

VEGOIL DAILY

July 26th, 2007

REFINED SOY OIL

SPOT MARKET:

Despite bullish CBOT, prices of refined soy oil are continuous to trade undertone on spillover impact of latest government's decision on import duty of imported oil coupled with sluggish demand. Government on Wednesday has rescinded its decision on duty cut on CPO and now reverted to 45% (Monday's decision) from 50% earlier. BMD CPO futures remained bearish despite bullish exports demand as highlighted by recent SGS export sales figures and bullish CBOT. As per SGS figures, Malaysian palm oil exports rebound by 12.1% at 936,740 tonnes against 835,758 tonnes during July 1-25 as compared to same period in June. The crude soy oil CIF prices for August shipment remains unchanged on third straight day at \$875 per tonne as compared to Tuesday.

FUTURES MARKET:

NCDEX refined soy oil recovered in current week on renewed buying interest and bullish CBOT soy futures.. The most active August futures contract opened slightly weak at Rs. 503.25 per 10 kg against previous closing level at Rs 503.5 per 10 Kg. The futures closed down at Rs. 504.5 per 10 Kg.

The refined soy oil futures at MCX recouped on improving prospects of bullish festive demand in short-terms with bullish CBOT soy futures. The August contract opened slightly firmed at Rs. 503.5 per 10 kg against previous closing level at Rs. 503.15 per 10 Kg. The prices closed up at Rs.504 per 10 Kg.

PRICE DRIVERS:

- Revert in CPO duty to 45% against 40% yesterday
- BMD CPO futures remain bearish
- Bullish CBOT soy futures
- Weakness in other edible oil
- Stockists are cautiously released their stocks

Weather

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

TECHNICALS

Candlesticks charts patterns indicate recovery at lower level with tentativeness as indicative by both at upper and lower shadow. EMA and MACD pattern remained bearish. Stochastic is lowered in neutral region. RSI shows mild firmness in prices. Volume declined significantly while open interest also declined. Market is expected trade upward with steady to slightly weak opening with bullish bias.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Aug	501	502	504.5	509	510
MCX-Aug	501	502	504	508	509

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil August Contract:

BUY Near 504; T1 near 506, T2 near 507 and put stop loss at 503.

MCX Refined Soy Oil July Contract:

BUY Near 504; T1 near 506, T2 near 507 and put stop loss at 503.

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

Centres	25.07.07	24.07.07	Change
Mumbai (Soy Ref oil)+VAT	476	478	-2
Indore (Soy Ref oil)	480	482	-2
Kota (Soy Ref. Oil)+VAT	481	482	-1
Hyderabad (Soy Ref)+VAT	495	495	Nil
Rajkot (Soy Ref)+Tax	465	465	Nil

International Highlights

BMD CPO Futures Settle Down on India's Duty Revision

On Wednesday crude palm oil futures lack the direction. Besides initially thrust provide by CBOT and bullish exports data, CPO futures settled in bearish undertone on Bursa Malaysian Derivatives, thwarted by Indian government on reverting import duty on crude palm oil at 45% from 40% announced on Tuesday. According to SGS estimation, Malaysian palm oil exports rebound by 12.1% at 936,740 tonnes against 835,758 tonnes during July 1-25 as compared to same period in June. The most active October contract of CPO futures settled down MYR4 at MYR2,521 per tonne.

Domestic Spot Market Highlights

Spot prices of palm oil remained in correction mode on poor demand and confusion over duty reduction, which was notified to 40% yesterday but government rescinded the import duty and reverted at 45% (Monday's decision) against 50% earlier. In recent SGS Malaysian exports figures, to India, palm oil exports increased by over 17 times at 41,142 tonnes in July 1-25 against 2,250 tonnes same period a month ago. The crude soy oil CIF price for August shipment remained unchanged on Wednesday at \$810 per tonne as compared Tuesday's prices. As per trade sources, palm oil prices are likely to trade bearish on weakness in other vegetable oil.

