

VEGOIL DAILY

June 22, 2006

REFINED SOY OIL

SPOT MARKETS

Refined soy oil prices on spot market witnessed steady to weak market sentiments in most of the markets on Wednesday amid lower demands at retail ends. Selling pressure of mustard seeds by NAFED at lower rate in Rajasthan also added bearish tone. However, prices increased in Rajkot market owing to higher prices of Gn oil. NCDEX soy oil futures ends slightly down on speculative selling. Prices are expected to move range bound with marginally weak sentiments in near term.

FUTURES MARKETS:

NCDEX July refined soyoil contract ends down on Wednesday after sluggish trading activity. The July contract settled down Rs 3.05 at 407.20, prices moved in a range of Rs 406.15-410.65. Prices declined slightly on speculative selling pressure. Prices are expected to move range bound with weak sentiments in near term.

PRICE DRIVERS:

Bullish:

1. Lower import of edible oil

Bearish:

1. Bulk stock and selling pressure of mustard seeds by NAFED at lower rate
2. Expected to increase sowing acreage
3. Lower demands at retail ends

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 showing indecisive market sentiments. However, DAV continued to move downwards in negative territory and increasing divergence between MACD and DAV indicates bearish market trends. Stochastic %K line continued to move southwards parallel to %D line and reached in oversold regions, which indicates bearish market. Prices closed far below both the 9-days (414.96) and 18-days (415.87) EMA, which indicates bearish market trends. Most of the technical indicators showing bearish market.



SUPPORT / RESISTANCES:

| Contract | S1 | S2 | PCP | R1 | R2 |
|------------|--------|--------|--------|--------|--------|
| NCDEX July | 405.30 | 403.50 | 407.20 | 409.90 | 412.50 |

TRADE RECOMMENDATION:

NCDEX July Refined Soy Oil Contract:

Sell near 408.40, Target near 405.40 and put stop loss at 409.90.

Refined Soybean Oil:

Spot Market Prices (Rs/10Kg excluding VAT)

| Centres | 21.06.06 | 20.06.06 | Change |
|------------------------------|----------|----------|--------|
| Mumbai (Ref. Soy Oil)+VAT | Closed | 391 | - |
| Indore (Ref. Soy Oil)+VAT | 384 | 385 | -1 |
| Kota (Ref. Soy Oil)+VAT | 382 | 384 | -2 |
| Hyderabad (Ref. Soy Oil)+VAT | 400 | 400 | 0 |
| Rajkot (Ref. Soy Oil)+Tax | 397 | 395 | +2 |

PALM OIL

International Market Highlights

BMD CPO Futures Ends Down

Crude palm oil futures at Bursa Malaysia Derivatives settled moderately higher on Wednesday as the market continued to move within narrow ranges. The benchmark September CPO contract closed at MYR1,458 a metric ton, up MYR7 from Tuesday. The contract was confined to a narrow range between MYR1,451 and MYR1,459/ton. Slight gains in soy oil futures on CBOT also added positive tone in the market. Traders are bit optimistic about biodiesel demands on rise of crude oil. Malaysian CPO prices and the ringgit often move in opposite directions as a stronger ringgit makes the commodity less competitive.

Domestic Spot Market Highlights

Palm oil prices on domestic spot market moved up slightly in most of the markets amid local demands on Wednesday. Palm oil prices improved slightly owing to higher settlement of CPO future on BMD. FOB (June Shipment) CPO prices remain quoted \$387.50 per ton and RBD palmolein \$415.00 per ton. Palm oil prices are expected to move range bound with positive sentiments in near term.

