

## VEGOIL DAILY

September 11<sup>th</sup>, 2007

### REFINED SOY OIL

#### SPOT MARKET:

On Monday, refined soy oil recovered domestically on steady demand and firm BMD CPO futures. Recent soybeans contract with China strengthened soybean prices. This is also supporting the soy oil. Despite bearish data by MPOB, CPO futures rise. SGS, a cargo surveyor estimated Malaysian palm oil exports for the period of September 1-10, highlighted exports dropped by 10.7% at 334,800 tonne from 374,913 tonnes same period in August. Malaysian Palm Oil Board (MPOB) released palm oil exports sales estimation for August. Palm oil exports rose 11.7% at 1.24 mmt from 1.1 mmt a month ago. Crude palm oil production increased 14.8% at 1.56 mmt against 1.36 mmt last month ago while stock improved 11% at 1.45 mmt vs 1.31 mmt a month ago. The crude soy oil CIF price of September shipment increased on Monday at \$885 per tonne as compared to \$880 per tonne on Saturday.

#### FUTURES MARKET:

Choppy trading, bullish global cues and unclear prices direction in short-term, settled **NCDEX** refined soy oil futures down on Monday. The most active **October** futures contract opened at Rs. 478.20 per 10 kg to previous closing at Rs. 478.35 per 10 kg and the contract manage to closed slightly down at Rs. 477.8 per 10 Kg to previous close.

The firm BMD CPO futures, slightly improved buying interest and lacklustre trade activities turned refined soy oil futures slightly up at **MCX**. The **October** futures contract opened at Rs. 479.30 per 10kg against yesterday closing of Rs. 480 per 10kg. The prices closed slightly up at Rs. 479.55 per 10 Kg to yesterday closing.

#### PRICE DRIVERS:

- Firmer BMD CPO futures
- August Malaysian palm oil production increase 14.8% at 1.56 mmt
- Malaysian Palm oil exports fell 10.7% at 334,800 tonne during Sep 1-10
- Support from firm soybeans prices
- Crude soy oil CIF prices increased by \$5
- Steady to weak sentiments in other edible oil

#### WEATHER

Weather is conducive for good growth of soybean crop.

#### TECHNICALS

Doji candlesticks formation indicates indecision. EMA pattern remains short-term firm. MACD is rising slowly in negative territory. Stochastic is falling while RSI is running on softer side in the neutral zone, hints market is vulnerable to downward correction. Both volume and open interest increase. Market is expects to trade down with steady to slightly firm opening.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Oct.	473	474	477.80	481	482
MCX-Oct.	473	474	479.55	482	483

#### TRADE RECOMMENDATION:

**NCDEX** Refined Soy Oil **October** Contract:

**SELL** Near 478; T1 near 476, T2 near 475 and put stop loss at 479.

**MCX** Refined Soy Oil **September** Contract:

**SELL** Below 480; T1 near 478, T2 near 477 and put stop loss at 481.

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

Centres	10.09.07	09.09.07	Change
Mumbai (Soy Ref oil)+VAT	464	462	+2
Indore (Soy Ref oil)	459	456	+3
Kota (Soy Ref. Oil)+VAT	462	461	+1
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	478.00	480.40	477.35	478.25	479.15	-0.90
NCDEX	Oct	478.20	480.20	476.40	477.80	478.35	-0.55
NCDEX	Nov	472.95	477.00	472.95	475.00	-	-
MCX	Sept	477.70	480.00	476.40	477.60	478.75	-1.15
MCX	Oct	479.30	481.85	478.20	479.55	480.00	-0.45
MCX	Nov	471.25	481.60	471.10	471.50	472.60	+0.10
MCX	Dec	475.10	477.00	474.10	474.10	477.85	-3.75

## PALM OIL

### International Highlights

#### BMD CPO Futures Surge on Low Stocks

Tracking Friday's firmness at CBOT, renewed buying interest among traders and below expected stocks in local markets strengthened crude palm oil futures on Bursa Malaysian Derivatives. The most active November contract of CPO futures settled up MYR 29 at MYR 2,500 per tonne. Local inventories that totaled at 1.45 mmt (by MPOB) against trades expectations near 1.55 mmt. Market ignored weak exports data by SGS. SGS estimated Malaysian palm oil exports for the period of September 1-10 that declined by 10.7% at 334,800 tonne from 374,913 tonnes same period in August.

### Domestic Spot Market Highlights

The diminishing fears of oversupplies, slightly improved demand and firmness in overseas markets of related commodities, helped palm oil prices to trade slightly firm. The thin trade activities and disinterest of supplies by traders resulting mostly steady trade in Indonesia. As per latest SGS, palm oil exports sales estimation for the period of September 1-10. To India, palm oil exports fall nearly 2 times at 8,750 tonne from 25,615 tonnes during August 1-10.

