

VEGOIL DAILY

July 26, 2006

REFINED SOY OIL

SPOT MARKETS

The spot market prices in different centers remain steady in most of the centers owing to equality in demand and supply scenario. The strength in CBOT and BMD holds the prices in its current position and does not allow the prices to slide further. Marginal decline could be seen in Rajkot. Market is passing through a phase of wait and watch and traders are having a bird eye view on the recent developments on the market development. CIF soy oil prices (August shipments) remain steady on Tuesday at \$548/ton. Prices of soy refined are expected to remain range bound.

FUTURES MARKETS:

Refined soyoil futures Aug contract at NCDEX opened firm and tried to spurt high but speculative selling results into bearish sentiments initially. Choppy trading then could be seen as the prices move on both the direction. Later part witnessed some improvement owing to the positive signal from eCBOT and firmness in BMD and ended with firm note. August soy oil contract closed down at Rs 425.10 per 10 kg, up Rs 1.65 from Tuesday level. Prices moved in a wide range of Rs 423.30-425.90. Prices are expected to trade side ways.

PRICE DRIVERS:

Bullish:

1. Lower stock of soy bean and Oil
2. Firmness in overseas markets

Bearish:

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

TECHNICALS

Spindle top formation by the candlestick indicates indecisiveness into the market and shows prices could not be able to sustain the higher levels. Stochastic indicating bearish sentiments. Prices above 9-days and at 18-days EMA indicating slight bullish sentiments. MACD indicating bearish sentiments. Volume increased while open interests remain steady.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX- August	421.35	419.80	425.10	425.30	426.25

TRADE RECOMMENDATION:

NCDEX Aug Refined Soy Oil Contract:

Sell below 423.90, target near: T1- 421.95 and put stop loss at 424.95

Refined Soybean Oil:

Spot Market Prices (Rs/10Kg excluding VAT)

Centres	25.07.06	24.07.06	Change
Mumbai (Ref. Soy Oil)+VAT	406	406	0
Indore (Ref. Soy Oil)+VAT	399	399	0
Kota (Ref. Soy Oil)+VAT	403	403	0
Hyderabad (Ref. Soy Oil)+VAT	430	430	0
Rajkot (Ref. Soy Oil)+Tax	400	401	-1

PALM OIL

International Market Highlights

BMD Palm Oil Futures Spurt on High Export Expectation

Crude palm oil futures on the BMD settled higher on Tuesday owing to bullish export data and increase in crude oil prices. The October CPO contract closed at MYR1, 576 per metric ton, up MYR11 from Monday. Firm opening on the back of bullish export data for July 1-25 export results into significant gain into the market. Gains in soy oil and crude oil futures overnight combined with the increase in sentiments in electronic trading in CBOT on Tuesday further provided underlying support to palm oil prices. Surge in crude oil prices results into higher bio-diesel demand for the palm oil. Higher export compared to the estimates from cargo surveyors SGS (Malaysia) Bhd. and Intertek Agri Services also provided additional support to the palm oil market. SGS projected exports at 954,687 tons, up 12.4% on month, which is slightly higher than the 900,000-930,000 tons as per trade expectation.

Domestic Spot Market Highlights

Palm oil prices on domestic spot market remain mixed in tandem with the previous day at most of the market. Prices remain range bound in different centers with slight decline in Hyderabad and Kakinada. Prices of Kandla and Chennai RBD Palmolein increased marginally as it got strength from the firmness in BMD. The price is expected to trade side ways and will much depends on the futures in BMD.

BMD: CPO Futures (25.07.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Aug.06	1521	1523	1534	1518	1524	+3	280
Sep.06	1546	1548	1562	1547	1554	+8	895
Oct.06	1565	1569	1583	1566	1576	+11	4060
Nov.06	1583	1588	1599	1582	1593	+10	1360
Dec.06	1592	1599	1608	1591	1605	+13	1063

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	25.07.06	24.07.06	Change
Kandla CPO (5 % FFA)	402	402	0
Kandla RBD Palmolein +VAT	410	408	+2
Mumbai RBD Palmolein +VAT	418	418	0
Chennai RBD Palmolein +VAT	436	435	+1
Kakinada RBD Palmolein +VAT	412	413	-1
Hyderabad RBD Palmolein +VAT	430	437	-7
Delhi RDB Palmolein	440	440	0

Rape/Mustard Expeller Oil

Mustard oil prices at different centers remain steady. NAFED continue to sell the seeds at Rajasthan and raised slightly its selling prices, which remain at Rs. 1550-1560 per quintal. The prices are expected to decline from the current level if NAFED further lowers its selling prices. Today's arrivals of mustard seed were around 300-400 bags in Neewai. Some centers remain closed on account of Amavasya in Rajasthan. Mustard oil prices are expected to trade sideways.

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

Centres	25.07.06	24.07.06	Change
Mumbai + VAT	409	409	0
Kota + VAT	-	385	-
Jaipur + VAT	-	387	-
Delhi	405	406	-1
Neewai + VAT	383	383	0

Refined Groundnut Oil

Groundnut oil prices in the physical market witnessed marginal increase in Mumbai, AP and Chennai. Other centers remain steady. 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 383/10 kg. GN oil prices are expected to improve on upcoming festivals.

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

Centres	25.07.06	24.07.06	Change
Mumbai +VAT	525	522	+3
Rajkot +VAT	510	510	0
Andhra Region +VAT	545	540	+5
Chennai +VAT	495	490	+5
Delhi	550	550	0

Sunflower Expeller Oil

Sunflower oil prices on spot market remain steady at Mumbai and Hyderabad while increase in Hyderabad on high demand. CIF (Aug Shipment) prices decline slightly on Monday at \$627/ton. Prices expected to move range bound and witnessed slight decline on weakness in other oils.

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

Markets	25.07.06	24.07.06	Change
Mumbai +VAT	475	475	0
Chennai +VAT	480	470	+10
Hyderabad	475	475	0

Cotton Refine Oil

Cotton oil prices on spot market increased in few locations while remain steady at others. 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	25.07.06	24.07.06	Change
Mumbai +VAT	440	437	+3
Hyderabad +VAT	427	427	0
Rajkot + VAT	434	432	+2
Delhi	425	425	0

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Samho Heron	9500	CPO	Expected
	Pacific Sound	11000	CPO	Arrived
	Athlos	19000	SBO	Arrived
	Southern Unicorn	5000	CPO	Expected
Kolkata	MMM Jackson	6000	CPO	Arrived
	Tirta Niaga II	6000	CPO	Expected
Mumbai	Southern Unicorn	5500	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
	L Star	6000	CPO	Arrived
Tuticorin	Spring Glory	7300	Palm Oil	Expected
Kakinada	Ionion	11000	SBO	Expected
	Istana	3000	CPO	Expected

Forex Rates**(As on 25.07.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.81
European Union	Euro	59.30
Japan	100 Yen	40.13
United Kingdom	Pound Sterling	86.76