

VEGOIL DAILY

June 15, 2006

REFINE SOY OIL

SPOT MARKETS

Refined soy oil prices on physical market witnessed steady to weak sentiments in most of the markets. Weak soy oil futures markets on NCDEX added bearish tone. Prices marginally declined due to cloudy weather in eastern parts of Rajasthan and expected to early rain and sowing. Sowing acreage is expected to increase in coming season and it would bring positive impact on production. Prices are expected to move range bound with weak sentiments.

FUTURES MARKETS:

NCDEX refined soyoil July contract ends down on Wednesday. The July contract settled lower slightly Rs 0.90 at 415.70, prices moved in a range of 414.10-416.20. Lower settlement of CPO futures on BMD, Red e-CBOT and weakness in other commodity market added bearish market sentiments. Crude oil futures declined on New York Mercantile Exchange (NYMEX) also provided support to bears on account of uninspiring demands towards biodiesel.

PRICE DRIVERS:

Bullish:

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

Bearish:

1. Higher estimates of sowing acreage
2. Weakness in outside market.
3. Huge stock of mustard seeds with NAFED

Weather

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

TECHNICALS

Candlestick pattern shows Slightly bearish market sentiments. MACD is moving downward, which indicates bearish market sentiments. However, %K line continued to move northward after bullish cross over with %D line, which indicates moderately bullish market sentiments.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX July	414.50	413.20	415.70	416.80	417.90

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil July Contract:
Sell near 416.30, Target near 414.40 and put stop loss at 417.25.

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

Centres	14.06.06	13.06.06	Change
Mumbai (Soy Ref oil)+VAT	402	402	0
Indore (Soy Ref oil)+VAT	389	392	-3
Kota (Soy Ref. Oil)+VAT	390	392	-2
Hyderabad (Soy Ref)+VAT	400	405	-5
Rajkot (Soy Ref)+Tax	397	397	0

PALM OIL

International Market Highlights

BMD CPO Futures Settle Down

Crude palm oil futures at the Bursa Malaysia Derivatives settled moderately lower on Wednesday. Prices went down due to losses in other commodity markets and stronger ringgit. The benchmark August CPO contract ended at MYR1,452 a metric ton, down MYR7 from Tuesday, after moving within a narrow range of MYR1,449 and MYR1,457/ton. A stronger ringgit is less favorable for Malaysian palm oil as it makes the commodity less competitive, especially since the Indonesian rupiah has been weakening. CPO producer Indonesia competes with Malaysia for the same export markets. Crude oil futures were also weaker on the New York Mercantile Exchange (July Contract) settling \$1.80 lower at \$68.56 a barrel. There were selling pressure due higher stock of Malaysian palm oil. Cargo surveyors SGS (Malaysia) Bhd. and Intertek Agri Services are due to issue Thursday estimates for Malaysian palm oil exports in the June 1-15 period.

Domestic Spot Market Highlights

Palm oil prices on domestic spot market remain moved range bound with mixed sentiments in most of the markets. Lower import of edible oil provided support to bullish market sentiments in some market. However, lower settlement of CPO futures on BMD, Lower e-CBOT and soy oil futures on NCDEX provided support to bears. There is talk in the market about cut in tariff value on CPO also added bearish tone. FOB (June Shipment) CPO prices were \$390 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 (14.06.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jun 06	1417	1415	1415	1408	1415	-2	25
July 06	1437	1436	1436	1427	1428	-9	616
Aug 06	1459	1455	1457	1449	1452	-7	2689
Sep 06	1474	1471	1471	1464	1467	-7	1299
Oct 06	1482	1476	1476	1476	1476	-6	65

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	14.06.06	13.06.06	Change
Kandla CPO (5 % FFA)	374	376	-2
Kandla RBD Palmolein +VAT	393	395	-2
Mumbai RBD Palmolein +VAT	400	400	0
Chennai RBD Palmolein +VAT	405	407	-2
Kakinada RBD Palmolein +VAT	387	386	+1
Hyderabad RBD Palmolein +VAT	406	400	+6
Delhi RDB Palmolein	430	430	0

Rape/Mustard oil

Mustard oil prices on physical market went down slightly in most market amid weak sentiments. Huge stock of mustard seeds and weak futures market provided support to the bears in the market. Today's arrivals of mustard seed were around 2000 bags in Neewai, 1500 bags in Kota, 3000 in Jaipur and 60000 bags in Rajasthan (bags=85 kg). Mustard seeds prices were quoted at Rs 1530-60 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.

Groundnut Refine Oil

Groundnut oil prices on spot markets witnessed steady to weak market sentiments in most of the market. Prices declined slightly due to weak futures market and lower demands at retail ends. Gujarat's arrivals of groundnut seeds were around 20000 bags (bag=35 kg). Arrivals in Chennai market were around 1500 bags (bag=80 kg). GN oil prices expected to move range bound with slightly weak sentiments in near term.

Sunflower Refine Oil

Sunflower oil prices on domestic spot market moved range bound with mixed sentiments in most of the markets. CIF Soy Oil (June Shipment) prices declined slightly at \$ 644 per ton from \$647/ton. Prices are expected to move range bound in near term.

Cotton Refine Oil

Cotton oil prices on physical market revealed steady in most of the markets. There is no fresh fundamental news to push up its prices. Prices are expected to move range bound in near term.

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

Centres	14.06.06	13.06.06	Change
Mumbai (Exp. Oil) +VAT	403	405	-2
Kota (Expeller Oil)+VAT	372	375	-3
Jaipur (Expeller Oil)+VAT	377	380	-3
Delhi (Expeller Oil)	392	392	0
Neewai (Expeller Oil) +VAT	368	372	-4

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	14.06.06	13.06.06	Change
Mumbai +VAT	480	480	0
Rajkot +VAT	475	478	-3
Andhra Region +VAT	478	480	-2
Chennai +VAT	475	475	0
Delhi	505	510	-5

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

Markets	14.06.06	13.06.06	Change
Mumbai +VAT	440	438	+2
Chennai +VAT	452	452	0
Hyderabad VAT	440	442	-2

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

Markets	14.06.06	13.06.06	Change
Mumbai +VAT	408	408	0
Hyderabad +VAT	400	400	0
Rajkot + VAT	402	398	+4
Delhi	395	395	0

PORT-WATCH (Latest):**Current Vessels Positions**

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Harsanadi	5500	Palm Oil	Arrived
	Mandy I	14050	SBO	Arrived
	West Gold	5500	Palm Oil	Expected
	Isokaze	7000	Palm Oil	Expected
Kolkata	Yue You 2	6000	CPO	Expected
	Tirta Niaga I	6000	CPO	Arrived
	Feng Sheng You 2	6000	CPO	Arrived
Tuticorin	Spring Glory	7250	Palm Oil	Expected
Mumbai	Shimakaze	8900	Palm Oil	Expected
Chennai	Golden Oceania	3015	CPO	Expected
	Ace I	6002	CPO	Expected
JN Port	Mandy I	10000	SBO	Arrived
	Hen Field	6000	SBO	Arrived
Tuticorin Port	Spring Glory	7250	Palm Oil	Unloading
Kakinada	Global Saturn	7000	CPO	Expected
	Madura	13000	CPO	Arrived
	Padang Halaban	8000	CPO	Arrived

Forex Rates**(As on 14.06.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.98
European Union	Euro	57.82
Japan	100 Yen	39.98
United Kingdom	Pound Sterling	84.54