

VEGOIL DAILY

July 19th, 2007

REFINED SOY OIL

SPOT MARKET:

Spot prices of refined soy oil traded on softer side on poor demand and weakness in other edible oil. The poor buying support pushed soybeans prices down with similar reflection on soy oil. Short-covering from recent dips, await for bullish exports data for July 1-20 and anticipation for underlying bullishness from drop in production helped in recovery BMD CPO futures. The forecast of rainfall in soybeans crop belt and continuous technical selling cast weakness for CBOT soy complex but downside cushioned by bullish soybeans crop conditions. In weekly crop outlook, 62% of soybeans are in good condition as compared to 65% last week. Seeing the weakness in CBOT, Brazilian's farmers are reluctant to unload soybeans at current corrected prices. Currently soybeans prices fell to Brazilian real (BRL) 33.5/60kg as compared to last week nearly BRL 35/60 kg. The crude soy oil CIF prices for July shipment decline further on third straight day at \$865 per tonne as compared to \$871 per tonne on Tuesday.

FUTURES MARKET:

Lack of clear direction of demand and supplies with slightly firmness in BMD CPO futures supported soy oil futures on **NCDEX** on Wednesday. The most active August futures contract opened firmed at Rs. 507.15 per 10 kg against previous closing level at Rs 506.8 per 10 Kg. The futures closed at Rs. 507.2 per 10 Kg.

The refined soy oil futures at **MCX** witnessed managed to maintain the buying support on slightly firmness in BMD CPO futures. The August contract opened at Rs. 507.25 per 10 kg against previous closing level at Rs. 506.55 per 10 Kg. The prices closed up at Rs.507.2 per 10 Kg.

PRICE DRIVERS:

- BMD CPO futures recouped from recent losses
- Bearish NOPA soybeans crush reports with improved soy oil stocks
- Bullish US soybeans weekly crop reports
- Firm tone in prices of edible oils
- Correction in crude Soyoil CIF prices

Weather

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

TECHNICALS

Candle sticks charts patterns indicate indecisiveness at higher level with tentativeness both at level as shown by upper and lower shadow. Prices closed above short-term EMA hints for short-term firmness in the market while MACD is falling in positive territory. Stochastic and RSI shows weakness. Both volumes and open interest increased. Prices are expecting to trade down with steady to slightly weak opening with bearish movement.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Aug	502	503	507.2	509	510
MCX-Aug	502	503	507.2	509	510

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil August Contract:

SELL Near 507; T1 above 505, T2 near 504 and put stop loss at 508.5.

MCX Refined Soy Oil July Contract:

SELL Near 507; T1 above 505, T2 near 504 and put stop loss at 508.5.

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

Centres	18.07.07	17.07.07	Change
Mumbai (Soy Ref oil)+VAT	485	488	-3
Indore (Soy Ref oil)	481	481	Nil
Kota (Soy Ref. Oil)+VAT	489	489	Nil
Hyderabad (Soy Ref)+VAT	498	498	Nil
Rajkot (Soy Ref)+Tax	476	476	Nil

International Highlights

BMD CPO Futures Recoup on Short-Covering

Short-covering from recent weakness and anticipation of bullish exports data for the period of July 1-20 hasten the recovery of crude palm oil futures on Bursa Malaysian Derivatives. But bearish CBOT soy futures restricted the gains resulting the most active October contract of CPO futures recovered MYR11 at MYR2,528 per tonne on Wednesday. Although, traders are anticipating the bullish sentiments for demand are remain intact on coming festivals.

Domestic Spot Market Highlights

Spot prices of palm oil traded mostly in bearish tone amidst lack of fresh fundamentals and fears of oversupplies on current vessel position. Due to currently higher prices and competitiveness of refined cottonseeds oil and mustard oil also pressured the palm oil. The CIF prices of crude palm oil for August shipment declined further on Wednesday at \$802 as compared to \$805 on Tuesday. Currently market is looking for direction and expecting to follow the bearish undertone of overseas market.

