

VEGOIL DAILY

June 16th, 2007

REFINED SOY OIL

SPOT MARKET:

Following bullish CBOT and BMD, refined soy oil prices remained in bullish tone in domestic markets. Despite bearish Malaysian palm oil exports sales figures by SGS, crude palm oil futures rise amidst prospects of slow production in current month. Malaysian palm oil exports sales during June 1-15 dropped by 18.8% at 513,999 metric tons (MT) against 632,736 MT during May 1-15. Uncertain weather condition in coming week in Eastern Corn Belt, gains in related commodities and overnight firm palm oil futures helped support to soy futures on CBOT. Within trade line weekly exports sales for soybeans and soymeals and bullish for soy oil aided firmness. The soybeans and soymeals sales stood at 221,700 and 78,300 metric tons against trade expectation between 150,000-250,000 and 50,000-125,000 metric tons respectively whereas for soy oil totalled at 21,300 metric tons against trade expectation between 0-10,000 metric tons. The crude soy oil CIF prices July shipment declined further on Friday at \$812 per tonne as compared to \$815 per tonne on Thursday.

FUTURES MARKET:

Tracking bullish CBOT and BMD, NCDEX refined soy oil July contract settled up on Friday. Traders also anticipated the bullish prospects of monsoon demand. 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.

MCX refined soy oil July contract gained on buying pressure and firm support of overseas market of related commodities. The contract opened firmed at Rs. 485.5 per 10 kg as compared to previous closing level at Rs 484.8 per 10 Kg and contract closed up at Rs 489 per 10 Kg.

PRICE DRIVERS:

- Bullish BMD and CBOT
- Malaysian palm oil exports sales dropped by 18.8% during June 1-15
- Bullish USDA weekly exports sales for soy oil
- Crude soy oil CIF price declined by \$3
- Weakness in other vegetable oil

Weather

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

TECHNICALS

Candle sticks charts patterns suggest strong buying interest. Prices managed to close above 9/18 days EMA hints for short-term firmness. MACD remained in positive territory. Stochastic is attempts to make bullish crossover in oversold zone whereas RSI shows firmness in prices. Market is expected to trade upward with steady to firm opening. Volume increased and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-July	485	486	489.4	494	495
MCX-July	484	485	489	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	15.06.07	14.06.07	Change
Mumbai (Soy Ref oil)+VAT	458	458	NIL
Indore (Soy Ref oil)	462	461	+1
Kota (Soy Ref. Oil)+VAT	465	NA	-
Hyderabad (Soy Ref)+VAT	480	482	-2
Rajkot (Soy Ref)+Tax	465	465	NIL

International Highlights

BMD CPO Futures Surge Despite Bearish Exports Figures

Following gains of CBOT soy futures, crude palm oil futures gained amidst slow production on Bursa Malaysian Derivatives. The most active August contract of CPO settled up by MYR57 at MYR2,425 per tonne. However, gains were limited by bearish exports sales data for June 1-15. As per SGS (a cargo surveyor) estimation, Malaysian palm oil exports sales during June 1-15 dropped by 18.8% at 513,999 metric tons (MT) against 632,736 MT during May 1-15.

Domestic Spot Market Highlights

Domestic spot prices of palm oil traded mostly bearish amidst weak demand and subdued trading. The trade activities of crude palm oil suspended in Indonesia as traders preferred to stay away amidst erratic movement in BMD. During May crude palm oil import increased by 21.72% at 292,269 metric tons against 240,112 metric tons last year. As per SGS (a cargo surveyor) estimation, Malaysian palm oil exports sales to India, dropped significantly by 75% at 2,250 MT during June 1-15 as compared to 9,000 MT during corresponding period a month ago. The crude palm oil CIF prices for July shipment increased sharply on Friday at \$775 per tonne against at \$740 per tonne on Thursday.

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	15.06.07	14.06.07	Change
Kandla CPO (5 % FFA)	418	415	+3
Kandla RBD Palmolein +VAT	444	447	-3
Mumbai RBD Palmolein +VAT	452	454	-2
Chennai RBD Palmolein +VAT	465	468	-3
Kakinada RBD Palmolein +VAT	447	448	-1
Hyderabad RBD Palmolein +VAT	466	470	-4
Delhi RDB Palmolein	500	495	+5

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	15.06.07	14.06.07	Change
Crude Soy Oil	812	815	-3
Crude Palm Oil	775	740	+25
Sunflower Oil	894	894	NIL

Rape/Mustard oil

Spot prices of mustard oil firmed up in the major trading centers on improved demand from retailers for coming monsoon demand. The rapeseed meal remained weak in domestically and ports limited the gains of mustard oil to certain extent. The mustard seeds arrivals improved further by 10-12 thousand bags at 70-75 thousand bags. 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

Groundnut oil prices traded mostly range bound across physical markets on balance in demand and supply. 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. 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

Trade activities for refined sunflower oil remained dull and prices remained unchanged to yesterday. During May crude sunflower oil import increased by 31.76% at 11,200 metric tons against 8,500 metric tons last year. The sunflower oil CIF prices for July shipment remained unchanged on Friday at \$894 per tonne. As per trade sources, refined sunflower oil prices are likely to trade steady to slightly bullish on underlying firmness in other edible oil.

Refined Cottonseeds Oil

Spot prices of refined cottonseeds oil stood steady to bullish on steady demand and slightly firmness in other edible oil. Genetic Engineering Approval Committee (GEAC) has approved commercial cultivation of 39 more Bt cotton hybrid in south India while 9 in central India. Refined cottonseeds oil is likely to trade upwardly ahead on limited stocks available in physical markets.

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

Centres	15.06.07	14.06.07	Change
Mumbai (Exp. Oil) +VAT	470	470	NIL
Kota (Exp. Oil)+VAT	445	443	+2
Jaipur (Exp. Oil)+VAT	455	453	+2
Delhi (Exp. Oil)	478	476	+2
Neewai (Exp. Oil) +VAT	445	444	+1

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	15.06.07	14.06.07	Change
Mumbai +VAT	675	675	NIL
Rajkot +VAT	705	705	NIL
Andhra Region +VAT	680	695	-15
Chennai +VAT	650	645	+5
Delhi	700	700	NIL

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

Centres	15.06.07	14.06.07	Change
Mumbai +VAT	555	555	NIL
Chennai +VAT	565	565	NIL
Hyderabad +VAT	570	560	+10

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

Centres	15.06.07	14.06.07	Change
Mumbai +VAT	470	470	NIL
Hyderabad +VAT	480	475	+5
Rajkot + VAT	476	475	+1
Delhi	465	468	-3

Forex Rates

(As on 15.06.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.97
European Union	Euro	54.56
Japan	100 Yen	33.30
United Kingdom	Pound Sterling	80.73

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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