

VEGOIL DAILY

September 13th, 2007

REFINED SOY OIL

SPOT MARKET:

Spot prices of refined soy oil declined further on poor demand and lackluster trading. Selling pressure on refined soy oil futures at domestic exchanges also influenced weakness in physical market. Despite forecast of high summer sown oilseeds production in 2007, edible oil imports in 2007/08 is unlikely to slow down and expectedly to remain between 4.7-4.8 mmt (unchanged to current oil year, Nov-Oct). As per reports, China, 2007 soybeans output is lowered at 14.4 mmt from 14.8 mmt earlier estimated and 16 mmt last year. The BMD rose on CBOT and expectation of good exports demand, while surge in wheat, and speculation over USDA month world's S&D estimation strengthened CBOT. The crude soy oil CIF prices of September shipment rose sharply on Wednesday at \$896 per tonne against \$889 per tonne on Tuesday.

FUTURES MARKET:

Despite firmer BMD and CBOT, **NCDEX** refined soy oil futures settled bearish on strong selling pressure Wednesday. The most active **October** future contract of refined soy oil opened at Rs. 475.50 per 10 kg to previous closing at Rs. 475.00 per 10 kg. The contract settled down at Rs. 473.55 per 10 Kg to previous close.

The strong selling pressure, subdued trade activities pushed refined soy oil futures down at **MCX**. The **October** futures contract opened at Rs. 477.45 per 10kg against yesterday closing of Rs. 476.65 per 10kg. The prices closed down at Rs. 475.90 per 10 Kg to yesterday closing.

PRICE DRIVERS:

- Firmer CBOT and BMD CPO futures
- 2007 China soybeans output is estimated at 14.4 mmt to last year's 16 mmt
- Expectation of bullish USDA monthly demand and supplies estimation report
- Outpaced supplies to demand
- Crude soy oil CIF prices increased by \$7
- Steady to weak tone in others edible oil

WEATHER

Weather is conducive for good growth of soybean crop.

TECHNICALS

Refined soy oil chart shows the strong selling pressure. Prices settle down to 9/18 days EMA, suggests weakness in prices. MACD is falling in negative territory. Stochastic and RSI remain weak in neutral zone. Volume declined and open interest increased. Market is expect to trade up with possibility of weak opening.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Oct.	470	471	473.55	481	482
MCX-Oct.	470	472	475.90	481	482

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil **October** Contract:

BUY Above 474; T1 near 476, T2 near 477 and put stop loss at 473.

MCX Refined Soy Oil **September** Contract:

BUY Near 476; T1 near 478, T2 near 479 and put stop loss at 475.

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

Centres	12.09.07	11.09.07	Change
Mumbai (Soy Ref oil)+VAT	463	463	Nil
Indore (Soy Ref oil)	456	457	-1
Kota (Soy Ref. Oil)+VAT	462	462	Nil
Hyderabad (Soy Ref)+VAT	490	481	+9
Rajkot (Soy Ref)+Tax	460	460	Nil

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Sept	476.05	476.80	474.20	474.50	476.15	-1.65
NCDEX	Oct	475.50	476.10	473.55	473.55	475.00	-1.45
NCDEX	Nov	469.70	470.50	467.50	467.50	469.10	-1.60
NCDEX	Dec	471.50	472.80	469.00	469.00	471.25	-2.25
MCX	Sep	478.00	478.00	474.90	475.20	476.45	-1.25
MCX	Oct	477.45	477.80	475.70	475.90	476.65	-0.75
MCX	Nov	470.40	470.50	467.90	467.90	469.60	-1.70
MCX	Dec	473.80	473.80	470.00	470.00	472.15	-2.15

PALM OIL

International Highlights

BMD CPO Futures Finish Up

Renewed buying interest, firmness in overnight CBOT and crude oil strengthened crude palm oil futures on Bursa Malaysian Derivatives. The most active November contract of CPO futures breached the psychological barrier of MYR2,500 per tonne and settled at MYR 2,520 per tonne, gained MYR 20 on Intra day to previous closing level. In physical market, CPO prices remained firmed. BMD CPO trading volume remained thin and totaled at 7,103 lots down from Tuesday's 7,677 lots. Open interest totaled at 54,259 lots vs 54,678 lots yesterday.

Domestic Spot Market Highlights

Physical prices of palm oil witnessed nearly unchanged sentiments to yesterday and traded mostly range bound. Current domestic market is ample with palm oil supplies but lack of supportive buyer's induced weakness. Indonesia palm oil sentiments declined on poor demand and thin trade activities. In recent past, price moves so quickly to demand, thus allow palm oil prices of calm down. The CIF prices of crude palm oil for September shipment increased further on Wednesday at \$800 per tonne against \$795 per tonne on Tuesday.

