

## VEGOIL DAILY

June 13th, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Refined soy oil fell in physical markets amidst fears of oversupplies and sluggish demand. BMD CPO futures skyrocketed on the back of overnight firming up CBOT and fading fears of China shipment cancellation. Supporting weather conditions, rumours of shift of China's demand by cancelling palm oil contract to switch to soy oil fuelled soy futures on CBOT. USDA monthly demand and supply projection highlighted world soy oil ending stocks in June month is projected at 2.41 million metric tons (MMT) as compared to May 2.77 MMT. Soy oil production in June is expecting at 37.53 MMT against May 35.92 MMT. In India soy oil production is estimation at 1.12 MMT in June against 1.14 MMT May projection. The crude soy oil CIF prices for July shipment succumbed on Tuesday at \$833 per tonne against \$848 per tonne on Monday.

#### FUTURES MARKET:

NCDEX refined soy oil July contract fell on Tuesday on fears of oversupplies in coming days. The July futures contract opened firming at Rs. 489.05 per 10 kg as compared to previous close at Rs 488.2 per 10 Kg. Contract fell sharply closing and settled at Rs 487.95 per 10 Kg.

MCX refined soy oil July contract settled down on second consecutive days on increased in selling pressure. The contract opened firming at Rs. 490.25 per 10 kg against yesterday closing level at Rs 488.1 per 10 Kg and contract closed unchanged at Rs 488.1 per 10 Kg.

#### PRICE DRIVERS:

- BMD CPO futures rise sharply
- Malaysian palm oil exports increases by 2.2% in May end.
- World soy oil production projection improved for June: WASDE
- Crude soy oil CIF dropped by \$15
- Firm tone in other vegetable oil

#### Weather

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

#### TECHNICALS

Refined soy oil chart patterns indicates follow-through weakness. Prices closed below 9-days and 18-days EMA suggests weakness in the market. MACD made bearish crossover in positive territory. Stochastic is falling in neutral region. While RSI shows weakness in prices. Volumes increased and open interest declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-July	481	482	487.95	493	494
MCX-July	482	483	488.1	493	494

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil July Contract:

**SELL Below 489;** T1 near 486 and T2 near at 485 and put stop loss at 490.5.

MCX Refined Soy Oil July Contract:

**SELL Below 489;** T1 near 486 and T2 near at 485 and put stop loss at 490.5.

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

Centres	12.06.07	11.06.07	Change
Mumbai (Soy Ref oil)+VAT	461	465	-4
Indore (Soy Ref oil)	464	470	-6
Kota (Soy Ref. Oil)+VAT	463	NA	-
Hyderabad (Soy Ref)+VAT	482	482	0
Rajkot (Soy Ref)+Tax	465	465	0

## International Highlights

### BMD CPO Futures Recoups on Tuesday

On Tuesday, CPO futures recovered on Bursa Malaysian Derivatives on diminishing fears of shipment cancellation. The most active August contract of CPO recouped by MYR108 at MYR2,428 per tonne. On Friday and Monday, CPO futures August contract lost MYR325. Amidst good exports demand with fears of thin volume in June supported new buying interest. The data shown by MPOB highlighted stock by May end dropped by 6.1% at 1.12 million metric tons against 1.19 million metric tons last month.

### Domestic Spot Market Highlights

Discharging vessels carrying CPO and palm oil dragged the market down in physical markets. On spill over impact on recent heavy losses on BMD CPO futures, Indonesian CPO market reflected similar sentiments. BMD CPO futures regained quickly on Tuesday amidst diminish fears of shipment cancellation. The crude palm oil CIF prices for July shipment increased on Tuesday \$780 per tonne against \$774 per tonne on Monday. The underlying firmness in overseas markets of related commodities, palm oil prices is likely to reflected similar sentiments ahead.

#### BMD: CPO Futures (12.06.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jun 07	2483	2458	2530	2449	2530	+47	136
Jul 07	2418	2421	2530	2416	2519	+101	4158
Aug 07	2320	2337	2445	2323	2428	+108	15034
Sep 07	2255	2270	2395	2269	2387	+132	5680
Oct 07	2216	2290	2370	2290	2365	+149	188

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	12.06.07	11.06.07	Change
Kandla CPO (5 % FFA)	420	430	-10
Kandla RBD Palmolein +VAT	449	462	-13
Mumbai RBD Palmolein +VAT	457	465	-8
Chennai RBD Palmolein +VAT	470	470	0
Kakinada RBD Palmolein +VAT	450	455	-5
Hyderabad RBD Palmolein +VAT	472	475	-3
Delhi RDB Palmolein	495	495	0

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

Edible Oil	12.06.07	11.06.07	Change
Crude Soy Oil	833	848	-15
Crude Palm Oil	780	774	+6
Sunflower Oil	906	920	+14

### Rape/Mustard oil

On prospects of improve demand in approaching monsoon season, retailer build up buying pressure that helped mustard oil prices to improved in physical markets. Weakness in rapeseeds meals continue to rules at ports. The mustard seeds prices dropped in physical market on increased in seeds arrivals 8-10 thousand bags at 70 thousand bags. In coming days, mustard oil prices are likely to stay firm on improving demand prospects ahead.

### Groundnut Oil

Spot prices of groundnut oil remained in bullish tone on steady demand. Weakness in groundnut meals maintain in domestic markets affected oil prices to certain extend. In different markets in Gujarat shell groundnut prices remained unchanged at Rs. 410-530 per 20 kg as per quality. Due to low crushing, market is under tight supply, which might support groundnut oil prices in near-term.

### Refined Sunflower Oil

Steady demand and bullish overseas market of related commodities results refined sunflower oil to trade on higher side. The sentiments for meals demand remained weak. The sunflower oil CIF prices for July shipment dropped on Tuesday at \$906 per tonne as compared to \$920 per tonne on Monday. As per trade sources, refined sunflower oil are likely to stay in firmer tone on underlying firmness in other vegetable oil.

### Refined Cottonseeds Oil

The refined cottonseeds oil traded on higher side on improved sentiments for monsoon demand. As per recent Meteorological Department, monsoon is likely to enter in Maharashtra by this weekend would support cotton plantation in rainfed regions. As per traders cottonseeds oil is likely to trade steady to slightly firm in coming days.

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

Centres	12.06.07	11.06.07	Change
Mumbai (Exp. Oil) +VAT	471	470	+1
Kota (Exp. Oil)+VAT	445	442	+3
Jaipur (Exp. Oil)+VAT	455	452	+3
Delhi (Exp. Oil)	468	470	-2
Neewai (Exp. Oil) +VAT	444	442	+2

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

Centres	12.06.07	11.06.07	Change
Mumbai +VAT	665	665	0
Rajkot +VAT	695	695	0
Andhra Region +VAT	695	695	0
Chennai +VAT	645	640	+5
Delhi	700	700	0

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

Centres	12.06.07	11.06.07	Change
Mumbai +VAT	555	555	0
Chennai +VAT	565	562	+3
Hyderabad +VAT	560	560	0

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

Centres	12.06.07	11.06.07	Change
Mumbai +VAT	470	470	0
Hyderabad +VAT	475	475	0
Rajkot + VAT	476	466	+10
Delhi	468	470	-2

### Forex Rates

(As on 12.06.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.73
European Union	Euro	54.44
Japan	100 Yen	33.47
United Kingdom	Pound Sterling	80.43

**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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