

VEGOIL DAILY

September 3rd, 2007

REFINED SOY OIL

SPOT MARKET:

Recent revision in exports taxes by Indonesian remains inductive for refined soy oil domestically with improvement in prices. However latest soybeans sowing figures, sluggish demand restricted the higher side. According to government latest figures, soybeans sowing completed in 8.72 million hectares on August 31st against 8.68 million hectares last week and 7.98 million hectares last year. As per trade estimates, Malaysia August crude palm oil production is expecting at 1.25 mmt as compared to 1.36 mmt in July. Declined July soy oil stocks, expectation of lower soybeans yields in Southern Midwest and Delta and weakness in wheat turned CBOT mixed. As per latest Census report, US July soy oil stocks totaled at 3.22 billion pounds against 3.36 billion pounds last month and 3.12 billion pounds in July 2006. The crude soy oil CIF price of September shipment declined slightly on Saturday at \$877/tonne against \$878/tonne on Friday, although CIF prices traded between of \$867-878/tonne during the week.

FUTURES MARKET:

The recent revision in exports taxes by Indonesia and slightly improved fundamentals supported follow-through rallies on refined soy oil futures at **NCDEX** on choppy trade day. The most active **September** futures contract of refined soy oil opened weak at Rs. 477.85 per 10 kg against previous closing at Rs. 478.1 per 10 kg and the contract closed up at Rs. 480.10 per 10 Kg.

Underlying bullish global cues and improved buying interest and ideas of tight supplies in coming weeks led the firmness for refined soy oil futures at **MCX**, even trade activities remains choppy. The **September** contract opened at Rs. 478 per 10kg against previous close of Rs. 479.15 per 10kg. The prices settled up at Rs. 480.65 per 10 Kg.

PRICE DRIVERS:

- Weakness in other edible oil
- Declined US July soy oil stocks to last month and improved to last year
- Malaysia crude palm oil August production in expecting to decline at 1.25 mmt against 1.36 mmt in July
- Sluggish demand with improved selling from stockists

Weather

Weather is conducive for good growth of soybean crop.

TECHNICALS

Refined soy oil chart shows the increased buying interest with tentativeness both at levels. Price closed between 9/18 days EMA indicates short-term firmness. MACD is rising, which hints for further recovery in prices in upcoming days. Stochastic and RSI is rising into neutral region. Volume declined while open interest increased. Market is expected to trade up with steady to slightly firm opening with possible downward movement in late session.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Sept	475	476	480.10	485	486
MCX-Sept.	476	477	480.65	485	486

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil September Contract:

BUY Near 480; T1 near 482, T2 near 483 and put stop loss at 479.

MCX Refined Soy Oil September Contract:

BUY above 480; T1 near 482, T2 near 483 and put stop loss at 479.

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

Centres	01.09.07	31.08.07	Change
Mumbai (Soy Ref oil)+VAT	460	460	Nil
Indore (Soy Ref oil)	456	452	+4
Kota (Soy Ref. Oil)+VAT	463	462	+1
Hyderabad (Soy Ref)+VAT	482	483	-1
Rajkot (Soy Ref)+Tax	460	460	Nil

PALM OIL

International Highlights

BMD CPO Futures Will Remain Closed on Friday on National Holiday.

Domestic Spot Market Highlights

The revision in export taxes by Indonesian remains conducive for Saturday trades and price moved. Currently, the market is struggling to attain a firm position that impeded to lure the supportive demand. The new system will impose 0% export taxes in prices fall below \$550/tonne, 2.5% if prices remain within \$550-649/tonne, 5% when prices will remain within \$650-749/tonne and 7.5%, if export taxes within \$750-849/tonne and 10% if prices move above \$850/tonne. As many vessels are lined up to unload palm oil domestically as reflected by current vessel positions, further weakness is expected in near-term.

