

## VEGOIL DAILY

July 7, 2006

### REFINED SOY OIL

#### SPOT MARKETS

Slight improvement has observed in refined soy oil prices on spot market on Wednesday. Government notified that the usage of mustard oil 20% in addition to 12% other indigenous oils in manufacturing of vanaspati. Improvement in futures market also added slightly bullish market sentiments on physical market. Prices are expected to move slightly higher in near term.

#### FUTURES MARKETS:

Refined soyoil futures at NCEDX end slightly up on Thursday. Prices surged on account of government notification about the usage of 20% of mustard oil in vanaspati added bullish tone. July soy oil contract ended higher at Rs 404.10 per 10 kg, up Rs 1.55 from Wednesday. Prices moved in a range of Rs 402.00-405.00. Prices are expected to moderately increase in near term on blend of mustard oil in vanaspati and lower import of edible oil this year as against last year.

#### 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. PDS needed to be strengthened

#### Weather

The planting of soybean is started in MP. 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 downwards after bearish crossover to %D line in neutral region, which indicates slightly bearish sentiments. Candlestick formed Spinning top pattern, which indicates indecisive market. DAV is moving downwards parallel to MACD in negative territory. Prices closed below 9-days (404.90) and 18-days (407.10) EMA, which indicates marginally bearish market.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX- July	402.40	400.70	404.10	405.80	406.70

#### TRADE RECOMMENDATION:

NCDEX July Refined Soy Oil Contract:

Buy near 403.20, Target near 405.55 and put stop loss at 402.00

#### Refined Soybean Oil:

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

Centres	06.07.06	05.07.06	Change
Mumbai (Ref. Soy Oil)+VAT	395	396	-1
Indore (Ref. Soy Oil)+VAT	383	382	+1
Kota (Ref. Soy Oil)+VAT	385	383	+2
Hyderabad (Ref. Soy Oil)+VAT	405	404	+1
Rajkot (Ref. Soy Oil)+Tax	393	393	0

## PALM OIL

### International Market Highlights

#### BMD CPO Futures Settle Slightly Down

Crude palm oil futures at the Bursa Malaysia Derivatives settled higher on Thursday. Palm oil prices surged due to strong gains in other commodities especially in crude oil. The benchmark September CPO contract ended at MYR1,498 a metric ton, up MYR11 from Wednesday. August crude rose to a record \$75.19 a barrel overnight on the New York Mercantile Exchange amid concerns about North Korea's missile tests. The rally in crude oil is fuelling optimism that consumption of alternative fuel sources will grow, including biodiesel made from edible oils. The forward contracts are especially strong because that's when more biodiesel plants are expected to be up and running. Some biodiesel plants are expected to begin production by year-end or early 2007.

### Domestic Spot Market Highlights

Palm oil prices on domestic spot market witnessed remain steady to positive sentiments in most of the markets on Thursday. Palm oil prices climbed slightly behind soy oil prices. FOB prices (July Shipment) for CPO were quoted at \$395.00/ton and RBD palm oil at \$425.00/ton. Palm oil prices are expected to move range bound with moderately positive sentiments in near term.

#### BMD: CPO Futures (06.07.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
July 06	1426	1433	1438	1433	1433	+7	131
Aug 06	1456	1463	1464	1461	1464	+8	964
Sep 06	1487	1490	1495	1490	1498	+11	5063
Oct 06	1507	1511	1517	1511	1519	+12	1244
Nov 06	1519	1525	1532	1525	1535	+16	581

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	06.07.06	05.07.06	Change
Kandla CPO (5 % FFA)	383	382	+1
Kandla RBD Palmolein +VAT	401	400	+1
Mumbai RBD Palmolein +VAT	407	410	-3
Chennai RBD Palmolein +VAT	408	408	0
Kakinada RBD Palmolein +VAT	398	394	+4
Hyderabad RBD Palmolein +VAT	412	412	0
Delhi RDB Palmolein	430	430	0

#### Rape/Mustard Expeller Oil

Mustard oil prices on spot market witnessed steady to positive sentiments in most of the market on Thursday on account of government notification that the usage of mustard oil 20% in addition to 12% other indigenous oils in manufacturing of vanaspati. Today's arrivals of mustard seed were around 600 bags in Neewai, 1000 bags in Kota, 2000 in Jaipur and 52000 bags in Rajasthan (bags=85 kg). Mustard seeds prices were quoted at Rs 1510-50 and 1700 in Jaipur per quintal. Mustard oil prices are expected to improve in near term on govt notification about the usage of mustard oil in vanaspati.

#### Refined Groundnut Oil

Groundnut oil prices on spot market showed steady to positive sentiments in most of the market on Thursday amid local demands for premium oil. Cotton oil prices followed soy oil. Arrivals of groundnut seeds in Gujarat were declined at 12000-13000 bags (bag=35 kg). GN oil prices are expected to move range bound with positive sentiments in near term.

#### Sunflower Expeller Oil

Sunflower oil prices on spot market revealed steady in most of the markets on Thursday except Hyderabad market. CIF (July Shipment) prices were quoted at \$616/ton, down \$1/ton from \$617/ton. Prices are expected to move range bound with slightly positive sentiments in near term.

#### Cotton Refine Oil

Cotton oil prices on spot market showed mixed sentiments in most of the market on Thursday. Improvement in soy oil prices brought positive impact on its prices. Prices are expected to move range bound in near term.

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

Centres	06.07.06	05.07.06	Change
Mumbai + VAT	398	398	0
Kota + VAT	367	365	+2
Jaipur + VAT	372	370	+2
Delhi	395	395	0
Neewai + VAT	371	368	+3

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

Centres	06.07.06	05.07.06	Change
Mumbai +VAT	500	500	0
Rajkot +VAT	488	485	+3
Andhra Region +VAT	490	488	+2
Chennai +VAT	485	485	0
Delhi	500	500	0

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

Markets	06.07.06	05.07.06	Change
Mumbai +VAT	452	452	0
Chennai +VAT	460	460	0
Hyderabad+ VAT	465	460	+5

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

Markets	06.07.06	05.07.06	Change
Mumbai +VAT	412	415	-3
Hyderabad +VAT	408	407	+1
Rajkot + VAT	416	415	+1
Delhi	400	400	0

**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 06.07.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.15
European Union	Euro	58.80
Japan	100 Yen	39.99
United Kingdom	Pound Sterling	84.78