

VEGOIL DAILY

May 30, 2006

REFINE SOY OIL

SPOT MARKETS

Refined soy oil prices on physical market revealed range bound with mixed sentiments in most markets on Monday amid lower demand at retail ends. Prices declined slightly due to early onset monsoon and weak futures market. However, CIF (May 20/June20 shipment) soy oil remained quoted \$530 a metric ton at Kandla and Mumbai port. Soy Degum (Ready) prices remained quoted Rs 380/10 kg at Mumbai port. Prices are expected to move range bound with weak sentiments in near term.

FUTURES MARKETS:

NCDEX (June'06): Refined Soy oil contract ends down sharply on speculative selling pressure. Huge stock of mustard seeds with NAFED added bearish tone. Weak CPO futures on BMD also provided support to bears in the market. Prices end down Rs 4.20 at 413.75, Rs 4.55 off the high and Rs 0.75 up from the low. Prices moved in a range of 413.00-418.30 during the day. Prices are expected to move range bound with marginally weak sentiments in near term.

PRICE DRIVERS:

Bullish:

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

Bearish:

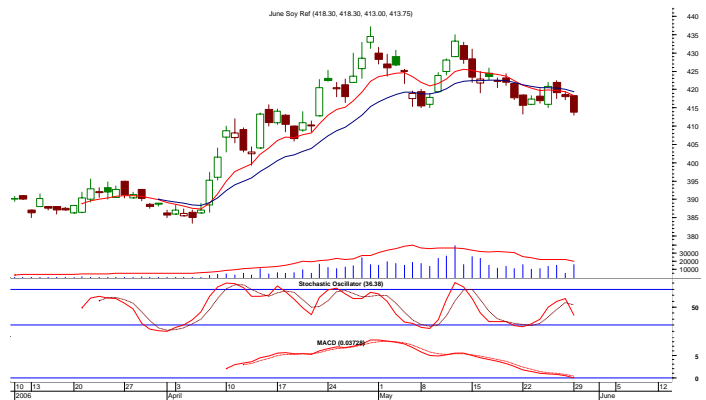
1. Lower demands at retail ends
2. Weak future markets
3. Huge stock of mustard seeds.

Weather

Weather is not a factor until new crop sowings will take place.

TECHNICALS

MACD continued to move downwards and prices closed below both the 9-days (418.34) and 18-days (49.48) EMA, which indicates bearish market trends. %K line has just turned downwards after bearish crossover to %D line in neutral zone, which indicates bearish market sentiments. Candlestick pattern also shows bearish market.



SUPPORT / RESISTANCES:

| Contract | S1 | S2 | PCP | R1 | R2 |
|------------|-------|-------|--------|-------|-------|
| NCDEX June | 411.8 | 410.4 | 413.75 | 418.1 | 420.9 |

TRADE RECOMMENDATION:

Sell near 416.30, target near 412.10, and put stop loss at 418.50.

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

| Centres | 29.05.06 | 27.05.06 | Change |
|--------------------------|----------|----------|--------|
| Mumbai (Soy Ref oil)+VAT | 398 | 396 | +2 |
| Indore (Soy Ref oil)+VAT | 396 | 396 | 0 |
| Kota (Soy Ref. Oil)+VAT | 389 | 390 | -1 |
| Hyderabad (Soy Ref)+VAT | 395 | 396 | -1 |
| Rajkot (Soy Ref)+Tax | 388 | 389 | -1 |

PALM OIL

International Market Highlights

BMD CPO Future Ends Down On Speculative selling

Crude palm oil futures on the Bursa Malaysia Derivatives ended lower Monday on speculative selling pressure and fear of burdensome stock. The benchmark August CPO contract settled at MYR1,437 a metric ton, down MYR9 from Friday. Prices moved in a range of MYR 1437-MYR 1446 on Monday. Most of the participants are feared of burdensome stock due to lower export demands. Traders are waiting for estimates of export sale figure and stocks at the end of May for making fresh positions, which is due to issue on May 31.

Domestic Spot Market Highlights

Palm oil prices in domestic spot market witnessed steady in most markets on Monday. Weak crude palm oil futures on BMD added bearish tone in the market. Malaysian FOB palmolein prices were quoted \$ 412.50/ton and FOB crude palm oil prices were quoted \$ 392.50/ton for the month of June. Prices are expected to move range bound with weak sentiments in near term.

