

## VEGOIL DAILY

May 20, 2006

### REFINE SOY OIL

#### SPOT MARKETS

Refined soybean oil prices on domestic spot markets revealed steady to weak market sentiments in most markets amid lower demands at retail ends on such higher prevailing prices. Total arrivals of soybeans were around 34000-35000 bags (bag=85 Kg) in major markets. CIF soy oil was quoted \$535 a metric ton at Kandla and Mumbai port, down \$ 5 per metric ton as compared to Thursday. Prices are expected to move range bound with weak sentiments in near term.

#### FUTURES MARKETS:

NCDEX (June'06): Refined soy oil contract prices end lower marginally after choppy trading on Friday on account of speculative selling pressure. There was no fresh news to push up its prices. Lower CBOT soy oil future and CPO future on BMD provided support to bears in the market. Soy oil futures prices settled lower Rs 1.05 on Friday at Rs 421.90/10 Kg, Rs 2.45 off the high and Rs 0.70 up from the low. Prices moved in a range of Rs 421.20 - 424.35. Soy oil prices are expected move range bound with slightly weak sentiments in near term.

#### PRICE DRIVERS:

##### Bullish:

1. Depleting stock of soybean
2. Lower stock of soy oil

##### Bearish:

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

#### Weather

Weather will not bring any impact on it, because harvesting of soybean is already over.

#### TECHNICALS

MACD and Stochastic continued its downward movements, which indicates bearish market sentiments. Prices closed below 9 days (423.44) and 18 days EMA (422.33), which indicates bearish sentiments. Candlestick formed spinning top pattern, which indicates indecisive market.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	420.60	418.30	424.10	426.40

#### TRADE RECOMMENDATION:

Sell near 423.40, target near 420.70 and put stop loss at 424.80.

Centres	19.05.06	18.05.06	Change
Mumbai (Soy Ref oil)+VAT	394	396	-2
Indore (Soy Ref oil)+VAT	397	399	-2
Kota (Soy Ref. Oil)+VAT	395	395	0
Hyderabad (Soy Ref)+VAT	398	398	0
Rajkot (Soy Ref)+Tax	389	389	0

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

## PALM OIL

### International Market Highlights

#### BMD CPO Futures Settle Down On Weak Soy Oil

Crude palm oil futures at the Bursa Malaysia Derivatives settled moderately lower on Friday. Weakness on CBOT soy oil futures and lower export demands brought negative impact on palm oil futures market. The benchmark August CPO contract ended at MYR1,452 a metric ton, down MYR6 from Thursday. Most of the participant's concerns that stocks may rise at the end of the month due to sluggish demand. The cargo surveyors SGS (Malaysia) Bhd and Intertek Agri Services are due to issue export figures of Malaysian palm oil on Monday for the period of May 1-20. Market speculation is for May 1-20 exports to be around 700,000-720,000 tons, which represents a decline from the previous month's level. In the April 1-20 period, exports were estimated at around 766,000-796,000 tons.

### Domestic Spot Market Highlights

Palm oil prices on spot market showing mixed sentiments in most markets on Friday. BMD CPO futures end down. FOB prices of CPO (May) were quoted at \$ 395.00 per tonne and RBD Palmolein at \$ 420.00 per metric tonne. Palm oil prices are expected to move range bound with weak sentiments in near term.

#### 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	19.05.06	18.05.06	Change
Kandla CPO (5 % FFA)	368	369	-1
Kandla RBD Palmolein +VAT	385	385	0
Mumbai RBD Palmolein +VAT	392	392	0
Chennai RBD Palmolein +VAT	407	406	-1
Kakinada RBD Palmolein +VAT	385	385	0
Hyderabad RBD Palmolein +VAT	402	400	+2
Delhi RDB Palmolein	428	428	0

#### Rape/Mustard oil

Mustard oil prices on domestic spot markets displayed steady to weak sentiments. Today's arrivals of mustard seed improved slightly 2000-2500 bags in Kota, 4000-5000 bags in Jaipur and around 1.50-1.60 lakh bags in Rajasthan. Mustard seeds traded in range of Rs 1560-1600 in Kota and 1725-1730 in Jaipur mandi. Mustard seeds declined marginally owing to huge stock of mustard seeds. Mustard oil prices are expected to move range bound in near terms.

#### Groundnut Refine Oil

Today groundnut oil prices on domestic spot markets remain showed steady to weak sentiments in most markets amid lower demands at retail ends. Groundnut oil prices dampened with soy oil. Groundnut seeds were quoted Rs343 per 20 kg in Rajkot market. GN oil prices are expected to move range bound in near term.

#### Sunflower Refine Oil

Sunflower oil prices on physical markets witnessed steady to positive market sentiments on Friday in most markets. Harvesting is over in Karnataka and Andhra Pradesh. Today CIF prices for sunflowers (May20-June20 Shipment) at Kandla port quoted to \$ 646 per ton, \$ 4 up slightly as compared to Thursday. Sunflower oil prices are expected to move range bound in near term.

#### Cotton Refine Oil

Cotton oil prices on spot markets witnessed steady to positive sentiments in most markets. Cotton oil prices improved slightly due to lower supply in major markets. Prices are expected to move range bound in near term.

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

Centres	19.05.06	18.05.06	Change
Mumbai (Exp. Oil) +VAT	390	391	-1
Kota (Expeller Oil)+VAT	375	375	0
Jaipur (Expeller Oil)+VAT	380	380	0
Delhi (Expeller Oil)	395	396	-1
Neewai (Expeller Oil) +VAT	379	380	-1

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

Centres	19.05.06	18.05.06	Change
Mumbai +VAT	462	464	-2
Rajkot +VAT	450	450	0
Andhra Region +VAT	470	472	-2
Chennai +VAT	465	465	0
Delhi	510	510	0

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

Markets	19.05.06	18.05.06	Change
Mumbai +Vat	440	440	0
Chennai +VAT	455	455	0
Hyderabad VAT	445	443	+2

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

Markets	19.05.06	18.05.06	Change
Mumbai +VAT	403	400	+3
Hyderabad +VAT	405	403	+2
Rajkot + VAT	395	395	0
Delhi	395	395	0

**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