

## VEGOIL DAILY

August 2, 2006

### REFINE SOY OIL

#### SPOT MARKETS

Refined soy oil prices on domestic spot market remain high on account of high demand and stock piling by the stockists. Improvement in the futures market combined with the improvement in international market provided strong support to the spot market prices. CIF soy oil prices (August shipments) remain increased significantly on Tuesday at \$572/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 weak on Tuesday and decline initially for an hour but steep rally could be seen then after up to the later part of trading session. Some decline could be noticed on profit booking at the closing time. The August contract traded in the range between 430.25-435.35 and finally closed at 432.70.

#### 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

Candlestick formed un-filled spindle top formation with long legged shadows indicating indecisiveness. Stochastic remain bullish at neutral region. MACD remain in positive region indicating bullish sentiments in medium term. Volume increase while open interest decline indicating little strength into the market. The overall sentiments look bullish.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX August	428.0	429.4	432.7	434.6	436.4

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil July Contract:

Buy above 431.45; T1 near 433.00; T2-434.50 and put stop loss at 429.90.

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

Centres	1.08.06	31.07.06	Change
Mumbai (Soy Ref oil)+VAT	420	416	+4
Indore (Soy Ref oil)+VAT	406	404	+2
Kota (Soy Ref. Oil)+VAT	406	405	+1
Hyderabad (Soy Ref)+VAT	450	437	+13
Rajkot (Soy Ref)+Tax	404	403	+1

## PALM OIL

### International Market Highlights

#### BMD CPO Futures Maintain its Rally

Crude palm oil futures on the BMD settled higher on Tuesday, with the benchmark contract October reaching a 26-month high and maintained its rally. The benchmark October CPO contract closed at MYR1, 673 a metric ton, up MYR32 from Monday and varied between MYR1, 632 and MYR1, 690/ton. Tuesday's closing remain the highest since May 2004. High bio-diesel demand owing to high crude oil prices was primary factors for the rally. The rally is expected to continue so far as the prices of crude oil will remain firm. Traders projected resistance at around the MYR1, 700 to MYR1, 720 ranges. Rising crude oil prices results into interest among many investors worldwide this year to build bio-diesel plants.

#### Domestic Spot Market Highlights

Palm oil prices at most of the centers improved on hike in the tariff value on palm and other oils. The positive sentiments in BMD further supported the market up. Low stocks and greater demand by the stockists' results into the improvement in sentiments of palm oil in spot market. Any improvement or decline in the prices is therefore dependent on the futures of BMD and the prices in the spot definitely influenced by its futures.

#### BMD: CPO Futures (1.8.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jun 06	1590	1585	1635	1584	1625	+35	582
July 06	1620	1612	1667	1609	1655	+35	1572
Aug 06	1641	1645	1690	1632	1673	+32	10534
Sep 06	1660	1657	1708	1651	1692	+32	2377
Oct 06	1677	1670	1717	1667	1704	+27	985

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	1.08.06	31.07.06	Change
Kandla CPO (5 % FFA)	412	405	+7
Kandla RBD Palmolein +VAT	432	430	+2
Mumbai RBD Palmolein +VAT	435	432	+3
Chennai RBD Palmolein +VAT	457	452	+5
Kakinada RBD Palmolein +VAT	440	430	+10
Hyderabad RBD Palmolein +VAT	452	447	+5
Delhi RDB Palmolein	455	450	+5

#### Rape/Mustard oil

Mustard oil prices at almost all the centres improved amid increased demand from the stockists and whole sellers. Hike in selling price of mustard seed by NAFED at Rs 1560 further supported the prices of mustard up. Today's arrivals of mustard seed were around 1000 and 4000 bags in Kota and Jaipur respectively and 40000-45000 bags in Rajasthan (bags=85 kg). Mustard seeds prices were quoted at Rs 1560-1600 in Kota and 1750 in Jaipur per quintal. Mustard oil prices are expected to move range bound in near term.

#### Groundnut Refine Oil

Groundnut oil prices on domestic spot markets remain mixed but significant increase in its prices could be noticed in Chennai on restricted availability and stock piling of the oil. Prices decline in Rajkot on low demand as continuous rains hit the market down. 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 improved significantly on low stock of oils followed by high demand. CIF sunflower oil prices (August shipments) remain increased on Tuesday at \$628/ton.

#### Cotton Refine Oil

Cotton oil prices at the physical market improved in most of the market on improvement in other oils. Improved demand from the retailer and wholesalers also had a slightly bullish impact on the market. Prices are expected to move range bound with positive sentiments in near term.

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

Centres	1.08.06	31.08.06	Change
Mumbai (Exp. Oil) +VAT	411	411	0
Kota (Expeller Oil)+VAT	393	387	+6
Jaipur (Expeller Oil)+VAT	395	390	+5
Delhi (Expeller Oil)	415	412	+3
Neewai (Expeller Oil) +VAT	388	388	0

#### Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	1.08.06	31.07.06	Change
Mumbai +VAT	530	525	+5
Rajkot +VAT	520	523	-3
Andhra Region +VAT	550	550	0
Chennai +VAT	510	496	+14
Delhi	550	550	0

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

Markets	1.08.06	31.07.06	Change
Mumbai +VAT	480	475	+5
Chennai +VAT	500	492	+8
Hyderabad VAT	510	500	+10

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

Markets	1.08.06	31.07.06	Change
Mumbai +VAT	442	442	0
Hyderabad +VAT	447	440	+7
Rajkot + VAT	442	441	+1
Delhi	435	428	+7

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Anawan	6000	SBO	Expected
	Chem Cosmos	20000	SBO	Arrived
	Harsanadi	5500	Palm Oil	Unloading
	Mandy I	14050	SBO	Expected
	West Gold	5500	Palm Oil	Arrived
	Isokaze	7000	Palm Oil	Expected
	Global Eos	8500	CPO	Expected
	Chemroad Wing	10000	Palm oil	Expected
Kolkata	Sutra Satu	7000	CPO	Arrived
	Tirta Niaga I	6000	CPO	Arrived
Cochin	Rising One	3200	SBO	Arrived
New Mangalore	Hen Field	3500	SBO	Arrived
Mumbai	Harsanadi	5000	Palm Oil	Arrived
	Shimakaze	8900	Palm Oil	Expected
Chennai	MMM Jackson	5000	Palm Oil	Delivered
	Mirae Sun	2056	Palm Oil	Expected
	Bum IK	6500	CPO	Delivered
	Cheras	5000	Palm Oil	Expected
JN Port	WS Challenger	21000	SBO	Arrived
	Mandy I	10000	SBO	Unloading
	Hen Field	15000	SBO	Arrived
	Global Venus	9000	CPO	Expected
Tuticorin Port	Spring Glory	7250	Palm Oil	Unloading
Kakinada	Cheras	9000	CPO	Expected
	Madura	13000	CPO	Expected
	Padang Halaban	6000	CPO	Expected

**Forex Rates**

(As on 1.08.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.65
European Union	Euro	59.39
Japan	100 Yen	40.69
United Kingdom	Pound Sterling	87.00