

VEGOIL DAILY

July 6, 2006

REFINED SOY OIL

SPOT MARKETS

Refined soy oil prices on spot market declined slightly in most of the markets on Wednesday on lower demands at retail ends. Weak futures market also added bearish tone in spot market. Good rain in major producing states also added bearish market sentiments. CWC meeting under the chairmanship of Smt Gandhi to check inflations of agri-commodities ended. Sonia Gandhi was of the opinion that the Public Distribution System needed to be strengthened. Prices are expected to move range bound in near term.

FUTURES MARKETS:

Refined soyoil futures at NCEDX settled down on Wednesday. Prices declined sharply in the first half of trading session on account of CWC meeting to check inflation. July soy oil contract settled at Rs 402.50 per 10 kg, down Rs 1.10 from Tuesday. Prices moved in a range of Rs 401.05-403.30. Prices are expected to improve slightly in near term.

PRICE DRIVERS:

Bullish:

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

Bearish:

1. Hefty stock of mustard seeds.
2. Good rain in major producing states
3. PDS needed to be strengthened

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 has just turn to move downwards and touched to %D line from up in neutral region, which is hinting slightly bearish sentiments. Candlestick formed Dragonfly pattern, which shows bearish market. DAV is moving downwards parallel to MACD in negative territory. Prices closed below 9-days (405.10) and 18-days (407.45) EMA, which indicates bearish market trend. Most of the technical indicators showed bearish market sentiments.



SUPPORT / RESISTANCES:

| Contract | S1 | S2 | PCP | R1 | R2 |
|------------|--------|--------|--------|--------|--------|
| NCDEX-July | 401.20 | 399.40 | 402.50 | 403.90 | 405.20 |

TRADE RECOMMENDATION:

NCDEX July Refined Soy Oil Contract:

Buy near 401.60, Target near 403.70 and put stop loss at 400.50

Refined Soybean Oil:

Spot Market Prices (Rs/10Kg excluding VAT)

| Centres | 05.07.06 | 04.07.06 | Change |
|------------------------------|----------|----------|--------|
| Mumbai (Ref. Soy Oil)+VAT | 396 | 396 | 0 |
| Indore (Ref. Soy Oil)+VAT | 382 | 384 | -2 |
| Kota (Ref. Soy Oil)+VAT | 383 | 385 | -2 |
| Hyderabad (Ref. Soy Oil)+VAT | 404 | 405 | -1 |
| Rajkot (Ref. Soy Oil)+Tax | 393 | 395 | -2 |

PALM OIL

International Market Highlights

BMD CPO Futures Settle Slightly Down

Crude palm oil futures at the Bursa Malaysia Derivatives settled marginally lower on Wednesday. The closure of the Chicago Board of Trade on the occasion of U.S. Independence Day and an absence of fresh supply and demand data saw the market confined in narrow ranges throughout the day. The benchmark September CPO contract ended at MYR1,487 a metric ton, down MYR2 from Tuesday. The contract was trapped within a tight range, touching a low of MYR1,483/ton and a high of MYR1,491/ton. Most of the participants are sideways due to lack of fundamental news and there is no SND in this week. Malaysian Palm Oil Board is due to issue official June supply and demand figures on July 10. Cargo surveyors Intertek Agri Services and SGS (Malaysia) Bhd. are also due to release July 1-10 Malaysian palm oil export estimates.

Domestic Spot Market Highlights

Palm oil prices on domestic spot market witnessed steady to positive sentiments in most of the markets on Wednesday. FOB prices (July Shipment) for CPO were quoted at \$395.00/ton and RBD palm oil at \$425.00/ton. Palm oil prices are expected to move range bound with moderately positive sentiments in near term.

