

VEGOIL DAILY

July 17th, 2007

REFINED SOY OIL

SPOT MARKET:

As per SEA of India, the import of edible oils during June 2007 is reported at 547,361 tons compared to 388,278 tons in June 2006 i.e. up by 41%. During November 2006 to June 2007 the total import of edible oils is reported at 2,748,861 tons compared to 2,588,870 tons of last year i.e. up by 6% and non edible oil is reported at 450,185 tons compared to 424,338 tons i.e. up by 6%. With increasing consumptive demand for edible oils in country, import of palm oil is showing increasing trend in recent month. Despite bearish cues from BMD, soy oil prices registered marginal gains on account of consumptive and festive demand ahead. Market observers expect consolidation in prices of soy oil in near term so as to renew buying interest and making it more competitive with palm oils. Prices of soybean and soymeal eased down ahead of fresh cues from CBOT. The crude soy oil CIF prices for July shipment stood at \$875 per tonne against \$ 877 /MT.

FUTURES MARKET:

Tracking bearish cues from BMD, the soy oil futures at NCDEX settled slightly lower. The most active August futures contract opened slightly firm at Rs. 508 per 10 kg against previous closing level at Rs 508.65 per 10 Kg. The futures closed at Rs. 506.1 per 10 Kg.

The soy oil futures at MCX witnessed narrow trade with slight tentativeness on both the sides The August contract opened at Rs. 506.1 per 10 kg against previous closing level at Rs. 508.95 per 10 Kg. The prices closed lower at Rs.505.8 per 10 Kg.

PRICE DRIVERS:

- Good pace of soybean plantings across states.
- Weak export data for Malaysian palm oil export.
- Rapid soybeans sowing
- Underlying firmness in other edible oil

Weather

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

TECHNICALS

Candle sticks charts patterns indicate bearishness with slight buying support at lower levels as indicted by lower shadow of the candlestick. EMA and MACD pattern remained bullish. Stochastic is on the verge of making a bearish crossover in overbought region and RSI has dipped lower indicating slight weakness in prices in near term. Both volumes and open interest declined. Prices are expected to open weak and trade with bearish bias.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Aug	499	500	506.1	509	511
MCX-Aug	500	502	505.8	508	509

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil August Contract:

SELL Near 506; T1 near 503, T2 near 502 and put stop loss at 507.

MCX Refined Soy Oil July Contract:

SELL Near 506; T1 near 505, T2 near 503.5 and put stop loss at 507.5.

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

Centres	16.07.07	14.07.07	Change
Mumbai (Soy Ref oil)+VAT	486	484	+2
Indore (Soy Ref oil)	481	478	+3
Kota (Soy Ref. Oil)+VAT	488	486	+2
Hyderabad (Soy Ref)+VAT	497	497	0
Rajkot (Soy Ref)+Tax	476	477	-1

PALM OIL

International Highlights

BMD CPO Futures Settled lower on Monday.

Malaysian palm oil exports fell 8.8% on month in the July 1-15 period to 468,878 metric tons, cargo surveyor SGS (Malaysia) Bhd said in an estimate Monday. Exports in the June 1-15 period were estimated at 513,999 tons. Amidst long term uncertainty in market direction and bearish export data for Malaysian palm oil exports, participants are looking for fresh cues from soy oil at CBOT. The market expects some consolidation in prices in near term.

Domestic Spot Market Highlights

As per data compiled by cargo surveyor SGS [Malaysia] Bhd, India imported around 41,142 MT of palm oil during July 1-15 in comparison to 2,250 imported for the same time period for June. Imports of palm oil by China declined to 87,254 MT during July 1-15 against 1, 64,160 MT for June 1-15. At domestic front, Import of RBD Palmolein is showing increase trend in recent month. During June 2007 over 15,000 tons of RBD Palmolein has been imported, although overall import of refined oil during November 2006 to June 2007 is reduced to 67,808 tons from 99,025 tons. Palm oil prices across spot markets stood steady at previous levels despite bearish cues from BMD as traders expect fresh cues from CBOT. Considering continuous rise in groundnut oil, Gujarat government is planning to import 10,000 tonnes of palm oil to meet the state need of edible oil.

