

## VEGOIL DAILY

June 30th, 2007

### REFINED SOY OIL

#### SPOT MARKET:

Bullishness in overseas markets of related commodities and steady demand pushed up refined soy oil prices across domestic markets. Rapid spread of monsoon with showers in few places in Rajasthan helped support to mustard oil with spill over impact on soy oil. BMD CPO futures gained on second consecutive day following firm CBOT soy oil futures and expectation of strong export demand ahead. Short-covering, bullish exports of soy oil and crush report of May helped support to soy futures on CBOT. The USDA weekly exports sales of soybeans and soy oil totaled at 247,800 and 30,600 tonnes against trade expectation between 100,000-300,000 and 0-10,000 tonne respectively. As per Census Bureau report, May soybeans crush and soy oil stocks stood at 4.1 and 1.48 million tonnes against 3.9 and 1.49 million tonnes in April respectively. Crude soy oil CIF price for July shipment increased on Friday at \$842 per tonne as compared to \$833 per tonne on Thursday.

#### FUTURES MARKET:

Despite initial weakness, **NCDEX** most active August contract of refined soy oil futures gained on global cues. The outlook for bullish domestic demand also fuelled the sentiments. The August futures contract opened firm at Rs. 493.7 per 10 kg against yesterday closing level at Rs 493.15 per 10 Kg. Market finished up at Rs. 496.85 per 10 Kg.

Increased in buying interest and firmness in overseas market of related commodities continue to support refined soy oil futures on **MCX**. The July contract opened firmed at Rs. 489.25 per 10 kg against previous closing level at Rs. 488.25 per 10 Kg and prices settled up at Rs. 491.5 per 10 Kg.

#### PRICE DRIVERS:

- Bullish BMD CPO futures
- Rapid coverage of monsoon in major soybeans producing belt
- May US soybeans crush increased whereas soy oil stock declines
- Firmness in other vegetable oil
- Increased in crude soy oil CIF price by \$9

#### Weather

Monsoon is nearly covered the major soybeans producing belt expect few parts in Rajasthan.

#### TECHNICALS

Refined soy oil charts suggest increase in selling interest at higher level. Prices moved down but manage to close above 9/18 EMA hints for diminishing short-term firmness. MACD is continuous to fall in positive territory. Stochastic and RSI is falling in neutral region. Market is expected to rise with steady to slightly weak opening. Volume increased marginally while open interest declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX-Aug	493	494	496.85	501	502
MCX-July	486	487	491.5	495	496

#### TRADE RECOMMENDATION:

**NCDEX** Refined Soy Oil August Contract:

**BUY Near** 496; T1 near 498 and T2 near at 499 and put stop loss at 495.

**MCX** Refined Soy Oil July Contract:

**BUY Above** 491; T1 near 493 and T2 near at 494 and put stop loss at 490.

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

Centres	29.06.07	28.06.07	Change
Mumbai (Soy Ref oil)+VAT	467	464	+3
Indore (Soy Ref oil)	466	464	+2
Kota (Soy Ref. Oil)+VAT	471	470	+1
Hyderabad (Soy Ref)+VAT	492	482	+10
Rajkot (Soy Ref)+Tax	458	456	+2

## PALM OIL

### International Highlights

#### BMD CPO Futures Increase Further Following CBOT

Expectation of increased in exports demand in coming days with strong gains in CBOT soy oil futures helped crude palm oil futures to continuous to rise on Friday on Bursa Malaysian Derivatives. The increased in buying interest strengthened market and break to psychological barrier of MYR2,400 per tonne. The most active September contract of crude palm oil futures gained further MYR44 at MYR2,427 per tonne.

### Domestic Spot Market Highlights

Fears of outpaced supplies as many vessels are expecting to arrival on ports in near-term has pressured spot prices of palm oil domestically but gains in other edible oil cushion the fall. Slow exports demand and high prices of palm oil continue to depress crude palm oil market in **Indonesia**. Crude palm oil CIF prices for July shipment increased on second consecutive day at \$772 per tonne as compared to \$765 per tonne on Thursday.

#### BMD: CPO Futures (29.06.2007)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jul 07	2480	2480	2518	2480	2513	+33	429
Aug 07	2402	2424	2451	2412	2451	+49	1266
Sep 07	2383	2390	2430	2380	2427	+44	4768
Oct 07	2365	2380	2413	2366	2413	+48	583
Nov 07	2355	2370	2405	2370	2405	+50	155

\*BMD Remains Closed on Saturday and Sunday.

