

## VEGOIL DAILY

June 29th, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Spot prices of refined soy oil traced the firmness of BMD with steady demand and surge in other vegetable oil. As per IMD latest report, monsoon has been covered in 90% regions of country including regions of soybeans producing belt (soybeans is planted during June-July 15) had underlying weakness, which restricted the gains. BMD CPO futures recovered on Thursday from recent losses on profit-taking and surge in crude oil. Apprehensions for improvement in crop conditions with forecast of rainfall in Eastern Corn Belt, corn selling pressure and expectation of increase in soybeans crushing in May near 4.1 million tonnes against 4 million tonnes last year cast weakness for CBOT soy futures. Crude soy oil CIF prices for July shipment declined on Thursday at \$833 per tonne against \$840 per tonne on Wednesday.

#### FUTURES MARKET:

**NCDEX** July contract of refined soy oil futures plunged on Thursday on profit-taking and fears of outpaced supplies to demand ahead. The July futures contract opened slightly firm at Rs. 489.6 per 10 kg against yesterday closing level at Rs. 489.2 per 10 Kg. Market finished down at Rs. 488.7 per 10 Kg.

Profit-taking and tracking weakness on soy futures pushed down refined soy oil futures on **MCX**. Market also gathers bearish momentum from reports of spread of monsoon in 90% regions in country. The contract opened firmed at Rs. 488.95 per 10 kg against Wednesday's closing level at Rs. 488.15 per 10 Kg and prices finished down at Rs. 488.05 per 10 Kg.

#### PRICE DRIVERS:

- Bullish BMD CPO futures
- Rapid coverage of monsoon in major soybeans producing belt
- US soybeans crushing is expected to increase
- Firmness in other vegetable oil
- Decline in crude soy oil CIF price by \$7

#### Weather

Isolated rainfall is expecting in East and West Rajasthan, Madhya Maharashtra and Marathwada.

#### TECHNICALS

Refined soy oil charts suggest increase in selling interest at higher level. Prices moved down but manage to close above 9/18 EMA hints for diminishing short-term firmness. MACD is continuous to fall in positive territory. Stochastic and RSI is falling in neutral region. Market is expected to rise with steady to slightly weak opening. Volume increased marginally while open interest declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-July	485	486	488.7	494	495
MCX-July	484	485	488.05	493	494

#### TRADE RECOMMENDATION:

**NCDEX** Refined Soy Oil July Contract:

**BUY Above 489;** T1 near 491 and T2 near at 492 and put stop loss at 488.

**MCX** Refined Soy Oil July Contract:

**BUY Above 488;** T1 near 490 and T2 near at 491 and put stop loss at 487.

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

Centres	28.06.07	29.06.07	Change
Mumbai (Soy Ref oil)+VAT	464	462	+2
Indore (Soy Ref oil)	464	463	+1
Kota (Soy Ref. Oil)+VAT	470	470	Nil
Hyderabad (Soy Ref)+VAT	482	482	Nil
Rajkot (Soy Ref)+Tax	456	456	Nil

**International Highlights****BMD CPO Futures Recover on Short-covering**

Short-covering interest after four consecutive fall helped crude palm oil futures to recover on Thursday on Bursa Malaysian Derivatives. Surge in crude oil combined with prospects of bullish exports demand in coming month from importing nations like India, Pakistan and Middle East aids firmness in the market. The most active September contract of crude palm oil futures gained MYR49 at MYR2,383 per tonne.

**Domestic Spot Market Highlights**

The recent losses on BMD and sluggish trade activities had mirror similar sentiments on spot prices of palm oil in domestic markets, while sentiments for demand remained dull. Tracking gains of BMD, Indonesian palm oil market moved up. However, market failed for proper direction on lack of fresh fundamentals of demand and supply. Crude palm oil CIF prices for July shipment increased on Thursday at \$765 per tonne as compared to \$742 on Wednesday.

**BMD: CPO Futures (28.06.2007)****(Ringgit/ton)**

Months	Previous	Open	High	Low	Close	Change	Volume
Jul 07	2480	2460	2485	2451	+32	2448	842
Aug 07	2402	2359	2412	2358	+35	2367	2673
Sep 07	2383	2340	2383	2323	+49	2334	6956
Oct 07	2365	2310	2365	2305	+54	2311	1539
Nov 07	2350	2315	2350	2310	+49	2301	51

\*BMD Remains Closed on Saturday and Sunday.

