

## VEGOIL DAILY

July 31st, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Prices of refined soy oil maintained the firm tone owing to gains in BMD CPO futures and anticipation for good import festive demand domestically. Currently Northeast part of China (major soybeans producing) is experiencing the drought condition, which is likely to continue to July end, which can affect the soybeans crop production and yield there. This has strengthened the China soybeans market. BMD CPO futures continued to stay firm on Monday amidst Friday's CBOT gains, surge in crude oil and expectation of good export demand. The crude soy oil CIF price for August shipment increased on Monday at \$880 per tonne against \$884 per tonne on Tuesday. Prices of soy oil are likely to remain buoyant on stall of weakened monsoon for next 4-5 days as in latest report by IMD.

#### FUTURES MARKET:

Following bullish BMD CPO futures with improving prospects of festive demand helped supported **NCDEX** refined soy oil futures. The most active August futures contract opened firm at Rs. 505.95 per 10 kg against previous close at Rs. 505.1 per 10 kg and the futures closed slightly up at Rs. 506.75 per 10 Kg.

The refined soy oil futures at **MCX** settled firm on improving BMD CPO futures coupled with firmness in other edible oil. The August contract opened gaped at Rs. 506.4 per 10 kg against yesterday closing level at Rs. 504.95 per 10 kg. The prices closed up at Rs. 505.9 per 10 Kg.

#### PRICE DRIVERS:

- Bullish BMD CPO futures
- Currently drought conditions in China over soybeans producing area
- Stalled weakened monsoon progress
- Good demand of soybean for sowing
- Crude soy oil CIF prices increased by \$6

#### Weather

Monsoon is nearly covered the major soybeans producing belt which will support soybeans sowing in these areas.

#### TECHNICALS

Candlesticks charts patterns indicate recovery at lower level with tentativeness at both level as indicative by both at upper and lower shadow. Prices closed slightly above to 9/18 days EMA, indicating mild firmness in the market. MACD pattern remained bearish. Both stochastic and RSI is rising in neutral region. Volume increased and while open interest declined. Market is expected trade upward with steady to slightly weak opening with bullish bias.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Aug	502	504	506.75	511	512
MCX-Aug	502	504	505.9	511	512

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil August Contract:

**BUY** Near 507; T1 near 509, T2 near 510 and put stop loss at 506.

MCX Refined Soy Oil July Contract:

**BUY** Near 507; T1 near 509, T2 near 510 and put stop loss at 506.

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

Centres	30.07.07	28.07.07	Change
Mumbai (Soy Ref oil)+VAT	478	479	-1
Indore (Soy Ref oil)	485	484	+1
Kota (Soy Ref. Oil)+VAT	483	483	Nil
Hyderabad (Soy Ref)+VAT	499	499	Nil
Rajkot (Soy Ref)+Tax	470	470	Nil

**International Highlights****BMD CPO Futures Firm Up on CBOT**

The expectation of good exports demand continuous to support the crude palm oil futures on Bursa Malaysian Derivatives on Monday. Market also gather bullishness from surge in crude oil and Friday's CBOT firmness resulting most active October contract of crude palm oil futures ended MYR53 up at MYR2,636 per tonne. But the prices direction would more clear by SGS July exports data that to be release by Tuesday, traders added.

**Domestic Spot Market Highlights**

Spot prices of palm oil traded mostly range bound on balance in demand and supplies combined with bullish BMD CPO futures across domestic market. Stockists remained in aggressive mood to lower their stocks prior to fresh stocks after duty reduction arrived in the market. This has controlled the upside of palm oil. Indonesian palm oil witnessed lackluster trade owing to clear price direction in near-term. The crude palm oil CIF prices for August shipment quoted at \$840 per tonne on Monday. Traders are expecting prices to remain firm on underlying firmness in other vegetable oil but higher side would remain in control of bearish undertone in overseas market.

**BMD: CPO Futures (30.07.2007)****(Ringgit/ton)**

Months	Previous	Open	High	Low	Close	Change	Volume
Aug 07	2680	2708	2731	2708	2727	+47	755
Sep 07	2624	2645	2675	2639	2667	+43	5059
Oct 07	2583	2602	2639	2600	2636	+53	13299
Nov 07	2555	2571	2622	2570	2621	+66	7456
Dec 07	2534	2580	2605	2580	2605	+71	235

\*BMD Remains Closed on Saturday and Sunday.

