

VEGOIL DAILY

August 14th, 2007

REFINED SOY OIL

SPOT MARKET:

Slightly firmed BMD CPO futures and weakness in other edible oil pulled prices of refined soy oil in major trading centres. The sluggish demand and good monsoon progress in major soybeans producing belt aided the bearishness. The good growth progress of soybeans crop also expectation of rainfall in central, western India pressured the market. The soybeans crops are at vegetative stage in Maharashtra, MP and other production regions. The unclear prices direction, expectation of good stock of crude palm oil in August coupled with sluggish exports demand capped the gains on BMD CPO futures. The crude soy oil CIF price for August shipment remains unchanged on second consecutive day at \$902/tonne.

FUTURES MARKET:

Refined soy oil futures at **NCDEX** settled up on renewed buying interest on expectation of improved festive demand well as firmed up BMD CPO futures. The most active **September** futures contract opened firmed at Rs. 494 per 10 kg against previous closing at Rs. 493.5 per 10 kg and the contract closed up at Rs. 496.95 per 10 Kg.

Following bullish advice from BMD CPO futures and improved prospects of demand ahead strengthened refined soy futures on **MCX**. The **September** contract opened up at Rs. 494.5 per 10kg against previous close of Rs. 493.9 per 10kg. The prices closed up at Rs. 497.25 per 10 Kg.

PRICE DRIVERS:

- Good progress of soybeans crop
- Slightly firm BMD CPO futures
- Sluggish demand with subdued trade activities
- Weakness in other edible oil
- Expectation of good rainfall in major soybeans producing areas

Weather

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

TECHNICALS

Refined soy oil chart show the bullish recovery in prices with slightly tentativeness at both upper and lower level. EMA patterns remained mild weak. MACD is made bullish crossover in negative territory indicated towards further upside movement. Stochastic and RSI is rising into neutral region. Volume increased and open interest declined. Market is expected to trade up with steady to slightly weak opening with correction in late session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Sept	493	494	496.95	501	502
MCX-Sept.	493	494	497.25	501	502

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil September Contract:
BUY Near 497; T1 near 499, T2 near 500 and put stop loss at 496.
MCX Refined Soy Oil September Contract:
BUY Near 497; T1 near 499, T2 near 500 and put stop loss at 496.

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

Centres	13.08.07	11.08.07	Change
Mumbai (Soy Ref oil)+VAT	478	480	-2
Indore (Soy Ref oil)	472	472	Nil
Kota (Soy Ref. Oil)+VAT	475	478	-3
Hyderabad (Soy Ref)+VAT	495	495	Nil
Rajkot (Soy Ref)+Tax	465	465	Nil

PALM OIL

International Highlights

BMD CPO Futures Firmed Up

Absence of several buyers and sellers, public holidays in Asian countries in current week results thin trade activities on Bursa Malaysian Derivatives on Monday. But the Friday's CBOT weakness capped the gains to certain extent. The most active October futures contract of crude palm oil finished up MYR15 at MYR2,530/tonne (today's movement remained between MYR2,484-2,530/tonne).

Domestic Spot Market Highlights

Spot prices of palm oil traded mostly range bound on steady demand and supplies despite slightly firmed BMD CPO futures. The tight supplies of palm olein supplies from refineries and holding back activities of stockists supported Indonesian palm oil market that ignored the currently higher prices. The crude soy oil CIF price of August shipment declined on Monday at \$797/tonne as compared to \$805/tonne on Saturday. Due to discount in Malaysian RBD palm olein prices over Argentine soy oil, global demand is likely to shift to palm oil from soy oil, which in turn support BMD with spill over impact domestically.

