

## VEGOIL DAILY

June 19th, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Domestic edible oil market traded on higher side on steady demand and bullishness in BMD CPO futures. Currently competitive others edible oil prices with improved demands of soymeals both at ports and domestically aided bullish support to refined soy oil. Friday's hike in exports taxes of crude palm oil by Indonesian government at 6.5% from 1.5% combined with latest rallies on CBOT soy futures helped support to BMD CPO futures. The crude soy oil CIF prices for July shipment increased on Monday at \$822 per tonne as compared to \$818 per tonne on Saturday. As per trade sources, refined soy oil is likely to borrow bullishness ahead amidst underlying firmness in overseas market of related commodities combined with improving prospects of monsoon demand.

#### FUTURES MARKET:

NCDEX refined soy oil July contract settled down on Monday despite firmness in overseas market of related commodities. The July futures contract opened weak at Rs. 488.85 per 10 kg against previous closing level at Rs 489.3 per 10 Kg. Contract closed at Rs 486.9 per 10 Kg.

MCX refined soy oil July contract finished down on selling pressure on lack of fresh fundamentals. The contract opened firm at Rs. 490.05 per 10 kg as compared to yesterday closing at Rs 489.05 per 10 Kg and contract settled down at Rs 486.65 per 10 Kg.

#### PRICE DRIVERS:

- Bullish BMD CPO futures
- Firmness in soy meals both at ports
- Indonesian government has hiked CPO exports taxes at 6.5% from earlier 1.5%
- Firmness in other vegetable oil

#### Weather

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

#### TECHNICALS

Refined soy oil chart patterns suggest increased in selling pressure. MACD and EMA hints for weakness in the market. Stochastic is rising in oversold zone whereas RSI in falling. Market is expected to trade downward with steady to slightly firm opening. Volume increased and open interest declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-July	481	482	486.9	491	492
MCX-July	480	482	486.65	492	493

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil July Contract:

**SELL Below 488;** T1 near 485 and T2 near at 484 and put stop loss at 489.5.

MCX Refined Soy Oil July Contract:

**SELL Below 488;** T1 near 485 and T2 near at 484 and put stop loss at 489.5.

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

Centres	18.06.07	16.06.07	Change
Mumbai (Soy Ref oil)+VAT	465	465	NIL
Indore (Soy Ref oil)	464	464	NIL
Kota (Soy Ref. Oil)+VAT	468	468	NIL
Hyderabad (Soy Ref)+VAT	485	483	+2
Rajkot (Soy Ref)+Tax	460	NA	-

**International Highlights****BMD CPO Futures Settle Up**

On Monday, crude palm oil futures increased sharply on Bursa Malaysian Derivatives amidst latest rallies on CBOT and hike in exports taxes by Indonesian Government. The most active September contract of CPO futures ended MYR54 at MYR2,453 per tonne. Market went up quickly near to psychological barrier of MYR2,500 tonne but lack of supportive news forced futures to settle with above gains.

**Domestic Spot Market Highlights**

Spot prices of palm oil traded mixed on dull trade activities and erratic demand. The recent move by Indonesian government to hike the exports taxes on crude palm oil at 6.5% from 1.5% forced exporters to sell-off palm oil into domestic market resulting in increased supplies. As per trade sources, BMD CPO futures may move further up on exports duty hike by Indonesia, which will extend bullish support to domestic market in next week opening.

**BMD: CPO Futures (18.06.2007)****(Ringgit/ton)**

Months	Previous	Open	High	Low	Close	Change	Volume
Jul 07	2512	2555	2555	2570	2555	+43	1746
Aug 07	2425	2481	2479	2480	2481	+56	6384
Sep 07	2403	2479	2493	2453	2457	+54	11525
Oct 07	2405	2465	2499	2435	2435	+30	1100
Nov 07	2381	2440	2455	2425	2425	+44	70

\*BMD Remains Closed on Saturday and Sunday.

