

VEGOIL DAILY

June 30, 2006

REFINED SOY OIL

SPOT MARKETS

Refined soy oil prices on spot market witnessed steady to positive sentiments in most of the markets on Thursday. Improvement in soy oil futures on NCDEX and NBOT added slightly bullish market sentiments on spot markets. Higher settlement of soy oil futures market on CBOT also added positive tone in the market. There is talk in the market about hike in tariff value. CIF prices (July shipment) increased at \$527/ton from \$519/ton. Prices are expected to move range bound with slightly positive sentiments in near term.

FUTURES MARKETS:

Refined soyoil futures at the NCEDX ends up on Thursday on gains in CPO futures on BMD. July soy oil contract settled at 403.40, up 0.55 from Wednesday. Prices moved in a range of Rs 402.40-405.45. Prices are expected to move range bound with slightly positive sentiments 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 tariff value

Bearish:

1. Burdensome stock of mustard seeds with NAFED.
2. Monsoon arrived in major South Indian and Central 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

Stochastic %K line continue to northwards after bullish crossover to %D line in oversold region, which indicates moderately bullish sentiments. Candlestick formed Doji pattern, which indicates indecisive market. However, MACD continued to move downwards in negative territory, which indicates bearish market sentiments. Prices closed below both the 9-days (404.96) and 18-days (408.88) EMA, which indicates slightly bearish market sentiments.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX- July	401.90	400.70	403.40	405.50	406.80

TRADE RECOMMENDATION:

NCDEX July Refined Soy Oil Contract:

Sell near 405.10, Target near 402.30 and put stop loss at 406.50.

Refined Soybean Oil:

Spot Market Prices (Rs/10Kg excluding VAT)

Centres	29.06.06	28.06.06	Change
Mumbai (Ref. Soy Oil)+VAT	394	394	0
Indore (Ref. Soy Oil)+VAT	383	382	+1
Kota (Ref. Soy Oil)+VAT	384	384	0
Hyderabad (Ref. Soy Oil)+VAT	403	402	+1
Rajkot (Ref. Soy Oil)+Tax	393	393	0

PALM OIL

International Market Highlights

BMD CPO Futures Ends Up On Soy Oil Gain

Crude palm oil futures at the Bursa Malaysia Derivatives settled higher on Thursday as the market got support from gains in soy oil futures and keen cash market buying from a major trading house. The benchmark September CPO contract ended at MYR1,477 a metric ton, up MYR10 from Wednesday after moving in a range of MYR1,469- MYR1,481/ton. Fundamentally, there is still mixed sentiment. There is no clear-cut direction of market due to bumper stock of palm oil (bearish sentiments) and on the other hand increasing biodiesel demands providing support to bulls. Crude oil futures on the New York Mercantile Exchange have risen to above \$72 per barrel this week. Cargo surveyors Intertek Agri Services and SGS (Malaysia) Bhd are due to issue the export estimates on Friday.

Domestic Spot Market Highlights

Palm oil prices on domestic spot market remain showed steady to positive sentiments in most of the markets on Thursday. Palm oil prices followed soy oil prices. Higher settlement of CPO futures on BMD exchange provided positive sentiments on spot markets. There is talk in the market about the hike in tariff value on palm oil import. FOB prices (July Shipment) for CPO increased slightly at \$392.50/ton from \$390.00/ton and RBD palm oil at \$420.00/ton from \$417.50/ton. Palm oil prices are expected to move range bound with moderately positive

BMD: CPO Futures (29.06.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
July 06	1418	1417	1422	1417	1422	+4	995
Aug 06	1446	1448	1456	1448	1452	+6	1041
Sep 06	1467	1470	1481	1469	1477	+10	4952
Oct 06	1481	1483	1494	1483	1491	+10	1463
Nov 06	1490	1497	1501	1496	1500	+10	650

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	29.06.06	28.06.06	Change
Kandla CPO (5 % FFA)	374	374	0
Kandla RBD Palmolein +VAT	397	394	+3
Mumbai RBD Palmolein +VAT	403	403	0
Chennai RBD Palmolein +VAT	404	401	+3
Kakinada RBD Palmolein +VAT	386	386	0
Hyderabad RBD Palmolein +VAT	407	406	+1
Delhi RDB Palmolein	430	430	0

Rape/Mustard Expeller Oil

Mustard oil prices on spot market revealed steady to positive sentiments in most of the market on Thursday amid positive sentiments. Today's arrivals of mustard seed were around 500 bags in Neewai, 2000 bags in Kota, 3000 in Jaipur and 55000 bags in Rajasthan (bags=85 kg). Mustard seeds prices were quoted at Rs 1525-1545 in Kota and 1670-80 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 showed steady to positive sentiments in most of the market on Thursday. Prices surged in Mumbai market due to increasing demands for premium groundnut oil. There is good export demands of groundnut seeds from Gujarat also added bullish tone. Arrivals of groundnut seeds in Gujarat 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 spot market witnessed mixed sentiments in most of the markets on Thursday. CIF (July Shipment) prices sharply declined at \$614/ton, down \$12/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 lackluster in most of the market on Thursday. Sowing of cotton crop is in progress in major producing states amid favorable weather. Prices are expected to move range bound in near term.

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

Centres	29.06.06	28.06.06	Change
Mumbai + VAT	397	397	0
Kota + VAT	366	365	+1
Jaipur + VAT	372	370	+2
Delhi	392	392	0
Neewai + VAT	370	367	+3

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

Centres	29.06.06	28.06.06	Change
Mumbai +VAT	488	480	+8
Rajkot +VAT	486	485	+1
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	29.06.06	28.06.06	Change
Mumbai +VAT	440	445	-5
Chennai +VAT	457	457	0
Hyderabad+ VAT	458	455	+3

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

Markets	29.06.06	28.06.06	Change
Mumbai +VAT	407	406	+1
Hyderabad +VAT	402	402	0
Rajkot + VAT	412	412	0
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 29.06.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.34
European Union	Euro	58.14
Japan	100 Yen	39.76
United Kingdom	Pound Sterling	84.21