BMD: CPO Futures (29.05.2006)

(Ringgit/ton)

| Months | Previous | Open | High | Low | Close | Change | Volume |
|---------|----------|------|------|------|-------|--------|--------|
| Jun 06 | 1426 | 1419 | 1419 | 1413 | 1413 | -13 | 553 |
| July 06 | 1438 | 1434 | 1435 | 1429 | 1429 | -9 | 1575 |
| Aug 06 | 1446 | 1446 | 1446 | 1437 | 1437 | -9 | 2638 |
| Sep 06 | 1456 | 1455 | 1455 | 1449 | 1449 | -7 | 634 |
| Oct 06 | 1465 | 1463 | 1463 | 1455 | 1457 | -8 | 64 |

Palm oil – Spot Market Price

(Rs. Per 10 kg)

| Centres | 29.05.06 | 27.05.06 | Change |
|------------------------------|----------|----------|--------|
| Kandla CPO (5 % FFA) | 370 | 370 | 0 |
| Kandla RBD Palmolein +VAT | 390 | 390 | 0 |
| Mumbai RBD Palmolein +VAT | 395 | 394 | +1 |
| Chennai RBD Palmolein +VAT | 404 | 404 | 0 |
| Kakinada RBD Palmolein +VAT | 382 | 383 | -1 |
| Hyderabad RBD Palmolein +VAT | 400 | 400 | 0 |
| Delhi RDB Palmolein | 430 | 430 | 0 |

Rape/Mustard oil

Rape oil prices on physical market moved down slightly in most markets on Monday. Today's arrivals of mustard seed were around 3000-4000 bags in Neewai, 1200-1300 bags in Kota, 2000 bags in Jaipur and around 90,000 bags in Rajasthan. Mustard seeds prices were quoted at Rs 1530-60 in Kota and 1705-1710 in Jaipur per 20 kg markets. Mustard oil prices are expected to move range bound with marginally weak sentiments in near term.

Groundnut Refine Oil

Groundnut oil prices on spot markets witnessed steady to weak sentiments with sentiments in most markets on Monday. Groundnut seeds were quoted at Rs 342 per 20 kg in Rajkot market. Arrivals of groundnut seeds remain around 28000-30000 bags from last one month in Gujarat (bag=35 Kg). GN oil prices are expected to move range bound with slightly weak sentiments in near term.

Sunflower Refine Oil

Sunflower oil prices on domestic spot markets displayed steady market sentiments in most markets amid lower demands at retail ends. CIF (May20/June20) sunflower oil were quoted \$ 649 per ton, up \$2/ton from \$647/ton as compared to Saturday.

Cotton Refine Oil

Cotton oil prices on domestic spot markets showed steady to weak sentiments in most markets on Monday. Cotton oil prices are expected to move range bound with weak sentiments in near term.

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

| Centres | 29.05.06 | 27.05.06 | Change |
|----------------------------|----------|----------|--------|
| Mumbai (Exp. Oil) +VAT | 397 | 397 | 0 |
| Kota (Expeller Oil)+VAT | 373 | 374 | -1 |
| Jaipur (Expeller Oil)+VAT | 375 | 376 | -1 |
| Delhi (Expeller Oil) | 388 | 391 | -3 |
| Neewai (Expeller Oil) +VAT | 369 | 374 | -5 |

Groundnut Oil Spot Market Price (Rs/10 kg)

| Centres | 29.05.06 | 27.05.06 | Change |
|--------------------|----------|----------|--------|
| Mumbai +VAT | 470 | 470 | 0 |
| Rajkot +VAT | 450 | 455 | -5 |
| Andhra Region +VAT | 470 | 472 | -2 |
| Chennai +VAT | 460 | 462 | -2 |
| Delhi | 510 | 510 | 0 |

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

| Markets | 29.05.06 | 27.05.06 | Change |
|---------------|----------|----------|--------|
| Mumbai +Vat | 435 | 435 | 0 |
| Chennai +VAT | 450 | 450 | 0 |
| Hyderabad VAT | 440 | 440 | 0 |

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

| Markets | 29.05.06 | 27.05.06 | Change |
|----------------|----------|----------|--------|
| Mumbai +VAT | 403 | 403 | 0 |
| Hyderabad +VAT | 400 | 400 | 0 |
| Rajkot + VAT | 395 | 397 | -2 |
| Delhi | 390 | 390 | 0 |

PORT-WATCH (Latest):
Current Vessels Positions

| Ports | Vessels | Volume (Ton) | Carrying | Status |
|--------------|------------------|--------------|----------|-----------|
| Kandla | Thressa III | 16350 | Palm Oil | Expected |
| | Akademik Semenov | 16000 | CPO | Arrived |
| | Rising One | 3200 | SBO | Expected |
| Kakinada | Global Saturn | 5000 | CPO | Expected |
| | Spring Glory | 2000 | CPO | Receiving |
| Kolkata | Padang Halaban | 8000 | CPO | Arrived |
| | Agiasma | 11700 | SBO | Arrived |
| | Twinkle | 6000 | CPO | Expected |
| | Sutra Satu | 7000 | CPO | Expected |
| Cochin | Hua Yun 5 | 6000 | CPO | Expected |
| | Global Trader | 6000 | CPO | Expected |
| Mundra | Chembulk Ulsan | 6000 | SBO | Loading |
| New Manglore | Global Venus | 8500 | CPO | Expected |
| Mormugao | Global Triton | 4500 | Palm Oil | Expected |
| Mumbai | Harsanadi | 11000 | CPO | Expected |

Forex Rates

(As on 29.05.2006)

| Country/ Continent | Currency | Value in Rupees |
|--------------------|----------------|-----------------|
| USA | Dollar | 45.97 |
| European Union | Euro | 58.58 |
| Japan | 100 Yen | 40.93 |
| United Kingdom | Pound Sterling | 85.51 |