

VEGOIL DAILY

July 4, 2006

REFINED SOY OIL

SPOT MARKETS

Refined soy oil prices on spot market showed steady to positive sentiments in most of the markets on Monday. Sowing is in progress in major producing states. Soybean acreage as of 26th June 2006 is at 74.0 thousand hectares as against 1.39 lakh hectares at the same period of last year. CIF Soy oil (July Shipment) prices increased at \$538/ton, up \$2/ton from \$536/ton. Prices are expected to move range bound with moderately positive sentiments in near term.

FUTURES MARKETS:

Refined soyoil futures at NCDEX end slightly down on Monday after choppy trading. July soy oil contract settled at Rs 407.25 per 10 kg, down Rs 1.70 from Saturday. Prices moved in a range of Rs 406.50-408.50. Prices are expected to move range bound with moderately positive sentiments in near term.

PRICE DRIVERS:

Bullish:

1. Lower import of edible oil
2. Thin stock of soybean
3. Seed demands for sowing

Bearish:

1. Hefty stock of mustard seeds.
2. Sowing is in progress in major producing states.

Weather

Soybean should be planted from last week of June to 2nd week of July. If there would be no rain during the period then there could be considerable yield reduction. Recent weather forecast indicating the sowing at proper time.

TECHNICALS

Stochastic %K line continued to move upwards after bullish crossover to %D line in neutral region, which indicates bullish sentiments. Short unfilled candlestick formed inverted Dragonfly pattern, which is hinting indecisive market. MACD is moving slightly downwards on parallel to DAV in negative territory, which is hinting marginally bearish sentiments. Prices closed below 9-days (406.30) and above 18-days (408.55) EMA, which indicates moderately bullish market sentiments. Most of the technical indicators showed bullish market sentiments.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX-July	406.30	405.40	407.25	408.40	409.40

TRADE RECOMMENDATION:

NCDEX July Refined Soy Oil Contract:

Buy near 406.60, Target near 408.30 and put stop loss at 405.75

Refined Soybean Oil:

Spot Market Prices (Rs/10Kg excluding VAT)

Centres	03.07.06	01.07.06	Change
Mumbai (Ref. Soy Oil)+VAT	397	397	0
Indore (Ref. Soy Oil)+VAT	385	385	0
Kota (Ref. Soy Oil)+VAT	387	Closed	-
Hyderabad (Ref. Soy Oil)+VAT	405	404	+1
Rajkot (Ref. Soy Oil)+Tax	396	393	+3

PALM OIL

International Market Highlights

BMD CPO Futures Ends Up on Soy Oil Gains

Gain in soy oil futures in CBOT supported crude palm oil futures on the Bursa Malaysia Derivatives that ended with a firm note. The September contract ended high at MYR1499 per metric ton, up MYR 8 from Friday. The highest value was recorded MYR1504 but could not be able to sustain this high level. Sellers dominated at these higher levels and they viewed no further recovery. Traders waiting for any strong news or fundamentals for further higher movement. Hefty stocks with other bearish fundamentals remain the main reason to act like a resistance at higher levels.

Domestic Spot Market Highlights

Palm oil prices on domestic spot market showed mixed sentiments in most of the markets on Monday. Higher settlement of CPO on BMD and soy oil futures at Chicago Board of Trade also added positive sentiments. FOB prices (July Shipment) for CPO were quoted at \$397.50/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 (03.07.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
July 06	1429	1435	1440	1431	1436	+7	463
Aug 06	1463	1468	1473	1465	1469	+6	1537
Sep 06	1491	1496	1504	1492	1499	+8	5126
Oct 06	1507	1514	1518	1509	1516	+9	1799
Nov 06	1516	1528	1528	1519	1528	+12	307

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	03.07.06	01.07.06	Change
Kandla CPO (5 % FFA)	379	378	+1
Kandla RBD Palmolein +VAT	400	400	0
Mumbai RBD Palmolein +VAT	408	405	+3
Chennai RBD Palmolein +VAT	408	408	0
Kakinada RBD Palmolein +VAT	394	390	+4
Hyderabad RBD Palmolein +VAT	412	410	+2
Delhi RDB Palmolein	430	430	0

Rape/Mustard Expeller Oil

Mustard oil prices on spot market observed lacklustre in most of the market on Monday amid lull demands at retail ends. Today's arrivals of mustard seed were around 600 bags in Neewai, 1500 bags in Kota, 3500 in Jaipur and 50000-55000 bags in Rajasthan (bags=85 kg). Mustard seeds prices were quoted at Rs 1520-40 and 1710 in Jaipur per quintal. Mustard oil prices are expected to move range bound with moderately positive sentiments in near term on delayed rain.

Refined Groundnut Oil

Groundnut oil prices on spot market moved up slightly in most of the market on Monday amid local demands at retail ends. Demands for premium groundnut oil and good export demands of groundnut seeds from Gujarat added positive tone. Arrivals of groundnut seeds in Gujarat were remains around 18000-20000 bags (bag=35 kg). GN oil prices expected to move range bound with moderately positive sentiments in near term.

Sunflower Expeller Oil

Sunflower oil prices on spot market went up in most of the markets on Monday. Harvesting is over in major producing states. Lower supply and good of sunflower oil brought positive impact on its prices. CIF (July Shipment) prices were quoted remain at \$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 moved higher in most of the market on Monday amid local demands. Lower supply of cotton oil provided support to bullish market sentiments. Prices are expected to move range bound with positive sentiments in near term.

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

Centres	03.07.06	01.07.06	Change
Mumbai + VAT	398	399	-1
Kota + VAT	368	Closed	-
Jaipur + VAT	373	373	0
Delhi	395	395	0
Neewai + VAT	372	371	+1

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

Centres	03.07.06	01.07.06	Change
Mumbai +VAT	500	495	+5
Rajkot +VAT	491	490	+1
Andhra Region +VAT	490	488	+2
Chennai +VAT	485	480	+5
Delhi	500	500	0

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

Markets	03.07.06	01.07.06	Change
Mumbai +VAT	450	445	+5
Chennai +VAT	460	458	+2
Hyderabad+ VAT	460	460	0

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

Markets	03.07.06	01.07.06	Change
Mumbai +VAT	412	409	+3
Hyderabad +VAT	408	404	+4
Rajkot + VAT	418	415	+3
Delhi	403	401	+2

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Star Dream	3500	CPO	Expected
	Chemroad Wing	10400	Palm Oil	Arrived
	Bunga Melatidua	21980	SBO	Arrived
	Vijaydoot	6500	CPO	Expected
	Olympic	5400	Palm Oil	Arrived
	Shimakaze	7000	SBO	Expected
Kolkata	Spring Glory	7000	CPO	Arrived
	Istasna 6	5000	CPO	Arrived
	Belicia	3800	CPO	Arrived
	Sutra Satu	8000	CPO	Expected
	Golden Crane	6000	CPO	Expected
Mumbai	Sutra Tiga	2535	CPO	Expected
Chennai	Westama	3800	CPO	Expected
	Khadijah	6000	CPO	Expected
J N Ports	Stolt Hawk	7000	SBO	Arrived
	Jo Leon	23000	SBO	Expected

Forex Rates**(As on 03.07.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.98
European Union	Euro	58.76
Japan	100 Yen	40.16
United Kingdom	Pound Sterling	84.95