

VEGOIL DAILY

June 25th, 2007

REFINED SOY OIL

SPOT MARKET:

Spot prices of refined soy oil traded range bound on balance in demand and supply combined with overnight CBOT weakness but the slow progress of soybeans sowing supported market. The latest government estimation shows the slow progress of Kharif soybeans sowing during May1-June22 in 24,000 hectares as compared to 101,000 hectares last year. The Genetic Engineering Approval Committee (GEAC) has finally approved the import of genetically modified soybeans oil to country. Now the importers can directly import GMO soy oil to smoothen supplies. Increases in corn selling, bearish overnight palm oil futures, weak technical and expectation of good rainfall in Eastern Corn Belt pushed down soy futures on CBOT. The crude soy oil CIF price for July shipment increased again on Saturday at \$820 per tonne against \$814 per tonne on Friday. As per trade sources, Indonesian government is planning to reduce exports taxes in next month which will pressure BMD CPO futures with spill over impact in domestic markets in near-term.

FUTURES MARKET:

Lack of supportive news and overnight weakness in CBOT pushed down NCDEX refined soy oil July futures contract and market witnessed improvement in selling pressure. The July futures contract opened weak at Rs. 488.1 per 10 kg against yesterday close at Rs 488.9 per 10 Kg. Market finished slightly down at Rs. 488.5 per 10 Kg.

MCX refined soy oil July contract settled a tad down tracking overnight weakness of CBOT soy futures. Market also generated bearishness on approaching monsoon in major soybeans producing regions. The contract opened weak at Rs. 487.9 per 10 kg against Friday's closing level at Rs. 488.5 per 10 Kg and contract finished down at Rs. 487.85 per 10 Kg.

PRICE DRIVERS:

- GEAC removed hurdle to import GMO soy oil to country
- Slow progress of soybeans sowing in major producing provinces
- Improved crude soy oil CIF value by \$6
- Many vessels carrying crude soy oil are expecting to hit Kandla port soon

Weather

Isolated rainfall is expecting Madhya Maharashtra, Marathawada, south and north Rajasthan which in turn support soybeans sowing sentiments.

TECHNICALS

Refined soy oil charts shows the buying interest at lower level. Prices closed slightly above to 9/18 days hints for mild firmness. MACD is continuing to fall in positive territory. Stochastic is rising in neutral region while RSI shows weakness in prices in neutral region. Market is expected to trade downward with steady to slightly firm opening. Both volume and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-July	484	485	488.5	491	492
MCX-July	483	484	487.85	491	492

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil July Contract:

SELL NEAR 489; T1 near 487 and T2 near at 486 and put stop loss at 490.

MCX Refined Soy Oil July Contract:

SELL NEAR 488; T1 near 486 and T2 near at 485 and put stop loss at 489.

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

Centres	23.06.07	22.06.07	Change
Mumbai (Soy Ref oil)+VAT	462	462	NIL
Indore (Soy Ref oil)	468	468	NIL
Kota (Soy Ref. Oil)+VAT	468	468	NIL
Hyderabad (Soy Ref)+VAT	485	485	NIL
Rajkot (Soy Ref)+Tax	457	457	NIL

PALM OIL

International Highlights

BMD CPO Futures Remained Closed on Saturday.

Domestic Spot Market Highlights

The spot prices of palm oil remained in bearish tone on lack of fresh fundamentals of demand and supply and sluggish demand. The recent government deferment of duty revision on imported edible oil took away bullish anticipation of vanaspati makers, which are under pressure of high palm oil price across domestic markets. This had forced them to reduce their palm oil demand that aided bearishness. Expectation of slower demand ahead from importing nations that currently waiting for further weakness in Malaysian crude palm oil would likely to keep bears up in near-term there with spill over in domestic market.

