

VEGOIL DAILY

May 24, 2006

REFINE SOY OIL

SPOT MARKETS

Refined soy oil prices in domestic spot market likely steady in most markets on Tuesday amid lower demands at retail ends on such higher prices. Total arrivals of soybeans were around 30000-32000 bags (bag=85 Kg) in major markets of India. CIF soy oil was quoted \$528 a metric ton at Kandla and Mumbai port, it is down by \$ 2 per ton from Monday. Prices are expected to move range bound with positive sentiments in near term.

FUTURES MARKETS:

NCDEX (June'06): Refined Soyoil contract opened firm and ends higher on Tuesday after choppy trading. Prices settled up Rs 2.10 at 417.80, Rs 0.50 off the high and Rs 2.00 up from the low. Prices moved in a narrow range of 415.80-418.30 during the day. Higher e-CBOT added positive tone. Prices are expected improve slightly due to lower stock.

PRICE DRIVERS:

Bullish:

1. Lower stock of soybean
2. Soy oil import declined

Bearish:

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

Weather

Weather is not a factor until new crop sowings will take place i.e. June 15,2006 onwards.

TECHNICALS

MACD continued to move downwards in negative territory and Prices closed below both the 9-days (420.40) and 18-days (420.87) EMA, which indicates slightly bearish market trends. However, %K line just has turned upwards from oversold region and crossed %D line from down, which indicates bullish market sentiments. Candlestick pattern shows moderately bullish market.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX June	415.6	413.2	417.8	420.8	422.0

TRADE RECOMMENDATION:

Buy near 417.10, target near 420.50, and put stop loss at 415.40.

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

Centres	23.05.06	22.05.06	Change
Mumbai (Soy Ref oil)+VAT	395	393	+2
Indore (Soy Ref oil)+VAT	393	394	-1
Kota (Soy Ref. Oil)+VAT	390	390	0
Hyderabad (Soy Ref)+VAT	399	399	0
Rajkot (Soy Ref)+Tax	387	387	0

PALM OIL

International Market Highlights

BMD CPO Futures Settle Slightly Lower

Crude palm oil futures at Bursa Malaysia Derivatives settled lower on Tuesday. CPO futures were positive from the beginning of the session, however it settled lower on last hours of the trading session amid speculative selling pressure. The benchmark August CPO contract settled down MYR3 from Monday at MYR1440/ton, after moving in a range of MYR1440-MYR1451 per metric ton. Cargo surveyor SGS (Malaysia) Bhd. revealed in an estimate that Malaysia's palm oil exports fell nearly 14% on month to 662,404 tons in the May 1-20 period. The SGS number was slightly better than a 20% drop in exports estimated by another surveyor Intertek Agri Services Monday. Both surveyor's estimate displayed uninspiring SND figures. Malaysian palm oil stocks totaled 1.51 million tons at end-April.

Domestic Spot Market Highlights

Palm oil prices in spot market witnessed lacklustre in most markets amid lower demands at retail ends. Palm oil prices dampened with soy oil prices. Both are traditional rivals of each other's. Prices are expected to move range bound in near term.

BMD: CPO Futures (23.05.2006)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jun 06	1424	1428	1430	1423	1423	-1	547
July 06	1433	1440	1441	1433	1433	0	880
Aug 06	1443	1450	1451	1440	1440	-3	2971
Sep 06	1450	1456	1458	1450	1450	0	342
Oct 06	1458	0	0	0	1458	0	0

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	23.05.06	22.05.06	Change
Kandla CPO (5 % FFA)	365	365	0
Kandla RBD Palmolein +VAT	385	385	0
Mumbai RBD Palmolein +VAT	395	394	+1
Chennai RBD Palmolein +VAT	405	405	0
Kakinada RBD Palmolein +VAT	382	381	+1
Hyderabad RBD Palmolein +VAT	400	403	-3
Delhi RDB Palmolein	430	430	0

Rape/Mustard oil

Rape oil prices in domestic spot market displayed downtrends in most markets due to huge stock of mustard seeds. Higher production of mustard seeds and burdensome stock with NAFED and private stockist provided support to bears. Today's arrivals of mustard seed were 2000 bags in Kota, 4000 bags in Jaipur and around 1.00-1.25 lakh bags in Rajasthan. Mustard seeds prices were quoted Rs 1530-1660 in Kota and 1720 in Jaipur mandi Mustard oil prices are expected to move range bound in near term.

Groundnut Refine Oil

Groundnut oil prices in domestic spot market showed lacklustre in most markets on Tuesday amid lower demands at retail ends. Harvesting of summer crop is started in Bhavnagar area. Groundnut seeds remain quoted Rs341 per 20 kg in Rajkot market. Arrivals of groundnut seeds are likely constant from last two week in Gujarat i.e. 28000-30000 bags (Bag=35 Kg). GN oil prices are expected to move range bound in near term.

Sunflower Refine Oil

Sunflower oil prices on spot markets revealed steady to weak sentiments in most markets. Harvesting is in progress in Tamil Nadu. CIF sunflower oil was quoted \$ 647 per ton, down \$2/ton as compared to \$649/ton from Monday.

Cotton Refine Oil

Cotton oil prices in domestic spot markets witnessed steady in most markets on Tuesday. Cotton oil prices followed soy oil prices. Cotton oil prices are expected to move range bound with positive sentiments in near term.

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

Centres	23.05.06	22.05.06	Change
Mumbai (Exp. Oil) +VAT	391	395	-4
Kota (Expeller Oil)+VAT	372	375	-3
Jaipur (Expeller Oil)+VAT	375	380	-5
Delhi (Expeller Oil)	392	390	+2
Neewai (Expeller Oil) +VAT	372	372	0

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	23.05.06	22.05.06	Change
Mumbai +VAT	460	460	0
Rajkot +VAT	449	448	+1
Andhra Region +VAT	470	470	0
Chennai +VAT	460	460	0
Delhi	510	510	0

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

Markets	23.05.06	22.05.06	Change
Mumbai +Vat	435	440	-5
Chennai +VAT	450	450	0
Hyderabad VAT	442	442	0

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

Markets	23.05.06	22.05.06	Change
Mumbai +VAT	397	397	0
Hyderabad +VAT	400	400	0
Rajkot + VAT	392	392	0
Delhi	390	390	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
	Global Hilda	3000	Palm Oil	Loading
Kakinada	Cheras	4000	CPO	Expected
	Spring Glort	2000	CPO	Expected
	Global Saturn	5000	CPO	Expected
Kolkata	Padang Halaban	8000	CPO	Arrived
	Agiasma	11700	SBO	Arrived
	Champion Brali	11000	CPO	Arrived
Cochin	Hua Yun 5	6000	CPO	Expected
	Global Trader	6000	CPO	Expected
	Rising One	3000	Palm Oil	Arrived
Mundra Port	Chembulk Ulsan	6000	SBO	Loading

Forex Rates

(As on 23.05.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.52
European Union	Euro	58.46
Japan	100 Yen	40.95
United Kingdom	Pound Sterling	85.79