BMD: CPO Futures (21.06.2006)

| | | | | | | (Ringgit/ton) | |
|---------|----------|------|------|------|-------|---------------|--------|
| Months | Previous | Open | High | Low | Close | Change | Volume |
| July 06 | 1414 | 1414 | 1417 | 1414 | 1416 | +2 | 457 |
| Aug 06 | 1439 | 1439 | 1445 | 1439 | 1443 | +4 | 1307 |
| Sep 06 | 1451 | 1453 | 1459 | 1451 | 1458 | +7 | 2689 |
| Oct 06 | 1463 | 1463 | 1469 | 1461 | 1469 | +6 | 176 |
| Nov 06 | 1471 | 1475 | 1477 | 1475 | 1477 | +6 | 9 |

Palm oil – Spot Market Price

(Rs. Per 10 kg)

| Centres | 21.06.06 | 20.06.06 | Change |
|------------------------------|----------|----------|--------|
| Kandla CPO (5 % FFA) | 372 | 369 | +3 |
| Kandla RBD Palmolein +VAT | 392 | 390 | +2 |
| Mumbai RBD Palmolein +VAT | 397 | 393 | +4 |
| Chennai RBD Palmolein +VAT | 402 | 402 | 0 |
| Kakinada RBD Palmolein +VAT | 383 | 383 | 0 |
| Hyderabad RBD Palmolein +VAT | 405 | 402 | +3 |
| Delhi RDB Palmolein | 430 | 428 | +2 |

Rape/Mustard Expeller Oil

Mustard oil prices on spot market witnessed steady in most of the market on Wednesday amid sluggish trading activity. Huge stock and selling pressure of mustard seeds by NAFED provided support to bearish market sentiments. Today's arrivals of mustard seed were around 1500 bags in Neewai, 2000 bags in Kota, 2000 in Jaipur and 60000 bags in Rajasthan (bags=85 kg). Mustard seeds prices were quoted at Rs 1500-1520 in Kota and 1660 in Jaipur per quintal. Mustard oil prices are expected to move range bound with marginally weak sentiments in near term.

Refined Groundnut Oil

Groundnut oil prices on spot markets revealed steady to positive sentiments in most of the market amid local demands. There is talk in the market about damage of early sown crop in Gujarat especially in un-irrigated areas. Lower supply 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 went up in most of the markets on Wednesday on account of lower supply and increasing local demands at retail ends. Prices are expected to move range bound with moderately positive sentiments in near term.

Cotton Refine Oil

Cotton oil prices on spot market improved slightly in most of the market on Wednesday owing to higher prices of other oils. Prices are expected to move range bound with positive sentiments in near term.

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

| Centres | 21.06.06 | 20.06.06 | Change |
|--------------|----------|----------|--------|
| Mumbai + VAT | 405 | 403 | +2 |
| Kota + VAT | 365 | 365 | 0 |
| Jaipur + VAT | 370 | 370 | 0 |
| Delhi | 392 | 392 | 0 |
| Neewai + VAT | 366 | 366 | 0 |

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

| Centres | 21.06.06 | 20.06.06 | Change |
|--------------------|----------|----------|--------|
| Mumbai +VAT | 485 | 485 | 0 |
| Rajkot +VAT | 480 | 479 | +1 |
| Andhra Region +VAT | 488 | 486 | +2 |
| Chennai +VAT | 480 | 480 | 0 |
| Delhi | 500 | 500 | 0 |

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

| Markets | 21.06.06 | 20.06.06 | Change |
|----------------|----------|----------|--------|
| Mumbai +VAT | 440 | 440 | 0 |
| Chennai +VAT | 457 | 452 | +5 |
| Hyderabad+ VAT | 460 | 455 | +5 |

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

| Markets | 21.06.06 | 20.06.06 | Change |
|----------------|----------|----------|--------|
| Mumbai +VAT | 405 | 406 | -1 |
| Hyderabad +VAT | 402 | 400 | +2 |
| Rajkot + VAT | 407 | 403 | +4 |
| Delhi | 395 | 394 | +1 |

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 21.06.2006)**

| Country/ Continent | Currency | Value in Rupees |
|--------------------|----------------|-----------------|
| USA | Dollar | 45.92 |
| European Union | Euro | 57.95 |
| Japan | 100 Yen | 40.02 |
| United Kingdom | Pound Sterling | 84.76 |