

## VEGOIL DAILY

June 14, 2006

### REFINE SOY OIL

#### SPOT MARKETS

Refined soy oil prices on domestic spot market moved range bound with mixed sentiments in most of the markets. Prices could not surge on spot market owing to sharp decline on soy oil futures markets on NCDEX. Delayed monsoon can bring negative impact on sowing acreage of soybean in coming season. Prices are expected to move range bound with slightly positive sentiments on account of lower stock of soybean.

#### FUTURES MARKETS:

NCDEX refined soyoil July contract settled down on Tuesday. Lower settlement of CPO futures on BMD and Lower e-CBOT provided support to bears. Lower attraction towards biodiesel due to slight decline on crude oil prices also added bearish market sentiments. The prices declined due to selling pressure and absence of bullish fundamental news in the market. The July contract settled lower Rs 5.80 at 416.70, prices moved in a range of 416.30-421.75.

#### PRICE DRIVERS:

##### Bullish:

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

##### Bearish:

1. Expected to increase sowing acreage

#### Weather

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

#### TECHNICALS

Dark candlestick pattern shows bearish market sentiments. DAV has turned downward, which indicates bearish market sentiments. However, %K line is moving upward after bullish cross over with %D line, which indicates moderately bullish market sentiments. The overall sentiments look bearish.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX July	414.75	412.80	416.70	420.20	423.70

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil July Contract:

Sell near 418.80, Target near 415.20 and put stop loss at 420.60.

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

Centres	13.06.06	12.06.06	Change
Mumbai (Soy Ref oil)+VAT	402	397	+5
Indore (Soy Ref oil)+VAT	392	390	+2
Kota (Soy Ref. Oil)+VAT	392	392	0
Hyderabad (Soy Ref)+VAT	405	405	0
Rajkot (Soy Ref)+Tax	392	393	-1

## PALM OIL

### International Market Highlights

#### BMD CPO Futures Settle Down

Crude palm oil futures at Bursa Malaysia Derivatives settled lower on Tuesday. Benchmark August CPO futures settled at MYR1,459 a metric ton, down MYR8 from Monday, after moving between MYR1,457 and MYR1,474/ton. Traders said May supply and demand figures issued Monday by the Malaysian Palm Oil Board and June 1-10 export estimates from cargo surveyors had limited impact on the market as the numbers were within market expectations. The next set of key figures are due Thursday, with cargo surveyors Intertek Agri Services and SGS (Malaysia) Bhd due to issue June 1-15 export estimates. Crude oil prices declined slightly added bearish tone. Lower oil prices will bring negative impact on biodiesel. Lower e-CBOT also provided support to bearish market sentiments.

#### Domestic Spot Market Highlights

Palm oil prices on domestic spot market moved range bound with mixed sentiments at most of the markets. Palm oil prices followed soy oil prices. Both are traditional rival of each other. Lower import of edible oil provided support to bullish market sentiments. However, lower settlement of CPO futures on BMD and Soy oil futures on NCDEX added bearish market sentiments in the market. There was no clear-cut direction of the market due to lack of fresh fundamental news. Palm oil prices are expected to move range bound in near term.

#### BMD: CPO Futures (13.06.2006)

						(Ringgit/ton)	
Months	Previous	Open	High	Low	Close	Change	Volume
Jun 06	1425	1419	1419	1419	1419	-6	13
July 06	1445	1448	1452	1436	1436	-9	1299
Aug 06	1467	1469	1474	1457	1459	-8	4179
Sep 06	1481	1482	1489	1471	1474	-7	1894
Oct 06	1489	1493	1496	1482	1484	-5	57

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	13.06.06	12.06.06	Change
Kandla CPO (5 % FFA)	376	375	+1
Kandla RBD Palmolein +VAT	395	392	+3
Mumbai RBD Palmolein +VAT	400	399	+1
Chennai RBD Palmolein +VAT	407	407	0
Kakinada RBD Palmolein +VAT	386	387	-1
Hyderabad RBD Palmolein +VAT	395	402	-7
Delhi RDB Palmolein	430	430	0

#### Rape/Mustard oil

Mustard oil prices on spot market revealed range bound with mixed sentiments. The demand is increasing in the spot as the spot market prices of soy increased. Prices improved slightly in some market due to increasing demands from pickles industry. 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 1530-75 in Kota and 1710 in Jaipur per quintal. Mustard oil prices are expected to move range bound in near term.

