

VEGOIL DAILY

August 18th, 2007

REFINED SOY OIL

SPOT MARKET:

Strong selling pressure in equities markets, bearish global cues mirrored weakness in prices of refined soy oil in domestic markets. To remain in favor of farmer's interest, government kept unchanged the base prices and duty of imported oil. As per market observers to meet the good demand, China July edible oil output rose by 8% at 1.75 mmt as compared to 1.62 mmt a year ago. The overnight CBOT also remained dull, lower side supported by strong selling pressure in equities markets, metal, commodities market, crude palm oil futures and weakness in crude oil. As well as market generated bearishness from wet weather conditions in Northern Corn Belt. The USDA weekly exports sales of soybeans and soy oil totaled at 313,300 and 15,200 tonnes against trade expectation between 175,000-400,000 and 10-30,000 tonnes respectively. The crude soy oil CIF price for August shipment declined further on Friday at \$855/tonne as compared to \$875/tonne on Thursday.

FUTURES MARKET:

Tracking recovery on BMD refined soy oil futures regained after initial decline at **NCDEX**. The unclear price direction for short-term also contributed the bearishness. The most active **September** futures contract opened weak at Rs. 486.05 per 10 kg against previous closing at Rs. 486.65 per 10 kg and the contract closed down at Rs. 486 per 10 Kg.

Following bearish BMD CPO futures and improving prospects of festive demand helped in recovery of refined soy futures on **MCX**. The **September** contract opened at Rs. 487.1 per 10kg against previous close of Rs. 487.6 per 10kg. The prices closed down at Rs. 486.5 per 10 Kg.

PRICE DRIVERS:

- Bearish BMD and CBOT
- Exceeding supplies over demand
- Expectation of isolated rainfall in major soybeans production belt
- Weakness in other edible oil
- Crude soy oil CIF price remained on correction mode

Weather

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

TECHNICALS

Filled candlestick with long lower shadow indicated recovery in late session before touching afresh low of September future contract. EMA and MACD pattern remain bearish. Stochastic and RSI is falling in oversold region. Volume increased and open interest declined. Market is expected to trade down with steady to slight firm opening.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Sept	482	483	486	490	491
MCX-Sept.	482	483	486.5	490	492

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil September Contract:

SELL Near 487; T1 near 485, T2 near 484 and put stop loss at 488.

MCX Refined Soy Oil September Contract:

SELL Near 488; T1 near 486, T2 near 485 and put stop loss at 489.

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

Centres	17.08.07	16.08.07	Change
Mumbai (Soy Ref oil)+VAT	470	475	-5
Indore (Soy Ref oil)	468	470	-2
Kota (Soy Ref. Oil)+VAT	473	474	-1
Hyderabad (Soy Ref)+VAT	490	490	Nil
Rajkot (Soy Ref)+Tax	462	462	Nil

International Highlights**BMD CPO Futures Settle Bearish Despite Recover in Late Session**

Tracking bearish CBOT, crude palm oil futures settled down on Bursa Malaysian Derivatives. Before recovery in late session, market touched the seven-weeks low. Assuming market has loses sharply in recent time, most of traders preferred to square off their position but the clear price direction would depend upon exports data for the period of August 1-20. The most active November futures contract of crude palm oil futures finished down MYR11 at MYR2,378 per tonne.

Domestic Spot Market Highlights

Spot prices of palm oil declined on Friday amidst weakness in other edible oil, sluggish demand and bearish global cues. The improving prospects of production in major producing countries in August and September depressed these markets with spill over impact in domestically. The crude palm oil CIF prices for August shipment maintained the downside at \$780 per tonne on Friday as compared to \$795per tonne on Thursday. The bearish exports demand with improved prospect of production in coming month would strengthened the downside in near-term.

