

VEGOIL DAILY

July 8, 2006

REFINED SOY OIL

SPOT MARKETS

Refined soy oil on spot market moved up in most of the market on Friday on government notification that the usage of mustard oil 20% mandatory by NAFED in addition to 12% other indigenous oils in manufacturing of vanaspati. Diminishing stock of soybean and strong futures market provided support to bullish market sentiments on physical market. Prices are expected to move slightly higher in near term on usage of mustard oil 20% mandatory by NAFED and lower import of soy oil against last year.

FUTURES MARKETS:

Refined soyoil futures at NCEDX settled up on Friday. Prices surged on account of government notification about the usage of 20% of mustard oil in vanaspati and higher prices of crude oil. August soy oil contract ended higher at Rs 414.70 per 10 kg, up Rs 0.70 from Thursday. Prices moved in a range of Rs 414.55-418.20. Prices are expected to moderately increase in near term on blend of mustard oil in vanaspati.

PRICE DRIVERS:

Bullish:

1. Lower import of edible oil
2. 20% blend of mustard oil in manufacturing of Vanaspati

Bearish:

1. Hefty stock of mustard seeds.
2. Sowing is on peak

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 is moving downwards after bearish crossover to %D line in neutral region, which indicates slightly bearish sentiments. Candlestick pattern indicates indecisive market. DAV is moving northwards parallel to MACD in negative territory. Prices close above 9-days (413.20) and 18-days (414.28) EMA, which indicates slightly bullish market.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX-July	413.40	412.10	414.70	417.10	419.50

TRADE RECOMMENDATION:

NCDEX Aug Refined Soy Oil Contract:

Buy near 413.80, Target near 416.65 and put stop loss at 412.35

Refined Soybean Oil:

Spot Market Prices (Rs/10Kg excluding VAT)

Centres	07.07.06	06.07.06	Change
Mumbai (Ref. Soy Oil)+VAT	398	395	+3
Indore (Ref. Soy Oil)+VAT	386	383	+3
Kota (Ref. Soy Oil)+VAT	388	385	+3
Hyderabad (Ref. Soy Oil)+VAT	408	405	+3
Rajkot (Ref. Soy Oil)+Tax	397	393	+4

PALM OIL

International Market Highlights

BMD CPO Futures Settle Higher

Crude palm oil futures at the Bursa Malaysia Derivatives ended higher on Friday. The benchmark contract reaching its highest level in over four months as the market tracked a rally in soy oil futures. The benchmark September contract ended at MYR1,512 a metric ton, up MYR14 from Thursday. Palm oil surged on gain in soy oil futures at Chicago Board of Trade. Monday, cargo surveyors Intertek Agri Services and SGS (Malaysia) Bhd are due to issue estimates for July 1-10 Malaysian palm oil exports. Traders said market expectations are for exports to be higher than the previous month's levels.

Domestic Spot Market Highlights

Palm oil prices on domestic spot market went up in most of the markets on Friday. Palm oil prices surged on gain in soy oil. Traders are optimistic about the biodiesel demands on rise in crude oil. FOB prices (July Shipment) for CPO increased at \$397.50/ton and RBD palm oil at \$435.00/ton. Palm oil prices are expected to move range bound with moderately positive sentiments in near term.

BMD: CPO Futures (07.07.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
July 06	1434	1448	1449	1446	1448	+14	65
Aug 06	1464	1474	1477	1474	1476	+12	1072
Sep 06	1498	1510	1512	1507	1512	+14	6471
Oct 06	1519	1528	1532	1528	1532	+13	1810
Nov 06	1535	1540	1545	1540	1544	+9	230

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	07.07.06	06.07.06	Change
Kandla CPO (5 % FFA)	386	383	+3
Kandla RBD Palmolein +VAT	404	401	+3
Mumbai RBD Palmolein +VAT	407	407	0
Chennai RBD Palmolein +VAT	410	408	+2
Kakinada RBD Palmolein +VAT	402	398	+4
Hyderabad RBD Palmolein +VAT	415	412	+3
Delhi RDB Palmolein	432	430	+2

Rape/Mustard Expeller Oil

Mustard oil prices on spot market went up in most of the market on Friday amid positive sentiments. Prices increased sharply on government notification about the usage of mustard oil 20% in addition to 12% other indigenous oils in manufacturing of vanaspati. Today's arrivals of mustard seed were around 500-700 bags in Neewai, 1000-1200 bags in Kota, 2000-2500 in Jaipur and 52000-55000 bags in Rajasthan (bags=85 kg). Mustard seeds prices were quoted at Rs 1530-60 and 1710 in Jaipur per quintal. Mustard oil prices are expected to improve in near term.

Refined Groundnut Oil

Groundnut oil prices on spot market moved up in most of the market on Friday amid local demands for premium oil. Groundnut oil prices followed soy oil. Arrivals of groundnut seeds in Gujarat were around 15000 bags (bag=35 kg). GN oil prices are expected to move range bound with positive sentiments in near term.

Sunflower Expeller Oil

Sunflower oil prices on spot market showed positive sentiments in most of the markets on Friday. CIF (July Shipment) prices surged at \$621/ton, up \$5/ton from \$616/ton. Prices are expected to move range bound with slightly positive sentiments in near term.

Cotton Refine Oil

Cotton oil prices on spot market went higher in most of the market on Friday. Improvement in soy oil prices 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	07.07.06	06.07.06	Change
Mumbai + VAT	398	398	0
Kota + VAT	370	367	+3
Jaipur + VAT	374	372	+2
Delhi	397	395	+2
Neewai + VAT	373	371	+2

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

Centres	07.07.06	06.07.06	Change
Mumbai +VAT	500	500	0
Rajkot +VAT	493	488	+5
Andhra Region +VAT	493	490	+3
Chennai +VAT	488	485	+3
Delhi	502	500	+2

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

Markets	07.07.06	06.07.06	Change
Mumbai +VAT	452	452	0
Chennai +VAT	462	460	+2
Hyderabad+ VAT	467	465	+2

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

Markets	07.07.06	06.07.06	Change
Mumbai +VAT	414	412	+2
Hyderabad +VAT	412	408	+4
Rajkot + VAT	418	416	+2
Delhi	405	400	+3

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 07.07.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.12
European Union	Euro	58.96
Japan	100 Yen	40.05
United Kingdom	Pound Sterling	84.71