

## VEGOIL DAILY

September 17<sup>th</sup>, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Mumbai market temporary firmed up on bullish trends in CBOT and BMD while rest of physical markets remained salient on poor trading and subdued demand. As per trade sources, early sown soybean has started arriving in Indore market but the arrivals pressure would mount in next 10-15 days. The expectation of firm NOPA report, surge in wheat strengthened CBOT. Traders are expecting August soybeans crush to decline by nearly 4 million bushels to 138.5 million bushels while August soy oil stocks is expecting nearly 2.635-2.665 billion pounds down 170-200 million pounds from July's 2.835 billion pounds. The weekly exports sales of soybeans and soy oil totaled at 346,500 tonnes and 6,200 tonnes against trade expectation between 300,000-550,000 tonnes and 0-20,000 tonne respectively. The crude soy oil CIF prices of September shipment gained sharply on 2nd consecutive days at \$924 per tonne on Friday vs \$912 per tonne on Thursday.

#### FUTURES MARKET:

Strong global cues and renewed buying interest strengthened **NCDEX** refined soy oil futures. The most active **October** futures contract of refined soy oil opened at Rs. 477.50 per 10 kg to previous closing at Rs. 475.95 per 10 kg. The contract settled up at Rs. 482.90 per 10 Kg to previous close.

Bullish global cues with strong buying-interest pushed up refined soy oil futures at **MCX**. The **October** futures contract opened at Rs. 479.50 per 10kg against yesterday closing of Rs. 477.65 per 10kg. The prices closed up at Rs. 484.55 per 10 Kg to yesterday closing.

#### PRICE DRIVERS:

- Firmer CBOT and BMD CPO futures
- Arrivals of new soybeans in Indore market
- Expectation of firmer NOPA August crush report
- Sluggish trade activities and weak demand domestically
- Spiraling crude soy oil CIF prices that increased by \$12
- Weak tone in others edible oil

#### WEATHER

Weather is conducive for good growth of soybean crop.

#### TECHNICALS

Refined soy oil chart shows strong buying pressure and prices managed to breach the resistance level at Rs. 480.5-481. EMA closes above 9/18 days EMA suggest firmness in the market. MACD made bullish crossover in negative zone. Stochastic falls whereas RSI is rising in neutral region. Volume increased and open interest declined. Prices are likely to trade up initially with steady to firm opening with possibility of late downward movement.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Oct.	478	480	482.90	488	491
MCX-Oct.	478	480	484.55	492	494

#### TRADE RECOMMENDATION:

**NCDEX** Refined Soy Oil **October** Contract:

**BUY** Near 483; T1 near 485, T2 near 486 and put stop loss at 482.

**MCX** Refined Soy Oil **October** Contract:

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

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

Centres	14.09.07	13.09.07	Change
Mumbai (Soy Ref oil)+VAT	466	462	+4
Indore (Soy Ref oil)	456	456	Nil
Kota (Soy Ref. Oil)+VAT	462	462	Nil
Hyderabad (Soy Ref)+VAT	495	490	+5
Rajkot (Soy Ref)+Tax	460	460	Nil

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Sept	477.95	481.70	476.90	481.30	475.95	+5.35
NCDEX	Oct	477.50	484.20	477.50	482.90	475.95	+6.95
NCDEX	Nov	472.00	479.30	472.00	478.75	472.20	+6.55
NCDEX	Dec	475.90	483.00	475.90	481.70	473.05	+8.65
MCX	Sep	475.20	476.30	475.15	475.20	474.80	+0.40
MCX	Oct	479.50	485.95	479.50	484.55	477.65	+6.90
MCX	Nov	473.20	479.00	473.20	478.15	470.50	+7.65
MCX	Dec	476.50	482.60	476.50	481.50	473.15	+8.35

## PALM OIL

### International Highlights

#### BMD CPO Futures Gains on Strong Buying

Strong festive buying interest, sharp gains in CBOT strengthened crude palm oil futures on Bursa Malaysian Derivatives. The most active November contract of CPO futures gained MYR 52 at MYR 2,592 per tonne to previous closing level. To meet the export commitments, a trading company purchased good quantity of palm olein lent some support. Trading volume rose sharply and totaled at 8,405 lots, down from Thursday's 10,835 lots. Open interest declined slightly at 54,172 lots from 54,378 lots yesterday.

