

VEGOIL DAILY

July 28, 2006

REFINED SOY OIL

SPOT MARKETS

The spot market prices in different centers remain range bound and mixed. Weakness overnight in CBOT and firmness in BMD on Thursday results into holding the prices in its current location. The traders are in wait and watch condition to see any further notification to curb inflating prices of the edible oil in the market. Weak demand owing to lack of interest by the buyers at this juncture is also responsible to hold its prices in current levels. CIF soy oil prices (August shipments) decline slightly on Thursday at \$547/ton. Prices of soy refined are expected to trade with marginal bearish note.

FUTURES MARKETS:

Refined soyoil futures Aug contract at NCDEX opened weak and soon gain strength and traded on the positive territory. Short covering and profit booking providing further support. Firmness in BMD also results into improve in its sentiments. August soy oil contract closed down at Rs 421.25 per 10 kg, up Rs 0.25 on Thursday. Prices moved in a wide range of Rs 420.00-422.90. Prices are expected to trade on the lower side.

PRICE DRIVERS:

Bullish:

1. Lower stock of soy bean and Oil

Bearish:

1. Huge production of soybean expected.
2. Removal of cap on GM soy oil import till March 07

TECHNICALS

White un-filled candlestick with somewhat spindle top formation indicates indecisiveness into the market. Stochastic bending towards for bullish cross over. Prices closed below 9-days and at 18-days EMA indicating bearish sentiments. MACD indicating bearish sentiments. Volumes decline while open interests remain almost steady.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX-August	416.0	414.0	421.25	422.4	424.6

TRADE RECOMMENDATION:

NCDEX Aug Refined Soy Oil Contract:

Sell below 420.00, target near: T1- 417.70 and put stop loss at 421.30

Refined Soybean Oil:

Spot Market Prices (Rs/10Kg excluding VAT)

Centres	27.07.06	26.07.06	Change
Mumbai (Ref. Soy Oil)+VAT	407	406	+1
Indore (Ref. Soy Oil)+VAT	397	397	0
Kota (Ref. Soy Oil)+VAT	400	400	0
Hyderabad (Ref. Soy Oil)+VAT	430	433	-3
Rajkot (Ref. Soy Oil)+Tax	401	396	+5

PALM OIL

International Market Highlights

BMD Palm Oil Futures Improved on Decline in Production

Crude palm oil futures on the BMD closed slightly up after a both way trading on Thursday and got strength by weaker July production. The October contract settled at MYR1, 574 per metric ton, up MYR9 from Wednesday. The contract ranged between low of MYR1, 560 and a high of MYR1, 575/ton. Talk of weaker Malaysian CPO production in July by 5%-6% provided underlying support to the market, which implied reduction of its palm oil stalk. Malaysia produced 1.33 million tons of CPO in June and the stocks remain record high 1.65 million tons. Speculative buying on the back of growing bio-diesel results into improved sentiments into the market. Trading volume remains at 5,342 lots, down from 12,453 lots from Wednesday. Open interest remains at 53,785 lots, compared with 54,031 lots.

Domestic Spot Market Highlights

Palm oil prices on domestic spot market remain range bound with slight bullish sentiments. Slight decline could be noticed in Mumbai while the improvement in prices was noticed in Chennai, Kakinada and Hyderabad. The prices at other centers remain steady. The price is expected to trade side ways and will much depend on the futures in BMD.

