

VEGOIL DAILY

August 10th, 2007

REFINED SOY OIL

SPOT MARKET:

Spot prices of refined soy oil continue to trade bullish on firm global cues and improved demand. The expectation of good exports figures for the period of August 1-10 and overnight bullish CBOT soy futures boosted BMD CPO futures. From last couple of weeks Malaysia CPO futures have been traded down showed improvement in stocks and weak exports demand due to higher prices. In the light of competition between soy oil and palm oil, South America is benefited. The prices of soy oil surged in Argentina due to low crushing on disrupted power supplies and good exports demand. Now, in prevailing conditions, Malaysian RBD palm olein prices exceeded in discounted over Argentine soy oil, which is equivalent to US \$45. This might support the global focus on palm oil in short-term. Bullish Forecast of dry weather spell in next week with light rainfall activities in Western and Eastern Midwest with continuous buying interest strengthened CBOT soy futures. The crude soy oil CIF price for August shipment increased on second consecutive day at \$915 per tonne on Thursday as compared to \$901 per tonne on Wednesday.

FUTURES MARKET:

Refined soy oil futures at **NCDEX** traded in both the territory and finished bearish on unclear price direction in near-term. However, bullish BMD and CBOT supported market and control the downside. The most active **September** futures contract opened slightly firmed at Rs. 496.3 per 10 kg against yesterday closing at Rs. 496.05 per 10 kg and the contract closed down at Rs. 495 per 10 Kg. Despite firmed global cues refined soy futures succumbed on **MCX** on lack of proper direction and choppy trading. The **September** contract opened firmed at Rs. 497.3 per 10kg against previous close of Rs. 496.25 per 10kg. The prices closed down at Rs. 4495.85 per 10 Kg.

PRICE DRIVERS:

- Bullish BMD and CBOT soy futures
- Soybeans sowing in nearly complete
- Drought conditions in major soybeans crop production region in China
- Soybeans acreage improved in Madhya Pradesh

Weather

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

TECHNICALS

Refined soy oil charts show the increased in selling interest from higher level as shown by upper shadow. Prices close below 9/18 days EMA show bearishness in the market. MACD is falling in negative territory. Stochastic made bullish crossover in oversold region. Whereas RSI is falling in neutral region. Both volume and open interest increased. Market is expected to trade down with steady to weak opening with possibility of recovery in late hours.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Sept	487	489	495	497	498
MCX-Sept.	490	491	495.85	497	498

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil September Contract:

SELL Below 494; T1 near 492, T2 near 491 and put stop loss at 495.

MCX Refined Soy Oil September Contract:

SELL Below 495; T1 near 493, T2 near 492 and put stop loss at 496.

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

Centres	09.08.07	08.08.07	Change
Mumbai (Soy Ref oil)+VAT	480	473	+7
Indore (Soy Ref oil)	470	470	Nil
Kota (Soy Ref. Oil)+VAT	477	476	+1
Hyderabad (Soy Ref)+VAT	490	490	Nil
Rajkot (Soy Ref)+Tax	465	465	Nil

International Highlights

BMD CPO Futures Surge on CBOT

Crude palm oil futures finished high on Thursday at Bursa Malaysian Derivatives following gains of overnight CBOT soy futures and expectation of bullish exports figures for the period of August 1-10 but the upside limited by the expectation of improved July stocks between 1-2-1.5 million tonnes as compared with 1.2 million tonne last month. The most active October contract of crude palm oil futures settled MYR35 up at MYR2,535 per tonne.

Domestic Spot Market Highlights

Spot prices of palm oil continue to recover reflected improved demand and bullish global cues. Indonesian palm oil market opened bullish and remained firmed during rest of days tracking gains of BMD CPO futures and prospects of tight supplies. While trade activities remained dull as price too high to support the demand. The crude soy oil CIF prices of August shipment increased on Thursday at \$820 per tonne as compared to \$792/tonne on Wednesday. However, the regular inflow of palm oil from recent past with plenty stocks in physical market as well as on ports would control the upside of price movement ahead domestically.

