

VEGOIL DAILY

August 1st, 2007

REFINED SOY OIL

SPOT MARKET:

Despite bearish BMD CPO futures, spot prices of soy oil firmed up to remain in sync with other edible oil. Below expected July crude palm oil exports figures, fears of rise in production combined with profit taking depressed BMD CPO futures. As per SGS cargo surveyors, July Malaysian palm oil exports rise at 8.3% at 1,091,916 tonnes against June's 1,007,424 tonnes. Tight supplies in domestic market, higher prices of US soybeans, lower import and short-term drought condition in major soybeans producing belt strengthened China soybeans market. In July and August, China's soybeans imports is expecting at 2-3 million tonnes whereas July is likely to remain at 1.7 million tonne. Forecast of dry weather conditions in major producing belt could affect the US soybeans crop in pod setting stage aided bullishness to soy futures but higher side restricted by selling in corn and wheat. Crude soy oil CIF price for August shipment improved further on Tuesday at \$904 per tonne against \$888 per tonne on Monday.

FUTURES MARKET:

Finally the refined soy oil futures finished sluggish on **NCDEX** owing to lacklustre trade and bearish BMD CPO futures. The most active August futures contract opened slightly firmed at Rs. 507.2 per 10 kg against previous close at Rs. 506.8 per 10 kg and the futures closed marginally weak at Rs. 506.7 per 10 Kg.

The refined soy oil futures at **MCX** settled down amidst trading in both territory and on bearish BMD CPO futures despite firmness in other edible oil. The August contract opened up at Rs. 506.7 per 10 kg against previous closing level at Rs. 506.1 per 10 kg. The prices closed down at Rs.505.6 per 10 Kg.

PRICE DRIVERS:

- BMD CPO futures succumbed on profit-taking
- Tight supplies and drought condition strengthened China Soybeans market
- Stalled weakened monsoon progress
- July Malaysian Crude Palm oil rise by 8.3%
- Rise in crude soy oil CIF price

Weather

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

TECHNICALS

Refined soy oil charts shows market failed to breach 509 level. EMA and MACD pattern hint for fading bullishness in the market. Stochastic is attempts for bearish crossover in neutral region while RSI remained flat in neutral Zone. Both volume and open interest declined. Market is expected to trade down with bearish bias.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Aug	502	503	506.7	510	511
MCX-Aug	502	503	505.6	510	511

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil August Contract:

SELL Near 507; T1 near 505, T2 near 504 and put stop loss at 508.

MCX Refined Soy Oil July Contract:

SELL Near 507; T1 near 505, T2 near 504 and put stop loss at 508.

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

Centres	31.07.07	30.07.07	Change
Mumbai (Soy Ref oil)+VAT	480	478	+2
Indore (Soy Ref oil)	486	485	+1
Kota (Soy Ref. Oil)+VAT	483	483	Nil
Hyderabad (Soy Ref)+VAT	500	499	+1
Rajkot (Soy Ref)+Tax	476	475	+1

PALM OIL

International Highlights

BMD CPO Futures Succumb on Profit-taking

Despite bullish CBOT soy oil futures, crude palm oil futures forced to trade bearish on Bursa Malaysian Derivatives amidst lower crude palm oil exports figures against trade expectation and profit-taking. As per SGS estimation, July Malaysian palm oil exports remained at 8.3% at 1,091,916 tonnes against June's 1,007,424 tonnes. The most active October contract of crude palm oil futures ended MYR28 down at MYR2,608 per tonne.

Domestic Spot Market Highlights

Steady demand and mixed tone in global market supported palm oil prices in physical markets. Indonesian palm oil market gained bullish momentum from weak rupiah and thin supplies but gains were capped by weakness in BMD CPO futures. As per SGS recent figures of Malaysian palm oil, July exports increased by 182% at 42,287 tonnes against 14,994 tonnes in June. The crude palm oil CIF prices for August shipment declined on Tuesday at \$832 per tonne as compared to \$840 per tonne on Monday.

