

## VEGOIL DAILY

August 14, 2006

### REFINE SOY OIL

#### SPOT MARKETS

The spot market prices of the soy refine oil in most of the market decline closely following the palm oil as it decline on the reduction in the import duty on palm oil. Government trying to curb the continuous rise of soy and other oils as this will results into inflation. This will results into the decline of imported oils by Rs 2-3. Expected bearish sentiments in overseas market further expected to have some decline in the prices in near term. The crop damage assessment data reveal the extent of the damage and traders are waiting for the same. CIF soy oil on Saturday decline to at \$577/ton. The price in the spot market is expected to decline marginally in near terms.

#### FUTURES MARKETS:

NCDEX refined soyoil September contract opened weak on Saturday and witnessed lack lustre trade with weak sentiments with intermittent profit booking from time to time. The later parts of the trading session remain indecisive on short covering. The contract traded between 449.80-453.05 and the prices finally closed at 451.20.

#### PRICE DRIVERS:

##### Bullish:

1. Lower stock of soybean
2. Stock piling by stockists.

##### Bearish:

1. Import duty cut on palm oil
2. Huge production estimates.
3. Low consumer demands

#### 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

Bearish opening filled bozu candlestick indicate weak sentiment in the market. Stochastic remain in overbought region and moving down indicating bearish sentiments likely to continue. MACD indicate bearish sentiments. Volume and OI both decreased indicating weak market sentiments. Trade with caution.



#### SUPPORT / RESISTANCES:

| Contract        | S2     | S1    | PCP   | R1     | R2    |
|-----------------|--------|-------|-------|--------|-------|
| NCDEX September | 445.85 | 447.7 | 451.2 | 454.95 | 456.4 |

#### TRADE RECOMMENDATION:

NCDEX Refined Soy Oil September Contract:  
Sell below 452.4; T1 near 450.90; T2-449.40 and put stop loss at 453.50.

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

| Centres                  | 12.08.06 | 11.08.06 | Change |
|--------------------------|----------|----------|--------|
| Mumbai (Soy Ref oil)+VAT | 434      | 434      | 0      |
| Indore (Soy Ref oil)+VAT | 419      | 424      | -5     |
| Kota (Soy Ref. Oil)+VAT  | 418      | 420      | -2     |
| Hyderabad (Soy Ref)+VAT  | 480      | 482      | -2     |
| 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 decline significantly in almost all the centers on reduction of the import duty on palm oil. The market further loses its lustre on the news about reduction of import duty on the crude palm oil and RBD Palmolein. The market is expected to follow the BMD futures.

#### BMD: CPO Futures (11.8.2006)

(Ringgit/ton)

| Months  | Previous | Open | High | Low  | Close | Change | Volume |
|---------|----------|------|------|------|-------|--------|--------|
| Jun 06  | 1624     | 1635 | 1639 | 1627 | 1627  | +3     | 130    |
| July 06 | 1634     | 1633 | 1654 | 1625 | 1639  | +5     | 637    |
| Aug 06  | 1655     | 1653 | 1674 | 1644 | 1659  | +4     | 7219   |
| Sep 06  | 1671     | 1667 | 1687 | 1660 | 1672  | +1     | 3637   |
| Oct 06  | 1685     | 1685 | 1697 | 1675 | 1688  | +3     | 443    |

#### Palm oil – Spot Market Price

(Rs. Per 10 kg)

| Centres                      | 12.08.06 | 11.08.06 | Change |
|------------------------------|----------|----------|--------|
| Kandla CPO (5 % FFA)         | 419      | 433      | -14    |
| Kandla RBD Palmolein +VAT    | 440      | 446      | -6     |
| Mumbai RBD Palmolein +VAT    | 440      | 452      | -12    |
| Chennai RBD Palmolein +VAT   | 470      | 479      | -9     |
| Kakinada RBD Palmolein +VAT  | 443      | 455      | -12    |
| Hyderabad RBD Palmolein +VAT | 472      | 475      | -3     |
| Delhi RDB Palmolein          | 450      | 470      | -20    |

#### Rape/Mustard oil

The spot market prices of the mustard seeds decline sharply on almost all the regions on weak demand and weakness in other oils. The mustard seed prices at Jaipur and Kota remain at Rs. 1755 and 1575 respectively. NAFED is selling the mustard seeds at Rs. 1570 in different centers of Rajasthan, which had a bearish impact on the market. The price is expected to follow other oils closely.

