

VEGOIL DAILY

May 22, 2006

REFINE SOY OIL

SPOT MARKETS

Soyoil prices eased in most markets on weak overseas advices. Demand for the same remained sluggish in domestic markets. Though stock of soybean is short in domestic markets, same is not true in case of soyoil. Further, good amount of soyoil is still coming in from the overseas markets. Sowing of soybean here in India is round the corner. Weather though expected to remain conducive, acreage under soybean this year might remain low due to poor realization to the farmers against last year crop. In global front, weather is ideal for crop germination in United State, where sowing has been mostly completed.

FUTURES MARKETS:

Soyoil June contract opened weak and fell sharply just after opening of the session. This downtrend persisted all through the session. Futures remained in negative zone during the whole session. June contract eventually ended the day off 4.45 at Rs 417.90 per 10 kg.

PRICE DRIVERS:

Bullish:

1. Depleting stock of soybean
2. Continuous import of soy oil

Bearish:

1. Lower demands at retail ends
2. Huge stock of mustard seeds

Weather

Monsoon has already hit the Andaman and Nicobar Island, Soybean growing areas might see timely rainfall this year.

TECHNICALS

Dark candlestick body with closing 'Marubozu' and small lower shadow indicates highly bearish pattern. Prices closed below both the 9-days and 18-days EMA. MACD is in positive territory, but is tilting downward. %K line is slanting southward and is in neutral zone..



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX June	416.2	414.6	417.9	420.6	423.3

TRADE RECOMMENDATION:

Sell near 418.00, target near 416.50, Second target could be 415.50 and put stop loss at 419.00.

Centres	20.05.06	19.05.06	Change
Mumbai (Soy Ref oil)+VAT	395	394	+1
Indore (Soy Ref oil)+VAT	394-396	397	-1
Kota (Soy Ref. Oil)+VAT	395	395	-
Hyderabad (Soy Ref)+VAT	405	398	+7
Rajkot (Soy Ref)+Tax	384	389	-5

Note: Prices were quoted Rs per 10 Kg excluding VAT.

PALM OIL

International Market Highlights

BMD CPO Futures Settle Low on Friday

Domestic Spot Market Highlights

Palm oil prices eased following weak advices from the overseas markets. However, demand for the same remained good from vanaspati industries, as demand for vanaspati is good from retail end due to marriage season. However, improvement in domestic demand is not enough to help its prices to stay higher. In major origin countries, stocks are feared to rise to burdensome level. Demand for the same has not been good from all the consuming countries. Traders are awaiting for fresh MPO export data for May 1-20 to be released by cargo surveyor SGS and Intertek on Monday. Traders are expecting these numbers to come in the range of 7.0-7.2 lakh ton versus 7.66-7.96 lakh ton exported during the corresponding period last month.

BMD: CPO Futures (19.05.2006)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jun 06	1437	1440	1440	1432	1432	-5	496
July 06	1447	1448	1450	1441	1441	-6	1744
Aug 06	1458	1457	1460	1452	1452	-6	3624
Sep 06	1465	1466	1467	1459	1459	-6	828
Oct 06	1473	1470	1472	1466	1467	-6	101

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	20.05.06	19.05.06	Change
Kandla CPO (5 % FFA)	368	368	-
Kandla RBD Palmolein +VAT	385	385	-
Mumbai RBD Palmolein +VAT	392	392	-
Chennai RBD Palmolein +VAT	405	407	-2
Kakinada RBD Palmolein +VAT	380	385	-5
Hyderabad RBD Palmolein +VAT	400	402	-2
Delhi RDB Palmolein	430	428	+2

Rape/Mustard oil

Rapeoil markets featured steady trend. Prices of mustard oil today remained routine depressed. Aggressive marketing of imported cheaper oil has cut short the conventional prefer-ability of mustard oil even in rural areas of northern markets. This probably be the reason for rising stocks of mustard despite substantial jump in its production in past few years.

Groundnut Refine Oil

Contrarily, prices of groundnut oil still command premium over other available edible oil due to its superior quality. Volatility in groundnut oil has increased due to changing trade environment. Changing habits of consumers have also been blamed to increased speculative activities in groundnut oil markets. Earlier, most buyers used to buy groundnut oil for their yearly requirement mainly at the time of harvest. With rising trend of nuclear families, people seem least bothered about such accumulations.

Sunflower Refine Oil

Demand for the sunflower oil remained subdued. Spill over weakness in other domestic oil and weak advices from overseas markets kept the sunoil markets in dispirited mode.

Cotton Refine Oil

Cotton oil prices in spot markets eased slightly on subdued demand. Though supply is shrinking due to increased speculative activities, weak trend in overseas markets and dwindling demand from consumer end kept the cotton oil markets bearish.

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

Centres	20.05.06	19.05.06	Change
Mumbai (Exp. Oil) +VAT	390	390	-
Kota (Expeller Oil)+VAT	374	375	-1
Jaipur (Expeller Oil)+VAT	382	380	+2
Delhi (Expeller Oil)	395	395	-
Neewai (Expeller Oil) +VAT	377-378	379	-1

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	20.05.06	19.05.06	Change
Mumbai +VAT	460-462	462	-
Rajkot +VAT	451	450	-1
Andhra Region +VAT	465	470	-5
Chennai +VAT	465	465	-
Delhi	510	510	-

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

Markets	20.05.06	19.05.06	Change
Mumbai +Vat	440	440	-
Chennai +VAT	452.50	455	-2.5
Hyderabad VAT	430	445	-15

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

Markets	20.05.06	19.05.06	Change
Mumbai +VAT	397	403	-5
Hyderabad +VAT	403	405	-2
Rajkot + VAT	394	395	-1
Delhi	395	395	-

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
	Hua Yun 5	3140	Palm Oil	Arrived
	Ace 1	6000	CPO	Arrived
	Yue You 801	6000	Palm Oil	Receiving
	Cheras	4000	CPO	Arrived
Kakinada	Cheras	4000	CPO	Expected
	Madura	14000	CPO	Arrived
	Global Mars	8000	CPO	Arrived
Kolkata	Padang Halaban	8000	CPO	Arrived
	Khadijah	6300	CPO	Receiving
	L-Star	6000	CPO	Arrived
	Thressa 2	6000	CPO	Arrived
Cochin	Hua Yun 5	6000	CPO	Expected
	Global Trader	6000	CPO	Expected
Mundra Port	Gemini	16686	CPO	Expected
JN Port	Clipper Kristern	11000	SBO	Expected

Forex Rates**(As on 19.05.2006)**

Country/ Continent	Currency	Value In Rupees
USA	Dollar	45.46
European Union	Euro	58.32
Japan	100 Yen	40.99
United Kingdom	Pound Sterling	85.94