

VEGOIL DAILY

July 30th, 2007

REFINED SOY OIL

SPOT MARKET:

Prices of soy oil traded on higher side on improved demand albeit weakness in soybeans amid recent bird flu outbreak in Manipur, bearish undertone at CBOT coupled with rapid progress of soybeans. Despite slow progress of monsoon Kharif soybeans sowing paced up and as on July 26, soybeans acreage seen up in 7.8 million hectares as compared to 7.34 million hectares a year ago. Despite problems of power supply and weak exports demand, Argentina soybeans seeds crush in June has increased by 6.6% at 3,249,032 tonnes against 3,047,458 tonnes same period last year as highlighted in latest report by Agricultural Secretariat. It also highlighted June soy oil productions rose by 9.75% at 619,384 tonnes, against 564,361 tonnes same period a year ago. The crude soy oil CIF price for August shipment recouped on Saturday at \$884 per tonne as compared to \$878 per tonne on Friday.

FUTURES MARKET:

Lack of clear direction with subdued trade activities continues to pressure **NCDEX** refined soy oil futures. Market also borrowed bearishness from bearish undertone on CBOT. The most active August futures contract opened firmed at Rs. 507 per 10 kg against previous close at Rs. 505.85 per 10 kg and the futures closed down at Rs. 505 per 10 Kg.

The refined soy oil futures at **MCX** remained weak amidst sensing lower soybeans and soymeals sentiments coupled with mixed sentiments at CBOT. The August contract opened at Rs. 507 per 10 kg against yesterday closing level at Rs. 505.65 per 10 kg. The prices closed down at Rs. 504.95 per 10 Kg.

PRICE DRIVERS:

- Increased soybeans crush with improved soy oil stocks with Argentina
- Rapid sowing of soybeans
- Good demand of soybean for sowing
- Firmness in other edible oil
- Crude soy oil CIF prices increased by \$6

Weather

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

TECHNICALS

Refined soy oil charts show increased selling pressure with short-lived buying interest as shown by upper shadow. EMA and MACD pattern remained bearish. Stochastic made bearish crossover in neutral region indicates for possible correction. Whereas RSI is falling in neutral region. Both volume and open interest declined. Market is expected trade down with possibility of slightly weak opening.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Aug	501	502	505	508	509
MCX-Aug	501	502	504.95	508	509

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil August Contract:

SELL Near 506; T1 near 504, T2 near 503 and put stop loss at 507.

MCX Refined Soy Oil July Contract:

SELL Near 506; T1 near 504, T2 near 503 and put stop loss at 507.

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

Centres	28.07.07	27.07.07	Change
Mumbai (Soy Ref oil)+VAT	479	477	+2
Indore (Soy Ref oil)	484	483	+1
Kota (Soy Ref. Oil)+VAT	483	482	+1
Hyderabad (Soy Ref)+VAT	499	499	Nil
Rajkot (Soy Ref)+Tax	470	465	+5

PALM OIL

International Highlights

BMD CPO Futures Remained Closed on Saturday.

Domestic Spot Market Highlights

Current prices of palm oil shows the resistance against government recent moved to revise duty structure on palm oil. In current time by making artificial firmness, stockists are intended to release their stocks to limit the margins. The Free Trade Agreement are engulfing the domestic vanaspati industry due to prices difference between domestic produced and imported one from neighboring countries, consumer's go with cheaper product. This has lowered the CPO demand from Vanaspati sectors. Traders are expecting prices to remain firm on underlying firmness in other vegetable oil but higher side would remain in control of bearish undertone in overseas market.

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	28.07.07	27.07.07	Change
Kandla CPO (5 % FFA)	424	423	+1
Kandla RBD Palmolein +VAT	471	457	+14
Mumbai RBD Palmolein +VAT	465	465	Nil
Chennai RBD Palmolein +VAT	460	458	+2
Kakinada RBD Palmolein +VAT	448	447	+1
Hyderabad RBD Palmolein +VAT	468	468	Nil
Delhi RDB Palmolein	495	495	Nil

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	28.07.07	27.07.07	Change
Crude Soy Oil	484	878	+6
Crude Palm Oil	NA	817	-
Sunflower Oil	1034	1039	-5

Rape/Mustard oil

Prices of mustard oil traded most steady on balance in demand and supplies with lackluster trade activities. With stockists activities and better premium is near month, helped mustard oil to remain in firm tone. Steady seeds arrivals with undertone in prices manage to support the market. As per trade sources, the underlying firmness in mustard oil is likely to remain buoyant on increasing dependency on imported oil coupled with increasing festive demand.

Groundnut Oil

Despite firmed refined cottonseeds oil, prices of groundnut oil remained sluggish with subdued trade activities and steady demand. As per government latest figures, despite slow monsoon progress groundnut sowing is rapidly completed in 3.9 million hectares as on July 27th against 3.35 million hectares last week and 3.46 million hectares last year. Market also generated bullish support from stalled monsoon progress that has raised the fears of repetition of last year drought and high temperature condition.

Refined Sunflower Oil

In latest report, Agricultural Secretariat highlighted Argentina sunflower seeds crush in June has dropped by 31.7% at 263,691 tonnes against 386,116 tonnes same period last year. In June, sunflower seeds oil productions down by 35.13% at 105,121 tonnes, against 162,057 tonnes same period a year ago. Sunflower oil CIF prices for August shipment consolidated on Saturday at \$1034 per tonne as compared to Friday's \$1039 per tonne.

Refined Cottonseeds Oil

Steady demand, subdued trade activities managed to favor the prices of refined cottonseeds oil to trade on higher sides in domestic markets. As per latest government Kharif estimation cotton sowing has been completed in 7.37 million hectares as compared to 6.61 million hectares last year. Traders anticipate the prices of refined cottonseeds oil are likely to remain buoyant ahead on tight supplies of major edible oil.

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

Centres	28.07.07	27.07.07	Change
Mumbai (Exp. Oil) +VAT	504	500	+4
Kota (Exp. Oil)+VAT	476	474	+2
Jaipur (Exp. Oil)+VAT	484	484	Nil
Delhi (Exp. Oil)	510	508	+2
Neewai (Exp. Oil) +VAT	475	475	Nil

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	28.07.07	27.07.07	Change
Mumbai +VAT	740	740	Nil
Rajkot +VAT	780	780	Nil
Andhra Region +VAT	760	760	Nil
Chennai +VAT	680	685	-5
Delhi	780	780	Nil

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

Centres	28.07.07	27.07.07	Change
Mumbai +VAT	572	575	-3
Chennai +VAT	565	565	Nil
Hyderabad +VAT	570	570	Nil

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

Centres	28.07.07	27.07.07	Change
Mumbai +VAT	505	505	Nil
Hyderabad +VAT	500	500	Nil
Rajkot + VAT	508	498	+10
Delhi	495	495	Nil

Forex Rates

(As on 28.07.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.48
European Union	Euro	55.24
Japan	100 Yen	34.13
United Kingdom	Pound Sterling	82.13

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Shintoku	12,000	Palm oil	Berthed (24.07.07)
	Stolt Vinland	3,000	G'nut oil	Berthed (25.07.07)
	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)
	Bow De Feng	1,989	CPO	Arrived (26.07.07)
New Manglore	Global Eos	10,500	CPO	Expected (30.07.07)
Mumbai	Artistry	8,600	CPO	Arrived (22.07.07)
	Global Neptune	12,500	Palm oil	Expected (15.08.07)

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