

VEGOIL DAILY

May 23, 2006

REFINE SOY OIL

SPOT MARKETS

Domestic spot market prices moved down slightly in most markets amid lower demands at retail ends. Lower demands for DOC brought negative impact on soybeans and oil prices. Total arrivals of soybeans were around 34000-35000 bags (bag=85 Kg) in major markets. CIF soy oil was quoted \$530 a metric ton at Kandla and Mumbai port. Prices are expected to move range bound in near term.

FUTURES MARKETS:

Soyoil June contract opened firm and settle lower side on Monday after choppy trading. Downtrend persisted from last one week. June contract settled down Rs 1.80 at 415.95, Rs 2.55 off the high and Rs 2.55 up from the low. Prices moved in a range of 413.25-418.50 during the day. Lower CPO futures on BMD and e-CBOT projections provided support to bears.

PRICE DRIVERS:

Bullish:

1. Depleting stock of soybean

Bearish:

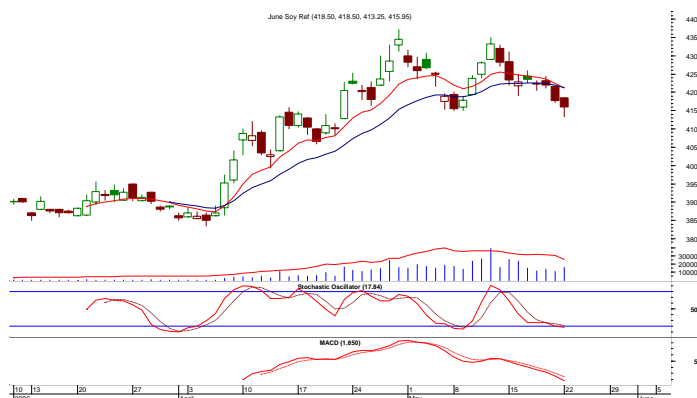
1. Lower demands at retail ends
2. Huge stock of mustard seeds
3. Lower export demand for DOC

Weather

Weather is not a factor until new crop sowings will take place i.e. June 15,2006.

TECHNICALS

MACD is moving downwards and reached in negative territory and %K line is also entered in oversold zone, which are hinting trend reversal likely, but confirmation is required. Dark candlestick body indicates slightly bearish. Prices closed below both the 9-days (421.05) and 18-days (421.24) EMA.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX June	413.4	411.1	415.95	419.9	422.2

TRADE RECOMMENDATION:

Buy near 414.50, target near 418.30, and put stop loss at 412.60.

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

Centres	22.05.06	20.05.06	Change
Mumbai (Soy Ref oil)+VAT	393	395	-2
Indore (Soy Ref oil)+VAT	394	395	-1
Kota (Soy Ref. Oil)+VAT	395	395	0
Hyderabad (Soy Ref)+VAT	399	402	-3
Rajkot (Soy Ref)+Tax	387	389	-2

PALM OIL

International Market Highlights

BMD CPO Futures Settle Lower On Bearish Export Data

Crude palm oil futures at Bursa Malaysia Derivatives settle down on Monday. Weakness in soy oil futures and disappointing export figures provided support to bears. The benchmark August CPO contract settled at MYR1,443 a metric ton, down MYR9 from Friday after moving between MYR1,440 and MYR1,452/ton. A sharp drop in Malaysian palm oil exports in the first 20 days of May brought bearish market sentiments. Cargo surveyor Intertek Agri Services estimated May 1-20 exports at 635,438 tons, down 20% on month. There are fears among the participants about rise in palm oil stock due to lower export demands. Another surveyor SGS (Malaysia) Bhd, which is more influential, didn't issue May 1-20 export figures due to the absence of the person in charge of the data. Steep losses in soyoil futures on the Chicago Board of Trade Friday also added bearish tone on palm oil prices.

Domestic Spot Market Highlights

Palm oil prices displayed mixed sentiments in most of the market. Palm oil prices declined slightly due to availability of vanaspati oil at lower prices. Bearish export demands figures of palm oil is added bearish market sentiments.

