

VEGOIL DAILY

June 27, 2006

REFINED SOY OIL

SPOT MARKETS

Refined soy oil prices on spot market observed steady to weak sentiments in most of the markets on Monday amid slow trading activity and poor local demands. Weak soy oil futures and weakness in other commodities in the market added bearish tone. Monsoon is expected within 3-4 days in major producing states. Prices are expected to move range bound with slightly positive sentiments in near term.

FUTURES MARKETS:

NCDEX July refined soyoil contract ended down on Monday after subdued trading activity on advancement of monsoon. Opening prices were weak and improved slightly in the beginning of the trading session and finally settled at Rs 399.50, down 3.00 points from Rs 402.50 Saturday. Prices moved in a range of Rs 399.40-402.00. Prices are expected to move range bound with weak sentiments in near term.

PRICE DRIVERS:

Bullish:

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

Bearish:

1. Burdensome stock of mustard seeds with NAFED and selling pressure.
2. Monsoon is expected within 3-4 days in major producing 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 has just turned slightly downwards after bearish crossover to %D line in oversold region, which indicates bearish sentiments. Candlestick pattern showed slightly bearish market sentiments. However, MACD continued to move downwards in negative territory, which indicates bearish trends. Prices closed far below both the 9-days (406.84) and 18-days (411.23) EMA, which indicates bearish market. All technical indicators showed bearish trends.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX-July	398.50	397.40	399.50	402.20	403.70

TRADE RECOMMENDATION:

NCDEX July Refined Soy Oil Contract:

Sell near 401.70, Target near 398.60 and put stop loss at 403.30.

Refined Soybean Oil:

Spot Market Prices (Rs/10Kg excluding VAT)

Centres	26.06.06	24.06.06	Change
Mumbai (Ref. Soy Oil)+VAT	390	392	-2
Indore (Ref. Soy Oil)+VAT	381	382	-1
Kota (Ref. Soy Oil)+VAT	382	382	0
Hyderabad (Ref. Soy Oil)+VAT	400	400	0
Rajkot (Ref. Soy Oil)+Tax	393	395	-2

PALM OIL

International Market Highlights

BMD CPO Futures Ends Slightly Down, Market Ignores Export Figures

Crude palm oil futures at Bursa Malaysia Derivatives settled marginally lower after a subdued trading day Monday. The benchmark September CPO contract ended at MYR1,465 a metric ton, down MYR3 from Friday. A cargo surveyor Intertek Agri Services estimated June 1-25 exports at 901,923 tons, up 6.3% on month. However, another surveyor - SGS (Malaysia) Bhd, which is more influential - estimated exports at a lower level of 849,560 tons, down 0.7% on month. Most of the participants were hesitating to make fresh positions on Monday due to lack of market direction.

Domestic Spot Market Highlights

Palm oil prices on domestic spot market remain observed steady with weak sentiments in the markets on Monday amid sluggish trading activity. Palm oil prices are dampened with soy oil prices. There were no fresh boosting fundamentals. FOB prices (July Shipment) for CPO were quoted at \$392.50 and RBD palm oil at \$420.00 per metric ton. Palm oil prices are expected to move range bound with marginally weak sentiments in near term.

BMD: CPO Futures (26.06.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
July 06	1425	1428	1430	1418	1422	-3	411
Aug 06	1453	1455	1459	1449	1449	-4	669
Sep 06	1468	1473	1478	1465	1465	-3	2781
Oct 06	1480	1484	1489	1478	1480	0	370
Nov 06	1488	1493	1496	1486	1486	-2	64

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	26.06.06	24.06.06	Change
Kandla CPO (5 % FFA)	371	372	-1
Kandla RBD Palmolein +VAT	390	390	0
Mumbai RBD Palmolein +VAT	398	399	-1
Chennai RBD Palmolein +VAT	401	401	0
Kakinada RBD Palmolein +VAT	385	385	0
Hyderabad RBD Palmolein +VAT	404	405	-1
Delhi RDB Palmolein	430	430	0

Rape/Mustard Expeller Oil

Mustard oil prices on spot market witnessed steady in most of the market on Monday amid slow trading activity. Huge stock of mustard seeds with NAFED and selling pressure at lower rate provided support to bears. Today's arrivals of mustard seed were around 500-700 bags in Neewai, 1500-2000 bags in Kota, 2500-3000 in Jaipur and 55000-60000 bags in Rajasthan (bags=85 kg). Mustard seeds prices were quoted at Rs 1520-1540 in Kota and 1650-60 in Jaipur per quintal. Mustard oil prices are expected to move range bound in near term.

Refined Groundnut Oil

Groundnut oil prices observed steady to weak sentiments in most of the market on Monday amid poor local demands. Weakness in other commodities markets also added bearish tone. Gujarat's arrivals of groundnut seeds were remains around 18000-20000 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 range bound amid weak sentiments in most of the markets on Monday. CIF (July Shipment) Prices were quoted remain at \$622/ton. Prices are expected to move range bound with in near term.

Cotton Refine Oil

Cotton oil prices on spot market revealed remain steady to weak market sentiments in most of the market on Monday. Cotton oil prices dampened with soy oil prices. Further, prices are expected to move range bound with marginally weak sentiments in near term.

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

Centres	26.06.06	24.06.06	Change
Mumbai + VAT	398	398	0
Kota + VAT	362	362	0
Jaipur + VAT	366	366	0
Delhi	390	390	0
Neewai + VAT	364	364	0

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

Centres	26.06.06	24.06.06	Change
Mumbai +VAT	480	480	0
Rajkot +VAT	480	483	-3
Andhra Region +VAT	488	490	-2
Chennai +VAT	480	480	0
Delhi	500	500	0

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

Markets	26.06.06	24.06.06	Change
Mumbai +VAT	445	450	-5
Chennai +VAT	456	456	0
Hyderabad+ VAT	455	455	0

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

Markets	26.06.06	24.06.06	Change
Mumbai +VAT	405	405	0
Hyderabad +VAT	400	401	-1
Rajkot + VAT	408	409	-1
Delhi	397	397	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 26.06.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.34
European Union	Euro	57.96
Japan	100 Yen	39.81
United Kingdom	Pound Sterling	84.27