

## VEGOIL DAILY

July 18, 2006

### REFINED SOY OIL

#### SPOT MARKETS

The prices of refined soy oil on spot market improved in most of the market on high demand and reduced import of the same. The prices at the spot also got support from the improvement in futures market and improvement in the international arena. The improvement in the prices of palm oil further added to its bullish tone. Though data from NRC Indore indicates slight improvement in area this season and anticipated higher production but the expected increase in production will only occur when there would be well distributed and equitable amount of rainfall in the growing region. Strong palm oil futures further added to its bullish sentiments. Delayed import of edible may get positive impact on its prices due to dilemma over GMO issue. CIF soy oil prices (July shipments) remain steady at \$560/ton. Prices are expected to move range bound with positive sentiments in near term.

#### FUTURES MARKETS:

Refined soyoil futures at NCEDX witnessed choppy trade today. The contract decline initially on technical ground but witnessed sharp improvement on the news of earthquake in Indonesia and got support from KLC. August soy oil contract closed up at Rs 432.40 per 10 kg, up Rs 0.95 from Saturday. Prices moved in a wide range of Rs 427.65-434.50. Prices are expected to improve in near term.

#### PRICE DRIVERS:

##### **Bullish:**

1. Lower stock of soy bean and Oil
2. Import get delay on GMO dilemma
3. Earthquake in Indonesia
- 4.

##### **Bearish:**

1. Hefty stock of mustard seeds.

#### TECHNICALS

Upper and lower long legged short body spinning top formation by the candlestick indicating indecisiveness into the market with slight bullish sentiments. Stochastic %K line continued to move upwards in oversold region indicating improvement but likely take correction at this stage. DAV continues to move in positive territory with increased divergence indicating bullish trend likely to continue for medium term. Prices closed far above 9-days and 18-days EMA, which indicates bullish trend. Volume increased while open interests remain steady.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX- August	429.70	427.70	432.4	436.45	439.95

#### TRADE RECOMMENDATION:

NCDEX Aug Refined Soy Oil Contract:

Buy near 431.80, target near 434.70 and put stop loss at 430.00

#### Refined Soybean Oil:

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

Centres	17.07.06	15.07.06	Change
Mumbai (Ref. Soy Oil)+VAT	416	414	+2.0
Indore (Ref. Soy Oil)+VAT	404	399	+5.0
Kota (Ref. Soy Oil)+VAT	412	410	+2.0
Hyderabad (Ref. Soy Oil)+VAT	430	422	+8.0
Rajkot (Ref. Soy Oil)+Tax	404	404	0

## PALM OIL

### International Market Highlights

#### Crude Palm Oil Futures Stay Firm on BMD

The BMD futures settled high on Monday and break the two years high record since Sept. 1, 2004 on surging crude prices and ended at MYR1, 541 a metric ton, up MYR24 on Monday compared to Friday. Traders expected that the crude oil prices will continue to inflate in near terms and results into speculative buying of palm oil. The implication of continue surge in crude oil prices will results into looking alternative source of energy and aming into the production of bio-diesel from palm oil. Earthquake in Indonesia also results into bullish sentiments.

#### Domestic Spot Market Highlights

Palm oil prices on domestic spot market amid improved further on the back of high edible demand and improvement in other oils. Improvement in CPO at BMD also added to its bullish sentiments. The earthquake in Indonesia results into the possible development of tsunami waves and high alerts announced by equatorial countries including Australia. This will probably results into the delay in shipment of palm oil into India.

