

VEGOIL DAILY

September 12th, 2007

REFINED SOY OIL

SPOT MARKET:

Besides firm global cues, physical prices of refined soy oil declined on poor demand and weakness in others edible oil. Expectation of sharp falls in refined soy oil in short-term, pushed stockists to quench the market also lent weakness. Depleting local inventories and reports of dull crop figures strengthened soybeans exports in China during January-August by 1.8% at 19.81 mmt vis-à-vis last year. CBOT soy futures gained sharply tracking improvement in wheat with follow-through buying interest among traders as well as expectation of supportive USDA monthly world demand and supply report. The crude soy oil CIF price of September shipment increased further on Tuesday at \$889 per tonne \$885 per tonne on Monday.

FUTURES MARKET:

Strong selling pressure, sluggish BMD CPO futures and unclear prices direction for short-term pushed down **NCDEX** refined soy oil futures on Tuesday. The most active **October** futures contract opened at Rs. 478.35 per 10 kg to previous closing at Rs. 478.05 per 10 kg and the contract settled down at Rs. 474.55 per 10 Kg to previous close.

The mixed BMD CPO futures, poor buying interest and lacklustre trade activities turned down refined soy oil futures at **MCX**. The **October** futures contract opened at Rs. 480 per 10kg against yesterday closing of Rs. 479.7 per 10kg. The prices closed slightly down at Rs. 476.35 per 10 Kg to yesterday closing.

PRICE DRIVERS:

- Firmer CBOT and BMD CPO futures
- During Jan-Aug China soybeans import rose 1.8% at 19.81 mmt
- Expectation of bullish USDA monthly demand and supplies estimation report
- Outpaced supplies to demand
- Crude soy oil CIF prices increased by \$4
- Weak tone in others edible oil

WEATHER

Weather is conducive for good growth of soybean crop.

TECHNICALS

Dark body candlesticks with longer upper shadow indicate strong selling pressure and market able to break the sideways movement. EMA pattern shows weakness in prices. MACD makes bearish crossover in negative territory, which hints for further downward correction. Stochastic and RSI is falling in the neutral zone. Volume increases and open interest declines. Market is expects to trade down with steady to slightly weak opening.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Oct.	470	471	474.60	478	479
MCX-Oct.	470	472	476.35	479	480

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil **October** Contract:

SELL Near 475; T1 near 473, T2 near 472 and put stop loss at 476.

MCX Refined Soy Oil **September** Contract:

SELL Below 477; T1 near 475, T2 near 474 and put stop loss at 478.

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

Centres	11.09.07	10.09.07	Change
Mumbai (Soy Ref oil)+VAT	463	464	-1
Indore (Soy Ref oil)	457	459	-2
Kota (Soy Ref. Oil)+VAT	462	462	Nil
Hyderabad (Soy Ref)+VAT	481	481	Nil
Rajkot (Soy Ref)+Tax	460	460	Nil

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Sept	478.90	480.00	475.50	476.60	478.60	-2.00
NCDEX	Oct	478.35	479.20	474.55	474.60	478.05	-3.45
NCDEX	Nov	472.00	472.40	468.65	468.80	471.25	-2.45
MCX	Sept	479.15	479.50	476.10	476.20	478.15	-1.95
MCX	Oct	480.00	480.90	476.20	476.35	479.70	-3.35
MCX	Nov	472.00	472.50	468.85	468.85	471.50	-2.65
MCX	Dec	478.50	478.50	471.85	471.85	475.35	-3.50

PALM OIL

International Highlights

BMD CPO Futures Settle Mixed

Higher crude oil prices, overnight firm CBOT and expectation of bullish export in September manage to support crude palm oil futures on Bursa Malaysian Derivatives. The most active November contract of CPO futures settled unchanged at MYR 2,500 per tonne to previous level. In physical market, CPO prices remained firmed. BMD CPO trading volume remained at 7,677 lots, rise from previous 5,864 lots. Open interest totaled 54,678 lots against 54,170 lots on Monday.

Domestic Spot Market Highlights

Spot prices of palm oil traded mostly range bound on balance in demand and supplies and lack of supportive news. Domestic vanaspati production in current oil year (Nov-Oct) is expecting to down 5.2% at 1.09 mmt vs last year due to cheaper and massive inflow of duty free vanaspati from neighbor countries like Nepal and Sri Lanka. Currently 120 units are operational out of installed 267 units. The Indonesian palm oil market traded mostly range bound on lack of fresh fundamentals and sluggishness in BMD CPO futures. The CIF prices of crude palm oil for September shipment rise further on Tuesday at \$795 per tonne against \$787 per tonne on Monday.

