

VEGOIL DAILY

September 6th, 2007

REFINED SOY OIL

SPOT MARKET:

Spot prices of refined soy oil gained further domestically on improved demand and bullish global cues. BMD CPO future gained on strong buying Malaysia palm oil by Indonesian exports and refineries to meet the export commitments. The surge in wheat and expectation of lower yield in Southern Midwest and delta coupled with strong exports sales strengthened CBOT soy futures. The good demand of Brazilian origin soy oil sparked the surge in August soy oil exports that totaled at 183,600 tonnes as compared to 136,800 tonnes last month and 176,000 tonnes a year ago. July soy oil production stood at 5.7 mmt as compared to 5.5 mmt produced last years. In July soy oil stocks rose at 428,000 tonne vs 419,000 tonne last month. The crude soy oil CIF price of September shipment declined on Wednesday at \$875/tonne as compared to \$877/tonne on Tuesday.

FUTURES MARKET:

The fears to continue on bulls on weak fundamentals and firmed global cues turned up refined soy oil futures at **NCDEX** on Wednesday. The most active **September** futures contract opened firm at Rs. 481.90 per 10 kg against previous closing at Rs. 480.70 per 10 kg and the contract closed up at Rs. 481.90 per 10 Kg.

The bullish CBOT and BMD CPO future thin trading as traders balked due to higher prices sparked refined soy oil futures slightly indecisive at **MCX**. The **September** contract opened at Rs. 482.70 per 10kg against yesterday closing of Rs. 481.35 per 10kg. The prices closed up at Rs. 482.80 per 10 Kg.

PRICE DRIVERS:

- Improved demand and steady supplies
- Strong buying of Malaysian palm oil from Indonesian exports and refineries
- Firmed BMD and CBOT
- The CIF prices of crude soy oil declined by \$2 at \$875/tonne
- Brazilian August soy oil exports rose at 4.32% at 183,600 tonnes to last year

Weather

Weather is conducive for good growth of soybean crop.

TECHNICALS

Candlestick chart pattern indicated the indecisiveness at higher level. EMA remain short-term firm. MACD is rising after bullish crossover in negative territory. Stochastic and RSI is rising in neutral zone. Both volume and open interest declined. Market is expects to trade up with steady to weak opening.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Sept	478	479	481.90	487	488
MCX-Sept.	478	479	482.80	486	487

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil September Contract:

BUY Above 481; T1 near 483, T2 near 484 and put stop loss at 480.

MCX Refined Soy Oil September Contract:

BUY Near 482; T1 near 484, T2 near 485 and put stop loss at 481.

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

Centres	05.09.07	04.09.07	Change
Mumbai (Soy Ref oil)+VAT	467	465	+2
Indore (Soy Ref oil)	460	460	Nil
Kota (Soy Ref. Oil)+VAT	464	464	Nil
Hyderabad (Soy Ref)+VAT	482	482	Nil
Rajkot (Soy Ref)+Tax	460	460	Nil

International Highlights**BMD CPO Futures Settle Up on Indonesia Buying**

The good buying support from Indonesian exports and refineries to meet the export commitments and gains in crude oil strengthened crude palm oil futures on Bursa Malaysian Derivatives. The most active November contract breach the psychological barrier of MYR2,500 per tonne but eagerness by traders to selling off at this level led the settling of CPO futures at MYR2,495 per tonne after gaining MYR36 to yesterday. Market also gains support from surge in CBOT soy futures.

Domestic Spot Market Highlights

The lack of sustainability at higher level in domestically sparked weakness on palm oil in physical markets, as demand remained dull, however downside remained in control of firmed global market of related commodities. Indonesian palm oil markets turned down on Wednesday on poor trade activities at higher prices despite firmed overseas markets. The CIF prices of crude palm oil quoted at \$765 per tonne on Wednesday. The underlying weakness in edible oil and expectation for further downside may extend the weakness in near-term

BMD: CPO Futures (05.09.2007)**(Ringgit/ton)**

Months	Previous	Open	High	Low	Close	Change	Volume
Sep 07	2517	2525	2546	2525	2545	+28	588
Oct 07	2480	2505	2524	2499	2520	+40	1428
Nov 07	2459	2481	2501	2472	2495	+36	5814
Dec 07	2444	2466	2482	2453	2480	+36	1285
Jan 08	2433	2450	2472	2445	2470	+37	219