BMD: CPO Futures (22.06.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jul 07	2470	2459	2470	2446	2459	-11	313
Aug 07	2408	2399	2408	2384	2400	-8	691
Sep 07	2388	2368	2388	2368	2380	-8	3970
Oct 07	2390	2356	2374	2355	2365	-25	438
Nov 07	2360	2358	2358	2355	2355	-5	115

***BMD Remains Closed on Saturday and Sunday.**

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	23.06.07	22.06.07	Change
Kandla CPO (5 % FFA)	418	418	NIL
Kandla RBD Palmolein +VAT	445	445	NIL
Mumbai RBD Palmolein +VAT	450	450	NIL
Chennai RBD Palmolein +VAT	460	462	-2
Kakinada RBD Palmolein +VAT	443	447	-4
Hyderabad RBD Palmolein +VAT	472	472	NIL
Delhi RDB Palmolein	505	505	NIL

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	23.06.07	22.06.07	Change
Crude Soy Oil	820	814	+6
Crude Palm Oil	NA	NA	-
Sunflower Oil	894	890	+4

Rape/Mustard oil

The spot prices of mustard oil traded in bullish tone on balance in demand and supply and underlying firmness in other edible oil. The slow sowing of Kharif oilseeds aided bullish support to market. During the week, mustard seeds prices have increased that help support to mustard oil prices. The limited stocks of mustard seeds with improving demand of oil ahead are likely to support oil prices to improve further in near-term.

Groundnut Oil

As per trade sources, under consideration of virtual scarcity of groundnut oil in the market, State government of Gujarat had conducted raid to the millers and dealers to recovered huge quantity of oil but figures as not obtained. The rapid groundnut sowing has been seen during May1-June 22 in 253,000 hectare land as compared to 317,000 hectare land same period a year ago in latest government estimation. The sowing figures have surpassed the last week figures at 76,000 hectares as compared to May1- June 15 as compared to 94,000 hectares last year.

Refined Sunflower Oil

Steady demand and underlying firmness in edible oil supported refined sunflower oil to trade on higher side on Saturday. Sunflower oil CIF prices for July shipment increased on Saturday at \$894 per tonne as compared to \$890 per tonne on Friday. The fall in supplies of sunflower oil from major producing countries are likely to keep overseas markets of related commodity firm with spill over impact in domestic markets.

Refined Cottonseeds Oil

Improved demand, surge in groundnut oil and tight supplies strengthens refined cottonseeds prices in major trading centers. In latest government estimation cotton sowing during May1-June 22 remained unchanged to previous estimation during May 1 and June 15 at 1.52 million hectares as compared to 1.47 million hectares same period a year ago. Transgenic Bt cotton has covered in 868,000 hectares land.

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

Centres	23.06.07	22.06.07	Change
Mumbai (Exp. Oil) +VAT	490	490	NIL
Kota (Exp. Oil)+VAT	460	460	NIL
Jaipur (Exp. Oil)+VAT	468	468	NIL
Delhi (Exp. Oil)	512	510	+2
Neewai (Exp. Oil) +VAT	458	458	NIL

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	23.06.07	22.06.07	Change
Mumbai +VAT	715	700	+15
Rajkot +VAT	730	725	+5
Andhra Region +VAT	725	725	NIL
Chennai +VAT	680	680	NIL
Delhi	705	705	NIL

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

Centres	23.06.07	22.06.07	Change
Mumbai +VAT	580	570	+10
Chennai +VAT	582	570	+12
Hyderabad +VAT	595	595	NIL

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

Centres	23.06.07	22.06.07	Change
Mumbai +VAT	480	480	NIL
Hyderabad +VAT	482	482	NIL
Rajkot + VAT	492	488	+4
Delhi	475	475	NIL

Forex Rates

(As on 23.06.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.71
European Union	Euro	54.71
Japan	100 Yen	32.86
United Kingdom	Pound Sterling	81.31

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Hari Kripa	2,000	CFA	Expected (24.06.2007)
	Selendang Gemala	25,100	CDSBO	Arrived (21.06.2007)
	Royal Emerald	12,000	Palm oil	Expected (23.06.2007)
	New Trader	7,994	CPO	Expected (26.06.2007)
	Politisa Lady	24,255	DSBO	Expected (24.06.2007)
	Baltic Marshall	12,000	CDSBO	Expected (23.06.2007)
Kolkata	Pacific Sound	2,700	CPO+PFAD	Arrived (20.06.2007)
	Champion Spirit	10,993	Soy oil	Arrived (20.06.2007)
Mumbai	Samho Heron	4,500	Palm oil	Expected (27.06.2007)

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