

VEGOIL DAILY

June 8th, 2007

REFINED SOY OIL

SPOT MARKET:

Spot prices of refined soy oil traded on softer side on sluggish demand and weakness in other vegetable oil. Soy meals exports in May dropped at 1.1 lakh metric tons against 2.51 lakh metric tonne a month ago. In a recent industry estimates, Brazil soy oil production during 2007-08 is expected to increase slightly at 5.7 million tonnes against last month 5.65 million tonnes while soy oil exports estimates have moved up a tag at 2.15 million tonnes against last month's estimates. BMD CPO Futures reacted bullish on Indonesian possibly hike in exports taxes at 6.5% against prevailing 1.5%, if current CPO prices stayed above rupiah7,000/kg till month end and finished mostly bullish. after new highs, weakness in corn and shifts of China buyers to South America due to current higher prices of US soybeans forced soy futures to settled mixed on Wednesday. The crude soy oil CIF prices for July shipment dropped on Thursday at \$851 per tonne as compared to \$863 per tonne on Wednesday.

FUTURES MARKET:

Despite bullish BMD CPO futures, NCDEX refined soy oil July contract settled weak on Thursday on follow-through weakness. The July futures contract opened marginally weak at Rs. 494.5 per 10 kg against previous closing prices level at Rs 495 per 10 Kg. Contract closed unchanged at Rs 494.5 per 10 Kg.

MCX refined soy oil July contract settled slightly down on Thursday. The lack of fresh fundamentals of demand and supply with weak soy oil futures at CBOT aided weakness. The contract opened firmed at Rs. 495.3 per 10 kg against yesterday closing at Rs 495 per 10 Kg and contract closed down at Rs 494.3 per 10 Kg.

PRICE DRIVERS:

- Indian soy meals exports dropped in May
- Weakness in other vegetable oil
- Bullish BMD CPO futures
- Crude soy oil CIF prices declined by \$12
- Brazilian soy oil production is expected to increase in 2007/08

Weather

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

TECHNICALS

Candlesticks chart pattern exhibits indecisiveness. Prices closed well above 9-days and 18-days EMA indicates medium term firmness. MACD is rising in positive territory. Stochastic is falling in overbought region. While RSI shows weakness in prices. Market is expected to trades on higher side with steady to slightly weak opening. Volumes declined while open interest increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-July	489	491	494.5	499	500
MCX-July	490	491	494.3	499	500

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil July Contract:

BUY Above 495; T1 near 497 and T2 near at 498 and put stop loss at 494.

MCX Refined Soy Oil July Contract:

BUY Above 495; T1 near 497 and T2 near at 498 and put stop loss at 494.

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

Centres	07.06.07	06.06.07	Change
Mumbai (Soy Ref oil)+VAT	NA	475	-
Indore (Soy Ref oil)	470	469	+1
Kota (Soy Ref. Oil)+VAT	467	467	0
Hyderabad (Soy Ref)+VAT	485	485	0
Rajkot (Soy Ref)+Tax	466	466	0

International Highlights

BMD CPO Futures Gains on Thursday

Bursa Malaysian Derivatives remained mixed on choppy trade day as traders preferred to square off their positions amidst lack of clear direction. Market is awaiting for May CPO exports and stocks position that to be release by Malaysian Palm oil Board (MPOB) on Monday. The most active August contract of CPO futures gained by MYR25 at MYR2,645 per tonne on Thursday. Recent declaration by Indonesian Government to raise export taxes if CPO prices remained high in current month.

Domestic Spot Market Highlights

Physical prices of palm oil remain traded on weaker side on sluggish demand. Indonesian CPO market remained dull on Thursday on subdued trade activities as traders are hesitated to take fresh position amidst government possibly move by hike in exports taxes at 6.5% against prevailing 1.5%, if current CPO prices stayed above rupiah7,000/kg till month end. The prospects of tight supply in major producing countries are expected to fuel palm oil prices there with spill over impact in domestic market.

