

VEGOIL DAILY

September 14th, 2007

REFINED SOY OIL

SPOT MARKET:

Despite jump in CIF price by \$16 and bullish USDA report, spot prices of refined soy oil traded on softer side of poor demand. Currently edible oil is struggling across domestic markets as prevailing prices still too high to support demand coupled with expectation of further weakness kept buyers aside. As per USDA monthly report on World S&D estimation, September world soy oil ending stocks is projected at 2.82 mmt down from 2.85 mmt August's projection. September world soy oil production is forecasted at 37.62 mmt up from last month 37.44 mmt. For India, September soy oil production and usage projection is expecting at 1.23 mmt and 2.79 mmt up from August's projection at 1.22 mmt and 2.78 mmt, respectively. The crude soy oil CIF prices of September shipment gained sharply on Thursday at \$912 per tonne as compared to Wednesday's \$896 per tonne.

FUTURES MARKET:

Bullish WASDE report and strong global cues strengthened BMD with spill over impact on **NCDEX** refined soy oil futures and market recouped slightly, profit taking lent some support. The most active **October** future contract of refined soy oil opened at Rs. 476 per 10 kg to previous closing at Rs. 473.95 per 10 kg. The contract settled up at Rs. 477.10 per 10 Kg to previous close.

Bullish global cues with profit-taking pushed gains on refined soy oil futures at **MCX**. The **October** futures contract opened at Rs. 478.10 per 10kg against yesterday closing of Rs. 476 per 10kg. The prices closed up at Rs. 479 per 10 Kg to yesterday closing.

PRICE DRIVERS:

- Firmer CBOT and BMD CPO futures
- Strong WASDE report
- Domestic soy oil usage is expect to increase
- Stockists kept focus on supplies
- Spiraling crude soy oil CIF prices that increased by \$16
- Steady to weak tone in others edible oil

WEATHER

Weather is conducive for good growth of soybean crop.

TECHNICALS

Light body candlestick with longer lower shadow suggests buying interest at higher level. EMA and MACD patterns remain weak. Stochastic is falling whereas RSI is rising in neutral region. Volume increased and open interest declined. Market is expects to trade down with steady to weak opening.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Oct.	472	473	477.10	481	482
MCX-Oct.	473	474	479.00	481	482

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil October Contract:

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

MCX Refined Soy Oil October Contract:

SELL Below 479; T1 near 477, T2 near 476 and put stop loss at 480.

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

Centres	13.09.07	12.09.07	Change
Mumbai (Soy Ref oil)+VAT	462	463	-1
Indore (Soy Ref oil)	456	456	Nil
Kota (Soy Ref. Oil)+VAT	462	462	Nil
Hyderabad (Soy Ref)+VAT	490	490	Nil
Rajkot (Soy Ref)+Tax	460	460	Nil

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Sept	475.80	478.00	474.10	477.00	474.70	+2.30
NCDEX	Oct	476.00	477.40	473.70	477.10	473.95	+3.15
NCDEX	Nov	470.50	471.40	468.55	471.10	468.20	+2.90
NCDEX	Dec	470.50	473.90	470.50	473.90	469.85	+4.05
MCX	Sep	475.10	476.90	474.60	474.85	475.25	-0.40
MCX	Oct	478.10	479.25	475.40	479.00	476.00	+3.00
MCX	Nov	470.00	471.75	468.50	471.75	468.55	+3.20
MCX	Dec	472.00	473.95	471.05	473.95	471.10	+2.85

PALM OIL

International Highlights

BMD CPO Futures Gains on CBOT

Sharp gains in CBOT on strong USDA monthly report, improved crude oil futures and supportive fundamental development in physical market supported crude palm oil futures on Bursa Malaysian Derivatives. The most active November contract of CPO futures gained MYR 20 at MYR 2,540 per tonne to previous closing level. Fresh demand from China and Europe lent support. Trading volume rose sharply and totaled at 10,835 lots, quite high from Wednesday's 7,103 lots. Open interest increased slightly at 54,378 lots against 54,259 lots yesterday.

