

VEGOIL DAILY

June 21, 2006

REFINED SOY OIL

SPOT MARKETS

Refined soy oil prices on spot market remain displayed weak market sentiments in most of the markets on Tuesday amid lower demands at retail ends. Prices declined slightly owing to selling pressure of mustard seeds by NAFED at 1515 per quintal in Rajasthan. Moderate supply of soybean seeds and sowing acreage is expected to increase in coming season also supported bearish market sentiments. Prices are expected to move range bound with marginally weak sentiments in near term.

FUTURES MARKETS:

NCDEX July refined soyoil contract ends moderately higher after choppy trading on Tuesday. The July contract settled higher Rs 1.05 at 410.35 from Monday, prices moved in a range of Rs 407.40-410.95. Prices improved slightly on speculative buying. Prices are expected to move range bound with weak sentiments in near term.

PRICE DRIVERS:

Bullish:

1. Lower import of edible oil

Bearish:

1. Selling pressure of mustard seeds by NAFED at lower rate
2. Moderate arrivals in Rajasthan
3. Expected to increase sowing acreage
4. Lower demands at retail ends

Weather

Weather is not a factor until new crop sowings will take place in major producing states.

TECHNICALS

White candlestick pattern revealed moderately bullish market sentiments. However, DAV continued to move downwards in negative territory, which indicates bearish trends. Stochastic %K line continued to move southwards after bearish crossover to %D line, which indicates bearish market. Prices closed far below both the 9-days (414.40) and 18-days (416.89) EMA, which indicates bearish market sentiments. Most of the technical indicators displayed bearish market.



SUPPORT / RESISTANCES:

| Contract | S1 | S2 | PCP | R1 | R2 |
|------------|--------|--------|--------|--------|--------|
| NCDEX July | 408.15 | 406.20 | 410.35 | 411.70 | 413.30 |

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil July Contract:

Sell near 411.15, Target near 408.80 and put stop loss at 412.50.

Refined Soybean Oil:

Spot Market Prices (Rs/10Kg excluding VAT)

| Centres | 20.06.06 | 19.06.06 | Change |
|------------------------------|----------|----------|--------|
| Mumbai (Ref. Soy Oil)+VAT | 391 | 392 | -1 |
| Indore (Ref. Soy Oil)+VAT | 385 | 386 | -1 |
| Kota (Ref. Soy Oil)+VAT | 384 | 385 | -1 |
| Hyderabad (Ref. Soy Oil)+VAT | 400 | 400 | 0 |
| Rajkot (Ref. Soy Oil)+Tax | 395 | 396 | -1 |

PALM OIL

International Market Highlights

BMD CPO Futures Ends Down

Crude palm oil futures at the Bursa Malaysia Derivatives settled lower on Tuesday. A cargo surveyor, SGS (Malaysia) Bhd., pegged exports at 658,072 tons, down 0.7% on month. However another cargo surveyor Intertek Agri Services estimated exports at 677,793 tons, up 6.7% on month. Export sales figures were well within expectations of traders as earlier speculation had been for exports of around 650,000 to 680,000 tons. The benchmark September CPO contract ended at MYR1,451 a metric ton, down MYR4 from Monday. Palm oil prices declined slightly owing to steep decline in soy oil prices on CBOT.

Domestic Spot Market Highlights

Palm oil prices on domestic spot market displayed weak sentiments in most of the markets amid lower demands at retail ends on Tuesday. Palm oil prices dampened with soy oil, both are substitute of each others. FOB (June Shipment) CPO prices remain quoted \$387.50 per ton and RBD palmolein \$415.00 per ton. Palm oil prices are expected to move range bound with weak sentiments in near term.