BMD: CPO Futures (25.07.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Aug 07	2625	2625	2629	2602	2619	-6	529
Sep 07	2563	2563	2563	2589	2557	-6	1777
Oct 07	2525	2527	2550	2504	2521	-4	5384
Nov 07	2493	2480	2497	2462	2488	-5	1309
Dec 07	2479	2480	2497	2462	2470	-9	235

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	25.07.07	24.07.07	Change
Kandla CPO (5 % FFA)	414	417	-3
Kandla RBD Palmolein +VAT	452	454	-2
Mumbai RBD Palmolein +VAT	454	472	-20
Chennai RBD Palmolein +VAT	460	450	+10
Kakinada RBD Palmolein +VAT	447	441	+6
Hyderabad RBD Palmolein +VAT	464	462	+2
Delhi RDB Palmolein	490	NA	-

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	25.07.07	24.07.07	Change
Crude Soy Oil	875	875	Nil
Crude Palm Oil	810	810	Nil
Sunflower Oil	1029	1029	Nil

Rape/Mustard oil

Weakness in mustard oil maintained across domestic market on virtual lack of supportive demand and subdued trade activities. The weakness in others edible oil aids bearishness to mustard oil. Unchanged prices of mustard seeds with steady arrivals failed to provide clear direction to the market and extended the weakness. Prevailing sluggish demand of mustard seeds meals and lack of buying from expellers is likely to push prices downward in near-terms.

Groundnut Oil

Groundnut oil recouped in domestic markets on Wednesday amidst steady demands combined with prospect of tight supply. The agriculture minister has cleared the groundnut sowing is completed in Andhra Pradesh after arrivals of pre-monsoon shower. In Gujarat alone groundnut sowing is completed in 1.6 million hectares whereas in South India (mainly Tamil Nadu, Andhra Pradesh) sowing is completed in 2 million ha. In various markets in Gujarat shelled groundnut is quoted at Rs. 415-470 per 20kg for different grade.

Refined Sunflower Oil

Refined sunflower oil recovered on improved demand and underlying firmness in supplies pressure. With the stall of monsoon progress, the sunflower sowing progress is slower reported in Maharashtra and UP. The sunflower oil CIF prices for August shipment remain unchanged on third straight day at \$1019 per tonne on Wednesday against Tuesday's prices. Traders are keeping close eye on development in overseas market and expecting same reflection in domestic markets.

Refined Cottonseeds Oil

Spot prices of refined cottonseeds oil has gathered pressure from weakness in palm oil with rapid cotton sowing across nation. As per trade source, cotton sowing has been completed in Gujarat and covered in 25 lakh hectares as compared to 93 lakh ha across country. Whereas in country sowing is completed about 85%. More weakness is expected in coming days of refined cottonseeds oil to remain in sync with imported oil (mainly palm oil).

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

Centres	25.07.07	24.07.07	Change
Mumbai (Exp. Oil) +VAT	495	496	-1
Kota (Exp. Oil)+VAT	474	475	-1
Jaipur (Exp. Oil)+VAT	484	485	-1
Delhi (Exp. Oil)	500	NA	-
Neewai (Exp. Oil) +VAT	475	475	Nil

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	25.07.07	24.07.07	Change
Mumbai +VAT	735	740	-5
Rajkot +VAT	760	755	+5
Andhra Region +VAT	750	750	Nil
Chennai +VAT	680	680	Nil
Delhi	770	NA	-

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

Centres	25.07.07	24.07.07	Change
Mumbai +VAT	570	565	+5
Chennai +VAT	565	565	Nil
Hyderabad +VAT	570	570	Nil

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

Centres	25.07.07	24.07.07	Change
Mumbai +VAT	500	500	Nil
Hyderabad +VAT	495	495	Nil
Rajkot + VAT	495	496	-1
Delhi	490	NA	-

Forex Rates

(As on 25.07.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.30
European Union	Euro	55.64
Japan	100 Yen	33.57
United Kingdom	Pound Sterling	82.97

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	M.T. Biz	18,000	CDSBO	Berthed (19.07.2007)
	M.T. Puze	18,000	CDSBO	Expected (21.07.2007)
	Shintoku	12,000	Palm oil	Expected (24.07.2007)
	Stolt Vinland	3,000	G'nut oil	Expected (25.07.2007)
	Global Triton	12,000	Palm oil	Expected (27.07.2007)
	Gagarmayang	6,000	SBO	Berthed (22.07.2007)
	Marida Boreas	13,350	CPO	Berthed (22.07.2007)
Kolkata	Aetos	10,000	Soy oil	Arrived (21.07.2007)
New Manglore	Global Eos	10,500	CPO	Expected (30.07.2007)
Mumbai	Artistry	8,600	CPO	Arrived (22.07.2007)

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