

VEGOIL DAILY

June 13, 2006

REFINE SOY OIL

SPOT MARKETS

Refined soy oil prices on domestic spot market at most of the centers improved owing to improved demand from the consumer side and wholesalers aggressively stocking oil with a view to fetch premiums. Improvements in the futures market also boost the prices up. Low arrivals with consecutive low stocks at the port further give underlying support to the market. The traders are now expecting some gain in the physical market as the prices are trading much below.

FUTURES MARKETS:

NCDEX refined soyoil July contract opened firm today and traded side ways during most of the time on Monday. The prices tried to sore high on the wake of good demand from the consumers and delayed monsoon for 5-7 days thereby delayed planting of soybean. The prices could not be able to sustain the higher levels as selling pressure continue to dominate over the buyers that results into side ways trading. The July contract traded in the range between 420.00-423.65 and finally closed at 422.70.

PRICE DRIVERS:

Bullish:

1. Lower stock of soybean
2. Low stock position at the port.
3. Delayed monsoon

Bearish:

1. Low retailer demand.
2. Expected to increase sowing acreage

Weather

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

TECHNICALS

Candlestick formed un-filled candle with small body and lower long shadow combined with upper short shadow indicating close fight between bears and bulls. %K line is moving upward after bullish cross over with %D line. DAV also made bullish cross over with its MACD indicating bullish sentiments to continue. Other indicators registered strong improvement. Volume increased while open interest remains range bound with slight improvement. The overall sentiments look bullish.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX July	421.3	419.95	422.7	426.65	428.85

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil July Contract:
Buy above 422.40, T1 near 424.95, T2-426.50 and put stop loss at 421.40.

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

Centres	12.06.06	10.06.06	Change
Mumbai (Soy Ref oil)+VAT	397	397	0
Indore (Soy Ref oil)+VAT	390	387	+3
Kota (Soy Ref. Oil)+VAT	392	388	+4
Hyderabad (Soy Ref)+VAT	405	420	-15
Rajkot (Soy Ref)+Tax	393	392	+1

PALM OIL

International Market Highlights

BMD CPO Futures Settled High

Crude palm oil futures at Bursa Malaysia Derivatives settled up on Monday as it got strength from the futures of CBOT soy oil. The benchmark contract closed at MYR, 467/ton, up MYR11 from Friday after moving between MYR1 462 and MYR1,469/ton. The contract moved on the upper side as technical consolidation is expected at this stage. CPO production rose 6.1% on month in May to 1.39 million tons. Exports fell 5.6% to 1.17 million tons. RBD palm olein was last offered unchanged, with June at \$417.50/ton, July at \$422.50/ton, August/September at \$427.50/ton and October/November/December at \$437.50/ton. Though some improvement is expected in near terms the mid term sentiments look slightly bearish in BMD.

Domestic Spot Market Highlights

Palm oil prices at most of the centers improved owing to the improvement in the sentiments in BMD. The prices of palm oil in Hyderabad and Kakinada decline while prices at other locations improved amid demand from the stockists. Any improvement or decline in the prices is therefore dependent on the futures of BMD and the prices in the spot definitely influenced by its futures.

BMD: CPO Futures (09.06.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jun 06	1415	1415	1425	1413	1425	+10	59
July 06	1438	1443	1449	1443	1445	+7	1146
Aug 06	1456	1462	1469	1462	1467	+11	3804
Sep 06	1469	1479	1482	1476	1481	+12	1618
Oct 06	1477	1486	1491	1486	1490	+13	104

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	12.06.06	10.06.06	Change
Kandla CPO (5 % FFA)	375	371	+4
Kandla RBD Palmolein +VAT	392	385	+7
Mumbai RBD Palmolein +VAT	399	398	+1
Chennai RBD Palmolein +VAT	407	403	+4
Kakinada RBD Palmolein +VAT	387	388	-1
Hyderabad RBD Palmolein +VAT	402	406	-4
Delhi RDB Palmolein	430	430	0

Rape/Mustard oil

Mustard oil prices at almost all the centres improved amid increased demand from the retailers and whole sellers. The demand is increasing in the spot as the spot market prices of soy increased. The demand comes in trickle in some market particularly in the North Indian market from pickle industries and cottage industries. Today's arrivals of mustard seed were around 1500 bags in Kota and 50000-60000 bags in Rajasthan (bags=85 kg). Mustard seeds prices were quoted at Rs 1550-80 in Kota and 1720 in Jaipur per quintal. Mustard oil prices are expected to move range bound in near term.

