

VEGOIL DAILY

July 16th, 2007

REFINED SOY OIL

SPOT MARKET:

Rapid progress of soybeans sowing, bullish CBOT soy futures and subdued demand sparked undertone in refined soy oil prices in physical markets. The tight supplies of soy meals in overseas markets results a rise in nearly \$25 per tonne at \$293 per tonne free alongside ship over a month contributed the underlying firmness of soy oil domestically. Argentina soybeans harvesting is completed as highlighted in latest data by Agriculture Secretariat. The strong cold weather conditions in Argentina with shortage of power supplies have been forcing government to cut power from Industries resulting in low soybeans crushing there. This is supporting soybean and soy oil prices there and Brazil could be benefited by this condition to meet the export demand of soy oil. Continues technical buying, supportive weather conditions in Western Corn Belt strengthened CBOT. The crude soy oil CIF prices for July shipment remained unchanged on Saturday at \$877 per tonne.

FUTURES MARKET:

Continuous strong selling pressure with lack of fresh fundamental is tending to push the refined soy oil futures down but managed to recover on bullish support from CBOT on **NCDEX**. The most active August futures contract opened slightly firm at Rs. 508.65 per 10 kg against previous closing level at Rs 507.45 per 10 Kg and managed to close slightly above at Rs. 508.65 per 10 Kg.

Fading prospects of demand and supplies in short-terms and bullish CBOT resulting into choppy trading and refined soy oil on closed slightly high **MCX** on Saturday. The August contract opened marginally firmed at Rs. 508 per 10 kg against previous closing level at Rs. 507.25 per 10 Kg and prices finished up at Rs.508.95 per 10 Kg.

PRICE DRIVERS:

- Bullish CBOT soy futures
- Power crisis in Argentina
- Rapid soybeans sowing
- Good demand of soybeans seeds for sowing
- Underlying firmness in other edible oil

Weather

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

TECHNICALS

Candle sticks charts patterns indicate bullish recovery at lower level with tentativeness at higher level as shown by relative longer upper shadow. EMA and MACD pattern remained bullish. Stochastic and RSI are rising towards overbought region hints market may correct in short-term. Both volume declined and open interest increased. Market is expected trade down initially with steady to slightly weak opening.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Aug	503	504	508.65	512	513
MCX-Aug	502	503	508.95	511	512

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil August Contract:

SELL Near 509; T1 near 506, T2 near 505 and put stop loss at 510.5.

MCX Refined Soy Oil July Contract:

SELL Near 509; T1 near 506, T2 near 505 and put stop loss at 510.5.

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

Centres	14.07.07	13.07.07	Change
Mumbai (Soy Ref oil)+VAT	484	486	-2
Indore (Soy Ref oil)	478	478	Nil
Kota (Soy Ref. Oil)+VAT	486	486	Nil
Hyderabad (Soy Ref)+VAT	497	497	Nil
Rajkot (Soy Ref)+Tax	477	478	-1

PALM OIL

International Highlights

BMD CPO Futures Remained Closed on Saturday.

Domestic Spot Market Highlights

To remains in sync with others edible oil coupled with soaring up BMD and CBOT, palm oil strengthened domestically whereas demands remain steady. Considering continuous rise in groundnut oil, Gujarat government is planning to import 10,000 tonnes of palm oil to meet the state need of edible oil. The crude palm oil CIF prices for July shipment increased on Saturday at \$817 per tonne as compared to \$805 per tonne on Friday.

BMD: CPO Futures (13.07.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jul 07	2690	2680	2685	2680	2685	-5	2
Aug 07	2663	2645	2690	2645	2690	+27	1946
Sep 07	2615	2613	2630	2597	2623	+8	6958
Oct 07	2575	2575	2592	2564	2583	+8	3214
Nov 07	2538	2545	2559	2535	2555	+17	336

***BMD Remains Closed on Saturday and Sunday.**

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	14.07.07	13.07.07	Change
Kandla CPO (5 % FFA)	426	425	+1
Kandla RBD Palmolein +VAT	460	458	+2
Mumbai RBD Palmolein +VAT	465	465	Nil
Chennai RBD Palmolein +VAT	465	465	Nil
Kakinada RBD Palmolein +VAT	453	452	+1
Hyderabad RBD Palmolein +VAT	472	472	Nil
Delhi RDB Palmolein	500	500	Nil

