

VEGOIL DAILY

May 25, 2006

REFINE SOY OIL

SPOT MARKETS

Refined soy oil prices in domestic spot market were steady to positive in most markets on Wednesday amid positive sentiments. Total arrivals of soybeans were around 30000 bags (bag=85 Kg) in major markets of India and around 600-700 bags in Kota only. CIF soy oil was quoted \$534 a metric ton at Kandla and Mumbai port, it is up by \$ 6 per ton from Tuesday. Prices are expected to move range bound with positive sentiments in near term due to lower stock.

FUTURES MARKETS:

NCDEX (June'06): Refined Soyoil contract opened firm and finally settled marginally lower on Wednesday. Prices end down Rs 0.20 at 417.20, Rs 3.05 off the high and Rs 0.90 up from the low. Prices moved in a range of 416.30-420.25 during the day. Lower e-CBOT and lower ends of CPO futures on BMD provided support to bears. Prices are expected to move range bound with positive sentiments in near term due to lower stock.

PRICE DRIVERS:

Bullish:

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

Bearish:

1. Lower demands at retail ends
2. Improvement in future markets
3. Bulk stock of mustard seeds

Weather

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

TECHNICALS

MACD continued to move downtrends movement from last week and Prices closed below both the 9-days (419.76) and 18-days (420.49) EMA, which indicates slightly bearish market trends. However, %K line is moving northwards after bullish crossover to %D line, which indicates bullish market sentiments.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX June	415.6	414.1	417.2	420.8	422.8

TRADE RECOMMENDATION:

Buy near 416.70, target near 420.40, and put stop loss at 414.80.

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

Centres	24.05.06	23.05.06	Change
Mumbai (Soy Ref oil)+VAT	397	395	+2
Indore (Soy Ref oil)+VAT	394	393	+1
Kota (Soy Ref. Oil)+VAT	391	390	+1
Hyderabad (Soy Ref)+VAT	399	399	0
Rajkot (Soy Ref)+Tax	387	387	0

PALM OIL

International Market Highlights

BMD CPO Futures Settle Lower On Stock Concerns

Crude palm oil futures at Bursa Malaysia Derivatives settled marginally lower on Wednesday. CPO futures on BMD were positive due to soy oil gains, but market could not sustain its gain and prices falls later on the session due to weak export demands and negative e-CBOT. The benchmark August CPO contract settled at MYR1,438 a metric ton, down MYR3 from Tuesday. Weaker MYR against dollar also provided support to bears in the market. Most of the participants are worried about the higher stock due to low export demands. An indication on the progress of palm oil sales is due to issue on Thursday of cargo surveyors Intertek Agri Services and SGS (Malaysia) Bhd for the May 1-25 period. Trader's expectations about the export sales figure are around 831000 metric ton export sales, which is below as high as 1.00 million tons in April 1-25 period.

Domestic Spot Market Highlights

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

BMD: CPO Futures (24.05.2006)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jun 06	1424	1430	1430	1418	1418	-6	822
July 06	1433	1441	1441	1428	1430	-3	1212
Aug 06	1441	1447	1449	1438	1438	-3	3409
Sep 06	1450	1457	1457	1448	1448	-2	939
Oct 06	1458	1461	1461	1457	1457	-1	112

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	24.05.06	23.05.06	Change
Kandla CPO (5 % FFA)	367	365	+2
Kandla RBD Palmolein +VAT	388	385	+3
Mumbai RBD Palmolein +VAT	394	395	-1
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 witnessed mixed sentiments in most markets on Wednesday. Prices improved slightly only due to improvement in futures market. Prices could not surge sharply owing to lower demands at retail ends and huge stock of mustard seeds. Total stock of mustard seeds is around 34 lakh ton with NAFED only. Today's arrivals of mustard seed were around 4000 bags in Neewai, 2000 bags in Kota, 4000 bags in Jaipur and around 1.00 lakh bags in Rajasthan. Mustard seeds prices were quoted Rs 1535-1665 in Kota and 1725-30 in Jaipur mandi. 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 have been noticed steady to positive sentiments in most markets on Wednesday amid positive sentiments. Prices improved slightly owing to higher export demands of groundnut seeds. Groundnut seeds quoted Rs342 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 witnessed steady market sentiments in most markets. Harvesting is in progress in Tamil Nadu. CIF sunflower oil was quoted \$ 649 per ton, up \$2/ton as compared to \$647/ton from Tuesday.

Cotton Refine Oil

Cotton oil prices in domestic spot markets revealed steady to positive in most markets on Wednesday. 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	24.05.06	23.05.06	Change
Mumbai (Exp. Oil) +VAT	390	391	-1
Kota (Expeller Oil)+VAT	373	372	+1
Jaipur (Expeller Oil)+VAT	376	375	+1
Delhi (Expeller Oil)	392	392	0
Neewai (Expeller Oil) +VAT	373	372	+1

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	24.05.06	23.05.06	Change
Mumbai +VAT	460	460	0
Rajkot +VAT	450	449	+1
Andhra Region +VAT	472	470	+2
Chennai +VAT	460	460	0
Delhi	510	510	0

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

Markets	24.05.06	23.05.06	Change
Mumbai +Vat	435	435	0
Chennai +VAT	450	450	0
Hyderabad VAT	442	442	0

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

Markets	24.05.06	23.05.06	Change
Mumbai +VAT	400	397	+3
Hyderabad +VAT	400	400	0
Rajkot + VAT	393	392	+1
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	Expected
	Rising One	3200	SBO	Expected
Chennai	Spring Glory	5000	Palm Oil	Expected
Kakinada	Cheras	4000	CPO	Receiving
	Spring Glort	2000	CPO	Expected
	Global Saturn	5000	CPO	Expected
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 24.05.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.73
European Union	Euro	58.48
Japan	100 Yen	40.69
United Kingdom	Pound Sterling	85.81