

## VEGOIL DAILY

August 13<sup>th</sup>, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Despite improved soybeans plantation, prices of refined soy oil remained firm on improved demand. As on August 10th soybeans sowing completed in 8.47 million ha as compared to 8.18 million hectares last week and 7.9 million ha a year ago. According to Foreign Minister of Argentina, Indian permanently granted the import of Argentine soy oil. The Argentine soy oil recent shipment had been allowed under temporary permission after an investigation launched last year by India into health and Environmental safety of soy oil obtained from transgenic soybeans of Argentina. As per USDA monthly world demand and supply estimation report, July projection of world soy oil ending stocks is estimated at 2.34 million tonnes against June month's projection 2.41 million tonnes. August world soy oil production is forecasted at 37.44 mmt against July's 37.55 mmt. For India, August soy oil production and consumption projection remained unchanged to July's projection at 1.22 mmt and 2.78 mmt respectively. The crude soy oil CIF price for August shipment declined on second consecutive day at \$902/tonne as compared to \$908/tonne on Friday.

#### FUTURES MARKET:

Refined soy oil futures at **NCDEX** settled down on increased in selling interest on unclear prices direction for short-term as well as bearish overseas markets. The most active **September** futures contract opened down at Rs. 494.3 per 10 kg against previous close of Rs. 495.1 per 10 kg and the contract closed down at Rs. 493.9 per 10 Kg.

Following bearish global cues and unclear price direction in short-terms pressured refined soy futures on **MCX**. The **September** contract opened down at Rs. 493.2 per 10kg against previous close of Rs. 495.65 per 10kg. The prices closed up at Rs. 493.9 per 10 Kg.

#### PRICE DRIVERS:

- Slightly bullish USDA month demand/supply report
- Indian government approved the import of Argentine soy oil
- Ahead soybeans plantation vis-à-vis last year
- Crude palm oil CIF prices remained in correction mode
- Improved festive demand domestically

#### Weather

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

#### TECHNICALS

Refined soy oil chart suggested the indecisiveness among the traders. Prices closed well below to 9/18 days EMA indicated medium-term bearishness. MACD moved deeper into negative territory. Stochastic is attempt for bearish crossover in oversold region, which clued to further weakness. Whereas RSI is showing weakness in prices. Volume declined and open interest increased. Market is expected to trade down with steady to slightly weak opening with bearish bias.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Sept	489	490	493.9	498	499
MCX-Sept.	488	489	493.9	497	498

#### TRADE RECOMMENDATION:

**NCDEX Refined Soy Oil September Contract:**

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

**MCX Refined Soy Oil September Contract:**

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

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

Centres	11.08.07	10.08.07	Change
Mumbai (Soy Ref oil)+VAT	480	480	Nil
Indore (Soy Ref oil)	472	471	+1
Kota (Soy Ref. Oil)+VAT	478	478	Nil
Hyderabad (Soy Ref)+VAT	495	495	Nil
Rajkot (Soy Ref)+Tax	465	465	Nil

## PALM OIL

### International Highlights

**BMD CPO Futures Remained Closed on Saturday.**

### Domestic Spot Market Highlights

The spot prices of palm oil traded in bullish tone on improved demand despite bearish global cues. Currently palm oil is discounted over other edible oil and domestic demand remained inclined to cheaper edible oil. The crude soy oil CIF price of August shipment recouped on Saturday at \$805/tonne as compared to \$797/tonne on Friday. Due to discount in Malaysian RBD palm olein prices over Argentine soy oil, global demand is likely to shift to palm oil from soy oil, which in turn support BMD with spill over impact domestically.

#### BMD: CPO Futures (10.08.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Aug 07	2575	2550	2555	2550	2555	-20	20
Sep 07	2558	2530	2555	2504	2537	-21	1684
Oct 07	2535	2516	2528	2479	2515	-20	4758
Nov 07	2510	2500	2510	2465	2499	-11	2302
Dec 07	2500	2462	2472	2462	2465	-35	34

**\*BMD Remains Closed on Saturday and Sunday.**

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	11.08.07	10.08.07	Change
Kandla CPO (5 % FFA)	419	420	-1
Kandla RBD Palmolein +VAT	456	456	Nil
Mumbai RBD Palmolein +VAT	456	456	Nil
Chennai RBD Palmolein +VAT	450	450	Nil
Kakinada RBD Palmolein +VAT	443	445	-2
Hyderabad RBD Palmolein +VAT	464	464	Nil
Delhi RDB Palmolein	495	495	Nil

