

VEGOIL DAILY

June 10, 2006

REFINE SOY OIL

SPOT MARKETS

Refined soy oil prices on domestic spot market decline further on account of weak demand from the consumers. Steady decline in the futures market also pressurized the market down. Moderate arrivals at the ports with weak sentiments further added to its bearish tone. Lack of interest to store more oil at the current market prices results into low demand and the traders are trading low volume of oil into the market in anticipation of further downfall in the prices. 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 very weak and started to decline on the rumour about possible withdrawal of bio-diesel project by EU and USA. The market plunge lowest value at noon and then traded side ways. The market then traded indecisively for some time as the sentiments got confused over the issue. The market then tried to regain strength amid short covering and profit booking. The June contract traded in the range between 413.40-416.00 and finally closed at 414.2035.

PRICE DRIVERS:

Bullish:

1. Lower stock of soybean
2. Govt allowed import of vanaspati oil from Sri Lanka through NAFED only.

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 a black closing bozu with small lower shadow indicating bearish sentiments. %D line is ruling over %K line in neutral region indicating bearish sentiments likely to continue. MACD is also moving downwards with divergence in the negative region indicating bearish sentiments for medium term. RSI also remain in tandem with the stochastic and MACD showing bearish sentiments. Volume decline while open interest increased slightly. The overall sentiments look bearish.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX July	411.0	408.0	414.2	416.8	418.15

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil July Contract:
Sell near 414.65, target near 412.40, and put stop loss at 415.80.

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

Centres	09.06.06	08.06.06	Change
Mumbai (Soy Ref oil)+VAT	397	402	-5.00
Indore (Soy Ref oil)+VAT	387	388	-1.00
Kota (Soy Ref. Oil)+VAT	385	385	0
Hyderabad (Soy Ref)+VAT	386	395	-9.0
Rajkot (Soy Ref)+Tax	390	395	-5.0

PALM OIL

International Market Highlights

BMD CPO Futures Ends Up

Crude palm oil futures at Bursa Malaysia Derivatives settled lower on Friday amid higher stocks and rise in the currency value of Ringgit versus Dollar. Higher stocks still remain the major concern for the futures market and lower the sentiments in the futures market. As per trade source the huge stocks are also held by the MNC's overseas and waiting for the improvement in the prices. The speculation about higher export for the June month from SGS cargo surveyors 1-10 exports, in range of 380,000 to 400,000 tons. Cargo surveyors Intertek Agri Services and SGS (Malaysia) Bhd are due to release June 1-10 by Monday. Strong Ringgit results into stiff competition into the market thereby lowering its futures.

Domestic Spot Market Highlights

Palm oil prices on domestic spot market remain in tandem with the yesterday's loss and move further down with mixed sentiments in most of the markets on Friday and also influenced by the weak sentiments in BMD. The prices are expected to move further down if the BMD will slide further and if there will be bearish sentiments into the market.

BMD: CPO Futures (09.06.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jun 06	1414	1399	1421	1399	1415	+1	30
July 06	1442	1439	1442	1438	1439	-3	212
Aug 06	1460	1456	1460	1455	1456	-4	988
Sep 06	1473	1470	1473	1469	1469	-4	215
Oct 06	1481	1477	1477	1487	1477	-4	1

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	09.06.06	08.06.06	Change
Kandla CPO (5 % FFA)	372	372	0
Kandla RBD Palmolein +VAT	385	390	-5.0
Mumbai RBD Palmolein +VAT	390	400	-10.0
Chennai RBD Palmolein +VAT	406	407	-1.0
Kakinada RBD Palmolein +VAT	386	386	0
Hyderabad RBD Palmolein +VAT	406	400	+6.0
Delhi RDB Palmolein	430	430	0

Rape/Mustard oil

Mustard oil prices on physical market remain mixed in the different centres. The demand comes in trickle in some market particularly in the North Indian market from pickle industries and cottage industries. The seed and oil is traded in a narrow zone. Today's arrivals of mustard seed were around 1500 bags in Kota and 60000-70000 bags in Rajasthan (bags=85 kg). Mustard seeds prices were quoted at Rs 1530-70 in Kota and 1690-1695 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 remain range bound with slight improvement in most of the market on Friday. Prices surged in Rajkot and Chennai due to shortage of crushable groundnut seeds. Gujarat's arrivals of groundnut seeds were around 15000-20000 bags (bag=35 kg). Arrivals in Chennai market were around at 1500 bags (bag=80 kg). GN oil prices are expected to move range bound in near term.

Sunflower Refine Oil

Sunflower oil prices on domestic spot market displayed steady market sentiments in most of the markets with slight decline in the Hyderabad amid low demand.

Cotton Refine Oil

Due to the weakness in soy and other oil the prices of cotton oil decline in few locations. Lower demand from the retailer also had a bearish 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	09.06.06	08.06.06	Change
Mumbai (Exp. Oil) +VAT	393	394	-1.0
Kota (Expeller Oil)+VAT	370	367	+3.0
Jaipur (Expeller Oil)+VAT	372	372	0
Delhi (Expeller Oil)	390	392	-2.0
Neewai (Expeller Oil) +VAT	370	366	+4.0

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	09.06.06	08.06.06	Change
Mumbai +VAT	475	475	0
Rajkot +VAT	460	458	+2.0
Andhra Region +VAT	475	475	0
Chennai +VAT	475	472	+3.0
Delhi	510	510	0

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

Markets	09.06.06	08.06.06	Change
Mumbai +Vat	438	438	0
Chennai +VAT	453	453	0
Hyderabad VAT	435	438	-3.0

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

Markets	09.06.06	08.06.06	Change
Mumbai +VAT	401	401	0
Hyderabad +VAT	400	400	0
Rajkot + VAT	396	397	-1.0
Delhi	388	390	-2.0

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	Expected
	Mandy I	14050	SBO	Expected
	West Gold	5500	Palm Oil	Expected
	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	Expected
New Mangalore	Hen Field	3500	SBO	Arrived
Mumbai	Harsanadi	5000	Palm Oil	Arrived
	Shimakaze	8900	Palm Oil	Expected
Chennai	MMM Jackson	5000	Palm Oil	Expected
	Mirae Sun	2056	Palm Oil	Expected
	Bum IK	6500	CPO	Expected
	Cheras	5000	Palm Oil	Expected
JN Port	WS Challenger	21000	SBO	Arrived
	Mandy I	10000	SBO	Expected
Tuticorin Port	Spring Glory	7250	Palm Oil	Expected
Kakinada	Cheras	9000	CPO	Expected
	Madura	13000	CPO	Expected

Forex Rates**(As on 09.06.2006)**

Country/ Continent	Currency	Value In Rupees
USA	Dollar	46.06
European Union	Euro	58.88
Japan	100 Yen	40.66
United Kingdom	Pound Sterling	85.27