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

| Centres                    | 12.08.06 | 11.08.06 | Change |
|----------------------------|----------|----------|--------|
| Mumbai (Exp. Oil) +VAT     | 430      | 430      | 0      |
| Kota (Expeller Oil)+VAT    | 402      | 405      | -3     |
| Jaipur (Expeller Oil)+VAT  | 405      | 408      | -3     |
| Delhi (Expeller Oil)       | 420      | 430      | -10    |
| Neewai (Expeller Oil) +VAT | 401      | 410      | -9     |

#### Groundnut Refine Oil

Groundnut oil prices on domestic spot markets decline in few region while in other market the prices remain steady. This is a jerk in the bullish sentiments on reduction of import duty on palm oil. Gujarat's arrivals of groundnut seeds were around 10000-12000 bags (bag=35 kg). GN oil prices expected to follow other oils.

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

| Centres            | 12.08.06 | 10.08.06 | Change |
|--------------------|----------|----------|--------|
| Mumbai +VAT        | 535      | 540      | -3     |
| Rajkot +VAT        | 525      | 525      | 0      |
| Andhra Region +VAT | 567      | 580      | -13    |
| Chennai +VAT       | 520      | 520      | 0      |
| Delhi              | 570      | NA       | -      |

#### Sunflower Refine Oil

Sunflower oil prices at Mumbai remain firm on high demand. Demand from the Southern states keeps the prices on the higher level. The prices closely follow the palm oil prices. CIF sunflower oil prices (Aug/Sep shipments) increased on Saturday at \$650/ton.

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

| Markets       | 12.08.06 | 11.08.06 | Change |
|---------------|----------|----------|--------|
| Mumbai +VAT   | 510      | 509      | +1     |
| Chennai +VAT  | 525      | 525      | 0      |
| Hyderabad VAT | 525      | 525      | 0      |

#### Cotton Refine Oil

The spot market prices decline in the major markets, closely following other oils. Prices are expected to move range bound with slight bearish sentiments in near term.

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

| Markets        | 12.08.06 | 11.08.06 | Change |
|----------------|----------|----------|--------|
| Mumbai +VAT    | 463      | 464      | -1     |
| Hyderabad +VAT | 460      | 470      | -10    |
| Rajkot + VAT   | 448      | 450      | -2     |
| Delhi          | 445      | 445      | 0      |

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

| Ports         | Vessels        | Volume (Ton) | Carrying | Status   |
|---------------|----------------|--------------|----------|----------|
| Kandla        | Hartati        | 5000         | CPO      | Expected |
|               | Destiny        | 5000         | CPO      | Arrived  |
|               | Ace 7          | 11760        | Palm Oil | Expected |
|               | Pacific Ace    | 7500         | CPO      | Expected |
|               | Acushnet       | 30500        | SBO      | Expected |
| Kolkata       | Padang Halaban | 6000         | CPO      | Arrived  |
| Cochin        | Havi Ocean     | 7000         | Palm Oil | Arrived  |
| New Mangalore | L Star         | 6000         | CPO      | Expected |
| Mumbai        | Shimakaze      | 8300         | Palm Oil | Expected |
| Chennai       | Spring Wind    | 2000         | Palm Oil | Arrived  |
| JN Port       | Produce        | 13000        | SBO      | Expected |
|               | Global Venus   | 9000         | CPO      | Arrived  |
| Mundra        | Vernal Grace   | 6000         | CPO      | Arrived  |
|               | Acushnet       | 7700         | SBO      | Arrived  |
| Kakinada      | Ace I          | 5000         | CPO      | Arrived  |
| Tuticorin     | Chem Baltic    | 6000         | Palm Oil | Expected |

**Forex Rates**

(As on 12.08.2006)

| Country/ Continent | Currency       | Value in Rupees |
|--------------------|----------------|-----------------|
| USA                | Dollar         | 46.50           |
| European Union     | Euro           | 59.32           |
| Japan              | 100 Yen        | 39.97           |
| United Kingdom     | Pound Sterling | 88.13           |