**Palm oil – Spot Market Price****(Rs. Per 10 kg)**

Centres	30.07.07	28.07.07	Change
Kandla CPO (5 % FFA)	424	424	Nil
Kandla RBD Palmolein +VAT	469	471	-2
Mumbai RBD Palmolein +VAT	465	465	Nil
Chennai RBD Palmolein +VAT	460	460	Nil
Kakinada RBD Palmolein +VAT	448	448	Nil
Hyderabad RBD Palmolein +VAT	468	468	Nil
Delhi RDB Palmolein	494	495	Nil

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

Edible Oil	30.07.07	28.07.07	Change
Crude Soy Oil	880	884	+6
Crude Palm Oil	840	NA	-
Sunflower Oil	1034	1034	Nil

### Rape/Mustard oil

Prices of mustard oil showed the buoyancy on Monday on slightly improved demand and bullish global cues. Recent bird flu outbreak in Manipur had lowered the prevailing weak demand of rapeseed meals consumption in domestic market has limited the upside on oil prices. Envisaging extend of weak meals demand to coming days kept the expellers away from aggressive seeds buying that capped the gains to certain extent.

### Groundnut Oil

Maintain of same position as earlier by groundnut oil after duty reduction shows deprivation of supportive demand across domestic markets. This is resulting the bullish undertone in groundnut oil. Early sown groundnut crop is in early vegetative/germination stage in Karnataka, Gujarat, Maharashtra and other areas but the weak phase of monsoon could harm the crop under progress, supported the bullishness in the market. Market is likely to stay firm until clear figures of sowing come in light.

### Refined Sunflower Oil

The sunflower oil prices remained range bound in domestic market on unchanged demand to last weak with tight supplies. Sowing of Kharif sunflower oil is continues in Uttar Pradesh. Sunflower oil CIF prices for August shipment consolidated on Saturday at \$1034 per tonne as compared to Friday's \$1039 per tonne. The low sunflower oil production and rising prices of crude oil may remain supportive for refined sunflower oil in near-term.

### Refined Cottonseeds Oil

Trading the underlying firmness in other edible oil coupled with steady demand supported refined cottonseeds oil in physical markets. With the lower cottonseeds meals demand crushing is affected, which is remain supportive for cottonseeds oil. Traders anticipate the prices of refined cottonseeds oil are likely to remain buoyant ahead on tight supplies of major edible oil.

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

Centres	30.07.07	28.07.07	Change
Mumbai (Exp. Oil) +VAT	500	504	-4
Kota (Exp. Oil)+VAT	477	476	+1
Jaipur (Exp. Oil)+VAT	484	484	Nil
Delhi (Exp. Oil)	510	510	Nil
Neewai (Exp. Oil) +VAT	475	475	Nil

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

Centres	30.07.07	28.07.07	Change
Mumbai +VAT	740	740	Nil
Rajkot +VAT	785	780	+5
Andhra Region +VAT	760	760	Nil
Chennai +VAT	685	680	+5
Delhi	780	780	Nil

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

Centres	30.07.07	28.07.07	Change
Mumbai +VAT	572	572	Nil
Chennai +VAT	570	565	+5
Hyderabad +VAT	570	570	Nil

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

Centres	30.07.07	28.07.07	Change
Mumbai +VAT	502	505	-3
Hyderabad +VAT	500	500	Nil
Rajkot + VAT	510	508	+2
Delhi	495	495	Nil

### Forex Rates

(As on 30.07.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.54
European Union	Euro	55.31
Japan	100 Yen	34.17
United Kingdom	Pound Sterling	82.02

## PORT-WATCH (Latest):

### Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Shintoku	12,000	Palm oil	Berthed (24.07.07)
	<b>Stolt Vinland</b>	<b>3,000</b>	<b>G'nut oil</b>	<b>Berthed (25.07.07)</b>
	Arwen	8,500	CDSBO	Expected (29.07.07)
	High Challenge	23,500	CDSBO	Expected (31.07.07)
	Global Triton	12,000	Palm oil	Expected (27.07.07)
	Gagarmayang	6,000	SBO	Berthed (22.07.07)
	Marida Boreas	13,350	CPO	Berthed (22.07.07)
Kolkata	Aetos	10,000	Soy oil	Arrived (21.07.07)
	Southern Seal	4,000	CPO	Arrived (25.07.07)
	Fatimah	6,000	CPO	Arrived (23.07.07)
	Global Venus	8,500	CPO	Arrived (23.07.07)
	<b>Bow De Feng</b>	<b>1,989</b>	<b>CPO</b>	<b>Arrived (26.07.07)</b>
New Manglore	Global Eos	10,500	CPO	Expected (30.07.07)
Mumbai	Artistry	8,600	CPO	Arrived (22.07.07)
	<b>Global Neptune</b>	<b>12,500</b>	<b>Palm oil</b>	<b>Expected (15.08.07)</b>

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