Groundnut Refine Oil

Groundnut oil prices on domestic spot markets increased in tandem with the other oil prices and on the back of shortage of groundnut seeds. Prices surged in Rajkot and Mumbai due to shortage of crushable groundnut seeds. Gujarat's arrivals of groundnut seeds were around 20000-25000 bags (bag=35 kg). Arrivals in Chennai market were around at 1500 bags (bag=80 kg). GN oil prices expected to follow other oils in near term.

Sunflower Refine Oil

Sunflower oil prices on domestic spot market remains range bound in most of the markets with slight increase in the Hyderabad while prices at other stations is stuck to the present state in absence of any fresh news.

Cotton Refine Oil

Due to the improvement in soy and other oil the prices of cotton oil improved in other locations while the prices remain steady at Hyderabad. Improved demand from the retailer and wholesalers also had a slightly bullish impact on the market. Prices are expected to move range bound with positive sentiments in near term.

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

Centres	12.06.06	10.06.06	Change
Mumbai (Exp. Oil) +VAT	398	393	+5
Kota (Expeller Oil)+VAT	375	372	+3
Jaipur (Expeller Oil)+VAT	378	375	+3
Delhi (Expeller Oil)	392	390	+2
Neewai (Expeller Oil) +VAT	373	370	+3

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	12.06.06	10.06.06	Change
Mumbai +VAT	480	475	+5
Rajkot +VAT	482	467	+15
Andhra Region +VAT	515	510	0
Chennai +VAT	475	475	0
Delhi	510	510	0

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

Markets	12.06.06	10.06.06	Change
Mumbai +VAT	438	438	0
Chennai +VAT	452	452	0
Hyderabad VAT	440	438	+2

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

Markets	12.06.06	10.06.06	Change
Mumbai +VAT	403	401	+2
Hyderabad +VAT	400	400	0
Rajkot + VAT	402	399	+3
Delhi	395	390	+5

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Anawan	6000	SBO	Expected
	Chem Cosmos	20000	SBO	Arrived
	Harsanadi	5500	Palm Oil	Unloading
	Mandy I	14050	SBO	Expected
	West Gold	5500	Palm Oil	Arrived
	Isokaze	7000	Palm Oil	Expected
	Global Eos	8500	CPO	Expected
	Chemroad Wing	10000	Palm oil	Expected
Kolkata	Sutra Satu	7000	CPO	Arrived
	Tirta Niaga I	6000	CPO	Arrived
Cochin	Rising One	3200	SBO	Arrived
New Mangalore	Hen Field	3500	SBO	Arrived
Mumbai	Harsanadi	5000	Palm Oil	Arrived
	Shimakaze	8900	Palm Oil	Expected
Chennai	MMM Jackson	5000	Palm Oil	Delivered
	Mirae Sun	2056	Palm Oil	Expected
	Bum IK	6500	CPO	Delivered
	Cheras	5000	Palm Oil	Expected
JN Port	WS Challenger	21000	SBO	Arrived
	Mandy I	10000	SBO	Unloading
	Hen Field	15000	SBO	Arrived
	Global Venus	9000	CPO	Expected
Tuticorin Port	Spring Glory	7250	Palm Oil	Unloading
Kakinada	Cheras	9000	CPO	Expected
	Madura	13000	CPO	Expected
	Padang Halaban	6000	CPO	Expected

Forex Rates

(As on 12.06.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.88
European Union	Euro	58.01
Japan	100 Yen	40.21
United Kingdom	Pound Sterling	84.61