

VEGOIL DAILY

August 4, 2006

REFINE SOY OIL

SPOT MARKETS

Refined soy oil prices on domestic spot market remain steady in most of the market while slight decline was noticed in Hyderabad and Rajkot. Traders hold the prices in anticipation of further gain in soy oil in coming festivals. CIF soy oil prices (August shipments) decline on Friday 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 July contract opened weak on Friday and decline up to the mid session. The prices suddenly increased on later part of the day on market talks about possible hike in the MSP in mustard seed, which might be a rumour. The August contract traded in the range between 433.00-437.75 and finally closed at 437.30.

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 bullish sentiments. Stochastic is diverging again and with kick back pattern it shows improvement. 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	434.1	435.4	437.30	443.0	445.0

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil August Contract:
Buy above 438.15; T1 near 441.00; and put stop loss at 436.70.

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

Centres	4.08.06	3.08.06	Change
Mumbai (Soy Ref oil)+VAT	425	425	0
Indore (Soy Ref oil)+VAT	412	412	0
Kota (Soy Ref. Oil)+VAT	410	410	0
Hyderabad (Soy Ref)+VAT	460	463	-3
Rajkot (Soy Ref)+Tax	408	410	-2

PALM OIL

International Market Highlights

BMD CPO Futures Decline on profit Booking

Crude palm oil futures on the BMD settled down on Friday amid on short covering and profit booking stage. The most active October contract settled at MYR1, 611 per metric ton, down MYR30 from Thursday. The steep decline might be due to the concern that prices in near terms moved abruptly to unrealistic high and traders are rushing to book there profits. Traders viewed that the market will maintain its up trend as the benchmark contract remains still above the key MYR1, 600 psychological support level. With rising crude prices the market is expected to move forward on bio-diesel concern. The export data on coming data also expected to remain bullish for the palm oil futures. It is expected that the palm oil stock is expected to decline further.

Domestic Spot Market Highlights

Palm oil prices at spot market remain almost steady and traders are keeping bird eye view on the international developments. The prices at Kandla Palmolein saw marginal decline while at Mumbai it saw some improvements. 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	4.08.06	3.08.06	Change
Kandla CPO (5 % FFA)	421	421	0
Kandla RBD Palmolein +VAT	436	437	-1
Mumbai RBD Palmolein +VAT	448	445	+3
Chennai RBD Palmolein +VAT	457	457	0
Kakinada RBD Palmolein +VAT	440	440	0
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 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 Refine Oil

Groundnut oil prices on domestic spot markets remain almost steady on equality in demand and supply. 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 steady and firm on moderate demand and higher prices of other oils. Slight increase in the sunflower oil can be witnessed in Chennai. CIF sunflower oil prices (August shipments) remain steady on Friday at \$632/ton.

Cotton Refine Oil

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	4.08.06	3.08.06	Change
Mumbai (Exp. Oil) +VAT	416	416	0
Kota (Expeller Oil)+VAT	393	395	-2
Jaipur (Expeller Oil)+VAT	396	397	-1
Delhi (Expeller Oil)	420	418	+2
Neewai (Expeller Oil) +VAT	393	394	+1

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	4.08.06	3.08.06	Change
Mumbai +VAT	530	530	0
Rajkot +VAT	525	525	0
Andhra Region +VAT	570	570	0
Chennai +VAT	505	500	+5
Delhi	560	560	0

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

Markets	4.08.06	3.08.06	Change
Mumbai +VAT	490	490	0
Chennai +VAT	505	502	+3
Hyderabad VAT	505	505	0

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

Markets	4.08.06	3.08.06	Change
Mumbai +VAT	455	450	+5
Hyderabad +VAT	445	450	-5
Rajkot + VAT	446	446	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 4.08.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.54
European Union	Euro	59.55
Japan	100 Yen	40.43
United Kingdom	Pound Sterling	87.76