

VEGOIL DAILY

August 8, 2006

REFINE SOY OIL

SPOT MARKETS

The spot market prices of the soy refined soy oil increased significantly in most of the centres combine with good demand. The rains in major soy producing areas have emerged chances of damage to current crop and festival demand is also a bit supportive for soy-oil. Heavy rains in Maharashtra and few regions in MP including Indore results into some concern of crop damage, as the crop is very much susceptible to the water logging. Moreover, if rains continue for a day or two then the crop damage cannot be averted. CIF soy oil prices (August shipments) remain steady on Monday at \$577/ton. Prices of soy refined are expected to in near terms in spot market.

FUTURES MARKETS:

NCDEX refined soyoil August contract opened steady to firm on Monday and witnessed lack lustre trade. With slight improvement the market decline on the later part as it was not getting outside market support. The contract traded between 439.65-441.90 and the prices finally closed at 439.90.

PRICE DRIVERS:

Bullish:

1. Lower stock of soybean
2. Stock piling by stockists.
3. Hike in tariff value on imported oils
4. Rumour about possible hike in MSP of mustard

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

Candlestick form Doji star at the up trend indicating possible correction. Stochastic is running parallel showing bullish sentiments. MACD continue to move up ward and running parallel to its signal line indicating bullish sentiments. Volumes and OI decline marginally indicating weak sentiments. Trade with caution at these high levels as indicators are hinting for further improvements.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX August	437.9	439.9	439.9	446.0	448.0

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil August Contract:

Buy above 441.30; T1 near 443.25; T2: 444.50 and put stop loss at 440.00.

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

Centres	7.08.06	5.08.06	Change
Mumbai (Soy Ref oil)+VAT	430	425	+5
Indore (Soy Ref oil)+VAT	419	415	+4
Kota (Soy Ref. Oil)+VAT	416	410	+6
Hyderabad (Soy Ref)+VAT	468	468	0
Rajkot (Soy Ref)+Tax	426	415	+11

PALM OIL

Domestic Spot Market Highlights

Palm oil prices at spot market increased as the firmness continue in the international markets combined with the incoming demand in the spot market. The price is expected to stay in the higher levels as long as the crude oil continues to rise in the overseas market. The prices at almost centres improved on the improvement in the soy oil. The prices at other locations remain almost steady. The prices of palm complex will much depend on the BMD futures.

BMD: CPO Futures (7.8.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jun 06	1585	1590	1594	1581	1590	+5	136
July 06	1600	1599	1613	1594	1600	0	986
Aug 06	1611	1607	1628	1607	1618	+7	4790
Sep 06	1621	1619	1638	1618	1628	+7	1938
Oct 06	1630	1626	1647	1626	1638	+8	244

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	7.08.06	5.08.06	Change
Kandla CPO (5 % FFA)	423	423	0
Kandla RBD Palmolein +VAT	442	440	+2
Mumbai RBD Palmolein +VAT	450	450	0
Chennai RBD Palmolein +VAT	462	458	+4
Kakinada RBD Palmolein +VAT	444	440	+4
Hyderabad RBD Palmolein +VAT	464	462	+2
Delhi RDB Palmolein	475	475	0

Rape/Mustard oil

Mustard oil prices at almost all the centres witnessed significant improvements as the NAFED further hiked the selling prices of the mustard prices. The selling prices of the mustard seed by NAFED continue to remain at Rs 1575-1585. Today's arrivals of mustard seed were around 1000 and 3500 bags in Kota and Jaipur respectively and 35000-40000 bags in Rajasthan (bags=85 kg). Mustard seeds prices were quoted at Rs 1575-1600 in Kota and 1780 in Jaipur per quintal. Mustard oil prices are expected to improve in near terms.

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

Centres	7.08.06	5.08.06	Change
Mumbai (Exp. Oil) +VAT	423	419	+4
Kota (Expeller Oil)+VAT	407	393	+14
Jaipur (Expeller Oil)+VAT	410	396	+14
Delhi (Expeller Oil)	430	425	+5
Neewai (Expeller Oil) +VAT	400	393	+7

Groundnut Refine Oil

Groundnut oil prices on domestic spot markets remain almost steady on equality in demand and supply except in Mumbai where the prices improved marginally. 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	7.08.06	5.08.06	Change
Mumbai +VAT	540	535	+5
Rajkot +VAT	525	525	0
Andhra Region +VAT	570	570	0
Chennai +VAT	505	505	0
Delhi	565	565	0

Sunflower Refine Oil

Sunflower oil prices on domestic spot market improved slightly as the prices of other oils still maintain its firm position. CIF sunflower oil prices (August shipments) decline slightly on Saturday at \$630/ton.

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

Markets	7.08.06	5.08.06	Change
Mumbai +VAT	495	490	+5
Chennai +VAT	505	500	+5
Hyderabad VAT	510	510	0

Cotton Refine Oil

The spot market prices remain on the higher level as firmness continues in the other oil market. Low stock combined with expected coming demand results into the positive sentiments into the market. Prices are expected to move range bound with positive sentiments in near term.

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

Markets	7.08.06	5.08.06	Change
Mumbai +VAT	450	455	-5
Hyderabad +VAT	455	450	+5
Rajkot + VAT	450	450	0
Delhi	445	440	+5

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	Expected
	Shimakaze	8700	CPO	Expected
Kolkata	Ionion Trader	16000	SBO	Arrived
	Cheras	59993	CPO	Arrived
	Padang Halaban	6000	CPO	Expected
	Hua Yun 5	6000	CPO	Arrived
Cochin	Golden Jane	5000	CPO	Arrived
	Havi Ocean	7000	Palm Oil	Expected
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	Expected
	Global Venus	8550	CPO	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 7.08.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.49
European Union	Euro	59.88
Japan	100 Yen	40.57
United Kingdom	Pound Sterling	88.67