

## VEGOIL DAILY

July 23<sup>rd</sup>, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Refined soy oil prices declined in Mumbai market reflected the bearish undertone in CBOT, elsewhere prices remained in bullish tone on prospects of tight supplies and steady demand. Apprehensions of improve soybeans crop conditions in Monday's weekly crop progress update, weakness in crude oil futures and prediction of dry weather spell in Western plains cast weakness for CBOT. The unclear direction, improving prospects of crude palm oil production coupled with sluggish exports demand result the narrow range trade during the week on BMD mirrored by the most active October contract of crude palm oil futures, which traded between MYR2,528-2,485 per tonne. The crude soy oil CIF prices for August shipment consolidated on Saturday at \$875 per tonne as compared to \$880 per tonne on Friday, although CIF prices remained in range of \$865-880 per tonne during the week.

#### FUTURES MARKET:

**NCDEX** Refined soy oil futures settled down on Saturday on lacklustre trade with profit booking. Market also generated bearishness from overnight weak CBOT. The most active August futures contract opened firmed at Rs. 510.9 per 10 kg against previous closing level at Rs 510.75 per 10 Kg. The futures closed at Rs. 509.55 per 10 Kg.

The refined soy oil futures at **MCX** finished down on profit-taking and bearish CBOT soy futures. Weak prospects of demand and supplies in short-term also added bearishness too. The August contract opened at Rs. 510.85 per 10 kg against yesterday closing level at Rs. 510.55 per 10 Kg. The prices closed down at Rs.509.65 per 10 Kg.

#### PRICE DRIVERS:

- Bearish CBOT soy futures
- Weakness in other edible oil
- July crude palm oil production is likely to improve in Malaysia
- Holding activities of soy oil from stockists
- Crude soy oil CIF price consolidated by \$5

#### Weather

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

#### TECHNICALS

Refined soy oil charts show the selling pressure at higher level with tentativeness at lower level. Prices closed above 9/18 EMA suggested firmness in the market. MACD remain flat in positive territory. Stochastic is rising while RSI is falling in neutral region. Both volume and open interest declined. Market is expected trade up with possibility of late downward movement.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Aug	506	507	509.55	515	516
MCX-Aug	506	507	509.65	515	516

#### TRADE RECOMMENDATION:

**NCDEX** Refined Soy Oil August Contract:

**BUY** Near 510; T1 near 512, T2 near 513 and put stop loss at 508.5.

**MCX** Refined Soy Oil July Contract:

**BUY** Near 510; T1 above 512, T2 near 513 and put stop loss at 508.5.

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

Centres	21.07.07	20.07.07	Change
Mumbai (Soy Ref oil)+VAT	484	486	-2
Indore (Soy Ref oil)	486	484	+2
Kota (Soy Ref. Oil)+VAT	490	490	Nil
Hyderabad (Soy Ref)+VAT	505	505	Nil
Rajkot (Soy Ref)+Tax	476	476	Nil

## PALM OIL

### International Highlights

**BMD CPO Futures Remain Closed in Saturday.**

### Domestic Spot Market Highlights

Spot prices of palm oil continue to trade undertone amidst sluggish demand, weakness in other edible oil, bearish global cues combined with fears of oversupplies on current vessel position. The slow exports demand coupled with improving prospects of July crude palm oil production in Malaysia nearly 8-10% from June's 1.17 million tonnes. 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 (20.07.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Aug 07	2585	2580	2600	2571	2599	+14	712
Sep 07	2522	2524	2548	2512	2542	+20	2276
Oct 07	2485	2497	2515	2476	2506	+21	5316
Nov 07	2465	2474	2487	2450	2472	+7	755
Dec 07	2451	2465	2465	2457	2465	+14	66

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	21.07.07	20.07.07	Change
Kandla CPO (5 % FFA)	426	425	+1
Kandla RBD Palmolein +VAT	458	458	Nil
Mumbai RBD Palmolein +VAT	470	486	-16
Chennai RBD Palmolein +VAT	460	460	Nil
Kakinada RBD Palmolein +VAT	450	450	Nil
Hyderabad RBD Palmolein +VAT	473	473	Nil
Delhi RDB Palmolein	500	500	Nil

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

Edible Oil	21.07.07	20.07.07	Change
Crude Soy Oil	875	880	-5
Crude Palm Oil	NA	NA	-
Sunflower Oil	1029	1019	+10

### Rape/Mustard oil

Despite weakness in edible oil, price of mustard oil remains in bullish tone whereas demand remained steady. Sensing market reached too quickly to support trade activities, stockists preferred to losses their stocks slowly. To meet the upcoming festive demand, expellers were reported to paced up seeds crushing that supported the bearish sentiments. Total mustard seeds arrivals were reported about 30-35 thousand bags on Saturday added the bearishness.

### Groundnut Oil

Spot prices of groundnut oil witnessed lackluster trade on deteriorate sentiments of demand. Current higher price is culprit that also weakens the demand. As per government latest figures, groundnut sowing has been speed up and on July 20th sowing is covered in 3.35 million hectares as compared to 3.15 million hectares last year. The slow progress of groundnut sowing may be continues into next 5-6 days to remain in sync with currently weakened monsoon rainfall activities in central, northern and western parts of the country as in latest report from IMD.

### Refined Sunflower Oil

Spot prices of refined sunflower oil traded in bearish undertone on weakness in other vegetable oil coupled with subdued demand. As per trade sources, Kharif sunflower is in progress in Maharastra, Karnataka and UP led some weakness. The sunflower oil CIF prices for August shipment increased on second consecutive day at \$1019 per tonne on Friday as compared to \$987 per tonne on Thursday. The low sunflower oil stocks with Argentina with low crushing are likely to limit the weakness to domestic markets.

### Refined Cottonseeds Oil

Steady demand, subdued trade activities is favored 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 72.3 lakh hectares as compared to 64.2 lakh hectares last year including 24.37 lakh hectare under Bt cotton. Traders anticipate the prices of refined cottonseeds oil are likely to remain buoyant ahead on tight supplies of major edible oil ahead.

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

Centres	21.07.07	20.07.07	Change
Mumbai (Exp. Oil) +VAT	504	504	Nil
Kota (Exp. Oil)+VAT	478	478	Nil
Jaipur (Exp. Oil)+VAT	490	488	+2
Delhi (Exp. Oil)	508	508	Nil
Neewai (Exp. Oil) +VAT	479	478	+1

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

Centres	21.07.07	20.07.07	Change
Mumbai +VAT	745	748	-3
Rajkot +VAT	760	775	-15
Andhra Region +VAT	765	765	Nil
Chennai +VAT	690	690	Nil
Delhi	780	780	Nil

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

Centres	21.07.07	20.07.07	Change
Mumbai +VAT	578	578	Nil
Chennai +VAT	585	580	+5
Hyderabad +VAT	590	590	Nil

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

Centres	21.07.07	20.07.07	Change
Mumbai +VAT	508	508	Nil
Hyderabad +VAT	510	510	Nil
Rajkot + VAT	508	512	-4
Delhi	495	500	-5

### Forex Rates

(As on 21.07.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.33
European Union	Euro	55.76
Japan	100 Yen	33.25
United Kingdom	Pound Sterling	82.93

**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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