

VEGOIL DAILY

June 14th, 2007

REFINED SOY OIL

SPOT MARKET:

Spot prices of refined soy oil recovered marginally on yesterday weakness on steady demand in domestic markets. As per trade sources, Nafed has purchased 25,000 tonnes of palm oil from Malaysian while planning to buy soy oil from South America to quell prices improvement in edible oil in domestic markets. BMD CPO futures may tumbled on apprehension of improve production, implements of hike in margins from Thursday and low experts demand. The most active August contract of CPO futures fell quickly and finished by MYR83 at MYR2,350 per tonne. Talk of market in overbought condition, forecast of rainfall in eastern Corn Belt, weakness in other commodities markets witnessed fall in soy futures on CBOT. The crude soy oil CIF prices for July shipment dropped on Wednesday at \$822 per tonne as compared to \$833 per tonne on Tuesday.

FUTURES MARKET:

NCDEX refined soy oil July contract fell quickly on Wednesday following BMD CPO futures and CBOT soy futures weakness. The July futures contract opened weak at Rs. 486.25 per 10 kg as compared to previous close at Rs 488 per 10 Kg. Contract fell sharply closing and settled at Rs 480.95 per 10 Kg.

MCX refined soy oil July contract settled down on third consecutive days on increased in selling pressure tracking bearish overseas market of related commodities. The contract opened weak at Rs. 487.1 per 10 kg against previous closing level at Rs 488.15 per 10 Kg and contract closed sharply down at Rs 481.25 per 10 Kg.

PRICE DRIVERS:

- Bearish CBOT soy futures and BMD CPO futures
- Weakness in rival edible oil
- Weak soy meals demand at ports and domestically
- Impose of increased in margins on BMD CPO futures
- Crude soy oil CIF dropped by \$11

Weather

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

TECHNICALS

Candlesticks charts patterns suggested strong selling pressure. MACD and EMA pattern indicates weakness in the market. Stochastic and RSI is falling and attempts to penetrate into oversold region. Volumes declined and open interest increased. Market is expected to trade downward with steady to slightly weak opening.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-July	475	476	480.95	483	484
MCX-July	475	476	481.25	484	485

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil July Contract:

SELL Below 481; T1 near 479 and T2 near at 478 and put stop loss at 482.

MCX Refined Soy Oil July Contract:

SELL Below 482; T1 near 480 and T2 near at 479 and put stop loss at 483.

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

Centres	13.06.07	12.06.07	Change
Mumbai (Soy Ref oil)+VAT	462	461	+1
Indore (Soy Ref oil)	464	464	0
Kota (Soy Ref. Oil)+VAT	463	463	0
Hyderabad (Soy Ref)+VAT	482	482	0
Rajkot (Soy Ref)+Tax	465	465	0

International Highlights**BMD CPO Futures Fall Quickly on Wednesday**

Profit-taking from Tuesday rallies with fears of slow exports and improving prospects of improved production results fall in crude palm oil futures across the board on Bursa Malaysian Derivatives. The most active August contract of CPO tumbled and finished by MYR83 at MYR2,350 per tonne. The near month June contract ended MYR101 down at MYR2,478 per tonne. BMD is also imposing high margins from Thursday added the bearish tone.

Domestic Spot Market Highlights

Spot prices of palm oil remained in bearish tone amidst outpaced supplies to demand. Discharging of vessels in ports carrying palm oil product sparked the weakness. Improving prospects of production in Malaysian and Indonesia added bearishness there. Slow exports demand with impose on increase in margins on BMD CPO futures guided the sharp break in Malaysia. The crude palm oil CIF prices for July shipment dropped significantly on Wednesday at \$755 per tonne against \$780 per tonne on Tuesday. The underlying firmness in overseas markets of related commodities, palm oil prices is likely to reflected similar sentiments ahead.

BMD: CPO Futures (13.06.2007)**(Ringgit/ton)**

Months	Previous	Open	High	Low	Close	Change	Volume
Jun 07	2579	2450	2478	2410	2478	-101	50
Jul 07	2522	2499	2499	2313	2421	-101	3231
Aug 07	2433	2418	2418	2246	2350	-83	21192
Sep 07	2385	2375	2375	2208	2320	-65	11859
Oct 07	2375	2300	2310	2220	2310	-65	174

*BMD Remains Closed on Saturday and Sunday.