**Palm oil – Spot Market Price****(Rs. Per 10 kg)**

Centres	28.06.07	27.06.07	Change
Kandla CPO (5 % FFA)	411	412	-1
Kandla RBD Palmolein +VAT	442	443	-1
Mumbai RBD Palmolein +VAT	448	449	-1
Chennai RBD Palmolein +VAT	458	458	Nil
Kakinada RBD Palmolein +VAT	437	438	-1
Hyderabad RBD Palmolein +VAT	468	468	Nil
Delhi RDB Palmolein	500	500	Nil

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

Edible Oil	28.06.07	27.06.07	Change
Crude Soy Oil	833	840	-7
Crude Palm Oil	765	742	+23
Sunflower Oil	833	NA	-

### Rape/Mustard oil

On Wednesday, mustard oil prices gained bearishness on sluggish trade activities and subdued demand. The mustard seeds arrivals stood between 60-70 thousand bags. The 2007 mustard seeds stocks are having 1% higher oil content to old stocks, thus pressure on new stock is more. As per traders mustard oil prices are likely to generate bullishness from rising mustard seeds prices and improving prospect of demand in near-term.

### Groundnut Oil

As per IMD latest report, monsoon has been covered 90% regions of country, which would support sowing of oilseeds (mainly planted during June 15-July 15). From 2002, groundnut area is continuous shrinking to 19 lakh hectares in 2006 but the Gujarat government is serious and is likely to put the best to increase in plantation by minimum 3 lakh hectares. On Thursday, groundnut oil prices improved on low availability and hold back of stock with stockists. Traders are expecting further improvement in prices on good poor availability of quality nut for crushing.

### Refined Sunflower Oil

Tracking underlying firmness in other vegetable oil with steady demand is supporting refined sunflower oil prices to improve further. As well as costlier crude oil price aided underlying bullishness. The sunflower oil CIF prices for July shipment quoted at \$891 per tonne on Thursday. Currently steady demands with prospects of tight supplies are expected to support its prices in days ahead.

### Refined Cottonseeds Oil

With the rapid progress of monsoon, cotton sowing also paced up with expectation of increased in sowing area by 10% to last year 24 lack hectares. On the other hand, refined cottonseed oil is continues to moving up on prevailing stock concern and steady demand. Amidst underlying firmness in groundnut oil, refined cottonseeds oil are likely to remain in sync as both share same market.

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

Centres	28.06.07	27.06.07	Change
Mumbai (Exp. Oil) +VAT	492	485	+7
Kota (Exp. Oil)+VAT	465	464	+1
Jaipur (Exp. Oil)+VAT	474	474	Nil
Delhi (Exp. Oil)	502	493	+9
Neewai (Exp. Oil) +VAT	465	465	Nil

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

Centres	28.06.07	27.06.07	Change
Mumbai +VAT	745	730	+15
Rajkot +VAT	760	750	+10
Andhra Region +VAT	750	750	Nil
Chennai +VAT	710	710	Nil
Delhi	750	750	Nil

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

Centres	28.06.07	27.06.07	Change
Mumbai +VAT	585	580	+5
Chennai +VAT	595	592	+3
Hyderabad +VAT	600	600	Nil

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

Centres	28.06.07	27.06.07	Change
Mumbai +VAT	490	484	+6
Hyderabad +VAT	485	485	Nil
Rajkot + VAT	503	498	+5
Delhi	490	480	+10

### Forex Rates

(As on 28.06.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.84
European Union	Euro	55.03
Japan	100 Yen	33.19
United Kingdom	Pound Sterling	81.81

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Hari Kripa	2,000	CFA	Expected (30.06.2007)
	New Trader	7,994	CPO	Arrived (26.06.2007)
	Maria E	10,000	CPO	Expected (30.06.2007)
	Champion Arctic	31,000	CDSBO	Expected (04.07.2007)
	Samho Heron	3,059	PFAD	Expected (02.07.2007)
	Bryggen	10,500	SBO	Expected (01.07.2007)
Turicorin	Spring Wind	4,100	Palm oil	Expected (28.06.2007)
	Global Trader	4,700	Palm oil	Expected (29.06.2007)
Mundra	Champion Arctic	15,000	CDSBO	Expected (02.07.2007)
Mumbai	Global Triton	11,790	Palm oil	Expected (03.07.2007)

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