

## VEGOIL DAILY

June 17, 2006

### REFINE SOY OIL

#### SPOT MARKETS

Refined soy oil prices on spot market witnessed steady to weak market sentiments in most of the markets. Soy oil futures market on NCDEX and NBOT ends down after subdued trading activity. Government of India cuts tariff value on crude soybean oil is also added bearish tone. Selling pressure of mustard seeds by NAFED at lower rate provided support to bears. CIF Soy oil prices (July shipment) were quoted at \$515 per ton. Prices declined marginally in anticipation of higher sowing acreage in coming season and it would bring positive impact on its production. Prices are expected to move range bound with slightly weak sentiments in near term.

#### FUTURES MARKETS:

NCDEX refined soyoil July contract ends down on Friday after subdued trading activity. The July contract settled down Rs 1.85 at 415.90, prices moved in a range of 415.00-418.00. Prices declined due to selling pressure of mustard seeds by NAFED and cuts in tariff value on soybean oil import. Prices are expected to move range bound with weak sentiments in near term.

#### PRICE DRIVERS:

##### Bullish:

1. Diminishing stock of soybean
2. Low import of edible oil

##### Bearish:

1. Higher estimates of sowing acreage
2. Selling pressure of mustard seeds by NAFED in Rajasthan.
3. Cuts in tariff value on soy oil

#### Weather

Weather is not a factor until new crop sowings will take place.

#### TECHNICALS

Candlestick pattern shows bearish market sentiments. MACD continued to move downwards, which indicates bearish trends. %K line is moving downwards after bearish crossover to %D line, which indicates bearish market sentiments. Prices closed below both the 9-days (417.82) and 18-days (419.25) EMA, which indicates bearish market sentiments. All technical indicators revealed bearish market sentiments.



#### SUPPORT / RESISTANCES:

| Contract   | S1     | S2     | PCP    | R1     | R2     |
|------------|--------|--------|--------|--------|--------|
| NCDEX July | 414.60 | 413.50 | 415.90 | 417.90 | 419.30 |

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil July Contract:  
 Sell near 417.30, Target near 414.90 and put stop loss at 418.50.

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

| Centres                      | 16.06.06 | 15.06.06 | Change |
|------------------------------|----------|----------|--------|
| Mumbai (Ref. Soy Oil)+VAT    | 395      | 398      | -3     |
| Indore (Ref. Soy Oil)+VAT    | 387      | 388      | -1     |
| Kota (Ref. Soy Oil)+VAT      | 388      | 389      | -1     |
| Hyderabad (Ref. Soy Oil)+VAT | 400      | 400      | 0      |
| Rajkot (Ref. Soy Oil)+Tax    | 397      | 397      | 0      |

## PALM OIL

### International Market Highlights

#### BMD CPO Futures Ends Slightly Down

Crude palm oil futures at the Bursa Malaysia Derivatives settled marginally lower on Friday. The benchmark September CPO contract settled at MYR1,464 a metric ton, down MYR1 from Thursday. Prices moved in a narrow range of between MYR1,461 and MYR1,468/ton. A cargo surveyor SGS (Malaysia) Bhd reported a decline of over 7% in exports in the June 1-15 period. Lower export figures supported to bearish market sentiments. Palm oil export is more favourable for Indonesia due to weak Indonesian currency against US Dollar, While Strong MYR is unfavourable for export.

#### Domestic Spot Market Highlights

Palm oil prices on domestic spot market likely steady in most of the markets amid weak sentiments. Government of India cuts base import prices by \$6 per ton on all categories of palm oil. Palm oil prices dampened with soy oil prices. FOB (June Shipment) CPO prices remain quoted \$387.50 per ton and RBD palmolein \$412.50 per ton. Palm oil prices are expected to move range bound with weak sentiments in near term.

#### BMD: CPO Futures (16.06.2006)

|         |          |      |      |      |       | (Ringgit/ton) |        |
|---------|----------|------|------|------|-------|---------------|--------|
| Months  | Previous | Open | High | Low  | Close | Change        | Volume |
| July 06 | 1427     | 1427 | 1428 | 1423 | 1423  | -4            | 403    |
| Aug 06  | 1451     | 1448 | 1454 | 1447 | 1448  | -3            | 772    |
| Sep 06  | 1465     | 1463 | 1468 | 1461 | 1464  | -1            | 907    |
| Oct 06  | 1474     | 1473 | 1477 | 1471 | 1473  | -1            | 92     |
| Nov 06  | 1484     | 1479 | 1484 | 1478 | 1483  | -1            | 47     |

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

| Centres                      | 16.06.06 | 15.06.06 | Change |
|------------------------------|----------|----------|--------|
| Kandla CPO (5 % FFA)         | 373      | 373      | 0      |
| Kandla RBD Palmolein +VAT    | 393      | 393      | 0      |
| Mumbai RBD Palmolein +VAT    | 395      | 397      | -2     |
| Chennai RBD Palmolein +VAT   | 404      | 403      | +1     |
| Kakinada RBD Palmolein +VAT  | 384      | 385      | -1     |
| Hyderabad RBD Palmolein +VAT | 400      | 400      | 0      |
| Delhi RDB Palmolein          | 428      | 428      | 0      |

