

VEGOIL DAILY

September 5th, 2007

REFINED SOY OIL

SPOT MARKET:

The trade activities remain dull on Tuesday due to celebration mood of 'Janmashtami' among traders but prices of refined soy oil gains some support from midday gains in BMD CPO futures. In order to maintain the proper supplies of palm oil in domestic market, Indonesia revised palm oil product's base prices again, the new base prices of crude palm oil exports increased at \$733/tonne from \$728/tonne, whereas RBD palm olein is reduced to \$779/tonne from earlier \$801/tonne. The palm oil exports taxes will be calculate using base prices. The new base prices will be effective during September 3-30. The good demand of Brazilian origin soy oil led 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. The crude soy oil CIF price of September shipment remained unchanged on 3rd straight day at \$877/tonne.

FUTURES MARKET:

Afresh selling interest and profit-taking dragged the refined soy oil futures lower at **NCDEX**. The weaker BMD CPO futures added the pressure in the markets. The most active **September** futures contract of refined soy oil opened slightly weak at Rs. 482.1 per 10 kg against previous closing at Rs. 482.15 per 10 kg and the contract closed down at Rs. 480.60 per 10 Kg.

The bearish BMD CPO future and lack of clearer prices direction for short-term pushed the refined soy oil futures down at **MCX**. The **September** contract opened at Rs. 482.65 per 10kg against previous close of Rs. 480.80 per 10kg. The prices settled down at Rs. 481.40 per 10 Kg.

PRICE DRIVERS:

- Trade activities remained dull due to 'Janmashtami'
- Bullish trends in BMD CPO futures
- Indonesia revised base prices of palm oil product
- Firm tone in others edible oil
- 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

Filled candle-sticks body with upper longer shadow indicates selling pressure at higher level. Price closed above to 9-days EMA while remained below to 18 days clued short-term firmness is maintained. MACD is rising in negative territory. Stochastic is rising while RSI is falling in neutral zone. Both volume and open interest declined. Market is expects to trade up with possibility of late downward movement.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Sept	478	479	480.60	487	488
MCX-Sept.	478	479	481.40	486	487

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil September Contract:

BUY Above 481.5; 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	04.09.07	03.09.07	Change
Mumbai (Soy Ref oil)+VAT	465	464	+1
Indore (Soy Ref oil)	460	455	+5
Kota (Soy Ref. Oil)+VAT	464	463	+1
Hyderabad (Soy Ref)+VAT	482	482	Nil
Rajkot (Soy Ref)+Tax	460	460	Nil

PALM OIL

International Highlights

BMD CPO Futures Finish Down on Profit-taking

The midday gains were short-lived and profit-taking afterward forced crude palm oil futures to settled down on on Bursa Malaysian Derivatives. The most active November contract of crude palm oil declined sharply MYR15 at MYR2,459 per tonne. Due to sluggishness in exchanges, physical prices also remain unchanged to yesterday. Crude palm oil futures trading volume were totaled at 10,710 lots from 9,400 lots on Monday, while open interest remained at 54,076 lots vs 51.527 lots yesterday.

Domestic Spot Market Highlights

With rise in Indonesia exports taxes and base exports prices, domestic palm oil market remained firmed on supportive demand and firm tone in other edible oil. The increased buying and clear prices direction strengthened Indonesian palm oil makes. The gains in BMD were short-lived and die on fears of outpace production in short-term, which is likely to sustain in short-term.

BMD: CPO Futures (04.09.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Sep 07	2536	2548	2552	2514	2514	-22	459
Oct 07	2499	2520	2524	2480	2480	-19	2033
Nov 07	2474	2494	2501	2457	2459	-15	6767
Dec 07	2458	2476	2483	2444	2456	-2	1275
Jan 08	2447	2460	2473	2435	2435	-12	112

*BMD Remains Closed on Saturday and Sunday.

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	04.09.07	03.09.07	Change
Kandla CPO (5 % FFA)	421	420	+1
Kandla RBD Palmolein +VAT	MC	454	-
Mumbai RBD Palmolein +VAT	452	450	+2
Chennai RBD Palmolein +VAT	462	460	+2
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	04.09.07	03.09.07	Change
Crude Soy Oil	877	877	Nil
Crude Palm Oil	NA	792	-
Sunflower Oil	1143	1038	+5

Rape/Mustard oil

Spot prices of mustard oil continued to stay firm tracking firmness in other edible oil and holding back activities of stockists. However, trade activities remained dull for the celebration of 'Janmashtami'. The market is constantly deprived of good demand as most of traders remain optimistic for further weakness in short-term. The demand from rapeseeds meals also remains weak both in ports and domestically.

Groundnut Oil

As per market observers, the fresh arrivals of new groundnut from Madhya Pradesh and Maharashtra Market has started into Gujarat markets, as well as stockists also remain active in cleaning their inventories. This cumulative activity have pressured the prices of groundnut oil but follow-through gains in other edible oil washed out bears in the markets and forced it to keep in sync. Market in short-term is expecting to witness range bound to slightly weaker trade tracking underlying weakness in refined cottonseeds oil.

Refined Sunflower Oil

Steady demand and subdued trade activities forced refined sunflower oil to trade range bound domestically. Currently, the dry weather in Argentina impeded for further sunflower seeds acreage and resulting sowing is lagging 8.7% to last year's 3.62 million hectares. Till date 6.7% sowing is completed of 2.6 million hectares. The CIF prices of sunflower oil for September shipment increased on Tuesday at \$1143 per tonne as compared to \$1138/tonne same as on Monday.

Refined Cottonseeds Oil

The prices of refined cottonseeds oil improved further in most of major trading centres with artificial good demand. As per trade estimation, country is heading towards bulky harvest of cotton, which is expecting to be more than 300 bales where as last year, it was at 280 bales (1bale=170 kg). Traders are remains optimistic for further weakness in coming days despite short-term gains.

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

Centres	04.09.07	03.09.07	Change
Mumbai (Exp. Oil) +VAT	483	480	+3
Kota (Exp. Oil)+VAT	462	461	+1
Jaipur (Exp. Oil)+VAT	468	466	+2
Delhi (Exp. Oil)	MC	485	-
Neewai (Exp. Oil) +VAT	462	461	+1

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	04.09.07	03.09.07	Change
Mumbai +VAT	690	690	Nil
Rajkot +VAT	770	760	+10
Hyderabad +VAT	700	700	Nil
Chennai +VAT	660	660	Nil
Delhi	MC	755	-

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

Centres	04.09.07	03.09.07	Change
Mumbai +VAT	550	545	+5
Chennai +VAT	555	555	Nil
Hyderabad +VAT	565	565	Nil

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

Centres	04.09.07	03.09.07	Change
Mumbai +VAT	484	480	+4
Hyderabad +VAT	485	485	Nil
Rajkot + VAT	490	485	+5
Delhi	MC	456	-

Forex Rates

Country/ Continent	Currency	Value in Rupees	
		04.09.07	03.09.07
USA	Dollar	40.91	40.88
European Union	Euro	55.72	55.79
Japan	100 Yen	35.32	35.22
United Kingdom	Pound Sterling	82.57	82.58

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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