

VEGOIL DAILY

July 14, 2006

REFINED SOY OIL

SPOT MARKETS

Refined soy oil on spot market moved slightly up in most of the market on Thursday amid local demands at retail ends. Prices improved slightly on account of lower import of edible oil due to GMO dilemma since July 7, 2006. Import of edible may get delayed on indecisiveness on GMO issue. However, CIF soy oil prices (July shipments) were \$554/ton, down \$4/ton from \$558/ton. Prices are expected to move range bound with moderately positive sentiments in near term.

FUTURES MARKETS:

Refined soyoil futures at NCEDX settled slightly lower on Thursday amid choppy trading. Lower import of edible oil during this month and import may get delayed over GMO issue also added bullish market sentiments. August soy oil contract settled up at Rs 421.00 per 10 kg, up Rs 2.80 from Wednesday. Prices moved in a wide range of Rs 420.65-424.60. Prices are expected to improve in near term.

PRICE DRIVERS:

Bullish:

1. Lower stock of soy bean and Oil
2. 20% blend of mustard oil in manufacturing of Vanaspati
3. Import get delay on GMO dilemma

Bearish:

1. Hefty stock of mustard seeds.
2. Sowing is nearly over in major producing states like MP and MH.

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 continue to move northwards after bullish crossover to %D line in neutral region, which indicates bullish market. DAV and MACD are moving upwards and entered in positive territory, which indicates slightly bullish trends. However, Candlestick pattern indicates slightly bearish market. Prices closed far above 9-days (417.91) and 18-days (416.64) EMA, which indicates bullish trend.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX-August	419.50	418.10	421.00	423.50	426.00

TRADE RECOMMENDATION:

NCDEX Aug Refined Soy Oil Contract:

Buy near 420.90, target near 425.00 and put stop loss at 418.80

Refined Soybean Oil:

Spot Market Prices (Rs/10Kg excluding VAT)

Centres	13.07.06	12.07.06	Change
Mumbai (Ref. Soy Oil)+VAT	405	402	+3
Indore (Ref. Soy Oil)+VAT	393	392	+1
Kota (Ref. Soy Oil)+VAT	397	395	+2
Hyderabad (Ref. Soy Oil)+VAT	418	418	0
Rajkot (Ref. Soy Oil)+Tax	400	397	+3

PALM OIL

International Market Highlights

BMD CPO Futures Settle Mixed Amid Choppy Trading

Crude palm oil futures at the Bursa Malaysia Derivatives settled mixed on Thursday after a choppy trading day as downward pressure from high stocks was countered by optimism about bio-diesel growth. The benchmark September CPO contract ended at MYR1492 a metric ton, up MYR1 from Wednesday, after moving between MYR1484 and MYR1500/ton. There was no clear-cut direction in the market, most of the participants were in confusion over the higher stock of 1.65 million ton at end of June, poor export demands and on the other hand, bio-diesel demands owing to record high prices of crude oil at \$75.5/barrel. The use of palm oil as a diesel substitute is insignificant at the moment but is expected to increase in 2007.

Domestic Spot Market Highlights

Palm oil prices on domestic spot market witnessed steady to positive sentiments in most of the markets on Thursday. Palm oil prices followed soy oil prices. FOB (July Shipment) CPO prices were remain at \$397.50/ton and RBD Palmolein were at \$ 430.00/ton. Palm oil prices are expected to move range bound with moderately positive sentiments in near term.

BMD: CPO Futures (13.07.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
July 06	1434	1420	1430	1420	1420	-14	4
Aug 06	1464	1462	1468	1456	1464	0	429
Sep 06	1491	1486	1500	1484	1492	+1	4092
Oct 06	1509	1504	1519	1502	1509	0	3750
Nov 06	1525	1518	1531	1513	1522	-3	244

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	13.07.06	12.07.06	Change
Kandla CPO (5 % FFA)	393	392	+1
Kandla RBD Palmolein +VAT	405	408	-3
Mumbai RBD Palmolein +VAT	414	412	+2
Chennai RBD Palmolein +VAT	420	419	+1
Kakinada RBD Palmolein +VAT	412	408	+4
Hyderabad RBD Palmolein +VAT	428	428	0
Delhi RDB Palmolein	435	435	0

Rape/Mustard Expeller Oil

Mustard oil prices at spot market moved slightly higher in most of the market on Thursday amid local demands. Traders are stocking mustard seeds in anticipation of higher prices in near futures on account of usage of mustard oil of 20% in vanaspati and lower import of edible oil. Today's arrivals of mustard seed were around 300 bags in Neewai, 1500 bags in Kota, 3500 in Jaipur and 52000-55000 bags in Rajasthan (bags=85 kg). Mustard seeds prices were quoted at Rs 1540-60 and 1730-1735 in Jaipur per quintal. Mustard oil prices are expected to move range bound with slightly positive sentiments in near term.

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

Centres	13.07.06	12.07.06	Change
Mumbai + VAT	404	402	+2
Kota + VAT	380	379	+1
Jaipur + VAT	384	383	+1
Delhi	405	404	+1
Neewai + VAT	381	380	+1

Refined Groundnut Oil

Groundnut oil prices on spot market witnessed steady to positive sentiments in most of the market on Thursday. There is export demands of seeds from Gujarat added bullish market sentiments. Arrivals of groundnut seeds in Gujarat slightly declined at 12000-13000 bags (bag=35 kg). GN oil prices are expected to move range bound in near term.

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

Centres	13.07.06	12.07.06	Change
Mumbai +VAT	515	512	+3
Rajkot +VAT	506	502	+4
Andhra Region +VAT	500	500	0
Chennai +VAT	490	490	0
Delhi	527	520	+7

Sunflower Expeller Oil

Sunflower oil prices on spot market went moderately up in most of the markets on Thursday amid local demands at retail ends. CIF (July Shipment) prices surged sharply at \$634/ton, up \$12/ton from \$622/ton. Prices are expected to move range bound with positive sentiments in near term on lower stock and local demands.

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

Markets	13.07.06	12.07.06	Change
Mumbai +VAT	465	461	+4
Chennai +VAT	472	470	+2
Hyderabad+ VAT	473	472	+1

Cotton Refine Oil

Cotton oil prices on spot market improved in most of the market on Thursday amid positive sentiments. Local demands at retail ends and higher prices of other edible oil brought positive impact on its prices. Cotton oil prices climbed behind soy oil. Prices are expected to move range bound with positive sentiments in near term.

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

Markets	13.07.06	12.07.06	Change
Mumbai +VAT	424	420	+4
Hyderabad +VAT	422	420	+2
Rajkot + VAT	432	427	+5
Delhi	416	416	0

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Black Pearl	26500	SBO	Expected
	Yan Shui Hu	28000	SBO	Expected
Kolkata	MMM Jackson	6000	CPO	Expected
	Hua Yun5	3362	CPO	Arrived
	Padang Halaban	5874	CPO	Arrived
Mumbai	Eastern Bright	8450	Palm Oil	Expected
	Pacific Sound	6000	Palm Oil	Expected
Chennai	Cheras	3500	CPO	Expected
	Khadijah	6000	CPO	Arrived
Mundra	Black Pearl	12500	SBO	Arrived
New Manglore	Yan Shui Hu	14000	SBO	Expected
	Bum Ik	6500	CPO	Arrived

Forex Rates

(As on 13.07.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.29
European Union	Euro	58.83
Japan	100 Yen	40.11
United Kingdom	Pound Sterling	84.90