

## VEGOIL DAILY

July 3, 2006

### REFINED SOY OIL

#### SPOT MARKETS

Refined soy oil prices on spot market moved up slightly amid positive sentiments in most of the markets on weekend. Kharif oil seed area may decline slightly, if there would be further delay in arrival of monsoon. CIF prices (July shipment) increased at \$536/ton, up \$ 4 from \$532/ton. Prices are expected to move range bound with moderately positive sentiments in near term.

#### FUTURES MARKETS:

Refined soyoil futures at NCEDX end slightly higher on Saturday on lower domestic stock and positive sentiments in global market on increasing biodiesel demands. July soy oil contract opened firm despite cuts in tariff value by \$13/ton and finally settled at Rs 408.25 per 10 kg, up Rs 0.60 from Friday. Prices moved in a range of Rs 407.80-409.70. Prices are expected to move range bound with slightly 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 2<sup>nd</sup> 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. Candlestick formed Doji pattern, which is hinting indecisive market. DAV is moving upwards and touched to MACD from below in negative territory, which is hinting moderately bullish sentiments. Prices closed above the 9-days (406.06) and just below 18-days (408.70) 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	407.30	406.20	408.25	409.90	411.20

#### TRADE RECOMMENDATION:

NCDEX July Refined Soy Oil Contract:

Buy near 407.50, Target near 409.40 and put stop loss at 406.50

#### Refined Soybean Oil:

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

Centres	01.06.06	30.06.06	Change
Mumbai (Ref. Soy Oil)+VAT	397	395	+2
Indore (Ref. Soy Oil)+VAT	385	384	+1
Kota (Ref. Soy Oil)+VAT	Closed	384	-
Hyderabad (Ref. Soy Oil)+VAT	404	403	+1
Rajkot (Ref. Soy Oil)+Tax	393	393	0

## PALM OIL

### International Market Highlights

BMD remains closed on Saturday and Sunday

### Domestic Spot Market Highlights

Palm oil prices on domestic spot market went up in most of the markets on Saturday on hike in tariff value by \$4/ton on palm oil and RBD palmolein. Higher settlement of soy oil futures at Chicago Board of Trade also added positive sentiments. FOB prices (July Shipment) for CPO were quoted at \$395.00/ton and RBD palm oil at \$422.50/ton. Palm oil prices are expected to move range bound with moderately positive sentiments in near term.

#### BMD: CPO Futures (30.06.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
July 06	1423	1425	1429	1421	1429	+6	409
Aug 06	1452	1454	1464	1452	1463	+11	1755
Sep 06	1477	1481	1499	1476	1491	+14	6393
Oct 06	1491	1498	1512	1491	1507	+16	1605
Nov 06	1500	1508	1516	1499	1516	+16	633

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	01.06.06	30.06.06	Change
Kandla CPO (5 % FFA)	378	375	+3
Kandla RBD Palmolein +VAT	400	395	+5
Mumbai RBD Palmolein +VAT	405	405	0
Chennai RBD Palmolein +VAT	408	405	+3
Kakinada RBD Palmolein +VAT	390	386	+4
Hyderabad RBD Palmolein +VAT	410	407	+3
Delhi RDB Palmolein	430	430	0

#### Rape/Mustard Expeller Oil

Mustard oil prices on spot market moved slightly up amid positive sentiments in most of the market on Saturday amid positive sentiments. Cloudy weather and light rainfall is provided support to bullish market sentiments. Mustard seeds selling prices slightly hiked by Nafed also added positive tone. Kota market was closed on local religious functions. Today's arrivals of mustard seed were around 500 bags in Neewai, 3000 in Jaipur and 55000 bags in Rajasthan (bags=85 kg). Mustard seeds prices were quoted at Rs 1675-90 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 showed steady to positive sentiments in most of the market on weekend amid local demands at retail ends. Demands for premium groundnut oil and good export demands of groundnut seeds from Gujarat. 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 improved slightly in most of the markets amid positive sentiments on Saturday. Higher prices of other edible 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 range bound with positive sentiments in most of the market on Saturday amid local demands. Cotton oil prices followed soy oil prices. Firm opening of futures market added bullish sentiments on the spot 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	01.06.06	30.06.06	Change
Mumbai + VAT	399	398	+1
Kota + VAT	Closed	367	-
Jaipur + VAT	373	372	+1
Delhi	395	392	+3
Neewai + VAT	371	370	+1

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

Centres	01.06.06	30.06.06	Change
Mumbai +VAT	495	492	+3
Rajkot +VAT	490	487	+3
Andhra Region +VAT	488	487	+1
Chennai +VAT	480	480	0
Delhi	500	500	0

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

Markets	01.06.06	30.06.06	Change
Mumbai +VAT	445	440	+5
Chennai +VAT	458	458	0
Hyderabad+ VAT	460	459	+1

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

Markets	01.06.06	30.06.06	Change
Mumbai +VAT	409	408	+1
Hyderabad +VAT	404	403	+1
Rajkot + VAT	415	414	+1
Delhi	401	401	0

**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 01.07.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.07
European Union	Euro	58.94
Japan	100 Yen	40.28
United Kingdom	Pound Sterling	85.21