

VEGOIL DAILY

August 24th, 2007

REFINED SOY OIL

SPOT MARKET:

The weakness in other vegetable oil, sluggish demand and rainfall in major soybean producing regions dragged refined soy oil in physical markets. The early sown soybeans crop is in early vegetative/vegetative stage in Madhya Pradesh, Rajasthan and Maharashtra. However, BMD CPO futures gained bullishness late into session from earlier weakness due to good buying support from Indonesian refineries and traders to meet supplies commitment in local markets as well as to avoid the expected hike in exports taxes. The crude soy oil CIF prices for September shipment recoup on Thursday at \$857 per tonne as compared to \$853 per tonne on Wednesday. Current the improved selling activities from stockists on fall short of improvement in prices in coming days would pressure the spot prices ahead.

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 weak at Rs. 482.3 per 10 kg against previous closing at Rs. 483.45 per 10 kg and the contract closed down at Rs. 482.25 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. 483.2 per 10kg against previous close of Rs. 484.45 per 10kg. The prices closed down at Rs. 483.6 per 10 Kg.

PRICE DRIVERS:

- Isolated rainfall in parts in major soybeans producing region
- Declined demand with improved supplies
- Bullish CBOT and BMD CPO futures
- Good buying of Malaysian palm oil from Indonesian refineries and traders
- Crude soy oil CIF price recoup by \$4

Weather

Weather is conducive for good growth of soybean crop.

TECHNICALS

Doji candlestick patterns suggest, market closed indecisiveness even strong selling pressure earlier in the session and marked afresh low at Rs. 480.4 level. EMA pattern remain bearish whereas MACD is attempt to bullish crossover into negative territory. Stochastic and RSI remains highly overbought. Volume increased and open interest declined. Market is expects to trade down with possibility of steady to slightly firm opening.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Sept	478	479	482.25	486	487
MCX-Sept.	478	479	483.6	486	487

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil **September** Contract:

SELL Near 483; T1 near 481, T2 near 480 and put stop loss at 484.5.

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	23.08.07	22.08.07	Change
Mumbai (Soy Ref oil)+VAT	469	472	-3
Indore (Soy Ref oil)	465	467	-2
Kota (Soy Ref. Oil)+VAT	469	470	-1
Hyderabad (Soy Ref)+VAT	490	490	Nil
Rajkot (Soy Ref)+Tax	460	461	-1

International Highlights

BMD CPO Futures Settle Up

Good demand in physical markets, expectation of hike in export taxes by Indonesian government supported crude palm oil futures on Bursa Malaysian Derivatives. The most active November contract of crude palm oil futures settled up mere MYR5 at MYR2,430 per tonne. The Indonesian refineries and traders buying of Malaysian palm oil in order to avoid the possible hike in export taxes supported the physical markets. The lot size decline and reported at 7,801 lots on Thursday as compared to 11,809 lots on Wednesday.

Domestic Spot Market Highlights

Subdued demand, more influx of imported palm oil as reflected by current vessel position and lackluster trade activities pressured prices of palm oil in domestic markets. The holding back activities of palm oil stocks from traders and dull trading session weakened Indonesian palm oil sentiments. The CIF prices of crude soy oil for September shipment declined further on Thursday at \$787 per tonne as compared to \$800 per tonne on Wednesday. Due to building up stocks in Malaysia, palm oil prices are likely to reflect bearishness there with spill over impact domestically.

