

## VEGOIL DAILY

June 7th, 2007

### REFINED SOY OIL

#### SPOT MARKET:

On Wednesday, refined soy oil gained bullish momentum from steady demand along with Tuesday's all new highs of Malaysian Palm oil. BMD rose sharply till midday helped support to domestic market then plunged sharply on profit-taking. In order to maintain adequate supplies of palm oil in domestic market, Indonesia government has hiked the base prices for exports. The base prices of crude palm oil hiked by \$104 at \$662 per tonne, RBD palm olein increased by \$91 at \$676 per tonne, crude palm olein rise by \$ 98 at \$669 per tonne and for palm kernel olein increase by \$9 at \$122 per tonne. The new base prices to be implement from June 10th to July 9th. Record gains in Malaysian palm oil, dry weather in eastern Corn Belt and southeast US helped support to soy futures on CBOT. US soybeans plantation figure remain unchanged on June 3rd at 88% as compared to last year. The crude soy oil CIF prices for July shipment increased significantly on Wednesday at \$863 per tonne as compared to \$841 per tonne on Tuesday.

#### FUTURES MARKET:

Profit-taking and bearish impact of BMD CPO market sparked weakness on refined soy oil July contact at NCDEX. The July futures contract opened slight firm at Rs. 497.9 per 10 kg against yesterday closing prices of Rs 497.55 per 10 Kg. Contract closed up at Rs 495 per 10 Kg.

**MCX** refined soy oil July contract settled down on Wednesday amidst profit-taking. The lack of fresh fundamental also pushed market downside. The contract opened firmed at Rs. 498 per 10 kg against previous closing Rs 497.45 per 10 Kg and contract closed down at Rs 495 per 10 Kg.

#### PRICE DRIVERS:

- Indonesia Government hiked the base prices of palm oil product for exports
- Bullish CBOT soy futures
- Firmness in other edible oil
- Crude soy oil CIF increased by \$22
- US soybeans plantation stood unchanged at 88% on June 3rd on year basis

#### Weather

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

#### TECHNICALS

Refined soy oil chart shows increase in selling interest at higher level. MACD and EMA pattern indicates firmness intact in the market. Stochastic is falling in overbought region. While RSI moves down to neutral zone. Market is expected to trades steady to firm with steady to slightly weak opening. Both Volumes and open interest declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-July	491	492	495	499	500
MCX-July	491	492	495	499	500

#### TRADE RECOMMENDATION:

**NCDEX** Refined Soy Oil July Contract:

**BUY** Above 494; T1 near 496 and T2 near at 497 and put stop loss at 493.

**MCX** Refined Soy Oil July Contract:

**BUY** Above 494; T1 near 496 and T2 near at 497 and put stop loss at 493.

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

Centres	06.06.07	05.06.07	Change
Mumbai (Soy Ref oil)+VAT	475	467	+8
Indore (Soy Ref oil)	469	465	+4
Kota (Soy Ref. Oil)+VAT	467	465	+2
Hyderabad (Soy Ref)+VAT	485	485	0
Rajkot (Soy Ref)+Tax	466	465	+1

**International Highlights****BMD CPO Futures Plunge on Profit-Taking**

Profit-taking and overbought conditions suggested by technical indicators cast weakness for crude palm oil at Bursa Malaysian Derivatives on Wednesday. The most active August contract of CPO futures plunged by MYR81 at MYR2,620 per tonne. During the trade-session, market touched all new highs at MYR2,764 per tonne. Disappointment over Indonesian government to keep freeze exports taxes contributed the bearishness. Weakness of CPO futures reflected on Malaysian cash market and it also trade dull.

**Domestic Spot Market Highlights**

Await for expected hike in exports taxes by Indonesian Government and profit-taking from Tuesday firmness cast weakness for crude palm oil prices there. BMD CPO futures also plunged on profit-taking on Wednesday. The crude palm oil CIF prices for July shipment also jumped on Wednesday at \$890 per tonne as compared to \$860 per tonne on Tuesday. The prospects of tight supply in major producing countries are expected to fuel palm oil prices there with spill over impact in domestic market.

**BMD: CPO Futures (06.06.2007)****(Ringgit/ton)**

Months	Previous	Open	High	Low	Close	Change	Volume
Jun 07	2855	2956	2956	2826	2835	-20	447
Jul 07	2800	2820	2859	2739	2742	-58	3062
Aug 07	2701	2721	2758	2620	2620	-81	11551
Sep 07	2615	2626	2673	2536	2536	-79	4774
Oct 07	2575	2575	2620	2481	2481	-94	676

\*BMD Remains Closed on Saturday and Sunday.

