

VEGOIL DAILY

June 9th, 2007

REFINED SOY OIL

SPOT MARKET:

Refined soy oil price dropped on sluggish demand and lacklustre trade activities. Traders preferred to stay away on lack of fresh fundamentals news. BMD CPO futures fell quick on Friday by **MYR174 at MYR2,471 per tonne** amidst strong profit-taking and weakness in crude oil. The USDA weekly exports sales for soybeans totalled at 225,200 metric tons against trade expectation between 250,000-400,000 metric tons, meals sales stood at 128,300 metric tons against 50,000-125,000 metric tons and soy oil sales remained at 2,500 metric tons against 0-10,000 metric tons. The US soy oil stocks at April ends totalled at 1.49 million metric tons against 1.25 million metric tons same period a year ago. The crude soy oil CIF prices for July shipment gained on Friday at \$855 per tonne against \$851 per tonne on Thursday.

FUTURES MARKET:

The NCDEX refined soy oil July contract finished down on Friday on follow-through weakness. Market also borrowed bearishness from tumbled BMD CPO futures. The July futures contract opened marginally weak at Rs. 493.8 per 10 kg as compared to yesterday closing prices at Rs 494.25 per 10 Kg. Contract fall towards closing and finished at Rs 491.85 per 10 Kg.

MCX refined soy oil July contract ended down on Friday on weakness in BMD CPO futures and diminishing prospects of tight supply. The contract opened weak at Rs. 493.3 per 10 kg against previous closing at Rs 494.1 per 10 Kg and contract closed down at Rs 491.75 per 10 Kg.

PRICE DRIVERS:

- BMD CPO Futures dropped by MYR174
- Bullish USDA weekly exports sales of soymeals
- US soy oil stocks increased in April month
- Crude soy oil CIF prices declined by \$12
- Weak demand of soymeals at ports

Weather

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

TECHNICALS

Refined soy oil chart patterns indicates follow-through weakness. Prices closed between 9-days and 18-days EMA. MACD is moving slight downward shows decreased in bullishness in positive territory. Stochastic is falling and attempted to enter into neutral region. While RSI shows weakness in prices. Both volumes and open interest increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-July	486	488	491.85	496	498
MCX-July	485	487	491.75	496	498

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil July Contract:

SELL Below 494; T1 near 492 and T2 near at 491 and put stop loss at 495.

MCX Refined Soy Oil July Contract:

SELL Below 494; T1 near 492 and T2 near at 491 and put stop loss at 495.

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

Centres	08.06.07	07.06.07	Change
Mumbai (Soy Ref oil)+VAT	468	NA	-
Indore (Soy Ref oil)	470	470	0
Kota (Soy Ref. Oil)+VAT	467	467	0
Hyderabad (Soy Ref)+VAT	482	485	-3
Rajkot (Soy Ref)+Tax	465	466	-1

International Highlights

BMD CPO Futures Tumble on Strong Profit-taking

Despite overnight firmed CBOT soy futures, crude palm oil futures fell quickly on Bursa Malaysian Derivatives on Friday. Traders preferred profit-taking resulting the most active August contract of CPO futures tumbled by **MYR174 at MYR2,471** per tonne on Friday. As well disappointment from Indonesia to hike in export duty, weakness in crude oil amplified the bearishness. Market is awaiting for May CPO exports and stocks position that to be release by Malaysian Palm oil Board (MPOB) on Monday.

Domestic Spot Market Highlights

Spot prices of palm oil traded mixed in domestic markets on erratic demand. BMD CPO futures tumbled on strong selling interest. Amidst lack of clear direction of demand and supply and dull trade activities was a set back for CPO futures. The crude palm oil CIF prices for July shipment quoted at \$840 per tonne on Friday. Currently market in looking for direction and will remain in tandem with overseas market of related commodities.

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	08.06.07	07.06.07	Change
Kandla CPO (5 % FFA)	440	437	+3
Kandla RBD Palmolein +VAT	466	460	+6
Mumbai RBD Palmolein +VAT	471	470	+1
Chennai RBD Palmolein +VAT	485	485	0
Kakinada RBD Palmolein +VAT	465	467	-2
Hyderabad RBD Palmolein +VAT	485	481	+4
Delhi RDB Palmolein	500	490	+10

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	08.06.07	07.06.07	Change
Crude Soy Oil	855	851	+4
Crude Palm Oil	840	NA	-
Sunflower Oil	925	918	+7

Rape/Mustard oil

Spot prices of mustard oil are traded on softer side in domestic markets on weak demand. The rapeseeds meals exports declined in May at 74,225 metric tonne as compared 108,375 metric tonne a month ago. Due to higher prices and low rapeseeds meals demand, expellers were reluctant to fresh buying of mustards seeds. As per trade sources, delayed monsoon demand impede for speed crushing of mustard seeds.

Groundnut Oil

Groundnut oil traded mixed across physical markets on steady sentiments for demand. Tapering stock of groundnut oil in major trading centres helped support the prices. In Rajkot market, shell groundnut prices improved on fall in arrivals and quoted at Rs. 400-540 per 20 kg against yesterday's prices at Rs. 415-525 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

Spot prices of refined sunflower oil trade range bound on balance in demand and supply. Weather is suitable to field work of sunflower harvest in Maharashtra. The tapering crude sunflower stocks supported prices on anticipation of bullish sentiments for demand in coming days. The sunflower oil CIF prices for July shipment increased further on Friday at \$925 per tonne against \$918 per tonne on Friday.

Refined Cottonseeds Oil

Due to higher prices and easy availability of rival palm oil and soy oil, refined cottonseeds oil fell in major trading markets expect Delhi, where steady demand and sight shortage strengthened prices there. 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.

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

Centres	08.06.07	07.06.07	Change
Mumbai (Exp. Oil) +VAT	470	470	0
Kota (Exp. Oil)+VAT	445	442	+3
Jaipur (Exp. Oil)+VAT	455	455	0
Delhi (Exp. Oil)	475	475	0
Neewai (Exp. Oil) +VAT	444	442	+2

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	08.06.07	07.06.07	Change
Mumbai +VAT	665	670	-5
Rajkot +VAT	690	685	+5
Andhra Region +VAT	670	670	0
Chennai +VAT	650	645	+5
Delhi	700	700	0

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

Centres	08.06.07	07.06.07	Change
Mumbai +VAT	550	550	0
Chennai +VAT	560	560	0
Hyderabad +VAT	560	560	0

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

Centres	08.06.07	07.06.07	Change
Mumbai +VAT	474	475	-1
Hyderabad +VAT	480	482	-2
Rajkot + VAT	470	472	-2
Delhi	470	465	+5

Forex Rates

(As on 08.06.07)

Country/ Continent	Currency	Value In Rupees
USA	Dollar	40.98
European Union	Euro	54.99
Japan	100 Yen	33.85
United Kingdom	Pound Sterling	80.98

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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