### Domestic Spot Market Highlights

Outpaced supplies to demand, fears of hefty supplies in short-terms as reflected by current vessel positions at different ports lowered trade activities across domestic markets but firmed global cues strengthened the domestic markets. Short covering and sluggish trade considered set-back for weak trade in Indonesia market. The CIF prices of crude palm oil for September shipment increased on Thursday at \$805 per tonne up from \$800 per tonne on Wednesday. Despite follow-through gains in BMD, domestic palm oil market would maintain the weak undertone.

#### BMD: CPO Futures (14.09.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Sep 07	2565	0	2565	0	2565	0	0
Oct 07	2564	2568	2616	2568	2610	+46	1241
Nov 07	2540	2550	2600	2547	2592	+52	4565
Dec 07	2526	2526	2582	2533	2578	+52	2147
Jan 08	2520	2535	2570	2535	2564	+44	363

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	14.09.07	13.09.07	Change
Kandla CPO (5 % FFA)	419	418	+1
Kandla RBD Palmolein +VAT	450	451	-1
Mumbai RBD Palmolein +VAT	450	444	+6
Chennai RBD Palmolein +VAT	465	465	Nil
Kakinada RBD Palmolein +VAT	446	442	+4
Hyderabad RBD Palmolein +VAT	458	465	-7
Delhi RDB Palmolein	485	485	Nil

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

Edible Oil	14.09.07	13.09.07	Change
Crude Soy Oil	924	912	+12
Crude Palm Oil	810	805	+5
Sunflower Oil	1213	1198	+15

### Rape/Mustard oil

The spot prices of mustard oil traded mostly bearish on poor demand and improved selling pressure from buyers in Rajasthan region. The sentiments for meals are firmed but the poor demand in oil even in these festival days has mixed reaction domestically. The underlying weakness in other edible oil also lent weakness. Current outpaced supplies to demand are likely to support the bears in coming days.

### Groundnut Oil

Physical prices of groundnut oil moved up slightly on firmed global cues. The improved supplies from stockists, poor demand and lackluster trading triggered supported the weakness in groundnut seeds and oil prices domestically and capped the gains. The harvesting season is nearly approaching and arrivals of new crop are likely to hit market from October onwards. The prices of groundnut seeds for different qualities stood remained improved marginally on Friday and trade between Rs. 410-525 per 20 kg up from yesterday's Rs. 410-520 per 20 kg in different market in Gujarat.

### Refined Sunflower Oil

Sharp increases in CIF prices of sunflower oil and crossed psychological barrier of \$1200 per tonne coupled with bullish global markets lent support to refined sunflower oil domestically, however gains were capped by poor demand. The demand almost remained dull with poor supplies. The CIF prices of sunflower oil for September shipment rose sharply further by \$15 at \$1213 per tonne on Friday from \$1198 per tonne on Thursday.

### Refined Cottonseeds Oil

Steadiness in cotton prices, subdued demand and lackluster trading activities supported the market but bullish global cues reflected some support. Temporarily, stockists hold back the stocks boosted the market. Traders are expecting the higher prices of refined cottonseeds oil are unviable domestically because it squeezed the demand as well as anticipation of arrivals pressure would weigh on prices of refined cottonseeds oil in short-term.

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

Centres	14.09.07	13.09.07	Change
Mumbai (Exp. Oil) +VAT	481	480	+1
Kota (Exp. Oil)+VAT	458	460	-2
Jaipur (Exp. Oil)+VAT	466	468	-2
Delhi (Exp. Oil)	492	492	Nil
Neewai (Exp. Oil) +VAT	459	460	-1

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

Centres	14.09.07	13.09.07	Change
Mumbai +VAT	715	715	Nil
Rajkot +VAT	760	750	+10
Hyderabad +VAT	700	700	Nil
Chennai +VAT	660	665	-5
Delhi	750	750	Nil

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

Centres	14.09.07	13.09.07	Change
Mumbai +VAT	565	560	+5
Chennai +VAT	570	570	Nil
Hyderabad +VAT	555	550	+5

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

Centres	14.09.07	13.09.07	Change
Mumbai +VAT	480	480	Nil
Hyderabad +VAT	485	485	Nil
Rajkot + VAT	480	478	+2
Delhi	470	470	Nil

### Forex Rates

Country/ Continent	Currency	Value in Rupees	
		14.09.07	13.09.07
USA	Dollar	40.45	40.44
European Union	Euro	56.09	56.20
Japan	100 Yen	35.15	35.38
United Kingdom	Pound Sterling	81.72	82.01

**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 (19.09.07)
	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	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 (14.09.07)
New Manglore	Global Venus	8,499	CPO	Arrived (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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