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

Centres	13.06.07	12.06.07	Change
Kandla CPO (5 % FFA)	417	420	-3
Kandla RBD Palmolein +VAT	447	449	-2
Mumbai RBD Palmolein +VAT	455	457	-2
Chennai RBD Palmolein +VAT	470	470	0
Kakinada RBD Palmolein +VAT	449	450	-1
Hyderabad RBD Palmolein +VAT	472	472	0
Delhi RDB Palmolein	495	495	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	13.06.07	12.06.07	Change
Crude Soy Oil	822	833	-11
Crude Palm Oil	755	780	-25
Sunflower Oil	892	906	-14

Rape/Mustard oil

Anticipation for further fall in mustard seeds prices propelled the bearish sentiments in major trading centers and results in fall in prices with spill over impact on mustard oil. Weakness in rapeseeds meals continue to rules at ports. Mustard seeds arrivals dropped by 10 thousand bags at 60 thousand bags. In coming days, mustard oil prices are likely to stay firm on improving demand prospects ahead.

Groundnut Oil

Tapering groundnut oil stocks with poor sentiments for fresh nut crushing helped support spot prices in domestic markets. The crushing margins of groundnut oil remained low. As current groundnut oil prices are high and expected to improve further on limited nuts stocks, traders are expecting groundnut acreage to improve by 5-6% in upcoming Kharif season. Amidst limited inventories with hold back of stocks by stockists, groundnut oil prices are likely to remain in bullish tone in approaching days.

Refined Sunflower Oil

Despite weakness in other edible oil, refined sunflower oil traded on higher side, however demand remained steady. The sunflower oil CIF prices for near month shipment have risen 10.52% in May month. The sunflower oil CIF prices for July shipment dropped further on Wednesday at \$892 per tonne as compared to \$906 per tonne on Tuesday. As per trade sources, refined sunflower oil are likely to stay in firmer tone on underlying firmness in other vegetable oil.

Refined Cottonseeds Oil

Rise in groundnut oil in Rajkot extended bullish support to refined cottonseed there with firm tone trade in other centres. As cotton crop is more lucrative with forecast of below normal monsoon results cotton cultivation in 2007/08 projected at 5.5 million hectares against 3.8 million hectare last year thanks to smooth availability of cotton seeds at particularly Bt varieties.

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

Centres	13.06.07	12.06.07	Change
Mumbai (Exp. Oil) +VAT	471	471	0
Kota (Exp. Oil)+VAT	443	445	-2
Jaipur (Exp. Oil)+VAT	453	455	-2
Delhi (Exp. Oil)	476	468	+8
Neewai (Exp. Oil) +VAT	444	444	0

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	13.06.07	12.06.07	Change
Mumbai +VAT	670	665	+5
Rajkot +VAT	700	695	+5
Andhra Region +VAT	695	695	0
Chennai +VAT	645	645	0
Delhi	700	700	0

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

Centres	13.06.07	12.06.07	Change
Mumbai +VAT	555	555	0
Chennai +VAT	565	565	0
Hyderabad +VAT	560	560	0

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

Centres	13.06.07	12.06.07	Change
Mumbai +VAT	470	470	0
Hyderabad +VAT	475	475	0
Rajkot + VAT	478	476	+2
Delhi	468	468	0

Forex Rates

(As on 13.06.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.93
European Union	Euro	54.46
Japan	100 Yen	33.49
United Kingdom	Pound Sterling	80.76

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Hari Kripa	2,000	CFA	Expected (15.06.2007)
	S.C. Sanghai	12,000	Palm oil	Expected (15.06.2007)
	Chem Jasmin	24,500	Palm oil	Arrived (12.06.2007)
	Annoula	18,900	CDSBO	Expected (15.06.2007)
	Global Neptune	14,000	Palm oil Product	Expected (16.06.2007)
Mumbai	Oil Ambassador	10,500	CPO	Arrived (10.06.2007)
New Manglore	Global Eos	9,500	CPO	Arrived (12.06.2007)

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