

VEGOIL DAILY

August 22nd, 2007

REFINED SOY OIL

SPOT MARKET:

Slight firmness in soy oil futures at CBOT on Monday was partially offset by initial weakness in prices of palm oil at BMD. Bearish supply outlook, lack of fresh fundamentals and cautious trading by traders has kept palm oil prices almost flat till mid day, only to recover slightly in afternoon session. Domestic soy oil sentiments stood mixed on Tuesday with slight firmness noticed in Kota and Rajkot region while softening across major markets like Indore and Mumbai. Stocks of edible oil with traders are reported to be good and further imports of CPO and CDSBO is unlikely to pressure the prices, however festive demand would continue to hold up the prices of oils. The CIF prices for crude soy oil [September shipment] declined by \$ 4 to \$861 per tonne on Tuesday.

FUTURES MARKET:

At **NCDEX**, the most active **September** futures contract opened down at Rs. 483.9 per 10 kg against previous closing at Rs. 483.8 per 10 kg and the contract closed down at Rs. 485 per 10 Kg.

At **MCX**, the futures opened weak but recovered well later on good buying support. The **September** contract opened at Rs. 477 per 10kg against previous close of Rs. 484.85 per 10kg. The prices closed up at Rs. 485.8 per 10 Kg.

PRICE DRIVERS:

- Steady to weak demand from oil millers
- Firm tone in other edible oil
- Slightly firm BMD CPO futures
- Better prospects of oilseed production domestically.

Weather

Weather is conducive for good growth of soybean crop.

TECHNICALS

Refined soy oil chart shows slight firmness in prices with good resistance at higher levels as seen from an upper shadow of the candlestick. EMA and MACD pattern remain medium-term bearish. Both the Stochastic and RSI are seen recovering in oversold region indicating slight firmness in prices for short term. Volume increased and open interest declined. Market is expects to trade range bound.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Sept	482	483.3	485.8	487.5	488.5
MCX-Sept.	481.5	483.5	485.0	487.5	488

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil September Contract:

SELL near 486; T1 near 485, T2 near 484 and put stop loss at 487.

MCX Refined Soy Oil September Contract:

SELL Near 486; T1 near 485.4, T2 near 484.5 and put stop loss at 487.

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

Centres	21.08.07	20.08.07	Change
Mumbai (Soy Ref oil)+VAT	469	472	-3
Indore (Soy Ref oil)	466	468	-2
Kota (Soy Ref. Oil)+VAT	471	470	+1
Hyderabad (Soy Ref)+VAT	490	490	0
Rajkot (Soy Ref)+Tax	461	460	+1

PALM OIL

International Highlights

BMD CPO Futures Firmed Up During Afternoon Session

Bearish supply outlook, lack of fresh fundamentals and cautious trading by traders has kept palm oil prices almost flat during mid-day. However good buying support during after noon session helped palm oil prices recover up. Volumes for Nov contract improved from 1075 lots on mid day session to 4157 lots by end of session. Despite the recent rise, traders expect that prices would continue to find some resistance at 2450 levels until market factors in some bullish outlook.

Domestic Spot Market Highlights

Domestically palm oil prices settled lower across major spot markets on initial weakness in prices of palm oil at BMD and glut of supply conditions. Festive demand for edible oils may push up the prices marginally but would be capped by good prospects of domestic oilseed production. As per SGS, cargo surveyor, towards India, palm oil exports dropped 16.06% at 34,435 tonnes during August 1-20 against 41,142 tonnes same period a month ago. The CIF prices of crude soy oil for September shipment declined on Monday at \$765 per tonne as compared to \$790 per tonne on Saturday.

