

## VEGOIL DAILY

June 16, 2006

### REFINE SOY OIL

#### SPOT MARKETS

Refined soy oil prices on physical market moved down slightly in most of the markets amid lower demands at retail ends. However, Soy oil futures market on NCDEX and NBOT settled up choppy trading day. Government of India cuts tariff value on crude soybean oil at \$542/ton from \$559/ton. Prices of Refined soy oil were quoted Rs 389 per 10 kg in Kota excluding VAT. CIF Soy prices (June shipment) remain at \$513 per ton. Sowing acreage is expected to increase in coming season. Prices are expected to move range bound with slightly positive sentiments.

#### FUTURES MARKETS:

NCDEX refined soyoil July contract ends up on Thursday after choppy trading day. The July contract settled up moderately Rs 2.10 at 417.90, prices moved in a range of 414.45-418.00. Prices improved slightly despite of cuts in tariff value by government of India only due to declined in import of edible oil in 7 month at around 22 lakh ton (Nov-May) from 27 lakh ton as compared to corresponding years. Prices are expected to improve in near term.

#### PRICE DRIVERS:

##### Bullish:

1. Lower stock of soybean
2. Low import of edible oil

##### Bearish:

1. Higher estimates of sowing acreage
2. NAFED selling mustard seeds in Rajasthan at lower rate.
3. Cuts in Tariff Value on Soy oil

#### Weather

Weather is not a factor until new crop sowings will take place.

#### TECHNICALS

Candlestick pattern shows moderately bullish market sentiments. MACD is moving flatly southwards, which indicates slightly bearish market trends. %K line has just turned downwards and crossed %D line from up, which indicates bearish market sentiments. Prices closed just below both the 9-days (418.30) and 18-days (419.65) EMA, which indicates slightly bearish market sentiments.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX July	415.70	413.60	417.90	419.10	420.40

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil July Contract:  
Buy near 416.50, Target near 419.40 and put stop loss at 415.20.

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

Centres	15.06.06	14.06.06	Change
Mumbai (Soy Ref oil)+VAT	398	402	-4
Indore (Soy Ref oil)+VAT	388	389	-1
Kota (Soy Ref. Oil)+VAT	389	390	-1
Hyderabad (Soy Ref)+VAT	400	400	0
Rajkot (Soy Ref)+Tax	397	397	0

## PALM OIL

### International Market Highlights

#### BMD CPO Futures Settle Down Amid Weak Export

Crude palm oil futures at the Bursa Malaysia Derivatives settled moderately lower on Thursday due to disappointing export sales figures of June 1-15. Most of the traders has hitch owing to uncertainty about the long term outlook and could not dare to participate actively in trade. The benchmark August CPO contract settled at MYR1,451 a metric ton, down MYR1 from Wednesday, after moving in a range of MYR1,445 to MYR1,451/ton. Estimates for Malaysian palm oil exports in the June 1-15 period issued Thursday were below expectations. Intertek Agri Services said exports rose 3.3% on month to 525,184 tons. SGS, which is more influential, estimated exports at a far lower 486,593 tons, down 7.8% on month. Market expectations were for exports of around 520,000 to 550,000 tons.

### Domestic Spot Market Highlights

Palm oil prices on domestic spot market went down slightly in most of the markets amid weak sentiments. Government of India cuts base import prices by \$6 per ton on all categories of palm oil. FOB (June Shipment) CPO prices were \$387.50 per ton and RBD palmolein \$412.50 per ton. Palm oil prices are expected to move range bound with weak sentiments in near term.

#### BMD: CPO Futures (15.06.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jun 06	1415	1415	1415	1415	1415	0	28
July 06	1429	1424	1427	1423	1426	-3	425
Aug 06	1452	1449	1451	1445	1451	-1	1928
Sep 06	1467	1462	1465	1442	1465	-2	1446
Oct 06	1476	1470	1473	1470	1472	-4	20

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	15.06.06	14.06.06	Change
Kandla CPO (5 % FFA)	373	374	-1
Kandla RBD Palmolein +VAT	393	393	0
Mumbai RBD Palmolein +VAT	397	400	-3
Chennai RBD Palmolein +VAT	403	405	-2
Kakinada RBD Palmolein +VAT	385	387	-2
Hyderabad RBD Palmolein +VAT	400	406	-6
Delhi RDB Palmolein	428	430	-2

### Rape/Mustard oil

Mustard oil prices on spot market went down slightly in most market amid weak sentiments. NAFED started to sale of mustard seeds in Rajasthan added bearish tone in the market. Today's arrivals of mustard seed were around 1500-2000 bags in Neewai, 1500 bags in Kota, 3000 in Jaipur and 60000 bags in Rajasthan (bags=85 kg). Mustard seeds prices were quoted at Rs 1500-1540 in Kota and 1700-1705 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 to positive market sentiments in most of the market. Prices improved slightly due to better demands at retail ends. Gujarat's arrivals of groundnut seeds were around 20000 bags (bag=35 kg). Harvesting likely over in Chennai. GN oil prices expected to move range bound with moderately firm in near term.

### Sunflower Refine Oil

Sunflower oil prices on domestic spot market moved range bound with mixed sentiments in most of the markets. CIF Soy Oil (June Shipment) prices declined slightly at \$ 637 per ton (down \$7/ton) from \$644/ton. Prices are expected to move range bound in near term.

### Cotton Refine Oil

Cotton oil prices on physical market showed lackluster in most of the markets. There were no fresh fundamental news to push up and pull down its prices. Prices are expected to move range bound in near term.

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

Centres	15.06.06	14.06.06	Change
Mumbai (Exp. Oil) +VAT	402	403	-1
Kota (Expeller Oil)+VAT	372	372	0
Jaipur (Expeller Oil)+VAT	375	377	-2
Delhi (Expeller Oil)	390	392	-2
Neewai (Expeller Oil) +VAT	370	369	+1

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

Centres	15.06.06	14.06.06	Change
Mumbai +VAT	480	480	0
Rajkot +VAT	480	475	+5
Andhra Region +VAT	480	478	+2
Chennai +VAT	475	475	0
Delhi	505	505	0

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

Markets	15.06.06	14.06.06	Change
Mumbai +VAT	440	440	0
Chennai +VAT	450	452	-2
Hyderabad VAT	442	440	+2

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

Markets	15.06.06	14.06.06	Change
Mumbai +VAT	406	408	-2
Hyderabad +VAT	400	400	0
Rajkot + VAT	403	402	+1
Delhi	395	395	0

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Star Dream	3500	CPO	Expected
	Mandy I	14050	SBO	Arrived
	Chemroad Wing	10400	Palm Oil	Expected
	Isokaze	7000	Palm Oil	Arrived
	Global Eos	8500	Palm Oil	Expected
	Pacific Sound	10500	Palm Oil	Expected
Kolkata	Yue You 902	95558	CPO	Expected
	Adti	16189	SBO	Arrived
	Feng Sheng You 2	6000	CPO	Arrived
New Mangalore	Global Mars	4000	CPO	Expected
Mumbai	Sutra Tiga	2535	CPO	Expected
	Isokaze	10997	CPO	Expected
	Star Dream	65550	CPO	Expected
Chennai	Golden Oceania	3015	CPO	Expected
	Ace I	6002	CPO	Expected
Kakinada	Global Saturn	7000	CPO	Expected
	Madura	13000	CPO	Arrived
	Padang Halaban	8000	CPO	Arrived

**Forex Rates****(As on 15.06.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.91
European Union	Euro	57.92
Japan	100 Yen	39.93
United Kingdom	Pound Sterling	84.72