

## VEGOIL DAILY

May 31, 2006

### REFINE SOY OIL

#### SPOT MARKETS

Refined soy oil prices on physical market witnessed remain range bound with mixed sentiments in most markets on Tuesday amid lower demand at retail ends. However, futures market improved slightly on NCDEX. CIF (May 20/June20 shipment) soy oil was quoted \$532 a metric ton at Kandla and Mumbai port (up \$2/ton against previous trading day). Soy Degum (Ready) prices was quoted Rs 382/10 kg at Mumbai port. Prices are expected to move range bound with positive sentiments in near term.

#### FUTURES MARKETS:

NCDEX (June'06): Refined soyoil contract ends up after choppy trading in an anticipation of hike in tariff value. Prices settled up Rs 2.55 at 416.30, Rs 1.15 off the high and Rs 1.70 up from the low. Prices moved in a range of 414.60-417.45 during the day. Prices are expected to move range bound with positive sentiments in near term.

#### PRICE DRIVERS:

##### Bullish:

1. Lower stock of soybean
2. Lower import of soy oil
3. Improvement in future market

##### 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.

#### TECHNICALS

MACD continued to move downwards and crossed centre line, which indicates trend reversal likely. Prices closed below both the 9-days (417.93) and 18-days (419.15) EMA, which indicates slightly bearish market. %K line is moving downwards after bearish crossover to %D line in neutral zone, which indicates bearish market sentiments. Candlestick pattern shows moderately bullish market sentiments.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX June	414.1	412.4	416.3	418.9	421.6

#### TRADE RECOMMENDATION:

Buy near 414.50, target near 418.40, and put stop loss at 412.50.

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

Centres	30.05.06	29.05.06	Change
Mumbai (Soy Ref oil)+VAT	401	398	+3
Indore (Soy Ref oil)+VAT	394	396	-2
Kota (Soy Ref. Oil)+VAT	390	389	+1
Hyderabad (Soy Ref)+VAT	395	395	0
Rajkot (Soy Ref)+Tax	388	388	0

## PALM OIL

### International Market Highlights

#### BMD CPO Future Ends Mixed After Choppy Trading

Crude palm oil futures at the Bursa Malaysia Derivatives settled mixed on Tuesday on fear of burdensome stock. The benchmark August CPO contract settled at MYR1,439 per metric ton, up MYR2 from Monday. Prices moved in a range of MYR 1436-MYR 1442 on Tuesday. Most of the participants 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 moved range bound with mixed sentiments in most markets on Tuesday amid lower demands at retail ends. Palm oil prices followed soy oil prices on spot markets. Malaysian FOB palmolein prices were quoted \$ 410.00/ton and FOB crude palm oil prices were quoted \$ 390.00/ton for the month of June. Prices are expected to move range bound with weak sentiments in near term.

#### BMD: CPO Futures (30.05.2006)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jun 06	1413	1415	1415	1410	1410	-3	241
July 06	1429	1431	1432	1427	1428	-1	951
Aug 06	1437	1440	1442	1436	1439	+2	1880
Sep 06	1449	1450	1452	1447	1449	0	386
Oct 06	1458	1459	1459	1427	1459	+1	68

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	30.05.06	29.05.06	Change
Kandla CPO (5 % FFA)	370	370	0
Kandla RBD Palmolein +VAT	388	390	-2
Mumbai RBD Palmolein +VAT	395	395	0
Chennai RBD Palmolein +VAT	405	404	+1
Kakinada RBD Palmolein +VAT	381	382	-1
Hyderabad RBD Palmolein +VAT	400	400	0
Delhi RDB Palmolein	430	430	0

#### Rape/Mustard oil

Mustard oil prices on domestic spot market went marginally lower side in most markets on Tuesday. Hefty stock with NAFED provided support to bearish market sentiments. Today's arrivals of mustard seed remain around 3000-3500 bags in Neewai, 1200-1300 bags in Kota, 2000 bags in Jaipur and around 85,000 bags in Rajasthan. Mustard seeds prices were quoted at Rs 1525-50 in Kota and 1700 in Jaipur per quintal. 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 market sentiments in most markets on Tuesday with lower demands at retail ends. Groundnut seeds were quoted at Rs 340 per 20 kg in Rajkot market. Arrivals of groundnut seeds around 20000-22000 bags in Gujarat (bag=35 Kg). GN oil prices are expected to move range bound in near term.

#### Sunflower Refine Oil

Sunflower oil prices on domestic spot markets witnessed steady to positive market sentiments in most markets. Improvement in futures market brought positive impact on its prices. CIF (May20/June20) sunflower oil remains quoted \$ 649 per ton.

#### Cotton Refine Oil

Cotton oil prices on domestic spot markets revealed steady market sentiments in most markets on Tuesday amid lower demands at retail ends. Cotton oil prices are expected to move range bound in near term.

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

Centres	30.05.06	29.05.06	Change
Mumbai (Exp. Oil) +VAT	396	397	-1
Kota (Expeller Oil)+VAT	372	373	-1
Jaipur (Expeller Oil)+VAT	374	375	-1
Delhi (Expeller Oil)	387	388	-1
Neewai (Expeller Oil) +VAT	368	369	-1

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

Centres	30.05.06	29.05.06	Change
Mumbai +VAT	470	470	0
Rajkot +VAT	450	450	0
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	30.05.06	29.05.06	Change
Mumbai +Vat	438	435	+3
Chennai +VAT	450	450	0
Hyderabad VAT	440	440	0

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

Markets	30.05.06	29.05.06	Change
Mumbai +VAT	403	403	0
Hyderabad +VAT	400	400	0
Rajkot + VAT	395	395	0
Delhi	390	390	0

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Thressa III	16350	Palm Oil	Arrived
	Rising One	3200	SBO	Expected
Kakinada	Global Saturn	5000	CPO	Arrived
Kolkata	Vernal Grace	6000	CPO	Arrived
	Filma Satu	6200	CPO	Expected
	Twinkle	6000	CPO	Arrived
	Sutra Satu	7000	CPO	Expected
Cochin	Hua Yun 5	6000	CPO	Expected
	Global Trader	6000	CPO	Expected
Mundra	Chembulk Ulsan	6000	SBO	Loading
New Mangalore	Global Venus	8500	CPO	Arrived
Mormugao	Global Triton	4500	Palm Oil	Arrived
Mumbai	Harsanadi	5000	Palm Oil	Expected
	Global Triton	5000	CPO	Expected
Chennai	MMM Jackson	5000	Palm Oil	Expected

**Forex Rates****(As on 30.05.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.19
European Union	Euro	59.32
Japan	100 Yen	41.31
United Kingdom	Pound Sterling	86.51