

VEGOIL DAILY

July 23rd, 2007

REFINED SOY OIL

SPOT MARKET:

Refined soy oil prices traded undertone on steady demand/supply, rapid soybeans sowing coupled with bearish global cues. The current soybeans sowing data shows that sowing has been completed in 71.67 lakh hectares so far as compared to 67.45 lakh ha last year. In Maharashtra and Madhya Pradesh acreage has increased to 40.65 lakh ha and 21.8 lakh ha against last years' 39.26 lakh ha and 20.08 lakh ha respectively. BMD CPO futures are forced to trade down following supportive weather conditions, Friday's weakness at CBOT and unclear prices direction in short-term. The crude soy oil CIF prices for August shipment remains unchanged on Monday at \$875 per tonne as compared to Saturday.

FUTURES MARKET:

Refined soy oil settled bearish on **NCDEX** on subdued trade activities and current vessels position. Market also generated the bearishness from weak BMD CPO futures. The most active August futures contract opened firmed at Rs. 509 per 10 kg against previous closing level at Rs 509.8 per 10 Kg. The futures closed down at Rs. 507.25 per 10 Kg.

The refined soy oil futures at **MCX** finished down on bearish global cues and await for clear prices direction. Weak prospects of demand and supplies in short-term also added bearishness too. The August contract opened at Rs. 509 per 10 kg against previous closing level at Rs. 509.65 per 10 Kg. The prices closed down at Rs.507.25 per 10 Kg.

PRICE DRIVERS:

- Bearish BMD CPO futures
- Weakness in other edible oil
- July crude palm oil production is likely to improve in Malaysia
- Holding activities of soy oil from stockists

Weather

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

TECHNICALS

Candlesticks chart patterns indicates the strong selling interest with late recovery at lower level. Prices closed between 9 and 18 days EMA hints for firmness is loosing in the market. MACD is attempts for bearish crossover in positive territory. Stochastic too is for bearish crossover in overbought region indicate market is vulnerable for correction. RSI shows weakness in prices. Volume increased and open interest declined. Market is expected trade down with steady to slightly weak opening.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Aug	502	503	507.25	510	511
MCX-Aug	502	503	507.25	510	511

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil August Contract:

SELL Below 508; T1 near 506, T2 near 505 and put stop loss at 509.5.

MCX Refined Soy Oil July Contract:

SELL Below 508; T1 near 506, T2 near 505 and put stop loss at 509.5.

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

Centres	23.07.07	21.07.07	Change
Mumbai (Soy Ref oil)+VAT	484	484	Nil
Indore (Soy Ref oil)	486	486	Nil
Kota (Soy Ref. Oil)+VAT	490	490	Nil
Hyderabad (Soy Ref)+VAT	500	505	-5
Rajkot (Soy Ref)+Tax	476	476	Nil

International Highlights

BMD CPO Futures Succumb Following CBOT

Following Friday's weakness and subdued trade activities forced crude palm oil futures to trade down on Bursa Malaysian Derivatives on Monday. The rainfall activity is playing a pivot role and periodic rainfall activities help in pressured the market. The most active October contract of CPO futures down MYR26 at MYR2,506 per tonne. Traders are anticipating the SGS exports figures for the July 1-25 would give some price direction for near-term.

Domestic Spot Market Highlights

Palm oil prices traded mixed across domestic market amidst sluggish demand with bearish global cues. The subdued trade activities, unclear prices direction in near-term and eased down heavy rainfall is forced Indonesian Palm oil market to trade with bullish undertone. The crude soy oil CIF price for August shipment quoted at \$802 per tonne on Monday. Under bullish tone in CBOT, prospects of festive demand in Asian markets are likely to limit the weakness in Malaysian crude palm oil futures with spill over impact domestically.