BMD: CPO Futures (12.09.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Sep 07	2535	2540	2549	2540	2549	+14	85
Oct 07	2523	2531	2546	2531	2543	+20	930
Nov 07	2500	2525	2525	2506	2520	+20	4051
Dec 07	2484	2487	2506	2487	2502	+18	1932
Jan 08	2470	2485	2495	2485	2495	+25	100

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	12.09.07	11.09.07	Change
Kandla CPO (5 % FFA)	417	417	Nil
Kandla RBD Palmolein +VAT	450	450	Nil
Mumbai RBD Palmolein +VAT	446	446	Nil
Chennai RBD Palmolein +VAT	465	465	Nil
Kakinada RBD Palmolein +VAT	442	443	-1
Hyderabad RBD Palmolein +VAT	465	465	Nil
Delhi RDB Palmolein	485	490	-5

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	12.09.07	11.09.07	Change
Crude Soy Oil	896	889	+7
Crude Palm Oil	800	795	+5
Sunflower Oil	1175	1148	+27

Rape/Mustard oil

The lack of buying support at higher prices and subdued trade activities led the weakness for mustard oil in domestic markets. The underlying weakness in other edible oil added the pressure in the markets. The lower meals demand both at domestically and ports also added the bearishness. As per traders, to lure demand; mustard oil prices are likely to drop little more in short-terms.

Groundnut Oil

The spot prices of groundnut oil remained unchanged on Wednesday on balance in demand and supplies and subdued trade activities. Market borrowed the bears from huge groundnut production in upcoming Kharif season but the ideas of tight supplies of groundnut oil supported the range bound trade. The prices of groundnut seeds for different qualities declined on Wednesday and trade between Rs. 410-525 per 20 kg up from yesterday's Rs. 410-560 per 20 kg in different market in Gujarat.

Refined Sunflower Oil

The costlier crude oil and steady demand supported refined sunflower to trade in bullish-tone in major trading centres. As per reports, the 2007, domestic sunflower seed production is expecting to down at 4.5 lakh hectares from 5.40 lakh tonnes last year. The CIF prices of sunflower oil for September shipment rose sharply by \$27 at \$1175 per tonne on Wednesday from \$1148 per tonne on Tuesday.

Refined Cottonseeds Oil

Despite bulls run in global markets, physical prices of refined cottonseeds oil declined on poor demand and underlying weakness in other edible oil. The good rainfall in rainy season with well distribution supported the bullish sentiments for approaching bumper harvesting season. Traders are expecting further correction in prices in coming days is likely due to harvest pressure from Tamil Nadu and underlying weakness in other edible oil.

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

Centres	12.09.07	11.09.07	Change
Mumbai (Exp. Oil) +VAT	481	483	-2
Kota (Exp. Oil)+VAT	460	460	Nil
Jaipur (Exp. Oil)+VAT	468	468	Nil
Delhi (Exp. Oil)	490	490	Nil
Neewai (Exp. Oil) +VAT	460	460	Nil

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	12.09.07	11.09.07	Change
Mumbai +VAT	710	710	Nil
Rajkot +VAT	755	755	Nil
Hyderabad +VAT	700	700	Nil
Chennai +VAT	665	665	Nil
Delhi	740	740	Nil

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

Centres	12.09.07	11.09.07	Change
Mumbai +VAT	565	565	Nil
Chennai +VAT	570	560	+10
Hyderabad +VAT	555	555	Nil

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

Centres	12.09.07	11.09.07	Change
Mumbai +VAT	482	482	Nil
Hyderabad +VAT	485	485	Nil
Rajkot + VAT	478	480	-2
Delhi	475	475	Nil

Forex Rates

Country/ Continent	Currency	Value in Rupees	
		12.09.07	11.09.07
USA	Dollar	40.49	40.58
European Union	Euro	56.14	55.97
Japan	100 Yen	35.54	35.70
United Kingdom	Pound Sterling	82.38	82.22

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Global Neptune	11,000	Palm oil Product	Expected (12.09.07)
	Chem Cosmos	20,248	Palm oil	Expected (16.09.07)
	Bow Plata	8,000	CPO	Expected (18.09.07)
	Shintoku	14,000	Palm oil Product	Expected (15.09.07)
	Global Eos	11,000	CPO	Berthed (11.09.07)
	Theresa Pegasus	21,000	Palm oil Product	Expected (14.09.07)
	Histria Azure	22,000	CDSBO	Berthed (09.09.07)
	Pegasus 7	14,250	CPO	Berthed (10.09.07)
Kolkata	Marida Princess	5,028	CPO	Arrived (10.09.07)
	L. Star	5,200	CPO	Arrived (04.09.07)
	Sima Kazee	9,300	CPO	Arrived (06.09.07)
Mundra	Therasa Pegasus	13,629	Palm oil Product	Expected (12.09.07)
New Mangalore	Global Venus	8,499	CPO	Expected (12.09.07)
Mumbai	Gloabal Neptune	6,000	Palm oil Product	Expected (14.09.07)
	Global Triton	12,000	Palm oil Product	Expected (23.09.07)

Vessels in bold are new on chart.

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