

VEGOIL DAILY

July 17, 2006

REFINED SOY OIL

SPOT MARKETS

Refined soy oil on spot market surged higher in most of the market on weekend on account of low import of edible oil against last years and better demands at retail ends. Area of soybean is expected to decline slightly due to scanty rain in major growing area. Strong soy oil futures added bullish market sentiments. Delayed import of edible may get positive impact on its prices due to dilemma over GMO issue. Hike in tariff value by \$37/ton also provided support to bullish market. CIF soy oil prices (July shipments) increased to \$560/ton, up \$5/ton from \$555/ton. Prices are expected to move range bound with positive sentiments in near term.

FUTURES MARKETS:

Refined soyoil futures at NCEDX settled remain sharply higher on Saturday. Hike in tariff value and lower import of edible oil added bullish sentiments. August soy oil contract settled up at Rs 431.75 per 10 kg, up Rs 4.70 from Friday. Prices moved in a wide range of Rs 426.90-431.90. Prices are expected to improve in near term.

PRICE DRIVERS:

Bullish:

1. Lower stock of soy bean and Oil
2. Import get delay on GMO dilemma
3. Hike in tariff value by \$13/ton
4. Area is expected to decline on delayed monsoon

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.

Refined Soybean Oil:

TECHNICALS

Candlestick formed Marubozu pattern indicates strong bullish market sentiments. Stochastic %K line continued to move northwards in oversold region after bullish crossover to %D line, which indicates bullish market. DAV is moving upwards in positive territory on parallel to MACD, which indicates bullish trends. Prices closed far above 9-days (422.11) and 18-days (419.19) EMA, which indicates bullish trend.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX-August	428.90	433.50	431.75	433.80	435.40

TRADE RECOMMENDATION:

NCDEX Aug Refined Soy Oil Contract:

Buy near 428.90, target near 433.50 and put stop loss at 426.50

Spot Market Prices (Rs/10Kg excluding VAT)

Centres	15.07.06	14.07.06	Change
Mumbai (Ref. Soy Oil)+VAT	414	409	+5
Indore (Ref. Soy Oil)+VAT	399	395	+4
Kota (Ref. Soy Oil)+VAT	410	402	+8
Hyderabad (Ref. Soy Oil)+VAT	422	422	0
Rajkot (Ref. Soy Oil)+Tax	404	403	+1

PALM OIL

International Market Highlights

BMD Remain Closed on Saturday and Sunday

Domestic Spot Market Highlights

Palm oil prices on domestic spot market went higher side amid positive sentiments in most of the markets on weekend. Palm oil prices climbed behind soy oil. Hike in tariff value in all categories of palm oil added bullish tone on spot market. 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	15.07.06	14.07.06	Change
Kandla CPO (5 % FFA)	397	394	+3
Kandla RBD Palmolein +VAT	412	408	+4
Mumbai RBD Palmolein +VAT	416	414	+2
Chennai RBD Palmolein +VAT	425	424	+1
Kakinada RBD Palmolein +VAT	415	414	+3
Hyderabad RBD Palmolein +VAT	430	430	0
Delhi RDB Palmolein	438	438	0

Rape/Mustard Expeller Oil

Mustard oil prices at spot market moved up in most of the market on Saturday amid positive sentiments. 20% blending of mustard oil in vanaspati and higher prices of other edible oil owing strong futures markets provided to support to bullish market sentiments. Mustard seed prices increase slightly as compared to Friday. Today's arrivals of mustard seed were around 500 bags in Neewai, 2000 bags in Kota, 5000 in Jaipur and around 55000 bags in Rajasthan (bags=85 kg). Mustard seeds prices were quoted at Rs 1560-80 and 1770-1780 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 surged higher in most of the market on Saturday amid local demands for premium oil and strong futures market. There is export demands of seeds from Gujarat added bullish market sentiments. Arrivals of groundnut seeds in Gujarat slightly declined at 12000-15000 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 Saturday amid local demands. CIF (July Shipment) prices surged sharply at \$635/ton, up \$5/ton from \$630/ton. Prices are expected to move range bound with positive sentiments in near term on lower stock.

Cotton Refine Oil

Cotton oil prices on spot market improved in most of the market on Saturday amid positive sentiments. Local demands at retail ends and higher prices of other edible oil brought positive impact on its prices. Strong futures market added bullish tone in the market. Prices are expected to move range bound with positive sentiments in near term.

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

Centres	15.07.06	14.07.06	Change
Mumbai + VAT	408	404	+4
Kota + VAT	384	382	+2
Jaipur + VAT	389	387	+2
Delhi	408	406	+2
Neewai + VAT	386	383	+3

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

Centres	15.07.06	14.07.06	Change
Mumbai +VAT	520	515	+5
Rajkot +VAT	515	509	+6
Andhra Region +VAT	520	505	+5
Chennai +VAT	495	490	+5
Delhi	538	530	+8

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

Markets	15.07.06	14.07.06	Change
Mumbai +VAT	470	465	+5
Chennai +VAT	475	473	+2
Hyderabad+ VAT	475	474	+1

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

Markets	15.07.06	14.07.06	Change
Mumbai +VAT	428	426	+2
Hyderabad +VAT	430	424	+6
Rajkot + VAT	438	436	+2
Delhi	422	420	+2

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 15.07.2006)**

Country/ Continent	Currency	Value In Rupees
USA	Dollar	46.20
European Union	Euro	58.40
Japan	100 Yen	39.78
United Kingdom	Pound Sterling	84.83