BMD: CPO Futures (23.07.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Aug 07	2599	2575	2580	2570	2579	-20	612
Sep 07	2542	2522	2524	2512	2518	-24	970
Oct 07	2506	2482	2490	2472	2480	-26	3582
Nov 07	2478	2455	2460	2446	2456	-22	480
Dec 07	2464	0	0	0	2464	0	0

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	23.07.07	21.07.07	Change
Kandla CPO (5 % FFA)	424	426	-2
Kandla RBD Palmolein +VAT	458	458	Nil
Mumbai RBD Palmolein +VAT	475	470	+5
Chennai RBD Palmolein +VAT	460	460	Nil
Kakinada RBD Palmolein +VAT	451	450	+1
Hyderabad RBD Palmolein +VAT	473	473	Nil
Delhi RDB Palmolein	500	500	Nil

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	23.07.07	21.07.07	Change
Crude Soy Oil	875	875	Nil
Crude Palm Oil	802	NA	-
Sunflower Oil	1029	1029	Nil

Rape/Mustard oil

Weakness in mustard seeds prices and lackluster trade activities has pressured oil prices in domestic markets on Monday. However, total seeds arrivals were not reported, which is supported the bearish sentiments. In lack of sluggish meals demand and oil demand, expellers are reluctant to replenish their inventories. Traders added the mustard oil prices are likely to remain sluggish in short-term in lack of supportive news.

Groundnut Oil

Absence of fresh fundamental news, underlying bullishness in refined cottonseeds oil and steady demand promote, groundnut oil to trade mostly range bound domestically. Anticipating shift of acreage from groundnut to cotton and weakened on monsoon for next 3-4 days, stockists cling to their stocks strengthened groundnut oil. The shelled groundnut in different markets in Gujarat is traded in range of Rs. 415-570 per 20 kg (as per quality). The weak demand of groundnut oil with poor realization is likely to support prices in short-term.

Refined Sunflower Oil

Spot prices of refined sunflower oil mixed on erratic demand to Saturday. As per market observers, due to good returns and shift from Wheat may support Argentina sunflower crop (2007-08) acreage that seen up 6.3% at 2.54 million hectares. The sunflower oil CIF prices for August shipment remain unchanged on Monday at \$1019 per tonne against Saturday. The limited stocks and behavior of other edible oil would determine the direction of refined sunflower oil in near-term.

Refined Cottonseeds Oil

Under erratic demand and support stocks position by stockists, refined cottonseeds oil traded on higher side. The current cotton sown data reflected the expected bright prospects of cotton harvest in Kharif 2007-08. The major lead taken by Gujarat and Andhra Pradesh, where sowing is completed in 12.5 and 8.68 lakh hectares as compared to 9.54 and 5.49 lakh ha last year. As per trades refined cottonseeds oil is likely to behavior according to groundnut oil.

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

Centres	23.07.07	21.07.07	Change
Mumbai (Exp. Oil) +VAT	500	504	-4
Kota (Exp. Oil)+VAT	478	478	Nil
Jaipur (Exp. Oil)+VAT	488	490	-2
Delhi (Exp. Oil)	509	508	+1
Neewai (Exp. Oil) +VAT	478	479	-1

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	23.07.07	21.07.07	Change
Mumbai +VAT	745	745	Nil
Rajkot +VAT	760	760	Nil
Andhra Region +VAT	765	765	Nil
Chennai +VAT	685	690	-5
Delhi	780	780	Nil

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

Centres	23.07.07	21.07.07	Change
Mumbai +VAT	580	578	+2
Chennai +VAT	585	585	Nil
Hyderabad +VAT	580	590	-10

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

Centres	23.07.07	21.07.07	Change
Mumbai +VAT	506	508	-2
Hyderabad +VAT	500	510	-10
Rajkot + VAT	510	508	+2
Delhi	495	495	Nil

Forex Rates

(As on 23.07.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.34
European Union	Euro	55.80
Japan	100 Yen	34.34
United Kingdom	Pound Sterling	83.08

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	M.T. Biz	18,000	CDSBO	Berthed (19.07.2007)
	M.T. Puze	18,000	CDSBO	Expected (21.07.2007)
	Shintoku	12,000	Palm oil	Expected (22.07.2007)
	Hari Kripa	2,000	CFA*	Expected (22.07.2007)
	Amundsen Wind	6,720	CPO	Berthed (18.07.2007)
	Gagarmayang	6,000	SBO	Expected (22.07.2007)
	Marida Boreas	13,350	CPO	Expected (22.07.2007)
Kolkata	Vernal Grace	3,570	CPO	Arrived (14.07.2007)
New Manglore	Arwen	8,600	CPO	Expected (21.07.2007)
Mumbai	Artistry	8,600	CPO	Expected (22.07.2007)

*Crude Fatty Acid

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