

VEGOIL DAILY

July 14th, 2007

REFINED SOY OIL

SPOT MARKET:

Reacting bullish USDA monthly demand and supply projection of oilseeds for 2007/08 combined with firmed up CBOT and BMD, spot prices of refined soy oil surged in domestic markets. BMD CPO futures also gained the bullish momentum on firm support of CBOT but upside limited on by blurred Malaysian palm oil exports figures for July 1-15. As per USDA report, July projection of world soy oil ending stocks is estimated at 2.34 million tonnes against June month's projection 2.41 million tonnes. July world soy oil production is forecasted at 37.55 million tonnes as compared to June's 37.53 million tonnes. In India, July soy oil production is projected at 1.12 million tonnes unchanged to June's expectation while consumption in July projection is expecting at 2.78 million tonne against 2.8 million tonnes last month's projection. The USDA weekly exports sales of soybeans and soy oil totalled at 184,000 and 87,500 tonnes against trade expectation between 125,000-250,000 and 0-10,000 tonne respectively. The crude soy oil CIF prices for July shipment increased on Friday at \$877 per tonne as compared to Thursday's \$872 per tonne.

FUTURES MARKET:

Despite bullish BMD/CBOT combined with bullish USDA month demand and supplies for 2007-08, refined soy oil futures on **NCDEX** dipped on profit-taking. The most active August futures contract opened slightly firm at Rs. 508.4 per 10 kg against yesterday's closing level at Rs 508.2 per 10 Kg. Market finished down at Rs. 507 per 10 Kg.

Profit-taking and fading prospects of demand and supplies in short-terms pushed down refined soy oil on **MCX**. The August contract opened marginally weak at Rs. 507.95 per 10 kg against previous closing level at Rs. 508 per 10 Kg and prices finished up at Rs.507.1 per 10 Kg.

PRICE DRIVERS:

- Bullish CBOT and BMD CPO futures
- Bullish USDA monthly demand and supply projection estimates for 2007/08
- Bullish USDA weekly soy oil exports sales figures
- Good demand of soybeans seeds for sowing
- 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

Refined soy oil charts show the selling pressure with tentativeness at higher and lower level. Prices closed above 9/18 EMA suggested firmness in the market. MACD gathered bullishness in positive territory. Stochastic is rising while RSI is falling in neutral region. Volume declined while open interest increased. Market is expected trade down initially followed by upward movement.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Aug	503	504	507	511	512
MCX-Aug	503	504	507.1	511	512

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil August Contract:

BUY Near 507; T1 near 509, T2 near 510 and put stop loss at 505.5.

MCX Refined Soy Oil July Contract:

BUY Near 507; T1 near 509, T2 near 510 and put stop loss at 505.5.

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

Centres	13.07.07	12.07.07	Change
Mumbai (Soy Ref oil)+VAT	486	485	+1
Indore (Soy Ref oil)	478	475	+3
Kota (Soy Ref. Oil)+VAT	486	485	+1
Hyderabad (Soy Ref)+VAT	497	497	Nil
Rajkot (Soy Ref)+Tax	478	478	Nil

International Highlights**BMD CPO Futures Moves up**

The crude palm oil futures on Bursa Malaysian Derivatives moved up despite absence of fresh fundamentals news of demand and supply combined with subdued trade activities on Friday. The most active September contract moved up MYR8 at MYR2,623 per tonne. Market lent some bullish support from overnight firmed up CBOT soy futures. Traders are expecting the palm oil exports figures for July 1-15 would help to guide the market to certain extent.

Domestic Spot Market Highlights

Domestic palm oil market strengthened on Friday to remain in sync with others edible oil and firmed global cues. The continuous rise in groundnut oil is forcing Gujarat government to import 10,000 tonnes of palm oil to meet the state need of edible oil and to pressure groundnut oil there. To curb the price movement of cooking oil, Indonesian government is planning to subsidize cooking oil from collected money by recent raised palm oil export taxes. The crude palm oil CIF prices for July shipment declined on Friday at \$805 per tonne against \$820 per tonne on Thursday.