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

Centres	06.06.07	05.06.07	Change
Kandla CPO (5 % FFA)	443	437	+6
Kandla RBD Palmolein +VAT	460	NA	-
Mumbai RBD Palmolein +VAT	478	NA	-
Chennai RBD Palmolein +VAT	485	485	0
Kakinada RBD Palmolein +VAT	472	470	+2
Hyderabad RBD Palmolein +VAT	485	485	0
Delhi RDB Palmolein	490	495	-5

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

Edible Oil	06.06.07	05.06.07	Change
Crude Soy Oil	863	841	+22
Crude Palm Oil	890	860	+30
Sunflower Oil	NA	897	-

### Rape/Mustard oil

Steady demand and bullishness in other vegetable oil mainly soy oil raised spot prices of mustard oil domestically. The mustard seeds prices improved in major trading centers that mirrored similar reflection on oil prices. However, rapeseeds meals demand remained dull in physical market as well as on ports. Expellers were maintained their seeds demand. The mustard oil prices are likely to improve further on limited crushing in domestic markets.

### Groundnut Oil

Spot prices of groundnut oil traded in bullish tone in domestic markets amidst steady demand and tight supplies. Amidst quality norms, **Russia** has banned import of HPS groundnut seeds of Indian origin. In Rajkot market, the groundnut seeds quoted at 420-525 per 20 kg as per quality. As arrivals pressure of new groundnut seeds is likely to remain till current month while demand remained weak, groundnut oil prices is likely to react steady to bearish ahead.

### Refined Sunflower Oil

The firmness in other edible oil with balance in demand and supply pushed refined sunflower oil to trade in bullish tone in domestic markets. The sunflower oil CIF prices for July shipment increased significantly on Wednesday at \$914 per tonne as compared to \$897 per tonne on Tuesday. As per trade sources, refined sunflower oil is likely to trade steady to bullish ahead on underlying bullishness in other edible oil.

### Refined Cottonseeds Oil

Spot prices of refined cottonseeds oil remained in bullish tone in physical markets on steady demand. As per trade sources, dry up soy oil pipe line with higher prices of groundnut oil has forced retailers to shift their demand to cottonseeds oil in spot markets. The pre monsoon rainfall paved the way for start of cotton sowing in parts of Gujarat. As currently palm oil prices are moving close to cottonseeds oil that may influence its prices accordingly in near-term.

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

Centres	06.06.07	05.06.07	Change
Mumbai (Exp. Oil) +VAT	474	470	+4
Kota (Exp. Oil)+VAT	443	440	+3
Jaipur (Exp. Oil)+VAT	455	452	+3
Delhi (Exp. Oil)	475	475	0
Neewai (Exp. Oil) +VAT	442	440	+2

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

Centres	06.06.07	05.06.07	Change
Mumbai +VAT	665	665	0
Rajkot +VAT	685	680	+5
Andhra Region +VAT	670	670	0
Chennai +VAT	645	645	0
Delhi	700	700	0

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

Centres	06.06.07	05.06.07	Change
Mumbai +VAT	550	545	+5
Chennai +VAT	NA	555	-
Hyderabad +VAT	560	560	0

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

Centres	06.06.07	05.06.07	Change
Mumbai +VAT	478	475	+3
Hyderabad +VAT	485	485	0
Rajkot + VAT	470	468	+2
Delhi	465	465	0

### Forex Rates

(As on 06.06.07)

Country/ Continent	Currency	Value In Rupees
USA	Dollar	40.55
European Union	Euro	54.89
Japan	100 Yen	33.89
United Kingdom	Pound Sterling	80.89

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Global Triton	6,000	CPO	Expected (06.06.2007)
	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)
	Global Neptune	14,000	Palm oil Product	Expected (11.06.2007)
Mumbai	Oil Ambassador	10,500	CPO	Expected (08.06.2007)
New Manglore	Eastern Oyasis	7,500	SBO	Expected (05.06.2007)
	Annoula	85,000 (?)	CSB/SFO	Expected (08.06.2007)
	Maria-E	10,000	CPO	Expected (09.06.2007)
Kolkata	Olympic	10,508	CPO	Arrived (02.06.2007)
	Spring Wind	4,000	CPO	Arrived (03.06.2007)
	L.Star	5,220	CPO	Arrived (04.06.2007)
	Fatima	4,500	CPO	Arrived (02.06.2007)
	Fatima	1,150	C. Palmolein	Arrived (02.06.2007)
Chennai	Arabian Wind	12,121	SFO	Arrived (01.06.2007)
Mundra	Oil Ambassador	7,500	CPO	Expected (07.06.2007)

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