

VEGOIL DAILY

July 11, 2006

REFINED SOY OIL

SPOT MARKETS

Refined soy oil on spot market showed steady to weak sentiments in most of the market on Monday amid lower demands at retail ends. Sowing is nearly completed in major producing states amid favourable weather. There is talk in the market that Mrs Sonia Gandhi may call a meeting for review of inflations. CIF soy oil prices (July shipments) were at \$550/ton. Prices are expected to improve slightly in near term.

FUTURES MARKETS:

Refined soyoil futures at NCEDX settled moderately up on Monday amid subdued trading activity. August soy oil contract ended up at Rs 415.10 per 10 kg, up Rs 0.10 from Saturday. Prices moved in a range of Rs 412.80-415.80. Prices are expected to move range bound in near term.

PRICE DRIVERS:

Bullish:

1. Lower import of edible 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

Stochastic %K line is moving upwards after bullish crossover to %D line in neutral region, which indicates slightly bullish sentiments. Candlestick pattern shows slightly bullish market sentiments. DAV and MACD are moving slightly northwards in negative territory, which is hinting slightly bullish trends. Prices closed above 9-days (413.84) and 18-days (414.41) EMA, which indicates moderately bullish market. Most of the technical indicators showed bullish market sentiments.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX-August	413.30	411.50	415.10	416.30	417.50

TRADE RECOMMENDATION:

NCDEX Aug Refined Soy Oil Contract:

Buy near 414.10, target near 416.20 and put stop loss at 413.00

Refined Soybean Oil:

Spot Market Prices (Rs/10Kg excluding VAT)

Centres	10.07.06	08.07.06	Change
Mumbai (Ref. Soy Oil)+VAT	399	399	0
Indore (Ref. Soy Oil)+VAT	385	386	-1
Kota (Ref. Soy Oil)+VAT	388	388	0
Hyderabad (Ref. Soy Oil)+VAT	407	407	0
Rajkot (Ref. Soy Oil)+Tax	394	395	-1

PALM OIL

International Market Highlights

BMD CPO Futures Settle Slightly Lower

Crude palm oil futures at the Bursa Malaysia Derivatives exchange settled slightly lower on Monday on disappointing supply and demand data. The benchmark September CPO contract ended at MYR1,509 a metric ton, down MYR3 from Friday. The MPOB's figures were also bearish side because of the high stocks and weak exports. Malaysian Palm Oil Board issued its latest monthly report, pegging June CPO production at 1.33 million tons, down 4.5% on month. Palm oil stocks grew to a record high of 1,645,839 tons at the end of June. The previous record was at 1,645,637 tons in February. However, high crude oil prices are still giving some hope for biodiesel demands in near future. SGS estimated July 1-10 Malaysian palm oil exports at 356,093 tons, up 0.69% on month. Traders said market expectations were for faster growth in exports to around 380,000-400,000 tons.

Domestic Spot Market Highlights

Palm oil prices on domestic spot market witnessed steady in most of the markets on Monday. There were fresh fundamentals to boost up its prices. FOB (July Shipment) CPO prices were at \$397.50/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	10.07.06	08.07.06	Change
Kandla CPO (5 % FFA)	387	387	0
Kandla RBD Palmolein +VAT	402	402	0
Mumbai RBD Palmolein +VAT	407	407	0
Chennai RBD Palmolein +VAT	412	411	+1
Kakinada RBD Palmolein +VAT	402	402	0
Hyderabad RBD Palmolein +VAT	414	414	0
Delhi RDB Palmolein	430	430	0

Rape/Mustard Expeller Oil

Prices at spot market revealed steady to positive sentiments in most of the market on Monday. 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, 1000 bags in Kota, 3000 in Jaipur and 50000-52000 bags in Rajasthan (bags=85 kg). Mustard seeds prices were quoted at Rs 1530-50 and 1710-1715 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 showed lacklustre in most of the market on Monday amid lower demands at retail ends. 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 witnessed mixed sentiments in most of the markets on Monday. CIF (July Shipment) prices surged at \$623/ton, up \$1/ton from \$622/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 has observed slightly lower side in most of the market on Monday amid lower demands at retail ends. Sowing of cotton crop is nearly completed in major producing states and weather favourable for crop. Prices are expected to move range bound in near term.

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

Centres	10.07.06	08.07.06	Change
Mumbai + VAT	399	399	0
Kota + VAT	372	371	+1
Jaipur + VAT	377	375	+2
Delhi	396	396	0
Neewai + VAT	373	373	0

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

Centres	10.07.06	08.07.06	Change
Mumbai +VAT	502	500	+2
Rajkot +VAT	496	496	0
Andhra Region +VAT	492	494	-2
Chennai +VAT	482	486	-4
Delhi	500	500	0

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

Markets	10.07.06	08.07.06	Change
Mumbai +VAT	454	454	0
Chennai +VAT	465	462	+3
Hyderabad+ VAT	468	470	-2

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

Markets	10.07.06	08.07.06	Change
Mumbai +VAT	415	416	-1
Hyderabad +VAT	408	410	-2
Rajkot + VAT	420	420	0
Delhi	405	406	-1

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 10.07.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.06
European Union	Euro	58.97
Japan	100 Yen	40.53
United Kingdom	Pound Sterling	85.22