

VEGOIL DAILY

July 28th, 2007

REFINED SOY OIL

SPOT MARKET:

Despite firm BMD CPO futures and firm tone in other edible oil, spot prices of refined soy oil traded on softer side on weak demand. Expectation of good exports demand and await for July fresh exports figures of Malaysia palm oil propelled BMD CPO futures. Cautious buying of beans and meal, bullish soy oil weekly exports sales combined with overnight firm palm oil strengthened soy futures on CBOT but isolated rainfall in parts in Western Corn Belt capped the gains to certain extent. Exports sales of soybeans and soy oil totaled at 316,800 and 31,500 tonnes against trade expectation between 300,000-500,000 and 0-10,000 tonnes respectively. The crude soy oil CIF prices for August shipment declined marginally on Friday at \$878 per tonne as compared to \$880 per tonne on Thursday.

FUTURES MARKET:

Lack of clear direction with subdued trade activities forced **NCDEX** refined soy oil futures down. Market also generated bearishness from overnight mixed sentiments at CBOT. The most active August futures contract opened weak slightly at Rs. 507.25 per 10 kg against previous close at Rs. 507.75 per 10 kg and the futures closed down at Rs. 505.5 per 10 Kg.

The refined soy oil futures at **MCX** dropped despite bullish BMD with fading prospects of demand and supply in near-term. The August contract opened at Rs. 506.8 per 10 kg against yesterday closing level at Rs. 507.5 per 10 kg. The prices closed down at Rs.505.4 per 10 Kg.

PRICE DRIVERS:

- Bullish BMD with mixed CBOT
- Bullish USDA Weekly export sales of soy oil
- Good demand of soybean for sowing
- Firmness in other edible oil
- Crude soy oil CIF prices dropped marginally

Weather

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

TECHNICALS

Refined soy oil charts show the selling pressure at previous level with tentativeness at upper level. Prices closed between 9/18 EMA suggested mild weakness. MACD moved down further in positive territory. Stochastic is attempting to make bullish crossover in neutral region while RSI is falling in neutral region. Volume declined and open interest increased. Market is expected trade up with possibility of late downward movement.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Aug	503	504	505.5	511	512
MCX-Aug	502	503	505.4	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	27.07.07	26.07.07	Change
Mumbai (Soy Ref oil)+VAT	477	480	-3
Indore (Soy Ref oil)	483	483	Nil
Kota (Soy Ref. Oil)+VAT	482	482	Nil
Hyderabad (Soy Ref)+VAT	499	499	Nil
Rajkot (Soy Ref)+Tax	465	465	Nil

PALM OIL

International Highlights

BMD CPO Futures Settle Up

Crude palm oil futures continue to trade firm on Friday amidst expectation of good exports demand major importing nations (India and China) on Bursa Malaysian Derivatives. The most active October contract of CPO futures finished up MYR15 at MYR2,583 per tonne. However, gains were limited by overnight bearish soy oil future on CBOT and declined in crude oil futures.

Domestic Spot Market Highlights

Firmness in palm oil maintained in domestic market amidst slightly improvement in demand and bullish BMD CPO futures. With lack of supportive news, traders were forced for profit-taking resulting thin trade activities in Indonesia. The crude soy oil CIF prices for August shipment dropped on Friday at \$8127 per tonne as compared to \$825 per tonne on Thursday. Currently BMD CPO futures are rising cautiously on anticipation of bullish exports demand from importing nation. This may support BMD with spill over in domestic markets.

BMD: CPO Futures (27.07.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Aug 07	2660	2658	2685	2655	2685	+25	390
Sep 07	2605	2600	2630	2590	2624	+19	1057
Oct 07	2568	2554	2592	2546	2583	+15	4053
Nov 07	2537	2530	2560	2520	2555	+18	834
Dec 07	2516	2530	2535	2530	2535	+19	90

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	27.07.07	26.07.07	Change
Kandla CPO (5 % FFA)	423	420	+3
Kandla RBD Palmolein +VAT	457	460	-3
Mumbai RBD Palmolein +VAT	465	460	+5
Chennai RBD Palmolein +VAT	468	455	+3
Kakinada RBD Palmolein +VAT	447	450	-3
Hyderabad RBD Palmolein +VAT	468	468	Nil
Delhi RDB Palmolein	495	490	+5

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	27.07.07	26.07.07	Change
Crude Soy Oil	878	880	-2
Crude Palm Oil	817	825	-8
Sunflower Oil	1039	1032	+7

Rape/Mustard oil

With the removal of shadow of poor demand, domestic mustard oil market flourished. However, mustard seeds meals demand remained weak both at ports and domestically that capped the gains on mustard oil to certain extent. Envisaging the festive demand ahead, expellers improved their fresh seeds buying strengthened oil prices. Mustard oil prices are likely to remain buoyant ahead with steady demand on oil and seeds domestically.

Groundnut Oil

Despite competitiveness of refined cottonseeds oil, prices of groundnut oil improved with subdued trade activities and steady demand. Anticipating prices to improve further, stockists preferred to hold back their stocks helped market to remain firm. The good demand of HPS groundnut seeds from importing nations added bullish support on depleting stocks from crushing. The lower meals demand with poor crushing margins would remain supportive to groundnut oil in coming days.

Refined Sunflower Oil

Tight supplies in global markets and firmness in other edible oil supported refined sunflower oil to remain in firm tone in domestic markets. The good demand of quality seeds for Kharif sowing boosted market. Sunflower oil CIF prices for August shipment increased further on Friday at \$1039 per tonne against \$1032 per tonne on Thursday. Traders are keeping close eye on development in overseas market and expecting same reflection in domestic markets.

Refined Cottonseeds Oil

Spot prices of refined cottonseeds oil remained on higher side on steady demand with improving prospects festive demand. Market also borrowed bullish support from tapering stocks with stockists with restricted selling. However, the realization of cottonseeds oil remained low aids the bullish support. Currently low demand of cottonseeds meals in domestic markets are likely to support market in short-term with prospects of low crushing.

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

Centres	27.07.07	26.07.07	Change
Mumbai (Exp. Oil) +VAT	500	496	+4
Kota (Exp. Oil)+VAT	474	472	+2
Jaipur (Exp. Oil)+VAT	484	482	+2
Delhi (Exp. Oil)	508	502	+6
Neewai (Exp. Oil) +VAT	475	473	+2

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	27.07.07	26.07.07	Change
Mumbai +VAT	740	735	+5
Rajkot +VAT	780	770	+10
Andhra Region +VAT	760	765	-5
Chennai +VAT	685	680	+5
Delhi	780	775	-5

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

Centres	27.07.07	26.07.07	Change
Mumbai +VAT	575	572	+3
Chennai +VAT	565	565	Nil
Hyderabad +VAT	570	570	Nil

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

Centres	27.07.07	26.07.07	Change
Mumbai +VAT	505	500	+5
Hyderabad +VAT	500	500	Nil
Rajkot + VAT	498	498	Nil
Delhi	495	490	+5

Forex Rates

(As on 27.07.07)

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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