

VEGOIL DAILY

June 5th, 2007

REFINED SOY OIL

SPOT MARKET:

Spot prices of refined soy oil traded in bearish tone amidst sluggish demand and on news of government may revise down import duty on select edible oil under purview. As per market observers, Malaysian palm oil stocks in May end is expecting at 1.07 million tonnes from 1.18 million tonnes in April end. BMD rebounded from Fridays' weakness on prospects of tight supplies and expectations of strong demand. During May month CPO August contact escalated by 13.1% at MYR2,581 per tonne on May end against \$2,282 per tonne on 3rd May. The crude soy oil CIF prices of July shipment increased further on Monday at \$842 per tonne as compared to \$840 per tonne on Saturday.

FUTURES MARKET:

Amidst fears of revision on import duty on edible oil witnessed strong bearishness on refined soy oil July contact at NCDEX. Despite bullish BMD, traders preferred profit taking. The July futures contract opened weak at Rs. 493.6 per 10 kg against previous closing prices of Rs 494.05 per 10 Kg. Contract closed up at Rs 490.8 per 10 Kg.

MCX refined soy oil July contract settled down on Monday on profit taking and fears of revision in import duty and oversupplies in coming days. The contract opened firmed at Rs. 494.35 per 10 kg against yesterday's closing Rs 493.95 per 10 Kg and contract closed down at Rs 490.8 per 10 Kg.

PRICE DRIVERS:

- Bullish BMD CPO futures
- Crude soy oil CIF prices increased by \$2 on Monday
- Weakness in other edible oil
- Country is likely to import nearly 600,000 tonnes edible oil in June
- Tapering palm oil stocks in Malaysia

Weather

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

TECHNICALS

Candlestick charts patterns indicate strong selling pressure at higher level. MACD is running flat in positive territory. Prices closed above short and medium term EMA patterns indicate firmness intact in the market. Stochastic is attempts to make bearish crossover in overbought region, Whereas RSI is falling to neutral zone. Market is expected to trade downward with steady to slightly firm opening. Both volume and open interest increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-July	484	486	490.8	495	496
MCX-July	484	486	490.8	495	496

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil July Contract:

SELL Below 492; T1 near 489 and T2 near at 488 and put stop loss at 493.5.

MCX Refined Soy Oil July Contract:

SELL Below 492; T1 near 489 and T2 near at 488 and put stop loss at 493.5.

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

Centres	04.06.07	02.06.07	Change
Mumbai (Soy Ref oil)+VAT	465	462	+3
Indore (Soy Ref oil)	464	463	+1
Kota (Soy Ref. Oil)+VAT	456	456	0
Hyderabad (Soy Ref)+VAT	477	477	0
Rajkot (Soy Ref)+Tax	455	455	0

International Highlights

BMD CPO Futures Touch the Highest Level on Record

Friday CBOT firmness and supportive sentiments of demand and support pushed crude palm oil futures on Bursa Malaysian Derivatives on Monday. The most active August contract of CPO futures finished MYR39 up at MYR2,601 per tonne. Today's closed was the highest on record. Traders are expecting palm oil stocks in May near 1-1.1 million tonnes against 1.18 million tonnes in April end as well as market may touch the resistance level of MYR2,650 per tonne.

Domestic Spot Market Highlights

Spot market of palm oil traded on bullish side on firmed BMD CPO futures and slightly improved demand. Dull trades activities was outcome in Indonesian crude palm oil market amidst traders were expecting of hike in exports taxes by government and stayed away. BMD recovered on Monday from Friday's weakness on fears of supplies shortage and expectation of good demand. The crude palm oil CIF prices for July shipment increased on Monday at \$840 per tonne as compared to \$832 per tonne on Saturday.