BMD: CPO Futures (30.08.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Sep 07	2490	2475	2475	2446	2463	-27	825
Oct 07	2445	2432	2432	2394	2406	-39	2715
Nov 07	2412	2395	2402	2368	2378	-34	4860
Dec 07	2397	2375	2375	2354	2366	-31	1103
Jan 08	2389	0	2389	0	2389	0	0

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

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	01.09.07	31.08.07	Change
Kandla CPO (5 % FFA)	416	416	Nil
Kandla RBD Palmolein +VAT	451	449	+2
Mumbai RBD Palmolein +VAT	448	446	+2
Chennai RBD Palmolein +VAT	452	452	Nil
Kakinada RBD Palmolein +VAT	442	443	-1
Hyderabad RBD Palmolein +VAT	463	463	Nil
Delhi RDB Palmolein	485	485	Nil

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	01.09.07	31.08.07	Change
Crude Soy Oil	877	878	-1
Crude Palm Oil	NA	NA	-
Sunflower Oil	1138	1148	-10

Rape/Mustard oil

The bullish reaction against recent revision in export taxes by Indonesian supported mustard oil prices in spot markets. Market gained some bullish momentum from firmness in other edible oil in domestic markets. However, sluggish demand chopped the gains to certain extent. Fears among traders for further weakness in mustard oil on improve selling activities by stockists are likely to remain conducive in coming days.

Groundnut Oil

Despite sluggish demand, rains in part of Gujarat with good crop progress groundnut oil prices firmed up to remains in sync with other vegetable oil. The weakness in other edible oil and improved groundnut sowing figures coupled with expectation of more arrivals of vessels carrying edible oil in short-term also pressured the markets. As per government latest figures groundnut sowing is completed in 5.16 million hectares on August 31st as compared to 5.09 million hectares as on August 24th vs 4.52 million hectares a year ago.

Refined Sunflower Oil

Spot price of refined sunflower oil remained range bound across domestic market on balance in demand and supplies. According to government last figures on oilseeds sowing, highlighted sunflower acreage totaled at 7.06 lakh hectares on August 31st versus 6.9 lakh hectares last week and 8.06 lakh hectares a year ago. The CIF prices of sunflower oil for September shipment declined on Saturday by \$10 at \$1138/tonne against \$1148/tonne on Friday.

Refined Cottonseeds Oil

Tracking firmness in groundnut oil, refined cottonseeds oil also firmed up in major trading centers. Trade activities remain dull as more weakness in expecting in coming days. The isolated rainfall in past couple of days is supportive for cotton crop under progress, traders added that limited the upside. Traders are remains optimistic for further decline in coming days.

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

Centres	01.09.07	31.08.07	Change
Mumbai (Exp. Oil) +VAT	477	474	+3
Kota (Exp. Oil)+VAT	460	460	Nil
Jaipur (Exp. Oil)+VAT	468	468	Nil
Delhi (Exp. Oil)	485	485	Nil
Neewai (Exp. Oil) +VAT	461	460	+1

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	01.09.07	31.08.07	Change
Mumbai +VAT	690	690	Nil
Rajkot +VAT	760	730	+30
Hyderabad +VAT	700	700	Nil
Chennai +VAT	665	665	Nil
Delhi	755	755	Nil

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

Centres	01.09.07	31.08.07	Change
Mumbai +VAT	545	545	Nil
Chennai +VAT	550	550	Nil
Hyderabad +VAT	565	545	+20

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

Centres	01.09.07	31.08.07	Change
Mumbai +VAT	480	478	+2
Hyderabad +VAT	485	485	Nil
Rajkot + VAT	482	475	+7
Delhi	456	456	Nil

Forex Rates

Country/ Continent	Currency	Value in Rupees	
		01.09.07	31.08.07
USA	Dollar	40.96	40.96
European Union	Euro	55.83	55.96
Japan	100 Yen	35.38	35.23
United Kingdom	Pound Sterling	82.62	82.55

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Stella Azzurra	10,831	CDSBO	Berthed (30.08.07)
	Yaad E Mostafa	13,000	Soy oil	Expected (01.09.07)
	Taunus	23,160	CDSBO	Expected (31.08.07)
	Chem Lity	8,300	Palm oil	Berthed (29.08.07)
	Global Neptune	11,000	Palm oil Product	Expected (04.09.07)
	Anawan	11,000	CDSBO	Expected (05.09.07)
	Theresa Pegasus	21,000	Palm oil Product	Expected (10.09.07)
	Westama	12,114	Palm oil Product	Berthed (30.08.07)
	Havi Ocean	8,500	Palm oil Product	Expected (03.09.07)
	Global Triton	8,000	Palm oil Product	Berthed (28.08.07)
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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