BMD: CPO Futures (22.05.2006)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jun 06	1432	1429	1440	1424	1424	-8	1066
July 06	1441	1437	1438	1433	1433	-8	1757
Aug 06	1452	1447	1460	1443	1443	-9	3819
Sep 06	1459	1454	1467	1450	1450	-9	1132
Oct 06	1467	1463	1472	1456	1456	-11	98

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	22.05.06	20.05.06	Change
Kandla CPO (5 % FFA)	365	368	-3
Kandla RBD Palmolein +VAT	385	385	0
Mumbai RBD Palmolein +VAT	394	392	+2
Chennai RBD Palmolein +VAT	405	405	0
Kakinada RBD Palmolein +VAT	381	380	+1
Hyderabad RBD Palmolein +VAT	403	400	+3
Delhi RDB Palmolein	430	430	0

Rape/Mustard oil

Domestic spot market prices declined slightly in most markets due to huge stock of mustard seeds and lower demands DOC. Higher production of mustard seeds and burdensome stock with NAFED and private stockist brought negative impact on its prices. Today's arrivals of mustard seed were 1500 bags in Kota, 4000 bags in Jaipur and around 1.50 lakh bags in Rajasthan. Mustard seeds prices were quoted Rs 1540-1660 in Kota and 1720 in Jaipur mandi Mustard oil prices are expected to move range bound in near term.

Groundnut Refine Oil

Domestic spot market of ground nut oil prices witnessed mixed sentiments in most markets on Monday. Groundnut seeds were quoted Rs341 per 20 kg in Rajkot market; it is down slightly as compared to previous trading day. Arrivals were around 28000-30000 bags in Gujarat (Bag=35 Kg). GN oil prices are expected to move range bound in near term

Sunflower Refine Oil

Demand for the sunflower oil remained subdued. Spill over weakness in other domestic oil and weak advices from overseas markets brought negative impact on its prices.

Cotton Refine Oil

Cotton oil prices in spot markets moved down in most markets on Monday. Cotton oil prices dampened with soy oil prices. Cotton oil prices are expected to move range bound with weak sentiments.

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

Centres	22.05.06	20.05.06	Change
Mumbai (Exp. Oil) +VAT	395	390	+5
Kota (Expeller Oil)+VAT	375	375	0
Jaipur (Expeller Oil)+VAT	380	382	-2
Delhi (Expeller Oil)	390	395	-5
Neewai (Expeller Oil) +VAT	372	378	-6

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	22.05.06	20.05.06	Change
Mumbai +VAT	460	461	-1
Rajkot +VAT	448	451	-3
Andhra Region +VAT	470	465	+5
Chennai +VAT	460	465	+5
Delhi	510	510	0

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

Markets	22.05.06	20.05.06	Change
Mumbai +Vat	440	440	0
Chennai +VAT	450	453	-3
Hyderabad VAT	442	443	-1

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

Markets	22.05.06	20.05.06	Change
Mumbai +VAT	397	397	0
Hyderabad +VAT	400	403	-3
Rajkot + VAT	392	394	-2
Delhi	390	395	-5

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Thressa III	16350	Palm Oil	Expected
Chennai	Spring Glory	5000	Palm Oil	Expected
	Global Hilda	3000	Palm Oil	Loading
Kakinada	Cheras	4000	CPO	Expected
	Spring Glort	2000	CPO	Expected
	Global Saturn	5000	CPO	Expected
Kolkata	Padang Halaban	8000	CPO	Arrived
	Agiasma	11700	SBO	Arrived
	Champion Brali	11000	CPO	Arrived
Cochin	Hua Yun 5	6000	CPO	Expected
	Global Trader	6000	CPO	Expected
	Rising One	3000	Palm Oil	Arrived
Mundra Port	Chembulk Ulsan	6000	SBO	Loading

Forex Rates

(As on 22.05.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.68
European Union	Euro	58.12
Japan	100 Yen	40.56
United Kingdom	Pound Sterling	85.33