BMD: CPO Futures (07.06.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jun 07	2835	2850	2860	2827	2858	+23	248
Jul 07	2742	2739	2766	2707	2750	+8	2568
Aug 07	2620	2637	2670	2602	2645	+25	10887
Sep 07	2536	2543	2574	2510	2550	+14	5108
Oct 07	2490	2470	2505	2470	2480	-10	491

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	07.06.07	06.06.07	Change
Kandla CPO (5 % FFA)	437	443	-6
Kandla RBD Palmolein +VAT	460	460	0
Mumbai RBD Palmolein +VAT	470	478	-8
Chennai RBD Palmolein +VAT	485	485	0
Kakinada RBD Palmolein +VAT	467	472	-5
Hyderabad RBD Palmolein +VAT	481	485	-4
Delhi RDB Palmolein	490	490	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	07.06.07	06.06.07	Change
Crude Soy Oil	851	863	-12
Crude Palm Oil	NA	890	-
Sunflower Oil	918	914	+4

Rape/Mustard oil

The mustard oil prices traded on softer side on mixed sentiments for demand. The rapeseeds meals exports declined in May at 74,225 metric tonne as compared 108,375 metric tonne a month ago. Arrivals of new mustard seeds increased by 10,000 bags to yesterday 50-60 thousand bags with fall in mustard seeds prices in major trading centers. The dull sentiments of rapeseed meals at ports and domestically is likely to hamper crushing sentiments ahead.

Groundnut Oil

Subdued domestic demand with lackluster trade activities pressured groundnut oil in domestic markets. The tight supply in Mumbai market helped support to oil prices. According to trade sources, the nil groundnut meals exports have been reported in May while in April, it hovered around 4,500 metric tonne. In Rajkot market, the groundnut seeds quoted at Rs. 410-525 per 20 kg for different quality. Due to underlying good demand of HPS groundnut seeds from importing countries, oil prices are likely to react accordingly in near-terms.

Refined Sunflower Oil

Despite weakness in other edible oil, refined sunflower oil remained in bullish tone on improved sentiments for demand. The tapering crude sunflower stocks supported prices on anticipation of good demand ahead. The sunflower oil CIF prices for July shipment increased on Thursday at \$918 per tonne as compared to \$914 per tonne on \$914 per tonne.

Refined Cottonseeds Oil

On Thursday, refined cottonseeds oil traded mixed on erratic demand. Poor off take of cottonseeds oil at solvents ends hampered sentiments for fresh demand. As per trade source, further cotton sowing is likely to remains with monsoon progression. As per trade sources, refined cottonseeds oil is likely to trade steady to bullish ahead on underlying bullishness in other edible oil.

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

Centres	07.06.07	06.06.07	Change
Mumbai (Exp. Oil) +VAT	470	474	-4
Kota (Exp. Oil)+VAT	442	443	-1
Jaipur (Exp. Oil)+VAT	455	455	0
Delhi (Exp. Oil)	475	475	0
Neewai (Exp. Oil) +VAT	442	442	0

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	07.06.07	06.06.07	Change
Mumbai +VAT	670	665	+5
Rajkot +VAT	685	685	0
Andhra Region +VAT	670	670	0
Chennai +VAT	645	645	0
Delhi	700	700	0

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

Centres	07.06.07	06.06.07	Change
Mumbai +VAT	550	550	0
Chennai +VAT	560	NA	-
Hyderabad +VAT	560	560	0

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

Centres	07.06.07	06.06.07	Change
Mumbai +VAT	475	478	-3
Hyderabad +VAT	482	485	-3
Rajkot + VAT	472	470	+2
Delhi	465	465	0

Forex Rates

(As on 07.06.07)

Country/ Continent	Currency	Value In Rupees
USA	Dollar	40.63
European Union	Euro	54.89
Japan	100 Yen	33.49
United Kingdom	Pound Sterling	81.01

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Global Eros	1,500	PFAD	Expected (07.06.2007)
	Hari Kripa	2,000	CFA	Expected (08.06.2007)
	Bow Cheetah	11,000	CDSBO	Expected (08.06.2007)
	Chem Jasmin	24,500	Palm oil	Expected (09.06.2007)
	Sichem Defender	13,600	Palm oil	Expected (11.06.2007)
	Annoula	18,900	CDSBO	Expected (13.06.2007)
	Global Neptune	14,000	Palm oil Product	Expected (11.06.2007)
Mumbai	Oil Ambassador	10,500	CPO	Expected (10.06.2007)
New Manglore	Eastern Oyasis	7,500	SBO	Arrived (05.06.2007)
	Annoula	8,500	CSB/SFO	Expected (08.06.2007)
	Maria-E	10,000	CPO	Expected (09.06.2007)
Kolkata	Olympic	10,508	CPO	Arrived (06.06.2007)
	Olympic	5,650	CPO	Expected (07.06.2007)
	Yong Cheng-17	4,582	CPO	Expected (07.06.2007)
Mundra	Oil Ambassador	7,500	CPO	Expected (07.06.2007)

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