5

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	11.06.07	09.06.07	Change
Crude Soy Oil	848	843	+5
Crude Palm Oil	774	NA	-
Sunflower Oil	620	915	+5

Rape/Mustard oil

Due to scorching heat, trade activities remained low from last few days in major trading location. However, mustard oil prices remained in bullish tone on limited stocks and improved seeds prices. Due to low demand of oil expellers remained disinterested to speed up mustard crushing. The mustard seeds arrivals declined by 10 thousand bags at 60 thousand bags. Till monsoon arrives, mustard oil prices are likely to react steady to slightly bullish in coming days.

Groundnut Oil

Groundnut oil stood mixed on subdued sentiments for demand and unchanged nut prices in physical markets. Low demand is continues to rules in at ports and domestically. Summer groundnut is in progress in Maharashtra, Tamil Nadu and other regions. In different markets of Gujarat shell groundnut prices remained unchanged at Rs. 410-530 per 20 kg for different quality. Due to low crushing, market is under tight supply, which might support groundnut oil prices in near-term.

Refined Sunflower Oil

Refined sunflower oil traded on softer side on sluggish demand and sunflower harvesting pressure. Harvesting of sunflower is completed in Karnataka. The sunflower oil CIF prices for July shipment increased on Monday at \$920 per tonne against \$915 per tonne on Saturday. As per trade sources, refined sunflower oil is likely to gather bullishness ahead on underlying firmness in overseas markets of related commodities.

Refined Cottonseeds Oil

On appreciating rupees value v/s dollar, cotton exporters are hesitating with little spill over impact on cottonseeds oil. Demand for cotton meals remained weak domestically tend to push market down. Market also generated bullish momentum from weakness in other rival palm oil. As per trade source, further cotton sowing is likely to remains with monsoon progression.

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

Centres	11.06.07	09.06.07	Change
Mumbai (Exp. Oil) +VAT	470	470	0
Kota (Exp. Oil)+VAT	442	442	0
Jaipur (Exp. Oil)+VAT	452	452	0
Delhi (Exp. Oil)	480	477	+3
Neewai (Exp. Oil) +VAT	442	442	0

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	11.06.07	09.06.07	Change
Mumbai +VAT	665	665	0
Rajkot +VAT	695	690	+5
Andhra Region +VAT	695	680	+15
Chennai +VAT	640	645	-5
Delhi	700	700	0

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

Centres	11.06.07	09.06.07	Change
Mumbai +VAT	555	555	0
Chennai +VAT	562	565	-3
Hyderabad +VAT	560	560	0

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

Centres	11.06.07	09.06.07	Change
Mumbai +VAT	470	472	-2
Hyderabad +VAT	475	475	0
Rajkot + VAT	466	468	-2
Delhi	470	468	+2

Forex Rates

(As on 11.06.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.91
European Union	Euro	54.60
Japan	100 Yen	33.64
United Kingdom	Pound Sterling	80.46

PORT-WATCH (Latest):**Current Vessels Positions**

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Hari Kripa	2,000	CFA	Expected (08.06.2007)
	Bow Cheetah	11,000	CDSBO	Expected (09.06.2007)
	Chem Jasmin	24,500	Palm oil	Expected (09.06.2007)
	Sichem Defender	13,600	Palm oil	Expected (11.06.2007)
	Annoula	18,900	CDSBO	Expected (13.06.2007)
	Global Neptune	14,000	Palm oil Product	Expected (11.06.2007)
Mumbai	Oil Ambassador	10,500	CPO	Expected (10.06.2007)
New Manglore	Annoula	8,500	CSB/SFO	Expected (08.06.2007)
	Maria-E	10,000	CPO	Expected (09.06.2007)
Kolkata	Olympic	10,508	CPO	Arrived (06.06.2007)
	Olympic	5,650	CPO	Arrived (08.06.2007)
	Yong Cheng-17	4,582	CPO	Arrived (08.06.2007)
Mundra	Oil Ambassador	7,500	CPO	Arrived (09.06.2007)

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