

VEGOIL DAILY

July02nd, 2007

REFINED SOY OIL

SPOT MARKET:

Following strong gains in CBOT, domestic spot market increased on weekend while demand remains dull. Trade activities remain suspended in Mumbai market amidst heavy rainfall. Fall in US soybeans plantation areas, bounce in overnight palm oil and dry weather concern in Western Corn Belt forced CBOT soy futures on Friday. Good demand of corn in global market for ethanol production, better profitability enticed soybeans producers to switch to corn as highlighted in USDA latest report. This leads to reduction in soybeans plantation area to 64.1 million acres from 67.1 million acres in March prediction. Whereas soybeans crop harvest is nearly completed in Argentina. In latest report, Agricultural Secretariat highlighted Argentina soybeans crush in May has increased by 16% at 3,437,457 tonnes against 2,961,181 tonnes same period last year. May soy oil production totaled at 655,085 tonnes, increased by 17.18% against 559,017 tonnes same period a year ago. Crude soy oil CIF prices for July shipment increase on third straight day at \$855 per tonne as compared to \$842 per tonne on Friday.

FUTURES MARKET:

Overnight solid gains at CBOT propelled refined soy oil futures on **NCDEX**. The most active August futures contract opened firm at Rs. 497.75 per 10 kg against previous closing level at Rs 496.85 per 10 Kg. Market finished at Rs. 503.2 per 10 Kg.

Increased in buying interest and firmness in overseas market of related commodities fuelled refined soy oil futures on **MCX**. The July contract opened firmed at Rs. 492.05 per 10 kg against previous closing level at Rs. 491.5 per 10 Kg and prices settled up at Rs. 496.55 per 10 Kg.

PRICE DRIVERS:

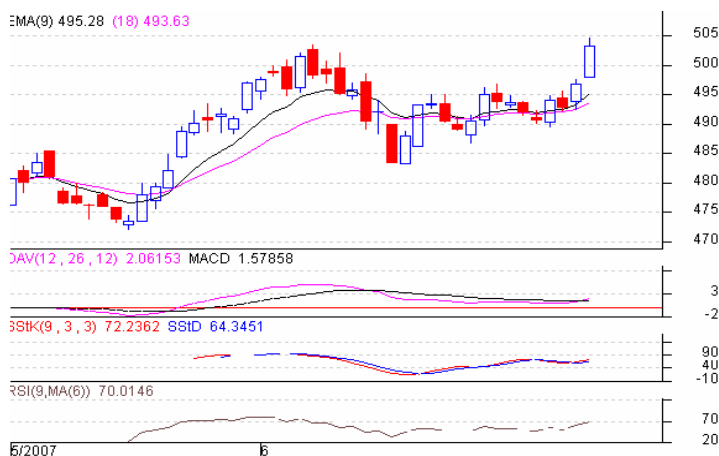
- Sharp gains in CBOT soy futures
- Drop in estimates of US soybeans plantation areas by 4.47%
- Soy oil stocks increased by 17.18% with Argentina
- Firmness in other vegetable oil
- Increase in crude soy oil CIF price by \$13

Weather

Monsoon is nearly covered the major soybeans producing belt expect few parts in Rajasthan.

TECHNICALS

Candlestick chart pattern show strong buying interest. Prices closed well above 9/18 days EMA hints for increasing firmness in the market. MACD made bullish crossover in positive territory. Stochastic and RSI is rising after bullish cross over in neutral region. Market is expected to rise with possibility of late downward movement with steady to slightly firm opening. Both volume and open interest increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Aug	499	500	503.2	507	508
MCX-July	493	494	496.55	500	501

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil August Contract:

BUY Near 503; T1 near 505 and T2 near at 506 and put stop loss at 502.

MCX Refined Soy Oil July Contract:

BUY Above 496; T1 near 498 and T2 near at 499 and put stop loss at 495.

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

Centres	30.06.07	29.06.07	Change
Mumbai (Soy Ref oil)+VAT	472	467	+5
Indore (Soy Ref oil)	473	466	+7
Kota (Soy Ref. Oil)+VAT	480	471	+9
Hyderabad (Soy Ref)+VAT	510	492	+18
Rajkot (Soy Ref)+Tax	477	460	+17

PALM OIL

International Highlights

BMD CPO Futures Remained Closed on Saturday.

Domestic Spot Market Highlights

Reacting bullish on global cues, spot prices of palm oil trade on higher side. Due to currently higher prices with expectation of fall in near-terms, traders preferred to stay away from market. During the week, the most active September contract of crude palm oil futures traded between MYR2,334-2,427 per tonne. Crude palm oil CIF prices for July shipment increased sharply on Saturday at \$795 per tonne as compared to \$772 per tonne on Friday.