BMD: CPO Futures (20.06.2006)

| | | | | | | (Ringgit/ton) | |
|---------|----------|------|------|------|-------|---------------|--------|
| Months | Previous | Open | High | Low | Close | Change | Volume |
| July 06 | 1417 | 1412 | 1415 | 1410 | 1414 | -3 | 705 |
| Aug 06 | 1443 | 1440 | 1441 | 1433 | 1439 | -4 | 1722 |
| Sep 06 | 1455 | 1451 | 1454 | 1447 | 1451 | -4 | 2824 |
| Oct 06 | 1466 | 1461 | 1464 | 1457 | 1462 | -4 | 656 |
| Nov 06 | 1474 | 1471 | 1472 | 1470 | 1472 | -2 | 49 |

Palm oil – Spot Market Price

(Rs. Per 10 kg)

| Centres | 20.06.06 | 19.06.06 | Change |
|------------------------------|----------|----------|--------|
| Kandla CPO (5 % FFA) | 369 | 370 | -1 |
| Kandla RBD Palmolein +VAT | 390 | 390 | 0 |
| Mumbai RBD Palmolein +VAT | 393 | 395 | -2 |
| Chennai RBD Palmolein +VAT | 402 | 403 | -1 |
| Kakinada RBD Palmolein +VAT | 383 | 384 | -1 |
| Hyderabad RBD Palmolein +VAT | 402 | 400 | +2 |
| Delhi RDB Palmolein | 428 | 428 | 0 |

Rape/Mustard Expeller Oil

Mustard oil prices on spot market showed lacklustre in the market on Tuesday amid slow trading activity. Gigantic stock and selling pressure by NAFED also added bearish tone in the market. Today's arrivals of mustard seed were around 1500 bags in Neewai, 2000 bags in Kota, 4000 in Jaipur and 65000 bags in Rajasthan (bags=85 kg). Mustard seeds prices were quoted at Rs 1520 in Kota and 1660-1665 in Jaipur per quintal. Mustard oil prices are expected to move range bound with marginally weak sentiments in near term.

Refined Groundnut Oil

Groundnut oil prices on spot markets witnessed mixed sentiments in most of the market amid subdued trading activity. Prices improved slightly in Andhra region due to higher demands at retail ends. Gujarat's arrivals of groundnut seeds were remains around 20000 bags (bag=35 kg). GN oil prices expected to move range bound with weak sentiments in near term.

Sunflower Expeller Oil

Sunflower oil prices on domestic spot market moved slightly up in most of the markets on Tuesday on account of lower supply and better demands at retail ends. Prices are expected to move range bound with moderately positive sentiments in near term on lower supply.

Cotton Refine Oil

Cotton oil prices on spot market showing steady in most of the market on Tuesday amid sluggish trading activity. Prices are expected to move range bound in near term.

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

| Centres | 20.06.06 | 19.06.06 | Change |
|--------------|----------|----------|--------|
| Mumbai + VAT | 403 | 404 | -1 |
| Kota + VAT | 365 | 365 | 0 |
| Jaipur + VAT | 370 | 370 | 0 |
| Delhi | 392 | 390 | +2 |
| Neewai + VAT | 366 | 368 | -2 |

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

| Centres | 20.06.06 | 19.06.06 | Change |
|--------------------|----------|----------|--------|
| Mumbai +VAT | 485 | 485 | 0 |
| Rajkot +VAT | 479 | 482 | -3 |
| Andhra Region +VAT | 486 | 482 | +4 |
| Chennai +VAT | 480 | 480 | 0 |
| Delhi | 500 | 500 | 0 |

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

| Markets | 20.06.06 | 19.06.06 | Change |
|----------------|----------|----------|--------|
| Mumbai +VAT | 440 | 440 | 0 |
| Chennai +VAT | 452 | 450 | +2 |
| Hyderabad+ VAT | 455 | 450 | +5 |

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

| Markets | 20.06.06 | 19.06.06 | Change |
|----------------|----------|----------|--------|
| Mumbai +VAT | 406 | 406 | 0 |
| Hyderabad +VAT | 402 | 400 | +2 |
| Rajkot + VAT | 403 | 403 | 0 |
| Delhi | 394 | 394 | 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 |
| | Adti | 16189 | SBO | 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 | Expected |
| | Pacific Sound | 6500 | CPO | Arrived |
| Chennai | Ace I | 6002 | CPO | Arrived |
| Kakinada | Bum Ik | 7000 | CPO | Expected |
| | Vernal Grace | 6000 | CPO | Expected |

Forex Rates**(As on 20.06.2006)**

| Country/ Continent | Currency | Value in Rupees |
|--------------------|----------------|-----------------|
| USA | Dollar | 45.91 |
| European Union | Euro | 57.74 |
| Japan | 100 Yen | 39.93 |
| United Kingdom | Pound Sterling | 84.63 |