

VEGOIL DAILY

June 23rd, 2007

REFINED SOY OIL

SPOT MARKET:

Refined soy oil prices recovered on Friday amidst delay sowing sentiments in major producing regions and steady demand. Following losses of CBOT and lack of bullish fundamentals of demand and supply continues to pressure BMD CPO futures. Despite bullish exports sales of soybeans and soy oil soy futures succumbed on supportive weather conditions for growing soybeans crop and speculative selling. The USDA weekly exports sales of soybeans totaled at 390,800 tonnes against trade expectation between 100,000-300,000 tonnes, for meals and soy oil stood at 57,800 tonne and 20,600 tonne against trade expectation between 50,000-125,000 tonne and 0-10,000 tonnes respectively. The crude soy oil CIF price for July shipment recovered on Friday at \$814 per tonne as compared to \$811 per tonne on Thursday. As per trade sources, Indonesian government is planning to reduce exports taxes in next month which will pressure BMD CPO futures with spill over impact in domestic markets in near-terms.

FUTURES MARKET:

NCDEX refined soy oil July futures contract settled down on increased in selling pressures in after mid trade-session. News of Indonesian government is planning to reduce exports taxes led bearishness. The July futures contract opened weak at Rs. 489.6 per 10 kg against Thursday closing level at Rs 490.1 per 10 Kg. Contract finished down at Rs. 488.95 per 10 Kg.

MCX refined soy oil July contract ended bearish on lack of supportive news and increased in selling pressure. Market also borrowed bearishness from succumbed BMD CPO futures. The contract opened firmed at Rs. 486.1 per 10 kg against yesterday closing level at Rs. 485.85 per 10 Kg and contract finished up at Rs. 489.7 per 10 Kg.

PRICE DRIVERS:

- Bearish CBOT and BMD
- Bullish USDA exports sales for soybeans and soy oil
- Crude soy oil CIF value recovered by \$3
- Indonesian Government may reduce exports taxes on CPO in next month

Weather

Isolated rainfall is expecting Madhya Maharashtra, Marathawada, south and north Rajasthan which in turn support soybeans sowing sentiments.

TECHNICALS

Refined soy oil charts show the indecisiveness at higher level. EMA patterns indicate for short-term firmness in the market. MACD is falling in positive territory. Stochastic is rising in neutral region while RSI shows weakness in prices in neutral region. Market is expected to trade upward with steady to weak opening. Volume declined and open interest increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-July	484	485	488.95	493	494
MCX-July	484	485	488.6	493	494

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil July Contract:

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

MCX Refined Soy Oil July Contract:

BUY Above 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	22.06.07	21.06.07	Change
Mumbai (Soy Ref oil)+VAT	462	460	+2
Indore (Soy Ref oil)	468	462	+6
Kota (Soy Ref. Oil)+VAT	468	468	NIL
Hyderabad (Soy Ref)+VAT	485	485	NIL
Rajkot (Soy Ref)+Tax	457	462	-5

International Highlights

BMD CPO Futures Settle Bearish

In absence of supportive news, overnight weak CBOT soy futures sparked bearishness to crude palm oil futures on Bursa Malaysian Derivatives on Friday. The trade activities remained dull and most of traders were stayed away from market. The most active September contract of CPO futures finished MYR8 down at MYR2,380 per tonne. Market also generated bullish momentum as Indonesian government is planning to reduce the exports taxes in next month.

Domestic Spot Market Highlights

Following BMD CPO futures, Indonesian and domestic palm oil market traded on softer side. Regular unloading of imported palm oil in domestic markets contributed bearishness. As per trade source, Indonesian government is planning to reduce exports taxes on crude palm oil failed to support the market and market remained weak there. Expectation of slower demand ahead from importing nations that currently waiting for further weakness in Malaysian crude palm oil would likely to keep bears up in near-term there with spill over in domestic market.

