

VEGOIL DAILY

May 19, 2006

REFINE SOY OIL

SPOT MARKETS

Refined soybean oil prices on domestic spot markets went down slightly in most markets amid lower demands at retail ends. Weak futures markets added bearish tone. Total arrivals of soybeans were around 34000-35000 bags (bag=85 Kg) in major markets. CIF soy oil was quoted \$540 a metric ton at Kandla and Mumbai port. Prices are expected to move range bound with weak sentiments in near term.

FUTURES MARKETS:

NCDEX (June'06): Refined soy oil contract prices ends down on technical correction and speculative selling pressure. Lower e-CBOT provided support to bears in the market. Soy oil futures prices settled down Rs 0.95 on Thursday at Rs 422.50/10 Kg, Rs 0.70 off the high and Rs 2.00 up from the low. Prices moved in a range of Rs 420.50 - 423.20. 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 EMA (423.82) and just above 18 days (422.38), which indicates slightly bearish trend. Candlestick pattern showed slightly bullish market sentiment.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	420.10	418.20	424.40	425.90

TRADE RECOMMENDATION:

Sell near 423.60, target near 420.30 and put stop loss at 426.90.

Centres	18.05.06	17.05.06	Change
Mumbai (Soy Ref oil)+VAT	396	400	-4
Indore (Soy Ref oil)+VAT	399	403	-4
Kota (Soy Ref. Oil)+VAT	395	395	0
Hyderabad (Soy Ref)+VAT	398	402	-4
Rajkot (Soy Ref)+Tax	389	389	0

Note: Prices were quoted (Rs per 10 Kg)

PALM OIL

International Market Highlights

BMD CPO Futures Settle Mixed

Crude palm oil futures at the Bursa Malaysia Derivatives settled down on Thursday on account of lower export demands. Most of the participants are worried for rising stock owing to lower export demands. Malaysia's palm oil stocks had touched an all-time high 1.6 million tons earlier this year. The benchmark August CPO contract settled at MYR1,458 a metric ton, down MYR5 from Wednesday after moving between MYR1,456 and MYR1,468 a metric ton. Trading activity was slow only because of most of the participants were waited SND of May 1-20, which are due to release on Monday.

Domestic Spot Market Highlights

Palm oil prices on spot market revealed steady to weak sentiments in most markets on Thursday. BMD CPO futures end down. FOB prices of CPO (May) were quoted at \$ 395.00 per tonne and RBD Palmolein at \$ 425.00 per tonne. Palm oil prices are expected to move range bound with weak sentiments in near term.

BMD: CPO Futures (18.05.2006)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jun 06	1441	1443	1444	1437	1437	-4	406
July 06	1453	1453	1456	1447	1448	-5	1361
Aug 06	1463	1464	1467	1456	1458	-5	2257
Sep 06	1473	1472	1474	1464	1464	-9	644
Oct 06	1483	1482	1482	1470	1473	-10	104

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	18.05.06	17.05.06	Change
Kandla CPO (5 % FFA)	369	370	-1
Kandla RBD Palmolein +VAT	385	385	0
Mumbai RBD Palmolein +VAT	392	396	-4
Chennai RBD Palmolein +VAT	406	408	-2
Kakinada RBD Palmolein +VAT	385	385	0
Hyderabad RBD Palmolein +VAT	400	405	-5
Delhi RDB Palmolein	428	430	-2

Rape/Mustard oil

Mustard oil prices on domestic spot markets moved range bound with positive sentiment. Today's arrivals of mustard seed were remained 2000 bags in Kota, 4000 bags in Jaipur and around 1.50 lakh bags in Rajasthan. Mustard seeds traded in range of Rs 1570-1620 in Kota and 1735-1740 in Jaipur mandi. Mustard seeds improved only because the higher demands of Kachchi Ghani oil from Uttar Pradesh and West Bengal. Mustard oil prices are expected to move range bound in near terms.

Groundnut Refine Oil

Today groundnut oil prices on domestic spot markets witnessed 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; it is down slightly as compared to previous trading day. GN oil prices are expected to move range bound in near term.

Sunflower Refine Oil

Sunflower oil prices on physical markets displayed steady to weak market sentiments on Thursday in most markets. Harvesting is in progress in Tamil Nadu. Today CIF prices for sunflowers (May20-June20 Shipment) at Kandla port quoted to \$ 642 per ton, down slightly as compared to Wednesday. Sunflower oil prices are expected to move range bound in near term.

Cotton Refine Oil

Cotton oil prices on spot markets moved down in most markets amid lower demands at retail ends. Cotton oil prices dampened with soy oil. Prices are expected to move range bound in near term.

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

Centres	18.05.06	17.05.06	Change
Mumbai (Exp. Oil) +VAT	391	389	+2
Kota (Expeller Oil)+VAT	375	376	-1
Jaipur (Expeller Oil)+VAT	380	380	0
Delhi (Expeller Oil)	396	394	+2
Neewai (Expeller Oil) +VAT	380	378	+2

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	18.05.06	17.05.06	Change
Mumbai +VAT	464	468	-4
Rajkot +VAT	450	452	-2
Andhra Region +VAT	472	472	0
Chennai +VAT	465	465	0
Delhi	510	510	0

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

Markets	18.05.06	17.05.06	Change
Mumbai +Vat	440	440	0
Chennai +VAT	455	455	0
Hyderabad VAT	443	445	-2

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

Markets	18.05.06	17.05.06	Change
Mumbai +VAT	400	403	-3
Hyderabad +VAT	403	405	-2
Rajkot + VAT	395	395	0
Delhi	395	398	-3

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 18.05.2006)

Country/ Continent	Currency	Value In Rupees
USA	Dollar	45.48
European Union	Euro	57.58
Japan	100 Yen	41.06
United Kingdom	Pound Sterling	85.55