

## VEGOIL DAILY

June 4th, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Spot prices of refined soy oil trade in bullish tone in domestic market on steady demand and bullish CBOT soy futures. According to trade sources, country could import 600,000 tonnes in June month. Bullish USDA weekly exports sales reports, surge in meals, subdued technical selling helped support soy futures on CBOT. Weekly exports sales of soybeans totaled at 875,900 metric tons (MT) against trade expectations between 500,000-800,000 MT, soy oil sales stood at 7,600 MT against trade expectations between 0-5,000 MT while meals sales remained within trade line at 70,600 MT as compared to trade expectations between 50,000-125,000 MT. Crude palm oil is not viable for biodiesel production above \$600 per tonne and currently Malaysian CPO prices are trading above \$750 per tonne. The crude soy oil CIF prices of June shipment increased marginally on Saturday at \$840 per tonne as compared to \$838 per tonne on Friday. Due to higher prices of Malaysian CPO and thinning margin for biodiesel production, demand is likely to fall by Europeans countries, which use lion's share of CPO for biodiesel production.

#### FUTURES MARKET:

Prospects of dry up edible oil pipe line with steady demand coupled with bullish overnight CBOT soy futures cast firmness for refined soy oil June contract at NCDEX. The June future contract opened slight weak at Rs. 486.45 per 10 kg against yesterday closing prices of Rs 485.6 per 10 Kg. Contract closed up at Rs 486.6 per 10 Kg.

MCX refined soy oil June contract settled up on Friday following bullish CBOT soy futures. The delay vessels carrying edible oil and prospects of good demand during monsoon season supported June futures contract. The contract opened firmed at Rs. 486.15 per 10 kg against previous closing Rs 485.55 per 10 Kg and contract closed marginally high at Rs 486.3 per 10 Kg.

#### PRICE DRIVERS:

- Bullish CBOT soy futures
- Low meals demand in domestically and at ports
- Country is likely to import nearly 600,000 tonnes edible oil in June
- Bullish USDA weekly exports Sales reports for soybeans and soy oil

#### Weather

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

#### TECHNICALS

Refined soy oil chart shows tentativeness at higher level on account of persistent selling pressure at higher level. MACD and EMA patterns indicate firmness intact in the market. Stochastic is rising after bearish crossover in over brought region. Whereas RSI moved up in neutral zone. Both volume and open interest declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-June	481	482	486.6	490	491
MCX-June	481	482	486.3	489	490

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil June Contract:

**BUY** Near 485; T1 near 487 and T2 near at 488 and put stop loss at 484.

MCX Refined Soy Oil June Contract:

**BUY** Near 485; T1 near 487 and T2 near at 488 and put stop loss at 484.

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

Centres	02.06.07	01.06.07	Change
Mumbai (Soy Ref oil)+VAT	462	458	+4
Indore (Soy Ref oil)	463	463	0
Kota (Soy Ref. Oil)+VAT	456	456	0
Hyderabad (Soy Ref)+VAT	477	477	0
Rajkot (Soy Ref)+Tax	455	455	0

## PALM OIL

### International Highlights

BMD CPO Futures Remained Closed on Saturday.

### Domestic Spot Market Highlights

Palm oil traded on higher side in domestic markets on steady demand with limited oil stocks. Due to higher prices vanaspati makers are stayed away from market. There are many vessels are lined up at port to fuel more crude palm oil and palm oil products in coming days. The crude palm oil CIF prices for June shipment fall on Saturday at \$832 per tonne as compared to \$835 per tonne on Friday. The expectation of strong exports and tapering palm oil stocks in major producing countries is likely to support bulls there with bullish reflection in domestic market.

#### BMD: CPO Futures (01.06.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jun 07	2725	2700	2736	2700	2721	-4	200
Jul 07	2665	2672	26872	2636	2658	-7	1960
Aug 07	2581	2590	2605	2548	2562	-19	6385
Sep 07	2519	2545	2545	2490	2500	-19	1219
Oct 07	2480	2480	2480	2480	2480	0	15

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	02.06.07	01.06.07	Change
Kandla CPO (5 % FFA)	435	432	+3
Kandla RBD Palmolein +VAT	457	457	0
Mumbai RBD Palmolein +VAT	468	470	-2
Chennai RBD Palmolein +VAT	475	475	0
Kakinada RBD Palmolein +VAT	457	456	+1
Hyderabad RBD Palmolein +VAT	476	476	0
Delhi RDB Palmolein	490	490	0

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

Edible Oil	02.06.07	01.06.07	Change
Crude Soy Oil	840	838	+2
Crude Palm Oil	832	835	-3
Sunflower Oil	NA	872	-

### Rape/Mustard oil

Spot prices of mustard oil remained range bound on steady demand and supply and underlying bullishness in other edible oil. As per trade sources, after failed to procure sufficient seeds, is planning to import edible oil in coming month with aln Recent time Nafed has planned to import edible oil in order control market movement. In winter sowing mustard crops, according to trade expectation production is likely to improve by seven million tonnes in 2007-08.

### Groundnut Oil

Subdued demand and cheaper availability of refined cottonseeds and palm oil, groundnut oil traded in bearish tone in domestic market. The weak demand of groundnut meals in domestic market impeded to fresh crushing. As per market observers, currently appreciating rupees value over dollar, exporters are reluctant for HPS groundnut seeds; however sentiments for demand are improving from importing countries.

### Refined Sunflower Oil

Steady demand and tight supplies helped support refined sunflower oil prices in domestically. Currently weather is suitable for sunflower harvesting in UP, Maharashtra and Tamil Nadu. Harvesting in nearly completed in Karnataka. The sunflower oil CIF prices for near month shipment have risen 10.52% in May month. By the next week, a vessel is expecting to arrive in country, which may limit the upside movement refined sunflower oil prices ahead.

### Refined Cottonseeds Oil

Refined cottonseeds oil traded bullish in domestic markets on steady to improve demand. Due to cotton is more lucrative crop with forecast of normal monsoon results cotton cultivation in 2007/08 projected at 5.5 million hectares against 3.8 million hectare last year thanks to smooth availability of cotton seeds at particularly Bt varieties. 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	02.06.07	01.06.07	Change
Mumbai (Exp. Oil) +VAT	468	468	0
Kota (Exp. Oil)+VAT	435	435	0
Jaipur (Exp. Oil)+VAT	445	445	0
Delhi (Exp. Oil)	470	470	0
Neewai (Exp. Oil) +VAT	435	435	0

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

Centres	02.06.07	01.06.07	Change
Mumbai +VAT	665	665	0
Rajkot +VAT	477	680	-3
Andhra Region +VAT	670	670	0
Chennai +VAT	640	640	0
Delhi	495	695	0

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

Centres	02.06.07	01.06.07	Change
Mumbai +VAT	542	540	+2
Chennai +VAT	560	560	0
Hyderabad +VAT	550	550	0

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

Centres	02.06.07	01.06.07	Change
Mumbai +VAT	474	474	0
Hyderabad +VAT	478	478	0
Rajkot + VAT	468	466	+2
Delhi	462	462	0

### Forex Rates

(As on 02.06.07)

Country/ Continent	Currency	Value In Rupees
USA	Dollar	40.54
European Union	Euro	54.52
Japan	100 Yen	33.20
United Kingdom	Pound Sterling	80.29

## 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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