**Palm oil – Spot Market Price****(Rs. Per 10 kg)**

Centres	18.06.07	16.06.07	Change
Kandla CPO (5 % FFA)	425	425	NIL
Kandla RBD Palmolein +VAT	480	449	+1
Mumbai RBD Palmolein +VAT	458	460	-2
Chennai RBD Palmolein +VAT	465	470	-5
Kakinada RBD Palmolein +VAT	455	454	+1
Hyderabad RBD Palmolein +VAT	474	472	+2
Delhi RDB Palmolein	505	505	NIL

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

Edible Oil	18.06.07	16.06.07	Change
Crude Soy Oil	822	818	+4
Crude Palm Oil	NA	775	-
Sunflower Oil	904	904	NIL

### Rape/Mustard oil

In physical markets, mustard seeds arrivals dropped by 5,000 bags at 50,000 bags helped support to seeds prices across domestic markets with spill over impact on mustard oil. Balance in demand and supply keep the oil prices unchanged to Saturday in rest of markets. As per market observers, mustard oil prices are likely to consolidate ahead before further gains.

### Groundnut Oil

Spot prices of groundnut oil traded almost range bound on balance in demand and supply expect Hyderabad market, which rose sharply amidst low stocks against market requirement. The shelled groundnut prices in different markets in Gujarat quoted between Rs. 415-545 per 20 kg (as per quality). According to trade sources, groundnut oil is expected to remain in bullish mode on shortage of supply.

### Refined Sunflower Oil

Bullish overseas market of related commodity with improving prospects of demand help supported refined sunflower oil in major trading centers. Sunflower oil CIF prices for July shipment remained unchanged on Monday at \$904 per tonne. As per trade sources, refined sunflower oil prices are likely to trade steady to slightly bullish on underlying bullishness in overseas market.

### Refined Cottonseeds Oil

Erratic demand helped domestic refined cottonseeds oil prices to trade in mixed tone in domestic markets. As per trade sources, cotton plantation is expecting in 1.52 million hectares from 1.46 million hectares a year ago. Whereas transgenic Bt cotton has plantation is expecting in 868,000 hectares so far in current year. Prospects of improve monsoon demand and underlying bullishness in groundnut oil is likely to support its prices in coming days.

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

Centres	18.06.07	16.06.07	Change
Mumbai (Exp. Oil) +VAT	478	476	+2
Kota (Exp. Oil)+VAT	447	447	NIL
Jaipur (Exp. Oil)+VAT	457	457	NIL
Delhi (Exp. Oil)	490	490	NIL
Neewai (Exp. Oil) +VAT	447	447	NIL

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

Centres	18.06.07	16.06.07	Change
Mumbai +VAT	685	685	NIL
Rajkot +VAT	715	715	NIL
Andhra Region +VAT	710	680	+30
Chennai +VAT	650	650	NIL
Delhi	700	700	NIL

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

Centres	18.06.07	16.06.07	Change
Mumbai +VAT	565	560	+5
Chennai +VAT	567	567	NIL
Hyderabad +VAT	580	575	+5

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

Centres	18.06.07	16.06.07	Change
Mumbai +VAT	477	472	+5
Hyderabad +VAT	482	480	+2
Rajkot + VAT	480	480	NIL
Delhi	472	473	-1

### Forex Rates

(As on 18.06.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.76
European Union	Euro	54.58
Japan	100 Yen	32.99
United Kingdom	Pound Sterling	80.67

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Hari Kripa	2,000	CFA	Expected (15.06.2007)
	S.C. Sanghai	12,000	Palm oil	Expected (15.06.2007)
	Chem Jasmin	24,500	Palm oil	Arrived (12.06.2007)
	Annoula	18,900	CDSBO	Expected (15.06.2007)
	Global Neptune	14,000	Palm oil Product	Expected (16.06.2007)
New Manglore	Shimakaze	5,854	CPO	Expected (19.06.2007)

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