

VEGOIL DAILY

July 12, 2006

REFINED SOY OIL

SPOT MARKETS

Refined soy oil on spot market moved up amid positive sentiments in most of the market on Tuesday. Strong futures market added bullish tone in the market. CIF soy oil prices (July shipments) increased to \$556/ton, up \$6/ton from \$550/ton. Prices improved slightly on account of lower stock and on Govt notification about the 20% blending of mustard oil in vanaspati. Prices are expected to improve further in near term.

FUTURES MARKETS:

Refined soyoil futures at NCEDX ended sharply higher on Tuesday amid on gain of soy oil at CBOT. 20% blending of mustard oil in vanaspati and lower stock of soybean and oil provided support to bullish market sentiments. August soy oil contract settled up at Rs 422.85 per 10 kg, up Rs 7.45 from Monday. Prices moved in a wide range of Rs 415.25-422.85. Prices are expected to move range bound with positive sentiments 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

Long white candlestick formed Marubozu pattern, which indicates strong bullish market sentiments. Stochastic %K line is moving upwards after bullish crossover to %D line in neutral region, which indicates bullish market. DAV and MACD are moving northwards with increasing differences in negative territory, which is hinting slightly bullish trends. Prices closed above 9-days (415.64) and 18-days (415.30) EMA, which indicates strong bullish market sentiments. Most of the technical indicators showed bullish market sentiments.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX- August	417.30	412.70	422.85	425.40	427.90

TRADE RECOMMENDATION:

NCDEX Aug Refined Soy Oil Contract:

Buy near 419.30, target near 425.10 and put stop loss at 416.30

Refined Soybean Oil:

Spot Market Prices (Rs/10Kg excluding VAT)

Centres	11.07.06	10.07.06	Change
Mumbai (Ref. Soy Oil)+VAT	401	399	+2
Indore (Ref. Soy Oil)+VAT	387	385	+2
Kota (Ref. Soy Oil)+VAT	392	388	+4
Hyderabad (Ref. Soy Oil)+VAT	415	407	+8
Rajkot (Ref. Soy Oil)+Tax	396	394	+2

PALM OIL

International Market Highlights

BMD CPO Futures Settle Moderately Higher After Choppy Trading Activity

Crude palm oil futures at Bursa Malaysia Derivatives settled moderately higher after subdued trading activity on Tuesday on gains in soy oil. The benchmark September contract ended at MYR1,513 a metric ton, up MYR4 from Monday. The high stocks situation is exerting some downward pressure on the market. But at the same time, people are optimistic about the bio-diesel potential. The use of palm oil as bio-diesel is still insignificant but is expected to increase by year-end and in 2007. The optimism about bio-diesel has been fueled by high crude oil prices, which have been hovering around \$70-\$75 a barrel in recent days. Strong gains in soy oil futures also lent support to CPO futures Tuesday. Malaysian palm oil stocks rose to a record high of 1.65 million tons at end-June. Monday, SGS (Malaysia) Bhd estimated July 1-10 palm oil exports at 356,093 tons, up a disappointing 0.69% on month.

Domestic Spot Market Highlights

Palm oil prices on domestic spot market went up in most of the markets on Tuesday. Palm oil prices followed soy oil prices. FOB (July Shipment) CPO prices were 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 on biodiesel demands.

BMD: CPO Futures (10.07.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
July 06	1447	1448	1448	1440	1444	-3	81
Aug 06	1477	1476	1477	1467	1474	-3	876
Sep 06	1512	1515	1516	1505	1509	-3	2983
Oct 06	1533	1539	1539	1528	1533	0	1025
Nov 06	1547	1550	1558	1545	1546	-1	168

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	11.07.06	10.07.06	Change
Kandla CPO (5 % FFA)	388	387	+1
Kandla RBD Palmolein +VAT	406	402	+4
Mumbai RBD Palmolein +VAT	407	407	0
Chennai RBD Palmolein +VAT	418	412	+6
Kakinada RBD Palmolein +VAT	405	402	+3
Hyderabad RBD Palmolein +VAT	421	414	+7
Delhi RDB Palmolein	435	430	+5

Rape/Mustard Expeller Oil

Prices at spot market moved higher side in most of the market on Tuesday amid positive sentiments. Local consumption demands in rainy season also added bullish tone. 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, 1200 bags in Kota, 3500 in Jaipur and 50000-55000 bags in Rajasthan (bags=85 kg). Mustard seeds prices were quoted at Rs 1530-50 and 1710-1720 in Jaipur per quintal. Weather was cloudy with little showers of rain in major parts of Rajasthan. Mustard oil prices are expected to improve in near term.

Refined Groundnut Oil

Groundnut oil prices on spot market went sharply higher in most of the market on Tuesday. Gn oil prices followed soy oil prices. 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 range bound in most of the markets on Tuesday amid positive sentiments. CIF (July Shipment) prices surged at \$621/ton, down \$2/ton from \$623/ton. Prices are expected to move range bound with slightly positive sentiments in near term on lower stock.

Cotton Refine Oil

Cotton oil prices on spot market went up in most of the market on Tuesday amid positive sentiments. Cotton oil prices climbed behind soy oil prices. Sowing of cotton crop is nearly completed in major producing states. Strong futures market 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	11.07.06	10.07.06	Change
Mumbai + VAT	400	399	+1
Kota + VAT	378	372	+6
Jaipur + VAT	382	377	+5
Delhi	398	396	+2
Neewai + VAT	375	373	+2

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

Centres	11.07.06	10.07.06	Change
Mumbai +VAT	502	502	0
Rajkot +VAT	502	496	+6
Andhra Region +VAT	500	492	+8
Chennai +VAT	490	482	+8
Delhi	508	500	+8

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

Markets	11.07.06	10.07.06	Change
Mumbai +VAT	460	454	+6
Chennai +VAT	465	465	0
Hyderabad+ VAT	470	468	+2

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

Markets	11.07.06	10.07.06	Change
Mumbai +VAT	417	415	+2
Hyderabad +VAT	415	408	+7
Rajkot + VAT	427	420	+7
Delhi	410	405	+5

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 11.07.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.21
European Union	Euro	58.80
Japan	100 Yen	40.47
United Kingdom	Pound Sterling	85.06