

## VEGOIL DAILY

July 11<sup>th</sup>, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Balance in demand and supply and recouped BMD CPO futures forced refined soy oil prices to trade range bound. Due to plenty stocks and sluggish demand soybeans demand depressed in China and in June imports dropped 31.33% at 2.52 million tonnes as compared 3.67 million tonnes same period a year ago according to General Administration of China. Poor exports demand and increased stocks in June led the weakness for Malaysian palm oil exports and during July 1-10, it dropped by 9.7% at 312,144 tonnes against 345,849 tonnes last month. Malaysian Palm Oil Board (MPOB) released palm oil exports sales estimates for June dipped by 18% at 943,521 tonnes as compared to 1.15 million tonnes in May. Crude palm oil production in June declined by 2.9% at 1.17 million tonnes against 1.2 million tonnes a month ago while stock in June end increased by 7.5% at 1.2 million metric tons against 1.12 million metric tons last month. The crude soy oil CIF prices for July shipment increased on Tuesday at \$860 per tonne as compared to \$855 per tonne on Monday.

#### FUTURES MARKET:

Refined soy oil futures settled firmed on **NCDEX** on renewed buying interest and bullish BMD CPO futures. The most active August futures contract opened slightly firmed at Rs. 500.7 per 10 kg against previous closing level at Rs 500.45 per 10 Kg. Market finished up at Rs. 502 per 10 Kg.

Afresh buying interest and global cues helped supported refined soy oil futures up on **MCX**. The August contract opened slightly firmed at Rs. 500.8 per 10 kg against yesterday closing level at Rs. 500.5 per 10 Kg and prices finished up at Rs. 501.95 per 10 Kg.

#### PRICE DRIVERS:

- Bullish BMD CPO futures
- China soybeans imports declines
- Malaysian palm oil exports succumbed during July 1-10
- Crude palm oil stocks increased toward June end
- Crude soy oil CIF prices increased by \$5

#### Weather

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

#### TECHNICALS

Candle sticks chart patterns indicate recovery from recent losses. EMA and MACD hint mild firmness in the markets. Stochastic is falling in neutral region. RSI shows mild recovery in neutral region. Volume declined and open interest increased. Market is expected trade up with steady to slightly weak opening.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Aug	497	498	502	505	506
MCX-Aug	497	498	501.95	505	506

#### TRADE RECOMMENDATION:

**NCDEX Refined Soy Oil August Contract:**

**BUY Above 501;** T1 near 503, T2 near 504 and put stop loss at 499.5.

**MCX Refined Soy Oil July Contract:**

**BUY Above 501;** T1 near 503, T2 near 504 and put stop loss at 499.5.

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

Centres	10.07.07	09.07.07	Change
Mumbai (Soy Ref oil)+VAT	480	480	Nil
Indore (Soy Ref oil)	473	473	Nil
Kota (Soy Ref. Oil)+VAT	484	484	Nil
Hyderabad (Soy Ref)+VAT	490	490	Nil
Rajkot (Soy Ref)+Tax	478	478	Nil

## PALM OIL

### International Highlights

#### BMD CPO Futures Recoup concerns Production

Weak production of palm oil in June as reflected by Malaysian Palm oil Board (MPOB) with similar prospects in July cast firmness for crude palm oil futures on Tuesday and market ignored the bearish exports data release by SGS from July 1-10. Export fell by 9.7% at 312,144 tonnes against 345,849 tonnes same period in June. The crude palm oil futures on Bursa Malaysian Derivatives settled up and the most active September contract gained MYR21 at MYR2,542 per tonne.

### Domestic Spot Market Highlights

Palm oil prices in physical market traded on softer side amidst abound palm oil stocks in domestic markets as well as on ports, whereas demand remained poor. Indonesian palm oil market increased on low palm oil production in Malaysia in June with similar prospective current month. As per SGS Malaysian palm oil exports figure, India imported more than 13 times of palm oil at 32,472 tonnes in July 1-10 against 2,250 tonnes same period a month ago. The crude palm oil CIF prices for July shipment quoted at \$790 per tonne on Tuesday.

