

VEGOIL DAILY

August 23rd, 2007

REFINED SOY OIL

SPOT MARKET:

The spot prices of refined soy oil price remained in bullish tone domestically due to firmed up overseas market and slightly improved demand. As per China General Administration of customs, July soy oil import is totaled at 202,334 tonnes, which is nearly 131.9% up from last month. This is due to supplies shortage and rising demand. BMD CPO futures firmed up on Wednesday on China buying and rumors of further hike in exports takes on CPO by Indonesian government. CBOT soy futures gained bullish support from declining crop conditions in weekly crop condition report at 54% against 56% last week but sluggish trade in financial markets, expectation of good rainfall in soybeans belt and weakness in crude oil kept the upside in control. The crude soy oil CIF prices for September shipment declined on Wednesday at \$853 per tonne as compared to \$861 per tonne on Tuesday.

FUTURES MARKET:

Despite gains in BMD and CBOT, refined soy oil futures on **NCDEX** settled down on prospects of outpaced supplies to demand. The most active **September** futures contract opened down at Rs. 484.4 per 10 kg against previous closing at Rs. 484.95 per 10 kg and the contract closed down at Rs. 483.1 per 10 Kg.

The unclear prices direction and sluggish demand in domestic market dragged refined soy oil futures at **MCX**. The **September** contract opened at Rs. 485.3 per 10kg against previous close of Rs. 485.9 per 10kg. The prices closed down at Rs. 484.3 per 10 Kg.

PRICE DRIVERS:

- Slightly improved demand with steady supplies
- Bullish BMD CPO futures
- China July soy oil import surged
- Declining US soybeans crop conditions
- Crude soy oil CIF price declined by \$7

Weather

Weather is conducive for good growth of soybean crop.

TECHNICALS

Candlesticks chart patterns indicated selling activities and market touched at afresh low at Rs. 481.3 level. Prices remained closed to 9/18 days EMA indicated medium term weakness. MACD pattern remain bearish. Stochastic made bearish crossover and RSI is falling in oversold region. Volume increased and open interest declined. Market is expects to trade up initially with bullish bias.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Sept	479	480	483.1	486	487
MCX-Sept.	479	480	484.3	486	487

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil September Contract:

SELL Below 484; T1 near 482, T2 near 481 and put stop loss at 485.

MCX Refined Soy Oil September Contract:

SELL Near 484; T1 near 482, T2 near 481 and put stop loss at 485.

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

Centres	22.08.07	21.08.07	Change
Mumbai (Soy Ref oil)+VAT	472	469	+3
Indore (Soy Ref oil)	467	466	+1
Kota (Soy Ref. Oil)+VAT	470	471	-1
Hyderabad (Soy Ref)+VAT	490	490	Nil
Rajkot (Soy Ref)+Tax	461	461	Nil

International Highlights

BMD CPO Futures Firmed Up on China Buying

Rumours of Indonesian is considering hike on exports taxes on CPO and good deliveries to China in physical market strengthened crude palm oil futures on Bursa Malaysian Derivatives. The most active November contract of crude palm oil futures settled MYR29 up at MYR2,425 per tonne but the weakness in maintained on building up local inventories. If Indonesia hikes the exports taxes, Malaysian palm oil would be more competitive but lack of conformity may wash out the gains ahead that obtained so far in current week.

Domestic Spot Market Highlights

Spot prices of pal oil trapped in bearish undertone on weakness in other edible oil and sluggish trading. Indonesian palm oil market trade down on Wednesday amidst rumors of hike in exports taxes on CPO coupled with thin trade activities. The higher prices of Malaysian palm oil in July month and discounted soy oil results in fall in July palm oil import in China by 39.5% at 336,979 tonnes to June. The CIF prices of crude soy oil for September shipment declined marginally on Wednesday at 800 per tonne as compared to 802 per tonne on Tuesday.

BMD: CPO Futures (22.08.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Sep 07	2490	2455	2552	2455	2535	+45	1139
Oct 07	2430	2421	2489	2420	2470	+40	1664
Nov 07	2396	2380	2450	2380	2425	+29	7211
Dec 07	2377	2364	2425	2364	2410	+33	1571
Jan 08	2357	2390	2413	2390	2401	+44	255

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	22.08.07	21.08.07	Change
Kandla CPO (5 % FFA)	417	417	Nil
Kandla RBD Palmolein +VAT	453	451	+2
Mumbai RBD Palmolein +VAT	452	450	+2
Chennai RBD Palmolein +VAT	446	445	+1
Kakinada RBD Palmolein +VAT	444	442	+2
Hyderabad RBD Palmolein +VAT	462	462	Nil
Delhi RDB Palmolein	490	495	-5

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	22.08.07	21.08.07	Change
Crude Soy Oil	853	861	-8
Crude Palm Oil	800	802	-2
Sunflower Oil	NA	1043	-

Rape/Mustard oil

Lack of supportive news, weakness in other edible oil and steady demand confirmed spot prices of mustard oil range bound across markets. According to market observers, China July rapeseeds oil imports surged at 32,581 tonnes, which is nearly twenty times to last year figures. However, steadiness in well supported by bullish global cues. As per trade sources, mustard oil prices are likely to trade steady to slightly weak in near-term.

Groundnut Oil

Spot prices of groundnut oil remained in bearish undertone on lackluster trade activities and competition from refined cottonseeds oil, which is nearly 35-40% cheaper and the second choice among other edible oil after groundnut oil. However, weaker the demand from meals both at port and domestically aided the bearishness. The groundnut seeds prices for different grade in quoted between Rs. 405-560 per qtl across Gujarat markets. The better availability of refined cottonseeds oil would pressure the prices of groundnut oil ahead.

Refined Sunflower Oil

Spot prices of refined sunflower oil settled mixed on Tuesday with slight firmness noticed in Hyderabad region while softening across Chennai. According to government latest sowing data [August 17th], sunflower sowing in 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

The bulky expectation of cottonseeds oil in upcoming Kharif season at 1.1 million tonnes as compared to 0.9 million tonnes last year and sluggish demand forces market to trade down on Wednesday. The expectation of expansion of Bt. Area at 37% to last year with better oil recovery by 1-2% from 11% from normal varieties supported the downsides. The expectation of isolated rainfall in cotton producing region, is likely to support the weaker side trade in coming days.

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

Centres	22.08.07	21.08.07	Change
Mumbai (Exp. Oil) +VAT	490	490	Nil
Kota (Exp. Oil)+VAT	460	460	Nil
Jaipur (Exp. Oil)+VAT	468	468	Nil
Delhi (Exp. Oil)	495	498	-3
Neewai (Exp. Oil) +VAT	460	-	-

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	22.08.07	21.08.07	Change
Mumbai +VAT	710	710	Nil
Rajkot +VAT	775	780	-5
Hyderabad +VAT	705	705	Nil
Chennai +VAT	660	-	-
Delhi	760	760	Nil

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

Centres	22.08.07	21.08.07	Change
Mumbai +VAT	545	545	Nil
Chennai +VAT	545	545	Nil
Hyderabad +VAT	550	550	Nil

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

Centres	22.08.07	21.08.07	Change
Mumbai +VAT	492	492	Nil
Hyderabad +VAT	490	492	-2
Rajkot + VAT	492	495	-3
Delhi	485	485	Nil

Forex Rates

Country/ Continent	Currency	Value in Rupees	
		22.08.07	21.08.07
USA	Dollar	41.01	41.06
European Union	Euro	55.30	55.34
Japan	100 Yen	35.77	35.80
United Kingdom	Pound Sterling	81.39	81.41

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**

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.