BMD: CPO Futures (16.07.2007)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Aug 07	2690	2675	2675	2639	2639	-51	1349
Sep 07	2623	2587	2608	2570	2570	-53	4608
Oct 07	2583	2535	2573	2535	2540	-43	530
Nov 07	2523	2520	2548	2520	2523	-32	530
Dec 07	2520	2520	2520	2520	2520	-12	7

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	16.07.07	14.07.07	Change
Kandla CPO (5 % FFA)	426	426	NII
Kandla RBD Palmolein +VAT	460	460	NII
Mumbai RBD Palmolein +VAT	465	465	NII
Chennai RBD Palmolein +VAT	-	465	-
Kakinada RBD Palmolein +VAT	453	453	NII
Hyderabad RBD Palmolein +VAT	472	472	NII
Delhi RDB Palmolein	500	500	NII

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	16.07.07	14.07.07	Change
Crude Soy Oil	875	877	-2
Crude Palm Oil	NA	817	-
Sunflower Oil	NA	971	-

Rape/Mustard oil

Despite bearish cues from overseas markets, spot prices of mustard oil stood firm at Mumbai and Kota region except for slight weakness noticed in Delhi and Jaipur. Arrivals stood at around 25,000 to 30,000 bags. Spot prices of mustard seeds settled lower on tracking weak cues from domestic exchanges. Slight consolidation in prices of edible oils may cast in temporary weakness in prices of seeds and expeller oil in near term. However medium term holds bullish ahead of festive demand.

Groundnut Oil

Restricted selling from stockists and limited availability of butts in Rajkot kept the prices of groundnut oil almost firm. Elsewhere spot prices stood steady at previous levels. As per government latest figures, groundnut sowing has been speed up and on July 12th oilseeds sowing is covered in 9.51 million hectares as compared to 8.74 million hectares last year. In prevailing limited stocks conditions, groundnut oil prices are likely to strengthen further.

Refined Sunflower Oil

Refined sunflower oil prices stood firm in Mumbai on steady demand. Traders are awaiting fresh cues today to gain further. As per trade sources, Kharif sunflower seeds sowing in progress in Maharashtra, Karnataka and Uttar Pradesh supported the bulls. The underlying bullish cues are likely to support refined sunflower oil prices in near-terms.

Refined Cottonseeds Oil

Spot prices of cotton seed oil showed mixed trend on Monday. The good demand of cotton seeds in recent past engulfed the total available stocks for crushing and extended the bullish support to oil prices. The poor demand of cottonseeds meals in domestic market is forcing expellers to stay away for fresh crushing that in turn support oil prices further up in near-term.

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

Centres	16.07.07	14.07.07	Change
Mumbai (Exp. Oil) +VAT	508	505	+3
Kota (Exp. Oil)+VAT	478	475	+3
Jaipur (Exp. Oil)+VAT	482	485	-3
Delhi (Exp. Oil)	510	515	-5
Neewai (Exp. Oil) +VAT	-	475	-

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	16.07.07	14.07.07	Change
Mumbai +VAT	750	750	0
Rajkot +VAT	795	790	+5
Andhra Region +VAT	760	760	0
Chennai +VAT	-	690	-
Delhi	785	785	0

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

Centres	16.07.07	14.07.07	Change
Mumbai +VAT	590	585	+5
Chennai +VAT	-	587	-
Hyderabad +VAT	600	600	0

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

Centres	16.07.07	14.07.07	Change
Mumbai +VAT	512	510	+2
Hyderabad +VAT	500	500	0
Rajkot + VAT	518	515	+3
Delhi	500	506	-6

Forex Rates

(As on 16.07.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.37
European Union	Euro	55.67
Japan	100 Yen	33.13
United Kingdom	Pound Sterling	82.18

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	M.T. Biz	18,000	CDSBO	Expected (16.07.2007)
	M.T. Puze	18,000	CDSBO	Expected (16.07.2007)
	Hari Kripa	2,000	CFA	Berthed (13.07.2007)
	Suzanne	10,000	Palm oil	Expected (16.07.2007)
	Chem Jasmin	25,200	CPO	Expected (16.07.2007)
	Amundsen Wind	6,720	CPO	Expected (18.07.2007)
	Gagarmayang	6,000	SBO	Expected (21.07.2007)
	Champion Arctic	31,000	CDSBO	Berthed (07.07.2007)
Kolkata	Madura	7,876	CPO	Arrived (11.07.2007)
	Vernal Grace	3,570	CPO	Arrived (13.07.2007)

Vessels in bold are new on chart.

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