

VEGOIL DAILY

June 27th, 2007

REFINED SOY OIL

SPOT MARKET:

Refined soy oil prices turned down on Tuesday on subdued trade activities and sluggish demand. In current month Malaysian palm oil demands are expecting to stay weak whereas production is likely to close to May figures (1.2 million tonnes) that increasing fears of good stocks. This is continuously pushing BMD CPO futures down with spill over impact in domestic market. Recovery from Friday's weakness, ideas of corn will gains acreage to soybeans, support from overbought technical conditions cast firmness for soy futures. The crude soy oil CIF prices for July shipment increased on Tuesday at \$826 per tonne against \$820 per tonne on Monday. In prevailing conditions, market is under low demand with expectations of improved supplies as vessels carrying crude soy oil are discharging at ports which are likely to pressure but the downside will be limited by firmness in other vegetable oil.

FUTURES MARKET:

Following weakness of BMD CPO futures, NCDEX refined soy oil futures July contract settled down on Tuesday. The weak technical aided bearishness. The July futures contract opened weak at Rs. 486.2 per 10 kg against yesterday closing level at Rs 487.15 per 10 Kg. Market finished down at Rs. 485.8 per 10 Kg.

MCX refined soy oil July contract finished down on global cues and fears of increased supplies ahead. The contract opened weak at Rs. 485.8 per 10 kg against previous closing at Rs. 486.35 per 10 Kg and prices finished down at Rs. 485.1 per 10 Kg.

PRICE DRIVERS:

- Bearish BMD CPO Futures
- Malaysian Palm oil exports declined by 12.5% during June 1-25
- Fears of exceeding supplies on current vessels position
- Firmness in other vegetable oil
- Crude soy oil CIF prices increased by \$6

Weather

Isolated rainfall is expecting in Madhya Maharashtra, in many parts in Rajasthan expects North.

TECHNICALS

Candle sticks charts pattern indicate indecisiveness at lower level. Prices closed to 9/18 days EMA hints for weakness in the market. MACD is continues to fall in positive territory. Stochastic is attempt for bearish crossover in neutral region whereas RSI shows weakness in prices. Market is expected to trade downward with steady to slightly weak opening. Volume increased marginally while open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-July	480	481	485.8	489	490
MCX-July	479	480	485.1	489	490

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil July Contract:

SELL Below 485; T1 near 483 and T2 near at 482 and put stop loss at 486.

MCX Refined Soy Oil July Contract:

SELL Below 485; T1 near 483 and T2 near at 482 and put stop loss at 486.

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

Centres	26.06.07	25.06.07	Change
Mumbai (Soy Ref oil)+VAT	462	462	Nil
Indore (Soy Ref oil)	465	468	-3
Kota (Soy Ref. Oil)+VAT	470	468	+2
Hyderabad (Soy Ref)+VAT	482	485	-3
Rajkot (Soy Ref)+Tax	456	457	-1

International Highlights

BMD CPO Futures Remain Sluggish on Monday

Despite bullish CBOT, crude palm oil futures dropped down on Tuesday on Bursa Malaysian Derivatives on fears of increasing stocks, sluggish exports demand and weak technical. However, currently Malaysian palm oil prices has dropped significantly in past few days but the current prices are still high to support CPO demand from biodiesel manufacturing countries that aids bearishness. The most active September contract of crude palm oil futures dropped on third consecutive day at MYR24 at MYR2,348 per tonne.

Domestic Spot Market Highlights

Sluggish demand, dull trade activities and weakness in overseas market of related commodities sparked weakness for palm oil in domestic markets. Following weakness in BMD CPO futures, Indonesian physical market remained dull. Crude palm oil CIF prices for July shipment quoted at \$752 per tonne on Tuesday. BMD CPO futures is likely to gather bearish momentum ahead on improving prospects on palm oil stocks in current month with lack of fresh fundamentals of demand and supply which would influence weakness to spot prices.