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	13.07.07	12.07.07	Change
Kandla CPO (5 % FFA)	425	423	+2
Kandla RBD Palmolein +VAT	458	456	+2
Mumbai RBD Palmolein +VAT	465	465	Nil
Chennai RBD Palmolein +VAT	465	470	-5
Kakinada RBD Palmolein +VAT	452	452	Nil
Hyderabad RBD Palmolein +VAT	472	472	Nil
Delhi RDB Palmolein	500	500	Nil

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	13.07.07	12.07.07	Change
Crude Soy Oil	877	872	+5
Crude Palm Oil	805	820	-15
Sunflower Oil	971	954	+17

Rape/Mustard oil

Good demand with lackluster trade activities raised mustard oil prices in major trading markets. As the indication by spiraling mustard seeds prices appreciating low stocks with expectation of more bullishness ahead supported mustard oil prices. The low off take of mustard oil from retailers from expeller's end clued the current higher prices of mustard oil is not supporting the trade activities at optimum level and market may consolidate before move up further.

Groundnut Oil

The regular good demands of groundnut seeds in domestic as well as HPS nuts demand from importing nations has withdrawn stocks from crushing that helped in stabilizing groundnut oil prices in domestic market. According to trade sources, the Gujarat enforcement wing of Civil supplies department has raided the stockists to verify the status of stocks and recovered significantly quantity of groundnut oil there but figures were not obtained so far. In prevailing stocks conditions, groundnut oil prices are likely to strengthen further.

Refined Sunflower Oil

Spot prices of refined sunflower oil remained in bearish tone in lack of fresh fundamentals and underlying firmness in other vegetable oil. As per trade sources, current market is under tight stocks conditions since lack of new vessel arrivals carrying sunflower oil. Sunflower oil CIF prices for July shipment increased further on Friday at \$971 per tonne as compared to \$954 per tonne on Thursday. The underlying bullish cues are likely to support refined sunflower oil prices in near-terms.

Refined Cottonseeds Oil

Strong global cues and steady domestic demand raised refined cottonseeds oil prices in major trading centers. To remains in sync with major edible oil, cottonseeds oil also improved exhibiting the potential in the market to support the higher prices. However, trade activities remained dull. The low demand of cottonseeds meals and slow crushing would pressure the existing stocks in domestic market.

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

Centres	13.07.07	12.07.07	Change
Mumbai (Exp. Oil) +VAT	502	500	+2
Kota (Exp. Oil)+VAT	476	475	+1
Jaipur (Exp. Oil)+VAT	485	483	+2
Delhi (Exp. Oil)	515	505	+10
Neewai (Exp. Oil) +VAT	475	473	+2

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	13.07.07	12.07.07	Change
Mumbai +VAT	750	750	Nil
Rajkot +VAT	790	790	Nil
Andhra Region +VAT	760	760	Nil
Chennai +VAT	690	690	Nil
Delhi	785	780	+5

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

Centres	13.07.07	12.07.07	Change
Mumbai +VAT	580	580	Nil
Chennai +VAT	585	588	-3
Hyderabad +VAT	600	600	Nil

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

Centres	13.07.07	12.07.07	Change
Mumbai +VAT	510	508	+2
Hyderabad +VAT	500	500	Nil
Rajkot + VAT	515	513	+2
Delhi	505	505	Nil

Forex Rates

(As on 13.07.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.47
European Union	Euro	55.74
Japan	100 Yen	33.05
United Kingdom	Pound Sterling	82.08

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	M.T. Biz	18,000	CDSBO	Expected (15.07.2007)
	M.T. Puze	18,000	CDSBO	Expected (16.07.2007)
	Hari Kripa	2,000	CFA	Expected (13.07.2007)
	Suzanne	10,000	Palm oil	Expected (16.07.2007)
	Chem Jasmin	25,200	CPO	Expected (16.07.2007)
	Champion Arctic	31,000	CDSBO	Berthed (07.07.2007)
Kolkata	Madura	7,876	CPO	Arrived (11.07.2007)

Vessels in bold are new on chart.

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