

VEGOIL DAILY

June 2, 2006

REFINE SOY OIL

SPOT MARKETS

Refined soy oil prices on physical market witnessed steady to weak sentiments in most of the markets on Thursday amid lower demand at retail ends. Weak futures market brought negative impact on its prices. CIF (June shipment) soy oil was quoted \$529 a metric ton at Kandla and Mumbai port (down \$3/ton). Soy Degum (Ready) prices was quoted Rs 385/10 kg at Mumbai port. Prices are expected to move range bound with weak sentiments in near term.

FUTURES MARKETS:

NCDEX refined soyoil June contract ends down on speculative selling pressure. Losses in soy oil futures on CBOT and lower CPO futures on BMD provided support to bearish market sentiments. Higher stock of mustard seeds with NAFED also added bearish tone. Prices settled down Rs 3.40 at 411.15, Rs 3.10 off the high and Rs 0.05 up from the low. Prices moved in a range of 411.10-414.25 on Tuesday. Prices are expected to move range bound with weak sentiments in near term.

PRICE DRIVERS:

Bullish:

1. Lower stock of soybean

Bearish:

1. Lower demands at retail ends
2. Hefty stock of mustard seeds.
3. Weak futures market

Weather

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

TECHNICALS

MACD continued to move downwards and crossed centre line, which indicates bearish sentiments. Prices closed below both the 9-days (416.02) and 18-days (417.87) EMA, which indicates bearish market trends. %K line is continue to move southwards after bearish crossover to %D line and reached in oversold region, which is hinting trend reversal likely but confirmation is required. Dark candlestick formed Marubozu pattern which shows market was in hand of bears.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX June	410.20	408.80	411.15	413.80	416.20

TRADE RECOMMENDATION:

Sell near 412.70, target near 410.30, and put stop loss at 414.00.

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

Centres	01.06.06	31.05.06	Change
Mumbai (Soy Ref oil)+VAT	405	405	0
Indore (Soy Ref oil)+VAT	391	393	-2
Kota (Soy Ref. Oil)+VAT	388	390	-2
Hyderabad (Soy Ref)+VAT	391	393	-2
Rajkot (Soy Ref)+Tax	390	390	0

PALM OIL

International Market Highlights

BMD CPO Future Ends Down

Crude palm oil futures at Bursa Malaysia Derivatives settled marginally lower on Thursday. Most of the participants sidelined due to uncertainty about the SND figure. The benchmark August CPO contract settled at MYR1,439 a metric ton, down MYR5 from Wednesday. Lower soyoil prices also added bearish market sentiments. Weak export demands provided support to bears in the market. Cargo surveyors Intertek Agri Services and SGS (Malaysia) Bhd. estimated May exports to be about 3%-9% lower than in April.

Domestic Spot Market Highlights

Palm oil prices in domestic spot market moved range bound with sentiments in most of the markets on Thursday. Base import prices of palm oil cuts by \$3/ton on each category of palm and palmolein. Burdensome stock of Malaysia's palm oil stock and weak futures market provided support to bearish market sentiments. Palm oil prices dampened with soy oil prices. Both are traditional rival of each other. FOB palmolein prices remain quoted \$ 412.50/ton and FOB crude palm oil prices were quoted \$ 390.00/ton for the month of June. Prices are expected to move range bound with weak sentiments in near term.

BMD: CPO Futures (01.06.2006)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jun 06	1411	1405	1409	1404	1404	-7	589
July 06	1432	1430	1431	1427	1427	-5	1314
Aug 06	1444	1443	1446	1439	1439	-5	3387
Sep 06	1455	1455	1456	1449	1452	-3	879
Oct 06	1463	1464	1464	1458	1462	-1	83

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	01.06.06	31.05.06	Change
Kandla CPO (5 % FFA)	369	370	-1
Kandla RBD Palmolein +VAT	390	390	0
Mumbai RBD Palmolein +VAT	401	401	0
Chennai RBD Palmolein +VAT	407	407	0
Kakinada RBD Palmolein +VAT	381	382	-1
Hyderabad RBD Palmolein +VAT	397	398	-1
Delhi RDB Palmolein	430	435	-5

