

VEGOIL DAILY

July 24, 2006

REFINED SOY OIL

SPOT MARKETS

The spot market prices of refined soy oil on major centers decline on low demand; globally weak sentiments and the effect of yesterday's sharp decline could be seed on the spot market prices. Removal of restriction on importing GM soy oil will results into huge inflow of soy oil into the Indian market but however it still require some time for docking the ships. After the import will start with the full swing the prices expected to decline. CIF soy oil prices (August shipments) remain steady on Saturday at \$549/ton. Prices of soy refined are expected to decline further and expected to remain range bound.

FUTURES MARKETS:

Refined soyoil futures at NCDEX opened weak and improved initially for the initial hour upto the noon with choppy trade amid profit booking after yesterdays sharp fall. The market could not hold the higher levels and decline further on strong speculative selling. Low demand further added to its bearish tone. August soy oil contract closed down at Rs 421.90 per 10 kg, down Rs 0.75 from Friday level. Prices moved in a wide range of Rs 420.60-424.00. Prices are expected to trade with bearish note.

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

Filled candlestick indicates spindle top formation and indicating indecisiveness into the market with bearish tone. Stochastic is declining indicating bearish sentiments. Prices closed below 9-days and at 18-days EMA indicating bearish sentiments likely to continue. MACD indicating towards bearish sentiments. Volume decline while open interests remain steady.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX-August	415.55	412.65	421.90	422.90	425.15

TRADE RECOMMENDATION:

NCDEX Aug Refined Soy Oil Contract:

Sell below 420.65, target near: T1- 418.10 and put stop loss at 422.00

Refined Soybean Oil:

Spot Market Prices (Rs/10Kg excluding VAT)

Centres	22.07.06	21.07.06	Change
Mumbai (Ref. Soy Oil)+VAT	403	409	-6
Indore (Ref. Soy Oil)+VAT	398	400	-2
Kota (Ref. Soy Oil)+VAT	403	403	0
Hyderabad (Ref. Soy Oil)+VAT	430	432	-2
Rajkot (Ref. Soy Oil)+Tax	400	400	0

PALM OIL

International Market Highlights

BMD Remain Closed On Saturday and Sunday

Domestic Spot Market Highlights

Palm oil prices on domestic spot market remain steady in most of the market and not much fluctuation could be witnessed owing to closure of BMD. Prices at Mumbai decline while slight improvement noticed from Chennai. The prices of palm oil and palmolein remain stagnant on equality in demand and supply scenario. The price is expected to trade side ways with slight bearish sentiments.

BMD: CPO Futures (21.07.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Aug.06	1533	1530	1538	1522	1538	+5	533
Sep.06	1568	1565	1572	1550	1560	-8	2375
Oct.06	1591	1589	1594	1570	1580	-11	7035
Nov.06	1606	1600	1610	1587	1596	-10	2161
Dec.06	1620	1610	1614	1600	1611	-9	355

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	22.07.06	21.07.06	Change
Kandla CPO (5 % FFA)	401	401	0
Kandla RBD Palmolein +VAT	412	412	0
Mumbai RBD Palmolein +VAT	411	419	-8
Chennai RBD Palmolein +VAT	435	432	+3
Kakinada RBD Palmolein +VAT	415	415	0
Hyderabad RBD Palmolein +VAT	435	435	0
Delhi RDB Palmolein	440	440	0

Rape/Mustard Expeller Oil

Mustard oil prices at different centers decline in almost all the centers except in Kota and Jaipur where the prices stuck to the current level. NAFED continue to sell the seeds at Rajasthan while it halted its selling in West Bengal. 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, 1000 bags in Kota, 4000 in Jaipur and around 42000-45000 bags in Rajasthan (bags=85 kg). Mustard seeds prices were remain steady at Rs 1500-35 and 1735 in Kota and Jaipur respectively per quintal. Mustard oil prices are expected to decline in near term.

Refined Groundnut Oil

Groundnut oil prices in the physical market witnessed decline in AP and Chennai while slight improvement could be seen in Mumbai. Prices expected to remain steady in near terms on reducing stocks combined with high export demand. Arrivals of groundnut seeds in Gujarat remain at 15000 bags (bag=35 kg). GN oil prices are expected to improve on upcoming festivals.

Sunflower Expeller Oil

Sunflower oil prices on spot market remain steady to decline in most centers amid low demand from the retail end. CIF (Aug Shipment) prices increased slightly on Saturday at \$630/ton. Prices expected to move range bound and witnessed slight decline on weakness in other oils.

Cotton Refine Oil

Cotton oil prices on spot market remain mixed as demand is coming in trickle and restricted supply of the oil. Local demands at retail ends hold the position in the current level. Prices are expected to remain range bound and with slight decline in near terms.

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

Centres	22.07.06	21.07.06	Change
Mumbai + VAT	410	411	-1
Kota + VAT	385	385	0
Jaipur + VAT	388	388	0
Delhi	405	408	-3
Neewai + VAT	382	383	-1

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

Centres	22.07.06	21.07.06	Change
Mumbai +VAT	525	525	0
Rajkot +VAT	511	512	-1
Andhra Region +VAT	530	540	-10
Chennai +VAT	500	495	+5
Delhi	550	550	0

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

Markets	22.07.06	21.07.06	Change
Mumbai +VAT	475	475	0
Chennai +VAT	475	480	-5
Hyderabad	480	480	0

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

Markets	22.07.06	21.07.06	Change
Mumbai +VAT	437	441	-4
Hyderabad +VAT	435	430	+5
Rajkot + VAT	435	433	+2
Delhi	425	425	0

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Bunga Melati Satu	22500	SBO	Arrived
	Pacific Sound	11000	CPO	Expected
	Athlos	19000	SBO	Expected
Kolkata	MMM Jackson	6000	CPO	Expected
	Tirta Niaga II	6000	CPO	Arrived
	Vernal Grace	6100	CPO	Arrived
Mumbai	Pacific Sound	6000	Palm Oil	Arrived
Chennai	Cheras	3500	CPO	Expected
	Spring Wind	7250	CPO	Expected
	Khadijah	6000	CPO	Expected
	Istena	2000	CPO	Expected
Mundra	Matina	12500	SBO	Arrived
New Manglore	Yan Shui Hu	14000	SBO	Expected
	Bum Ik	6500	CPO	Expected
	L Star	6000	CPO	Expecting
Tuticorin	Spring Glory	7300	Palm Oil	Expected

Forex Rates**(As on 22.07.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.66
European Union	Euro	59.18
Japan	100 Yen	40.16
United Kingdom	Pound Sterling	86.71