

VEGOIL DAILY

July 6th, 2007

REFINED SOY OIL

SPOT MARKET:

Currently higher prices of refined soy oil in domestic market made it less competitive to others rival edible oil and results into poor trade activities on Thursday. However, mild recovery noticed on BMD CPO futures on gains in crude oil prices and bullish projection for CBOT soy oil futures managed to support market. As per market observers, hold back of soybeans stocks with farmers for better premiums amidst underlying firmness on CBOT in near-term results into slow unloading of Brazilian soybeans. This results into only 71% soybeans crop (2006-07) has been sold as on June 29 against 70% on June 22 whereas, prospects of soybeans crushing are improving with expectation of 29.2 million tonnes in the year end from June estimation of 29.1 million tonnes. While soybeans exports are outlook remained unchanged at 25.5 million tonnes. The crude soy oil CIF prices for July shipment remained unchanged on Thursday at \$841 per tonne.

FUTURES MARKET:

After initial weakness, refined soy oil futures recovered tracking gains in BMD CPO futures and crude oil prices on **NCDEX**. The most active August futures contract opened firmed at Rs. 501.4 per 10 kg against previous closing level at Rs 500.5 per 10 Kg. Market settled high at Rs. 502.9 per 10 Kg.

Renewed buying interest and bullish projection for CBOT soy oil futures helped gains for refined soy oil on **MCX**. The August contract opened slightly firm at Rs. 500.1 per 10 kg against yesterday closing level at Rs. 500 per 10 Kg and prices finished up at Rs. 502.2 per 10 Kg.

PRICE DRIVERS:

- Bearish BMD CPO futures
- Slow unloading of Brazilian soybeans
- 65% soybeans plantation has been completed in Madhya Pradesh
- Improving prospect of soybeans crushing at 29.2 million tonnes in Brazil
- Good demand of soybeans on sowing pressure

Weather

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

TECHNICALS

Refined soy oil charts show bullish recovery. EMA and MACD patterns suggest firmness in the market. Stochastic had made the bearish crossover in overbought region whereas RSI is rising in neutral zone. Both volume and open interest increased. Market is expected to trade upward with possibility of steady to slight weak opening.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Aug	498	499	502.9	507	508
MCX-Aug	497	498	502.2	506	507

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 Near 501; T1 near 503 and T2 near at 504 and put stop loss at 500.

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

Centres	05.07.07	04.07.07	Change
Mumbai (Soy Ref oil)+VAT	478	478	Nil
Indore (Soy Ref oil)	468	468	Nil
Kota (Soy Ref. Oil)+VAT	483	483	Nil
Hyderabad (Soy Ref)+VAT	495	495	Nil
Rajkot (Soy Ref)+Tax	477	477	Nil

International Highlights**BMD CPO Futures Recover Marginally on Thursday**

Rise in crude oil prices and bullish soy oil projection on CBOT raised crude palm oil futures on Thursday on Bursa Malaysian Derivatives. The most active September contract of crude palm oil futures recouped merely by MYR3 at MYR2,482 per tonne. As currently market is lacking direction, most of the traders preferred to stay away and awaiting for clear production estimates in next week.

Domestic Spot Market Highlights

Spot prices of palm oil maintained the bearish trends on poor demand. However, fears of oversupplies continuous to pressure the market. On Thursday, BMD CPO futures recovered marginally enough to support the Indonesian palm oil market. Crude palm oil CIF prices for July shipment remained unchanged on Thursday and remained at \$785 per tonne. Majority of traders are expecting the underlying weakness on Malaysian palm oil market in coming day would reflect the similar sentiments in domestic market.

BMD: CPO Futures (05.07.2007)**(Ringgit/ton)**

Months	Previous	Open	High	Low	Close	Change	Volume
Jul 07	2593	296	2605	2592	2594	+1	165
Aug 07	2518	2535	2537	2513	2520	+2	488
Sep 07	2479	2489	2500	2474	2482	+3	3201
Oct 07	2445	2445	2468	2447	2460	+15	363
Nov 07	2426	2440	2450	2430	2440	+14	99

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price**(Rs. Per 10 kg)**

Centres	05.07.07	04.07.07	Change
Kandla CPO (5 % FFA)	418	418	Nil
Kandla RBD Palmolein +VAT	451	453	-2
Mumbai RBD Palmolein +VAT	454	457	-3
Chennai RBD Palmolein +VAT	460	460	Nil
Kakinada RBD Palmolein +VAT	444	445	-1
Hyderabad RBD Palmolein +VAT	468	468	Nil
Delhi RDB Palmolein	495	505	-10