BMD: CPO Futures (05.07.2006)

| | | | | | | (Ringgit/ton) | |
|---------|----------|------|------|------|-------|---------------|--------|
| Months | Previous | Open | High | Low | Close | Change | Volume |
| July 06 | 1425 | 1423 | 1432 | 1423 | 1426 | +1 | 88 |
| Aug 06 | 1459 | 1456 | 1462 | 1454 | 1457 | -2 | 1223 |
| Sep 06 | 1489 | 1488 | 1491 | 1483 | 1487 | -2 | 2598 |
| Oct 06 | 1509 | 1509 | 1510 | 1502 | 1507 | -2 | 1528 |
| Nov 06 | 1521 | 1520 | 1521 | 1514 | 1521 | 0 | 189 |

Palm oil – Spot Market Price

(Rs. Per 10 kg)

| Centres | 05.07.06 | 04.07.06 | Change |
|------------------------------|----------|----------|--------|
| Kandla CPO (5 % FFA) | 382 | 381 | +1 |
| Kandla RBD Palmolein +VAT | 400 | 397 | +3 |
| Mumbai RBD Palmolein +VAT | 410 | 410 | 0 |
| 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 went slightly lower side in most of the market on Wednesday amid sluggish trading activity. Today's arrivals of mustard seed were around 700-800 bags in Neewai, 1000 bags in Kota, 2500 in Jaipur and 55000 bags in Rajasthan (bags=85 kg). Mustard seeds prices were quoted at Rs 1520-40 and 1685-95 in Jaipur per quintal. Mustard oil prices are expected to move range bound with marginally weak sentiments in near term.

Refined Groundnut Oil

Groundnut oil prices on spot market witnessed lacklustre in most of the market on Wednesday amid lower demands due to rain. Weak futures market also added bearish impact on its prices. Arrivals of groundnut seeds in Gujarat were declined at 12000-15000 bags (bag=35 kg). GN oil prices expected to move range bound in near term.

Sunflower Expeller Oil

Sunflower oil prices on spot market revealed steady in most of the markets on Wednesday. CIF (July Shipment) prices were quoted at \$617/ton, up \$2/ton from \$612/ton. Prices are expected to move range bound with slightly positive sentiments in near term.

Cotton Refine Oil

Cotton oil prices on spot market moved slightly lower in most of the market on Wednesday. Cotton oil prices dampened with soy oil prices. Rain is beneficial for the cotton crop. Prices are expected to move range bound in near term.

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

| Centres | 05.07.06 | 04.07.06 | Change |
|--------------|----------|----------|--------|
| Mumbai + VAT | 398 | 400 | -2 |
| Kota + VAT | 365 | 367 | -2 |
| Jaipur + VAT | 370 | 372 | -2 |
| Delhi | 395 | 397 | -2 |
| Neewai + VAT | 368 | 371 | -3 |

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

| Centres | 05.07.06 | 04.07.06 | Change |
|--------------------|----------|----------|--------|
| Mumbai +VAT | 500 | 500 | 0 |
| Rajkot +VAT | 485 | 488 | -3 |
| Andhra Region +VAT | 488 | 488 | 0 |
| Chennai +VAT | 485 | 485 | 0 |
| Delhi | 500 | 500 | 0 |

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

| Markets | 05.07.06 | 04.07.06 | Change |
|----------------|----------|----------|--------|
| Mumbai +VAT | 452 | 452 | 0 |
| Chennai +VAT | 460 | 460 | 0 |
| Hyderabad+ VAT | 460 | 460 | 0 |

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

| Markets | 05.07.06 | 04.07.06 | Change |
|----------------|----------|----------|--------|
| Mumbai +VAT | 415 | 415 | 0 |
| Hyderabad +VAT | 407 | 408 | -1 |
| Rajkot + VAT | 415 | 416 | -1 |
| Delhi | 400 | 403 | -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 05.07.2006)**

| Country/ Continent | Currency | Value in Rupees |
|--------------------|----------------|-----------------|
| USA | Dollar | 46.03 |
| European Union | Euro | 58.96 |
| Japan | 100 Yen | 40.22 |
| United Kingdom | Pound Sterling | 84.96 |