

VEGOIL DAILY

August 4, 2006

REFINE SOY OIL

SPOT MARKETS

Refined soy oil prices on domestic spot market continue to hold its firm position as the rally maintained in the futures market and in expectation of good demand as the festivals are approaching. Firmness in the BMD also provide some support to the market. CIF soy oil prices (August shipments) increased further on Thursday at \$580/ton. Prices of soy refined are expected to trade side ways with slight improvement in near terms in spot market.

FUTURES MARKETS:

NCDEX refined soyoil July contract opened firm on Thursday and with initial choppy trade the prices continue to maintain its rally up to the mid session and witnessed some decline in the later part on profit booking. Firmness in BMD initially with subsequent decline and expected up coming demand of refined oil results into the holding the prices at higher levels. The August contract traded in the range between 433.90-438.30 and finally closed at 436.50.

PRICE DRIVERS:

Bullish:

1. Lower stock of soybean
2. Stock piling by stockists.
3. Hike in tariff value on imported oils

Bearish:

1. Huge production estimates.
2. Low consumer demands

Weather

Sowing operation is almost completed in Maharashtra and sowing is in full swing in MP but with bit slow pace in Rajasthan. The recent rains in most of the growing region are congenial for crop growth.

TECHNICALS

White unfilled candlesticks indicate bullish sentiments but long upper and lower shadow indicates some degree of indecisiveness. Stochastic is converging indicating weakness but still remain bullish. MACD continue to remain bullish with wide divergence. Volumes remain steady while open interest decline indicating little strength into the market. Trade with caution at these high levels.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX August	431.85	434.30	436.50	441.15	443.20

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil August Contract:

Buy above 437.10; T1 near 438.90; T2-439.90 and put stop loss at 435.50.

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

Centres	3.08.06	2.08.06	Change
Mumbai (Soy Ref oil)+VAT	425	425	0
Indore (Soy Ref oil)+VAT	412	410	+2
Kota (Soy Ref. Oil)+VAT	410	408	+2
Hyderabad (Soy Ref)+VAT	463	460	+3
Rajkot (Soy Ref)+Tax	410	405	+5

PALM OIL

International Market Highlights

Choppy Trade Witnessed at BMD CPO Futures

Crude palm oil futures on the BMD settled mixed with bearish note on Thursday after a choppy trading session. Traders are bit anxious to know the rally will continue or the trend is likely to change from this juncture after touching a record high level of past 27 months. The most active October CPO contract settled at MYR1, 641 per metric ton, down MYR2 from previous day. The contract oscillates between positive and negative territory throughout the day, touching a low of MYR1, 637/ton and a high of MYR1, 667/ton. The traders seem to stick in a web of overbought region and further continuation of the rally on the back of strong fundamental support. The palm oil futures closely follow the crude oil prices and expected to go high, as the prices of crude oil will rise.

Domestic Spot Market Highlights

Palm oil prices at spot market remain mixed with positive sentiments in major region. The prices at Kandla and Kakinada saw some improvement while the prices remain steady at Mumbai, Hyderabad and Delhi. Slight decline in Chennai was noticed. Hike in tariff value on palm results into higher inland cost and choppy trade in BMD keeps the prices range bound. The prices of palm complex will much depend on the BMD futures.

BMD: CPO Futures (1.8.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jun 06	1606	1620	1628	1605	1608	+2	329
July 06	1632	1638	1656	1626	1631	-1	1671
Aug 06	1643	1648	1667	1637	1641	-2	9796
Sep 06	1657	1661	1676	1649	1652	-5	2448
Oct 06	1670	1678	1684	1658	1661	-9	640

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	3.08.06	2.08.06	Change
Kandla CPO (5 % FFA)	421	417	+4
Kandla RBD Palmolein +VAT	437	434	+3
Mumbai RBD Palmolein +VAT	445	445	0
Chennai RBD Palmolein +VAT	457	458	-1
Kakinada RBD Palmolein +VAT	440	435	+4
Hyderabad RBD Palmolein +VAT	460	460	0
Delhi RDB Palmolein	470	470	0

Rape/Mustard oil

Mustard oil prices at almost all the centres remain range bound with mixed sentiments and selling price of mustard seed by NAFED remains at Rs 1565. Today's arrivals of mustard seed were around 1500 and 4000 bags in Kota and Jaipur respectively and 40000-45000 bags in Rajasthan (bags=85 kg). Mustard seeds prices were quoted at Rs 1560-1580 in Kota and 1760 in Jaipur per quintal. Mustard oil prices are expected to move range bound in near term with positive tone.

Groundnut Refine Oil

Groundnut oil prices on domestic spot markets remain range bound with mixed sentiments. Rainfall continue to lash the region and waiting for sun to shine over the crop. Gujarat's arrivals of groundnut seeds were around 10000 bags (bag=35 kg). GN oil prices expected to follow other oils in near term.

Sunflower Refine Oil

Sunflower oil prices on domestic spot market remain firm on moderate demand and higher prices of other oils. CIF sunflower oil prices (August shipments) increased further on Thursday at \$632/ton.

Cotton Refine Oil

Cotton oil prices at the physical market continue to hold its firm position in the major centers amid improvement in other oils. Prices are expected to move range bound with positive sentiments in near term.

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

Centres	3.08.06	2.08.06	Change
Mumbai (Exp. Oil) +VAT	416	415	+1
Kota (Expeller Oil)+VAT	395	396	-1
Jaipur (Expeller Oil)+VAT	397	399	-2
Delhi (Expeller Oil)	418	418	0
Neewai (Expeller Oil) +VAT	394	392	+2

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	3.08.06	2.08.06	Change
Mumbai +VAT	530	535	-5
Rajkot +VAT	525	525	0
Andhra Region +VAT	570	562	+8
Chennai +VAT	500	510	-10
Delhi	560	560	0

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

Markets	3.08.06	2.08.06	Change
Mumbai +VAT	490	485	+5
Chennai +VAT	502	500	+2
Hyderabad VAT	505	505	0

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

Markets	3.08.06	2.08.06	Change
Mumbai +VAT	450	446	+4
Hyderabad +VAT	450	445	+5
Rajkot + VAT	446	445	+1
Delhi	440	445	-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 3.08.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.72
European Union	Euro	59.61
Japan	100 Yen	40.72
United Kingdom	Pound Sterling	87.67