

VEGOIL DAILY

July 27th, 2007

REFINED SOY OIL

SPOT MARKET:

Spot prices of refined soy oil gained momentum on improved demand and thin stocks despite latest bird flu outbreak in Manipur. BMD CPO futures recovered on Thursday anticipating good bullish exports festive demand and gains in crude oil futures whereas CBOT declined in overnight trade mirrored weakness in crude oil, crude palm oil futures and increased soy oil stock with US but the downside limited by the prediction of move of hot and dry weather to Western Corn Belt. As per Census Bureau report soy oil stock in June increased at 1.50 million tonnes as compared to 1.49 million tonnes a month ago and 1.33 million tonne last year. The crude soy oil CIF prices for August shipment increased on Thursday at \$880 per tonne as compared to \$875 per tonne as compared to Wednesday. The prospects of upcoming festive demand and thin stocks are likely to strengthen prices of refined soy oil in short-term.

FUTURES MARKET:

NCDEX refined soy oil gained further momentum from on upcoming festive demand with bullish BMD CPO futures and market settled high. The most active August futures contract opened unchanged to previous close at Rs. 504.35 per 10 kg and the futures closed up at Rs. 507.4 per 10 Kg.

The refined soy oil futures at MCX maintained the firmness on bullish BMD CPO futures and persistent prospects of tight supplies in short-term. The August contract opened unchanged to previous closing level at Rs. 504.1 per 10 kg. The prices closed up at Rs.507.2 per 10 Kg.

PRICE DRIVERS:

- Bullish BMD CPO futures
- Bird flu outbreak in Manipur
- Good demand of soybean for sowing
- Firmness in other edible oil
- Crude soy oil CIF prices increased

Weather

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

TECHNICALS

Refined soy oil charts shows increase in buying interest with slightly tentativeness at both higher and lower level. EMA patterns indicate firmness in the market. However, MACD is hovering in positive territory. Stochastic is falling in neutral region. RSI is continues to rise in neutral region. Both volume and open interest declined. Market is expected trade up with possibility steady to slightly firm opening.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Aug	503	504	507.4	511	512
MCX-Aug	502	503	507.2	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	26.07.07	25.07.07	Change
Mumbai (Soy Ref oil)+VAT	480	476	+4
Indore (Soy Ref oil)	483	480	+3
Kota (Soy Ref. Oil)+VAT	482	481	+1
Hyderabad (Soy Ref)+VAT	499	495	+4
Rajkot (Soy Ref)+Tax	465	465	Nil

International Highlights

BMD CPO Futures Settle Up

Crude palm oil futures firmed up on Thursday amidst expectation of good exports demand with improved crude oil futures. The most active October contract of CPO futures rebound and settled up MYR47 at MYR2,550 per tonne. The recent duty reduction on CPO by India also fueled the bullish sentiments with anticipation of good exports demand on upcoming festivals. However, gains were limited by overnight bearish CBOT.

Domestic Spot Market Highlights

With the rise in BMD CPO futures, domestic palm oil market gained momentum with steady domestic demand. The recent duty reduction had calm down slightly the vanaspati makers, which are under badly affected from the regular import of vanaspati from neighboring countries under free trade agreement (FTA) and it on verse to collapses. The crude soy oil CIF price for August shipment surge on Thursday at \$825 per tonne as compared to \$810 per tonne on Wednesday. The buying at higher prices in recent past is expected to support domestic market until fresh stocks after duty reduction hit in the market.

BMD: CPO Futures (26.07.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Aug 07	2619	2636	2661	2636	2660	+41	549
Sep 07	2557	2566	2606	2554	2605	+48	2340
Oct 07	2521	2527	2568	2515	2568	+47	5402
Nov 07	2488	2496	2537	2485	2537	+49	1668
Dec 07	2457	2485	2516	2485	2516	+59	303

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	26.07.07	25.07.07	Change
Kandla CPO (5 % FFA)	420	414	+6
Kandla RBD Palmolein +VAT	460	452	+8
Mumbai RBD Palmolein +VAT	460	454	+6
Chennai RBD Palmolein +VAT	455	460	-5
Kakinada RBD Palmolein +VAT	450	447	+3
Hyderabad RBD Palmolein +VAT	468	464	+4
Delhi RDB Palmolein	490	490	Nil

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	26.07.07	25.07.07	Change
Crude Soy Oil	880	875	+5
Crude Palm Oil	825	810	+15
Sunflower Oil	1032	1029	+3

Rape/Mustard oil

Despite steady arrivals (20-25 thousand bags) and improved demand of mustard seeds, oil prices declined in major trading centers. As well currently higher prices of oil also failed to support the market, as consolidation requires, traders added. As per trade source, Nafed liquidated Ganganagar market by nearly 150 tonne of mustard oil that also limited the gains to oil prices. Mustard oil prices are likely to remain buoyant ahead with steady demand.

Groundnut Oil

Prevailing tight supplies and steady demand are continuing to stabilize groundnut oil in the domestic market. Market also generated bullish support from stalled monsoon progress that has raised the fears of repetition of last year drought and high temperature condition during crop progress. The good demand of HPS groundnut seeds from Southeast countries added bullish support on depleting stocks from crushing. Prices of shelled groundnut seeds are maintained in various markets in Gujarat at Rs. 415-470 per 20kg for different grade.

Refined Sunflower Oil

Despite duty reduction, refined sunflower oil trade in bullish tone on holding back activities of stocks by stockists and steady demand. Still the crude oil prices are firm with bullish undertone in overseas markets, which is supported the domestic markets. The sunflower oil CIF prices for August shipment increased at \$1032 per tonne as compared \$1019 per tonne on Wednesday. Traders are keeping close eye on development in overseas market and expecting same reflection in domestic markets.

Refined Cottonseeds Oil

Refined cottonseeds oil prices consolidated in the domestic markets offsetting steady demand and firmness in other edible oil. Currently market is under stress of supplies squeeze coupled with fall in replenishment of stocks due to higher cottonseeds prices that strengthened the market. The lower demand of cottonseeds meals with poor realization on oil is likely to help market ahead.

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

Centres	26.07.07	25.07.07	Change
Mumbai (Exp. Oil) +VAT	496	495	+1
Kota (Exp. Oil)+VAT	472	474	-2
Jaipur (Exp. Oil)+VAT	482	484	-2
Delhi (Exp. Oil)	502	500	+2
Neewai (Exp. Oil) +VAT	473	475	-2

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	26.07.07	25.07.07	Change
Mumbai +VAT	735	735	Nil
Rajkot +VAT	770	760	+10
Andhra Region +VAT	765	750	+15
Chennai +VAT	680	680	Nil
Delhi	775	770	+5

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

Centres	26.07.07	25.07.07	Change
Mumbai +VAT	572	570	+2
Chennai +VAT	565	565	Nil
Hyderabad +VAT	570	570	Nil

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

Centres	26.07.07	25.07.07	Change
Mumbai +VAT	500	500	Nil
Hyderabad +VAT	500	495	+5
Rajkot + VAT	498	495	+3
Delhi	490	490	Nil

Forex Rates

(As on 26.07.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.27
European Union	Euro	55.23
Japan	100 Yen	33.43
United Kingdom	Pound Sterling	82.53

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Shintoku	12,000	Palm oil	Expected (24.07.07)
	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)
New Mangalore	Global Eos	10,500	CPO	Expected (30.07.07)
Mumbai	Artistry	8,600	CPO	Arrived (22.07.07)

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