

VEGOIL DAILY

June 29, 2006

REFINED SOY OIL

SPOT MARKETS

Refined soy oil prices on spot market moved moderately higher in most of the markets on Wednesday amid positive sentiments. Firm opening of soy oil futures on NCDEX and NBOT added slightly bullish market sentiments on spot markets. There is talk in the market that government of India may hike minimum support price (MSP) of Soybeans also added positive sentiments. Prices are expected to move range bound with slightly positive sentiments in near term.

FUTURES MARKETS:

NCDEX July refined soyoil contract ended marginally down after choppy trading. However, opening prices was firm on speculative buying, but it could not sustain at higher level, prices declined just before an hours of closing. Prices settled at Rs 402.65 per 10 kg, down Rs 0.40 from Tuesday. Prices moved in a range of Rs 402.30-405.25. Prices are expected to move range bound in near term.

PRICE DRIVERS:

Bullish:

1. Lower import of edible oil
2. Depleting stock of soybean
3. Talk in the market about hike in MSP

Bearish:

1. Burdensome stock of mustard seeds with NAFED.
2. Monsoon is expected within 2-3 days in major producing states.

Weather

Soybean should be planted from last week of June to 2nd week of July. If there would be no rain during the period then there could be considerable yield reduction. Recent weather forecast indicating the sowing at proper time.

TECHNICALS

Candlestick pattern showed slightly bearish market sentiments. MACD continued to move downwards in negative territory, which indicates bearish market. Prices closed below both the 9-days (405.35) and 18-days (409.53) EMA, which indicates bearish market sentiments. However, Stochastic %K line is moving upwards after bullish crossover to %D line in oversold region, which is hinting moderately bullish sentiments. Most of the technical indicators showed bearish sentiments.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX-July	401.50	400.00	402.65	404.50	406.40

TRADE RECOMMENDATION:

NCDEX July Refined Soy Oil Contract:

Sell near 403.80, Target near 401.70 and put stop loss at 404.90.

Refined Soybean Oil:

Spot Market Prices (Rs/10Kg excluding VAT)

Centres	28.06.06	27.06.06	Change
Mumbai (Ref. Soy Oil)+VAT	394	391	+3
Indore (Ref. Soy Oil)+VAT	382	381	+1
Kota (Ref. Soy Oil)+VAT	384	383	+1
Hyderabad (Ref. Soy Oil)+VAT	402	401	+1
Rajkot (Ref. Soy Oil)+Tax	393	393	0

PALM OIL

International Market Highlights

BMD CPO Futures Ends Slightly Up

Crude palm oil futures at the Bursa Malaysia Derivatives settled higher on Wednesday. The September CPO contract ended at MYR1,467 a metric ton, up MYR4 from Tuesday. The contract was confined to a very narrow band of MYR1,466-MYR1,471/ton. A rally in soyoil futures on the Chicago Board of Trade provided some support. Palm oil prices surged in hope of increasing global bio diesel demands. The next set of data is June export figures due out Friday from cargo surveyors Intertek Agri Services and SGS (Malaysia) Bhd.

Domestic Spot Market Highlights

Palm oil prices on domestic spot market remain showed steady to positive sentiments in most of the markets on Wednesday. Palm oil prices followed soy oil prices. FOB prices (July Shipment) for CPO were quoted remain at \$390.00 and RBD palm oil at \$417.50 per metric ton. Palm oil prices are expected to move range bound with moderately positive sentiments in near term.

BMD: CPO Futures (28.06.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
July 06	1419	1421	1421	1416	1418	-1	471
Aug 06	1446	1452	1453	1445	1446	0	704
Sep 06	1463	1469	1471	1466	1467	+4	2295
Oct 06	1477	1483	1484	1479	1480	+3	783
Nov 06	1486	1488	1491	1481	1489	+3	316

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	28.06.06	27.06.06	Change
Kandla CPO (5 % FFA)	374	372	+2
Kandla RBD Palmolein +VAT	394	391	+3
Mumbai RBD Palmolein +VAT	403	403	0
Chennai RBD Palmolein +VAT	401	401	0
Kakinada RBD Palmolein +VAT	386	385	+1
Hyderabad RBD Palmolein +VAT	406	404	+2
Delhi RDB Palmolein	430	430	0

Rape/Mustard Expeller Oil

Mustard oil prices on spot market went up in most of the market on Wednesday amid positive sentiments. Today's arrivals of mustard seed were around 500 bags in Neewai, 2000 bags in Kota, 3500 in Jaipur and 55000 bags in Rajasthan (bags=85 kg). Mustard seeds prices were quoted at Rs 1520-1540 in Kota and 1660-70 in Jaipur per quintal. Mustard oil prices are expected to move range bound with slightly positive sentiments in near term.

Refined Groundnut Oil

Groundnut oil prices revealed steady sentiments in most of the market on Wednesday. Prices surged in Gujarat market due to increasing export demands of groundnut seeds from Gujarat. Gujarat's arrivals of groundnut seeds were remains around 18000-20000 bags (bag=35 kg). GN oil prices expected to move range bound with moderately positive sentiments in near term.

Sunflower Expeller Oil

Sunflower oil prices on physical market witnessed slight improvement in prices in most of the markets on Wednesday amid positive sentiments. CIF (July Shipment) prices increased at \$626/ton, up \$4/ton from \$622/ton. Prices are expected to move range bound with slightly positive sentiments in near term.

Cotton Refine Oil

Cotton oil prices on spot market showed steady to positive sentiments in most of the market on Wednesday. Cotton oil prices followed soy oil prices. Prices are expected to move range bound with bit positive sentiments in near term.

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

Centres	28.06.06	27.06.06	Change
Mumbai + VAT	397	399	-2
Kota + VAT	365	363	+2
Jaipur + VAT	370	367	+3
Delhi	392	390	+2
Neewai + VAT	367	364	+3

Refined Groundnut Oil: Spot Market Price (Rs/10 kg)

Centres	28.06.06	27.06.06	Change
Mumbai +VAT	480	480	0
Rajkot +VAT	485	480	+5
Andhra Region +VAT	485	485	0
Chennai +VAT	480	480	0
Delhi	500	500	0

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

Markets	28.06.06	27.06.06	Change
Mumbai +VAT	445	445	0
Chennai +VAT	457	456	+1
Hyderabad+ VAT	455	450	+5

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

Markets	28.06.06	27.06.06	Change
Mumbai +VAT	406	406	0
Hyderabad +VAT	402	400	+2
Rajkot + VAT	412	410	+2
Delhi	398	398	0

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Star Dream	3500	CPO	Expected
	Chemroad Wing	10400	Palm Oil	Expected
	Bunga Melatidua	21980	SBO	Expected
	Pacific Sound	10250	Palm Oil	Expected
	Olympic	5400	Palm Oil	Expected
Kolkata	Yue You 902	9558	CPO	Arrived
	Hua Yun 5	6500	CPO	Arrived
New Mangalore	Global Mars	7500	CPO	Expected
Mumbai	Sutra Tiga	2535	CPO	Expected
	Isokaze	10997	CPO	Arrived
	Star Dream	65550	CPO	Arrived
Chennai	Cheras	1800	Palm Oil	Expected
	Vernal Grace	6000	CPO	Expected
	Bum Ik	7000	CPO	Expected
Kakinada	Global Saturn	7000	CPO	Arrived
Tuticorin Port	Global Triton	5000	Palm Oil	Arrived

Forex Rates**(As on 28.06.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.40
European Union	Euro	58.32
Japan	100 Yen	39.91
United Kingdom	Pound Sterling	84.50