

VEGOIL DAILY

June1, 2006

REFINE SOY OIL

SPOT MARKETS

Refined soy oil prices on domestic spot market revealed range bound with mixed sentiments in most markets on Wednesday amid lower demand at retail ends. CIF (May 20/June20 shipment) soy oil remains quoted \$532 a metric ton at Kandla and Mumbai port. Soy Degum (Ready) prices was quoted Rs 384/10 kg at Mumbai port improved slightly as compared to Tuesday. Prices are expected to move range bound with moderately positive sentiments in near term.

FUTURES MARKETS:

NCDEX (June'06): Refined soyoil contract ends down after firm opening only due to lower demands at retail ends. However, base import prices are hiked on crude soy oil to \$559/ton from \$540/ton, but it could not bring any impact on its prices. Prices settled down Rs 1.80 at 414.50, Rs 3.20 off the high and Rs 0.20 up from the low. Today prices moved in a range of 414.30-417.70 during the day. Prices are expected to move range bound with 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. Huge stock of mustard seeds.
3. Weak futures market

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 (417.24) and 18-days (418.66) EMA, which indicates slightly bearish market. %K line is moving downwards after bearish crossover to %D line in neutral zone and just reached in oversold region, which indicates bearish market sentiments. Candlestick pattern shows bearish market sentiments.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX June	413.2	411.6	414.5	417.5	419.4

TRADE RECOMMENDATION:

Sell near 416.30, target near 413.80, and put stop loss at 417.65.

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

Centres	31.05.06	30.05.06	Change
Mumbai (Soy Ref oil)+VAT	405	401	+4
Indore (Soy Ref oil)+VAT	393	394	-1
Kota (Soy Ref. Oil)+VAT	390	390	0
Hyderabad (Soy Ref)+VAT	393	395	-2
Rajkot (Soy Ref)+Tax	390	388	+2

PALM OIL

International Market Highlights

BMD CPO Future Ends Moderately Up

Crude palm oil futures at the Bursa Malaysia Derivatives settled up on Wednesday. According to cargo surveyor SGS (Malaysia) Bhd, Malaysia's palm oil exports fell 3.0% on month in May to 1,146,610 metric tons. The benchmark August CPO contract settled at MYR1,444 per metric ton, up MYR5 from Tuesday. Prices moved in a range of MYR 1441-MYR 1453 on Wednesday.

Domestic Spot Market Highlights

Palm oil prices in domestic spot market moved range bound with positive sentiments in most markets on Wednesday. However, base import price of palm oil cuts by \$3/ton on each category of palm and palmolein. Malaysian FOB palmolein prices were quoted \$ 412.50/ton and FOB crude palm oil prices were quoted \$ 390.00/ton for the month of June. Prices are expected to move range bound in near term.

BMD: CPO Futures (31.05.2006)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jun 06	1414	1415	1421	1411	1411	-3	404
July 06	1430	1432	1441	1432	1432	+2	1108
Aug 06	1439	1444	1453	1441	1444	+5	5894
Sep 06	1451	1453	1464	1453	1455	+4	996
Oct 06	1459	1463	1470	1463	1468	+9	45

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	31.05.06	30.05.06	Change
Kandla CPO (5 % FFA)	370	370	0
Kandla RBD Palmolein +VAT	390	388	+2
Mumbai RBD Palmolein +VAT	401	395	+6
Chennai RBD Palmolein +VAT	407	405	+2
Kakinada RBD Palmolein +VAT	382	381	+1
Hyderabad RBD Palmolein +VAT	398	400	-2
Delhi RDB Palmolein	435	430	+5

Rape/Mustard oil

Mustard oil prices on domestic spot market moved down slightly in most markets on Wednesday. Hefty stock with NAFED provided support to bearish market sentiments. Today's arrivals of mustard seed were around 3000 bags in Neewai, 1500 bags in Kota, 2000 bags in Jaipur and around 80,000 bags in Rajasthan. Mustard seeds prices were quoted at Rs 1520-50 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 displayed steady to positive market sentiments in most markets on Wednesday due to export demands. Groundnut seeds were quoted at Rs 342 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 weak market sentiments in most markets. Weak futures market brought negative impact on its prices. CIF (May20/June20) sunflower oil remains quoted \$ 651 per ton, up \$ 2/ton from Tuesday.

Cotton Refine Oil

Cotton oil prices on domestic spot markets showed lackluster in most markets on Wednesday amid weak sentiments. Cotton oil prices are expected to move range bound in near term.

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

Centres	31.05.06	30.05.06	Change
Mumbai (Exp. Oil) +VAT	395	396	-1
Kota (Expeller Oil)+VAT	370	372	-2
Jaipur (Expeller Oil)+VAT	372	374	-2
Delhi (Expeller Oil)	390	387	+3
Neewai (Expeller Oil) +VAT	366	368	-2

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	31.05.06	30.05.06	Change
Mumbai +VAT	475	470	+5
Rajkot +VAT	450	450	0
Andhra Region +VAT	472	470	+2
Chennai +VAT	465	460	+5
Delhi	510	510	0

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

Markets	31.05.06	30.05.06	Change
Mumbai +Vat	435	438	-3
Chennai +VAT	450	450	0
Hyderabad VAT	440	440	0

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

Markets	31.05.06	30.05.06	Change
Mumbai +VAT	400	403	-3
Hyderabad +VAT	405	400	+5
Rajkot + VAT	395	395	0
Delhi	390	390	0

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Rising One	3200	SBO	Expected
Kolkata	Vernal Grace	6000	CPO	Arrived
	Filma Satu	6200	CPO	Receiving
	Twinkle	6000	CPO	Arrived
	Sutra Satu	7000	CPO	Expected
	Ace 1	6000	CPO	Receiving
Cochin	Hua Yun 5	6000	CPO	Expected
	Global Trader	6000	CPO	Expected
New Manglore	Anawan	1500	SBO	Expected
Mumbai	Harsanadi	5000	Palm Oil	Expected
	Global Triton	5000	CPO	Expected
Chennai	MMM Jackson	5000	Palm Oil	Expected

Forex Rates**(As on 31.05.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.43
European Union	Euro	59.80
Japan	100 Yen	41.54
United Kingdom	Pound Sterling	87.43