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

Edible Oil	11.08.07	10.08.07	Change
Crude Soy Oil	902	908	-6
Crude Palm Oil	805	797	+8
Sunflower Oil	1062	1067	-5

### Rape/Mustard oil

Prices of mustard oil remained in slightly bearish undertone with steady demand and weak mustard seeds prices. Market also borrowed the some support from seed prices that declined amidst steady arrivals with slightly weak buying support from expellers. As well as weakness is supported by certain extent with weakness in other edible oil. Traders are expecting the prices of mustard oil likely to remain in bullish tone ahead on festive demand.

### Groundnut Oil

Despite weakness in other edible oil, sluggish demand and good rainfall activities in major groundnut producing belt prices of groundnut oil traded in bullish undertone domestically. The poor demand of groundnut meals domestically and ports are reflected by nil exports in July that capped the gains of groundnut oil to certain extent. As per government latest figures groundnut sowing is completed in 4.84 million hectares as on August 10th against 4.42 million hectares last week and 4.45 million hectares a year ago.

### Refined Sunflower Oil

Spot prices of refined sunflower oil remained in bullish tone on steady demand and lagging sunflower sowing despite weakness in other edible oil. According to government latest sowing data as on August 10<sup>th</sup>, sunflower sowing in completed in 6.28 lakh ha against 7.31 lakh ha a year ago. The CIF prices for August shipment remained unchanged on second consecutive day at \$1067/tonne. As per trade sources, prices of refined sunflower oil are likely to remained firm on supplies concern.

### Refined Cottonseeds Oil

Spot prices of refined cottonseeds oil remained weak following lackluster trade activities and sluggish demand. As per trade sources, market is expecting cottonseeds oil in oil year (2007-08) is expecting over 1.1 million tonne as compared to 9 lakh tonne in current oil year. As per government latest sowing data reflected the sowing is completed in 8.62 million hectares as compared to 8.17 million hectares a year ago and more sowing to data to come.

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

Centres	11.08.07	10.08.07	Change
Mumbai (Exp. Oil) +VAT	493	497	-4
Kota (Exp. Oil)+VAT	470	470	Nil
Jaipur (Exp. Oil)+VAT	478	478	Nil
Delhi (Exp. Oil)	500	501	-1
Neewai (Exp. Oil) +VAT	470	470	Nil

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

Centres	11.08.07	10.08.07	Change
Mumbai +VAT	730	725	+5
Rajkot +VAT	770	760	+10
Hyderabad +VAT	720	720	Nil
Chennai +VAT	680	680	Nil
Delhi	770	770	Nil

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

Centres	11.08.07	10.08.07	Change
Mumbai +VAT	565	565	Nil
Chennai +VAT	572	572	Nil
Hyderabad +VAT	575	575	Nil

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

Centres	11.08.07	10.08.07	Change
Mumbai +VAT	495	495	Nil
Hyderabad +VAT	500	500	Nil
Rajkot + VAT	498	500	-2
Delhi	480	480	Nil

### Forex Rates

Country/ Continent	Currency	Value in Rupees	
		11.08.07	10.08.07
USA	Dollar	40.67	40.67
European Union	Euro	55.51	55.60
Japan	100 Yen	34.49	34.44
United Kingdom	Pound Sterling	82.03	82.12

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Hari Kripa	2,000	CFA*	Expected (12.08.07)
	Sichem Pauda	8,800	Palm oil	Berthed (10.08.07)
	Chem Cosmos	16,800	Palm oil	Expected (11.08.07)
	<b>Golden Glory</b>	<b>5,007</b>	<b>Palm oil</b>	<b>Expected (15.08.07)</b>
	<b>Global Flora</b>	<b>9,000</b>	<b>CPO</b>	<b>Expected (20.08.07)</b>
	<b>Global Triton</b>	<b>8,000</b>	<b>Palm oil Product</b>	<b>Expected (24.08.07)</b>
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)
New Manglore	Arwen	8,000	CDSBO	Expected (14.08.07)

\*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.