

VEGOIL DAILY

June 24, 2006

REFINED SOY OIL

SPOT MARKETS

Refined soy oil prices on spot market witnessed weak sentiments in most of the markets on Friday amid lower demands at retail ends. Monsoon is expected within a week in major producing states like Madhya Pradesh. July refined soy oil contract fell sharply on NCDEX and NBOT provided support to bearish market sentiments on spot markets. Weakness in other commodities and outside market also brought negative impact on its prices. Prices are expected to move range bound with marginally weak sentiments in near term.

FUTURES MARKETS:

NCDEX July refined soyoil contract ended sharply down on Friday due to advancement of monsoon. Weakness in other commodities and outside market also brought bearish impact on its prices. The July contract settled down Rs 6.90 at 402.80 from Thursday. Prices moved in a range of Rs 401.55-408.00. Prices are expected to move range bound 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

TECHNICALS

Long filled single day candlestick pattern showed strong bearish market sentiments. MACD continued to move downwards in negative territory with increasing divergence to DAV, which is indicating bearish trends. Stochastic %K line has just turned flatly southward, which indicates bearish sentiments. Prices closed far below both the 9-days (410.23) and 18-days (413.81) EMA, which indicates also bearish market trends. All technical indicators showing bearish market.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX- July	400.20	397.60	402.80	406.70	410.60

TRADE RECOMMENDATION:

NCDEX July Refined Soy Oil Contract:

Sell near 405.70, Target near 401.40 and put stop loss at 407.90.

Refined Soybean Oil:

Spot Market Prices (Rs/10Kg excluding VAT)

Centres	23.06.06	22.06.06	Change
Mumbai (Ref. Soy Oil)+VAT	390	392	-2
Indore (Ref. Soy Oil)+VAT	384	385	-1
Kota (Ref. Soy Oil)+VAT	382	383	-1
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 Up On Soyoil Gains

Crude palm oil futures at Bursa Malaysia Derivatives settled slightly up on Friday in choppy trading. The benchmark September CPO contract settled at MYR1,468 a metric ton, up MYR5 from Thursday. The contract fluctuated between positive and negative territory, touching a low of MYR1,458 and high of MYR1,472/ton. Today, there was two-sided trading day (Seller and buyers) taking their turns to adjust their positions. There was nothing fresh news related to fundamentals. Cargo surveyors SGS (Malaysia) Bhd and Intertek Agri Services are due to issue Monday estimates for Malaysian palm oil exports in the June 1-25 period. Market speculation was for exports of around 830,000 to 850,000 tons. On the supply side, market expectations are mostly for moderately higher output in June, probably up around 2%-5% on month. In May, Malaysia's CPO production totaled 1.39 million tons.

Domestic Spot Market Highlights

Palm oil prices on domestic spot market revealed mixed sentiments in the markets on Friday. Higher settlement of CPO futures on BMD added slightly positive sentiments. On the other hand, lower soy oil prices and weakness in other commodities added bearish impact on its prices. FOB (July Shipment) CPO prices risen at \$390 per ton and RBD palmolein \$420 per ton. 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	23.06.06	22.06.06	Change
Kandla CPO (5 % FFA)	373	374	-1
Kandla RBD Palmolein +VAT	390	390	0
Mumbai RBD Palmolein +VAT	399	397	+2
Chennai RBD Palmolein +VAT	401	402	-1
Kakinada RBD Palmolein +VAT	385	384	+1
Hyderabad RBD Palmolein +VAT	406	406	0
Delhi RDB Palmolein	430	430	0

Rape/Mustard Expeller Oil

Mustard oil prices on spot market witnessed weak sentiments in most of the market on Friday on lower demands from miller's side. Huge stock of mustard seeds with NAFED and selling pressure at lower rate brought bearish impact on its prices. 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 1520-1525 in Kota and 1650 in Jaipur per quintal. Mustard oil prices are expected to ease in near term.

Refined Groundnut Oil

Groundnut oil prices on spot markets showed weak sentiments in most of the market on Friday 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 moderately 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 Friday. CIF (July Shipment) Prices declined at \$619, down \$15/ton from \$634 per metric ton. Prices are expected to move range bound in near term.

Cotton Refine Oil

Cotton oil prices on spot market witnessed steady to weak market sentiments in most of the market on Friday owing to weak futures markets. Cotton oil prices dampened with soy oil prices. Scatter rain in Gujarat was beneficial to cotton crop also added bearish tone. Prices are expected to move range bound with marginally weak sentiments in near term.

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

Centres	23.06.06	22.06.06	Change
Mumbai + VAT	399	405	-6
Kota + VAT	363	365	-2
Jaipur + VAT	368	370	-2
Delhi	392	392	0
Neewai + VAT	364	366	-2

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

Centres	23.06.06	22.06.06	Change
Mumbai +VAT	480	485	-5
Rajkot +VAT	485	488	-3
Andhra Region +VAT	490	492	-2
Chennai +VAT	485	482	+3
Delhi	500	500	0

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

Markets	23.06.06	22.06.06	Change
Mumbai +VAT	445	440	+5
Chennai +VAT	458	458	0
Hyderabad+ VAT	455	460	-5

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

Markets	23.06.06	22.06.06	Change
Mumbai +VAT	405	405	0
Hyderabad +VAT	402	402	0
Rajkot + VAT	409	411	-2
Delhi	397	398	-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
	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 23.06.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.20
European Union	Euro	58.12
Japan	100 Yen	39.86
United Kingdom	Pound Sterling	84.57