

VEGOIL DAILY

August 10, 2006

REFINE SOY OIL

SPOT MARKETS

The spot market prices of the soy refine oil remain closed in most of the centers due to Raksha Bandhan festival. Slight gain could be seen in the Hyderabad on increased demand from the stockists. Due to heavy rains the Maharashtra oilseed production is likely to drop on account of heavy rains and flood like situation. Maharashtra is altogether producing 12% of the total oilseed production. If the rainfall will continue for next few days then the total oilseed production is expected to decline sharply.

FUTURES MARKETS:

NCDEX refined soyoil August contract opened firm on Wednesday and choppy trade could be viewed due to bearish sentiments in CBOT. Most of the time the market remain range bound with whip saw trades. The contract traded between 442.40-445.85 and the prices finally closed at 444.00.

PRICE DRIVERS:

Bullish:

1. Lower stock of soybean
2. Stock piling by stockists.
3. Import duty hike on refined palm oil

Bearish:

1. Huge production estimates.
2. Low consumer demands

Weather

Heavy rainfall in the Maharashtra and MP during the active growth stage results into water logging which is injurious to the crop growth. Soybean cannot tolerate water logging at any growth stage.

TECHNICALS

Long lower shadow with small body filled candlesticks indicates indecisive sentiments into the market. Stochastic made a bearish cross over indicating bearish sentiments. MACD still generating bullish sentiments. Volumes decline significantly while OI remains almost steady. Trade with caution at these high levels as indicators are hinting for further improvements.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX August	436.8	439.7	444.0	446.6	448.0

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil August Contract:

Sell below 443.40; T1 near 441.00 and put stop loss at 444.60.

Soybean Oil: Spot Market Prices (Rs/10Kg excluding VAT)

Centres	9.08.06	8.08.06	Change
Mumbai (Soy Ref oil)+VAT	Closed	430	-
Indore (Soy Ref oil)+VAT	Closed	421	-
Kota (Soy Ref. Oil)+VAT	Closed	420	-
Hyderabad (Soy Ref)+VAT	480	470	+10
Rajkot (Soy Ref)+Tax	Closed	426	-

PALM OIL

International Market Highlights

BMD CPO Futures Maintains its Rally

Crude palm oil futures on the BMD settled higher on Wednesday and continue to maintain the previous gains of past three days. The most active October contract came near the resistance level of MYR1, 700 per metric ton but unable to break the same. The contract settled at MYR1, 677/ton, up MYR18 from previous day level. It touched the highest level of MYR1, 692/ton breaking the Aug. 1 level of MYR1, 690 per ton. On strong speculative buying the higher levels could not be sustained the higher levels as selling pressure increased near MYR1, 700/ton. If this important level could be broken the prices will further surge high. High bio-diesel demand results into strong bullish sentiments into the market.

Domestic Spot Market Highlights

Palm oil prices at spot market at South Indian market increased closely following the BMD futures. The other market remain closed on the occasion of Raksha Bandhan. The prices of palm complex will much depend on the BMD futures.

BMD: CPO Futures (9.8.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jun 06	1627	1634	1650	1631	1631	+4	135
July 06	1643	1643	1671	1639	1656	+13	1630
Aug 06	1659	1659	1692	1654	1677	+18	7754
Sep 06	1672	1670	1704	1668	1693	+21	3371
Oct 06	1682	1680	1714	1678	1704	+22	865

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	9.08.06	8.08.06	Change
Kandla CPO (5 % FFA)	Closed	422	-
Kandla RBD Palmolein +VAT	Closed	443	-
Mumbai RBD Palmolein +VAT	Closed	450	-
Chennai RBD Palmolein +VAT	475	465	+10
Kakinada RBD Palmolein +VAT	460	450	+10
Hyderabad RBD Palmolein +VAT	475	470	+5
Delhi RDB Palmolein	Closed	475	-

Rape/Mustard oil

Market remain closed on the occasion of Raksha Bandhan.

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

Centres	9.08.06	8.08.06	Change
Mumbai (Exp. Oil) +VAT	Closed	423	-
Kota (Expeller Oil)+VAT	Closed	410	-
Jaipur (Expeller Oil)+VAT	Closed	413	-
Delhi (Expeller Oil)	Closed	430	-
Neewai (Expeller Oil) +VAT	Closed	402	-

Groundnut Refine Oil

Groundnut oil prices on domestic spot markets remain almost steady on equality in demand and supply except in Chennai. Gujarat's arrivals of groundnut seeds were around 10000-12000 bags (bag=35 kg). GN oil prices expected to improve in near term on high festival demand.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	9.08.06	8.08.06	Change
Mumbai +VAT	Closed	540	-
Rajkot +VAT	Closed	525	-
Andhra Region +VAT	575	570	+5
Chennai +VAT	515	515	0
Delhi	Closed	565	-

Sunflower Refine Oil

Sunflower oil prices at Chennai increased while prices at Hyderabad remain stable. Demand from the Southern states keeps the prices on the higher level. The prices closely follow the palm oil prices.

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

Markets	9.08.06	8.08.06	Change
Mumbai +VAT	Closed	500	-
Chennai +VAT	515	505	+10
Hyderabad VAT	515	515	0

Cotton Refine Oil

The spot market prices remain firm at Hyderabad while other markets remain close on Wednesday. Rise in palm oil prices and BMD futures keeps the prices on the higher levels. Prices are expected to move range bound with positive sentiments in near term.

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

Markets	9.08.06	8.08.06	Change
Mumbai +VAT	Closed	458	-
Hyderabad +VAT	470	465	+5
Rajkot + VAT	Closed	450	-
Delhi	Closed	445	-

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Southern Unicorn	5000	CPO	Arrived
	Hartati	5000	CPO	Expected
	Aquidneck	16550	SBO	Arrived
	Shimakaze	8700	CPO	Arrived
	Acushnet	30500	SBO	Expected
Kolkata	Cheras	59993	CPO	Arrived
	Padang Halaban	6000	CPO	Expected
Cochin	Golden Jane	5000	CPO	Arrived
	Havi Ocean	7000	Palm Oil	Arrived
New Mangalore	Khadijah	4000	CPO	Arrived
	Aquidneck	16550	SBO	Arrived
Mumbai	Shimakaze	8300	Palm Oil	Expected
Chennai	Spring Wind	2000	Palm Oil	Expected
	Spring Glory	7250	Palm Oil	Arrived
	Global Pallas	3500	CPO	Expected
JN Port	Aquidneck	15000	SBO	Expected
	Global Venus	9000	CPO	Expected
Mundra	Vernal Grace	6000	CPO	Expected

Forex Rates

(As on 9.08.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.53
European Union	Euro	59.67
Japan	100 Yen	40.34
United Kingdom	Pound Sterling	88.60