

VEGOIL DAILY

July 31, 2006

REFINED SOY OIL

SPOT MARKETS

The spot market prices in most of the centers further improved as with the firmness in international market and firm position of palm oil. The physical market demand remain weak on heavy rains in few pockets. Soy oil companies in MP have started procuring soybeans directly from the farmers and setting up direct procurement centers at their premises thereby supporting its prices up. CIF soy oil prices (August shipments) increased on Saturday at \$562/ton. Prices of soy refined are expected to trade side ways with slight improvement in near terms.

FUTURES MARKETS:

Refined soyoil futures Aug contract at NCEDX opened firm with wide gap and the sentiments decline initially on short covering. Speculative buying followed by short covering results into strong gain in the futures market. August soy oil contract closed up at Rs 429.30 per 10 kg, up Rs 2.80 on Saturday. Prices moved in a wide range of Rs 426.55-430.00. Prices are expected to trade on the both ways.

PRICE DRIVERS:

Bullish:

1. Lower stock of soy bean and Oil
2. Talk of hike in tariff on imported oils
3. Hike in MSP on yellow soybean

Bearish:

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

TECHNICALS

White unfilled candlesticks with upper and lower shadow indicates indecisiveness into the market. Stochastic is lying in neutral region with bullish sentiments. Prices closed above 9-days and at 18-days EMA indicating bullish sentiments. MACD made bullish cross over. Volumes decline while open interests remain steady. The market remains volatile this time and traders are advised to trade cautiously.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX-August	426.75	424.6	429.3	432.0	434.8

TRADE RECOMMENDATION:

NCDEX Aug Refined Soy Oil Contract:

Sell below 430.30, target near: T1- 428.20 and put stop loss at 431.50

Refined Soybean Oil:

Spot Market Prices (Rs/10Kg excluding VAT)

Centres	29.07.06	28.07.06	Change
Mumbai (Ref. Soy Oil)+VAT	414	411	+3
Indore (Ref. Soy Oil)+VAT	402	399	+3
Kota (Ref. Soy Oil)+VAT	405	402	+3
Hyderabad (Ref. Soy Oil)+VAT	432	430	+2
Rajkot (Ref. Soy Oil)+Tax	403	402	+2

PALM OIL

International Market Highlights

BMD Remain Closed on Saturday and Sunday

Domestic Spot Market Highlights

Palm oil prices on domestic spot market further increased on the back of strength in BMD and higher rates quoted at different ports. Firmness in crude oil further supported the market up. The price is expected to improve in near term and will much depend on the futures in BMD.

BMD: CPO Futures (28.07.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Aug.06	1523	1525	1575	1525	1565	+42	345
Sep.06	1551	1548	1606	1548	1595	+44	1977
Oct.06	1574	1574	1630	1573	1620	+46	13923
Nov.06	1591	1593	1644	1591	1636	+45	3309
Dec.06	1603	1604	1653	1604	1649	+46	705

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	29.07.06	28.07.06	Change
Kandla CPO (5 % FFA)	404	404	0
Kandla RBD Palmolein +VAT	425	422	+3
Mumbai RBD Palmolein +VAT	430	426	+4
Chennai RBD Palmolein +VAT	450	445	+5
Kakinada RBD Palmolein +VAT	425	420	+5
Hyderabad RBD Palmolein +VAT	440	440	0
Delhi RDB Palmolein	440	440	0

Rape/Mustard Expeller Oil

Mustard oil prices at different centers improved on increasing demands from few regions particularly from Bengal. NAFED slightly increased its selling prices in the Rajasthan region and selling seeds at Rs. 1545-1550/quintal. The prices are expected to follow other oils and will much depends at what rate NAFED is selling. Low arrivals continue in Neewai and remain at 400-500 bags. Mustard seed prices remain Rs 1740 and 1540-1560 per quintal in Jaipur and Kota respectively with arrivals of 4000-5000 and 1000 bags in the concerned centers. Mustard oil prices are expected to trade sideways and expected to follow other oils.

Refined Groundnut Oil

Groundnut oil prices in the physical market improved in major centers on unavailability of shortage of seeds for crushing and improvements in other oils. Prices expected to improve in near term on further improvement of palm and other oils. Arrivals of groundnut seeds in Gujarat remain at 15000 bags (bag=35 kg) with the seed rate remain at 380/10 kg.

Sunflower Expeller Oil

Sunflower oil prices on Chennai and Hyderabad further improved on steep rise in the palm oil and lower stock of sunflower oil in the region. CIF (Aug Shipment) price increased from Friday level and remain at \$626/ton. Prices expected to move range bound and would follow the trends in major oil.

Cotton Refine Oil

Cotton oil prices on spot market increased in all the centers under review on low stocks and improvement in other oils. Firmness in the futures market provided additional support to the market. Prices are expected to remain range bound and with slight improvement and will closely follow other oils.

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

Centres	29.07.06	28.07.06	Change
Mumbai + VAT	409	406	+3
Kota + VAT	384	380	+4
Jaipur + VAT	387	383	+4
Delhi	410	405	+5
Neewai + VAT	384	383	+1

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

Centres	29.07.06	28.07.06	Change
Mumbai +VAT	525	525	0
Rajkot +VAT	517	515	+2
Andhra Region +VAT	555	550	+5
Chennai +VAT	495	485	+10
Delhi	550	550	0

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

Markets	29.07.06	28.07.06	Change
Mumbai +VAT	472	472	0
Chennai +VAT	490	480	+10
Hyderabad	495	490	+5

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

Markets	29.07.06	28.07.06	Change
Mumbai +VAT	442	438	+4
Hyderabad +VAT	435	430	+5
Rajkot + VAT	437	436	+1
Delhi	430	425	+5

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	Tirta Niaga II	6000	CPO	Expected
	Padang Halaban	6000	CPO	Expected
	Istana	3000	CPO	Expected
Mumbai	Southern Unicorn	5500	Palm Oil	Arrived
	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
Mundra	Vernal Grace	6000	CPO	Expected

Forex Rates**(As on 29.07.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.55
European Union	Euro	59.40
Japan	100 Yen	40.60
United Kingdom	Pound Sterling	86.81