#### Rape/Mustard Expeller Oil

Mustard oil prices on spot market witnessed lacklustre in most of the market amid weak sentiments. Selling pressure by NAFED added bearish tone in the market. Today's arrivals of mustard seed were around 1500 bags in Neewai, 2000 bags in Kota, 3000 in Jaipur and 55000-60000 bags in Rajasthan (bags=85 kg). Mustard seeds prices were quoted at Rs 1520-1540 in Kota and 1700-1705 in Jaipur per quintal. Mustard oil prices are expected to move range bound with marginally weak sentiments in near term due to selling pressure by NAFED and ITC.

#### Refined Groundnut Oil

Groundnut oil prices on spot markets improved in most of the market on lower stock of groundnut seed. Prices improved slightly due to better demands for premium oil at retail ends. Gujarat's arrivals of groundnut seeds were around 20000 bags (bag=35 kg). Harvesting likely over in Chennai. GN oil prices expected to move range bound with moderately firm in near term.

#### Sunflower Expeller Oil

Sunflower oil prices on domestic spot market moved range bound with mixed sentiments in most of the markets. Prices improved in Chennai and Hyderabad market owing to lower supply. CIF Soy Oil (June Shipment) prices improved slightly at \$ 642 per ton (up \$5/ton) from \$637/ton. Prices are expected to move range bound with positive sentiments in near term.

#### Cotton Refine Oil

Cotton oil prices on spot market displayed steady to positive market sentiments in most of the markets. Prices are expected to move range bound with positive sentiments in near term due to lower stock.

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

| Centres                    | 16.06.06 | 15.06.06 | Change |
|----------------------------|----------|----------|--------|
| Mumbai (Exp. Oil) +VAT     | 402      | 402      | 0      |
| Kota (Expeller Oil)+VAT    | 372      | 372      | 0      |
| Jaipur (Expeller Oil)+VAT  | 374      | 375      | -1     |
| Delhi (Expeller Oil)       | 393      | 390      | +3     |
| Neewai (Expeller Oil) +VAT | 370      | 370      | 0      |

#### Groundnut Oil Spot Market Price (Rs/10 kg)

| Centres            | 16.06.06 | 15.06.06 | Change |
|--------------------|----------|----------|--------|
| Mumbai +VAT        | 485      | 480      | +5     |
| Rajkot +VAT        | 488      | 480      | +8     |
| Andhra Region +VAT | 485      | 480      | +5     |
| Chennai +VAT       | 480      | 475      | +5     |
| Delhi              | 508      | 505      | +3     |

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

| Markets       | 16.06.06 | 15.06.06 | Change |
|---------------|----------|----------|--------|
| Mumbai +VAT   | 436      | 440      | -4     |
| Chennai +VAT  | 452      | 450      | +2     |
| Hyderabad VAT | 445      | 442      | +3     |

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

| Markets        | 16.06.06 | 15.06.06 | Change |
|----------------|----------|----------|--------|
| Mumbai +VAT    | 407      | 406      | +1     |
| Hyderabad +VAT | 400      | 400      | 0      |
| Rajkot + VAT   | 406      | 403      | +3     |
| Delhi          | 395      | 395      | 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 |
|               | Global Eos     | 8500         | Palm Oil | Arrived  |
|               | Pacific Sound  | 10250        | Palm Oil | Expected |
| Kolkata       | Yue You 902    | 9558         | CPO      | Arrived  |
|               | Adti           | 16189        | SBO      | Arrived  |
| New Mangalore | Global Mars    | 7500         | CPO      | Expected |
| Mumbai        | Sutra Tiga     | 2535         | CPO      | Expected |
|               | Isokaze        | 10997        | CPO      | Expected |
|               | Star Dream     | 65550        | CPO      | Expected |
|               | Pacific Sound  | 6500         | CPO      | Expected |
| Chennai       | Golden Oceania | 3015         | CPO      | Expected |
|               | Ace I          | 6002         | CPO      | Expected |
| Kakinada      | Global Saturn  | 7000         | CPO      | Expected |
|               | Madura         | 13000        | CPO      | Arrived  |
|               | Padang Halaban | 8000         | CPO      | Arrived  |
|               | Vernal Grace   | 6000         | CPO      | Expected |

**Forex Rates****(As on 16.06.2006)**

| Country/ Continent | Currency       | Value in Rupees |
|--------------------|----------------|-----------------|
| USA                | Dollar         | 45.92           |
| European Union     | Euro           | 58.08           |
| Japan              | 100 Yen        | 40.06           |
| United Kingdom     | Pound Sterling | 85.11           |