

VEGOIL DAILY

June 21, 2007

REFINED SOY OIL

SPOT MARKET:

Spot prices of refined soy oil traded on softer side on bearish BMD CPO futures with dull trade activities. Sellers remained active on apprehension of exceeding supply as many vessels carrying crude soy oil are expected to arrive in approaching days. As per latest SGS Malaysia palm oil exports sales estimation highlighted exports dropped by 15.5% at 675,424 tonnes during June 1-20 against 799,579 tonnes same period a month ago. As per trade sources, Argentina soybeans exports in May exports increased by 13.85% at 740,000 tonnes up from 650,000 a year ago and from Brazil soybeans exports rose sharply by 107.7% at 270,000 tonnes from 130,000 same period in 2006. In May China soy oil imports increased nearly 15 times at 260,000 tonnes from 17,000 tonnes last year. The crude soy oil CIF price for July shipment dropped further by \$2 at \$818 per tonne on Wednesday.

FUTURES MARKET:

NCDEX refined soy oil July contract recovered from recent losses in late session amidst increased in buying interest at lower level. The July futures contract opened weak at Rs. 484.3 per 10 kg as compared to yesterday closing level at Rs 484.9 per 10 Kg. Contract closed up at Rs. 486.3 per 10 Kg.

MCX refined soy oil July contract settled up after opened weak. Market recouped in later half of trading session as most of trader preferred to square their position. The contract opened slightly weak at Rs. 483.2 per 10 kg against previous close at Rs. 484.7 per 10 Kg and contract ended up at Rs. 485.8 per 10 Kg.

PRICE DRIVERS:

- Bearish CBOT and BMD CPO futures
- Malaysian Palm oil exports dropped 15.5% During June 1-20
- Brazil soybeans exports increased by 107.7% in May
- Weakness in other edible oil
- Crude soy oil CIF prices declined by \$2

Weather

As per market observers monsoon is likely to enter in central India in next 4-5 days which in turn supports the soybeans sowing in major production zones.

TECHNICALS

Refined soy oil charts show recovery from recent weakness. Prices closed below short and medium term EMA hints for short-term weakness. MACD is falling in positive region. Stochastic is attempting to make bearish crossover in neutral zone, whereas RSI is rising in neutral region. Market is expected to trade upward with steady to firm opening. Both volume and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-July	482	483	486.3	492	493
MCX-July	482	483	485.8	491	492

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil July Contract:

BUY Above 486; T1 near 489 and T2 near at 490 and put stop loss at 484.5.

MCX Refined Soy Oil July Contract:

BUY Above 485; T1 near 488 and T2 near at 489 and put stop loss at 483.5.

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

Centres	20.06.07	19.06.07	Change
Mumbai (Soy Ref oil)+VAT	463	465	-2
Indore (Soy Ref oil)	461	462	-1
Kota (Soy Ref. Oil)+VAT	467	468	-1
Hyderabad (Soy Ref)+VAT	482	485	-3
Rajkot (Soy Ref)+Tax	460	460	NIL

International Highlights

BMD CPO Futures Settle Down

Crude palm oil futures tumbled across the board on Bursa Malaysian Derivatives reacting on bearish exports figures for the period of June 1-20, fall in CBOT soy futures and dull trade activities. The most active September contract of CPO futures settled MYR59 at MYR2,377 per tonne. According to SGS estimation, Malaysia palm oil exports dropped by 15.5% at 675,424 tonnes during June 1-20 against 799,579 tonnes same period a month ago.

Domestic Spot Market Highlights

Domestic palm oil market traded mostly bearish following weakness in BMD CPO futures and sluggish demand. Stronger rupiah value cast weakness for CPO in Indonesia. For Malaysian palm oil exports sales SGS highlighted palm oil exports fell significantly with India by 82% at 2,250 tonnes MT during June 1-20 as compared to 12,500 tonnes during corresponding period a month ago. The crude palm oil CIF prices for July shipment quoted at \$775 per tonne on Wednesday.