#### BMD: CPO Futures (10.09.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Sep 07	2510	2527	2542	2524	2542	+32	191
Oct 07	2495	2514	2530	2509	2522	+27	1304
Nov 07	2471	2490	2507	2484	2500	+29	3343
Dec 07	2455	2476	2486	2468	2479	+24	780
Jan 08	2449	2470	2474	2470	2470	+21	38

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	10.09.07	08.09.07	Change
Kandla CPO (5 % FFA)	417	415	+2
Kandla RBD Palmolein +VAT	450	450	Nil
Mumbai RBD Palmolein +VAT	446	446	Nil
Chennai RBD Palmolein +VAT	468	465	+3
Kakinada RBD Palmolein +VAT	441	441	Nil
Hyderabad RBD Palmolein +VAT	465	465	Nil
Delhi RDB Palmolein	490	490	Nil

## CIF Price Basis Kandla Port (\$/MT)

Edible Oil	10.09.07	08.09.07	Change
Crude Soy Oil	885	880	+5
Crude Palm Oil	787	782	+5
Sunflower Oil	1148	1148	Nil

### Rape/Mustard oil

Unchanged physical demand to Saturday and offsetting by sufficient supplies of mustard oil turned prices range bound on Monday. Sentiments in other edible oil also improved, supported the mustard oil. The rise in seeds prices also contributed the firmness domestically. Sensing temporary shortage in supplies and further upside movement in short-term could support the prices of mustard oil. Firmness in global markets may too added the support in short-term.

### Groundnut Oil

The tight supplies, holding back of stocks with stockists and steady demand helped spot prices of groundnut oil to recovered moderately domestically. However, groundnut seeds demand in poor in physical markets as poor parity impeded major buyers i.e. expellers to stay away from markets. The recent soybeans commitments to China from Indian crusher, rejuvenated bullish sentiments in edible oil including groundnut oil. The prices of groundnut seeds for different qualities varied from Rs. 410-560 per 20 kg in different market in Gujarat.

### Refined Sunflower Oil

Prices of refined sunflower oil traded on higher side in domestic markets on balance in demand and supplies despite good crop progress in major growing regions. Kharif sunflower is in floral bud formation/ flowering/head formation stage in Maharastra, UP and Karnataka. 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 steady groundnut oil prices and weaker demand hold the prices of refined cottonseeds oil unchanged on Saturday. The early sown crops are at vegetative / flowering stage in Maharashtra, AP, Gujarat, Punjab, Haryana and Rajasthan. Picking of cotton is going on in Tamil Nadu. Traders are expecting upward movement in prices is unlikely in short-term due to harvest to pick up in Tamil Nadu as well as to start in other region too.

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

Centres	10.09.07	08.09.07	Change
Mumbai (Exp. Oil) +VAT	482	482	Nil
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	10.09.07	08.09.07	Change
Mumbai +VAT	710	710	Nil
Rajkot +VAT	770	765	+5
Hyderabad +VAT	700	700	Nil
Chennai +VAT	665	665	Nil
Delhi	740	740	Nil

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

Centres	10.09.07	08.09.07	Change
Mumbai +VAT	560	560	Nil
Chennai +VAT	560	560	Nil
Hyderabad +VAT	555	555	Nil

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

Centres	10.09.07	08.09.07	Change
Mumbai +VAT	482	482	Nil
Hyderabad +VAT	485	485	Nil
Rajkot + VAT	483	483	Nil
Delhi	475	475	Nil

### Forex Rates

Country/ Continent	Currency	Value in Rupees	
		10.09.07	08.09.07
USA	Dollar	40.63	40.49
European Union	Euro	55.96	55.76
Japan	100 Yen	35.90	35.71
United Kingdom	Pound Sterling	82.42	82.12

**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)
	<b>Shintoku</b>	<b>14,000</b>	<b>Palm oil Product</b>	<b>Expected (15.09.07)</b>
	Anawan	11,000	CDSBO	Berthed (05.09.07)
	<b>Global Eos</b>	<b>11,000</b>	<b>CPO</b>	<b>Expected (11.09.07)</b>
	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	<b>Marida Princess</b>	<b>5,028</b>	<b>CPO</b>	<b>Arrived (04.09.07)</b>
	<b>L. Star</b>	<b>5,200</b>	<b>CPO</b>	<b>Arrived (04.09.07)</b>
	<b>Sima Kazee</b>	<b>9,300</b>	<b>CPO</b>	<b>Arrived (06.09.07)</b>
Mundra	<b>Therasa Pegasus</b>	<b>13,629</b>	<b>Palm oil Product</b>	<b>Expected (12.09.07)</b>
New Manglore	<b>Global Venus</b>	<b>8,499</b>	<b>CPO</b>	<b>Expected (12.09.07)</b>
Mumbai	<b>Gloabal Neptune</b>	<b>6,000</b>	<b>Palm oil Product</b>	<b>Expected (14.09.07)</b>

**Vessels in bold are new on chart.**

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