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	14.07.07	13.07.07	Change
Crude Soy Oil	877	877	Nil
Crude Palm Oil	817	805	+12
Sunflower Oil	971	971	Nil

Rape/Mustard oil

Spot prices of mustard oil have maintained the steadiness domestically on balance in demand and supplies. The trade activities remained subdued reflecting currently higher prices of mustard oil are unable to maintain the strong buying interest. Under sluggish demand of rapeseeds meals in domestic market, expellers were reluctant to replenish their stocks helped in limiting the gains. As per trade sources, prices of mustard oil may consolidate before bullish turn.

Groundnut Oil

Spot prices of groundnut oil maintained the firmness after touching all time highs of Rs. 800/10kg in Gujarat. Stockists are taking advance of the current situation by holding back stocks that strengthened the spot prices. As per government latest figures, groundnut sowing has been speed up and on July 12th oilseeds sowing is covered in 9.51 million hectares as compared to 8.74 million hectares last year. In prevailing limited stocks conditions, groundnut oil prices are likely to strengthen further.

Refined Sunflower Oil

Refined sunflower oil prices remained in bullish tone on costlier crude oil prices with steady demand whereas trade activities remained dull. As per trade sources, Kharif sunflower seeds sowing in progress in Maharashtra, Karnataka and Uttar Pradesh supported the bulls. The sunflower oil CIF prices for July shipment remained unchanged on Saturday to Friday at \$971 per tonne. The underlying bullish cues are likely to support refined sunflower oil prices in near-terms.

Refined Cottonseeds Oil

Poor trade activities at higher prices and steadiness in groundnut oil prices supported the bears of refined cottonseeds oil prices in domestic markets. The good demand of cotton seeds in recent past engulfed the total available stocks for crushing and extended the bullish support to oil prices. The poor demand of cottonseeds meals in domestic market is forcing expellers to stay away for fresh crushing that in turn support oil prices further up in near-term.

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

Centres	14.07.07	13.07.07	Change
Mumbai (Exp. Oil) +VAT	505	502	+3
Kota (Exp. Oil)+VAT	475	476	-1
Jaipur (Exp. Oil)+VAT	485	485	Nil
Delhi (Exp. Oil)	515	515	Nil
Neewai (Exp. Oil) +VAT	475	475	Nil

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	14.07.07	13.07.07	Change
Mumbai +VAT	750	750	Nil
Rajkot +VAT	790	790	Nil
Andhra Region +VAT	760	760	Nil
Chennai +VAT	690	690	Nil
Delhi	785	785	Nil

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

Centres	14.07.07	13.07.07	Change
Mumbai +VAT	585	580	+5
Chennai +VAT	587	585	+2
Hyderabad +VAT	600	600	Nil

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

Centres	14.07.07	13.07.07	Change
Mumbai +VAT	510	510	Nil
Hyderabad +VAT	500	500	Nil
Rajkot + VAT	515	515	Nil
Delhi	506	505	+1

Forex Rates

(As on 14.07.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.47
European Union	Euro	55.78
Japan	100 Yen	33.19
United Kingdom	Pound Sterling	82.34

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	M.T. Biz	18,000	CDSBO	Expected (16.07.2007)
	M.T. Puze	18,000	CDSBO	Expected (16.07.2007)
	Hari Kripa	2,000	CFA	Berthed (13.07.2007)
	Suzanne	10,000	Palm oil	Expected (16.07.2007)
	Chem Jasmin	25,200	CPO	Expected (16.07.2007)
	Amundsen Wind	6,720	CPO	Expected (18.07.2007)
	Gagarmayang	6,000	SBO	Expected (21.07.2007)
	Champion Arctic	31,000	CDSBO	Berthed (07.07.2007)
Kolkata	Madura	7,876	CPO	Arrived (11.07.2007)
	Vernal Grace	3,570	CPO	Arrived (13.07.2007)

Vessels in bold are new on chart.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>
 © 2005 Indian Agribusiness Systems Pvt Ltd.