

VEGOIL DAILY

August 6th, 2007

REFINED SOY OIL

SPOT MARKET:

Despite bullish tone on CBOT soy futures, spot prices of refined soy oil stayed in bearish undertone due to improved selling activities of stockists, increased soybeans acreage and poor demand. After edible oil, government reduced import duty on non-edible crude palm stearin oil at 10% from earlier 12.5%. According to government latest figures, soybeans sowing completed in 8.18 million hectares on August 2nd against 7.8 million hectares last week and 7.73 million hectares last year. The unclear direction, improving prospects of crude palm oil production coupled with sluggish exports demand result the shallow trading on BMD CPO futures during the week reflected by the most active October contract, which traded down mostly between MYR2,582-2,636 per tonne. The crude soy oil CIF prices for August shipment declined further on Saturday at \$910/tonne against \$915/tonne on Friday, although CIF prices remained in range of \$888-918/tonne during the week.

FUTURES MARKET:

Fears of oversupplies as guided by current vessels position with subdued trade activities depressed refined soy oil futures on NCDEX despite bullish tone in CBOT soy futures. The most active September futures contract opened slightly firmed at Rs. 503 per 10 kg against previous close at Rs. 502.2 per 10 kg and the contract closed down at Rs. 500.6 per 10 Kg.

Poor demand in physical market with slightly firm global cue pressured refined soy oil futures at MCX. The increase selling activities aided the pressure. The September contract opened slightly weak at Rs. 502.5 per 10 kg against previous closing level at Rs. 502.7 per 10 kg. The prices closed down at Rs.500.6 per 10 Kg.

PRICE DRIVERS:

- Monsoon is likely to revive in a next 2 days
- Bullish CBOT soy futures
- Improved soybeans sowing
- Sluggish BMD CPO futures
- Correction in crude soy oil CIF prices

Weather

Soybean plantation is nearly completed in major producing belt but for good better production monsoon showers urgently required.

TECHNICALS

Filled candlestick formation confirmed the trend breakout at 503 level with increased in selling activities. Prices closed below to both 9/18 days EMA strong bearishness in the market. MACD patterns generated bearish momentum into negative territory. Stochastic and RSI remained bearish in the neutral zone. Both volume and open interest declined. Market is expected to trade down with steady to slight weak opening.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Sept	495	496	500.6	504	505
MCX-Sept.	495	496	500.6	503	505

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil **September** Contract:

SELL Near 501; T1 near 499, T2 near 498 and put stop loss at 502.

MCX Refined Soy Oil **September** Contract:

SELL Near 501; T1 near 499, T2 near 498 and put stop loss at 502.

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

Centres	04.08.07	03.08.07	Change
Mumbai (Soy Ref oil)+VAT	475	476	-1
Indore (Soy Ref oil)	477	478	-1
Kota (Soy Ref. Oil)+VAT	479	480	-1
Hyderabad (Soy Ref)+VAT	495	498	-3
Rajkot (Soy Ref)+Tax	470	470	Nil

PALM OIL

International Highlights

BMD CPO Futures Remains Closed on Saturday.

Domestic Spot Market Highlights

Sluggishness in prices of palm oil market maintained in domestic market on fears of exceeding supplies to demand as indicated by current vessel position at ports. During the week, BMD CPO futures remained in correction mode on fears of increased production, weak exports demand and reluctance of traders to fresh position. Traders are expecting further weakness on underlying bearishness in BMD CPO futures and pressure from weakness in other edible oil.

BMD: CPO Futures (04.08.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Aug 07	2694	2696	2696	2670	2674	-20	221
Sep 07	2634	2634	2634	2607	2618	-16	885
Oct 07	2602	2600	2602	2569	2582	-20	2805
Nov 07	2580	2567	2567	2545	2546	-34	1076
Dec 07	2562	2547	2525	2525	2525	-37	164

***BMD Remains Closed on Saturday and Sunday.**

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	04.08.07	03.08.07	Change
Kandla CPO (5 % FFA)	419	420	-1
Kandla RBD Palmolein +VAT	456	456	Nil
Mumbai RBD Palmolein +VAT	454	456	-2
Chennai RBD Palmolein +VAT	458	458	Nil
Kakinada RBD Palmolein +VAT	448	450	-2
Hyderabad RBD Palmolein +VAT	470	471	-1
Delhi RDB Palmolein	490	490	Nil