BMD: CPO Futures (21.08.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Sep 07	2465	2470	2490	2452	2490	25	1018
Oct 07	2401	2407	2430	2389	2430	29	726
Nov 07	2365	2361	2396	2354	2396	30	4157
Dec 07	2347	2355	2370	2339	2370	23	697
Jan 08	2339	2339	2363	2334	2357	18	261

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	21.08.07	20.08.07	Change
Kandla CPO (5 % FFA)	417	419	-2
Kandla RBD Palmolein +VAT	451	453	-2
Mumbai RBD Palmolein +VAT	450	452	-2
Chennai RBD Palmolein +VAT	445	446	-1
Kakinada RBD Palmolein +VAT	442	442	0
Hyderabad RBD Palmolein +VAT	462	455	+7
Delhi RDB Palmolein	495	495	0

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	21.08.07	20.08.07	Change
Crude Soy Oil	861	865	-4
Crude Palm Oil	802	765	+37
Sunflower Oil	1043	1043	0

Rape/Mustard oil

The prices of mustard expeller oil stood weak across Mumbai and Delhi region on global cues and sluggish trade sentiments coupled with lack of fresh fundamentals. A considerable increase in arrivals to 25,000 bags on Tuesday pressure the prices of seeds and consequently oil across markets in Rajasthan. Recovery in prices of condition seeds couldn't provide support to the prices of expeller oil. Prices are likely to trade range bound in short term.

Groundnut Oil

The area under groundnut crop has increased by around 15-16% this season. As per government latest figures groundnut sowing is completed close to 5 million hectares as on August 17th against 4.84 million hectares last week and 4.34 million hectares a year ago. Groundnut oil prices traded steady on Tuesday across all major spot markets on lack of active buying support and sluggish trade sentiments. Higher production prospects for groundnut are likely to induce short term weakness in prices of nuts and oil despite good festive demand.

Refined Sunflower Oil

Spot prices of refined sunflower oil settled mixed on Tuesday with slight firmness noticed in Hyderabad region while softening across Chennai. The CIF prices for September shipment stood steady at previous day's levels of \$1043 per tonne on Tuesday. According to government latest sowing data [August 17th], sunflower sowing is completed in 6.44 lakh ha against 6.28 million ha last week and 7.52 lakh ha same period a year ago. Crop condition in Maharashtra is reported to be good.

Refined Cottonseeds Oil

A bright outlook for cotton production this year has not affected prices of cottonseed oil across domestic markets. Slightly improved demand for cottonseeds oil in domestic markets helped see the prices settle up. Since prices of cotton seed oil are cheaper in comparison to groundnut oil in Gujarat, the oil is finding good acceptance at consumer's levels. As current prices are higher to lure the substantial demand, so downward correction require in short-term.

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

Centres	21.08.07	20.08.07	Change
Mumbai (Exp. Oil) +VAT	490	491	-1
Kota (Exp. Oil)+VAT	460	460	0
Jaipur (Exp. Oil)+VAT	468	468	0
Delhi (Exp. Oil)	495	498	-3
Neewai (Exp. Oil) +VAT	-	460	-

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	21.08.07	20.08.07	Change
Mumbai +VAT	710	710	0
Rajkot +VAT	770	770	0
Hyderabad +VAT	705	705	0
Chennai +VAT	-	660	-
Delhi	760	760	0

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

Centres	21.08.07	20.08.07	Change
Mumbai +VAT	545	545	0
Chennai +VAT	545	550	-5
Hyderabad +VAT	550	545	+5

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

Centres	21.08.07	20.08.07	Change
Mumbai +VAT	492	492	0
Hyderabad +VAT	492	490	+2
Rajkot + VAT	495	494	+1
Delhi	485	480	+5

Forex Rates

Country/ Continent	Currency	Value in Rupees	
		21.08.07	20.08.07
USA	Dollar	41.06	41.57
European Union	Euro	55.34	55.74
Japan	100 Yen	35.80	36.92
United Kingdom	Pound Sterling	81.41	82.14

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Hari Kripa	2,000	CFA*	Expected (22.08.07)
	Global Flora	9,000	CPO	Expected (20.08.07)
	Global Triton	8,000	Palm oil Product	Expected (24.08.07)
Kolkata	Bao De Feng	8,500	CPO	Arrived (13.08.07)
	Yong Tong	2,099	CPO	Arrived (17.08.07)
Mumbai	Sc Shanghai	12,000	Palm oil Product	Expected (18.08.07)
	Mentor	6,000	Palm oil	Expected (18.08.07)
	Global Triton	5,700	Palm oil	Expected (23.08.07)
New Manglore	Global Evos	11,000	CPO	Expected (18.08.07)
	Shimakaze	4,500	CPO	Expected (18.08.07)

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

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