BMD: CPO Futures (26.06.2007)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jul 07	2468	2468	2470	2440	2455	-13	562
Aug 07	2401	2499	2499	2358	2379	-22	1829
Sep 07	2372	2382	2382	2321	2348	-24	5879
Oct 07	2350	2349	2349	2304	2330	-20	659
Nov 07	2325	2300	2315	2286	2315	-10	343

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	26.06.07	25.06.07	Change
Kandla CPO (5 % FFA)	414	416	-2
Kandla RBD Palmolein +VAT	443	443	Nil
Mumbai RBD Palmolein +VAT	450	451	-1
Chennai RBD Palmolein +VAT	460	462	-2
Kakinada RBD Palmolein +VAT	438	442	-4
Hyderabad RBD Palmolein +VAT	470	472	-2
Delhi RDB Palmolein	500	500	Nil

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	26.06.07	25.06.07	Change
Crude Soy Oil	826	820	+6
Crude Palm Oil	752	NA	-
Sunflower Oil	894	890	+4

Rape/Mustard oil

The good demand from Northeast regions of India is continue to support mustard oil prices in Rajasthan regions where in other physical market, prices remained on correction mode. The 2007 mustard seeds stocks are having 1% higher oil content to old stocks, thus pressure on new stock is more. As per traders mustard oil prices are likely to generate bullishness from rising mustard seeds prices and improving prospect of demand in near-term.

Groundnut Oil

The poor availability of quality nut for crushing and subdued sentiments for groundnut meals demand both at ports and domestically are impeding expellers for fresh crushing thus creating the virtual scarcity. This has pushed up groundnut oil prices domestically against yesterday prices. The shelled groundnut in Gujarat remained unchanged and traded between Rs. 415-560 per 20 kg (as per variety). The good demand of HPS groundnut seeds from Southeast countries is likely to support oil prices in coming day.

Refined Sunflower Oil

The crude sunflower oil prices have been risen further on tight supplies from stockists, which is continues to support refined oil price in physical markets. The sunflower oil CIF prices for July shipment increased on Tuesday at \$891 per tonne against \$891 per tonne on Monday. The tight supplies with increased crude oil prices may strengthen refined sunflower oil prices in near-term.

Refined Cottonseeds Oil

Increasing groundnut oil prices pulled refined cottonseeds oil prices in domestic market on Tuesday. As per trade sources the cottonseeds oil stocks are limited while demand are steady that is also supporting prices to remain firm. According to trade estimates, cottonseeds prices on Kharif harvest are not expecting to dip sharply as downside would get warm support from cotton prices, which have been raised by 6-8% in last one year.

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

Centres	26.06.07	25.06.07	Change
Mumbai (Exp. Oil) +VAT	490	492	-2
Kota (Exp. Oil)+VAT	472	460	+12
Jaipur (Exp. Oil)+VAT	482	468	+14
Delhi (Exp. Oil)	493	500	-7
Neewai (Exp. Oil) +VAT	470	460	+10

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	26.06.07	25.06.07	Change
Mumbai +VAT	730	720	+10
Rajkot +VAT	745	740	+5
Andhra Region +VAT	750	725	+25
Chennai +VAT	705	700	+5
Delhi	NA	700	-

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

Centres	26.06.07	25.06.07	Change
Mumbai +VAT	580	580	Nil
Chennai +VAT	590	590	Nil
Hyderabad +VAT	600	595	+5

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

Centres	26.06.07	25.06.07	Change
Mumbai +VAT	484	482	+2
Hyderabad +VAT	480	482	-2
Rajkot + VAT	497	493	+4
Delhi	480	480	Nil

Forex Rates

(As on 26.06.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.95
European Union	Euro	55.09
Japan	100 Yen	33.23
United Kingdom	Pound Sterling	81.80

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Hari Kripa	2,000	CFA	Expected (28.06.2007)
	New Trader	7,994	CPO	Expected (26.06.2007)
	Politisa Lady	24,255	DSBO	Expected (26.06.2007)
	Samho Heron	3,059	PFAD	Expected (01.07.2007)
	Bryggen	10,500	SBO	Expected (01.07.2007)
Kolkata	Champion Spirit	10,993	Soy oil	Arrived (20.06.2007)

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