

VEGOIL DAILY

August 21, 2006

REFINE SOY OIL

SPOT MARKETS

The spot market prices of the soy refine oil decline in the spot market owing to low demand. Bearish impact could be seen on the spot market as well on government offering of cutting import duty on palm oil and its derivatives to the ASEAN countries. The government will reduce the same on a phased manner so that traders will get sufficient arrangements to cope with the situation. If the deal will be materialize than it would results into flooding of imported palm oil. Our oil industries need protection from the stiff challenges from abroad. This will also results into huge financial losses in the central pool. CIF soy oil on Saturday decline at \$564/ton from the previous day levels. The price in the spot market is expected to trade sideways.

FUTURES MARKETS:

NCDEX refined soyoil September contract opened weak on Saturday and sharp decline could then be seen. Later part of the trading session saw short covering. The contract traded between 437.0-440.95 and the prices finally closed at 438.7.

PRICE DRIVERS:

Bullish:

1. Lower stock of soybean
2. Low import compared to last month.

Bearish:

1. Import duty cut on palm oil
2. Roll back of hike in tariff value.
3. Low consumer demands
4. Weakness in overseas market

Weather

Heavy rainfall in the Maharashtra and MP during the active growth stage results into water logging which is injurious to the crop growth. Soybean cannot tolerate water logging at any growth stage.

TECHNICALS

Open bozu filled candlesticks indicate bearish sentiment into the market. Stochastic is bending towards for bullish crossover in oversold region. The price line is closed below 9 and 18 days EMA shows bearish sentiments. MACD continue to remain bearish. Volumes decline while OI remains almost steady.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Sep	431.45	433.9	438.7	433.1	446.6

TRADE RECOMMENDATION:

NCDEX Refined Soy Oil September Contract:

Sell below 439.60; T1 near 437.80; T2-436.00 and put stop loss at 441.00

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

Centres	19.08.06	18.08.06	Change
Mumbai (Soy Ref oil)+VAT	432	434	-2
Indore (Soy Ref oil)+VAT	419	419	0
Kota (Soy Ref. Oil)+VAT	410	412	-2
Hyderabad (Soy Ref)+VAT	450	450	0
Rajkot (Soy Ref)+Tax	419	420	-1

PALM OIL

International Market Highlights

BMD remain closed on Saturday and Sunday

Domestic Spot Market Highlights

Palm oil prices at spot market remain steady in most of the market but with bearish note in few centers. No sharp movement could be witnessed on account of weekend and low volume of traders.

BMD: CPO Futures (17.8.2006)

(Ringgit/ton)

Months	Previous	Open	High	Low	Close	Change	Volume
Sep 06	1564	1565	1581	1555	1569	+5	636
Oct 06	1576	1581	1597	1565	1582	+6	1735
Nov 06	1586	1595	1608	1574	1592	+6	6656
Dec 06	1598	1600	1619	1587	1604	+6	1052
Jan 06	1615	1606	1631	1605	1618	+3	449

Palm oil – Spot Market Price

(Rs. Per 10 kg)

Centres	19.08.06	18.08.06	Change
Kandla CPO (5 % FFA)	404	404	0
Kandla RBD Palmolein +VAT	427	430	-3
Mumbai RBD Palmolein +VAT	438	442	-4
Chennai RBD Palmolein +VAT	460	460	0
Kakinada RBD Palmolein +VAT	435	435	0
Hyderabad RBD Palmolein +VAT	460	460	0
Delhi RDB Palmolein	470	470	0

Rape/Mustard oil

The spot market prices remain steady in most of the centers except in Mumbai. Low demand continues to hit the market down. NAFED continue to sell the seeds at Rs 1560 also added to bearish tone in the market. The mustard seed prices at Jaipur and Kota remain at Rs. 1735 and 1560-1580 respectively. The seed prices at Neewai remain at Rs. 1655. The price is expected to remain on the lower levels.

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

Centres	19.08.06	18.08.06	Change
Mumbai (Exp. Oil) +VAT	424	426	-2
Kota (Expeller Oil)+VAT	394	394	0
Jaipur (Expeller Oil)+VAT	397	397	0
Delhi (Expeller Oil)	420	420	0
Neewai (Expeller Oil) +VAT	393	393	0

Groundnut Refine Oil

Groundnut oil prices on domestic spot market remain mixed on low stock position of oil in Rajkot and Chennai and low demand in Mumbai. Low availability of seeds for crushing and low stock position of oil keeps the market tight. The price is expected to improve in coming days.

Groundnut Oil Spot Market Price (Rs/10 kg)

Centres	19.08.06	18.08.06	Change
Mumbai +VAT	530	540	-10
Rajkot +VAT	540	535	+5
Andhra Region +VAT	550	550	0
Chennai +VAT	525	520	+5
Delhi	560	560	0

Sunflower Refine Oil

Sunflower oil prices decline on low demand in Mumbai while other market remain steady. The bearish impact of the futures market could be clearly seed on the spot market prices. CIF sunflower oil prices (Sep shipments) decline on Saturday at \$640/ton.

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

Markets	19.08.06	18.08.06	Change
Mumbai +VAT	505	515	-10
Chennai +VAT	510	510	0
Hyderabad VAT	500	500	0

Cotton Refine Oil

The spot market prices remain mixed on Saturday. The demand is expected to increase in near terms on coming festivals in the next month. Prices are expected to move range bound following other oils in near term.

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

Markets	19.08.06	18.08.06	Change
Mumbai +VAT	460	465	-5
Hyderabad +VAT	450	450	0
Rajkot + VAT	453	451	+2
Delhi	435	435	0

PORT-WATCH (Latest):
Current Vessels Positions

Ports	Vessels	Volume (Ton)	Carrying	Status
Kandla	Hartati	5000	CPO	Arrived
	Chem Cosmos	24500	Palm oil	Expected
	Central Park	6200	SBO	Expected
	Produce	13000	SBO	Expected
Kolkata	Arabian Wind	6000	SBO	Arrived
	Matina	10997	CPO	Arrived
	Hua Yun 5	6500	CPO	Arrived
Cochin	Royal Emerald	8000	CPO	Expected
New Mangalore	L Star	6000	CPO	Expected
	Tirta Niaga I	6000	CPO	Expected
Mumbai	Shimakaze	8300	Palm Oil	Expected
	Global Eos	11000	CPO	Expected
	Royal Emerald	4000	Palm oil	Expected
Chennai	Spring Wind	2000	Palm Oil	Arrived
JN Port	Produce	13000	SBO	Expected
Kakinada	Sun Pine	5000	CPO	Expected
Tuticorin	Cheras	6000	Palm Oil	Expected

Forex Rates

(As on 19.08.2006)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	46.39
European Union	Euro	59.43
Japan	100 Yen	40.05
United Kingdom	Pound Sterling	87.25