

VEGOIL DAILY

September 18th, 2007

REFINED SOY OIL

SPOT MARKET:

Strong gains in domestic exchanges and improved demand of Ramadan supported physical prices of refined soy oil domestically. Anticipating, soy oil prices might move up further from prevailing prices, stockists preferred to hold back their stocks of soy oil lent some support. Market also gained some support from firmed BMD, which is supported by improved exports figures by SGS and surge in crude oil. According to SGS estimation, Malaysian palm oil exports rose 2.2% at 601,562 tonnes between September 1-15 up from 588,658 tonnes same period in August. The crude soy oil CIF prices of September shipment kept the bullish-trends and rose sharply again by \$18 at \$942 per tonne from \$924 per tonne on Friday.

FUTURES MARKET:

Strong global cues and follow-through buying interest strengthened **NCDEX** refined soy oil futures. The most active **October** futures contract of refined soy oil opened at Rs. 483.10 per 10 kg to previous closing at Rs. 482.65 per 10 kg. The contract settled up at Rs. 489.05 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. 485.00 per 10kg against yesterday closing of Rs. 484.20 per 10kg. The prices closed up at Rs. 484.30 per 10 Kg to yesterday closing.

PRICE DRIVERS:

- Firmer CBOT and BMD CPO futures
- Arrivals of new soybeans in Indore market
- Surge in crude oil prices
- Improved demand and tight supplies domestically
- Spiraling crude soy oil CIF prices that further increased by \$18
- Firmness in others edible oil

WEATHER

Weather is conducive for good growth of soybean crop.

TECHNICALS

Light candlestick with formation indicates strong buying interest with slightly tentativeness at higher level. Prices closed above 9/18 days EMA suggest medium-term firmness. MACD is rising in positive zone. Stochastic made bullish crossover in neutral region and RSI just enters in overbought zone. Prices are likely to trade up initially with steady to firm opening.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Oct.	485	486	489.05	495	496
MCX-Oct.	484	485	489.60	495	496

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil **October** Contract:

BUY Near 489; T1 near 491, T2 near 492 and put stop loss at 488.

MCX Refined Soy Oil **October** Contract:

BUY Near 490; T1 near 492, T2 near 493 and put stop loss at 489.

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

Centres	17.09.07	14.09.07	Change
Mumbai (Soy Ref oil)+VAT	472	466	+6
Indore (Soy Ref oil)	461	456	+5
Kota (Soy Ref. Oil)+VAT	464	462	+2
Hyderabad (Soy Ref)+VAT	500	495	+5
Rajkot (Soy Ref)+Tax	460	460	Nil

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Sept	481.00	485.90	481.00	485.00	481.30	+0.77
NCDEX	Oct	483.10	490.15	482.75	489.05	482.65	+1.34
NCDEX	Nov	479.50	489.80	479.05	487.00	478.55	+1.79
NCDEX	Dec	483.00	492.60	482.95	491.20	481.95	+1.92
MCX	Sep	475.20	476.30	475.15	475.55	474.80	+0.16
MCX	Oct	485.00	490.90	484.30	489.60	484.20	+1.12
MCX	Nov	479.55	488.20	479.00	486.50	478.20	+1.74
MCX	Dec	483.00	490.00	483.00	490.50	482.35	+1.69

PALM OIL

International Highlights

BMD CPO Futures Gains on Strong Buying

Profit-taking in last session as market rose too quickly in past few days and reached to psychological barrier of MYR2,620 per tonne, manage to support the crude palm oil futures on Bursa Malaysian Derivatives along with follow-through buying interest. The most active December contract of CPO futures gained MYR 12 at MYR 2,590 per tonne to previous closing level. Market gains some firmness from after-trading at e-CBOT. According to SGS estimation, Malaysian palm oil exports rose 2.2% at 601,562 tonnes between September 1-15 up from 588,658 tonnes same period in August.

