

VEGOIL DAILY

June 11th, 2007

REFINED SOY OIL

SPOT MARKET:

On Saturday, refined soy oil traded range bound in major trading centers amidst balance in demand and supply. Stockists preferred to hold back their stocks on dull trading day. As per recent trade estimations Argentina soy crop is estimates at 47.1 million metric tons whereas nearly 98.3% crop has harvested so far on June 8th. According to trade sources, edible oil importers has raised soy oil demand from Argentina on better margins to rival RBD palm olein and competitive prices of soy oil. Technical selling, strengthened dollar, uncertainty for weather conditions in next week in eastern Corn Belt, overnight tumbled palm oil futures, weakness in crude oil contributed the bearishness to soy futures on CBOT. Inspection over USDA world supply and demand estimation new soybeans ending stock expected at 8.56 million metric tons as compared to 8.64 million metric tons in May. The crude soy oil CIF prices for July shipment dropped on Saturday at \$843 per tonne against \$855 on Friday.

FUTURES MARKET:

The NCDEX refined soy oil July contract finished marginally high on Saturday in increase in buying interest and market ignored overnighter CBOT soy complex weakness. The July futures contract opened marginally weak at Rs. 491.25 per 10 kg as compared to previous prices at Rs 491.8 per 10 Kg. Contract fall towards closing and finished at Rs 492.4 per 10 Kg.

Despite overnight weakness at CBOT **MCX** refined soy oil July contract ended marginally high on Saturday on improved buying on prospects of monsoon demand. The contract opened weak at Rs. 490.9 per 10 kg against yesterday closing level at Rs 491.6 per 10 Kg and contract closed at Rs 492.05 per 10 Kg.

PRICE DRIVERS:

- Argentina soy crop revised up
- 98% of soy crop has been harvest on June 8th
- Importers shifted to soy oil on better margins
- USDA soybeans stock is expected to fell
- Crude soy oil CIF prices declined by \$12

Weather

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

TECHNICALS

Candlestick chart patterns indicate recovery from recent losses. Prices recovered and closed slightly above short-term and medium term EMA hints for short-term firmness. MACD is continuous to fall in the positive territory. Stochastic dips in neutral region while RSI is rising. Market is expected to trade upward with steady to slightly firm opening. Volumes declined significantly while open interest increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-July	488	489	492.30	497	498
MCX-July	487	488	492.05	496	497

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil July Contract:

BUY Above 492; T1 near 495 and T2 near at 496 and put stop loss at 490.5.

MCX Refined Soy Oil July Contract:

BUY Above 491; T1 near 494 and T2 near at 495 and put stop loss at 489.5.

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

Centres	09.06.07	08.06.07	Change
Mumbai (Soy Ref oil)+VAT	465	468	-3
Indore (Soy Ref oil)	466	470	-4
Kota (Soy Ref. Oil)+VAT	465	467	-2
Hyderabad (Soy Ref)+VAT	484	482	+2
Rajkot (Soy Ref)+Tax	465	465	0

PALM OIL

International Highlights

BMD CPO Futures Remained Closed on Saturday.

Domestic Spot Market Highlights

Spot prices of palm oil fall in domestic markets on steady demand with fears of plenty palm oil product supplies ahead. Due to higher prices vanaspati makers are stayed away from market. There are many vessels are lined up at port to fuel more palm oil product in coming days. Trades are expecting mixed reaction in next week on current vessel position and underlying firmness in Malaysian and Indonesia palm oil market.

BMD: CPO Futures (08.06.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jun 07	2858	2850	2850	2715	2715	-143	247
Jul 07	2750	2765	2765	2585	2585	-165	3919
Aug 07	2645	2666	2666	2471	2471	-174	14208
Sep 07	2550	2565	2594	2399	2399	-151	6765
Oct 07	2489	2500	2503	2360	2360	-129	197

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	09.06.07	08.06.07	Change
Kandla CPO (5 % FFA)	431	437	-6
Kandla RBD Palmolein +VAT	462	466	-4
Mumbai RBD Palmolein +VAT	465	471	-6
Chennai RBD Palmolein +VAT	475	480	-5
Kakinada RBD Palmolein +VAT	457	465	-8
Hyderabad RBD Palmolein +VAT	485	485	0
Delhi RDB Palmolein	500	500	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	09.06.07	08.06.07	Change
Crude Soy Oil	843	855	-12
Crude Palm Oil	NA	840	-
Sunflower Oil	915	925	-10

Rape/Mustard oil

Due to Saturday, trade activities remained dull. Subdued demand forced mustard oil prices to fall in major trading centers. The mustard seeds arrivals remains steady at 70 thousand bags. According to trade estimates, winter sowing mustard crops production is likely to improve by seven million tonnes in 2007-08. As per trade sources, delayed monsoon demand impede for speed crushing of mustard seeds.

Groundnut Oil

Spot prices of groundnut oil traded on weaker side on subdued demand. Summer groundnut is in progress in Maharashtra, Tamil Nadu and other regions and retrieval of monsoon could delay and affect harvesting in progress in Maharashtra. In different markets in Gujarat shell groundnut prices dropped marginally on poor offtake and trade between Rs. 410-530 per 20 kg against previous prices Rs. 400-540 per 20 kg for different quality.

Refined Sunflower Oil

Refined sunflower oil traded in bullish tone in domestic markets on tight supply of crude sunflower oil. Harvesting of sunflower is completed in Karnataka while harvesting in operating in Maharashtra and Tamil Nadu. The sunflower oil CIF prices for July shipment dropped on Saturday at \$915 per tonne as compared to \$925 per tonne on Friday. As per trade sources, refined sunflower oil is likely to gather bullishness ahead on underlying firmness in overseas markets of related commodities.

Refined Cottonseeds Oil

Spot prices of refined cottonseeds oil traded bearish across domestic markets on low demand and weakness in other vegetable oil. Cotton sowing is in progress in Karnataka. Retrieval of monsoon with expected of rainfall in Maharashtra in approaching days cotton sowing would remain in sync with rainfall. As per trade source, further cotton sowing is likely to remains with monsoon progression.

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

Centres	09.06.07	08.06.07	Change
Mumbai (Exp. Oil) +VAT	470	470	0
Kota (Exp. Oil)+VAT	442	445	-3
Jaipur (Exp. Oil)+VAT	452	455	-3
Delhi (Exp. Oil)	477	475	+2
Neewai (Exp. Oil) +VAT	442	444	-2

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	09.06.07	08.06.07	Change
Mumbai +VAT	665	665	0
Rajkot +VAT	690	690	0
Andhra Region +VAT	670	670	0
Chennai +VAT	645	650	-5
Delhi	700	700	0

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

Centres	09.06.07	08.06.07	Change
Mumbai +VAT	555	550	+5
Chennai +VAT	565	560	+5
Hyderabad +VAT	560	560	0

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

Centres	09.06.07	08.06.07	Change
Mumbai +VAT	472	474	-2
Hyderabad +VAT	475	480	-5
Rajkot + VAT	468	470	-2
Delhi	468	470	-2

Forex Rates

(As on 09.06.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.70
European Union	Euro	54.43
Japan	100 Yen	33.43
United Kingdom	Pound Sterling	80.00

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Hari Kripa	2,000	CFA	Expected (08.06.2007)
	Bow Cheetah	11,000	CDSBO	Expected (09.06.2007)
	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	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	Arrived (08.06.2007)
	Yong Cheng-17	4,582	CPO	Arrived (08.06.2007)
Mundra	Oil Ambassador	7,500	CPO	Arrived (09.06.2007)

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.