Domestic Spot Market Highlights

Sluggish demand, ample stock position with traders, thin trade activities witnessed sluggishness in physical prices of palm oil across nation and ignored the bullishness in BMD, which trading gains in CBOT and BMD, Indonesian palm oil market firmed up, whereas demand remains steady. 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 (13.09.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Sep 07	2550	2570	2570	2560	2565	+15	33
Oct 07	2543	2579	2585	2558	2564	+21	1784
Nov 07	2520	2555	2564	2539	2540	+20	6171
Dec 07	2502	2539	2546	2523	2530	+28	2631
Jan 08	2492	2505	2534	2505	2525	+33	206

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	13.09.07	12.09.07	Change
Kandla CPO (5 % FFA)	418	417	+1
Kandla RBD Palmolein +VAT	451	450	+1
Mumbai RBD Palmolein +VAT	444	446	-2
Chennai RBD Palmolein +VAT	465	465	Nil
Kakinada RBD Palmolein +VAT	442	442	Nil
Hyderabad RBD Palmolein +VAT	465	465	Nil
Delhi RDB Palmolein	485	485	Nil

CIF Price Basis Kandla Port (\$/MT)

Edible Oil	13.09.07	12.09.07	Change
Crude Soy Oil	912	896	+16
Crude Palm Oil	805	800	+5
Sunflower Oil	1198	1175	+23

Rape/Mustard oil

Weakness in mustard oil maintained domestically on improvement in selling pressure from stockists and poor demand. The trade activities remain suspended as most of the traders stayed away from market in expectation of further weakness in prices in near-term. 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

Spot prices of groundnut oil softened further in domestic markets on dull trading activities and subdued demand. Weakness in seeds and meals domestically favors the bears. On fall short of abrupt improvement in prices, traders preferred to improved supplies that also contributed the bearishness. The prices of groundnut seeds for different qualities stood sluggish on Thursday and trade between Rs. 410-520 per 20 kg up from yesterday's Rs. 410-525 per 20 kg in different market in Gujarat.

Refined Sunflower Oil

Despite sharp jump in crude oil CIF prices, physical prices of refined sunflower oil trapped in bearish trends on improved seeds arrivals and weakness in other vegetable oil. The demand almost remained dull with poor supplies. The CIF prices of sunflower oil for September shipment rose sharply against by \$23 at \$1198 per tonne on Thursday from \$1175 per tonne on Wednesday.

Refined Cottonseeds Oil

Sluggishness in others edible oil spurred weakness in physical prices of refined cottonseeds oil. The trader's waiting for fresh arrivals that is likely to start in next month in full swing, supported the shallow trading domestically. 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	13.09.07	12.09.07	Change
Mumbai (Exp. Oil) +VAT	480	481	-1
Kota (Exp. Oil)+VAT	460	460	Nil
Jaipur (Exp. Oil)+VAT	468	468	Nil
Delhi (Exp. Oil)	492	490	+2
Neewai (Exp. Oil) +VAT	460	460	Nil

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	13.09.07	12.09.07	Change
Mumbai +VAT	715	710	+5
Rajkot +VAT	750	755	-5
Hyderabad +VAT	700	700	Nil
Chennai +VAT	665	665	Nil
Delhi	750	740	+10

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

Centres	13.09.07	12.09.07	Change
Mumbai +VAT	560	565	-5
Chennai +VAT	570	570	Nil
Hyderabad +VAT	550	550	Nil

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

Centres	13.09.07	12.09.07	Change
Mumbai +VAT	480	482	-2
Hyderabad +VAT	485	485	Nil
Rajkot + VAT	478	478	Nil
Delhi	470	475	-5

Forex Rates

Country/ Continent	Currency	Value in Rupees	
		13.09.07	12.09.07
USA	Dollar	40.44	40.49
European Union	Euro	56.20	56.14
Japan	100 Yen	35.38	35.54
United Kingdom	Pound Sterling	82.01	82.38

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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