Rape/Mustard oil

Mustard oil prices on domestic spot market remain moved down slightly in most of the markets on Thursday. Huge stock with NAFED added bearish tone. Today's arrivals of mustard seed were around 2000 bags in Neewai, 1200 bags in Kota, 1800 bags in Jaipur and around 75,000-80,000 bags in Rajasthan. Mustard seeds prices were quoted at Rs 1520-40 in Kota and 1690 in Jaipur per quintal. Mustard oil prices are expected to move range bound with weak sentiments in near term.

Groundnut Refine Oil

Groundnut oil prices on spot markets went lower marginally in most of the market amid lower demands at retail ends on Thursday. Groundnut oil prices dampened with soy oil prices. Rain in Gujarat may be another factor to decline in Gn oil prices. Groundnut seeds remain quoted at Rs 342 per 20 kg in Rajkot market. Arrivals of groundnut seeds around 20000-22000 bags in Gujarat (bag=35 Kg). GN oil prices are expected to move range bound in near term.

Sunflower Refine Oil

Sunflower oil prices on physical market markets displayed mixed sentiments in most of the markets. Prices in Hyderabad declined slightly due to weak futures market, however prices improved moderately in Chennai due to higher demands for sunflower oil. CIF (June) sunflower oil remains quoted \$ 651 per ton.

Cotton Refine Oil

Cotton oil prices on physical markets declined slightly in most of the markets on Thursday amid weak sentiments. However, prices improved slightly in Mumbai due to lower supply. Cotton oil prices are expected to move range bound with weak sentiments in near term.

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

Centres	01.06.06	31.05.06	Change
Mumbai (Exp. Oil) +VAT	395	395	0
Kota (Expeller Oil)+VAT	366	370	-4
Jaipur (Expeller Oil)+VAT	369	372	-3
Delhi (Expeller Oil)	388	390	-2
Neewai (Expeller Oil) +VAT	363	366	-3

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	01.06.06	31.05.06	Change
Mumbai +VAT	470	475	-5
Rajkot +VAT	450	450	0
Andhra Region +VAT	470	472	-2
Chennai +VAT	460	465	-5
Delhi	508	510	-2

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

Markets	01.06.06	31.05.06	Change
Mumbai +Vat	435	435	0
Chennai +VAT	453	450	+3
Hyderabad VAT	435	440	-5

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

Markets	01.06.06	31.05.06	Change
Mumbai +VAT	404	400	+4
Hyderabad +VAT	400	405	-5
Rajkot + VAT	393	395	-2
Delhi	388	390	-2

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Rising One	3200	SBO	Arrived
	Golden Crane	6000	CPO	Expected
	Anawan	6000	SBO	Expected
	Chem Cosmos	20000	SBO	Expected
Kolkata	Vernal Grace	6000	CPO	Arrived
	Filma Satu	6200	CPO	Receiving
	Twinkle	6000	CPO	Arrived
	Sutra Satu	7000	CPO	Expected
	Ace 1	6000	CPO	Receiving
	Yue You 801	6000	CPO	Expected
Cochin	Hua Yun 5	6000	CPO	Expected
	Global Trader	6000	CPO	Expected
	Rising One	3200	SBO	Expected
New Manglore	Anawan	15000	SBO	Expected
	Global Mars	7500	CPO	Expected
Mumbai	Harsanadi	5000	Palm Oil	Expected
	Global Triton	5000	CPO	Expected
Chennai	MMM Jackson	5000	Palm Oil	Expected
JN Port	Anawan	10000	SBO	Expected
	Chem Cosmos	8000	SBO	Expected
	WS Challenger	21,000	SBO	Expected

Forex Rates

(As on 01.06.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.22
European Union	Euro	59.03
Japan	100 Yen	40.99
United Kingdom	Pound Sterling	86.07