BMD: CPO Futures (18.07.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Aug 07	2620	2620	2636	2618	2633	+13	1307
Sep 07	2550	2562	2571	2549	2564	+14	3022
Oct 07	2517	2526	2538	2513	2528	+11	5503
Nov 07	2490	2502	2510	2486	2504	+14	628
Dec 07	2470	2472	2490	2472	2490	+20	28

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	18.07.07	17.07.07	Change
Kandla CPO (5 % FFA)	425	425	Nil
Kandla RBD Palmolein +VAT	460	460	Nil
Mumbai RBD Palmolein +VAT	490	NA	-
Chennai RBD Palmolein +VAT	460	463	-3
Kakinada RBD Palmolein +VAT	455	455	Nil
Hyderabad RBD Palmolein +VAT	472	473	-1
Delhi RDB Palmolein	500	505	-5

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	18.07.07	17.07.07	Change
Crude Soy Oil	865	871	-3
Crude Palm Oil	802	805	-3
Sunflower Oil	986	964	+22

Rape/Mustard oil

Spot prices of mustard oil traded mostly range bound on balance in demand and supply while trade activities remained sluggish. Anticipating good premium in lean season, stockists were preferred to hold back their stocks supported underlying firmness. The oilmeals status reflect the virtual low demand of mustard seeds meals in domestic market that hampered expeller's sentiments to pace up crushing creating pressure on available stocks.

Groundnut Oil

Due to short supplies and holding back from stockists, of groundnut oil prices maintained the underlying firmness, although current higher prices preventing demand to expend in across domestic markets and results in unchanged demand sentiments on Tuesday. This also raised groundnut oil prices to nearly Rs. 100 per 10 kg by June end from Rs. 680 per 10 kg in June beginning. Currently good demands of groundnut seeds from Southeast Asian countries are likely to boost the pressure on nut stocks for crushing. support the market in near-terms.

Refined Sunflower Oil

Due to pause in monsoon progress, sowing of Kharif oilseeds are lagging including the sunflower crop, but refined sunflower oil prices remained in bearish tone on Wednesday on poor demand. The sunflower oil CIF prices for July shipment increased sharply on Wednesday at \$986 per tonne as compared to \$964 per tonne on Tuesday. Recently the rise in crude oil prices with expectation of fall in domestic sunflower seeds crushing, refined oil prices are likely to improve further in short-term.

Refined Cottonseeds Oil

Following groundnut oil prices, refined cottonseeds oil prices improved slightly in domestic market while demand remains steady. The government data on cotton sowing highlighted sowing is completed in nearly 5.96 million hectares of land, including 2.33 million ha under BT cotton, as against 3.7 million ha sown during the same period last year. 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	18.07.07	17.07.07	Change
Mumbai (Exp. Oil) +VAT	506	506	Nil
Kota (Exp. Oil)+VAT	478	478	Nil
Jaipur (Exp. Oil)+VAT	488	488	Nil
Delhi (Exp. Oil)	508	508	Nil
Neewai (Exp. Oil) +VAT	478	477	+1

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	18.07.07	17.07.07	Change
Mumbai +VAT	750	750	Nil
Rajkot +VAT	790	785	+5
Andhra Region +VAT	750	750	Nil
Chennai +VAT	690	690	Nil
Delhi	780	780	Nil

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

Centres	18.07.07	17.07.07	Change
Mumbai +VAT	580	585	-5
Chennai +VAT	580	585	-5
Hyderabad +VAT	600	600	Nil

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

Centres	18.07.07	17.07.07	Change
Mumbai +VAT	510	510	Nil
Hyderabad +VAT	500	500	Nil
Rajkot + VAT	514	512	+2
Delhi	502	505	-3

Forex Rates

(As on 18.07.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.40
European Union	Euro	55.81
Japan	100 Yen	33.20
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	Expected (19.07.2007)
	M.T. Puze	18,000	CDSBO	Expected (21.07.2007)
	Shintoku	12,000	Palm oil	Expected (19.07.2007)
	Suzanne	10,000	Palm oil	Expected (16.07.2007)
	Chem Jasmin	25,200	CPO	Berthed (17.07.2007)
	Amundsen Wind	6,720	CPO	Expected (18.07.2007)
	Gagarmayang	6,000	SBO	Expected (21.07.2007)
	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)
Tuticorin	Global Trader	2,500	Palm oil	Expected (18.07.2007)
Mumbai	Artistry	8,600	CPO	Expected (22.07.2007)

Vessels in bold are new on chart.

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