BMD: CPO Futures (29.06.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jul 07	2480	2480	2518	2480	2513	+33	429
Aug 07	2402	2424	2451	2412	2451	+49	1266
Sep 07	2383	2390	2430	2380	2427	+44	4768
Oct 07	2365	2380	2413	2366	2413	+48	583
Nov 07	2355	2370	2405	2370	2405	+50	155

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

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	30.06.07	29.06.07	Change
Kandla CPO (5 % FFA)	422	414	+8
Kandla RBD Palmolein +VAT	448	443	+5
Mumbai RBD Palmolein +VAT	NA	448	-
Chennai RBD Palmolein +VAT	470	455	+15
Kakinada RBD Palmolein +VAT	450	443	+7
Hyderabad RBD Palmolein +VAT	470	470	Nil
Delhi RDB Palmolein	506	500	+6

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	30.06.07	29.06.07	Change
Crude Soy Oil	855	842	+13
Crude Palm Oil	795	772	+23
Sunflower Oil	NA	899	-

Rape/Mustard oil

Firmness in overseas market with firmness in rival edible oil continues to help in fuelling spot prices of mustard oil in physical market. Due to heavy rainfall in Mumbai, trades activities have affected. Continuously increase in mustard seeds prices aided bullish support. But the weakness in rapeseeds meals both at ports and domestically limited the upside of oil.

Groundnut Oil

Considering the sharp jump in groundnut oil in domestic markets, importers are demanding for reduction in import duty on groundnut oil but government is not favor to reduce the duty, as duty reduction would discourage groundnut farmers on ongoing sowing season. On Saturday, groundnut oil traded in bullish tone on supplies concern. Shelled groundnut prices remained unchanged in Gujarat and traded between Rs. 415-570 per 20kg (as per quality).

Refined Sunflower Oil

Spot prices of refined sunflower oil remained in bullish note on firm support of overseas market of related commodity. In latest report, Agricultural Secretariat highlighted Argentina sunflower seeds crush in May has dropped significantly by 39.85% at 256,293 tonnes against 426,113 tonnes same period last year. In May, sunflower seeds oil productions down by 39.57% at 102,646 tonnes, against 169,876 tonnes same period a year ago.

Refined Cottonseeds Oil

Spot prices of refined cottonseeds oil traded almost bullish in domestic markets on fears of shortfall of supplies and underlying firmness in groundnut oil. As per government latest figures highlighted Kharif cotton sowing during on June 29 seen up in 1.52 million hectares from 1.47 million hectares last year.

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

Centres	30.06.07	29.06.07	Change
Mumbai (Exp. Oil) +VAT	NA	492	-
Kota (Exp. Oil)+VAT	475	467	+8
Jaipur (Exp. Oil)+VAT	483	478	+5
Delhi (Exp. Oil)	506	505	+1
Neewai (Exp. Oil) +VAT	472	468	+4

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	30.06.07	29.06.07	Change
Mumbai +VAT	NA	745	-
Rajkot +VAT	775	770	+5
Andhra Region +VAT	NA	770	-
Chennai +VAT	710	710	Nil
Delhi	750	750	Nil

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

Centres	30.06.07	29.06.07	Change
Mumbai +VAT	NA	590	-
Chennai +VAT	597	597	Nil
Hyderabad +VAT	630	620	+10

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

Centres	30.06.07	29.06.07	Change
Mumbai +VAT	NA	497	-
Hyderabad +VAT	505	495	+10
Rajkot + VAT	520	505	+15
Delhi	500	495	+5

Forex Rates

(As on 30.06.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.75
European Union	Euro	55.18
Japan	100 Yen	33.09
United Kingdom	Pound Sterling	81.83

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Hari Kripa	2,000	CFA	Expected (30.06.2007)
	New Trader	7,994	CPO	Arrived (26.06.2007)
	Maria E	10,000	CPO	Expected (30.06.2007)
	Global Eros	10,990	CPO	Expected (03.07.2007)
	Champion Arctic	31,000	CDSBO	Expected (04.07.2007)
	Samho Heron	3,059	PFAD*	Expected (02.07.2007)
	Bryggen	10,500	SBO	Expected (01.07.2007)
Turicorin	Spring Wind	4,100	Palm oil	Arrived (28.06.2007)
	Global Trader	4,700	Palm oil	Expected (29.06.2007)
Mundra	Champion Arctic	15,000	CDSBO	Expected (02.07.2007)
Mumbai	Global Triton	11,790	Palm oil	Expected (03.07.2007)

Palm Fatty Acid Distillate*Disclaimer**

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