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	05.07.07	04.07.07	Change
Crude Soy Oil	841	841	Nil
Crude Palm Oil	785	785	Nil
Sunflower Oil	921	915	+6

Rape/Mustard oil

Mustard oil prices loose it strength on underlying weakness in other edible oil. The low demand of rapeseeds meals domestically and ports remained a barrier of pace up crushing and limited the market to fall. However, expellers maintained their uptake for futures use. The onset of monsoon nationwide impeded the good demand from Northeast zone on country aids bearishness. The underlying firmness in mustard seeds prices ideas of poor availability of in off-season are likely to cushion oil prices ahead.

Groundnut Oil

Groundnut oil prices remained mixed on sluggish demand combined with stocks concerns. The plenty rainfall in key groundnut producing Saurashtra region of Gujarat with prediction of more to fall is good enough to support the sowing there. The shelled groundnut in Gujarat traded between Rs. 415-575 per 20 kg (as per quality). The low demand of groundnut meals and higher prices of quality nuts would continuous to support oil prices in domestic market.

Refined Sunflower Oil

Spot prices of refined sunflower oil remained in bullish tone on steady demand and thin supplies. By the last weekend, sunflower harvest is completed in Tamil Nadu and Maharashtra region while Kharif sowing has been started in Maharashtra, Karnataka and Uttar Pradesh. The sunflower oil CIF prices for July shipment increased on Thursday at \$921 per tonne as compared to \$915 per tonne Wednesday. The rising crude oil prices with declined in production in overseas market are likely to support refined soy oil prices in coming days.

Refined Cottonseeds Oil

Domestic refined cottonseeds oil prices continuous to remain firm on tight supplies. As per market observers, the poor demand of cottonseeds meals in domestic market is the culprit that forcing expellers to paced up crushing. According to traders, in coming 2-3 months cottonseeds prices are likely to remains steady, which in turn limit the upside on refined cottonseeds oil.

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

Centres	05.07.07	04.07.07	Change
Mumbai (Exp. Oil) +VAT	500	500	Nil
Kota (Exp. Oil)+VAT	472	472	Nil
Jaipur (Exp. Oil)+VAT	482	482	Nil
Delhi (Exp. Oil)	500	502	-2
Neewai (Exp. Oil) +VAT	468	470	-2

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	05.07.07	04.07.07	Change
Mumbai +VAT	750	755	-5
Rajkot +VAT	775	772	+3
Andhra Region +VAT	750	750	Nil
Chennai +VAT	700	710	-10
Delhi	750	750	Nil

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

Centres	05.07.07	04.07.07	Change
Mumbai +VAT	605	605	Nil
Chennai +VAT	600	600	Nil
Hyderabad +VAT	620	620	Nil

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

Centres	05.07.07	04.07.07	Change
Mumbai +VAT	506	505	+1
Hyderabad +VAT	500	500	Nil
Rajkot + VAT	522	522	Nil
Delhi	505	500	+5

Forex Rates

(As on 05.07.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.46
European Union	Euro	55.09
Japan	100 Yen	32.95
United Kingdom	Pound Sterling	81.55

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Hari Kripa	2,000	CFA	Arrived (02.07.2007)
	Maria E	10,000	CPO	Arrived (01.07.2007)
	Global Eros	10,990	CPO	Expected (04.07.2007)
	Global Triton	4,500	CPO	Expected (07.07.2007)
	Champion Arctic	31,000	CDSBO	Expected (06.07.2007)
	Samho Heron	3,059	PFAD*	Arrived (02.07.2007)
	Bryggen	10,500	SBO	Arrived (04.07.2007)
Mundra	Champion Arctic	12,000	CDSBO	Expected (02.07.2007)
Mumbai	Southern Bull	3,000	Palm oil	Expected (05.07.2007)
Kolkata	Yong Cheng-17	4,546	CPO	Arrived (03.07.2007)
	Vernal Grace	3,700	CPO	Arrived (03.07.2007)
	Shima Kazi	9,300	CPO	Arrived (04.07.2007)
New Manglore	Global Venus	8,526	CPO	Expected (10.07.2007)

Palm Fatty Acid Distillate*Vessels in bold are new on chart.****Disclaimer**

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