

## VEGOIL DAILY

July 13, 2006

### REFINED SOY OIL

#### SPOT MARKETS

Refined soy oil on spot market moved slightly higher side in most of the market on Wednesday amid local demands on account of rainy season. CIF soy oil prices (July shipments) increased to \$558/ton, up \$2/ton from \$556/ton. Prices improved slightly on account of lower import of edible oil due to GMO Dilemma since July 7, 2006. There is news that the Reliance has decided to enter in edible oil retailing especially soy oil. Prices are expected to move range bound with positive sentiments in near term.

#### FUTURES MARKETS:

Refined soyoil futures at NCDEX ended moderately higher on Wednesday after choppy trading activity. Lower import of edible oil during this month added bullish market sentiments. August soy oil contract settled up at Rs 423.10 per 10 kg, up Rs 0.85 from Wednesday. Prices moved in a wide range of Rs 420.00-424.40. 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

##### Bearish:

1. Hefty stock of mustard seeds.
2. Sowing is nearly over in major producing states amid favourable weather.

#### 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

Candlestick formed Long leg Spinning top pattern, which indicates indecisive market. Stochastic %K line is moving upwards after bullish crossover to %D line in neutral region, which indicates bullish market. DAV and MACD are moving upwards in negative territory, which is hinting slightly bullish trends. Prices closed far above 9-days (417.13) and 18-days (416.12) EMA, which indicates bullish market sentiments. Most of the technical indicators showed bullish market sentiments.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX- August	420.30	418.10	423.10	425.60	427.10

#### TRADE RECOMMENDATION:

NCDEX Aug Refined Soy Oil Contract:

Buy near 420.90, target near 425.00 and put stop loss at 418.80

#### Refined Soybean Oil:

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

Centres	12.07.06	11.07.06	Change
Mumbai (Ref. Soy Oil)+VAT	402	401	+1
Indore (Ref. Soy Oil)+VAT	392	387	+5
Kota (Ref. Soy Oil)+VAT	395	392	+3
Hyderabad (Ref. Soy Oil)+VAT	418	415	+3
Rajkot (Ref. Soy Oil)+Tax	397	396	+1

## PALM OIL

### International Market Highlights

#### BMD CPO Futures Settle Down on Stock Fear

Crude palm oil futures at the Bursa Malaysia Derivatives settled sharply lower on Wednesday on record high of stock. The benchmark September contract ended at MYR1,491 a metric ton, down MYR22 from Tuesday. Earlier in the week, the Malaysian Palm Oil Board said palm oil stocks in Malaysia rose to 1.65 million tons at end-June, the highest level on record. The rise in stocks came despite a decline in production, as exports fared poorly in June. Cargo surveyor SGS (Malaysia) Bhd estimated July 1-10 Malaysian palm oil exports at 356,093 tons, little changed from exports in the same period of June. CPO futures may continue to go downwards, until unless higher gains in soyoil futures on the Chicago Board of Trade.

### Domestic Spot Market Highlights

Palm oil prices on domestic spot market remain moved higher side in most of the markets on Wednesday. Palm oil prices followed soy oil prices. FOB (July Shipment) CPO prices were remain at \$395.00/ton and RBD Palmolein were at \$ 432.50/ton. Palm oil prices are expected to move range bound with moderately positive sentiments in near term.

#### BMD: CPO Futures (12.07.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
July 06	1448	1450	1452	1430	1430	-18	36
Aug 06	1478	1475	1475	1469	1464	-14	642
Sep 06	1513	1510	1511	1491	1491	-22	4264
Oct 06	1533	1530	1532	1509	1509	-24	2692
Nov 06	1546	1545	1545	1545	1525	-21	222

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	12.07.06	11.07.06	Change
Kandla CPO (5 % FFA)	392	388	+4
Kandla RBD Palmolein +VAT	408	406	+2
Mumbai RBD Palmolein +VAT	412	407	+5
Chennai RBD Palmolein +VAT	419	418	+1
Kakinada RBD Palmolein +VAT	408	405	+3
Hyderabad RBD Palmolein +VAT	428	421	+7
Delhi RDB Palmolein	435	435	0

### Rape/Mustard Expeller Oil

Prices at spot market moved moderately up in most of the market on Wednesday amid local demands in rainy season. Market sentiments were slightly bullish on account of govt notifications about the usage of mustard oil of 20% in manufacturing of vanaspati. Today's arrivals of mustard seed were around 500 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 1540-60 and 1715-1725 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 went witnessed steady to positive sentiments in most of the market on Wednesday. Arrivals of groundnut seeds in Gujarat slightly increased at 16000-18000 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 slightly higher side in most of the markets on Wednesday amid positive sentiments. CIF (July Shipment) prices surged at \$622/ton, up \$1/ton from \$621/ton. Prices are expected to move range bound with slightly positive sentiments in near term on lower stock and local demands.

### Cotton Refine Oil

Cotton oil prices on spot market went up in most of the market on Wednesday amid positive sentiments. Cotton oil prices followed soy oil prices. Sowing of cotton crop is nearly completed in major producing states. 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	12.07.06	11.07.06	Change
Mumbai + VAT	402	400	+2
Kota + VAT	379	378	+1
Jaipur + VAT	383	382	+1
Delhi	404	398	+6
Neewai + VAT	380	375	+5

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

Centres	12.07.06	11.07.06	Change
Mumbai +VAT	512	502	+10
Rajkot +VAT	502	502	0
Andhra Region +VAT	500	500	0
Chennai +VAT	490	490	0
Delhi	520	508	+12

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

Markets	12.07.06	11.07.06	Change
Mumbai +VAT	461	460	+1
Chennai +VAT	470	465	+5
Hyderabad+ VAT	475	470	+5

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

Markets	12.07.06	11.07.06	Change
Mumbai +VAT	420	417	+3
Hyderabad +VAT	420	415	+5
Rajkot + VAT	427	427	0
Delhi	416	410	+6

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Black Pearl	26500	SBO	Expected
	Yan Shui Hu	28000	SBO	Expected
Kolkata	MMM Jackson	6000	CPO	Expected
	Hua Yun5	3362	CPO	Arrived
	Padang Halaban	5874	CPO	Arrived
Mumbai	Eastern Bright	8450	Palm Oil	Expected
	Pacific Sound	6000	Palm Oil	Expected
Chennai	Cheras	3500	CPO	Expected
	Khadijah	6000	CPO	Arrived
Mundra	Black Pearl	12500	SBO	Arrived
New Manglore	Yan Shui Hu	14000	SBO	Expected
	Bum Ik	6500	CPO	Arrived

**Forex Rates****(As on 12.07.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.21
European Union	Euro	58.99
Japan	100 Yen	40.40
United Kingdom	Pound Sterling	85.35