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	29.06.07	28.06.07	Change
Kandla CPO (5 % FFA)	414	411	+3
Kandla RBD Palmolein +VAT	443	442	+1
Mumbai RBD Palmolein +VAT	448	448	Nil
Chennai RBD Palmolein +VAT	455	458	-3
Kakinada RBD Palmolein +VAT	443	437	+6
Hyderabad RBD Palmolein +VAT	470	468	+2
Delhi RDB Palmolein	500	500	Nil

#### CIF Price Basis Kandla Port (\$/MT)

Edible Oil	29.06.07	28.06.07	Change
Crude Soy Oil	842	833	+9
Crude Palm Oil	772	765	+7
Sunflower Oil	899	891	+8

### Rape/Mustard oil

Spot prices of mustard oil traded bullish on increased in mustard seeds prices combined with steady demand. Mustard seeds arrivals dropped to nearly half to Thursday's arrivals and remained at 30-35 thousand bags reacting with monsoon showers in many parts in Rajasthan. As per traders mustard oil prices are likely to generate bullishness from rising mustard seeds prices and improving prospect of demand in near-term.

### Groundnut Oil

Although, on Friday, groundnut oil traded mostly steady with undercurrent firmness in maintained on hold backing activities of stockists. From 2002, groundnut area is continuous shrinking to 19 lakh hectares in 2006 but the Gujarat government is serious and is likely to put the best to increase in plantation by minimum 3 lakh hectares. Shelled groundnut in Gujarat is traded between Rs. 415-570 per 20kg (as per quality). Traders are expecting further improvement in prices on good poor availability of quality nut for crushing.

### Refined Sunflower Oil

Firmness in overseas market of related commodities and tight supplies helped support spot prices of refined sunflower oil across domestic markets. Arrivals of sunflower seeds declined aided bullishness in the market. The sunflower oil CIF prices for July shipment increased on Friday at \$899 per tonne as compared to \$891 per tonne on Thursday. Currently steady demands with prospects of tight supplies are expected to support its prices in days ahead.

### Refined Cottonseeds Oil

Refined cottonseeds oil traded in bullish tone on underlying firmness in other vegetable oil, while demand remained steady. According to trade sources, cotton prices are likely to gains by 5-7% as global production output is expected to decline by 3% combined with expected increase in demand. Amidst underlying firmness in groundnut oil, refined cottonseeds oil are likely to remain in sync as both share same market.

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

Centres	29.06.07	28.06.07	Change
Mumbai (Exp. Oil) +VAT	492	492	Nil
Kota (Exp. Oil)+VAT	467	465	+2
Jaipur (Exp. Oil)+VAT	478	474	+4
Delhi (Exp. Oil)	505	502	+3
Neewai (Exp. Oil) +VAT	468	465	+3

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

Centres	29.06.07	28.06.07	Change
Mumbai +VAT	745	745	Nil
Rajkot +VAT	770	760	+10
Andhra Region +VAT	770	750	+20
Chennai +VAT	710	710	Nil
Delhi	750	750	Nil

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

Centres	29.06.07	28.06.07	Change
Mumbai +VAT	590	585	+5
Chennai +VAT	597	595	+2
Hyderabad +VAT	620	600	+20

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

Centres	29.06.07	28.06.07	Change
Mumbai +VAT	497	490	+7
Hyderabad +VAT	495	485	+10
Rajkot + VAT	505	503	+2
Delhi	495	490	+5

### Forex Rates

(As on 29.06.07)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.75
European Union	Euro	54.79
Japan	100 Yen	33.04
United Kingdom	Pound Sterling	81.63

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Hari Kripa	2,000	CFA	Expected (30.06.2007)
	New Trader	7,994	CPO	Arrived (26.06.2007)
	Maria E	10,000	CPO	Expected (30.06.2007)
	Champion Arctic	31,000	CDSBO	Expected (04.07.2007)
	Samho Heron	3,059	PFAD	Expected (02.07.2007)
	Bryggen	10,500	SBO	Expected (01.07.2007)
Turicorin	Spring Wind	4,100	Palm oil	Expected (28.06.2007)
	Global Trader	4,700	Palm oil	Expected (29.06.2007)
Mundra	Champion Arctic	15,000	CDSBO	Expected (02.07.2007)
Mumbai	Global Triton	11,790	Palm oil	Expected (03.07.2007)

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