

VEGOIL DAILY

June 15th, 2007

REFINED SOY OIL

SPOT MARKET:

Subdued demand and weakness in overseas markets pushed refined soy oil prices down in domestic markets. Government has postponed the plan to revise duty on imported edible oil. In May edible oil imports increased by 24% at 4.94 lakh tonnes against 4 lakh tonnes same period last year. Whereas country edible oil import figures during Nov-May country stood at 2.2 million tonne. As per market observers nearly 3.8 million tons of soybeans stocks is available at China ports. BMD CPO futures remained dull on second consecutive day amidst expectation of sharp fall in palm oil exports figures for June 1-15 coupled with follow-through selling pressure. Uncertainty over weather conditions in Eastern Corn Belt in approaching days, tumbled BMD CPO futures combined with weakness in corn cast weakness for soybeans and meals on CBOT. The crude soy oil CIF prices July shipment declined on third consecutive day at \$815 per tonne as compared to \$822 per tonne on Wednesday.

FUTURES MARKET:

NCDEX refined soy oil July contract settled up on Thursday on bullish physical sentiments and rise in BMD CPO futures. The July futures contract opened firmed at Rs. 481.15 per 10 kg as compared to previous close at Rs 481 per 10 Kg. Contract closed at Rs 484.45 per 10 Kg.

MCX refined soy oil July contract recovered on Thursday from recent fall on increased in buying interest pressure tracking bearish overseas market of related commodities. The contract opened firmed at Rs. 481.55 per 10 kg as compared to yesterday closing level at Rs 481.2 per 10 Kg and contract closed up at Rs 484.7 per 10 Kg.

PRICE DRIVERS:

- Edible oil import increased by 24% in May on y-o-y basis
- Bearish CBOT for soybeans and soy oil
- Weakness in other vegetable oil
- Weak soy meals demand at ports and domestically
- Impose of rise CPO futures contract margins on BMD

Weather

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

TECHNICALS

Refined soy oil chart increased in buying interest. MACD is falling in positive territory. EMA patterns indicate weakness in the market. Stochastic dipped oversold region. Whereas RSI shows upward movement in prices. Market is expected to trade down with steady to slightly firm opening. Both volume and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-July	477	479	484.45	488	489
MCX-July	478	479	484.7	488	490

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil July Contract:

SELL Below 485; T1 near 483 and T2 near at 482 and put stop loss at 486.

MCX Refined Soy Oil July Contract:

SELL Below 485; T1 near 483 and T2 near at 482 and put stop loss at 486.

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

Centres	14.06.07	13.06.07	Change
Mumbai (Soy Ref oil)+VAT	458	462	-4
Indore (Soy Ref oil)	461	464	-3
Kota (Soy Ref. Oil)+VAT	NA	463	-
Hyderabad (Soy Ref)+VAT	482	482	0
Rajkot (Soy Ref)+Tax	465	465	0

International Highlights

BMD CPO Futures Finish Firm on Thursday

Choppy trade activities and fears of bearish exports figures for June 1-15 results in bullish ending of crude palm oil futures across the board on Bursa Malaysian Derivatives. The most active August contract of CPO finished up by MYR18 at MYR2,368 per tonne. Mostly traders preferred to square their position on lack of fresh fundamentals of demand and supply coupled with weak technical.

Domestic Spot Market Highlights

Spot prices of palm oil remained in bearish tone amidst outpaced supplies to demand. Indonesian CPO markets remained dull on weak trade activities and traders preferred to take profit taking and squared their position. On apprehensions of bearish exports data for June 1-15 results in dull trade activities at BMD CPO futures. The crude palm oil CIF prices for July shipment dropped again on Thursday at \$740 per tonne as compared to \$755 per tonne on Wednesday.

BMD: CPO Futures (14.06.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jun 07	2478	0	0	0	2478	0	0
Jul 07	2421	2441	2475	2356	2445	+24	1674
Aug 07	2350	2389	2411	2287	2368	+18	9509
Sep 07	2320	2337	2375	2265	2347	+27	3314
Oct 07	2310	2310	2320	2270	2320	+10	223

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	14.06.07	13.06.07	Change
Kandla CPO (5 % FFA)	415	417	-2
Kandla RBD Palmolein +VAT	447	447	0
Mumbai RBD Palmolein +VAT	454	455	-1
Chennai RBD Palmolein +VAT	470	470	0
Kakinada RBD Palmolein +VAT	448	449	-1
Hyderabad RBD Palmolein +VAT	470	472	2
Delhi RDB Palmolein	495	495	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	14.06.07	13.06.07	Change
Crude Soy Oil	815	822	-7
Crude Palm Oil	740	755	-15
Sunflower Oil	894	892	+2

Rape/Mustard oil

Subdued demand and dull trade activities results weakness in mustard oil prices in most of major trading centers. The mustard seeds arrivals surpassed last day arrivals by 5 thousand bags at 65 thousand bags. Stockists preferred to hold back their stocks on low buying interest and weak prices. According to trade sources, the normal seeds crushing are adding adequate supplies to meet regular demand which is likely to rule in next week too.

Groundnut Oil

Spot prices of groundnut oil traded on higher side on thin stocks with stockists with steady demand. Summer groundnut in harvests stage in Maharashtra while harvesting has completed in Andhra Pradesh. The shelled groundnut for different grade in Gujarat remained in range of at Rs. 410-535 per 20 kg on Thursday. 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

The physical prices of refined sunflower oil stood in bullish tone, whereas demand remained steady. Sunflower seeds harvest in progress in Maharashtra and forecast of rainfall in coming days may increase moisture content. The sunflower oil CIF prices for July shipment increased marginally on Thursday at \$894 per tonne as compared to \$892 per tonne on Wednesday.

Refined Cottonseeds Oil

The spot prices of refined cottonseeds oil remained on higher side on steady demand. As cottonseeds season have entered into leans season, stockists preferred to cling to tapering inventories that had underlying bullishness. As current prices of cottonseeds oil are trading higher to support smooth offtake, traders are expecting correction to restore buying interest.

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

Centres	14.06.07	13.06.07	Change
Mumbai (Exp. Oil) +VAT	470	471	-1
Kota (Exp. Oil)+VAT	443	443	0
Jaipur (Exp. Oil)+VAT	453	453	0
Delhi (Exp. Oil)	476	476	0
Neewai (Exp. Oil) +VAT	444	444	0

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	14.06.07	13.06.07	Change
Mumbai +VAT	675	670	+5
Rajkot +VAT	705	700	+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	14.06.07	13.06.07	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	14.06.07	13.06.07	Change
Mumbai +VAT	470	470	0
Hyderabad +VAT	475	475	0
Rajkot + VAT	475	478	-3
Delhi	468	468	0

Forex Rates

(As on 14.06.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.84
European Union	Euro	54.32
Japan	100 Yen	33.25
United Kingdom	Pound Sterling	80.47

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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