

## VEGOIL DAILY

June 18th, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Domestic edible oil market reacted bullish on Saturday on hike in exports taxes by Indonesian government at 6.5% from previous 1.5% whereas demand remained steady. NOPA soybeans crush report of May remained at 3.87 million metric tons against trade expectations between 3.85-3.94 million metric tons combined with surge in palm oil and fears over soybeans crop conditions on weekly crop update on Monday support CBOT soy futures. According to General Administration of Customs, China soy oil imports in May increased by 16.58 times at 260,000 metric tons against 16,580 metric tons same period last year and imports during Jan-May rose by 50% at 1.05 million tonnes to meet huge demand and declining prospects of soybeans production by 3.2% at 15 million tonnes as in reports by China National Grain and oil Information. The crude soy oil CIF prices July shipment increased on Saturday at \$818 per tonne against \$812 per tonne on Friday.

#### FUTURES MARKET:

**NCDEX** refined soy oil July contract settled slightly firmed on lack of clear direction. In early session market generated bullish momentum from overnight firm CBOT soy futures then dropped on selling pressure. The July futures contract opened firmed at Rs. 484.7 per 10 kg as compared to yesterday close level at Rs 484.5 per 10 Kg. Contract closed at Rs 489.4 per 10 Kg.

Tracking bullish CBOT soy futures MCX refined soy oil July contract settled indecisive on Saturday. Traders preferred for profit-taking on lack of fresh fundamentals. The contract opened firmed at Rs. 489.2 per 10 kg against previous closing level at Rs 488.4 per 10 Kg and contract closed up at Rs 489.05 per 10 Kg.

#### PRICE DRIVERS:

- Bullish CBOT soy futures
- Indonesian government has hiked CPO exports taxes at 6.5% from earlier 1.5%
- China soy oil import in May increased by nearly 16 times
- Nopa soybeans crushing had increased in May
- Crude soy oil CIF price increased by \$6
- Firmness in other vegetable oil

#### Weather

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

#### TECHNICALS

Candle sticks charts patterns suggest indecisiveness at higher level. Prices closed above short and medium term EMA hints for short-term firmness. MACD dipped further in positive territory. Stochastic has made bullish crossover in oversold zone whereas RSI falls in neutral zone. Market is expected to trade upward with slightly weak opening. Both volume and open interest declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-July	485	486	488.85	495	496
MCX-July	485	486	489.05	494	495

#### TRADE RECOMMENDATION:

**NCDEX** Refined Soy Oil July Contract:

**BUY Near 489; T1 near 492 and T2 near at 493 and put stop loss at 487.5.**

**MCX** Refined Soy Oil July Contract:

**BUY Near 488; T1 near 491 and T2 near at 492 and put stop loss at 486.5.**

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

Centres	16.06.07	15.06.07	Change
Mumbai (Soy Ref oil)+VAT	465	458	+7
Indore (Soy Ref oil)	464	462	+2
Kota (Soy Ref. Oil)+VAT	468	465	+3
Hyderabad (Soy Ref)+VAT	483	480	+3
Rajkot (Soy Ref)+Tax	NA	465	-

## PALM OIL

### International Highlights

**BMD CPO Futures Remained Closed on Saturday.**

### Domestic Spot Market Highlights

Spot prices of palm oil rose sharply on weekend on steady demand and recent move by Indonesian government to hike the exports taxes on crude palm oil at 6.5% from 1.5%. Stockists preferred to hold back stocks waiting prices to dearer to sell in coming days. The crude palm oil CIF prices for July shipment remained unchanged on Saturday at \$775 per tonne. As per trade sources, BMD CPO futures may react bullish on exports duty hike by Indonesia, which will extend bullish support to domestic market in next week opening.

#### BMD: CPO Futures (15.06.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jun 07	2500	0	2500	0	2500	NIL	0
Jul 07	2445	2461	2520	2461	2512	+67	1338
Aug 07	2368	2388	2441	2383	2425	+57	8326
Sep 07	2347	2373	2420	2357	2403	+56	5921
Oct 07	2332	2367	2402	2367	2402	+70	313

**\*BMD Remains Closed on Saturday and Sunday.**

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	16.06.07	15.06.07	Change
Kandla CPO (5 % FFA)	425	418	+7
Kandla RBD Palmolein +VAT	449	444	+5
Mumbai RBD Palmolein +VAT	460	452	+8
Chennai RBD Palmolein +VAT	470	465	+5
Kakinada RBD Palmolein +VAT	454	447	+7
Hyderabad RBD Palmolein +VAT	472	466	+6
Delhi RDB Palmolein	505	500	+5

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

Edible Oil	16.06.07	15.06.07	Change
Crude Soy Oil	818	812	+6
Crude Palm Oil	775	775	NIL
Sunflower Oil	904	894	+10

### Rape/Mustard oil

Monsoon showers and surge in other edible oil prices helped support to spot prices of mustard oil across domestic market. The rapeseed meal remained weak in domestically and ports limited the gains of mustard oil to certain extent. As per market observers, mustard oil prices are likely to consolidate ahead before further gains.

### Groundnut Oil

Anticipation for tight supply and steady demand supported spot prices of groundnut oil domestic markets. As per recent trade estimation, kharif groundnut plantation in is expecting at 76,000 hectares compared with 94,000 hectares last year aids bullish support. Buying pressure of groundnut continues to rule to meet exports demand of HPS groundnut nuts and exporters shown interest on improving dollar v/s rupee value.

### Refined Sunflower Oil

Refined sunflower oil borrowed bullish momentum from global market of related commodities, however demand remained steady. The sunflower oil CIF prices for July shipment increased on Monday at \$904 per tonne as compared to \$894 per tonne on Friday. As per trade sources, refined sunflower oil prices are likely to trade steady to slightly bullish on underlying bullishness in overseas market.

### Refined Cottonseeds Oil

Following bullishness in other edible oil with dull trade activities, refined cottonseeds oil prices improved further on Saturday. As per trade sources, cotton plantation is expecting in 1.52 million hectares from 1.46 million hectares a year ago. Whereas transgenic Bt cotton has plantation is expecting in 868,000 hectares so far in current year.

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

Centres	16.06.07	15.06.07	Change
Mumbai (Exp. Oil) +VAT	476	470	+6
Kota (Exp. Oil)+VAT	447	445	+2
Jaipur (Exp. Oil)+VAT	457	455	+2
Delhi (Exp. Oil)	490	478	+12
Neewai (Exp. Oil) +VAT	447	445	+2

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

Centres	16.06.07	15.06.07	Change
Mumbai +VAT	685	675	+10
Rajkot +VAT	715	705	+10
Andhra Region +VAT	680	680	NIL
Chennai +VAT	650	650	NIL
Delhi	700	700	NIL

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

Centres	16.06.07	15.06.07	Change
Mumbai +VAT	560	555	+5
Chennai +VAT	567	565	+2
Hyderabad +VAT	575	570	+5

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

Centres	16.06.07	15.06.07	Change
Mumbai +VAT	472	470	+2
Hyderabad +VAT	480	480	NIL
Rajkot + VAT	480	476	+4
Delhi	473	465	+8

### Forex Rates

(As on 16.06.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.59
European Union	Euro	54.34
Japan	100 Yen	32.88
United Kingdom	Pound Sterling	80.21

**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)
New Manglore	Shimakaze	5,854	CPO	Expected (19.06.2007)

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