BMD: CPO Futures (23.08.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Sep 07	2535	2525	2556	2505	2535	0	664
Oct 07	2470	2473	2500	2448	2473	+3	1072
Nov 07	2425	2422	2457	2401	2430	+5	4770
Dec 07	2410	2404	2434	2385	2410	0	1050
Jan 08	2401	0	0	0	2401	0	0

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	23.08.07	22.08.07	Change
Kandla CPO (5 % FFA)	417	417	Nil
Kandla RBD Palmolein +VAT	448	453	-5
Mumbai RBD Palmolein +VAT	451	452	-1
Chennai RBD Palmolein +VAT	450	446	+4
Kakinada RBD Palmolein +VAT	442	444	-2
Hyderabad RBD Palmolein +VAT	465	464	+1
Delhi RDB Palmolein	488	490	-2

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	23.08.07	22.08.07	Change
Crude Soy Oil	857	853	+4
Crude Palm Oil	787	800	-13
Sunflower Oil	1035	NA	-

Rape/Mustard oil

The sluggish demand and dull trade activities depressed mustard oil sentiments in domestic markets. Lack of supportive news and weakness in competitive palm oil also contributed the weakness. Market also generated the bearishness from weakness in meals both at ports and domestically. As per trade sources, prices of mustard oil is likely to remain range bound in short-term due to lack of supportive news.

Groundnut Oil

The isolated rainfall in parts of Gujarat and Rajasthan were found to be beneficial for early sown Kharif groundnut crop under progress, which in early vegetative/vegetative stage in these regions in combination with weakened demand push back the prices of groundnut oil but the prospects of tight supplies cushion the losses to certain extent. The groundnut seeds prices for different grade remained unchanged to yesterday and quoted between Rs. 405-560 per qtl across Gujarat markets.

Refined Sunflower Oil

The arrivals pressure of sunflower seeds from Tamil Nadu and steady demands of refined sunflower oil results into sluggish trading on Thursday. However, losses were capped by firmness in global market of related commodity. The sunflower oil CIF prices for September shipment quoted at \$1035 per tonne on Thursday. Traders declined possibility of improvement in prices in short-term till arrivals pressure remain high.

Refined Cottonseeds Oil

The spot prices of refined cottonseeds oil traded in bearish undertone in most of trade centres on weak demand and weakness in other edible oil. On one hand, where India is awaiting for bumper harvest in upcoming Kharif season, the adverse weather conditions and virus attack deteriorated the crop condition in Punjab. Where crop damage is likely to stay between 10-20% in upcoming Kharif season. The cotton production is expecting near 40 lakh bales against 55 lakh bales in earlier projection.

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

Centres	23.08.07	22.08.07	Change
Mumbai (Exp. Oil) +VAT	488	490	-2
Kota (Exp. Oil)+VAT	460	460	Nil
Jaipur (Exp. Oil)+VAT	468	468	Nil
Delhi (Exp. Oil)	493	495	-2
Neewai (Exp. Oil) +VAT	460	460	Nil

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	23.08.07	22.08.07	Change
Mumbai +VAT	705	710	-5
Rajkot +VAT	770	775	-5
Hyderabad +VAT	710	705	+5
Chennai +VAT	675	660	+15
Delhi	750	760	-10

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

Centres	23.08.07	22.08.07	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	23.08.07	22.08.07	Change
Mumbai +VAT	492	492	Nil
Hyderabad +VAT	485	490	-5
Rajkot + VAT	492	492	Nil
Delhi	475	485	-10

Forex Rates

Country/ Continent	Currency	Value in Rupees	
		23.08.07	22.08.07
USA	Dollar	40.86	41.01
European Union	Euro	55.38	55.30
Japan	100 Yen	35.25	35.77
United Kingdom	Pound Sterling	81.26	81.39

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Hari Kripa	2,000	CFA*	Expected (27.08.07)
	Global Flora	9,000	CPO	Expected (22.08.07)
	Taunus	23,160	CDSBO	Expected (27.08.07)
	Chem Lily	8,300	Palm oil	Expected (29.08.07)
	Star Dream	4,000	Palm oil Product	Expected (27.08.07)
	Global Triton	8,000	Palm oil Product	Expected (28.08.07)
Kolkata	Skawhegan	11,000	Soy oil	Arrived (22.08.07)
Mumbai	Sc Shanghai	12,000	Palm oil Product	Expected (18.08.07)
	Global Triton	5,700	Palm oil	Expected (27.08.07)

Crude Fatty Acid*Vessels in bold are new on chart.****Disclaimer**

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