

VEGOIL DAILY

August 27th, 2007

REFINED SOY OIL

SPOT MARKET:

Despite bullish CBOT soy futures, spot prices of refined soy oil remained week on expectation of good supplies as reflected by current vessel position and improved soybeans sowing figures. According to government latest figures, soybeans sowing completed in 8.68 million hectares on August 24th against 8.61 million hectares last week and 7.97 million hectares last year. Chinese market is present concentrating more on importing edible oil these days rather soybean as South American soybeans freight cost jump by \$100 in recent time coupled with tight supplies domestically made it unviable to import. Traders reluctant to purchase soybeans as low feed meals demand in July in domestic markets. The crude soy oil CIF price of September shipment rise on Saturday at \$871/tonne against \$857/tonne on Friday, although CIF prices remained between of \$853-871/tonne during the week.

FUTURES MARKET:

Bullish CBOT soy futures and profit-taking from recent falls BMD boosted gains for refined soy oil futures on **NCDEX**. The most active **September** futures contract of refined soy oil opened firmed at Rs. 479 per 10 kg against previous closing at Rs. 478.5 per 10 kg and the contract closed up at Rs. 480.5 per 10 Kg.

The slightly improved prospects of demand in short-terms with underlying firm global cues pushed up refined soy oil futures at **MCX**. The **September** contract opened at Rs. 480.6 per 10kg against previous close of Rs. 479.75 per 10kg. The prices settled up at Rs. 481.55 per 10 Kg.

PRICE DRIVERS:

- Bullish CBOT soy futures
- Expectation of good supplies as reflected by current vessel position
- Soybeans sowing in completed in 8.68 million ha vis-à-vis 7.97 million ha last year
- Rise in CIF prices of crude soy oil
- Weakness in other vegetable oil

Weather

Weather is conducive for good growth of soybean crop.

TECHNICALS

Hollow candle-sticks body indicate prices recouped with indecision. EMA patterns remains short-term bearish. MACD is attempt for bullish crossover in negative territory that hints for bullish recovery. Stochastic is fall while RSI rises in oversold zone. Both volume and open interest declined. Market is expects to trade up initially with bullish bias.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Sept	475	476	480.5	482	483
MCX-Sept.	475	476	481.55	483	484

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil September Contract:

SELL Near 480; T1 near 478, T2 near 477 and put stop loss at 481.

MCX Refined Soy Oil September Contract:

SELL Near 481; T1 near 479, T2 near 478 and put stop loss at 482.

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

Centres	25.08.07	24.08.07	Change
Mumbai (Soy Ref oil)+VAT	464	465	-1
Indore (Soy Ref oil)	458	460	-2
Kota (Soy Ref. Oil)+VAT	466	466	Nil
Hyderabad (Soy Ref)+VAT	485	485	Nil
Rajkot (Soy Ref)+Tax	460	458	+2

PALM OIL

International Highlights

BMD CPO Futures Remains Close on Saturday

Domestic Spot Market Highlights

Improved supplies, weakness in other edible oil and delay in festive demand dragged palm oil lower domestically. BMD CPO futures recovered from last week as reflected by most active November contract of crude palm oil futures, which traded between MYR2,366-2,430/tonne (MYR2,378-2,514/tonne last week). The CIF prices of crude soy oil for September shipment increased on Friday at \$803 per tonne as compared to \$787 per tonne on Thursday. Weakness in competitive edible oil is expecting to weaken the palm oil sentiments in short-term.

BMD: CPO Futures (24.08.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Sep 07	2535	2541	2547	2524	2532	-3	2050
Oct 07	2473	2485	2486	2460	2470	-3	2192
Nov 07	2430	2438	2445	2413	2430	0	4832
Dec 07	2410	2419	2421	2396	2409	-1	1007
Jan 08	2401	2400	2400	2390	2390	-11	15

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	25.08.07	24.08.07	Change
Kandla CPO (5 % FFA)	417	417	Nil
Kandla RBD Palmolein +VAT	450	450	Nil
Mumbai RBD Palmolein +VAT	450	450	Nil
Chennai RBD Palmolein +VAT	456	457	-1
Kakinada RBD Palmolein +VAT	441	441	Nil
Hyderabad RBD Palmolein +VAT	462	462	Nil
Delhi RDB Palmolein	490	490	Nil