#### BMD: CPO Futures (17.07.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Aug.06	1471	1469	1481	1466	1481	10	1471
Sep.06	1498	1499	1518	1497	1518	20	1498
Oct.06	1517	1518	1542	1517	1541	24	1517
Nov.06	1532	1531	1558	1530	1558	26	1532
Dec.06	1544	1545	1571	1543	1571	27	1544

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	17.07.06	15.07.06	Change
Kandla CPO (5 % FFA)	399	397	+2.0
Kandla RBD Palmolein +VAT	410	412	-2.0
Mumbai RBD Palmolein +VAT	418	416	+2.0
Chennai RBD Palmolein +VAT	426	425	+1.0
Kakinada RBD Palmolein +VAT	415	415	0
Hyderabad RBD Palmolein +VAT	433	430	+3.0
Delhi RDB Palmolein	435	438	-3.0

#### Rape/Mustard Expeller Oil

Mustard oil prices at different centers improved on high demand of oil and improvement in other oil prices and there futures. The prices expected to stay in the higher levels amid compulsory blending of 20% mustard oil in the Vanaspati. Mustard seed prices remain range bound as compared to Saturday. Today's arrivals of mustard seed were around 500 bags in Neewai, 1000 bags in Kota, 4000 in Jaipur and around 55000 bags in Rajasthan (bags=85 kg). Mustard seeds prices were quoted at Rs 1550-75 and 1780-1790 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 on spot market improved in few centers while remain steady at other centers on Monday amid good local demands for premium oil and supportive futures market for other oils and oilseeds. There is export demands of seeds from Gujarat added bullish market sentiments. Arrivals of groundnut seeds in Gujarat remain at 12000-15000 bags (bag=35 kg). GN oil prices are expected to move range bound in near term with slight bullish sentiments.

#### Sunflower Expeller Oil

Sunflower oil prices on spot market remain range bound with mixed sentiments in most of the markets on Monday amid local demands. CIF (July Shipment) prices remain steady at \$635/ton. Prices are expected to move range bound with positive sentiments in near term on lower stock.

#### Cotton Refine Oil

Cotton oil prices on spot market surge high in most of the market on Monday amid positive sentiments. Local demands at retail ends and higher prices of other edible oil brought positive impact on its prices. Prices are expected to move range bound with positive sentiments in near term.

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

Centres	17.07.06	15.07.06	Change
Mumbai + VAT	408	408	0
Kota + VAT	386	384	+2.0
Jaipur + VAT	389	389	0
Delhi	410	408	+2.0
Neewai + VAT	388	386	+2.0

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

Centres	17.07.06	15.07.06	Change
Mumbai +VAT	525	520	+5.0
Rajkot +VAT	515	515	0
Andhra Region +VAT	520	520	0
Chennai +VAT	495	495	0
Delhi	545	538	+7.0

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

Markets	17.07.06	15.07.06	Change
Mumbai +VAT	470	470	0
Chennai +VAT	472	475	-3.0
Hyderabad+ VAT	478	475	+3.0

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

Markets	17.07.06	15.07.06	Change
Mumbai +VAT	440	428	+12.0
Hyderabad +VAT	430	430	0
Rajkot + VAT	440	438	+2.0
Delhi	425	422	+3.0

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Black Pearl	26500	SBO	Arrived
	Yan Shui Hu	28000	SBO	Arrived
	Bunga Melati Satu	22500	SBO	Expected
	Pacific Sound	11000	CPO	Expected
	Athlos	19000	SBO	Expected
Kolkata	MMM Jackson	6000	CPO	Expected
	Hua Yun5	3362	CPO	Arrived
	Westama	18213	SBO	Arrived
Mumbai	Eastern Bright	8450	Palm Oil	Expected
	Pacific Sound	6000	Palm Oil	Expected
Chennai	Cheras	3500	CPO	Expected
	Khadijah	6000	CPO	Expected
Mundra	Matina	12500	SBO	Arrived
New Manglore	Yan Shui Hu	14000	SBO	Expected
	Bum Ik	6500	CPO	Expected
Tuticorin	Spring Glory	7300	Palm Oil	Expected

**Forex Rates****(As on 17.07.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.44
European Union	Euro	58.69
Japan	100 Yen	39.91
United Kingdom	Pound Sterling	85.31