

VEGOIL DAILY

June 26, 2006

REFINED SOY OIL

SPOT MARKETS

Refined soy oil prices on spot market remain witnessed weak sentiments in most of the markets on weekend amid sluggish demands at retail end. The Solvent Extraction Association has been allowed by the government to seek one time approval from GEAC for the import of GM soy oil derived from roundup ready soybean on behalf of all importers as per government requirement. Weak opening of futures markets at NBOT and NCDEX also added bearish impact. Prices are expected to move range bound with slightly positive sentiments in near term.

FUTURES MARKETS:

NCDEX July refined soyoil contract ended marginally up on Saturday in choppy trading. Prices improved at the end of trading session after weak opening. The July contract settled moderately up Rs 0.25 (from Friday) at 402.25 on Saturday. Prices moved in a range of Rs 398.90-403.30. Prices are expected to move range bound with slight improvement 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 a week 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 upwards after bullish crossover to %D line in oversold region, which indicates slightly bullish sentiments. Candlestick pattern showed slightly bullish market sentiments. However, MACD continued to move downwards in negative territory with increasing gap to DAV, which is indicating bearish trends. Prices closed far below both the 9-days (408.63) and 18-days (412.59) EMA, which indicates bearish market.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX- July	399.50	397.10	402.25	404.10	405.80

TRADE RECOMMENDATION:

NCDEX July Refined Soy Oil Contract:

Buy near 400.00, Target near 403.90 and put stop loss at 398.00.

Refined Soybean Oil:

Spot Market Prices (Rs/10Kg excluding VAT)

Centres	24.06.06	23.06.06	Change
Mumbai (Ref. Soy Oil)+VAT	392	390	+2
Indore (Ref. Soy Oil)+VAT	382	384	-2
Kota (Ref. Soy Oil)+VAT	382	382	0
Hyderabad (Ref. Soy Oil)+VAT	400	400	0
Rajkot (Ref. Soy Oil)+Tax	395	396	-1

PALM OIL

International Market Highlights

BMD Remains Closed on Saturday and Sunday

Domestic Spot Market Highlights

Palm oil prices on domestic spot market witnessed steady with weak sentiments in the markets on weekend. Palm oil prices are dampened with soy oil prices. Market was lacklustre owing to absence of fresh fundamental news in the market. Palm oil prices are expected to move range bound in near term.

BMD: CPO Futures (23.06.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
July 06	1420	1423	1427	1417	1425	+5	827
Aug 06	1446	1449	1455	1443	1453	+7	1578
Sep 06	1463	1465	1472	1458	1468	+5	4804
Oct 06	1474	1477	1483	1468	1482	+8	1354
Nov 06	1481	1486	1490	1479	1490	+9	89

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	24.06.06	23.06.06	Change
Kandla CPO (5 % FFA)	372	373	-1
Kandla RBD Palmolein +VAT	390	390	0
Mumbai RBD Palmolein +VAT	399	399	0
Chennai RBD Palmolein +VAT	401	401	0
Kakinada RBD Palmolein +VAT	385	385	0
Hyderabad RBD Palmolein +VAT	405	406	-1
Delhi RDB Palmolein	430	430	0

Rape/Mustard Expeller Oil

Mustard oil prices on spot market revealed remain weak in most of the market on Saturday amid weak sentiments. Burdensome stock of mustard seeds with NAFED and selling pressure at lower rate added bearish tone. Today's arrivals of mustard seed were around 1000-1200 bags in Neewai, 1500 bags in Kota, 2000 in Jaipur and 55000-60000 bags in Rajasthan (bags=85 kg). Mustard seeds prices were quoted at Rs 1520-1540 in Kota and 1660 in Jaipur per quintal. Mustard oil prices are expected to ease in near term.

Refined Groundnut Oil

Groundnut oil prices on spot markets witnessed steady to weak sentiments in most of the market on Saturday amid lower demands at retail ends. Weak futures markets also added bearish impact on its prices. Gujarat's arrivals of groundnut seeds were remains around 18000 bags (bag=35 kg). GN oil prices expected to move range bound with slightly positive sentiments in near term.

Sunflower Expeller Oil

Sunflower oil prices on domestic spot market moved range bound with mixed sentiments in most of the markets on weekend. Harvesting of sunflower is over in Karnataka, A.P. and Tamil Nadu. CIF (July Shipment) Prices increased at \$622, up \$3/ton from \$619 per metric ton. Prices are expected to move range bound with moderately positive sentiments in near term.

Cotton Refine Oil

Cotton oil prices on spot market showed remain steady to weak market sentiments in most of the market on Saturday. Cotton oil prices dampened with soy oil prices. Prices are expected to move range bound with marginally weak sentiments in near term.

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

Centres	24.06.06	23.06.06	Change
Mumbai + VAT	398	399	-1
Kota + VAT	362	363	-1
Jaipur + VAT	366	368	-2
Delhi	390	392	-2
Neewai + VAT	364	364	0

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

Centres	24.06.06	23.06.06	Change
Mumbai +VAT	480	480	0
Rajkot +VAT	483	485	-2
Andhra Region +VAT	490	490	0
Chennai +VAT	480	485	-5
Delhi	500	500	0

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

Markets	24.06.06	23.06.06	Change
Mumbai +VAT	450	445	+5
Chennai +VAT	455	458	-3
Hyderabad+ VAT	455	455	0

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

Markets	24.06.06	23.06.06	Change
Mumbai +VAT	405	405	0
Hyderabad +VAT	401	402	-1
Rajkot + VAT	409	410	-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 24.06.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.20
European Union	Euro	57.78
Japan	100 Yen	39.64
United Kingdom	Pound Sterling	84.01