

## VEGOIL DAILY

July 1, 2006

### REFINED SOY OIL

#### SPOT MARKETS

Refined soy oil prices on spot market remain observed steady to positive sentiments in most of the markets on Friday. Strong futures market provided support to bullish market sentiments on spot market. Higher ends of CPO futures on BMD also added positive tone in the market. There is talk in the market about hike in tariff value on soy oil import. CIF prices (July shipment) increased at \$532/ton, up \$5 from \$527/ton. Prices are expected to move range bound with moderately positive sentiments in near term.

#### FUTURES MARKETS:

Refined soyoil futures at NCEDX ends sharply higher on Friday on talk in the market about hike in tariff value on soy oil import and gains in soy oil futures on CBOT. July soy oil contract settled at Rs 407.70 per 10 kg, up Rs 4.00 from Thursday. Prices moved in a wide range of Rs 404.00-408.00. Prices are expected to move range bound with positive sentiments in near term.

#### PRICE DRIVERS:

##### Bullish:

1. Lower import of edible oil
2. Thin stock of soybean
3. Talk in the market about hike in tariff value on soy oil import

##### Bearish:

1. Hefty stock of mustard seeds .
2. Sowing is in progress in major producing states.

#### Weather

Soybean should be planted from last week of June to 2<sup>nd</sup> week of July. If there would be no rain during the period then there could be considerable yield reduction. Recent weather forecast indicating the sowing at proper time.

#### TECHNICALS

Stochastic %K line continues to move downwards after bullish crossover to %D line and reached in neutral zone, which indicates bullish sentiments. Candlestick pattern showed bullish market sentiments. MACD has just turned marginally northwards in negative territory, which is hinting moderately bullish market sentiments. Prices closed above the 9-days (405.51) and below 18-days (408.76) EMA, which indicates moderately bullish market sentiments. Most of the technical indicators showed bullish market sentiments.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX- July	405.10	402.80	407.70	408.90	410.60

#### TRADE RECOMMENDATION:

NCDEX July Refined Soy Oil Contract:

Buy near 405.40, Target near 408.70 and put stop loss at 403.70.

#### Refined Soybean Oil:

#### Spot Market Prices (Rs/10Kg excluding VAT)

Centres	30.06.06	29.06.06	Change
Mumbai (Ref. Soy Oil)+VAT	395	394	+1
Indore (Ref. Soy Oil)+VAT	384	383	+1
Kota (Ref. Soy Oil)+VAT	384	384	0
Hyderabad (Ref. Soy Oil)+VAT	403	402	+1
Rajkot (Ref. Soy Oil)+Tax	393	393	0

## PALM OIL

### International Market Highlights

#### BMD CPO Futures Ends Up On Soy Oil Gain

Crude palm oil futures at Bursa Malaysia Derivatives settled higher on Friday on gains in overnight soyoil futures and short covering. The benchmark September CPO contract ended at MYR1,491 a metric ton, up MYR14 from Thursday. Soyoil futures rose sharply on the Chicago Board of Trade overnight, with the December contract gaining 42 points. The CPO futures market reacted positively, with the September contract surging to MYR1,499/ton, its highest level in around 2-1/2 months. Export estimates from cargo surveyors SGS (Malaysia) Bhd. and Intertek Agri Services had little impact on the market. Intertek estimated Malaysian June palm oil exports at 1.10 million tons, down 0.2% on month. SGS pegged exports at 1.08 million tons, down 5.4% on month. End-June stocks may be between unchanged to slightly up from the end-May total of 1.57 million tons. Official June production, exports and stocks figures are due to be issued by the Malaysian Palm Oil Board July 10.

### Domestic Spot Market Highlights

Palm oil prices on domestic spot market observed steady to positive sentiments from last three consecutive days in most of the markets on Friday. Palm oil prices followed soy oil prices. Higher settlement of CPO futures on BMD exchange provided positive sentiments on spot markets. There is talk in the market about the hike in tariff value on palm oil import. FOB prices (July Shipment) for CPO were quoted at \$392.50/ton and RBD palm oil at \$422.50/ton. Palm oil prices are expected to move range bound with moderately positive sentiments in near term.