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price**(Rs. Per 10 kg)**

Centres	05.09.07	04.09.07	Change
Kandla CPO (5 % FFA)	419	421	-2
Kandla RBD Palmolein +VAT	454	MC	-
Mumbai RBD Palmolein +VAT	452	452	Nil
Chennai RBD Palmolein +VAT	465	462	+3
Kakinada RBD Palmolein +VAT	445	445	Nil
Hyderabad RBD Palmolein +VAT	464	464	Nil
Delhi RDB Palmolein	485	485	Nil

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	05.09.07	04.09.07	Change
Crude Soy Oil	475	877	-2
Crude Palm Oil	765	NA	-
Sunflower Oil	1138	1143	-5

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. Traders are expecting to elicit the domestic demand; mustard oil prices are likely to drop further in short-terms.

Groundnut Oil

Await for more than a month for good arrivals pressure of fresh groundnut seeds and oil coupled with holding back activities from stockists support prices in Mumbai market, whereas prices remained range bound elsewhere on balance in demand and supply. The low demand of seeds and reports of light arrivals from Maharashtra and Madhya Pradesh capped the gains to contain extent. Traders are expecting buoyancy in prices of groundnut oil on lack of fresh fundamental news.

Refined Sunflower Oil

With the costlier crude oil prices and disinterest of traders to unload at current prices boosted the prices of refined sunflower oil domestically. As well market generated bullishness from underlying firmed global sentiments for sunflower. Karnataka and Tamil Nadu sunflower arrivals are on but lack of sufficient arrivals to market need sparked the firmness the prices. The CIF prices of sunflower oil for September shipment declined on Wednesday at \$1138 per tonne as compared to \$1143/tonne as on Tuesday.

Refined Cottonseeds Oil

The spot prices of refined cottonseeds oil turned range bound on Wednesday on steady demand/supplies and weaker trade activities. Markets lack the fresh fundamentals and subdued trade activities cut the gains. According to trade sources, country is expecting the good revenue collection in the upcoming harvest season as overseas markets is having good demand on Indian origin cotton.

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

Centres	05.09.07	04.09.07	Change
Mumbai (Exp. Oil) +VAT	483	483	Nil
Kota (Exp. Oil)+VAT	455	462	-7
Jaipur (Exp. Oil)+VAT	465	468	-3
Delhi (Exp. Oil)	485	MC	-
Neewai (Exp. Oil) +VAT	462	462	Nil

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	05.09.07	04.09.07	Change
Mumbai +VAT	715	690	+25
Rajkot +VAT	770	770	Nil
Hyderabad +VAT	700	700	Nil
Chennai +VAT	670	660	+10
Delhi	755	MC	-

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

Centres	05.09.07	04.09.07	Change
Mumbai +VAT	555	550	+5
Chennai +VAT	555	555	Nil
Hyderabad +VAT	565	565	Nil

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

Centres	05.09.07	04.09.07	Change
Mumbai +VAT	484	484	Nil
Hyderabad +VAT	485	485	Nil
Rajkot + VAT	490	490	Nil
Delhi	456	MC	-

Forex Rates

Country/ Continent	Currency	Value in Rupees	
		05.09.07	04.09.07
USA	Dollar	40.94	40.91
European Union	Euro	55.59	55.72
Japan	100 Yen	35.38	35.32
United Kingdom	Pound Sterling	82.26	82.57

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Yaad E Mostafa	13,000	Soy oil	Arrived (01.09.07)
	Taunus	23,160	CDSBO	Arrived (31.08.07)
	Global Neptune	11,000	Palm oil Product	Expected (07.09.07)
	Anawan	11,000	CDSBO	Expected (05.09.07)
	Theresa Pegasus	21,000	Palm oil Product	Expected (10.09.07)
	Histria Azure	22,000	CDSBO	Expected (08.09.07)
	Pegasus 7	14,250	CPO	Expected (10.09.07)
	Havi Ocean	8,500	Palm oil Product	Expected (06.09.07)
Kolkata	Yong Cheng-17	3,556	CPO	Arrived (26.08.07)
	Southern York	5,353	CPO	Arrived (28.08.07)
	African Future	18,696	Soy oil	Arrived (31.08.07)

Vessels in bold are new on chart.

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