BMD: CPO Futures (11.09.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Sep 07	2537	2550	2550	2528	2530	-7	192
Oct 07	2522	2536	2539	2320	2523	+1	1507
Nov 07	2500	2515	2516	2494	2500	Nil	4499
Dec 07	2479	2495	2497	2477	2484	+5	1377
Jan 08	2473	2485	2485	2470	2470	-3	45

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	11.09.07	10.09.07	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	468	-3
Kakinada RBD Palmolein +VAT	443	441	+2
Hyderabad RBD Palmolein +VAT	465	465	Nil
Delhi RDB Palmolein	490	490	Nil

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	11.09.07	10.09.07	Change
Crude Soy Oil	889	885	+4
Crude Palm Oil	795	787	+8
Sunflower Oil	1148	1148	Nil

Rape/Mustard oil

Spot prices of mustard oil settled in bullish tone domestically on steady demand coupled with slightly tight supplies. After rising sharply in short-term, rapeseeds meals is calming down both domestically and at ports coupled with weakness in other edible oil that chopped the underlying developing bullish sentiments in mustard oil. According to traders, prices of mustard oil is likely to stay range bound to slightly weak undertone due to spill over impact of bulky soybeans arrivals in short-terms.

Groundnut Oil

Expectation of good Kharif groundnut production as reflected by COOIT figures, poor demand and cheaper availability of other edible oil depressed groundnut oil sentiments in spot markets. Country is heading to produce nearly 46 lakh tonnes of groundnut seeds up from as compared to 35 lakh tonnes last year, in Kharif harvesting, as shown in 1st advance estimation by Central Organization of Oil Industry and Trade (COOIT). The prices of groundnut seeds for different qualities varied from Rs. 410-560 per 20 kg in different market in Gujarat.

Refined Sunflower Oil

Costlier crude oil and firmness in global markets due to tight supplies helped refined sunflower oil to stay firmed in major trading centres. According to government latest figures on oilseeds sowing, highlighted sunflower acreage is still lagging at 7.21 lakh hectares on September 7th from 7.06 lakh hectares on August 31st and 8.17 lakh hectares a year ago. The CIF prices of sunflower oil for September shipment remained unchanged on 3 straight day at \$1148 per tonne on Monday.

Refined Cottonseeds Oil

The lackluster trading, subdued demand forced refined cottonseeds oil to trade bearish in the physical markets. Weakness in meal segment maintained supported the bears in the markets. Declining palm oil also remains supportive for cottonseeds oil. 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	11.09.07	10.09.07	Change
Mumbai (Exp. Oil) +VAT	483	482	+1
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	11.09.07	10.09.07	Change
Mumbai +VAT	710	710	Nil
Rajkot +VAT	755	770	-15
Hyderabad +VAT	700	700	Nil
Chennai +VAT	665	665	Nil
Delhi	740	740	Nil

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

Centres	11.09.07	10.09.07	Change
Mumbai +VAT	565	560	+5
Chennai +VAT	560	560	Nil
Hyderabad +VAT	555	555	Nil

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

Centres	11.09.07	10.09.07	Change
Mumbai +VAT	482	482	Nil
Hyderabad +VAT	485	485	Nil
Rajkot + VAT	480	483	-3
Delhi	475	475	Nil

Forex Rates

Country/ Continent	Currency	Value in Rupees	
		11.09.07	10.09.07
USA	Dollar	40.58	40.63
European Union	Euro	55.97	55.96
Japan	100 Yen	35.70	35.90
United Kingdom	Pound Sterling	82.22	82.42

PORT-WATCH (Latest):

Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Yaad E Mostafa	13,000	Soy oil	Arrived (01.09.07)
	Global Neptune	11,000	Palm oil Product	Expected (12.09.07)
	Shintoku	14,000	Palm oil Product	Expected (15.09.07)
	Anawan	11,000	CDSBO	Berthed (05.09.07)
	Global Eos	11,000	CPO	Expected (11.09.07)
	Theresa Pegasus	21,000	Palm oil Product	Expected (10.09.07)
	Histria Azure	22,000	CDSBO	Expected (09.09.07)
	Pegasus 7	14,250	CPO	Expected (10.09.07)
	Havi Ocean	8,500	Palm oil Product	Expected (07.09.07)
Kolkata	Marida Princess	5,028	CPO	Arrived (04.09.07)
	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)

Vessels in bold are new on chart.

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