BMD: CPO Futures (13.08.2007)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Aug 07	2554	2550	2565	2550	2565	+11	35
Sep 07	2537	2530	2546	2510	2544	+7	804
Oct 07	2515	2509	2530	2484	2530	+15	3972
Nov 07	2499	2495	2511	2470	2511	+12	1369
Dec 07	2489	2460	2505	2460	2505	+16	386

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	13.08.07	11.08.07	Change
Kandla CPO (5 % FFA)	419	419	Nil
Kandla RBD Palmolein +VAT	456	456	Nil
Mumbai RBD Palmolein +VAT	456	456	Nil
Chennai RBD Palmolein +VAT	450	450	Nil
Kakinada RBD Palmolein +VAT	442	443	-1
Hyderabad RBD Palmolein +VAT	464	464	Nil
Delhi RDB Palmolein	495	495	Nil

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	13.08.07	11.08.07	Change
Crude Soy Oil	902	902	Nil
Crude Palm Oil	797	805	-8
Sunflower Oil	1058	1062	-4

Rape/Mustard oil

Sensing market temporarily firmed up towards last's weekend but the underlying weakness in maintained domestically that forced prices of mustard oil to trade on softer side on Monday. The weakness in other edible oil also remained bearish for mustard oil. Still market failed to witness the aggressive the festive buying as earlier expected. Traders are expecting prices of mustard oil are likely to stay range bound due to unclear price direction.

Groundnut Oil

Spot prices of groundnut oil trapped in bullish undertone on steady demand and reports of crop damaged on good rainfall in Saurashtra region. The crop damage in expecting nearly 5% but it may extend, if rain continues in these areas. Early sown Kharif groundnut is in early vegetative/ vegetative stages in major groundnut producing regions while sowing is continues in Tamil Nadu and in parts of Karnataka. The groundnut seeds in different markets in Gujarat are traded between Rs. 415-560/10 tonne (as per quality).

Refined Sunflower Oil

Despite weakness in other edible oil and fall in CIF prices, refined sunflower oil remained in bullish tone. The Kharif sowing is continues in Uttar Pradesh while crop in vegetative to flowering stage in Maharashtra and Karnataka. The CIF prices for August shipment declined on Monday at \$1058/tonne as compared to \$1067/tonne on Saturday. As per trade sources, underlying firmness in other global markets of related commodities would support the prices in near-term.

Refined Cottonseeds Oil

Sluggish demand and subdued trade activities dragged the prices of refined cottonseeds oil down in major trading centers. The crop damage of cotton in Saurashtra also reported, which is now expecting at 1.1 crore bales against earlier expectation of 1.3 crore bales (1 bale=170kg). According to trades. This would not severely impact the prices of refined cottonseeds oil as festive demand would support the prices.

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

Centres	13.08.07	11.08.07	Change
Mumbai (Exp. Oil) +VAT	494	493	+1
Kota (Exp. Oil)+VAT	468	470	-2
Jaipur (Exp. Oil)+VAT	476	478	-2
Delhi (Exp. Oil)	500	500	Nil
Neewai (Exp. Oil) +VAT	469	470	-1

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	13.08.07	11.08.07	Change
Mumbai +VAT	730	730	Nil
Rajkot +VAT	770	770	Nil
Hyderabad +VAT	720	720	Nil
Chennai +VAT	680	680	Nil
Delhi	770	770	Nil

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

Centres	13.08.07	11.08.07	Change
Mumbai +VAT	565	565	Nil
Chennai +VAT	572	572	Nil
Hyderabad +VAT	575	575	Nil

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

Centres	13.08.07	11.08.07	Change
Mumbai +VAT	495	495	Nil
Hyderabad +VAT	500	500	Nil
Rajkot + VAT	496	498	-2
Delhi	480	480	Nil

Forex Rates

Country/ Continent	Currency	Value in Rupees	
		13.08.07	11.08.07
USA	Dollar	40.56	40.67
European Union	Euro	55.55	55.51
Japan	100 Yen	34.28	34.49
United Kingdom	Pound Sterling	82.03	82.03

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Hari Kripa	2,000	CFA*	Expected (12.08.07)
	Sichem Pauda	8,800	Palm oil	Berthed (10.08.07)
	Chem Cosmos	16,800	Palm oil	Expected (11.08.07)
	Golden Glory	5,007	Palm oil	Expected (15.08.07)
	Global Flora	9,000	CPO	Expected (20.08.07)
	Global Triton	8,000	Palm oil Product	Expected (24.08.07)
Kolkata	L.Star	5,220	CPO	Arrived (07.08.07)
Mumbai	Global Neptune	12,500	Palm oil	Expected (15.08.07)
	Global Triton	5,700	Palm oil	Expected (23.08.07)
New Manglore	Arwen	8,000	CDSBO	Expected (14.08.07)

***Crude Fatty Acid**

Vessels in bold are new on chart.

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