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	04.08.07	03.08.07	Change
Crude Soy Oil	910	915	-5
Crude Palm Oil	NA	NA	-
Sunflower Oil	1072	1067	+5

Rape/Mustard oil

Prices of mustard oil traded bearish across the market on improved supplies to demand with lackluster trade activities. With increased in selling activities from stockists and limit their losses added the pressure on mustard oil. Steady seeds arrivals with undertone in prices manage to support the market. As per trade sources, the underlying weakness in mustard oil is likely to remain buoyant on increasing dependency on imported oil coupled with expectation of improvement in festive demand.

Groundnut Oil

The timely decision by Gujarat state government to import palm oil, sluggish demand and forecast of revival of monsoon has finally depressed prices of groundnut oil despite market is struggling for good supplies of groundnut seeds and oil. In recent past state government had decided to import 18,000 tonne of palm oil, out of this nearly 16,000 tonnes has arrived and remaining 2,000 tonnes yet to arrivals. As per government figures, in Gujarat nearly 16 lakh hectares have been covered with groundnut with expectation of exceed to 17 lakh hectares as compared to 14 lakh tonne last year.

Refined Sunflower Oil

As per government latest figures, sunflower sowing in lagging and on August 3, 5.39 lakh hectares has been planted as compared to 4.99 lakh ha last week and 6.95 lakh ha last year. The CIF prices for August shipment continues to increase on Saturday at \$1072 per tonne as compared to Friday's \$1067 per tonne. Despite weakness in other edible oil, refined sunflower oil prices likely to trade steady to slightly firm on tight supplies in global market.

Refined Cottonseeds Oil

Sluggish demand, subdued trade activities weakened the prices of refined cottonseeds oil in domestic markets. As per latest government Kharif estimation on acreage, cotton sowing has been completed in 8.51 million hectares as on August 3rd against 7.37 million hectares last week and 7.98 million hectares last year. Traders anticipate the prices of refined cottonseeds oil are likely to remain buoyant ahead on tight supplies of major edible oil.

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

Centres	04.08.07	03.08.07	Change
Mumbai (Exp. Oil) +VAT	492	495	-3
Kota (Exp. Oil)+VAT	468	470	-2
Jaipur (Exp. Oil)+VAT	475	478	-3
Delhi (Exp. Oil)	500	501	-1
Neewai (Exp. Oil) +VAT	468	471	-3

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	04.08.07	03.08.07	Change
Mumbai +VAT	735	735	Nil
Rajkot +VAT	760	770	-10
Andhra Region +VAT	NA	765	-
Chennai +VAT	690	690	Nil
Delhi	780	780	Nil

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

Centres	04.08.07	03.08.07	Change
Mumbai +VAT	570	575	-5
Chennai +VAT	575	570	+5
Hyderabad +VAT	575	570	+5

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

Centres	04.08.07	03.08.07	Change
Mumbai +VAT	496	498	-2
Hyderabad +VAT	500	500	Nil
Rajkot + VAT	500	505	-5
Delhi	490	490	Nil

Forex Rates

(As on 04.08.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.23
European Union	Euro	55.46
Japan	100 Yen	34.08
United Kingdom	Pound Sterling	82.17

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Hari Kripa	2,000	CFA*	Berthed (02.08.07)
	Samho Jewelry	4,500	Palm oil	Expected (04.08.07)
	Arctic Blizzard	27,500	CDSBO	Expected (06.08.07)
	Pretty Time	21,349	CDSBO	Expected (07.08.07)
	Sichem Pauda	8,800	Palm oil	Expected (08.08.07)
	Chem Cosmos	16,800	Palm oil	Expected (11.08.07)
Kolkata	Fatimah	6,000	CPO	Arrived (23.07.07)
Mumbai	Global Neptune	12,500	Palm oil	Expected (15.08.07)
Tuticorin	Global Trader	4,750	Palm oil	Expected (04.08.07)
	Spring Wind	4,100	Palm oil	Expected (05.08.07)

***Crude Fatty Acid**

Vessels in bold are new on chart.

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