

VEGOIL DAILY

May 18, 2006

REFINE SOY OIL

SPOT MARKETS

Refined soybean oil prices on domestic spot markets improved slightly in most markets due to hike in tariff value to \$540/ton from \$518/ton. Firm opening of soy oil futures markets added bullish market sentiments. Total arrivals of soybeans were around 35000 bags (bag=85 Kg) in major markets. CIF soy oil was quoted \$539 a metric ton at Kandla and Mumbai port. Prices are expected to move range bound with positive sentiments in near term.

FUTURES MARKETS:

NCDEX (June'06): Refined soy oil contract prices ends higher after choppy trading day on hike in tariff value on Wednesday. Soy oil futures prices settled up Rs 0.70 at Rs 423.85/10 Kg, Rs 2.40 off the high and Rs 0.95 up from the low. Prices moved in a range of Rs 422.60 - 425.95. Soy oil prices are expected to move range bound with positive sentiments in near term due to lower stock of soybean and oils.

PRICE DRIVERS:

Bullish:

1. Depleting stock of soybean
2. Hike in Tariff Value
3. Lower stock of soy oil

Bearish:

1. Lower demands at retail ends

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 just above 9 days EMA (424.15) and below 18 days (422.37), which indicates slightly bearish trend. Candlestick formed spinning top pattern, indicates indecisive market.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
NCDEX June	421.90	419.40	425.80	428.30

TRADE RECOMMENDATION:

Sell near 425.20, target near 422.00 and put stop loss at 426.90.

Centres	17.05.06	16.05.06	Change
Mumbai (Soy Ref oil)+VAT	400	399	+1
Indore (Soy Ref oil)+VAT	403	398	+5
Kota (Soy Ref. Oil)+VAT	395	394	+1
Hyderabad (Soy Ref)+VAT	402	395	+7
Rajkot (Soy Ref)+Tax	389	386	+3

Note: Prices were quoted (Rs per 10 Kg)

PALM OIL

International Market Highlights

BMD CPO Futures Settle Mixed

Crude palm oil futures at Bursa Malaysia Derivatives settled mixed on Wednesday as a stronger Malaysian ringgit. The benchmark August CPO contract settled at MYR1,463 a metric ton, down MYR2 from Tuesday, after moving between MYR1,462/ton and MYR1,473/ton. The ringgit gained against the dollar on Wednesday, though trading activity was slow and choppy. A strong ringgit is unfavourable for Malaysian palm oil as it makes the commodity less competitive. Higher soy oil futures added positive tone. The next set of key figures are due out by Monday when cargo surveyors Intertek Agri Services and SGS (Malaysia) Bhd. issue Malaysian May 1-20 palm oil export estimates.

Domestic Spot Market Highlights

Palm oil prices on spot market witnessed steady to positive sentiments in most markets on Wednesday. Prices improved slightly due to hike in tariff value by \$6/ton on all categories of palm oil. 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 positive sentiments in near term.

BMD: CPO Futures (17.05.2006)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jun 06	1444	1447	1449	1441	1441	-3	251
July 06	1455	1458	1462	1453	1453	-2	1906
Aug 06	1465	1468	1473	1462	1463	-2	3455
Sep 06	1471	1476	1477	1472	1472	+1	1386
Oct 06	1475	1480	1483	1480	1483	+8	32

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	17.05.06	16.05.06	Change
Kandla CPO (5 % FFA)	370	368	+2
Kandla RBD Palmolein +VAT	385	385	0
Mumbai RBD Palmolein +VAT	396	396	0
Chennai RBD Palmolein +VAT	408	405	+3
Kakinada RBD Palmolein +VAT	385	385	0
Hyderabad RBD Palmolein +VAT	405	403	+2
Delhi RDB Palmolein	430	430	0

Rape/Mustard oil

Mustard oil prices on domestic spot markets witnessed mixed sentiments on Wednesday in the markets. Prices slipped lower side due to lower demands at retail ends in Mumbai, Kota and Jaipur and prices improved slightly in Delhi and Neewai markets on improvement of futures market only. Today's arrivals of mustard seed were 2000 bags in Kota, 4000 bags in Jaipur and around 1.50 lakh bags in Rajasthan. Mustard seeds prices were quoted Rs 1540-1680 in Kota and 1690-1725 in Jaipur mandi. Mustard oil prices are expected to move range bound in near terms.

Groundnut Refine Oil

Today groundnut oil prices on domestic spot markets displayed steady to positive sentiments in most markets. Prices followed soy oil prices. Groundnut seeds were quoted Rs344 per 20 kg in Rajkot market; it is up slightly as compared to previous trading day. GN oil prices are expected to move range bound with positive sentiments in near term.

Sunflower Refine Oil

Sunflower oil prices on physical markets have been noticed mixed sentiments on Wednesday in most markets. Harvesting is in progress in Tamil Nadu. Today CIF prices for sunflowers (May Shipment) at Kandla port remained quoted to \$ 644 per ton. Sunflower oil prices are expected to move range bound in near term.

Cotton Refine Oil

Cotton oil prices on spot markets revealed positive sentiments in most markets. Cotton oil prices climbed behind soy oil. Prices are expected to move range bound with positive sentiments in near term.

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

Centres	17.05.06	16.05.06	Change
Mumbai (Exp. Oil) +VAT	389	392	-3
Kota (Expeller Oil)+VAT	376	378	-2
Jaipur (Expeller Oil)+VAT	380	382	-2
Delhi (Expeller Oil)	394	392	+2
Neewai (Expeller Oil) +VAT	378	377	+1

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	17.05.06	16.05.06	Change
Mumbai +VAT	468	468	0
Rajkot +VAT	452	445	+7
Andhra Region +VAT	472	470	+2
Chennai +VAT	465	458	+7
Delhi	510	510	0

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

Markets	17.05.06	16.05.06	Change
Mumbai +Vat	440	440	0
Chennai +VAT	455	450	+5
Hyderabad VAT	445	448	-3

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

Markets	17.05.06	16.05.06	Change
Mumbai +VAT	403	403	0
Hyderabad +VAT	405	402	+3
Rajkot + VAT	395	393	+2
Delhi	398	395	+3

PORT-WATCH (Latest):**Current Vessels Positions**

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Thressa III	16350	Palm Oil	Expected
Chennai	MMM Jackson	6000	Palm Oil	Arrived
	Hua Yun 5	3140	Palm Oil	Expected
	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	Expected
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	Arrived
	Global Trader	6000	CPO	Arrived
Mundra Port	Chembulk Ulsan	6000	SBO	Expected
JN Port	Clipper Kristern	11000	SBO	Expected

Forex Rates**(As on 17.05.2006)**

Country/ Continent	Currency	Value In Rupees
USA	Dollar	45.34
European Union	Euro	58.33
Japan	100 Yen	41.36
United Kingdom	Pound Sterling	85.68