BMD: CPO Futures (17.08.2007)**(Ringgit/ton)**

Months	Previous	Open	High	Low	Close	Change	Volume
Sep 07	2449	2400	2470	2395	2460	+11	3373
Oct 07	2410	2367	2428	2346	2398	-12	5191
Nov 07	2389	2350	2400	2314	2378	-11	10356
Dec 07	2381	2348	2380	2300	2364	-17	3972
Jan 08	2402	2320	2360	2300	2360	-42	73

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price**(Rs. Per 10 kg)**

Centres	17.08.07	16.08.07	Change
Kandla CPO (5 % FFA)	415	418	-3
Kandla RBD Palmolein +VAT	452	455	-3
Mumbai RBD Palmolein +VAT	450	456	-6
Chennai RBD Palmolein +VAT	445	450	-5
Kakinada RBD Palmolein +VAT	445	445	Nil
Hyderabad RBD Palmolein +VAT	458	460	-2
Delhi RDB Palmolein	495	495	Nil

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	17.08.07	16.08.07	Change
Crude Soy Oil	855	875	-20
Crude Palm Oil	770	795	-25
Sunflower Oil	1053	1058	-5

Rape/Mustard oil

Sensing the down trends is yet to complete, stockists maintained the selling pressure and forced market on softer side. Weakness in seeds and improved arrivals added the bearishness domestically. Market also gained the bearish momentum from weakness in global market of related commodities. Traders are expecting more weakness in prices of mustard oil at retailers' end those are waiting further weakness before festive demand appears.

Groundnut Oil

The spot prices of groundnut oil traded on softer side on good monsoon progress and weakness in other edible oil. The current monsoon progress is indicating towards the good production of groundnut seeds, which witnessed the unfavorable crop conditions last year tapered the production. As well as stockists also improved the inflow of groundnut oil to lower their losses. The seeds prices in different markets in Gujarat are traded between Rs. 415-570 per 20 kg (as per variety).

Refined Sunflower Oil

The good arrivals of Tamil Nadu crop and bearish global cues sapped prices of refined sunflower oil in physical markets. In 2007/08, Argentine sunflower area is seen up at 2.6-2.7 million hectares as vs 2.447 million hectares last year. The sunflower oil CIF prices for August shipment declined slightly on Friday at \$1053 per tonne as compared to \$1058 per tonne on Thursday.

Refined Cottonseeds Oil

Expectation of more weakness in prices in short-term take away the virtual demand from market and pushed softly prices of refined cottonseeds oil on bearish undertone in domestic markets. The weakness in meals demand also aided the bearish pressure on market. Traders are expecting further weakness till the development of any fundamental news.

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

Centres	17.08.07	16.08.07	Change
Mumbai (Exp. Oil) +VAT	490	495	-5
Kota (Exp. Oil)+VAT	460	464	-4
Jaipur (Exp. Oil)+VAT	468	472	-4
Delhi (Exp. Oil)	497	498	-1
Neewai (Exp. Oil) +VAT	461	464	-3

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	17.08.07	16.08.07	Change
Mumbai +VAT	710	725	-15
Rajkot +VAT	770	770	Nil
Hyderabad +VAT	700	700	Nil
Chennai +VAT	660	670	-10
Delhi	760	770	-10

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

Centres	17.08.07	16.08.07	Change
Mumbai +VAT	545	555	-10
Chennai +VAT	560	560	Nil
Hyderabad +VAT	548	550	-2

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

Centres	17.08.07	16.08.07	Change
Mumbai +VAT	490	492	-2
Hyderabad +VAT	490	490	Nil
Rajkot + VAT	495	496	-1
Delhi	480	485	-5

Forex Rates

Country/ Continent	Currency	Value in Rupees	
		17.08.07	16.08.07
USA	Dollar	41.57	41.13
European Union	Euro	55.74	55.20
Japan	100 Yen	36.92	35.56
United Kingdom	Pound Sterling	82.14	81.53

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Hari Kripa	2,000	CFA*	Berthed (12.08.07)
	Chem Cosmos	16,800	Palm oil	Berthed (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	Pacific Sound	1,000	CPO	Arrived (12.08.07)
	Bao De Feng	8,500	CPO	Arrived (13.08.07)
Mumbai	Global Neptune	12,500	Palm oil	Expected (16.08.07)
	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	Arwen	8,000	CDSBO	Expected (14.08.07)
	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.