Domestic Spot Market Highlights

Firmed global cues and slightly improvement in demand domestically manage to support the physical prices of palm oil and market ignored the fears of oversupplies as highlighted by current vessel position. Lack of clear prices direction for near-terms and thin trading kept trader aside in Indonesian market. The CIF prices of crude palm oil for September shipment rose quickly on Monday by \$12 at \$822 per tonne from \$810 per tonne on Saturday.

BMD: CPO Futures (17.09.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Oct 07	2610	2644	2644	2590	2604	-6	1744
Nov 07	2592	2635	2635	2538	2595	+3	3338
Dec 07	2578	2610	2619	2526	2590	+12	5436
Jan 08	2572	2600	2605	2565	2575	+3	721
Feb 08	2554	2570	2580	2570	2580	+26	16

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	17.09.07	14.09.07	Change
Kandla CPO (5 % FFA)	421	419	+2
Kandla RBD Palmolein +VAT	455	450	+5
Mumbai RBD Palmolein +VAT	452	450	+2
Chennai RBD Palmolein +VAT	465	465	Nil
Kakinada RBD Palmolein +VAT	452	446	+6
Hyderabad RBD Palmolein +VAT	465	458	+7
Delhi RDB Palmolein	490	485	+5

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	17.09.07	14.09.07	Change
Crude Soy Oil	942	924	+18
Crude Palm Oil	822	810	+12
Sunflower Oil	1238	1213	+23

Rape/Mustard oil

Trading firmness in other edible oil and improved demand helped spot prices of mustard oil across domestic markets. The improved in mustard seeds prices and declined arrivals in major trading centres added the firmness. In expectation of prices may move further high, stockists hold the supplies and radiated firm support domestically.

Groundnut Oil

The prevailing prospects of insufficient supplies and steady demand forced groundnut oil to trade on higher side. The firmness in meals market both at ports and in physical markets lent some bullish support. In Hyderabad and Delhi markets trade activities remained dull as most of traders stayed away from market. The prices of groundnut seeds for different qualities stood remained improved marginally on Monday and trade between Rs. 410-540 per 20 kg up from yesterday's Rs. 410-520 per 20 kg in different market in Gujarat.

Refined Sunflower Oil

Costlier crude oil prices and firmness in overseas market of related commodities helped supported refined sunflower oil in spot markets, albeit steady demand. The Kharif crop condition is good expect mild incidence of hairy cater piller in few parts in Maharashtra. The CIF prices of sunflower oil for September shipment rose sharply again \$23 at \$1238 per tonne on Monday from \$1213 per tonne on Friday.

Refined Cottonseeds Oil

Despite bullish sentiments for new crop, refined cottonseeds oil improved across domestic markets on steady demand and firmness in other edible oil. The firmness in meals market also strengthened the markets. The prospects of tight supplies and steady demand would keep the prices of refined cottonseeds oil steady to slight firm ahead.

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

Centres	17.09.07	14.09.07	Change
Mumbai (Exp. Oil) +VAT	486	481	+5
Kota (Exp. Oil)+VAT	460	458	+2
Jaipur (Exp. Oil)+VAT	468	466	+2
Delhi (Exp. Oil)	495	492	+3
Neewai (Exp. Oil) +VAT	460	459	+1

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	17.09.07	14.09.07	Change
Mumbai +VAT	725	715	+10
Rajkot +VAT	790	760	+30
Hyderabad +VAT	700	700	Nil
Chennai +VAT	685	660	+15
Delhi	750	750	Nil

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

Centres	17.09.07	14.09.07	Change
Mumbai +VAT	570	565	+5
Chennai +VAT	575	570	+5
Hyderabad +VAT	555	555	Nil

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

Centres	17.09.07	14.09.07	Change
Mumbai +VAT	485	480	+5
Hyderabad +VAT	490	485	+5
Rajkot + VAT	490	480	+10
Delhi	485	470	+15

Forex Rates

Country/ Continent	Currency	Value in Rupees	
		17.09.07	14.09.07
USA	Dollar	40.47	40.45
European Union	Euro	56.17	56.09
Japan	100 Yen	35.09	35.15
United Kingdom	Pound Sterling	81.07	81.72

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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