BMD: CPO Futures (09.08.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Aug 07	2548	2568	2585	2563	2575	+27	59
Sep 07	2521	2557	2572	2528	2558	+37	1658
Oct 07	2500	2535	2550	2500	2535	+35	6709
Nov 07	2481	2516	2530	2487	2510	+29	2140
Dec 07	2460	2492	2520	2490	2500	+40	237

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	09.08.07	08.08.07	Change
Kandla CPO (5 % FFA)	424	418	+6
Kandla RBD Palmolein +VAT	456	450	+6
Mumbai RBD Palmolein +VAT	456	453	+3
Chennai RBD Palmolein +VAT	450	450	Nil
Kakinada RBD Palmolein +VAT	443	442	+1
Hyderabad RBD Palmolein +VAT	464	464	Nil
Delhi RDB Palmolein	495	490	+5

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	09.08.07	08.08.07	Change
Crude Soy Oil	915	901	+14
Crude Palm Oil	820	792	+28
Sunflower Oil	1067	1067	Nil

Rape/Mustard oil

The expectation for rise in upcoming festival demand and firmness in other edible oil strengthened prices of mustard oil in major trading markets. Market also borrowed the good support from mustard seeds that improved too domestically with improved buying interest from expellers to meet the upcoming festival demand but the upside was limited by restricted by bearish meals demand both at ports and domestically.

Groundnut Oil

Prices of groundnut oil were recovered domestically on improved demand and ideas of recent downside resisted by tight supplies. However, gains were limited by monsoon activities and expectation of improved groundnut acreage. As per commissioner of Maharashtra State government, the groundnut acreage in seen up 11% at 302,861 hectares. Firmness in refined cottonseeds oil induced too to groundnut oil to behavior same. The shelled groundnut in different markets in Gujarat traded between Rs. 415-565 per 10 kg (as per variety).

Refined Sunflower Oil

The refined sunflower oil traded range bound across domestic market on balance in demand and supplies. The firmness global market supported the market. As per trade sources, the present monsoon progress is beneficial for Kharif crop capped the gains to certain extent. The CIF prices for August shipment remained unchanged on Thursday at \$1067/tonne. Traders are expecting buoyancy in refined sunflower oil on underlying bullishness in global market.

Refined Cottonseeds Oil

Firm support of other edible oil and improved demand helped refined cottonseeds oil to stay firm in major trading centers. As per trade sources, International cotton prices had been increased by more than 6% in July reflected the bullishness in cotton maintained in overseas market. Traders are expecting further a short correction to support the demand pressure in coming days.

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

Centres	09.08.07	08.08.07	Change
Mumbai (Exp. Oil) +VAT	490	490	Nil
Kota (Exp. Oil)+VAT	470	468	+2
Jaipur (Exp. Oil)+VAT	478	472	+6
Delhi (Exp. Oil)	501	500	+1
Neewai (Exp. Oil) +VAT	469	467	+2

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	09.08.07	08.08.07	Change
Mumbai +VAT	725	725	Nil
Rajkot +VAT	770	760	+10
Hyderabad +VAT	705	705	Nil
Chennai +VAT	685	680	+5
Delhi	770	770	Nil

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

Centres	09.08.07	08.08.07	Change
Mumbai +VAT	565	565	Nil
Chennai +VAT	570	570	Nil
Hyderabad +VAT	575	575	Nil

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

Centres	09.08.07	08.08.07	Change
Mumbai +VAT	492	490	+2
Hyderabad +VAT	495	495	Nil
Rajkot + VAT	500	490	+10
Delhi	480	480	Nil

Forex Rates

(As on 09.08.07)

Country/ Continent	Currency	Value in Rupees	
		09.08.07	08.08.07
USA	Dollar	40.40	40.58
European Union	Euro	55.77	55.70
Japan	100 Yen	33.78	34.09
United Kingdom	Pound Sterling	82.32	81.85

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Hari Kripa	2,000	CFA*	Expected (02.08.07)
	Arctic Blizzard	27,500	CDSBO	Berthed (05.08.07)
	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 (07.08.07)
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)
Tuticorin	Spring Wind	4,100	Palm oil	Arrived (05.08.07)
New Manglore	Arwen	8,000	CDSBO	Expected (14.08.07)

***Crude Fatty Acid**

Vessels in bold are new on chart.

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