

## VEGOIL DAILY

May 26, 2006

### REFINE SOY OIL

#### SPOT MARKETS

Refined soy oil prices in domestic spot market improved in most markets on Thursday amid positive sentiments. Strong futures market added positive tone in spot market. Total arrivals of soybeans were around 28000-30000 bags (bag=85 Kg) in major markets of India and around 400-500 bags in Kota only. CIF soy oil was quoted \$529 a metric ton at Kandla and Mumbai port, it is down by \$ 5 per ton from Wednesday. Prices are expected to move range bound with positive sentiments in near term due to lower stock of soybean and lower import of soy oil.

#### FUTURES MARKETS:

NCDEX (June'06): Refined Soyoil contract settled higher on speculative buying Thursday. Prices end up Rs 4.35 at 421.30, Rs 0.70 off the high and Rs 6.30 up from the low. Prices moved in a wide range of 415.00-422.00 during the day. Improvement in CPO futures on BMD provided support to bulls in the market. Prices are expected to move range bound with positive sentiments in near term.

#### PRICE DRIVERS:

##### Bullish:

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

##### Bearish:

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

#### Weather

#### TECHNICALS

MACD has just turned northwards moderately from steep downtrends and prices closed above both the 9-days (420.70) and 18-days (420.58) EMA, which indicates slightly bullish market sentiments. %K line continued to move upwards steeply after bullish crossover to %D line in neutral zone, which indicates bullish market sentiments. Candlestick pattern and higher volume and open interest indicate bullish market sentiments.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX June	417.2	414.2	421.3	423.9	425.8

#### TRADE RECOMMENDATION:

Buy near 419.20, target near 423.70, and put stop loss at 416.90.

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

Centres	25.05.06	24.05.06	Change
Mumbai (Soy Ref oil)+VAT	398	397	+1
Indore (Soy Ref oil)+VAT	396	394	+2
Kota (Soy Ref. Oil)+VAT	392	391	+1
Hyderabad (Soy Ref)+VAT	399	399	0
Rajkot (Soy Ref)+Tax	388	387	+1

## PALM OIL

### International Market Highlights

#### BMD CPO Futures Settle Mix On Bearish Export Figures

Crude palm oil futures at Bursa Malaysia Derivatives settled mixed on Thursday. August CPO futures on BMD ends marginally down on weak export demands, losses of soy oil futures and e-CBOT were also red. The benchmark August CPO contract settled at MYR1,437 a metric ton, down MYR1 from Wednesday. Most of the participants are anxious regarding burdensome stock of palm oil due to low export demands. CPO futures declined slightly due to bearish SGS export figures. Malaysia's palm oil exports in May 1-25 period was down by 12.80 % as compared to April 1-25.

#### Domestic Spot Market Highlights

Palm oil prices in spot market showed steady to positive sentiments in most markets. Palm oil prices on spot market could not surge due to lower demands at retail ends. Malaysian FOB palmolein prices were quoted \$ 412.50/ton and FOB crude palm oil prices were quoted \$ 390/ton for the month of June. Prices are expected to move range bound with positive sentiments in near term.

#### BMD: CPO Futures (25.05.2006)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jun 06	1418	1419	1423	1418	1420	+2	798
July 06	1430	1428	1433	1426	1431	+1	651
Aug 06	1438	1438	1442	1434	1437	-1	3079
Sep 06	1447	1448	1452	1446	1448	+1	708
Oct 06	1456	0	1458	0	1456	0	0

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	25.05.06	24.05.06	Change
Kandla CPO (5 % FFA)	367	367	0
Kandla RBD Palmolein +VAT	388	388	0
Mumbai RBD Palmolein +VAT	397	394	+3
Chennai RBD Palmolein +VAT	405	405	0
Kakinada RBD Palmolein +VAT	382	382	0
Hyderabad RBD Palmolein +VAT	400	400	0
Delhi RDB Palmolein	430	430	0

#### Rape/Mustard oil

Rape oil prices in domestic spot market revealed steady to positive sentiments in most markets on Thursday. Prices improved slightly only due to strong futures market. Today's arrivals of mustard seed were around 3000 bags in Neewai, 2000 bags in Kota, 3500 bags in Jaipur and around 1.00 lakh bags in Rajasthan. Mustard seeds prices were quoted Rs 1540-70 in Kota and 1725-30 in Jaipur markets. Mustard oil prices are expected to move range bound with positive sentiments in near term.

#### Groundnut Refine Oil

Groundnut oil prices in domestic spot markets improved slightly in most markets on Thursday amid positive sentiments. There is talk in the market that production is declined in Vietnam and exports demands of Indian groundnut seeds are expected to increase slightly. Groundnut seeds quoted Rs345 per 20 kg in Rajkot market. Arrivals of groundnut seeds are likely stagnant from last two-three week in Gujarat i.e. 28000-30000 bags (Bag=35 Kg). GN oil prices are expected to move range bound with positive sentiments in near term.

#### Sunflower Refine Oil

Sunflower oil prices on spot markets revealed steady to positive market sentiments in most markets. Harvesting is harvesting is over in major producing states like Karnataka and Andhra Pradesh. CIF sunflower oil was quoted \$ 646 per ton, down by \$3/ton as compared to \$649/ton from Wednesday.

#### Cotton Refine Oil

Cotton oil prices in domestic spot markets remain shows steady to positive in most markets on Thursday. Cotton oil prices followed soy oil prices. Cotton oil prices are expected to move range bound with positive sentiments in near term due to lower supply.

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

Centres	25.05.06	24.05.06	Change
Mumbai (Exp. Oil) +VAT	394	390	+4
Kota (Expeller Oil)+VAT	374	373	+1
Jaipur (Expeller Oil)+VAT	377	376	+1
Delhi (Expeller Oil)	392	392	0
Neewai (Expeller Oil) +VAT	373	373	0

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

Centres	25.05.06	24.05.06	Change
Mumbai +VAT	462	460	+2
Rajkot +VAT	455	450	+5
Andhra Region +VAT	474	472	+2
Chennai +VAT	458	460	-2
Delhi	510	510	0

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

Markets	25.05.06	24.05.06	Change
Mumbai +Vat	435	435	0
Chennai +VAT	450	450	0
Hyderabad VAT	443	442	+1

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

Markets	25.05.06	24.05.06	Change
Mumbai +VAT	400	400	0
Hyderabad +VAT	405	400	+5
Rajkot + VAT	395	393	+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
Cochin	Hua Yun 5	6000	CPO	Expected
	Global Trader	6000	CPO	Expected
Mundra Port	Chembulk Ulsan	6000	SBO	Loading
New Manglore	Global Venus	8500	CPO	Expected
Mormugao Port	Global Triton	4500	Palm Oil	Expected

**Forex Rates****(As on 25.05.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.85
European Union	Euro	58.59
Japan	100 Yen	40.69
United Kingdom	Pound Sterling	85.68