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	25.08.07	24.08.07	Change
Crude Soy Oil	871	857	+14
Crude Palm Oil	795	803	-8
Sunflower Oil	1013	1013	Nil

Rape/Mustard oil

Assuming the yesterday mild recovery in prices of mustard oil was transit and declined on Saturday mirrored the downside is yet to complete. Market is also borrowed the bearishness from weakness in other edible oil mainly soy oil. The further weakness in seed prices in near-term forced main buyers expellers to stay away from market that also contributed weakness. Traders are expecting mustard oil is likely to maintain the bearish trends due to weakness in seeds prices.

Groundnut Oil

Prices of groundnut oil declined in Gujarat on apprehension of good crop conditions and improved selling, whereas tight supplies and steady demand strengthened prices in rest of markets. The area under groundnut crop has increased by around 15-16% this season. As per government latest figures groundnut sowing is completed in 5.09 million hectares on August 24th as compared to 5 million hectares as on August 17th vs 4.49 million hectares a year ago. In Rajkot market groundnut oil traded between Rs. 765-780 per 10 kg, During the week.

Refined Sunflower Oil

Refined sunflower oil prices remained range bound on balance in demand and supplies with weakness in other edible oil. The good arrivals of sunflower seeds also remained bearish factor for sunflower oil. The sunflower oil CIF prices for September shipment remained unchanged on Saturday at \$1013 per tonne as on Friday. The underlying firmness in global market of related commodity and ample stock domestically is likely to control the price movement in short-term.

Refined Cottonseeds Oil

Spot prices of refined cottonseeds oil declined further on Saturday on bullish acreage figures and sluggish demand. Prices Cotton sowing in completed in 8.76 million hectares against 8.22 million hectares last year, according to government latest figures on sowing. The area under Bt. cotton is seen at 5.33 million hectares. Traders are expecting further downward movement as underlying weakness in palm oil would eat the bullish sentiments on refined soy oil.

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

Centres	25.08.07	24.08.07	Change
Mumbai (Exp. Oil) +VAT	487	487	Nil
Kota (Exp. Oil)+VAT	462	465	-3
Jaipur (Exp. Oil)+VAT	468	472	-4
Delhi (Exp. Oil)	490	495	-5
Neewai (Exp. Oil) +VAT	463	463	Nil

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	25.08.07	24.08.07	Change
Mumbai +VAT	710	715	-5
Rajkot +VAT	770	765	+5
Hyderabad +VAT	705	705	Nil
Chennai +VAT	675	675	Nil
Delhi	750	750	Nil

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

Centres	25.08.07	24.08.07	Change
Mumbai +VAT	540	540	Nil
Chennai +VAT	545	545	Nil
Hyderabad +VAT	545	545	Nil

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

Centres	25.08.07	24.08.07	Change
Mumbai +VAT	490	495	-5
Hyderabad +VAT	480	480	Nil
Rajkot + VAT	483	485	-2
Delhi	465	475	-10

Forex Rates

Country/ Continent	Currency	Value in Rupees	
		25.08.07	24.08.07
USA	Dollar	41.18	41.18
European Union	Euro	56.18	55.85
Japan	100 Yen	35.38	35.53
United Kingdom	Pound Sterling	82.77	82.41

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Hari Kripa	2,000	CFA*	Expected (27.08.07)
	Marida Princess	10,119	CPO	Expected (26.08.07)
	Taunus	23,160	CDSBO	Expected (27.08.07)
	Chem Lity	8,300	Palm oil	Expected (29.08.07)
	Star Dream	4,000	Palm oil Product	Expected (27.08.07)
	Westama	12,114	Palm oil Product	Expected (01.09.07)
	Havi Ocean	8,500	Palm oil Product	Expected (03.09.07)
	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	Arrived (18.08.07)
	Global Triton	5,700	Palm oil	Expected (27.08.07)
New Manglore	Taunus	11,865	CDSBO	Expected (25.08.07)

*Crude Fatty Acid

Vessels in bold are new on chart.**Disclaimer**

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