#### Groundnut Refine Oil

Groundnut oil prices on physical markets showed lacklustre in most of the market. Already prices surged on account of short supply of crushable groundnut seeds and increasing demands from pickle industry, but it could not sustain further owing to weak futures market sentiments. Gujarat's arrivals of groundnut seeds were around 18000-20000 bags (bag=35 kg). Arrivals in Chennai market were around at 1500 bags (bag=80 kg). GN oil prices expected to improve slightly in near term.

#### Sunflower Refine Oil

Sunflower oil prices on domestic spot market witnessed steady to positive sentiments in most of the markets. Harvesting is over in major producing states like Karnataka and Andhra Pradesh and lower import of edible oil added bullish tone in market. CIF Soy Oil (June Shipment) prices were quoted \$ 647 per ton. Prices are expected to move range bound in near term.

#### Cotton Refine Oil

Cotton oil prices on physical market moved range bound with mixed sentiments in most of the markets. There was no bullish fundamental news in the market. Prices are expected to move range bound in near term.

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

Centres	13.06.06	12.06.06	Change
Mumbai (Exp. Oil) +VAT	405	398	+7
Kota (Expeller Oil)+VAT	375	375	0
Jaipur (Expeller Oil)+VAT	380	378	+2
Delhi (Expeller Oil)	392	392	0
Neewai (Expeller Oil) +VAT	372	373	-1

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

Centres	13.06.06	12.06.06	Change
Mumbai +VAT	480	480	0
Rajkot +VAT	478	482	-4
Andhra Region +VAT	492	490	+2
Chennai +VAT	475	475	0
Delhi	510	510	0

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

Markets	13.06.06	12.06.06	Change
Mumbai +VAT	438	438	0
Chennai +VAT	452	452	0
Hyderabad VAT	442	440	+2

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

Markets	13.06.06	12.06.06	Change
Mumbai +VAT	408	403	+5
Hyderabad +VAT	400	400	0
Rajkot + VAT	398	402	-4
Delhi	395	395	0

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Anawan	6000	SBO	Expected
	Chem Cosmos	20000	SBO	Arrived
	Harsanadi	5500	Palm Oil	Unloading
	Mandy I	14050	SBO	Expected
	West Gold	5500	Palm Oil	Arrived
	Isokaze	7000	Palm Oil	Expected
	Global Eos	8500	CPO	Expected
	Chemroad Wing	10000	Palm oil	Expected
Kolkata	Sutra Satu	7000	CPO	Arrived
	Tirta Niaga I	6000	CPO	Arrived
Cochin	Rising One	3200	SBO	Arrived
New Mangalore	Hen Field	3500	SBO	Arrived
Mumbai	Harsanadi	5000	Palm Oil	Arrived
	Shimakaze	8900	Palm Oil	Expected
Chennai	MMM Jackson	5000	Palm Oil	Delivered
	Mirae Sun	2056	Palm Oil	Expected
	Bum IK	6500	CPO	Delivered
	Cheras	5000	Palm Oil	Expected
JN Port	WS Challenger	21000	SBO	Arrived
	Mandy I	10000	SBO	Unloading
	Hen Field	15000	SBO	Arrived
	Global Venus	9000	CPO	Expected
Tuticorin Port	Spring Glory	7250	Palm Oil	Unloading
Kakinada	Cheras	9000	CPO	Expected
	Madura	13000	CPO	Expected
	Padang Halaban	6000	CPO	Expected

**Forex Rates****(As on 13.06.2006)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.88
European Union	Euro	58.01
Japan	100 Yen	40.21
United Kingdom	Pound Sterling	84.61