

VEGOIL DAILY

July 5, 2006

REFINED SOY OIL

SPOT MARKETS

Refined soy oil prices on spot market declined slightly in most of the markets on Tuesday on account of lower demands at retail ends and weak futures market. Sowing is in progress in major producing states. CWC meeting in Delhi expected on 5th July to review rising price of agri-commodities. Traders concern if Govt takes any adverse step (Essential commodities act) to control rising price then it might dampen futures market sentiment. Prices are expected to move range bound in near term.

FUTURES MARKETS:

Refined soyoil futures at NCDEX ended sharply down on Tuesday on account of CWC meeting in Delhi expected on 5th July to review rising price. July soy oil contract settled at Rs 403.60 per 10 kg, down Rs 3.15 from Monday. Prices moved in a range of Rs 403.60-406.50. Prices are expected to move range bound with slightly weak sentiments.

PRICE DRIVERS:

Bullish:

1. Lower import of edible oil
2. Seed demands for sowing

Bearish:

1. Hefty stock of mustard seeds.
2. Sowing is in progress in major producing states.
3. CWC meeting in Delhi expected on 5th July to review rising price.

Weather

The planting of soybean is started in MP. As per growers the climate looks favourable for sowing in MP and Maharashtra. Tilling operation is nearly completed and waiting for fresh showers for optimum moisture content of the soil.

TECHNICALS

Stochastic %K line continued to move northwards parallel to %D line after bullish crossover in neutral region, which indicates bullish sentiments. Candlestick pattern showed bullish market sentiments. DAV is moving upwards after crossing to MACD in negative territory, which is hinting slightly bullish market sentiments. Prices closed below 9-days (405.81) and 18-days (408.06) EMA, which indicates bearish market sentiments. Most of the technical indicators showed bearish market sentiments.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX-July	402.60	401.30	403.60	406.50	407.80

TRADE RECOMMENDATION:

NCDEX July Refined Soy Oil Contract:

Sell near 405.30, Target near 402.80 and put stop loss at 406.60

Refined Soybean Oil:

Spot Market Prices (Rs/10Kg excluding VAT)

Centres	04.07.06	03.07.06	Change
Mumbai (Ref. Soy Oil)+VAT	396	397	-1
Indore (Ref. Soy Oil)+VAT	384	385	-1
Kota (Ref. Soy Oil)+VAT	385	387	-2
Hyderabad (Ref. Soy Oil)+VAT	405	405	0
Rajkot (Ref. Soy Oil)+Tax	395	396	-1

PALM OIL

International Market Highlights

BMD CPO Futures Ends Down on Stronger MYR Against Dollar, Stock

Crude palm oil futures at the Bursa Malaysia Derivatives ended lower on Tuesday as profit-taking and a stronger ringgit. The benchmark September contract ended at MYR1,489 a metric ton, down MYR10 from Monday, after moving between MYR1,485/ton and MYR1,498/ton. Market surged yesterday without any fundamental support only on speculations, but it could not sustain on Tuesday. Slow exports amid rising production have resulted bulk inventories, with stocks rising to 1.57 million tons at the end of May. Official June production, exports and stocks data are due to be issued July 10 by the Malaysian Palm Oil Board. Traders said that for the market to established a sustained uptrend, there needs to be clear evidence of an improvement in the supply-and-demand balance. A stronger ringgit is negative for Malaysian commodities including palm oil as it makes the country's exports less competitive.

Domestic Spot Market Highlights

Palm oil prices on domestic spot market remain showed mixed sentiments in most of the markets on Tuesday. FOB prices (July Shipment) for CPO were quoted at \$397.50/ton and RBD palm oil at \$427.50/ton. Palm oil prices are expected to move range bound with moderately positive sentiments in near term.

BMD: CPO Futures (04.07.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
July 06	1436	1430	1431	1425	1425	-11	255
Aug 06	1469	1465	1561	1457	1459	-10	820
Sep 06	1499	1494	1498	1485	1489	-10	2442
Oct 06	1516	1512	1514	1504	1509	-7	1119
Nov 06	1528	1521	1526	1516	1522	-6	280

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	04.07.06	03.07.06	Change
Kandla CPO (5 % FFA)	381	379	+2
Kandla RBD Palmolein +VAT	397	400	-3
Mumbai RBD Palmolein +VAT	410	408	+2
Chennai RBD Palmolein +VAT	408	408	0
Kakinada RBD Palmolein +VAT	394	394	0
Hyderabad RBD Palmolein +VAT	412	412	0
Delhi RDB Palmolein	430	430	0

Rape/Mustard Expeller Oil

Mustard oil prices on spot market revealed mixed sentiments in most of the market on Tuesday amid slow trading activity. Today's arrivals of mustard seed were around 700 bags in Neewai, 1200 bags in Kota, 3500 in Jaipur and 50000-52000 bags in Rajasthan (bags=85 kg). Mustard seeds prices were quoted at Rs 1520-50 and 1710 in Jaipur per quintal. Mustard oil prices are expected to move range bound with mixed sentiments in near term on delayed rain.

Refined Groundnut Oil

Groundnut oil prices on spot market displayed steady to weak sentiments in most of the market on Tuesday amid dull demands at retail ends and weak futures market. Arrivals of groundnut seeds in Gujarat were remains around 18000-20000 bags (bag=35 kg). GN oil prices expected to move range bound with marginally weak sentiments in near term.

Sunflower Expeller Oil

Sunflower oil prices on spot market showed steady in most of the markets on Tuesday. Prices improved slightly in Mumbai on lower supply and better demands. CIF (July Shipment) prices were quoted at \$612/ton, down \$2/ton from \$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 witnessed mixed sentiments in most of the market on Tuesday. Lower supply of cotton oil provided support to bullish market sentiments in Mumbai market. Prices are expected to move range bound with moderately positive sentiments in near term.

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

Centres	04.07.06	03.07.06	Change
Mumbai + VAT	400	398	+2
Kota + VAT	367	368	-1
Jaipur + VAT	372	373	-1
Delhi	397	395	+2
Neewai + VAT	372	372	0

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

Centres	04.07.06	03.07.06	Change
Mumbai +VAT	500	500	0
Rajkot +VAT	488	491	-3
Andhra Region +VAT	488	490	-2
Chennai +VAT	485	485	0
Delhi	500	500	0

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

Markets	04.07.06	03.07.06	Change
Mumbai +VAT	452	450	+2
Chennai +VAT	460	460	0
Hyderabad+ VAT	460	460	0

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

Markets	04.07.06	03.07.06	Change
Mumbai +VAT	415	412	+3
Hyderabad +VAT	408	408	0
Rajkot + VAT	416	418	-2
Delhi	405	403	+2

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Star Dream	3500	CPO	Expected
	Stolt Hawk	4500	SBO	Arrived
	Vijaydoot	6500	CPO	Expected
	Shimakaze	7000	SBO	Expected
Kolkata	MMM Jackson	6000	CPO	Expected
	Sutra Satu	7500	CPO	Arrived
	Golden Crane	6000	CPO	Expected
Mumbai	Sutra Tiga	2535	CPO	Expected
Chennai	Westama	9000	CPO	Arrived
	Khadijah	6000	CPO	Expected
J N Ports	Jo Leon	23000	SBO	Arrived
Kakkinada	Ace I	6000	CPO	Arrived
	Khadija	4000	CPO	Expected
	Westama	29000	CPO	Expected
New Manglore	Global Mars	7300	CPO	Expected

Forex Rates**(As on 04.07.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.01
European Union	Euro	58.98
Japan	100 Yen	40.20
United Kingdom	Pound Sterling	84.92