

## VEGOIL DAILY

August 21<sup>st</sup>, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Slightly improved demand and firmness in other edible oil strengthened spot prices of refined soy oil in domestically. But upsides remained in control of expectation of isolated rainfall in soybeans producing regions, where crop in early vegetative/flowering stage. Bullish exports sales figures, recovery in equities markets, Friday's CBOT soy futures firmness strengthened crude palm oil futures at Bursa Malaysian Derivatives but gains were capped by fears of improve stocks by August end. As per SGS exports estimation of Malaysian palm oil exports for the period of August 1-20, exports rose by 20.5% at 769,315 tonnes against 638,163 tonnes same period in July. The crude soy oil CIF price for September shipment remained unchanged on Monday at \$865 per tonne to Saturday's figures.

#### FUTURES MARKET:

Mixed advice from BMD CPO futures and diminishing prospects of tight supplies pressured refined soy oil futures on **NCDEX**. The most active **September** futures contract opened down at Rs. 485.25 per 10 kg against previous closing at Rs. 485.95 per 10 kg and the contract closed down at Rs. 483.8 per 10 Kg.

The unclear price direction and selling activities from traders depressed refined soy futures on **MCX**. The **September** contract opened weak at Rs. 486 per 10kg against previous close of Rs. 486.9 per 10kg. The prices closed down at Rs. 484.75 per 10 Kg.

#### PRICE DRIVERS:

- Slightly improved demand to yesterday
- Firm tone in other edible oil
- Sluggish BMD CPO futures
- Expectation of isolated rainfall in soybeans producing regions
- Bullish Malaysian palm oil exports figures for August 1-20

#### Weather

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

#### TECHNICALS

Refined soy oil chart shows the selling pressure with tentativeness both at higher and lower level. EMA and MACD pattern hints for medium-term weakness. Stochastic and RSI remains bearish in overbought region. Volume declined and open interest increased. Market is expects to trade down with steady to slight weak opening.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Sept	480	481	483.8	489	490
MCX-Sept.	480	481	484.75	489	490

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil **September** Contract:

**SELL Below;** T1 near 483, T2 near 482 and put stop loss at 486.

MCX Refined Soy Oil **September** Contract:

**SELL Near** 485; T1 near 486, T2 near 485 and put stop loss at 486.

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

Centres	20.08.07	18.08.07	Change
Mumbai (Soy Ref oil)+VAT	472	469	+3
Indore (Soy Ref oil)	468	468	Nil
Kota (Soy Ref. Oil)+VAT	470	471	-1
Hyderabad (Soy Ref)+VAT	490	490	Nil
Rajkot (Soy Ref)+Tax	460	460	Nil

## International Highlights

### BMD CPO Futures Remain Mixed on Monday

The unclear price direction and Friday's CBOT gains reflection mixed sentiments on crude palm oil futures on Bursa Malaysian Derivatives. But the talk of production in August and September sapped the gains. The exports data remained within trade expectation and failed to provide considerable support. According to SGS, Malaysian palm oil exports for the period of August 1-20 highlighted exports rose by 20.5% at 769,315 tonnes against 638,163 tonnes same period in July.

### Domestic Spot Market Highlights

The overpowered demand against good supplies kept the prices range bound in most of trading centers on Monday. Indonesian palm oil market remained subdued on Monday on bearish undertone on BMD with expectation of strong exports demand. 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 (20.08.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Sep 07	2460	2451	2490	2451	2465	+5	1742
Oct 07	2398	2421	2448	2395	2401	+3	3731
Nov 07	2378	2408	2421	2360	2366	-12	7621
Dec 07	2370	2381	2397	2365	2347	-23	1877
Jan 08	2362	2365	2366	2365	2366	+4	50

\*BMD Remains Closed on Saturday and Sunday.

### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	20.08.07	18.08.07	Change
Kandla CPO (5 % FFA)	419	418	+1
Kandla RBD Palmolein +VAT	453	453	Nil
Mumbai RBD Palmolein +VAT	452	452	Nil
Chennai RBD Palmolein +VAT	446	445	+1
Kakinada RBD Palmolein +VAT	442	446	-4
Hyderabad RBD Palmolein +VAT	455	458	-3
Delhi RDB Palmolein	495	495	Nil

### CIF Price Basis Kandla Port (\$/MT)

Edible Oil	20.08.07	18.08.07	Change
Crude Soy Oil	865	865	Nil
Crude Palm Oil	765	790	-25
Sunflower Oil	1043	1048	-5

### Rape/Mustard oil

The prices of mustard oil improved a tag on steady demand and firm tone in other vegetable oil domestically but gains were capped by weakness in seeds price with lackluster trade activities. Since August 1<sup>st</sup>, mustard oil prices dropped by 3.76% to till date and await for more weakness in prices in short-term prevented retailers to take fresh positions. The underlying weakness in other edible oil and global market are likely to restrict the higher side ahead.

### Groundnut Oil

Groundnut oil prices traded range bound on Monday on balance in demand and supplies and subdued trade activities. The expectation of isolated rainfall in main production belt with good growth conditions of crop engulfed the higher side. As per government latest figures groundnut sowing is completed close to 5 million hectares as on August 17th vs 4.84 million hectares last week and 4.34 million hectares a year ago.

### Refined Sunflower Oil

Spot prices of refined sunflower oil trapped bearish on steady demand, improved seeds arrivals and lagging sunflower sowing. According to government latest sowing data as on 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. Kharif crop in good progress in Maharashtra. The sunflower oil CIF prices for September shipment declined on 2<sup>nd</sup> straight day at \$1043 per tonne as compared to \$1048 per tonne on Saturday.

### Refined Cottonseeds Oil

Slightly improved demand with subdued trade activities supported refined cottonseeds oil in domestic markets. Under weak demand in cottonseeds meals both at ports and domestically that impeded expellers to boost the seeds crushing resulting tight supplies on their ends. 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	20.08.07	18.08.07	Change
Mumbai (Exp. Oil) +VAT	491	490	+1
Kota (Exp. Oil)+VAT	460	460	Nil
Jaipur (Exp. Oil)+VAT	468	468	Nil
Delhi (Exp. Oil)	498	496	+2
Neewai (Exp. Oil) +VAT	460	460	Nil

### Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	20.08.07	18.08.07	Change
Mumbai +VAT	710	710	Nil
Rajkot +VAT	770	770	Nil
Hyderabad +VAT	705	700	+5
Chennai +VAT	660	660	Nil
Delhi	760	760	Nil

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

Centres	20.08.07	18.08.07	Change
Mumbai +VAT	545	545	Nil
Chennai +VAT	550	558	-5
Hyderabad +VAT	545	547	-2

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

Centres	20.08.07	18.08.07	Change
Mumbai +VAT	492	492	Nil
Hyderabad +VAT	490	490	Nil
Rajkot + VAT	494	492	+2
Delhi	480	480	Nil

### Forex Rates

Country/ Continent	Currency	Value in Rupees	
		20.08.07	18.08.07
USA	Dollar	41.57	41.57
European Union	Euro	55.74	56.09
Japan	100 Yen	36.92	36.39
United Kingdom	Pound Sterling	82.14	82.79

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	<b>Hari Kripa</b>	<b>2,000</b>	<b>CFA*</b>	<b>Expected (22.08.07)</b>
	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)
	<b>Yong Tong</b>	<b>2,099</b>	<b>CPO</b>	<b>Arrived (17.08.07)</b>
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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