

VEGOIL DAILY

July 10th, 2007

REFINED SOY OIL

SPOT MARKET:

Despite weakness in other edible oil and bearish BMD CPO futures, domestic refined soy oil traded on higher side on steady demand. With steady soymeals demand both at ports and domestically aided bullish support to refined soy oil. The recent hike in exports taxes of crude palm oil by Indonesian government at 6.5% from 1.5% combined with latest rallies on CBOT soy futures failed to support to BMD CPO futures as most of traders preferred to stay away on apprehensions of bearish exports data of July 1-10. The crude soy oil CIF prices for July shipment remained unchanged on Monday to Saturday at \$855 per tonne per tonne. As per trade sources, refined soy oil is likely reflect steady to slightly firm sentiments ahead amidst underlying firmness in CBOT with steady demand.

FUTURES MARKET:

Refined soy oil futures settled down on Monday on **NCDEX** on lack of fresh fundamentals and increased in selling pressure. The most active August futures contract opened firmed at Rs. 502.1 per 10 kg against previous closing level at Rs 501.65 per 10 Kg. Market settled down at Rs. 500.25 per 10 Kg.

Follow-through selling pressure and weakness in BMD CPO futures forced refined soy oil futures down on **MCX**. The August contract opened slightly firmed at Rs. 501.9 per 10 kg against previous closing level at Rs. 501.55 per 10 Kg and prices finished down at Rs. 500.4 per 10 Kg.

PRICE DRIVERS:

- Bearish BMD CPO futures
- Rapid progress of soybeans plantation domestically
- Good demand of soybeans on sowing pressure
- Many vessels carrying crude soy oil are expecting to hit Indian ports in current week

Weather

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

TECHNICALS

Refined soy oil charts show increased in selling pressure with tentativeness at lower level. Prices closed nearly 9/18 days EMA hints for loosing firmness. MACD is rising in positive territory. Stochastic made bearish crossover in overbought region. RSI shows the weakness in prices. Volume increased and open interest declined. Market is expected trade downward initially with possibility of late upward movement.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Aug	496	497	500.25	505	506
MCX-Aug	496	497	500.4	505	506

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil August Contract:

BUY Above 500; T1 near 503 and put stop loss at 498.5.

MCX Refined Soy Oil July Contract:

BUY Above 500; T1 near 503 and put stop loss at 498.5.

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

Centres	09.07.07	07.07.07	Change
Mumbai (Soy Ref oil)+VAT	480	480	Nil
Indore (Soy Ref oil)	473	471	+2
Kota (Soy Ref. Oil)+VAT	484	484	Nil
Hyderabad (Soy Ref)+VAT	490	495	-5
Rajkot (Soy Ref)+Tax	478	478	Nil

International Highlights**BMD CPO Futures Succumb on Monday**

The crude palm oil futures on Bursa Malaysian Derivatives settled down on apprehension of bearish exports data to be released by SGS for the period of July 1-10 and unclear prospects of demand and supply. However, firmness in Friday's CBOT helped in limited the losses and the most active September contract of CPO futures manage to closed above psychological barrier of MYR2,500 per tonne after losing MYR11.

Domestic Spot Market Highlights

Despite weakness in BMD CPO futures, spot prices of palm oil improved a tag to Saturday's prices on subdued trade activities and steady demand. Weakness in rupiah, lack of fresh fundement news of demands and supplies and unclear directions sparked the stagnancy in palm oil prices in Indonesian market. Current BMD CPO futures is under indecisiveness and would guided by the direction of monthly stocks and production estimation by Malaysian Palm oil Board (MPOB) with similar support to domestic palm oil market in short-term.

BMD: CPO Futures (09.07.2007)**(Ringgit/ton)**

Months	Previous	Open	High	Low	Close	Change	Volume
Jul 07	2615	2620	2620	2594	2601	-14	167
Aug 07	2563	2563	2572	2525	2550	-13	1086
Sep 07	2520	2515	2533	2485	2509	-11	5480
Oct 07	2490	2479	2500	2456	2477	-13	1745
Nov 07	2469	2475	2475	2432	2445	-24	127

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price**(Rs. Per 10 kg)**

Centres	09.07.07	07.07.07	Change
Kandla CPO (5 % FFA)	419	420	-1
Kandla RBD Palmolein +VAT	451	451	Nil
Mumbai RBD Palmolein +VAT	457	457	Nil
Chennai RBD Palmolein +VAT	458	460	-2
Kakinada RBD Palmolein +VAT	446	442	+4
Hyderabad RBD Palmolein +VAT	465	465	Nil
Delhi RDB Palmolein	495	495	Nil