#### BMD: CPO Futures (10.07.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jul 07	2601	2605	2630	2590	2620	+19	737
Aug 07	2550	2550	2580	2530	2568	+18	3252
Sep 07	2509	2509	2507	2542	2530	+21	9855
Oct 07	2479	2471	2510	2464	2500	+21	2898
Nov 07	2455	2465	2485	2441	2479	+24	439

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	10.07.07	09.07.07	Change
Kandla CPO (5 % FFA)	418	419	-1
Kandla RBD Palmolein +VAT	451	451	Nil
Mumbai RBD Palmolein +VAT	457	457	Nil
Chennai RBD Palmolein +VAT	458	458	Nil
Kakinada RBD Palmolein +VAT	445	446	-1
Hyderabad RBD Palmolein +VAT	465	465	Nil
Delhi RDB Palmolein	495	495	Nil

#### CIF Price Basis Kandla Port (\$/MT)

Edible Oil	10.07.07	09.07.07	Change
Crude Soy Oil	860	855	+5
Crude Palm Oil	790	NA	-
Sunflower Oil	926	926	Nil

### Rape/Mustard oil

Slightly improved sentiments for rapeseeds meals with regular buying support from retailers helped support mustard oil prices in major trading centers. In Mumbai market, prices dropped a tag on sluggish demand. With arrivals of monsoon sowing of Kharif oilseeds speed up with bullish support to market. Mustard seeds arrivals remained at 40 thousand bags with poor demand aided weakness to mustard oil.

### Groundnut Oil

Spot prices of groundnut oil are traded on higher side, on low stocks and steady demand. In expectation of further improvement in prices, stockists are preferred to hold their stocks supported the bullish the certain extend. Sentiments for meals demand remained sluggish both at port and domestic limited the upside movement in groundnut oil. As per trade sources, groundnut oil prices are likely to stay firm on rising prices of quality seeds with low crushing.

### Refined Sunflower Oil

Poor demand and lackluster trade activities results pushed the refined sunflower oil prices to trade in bearish tone in domestic markets. The sunflower seeds meals demand is low in domestic markets supported the bears. The sunflower oil CIF prices for July shipment remained unchanged on third straight day at \$926 per tonne. Currently higher prices of refined sunflower oil are incapable to support the trade activities so more weakness in expecting in near-term.

### Refined Cottonseeds Oil

The recently escalation in refined cottonseeds oil prices overpowered the prevailing demand. This is resulting into poor trade activities and sluggish demand to support the prices. Currently seeds crushing is low reflecting poor demand of cotton meals at ports and domestically. Refined cottonseeds oil prices are likely to trade steady to range bound on limited stocks and weak demand of cottonseeds as Kharif cotton sowing is nearly over.

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

Centres	10.07.07	09.07.07	Change
Mumbai (Exp. Oil) +VAT	496	498	-2
Kota (Exp. Oil)+VAT	472	472	Nil
Jaipur (Exp. Oil)+VAT	482	482	Nil
Delhi (Exp. Oil)	497	500	-3
Neewai (Exp. Oil) +VAT	470	470	Nil

### Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	10.07.07	09.07.07	Change
Mumbai +VAT	740	740	Nil
Rajkot +VAT	790	790	Nil
Andhra Region +VAT	755	765	-10
Chennai +VAT	685	680	+1
Delhi	760	750	+10

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

Centres	10.07.07	09.07.07	Change
Mumbai +VAT	590	590	Nil
Chennai +VAT	585	585	Nil
Hyderabad +VAT	595	595	Nil

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

Centres	10.07.07	09.07.07	Change
Mumbai +VAT	507	507	Nil
Hyderabad +VAT	495	495	Nil
Rajkot + VAT	518	520	-2
Delhi	500	500	Nil

### Forex Rates

(As on 10.07.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.41
European Union	Euro	54.98
Japan	100 Yen	32.74
United Kingdom	Pound Sterling	81.37

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	M.T. Biz	18,000	CDSBO	Expected (15.07.2007)
	<b>M.T. Puze</b>	<b>18,000</b>	<b>CDSBO</b>	<b>Expected (16.07.2007)</b>
	<b>Suzanne</b>	<b>10,000</b>	<b>Palm oil</b>	<b>Expected (16.07.2007)</b>
	Chem Jasmin	25,200	CPO	Expected (15.07.2007)
	Global Eros	10,990	CPO	Berthed (04.07.2007)
	Champion Arctic	31,000	CDSBO	Berthed (07.07.2007)
Kolkata	<b>Pacific sound</b>	<b>9,150</b>	<b>CPO</b>	<b>Arrived (09.07.2007)</b>
	Shima Kazi	9,300	CPO	Arrived (06.07.2007)
New Manglore	Global Venus	8,526	CPO	Expected (10.07.2007)
Chennai	<b>Baltic Sky</b>	<b>1,960</b>	<b>SBO</b>	<b>Arrived (09.07.2007)</b>
Mundra	<b>Global Triton</b>	<b>4,170</b>	<b>PFAD * &amp; CPO</b>	<b>Arrived (10.07.2007)</b>

\*Palm Fatty Acid Distillate

**Vessels in bold are new on chart.****Disclaimer**

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