

VEGOIL DAILY

June 26th, 2007

REFINED SOY OIL

SPOT MARKET:

Domestic refined soy oil markets traded almost steady on supply/demand with subdued trade activities. Currently competitive others edible oil prices with improved demands of soy meals both at ports and domestically supported the bulls. BMD CPO futures reacted bearish amidst Friday's CBOT weakness, lack of supportive news combined with bearish Malaysian exports sales data. As per SGS (a cargo surveyor) estimation, Malaysian palm oil exports sales during June 1-15 dropped 12.5% at 835,758 tonnes against 952,648 tonnes during same period last month. The crude soy oil CIF prices for July shipment remained unchanged on Monday at \$820 per tonne. As per trade sources, refined soy oil is likely to borrow bullishness ahead from underlying firmness in overseas market coupled with slow progress of soybeans sowing in major sowing regions.

FUTURES MARKET:

NCDEX refined soy oil futures July contract finished down on Monday amidst bearish BMD CPO futures and continues selling pressure. Lack of new fundamentals of demand and supply aided selling pressure. The July futures contract opened slightly firmed at Rs. 488.8 per 10 kg against previous close at Rs 488.6 per 10 Kg. Market finished slightly down at Rs. 487.3 per 10 Kg.

MCX refined soy oil July contract settled down on global cues and fears of increased supplies ahead. The contract opened weak at Rs. 488.6 per 10 kg against yesterday closing level at Rs. 487.85 per 10 Kg and contract finished down at Rs. 486.45 per 10 Kg.

PRICE DRIVERS:

- GEAC removed hurdle to import GMO soy oil to country
- Bearish BMD CPO Futures
- Malaysian Palm oil exports declined by 12.5% during June 1-25
- Improving soy meal demand at ports and domestically
- Delay monsoon progress over soybeans producing regions

Weather

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

TECHNICALS

Candle sticks charts pattern suggests the selling pressure. EMA and MACD hints for weakness in the market. Stochastic is continues to rise towards overbought region. RSI shows weakness in prices in neutral region. Market is expected to trade downward with steady to slightly firm opening. Volume increased marginally while open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-July	482	483	487.3	490	491
MCX-July	481	482	486.45	490	491

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil July Contract:

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

MCX Refined Soy Oil July Contract:

SELL NEAR 487; T1 near 485 and T2 near at 484 and put stop loss at 488.

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

Centres	25.06.07	23.06.07	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

International Highlights

BMD CPO Futures Remain Sluggish on Monday

Friday's weak CBOT, bearish exports data and subdued trade activities sparked the weakness for palm oil futures on Bursa Malaysian Derivatives on Monday. Market also generated bearish from Indonesian government's plan to reduced exports taxes on crude palm oil. As per SGS (a cargo surveyor) estimation, Malaysian palm oil exports sales during June 1-15 dropped by 12.5% at 835,758 metric tons (MT) against 952,648 MT during May 1-25. The most active September contract of crude palm oil futures dropped marginally MYR8 at MYR2,372 per tonne.

Domestic Spot Market Highlights

Domestic palm oil market remained sluggish on dull trade activities and global cues of related commodities. Following weak BMD CPO futures, Indonesian palm oil market remained dull and traders were stayed away from market on government to revise exports taxes. To India, palm oil exports fell significantly by 86.28% at 2,250 MT during June 1-25 as compared to 16,400 MT during corresponding period a month ago.

BMD: CPO Futures (25.06.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jul 07	2475	2468	2478	2460	2468	-7	396
Aug 07	2400	2380	2408	2400	2401	+1	1332
Sep 07	2380	2372	2370	2372	2372	-8	5086
Oct 07	2365	2350	2344	2350	2350	-15	1033
Nov 07	2352	2325	2320	2330	2325	-27	131

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	25.06.07	23.06.07	Change
Kandla CPO (5 % FFA)	416	418	-2
Kandla RBD Palmolein +VAT	443	445	-2
Mumbai RBD Palmolein +VAT	451	450	+1
Chennai RBD Palmolein +VAT	462	460	+2
Kakinada RBD Palmolein +VAT	442	443	-1
Hyderabad RBD Palmolein +VAT	472	472	Nil
Delhi RDB Palmolein	500	505	-5

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	25.06.07	23.06.07	Change
Crude Soy Oil	820	820	Nil
Crude Palm Oil	NA	NA	-
Sunflower Oil	890	894	-4

Rape/Mustard oil

Improving sentiments for rapeseeds meals with actively buying support of retailers helped support mustard oil prices in major trading centers. The slow sowing of Kharif oilseeds aided bullish support to market. Mustard seeds arrivals increased by 5 thousand bags at 50 thousand bad. The slow crushing of rapeseeds meals with improved demand of oil ahead are likely to support oil prices to improve further in near-term.

Groundnut Oil

Steady demand and tight supplies are continued to support domestic groundnut oil prices. As per government latest release, during May1-June 22 groundnut sowing has been planted in 253,000 hectare land as compared to 317,000 hectare land same period a year ago. The rise in groundnut prices aids bullish support. The shelled groundnut in Gujarat 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

Spot prices of refined sunflower oil remained in bullish tone on limited stocks and underlying firmness in other vegetable oil. The sunflower oil CIF prices for July shipment increased marginally at \$891 per tonne as compared to \$894 per tonne on Saturday. 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

Rising groundnut oil prices had spill over impact on refined cottonseeds oil since both share same market. The weakness in cottonseeds meals is maintained in domestic markets. Although, sentiments are bullish for cotton production in Kharif season, but cottonseeds prices are seen not to dip significantly as cotton prices have been risen by 6-8% in last one year.

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

Centres	25.06.07	23.06.07	Change
Mumbai (Exp. Oil) +VAT	492	490	+2
Kota (Exp. Oil)+VAT	460	460	NIL
Jaipur (Exp. Oil)+VAT	468	468	NIL
Delhi (Exp. Oil)	500	512	-12
Neewai (Exp. Oil) +VAT	460	458	+2

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	25.06.07	23.06.07	Change
Mumbai +VAT	720	715	+5
Rajkot +VAT	740	730	+10
Andhra Region +VAT	725	725	NIL
Chennai +VAT	700	680	+20
Delhi	700	705	-5

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

Centres	25.06.07	23.06.07	Change
Mumbai +VAT	580	580	Nil
Chennai +VAT	590	582	+8
Hyderabad +VAT	595	595	Nil

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

Centres	25.06.07	23.06.07	Change
Mumbai +VAT	482	480	+2
Hyderabad +VAT	482	482	Nil
Rajkot + VAT	493	492	+1
Delhi	480	475	+5

Forex Rates

(As on 25.06.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.81
European Union	Euro	54.91
Japan	100 Yen	32.96
United Kingdom	Pound Sterling	81.57

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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