BMD: CPO Futures (31.07.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Aug 07	2723	2750	2753	2688	2693	-30	480
Sep 07	2667	2670	2694	2630	2635	-32	655
Oct 07	2636	2645	2665	2596	2608	-28	5441
Nov 07	2621	2625	2647	2579	2585	-36	1261
Dec 07	2590	2600	2630	2563	2570	-20	748

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	31.07.07	30.07.07	Change
Kandla CPO (5 % FFA)	425	424	+1
Kandla RBD Palmolein +VAT	476	469	+7
Mumbai RBD Palmolein +VAT	462	465	-3
Chennai RBD Palmolein +VAT	460	460	Nil
Kakinada RBD Palmolein +VAT	450	448	+2
Hyderabad RBD Palmolein +VAT	468	468	Nil
Delhi RDB Palmolein	495	494	+1

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	31.07.07	30.07.07	Change
Crude Soy Oil	904	880	+24
Crude Palm Oil	832	840	-8
Sunflower Oil	1039	1034	+5

Rape/Mustard oil

Prices of mustard oil bounced back from correction mode in major trading centres as current prices are favorable for the adequate demand pressure. Market also gained the bullishness from firmness in other edible oil. Report of bird flu in other neighboring countries has pushed down meals demand in domestic as well as global market with spill over impact on mustard oil. Traders are expecting further weakness could be notice owing to lack of supportive demand.

Groundnut Oil

Spot prices of groundnut oil kept the upward trends on steady demand with unchanged arrivals of nuts in major producing states. Market also generated the bullish support from delay revival of monsoon progress that has raised the possibility of repetition of last year's weather conditions, which were unfavorable for crop growth and finally affected the production. Market is likely to stay firm until clear figures of sowing come in light.

Refined Sunflower Oil

Consideration of tight supplies with firmness in other vegetable oil supported refined sunflower oil to trade in bullish undertone, whereas demands remained steady. Sunflower oil CIF prices for August shipment increased on Tuesday at \$1039 per tonne as compared to \$1034 per tonne on Monday. The tight supplies of sunflower oil with dwindling stocks in domestic market are likely to keeps prices buoyant in near-term.

Refined Cottonseeds Oil

Expectation of good production, resilience in cottonseed price and rise in groundnut oil helped refined cottonseeds prices to stay in firm tone despite subdued trade activities. Anticipating new cotton arrivals are long way to hit the market; stockists learn to hold back the stocks for better

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

Centres	31.07.07	30.07.07	Change
Mumbai (Exp. Oil) +VAT	498	500	-2
Kota (Exp. Oil)+VAT	478	477	+1
Jaipur (Exp. Oil)+VAT	488	484	+4
Delhi (Exp. Oil)	505	510	-5
Neewai (Exp. Oil) +VAT	476	475	+1

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	31.07.07	30.07.07	Change
Mumbai +VAT	750	740	+10
Rajkot +VAT	790	785	+5
Andhra Region +VAT	760	760	Nil
Chennai +VAT	690	685	+5
Delhi	780	780	Nil

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

Centres	31.07.07	30.07.07	Change
Mumbai +VAT	575	572	+3
Chennai +VAT	570	570	Nil
Hyderabad +VAT	570	570	Nil

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

Centres	31.07.07	30.07.07	Change
Mumbai +VAT	502	502	Nil
Hyderabad +VAT	505	500	+5
Rajkot + VAT	512	510	+2
Delhi	495	495	Nil

Forex Rates

(As on 31.07.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.44
European Union	Euro	55.42
Japan	100 Yen	34.00
United Kingdom	Pound Sterling	82.03

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Arwen	8,500	CDSBO	Expected (29.07.07)
	Hari Kripa	2,000	CFA*	Expected (02.08..07)
	Arctic Blizzard	27,500	CDSBO	Expected (03.08.07)
	Pretty Time	21,349	CDSBO	Expected (07.08.07)
	High Challenge	23,500	CDSBO	Expected (31.07.07)
	Global Triton	12,000	Palm oil	Expected (27.07.07)
Kolkata	Aetos	10,000	Soy oil	Arrived (28.07.07)
	Southern Seal	4,000	CPO	Arrived (26.07.07)
	Fatimah	6,000	CPO	Arrived (23.07.07)
	Global Venus	8,500	CPO	Arrived (23.07.07)
New Mangalore	Global Eos	10,500	CPO	Arrived (31.07.07)
Mumbai	Global Neptune	12,500	Palm oil	Expected (15.08.07)

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