BMD: CPO Futures (22.06.2007)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jul 07	2470	2459	2470	2446	2459	-11	313
Aug 07	2408	2399	2408	2384	2400	-8	691
Sep 07	2388	2368	2388	2368	2380	-8	3970
Oct 07	2390	2356	2374	2355	2365	-25	438
Nov 07	2360	2358	2358	2355	2355	-5	115

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	22.06.07	21.06.07	Change
Kandla CPO (5 % FFA)	418	417	+1
Kandla RBD Palmolein +VAT	445	443	+2
Mumbai RBD Palmolein +VAT	450	452	-2
Chennai RBD Palmolein +VAT	462	465	-3
Kakinada RBD Palmolein +VAT	447	447	NIL
Hyderabad RBD Palmolein +VAT	472	472	NIL
Delhi RDB Palmolein	505	505	NIL

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	22.06.07	21.06.07	Change
Crude Soy Oil	814	811	+3
Crude Palm Oil	NA	NA	-
Sunflower Oil	890	894	-4

Rape/Mustard oil

Hold back of stocks with stockists and steady demand is pushing up mustard oil prices in physical markets on Friday. Improving sentiments for rapeseeds meals demand aided bullish support to market. Mustard seeds arrivals remained within range of 40-45 thousand bags. Currently higher price of mustard seeds in physical markets are likely to support oil prices to improve further in near-term.

Groundnut Oil

Spot prices of groundnut oil remained in bullish tone on supportive sentiment domestically. Pressure from cotton and slow progress of monsoon in major groundnut growing regions hampered Kharif groundnut sowing sentiments and only 76,000 hectares land has been planted as on June 15 as compared to 94,000 hectares last year in latest government estimation. The groundnut sowing conditions would play a pivotal role in regulating oil prices domestically.

Refined Sunflower Oil

Steady demand, slow harvest and underlying firmness in other edible oil helped supported refined sunflower oil in domestic markets, while the sunflower sowing has been started in Karnataka region. Sunflower oil CIF prices for July shipment declined on Friday at \$890 per tonne as compared to \$894 per tonne on Thursday. Traders are expecting refined sunflower oil is likely to remain in bullish tone on underlying firmness overseas market of related commodity.

Refined Cottonseeds Oil

Refined cottonseeds prices traded on higher side to remains in sync with recent gains in groundnut oil. Between May 1 and June 15 nearly 1.52 million hectares land have been planted with cotton as compared to 1.46 million hectares a year ago in latest government estimation. Transgenic Bt cotton has covered in 868,000 hectares land.

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

Centres	22.06.07	21.06.07	Change
Mumbai (Exp. Oil) +VAT	490	484	+6
Kota (Exp. Oil)+VAT	460	458	+2
Jaipur (Exp. Oil)+VAT	468	467	+1
Delhi (Exp. Oil)	510	502	+8
Neewai (Exp. Oil) +VAT	458	NA	-

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	22.06.07	21.06.07	Change
Mumbai +VAT	700	700	NIL
Rajkot +VAT	725	715	+10
Andhra Region +VAT	725	725	NIL
Chennai +VAT	680	680	NIL
Delhi	705	705	NIL

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

Centres	22.06.07	21.06.07	Change
Mumbai +VAT	570	565	+5
Chennai +VAT	570	570	NIL
Hyderabad +VAT	595	595	NIL

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

Centres	22.06.07	21.06.07	Change
Mumbai +VAT	480	477	+3
Hyderabad +VAT	482	482	NIL
Rajkot + VAT	488	486	+2
Delhi	475	475	NIL

Forex Rates

(As on 22.06.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.71
European Union	Euro	54.63
Japan	100 Yen	32.84
United Kingdom	Pound Sterling	81.24

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Hari Kripa	2,000	CFA	Expected (24.06.2007)
	Royal Emerald	12,000	Palm oil	Expected (22.06.2007)
	New Trader	7,994	CPO	Expected (25.06.2007)
	Politisa Lady	24,255	DSBO	Expected (22.06.2007)
	Baltic Marshall	12,000	CDSBO	Expected (23.06.2007)
	Annoula	18,900	CDSBO	Arrived (18.06.2007)
	Global Neptune	14,000	Palm oil Product	Arrived (20.06.2007)
New Manglore	Shimakaze	5,854	CPO	Arrived (19.06.2007)
Kolkata	Pacific Sound	2,700	CPO+PFAD	Arrived (20.06.2007)
	Champion Spirit	10,993	Soy oil	Arrived (20.06.2007)
Mumbai	Samho Heron	4,500	Palm oil	Expected (27.06.2007)

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