

VEGOIL DAILY

July 3rd, 2007

REFINED SOY OIL

SPOT MARKET:

Spot prices of refined soy oil markets continue to trade on higher side on slightly improved demand and firmness in BMD CPO futures. Currently underlying firmness in rival edible oil with improved demand of soy meals both at ports and domestically supported contributed the bullish support. BMD CPO futures forced to move up following Friday's CBOT gains, rallies and bullish talk by Dorab Mistry (an influential analyst) in Beijing despite bearish Malaysian exports data for June which dropped by 15% at 1,007,424 tonnes against 1,184,606 tonnes in May (as per SGS latest estimation). Crude soy oil CIF prices for July shipment increased further on Monday at \$860 per tonne against \$855 per tonne on Saturday. As per trade sources, refined soy oil is likely to borrow bullishness ahead from underlying firmness in overseas market coupled with slow progress of soybeans sowing in major sowing regions.

FUTURES MARKET:

Despite solid gains at BMD CPO futures, refined soy oil futures on **NCDEX** continue to trade down on profit-taking. The most active August futures contract opened slightly weak at Rs. 503 per 10 kg against previous closing level at Rs 503.65 per 10 Kg. Market finished down at Rs. 500.65 per 10 Kg.

Increased in selling pressure and lack of supportive news influenced refined soy oil futures on **MCX** to trade downward. The July contract opened slightly firm at Rs. 496.65 per 10 kg against previous closing level at Rs. 496.55 per 10 Kg and prices settled down at Rs. 493.3 per 10 Kg.

PRICE DRIVERS:

- Bullish BMD CPO futures
- Malaysian palm oil exports fell by 15% in June
- Improved soymeal sentiments both at ports and domestically
- Firmness in other vegetable oil
- Increase in crude soy oil CIF price by \$5

Weather

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

TECHNICALS

Refined soy oil charts shows selling pressure at higher level. EMA and MACD patterns suggest firmness in the market. Stochastic is rising toward overbought region where RSI is falling in neutral region. Market is expected to trade upward with possibility of late downward movement with steady to slightly weak opening. Volume declined and open interest increased.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Aug	497	498	500.65	507	508
MCX-July	490	491	493.3	498	499

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil August Contract:

BUY Near 502; T1 near 504 and T2 near at 505 and put stop loss at 501.

MCX Refined Soy Oil July Contract:

BUY Above 494; T1 near 496 and T2 near at 497 and put stop loss at 493.

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

Centres	02.07.07	30.06.07	Change
Mumbai (Soy Ref oil)+VAT	488	472	+16
Indore (Soy Ref oil)	474	473	+1
Kota (Soy Ref. Oil)+VAT	485	480	+5
Hyderabad (Soy Ref)+VAT	495	488	+7
Rajkot (Soy Ref)+Tax	478	477	+1

PALM OIL

International Highlights

BMD CPO Futures Continue to Gain on Monday

Following Friday's firmness on CBOT, bullish talk by influential analyst Dorab Mistry in Beijing and surge in crude oil cast firmness for palm oil futures on Bursa Malaysian Derivatives on Monday. Although, Malaysian exports data remained bearish and exports in June dropped by 15% at 1,007,424 tonnes against 1,184,606 tonnes in May. The most active September contract of crude palm oil futures increased on third straight day by MYR41 at MYR2,468 per tonne.

Domestic Spot Market Highlights

Despite bullish global cues spot prices of palm oil remained weak on sluggish demand and subdued trade activities. Whereas Indonesian palm oil market moved up following gains of BMD CPO futures. As per latest estimation for Malaysian palm oil, to India, exports fell significantly by 63.87% at 14,994 tonnes in June as compared to 41,500 tonnes last month. Crude palm oil CIF prices for July shipment dropped on Monday at \$792 per tonne against \$795 per tonne on Saturday.

BMD: CPO Futures (02.07.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jul 07	2513	2550	2579	2550	2563	+50	199
Aug 07	2450	2501	2513	2474	2494	+44	1459
Sep 07	2427	2480	2490	2445	2468	+41	7795
Oct 07	2413	2455	2472	2430	2452	+39	1204
Nov 07	2395	2445	2450	2430	2440	+45	173

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	02.07.07	30.06.07	Change
Kandla CPO (5 % FFA)	419	422	-3
Kandla RBD Palmolein +VAT	454	448	+7
Mumbai RBD Palmolein +VAT	455	NA	-
Chennai RBD Palmolein +VAT	465	470	-5
Kakinada RBD Palmolein +VAT	448	450	-2
Hyderabad RBD Palmolein +VAT	468	470	-2
Delhi RDB Palmolein	505	506	-1

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	02.07.07	30.06.07	Change
Crude Soy Oil	860	855	+5
Crude Palm Oil	792	795	-3
Sunflower Oil	919	NA	-

Rape/Mustard oil

Improving sentiments for rapeseeds meals with actively buying support of retailers helped support mustard oil prices in major trading centers. The slow sowing of Kharif oilseeds aided bullish support to market. Mustard seeds arrivals remained at 40 thousand bad with poor demand limited the upside of mustard oil. The slow crushing of rapeseeds meals with improved demand of oil ahead are likely to support oil prices to improve further in near-term.

Groundnut Oil

Steady demand and tight supplies are continued to support domestic groundnut oil prices. As per government estimation in 2006 groundnut sowing was performed in 317,000 hectare land but continuous strengthening cotton in profitability is likely extract acreage in ongoing Kharif season that may further support groundnut oil prices. The shelled groundnut in Gujarat traded between Rs. 415-570 per 20 kg (as per variety). The good demand of HPS groundnut seeds from Southeast countries is likely to support oil prices in coming day.

Refined Sunflower Oil

Spot prices of refined sunflower oil remained in bullish tone on limited stocks and underlying firmness in other vegetable oil. The sunflower oil CIF prices for July shipment quoted at \$919 per tonne on Monday. The fall in supplies of sunflower oil from major producing countries are likely to keep overseas markets relatively firm with spill over impact in domestic markets.

Refined Cottonseeds Oil

Bullish undertone in groundnut oil prices had spill over impact on refined cottonseeds oil since both share same market. The weakness in cottonseeds meals is maintained in domestic markets. Although, sentiments are bullish for cotton production in Kharif season, but cottonseeds prices are seen not to dip significantly as cotton prices have been risen by 6-8% in last one year. The limited stocks and underlying firmness in overseas market is likely to support refined cottonseeds prices in days ahead.

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

Centres	02.07.07	30.06.07	Change
Mumbai (Exp. Oil) +VAT	497	NA	-
Kota (Exp. Oil)+VAT	475	475	Nil
Jaipur (Exp. Oil)+VAT	484	483	+1
Delhi (Exp. Oil)	502	506	-4
Neewai (Exp. Oil) +VAT	473	472	+1

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	02.07.07	30.06.07	Change
Mumbai +VAT	750	NA	-
Rajkot +VAT	770	775	-5
Andhra Region +VAT	750	NA	-
Chennai +VAT	710	710	Nil
Delhi	750	750	Nil

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

Centres	02.07.07	30.06.07	Change
Mumbai +VAT	590	NA	-
Chennai +VAT	600	597	+3
Hyderabad +VAT	630	630	Nil

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

Centres	02.07.07	30.06.07	Change
Mumbai +VAT	500	NA	-
Hyderabad +VAT	505	505	Nil
Rajkot + VAT	520	520	Nil
Delhi	500	500	Nil

Forex Rates

(As on 02.07.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.66
European Union	Euro	55.05
Japan	100 Yen	33.07
United Kingdom	Pound Sterling	81.70

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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