

## VEGOIL DAILY

June 08, 2006

### REFINE SOY OIL

#### SPOT MARKETS

Refined soy oil prices on physical market witnessed steady to weak market sentiments in most of the markets amid dull demands at retail ends. Weak futures market also added bearish tone in the market. Sowing acreage is expected increase in coming season and it would bring positive result on its production. Prices are expected to move range bound in near term.

#### FUTURES MARKETS:

NCDEX refined soyoil June contract settled down after choppy trading activity on Wednesday amid weak sentiments. Prices dragged down owing to sluggish trading activity on NCDEX and lower settlement of CBOT soy oil futures provided support to bears. Prices settled down Rs 0.65 at 409.40, Rs 0.85 off the high and Rs 1.15 up from the low. Prices moved in a range of 408.25-410.25 on Wednesday. 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. Huge stock of mustard seeds.
3. Expected to increase sowing acreage
4. Nafed open tender in Punjab for Mustard seeds

#### Weather

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

#### TECHNICALS

MACD continued to move southwards after crossing centre line, which indicates bearish sentiments. Prices closed far below both the 9-days (413.15) and 18-days (415.38) EMA, which indicates bearish market trend. Lower volume of trade also indicating weak market sentiments. %K line is moving downwards after bearish crossover to %D line in neutral region, which indicates bearish market sentiments. Candlestick formed Doji pattern, which indicates indecisive market.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX June	408.10	406.90	409.40	410.80	412.30

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil June Contract:

Sell near 410.10, target near 408.30, and put stop loss at 411.00.

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

Centres	07.06.06	06.06.06	Change
Mumbai (Soy Ref oil)+VAT	403	403	0
Indore (Soy Ref oil)+VAT	387	389	-2
Kota (Soy Ref. Oil)+VAT	384	385	-1
Hyderabad (Soy Ref)+VAT	395	395	0
Rajkot (Soy Ref)+Tax	Closed	393	-

## PALM OIL

### International Market Highlights

#### BMD CPO Futures Settle Up After Choppy Trading

Crude palm oil futures at Bursa Malaysia Derivatives settled slightly higher on Wednesday. The benchmark August CPO contract ended at MYR1,451 a metric ton, up MYR3 from Tuesday, after moving within a narrow MYR8 range. Trading activity was very slow and volume of trade declined sharply. Most of the participants are still waiting supply and demand figures of MPOB, which is scheduled to issue Monday official May production, exports and stocks data. Cargo surveyors Intertek Agri Services and SGS (Malaysia) Bhd. are due to release June 1-10 Malaysian palm oil export estimates by the same day. There is no clear-cut direction of the market due to lack of fundamentals.

#### Domestic Spot Market Highlights

Palm oil prices on domestic spot market revealed steady to weak market sentiments in most of the markets on Wednesday. Lower settlement of soy oil futures on CBOT also added bearish tone. FOB (June shipment) CPO and RBD palm oil prices were quoted \$ 387.50 per ton and \$412.50 per ton respectively. Prices are expected to move range bound with weak sentiments in near term.

#### BMD: CPO Futures (07.06.2006)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Jun 06	1401	1399	1405	1399	1405	+4	49
July 06	1431	1431	1434	1428	1433	+2	472
Aug 06	1448	1446	1451	1444	1451	+3	1385
Sep 06	1460	1460	1465	1458	1465	+5	752
Oct 06	1468	1470	1474	1470	1474	+6	73

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	07.06.06	06.06.06	Change
Kandla CPO (5 % FFA)	371	373	-2
Kandla RBD Palmolein +VAT	390	392	-2
Mumbai RBD Palmolein +VAT	402	402	0
Chennai RBD Palmolein +VAT	407	409	-2
Kakinada RBD Palmolein +VAT	385	385	0
Hyderabad RBD Palmolein +VAT	400	400	0
Delhi RDB Palmolein	430	435	-5

#### Rape/Mustard oil

Mustard oil prices on physical market moved down slightly in most of the market on Wednesday amid weak sentiments. Prices declined on lower demands at retail ends and fear of burdensome stock of mustard seeds with NAFED, he can open tender at lower rate at any time. Already NAFED opened tender in Punjab for the sale of mustard seeds at Rs 1530-1550 a quintal, despite of lower prices traders are not willing to purchase owing to poor quality of seeds. Today's arrivals of mustard seed were around 1500 bags in Neewai, 1500-2000 bags in Kota and 75000 bags in Rajasthan (bags=85 kg). Mustard seeds prices were quoted at Rs 1520-50 in Kota and 1680 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 physical markets showed steady market sentiments in most market on Wednesday amid slow trading activity. Rajkot market was a remains closed due to local festivals in Gujarat. Arrivals in Chennai market were around at 1500 bags (bag=80 kg). GN oil prices are expected to move range bound in near term.

#### Sunflower Refine Oil

Sunflower oil prices on domestic spot market markets moved range bound with mixed sentiments in most of the markets. CIF (June) sunflower oil remains quoted \$ 650 per ton.

#### Cotton Refine Oil

Cotton oil prices on spot markets witnessed lackluster trading activity in most of the markets on Wednesday amid weak sentiments and lower demands at retail ends. Cotton oil prices dampened with soy oil prices. Prices are expected to move range bound with weak sentiments in near term.

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

Centres	07.06.06	06.06.06	Change
Mumbai (Exp. Oil) +VAT	393	395	-2
Kota (Expeller Oil)+VAT	365	367	-2
Jaipur (Expeller Oil)+VAT	370	372	-2
Delhi (Expeller Oil)	392	395	-3
Neewai (Expeller Oil) +VAT	365	367	-2

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

Centres	07.06.06	06.06.06	Change
Mumbai +VAT	475	475	0
Rajkot +VAT	Closed	450	-
Andhra Region +VAT	475	475	0
Chennai +VAT	470	472	-2
Delhi	510	510	0

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

Markets	07.06.06	06.06.06	Change
Mumbai +Vat	438	435	+3
Chennai +VAT	453	453	0
Hyderabad VAT	438	440	-2

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

Markets	07.06.06	06.06.06	Change
Mumbai +VAT	402	405	-3
Hyderabad +VAT	400	400	0
Rajkot + VAT	Closed	393	-
Delhi	390	390	0

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

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Golden Crane	6000	CPO	Arrived
	Anawan	6000	SBO	Expected
	Chem Cosmos	20000	SBO	Expected
	Harsanadi	5500	Palm Oil	Expected
	Mandy I	14050	SBO	Expected
	West Gold	5500	Palm Oil	Expected
	Isokaze	7000	Palm Oil	Expected
Kolkata	Sutra Satu	7000	CPO	Arrived
Cochin	Rising One	3200	SBO	Expected
New Manglore	Hen Field	3500	SBO	Expected
Mumbai	Harsanadi	5000	Palm Oil	Expected
	Shimakaze	8900	Palm Oil	Expected
Chennai	MMM Jackson	5000	Palm Oil	Expected
	Mirae Sun	2056	Palm Oil	Expected
	Madura	2500	Palm Oil	Arrived
	Cheras	5000	Palm Oil	Expected
JN Port	Anawan	10000	SBO	Arrived
	Chem Cosmos	8000	SBO	Arrived
	WS Challenger	21000	SBO	Expected
	Mandy I	10000	SBO	Expected
Tuticorin Port	Spring Glory	7250	Palm Oil	Expected
Kakinada	Cheras	9000	CPO	Expected
	Madura	13000	CPO	Expected

**Forex Rates**

(As on 07.06.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.93
European Union	Euro	58.75
Japan	100 Yen	40.52
United Kingdom	Pound Sterling	85.32