BMD: CPO Futures (04.06.2007)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jun 07	2721	2725	2750	2722	2745	+24	336
Jul 07	2658	2666	2699	2659	2695	+37	859
Aug 07	2562	2570	2601	2558	2601	+39	3832
Sep 07	2500	2512	2532	2500	2530	+30	1286
Oct 07	2458	2490	2495	2475	2495	+37	83

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	04.06.07	02.06.07	Change
Kandla CPO (5 % FFA)	433	435	-2
Kandla RBD Palmolein +VAT	460	457	+3
Mumbai RBD Palmolein +VAT	470	468	+2
Chennai RBD Palmolein +VAT	477	475	+2
Kakinada RBD Palmolein +VAT	457	457	0
Hyderabad RBD Palmolein +VAT	477	476	+1
Delhi RDB Palmolein	490	490	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	04.06.07	02.06.07	Change
Crude Soy Oil	842	840	+2
Crude Palm Oil	840	832	+8
Sunflower Oil	895	NA	-

Rape/Mustard oil

Amidst steady demand and bullish supports refined soy oil led mustard oil to trade on higher side. On Monday, total mustard seeds arrivals are reportedly steady nearly 30-35 thousand bags. Till date, Nafed has imported nearly 15,000 tonne of edible oil (mainly palm oil). Amidst Gujjar agitation, mustard oil supplies have been affected from Rajasthan (major producing area) and stockists took benefit by hold up oil, created temporary shortage in Mumbai and Delhi markets in turn supported prices. .

Groundnut Oil

Spot prices of groundnut oil dropped a tag as arrivals reached at 70-90 thousand bags with dull sentiments for demand. As per market observers, summer groundnut production is expected at nearly 2.25 lakh tonnes whereas arrivals are likely to last till month end. News of stalled south-west monsoon forced stockists to hold back their stock, waiting prices to become dearer had underlying support to market.

Refined Sunflower Oil

Tight supplies and stalled demand boosted refined sunflower oil price in domestic markets. While, Chennai market witnessed improve demand. The sunflower oil CIF prices for near month shipment have risen by 10.52% in May month. The sunflower oil CIF prices for July shipment on Monday quoted at \$895 per tonne. In current week, a vessel is expecting to arrive at port, which is likely to regulate upside movement of refined sunflower oil prices in near-terms.

Refined Cottonseeds Oil

Spot prices of refined cottonseeds oil traded mixed on stagnant demand. Under prospects of good demand from overseas markets, better returns and easy availability of seeds for sowing may shoot up cotton production in current crop year (Oct-Sep) more than 28 million bales as compared to 27.5 million bales last crop year. As currently palm oil prices are moving close to cottonseeds oil that may influence its prices accordingly in near-term.

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

Centres	04.06.07	02.06.07	Change
Mumbai (Exp. Oil) +VAT	470	468	+2
Kota (Exp. Oil)+VAT	435	435	0
Jaipur (Exp. Oil)+VAT	445	445	0
Delhi (Exp. Oil)	472	470	+2
Neewai (Exp. Oil) +VAT	435	435	0

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	04.06.07	02.06.07	Change
Mumbai +VAT	665	665	0
Rajkot +VAT	675	677	-2
Andhra Region +VAT	670	670	0
Chennai +VAT	645	640	+5
Delhi	695	695	0

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

Centres	04.06.07	02.06.07	Change
Mumbai +VAT	545	542	+3
Chennai +VAT	555	560	-5
Hyderabad +VAT	550	550	0

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

Centres	04.06.07	02.06.07	Change
Mumbai +VAT	474	474	0
Hyderabad +VAT	478	478	0
Rajkot + VAT	467	468	-1
Delhi	465	462	+3

Forex Rates

(As on 04.06.07)

Country/ Continent	Currency	Value In Rupees
USA	Dollar	40.47
European Union	Euro	54.43
Japan	100 Yen	33.17
United Kingdom	Pound Sterling	80.28

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Star Dream	6,000	Palm oil	Expected (02.06.2007)
	Maersk Barry	15,000	CPO	Expected (03.06.2007)
	Global Triton	6,000	CPO	Expected (05.06.2007)
	Bow Cheetah	11,000	CDSBO	Expected (08.06.2007)
	Global Neptune	14,000	Palm oil Product	Expected (11.06.2007)
Mumbai	Star Dream	4,000	Palm oil	Arrived (30.05.2007)
	Oil Ambassador	10,800	CPO	Expected (08.06.2007)
New Manglore	Eastern Oyasis	7,500	SBO	Expected (05.06.2007)
Kolkata	Marida Princess	9,944	CPO	Arrived (01.06.2007)
	L.Star	5,220	CPO	Arrived (30.05.2007)
	Fatima	4,500	CPO+C. Palmolein	Expected (02.06.2007)
Chennai	Arabian Wind	12,121	SFO	Arrived (01.06.2007)
Tuticorin	Chem Baltic	3,780	Palm oil	Arrived (28.05.2007)

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