

VEGOIL DAILY

June 20, 2006

REFINED SOY OIL

SPOT MARKETS

Refined soy oil prices on spot market witnessed marginally weak market sentiments in most of the markets on Monday. Prices on spot market declines slightly owing to sharp decline on soy oil futures market on NCDEX and NBOT. Higher arrivals of mustard seeds due to scattered rain in Rajasthan also added bearish tone. Arrivals of soybeans increased in Kota market at 2500 bags from 1500 bags Saturday. Prices are expected to move range bound with marginally weak sentiments in near term.

FUTURES MARKETS:

NCDEX refined soyoil July contract ends down sharply on Monday. The July contract settled down Rs 4.25 at 409.30, prices moved in a range of Rs 409.10-413.10. Prices declined sharply on account of burdensome stock of mustard seeds and expected to increase in sowing acreage of soybeans also provided support to bears. Prices are expected to move range bound with weak sentiments in near term.

PRICE DRIVERS:

Bullish:

1. Lower import of edible oil

Bearish:

1. Selling pressure of mustard seeds by NAFED
2. Moderate arrivals in Rajasthan
3. Expected to increase area
4. Lower demands at retail ends

Weather

Weather is not a factor until new crop sowings will take place in major producing states.

TECHNICALS

Candlestick pattern showing bearish market sentiments. MACD continued to move southwards in negative territory, which indicates bearish trends. %K line continued to move downwards after bearish crossover to %D line, which indicates bearish market sentiments. Prices closed far below both the 9-days (415.41) and 18-days (417.65) EMA, which indicates bearish market sentiments. All technical indicators showed bearish market trends.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX July	407.90	406.80	409.30	411.90	414.50

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil July Contract:

Sell near 411.80, Target near 408.10 and put stop loss at 413.70.

Refined Soybean Oil:

Spot Market Prices (Rs/10Kg excluding VAT)

Centres	19.06.06	17.06.06	Change
Mumbai (Ref. Soy Oil)+VAT	392	393	-1
Indore (Ref. Soy Oil)+VAT	386	387	-1
Kota (Ref. Soy Oil)+VAT	385	387	-2
Hyderabad (Ref. Soy Oil)+VAT	400	400	0
Rajkot (Ref. Soy Oil)+Tax	396	397	-1

PALM OIL

International Market Highlights

BMD CPO Futures Ends Down on Higher Stock

Crude palm oil futures at the Bursa Malaysia Derivatives settled lower on Monday on higher stock. The benchmark September CPO contract settled at MYR1,455 per metric ton, down MYR9 from Friday. Prices moved in a range of MYR1455-MYR1464. The market maintained a slight negative bias throughout the day owing to lower e-CBOT and lingering concerns about high stocks also continued to weigh on the palm oil market. At end of May, Malaysian palm oil stocks totaled 1.57 million tons, up from 1.52 million at end-April. Trader's expectation is about rise in stock by the end of June. Cargo surveyors Intertek Agri Services and SGS (Malaysia) Bhd are due to issue Tuesday estimates for Malaysian palm oil exports in the first 20 days of June. Market speculation is for exports of around 650,000-680,000 tons compared with about 635,000-662,000 in the May 1-20 period.

Domestic Spot Market Highlights

Palm oil prices on domestic spot market witnessed steady to weak sentiments in most of the markets amid lower demands at retail ends on Monday. Palm oil prices dampened with soy oil. 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 weak sentiments in near term.

BMD: CPO Futures (19.06.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
July 06	1425	1420	1422	1416	1417	-8	1432
Aug 06	1450	1447	1450	1442	1443	-7	1864
Sep 06	1464	1461	1464	1455	1455	-9	3235
Oct 06	1473	1470	1472	1466	1466	-7	1086
Nov 06	1483	1477	1481	1474	1474	-9	64

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	19.06.06	17.06.06	Change
Kandla CPO (5 % FFA)	370	372	-2
Kandla RBD Palmolein +VAT	390	391	-1
Mumbai RBD Palmolein +VAT	395	397	-2
Chennai RBD Palmolein +VAT	403	403	0
Kakinada RBD Palmolein +VAT	384	384	0
Hyderabad RBD Palmolein +VAT	400	400	0
Delhi RDB Palmolein	428	428	0

Rape/Mustard Expeller Oil

Mustard oil prices on spot market went down in most of the market on increased supply. Prices declined on lower demands owing to scattered rain in Rajasthan. Selling pressure by NAFED also added bearish tone in the market. Today's arrivals of mustard seed were around 1500 bags in Neewai, 2500 bags in Kota, 3500 in Jaipur and 65000-70000 bags in Rajasthan (bags=85 kg). Mustard seeds prices were quoted at Rs 1500-1520 in Kota and 1680-1690 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.

Refined Groundnut Oil

Groundnut oil prices on physical markets revealed steady to weak sentiments in most of the market amid weak sentiments. Gujarat's arrivals of groundnut seeds were remains around 20000 bags (bag=35 kg). GN oil prices expected to move range bound with weak sentiments in near term.

Sunflower Expeller Oil

Sunflower oil prices on domestic spot market witnessed steady to positive sentiments in the markets on Monday. Prices improved in Mumbai market due to higher prices of other edible oil prices. Prices are expected to move range bound with moderately positive sentiments in near term on lower supply.

Cotton Refine Oil

Cotton oil prices on spot market moved range bound with weak market sentiments in most of the markets on Monday. Cotton oil prices dampened with soy oil prices. Prices are expected to move range bound with weak sentiments in near term.

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

Centres	19.06.06	17.06.06	Change
Mumbai + VAT	404	402	+2
Kota + VAT	365	370	-5
Jaipur + VAT	370	374	-4
Delhi	390	394	-4
Neewai + VAT	368	370	-2

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

Centres	19.06.06	17.06.06	Change
Mumbai +VAT	485	485	0
Rajkot +VAT	482	485	-3
Andhra Region +VAT	482	483	-1
Chennai +VAT	480	480	0
Delhi	500	500	0

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

Markets	19.06.06	17.06.06	Change
Mumbai +VAT	440	436	+4
Chennai +VAT	450	450	0
Hyderabad+ VAT	450	450	0

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

Markets	19.06.06	17.06.06	Change
Mumbai +VAT	406	407	-1
Hyderabad +VAT	400	400	0
Rajkot + VAT	403	405	-2
Delhi	394	395	-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
	Global Eos	8500	Palm Oil	Arrived
	Pacific Sound	10250	Palm Oil	Expected
	Olympic	5400	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	Arrived
Chennai	Ace I	6002	CPO	Arrived
Kakinada	Global Saturn	7000	CPO	Arrived
	Vernal Grace	6000	CPO	Expected
JN ports	Global Venus	9000	CPO	Arrived

Forex Rates**(As on 19.06.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.89
European Union	Euro	57.78
Japan	100 Yen	39.70
United Kingdom	Pound Sterling	84.65