

VEGOIL DAILY

August 7, 2006

REFINED SOY OIL

SPOT MARKETS

The spot market prices of the soy refined soy oil increased in most of the centres as the demand is increasing day by day as on approaching festival season. Firmness in soy seeds in CBOT results into providing underlying support to the market. The prices is expected to stay in the range for a while and expected to trade range bound with positive note. The higher level of BMD futures further provided additional support to the market. CIF soy oil prices (August shipments) remain steady on Saturday at \$577/ton. Prices of soy refined are expected to trade side ways with further improvement in near terms in spot market.

FUTURES MARKETS:

NCDEX refined soyoil August contract opened firm on Saturday and with initial decline followed by strong gain up to the mid session. The prices increased later on strong buying interest with intermittent short covering at the closing end. The prices finally closed at 439.25.

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

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 spindle top formation indicates indecisive sentiments. Stochastic is diverging again and with kick back pattern showing bullish sentiments. MACD continue to remain bullish with wide divergence. Volumes decline marginally while open interests remain steady. Trade with caution at these high levels.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX August	436.00	437.45	439.25	443.35	446.60

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil August Contract:

Buy above 440.00; T1 near 441.85; and put stop loss at 439.00.

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

Centres	5.08.06	4.08.06	Change
Mumbai (Soy Ref oil)+VAT	425	425	0
Indore (Soy Ref oil)+VAT	415	412	+3
Kota (Soy Ref. Oil)+VAT	410	410	0
Hyderabad (Soy Ref)+VAT	468	460	+8
Rajkot (Soy Ref)+Tax	415	408	+7

PALM OIL

International Market Highlights

BMD remains closed on Saturday and Sunday

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 (4.8.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jun 06	1608	1601	1605	1585	1585	-23	526
July 06	1630	1629	1630	1600	1600	-30	1311
Aug 06	1641	1637	1640	1611	1611	-30	8401
Sep 06	1652	1651	1651	1621	1621	-31	5163
Oct 06	1661	1658	1658	1632	1632	-29	374

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	5.08.06	4.08.06	Change
Kandla CPO (5 % FFA)	423	421	+2
Kandla RBD Palmolein +VAT	440	436	+4
Mumbai RBD Palmolein +VAT	450	448	+2
Chennai RBD Palmolein +VAT	458	457	+1
Kakinada RBD Palmolein +VAT	440	440	0
Hyderabad RBD Palmolein +VAT	462	460	+2
Delhi RDB Palmolein	475	470	+5

Rape/Mustard oil

Mustard oil prices at almost all the centres remain steady and slight improvement could be noticed in Mumbai and Delhi owing to some emerging demand in the spot market. The selling prices of the mustard seed by NAFED continue to remain at Rs 1555-1560. 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 1540-1575 in Kota and 1755 in Jaipur per quintal. Mustard oil prices are expected to move range bound in near term with positive tone.

Groundnut Refined Oil

Groundnut oil prices on domestic spot markets remain almost steady on equality in demand and supply. The prices remain almost stable on the weekends and hardly any fluctuation could be seen on the weekends. 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 Refined Oil

Sunflower oil prices on domestic spot market remain indecisive on account of weekend closing and firmness in the international arena. CIF sunflower oil prices (August shipments) decline slightly on Saturday at \$630/ton.

Cotton Refined Oil

The spot market prices remain on the higher level as the prices of other oil remain on the higher levels. Cotton oil prices at the physical market continue to hold its firm position in the major centers with slight decline in Hyderabad. Prices are expected to move range bound with positive sentiments in near term.

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

Centres	5.08.06	4.08.06	Change
Mumbai (Exp. Oil) +VAT	419	416	+3
Kota (Expeller Oil)+VAT	393	393	0
Jaipur (Expeller Oil)+VAT	396	396	0
Delhi (Expeller Oil)	425	420	+5
Neewai (Expeller Oil) +VAT	393	393	0

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	5.08.06	4.08.06	Change
Mumbai +VAT	535	530	+5
Rajkot +VAT	525	525	0
Andhra Region +VAT	570	570	0
Chennai +VAT	505	505	0
Delhi	565	560	+5

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

Markets	5.08.06	4.08.06	Change
Mumbai +VAT	490	490	0
Chennai +VAT	500	505	-5
Hyderabad VAT	510	505	+5

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

Markets	5.08.06	4.08.06	Change
Mumbai +VAT	455	455	0
Hyderabad +VAT	450	445	+5
Rajkot + VAT	450	446	+4
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 5.08.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.43
European Union	Euro	59.86
Japan	100 Yen	40.57
United Kingdom	Pound Sterling	88.65