BMD: CPO Futures (20.06.2007)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jul 07	2530	2484	2495	2455	2465	-65	1843
Aug 07	2462	2420	2430	2393	2402	-60	3400
Sep 07	2436	2395	2405	2370	2377	-59	6597
Oct 07	2421	2378	2388	2359	2369	-52	624
Nov 07	2409	2367	2376	2350	2360	-49	116

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	20.06.07	19.06.07	Change
Kandla CPO (5 % FFA)	420	423	-3
Kandla RBD Palmolein +VAT	450	450	NIL
Mumbai RBD Palmolein +VAT	455	456	-1
Chennai RBD Palmolein +VAT	462	465	-3
Kakinada RBD Palmolein +VAT	447	455	-8
Hyderabad RBD Palmolein +VAT	472	474	-2
Delhi RDB Palmolein	505	505	NIL

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	20.06.07	19.06.07	Change
Crude Soy Oil	818	820	-2
Crude Palm Oil	775	NA	-
Sunflower Oil	NA	904	-

Rape/Mustard oil

Firmness in other vegetable oil helped supported mustard oil prices in domestic markets. Envisaging weak demand of mustard oil in the markets ahead expellers were reluctant to pace up crushing. Weakness in rapeseed meals maintained in domestic markets as well as on ports. Traders are expecting, mustard oil to trade steady to bullish on limited availability with steady demand from other states in near-term.

Groundnut Oil

With higher prices of crude groundnut oil in overseas market combined with worry of rising seeds prices, importers are hesitating to float import orders. Constant pressure on limited stocks of groundnut oil escalated sentiments domestically. The prices of shelled groundnut in Gujarat quoted between Rs. 415-540 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

Spot prices of refined sunflower oil traded almost range bound on lack of fresh fundamentals. In latest report, Agricultural Secretariat highlighted Argentina sunflower seeds crush in April has dropped by 20.52% at 338,681 tonnes against 426,113 tonnes same period last year. In April, sunflower seeds oil productions down by 18.74% at 138,049 tonnes, against 169,876 tonnes same period a year ago.

Refined Cottonseeds Oil

Refined cottonseeds oil remained in bullish tone on Wednesday on steady demand and improving sentiments for demand in other edible oil. Since, Central Government removed cottonseeds oil from essential commodities list in February, Andhra Pradesh government has been enacted a law to control prices irregularities in state and ordinance will issue in approaching days.

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

Centres	20.06.07	19.06.07	Change
Mumbai (Exp. Oil) +VAT	480	480	NIL
Kota (Exp. Oil)+VAT	NA	445	-
Jaipur (Exp. Oil)+VAT	NA	455	-
Delhi (Exp. Oil)	490	490	NIL
Neewai (Exp. Oil) +VAT	445	444	+1

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	20.06.07	19.06.07	Change
Mumbai +VAT	700	690	+10
Rajkot +VAT	715	715	NIL
Andhra Region +VAT	720	715	+5
Chennai +VAT	665	660	+5
Delhi	710	700	+10

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

Centres	20.06.07	19.06.07	Change
Mumbai +VAT	565	565	NIL
Chennai +VAT	567	567	NIL
Hyderabad +VAT	580	580	NIL

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

Centres	20.06.07	19.06.07	Change
Mumbai +VAT	478	477	+1
Hyderabad +VAT	480	482	-2
Rajkot + VAT	482	482	NIL
Delhi	474	472	+2

Forex Rates

(As on 20.06.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.82
European Union	Euro	54.79
Japan	100 Yen	33.12
United Kingdom	Pound Sterling	81.18

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Hari Kripa	2,000	CFA	Expected (24.06.2007)
	Royal Emerald	12,000	Palm oil	Expected (22.06.2007)
	Selendang Gemala	25,100	CDSBO	Expected (21.06.2007)
	Politisa Lady	24,255	DSBO	Expected (22.06.2007)
	Baltic Marshall	12,000	CDSBO	Expected (23.06.2007)
	Annoula	18,900	CDSBO	Arrived (18.06.2007)
	Global Neptune	14,000	Palm oil Product	Arrived (20.06.2007)
New Manglore	Shimakaze	5,854	CPO	Arrived (19.06.2007)
Kolkata	Pacific Sound	2,700	CPO+PFAD	Expected (20.06.2007)
Mumbai	Samho Heron	4,500	Palm oil	Expected (27.06.2007)

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>
© 2005 Indian Agribusiness Systems Pvt Ltd.