

VEGOIL DAILY

July 15, 2006

REFINED SOY OIL

SPOT MARKETS

Refined soy oil on spot market surged sharply higher in most of the market on Friday amid lower stock and better demands at retail ends. Base import price increased on soy oil to \$566/ton, up \$37/ton from \$529/ton. Strong soy oil futures provided support to bullish market sentiments. Import of edible may get delayed on indecisiveness on GMO issue. Prices are expected to move range bound with moderately positive sentiments in near term.

FUTURES MARKETS:

Refined soyoil futures at NCEDX ended sharply higher on Friday. Hike in tariff value by \$13/ton on soy oil added positive tone. Import of total edible oil declined by 18 per cent in first eight month of marketing year (Nov-June). August soy oil contract settled up at Rs 426.90 per 10 kg, up Rs 5.85 from Thursday. Prices moved in a wide range of Rs 422.50-428.00. Prices are expected to improve in near term.

PRICE DRIVERS:

Bullish:

1. Lower stock of soy bean and Oil
2. 20% blend of mustard oil in manufacturing of Vanaspati
3. Import get delay on GMO dilemma
4. Hike in tariff value by \$13/ton

Bearish:

1. Hefty stock of mustard seeds.

Weather

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 continue to move upwards, reached in oversold region after bullish crossover to %D line, which indicates bullish market. DAV and MACD are moving sharply upwards in positive territory with wide gap, which indicates bullish trends. Candlestick pattern indicates strong bullish market sentiments. Prices closed far above 9-days (419.70) and 18-days (417.72) EMA, which indicates bullish trend.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX-August	423.60	420.30	426.90	429.10	431.30

TRADE RECOMMENDATION:

NCDEX Aug Refined Soy Oil Contract:

Buy near 424.20, target near 428.90 and put stop loss at 421.80

Refined Soybean Oil:

Spot Market Prices (Rs/10Kg excluding VAT)

Centres	14.07.06	13.07.06	Change
Mumbai (Ref. Soy Oil)+VAT	409	405	+4
Indore (Ref. Soy Oil)+VAT	395	393	+2
Kota (Ref. Soy Oil)+VAT	402	397	+5
Hyderabad (Ref. Soy Oil)+VAT	422	418	+4
Rajkot (Ref. Soy Oil)+Tax	403	400	+3

PALM OIL

International Market Highlights

BMD CPO Futures Settle Higher on Crude Oil Rally

Crude palm oil futures at the Bursa Malaysia Derivatives ended higher Friday on account of higher crude oil prices. The benchmark September CPO contract ended at MYR1,498/ton, up MYR7 from Thursday. Crude oil futures have risen to \$77-\$78 a barrel amid concerns about Middle East tensions. Palm oil, soy oil and rapeseed oil prices may surge on bio-diesel concerns owing to higher prices of crude oil. Hike in base import prices on edible oil in India added positive tone in the market. The base price for soy oil was increased by \$37/ton to \$566/ton. The base price for palm oil was raised by \$4/ton. Cargo surveyors SGS (Malaysia) Bhd and Intertek Agri Services are due to issue by Monday July 1-15 export estimates.

Domestic Spot Market Highlights

Palm oil prices on domestic spot market moved up amid positive sentiments in most of the markets on Friday. Hike in tariff value in all categories of palm oil added bullish tone on spot market. Palm oil prices followed soy oil prices. FOB (July Shipment) CPO prices were remain at \$400.00/ton and RBD Palmolein were at \$ 432.50/ton. Palm oil prices are expected to move range bound with slightly positive sentiments in near term.

BMD: CPO Futures (14.07.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
July 06	1430	0	0	0	1430	0	0
Aug 06	1464	1468	1475	1468	1471	+7	1038
Sep 06	1491	1497	1506	1491	1498	+7	3433
Oct 06	1509	1515	1526	1509	1517	+8	3971
Nov 06	1522	1525	1539	1525	1532	+10	268

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	14.07.06	13.07.06	Change
Kandla CPO (5 % FFA)	394	393	+1
Kandla RBD Palmolein +VAT	408	405	+3
Mumbai RBD Palmolein +VAT	414	414	0
Chennai RBD Palmolein +VAT	424	420	+4
Kakinada RBD Palmolein +VAT	414	412	+2
Hyderabad RBD Palmolein +VAT	430	428	+2
Delhi RDB Palmolein	438	435	+3

Rape/Mustard Expeller Oil

Mustard oil prices at spot market moved slightly higher in most of the market on Friday amid positive sentiments. 20% blending of mustard oil in vanaspati and lower import of edible oil provided support to bullish market sentiments. Selling prices of mustard seeds by nafed is also increased at 1575/quintal in Kota. Higher mustard seed prices brought positive impact on its prices. Ministry of Commerce issued a notice regarding procedure for import of Refined Rape, Colza or Mustard Oil under Tariff Rate Quota (TRQ) and has extended the last date for submission of application forms upto 31st July, 2006. 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 witnessed remain steady to positive sentiments in most of the market on Friday. There is export demands of seeds from Gujarat added bullish market sentiments. Arrivals of groundnut seeds in Gujarat slightly declined at 12000-14000 bags (bag=35 kg). GN oil prices are expected to move range bound in near term.

Sunflower Expeller Oil

Sunflower oil prices on spot market moved range bound with positive sentiments in most of the markets on Friday amid local demands. CIF (July Shipment) prices surged sharply at \$630/ton, down \$4/ton from \$634/ton. Prices are expected to move range bound with positive sentiments in near term on lower stock and local demands.

Cotton Refine Oil

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

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

Centres	14.07.06	13.07.06	Change
Mumbai + VAT	404	404	0
Kota + VAT	382	380	+2
Jaipur + VAT	387	384	+3
Delhi	406	405	+1
Neewai + VAT	383	381	+2

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

Centres	14.07.06	13.07.06	Change
Mumbai +VAT	515	515	0
Rajkot +VAT	509	506	+3
Andhra Region +VAT	505	500	+5
Chennai +VAT	490	490	0
Delhi	530	527	+3

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

Markets	14.07.06	13.07.06	Change
Mumbai +VAT	465	465	0
Chennai +VAT	473	472	+1
Hyderabad+ VAT	474	473	+1

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

Markets	14.07.06	13.07.06	Change
Mumbai +VAT	426	424	+2
Hyderabad +VAT	424	422	+2
Rajkot + VAT	436	432	+4
Delhi	420	416	+4

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
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	Arrived
Mundra	Matina	12500	SBO	Arrived
New Manglore	Yan Shui Hu	14000	SBO	Expected
	Bum Ik	6500	CPO	Expected

Forex Rates**(As on 14.07.2006)**

Country/ Continent	Currency	Value In Rupees
USA	Dollar	46.43
European Union	Euro	58.76
Japan	100 Yen	40.01
United Kingdom	Pound Sterling	85.25