BMD: CPO Futures (26.07.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Aug.06	1516	1511	1524	1511	1522	+6	110
Sep.06	1544	1540	1550	1539	1549	+5	461
Oct.06	1565	1563	1575	1560	1574	+9	2943
Nov.06	1581	1579	1591	1576	1591	+10	501
Dec.06	1594	1590	1603	1589	1603	+9	449

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	27.07.06	26.07.06	Change
Kandla CPO (5 % FFA)	402	402	0
Kandla RBD Palmolein +VAT	416	416	0
Mumbai RBD Palmolein +VAT	416	418	-2
Chennai RBD Palmolein +VAT	437	435	+2
Kakinada RBD Palmolein +VAT	418	417	+1
Hyderabad RBD Palmolein +VAT	437	435	+2
Delhi RDB Palmolein	440	440	0

Rape/Mustard Expeller Oil

Mustard oil prices at different centers decline on low demand and NAFED auction of mustard seed at cheaper rate at Rs. 1525-1530/quintal. The prices are expected to decline further from the current level if NAFED further lowers its selling prices.. Low arrivals could be seen in Neewai and remain at 200-300 bags. Mustard seed prices remain Rs 1725 and 1520-1540 per quintal in Jaipur and Kota respectively with arrivals of 3000 and 1000-1200 bags in the concerned centers. Mustard oil prices are expected to trade sideways and expected to decline slightly.

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

Centres	27.07.06	26.07.06	Change
Mumbai + VAT	405	408	-3
Kota + VAT	380	380	0
Jaipur + VAT	383	383	0
Delhi	405	407	-2
Neewai + VAT	380	382	-2

Refined Groundnut Oil

Groundnut oil prices in the physical market remain steady in major markets owing to equality in demand and supply. Slight decline was noticed in Mumbai. Prices expected to decline in near term as the export demand of seeds are weakened. Arrivals of groundnut seeds in Gujarat remain at 15000 bags (bag=35 kg) with the seed rate remain at 378/10 kg. GN oil prices are expected to remain range bound with slight decline.

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

Centres	27.07.06	26.07.06	Change
Mumbai +VAT	522	525	-3
Rajkot +VAT	512	512	0
Andhra Region +VAT	550	550	0
Chennai +VAT	485	485	0
Delhi	550	550	0

Sunflower Expeller Oil

Sunflower oil prices on Hyderabad and Chennai improved on reduced stock position and improved demand while it remain steady in Mumbai. CIF (Aug Shipment) prices remain steady on Thursday at \$625/ton. Prices expected to move range bound and would follow the trends in major oil.

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

Markets	27.07.06	26.07.06	Change
Mumbai +VAT	472	472	0
Chennai +VAT	480	477	+3
Hyderabad	485	470	+15

Cotton Refine Oil

Cotton oil prices on spot market remain mixed and range bound in different centers. Weak demand in one hand and low stock at the others results into holding the prices at its current level. Prices are expected to remain range bound and with slight decline in near terms.

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

Markets	27.07.06	26.07.06	Change
Mumbai +VAT	436	438	-2
Hyderabad +VAT	432	430	+2
Rajkot + VAT	434	434	0
Delhi	422	422	0

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Samho Heron	9500	CPO	Arrived
	Pacific Sound	11000	CPO	Arrived
	Global Eos	11000	CPO	Expected
	Southern Unicorn	5000	CPO	Expected
Kolkata	MMM Jackson	6000	CPO	Arrived
	Tirta Niaga II	6000	CPO	Expected
	Padang Halaban	6000	CPO	Expected
	Istana	3000	CPO	Expected
Mumbai	Southern Unicorn	5500	Palm Oil	Expected
	Shimakaz	8300	Palm Oil	Expected
Chennai	Cheras	3500	CPO	Expected
	Spring Wind	7250	CPO	Expected
	Khadijah	6000	CPO	Expected
	Istena	2000	CPO	Expected
New Manglore	Yan Shui Hu	14000	SBO	Expected
	Bum Ik	6500	CPO	Expected
Tuticorin	Spring Glory	7300	Palm Oil	Expected
Kakinada	Ionion	11000	SBO	Expected
	Istana	3000	CPO	Expected
Cochin	Golden Jane	5000	CPO	Expected

Forex Rates**(As on 27.07.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.64
European Union	Euro	59.33
Japan	100 Yen	40.15
United Kingdom	Pound Sterling	86.56