

VEGOIL DAILY

June 23, 2006

REFINED SOY OIL

SPOT MARKETS

Refined soy oil prices on spot market moved range bound with positive sentiments in most of the markets on Thursday. Delayed monsoon and higher prices of other edible oil provided support to moderately bullish market sentiments. Improvement in July soy oil contract at NCDEX and NBOT also added bullish tone at spot market. Prices are expected to move range bound with moderately positive sentiments in near term.

FUTURES MARKETS:

NCDEX July refined soyoil contract ends up on Thursday on speculative buying. The July contract settled moderately higher Rs 1.40 from Wednesday (407.20). Prices opened firm and surged higher upto Rs 410.25, but prices failed to sustain such higher prices and finally settled at 408.60. Prices moved in a range of Rs 408.35-410.25. Prices surged moderately on technical correction and short covering. Delayed monsoon also added positive tone. 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. Delayed monsoon

Bearish:

1. Burdensome stock of mustard seeds with NAFED

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 displayed slightly bearish market sentiments. MACD continued to move downwards in negative territory with increasing divergence to DAV, which is indicating bearish trends. However, stochastic %K line has just turned slightly upwards, which is hinting technical correction but confirmation is required. Prices closed far below both the 9-days (412.08) and 18-days (415.10) EMA, which indicates bearish market trends. Most of the technical indicators showing bearish market.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX- July	407.70	406.30	408.60	410.30	411.20

TRADE RECOMMENDATION:

NCDEX July Refined Soy Oil Contract:

Sell near 409.80, Target near 407.80 and put stop loss at 410.85.

Refined Soybean Oil:

Spot Market Prices (Rs/10Kg excluding VAT)

Centres	22.06.06	21.06.06	Change
Mumbai (Ref. Soy Oil)+VAT	392	Closed	-
Indore (Ref. Soy Oil)+VAT	395	384	+1
Kota (Ref. Soy Oil)+VAT	383	382	+1
Hyderabad (Ref. Soy Oil)+VAT	400	400	0
Rajkot (Ref. Soy Oil)+Tax	397	397	0

PALM OIL

International Market Highlights

BMD CPO Futures Ends Up On Soyoil Gains

Crude palm oil futures at the Bursa Malaysia Derivatives ended higher on Thursday on gains in other commodity markets, speculative buying and profit booking. The benchmark September CPO contract settled at MYR1,463 a metric ton, up MYR5 from Wednesday. July soy oil gains on e-CBOT added bullish tone in the market. Crude oil futures also strengthened, with August Nymex futures settling above \$70 a barrel overnight and rising further to above \$71 in Access trading on Thursday. Stronger crude oil prices are viewed as bullish for edible oils as that may make bio-diesel more attractive, boosting demand.

Domestic Spot Market Highlights

Palm oil prices on domestic spot market moved range bound with mixed sentiments in the markets on Thursday. Higher settlement of CPO futures on BMD added slightly positive sentiments in the market. FOB (July Shipment) CPO prices risen at \$392.50 per ton and RBD palmolein \$417.50 per ton. Palm oil prices are expected to move range bound with positive sentiments in near term.

BMD: CPO Futures (22.06.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
July 06	1416	1419	1430	1419	1420	+4	624
Aug 06	1443	1445	1460	1445	1446	+3	1618
Sep 06	1458	1460	1477	1459	1463	+5	3223
Oct 06	1469	1470	1485	1470	1474	+5	707
Nov 06	1476	1480	1490	1480	1481	+5	170

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	22.06.06	21.06.06	Change
Kandla CPO (5 % FFA)	374	372	+2
Kandla RBD Palmolein +VAT	390	392	-2
Mumbai RBD Palmolein +VAT	397	397	0
Chennai RBD Palmolein +VAT	402	402	0
Kakinada RBD Palmolein +VAT	384	383	+1
Hyderabad RBD Palmolein +VAT	406	405	+1
Delhi RDB Palmolein	430	430	0

Rape/Mustard Expeller Oil

Mustard oil prices on spot market witnessed remain lull in most of the market on Thursday on low millers demands. Bulk stock of mustard seeds with NAFED. Today's arrivals of mustard seed were around 1000 bags in Neewai, 1500 bags in Kota, 2000 in Jaipur and 55000-60000 bags in Rajasthan (bags=85 kg). Mustard seeds prices were quoted at Rs 1520-1530 in Kota and 1660 in Jaipur per quintal. Mustard oil prices are expected to move range bound with in near term.

Refined Groundnut Oil

Groundnut oil prices on spot markets surged in most of the market on account of early sown crop damage in Gujarat especially in un-irrigated areas. Deleting stock of groundnut seeds and increasing local demands added positive tone in the market. Gujarat's arrivals of groundnut seeds were remains around 18000 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 domestic spot market moved range bound with positive sentiments in most of the markets on Thursday on account of lower supply. CIF (July Shipment) Prices were quoted \$634 per metric ton. Prices are expected to move range bound with moderately positive sentiments in near term.

Cotton Refine Oil

Cotton oil prices on spot market witnessed steady to positive sentiments in most of the market on Thursday owing to improvement in futures markets and higher prices of other edible oils on spot market. Prices are expected to move range bound with positive sentiments in near term.

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

Centres	22.06.06	21.06.06	Change
Mumbai + VAT	405	405	0
Kota + VAT	365	364	+1
Jaipur + VAT	370	370	0
Delhi	392	392	0
Neewai + VAT	366	366	0

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

Centres	22.06.06	21.06.06	Change
Mumbai +VAT	485	485	0
Rajkot +VAT	488	480	+8
Andhra Region +VAT	492	488	+4
Chennai +VAT	482	480	+2
Delhi	500	500	0

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

Markets	22.06.06	21.06.06	Change
Mumbai +VAT	440	440	0
Chennai +VAT	458	457	+1
Hyderabad+ VAT	460	460	0

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

Markets	22.06.06	21.06.06	Change
Mumbai +VAT	405	405	0
Hyderabad +VAT	402	402	0
Rajkot + VAT	410	407	+3
Delhi	398	395	+3

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 22.06.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.01
European Union	Euro	58.30
Japan	100 Yen	40.07
United Kingdom	Pound Sterling	84.93