#### BMD: CPO Futures (30.06.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
July 06	1423	1425	1429	1421	1429	+6	409
Aug 06	1452	1454	1464	1452	1463	+11	1755
Sep 06	1477	1481	1499	1476	1491	+14	6393
Oct 06	1491	1498	1512	1491	1507	+16	1605
Nov 06	1500	1508	1516	1499	1516	+16	633

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	30.06.06	29.06.06	Change
Kandla CPO (5 % FFA)	375	374	+1
Kandla RBD Palmolein +VAT	395	397	-2
Mumbai RBD Palmolein +VAT	405	403	+2
Chennai RBD Palmolein +VAT	405	404	+1
Kakinada RBD Palmolein +VAT	386	386	0
Hyderabad RBD Palmolein +VAT	407	407	0
Delhi RDB Palmolein	430	430	0

### Rape/Mustard Expeller Oil

Mustard oil prices on spot market remain showed steady to positive sentiments in most of the market on Friday amid positive sentiments. Bit hike of mustard seeds selling prices by Nafed added positive tone in the market. Today's arrivals of mustard seed were around 500 bags in Neewai, 2000 bags in Kota, 3000 in Jaipur and 55000 bags in Rajasthan (bags=85 kg). Mustard seeds prices were quoted at Rs 1530-1550 in Kota and 1675-90 in Jaipur per quintal. Mustard oil prices are expected to move range bound with slightly positive sentiments in near term.

### Refined Groundnut Oil

Groundnut oil prices remain revealed steady to positive sentiments in most of the market on Friday. Demands for premium groundnut oil and good export demands of groundnut seeds from Gujarat brought positive impact on its prices. Arrivals of groundnut seeds in Gujarat were remains around 18000-20000 bags (bag=35 kg). GN oil prices expected to move range bound with moderately positive sentiments in near term.

### Sunflower Expeller Oil

Sunflower oil prices on spot market improved slightly in most of the markets amid positive sentiments on Friday. CIF (July Shipment) prices were quoted remain at \$614/ton. Prices are expected to move range bound with slightly positive sentiments in near term.

### Cotton Refine Oil

Cotton oil prices on spot market move up in most of the market on Friday amid local demands at retail ends. Cotton oil prices followed soy oil prices. Strong futures market added bearish tone on the spot the market. Prices are expected to move range bound with positive sentiments in near term.

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

Centres	30.06.06	29.06.06	Change
Mumbai + VAT	398	397	+1
Kota + VAT	367	366	+1
Jaipur + VAT	372	372	0
Delhi	392	392	0
Neewai + VAT	370	370	0

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

Centres	30.06.06	29.06.06	Change
Mumbai +VAT	492	488	+4
Rajkot +VAT	487	486	+1
Andhra Region +VAT	487	485	+2
Chennai +VAT	480	480	0
Delhi	500	500	0

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

Markets	30.06.06	29.06.06	Change
Mumbai +VAT	440	440	0
Chennai +VAT	458	457	+1
Hyderabad+ VAT	459	458	+1

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

Markets	30.06.06	29.06.06	Change
Mumbai +VAT	408	407	+1
Hyderabad +VAT	403	402	+1
Rajkot + VAT	414	412	+2
Delhi	401	398	+3

**PORT-WATCH (Latest):****Current Vessels Positions**

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Star Dream	3500	CPO	Expected
	Chemroad Wing	10400	Palm Oil	Arrived
	Bunga Melatidua	21980	SBO	Arrived
	Vijaydoot	6500	CPO	Expected
	Olympic	5400	Palm Oil	Arrived
	Shimakaze	7000	SBO	Expected
Kolkata	Spring Glory	7000	CPO	Arrived
	Istasna 6	5000	CPO	Arrived
	Belicia	3800	CPO	Arrived
	Sutra Satu	8000	CPO	Expected
	Golden Crane	6000	CPO	Expected
Mumbai	Sutra Tiga	2535	CPO	Expected
Chennai	Westama	3800	CPO	Expected
	Khadijah	6000	CPO	Expected
J N Ports	Stolt Hawk	7000	SBO	Arrived
	Jo Leon	23000	SBO	Expected

**Forex Rates****(As on 30.06.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.08
European Union	Euro	58.54
Japan	100 Yen	40.16
United Kingdom	Pound Sterling	84.45