

VEGOIL DAILY

June 12, 2006

REFINE SOY OIL

SPOT MARKETS

Refined soy oil prices on domestic spot market improved on account of some demand from the consumers' side. Improvement in the futures market also helped to support the market up. Low arrivals with consecutive low stocks at the port further give some support to the market. Traders are now looking forward in the hope of improvements in the futures, which provide underlying support to the spot. 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 firm today and continue to improved then after on the idea about reduced stock in the ports and some time will be required for arrival of the vessel. The lowest value remains the opening and then the market continues to follow the uptrend. At this stage the market is expecting consolidation and a correction as the prices went too low. The July contract traded in the range between 414.90-420.80 and finally closed at 420.70.

PRICE DRIVERS:

Bullish:

1. Lower stock of soybean
2. Low stock position at the port.

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 long green unfilled candles with a small upper shadow indicating strong bullish sentiments. %K line is bending up towards its %D line indicating improvement in the sentiments. DAV is also improving and turning upwards towards MACD for possible bullish cross over. RSI made bullish cross over indicating firmness in the market. %R indicating strong improvement. Volume increased while open interest remains range bound with slight improvement. The overall sentiments look bullish.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX July	461.9	415.2	420.7	424.15	426.5

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil July Contract:

Buy above 419.70, T1 near 421.00, T2-423.15 and put stop loss at 417.75.

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

Centres	10.06.06	09.06.06	Change
Mumbai (Soy Ref oil)+VAT	397	397	0
Indore (Soy Ref oil)+VAT	387	387	0
Kota (Soy Ref. Oil)+VAT	388	385	+3
Hyderabad (Soy Ref)+VAT	420	420	0
Rajkot (Soy Ref)+Tax	392	390	+2

PALM OIL

International Market Highlights

BMD CPO Futures Ends Down

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	10.06.06	09.06.06	Change
Kandla CPO (5 % FFA)	371	372	-1
Kandla RBD Palmolein +VAT	385	385	0
Mumbai RBD Palmolein +VAT	398	398	0
Chennai RBD Palmolein +VAT	403	406	-3
Kakinada RBD Palmolein +VAT	388	386	+2
Hyderabad RBD Palmolein +VAT	406	406	0
Delhi RDB Palmolein	430	430	0

Rape/Mustard oil

Mustard oil prices at some centres improved while others remain steady. The demand is increasing in the spot as it got some support from soy oil in particular and other oil in general. The demand comes in trickle in some market particularly in the North Indian market from pickle industries and cottage industries. Today's arrivals of mustard seed were around 1500 bags in Kota and 50000-60000 bags in Rajasthan (bags=85 kg). Mustard seeds prices were quoted at Rs 1530-80 in Kota and 1700-1705 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 increased in tandem with the other oil prices and on the back of shortage of groundnut seeds. Prices surged in Rajkot and Andhra due to shortage of crushable groundnut seeds. Gujarat's arrivals of groundnut seeds were around 20000-25000 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 remains range bound in most of the markets with slight decline in the Chennai while some improvement could be noticed in Hyderabad.

Cotton Refine Oil

Due to the improvement in soy and other oil the prices of cotton oil improved in few locations while the prices remain steady at other location. Improved demand from the retailer also had a slightly bullish 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	10.06.06	09.06.06	Change
Mumbai (Exp. Oil) +VAT	393	393	0
Kota (Expeller Oil)+VAT	372	370	+2
Jaipur (Expeller Oil)+VAT	375	372	+3
Delhi (Expeller Oil)	390	390	0
Neewai (Expeller Oil) +VAT	370	370	0

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	10.06.06	09.06.06	Change
Mumbai +VAT	475	475	0
Rajkot +VAT	467	460	+7
Andhra Region +VAT	510	500	+10
Chennai +VAT	475	475	0
Delhi	510	510	0

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

Markets	10.06.06	09.06.06	Change
Mumbai +VAT	438	438	0
Chennai +VAT	452	453	-1
Hyderabad VAT	438	435	+3

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

Markets	10.06.06	09.06.06	Change
Mumbai +VAT	401	401	0
Hyderabad +VAT	400	400	0
Rajkot + VAT	399	396	+3
Delhi	390	388	+2

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 10.06.2006)**

Country/ Continent	Currency	Value In Rupees
USA	Dollar	45.85
European Union	Euro	57.90
Japan	100 Yen	40.20
United Kingdom	Pound Sterling	84.43