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	09.07.07	07.07.07	Change
Crude Soy Oil	855	855	Nil
Crude Palm Oil	NA	NA	-
Sunflower Oil	926	926	Nil

Rape/Mustard oil

Due to higher prices and stalled demand, mustard oil witnessed the poor trade activities in major trading centres. Under prevailing monsoon expellers reduced the mustard seeds demand on low offtake of oil to their ends as well as fears of increase in moisture content with seeds. As per traders good demand of oil in dwindling these days from Northeast region, which would control the surge in mustard oil prices in coming days.

Groundnut Oil

Spot prices of groundnut oil are continuous to trade firm on tapering stocks while demand remained steady. Low demands of groundnut meals in domestic markets as well as on ports result into low crushing of groundnut seeds. Market is also observed the pressure from good demand of quality seeds for sowing helped support the market. As per trade sources, groundnut oil prices are likely to stay firm on rising prices of quality seeds with low crushing.

Refined Sunflower Oil

Unchanged in prospects of demand to Saturday and sufficient stocks pushed down refined sunflower oil prices in domestic markets. According to trade sources, the summer sunflower harvesting is completed in Tamil Nadu and Maharashtra whereas Kharif sunflower sowing in being in progress in Maharashtra, Karnataka and UP. The sunflower oil CIF prices for July shipment remained unchanged on Monday to Saturday at \$926 per tonne.

Refined Cottonseeds Oil

Spot prices of refined cottonseeds losses its firmness in lack of fresh fundamentals and sluggish demand. As per trade sources, the recent heavy rainfall in Gujarat and Maharashtra is expecting to lower the Kharif cotton yield around 10% to total yield contributed the bullishness to refined cottonseeds oil. Currently low crushing of cottonseeds on low meals demand will in turn pressure the prevailing dwindling stocks with support to oil prices.

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

Centres	09.07.07	07.07.07	Change
Mumbai (Exp. Oil) +VAT	498	498	Nil
Kota (Exp. Oil)+VAT	472	472	Nil
Jaipur (Exp. Oil)+VAT	482	482	Nil
Delhi (Exp. Oil)	500	500	Nil
Neewai (Exp. Oil) +VAT	470	470	Nil

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	09.07.07	07.07.07	Change
Mumbai +VAT	740	740	Nil
Rajkot +VAT	790	780	+10
Andhra Region +VAT	765	750	+15
Chennai +VAT	680	700	-20
Delhi	750	750	Nil

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

Centres	09.07.07	07.07.07	Change
Mumbai +VAT	590	590	Nil
Chennai +VAT	585	595	-10
Hyderabad +VAT	595	605	-10

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

Centres	09.07.07	07.07.07	Change
Mumbai +VAT	507	507	Nil
Hyderabad +VAT	495	500	-5
Rajkot + VAT	520	520	Nil
Delhi	500	505	-5

Forex Rates

(As on 09.07.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.41
European Union	Euro	55.00
Japan	100 Yen	32.69
United Kingdom	Pound Sterling	81.23

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Hari Kripa	2,000	CFA	Expected (11.07.2007)
	M.T. Biz	18,000	CDSBO	Expected (15.07.2007)
	M.T. Puze	18,000	CDSBO	Expected (16.07.2007)
	Chem Jasmin	25,200	CPO	Expected (15.07.2007)
	Global Eros	10,990	CPO	Expected (05.07.2007)
	Global Triton	4,500	CPO	Expected (08.07.2007)
	Champion Arctic	31,000	CDSBO	Arrived (07.07.2007)
	Samho Heron	3,059	PFAD*	Arrived (05.07.2007)
Mumbai	Southern Bull	3,000	Palm oil	Arrived (07.07.2007)
Kolkata	Yong Cheng-17	4,546	CPO	Arrived (03.07.2007)
	Vernal Grace	3,700	CPO	Arrived (03.07.2007)
	Shima Kazi	9,300	CPO	Arrived (06.07.2007)
New Manglore	Global Venus	8,526	CPO	Expected (10.07.2007)

Palm Fatty Acid Distillate*Vessels in bold are new on chart.****Disclaimer**

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