

## VEGOIL DAILY

July 9<sup>th</sup>, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Despite rapid progress of soybeans sowing, the spot prices of refined soy oil prices improved in physical market amidst improved CBOT soy futures and steady demand. As per government latest release, on July 6, soybeans sowing was observed in 14.8 lakh hectares as compared to 2.91 lakh ha on last weekend and 9.22 lakh ha same period last year. Due to plenty stocks, sluggish demands and shift of Importers attention to palm oil result only 126,000 tonne soy oil imported in China in June against 258,273 tonne in May. Bullish USDA weekly exports sales of soybeans combined with weather concern and gains in palm oil helped support CBOT soy futures on Friday. The USDA weekly exports sales of soybeans and soy oil totaled at 328,400 and 13,600 tonnes against trade expectation between 125,000-275,000 and 5,000-15,000 tonne respectively. The crude soy oil CIF prices of July shipment increased further on Saturday at \$855 per tonne against \$849 per tonne on Friday.

#### FUTURES MARKET:

After initial firmness following CBOT soy futures, refined soy oil futures settled down on trade day on lack of fresh fundamentals on **NCDEX**. The most active August futures contract opened slightly high at Rs. 503.5 per 10 kg against previous closing level at Rs 502.2 per 10 Kg. Market settled down at Rs. 501.7 per 10 Kg.

Follow-through selling pressure at higher level and unclear direction for demand and supplies prospects in short-terms pushed down refined soy oil futures on **MCX**. The August contract opened firmed at Rs. 502.5 per 10 kg against yesterday closing level at Rs. 501.9 per 10 Kg and prices finished down at Rs. 501.55 per 10 Kg.

#### PRICE DRIVERS:

- Bullish CBOT soy futures
- Rapid progress of soybeans plantation domestically
- Fall in China soy oil import in June month
- Bullish USDA exports sales of soybeans
- Good demand of soybeans on sowing pressure
- Crude soy oil CIF prices increased by \$6

#### Weather

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

#### TECHNICALS

Candle stick charts patterns indicate increased in selling pressure. EMA patterns and MACD hints for mild firmness in the market. Stochastic made bullish crossover in overbought region. RSI is falling in neutral zone. Volume declined and open interest increased. Market is expected to move up initially with possibility of late downward movement.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Aug	497	498	501.7	504	505
MCX-Aug	497	498	501.55	504	505

#### TRADE RECOMMENDATION:

**NCDEX Refined Soy Oil August Contract:**

**SELL Below 502;** T1 near 500 and T2 near at 499 and put stop loss at 503.5.

**MCX Refined Soy Oil July Contract:**

**SELL Below 502;** T1 near 500 and T2 near at 499 and put stop loss at 503.5.

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

Centres	07.07.07	06.07.07	Change
Mumbai (Soy Ref oil)+VAT	480	478	+2
Indore (Soy Ref oil)	471	468	+3
Kota (Soy Ref. Oil)+VAT	484	483	+1
Hyderabad (Soy Ref)+VAT	495	495	Nil
Rajkot (Soy Ref)+Tax	478	477	+1

## PALM OIL

### International Highlights

BMD CPO Futures Remained Closed on Saturday.

### Domestic Spot Market Highlights

Spot prices of palm oil traded mixed on Saturday on lack of fresh fundamentals and fears of oversupplies on current vessel position. Due to currently higher prices and undertone in competitiveness in refined cottonseeds oil and mustard oil also pressured the palm oil. Recent hike in base prices and exports taxes by Indonesian government are likely to support BMD CPO futures on anticipation of shift in palm oil demand with spill over impact in domestic market.

#### BMD: CPO Futures (06.07.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jul 07	2594	2586	2626	2586	2615	+21	468
Aug 07	2520	2527	2563	2506	2563	+43	1831
Sep 07	2482	2493	2522	2468	2520	+38	6403
Oct 07	2453	2455	2493	2450	2490	+37	1857
Nov 07	2432	2438	2470	2438	2470	+38	49

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	07.07.07	06.07.07	Change
Kandla CPO (5 % FFA)	420	419	+1
Kandla RBD Palmolein +VAT	451	452	-1
Mumbai RBD Palmolein +VAT	457	456	+1
Chennai RBD Palmolein +VAT	460	459	+1
Kakinada RBD Palmolein +VAT	442	443	-1
Hyderabad RBD Palmolein +VAT	465	465	Nil
Delhi RDB Palmolein	495	495	Nil

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

Edible Oil	07.07.07	06.07.07	Change
Crude Soy Oil	855	849	+6
Crude Palm Oil	NA	780	-
Sunflower Oil	926	921	+5

### Rape/Mustard oil

Spot prices of mustard oil remained 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 had underlying firmness. The recent oilmeals exports estimations 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

Despite rapid sowing, spot prices of groundnut oil remained in bullish tone on prevailing stocks concerns. As per government latest figures, groundnut sowing has been speed up with arrivals of monsoon showers and on July 6th sowing is covered in 19.4 lakh hectares land as compared to 5.95 lakh hectares on June 29 and 16.14 lakh hectares last year. As per trade sources, groundnut oil prices are likely to stay firm on rising prices of quality seeds with low crushing.

### Refined Sunflower Oil

With the fall in crude oil prices and improving plantation pace sparked the undertone on refined sunflower oil in domestic market. With the rapid coverage of monsoon rainfall, sunflower seeds sowing paced up in 3.23 lakh hectares land on July 6 against 2.04 lakh hectares on June 29 and 3.33 lakh hectares same period last years. The sunflower oil CIF prices for July shipment increased on Saturday at \$926 per tonne as compared to \$921 per tonne on Friday.

### Refined Cottonseeds Oil

Following groundnut oil prices, refined cottonseeds oil prices improved in domestic market while demand remains steady. As per government latest release cotton 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	07.07.07	06.07.07	Change
Mumbai (Exp. Oil) +VAT	498	500	-2
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	07.07.07	06.07.07	Change
Mumbai +VAT	740	750	-10
Rajkot +VAT	780	775	+5
Andhra Region +VAT	750	750	Nil
Chennai +VAT	700	700	Nil
Delhi	750	750	Nil

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

Centres	07.07.07	06.07.07	Change
Mumbai +VAT	590	600	-10
Chennai +VAT	595	600	-5
Hyderabad +VAT	605	605	Nil

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

Centres	07.07.07	06.07.07	Change
Mumbai +VAT	507	505	+2
Hyderabad +VAT	500	500	Nil
Rajkot + VAT	520	518	+2
Delhi	505	505	Nil

### Forex Rates

(As on 07.07.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.46
European Union	Euro	55.14
Japan	100 Yen	32.80
United Kingdom	Pound Sterling	81.36

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Hari Kripa	2,000	CFA	Expected (11.07.2007)
	<b>M.T. Biz</b>	<b>18,000</b>	<b>CDSBO</b>	<b>Expected (15.07.2007)</b>
	<b>M.T. Puze</b>	<b>18,000</b>	<b>CDSBO</b>	<b>Expected (16.07.2007)</b>
	<b>Chem Jasmin</b>	<b>25,200</b>	<b>CPO</b>	<b>Expected (15.07.2007)</b>
	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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